



Annual Report 2024

A financial group for Southern Norway

SpareBank 1 Sør-Norge is one of Norway's largest savings banks and has around 2,500 employees and branches throughout the region.

Our roots stretch back to the first half of the 1800s when the first banks were established in Norway. We provide our local communities and customers with the capital they need to grow and develop, whether they be private individuals, businesses or organisations.

Our largest owners are savings bank foundations. Seven owner foundations own a total of 45% of SpareBank 1 Sør-Norge. The combined value created by the group and our customers helps foster well-being and better lives for everyone in our local communities, counters the exclusion of children and young people and promotes sustainable development.

Through our own companies, part-owned companies and the SpareBank 1 Alliance, we offer a broad range of services that include banking services, accounting services, real estate broking, insurance, investment management and financing.

The financial group has branches in Vestland, Rogaland, Agder, Telemark, Vestfold, Buskerud and the Oslo region. Its head office is in Stavanger.



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Highlights

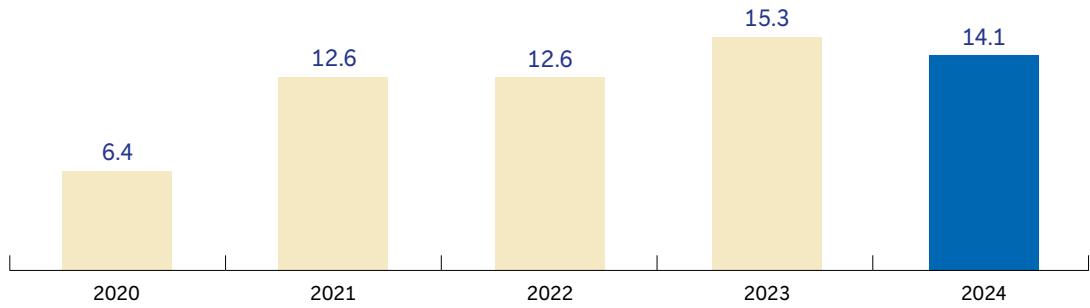
(Figures in NOK millions)	2024	2023
Net interest income	7,517	6,136
Net commissions and other operating income	2,286	1,939
Net income from financial investments	937	669
Total operating expenses	3,936	3,299
Operating profit before impairment losses	6,803	5,445
Impairment losses	387	-232
Pre-tax profit	6,415	5,677

Key figures

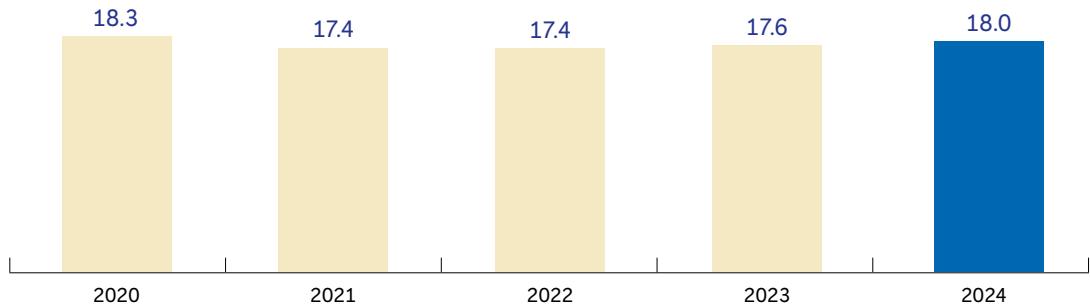
Profitability		
Return on equity %	14.1	15.3
Return on tangible equity	14.4	
Cost/income ratio %	36.7	37.7
Average interest margin %	1.87	1.69
Average net interest margin incl. transfers to mortgage credit institutions %	1.85	1.69
Balance sheet figures		
Gross loans to customers	375,678	272,001
Gross loans to customers incl. transfers to mortgage credit institutions	405,062	272,001
Deposits from customers	204,006	149,076
Deposit growth	36.8	0.7
Total assets 31.12.	479,336	362,186
Financial strength		
Common Equity Tier 1 capital ratio %	18.0	17.6
Tier 1 capital ratio %	20.2	19.7
Capital ratio %	23.0	21.6
Leverage ratio %	7.7	7.2
Tier 1 capital	42,635	28,864
Liquidity		
Liquidity coverage ratio (LCR) %	189	207
Deposit to loan ratio %	54.3	54.8
Deposit to loan incl. transfers to mortgage credit institutions ratio %	50.4	54.8
Branches and staffing		
No. of FTEs, incl. temps	2,364	1,686
No. of branches	55	36
SpareBank 1 Sør-Norge share		
Market price at year end	146.60	128.90
Earnings per share	13.08	16.27
Dividend per share	8.50	7.50
Effective yield on share %	19.6	12.6

Please also refer to the complete overview of key figures and definitions on page 232.

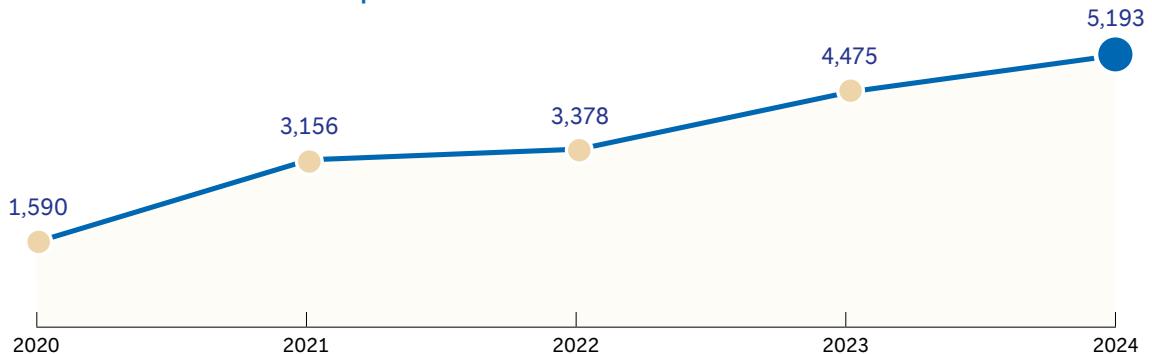
Return on equity (%)



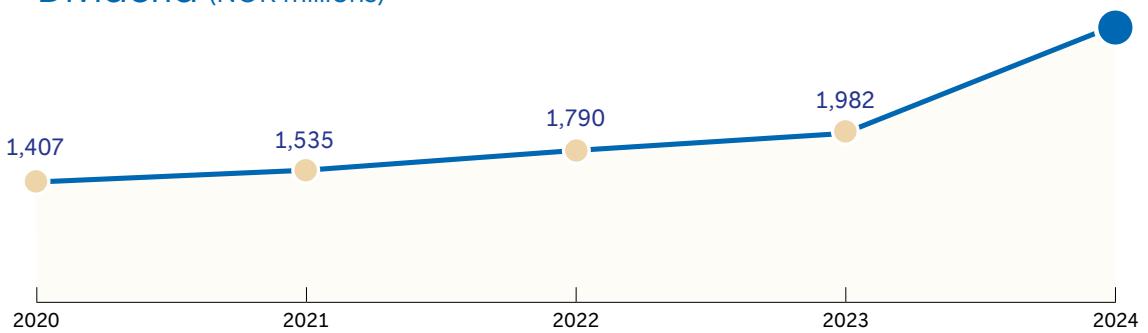
Common Equity Tier 1 capital ratio (%)



Consolidated net profit (NOK millions)



Dividend (NOK millions)



A year for the history books

In 2024, we completed the largest bank merger in Norway in 25 years. SpareBank 1 Sør-Norge is a healthy and profitable financial group, and well positioned to take additional market shares and contribute to growth and development in our region.

01.10.2024 will forever remain a red-letter day in the history of this financial group. This was the day that SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge joined forces and established SpareBank 1 Sør-Norge.

The aim was to make the group even stronger and better equipped to support our mission: stimulating growth and development in communities large and small throughout Southern Norway. Society is changing, and we also need to change in order to remain a strong contributor going forward. We want to be a distinct competitor in the market, ensuring that customers have more strong banks from which to choose.

SpareBank 1 Sør-Norge represents the sum of 55 former savings banks and our history stretches back to 1839. Over the years, we have helped realise millions of dreams of owning a home, helped create hundreds of thousands of jobs and helped establish tens of thousands of businesses.

A good year, despite challenges

2024 was a year marked by international turmoil, as well as higher interest rates and weak Norwegian kroner exchange rates. It was a challenging year for many.

At the end of the year, SpareBank 1 Sør-Norge had more than 450,000 corporate and retail customers. The vast majority of these faced challenges with which they had to deal, either in their company or in relation to their own personal finances. With answers in hand, and with low impairments and losses, we can report that both our customers and the Norwegian economy fared well throughout the year.

2024 was a year of good operations and good results for SpareBank 1 Sør-Norge. The establishment of the new group was high on the agenda, yet we remained able to operate efficiently and take market shares despite fierce

competition. With one of the country's best digital banks, advisers who successfully build strong relationships with customers and competitive terms and conditions, we gained more customers and increased our income.

Profits for society

Our profits allow us to prepare for more challenging times. They allow us to be ready to support people and businesses when they need it, and fulfil the role of a stable and predictable supporter in turbulent times.

The establishment of SpareBank 1 Sør-Norge has also strengthened our owner foundations. Seven foundations currently own 45% of the SpareBank 1 Sør-Norge Group's shares. Almost half of the dividends paid out will go to the foundations. Much of this will in turn be donated to clubs, associations and organisations where you and we live. We call them community dividends, and they make our local communities better places to live and grow up in. This means a lot to us. And we know it means a lot to our customers.

Now that we have become a financial group for the whole of Southern Norway, we have an even greater opportunity to have clear, positive impacts on the lives of local communities through our community dividends.

A savings bank for all of Southern Norway

The strength of SpareBank 1 Sør-Norge is also illustrated by the breadth of the group. In 2025, we will merge four of our subsidiaries within real estate broking, accounting and consulting. Some 835 of our 2,455 employees work in these subsidiaries. This merger process will further strengthen those companies and our position in the region.

Given that the collaboration with the other SpareBank 1 banks has also been strengthened in the SpareBank 1 Alliance, including by the mergers in the credit and



insurance segments, customers will experience an even better service offering going forward.

It does not appear that 2025 will be any calmer or more predictable than 2024. We can expect lower interest rates, a more stable inflation rate and hopefully a more stable Norwegian kroner exchange rate. However, it is still impossible to be certain about what exactly the year will bring. If we have learned anything it is that we must be prepared for surprises.

Fortunately, companies in Southern Norway are good at being prepared. They are also cautious optimists about the new year, with expectations of economic growth, low unemployment, better operations and results compared with 2024.

That is a good starting point.

While much is uncertain about 2025, I can guarantee that we in SpareBank 1 Sør-Norge will continue to build on our values, the expertise of our employees and the drive of our customers in order to produce good results for the year.

We are here, ready to be the natural and local partner of businesses and people throughout Southern Norway!

A handwritten signature in blue ink, appearing to read "Inge Reinertsen".

Inge Reinertsen
CEO SpareBank 1 Sør-Norge

The SpareBank 1 Sør-Norge Group

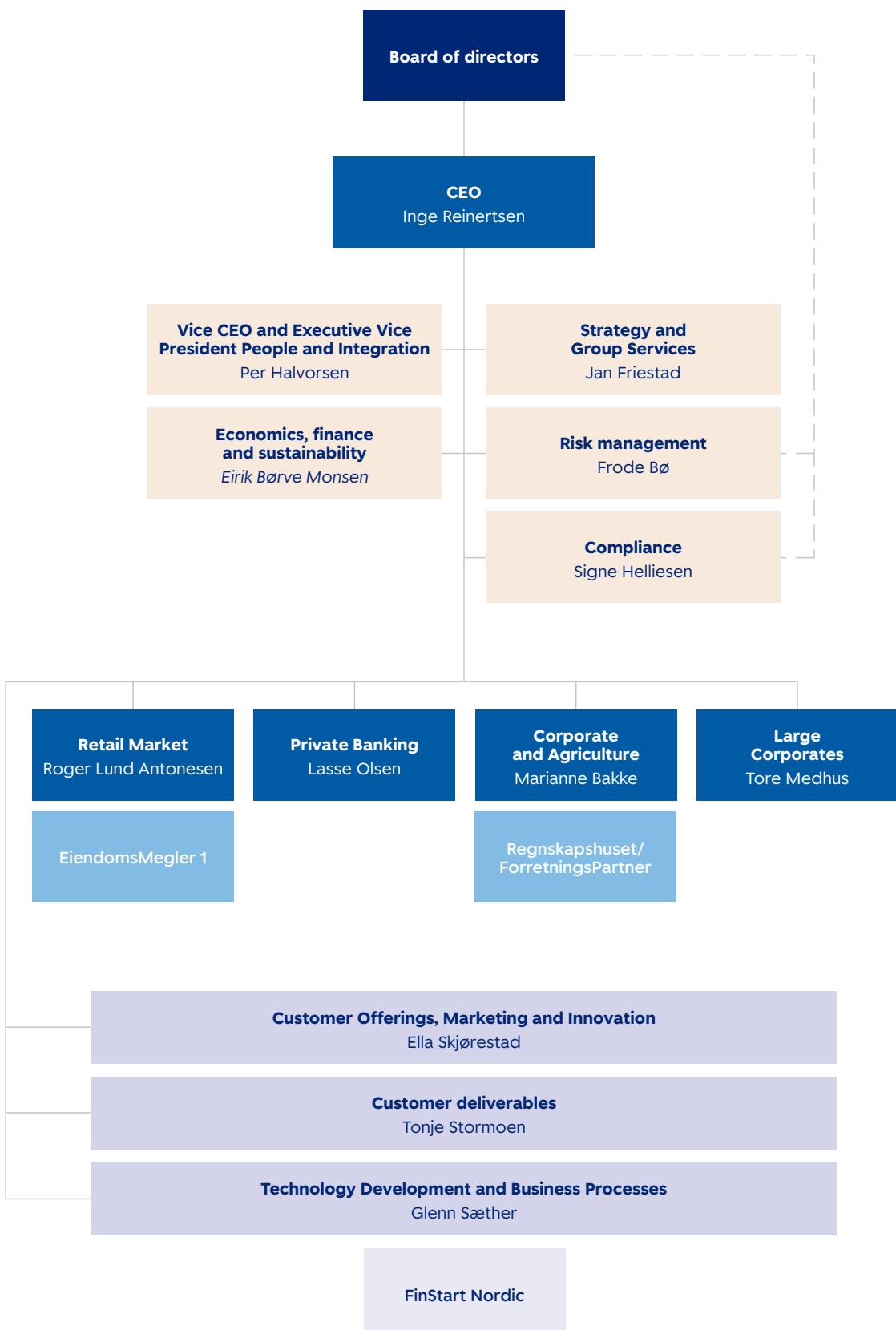
Subsidiaries

	No. of FTEs
SR-Boligkredit AS Mortgage company - issuer of covered bonds (home mortgages)	 0
EiendomsMegler 1 SR-Eiendom AS Sales of homes and commercial properties	 201.6
EiendomsMegler 1 Sørøst-Norge AS Sales of homes and commercial properties	 97.1
EiendomsMegler 1 Telemark AS Sales of homes and commercial properties	 31.5
SpareBank 1 Sør-Norge ForretningsPartner AS Accounting and advice	 367.7
SpareBank 1 Regnskapshuset Sørøst-Norge AS Accounting and advice	 75.0
FinStart Nordic AS Investment portfolio, FinTech	 1

Directly owned companies

	Ownership
SpareBank 1 Gruppen AS Holding company for the products companies in the SpareBank 1 Alliance	 19.5%
SpareBank 1 Forvaltning AS Fund management and portfolio management	 42.0%
BN Bank ASA Commercial bank with head office in Trondheim	 42.5%
SpareBank 1 Markets AS Capital market company	 35.1%
SpareBank 1 Kreditt AS (Kredittbanken ASA from 07.01.2025) Credit cards and loans for the banks' retail customers.	 27.7%
SpareBank 1 Betaling AS Administers ownership of Vipps AS (25.0%)	 26.7%

Overarching structure



Board of Directors' Report

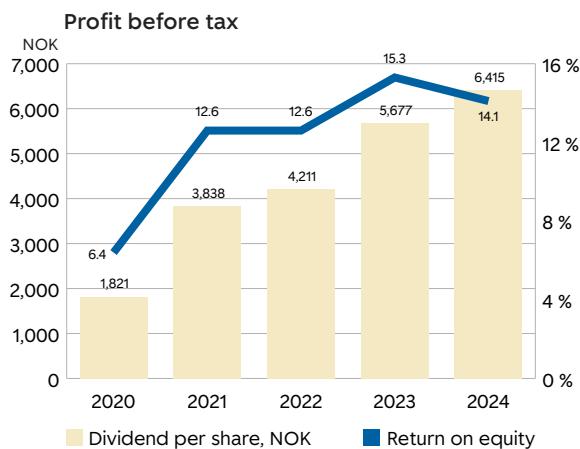
SpareBank 1 Sør-Norge ASA

The merger of SpareBank 1 Sør-Norge ASA and SpareBank 1 Sørøst-Norge was implemented on 01.10.2024 with accounting effect from the same date. SpareBank 1 Sør-Norge ASA was the acquiring bank, and at the same time as the merger changed its name to SpareBank 1 Sør-Norge ASA.

The merger will result in greater competitiveness, an increased presence and make the bank attractive for customers, employees and owners. SpareBank 1 Sør-Norge will be a savings bank and financial group able to increase the total credit available to Norwegian business, with greater lifting capacity and networks for local companies and jobs.

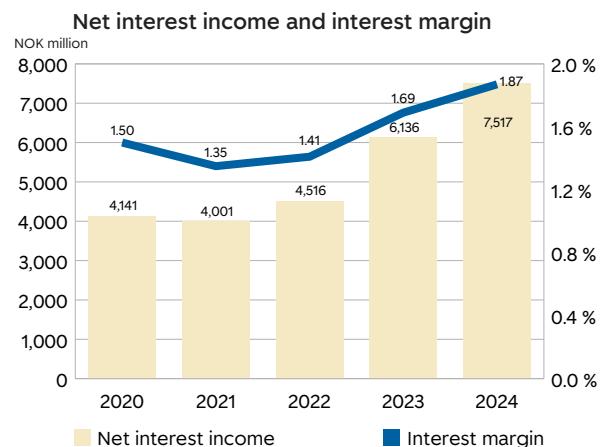
Highlights

As at 31.12.2024, the consolidated operating profit before tax amounted to NOK 6,415 million, an increase of NOK 738 million from the same period last year. The operating profit was strongly affected by the merger that came into effect in the fourth quarter of 2024. In the following, the 2024 figures include the figures for the merged bank from and including 1.10.24. Pro forma means that the figures are aggregated for the merged banks for the entire year.

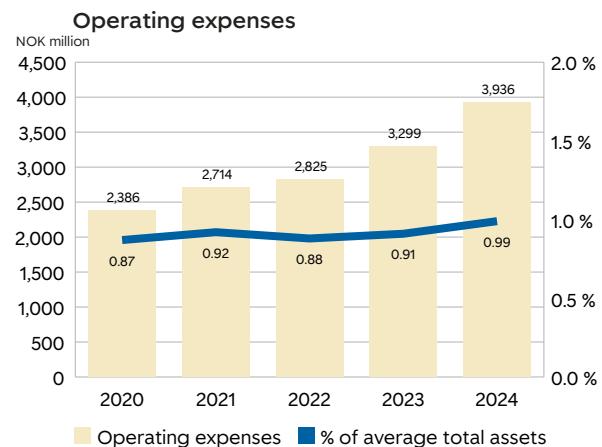


Net interest income increased by NOK 1,380 million, which in addition to the merger, was due to both growth and an improved interest margin. Net commissions and other income also increased by NOK 347 million, primarily due to higher commissions from the real estate agencies and money transfer services. Furthermore, income from financial investments increased by a total of NOK 267 million. Of this, NOK 452 million was the gain from the merger of Eika

Forsikring and Fremtind Forsikring. The profit contribution from associated companies, excluding the gain from the merger of Eika Forsikring and Fremtind Forsikring, increased by NOK 400 million. The value of financial instruments decreased by NOK 597 million, which is mainly explained by the NOK 421 million gain in 2023 from the sale of SR-Markets and the fall in value of financial instruments in 2024.



As at 31.12.2024, operating costs totalled NOK 3,936 million, an increase of NOK 637 million compared with the same period last year. In 2023 and 2024, NOK 19 million and NOK 174 million, respectively, were charged in merger costs. Corrected for merger costs, costs rose by NOK 482 million. The increase in costs was primarily attributable to the merger, as well as inflation, wage growth and increased activity levels. As at 31.12.2024, the group's cost/income was 36.7%, compared with 37.7% for the same period last year.



As at 31.12.2024, impairment provisions on loans and financial liabilities amounted to NOK 387 million, compared with income recognition of NOK 232 million in 2023. The impairment provisions on loans and financial liabilities for 2024 were primarily linked to individual impairment provisions and amounted to 0.12% of gross lending.

The group's return on equity after tax for 2024 was 14.1%, compared with 15.3% for the same period last year. The return on equity adjusted for goodwill from the merger was 14.4% in 2024.

Nature of the business

The SpareBank 1 Sør-Norge Group consists of the parent bank, SpareBank 1 Sør-Norge, and subsidiaries.

The most important subsidiaries are:

SR-Boligkredit AS, EiendomsMegler 1 SR-Eiendom AS, EiendomsMegler 1 Sørøst-Norge AS, EiendomsMegler 1 Telemark AS (51% stake), SpareBank 1 Sør-Norge ForretningsPartner AS, SpareBank 1 Regnskapshuset Sørøst-Norge AS and FinStart Nordic AS.

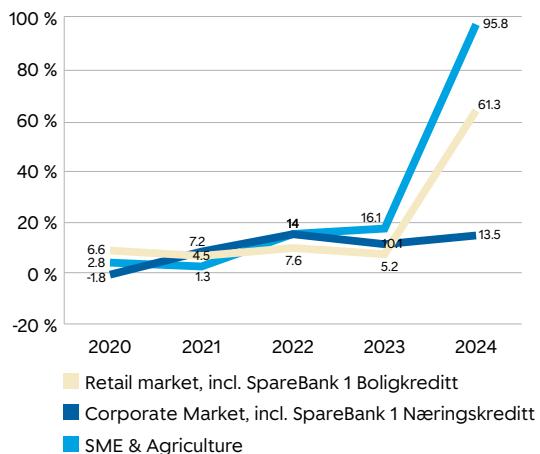
SpareBank 1 Sør-Norge ASA's head office is in Stavanger and it has a total of 55 branches in Rogaland, Vestland, Agder, Buskerud, Vestfold, Telemark and Oslo. The group's primary activities are selling and procuring a wide range of financial products and services, investments services, leasing, estate agency and consulting and accounting services.

The group's subsidiaries and its strategic stakes in the SpareBank 1 Alliance's product companies make a significant contribution to SpareBank 1 Sør-Norge ASA's earnings.

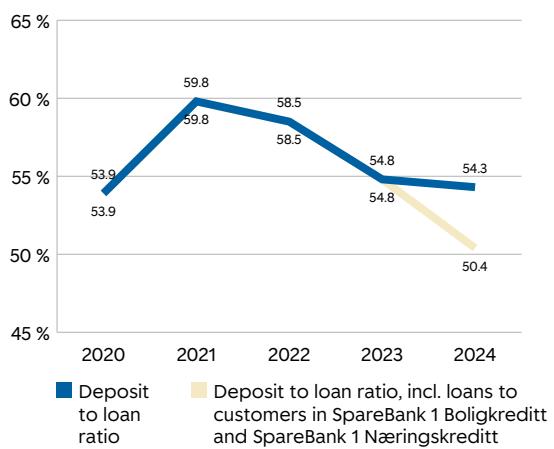
Business areas

SpareBank 1 Sør-Norge ASA is divided into different business areas, which are defined on the basis of their form of distribution, products, and customers. The reporting format is based on the risk and return profile of the assets and is split up into Retail Market, Corporate and Agriculture, Large Corporates and significant subsidiaries. The division's profit and balance sheet items include figures from the credit institutions.

Gross loans, % growth



Deposit to loan ratio



Retail Market

Retail Market, including Private Banking, posted an operating profit before impairment provisions and tax of NOK 2,579 million for 2024, an increase from NOK 2,049 million for 2023.

Net interest income increased by NOK 526 million, mainly as a result of the merger and portfolio growth. Other income increased by NOK 139 million compared with the same period last year, while net income from financial investments decreased by NOK 11 million.

Total operating costs amounted to NOK 842 million in 2024, compared with NOK 718 million in 2023. The increase was mainly due to the merger, general wage growth and price inflation, as well as increased investments in new market areas.

The volume of lending in Retail Market was NOK 258.1 billion at year end 2024. Retail Market is seeing very high demand for loans. The pro forma lending growth for the past 12 months was 7.4% (NOK 18 billion). On a national basis, the 12-month growth figure for Norwegian household debt was 3.7% as at the end of December. The deposit volume was NOK 113.2 billion at year end 2024, corresponding to pro forma 12-month growth of 5.3% (NOK 43.0 billion).

The quality of the retail market portfolio is considered very good and the potential for losses low. The proportion of loan exposure within 85% of the loan to value ratio was 94.0% at year end 2024.

Corporate and Agriculture

Corporate and Agriculture posted an operating profit before impairment provisions and tax of NOK 1,199 million for 2024, up from NOK 990 million for 2023. The higher profit contribution was primarily due to increased interest income driven by the merger and volume growth.

Total operating costs amounted to NOK 170 million, compared with NOK 140 million in 2023. The increase was mainly due to the merger, general wage growth and price inflation, as well as increased investments in new market areas. The increase in impairment provisions on loans and financial liabilities was primarily due to increased impairment provisions.

The lending volume in the division amounted to NOK 42.1 billion at year end 2024. Pro forma 12-month lending growth was 13.1% (NOK 4.8 billion). The deposit volume totalled NOK 38.1 billion. Pro forma 12-month growth was 5.0% (NOK 1.8 billion).

The quality of the Corporate and Agriculture portfolio is considered good. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 83.9% of the portfolio at the end of 2024.

Large Corporates

Large Corporates' contribution before impairment provisions increased to NOK 2,625 million in 2024, up from NOK 2,489 million in 2023. The higher contribution was mainly driven by higher interest income as a result of the merger and lending growth. NOK 210 million was also charged in relation to impairment provisions compared with income recognition of NOK 299 million for impairment provisions on loans and financial liabilities in 2023.

The lending volume in the division amounted to NOK 97.6 billion at year end 2024. Exchange rate effects accounted for NOK 1.4 billion of the total growth of NOK 5.3 billion in

the past 12 months (pro forma). There was solid lending growth in all market areas. Of the division's total lending volume, NOK 17.2 billion (17.5%) was classified as green or sustainability-linked loans. The deposit volume was NOK 54.0 billion, corresponding to a reduction in the past 12-months of -0.9% (pro forma).

The quality in Large Corporates is considered good. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 88.8% of the portfolio at the end of the fourth quarter of 2024. The property sector portfolio represents the group's largest concentration in a single sector and accounted for 12.6% (13.1%) of total loan exposure. A large portion of this portfolio consists of financing commercial properties for leasing.

Subsidiaries

The subsidiaries' products and services enable the group to offer a broader range to customers and enhance the bank's earnings basis. Good teamwork and joint marketing make the group a one-stop provider of financial products and services.

EiendomsMegler 1 SR-Eiendom AS

The company posted a turnover of NOK 505 million for 2024, an increase from NOK 401 million in 2023, and a profit before tax of NOK 33.8 million for 2024, up from NOK 5.2 million for 2023. The growth in income was due to both the acquisition of Ullevål Eiendomsmegling AS and generally higher activity in the market.

Overall, the company is the largest actor in real estate brokerage in the counties of Rogaland, Vestland and Agder, with a stable market share of just under 20%. The decision to merge with Ullevål Eiendomsmegling AS was made in September 2024, and it was implemented in December 2024. The acquisition of Kaland & Partners Holding AS and its subsidiaries was announced in the fourth quarter. The merger will be completed in the first quarter of 2025. Both acquisitions were made to strengthen and build on the bank's investment in Western Norway and Oslo.

EiendomsMegler 1 Sørøst-Norge AS

The company posted a turnover of NOK 235 million for 2024, an increase from NOK 216 million in 2023, and a profit before tax of NOK 8 million for 2024, down from NOK 3 million for 2023. The improvement in profit was mainly due to higher activity.

EiendomsMegler 1 Sørøst-Norge AS is the leading real estate agency in Vestfold, Buskerud and Telemark with a stable market share of just over 20%.

EiendomsMegler 1 Telemark AS

The company posted a turnover of NOK 83 million for 2024, an increase from NOK 66 million in 2023, and a profit before tax of NOK 10 million for 2024, up from NOK 3 million for 2023. SpareBank 1 Sør-Norge ASA owns 51% of EiendomsMegler 1 Telemark AS.

SpareBank 1 Sør-Norge ForretningsPartner AS

SpareBank 1 Sør-Norge ForretningsPartner AS posted a turnover of NOK 462.0 million for 2024, compared with NOK 463.8 million for 2023. The profit before tax was NOK 28.5 million in 2024, on a par with the profit for 2023.

SpareBank 1 Sør-Norge ForretningsPartner AS enjoys a solid market position in accounting services, with offices in Rogaland, Vestland, Oslo and Agder.

SpareBank 1 Regnskapshuset Sørøst-Norge AS

SpareBank 1 Regnskapshuset Sørøst-Norge AS posted earnings of NOK 88 million for 2024, a decrease from NOK 93 million for 2023. The result before tax was NOK -1 million for 2024, down from NOK 3 million for 2023.

SpareBank 1 Regnskapshuset Sørøst-Norge AS enjoys a solid market position in accounting services, with offices in Buskerud, Vestfold and Telemark.

SR-Boligkreditt AS

The company's purpose is to purchase residential mortgages from SpareBank 1 Sør-Norge ASA, and it funds this by issuing covered bonds. SR-Boligkreditt AS enables the parent company to diversify and optimise its external funding. Moody's has given SR-Boligkreditt AS its best rating, Aaa. At year end 2024, the company had issued covered bonds with a nominal value of NOK 104.2 billion and bought loans worth NOK 106.5 billion from SpareBank 1 Sør-Norge ASA. High volatility in the results due to large fluctuations in the market value of base swaps.

The company posted a profit before tax of NOK 388.5 million for 2024, compared with NOK 177.3 million for 2023. The improvement in profit was mainly due to an increase in net interest income. Net interest income increased by NOK 248.1 million in 2023 to NOK 899.9 million in 2024 due to higher lending margins. Market value adjustment of basis swaps amounted to NOK -408.7 million in 2024, compared with NOK 396.7 million in 2023.

FinStart Nordic AS

FinStart Nordic AS invests in, and contributes to the development and growth of, innovative financial technology companies. The aim is to strengthen and expand the group's value chains and help streamline the group by

supplying innovative products and services. At the same time, FinStart Nordic AS is looking to achieve a financial return on the company portfolio. The company also manages the portfolio of a former subsidiary that primarily had investments linked to the oil industry.

The company posted a result before tax of NOK -30.0 million for 2024, compared with NOK -51.9 million for 2023. The value of the portfolio of oil industry related investments decreased by NOK -48.1 million, compared with NOK -64.9 million for 2023, while dividends of NOK 25.8 million were received related to the same portfolio. The value of investments in financial technology decreased by NOK -12.1 million in 2024, compared with NOK -14.2 million in 2023.

Associated companies and joint ventures

SpareBank 1 Alliance

The SpareBank 1 Alliance is Norway's second largest financial group and is a banking and product partnership in which the SpareBank 1 banks in Norway cooperate in order to keep them strong and independent. The purpose of the Alliance is to procure and provide competitive financial services and products, and to exploit economies of scale in the form of lower costs and/or higher quality. The Alliance is run through its ownership and participation in SpareBank 1 Utvikling DA, while the development and operation of product companies is organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS owns 100% of the shares in SpareBank 1 Forsikring AS, SpareBank 1 Factoring AS, and SpareBank 1 Spleis AS. SpareBank 1 Gruppen AS also owns 51% of the shares in Fremtind Holding AS, 69% of the shares in Kredinor AS, and 49% of the shares in LO Favør AS. SpareBank 1 Sør-Norge ASA owned a 19.5% stake in SpareBank 1 Gruppen AS at year end 2024.

SpareBank 1 Gruppen AS posted a profit after tax of NOK 2,233 million as at 31.12.2024, an improvement from NOK 251 million for 2023. The controlling interest's share of the profit after tax amounted to NOK 1,155 million for 2024, compared with NOK -169 million for 2023.

The improvement in profit compared with last year was mainly due to the fact that Kredinor was written down by NOK 769 million in 2023. The Fremtind Forsikring Group's result also improved strongly.

Return on equity after tax was 13.1% in 2024.

SpareBank 1 Utvikling DA

SpareBank 1 Utvikling DA delivers business platforms and common management and development services to the Alliance banks. The company contributes to joint activities that provide the banks with benefits in the form of economies of scale and expertise. The company also owns and manages the Alliance's intellectual property rights under a common brand name, SpareBank 1. SpareBank 1 Sør-Norge ASA owned a 18.0% stake in SpareBank 1 Utvikling DA at year end 2024.

SpareBank 1 Forvaltning AS

SpareBank 1 Forvaltning AS delivers products and services designed to streamline and simplify savings for its customers. The company owns 100% of its subsidiary ODIN Forvaltning AS. SpareBank 1 Forvaltning AS is owned by the SpareBank 1 banks and the Norwegian Confederation of Trade Unions (LO). SpareBank 1 Sør-Norge ASA's stake was 42.0% at year end 2024.

SpareBank 1 Forvaltning AS posted a profit after tax of NOK 247 million for 2024, compared with NOK 171 million for 2023. The improvement in profit was due to higher management fees, which were partly countered by higher costs.

BN Bank ASA

BN Bank ASA is a nationwide bank with its head office in Trondheim. The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 Sør-Norge ASA's stake was 42.5% at year end 2024.

BN Bank ASA posted a profit before tax of NOK 902 million for 2024, up from NOK 764 million for 2023. The improvement in profit was mainly due to an increase in net interest income and other income including commissions from SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS of NOK 156 million as a result of increased volumes of loans and deposits, and a better lending margin. The deposit margin negatively impacted the result.

SpareBank 1 Markets AS

SpareBank 1 Markets is a leading Norwegian investment firm offering services within equity and credit analysis and trading in equities and bonds, as well as services within corporate finance, including raising capital in the equity and debt market, mergers and acquisitions, restructuring and advice. The investment firm is owned by banks in the SpareBank 1 Alliance. SpareBank 1 Sør-Norge ASA's stake following the transaction is 35.1%.

As at the end of 2024, SpareBank 1 Markets AS posted a profit after tax of NOK 224 million, compared with NOK 154 million for 2023.

SpareBank 1 Kreditt AS

SpareBank 1 Kreditt AS is owned by the SpareBank 1 banks. SpareBank 1 Sør-Norge ASA owns a stake of 27.7%. The company provides credit card solutions for the SpareBank 1 banks and posted a loss before tax of NOK -53.9 million for 2024, compared with NOK -69.0 million for 2023. The improvement in the result was due to higher operating income and lower depreciation, which was partially offset by higher loss costs. At the end of 2024, the company's total portfolio amounted to NOK 10.1 billion (NOK 9.1 billion).

In January 2025, SpareBank 1 Kreditt AS and Eika Kredittbank amalgamated their credit business in a new company called Kredittbanken ASA, where SpareBank 1 Sør-Norge ASA owns a stake of 23.3%.

SpareBank 1 Betaling AS

The SpareBank 1 banks jointly own SpareBank 1 Betaling AS. SpareBank 1 Sør-Norge ASA's stake is 26.7%. SpareBank 1 Betaling AS owns a 25.0% stake in Vipps Holding AS.

SpareBank 1 Betaling AS posted a result after tax of NOK -102.2 million for 2024, compared with NOK -158.2 million for 2023. The negative result in 2024 and 2023 was due to its share of the operating loss in Vipps AS.

For more information about the accounts of the various companies, please refer to their financial reports, which are available on the websites of the various companies.

Risk Management

SpareBank 1 Sør-Norge ASA's core activity is to create value by taking conscious and acceptable risks. The group therefore invests significant resources in improving risk management systems and processes in line with leading international practice.

Risk and capital management in SpareBank 1 Sør-Norge ASA should ensure financial resilience and create financial and strategic added value through:

- A good risk culture
- A clear management and control structure that promotes independence
- A good understanding and management of the risks that drive earnings and losses
- Preventing single events damaging the group's financial position
- Pricing products and services based on underlying risk
- Effective raising and use of capital that reflects the chosen risk profile

For further information on risk management, please refer to note 6 on financial risk management.

The group's risk is quantified, inter alia, by computing expected losses and risk-adjusted capital so it can cover any unexpected losses. Expected losses describe the amount the group statistically expects to lose during a 12-month period, while risk-adjusted capital describes how much capital the group believes it needs to cover the actual risk to which the group is exposed.

Credit risk

Credit risk is managed via the framework procedures for granting credit, monitoring exposures and portfolio management. The general credit strategy stipulates that the group shall have a moderate risk profile.

The quality of the retail market portfolio is considered to be very good with a low risk of losses. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 98.0%. Most of the portfolio is secured by mortgages on real estate, and the LTV is, for the most part, moderate. This implies that potential losses are limited as long as the values are not significantly impaired.

The quality of the Corporate and Agriculture portfolio is considered good, with a moderate risk of losses. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 83.9% of the portfolio at the end of 2024.

The quality of the Large Corporates portfolio is considered good with a moderate risk of losses. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 88.8% of the portfolio at the end of 2024. The portfolio in the property sector represents the group's greatest concentration in a single sector. A large portion of this portfolio consists of financing commercial properties for leasing. The portfolio is characterised by long-term leases and financially solid tenants.

Market risk

Market risk in SpareBank 1 Sør-Norge ASA relates to the group's long-term investments in securities, including bonds in the liquidity portfolio and listed equity capital positions and investments via FinStart Nordic AS. At the end of 2024, investments in bonds amounted to NOK 60.8 billion and equity positions NOK 745 million. The group also has some exposure to activities that support ordinary borrowing and lending activities, including interest rate and spread risk.

The group's market risk is measured and monitored on the basis of conservative limits that are renewed and approved by the board at least once a year. Quantification of the risk associated with falls in value in the liquidity portfolio

measured at fair value is calculated based on the Financial Supervisory Authority of Norway's model for risk-based supervision of market risk. Falls in value linked to equity exposure are calculated based on the group's proprietary VaR model. Interest rate risk exposure in the bank book is measured using the internal method (IRRBB).

The group's market risk exposure is deemed moderate.

Liquidity risk

Liquidity risk shall be low. The group's lending is financed primarily by customer deposits and long-term securities issued, including the sale of home mortgages to the wholly owned company SR-Boligkredit AS. The liquidity risk is restricted by diversifying securities issued in terms of markets, funding sources, instruments and maturity periods.

SpareBank 1 Sør-Norge ASA had good liquidity at year end 2024 and believes it will continue to have very good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer was NOK 70.4 billion at year end 2024 and would cover normal operations for 29 months in the event of closed markets. NOK 31.0 billion of the group's external funding will fall due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 38.0 billion in residential mortgages ready for covered bond funding via SR-Boligkredit AS.

The group's liquidity situation is very good, and the group has continued to enjoy a high proportion of long-term funding in the last 12 months. The net stable funding ratio was 134% at the end of 2024.

Operational risk

Operational risk management is important for protecting the group's assets, including assets the group manages on behalf of other stakeholders. This applies to both tangible and intangible assets that could be impacted by operational risk. This includes the economy, information, integrity (compliance), reputation, relations, delivery capacity, people, nature and the environment and physical assets.

SpareBank 1 Sør-Norge ASA's vision is to ensure that the group is only exposed to known, understood and accepted operational risks in line with the group's interests and objectives. The board approves the risk appetite for operational risk every year and sets limits for the permitted exposure. The frameworks for 2024 will be continued for 2025, but adapted to the size of the new group. The threat picture, particularly in relation to cyber risks, is steadily intensifying.

The framework for operational risk has not materially changed due to this. This is possible because the group uses a systematic process to identify and quantify potential operational risks, and continuously assesses and implements the required risk mitigation measures.

To avoid exposure to unwanted risk, the group has established a multidisciplinary process that ensures that the right people at the right decision-making level are involved when material changes are made to processes, operations, products and systems. More than 100 changes were assessed via this process in 2024.

When adverse incidents occur, they are registered and systematically analysed to avoid repetitions and learn lessons. There were no individual incidents in 2024 involving severe or critical consequences for either the group's assets or assets managed on behalf of others.

Compliance

SpareBank 1 Sør-Norge ASA's goal is to have good processes to ensure compliance with legislation and regulations. The board adopts the group's compliance policy that describes the main principles for responsibility and organisation.

Compliance risk is the risk of the group incurring public sanctions/penalties or financial loss as a result of a failure to comply with legislation and regulations.

The group's risk appetite for compliance risk must be very low. This means that regulations must be interpreted from a conservative perspective. The group must be able to challenge but not breach established or new framework conditions. The group's risk appetite for compliance risk is defined by the group's commitment to ethical conduct, regulatory compliance and protecting customers, employees and other stakeholders.

The group must have zero tolerance for failures to report breaches of regulatory requirements and internal guidelines. All employees are required to report any identified or suspected compliance violations immediately through established reporting channels. Central to the group's corporate governance is the group's ethical framework, including ethical guidelines and rules of conduct. No action should compromise the integrity of the group, including bribery, corruption or unethical conduct.

The compliance function is tasked with identifying and preventing risks related to compliance with external and internal regulations. At least once a year, Compliance conducts risk assessments that provide a basis for control plans and recommending measures. Observations from

control activities are regularly reported to the board and group executive management team. Compliance is involved in the efforts to ensure responsible product and service management through participation in the group's approval process for new products, systems and services. Compliance also conducts training activities and advises the organisation on regulations.

Compliance carries out 2nd line checks using a risk-based approach that is part of the ongoing internal control process. Any compliance breaches are registered in the group's incident database. Improvement measures are allocated to the responsible people in the front line and followed up by the 2nd line via the group's measures database.

There were no material breaches of external or internal rules in 2024 that resulted in official sanctions, fines or financial loss.

Ownership risk

Owner risk is the risk that SpareBank 1 Sør-Norge ASA bears if it suffers negative results from stakes in strategically owned companies and/or the need to inject fresh capital into these companies. Owned companies are defined as companies where SpareBank 1 Sør-Norge ASA has a significant stake and influence. SpareBank 1 Sør-Norge is mainly exposed to owner risk through its stakes in:

- SpareBank 1 Gruppen AS (19.5%)
- SpareBank 1 Utvikling AS (18.0%)
- BN Bank ASA (42.5%)
- SpareBank 1 Forvaltning AS (42.0%)
- SpareBank 1 Kredit AS (27.7%) (Kreditbanken ASA from 07.01.2025 (23.3%))
- SpareBank 1 Bank og Regnskap AS (35.3%)
- SpareBank 1 Betaling AS (26.7%)
- SpareBank 1 Gjeldsinformasjon AS (30.1%)
- SpareBank 1 Markets (35.1%)

Corporate governance

Corporate governance in SpareBank 1 Sør-Norge ASA is based on, among other things, the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance. This comprises the objectives and overriding principles according to which the group is governed and controlled, to secure the interests of shareholders, customers and other stakeholders. Governance of the group's activities shall ensure prudent asset management and greater assurance that publicly declared goals and strategies are reached and realised. You can read more about corporate governance in the chapter 'Corporate governance'.

Capital management

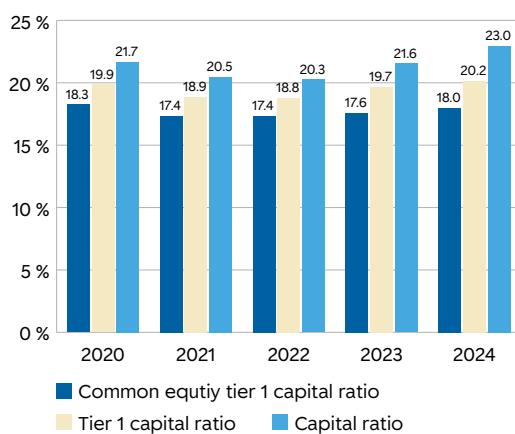
Capital management shall ensure that SpareBank 1 Sør-Norge ASA balances the relationship between:

- Effective funding and capital allocation in relation to the group's strategic objectives and adopted business strategy
- Competitive returns on equity
- Satisfactory capital ratio on the basis of the adopted risk profile and the regulations issued by the authorities, as well as the demands of market players at any time
- Competitive terms and ample access to long-term funding from the capital markets
- Exploitation of growth opportunities in the group's defined market area.

A capital plan is drawn up every year to ensure long-term, effective capital management. These projections take into account both expected developments in the coming years and a situation involving a serious economic recession over several years. Various stress tests are carried out of both individual factors and scenario analyses where the group is exposed to a range of negative macroeconomic events over several years. In addition, SpareBank 1 Sør-Norge has prepared contingency plans for dealing with such crises as effectively as possible should they nevertheless arise. SpareBank 1 Sør-Norge ASA is in a solid financial position.

The Common Equity Tier 1 capital ratio was 18.01% and capital adequacy was 23.03% as at 31.12.2024. This exceeds the current Common Equity Tier 1 capital ratio requirement of 17.56% and the capital adequacy requirement of 22.11%.

Capital ratio



Climate and environmental matters

Climate and environmental matters are discussed in the chapter on sustainability.

Employees and working environment

Employees and the working environment are discussed in the chapter on sustainability.

SpareBank 1 Sør-Norge ASA wants to be an inclusive place to work where all employees feel safe and a sense of belonging. The diversity of the group, and that it attracts, is important because it reflects our customers and helps ensure long-term value creation. A statement pursuant to section 26 of the Equality and Anti-Discrimination Act is provided in the report on the bank's activity and disclosure duties, which is available on the bank's website.

A statement on the work on fundamental human rights and decent working conditions is provided in the report on the Transparency Act, which is available on the bank's website.

The bank's share

The price of the bank's share (SB1NO) was NOK 146.60 at year end 2024. This resulted in an effective return of 19.6% since year end 2023. The Oslo Børs's main index rose by 9.1% in the corresponding period (not corrected for dividends).

There were 23,524 shareholders at year end 2024 (18,693). The proportion held by companies and people abroad was 17.4% (22.8%), the 20 largest holders owned a total of 62.4% (57.9%). The bank held 89,059 treasury shares, while group employees owned 1.5% (1.8%). (The figures in brackets are for the SB1NO share in the same period last year) Read more in the statement on corporate governance available on the bank's website.

Allocation of profit for the year

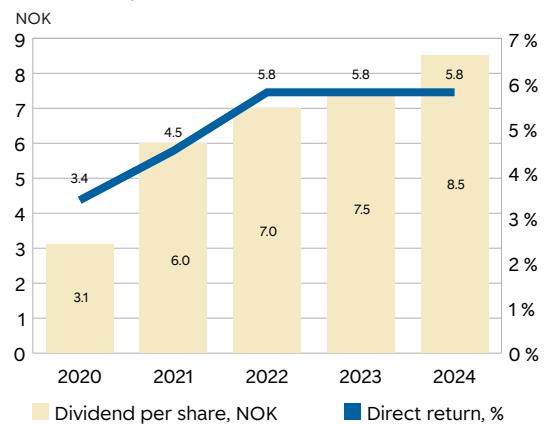
SpareBank 1 Sør-Norge ASA's goal for its activities is to achieve results that provide a good, stable return on the bank's equity, which is among the three best comparable financial groups in Norway. This will create value for the owners in the form of competitive dividends and a higher share price. Consideration must be given to financial needs, including capital adequacy requirements and the group's targets and strategic plans, when determining the annual dividend. Unless capital requirements dictate otherwise, the goal of the board is to distribute approximately half of the net profit for the year as dividends.

The dividend paid is based on the parent bank's distributable profit, which was NOK 3,826 million for 2024. The board is proposing a dividend of NOK 8.50 per share for 2024, which corresponds to around 52.0% of the pro forma consolidated profit per share and 65.0% of the consolidated profit per share.

The board proposes the following allocations for the 2024 financial year:

	NOK millions
Parent company net profit for the year	3 826
Distributable	3 826
Dividend (NOK 8.50 per share)	3,191
Retained earnings	635

Dividend per share and direct return



Going concern

The bank has good financial strength, and the market outlook looks good. Together with implemented and planned measures, this contributes to a good prospect of further progress for the group in 2025. The annual financial statements have been prepared on the assumption that the group is a going concern.

Insurance

Insurance has been taken out for the members of the board of directors and the CEO to cover their potential liability to the company and third parties. This insurance covers the liability of the indemnified for economic loss resulting from claims arising from alleged liable actions or omissions.

New CEO

The board of directors appointed Inge Reinertsen the new CEO on 16.09.2024. He replaced Benedicte Schilbred Fasmer. Inge Reinertsen graduated in business economics (Siviløkonom) from the Norwegian School of Economics and Business Administration (NHH) in Bergen. He has previous management experience from both the retail and corporate market in the SpareBank 1 SR-Bank Group since 2001. He has been the CFO for the past 14 years.

Merger synergies

The introduction of new capital requirements in 2025 for IRBA banks reduces the previously assumed capital synergies from around NOK 2.5 billion to NOK 1.7 billion.

In the fourth quarter of 2024, the group worked on identifying synergies in connection with the merger with SpareBank 1 Sørøst-Norge and increased the estimate for funding, operational and cost synergies from NOK 150 million to NOK 300 million a year by 2027.

The board is satisfied with the execution of the merger and is of the opinion that SpareBank 1 Sør-Norge ASA has good prerequisites for future success.

Outlook

The Norwegian economy has been through a period of strong inflation and low activity. The construction sector experienced major challenges with very low new build activity. Despite the challenges faced by some business sectors, overall, the Norwegian economy fared well in 2024. A tight monetary policy combined with a higher policy rate in the last few years has brought down inflation. Although inflation is still above Norges Bank's target, the policy rate is expected to be cut in the first quarter of 2025. However, there is considerable uncertainty concerning further cuts in interest rates.

The group conducts business surveys among companies in the group's market area. The business survey conducted in December 2024 shows that business leaders expect 2025 to be somewhat better than 2024. A majority of the companies in Southern Norway expect increased activity, although there are big regional differences.

The most optimistic companies are in Rogaland, Greater Oslo and Western Norway. Companies in Vestfold, Agder and Buskerud are more neutral, while in Telemark they expect a slight decrease. Manufacturing and energy companies are the most optimistic. These companies expect increases in turnover and employment rates, although they remain cautious about investments due to the high level of costs. Building and construction companies are expecting continued lower activity in 2025 as well. The companies also expect increased employment rates to contribute to job growth and continued low unemployment.

Low unemployment and expectations of increased real income in 2025 will boost household purchasing power and demand. This will increase activity levels for companies,

which in turn could lead to rises in house prices, especially in central urban areas.

From a Norwegian perspective, the geopolitical situation is characterized by increased rivalry between the great powers. There is great uncertainty regarding the short and long-term consequences of the war between Russia and Ukraine, and the introduction of tariff barriers between the United States and a number of trading partners. Norway is a small country with an open and commodity-based economy that has an interest in supporting cooperation with other countries, international institutions and agreements.

To address the uncertainty in economic development, Norway has a good starting point with a very strong financial position, and thus freedom of action in both fiscal and monetary policy.

SpareBank 1 Sør-Norge ASA wants to be a savings bank and financial group that increases the total credit available to Norwegian business, with greater lifting capacity and expertise, and contribute to a network for local companies.

The bank's loan portfolio proved resilient during the hikes in interest rates in 2022 and 2023, as well as the higher level of interest rates in 2024, with normalised losses. The board regards the quality of the loan portfolio as good. Southern Norway has a strong, diversified business sector with good profitability and growth prospects.

The board is very pleased with the group's performance in 2024. The group has nevertheless increased its long-term financial target of return on equity from above 13 percent to above 14 percent. This will be achieved through profitable

growth in lending and other income, cost and capital efficiency and realising synergies. The Group's long-term goal is to be among the top three best-performing comparable financial groups in Norway.

The group's cost/income ratio target is less than 40%.

Based on the authorities' Common Equity Tier 1 capital ratio requirements and expectations concerning capital requirement margins, the group's Common Equity Tier 1 capital ratio target is a minimum of 17.56%. At the end of 2024, the group was financially healthy with good margins in relation to the regulatory capital requirements.

The group's dividend policy is to distribute around 50% of the profit for the year. Consideration must be given to financial needs, including capital adequacy requirements and the group's targets and strategic plans, when determining the annual dividend.

The board is of the opinion that the drivers of structural change in the savings bank sector remain highly relevant, and it will take a proactive approach to structural changes in the sector in order to safeguard and create value for customers, employees, owners and local communities.

A good mutual relationship between the region's inhabitants, the business sector and the bank are important for growth in the group's market area. The board would like to thank the group's customers, owners, employees and other partners for their loyal support of SpareBank 1 Sør-Norge ASA in 2024 and assure them that it will make every effort to ensure that this teamwork continues.

Sustainability in SpareBank 1 Sør-Norge

General disclosures (ESRS 2) 20

SpareBank 1 Sør-Norge's double materiality assessment identifies the following material topics:

● Climate change (E1)	74
● Own workforce (S1)	108
● Consumers and end-users (S4)	128
● Business conduct (G1)	140



1. Disclosure requirements in the European Sustainability Reporting Standards (ESRS) covered in the sustainability report (IRO-2)

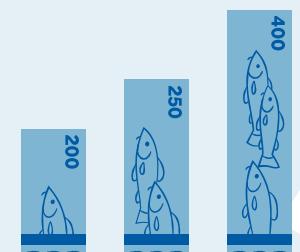
ESRS	Disclosure Requirement (DR)	Description	ESRS 2 DR	Reference
ESRS 2	BP-1	General basis for preparation of sustainability statements		1.1 Basis for reporting
ESRS 2	BP-2	Disclosures in relation to specific circumstances		1.1.1 Specific circumstances
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies		1.2.1 Role of the administration, supervisory bodies and the board of directors
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		1.2.2 Sustainability information provided to and addressed by supervisory bodies
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes		1.2.3 Integration of sustainability into incentive schemes
ESRS 2	GOV-4	Statement on due diligence		1.2.4 Statement on due diligence
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting		1.2.5 Risk management and internal controls over sustainability reporting
ESRS 2	SBM-1	Strategy, business model and value chain		1.3.1 Strategy, business model and value chain
ESRS 2	SBM-2	Interests and views of stakeholders		1.3.2 Stakeholders and their views
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)		1.3.3 Material impacts, risks and opportunities, and their link to our strategy and business model
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		1.4.1 Double materiality assessment
ESRS 2	IRO-2	Disclosure requirements in the ESRS standards covered by the company's sustainability report		1. Disclosure requirements in the European Sustainability Reporting Standards (ESRS) covered by the sustainability report 1.4.2 Disclosure requirements/data points from other EU legislation covered in the sustainability report
E1	E1-1	Transition plan for climate change mitigation		2.1.1.1 Transition plan for climate change mitigation
E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)		2.1.1.2 Material impacts, risks and opportunities, and their link to our strategy and business model
E1	E1-2	Policies related to climate change mitigation and adaptation	MDR-P	2.1.2 Policies related to climate change mitigation and adaption
E1	E1-3	Actions and resources in relation to climate change policies	MDR-A	2.1.2.1 Actions and resources related to climate change policies
E1	E1-4	Targets related to climate change mitigation and adaptation	MDR-T	2.1.3.1 Targets related to climate change
E1	E1-5	Energy consumption and mix	MDR-M	2.1.3.2 Energy consumption and mix
E1	E1-6	Gross scopes 1, 2, 3 and Total GHG emissions	MDR-M	2.1.3.3 Our GHG emissions (scopes 1-3)
E1	E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities		2.1.3.4 Financial risks and opportunities related to climate change
S1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)		3.1.1.1 Material impacts, risks and opportunities, and their link to our strategy and business model
S1	S1-1	Policies related to own workforce	MDR-P	3.1.2 Policies related to our workforce
S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts		3.1.2.1 Processes for engaging with own workers and workers' representatives about impacts

ESRS	Disclosure Requirement (DR)	Description	ESRS 2 DR	Reference
S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		3.1.2.2 Processes to remediate negative impacts and channels for own workers to raise concerns
S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	MDR-A	3.1.2.3 Actions for managing material impacts, risks and opportunities related to our work force, and the effect of these
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	MDR-T	3.1.3.1 Targets related to material impacts, risks and opportunities
S1	S1-6	Characteristics of the undertaking's employees		3.1.3.1 Targets related to material impacts, risks and opportunities - Characteristics of the undertaking's employees
S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce		3.1.3.2 Characteristics of hired labor
S1	S1-9	Diversity indicators	MDR-M	3.1.3.3 Diversity indicators
S1	S1-13	Training and skills development indicators	MDR-M	3.1.3.4 Training and skills development indicators
S1	S1-14	Health and safety indicators	MDR-M	3.1.3.5 Health and safety indicators
S1	S1-15	Work-life balance indicators	MDR-M	3.1.3.6 Work-life balance indicators
S1	S1-16	Compensation indicators (pay gap and total compensation)	MDR-M	3.1.3.7 Compensation indicators (pay gap and total compensation)
S1	S1-17	Incidents, complaints and severe human rights impacts and incidents	MDR-M	3.1.3.8 Incidents, complaints and severe human rights impacts and incidents
S4	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)		3.2.1.1 Material impacts, risks and opportunities, and the link to our strategy and business model
S4	S4-1	Policies related to consumers and end-users	MDR-P	3.2.2 Policies related to consumers and end-users
S4	S4-2	Processes for engaging with consumers and end-users about impacts		3.2.2.1 Processes for communicating with consumers about impacts
S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		3.2.2.2 Processes to remediate negative impacts and channels where consumers can raise concerns
S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	MDR-A	3.2.2.3 Actions for managing material impacts, risks and opportunities
S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	MDR-T	3.2.3.1 Targets related to material impacts, risks and opportunities
G1	G1-1	Corporate culture and business conduct policies	MDR-P	4.1.1 Corporate culture and business conduct policies
G1	G1-3	Prevention and detection of corruption and bribery		4.1.1.1 Prevention and detection of corruption and bribery
G1	G1-4	Confirmed incidents of corruption or bribery	MDR-A MDR-T MDR-M	4.1.2 Metrics and targets

SpareBank 1 Sør-Norge's value chain and where material sustainability matters are concentrated

Upstream

Purchasing and supply chain

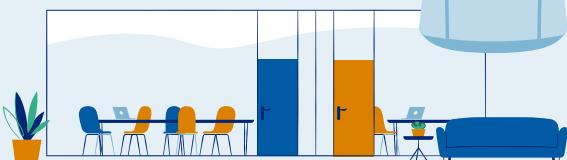


Financial market

- Fund providers
- Deposits
- Funding
- Equity
- Insurance

Other goods and services

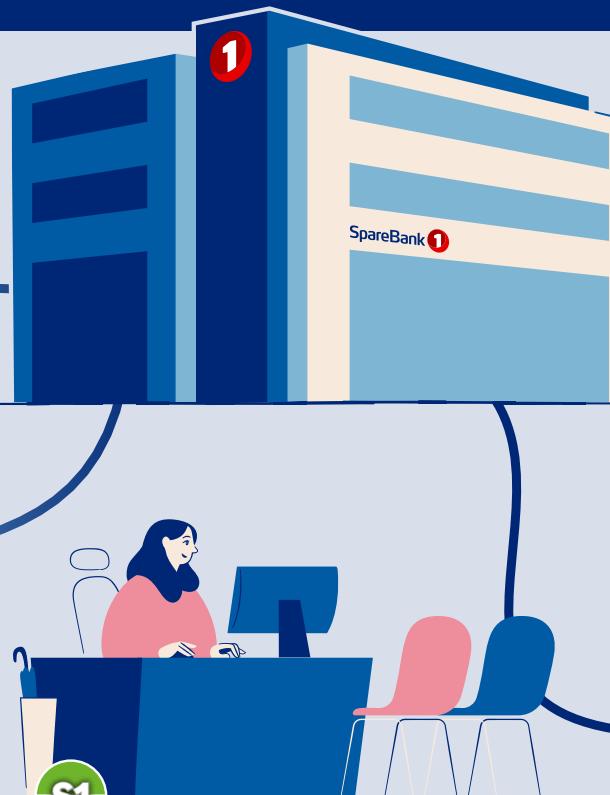
- Office rental
- IT
- Purchase of goods and services
- Deliveries from SpareBank 1 Utvikling
- Product companies



Purchasing and supply chain

Own activities

Core activities



Own workforce

- Attractive workplace
- Training and skills development
- Diversity and inclusion

Advice and services

- Property services
- Savings, investments and deposits
- Insurance brokering
- Accounting services and consulting for companies
- Brokering securities and funds



Actual/potential impact:

- Positive
- Negative
- Positive and negative

- E1** Climate change
- S1** Own workforce
- S4** Consumers and end-users
- G1** Business conduct

Downstream*Customer and social impacts*

Money transfer services

Corporate staff functions

Sponsorship and community engagement

Loans and financing

- Retail customers
- Corporate customers
- Leasing

**Downstream***Customer and social impacts*

Own investments

- FinStart Nordic
- Liquidity portfolio
- Jointly owned companies (SpareBank 1 Group, SpareBank 1 Utvikling)
- Associated companies



Corporate customers

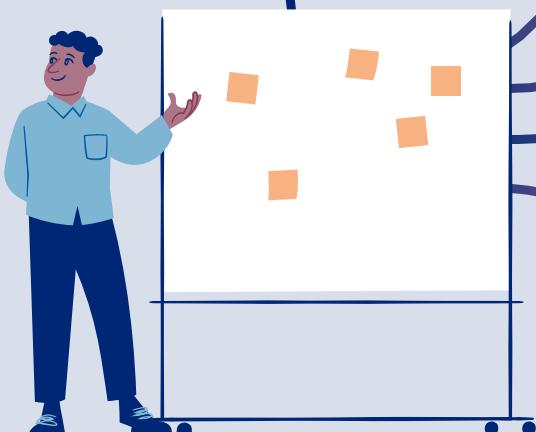
- Corporate Market
- Agriculture
- Large Corporates



Retail customers



Foundations

**Actual/potential impact:**

- Positive
- Negative
- Positive and negative

- E1** Climate change
- S1** Own workforce
- S4** Consumers and end-users
- G1** Business conduct

1.1 Basis for reporting (BP-1)

The sustainability report takes the same approach to consolidation as the financial statements and, therefore, includes the same subsidiaries (see the figure).



The majority of material sustainability matters relate to the loan portfolios in the corporate and retail markets, which are thus the main focus of the sustainability report. Matters related to our own workforce are managed via common corporate policies, and many material matters related to the value chain (such as impacts related to the supply chain, and potential impacts on matters related to money laundering) are common across the group. Therefore, unless otherwise specified, the reporting – as well as the policies, actions and targets – cover the entire group. Matters related to specific business areas are explicitly commented on in the overview of impacts, risks and opportunities. SpareBank 1 Sør-Norge also owns parts of the SpareBank 1 Alliance's product and service companies (see overview). These are not included in consolidated reporting. However, the sustainability report covers material impacts, risks and/or opportunities related to these companies, as well as other business connections in the group's upstream and downstream value chain (described in the figure above) related to the environment, people, the economy and society.

SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge merged on 01.10.2024 and at the same time changed their name

to SpareBank 1 Sør-Norge. The group is still in the midst of the integration and merger process, and the group's value chain is extensive and complex. Therefore, the priorities in 2024 were the quality of the group's reporting and putting in place climate accounting for relevant associated SpareBank 1 companies. Going forward, we will work towards more uniform reporting across the companies in the SpareBank 1 Alliance, with an emphasis on the group's material topics, as well as a better overview of the material impacts, risks and opportunities of associated companies.

We have not withheld information due to intellectual property rights, although some business development initiatives currently under negotiation will be presented in later reporting.

1.1.1 Specific circumstances (BP-2)

The sustainability report has been prepared in line with the Accounting Act and follows the European Sustainability Reporting Standards (ESRS). In order to guide our sustainability efforts, we have signed up to the following Norwegian and international initiatives that support the Paris Agreement or the international Sustainable Development Goals, and/or report in line with their guidelines:

Initiative/framework	Description
 UN Sustainable Development Goals (UN SDGs)	SpareBank 1 Sør-Norge has identified four UN Sustainable Development Goals where the group has the greatest potential to have a positive impact through its core activities: Goal 5 Gender equality Goal 8 Decent work and economic growth Goal 13 Climate action Goal 16 Peace, justice and strong institutions
 UN Principles for Responsible Banking (PRB)	SpareBank 1 Sør-Norge has been a signatory to the UNEP FI Principles for Responsible Banking since 2019. Through the PRB, the group has committed itself to continuously improving its work on being a responsible bank.
 Carbon Disclosure Project (CDP)	SpareBank 1 Sør-Norge reports in line with the CDP, which is a global system for measuring, reporting and sharing climate and environmental information. In 2022, the group achieved a grade B, which means that the group manages environmental and climate impacts well.
 Partnership for Carbon Accounting Financials (PCAF)	SpareBank 1 Sør-Norge became a member of PCAF in autumn 2021. This is a global partnership of financial institutions that collaborates on methods for reporting greenhouse gas (GHG) emissions in banking and investment portfolios.
 Task Force on Climate-Related Financial Disclosures (TCFD)	SpareBank 1 Sør-Norge has reported on climate risk in line with the recommendations issued by the TCFD since 2018.
 Responsible Ship Recycling Standards (RSRS)	SpareBank 1 Sør-Norge supports the RSRS initiative and integrates the principles for the responsible breaking up and recycling of ships into its loan terms and conditions and other terms.
 Poseidon Principles	SpareBank 1 Sør-Norge signed up to the Poseidon Principles in 2020. This is a global framework in which banks have joined forces to encourage their shipping customers to abide by responsible environmental standards and help cut emissions.
 EU classification system (Taxonomy) for sustainable activities	SpareBank 1 Sør-Norge is working on classifying its portfolio in line with the Taxonomy and the Norwegian Act on sustainability-related disclosures.

 PRI	The Norwegian State Pension Fund Global and the UN Principles for Responsible Investment (UN PRI)	SpareBank 1 Sør-Norge expects managers of funds distributed via the group's platform to comply with the Norwegian State Pension Fund Global's ethical exclusion list and to have signed up to the UN Principles for Responsible Investment (UN PRI).
Skift Næringslivets Klimalederes	Skift – Business Climate Leaders	SpareBank 1 Sør-Norge became a member of Skift, a network for business climate leaders, in autumn 2021.
	Women in Finance Charter	SpareBank 1 Sør-Norge became a signatory to the Women in Finance Charter in autumn 2021, and the group is actively working on gender balance and inclusion. Read more under 'Own workforce' (ESRS S1).
	Guide Against Greenwashing	SpareBank 1 Sør-Norge has signed the Guide Against Greenwashing (Grønnvaskningsplakaten). The greenwashing decree provides guidance for businesses large and small that want to avoid greenwashing in marketing and make a positive contribution to speeding up the green transition.
FUTURE PROOF	FUTURE-PROOF	SpareBank 1 Sør-Norge signed the FUTURE-PROOF decree in April 2023. FUTURE-PROOF is a collaborative platform designed to promote responsible business conduct and help companies fulfil their human rights responsibilities, both internally and throughout their supply chains.
	Green Building Alliance	SpareBank 1 Sør-Norge became a member of the Norwegian Green Building Alliance in autumn 2023. The Green Building Alliance is a member organisation for buildings and property and aims to raise the environmental standards of Norwegian buildings.
	ISO 14001	The former SpareBank 1 SR-Bank's operations were ISO 14001 certified in 2023, and the reporting complies with this standard.
	Eco-Lighthouse	The operations of the former SpareBank 1 Sørøst-Norge were Eco-Lighthouse certified (in 2024 the branches in Telemark were certified and the branches in Buskerud and Vestfold were recertified).

The group must comply with a number of statutory sustainability requirements. The sustainability report contains the bank's reporting under the Act on sustainability-related disclosures in the financial services sector and a framework for sustainable investments (EU Taxonomy).

→ See 'Climate change' (ESRS E1), section 2.2 for a detailed description of the EU Taxonomy and taxonomy reporting.

The following statutory, yearly reports on sustainability-related topics can be found on our website:

- Report on due diligence under the Transparency Act
- Report on activities designed to ensure diversity, equality and inclusion in line with the Equality and Discrimination Act
- Executive Remuneration Report
- The board's reporting on corporate governance
- Risk and capital management (Pillar 3)

The sustainability report has been affected by the merger between SpareBank 1 SR-Bank (acquiring bank) and SpareBank 1 Sørøst-Norge. As for the annual financial statements, figures from the former SpareBank 1 Sørøst-Norge

are included from 01.10.2024. When calculating percentages based on status as at 31.12 (e.g. the proportion of employees who left during the year), we adjust for this in order to avoid unrealistic figures. Where we compare 2024 figures with 2023 figures, we clarify whether the 2023 figures are for just SpareBank 1 SR-Bank or both of the former banks.

The time horizon used in ESG risk assessments of commercial loans differs from standard time horizons for ESRS-based assessments (see 'Climate change' (ESRS E1), section 2.1.1.2 for details), otherwise standard time horizons are used:

- Short: 1 year after the balance sheet date
- Medium: Up to 5 years after the end of 2025
- Long: More than 5 years after the end of 2025

Transitional provisions according to ESRS 1 appendix C is applied for

- SBM-3 Anticipated financial effects
- S1-7 Characteristics of non employee workers in the undertaking's own workforce
- S1-13 Training and skills development
- S1-14 Health and safety (non employees)

General description	Cause	Detailed description
Value chain estimates based on indirect sources	<ul style="list-style-type: none"> Scope 3, category 1: Purchase of goods and services Scope 3, category 15: Investments (financed emissions from lending) 	<ul style="list-style-type: none"> Various emission factors used for accounting figures Lending to different industries linked to relevant emission factors
KPIs with high levels of uncertainty in relation to estimates	<ul style="list-style-type: none"> Net zero emissions from own operations and the loan portfolio by the end of 2050 Climate change goals for various industries 	<ul style="list-style-type: none"> Uncertainty related to estimated industry emissions, please review

In 2024, we made changes to the preparation of sustainability information compared to previous years. This applies to financed greenhouse gas emissions (scope 3, category 15), where we have utilized Finance Norway's updated interpretation of PCAF's methodology. The most significant change is the transition from emission factors at a detailed industry level to an overarching industry level, as well as specific recommendations for emission factors for oil/gas, oil services, and renewable energy production.

