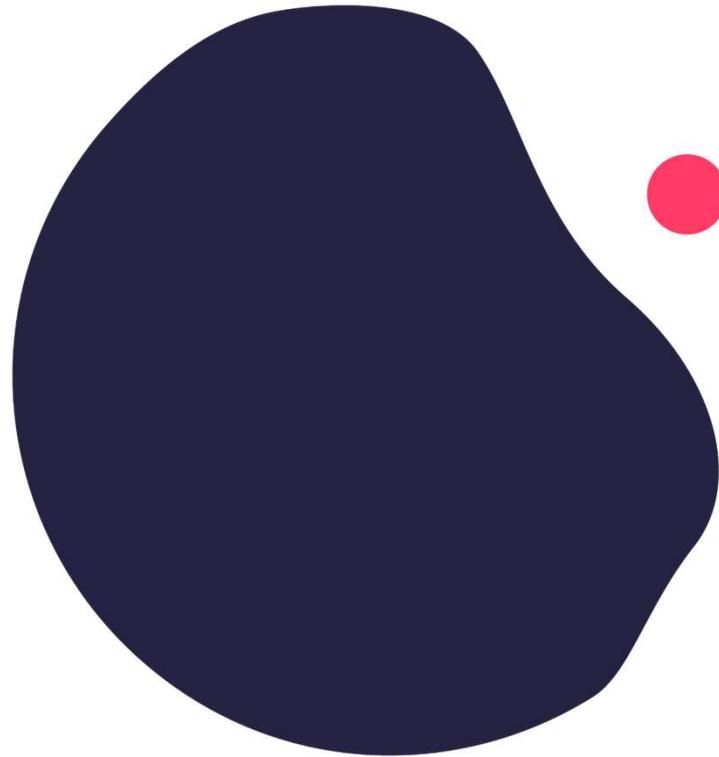


Sbanken

Q4

Fourth quarter 2021

Sbanken group



Sbanken – the leading digital challenger



Leading digital bank with more than 483 000 retail customers and 10 000 SMEs



CAGR loan growth 7.4 % since IPO November 2015



Average ROE of 11.6 % last four years



Most satisfied customers in the last 20 years



Capitalising on platform investments



Developments in the quarter

Positive lending development

- Quarterly lending growth 2.8 %.
- Car loans up 11.4 % from last quarter
- Mortgage rate guarantee until 31 December, contributing to positive lending growth but compressing NIM in Q4 2021

DNB transaction

- DNB has challenged the Norwegian Competition Authority's (NCA) decision to reject the contemplated acquisition.
- The Norwegian Competition Tribunal will conclude their review by 16 March

Robust asset quality

- Reversing previous losses

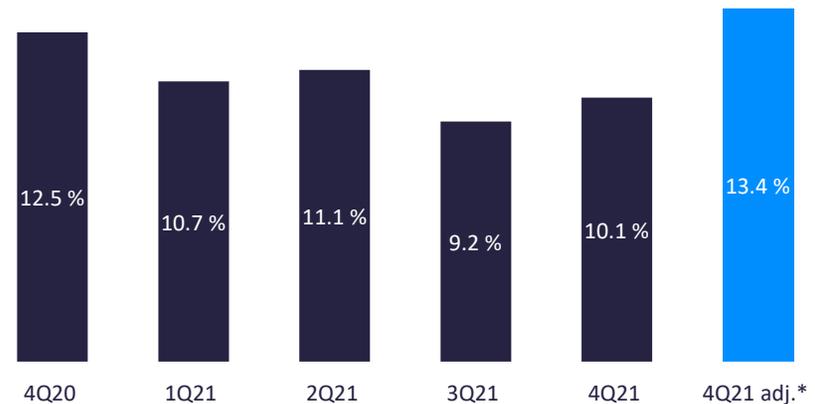
Dividend

- Proposed dividend of NOK 6.60 per share for 2021, corresponding to marginally below 100 percent of the groups result for 2021

Customer satisfaction

- Rated by EPSI as the supplier within savings and investments, with the most satisfied customers

