

Q1 2025

Unaudited



SPAREBANKEN
SØR



Table of Contents

Key figures Group.....	4
Board of Director's report.....	6
General.....	6
Highlights in Q1 2025.....	6
Financial framework conditions.....	6
Sustainability (ESG).....	7
Earnings.....	8
Net Interest Income.....	9
Commission Income.....	10
Financial instruments.....	10
Income from associated companies.....	11
Operating expenses.....	12
Losses on non-performing loans.....	13
Loans.....	14
Deposits.....	15
Wholesale funding and liquidity portfolio.....	15
Rating.....	16
Subordinated capital and capital adequacy.....	16
The Bank's equity certificates.....	18
Dividend policy.....	18
Subsidiaries and associated companies.....	18
Outlook.....	21
Events after the reporting period.....	21
Income statement.....	24
Statement of comprehensive income.....	24
Balance sheet.....	25
Cash flow statement.....	27
Statement of change in equity.....	28
Notes.....	30
1. Accounting policies.....	30
2. Segment reporting.....	31
3. Subordinated capital and capital adequacy.....	32
4. Interest income and interest expenses.....	33
5. Losses on loans, guarantees and undrawn credits.....	34
6. Non-performing loans.....	38
7. Impairment losses by sector, industry and stage.....	38
8. Migration of gross loans.....	39
9. Customer deposits by sector and industry.....	41
10. Loans to customers by sector and industry.....	41
11. Fair values of financial instruments.....	42

12. Financial derivatives, collateral received and offsetting	45
13. Debt securities and subordinated loan capital	46
14. Equity certificate holders	47
Risk and capital management	48
Quarterly trends in results	50
Key figures Group 2020-2024.....	52
Calculations.....	54
Alternative performance measures – APM.....	55

Key figures Group

NOK million	Q1 2025	Q1 2024	31.12. 2024
Income statement			
Net interest income	800	824	3 315
Net commission income	98	85	424
Net income from financial instruments	22	39	28
Income from associated companies	27	5	128
Other operating income	2	3	18
Total net income	948	956	3 913
Total operating expenses before losses	393	330	1 380
Operating profit before losses	555	626	2 532
Losses on loans, guarantees and unused credit	10	6	75
Profit before taxes	545	620	2 457
Tax expenses	16	47	468
Profit for the period	529	573	1 989
Key figures, income statement			
Return on equity after tax (adjusted for hybrid capital)	12.8 %	14.4 %	12.1 %
Costs as % of income	41.5 %	34.5 %	35.3 %
Costs as % of income, excl. net income from financial instruments	42.5 %	36.0 %	35.5 %
Net interest income as % of average assets	1.78 %	2.07 %	1.97 %
Key figures, balance sheet			
Total assets	181 364	161 902	176 509
Average total assets	182 300	160 000	168 000
Net loans to customers	134 874	128 869	133 441
Growth in loans as % last 12 mths.	4.7 %	3.5 %	4.6 %
Customer deposits	74 422	70 527	74 216
Growth in loans as % last 12 mths.	5.5 %	5.5 %	7.1 %
Deposits as % of net loans	55.2 %	54.7 %	55.6 %
Equity (incl. hybrid capital)	17 299	16 862	18 040
Losses on loans as % of net loans. Annualised	0.03 %	0.02 %	0.06 %
Other key figures			
Liquidity reserve (LCR) Group	178 %	150 %	199 %
Liquidity reserve (LCR) Group- Euro	206 %	239 %	471 %
Liquidity reserve (LCR) Parent Bank	161 %	134 %	162 %
Common equity tier 1 capital ratio	16.1 %	16.6 %	16.4 %
Tier 1 capital ratio	17.9 %	18.6 %	18.3 %
Total capital ratio	20.4 %	20.7 %	20.7 %
Total common equity tier 1 capital ratio	14 712	14 428	14 739
Tier 1 capital ratio	16 420	16 110	16 447
Net subordinated capital	18 647	17 967	18 674
Leverage ratio	8.7 %	9.3 %	9.1 %
Number of branches	30	31	30
Number of FTEs in banking operations	534	511	535

NOK million	Q1 2025	Q1 2024	31.12. 2024
Key figures. equity certificates			
Equity certificate ratio. weighted average over the period	40.0 %	40.0 %	40.0 %
Number of equity certificates issued	41 703 057	41 703 057	41 703 057
Profit/diluted earnings per equity certificate (Parent bank)	3.9	4.6	8.2
Profit/diluted earnings per equity certificate (Group)	4.9	5.3	18.2
Proposed dividend last year per equity certificate	12.2	10.0	12.2
Paid out dividend last year per equity certificate	-		10.0
Book equity per equity certificate	150.7	145.2	157.8
Price/book equity per equity certificate	1.31	0.96	1.25
Listed price on Oslo Stock Exchange at end of period	197.0	139.0	197.9

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. Life and non-life 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 Q1 2025

- Solid net interest income
- Positive development in commission income
- Strong contribution from associated companies
- Low cost-income ratio of 38.3 percent, excluding merger-related expenses.
- Continued low losses on loans
- Profit per equity certificate at NOK 4.9
- Return on equity of 12.8 percent
- Return on equity excluding merger costs: 13.4 percent
- Solid common equity tier 1 (CET1) ratio at 16.1 percent and a leverage ratio at 8.7 percent



Return on equity, excl. merge-
related expenses

13.4 %

Q1 2025



Cost-income ratio, excl.
merge-related expenses

38.3 %

Q1 2025



Net interest
income

800

NOK million

Financial framework conditions

Norwegian Economy

At the beginning of 2025, the Norwegian economy was characterised by high interest rates and a historically weak Norwegian krone, but also by inflation gradually approaching the central bank's target. These developments reflect the lingering effects of the pandemic and Russia's aggressive warfare. At the start of the year, it was expected that inflation would continue to decline, and that Norges Bank would reduce its policy rate in March 2025, following the example of nearly all other countries.

Throughout the first quarter, there was increasing optimism among businesses and households. This was reflected in a sharp rise in housing prices at the start of the year (6.5 percent nationwide and 8.0 percent in Agder over the first three months), continued low unemployment, unexpectedly high inflation in February (3.6 percent year-on-year), and positive expectations reported in Norges Bank's regional network.

These positive early-year developments contributed to keeping interest rates elevated, and the anticipated rate cut in March was called off. At the same time, the market was shaken by increased uncertainty following President Donald Trump's shifts in security and trade policy. The quarter ended under the shadow of the upcoming "Liberation Day" on April 2, which included the announcement of surprisingly high tariffs on imports from all other countries.

The development in credit spreads for the types of bond financing used by the Sparebanken Sør Group was mixed in the first quarter. Spreads for covered bonds (OMF), senior preferred, and AT1 (Additional Tier 1) capital decreased, while spreads for senior non-preferred and subordinated debt increased. In February, Sparebanken Sør Boligkreditt AS issued a new 6-year euro-denominated covered bond with a notional amount of EUR 500 million. That same month, the parent bank issued NOK 350 million in senior non-preferred debt through an increase of an existing loan.

The annual growth in domestic gross debt to the public (K2) was 3.6 percent at the end of February 2025 (compared to 3.5 percent as of March 31, 2024). Credit growth to households and the business sector was 4.0 percent and 1.5 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. The consequence of the committee's recommendation is a weakening of the position of the equity certificate, a simplification of the process for converting savings banks into commercial banks, and a removal of customers' opportunity 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.

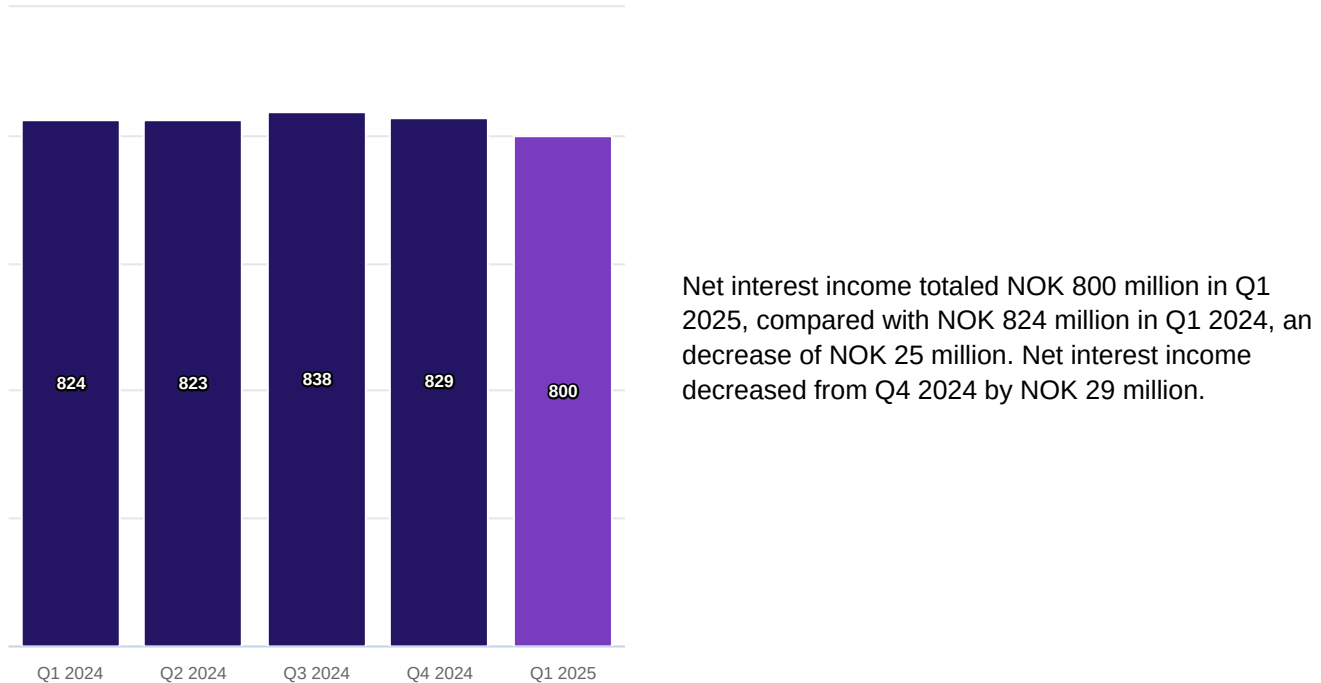
For more comprehensive information about the Bank's sustainability efforts, please refer to the 2024 Annual Report, published on www.sor.no, where sustainability is an integrated part of the financial statements.

Earnings

Profit before tax amounted to NOK 545 million in Q1 2025, compared with NOK 620 million in the same period in 2024. Return on equity after tax amounted to 12.8 percent in Q1 2025, compared with 14.4 percent in the same period in 2024. Adjusted for merger-related costs, return on equity was 13.4 percent in the first quarter of 2025.