The definition of private residences that qualify as taxonomy-eligible has also been updated in line with Finance Norway's industry standard to ensure a consistent approach among Norwegian banks. In both cases, historical data has been adjusted accordingly. The methodology for calculating mortgages that qualify as the top 15% most energy-efficient homes built before 2021 according to the EU taxonomy has also been changed since 2023.

→ See the chapter 'Climate change' (ESRS E1), section 2.1.3.3 ('Analysis of emissions from corporate loans') for how we calculate emissions from the loan portfolio, details on the quality of this data and changes in methodology.

- compliance with legislation, regulations and ethical standards

Supervisory bodies in SpareBank 1 Sør-Norge



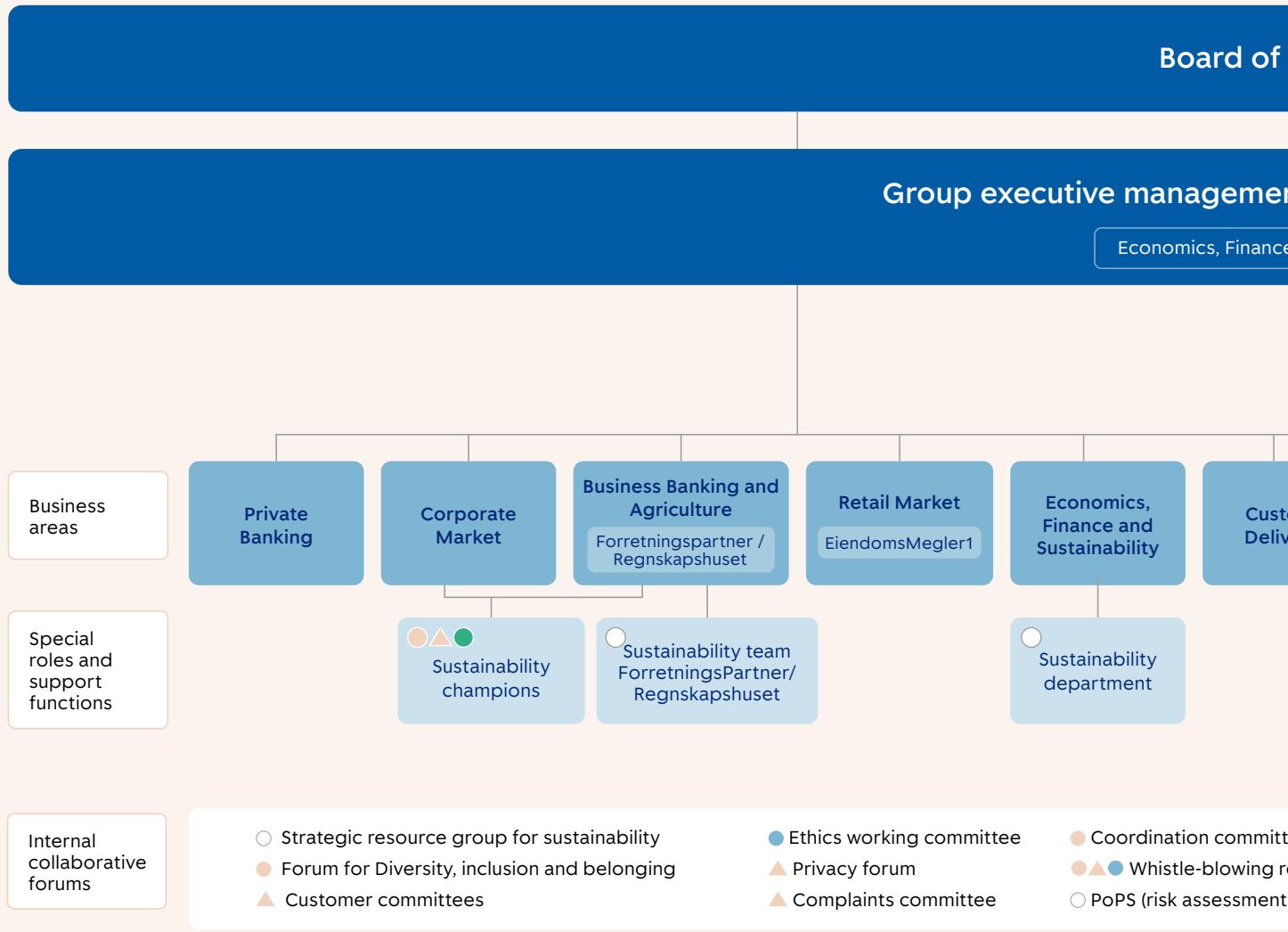
SpareBank 1 Sør-Norge's sustainability work starts with the board, which bears overarching responsibility. As part of their responsibility for strategy, the board and the group executive management bear overarching responsibility for the preparation of sustainability strategies and transition plans, as well as the associated targets and action plans.

The audit committee and risk committee in SpareBank 1 Sør-Norge supervise the group's sustainability reporting, and bear overarching responsibility for monitoring impacts, risks and opportunities on behalf of the board. The committees' responsibilities and tasks are set out in specific terms of reference approved by the board. Day-to-day supervision is performed by managers and the group executive management. The audit committee has been closely involved in the reporting process and has had a number of in-depth discussions about challenging trade-offs. The risk committee monitors the reporting of sustainability-related risks.

Since SpareBank 1 Sør-Norge is a limited liability savings bank, the general meeting is the supreme supervisory body. It appoints a nomination committee, based on qualifications, suitability and diversity. It proposes the chair and board members, as well as their remuneration.

→ See the table in section 1.2.2 for reporting to the board and the board's sustainability committee.

Sustainability management in SpareBank 1 Sør-Norge



The work on sustainability is further delegated to the Executive Vice President Economy, Finance and Sustainability (CFO), who has a dedicated sustainability department. The department is the group's own group of experts in this area and is responsible for sustainability reporting. It works with the group's business areas and key functions to ensure that the bank can understand, respond and be accountable for sustainability-related issues. The Director in charge of sustainability participates in the development of the corporate strategy, is responsible for strategy, targets and action plans for the group in the area of sustainability, and must ensure that the strategy is realised and the targets achieved through routines, policies and decision-making processes. The Director in charge of sustainability must ensure that the group recognises and assesses material impacts, risks and opportunities in the area of sustainability. Dedicated business partners in the

sustainability department address the business units' operational needs. The business units and the departments for customer deliveries and for customer offerings, marketing and innovation, respectively, make sure that advantage is taken of commercial opportunities within sustainability, with the support of the sustainability department.

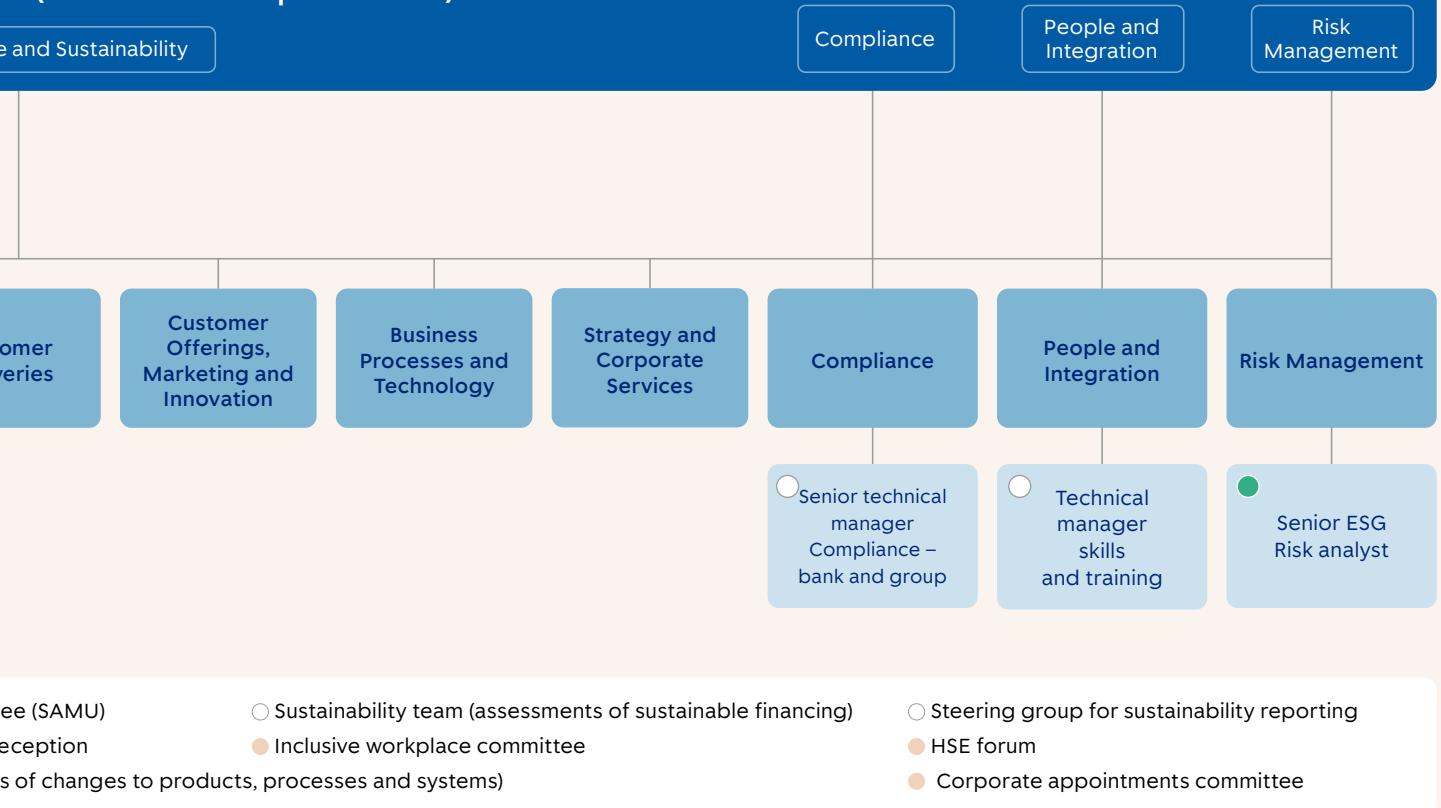
The risk management department assists with risk-related questions and credit requirements in connection with new products, and it is also responsible for the ESG risk management framework and ESG regulatory reporting.

See section 1.2.5 below for details on role allocation within the internal control of sustainability reporting.

The risk management, compliance and internal audit

directors

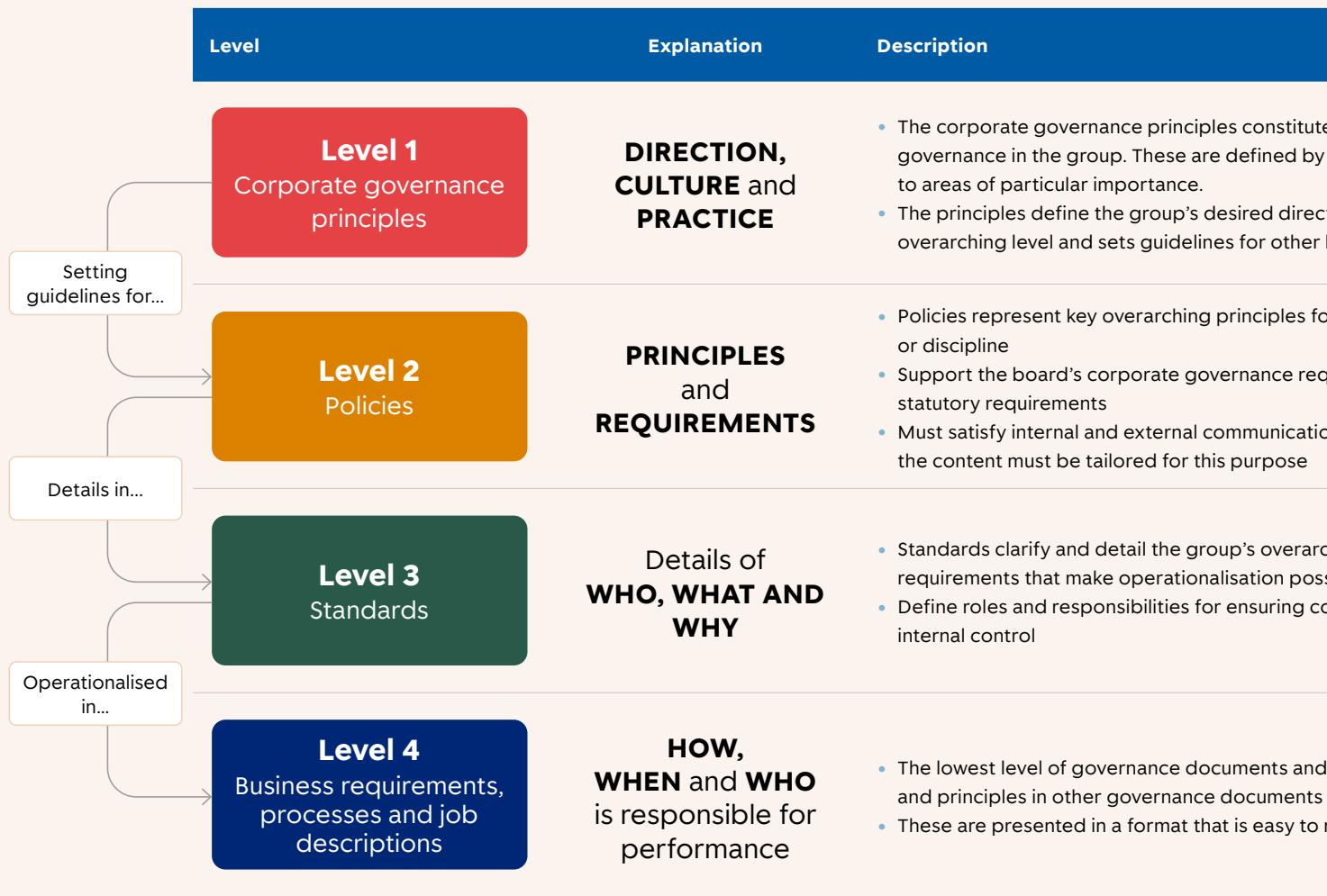
Management (executive vice presidents)



functions are organised independently of the business units and report directly to the CEO and board of directors. Risk Management is responsible for developing the risk and capital management framework further such that it works effectively and as intended. Compliance sets guidelines for the group's overarching policies and principles for compliance risk. The function is tasked with ensuring that the group complies with the applicable regulatory and internal requirements at any given time and does not incur public sanctions, fines or financial losses as a result of non-compliance. Compliance carries out 2nd line checks using a risk-based approach that is part of the ongoing internal control process. The internal audit function monitors that the risk management processes are targeted, effective and function as intended. This function has been outsourced in order to ensure adequate independence, competence and capacity.

The group's governance documents are divided into levels as shown in the figure below (illustrated with documents relevant to 'Own workforce' (S1)).

- All topics
- E1 Climate change
- S1 Own workforce
- ▲ S4 Consumers and end-users
- G1 Business conduct



For each governance document, we have defined different roles and responsibilities. The content manager is responsible for the practical preparation and updating of documentation. For the higher level documents this would normally be the executive vice president, while for other documents it will be the manager, technical manager or technical advisers.

Sustainability expertise of the board and group executive management

The board of SpareBank 1 Sør-Norge consists of 11 members, five women (45%) and six men (55%). In addition to the three employee representatives on the board, one board member cannot be regarded as independent according to the Norwegian Corporate Governance Board given that the person concerned was employed by the company up until 31.12.2021. The remaining board members (64%) are independent of the bank's group executive management team and important business connections. The group executive management team has 13 members, four women

(31%) and nine men (69%).

The chair of the board, CEO, Vice CEO (in charge of human resources, HR), Executive Vice President Compliance and CFO have taken courses on sustainability reporting tailored to their role so that they are better able to understand, and challenge people on, sustainability. The audit committee has received an introduction into the new regulatory requirements for sustainability reporting and, in autumn 2024, discussed dilemmas in which actions in one material area for the group could negatively impact another material area.

SpareBank 1 Sør-Norge's code of conduct is an important tool for raising awareness about ethical dilemmas and ensuring high ethical standards. All employees must sign the code of conduct every year. Annual refreshers on ethics are also provided via the authorisation scheme for financial advisers. The board, group executive management, advisers and other employees take regular ethics and

Documentation type	Actual policies
e the highest level of corporate statutory requirements or relate to the culture and practice at an levels of governance documents.	Regulations, acts, requirements, articles of association, frameworks and authorisations Code of conduct
or the group for a business area requirements and address key on requirements and, therefore,	Specify key overarching principles for a business area or discipline Sustainability policy
ching principles in more detailed descriptions of compliance and establishing	Support policies but are more detailed in their formulation and designed for a specialised group of recipients Standard for privacy, Standard for diversity, inclusion and belonging, Standard for preventing and handling irregularities, Standard for emergency response and continuity
operationalising requirements	Process flow, work descriptions and guides Personnel Manual HSE

anti-corruption e-learning courses to improve their understanding of the group's ethical framework. In recent years, one of the members of the group executive management team has worked directly and operationally on combatting financial crime, especially with anti-money laundering and anti-fraud work.

Below follows an overview of diversity in relation to the age, education, industry and product experience and geographical affiliation of the board members and group executive management team, as well as their education and experience within sustainability, with a special focus on the group's material topics. Their experience includes both full-time and board work. Only roles and board positions directly relevant to the group's material topics are listed by name. Other roles and positions are reflected in the overview of industry experience, as well as experience with products and services the group offers.

As stated in the table, a number of members of both the

board and group executive management team have experience (through board positions or previous jobs) of the challenging trade-offs between reducing GHG emissions and taking advantage of opportunities in the climate transition on the one hand and ensuring energy production, industry growth or mobility on the other. The employee- elected representatives on the board have extensive experience of dealing with issues related to HSE, work-life balance, gender equality and equal pay, people with disabilities, diversity and inclusion, skills development and anti-violence and anti-harassment measures. Several other members of the board and group executive management team also have such experience. Both a number of employee- elected representatives and members of the group executive management team have, or have had, jobs closely associated with retail customers and hence issues related to privacy, access to products and services, responsible marketing practices and non-discrimination. One board member works full-time for one of the foundations tasked with maintaining our savings banking tradition.

Diversity and sustainability expertise on the board and in the group executive management team

Member	Function	Age	Education	Experience	Product/service	Geography
Finn Haugan	Chair of the board, chair of the remuneration committee, member of the risk committee and member of the audit committee	71	Ec	F, O&G, OS, Aq	SI, B, Ins, C	Trøndelag
Dag Mejell	Deputy chair of the board, chair of the risk committee and member of the remuneration committee	67	Ec	F, I, Dis, IT, M, TL, TR, Org		Oslo
Maria Tho	Board member and member of the risk committee	43	A, Aud	Aud, F, Str, T, Tou, TR, OS		Vestfold
Trine Sæther Romuld	Board member, chair of the audit committee	56	Aud, A, Ec	Aq, F, OS, Aud, M, Str, Ec, A	FP	Rogaland
Heine Wang	Board member, member of the audit committee	61	L	F, S, Org, Pol, BC	SV	Vestfold
Jan Skogseth	Board member and member of the remuneration committee	69	E	O&G, OS, F, M, I, D, Org		Rogaland
Kjetil Skjæveland	Board member and member of the risk committee	45	Adm, Ec, F	Ec, A, F, TL, IT	SV, FP	Rogaland
Camilla A.C. Tepfers	Board member, member of the audit committee	55	E, IT, M	Str, Inn, F, S, Med, Pro, RE, TR, MP, Tou, T	SV, R	Oslo
Hanne Myhre Gravdal	Employee-elected board member	60	Ec, BE	F, Pol	SI	Buskerud
Sally Lund-Andersen	Employee-elected board member and member of the remuneration committee	63	Str, M	F, Org	C	Rogaland
Eirik P. Elholm	Employee-elected board member	45	Ec, M, MP, Inn	F, OS, TR, Pur, PS		Rogaland
Inge Reinertsen	CEO	53	Ec	F, S	C, SI, P, Ls	Rogaland
Per Halvorsen	Vice CEO and Executive Vice President People and Integration	62	Ec, MP	F, Inn, Pro	C, Ins, P, R, MK, SV	Telemark
Roar Snippen	Acting Executive Vice President Economy, Finance and Sustainability (CFO)	61	SE, Aud, BE	F, RM, Aud	C, SV	Telemark
Roger Lund Antonesen	Executive Vice President Retail Market	49	M	F, R	C, R, SV	Vestland
Lasse Olsen	Executive Vice President Private Banking	49	Ec	F, R	C, R, Ls	Vestfold
Tore Medhus	Executive Vice President Corporate Market	59	Ec	F, Tel, S	C, MK, Fac, FP	Rogaland
Marianne Bakke	Executive Vice President Business Banking and Agriculture	48	Ec, MP	F, A, S	C, Ls, SV, FP	Rogaland
Frode Bø	Executive Vice President Risk Management	56	M, RM, Aud	F, I, O&G, RE		Rogaland
Signe Helliesen	Executive Vice President Compliance	48	Ec, T, Inn	F, Inn, S	SV	Rogaland
Ella Skjørestad	Executive Vice President Customer Offerings, Marketing, and Innovation	44	CP	F, S, MP, R, TL	Ins, FP, B, SV, R, SI	Rogaland
Tonje Stormoen	Executive Vice President Customer Deliveries	59	Ec, MP, M	F, R, Med, MP	R	Vestfold
Glenn Sæther	Executive Vice President Business Processes and Technology	58	Adm, Ec	F, Str, Inn, S, H, PS, IT	SV, FP	Rogaland
Jan Friestad	Executive Vice President Strategy and Group Services	58	Adm, Ec, Str, M	F, Str, H, R, S	SI, R, C, FP, B	Rogaland

Sustainability education Sustainability experience

*	E1 (board positions in Norbit ASA, OKEA ASA, Sinkaberg-Hansen AS)
*	E1 (board positions in Norsk Hydro, Mestergruppen, SAS, Torghatten, Elopak, former CEO of Posten Norge). The latter role also included HSE (S1) and business conduct (G1).
*	E1 (CFO Inflow Control)
**	E1 (formerly CFO SalMar ASA, now CFO of SalMar Aker Ocean AS)
*	E1 (board positions in Sandefjord Airport, Arnadal Anlegg)
*	E1 (former CEO of Aibel, former deputy chair of the Federation of Norwegian Industries, chair of the board of Gassco, board member in Nammo, former board member in Scatec)
*	S4 (general manager, Sparebankstiftelsen SR-Bank)
**	E1 (board member in Entra)
*	S1, S4 (employee-elected member, experience from health and safety committees, financial adviser)
*	S1 (employee-elected member, experience from health and safety committees, financial adviser, customer adviser)
**	S1 (employee-elected member, experience from health and safety committees)
*	S1 and S4 (former and current role in the group)
*	E1 (board position in SpareBank 1 Mobility)
*	Works on the topic on an ongoing basis, as the person responsible for sustainability in the group executive management team
*	S4 (current role)
*	E1 (board position in Fleks Green Fleet)
*	S4 (board position in Monner)
*	E1 (board position in SpareBank 1 Mobility)
*	G1 (current role); E1 (former employee of Kværner and Mobil Exploration Norway)
**	G1 (current role); S4 (current role; board member of the Stiftelsen G9alt Talentutvikling foundation)
*	S4 (current role). Experience of ethical screening in Storebrand asset management.
*	G1 (acting head of financial crime, anti-money laundering and anti-fraud), S4 (former executive vice president responsibility for corporate social responsibility in SpareBank 1 Sørøst-Norge; experience from Intrum Justitia (debt collection))
*	
*	S4 (Executive Vice President Retail Market; board positions in EiendomsMegler 1 SR-Bank, BN Bank ASA and SpareBank 1 Forvaltning AS)

Material topics:

- E1 Climate change
- S1 Own workforce
- S4 Consumers and end-users
- G1 Business conduct

Expertise:

- * General sustainability expertise
- ** Participated in courses/training programmes on sustainability
- *** Education within sustainability

Education/experience:

- A accounting
- Adm administration
- Aq aquaculture
- Aud auditing
- B banking services
- BE board education
- BC building and construction
- CP comparative policy
- C credit
- D defence (industry)
- Dis distribution
- E (civil) engineer
- Ec economics
- Fac factoring
- F finance
- FP ForretningsPartner/
Regnskapshuset
- H health
- I industry
- IT information and computer
technology
- Inn innovation
- Ins insurance
- L law
- Ls leasing/financing
- M management
- Med media
- MP marketing practices
- MK markets (capital market/
investment firm)
- Org organisational life
- OS oil services
- O&G oil and gas
- P pensions
- Pol political office
- Pro property
- Pur purchasing
- PS public sector
- R real estate brokerage
- RE research and education
- RM risk management
- S (consulting) services
- Sh shipping
- Str strategy
- SE socioeconomics
- SI saving and investments
- SV seed/venture financing
- T technology
- Tel telecommunications
- Tou tourism
- TL transport/logistics
- TR trade/retail

1.2.2 Sustainability information provided to and addressed by supervisory bodies (GOV-2)

In 2025, the board supervised the implementation of due diligence and the results and effectiveness of strategies, actions, metrics and targets the group has for material

sustainability areas through a number of regular reports and specific cases. The group executive management team considers the reports before they are forwarded to the

Report/topic	Which material impacts, risks and opportunities within sustainability have the board supervised via due diligence, strategies, actions, KPIs and targets?
Updated corporate strategy	All topics. Linking sustainability to merger agreements, the group's strategic foundation (purpose, vision, values and strategic ambitions). An attractive workplace is one primary strategic objective, being the customer's ally in the sustainability transition is one of the group's strategic priority areas. Material sustainability topics are reflected in the group's overarching action plan.
Overarching risk profile, risk strategies	All topics, but especially E1. Operational risk related to sustainability, as well as risk profile assessments and measuring follow-up of the transition plan.
Report of the board of directors/sustainability reports pursuant to the Accounting Act	All topics
Audit report incl. attestation of sustainability report	All topics
Double materiality assessment	All topics
Report on due diligence (Transparency Act)	S1: Gender equality and equal pay; Inclusion of people with disabilities; Action against workplace violence and harassment; Diversity; Health and safety S4: Non-discrimination; Access to products and services; Privacy; Social inclusion – financial equality
Report on equality and discrimination	S1: See previous
Transition plan	E1: All topics
ICAAP	E1: All topics. Separate chapter on climate risk.
Pillar 3	All topics. Information on capital and risk related to sustainability.
Risk report	All topics, especially E1. Sustainability incidents/rule breaches resulting in costs or reputational loss (operational risk) and exposure/potential losses, etc. related to transition/physical climate risk (credit risk).
Governance report	E1: All topics. Updates on green funding.
Revision of sustainability policy	All topics
Compliance report	All topics. Monitoring sustainability-related compliance.
Internal audit report	All topics. Monitoring sustainability-related compliance for selected topics.
Sustainability dilemmas	E1: All topics; E2: All topics; E4 (area changes); S4: Non-discrimination; Access to products and services; Maintaining the savings bank tradition
Product and service management policy	S4: Access to products and services
The group's code of conduct	G1: Anti-corruption - combatting money laundering and financial crime
Corporate anti-money laundering and sanctions policy	G1: See above

* Governance documents must be revised by their contents manager at least annually and be formally approved at least every three years.
** (O) = public (F) = Financial Supervisory Authority of Norway

board. The SpareBank 1 Sør-Norge merger agreement is the main example of a larger transaction in 2024 in which material impacts, risks and opportunities within sustainability

were included in the board's assessments and management. Regular (e.g. quarterly) reports are only included if sustainability is included.

Responsible	Frequency*	Date considered by board in 2024**
Executive Vice President Strategy and Group Services	-	19.12
Executive Vice President Risk Management	Annually	19.12
CFO/sustainability department	Annually	Board of directors 07.03 (2023 report) (O) Board's audit committee 18.12, board of directors 19.12 (preliminary report)
External auditor	Annually	07.03 (O)
CFO/sustainability department	At least annually	SpareBank 1 SR-Bank (19.8), SpareBank 1 Sør-Norge (19.12)
CFO/sustainability department	At least annually	07.03 (O)
Executive Vice President People and Integration	Annually	07.03 (O)
CFO/sustainability department	At least annually	19.12 (O)
Executive Vice President Risk Management	Annually	24.04 (F)
CFO/governance and reporting	Twice a year	07.03 (O)
Executive Vice President Risk Management	Quarterly	14.06, 24.09, 27.11 (F)
CFO/sustainability department	Quarterly	07.03, 14.06, 27.08
CFO/sustainability department	Annually	– (will be revised in early 2025)
Executive Vice President Compliance	Quarterly	07.03, 14.06
Internal auditor	Ongoing according to annual timetable.	24.04, 24.09, 19.12
CFO/sustainability department	-	30.10 (the board's audit committee), 19.12 (the board)
Executive Vice President Customer Offerings, Marketing, and Innovation	Annually	18.04 (O)
Executive Vice President People and Integration	Annually	- (O)
Executive Vice President Customer Deliveries	At least annually	24.09 (O)

Report/topic	Which material impacts, risks and opportunities within sustainability have the board supervised via due diligence, strategies, actions, KPIs and targets?
Anti-corruption policy	G1: See above
Conflicts of interest policy	G1: See above
Procurement policy	G1: See above
Sustainability policy	All topics
Privacy policy	S4: Privacy
Information security policy	G1: Cybersecurity
AI strategy 2024-2025	S4: Responsible development and use of artificial intelligence (AI) in relation to privacy, fairness (non-discrimination), transparency, accountability, ethics and social responsibility, and training (ref. S1) of relevant employees in opportunities and risks.
Data and AI management policy	See above
Executive remuneration policy in SpareBank 1 Sør-Norge	All topics
Executive Remuneration Report	All topics
Strategic scorecard	All topics
Whistle-blowing procedures	All topics

* Policies must, as a minimum, be revised annually by their contents officer and must be formally approved at least every three years.
 ** (O) = public (F) = Financial Supervisory Authority of Norway

1.2.3 Integration of sustainability-related performance in incentive schemes (GOV-3)

The variable remuneration model is prepared by the director of organisational advice, is reviewed and proposed by the board's remuneration committee, and decided by the board. It takes account of sustainability in a number of ways:

- Economic sustainability: If defined financial threshold targets are not achieved, no bonus is paid. Several of the financial elements in the strategic group scorecard are long-term. A significant proportion of the payout is in shares, over a longer period of time.
- Business conduct: Failure to comply may result in a reduced bonus or no bonus at all.
- Sustainability elements in strategic group scorecard that forms the basis of the bonus model: Variable remuneration reflects financial performance combined with goal achievement in some selected strategic priority areas. Goals have been defined within each of these areas. There

has also been an emphasis on non-financial goals that will be crucial for future goal attainment, including the group's sustainability work. In total, achieving specific sustainability goals or goals within significant sustainability topics in 2024 could provide a bonus of up to 6% of fixed salary for EVPs, 8% for the CEO. Own workforce (S1) targets are included, while customer satisfaction (relevant to S4) is not included in the percentage since the target includes both retail and corporate customers (S4 covers retail customers only). Sustainability target achievement relates specifically to the following KPIs, chosen because they reflect a development towards some of the group's main overarching sustainability goals:

- **Position Green's ESG 100 rating** assesses the quality of sustainability reporting among the 100 largest companies on the Oslo Stock Exchange, although the score also

Responsible	Frequency*	Date considered by board in 2024**
Executive Vice President Compliance	Annually	12.12 (O)
Executive Vice President Compliance	Annually	24.05 (O)
Executive Vice President Business Processes and Technology	Annually	23.04 (O)
Executive Vice President Economy, Finance and Sustainability	Annually	- (O)
Executive Vice President Business Processes and Technology	Annually	25.09
Executive Vice President Business Processes and Technology	Annually	16.04
Executive Vice President Business Processes and Technology	-	13.05
Executive Vice President Business Processes and Technology	Annually	26.09
Executive Vice President People and Integration	Annually	07.04 (O)
Executive Vice President People and Integration	Annually	07.04 (O)
Executive Vice President Strategy and Group Services	Annually	19.12
Executive Vice President People and Integration	Annually	-

reflects the group's progress on, and scope of, its actual sustainability work.

- **Sustainable financing:** This KPI is based on a set plan for achieving the sustainability strategy target of financing at least NOK 50 billion in sustainable activities by the end of 2030. This metric is mainly climate-related, but not explicitly linked to achieving a reduction target or achieving the transition plan. Sustainability-linked loans with KPIs other than emission reductions are included in the base data.

Several criteria related to material sustainability topics could also trigger discretionary bonuses of up to 8% of fixed salary for the group executive management team, and 11% for the CEO in 2024 (equality and diversity work, employee skills development, compliance and reporting within sustainability, good collaboration with owner foundations, good business conduct).

The remuneration for the board of SpareBank 1 Sørøst-Norge was not linked to sustainability criteria.

SpareBank 1 Sørøst-Norge had profit sharing, not a bonus scheme. This was also true for the 2024 financial year and was decided by the remuneration committee of the board of the then SpareBank 1 Sørøst-Norge. The profit sharing involved one equal sum for all employees, plus an equal percentage of pay, with a minimum level. The profit sharing depended on the bank's performance. Variable remuneration has therefore not been linked directly to sustainability results, only indirectly (separate category in the bank's balanced target-oriented management system; the CEO and managers have had targets related to gender equality and reduced carbon intensity, respectively).

→ For further information on the remuneration of executives and the board of directors, please see the Executive Remuneration Report 2024.

1.2.4 Statement on sustainability due diligence (GOV-4)

SpareBank 1 Sør-Norge conducts due diligence in line with UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Companies, UN core conventions on human rights and ILO Core Conventions:

DUE DILIGENCE

Key documents

- Code of conduct
- Risk and capital management policy
- Sustainability policy
- Corporate anti-money laundering and sanctions policy
- Procurement policy
- Outsourcing policy
- Anti-corruption policy
- Privacy policy
- Product and service management policy
- Operational risk policy

Key processes

- Sustainability assessments of loans and investments
- Sustainability assessments of securities funds
- Customer actions and controls
- Product and service management
- Sustainability assessments of purchasing and outsourcing
- Recruitment
- Working conditions surveys





Describe actions and results

In our reporting and on our website, we describe the status of our actions for managing negative impacts.

Section:

- 1.2.2
- *

Identify and assess negative impacts

We identify and assess negative impacts through ongoing risk assessments (e.g. of customers, loans, or new products), whistle-blowing systems, stakeholder engagement, complaint mechanisms, and annual risk assessments.

Section:

- 1.3.2
- 1.3.3
- 1.4.1

6

Mitigate negative impacts

We ensure, or collaborate on, compensation for negative impacts where reasonable and possible, depending on how involved we are and whether we can have an influence.

Monitor actions and results

We follow up on whether actions have been implemented and have had results, including through regular interim progress reports and internal audits.

Section:

- 2.1.2.1
- 3.1.3
- 3.2.3
- 4.1.2

Stop, prevent or mitigate impacts

For further information, see our material topics, about actions – such as training, transition plans or new loan products – for stopping, preventing, mitigating or remedying our main negative impacts.

Section:

- 2.1.1.1
- 3.1.2.3
- 3.2.2.3
- 4.1.2.5

* For more details on human and labour rights due diligence, see the report on due diligence pursuant to the Transparency Act on our website.

1.2.5 Risk management and internal controls over sustainability reporting (GOV-5)

SpareBank 1 Sør-Norge bases its internal control framework on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model and compliance control is conducted in line with the three lines of defence (see the description in 1.2.1 above).

The COSO model's ESG framework has not been in use so far, but is now being adopted in the area of sustainability, including for sustainability reporting and consideration of the group's double materiality assessment. The sustainability department, the person in the people and integration department responsible for sustainability competence, as well as other departments that contribute to sustainability reporting, constitute the first line of defence. It is tasked with ensuring that employees have the right skills, perform relevant risk assessments, monitor the work and evaluate it regularly. The group has established relevant dedicated sustainability roles in the following departments, which contribute to the second line of defence:

- Compliance: Tasked with conducting internal controls related to the due diligence described above and reports to the board and group executive management team (newly established as a dedicated position, but has also conducted a number of controls in the past)
- Risk Management: Related to climate, as described in 1.2.1 above (dedicated position for ESG risk management)

Together with the sustainability department, these roles help ensure that appropriate sustainability skills and expertise in general, and sustainability reporting in particular, are in place and available when needed.

So far, risks associated with sustainability reporting have been addressed indirectly as part of annual department-specific risk assessment processes (for sustainability matters in general, or specifically within diversity, equality and inclusion). The risks have been ranked and quantified according to probability and consequences. A dedicated project has mapped and assessed possible data gaps in the group's sustainability reporting. The corporate governance and reporting department is involved in monitoring reporting in order to avoid delays and ensure consistency. All key roles are shared between two people in order to mitigate key person risk in the reporting process.

The Executive Vice President Economy, Finance and Sustainability, as well as the sustainability reporting steering group (which also has representatives from the people and integration, risk management, finance and compliance departments) are kept informed of findings from risk assessments and any internal controls related to sustainability reporting and the double materiality assessment. The audit committee receives periodic updates on the progress of sustainability reporting and the status of the double materiality assessment. These are presented to the group executive management team first.

Identified key risks related to sustainability reporting and

Material sustainability topic	Risks related to reporting
All topics	Errors in quantitative or qualitative reporting due to SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge having defined key terms differently, extracted data differently or inadequate expertise about the other merging bank's data and processes
All topics	Risk of the reporting embellishing the group's sustainability profile (greenwashing) in breach of the Marketing Act and EU directives on sustainability claims and consumer protection in the green transition
E1 GHG emissions	Material changes, errors or inaccuracies in estimated financed emissions
E1 GHG emissions	Material changes, errors or inaccuracies in estimated emissions from products and services
E1 GHG emissions	Material changes in reported volumes of Taxonomy-eligible activities
E1 GHG emissions; Climate adaptation	Discussion of physical climate risk or transition risk in the loan portfolio is not reflected well enough in the annual financial statements
S1 Gender equality; Diversity; Inclusion of people with disabilities; Action against workplace violence and harassment	Limited data on several diversity categories and bases for discrimination
S4 Social inclusion – financial equality; Non-discrimination	Limited data on the status of financial equality and any discrimination
S4 Access to products and services	Limited data on the actual access to products and services of known vulnerable groups and limited ability to obtain such data for practical and privacy reasons

strategies for mitigating them

Actions and controls

- 2024: Dedicated integration project on joint sustainability reporting
 - 2024: Clearly defined that the acquiring bank's approach should be the guiding one
 - 2024: Test runs before year end deliveries of key data from both banks
 - 2024-2025: Team from both banks involved in writing and quality assuring all chapters
-
- 2025: Greenwashing risk training and existing and upcoming statutory requirements for relevant employees involved in sustainability reporting, communication and marketing practices; checks of whether training has been completed.
 - 2025: Dedicated review of draft sustainability report, including with the aid of AI, to avoid greenwashing
-
- 2025: Use of more overarching data for industries where poor data quality has been identified, in line with Finance Norway's recommendations
 - 2025: Contributions to Finance Norway's work on adapting the PCAF methodology for Norwegian conditions, improving estimates of customers' power consumption and improving Scope 3 data for key sectors, respectively
 - In 2025: Assessing alternative solutions for better estimates of housing customers' energy consumption
 - In 2025: Obtaining climate reports from several major individual customers in industries with a large proportion of total emissions and high carbon intensity (shipping, agriculture, manufacturing, offshore and oil services), and investigating the possibility of obtaining activity data for industries (e.g. aquaculture) and companies without climate reports; checks of the proportion of loans to customers with climate reports
 - Medium term: Replacing calculated financed emissions with actual reported emissions, verified by third parties, from as many companies and industries as possible (e.g. for agriculture via the agricultural climate calculator).
-
- 2025: Contributing to the quality assurance of associated SpareBank 1 companies' climate accounting
 - 2025: Contributing to increased knowledge about downstream emissions from product companies' products and services
-
- 2024: Contributed via Finance Norway to the agreed definition of what a Taxonomy-eligible home is
 - Medium term: Replacing estimated data on homes' physical climate risk with physical data, if available
-
- 2025: More closely integrating sustainability reporting into the ordinary annual reporting process, with involvement from the finance department.
 - In 2025: Employees in the finance department with relevant experience will be transferred to the sustainability department.
-
- In 2025: Offering bespoke diversity management courses for relevant managers
 - In 2025: Using third-party tools to map diversity, degree of inclusion, diversity skills and diversity maturity; repeating surveys regularly.
-
- In 2025: Providing bespoke diversity management courses for relevant managers, including raising awareness of the risks of discrimination and the importance of data for improvement and internal learning
 - 2025: Mapping terms and conditions and access to products and services for retail customers in light of different bases for discrimination under the Equality and Discrimination Act, within the framework of data protection legislation; establishing regular status checks
-
- 2025: Comparing the proportion of manual and fully-digital customers, as well as the proportion of customers who visit our physical branches, within known vulnerable groups with the average figures (within the limits of privacy protections)
 - 2025: Mapping the status of adaptations to physical premises for customers with disabilities

1.3 Strategy

1.3.1 Strategy, business model and value chain (SBM-1)

SpareBank 1 Sør-Norge ASA is a financial group for the whole of Southern Norway with business areas and related product companies that complement the bank's service offerings. The bank has a national distribution network and has for many years been the second largest Norwegian-owned bank. The group had 2,502 employees as at 31.12.2024, of whom 1,291 are based in Rogaland, 281 in Vestland, 138 in Agder, 694 in Buskerud, Telemark and Vestfold, and 98 in Oslo.

The group offers a varied range of traditional banking services such as loans, insurance and savings products, securities trading, accounting and consulting, as well as estate agency services for both retail and corporate clients. The group's main business areas are traditional banking services aimed at the retail, corporate and public sector markets.

The group has not granted any loans for electricity production based on fossil energy or to the coal, tobacco or controversial weapons industries.

→ The group's lending to industries considered to have material transition risks is specified in a separate table in section 1.4.1.

Relevant ESRS sectors*

Sector	Total turnover 2024 (NOK millions)	%
Financial credit institutions (FCI)	25,013	92%

*Defined as sectors that account for more than 10% of the group's total income



Value chain

The group's upstream value chain primarily consists of access to and the raising of capital. The group does this through equity, funding and deposits. Investors assess the group's sustainability profile as part of their company analysis and, therefore, a direct link exists between raising capital and the group's sustainability work. The group's goal is to be viewed as an attractive, sound and forward-looking investment that will protect investors' capital and provide returns in line with projected financial plans.

The group also uses office supplies and IT equipment to

carry out its operations. These are acquired through standardised purchasing processes where sustainability is also taken account of as part of an overall assessment. The downstream value chain mainly consists of corporate and retail customers. The group's goal is to provide customers with good, useful services at competitive prices. Sustainability must therefore be integrated into the products and services, and they must not contribute to harming people, nature and society.

Sustainability strategy

The group's mission is to boost growth and development, and its overarching strategic ambition is to be a forward-looking relationship bank. Focusing on growth, both in the corporate and retail markets, can entail a higher risk of greater sustainability impacts. It is therefore very important that there is a sustainability strategy that is well integrated into the corporate strategy and that addresses the risks and opportunities arising from the group's operations and strategic plans.

One of the group's strategic priority areas is to be the customer's ally in the sustainability transition. The strategic priority areas are monitored and discussed further in several of the group's overarching plans and documents: group scorecards, strategic action plan, business plan and the risk radar.

Involving the board, group executive management team and employees in the work on both strategy and the double materiality assessment will help raise awareness and highlight potential risks and opportunities that arise in the group's strategic, business-related work.

The group's sustainability strategy shall clarify and guide SpareBank 1 Sør-Norge's sustainability work. The sustainability and climate strategy is embedded in the group's overarching business strategy and provides guidance for other governance documents. The group's sustainability work and work intended to contribute to the green transition are based on the 17 UN Sustainable Development Goals. The group supports the principles of the UN Global Compact and has signed the Principles for Responsible Banking.

The aim of the sustainability strategy is to ensure that SpareBank 1 Sør-Norge does its share, both in order to be part of the solution and to be a proactive ally in the transition to a more sustainable society.

This means that sustainability must form an integral part of everything we do: how we create valuable customer experiences; how we deliver results; how we operate our business; and how we work with others and contribute to the society of which we are a part. The expectation is that the group's employees must have an active and responsible relationship to sustainability.

Products and services designed to contribute to sustainability include green loans, sustainability-linked loans, energy

upgrading loans and savings products with a sustainability profile. Growth and further development of these products is a key element of the group's work on following up the sustainability strategy.

The main goal of the sustainability strategy is for the group to have deeply integrated ESG throughout the organisation by the end of 2025. The group must deliver on its sustainability goals and the entire organisation has an obligation to participate and contribute to these. How the group uses the targets in its sustainability strategy to mitigate sustainability challenges that arise is discussed further in the following sections.

We have defined four goals that are designed to help SpareBank 1 Sør-Norge achieve its ambitions. These goals correspond to the results of the double materiality assessment, as described on the next page.

The sustainability strategy's clear primary focus is on customer-facing and lending activities. Lending is the group's core business and is considered the area with the greatest impact within sustainability. Sustainability targets have also been set for the group's own operations, for example for GHG emissions and gender equality.

Transition for the group and its customers is key in the sustainability strategy. The primary focus will be on helping customers with the transition by being a sparring partner that understands the scope of opportunities and advises customers on making good choices. One of the goals of the group is to ensure that by the end of 2025 our customers are aware of our expertise in, and commitment to, sustainability through our customer services and contact with them. This is also necessary in order to deliver on the group's overarching mission, which is to boost growth and development.

The climate transition plan, which was launched at the end of 2023, was expanded and further developed in 2024. It states how the group will achieve the overarching goal of net zero emissions from its lending activities by the end of 2050, as well as interim goals for 2030. The climate transition plan forms part of the group's sustainability strategy and targets lending and its own operations. The plan forms part of the group's sustainability strategy.

 See 'Climate change' (ESRS E1), section 2.1.1.1 for more details on our climate transition plan.

Our targets*



Cutting emissions

We will be an active contributor to the low emissions society

Objective	Target 2030
Net zero emissions by the end of 2050 (E1)	<ul style="list-style-type: none">In line with the Paris Agreement



Transition financing

We will contribute to the transition to a more sustainable society

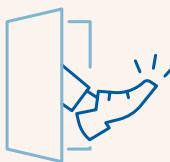
Objective	Target 2030
Increased share of lending that is eligible under the group's sustainable financing framework (E1)	<ul style="list-style-type: none">25 %
Increased lending to sustainable activities (E1)	<ul style="list-style-type: none">NOK 50 billion



Equality and diversity

We will create equal opportunities for all

Objective	Target 2030
50/50 gender balance (S1)	<ul style="list-style-type: none">50/50 at all management levels**
No pay gap due to gender (S1)	***
Universal design of all our premises (S1)	***
Zero tolerance for violence and harassment (S1)	***
Diversity maturity, competence and management (S1)	<ul style="list-style-type: none">100% of managers have taken diversity courses100% implementation of employee appraisalsGreater diversity competence
Healthiness rate (S1)	<ul style="list-style-type: none">97% in 2025
Both genders must be equal in terms of taking leave (S1)	***
Gender balance in securities fund savings (S4)	<ul style="list-style-type: none">50/50 distribution



Financial crime

We will combat financial crime and ensure security and transparency throughout our operations

Objective	Target 2030
Ethical bank guide (G1)	75% score in 2024
Zero tolerance for money laundering, terrorist financing and all other forms of financial crime (G1)	***

* The targets will be revised as part of updating the group's sustainability strategy in spring 2025.

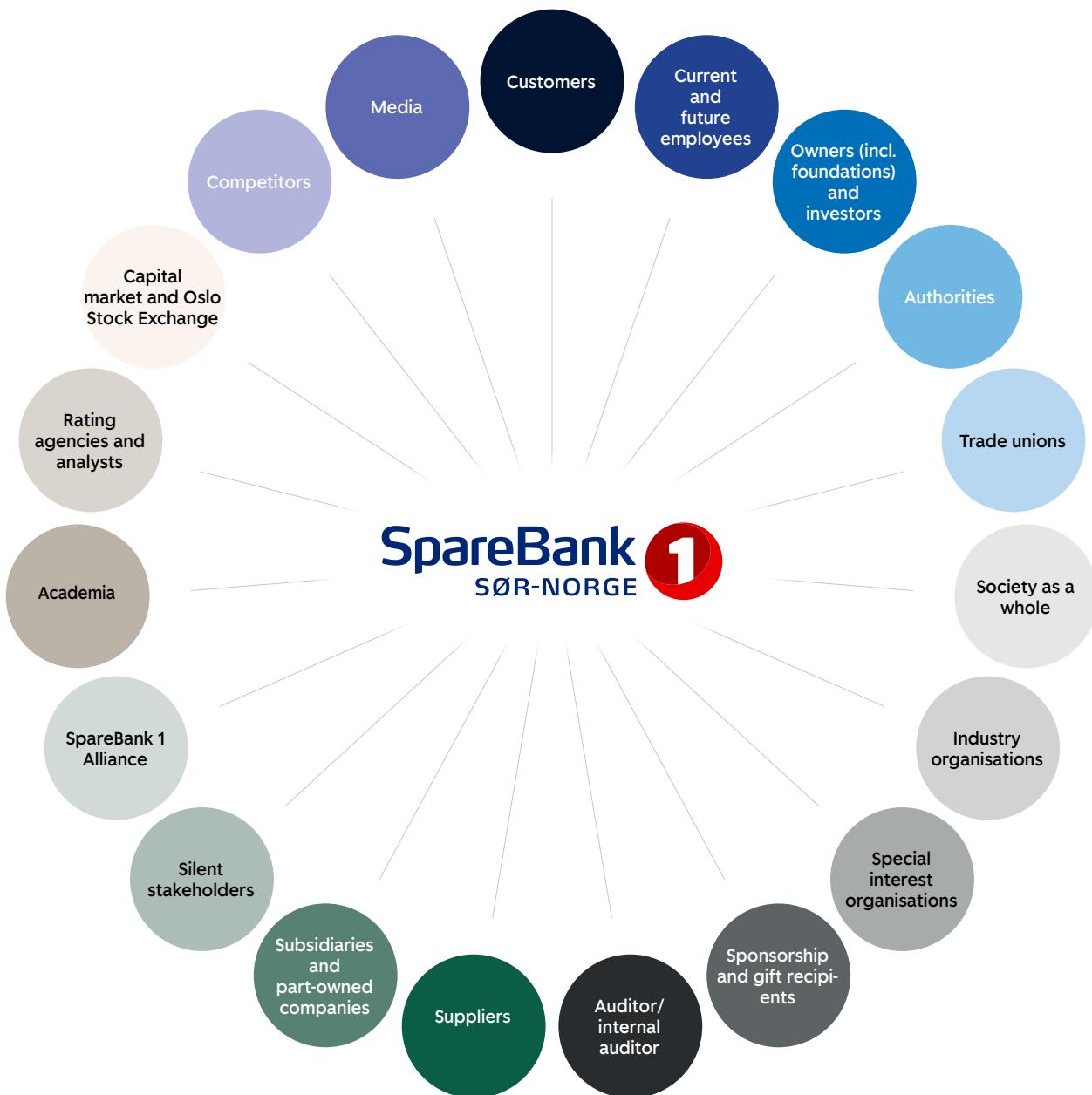
** Overarching long-term target (more than 5 years). An accurate percentage distribution of gender at a management level or in a given group of managers will necessarily depend on the number of members.

*** Quantitative targets have not been adopted, although we are monitoring developments closely, extract statistics regularly and are taking action to improve the situation.

1.3.2 Interests and views of stakeholders (SBM-2)

SpareBank 1 Sør-Norge engages with stakeholders so that their perspectives can improve the quality of our sustainability reporting, strategy and management. The board and group executive management team are informed of stakeholders' input through presentations of various customer surveys, as well as the results of the double materiality assessment.

SpareBank 1 Sør-Norge has a number of key stakeholders, as shown in the figure below:



Through structured interviews in 2023 and 2024, as well as surveys of employees, the board and the group executive management team in 2023, the group mapped material topics, impacts, risks and opportunities, including possible company-specific topics. The sustainability department also facilitated working sessions with groups of managers in the group, with retail customers, as well as with the sustainability committee in SpareBank 1 Sørøst-Norge, in which departments involved in the sustainability work

participated. The engagement with academic environments was also extensive. Local results from SpareBank 1's sustainability barometer for businesses, households and municipalities were also assessed, as were relevant topics from customer surveys. Thus, the group considers both users of the sustainability report and affected parties in their materiality assessments. The results of stakeholder engagement are summarised below.



Customers

- Local business development and value creation
- Collaboration and networking
- Local community contributions
- Stimulating innovation and sustainable growth
- Sustainability advice



Subsidiaries

- Preventing and combating financial crime and corruption
- Privacy and information security
- Ethics and anti-corruption



Special interest groups and partners

- Collaboration and networking
- Sustainability competence
- Sustainability advice
- Preventing and combating financial crime and corruption



Employees

- Expertise
- Stimulating innovation and sustainable economic growth
- Ethics and anti-corruption
- Preventing and combating financial crime
- Privacy and information security



Authorities

- Responsible lending
- Preventing and combating financial crime
- Reduction target for loan portfolio
- Sustainability competence



Rating agencies and analysts

- Green products and services
- Minimising the impact of climate change
- Gender equality and equality in general
- Preventing and combating financial crime
- Customer care and information



Owners and investors

- Collaboration and networking
- Local business development
- Financing transition
- Climate risk



Society as a whole

- Preventing and combating financial crime and corruption
- Equality and work on minimising social and economic inequality
- Local community contributions
- Reducing emissions from our own operations

Stakeholder engagement with employees

Engagement with our employees is important when it comes to safeguarding their interests and views. Annual employee appraisals are an important tool for discussing goals, the working environment and career development. SpareBank 1 Sør-Norge uses the Winningtemp tool to conduct pulse surveys of employee engagement, the working environment and well-being. This is a dynamic employee survey in which questions are sent out every two weeks to all employees. They are followed up by managers with departmental pulse meetings at least quarterly. The results from Winningtemp are also reported to the group executive management team, the coordination committee (SAMU) and the board a few times over the course of a year. Annual risk assessments are also conducted with representatives from across the organisation to identify areas of potential discrimination within diversity, equality and inclusion, as a supplement to separate risk assessments with the HR department.

The group works well with employee-elected representatives and has several formal and informal meeting points throughout the year. SAMU meets four times a year and discusses a number of topics related to the working environment. For example, the committee discusses measures designed to reduce sick leave and leaving working life and measures that enable people with disabilities and other challenges to participate actively in working life. SAMU is also tasked with ensuring that employees have opportunities to learn new skills in line with changes in the industry designed to make it an attractive workplace in the future. SAMU has several subcommittees for safeguarding labour rights and well-being, including the inclusive workplace committee and diversity, inclusion and belonging committee.

Cross party collaboration is an important part of the corporate culture in SpareBank 1 Sør-Norge and plays a crucial role in ensuring a good working environment, efficient operations and employee participation. The bank has corporate agreements with The Norwegian Confederation of Trade Unions (LO Finans) and the Finance Sector Union of Norway (Finansforbundet). The cross party collaboration should ensure that employees can participate in decisions that affect their work situation.

Stakeholder engagement with consumers and end-users

The bank's core activities within lending to the retail and corporate markets make our customers and society in general two of our key stakeholders. The views of our consumers and end-users are included in the group's double materiality assessment via two working sessions with groups of retail customers in Stavanger and Agder, respectively. The double materiality assessment provides guidance for the group's sustainability reporting and also for how we should work on our strategy and business model. The impact on end users/consumers from the group's activities will be part of the assessment when the group develops its strategy and makes strategic priorities. It is part of the overarching principles (including those formulated in the sustainability policy) that international standards and frameworks for sustainability, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, are followed. The sustainability policy is also clearly linked to the group's other strategic work and governing documentation, which in turn guides the group's product and service development. The group's framework for risk assessment and approval of changes in products, processes, and systems, PoPS (product, process, and system scoring), requires an explicit assessment of whether the change in question is in line with the sustainability strategy.

→ The assessment and inclusion of consumer and end-user perspectives in the group's strategy and business model, as well as how our business can negatively impact them, is a continuous process. See GOV-4 (section 1.2.4) for information on how we conduct due diligence.

Stakeholder engagement on climate change

We engaged with our stakeholders within various areas related to climate change in 2024. The engagement involved bilateral meetings, formal partnerships, surveys, interviews and emails all designed to identify what is important to them. An understanding of our stakeholders' concerns, interests and expectations enables SpareBank 1 Sør-Norge to improve its climate change and mitigation action plan in response to stakeholders' interests and expectations. SpareBank 1 Sør-Norge is now working on an action plan based on the climate transition plan. The action plan will likely be an ongoing process in the years to come and will be based on the company's strategic decisions, current level of employee competence, the available data and information and stakeholder expectations.

→ More information about the ongoing stakeholder engagement will be available in the report 'Sustainability in SpareBank 1 Sør-Norge' on our website.

Implications for strategy and business model

The views of stakeholders influence the strategy and business model in a variety of ways. Going forward, stakeholders will be directed more towards areas that stakeholders can be expected to care about and to focus more on implications for the business model and strategy.

The focus of employees and partners on skills is reflected by the fact that forward-looking competencies (knowledge, skills and attitudes) are also one of the group's strategic priority areas.

Customer surveys emphasise that a relationship bank means both being there for customers and customers thinking that the bank is contributing to the local community. The customer focus on local business development and the group's contribution to local communities are reflected in detail in the merger agreement on which SpareBank 1 Sør-Norge is based. It emphasises having a presence throughout the market area, both physically and via other channels. The group's values – "present with energy and care" – also reflect that it wants to maintain its savings bank tradition.

A number of stakeholders focus on combating financial crime and money laundering, as well as cybersecurity. Both the group and the SpareBank 1 Alliance give this area a high priority in budgets and recruitment.

One of the group's priority areas is being the customer's ally in the sustainability transition in order to satisfy the customer's experienced need for sustainability advice. The group's transition plan was prepared on the basis of

engagement with the authorities, investors and customers, and for the same reason this is reflected in the group's risk profile.

The merger that formed SpareBank 1 Sør-Norge addresses material sustainability topics related to the climate, social inclusion and maintaining the savings banking tradition. The new group is more geographically diversified and, therefore, less vulnerable to rapid changes in demand for oil and gas (the former SpareBank 1 SR-Bank) and having a high proportion of the population out of work (the market area of the former SpareBank 1 Sørøst-Norge and Agder). The new group's owner foundations are well equipped to tackle the latter challenge. Despite the fact that the group's operating emissions represent a fraction of the financed emissions, the operating emissions are also included in the group's climate transition plan because this is important to customers and society at large.

1.3.3 Material impacts, risks and opportunities, and their link to our strategy and business model (SBM-3)

The group conducted a double materiality assessment in the period from autumn 2023 to autumn 2024. As part of this work, we looked at both how the group impacts sustainability matters (impact materiality), and how sustainability matters impact the group's financial position (financial materiality). The assessment was conducted in line with the expectations in the ESRS. The process is further described in section 1.4.1 Double materiality assessment.

SpareBank 1 Sør-Norge's material topics are as follows:

Consolidated overview of double materiality: Material impacts, risks and opportunities (ESRS topics and company-specific topics)

The matrix illustrates, respectively, sub-topics identified as material based solely on the perspective of impact (top left), material based on the perspectives of both impact and financial matters (top right), financially material only (bottom right) and non-material topics – topics that are neither material from a financial nor an impact perspective (bottom left).

- The environment
- Social conditions
- Business conduct
- * Company-specific topics

Material impacts	Material from both an impact and financial perspective
<ul style="list-style-type: none"> ● Own workforce S1 <ul style="list-style-type: none"> • Training and skills development • Gender equality and equal pay • Inclusion of persons with disabilities • Action against workplace violence and harassment • Diversity • Health and safety • Work-life balance ● Consumers and end-users S4 <ul style="list-style-type: none"> • Responsible marketing practices • Non-discrimination • Access to products and services • Privacy • Financial equality* • Maintain the savings bank tradition* ● Business conduct G1 <ul style="list-style-type: none"> • Anti-corruption – combatting money laundering and financial crime* • Cybersecurity* ● Climate change E1 <ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptations • Energy 	<ul style="list-style-type: none"> ● Climate change E1 <ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptations • Energy ● Consumers and end-users S4 <ul style="list-style-type: none"> • Maintain the savings bank tradition*
Non-material	Financially material
<ul style="list-style-type: none"> ● Pollution E2 ● Water and marine resources E3 ● Biodiversity and ecosystems E4 ● Resource use and circular economy E5 ● Workers in the value chain S2 ● Affected communities S3 	<ul style="list-style-type: none"> ● Consumers and end-users S4 <ul style="list-style-type: none"> ● Maintain the savings bank tradition* ● Climate change E1 <ul style="list-style-type: none"> ● Climate change mitigation ● Climate change adaptation ● Energy

SpareBank 1 Sør-Norge's material sustainability topics

ESRS	Topic*	Probability and scope of impact	Location in the value chain and stakeholders affected
E1	Climate change adaptation	<p>Risk:</p> <p>Physical climate risk Currently not financially material but included in the reporting due to it being essential information for investors and the authorities.</p>	<p>Downstream:</p> <ul style="list-style-type: none"> Retail customers with homes/property exposed to the impacts of extreme weather driven by climate change Commercial property exposed to the impacts of extreme weather driven by climate change Agricultural customers exposed to the impacts of extreme weather driven by climate change
	Climate change adaptation	<p>Risk:</p> <p>Transition risk for SpareBank 1 Sør-Norge's corporate customers in industries with high carbon footprints, as well as customers who cannot finance necessary building upgrades.</p> <ul style="list-style-type: none"> Potential credit risk driver Potential reputational risk that may impact capital costs and/or competitive position 	<p>Downstream:</p> <ul style="list-style-type: none"> Corporate customers with material exposure to transition risk (agriculture and forestry, manufacturing, offshore, oil services and shipping) Customers who are unable to finance necessary upgrades to homes or commercial property, especially in low-cost areas.
	Climate change mitigation		<p>Downstream:</p> <ul style="list-style-type: none"> Customers in the retail market who want green loans
	Energy	<p>Opportunities for SpareBank 1 Sør-Norge from sustainable financing that helps cut GHG emissions and contributes to transition.</p> <ul style="list-style-type: none"> Business opportunities/income Diversification of loan portfolio Expansion of investor universe and positive impact on capital costs/funding 	<p>Downstream:</p> <ul style="list-style-type: none"> Corporate customers who need financing for measures for reducing GHG emissions, transitioning and sustainable innovation.
	Climate change adaptation	<p>Opportunities for SpareBank 1 Sør-Norge from further developing and strengthening the ESG risk framework with positive potential along two dimensions:</p> <p>Reduced risk to the portfolio through good transition risk management. Good ESG score/rating with positive impact on capital costs/funding.</p>	Own operations
	Climate change adaptation	<p>Negative impacts on climate (actual and potential). Direct link to GHG emissions caused by customers</p>	<p>Downstream:</p> <ul style="list-style-type: none"> Financed emissions from financing corporate customer industries with a large climate footprint (agriculture and forestry, aquaculture, manufacturing, offshore, oil services, building and construction, shipping and water and waste management).
E2	Climate change mitigation		<p>Downstream:</p> <ul style="list-style-type: none"> Retail market: Financing of energy efficiency measures, green homes, electric vehicles.
	Energy	<p>Positive impacts on climate (potential). Contributing to customers' reduction of GHG emissions and energy consumption.</p>	<p>Downstream:</p> <ul style="list-style-type: none"> Corporate market: Sustainable business financing to cut emissions and support transition.

Link to business model and strategy	Time frame
<p>Financing of customer groups that may be exposed to physical climate risk</p> <ul style="list-style-type: none"> • Private homes • Commercial property • Agricultural customers 	<p>Current material impact: None</p> <p>Short: No Medium: No Long: Maybe</p>
<p>We provide finance for the business sector in Southern Norway, including industries with a large climate footprint such as agriculture, oil and gas, shipping and building and construction.</p> <p>A significant proportion of our loans are for commercial property and homes representative of the current standard of Norwegian buildings.</p>	<p>Current material impact: None</p> <p>Short: Maybe Medium: Maybe Long: Yes</p>
<p>Framework for Sustainable Financing</p> <ul style="list-style-type: none"> • Green loans • Sustainability-linked loans <p>In 2023, we launched our transition plan, which includes targets and actions for agriculture, oil and gas, commercial property, shipping and housing.</p>	<p>Current material impact: None</p> <p>Short: Maybe Medium: Maybe Long: Yes</p>
<p>ESG risk framework integrated into credit processes</p> <p>Sustainability strategy and ESG management integrated into operations</p>	<p>Current material impact: None</p> <p>Short: Maybe Medium: Maybe Long: Yes</p>
<p>We provide finance for the business sector in Southern Norway, including industries with a large climate footprint such as agriculture, oil and gas, shipping and building and construction.</p>	<p>Short: Maybe Medium: Maybe Long: Yes</p>
<p>The financial sector is well positioned to contribute positively to the transition. For SpareBank 1 Sør-Norge, the framework for sustainable financing includes green loans (retail market), green corporate loans and sustainability-linked loans (corporate market), as well as a transition plan (see above).</p>	<p>Short: Maybe Medium: Yes Long: Yes</p>

ESRS	Topic*	Probability and scope of impact	Location in the value chain and stakeholders affected
S1	Own workforce Working conditions <i>Health and safety</i> Work-life balance	Negative impacts on own workforce (potential). Causes, contributes or linked to adverse HSE incidents (wide spectrum linked to physical and mental well-being)	Own activities: <ul style="list-style-type: none">Employees can be exposed to adverse incidents in the workplace
	Equal opportunities for all Gender equality and equal pay Inclusion of people with disabilities Action against workplace violence and harassment Diversity	Negative impacts on own workforce (potential). Causes, contributes to or linked to discrimination.	Own activities: <ul style="list-style-type: none">Employees may potentially be subject to unintended discrimination based on gender or background
	Equal opportunities for all Training and skills development	Positive impacts on own employees (actual and potential). Training and skills development (cause).	Own activities: <ul style="list-style-type: none">Training programmes
S4	Responsible marketing practices	Negative impacts on retail customers (potential): Unintentionally misleading information about the sustainability performance of the group or its products and services	Own activities/downstream: <ul style="list-style-type: none">Retail customers can be mislead about the sustainability performance of the group or its products and services.
	Maintaining the savings bank tradition*	Positive impacts on consumers and other individuals in core areas through profits being distributed via the foundations to combat exclusion	Own activities/downstream: <ul style="list-style-type: none">The foundations are connected to the historical ownership of specific local banks, and are therefore part of our value chain. Working with the foundations entails a material financial opportunity to maintain and strengthen our reputation as a local bank in our core areas: The foundations distributed a total of more than NOK 485 million in gifts in 2024. Among other things, this reduces the actual and potential proportion of people who are excluded from work and education and thus do not become retail or corporate customers.
	Social inclusion Non-discrimination Access to products and services	Negative impacts on retail customers (potential): Causes, contributes to or is linked to discrimination.	Own activities/downstream: <ul style="list-style-type: none">Retail customers may potentially be exposed to unintentional discrimination based on gender or background.
	Social inclusion Non-discrimination Access to products and services Financial equality*	Positive impacts on retail customers (potential). Causing or contributing to greater financial equality.	Own activities/downstream: <ul style="list-style-type: none">Targeted actions to contribute to greater financial equality.
	Privacy	Negative impacts on retail customers (actual and potential). Causes, contributes to or is linked to breaches of privacy rights.	Own activities/downstream: <ul style="list-style-type: none">Retail customers can be exposed to inadvertent breaches of privacy rights either through actions or omissions by SpareBank 1 Sør-Norge or a third party processing similar data.

Link to business model and strategy	Time frame
<p>Internally in own workplace. High pressure, pace and efficiency requirements in processes where significant resources are involved can create conditions that increase the risk of adverse incidents (not unique to our business model).</p> <p>In meetings with retail customers. We meet all types of people, including individuals in vulnerable/under pressure situations.</p>	<p>Short: Yes Medium: Yes Long: Yes</p>
Diversity and equality challenges are a well-known issue for the financial sector.	<p>Short: Yes Medium: Yes Long: Yes</p>
Not unique to own industry	<p>Short: Yes Medium: Yes Long: Yes</p>
A general challenge when communicating with non-professional parties about sustainability, and for the financial sector in relation to, for example, green loan products, securities funds and real estate agents' prospectuses.	<p>Short: Yes Medium: Yes Long: Yes</p>
The savings bank tradition is part of our business model and strategy, and linked to the ownership model	<p>Short: Yes Medium: Yes Long: Yes</p>
Diversity and equality challenges are a well-known issue for the financial sector. Decisions linked to financing may inadvertently be impacted by structural matters in society where vulnerable groups are more exposed to discrimination. Another emerging issue in relation to fair transition is the extent to which green loans for converting homes are less available to low-income groups.	<p>Short: Yes Medium: Yes Long: Yes</p>
Diversity and equality challenges are a well-known issue for the financial sector. The financial sector is well positioned to contribute positively.	<p>Short: Yes Medium: Yes Long: Yes</p>
SpareBank 1 Sør-Norge processes large amounts of sensitive personal data.	<p>Short: Yes Medium: Yes Long: Yes</p>

ESRS	Topic*	Probability and scope of impact	Location in the value chain and stakeholders affected
G1	Anti-corruption Combatting money laundering and financial crime	Negative impacts on society/economy (potential). Causes, contributes to or is linked to money laundering and financial crime	Downstream: <ul style="list-style-type: none">SpareBank 1 Sør-Norge may inadvertently finance or facilitate transactions for actors who directly or indirectly commit money laundering and financial crimes.
	Cybersecurity*	Negative impacts on society/economy (potential). Direct or indirect connection or contribution to cybersecurity breaches that could have very negative consequences for individuals, businesses, and communities.	Downstream: <ul style="list-style-type: none">Cybersecurity breaches or attacks can result in substantial and potentially irreparable loss of information, and loss of reputation.
	Cybersecurity*	Positive impacts on society/economy (potential). Actively helping prevent data breaches that could have very negative consequences for individuals, businesses and communities.	Downstream: <ul style="list-style-type: none">It is highly likely that the bank shields customers from actual and potential attacks of material scope.