Return on Equity



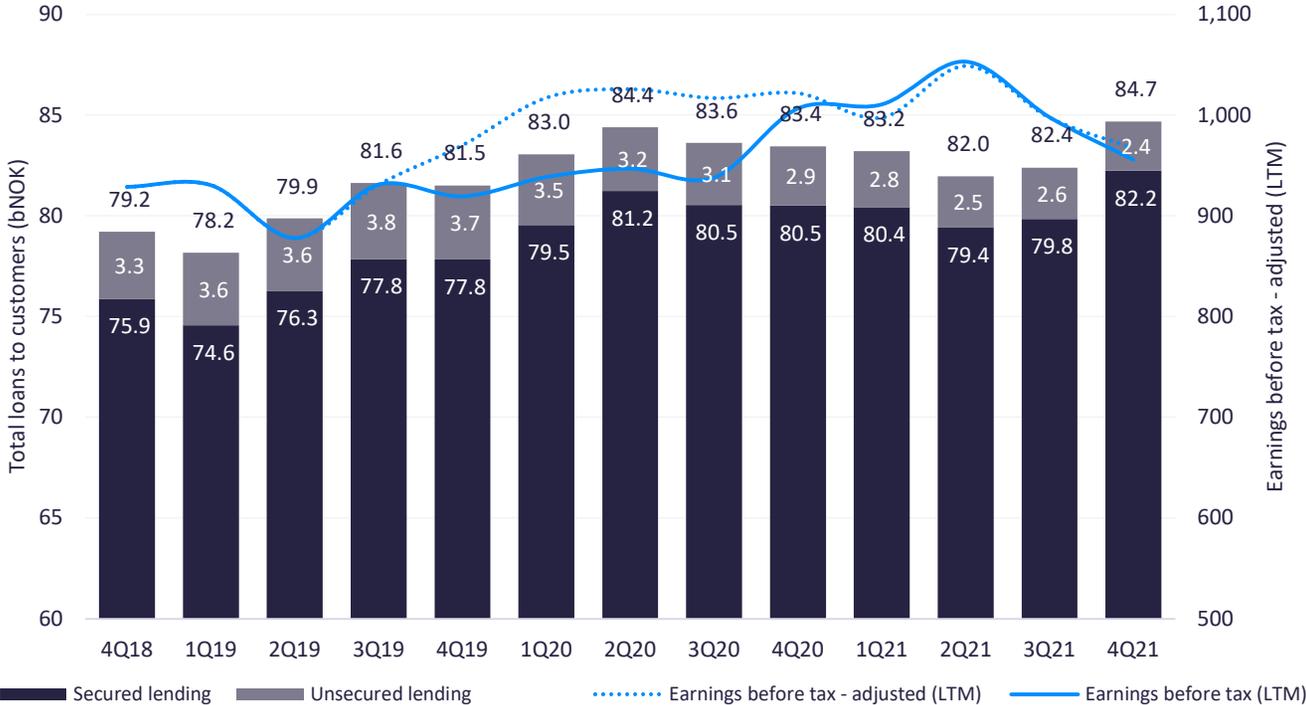
*Adjusted for one-off-effects and calculated as if CET1 was 13 percent.

Financial highlights

	Q4 2021	Q4 2020	12-month growth
Net interest income (NOK million)	367.3	407.3	-9.8 %
Net fee and commission (NOK million)	64.4	49.6	29.9 %
Net profit (NOK million)	182.8	221.4	-17.4 %
Earning per share (NOK)	1.65	2.01	
ROE (per cent)	10.1	12.5	
Cost-to-income (per cent)	45.0	39.8	
Loan-loss-ratio (per cent)	-0.01	0.02	
NIM (per cent)	1.53	1.60	
CET1 (per cent)	15.0*	15.5	
FuM (NOK billion)	33.1	30.3	

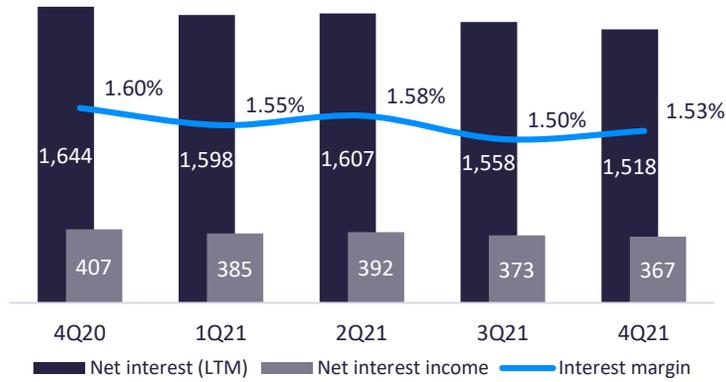
* Year-end 2021 is adjusted with proposed dividend of NOK 6.60 per share.