Net Interest Income

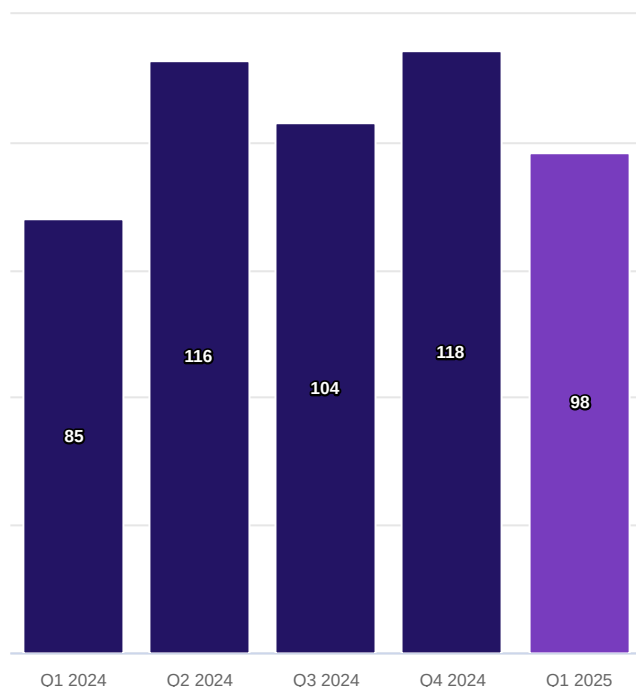
Quarterly net interest income (NOK million)



The net interest income in the first quarter of 2025 reflects a stable policy rate and a market characterised by strong competition, particularly within the retail segment. The weaker net interest income can also be explained by a lower number of banking days compared to corresponding periods – one day fewer than in the same period of 2024, and two days fewer than in the previous quarter. Furthermore, in the first quarter, new financing of EUR 500 million has been issued to cover future maturities, which negatively impacts the net interest income for the quarter. Loan growth in the retail market remains healthy and helps to mitigate the impact of margin pressure. The Bank anticipates continued pressure on margins, as well as solid growth in both the retail and corporate segments going forward.

Commission Income

Quarterly net commission income (NOK million)



Net commission income totaled NOK 98 million in Q1 2025, compared with NOK 85 million in Q1 2024, an increase of NOK 13 million.

Gross commission income in Q1 2025 totaled NOK 134 million, compared with NOK 111 million in Q1 2024.

Commission income	Q1 2025	Q1 2024	Change
Payment services	55	51	4
Real estate brokerage	41	27	14
Mutual fund	9	10	-1
Insurance	17	14	3
Credit procurement and leasing	2	2	-0
Other commission income	9	8	2
Total	134	111	22

There has been a positive development in commission income, driven by gains across payment services, insurance (Frende), and real estate brokerage (Sørmegleren). Income from real estate agency operations saw a substantial increase in the first quarter of 2025, rising by NOK 14 million compared to the same period in 2024, as a result of high activity in the housing market. Revenues from mutual funds (Norne) and other products remained at the same level as the previous year.

Financial instruments

Net income from financial instruments amounted to NOK 22 million in Q1 2025, compared to NOK 39 million in Q1 2024.

Net income from financial instruments	Q1 2025	Q1 2024	Change
Bonds and certificates	-10	13	-22
Shares incl. dividends	23	10	13
Fixed rate loans	-1	1	-2
Securities issued - hedge accounting	-6	2	-8
Repurchase of issued bonds	0	0	-
Payment services (agio)	8	6	2
Other financial instruments	8	7	1
Total	22	39	-17

The most significant movements in Q1 2025 relate to a net positive contribution from equity investments of NOK 23 million. However, there were negative value changes in the liquidity portfolio amounting to NOK –10.0 million during the period, driven by increased credit spreads. The liquidity portfolio totaled NOK 35.0 billion as of March 31, 2025, and consists of highly liquid covered bonds and certificates issued by the government and municipalities.

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 recognised 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 Frende Kapitalforvaltning AS. 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.

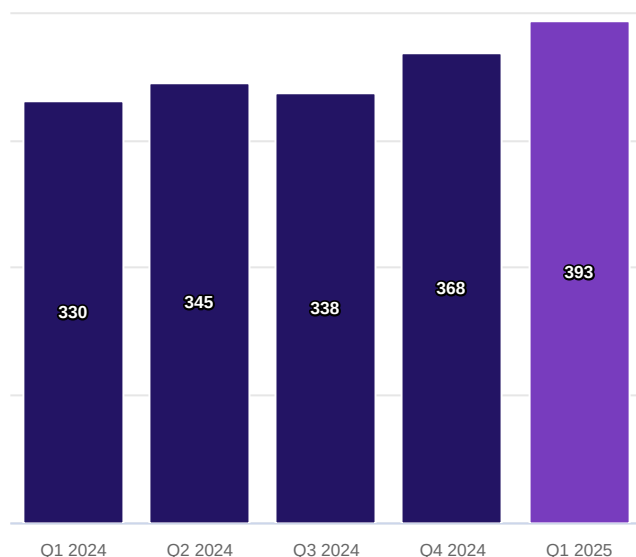
Associated companies		Q1 2025	Q1 2024	Change
Frende Holding AS - 22,5 %	Share of profit	7	-2	8
	Amortisation	-7	-6	-1
Brage Finans - 26,8 %	Share of profit	27	12	15
Balder Betaling - 26,8 %	Share of profit	0	0	0
Frende Kapitalforvaltning AS - 35 %	Share of profit	1		1
Total		27	5	22

The profit share from Frende Holding in the first quarter of 2025 reflects a positive development, with improved profitability and a lower claims ratio compared to the same period in 2024, which was adversely affected by extensive natural disasters and several major individual claims. In connection with the stepwise acquisition of shares in Frende Holding AS, excess values have been identified and are being amortised over their expected useful life. These amortisations are presented in the table above.

The profit share from Brage Finans in the first quarter of 2025 reflects growth in both portfolio size and income. The corresponding period in 2024 was significantly impacted by a loss provision related to a large individual exposure.

Operating expenses

Quarterly operating expenses (NOK million)



Operating expenses totaled NOK 393 million in Q1 2025, compared with NOK 330 million in Q1 2024, an increase of NOK 63 million.

Operating expenses	Q1 2025	Q1 2024	Change
Wages and fees	170	142	28
Payroll tax	26	23	4
Financial tax	7	7	1
Pension costs	15	13	2
Other personnel costs	13	10	3
Total personnel costs	231	195	37
Depreciation, amortization and impairment of non-current assets	14	10	5
Marketing	9	10	-1
IT costs	65	70	-5
Operating cost - real estate	10	8	2
External fees	37	5	32
Wealth tax	-	8	-8
Other operating expenses	26	25	1
Total other operating expenses	147	125	22
Total Operating expenses	393	330	63

Personnel costs have increased by NOK 37 million compared to the same period in 2024. This was mainly due to general wage growth, as well as an increase in the number of full-time equivalents (FTEs) by 23 over the past 12 months. 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. Following the announcement of the upcoming merger, hiring within staff and support functions has been scaled back. Nevertheless, the Bank continues to maintain a strong focus on sustaining activity within its customer-facing operations, irrespective of the merger process. Effective from 1 January 2025, the Bank changed its method for accruing holiday pay. This adjustment led to a NOK 13 million increase in staff costs in the first quarter compared to the same period last year.

Operating expenses have increased due to merger-related costs and are in line with expectations for the period. As of 31 March 2025, a total of NOK 30.2 million has been expensed in connection with the merger with Sparebanken Vest. In 2025, the Bank implemented a change in the accounting principle for wealth tax. Under the new approach, the entire amount for 2025 will be expensed in the fourth quarter, in accordance with the point in time when the obligation arises. Previously, the wealth tax was accrued and expensed gradually throughout the year.

In Q1 2025, costs as a percentage of income were 41.5 percent (34.5 percent). Costs as a percentage of income, excluding financial instruments, were 42.5 percent (36.0 percent). The cost-to-income ratio excluding merger-related costs was 38.3 percent.

Losses on non-performing loans

Net losses on loans amounted to NOK 10 million in Q1 2025, compared to a net loss of NOK 6 million in Q1 2024.

By the end of the first quarter of 2025, there have been some positive changes in macroeconomic conditions, resulting in altered operating frameworks for both corporate and retail customers. While many countries have begun to lower their policy rates, Norway remains one of the few exceptions, maintaining a historically high interest rate. The first rate cut in Norway is expected during the third quarter of 2025. So far in 2025, activity in the new housing market has remained low, accompanied by a continued decline in construction activity. During the same period, however, there has been a positive price trend in the housing market within the Bank's core geographic area. Housing prices in the Group's main markets have, in 2025, been somewhat above the national average.

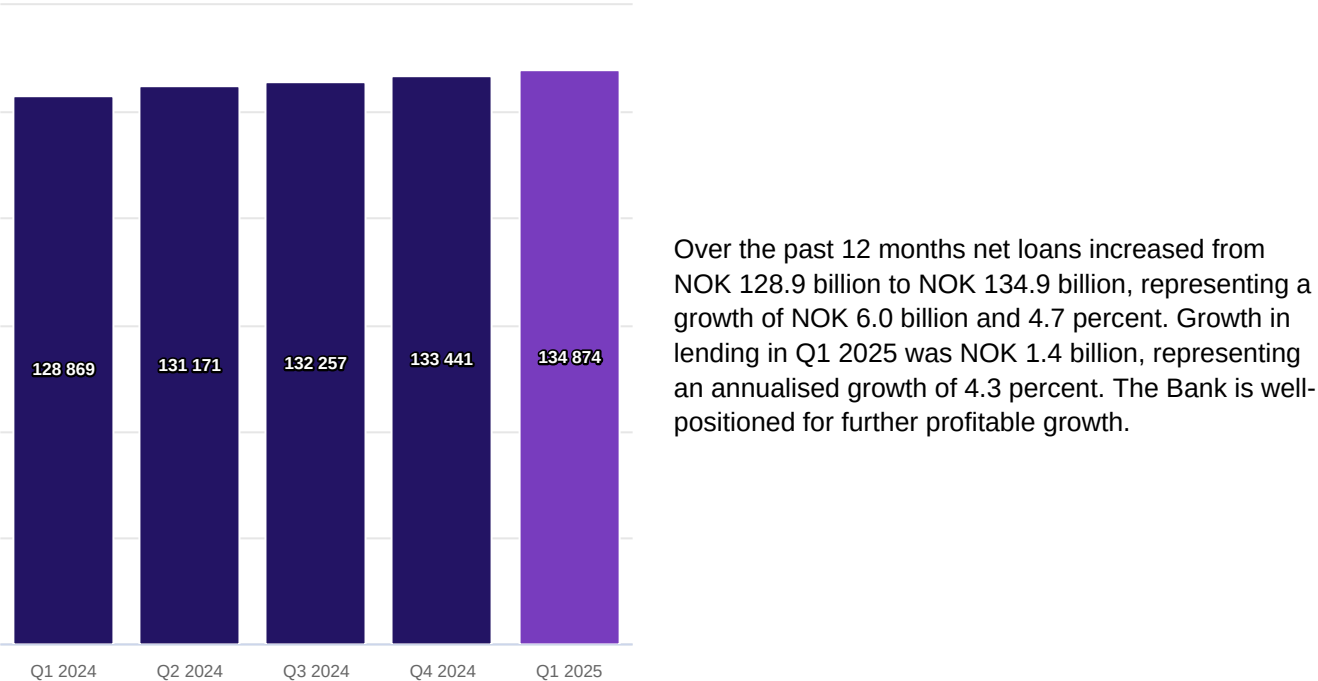
There are no individual events in the first quarter of 2025 that have significantly affected the loan loss provisions. The Group reports a low level of credit losses for the quarter.

Total impairments for the Group amounted to NOK 485 million at the end of the first quarter of 2025, representing 0.36 percent of gross loans. The corresponding figures in the first quarter of 2024 were NOK 474 million and 0.37 percent of gross loans.