* Company-specific sustainability topics

The assessment of material risks and opportunities includes any current and expected financial impacts related to the group's:

- Financial position
- Financial results
- Cash flows

For material risks and opportunities, an assessment is also made of whether a material risk exists of significant adjustments within the next reporting period for capitalised assets and liabilities. The group assesses the expected financial impacts of the material risks and opportunities for our financial position, financial performance and cash flows in the short, medium and long term, in light of the strategy for managing risk and opportunities, which includes:

- Corporate sustainability strategy
- Corporate sustainability policy
- Corporate climate transition plan
- Framework for sustainable financing

Expected impacts are assessed qualitatively.

Strong risk management and responsible banking are key elements of solid professional banking intended to protect assets for the future and for shareholders. The climate transition plan is a key measure intended to ensure the robust management of the impacts, risks and opportunities associated with our portfolio.

Given the assessment of identified sustainability-related risks, that generally have limited financial impacts in the short term, the strategy and business model are well positioned in the short term. ESG risk is integrated into capital and risk management, and the framework is continuously

reinforced, which supports resilience.

All identified material factors can be linked to the topic and sub-topic of the ESRS, although some matters specific to the banking and finance sector at a more granular level are not fully covered in the ESRS. In anticipation of sectoral standards for banking and finance, the business-specific conditions must be identified by the organisation itself. The identified sub-topics (or what would correspond to sub-sub-topics):

- Anti-money laundering and combating economic crime. This is, in principle, already covered by G1 under anti-corruption, although we have chosen to specify it further given the specific focus on anti-money laundering in finance.
- Cybersecurity. The topic is not defined in the ESRS, but is highly relevant to the financial services industry (and for some other industries). It partially overlaps with the topic of privacy in S4.
- Promoting financial equality in the retail market. This is, in principle, already covered by S4 under social inclusion, but we have chosen to specify it further to clarify the relevance for the Group
- Responsible marketing practices, as well as maintaining the savings bank tradition, which also belongs under S4.

Link to business model and strategy	Time frame
A general challenge for the financial sector due to the sector's role as a facilitator of financial transactions, as well as its role and responsibilities in protecting financial integrity.	Short: Yes Medium: Yes Long: Yes
A risk to which the financial sector and financial infrastructure in general is exposed and is a key priority area in risk management.	Short: Yes Medium: Yes Long: Yes
See above.	Short: Yes Medium: Yes Long: Yes

1.4 Managing impacts, risks and opportunities

1.4.1 Double materiality assessment (IRO-1)

The purpose of conducting a double materiality assessment is to understand actual and potential impacts, risks and opportunities (IRO), report on their development and use the assessment as a tool for prioritising strategies, actions and management.

SpareBank 1 Sør-Norge's double materiality assessment process consisted of the following steps:



1. Understanding context

Good, continuous and relevant stakeholder engagement is an important source of information for double materiality assessments.

A number of sources and methods have also contributed to the conclusions. The impact assessment tool developed for banks that is linked to the UN Principles for Responsible Banking is also used and is part of the input for materiality assessments.

Summary of input:

- Scientific and regulatory backdrop
- Insights from previous materiality assessments and various sources
- Industry-specific and company-specific context
- Relevant trends and developments in society
- Understanding, adapting and monitoring developments in relevant topics

→ See the description of the value chain and its links to material sustainability topics in the overview in the introduction to the section, figure and description in section 1.3.1, and table (which also shows the links to the business model) in section 1.3.3

2. Identifying and analysing

The process for identifying and assessing material risks and opportunities (financially material matters) includes assessments related to:

1. Identified actual and potential impacts, as well as their risks and opportunities
2. Matters related to the climate, environment, social conditions (human rights, labour rights, gender equality and diversity and privacy) and business conduct, which are not necessarily directly linked to SpareBank 1 Sør-Norge, but which may financially impact the group in the short, medium or long term.

A qualitative assessment of dependencies on natural or human capital was also carried out for both of these categories.

The process for identifying, assessing and prioritising actual and potential impacts on people and the environment for the banking and financial sectors is mostly associated with lending activities, i.e. the downstream value chain. This means both corporate and retail customers. Financial institutions can also contribute to impacts through their own activities (such as actual or potential impacts on their own employees) and be linked to impacts via their supply chain and purchasing.

Table: The process for identifying and assessing impacts on people and the environment and the interaction with due diligence (including risk management)

Where in the value chain	Who is impacted	Processes for identifying and managing actual/potential negative impacts and opportunities for positive impacts
Own operations	Own workforce	HR systems, collaboration with employee-elected representatives and systems for reporting adverse incidents
Own operations	Climate, environment	Environmental management (ISO 14001), climate accounting
Corporate market – the group is linked to actual or potential impacts via business relationships	Climate, the environment, employees and local communities in the value chain, economy	Risk management, sustainability assessments (all commitments over NOK 10 million), customer controls and money laundering checks (all commitments), PCAF calculations (financed GHG emissions), due diligence in line with UNGP and OECD guidelines. Sustainable finance framework and transition plan (positive impacts for the climate and environment)
Retail market – both own activities and links via business relationships	Retail customers, climate, environment	System for reporting adverse incidents, climate accounting, anti-money laundering procedures, due diligence Green loan framework (positive impacts)
Supply chain – the group is linked to actual or potential impacts via business relationships	Climate, the environment, employees and local communities in the value chain, economy	Due diligence in line with UNGP and OECD guidelines and procedures for sustainable purchasing (broad sustainability focus), climate accounting, SpareBank 1 Alliance's work on sustainable purchasing
Savings products brokered for customers – linked to actual or potential impacts via investments (external managers)	Climate, the environment, employees and local communities in the value chain, economy	Due diligence in line with UNGP and OECD guidelines, engagement with fund providers
The value chain as a whole – both own activities and links via business relationships	The climate, environment, own workforce, workers and local communities in the value chain, economy	Due diligence in line with UNGP and OECD guidelines, climate accounting, PCAF calculations, sustainability risk assessments

In accordance with the ESRS, the process for identifying material impacts is based on the due diligence methods as defined in the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights (UNGPs). Both apply a full value chain focus. These international standards also assume that it is the downstream value chain that is key for due diligence in the financial sector. The focus in this context is on identifying and assessing actual and potential impacts on people, the environment and the economy/society.

Identifying impacts on the value chain)

Consulting affected parties and/or expertise (on a regular basis)	Geographic scope	Other factors that can influence the risk of negative impacts
• Systematic engagement with employee-elected representatives	• Norway (low risk)	Financial sector – general low risk
• Internal expertise	• Global (GHG) • Norway (other environmental matters)	Financial sector – general low risk
• Internal and external expertise. • ESG risk frameworks have been developed in collaboration with other SpareBank 1 banks: specialists from credit, sustainability and risk environments. Furthermore, industry experts/officers in the banks have been consulted on/involved in determining inherent industry risks (the ESG risk framework).	• Norway (direct exposure solely to companies in the Norwegian market) • Indirect exposure to global supply chains via corporate customers	Industry factors (high carbon industries, high-impact industries, industries with an inherently higher risk of negative impacts on workers or local communities)
• Internal expertise	• Norway	Generally low risk, although some customer groups may be more vulnerable to negative impacts (groups that are vulnerable/more vulnerable in society in general)
• Internal expertise (both in the group and the SpareBank 1 Alliance)	• Norway (local purchases) • Norway and global supply chains (joint purchasing for SpareBank 1)	Industry factors (high carbon footprint industries, high-impact industries, high human rights risk industries)
• Internal expertise (both in the group and the SpareBank 1 Alliance) • External expertise • Engagement with trade unions and civil society	• Global	Industry factors (high carbon footprint industries, high-impact industries, high human rights risk industries)
• Internal and external expertise	• Norway • Global	Industry factors (high carbon footprint industries, high-impact industries, high human rights risk industries)

3. Assessing, weighing and prioritising

Assessments of negative impacts

Assessments of negative impacts that can be linked to SpareBank 1 Sør-Norge are based on the criteria for relative severity and probability as defined in ESRS 1 and in the underlying international standards, i.e. UNGP and OECD Guidelines for Multinational Enterprises. The ESRS state that organisations must exercise their judgement in setting thresholds, based on the following criteria:

- *Scale*
How serious is the impact?
- *Scope*
How extensive is the impact?
- *Irremediability*
How remediable is the impact?

in the case of potential impacts, the probability of the impact occurring is also assessed.

Such assessments are largely risk-based. That means they are discretionary assessments intended to identify the most serious risks to people, the environment and society.

Assessments of scale are, to the extent possible, based on data (e.g. GHG estimates or HR data) in relation to relevant standards, research or sustainability expertise, either internal or external. When assessing whether the scope of a negative impact linked to the loan portfolio is material, the size of the loan is also important. Such assessments will generally be relative and contextual. Assessments of probability will also largely be based on judgement, although, to the extent possible, they are based on research, experience from own and other industries, and estimates about the near future. SpareBank 1 Sør-Norge used these criteria for the first time in connection with carrying out the double materiality assessment.

If due diligence identifies actual negative impacts or serious risk in the loan portfolio, the circumstances will generally be material in line with the ESRS. The purpose of setting these criteria is to create a framework to help businesses prioritise the most serious impacts first. They are, thus, an important reference source for the group's future efforts on managing negative impacts both in its own activities and in connection with the value chain. As set out in the guidance for implementing international standards, the most serious impacts should be prioritised first. If potential human rights violations are identified that the company may cause, contribute to or be directly linked to via business connections, severity must be given more weight as a factor than the probability of the situation occurring.

For a more detailed description of the criteria, see the table 'Assessment criteria for negative impacts'.

Assessment of positive impacts

The most widely recognised framework for assessing positive climate and environmental impacts is the EU Taxonomy for sustainable economic activities. (The Taxonomy has been integrated into loan financing through the group's sustainable finance framework.) However, insights from Taxonomy-related data are currently limited and have not been systematically applied in the process for assessing material sustainability matters.

At the moment, the group has limited collected data that enables it to report objectively on any positive impacts (e.g. savings in CO₂ emissions or the impacts of circular solutions) based on scientific criteria. Assessments of positive impacts are, therefore, qualitative assessments.



Assessment criteria for negative impacts (severity)

		Social conditions
Probability of negative impacts:	Scale	
<p>High: Highly likely/expected to occur/more likely than not</p> <p>Moderate: Can happen/occurs infrequently/substantial degree of uncertainty</p> <p>Low: Unlikely to occur or normally occurs very rarely</p> <p>Threshold</p> <p>High severity = material</p> <p>Moderate/low = non-material</p>	<p>How severe/serious is the impact (measured in relation to normative international standards)?</p>	<p>Very high (for social conditions only): The severest and most serious breaches of international law, including war crimes, ethnic cleansing, genocide, systematic slavery and torture</p> <p>High: Serious breaches of legislation (health and safety, discrimination, privacy) or international standards for human and labour rights</p> <p>Moderate: Negative impacts on individual rights, but not the most serious cases (e.g. serious violations of life and health).</p> <p>Low: Matters that may negatively impact the welfare of individuals, but are not serious in nature (not offences).</p>
	<p>Scope</p> <p>How extensive is the impact?</p>	<p>High: Systematic breaches and/or many affected individuals</p> <p>Moderate: Limited number of affected individuals</p> <p>Low: Single events and/or few affected individuals</p> <p>Additional assessments for the loan portfolio: For potential impacts that the group may be associated with due to exposure to an industry with elevated risk (and where there is no specific information about any direct connection to potential impacts), the level of exposure to the industry may say something about the probability of ending up in such situations.</p>
	<p>Irremediability</p> <p>How remediable is the impact?</p>	<p>High: Irremediable or unlikely that the harm can be remediated</p> <p>Moderate: Remediable but requires effort/costs</p> <p>Low: Remediable with relatively little effort/costs</p>
	<p>Overall assessments</p>	<p>The final assessment of severity is an overall qualitative and judgement-based assessment based, in particular, on an assessment of scale and scope – and for potential situations a reasonable assumption of the probability of the situation occurring or happening.</p>

Climate and environment	Business conduct
<p>High: Clear breaches of legislation (the environment) or international climate and environmental standards (e.g. impacts not in line with the Paris Agreement).</p> <p>Moderate: Negative impacts in a grey zone in relation to environmental regulations or international standards for the climate and environment.</p> <p>Low: Matters that can have negative impacts on the climate and environment, but that are within current environmental regulations.</p>	<p>High: Clear breaches of legislation (e.g. anti-corruption) or international standards for responsible business (OECD Guidelines).</p> <p>Moderate: Negative impact in a grey zone in relation to relevant legislation or international standards.</p> <p>Low: Matters that may negatively impact the economy/society but that are within current regulations and not necessarily breaches of policy.</p>
<p>High: Global impact</p> <p>Moderate: National or regional impact</p> <p>Low: Very locally limited impact</p> <p>Additional assessments for the loan portfolio: For potential impacts that the group may be associated with due to exposure to an industry with elevated risk (and where there is no specific information about any direct connection to potential impacts), the level of exposure to the industry may say something about the probability of ending up in such situations.</p>	<p>High: Many affected parties (e.g. other companies, national or local government, local communities).</p> <p>Moderate: Limited number of affected parties (e.g. other companies, national or local government, local communities).</p> <p>Low: Single events and few affected individuals.</p> <p>Additional assessments for the loan portfolio: For potential impacts that the group may be associated with due to exposure to an industry with elevated risk (and where there is no specific information about any direct connection to potential impacts), the level of exposure to the industry may say something about the probability of ending up in such situations.</p>
<p>High: Irremediable or unlikely that the harm can be remediated</p> <p>Moderate: Remediable but requires effort/costs</p> <p>Low: Remediable with relatively little effort/costs</p>	<p>High: Irremediable or unlikely that the harm can be remediated</p> <p>Moderate: Remediable but requires effort/costs</p> <p>Low: Remediable with relatively little effort/costs</p>
<p>The degree of remediability usually depends on scale and/or scope. The weighting of different matters must always be seen in context and in relation to relevant standards.</p> <p>The criteria are not exact magnitudes that can be weighted equally, rather they are included in the overall assessment basis. For potential human rights violations: severity must be weighted higher than probability.</p>	

Financial risks and opportunities

The group's experts for the corporate market, risk, finance and compliance were key participants throughout the process of assessing material risks and opportunities, along with, in particular, the sustainability department. In SpareBank 1 SR-Bank's stakeholder engagement in 2023, investors with a focus on sustainability (the 'user perspective') were also consulted.

Threshold for material risk

Thresholds for assessing material sustainability risk are set in line with the group's overarching risk management framework. Overall, the group's risk appetite must result in a buffer that is sufficient in relation to the group's risk capacity to ensure that no single events can seriously damage the group's financial position. When assessing material risks linked to lending activities, it is also reasonable to use industry exposure as a basis. Exposure to an industry with material sustainability impacts or sustainability-related risks can increase the group's financial risk because customers are exposed to transition or reputational risks.

With respect to prioritising sustainability risks relative to other types of risk: ESG risk has been integrated into the overall credit risk assessments, and an ESG risk model has been developed and is in use (the model is described in detail in section E1 Climate change). Although the ESG risk framework is based on assessments of the group's lending risk (credit risk), assessments of actual and potential impact are also built into the framework indirectly. The risk framework takes account of the inherent sustainability risks of industries, which are linked to potential impacts. To mitigate the probability of actual negative impacts in the loan portfolio, the group has developed and implemented sustainability guidelines in the corporate market.

Pursuing opportunities is an important part of our strategy of contributing to the transition, not least through sustainable financing. Likely positive financial impacts, for example through greater access and more favourable prices for capital, as well as positive impacts for profit, could be material. Given the central focus on capital and risk management, there may also be potential upsides for identified risks from documenting good ESG risk management. For example, this may have an impact on ESG ratings and is considered positive by investors.

Risk assessments

Assessments of financially material sustainability risks for SpareBank 1 Sør-Norge include:

- *Potential magnitude of financial impacts:* Losses (in lending, income and market share), increased costs (operations and funding/capital) in excess of accepted risk appetite
- *Probability:* Same as for assessments of material impacts (high, moderate and low)

The assessments related, in particular, to climate risk have provided an important basis for assessing financially material sustainability matters for SpareBank 1 Sør-Norge.

The same is true for the basis laid by the ESG risk assessment framework used for all corporate commitments of more than NOK 10 million. The work carried out in this context and the assessments that must be conducted with regard to financially material risk for ESRS reporting overlaps to a high degree.

 Full details of the ESG risk assessment can be found in 'Climate change' (ESRS E1), section 2.1.1.2

Assessments of opportunities

Unlike assessments of financially material risk, there are no established numerical limits/thresholds for SpareBank 1 Sør-Norge upon which assessments of opportunities could rely. There is also substantial uncertainty surrounding the expected financial impacts of potential future opportunities identified in the process. Judgement-based assessments of probable material impacts, therefore, set a relatively high threshold for what is considered material (likely material impacts on the group's performance or strategic position). The identified opportunities are opportunities related to sustainable finance that generally apply to financial institutions within the same segment as SpareBank 1 Sør-Norge. The opportunities are closely linked to our mission as a financial institution that supports a robust economy and the local communities of which we are a part. They are also closely linked to existing ambitions (proactive ally for the business sector in the transition) and strategy (including sustainable financing goals), although these generally apply to the industry.

Assessments of material information

When assessing material information, the focus is on the conversations with owners and investors as the foremost 'users' of the annual report who could find this type of information relevant in decision-making. In addition to these primary users, many other stakeholders will have an interest in the organisation's impacts on the outside world. Internal stakeholders involved in assessments include the group's financial, risk and sustainability experts. The same thresholds are used in determining whether information is material as those used in the process for defining material topics. Information considered to have high materiality is included. For information assessed as being of moderate materiality, the weighting of relevant internal expertise (sustainability, risk) is essential. Weight is also given to the perspectives of stakeholders in the overall assessment.

4. Embedding and integration

See section 1.2.2 for an overview of how the board and the group executive management team have assessed and managed the results of the double materiality assessment, as well as reporting on the development of material sustainability topics. The point on the corporate strategy in the same section, as well as section 1.2.3, describes the link between the double materiality assessment and the strategy. The topic sections describe how corporate governance links material sustainability topics to targets, KPIs and actions.

Input parameters for materiality ratings

The process for identifying and assessing material matters is based, to the extent possible, on existing sustainability integration work, which has been ongoing for several years. Key sources for the assessments are listed (see table) and linked to the relevant ESRS.

Key sources for SpareBank 1 Sør-Norge	Link to ESRS
Previous sustainability reports	All ESRS
Due diligence with respect to fundamental human rights and decent working conditions	S1, S2, S3 and S4
Sustainability in SpareBank 1 Sør-Norge	All ESRS
PCAF	E1
Climate report	E1
Pillar 3 data, risk and capital management	E1
Corporate market ESG risk assessments	All ESRS
Internal risk workshops on diversity, equality and inclusion (retail market, corporate market, staff)	S1-S4
Internal sustainability risk workshops (per department)	All ESRS
HR data	S1
ESG Factbook, including PAI data*	All ESRS
Incident database	S1, S4 and G1
Taxonomy data	E1, E2, E3, E4, and E5
Environmental management (own operations)	E1, E2, E3, E4, E5 (own operations)

*PAI = Principal Adverse Impacts

→ For further descriptions of the data and input parameters used in SpareBank 1 Sør-Norge, please see the comments on specific matters in section 1.1.1. and the table in section 1.2.5.

Access to good quality data for assessments of impacts, risks and opportunities related to the portfolio is a known general challenge for the entire financial services industry. This applies in particular to data related to E1-E5, S2, S3 and partly to sub-topic in G1 (e.g. corruption), where the level of detail will be more limited and the assessments more qualitative.

Work on the double materiality assessment is headed by the sustainability department. Results and analyses were presented and discussed in management groups and the group executive management team on two occasions. Due to the merger process, the results and the material topics were also approved by the board several times during the process, when the analysis was first prepared for SpareBank 1 SR-Bank and then updated and adapted for SpareBank 1 Sør-Norge.

There were material changes in the process compared with the previous reporting period (prior to the revision of the Accounting Act).

The materiality assessment process has been updated since the previous GRI 2016/2021 hybrid methodology to achieve compliance with the requirements of the ESRS and includes a double materiality assessment that includes both the material impacts and financial effects of risks and opportunities. The process was updated and amended in connection with preparations for the reporting for the 2024 financial year.

The plan is to update and further develop the work on the materiality assessment in 2025.

1.4.1.1 Assessments of climate risks and opportunities (E1)

IRO-1

Climate change and climate risks and opportunities are included and tailored to the group's sustainability and climate strategy. These strategies are ambitious in that they aim to integrate sustainability throughout the group's operations. The actions implemented under the strategy are related to financing, capital allocation and competencies. The group has its own objective of net zero emissions by 2050.

The strategy has been developed to help the group support a green transition in society and emerge stronger from this transition. The group aims to finance at least NOK 50 billion in sustainable activities by 2030. This goal has direct impacts on financial planning. The group will further develop the credit models such that these support the transition goals. SpareBank 1 Sør-Norge is primarily exposed to climate risk through the loan portfolio, which is particularly evident from the portfolio's GHG emissions. The updated version of the transition plan that SpareBank 1 Sør-Norge launched in the second quarter of 2024 primarily focuses on decarbonisation of the loan portfolio. Emissions must be cut as quickly as possible in order to limit climate change. The group's transition plan includes targets for the most material industries in the loan portfolio; shipping, oil and gas, residential and commercial property and agriculture. A 'stranded asset risk' has also been identified related to both physical climate risk and transition risk, which is addressed in the transition plan.

→ **☰** Details of the group's climate transition plan can be found in 'Climate change' (ESRS E1), section 2.1.1.1

ESG scoring of the lending to corporate customers is described in 'Climate change' (ESRS E1), section 2.1.1.2. The framework for this ESG risk assessment is key to the process of managing climate risk. As mentioned in the same section, ESG risk assessments of lending to the retail market are carried out as assessments of the loan objects, homes and cars.

The climate accounting for the loan portfolio is also included as a key element of climate-related risk management. As set out in section 2.1.3.3, the group conducts such assessments in line with the PCAF standard.

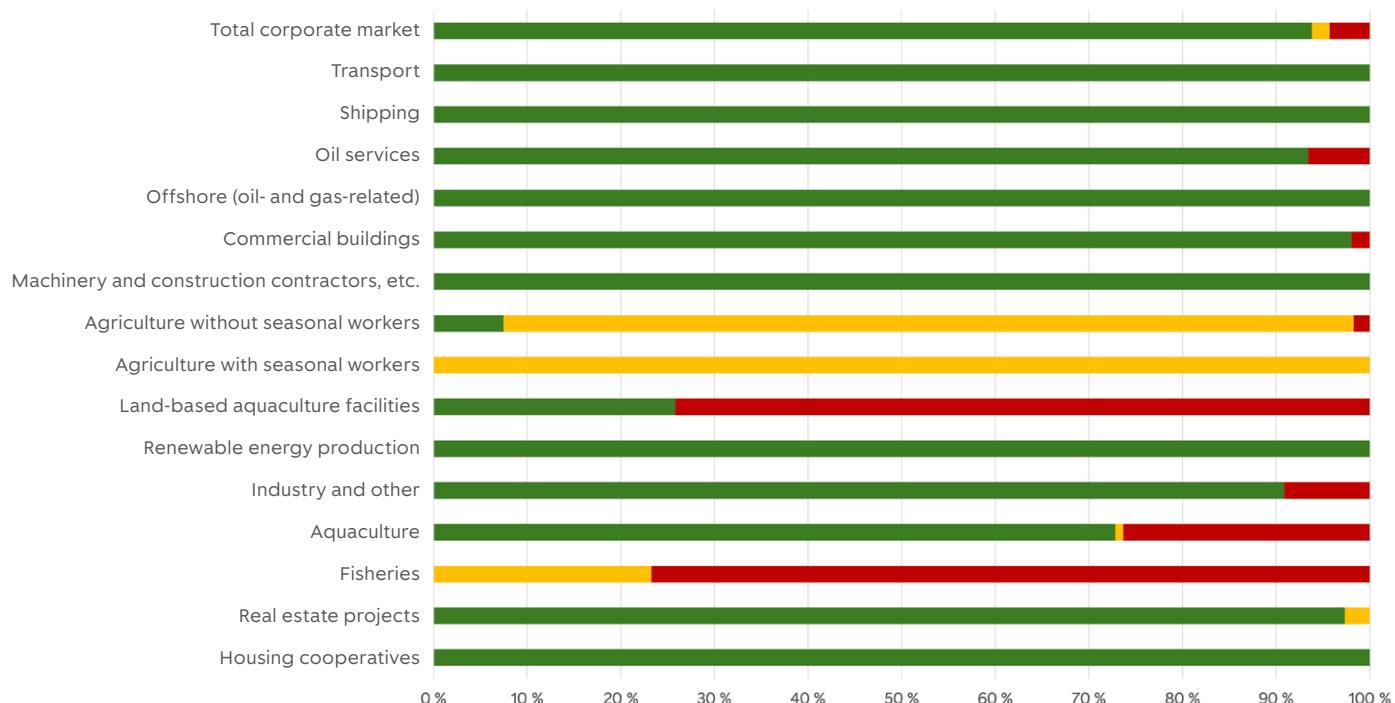
Physical climate risk

The group's most material service suppliers are IT companies, where the main climate risk is deemed to be the physical climate risk related to flooding and stormwater.

As described under 'Climate change' (ESRS E1), section 2.1.1.2, physical climate risk is included in the ESG scoring of corporate customers that is performed for credit applications for more than NOK 10 million.

The distribution of physical risk scores as at the end of the fourth quarter of 2024 was as follows:

Share of loans per score category for physical climate risk



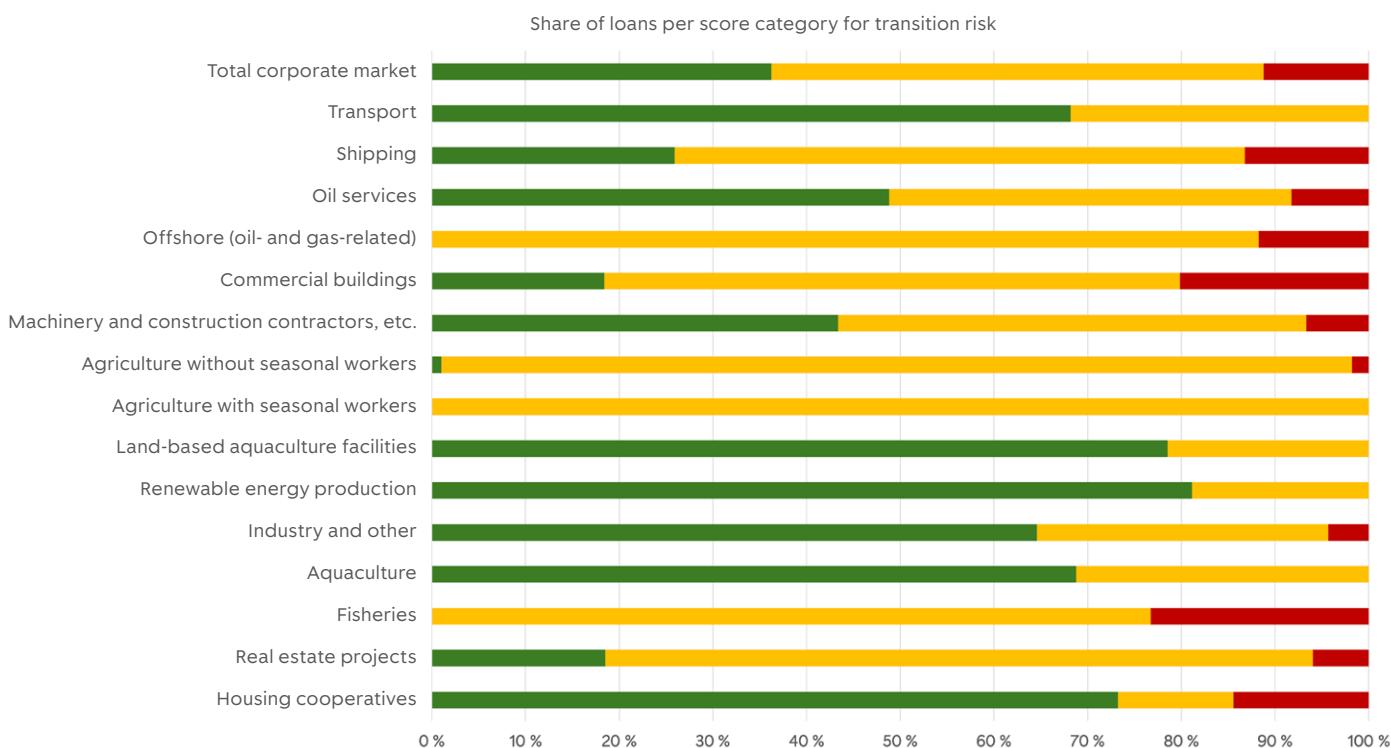
The figure shows that physical climate risk is generally assessed as low. The industries where this risk is most significant are agriculture, due to its dependence on adequate rainfall, and aquaculture, due to its dependence on sea temperatures. Land-based aquaculture is dominated by a single facility that has some risk of flooding and landslides. Fisheries and land-based aquaculture have insignificant loan volumes.

The group's external reporting of physical climate risk focuses on lending for housing, commercial property and housing cooperatives, the activities that the group considers relevant for physical climate risk. The starting point is data from Eiendomsverdi. For housing, Eiendomsverdi identifies properties where the group is a mortgagee. The threshold for non-material risk is 3 on Eiendomsverdi's scale of 0 to 6, where 6 is the highest risk. This is a newly developed methodology in 2024 that for the first time included stormwater as a risk category. For commercial property and housing cooperatives, the methodology from Eiendomsverdi was unchanged from 2023, with the following selected thresholds for the different physical risk categories, and where there is no data for stormwater:

- Sea level: 2050 scenario, 20-year storm surge
- Flood: climate-adapted scenario, 200-year flood
- Quick clay slide: present scenario, moderate probability
- Rockslide: present scenario, danger zone 100-year slides and danger zone unstable
- Avalanche: present scenario, inspected special caution zone

This means that for housing, commercial property and housing cooperatives, the least serious risk scenarios are

The distribution per industry as at the fourth quarter of 2024 was as follows:



excluded, of which the caution zone for flooding is the most important.

See section 2.1.3.4 Financial risks and opportunities related to climate change for a table showing the extent of physical climate risks for residential and commercial property.

The physical climate risk where the group uses high-emission scenarios as a basis for identification is, therefore, flooding, where a 200-year flood in a climate-adapted scenario has been used.

As the names of the risk scenarios indicate, they are composed of present and future scenarios and besides that distinguish between the short, medium and long term. The sea level and flood scenarios indirectly take into account high-emission scenarios in that they include scenarios with a long time horizon (sea level 2050 scenario) and a low probability (200-year flood), respectively.

Transition risk

The group's assessment is that the material transition risk lies in the corporate market loan portfolio. As described in 'Climate change' (ESRS E1) section 2.1.1.2, the transition risk is included as a risk category in the ESG risk assessment framework. The transition risk score is arrived at as a product of industry-related inherent risks as well as responses to both general and industry-specific questions. It is thus a composite picture of risk factors that overall provides each transition risk score for each individual customer and for the loan portfolio at an aggregated level. As at the fourth quarter of 2024, the distribution of transition risk in the mapped corporate market portfolio was as follows:

The following table shows the lending exposed to material transition risk. Column two indicates whether the industries are defined by the Pillar 3 ESG reporting (defined by the European Banking Authority) as being particularly exposed

to transition risk and material for the group. The last two columns show the Pillar 3 ESG reporting identification of the group's lending to corporate customers whose business is excluded from the EU Paris-adapted benchmark.

Branch	Loans (NOK millions):	Transition risk defined in Pillar 3 and material for the group	Of which excluded from the EU Paris-adapted benchmark Lending NOK millions	Reason excluded from EU Paris- adapted benchmark
Oil and gas	574	Yes	574	Industry excluded
Offshore	4,777	No	0	
Oil services	1,476	No	0	
Maritime transport/ shipping	7,164	Yes	3,004	Transport of coal, oil and gas
Agriculture	8,727	Yes	0	
Commercial property	52,555	Yes	0	

The basis for the ESG risk assessment framework is the fundamental assumption that society must transition in line with the Paris Agreement. This is reflected by, for example, the factors for inherent risk adjustments per industry and questions and alternative responses assuming such a transition. Furthermore, the group's scenario analyses, as described under 'Climate change' (ESRS E1), section 2.1.1.1, are available as background information and for understanding the framework.

The scenario analyses described in the section mentioned above are part of the basis for the group's sustainability strategy, including the goal of net zero GHG emissions by 2050. They also constitute background information for the group's framework such as ESG risk assessments and other climate risk management.

The group's process for losses and loan loss provisions in the loan portfolio does not currently specify losses related to the climate. Through the SpareBank 1 Alliance's competence centre for credit models (KFK), the group's long-term ambition is to gradually introduce climate factors into the IFRS9 loss models such that the development is towards a closer correlation between losses on loans and processes for managing climate risk.

1.4.1.2 Assessments of risks and opportunities in the area of the environment

Pollution (E2 IRO-1)

The topic of pollution is currently considered non-material for SpareBank 1 Sør-Norge as the exposure to corporate customers in industries with known pollution problems is limited. The exposure to this type of impact and associated risk is also limited.

Assessments may change in future periods with increased exposure to financed industries exposed to stricter environmental regulations, but SpareBank 1 Sør-Norge's

exposure to corporate customers exposed to this type of transition risk constitutes a small proportion of the portfolio. It arises from the bank's business model, the entire foundation of which is risk spreading and diversification. A single incident should have to be very severe to impact the entire bank.

Water and marine resources (E3 IRO-1)

The topic of water and marine resources is currently considered non-material for SpareBank 1 Sør-Norge as the exposure to corporate customers in industries with known problems related to water and marine resources is limited.

Assessments may change in future periods with increased exposure to financed industries exposed to stricter environmental regulations or due to dependence on water and marine resources, but the bank's exposure to corporate customers exposed to this type of transition risk constitutes a small proportion of the portfolio. It arises from the bank's business model, the entire foundation of which is risk spreading and diversification. A single incident should have to be very severe to impact the entire bank.

Biodiversity and ecosystems (IRO-1 E4)

This topic is considered non-material for SpareBank 1 Sør-Norge at the time being.

The potential negative impacts that SpareBank 1 Sør-Norge may be linked to via financing operations in industries known for their footprint on biodiversity and ecosystems are caused by other actors. There is no established standard for determining the 'contribution' of those who finance such activities. Nor is there a 1:1 ratio between financing operations in high-footprint industries and actual negative impacts. It depends on where the financed operations are happening (in a vulnerable context or not) and how the company manages the risk of negative impacts. Any contribution made by SpareBank 1 Sør-Norge's financing is, in all probability, limited in each case in terms of negative impacts.

Even though increasing attention is being paid to the importance of nature-related risk for the financial sector, particularly via portfolio exposure, SpareBank 1 Sør-Norge's impacts are currently limited and do not constitute a financially material risk. It arises from the bank's business model, the entire foundation of which is risk spreading and diversification. A single incident would have to be very severe to impact the entire bank.

In contrast to the impacts on the climate, which have a global effect, the (specific) impacts on biodiversity and ecosystems to which SpareBank 1 Sør-Norge can be linked are mainly local.

Europe's largest confirmed deposits of rare earth elements can be found in the market area. Substantial deposits of other minerals that will be important in the green transition have also been confirmed. At this time, there is too much uncertainty about whether, when and how the fields will be exploited, and what impacts this will have for the group.

The topic will garner more attention and be subject to more analysis in SpareBank 1 Sør-Norge in the future, and it is not inconceivable that it will be considered material for future reporting.

Circular economy (E5 IRO-1)

The topic of the circular economy is considered non-material for SpareBank 1 Sør-Norge as this time.

Corporate customers in industries with known waste issues operate within current legislation. Our activities generate relatively little waste and thus waste is a non-material topic, although it is still something we focus on in our environmental management.

Assessments may change in future periods with increased exposure to financed industries exposed to stricter requirements for circular solutions, but SpareBank 1 Sør-Norge's exposure to corporate customers exposed to this type of transition risk constitutes a small proportion of the portfolio. It arises from the bank's business model, the entire foundation of which is risk spreading and diversification. A single incident would have to be very severe to impact the entire bank.

The potential for positive impacts and opportunities for financing businesses that contribute to greater circularity in the economy might in the coming years be a material area and something that we want to contribute to through our sustainable financing. At the moment, we consider this area to be below the threshold for materiality, both in terms of impacts and financial implications for SpareBank 1 Sør-Norge, although this may change in future periods.

1.4.1.3 Assessments of risks and opportunities within business conduct (G1 IRO-1)

Business conduct is included in the group's sustainability strategy with a goal of combating financial crime and ensuring security and transparency throughout our operations.

The group's activities depend on the trust of customers, public authorities and society at large. The group and its employees should be known for having high ethical standards. This means that each of us must conduct ourselves in a manner that is perceived as trustworthy, honest and fair, and in accordance with the standards, rules and laws that are applicable in society and between each employee.

The process for assessing material impacts, risks and opportunities included potential matters linked to business conduct in SpareBank 1 Sør-Norge's activities and value chain. Within business conduct, the topic of anti-corruption is considered material for SpareBank 1 Sør-Norge. The same is true for matters specific to the banking and financial sectors such as anti-money laundering and combating financial crime, including fraud. Cybersecurity/data security is also considered highly relevant.

The actions implemented under the strategy relate to the following objectives:

- SpareBank 1 Sør-Norge has zero tolerance for money laundering, terrorist financing and all other forms of financial crime
- SpareBank 1 Sør-Norge wants to be known for its high ethical standards, openness and solid corporate governance
- SpareBank 1 Sør-Norge will deliver safe, secure IT solutions and use data in a socially useful, fair and ethically sound manner (especially artificial intelligence)
- SpareBank 1 Sør-Norge will safeguard human rights by contributing to openness in supply chains in our own operations and at our customers

Due to the financial sector's role as a facilitator of financial transactions and its role and responsibilities in protecting the integrity of the economy, anti-corruption, combating money laundering and financial crime are key risk areas, both in banking and for accounting firms.

The financial sector in Norway is relatively less exposed to money laundering and financial crime than most other countries, but there is increased attention to this challenge here as well. Corruption is considered to have potentially negative impacts on the economy/society. One risk that has been assessed is that the group, through financial services and customers, may inadvertently contribute, or be directly linked, to money laundering and financial crime.

SpareBank 1 Sør-Norge has a duty to report to the Financial Supervisory Authority of Norway under the Anti-Money Laundering Regulations, and as a financial institution it has a social responsibility to combat financial crime, money laundering the proceeds of crime and terrorist financing. Any failures in anti-money laundering and financial crime procedures could result in material operational risk for SpareBank 1 Sør-Norge. This is both a potential reputational risk that could impact its competitive position and a potential compliance risk, which could result in fines.

SpareBank 1 Sør-Norge's goal is to constantly work towards having the lowest possible money laundering and terrorist

financing risk. This means that the group must have a conservative approach to interpretations of the law, a very strong compliance culture and good systems support, and also continuously improve its management of money laundering and terrorist financing risks.

The financial sector in Norway, and globally, is exposed to increasing cybersecurity threats that have a great potential to have negative impacts on individuals, business and society. Cyber risk is a risk to which the financial sector and financial infrastructure in general is exposed and is a key priority area in the group's risk management. SpareBank 1

Sør-Norge is considered to have potential positive impacts on the economy/society in that the group can actively contribute to preventing breaches of data security that could have very negative consequences for individuals, companies and society.

Assessments made in relation to these material topics are based on the risk that affects us as a financial institution and the authorities' expectations for the financial services industry, as well as, to a great extent, our social responsibility.

1.4.2 Information requirements/data points from other EU legislation covered in the sustainability report

See section 1.4.1 for a description of the process for assessing which data points to report on.

Information requirements/data points	Description	SFDR-# (table #)	Pillar 3	Benchmark regulation	EU climate law	Reference
ESRS 2 GOV-1, 21(d)	Board's gender diversity	13 (1)		x		1.2.1
ESRS 2 GOV-1, 21(e)	Percentage of board members who are independent			x		1.2.1
ESRS 2 GOV-4, 30	Statement on due diligence	10 (3)				1.2.4
ESRS 2 SBM-1, 40(d)(i)	Involvement in activities related to fossil fuel activities	4 (1)	x	x		1.3.1
ESRS 2 SBM-1, 40(d)(ii)	Involvement in activities related to chemical production	9 (2)		x		1.3.1
ESRS 2 SBM-1, 40(d)(iii)	Involvement in activities related to controversial weapons	14 (1)		x		1.3.1
ESRS 2 SBM-1, 40(d)(iv)	Involvement in activities related to cultivation and production of tobacco			x		1.3.1
ESRS E1-1, 14	Transition plan to reach climate neutrality by 2050				x	2.1.1.1
ESRS E1-1, 16(g)	Undertakings excluded from Paris-aligned benchmarks		x	x		2.1.1.1
ESRS E1-4, 34	GHG emission reduction targets	4 (2)	x	x		2.1.3.1
ESRS E1-5, 38	Energy consumption from fossil sources disaggregated by sources					2.1.3.2
ESRS E1-5, 37	Energy consumption and mix					2.1.3.2
ESRS E1-5, 40-43	Energy intensity associated with activities in high climate impact sectors	Non-material				
ESRS E1-6, 44	Gross Scope 1, 2, 3 and Total GHG emissions		x	x		2.1.3.3
ESRS E1-6, 53-55	Gross GHG emissions intensity		x	x		2.1.3.3
ESRS E1-7, 56	GHG removals and carbon credit	Non-material				

Information requirements/data points	Description	SFDR-# (table #)	Pillar 3	Benchmark regulation	EU climate law	Reference
ESRS E1-9, 66	Exposure of the benchmark portfolio to climate-related physical risks			x		2.1.3.4
ESRS E1-9, 66(a)	Disaggregation of monetary amounts by acute and chronic physical risk			x		2.1.3.4
ESRS E1-9, 66(c)	Location of significant assets at material physical risk		Non-material			
ESRS E1-9, 67(c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes			x		2.1.3.4
ESRS E1-9, 69	Degree of exposure of the portfolio to climate-related opportunities			x		2.1.3.4
ESRS E2-4, 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil		Non-material			
ESRS E3-1, 9	Water and marine resources		Non-material			
ESRS E3-1, 13	Dedicated policy		Non-material			
ESRS E3-1, 14	Sustainable oceans and seas		Non-material			
ESRS E3-4, 28(c)	Total quantity of recovered and reused water		Non-material			
ESRS E3-4, 29	Total water consumption in m ³ per net revenue on own operations		Non-material			
ESRS 2- SBM 3 - E4, 16(a) (i)			Non-material			
ESRS 2- SBM 3 - E4, 16(b)			Non-material			
ESRS 2- SBM 3 - E4, 16(c)			Non-material			
ESRS E4-2, 24(b)	Sustainable land/agriculture practices or policies		Non-material			
ESRS E4-2, 24(c)	Sustainable methods or strategies for oceans		Non-material			
ESRS E4-2, 24(d)	Policies to address deforestation		Non-material			
ESRS E5-5, 37(d)	Non-recycled waste		Non-material			
ESRS E5-5, 39	Hazardous waste and radioactive waste		Non-material			
ESRS 2- SBM3 - S1, 14(f)	Risk of incidents of forced labour		Non-material			
ESRS 2- SBM3 - S1, 14(g)	Risk of incidents of child labour		Non-material			
ESRS S1-1, 20	Obligations related to human rights policies					3.1.2
ESRS S1-1, 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		3.1.2

Information requirements/data points	Description	SFDR-# (table #)	Pillar 3	Benchmark regulation	EU climate law	Reference
ESRS S1-1, 22	Processes and measures for preventing trafficking in human beings	Non-material				
ESRS S1-1, 23	Workplace accident prevention policy or management system				3.1.2	
ESRS S1-3, 32(c)	Grievance/complaints handling mechanisms				3.1.2.2	
ESRS S1-14, 88(b)/(c)	Number of fatalities and number and rate of work-related accidents				3.1.3.5	
ESRS S1-14, 88(e)	Number of days lost to injuries, accidents, fatalities or illness				3.1.3.5	
ESRS S1-16, 97(a)	Unadjusted gender pay gap		x		3.1.3.7	
ESRS S1-16, 97(b)	Excessive CEO pay ratio				3.1.3.7	
ESRS S1-17, 103(a)	Incidents of discrimination				3.1.3.8	
ESRS S1-17, 104(a)	Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines				3.1.3.8	
ESRS 2- SBM3 – S2, 11(b)	Material risk of child or forced labour in the value chain	Non-material				
ESRS S2-1, 17	Obligations related to human rights policies	Non-material				
ESRS S2-1, 18	Strategies for value chain workers	Non-material				
ESRS S2-1, 19	Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines	Non-material				
ESRS S2-1, 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Non-material				
ESRS S2-4, 36	Human rights issues and incidents connected to its upstream and downstream value chain	Non-material				
ESRS S3-1, 16	Obligations related to human rights policies	Non-material				
ESRS S3-1, 17	Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Principles or OECD Guidelines	Non-material				
ESRS S3-4, 36	Human rights issues and incidents	Non-material				

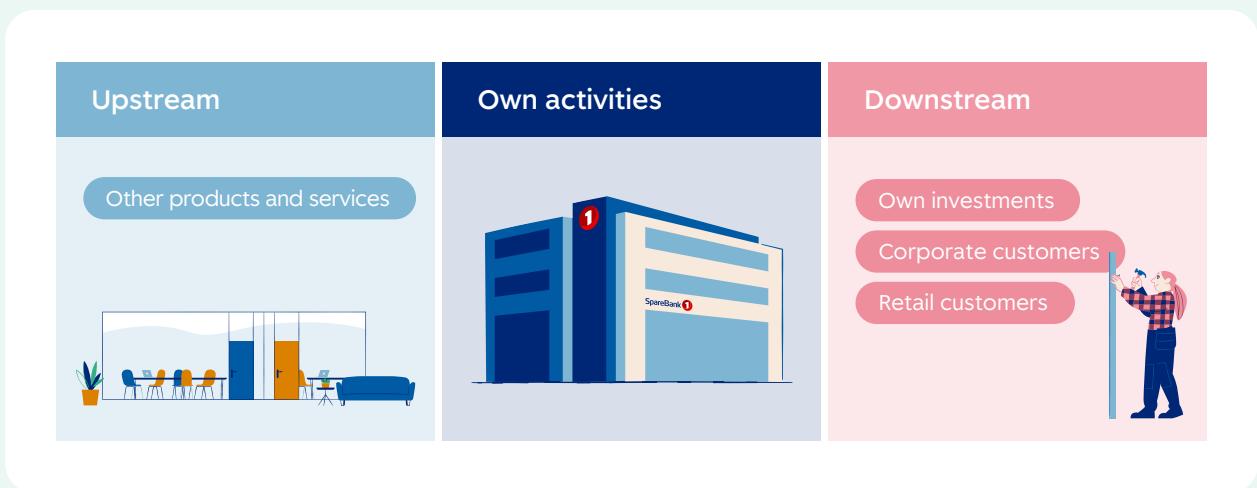
Information requirements/data points	Description	SFDR-# (table #)	Pillar 3	Benchmark regulation	EU climate law	Reference
ESRS S4-1, 16	Policies related to consumers and end-users					3.2.2
ESRS S4-1, 17	Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines			x		3.2.2
ESRS S4-4, 35	Human rights issues and incidents					3.2.2.3
ESRS G1-1, 10(b)	United Nations Convention against Corruption		Non-material			
ESRS G1-1, 10(d)	Protecting whistle-blowers		Non-material			
ESRS G1-4, 24(a)	Fines for violation of anti-corruption and anti-bribery laws			x		4.1.2.4
ESRS G1-4, 24(b)	Standards of anti- corruption and anti- bribery					4.1.2.1

Sustainability: The environment

SpareBank 1 Sør-Norge's double materiality assessment points out one material topic related to the environment:

- Climate change (ESRS E1)

The chapter ends with reporting in line with the EU Taxonomy Regulation.



2.1 Climate change (ESRS E1)

2.1.1 Strategy

As a financial institution, our activities have major impacts on the climate and we are in turn exposed to physical climate risk and climate change policy. Our biggest emissions are related to our lending and financing.

We provide financing for the business sector in Southern Norway, including industries with high climate footprints such as agriculture, oil and gas, shipping and building and construction, and we are also well positioned to contribute positively to these industries' transition.

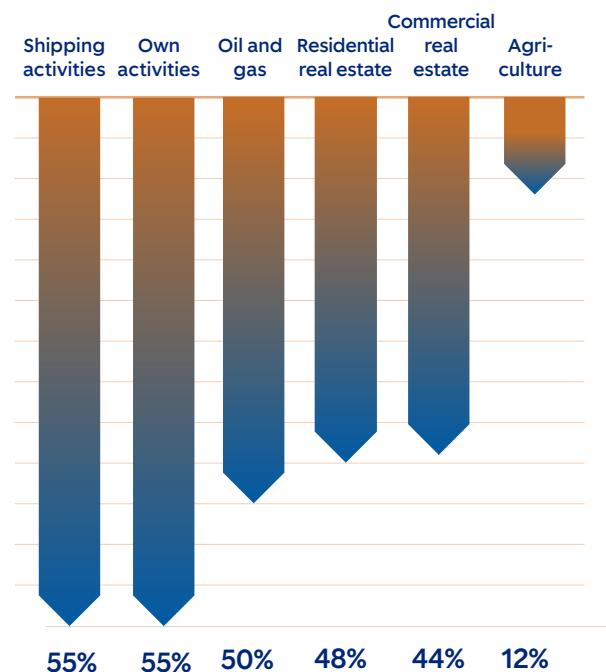
Our material topics in E1

Topic	Sub-topic	Relevant disclosure requirements	Description of areas with material impacts, risks and opportunities*	Link to supply chain and affected stakeholders	Policies
Climate Change	Climate change mitigation	E1-1, SBM-3, E1-2, E1-3, E1-4, E1-5, E1-6	Negative impacts on the climate (actual and potential): <ul style="list-style-type: none">• Direct link to GHG emissions caused by others.• Downstream: Financed emissions through financing corporate customers in industries with a high climate footprint.	Downstream Investors, customers, employees and society	<ul style="list-style-type: none">• Sustainability policy• Sustainability strategy• Transition plan• Standard for sustainability in the corporate market
	Climate change adaptation	SBM-3, E1-2, E1-3, E1-4,	Opportunities from climate change adaptation <ul style="list-style-type: none">• Positive impacts on the climate (potential). Contributing to customers' reduction of GHG emissions and energy consumption.• Retail market: Financing of energy efficiency actions, green homes and electric vehicles.• Corporate market: Financing of the business community to cut emissions and support transition.	Downstream Investors, customers, employees and society	
	Energy		Negative impacts on the climate (actual and potential): <ul style="list-style-type: none">• Direct link to GHG emissions caused by corporate customers in industries with a high climate footprint. Risk Transition risk for the bank's corporate customers in high carbon footprint industries. Risks for the bank: <ul style="list-style-type: none">• Potential credit risk driver• Potential reputational risk that may impact capital costs and/or competitive position.	Downstream Investors, customers, employees, authorities and society	
	Climate change adaptation and mitigation – energy	E1-1, SBM-3, E1-2, E1-3, E1-9,	Positive impacts on climate (potential): <ul style="list-style-type: none">• Contributing to customers' reduction of GHG emissions and energy consumption. Opportunities for SpareBank 1 Sør-Norge: <ul style="list-style-type: none">• Sustainable financing (financing that contributes to reductions in GHG emissions and transition)• Business development (sustainable financing) in both the retail and corporate markets• Expansion of investor universe and positive impacts on capital costs	Downstream Investors, authorities and customers	

2.1.1.1 Transition plan for climate change mitigation (E1-1)

The group's goal is to achieve net zero GHG emissions by 2050, both from own activities and for the loan portfolio. For the most material industries measured in terms of lending volume, GHG emissions and energy consumption, as well as for own activities, specific emission pathways were adopted at the end of the fourth quarter of 2024 for the period up to 2050 (agriculture only up to 2030). Annual targets exist for international shipping, commercial property and residential property, including for 2030 and 2050. Oil and gas have targets for 2030 and 2050, while agriculture only has targets for 2030.

Overview of our interim targets up to 2030



Branch	Goals 2030	Target pathway/ reference
Shipping	55-65% from 2008 level*	Poseidon Principles (Scope 1)
Emissions from own activities, Scope 3***	55% from 2023 level	National climate targets
Oil and gas	50% from 2005 level	Offshore Norway/ Konkraft (Scope 1)
Residential real estate	48% from 2023 level**	CRREM (Scopes 1 and 2)
Commercial real estate	44% from 2021 level**	CRREM (Scopes 1 and 2)
Agriculture	11.5% from 2020 level	Norwegian agricultural climate agreement (Scopes 1, 2 and 3)

* Target pathway is a minimum 55% and ambition in line with 1.5°C 65%

** Different targets apply to different building categories, here the target for office properties is specified for commercial properties and detached houses for residential properties.

*** Scope 1 emissions are to be phased out before 2028, scope 2 emissions are to follow the target pathway by CRREM for office buildings.

The adopted emissions pathways in the group's climate transition plan have been set to conform to the goal of the 1.5°C target. However, they only cover emissions related to the intensity that has been measured and thus do not cover all emissions related to the individual industry. The transition plan is thus not in line with the Paris Agreement's target. The target pathway for oil and gas in the current plan only covers upstream emissions and not the ultimate consumption of the produced fossil energy. The target pathways for industries have been set based on the scenario analyses described in section 2.1.1.2. For other parts of the portfolio without specific target pathways, the targets of net zero by 2050 and 1.5°C apply as in the adopted strategy.

Target pathways will be set for an increasingly large proportion of the loan portfolio in 2025 and 2026, such that a larger proportion of the portfolio will be covered by the transition plan and in the long term will conform to a 1.5°C target.

The target pathways for selected industries will govern the future development of the portfolio. Target pathway status will be reported annually for each industry, for the first time for the reporting year 2024. One of the goals of the transition plan is to improve the quality of data in order to be better able to report on progress and take the actions necessary to deliver on the adopted target pathways such that the climate goals can be achieved. The measures include sustainable and sustainability-related financing that incentivises customers to reduce their emissions, as well as climate accounting and energy certificate requirements.

Several of the industries covered by the transition plan have a risk of embedded carbon emissions because previous investments will lead to emissions in the future due to consumption:

- Commercial property accounts for a significant proportion of the bank's loan portfolio. A large proportion of the building stock will not meet the expectations of future energy standards. It will be challenging to upgrade many of the buildings to adhere to future energy standards with today's solutions/technology and economic conditions. If major rehabilitation/remodelling work has been carried out, it will not be appropriate to upgrade the buildings for a long time. Future EU building directives will also result in requirements to reduce emissions throughout their life cycle, including embedded carbon, which are emissions linked to construction (including residential properties). Clear government guidelines on future energy requirements are needed in order to transition the building stock in line with the target. Actions are taken by requiring energy certificates for buildings and upgrading plans for buildings with energy labels. Through sustainable financing that offers better terms, we are incentivising customers to build in line with future requirements and regulations.
- Residential properties are the bank's largest industry measured in terms of lending. Much of this property will not meet the demands of the future. In many cases, upgrading to meet the demands of the future is not financially justifiable. This is also true in some cases for new builds. Embedded carbon emissions will have to be managed in light of this. Since homes, new builds and renovated buildings have a long service life, this will create a risk of embedded carbon emissions through use in the future. In the case of commercial properties, clear guidance on

future energy requirements will need to be issued by the authorities in order to transition the building stock in line with the target. Incentives must also be put in place in the form of support measures, etc. Actions designed to limit this risk currently involve encouraging mapping the energy standards of homes in order to provide an overview of what will be required in the future. We also incentivise customers to build and upgrade in line with future demands through financing which is offered on better terms.

- Shipping accounts for a large proportion of the emissions from the bank's loan portfolio, and decarbonization technology for the long-distance fleet is currently not widely available. This entails a risk of embedded carbon emissions due to vessels having a service life of 25+ years. There is a great deal of uncertainty about what the propulsion systems of the future will be, and the possibility of investing in the wrong technology may be a big risk for customers. Regulations that will accelerate investments in new technology will also be required. Actions designed to limit this risk include having to try and ensure new buildings are built with a degree of flexibility so that subsequent remodelling is possible at a later date when the technology becomes available. The ongoing improvement of the fleet that cuts GHG emissions is also incentivised, and sustainability loans are provided for zero-emission solutions where possible.
- Oil and gas are obviously an industry in which there is a risk of embedded carbon emissions. If climate targets are to be met, the demand for oil and gas for combustion must drop significantly and to zero by 2050. Meanwhile, these are necessary energy sources in the short and medium term, and probably also the long term, so the bank's actions designed to mitigate the risk of embedded carbon emissions will be closely monitored with expectations of responsible transition. A number of dilemmas are associated with energy security and the fact that it is a very important industry nationally. Climate accounting and reduction requirements are set in line with approved targets that focus on upstream emissions and as of today not end consumption. The target pathway can thus not be said to be in line with the 1.5°C scenario.
- Agriculture is an emissions-intensive industry, largely due to biological processes from which emissions cannot be completely eliminated. However, there are some actions that agriculture must take to reduce emissions. The industry is largely governed via agricultural policy and the transition is dependent on the authorities. Embedded carbon emissions are a risk in this industry in that buildings and equipment, which are often specially designed for specific operations, have long depreciation periods. Actions designed to mitigate risk will include good advice and ensure that long-term investments are made as sustainably as is technologically and economically possible.

The group's transition plan was drawn up in 2023 and 2024 with broad involvement of the group's various divisions. A steering group has been established for the transition plan and future audits. This consists of the Executive Vice President Economy, Finance and Sustainability, Executive Vice President Corporate Market, Executive Vice President Risk Management and Executive Vice President Retail Market, as well as representatives from the sustainability department. Following the approval of the steering group, the transition plan was reviewed by

the group executive management team and the board's audit committee before being approved by the board.

The board completed its review of the transition plan on 19.12.2023. The latest version was approved on 19.12.2024.

Actions designed to mitigate climate change can be divided into reducing emissions in own activities and allocating capital to sustainable activities. A number of actions are being taken in our own activities to reduce emissions. The vehicle fleet will be switched to zero-emission vehicles as part of reducing direct emissions by 100% by 2028. Major investments are also being made in building stock to reduce energy consumption in line with the adopted target pathway. For Scope 3 emissions, where the target is a 55% reduction by 2030 and then by 90-95% by 2050, the environment/sustainability is, as a general rule, weighted in tenders such that emissions are reduced in line with the targets.

As a bank, most of the emissions lie in the loan portfolio, and thus so does the potential for emission reductions. The group has developed a framework based on the EU Taxonomy's definition of sustainable activities with a focus on material contributions (Taxonomy-eligible). One of the goals is to ensure that transition activities and projects that classify in line with the framework account for a growing proportion of the loan portfolio. As at 2024, NOK 35.6 billion of sustainable activities has been financed in the corporate market since 2022, while the net amount outstanding as at 31.12.2024 is 20.5 billion. This includes assets defined as sustainable and, not least, actions designed to limit emissions and thus help meet emission reduction targets. Of the outstanding amount, NOK 2.3 billion is for sustainability-related facilities with specific sustainability KPIs that relate to the margin the company in question is granted for the loan. In addition, as at 31.12.2024, there is NOK 45 billion of sustainable assets in the retail market that provide a total sustainable lending volume of more than NOK 65 billion.

Sustainable lending is investments made by loan customers. Our role as a financial institution is to contribute capital to the transition, where better terms are offered as incentives.

→ **3** The group conducts banking activities and is consequently not excluded from the EU Paris-aligned benchmark. However, parts of the loan portfolio for corporate customers have excluded business activities, see description under 1.4.1.2 Description of the processes to identify and assess material climate-related impacts, risks and opportunities (E1 IRO-1).

2.1.1.2 Material impacts, risks and opportunities, and their link to our strategy and business model (SBM-3)

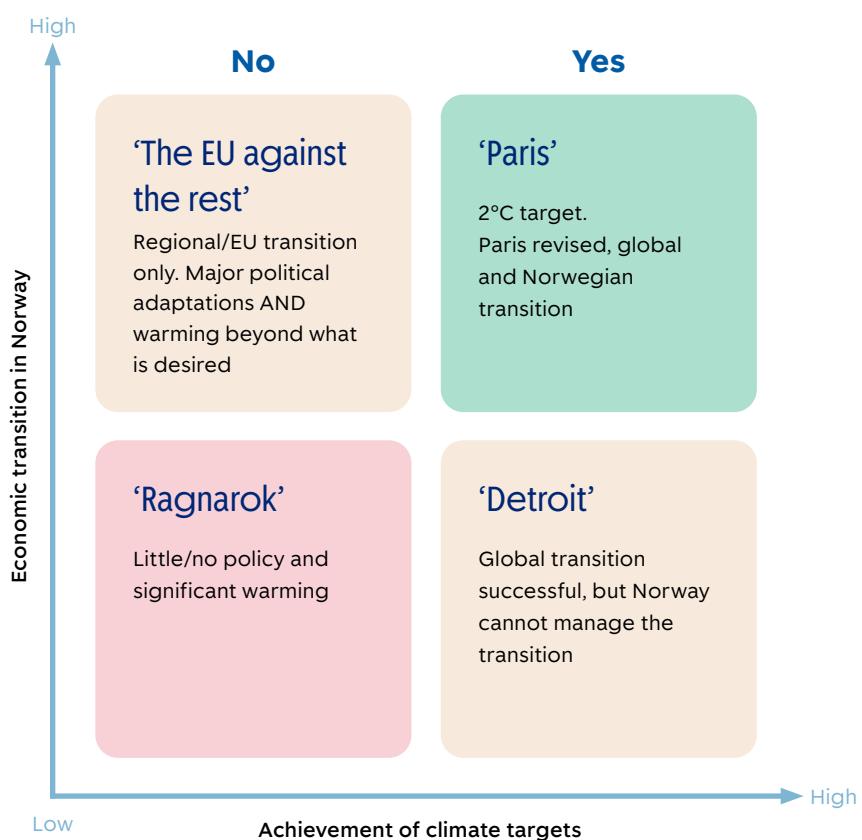
Climate scenarios

A strategic evaluation was conducted of the group's exposure to climate-related risk and how developments in this area will affect the group in the run up to 2030. Both a risk-based assessment and a strategic assessment have been conducted based on four scenarios that address the extent to which we are achieving the global climate target and a successful transition in Norway. The risk-based assessment looks at how the group will be affected in the various scenarios and the potential financial consequences they could have. The strategic assessment looks at which scenario the group should be working towards from a strategic and business perspective.

Nine factors were used to describe each scenario

1. **Political agreements:** Have binding global agreements related to CO2 emissions been signed?
2. **Climate targets:** Are we achieving the climate targets and preventing uncontrolled global warming?
3. **Economic growth:** How will climate change and climate considerations impact economic growth?
4. **Social unrest:** Will we see a significant increase in social unrest, especially in vulnerable areas and countries?
5. **Extreme weather events:** Will we see a significant increase in extreme weather and climate events?
6. **Oil and gas:** Will we see a reduction in global demand for oil and gas?
7. **Green industries:** Will we see greater demand for green energy and green industries?
8. **Consumer behaviour:** Will we see consumer behaviour significantly move in a more sustainable direction?
9. **Norwegian labour market:** Will we see a rise in Norwegian unemployment?

Climate risk development scenarios



The 'Paris' scenario

The group's overarching objectives for climate risk are to adapt to the 'Paris' scenario by 2050 and achieve net zero GHG emissions by 2050 for our financing and investment activities, as well as our own activities. This is in line with what is expected of the business sector in Norway. This is a target that must be realised well into the future and will be a target that changes in the years to come. National obligations (Nationally Determined Contributions (NDC)) under the Paris Agreement will gradually be tightened and the climate strategy must be adapted to such adjustments. Therefore, the strategy must be updated regularly to reflect the most up-to-date objectives.

Despite a decision to work on adapting to a 'Paris' scenario, dilemmas arise given that Norway and the Norwegian business sector, despite good intentions, are apparently not on course to achieving the climate targets. It is challenging for a financial group to lead the way with greater ambitions than the rest of the business sector without risking losing customers and business. It is important to acknowledge this issue and work towards being able to take account of more aspects in the strategic and business work.

The group must be the customer's ally in the sustainability transition, both to ensure customer resilience and, as a result of this, our own resilience too. It will be possible

to employ both incentives and sanctions to influence and steer customers in a more sustainable direction. To date, the group's approach has primarily been to incentivise customers to make sustainable choices and it has set KPIs for the volume of green financing as a means of measuring how the group should orient its loan portfolio in a greener direction. These KPIs are operationalised as part of the business areas' objectives and are monitored on a monthly basis as part of the group's corporate governance.

With regard to the group's portfolio risk, it is also natural to look at the downside risk and try to mitigate this. Unfortunately, access to data that would make it possible to assess the industries and customers that pose a greater transition risk is quite limited. At the moment, these assessments are made at a relatively general level using the ESG framework.

One approach to assessing transition risk in the portfolio will be to look at financed emissions. Since SpareBank 1 Sør-Norge's corporate loan portfolio mainly consists of loans to small and medium-sized enterprises, which do not publish climate reports, these must be calculated using estimates.

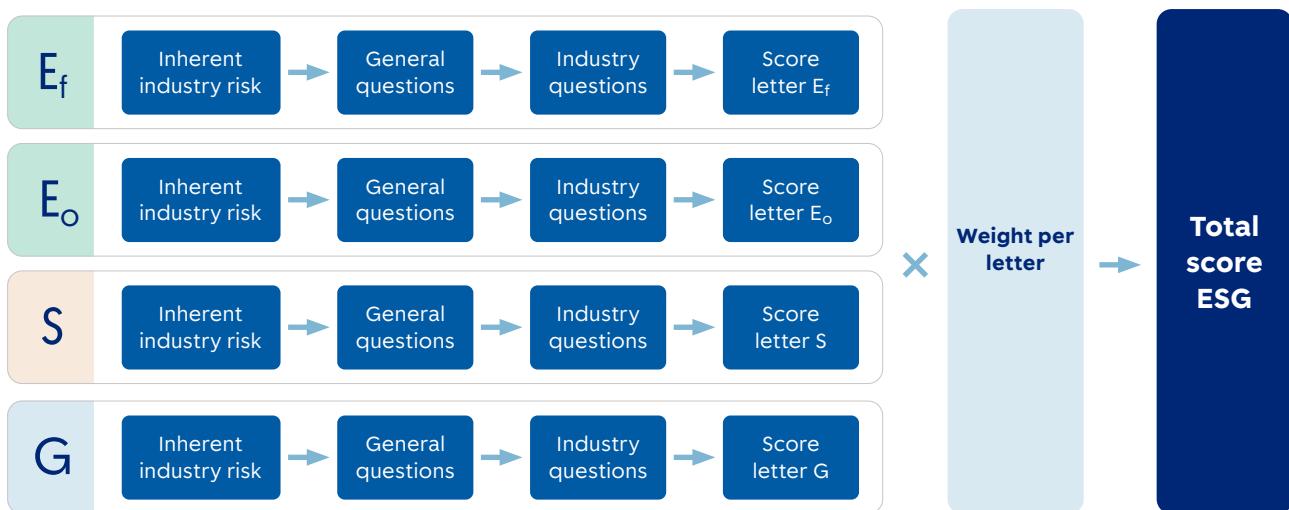
→ See section 2.1.3.1 Targets related to climate change mitigation and adaptation (E1-4) for how we calculate emissions from the loan portfolio

ESG framework

The ESG risk assessment framework for corporate customers is a key element for assessing climate risk in the loan portfolio. All corporate customers with more than NOK 10 million in commitments must be scored in relation to ESG. As at the fourth quarter of 2024, 70% of the corporate

market loan portfolio had been ESG scored. The group's goal is to have scored all commitments of more than NOK 10 million by the end of 2025. Of the corporate lending to customers with commitments of more than NOK 10 million, 97% have been scored in Corporate Market and in Business Banking and Agriculture 71% have been scored.

Covered industries and how they are assessed in the ESG framework:



ESG risk assessments based on the framework take the loan's term as their starting point. Adjustments for inherent risk are made for physical climate risk with a 10-year horizon and a 5-7-year horizon is used for transition risk. The group wants to assess the extent to which it is appropriate to change time horizons such that they harmonise with the definitions in the Accounting Act and ESRS with regard to the short, medium and long term.

The group does not score retail market customers on ESG, although some financed objects, housing and cars, are subject

to sustainability assessments. For housing, this involves analysing energy labels, energy consumption and physical climate risk, and for cars the proportion of electric cars.

