



**Rogaland
Sparebank**



Vier

Rogaland
Sparebank

Capitalmarketsday
7th of November 2024

Agenda

- Rogaland Sparebank; a new bank, a new strategy period
- Eika is a solid and strategically important partner
- Local macro
- Key figures as of Q3



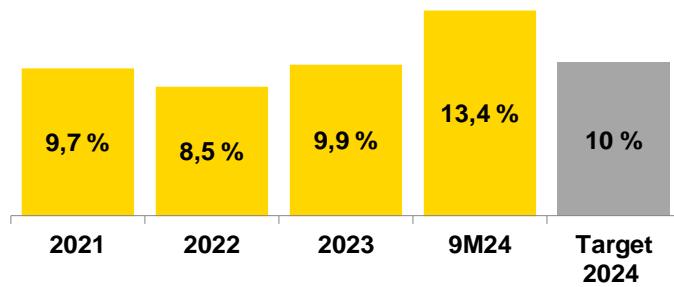
Agenda

- **Rogaland Sparebank; a new bank, a new strategy**
 - From 2017 to 2028
 - New vision – new strategic goal
 - Branding, customer concept, people, and society
 - Profitable growth in the retail market
 - The most attractive SMB bank

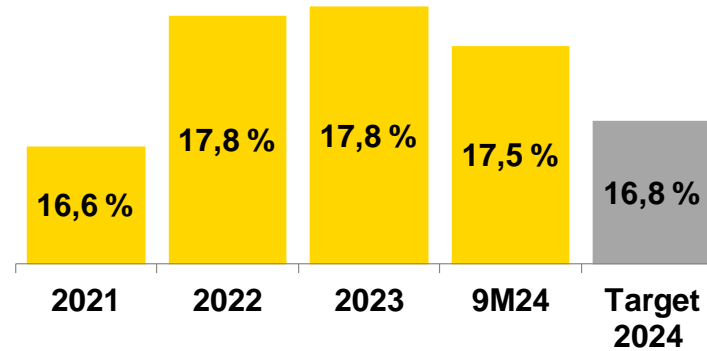


Financial Targets for 2021-2024

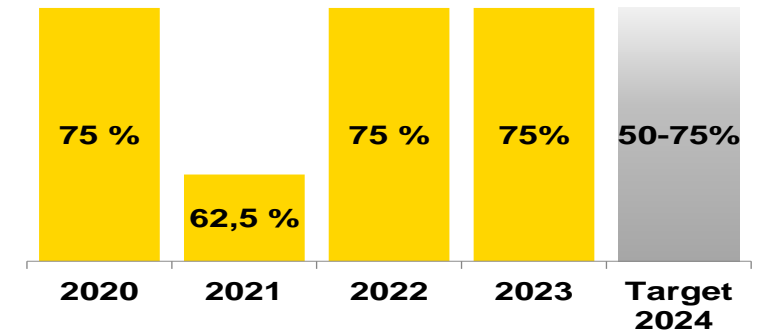
ROE



CET1

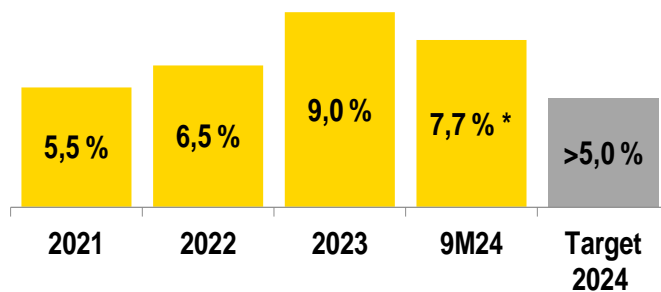


Dividends

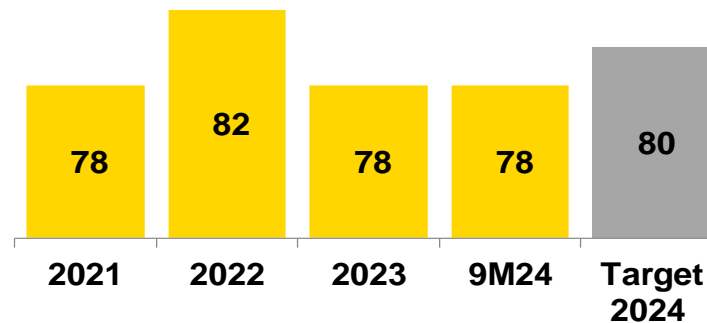


* Internal goal of + 1,5 % management buffer above the applicable regulatory requirements at all times

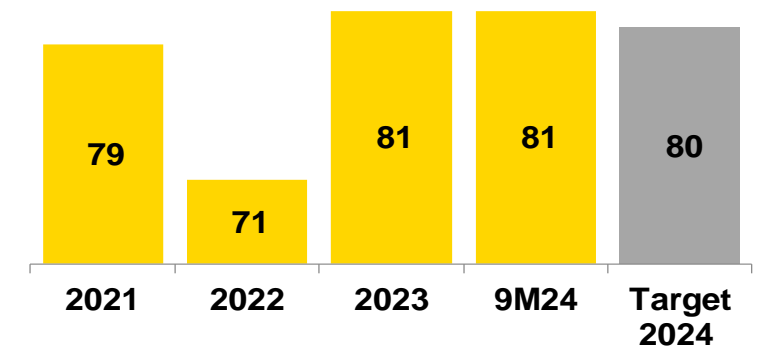
Profitable Growth



Customer Satisfaction Retail



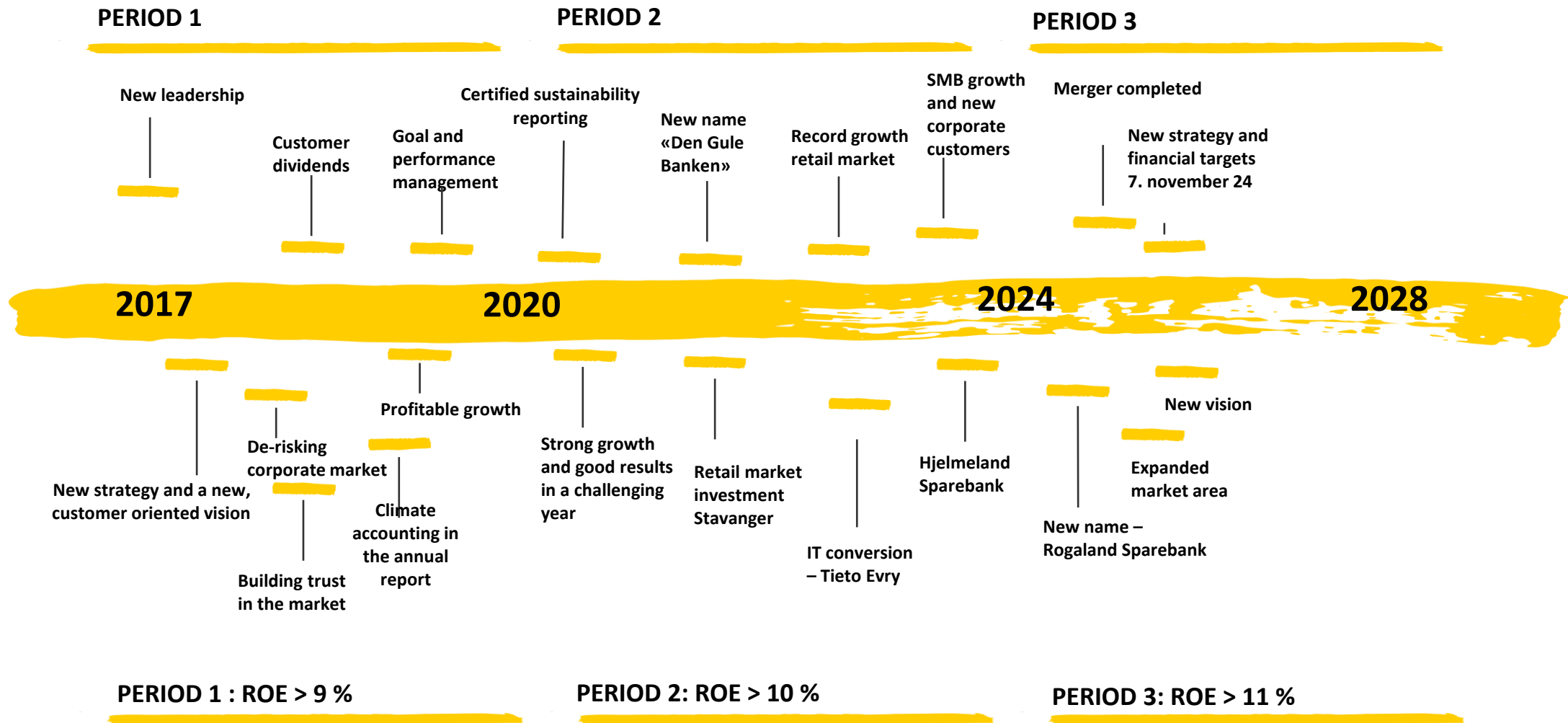
Customer Satisfaction Corporate



* Total lending (including merger) has increase by 16,7 % over the last 12 months



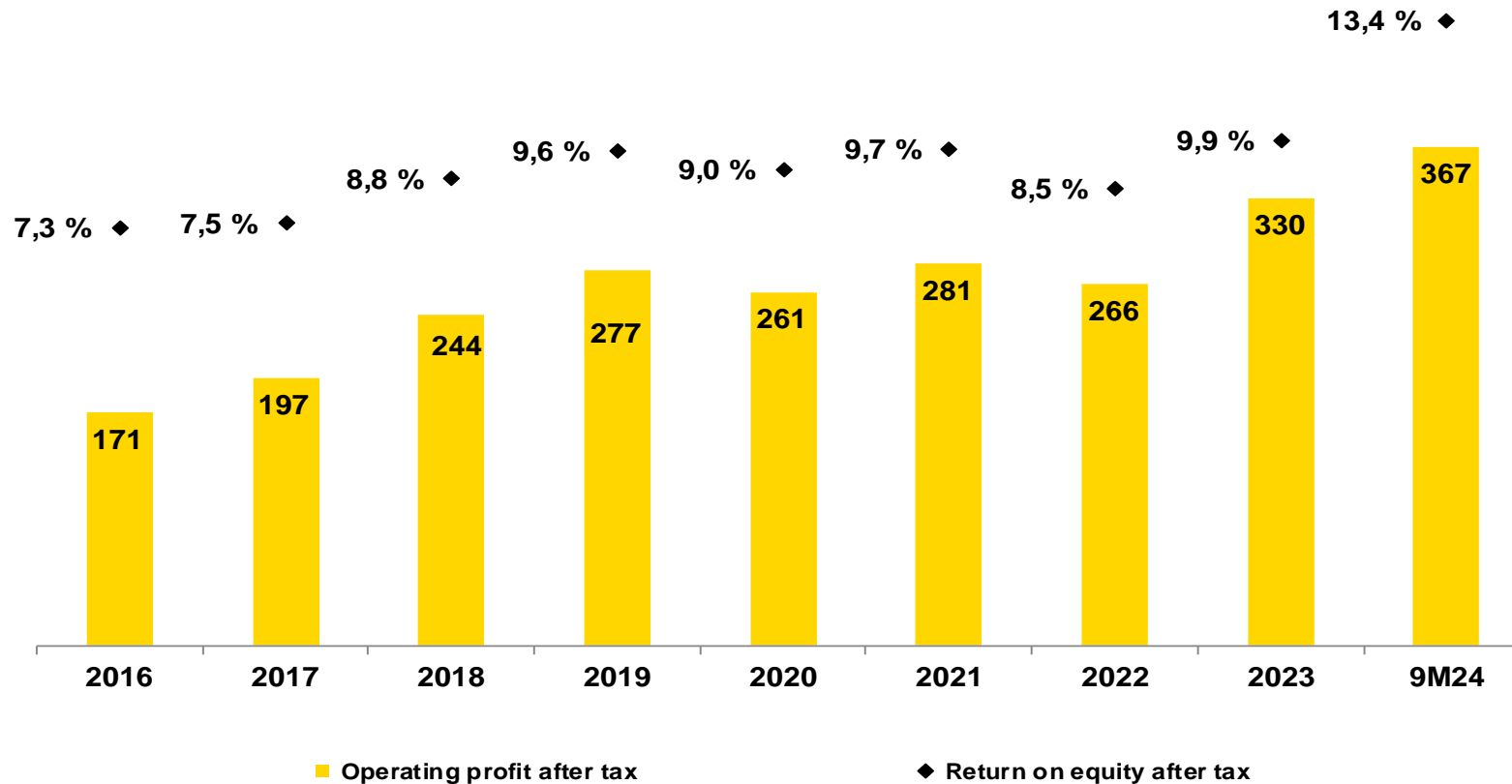
New strategy period 2025 - 2028





Solid results throughout the strategy periods

Operating profit after tax and ROE



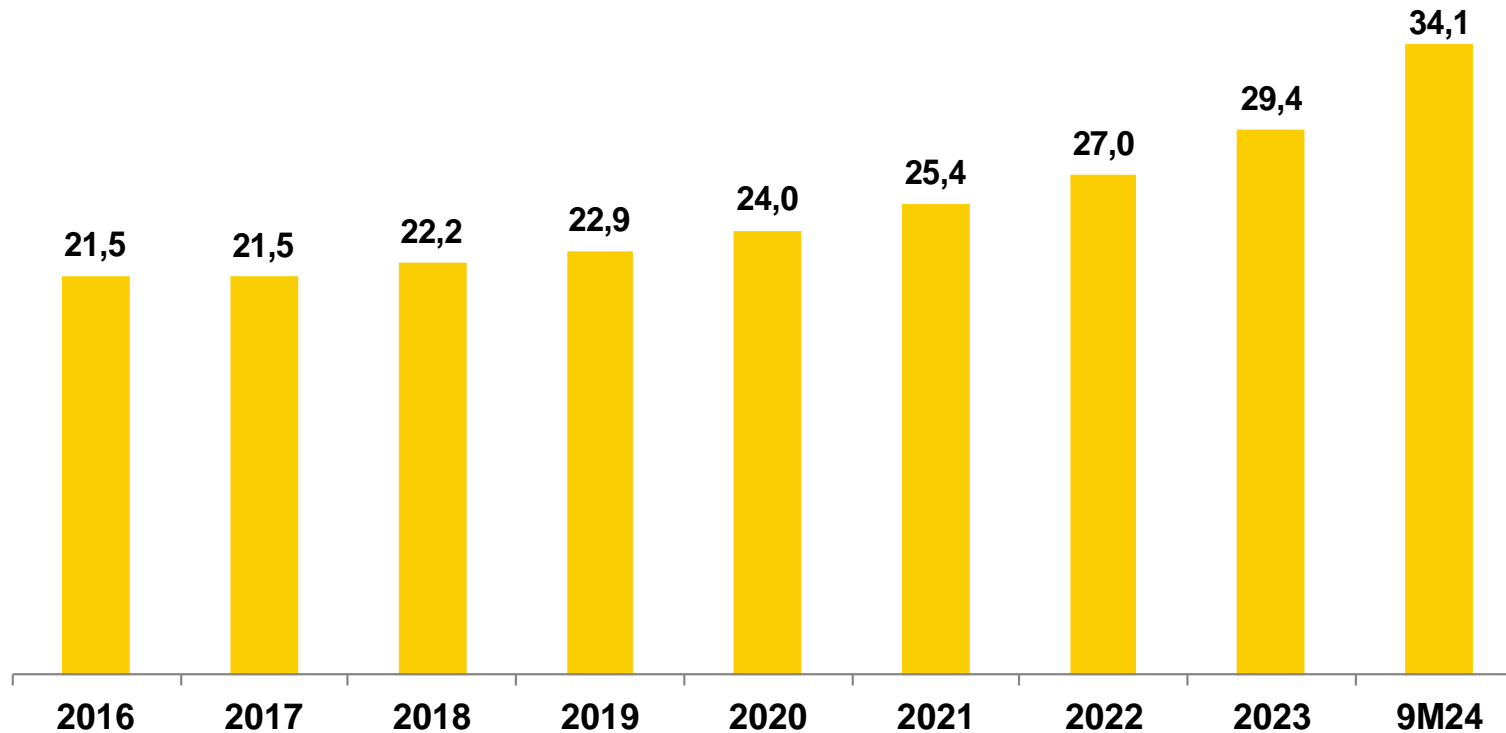
Main points

- Compound annual growth rate (CAGR) from 31.12.16 – 31.12.23 at 9,8%
- Costs related to changing the core banking system are charged in total 67 MNOK i 2021, 2022 og 2023



Stable growth throughout the strategy periods

Net lending, bn



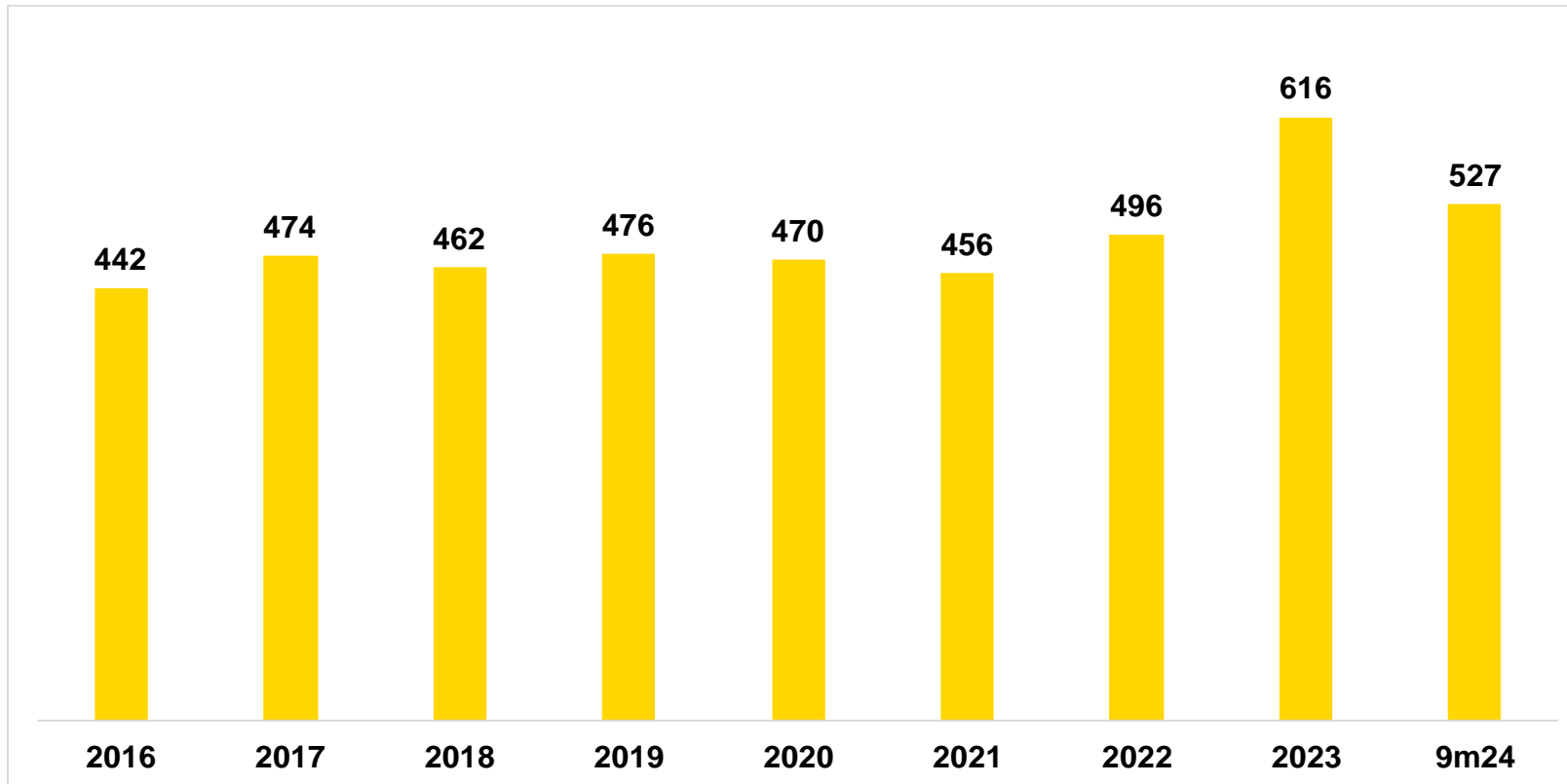
Main points

- Compound annual growth rate (CAGR) from 31.12.16 – 31.12.23 at 4,6%
- Hjelmeland Sparebank contributed 3,2 bn in lending volume from 3Q24
- Retail market investment in Stavanger from fall 2021



Until 2023, moderate improvement in net interest margin despite increased volume

Net interest margin, MNOK



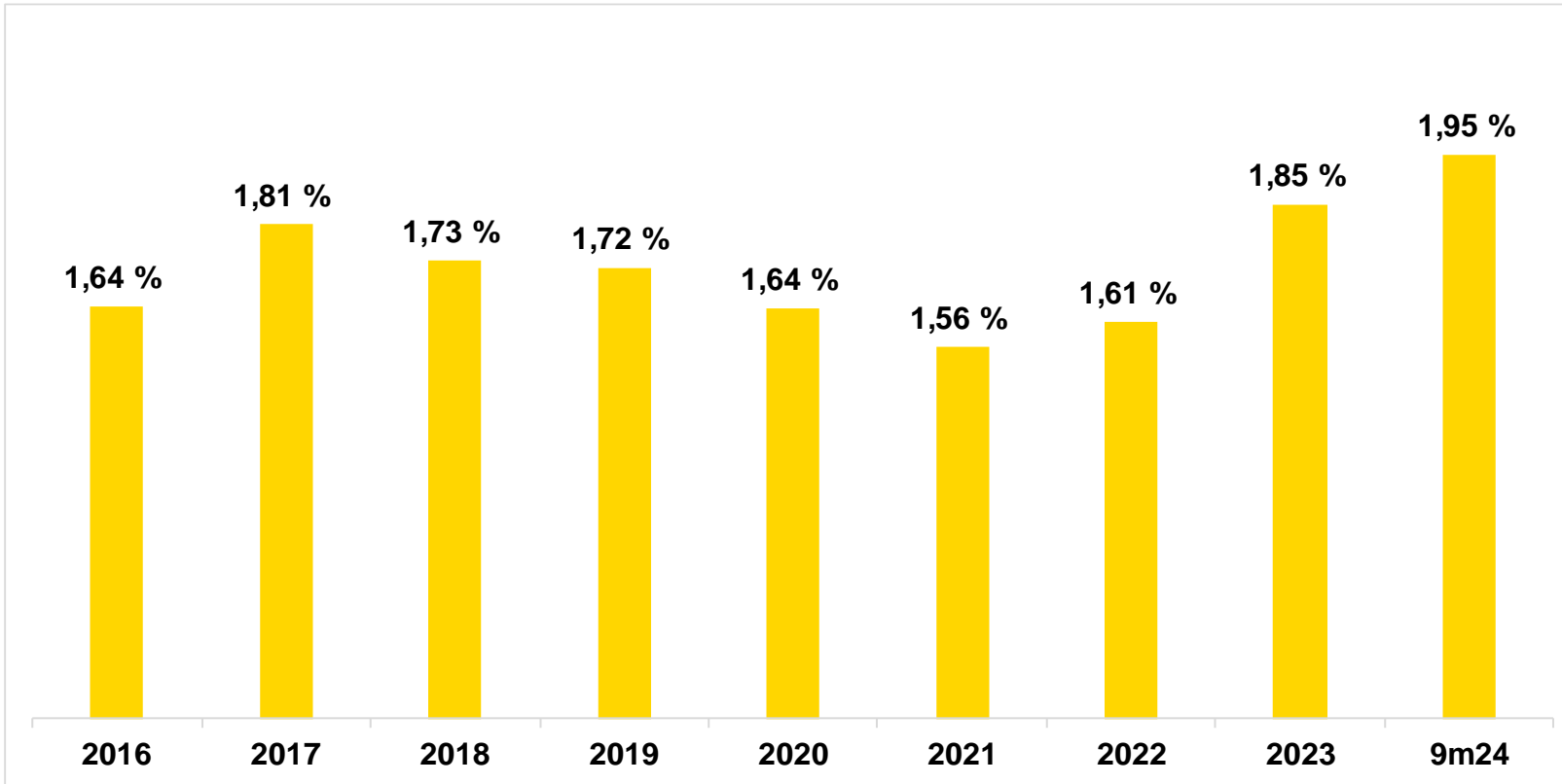
Main points

- Increased lending but at a decreasing interest margin
- Reduced risk profile in the corporate market portfolio
- Increased retail share from 67% to 76% reduces the interest margin
- Affected by changes in the policy rate



The interest margins are affected by the market

Net interest margin



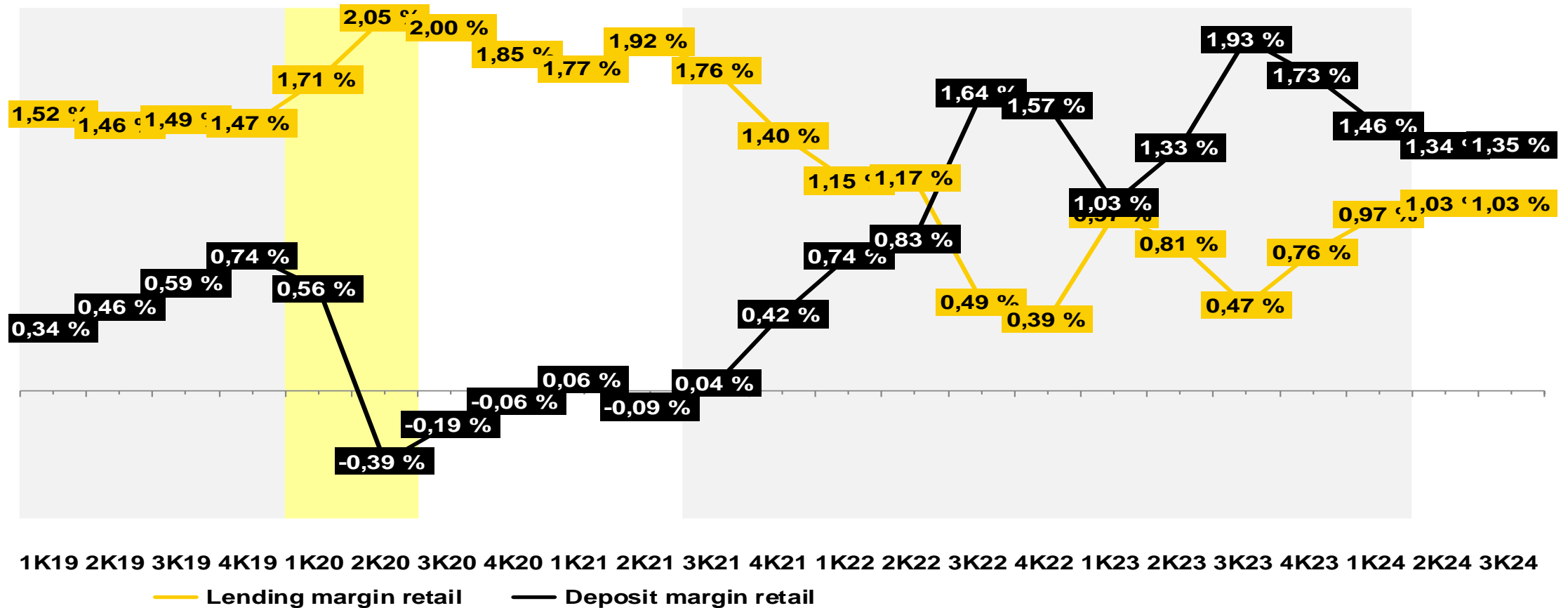
Main points

- Increased lending but at a decreasing interest margin
- Reduced risk profile in the corporate market portfolio
- Increased retail share from 67% to 75% reduces the interest margin
- Affected by changes in the policy rate



Margins retail market – Low lending margins due to increasing interest rates from Norges Bank

Deposit coverage retail ca. 40 % , retail accounts for 76 % of the banks total lending

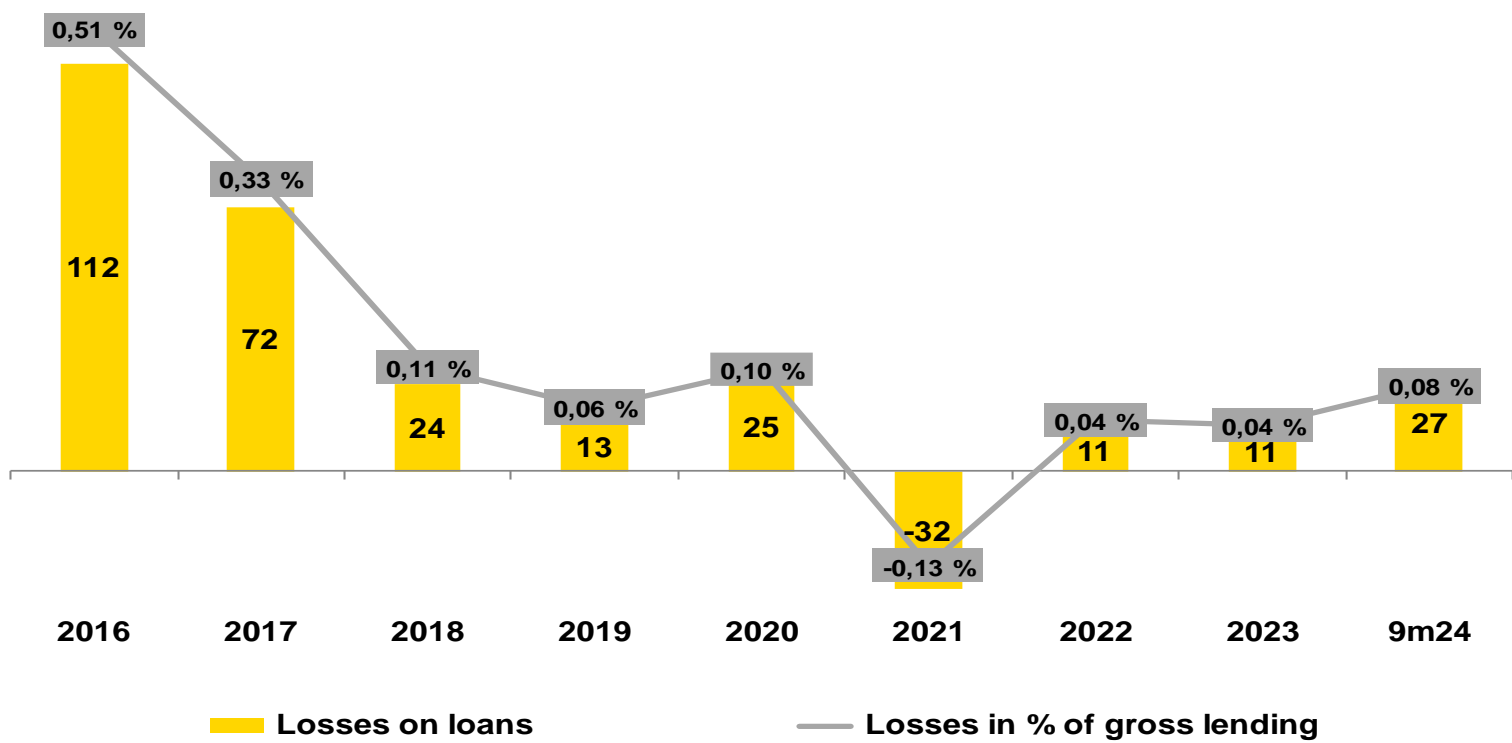


Norges Bank increasing rates in grey, decreasing in yellow and unchanged in white



Significant reduction in losses and risk levels in the period (2020)

