



Vier

Rogaland
Sparebank

Financial Reporting
4th Quarter 2024

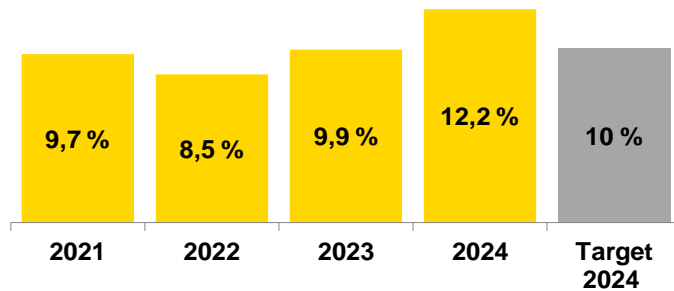
Agenda

- Rogaland Sparebank;
 - Results strategy 2021-2024
 - New strategy period 2025-2028
- Key figures per Q4 2024

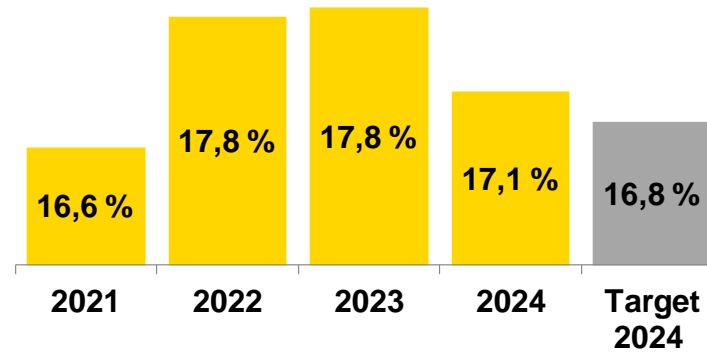


Financial Targets for 2021-2024

ROE

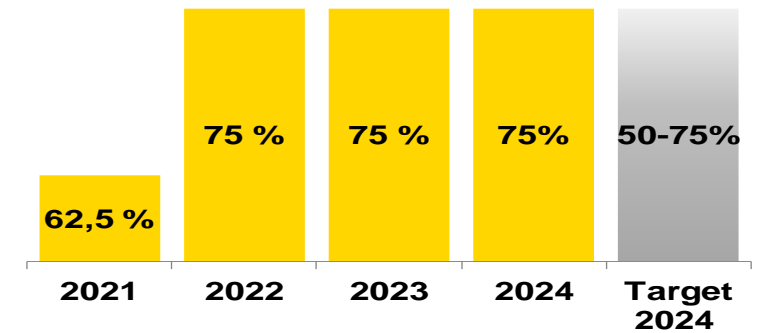


CET1

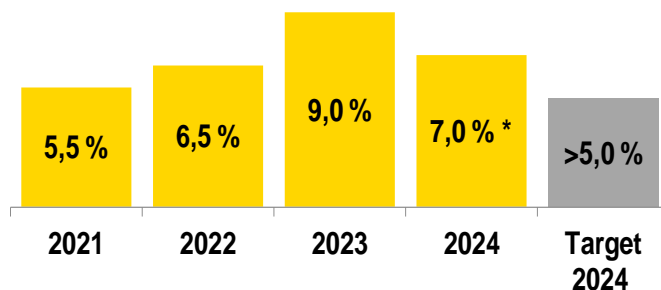


* Internal goal of + 1,5 % management buffer above the applicable regulatory requirements at all times

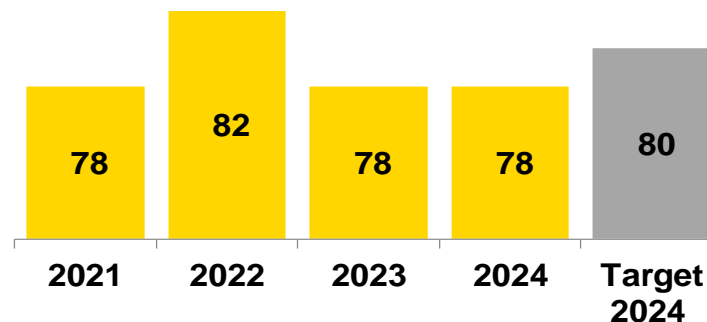
Dividends



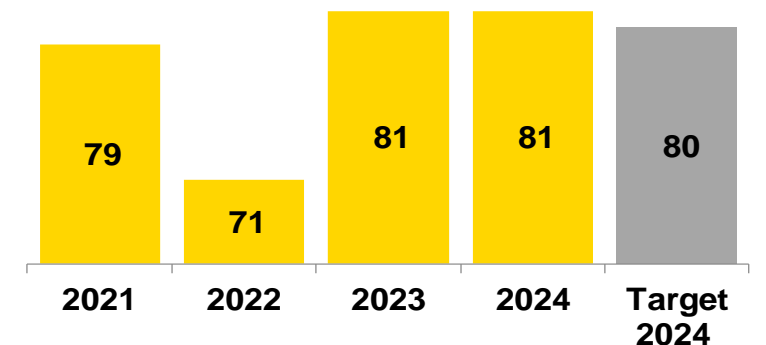
Profitable Growth



Customer Satisfaction Retail



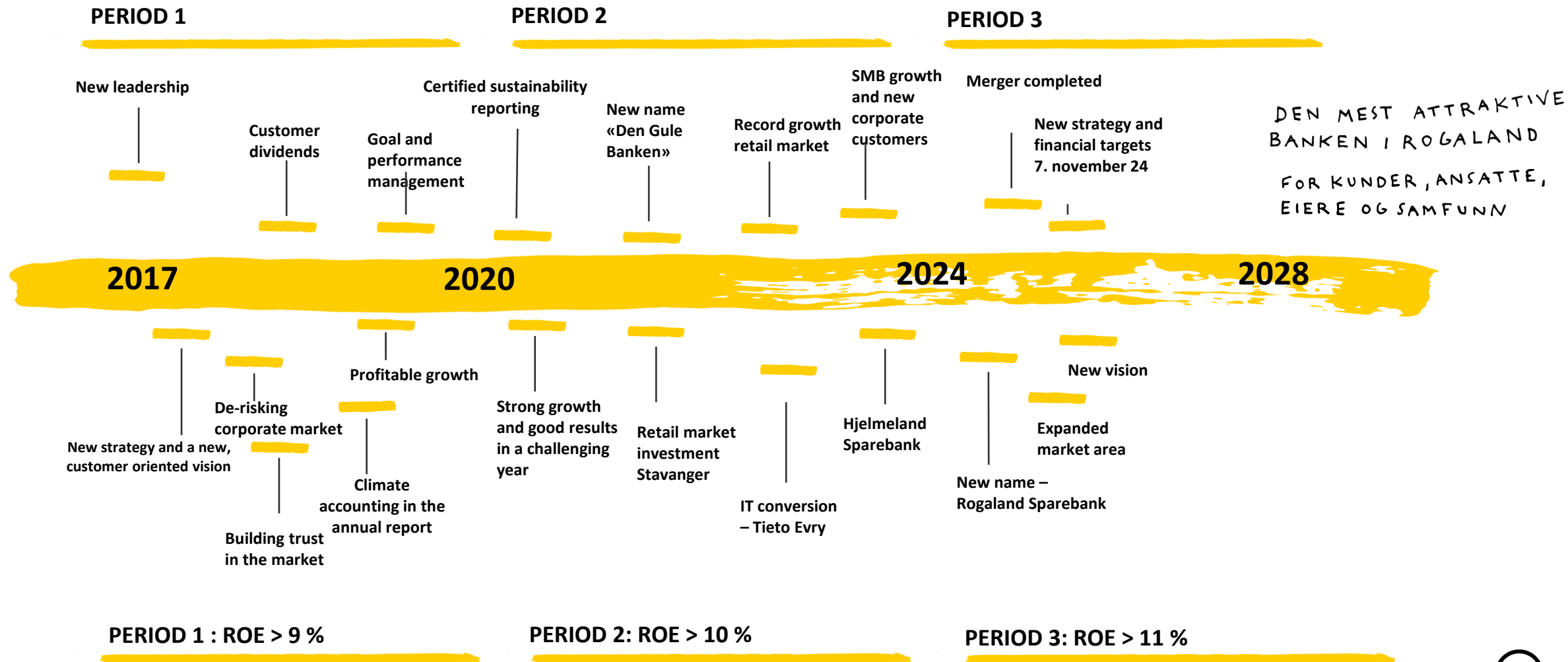
Customer Satisfaction Corporate




* Total lending (including merger) has increase by 15,7 % over the last 12 months



New strategy period 2025 - 2028



The strategy period 2021-2024



Sandnes Sparebank

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



Den
Gule
Banken

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



Hjelmeland
Sparebank

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

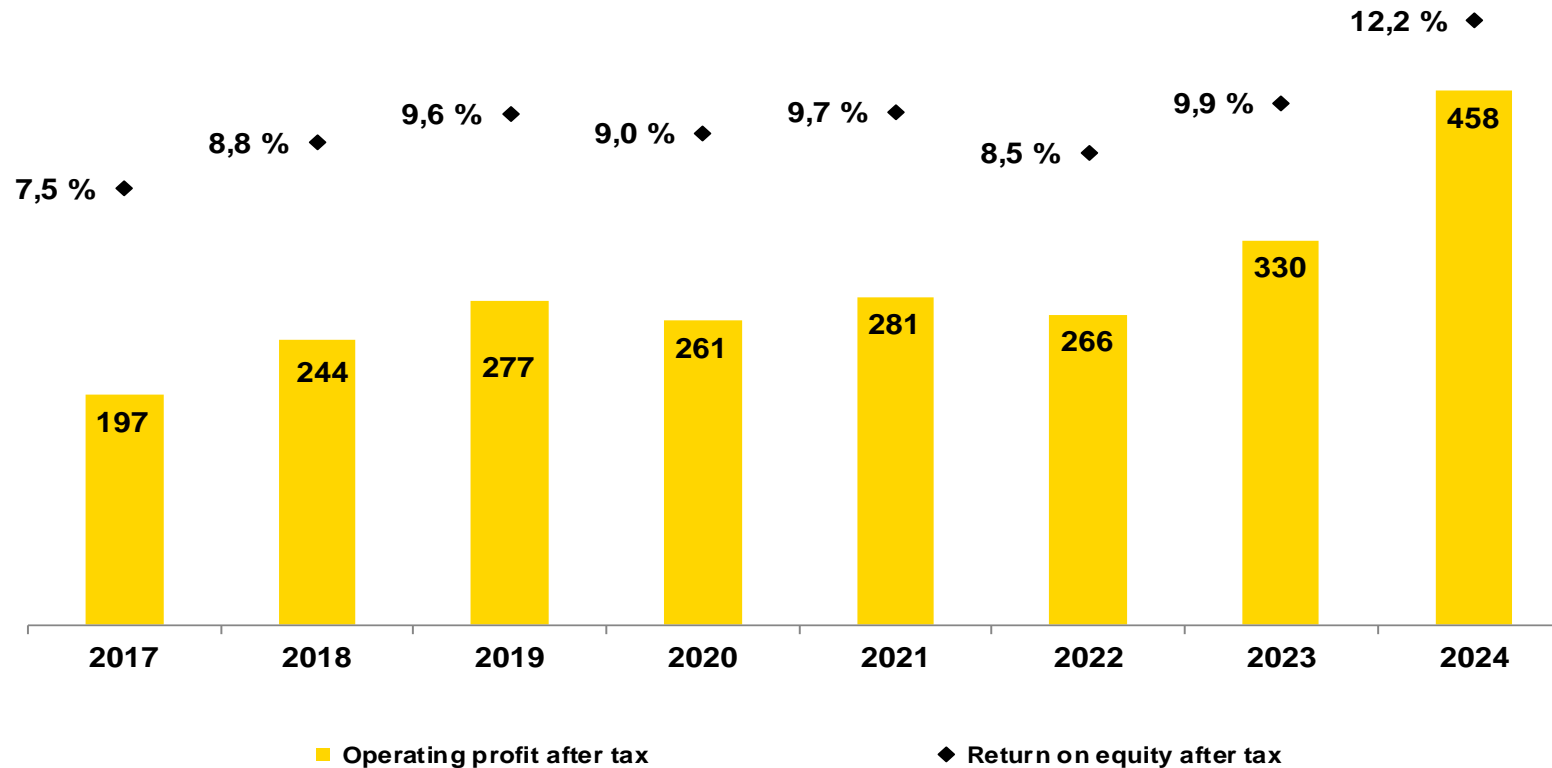


Rogaland
Sparebank

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

Solid results throughout the strategy periods

Operating profit after tax and ROE



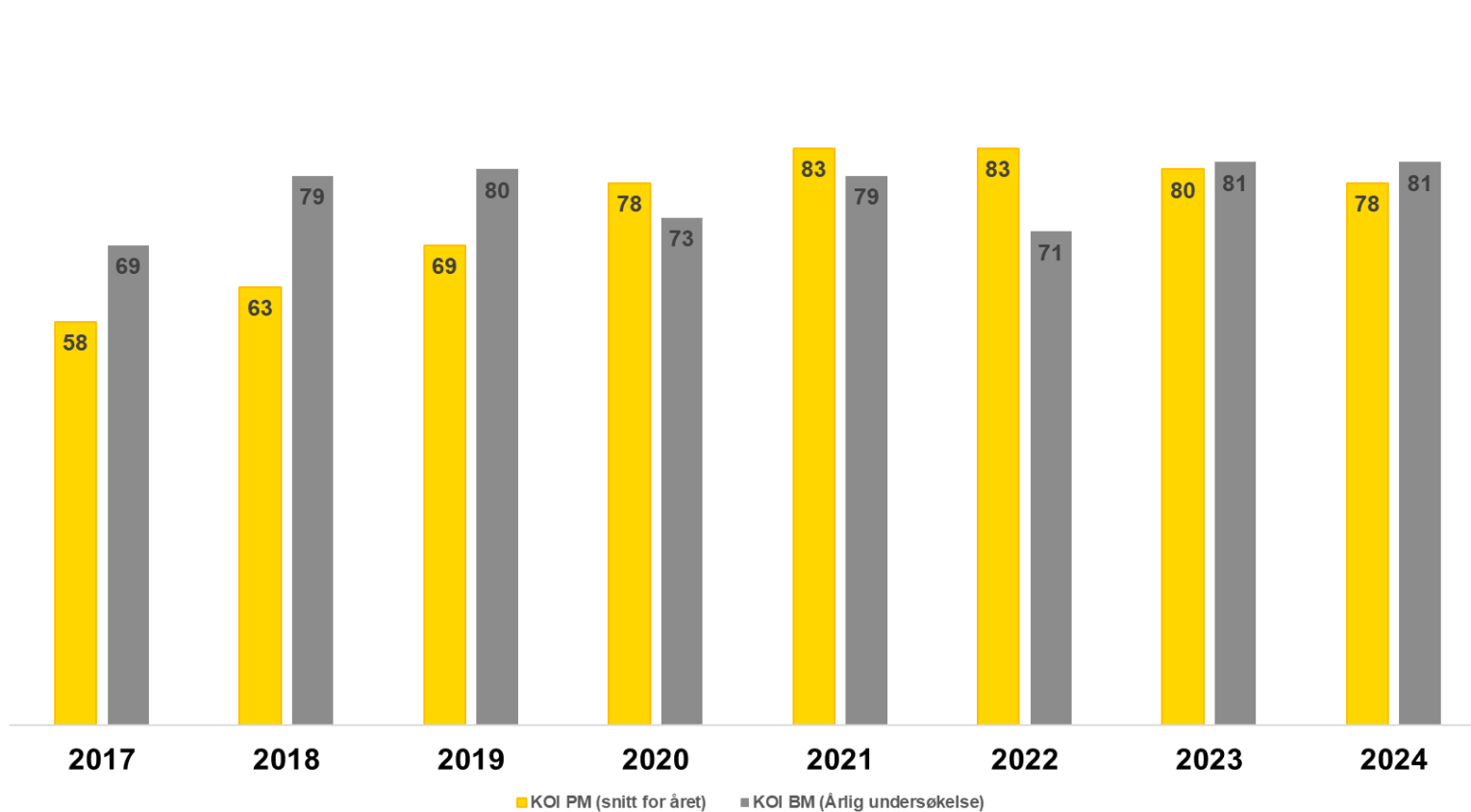
Main points

- Retail market investment has contributed to good loan growth during the period
- Reduced risk level in the corporate market along with an increased SME focus
- Falling interest margin until 2022, increased margin in 2023 and 2024
- Good cost control throughout the period
- Costs related to changing the core banking system are charged in total 67 MNOK i 2021, 2022 og 2023
- The merger between Sandnes Sparebank and Hjelmeland Sparebank was completed in the second half of 2024



Very high customer satisfaction in both segments

Customer satisfaction retail and corporate



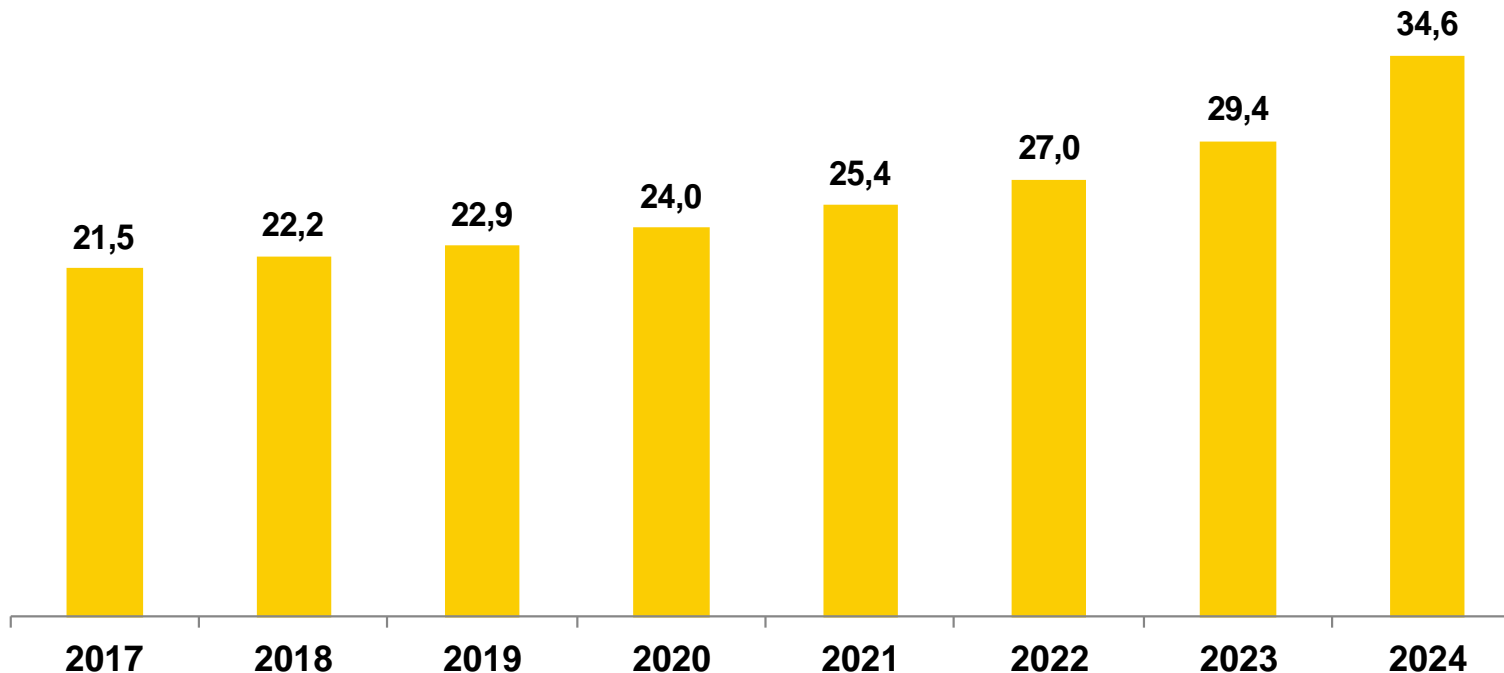
Main points

- From a very low level in 2017 to stable high customer satisfaction in both segments
- Vision to become best in class for personal customer experience
- Continuous measurement and use of insights to improve work
- More customer time through personal advice
- Good digital solutions
- Customer promises - personal, fast, and local