Long-term balance between profitability and growth

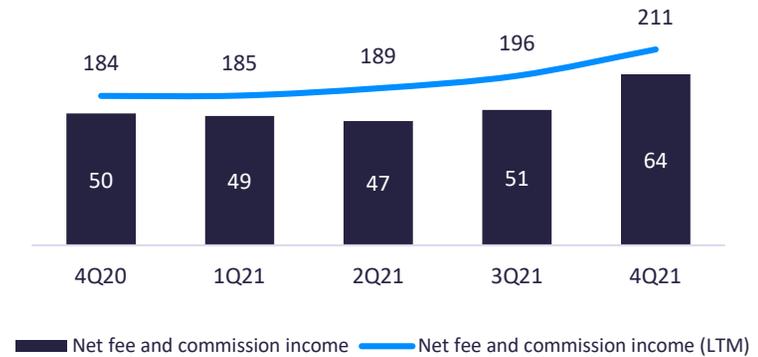


Revenues

Net interest income



Net fee and commission income

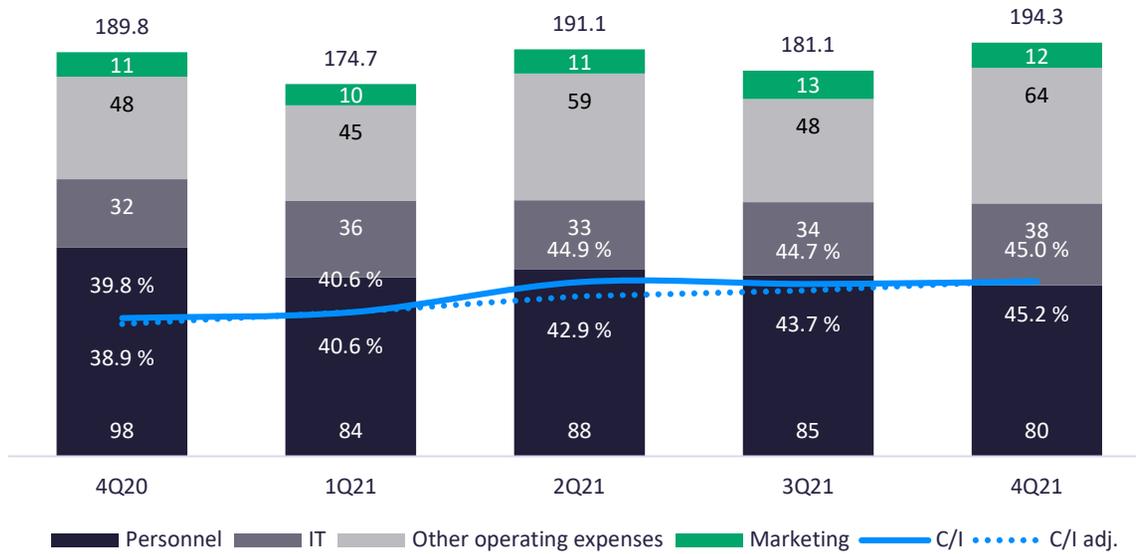


- Norges Bank raised key policy rates by 25 basis points in December – increasing money market rates
- NIM impacted by interest rate guarantee
- Mortgage and deposit rates increased with back book effect from 1 March 2022

- Re-opening of the society and an increase in mobile payments has increased the volume of card-transactions

Operating costs

NOK million



- NOK 4.7 million in non-recurring transaction costs
- Total non-recurring cost was positive with NOK 0.9 million

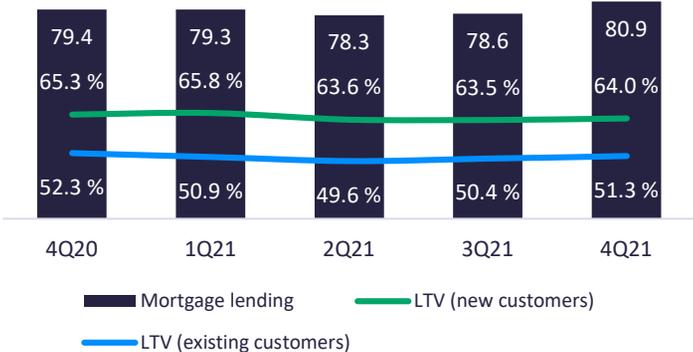
Asset quality

Net loan losses and loss ratio



- Robust credit quality in unsecured and secured loans
- Loss level expected below 0.05 % for the coming quarters