Losses on loans and quarantees, MNOK



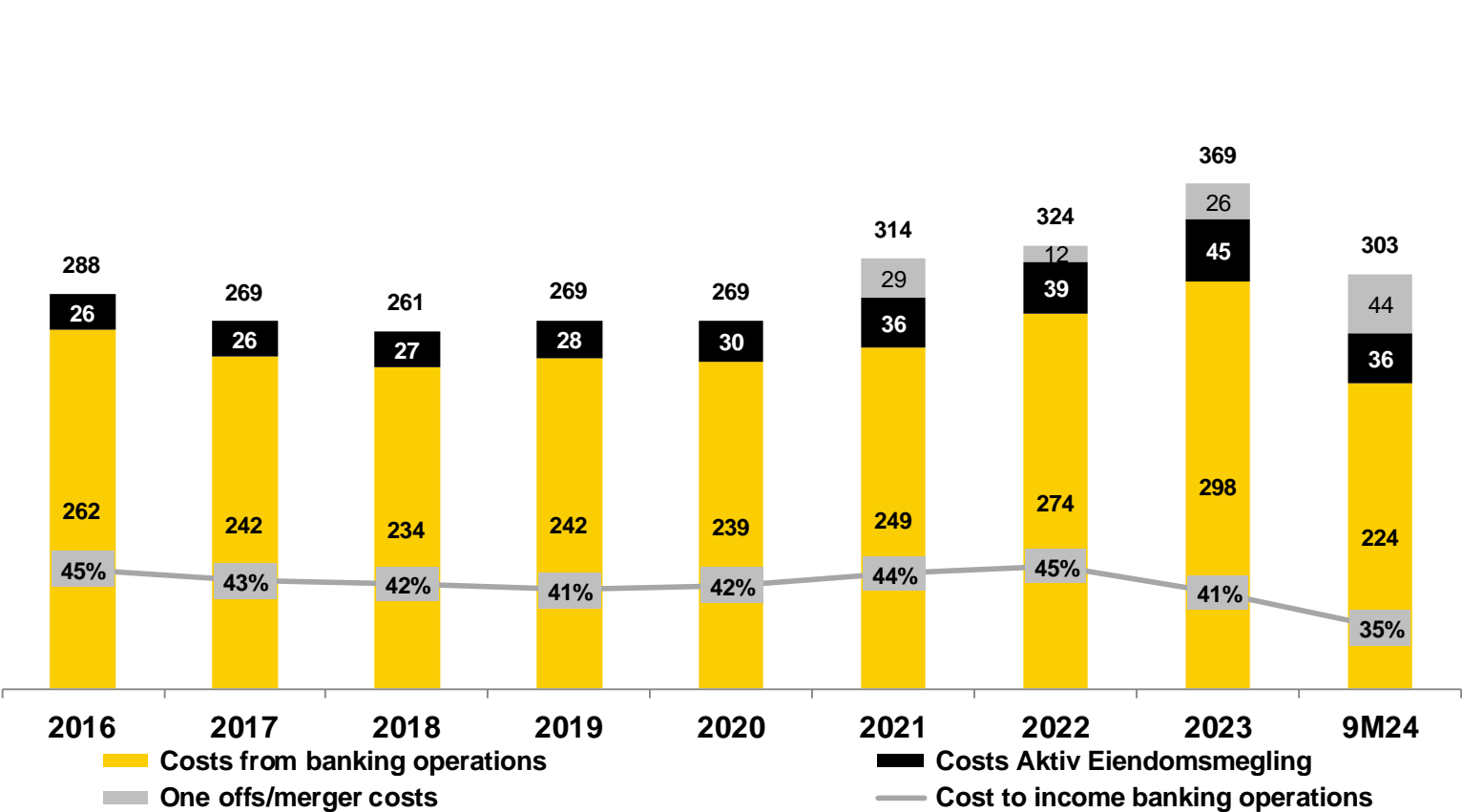
Main points

- The bank has reduced the risk level of the lending portfolio significantly throughout the period



Steady improvement in operating efficiency despite lending growth and increasing regulatory requirements

Operating costs, MNOK



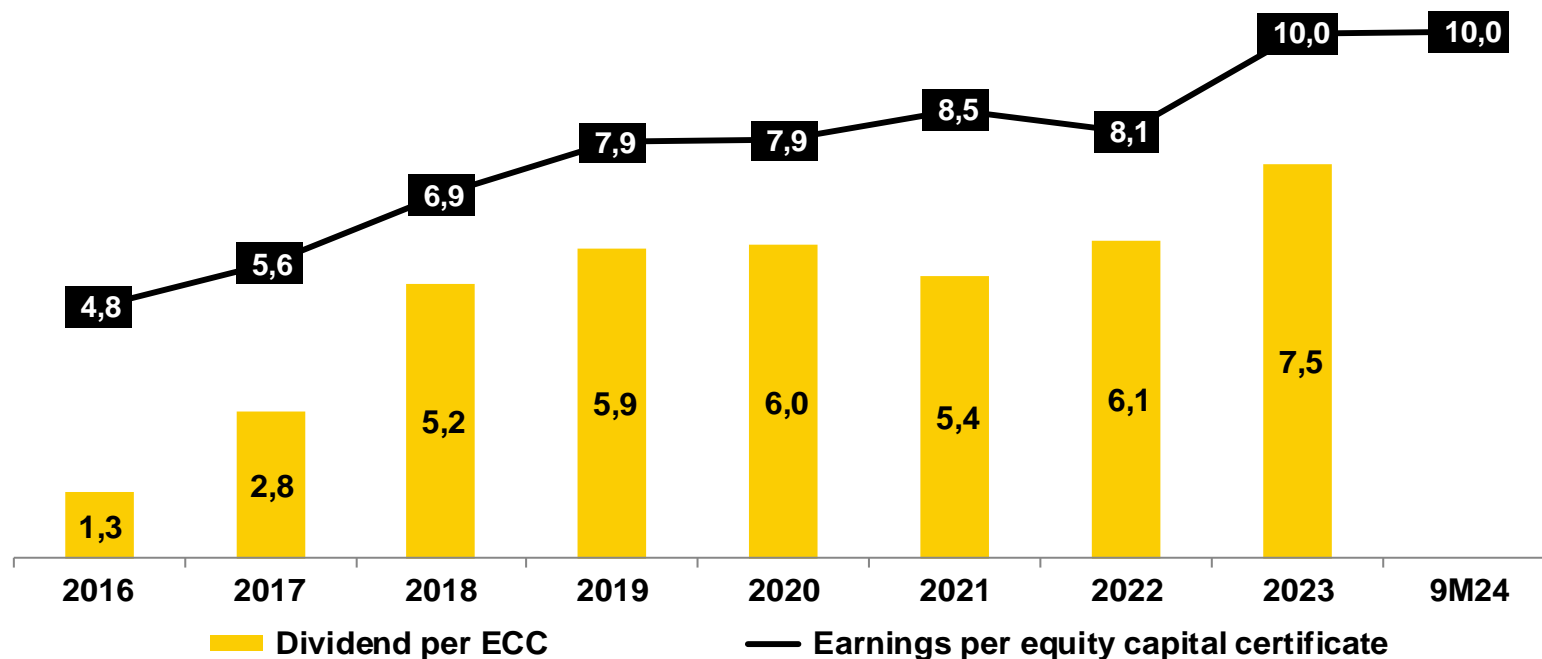
Main points

- Annual growth rate costs of ordinary banking operations 2016-2023 CAGR +1,8 %
- Retail market investment in Stavanger fall 2021, new offices and increase in the number of employees (12)



Significant improvement in earnings and dividends to owners

Earnings and dividends per equity certificate



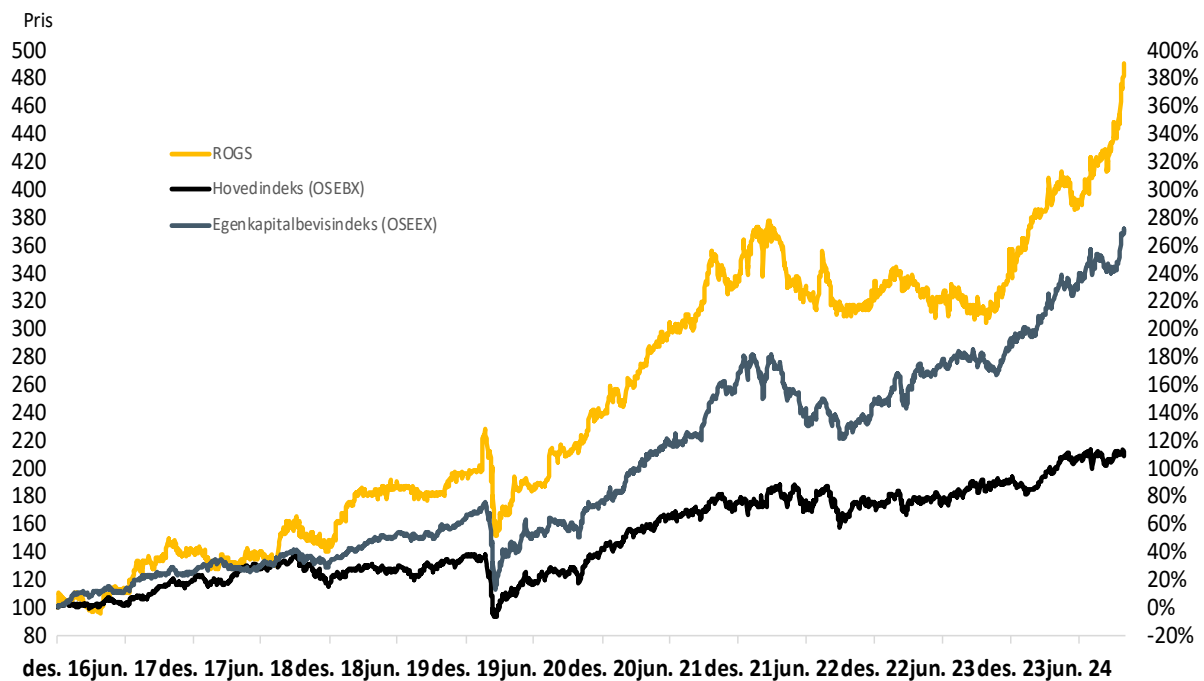
Main points

- Total dividend per ECC 2017-2023 is 37,85 kr
- Average dividend yield in the period is 70%
- Stable ownership share throughout the period of 63,5%

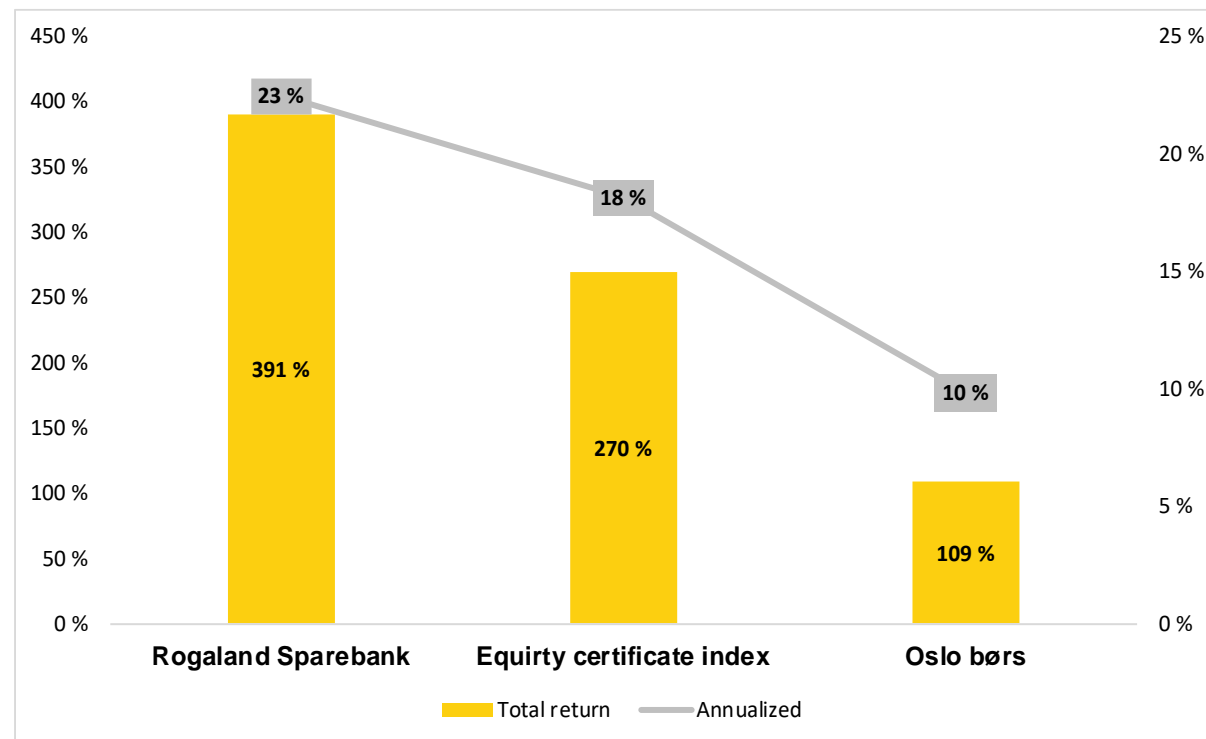


The Equity Certificate

ROGS: Development in price and volume on OSE



Return from 31.12.16 – 30.10.24



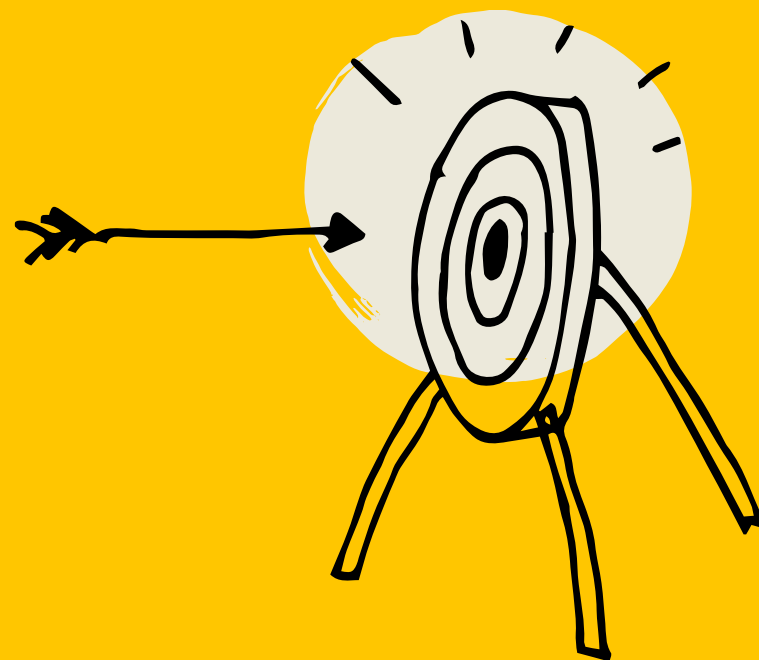


Vier

Rogaland
Sparebank

Strategiske mål

2025 — 2028

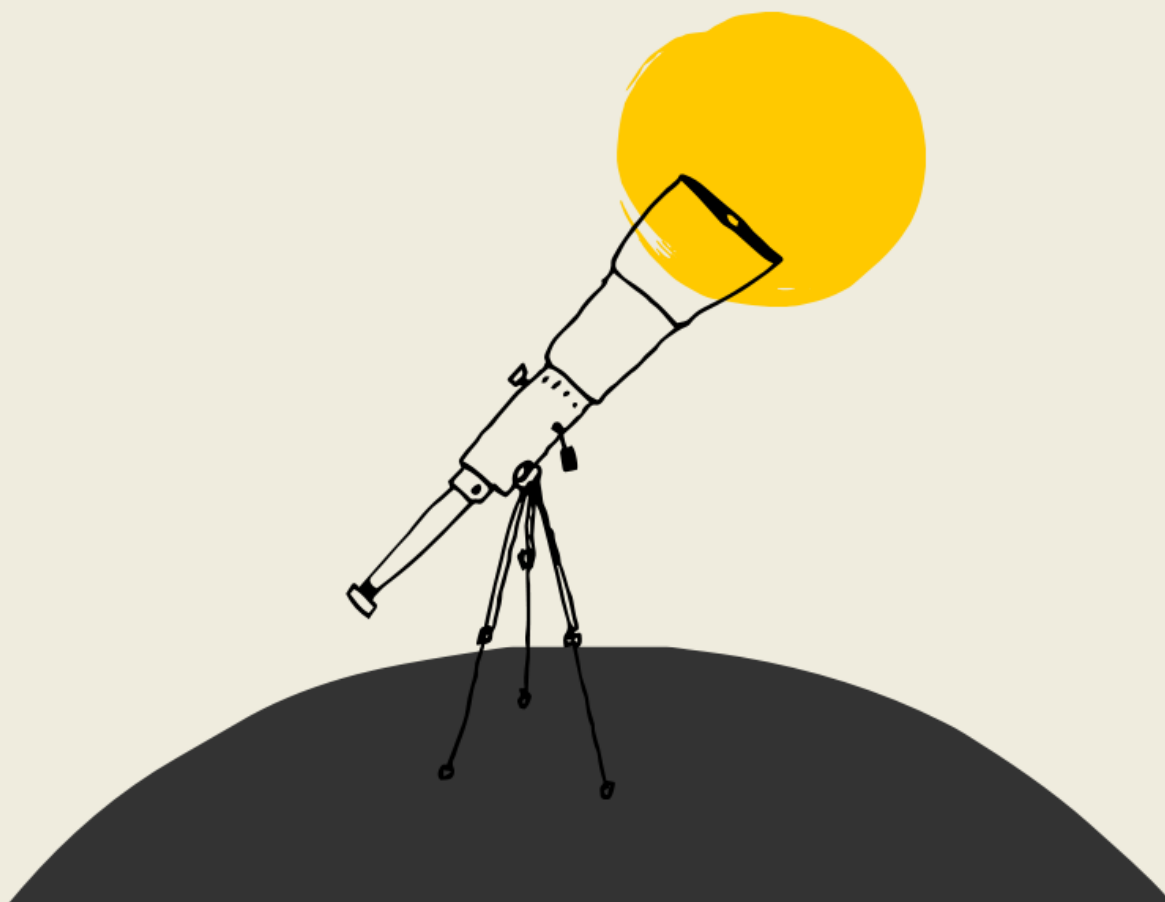


Our Vision

A vision says something about what our goal is, what we should be - and for whom

DEN MEST ATTRAKTIVE BANKEN I ROGALAND

FOR KUNDER, ANSATTE,
EIERE OG SAMFUNN



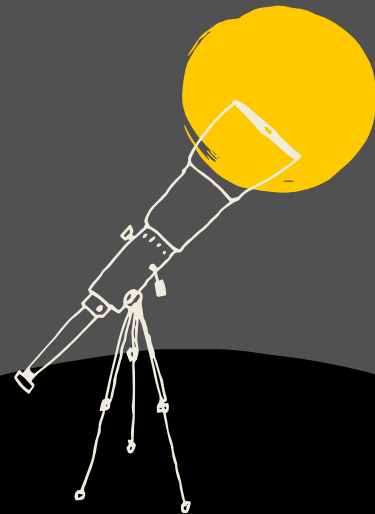
**Customers
and reputation**

**Profitable
growth**

DEN MEST ATTRAKTIVE
BANKEN I ROGALAND

People

**Social
responsibility**



Customers and reputation

- We must ensure good and customized customer experiences. In everything we do, we shall contribute to building a stronger and broader reputation.

Profitable growth

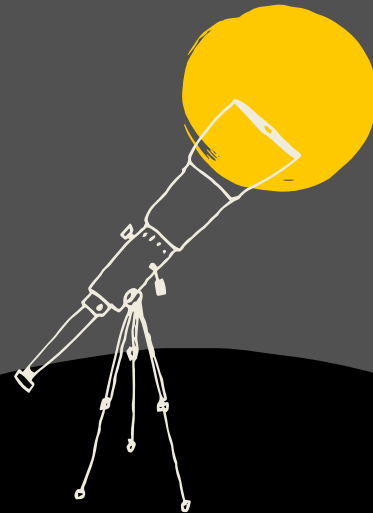
- We will grow more than the market and ensure ever-increasing profitability.

People

- We will acquire, develop and take care of the best people and build a unique and attractive culture.

Social responsibility

- We will make responsible choices and contribute to the social development in our market area.

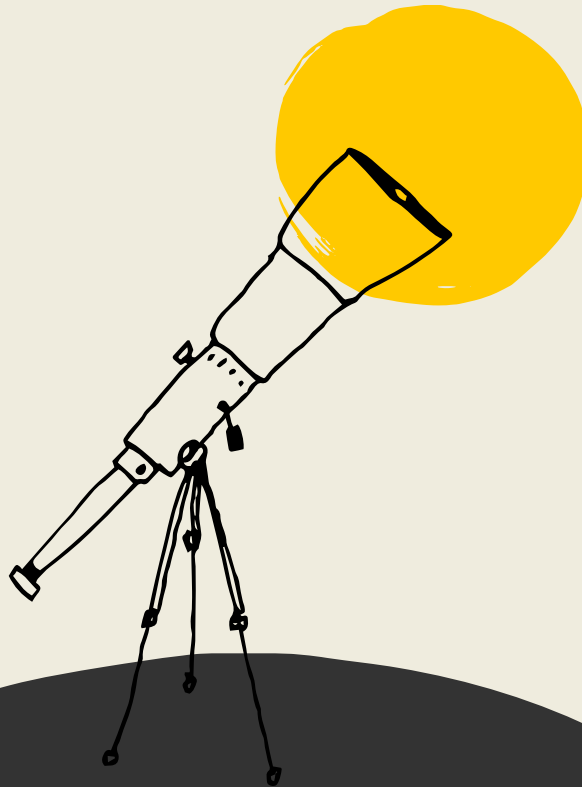


About

Customers and reputation

DEN MEST ATTRAKTIVE BANKEN I ROGALAND

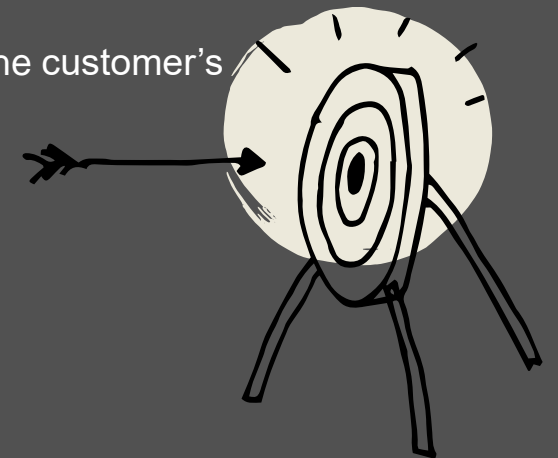
FOR KUNDER, ANSATTE,
EIERE OG SAMFUNN



Goals towards 2028

CUSTOMERS AND REPUTATION

- 😊 We will further develop our strong and clear brand. The brand must be recognizable: our stripe, the yellow, and what makes us stand out from our competitors. **We will become the most visible bank in Rogaland**
- 😊 We will, through our actions, build credibility and trust that will **strengthen the bank's reputation – throughout Rogaland**
- 😊 We will develop a service concept that makes the **"Yellow Customers"** feel special and valued in the bank and receive good and personal customer experiences
- 😊 Our customers will experience our **personal customer service and good digital solutions** that simplifies the customer's everyday life, retail and corporate market alike.



Branding

We will become the most visible bank in Rogaland

- 🕒 We will further develop our strong and clear brand. The brand must be recognizable: our stripe, the yellow, and what makes us stand out from our competitors.
- 🕒 We will make sure that the logo, color palette and other visual element are consistent across all platforms and contact points. Rogaland Sparebank will continue the yellow and playful.
- 🕒 We will market the bank in digital, traditional and social media and prepare a channel and media strategy that supports becoming the most visible bank in Rogaland.
- 🕒 We will unite the brands Sandnes Sparebank, Hjelmeland Sparebank and Den Gule Banken into a new brand – Rogaland Sparebank
- 🕒 We will tell stories that convey our values and that create an emotional connection to the bank, internal pride and show professionalism

**Kunder og
omdømme**



Vier

Rogaland
Sparebank

Almost 150 years of history



Sandnes Sparebank



Den
Gule
Banken



Hjelmeland
Sparebank



Rogaland
Sparebank

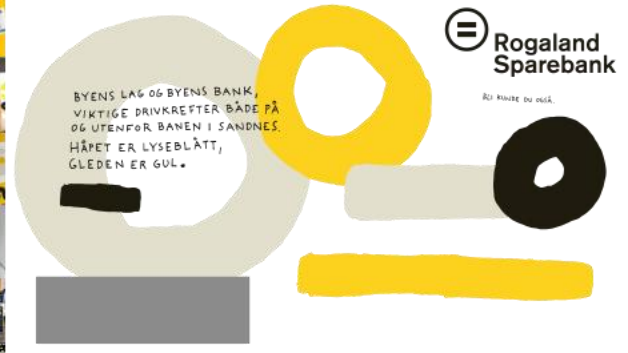
We used to be
**Sandnes
Sparebank**,
a bank with deep
roots in the region

Then we became **Den
Gule Banken**,
to become a banking
alternative also for those
outside Sandnes

We then merged with
**Hjelmeland
Sparebank**, because
the aim was to
become a bank for a
larger part of the
county

And the result was
Rogaland Sparebank
– a new bank, which
you actually knew
before





We take

Social

responsibility



Rogaland!

We will be physically present in Nord-Jæren and in Ryfylke and contribute to jobs and local growth

Our head office is still in Sandnes, and in addition we have offices in Stavanger, Sola, Hjelmeland, Jørpeland, Judaberg/Finnøy and Sand



Rogaland Sparebank Gift Fund

The gift fund is to be used for non-profit purposes and build on the savings bank's idea of giving some of the profits back to the community of which the bank is a part



Sponsorship

As a proud local bank, we shall contribute and show again in the local communities. Sponsorship should help to strengthen and build the bank's position as an active supporter in society



Customer Dividend

We share the profit with our customers through customer dividends, - Obviously!

Kundeutbytte for syvende gang!

Når det går bra for banken, skal det også gå tilbake til kundene. Det betyr at en familie med 4 millioner kroner i lån og 50.000 kroner i innskudd kan få utbetalt ca 11.000 kroner i kundeutbytte.



Sustainability

We are committed to contributing to a better and more sustainable future for our employees, our customers and our surroundings

- Offer sustainable products in a credible way where relevant, both to customers and investors.
- Promote sustainability in the local community via the endowment fund and market channels.
- Driving force to reduce emissions from own business and lending portfolio.
- Contribute as an active ESG advisor to our customers.
- Measure, understand and actively price ESG credit risk.
- Implement ESG reporting (CSRD) in accordance with legal requirements.



Our

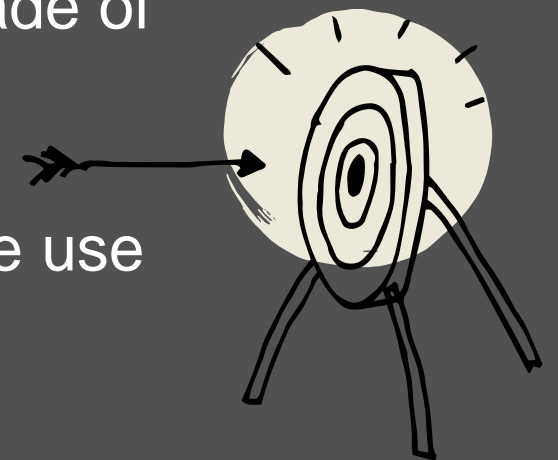
People



Targets towards 2028

People

- 👉 We will become the most attractive bank for employees
- 👉 We will develop the most attractive managers
- 👉 We will create a common Yellow culture
- 👉 We will strengthen the Bank's competence base
- 👉 We will work in a more standardized way and do a digital upgrade of internal processes
- 👉 We will achieve growth targets without an increase in resource use





People



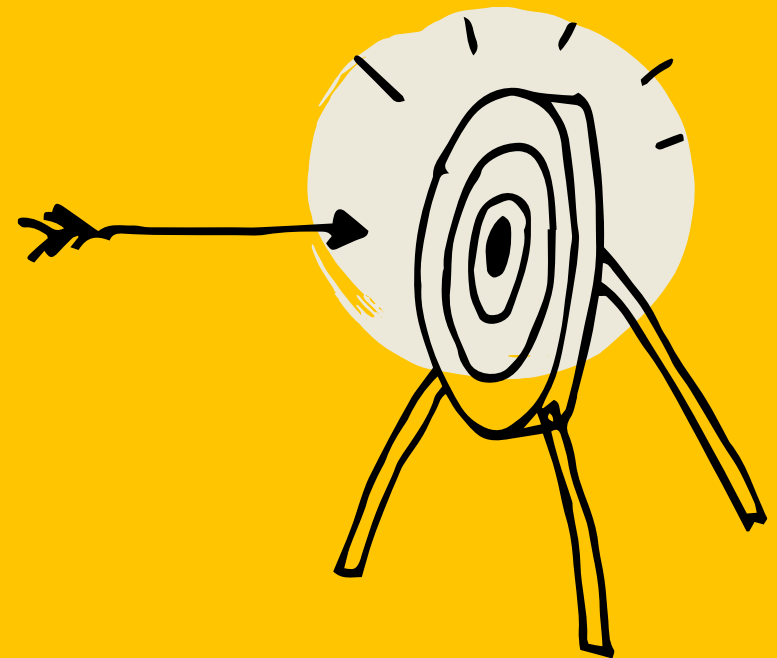
About

Profitable growth



Strategic Goals

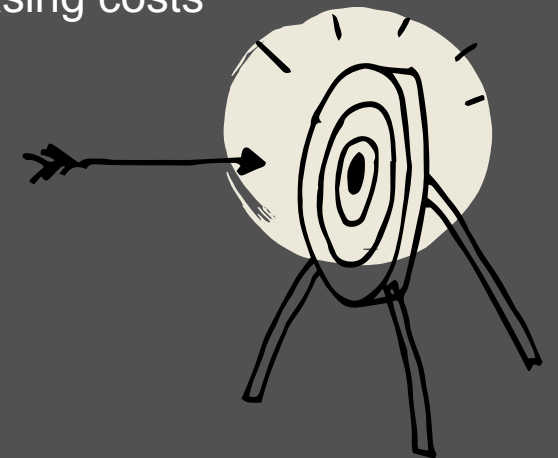
Retail



Targets towards 2028

Retail

- 🎯 We will take market shares where we have an office
- 🎯 We will be amongst the most profitable banks in retail, compared to the banks we compete against
- 🎯 We will be the best at Personal Advice
- 🎯 We will work more standardized and operate efficiently
- 🎯 We will improve both internal and external processes by making use of available technology and tools
- 🎯 We will contribute to a lower cost ratio for the bank by increasing income without increasing costs
- 🎯 We will work purposefully to increase the share within our preferred segment
- 🎯 We will ensure that we have sufficient deposit coverage



How?

Differentiation

- 🕒 We will still be yellow, different and fast
- 🕒 We will be the bank that is clearly rooted in its local roots, for the «ordinary» family in Rogaland
- 🕒 We have good advisors with a personal touch, good competence and knowledge of the local market
- 🕒 Happy, personal and a «go getter»

Operating concept

- 🕒 We will have **Personal Counseling** with credibility
- 🕒 Adapted concept for the right customers
- 🕒 Situational choice in counseling
- 🕒 Streamline handling internally
- 🕒 Digital everyday banking and advice on life events
- 🕒 We deliver seamless customer experience along with competent customer service



**Kunder og
omdømme**

How?

Culture

- 👉 We must attract, retain and develop the best employees
- 👉 We must be the best at competence building and sharing
- 👉 We will create a winning team that is passionate about the best customer experiences
- 👉 We must have courageous leaders who lead the way and show the way



Folk

How?