Stable growth throughout the strategy periods

Net lending, bn



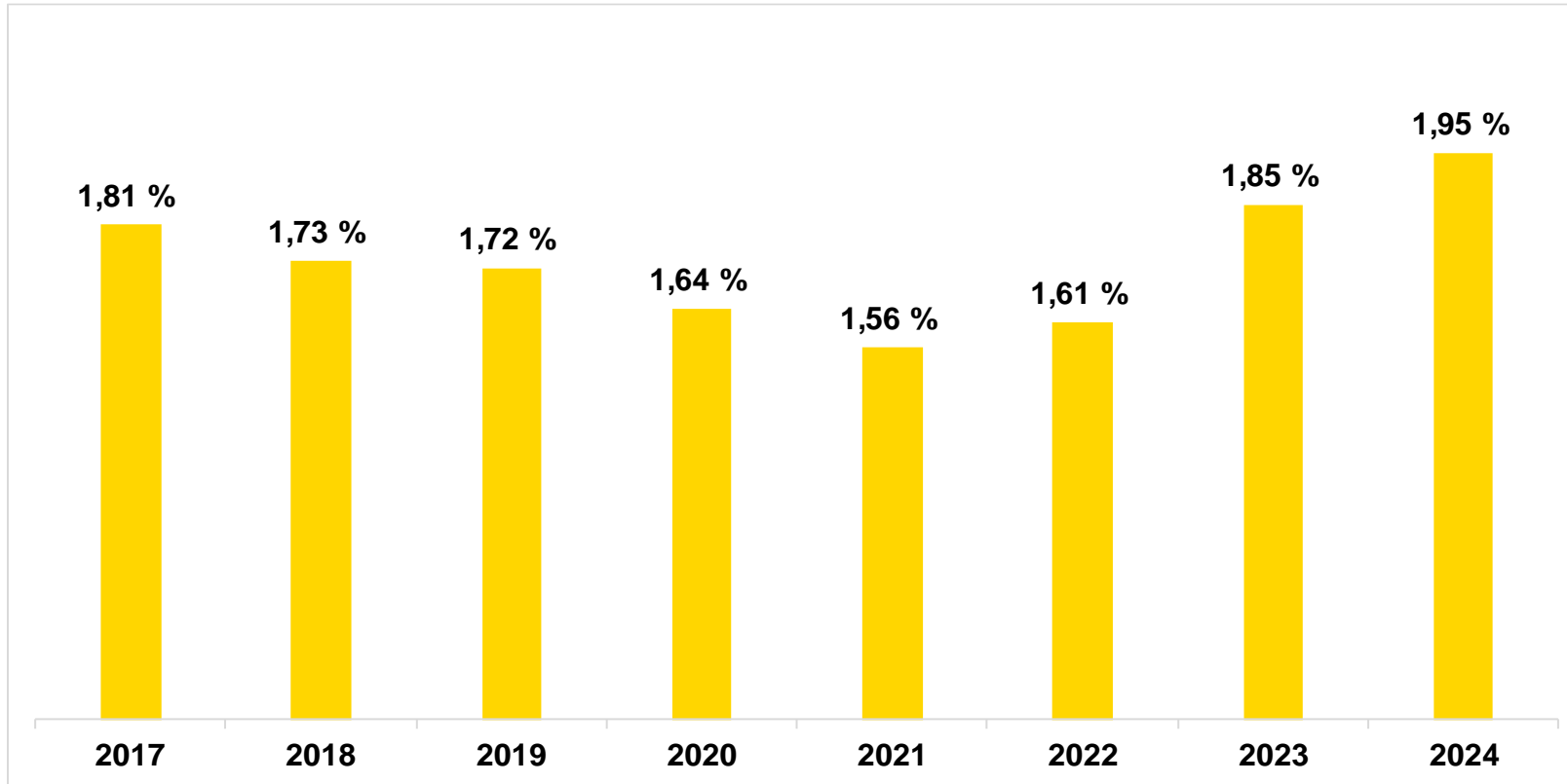
Main points

- Hjelmeland Sparebank contributed with 3,2 bn in increased lending volume from 3Q24 (incl. 0,6 bn in EBK)
- Focus on growing the retail market in Stavanger from fall 2021
- Organic loan growth during the period at 5,2% annually



Interest margins are affected by the interest rate market

Net interest margin



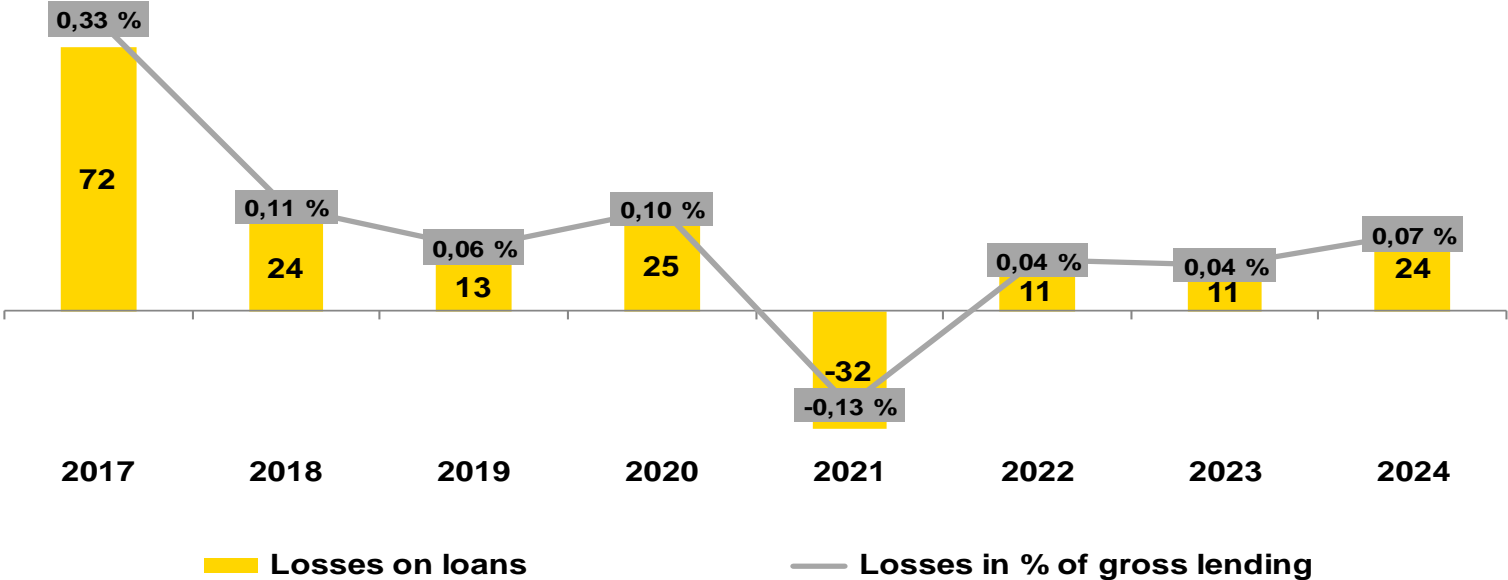
Main points

- Reduced risk profile within the corporate market portfolio results in lower interest margin
- Change in the retail share from 67% to 76% during the period results in lower interest margin
- Changes in the policy rate affect the net interest income



Significant reduction in losses and risk level during the period

Loss on lending, MNOK



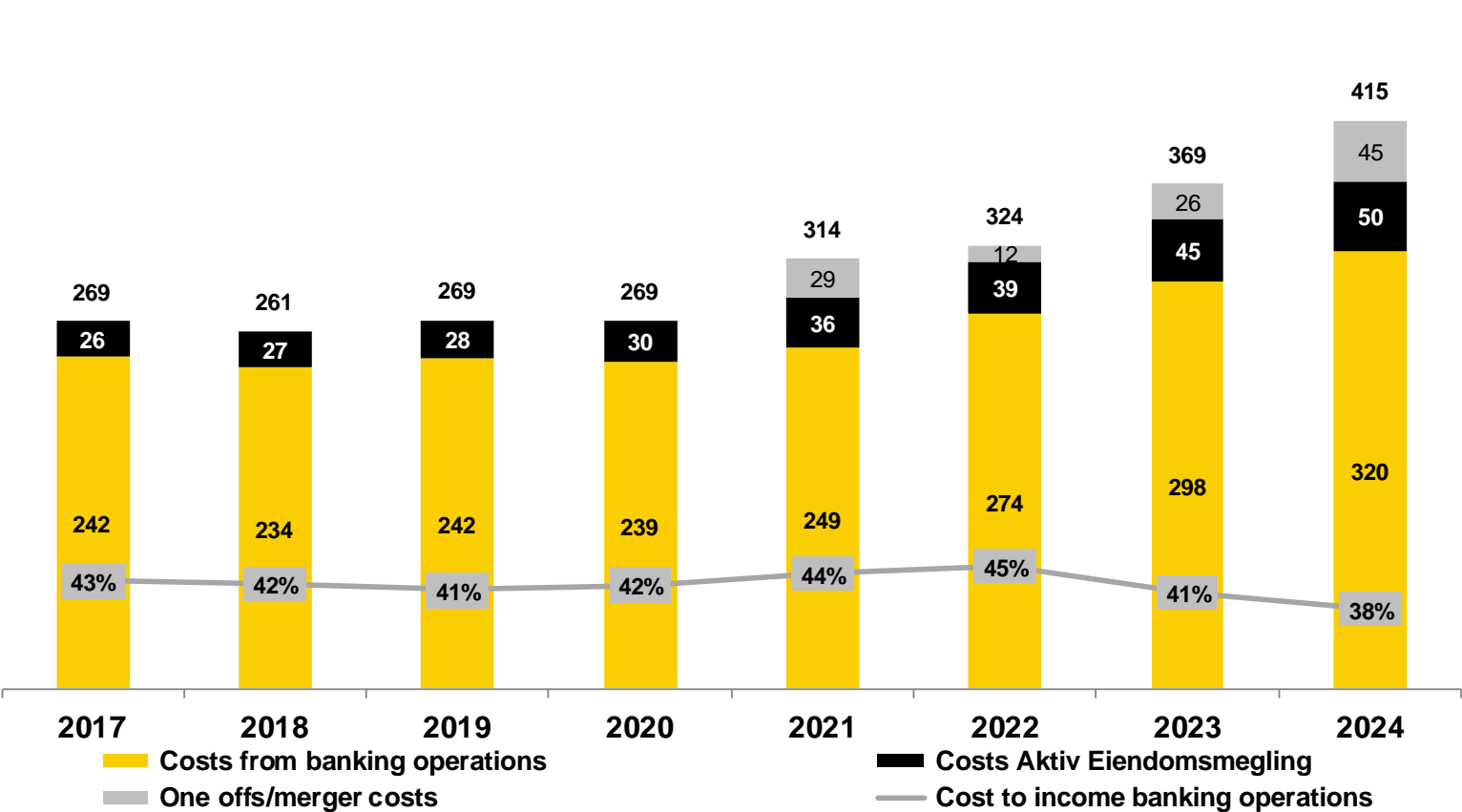
Main points

- The bank has significantly reduced the risk level in the lending portfolio throughout the period
- Stable low losses reflects the risk level in the lending portfolio



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

Operating costs, MNOK



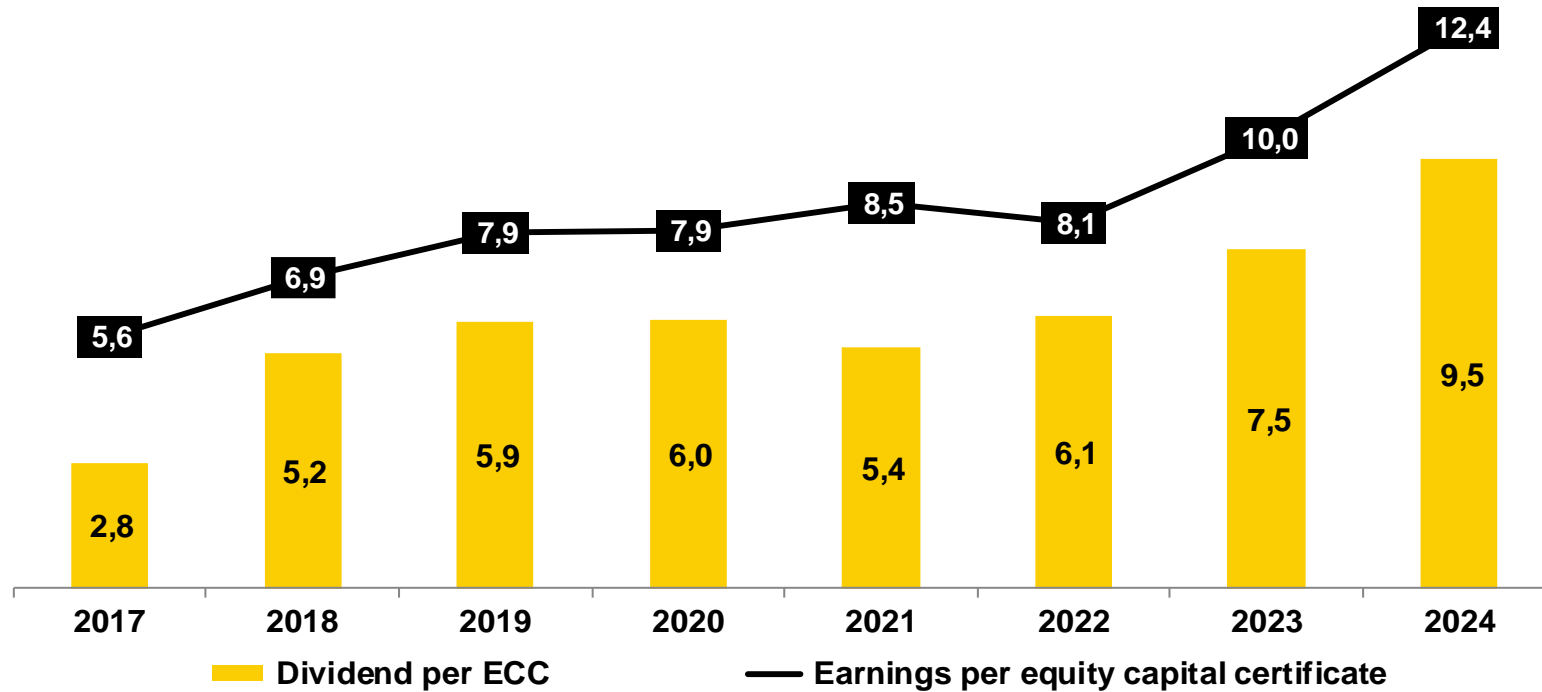
Main points

- Retail market investment in Stavanger fall 2021, new offices and increase in the number of employees
- Changing the core system from SDC to TietoEvry is expensed at 67 MNOK in the period 2021-2023
- Costs related to the merger with Hjelmeland Sparebank amounted to 45 MNOK in 2024
- Slightly higher cost base in the second half of 2024 due to the merger with Hjelmeland Sparebank



Significant improvement in earnings and dividends to owners

Earnings and dividends per equity certificate



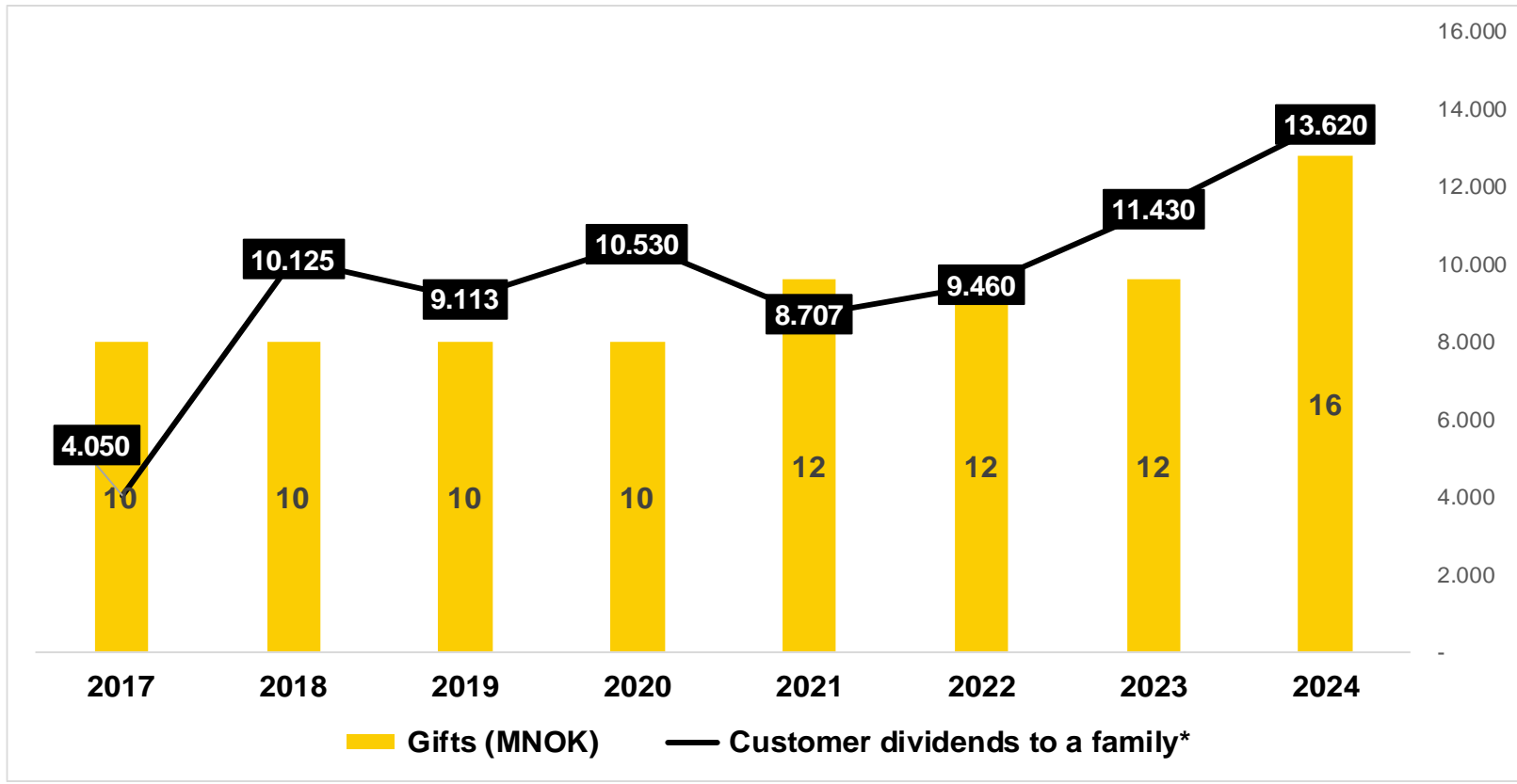
Main points

- Total dividend per ECC 2017-2024 is 48,3 kr
- Average dividend yield in the period is 70%
- Stable ownership share throughout the period
- Ownership share reduced to 62,3% following the merger



Community contribution - gifts and customer dividends

Gifts and customer dividends



Main points

- Rogaland Sparebank was one of the first banks to pay customer dividends in 2017
- The bank pays customer dividends for the 8th year in a row in 2024
- In total, an ordinary family has received 77.035 NOK in customer dividends
- Increased allocation to the gift fund in line with improved profitability and growth in the bank

* Forutsetter familie med 4 MNOK i lån (med medlåntaker) + 50.000 i innskudd



A man with a beard and mustache is sitting in a dental chair, looking extremely shocked or in pain. His eyes are wide open, and his mouth is agape, showing his teeth. A bright, glowing yellow energy burst or fire is erupting from his mouth, cascading down his chest. The background is a dark, industrial-looking setting, possibly a dental clinic.