→ Measurements of physical climate risk linked to residential mortgages and commercial properties are included in the group's external reporting and are described under 2.1.3.4 Financial risks and opportunities related to climate change (E1-9)

2.1.2 Managing impacts, risks and opportunities

Policies related to climate change mitigation and adaptation (E1-2)

Policies	Description
Sustainability policy	The purpose of SpareBank 1 Sør-Norge's sustainability policy is to integrate sustainability into the bank's business activities and contribute to responsible and sustainable business practices. The policy covers environmental, social and governance (ESG) aspects and is embedded in the group's sustainability and climate strategy. It includes guidelines for environmental improvements, respect for human rights, transparency and preventing financial crime. The policy is revised every year.
Sustainability strategy	SpareBank 1 Sør-Norge's sustainability strategy constitutes an integral part of its corporate strategy and contains the group's overarching sustainability-related ambitions and goals.
	The group's overarching ambition is for us to be "the customer's ally in the sustainability transition" and contains measures for how the group should work towards achieving this.
Transition plan	The group's climate change plan is based on the goal of net zero emissions by 2050. The plan has to explain how we will achieve the target and whether we are on schedule. Currently, there are target pathways for the most material industries. In 2025 and 2026, efforts will be made to develop target pathways for an increasingly large proportion of the portfolio.
	The aim of the transition plan is to ensure that the group has a business model that will withstand the climate change transition.
	The climate change plan is described in more detail in section 2.1.1.1
Standard for sustainability in the corporate market	The purpose of the standard is to provide corporate market advisers with a framework for assessing a company in relation to sustainability and ensuring that the bank assesses the extent to which a customer's business model is sustainable. The standard specifies the guidelines in the sustainability policy and will help the bank develop and implement clearer guidelines and measures for granting credit that take account of global climate challenges.
Energy efficiency	The energy management system ensures continuous control and process improvements that help improve performance and results, and safeguards the climate and environment. On the bank's internal webpages, employees can find more information about the group's environmental management and provide feedback on the group's work on the climate and environment.

* Policies are approved by the board, while the executive vice presidents approves standards in their areas

** Policies marked as employees only are made available on the group's intranet under governance documents. Policies and guidelines marked as public are made available on the group's website.

Responsible*	Covers	Accessibility**	Link to standards
• Executive Vice President Economy, Finance and Sustainability	• Entire group • Business partners are expected to comply with the policy	• Public	• Paris Agreement • UN Sustainable Development Goals
• Executive Vice President Economy, Finance and Sustainability	• Entire group	• Public	• Paris Agreement • UN Sustainable Development Goals
• Executive Vice President Economy, Finance and Sustainability • Executive Vice President Corporate Market	• The entire group, both emissions from own activities and financed emissions	• Public	• Paris Agreement • UN Sustainable Development Goals • For specific industries, the following is complied with: CRREM, Poseidon Principles, Agriculture's climate agreement, Offshore Norway
• Executive Vice President Economy, Finance and Sustainability • Executive Vice President Corporate Market	• All employees who have dealings with the group's corporate customers	• Public • Communicated to customers on the bank's website and in connection with establishing new customer relationships and/or when processing applications for financing.	• Ramsar Convention • UNESCO World Heritage Sites • IUCN Red List of Threatened Species and IUCN's Red List of Ecosystems
• Director of Facility Management	• All employees of SpareBank 1 Sør-Norge	• Employees only	• ISO 14001

e group's website, as well as on the group's intranet under governance documents.

2.1.2.1 Actions and resources in relation to climate change policies (E1-3)

Sub-topic	Desired end result	Actions	Objective
Climate change mitigation	Net zero/climate-neutral group: SpareBank 1 Sør-Norge is actively working to reduce its Scope 1, Scope 2 and Scope 3 emissions in line with the 1.5°C target.	<ul style="list-style-type: none"> Approved and implemented a transition plan for the loan portfolio and own activities* Actions in activities: minimum energy label requirements for office leases, a number of offices are undergoing energy upgrades. Investing in biochar solutions locally to offset parts of the group's emissions. 	Net zero emissions from own activities and loan portfolio by 2050
	Reducing our financed emissions: SpareBank 1 Sør-Norge has committed to adjusting its financing in line with the goals and timelines in the Paris Agreement, in line with limiting the rise in global temperatures to 1.5°C.	<ul style="list-style-type: none"> Adopted own target pathways in the transition plan for the most significant industries (shipping, commercial property and residential property, as well as oil and gas and agriculture, where the latter two are not in line with the 1.5°C target)** Implementation and operationalisation of the transition plan into an action plan during 2025 Added requirements to the credit regulations stating that customers with commitments of NOK 500 million or more must have climate reports in line with the GHG Protocol. A requirement that sustainability considerations must be taken account of in granting credit has been included in the group's credit guidelines. It has also been decided that the group will not provide loans for the most CO2-intensive forms of energy such as coal power and the extraction of tar sands, heavy oil, shale gas or shale oil. Three dedicated positions (business partners) in the sustainability department work with Business Banking and Agriculture, Corporate Market and Retail Market in order to contribute to the transition. Dedicated sustainability resources in the compliance, risk management and competence (HR) departments must also contribute to ensuring compliance with climate policy requirements 	
	Financing the transition: SpareBank 1 Sør-Norge will contribute to the transition by financing sustainable activities and projects	<ul style="list-style-type: none"> Further work will be done in the period up to 2026 on how the bank can best be rigged to effectively contribute to the transition for customers. 	Increased share of loans that qualify under the group's sustainable financing framework
Climate change adaptation	We currently have no points in our strategy concerning climate change adaptation.	<ul style="list-style-type: none"> The group's sustainability department has contributed to a common framework for transition loans in the SpareBank 1 Alliance, which includes transition loans for climate change adaptation. Develop procedures for monitoring physical climate risk and energy efficiency for lending in the retail market, as well as risk mitigation measures that the adviser can discuss with customers. 	We currently have no targets associated with climate change adaptation
Energy	Net zero/climate-neutral group: (see above)	<ul style="list-style-type: none"> The transition plan – own operations, Scope 2 (entire group). See actions for own activities above. 	Net zero emissions from own activities and loan portfolio by 2050

* The quality of the data on emissions from the portfolio is not good enough to say whether there has been a real reduction in emissions, neither in absolute numbers or intensity.

** Apart from Agriculture, which only extends to 2030, the rest are for up to 2050 and in line with the 1.5°C scenario. For other industries that are financed where there are no available emission pathways for compliance with a 1.5°C scenario, except that the transition plan for oil and gas does not cover downstream consumption of fossil energy, the goal of net zero by 2050 still applies.

The above listed actions have not inflicted the group with material capital or operational expenses.

2.1.3 Metrics and targets

2.1.3.1 Targets related to climate change (E1-4)

Net zero emissions from own activities and loan portfolio by 2050

Definition (method)	Emissions from own activities and the portfolio should be in line with the Paris Agreement's 1.5°C target. The impact of actions will be measured by comparing emissions from the loan portfolio and own activities against approved target pathways.
Short-term targets (+/- 1 year)	Reduction in emissions intensity from the loan portfolio
Target achievement status	2024 Decrease from 12 to 8.9 tCO2e per NOK million in lending to the corporate market
Medium-term targets (+/- 5 years)	Achievement of the transition plan's target pathways (requires greater access to data)
Long-term targets (>5 years)	Achievement of the transition plan's target pathways (requires greater access to data)
Baseline	Base year follows the individual target pathway for the loan portfolio and own activities.
Actions	<ul style="list-style-type: none"> • Improve data quality to adequately follow up on the target by increasing the proportion of the portfolio with climate reports • Developing target pathways for an increasing number of industries to cover more of the portfolio

Increased share of loans that qualify under the group's sustainable financing framework

Definition (method)	Share of portfolio classified in line with the framework for sustainable financing Both purpose-specific loans and sustainability-related loans.
Short-term targets (+/- 1 year)	NOK 15 billion in 2024 (former SpareBank 1 SR-Bank)
Target achievement status	2024 NOK 20.5 billion (NOK 18.2 billion former SpareBank 1 SR-Bank)
Medium-term targets (+/- 5 years)	25% of the total loans in the corporate and retail market by 2030.
Long-term targets (>5 years)	Will be set in 2025
Baseline	The framework was approved and implemented in 2022; the baseline is thus 0 in 2021.
Actions	<ul style="list-style-type: none"> • Upskilling of own workforce and sharing business transition knowledge with customers

Increased financing of sustainable activities

Definition (method)	Gross volume (including total volume in syndicates, facilitations, total credit limits).
Short-term targets (+/- 1 year)	Not applicable, the target will not be continued in 2025-
Target achievement status	NOK 65.6 billion.
Medium-term targets (+/- 5 years)	NOK 50 billion.
Long-term targets (>5 years)	Not applicable, the target will not be continued in 2025-
Baseline	0 (2021)
Actions	<ul style="list-style-type: none"> • Not applicable, the target will not be continued in 2025-

2.1.3.2 Energy consumption and mix (E1-5)

Energy consumption and mix	Number	Comments
(1) Consumption from nuclear products	63 MWh	Norwegian power mix, had 1.85 % in 2023. Guarantees of origin have been purchased for 5,973 MWh, the remainder is 3,961 MWh *1.85%
(2) Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, hydrogen from renewable sources, etc.) (MWh)	5,973 MWh	Electricity for which guarantees of origin have been purchased
(3) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,174 MWh	District heating
(4) Consumption of electricity from non-renewable sources	3,961 MWh	Presumed all electricity for which guarantees of origin has not been purchased, deducted of nuclear energy sources
(5) Total energy consumption from renewable sources (MWh)	7,147 MWh	Electricity with guarantees of origin and district heating
Proportion of renewable energy consumption of total	74%	Remote heating is regarded as renewable energy
Energy intensity (MWh/NOK million)	0,01	

Lending to industries with material climate impacts

Industry	Lending as at 31.12.2024 (NOK millions)
Agriculture and forestry	8,727
Aquaculture	5,408
Industry	5,092
Offshore, oil and gas, exploration and production	5,351
Oil services	1,476
Building and construction	13,855
Shipping and other transport	10,376
Renewables, water and waste collection	6,379
Total lending to industries with material climate impacts	56,663
Loans to other industries	83,406
Total lending corporate market	140,072

2.1.3.3 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

The climate report for 2024 covers the merged group and emissions figures have been consolidated. The former two groups have applied different practices and scopes meaning that previous years' reports are not comparable with 2024. This mainly applies to Scope 3, category 1, which includes purchased goods and services, as well as an expansion of Scope 3, category 15 in that investments in companies are included. This applies to associated companies, as discussed in chapter 1.1 and includes ownership share in BN Bank, Odin Forvaltning, SpareBank 1 Kreditt, SpareBank 1 Markets, SpareBank 1 Gruppen and SpareBank 1 Forvaltning.

The boundaries of the overview are as follows:

- Scope 1: All direct emissions related to fuel purchased by the group
- Scope 2: Emissions related to energy purchased by the group, as well as share of common areas, etc. In leased premises.
- Scope 3, Upstream: All emissions related to the group's purchase of goods and services and emissions associated with employee commuting are not included. No emissions from employee commuting apart from air travel are included either.
- Scope 3, Downstream: Financed emissions include lending to customers as described under "Analysis of emissions from corporate loans" chapter 2.1.3.3. Investments are ownership shares in associated companies, and include scope 1 and location based scope 2. The emissions are included based on the ownership share. See ESRS 2 chapter 1.1.

Category	2024 pro forma*	2024*	% change
GHG emissions in tCO2e			
Total Scope 1 emissions	37	28	-
Transport fuel, petrol	17	10	-
Transport fuel, diesel	19	17	-
Bio heating oil	1	0	-
Total Scope 2 (location-based) emissions	193	119	-
Purchased electricity	145	107	-
District heating	48	12	-
Total Scope 2 (market-based) emissions	2,262	1,439	-
Purchased electricity	5,792	4,262	-
District heating	48	12	-
Purchased guarantees of origin for electricity	-3,587	-2,835	-
Total Scope 3 emissions	1,276,048	1,204,966	-
Category 1 Purchased goods and services	19,087	19,087	-
Category 4 Upstream transportation og distribution	12	12	-
Category 5 Waste generated in operations	70	49	-
Category 6 Business traveling (airplane)	879	826	-
Category 15 Investments (lending portfolio)	1,256,000	1,184,000	-
Category 15 Investments (in SpareBank 1 Alliance companies)	993	993	-
Total Scope 1, Scope 2 (location-based) and Scope 3 emissions	1,276,278	1,205,113	-
Total Scope 1, Scope 2 (market-based) and Scope 3 emissions (e.g. PCAF)	1,279,340	1,206,433	-
Emission intensity (market-based)			
Per FTE	540	511	-
By turnover (per NOK million)	96	112	-

Category - tCO2e	2024 pro forma*	2024*	% change
Verified carbon credits biochar. Scope 1	37	37	-
Protection of forest storing CO2	1,072	1,072	-

* 2024 figures are former SpareBank 1 SR-Bank Q1 to Q3 and SpareBank 1 Sør-Norge Q4, while pro forma figures are as if the merger was completed at 01.01.24

The table above shows the group's climate report.

The baseline for the transition plan's goals are set via the appropriate target pathways/reference pathways. It is the individual industry's intensity that is measured and must also follow the adopted target pathway.

The base year is adjusted according to the target paths and will, in the event of any adjustment, be in line with the overall target.

The emissions reduction targets from the loan portfolio are recognised and we have attempted to align them with the 1.5°C scenario. Achieving the goals in the short and long term will depend on developments in society where we as a bank will contribute to financing relevant actions in order to align with the target pathways.

The emission targets for the loan portfolio are intensity-based, and the base year is stated in the individual target pathway/reference pathway with associated interim targets. The target pathways have different base years, but what they have in common is that they are currently the best available approach to a 1.5°C scenario. The target pathways are stated in relevant intensity targets and via the relevant industry in sum/portfolio approach when these will be met for the emission targets for the industry, society and thus the group. Thus, the base year will not change in the event of a material change in the portfolio since the group follows a pathway based on intensity. For example, a reduction in emissions intensity would represent improved energy efficiency, which would lead to lower consumption per m2. This can be done by financing rehabilitation and upgrades that result in better energy efficiency.

Analysis of emissions from corporate loans

In autumn 2021, SpareBank 1 Sør-Norge started analysing emissions levels from corporate loans based on the methodology of the Partnership for Carbon Accounting Financials (PCAF). The analysis is based on calculated inflation and exchange rate adjusted income or balance sheet-based emission factors per general industry code, or per quantity unit (for example, tonnes produced or property area). These are used to calculate greenhouse gas emissions per company before the financial institution's share is then calculated based on the loan to value (LTV) ratio.

The long-term goal is to replace estimated emissions with actual reported emissions. Ideally, in the long term, a third party should verify the emissions of as many enterprises and industries as possible in order to improve the quality of the analysis. This analysis reports emissions obtained for the shipping portfolio linked to the Poseidon Principles reporting for the entire offshore drilling portfolio (included in Offshore in the table below), for substantial parts of the

rest of the offshore portfolio and also for some individual customers.

In the table below, the column "weighted average data quality" describes how accurate the PCAF methodology regards the source data to be. The scale runs from 1 to 5, where 1 is the best. A score of 1 shows the source data is based on figures that have been reported by customers and verified by a third party. For more details, see the table in section 1.2.5.

Scores of 4 and 5 means the source data is based on the use of emission factors as described above. Given the analysis methodology and the use of estimates, the results presented are uncertain and must be regarded as a starting point. Therefore, some significant variation must be expected in measurements of emissions going forward as the group gains greater access to actual emissions data and better methods.

Emissions in line with ordinary rules for the financial statements, where the portfolio from the former SpareBank 1 Sørøst-Norge is included as of October:

BRANCH	Lending in NOK millions	2024 Scopes 1 and 2	2024 Scope 3					
Aquaculture	5,408	290	24.5%	4.0	54.2	132	6.2%	24.6
Industry	5,092	119	10.0%	3.9	24.9	314	14.7%	65.7
Agriculture/forestry	8,727	235	19.8%	3.0	31.7	607	28.4%	82.0
Financing and insurance activities	9,311	2	0.2%	4.3	0.2	12	0.6%	1.4
Business services	5,121	8	0.6%	4.4	1.6	27	1.3%	5.6
Other service activities	11,967	19	1.6%	4.5	1.7	49	2.3%	4.5
Wholesale and retail trade, hotels and restaurants	4,455	17	1.4%	4.3	4.5	91	4.3%	24.5
Oil and gas exploration and production	574	3	0.3%	3.4	5.4	126	5.9%	219.6
Offshore	4,777	117	9.9%	2.5	24.6	62	2.9%	13.0
Oil services	1,476	20	1.7%	3.1	13.4	25	1.2%	17.0
Building and construction	13,855	86	7.3%	4.3	6.6	493	23.1%	38.6
Renewables, water and waste collection	6,379	30	2.5%	3.7	4.7	22	1.0%	3.5
Real estate	52,555	6	0.5%	3.5	0.1	18	0.8%	0.4
Shipping	7,164	79	6.7%	1.7	11.1	64	3.0%	9.0
Other transport and storage	3 212	154	13.0%	4.0	49.7	93	4.3%	29.9
Total corporate market	140,072	1,184	100.0%	3.7	9.0	2,138	100.0%	16.7
Residential, private	235,605	24						
Investments in associated companies	555	20						

Pro forma emissions where the portfolio from both the former SpareBank 1 Sørøst-Norge and the former SpareBank 1 SR-Bank ASA are included for the whole year:

BRANCH	Lending in NOK millions	Estimated emissions from corporate portfolio (tCO ₂ e thousands)	Percentage proportions of emissions	Weighted avg. data quality	Estimated carbon intensity (tCO ₂ e per million NOK of lending)	Estimated emissions from corporate portfolio (tCO ₂ e thousands)	Percentage proportions of emissions	Estimated carbon intensity (tCO ₂ e per million NOK of lending)
Aquaculture	5,408	293	23.3%	4.0	54.2	133	5.7%	24.6
Industry	5,092	127	10.1%	3.9	24.9	335	14.3%	65.7
Agriculture/forestry	8,727	276	22.0%	3.0	31.7	715	30.6%	82.0
Financing and insurance activities	9,311	2	0.2%	4.3	0.2	13	0.5%	1.4
Business services	5,121	8	0.7%	4.4	1.6	29	1.2%	5.6
Other service activities	11,967	21	1.7%	4.5	1.7	54	2.3%	4.5
Wholesale and retail trade, hotels and restaurants	4,455	20	1.6%	4.3	4.5	109	4.7 %	24.5
Oil and gas exploration and production	574	3	0.2%	3.4	5.4	126	5.4%	219.6
Offshore	4,777	117	9.3%	2.5	24.6	62	2.7%	13.0
Oil services	1,476	20	1.6%	3.1	13.4	25	1.1%	17.0
Building and construction	13,855	91	7.3%	4.3	6.6	535	22.9%	38.6
Renewables, water and waste collection	6,379	30	2.4%	3.7	4.7	24	1.0%	3.5
Real estate	52,555	8	0.6%	3.5	0.1	19	0.8%	0.4
Shipping	7,164	79	6.3%	1.7	11.1	64	2.8%	9.0
Other transport and storage	3 212	160	12.7%	4.0	49.7	96	4.1%	29.9
Total corporate market	140,072	1,256	100.0%	3.7	9.0	2,339	100.0%	16.7
Residential, private	235,605	30						
Investments in associated companies	555	20						

Explanations of the table (the one that accompanies the financial statements):

The table is largely based on uncertain estimates due to a lack of emissions figures. It is therefore difficult to say anything definitive about how things have developed or how they will develop. We are working on improving the data quality of emissions figures within the various industries being financed. This picture will only change when a significant proportion of the portfolio submits climate reports.

As the average data quality in the table shows, emissions are calculated based on an income or balance sheet emission factor per industry code. Many shipping and offshore customers have reported actual emissions and the uncertainty for these industries is thus significantly lower. The PCAF methodology also includes loan customers' Scope 3 emissions, which entails a high degree of uncertainty. Furthermore, the methodology primarily uses a location-based power mix, which results in significantly lower emissions than would be the case were a market-based power mix used.

The method for analysing emissions from the agriculture industry is based on agricultural GHG emissions from Norwegian agriculture divided by area, livestock and food production (Platon Report). This methodology for agriculture is included in Finance Norway's "Guide to calculating financed greenhouse gas emissions". This guide is in turn based on PCAF methodology and also comes with some specific recommendations for Norwegian industries.

Greenhouse gas emissions are broken down as emission factors per animal for each species of animal and per acre of cultivated land for each type of crop. Data per farmer about the number of animals and area of cultivated land are obtained from publicly available sources and multiplied by the emission factors and LTV ratio. This method results in a data quality rating of 3 for agriculture/forestry, compared with a score of 5 for the method that uses PCAF factors.

For property (corporate customers), the methodology is based on estimated electricity consumption per property, using energy labels where available, as well as building type and floorspace. The majority of properties still lack an energy label and the data quality is thus low.

The methodology generally uses estimated energy consumption and GHG emissions obtained from Eiendomsverdi for residential properties. For homes without such an estimate, PCAF factors are used in the same way as for property.

The weighted average data quality changed little from 2023 to 2024. The fact that a small number of major customers produce climate reports with a data quality of 1 or 2 means that customer departures and new customers in this group can affect the data quality for an individual industry from one year to another. In the longer term, data quality is expected to improve due to more customers producing climate reports and improvements in the methodology used for other customers.

For some industries, the guidance on calculating financed GHG emissions recommends that methods other than PCAF emissions factors be used. This is because the source data for these industries has major weaknesses and the new industry code-based emission factors result in extreme values.

- Renewable energy production
- Oil and gas upstream
- Oil services

For all three industries where there are major deviations, the general recommendation is to rely on average emission factors calculated on the basis of actual reported data from stakeholders in the relevant industry.

In terms of carbon intensity (tCO₂e thousands per million NOK of lending), the table shows that emission-intense industries such as the oil and gas, exploration and production, offshore and oil services industries are not the highest. This is because their emissions in terms of the size of the companies are not particularly high. Property produces low emissions despite high lending, and this is due to the low emissions from the Norwegian location-based electricity mix.

The group considers Scope 3 estimates to be significantly more uncertain than Scopes 1 and 2, and consequently these are expected to change significantly going forward.

The two largest sources of emissions are aquaculture, which accounts for 24.5% of total emissions in the portfolio, and agriculture (farming/forestry), which accounts for 19.8%. Consequently, it is these two industries that are the main drivers behind the group's GHG gas emissions.

A significant proportion of the shipping portfolio is covered by the ambitions for reductions in emissions set out in the Poseidon Principles. The Poseidon Principles provide the basis for the group's improvement work within shipping. Poseidon reporting from the fourth quarter of 2024, which covers the full year 2023, shows that emissions from the group's portfolio were 9.7% higher than the target. Nevertheless, this is among the best results for Poseidon banks. The target is now net zero emissions by the end of 2050.

Emissions in line with ordinary rules for the financial statements, where the portfolio from the former SpareBank 1 Sørøst-Norge is included as of October:

2024		Location-based Scopes 1 and 2		Market-based Scopes 1 and 2	
Location-based versus market-based electricity mix	Lending in NOK millions	Estimated emissions (tCO ₂ e thousands)	Carbon intensity (tCO ₂ e per million NOK of lending)	Estimated emissions (tCO ₂ e thousands)	Carbon intensity (tCO ₂ e per million NOK of lending)
Real estate (corporate market)	52,555	6	0.1	222	5.9
Residential, private	235,605	24	0.1	844	4.6

Pro forma emissions where the portfolio from both the former SpareBank 1 Sørøst-Norge and the former SpareBank 1 SR-Bank ASA are included for the whole year:

2024		Location-based Scopes 1 and 2		Market-based Scopes 1 and 2	
Location-based versus market-based electricity mix	Lending in NOK millions	Estimated emissions (tCO ₂ e thousands)	Carbon intensity (tCO ₂ e per million NOK of lending)	Estimated emissions (tCO ₂ e thousands)	Carbon intensity (tCO ₂ e per million NOK of lending)
Real estate (corporate market)	52,555	8	0.1	312	5.9
Residential, private	235,605	30	0.1	1,075	4.6

The group will consider including calculated emissions from the liquidity portfolio in the future. These have not been calculated for 2024. The liquidity portfolio amounts to NOK 62.7 billion and is mainly invested in securities issued by financial institutions and municipalities.

The method for calculating upstream emissions (see separate downstream/loan portfolio description in chapter 2.1.3.1) is based on both activity-based data where available and expenditure where appropriate. Scope 3, category 1 is based on accounting figures for the 2024 financial year where items have been broken down into different categories that are assigned an emission factor. Activity-based emissions are calculated using factors per unit/quantity and performed using the climate cost tool.

The method will have to be coordinated due to the merger between the former SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge.

Guarantees of origin

Guarantees of origin are purchased for electricity generated using renewable sources and consumed in our own and leased premises where SpareBank 1 Sør-Norge is the registered meter owner. The proportion is 61.8%.

Scope 3 data

SpareBank 1 Sør-Norge reports on the following categories in Scope 3: Categories 1, 4, 5, 6 and 15

Percentage of GHG Scope 3 calculated using primary data

Upstream 4 %

Downstream 0 % / not known

Employee commuting has been omitted as this is considered to be outside the group's emissions accounts. Arrangements have been put in place that enable employees and visitors to use bicycles, walk and take public transport.

The delimitation is upstream emissions from own activities, excluding employee commuting. The calculation method is activity and expenditure based.

See climate accounting in section 2.1.3.3.

2.1.3.4 Financial risks and opportunities related to climate change (E1-9)

Climate stress test

The group believes it is most appropriate to climate stress test a disorderly transition with abrupt increases in carbon

Conceptual summary of the stress test with a disorderly climate transition:



taxes and low oil prices, and where losses in the loan portfolio are key. The goal is to test resilience with a significant abrupt shift in the transition rate in the area of sustainability. The latest version was completed in connection with year end 2024. Such stress testing corresponds to the approach of the European Central Bank (ECB), which has a short-term stress scenario based on the scenarios in the Network for Greening the Financial System (NGFS):

The ECB stress test thus simulates how a sharp and unexpected increase in carbon taxes would impact the macro variables, which the group also uses in its internal stress test model.

Like the ECB's, the Financial Supervisory Authority of Norway's climate stress testing takes into account the NGFS's scenarios. It uses the same starting point as the ECB, namely a sudden, disorderly increase in carbon prices with the associated impact on macro variables. These macro variables are therefore used as a basis for the group's climate stress test.

Regional adjustments in the stress test of a disorderly climate transition

From a historical perspective, the group is more exposed to shocks in oil and gas due to its geographical locations and loan portfolio composition, although this relative exposure has been reduced by the merger and establishment of SpareBank 1 Sør-Norge ASA. The former SpareBank 1 Sørøst-Norge did not have loans to these industries. Seen in isolation, this additional exposure may indicate that the group is more vulnerable to a significant abrupt shift than national macro variables would suggest. At the same time, the region has demonstrated great transition capacity and a high level of competence that can be utilised in an abrupt transition. Some regional adaptations in line with the green transition can already be seen in the supply industry in Rogaland. A conservative overall assessment indicates a discretionary regional supplement of 20% for a fall in house prices and commercial property, as well as increased unemployment compared with the macro variables published by the Financial Supervisory Authority of Norway.

Other adjustments based on inherent industry risk and actual ESG risk assessments

The group's ESG risk assessment framework for corporate customers includes a score adjustment in order to reflect how various industries are exposed to transition risk (low, moderate and high). In fact, the stress test uses actual commitment-level scores along with inherent industry risk to produce an industry multiplier.

The climate stress test is conducted in connection with ICAAP and is conducted as a financial projection of a number of key figures. The economic recession, the stress period, lasts for 5 years while the sixth year is a normal recession, and is therefore excluded from the analysis.

The result of the stress test is losses that do not materially impair the group's financial strength.

Sustainability and climate change is an ever-evolving area. In recent years, there has been a greater focus on – and gradually higher expectations of – how businesses will handle this, especially in terms of climate risk. This is likely to continue going forward, meaning it is important that companies demonstrate their ability to adapt strategies and business models to these changes.

The development of the group's sustainability strategy has already been through several phases in order to adapt to the growing awareness and real-life understanding of climate change. The development of climate targets and transition plans are examples of how the group has adapted its strategy to new knowledge and new standards within sustainability, especially in terms of the climate.

The potential effects on the group's future financial performance and position are thus tested in a number of ways including through climate stress testing. Furthermore, the group's credit risk framework, which includes the ESG risk framework, has been merged such that industry and concentration risk or other customer-specific conditions that may result in individual losses that materially impair the group's profitability or financial position never arise.

Physical climate risk assessments

As described in the financial risk section in section 1.4.1, the group considers physical climate risk relevant for the mortgage portfolio for residential and commercial properties, and this is measured against defined materiality limits or trigger points.

The status of residential mortgages at the end of 2024 is that 15.6% of lending is exposed to physical climate risk. Stormwater is the risk factor with the greatest impact with 11.3%.

This figure includes exposure to multiple levels of risk, including moderate risk. It is also reasonable to assume that many building owners have taken measures to protect their buildings against the risk, which the analysis does not capture. It will also not account for local vegetation or terrain details that could prevent a landslide, and the risk of avalanches is lower than modeled in some areas because local climate is not adequately considered. Hazard data for quick clay is based on a limited number of boreholes and is therefore likely underestimated in certain vulnerable areas. To the extent that a pledged asset is exposed to real physical climate risk, this will only pose a direct risk to the bank in situations or events not covered by the borrower's insurance.

Distribution of loans for residential properties based on physical climate risk score:

Risk score	Loans, residential property (NOK mill)
0	117,042
1	47,702
2	45,965
3	16,695
4	14,106
5	3,956
6	4,660
Without a score	2,412
Total	252,539

Distributions of loans for residential properties based on the various physical risk factors:

Risk factors	Loans (NOK mill)
Not exposed to risk	213,122 84.4%
Exposed to risk	
- Stormwater	28,641 11.3%
- Sea level, storm surge	6,577 2.6%
- Flooding	2,321 0.9%
- Quick clay slide	3,079 1.2%
- Avalanche and rockslide	873 0.3%
Total exposed to risk	39,417 15.6%
Total loans, housing	252,539 100.0%

Distribution of loans to commercial properties and housing cooperatives

Risk factors	Loans (NOK mill)	
Not exposed to risk	48,665	92.3%
Exposed to risk		
– Sea level, storm surge	2,317	4.4%
– Flooding	1,231	2.3%
– Quick clay slide	600	1.1%
– Avalanche and rockslide	244	0.5%
Total exposed to risk	4,070	7.7%
Total	52,735	100.0%

Please also note that the figures in the table for residential properties, commercial properties and housing cooperatives based on the mortgaged properties, show the size of loans associated with these. Normally, properties are secured with other security in addition to the property mortgage. Furthermore, there is often a many-to-many ratio between loans, mortgaged properties and other security. This means that the calculation behind the total loans related to each individual property exposed to risk is comprehensive. The analysed commercial properties include both real estate owned by real estate companies, and that can thus be linked to the Real Estate sector in the financed greenhouse gas emissions table, and real estate owned by other businesses.

Distribution of loans to residential properties across official and estimated energy labels:

Energy label (NOK million)	Official	Estimated	Total
A	3,560	1,289	4,849
B	17,723	20,729	38,452
C	14,759	12,847	27,606
D	16,622	19,889	36,510
E	17,071	22,470	39,540
F	18,917	12,534	31,451
G	25,390	21,092	46,482
Without	27,647	1	27,648
Total	141,688	110,850	252,539

These analyses of physical climate risk are not yet used as direct input for the group's climate scenarios.

Distribution of loan portfolio by residential and commercial properties and energy labels

The loan portfolio for residential and commercial buildings is exposed to transition risk, and a key factor in this context is the distribution of energy labels. Please note that these lending figures cannot be directly reconciled against accounting figures for the same reason described under the analysis of physical climate risk above. The composition is as follows:

The proportion of loans for homes that lack both official and estimated energy labels (from Eiendomsverdi) is thus around 11%.

Commercial property:

Energy label	Loans NOK millions	Proportions
A	2,261	4 %
B	6,782	13%
C	4,837	9%
D	6,895	13%
E	3,049	6%
F	2,408	5%
G	2,117	4 %
Without	24,387	46%
Total	52,735	100%

In the case of commercial properties, there are only official energy labels, and the proportion of loans without an energy label is around 46%.

Transition risk assessment

The ESG risk assessment framework is key in assessments of the group's transition risk. It is the corporate customers' loan portfolio that is considered essential in terms of transition risk, and this framework is the key tool used for mapping. This survey is not yet used as direct input for the climate scenarios.

The group has assessed which industries in the loan portfolio are material in terms of transition risk, an analysis that provides the basis for the group's transition plan, as described under section 2.1.1.1 Transition plan for climate change mitigation.

The group has no loans to companies within coal mining or coal-fired power plants. For further details on the group's loans to companies in industries with high transition risk, refer to the description of transition risk including the table in ESRS 2 Chapter 1.4.1.1 Assessment of climate risks and opportunities.

2.2 EU Taxonomy Regulation

The Sustainable Finance Act enacts the EU Taxonomy Regulation and the Disclosure Regulation. The institutions covered by the Taxonomy Regulation are primarily subject to a reporting obligation that in the case of financial institutions is referred to as the Green Asset Ratio (GAR).

The purpose of the GAR is to illustrate how large proportion of the bank's portfolio complies with the Taxonomy's criteria. From and including the annual financial statements for 2023, the group has reported its GAR in line with the implementation of the Taxonomy in Norway.

Financial institutions must include their loans to corporate customers required to report in line with the EU Taxonomy, so-called NFRD companies, and build on their Taxonomy reports. The group had no such customers as at the end of 2024. The rules specifying who is required to report in line with the EU Taxonomy will change from 2025. The group is expecting a larger number of customers to be included from that moment on and who will therefore have to be included in the group's Taxonomy reporting. From 2026 onwards, the group will collect actual reported data from these customers. The bank has significant loan volumes to counterparties that are not subject to reporting requirements, loans that are otherwise assumed to meet the criteria in the EU taxonomy. The bank's framework for sustainable financing is aligned with the EU taxonomy where possible. For details on loan volumes in line with this framework, refer to Chapter 2.1.3.1 Targets related to climate change.

The group's numerator in the green fraction thus consists of eligible mortgages. For homes with construction years before 2021, the EU Taxonomy defines eligible homes in a country as the 15% most energy efficient. The group uses homes built in accordance with the TEK10 and TEK17 technical regulations classified as green pursuant to the Taxonomy, identified as built during the construction years 2012-2020 (based on an assumption that buildings applied TEK 10 instead of TEK07 starting in 2012). Homes with construction years prior to 2012 with an energy label of A or B are also classified as Taxonomy green. Homes with construction years from and including 2021 must comply with the defined requirements for zero emission buildings -10%

in order for them to be eligible under the Taxonomy, which in most cases means having an energy label of A. Homes without a known construction year are excluded, regardless of their energy label.

This methodology has changed from 2023, the first year the group reported its green fraction. The 2023-methodology assumed that the homes had to have an official energy label in order to be eligible and, since the majority of Norwegian homes lack such an energy label, the green fraction for loans with collateral in homes was, seen in isolation, low at just 8.2%. In principle, a bank that finances a representative sample of Norwegian homes should have a GAR of about 15% for homes with a construction year of before 2021, seen in isolation. New methodology from 2024 defines the top 15% of energy-efficient homes based on an analysis of national figures for homes, and where the result is as described in the section above.

Loans for zero-emission vehicles are not considered eligible under the Taxonomy. This is because the Taxonomy requirement to do no significant harm to other environmental objectives includes specific requirements for tyres and no data on the tyres of financed vehicles is available.

In the years to come, the green fraction is expected to edge upwards, partly due to a slight increase in Taxonomy green homes and partly due to the fact that a moderate proportion of corporate customers have a duty to report and will consequently become part of the basis for the group's Taxonomy reporting.

The group also includes non-financial subsidiaries and it, therefore, also reports using forms for KPIs for non-financial institutions. There were no economic activities in the non-financial subsidiaries in 2024 that are covered by the Taxonomy and are not internal to the group. Therefore, 100% of the turnover, investment costs and operating costs for 2024 are reported as not covered by the Taxonomy under KPIs for non-financial institutions.

The group's green fraction accounts for 8.1% of the basis. Details are shown in the following detailed Taxonomy tables:

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

Main KPI	Green asset ratio (GAR) stock	Total environmentally sustainable assets (million NOK)	KPI***	KPI****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
		41 683	8,1%	8,1%	96,4 %	42,1 %	3,6 %
Additional KPIs	GAR (flow)	Total environmentally sustainable activities (million NOK)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
	Trading book*	12 018	1,7 %	1,7 %	96,4 %	89,4 %	3,6 %
	Financial guarantees						
	Assets under management						
	Fees and commissions income**						

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

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

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

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

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

1. Assets for the calculation of GAR

	a	b	c	d	e	f	g	h	i	j	k
	NOK million Total [gross] carrying amount	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and...		
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which...
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HTT eligible for GAR calculation	291 055	257 431	41 683	41 683	-	-	-	-	-	-
2	Financial undertakings										
3	Credit institutions										
4	Loans and advances										
5	Debt securities, including UoP										
6	Equity instruments										
7	Other financial corporations										
8	of which investment firms										
9	Loans and advances										
10	Debt securities, including UoP										
11	Equity instruments										
12	of which management companies										
13	Loans and advances										
14	Debt securities, including UoP										
15	Equity instruments										
16	of which insurance undertakings										
17	Loans and advances										
18	Debt securities, including UoP										
19	Equity instruments										
20	Non-financial undertakings										
21	Loans and advances										
22	Debt securities, including UoP										
23	Equity instruments										
24	Households	291 055	257 431	41 683	41 683						
25	of which loans collateralised by residential immovable property	257 462	254 762	41 683	41 683						
26	of which building renovation loans										
27	of which motor vehicle loans										
28	Local governments financing										
29	Housing financing										
30	Other local government financing										
31	Collateral obtained by taking possession: residential and commercial immovable properties										
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	225 774									
33	Financial and Non-financial undertakings	192 051									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	190 711									
35	Loans and advances	138 961									
36	of which loans collateralised by commercial immovable property	54 018									
37	of which building renovation loans										
38	Debt securities	49 956									
39	Equity instruments	1 795									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1 339									
41	Loans and advances	1 339									
42	Debt securities										
43	Equity instruments										
44	Derivatives	13 160									
45	On demand interbank loans	8 160									
46	Cash and cash-related assets	111									
47	Other categories of assets (e.g. Goodwill, commodities etc.)	12 292									
48	Total GAR assets	516 829	257 431	41 683	41 683	-	-				
49	Assets not covered for GAR calculation	19 204									
50	Central governments and Supranational issuers	18 877									
51	Central banks exposure	327									
52	Trading book										
53	Total assets	536 033	257 431	41 683	41 683	-	-				
Off-balance sheet exposures -											
54	Financial guarantees										
55	Assets under management										
56	Of which debt securities										
57	Of which equity instruments										

1. Assets for the calculation of GAR, continues

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as			
NOK million	Total [gross] carrying amount	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			Water and marine resources (W)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)								
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling			
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	179 269	159 367	26 808	26 808	-	-									
2	Financial undertakings															
3	Credit institutions															
4	Loans and advances															
5	Debt securities, including UoP															
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	Non-financial undertakings															
21	Loans and advances															
22	Debt securities, including UoP															
23	Equity instruments															
24	Households	179 269	159 367	26 808	26 808											
25	of which loans collateralised by residential immovable property	156 704	156 704	26 808	26 808											
26	of which building renovation loans															
27	of which motor vehicle loans															
28	Local governments financing															
29	Housing financing															
30	Other local government financing															
31	Collateral obtained by taking possession: residential and commercial immovable properties															
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	185 534														
33	Financial and Non-financial undertakings	159 302														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	158 065														
35	Loans and advances	109 479														
36	of which loans collateralised by commercial immovable property	42 661														
37	of which building renovation loans	-														
38	Debt securities	47 181														
39	Equity instruments	1 405														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1 237														
41	Loans and advances	1 237														
42	Debt securities	-														
43	Equity instruments	-														
44	Derivatives	16 236														
45	On demand interbank loans	2 230														
46	Cash and cash-related assets	87														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	7 679														
48	Total GAR assets	364 804	159 367	26 808	26 808											
49	Assets not covered for GAR calculation	13 758														
50	Central governments and Supranational issuers	13 547														
51	Central banks exposure	210														
52	Trading book															
53	Total assets	378 561	159 367	26 808	26 808	-	-									
54	Financial guarantees															
55	Assets under management															
56	Of which debt securities															
57	Of which equity instruments															
Off-balance sheet exposures -																
54	Financial guarantees															
55	Assets under management															
56	Of which debt securities															
57	Of which equity instruments															

2. GAR sector information

Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d	e	f	g	h	i	j	k	l	m				
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Non-Financial (Subject to NFRD)				
	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Mn NOK	Of which environment ally sustainable (CCM)	Mn NOK	Of which environment ally sustainable (CCA)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK
[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount									
Mn NOK	Of which environment ally sustainable (CCM)	Mn NOK	Of which environment ally sustainable (CCA)	Mn NOK	Of which environment ally sustainable (CCA)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK	Of which environment ally sustainable (WTR)	Mn NOK	Of which environment ally sustainable (WTR)
1																	
2																	
3																	
4																	
...																	

*As SpareBank 1 Sør-Norge ASA do not have any eligible or aligned exposures towards corporate customers, form 2 of the EU taxonomy, "GAR - Sector information" is empty.

3. GAR KPI stock

% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m		
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Non-Financial (Subject to NFRD)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	
GAR - Covered assets in both numerator and denominator															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	88,4 %	14,3 %	14,3 %	0,0 %	0,0 %										
2 Financial undertakings	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %										
3 Credit institutions															
4 Loans and advances															
5 Debt securities, including UoP															
6 Equity instruments															
7 Other financial corporations															
8 of which investment firms															
9 Loans and advances															
10 Debt securities, including UoP															
11 Equity instruments															
12 of which management companies															
13 Loans and advances															
14 Debt securities, including UoP															
15 Equity instruments															
16 of which insurance undertakings															
17 Loans and advances															
18 Debt securities, including UoP															
19 Equity instruments															
20 Non-financial undertakings															
21 Loans and advances															
22 Debt securities, including UoP															
23 Equity instruments															
24 Households	88,4 %	14,3 %	14,3 %	0,0 %	0,0 %										
25 of which loans collateralised by residential immovable property	99,0 %	16,2 %	16,2 %	0,0 %	0,0 %										
26 of which building renovation loans															
27 of which motor vehicle loans	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %										
28 Local governments financing															
29 Housing financing															
30 Other local government financing															
31 Collateral obtained by taking possession: residential and commercial immovable properties															
32 Total GAR assets	49,8 %	8,1%	8,1%	0,0 %	0,0 %										

3. GAR KPI stock, continues

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	88,9 %	15,0 %	15,0 %	0,0 %	0,0 %							
2	Financial undertakings	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %							
3	Credit institutions												
4	Loans and advances												
5	Debt securities, including UoP												
6	Equity instruments												
7	Other financial corporations												
8	of which investment firms												
9	Loans and advances												
10	Debt securities, including UoP												
11	Equity instruments												
12	of which management companies												
13	Loans and advances												
14	Debt securities, including UoP												
15	Equity instruments												
16	of which insurance undertakings												
17	Loans and advances												
18	Debt securities, including UoP												
19	Equity instruments												
20	Non-financial undertakings												
21	Loans and advances												
22	Debt securities, including UoP												
23	Equity instruments												
24	Households	88,9 %	15,0 %	15,0 %	0,0 %	0,0 %							
25	of which loans collateralised by residential immovable property	100,0 %	17,1 %	17,1 %	0,0 %	0,0 %							
26	of which building renovation loans												
27	of which motor vehicle loans	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %							
28	Local governments financing												
29	Housing financing												
30	Other local government financing												
31	Collateral obtained by taking possession: residential and commercial immovable properties												
32	Total GAR assets	43,7 %	7,3 %	7,3 %	0,0 %	0,0 %							

4. GAR KPI flow

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

5. KPI off-balance sheet exposures

	a	b	c	d	e	f	g	h	i	j	k	l
% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources		
	Proportion of total covered assets funding		Proportion of total covered assets			Proportion of total covered assets		Proportion of total covered assets		Proportion of total covered assets		Proportion of total covered assets
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)												
2 Assets under management (AuM KPI)												

KPIs for non-financial institutions

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024				Substantial contribution criteria			
Economic Activities	Code	Turnover	Proportion of Turnover, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	
Text		NOK millions	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1. Environmentally sustainable activities (Taxonomy-aligned)								
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0 %					
Of which enabling								
Of which transitional								
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (-)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0 %					
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		-	0 %					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
Turnover of Taxonomy- non-eligible activities		1 002	100 %					
TOTAL		1 002	100 %					

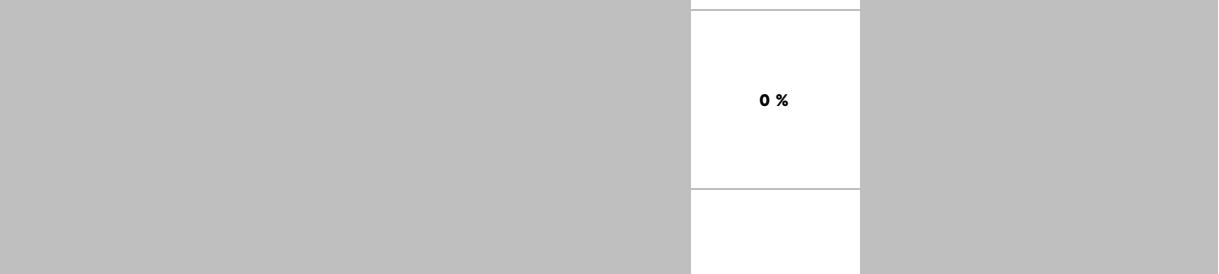
m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
2024																	
ources (WTR)	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
red assets	Proportion of total covered assets			Proportion of total covered assets			Proportion of total covered assets			Proportion of total covered assets funding							
total covered	Proportion of total covered			Proportion of total covered			Proportion of total covered			Proportion of total covered assets							
ch	Of which		Of which		Of which		Of which		Of which		Of which		Of which		Of which		
d	enabling		Use of Proceeds		enabling		Use of Proceeds		enabling		Use of Proceeds		transition al		enabling		

ria		DNSH criteria ("Does Not Significantly Harm")											
Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or-eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity		
Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
									0 %				
										E	T		
EL; N/EL	EL; N/EL								0 %				

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities
- disclosure covering year 2024

Financial year 2024		2024			Substantial contribution criteria			
Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	
Text		NOK millions	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1. Environmentally sustainable activities (Taxonomy-aligned)								
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)				-	0 %			
Of which enabling								
Of which transitional								
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)					EL; N/EL	EL; N/EL	EL; N/EL	
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				-	0 %			
A. CapEx of Taxonomy-eligible activities (A.1+A.2)				-	0 %			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
CapEx of Taxonomy- non-eligible activities				-	%			
TOTAL				-	0 %			

		DNSH criteria ("Does Not Significantly Harm")									
Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy- aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
									0 %		
										E	T
EL; N/EL	EL; N/EL								0 %		



Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities
- disclosure covering year 2024

Financial year 2024		2024			Substantial contribution criteria			
Economic Activities	Code	OpEx	Proportion of OpEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	
Text		NOK millions	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1. Environmentally sustainable activities (Taxonomy-aligned)								
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			- 0 %					
	Of which enabling							
	Of which transitional							
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			- 0 %					
A. OpEx of Taxonomy-eligible activities (A.1+A.2)			- 0 %					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
OpEx of Taxonomy- non-eligible activities		220	100 %					
TOTAL		220	100 %					

Template 1 Nuclear and fossil gas related activities

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

ria		DNSH criteria (“Does Not Significantly Harm”)											
Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy- aligned (A.1) or-eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity		
Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
									0 %				
										E	T		
EL; N/EL	EL; N/EL								0 %				

Sustainability: Social sustainability

SpareBank 1 Sør-Norge's double materiality assessment highlights two material topics within social matters:

- Own workforce (ESRS S1)
- Consumers and end-users (ESRS S4)



3.1 Own workforce (ESRS S1)

3.1.1 Strategy

3.1.1.1 Material impacts, risks and opportunities, and their link to our strategy and business model(SBM-3)

SpareBank 1 Sør-Norge strives to be an attractive place to work that attracts and retains talented people, and facilitates development, well-being and engagement in the organisation. To ensure successful professional and personal development, we take a strategic approach to ensure that we have the expertise necessary to meet current and future needs. A corporate culture marked by trust, cooperation and sharing competence facilitates performance and ownership of results. This is crucial for creating added value for customers directly and for owners indirectly.

SpareBank 1 Sør-Norge wants to be characterised by inclusion and diversity, where everyone has equal opportunities. Every employee in SpareBank 1 Sør-Norge is valuable, and we believe engaged and satisfied employees are the most important resource for creating a competitive business. SpareBank 1 Sør-Norge wants to be characterised by our values: "Present with energy and care." Leveraging the potential represented by our diversity enables the group to better understand our customers' needs, provide great customer experiences and ensure our employees thrive better at work and create innovation, growth and development.

SpareBank 1 Sør-Norge works actively to prevent discrimination on the basis of gender, pregnancy, birth or adoption leave, caregiving obligations, ethnicity, religion, beliefs, disability, sexual orientation, gender identity, gender expression or age. The group has channels for whistleblowing where both employees and third parties can report wrongdoing.

The group has identified potential negative impacts that we want to focus on. Examples of this include health and safety issues at work. One example is sick leave, which has increased slightly in recent years. Analyses of causes and potential actions are being worked on in connection with this. Another area is providing equal opportunities for all and we are systematically working on actions and measures designed to mitigate the risk of discrimination occurring. The table 'Our material topics in S1' below explains in more detail the key areas in which we see risks and opportunities. Unless specified, the objectives and methodology behind them have not been third-party approved. We are going to implement a system for collecting data in order to work more systematically to prevent discrimination.



Our material topics in S1

Topic	Sub-topic	Relevant disclosure requirements	Description of areas with material impacts, risks and opportunities
Working conditions	Health and safety	S1-14	Potential negative impacts on own workforce. <ul style="list-style-type: none">• The workforce may be exposed to adverse HSE incidents.• Sick leave and turnover may increase, or reach too high a level
	Work-life balance	S1-15	Potential negative impacts on own workforce. <ul style="list-style-type: none">• The opportunities to combine work and leisure may be too limited:<ul style="list-style-type: none">- Poor balance between work and home requirements
Equality and equal opportunities for all	Gender equality between men and women and equal pay for work of equal value	S1-6, S1-7, S1-16	Potential negative impacts on own workforce: causing or contributing to discrimination. <ul style="list-style-type: none">• Risk of unequal pay:<ul style="list-style-type: none">- Inadequate tools for equalising wages
	Inclusion of people with disabilities	S1-12**	Potential negative impacts on own workforce: causing or contributing to discrimination. <ul style="list-style-type: none">• Premises and systems may be too poorly adapted to meet universal design requirements
	Diversity	S1-9, S1-12**	Potential negative impacts on own workforce: causing or contributing to discrimination. <ul style="list-style-type: none">• The group may attract an inadequately diverse workforce, for example through:<ul style="list-style-type: none">- Exclusionary requirements in job adverts- Overly homogeneous recruitment- Unconscious bias• The group may struggle to be inclusive or take advantage of diversity:<ul style="list-style-type: none">- Inadequate diversity skills and management- Social distance to those who are not like us• Religious insensitivity
	Learning and skills development	S1-13	Positive impacts on own employees (actual and potential) through training and skills development <ul style="list-style-type: none">• Strengthen the level of competence of employees to enhance competitiveness and contribute positively as an adviser to the business sector on transition (specifically sustainability) Potential negative impacts on own workforce: <ul style="list-style-type: none">• Employees may feel internal development opportunities are limited:<ul style="list-style-type: none">- Development opportunities and career paths not sufficiently visible• We may struggle to develop appropriately:<ul style="list-style-type: none">- Good enough learning culture not established/employees not taking responsibility for their own learning- Employees do not have time to develop• Competence in relation to statutory requirements takes up too much space such that curiosity and interest cannot flourish
	Actions against workplace violence and harassment	S1-17	Potential negative impacts on own workforce: causing or contributing to discrimination. <ul style="list-style-type: none">• Employees may experience discrimination, bullying, and harassment from colleagues or customers<ul style="list-style-type: none">- Unable to identify unreported cases or cannot appropriately follow up reports received via our whistleblowing channels• A desire for anonymity may make it difficult to take specific actions

Link to supply chain and affected stakeholders	Policies
Own activities, downstream <ul style="list-style-type: none"> Own workforce Employees in customer-facing positions may experience more adverse incidents. 	<ul style="list-style-type: none"> Standard for preparedness and continuity Personnel manual and HSE
Own activities, downstream <ul style="list-style-type: none"> Own workforce Employees may experience falling behind, or combine work and leisure, in connection with pregnancy, leave, sick leave and caregiving obligations. 	<ul style="list-style-type: none"> Standard for Diversity, Inclusion and Belonging Personnel manual and HSE
Own activities, downstream <ul style="list-style-type: none"> Own workforce, including differences between, for example, gender, age, and geographic affiliation. 	<ul style="list-style-type: none"> Sustainability Policy Standard for Diversity, Inclusion and Belonging Standard for human rights and due diligence assessments
Own activities, downstream and upstream <ul style="list-style-type: none"> Own workforce with various visible (e.g. require wheelchairs or other aids) and/or invisible (e.g. hearing and vision loss, reading and writing difficulties or mental illness) disabilities. Affects purchasing and operational departments, which must ensure universal design and adaptation. 	<ul style="list-style-type: none"> Sustainability Policy Standard for Diversity, Inclusion and Belonging
Own activities <ul style="list-style-type: none"> Own workforce Especially employees and agencies used in recruitment processes and minority groups who do not feel included. 	<ul style="list-style-type: none"> Sustainability Policy Standard for Diversity, Inclusion and Belonging Standard for human rights and due diligence assessments
Own activities, downstream <ul style="list-style-type: none"> Own workforce 	<ul style="list-style-type: none"> Personnel manual and HSE
Own activities, downstream <ul style="list-style-type: none"> Own workforce Employees in customer-facing positions may experience more adverse incidents. 	<ul style="list-style-type: none"> Code of conduct Standard for preventing and managing internal irregularities Privacy standard Whistle-blowing procedures

* In the group's double materiality analysis, no financial materiality was associated with S1 'Own workforce', although several potentially material impacts were – both negative and positive.

** No reporting on data points on S1-12 due to Norwegian law.

3.1.2 Managing impacts, risks and opportunities

Policies related to own workforce (S1-1)

Policies	Description
Code of conduct	<p>All employees must sign the code of conduct each year. This imposes a responsibility to remain up to date on laws, rules and procedures.</p>
	<p>Our employees are committed to working for a positive working environment in which we have mutual trust and respect for each other. The group practises a zero tolerance policy for discrimination and bullying, and everyone is responsible for contributing to a culture where you can report misconduct. SpareBank 1 Sør-Norge wants to contribute to a healthy working environment and has committed to the UN Sustainable Development Goal on gender equality.</p>
Sustainability Policy	<p>The purpose of the Sustainability Policy is to provide guidelines for the group's approach to, and work on, sustainability. The sustainability policy stipulates that we must work to ensure that all people have equal opportunities and rights, and to be an inclusive workplace where all employees feel safe and a sense of belonging, and at the same time increase the business enterprise's maturity within equality and diversity.</p>
	<p>The group has a responsibility not to cause or contribute to breaches of human and labour rights in its own activities and to contribute to transparency by ensuring public access to information about how the organisation manages negative consequences for fundamental human rights and decent working conditions. SpareBank 1 Sør-Norge conducts due diligence in accordance with UNGP and OECD guidelines to avoid causing or contributing to fundamental breaches of human rights and decent working conditions in our organisation. Norwegian law prohibits human trafficking, forced labour and child labour.</p>
Privacy policy	<p>The privacy policy is the most important governance document related to privacy, although it is supplemented by the privacy standard. The policy provides guidelines for how the group should process personal data and safeguard privacy in the processes and tasks carried out in the group. The policy is relevant for all areas described in the table 'Our material topics in S1'. The objective is to support business operations by controlling the processing of personal data. This is done to safeguard employees and protect our reputation for proper processing.</p>
Standard for diversity, inclusion and belonging	<p>The standard for diversity, inclusion and belonging is designed to ensure that employees feel included and a sense of belonging and to ensure good diversity management. Systematic work on diversity and equality at all levels will improve well-being, increase innovation, increase profitability and ensure a positive reputation. The work on diversity, inclusion and belonging must be guided by the standard and help ensure that the group's diversity reflects society. It also sets requirements for the group executive management team with respect to training and provides tools that make it possible to manage diversity. The standard helps to achieve the group's objectives with respect to a gender balance at all management levels and in heavily specialised positions.</p>
Standard for Human Rights and Due Diligence	<p>The standard describes in more detail the international standards on which the group's obligations are based. Own workforce is a priority area in this policy and this entails, for example, ensuring respect for employees' fundamental right to a safe and healthy working environment, zero tolerance of harassment, the rights to equality, freedom from discrimination, freedom to join a trade union and collective bargaining and the ability to report possible violations and concerns.</p>
	<p>The standard is also relevant for consumers and end-users in that it defines the group's responsibilities within financing and other financial services. It ensures that financing does not cause or contribute to negative impacts on the rights of individuals. This includes with respect to privacy risks and practices that might have a negative impact in relation to equality and other forms of discrimination. Due diligence is a tool used to avoid and manage negative human impacts for consumers and end-users.</p>
	<p>The standard also describes the group's obligations in relation to the UN Conventions on Human Rights. These include a responsibility to avoid and address actual or potential negative impacts.</p>
Standard for preparedness and continuity	<p>SpareBank 1 Sør-Norge has an emergency response plan designed to safeguard operations and the management of unforeseen situations. The group's HSE plan includes risk assessments and action plans available to all employees. The standard obliges all employees to register adverse incidents, which are then considered and evaluated further, and follow up preventive actions.</p>

Responsible*	Covers	Accessibility**	Link to standards/initiatives
<ul style="list-style-type: none"> Executive Vice President People and Integration 	<ul style="list-style-type: none"> Applies to own workforce and contractors 	<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> Finance Norway's ethics poster adopted by its executive board NS-EN ISO 26000: Guidance on Social Responsibility
<ul style="list-style-type: none"> Executive Vice President Economy, Finance and Sustainability 	<ul style="list-style-type: none"> Applies to own workforce The group's business partners and their business partners are expected to comply with the same guidelines. 	<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> The Ten Principles of the UN Global Compact OECD Guidelines for Multinational Enterprises UN Principles for Responsible Banking (PRB) UN Sustainable Development Goals UN International Covenant on Economic, Social and Cultural Rights UN International Covenant on Civil and Political Rights Core ILO Conventions
<ul style="list-style-type: none"> Executive Vice President Technology Development and Business Processes 	<ul style="list-style-type: none"> Applies to own workforce 	<ul style="list-style-type: none"> Employees only 	<ul style="list-style-type: none"> Personal Data Act General Data Protection Regulation (GDPR)
<ul style="list-style-type: none"> Executive Vice President People and Integration 	<ul style="list-style-type: none"> Applies to own workforce 	<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> UN Sustainable Development Goals Equality and Discrimination Act Women in Finance Charter
<ul style="list-style-type: none"> Executive Vice President Economy, Finance and Sustainability 	<ul style="list-style-type: none"> Applies to own workforce The group's business partners and their business partners are expected to comply with the same guidelines. 	<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> Transparency Act UN Universal Declaration of Human Rights The International Bill of Human Rights Core ILO Conventions UN human rights standards for protecting groups requiring special protection, including the rights of indigenous peoples UN Guiding Principles on Business and Human Right
<ul style="list-style-type: none"> Executive Vice President Technology Development and Business Processes 	<ul style="list-style-type: none"> Applies to own workforce 	<ul style="list-style-type: none"> Employees only 	

Policies	Description
Standard for preventing and managing internal irregularities	<p>The standard for preventing and managing internal irregularities is designed to ensure an ethical and transparent workplace. Irregularities include breaches of internal policies, laws, regulations or ethical standards that could harm the group, its employees or stakeholders. The standard aims to map, prevent and ensure we have systems that monitor non-conformance.</p>
	<p>All employees are encouraged to report suspected irregularities through established channels, which also include an anonymous whistle-blowing channel. All reports are treated confidentially to protect the identity of the whistle-blower. Upon receiving a report of irregularities, an independent entity conducts a thorough investigation. If irregularities are confirmed, appropriate actions will be taken, which may include disciplinary action, termination or legal action. Preventive measures will also be considered to prevent future cases. The standard provides guidelines for recruiting and onboarding processes for new employees with a focus on the code of conduct, restrictive system access and attitude building.</p>
	<p>This standard is part of SpareBank 1 Sør-Norge's commitment to maintaining a high level of integrity and ethical conduct in all aspects of the business.</p>
Privacy standard	<p>The group is committed to protecting the privacy of its customers, employees and other stakeholders. The purpose of the privacy standard is to ensure compliance with privacy rules and protect personal data.</p>
	<p>The standard applies to all processing of personal data in SpareBank 1 Sør-Norge, including the collection, storage, use, sharing and deletion of data.</p>
	<p>The standard is designed to help the group achieve the overarching objectives of ensuring compliance with the Personal Data Act, safeguarding rights and freedoms, supervising the processing of personal data and protecting the group's reputation through proper processing. To achieve these objectives, everyone who processes personal data must do so in accordance with basic privacy principles.</p>
	<p>The group works on the principle of purpose limitation. This means that personal data must only be collected for specific, explicit and legitimate purposes. The group must ensure that the processing of personal data in the business is transparent, such that the data subject understands what their personal data is used for.</p>
Personnel manual and HSE	<p>SpareBank 1 Sør-Norge's personnel manual is an important document that provides employees with an overview of the policies, procedures and expectations that apply to all employees in the group. The manual is designed to ensure a uniform understanding of working conditions and to promote a positive and productive working environment.</p>
	<p>The group is committed to ensuring a proper working environment for all its employees. The work on health, safety and the environment (HSE) is an integral part of the bank's operations and is based on both statutory requirements and internal guidelines. The group's HSE manual is a comprehensive document that describes policies, procedures and actions designed to ensure HSE across the organisation. The manual is designed to help employees and managers understand and fulfil their HSE responsibilities and duties.</p>
	<p>The group is committed to ensuring continuous skills development and encourages all employees to undertake further education as needed. Specific processes and criteria have been designed for this and are available on the intranet. We also offer Norwegian language training if necessary. Information about all vacant positions/development opportunities/authorisations is continuously posted on the group's intranet.</p>
	<p>The group's employees have a right and obligation to report irregularities and adverse incidents in the incident database on the intranet. Employees actively contribute to following up on the day-to-day systematic work on health, safety and the environment. They also participate in organised safety work. Employees are able to appeal annual pay recommendations within 14 days of being notified of their new pay. Pay appeals are submitted to HR. Employees also have the right to access pay information if they suspect discrimination in wage formation. The duties of employees are set out in section 2-3 of the Working Environment Act. The office must be the main workplace for all employees, although flexibility is facilitated and employees can therefore apply to work from home.</p>

Responsible*	Covers	Accessibility**	Link to standards/initiatives
<ul style="list-style-type: none"> • Executive Vice President Technology Development and Business Processes 	<ul style="list-style-type: none"> • Applies to own workforce 	<ul style="list-style-type: none"> • Employees only 	
<ul style="list-style-type: none"> • Executive Vice President Technology Development and Business Processes 	<ul style="list-style-type: none"> • Applies to own workforce 	<ul style="list-style-type: none"> • Employees only 	<ul style="list-style-type: none"> • Personal Data Act • General Data Protection Regulation (GDPR)
<ul style="list-style-type: none"> • Executive Vice President People and Integration 	<ul style="list-style-type: none"> • Applies to own workforce 	<ul style="list-style-type: none"> • Employees only 	

Policies	Description
Whistle-blowing procedure	<p>The procedure describes the internal and external routines for processing whistle-blowing reports.</p> <p>Protection of individuals who submit reports.</p> <p>The procedure is particularly relevant for preventive measures against bullying, harassment and adverse incidents in the workplace, as well as safeguarding affected parties.</p>
The group is working on developing a specific recruitment policy.	<p>The group wants to be one of Norway's most attractive employers and focuses on attracting, developing and retaining the right competence for the future.</p> <p>In order to achieve our goal, we have specified in our standard for diversity, inclusion and belonging that diversity should weigh heavily in our recruitment processes and ensure that recruitment processes eliminate discrimination. In order to attract a more diverse range of talent, we also, when necessary, offer Norwegian language training to qualified candidates who we want to recruit. According to the standard for diversity, inclusion and belonging, a specific risk assessment is conducted when recruiting candidates from so-called risk countries, as defined by the authorities.</p> <p>One of the ways in which this policy is relevant is that it can influence the group's diversity, as well as training and skills development.</p>

*Policies are approved by the board, while the executive vice presidents approves standards in their areas.

** Policies marked as employees only are made available on the group's intranet under governance documents. Policies and guidelines marked as public are made available on the

3.1.2.1 Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Cross party collaboration between the parties

Cross party collaboration is an important part of the corporate culture in SpareBank 1 Sør-Norge and plays a crucial role in ensuring a good working environment, efficient operations and employee participation. This collaboration provides employees with a conduit for influence and participation, especially when it comes to issues such as equal pay, discrimination and diversity.

SpareBank 1 Sør-Norge has corporate agreements with LO Finans and the Finance Sector Union of Norway. The cross party collaboration should ensure that employees can participate in decisions that affect their work situation. There is agreement that the collaboration between management and elected representatives must take place in safe forms, while at the same time it must be rational and effective. The parties also agree that working as an elected representative is positive for the group and the elected representatives. Mutual respect and trust with regard to each other's tasks and viewpoints are important in cross party collaboration.

Elected trade union representatives are essential for ensuring that the group maintains a good working environment and safeguards employee rights and interests. They influence all of our material topics in S1 and governance documents such as policies and standards. They help

build trust between management and employees, which is essential for a well-functioning and productive workplace. Through their work on representation, communication, negotiations and support, elected representatives ensure that employees are heard and that their needs are addressed fairly and effectively. Examples of successful cross party collaboration include the key roles elected representatives played in the merger. The elected representatives will also be key in the work on formulating the new corporate agreements that must be put in place after the merger.

Collaboration after the merger

Following the merger between SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge, members were elected to the cooperation committee (SAMU) and the corporate appointments committee (KAU). These committees consist of representatives from both the management teams and elected representatives from both of the two former banks, composed proportionately to reflect the size of each of the two banks involved in the merger. Furthermore, there is an emphasis on good representation with regard to participants from the group executive management team, gender and relevant disciplines. This shows that cross party collaboration has been an important factor in ensuring that all parties are heard and that different perspectives are represented after the merger.

Responsible*	Covers	Accessibility**	Link to standards/initiatives
<ul style="list-style-type: none"> • Report reception 	<ul style="list-style-type: none"> • Applies to own workforce 	<ul style="list-style-type: none"> • Employees only 	
<ul style="list-style-type: none"> • Executive Vice President People and Integration 	<ul style="list-style-type: none"> • All managers who recruit 		

group's website, as well as on the group's intranet under governance documents.

SpareBank 1 Sør-Norge has a number of committees when it comes to ensuring communication with employees and employee representatives:

Corporate appointments committee (KAU)

Must consider and be responsible for all local wage formation and must ensure good pay processes and

involvement. KAU has a responsibility to determine, safeguard and ensure the correct development of pay policies.

Cooperation committee (SAMU)

Includes both the health and safety committee and the works council. SAMU has an equal number of representatives from management and the employees. The chairmanship of the committee switches between employer and employee every 2 years.

The committee meets quarterly to discuss and resolve working environment and collaboration matters.

The main agreement will help to create and further develop good collaboration in the organisation. The committee tries to stimulate employee interest

in the company's tasks and operating results, and through information foster an understanding of the company's social importance and generate input for the formulation of the organisation's policies.

SAMU is tasked with ensuring that employees have opportunities to learn new skills in line with changes in the industry designed to make it an attractive workplace in the future. It ensures that the organisation's recruitment and training policy reflects the knowledge and skills requirements future operations are expected to need.

SAMU has a number of subcommittees:

Inclusive workplace (IA)

- SpareBank 1 Sør-Norge's IA committee is an important body that promotes an inclusive workplace (IA) and ensures that the bank fulfils its obligations under the IA Agreement.
- The IA committee reports to SAMU on matters related to the working environment and HSE.
- The committee must include one member from each of both LO Finance and the Finance Sector Union of Norway, and two members from HR/the employer.

AKAN – the centre for intoxication and addiction for Norwegian business

- The AKAN programme in SpareBank 1 Sør-Norge is an important element of the bank's work on preventing substance abuse and gambling problems and dealing with related matters.
- The group has its own AKAN committee consisting of representatives from management, the HR department and the safety service.

HSE forum

- The HSE forum is an important arena for discussing and coordinating health, safety and the environment (HSE) related to issues across the organisation.
- The forum is an operational subcommittee of SAMU and is tasked with managing and preventing HSE incidents.
- The HSE forum is tasked with promoting a transparent and continuous dialogue on the HSE work in SpareBank 1 Sør-Norge, sharing best practice and ensuring that HSE actions are implemented effectively.

Diversity, inclusion and belonging (MIT)

- The committee consists of seven representatives from the bank tasked with ensuring that the group is an inclusive workplace in which all employees feel safe and a sense of belonging.
- The committee aims to increase the business enterprise's maturity within equality, diversity, inclusion and belonging.

3.1.2.2 Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

SpareBank 1 Sør-Norge must be a safe workplace for all, with an open culture in which each individual employee is heard. Identifying wrongdoing is important for the working environment, the well-being of individuals and from a social perspective. The group's goal is to ensure that illegal, unethical or other criticisable matters do not occur in the organisation. Should such situations nevertheless occur, they must be properly addressed and handled. Employees, temporary employees and contract employees have a statutory

right, and in some cases a duty, to report wrongdoing. The group's code of conduct must be signed by all employees and ensures that the group's whistle-blowing policy is well known. As an employer, the group have a responsibility to ensure that any reports that are received are dealt with appropriately. They also have a duty to ensure that whistle-blowers are protected from any form of retaliation.