Profitability in everything we do

- 🕒 We will strive to get it right the first time to ensure efficiency and satisfied customers
- 🕒 We must operate more profitably without becoming like our competitors
- 🕒 We will use the tools we can to make the operation optimally efficient
- 🕒 We must manage growth in market share without increasing the number of employees
- 🕒 We must charge the right price for products and services
- 🕒 We must focus on continuous improvements – 10% smarter

Lønnsom
vekst



A bank for many – but not for all

- 👤 The customer lives or has ties to Rogaland – south of Boknafjorden
- 👤 The customer emphasizes the bank's contribution to the local community, through sponsorship and endowment funds
- 👤 The customer has several products with us, in addition to mortgage and salary entry
- 👤 The customer values the bank's values
- 👤 The customer appreciates quick decision-making processes and that we provide tailored advice throughout life
- 👤 The customer appreciates customer benefits and competitive conditions over market-leading prices

**Lønnsom
vekst**



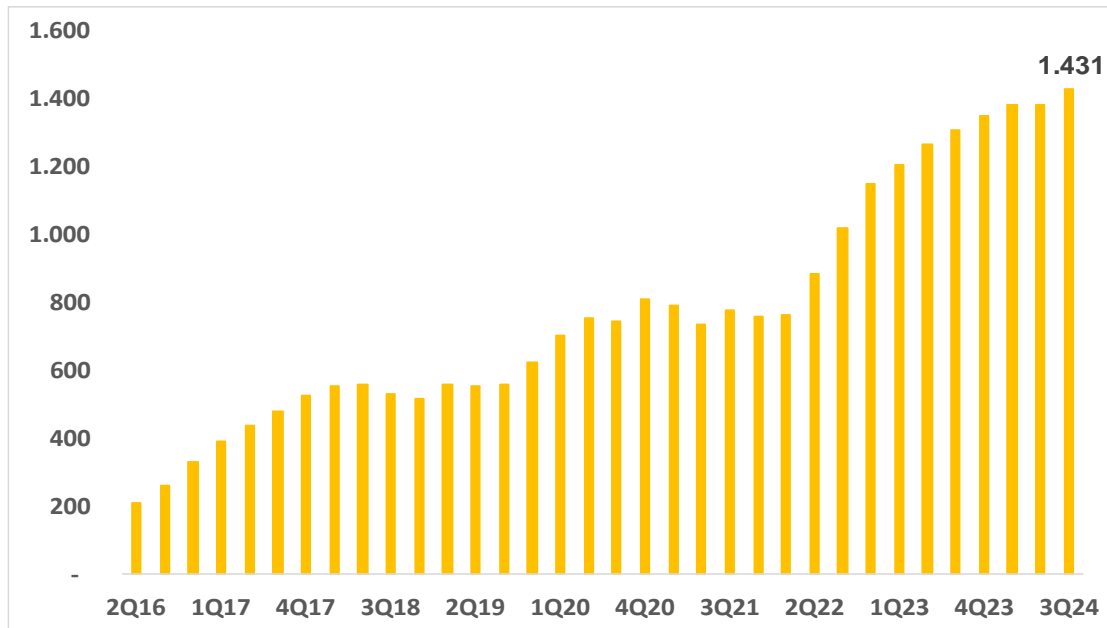
BalanseBank



Balansebank

Stabile growth over time

Lenmding volume MNOK



Key figurs first 9 months:

- Net interest MNOK 34,0 (27,5)
- Total write-downs as a percentage of gross lending on 1,9% (1,5%)
- Where 1,3% is individual write-downs (0,9%)
- Default rate 12,8% (11,7%)
- The average time customers stay in Balansebank is approximatly 3 years
- Balansebank accounts for 5,1% of retail in the bank (5,7%)

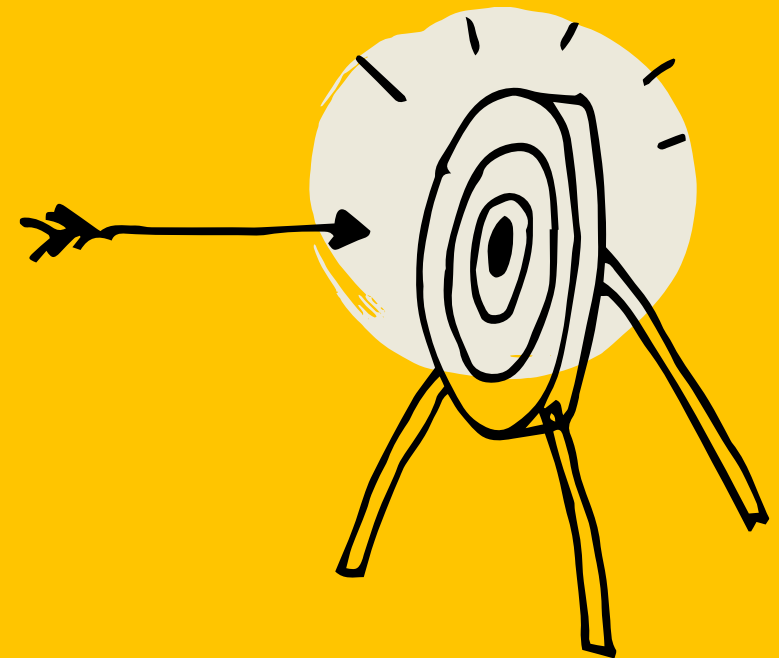


Strategic plan 2025-2028, Growth in Restart Loans

Ambitions:

- Retain credibility in the market as the bank that recovers the most customers
 - An important societal role to give people a restart after financial problems
 - A market in continued growth where the margins are higher than ordinary retail
 - Primarily a restart loan for people who cannot get a loan from ordinary banks, with associated risks
 - Still national with a focus on areas with a well-functioning housing market
 - Increase in the volume of restart loans with 150 mnok yearly provides a portfolio upon exit of 2028 of 2 bn
 - Keep defaults under 10%
-

Strategic goals Corporate



Objectives towards 2028

Corporate

The most attractive local bank for small and medium-sized businesses in our market segment

Lokal.

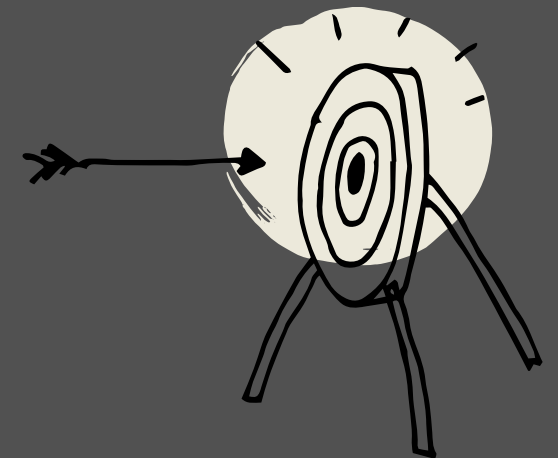
We are present with competent employees who know and understand the local business community

Relationship and closeness are the glue between us and our customers

Personlig.

Short distance to decision-makers gives us the power to act, and puts us in a position to find good solutions together with our customers

Rask.



Ambitions towards 2028

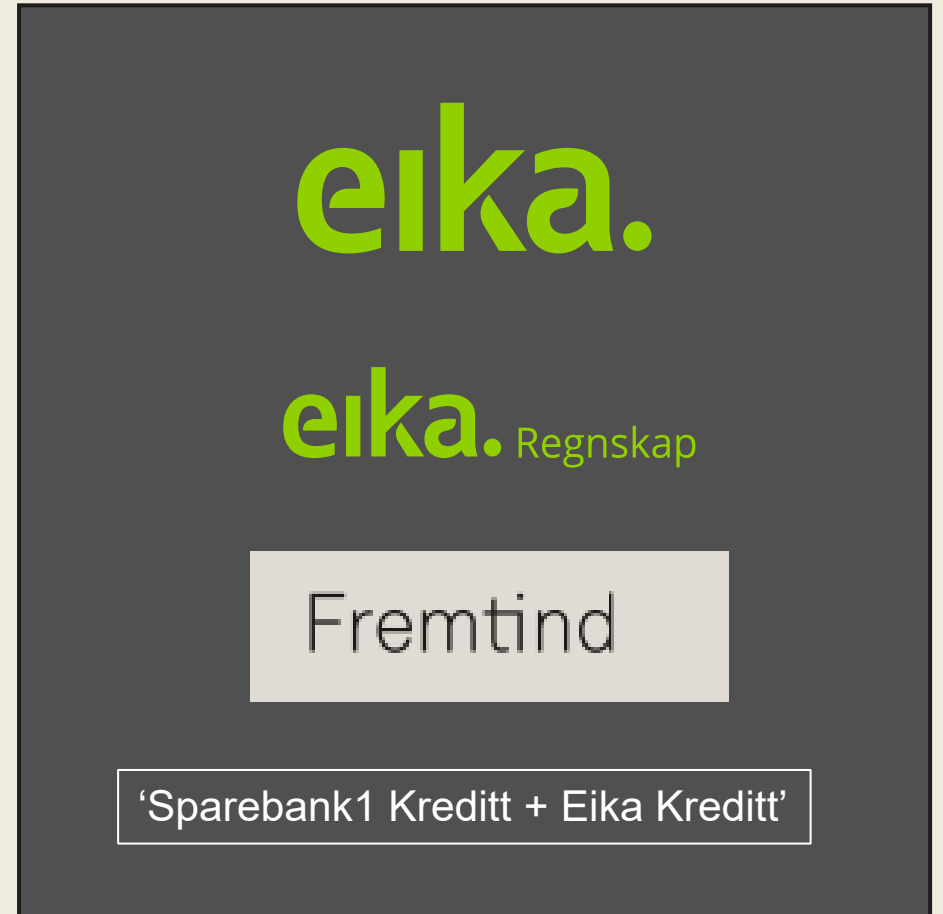
- 👉 We will take a clear position as an attractive and local business bank for small and medium sized companies in our primary market areas
- 👉 We will be a local business bank that reflects to a greater extent the local business life of which we are a part
- 👉 We will increase our focus on business customers and industries with a greater degree of turnover and operations, but who also need more holistic advice

Ambitions towards 2028

- 👉 We will tailor our customer service to a greater extent according to the needs, complexity and size
- 👉 We will develop and implement «bank + accounting» as part of our value proposition for business market customers
- 👉 We will utilize and challenge the Eika platform, but also seek external partnerships that strengthen our attractiveness in the market and increase long-term profitability

Business market investments in Eika

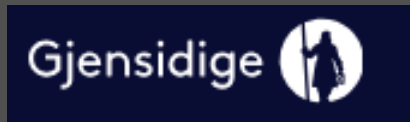
- 👉 Significant boost in new and improved customer solutions
- 👉 Digitization and self-serviced
- 👉 New services and solutions



Strong Partners



nordic guarantee



Established cooperation with important partners that strengthen our attractiveness in the market and increases long-term profitability

- Working capital financing
- The growth guarantee scheme
- Warrenty reliefs
- Pension solutions
- Leasing

Lønnsom
vekst

Brage Finans AS

EN DEL AV WATCH MEDIA

FINANSWATCH

BANK FORSIKRING FINTECH REGULERING KAPITALFORVALTNING PENSJON

BANK

Rogaland Sparebank blir tredje største eier i Brage Finans

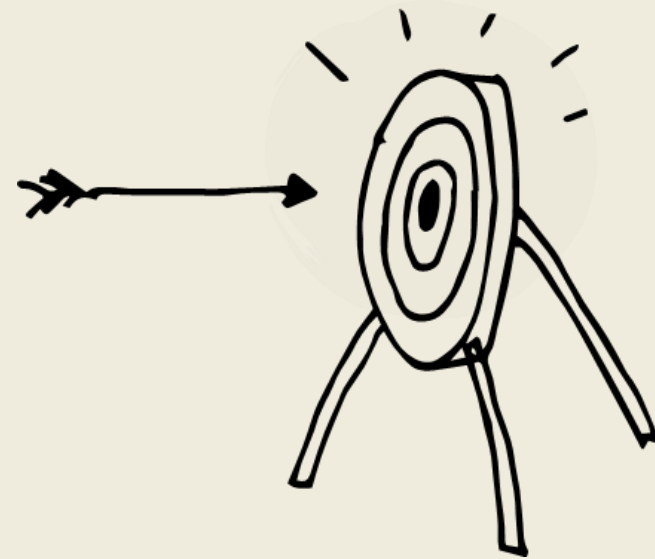
– Dette er en stor investering for oss, og den setter oss i posisjon til å satse ytterligere i bedriftsmarkedet, sier Tomas Nordbø, konstituert adm. direktør i Rogaland Sparebank.



- 👉 **Leasing** is an important option for many companies in our market area
- 👉 Rogaland enters into a partnership with Brage Finans and becomes the third largest owner in the financing company
- 👉 The bank has been given a board seat in Brage Finans as a result of the agreement

Success factors Corporate

- **Strong and clear leadership**
- **Prioritizing our time and our resources**
- **Exceeding customer expectations**
- **Creating value**



**Customers
and reputation**

Profitable
growth



DEN MEST ATTRAKTIVE
BANKEN I ROGALAND

People

**Social
responsibility**



Rogaland Sparebank

Ownership fraction 62,5% (Equity share)

Subsidiaries (Fully consolidated)

Eika gruppen AS

9,4% share of ownership.

Rogaland Sparebank is the largest bank in the alliance

Partly owned companies

**Rogaland Sparebank
Boligkreditt AS**
100% ownership

Aktiv Rogaland AS (under establishment)

100% ownership
Continuation of two
partly owned
subsidiaries
Aktiv Eiendomsmegling
Jæren AS
(ownership 60%)
Ryfylke
Eiendomsmegling AS
(ownership 70%).

Eika Kredittbank AS
100% ownership

**Eika
Kapitalforvaltning AS**
100 % ownership

Fremtind Holding AS
ownership 20,1%

**Sparebank 1
Kreditt AS**

**Kjell Haver
Regnskapsservice AS**
49,5% ownership.

Brage Finans AS
ownership 4%.

*Rogaland Sparebank ownershipstake in Eika Boligkreditt AS is 0,64%.

Financial Targets 2025 -2028

- **ROE** > 11 % (incl. hybrid), Higher than comparable banks
- **Yield rate** : [50%-100%]
- **Lending growth** > 5%, increased market share
- **CET-1** < 1,5 % above legal requirements, as of now 16,8%

Agenda

- Rogaland Sparebank; a new bank, a new strategy period
- **Eika is a solid and strategically important partner**
- Local macro
- Key figures as of Q3



Eika in number: in sum a considerable size

~500 bn. Total assets (incl. covered bonds and Eika)

>750 000 Customers in the banks and Eika (Retail and corporate)

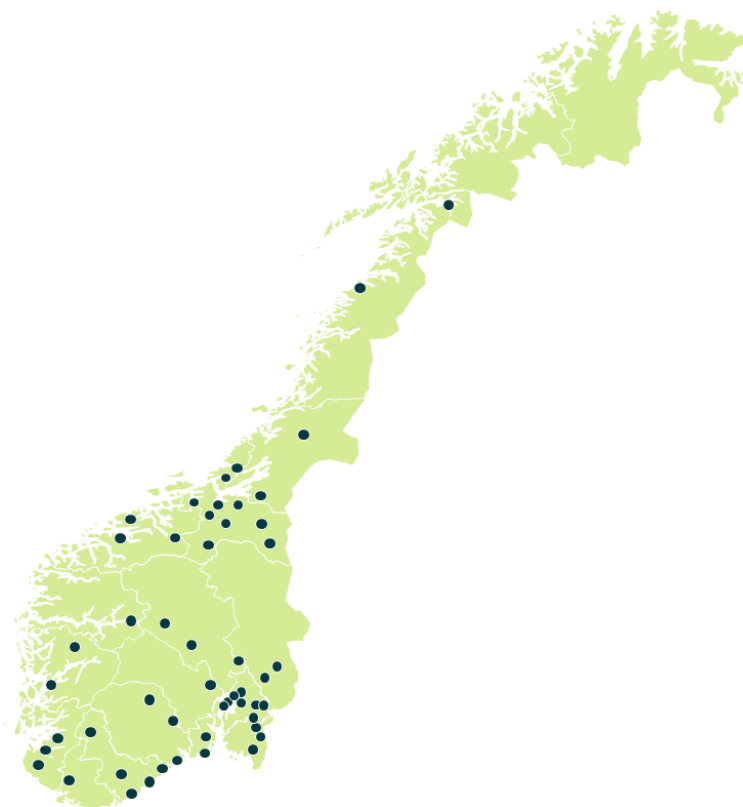
~400 Employees who work for and with bank deliveries in Eika

6,4 % Average lending growth in the banks over the past 5 years (6,4 % YoY)

8,4 % Average ROE in the banks over the last 5 years (9,5 % YoY)

«With support from Eika»

Eika's most important task is to secure competitive advantages of scale for independent banks

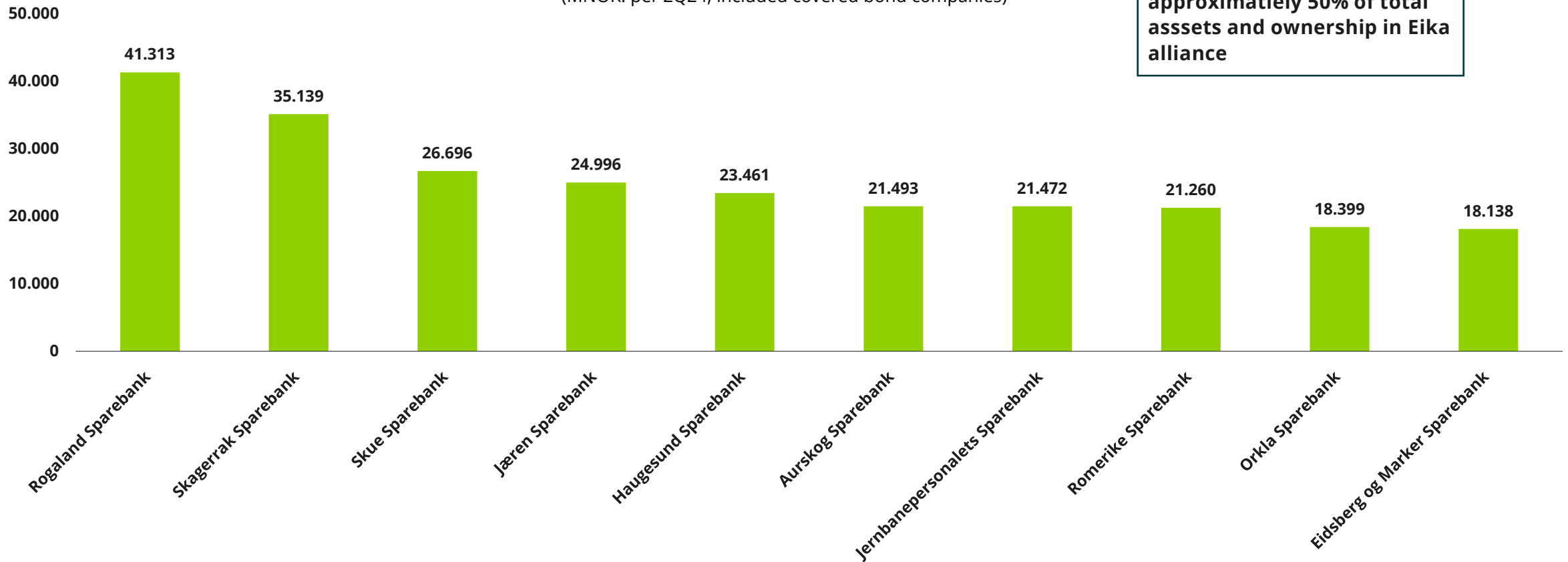


Alot has happend in Eika the last few years

| Core bank switch | New cooperation | New banks | Banks leaving | Mergers in Eika (Implemented and notified) | New ventures |
|---|---|--|---|---|---|
| <p>Completed transition to Tietoevry</p> | <p>New product collaborations, increased scale and value protection</p> | <p>Important part of the strategic rationale for moving from SDC to Tietoevry</p> | <p>Bank mergers out of Eika highlight the importance of growth</p> | <p>Increased merger activity – the banks are getting bigger</p> | <p>Where do we have the prerequisites to strengthen the banks' offer or compete ourselves</p> |
|  |   <p>Del av SpareBank 1 og Eika</p>  |   |   |                     |  <p>Fra Eika Kredittbank</p>   |

The Eika banks are getting bigger – through both organic and structural growth

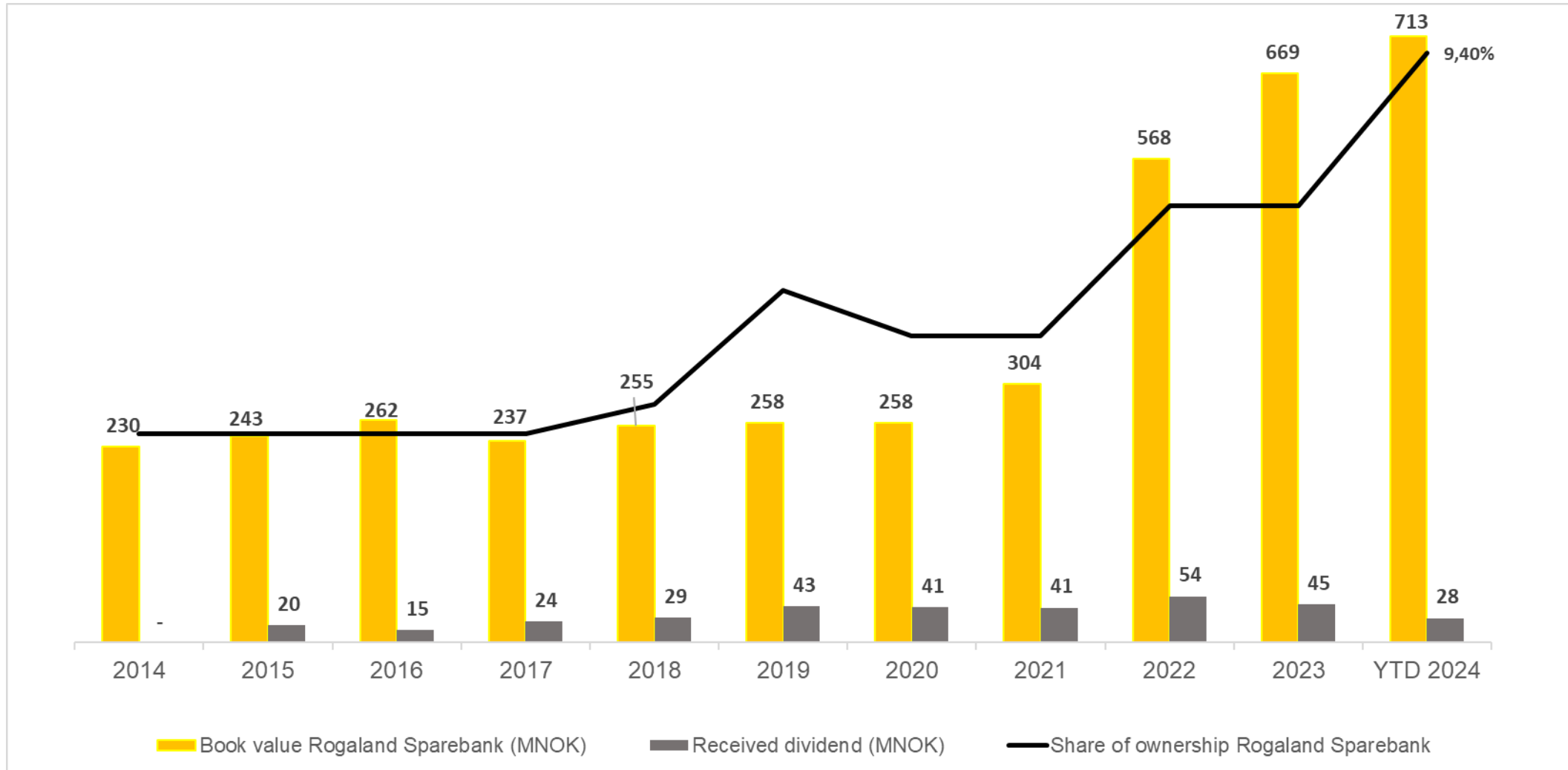
Business capital ten largest bank*
(MNOK. per 2Q24, included covered bond companies)



Ten largest banks account for approximately 50% of total assets and ownership in Eika alliance

* Følgende planlagte/forestående fusjoner er hensyntatt: Haugesund og Tysnes, Sandnes og Hjelmeland, Skue og Hjordalbanken, Marker og Eidsberg. Samlet FVK inkluderer det som ligger i Eika Gruppen. Totens Sparebank og Bank2 har sagt opp sine avtaler med Eika som følge av fusjoner med hhv. Sparebank1 Østlandet og Bluestep Bank og er tatt ut av tallene.

Development of Rogaland Sparebank's stake in Eika – Book values, dividend and share of ownership



With the support from Eika



Produkter og tjenester

- Kostnadseffektive, konkurransedyktige produkter og tjenester som effektivt kan distribueres til bankenes kunder
- Kostnadseffektive, konkurransedyktige tjenester for effektiv bankdrift
- Kostnadseffektiv, konkurransedyktig kompetanse og kapasitet på områder hvor bankene er for små alene

Teknologi og digitalisering

- Kostnadseffektiv, skalerbar teknologiplattform
- Konkurransedyktige kundeflater
- Kostnadseffektive, konkurransedyktige rådgiverflater

Verdibidrag

- Markedsmessige, konkurransedyktige provisjoner og resultatdelingsmodeller
- Konkurransedyktig resultat- og verdiutvikling i eide selskaper
- Effektive, tilpassede mekanismer for eierstyring og innflytelse

Strategisk

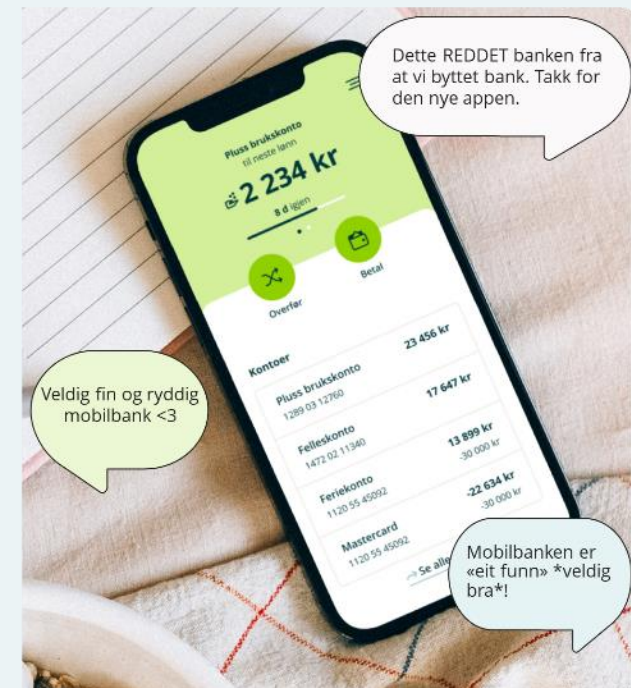
- Forvaltning og videreutvikling av systemverdi
- Sikre posisjonering og innflytelse på bransjenivå og i relevante leverandørfora mv.
- Forvalte og videreutvikle strategiske opsjoner

Eika banks now have one of the country's best-liked mobile banks



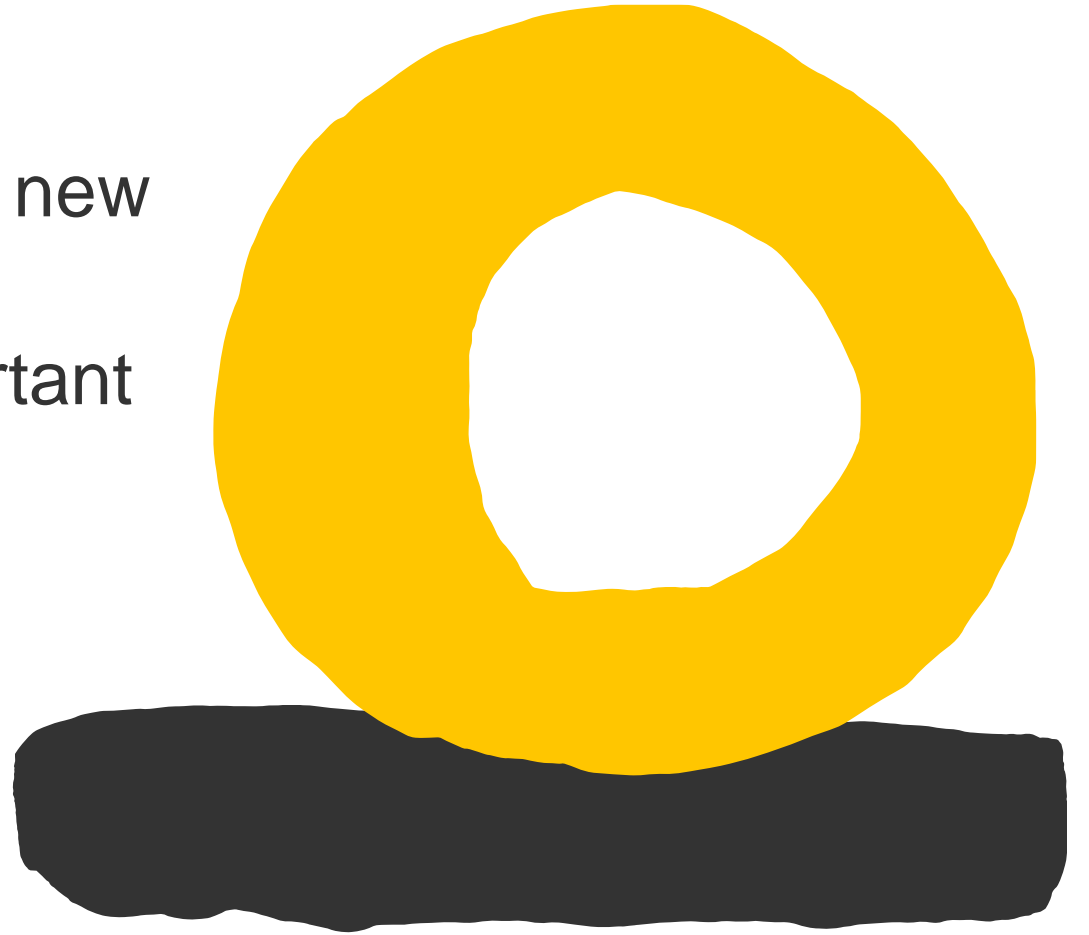
Bankenes kunder har talt: Eikas mobilbank i toppklassen

- 4,6 av 5 i AppStore
- 4,5 av 5 i GooglePlay
- 350 000 kunder bruker mobilbanken jevnlig
- 90% av alle innlogginger skjer i mobilbanken, mot 10% i nettbank
- 70% av kundene som bruker mobilbanken logger seg inn mer enn to ganger i uken



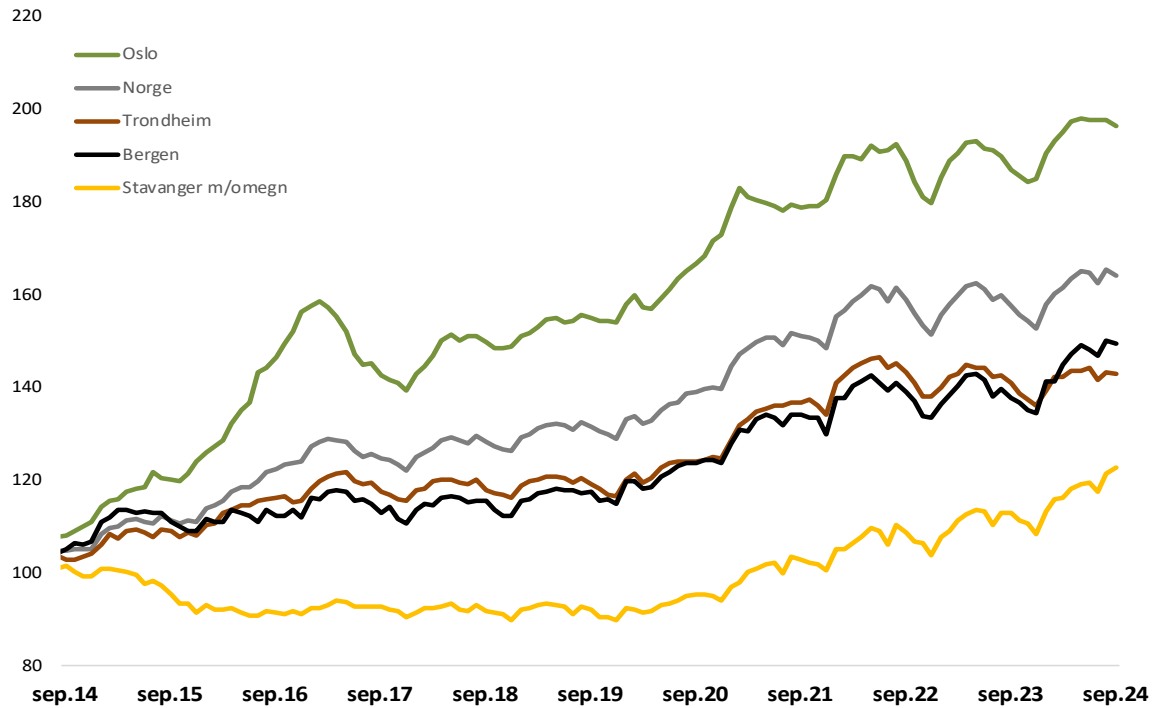
Agenda

- Rogaland Sparebank; a new bank, a new strategy period
- Eika is a solid and strategically important partner
- **Local macro**
- Key figures as of Q3