Kundentbytte for
åttende gang!

Kundeutbytte for åttende gang!

Customer without mortgage, but with 1 million NOK deposit

2024	3 350
2023	2 811
2022	2 336
2021	2 150
2020	2 600
2019	2 250
2018	2 500
2018	1 000
Total	Kr 15 647

Family with 4 million NOK mortgage* and 50 000 NOK deposit.

2024	13 620
2023	11 430
2022	9 460
2021	8 707
2020	10 530
2019	9 113
2018	10 125
2017	4 050
Total	Kr 77 035

*Mortgage with co-borrower

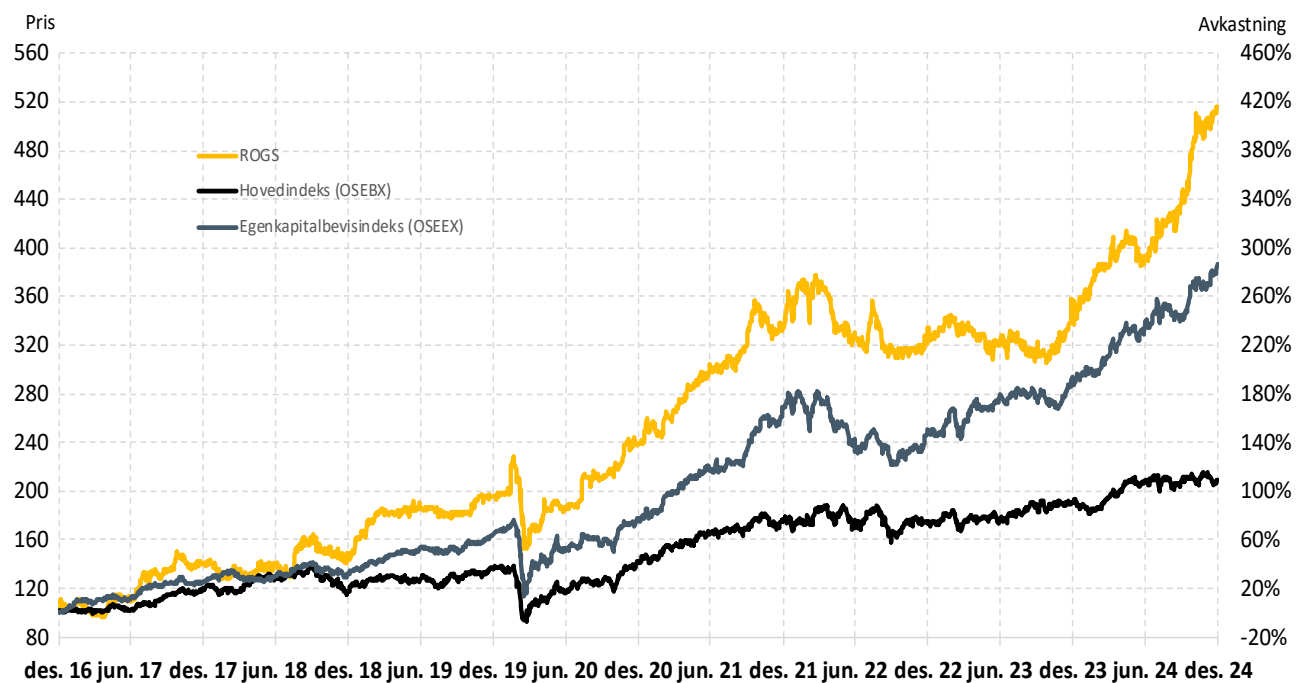
Successful merger Rogaland Sparebank

- Merger of Hjelmeland Sparebank and Sandnes Sparebank completed in under a year
- New name and new branding
- New strategy for the new bank
- Building a common culture across locations
- All employees well established in new roles
- Costs (45 MNOK) and revenues (74 MNOK) related to the merger have been booked in 2024
- Synergy gains are being implemented continuously

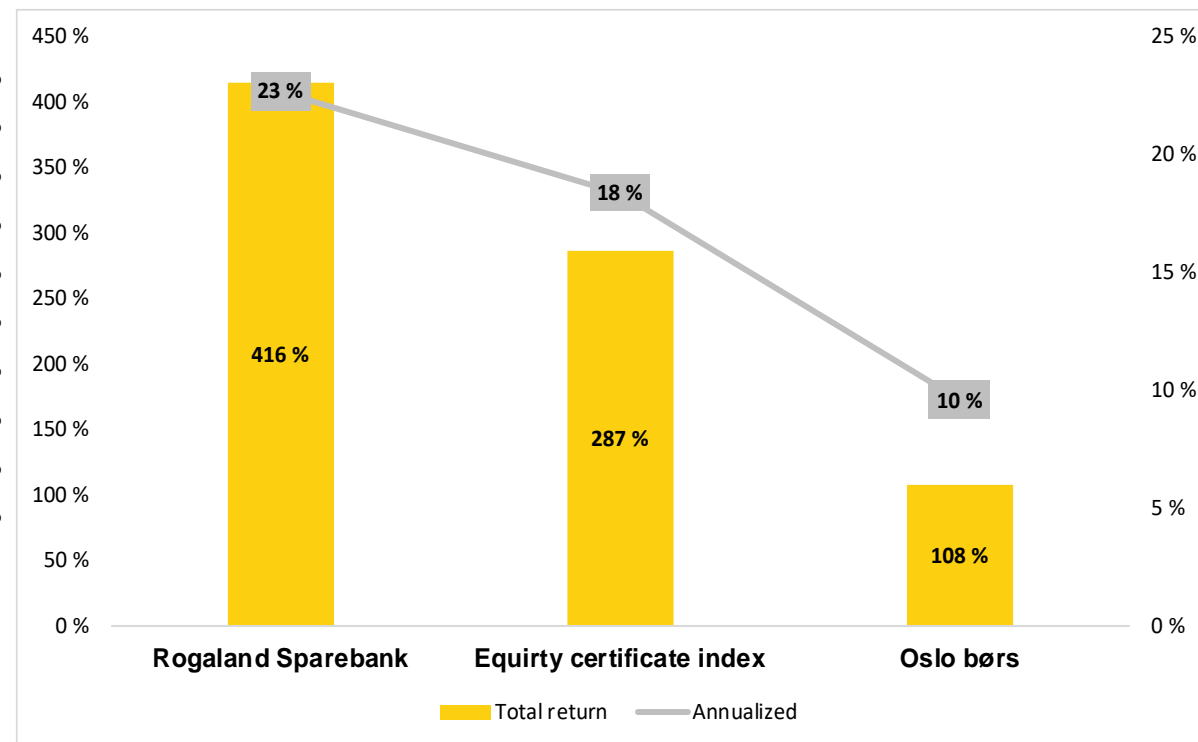


The Equity Certificate

ROGS: Development in price and volume on OSE



Return from 31.12.16 – 31.12.24



Strategy 2025-2028

DEN MEST ATTRAKTIVE
BANKEN I ROGALAND

FOR KUNDER, ANSATTE,
EIERE OG SAMFUNN



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

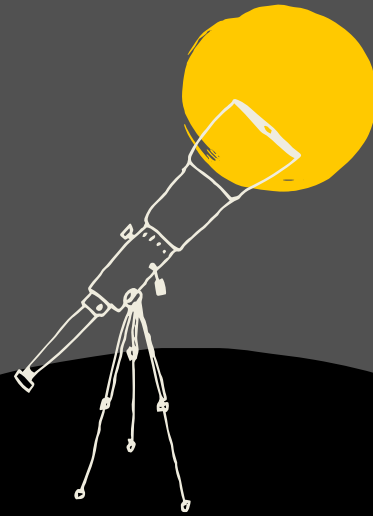
- We will grow more than the market and ensure ever-increasing profitability.

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.



Rogaland Sparebank

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



Rogaland Sparebank

Ownership fraction 62,3% (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
100% ownership

Eika Kredittdbank AS
100% ownership

Eika
Kapitalforvaltning AS
100 % ownership

Fremtind Holding AS
20,1% ownership

Sparebank 1
Kreditt AS
6% ownership

Kjell Haver
Regnskapsservice AS
49,5% ownership

Brage Finans AS
4% ownership

*Rogaland Sparebank ownership stake 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%

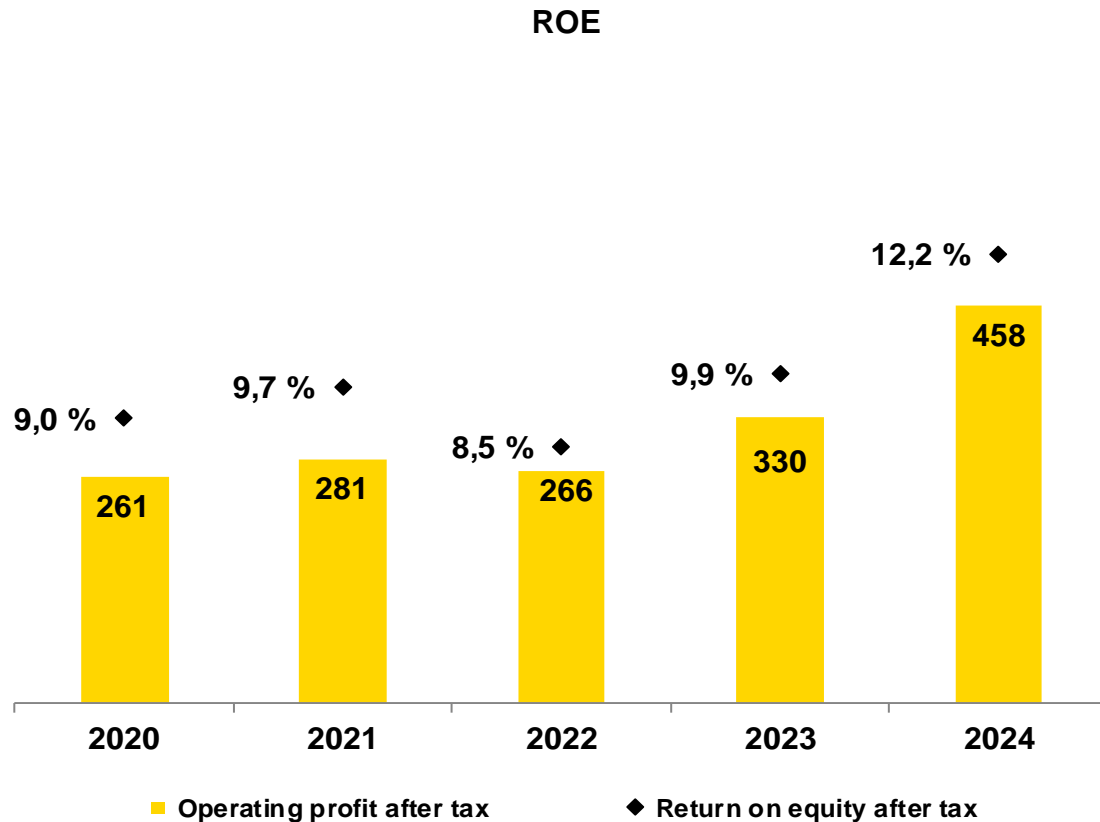


Agenda

- Rogaland Sparebank;
 - Results strategy 2021-2024
 - New strategy period 2025-2028
- Key figures per Q4 2024



Rogaland Sparebank – A good start for the merged bank



Summary 2024

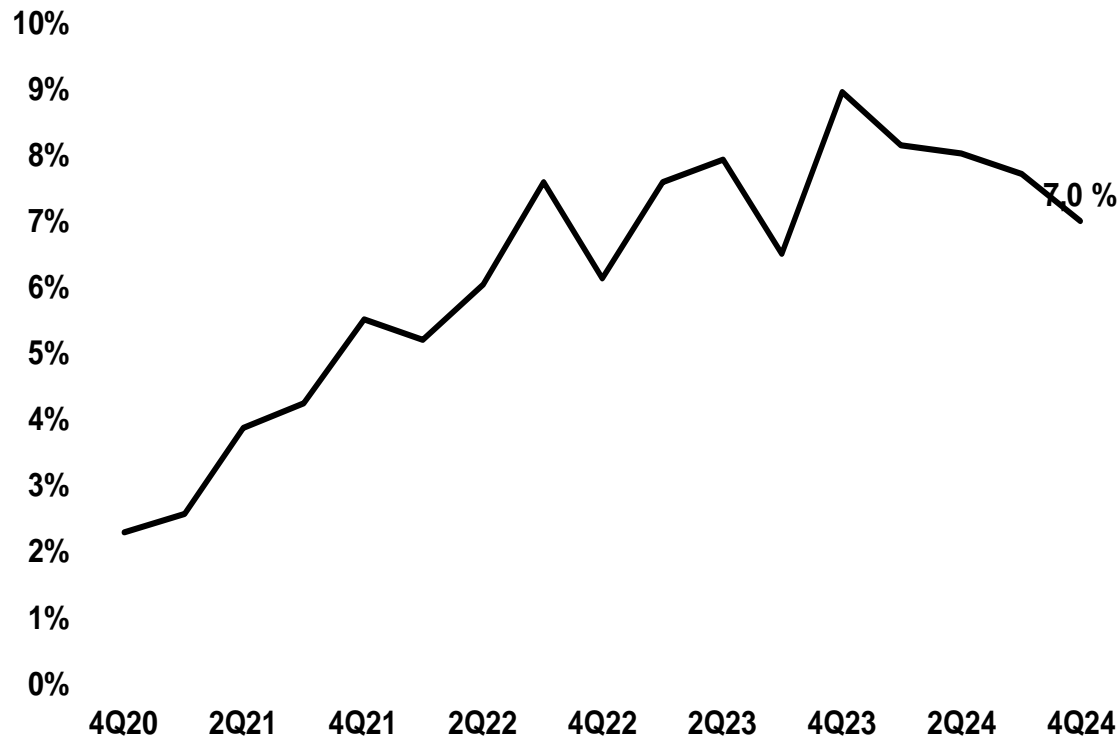
- Profit after tax MNOK 457,6 (329,9)
- Return on equity after tax 12,2 % (9,9 %)
- EPS 12,4 NOK (10,0)
- Proposed dividends 75 % (75 %). Dividends per equity certificate 9,5 NOK (7,5 NOK)
- Lending growth YoY 15,7 % (9,0 %)
- Net interest margin of 1,95 % (1,85 %)
- Net losses MNOK 23,6 (10,6)
- Solid bank with CET1 17,1 % (17,8 %)
- Costs MNOK 415,0 (368,7)



Organic Loan Growth 7,0 % in 2024

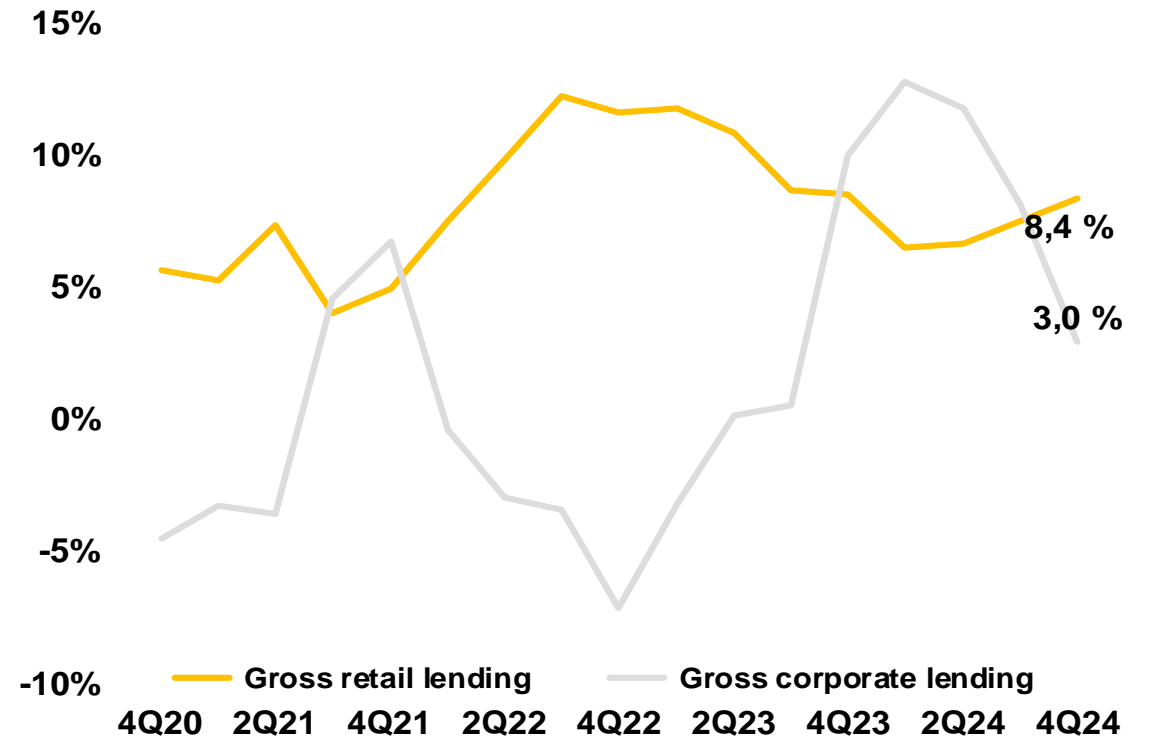
Lending growth including merger effects is 15,7 % in 2024