Non-performing commitments were at NOK 1 438 million at the end of the first quarter of 2025, up from NOK 1 072 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. Non-performing commitments accounted for 1.06 percent of gross loans (0.80 percent in the same period in 2024).

Loans

Loans in NOK million



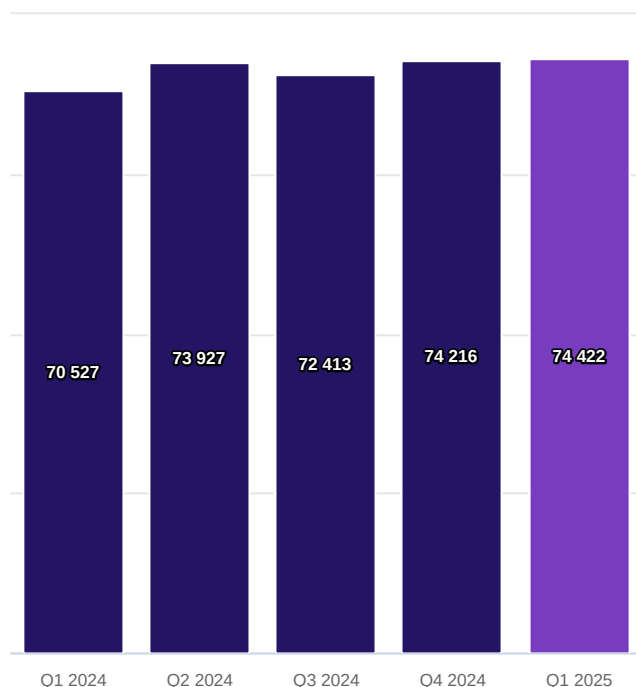
Gross loans for retail customers have increased by NOK 5.1 billion in the last twelve months to NOK 87.7 billion, a growth of 6.1 percent. The annualised lending growth in the first quarter of 2025 was 5.8 percent. The Bank has an ambition to increase market share in the retail market and has a stated 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 1.0 billion over the past twelve months to NOK 47.6 billion, representing a growth of 2.1 percent. The annualised lending growth in the first quarter of 2025 was 1.4 percent. Growth within the corporate market is focused on profitability and will vary somewhat throughout the year.

Loans to retail customers accounted for 64.8 percent (63.9 percent) of total lending at the end of the first quarter of 2025.

Deposits

Deposits in NOK million



Over the past 12 months, customer deposits including accrued interest have increased from NOK 70.5 billion to NOK 74.4 billion, a growth of NOK 3.9 billion and 5.5 percent. Annualised deposit growth in Q1 2025 amounted to 1.1 percent.

Deposits from retail customers (excluding accrued interest) has increased by NOK 2.0 billion to NOK 35.3 billion in the last twelve months, representing a growth of 6.2 percent.

Deposits from corporate customers (excluding accrued interest) has increased by NOK 1.8 billion to NOK 38.5 billion in the last twelve months, representing a growth of 4.9 percent.

The deposit coverage ratio in Sparebanken Sør was 55.2 percent at the end of the first quarter of 2025, up from 54.7 percent at the same time in 2024.

Wholesale funding and liquidity portfolio

The Group maintains a strong liquidity position. Liquidity buffers are solid, and the maturity profile of the funding is well aligned with the Group's operations. New long-term funding is raised through the issuance of covered bonds (OMF), senior unsecured bonds, and subordinated senior bonds. The Group has facilitated long-term financing in the international market through established EMTN programmes.

The Group's bond debt (debt incurred through the issuance of securities) amounted to NOK 71.1 billion at the end of the first quarter of 2025, of which 90 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 beginning of 2025 has been challenging, marked by significant volatility due to international market turbulence. Despite this, the Group successfully issued a green Additional Tier 1 bond of EUR 500 million in the European market during the first quarter of 2025. The issuance was carried out before market turbulence intensified, under favorable market conditions and terms.

As of 31 March 2025, the Group's holdings of interest-bearing securities amounted to NOK 35.0 billion. The Group's Liquidity Coverage Ratio (LCR) stood at 178 percent (161 percent for the parent bank). The Group benefits from a high proportion of long-term funding, and the Net Stable Funding Ratio (NSFR) was 118.5 percent at the end of the quarter (115.1 percent for the parent bank), confirming the Group's strong 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.

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.

All covered bonds issued by Sparebanken Sør Boligkreditt AS are rated by Moody's and carry a rating of Aaa. As of June 2023, Sparebanken Sør Boligkreditt AS was assigned an issuer rating of A1/Prime-1 by Moody's, in line with the rating assigned to the parent bank. As at the end of the first quarter of 2025, Sparebanken Sør Boligkreditt AS maintained an A1 rating, with the same rating outlook as the parent bank.

Subordinated capital and capital adequacy

At the end of Q1 2025, net subordinated capital totaled at NOK 18.6 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 20.4 percent, the tier 1 capital ratio was 17.9 percent, and the common equity tier 1 (CET) capital ratio was 16.1 percent. The calculations are based on the Standardised Approach under the capital requirements framework. Brage Finans AS is proportionally consolidated in the Group's capital reporting.

Common Equity Tier 1 (CET1) capital, including 50 percent of profit after tax, amounted to 16.4 percent at the end of the first quarter of 2025. This is well above the CET1 capital requirement of 14.9 percent, and the requirement including the capital buffer of 15.9 percent. The Group's internal target for common equity tier 1 capital ratio is now 16.2 percent. Since the second quarter of 2017, the Bank has applied a simplified audit of its quarterly reports in order to include accumulated profits in its capital adequacy calculations. However, due to the merger with Sparebanken Vest on 2 May 2025, in which Sparebanken Sør will be the transferring entity, this was not carried out for the first quarter of 2025.

The parent bank had a (total) capital ratio of 25.4 percent, a tier 1 capital ratio of 22.3 percent and a CET1 capital ratio of 19.9 percent at the end of Q1 2025.

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 (CRD).

This implies that the Common Equity Tier 1 capital requirement to cover the Pillar 2 requirement amounts to 0.9 percent.

The countercyclical capital buffer requirement amounted to 2.5 percent as of March 31, 2025, as Norges Bank decided in January 2025 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 3 March 2025, the Ministry of Finance announced that CRR3 will enter into force in Norway from 1 April 2025. The most significant change for Norwegian banks is the introduction of the new Standardised Approach for credit risk. Under this new approach, the capital requirements for the safest residential mortgages are notably reduced, as the risk weight is lowered from 35 to 20 percent.

The new Standardised Approach also entails reduced risk weights for commercial real estate overall. Loans with low loan-to-value (LTV) ratios will benefit from lower capital requirements, while loans with higher LTV ratios will face slightly higher requirements compared to the current framework.

Based on the composition of the Group's lending portfolio, the revised credit risk framework is expected to have a very positive effect for the Group. Calculations based on the Bank's balance sheet as of 31 March 2025 indicate an increase of 2.1 percentage points in the Common Equity Tier 1 (CET1) capital ratio under the new Standardised Approach. Further optimisation of the portfolio is required to realise additional effects, but adaptation to the Internal Ratings-Based (IRB) approach will be prioritised following the merger with Sparebanken Vest.

The Group's leverage ratio was 8.7 percent at the end of the first quarter of 2025, compared to 9.3 percent at the end of the first quarter of 2024. The reason for the change is primarily due to the bank having a high liquidity reserve at the end of the quarter as a result of early financing, which impacts the unweighted balance. Furthermore, the leverage ratio is affected by the fact that the expected retained earnings for this quarter are not included in the capital adequacy. 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 March 31, 2025, the subordinated MREL requirement has been set at 35.7 percent and amounted to NOK 23.3 billion. The subordinated MREL requirement has been set at 28.7 percent and amounted to NOK 18.7 billion. By the end of the first quarter in 2025, the Bank had issued a total of NOK 8.5 billion in senior non-preferred bonds (Tier 3).

The Bank's equity certificates

As of March 31, 2025, the Bank had issued 41 703 057 equity certificates.

The result (Group) per equity certificate amounted to NOK 4.9 per certificate in the first quarter of 2025, compared to NOK 5.3 per certificate in the same period in 2024.

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 normalised market situation, external conditions, future need for Common Equity Tier 1, and the Bank's strategic plans.

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 March 31, 2025, the Bank had transferred NOK 65.0 billion to Sparebanken Sør Boligkreditt AS, equivalent to 74.1 percent of all loans to the retail market.

The Bank's own real estate business, **Sørmeqleren**, is the absolute leader in Southern Norway. At the end of March 31, 2025, the company had 96 employees in 17 locations.

The profit before tax for the first quarter of 2025 was positive at NOK -1.1 million, compared to NOK -11.1 million in the same periode 2024. The first quarter is typically characterised by lower market activity compared to other quarters, but the start of 2025 has been very positive. By contrast, Sørmeqleren experienced an unusually challenging first quarter in 2024, although performance improved from the second quarter onwards. The company has maintained its market share and continues to confirm its position as the leading real estate agent in the region.

In April 2025, the Bank acquired all the shares in Sørmeqleren, and the company is now a wholly owned subsidiary.

Sørlandet Forsikringssenter 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. 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. On 1 January 2025, Frende Skadeforsikring took over the onshore insurance portfolio of Granne Forsikring. As a result, Frende's portfolio increased by NOK 196 million at the same time, and the acquisition included a new team of 25 advisers based at the Ålesund office.

In the first quarter of 2025, Frende Holding AS reported a pre-tax profit of NOK 41 million, up from NOK -26 million in the previous year.

The investment portfolio was affected by political unrest towards the end of the quarter, but Frende is nevertheless satisfied with a financial result of NOK 80 million from actively managed assets as of the end of the first quarter of 2025 (NOK 100 million in the same period last year). The portfolio delivered a return of 1.26 percent for the quarter, which is 0.20 percentage points above the strategic benchmark index.

Frende Skadeforsikring reported a profit before tax of NOK 23 million for the first quarter of 2025, compared to NOK -72 million in the same period last year. The company's total portfolio premium amounted to NOK 3,301 million (NOK 2,667 million in Q1 2024). As of year-end 2024, the national market share stood at 3.4 percent (3.3 percent the previous year).

In the first quarter of 2025, the claims ratio was 83.9 percent (99.9 percent), and the combined ratio was 102.1 percent (119.5 percent). The non-life insurer had a strong start to the year, with a claims ratio below expectations and a significant improvement from the prior year. Motor claims frequency remains elevated, but observed claims ratios for this product indicate that the company has now managed to offset the sharp claims inflation experienced over the past two years.

Frende Livsforsikring reported a profit before tax of NOK 19 million for the first quarter of 2025, down from NOK 48 million in the same period of 2024. The negative trend in disability insurance products continued into 2025, while the life insurance product delivered a solid risk result for the quarter.

The life insurance portfolio premium stood at NOK 842 million as of 31 March 2025, compared to NOK 755 million in the same period last year.

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 first quarter of 2025 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. Nevertheless, there are early signs of renewed optimism and confidence as the new year begins.

Profit before tax for the first quarter of 2025 amounted to NOK 144.2 million, compared to NOK 65.1 million in the same quarter of the previous year. The result yielded a return on equity (RoE) of 10.3 percent for the quarter, compared to 5.1 percent for the first quarter of 2024. Net interest income amounted to NOK 234.5 million for the quarter, compared to NOK 216.4 million in the first quarter of 2024, an increase of 8 percent. The increase is primarily a result of portfolio growth.