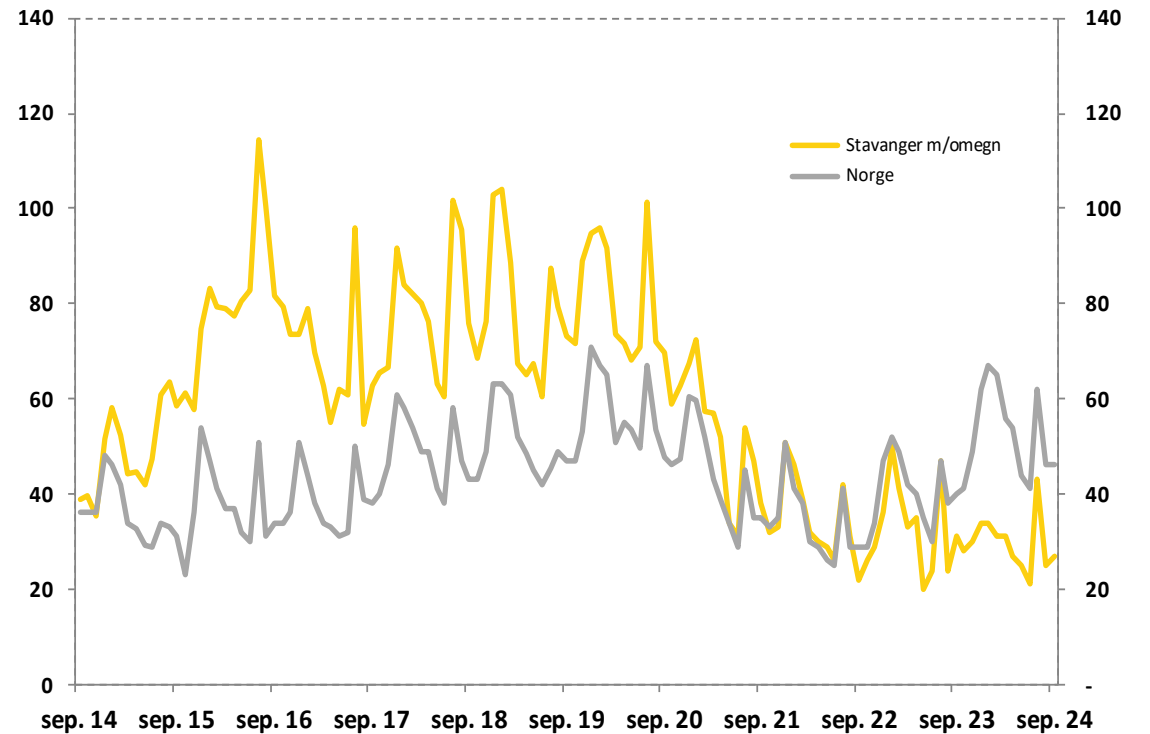


Housing prices

Housing prices



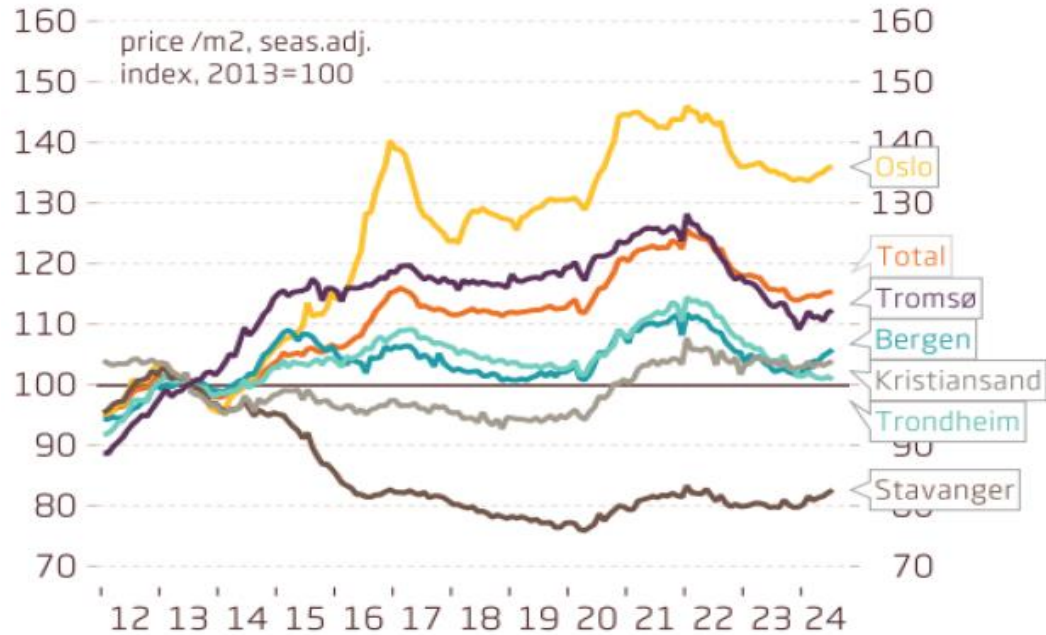
Number of days to sell a house



Housing prices

Adjusted for inflation

Norway: Real house prices, deflated by CPI



Sources: Swedbank & Macrobond

Adjusted for income

Norway: Real house prices, deflated by disposable income

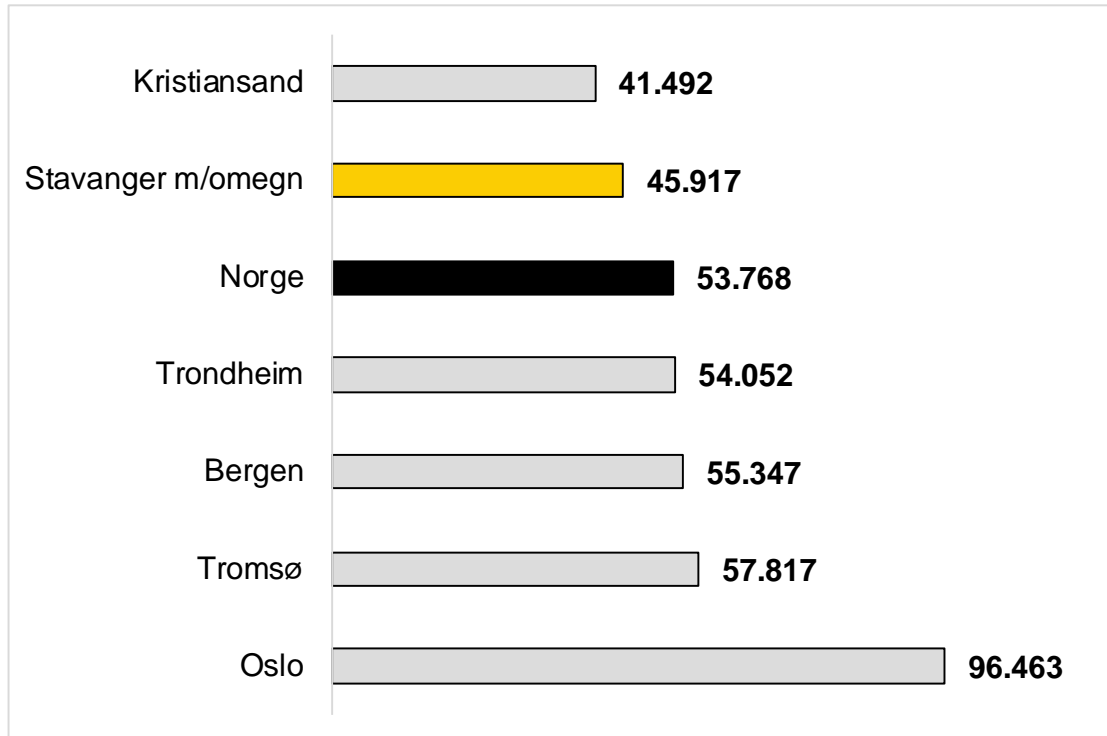


Sources: Swedbank & Macrobond

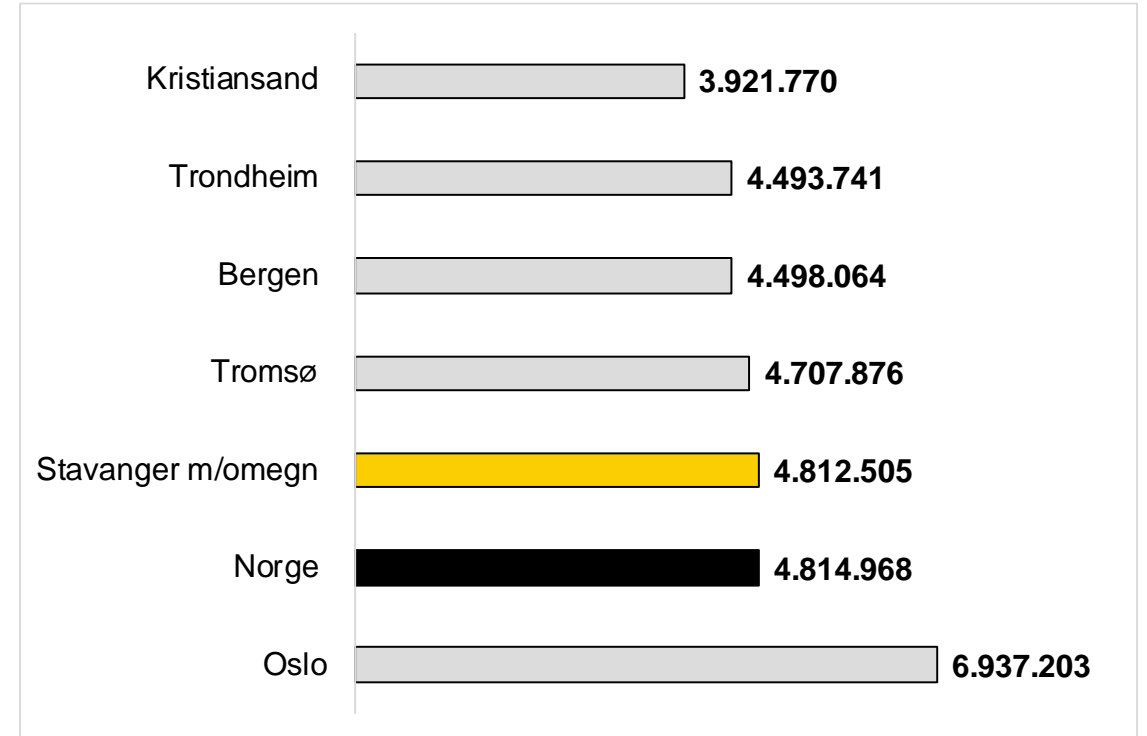


Housingprices in NOK

Price per square meeter



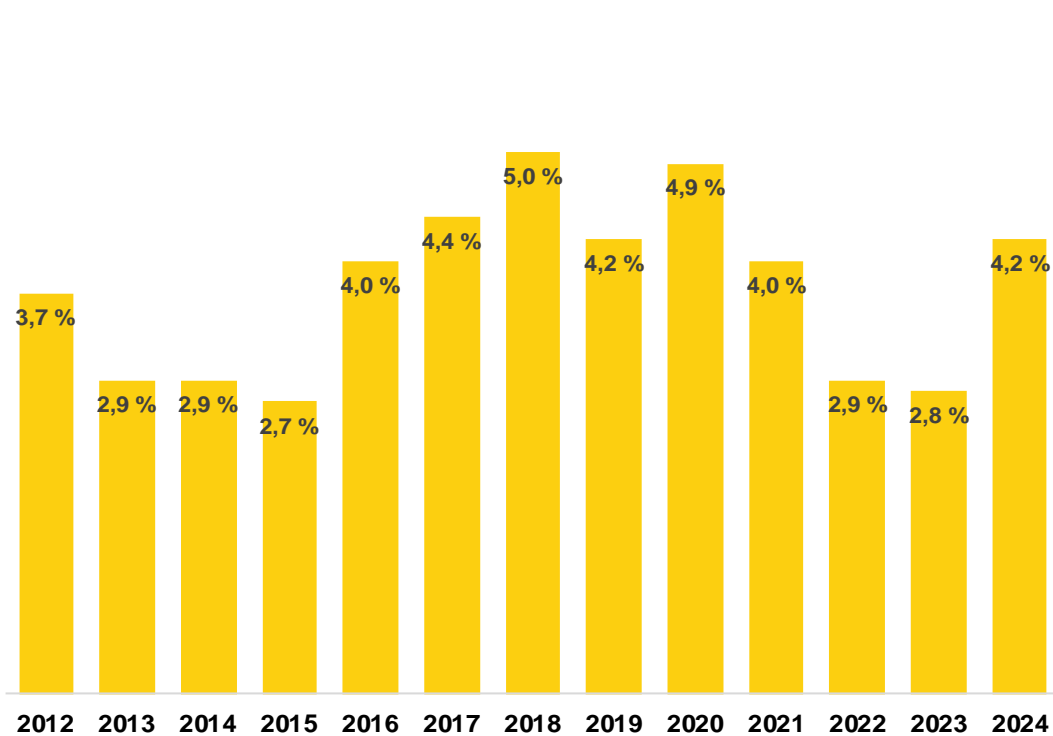
Average prices homes sold



Commercial property – The local market

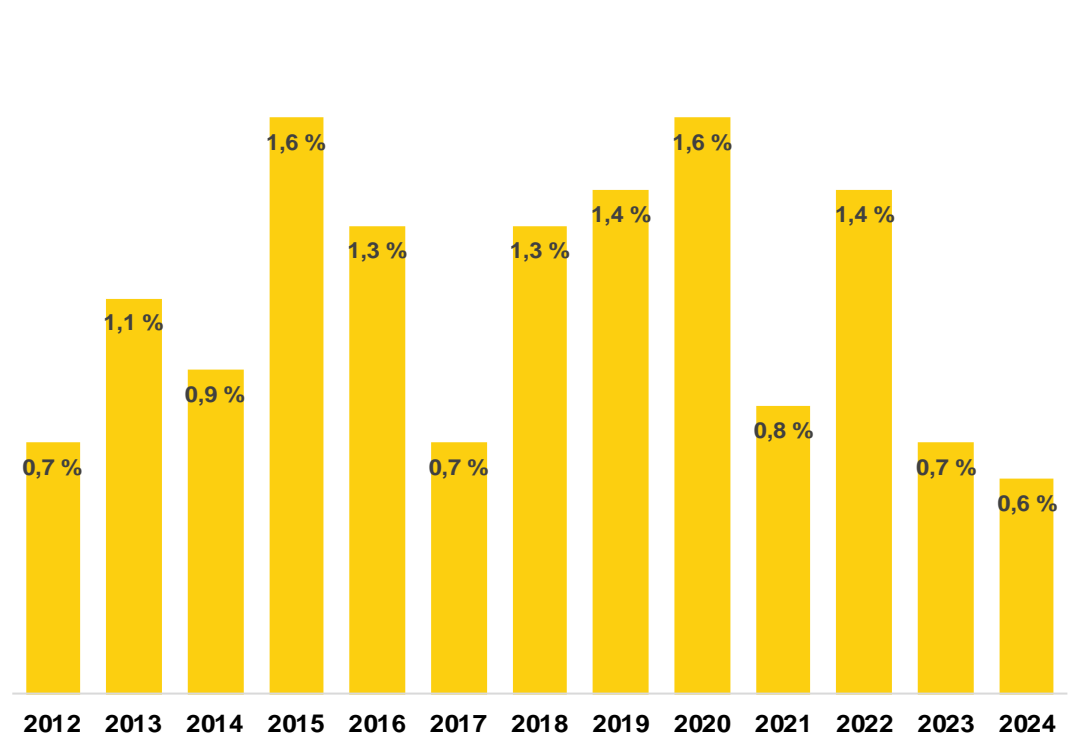
Combination buildings and commercial buildings are the segments with the lowest vacancies

Total vacancy combination buildings



Combination buildings are multi-activity buildings that typically contain a workshop/warehouse/office in the same building

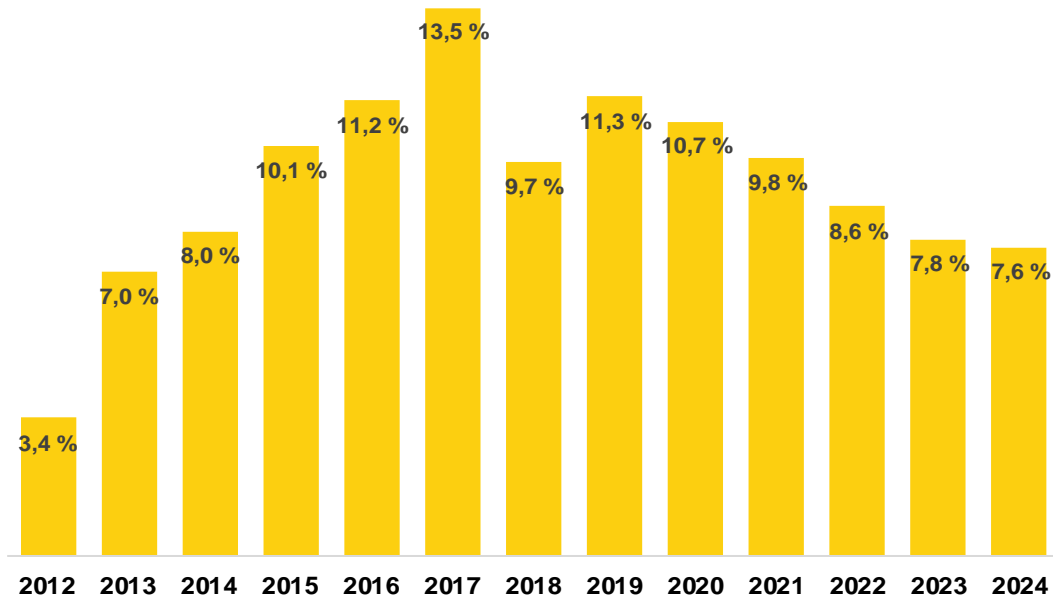
Total vacancy commercial buildings



Commercial property – The local market

Office properties are the segment with the most vacant space, but the market is improving. The correction in connection with the oil downturn in 2014 – 2016 results in a lower drop height than other parts of the country

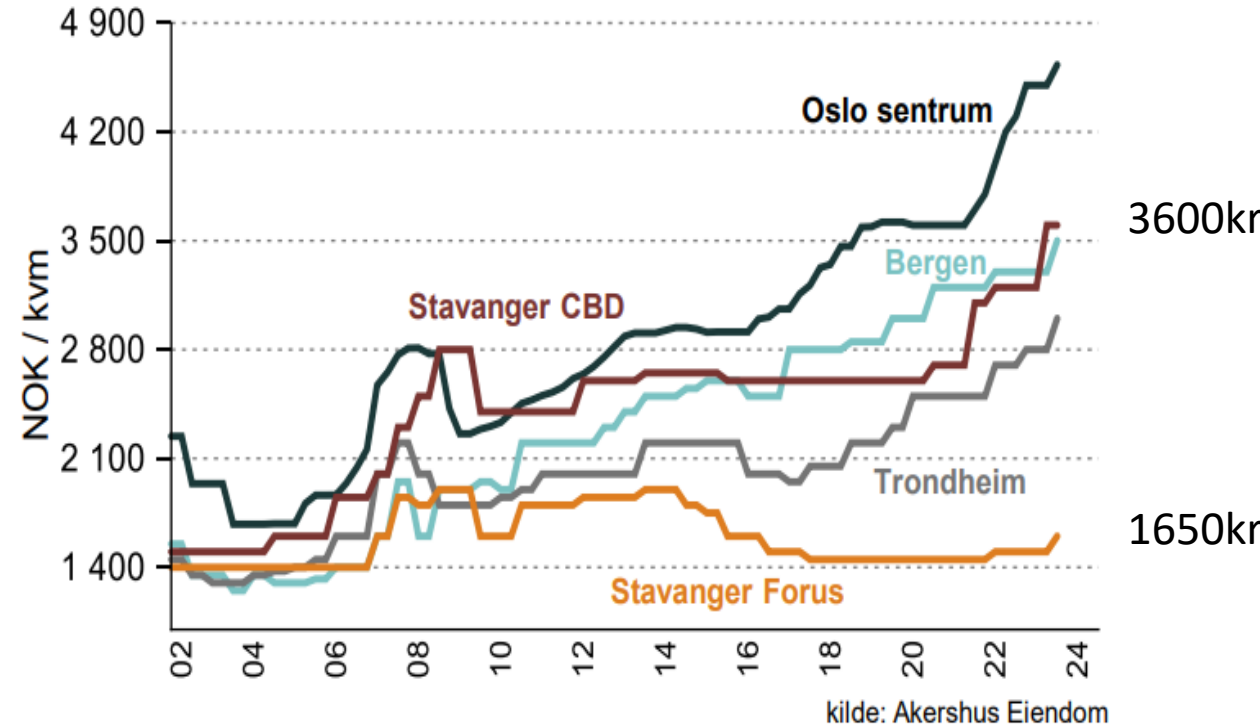
Total vacancy office property Stavanger region



Little new construction after the oil downturn from 2014-2016
Construction activity has picked up in recent year

Kilde: Eiendomsmegler 1 Næringsseiendom Stavanger

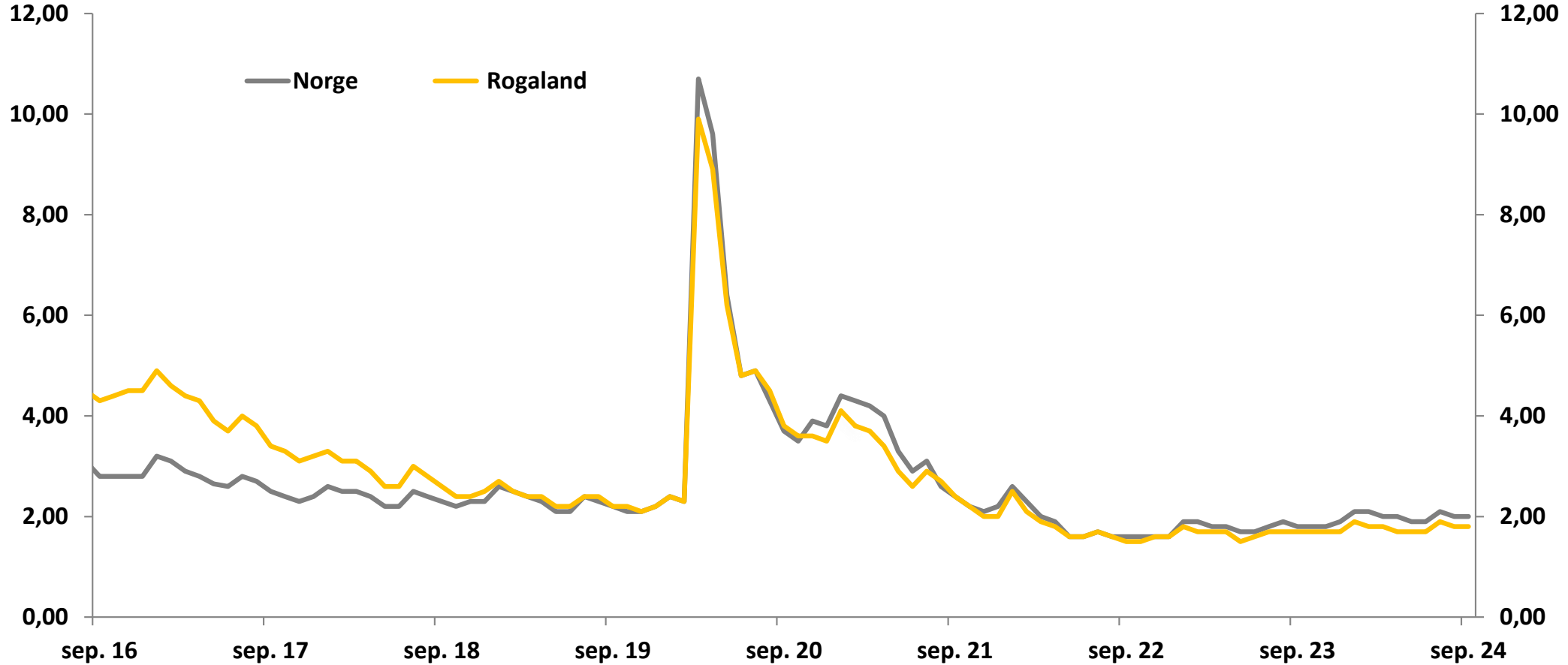
Rental prices largest cities in Norway



- Yield 5,75 % 2nd half of 2024
- Increased transactions compared to 2023



Full Employment in Rogaland



But who is unemployed?

Mismatch in the local labor market

A record number of advertised positions in September

Published on September 27, 2024

— 2024 is likely to be one of the years with the largest number of advertised positions ever, which confirms that there is a significant labor shortage, says director of Nav Rogaland Merethe P. Haftorsen.

At the end of September, a total of 7,622 job seekers were registered in Rogaland. Of these, 4,673 were completely unemployed, this corresponds to 1.8 per cent of the workforce. On a national basis, the proportion is 2.0 per cent.

Compared to the same month last year, there is an increase of 405 people, or 9 per cent. The number of full vacancies decreased from last month, but increases slightly when we adjust for seasonal variations. This means that the number of completely unemployed has not decreased as much as is normal for the month of September.

Gross unemployment, fully unemployed and jobseekers on measures, increases from last month also when we adjust for seasonal variations. In September, this group comprised 5,873 people, corresponding to 2.3 per cent of the workforce.

Among people with an immigrant background, the proportion was completely unemployed at 4.9 per cent, while among non-immigrants it was 1.0 per cent.

There is a significant labor shortage

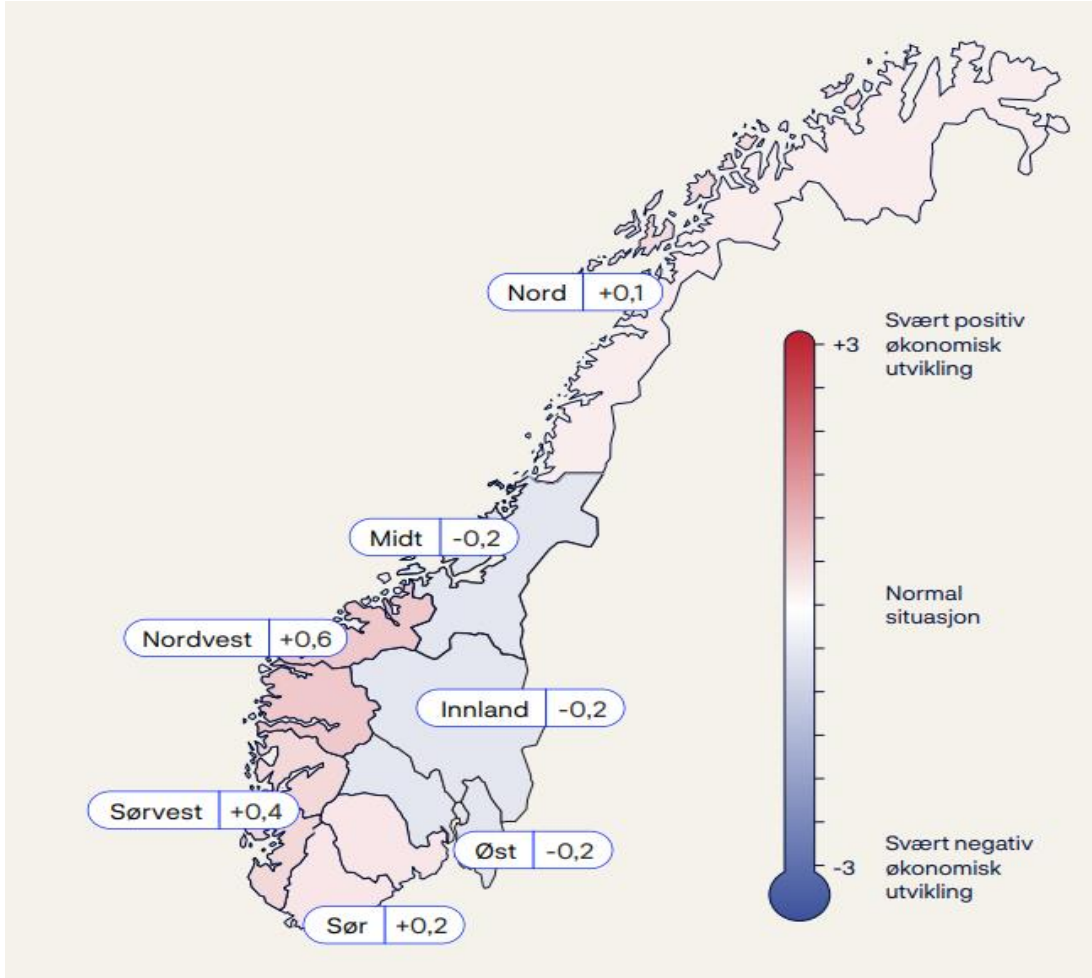
Director of Nav Rogaland Merethe P. Haftorsen is concerned about value creation in the county with persistently low unemployment, and such a high demand for labour. - There are not enough people. In the perspective message to the government, it is said that we will lack several hundred thousand in the next decades, but several industries are already crying out for labour, says Haftorsen.

Published 01.11.2024

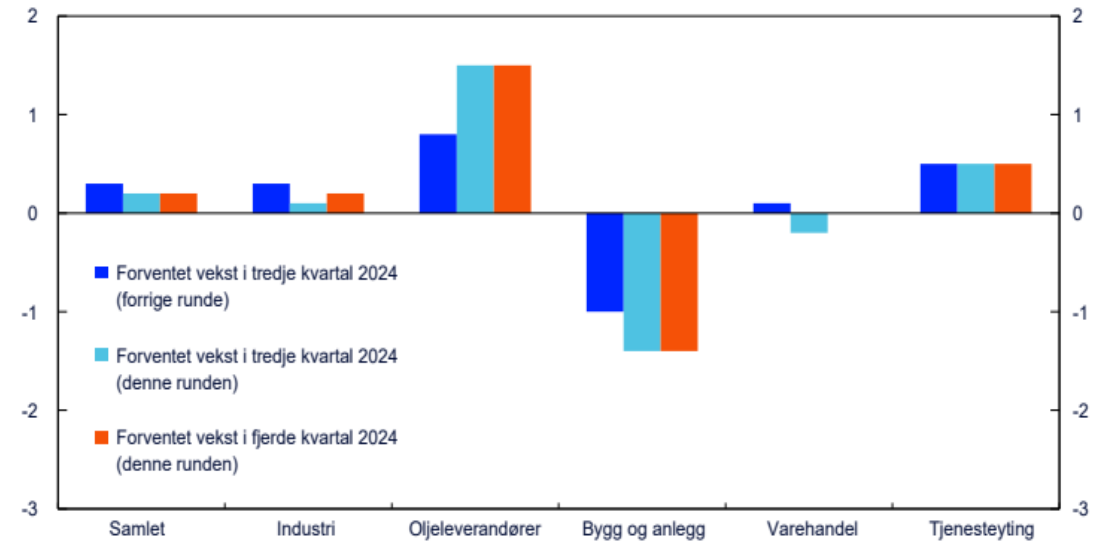


Norges Banks Regional Survey

Regional indicators



Expected production growth

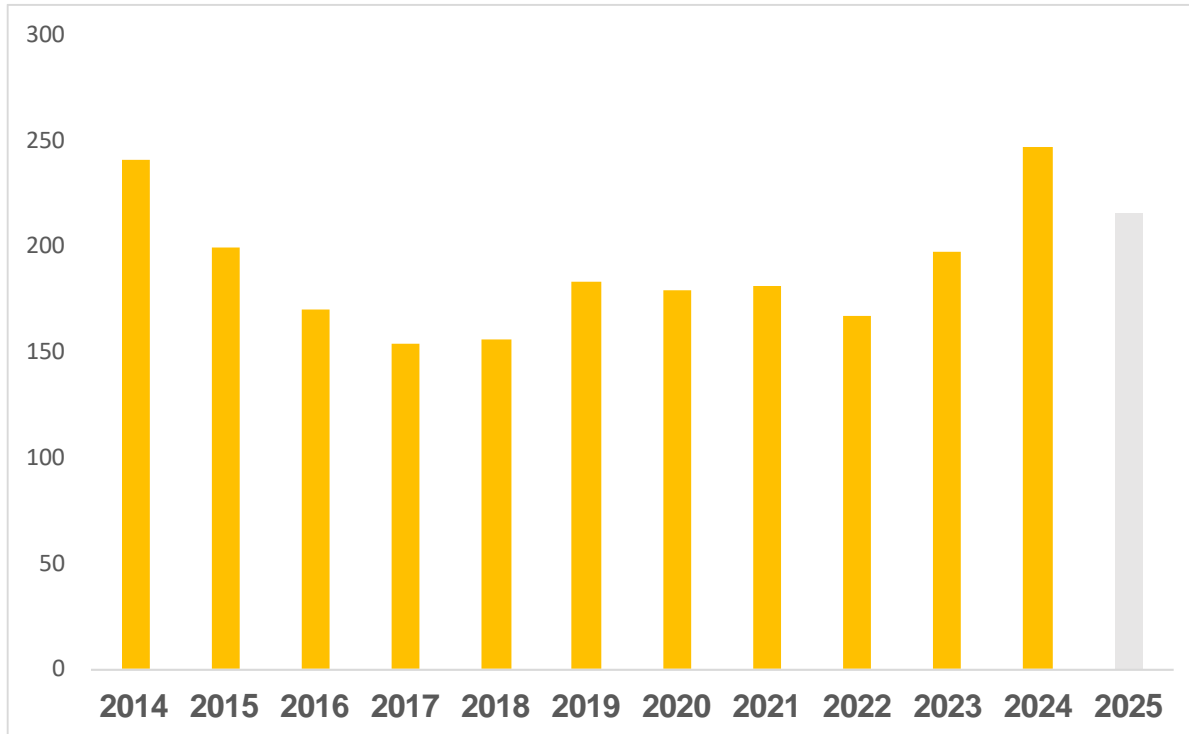


- High activity in energy related industries
- Challenging for the construction industry



Oil Investments

Oil investments



Higher estimates for 2025

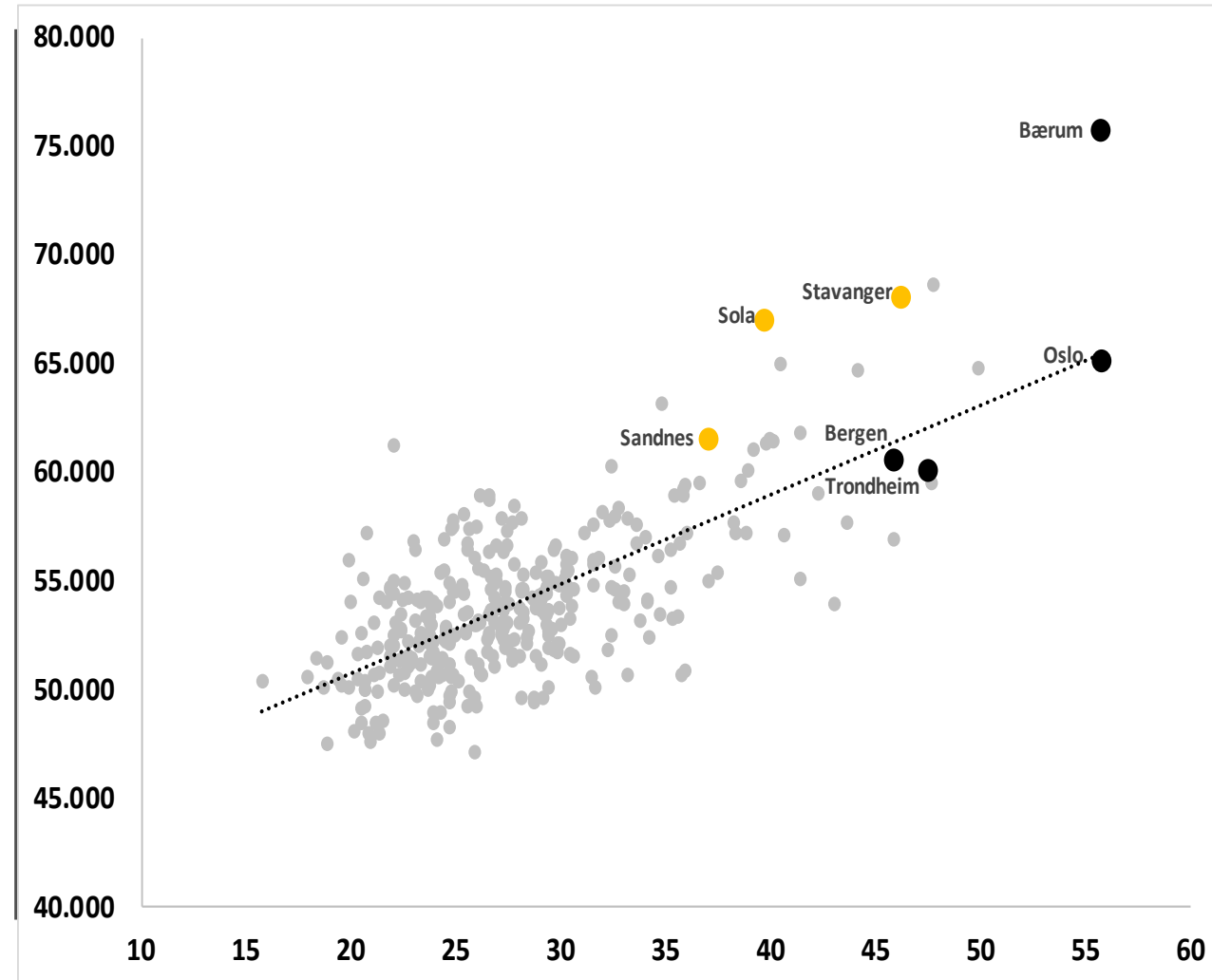
The latest investment estimates in the pipeline transport and extraction of oil and gas industries for 2025 are now stated at NOK 216 billion, which is approximately NOK 11 billion more than in the previous survey. The increase is mainly driven by increased estimates within field development and exploration, but the estimates for the other investment areas also contribute to the rise. The increased estimate for field development is partly related to the fact that a PUD has been delivered for a new development project. Such projects are included in the first investment count after the PUD has been delivered. Within the exploration business, a few more exploration wells have been included in the operators' preliminary budgets.