Group level YoY



- Total lending increased by NOK 2,1 bn (7,0 %) YoY
- Including the merger, total lending increased by MNOK 496 (1,5 %) QoQ
- **Including the merger, total lending increased by 4,6 bn YoY (15,7%)**

Growth by Division YoY



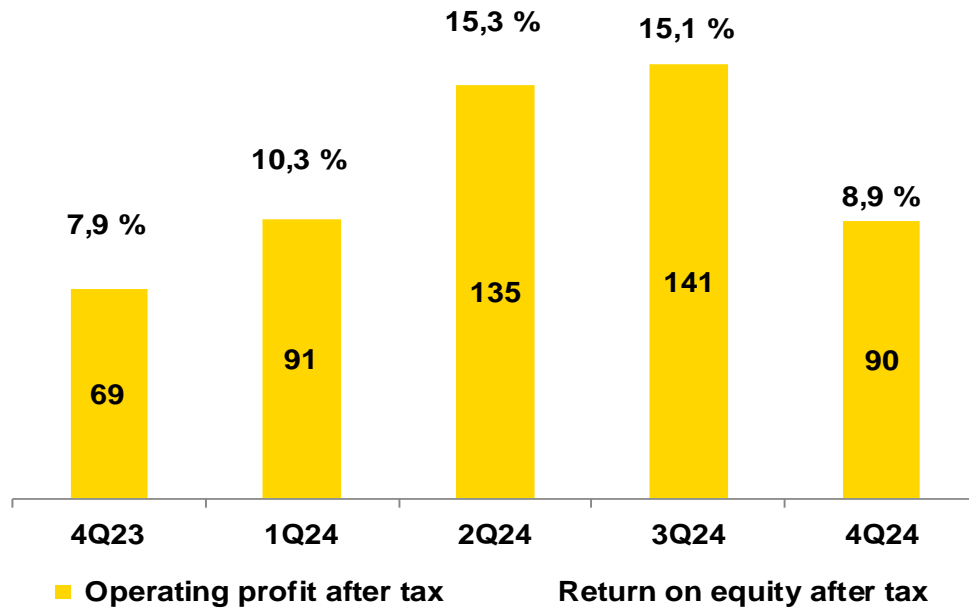
- Retail lending increased by NOK 1,8 bn (8,4 %) YoY and MNOK 554 (2,2%) QoQ.
- Corporate lending increased by MNOK 229 (3,0%) YoY, and decreased by MNOK 58 (-0,7 %) siste kvartal
- **Including the merger, retail lending increased by 18,8% YoY and 7,0% YoY for corporate lending**



Profitability

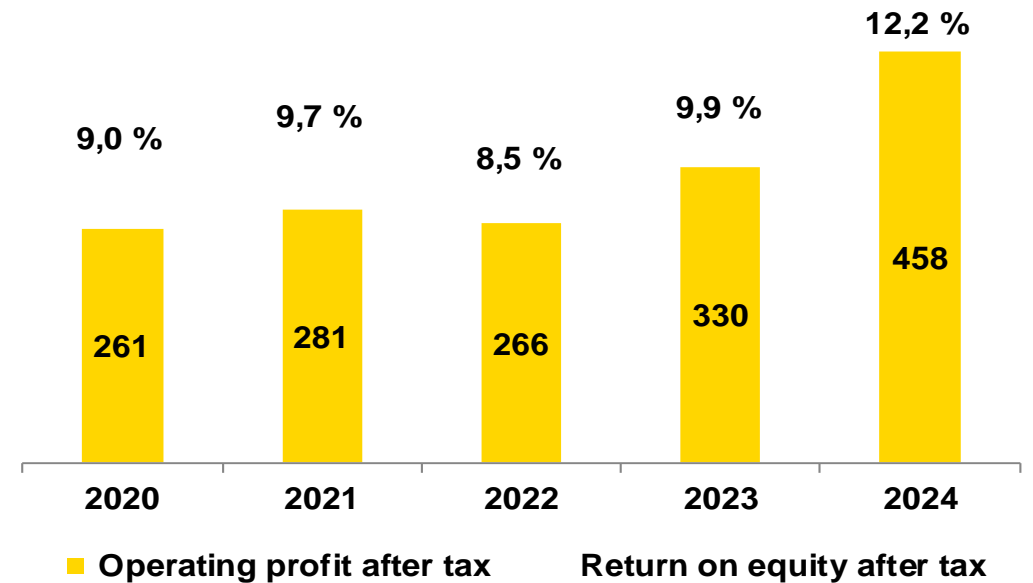
Solid improvement in underlying banking

ROE, Quarterly



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

ROE, Yearly



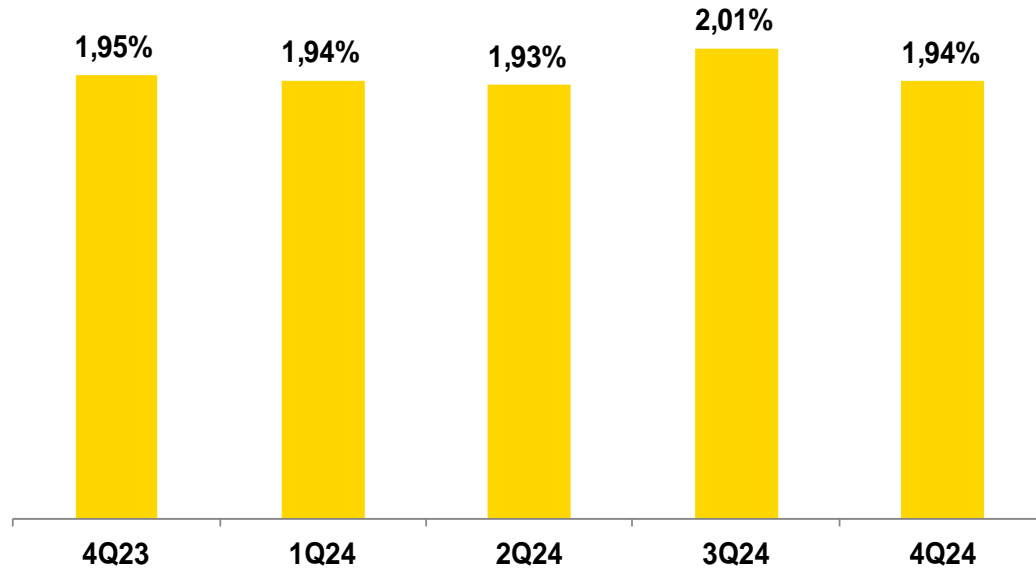
- ROE 2023 without conversion costs 10,5%, 8,7 % for 2022
- ROE 2024 adjusted for one offs due to the merger is 11.0%



Net Interest Margin

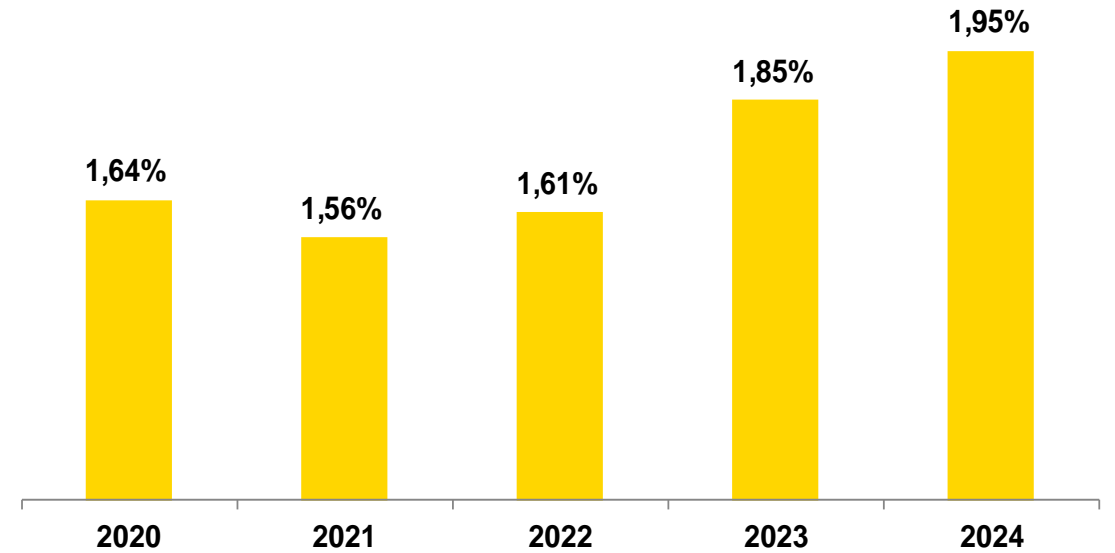
Continued improvement in net interest margin

Net Interest Margin, QoQ



- 51% deposit coverage

Net Interest Margin, YoY

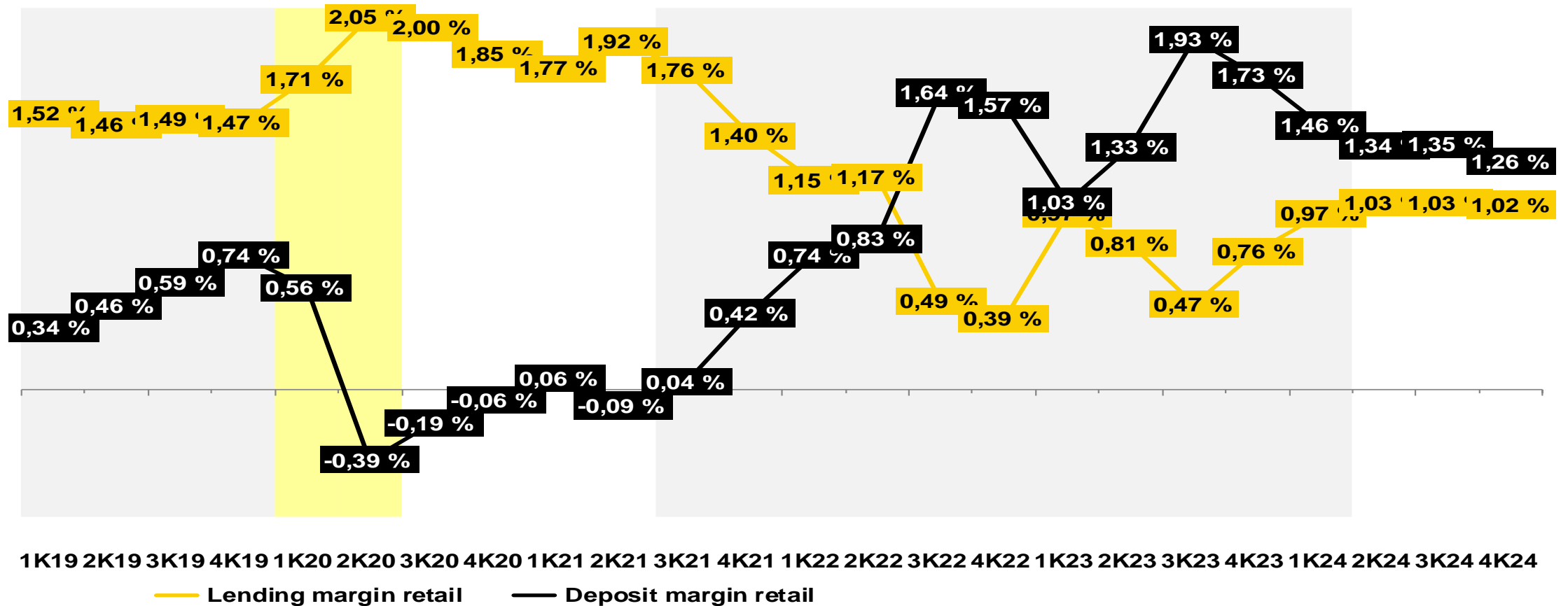


- Net Interest Margin parent bank 2,49 % (2,41 %)



Margins Retail – Low lending margins when policy rate increases

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

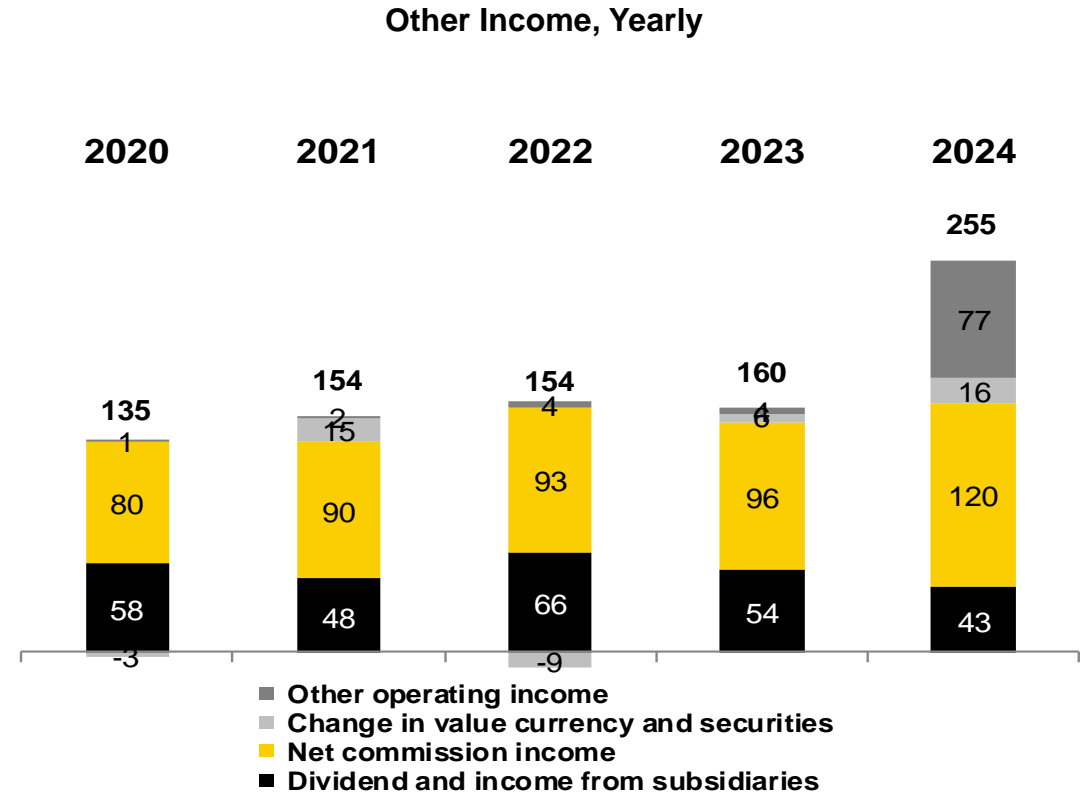
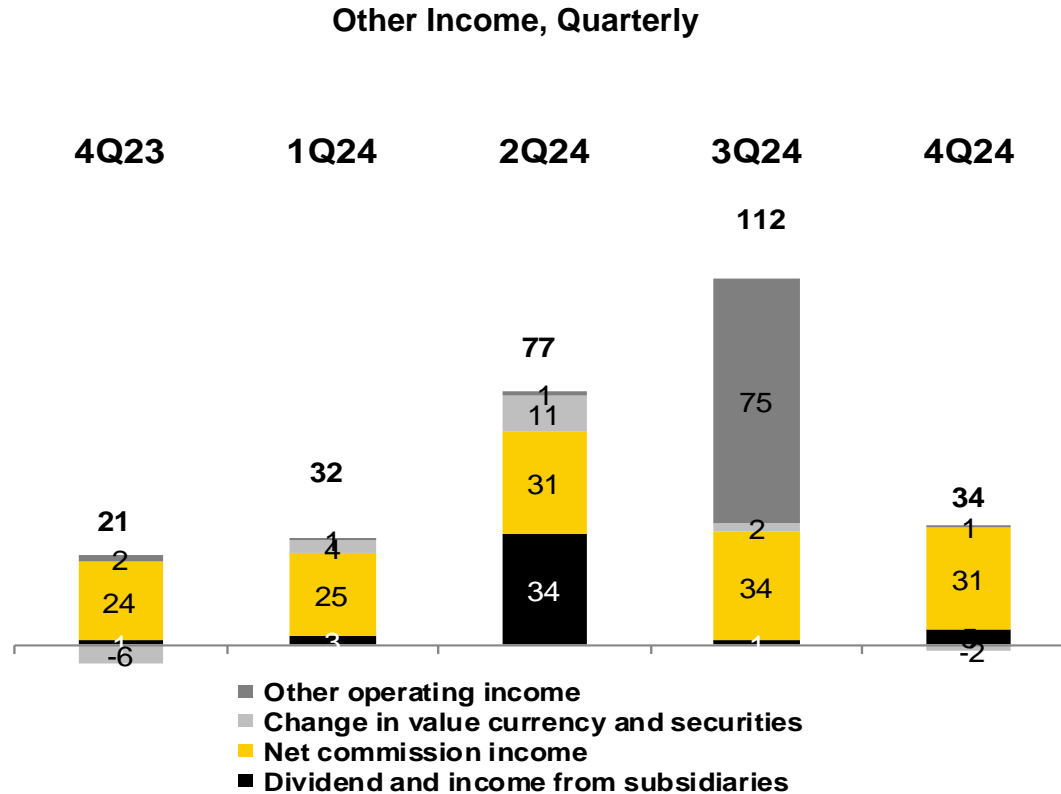