As of March 31, 2025, Brage Finans had a gross loan portfolio of NOK 27.4 billion. This is an increase of NOK 3.1 billion (13 percent) compared to March 31, 2024. Balance sheet provisions amounted to NOK 239.9 million as of March 31, 2025, which was equivalent to 0.88 percent of the gross loan portfolio.

Toward the end of the quarter, Brage Finans successfully refinanced a shareholder loan of NOK 2 billion, which was well received by the market.

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 March 31, 2025, Norne had a profit before tax of NOK -1.5 million, compared to NOK -1.1 million in 2024.

Capital markets continue to be characterised by uncertainty and volatility. However, client activity among retail customers in equity and fund trading remains at a very satisfactory level. In this segment, the company develops its services in close collaboration with its owner banks, who act as distribution partners. Within the fund segment, Norne offers, among other things, a fund platform that provides significant economies of scale for the Banks. In Investment Banking, activity levels remain high, particularly in advisory services to the savings bank sector. While the company generally has good access to projects across other sectors, the execution of M&A transactions and capital raisings tends to take longer than under more "normal" market conditions. Some Investment Banking projects were postponed during the first quarter, but there is also strong momentum in the initiation of new and strategically important projects expected to be completed over the course of the year.

Norne Securities is well positioned for continued growth and maintains high ambitions. The company's strategic objective is to be a leading provider of all relevant capital market services to savings banks and their clients. In cooperation with its owners, Norne is currently exploring several opportunities to further develop its business areas.

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) An investment company that 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 period of high policy rates has helped cool down the interest rate-sensitive parts of the Norwegian economy. Throughout 2024, households remained cautious and built up significant financial savings (net NOK 100 billion) instead of investing in real capital (houses, cabins, cars, boats, etc.).

In 2025, the policy rate set by Norges Bank is expected to decline. Given households' substantial net financial savings accumulated throughout 2024, combined with pent-up demand for new housing and other capital goods, the housing market in particular is expected to gain strong momentum once Norges Bank begins to lower rates. This will have a positive and much-needed impact on the construction industry, which has endured several particularly challenging years.

At the same time, we are facing increasing global uncertainty, particularly driven by the newly inaugurated U.S. President, Donald Trump. Heightened concerns related to geopolitical and trade policy developments have become more prominent in the minds of Norwegian consumers and businesses, and may act as a drag on economic growth. This, in turn, could increase the likelihood of interest rate cuts.

On 2 October 2024, the General Meeting decided to merge Sparebanken Sør with Sparebanken Vest. The planned merger is a strategic initiative to strengthen the 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 March 31, 2025, that affect the quarterly accounts.

Kristiansand, 29 April 2025



Knut Ruhaven Sæthre
Chairman



Mette Ramfjord Harv
Deputy Chairman



Merete Steinvåg Østby



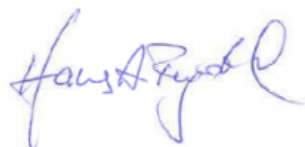
Erik Edvard Tønnesen



Trond Randøy



Eli Giske



Hans Arthur Frigstad



Tina Maria Kvale



Geir Bergskaug
CEO



Income statement

PARENT BANK			NOK million	Notes	GROUP		
31.12. 2024	Q1 2024	Q1 2025			Q1 2025	Q1 2024	31.12. 2024
5 114	1 246	1 258	Interest income effective interest method	<u>4</u>	2 079	1 990	8 223
1 406	333	358	Other interest income	<u>4</u>	453	360	1 594
3 818	899	995	Interest expenses	<u>4</u>	1 732	1 526	6 502
2 702	681	621	Net interest income	<u>4</u>	800	824	3 315
498	110	122	Commission income		134	111	549
143	30	41	Commission expenses		36	26	125
355	80	81	Net commission income		98	85	424
346	20	-	Dividend		-	20	36
20	19	35	Net income from other financial instruments		22	19	-8
366	39	35	Net income from financial instruments		22	39	28
128	5	27	Income from associated companies		27	5	128
17	3	1	Other operating income		2	3	18
145	7	28	Total other income		28	8	146
866	126	145	Total net other income		148	131	598
3 569	807	766	Total net income		948	956	3 913
661	161	189	Wages and other personnel expenses		231	195	809
52	9	14	Depreciation, amortization and impairment of non-current assets		14	10	57
493	117	140	Other operating expenses		147	125	515
1 206	287	344	Total operation expenses before losses		393	330	1 380
2 362	520	422	Operating profit before losses		555	626	2 532
73	2	11	Losses on loans, guarantees and undrawn credit	<u>5</u>	10	6	75
2 290	518	411	Profit before taxes	<u>2</u>	545	620	2 457
365	21	-13	Tax expenses		16	47	468
1 925	497	425	Profit for the period		529	573	1 989
-	-	-	Minority interests		-0	-1	1
1 925	497	425	Majority interests		529	574	1 988
87	18	21	Attributable to additional Tier 1 capital holders		21	18	87
1 838	478	404	Attributable to ECC-holders and to the primary capital		508	555	1 901
1 925	497	425	Profit for the period		529	574	1 988
8.2	4.6	3.9	Profit/diluted earnings per equity certificate (in whole NOK)		4.9	5.3	18.2

Statement of comprehensive income

PARENT BANK			NOK million	Notes	GROUP		
31.12. 2024	Q1 2024	Q1 2025			Q1 2025	Q1 2024	31.12. 2024
1 925	497	425	Profit for the period		529	574	1 988
-	-	-	Change in value, basis swaps		30	-24	-64
1	-1	1	Change in the value of residential mortgages			-	
-0	0	-	Tax effect		-7	5	14
0	-0	1	Total other comprehensive income		23	-19	-50
1 925	496	426	Comprehensive income for the period		552	554	1 939
-	-	-	Minority interests		-0	-1	1
496	496	426	Majority interests		552	555	1 938
17.6	4.6	3.9	Comprehensive income/diluted earnings per equity certificate		5.1	5.1	17.8

Balance sheet

PARENT BANK			NOK million		GROUP		
31.12. 2024	Q1 2024	Q1 2025	ASSETS	Notes	Q1 2025	Q1 2024	31.12. 2024
492	220	271	Cash and receivables from central banks	11	271	220	492
8 352	5 199	13 046	Loans to credit institutions	11	5 001	921	4 602
72 899	74 046	69 837	Net loans to customers	2,6,7,8,10,11	134 874	128 869	133 441
25 687	23 480	24 334	Bonds and certificates	11	34 988	26 317	31 042
260	229	279	Shares	11	283	231	264
1 037	1 069	1 024	Financial derivatives	11.12	2 935	2 751	3 789
4 240	3 223	4 240	Shareholding in group companies		-0	0	-0
2 000	1 644	2 027	Shareholding in associated companies		2 027	1 644	2 000
-	-		Deferred tax assets		20	-	18
108	107	120	Intangible assets		131	118	119
429	451	446	Property, plant and equipment		510	520	493
452	440	183	Other assets		325	311	248
115 956	110 109	115 808	TOTAL ASSETS	2.11	181 364	161 902	176 509
LIABILITIES AND EQUITY CAPITAL							
6 116	5 836	5 279	Liabilities to credit institutions	11	4 679	5 307	5 584
74 248	70 540	74 445	Deposits from customers	2,9,11	74 422	70 527	74 216
7 021	6 987	7 026	Liabilities related to issue of securities	11.13	71 112	57 470	66 340
919	883	800	Financial derivatives	11.12	974	894	919
368	246	-7	Payable taxes		19	360	491
1 743	1 518	1 936	Other liabilities		2 070	1 397	526
154	139	154	Provisions for commitments		154	139	154
35	47	22	Deferred tax		-	20	-
8 118	7 163	8 512	Senior non-preferred	11.13	8 512	7 163	8 118
2 120	1 762	2 122	Subordinated loan capital	11.13	2 122	1 762	2 120
100 843	95 123	100 289	Total liabilities		164 066	145 040	158 469
5 412	5 186	5 412	Equity certificate capital	14	5 412	5 186	5 921
1 585	1 545	1 585	Hybrid capital		1 585	1 545	1 585
8 117	8 255	8 522	Other equity		10 302	10 132	10 535
15 114	14 986	15 519	Total equity	3.14	17 299	16 862	18 040
115 956	110 109	115 808	TOTAL LIABILITIES AND EQUITY	2.11	181 364	161 902	176 509

Kristiansand, 29 April 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. 2024	Q1 2024	Q1 2025		Q1 2025	Q1 2024	31.12. 2024
6 444	1 503	1 686	Interest received	2 557	2 306	9 770
-3 700	-551	-703	Interest paid	-1 412	-1 226	-6 413
368	47	346	Other payments received	49	87	422
-1 107	-348	-356	Operating expenditure	-432	-342	-1 257
7	2	1	Loan recoveries	1	2	7
-394	-161	-184	Tax paid for the period	-236	-181	-499
-288	-40	-69	Gift expenditure	-69	-40	-288
-3	-0	-1	Fraud cases paid	-1	-0	-3
-27	20	-0	Change in other assets	-0	20	-27
4 905	880	-159	Change in customer deposits	-150	883	4 890
-1 185	-2 213	3 041	Change in loans to customers	-1 443	-1 320	-6 013
2 473	2 193	-837	Change in deposits from credit institutions	-905	1 777	2 054
7 492	1 333	2 764	Net cash flow from operating activities	-2 041	1 966	2 642
8 953	1 331	11 954	Payments received, securities	11 477		9 334
-12 579	-2 789	-10 602	Payments made, securities	-15 404	-2 130	-16 153
15		-	Payments received, sale of property, plant and equipment	-		15
-44	-9	-19	Payments made, purchase of property, plant and equipment	-29	-13	-47
315		-	Payments received, investments in subsidiaries and associates	-		65
-1 811	-503	0	Payments made, investments in subsidiaries and associates	0	-102	-397
11	-24	-42	Change in other assets	-53	-26	-6
-3 340	-187	-4 695	Change in loans to credit institutions	-399	-453	-4 135
-8 480	-2 180	-3 404	Net cash flow from investing activities	-4 408	-2 725	-11 324
0		0	Change in deposits from credit institutions	0		1
2 000		-	Payments received, bond debt	5 783		14 000
-2 000	0	-0	Payments made, bond debt	-0	0	-6 300
-947	-25	-28	Payments made, dividends and interest on hybrid capital	-28	-25	-947
1 000	-0	350	Issue of senior non-preferred	350	-0	1 000
850		-	Issue of subordinated loan capital	-		850
-500	-0	-0	Deduction of subordinated loan capital	-0	0	-500
-39	-12	102	Change in other liabilities	129	-65	-63
760	460	-	Issue of hybrid capital	-	460	760
-82	-106	31	Change in financial derivative assets	-156	-45	72
91	133	-49	Change in financial derivative debt	138	37	-45
-260		-	Buyback of hybrid capital	-		-260
-13	-4	-4	Payments of rental obligations	-4	-4	-13
17		16	Payments received of own equity certificates	16	16	16
	17		Payments of own equity certificates			
877	464	419	Net cash flow from financing activities	6 228	375	8 571
-111	-383	-221	Net change in liquid assets	-221	-384	-111
604	604	492	Cash and cash equivalents as at 1 Jan	492	604	604
492	220	271	Cash and cash equivalents at end of period	271	220	492