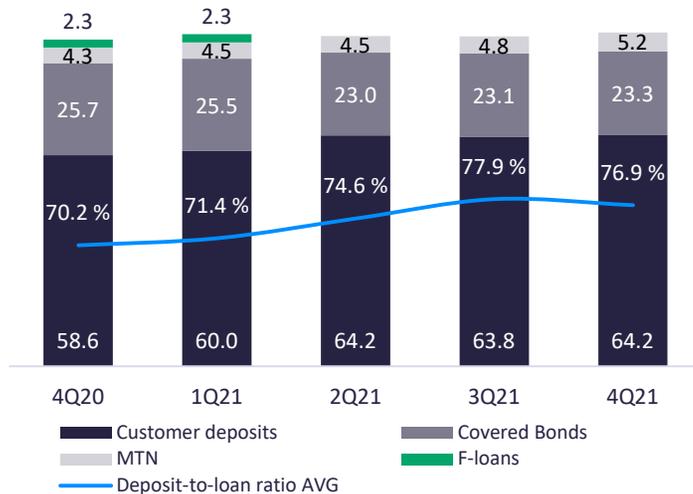
Mortgage lending and LTV



- Marginally higher LTV for existing and new mortgages

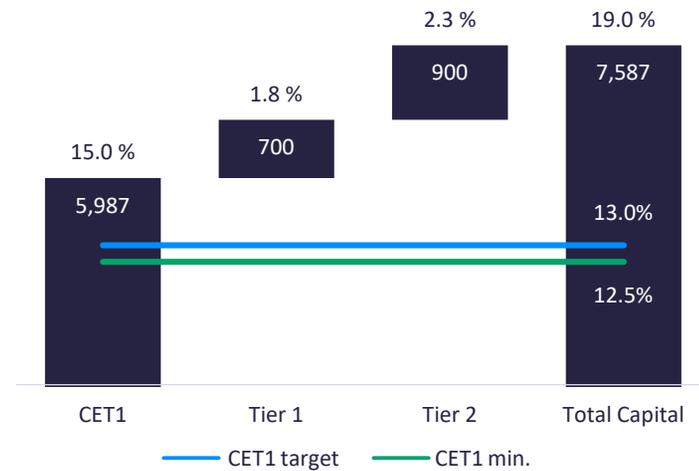
Funding and capital

Funding



- Annual deposit growth 9.6 %

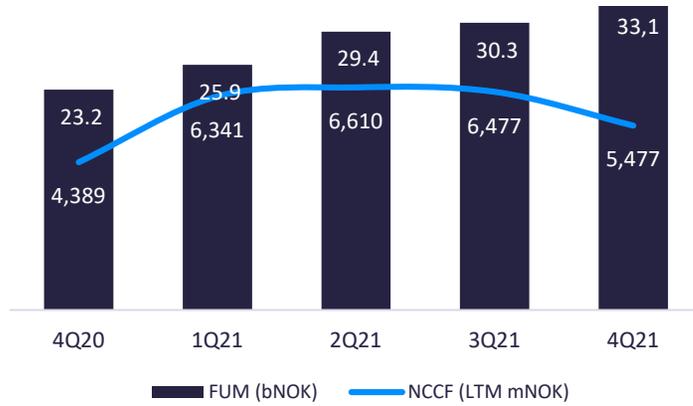
Capital



- Proposed dividend of NOK 6.60 per share for 2021, corresponding to marginally below 100 percent of the group's result for 2021

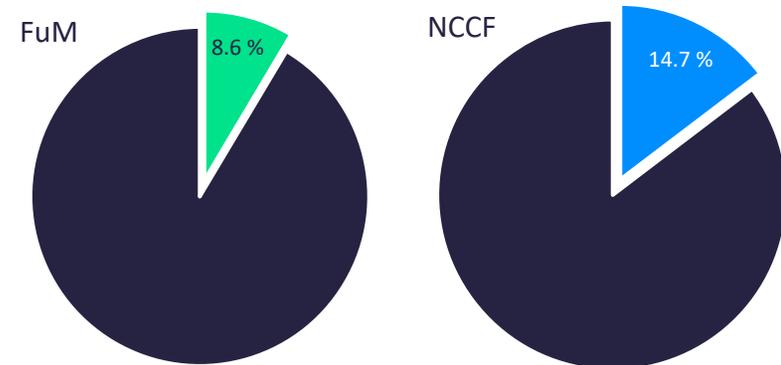
Continued growth in savings

Funds under Management



- Growth in FuM – continued inflow of customers’ funds
- Net client cash flow NOK 1.3 billion in the quarter

Market share*



- Monthly inflow from savings agreements reached NOK 192 million at the end of the quarter

*Calculated as total FuM, including retail and SMEs, as share of Norwegian retail fund savings, at end of quarter, and total NCCF as share of Norwegian retail fund inflows in the quarter.