Norges Bank increasing rates in grey, decreasing in red and unchanged in white



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

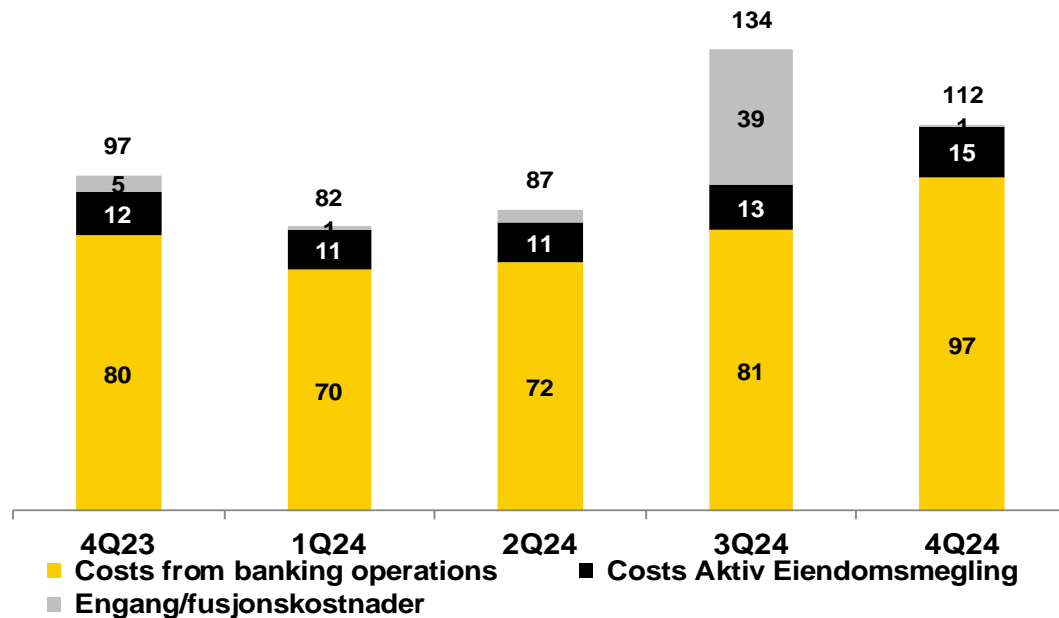
Dividend from Eika Gruppen 2024 is MNOK 60,8 (28,4) and will be booked in the 2nd quarter 2025



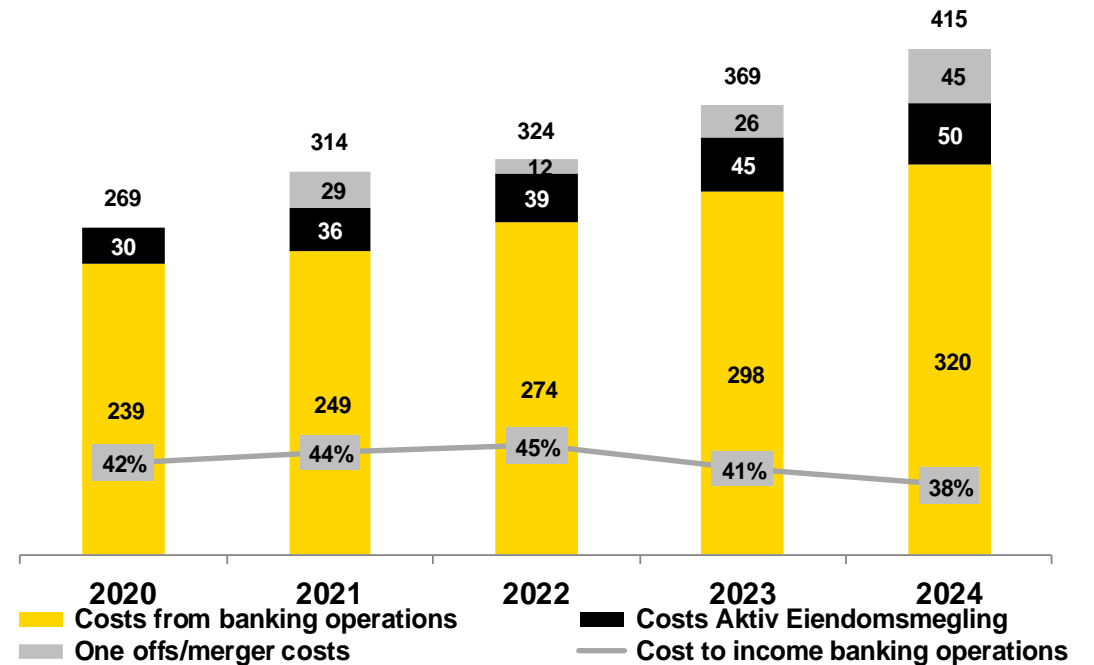
Operating costs

Stable operating costs, but some increase in the cost base as a result of the merger

Other Operating Costs, quarterly



Other Operating Costs, yearly



- 10% increase in the cost base result of the merger with Hjelmeland Sparebank
- The number of employees in the parent bank is stable around 150 (+25 due to the merger)
- Organic cost growth of 3,1% in 2024 (Sandnes Sparebank)

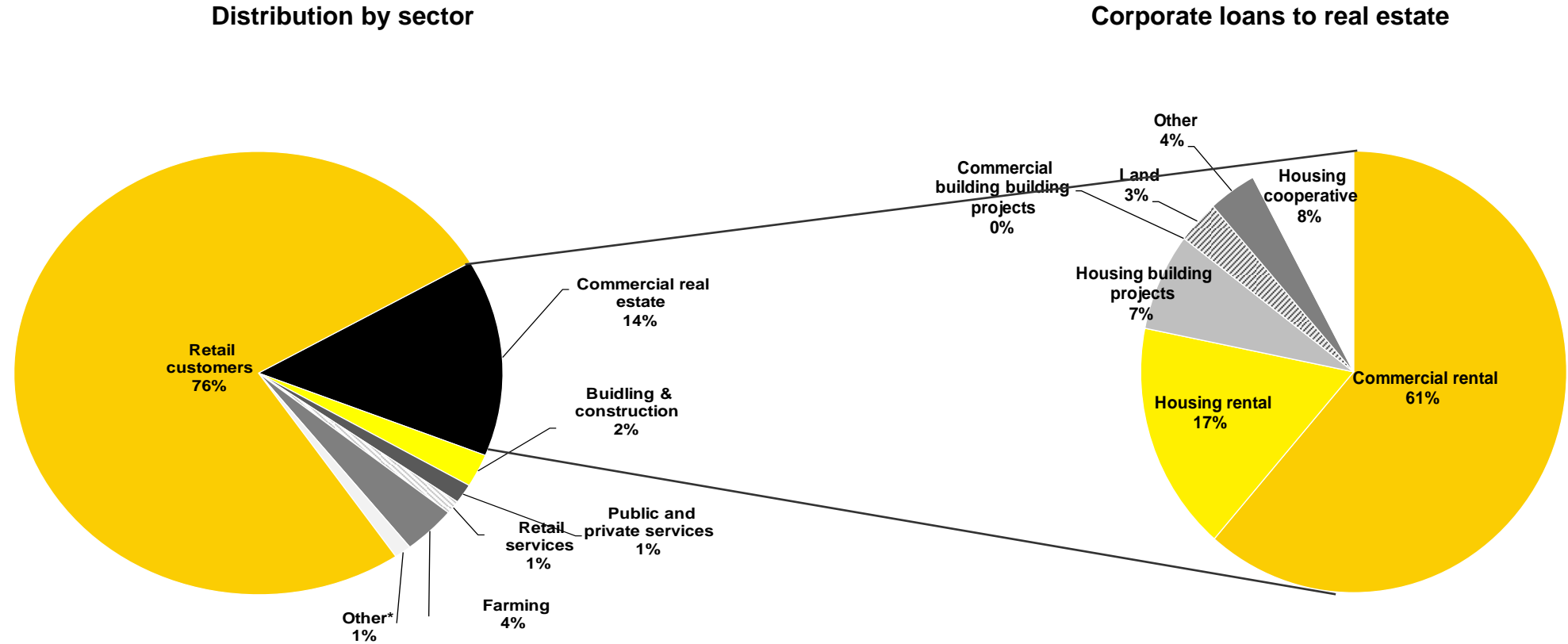
- Operating costs underlying banking is 38 % in 2024
- Changing the core system from SDC to TietoEvry is expensed at 67 MNOK in the period 2021-2023
- Merger costs Hjelmeland Sparebank at 44,6 MNOK in 2024

Underlying banking includes parent bank and covered bond company



Loans to customers

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



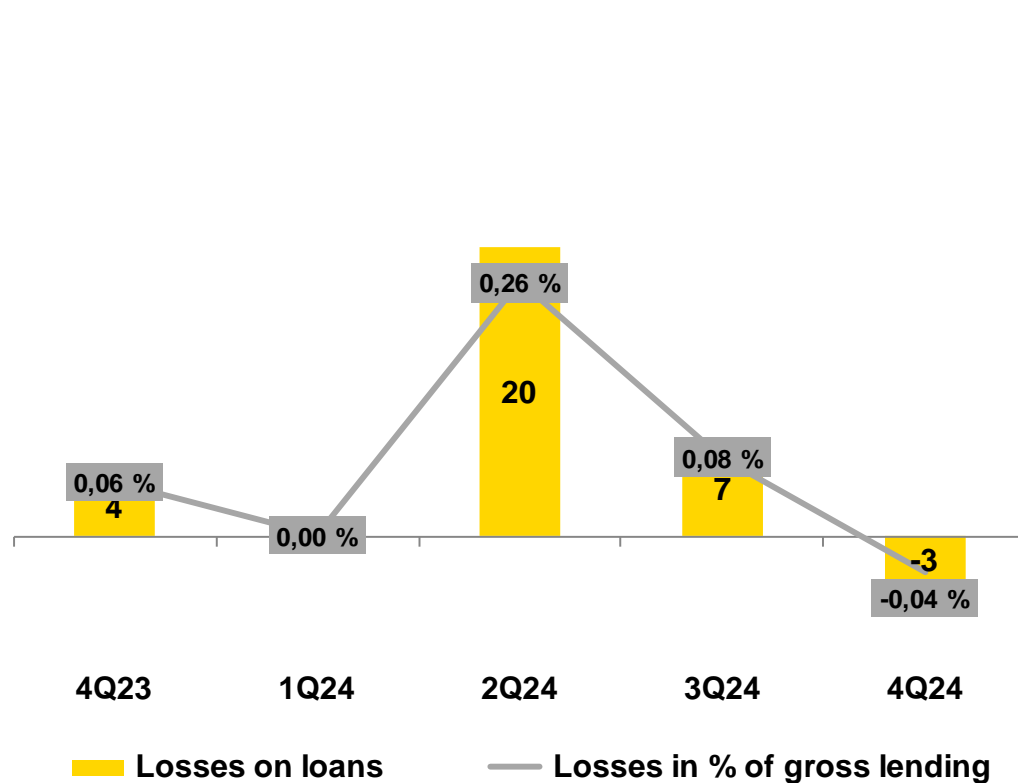
- Low exposure to cyclical industries
- Insignificant direct exposure to the oil industry
- Stable exposure towards commercial real estate



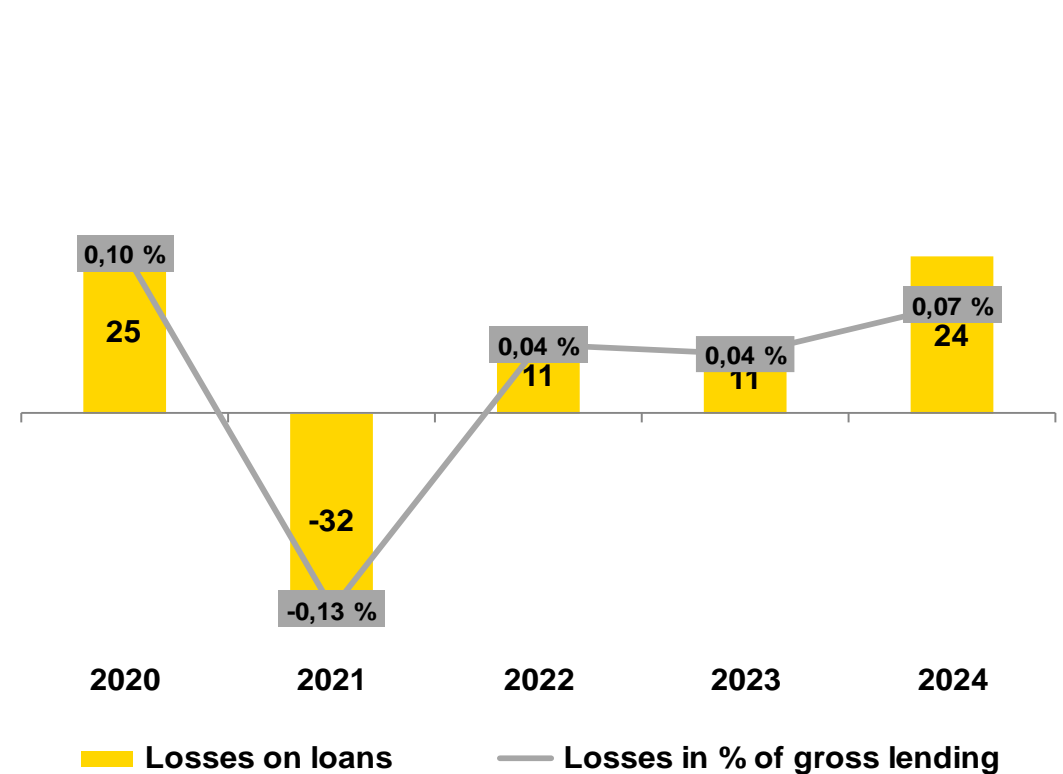
Losses on Loans and Guarantees

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

Losses on loans and guarantees, QoQ



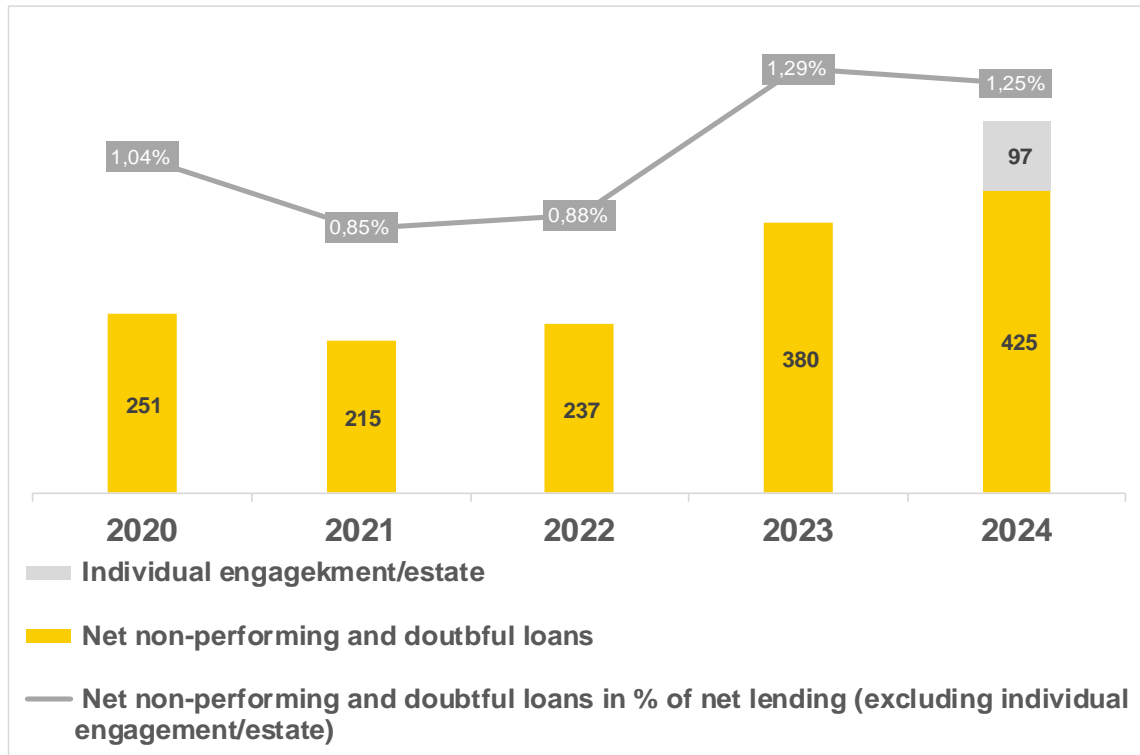
Losses on loans and guarantees, YoY



Non-Performing and Doubtful Loans

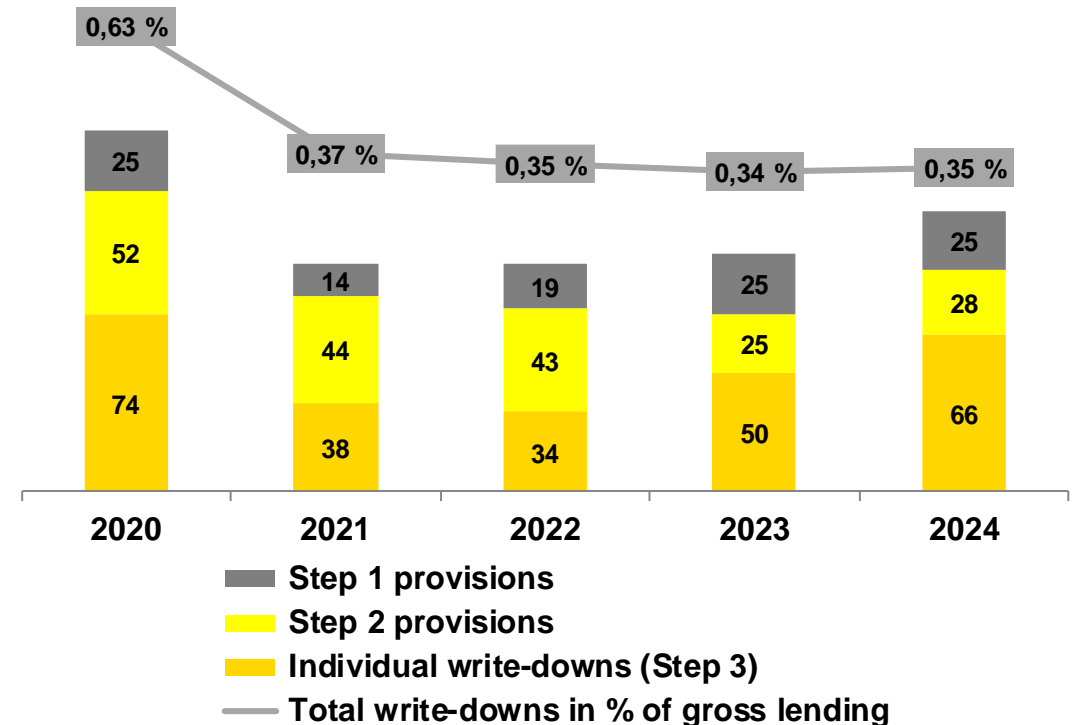
Stable development, natural increase resulting from added loan volume from the merger