High education and high wages in the region

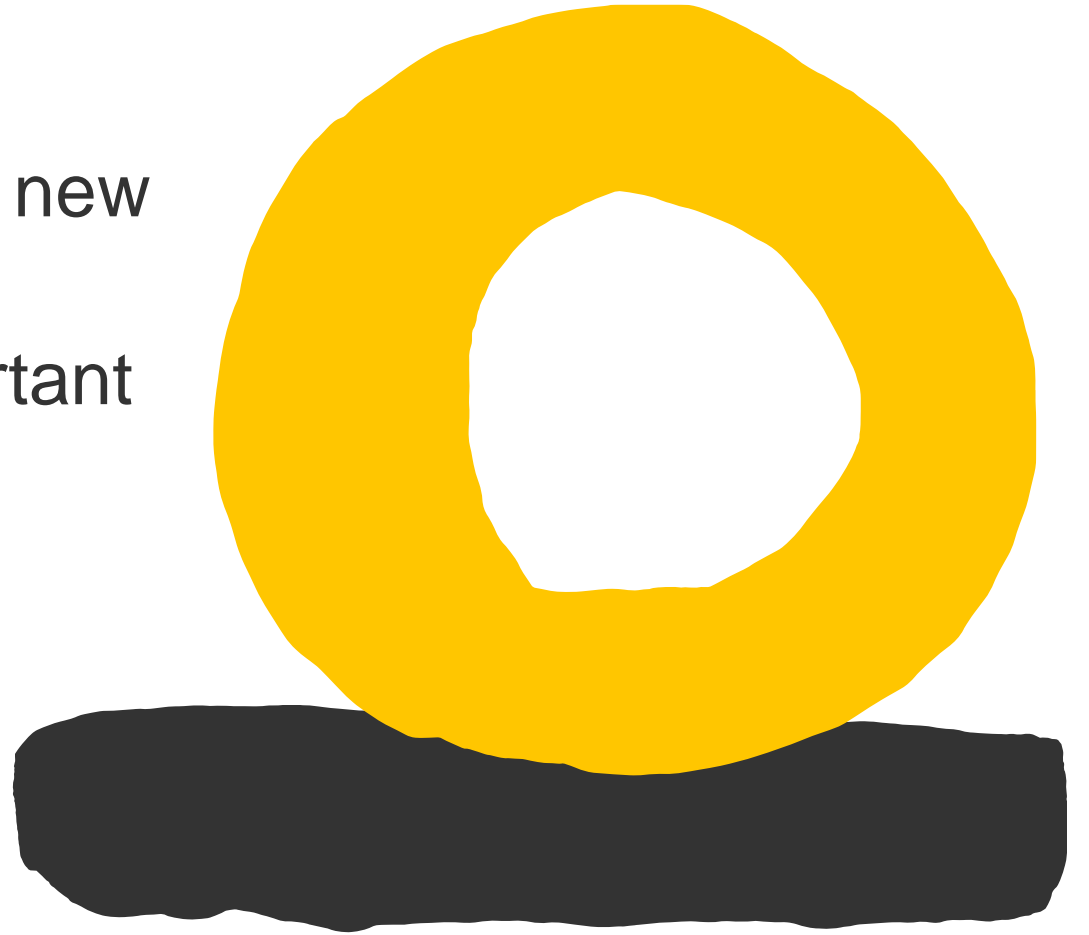
- High and relevant education
- Flexible workforce improves adaptability
- Better demographics than the country as a whole (proportion of young VS old)
- High wages is good for interest rate management, but slows down restructuring

Monthly salary VS education level

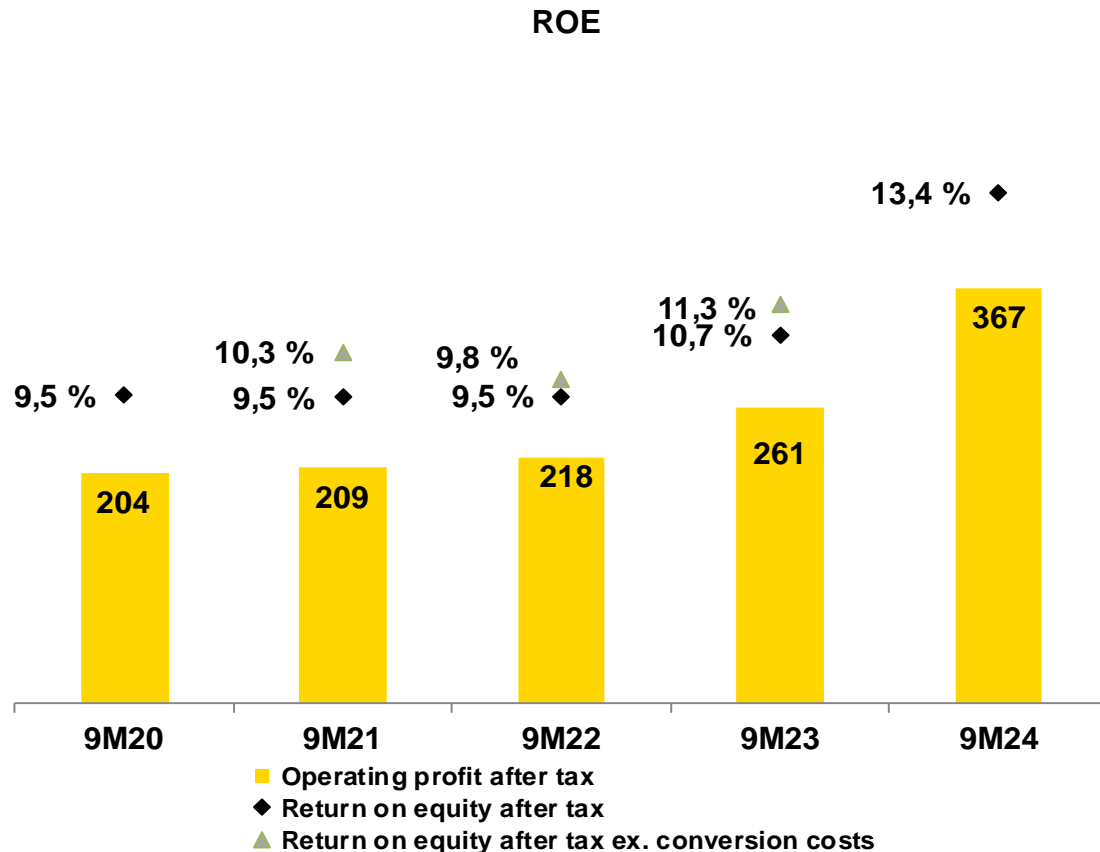


Agenda

- Rogaland Sparebank; a new bank, a new strategy period
- Eika is a solid and strategically important partner
- Local macro
- **Key figures as of Q3**



Rogaland Sparebank – A good start for the merged bank



Summary 9 months

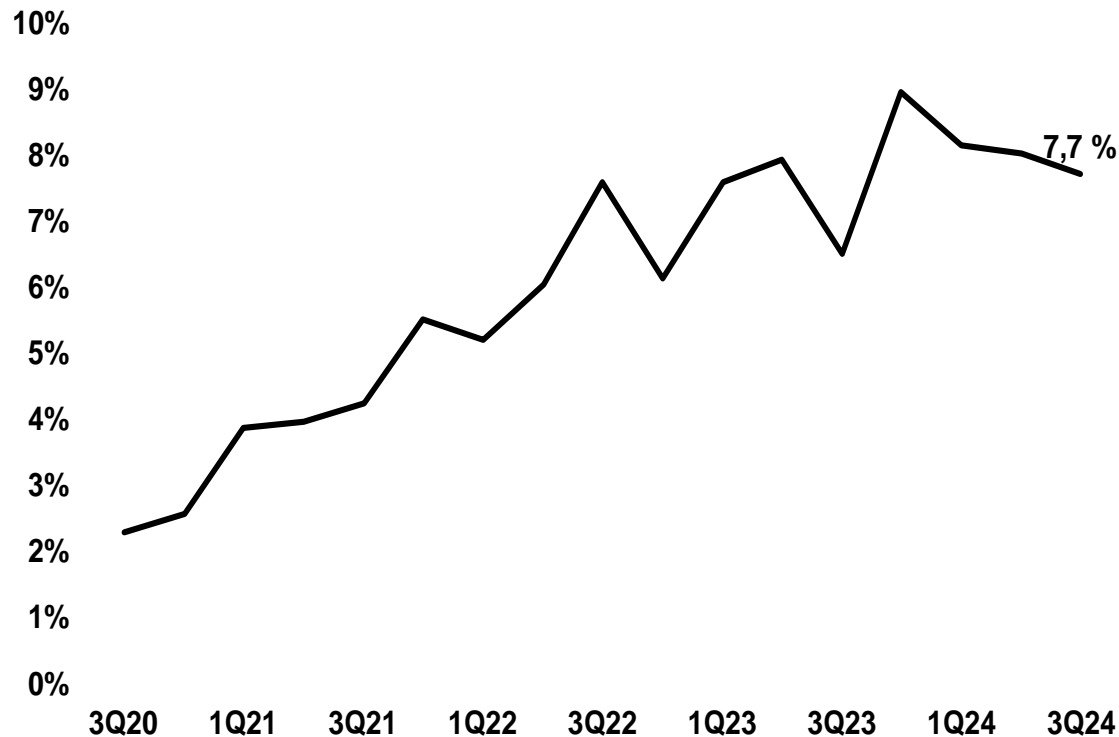
- Profit after tax MNOK 367,3 (261,4)
- ROE on equity after tax 13,4 % (10,7 %)
- EPS 10,0 NOK (7,9)
- Lending growth YoY 16,7 % (6,5 %)
- Net interest margin of 1,95 % (1,80 %)
- Net losses MNOK 26,8 (6,5)
- Solid bank with CET1 17,5 % (17,5 %)
- Costs MNOK 303,1 (271,6)



Organic Loan Growth at 7,7 % YoY

Solid growth, Increasing market share in both segments

Group level YoY



- Total lending increased by 2,2 bn (7,7 %) YoY
- Total lending increased by MNOK 353 (1,1 %) QoQ
- **Including the merger, total lending increased by 4,8 bn YoY (16,7%)**

Grwoth by Division YoY



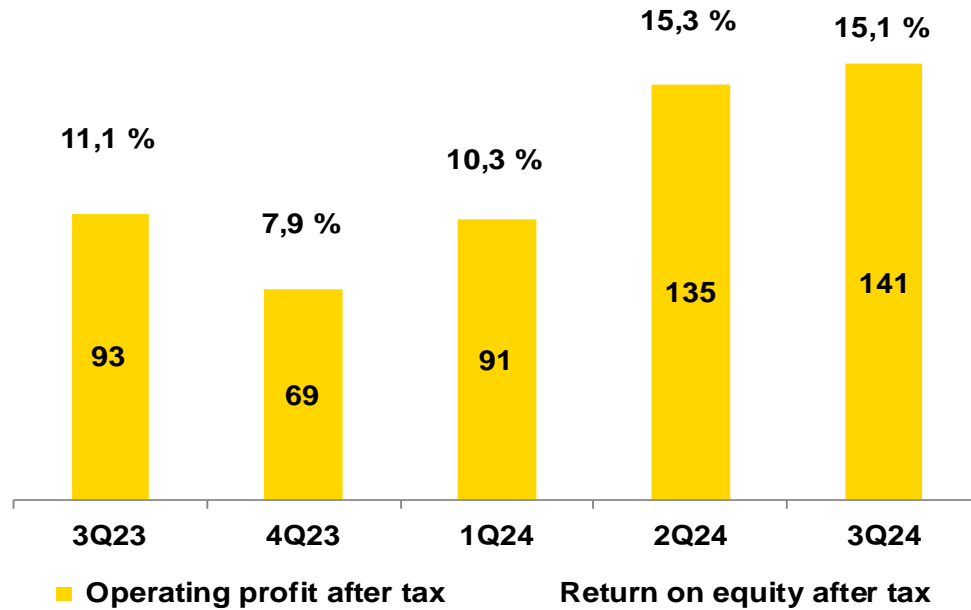
- Retail lending increased by NOK 1,6 bn (7,6 %) YoY. And by MNOK 526 (2,3%) QoQ.
- Corporate lending increased by MNOK 598 (8,2%)YoY., and decreased by MNOK 173 (-2,1 %) QoQ
- **Including the merger, retail lending increased by 12,3% QoQ and 18,1% YoY, and corporate lending increased by 1,6% QoQ and 12,4% YoY**



Profitability

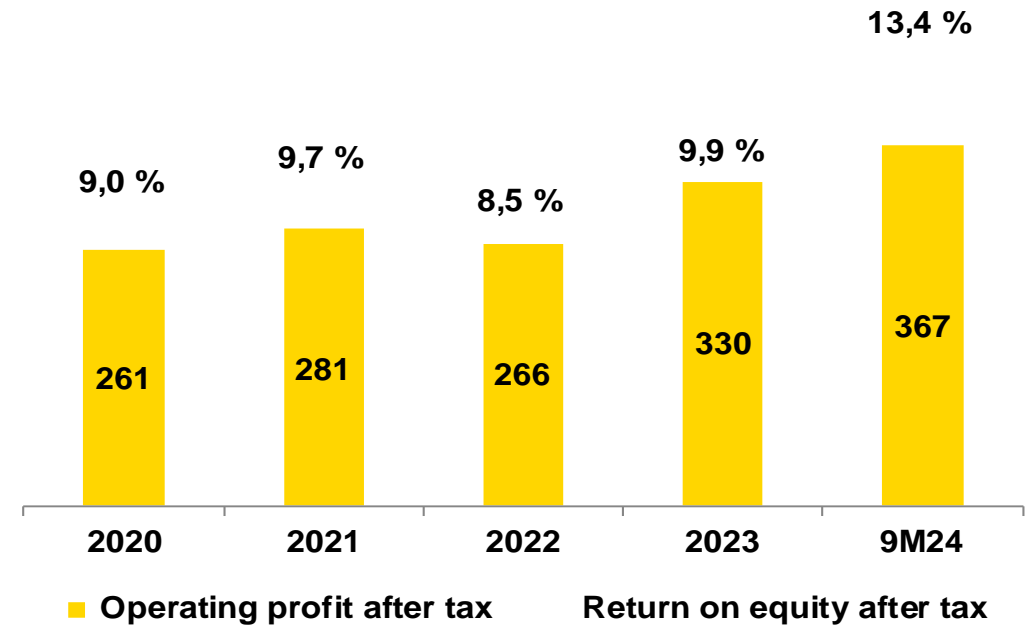
Solid improvement in underlying banking

ROE, Quarterly



- ROE adjusted for one offs due to the merger is 9,8% in 3Q24

ROE, Yearly



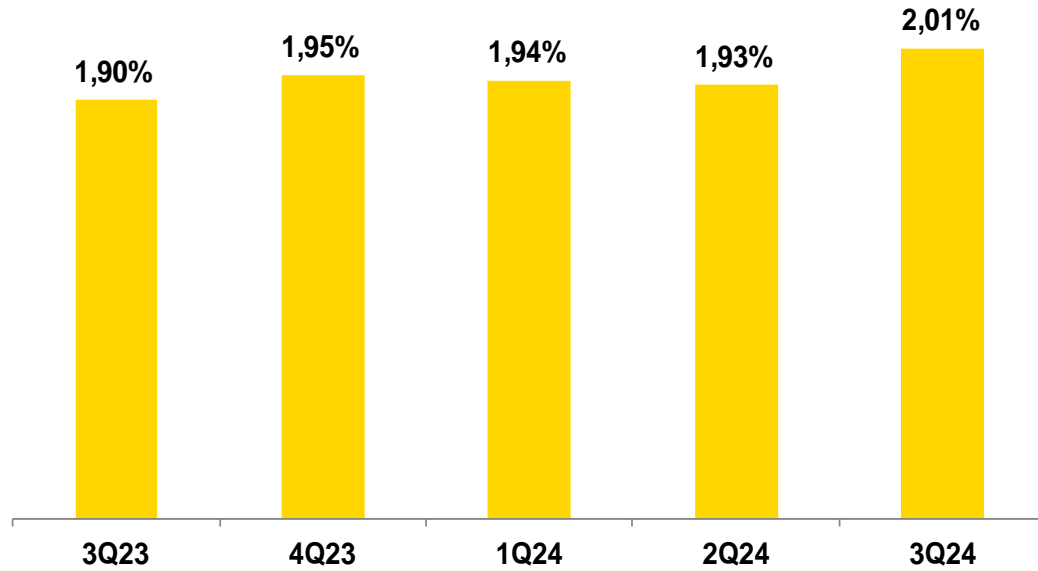
- ROE 2023 without conversion costs 10,5%, 8,7 % for 2022
- ROE adjusted for one offs due to the merger is 11,7% for the first 9 months of 2024



Net Interest Margin

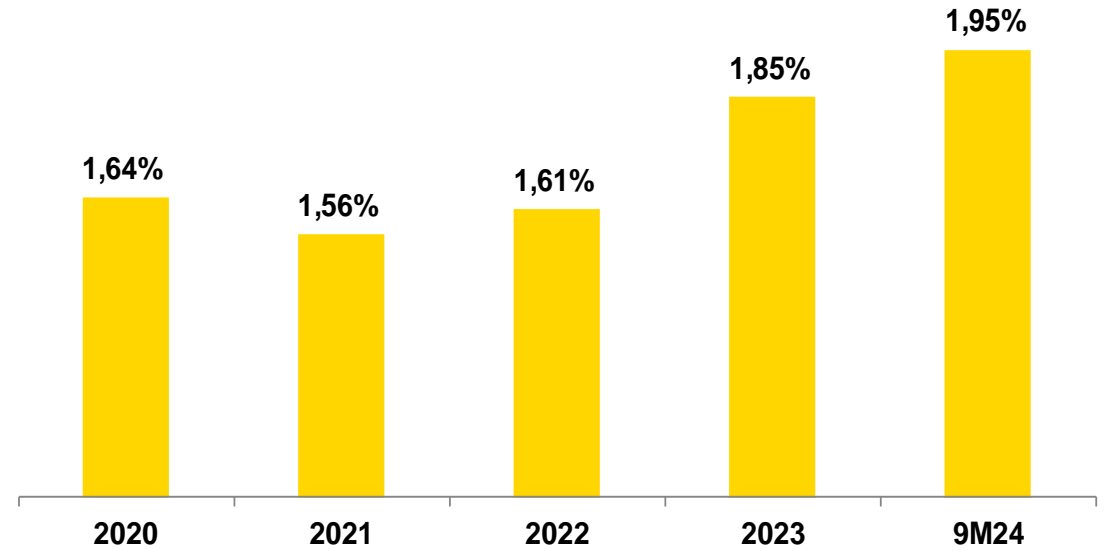
Continued improvement in net interest margin

Net Interest Margin, QoQ



- 51% deposit coverage

Net Interest Margin, YoY



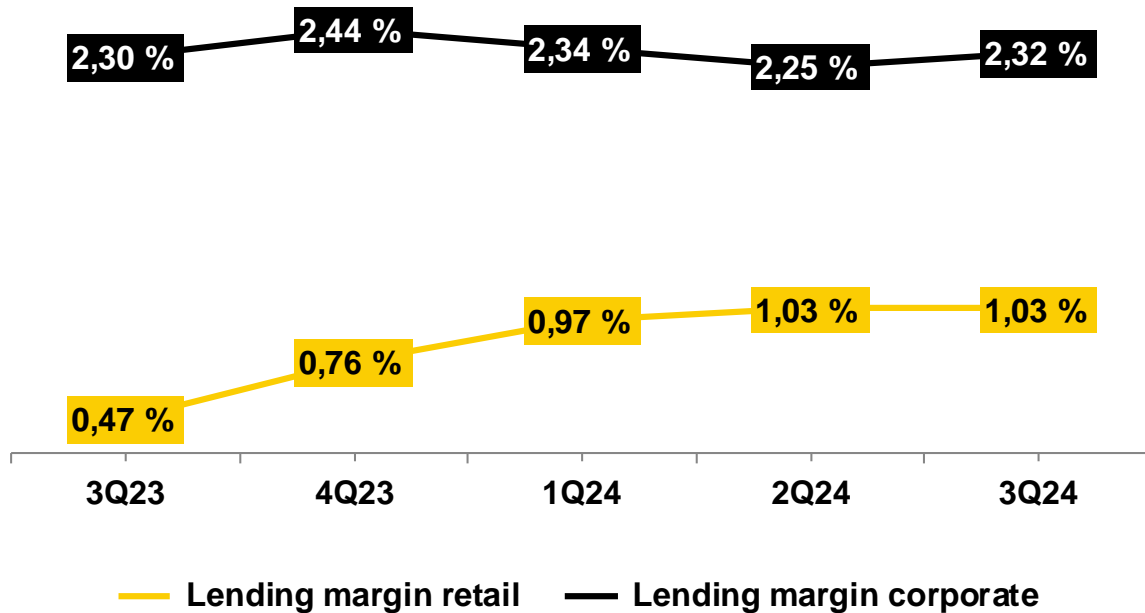
- Net Interest Margin parent bank 2,58 % (2,53 %)



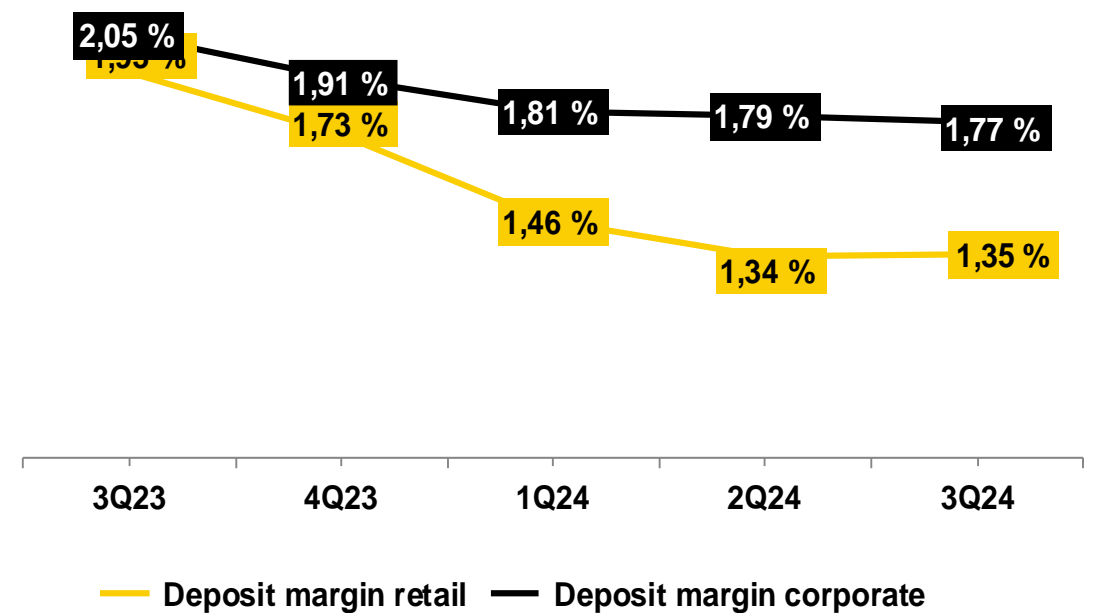
Margin on Loans and Deposits

Stabile Nibor increases lending margin and reduces deposit margins in the retail market

Lending margins

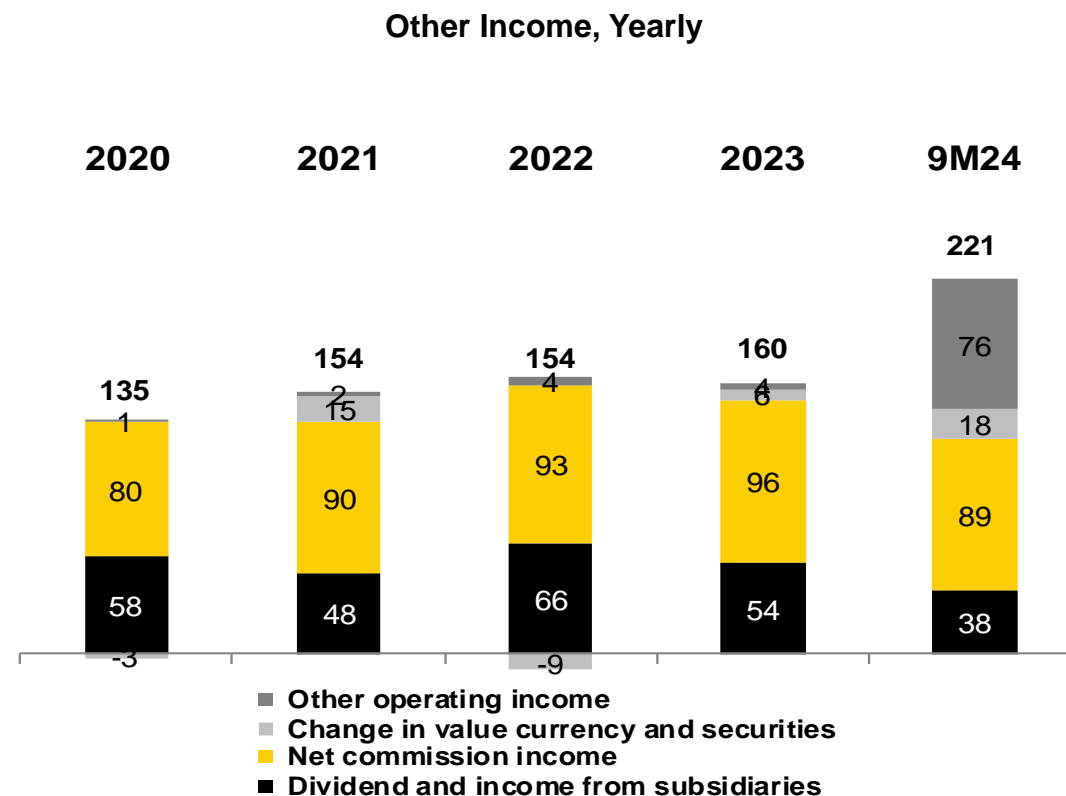
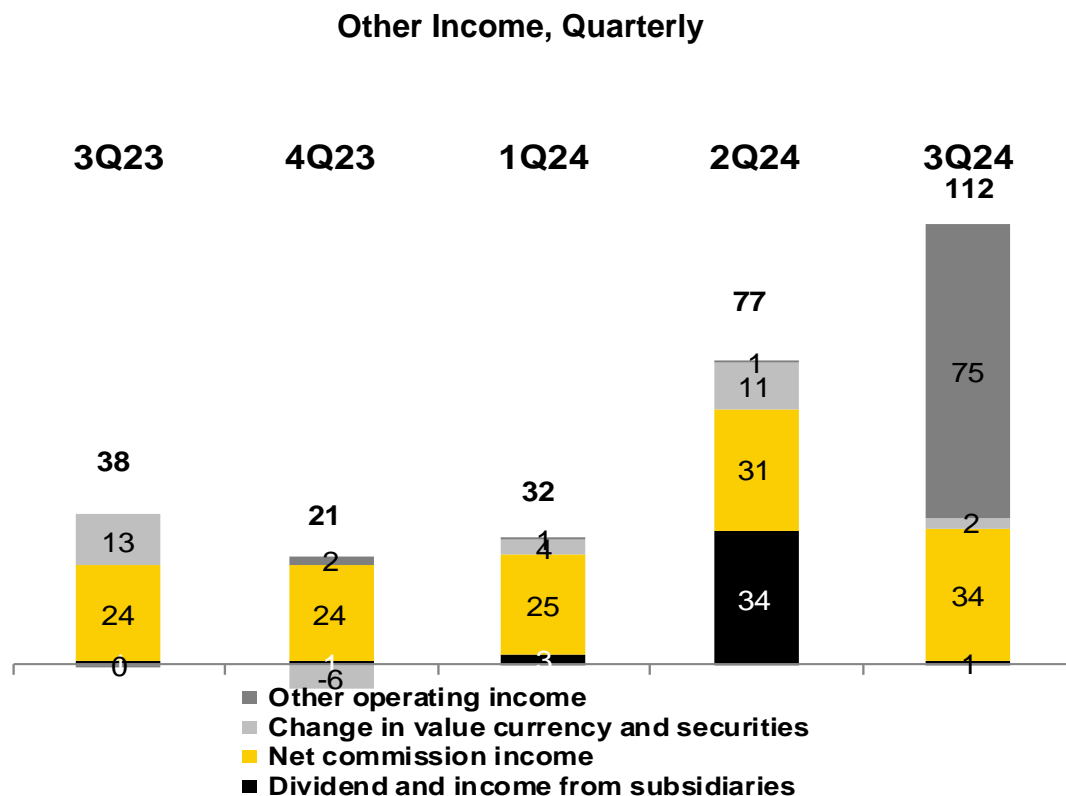