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 31.12.2023	2 079	2 068	1 449	1 085	7 768	662	1 639	3	16 752
Dividend distributed for 2023			-417						-417
Profit Q1 2024				25			549		574
Interest paid, hybrid capital				-25					-25
Calculated tax on interest hybrid capital							6		6
Issuance of hybrid capital				460					460
Other comprehensive income*							-19		-19
Allocated gift fund						-480			-480
Sale of own equity certificates	6		1		10				16
Other changes							-6	1	-5
Balance 31.03.2024	2 084	2 068	1 033	1 545	7 777	182	2 169	4	16 862
Profit Q2-Q4 2024			723	91	321	764	-485		1 414
Interest paid, hybrid capital				-91					-91
Calculated tax on interest hybrid capital			12		17		-6		23
Issuance of hybrid capital				300					300
Buyback of hybrid capital				-260					-260
Other comprehensive income							-31		-31
Allocated gift fund						235			235
Distributed customer dividends						-417			-417
Sale of own equity certificates									-
Other changes					1		1	3	5
Balance 31.12.2024	2 084	2 068	1 768	1 585	8 117	764	1 648	7	18 040
Dividend distributed for 2024			-509						-509
Profit YTD 2025				28			501		529
Interest paid, hybrid capital				-28					-28
Calculated tax on interest hybrid capital							7		7
Other comprehensive income *							23		23
Allocated gift fund						-348			-348
Approved customer dividends						-416			-416
Issuance of hybrid capital			-3		-13				-16
Buyback of hybrid capital			3		13				16
Other changes							0	-1	-0
Balance 31.03.2025	2 084	2 068	1 259	1 585	8 117	0	2 179	6	17 299

PARENT BANK									
NOK million	Equity certificates	Premium Fund	Dividend equalization-fund	Hybrid capital	Primary capital	Gift fund	Other equity	Minority interests	TOTAL
Balance 31.12.2023	2 079	2 068	1 032	1 085	7 768	-	-0	-	14 032
Profit Q1 2024				25			472		497
Interest paid, hybrid capital				-25					-25
Calculated tax on interest hybrid capital							6		6
Issuance of hybrid capital				460					460
Other comprehensive income							-1		-1
Sale of own equity certificates	6		1		10				16
Balance 31.03.2024	2 084	2 068	1 033	1 545	7 777		477		14 986
Profit Q2-Q4 2024			723	91	1 085		-472		1 427
Interest paid, hybrid capital				-91					-91
Calculated tax on interest hybrid capital			12		17		-6		23
Allocated dividends **			-509		-416				-925
Allocated gifts					-348				-348
Issuance of hybrid capital				300					300
Buyback of hybrid capital				-260					-260
Other comprehensive income					1		1		2
Sale of own equity certificates									-
Other changes									
Balance 31.12.2024	2 084	2 068	1 259	1 585	8 117		-0		15 114
Profit YTD 2025				28			397		425
Interest paid, hybrid capital				-28					-28
Calculated tax on interest hybrid capital							7		7
Other comprehensive income							1		1
Issuance of hybrid capital			-3		-13				-16
Buyback of hybrid capital			3		13				16
Balance 31.03.2025	2 084	2 068	1 259	1 585	8 117		405		15 519

* Basic adjustments to interest and currency swaps were NOK -79.0 million as of 1.1.2025 and NOK -55.6 million as of 31.03.2025. 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 2024 unless otherwise specified. There are no new standards applicable for 2025 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 Forsikringscenter 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 2024 annual financial statements, Note 2.

The turmoil following the pandemic and Russia's aggressive warfare has largely come under control. In most countries, policy interest rates were reduced several times during 2024. However, in 2025, new uncertainty has emerged in the global economy, partly as a result of the U.S. presidential election and the introduction of increased tariffs affecting large parts of the world. This has, among other things, led Norway to stand out as an exception with respect to monetary policy, as the key policy rate remains at its highest level. As of the end of the first quarter of 2025, these conditions have been taken into account in the assessment of the macroeconomic parameters used as input in the credit loss evaluations.

Housing prices in the Group's core markets have shown a positive, though moderate trend over several years. As of the first quarter of 2025, statistics indicate that the development in the Bank's main geographic area has been somewhat stronger than 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					31.03.2025
Income statement (NOK million)	RM	CM	Undistrib. and elimin.	Total banking business	Sørmegleren	Total
Net interest and commission income	370	310	119	800	-0	800
Net other operating income	47	28	30	105	43	148
Operating expenses	202	70	77	349	44	393
Profit before losses per segment	216	268	73	556	-1	555
Losses on loans and guarantees	1	11	-1	10		10
Profit before tax per segment	215	257	74	546	-1	545
Gross loans to customers	90 783	44 775	-241	135 318		135 318
Impairment losses	-48	-396	0	-444		-444
Net loans to customers	90 734	44 380	-240	134 874		134 874
Other assets			46 362	46 362	129	46 491
Total assets per segment	90 734	44 380	46 121	181 235	129	181 364
Deposits from customers	36 776	30 604	7 042	74 422		74 422
Other liabilities	53 958	13 776	21 781	89 514	129	89 643
Total liabilities per segment	90 734	44 380	28 823	163 937	129	164 066
Equity			17 299	17 299		17 299
Total liabilities and equity per segment	90 734	44 380	46 121	181 235	129	181 364

Report per segment	BANKING BUSINESS					31.03.2024
Income statement (NOK million)	RM	CM	Undistrib. and elimin.	Total banking business	Sørmegleren	Totalt
Net interest and commission income	353	318	153	824	-0	824
Net other operating income	30	27	45	102	29	131
Operating expenses	150	50	91	290	40	330
Profit before losses per segment	234	295	108	637	-11	626
Losses on loans and guarantees	1	7	-1	6		6
Profit before tax per segment	233	288	109	631	-11	620
Gross loans to customers	85 567	44 005	-274	129 298		129 298
Impairment losses	-60	-369	0	-429		-429
Net loans to customers	85 507	43 636	-274	128 869		128 869
Other assets			32 936	32 936	97	33 033
Total assets per segment	85 507	43 636	32 662	161 805	97	161 902
Deposits from customers	34 638	28 896	6 992	70 527		70 527
Other liabilities	50 869	14 740	8 807	74 416	97	74 513
Total liabilities per segment	85 507	43 636	15 800	144 943	97	145 040
Equity			16 862	16 862		16 862
Total liabilities and equity per segment	85 507	43 636	32 662	161 805	97	161 902

3. Subordinated capital and capital adequacy

PARENT BANK			NOK million	GROUP		
31.12.2024	31.03.2024	31.03.2025		31.03.2025	31.03.2024	31.12.2024
15 114	14 986	15 519	Total equity	17 299	16 862	18 040
Tier 1 capital						
-1 585	-1 545	-1 585	Equity not eligible as common equity tier 1 capital	-1 708	-1 682	-1 708
-	-292	-404	Share of profit not eligible as common equity tier 1 capital	-554	-489	-1 273
-108	-107	-120	Deductions for intangible assets and deferred tax assets	-131	-119	-130
-33	-50	-45	Deductions for additional value adjustments	-44	-34	-41
-235	-236	-235	Other deductions	-149	-110	-149
13 153	12 756	13 131	Total common equity tier 1 capital	14 712	14 428	14 739
Other tier 1 capital						
1 585	1 545	1 585	Hybrid capital	1 708	1 682	1 708
14 738	14 301	14 716	Total tier 1 capital	16 420	16 110	16 447
Additional capital supplementary to tier 1 capital						
2 100	1 750	2 100	Subordinated loan capital	2 227	1 857	2 227
2 100	1 750	2 100	Total additional capital	2 227	1 857	2 227
16 838	16 051	16 816	Net subordinated capital	18 647	17 967	18 674
Minimum requirement for subordinated capital Basel II calculated according to standard method						
31	17	28	Engagements with local and regional authorities	30	19	33
1 130	1 124	1 942	Engagements with institutions	353	431	334
3 370	3 512	3 367	Engagements with enterprises	6 203	6 040	5 984
7 114	8 704	6 682	Engagements with mass market	11 608	12 432	11 598
35 737	35 009	34 821	Engagements secured in property	57 391	54 378	56 885
1 118	852	1 179	Engagements which have fallen due	1 461	1 096	1 419
1 993	1 861	2 537	Engagements which are high risk	2 537	1 862	1 993
1 522	1 426	1 487	Engagements in covered bonds	2 108	1 606	1 885
7 294	5 558	7 355	Engagements in collective investment funds	2 142	1 443	2 104
978	1 240	687	Engagements other	799	1 071	761
60 288	59 301	60 084	Capital requirements for credit and counterparty risk	84 632	80 378	82 996
5 954	5 130	5 954	Capital requirements for operational risk	6 496	5 672	6 496
179	182	93	CVA addition	469	717	521
66 421	64 614	66 132	Risk-weighted balance (calculation basis)	91 597	86 766	90 013
19.8 %	19.7 %	19.9 %	Common equity tier 1 capital ratio. %	16.1 %	16.6 %	16.4 %
22.2 %	22.1 %	22.3 %	Tier 1 capital ratio. %	17.9 %	18.6 %	18.3 %
25.3 %	24.8 %	25.4 %	Total capital ratio. %	20.4 %	20.7 %	20.7 %
12.9 %	12.6 %	12.8 %	Leverage ratio	8.7 %	9.3 %	9.1 %

PARENT BANK			NOK million	GROUP		
31.12.2023	31.03.2024	31.03.2025		31.03.2025	31.03.2024	31.12.2023
Minimum capital requirements						
4.50 %	4.50 %	4.50 %	Minimum Tier 1 capital requirements	4.50 %	4.50 %	4.50 %
2.50 %	2.50 %	2.50 %	Conservation buffer	2.50 %	2.50 %	2.50 %
4.50 %	4.50 %	4.50 %	Systemic risk buffer	4.50 %	4.50 %	4.50 %
2.50 %	2.50 %	2.50 %	Counter-cyclical buffer	2.50 %	2.50 %	2.50 %
1.60 %	1.70 %	1.60 %	Pillar 2 requirements *	1.60 %	1.70 %	1.60 %
14.90 %	14.96 %	14.90 %	CET1 requirements, incl. Pilar 2	14.90 %	14.96 %	14.90 %
16.70 %	16.78 %	16.70 %	Tier1 Capital requirements, incl. Pilar 2	16.70 %	16.78 %	16.70 %
19.10 %	19.20 %	19.10 %	Total capital requirements, incl. Pilar 2	19.10 %	19.20 %	19.10 %
9 897	9 666	9 854	CET1 requirements, incl. Pilar 2	13 648	12 980	13 412
11 092	10 842	11 044	Tier1 Capital requirements, incl. Pilar 2	15 297	14 559	15 032
12 686	12 406	12 631	Total capital requirements, incl. Pilar 2	17 495	16 659	17 193
3 256	3 090	3 277	Above CET1 requirements, incl. Pilar 2	1 064	1 448	1 327
3 645	3 459	3 672	Above Tier1 Capital requirements, incl. Pilar 2	1 124	1 551	1 415
4 151	3 645	4 184	Above total capital requirements, incl. Pilar 2	1 152	1 308	1 482