Various channels are available through which employees and managers can report and identify adverse incidents and warnings, behaviour and concerns related to personnel:

Whistle-blowing channel	Responsible for follow-up	Routine	Accessibility
Winningtemp	People and integration department	<ul style="list-style-type: none"> The group regularly takes the pulse (every 2 weeks) of the working environment. 	<ul style="list-style-type: none"> Every 2 weeks, employees receive an email from Winningtemp containing questions and they can also use the service at any time via the Winningtemp app.
Ernst&Young Advokatfirma AS (EY)	Followed up by a third party EY	<ul style="list-style-type: none"> Reports to EY will be received by case officers in EY. Contact persons in the group are members of the report reception group. If a report concerns any of the permanent members of the report reception group, EY must ensure that the information is not sent to it or to those concerned. The group will further process the report and can consult with EY in connection with this. However, EY will normally not directly assist the group with any investigations of reports. 	<ul style="list-style-type: none"> Employees can report via a web form (available on the intranet), by phone or by letter.
Report reception	Report reception	<ul style="list-style-type: none"> The personnel manual and code of conduct contain a detailed whistle-blowing procedure and explain how the whistle-blower procedure should be practised. The group has established a report reception group consisting of people from management and second line functions. If the report reception group needs more people to assist with dealing with reports, resources can be used from the whistle-blowing committee in which several people have been identified based on their skills and roles. If a report concerns someone in the report reception group, information about the report must not be disclosed to the person or people concerned. Instead it must exclusively be communicated to the other members of the report reception group. 	<ul style="list-style-type: none"> There is a detailed description and direct link to the channel on the intranet and in the personnel manual. The report reception group has its own email address to which employees can submit reports.

Reports can also be submitted to immediate line managers, Folk and Integration staff, safety representatives, employee representatives and SAMU, or directly to members of the report reception group.

→ The processing procedures for reports of wrongdoing are described in G1-1, section 4.1.1.1.

3.1.2.3 Actions for managing material impacts, risks and opportunities related to our work force, and the effect of these (S1-4)

Sub-topic	Desired end result	Actions
Health and safety	<ul style="list-style-type: none"> Employees who are thriving at work and who experience healthiness 	<ul style="list-style-type: none"> Toolbox containing good measures that can be employed in different circumstances. These might be preventive health measures, good medical insurance schemes or focus on management and following up people on sick leave or adverse incidents
Work-life balance	<ul style="list-style-type: none"> Safe and equal leave 	<ul style="list-style-type: none"> Coaching managers on good leave planning Conducting interviews both before and after leave, opportunities for inclusion during leave if desired
Gender equality between men and women and equal pay for work of equal value	<ul style="list-style-type: none"> Gender balance at all management levels and in heavily specialised positions Equal pay for work of equal value 	<ul style="list-style-type: none"> Assess candidates of both genders for management positions and heavily specialised positions Reflect the status of goal achievement in the remuneration of the executive management Acquire tools that can improve the work on HR data and analytics for:
Inclusion of people with disabilities	<ul style="list-style-type: none"> Meet employees current needs and those that emerge during their employment 	<ul style="list-style-type: none"> Good routines for meeting the needs of employees Designing our premises to meet needs (e.g. visual and hearing related adaptations)
Diversity	<ul style="list-style-type: none"> An organisation characterised by a high level of diversity competence that extracts the value of our diversity (greater diversity maturity) Life phase policy that safeguards employees throughout their employment regardless of life situation 	<ul style="list-style-type: none"> Create employee-level mentoring scheme for mutual sharing of skills Analyse age diversity among managers Acquire measurement tools to be able to work based on data and point out material topics to focus on within diversity and inclusion
Training and skills development	<ul style="list-style-type: none"> All employees must have opportunities for good professional and personal development 	<ul style="list-style-type: none"> Increase expertise on diversity through specific modules and implementation plans Ensure the diversity management aspect is well integrated into all existing talent and management development programmes
Actions against workplace violence and harassment	<ul style="list-style-type: none"> A workplace free from cases of violence and harassment 	<ul style="list-style-type: none"> Highlight and inform about zero tolerance of bullying and harassment: annual reminder of whistle-blowing routines, work with managers, etc. Increase the frequency of Winningtemp from every third week to every second week. Manage Winningtemp alerts as quickly as possible. Good follow-up routines for managers. Revise whistle-blowing routines annually and review them in all management groups

* The targets and specific KPIs are explained in their respective tables in section 3.1.3 Metrics and targets

The above listed actions have not inflicted the group with material capital or operational expenditure.

Objective*

- Healthiness rate minimum 97%

-
- Both genders must be equal in terms of taking leave

-
- Gender balance 50/50
 - No pay gap due to gender

-
- Universal design of all our premises

-
- Greater diversity maturity

-
- Greater diversity competence
 - 100% of managers must have completed the diversity management programme
 - 100% completion of employee appraisals

-
- Zero tolerance of violence and harassment

3.1.3 Metrics and targets

3.1.3.1 Targets related to material impacts, risks and opportunities (S1-5)

SpareBank 1 Sør-Norge constantly strives to foster a corporate culture in which everyone feels a sense of belonging and inclusion. Following the merger on 01.10.2024, it has been essential to put a common corporate strategy in place characterised by proud employees, inclusion and belonging, team building, being an attractive workplace and having employees and managers who inspire, care for each other and act.

To create a common direction for our employees, a workshop was held in November to land targets and actions for a common strategic direction. The workshop consisted of a physical gathering of participants from People and Integration, Sustainability, Compliance and Group Services. Elected representatives and SAMU are also involved in the work. The results pointed out two overarching goals for our work with our own workforce:



In the process of setting goals, it was natural to continue the targets for gender balance, sick leave (healthiness rate) and equal pay since both banks already measured these. The work on diversity and inclusion was also high on the agenda in order to achieve our corporate goals in relation to customers and to be an attractive workplace. Therefore, specific goals and KPIs were set in these areas that must be followed and specific actions taken. Other topics we considered setting targets for were, for example, whistleblowing, universal design and inclusive work. These will be discussed further, but no targets have been set yet.

→ The goal of ensuring greater diversity maturity in the organisation in order to extract the value of our diversity involves diversity competence goals, diversity management and tools for working with diversity and inclusion based on data. See S1-9 and S1-13 for KPIs and actions.

→ The goal of equal opportunities and equal pay for our employees involve goals related to gender balance, equal pay and healthiness rate. See S1-6, S1-14 and S1-16 for KPIs and actions.

Work will continue on an action plan that will be

implemented in the first half of 2025. Material metrics are also reported for the group, with associated goals and actions where relevant.

Characteristics of the undertaking's employees (S1-6)

Our own workforce consists of permanent employees, temporary employees (bank employed temporary employees and agency temps) and contracted consultants. Temporary employees cover absences in the event of, for example, parental leave and long-term sick leave or provide extra help during high workload periods, and are hired in from staffing agencies.

Gender	Number
Women	1,404
Men	1,158
Total number	2,562

The figure is reported as the number of employees at the end of the reporting period. The number applies to the entire group and includes own workforce as described above.

Region	Permanent employees	Temporary employees	Non-guaranteed hours employee	Total
Number in Vestland region	270	11	0	281
Number in Rogaland region	1,238	53	0	1,291
Number in Agder region	136	2	0	138
Number in Oslo region	97	1	0	98
Number in southeast (Buskerud, Telemark and Vestfold)	692	2	0	694

The figures for reported employee numbers are as at the end of the reporting period. The number applies to the entire group and includes permanent employees as well as temporary employees (bank's temporary employees and agency temps).

Number of employees	Women	Men	Total
Number of permanent employees	1,358	1,075	2,433
Number of temporary employees	36	33	69

Number of employees	Women	Men	Total
Number of non-guaranteed hours employees	0	0	0

The figures for reported employee numbers are as at the end of the reporting period. The number applies to the entire group and includes permanent employees as well as temporary employees (bank's temporary employees and agency temps).

→ **2** The figures are reported as the number of employees and, unless otherwise specified, are reported figures from as at 31.12.2024. Cross reference, see figures stated in the annual financial accounts for 2024, Note 21 Personnel costs.

Description	2024
Total number of employees who left	139
Turnover rate	4.8%

The figures for reported employee numbers are as at the end of the reporting period. Number is for the entire group. Due to the merger, the figure reported is from the former SpareBank 1 SR-Bank between 01.01-30.09.2024 plus the whole of SpareBank 1 Sør-Norge between 01.10-31.12.2024. The turnover rate is calculated as the number who left during the reporting period and only applies to permanent employees.

Gender balance target

Definition (method)	Proportion of each gender (ref. Norwegian law's two legal genders: male/female) at all four management levels and in heavily specialised positions	
Short-term targets (+/- 1 year)	A minimum 40% share of women at all management levels and in heavily specialised positions	
Target achievement status	2024	2025
	<ul style="list-style-type: none"> Management level 2: proportion of women 33% Management level 3: proportion of women 36% Management level 4: Proportion of women 36% 	
Medium-term targets (+/- 5 years)	A minimum 45% share of women at all management levels and in heavily specialised positions	
Long-term targets (>5 years)	Gender balance (50/50) at all management levels and in heavily specialised positions	
Baseline	Baseline year: 2023 (former SpareBank 1 SR-Bank). <ul style="list-style-type: none"> Management level 2: proportion of women 40% Management level 3: proportion of women 35% Management level 4: proportion of women 37% 	
Actions	<ul style="list-style-type: none"> Recruitment: Assess candidates of both genders for management positions and heavily specialised positions Remuneration: reflects the status of goal achievement at the senior management level 	

3.1.3.2 Characteristics of hired labor (S1-7)

To ensure continuity and cover for absences due to parental leave, long-term sick leave and holidays, the group hires temporary employees (temps) from temping agencies. Temps are also used during periods with particularly heavy workloads. A special agreement has been entered into with the Finance Sector Union of Norway regarding the use of such temps that is in line with new regulations for contracted staff. The proportion of temps has remained relatively stable over time. The group closely monitors the scope of temps used on a monthly basis. SpareBank 1 Sør-Norge also hires consultants for project management, development

projects and other situations where the group has a temporary need for specific specialist expertise.

Number	2024
Agency temps	51

The number is reported as the number of agency temps at the end of the reporting period. Number is for the entire group.

3.1.3.3 Diversity indicators (S1-9)

SpareBank 1 Sør-Norge's group executive management team consists of executive vice presidents for each business area and the CEO. The group executive management team consists of four women (31%), and nine men (69%).

the end of the reporting period and include permanent employees as well as temporary employees (not agency temps).

Age distribution

Age interval	Number of permanent employees	% of total headcount
< 30	555	23%
30-50	1,167	48%
> 50	729	30%

The figures are reported as the number of employees at

Increase diversity maturity within the organisation in order to realise the value of our diversity

Target: Diversity maturity

Definition (method)	Definition of target: In order to gain better insights into the intersectionality (social categories, both visible and invisible diversity) of our diversity, diversity competence and diversity maturity of our organisation, we need to acquire a measurement tool. Once we have put this in place, we can establish a baseline as a starting point for setting targets. This will enable us to continuously measure progress towards our goals.	
Short-term targets (+/- 1 year)	KPI: Measure diversity maturity, establish baseline	
Target achievement status	2024 Inadequate data	2025 Inadequate data
Medium-term targets (+/- 5 years)	KPI: Set specific targets for diversity maturity, continuously measure progress towards targets	
Long-term targets (>5 years)	KPI: Greater diversity maturity	
Baseline	<ul style="list-style-type: none">No data to describe baseline	
Actions	<ul style="list-style-type: none">Acquire measurement tools	

3.1.3.4 Training and skills development indicators (S1-13)

Gender	Percentage of employees who had regular performance and career development appraisals
Women	85%
Men	81%
Total	83%

Figures are reported as percentages of employees who have conducted regular performance and career development appraisals during the reporting period and were obtained at the end of the reporting period. The proportion applies to SpareBank 1 Sør-Norge (parent bank only) and only includes permanent employees. Due to the merger, the percentages reported are those who participated in regular performance and career development appraisals as reported by the former SpareBank 1 SR-Bank between 01.01-30.09.2024 plus by all of SpareBank 1 Sør-Norge between 01.10-31.12.2024.

Some appraisals have not been completed in the system from a technical perspective, even if the appraisal itself has taken place. This results in the completion percentage appearing to be lower than the actual number of completed appraisals. There will, therefore, be some under-reporting.

Gender	Average number of training hours per employee
Women	8.3
Men	7.5
Total per employee	7.9

Figures are reported as the number of hours completed during the reporting period and were obtained at the end of the reporting period. The number applies to SpareBank 1 Sør-Norge (parent bank only) and includes permanent and temporary employees (not consultants).

Due to the merger, the number of training hours consists of those reported between 01.01-30.09.2024 in the former SpareBank 1 SR-Bank plus those reported between 01.10-31.12.2024 in the whole of SpareBank 1 Sør-Norge. There will be some under-reporting due to some externally completed courses not being documented in SpareBank 1 Sør-Norge's learning portal.

Increase diversity maturity within the organisation in order to realise the value of our diversity

Target: Diversity competence

Definition (method)	Definition of target: Implementation of the Start Smart Together 'Diversity' module	
Short-term targets (+/- 1 year)	KPI: 100% of the group executive management team and their management teams must have completed the Start Smart Together 'Diversity' module	
Target achievement status	2025	2026
Medium-term targets (+/- 5 years)	KPI: 100% of all departments must have completed the Start Smart Together 'Diversity' module	
Long-term targets (>5 years)	KPI: Greater diversity competence (see the KPI on insights into diversity maturity)	
Baseline	Any description of baseline: coming in 2025	
Actions	<ul style="list-style-type: none"> • Develop the Start Smart Together 'Diversity' module • Develop an implementation plan, which includes communication and embedding in the group executive management team 	

Increase diversity maturity within the organisation in order to realise the value of our diversity

Target: Diversity management

Definition (method)	Definition of target: Implementation of diversity management programme for managers	
Short-term targets (+/- 1 year)	KPI: Design and develop a diversity management programme. Implementation in 2026	
Target achievement status	2026	2027
Medium-term targets (+/- 5 years)	KPI: A minimum of 50% of our managers must have completed the diversity management programme (implemented for first time in 2026)	
Long-term targets (>5 years)	CPI: 100% of our managers must have completed the diversity management programme	
Baseline	Description of any baseline: coming in 2026	
Actions	<ul style="list-style-type: none"> Ensure the diversity management aspect is well integrated into all existing talent and management development programmes 	

3.1.3.5 Health and safety indicators (S1-14)

Health and safety indicators

Description	2024	
Number of cases of recordable employee occupational illnesses	2	Cases of occupational illnesses are followed up at an individual level. There have been no deaths among employees as a result of work-related accidents or illnesses, nor have there been any registered work accidents.
Number of days lost due to occupational injuries and fatalities due to occupational accidents, occupational illness and fatalities due to employee illness	2	The figure reported is the number of instances and days during the reporting period. Number is for the entire group. Due to the merger, the number of instances consists of those reported between 01.01-30.09.2024 in the former SpareBank 1 SR-Bank plus those reported between 01.10-31.12.2024 in the whole of SpareBank 1 Sør-Norge. We assume that there is some under-reporting that reflects society in general, as employees are not obliged to provide reasons.

Target: Healthiness rate

Equal opportunities and equal pay

Definition (method)	The healthiness rate is defined as the proportion of working hours the workforce is present and healthy expressed as a percentage (healthiness rate = 100% - sick leave rate). Not including the illness of others.	
Short-term targets (+/- 1 year)	Healthiness rate minimum 96%	
Target achievement status	2024	2025
	94.1%*	
Medium-term targets (+/- 5 years)	Healthiness rate minimum 97%	
Long-term targets (>5 years)	Healthiness rate minimum 97%	
Baseline	2023: Healthiness rate 95.8%	
Actions	<ul style="list-style-type: none"> HR is a sparring partner for managers – early input Establishing a toolbox with measures for different scenarios 	

*The parent bank has a healthiness rate of 95%.

We have chosen to use the term "healthiness rate" in order to focus on the presence of healthy employees as a positive expression of capacity to work and presence. Sick leave measures the opposite: how much of the workforce is absent due to illness. The number is reported as the average for the reporting period, and due to the merger it is the average in the former SpareBank 1 SR-Bank between 01.01-30.09.2024 and the whole of SpareBank 1 Sør-Norge between 01.10-31.12.2024. The baseline figure for 2023 does not include SpareBank 1 ForretningsPartner AS, FinStart Nordic or the former SpareBank 1 Sørøst-Norge.

3.1.3.6 Work-life balance indicators (S1-15)

Parental leave	2024
Proportion of employees who took parental leave	5.7%
Women	3.4%
Men	2.3%

Everyone (100%) is entitled to parental leave under Norwegian law

The figure is reported as the number of employees during the reporting period. The number is for the entire group. Due to the merger, the number of employees consists of those reported between 01.01-30.09.2024 in the former SpareBank 1 SR-Bank plus those reported between 01.10-31.12.2024 in the whole of SpareBank 1 Sør-Norge. The reported proportion of employees to take parental leave in 2024 would presumably be higher if the merger had happened 01.01.2024.

3.1.3.7 Compensation indicators (pay gap and total compensation) (S1-16)

Compensation indicators

Description	2024	Explanation
Percentage difference in average agreed annual salary between the genders	83%	Difference in average agreed annual salary between women and men expressed as a percentage of average male salary level
Total compensation ratio	13%	Annual total compensation for the group's highest paid person

In 2024, women's average annual salary was 83% of men's average annual salary. This indicates there is a pay gap between the genders.

Furthermore, a total compensation ratio of 13% shows that the median salary in the group corresponds to 13% of the salary of the highest paid employee in the group in 2024.



These figures are reported as annual salary at the end of the reporting period and include both permanent and temporary employees (including bank employed temporary employees).

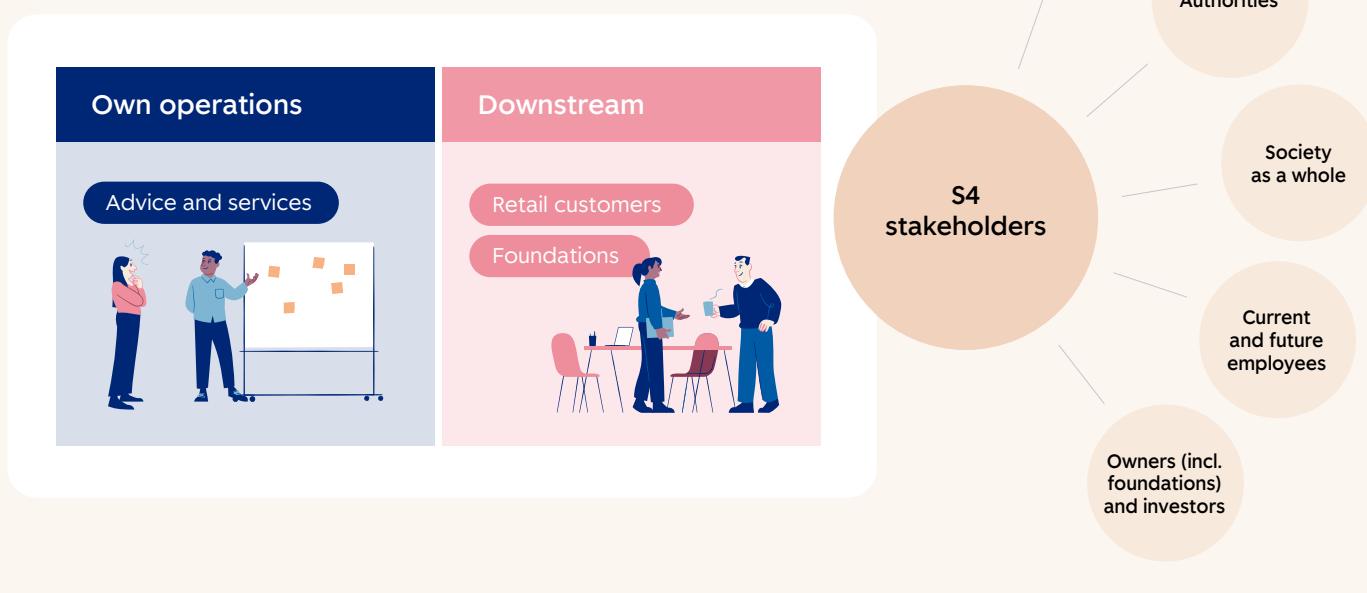
3.1.3.8 Incidents, complaints and severe human rights impacts and incidents (S1-17)

Discrimination

Description	2024
Total number of instances of alleged discrimination, including harassment, reported during the period	2

Both of the two mentioned cases related to discrimination have been addressed, leading to the conclusion that there was no discrimination or that it was not possible to provide evidence that discrimination had occurred. The figure reported is the number of instances during the reporting period. The number is for the entire group. Due to the merger, the number of instances consists of those reported between 01.01-30.09.2024 in the former SpareBank 1 SR-Bank plus those reported between 01.10-31.12.2024 in the whole of SpareBank 1 Sør-Norge.

3.2 Consumers and end-users (ESRS S4)



Our material topics in S4

Theme	Sub-topic	Relevant disclosure requirements	Description of areas with material impacts, risks and opportunities
Social inclusion	Non-discrimination	S4-1, S4-2, S4-3, S4-4	<ul style="list-style-type: none"> Negative impacts for retail customers if we cause, contribute to or are associated with discrimination Risk that retail customers will be exposed to inadvertent discrimination based on gender or background.
	Access to products and services	S4-1, S4-2, S4-3, S4-4	<ul style="list-style-type: none"> Increased use of technology and digitalisation may mean that some customer groups do not have the same access to products and services
	Financial equality*	S4-1, S4-2, S4-3, S4-4, S4-5	<ul style="list-style-type: none"> Positive impacts if we cause or contribute to greater economic equality
	Responsible marketing practices	S4-1, S4-2, S4-3, S4-4	<ul style="list-style-type: none"> Potential negative impacts for retail customers if the group inadvertently causes, contributes to or is associated with misleading information about the sustainability performance of the group or products and services
	Maintaining the savings banking tradition*	S4-1, S4-2, S4-3, S4-4	<ul style="list-style-type: none"> Positive impacts for consumers and other individuals in core areas through profits being distributed via the foundations to combat exclusion Working with the foundations entails a material financial opportunity to maintain and strengthen our reputation as a local bank in our core areas:
Information-related impacts	Privacy	S4-1, S4-2, S4-3, S4-4	<ul style="list-style-type: none"> Negative impacts for retail customers if we cause, contribute to or are associated with breaches of privacy rights Risk of retail customers being subjected to inadvertent breaches of privacy rights, either through actions or omissions on the part of the bank, or a third party processing personal data on behalf of the bank

*Topic is company specific

3.2.1 Strategy

3.2.1.1 Material impacts, risks and opportunities, and their link to our strategy and business model (SBM-3)

SpareBank 1 Sør-Norge assists retail customers with important decisions and investments by offering loans, savings opportunities, insurance, real estate broking and other financial services and advice. The group combines in-person and online advice for customers both by being strongly represented with branches throughout our market area and by having a customer service centre with good availability and digital solutions. Offering financial products affords us an opportunity to positively contribute products and services our consumers need. However, the group also has potential and actual negative impacts in relation to privacy, marketing or inadequate access to our products.

The services and products SpareBank 1 Sør-Norge provides generate a large amount of income for our owners, including the savings bank foundations. Ensuring that these funds contribute to as many positive ripple effects as possible in our market area is of great strategic importance.

Diversity and equality challenges are also a well-known issue for the financial sector. Decisions linked to financing may inadvertently be impacted by economic and

social matters in society where vulnerable groups are more exposed to discrimination. Another emerging issue associated with fair transition is the extent to which green loans for converting homes are less available to low-income groups. In communicating with our customers, there is also a potential risk of greenwashing if the group's sustainability work is not presented correctly.

The goal of financial inclusion is to create economic opportunities and stability for a greater proportion of society. It is about giving individuals and businesses access to banking, credit and other financial services. This involves, for example, offering bank accounts, loans, insurance and other financial products to a broader swathe of the population, including more of those previously excluded from such services due to their financial status, geographic location or other factors. According to SpareBank 1 Sør-Norge's strategy, we will be a bank that is "best for some, good for everyone".

Link to supply chain and affected stakeholders

Policies

Own activities, downstream:

- Especially applies to various groups that may be more vulnerable to discrimination in society otherwise

- Product and service management policy
- Standard for human rights and due diligence

Own activities, downstream:

- All consumers and end-users in the retailmarket, although especially applies to various groups that may be more exposed to limited access to products and services

Own activities, downstream:

- All consumers and end-users in the retailmarket

- Standard for Responsible Marketing and Sustainability in Communication

Downstream

- Society as a whole, all consumers and end-users in the retailmarket

- SpareBank 1 Sør-Norge has no policy directly related to the topic

Own activities, downstream:

- All consumers and end-users in the retail market

- Privacy policy
- Privacy standard
- Standard for deleting personal data

3.2.2 Managing impacts, risks and opportunities

Policies related to consumers and end-users (S4-1)

Policies	Description
Sustainability policy	The purpose of the sustainability policy is to provide guidelines for the group's approach to, and work on, sustainability. The group has a responsibility not to cause or contribute to breaches of human and labour rights and to contribute to transparency by ensuring public access to information about how the organisation manages negative impacts for fundamental human rights and decent working conditions.
Product and service management policy	Provides guidance and sets requirements for the products and services offered by the group. The policy sets out overarching requirements for which products and services can be offered to the group's customers and how these should be assessed and quality assured, including in relation to the group's code of conduct, sustainability principles, the board's risk appetite, the customer's interests and the requirement for good business conduct. It is designed to address the responsibility for ensuring that products and services accord with the customer's interests and ensure that the customer makes well-informed choices when entering into agreements with SpareBank 1 Sør-Norge.
	One important guiding principle in the policy is that customer complaints and other adverse incidents related to products and incidents must be recorded and processed in order to minimise harm to customers, as well as to ensure that steps are taken to prevent reoccurrences.
Policy and standard for privacy	The policy for privacy provides guidelines for how the group should process personal data and safeguard privacy in the processes and tasks carried out in the group. The standard for privacy supplements the policy for privacy. See full description in 'Own workforce' (S1), section 3.1.2
Standard for Human Rights and Due Diligence	See full description in 'Own workforce' (S1), section 3.1.2
Standard for Responsible Marketing and Sustainability in Communication	The purpose of this standard is to ensure that products and services offered by the group are marketed in line with statutory requirements, industry standards and other relevant regulations. This to ensure the Group's compliance, and to safeguard customers and consumers as marketing recipients.
Standard for deleting personal data	The standard supplements the policy and standard for privacy. It is intended to ensure that we comply with the deletion requirements of the Personal Data Act and the General Data Protection Regulation, industry standards for the processing of personal data by banks and credit institutions, the retention requirements in special legislation and the need to retain personal data for documentation purposes.
	The standard is supplemented by detailed deletion procedures for different systems, which are prepared by system owners.
Standard for the universal design of IT solutions ***	This standard describes the responsibilities and measures employees and contracted personnel must take to ensure the universal design of digital services.

* Policies are approved by the board, while executive vice presidents approves standards in their areas.

** Policies marked as employees only are made available on the group's intranet under governance documents. Policies and guidelines marked as public are made available on the website.

*** The standard is owned and audited by SpareBank 1 Utvikling, which developed much of the bank's digital services.

Responsible*	Covers	Accessibility**	Link to standards/initiatives
• Executive Vice President Economy, Finance and Sustainability	• Applies to all group employees. The group's business associates, and their business associates, are expected to comply with the same guidelines	• Public	• The Ten Principles of the UN Global Compact • OECD Guidelines for Multinational Enterprises • UN Principles for Responsible Banking (PRB) • UN Sustainable Development Goals • UN International Covenant on Economic, Social and Cultural Rights • UN International Covenant on Civil and Political Rights • Core ILO Conventions
• Executive Vice President Customer Offerings, Marketing, and Innovation	• Applies to all group employees.	• Employees only	• EBA Guidance on Internal Governance (GL 05) • EBA guidelines on product oversight and governance arrangements for retail banking products • ESMA Guidelines on MiFID II product governance requirements • Directive (EU) 2016/97 — the Insurance Distribution Directive (IDD) • Act relating to the control of marketing and contract terms and conditions, etc. (Marketing Act)
• Executive Vice President Technology Development and Business Processes	• Applies to all group employees.	• Employees only	• The Personal Data Act • General Data Protection Regulation (GDPR)
• Executive Vice President Economy, Finance and Sustainability	• Applies to all group employees. The group's business partners and their business partners are expected to comply with the same guidelines.	• Public	
• Executive Vice President Customer Offerings, Marketing, and Innovation	• Applies to all group employees, in particular to those who work on designing marketing materials and liaising with external marketing agencies.	• Employees only	
• Executive Vice President Technology Development and Business Processes	• Applies to all group employees who process personal data.	• Employees only	
• SpareBank 1 Utvikling	• Applies to everyone involved in developing the bank's digital services	• Employees only	• Regulation for universal design of information and communication technology (ICT) solutions

group's website as well as on the groups intranet under governance documents.

3.2.2.1 Processes for communicating with consumers about impacts (S4-2)

Our consumers' views

As a bank with open doors throughout our market area, our customer facing employees and the retail market are constantly engaged with our consumers and end-users. Customers can also book digital meetings with our advisers to get help with life events, large and small. The bank has best practice procedures for advice that include recommending that customers make conscious choices that contribute to greater financial equality. This could involve both parties in a couple taking part in advice meetings, recommending dividing up saved funds or making sure that both parties' differences in terms of finances and needs are catered for. Advisers deal with various issues on a day-to-day basis, and if new ones emerge the bank has routines for reporting issues to do with everyday finance, financing and savings via the bank's user support service.

In addition to daily interactions between consumers and advisers, periodic market and customer surveys are conducted that investigate our customers' satisfaction, needs and barriers. The bank surveys customer relations every 6 months. All analyses are subject to a processing basis that ensures customers' rights are properly protected and regulatory compliance. Market insights are used in the development of social inclusion services, such as measures designed together with our supplier Kakadu to reduce digital exclusion. There are no specific procedures in place for how the views of our consumers and end-users should be included in decision making.

Several of our services have feedback functions, such as whistle-blowing channels in case of dissatisfaction. See our routines for adverse incidents in 'Processes to remediate negative impacts and channels for consumers and end-users to raise concerns' in section 3.2.2.2.

→ Stakeholder engagement is also important for including our consumers' views and for the group's strategy and other work. See General Disclosures (ESRS 2) 'Stakeholders and their views', section 1.3.2.

The Executive Vice President Customer Offerings, Marketing, and Innovation (digital services) and the Executive Vice President Retail Market (physical services) bear operational responsibility for ensuring good communication with consumers and end-users and ensuring that their views are taken account of in decision making.

Customer privacy

The group focuses heavily on compliance with the GDPR. We also comply with Finance Norway's industry standard for processing personal data in banks and credit institutions and Real Estate Norway's industry standard for processing personal data in the real estate broking industry. We continuously strive to ensure transparency and that personal data is secure and processed in a legal and proper manner. The

group's potential negative impacts on privacy require us to be transparent about how we process our customers' personal data and provide adequate information about their rights.

The bank has a specific privacy statement that informs customers about how the bank processes personal data, for what purposes and on what basis. The privacy statement is updated on an ongoing basis. In some circumstances, we obtain consent from the customer to process personal data. For example, we obtain consent to process special categories of personal data such as trade union data and health data, or to personalise marketing based on data we hold about the customer. The consent always complies with the GDPR's form requirements and is voluntary, explicit and informed. The wording regarding consents provides customers with good information about what such consents are used for. Customers can easily withdraw their consent in their mobile and online bank. The bank's processing of personal data will then immediately cease.

The bank has its own privacy department, which comprises the data protection officer and their data protection team. They are the point of contact for customers with questions about privacy or who want to exercise their rights. The data protection department must ensure that the group complies with the GDPR, other regulations containing data protection provisions and internal guidelines. The aim is to maintain the confidence of customers and stakeholders, reduce the risk of regulatory fines or sanctions and protect the group's reputation. The department holds a key position in the group and provides strategic, business and operational advice within areas and regulations related to privacy. The department is an important resource for the group's efforts to ensure personal data is processed reliably.

Subsidiaries in the EiendomsMegler 1 alliance have their own technical committee, which distributes a GDPR kit to all managers. The package consists of processing protocols, an overview of suppliers, procedures for processing personal data, risk and control matrices, a data processing agreement and a data sharing agreement for obtaining consent from consumers. Each company is free to adapt these procedures. Reports concerning privacy nonconformities at the group's real estate agencies are handled in the same way as in the rest of the group.

Work with vulnerable groups

SpareBank 1 Sør-Norge's standards for human rights and due diligence oblige the group not to contribute to negative impacts on the human rights of groups who may be exposed to discrimination. Most important for consumers and end-users is the Transparency Act's process for measures based on finds related to financial services for the retail market.

→ The work on due diligence is described in General Disclosures (ESRS 2) 'Statement on due diligence', section 1.2.4

Compliance with industry standards and new regulations that address the needs of vulnerable groups is central to our

work. For example, Finance Norway's industry standard for financial inclusion is important in adapting existing products and products under development.

Much of our digital development takes place via SpareBank 1 Utvikling. In some cases, groups with a range of disabilities have been included in development processes. For example, a visually impaired expert user was involved in the development of the mobile bank, which has been highlighted as one of the factors when Cicero awarded us with 1st place in their ranking of Norway's best mobile bank. Besides the above points, SpareBank 1 Sør-Norge has no specific procedures for collecting the views of vulnerable groups.

Evaluation of the work on our products

Risk analysis of the portfolio ensure that all changes to the group's products, processes and systems undergo thorough risk assessments and quality assurance. The aim is to ensure compliance with acts and regulations, as well as to ensure that risks are known, understood, accepted and consistent with the company's interests and objectives. Subsidiaries will be included in the annual risk analysis from 2025 onwards.

A risk analysis of the portfolio of products and services is conducted every year to ensure that the interests of customers are safeguarded. The analysis is intended to rank the products according to the assessed risk based on the products' characteristics, distribution, and marketing. The operational product, process and system scoring (PoPS) framework, which is SpareBank 1 Sør-Norge's case management system for risk assessments and approving changes to products, processes and systems, contributes to compliance with the product and service management policy. PoPS considers issues related to the complexity of our products, how easy these are to understand for customers and how the product should be marketed to relevant customer segments.

In SpareBank 1 Sør-Norge, we conduct PoPS in the product area every time we:

- Introduce a new product
- Change the characteristics of a product
- Launch an existing product in new customer segments
- Make significant changes to a product's terms and conditions

Maintaining the savings banking tradition

SpareBank 1 Sør-Norge is based on a savings bank model, and seven of the bank's largest owners are savings bank foundations. The foundations can distribute their surpluses and, in line with the savings bank tradition, donate to good causes in the group's market area. When the bank creates value for our owners, of whom the foundations constitute a large proportion, the foundations invest funds back into their local communities through positive projects that benefit the public. The savings banking tradition is not a financing product we offer, rather it is a result of the profits our services generate.

A new report from Menon Economics shows that every NOK 1 the savings banking industry provides for good causes results in an average NOK 3.1 of added socio-economic value.

Through the foundations, our local communities are our largest owners, and we rely entirely on their knowledge and expertise to further develop the local communities of which we are a part. Continuous engagement

takes place through direct input from applicants, national and local statistics and analyses, meetings with clubs and associations, research projects and regular engagement meetings with stakeholders. The foundations are working with the bank on a number of concepts with the aim of creating added value for local communities. These include GründerAcademy, Julegiver, finances and career choices in collaboration with Young Entrepreneurship, and more.

The bank works closely with the foundations to ensure that the funds from our services contribute to positive results in our market area. Ultimately, operational responsibility for ensuring communication about preserving the savings banking tradition lies with the Executive Vice President Customer Offerings, Marketing, and Innovation.

Should concerns about the effort to preserve the savings banking tradition arise, whistle-blowing is the right route and these reports are treated in the same way as other reports,

185 years of savings bank traditions – the seven savings bank foundations own approximately 45% of SpareBank 1 Sør-Norge.



**Sparebankstiftelsen
SR-Bank**

Sparebankstiftelsen 
NØTTERØY-TØNSBERG



Kvinnheradstiftinga

SpareBank 1 Stiftelsen BV



Sparebankstiftelsen 
MODUM

SpareBankstiftelsen 
NØMÅ

**Sparebank
stiftelsen
Telemark** 

3.2.2.2 Processes to remediate negative impacts and channels where consumers can raise concerns (S4-3)

SpareBank 1 Sør-Norge wants to be a safe and inclusive bank for consumers and end-users. The whistle-blowing channels available to all stakeholders affected by our operations are important for identifying wrongdoing.

Three different whistle-blowing channels are available on the website for stakeholders who want to report various matters. Information is provided in relevant locations about the consumer's and end-users' right of access, contact channels, the complaints process and other options if a report is not considered sufficient. SpareBank 1 Sør-Norge

has no internal procedures for assessing the confidence of consumers and end-users in our whistle-blowing channels, although where possible it informs them of their right to complain to third parties if they are unsatisfied with how a complaint has been resolved.

In order to identify negative impacts, we have three external channels through which consumers and end-users can report adverse incidents, behaviour and concerns:

Whistle-blowing channel	Responsible for follow-up	Procedures for whistle-blowing channel	Accessibility
Contact channel for privacy	The bank's data protection officer	<ul style="list-style-type: none"> Deviations from the principles and requirements in the standard for privacy will be regarded as adverse incidents and must be registered as breaches of the rules and guidelines in line with the corporate procedure for following up nonconformities. 	<ul style="list-style-type: none"> Links on the bank's and EiendomsMegler 1's websites. We inform consumers and end-users of their right to complain to the Norwegian Data Protection Authority.
Whistle-blowing channel	The group's whistle-blowing report recipients	<ul style="list-style-type: none"> The bank's whistle-blowing report recipients handle internal and external reports of misconduct in line with the bank's internal whistle-blowing procedures. 	<ul style="list-style-type: none"> Link on bank's website
Customer complaint channel	Bank's complaint service	<ul style="list-style-type: none"> The procedures for customer complaints require a response to queries within 15 business days, or an interim response when the process will take longer. The complaints service is responsible for involving the relevant employees and deciding on solutions. 	<ul style="list-style-type: none"> Bank's customer complaints page We inform consumers and end-users of their right to complain to the Norwegian Financial Services Complaints Board.

SpareBank 1 Sør-Norge has a duty to deal with any reports it receives responsibly and also to ensure that the person who submits the report is protected from any form of reprisal. The routines have been drawn up as a supplement to the whistle-blowing procedures in order to ensure that reports submitted about the group are handled properly.

Whistle-blowing reports

Circumstances that breach regulatory requirements, the group's code of conduct or ethical rules broadly acknowledged in society.

Customer complaints

Legal disputes arising out of contractual relationships with the bank or refused customer and service relationships.

Privacy

Deviations from the principles and requirements of the group's privacy standard.

Incident database

According to the policy for product and service management, customer complaints and other adverse incidents related to products and services must be recorded and processed in order to minimise harm to customers, as well as to ensure that steps are taken to prevent reoccurrences. Case managers will select cases for follow-up in the incident database, and determine who is responsible for proper follow-up and the right contact people. The system is designed to ensure that managers always have access to all incidents in their area and that access is restricted to those who should have access.

The administrative procedures must assess the main causes behind an incident, any potential lessons that could prevent future incidents and document any amount-related consequences. They must also

specify whether further action should be taken. Such measures must be described in the incident database such that anyone unfamiliar with the matter can understand what has been done to prevent reoccurrences of the incident

Only case managers, contact people, managers in the department in which the incident occurred and operational risk staff have access to registered incidents. Employees in the operational risk department are the only ones with access to all recorded incidents. All employees of SpareBank 1 Sør-Norge are subject to a duty of confidentiality and must sign a non-disclosure agreement. The duty of confidentiality applies to anything they may become aware of about the group, the group's customers, employees and other matters due to their position.

Action database

Reports from the incident database are forwarded to the action database if the group has identified negative impacts and determines that there is a need for further follow-up to prevent new incidents. Four different types of improvements can be registered in the action database. 'General improvement measures' such as preventive measures taken without a preceding cause, 'Improvement measures after an adverse incident', 'Improvement measures after input from an audit' and 'HSE-related improvement measures'. All actions must follow a structure that clearly defines the actions, why they are needed and what is the desired final result.

Actions taken to change the level of risk with respect

to identified risks are followed up to ensure that they have been implemented as planned. If actions are delayed or prove difficult to implement, an assessment is made of whether any residual risk has been assessed on an incorrect basis and must be reassessed. The decision maker is responsible for ensuring that risk mitigation measures are implemented, while the bank's risk and compliance departments monitor progress.

Closed actions are reviewed by the operational risk department in consultation with compliance, purchasing and quality. An assessment will be made as to whether the actions taken are sufficient or whether further action is required.

3.2.2.3 Actions for managing material impacts, risk and opportunities (S4-4)

Sub-topic	Desired end result	Actions
Privacy	The group must be known for its high ethical standards and as a reliable processor of personal data	<ul style="list-style-type: none"> Established internal controls and governance documents for privacy. Regular planned and systematic checks are carried out by the bank that cover important areas of privacy. The aim is to ensure continuous oversight of the group's compliance, identify improvement needs, improve the bank's ability to identify risks to privacy and proactively manage risk. Fixed procedures are in place that ensure the data protection officer can report directly to the board and management group. Established a specific procedure for managing privacy nonconformities, including specific privacy safeguards designed to address any nonconformities and protect affected customers.
Financial equality	<p>We will strengthen financial gender equality through our advice, products and services</p> <p>A more equal distribution of capital in Private Banking</p>	<ul style="list-style-type: none"> In 2024, SpareBank 1 Sør-Norge revised its best practices for advice and implemented updated practices for all advisers. Two of the areas are “involving both parties in advice meetings” and “conscious choices that contribute to greater financial equality”. These are measures designed to ensure equal knowledge and information for both parties, and are directly linked to contributing to financial equality. Since the merger, we have been working to ensure that all advisers follow these practices.
Access to products and services	Work on defining a strategy for access to products and services will continue in 2025	<ul style="list-style-type: none"> A standard for sustainability in the retail market will be finalised in 2025. The standard will define the work on reducing our negative impacts on social and financial inclusion, and increasing our positive impacts, through offering products and services with a social profile, including for customers facing various financial challenges. In 2024, SpareBank 1 Sør-Norge signed an agreement with Kakadu in order to improve our offering for customers less likely to use digital services. Kakadu provides services designed to improve people's ability to perform digital tasks. Work on deploying the solution on our website will commence in 2025.
Non-discrimination	Work on diversity and equality, including with respect to customers and society	<ul style="list-style-type: none"> During Kongsberg Agenda 2024 we organised the event Social Sustainability 2024. In the south east, the bank contributes employee resources to an ongoing collaboration with the Norwegian Labour and Welfare Administration (NAV) in municipalities in which the bank provides banking services. This includes classroom teaching and training NAV employees aimed at contributing to the work for disadvantaged people and refugees. In 2024, a video was produced together with Finance Norway on the importance of open local branches for non-digital customers.
Responsible marketing practices	Work on formulating a strategy for marketing will continue in 2025	<ul style="list-style-type: none"> As part of compliance checks for savings, all products in the retail market undergo a risk assessment to identify potential cases of greenwashing. This is a continuous process involving a variety of professional environments for different process areas. In addition, an annual risk assessment is conducted of products' characteristics, marketing and distribution.
Maintaining the savings banking tradition	A future-oriented relationship bank.	<ul style="list-style-type: none"> Annual gift disbursements and sponsorships are assessed on an ongoing basis in relation to the group's material topics.

* Unless otherwise specified, the group has no defined objective for the topic because we have recently merged and are working to embed the double materiality assessment in the organisation. The topics are therefore not mature enough to set targets.

Objective*	
<ul style="list-style-type: none"> All employees receive ongoing awareness raising training and do mandatory e-learning courses in order to keep privacy top of mind. The privacy department conducts annual audits to ensure the mandatory training is completed by all employees. At the end of 2024, the bank had its own data protection officer and a three person data protection team in the second line. The group is planning to recruit a new data protection resource in the first quarter of 2025. They will be responsible for ensuring ongoing follow-up and compliance and performing internal checks in the front line, awareness raising work and supplier follow-up. Physical premises must be designed to safeguard information security through visual and auditory screening that matches the required level of discretion. 	<ul style="list-style-type: none"> We do not have a defined KPI for privacy, although we are working on goals related to ensuring GDPR compliance. <p><i>The work is assessed in accordance with the privacy department's control plan through regular risk-based internal controls and activities determined by the annual risk assessment for the privacy area.</i></p>
<ul style="list-style-type: none"> Data was collected in 2024 in order to map gender distribution in relation to the granting of mortgages as part of mapping financial equality. Private Banking and Retail Market are working on solutions that will ensure minutes are kept and meeting calls recorded for both parties. This measure will require further collaboration with SpareBank 1 Utvikling, and no completion date can be set for the project yet. 	<ul style="list-style-type: none"> Target for gender balance in securities fund saving. <p>We are working on defining goals for the involvement of both parties in 2025.</p>
<ul style="list-style-type: none"> Customers with a D number (identity number for people with temporary links to Norway) were allowed to use BankID for the first time in 2024. SpareBank 1 Sør-Norge contributes employee working hours to teaching young people in primary and lower secondary school itself or via Young Entrepreneurship. In 2024, a similar collaboration was established with K-Tech for apprentices in industry in Kongsberg. Making physical spaces accessible to all consumers is a continuous job. Universal design provides guidance for all customer areas in branches. Accessibility is also ensured through digital customer meetings. Sustainability is a topic in all advice meetings with investment customers in Private Banking and Retail Market. 	<ul style="list-style-type: none"> <i>The work is assessed based on ongoing surveys of customer satisfaction, compliance checks in the area of investment, as well as continuous work on the incidents and action database.</i>
<ul style="list-style-type: none"> An AI strategy was also established in 2024 to leverage the capabilities of this technology. At the same time, the strategy aims to ensure the confidence of end-users in our systems by setting clear guidelines for ethics, transparency, privacy and security. We are working on developing a standard for the responsible use of AI in the group, which will be ready in 2025. The sustainability department has two employees working with sustainability in the Retail Market and social sustainability, respectively. Part of this work involves contributing to the work on financial equality, access to products and services and non-discrimination. 	<ul style="list-style-type: none"> <i>The work is assessed based on ongoing surveys of customer satisfaction and work on the incidents and action database.</i>
<ul style="list-style-type: none"> Based on online behaviour, a personal email on refinancing consumer loans was sent out to our customers in 2024. This was intended to illustrate how customers can sort out old consumer debt and obtain an overview of their personal finances. A national refinancing campaign was also carried out to highlight how customers can obtain a full overview of their consumer loans in their mobile bank. A 1:1 email was also sent out to customers regarding green mortgages in 2024 in order to raise awareness of the possibility of qualifying for green mortgages with better interest rates by carrying out energy measures in their home. 	<ul style="list-style-type: none"> <i>The work is assessed based on ongoing surveys of customer satisfaction and work on the incidents and action database.</i>
<ul style="list-style-type: none"> A policy will be drawn up for the bank's work with the foundations in 2025. This policy will take account of role assignment and responsibilities, communication and collaboration, as well as evaluation and reporting. The work on the policy is led by the person responsible for social engagement, who collaborates with the owner foundations to extract added value from collaborative projects. 	<ul style="list-style-type: none"> <i>The impact of the work is assessed in regular meetings with the foundations.</i>

The above listed actions have not inflicted the group with material capital or operational expenditures.

3.2.3 Metrics and targets

3.2.3.1 Targets related to material impacts, risks and opportunities (S4-5)

In 2023, as part of the work on mapping financial behaviour and capacity in the retail customer portfolio, figures were extracted that showed a 50/50 percentage distribution between women and men for saving in funds every monthly. Based on engagement and meetings between Retail Market and the sustainability department, a decision was made to report a target to Principles for Responsible Banking (PRB) with respect to 'Maintaining a 50/50 distribution in monthly savings agreements for securities funds between women and men'.

The reported target must be reported annually and has so far been audited by PRB. An annual follow-up meeting is held with PRB, which the CEO of SpareBank 1 Sør-Norge also attends.

Target of gender balance in securities fund savings		
Definition (method)	Percentage of women and men saving in funds	
Short-term targets (+/- 1 year)	50/50 gender balance	
Target achievement status	2023 50/50 gender balance	2024 51 (women)/49 (men)
Medium-term targets (+/- 5 years)	50/50 gender balance	
Long-term targets (>5 years)	50/50 gender balance	
Baseline	2023: 50/50 gender balance	
Actions	<ul style="list-style-type: none">Quarterly checks are made to ensure target achievement.Savings volumes in securities funds have been mapped by gender, and men's savings volumes are higher. Underlying causes such as disposable income may be one reason for the difference. Actions designed to help increase savings volumes across genders should be considered.	



Sustainability: Governance

SpareBank 1 Sør-Norge's double materiality assessment has identified the following as a material topic:

- **Business conduct (G1)**



Our material topics in G1

Theme	Sub-topic	Relevant reporting requirements	Description of areas with material impacts, risks and opportunities
Business conduct	Corruption and bribery	G1-1, G1-4	<ul style="list-style-type: none">• Negative impacts for society/the economy (potential) by causing, contributing to (inadvertent) or having direct links to money laundering and financial crime, including fraud via financial services and customers.• Operational risk for SpareBank 1 Sør-Norge in the event of any failures in anti-money laundering and financial crime procedures that are material in nature:<ul style="list-style-type: none">- Potential reputational risk that may impact our competitive position- Potential compliance risk, fines
	Combating money laundering, terrorist financing and financial crime, including fraud	G1-1	<ul style="list-style-type: none">• Positive impacts for society/the economy (potential) by actively helping to prevent data breaches that could have very negative consequences for individuals, businesses and communities.• Possibility of potential positive reputational impacts and reductions in risk of breaches that could have had a negative impact on reputation.
	Cybersecurity	G1-1	<ul style="list-style-type: none">• Negative impacts for society/the economy (potential) by directly or indirectly being associated with, or contributing to, cybersecurity breaches that could have very negative impacts for individuals, businesses and communities.• Risk that cybersecurity breaches or attacks could result in substantial and potentially irremediable losses of information and reputation.



4.1 Business conduct (ESRS G1)

SpareBank 1 Sør-Norge must comply with laws, regulations and agreements. This applies to both external and internal regulations, such as laws, provisions, policies, standards, instructions, processes, routines/procedures and agreements.

The financial industry has a particular social responsibility due to the sector's role as a facilitator of financial transactions and its roles and responsibilities with respect to protecting the integrity of the economy. We are responsible for ensuring that our operations are not exploited for illegal acts through our products and services. Fighting financial crime, such as preventing the proceeds of criminal activities being laundered and financing of terrorism, is demanding and important work.

The group will not, directly or indirectly, participate in violations of human and labour rights, corruption, serious environmental harm or other actions that could be considered unethical. This also entails requirements on our business associates.

SpareBank 1 Sør-Norge has taken a clear stand: the group's procurement processes, and customer relationships must stand the light of day and the group must be transparent and clear about the Group's attitude to corruption with respect to customers and business partners.

Link to supply chain and affected stakeholders

Downstream

- Combating money laundering, terrorist financing and financial crime is a general challenge for the financial sector due to the sector's role as a facilitator of financial transactions and its roles and responsibilities in protecting financial integrity.
- Decisions related to SpareBank 1 Sør-Norge inadvertently financing or facilitating transactions for actors who directly or indirectly commit money laundering, terrorist financing and financial crimes, including fraud, can create a risk for people and communities.
- Context: The financial sector in Norway is relatively less exposed to money laundering and financial crime than most other countries, although greater attention is being paid to the problem here as well.

Downstream

- It is highly likely that the bank shields customers from actual and potential attacks of significant scope that would have done material and potentially irremediable harm.
- Context: The financial sector in Norway, and globally, is exposed to increasing cybersecurity threats that have a great potential to have negative impacts on individuals, business and society.

Downstream

- Cybersecurity breaches or attacks can result in substantial and potentially irreparable loss of information, and loss of reputation.
- Context: The financial sector in Norway, as well as globally, is increasingly exposed to data security threats that have the potential for significant negative impacts on individuals, businesses, and society.

Policies

- The group's code of conduct
- Anti-corruption policy
- Conflicts of interest policy
- The group's whistle-blowing procedures
- Corporate Anti-Money Laundering and Sanctions Policy
- Information security policy
- Privacy policy
- Information technology policy

4.1.1 Managing impacts, risks and opportunities

Corporate culture and business conduct policies (G1-1)

Policies	Description
The group's code of conduct	This standard safeguards the group's code of conduct
Corporate Anti-Money Laundering and Sanctions Policy	Specifies overarching policies and principles for establishing, implementing, improving and monitoring the group's compliance with the Anti-Money Laundering Act and sanctions regulations. The group's policy must clarify roles and responsibilities in this work with respect to both manual and system-related procedures.
Anti-corruption policy	The policy establishes principles and governance guidelines and requirements for employees, board members, suppliers and partners, and clarifies roles and responsibilities in the organisation with regard to anti-corruption efforts.
Conflicts of interest policy	The policy provides guidance on aligning the organisation such that there is little risk of conflicts of interest between the group and its customers, conflicts of interest between the group's customers or customer treatment that is contrary to the requirements for good business conduct. Conflicts of interest are situations in which decisions, actions or omissions may be motivated by differing or conflicting interests.
Privacy policy	The policy provides guidelines for how the group should process personal data and safeguard privacy in the processes and tasks performed by the group. See the section on ESRS S1 'Own workforce' for further information.
Purchasing Policy	The policy is intended to ensure that the group has professional purchasing processes and contributes to implementing Banksamarbeidet's joint purchasing strategy. The policy must also ensure that the bank complies with applicable regulations, including on data protection, outsourcing and sustainability.
Information security policy	The policy is intended to ensure that the group operates within the limits of acceptable risk associated with processing information and using ICTsystems. The purpose of the policy is to: <ul style="list-style-type: none">• Ensure that information security work supports the current business strategy for the companies in the group.• Protect the group's assets, information and reputation.• Ensure adequate confidentiality, integrity and availability of information, solutions and services in the group's business operations.• Ensure that the authorities, customers, employees and partners have confidence that information is processed in a proper regulatory manner.• Contribute to safe and stable business operations by monitoring critical business processes and robust continuity planning.• Ensure that the group complies with information security and privacy requirements in applicable laws and regulations.
Information technology policy (IT policy)	The policy sets guidelines and requirements for how IT services and systems should support and deliver on business needs as defined in corporate strategies, strategic focus areas, strategic targets and applicable strategies for disciplines, as well as laws, regulations and regulatory requirements issued by public authorities. The policy covers the introduction, operation and management of IT in the group

* All governing documents at this level must be approved by the board.

** Policies marked employees only are made available on the group's intranet under governance documents. Policies and guidelines marked public are made available on the group's website.

Responsible*	Covers	Accessibility**	Link to standards/initiatives
• Executive Vice President People and Integration	• Applies to all group employees.	• Public	• Finance Norway's ethics poster adopted by its executive board • ISO 26000 – Social responsibility
• Executive Vice President Customer Deliveries	• Applies to the entire group	• Public	• Wolfsberg ABC Guidance
• Executive Vice President Compliance	• Applies to all employees in the group, and requires a decision by the individual company boards.	• Employees only	• UN Global Compact, Ten Principles • UN Principles for Responsible Banking
• Executive Vice President Compliance	• Applies to all employees of the group, including board members	• Employees only	• EBA Guidelines on Internal Governance (EBA/GL/2021/05)
• Executive Vice President Technology Development and Business Processes	• Applies to all group employees.	• Public	• The Norwegian Data Protection Authority's guides • Finance Norway's guide on bank's processing of personal data • EU General Data Protection Regulation (GDPR) 2016/679
• Executive Vice President Technology Development and Business Processes	• Applies to the entire group.	• Employees only	• UN Guiding Principles on Business and Human Rights (UNGPs) • OECD Guidelines for Multinational Enterprises
• Executive Vice President Technology Development and Business Processes	• Applies to all companies in the group	• Employees only	• ISO/IEC 27001 – Information security management systems
• Executive Vice President Technology Development and Business Processes	• Applies to all companies in the group	• Employees only	

p's website, as well as on the group's intranet under governance documents.

Corporate culture and business conduct strategies

The identification and assessment of material impacts, risks and opportunities overlaps to a great extent with existing risk management in that parts of the materiality assessments conducted are based on insights and assessments from the group's risk management and due diligence. The materiality assessments also overlap to a great extent with the implementation and monitoring of the group's sustainability strategy and associated policies.

The group executive management team and board have the ultimate responsibility for ensuring compliance with the strategy and guidelines. New materiality assessments will be incorporated when the strategy and corporate governance is reviewed.

Policies discussed in the table above (4.1.1) that set out key overarching principles for business conduct are designed with a scope and format suitable for a broad group of recipients in the group. Policies are expanded on and described in further detail in standards and business requirements.

A quality management system has been established with governing documents, as well as risk management processes for continuously identifying and following up risk. These processes are designed to ensure that internal and external requirements are complied with and that risks are mapped and managed. Risk mitigation measures are registered, followed up, and reported in a dedicated database for measures.

SpareBank 1 Sør-Norge is focused on providing thorough training on the ethical framework of the group for the board, group executive management team, and employees. Board members are directly involved in reviewing and approving the group's code of conduct, and in connection with this work relevant discussion and training topics are also reviewed.

Advisers must take an authorisation course in order to become authorised. This consists of a curriculum, knowledge test (general topics), practical test and ethics test that tests their knowledge of ethics and good conduct. Annual skills refreshers are also conducted in the form of an ethics test for authorised advisers based on FinAut's curriculum. This is taken in FinAut's portal. It is vital that the board and management, as well as advisers, have a good understanding of our ethical framework. The framework is included as part of the continuous work on both ensuring the cultivation of an ethical culture and how the group does business.

Risk culture

SpareBank 1 Sør-Norge must have a strong risk culture. Risk culture comprises the group's values and attitudes expressed through the organisation's risk awareness, actions and capacity for organisational learning. A strong risk culture is the cornerstone of the group's risk management and, in order to ensure its operationalisation, it must be regularly

measured and evaluated. Risk culture surveys are conducted regularly in the group and measure the characteristics of the risk culture that have been shown to be particularly relevant for the risk exposure of organisations. An annual manager's verification process is conducted to assess whether risk management and internal control are being satisfactorily carried out in SpareBank 1 Sør-Norge. This is done in parallel with the risk culture survey in those years it is conducted since a number of the questions are the same. The results are reviewed and used to assess whether action is required. The manager of each area is responsible for ensuring that the approved measures are implemented as planned. The risk management department continuously monitors assessments of relevant measures.

4.1.1.1 Prevention and detection of corruption and bribery (G1-3)

SpareBank 1 Sør-Norge's code of conduct and anti-corruption policy are intended to contribute to, among other things, fighting corruption, extortion, bribery, money laundering, fraud and the financing of other criminal activities. The group's code of conduct is intended to raise people's awareness of potential ethical dilemmas and ensure that all employees maintain high ethical standards.

As part of the prevention and detection efforts, the group's ethical guidelines include, among other things, rules of conduct regarding employees' duty to exercise caution with regard to impartiality and conflicts of interest, and that they should not participate in the handling and decision-making of matters or issues where they may be deemed to have prominent personal or financial vested interests, or where the relationship may undermine confidence in their impartiality. Employee and board member participation in business and board positions is discussed in the same policy.

A specific anti-corruption policy has been established and governance documents are published, accessible and regularly revised in the group's quality system, which ensures information about the topic is available across the group. Regular risk assessments are conducted in the group, including business-oriented risk assessments related to money laundering, as well as risk assessments and topic checks from a compliance perspective. Given the risk mitigation measures and established internal controls, residual risk is considered low to moderate. Measures have been established to systematically follow up anti-corruption control activities.

The quality of the anti-corruption training programme is considered good. Given the complexity of the last merger, a survey will be conducted in 2025 to identify the supplementary training measures that should be implemented in areas with a higher inherent risk of corruption.

The guidelines for anti-corruption and impartiality have been incorporated into the purchasing and credit policy, and partners and suppliers are sent a sustainability appendix which includes the anti-corruption guidelines.

The group has established an Ethical Working Committee: an advisory body that can be used in cases where ethical dilemmas are raised that do not have clear answers and helps to highlight ethical challenges for the group. The committee is independent and is meant to be an advisory working group that can be convened at short notice and assist the organisation if necessary. It aims to reinforce the work on ethics, anti-corruption and compliance within the group and consists of representatives from several business areas. Meetings are held at least quarterly, and otherwise as required.

All employees must sign the code of conduct every year. The anti-corruption work includes ensuring new employees read and sign the code of conduct. As a result of the merger between SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge, the code of conduct is being revised and will be sent out so it can be signed by the group's employees at the beginning of 2025.

The group is against all forms of corruption, influence trading, bribery and use of facilitation money, and the group must actively contribute to preventing this. This means that the group must have purchasing processes, supplier and customer relationships that can withstand scrutiny. The group's position on corruption must be transparent and clear to customers, suppliers and partners. Employees must under no circumstances use their position to achieve personal benefits or act in a manner that could harm the Group's reputation. All managers and employees must report in line with established guidelines if they become aware of circumstances such as those mentioned above. The departments considered most vulnerable to corruption and bribery are purchasing, International Cash Management (ICM), public sector, Large Corporates, Corporate Market advisers in general, and Private Banking advisers.

Compliance assessments are conducted in relation to compliance with the anti-corruption policy. The group review specific transactions and activities, planned and existing business connections, and various categories and groups of employees. The assessments take a risk-based approach, and the inspections include financial and non-financial control actions.

Whistle-blowing report recipients/the whistle-blowing committee is the body for handling wrongdoing, including corruption. In cases that involve someone in the report reception group, information about the report will not be disclosed to the person or people concerned. Instead it must exclusively be communicated to the other members of the report reception group. Reporting lines have been established and any measures are followed up in line with existing whistle-blowing and management routines. The routines have been drawn up as a supplement to the whistle-blowing procedures in order to ensure that reports submitted in the group are handled properly. Whistle-blowing report recipients/the whistle-blowing committee must, if

necessary, and always in more complex and serious cases, prepare a report from its investigations. Where deemed necessary or appropriate, a report must be submitted to the CEO, who will assess whether the nature of the matter is such that it should be dealt with by the group's board.

4.1.1.2 Work on money laundering, terrorist financing and financial crime

Ensuring that the industry is not exploited for financial crime through the misuse of the services and products being offered is part of the financial services industry's social mission. SpareBank 1 Sør-Norge prepares an annual assessment of the risk of money laundering and terrorist financing linked to its operations, and also maps corruption and sanctions risk and the associated risk mitigation measures. The risk assessment is developed through broad involvement of key individuals within the group and is reviewed by the board.

In connection with the merger between SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge, an overarching risk assessment was conducted for SpareBank 1 Sør-Norge. This included a comparison of the 2024 risk assessments for SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge, including an analysis of the risk matrices. This overarching business-oriented risk assessment applies for the legal merger on 01.10.2024 until a new risk assessment has been conducted for SpareBank 1 Sør-Norge.

All managers have to confirm on an annual basis that they take a conscious approach towards the risk associated with money laundering and terrorist financing, and that they are familiar with the guidelines and policy that is anchored in the corporate anti-money laundering and sanctions policy.

SpareBank 1 Sør-Norge has an extensive framework of guidelines intended to prevent the group being used for money laundering, tax evasion or terrorist financing. The framework is there to ensure that the group complies with the statutory requirements in various processes through established routines, customer measures, electronic monitoring, sanctions regulations, and procedures for internal control. The group has committed to complying with the framework and guidelines in the Wolfsberg principles for combatting financial crime. The Wolfsberg principles establish requirements for, for example, transparency in customer transactions and how information is monitored and managed in line with the authorities' requirements.

One instance of financial fraud was identified involving a smaller amount for the person's own gain, which breached the group's code of conduct. Their employment was terminated. The matter was reported to the police. The group has taken a number of measures, including strengthening the internal control routines. Overall, the measures are deemed to have significantly reduced the risk of reoccurrences.

4.1.1.3 Cybersecurity

SpareBank 1 Sør-Norge manages large quantities of

information and assets for our customers, and as a financial institution, our digital solutions and infrastructure are critical for society.

SpareBank 1 Sør-Norge is exposed to cyber and data security risks and could be an attractive target for a number of threat actors due to our market position, customers, suppliers, partners and employees. The information security policy is based on ISO/IEC 27001 and forms the basis for the group's information security framework. The framework is intended to ensure that the group operates within the limits of acceptable risk associated with processing information and using ICT systems.

The chief information security officer (CISO) bears responsibility for the area of information security and business continuity and has been delegated responsibility for leading the group's work on IT and cybersecurity.

Business-critical functions, systems and processes must function, even in the event of serious errors, crises or disasters. The group must therefore maintain an overview of business-critical processes and supporting systems. Crisis and continuity plans are in place, as are procedures for incident prevention, incident and crisis management and recovery procedures for business operations. There is a separate sub-plan for the area of ICT that sets out further details concerning management and mobilisation.

SpareBank 1 Sør-Norge's privacy and information security strategy is to ensure the confidentiality, integrity and availability of personal data processed in the group in line with the privacy regulations (which consist of the Personal Data Act and the GDPR). The privacy regulations give our customers a number of rights. Information on how these rights can be exercised and how personal data is processed in the group is provided in an easily accessible way via the privacy statement on SpareBank 1 Sør-Norge's website.

SpareBank 1 Sør-Norge has formalised and incorporated descriptions of roles and responsibilities for privacy and information security. Both proactive and reactive measures are taken to prevent, detect, investigate and manage security incidents. The work includes established contingency plans, regularly conducting emergency response exercises, crisis teams tasked with efficiently managing major incidents and on-call arrangements. A dedicated incident response team has been established that monitors and follows up security incidents, as well as discrepancies relating to the use of IT systems around the clock.

To prevent adverse incidents (nonconformance), a number of technical measures have been implemented in addition to employees receiving regular training on privacy and information security. The measures are tangible, concrete and designed to prevent both human and technical errors. However, should nonconformances occur, they are recorded, followed up and reported on in a specific incident database. In the event of a breach of personal data security that may result in a risk to privacy, the group's data protection department will ensure that

the nonconformance is reported to the Norwegian Data Protection Authority within the 72-hour deadline and ensure that those concerned are informed in line with the privacy regulations.

The incident database helps the group learn from adverse incidents and thus prevent recurrences. Regular audits of both our organisation and external suppliers are conducted to ensure that the group's privacy and information security requirements are being properly addressed throughout the value chain.

Training

The board, managers and both permanent and temporary employees (agency temps and other temporary staff) undergo annual training activities to ensure that they have the expertise they need to manage the risk the group faces in the areas of money laundering, tax evasion, corruption and terrorist financing. All members of the group executive management team and board took an e-learning course in the period 2023-2024 to acquire a better understanding of the roles and responsibilities of the board in its efforts to combat money laundering and terrorist financing. The course provides core information about the nature of money laundering and terrorist financing, information about our role in combating money laundering and terrorist financing, a general overview of our statutory obligations and an overview of the authorities' potential sanctions in this area. Other anti-money laundering and terrorist financing training consists of role-based e-learning cases, which are distributed to relevant employees.

By the end of 2024, a total of 2,444 e-learning courses covering the different cases had been completed in the group. This corresponds to a completion rate of approximately 93% of the assigned courses.

The board of directors, group executive management team, corporate advisers and certain key roles that are considered the most vulnerable in relation to corruption and bribery complete anti-corruption training programmes, including an e-learning module designed to enable employees in the banking and financial services industry to recognise, prevent and manage corruption. The goal is to create an understanding of why corruption is so harmful to the individual, company and society as a whole. By the end of 2024, some 385 people had taken e-learning courses on anti-corruption in the period 2000-2024. These include new board members, the group executive management team, advisers, the heads of Business Banking and Agriculture and Corporate Market, managers in EiendomsMegler 1 SR-Bank and the management group in SpareBank 1 Regnskapshuset Sørøst-Norge. In 2024, 94 courses were completed. Because of the merger, the focus was on new board members, the group executive management team and the heads of subsidiaries.

New employees receive in-person training on the group's code of conduct, including guidelines related to anti-corruption, conflicts of interest, etc.

Passopp lessons on cyber threats, digital footprints, confidentiality, security screening and security were sent out throughout the year due to global uncertainty. The completion rate for the group is about 87% of the assigned courses. SpareBank 1 Utvikling organised emergency response exercises and provided tailored basic training in the interaction solution to the SpareBank 1 Alliance's key emergency response resources.

4.1.2 Metrics and targets (G1-4)

4.1.2.1 Confirmed incidents of corruption or bribery

Cases and incidents can be confirmed through internal investigations or by an external government agency. The table below uses the CSRD's broad definition of corruption: the abuse of entrusted power for private gain (i.e. financial misconduct, tax fraud, fraud, extortion, money laundering, scams, etc.). In the Norwegian Penal Code, corruption only means giving, offering, demanding, gaining or accepting an improper advantage (bribery) based on position, office or assignment. Both entries in the table below refer to the same single instance of financial misconduct discussed in the previous section.

Category	2024*
Number of confirmed instances of corruption	1
Number of confirmed instances of bribery	0
Fines for breaches of anti-corruption and anti-bribery laws	0
Convictions for breaches of anti-corruption and anti-bribery laws	0
Number of confirmed instances that resulted in the termination of business agreements with business partners due to corruption or bribery	0
Number of confirmed instances where own employees were terminated or disciplinary action was taken in connection with corruption or bribery	1

* 2024 figures include SpareBank 1 SR-Bank 01.01-30.09 plus the entire group 01.10-31.12

4.1.2.2 Confirmed cases related to suspicious customer transactions (anti-money laundering)

Category	2023*	2024**
Number of cases reported to the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime	469	739

* Figures for 2023 include SpareBank 1 SR-Bank

** 2024 figures include SpareBank 1 SR-Bank 01.01-30.09 plus the entire group 01.10-31.12

4.1.2.3 Estimated figures related to fraud cases: account transactions

Category	2023*	2024**
Number of fraud cases processed, account transactions	3,311	3,937
Potential loss***	79,870,830	72,330,062
Recovered****	41,780,165	29,768,270
Losses borne by the customer	30,047,828	19,608,286
Losses borne by the bank	3,199,135	9,819,860

*Figures for 2023 include SpareBank 1 SR-Bank

** 2024 figures include SpareBank 1 SR-Bank 01.01-30.09 plus the entire group 01.10-31.12

*** Potential loss is the sum of the funds transferred, or for which an attempt was made to transfer, out of the bank in connection with the fraud.