Source: Norwegian Fund and Asset Management Association (VFF)

Financial targets 2021 - 2023

	Targets 2021 – 2023	Q4 2021
 Return on equity	14 %	10.1 %
 LTM EPS growth	10 %	-5.6 %
 Cost-to-income ratio	30 %	45 %
 CET1 ratio	Regulatory req. plus 50bp*	15.0 %

* Currently 12.5 per cent plus 50bp management buffer

Outlook



- Key policy rate likely to be hiked again in March
- Increasing money market rates and effect of the 2021 mortgage rate guarantee (in place until 31 December 2021) likely to put short-term pressure on interest margin
- Longer-term, higher interest rate environment expected to positively impact margin outlook
- Loss level for coming quarters expected below 0.05 per cent
- If DNB becomes the new owner, we will together set strategic plans to deliver market-leading banking solutions for our customers
- Should process conclude without a transaction, Sbanken is prepared to exit the process from a strengthened position

	2021e	2022e
Mainland GDP	4.1 %	4.2 %
Household credit growth	4.8 %	4.9 %
Unemployment	3.1 %	2.4 %
Housing prices	9.1 %	2.8 %

Important information

Sbanken ASA and its wholly-owned covered bond subsidiary, Sbanken Boligkreditt AS, constitute the Sbanken group.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the group. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved, and any reader is cautioned not to place any undue reliance on any forward-looking statement. The information obtained from third parties has been accurately reproduced and, as far as the company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading.

This presentation contains alternative performance measures, or non-IFRS financial measures. Definitions and calculations are presented in our quarterly report.