Non-performing and doubtful loans



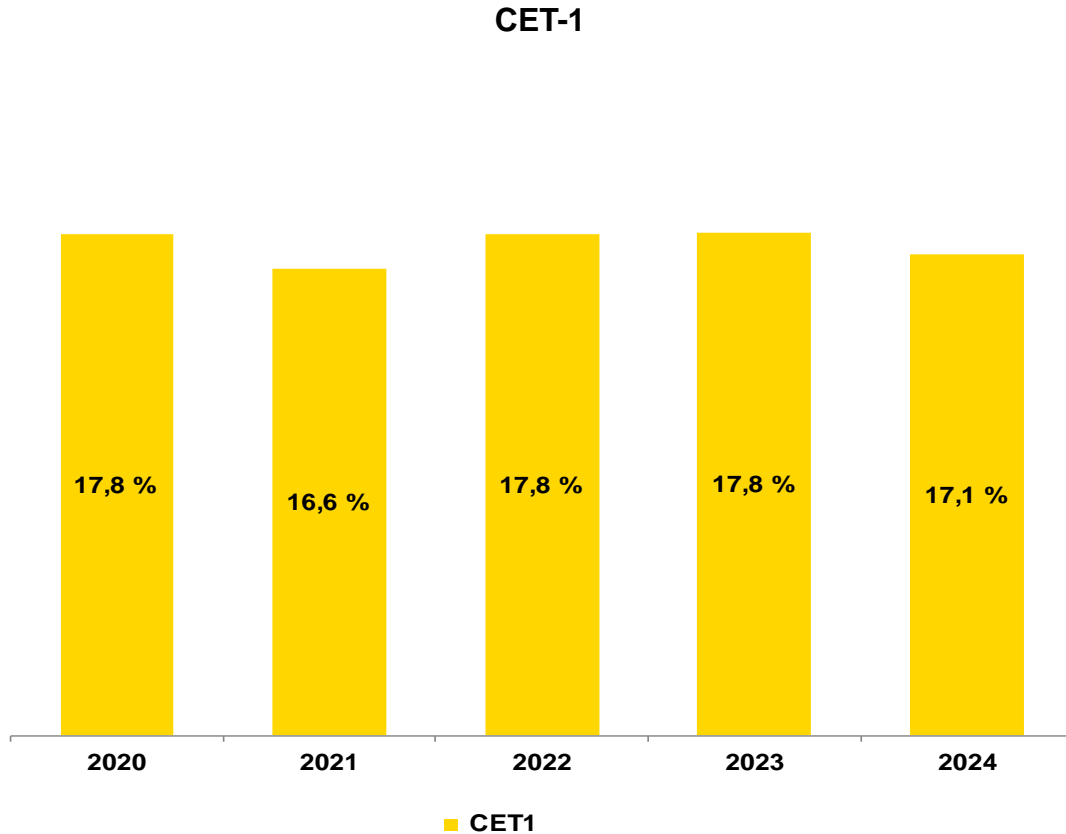
- The increase in non-performing and doubtful loans is mainly linked to the restart bank, Balansebank, which is in line with its mandate
- Individual engagement related to the estate of a deceased person is expected to be settled without loss during 1Q25

Write-downs



Well Capitalized and Equipped for Further Growth

CET-1 at 17,1 %. Leverage ratio 8,6 %



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





Questions?



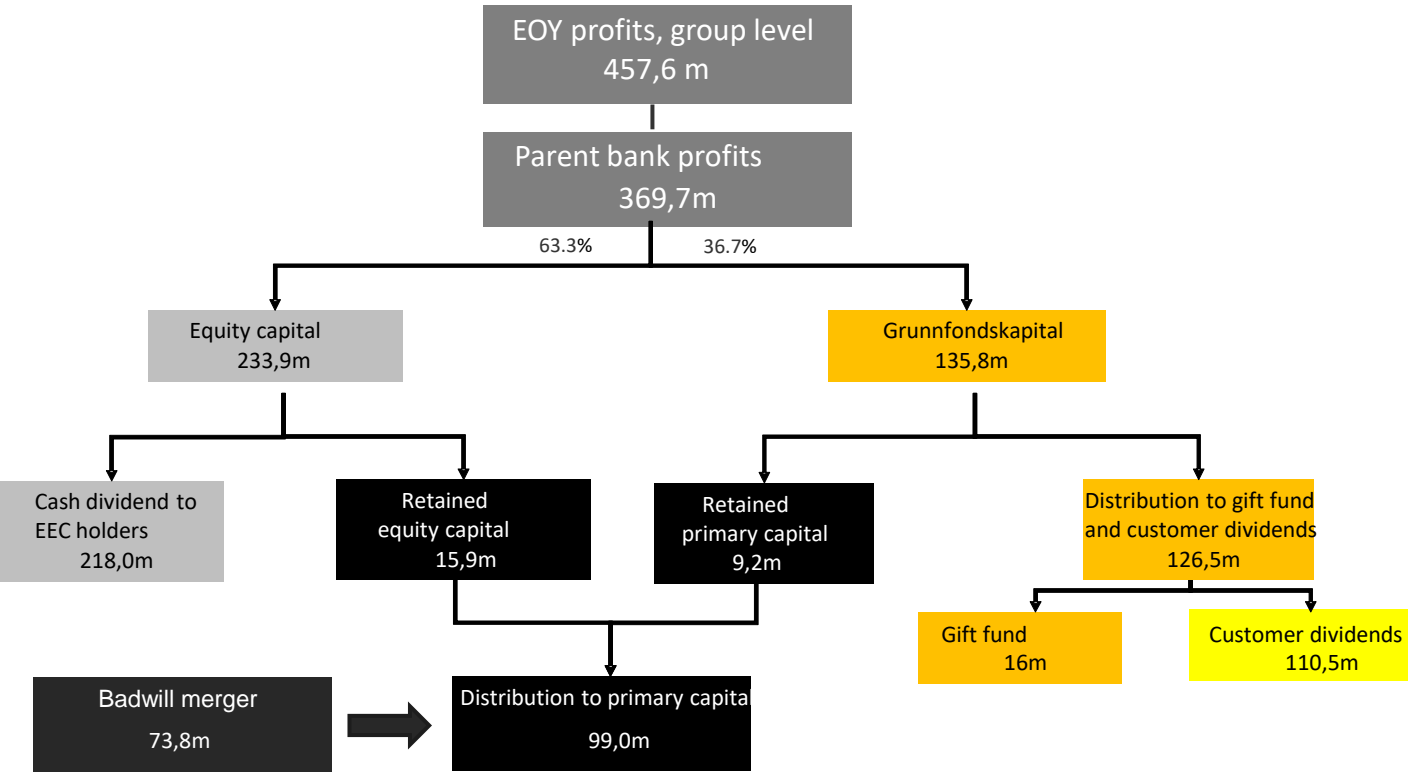
APPENDIX

Distribution of profits

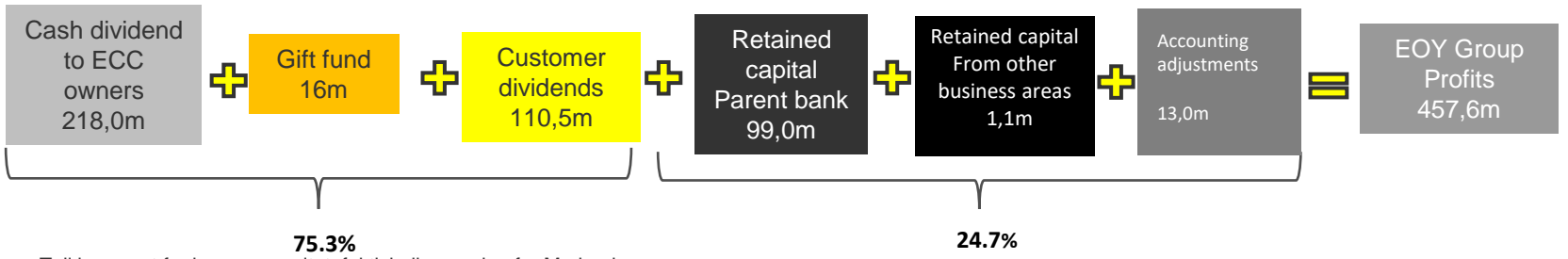
- Dividend policy allows for a dividend rate between 50% - 75% of the groups profit after tax
- In regard to the merger with Hjelmeland Sparebank, 73.8 million in negative goodwill was recognized as income. The income was allocated to the equalization fund (46.3 million) and the savings bank fund (27.5 million) at the time of the merger according to the respective ownership ratios and is therefore excluded from the ordinary profit distribution for 2024.
- The groups profit after tax was 457,6 MNOK, of which profit in the parent bank amounts to 456,5 MNOK
- The surplus is distributed according to the time-weighted ownership ratio, before the merger on 01.08.24 (63.7%) and the ownership ratio before profit distribution on 31.12.24 (62.6%). The time-weighted ownership ratio is 63.3%.
- Of the group's surplus, 344.5 million (75.3%) is allocated to dividends and gift fund/customer dividends, while the remaining 113.1 million (24.7%) is retained in the business.

The final dividend for 2024 will be approved by the board of trustees on the 31th of march 2025.

Please note that Finanstilsynet may order not to distribute dividends, or distribute less than proposed



Oppsummering utbyttegrad:

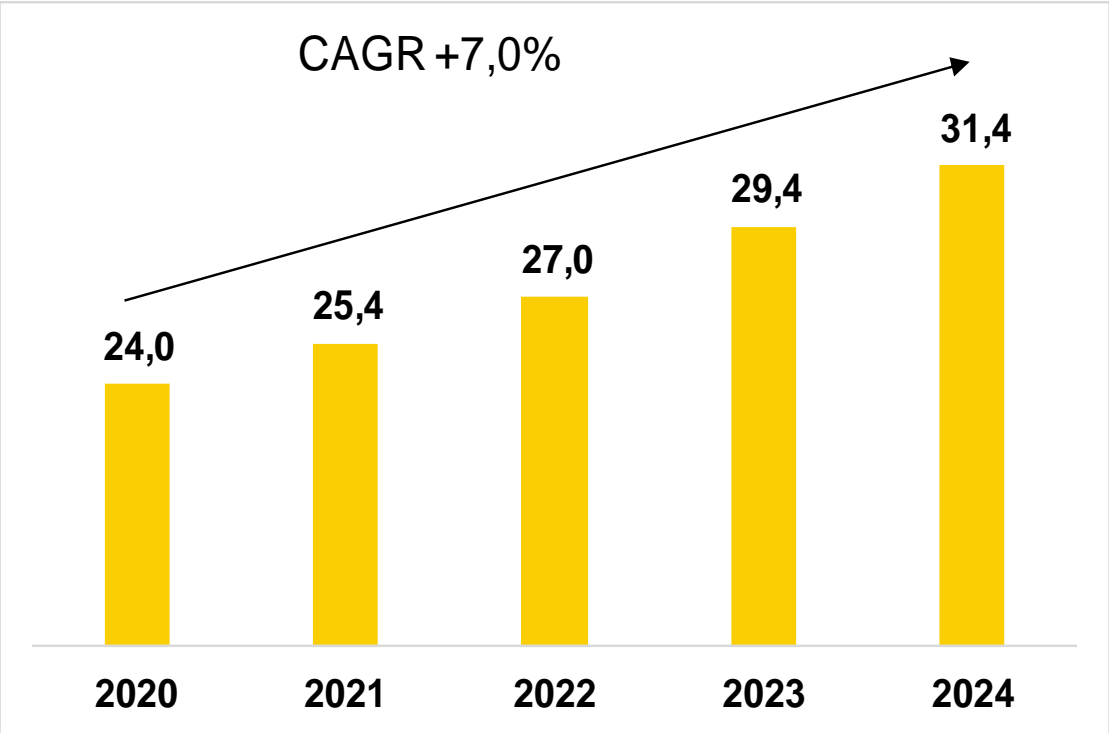


Tall beregnet fra konsernresultat, faktisk disponering fra Morbank

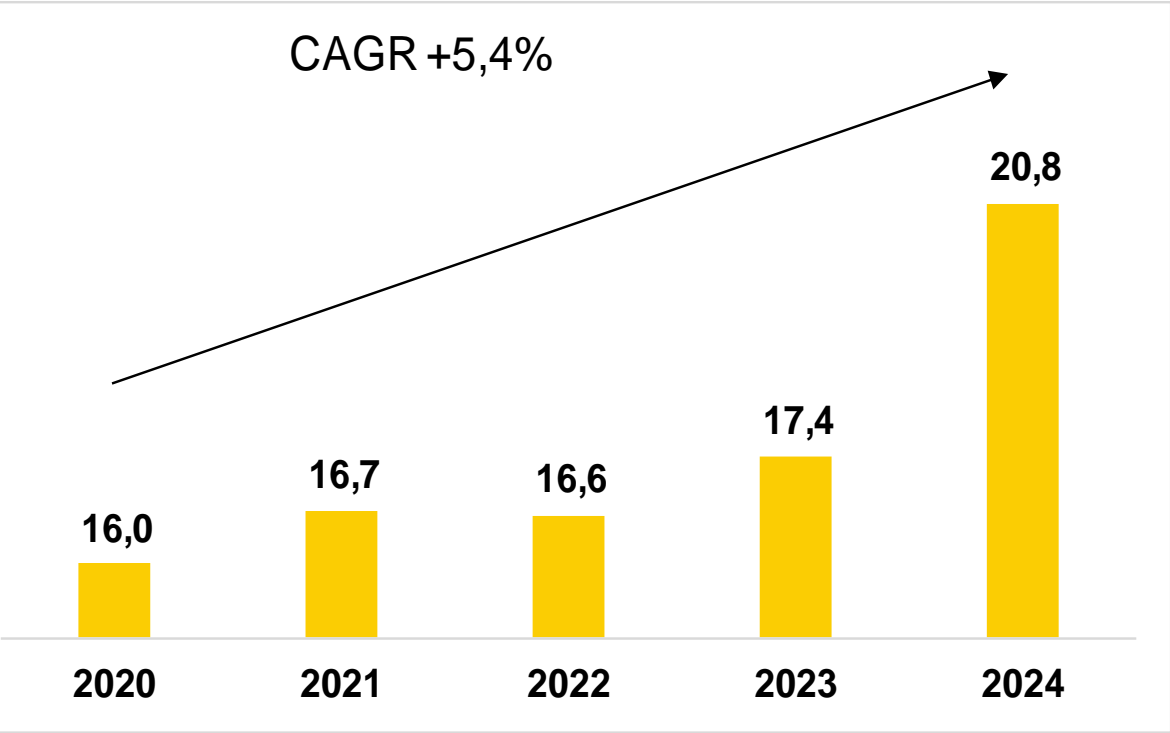
The increase in lending volume has lower capital tie-up

Volume growth within the retail and SME companies requires less capital

Net lending



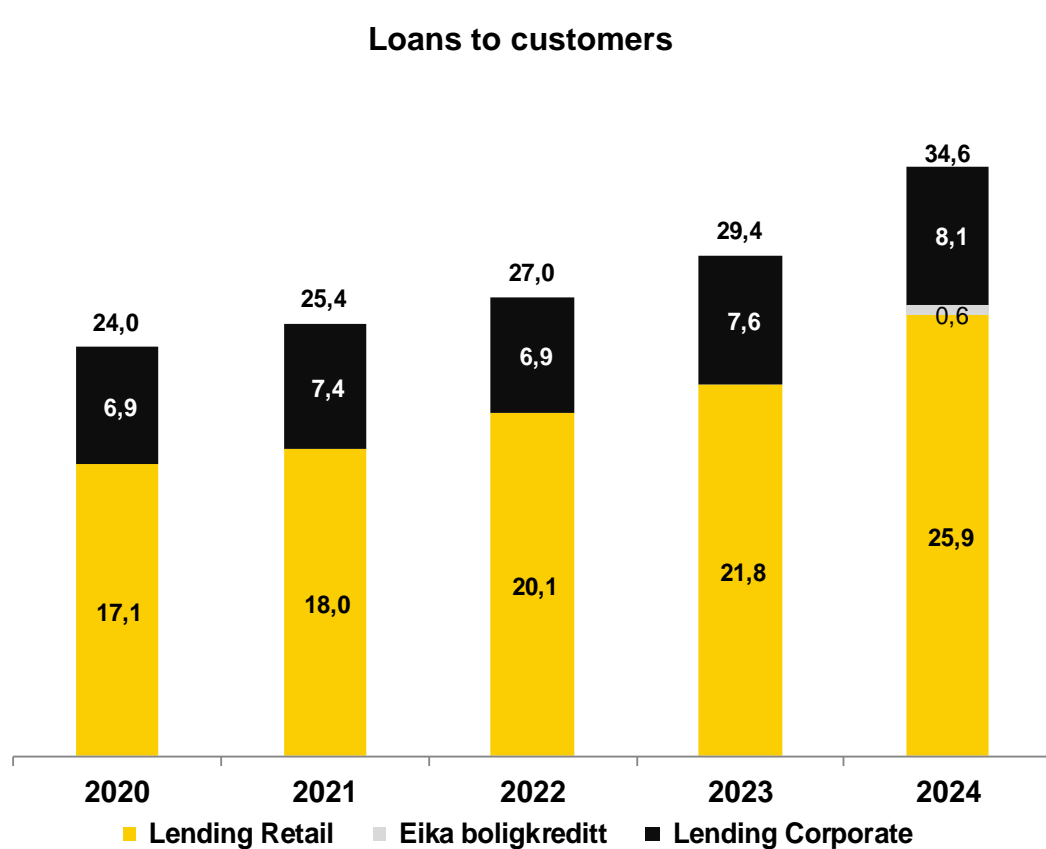
Risk weighted assets



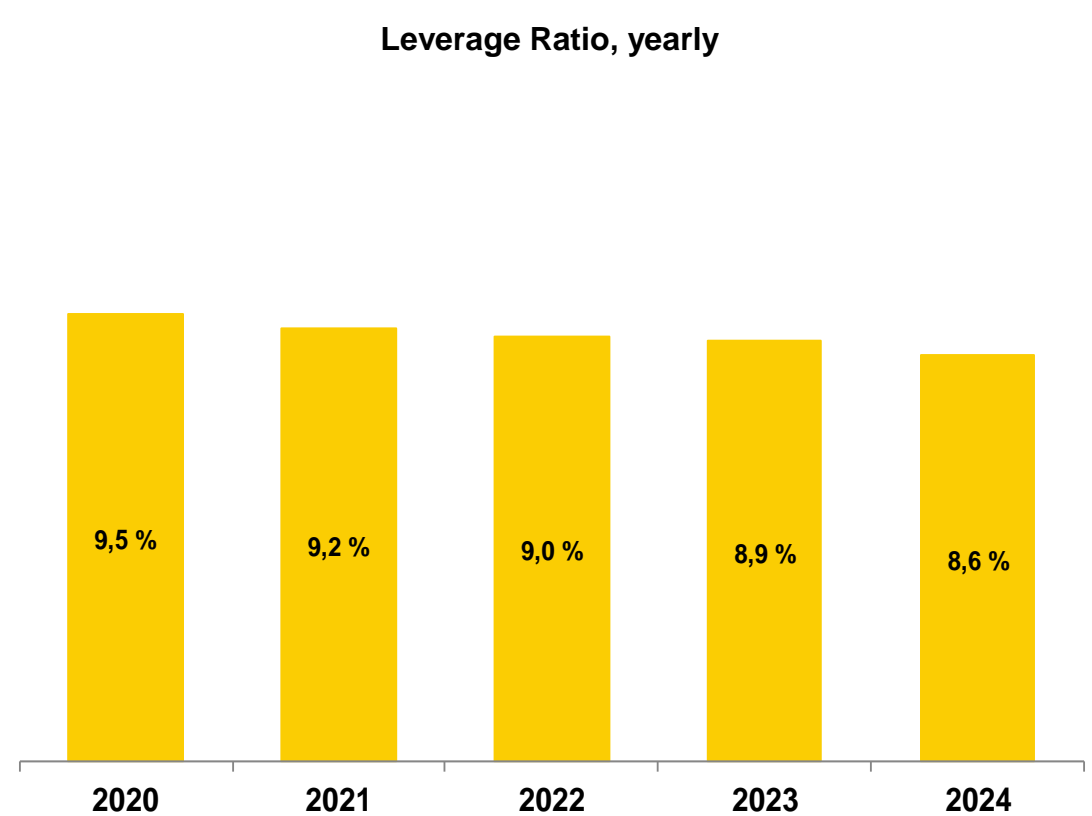
Increase in lending volume and continued strong CET1