**** Recovered refers to the funds the bank has received back from receiving companies

4.1.2.4 Estimated figures related to fraud cases: card transactions

Category	2023*	2024**
Number of fraud cases processed, card transactions	2,608	4,316
Total loss	20,226,413	30,399,647
Losses borne by the bank	4,798,702	14,698,135

*Figures for 2023 include SpareBank 1 SR-Bank

** 2024 figures include SpareBank 1 SR-Bank 01.01-30.09 plus the entire group 01.10-31.12

4.1.2.5 Targets and actions for managing material impacts, risk and opportunities related to business conduct

Sub-topic	Desired end result	Actions	Objective*
Anti-corruption	Zero tolerance for money laundering, terrorist financing and all other forms of financial crime	<ul style="list-style-type: none"> Conduct an anti-corruption training programme for employees in accounting, consulting and real estate companies Map which additional training measures should be implemented in areas with a higher inherent risk of corruption 	<ul style="list-style-type: none"> The work is assessed in accordance with the compliance department's control plan through regular risk-based internal controls and activities determined by the annual risk assessment for the compliance area.
Code of conduct	<p>High ethical standards, transparency and good corporate governance</p> <p>Safeguarding human rights by contributing to openness in supply chains in our own operations and at our customers</p>	<ul style="list-style-type: none"> Revision and implementation of updated code of conduct Contribute to dilemma training in the group related to the code of conduct 	<ul style="list-style-type: none"> The code of conduct is being revised and will be sent out so it can be signed by the group's employees at the beginning of 2025. Implementation of the code of conduct will be followed up by the compliance department in line with the control plan, as well as through dialogue with the People and Integration and the ethics committee.
Money laundering, terrorist financing and financial crime	Zero tolerance for money laundering, terrorist financing and all other forms of financial crime	<ul style="list-style-type: none"> Mandatory role-based e-learning courses 	<ul style="list-style-type: none"> The work is assessed in accordance with the compliance department's control plan through regular risk-based internal controls and activities determined by the annual risk assessment for the compliance area.
Cybersecurity	<p>Deliver safe, secure IT solutions and use data in a socially useful, fair and ethically sound manner (especially artificial intelligence)</p>	<ul style="list-style-type: none"> Mandatory e-learning courses on information security 	<ul style="list-style-type: none"> The work is assessed in accordance with the compliance department's control plan through regular risk-based internal controls and activities determined by the annual risk assessment for the compliance area.

*There are no quantitative targets in these areas.

The above listed actions ha not inflicted the group with material capital or operational expenditure.

Unless specified, the objectives and methodology behind them have not been third-party approved.

Target: Ethical Banking Guide score

Definition (method)	External scoring performed by Future In Our Hands and the Norwegian Consumer Council The Ethical Banking Guide is based on a comprehensive review of banks' policies, requirements and policy documents.	
Target for current strategy period	>75%	
Target achievement status	2023 76%*	2024 **

*Score is for SpareBank 1 SR-Bank

**Future In Our Hands and the Norwegian Consumer Council decided not to score the banking industry in 2024

Stavanger 12 March 2025



Finn Haugan
Chair of the board



Heine Wang



Camilla AC Tepfers



Eirik P. Elholm
Employee representative



Maria Tho



Jan Skogseth



Hanne Myhre Gravdal
Employee representative



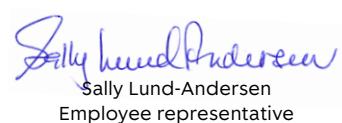
Inge Reinertsen
Chief Executive Officer



Trine Sæther Romuld



Kjetil Skjæveland



Sally Lund-Andersen
Employee representative



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Income statement

Parent bank					Group	
2023	2024	(Figures in NOK millions)	Note	2024	2023	
11,764	14,978	Interest income effective interest method	18	20,565	15,964	
2,534	3,189	Other interest income	18	3,250	2,551	
8,819	11,573	Interest expense	18	16,298	12,378	
5,480	6,594	Net interest income		7,517	6,136	
1,305	1,490	Commission income	19	2,392	2,040	
111	116	Commission expense	19	116	111	
16	16	Other operating income	19	10	9	
1,210	1,390	Net commissions and other operating income		2,286	1,939	
31	52	Dividends		78	66	
1,475	277	Income from ownership interests	38	1,140	288	
497	-31	Net gain/loss from financial investments	20	-282	315	
2,003	299	Net income from financial investments		937	669	
8,692	8,283	Total net income		10,739	8,745	
1,471	1,676	Salaries and other personell expense	21	2,364	2,053	
851	1,184	Other operating expense	22	1,386	1,081	
130	149	Depreciation and impairment of fixed and intangible assets	29,30,31	186	166	
2,453	3,010	Total operating expense		3,936	3,299	
6,239	5,273	Pre-tax operating profit before impairment		6,803	5,445	
-235	375	Impairment losses on loans and other financial liabilities	10	387	-232	
6,475	4,898	Pre-tax operating profit		6,415	5,677	
1,158	1,072	Tax expense	24	1,222	1,202	
5,317	3,826	Profit for the year		5,193	4,475	
5,142	3,543	Portion attributable to shareholders		4,910	4,300	
175	282	Portion attributable to hybrid capital owners		282	175	
		Non-controlling interests		1		
5,317	3,826	Profit for the year		5,193	4,475	
		Comprehensive Income Statement				
6	-10	Actuarial gains and losses		-8	4	
-1	2	Tax effect of actuarial gains and losses		2	-1	
4	-7	Items that will not be reclassified to the income statement		-6	3	
-3	-0	Change in ECL 12 months		-0	-0	
		Change in value, basis swap	27	-247	-113	
		Tax effect of change in value, basis swaps	27	62	28	
		Share of other comprehensive income in associated companies and joint ventures		17	6	
-3	-0	Items that may subsequently be reclassified to the income statement		-168	-78	
2	-8	Other comprehensive income for the year		-174	-76	
5,319	3,818	Total comprehensive income		5,019	4,400	
1.86	0.99	Profit after tax as percentage of average total assets		1.08	1.24	
		Earnings per share				
19.46	9.44	Earnings per share ¹⁾	21,40	13.08	16.27	
19.46	9.44	Diluted earnings per share ²⁾	21,40	13.08	16.27	

¹⁾ The shareholders' share of the profit/average no. of outstanding shares

²⁾ The shareholders' share of the profit/average no. of outstanding shares + bonus shares

Balance sheet

Parent bank				Group		
2023	2024	(Figures in NOK millions)	Note	2024	2023	
Assets						
88	119	Cash and receivables from the central bank	36	119	88	
20,044	17,199	Loans to and receivables from credit institutions	7	12,711	5,536	
170,704	267,795	Loans to customers	8, 11, 13	374,119	270,757	
56,065	60,274	Certificates and bonds	13, 26	60,825	57,681	
23,210	17,029	Financial derivatives	27	11,444	16,179	
381	2,391	Shares, ownership stakes and other securities	28	2,643	680	
3,895	5,050	Investments in ownership interests	38	8,144	6,000	
7,354	7,677	Investments in group companies	38	-	-	
70	3,569	Intangible assets	29	4,074	368	
2,538	2,287	Deferred tax asset	24	2,404	2,612	
301	581	Fixed assets	30	1,242	948	
900	1,070	Right-of-use assets	31	478	366	
553	569	Other assets	32	1,132	971	
286,102	385,610	Total assets		479,336	362,186	
Liabilities						
3,560	715	Debt to credit institutions	7	695	3,188	
149,309	204,434	Deposits from customers	33	204,006	149,076	
55,146	78,640	Securities issued	34	180,850	138,353	
22,475	20,963	Financial derivatives	27	9,339	13,697	
2,557	1,020	Taxes payable	24	1,178	2,706	
956	1,136	Lease liabilities	31	505	390	
253	423	Pension commitments	23	431	261	
128	109	Impairment provisions on financial liabilities	10	109	129	
739	841	Other liabilities	35	1,271	1,024	
17,017	22,539	Senior non-preferred debt	34	22,539	17,017	
2,784	5,776	Subordinated loan capital	37	5,776	2,784	
254,925	336,597	Total liabilities		426,699	328,626	
Equity						
6,607	9,386	Share capital	40	9,386	6,607	
2,354	14,719	Share premium reserve		14,719	2,354	
1,982	3,191	Allocated dividend		3,191	1,982	
3,155	4,300	Hybrid capital	40	4,300	3,155	
17,078	17,417	Other equity		21,041	19,462	
31,176	49,013	Total equity		52,637	33,561	
286,102	385,610	Total liabilities and equity		479,336	362,186	

Stavanger 12 March 2025



Finn Haugen
Chair of the board



Maria Tho



Trine Sæther Romuld



Heine Wang



Jan Skogseth



Kjetil Skjæveland



Camilla AC Tepfers



Hanne Myhre Gravdal
Employee representative



Sally Lund-Andersen
Employee representative



Eirik P. Elholm
Employee representative



Inge Reinertsen
Chief Executive Officer

Statement of changes in equity (Figures in NOK millions)

Parent bank	Share capital	Share premium reserve	Hybrid capital	Value of basisswap defined as hedging instrument	Non-controlling interests	Other equity	Total equity
Equity 31.12.2022	6,394	1,587	1,700			15,709	25,390
Net profit for the year			175			5,142	5,317
Actuarial gains/losses after tax on pension schemes					4		4
Change in ECL ¹⁾ 12 months					-3		-3
Total comprehensive income			175			5,143	5,319
Issued hybrid capital			2,150				2,150
Repayments in debt established by issuing hybrid capital			-695				-695
Interest hybrid capital			-175		-		-175
Dividends in 2022, finally determined in 2023					-1,790		-1,790
Share issue	213	768					981
Trade in treasury shares					-2		-2
Transactions with shareholders					-1,793		-812
Equity 31.12.2023	6,607	2,354	3,155			19,060	31,176
Net profit for the year			282			3,543	3,826
Actuarial gains/losses after tax on pension schemes					-7		-7
Change in ECL ¹⁾ 12 months					-0		-0
Total comprehensive income			282			3,536	3,818
Hybrid capital			1,200				1,200
			-405				-405
Interest hybrid capital			-282		-		-282
Dividends in 2023, finally determined in 2024					-1,982		-1,982
Issued hybrid capital	2,780	12,364	350			1,000	16,494
Repayments in debt established by issuing hybrid capital					-1,000		-1,000
Trade in treasury shares					-5		-5
Transactions with shareholders	2,780	12,364	350		-1,987		13,507
Equity 31.12.2024	9,386	14,719	4,300			20,609	49,013

¹⁾ ECL - expected credit loss

Group	Share capital	Share premium reserve	Hybrid capital	Value of basisswap defined as hedging instrument	Non-controlling interests	Other equity	Total equity
Equity 31.12.2022	6,394	1,587	1,700	65		18,942	28,687
Net profit for the year			175			4,300	4,475
Actuarial gains/losses after tax on pension schemes						3	3
Basis swap spread after tax				-85		-	-85
Share of other comprehensive income from associated companies						6	6
Total comprehensive income			175	-85		4,309	4,400
Issued hybrid capital			2,150				2,150
Repayments in debt established by issuing hybrid capital			-695				-695
Interest hybrid capital			-175			-	-175
Transactions against equity in subsidiaries and associated companies						5	5
Dividends in 2022, finally determined in 2023						-1,790	-1,790
Share issue	213	768					981
Trade in treasury shares						-2	-2
Transactions with shareholders	213	768				-1,792	-812
Equity 31.12.2023	6,607	2,354	3,155	-19	-	21,464	33,560
Net profit for the year			282		1	4,910	5,193
Actuarial gains/losses after tax on pension schemes						-6	-6
Basis swap spread after tax				-185			-185
Share of other comprehensive income from associated companies						17	17
Total comprehensive income			282	-185	1	4,921	5,019
Issued hybrid capital			1,200				1,200
Repayments in debt established by issuing hybrid capital			-405				-405
Interest hybrid capital			-282			-	-282
Transactions against equity in subsidiaries and associated companies				-		15	15
Dividends in 2023, finally determined in 2024						-1,982	-1,982
Merger with SpareBank 1 Sørøst-Norge 1.10	2,780	12,364	350		8	1,015	16,517
Cash consideration to share-owners 1.10.						-1,000	-1,000
Trade in treasury shares						-4	-4
Transactions with shareholders	2,780	12,364	350	-	8	-1,971	13,530
Equity 31.12.2024	9,386	14,719	4,300	-204	9	24,428	52,637

Statement of cash flows (Figures in NOK millions)

Accounting policies

The statement of cash flow shows cash flows grouped by sources and uses. Cash is defined as cash, deposits in central banks, and deposits in credit institutions with no period of notice. The statement of cash flow is prepared using the direct method.

Parent bank					Group	
2023	2024		Note	2024	2023	
-23,276	-17,337	Change in loans to customers	8	-23,626	-19,045	
10,470	13,447	Interest receipts from loans to customers		19,498	15,104	
867	-2,033	Change in deposits from customers	33	-2,229	977	
-4,526	-5,947	Interest payments on deposits from customers		-5,932	-4,512	
-340	9,413	Change in receivables and deposits with credit institutions	7	-267	6,126	
1,087	1,047	Interest on receivables and debt to credit institutions		409	669	
-1,183	2,354	Change in certificates and bonds	26	3,100	-3,691	
2,529	2,973	Interest receipts from certificates and bonds		3,051	2,559	
1,221	1,359	Commission receipts		2,248	1,937	
6,666	199	Capital gains from sale of financial instruments		177	6,892	
-2,136	-2,648	Payments to operations		-3,496	-3,187	
-1,206	-2,557	Taxes paid	24	-2,706	-1,355	
6,110	30	Other net payments		2,052	6,188	
-3,716	300	A Net cash flow relating to operations		-7,721	8,663	
-96	-161	Aquisition of fixed assets	30	-184	-124	
-	44	Receipts from sale of fixed assets	30	47	-	
-1,323	-125	Long-term investments in shares		-124	-439	
233	156	Receipts from sales of long-term investments in shares		193	253	
1,506	330	Dividends from long-term investments in shares		152	660	
	-903	Net cash outflows related to business integration		-903		
320	-658	B Net cash flow relating to investments		-819	349	
17,846	20,228	Increase in securities issued and senior non-preferred debt	34	40,174	17,846	
-10,805	-14,665	Repayment – securities issued and senior non-preferred debt	34	-21,694	-19,632	
-3,774	-4,465	Interest payments on securities issued and senior non-preferred debt		-9,239	-7,381	
1,500	2,900	Borrowing and sale of own subordinated loans	37	2,900	1,500	
-925	-700	Repayments - subordinated loans	37	-700	-925	
-161	-266	Interest payments on subordinated loans		-266	-161	
2,150	1,200	Increase in hybrid capital issued	40	1,200	2,150	
-695	-405	Repayment - hybrid capital issued		-405	-695	
-175	-282	Interest payments on debt established by issuing hybrid capital		-282	-175	
-83	-101	Lease payments		-75	-66	
981	-	Private placement		-	981	
-1,790	-1,982	Dividend to shareholders		-1,982	1,790	
4,068	1,461	C Net cash flow relating to funding activities		9,631	-8,349	
672	1,103	A+B+C Net cash flow during the period		1,091	663	
1,400	2,071	Cash and cash equivalents 1.1.		2,082	1,419	
2,071	3,173	Cash and cash equivalents 31.12.		3,174	2,082	
		Specification of cash and cash equivalents				
88	119	Cash and receivables from the central bank		119	88	
1,983	3,054	Receivables from credit institutions at call		3,055	1,995	
2,071	3,173	Cash and cash equivalents 31.12.		3,174	2,082	

Cash and cash equivalents include cash and deposits in the central bank, and that part of total loans to and deposits in credit institutions that relate to pure placements in credit institutions. The statement of cash flow shows how the parent bank and group generated liquid assets and how these were applied.

Note 1 General information

The SpareBank 1 Sør-Norge Group consists of the parent bank, SpareBank 1 Sør-Norge ASA ("the bank") and its subsidiaries.

Subsidiaries - Ownership 100 %	Head Office
SR-Boligkredit AS	Stavanger
EiendomsMegler 1 SR-Eiendom AS	Stavanger
EiendomsMegler 1 Sørøst-Norge AS	Nøtterøy
FinStart Nordic with associated company	Oslo
SpareBank 1 Sør-Norge ForretningsPartner AS	Stavanger
SpareBank 1 Regnskapshuset Sørøst-Norge AS	Drammen
Finansparken Bjergsted AS	Stavanger
Sparbankgården AS	Porsgrunn
Tufte Eiendom AS	Porsgrunn
Imingen Holding AS	Kongsberg
Rygir Industrier AS with subsidiaries (acquired assets)	Stavanger
EiendomsMegler 1 Telemark AS (51 %)	Skien

Investments in associated companies	Ownership interest in % 31.12
BN Bank AS	42.48
SpareBank 1 Kredit AS	27.65
SpareBank 1 Betaling AS	26.69
SpareBank 1 Bank og Regnskap AS	35.30
SpareBank 1 Gjeldsinformasjon AS	30.08
SpareBank 1 Forvaltning AS	41.99
SpareBank 1 Markets AS	35.06

Investments in joint ventures

SpareBank 1 Gruppen AS	19.50
SpareBank 1 Utvikling AS	18.00

Distribution of stakes in companies where the management structure is regulated by an agreement between the owners (stakes in %)

	SpareBank1 Gruppen AS	BN Bank ASA
SpareBank 1 Sør-Norge	19.50	42.48
SpareBank 1 SMN	19.50	35.02
SpareBank 1 Nord-Norge	19.50	9.99
Samarbeidende Sparebanker	19.50	
SpareBank 1 Østlandet	12.40	9.99
SpareBank 1 Østfold Akershus		2.52
LO		9.60

Some Alliance companies are classified as associated companies despite the stake being smaller than 20%. This is because the ownership structure and strategic cooperation between the owner banks in SpareBank 1 Gruppen AS give SpareBank 1 Sør-Norge AS significant influence over these companies.

The bank's head office is in Stavanger and it has 55 branches in Rogaland, Agder, Vestland, Oslo, Buskerud, Vestfold og Telemark. Some of the branches share premises with EiendomsMegler 1 SR-Eiendom AS, Eiendomsmegler 1 Sørøst-Norge AS, SpareBank 1 Sør-Norge Forretningspartner AS og SpareBank 1 Regnskapshuset Sørøst-Norge AS.

The group's primary activities are selling and mediating a wide range of financial products and services, investments services, consulting services, accounting services and leasing and estate agency.

The financial statements have been prepared on a going concern basis.

The financial statements are published after the board has approved them. The general meeting and the regulatory authorities may refuse to approve the published financial statements subsequent to this, but they cannot change them. Events that take place before the date on which the financial statements are approved for publication, and which affect conditions that were already known on the balance sheet date, will be incorporated into the pool of information that is used when making accounting estimates and are thereby fully reflected in the financial statements. Events that were not known on the balance sheet date will be reported if they are material.

The consolidated financial statements were approved by the board on 12.3.2025. The general meeting is the bank's supreme authority.

Note 2 Accounting policies

Basis for preparation of the annual financial statements

The parent bank's financial statements and the consolidated financial statements for 2024 for SpareBank 1 Sør-Norge ('the group') have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

SpareBank 1 Sør-Norge is a public limited company registered in Norway with its headquarters in Stavanger. SpareBank 1 Sør-Norge is listed on Oslo Børs.

Preparing financial statements in accordance with IFRS requires the use of estimates. Furthermore, applying international reporting standards requires management to use its judgement. Areas that involve a great deal of discretionary estimates, a high degree of complexity, or areas where assumptions and estimates are significant for the parent bank's and the consolidated financial statements are described in note 3.

The annual financial statements are presented in accordance with IFRS and interpretations that are obligatory for annual financial statements presented as at 31.12.2024.

General accounting policies

Consolidation

The consolidated financial statements include all subsidiaries. Subsidiaries are all entities (including structured entities) controlled by the group. Control over a unit occurs when the group is exposed to variability in the return from the unit and has the ability to influence this return through its power over the unit. Subsidiaries are consolidated from the day control arises and deconsolidated when control ceases.

Presentation currency

The presentation currency is the Norwegian krone (NOK), which is also the group's presentation currency. The functional currency of parent company and all major subsidiaries is the Norwegian crown (NOK). All figures are in NOK millions unless otherwise stated.

Changes in accounting policies

New and revised standards that were applied in 2024: No new standards, amendments to the standards or interpretations that materially affected the accounts of the group or the parent company were adopted from 1.1.2024

New standards and interpretations that have not been adopted yet

Some new accounting standards and changes to accounting standards have been published that are not mandatory for reporting periods ending 31.12.2024, and these have not been implemented by the bank early. Our assessments of the effects of these new standards and changes are described below:

1. Changes to the classification and measurement of financial instruments – changes to IFRS 9 and IFRS 7 (applicable for periods beginning 01.01.2026 or later). These changes:

- clarify the date for recognition and derecognition of certain financial assets and liabilities, with a new exemption for certain financial liabilities that are settled via an electronic cash transfer system;
- clarify and provide further guidance on assessing whether a financial asset meets the criteria for 'solely payment of principal and interest' (SPPI);
- add new disclosures for certain instruments with contractual terms and conditions that may alter cash flows (such as certain financial instruments with functions related to achieving environmental, social and governance objectives); and
- update the disclosures for equity instruments that have been measured at fair value over comprehensive income (FVOCI).

2. IFRS 18 – Presentation and Disclosure in Financial Statements (applicable for periods beginning 01.01.2027 or later). IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help achieve comparability and provide more relevant disclosures and transparency to users. Although IFRS 18 will not affect the recognition or measurement of financial statement items, its impact on presentation and disclosure is expected to be comprehensive, particularly in relation to the income statement and the provision of management-defined performance goals in the financial statements.

The group executive management team is currently considering the detailed implications of applying the new standard to the bank's financial statements, but has yet to reach any preliminary conclusions. The bank will apply the new standard from its mandatory effective date of 01.01.2027. Retrospective application is required and, therefore, comparable disclosures for the financial year ending 31.12.2026 will be restated in line with IFRS 18.

There are also a number of new standards, changes to the standards and interpretations that are mandatory for future annual accounts. There are no standards or interpretations that have not been adopted yet, that are expected to have any material effects on the group's statements.

Merger with SpareBank 1 Sørøst-Norge

The merger of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge (including subsidiaries) was completed on 1 October 2024 with accounting effect from the same date. Refer to the individual notes and note 41 for more information.

Note 3 Critical estimates and judgements concerning use of the accounting policies

The preparation of financial information entails the executive management using estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income, and costs. Estimates and judgements are continuously evaluated, and are made based on previous experiences as well as expectations regarding future events deemed probable on the balance sheet time.

Impairments on loans

The group conducts annual evaluation of its corporate market portfolio. High-risk exposures in the corporate market portfolio are evaluated on a quarterly basis. Loans to retail customers are subject to evaluation when they are more than 90 days past due; larger exposures in default are evaluated on a quarterly basis.

The group's risk classification systems are described under financial risk management in the annual report.

The group carries out an impairment if there is objective evidence that can be identified for an individual exposure, and the objective evidence entails a reduction in future cash flows for servicing the exposure. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties.

Individual impairment provisions are calculated as the difference between the loan's book (carrying) value and the present value of future cash flows based on the effective interest rate at the time of the calculation of the initial individual impairment. Account is taken of subsequent changes in interest rates for loan agreements with variable rates if these changes affect the expected cash flow. For smaller exposures, the general rule is that the difference between the actual exposure at the time of impairment and the realisation value (underabsorption) of the pledged collateral is written down, and that the impairment is based on one scenario. For larger exposures, the general rule is that the difference between the actual exposure and the bank's assessment of the discounted value of the customer's future cash flow is written down, and the impairment is based on three scenarios.

According to IFRS 9, loss provisions are recognised for all exposures based on expected credit loss (ECL). The measurement of the provisions for expected losses on exposures that are not individually impaired depends on whether or not the credit risk has increased significantly since initial recognition. Upon initial recognition and when the credit risk has not increased significantly after initial recognition, provisions must be made for 12 months' expected losses. If the credit risk has increased substantially after initial recognition, provisions must be made for expected losses over the entire lifetime. Expected credit loss is calculated on the basis of the present value of all cash flows over the remaining expected lifetime.

Climate related issues are given increased attention in the credit assessments, and the related risks are first and foremost uncovered through the utilisation of an ESG-module in the credit related work. A need for specific, climate related impairment provisions has so far not been deemed necessary. The scoring from the ESG-module is included in the stress test-model which is used, among other things, for the preparation of climate-related stress tests. Further development and clarifications regarding how expectations of climate related credit losses are to be included in the impairment provisions/IFRS 9-model are still needed. Also refer to note 6.

A probability weighted average is calculated for four different scenarios: an upside scenario, a base scenario, an sector crisis scenario and a stress scenario, respectively. The base scenario is based on the most recent edition of "Monetary Policy Report", and represents a normal business cycle. The upside scenario represents a period of economic growth with better macro economic prospects than the base scenario. The sector crisis scenario is based on data from a sector specific representative period of economic decline, at the moment within the property sector but with assumed contagion to other industries as well. The stress scenario is linked to the group's periodic internal capital adequacy assessment process (ICAAP) for a period of comprehensive economic decline. The mutual weighting of the scenarios is considered and determined by a specially established internal working group composed of people at a management level. Upside scenario has been added to the scenarios in the 3rd quarter of 2024. In the 4th quarter of 2024, a change in the IFRS9-model, regarding amortisation and loss given default (LGD), was implemented. The model change resulted in an effect of 40 million kroner in increased provisions, primarily due to changes in the LGD assumptions.

The choice of scenarios and their weighting are regularly reviewed (at least once a year) by the aforementioned working group. As at 31.12.2024, the upside scenario had a 5% weighting, the base scenario had a 80% weighting, the adverse scenario had a 12,5% weighting, and the stress scenario had a weighting of 2,5%. The weighting is the same for all portfolios and reflects the uncertainty associated with economic developments going forward. In order to illustrate the associated weight sensitivity, a simulation of the effects of a more conservative scenario weighting was conducted in which the weight of the update scenario is unchanged at 5%, base scenario was reduced to 75%, the adverse scenario is reduced to 10% and the stress scenario were increased to 10%. Such a change in the scenario weighting would, all else equal, increase the group's expected impairment losses for commitments without individual impairment by NOK 106 million.

Sensitivity Calculations (NOK millions)	Upside scenario	Base scenario	Sector crisis scenario	Stress scenario	Large corporates	Corporate market and agriculture	Retail market	SR-Boligkredit	Not distributed	Total Group	Change in applied scenario
Weights used as at 31.12.2024											
ECL in Upside scenario					315	262	141	39	7	764	
ECL in Base scenario					438	341	165	48	10	1,002	
ECL in Sector crisis scenario					714	507	224	69	15	1,529	
ECL in Stress scenario					1,351	827	377	148	32	2,735	
ECL with applied scenario weighting	80.0 %	15.0 %	5.0 %	541	490	371	183	52	3	1,099	
(current, used from third quarter of 2024)											
Alternative scenario weighting I	80.0 %	12.5 %	7.5 %	557	469	358	164	51	-	1,042	-57
Alternative scenario weighting II					475	362	175	51	-	1,063	-36
Alternative scenario weighting III	80.0 %	10.0 %	10.0 %	573	506	378	181	54	-	1,119	20
Alternative scenario weighting IV	75.0 %	15.0 %	10.0 %	579	519	387	184	55	-	1,145	46
Alternative scenario weighting V	75.0 %	10.0 %	15.0 %	612	551	403	192	59	-	1,205	106
<hr/>											
Weights used as at 31.12.2023											
ECL in Base scenario					487	197	51	30	1	766	
ECL in Adverse scenario					596	236	83	64	1	980	
ECL in Stress scenario					1,245	474	152	128	2	2,001	
ECL with applied scenario weighting	80.0 %	15.0 %	5.0 %	541	217	61	40	1	860		
(current, used from fourth quarter of 2023)											
Alternative scenario weighting I	80.0 %	12.5 %	7.5 %	557	223	62	42	1	885	25	
(used second and third quarter of 2023)											
Alternative scenario weighting II	80.0 %	10.0 %	10.0 %	573	229	64	44	1	911	51	
Alternative scenario weighting III	75.0 %	15.0 %	10.0 %	579	231	66	45	1	922	62	
Alternative scenario weighting IV	75.0 %	10.0 %	15.0 %	612	243	69	48	1	973	113	
Alternative scenario weighting V	70.0 %	15.0 %	15.0 %	616	245	71	50	1	983	123	
(illustration, not used before)											

Closely monitoring customers and prevention work are important measures actively employed by the group to maintain its good risk profile in the group's loan portfolio.

Fair value of financial derivatives and other financial instruments

Fair value of financial derivatives and other financial instruments The fair value of derivatives is determined using valuation methods where the price of the underlying instrument, for example, interest rate or currency rate, is obtained from the market. When measuring financial instruments for which observable market data is not available, the group makes assumptions regarding what market actors would base their valuation on for equivalent financial instruments. Valuations require extensive use of discretion, including when calculating liquidity risk, credit risk and volatility. Any change in the aforementioned factors will affect the fair value determined for the group's financial instruments. For more information see note 25 on the classification of financial instruments. In the case of options, volatility will be either observed implicit volatility or calculated volatility based on historical price movements for the underlying object.

IT-infrastructure

Furthermore, several measures have been implemented to secure the bank's IT infrastructure and to prevent potential cyber-attacks on the most critical systems and processes.

The group's assessments of critical estimates and judgements regarding its use of accounting policies are challenging but are currently considered to be the best estimate

Note 4 Segment reporting

Accounting policies

A business segment is part of an entity that is engaged in providing individual products or services that are subject to risks and returns that are different from those of other business segments. A geographic market (segment) is a part of a business that supplies products and services within a limited geographic area that is subject to risks and returns that are different from other geographic markets. As regards to segment reporting, the group executive management team is the supreme decisionmaking authority. The figures in the segment reporting are based on internal reporting for the group executive management team.

The executive management team has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between retail market, corporate market and SME & agriculture. Other activities covers all staff departments including treasury, subsidiaries and associated companies.

Reporting per business area:

(Figures in NOK millions)

	Retail market		Corporate market		SME & agriculture		Other activities		Eliminations		Group	
Income statement	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net interest income ¹⁾²⁾	2,622	2,097	2,364	2,246	1,153	956	1,386	853	-8	-15	7,517	6,136
Net commission and other income	791	652	410	395	172	140	996	822	-83	-70	2,286	1,939
Net income on investment securities	8	19	81	66	45	34	803	550	0	0	937	669
Total net income	3,421	2,768	2,855	2,707	1,370	1,130	3,186	2,225	-92	-85	10,739	8,745
Total operating expenses	842	718	230	219	170	140	2,786	2,309	-92	-85	3,936	3,299
Operating profit before losses	2,579	2,051	2,625	2,489	1,199	990	400	-83	0	0	6,803	5,445
Impairment losses on loans and other financial liabilities	78	4	210	-299	101	63	-2	-	0	0	387	-232
Pre-tax profit	2,501	2,046	2,415	2,788	1,098	927	402	-83	0	0	6,415	5,677
Balance sheet items												
Loans to customers	230,942	159,440	97,258	86,048	40,676	21,626	6,953	5,048	-151	-160	375,678	272,001
Loans transferred to SB1 Bolig- og Næringskreditt	27,190	-	344	-	1,469	-	382	-	-	-	29,385	-
Loans to customers incl. SB1 Bolig- and Næringskreditt	258,132	159,440	97,602	86,048	42,145	21,626	7,335	5,048	-151	-160	405,062	272,001
Impairment provisions on loans	-292	-135	-811	-874	-456	-236	-	0	-	-	-1,559	-1,244
Deposits from customers	113,224	70,184	54,045	51,322	38,057	21,885	-892	5,918	-428	-232	204,006	149,076

¹⁾ Net interest income and other liabilities contain allocated arrangements between the segments. The interest on intercompany receivables for the retail market division and the corporate market divisions is fixed based on expected observable market interest rates (NIBOR) plus expected additional costs for the group's long-term funding (credit premium). Differences between the group's actual funding costs and the interest applied on intercompany receivables are eliminated in the parent bank.

²⁾ Interest income includes internal charging of the funding costs.

Note 5 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements for banks and investment firms (CRR/CRD). SpareBank 1 Sør-Norge has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

The total minimum Common Equity Tier 1 capital ratio requirement for SpareBank 1 SR-Bank, inclusive of the buffer, Pillar 2 premium and capital requirement margin, was 17.56.39 percent at 31.12.2024. The requirement consists of a 4.50 percent minimum requirement plus a capital conservation buffer of 2.50 percent, a systemic risk buffer of 4.46 percent, a countercyclical buffer of 2.50 percent, and a capital requirement margin of 1.25 percent. The bank is defined as systemically important and has been given a requirement of 1.00 percent. In addition, the Financial Supervisory Authority of Norway has set a temporary individual Pillar 2 requirement of 1.90 percent, of which 1.07 percent must be covered by common equity Tier 1 capital. The bank has also received a temporary Pillar 2 surcharge of 0.50 percent, of which 0.28 percent must be covered by Common equity Tier 1 capital until the model change has been processed by the Norwegian Financial Supervisory Authority.

Risk weights for residential mortgages are subject to a regulatory floor of 20 percent. As of 31.12.2024, we have not made any adjustments since the bank is above the floor of 20 percent risk weight for both the parent bank and the group level.

Norwegian engagements must have a systemic risk buffer of 4.50 percent. For engagements in other countries, the relevant country's rate must be used. As of 31.12.2024, the real rate for the parent bank and group is 4.46 percent.

The countercyclical buffer is 2.50 percent for Norwegian engagements. For other countries, the relevant country's rate shall be used, if they have not set a rate, then the Norwegian rate shall be used, unless the Ministry of Finance determines a different rate. As of 31.12.2024, the parent bank is above and the group level below the exemption limit. The real rate for the parent bank is 2.49 percent and for the group 2.50 percent.

Parent bank			Group	
2023	2024		2024	2023
6,607	9,386	Share capital	9,386	6,607
2,354	14,719	Premium reserve	14,719	2,354
1,982	3,191	Allocated to dividend	3,191	1,982
3,155	4,300	Hybrid capital	4,300	3,155
17,078	17,417	Other equity	21,041	19,462
31,176	49,013	Total equity	52,637	33,561
		Deductions		
-70	-3,569	Deferred taxes, goodwill and other intangible assets ¹⁾	-5,677	-1,382
-1,982	-3,191	Allocated dividend	-3,191	-1,982
-764	-481	IRB shortfall of credit risk adjustments to expected losses	-792	-929
-4	-6	Insufficient coverage for non-performing exposures	-6	-4
-3,155	-4,300	Hybrid capital that cannot be included in CET 1 capital	-4,300	-3,155
		Other adjustments that cannot be included in CET 1 capital	-166	-
-	-	CET 1 capital in significant investments in financial institutions	-	-
-277	-496	CET 1 capital in not essential investments in financial institutions	-409	-243
-72	-85	Value adjustment due to requirements concerning proper valuation	-95	-89
24,852	36,884	Common equity Tier 1 capital	38,001	25,777
3,155	4,300	Hybrid capital	4,712	3,290
-155		Hybrid capital that cannot be included in Tier 1 capital		-155
-48	-78	Deduction for essential investments in financial institutions	-78	-48
27,804	41,106	Tier 1 capital	42,635	28,864
		Tier 2 capital		
2,672	5,617	Term subordinated loan capital	6,215	2,916
-193	-260	Deduction for essential investments in financial institutions	-260	-193
2,479	5,357	Tier 2 capital	5,955	2,724
30,283	46,463	Own funds	48,589	31,587

Parent bank			Group		
2023	2024		2024	2023	
		Credit risk			
17,677	16,867	Corporates - SME	16,885	17,684	
21,331	23,581	Corporates - Specialised Lending	27,842	24,867	
11,635	12,066	Corporates - Other	12,250	11,953	
1,123	1,302	Retail - Secured by real estate SME	2,048	1,584	
14,392	15,116	Retail - Secured by real estate non-SME	46,710	37,019	
-	162	Retail - Other SME	163	161	
1,551	1,618	Retail - Other non-SME	1,689	1,609	
13,868	20,823	Equity positions	-	-	
81,577	91,534	Total credit risk, IRB approach	107,586	94,878	
21	19	Central governments or central banks	174	29	
82	111	Regional governments or local authorities, Public sector entities	285	288	
4,716	3,079	Institutions	2,593	1,967	
11,266	19,288	Corporates	21,240	11,906	
3,498	10,140	Retail	13,030	4,630	
-	21,539	Secured by mortgages on immovable property	22,386	652	
1	950	Exposures in default	1,097	49	
-	2,125	Items associated with particular high risk	2,601	469	
2,557	2,282	Covered bonds	2,626	2,775	
-	-	Collective investments undertakings (CIU)	2	2	
6,000	6,000	Equity positions	5,928	5,476	
8,331	8,075	Other assets ¹⁾	9,295	9,090	
36,474	73,606	Total credit risk, standardised approach	81,257	37,332	
		Debt risk	6	6	
		Equity risk	120	69	
		Foreign Exchange risk	12	18	
576	930	Credit value adjustment risk (CVA)	1,443	753	
8,903	14,942	Operational risk	20,526	13,243	
-	-	Other risk exposures ²⁾	-	74	
127,529	181,013	Total risk exposure amount	210,950	146,371	
5,739	8,146	Minimum requirement Common Equity Tier 1 capital 4.5%	9,493	6,587	
		Buffer requirement			
3,188	4,525	Capital conservation buffer 2.5%	5,274	3,659	
5,688	8,091	Systemic risk buffer 4.5%	9,408	6,528	
3,175	4,507	Countercyclical buffer 2.5%	5,274	3,659	
-	1,810	Systemic risk buffer 1.0%	2,109	-	
12,052	18,934	Total buffer requirement to Common Equity Tier 1 capital ratio	22,065	13,847	
7,062	9,805	Available Common Equity Tier 1 capital ratio after buffer requirement	6,443	5,344	
19.49%	20.38%	Common Equity Tier 1 capital ratio	(Regulatory requirement group 17,56%)	18.01%	17.61%
21.80%	22.71%	Tier 1 capital ratio	(Regulatory requirement group 19,51%)	20.21%	19.72%
23.75%	25.67%	Capital ratio	(Regulatory requirement group 22,11%)	23.03%	21.58%
9.46%	10.48%	Leverage ratio	(Regulatory requirement group 3%)	7.67%	7.19%

¹⁾ Common equity Tier 1 capital is affected by deductions linked to deferred tax assets (DTA). In addition, the total risk exposure amount under the item other assets is affected. DTA arise due to temporary differences between accounting and tax results. These differences will even out over time, but can significantly impact taxes payable and DTA recognised in the balance sheet in certain periods.

²⁾ Risk weights for residential mortgages are subject to a regulatory floor of 20%.

Note 6 Financial risk management

Risk and capital management in SpareBank 1 Sør-Norge should create financial and strategic added value based on:

- A good risk culture
- A clear management and control structure that promotes independence
- A good understanding and management of the risks that drive earnings and losses
- Preventing single events damaging the group's financial position
- Pricing products and services based on underlying risk
- Effective raising and use of capital that reflects the chosen risk profile

SpareBank 1 Sør-Norge bases its risk and capital management on the following general principles:

- The group's risk and capital management framework must be documented and based on the best international practices
- The group must have a management and control structure that promotes prudent, independent management and control
- The risk and capital management shall form an integral part of the management and decision process in the group
- Risk and capital management in the group shall support the group's strategic development and achievement of objectives while ensuring financial stability and sound management of assets
- The group must have a good risk culture characterised by a high awareness of risk and capital management
- The board must approve the group's desired risk profile on at least an annual basis
- SpareBank 1 Sør-Norge shall have a willingness to assume risk that provides a sufficient buffer in relation to the group's risk capability, and that no single events can seriously damage the group's financial position
- The risk identification process must be implemented regularly, look forwards, and cover all significant areas of risk
- Quantification of risk must be based on recognised methods and be sufficiently conservative to properly take account of any weaknesses in the model
- Thorough analyses must be carried out of the identified risks in order to understand the risks' effects on income, costs and losses
- Based on the risk analysis, effective management and control measures shall be established for the individual risks based on the risk analysis. Measures that reduce probability shall take precedence over measures that reduce consequences
- The group must prepare a minimum 5-year financial prognosis at least once a year, and this must as a minimum cover expected financial developments, as well as a period involving a serious financial setback. The serious financial setback must be severe, but realistic.
- Return on economic capital shall be one of the most important strategic result measurements for the internal control of SpareBank 1 Sør-Norge. The limits for EAD in the bank's internal market divisions must be determined on the basis of risk-adjusted returns.
- The group must carry out comprehensive, periodic risk follow-up and reporting

- The group shall, insofar as it is possible, price activities and products in line with the underlying risk to ensure the right level of risk is assumed
- The group must draw up robust recovery plans so it can manage critical situations in the best possible way should they arise
- The group must have clear, unambiguous definitions of the various types of risk

SpareBank 1 Sør-Norge is exposed to various types of risk:

Credit risk: the risk of loss resulting from the customer's inability or unwillingness to fulfil his obligations

Liquidity risk: the risk that the group is unable to refinance its debt or does not have the ability to fund increases in assets without significant additional costs

Market risk: the risk of loss due to changes in observable market variables such as interest rates, foreign exchange rates and securities markets

Operational risk: the risk of losses due to weak or inadequate internal processes or systems, human error or external incidents

Climate risk: the risk of financial losses and financial instability as a result of physical climate change and society's response to it.

Owner risk: the risk of SpareBank 1 Sør-Norge suffering negative results from stakes in strategically owned companies or of the group having to inject fresh equity into these companies. Owned companies are defined as companies where SpareBank 1 Sør-Norge has a significant stake and influence

Compliance risk: the risk of the group incurring public sanctions/penalties or financial loss as a result of a failure to comply with legislation and regulations

Pension risk: the risk of increases in future pension liabilities

Regulatory risk: Uncertainty about future regulations

Business risk: the risk of unexpected income and cost variations due to changes in external factors such as market conditions or government regulations

Reputational risk: the risk of a failure in earnings and access to capital because of lack of trust and reputation in the market, i.e. customers, counterparties, stock market and authorities

Strategic risk: the risk of losses resulting from the wrong strategic decisions

Concentration risk: the risk of an accumulation of exposure to an individual customer, sector or geographical area arising

Risk exposure in SpareBank 1 Sør-Norge

The risk management department is independent of the business units and reports directly to the CEO. The department

is responsible for the ongoing development of the risk management framework, including risk models and risk management systems. The department is also responsible for independently monitoring and reporting risk exposure.

SpareBank 1 Sør-Norge is exposed to various types of risk. The general framework for managing the most important types of risk is described below:

Credit risk is managed via the framework procedures for granting credit, monitoring exposures and portfolio management. The group's credit strategy comprises overarching credit strategy limits to ensure a diversified portfolio and a satisfactory risk profile. The main focus when granting credit must be on the customer's ability to service the debt and good security cannot be allowed to compensate for a weak/inadequate ability to service the debt.

The strategic credit limits set requirements and limitations related to overall loss profile and portfolio quality, respectively. The group particularly focuses on the concentration risk associated with exposure to large individual customers and certain industries. In order to avoid undesirable concentration risk, the strategic credit limits also set restrictions in relation to exposure and risk profile at a portfolio level, and for different industries and individual customers. These restrictions are additional to the limits stipulated by the regulatory framework for the size of the exposure.. Minimum requirements that apply to all types of financing, except exposures granted as part of the exercise of special credit hedging authorities, has been decided. In addition to the general requirements , a set of more specific requirements and guidelines related to sectors or segments that can entail a special risk have been prepared.

Particular emphasis is placed on ensuring that the customer's activities comply with the applicable laws and regulations, and that they have a long-term perspective. The group's sustainability policy is reflected in its general credit policy guidelines, including the requirement that all financing must satisfy the group's policies relating to environmental, social and corporate governance. The group also has guidelines that support the group's anti-money laundering (AML) policy.

The board is responsible for the group's granting of loans and credits, but delegates the responsibility to the CEO, within certain limits. The CEO then delegates these within her own authority. Delegated credit authority is linked to an exposure's probability of default. The authority is personal. The credit review routines regulate in detail all factors related to the granting of credit by the group and follow-up of commitments.

The group utilises credit models for risk classification, risk pricing and portfolio management. The risk classification system is based on the following main components:

1. **Probability of default (PD):** Customers are classified into default classes based on the probability of them defaulting during a period of 12 months, based on a long-term outcome in a complete loss cycle. The probability of default is calculated on the basis of historical series of data for

financial key figures related to earnings and deterioration, as well as the basis of non-financial criteria such as conduct and age. When funding commercial property for leasing, a special credit model must be used internally that calculates the probability of default based on the expected cash flow from the leasing activities combined with behavioural criteria. Nine default classes (A – I) are used to classify the customers according to the probability of default. The group has two additional default classes (J and K) for customers with defaulted and/or written-down exposures.

2. **Exposure at default (EAD):** This is an estimate of what the group's exposure will be were a customer to default. This exposure consists of lending volume, guarantees and approved, but not drawn limits respectively. Approved, but not drawn facilities of a retail market customer has a conversion factor equal to 1. This means that the limit is assumed 100% withdrawn given default. For the corporate market, approved but not drawn facilities are multiplied by a conversion factor that varies between 60-90%, depending on the customer's probability of default. For guarantees, the conversion factor is an authority-set parameter set to 1 for loan guarantees and 0.5 for other warranties.
3. **Loss given default (LGD):** This is an estimate of how much the group can potentially lose if the customer defaults on his obligations. The assessment takes into account, among other things, the value of underlying collateral, degree of recovery on unsecured part of the commitment, degree of recovery before realisation and collection costs. The group determines the realisation value of collateral based on statistical data over time, as well as expert assessments in cases where statistical data do not provide an adequate basis. Realisation values are set so that they reflect an assumed realisation value in a recession based on a conservative assessment. Seven different classes are used (1-7) for classifying exposures in relation to loss given default.

The group continuously develops and tests the risk management system and the credit granting process to ensure that it is of high quality over time. Quantitative validation is intended to ensure that the estimates used for the probability of default, exposure at default and loss given default are always of adequately good quality. Analyses are carried out to assess the models' ability to rank the customers according to risk (discrimination ability), and the ability to determine the correct level for the risk parameters. In addition, the stability of the models' estimates and the models' cyclical sensitivity are analysed. The quantitative validation will be supplemented by more qualitative assessments in some cases. This is especially true if the amount of statistical data is limited.

In addition to the credit risk in the lending portfolio, the group has credit risk through its exposure in the liquidity reserve portfolio. This portfolio consists mainly of low risk certificates and bonds that qualify for loans from Norges Bank.

For further information please see notes 7-13.

Liquidity risk is managed via the group's general liquidity strategy, which is reviewed and adopted by the board at least once a year. Liquidity management is based on conservative

limits and reflects the group's moderate risk profile. The group's treasury department is responsible for liquidity management, while the risk management and compliance department monitor and report on the utilisation of limits in accordance with the liquidity strategy.

The group's lending is mainly funded by customer deposits and long-term securities debt. The liquidity risk is restricted by diversifying securities debt in terms of markets, funding sources, instruments and maturity periods.

For further information see notes 16 and 17.

Market risk is managed through the market risk strategy, which defines the group's willingness to assume risk. The strategy and the associated specification of the necessary risk ceilings, reporting procedures and authorities are reviewed and adopted by the board at least once a year.

Market risk in SpareBank 1 Sør-Norge primarily relates to the group's long-term investments in securities, including bonds in the liquidity portfolio as well as shares and other equity instruments. In addition, the group is exposed to some market risk through activities that underpin ordinary funding and lending activities. The group's market risk is measured and monitored on the basis of conservative limits that are renewed and approved by the board at least once a year. The size of the limits is determined on the basis of stress tests and analyses of negative market movements. The group's exposure to market risk is moderate.

Interest rate risk is the risk of losses incurred due to changes in interest rates. The group's interest rate risk is regulated by limits for maximum value change following a parallel shift in the interest rate level together with limits for maximum unexpected loss calculated using a VAR-model. The interest rate commitments for the group's instruments are mostly short-term and the group's interest rate risk is low.

Currency risk is the risk of losses due to fluctuations in foreign exchange rates. SpareBank 1 Sør-Norge are not to take currency risk through its normal banking and financing operations.

Therefore, currency exposure must be uncovered.

Simultaneously, the Group has delegated a currency risk limit to SpareBank 1 Markets. The risk which can be taken is regulated by nominal limits for maximal aggregated currency position and maximal position in one single currency. SpareBank 1 Markets is responsible for all profit and loss occurring from the use of the currency risk limits.

Price risk is the risk of losses that arise following changes in the value of the group's bonds, certificates, and equity instruments. The spread risk is defined as the risk of changes in the market value of bonds as a result of general changes in the credit spreads. Credit spread risk expresses the potential loss in the bond portfolios beyond the bankruptcy risk. Quantification of the risk-adjusted capital for spread risk in the bond portfolios is calculated based on the Financial Supervisory Authority of Norway's model for risk-based supervision of market risk. The group's risk exposure to this type of risk is regulated by limits for maximum investments.

For more information see notes 14, 15 and 27.

Operational risk is managed via a risk strategy that is set annually by the board and which defines the group's willingness to assume risk. The strategy includes limits for permissible risk exposure and qualitative criteria for which events will, regardless, be deemed to be within the board's defined willingness to assume risk.

The group has a dynamic approach to operational risk management and conducts periodic analyses to detect weaknesses and new or changed risks. Adverse events that occur are registered and systematically followed up to learn lessons and avoid repetitions. Furthermore, all major change initiatives undergo a standardised risk assessment process to prevent changes introducing unwanted risks. Risk mitigation measures are assessed and implemented on an ongoing basis.

Climate risk- and the climate risk assessment is an integral part of the group's risk management processes. SpareBank 1 Sør-Norge identifies and assesses climate risks and opportunities

that can affect customers, business areas and operations at various levels. The group conducts annual stress tests and financial simulations on its loan portfolio.

SpareBank 1 Sør-Norge's greatest exposure to climate risk is in the corporate market portfolio, hence managing the risk in this area has been made a priority. The group's corporate market divisions have utilised a risk assessment module for sustainability (ESG-score) as an integral part of the credit process since 2019. Within 2022, the SpareBank 1 Alliance developed and adopted a new risk framework for assessing sustainability risk (ESG score). The model is utilised as a part of the credit granting process and renewal of corporate clients with a consolidated exposure exceeding NOK 10 million. The framework includes evaluation criteria related to a broad number of specific industries as well as inherent risk per industry.

The ESG scores are based on assessment criteria within the four sub-topics of physical climate risk (E), transition risk (E), social conditions (S) and governance (G) and produces a sub-score per sub-topic as well as a total score. The assessment criteria for transition risk includes both climate- and environment, which includes nature risk and circular economy. If a customer is given a particularly low ESG score, their customer adviser is required to draw up an action plan for improvement together with the customer.

The experience with the framework is good, it works well in the customer dialogue and it gives a good ranking of the customers. The goal of the scoring is to assess the customers sustainability risk, as well as helping the customer advisors in the dialogue regarding sustainability with the customers. The Group's overall ambition when it comes to sustainability is to be the customer's ally in the transition. Appropriately including sustainability in the dialogue with customers is, therefore, an important success criterion.

Since 2021, SpareBank 1 Sør-Norge has analysed the CO₂ emissions in the loan portfolio based on the methodology of the Partnership for Carbon Accounting Financials (PCAF).

Owner risk is managed through active board participation in a number of the part-owned companies. SpareBank 1 Sør-Norge is mainly exposed to owner risk in SpareBank 1 Gruppen AS (19.5%), BN Bank ASA (42.5%), SpareBank 1 Utvikling DA (18.0%), SpareBank 1 Forvaltning AS (41.2%), SpareBank 1 Kreditt AS (27.7%), SpareBank 1 Betaling AS (26.7), SpareBank 1 Bank og Regnskap AS (35.3%), SpareBank 1 Gjeldsinformasjon AS (30.0%) and SpareBank 1 Markets AS (35.1%).

Compliance risk is managed by implementing the framework for compliance provided by the bank's compliance policy. The framework is intended to ensure that the group does not incur public sanctions/penalties or financial loss as a result of a failure to comply with legislation and regulations. The group's compliance policy is adopted by the board and describes the main principles for responsibility and organisation in relation to complying with legal requirements and rules.

The group must have very little tolerance for compliance risk. This means that regulations must be interpreted from a conservative perspective. The group will be able to challenge but not breach established or new framework conditions, and the framework for compliance must be tailored to the scope of the group.

SpareBank 1 Sør-Norge is cognisant of the need to have good processes to ensure compliance with legislation and regulations. The focus of compliance shall form an integral part of the management and decision process in the group.

SpareBank 1 Sør-Norge's compliance function is organised independently of the business units. The department bears overall responsibility for the framework, monitoring and reporting within the area. The Executive Vice President Compliance reports directly to the CEO and the board. The investment firm and subsidiaries have their own compliance officers where this is required.

Note 7 Credit institutions - receivables and liabilities (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
		Loans to and receivables from credit institutions		
1,983	3,054	Receivables at call	3,055	1,995
14,520	4,558	At call	70	-0
3,541	9,587	With agreed maturities or notice	9,587	3,541
20,044	17,199	Total	12,711	5,536
18,061	15,282	NOK	10,783	3,553
1,983	1,917	Currency	1,928	1,983
20,044	17,199	Total	12,711	5,536
		Debt to credit institutions		
1,035	553	At call	533	663
2,525	162	With agreed maturities or notice	162	2,525
3,560	715	Total	695	3,188
3,540	660	NOK	640	3,169
19	55	Currency	55	19
3,560	715	Total	695	3,188
		Received securities that can be sold or mortgaged		
		Resale agreements		
2,023	6,772	Certificates and bonds	6,772	2,023
2,023	6,772	Total received securities	6,772	2,023
		- Of which received securities that are sold or mortgaged	-	-
		- Certificates and bonds	-	-

Securities that are bought due to a resale agreement are not recognised since the risks and rewards of ownership of the assets have not been transferred. Such transactions generally involve interest-bearing securities. Received securities, including collateral, are recognised off the balance sheet independent of whether the group is allowed to sell or mortgage the security. When received securities are sold, the group will recognise a liability on the balance sheet. The balance sheet item "Loans to and receivables from credit institutions" includes receivables

Note 8 Loans and other financial liabilities to customers (Figures in NOK millions)

Accounting Policies

Loans with variable rates are measured at amortised cost in accordance with IFRS 9. The amortised cost is the acquisition cost minus repayments on the principal, taking into account transaction costs, plus or minus cumulative amortisation using the effective interest method, and less any amount for impairment in value or exposure to loss. The effective interest rate is the interest that exactly discounts estimated future cash receipts and payments over the expected life of the financial instrument up to the loan's gross recognised amount.

Home mortgages that qualify for sale to mortgage credit institutions are held both to receive contractual cash flows and for sale in the parent bank. These are therefore measured at fair value over the OCI, with interest income and any impairment provisions presented in the ordinary result. The business model at the consolidated level involves such home mortgages being held to receive cash flows and thus measurement at amortised cost.

Fixed-rate loans to customers are earmarked upon initial recognition as measured at fair value with changes in value through profit or loss, in accordance with IFRS 9. Gains and losses resulting from changes in fair value are recognised through profit or loss as a change in value. Accrued interest and premiums/ discounts are recognised as interest. The bank uses the fair value option for measuring fixed-rate lending, as this largely eliminates inconsistencies in measuring other comparable instruments in the balance sheet.

Financial leases are recognised on the balance sheet under the main item "Net lending to customers" and recognised in accordance with the amortised cost principle. All fixed income during the expected term of the lease is included when calculating the lease's effective interest.

Parent bank			Group	
2023	2024		2024	2023
109,884	139,145	Loans at amortised cost	361,787	264,236
54,250	116,257	Loans at fair value through OCI	0	0
7,765	13,891	Loans at fair value through profit or loss	13,891	7,765
171,900	269,294	Gross loans	375,678	272,001
-1,204	-1,520	- Impairment provisions	-1,572	-1,244
8	21	- Home mortgages at fair value through OCI	14	
170,704	267,795	Net loans	374,119	270,757
Gross loans distributed by market				
64,773	133,540	Retail Market	239,612	164,642
86,129	99,208	Corporate Market	99,058	85,977
21,242	36,146	SME & Agriculture	36,609	21,627
884	1,703	Public sector	1,703	884
-1,129	-1,303	Net corporate accounts currency ¹⁾	-1,303	-1,129
171,900	269,294	Gross loans	375,678	272,001
Loans to employees				
3,301	3,524	Of which loans in SR Boligkreditt	5,063	4,536
2,090	2,121	The terms are one percentage point lower than the standardised rate set by the Ministry of Finance.	2,976	2,883
Loans sold to mortgage companies				
100,045	106,323	Loans transferred to SR-Boligkreditt	-	-
	29,385	Loans transferred to SB1 Bolig- og Næringskredit	29,385	
60	66	Received commissions from SR-Boligkreditt	-	-
	29	Received commissions from SB1 Bolig- og Næringskredit	29	
Total exposure by probability of default (PD)¹⁾²⁾³⁾				
101,413	173,008	0.00 - 0.50%	277,997	195,305
85,020	115,251	0.50 - 2.50%	126,744	99,084
12,203	15,543	2.50 - 5.00%	15,356	12,877
8,111	9,619	5.00 - 99.9%	9,908	8,785
3,291	3,114	Exposures in default	2,968	3,357
210,038	316,535	Total exposure	432,972	319,407
-20,356	-28,628	Remaining credit lines for customers	-38,652	-29,590
-17,782	-18,614	Guarantees	-18,643	-17,816
171,900	269,294	Gross loans	375,678	272,001

2023	2024	Gross loans by probability of default (PD) ^{1) 2) 3)}	2024	2023
84,640	132,595	0.00 - 0.50%	234,038	169,450
68,632	107,517	0.50 - 2.50%	114,009	82,545
9,484	14,857	2.50 - 5.00%	14,003	10,138
6,704	10,502	5.00 - 99.9%	10,176	7,367
2,440	3,822	Exposures in default	3,453	2,500
171,900	269,294	Total	375,678	272,001
Expected annual average net impairment provisions by probability of default PD^{2) 3) 4)}				
18	26	0.00 - 0.50%	31	21
146	188	0.50 - 2.50%	191	148
78	85	2.50 - 5.00%	86	79
155	162	5.00 - 99.9%	164	156
175	99	Exposures in default	99	175
572	561	Total	571	579
Gross loans to customers by industry segment				
4,924	5,408	Aquaculture	5,408	4,924
3,989	5,092	Industry	5,092	3,989
6,370	8,727	Agriculture/forestry	8,727	6,370
7,376	9,311	Financial and insurance services	9,311	7,376
5,162	5,121	Administrative and support services	5,121	5,162
8,168	12,118	Other service industry	11,967	8,008
3,642	4,455	Wholesale and retail trade, hotels and restaurants	4,455	3,642
4,405	5,351	Offshore, oil and gas E&P	5,351	4,405
2,992	1,476	Oilservices	1,476	2,992
12,270	13,855	Building and construction	13,855	12,270
5,094	6,379	Renewable energy, water, and waste collection	6,379	5,094
35,036	52,555	Commercial real estate	52,555	35,036
6,802	7,164	Shipping	7,164	6,802
2,591	3,212	Other transport	3,212	2,591
108,821	140,224	Total corporate market	140,072	108,662
63,078	129,070	Retail market	235,605	163,340
171,900	269,294	Gross loans	375,678	272,001
Financial liabilities⁵⁾				
17,782	18,614	Guarantees customers	18,643	17,816
20,356	28,628	Unutilised credit lines for customers	38,652	29,590
9,979	18,535	Loan offers	18,535	9,979
48,116	65,776	Gross financial liabilities	75,829	57,384
Other pledged guarantees and liabilities				
5,335	15,299	Unutilised credit lines for credit institutions	-	-
515	501	Guarantees others	501	515
82	3	Letters of credit	3	82
5,932	15,803	Total other pledged guarantees and liabilities	504	597

2023	2024	Expected annual average impairment provisions by sector and industry ^{2) 3) 5)}	2024	2023
21	18	Aquaculture	19	21
22	45	Industry	45	22
3	5	Agriculture/forestry	5	4
42	43	Financial and insurance services	43	42
19	24	Administrative and support services	24	19
40	46	Other service industry	46	40
33	42	Wholesale and retail trade, hotels and restaurants	42	33
146	6	Offshore, oil and gas E&P	6	146
31	24	Oilservices	24	31
82	93	Building and construction	93	82
7	12	Renewable energy, water, and waste collection	12	7
100	151	Commercial real estate	152	100
3	5	Shipping	5	3
9	11	Other transport	12	9
558	527	Total corporate market	528	558
14	34	Retail market	43	21
572	561	Total	571	579

Gross loans by geographic area

76,525	81,090	Rogaland	147,176	141,014
28,249	30,368	Vestland	46,758	43,286
16,141	19,810	Agder	30,555	26,289
33,322	49,620	Oslo/Akershus	60,079	41,287
702	22,597	Vestfold	22,987	1,038
619	21,968	Buskerud	22,405	949
728	23,240	Telemark	23,392	832
6,102	7,464	International	7,817	6,796
9,511	13,137	Other	14,509	10,510
171,900	269,294	Total	375,678	272,001

Loans to and receivables from customers related to financial leases⁷⁾

Gross investments related to financial leases				
3,013	3,285	Up to 1 year	3,285	3,013
7,478	8,013	Between 1 to 5 years	8,013	7,478
751	613	Later than 5 years	613	751
11,243	11,911	Total	11,911	11,243

Net investments related to financial leases

2,469	2,733	Up to 1 year	2,733	2,469
6,651	7,235	Between 1 to 5 years	7,235	6,651
708	580	Later than 5 years	580	708
9,828	10,549	Total	10,549	9,828

Gross loans to customers by industry, with incremental impairment provisions and net loans

Parent bank

2024	Gross loans at amortised cost	Loans at fair value	Stage 1	Stage 2	Stage 3	Net loans
Aquaculture	5,386	23	-13	-6	-14	5,375
Industry	5,019	73	-10	-18	-23	5,041
Agriculture/forestry	6,318	2,409	-3	-10	-9	8,705
Financial and insurance services	9,304	7	-27	-20	-47	9,218
Administrative and support services	5,031	90	-24	-26	-66	5,005
Other service industry	11,510	608	-40	-45	-74	11,959
Wholesale and retail trade, hotels and restaurants	4,291	163	-9	-21	-55	4,369
Offshore, oil and gas E&P	5,351	-	-8	-4	-	5,339
Oilservices	1,471	4	-3	-28	-106	1,338
Building and construction	13,635	220	-28	-49	-95	13,684
Renewable energy, water, and waste collection	6,379	0	-20	-4	-18	6,338
Commercial real estate	52,475	81	-75	-172	-69	52,240
Shipping	7,164		-6			7,158
Other transport	3,093	119	-8	-23	-2	3,179
Total corporate market	136,428	3,796	-274	-425	-578	138,947
Retail market	2,718	126,352	-20	-126	-96	128,828
Adjustment for fair value through OCI			21		-	21
Total	139,145	130,148	-273	-551	-674	267,796

2023

Aquaculture	4,908	16	-13	-16	-0	4,895
Industry	3,936	53	-9	-10	-115	3,855
Agriculture/forestry	4,056	2,314	-1	-4	-2	6,363
Financial and insurance services	7,374	2	-19	-48	-67	7,242
Administrative and support services	5,106	56	-25	-13	-38	5,086
Other service industry	7,671	496	-31	-57	-86	7,994
Wholesale and retail trade, hotels and restaurants	3,489	153	-7	-15	-26	3,595
Offshore, oil and gas E&P	4,405	0	-3	-15	-19	4,368
Oilservices	2,992	0	-8	-24	-56	2,904
Building and construction	12,099	171	-24	-33	-82	12,131
Renewable energy, water, and waste collection	5,085	9	-9	-3	-	5,082
Commercial real estate	34,890	146	-57	-106	-41	34,832
Shipping and other transport	9,305	89	-9	-21	-0	9,363
Total corporate market	105,316	3,505	-216	-365	-531	107,710
Retail market	4,568	58,510	-9	-31	-52	62,986
Adjustment for fair value through OCI			8		-	8
Total	109,884	62,015	-216	-396	-584	170,704

Group

2024	Gross loans at amortised cost	Loans at fair value	Stage 1	Stage 2	Stage 3	Net loans
Aquaculture	5,408	-	-13	-6	-14	5,375
Industry	5,075	17	-10	-18	-23	5,040
Agriculture/forestry	7,928	799	-3	-10	-9	8,705
Financial and insurance services	9,307	4	-27	-20	-47	9,218
Administrative and support services	5,107	14	-24	-26	-66	5,005
Other service industry	11,773	194	-40	-46	-74	11,807
Wholesale and retail trade, hotels and restaurants	4,417	37	-9	-21	-55	4,369
Offshore, oil and gas E&P	5,351	-	-8	-4	-	5,339
Oilservices	1,476	-	-3	-28	-106	1,338
Building and construction	13,812	43	-28	-49	-95	13,684
Renewable energy, water, and waste collection	6,379	-	-20	-4	-18	6,338
Commercial real estate	52,512	43	-75	-172	-69	52,240
Shipping	7,164	-	-6	-1	-	7,157
Other transport	3,200	13	-8	-23	-2	3,179
Total corporate market	138,909	1,164	-274	-428	-578	138,792
Retail market	222,878	12,727	-29	-165	-97	235,314
Adjustment for fair value through OCI			14			14
Total	361,787	13,891	-304	-593	-675	374,119

2023

Aquaculture	4,924	-	-13	-16	-0	4,895
Industry	3,988	1	-9	-10	-115	3,854
Agriculture/forestry	5,676	694	-1	-4	-2	6,363
Financial and insurance services	7,376	-	-19	-48	-67	7,242
Administrative and support services		7	-25	-13	-38	5,086
Other service industry		61	-31	-57	-86	7,834
Wholesale and retail trade, hotels and restaurants	3,612	30	-7	-15	-26	3,595
Offshore, oil and gas E&P	4,405	-	-3	-15	-19	4,368
Oilservices	2,992	-	-8	-24	-56	2,904
Building and construction	12,249	21	-24	-33	-82	12,131
Renewable energy, water, and waste collection	5,089	5	-9	-3	-	5,082
Commercial real estate	34,951	85	-57	-106	-41	34,832
Shipping	6,802	-	-4	-0	-	6,799
Other transport	2,584	8	-5	-22	-0	2,564
Total corporate market	94,648	912	-216	-366	-531	107,548
Retail market	156,486	6,854	-17	-60	-53	163,209
Total	251,133	7,765	-234	-426	-585	270,757

Gross loans by risk class

Parent bank	2024			Gross loans	2023			Gross loans
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
A - C	142,553	3,853	5	146,410	80,149	1,750	6	81,905
D - F	87,001	11,414	58	98,473	62,122	8,258	252	70,632
G - I	10,087	11,592	220	21,899	9,771	7,290	852	17,913
J - K	151	-	2,360	2,511	77	-	1,373	1,450
Total	239,792	26,859	2,643	269,294	152,119	17,298	2,483	171,900

Group

A - C	228,522	6,232	5	234,758	162,694	3,899	6	166,599
D - F	101,004	14,130	64	115,198	73,797	10,692	252	84,741
G - I	10,243	12,714	229	23,186	9,961	8,344	853	19,158
J - K	151	-	2,385	2,536	92	-	1,411	1,503
Total	339,919	33,076	2,683	375,678	246,544	22,935	2,522	272,001

Gross loans and financial liabilities, incremental distribution**Parent bank**

Gross loans Corporate Market	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance 1.1	73,731	10,003	2,151	85,885	68,347	6,878	2,722	77,947
Transferred to (from) Stage 1	-4,712	4,090	622	-	-4,877	4,798	79	-
Transferred to (from) Stage 2	1,480	-1,659	179	-	869	-870	0	-
Transferred to (from) Stage 3	293	185	-479	-	35	269	-304	-
Net increase/(decrease) balance existing loans	1,971	511	112	2,593	2,638	674	115	3,426
New issued or purchased financial assets	40,315	3,296	438	44,049	33,054	1,185	840	35,078
Derecognised financial assets	-27,841	-3,354	-1,724	-32,919	-26,335	-2,931	-1,300	-30,567
Balance 31.12	85,236	13,073	1,299	99,608	73,731	10,003	2,151	85,885

Gross loans SME & Agriculture

Balance 1.1	17,831	3,299	112	21,242	16,163	2,006	161	18,330
Transferred to (from) Stage 1	-1,966	1,801	164	-	-1,735	1,719	16	-
Transferred to (from) Stage 2	695	-757	61	-	425	-438	13	-
Transferred to (from) Stage 3	-	4	-4	-	0	8	-8	-
Net increase/(decrease) balance existing loans	772	190	2	964	424	60	20	505
New issued or purchased financial assets	19,084	2,252	401	21,737	6,911	480	12	7,403
Derecognised financial assets	-6,256	-1,462	-79	-7,797	-4,357	-536	-102	-4,996
Balance 31.12	30,160	5,327	658	36,146	17,831	3,299	112	21,242

Gross loans – retail market

Balance 1.1	60,558	3,996	220	64,773	49,931	2,205	210	52,346
Transferred to (from) Stage 1	-1,515	1,382	133	-	-1,871	1,859	12	-
Transferred to (from) Stage 2	716	-774	58	-	443	-476	33	-
Transferred to (from) Stage 3	9	2	-10	-	3	13	-17	-
Net increase/(decrease) balance existing loans	6,679	239	2	6,920	2,753	42	27	2,822
New issued or purchased financial assets	99,036	5,809	441	105,286	33,310	1,251	30	34,590
Derecognised financial assets	-41,087	-2,195	-157	-43,439	-24,011	-899	-75	-24,986
Balance 31.12	124,395	8,459	686	133,540	60,558	3,996	220	64,773

Gross loans – total

Balance 1.1	152,119	17,298	2,483	171,900	134,441	11,090	3,093	148,624
Transferred to (from) Stage 1	-8,192	7,273	919	-	-8,483	8,376	107	-
Transferred to (from) Stage 2	2,891	-3,189	298	-	1,737	-1,783	46	-
Transferred to (from) Stage 3	302	191	-493	-	38	291	-329	-
Net increase/(decrease) balance existing loans	9,421	940	116	10,477	5,815	776	161	6,753
New issued or purchased financial assets	158,435	11,357	1,280	171,072	73,274	2,916	882	77,072
Derecognised financial assets	-75,185	-7,010	-1,960	-84,155	-54,704	-4,367	-1,477	-60,548
Balance 31.12	239,792	26,859	2,643	269,294	152,119	17,298	2,483	171,900
Of which loans at fair value through profit or loss	13,891			13,891	7,765			7,765

Gross financial liabilities^{5) 6)}

Balance 1.1	44,499	2,832	785	48,116	46,358	2,515	1,084	49,957
Net increase/(decrease) in period	17,710	555	-606	17,660	-1,859	317	-299	-1,841
Balance 31.12	62,209	3,388	180	65,776	44,499	2,832	785	48,116

Group

Gross loans Corporate Market	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance 1.1	73,578	10,003	2,151	85,732	68,130	6,882	2,722	77,734
Transferred to (from) Stage 1	-4,712	4,090	622	-	-4,877	4,798	79	-
Transferred to (from) Stage 2	1,480	-1,659	179	-	869	-870	0	-
Transferred to (from) Stage 3	293	185	-479	-	35	269	-304	-
Net increase/(decrease) balance existing loans	1,971	511	112	2,593	2,643	674	115	3,431
New issued or purchased financial assets	40,315	3,296	438	44,049	33,061	1,185	840	35,085
Derecognised financial assets	-27,839	-3,354	-1,724	-32,917	-26,283	-2,935	-1,300	-30,519
Balance 31.12	85,086	13,073	1,299	99,457	73,578	10,003	2,722	85,732
Gross loans SME & Agriculture								
Balance 1.1	18,189	3,323	115	21,627	16,541	2,038	161	18,740
Transferred to (from) Stage 1	-1,972	1,808	164	-	-1,743	1,724	19	-
Transferred to (from) Stage 2	699	-761	61	-	433	-446	13	-
Transferred to (from) Stage 3	-	4	-4	-	0	8	-8	-
Net increase/(decrease) balance existing loans	778	190	2	970	443	62	20	525
New issued or purchased financial assets	19,233	2,257	401	21,891	7,007	488	12	7,507
Derecognised financial assets	-6,325	-1,472	-82	-7,880	-4,492	-551	-102	-5,145
Balance 31.12	30,602	5,349	658	36,609	18,189	3,323	115	21,627
Gross loans – retail market								
Balance 1.1	154,778	9,609	255	164,642	150,497	5,757	229	156,483
Transferred to (from) Stage 1	-3,855	3,706	149	-	-5,149	5,134	15	-
Transferred to (from) Stage 2	2,224	-2,283	58	-	1,389	-1,445	56	-
Transferred to (from) Stage 3	27	4	-31	-	7	17	-24	-
Net increase/(decrease) balance existing loans	9,447	379	2	9,828	6,365	102	27	6,494
New issued or purchased financial assets	136,328	7,809	401	144,584	58,778	2,301	32	61,112
Derecognised financial assets	-74,718	-4,570	-155	-79,443	-57,109	-2,256	-81	-59,446
Balance 31.12	224,231	14,655	726	239,612	154,778	9,609	229	164,642
Gross loans – total								
Balance 1.1	246,544	22,935	2,522	272,001	235,168	14,677	3,112	252,957
Transferred to (from) Stage 1	-10,539	9,603	935	-	-11,769	11,655	114	-
Transferred to (from) Stage 2	4,403	-4,702	299	-	2,691	-2,760	70	-
Transferred to (from) Stage 3	320	194	-514	-	43	294	-336	-
Net increase/(decrease) balance existing loans	12,196	1,080	116	13,392	9,450	838	161	10,450
New issued or purchased financial assets	195,876	13,362	1,286	210,524	98,847	3,974	884	103,704
Derecognised financial assets	-108,882	-9,396	-1,962	-120,240	-87,884	-5,742	-1,483	-95,109
Balance 31.12	339,919	33,076	2,683	375,678	246,544	22,935	2,522	272,001
Gross financial liabilities^{5) 6)}								
Balance 1.1	53,242	3,353	789	57,384	53,672	2,775	1,086	57,532
Net increase/(decrease) in period	18,430	621	-605	18,445	-429	579	-297	-148
Balance 31.12	71,672	3,974	183	75,829	53,242	3,353	789	57,384

Forbearance on gross loans and financial liabilities, incremental distribution

Forbearance per stage	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans	-	3,262	1,087	4,349	-	4,042	1,378	5,420
Financial liabilities	-	3	31	34	-	55	685	740
Balance 31.12	-	3,265	1,118	4,383	-	4,097	2,063	6,160

Contract-regulated loans subject to enforcement activities

The group has loans that have been identified as losses, but are still being followed up and collected through debt collection. The balance of this type of loans is considered immaterial as of 31.12.2024. Such loans are sold every few years to an external company that takes over the creditor position.