Deposit margins



Other income

Improvement in other income for the quarter



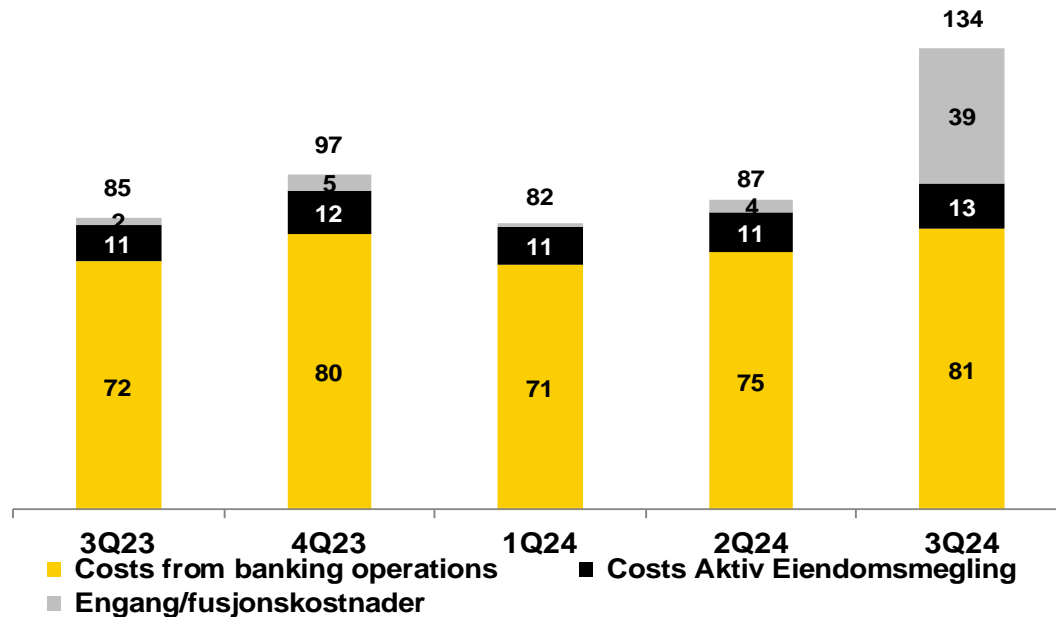
- Dividend from Eika Gruppen for 2023 MNOK 28,4 (44,8) booked in the 2nd quarter
- Improvement in net commission income
- Other operating income in the 3rd quarter (74 MNOK) is linked to the merger



Operating costs

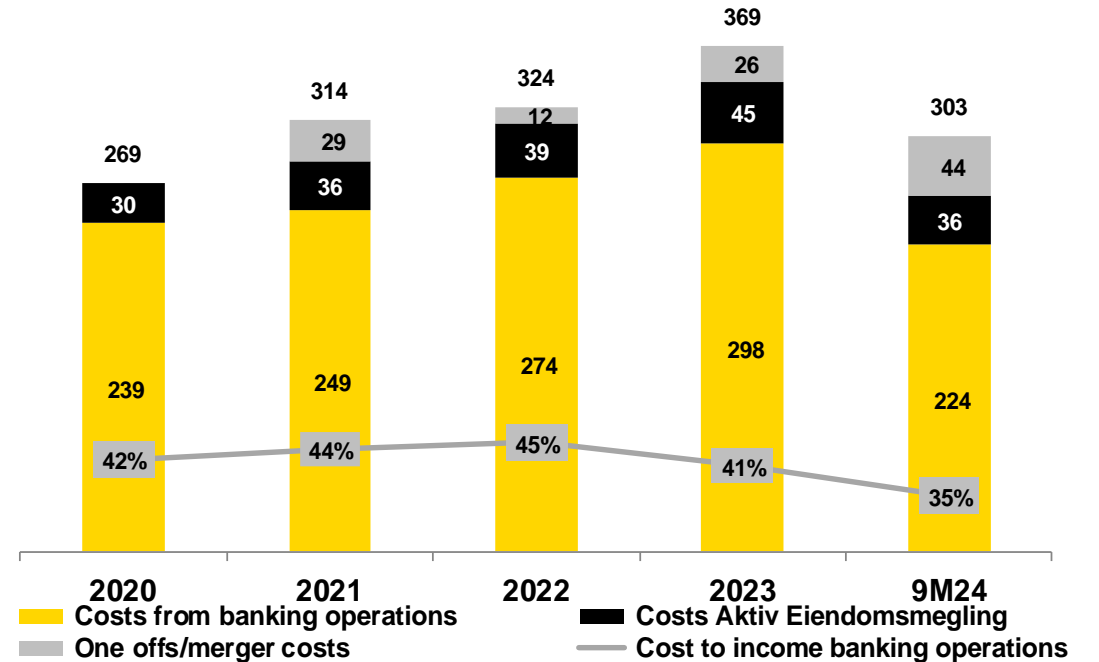
Stabile operating costs

Other Operating Costs, quarterly



- Some increase in the cost base as a result of the merger with Hjelmeland Sparebank
- The number of employees in the parent bank is stabile around 150 (+25 due to the merger)
- One offs / Mergereffects is mainly booked in 2nd half of 2024, total 39 MNOK

Other Operating Costs, yearly



- Operating costs underlying banking is 35 % for the first 9 months of 2024
- Changing the core system from SDC to TietoEvry is expensed at 67 MNOK in the period 2021-2023. Conversion completed in April 2023 and is in fully booked

Underliggende bankdrift inkluderer drift morbank og boligkreditselskapet



Accounting one-offs / merger effects

All accounting effects of the merger is booked pr 3. quarter 2024

Added value and costs

| | Income (MNOK) | Costs (MNOK) |
|--|------------------|-----------------|
| Added value exchange rate | 61 | |
| Added value of own buildings from historic value to real value | 13 | |
| Technical conversion | | 31 |
| Direct fusion costs | | 6,5 |
| Marketing and rebranding | | 2,5 |
| Advisors | | 6,0 |
| Total – 28 MNOK profit contribution | 74 | 46 |

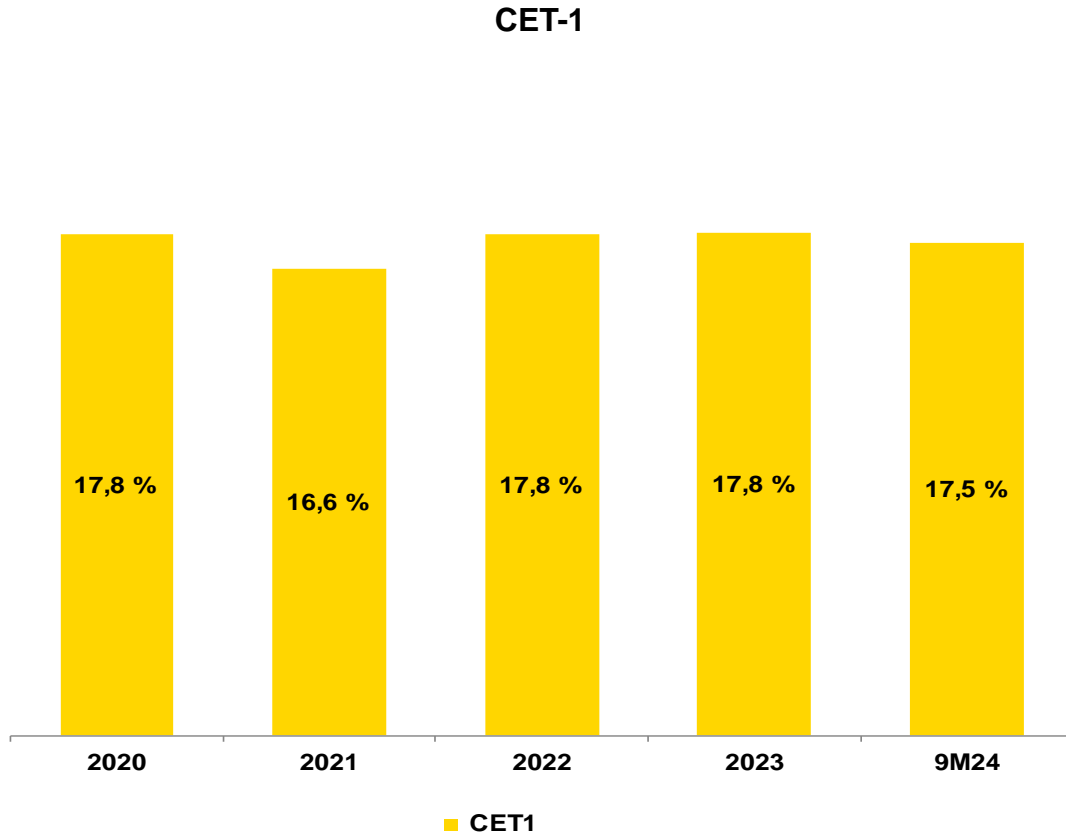
Synergies

- Identified yearly synergies of about 30 MNOK, fully implemented from 2026
- More efficient operations, cheaper funding and better utilization of the market is the contributions to the synergies
- Costsynergies is being implemented
 - Reduction in external suppliers
 - Reduction in IT and alliancecosts
- Fundingsynergies is implemented
- Income synergies is being implemented, increased efforts in Ryfylke and more efficient adviser time
- Aktiv Rogaland realtor (100%) is under establishment (merge of the two shared ownership realtor companies)



Well Capitalized and Equipped for Further Growth

Common Equity capital ratio of 19,2 % Common Equity capital ratio of



A Well Capitalized Bank

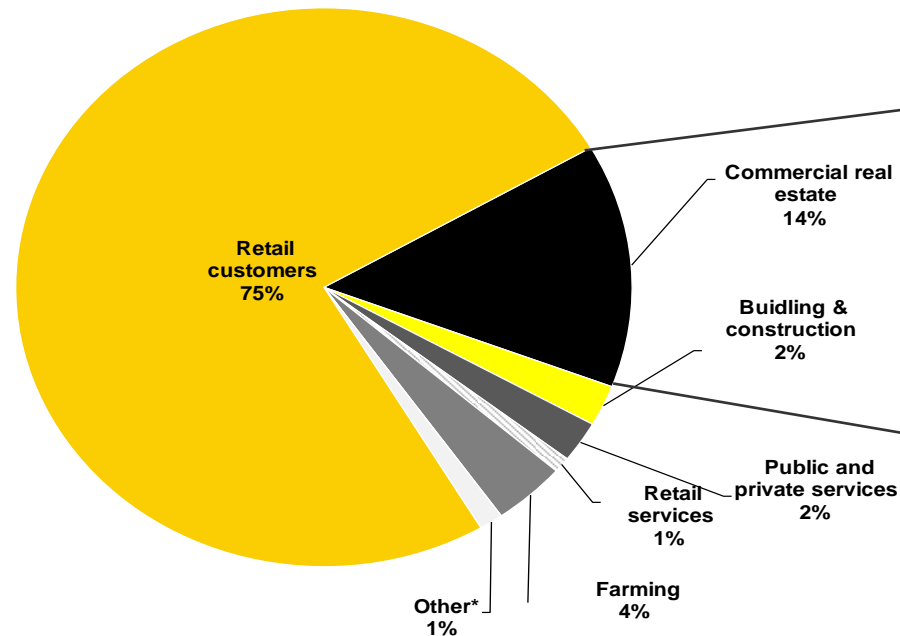
- CET-1 requirement of 15,3 % from 1.8.24
- Internal target of + 1.5 % management buffer above the regulatory requirements
- Internal target of minimum 16,8% from 1.8.24
- Preliminary estimates of new standard method (Basel IV) increases CET-1 by ca 2,6%
- The bank expects new pillar 2 in 2025. Pillar 2 increased to 2,3% after the merger



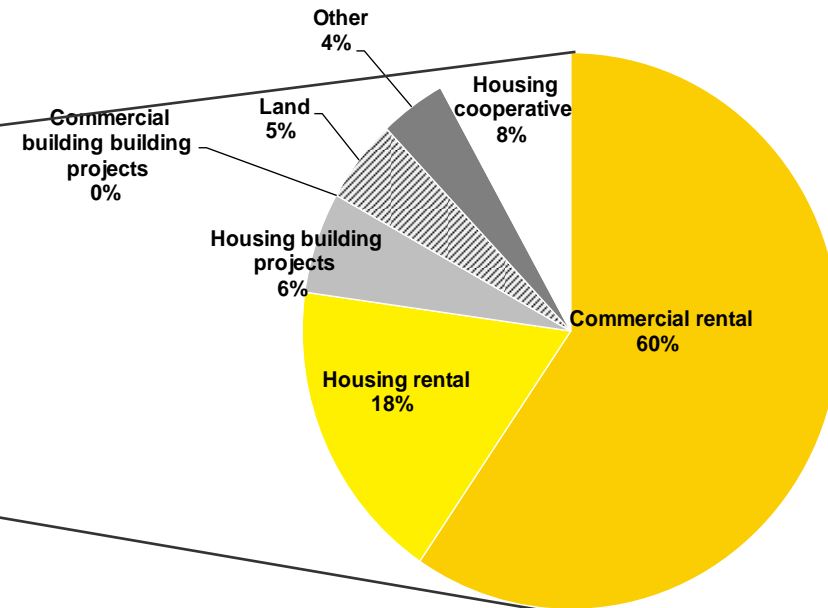
Loans to customers

The share of retail loans has increased significantly over the last 5 years. Low exposure towards real estate development

Distribution by sector



Corporate loans to real estate



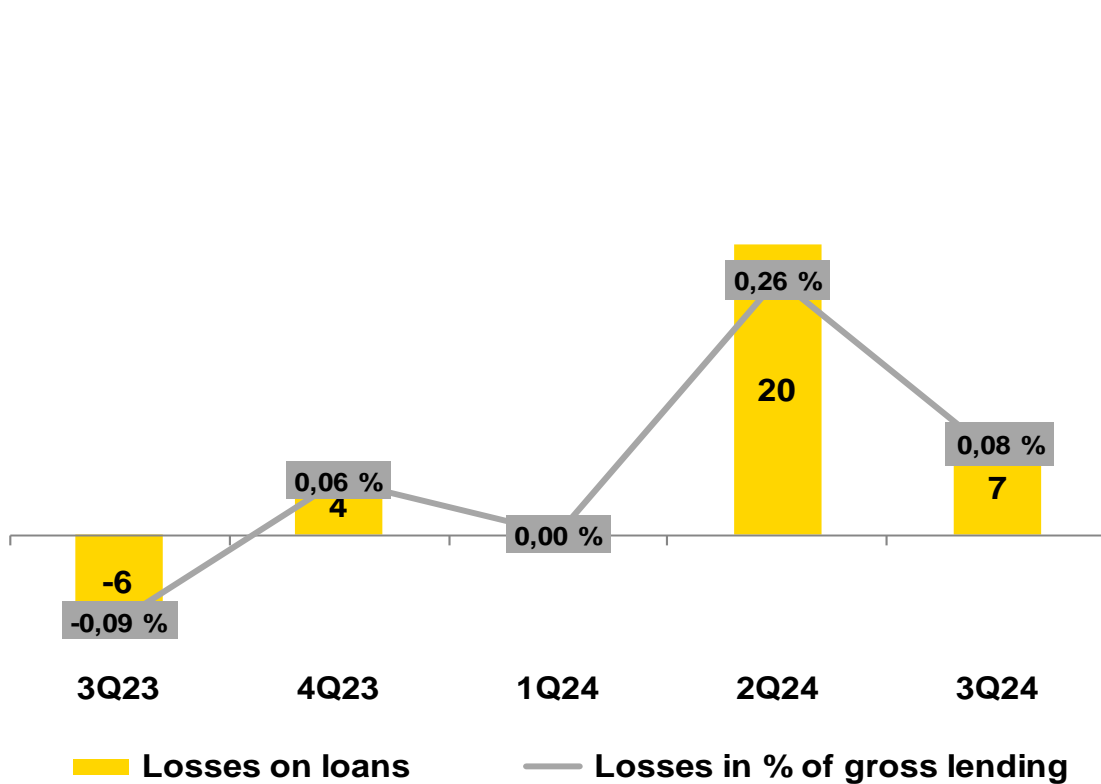
- Low exposure to cyclical industries
- Insignificant direct exposure to the oil industry
- Stable exposure towards commercial real estate



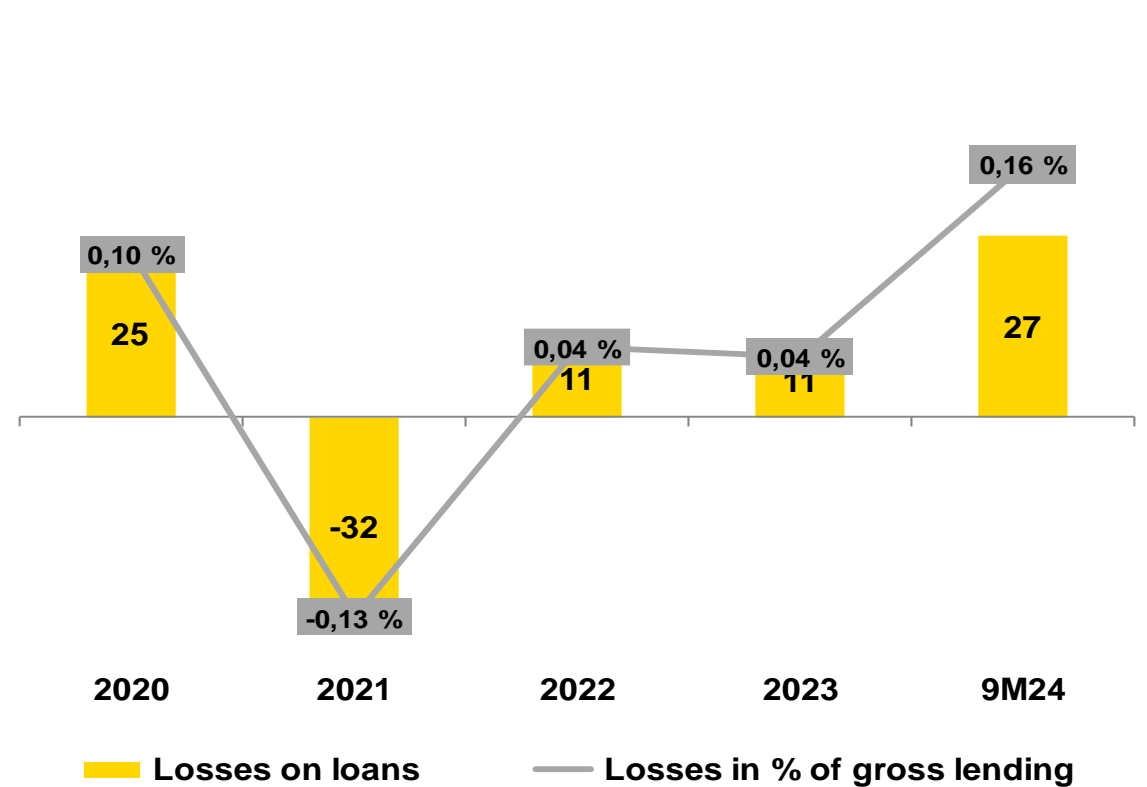
Losses on Loans and Guarantees

Stable low losses, some increase in noe one-off losses and model effects in 2nd quarter of 2024

Losses on loans and guarantees, QoQ



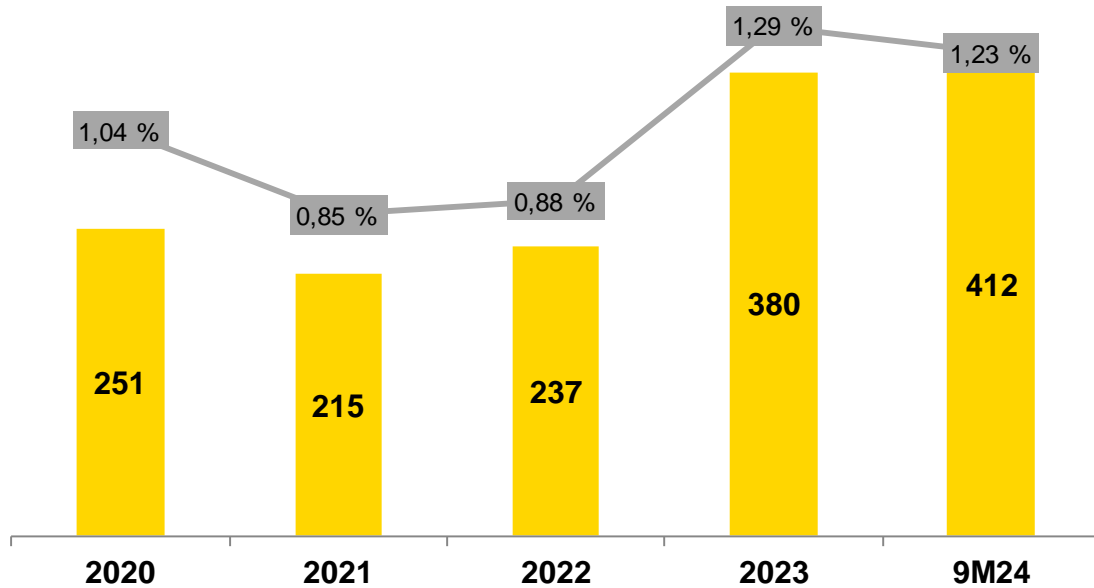
Losses on loans and guarantees, YoY



Non-Performing and Doubtful Loans

Some improvement in non-Performing loans, stabile development

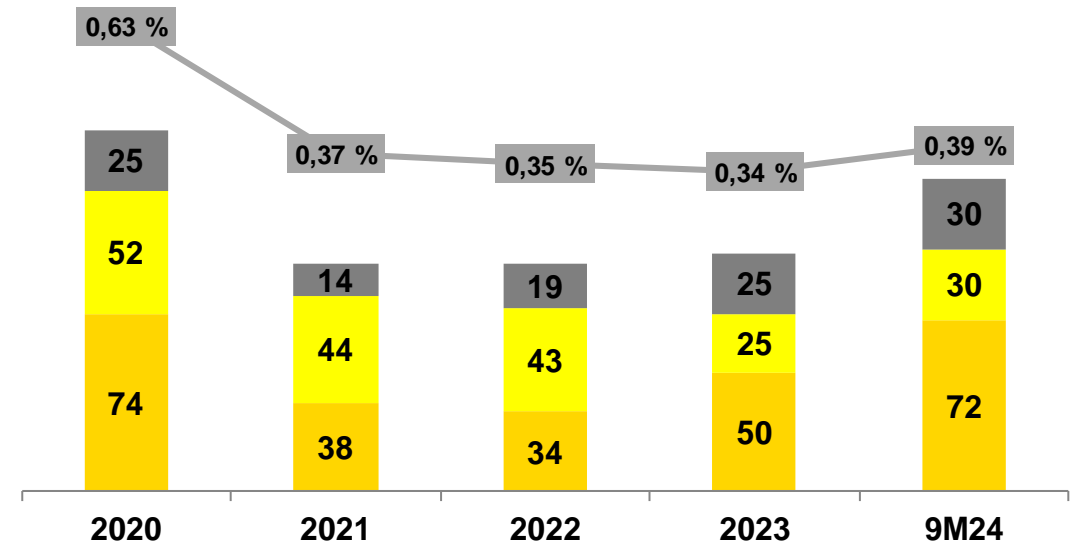
Non-performing and doubtful loans



- Non-performing and doubtful loans
- Net non-performing and doubtful loans in % of net lending

- The increase in non-performing and doubtful loans is mainly linked to the restart bank, Balansebank, which is in line with its mandate

Write-downs



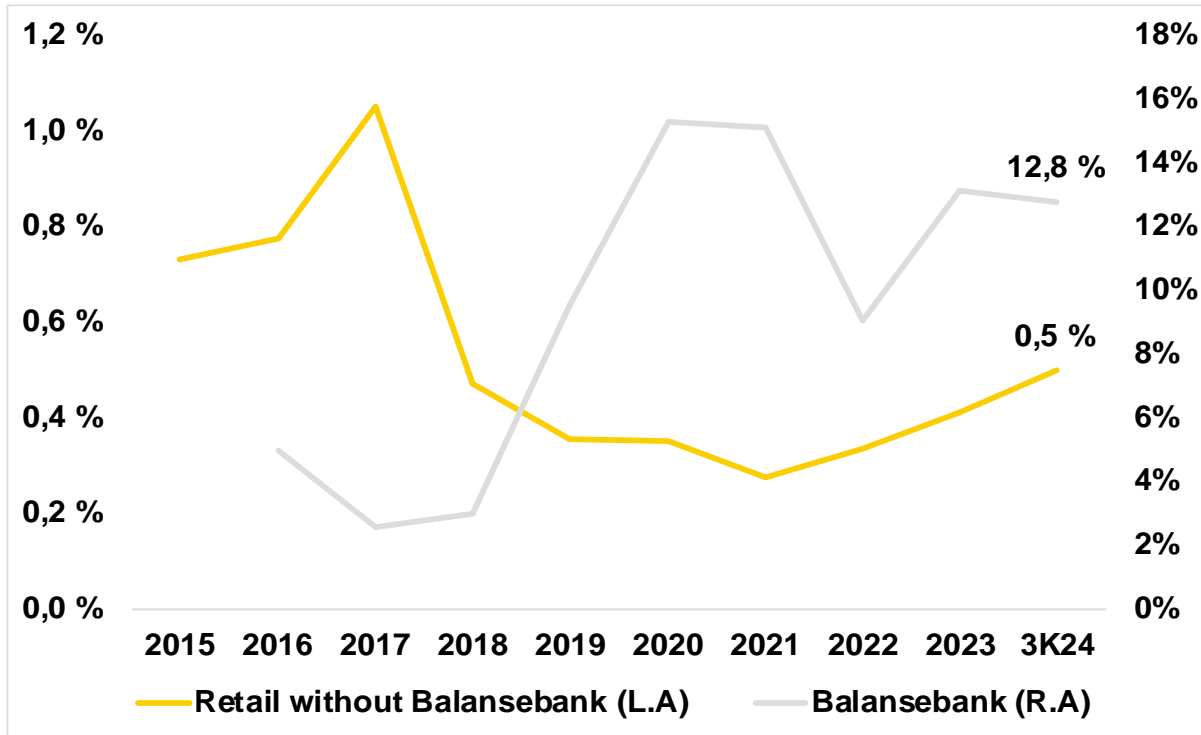
- Step 1 provisions
- Step 2 provisions
- Individual write-downs (Step 3)
- Total write-downs in % of gross lending



Non-Performing and Doubtful Loans Retail

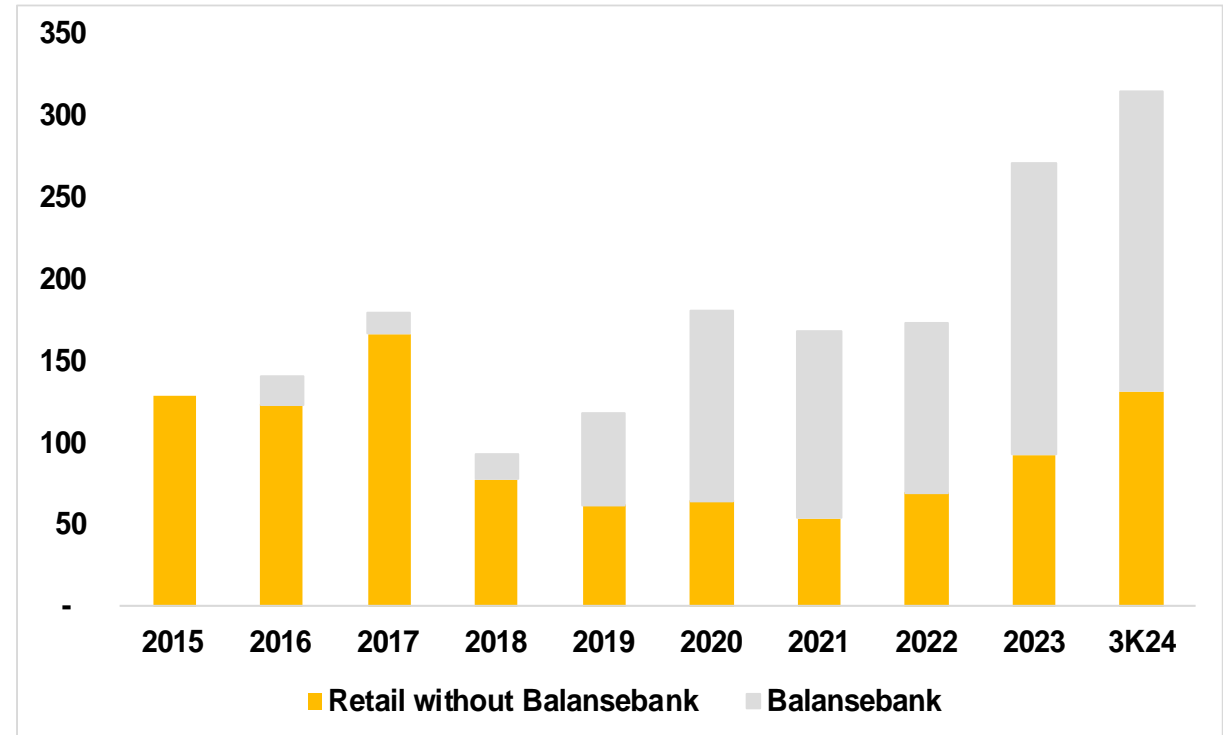
Stabile and low Non-Performing Loans in ordinary retail. Somewhat higher in Balansebank than normal

Gross default rate retail



Expected Non-Performing and Doubtful loans in Balanse Bank is 10%. All loans in Balansebank is secured with residential buildings within 85% LTV

Gross default rate retail



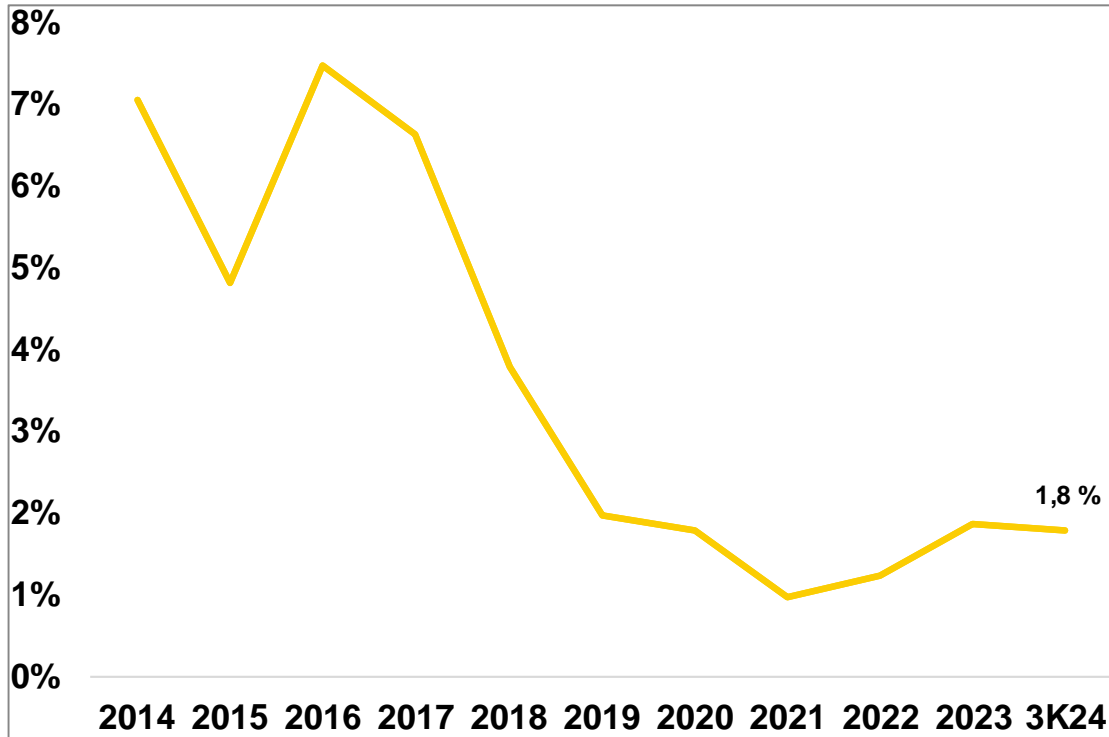
- Lending volume from Hjelmeland Sparebank is included in 3K24



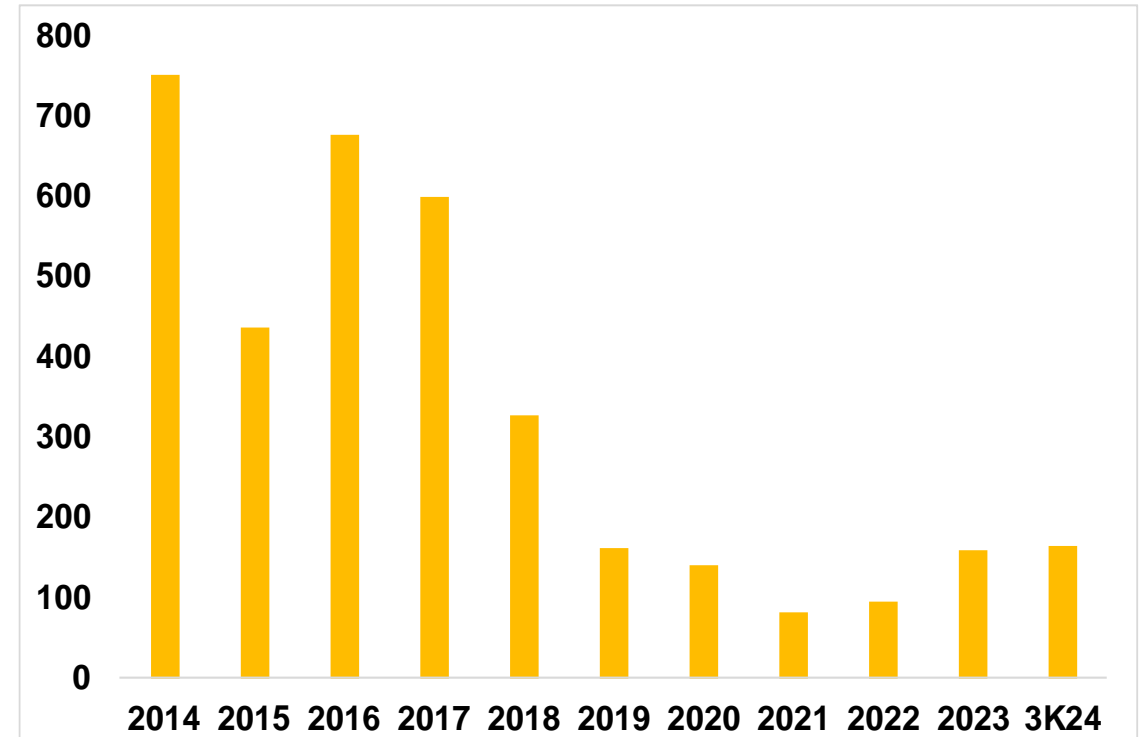
Non-Performing and Doubtful Loans Corporate

Reduction in risk for corporate loans over several years entail less pressure in the portfolio given today's market situation

Gross default rate Corporate



Gross default rate Corporate



- Lending volume from Hjelmeland Sparebank is included in 3K24



Sustainability in the customer dialogue

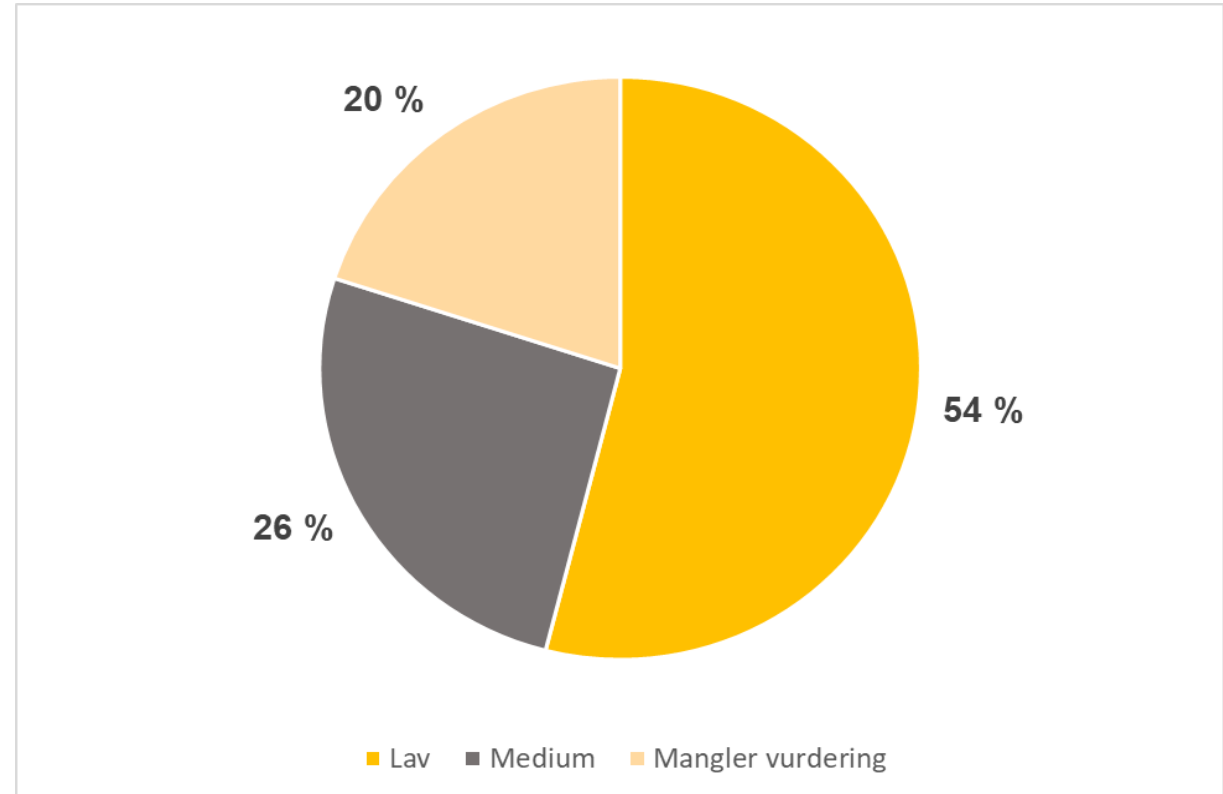
We are committed to contributing to a better and more sustainable future for our employees, our customers and our surroundings

Goals achieved within sustainability in 2024

- The goal of ESG-assessing 80% of our corporate customers is achieved in 2024
- Retail has doubled its green lending volume in 2024.
- Green corporate lending has exceeded 1,35 MRD NOK, and is on its way to achieve its goal of 400 MNOK in new green loans in 2024.