* of which 0.90% CET1 requirements

4. Interest income and interest expenses

PARENT BANK			NOK million	GROUP		
31.12.2024	Q1 2024	Q1 2025	Interest income	Q1 2025	Q1 2024	31.12.2024
<i>Interest income from financial instruments at amortised cost:</i>						
393	62	141	Interest on receivables from credit institutions	75	9	127
3 709	913	916	Interest on loans given to customers	2 004	1 981	8 096
4 102	975	1 057	Total interest from financial instruments at amortised cost	2 079	1 990	8 223
<i>Interest income from financial instruments at fair value through OCI:</i>						
1 012	271	201	Interest on loans given to customers (mortgages)	-	-	-
1 012	271	201	Total interest from financial instruments at fair value through OCI	-	-	-
5 114	1 246	1 258	Total interest income effective interest method	2 079	1 990	8 223
<i>Interest income from financial instruments at fair value:</i>						
147	33	45	Interest on loans given to customers (fixed rate loans)	45	33	147
1 260	300	313	Interest on certificates and bonds	407	326	1 447
1 406	333	358	Total interest from financial instruments at fair value through profit or loss	453	360	1 594
1 406	333	358	Total other interest income	453	360	1 594
6 520	1 580	1 616	Total interest income	2 532	2 350	9 817

PARENT BANK			NOK million	GROUP		
31.12.2024	Q1 2024	Q1 2025	Interest expenses	Q1 2025	Q1 2024	31.12.2024
<i>Interest expenses from financial instruments at amortised cost:</i>						
230	52	60	Interest on liabilities to credit institutions	53	48	208
2 559	602	674	Interest on customer deposits	674	602	2 558
410	99	97	Interest on issued securities	839	728	3 106
135	29	34	Interest on subordinated loans	34	29	135
433	105	118	Interest on senior non-perferred loans	118	105	433
51	13	11	Fees to the Norwegian Banks Guarantee Fund and other interest expenses	13	15	62
3 818	899	995	Interest expenses from financial instruments at amortised cost	1 732	1 526	6 502
3 818	899	995	Total interest expenses	1 732	1 526	6 502

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 2024 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 first quarter of 2025 is based on new assumptions as of March 31, 2025.

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.

At the start of 2025, the Norwegian economy was characterised by high interest rates and a historically weak Norwegian krone, but also by an inflation rate that was steadily declining toward the central bank's target. At that time, inflation was expected to fall further, and Norges Bank was widely anticipated to cut its policy rate in March 2025, in line with the actions already taken by most other countries.

Throughout the first quarter, both businesses and households have shown increasing optimism. This has been reflected in a sharp rise in housing prices at the beginning of the year (6.5 percent nationally and 8.0 percent in Agder during the first three months), continued low unemployment, unexpectedly high inflation in February (3.6 percent year-over-year), and positive sentiment in Norges Bank's Regional Network survey.

The following macro variables have been used when calculating impairment losses, as of March 31, 2025:

	2025	2026	2027	2028	2029
Housing price %	7.6	6.7	4.9	3.7	3.7
Housing price region %	7.6	6.7	4.9	3.7	3.7
Unemployment %	4.0	4.1	4.0	3.9	3.9
Oil prices, USD	71.9	67.9	67.1	67.1	67.1
Key policy rate	4.4	3.7	3.2	3.0	3.0
Import-weighted exchange rate	118.5	117.5	117.5	117.5	117.5
USD	10.6	10.5	10.5	10.5	10.5
CPI	3.0	2.7	2.5	2.1	2.1
Other collateral	-	-	-	-	-

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 collateralised 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	10 percent reduction in collateral	20 percent reduction in collateral	30 percent reduction in collateral	31.03.2025 1 percent increase in unemployment
Loan loss provisions NOK million				
Loan loss provisions, CM	73	163	273	8
Loan loss provisions, RM	21	50	85	3
Total	94	213	358	11

PARENT BANK	10 percent reduction in collateral	20 percent reduction in collateral	30 percent reduction in collateral	31.03.2025 1 percent increase in unemployment
Loan loss provisions NOK million				
Loan loss provisions, CM	72	162	271	8
Loan loss provisions, RM	7	17	28	1
Total	80	178	299	9

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

PARENT BANK			NOK million			
31.12. 2024	31.03. 2024	31.03. 2025	Loss expense on loans during the period	31.03. 2025	31.03. 2024	31.12. 2024
-27	1	6	Period's change in write-downs stage 1	7	1	-27
-12	14	-16	+Period's change in write-downs stage 2	-17	17	-10
66	-12	20	+Period's change in write-downs stage 3	19	-11	65
50	0	0	+ Period's confirmed loss	0	0	50
-1	0	0	+ Periodic amortization expense	0	0	-1
7	2	1	- Period's recoveries relating to previous losses	1	2	7
4	1	1	+ Losses from fraud cases	1	1	4
73	2	11	Loss expenses during the period	10	6	75

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 01.01.2025	96	212	175	484
Transfers				
Transferred to stage 1	19	-19	-	-
Transferred to stage 2	-4	6	-1	-
Transferred to stage 3	-	-3	3	-
Losses on new loans	11	6	2	18
Losses on deducted loans *	-7	-14	-6	-27
Losses on older loans and other changes	-10	7	14	9
Provisions for loan losses as at 31.03.2025	104	195	186	485
Provisions for loan losses	86	186	172	444
Provisions for losses on guarantees and undrawn credits	17	10	14	40
Total provision for losses as at 31.03.2025	104	195	186	485

*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 01.01.2025	88	197	171	456
Transfers				
Transferred to stage 1	17	-17	-0	0
Transferred to stage 2	-4	5	-1	-
Transferred to stage 3	-0	-3	3	-
Losses on new loans	8	5	2	15
Losses on deducted loans *	-6	-13	-5	-25
Losses on older loans and other changes	-9	6	14	11
Provisions for loan losses as at 31.03.2025	94	181	182	457
Provisions for loan losses	77	171	168	417
Provisions for losses on guarantees and undrawn credits	17	10	14	40
Total provision for losses as at 31.03.2025	94	181	182	457

*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 01.01.2024	124	221	124	470
Transfers				
Transferred to stage 1	26	-21	-5	0
Transferred to stage 2	-6	23	-17	-
Transferred to stage 3	-0	-11	11	-0
Losses on new loans	9	7	1	17
Losses on deducted loans *	-7	-7	-5	-19
Losses on older loans and other changes	-22	26	1	5
Provisions for loan losses as at 31.03.2024	125	238	111	474
Provisions for loan losses	110	224	96	429
Provisions for losses on guarantees and undrawn credits	15	14	15	45
Total provision for losses as at 31.03.2024	125	238	111	474

*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	23	-18	-5	-
Transferred to stage 2	-5	22	-17	-
Transferred to stage 3	-0	-11	11	-
Losses on new loans	9	7	1	16
Losses on deducted loans *	-6	-6	-4	-17
Losses on older loans and other changes	-20	21	-1	1
Provisions for loan losses as at 31.03.2024	116	223	107	446
Provisions for loan losses	101	209	92	402
Provisions for losses on guarantees and undrawn credits	15	14	15	44
Total provision for losses as at 31.03.2024	116	223	107	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		
31.12.2024	31.03.2024	31.03.2025		31.03.2025	31.03.2024	31.12.2024
1 291	940	1 307	Total non-performing loans (step 3)	1 438	1 072	1 397
171	107	182	Impairment losses in stage 3	186	111	175
1 119	833	1 125	Net non-performing loans	1 252	961	1 222
13.3 %	11.4 %	13.9 %	Provisioning non-performing loans	12.9 %	10.4 %	12.5 %
1.76%	1.30%	1.86%	Total non-performing loans in % of gross loans	1.06%	0.80%	1.04%

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 31.03.2025		Loss allowances as of 31.03.2025	Stage 3	Stage 2	Stage 1
5	11	10	26	Retail customers	53	14	25	15
3	1	-	3	Public administration	3	-	1	3
1	7	-	8	Primary Industry	8	-	7	1
3	3	22	28	Manufacturing industry	28	22	3	3
16	19	22	56	Real estate development	56	22	19	16
3	15	34	52	Building and construction industry	53	34	15	3
42	96	65	203	Property management	203	65	96	42
1	1	-	1	Transport	1	-	1	1
8	7	17	31	Retail trade	31	17	7	8
1	4	1	5	Hotel and restaurants	5	1	4	1
5	4	5	13	Housing cooperatives	13	5	4	5
3	4	3	10	Financial/commercial services	11	3	4	3
4	10	2	17	Social services	17	2	11	4
94	181	182	457	Total impairment losses on loans, guarantees and undrawn credit	485	186	195	104
77	171	168	417	Impairment losses on lending	444	172	186	86
17	10	14	40	Impairment losses on unused credits and guarantees	40	14	10	17
94	181	182	457	Total impairment losses	485	186	195	104

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

8. Migration of gross loans

31.03.2025								
PARENT BANK				NOK million		GROUP		
Stage 1	Stage 2	Stage 3	Total	GROSS LOANS	Total	Stage 3	Stage 2	Stage 1
58 445	13 734	1 136	73 316	Gross loans as at 01.01	133 885	1 248	18 508	114 129
2 032	-2 028	-4	-0	Transferd to stage 1	-	-5	-2 905	2 910
-1 448	1 458	-10	0	Transferd to stage 2	-	-21	2 732	-2 711
-7	-57	64	-0	Transferd to stage 3	-0	111	-93	-18
326	266	-6	585	Net change on present loans	-4	5	239	-248
5 440	877	10	6 327	New loans	15 130	44	1 034	14 052
-8 075	-1 867	-44	-9 985	Derecognised loans	-13 704	-65	-2 258	-11 381
11			11	Change in value during the period	11	-	-	11
56 724	12 382	1 147	70 254	Gross loans as at 31.03	135 318	1 317	17 258	116 743
			51 183	Of which loan at amortised cost	130 545			
			14 298	Of which loan at fair value through OCI				
			4 773	Of which loan at fair value	4 773			
77	171	168	417	Impairment losses on lending	444	172	186	86
0.14 %	1.38 %	14.66 %	0.59 %	Impairments in % of gross loans	0.33 %	13.07 %	1.08 %	0.07 %
67 830	13 421	1 307	82 558	Commitments	154 226	1 438	18 367	134 421
94	181	182	457	Impairment losses on commitments	485	186	195	104
0.14 %	1.35 %	13.90 %	0.55 %	Impairments in % of commitments	0.31 %	12.91 %	1.06 %	0.08 %

31.03.2024								
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
1 466	-1 401	-65	-	Transferd to stage 1	-	-86	-2 357	2 443
-2 132	2 268	-135	-0	Transferd to stage 2	0	-178	3 895	-3 717
-38	-119	156	0	Transferd to stage 3	0	200	-143	-58
856	280	-36	1 100	Net change on present loans	614	-36	262	388
6 461	824	9	7 295	New loans	9 921	72	888	8 961
-5 250	-827	-49	-6 127	Derecognised loans	-9 158	-64	-1 086	-8 009
-38			-38	Change in value during the period	-38			-38
61 484	12 170	794	74 448	Gross loans as at 31.03	129 298	965	16 282	112 051
			50 381	Of which loan at amortised cost	125 147			
			19 916	Of which loan at fair value through OCI	-			
			4 151	Of which loan at fair value	4 151			
101	209	92	402	Impairment losses on lending	429	96	224	110
0.16 %	1.72 %	11.54 %	0.54 %	Impairments in % of gross loans	0.33 %	9.95 %	1.38 %	0.10 %
72 827	13 701	940	87 467	Commitments	148 193	1 072	17 877	129 243
116	223	107	446	Impairment losses on commitments	474	111	238	125
0.16 %	1.63 %	11.38 %	0.51 %	Impairments in % of commitments	0.32 %	10.36 %	1.33 %	0.10 %