¹⁾ Loans to customers with a positive balance on corporate accounts

²⁾ PD = probability of default

³⁾ The expected average annual net impairment provision is the amount that the parent bank and the group statistically expect to lose on the lending portfolio over a 12-month period. The calculations are based on a long-term average over an economic cycle.

⁴⁾ In the event of an impairment, all the loan capital is moved to the default class irrespective of earlier classification.

⁵⁾ Financial liabilities not on the balance sheet that are the basis for impairment provisions. See also note 10

⁶⁾ Other financial liabilities include guarantees, unutilised credit lines and loan offers.

⁷⁾ Included in loans to customers

Note 9 Loans sold to credit institutions

Accounting policies

Credit institutions

Banken has entered into an agreement for the legal sale of loans with high security and mortgage in real estate to SR-Boligkreditt AS, SpareBank 1 Boligkreditt AS, and SpareBank 1 Næringskreditt AS. In accordance with the management agreement between the Bank and the credit institutions, the Bank is responsible for the management of the loans and maintains customer contact. The Bank receives a fee in the form of commission for the obligations associated with the management of the loans. The fee is recognized as income based on ongoing reconciliation. The sale is treated as outright sales, and the loans are fully removed from the Bank's balance sheet. Please also refer to note 8 for loans sold to credit institutions.

Note 10 Impairment provisions on loans and financial liabilities (Figures in NOK millions)

Accounting Policies

According to IFRS 9, impairment provisions must be recognised based on expected credit losses (ECL). The general model for impairment provisions on financial assets in IFRS 9 applies to financial assets measured at amortised cost or at fair value with changes through OCI, and which had no incurred losses upon initial capitalisation. In addition, there are also loan offers, financial guarantee contracts and unutilised credit lines that are not measured at fair value through profit or loss, and changes to lease agreements are also included.

The measurement of expected losses in the general model depends on whether the credit risk has increased significantly since initial recognition. Upon initial recognition and when the credit risk has not increased significantly after initial recognition, provisions must be made for 12 months' expected losses. If the credit risk has increased substantially after initial recognition, provisions must be made for expected losses over the entire lifetime. Expected credit losses are calculated based on the present value of all cash flows over the remaining lifetime, i.e., the difference between the contractual cash flows under the contract and the cash flow that the bank expects to receive, discounted at the effective interest rate on the instrument.

In the case of corporate customers, the customer's entire exposure is deemed in default if one of the customer's loan accounts is in default. For retail customers, all accounts in the same product area will be deemed in default if one of the customer's loan accounts are in default.

In addition to the general model, there are separate principles for issued, including renegotiated loans treated as new ones, and purchased loans where there is objective evidence of a loss upon initial recognition. For these, an effective interest rate shall be calculated considering the expected credit loss, and for changes in expected cash flows, the change shall be discounted using the initially fixed effective interest rate and recognised in the income statement. For these assets, there is no need to monitor whether there has been a significant increase in credit risk after initial recognition, as expected losses over the entire lifetime will nevertheless be considered.

More detailed description of the bank's impairment model

An impairment estimate is prepared each quarter based on data in the bank's data warehouse, which contains a history of account and customer data for the entire credit portfolio. The loss estimates are calculated on the basis of the 12-month and lifelong probability of default (PD), loss given default (LGD) and exposure at default (EAD). The data warehouse contains a history of observed PD and LGD. This provides the basis for producing good estimates of future values for PD and LGD. In line with IFRS 9, the bank groups its loans into three stages.

Stage 1:

This is the starting point for all financial assets covered by the general loss model. All assets that do not have a significantly higher credit risk, defined as lifetime probability of default, than they did upon initial recognition will have a loss provision equal to 12 months expected losses. This category will contain all assets that have not been transferred to stages 2 or 3.

Stage 2:

Stage 2 of the loss model applies to assets that have seen a significant rise in credit risk since initial recognition, but that do not have objective evidence of a loss event. For these assets, the loss provision must cover expected losses over the entire lifetime. As far as the demarcation with stage 1 is concerned, the bank bases its definition of a significant degree of credit deterioration on the extent to which the exposure's calculated probability of default (PD) has increased significantly. An increase in PD of more than 150% cent and which results in a PD higher than 0.6% is considered a significant change in credit risk. In addition, overdrafts or arrears of at least 30 days will always be considered a significant increase in credit risk. Exposures subject to repayment relief may, based on an individual assessment, also be regarded as having experienced a significant increase in credit risk. An exposure migrates to a lower stage when the conditions for the original migration no longer exist.

Stage 3:

Stage 3 of the loss model applies to assets that have seen a significant increase in credit risk since being granted and where there has been an objective event that results in reduced future cash flow for servicing the exposure. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties. For these assets the loss provision must cover expected losses over the lifetime.

Non-performing loans

Defaults are defined in two categories:

- Failures to pay are defined as substantial overdrafts that are more than 90 days past due.
- Manual default flagging is mainly based on internal credit assessments. Events that are included in this category are provisions for losses from customers, bankruptcy/debt negotiations, assessments of forbearance, periods of grace of more than 180 days or other indications that considerable doubt may exist about whether the customer will meet their obligations

Realised losses

When it is highly probable that the losses are final, the losses are classified as realised losses. Realised losses that are covered by earlier specific loss provisions are recognised against the provisions. Realised losses without cover by way of impairment provisions on loans and over or under coverage in relation to previous impairment provisions on loans are recognised through profit or loss.

Contingent liabilities

The group issues financial liabilities such as guarantees, loan offers, and unutilised credit lines as part of its ordinary business. Gross latent liabilities are specified in note 8. Impairment provisions on guarantees, loan offers, and unutilised credit facilities are made as part of the assessment of IFRS 9 and in accordance with the same policies and are reported as liabilities on the balance sheet. Individual impairment provisions are made on financial liabilities that have had a significant increase in credit risk since the grant and where there is an objective event that results in reduced future cash flow for servicing the exposure. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties.

Provisions are made for other uncertain liabilities if it is more probable than not that the liability will materialise, and the financial consequences can be reliably calculated. Information is disclosed about contingent liabilities that do not satisfy the criteria for balance sheet recognition if they are significant.

Provisions are made for restructuring costs when the group has a contractual or legal obligation, payment is probable and the amount can be estimated, and the size of the obligation can be estimated with sufficient reliability.

Parent bank	1.1.2024	Change in impairment provisions on loans	Change in impairment provisions on financial liabilities	Total 31.12.2024
Impairment provisions on loans and financial liabilities				
Impairment provisions after amortised cost – Corporate Market	967	-63	-31	874
Impairment provisions after amortised cost – SME & Agriculture	262	220	13	495
Impairment provisions after amortised cost – Retail Market	54	60	-2	112
Home mortgages at fair value through OCI	50	99	-	149
Total impairment provisions on loans and financial liabilities	1,333	316	-20	1,629

Presented as:

Impairment provisions on loans	1,204	316	-	1,520
Impairment provisions on financial liabilities	128	-	-20	109
Total impairment provisions on loans and financial liabilities	1,333	316	-20	1,629

Impairment provisions on loans and financial liabilities	1.1.2023			Total 31.12.2023
Impairment provisions after amortised cost – Corporate Market	1,430	-446	-17	967
Impairment provisions after amortised cost – SME & Agriculture	235	24	2	262
Impairment provisions after amortised cost – Retail Market	63	-14	5	54
Home mortgages at fair value through OCI	57	-8	-	50
Total impairment provisions on loans and financial liabilities	1,786	-444	-9	1,333

Presented as:

Impairment provisions on loans	1,648	-444	-	1,204
Impairment provisions on financial liabilities	138	-	-9	128
Total impairment provisions on loans and financial liabilities	1,786	-444	-9	1,333

	2024			2023				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment provisions on loans, Corporate Market								
Balance 1.1.	158	243	473	874	210	178	931	1,320
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-12	12	0	0	-19	19	0	-0
Transferred to (from) Stage 2	42	-50	7	0	30	-31	1	-0
Transferred to (from) Stage 3	3	2	-5	0	2	8	-9	0
Net new measurement of impairment provisions	-56	49	-43	-51	-67	87	-511	-491
New issued or purchased loans	97	64	11	172	76	52	62	189
Loans that have been derecognised	-29	-99	-56	-184	-75	-69	-1	-145
Balance 31.12	203	221	387	811	158	243	473	874
Impairment provisions on loans, SME & Agriculture								
Balance 1.1.	58	120	58	235	54	75	82	211
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-8	7	1	0	-6	6	0	0
Transferred to (from) Stage 2	18	-21	4	0	12	-12	1	0
Transferred to (from) Stage 3	0	0	-0	0	0	4	-4	0
Net new measurement of impairment provisions	-17	52	113	148	-9	49	-13	27
New issued or purchased loans	43	87	28	159	20	14	0	34
Loans that have been derecognised	-23	-47	-16	-87	-13	-16	-8	-37
Balance 31.12	71	198	187	456	58	120	58	235
Impairment provisions on loans – retail market								
Balance 1.1.	9	33	53	95	14	38	64	116
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-1	0	0	0	-1	1	0	-0
Transferred to (from) Stage 2	4	-7	3	0	9	-11	2	0
Transferred to (from) Stage 3	0	0	-0	0	0	2	-2	0
Net new measurement of impairment provisions	-5	25	37	56	-13	5	-7	-15
New issued or purchased loans	16	93	13	123	6	10	1	17
Loans that have been derecognised	-4	-12	-6	-21	-5	-12	-6	-23
Balance 31.12	21	133	100	254	9	33	53	95
Impairment provisions on loans – total								
Trinn 1	Trinn 2	Trinn 3	Total	Trinn 1	Trinn 2	Trinn 3	Total	
Balance 1.1.	225	396	584	1,204	278	291	1,078	1,647
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-21	19	1	0	-26	25	0	-0
Transferred to (from) Stage 2	65	-79	14	0	51	-55	4	0
Transferred to (from) Stage 3	4	2	-6	0	2	14	-16	0
Net new measurement of impairment provisions	-78	126	106	154	-89	141	-530	-478
New issued or purchased loans	157	244	53	454	101	76	62	240
Loans that have been derecognised	-57	-157	-78	-292	-93	-97	-15	-205
Balance 31.12	294	551	674	1,520	225	396	584	1,204
Impairment provisions on financial liabilities								
Balance 1.1.	42	44	43	128	45	59	34	138
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-3	3	0	0	-3	3	0	-0
Transferred to (from) Stage 2	8	-9	1	0	16	-18	2	0
Transferred to (from) Stage 3	0	0	-0	0	0	1	-1	0
Net new measurement of impairment provisions	-11	15	-8	-4	-29	9	-11	-31
New issued or purchased loans	27	12	2	41	25	10	23	57
Loans that have been derecognised	-18	-16	-23	-57	-13	-20	-3	-36
Balance 31.12	45	48	15	109	42	44	43	128
Of which impairment provisions in Corporate Market	30	27	6	62	26	29	38	93
Of which impairment provisions in SME & Agriculture	8	22	9	39	7	15	5	26
Of which impairment provisions in Retail Market	7	0	0	7	9	0	0	9

Group	1.1.2024	Change in impairment provisions on loans on loans	Change in impairment provisions on financial liabilities	Total 31.12.2024				
Impairment provisions on loans and financial liabilities								
Impairment provisions after amortised cost – Corporate Market	967	-63	-31	873				
Impairment provisions after amortised cost – SME & Agriculture	262	220	13	495				
Impairment provisions after amortised cost – Retail Market	145	171	-2	313				
Total impairment provisions on loans and financial liabilities	1,373	328	-20	1,682				
Presented as:								
Impairment provisions on loans	1,244	328	0	1,572				
Impairment provisions on financial liabilities	129	0	-20	109				
Total impairment provisions on loans and financial liabilities	1,373	328	-20	1,681				
 Impairment provisions on loans and financial liabilities								
	1.1.2023			Total 31.12.2023				
Impairment provisions after amortised cost – Corporate Market	1,430	-446	-17	967				
Impairment provisions after amortised cost – SME & Agriculture	236	24	2	262				
Impairment provisions after amortised cost – Retail Market	158	-19	5	145				
Total impairment provisions on loans and financial liabilities	1,823	-441	-9	1,373				
 Presented as:								
Impairment provisions on loans	1,685	-441	0	1,244				
Impairment provisions on financial liabilities	138	0	-9	129				
Total impairment provisions on loans and financial liabilities	1,823	-441	-9	1,373				
 Impairment provisions on loans, Corporate Market								
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance 1.1.	158	243	473	874	210	179	931	1,320
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-12	12	0	0	-19	19	0	-0
Transferred to (from) Stage 2	42	-50	7	0	30	-31	1	-0
Transferred to (from) Stage 3	3	2	-5	0	2	8	-9	0
Net new measurement of impairment provisions	-56	49	-43	-51	-67	87	-511	-491
New issued or purchased loans	97	64	11	172	76	52	62	189
Loans that have been derecognised	-29	-99	-56	-184	-75	-69	-1	-145
Balance 31.12	203	221	387	811	158	243	473	874
 Impairment provisions on loans, SME & Agriculture								
Balance 1.1.	58	120	58	236	54	75	73	202
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-8	7	1	0	-6	6	0	0
Transferred to (from) Stage 2	18	-21	4	0	12	-13	1	-0
Transferred to (from) Stage 3	0	0	-0	0	0	4	-4	0
Net new measurement of impairment provisions	-17	53	113	148	-9	49	-4	36
New issued or purchased loans	43	87	28	159	20	14	0	34
Loans that have been derecognised	-23	-47	-16	-87	-13	-16	-8	-37
Balance 31.12	71	198	187	456	58	120	58	236
 Impairment provisions on loans – retail market								
Balance 1.1.	18	63	54	135	23	64	65	153
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-1	1	0	0	-1	1	0	-0
Transferred to (from) Stage 2	11	-14	3	0	15	-18	3	0
Transferred to (from) Stage 3	1	0	-1	0	0	2	-2	0
Net new measurement of impairment provisions	-12	40	37	64	-20	18	-7	-9
New issued or purchased loans	21	109	14	144	9	17	1	27
Loans that have been derecognised	-7	-25	-6	-37	-8	-21	-6	-35
Balance 31.12	30	174	101	306	18	63	54	135

Impairment provisions on loans – total	Trinn 1	Trinn 2	Trinn 3	Total	Trinn 1	Trinn 2	Trinn 3	Total
Balance 1.1.	234	426	585	1,244	288	318	1,070	1,676
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-21	20	1	0	-26	26	0	0
Transferred to (from) Stage 2	71	-85	14	0	57	-62	5	-0
Transferred to (from) Stage 3	4	2	-6	0	2	14	-16	0
Net new measurement of impairment provisions	-86	141	106	162	-96	153	-521	-464
New issued or purchased loans	162	260	53	475	104	83	62	250
Loans that have been derecognised	-60	-171	-78	-309	-96	-106	-16	-218
Balance 31.12	304	593	675	1,572	234	426	585	1,244
Impairment provisions on financial liabilities								
Balance 1.1.	42	44	43	129	46	59	34	138
Changes 1.1. - 31.12.								
Transferred to (from) Stage 1	-3	3	0	0	-3	3	0	0
Transferred to (from) Stage 2	8	-9	1	0	17	-18	2	0
Transferred to (from) Stage 3	0	0	-0	0	0	1	-1	0
Net new measurement of impairment provisions	-12	16	-8	-4	-29	9	-11	-31
New issued or purchased loans	27	12	2	41	25	10	23	57
Loans that have been derecognised	-17	-16	-23	-56	-13	-20	-3	-36
Balance 31.12	45	49	15	109	42	44	43	129
Of which impairment provisions in Corporate Market	30	27	6	62	26	29	38	93
Of which impairment provisions in SME & Agriculture	8	22	9	39	7	15	5	26
Of which impairment provisions in Retail Market	7	0	0	8	10	0	0	10
Parent bank								
2023	2024						Group	
							2024	2023
-444	-18	Change in impairments on loans					-6	-441
-9	-31	Change in impairments on financial commitments					-31	-9
370	463	Actual loan losses on commitments					463	370
6	6	Change in accrued interest					6	6
-1	0	Change in assets taken over for the period					0	-1
-157	-45	Recoveries on commitments previously written-off					-45	-157
-235	375	Total net impairments on loans and financial commitments					387	-232

Note 11 Credit risk exposure for each internal risk class (Figures in NOK millions)

Probability of default (PD) ¹⁾ Parent bank	2024		2023	
	Average unsecured exposure ³⁾	Total exposures	Average unsecured exposure	Total exposures
0.00 - 0.50%	17.5 %	173,008	19.4 %	101,413
0.50 - 2.50%	22.4 %	115,251	22.1 %	85,020
2.50 - 5.00%	24.9 %	15,543	30.2 %	12,203
5.00 - 99.99%	29.9 %	9,619	31.5 %	8,111
Non-performing and impaired	34.9 %	3,114	33.7 %	3,291
Total²⁾	316,535			210,038
Group				
0.00 - 0.50%	12.9 %	277,997	13.2 %	195,305
0.50 - 2.50%	20.8 %	126,744	20.6 %	99,084
2.50 - 5.00%	24.0 %	15,356	29.2 %	12,877
5.00 - 99.99%	28.0 %	9,908	29.9 %	8,785
Non-performing and impaired	34.3 %	2,968	33.1 %	3,357
Total²⁾	432,972			319,407

¹⁾ PD - probability of default. 12 months PIT (Point In Time)

²⁾ Gross loans, guarantees to customers and unutilised credits.

³⁾ Unsecured exposures are calculated (per exposure) as the sum of the unsecured portion divided by the total exposure

Note 12 Maximum credit risk exposure (tall i mill kroner)

Maximum exposure to credit risk for balance sheet components, including derivatives. Exposure is shown gross before assets pledged as security and permitted offsetting.

Parent bank			Group	
2023	2024		2024	2023
		Assets		
0	-	Receivables from the central bank	0	0
20,044	17,199	Loans to and receivables from credit institutions	12,711	5,536
170,704	267,795	Loans to and receivables from customers	374,119	270,757
56,065	60,274	Certificates and bonds	60,825	57,681
23,210	17,029	Derivatives	11,444	16,179
270,022	362,296	Total credit risk exposure balance sheet items	459,099	350,153
		Financial guarantees and loan exposures		
17,782	18,614	Guarantees customers	18,643	17,816
515	501	Guarantees others	501	515
5,335	15,299	Unutilised credit lines for financial institutions	0	0
20,356	28,628	Unutilised credit lines for customers	38,652	29,590
9,979	18,535	Loan offers	18,535	9,979
53,967	81,577	Total financial guarantees and loan exposures	76,331	57,900
323,989	443,873	Total credit risk exposure	535,430	408,052

Credit risk exposure related to financial assets by geographic area

Parent bank			Group	
2023	2024	Banking operations	2024	2023
117,643	120,583	Rogaland	176,721	170,598
20,562	24,549	Agder	36,616	31,733
36,048	37,643	Vestland	56,041	52,301
42,490	61,524	Oslo/Akershus	71,976	49,831
859	28,408	Vestfold	27,944	1,217
789	27,638	Buskerud	27,258	1,147
926	29,163	Telemark	28,384	1,001
11,775	17,977	International	11,252	10,177
13,621	19,087	Other	26,969	16,188
244,714	366,571	Total banking operations	463,161	334,192
		Certificates and bonds		
19,931	17,718	Norway	17,178	20,178
29,846	36,119	Europe/Asia/Africa	37,210	31,215
6,288	6,437	North America/Oceania	6,437	6,288
56,065	60,274	Total certificates and bonds	60,825	57,681
23,210	17,029	Derivatives	11,444	16,179
323,989	443,873	Total by geographic area	535,430	408,052

Note 13 Credit quality per class of financial asset (tall i mill kroner)

The bank manages the credit quality of financial assets in accordance with its internal credit rating guidelines. The table shows the credit quality per class of asset for loan-related assets on the balance sheet, based on the customer's probability of default in % (PD).

Parent bank		0.00 - 0.50%	0.50 - 2.50%	2.50 - 5.00%	5.00 - 99.99%	Exposures in default	Impairment provisions	Total
2024								
Net loans								
Loans to and receivables from credit institutions		17,199						17,199
Loans to and receivables from customers								
- Retail market	98,995	30,005	1,648	2,179	713	-254	133,286	
- Corporate Market	34,101	53,272	7,060	3,679	1,495	-811	98,796	
- SME & Agriculture	15,003	14,384	3,253	2,792	714	-455	35,691	
Total net loans	165,298	97,661	11,961	8,650	2,922	-1,520	284,972	
Financial investments								
Norwegian government bonds	3,411	-	-	-	-	-	-	3,411
Listed certificates and bonds	56,603	260	-	-	-	-	-	56,863
Total financial investments	60,014	260	-	-	-	-	-	60,274
Total loan-related assets	225,312	97,921	11,961	8,650	2,922	-1,520	345,246	
2023								
Net loans								
Loans to and receivables from credit institutions	20,044	-	-	-	-	-	-	20,044
Loans to and receivables from customers	-	-	-	-	-	-	-	-
- Retail market	46,762	16,045	773	939	255	-95	64,679	
- Corporate Market	28,019	44,810	6,938	3,942	2,176	-874	85,011	
- SME & Agriculture	8,072	9,359	1,907	1,754	150	-235	21,007	
Total net loans	102,897	70,214	9,618	6,635	2,581	-1,204	190,741	
Financial investments								
Norwegian government bonds	2,528	-	-	-	-	-	-	2,528
Listed certificates and bonds	53,313	224	-	-	-	-	-	53,537
Total financial investments	55,841	224	-	-	-	-	-	56,065
Total loan-related assets	158,738	70,438	9,618	6,635	2,581	-1,204	246,806	

Group	0.00 - 0.50%	0.50 - 2.50%	2.50 - 5.00%	5.00 - 99.99%	Exposures in default	Impairment provisions	Total
2024	0.00 - 0.50%	0.50 - 2.50%	2.50 - 5.00%	5.00 - 99.99%	Exposures in default	Impairment provisions	Total
Net loans							
Loans to and receivables from credit institutions	12,711						12,711
Loans to and receivables from customers							
- Retail market	188,763	45,075	2,268	2,814	692	-305	239,307
- Corporate Market	34,311	52,979	7,021	3,659	1,487	-811	98,646
- SME & Agriculture	15,984	14,048	3,158	2,726	693	-456	36,153
Total net loans	251,769	112,102	12,447	9,199	2,872	-1,572	386,817
Financial investments							
Norwegian government bonds	3,411	-	-	-	-	-	3,411
Listed certificates and bonds	57,154	260	-	-	-	-	57,414
Unlisted certificates and bonds	-	-	-	-	-	-	-
Total financial investments	60,565	260	-	-	-	-	60,825
Total loan-related assets	312,334	112,362	12,447	9,199	2,872	-1,572	447,642

2023

Net loans							
Loans to and receivables from credit institutions	5,536						5,536
Loans to and receivables from customers							
- Retail market	131,451	29,876	1,411	1,596	308	-135	164,507
- Corporate Market	27,969	44,730	6,926	3,935	2,172	-874	84,858
- SME & Agriculture	8,372	9,424	1,918	1,760	154	-235	21,393
Total net loans	173,328	84,030	10,255	7,291	2,634	-1,244	276,294
Financial investments							
Norwegian government bonds	2,528	-	-	-	-	-	2,528
Listed certificates and bonds	54,913	224	-	-	-	-	55,137
Unlisted certificates and bonds	-	-	-	16	-	-	16
Total financial investments	57,441	224	-	16	-	-	57,681
Total loan-related assets	230,768	84,254	10,255	7,307	2,634	-1,244	333,974

Classification of financial investments:

Bonds are allocated to SpareBank 1 Sør-Norge's estimated PD based on an external rating. If a security has an official rating, this must be applied, but if no official rating exists, an internal model is used as the basis for risk classification. The list below illustrates the relationship between SpareBank 1 Sør-Norge's PD and Standard & Poor's rating matrix (Long-Term Credit Ratings).

Bank's risk classification	S&P rating
PD 0.00% - 0.50%	AAA to BBB-
PD 0.50% - 2.50%	BB+ to BB-
PD 2.50% - 5.00%	B
PD 5.00 - 99.99%	B and lower

Note 14 Market risk related to interest rate risk (Figures in NOK millions)

The table specifies the effect on the result of a positive parallel shift in the yield curve of 2 percentage point at the end of the last 2 years before tax if all financial instruments are measured at fair value.

Parent bank			Group	
2023	2024		2024	2023
-163	-174	Certificates and bonds	-180	-171
0	-9	Fixed-rate loans to customers	-9	0
-192	-66	Other loans and deposits	-274	-350
337	368	Securities issued	608	561
-9	0	Other	0	-9
-28	119	Total interest rate risk	146	31
Categories of maturity				
-56	-270	0-3 months	-243	3
8	391	3 - 6 months	391	8
7	0	6 - 9 months	0	7
8	-3	9 - 12 months	-3	8
0	0	12-18 months	0	0
3	4	18-24 months	4	3
2	-4	2-10 years	-4	2
0	0	10+ years	0	0
-28	119	Total interest rate risk	146	31
Currency				
-82	155	NOK	182	-23
76	2	EUR	2	76
-14	-36	USD	-36	-14
-2	-2	CHF	-2	-2
-5	-1	Other	-1	-5
-28	119	Total interest rate risk	146	31

Interest rate risk arises because the Group's assets and liabilities may be subject to different fixed rate periods. Interest rate instrument trading must at all times comply with the adopted limits and authorities. The Group's limits define quantitative targets for the maximum potential loss given a positive parallel shift on the yield curve by 2 percentage points. The total limit for the Group is NOK 270 million, with different sub-limits for different maturity bands. Interest rate risk is quantified and continuously monitored. For lending and deposits with floating interest rate an expected fixed rate period dependent on a interest rate shock-scenario is applied.

The table shows the result of a positive parallel shift in the yield curve of 2 percentage points in the Group's currencies.

Simultaneously, the Group has delegated an interest rate risk limit to SpareBank 1 Markets. The limit define quantitative targets for the maximum potential loss given a positive parallel shift on the yield curve by 2 percentage points, and are set to NOK 70 million with different sub-limits for different maturity bands. SpareBank 1 Markets are responsible for all profit or loss occurring from use of the delegated interest rate risk limit, and the exposure from this is hence not included in the interest rate risk table for 2024.

Note 15 Market risk related to currency risk (Figures in NOK millions)

Currency risk is the risk of loss due to changes in the currency rates. The Group is not exposed to currency risk through its ordinary bank and financing activities. All currency exposure is uncovered.

Simultaneously, the Group has delegated a currency risk limit to SpareBank 1 Markets. The risk which can be taken is regulated by nominal limits for maximal aggregated currency position and maximal position in one single currency. Over-night currency risk for spot trade cannot exceed NOK 100 million net for one single currency and NOK 225 million aggregated. SpareBank 1 Markets is responsible for all profit and loss occurring from the use of the currency risk limit.

Note 16 Liquidity risk (Figures in NOK millions)

The table shows cash flows including contractual interest maturity up until the first call date.

Parent bank¹⁾

2024	At call	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Debt to credit institutions	553	162	-	-	-	715
Deposits from customers	204,434	-	-	-	-	204,434
Securities issued	-	2,306	16,645	86,317	7,820	113,088
Lease liability	-	31	90	410	605	1,136
Senior non-preferred debt	-	88	771	24,339	-	25,198
Subordinated loan capital	-	80	279	1,501	5,522	7,382
Total liabilities	204,987	2,668	17,785	112,568	13,947	351,954

Derivatives

Contractual cash flows out	-21,968	-35,014	-123,836	-55,218	-236,036
Contractual cash flows in	21,726	32,524	116,657	51,085	221,992

2023

Debt to credit institutions	1,037	2,523	-	-	-	3,560
Deposits from customers	149,309	-	-	-	-	149,309
Securities issued	-	12,234	5,205	40,885	1,761	60,085
Lease liability	-	23	68	336	529	956
Senior non-preferred debt	-	27	502	18,949	287	19,765
Subordinated loan capital	-	32	130	497	2,866	3,525
Total liabilities	150,346	14,840	5,904	60,667	5,443	237,200

Derivatives

Contractual cash flows out	-53,320	-24,323	-107,344	-42,044	-227,032
Contractual cash flows in	51,620	22,739	100,992	37,487	212,839

Group¹⁾

2024	At call	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Debt to credit institutions	533	162	-	-	-	695
Deposits from customers	204,006	-	-	-	-	204,006
Securities issued	-	7,769	26,303	128,018	39,889	201,979
Lease liability	-	25	71	280	129	505
Senior non-preferred debt	-	88	771	24,339	-	25,198
Subordinated loan capital	-	80	279	1,501	5,522	7,382
Total liabilities	204,539	8,125	27,423	154,139	45,540	439,766

Derivatives

Contractual cash flows out	-	-21,324	-23,821	-74,917	-26,046	-146,108
Contractual cash flows in	-	20,861	22,294	71,238	24,539	138,933

2023

Debt to credit institutions	665	2,523	-	-	-	3,188
Deposits from customers	149,076	-	-	-	-	149,076
Securities issued	-	12,573	11,594	94,868	35,189	154,224
Lease liability	-	17	49	203	121	390
Senior non-preferred debt	-	27	502	18,949	287	19,765
Subordinated loan capital	-	32	130	497	2,866	3,525
Total liabilities	149,742	15,172	12,275	114,516	38,463	330,169

Derivatives

Contractual cash flows out	-	-52,532	-16,372	-58,425	-10,205	-137,534
Contractual cash flows in	-	50,768	15,541	55,410	8,896	130,616

¹⁾ Also see note 6 financial risk management.

Note 17 Maturity analysis of assets and debt/liabilities (Figures in NOK millions)

The table shows cash flows excluding contractual interest maturity.

Parent bank

2024	At call ¹⁾	Less than 3 months		3 - 12 months		More than 5 years	Total
				1 - 5 years			
Assets							
Cash and receivables from the central bank	119	-	-	-	-	-	119
Loans to and receivables from credit institutions	7,612	9,192	395	-	-	-	17,199
Gross loans to customers	37,461	3,285	13,254	77,978	137,316	269,294	
- Impairment provisions	-1,520	-	-	-	-	-	-1,520
- Home mortgages at fair value through OCI	21	-	-	-	-	-	21
Loans to customers	35,963	3,285	13,254	77,978	137,316	267,795	
Certificates and bonds	-	5,009	6,957	45,525	2,783	60,274	
Financial derivatives	7,226	151	616	4,633	4,403	17,029	
Shares, ownership stakes and other securities	2,391	-	-	-	-	-	2,391
Investments in ownership interests	5,050	-	-	-	-	-	5,050
Investments in group companies	7,677	-	-	-	-	-	7,677
Intangible assets	3,569	-	-	-	-	-	3,569
Deferred tax asset	2,287	-	-	-	-	-	2,287
Fixed assets	581	-	-	-	-	-	581
Lease rights	1,070	-	-	-	-	-	1,070
Other assets	569	-	-	-	-	-	569
Total assets	74,114	17,636	21,222	128,136	144,502	385,610	
Liabilities							
Debt to credit institutions	553	162	-	-	-	-	715
Deposits from customers	204,434	-	-	-	-	-	204,434
Securities issued	-	1,260	13,250	55,840	8,291	78,640	
Financial derivatives	1,132	83	2,311	10,027	7,411	20,963	
Payable tax	1,020	-	-	-	-	-	1,020
Liability related to lease rights	-	31	90	410	605	1,136	
Pension liabilities	423	-	-	-	-	-	423
Impairment provisions on financial liabilities	109	-	-	-	-	-	109
Other liabilities	841	-	-	-	-	-	841
Senior non-preferred debt	-	-	55	22,484	-	-	22,539
Subordinated loan capital	-	-	-	-	-	5,776	5,776
Total liabilities	208,511	1,536	15,707	88,761	22,082	336,597	

Group

2024	At call¹⁾	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets						
Cash and receivables from the central bank	119	-	-	-	-	119
Loans to and receivables from credit institutions	3,124	9,192	395	-	-	12,711
Gross loans to customers	60,663	3,286	13,267	78,233	220,230	375,678
- Impairment provisions	-1,572	-	-	-	-	-1,572
- Home mortgages at fair value through OCI	14	-	-	-	-	14
Loans to customers	59,104	3,286	13,267	78,233	220,230	374,119
Certificates and bonds	-	5,212	6,957	45,623	3,033	60,825
Financial derivatives	7,226	151	453	2,221	1,394	11,444
Shares, ownership stakes and other securities	2,643	-	-	-	-	2,643
Investments in ownership interests	8,144	-	-	-	-	8,144
Investments in group companies	-	-	-	-	-	-
Intangible assets	4,074	-	-	-	-	4,074
Deferred tax asset	2,404	-	-	-	-	2,404
Fixed assets	1,242	-	-	-	-	1,242
Lease rights	478	-	-	-	-	478
Other assets	1,132	-	-	-	-	1,132
Total assets	89,691	17,840	21,071	126,077	224,657	479,336
Liabilities						
Debt to credit institutions	533	162	-	-	-	695
Deposits from customers	204,006	-	-	-	-	204,006
Securities issued	-	7,306	22,538	114,474	36,532	180,850
Financial derivatives	1,132	83	546	3,852	3,726	9,339
Payable tax	1,178	-	-	-	-	1,178
Liability related to lease rights	-	25	71	280	129	505
Pension liabilities	431	-	-	-	-	431
Impairment provisions on financial liabilities	109	-	-	-	-	109
Other liabilities	1,271	-	-	-	-	1,271
Senior non-preferred debt	-	-	55	22,484	-	22,539
Subordinated loan capital	-	-	-	-	5,776	5,776
Total liabilities	208,660	7,577	23,210	141,090	46,162	426,699

1) Overdraft facilities and operating credits (including flexible loans) are included in the "at call" interval. Non-financial assets and liabilities have for presentation purposes been added to the "at call" column. Deposits have been added to the "at call" column but there is no expectation that all deposits would have to be settled within a short space of time.

Note 18 Net interest income (Figures in NOK millions)

Accounting policies

Interest income and interest expense related to financial assets and financial liabilities that are measured at amortised cost, or debt instruments that are measured at fair value through OCI, are recognised continuously in the income statement in accordance with the effective interest rate method. The calculation thus includes fees, transaction costs, premiums, and discounts.

Interest income on mortgages on residential properties that qualifies for sale to mortgage credit institutions is measured at fair value through OCI in the parent bank and at amortised cost in the group's consolidated statement.

Parent bank	2024			2023		
	Other interest income	Interest income effective interest method	Total	Other interest income	Interest income effective interest method	Total
	Measured at fair value	Measured at fair value through OCI	Measured at amortised cost	Measured at fair value	Measured at fair value through OCI	Measured at amortised cost
Interest income						
Interest on receivables from credit institutions		1,379	1,379		1,299	1,299
Interest on lending to customers	545	3,843	9,240	13,627	403	2,501
Interest on certificates and bonds	2,644		426	3,071	2,132	398
Interest on written down loans		89	89,272,960	0		93
Total interest income	3,189	3,843	11,135	18,167	2,534	2,501
Interest costs						
Interest on debt to credit institutions		193	193		213	213
Interest on deposits from customers		6,012	6,012		4,526	4,526
Interest on securities issued	2,172		2,745	4,918	1,698	2,075
Interest on subordinated loan capital	11		282	293	6	155
Fee to the Norwegian Banks Guarantee Fund		122	122		115	115
Interest on lease rights		36	36		31	31
Total interest costs	2,184	0	9,389	11,573	1,704	0
Net interest income	1,005	3,843	1,745	6,594	830	2,501
Group						
Interest income						
Interest on receivables from credit institutions	-	906	906		851	851
Interest on lending to customers	545	19,128	19,673	403	14,609	15,012
Interest on certificates and bonds	2,705	441	3,146	2,148	411	2,559
Interest on written down loans	-	89	89		93	93
Total interest income	3,250	20,565	23,815	2,551	15,964	18,515
Interest costs						
Interest on debt to credit institutions		175	175		182	182
Interest on deposits from customers		5,997	5,997		4,512	4,512
Interest on securities issued	5,252	4,431	9,682	4,212	3,168	7,381
Interest on subordinated loan capital	11	282	293	6	155	161
Fee to the Norwegian Banks Guarantee Fund		138	138		131	131
Interest on lease rights		13	13		11	11
Total interest costs	5,263	11,035	16,298	4,218	8,160	12,378
Net interest income	-2,013	9,530	7,517	-1,668	7,804	6,136

Note 19 Net commissions and other operating income (Figures in NOK millions)

Accounting policies

Commission income and commission costs are generally recognised in line with the delivery/receipt of a service. Fees relating to interest-bearing instruments are not recognised as commissions but are included in the calculation of the effective interest rate and recognised accordingly through profit or loss. Advisory/consultancy fees are recognised in accordance with the signed agreement, typically at the time the service is delivered. The same applies to day-to-day management services. Fees and charges related to the sale or brokerage of financial instruments, properties or other investment objects that do not generate balance sheet items in the consolidated financial statements, are recognised when the transaction is completed.

Parent bank			Group	
2023	2024		2024	2023
116	115	Guarantee commissions	115	116
145	156	Saving and investments	156	147
60	97	Commissions from mortgage credit institutions	31	-
446	534	Money-transfer services	534	444
261	302	Insurance services	302	261
244	253	Facilitation	250	243
33	33	Other commissions	33	34
		Fee accounting	432	404
		Property sales	538	392
1,305	1,490	Total commission income	2,392	2,040
86	102	Money-transfer services	102	86
25	14	Other commission expenses	14	25
111	116	Total commission expenses	116	111
15	16	Operating income from investment properties	10	8
0	0	Other operating income	0	0
16	16	Total other operating income	10	9
1,210	1,390	Net commissions and other operating income	2,286	1,939

Note 20 Net income/loss from financial investments (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
166	-7	Net gain/loss on equity instruments	-76	276
256	103	Net gain/loss on bonds and certificates	98	248
-379	-213	Net derivatives; bonds and certificates	-213	-379
-1	-0	Net counterparty risk, including CVA	-0	-1
5	11	Net derivatives; fixed-rate	11	5
27	31	Net derivatives; debt	15	26
183	-89	Net derivatives; basis swap spread	-251	-101
241	264	Net gain currency	264	241
0	-130	Share of income to SpareBank 1 Markets	-130	0
497	-31	Net income/loss from financial instruments	-282	315

Note 21 Personnel expenses (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
1,058	1,190	Salaries	1,736	1,533
133	156	Pension expenses (disclosure 23)	193	159
203	236	Social expenses	322	266
78	95	Other personnel expenses	113	94
1,471	1,676	Total personnel expenses	2,364	2,053
1,035	1,167	Average man-years	1,764	1,590
1,053	1,616	No. of FTEs as at 31.12.	2,315	1,541
1,107	1,620	No. of employees as at 31.12.	2,455	1,728

Remuneration to group executive management team (figures in NOK thousands)

2023	2024	
42,650	43,590	Salaries
5,591	7,102	Pension expenses (disclosure 23)
5,204	5,367	Social expenses
-	-	Other personnel expenses
53,445	56,059	Total personnel expenses

Number of shares owned by the executive management team¹⁾

		2024	2023
Chief Executive Officer	Inge Reinertsen (from 1.10.2024)	121,904	101,114
Chief Executive Officer	Benedicte Schilbred Fasmer (until 30.9.2024)	-	17,474
Vice CEO and Executive Vice President People and Integration	Per Halvorsen (from 1.10.2024)	11,722	-
Acting Executive Vice President Economy, Finance and Sustainability (CFO)	Roar Snippen (from 1.10.2024)	11,951	-
Executive Vice President Retail Market	Roger Lund Antonesen	6,207	3,065
Executive Vice President Private Banking	Lasse Olsen (from 1.10.2024)	9,639	-
Executive Vice President Corporate Market	Tore Medhus	67,215	64,000
Executive Vice President Business banking & Agriculture	Marianne Bakke	6,420	4,205
Executive Vice President Risk Management	Frode Bø	19,274	18,800
Executive Vice President Compliance	Signe Helliesen	4,291	1,649
Executive Vice President Customer Offerings, Marketing, and Innovation	Ella Skjørestad	14,855	12,686
Executive Vice President Customer Deliveries	Tonje Stormoen (from 1.10.2024)	5,910	-
Executive Vice President Technology Development and Business Processes	Glenn Sæther	37,535	34,810
Executive Vice President Strategy and Group Services	Jan Friestad	57,815	54,824
Executive Vice President HR, Communications and Sustainability	Nina Moi Edvardsen (until 30.9.2024)	-	12,069

¹⁾ Number of shares the person owns in SpareBank 1 SR-Bank as at 31 December. The figures also include shares belonging to immediate family members and known companies in which the person has a controlling influence, ref. section 1-2 of the Limited Liability Companies Act.

Number of shares owned by the Board¹⁾

		2024	2023
Chair of the board, chair of the remuneration committee, member of the risk committee and member of the audit committee	Finn Haugan (from 1.10.2024)	75,205	-
Vice chair of the board, Chair of the Risk Committee and Member of the Remuneration Committee	Dag Mejdell (Head up to 30.09.2024)	49,455	43,000
Board member and member of the risk committee	Maria Tho (from 1.10.2024)	350	-
Board member and chair of the audit committee	Trine Sæther Romuld	4,000	-
Board member and member of the audit committee	Heine Wang (from 01.10.2024)	24,005	-
Board member and member of the remuneration committee	Jan Skogseth	10,000	10,000
Board member and member of the risk committee	Kjetil Skjæveland ²⁾	78,678,829	78,678,829
Board member and member of the audit committee	Camilla AC Tepfers	-	-
Employee-elected board member	Hanne Myhre Gravdal (from 01.10.2024)	4,585	-
Employee-elected board member and member of the remuneration committee	Sally Lund-Andersen	4,548	4,053
Employee-elected board member	Eirik P. Elholm (from 18.4.2024)	975	-
Employee-elected board member	Kristian Kristensen (until 18.4.2024)	-	4,578
Board member and chair of the risk committee and member of the audit committee	Kate Henriksen til (until 30.09.2024)	-	1,500

¹⁾ Number of shares the person owns in SpareBank 1 SR-Bank as at 31 December. The figures also include shares belonging to immediate family members and known companies in which the person has a controlling influence, ref. section 1-2 of the Limited Liability Companies Act. In addition to this, the shares of the institution the individual representative was elected on behalf of are included.

²⁾ Kjetil Skjæveland is the general manager of Sparebankstiftelsen SR-Bank. Number of own shares is 2 014 and number of shares owned by Sparebankstiftelsen SR-Bank is 78 676 815.

For more information on remuneration to group executive management team and the Board see the Executive remuneration report 2024.

Note 22 Other operating expenses (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
425	500	IT expenses	543	456
74	102	Marketing expenses	111	86
103	106	Administrative expenses	136	127
40	49	Operating expenses real estate	57	46
124	162	External fees	145	137
19	163	Expenses due to the merger	163	19
66	101	Other operating expenses	233	228
851	1,184	Total other operating expenses	1,386	1,100

Fees for external auditor - specification of audit fees

(Figures in NOK thousands; all figures are inclusive of VAT)

3,344	6,220	Statutory audit	8,419	6,012
703	-	Tax advice ¹⁾	69	826
544	2,227	Other certification services	2,267	576
2,187	956	Other non-auditing services ¹⁾	1,425	2,686
6,777	9,404	Total	12,180	10,101

616 137 ¹⁾ Fees to Advokatfirmaet PricewaterhouseCoopers included in tax advice and other non-auditing services 213 616

²⁾ Includes fees to former auditor KPMG for SpareBank 1 Sørøst-Norge of NOK 2.6 million for work after the merger and for the subsidiaries where they are still auditors, as well as tax advice of NOK 0.1 million.

0.85 0.96 Operating expenses as percentage of average total assets 0.98 0.91

Note 23 Pensions (tall i mill kroner)

As of 31 December 2024, the SpareBank 1 Sør-Norge group has a defined contribution pension and a closed benefitbased pension for its employees.

The group has both covered and uncovered defined benefit pension schemes for the former SpareBank 1 SR-Bank. The covered defined benefit pension scheme was, until 31.12.2015, covered by the group's pension fund. Employees who were in the defined benefit scheme were issued a paid-up policy for their earned rights in the defined benefit scheme. In addition to the pension liabilities covered by the pension fund, the group has uncovered pension liabilities that cannot be covered by the assets in the collective schemes. The covered defined benefit pension scheme was closed to new members from and including 1.4.2011 and to existing members from 1.1.2016.

Paid-up policies will be managed by the pension fund, which from 1 January 2016 became a paid-up fund. A framework agreement has been established between SpareBank 1 Sør-Norge and the pension fund that covers things such as financing, capital management, etc. Because of the responsibilities SpareBank 1 Sør-Norge still has, future liabilities will have to be incorporated in the financial statements. The board of the pension fund must consist of representatives of the group and pension scheme participants in accordance with the pension fund's articles of association

The closed collective benefit-based pension agreements for the former SpareBank 1 Sørøst-Norge have been liquidated ahead of the merger, and all employees from the former SpareBank 1 Sørøst-Norge were issued a free policy from SpareBank 1 Forsikring for accrued rights in the benefit scheme until the liquidation year. Free policies are managed by SpareBank 1 Forsikring.

In addition to the pension obligations from SpareBank 1 Sørøst-Norge, which are covered through SpareBank 1 Forsikring, the Group has taken over uncovered pension obligations that cannot be covered by the funds in the collective schemes.

The company's and group's pension schemes comply with the requirements of the Mandatory Occupational Pension Act.

Defined closed benefit scheme and uncovered pension obligations

The liability that must be recognised for the defined benefit scheme is the present value of the liability on the balance sheet date, with deductions for the fair value of the pension assets. The gross liability is calculated by an independent actuary using the unit credit method during calculations. The gross liability is discounted to the present value using the interest rate on high quality corporate bonds with almost the same term to maturity as the payment horizon of the liability. Gains and losses that occur with the recalculation of the liability due to experience gains and losses, and changes in actuarial assumptions, are recognised against equity via the comprehensive income statement in the period they arise. The effects of changes in the schemes' plans are recognised immediately.

The pension liabilities are calculated annually by an independent actuary using a straight line accrual method. The present value of the defined benefits are determined by discounting estimated future payments by a discount rate based on the interest rate for a bond issued by the company with a high credit rating (corporate bond or covered bond) in the same currency and with a maturity that is almost the same as the maturity of the related pension liabilities. Use of the corporate bond rate as the basis for the discount rate requires the existence of corporate bonds with long maturities and high quality in the same currency, as well as a deep market for such bonds. Market players have asserted that the covered bond market is sufficiently deep and that pricing in the market is reliable. Analyses conducted by an actuary, Lumera AS, and the bank's own analyses, which take into account interest rate swap agreements, support the assertion that a deep and liquid market exists for corporate bonds with a high credit rating, concentrated on covered bonds. The Norwegian covered bond market has become better developed after the financial crisis and has a high credit rating. The bank and the group have therefore chosen the covered bond rate as their discount rate for calculating pension liabilities.

The AFP scheme, which applies with effect from 1 January 2011, should be regarded as a defined benefit multi-company scheme, but will be recognised as a defined contribution scheme until adequate reliable information is available to allow the bank and the group to recognise their proportional shares of the pension costs, the pension liabilities and the pension funds in the scheme. Thus, the bank's and the group's liabilities are not recognised on the balance sheet as liabilities as at 31 December 2022

Contribution-based service pension for wages above 12 G (placed in Storebrand Asset Management AS)

Parts of the executive management team, both present and previous, have been enrolled in a secured service pension for salary exceeding 12G (G = the National Insurance basic amount). At the same time, the remaining executive management 1.1.2022 have been granted similar arrangements. New members in the group management following the merger with SpareBank 1 Sørøst-Norge are included in the scheme from 1.10.24. After the changes, the collective executive management team is now enrolled in a defined contribution pension scheme for salary exceeding 12G. The agreements are further described in the executive remuneration report for 2024.

Sparebank 1 Sør-Norge pays a monthly supplement towards the contribution-based service pension for salary above 12G. The contribution is placed in Storebrand Asset Management AS, where the members can make individual investment choices. The members hold the investment risk. The net return on investment is added to the pension capital after deduction of management fees. The pension capital is owned by SpareBank 1 Sør-Norge and is recognised in the balance sheet as assets. The related pension liability is recognised as debt. Sparebank 1 Sør-Norge have invested assets equivalent of NOK 137 million to cover future pension liabilities for the service pension scheme. The calculated pension liability is NOK 163 million (including Employer's National Insurance contributions). The difference between the pension capital and the related pension liability of NOK 26 million relates to Employer's National Insurance contributions, and has been accrued for accordingly.

Total benefit-based and contribution-based pensions recognised in the balance sheet

Parent bank			Group	
2023	2024		2024	2023
		Net pension liabilities on the balance sheet		
-24	-32	Present value pension liabilities ¹⁾	-29	-17
113	137	Contribution-based service pension for salary above 12 G	137	113
89	105	Total	108	96
124	269	Upper limit for recognition of the asset ²⁾	273	122
40	49	Employer's NI contributions	50	43
253	423	Net pension liabilities on the balance sheet 31.12	431	261
		Pension expenses for the period		
1	1	Accrued defined benefit-based pensions	25	1
7	8	Contribution-based service pension for salary above 12 G	8	7
125	147	Contribution based pension costs and joint AFP scheme	160	151
133	156	Pension expenses in the period recognised through profit and loss	193	159

¹⁾ Of this, the increased pension liability due to the merger is NOK 141 million

²⁾ The group has overcoverage (the value of the pension funds exceeds the calculated pension liabilities) related to the closed defined benefit pension scheme which has not been capitalised since the overcoverage does not entail financial benefits in the future in the form of reduced premium payments or repayments

Note 24 Tax (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
6,475	4,898	Pre-tax operating profit	6,415	5,677
-1,874	-641	Permanent differences ¹⁾	-1,732	-1,049
-50	-	Group contribution	-	-
5,673	-1,343	Change in temporary differences	-1,106	6,190
6	2	- of which recorded directly against equity	2	6
10,230	2,916	Taxable income for the year	3,579	10,824
2,557	729	Of which taxes payable	895	2,706
13	8	Tax effect of group contribution	-	-
-1,418	334	Change in deferred tax	326	-1,510
6	7	Taxes payable on hybrid capital recorded against equity	7	6
-	-6	Excess/insufficient tax provisions previous year	-6	-
1,158	1,072	Total tax expense	1,222	1,202
Reconciliation of tax expense against nominal tax rate				
1,619	1,224	Tax on pre-tax profit	1,604	1,419
-467	-160	Tax on permanent differences ¹⁾	-433	-262
-	7	Change in deferred tax from previous years	50	39
6	7	Taxes payable recorded directly against equity	7	6
-	-6	Excess/insufficient tax allocation in previous years	-6	-
1,158	1,072	Calculated tax expense	1,222	1,202
Tax Payable				
2,557	729	- tax payable profit for the year	887	2,706
-	291	- payable tax taken over by merger	291	-
2,557	1,020	Total tax payable	1,178	2,706
Deferred tax asset				
-66	-41	- deferred tax asset that reverses in more than 12 months	-163	-65
-2,734	-2,558	- deferred tax asset that reverses within 12 months	-2,567	-2,804
-2,800	-2,599	Total deferred tax asset	-2,730	-2,869
Deferred tax				
249	303	- deferred tax that reverses in more than 12 months	326	255
13	9	- deferred tax that reverses within 12 months	-	2
262	312	Total deferred tax	326	257
-2,539	-2,287	Net deferred tax/deferred tax asset	-2,404	-2,612
Change in deferred tax				
-1,436	252	Year's change in deferred tax on the balance sheet	208	-1,537
-	84	Change in deferred tax through acquisition and sales	128	28
19	-	Change in deferred tax for group contributions on the balance sheet	-	-
-1	-2	- of which change not recognised through profit or loss	-10	-1
-1,418	334	- of which change recognised through profit or loss	326	-1,510
Specification of temporary differences				
-3	-17	Gains and loss account	-16	-3
-10,936	-9,753	Differences related to financial items	-10,245	-11,202
-	-146	Loans	-148	-6
-253	-480	Pension liabilities	-487	-260
44	37	Accounting provisions	-23	8
954	1,159	Leasing operating equipment	1,156	953
-8	54	Fixed assets	149	65
50	-	Group contribution paid	-	-
-	-	Tax loss carried forward ²⁾	-1	-4
-10,152	-9,146	Total temporary differences	-9,615	-10,449
25%	25%	Effective tax rate	22% - 25%	22% - 25%

¹⁾ Includes tax-exempted dividends, non-tax-deductible expenses, net tax-exempt gains on the realisation of equities in the European Economic Area (EEA), and tax allowances for profit attributable to associated companies (the percentage of the profit is extracted as it has already been taxed in the individual company)

Note 25 Classification of financial instruments (Figures in NOK millions)

Accounting Policies

Shares, ownership stakes, bonds, and financial derivatives are recognised at fair value over profit and loss
Financial derivatives are presented as an asset when the fair value is positive and as debt when negative

Hedge accounting

SpareBank 1 Sør-Norge carries out hedge accounting in accordance with the criteria for hedging assets.

Parent bank	2024				2023			
	Recognised at fair value 3)	Financial derivatives as hedging instruments	Financial assets and liabilities measured at amortised cost	Total	Recognised at fair value 3)	Financial derivatives as hedging instruments	Financial assets and liabilities measured at amortised cost	Total
Assets								
Cash and receivables from the central bank			119	119			88	88
Loans to and receivables from credit institutions			17,199	17,199			20,044	20,044
Loans to customers ³⁾	130,148		137,647	267,795	62,015		108,688	170,704
Certificates and bonds	52,268		8,006	60,274	47,418		8,646	56,065
Financial derivatives	10,643	6,386		17,029	16,200	7,010		23,210
Shares, ownership stakes and other securities	2,391			2,391	381			381
Total assets	195,450	6,386	162,971	364,806	126,014	7,010	137,466	270,491
Liabilities								
Debt to credit institutions			715	715			3,560	3,560
Deposits from customers			204,434	204,434			149,309	149,309
Securities issued ¹⁾			78,640	78,640			55,146	55,146
Financial derivatives	14,438	6,526		20,963	14,272	8,203		22,475
Senior non-preferred debt ¹⁾			22,539	22,539			17,017	17,017
Subordinated loan capital ¹⁾			5,776	5,776			2,784	2,784
Total liabilities	14,438	6,526	312,105	333,068	14,272	8,203	227,816	250,291

Information about fair value

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

- Level 1 Listed price in an active market for an identical asset or liability.
- Level 2 Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices) for the asset or liability.
- Level 3 Valuation based on factors not obtained from observable markets (non-observable assumptions).

Parent bank	2024				2023			
	Valuation according to prices in an active market	Valuation according to observable market data	Valuation according to factors other than observable market data	Total	Valuation according to prices in an active market	Valuation according to observable market data	Valuation according to factors other than observable market data	Total
Assets								
Loans to customers			130,148	130,148			62,015	62,015
Certificates and bonds	28,637	23,631		52,268	26,704	20,715	47,418	
Financial derivatives		17,029		17,029		23,210		23,210
Shares, ownership stakes and other securities	496	96	1,799	2,391	319	13	49	381
Liabilities								
Financial derivatives		20,963		20,963		22,475		22,475

No transfers between levels 1 and 2.

Change in holding during the financial year of assets measured on the basis of factors other than observable market data (Level 3)

	2024			2023	
	Loans to customers	Shares, ownership stakes and other securities		Loans to customers	Shares, ownership stakes and other securities
Parent bank					
Balance 1.1.	62,015	49		49,488	69
Addition through merger	59,140	1,773			
Additions	9,179	0		12,457	2
Transferred from or to measurement according to prices in an active market or observable market data					
Change in value ²⁾	-186	-23		71	-22
Balance 31.12.	130,148	1,799		62,015	49
Nominal value/cost price	130,595	1,813		62,276	38
Fair value adjustment	-447	-14		-261	11
Balance 31.12.	130,148	1,799		62,015	49

Group	2024				2023		
	Recognised at fair value	Financial derivatives as hedging instruments	Financial assets and liabilities measured at amortised cost	Total	Recognised at fair value	Financial derivatives as hedging instruments	Financial assets and liabilities measured at amortised cost
Assets							
Cash and receivables from the central bank			119	119			88
Loans to and receivables from credit institutions			12,711	12,711			5,536
Loans to customers	13,891		360,229	374,119	7,765		262,992
Certificates and bonds	52,513		8,312	60,825	48,724		8,956
Financial derivatives	4,218	7,226		11,444	3,006	13,173	16,179
Shares, ownership stakes and other securities	2,643			2,643	680		680
Total assets	73,264	7,226	381,371	461,861	60,177	13,173	277,571
Liabilities							
Debt to credit institutions			695	695			3,188
Deposits from customers			204,006	204,006			149,076
Securities issued ¹⁾			180,850	180,850			138,353
Financial derivatives	8,207	1,132		9,339	13,052	645	13,697
Senior non-preferred debt ¹⁾			22,539	22,539			17,017
Subordinated loan capital ¹⁾			5,776	5,776			2,784
Total liabilities	8,207	1,132	413,866	423,205	13,052	645	310,418
							324,115

¹⁾ Securities issued, senior non-preferred debt and subordinated loans issued contain secured debt.

²⁾ Changes are recognised in net income from financial instruments.

³⁾ Of which measured at fair value through other comprehensive income NOK 116,257 (54,250) millions

Information about fair value

Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

- Level 1 Listed price in an active market for an identical asset or liability.
- Level 2 Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices) for the asset or liability.
- Level 3 Valuation based on factors not obtained from observable markets (non-observable assumptions).

	2024			2023			Valuation according to factors other than observable market data	Total
	Valuation according to prices in an active market	Valuation according to observable market data	Valuation according to factors other than observable market data	Total	Valuation according to prices in an active market	Valuation according to observable market data		
Assets								
Loans to customers			13,891	13,891			7,765	7,765
Certificates and bonds	29,998	22,514		52,513	27,959	20,765		48,724
Financial derivatives		11,444		11,444		16,179		16,179
Shares, ownership stakes and other securities	496	96	2,051	2,643	319	13	349	680
Liabilities								
Financial derivatives		9,339		9,339		13,697		13,697

No transfers between levels 1 and 2.

Change in holding during the financial year of assets measured on the basis of factors other than observable market data (Level 3)

Group	2024		2023		Shares, ownership stakes and other securities
	Loans to customers	Shares, ownership stakes and other securities	Loans to customers	Shares, ownership stakes and other securities	
Balance 1.1.		7,765	349	7,861	420
Additions		4,361	46	1,347	36
Disposals		(1,902)	(37)	-1,513	-29
Transferred from or to measurement according to prices in an active market or observable market data		-	-	-	-
Change in value ²⁾		(186)	(80)	70	-78
Balance 31.12.	10,038	278		7,765	349
Nominal value/cost price		14,338	2,118	8,026	336
Fair value adjustment		(447)	(67)	-261	13
Balance 31.12.	13,891	2,051		7,765	349

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 44 millions.

Parent bank**Fair value of financial instruments at amortised cost**

(Figures in NOK millions)

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and receivables from the central bank	119	119	88	88
Loans to and receivables from credit institutions	17,199	17,199	20,044	20,044
Loans to customers ¹⁾	137,647	137,647	108,688	108,688
Certificates and bonds ³⁾	8,006	8,005	8,646	8,651
Total assets at amortised cost	162,971	162,970	137,466	137,471
Liabilities				
Debt to credit institutions	715	715	3,560	3,560
Deposits from customers ¹⁾	204,434	204,434	149,309	149,309
Securities issued ³⁾	78,640	79,022	55,146	55,251
Senior non-preferred debt	22,539	22,846	17,017	17,118
Subordinated loan capital ³⁾	5,776	6,185	2,784	2,959
Total liabilities at amortised cost	312,105	313,203	227,816	228,197

Group**Fair value of financial instruments at amortised cost**

Assets				
Cash and receivables from the central bank	119	119	88	88
Loans to and receivables from credit institutions	12,711	12,711	5,536	5,536
Loans to customers ¹⁾	360,228	360,228	262,992	262,992
Certificates and bonds ³⁾	8,312	8,311	8,956	8,932
Total assets at amortised cost	381,371	381,369	277,571	277,547
Liabilities				
Debt to credit institutions	695	695	3,188	3,188
Deposits from customers ¹⁾	204,006	204,006	149,076	149,076
Securities issued ³⁾	180,850	180,319	138,353	137,661
Senior non-preferred debt	22,539	22,846	17,017	17,118
Subordinated loan capital ³⁾	5,776	6,185	2,784	2,959
Total liabilities at amortised cost	413,866	414,051	310,418	310,003

¹⁾ Customer loans and deposits at amortised cost amount to book value best estimate at fair value.²⁾ Changes are recognised in net income from financial instruments.³⁾ Fair value is mainly determined based on observable prices in an active market.

Note 26 Certificates and bonds (Figures in NOK millions)

Parent bank			Group	
2023	2024	Certificates and bonds	2024	2023
47,418	52,268	Certificates and bonds at fair value	52,513	48,724
8,646	8,006	Certificates and bonds at amortised cost	8,312	8,956
56,065	60,274	Total certificates and bonds	60,825	57,681
		Government		
2,700	3,626	Nominal value	3,626	2,700
2,528	3,411	Book value	3,411	2,528
		Other public issuers		
3,573	7,769	Nominal value	8,139	3,943
3,610	7,852	Book value	8,227	3,984
		Covered bonds		
25,396	22,596	Nominal value	20,704	24,662
25,555	22,816	Book value	20,914	24,817
		Other financial enterprises		
		including multilateral development banks		
24,073	25,899	Nominal value	27,949	26,023
24,149	25,958	Book value	28,036	26,128
		Non-financial enterprises		
227	236	Nominal value	236	227
224	237	Book value	237	224
55,968	60,126	Total certificates and bonds at nominal value	60,654	57,554
56,065	60,274	Total certificates and bonds	60,825	57,681

Note 27 Financial derivatives

Accounting Policies

Derivatives consist of currency and interest rate instruments. Derivatives are recognised at fair value through profit or loss. The fair value of derivatives includes the value of counterparty credit risk (CVA).

The group uses derivatives for both operational hedging and accounting hedging (funding) purposes to minimise the interest rate risk in fixed-rate instruments (fixed-rate funding and fixed- rate loans), bonds (assets and liabilities), and certificates (assets and liabilities). The effectiveness of the hedging is assessed and documented both when the initial classification is made and on an ongoing basis. When fair value hedging is used the hedging instrument is recognised at fair value, but as far as the hedged item is concerned changes in fair value linked to the hedged risk are recognised through profit and loss and against the hedged item. The bank makes use of basis swaps and interest rate and currency swaps to convert borrowing in one currency to the desired currency. When a basis swap is designated as a hedging instrument for hedging a specifically identified loan, changes in the value of the hedging instrument linked to changes in the “basis spread” are recognised through OCI. See note 27 for further information.

General description:

The fair value of financial derivatives is determined using valuation methods where the price of the underlying object, for example interest and currency rates, are obtained from the market. If the group's risk position is relatively neutral, normal rates will be used in pricing. A neutral risk position means, for example, that the interest rate risk within a re-pricing interval is approximately zero. Otherwise, the relevant purchase or sales price is used to assess the net position. The credit valuation adjustment (CVA) for derivative transactions is assessed on the basis of the net positive market values per counterparty. The CVA risk for counterparties that regularly exchange collateral and Norwegian municipalities is considered marginal. For other counterparties, the CVA calculation is based on the probability of default compared with the remaining term to maturity of the derivative positions and loss given default.

The group hedges fixed-rate loans. Each hedge is documented with a reference to the group's risk management strategy, a clear identification of the item being hedged, the hedging instrument used, a description of the hedged risk, a description of why hedging is regarded as highly probable and a description of how and when the group shall determine the effectiveness of the hedge during the accounting period and that it is expected to be very effective during the next accounting period. The group has defined the hedged risk as value changes linked to the NIBOR component of the hedged fixed interest rates in NOK and value changes linked to the LIBOR components of the hedged fixed interest rates in foreign currencies.

The bank makes use of basis swaps and interest rate and currency swaps to convert borrowing in one currency to the desired currency. A typical example would be the bank raising a loan in EUR that is converted to NOK via a basis swap. The value of basis swaps can change significantly from day-to-day due to changes in margins. This risk is not hedged and results in unrealised gains and losses.

As at 31.12.2024, the net fair value of the hedging instruments was NOK -4,801 million (NOK 1,403 million in assets and NOK 6,205 million in liabilities). The corresponding figures for 2023 were NOK -8,019 million (NOK 184 million in assets and NOK 8,203 million in liabilities). Ineffective in the result our hedging instruments in 2024 was almost zero..

Central clearing and ISDA agreements with CSA supplements regulate the counterparty risk through payments of margins in relation to exposure limits. Such agreements represent a contract sum of NOK 338.2 billion and security of NOK 13,173 million and NOK 645 million has been pledged and received as at 31.12.2023. The group has no financial instruments that are booked net.