Appendix

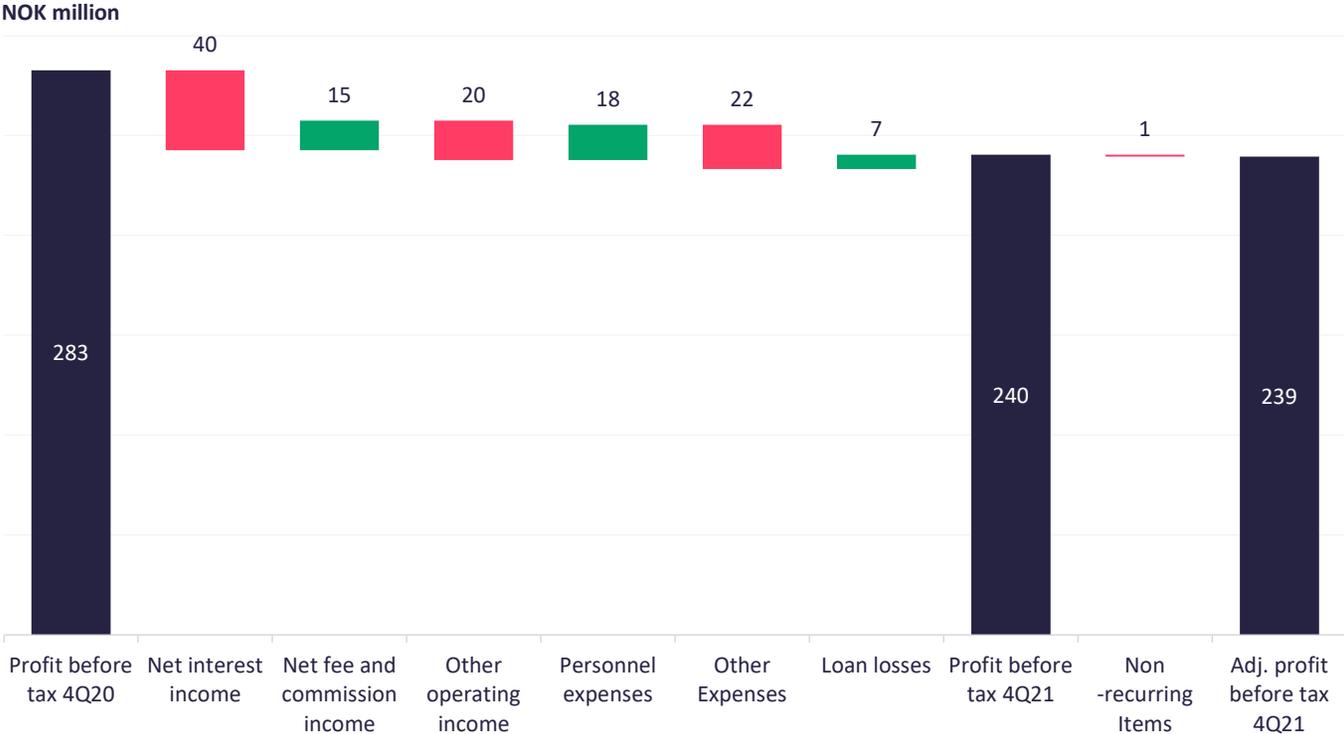
Income statement

In NOK thousand	Note	Q4 21	Q4 20	2021	2020
Interest income from financial instruments using the effective interest method	12	486 831	506 207	1 939 390	2 380 696
Other interest income	12	0	0	0	0
Interest expense	12	-119 560	-98 898	-421 680	-736 560
Net interest income		367 271	407 309	1 517 710	1 644 137
Commission and fee income	13	90 607	95 761	332 604	345 717
Commission and fee expense	13	-26 235	-46 200	-122 031	-161 407
Net commission and fee income		64 372	49 561	210 573	184 310
Net gain/(loss) on financial instruments	14	400	20 073	-35 005	21 920
Other income		10	100	10	130
Other operating income		410	20 173	-34 995	22 050
Personnel expenses	15	-80 309	-97 943	-336 733	-348 558
Administrative expenses	15,20	-89 477	-75 310	-332 152	-296 053
Depreciation and impairment of fixed and intangible assets		-24 522	-16 529	-72 318	-65 760
Profit before loan losses		237 745	287 261	952 085	1 140 126
Loan losses	8	2 648	-4 571	3 470	-133 482
Profit before tax		240 393	282 690	955 555	1 006 643
Tax expense	16	-57 605	-61 328	-222 015	-223 601
Profit for the period		182 788	221 362	733 540	783 042
Attributable to					
Shareholders		176 029	214 747	707 781	748 575
Additional Tier 1 capital holders	11	6 759	6 615	25 759	34 467
Profit for the period		182 788	221 362	733 540	783 042

Balance sheet

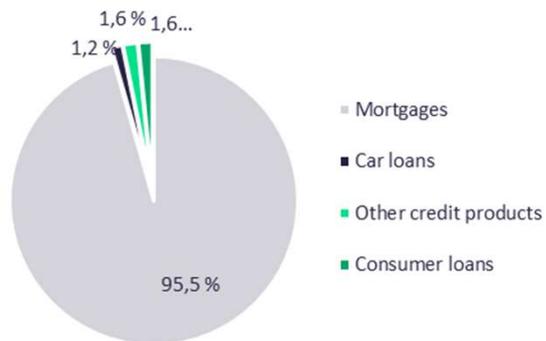
In NOK thousand	Note	31.12.21	31.12.20
Assets			
Cash and receivables with central bank	5	510 676	1 423 268
Loans to and receivables from credit institutions	5	856 622	654 517
Loans to customers	5, 6, 7, 17, 18	84 346 875	83 082 252
Net loans to customers, central bank and credit institutions		85 714 173	85 160 037
Commercial paper and bonds at fair value through OCI	17, 19	15 487 702	14 412 990
Equity and funds	17, 18, 19	309 142	163 701
Derivatives	19	377 403	561 305
Intangible assets		103 350	114 645
Deferred tax assets	16	35 638	21 679
Property, plant and equipment		86 411	127 755
Other assets		85 488	110 850
Advance payment and accrued income		74 280	53 498
Total assets		102 273 586	100 726 459
Liabilities			
Loans and deposits from central bank	17,18	0	2 250 000
Loans and deposits from credit institutions	17, 18	326 830	542 731
Deposits from customers	17, 18	64 240 315	58 643 627
Debt securities issued	10, 17, 18	28 500 950	29 974 370
Derivatives		14 607	21 738
Taxes payable	16	217 805	224 640
Pension commitments		22 459	36 998
Other liabilities		564 335	515 589
Subordinated loans	10, 17, 18	899 151	898 831
Total liabilities		94 786 452	93 108 523
Equity			
Share capital		1 068 693	1 068 693
Share premium		2 625 895	2 625 895
Additional Tier 1 capital	11	701 389	701 223
Other equity		3 091 157	3 222 125
Total equity		7 487 134	7 617 936
Total liabilities and equity		102 273 586	100 726 459