31.03.2024					31.03.2025				
PARENT BANK					NOK million				
Stage 1	Stage 2	Stage 3	Total	Gross loan assessed at amortised cost	Total	Stage 3	Stage 2	Stage 1	
40 142	8 461	828	49 431	Gross loans assessed at amortised cost 01.01	51 064	1 064	11 026	38 975	
971	-916	-55	-	Transferd to stage 1	-	-3	-1 635	1 638	
-1 411	1 538	-127	-	Transferd to stage 2	-	-10	988	-978	
-36	-99	135	0	Transferd to stage 3	-	59	-53	-6	
819	255	-46	1 028	Net change on present loans	636	-0	230	406	
1 806	246	4	2 055	New loans	2 538	10	311	2 218	
-1 761	-331	-41	-2 133	Derecognised loans	-3 055	-36	-856	-2 163	
40 530	9 153	698	50 381	Gross loan assessed at amortised cost 31.03	51 183	1 084	10 011	40 089	

31.03.2024					31.03.2025				
PARENT BANK					NOK million				
Stage 1	Stage 2	Stage 3	Total	Gross loan through other comprehensive income	Total	Stage 3	Stage 2	Stage 1	
15 804	2 683	83	18 570	Gross loan through other comprehensive income 01.01	17 276	68	2 709	14 499	
494	-485	-9	-	Transferd to stage 1	-	-1	-393	394	
-721	729	-8	-	Transferd to stage 2	-	-	469	-469	
-1	-20	21	-	Transferd to stage 3	-0	5	-4	-1	
155	25	10	189	Net change on present loans	137	-6	36	107	
4 536	579	3	5 118	New loans	3 715	0	566	3 149	
-3 457	-496	-9	-3 962	Derecognised loans	-6 830	-8	-1 011	-5 811	
16 809	3 016	91	19 916	Gross loan through other comprehensive income 31.03	14 298	58	2 372	11 868	

9. Customer deposits by sector and industry

PARENT BANK			NOK million	GROUP		
31.12.2024	31.03.2024	31.03.2025		31.03.2025	31.03.2024	31.12.2024
34 932	33 282	35 330	Retail customers	35 332	33 284	34 934
16 070	14 710	15 153	Public administration	15 153	14 711	16 071
1 178	1 304	1 265	Primary industry	1 265	1 304	1 178
1 593	1 833	1 883	Manufacturing industry	1 883	1 833	1 593
633	639	711	Real estate development	711	639	633
1 960	1 693	1 767	Building and construction industry	1 767	1 693	1 960
2 966	3 201	3 190	Property management	3 165	3 182	2 931
662	610	546	Transport	546	610	662
1 375	1 480	1 230	Retail trade	1 230	1 481	1 375
274	215	240	Hotel and restaurant	240	215	274
186	194	199	Housing cooperatives	199	194	186
5 000	4 469	5 241	Financial/commercial services	5 242	4 469	5 000
7 229	6 402	7 142	Social services	7 143	6 403	7 229
191	508	546	Accrued interests	546	508	191
74 248	70 540	74 445	Total deposits from customers	74 422	70 527	74 216

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		
31.12.2024	31.03.2024	31.03.2025		31.03.2025	31.03.2024	31.12.2024
27 560	29 250	24 433	Retail customers	87 704	82 645	86 443
440	378	439	Public administration	439	378	440
1 503	1 570	1 440	Primary industry	1 616	1 707	1 659
1 094	957	1 121	Manufacturing industry	1 205	1 025	1 172
4 691	5 193	4 730	Real estate development	4 730	5 194	4 691
2 163	1 938	2 157	Building and construction industry	2 481	2 254	2 480
23 892	23 105	24 318	Property management	24 260	23 025	23 835
529	536	531	Transport	637	631	631
1 418	1 438	1 410	Retail trade	1 556	1 591	1 567
370	407	374	Hotel and restaurant	401	428	401
2 712	2 565	2 817	Housing cooperatives	2 817	2 565	2 712
1 177	1 311	1 099	Financial/commercial services	1 515	1 620	1 563
5 766	5 799	5 386	Social services	5 957	6 235	6 291
73 316	74 448	70 254	Total gross loans	135 318	129 298	133 885
417	402	417	Impairment losses on lending*	444	429	444
72 899	74 046	69 837	Total net loans	134 874	128 869	133 441

*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 21 Fair value of financial instruments in the 2024 Annual Financial Statements.

PARENT BANK					31.03.2025		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										
271		271		Cash and receivables from central banks	271		271			
13 046		13 046		Loans to credit institutions	5 001		5 001			
50 767			50 767	Net loans to customers (floating interest rate)	130 101			130 101		
Assets recognized at fair value										
4 773			4 773	Net loans to customers (fixed interest rate)	4 773			4 773		
14 298			14 298	Net loans to customers (mortgages)						
24 334		24 334		Bonds and certificates	34 988		34 988			
279	45		234	Shares	283	45		238		
1 024		1 024		Financial derivatives	2 935		2 935			
108 792	45	38 676	70 071	Total financial assets	178 352	45	43 195	135 112		
Liabilities recognized at amortised cost										
5 279		5 279		Liabilities to credit institutions	4 679		4 679			
74 445			74 445	Deposits from customers	74 422			74 422		
7 026		7 075		Liabilities from issue of securities	71 112		71 208			
8 512		8 585		Senior non-preferred	8 512		8 585			
2 122		2 150		Subordinated loan capital	2 122		2 150			
Liabilities recognized at fair value										
800		800		Financial derivatives	974		974			
98 185	-	23 888	74 445	Total financial liabilities	161 822	-	87 595	74 422		

PARENT BANK				31.03.2024	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								
220		220		Cash and receivables from central banks	220		220	
5 199		5 199		Loans to credit institutions	921		921	
49 979			49 979	Net loans to customers (floating interest rate)	124 718			124 718
Assets recognized at fair value								
4 151			4 151	Net loans to customers (fixed interest rate)	4 151			4 151
19 916			19 916	Net loans to customers (mortgages)	-			
23 480		23 480		Bonds and certificates	26 317		26 317	
229	33		197	Shares	231	33		198
1 069		1 069		Financial derivatives	2 751		2 751	
104 244	33	29 968	74 243	Total financial assets	159 309	33	30 209	129 067
Liabilities recognized at amortised cost								
5 836		5 836		Liabilities to credit institutions	5 307		5 307	
70 540			70 540	Deposits from customers	70 527			70 527
6 987		7 035		Liabilities from issue of securities	57 470		57 503	
7 163		7 213		Senior non-preferred	7 163		7 213	
1 762		1 772		Subordinated loan capital	1 762		1 772	
Liabilities recognized at fair value								
883		883		Financial derivatives	894		894	
93 172	-	22 739	70 540	Total financial liabilities	143 124	-	72 690	70 527

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

Movement level 3

GROUP			
NOK million	Net loans to customers	Of which credit risk	Shares
Recognized value as at 01.01.2024	4 217	-2	201
Acquisitions Q1	124		2
Change in value recognized during the period	-38	-4	-5
Disposals Q1	-152		0
Recognized value as at 31.03.2024	4 151	-7	198
Acquisitions Q2-Q4	1 507		47
Change in value recognized during the period	9	-7	-9
Disposals Q2-Q4	-690		-5
Recognized value as at 31.12.2024	4 976	-14	231
Acquisitions Q1	66		0
Change in value recognized during the period	11	0	9
Disposals Q1	-281		-2
Recognized value as at 31.03.2025	4 772	-13	238

PARENT BANK			
NOK million	Net loans to customers	Of which credit risk	Shares
Recognized value as at 01.01.2023	22 787	-2	201
Acquisitions Q1	1 470		2
Change in value recognized during the period	-38	-4	-6
Disposals Q1	-152		0
Recognized value as at 31.03.2024	24 067	-7	197
Acquisitions Q2-Q4	161		47
Change in value recognized during the period	9	-7	-12
Disposals Q2-Q4	-1 984		-5
Recognized value as at 31.12.2024	22 252	-14	227
Acquisitions Q1	66		0
Change in value recognized during the period	11	0	9
Disposals Q1	-3 259		-2
Recognized value as at 31.03.2025	19 070	-13	234

Sensitivity analysis

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

GROUP / PARENT BANK			
NOK million	31.03.2025	31.03.2024	31.12.2024
Loans to customers	15	15	18
- of which loans to corporate market (CM)	-	1	-
- of which loans to retail market (RM)	15	15	17

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						31.03.2025
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	2 935	-	2 935	186	2 439	311
Derivated - liabilities	-974	-	-974	-186	10	-799
Net	1 961	-	1 961	-	2 449	-488

GROUP						31.03.2024
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	2 751	-	2 751	250	2 145	356
Derivated - liabilities	-894	-	-894	-250	8	-651
Net	1 857	-	1 857	-0	2 152	-295

PARENT BANK						31.03.2025
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	1 024	-	1 024	173	681	169
Derivated - liabilities	-800	-	-800	-173	10	-637
Net	224	-	224	-	691	-467

PARENT BANK						31.03.2024
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	1 069	-	1 069	239	677	153
Derivated - liabilities	-883	-	-883	-239	8	-651
Net	186	-	186	-	684	-498

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	31.03.2025	31.03.2024	31.12.2024
Bonds, nominal value	71 934	59 258	67 285
Value adjustments	-1 081	-1 995	-1 189
Accrued interest	259	207	244
Debt incurred due to issuance of securities	71 112	57 470	66 340

Change in debt securities – Group

NOK million	31.12.2024	Issued	Matured/ Redeemed	Other changes during the period	31.03.2025
Bonds, nominal value	67 285	5 783	-	-1 134	71 934
Value adjustments	-1 189			108	-1 081
Accrued interest	244			15	259
Debt incurred due to issuance of securities	66 340	5 783	-	-1 011	71 112

Debt securities – Parent bank

NOK million	31.03.2025	31.03.2024	31.12.2024
Bonds, nominal value	7 050	7 050	7 050
Value adjustments	-72	-122	-80
Accrued interest	49	60	51
Debt incurred due to issuance of securities	7 026	6 987	7 021

Change in debt securities – Parent bank

NOK million	31.12.2024	Issued	Matured/ Redeemed	Other changes during the period	31.03.2025
Bonds, nominal value	7 050	-	-	-	7 050
Value adjustments	-80			8	-72
Accrued interest	51			-2	49
Debt incurred due to issuance of securities	7 021	-	-	6	7 026

Change in subordinated capital – Parent bank and Group

NOK million	31.12.2024	Issued	Matured/ Redeemed	Other changes during the period	31.03.2025
Subordinated loans	2 100	-	-		2 100
Value adjustments	-4			0	-3
Accrued interest	24			2	26
Total subordinated loan capital	2 120	-	-	2	2 122

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

NOK million	31.12.2024	Issued	Matured/ Redeemed	Other changes during the period	31.03.2025
Non-preferred senior debt	8 100	350	-	-	8 450
Value adjustments	-67			5	-61
Accrued interest	85			39	123
Total non-preferred senior debt	8 118	350	-	44	8 512