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

Loans to customers



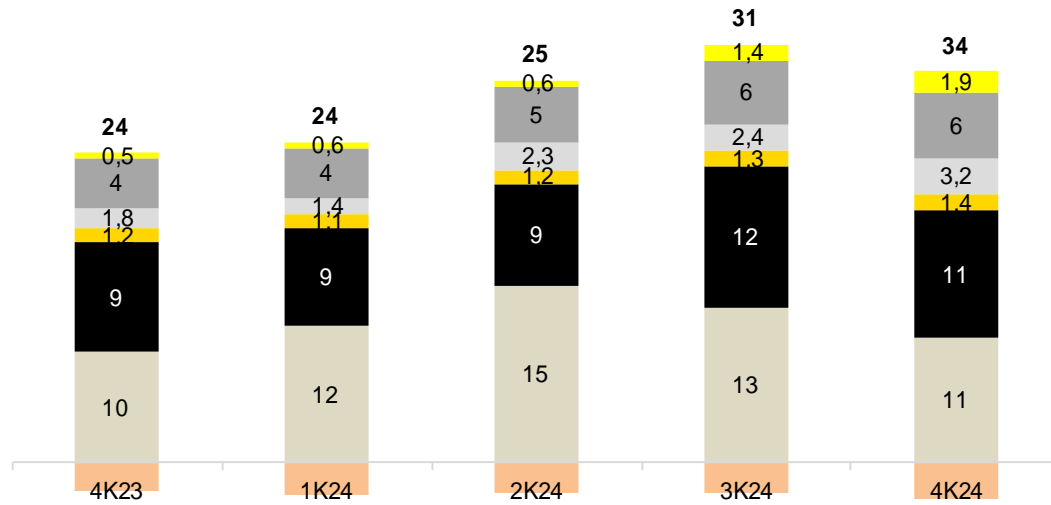
Leverage Ratio, yearly



Net Commission Income

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

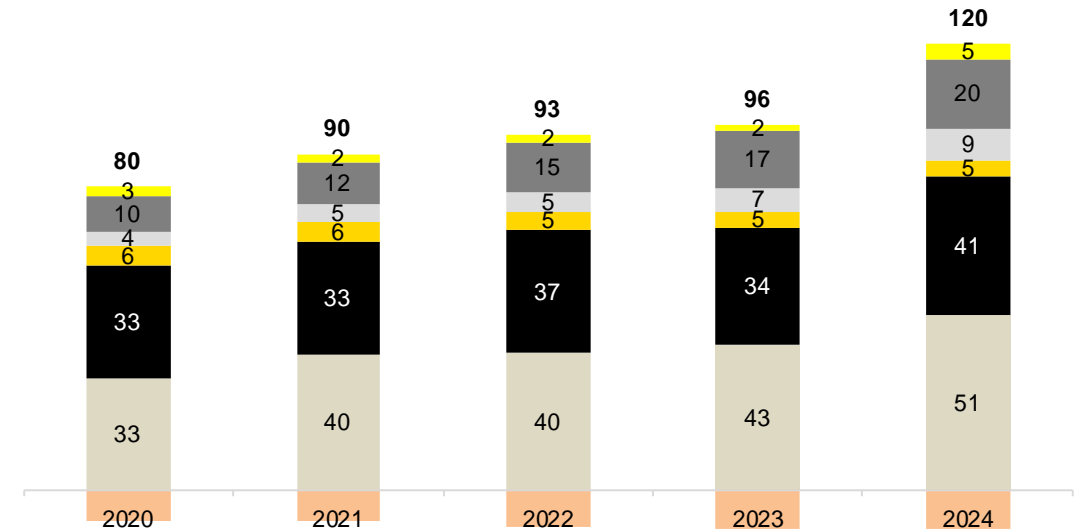
Net commission income, QoQ



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

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

Net commission income, YoY



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

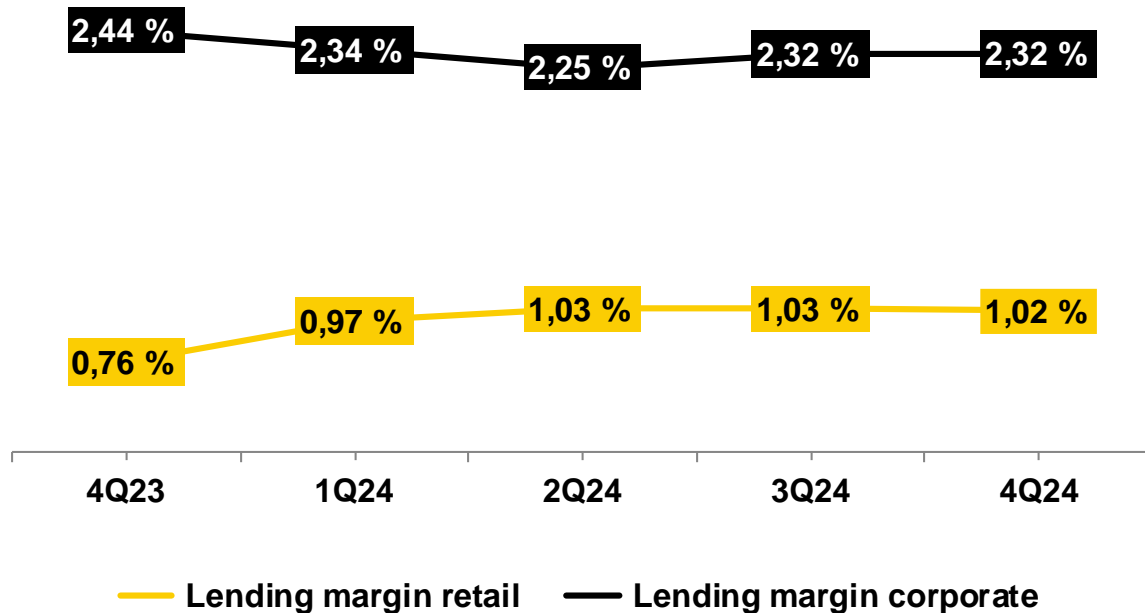
- Steady increase in all types of commission income



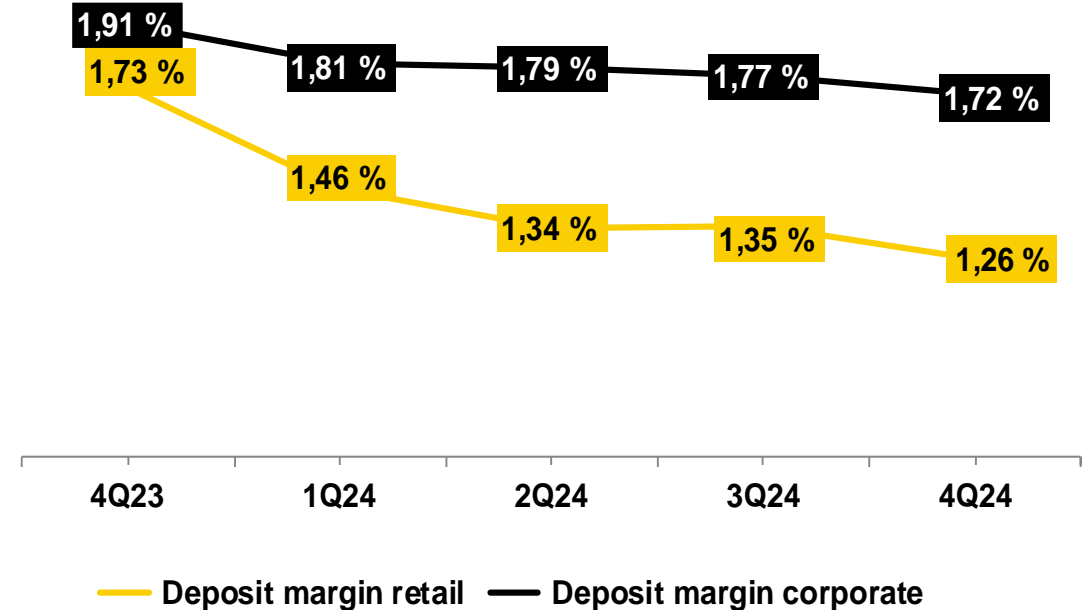
Margin on Loans and Deposits

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

Lending margins



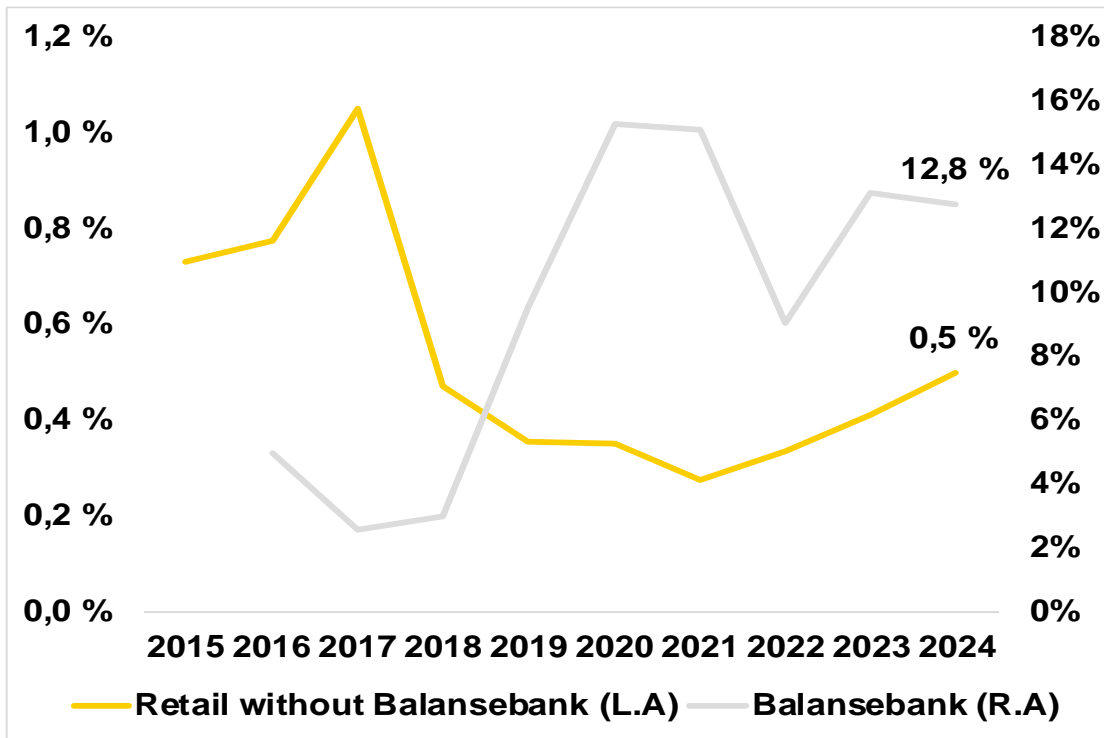
Deposit margins



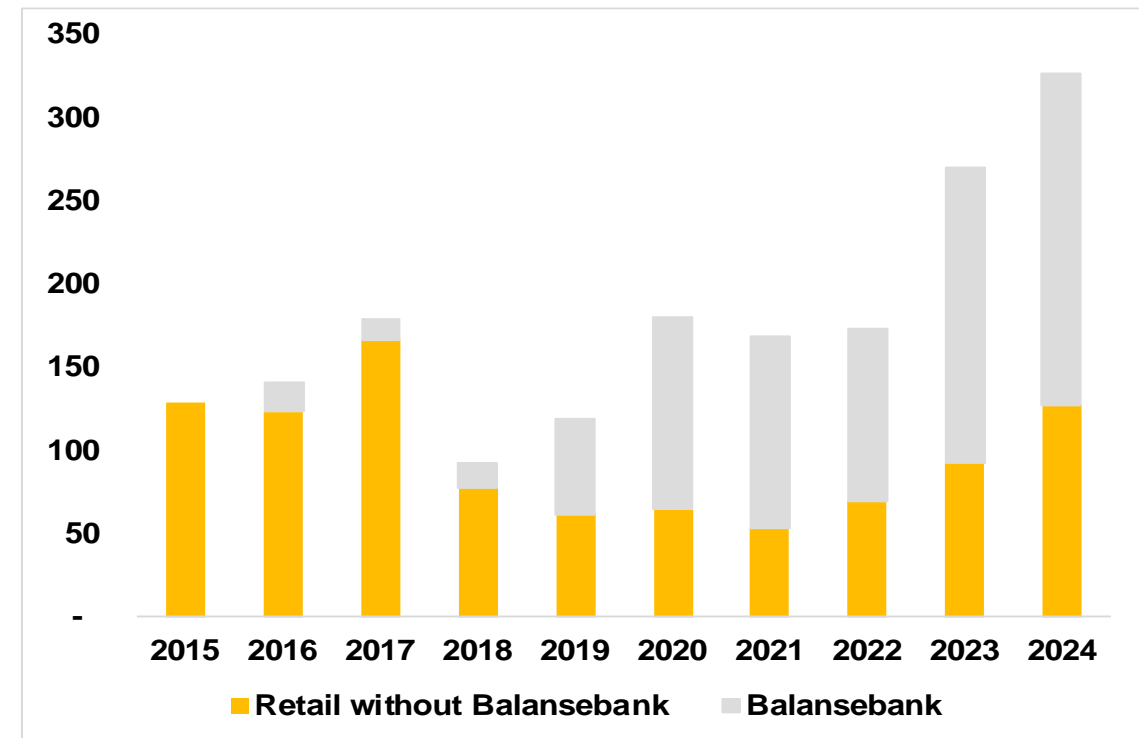
Non-Performing and Doubtful Loans Retail

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

Gross default rate retail



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

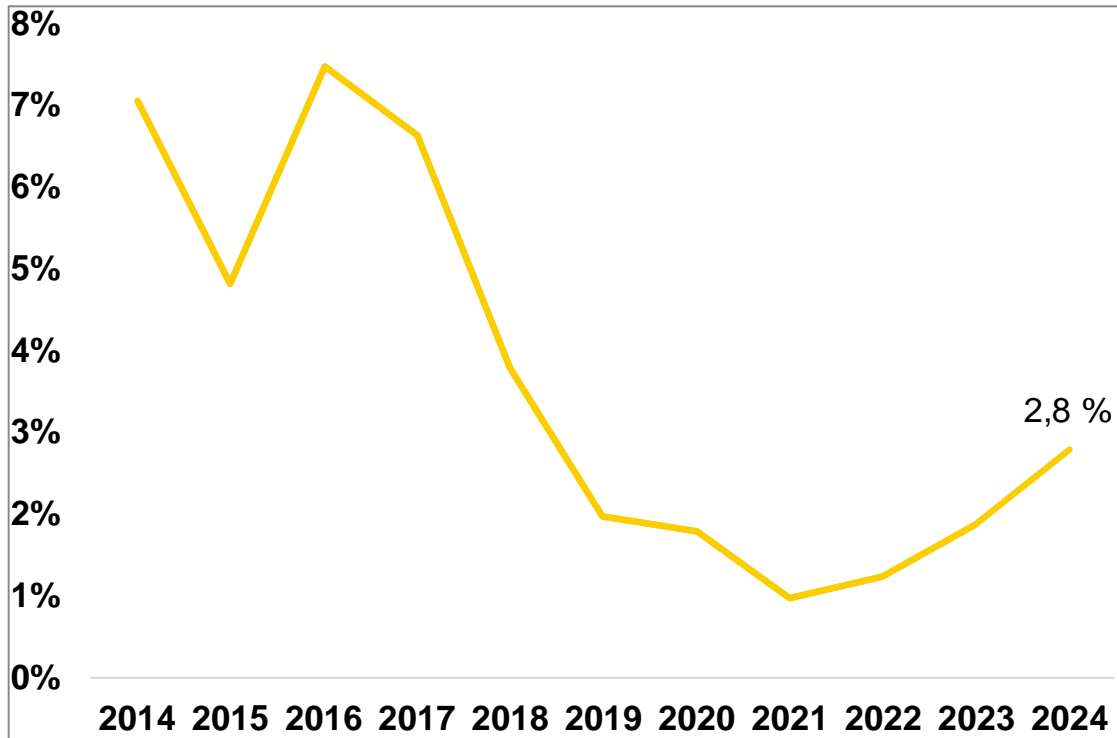
- Lending volume from Hjelmeland Sparebank is included in 3Q24