Change in profit before tax

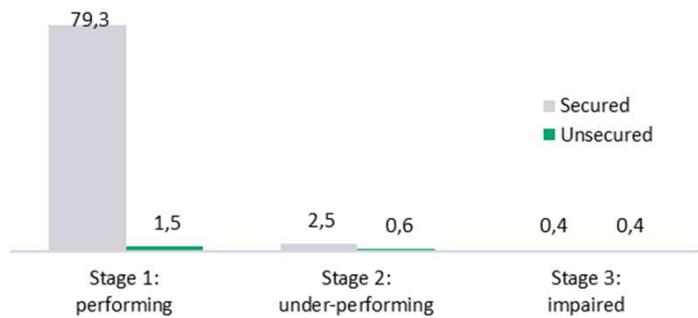


Lending portfolio

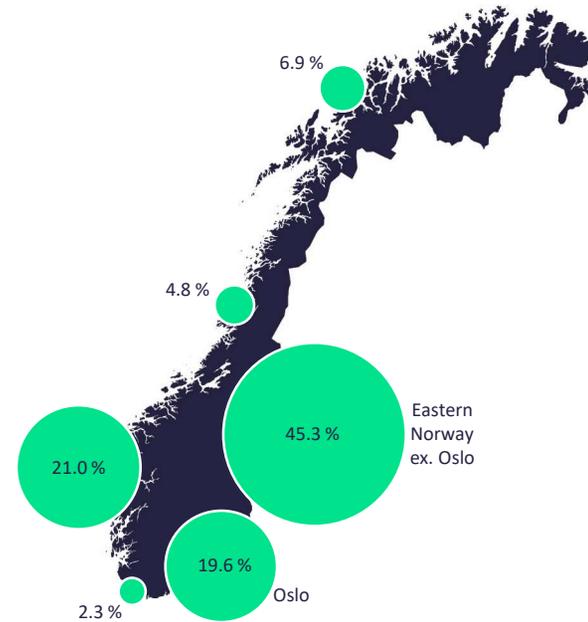
Product distribution



Risk classification (bnNOK)

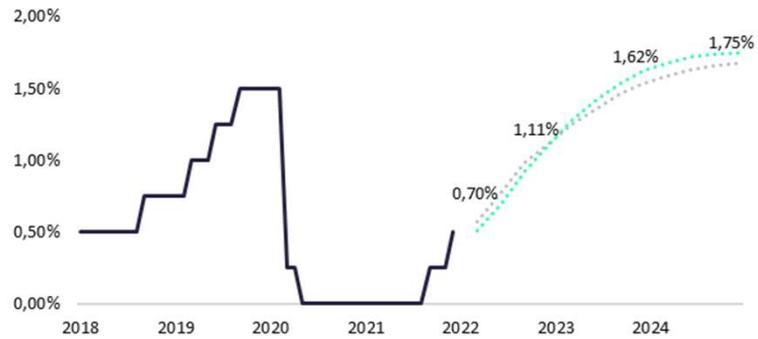


Mortgage lending centred in urban areas

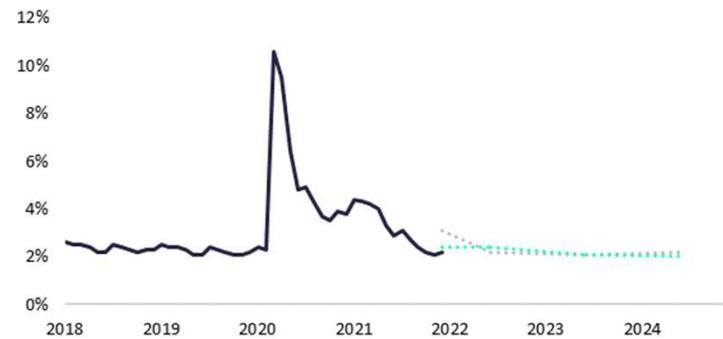


Norwegian macro development

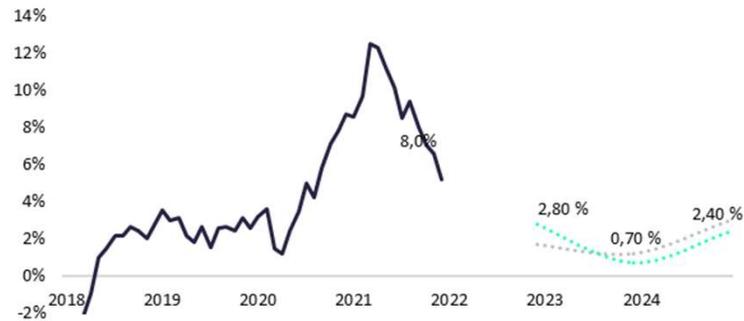
Key policy rate



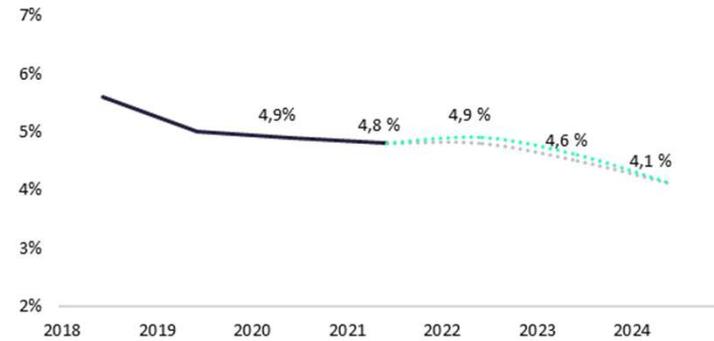
Unemployment (registered)



Housing prices (12-month rolling)



Credit to households (C2)



Source: Norges Bank, Norwegian Labour and Welfare Administration (NAV) and Eiendomsverdi.