14. Equity certificate holders

The 20 largest equity certificate holders as of March 31, 2025:

NAME	Number of EC	Share of EC-CAP. %
1. Sparebankstiftelsen Sparebanken Sør	10 848 993	26.01
2. Sparebankstiftelsen Sparebanken Vest	2 400 000	5.75
3. Geveran Trading Company LTd	1 940 000	4.65
4. Spesialfondet Borea Utbytte	1 646 621	3.95
5. J.P. Morgan Securities LLC	1 525 688	3.66
6. EIKA utbytte VPF c/o Eika kapitalforv.	1 391 826	3.34
7. Skandinaviska Enskilda Banken AB	1 238 172	2.97
8. KLP Gjensidige Forsikring	1 127 403	2.70
9. Pershing LLC	1 018 317	2.44
10. J.P. Morgan SE	763 795	1.83
11. Bergen Kom. Pensjonskasse	484 865	1.16
12. J.P. Morgan SE	483 232	1.16
13. J.P. Morgan SE	445 979	1.07
14. Vpf Fondsinans Utbytte	398 248	0.95
15. Verdipapirfondet Fondsinans Norge	299 585	0.72
16. Hjellegjerde Invest AS	243 507	0.58
17. Verdipapirfondet Klp Aksjenorge	241 446	0.58
18. U.S. Bank National Association	224 850	0.54
19. Catilina Invest AS	216 928	0.52
20. Agil Capital AS	216 000	0.52
Total - 20 largest certificate holders	27 155 455	65.12

As of 01.01.2025, the ownership ratio was 40.0 percent. Hybrid capital, classified as equity, has been excluded when calculating the ownership ratio. As of March 31, 2025, 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	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Profit (NOK million)					
Net interest income	800	829	838	823	824
Net commission income	98	118	104	116	85
Net income from financial instruments	22	-41	10	21	39
Income from associated companies	27	36	42	46	5
Other operating income	2	11	3	1	3
Total net income	948	953	997	1 007	956
Total operating expenses before losses	393	368	338	345	330
Operating profit before losses	555	585	660	662	626
Losses on loans, guarantees and undrawn credits	10	33	23	13	6
Profit before taxes	545	552	637	648	620
Tax expenses	16	127	150	144	47
Profit for the period	529	425	487	504	573
Profit as % of average assets					
Net interest income	1.78 %	1.87 %	1.96 %	1.98 %	2.07 %
Net commission income	0.22 %	0.27 %	0.24 %	0.28 %	0.21 %
Net income from financial instruments	0.05 %	-0.09 %	0.02 %	0.05 %	0.10 %
Income from associated companies	0.06 %	0.08 %	0.10 %	0.11 %	0.01 %
Other operating income	0.00 %	0.03 %	0.01 %	0.00 %	0.01 %
Total net income	2.11 %	2.15 %	2.33 %	2.43 %	2.40 %
Total operating expenses before losses	0.88 %	0.83 %	0.79 %	0.83 %	0.83 %
Operating profit before losses	1.24 %	1.32 %	1.54 %	1.59 %	1.57 %
Losses on loans, guarantees and undrawn credit	0.02 %	0.07 %	0.05 %	0.03 %	0.02 %
Profit before taxes	1.21 %	1.25 %	1.49 %	1.56 %	1.56 %
Tax expenses	0.04 %	0.29 %	0.35 %	0.35 %	0.12 %
Profit for the period	1.18 %	0.96 %	1.14 %	1.21 %	1.44 %
Key figures, income statement					
Return on equity after tax (adjusted for hybrid capital)	12.8 %	9.8 %	11.7 %	12.5 %	14.4 %
Costs as % of income	41.5 %	38.6 %	33.9 %	34.3 %	34.5 %
Costs as % of income, excl. net income from financial instruments	42.5 %	37.0 %	34.2 %	35.0 %	36.0 %
Key figures, balance sheet					
Total assets	181 364	176 509	170 282	167 881	161 902
Average total assets	182 300	176 000	170 000	167 000	160 000
Net loans to customers	134 874	133 441	132 257	131 171	128 869
Growth in loans as %, last 12 mths.	4.7 %	4.6 %	4.9 %	4.6 %	3.5 %
Customer deposits	74 422	74 216	72 413	73 927	70 527
Growth in deposits as %, last 12 mths.	5.5 %	7.1 %	5.4 %	6.6 %	5.5 %
Deposits as % of net loans	55.2 %	55.6 %	54.8 %	56.4 %	54.7 %
Equity (incl. hybrid capital)	17 299	18 040	17 808	17 158	16 862
Losses on loans as % of net loans, Annualised	0.03 %	0.10 %	0.07 %	0.04 %	0.02 %
Other key figures					
Liquidity reserves (LCR). Group	178 %	199 %	173 %	170 %	150 %
Liquidity reserves (LCR). Group- EUR	206 %	471 %	434 %	210 %	239 %
Liquidity reserves (LCR). Parent Bank	161 %	162 %	144 %	155 %	134 %
Common equity tier 1 capital ratio	16.1 %	16.4 %	16.7 %	16.7 %	16.6 %
Tier 1 capital ratio	17.9 %	18.3 %	18.9 %	18.6 %	18.6 %
Total capital ratio	20.4 %	20.7 %	21.9 %	21.1 %	20.7 %

NOK million	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Common equity tier 1 capital	14 712	14 739	14 774	14 603	14 428
Tier 1 capital	16 420	16 447	16 648	16 275	16 110
Net subordinated capital	18 647	18 674	19 294	18 406	17 967
Leverage ratio	8.7 %	9.1 %	9.3 %	9.2 %	9.3 %
Number of branches	30	30	31	31	31
Number of FTEs in banking operations	534	535	531	519	511
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)	3.9	5.9	3.5	3.6	4.6
Profit per equity certificate (Group)	4.9	3.8	4.4	4.6	5.3
Book equity per equity certificate	150.7	157.8	154.1	149.8	145.2
Price/book value per equity certificate	1.31	1.25	1.14	0.99	0.96
Listed price on Oslo Stock Exchange at end of period	197.0	197.9	175.0	148.6	139.0

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	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	31.12. 2024
Return on equity adjusted for hybrid capital						
Profit after tax	529	425	486	503	574	1 988
Interest on hybrid capital	-28	-32	-30	-30	-25	-116
Tax on hybrid capital	7	8	7	7	6	29
Profit after tax, incl. interest on hybrid capital	508	401	464	481	555	1 901
Opening balance, equity	18 040	17 808	17 158	16 862	16 752	
Opening balance, hybrid capital	-1 585	-1 747	-1 545	-1 545	-1 085	
Opening balance, equity excl. hybrid capital	16 455	16 061	15 613	15 317	15 667	
Closing balance, equity	17 299	18 040	17 808	17 158	16 862	
Closing balance, hybrid capital	-1 585	-1 585	-1 747	-1 545	-1 545	
Closing balance, equity excl. hybrid capital	15 714	16 455	16 061	15 613	15 317	
Average equity	17 670	17 924	17 483	17 010	16 807	17 306
Average equity excl. Hybrid capital	16 085	16 258	15 837	15 465	15 492	15 763
Return on equity	12.1 %	9.4 %	11.1 %	11.9 %	14.0 %	11.5 %
Return on equity, excl. hybrid capital	12.8 %	9.8 %	11.7 %	12.5 %	14.4 %	12.1 %
Net interest income, incl. interest on hybrid capital						
Net interest income, incl. interest on hybrid capital	800	829	838	823	824	3 315
Interest on hybrid capital	-21	-24	-22	-22	-18	-87
Net interest income, incl. interest on hybrid capital	779	805	816	801	806	3 227
Average total assets	182 300	176 000	170 000	167 000	160 000	168 000
As percentage of total assets	1.73 %	1.82 %	1.91 %	1.93 %	2.03 %	1.92 %
Profit from ordinary operations (adjusted earnings)						
Net interest income, incl. interest on hybrid capital	779	805	816	801	806	3 227
Net commission income	98	118	104	116	85	424
Share of profit from associated companies	27	36	42	46	5	128
Other operating income	2	2	3	1	3	9
Operating expenses	363	347	328	345	330	1 351
Profit from ordinary operations (adjusted earnings), before tax	542	613	637	618	569	2 437
Losses on loans, guarantees and undrawn credits	10	33	23	13	6	75
Profit excl. finance and adjusted for non-recurring items	532	580	614	605	562	2 361
Tax (25 %) adjusted for tax, share of profit associated companies	103	109	115	112	114	449
Ordinary operations /adjusted earnings after losses and tax	428	471	499	493	449	1 912
Average equity, excl. hybrid capital	16 085	16 258	15 837	15 465	15 492	15 763
Return on equity, profit excl. finance and adjusted for non-recurring items	10.8 %	11.5 %	12.5 %	12.8 %	11.6 %	12.1 %
Average interest rates/margins						
Average lending rate RM (return)	5.64 %	5.66 %	5.70 %	5.72 %	5.68 %	
Average lending rate CM (return)	7.02 %	7.14 %	7.16 %	7.19 %	7.24 %	
Average deposit rate RM	3.07 %	2.97 %	2.91 %	2.91 %	2.87 %	
Average deposit rate CM	3.79 %	3.90 %	3.94 %	4.01 %	3.86 %	
Average 3-month NIBOR	4.54 %	4.69 %	4.74 %	4.72 %	4.71 %	
Lending margin RM (lending rate - 3-month NIBOR)	1.10 %	0.97 %	0.96 %	1.00 %	0.97 %	
Lending margin CM (lending rate - 3-month NIBOR)	2.47 %	2.44 %	2.42 %	2.47 %	2.53 %	
Deposit margin RM (3-month NIBOR - deposit rate)	1.47 %	1.73 %	1.83 %	1.81 %	1.84 %	
Deposit margin CM (3-month NIBOR - deposit rate)	0.76 %	0.80 %	0.80 %	0.71 %	0.85 %	
Interest-rate margin (lending rate – deposit rate)						
Interest-rate margin RM	2.57 %	2.69 %	2.79 %	2.81 %	2.82 %	
Interest-rate margin CM	3.23 %	3.24 %	3.22 %	3.18 %	3.38 %	

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.
Return on equity adjusted for merger costs (ROE adjusted)	ROE provides relevant information about the Group's profitability by measuring its ability to generate returns from the shareholders' investment. In 2025, in connection with the upcoming merger with SPV, significant additional costs beyond ordinary operations will be incurred. The Bank therefore presents return on equity excluding merger costs in addition to the ordinary return on equity. It is calculated as: Profit after tax for the period (adjusted for interest on hybrid capital and merger costs), divided by average equity (adjusted for hybrid capital). Average equity is calculated quarterly as (opening balance – closing balance) / 2. At year-end, the average equity is calculated as the average of the preceding quarters' 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.
Cost/income ratio adjusted for merger costs (Expenses ex merger cost as % of income)	Provides Information on the Relationship Between Income and Expenses Adjusted for Incurred Merger Costs This is considered one of Sparebanken Sør's key performance indicators. It is calculated as total operating expenses minus incurred merger costs, 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 divided by the book value per equity certificate.
Losses on loans as % of net loans (annualised)	This key figure indicates losses on loans as a percentage of net loans. It is calculated as losses on loans (including losses on loans transferred to SSBK) divided by net loans (including loans transferred to SSBK) at period end. Where information is disclosed on loan-loss ratios for periods shorter than one year, the ratios are annualised.
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.