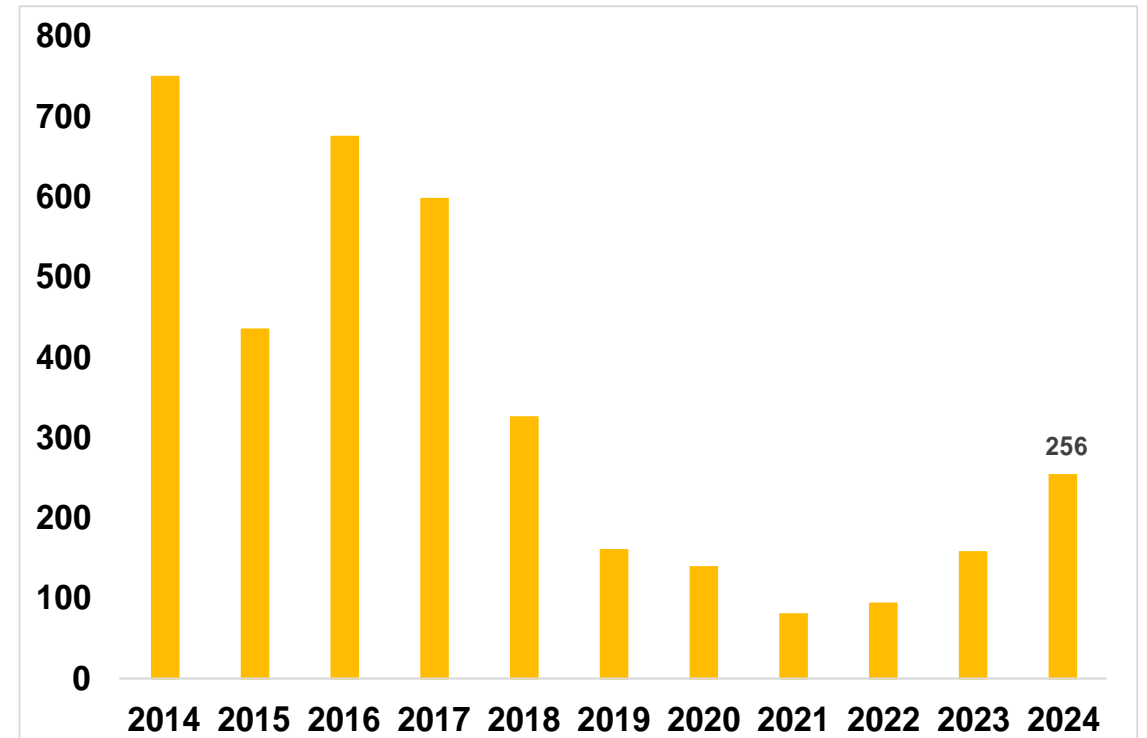
Non-Performing and Doubtful Loans Corporate

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

Gross default rate Corporate



Gross default rate Corporate

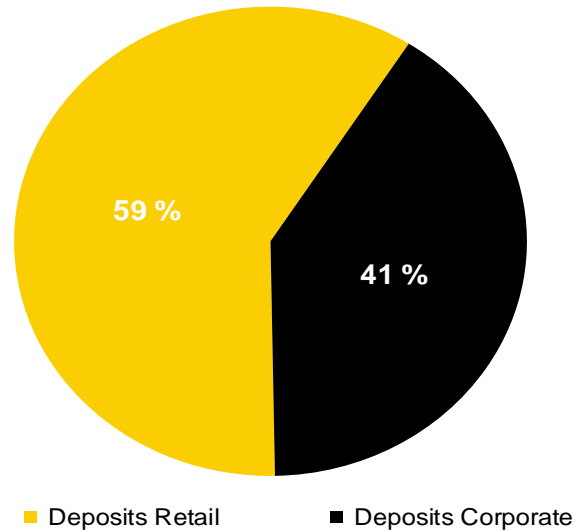


- Lending volume from Hjelmeland Sparebank is included in 3Q24

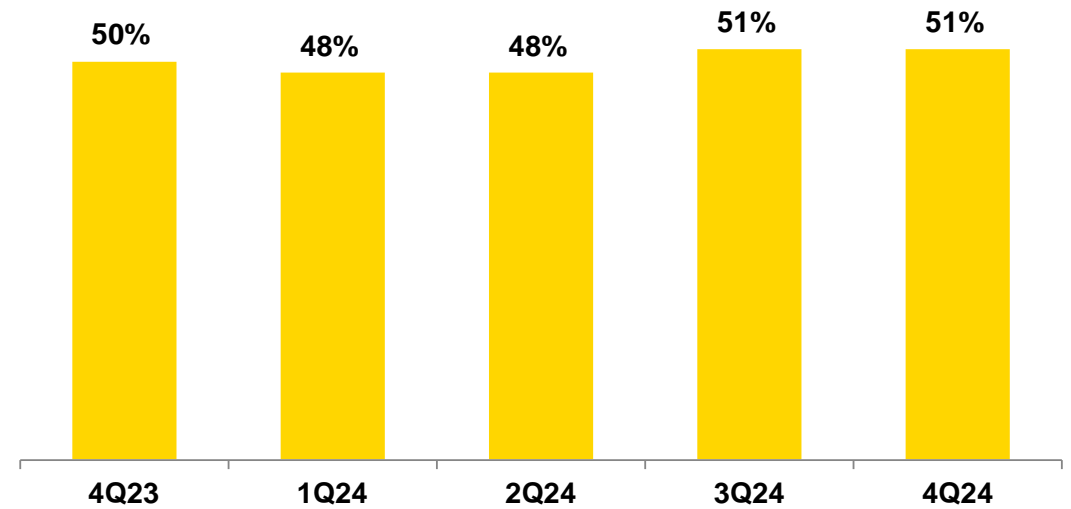


Deposits From Customers

By division



Deposit-to-loan ratio



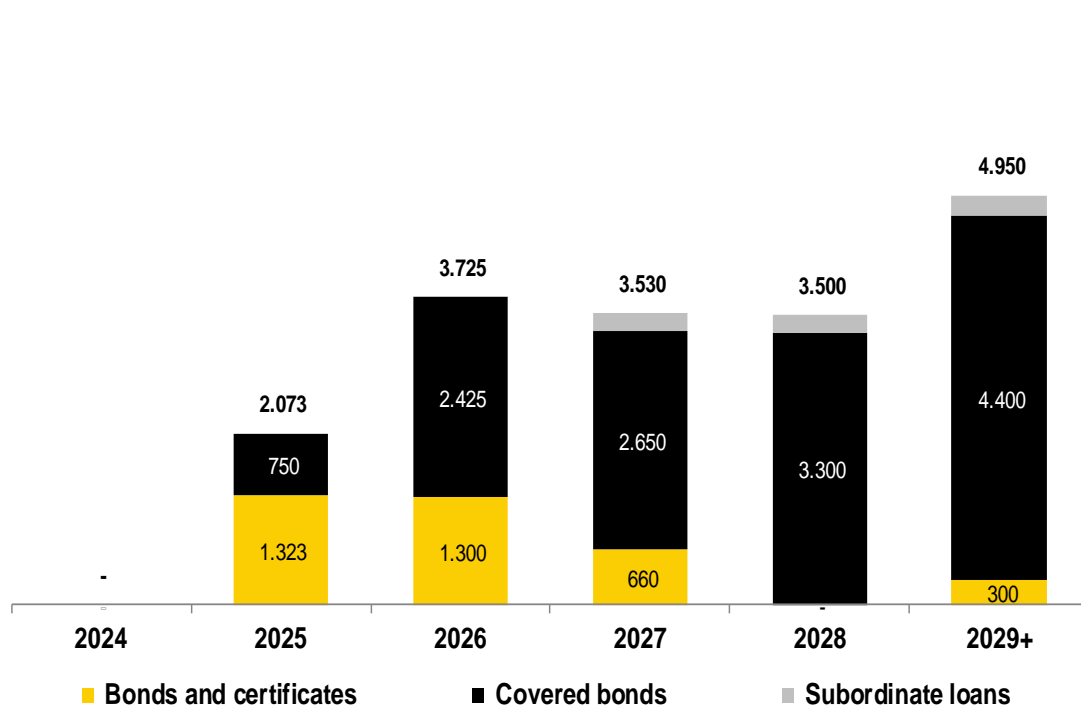
- Deposits from Hjelmeland Sparebank was added in 3Q2024



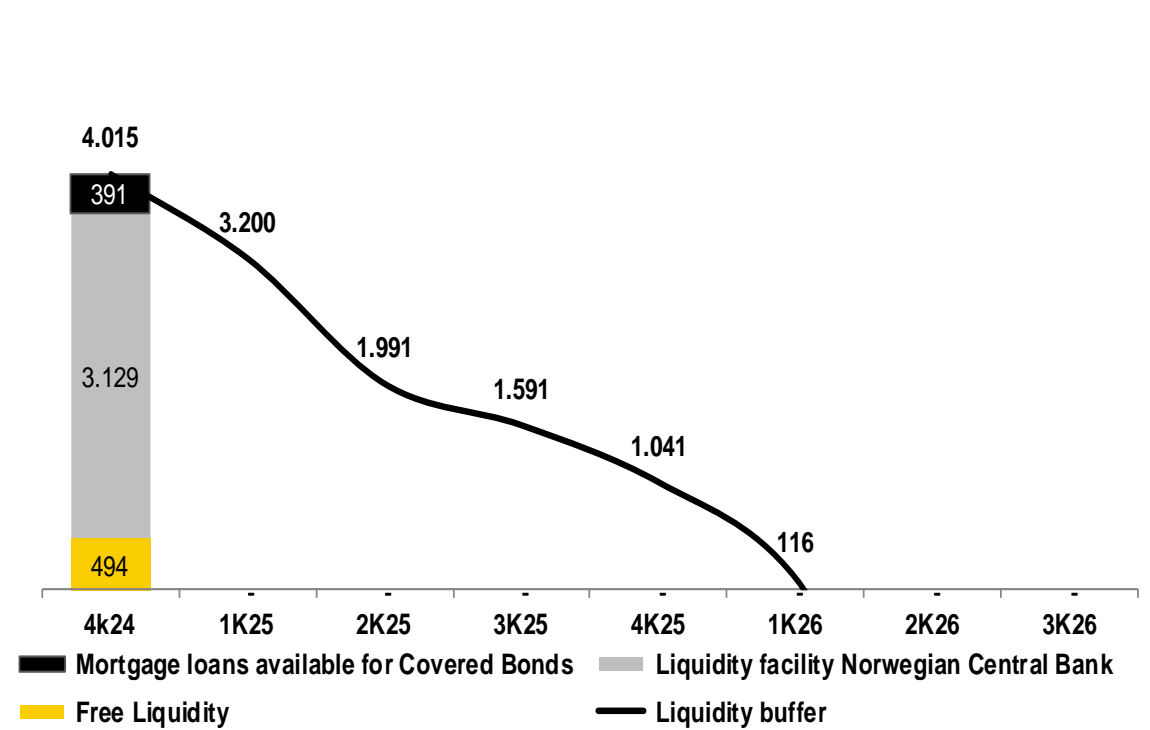
Liquidity

LCR at 236 % | NSFR at 127 %

Funding(MNOK)



Liquidity reserve, (MNOK)



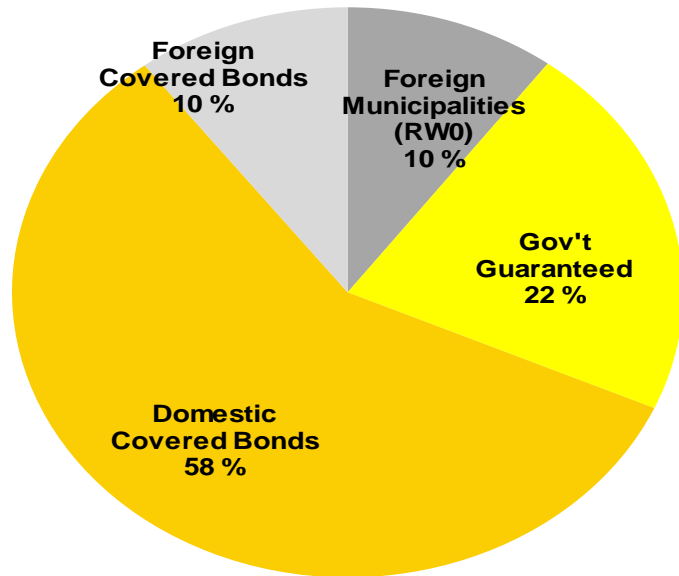
- Norwegian municipalities are given an internal rating of AA



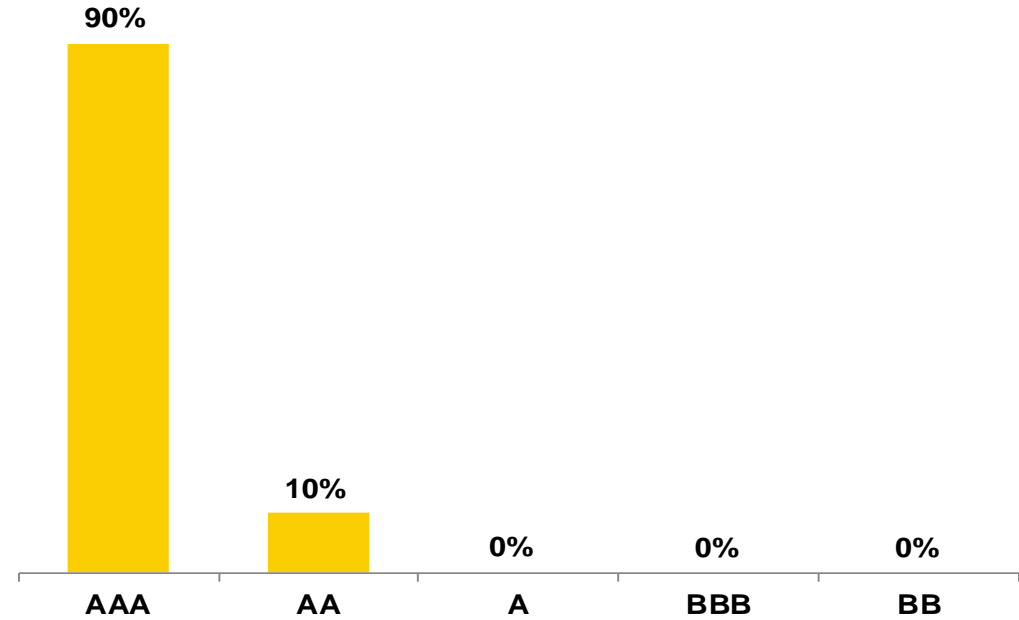
Liquidity

NOK 3,7 bn. Ex. cash

Composition liquidity portfolio



Rating distribution



- Norwegian municipalities are given an internal rating of AA



Key Figures

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	2023	2024
Growth assets	2,2 %	2,0 %	1,5 %	1,1 %	2,1 %	1,6 %	9,8 %	1,3 %	6,8 %	15,4 %
Growth lending (net)	2,6 %	2,4 %	1,4 %	2,3 %	1,9 %	2,2 %	9,5 %	1,5 %	9,0 %	15,7 %
Growth deposits	1,5 %	6,2 %	0,3 %	0,9 %	-1,2 %	2,1 %	16,2 %	1,5 %	9,0 %	19,0 %
Net interest margin	1,72 %	1,78 %	1,90 %	1,95 %	1,94 %	1,93 %	2,01 %	1,94 %	1,85 %	1,95 %
Other income % of total income	16,4 %	33,2 %	19,0 %	11,2 %	16,2 %	31,2 %	37,1 %	15,2 %	20,6 %	26,2 %
Cost-to-income ratio	53,9 %	44,3 %	42,4 %	51,2 %	41,1 %	35,4 %	44,4 %	49,4 %	47,6 %	42,6 %
Costs as % of av. total assets	1,1 %	1,2 %	1,0 %	1,1 %	1,0 %	1,0 %	1,4 %	1,1 %	1,1 %	1,1 %
Return on equity before tax	9,4 %	13,9 %	14,5 %	10,2 %	13,3 %	15,8 %	17,1 %	11,6 %	11,9 %	14,3 %
Return on equity after tax	8,3 %	12,7 %	11,1 %	7,9 %	10,3 %	15,3 %	15,1 %	8,9 %	9,9 %	12,2 %
Capital adequacy ratio	20,2 %	20,1 %	20,1 %	20,4 %	20,7 %	21,4 %	21,1 %	20,6 %	20,4 %	20,6 %
Tier 1 capital ratio	18,2 %	18,2 %	18,2 %	18,5 %	18,0 %	18,7 %	18,6 %	18,2 %	18,5 %	18,2 %
CET1	17,5 %	17,1 %	17,5 %	17,8 %	17,4 %	17,5 %	17,5 %	17,1 %	17,8 %	17,1 %
Risk-weighted assets	16.841	17.236	16.868	17.410	17.898	17.889	19.698	20.794	17.410	20.794
Number of man-years	155	155	155	154	152	150	181	181	154	181
Stock exchange price	87	85	83	91	101	96	107	126	91	126
Equity capital certificate % of equity	63,5	63,6	63,6	63,6	63,6	63,7	62,5	62,3	63,6	62,3
Earnings per equity capital certificate	2,0	3,1	2,8	2,1	2,8	4,1	3,8	2,5	10,0	12,4
Book value per equity capital certificate	96,2	99,3	102,0	106,6	109,3	105,4	108,6	110,8	106,6	110,8
Individual write-downs in % of gross lending	0,11 %	0,11 %	0,11 %	0,17 %	0,17 %	0,16 %	0,18 %	0,19 %	0,17 %	0,19 %
Coll. write-downs in % lending after ind. wr.-d.	0,22 %	0,24 %	0,23 %	0,17 %	0,15 %	0,20 %	0,21 %	0,15 %	0,17 %	0,15 %
Deposits to loans ratio	49,0 %	50,8 %	50,2 %	49,5 %	48,1 %	48,0 %	51,0 %	51,0 %	49,5 %	51,0 %
Deposits to loans ratio parent bank	93,7 %	95,0 %	95,5 %	96,0 %	94,4 %	95,4 %	92,4 %	92,9 %	96,0 %	92,9 %



Definitions

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

((Net interest income / days in the period) x days in a year) / 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

((Total operating costs / days in the period) x days in a year) / average total assets

Return on equity before tax

(Operating profit before taxes / days in the period x days in a year) / ((OB total equity + IB total equity) / 2 [excl. T1 hybrid instruments])

Return on equity after tax

(Operating profit after taxes / days in the period x days in a year) / ((OB total equity + IB total equity) / 2 [excl. T1 hybrid instruments])

Equity certificate capital in % of equity

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

Earnings per equity certificate

(Operating profit after taxes x equity certificate capital in % of equity) / 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



Contacts

Tomas Nordbø
CEO

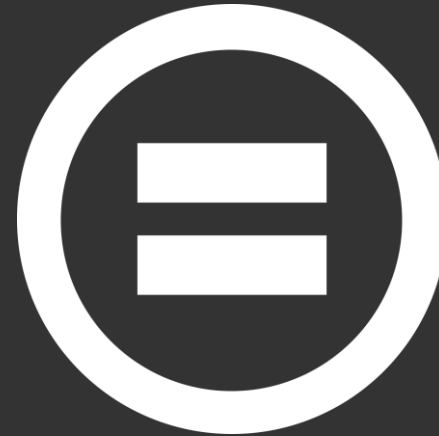
Phone: +47 922 11 865

E-mail: tn@rogalandsparebank.no

Johan Erik Flaatin
Head of Treasury

Phone: +47 51 67 67 21

E-mail: joef@rogalandsparebank.no



This presentation has been prepared solely for promotion purposes of Sandnes Sparebank. The presentation is intended as general information and should not be construed as an offer to sell or issue financial instruments. The presentation shall not be reproduced, redistributed, in whole or in part, without the consent of Sandnes Sparebank. Sandnes Sparebank assumes no liability for any direct or indirect losses or expenses arising from an understanding of and/or use of the presentation.