Group

(Figures in NOK millions)

At fair value through profit or loss	2024			2023		
	Contract amount	Fair value		Contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Currency instruments						
Currency futures (forwards)	4,387	163	29	4,069	75	100
Currency swaps	11,703	91	170	41,170	190	1,440
Currency swaps (basis swap)	79,523	398	305	64,094	403	1,637
Currency swaps (basis swap hedging)	41,784	-72	270	22,747	164	622
Total currency instruments	137,397	581	774	132,080	832	3,798
Interest rate instruments						
Interest rate swaps	88,600	2,190	1,184	69,876	1,913	974
Other interest rate contracts	7,997	44	44	6,827	77	77
Total interest rate instruments	96,597	2,234	1,228	76,703	1,989	1,051
Interest rate instruments, hedging						
Interest rate swaps	161,554	1,403	6,205	153,389	184	8,203
Total interest rate instruments, hedging	161,554	1,403	6,205	153,389	184	8,203
Collateral						
Collateral		7,226	1,132		13,173	645
Total collateral		7,226	1,132		13,173	645
Total currency instruments	137,397	581	774	132,080	832	3,798
Total interest rate instruments	258,151	3,637	7,433	230,091	2,174	9,254
Total collateral		7,226	1,132	-	13,173	645
Total currency and interest rate instruments	395,548	11,444	9,339	362,171	16,179	13,697
Counterparty risk:						
Netting agreements		2,900			2,275	
Taking into account collateral		8,358			13,817	
Total exposure to financial derivatives		186			86	

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits.

IBOR reform

Reforming and alternatives to IBOR rates have become a priority area for governments around the world in recent years. However, there is uncertainty surrounding which methods will be used for any changes and when they will be introduced. All of SpareBank 1 Sør-Norge's interest rate derivatives use IBOR rates as a benchmark rate, and may thus be affected by changes. The most important positions are in EURIBOR and NIBOR. The bank is monitoring market developments closely and is involved in several projects to monitor the changes and facilitate any adjustments. The table below shows nominal amount and weighted average remaining maturity for derivatives in hedging relationships, assets and liabilities that may be affected by IBOR reform, categorised by the relevant IBOR rate.

Financial derivatives	2024		2023	
	Contract amount	Weighted maturity	Contract amount	Weighted maturity
Interest rate instruments				
CIBOR DKK (3 mnd)	1,229	7	1,054	7
CIBOR DKK (6 months)	1,577	3	1,056	2
EURIBOR EUR (3 months)	150,471	4	134,476	4
EURIBOR EUR (6 months)	437	4	416	5
LIBOR USD (3 months)	283	1	1,178	1
NIBOR NOK (1 month)	15	2	29	3
NIBOR NOK (3 months)	95,815	4	76,089	4
NIBOR NOK (6 months)	740	1	740	2
STIBOR SEK (3-month)	154	4	303	3
Total interest rate instruments	250,720		215,341	
Currency instruments				
EURIBOR EUR (3 months)	4,719	0	3,274	0
EURIBOR EUR (3-month) to LIBOR USD (3-month)	5,900	1	11,124	1
EURIBOR EUR (3-month) to NIBOR NOK (3-month)	89,035	4	49,090	3
EURIBOR EUR (3months) to SOFR USD	10,620	1	3,068	0
LIBOR USD (3-month) to NIBOR NOK (3-month)	0	0	111	2
LIBOR USD (6 months) to FIXED NOK	71	1	10,128	2
NIBOR NOK (3 months) to SOFR USD	10,962	1	-	0
STIBOR SEK (3-month) to NIBOR NOK (3-month)	0	0	10,047	2
Total currency instruments	121,307		86,841	
Total exposure to financial derivatives	372,027		302,182	
Assets				
Certificates and bonds				
NIBOR NOK (3 months)	32,106	2	33,096	3
Total exposure certificates and bonds	32,106		33,096	
Liabilities				
Securities issued				
EURIBOR EUR (3-month)	2,832	1	3,713	1
EURIBOR EUR (6-month)	590	6	563	7
LIBOR USD (6-month)	-	0	-	0
NIBOR NOK (3-month)	55,551	8	25,050	9
STIBOR SEK (3-month)	1,781	2	254	2
Total exposure securities issued	60,754		29,580	

The bank also has loans to customers in GBP and USD LIBOR and EURIBOR, respectively, as well as loans to and deposits from customers linked to NIBOR.

	Carrying amount	Accumulated fair value adjustment of the hedged item	Value changes used for calculating hedge ineffectiveness	
Fair value interest rate risk 2024				
Hedging instrument				
Interest rate swaps	-4,801		-2,543	
Hedged item				
Debt securities issued	154,204	5,351	2,556	
Hedged item				
	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years
Debt securities issued	708	20,923	100,265	37,659
Fair value interest rate risk 2023				
Hedging instrument				
Interest rate swaps	-8,087		-4,431	
Hedged item				
Debt securities issued	132,429	8,017	4,453	
Hedged item				
	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years
Debt securities issued	9,322	6,664	38,635	85,825
				Total
				140,446

Note 28 Shares, ownership stakes and other securities (Figures in NOK millions)

Accounting Policies

Shares, ownership stakes and other securities are classified as fair value through profit or loss.

Parent bank			Group	
2023	2024		2024	2023
		At fair value through profit or loss		
319	496	- Listed	496	319
-	29	- Hybrid capital	29	-
62	1,866	- Unlisted	2,118	362
381	2,391	Total shares, ownership stakes and other securities	2,643	680

Investments in shares, ownership stakes and other securities

Parent bank 31.12.2024

(Amounts in NOK ¹⁰⁰⁰)	The company's share capital	Stake in %	Number of shares/ownership stakes	Acquisition cost	Book value/ market value
At fair value through profit or loss					
Rogaland Sparebank	250,289	13.9 %	3,485,009	149,477	439,111
Dnb Aktiv 50			63,032	20,570	29,285
Dnb Aktiv 30			125,787	20,570	26,250
Other listed companies				7,676	964
Total listed companies				198,293	495,611
SpareBank 1 Næringskreditt	1,623,556	9.4 %	1,518,945	192,128	189,868
SpareBank 1 Boligkreditt	9,297,349	9.6 %	8,890,811	1,335,091	1,333,622
SpareBank 1 Finans Midt-Norge	1,350,000	12.2 %	16,470	189,954	203,372
Other unlisted companies		-		126,363	139,507
Total unlisted companies				1,843,536	1,866,369
Hybrid capital				28,400	28,771
Total at fair value through profit or loss shares, ownership stakes and other securities				2,070,229	2,390,750

Group 31.12.2024

At fair value through profit or loss		
Listed companies, parent bank		198,293
Total unlisted companies, parent bank		1,843,536
Total unlisted in subsidiaries		300,438
Total unlisted in group		2,143,974
Hybrid capital Group		28,400
Total at fair value through profit or loss shares, ownership stakes and other securities		2,370,667
		2,642,886

Note 29 Intangible assets (Figures in NOK millions)

Parent bank			Group			
Goodwill	Total	2024	Total	Goodwill	Customer contracts	Research and development
70	70	Acquisition cost 1.1.2024	399	345	48	6
3,499	3,499	Additions	3,713	3,705	8	-
-	-	Disposals	1	-	-	1
3,569	3,569	Acquisition cost 31.12.2024	4,111	4,050	56	5
-	-	Accumulated depreciation and impairment 1.1.2024	31	-	28	3
-	-	Year's disposals	-	-	-	-
-	-	Year's depreciation and impairment provisions	6	-	6	-
-	-	Accumulated depreciation and impairment 31.12.2024	37	-	34	3
3,569	3,569	Intangible assets 31.12.2024	4,074	4,050	22	2
Distribution of intangible assets						
3,499	3,499	Merger SpareBank 1 SR-Bank og Sparbank 1 Sørøst 2024 ¹⁾	3,565	3,565	-	-
-	-	Added value in merger	18	18	-	-
-	-	Real Estate Broker 1 SR-Eiendom AS - purchase of brokerage businesses	112	112	-	-
-	-	SpareBank 1 SR-Bank ForretningsPartner AS – acquisition of accounting firm	307	285	22	-
-	-	Activated R&D costs in subsidiaries	2	-	-	2
70	70	SpareBank 1 Sør-Norge - Start up business	70	70	-	-
3,569	3,569	Intangible assets 31.12.2024	4,074	4,050	22	2
2023						
70	70	Acquisition cost 1.1.2023	485	423	47	15
-	-	Additions	3	-	1	2
-	-	Disposals	89	78	-	11
70	70	Acquisition cost 31.12.2023	399	345	48	6
-	-	Accumulated depreciation and impairment 1.1.2023	31	-	23	8
-	-	Year's disposals	5	-	-	5
-	-	Year's depreciation and impairment provisions	5	-	5	-
-	-	Accumulated depreciation and impairment 31.12.2023	31	-	28	3
70	70	Intangible assets 31.12.2023	368	345	20	3
- Distribution of intangible assets						
-	-	SpareBank 1 Sør-Norge ForretningsPartner AS – acquisition of accounting firm	295	275	20	-
-	-	Activated R&D costs in subsidiaries	3	-	-	3
70	70	SpareBank 1 Sør-Norge - Start up business	70	70	-	-
70	70	Intangible assets 31.12.2023	368	345	20	3

1) Also refer to note 41 Business acquisitions and business combinations

Goodwill is the difference between identifiable assets inclusive of excess values and the cost price of the identifiable assets. The elements in the goodwill item relate to future earnings in the company supported by the calculations of the present value of expected future earnings, which document a future economic benefit from acquiring the company. The goodwill item's elements are measured annually and written down if there is a basis for this following a concrete assessment.

Note 30 Fixed assets (Figures in NOK millions)

Accounting policies

Fixed assets consist of buildings, plots of land and operating equipment. Buildings and operating equipment are recognised at cost less depreciation and impairments. Plots of land are recognised at cost price less impairments. Plots of land are not depreciated. The cost price includes all direct costs related to the acquisition of the asset. Depreciation is on a straight-line basis in order to allocate the cost price, less possible residual value, over the useful life of the operating equipment.

Parent bank			Group			
Buildings and real estate	Machinery, fixtures, and vehicles	Total	2024	Total	Machinery, fixtures, and vehicles	Buildings and real estate 1)
150	709	859	Acquisition cost 1.1.2024	1,647	878	769
160	196	356	Additions	415	217	198
-	-	-	Adjustment of cost price	-	-	-
-	44	44	Disposals	47	43	4
310	861	1,171	Acquisition cost 31.12.2024	2,015	1,052	963
48	510	558	Accumulated depreciation and impairment 1.1.2024	699	624	75
-	75	75	Year's depreciation	117	92	25
-	-	-	Year's impairment provisions	-	-	-
-	43	43	Year's disposals	43	43	-
48	542	590	Accumulated depreciation and impairment 31.12.2024	773	673	100
262	319	581	Fixed assets 31.12.2024	1,242	379	863
283			Fair value¹⁾			1,180
2023						
142	621	763	Acquisition cost 1.1.2023	1,521	760	761
8	88	96	Additions	126	118	8
-	-	-	Adjustment of cost price	-	-	-
-	-	-	Disposals	-	-	-
150	709	859	Acquisition cost 31.12.2023	1,647	878	769
46	444	490	Accumulated depreciation and impairment 1.1.2023	598	550	48
2	66	68	Year's depreciation	101	74	27
-	-	-	Year's impairment provisions	-	-	-
-	-	-	Year's disposals	-	-	-
48	510	558	Accumulated depreciation and impairment 31.12.2023	699	624	75
102	199	301	Fixed assets 31.12.2023	948	254	694
273			Fair value¹⁾			943

1) Fair values of buildings and real estate are determined by appraisal.

2) Acquisition resulting from the merger amounts to NOK 195 million for the parent company and NOK 231 million for the group.

3) Included in this year's disposal is NOK 43 million related to retired operating assets.

Collateral

The group has not mortgaged/pledged or accepted any other disposal restrictions on its fixed assets.

Revaluation/ depreciation

The group does not make regular revaluations of fixed assets. In connection with the initial implementation of IFRS, buildings were measured at cost less accumulated depreciation in accordance with current Norwegian legislation. Percentage rate of depreciation is 10% to 33% for machinery, equipment and vehicles, and 2% for bank buildings, investment property and other real estate.

Buildings and real estate

Of the total book value of buildings and real estate in the group, NOK 607 million is for use in the banking business. The fair value of buildings is determined by appraisal.

Note 31 Right-of-use assets and lease liabilities (Figures in NOK millions)

Accounting policies

Pursuant to IFRS 16, lessee must capitalise a right-of-use asset and a lease liability for each of their leases, with a few practical exceptions. SpareBank 1 Sør-Norge has elected not to recognise short-term leases (12 months or less), nor leases for which the underlying asset is of low value. On contract inception it is also assessed whether parts of the contract relate to non-lease components.

Measurement and recognition

At the commencement date, the lease liability is measured as the present value of the agreed lease payments. The right-of-use asset is measured at cost.

In subsequent measurements, the lease liability is measured at amortised cost using the effective interest method. The right-of-use asset is measured using a cost model.

The group uses implicit interest rate calculations for leased vehicles. For all other leases its uses the incremental borrowing rate.

The group's leases mainly consist of leases for buildings with different terms and option structures.

The short-term or low value agreements not included in the IFRS 16 calculation amounted to NOK 0.6 (0.5) million in annual rent in 2024.

Parent bank			Group	
2023	2024		2024	2023
Balance sheet				
900	1,070	Right-of-use assets	478	366
956	1,136	Lease liabilities	505	390
Income statement				
62	74	Depreciation of right-of-use assets	64	58
31	36	Interest on lease liabilities	13	11
93	110	Total costs pursuant to IFRS 16	77	69
Right-of-use assets				
857	900	Right-of-use assets 1.1.	366	314
125	244	Additions in the period	177	144
20	-	Disposals in the period	0	34
62	74	Depreciation	64	58
900	1,070	Right-of-use assets at the end of the period	478	366
Lease liabilities				
903	956	Lease liabilities 1.1.	390	336
125	246	Additions in the period	177	142
20	-	Disposals in the period	0	34
83	101	Instalments in the period	75	66
31	36	Interest	13	11
956	1,136	Lease liabilities at the end of the period	505	390

1) The acquisition resulting from the merger amounts to NOK 144 million.

Note 32 Other assets (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
4	14	Income earned but not received	19	9
15	36	Prepaid costs	61	33
113	137	Investment fund in Storebrand Asset Management AS ¹⁾	137	113
200	200	Paid in capital SR-Bank Pension Fund	200	200
0	3	Unsettled trades	3	0
220	179	Other assets	713	616
553	569	Total other assets	1 132	971

¹⁾ Related to contribution-based service pension for salary above 12 G, ref note 23.

Note 33 Deposits from customers (Figures in NOK millions)

Accounting Policies

Funding is initially recognised at the cost at which it is raised, which is the fair value of the proceeds received after deducting transaction costs. Funding is thereafter measured at amortised cost, and any discount/premium is recognised over the term of the borrowing. Fixed-rate funding is subject to hedging, which results in measurement at fair value with discounting according to the applicable yield curve, though not including changes in own credit spreads. Deposits from customers and credit institutions are measured at amortised cost.

Parent bank			Group	
2023	2024		2024	2023
116,018	167,925	Deposits from and liabilities to customers, at call	167,525	115,806
33,290	36,510	Deposits from and liabilities to customers with agreed maturity	36,482	33,270
149,309	204,434	Total deposits from customer	204,006	149,076
		Deposits by sector and industry		
628	1,243	Aquaculture	1,243	628
1,472	2,690	Industry	2,690	1,472
1,701	2,586	Agriculture/forestry	2,586	1,701
4,926	6,807	Financial and insurance services	6,379	4,693
2,782	3,118	Administrative and support services	3,118	2,782
35,095	40,007	Other service industry	40,007	35,095
3,736	6,158	Wholesale and retail trade, hotels and restaurants	6,158	3,736
8,531	1,777	Offshore, oil and gas E&P	1,777	8,531
2,700	2,342	Oilservices	2,342	2,700
5,773	6,990	Building and construction	6,990	5,773
5,263	6,198	Renewable energy, water, and waste collection	6,198	5,263
6,988	10,773	Commercial real estate	10,773	6,988
3,670	3,668	Shipping	3,668	3,670
1,246	1,794	Other transport	1,794	1,246
84,511	96,151	Total corporate market	95,723	84,278
64,798	108,283	Retail market	108,283	64,798
149,309	204,434	Total deposits by sector and industry	204,006	149,076
		Deposits by geographic area		
93,775	90,966	Rogaland	90,538	93,543
17,936	21,212	Vestland	21,212	17,936
12,839	11,821	Agder	11,821	12,839
14,576	17,876	Oslo/Akershus	17,876	14,576
729	17,191	Vestfold	17,191	729
1,343	16,144	Buskerud	16,144	1,343
675	17,543	Telemark	17,543	675
5,016	3,846	International	3,846	5,016
2,419	7,836	Other	7,836	2,419
149,309	204,434	Total deposits by geographic area	204,006	149,076

Note 34 Securities issued and senior non-preferred debt (Figures in NOK millions)

Parent Bank				Group		
NOK	Currency	Total		Total	Currency	NOK
31,321	47,319	78,640	Bonds and certificates ¹⁾	78,640	47,319	31,321
-	-	-	Covered bonds ¹⁾	102,211	75,453	26,757
31,321	47,319	78,640	Total securities issued	180,850	122,772	58,078

Maturity date of securities issued

NOK	Currency	Total		Total	Currency	NOK
6,303	8,212	14,515	2025	28,699	17,502	11,198
5,907	8,140	14,047	2026	19,720	13,813	5,907
5,799	12,394	18,193	2027	38,939	21,829	17,110
5,165	-	5,165	2028	22,326	17,161	5,165
5,869	12,588	18,457	2029	34,587	21,225	13,361
697	224	920	2030	6,184	5,487	697
-	-	-	2031 and maturity after	10,415	10,415	-
1,581	5,760	7,342	2032 and maturity after	19,981	15,340	4,641
31,321	47,319	78,640	Total securities issued	180,850	122,772	58,078

¹⁾ Own certificates and bonds have been deducted.

Senior non-preferred debt

NOK	Currency	Total		Total	Currency	NOK
10,032	12,506	22,539	Senior non-preferred bonds	22,539	12,506	10,032
10,032	12,506	22,539	Total senior non-preferred debt	22,539	12,506	10,032

Maturity date of subordinated debt

NOK	Currency	Total		Total	Currency	NOK
55		55	2025	55		55
706	298	1,003	2026	1,003	298	706
2,554	5,687	8,241	2027	8,241	5,687	2,554
6,718	6,236	12,954	2028	12,954	6,236	6,718
-	285	285	2029 and maturity after	285	285	-
10,032	12,506	22,539	Total senior non-preferred bonds	22,539	12,506	10,032

Group

Change in securities issued	Balance sheet 31.12.2024	Issued 2024	Matured/redeemed 2024	Exchange rate and other changes 2024	Balance sheet 31.12.2023
Bonds and certificates, nominal value	78,057	35,050	-14,665	2,088	55,584
Covered bonds, nominal value	105,451	19,947	-7,029	3,931	88,603
Value adjustments and accrued interest	-2,658	-	-	3,176	-5,835
Total securities issued	180,850	54,996	-21,694	9,195	138,353
Of which merger SpareBank 1 Sørøst-Norge 1.10.2024		14,822			

Change in debt raised by issuing senior non-preferred debt	Balance sheet 31.12.2024	Issued 2024	Matured/redeemed 2024	Exchange rate and other changes 2024	Balance sheet 31.12.2023
Senior non-preferred bonds, nominal value	22,530	4,755	-	563	17,212
Value adjustments and accrued interest	9	-	-	204	-194
Total securities issued	22,539	4,755	-	767	17,017
Of which merger SpareBank 1 Sørøst-Norge 1.10.2024		4,755			

Note 35 Other debt and other liabilities (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
60	47	Accounts payable	96	93
51	69	Tax deducted	108	71
78	49	Unsettled trades	49	78
192	206	Other liabilities	267	210
108	165	Accrued holiday pay	229	157
250	304	Other accrued costs	521	415
739	841	Total other liabilities	1,271	1,024
		Security pledged		
21,780	21,153	Securities prepared for pledges of security in Norges Bank	21,153	21,780
2,703	160	Security pledged year end	160	2,703
24,483	21,313	Total security pledged	21,313	24,483

Ongoing legal disputes

The group is a party in a number of court cases with a total financial scope that is not considered to be significant. The group has made provisions in those cases where it is assumed more likely than not that the group will incur a loss as a result of the cases.

Note 36 Restricted funds (Figures in NOK millions)

Parent bank			Group	
2023	2024		2024	2023
51	69	Tax deducted	108	71
51	69	Total restricted funds	108	71

Note 37 Subordinated loan capital (Figures in NOK millions)

Parent bank			Group		
2023	2024	Principal	Terms	Maturity	First due date
					2024
Non-perpetual					
705	0	700	NOK 3-month NIBOR + 1.45% p.a.	2029	2024
304	297	300	NOK 4,94 % til 15.08.29, following 3 month NIBOR + 1,93 % p.a.	2034	2029
504	504	500	NOK 3-month NIBOR + 1.93% p.a.	2033	2028
706	706	700	NOK 3-month NIBOR + 1.93% p.a.	2034	2029
564	591	50	EUR 6 month Euribor + 1.725% p.a.	2034	2029
1,412	1,400	1,400	NOK 6 month Euribor + 1.725% p.a.	2034	2029
610	600	600	NOK 6 month Euribor + 1.725% p.a.	2034	2029
904	900	900	NOK 6 month Euribor + 1.725% p.a.	2034	2029
150	150	150	NOK 6 month Euribor + 1.725% p.a.	2034	2029
355	350	350	NOK 6 month Euribor + 1.725% p.a.	2034	2029
45	45	45	NOK 6 month Euribor + 1.725% p.a.	2034	2029
201	200	200	NOK 6 month Euribor + 1.725% p.a.	2034	2029
2,784	5,776	Total subordinated loan capital			5,776
					2,784

Subordinated loan capital in foreign currencies are included in the group's total currency position so that there is no currency risk associated with the loans. Of a total of NOK 2,784 million in subordinated loan capital, NOK 2,672 million counts as term subordinated loan capital. Capitalised costs associated with borrowing are reflected in the calculation of amortised cost.

Group		Balance 31.12.2024	Issued/sale own 2024	Matured/ redeemed 2024	Exchange rate and other changes 2024	Balance 31.12.2023
Change in subordinated loans ¹⁾						
Dated subordinated loan capital, nominal value		5,735	3,645	-700	27	2,763
Value adjustments and interest		41	0	0	20	21
Total subordinated loan capital		5,776	3,645	-700	47	2,161
Of which merger SpareBank 1 Sørøst-Norge 1.10.2024			745			

¹⁾ This note is identical for the parent bank.

Note 38 Investments in ownership interests (Figures in NOK millions)

Accounting Policies

Subsidiaries

Subsidiaries' assets are measured using the cost method of accounting in the bank's financial statements. Investments are measured at the acquisition cost of the shares assuming that no write-downs have been necessary.

Dividends, group contributions and other distributions are recognised as income in the year that they are approved by the general meeting. If the dividend or group contribution exceeds the share of the retained profit after the acquisition, the amount in excess represents a repayment on invested capital, but is, pursuant to IAS 27, recognised as income in the year that it is paid.

Disposal of subsidiaries

In the event of a loss of control, any remaining ownership interest is measured at fair value with changes recognised through profit or loss. Fair value will thereafter constitute the acquisition cost for further accounting, as an investment in an associated company, joint venture or financial asset.

Associated companies

Associated companies are entities in which the group has a significant influence but not control. Normally, significant influence arises when the group has a stake of between 20% and 50% of the voting capital. Investments in associated companies are recognised in accordance with the cost method of accounting in the bank's financial statements and the equity method in the consolidated financial statements.

New investments are recognised at acquisition cost in the consolidated financial statements. Investments in associated companies include goodwill identified at the time of the acquisition, less later impairment provisions if any.

Joint arrangements

SpareBank 1 Sør-Norge has assessed its joint arrangements and determined that they are joint ventures. Joint ventures are recognised using the equity method in the group and the cost method in the financial statements

Unrealised gains from transactions between the group and its joint ventures are eliminated in relation to the ownership interest in the venture. Unrealised losses are also eliminated unless the transaction gives evidence of a fall in value on the transferred asset. Amounts reported from joint ventures are, if necessary, restated to ensure they correspond with the accounting policies of the group.

Subsidiaries, associated companies and joint ventures

Firma		Acquisition date	Registered head office	Ownership in %¹⁾
Investments in subsidiaries				
Shares held by the parent bank				
EiendomsMegler 1 SR-Eiendom AS		1990	Stavanger	100.00
EiendomsMegler 1 Telemark AS		1994	Skien	51.00
Rygir Industrier konsern		2000	Stavanger	100.00
EiendomsMegler 1 Sørøst-Norge AS		2001	Nøtterøy	100.00
Tufte Eiendom AS		2004	Porsgrunn	100.00
FinStart Nordic konsern		2005	Oslo	100.00
Sparebankgården AS		2006	Porsgrunn	100.00
Imingen Holding AS		2006	Kongsberg	100.00
SpareBank 1 Sør-Norge ForretningsPartner AS		2007	Stavanger	100.00
SpareBank 1 Regnskapshuset Sørøst-Norge AS		2012	Drammen	100.00
Finansparken Bjergsted AS		2014	Stavanger	100.00
SR-Boligkreditt AS		2015	Stavanger	100.00
Shares owned by subsidiaries				
Jærmegleren AS		2007	Stavanger	100.00
Torgallmenningen Eiendomsmegling AS		2007	Bergen	100.00
Vestland Eiendomsmegling AS		2008	Bergen	100.00
Vestkanten Eiendomsmegling AS		2010	Bergen	100.00
Rygir Tomteutvikling AS		2013	Stavanger	100.00
Kaland & Partners Holding AS		2014	Bergen	100.00
Kaland & Partners Media AS		2017	Bergen	100.00
Fana Eiendomsmegling AS		2019	Bergen	100.00
Kaland & Partners Nybygg AS		2020	Bergen	100.00
Meierigaarden B1 AS		2023	Stavanger	100.00
Investments in associated companies				
BN Bank ASA ²⁾		2008	Trondheim	42.48
SpareBank 1 Kreditt AS		2012	Trondheim	27.65
SpareBank 1 Betaling AS		2015	Oslo	26.69
SpareBank 1 Bank og Regnskap AS		2018	Trondheim	35.30
SpareBank 1 Gjeldsinformasjon AS		2020	Oslo	30.08
SpareBank 1 Forvaltning AS		2021	Oslo	41.99
SpareBank 1 Markets AS		2023	Oslo	35.06
Folkeinvest AS ³⁾		2023	Trondheim	0.00
Investments in associated companies in the FinStart Nordic Group				
Beaufort Solutions AS		2019	Oslo	46.89
Investments in joint ventures				
SpareBank 1 Gruppen AS		1996	Oslo	19.50
SpareBank 1 Utvikling DA		2004	Oslo	18.00

Subsidiaries

Shares in subsidiaries parent bank

Investments are recognised at the parent bank's acquisition cost. These items are fully consolidated in the consolidated financial statements.
(Figures in NOK thousands)

2024	The company's share capital	Ownership interest in %	No. of equities	Nominal value			Assets	Liabilities	Total income	Total costs	The company's result for the year	Book value
					Assets	Liabilities						
SR-Boligkreditt	6,000,000	100.00	6,000,000	6,000,000	120,710,623	114,406,601	404,558	16,048	303,017	6,000,150		
Total investments in credit institutions												
EiendomsMegler 1 SR-Eiendom	16,500	100.00	150	1,650	388,020	200,470	505,184	471,379	26,218	222,205		
EiendomsMegler 1 Sørøst-Norge	532	100.00	10,436	532	130,362	47,237	56,574	57,673	-1,330	84,629		
EiendomsMegler 1 Telemark	1,228	51.00	6,267	627	113,126	101,418	22,321	20,571	1,364	1,464		
FinStart Nordic konsern	75,000	100.00	7,500	75,000	466,933	2,797	-26,303	3,677	-32,009	391,475		
SpareBank 1 Sør-Norge ForretningsPartner	3,300	100.00	33,000	3,300	582,051	146,428	442,116	413,588	22,471	320,125		
SpareBank 1 Regnskapshuset Sørøst-Norge	2,720	100.00	3,200	2,720	81,379	27,583	18,495	21,634	-2,448	40,760		
Rygir Industrier konsern	14,400	100.00	90,000	14,400	114,655	2,554	-4	11,572	1,401	126,310		
Finansparken Bjergsted	76,000	100.00	8,000	76,000	586,288	158,533	28,618	26,590	1,582	456,416		
Sparebankgården	3,000	100.00	3,000	3,000	29,708	3,963	1,743	835	708	21,558		
Tufte Eiendom	300	100.00	150	300	10,604	2,341	336	123	225	9,254		
Imingen Holding ⁴⁾	1,100	100.00	100	1,100						2,250		
Total other investments					178,629	2,503,127	693,326	1,049,081	1,027,644	18,180	1,676,445	
Total investments in subsidiaries parent bank												
2023												
SR-Boligkreditt	6,000,000	100	6,000,000	6,000,000	111,793,066	105,654,061	184,280	6,994	138,283	6,000,150		
Total investments in credit institutions												
EiendomsMegler 1 SR-Eiendom	1,500	100	150	1,500	170,216	99,500	404,801	399,561	3,921	97,205		
FinStart Nordic konsern	75,000	100	7,500	75,000	496,519	374	-48,553	3,313	-39,387	353,975		
SpareBank 1 Sør-Norge ForretningsPartner	3,300	100	33,000	3,300	649,882	236,730	423,514	395,413	21,909	320,125		
Rygir Industrier konsern	14,400	100	90,000	14,400	124,790	4,342	2,634	38,095	-25,647	126,310		
Finansparken Bjergsted	76,000	100	8,000	76,000	592,507	166,335	24,739	26,398	-1,294	456,416		
Monio ⁵⁾	45,056						5,075	53,666	-40,837	0		
Total other investments					170,200	2,033,915	507,281	812,210	916,445	-81,335	1,354,031	
Total investments in subsidiaries parent bank												
6,170,200 113,826,981 106,161,342 996,490 923,439 56,948 7,354,181												

¹⁾ Voting rights and ownership share are equal in all companies

²⁾ Guarantee on behalf of BN Bank to SpareBank 1 Næringskredit

³⁾ Shares in Folkeinvest were realized at 31.12.2024. Ownership stake before realization was 36.87%.

⁴⁾ The company under liquidation

⁵⁾ Sold to Folkeinvest 31.12.2023

(note 38 count.)

Investments in associated companies and joint ventures

(Figures in NOK millions)

Parent bank			Group		
2023	2024		2024		2023
2,593	3,895	Carrying amount 1.1.		6,000	5,242
1,301	98	Additions/disposals		-31	1,290
	1,058	Additions due to the merger with SpareBank 1 Sørøst-Norge		1,187	
		Recognised value adjustment		10	-
		Equity changes		-63	-191
		Share of profit/loss		1,140	288
		Dividend paid		-99	-629
3,895	5,050	Carrying amount 31.12.		8,144	6,000
		Share of profit from SpareBank 1 Gruppen ¹⁾		678	-41
		Share of profit from SpareBank 1 Forvaltning		95	61
		Share of profit from BN Bank		317	257
		Share of profit from SpareBank 1 Utvikling		2	6
		Share of profit from SpareBank 1 Kreditt		-12	-12
		Share of profit from SpareBank 1 Bank og Regnskap		11	1
		Share of profit from SpareBank 1 Betaling		-18	-33
		Share of profit from SpareBank 1 Markets		76	51
		Share of profit from the FinStart Nordic Group		0	-8
		Share of profit from Rygir Group		0	5
		Share of profit from Folkeinvest		-9	
505	0	Dividend from SpareBank 1 Gruppen		0	-
	51	Dividend from SpareBank 1 Markets		0	-
54	48	Dividend from SpareBank 1 Forvaltning		0	-
70	0	Dividend from BN Bank		0	-
629	99	Total income		1,140	288

¹⁾ In January 2024, an agreement was reached to merge the insurance companies Fremtind and Eika. The merger was approved by the Financial Supervisory Authority, and the transaction was completed on July 1, 2024. From this date, Fremtind Holding is owned by the following companies: SpareBank 1 Gruppen (51.44%), DNB Bank ASA (28.46%), and Eika Gruppen (20.10%). The transaction resulted in a recognition of a profit of NOK 452 million, representing SpareBank 1 Sør-Norge's proportionate share. The recognition of the profit reflects the substance of the transaction and is consistent with our practice from previous transactions of a similar nature.

Investments in all the companies are assessed using the cost method in the parent bank and the equity method in the group. Investments in joint ventures and associated companies in the group as at 31.12.2024 include goodwill amounting to NOK 415 (390) million.

The group's ownership interests in associated companies and joint ventures

(Figures in NOK millions)

2024		Assets	Liabilities	Income	Costs	Carrying amount		Number of shares
						Profit or loss	31.12.	
SpareBank 1 Gruppen	Oslo	32,546	28,258	4,750	4,190	678	2,424	19.50
SpareBank 1 Utvikling	Oslo	213	63	397	395	2	150	18.00
BN Bank	Trondheim	22,310	19,289	647	150	317	2,851	42.48
SpareBank 1 Kreditt	Trondheim	3,367	2,654	164	184	-12	717	27.65
SpareBank 1 Betaling	Oslo	337	0	-27	1	-18	405	26.69
SpareBank 1 Bank og Regnskap	Trondheim	-4	0	16	0	11	65	35.30
SpareBank 1 Gjeldsinformasjon	Oslo	3	0	0	0	-0	3	30.08
SpareBank 1 Forvaltning	Oslo	711	181	452	314	95	617	41.99
SpareBank 1 Markets	Oslo	1,052	389	416	321	76	837	35.06
Folkeinvest ¹⁾	Trondheim					-9	0	0.00
Andre investeringer							74	
Total		60,536	50,835	6,815	5,554	1,140	8,144	
2023								
SpareBank 1 Gruppen	Oslo	25,762	23,363	3,441	3,400	-41	1,759	19.50
SpareBank 1 Utvikling	Oslo	214	66	353	347	6	148	18.00
BN Bank	Trondheim	16,796	14,685	472	110	257	2,041	35.02
SpareBank 1 Kreditt	Trondheim	1,626	1,318	82	59	-12	307	16.68
SpareBank 1 Betaling	Oslo	240	0	33	0	-33	240	19.10
SpareBank 1 Bank og Regnskap	Trondheim	44	0	2	0	1	44	25.00
SpareBank 1 Gjeldsinformasjon	Oslo	2	0	0	0	0	1	18.26
SpareBank 1 Forvaltning	Oslo	616	204	317	235	61	461	35.85
SpareBank 1 Markets	Oslo	980	374	284	225	51	776	33.34
Folkeinvest	Trondheim	40	4	0	0	0	137	36.87
Andre investeringer						-3	85	
Total		46,319	40,014	4,984	4,377	288	6,000	

¹⁾ Shares in Folkeinvest were realized as of 31.12.2024. Ownership stake before realization was 36.87%.

Note 39 Material transactions with close associates (Figures in NOK millions)

Close associates means associated companies, joint ventures and subsidiaries and people close to executive personnel and members of the board. The bank's outstanding balances with executive personnel and board members are described in the executive remuneration report for SpareBank 1 Sør-Norge.

Subsidiaries

2024	Loans 31.12.	Deposits 31.12.	Receiv- ables	Lia- bilities	Interest income	Interest costs	Commis- sions	Other operating income	Operating costs
EiendomsMegler 1 SR-Eiendom	-	97	-	-	5	-	-	16	11
FinStart Nordic konsern	-	176	-	-	6	-	-	0	-
SpareBank 1 Sør-Norge ForretningsPartner	-	93	-	-	3	-	-	22	26
SR-Boligkreditt ¹⁾	4,558	32	7,908	6,040	473	26	66	-	1
Rygir Industrier konsern	-	23	-	-	-	-	-	-	-
Finansparken Bjergsted	151	40	-	-	2	9	-	1	36
EiendomsMegler 1 Sørøst- Norge	-	47	-	-	0	-	-	-	-
EiendomsMegler 1 Telemark	-	12	-	0	0	-	-	0	-
SpareBank 1 Regnskapshuset Sørøst- Norge	9	5	-	-	0	0	-	-	-
Sparebankgården	3	4	-	-	0	0	-	0	2
Tufte Eiendom	0	1	-	-	0	0	-	0	0
Total subsidiaries	4,721	530	7,908	6,040	488	36	66	40	76

¹⁾ Transferred loans, sold NOK 20 000 million and bought NOK 100 million.

2023

EiendomsMegler 1 SR-Eiendom	-	41	-	-	10	4	-	10	10
FinStart Nordic	-	84	-	-	-	3	-	0	-
SpareBank 1 Sør-Norge ForretningsPartner	-	56	-	-	13	3	-	7	17
SR-Boligkreditt ¹⁾	14,520	372	7,785	8,778	522	35	60	1	-
Rygir Industrier konsern	-	28	-	-	2	-	-	-	-
Finansparken Bjergsted	160	24	-	-	11	2	-	1	45
Monio	-	-	-	-	0	2	-	1	-
Total subsidiaries	14,679	604	7,785	8,778	558	49	60	21	72

¹⁾ Transferred loans, sold NOK 44,000 million and bought NOK 200 million.

Associated companies and joint ventures

	Loans 31.12.	Deposits 31.12.	Receiv- ables	Lia- bilities	Interest income	Interest costs	Commis- sions	Other ope- rating income	Operating costs
2024									
SpareBank 1 Gruppen	935	-	309	-	60	-	334	-	18
SpareBank 1 Utvikling	-	-	-	-	-	-	-	-	406
SpareBank 1 Kreditt	2,511	-	-	-	89	-	54	-	-
SpareBank 1 Forvaltning	-	-	-	-	-	-	124	-	33
SpareBank 1 Markets	-	-	-	9	-	7	-112	-	48
Total associated companies and joint ventures	3,446	-	309	9	149	7	399	-	505
2023									
SpareBank 1 Gruppen	980	-	241	-	44	-	294	-	10
SpareBank 1 Utvikling	-	-	-	-	-	-	-	-	383
SpareBank 1 Kreditt	1,210	-	-	-	64	-	42	-	-
SpareBank 1 Forvaltning	-	-	-	-	-	-	112	-	-
SpareBank 1 Markets	-	-	-	12	-	-	-12	-	-
Folkeinvest	-	30	-	-	-	-	-	-	-
Total associated companies and joint ventures	2,190	30	241	12	108	-	436	-	393

Transactions with close associates of the group executive management team and the board

A close associates of member of the board Kjetil Skjæveland is a board member in companies of which SpareBank 1 Sør-Norge is the bank. There have only been ordinary course of transactions with these companies.

There were no transactions with close associates of the group executive management team or for the board.

Note 40 Share capital and ownership structure (Figures in NOK millions)

Share capital

SpareBank 1 Sør-Norge's share capital amounts to NOK 9,386,407,675 divided into 375,456,307 shares, each with a nominal value of NOK 25. The share capital (formerly equity share capital) was raised in the following manner and on the following dates:

Year		Change in share capital	Total share capital	No. of shares
1994	Public issue	744.0	744.0	7,440,000
2000	Private placement with employees	5.0	749.0	7,489,686
2001	Private placement with employees	4.8	753.8	7,538,194
2004	Bonus issue	150.8	904.6	9,045,834
2005	Bonus issue/split	226.1	1,130.7	22,614,585
2007	Private placement	200.0	1,330.7	26,613,716
2007	Bonus issue/split	443.5	1,774.2	70,969,909
2008	Dividend issue	91.7	1,866.0	74,638,507
2008	Private placement with employees	6.6	1,872.6	74,903,345
2009	Bonus issue/split	374.5	2,247.1	89,884,014
2009	Private placement	776.2	3,023.3	120,933,730
2010	Private placement with employees	7.8	3,031.1	121,243,427
2010	Private placement with Kvinnherad	151.7	3,182.8	127,313,361
2012	Conversion limited savings bank	1,804.4	4,987.2	199,489,669
2012	Private placement	1,406.5	6,393.7	255,751,082
2023	Private placement	212.9	6,606.7	264,268,969
2024	Placement due to the merger ¹⁾	2,779.7	9,386.4	375,456,307

¹⁾ For more information please refer to note 41

Besides the share capital, the equity consists of the share premium reserve, hybrid capital and other equity.

Trading in own shares in 2024

(Figures in NOK thousands)

	No. of shares	Nominal value
Holding as at 31.12.2023	46,244	1,156
Traded in 2024	42,815	1,070
Holding as at 31.12.2024	89,059	2,226

20 largest shareholders as at 31.12.2024

Shareholder of shares	No. of shares	% ratio
Sparebankstiftelsen SR-Bank	78,676,815	21.0%
SpareBank 1 Stiftelsen BV	32,666,869	8.7%
Sparebankstiftelsen Telemark	25,033,916	6.7%
Folketrygdfondet	19,801,839	5.3%
Sparebankstiftelsen Modum	15,623,606	4.2%
SpareBank 1-stiftinga Kvinnherad	6,526,583	1.7%
State Street Bank and Trust Co, U.S.A.	6,217,616	1.7%
Sparebankstiftelsen Nøtterøy-Tønsberg	5,262,839	1.4%
Sparebankstiftelsen Nome	4,948,876	1.3%
JPMorgan Chase Bank, N.A., London	4,730,985	1.3%
J.P.Morgan SE, Luxembourg	4,208,503	1.1%
Skandinaviska Enskilda Banken AB	4,040,218	1.1%
Pareto Aksje Norge Verdipapirfond	3,992,124	1.1%
Verdipapirfond Odin Norge	3,735,571	1.0%
Verdipapirfondet Alfred Berg Gambak	3,597,783	1.0%
J.P.Morgan SE, Luxembourg	3,560,914	0.9%
Brown Brothers Harriman & Co, U.S.A.	3,475,787	0.9%
Swedbank AB	3,398,708	0.9%
State Street Bank and Trust Co, U.S.A.	2,465,951	0.7%
J.P.Morgan SE, Luxembourg	2,298,937	0.6%
Total 20 largest	234,264,440	62.4%
Other shareholders	141,191,867	37.6%
Shares issued	375,456,307	100.0 %

The total number of shareholders as at 31.12.2024 was 23 524. This is 4.831 more than at year end 2023. The proportion of shares held by foreign shareholders was 17.4%. Please also see the overview of shareholders on the board in note 21. For more information about SpareBank 1 Sør-Norge's share please refer to the special section in the annual report.

20 largest shareholders as at 31.12.2023

Shareholder of shares	No. of shares	% ratio
Sparebankstiftelsen SR-Bank	78,676,815	29.8%
Folketrygdfondet	18,501,741	7.0%
SpareBank 1-stiftinga Kvinnherad	6,526,583	2.5%
State Street Bank and Trust Co, U.S.A.	5,416,295	2.0%
Brown Brothers Harriman & Co, U.S.A.	4,590,485	1.7%
Pareto Aksje Norge	3,946,295	1.5%
JPMorgan Chase Bank NA, U.S.A.	3,899,308	1.5%
Swedbank AB	3,398,708	1.3%
Verdipapirfondet Alfred Berg Gambak	3,302,027	1.2%
Odin Norge	3,299,112	1.2%
Danske Invest Norske Instit. II	2,837,553	1.1%
J.P.Morgan SE, Luxembourg	2,642,829	1.0%
Pareto Invest Norge AS	2,357,830	0.9%
State Street Bank and Trust Co, U.S.A.	2,308,698	0.9%
AS Clipper	2,233,800	0.8%
Westco AS	1,956,687	0.7%
KLP AksjeNorge Indeks	1,911,673	0.7%
Vpf Nordea Norge Verdi	1,882,964	0.7%
BNP Paribas, Luxembourg	1,653,339	0.6%
J.P.Morgan SE, Luxembourg	1,548,678	0.6%
Total 20 largest	152,891,420	57.9%
Other shareholders	111,377,549	42.1%
Shares issued	264,268,969	100.0 %

The total number of shareholders as at 31.12.2023 was 18 693. This is 872 more than at year end 2022. The proportion of shares held by foreign shareholders was 21.6%. Please also see the overview of shareholders on the board in note 21. For more information about share please refer to the special section in the annual report.

Accounting policies

Hybrid Tier 1 capital instruments which are perpetual, and where the group has a unilateral right not to pay interest to investors under certain conditions, do not satisfy the definition of financial liabilities under IAS 32. Such bonds are classified as equity on the balance sheet (hybrid capital) and the interest rate is presented as a reduction in other equity.

Hybrid capital

(Figures in NOK millions)

Group¹⁾

	Principal	Terms	Maturity	First maturity date	2024	2023
Hybrid capital	450	NOK 3-month NIBOR + 3.50%	No due date	2024		155
Hybrid capital	250	NOK 3-month NIBOR + 3.35%	No due date	2024		250
Hybrid capital	600	NOK 3-month NIBOR + 3.25%	No due date	2025	600	600
Hybrid capital	400	NOK 3 month NIBOR + 3,25 %	No due date	2028	400	400
Hybrid capital	500	NOK 3 mnd Nibor + 4,00 %	No due date	2028	500	500
Hybrid capital	200	NOK 7,79 % til 21.12.28, following 3 month NIBOR + 4,00 %	No due date	2028	200	200
Hybrid capital	300	NOK 3 month NIBOR + 3,40 %	No due date	2029	300	300
Hybrid capital	250	NOK 7,50 % til 07.06.29, following 3 month NIBOR + 3,40 %	No due date	2029	250	250
Hybrid capital	500	NOK 3 month NIBOR+ 3,20%	No due date	2028	500	500
Hybrid capital	525	NOK 3 month NIBOR+ 3,20%	No due date	2029	525	
Hybrid capital	675	NOK 3 month NIBOR+ 3,20%	No due date	2029	675	
Hybrid capital	100	NOK 3 month NIBOR+ 3,20%	No due date	2025	100	
Hybrid capital	100	NOK 3 month NIBOR+ 3,20%	No due date	2027	100	
Hybrid capital	150	NOK 3 month NIBOR+ 3,20%	No due date	2029	150	
Total hybrid capital					4,300	3,155

Change of hybrid capital	Balance sheet 31.12.2024	Issued 2024	Matured/ redeemed 2024	Exchange rate and other changes 2024	Balance sheet 31.12.2023
Total hybrid capital	4,300	1,550	-405	-	3,155
Including the merger of SpareBank 1 Sørøst-Norge on 01.10.2024		350			

1) This note is identical for the parent bank

Note 41 Acquisition of businesses and business combination

Acquisition of real estate brokerage firms

EiendomsMegler 1 SR-Eiendom AS acquired all shares of Ullevål Eiendomsmegling AS and Kaland & Partners Holding AS with subsidiaries in 2024. The decision to merge Ullevål Eiendomsmegling AS was made in September 2024, and the merger was completed in December 2024. In the 4th quarter, a decision to merge Kaland & Partners Holding AS and its subsidiaries was announced, with the final decision expected in early 2025. The difference between the acquisition cost of the group and the book value of the net assets in the companies is allocated to goodwill in the group. It has been assessed that the carrying value is the best estimate of the fair value of the assets. Goodwill for Ullevål Eiendomsmegling AS and Kaland & Partners Holding amounts to NOK 32 million and NOK 80 million, respectively, totaling NOK 112 million. The transaction has been accounted for using the acquisition method in accordance with IFRS 3. The share of the results related to the acquisitions of the real estate brokerage firms in the period after the acquisition is considered insignificant.

Merger with SpareBank 1 Sørøst-Norge

The merger of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge was implemented on 1 October 2024 with accounting effect from the same date. SpareBank 1 SR-Bank ASA was the acquiring bank, and at the same time as the merger changed its name to SpareBank 1 Sør-Norge ASA. SpareBank 1 Sørøst-Norge is the transferring bank in the transaction and is a savings bank that offers financial services to individuals and businesses in Southeastern Norway, with its headquarters in Sandefjord. The merger has been handled in line with the acquisition method in accordance with IFRS 3. The bank's head office is in Stavanger.

On 26 October 2023, the boards of SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge approved a plan for the merger of the banks and the establishment of SpareBank 1 Sør-Norge ASA. The merger plan was adopted with final effect by the banks' supervisory board/general meeting on 5 December 2023.

On 20 June 2024, the Financial Supervisory Authority of Norway granted the permits necessary to implement the merger of the banks in line with the resolutions adopted by the banks' supervisory board/general meeting on 5 December 2023. On 25 June 2024, the Ministry of Finance decided that the merger of the banks could take place without immediate taxation of the gain from transferring SpareBank 1 Sørøst-Norge's savings bank business and without immediate taxation of SpareBank 1 Sørøst-Norge's equity certificate holders, including the five savings bank foundations that own equity certificates in SpareBank 1 Sørøst-Norge.

The merger will result in greater competitiveness, an increased presence and make the bank attractive for customers,

employees and owners. SpareBank 1 Sør-Norge will be a savings bank and financial group able to increase the total credit available to Norwegian business, with greater lifting capacity and networks for local companies and jobs.

The banks agreed an exchange ratio set at 68.88% for SpareBank 1 SR-Bank and 31.12% for SpareBank 1 Sørøst-Norge, corresponding to an exchange ratio of 0.481702 shares per equity certificate, plus a cash payment of NOK 4.33235 per equity certificate owned at the time of implementation in SpareBank 1 Sørøst-Norge.

Based on the agreed exchange ratio, SpareBank 1 SR-Bank issued a total of 111,187,338 shares as remuneration for the equity certificate capital and primary capital in SpareBank 1 Sørøst-Norge, where 67,485,793 shares were remuneration for SpareBank 1 Sørøst-Norge's equity certificate holders and 43,701,545 shares were remuneration for the three savings bank foundations' primary capital in SpareBank 1 Sørøst-Norge. This meant that one equity certificate in SpareBank 1 Sørøst-Norge provided 0.481702 of a share in SpareBank 1 SR-Bank.

In addition to remuneration in the form of shares in SpareBank 1 SR-Bank, SpareBank 1 Sørøst-Norge's equity certificate holders received a cash payment of NOK 4.33235 per equity certificate, which totalled NOK 606,956,000. Similarly, the three savings bank foundations, in addition to shares in SpareBank 1 SR-Bank, received a total cash payment of NOK 393,044,263 as remuneration for their primary capital in SpareBank 1 Sørøst-Norge.

Following issuance of the new shares, the total share capital amounts to NOK 9,386 million divided into 375,456,307 shares at NOK 25 per share.

The fair value of the 111,187,338 shares issued as remuneration for the equity certificate capital and primary capital in SpareBank 1 Sørøst-Norge amounted to NOK 16,144 million or NOK 136.20 per share, which corresponds to the last listed price on 30 September 2024. The difference between the fair value of the remuneration for SpareBank 1 Sørøst-Norge's equity certificate holders and the primary capital before the merger and their share of net equity in accordance with the acquisition analysis constitutes goodwill. This was recognised on the balance sheet at the time of implementation (1 October 2024) in accordance with IFRS 3. Goodwill primarily consists of the value of future operational and capital synergies in the merged bank.

The table below shows the remuneration, the fair value of SpareBank 1 Sørøst-Norge's assets and liabilities and the calculation of goodwill as at 1 October 2024 (implementation date).

Payment	Shares	Price	Cash consideration (MNOK)	Total (MNOK)
Conversion equity certificates	67,485,793	136.20	607	9,798.5
Conversion primary capital	43,701,545	136.20	393	6,345.2
Total	111,187,338		1,000	16,144

SB1 Sørøst-Norge Group (MNOK)

Fair value of Identifiable assets and liabilities	30/9/2024	Fair value adjustments	Fair value 30.9.2024
Cash and balances with central banks	97		97
Balances with credit institutions	2,154		2,154
Gross loans to customers	78,514		78,514
Impairment provisions	-256	-79	-335
Net loans to customers	78,258	-79	78,179
Interest-bearing securities	6,245		6,245
Shares and other securities	2,491	21	2,512
Investment in associates	1,523	50	1,573
Investment in subsidiaries	0		0
Fixed assets	219	53	271
Intangible assets and goodwill	465	-465	0
Deferred tax asset	63	14	77
Right-of-use assets	140		140
Other assets	434		434
Total assets	92,088	-406	91,681
Balances with credit institutions	79		79
Deposits from customers	57,036		57,036
Listed debt securities	14,865	39	14,904
Lease liabilities	140		140
Taxes payable	310	-13	298
Other liabilities	752	29	781
Senior non-preferred bonds	4,755		4,755
Subordinated loan capital	751		751
Total liabilities	78,689	56	78,744
Hybrid capital	350		350
Non-controlling interest's share	8		7
Total equity	13,049	-462	12,579

Calculated equity based on close price 30.9.2024 NOK 136,20

16,144

Goodwill

3,565

Pro forma result

Pro forma result is the combined result for SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge as if the merger had taken place on January 1, 2024.

(MNOK)	2024
Interest income	27,731
Profit for the year	6,439

SpareBank 1 Sørøst-Norge's share of interest income amounted to NOK 1,182 million in the period after October 1, 2024.

The results for the fourth quarter are fully integrated into SpareBank 1 Sør-Norge, and therefore we will not be able to determine what portion can be allocated to the former SB1 Sørøst-Norge.

Note 42 Events after the balance sheet date (Figures in NOK millions)**Accounting policies**

Dividends are recorded as equity in the period until they are approved by the shareholders' meeting.

No material events have been registered after 31.12.2024 that affect the annual financial statements as prepared.

The proposed dividend is NOK 8.50 per share and will total NOK 3,191 million.



To the General Meeting of SpareBank 1 Sør-Norge ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SpareBank 1 Sør-Norge ASA, which comprise:

- the financial statements of the parent company SpareBank 1 Sør-Norge ASA (the Company), which comprise the balance sheet as at 31 December 2024, income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of SpareBank 1 Sør-Norge ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We were first elected as auditors for SpareBank 1 Sør-Norge ASA in 2002 and have been the Group's auditors continuously for 23 years.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



SpareBank 1 SR-Bank ASA completed a merger with SpareBank 1 Sørøst-Norge in 2024 and simultaneously changed its name to SpareBank 1 Sør-Norge ASA. *Accounting for Business Combination* relies on subjective judgements that have a significant impact on the financial statements and has therefore been a focus area in this year's audit. Moreover, there have been no regulatory changes, transactions, or significant events that have led to new focus areas.

Key Audit Matters

The value of loans to customers

Loans to customers represent a significant portion of the asset values on the balance sheet. The level of non-performing and impaired loans is higher than last year, partly due to the merger with SpareBank 1 Sørøst-Norge in 2024, which resulted in a significant loan portfolio being added to the bank. In 2024, the Group has worked on coordinating processes and assessments for the combined loan portfolio.

Impairment assessments are based on a model-based framework with elements requiring management to apply judgement. The framework is complex and involves large amounts of data and judgmental parameters.

We focused on valuation of loans due to the significance of the impairment assessments for the value, and the fact that the use of judgement can potentially impact the results for the period. Additionally, there is an inherent risk of errors because of the complexity and quantity of data applied in the modelling.

Use of loss models to calculate expected credit losses involves application of judgement. We particularly focused on:

- classification of portfolios by risk and type of segment;
- identification of loans where there has been a significant increase in credit risk;
- how loans are categorized in different stages; and
- various parameters such as the probability of default, loss given default, and loss scenarios.

Additionally, individual loss provisions are made for loans where there are objective indications of value impairment. The assessments require application of management judgement.

Refer to notes 6, 8, 10, 11, 12, 13, and 14 to the financial statements for a description of the Group's credit risk, management's process related to

How our audit addressed the Key Audit Matter

For loans where there were no objective indications of impairment, the impairment amount was calculated for groups of loans based on an impairment model. We tested the impairment model and assessed the relevance and reasonableness of key assumptions used in the calculation.

We developed a detailed understanding of the process and performed audit procedures aimed at:

- whether the model used was in accordance with the framework and functioned as intended;
- the reliability and accuracy of data used in the model; and
- whether consistent assessments were conducted for the entire loan portfolio after the merger.

The impact of the general macroeconomic uncertainty, including the effect on model provisions, was discussed with management and assessed. We also challenged management on whether climate-related risks affect the valuation of the bank's loans.

We assessed the level of collective losses against other comparable banks and calibrated towards the bank's other loan portfolio.

Our audit procedures provided no indications of significant errors in the model or material deviation from IFRS 9.

Throughout 2024, we held meetings with the bank's Credit & Legal department to review impairment assessments and high-risk exposures. We assessed and tested the design and effectiveness of controls related to loan loss impairments.

We challenged the bank's assessments of whether there is objective evidence of loss for loan commitments where this has not yet been confirmed. We tested a selection of commitments based on factors such as industry, size, and risk. For loans where objective evidence of loss was



impairment of loans to customers, and assumptions for valuation.

identified, we challenged the bank and assessed the relevance and reasonableness of key assumptions and methods used in calculating realizable value. We compared the assumptions with external documentation where available. Our review showed that the bank's assessments were reasonable.

Our work included tests aimed at the Group's reporting systems for loans to customers. The Company uses external service providers to operate some of the central IT systems. Auditors for the relevant service organizations were used to evaluate the design and effectiveness of, and test established controls that ensure the integrity of IT systems relevant to the Group's reporting of loans to customers. As part of our work, we assessed the auditor's competence, objectivity, and their conclusions.

We assessed and found that the additional disclosures about the valuation of loans and guarantees appropriately describe the risks in the portfolio and that the information in the notes complies with the financial reporting requirements.

Accounting for Business Combination

SpareBank 1 SR-Bank ASA completed a merger with SpareBank 1 Sørøst-Norge on October 1 2024. SpareBank 1 SR-Bank ASA was the acquiring bank and changed its name to SpareBank 1 Sør-Norge ASA. The agreed consideration for the transaction was NOK 16,144 million.

Management has prepared a purchase price analysis, where the assets and liabilities of the transferring bank were measured at fair value at the acquisition date. The difference between net assets and the consideration was recorded as goodwill.

Valuation of assets and liabilities in the purchase price analysis required subjective assessments that have a significant impact on the Group's assets, liabilities, and future earnings. A business transfer can be complex, and the reporting of the transaction depends on both the structure of the acquisition agreement and management's exercise of judgment. Therefore, the accounting for the business transfer has been a key focus area in this year's audit.

We obtained and reviewed the merger agreement, assessed the terms, and held discussions with management to understand the details of the transaction. We reconciled key elements of the transaction against the underlying agreement.

We reviewed the purchase price analysis and challenged management on how assets were identified for the allocation of the purchase price, including the calculation of goodwill.

We found that the purchase price analysis used recognized methods and that the estimated values were based on appropriate data and reasonable assumptions.

We read note 41 and found that the information regarding the business transfer was in accordance with the financial reporting requirements.



In note 41, management describes the accounting treatment of the business transfer and the valuation of goodwill.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of SpareBank 1 Sør-Norge ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name sb1sornorgeasa-2024-12-31-0-nb, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on



the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Stavanger, 12 March 2025
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.



To the General Meeting of SpareBank 1 Sør-Norge ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of SpareBank 1 Sør-Norge ASA (the «Company») included in the *Sustainability in SpareBank 1 Sør-Norge* of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in section 1.4.1 Double materiality assessment (IRO-1) within the General Information; and
- compliance of the disclosures in section 2.2 EU Taxonomy Regulation of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in section 1.4.1 Double materiality assessment (IRO-1) within the General Information of the Sustainability Statement. This responsibility includes:

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section 2.2 EU Taxonomy Regulation of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in section 1.4.1 Double materiality assessment (IRO-1) within the General Information.



Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in section 1.4.1 Double materiality assessment (IRO-1) within the General Information.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
 - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and performed analytical procedures on selected information in the Sustainability Statement;



- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Stavanger, 12 March 2025
PricewaterhouseCoopers AS

Per Arvid Gimre
State Authorised Public Accountant – Sustainability Auditor

Note: This translation from Norwegian has been prepared for information purposes only.

Statement by the Board of Directors and CEO

We hereby confirm that the financial statements for the period 1.1.to 31.12.2024 have, to the best of our knowledge, been prepared pursuant to applicable accounting standards, and that the information provided presents a true and fair picture of the company's and the group's assets, liabilities, financial positions and profit as a whole.

We also confirm that the board of directors' report provides a true and fair presentation of the performance, result and

position of the company and group, together with a description of the most important risk and uncertainty factors that the company and the group face.

We also confirm that the annual report has been prepared in accordance with the standards for sustainability reporting, established in accordance with the Accounting Act § 2-6, and in accordance with the rules established in accordance with the taxonomy regulation article 8 no. 4.

Stavanger 12 March 2025



Finn Haugan
Chair of the board



Maria Tho



Trine Sæther Romuld



Heine Wang



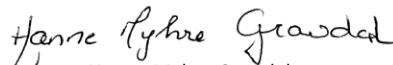
Jan Skogseth



Kjetil Skjæveland



Camilla AC Tepfers



Hanne Myhre Gravdal
Employee representative



Sally Lund-Andersen
Employee representative



Eirik P. Elholm
Employee representative



Inge Reinertsen
Chief Executive Officer

Key figures last 5 years

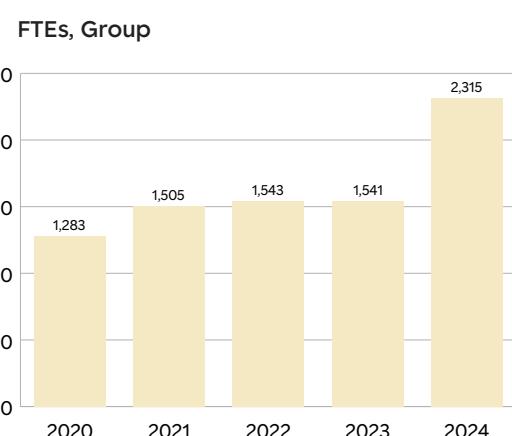
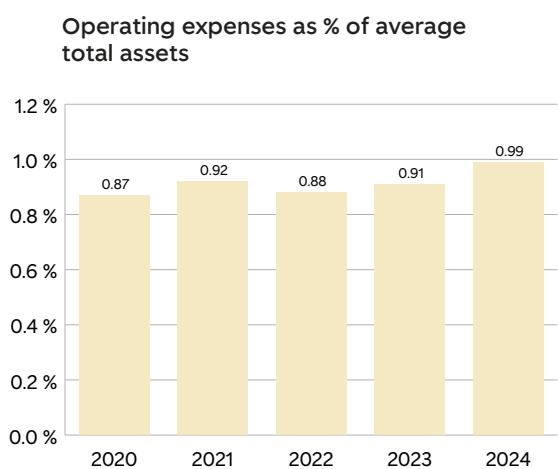
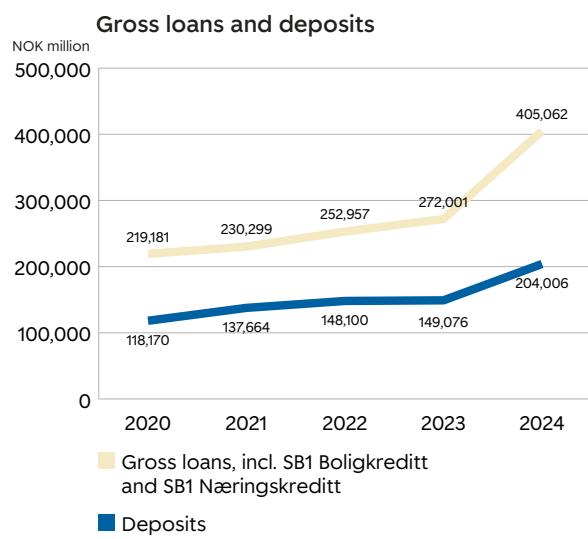
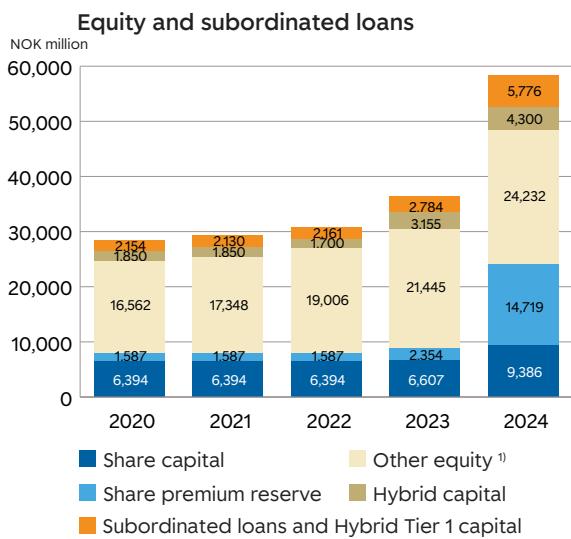
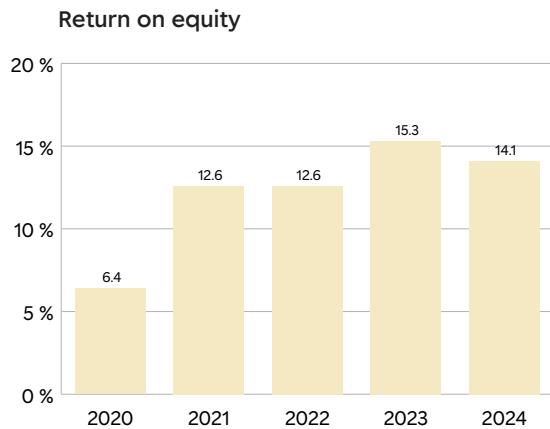
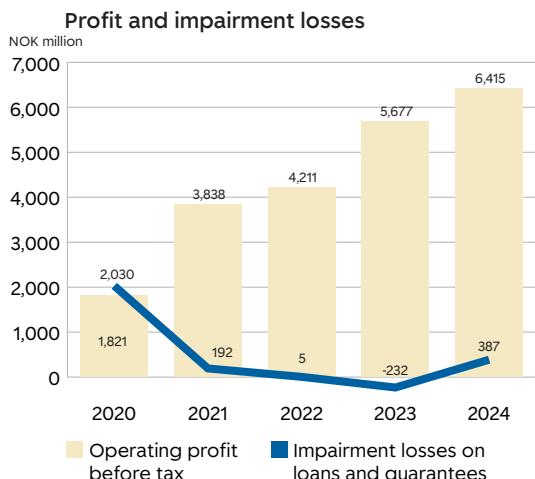
(Figures in NOK millions)

SpareBank 1 Sør-Norge Group	2024	2023	2022	2021	2020
Summary of results					
Net interest income	7,517	6,136	4,516	4,001	4,142
Net commissions and other operating income	2,286	1,939	1,770	1,717	1,396
Net income from financial investments	937	669	756	1,026	699
Total net income	10,739	8,745	7,042	6,744	6,237
Total operating expense	3,936	3,299	2,825	2,714	2,386
Operating profit before impairment losses	6,803	5,445	4,216	4,030	3,851
Impairment losses	387	-232	5	192	2,030
Pre-tax profit	6,415	5,677	4,211	3,838	1,821
Tax expense	1,222	1,202	834	682	231
Net profit for the year	5,193	4,475	3,378	3,156	1,590
Balance sheet figures					
Lending to retail market ¹⁾	266,801	164,642	153,198	143,307	137,074
Lending to Corporate Market ^{1) 2)}	99,801	85,732	81,020	70,807	82,525
Lending to SME & Agriculture ^{1) 2)}	38,078	21,627	18,739	16,185	
Retail market deposits	108,283	64,798	61,627	57,862	53,399
Corporate Market deposits ²⁾	57,666	62,393	66,241	63,762	64,771
SME & Agriculture deposits ²⁾	38,057	21,885	20,232	16,040	
Lending growth retail market in %	62.0	6.6	6.9	4.5	10.2
Lending growth Corporate Market in % ²⁾	16.4	7.4	14.4	5.4	-0.6
Lending growth SME & Agriculture in % ²⁾	76.1	15.4	15.8		
Percentage growth in retail market deposits	67.1	5.1	6.5	8.4	10.4
Percentage growth in Corporate Market deposits ²⁾	-7.6	-5.8	3.9	23.2	18.3
Percentage growth in SME & Agriculture deposits ²⁾	73.9	8.2	26.1		
Total assets	479,336	362,186	345,730	304,402	287,049
Average total assets	401,406	362,417	321,176	295,753	275,235
Impairment provisions on loans					
Impairment provisions as a % of gross loans ³⁾	0.11	-0.09	0.00	0.09	0.94
Loans and financial commitments in Stage 2, as a % of gross loans and financial commitments ³⁾	8.21	7.98	5.62	4.98	6.20
Loans and financial liabilities in Stage 3 as a % of gross loans and financial commitments ³⁾	0.60	1.01	1.35	1.46	1.90
Equity					
Share capital	9,386	6,607	6,394	6,394	6,394
Share premium reserve	14,719	2,354	1,587	1,587	1,587
Other equity	24,232	21,444	19,006	17,348	16,562
Hybrid capital	4,300	3,155	1,700	1,850	1,850
Total equity	52,637	33,561	28,687	27,179	26,393
Profitability, financial strength and staffing					
Return on equity %	14.1	15.3	12.6	12.6	6.4
Return on tangible equity	14.4				
Cost / income ratio	36.7	37.7	40.1	40.2	38.3
Cost / income ratio Banking Group	34.2	33.7	37.6	40.3	
Operating costs as a % of average total assets	0.98	0.91	0.88	0.92	0.87
Average interest margin %	1.87	1.69	1.41	1.35	1.50
Average net interest margin incl. transfers	1.85				
Common Equity Tier 1 capital ratio	18.01	17.61	17.42	17.39	18.29
Tier 1 capital ratio	20.21	19.72	18.76	18.88	19.90
Capital ratio	23.03	21.58	20.31	20.48	21.72
No. of FTEs	2,309	1,637	1,543	1,505	1,283

1) Lending includes loans sold to SB1 Boligkreditt and SB1 Næringskreditt for the year 2024

2) The corporate market portfolio was divided into Corporate Market and SME & Agriculture from 2021. For prior years, the entire corporate market portfolio is included in Corporate Market

3) Figures for 2024 and 2020 includes SB1 Bolig- and Næringskreditt





Our aim is to
stimulate growth
and development

Head office
Christen Tranes Gate 35
4007 Stavanger

Postal address:
Postboks 250
NO-4068 Stavanger

sb1sornorge.no

SpareBank 1
SØR-NORGE