..... Monetary policy report (16 December 2021)
..... Monetary policy report (23 September 2021)

Interest bearing lending and funding

Interest bearing lending

NOKm		2020	2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Home loans	Volume	79 382	80 897	79 350	78 298	78 611	80 897
	Interest income	1 786	1 441	367	364	352	358
	Effective rate ¹	2.26 %	1.82 %	1.88 %	1.85 %	1.79 %	1.78 %
Car loans	Volume	878	1 052	821	825	945	1 052
	Interest income	57	45	11	11	11	11
	Effective rate ¹	5.58 %	5.04 %	5.46 %	5.45 %	4.97 %	4.45 %
Consumer loans	Volume	1 739	1 333	1 618	1 483	1 404	1 333
	Interest income	209	150	42	39	35	34
	Effective rate ¹	10.32 %	9.90 %	10.02 %	10.10 %	9.76 %	9.68 %
Other credit products ²	Volume	1 440	1 389	1 423	1 349	1 429	1 389
	Interest income	174	155	40	39	38	38
	Effective rate ¹	11.80 %	10.89 %	11.43 %	11.08 %	10.53 %	10.56 %
Interest bearing securities	Volume	14 413	15 488	16 859	14 413	16 552	15 488
	Interest income	147	147	30	44	29	45
	Effective rate ¹	1.19 %	1.10 %	0.92 %	1.20 %	0.91 %	1.37 %
Total	Volume	100 726	102 274	101 718	101 461	101 684	102 274
	Interest income	2 381	1 939	491	497	465	487
	Effective lending rate ¹	2.41 %	1.96 %	1.97 %	2.00 %	1.88 %	2.01 %

Note: total includes lending to credit institutions and lending to the central bank

Interest bearing funding

NOKm		2020	2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Deposits	Volume	58 644	64 240	59 962	64 186	63 845	64 240
	Interest expense	244	81	20	20	21	21
	Effective rate ¹	0.43 %	0.13 %	0.13 %	0.13 %	0.13 %	0.13 %
	Bank guarantee fee	67	76	16	21	19	19
	Effective rate incl. fee ¹	0.54 %	0.25 %	0.24 %	0.27 %	0.24 %	0.24 %
Debt securities issued	Volume	29 956	28 501	30 076	27 579	27 841	28 501
	Interest expense	394	245	64	58	48	75
	Effective rate ¹	1.31 %	0.78 %	0.86 %	0.80 %	0.75 %	1.19 %
Loans from central bank	Volume	2 250	2 250	2 250	0	0	0
	Interest expense	6	2	2	0	0	0
	Effective rate ¹	N/A	N/A	0.24 %	N/A	N/A	N/A
Total	Volume	87 469	94 807	94 255	93 838	93 871	94 807
	Interest expense	737	422	106	104	92	120
	Effective funding rate ¹	0.74 %	0.43 %	0.43 %	0.42 %	0.37 %	0.49 %

(1) Effective lending and funding rates calculated as the interest income or expense (annualised for quarterly figures) as a percentage of average balance in the period; (2) Other credit products include account credit, credit cards and custody account lending.

Non-performing and doubtful loans per product

Credit-impaired assets		31.12.21					
In NOK thousand	Principal type of collateral held	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held	Net exposure	Provisioning ratio after collateral
Loans to customers:							
Home loans	Residential property	415 077	-44 432	370 645	368 993	1 652	96,4%
Car Loans	Vehicle	15 832	-5 155	10 677	10 657	20	99,6%
Custody account credits	Listed securities	0	0	0	0	0	Na
Unsecured loans	None	382 859	-222 916	159 943	0	159 943	58,2%
Total credit-impaired assets		813 768	-272 503	541 265	379 650	161 615	62,8%

Financial calendar

24.03.2022	Annual report	FY 2021
21.04.2022	Annual General Meeting	
12.05.2022	Quarterly report	Q1 2022
15.07.2022	Quarterly report	Q2 2022
10.11.2022	Quarterly report	Q3 2022