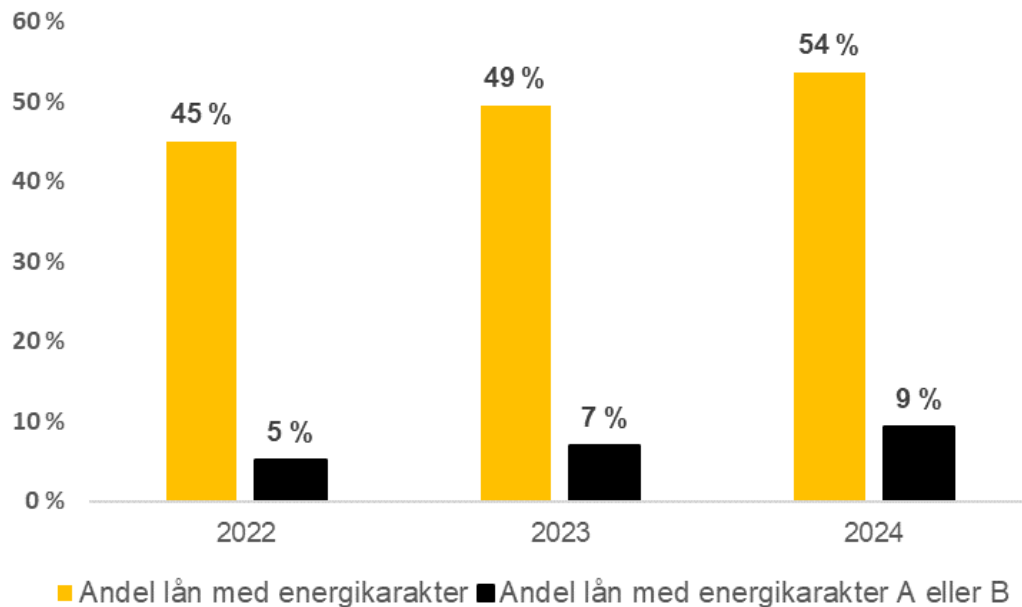
Distribution of ESG assessments of corporate market customers



Energy Labeling

Working on collecting data

Amount of houses with energy label



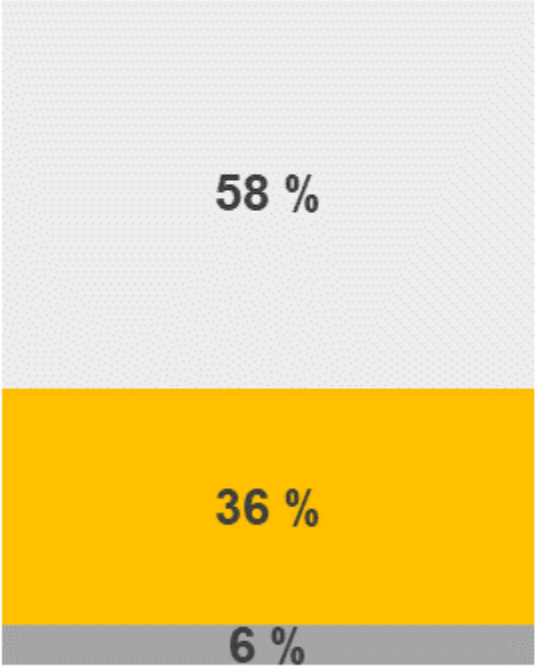
Criteria for the green loan programme

- Mortgages with energy labeling A or B
 - Loans built with TEK10 and TEK17
 - Solar panels
 - LED light
 - Granted last 5 years
- We have energy label on about 27 % of the banks real estate portfolio
 - All the corporate loans have been financed/refinanced within the last 5 years and qualify for the bank's green loan program

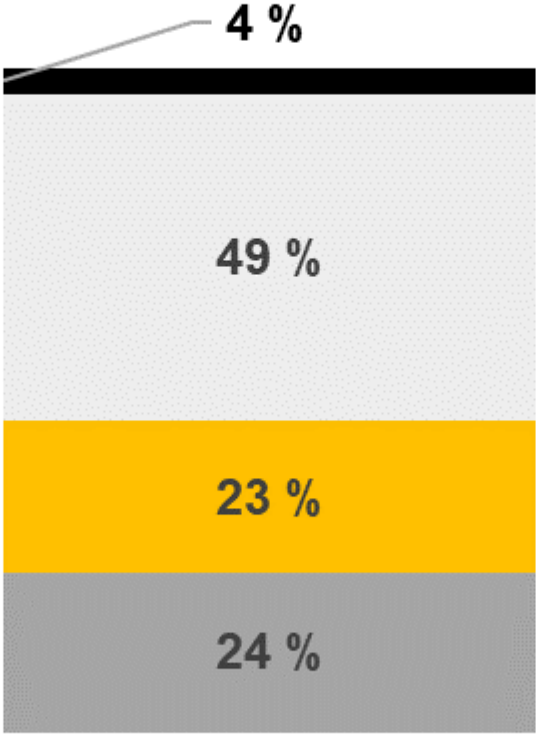


Green Fraction in Rogaland Sparebank

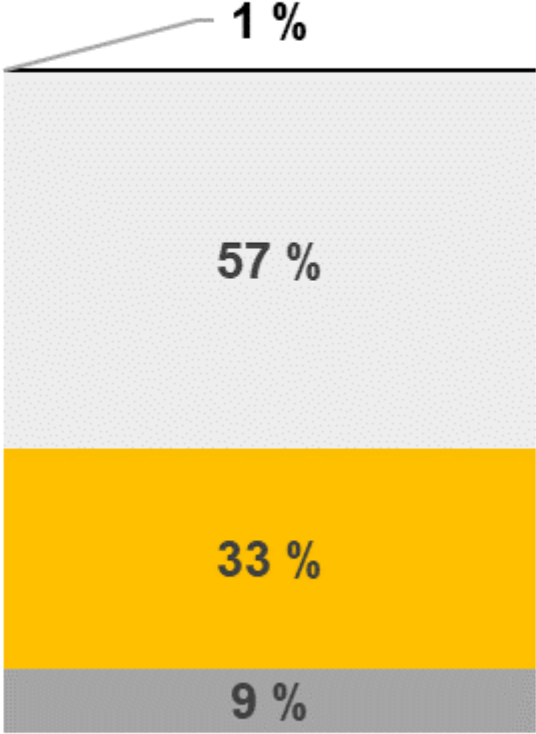
Total green fraction
retail 22 %



Total green fraction
corporate 15 %



Total green fraction
21 %



■ Energimerke A ■ Energimerke B ■ TEK 10 og 17 ■ Solceller og ledlys

• The green fraction is calculated based on the bank's green framework



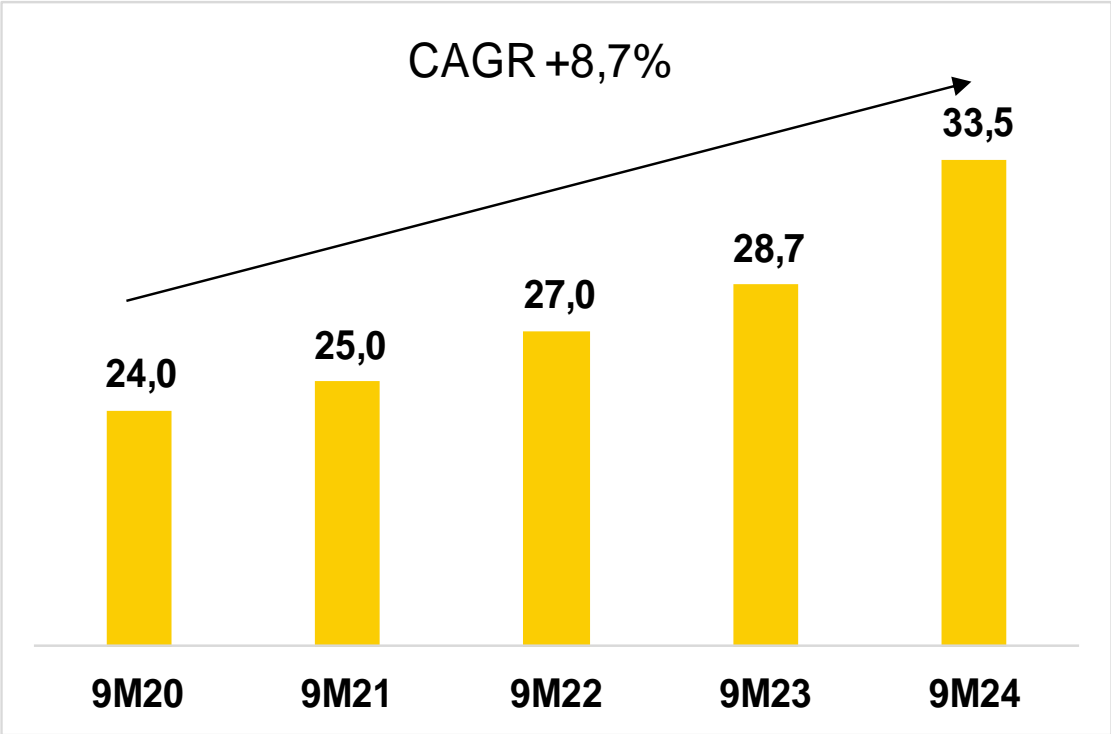


APPENDIX

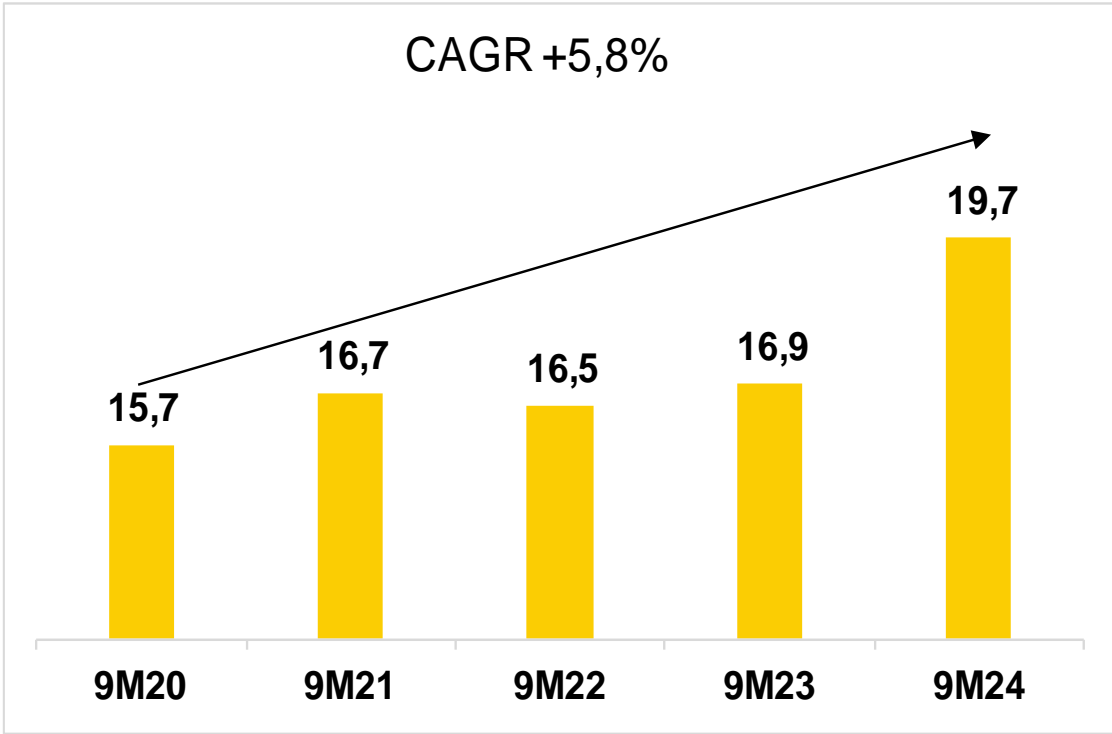
The increase in lending volume has lower capital tie-up

Volume growth within the retail and SME companies requires less capital

Net lending



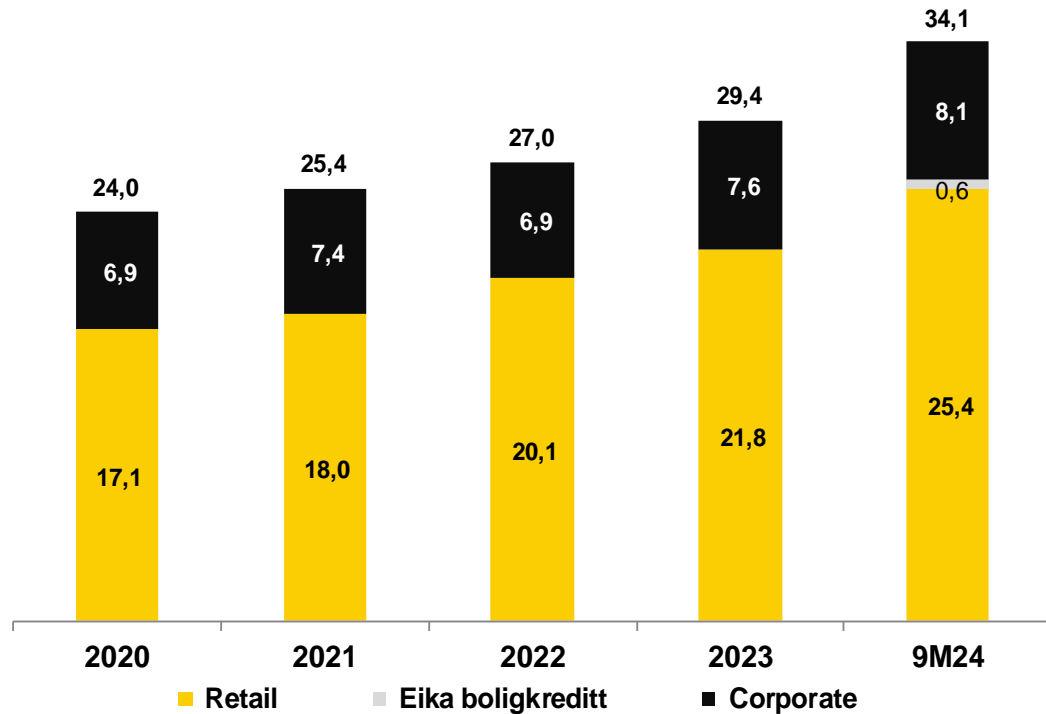
Risk weighted assets



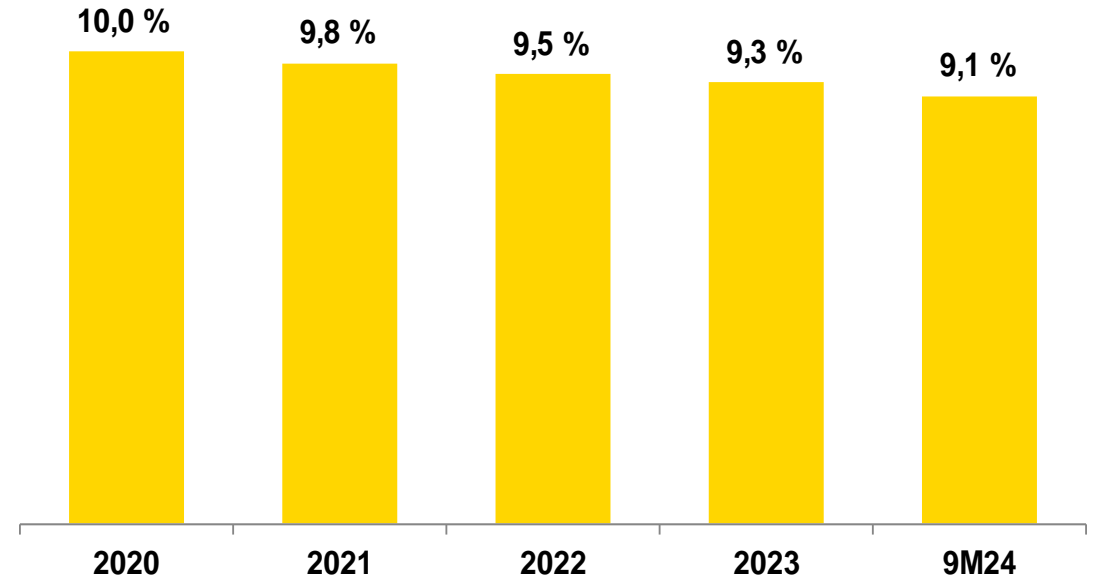
Increase in lending volume and continued strong CET1

Volume growth in retail and SME requires less capital (Leverage ratio 9,1%)

Loans to customers

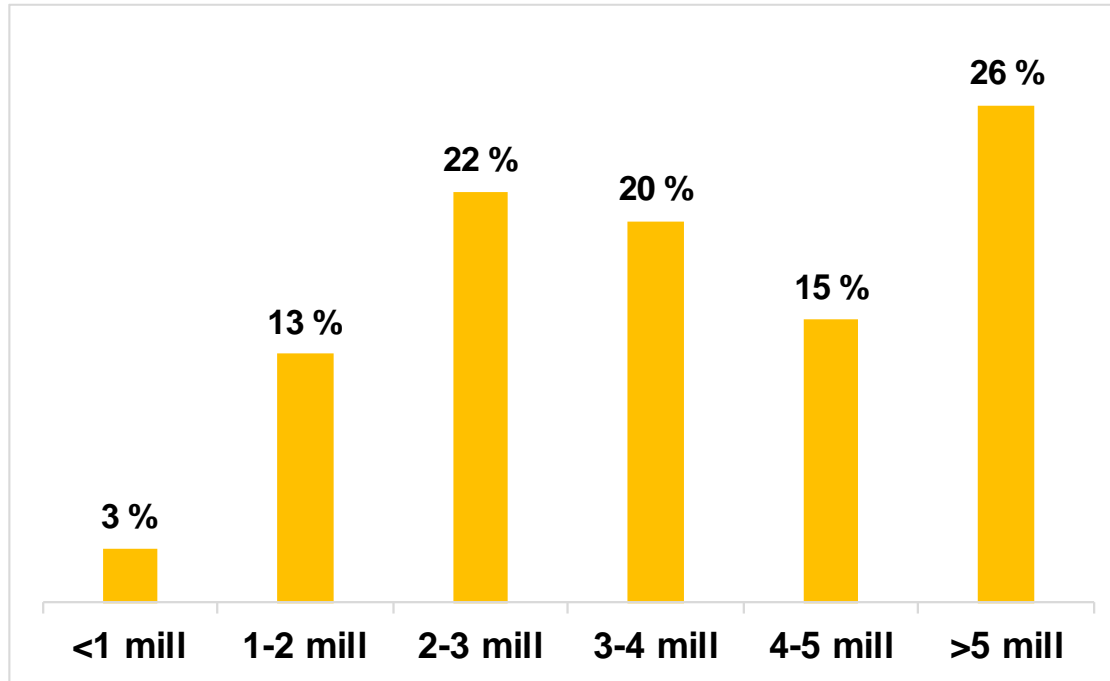


Leverage (Equity/Total assets), Yearly

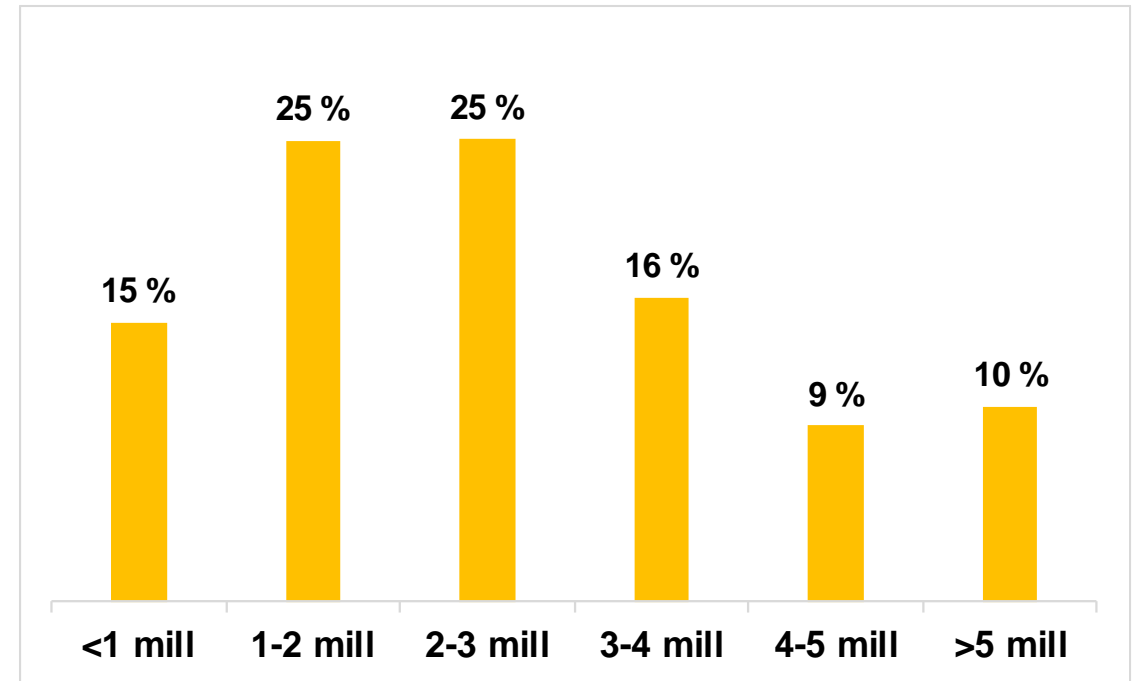


Retail Loan Portfolio

Loan size distribution (value)



Loan size distribution (amount)

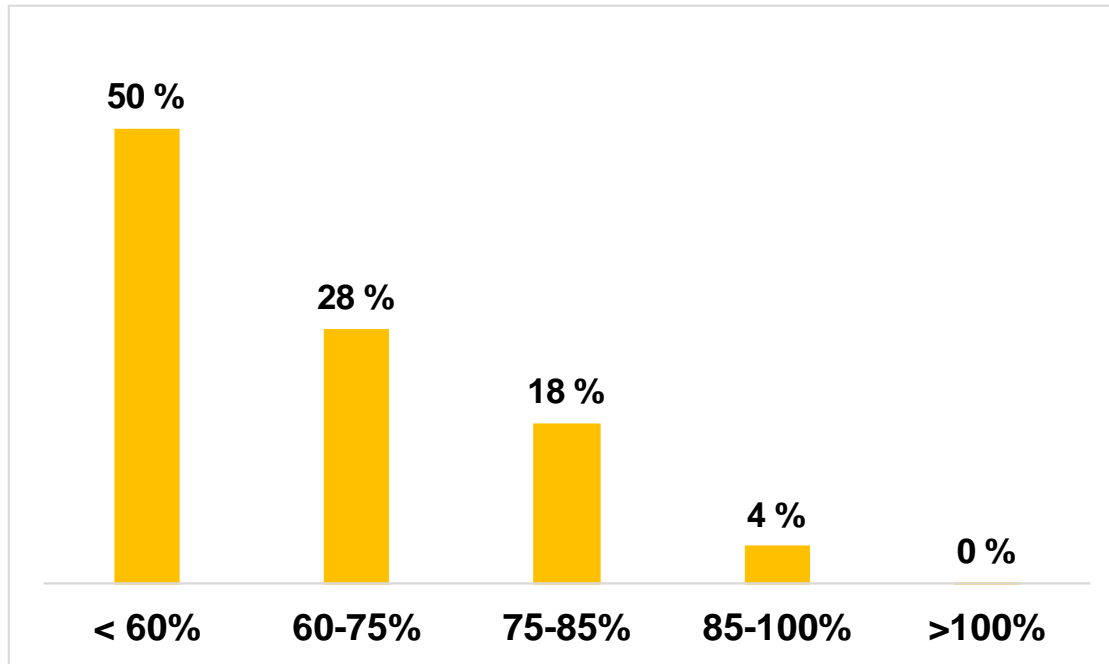


- A limited amount of large loans reduces vulnerability in the event of a temporary loss of income
- Average loan size MNOK 2.8 per customer



Retail Loan Portfolio

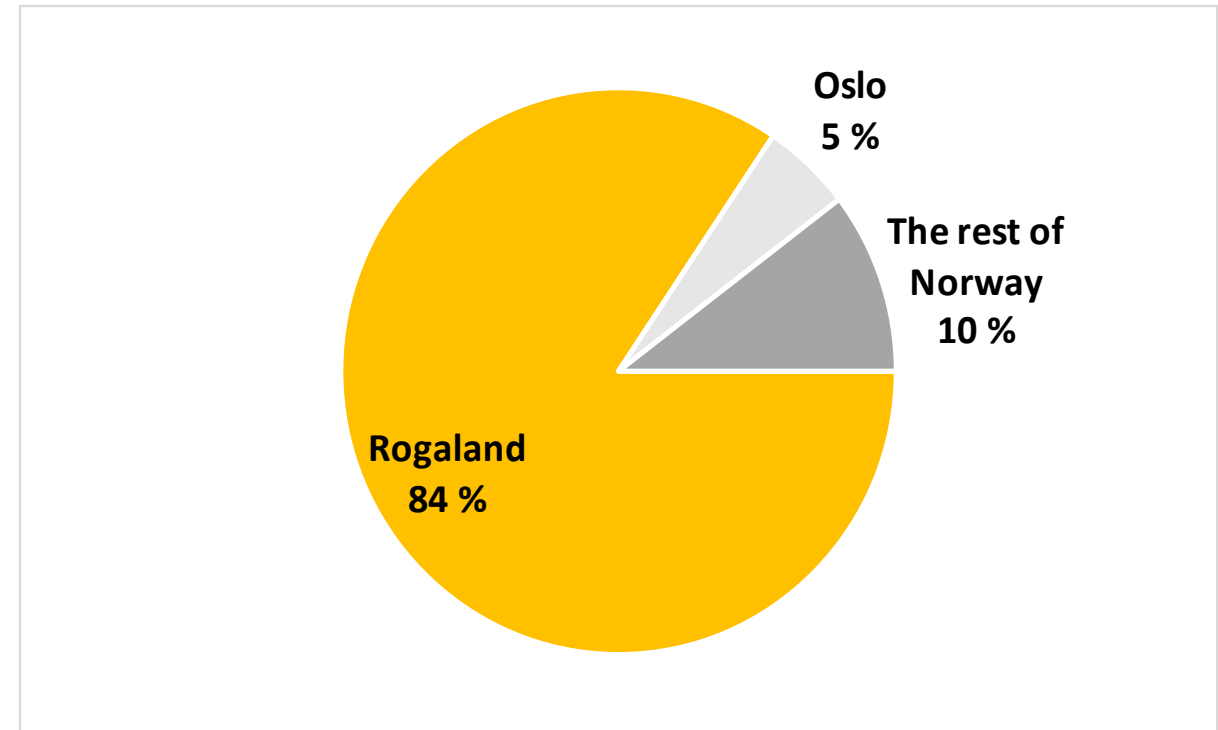
LTV distribution



- 78 % of the portfolio has LTV below 75 %,
- Average volume weighted LTV is 57,0 %
- Ca 5% of the bank's mortgages are linked to holiday homes, but most of this is additional mortgages
- Customers with LTV> 100% are mostly customers with additional security in the form of guarantors with customer relationships in another bank

The calculation of LTV is based on the collateral's market value. With fully distributed LTV, the entire loan is assigned to the same interval

Volume by geography



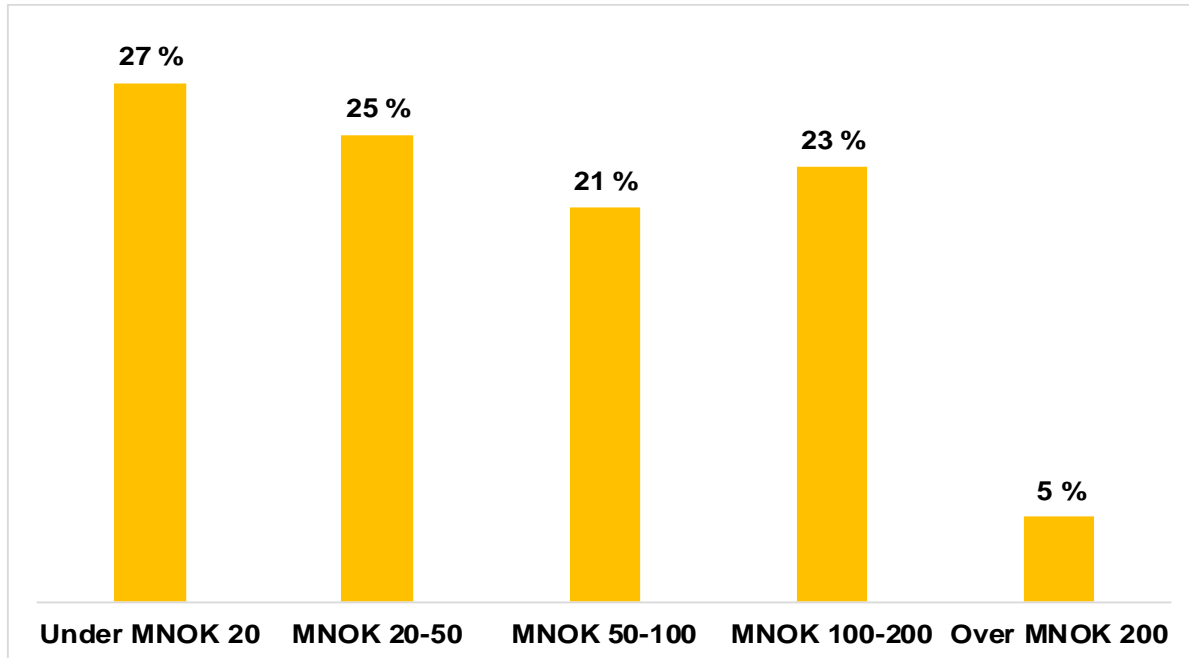
- 84 % of the volume is located in Rogaland
- 88% of the volume ex Balansebank is located in Rogaland
- 91 % of Balansebank's customers are located outside the bank's primary market area



Loans secured by real estate

67 % of total exposure to companies, but many run their own business and own their own building

Loans secured on real estate, by loan size



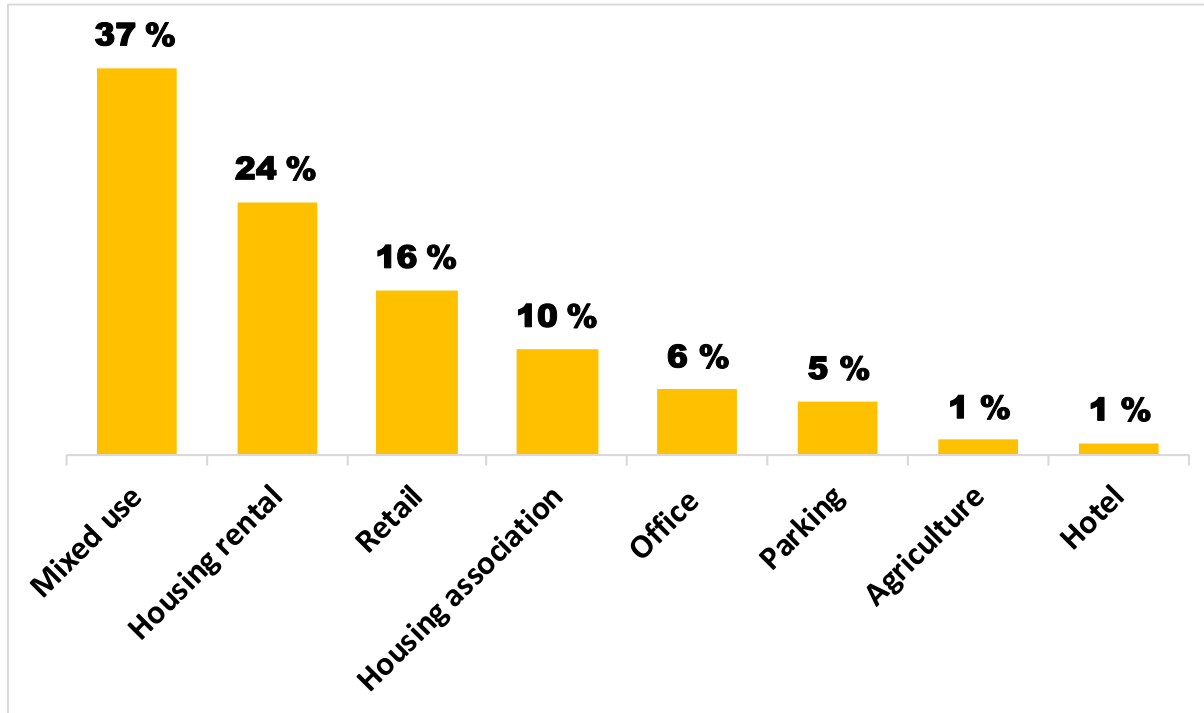
- 52% of the volume and 92% of the number of loans are below MNOK 50
- Loans under MNOK 20 make up 27% of volume, but over 78% of the number of loans (252 loans)
- Loans over MNOK 100 make up 28% of volume, and 3 of the number of loans (10 loans)



Lending to Real Estate > MNOK 30

42 engagements | EAD NOK 3,6 bn| 45 % of corporate loan book | 65 % of real estate

Tupe of property



| Type of property | EAD (MNOK) | WA lease length | WA occupancy | WA LTV |
|---------------------|------------|-----------------|--------------|--------|
| Mixed use | 1.306 | 5,8 | 97 % | 63 % |
| Housing rental | 854 | 0,5 | 91 % | 64 % |
| Retail | 555 | 6,5 | 88 % | 62 % |
| Housing association | 356 | 5,3 | 100 % | 59 % |
| Office | 219 | 4,4 | 95 % | 68 % |
| Parking | 180 | 5,2 | 90 % | 72 % |
| Agriculture | 47 | 1,5 | 100 % | 54 % |
| Hotel | 40 | 0,5 | 100 % | 60 % |
| Total | 3.556 | 4,3 | 94 % | 63 % |

| LTV | EAD (MNOK) | WA lease length | WA occupancy | WA LTV |
|--------|------------|-----------------|--------------|--------|
| <60% | 979 | 5,5 | 95 % | 51 % |
| 60-70% | 1.993 | 3,7 | 93 % | 66 % |
| 70-80% | 583 | 4,5 | 96 % | 76 % |
| Total | 3.556 | 4,3 | 94 % | 63 % |

- 100% 1st lien
- 100% with LTV below 80%
- No loans considered to be at risk of loss - no defaults
- Trade is mainly financing of smaller buildings related to groceries, not financing of shopping centers

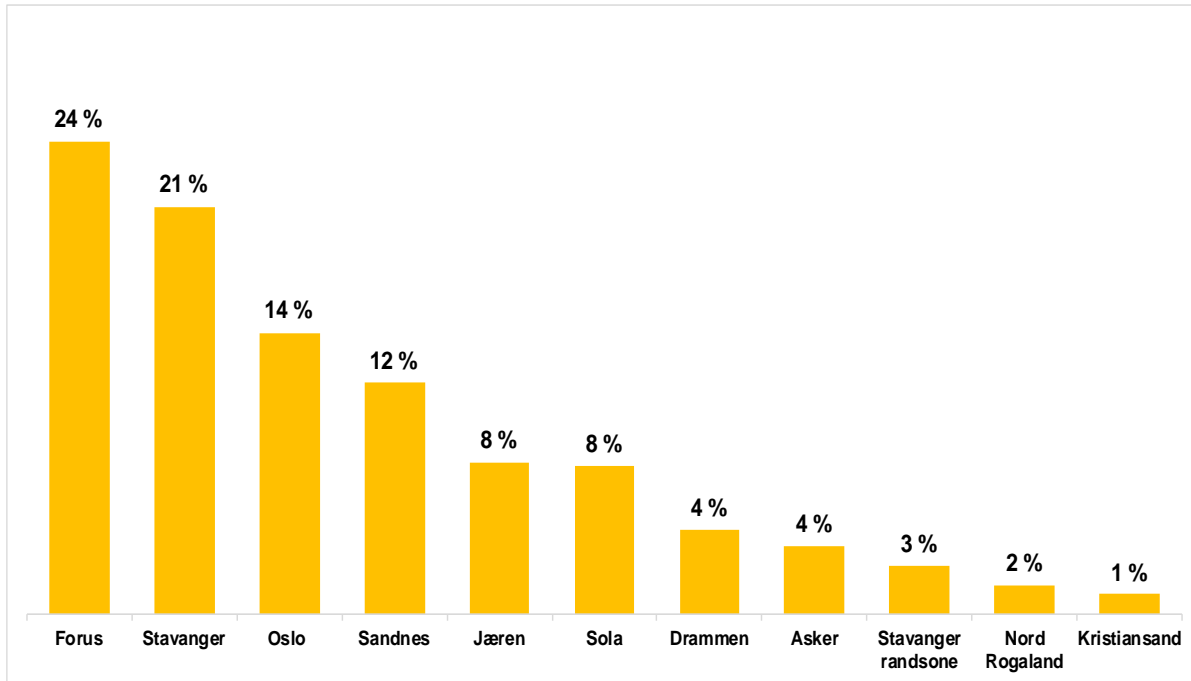
- Housing rental is defined with WA lease length of 0,5
- Housing association is defined as 100% WA occupancy and WA lease length to the average of the portfolio (4,3)



Lending to Real Estate > MNOK 30

42 engagements | EAD NOK 3,6 bn| 45 % of corporate loan book | 65 % of real estate

Location of security



| Location | EAD (MNOK) | WA lease length | WA occupancy | WA LTV |
|--------------------|--------------|-----------------|--------------|-------------|
| Forus | 862 | 5,4 | 97 % | 71 % |
| Stavanger | 744 | 1,0 | 100 % | 62 % |
| Oslo | 515 | 3,3 | 84 % | 67 % |
| Sandnes | 423 | 6,8 | 88 % | 55 % |
| Jæren | 279 | 7,1 | 100 % | 54 % |
| Sola | 270 | 3,6 | 94 % | 58 % |
| Drammen | 156 | 6,5 | 83 % | 65 % |
| Asker | 126 | 5,3 | 100 % | 56 % |
| Stavanger randsone | 89 | 2,7 | 92 % | 73 % |
| Nord Rogaland | 55 | 4,8 | 100 % | 64 % |
| Kristiansand | 37 | 7,7 | 100 % | 66 % |
| Total | 3.556 | 4,3 | 94 % | 63 % |

- Properties on Forus / Lura are mainly mixed-use, but there are also elements of office, housing rental and development properties
- Exposure in Sandnes is overweight towards groceries and housing rentals with Sandnes Municipality as tenant
- Exposure in Oslo is to housing (rental and housing associations) and retail

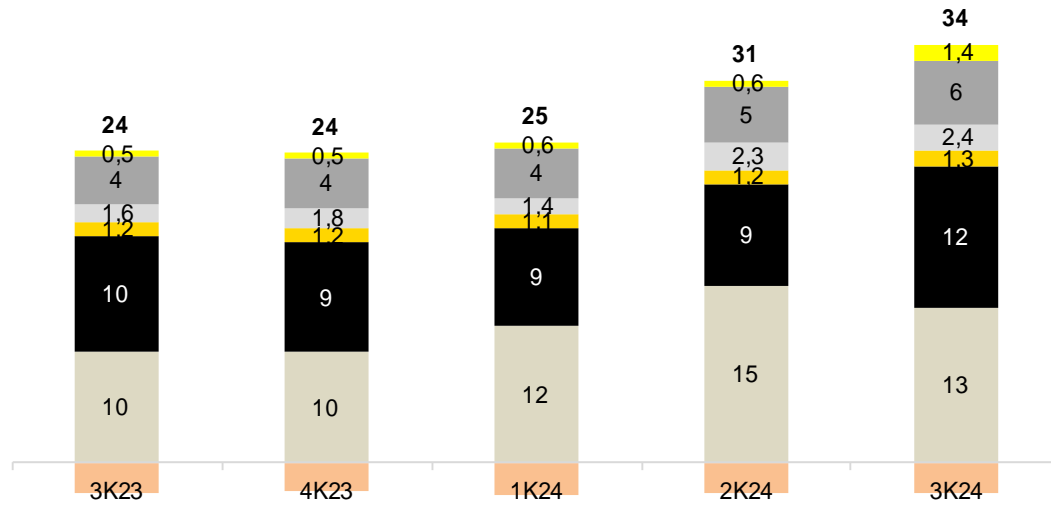
- 77% is located in Rogaland and 14% in Oslo
- Weighted average occupancy is 94 %
- Weighted average remaining lease length is 4,3 år
- Weighted average LTV is 63 %



Net Commission Income

Steady increase in all types of commission income – High internal focus over time creates results

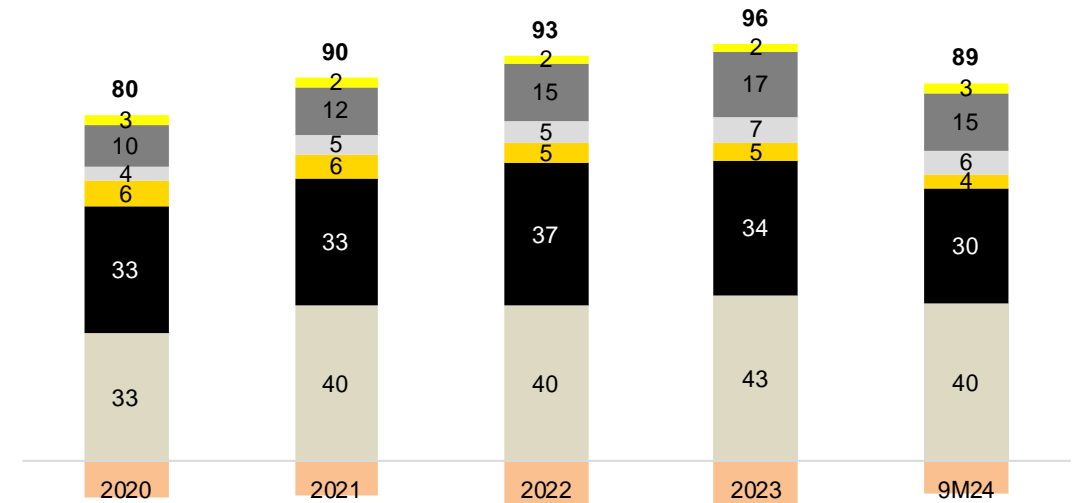
Provisjonsinntekter, siste 5 kvartaler



- Provision Costs
- Real estate sales
- Transaction Services
- Guarantees
- Financial Instruments (asset mgt. and sales)
- Insurance Sales
- Product Distribution

- Good activity in real estate sales
- The increase in product distribution in the 3rd quarter is provisions from Eika Boligkreditt

Provisjonsinntekter, årlig / hiå.



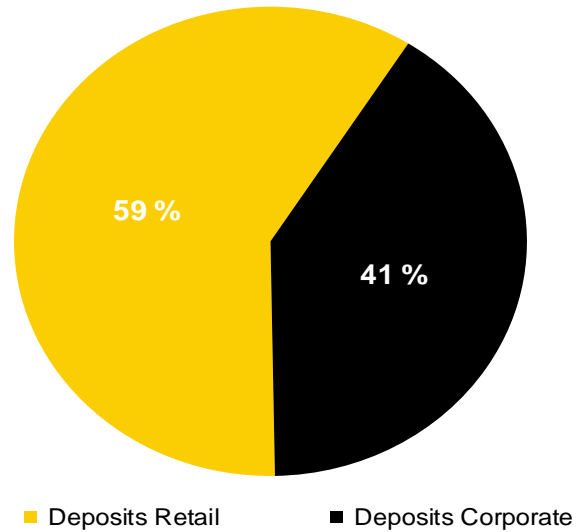
- Provision Costs
- Real estate sales
- Transaction Services
- Guarantees
- Financial Instruments (asset mgt. and sales)
- Insurance Sales
- Product Distribution

- Steady increase in all types of commission income

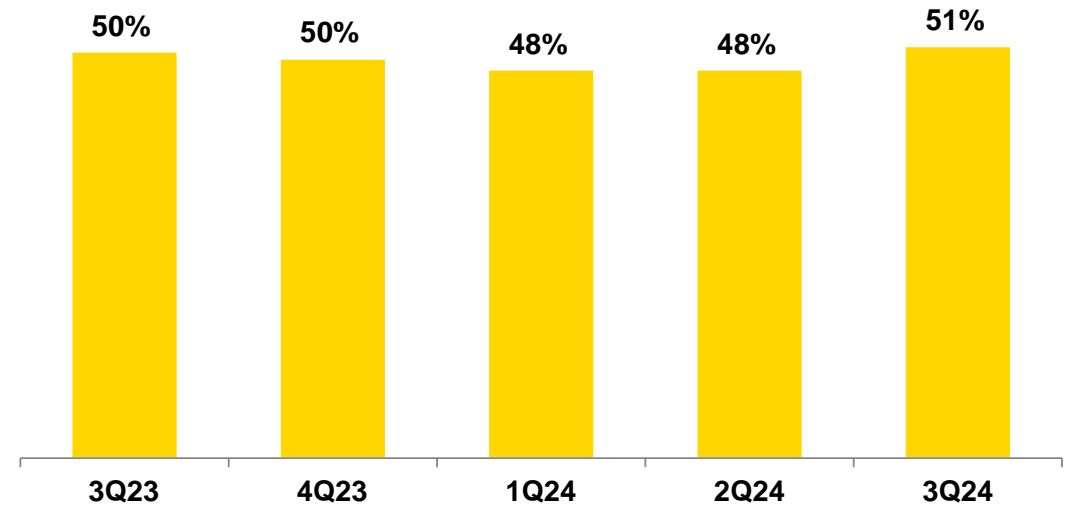


Deposits From Customers

By division



Deposit-to-loan ratio



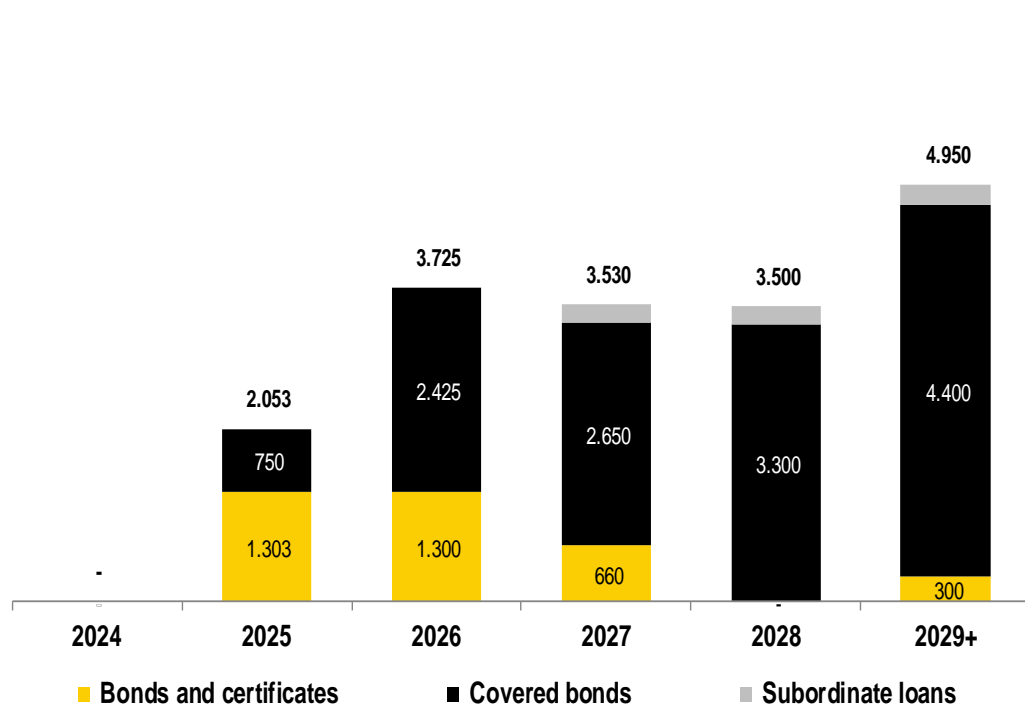
- Deposits from Hjelmeland Sparebank is included in 3Q24



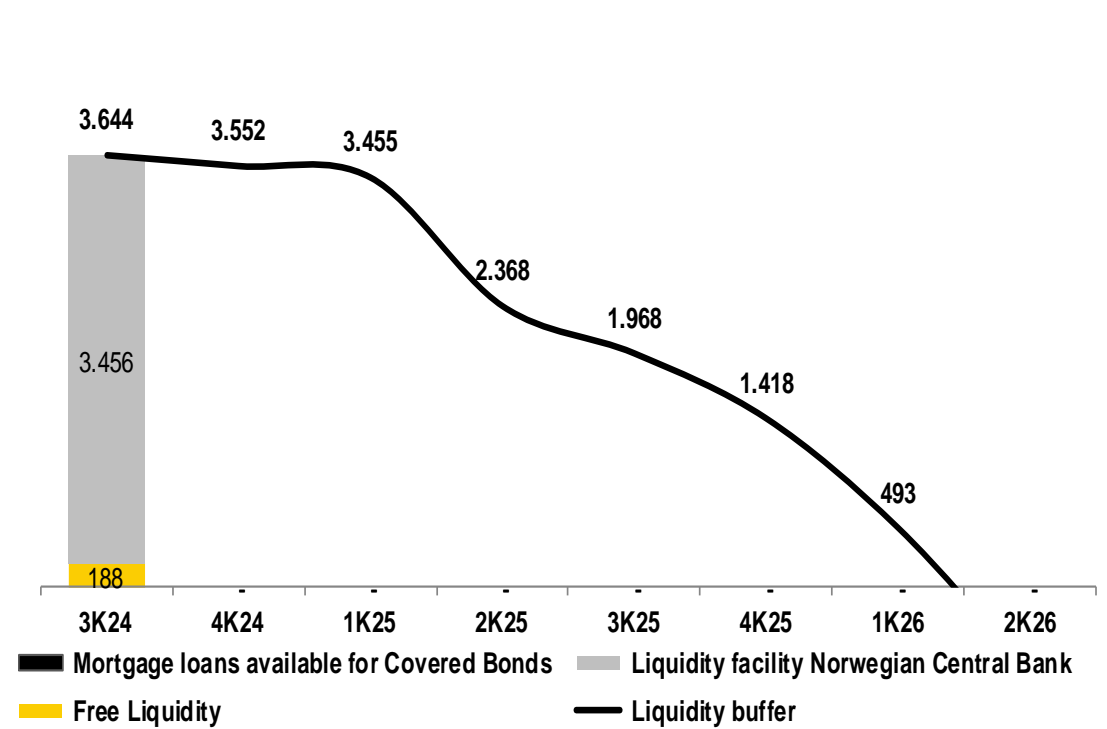
Liquidity

LCR at 300 % | NSFR at 128 %

Funding(MNOK)



Liquidity reserve, (MNOK)



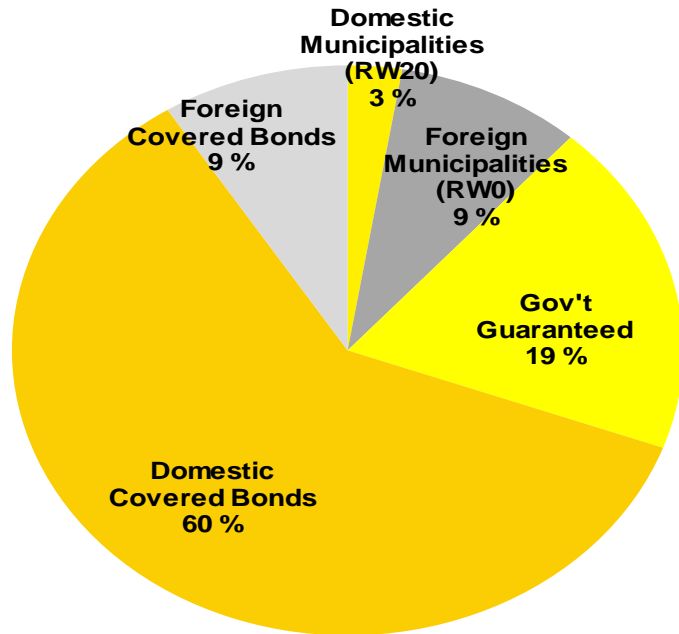
- Norske kommuner internrates AA



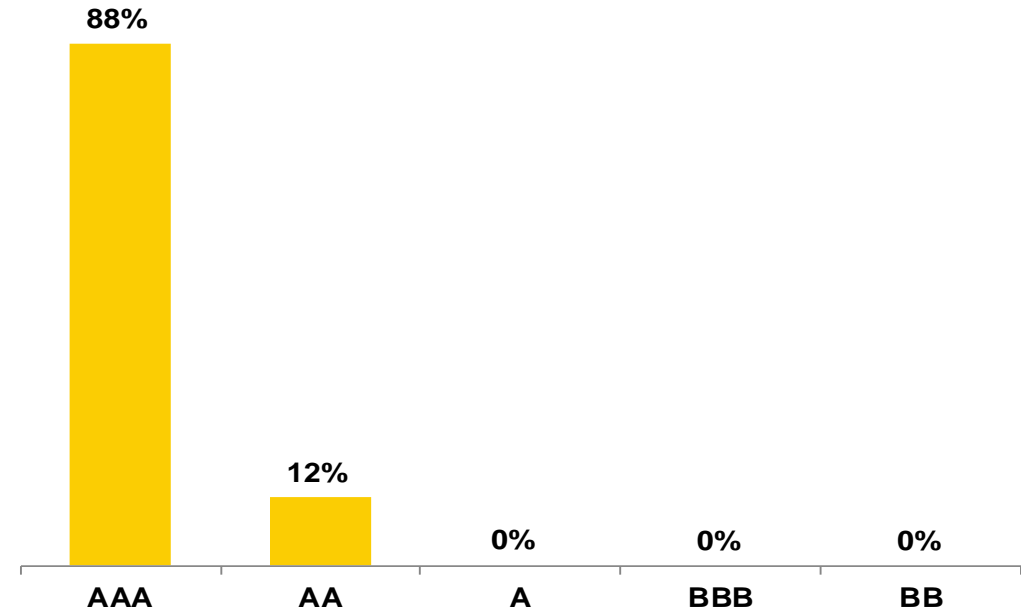
Liquidity

NOK 4,2 bn. Ex. cash

Composition liquidity portfolio



Rating distribution



- Domestic municipalities has an internal rating of AA



Key Figures

| | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 9M23 | 9M24 |
|--|--------|--------|--------|--------|--------|--------|--------|---------------|--------|---------------|
| Growth assets | 0,2 % | 2,2 % | 2,0 % | 1,5 % | 1,1 % | 2,1 % | 1,6 % | 9,8 % | 5,9 % | 15,1 % |
| Growth lending (net) | 0,0 % | 2,6 % | 2,4 % | 1,4 % | 2,3 % | 1,9 % | 2,2 % | 9,5 % | 6,5 % | 16,7 % |
| Growth deposits | 0,5 % | 1,5 % | 6,2 % | 0,3 % | 0,9 % | -1,2 % | 2,1 % | 16,2 % | 8,5 % | 18,3 % |
| Net interest margin | 1,60 % | 1,72 % | 1,78 % | 1,90 % | 1,95 % | 1,94 % | 1,93 % | 2,01 % | 1,80 % | 1,95 % |
| Other income % of total income | 15,5 % | 16,4 % | 33,2 % | 19,0 % | 11,2 % | 16,2 % | 31,2 % | 37,1 % | 23,6 % | 29,5 % |
| Cost-to-income ratio | 53,7 % | 53,9 % | 44,3 % | 42,4 % | 51,2 % | 41,1 % | 35,4 % | 44,4 % | 46,4 % | 40,5 % |
| Costs as % of av. total assets | 1,0 % | 1,1 % | 1,2 % | 1,0 % | 1,1 % | 1,0 % | 1,0 % | 1,4 % | 1,1 % | 1,1 % |
| Return on equity before tax | 7,9 % | 9,4 % | 13,9 % | 14,5 % | 10,2 % | 13,3 % | 15,8 % | 17,1 % | 12,5 % | 15,3 % |
| Return on equity after tax | 5,9 % | 8,3 % | 12,7 % | 11,1 % | 7,9 % | 10,3 % | 15,3 % | 15,1 % | 10,7 % | 13,4 % |
| Capital adequacy ratio | 20,7 % | 20,2 % | 20,1 % | 20,1 % | 20,4 % | 20,7 % | 21,4 % | 21,1 % | 20,1 % | 21,1 % |
| Tier 1 capital ratio | 18,4 % | 18,2 % | 18,2 % | 18,2 % | 18,5 % | 18,0 % | 18,7 % | 18,6 % | 18,2 % | 18,6 % |
| CET1 | 17,8 % | 17,5 % | 17,1 % | 17,5 % | 17,8 % | 17,4 % | 17,5 % | 17,5 % | 17,5 % | 17,5 % |
| Risk-weighted assets | 16.638 | 16.841 | 17.236 | 16.868 | 17.410 | 17.898 | 17.889 | 19.698 | 16.868 | 19.698 |
| Number of man-years | 151 | 155 | 155 | 155 | 154 | 152 | 150 | 181 | 155 | 181 |
| Stock exchange price | 94 | 87 | 85 | 83 | 91 | 101 | 96 | 107 | 83 | 107 |
| Equity capital certificate % of equity | 63,8 | 63,5 | 63,6 | 63,6 | 63,6 | 63,6 | 63,7 | 62,5 | 63,6 | 62,5 |
| Earnings per equity capital certificate | 1,5 | 2,0 | 3,1 | 2,8 | 2,1 | 2,8 | 4,1 | 3,8 | 7,9 | 10,0 |
| Book value per equity capital certificate | 100,4 | 96,2 | 99,3 | 102,0 | 106,6 | 109,3 | 105,4 | 108,6 | 102,0 | 108,6 |
| Individual write-downs in % of gross lending | 0,12 % | 0,11 % | 0,11 % | 0,11 % | 0,17 % | 0,17 % | 0,16 % | 0,18 % | 0,11 % | 0,18 % |
| Coll. write-downs in % lending after ind. wr.-d. | 0,23 % | 0,22 % | 0,24 % | 0,23 % | 0,17 % | 0,15 % | 0,20 % | 0,21 % | 0,23 % | 0,21 % |
| Deposits to loans ratio | 49,6 % | 49,0 % | 50,8 % | 50,2 % | 49,5 % | 48,1 % | 48,0 % | 51,0 % | 50,2 % | 51,0 % |
| Deposits to loans ratio parent bank | 88,8 % | 93,7 % | 95,0 % | 95,5 % | 96,0 % | 94,4 % | 95,4 % | 92,4 % | 95,5 % | 92,4 % |



Definition of Key Figures

Rate of deposits to loans

OB net loans to customers / OB deposits from customers

Liquidity coverage ratio (LCR)

Liquid assets / net liquidity output within 30 days in a stress scenario

Net Interest Income (NII)

Interest income – interest expenses

Interest margin

$((\text{Net interest income} / \text{days in the period}) \times \text{days in a year}) / \text{average total assets}$

Lending margin

Average loan rate – rolling average of 3month NIBOR rate

Deposit Margin

Rolling average of 3month NIBOR rate – average deposit rate

Cost / income ratio

Total operating costs / (net interest income + total other operating revenues)

Costs as a percentage of average total assets

$((\text{Total operating costs} / \text{days in the period}) \times \text{days in a year}) / \text{average total assets}$

Return on equity before tax

$(\text{Operating profit before taxes} / \text{days in the period} \times \text{days in a year}) / ((\text{OB total equity} + \text{IB total equity}) / 2)$ [excl. T1 hybrid instruments]

Return on equity after tax

$(\text{Operating profit after taxes} / \text{days in the period} \times \text{days in a year}) / ((\text{OB total equity} + \text{IB total equity}) / 2)$ [excl. T1 hybrid instruments]

Equity certificate capital in % of equity

$(\text{Equity certificate capital} + \text{own equity certificate} + \text{share premium} + \text{dividend equalisation reserve}) / (\text{Equity certificate capital} + \text{own equity certificate} + \text{share premium} + \text{dividend equalisation reserve} + \text{savings bank`s fund} + \text{gift fund})$

Earnings per equity certificate

$(\text{Operating profit after taxes} \times \text{equity certificate capital in \% of equity}) / \text{number of equity certificates}$ **Book value per equity certificate**

OB total equity x equity certificate capital in % of equity / number of equity certificates

Price / Book (P/B)

Market price / book value per equity certificate

Operating profit before write downs and taxes

Operating profit after tax + tax cost + write downs on lending and guarantees



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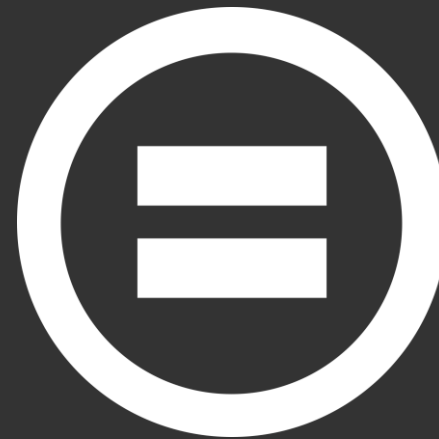
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