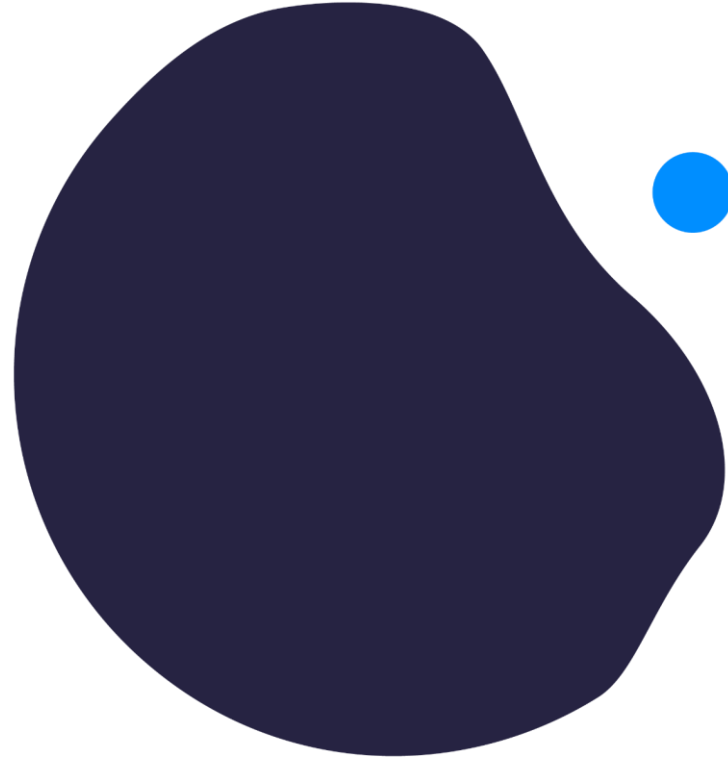


Sbanken

Q1

First quarter 2021

Sbanken group



Sbanken – the leading digital challenger



Leading digital bank with 477 000 retail customers and 9 000 SMEs



CAGR loan growth 7.6 % since IPO November 2015



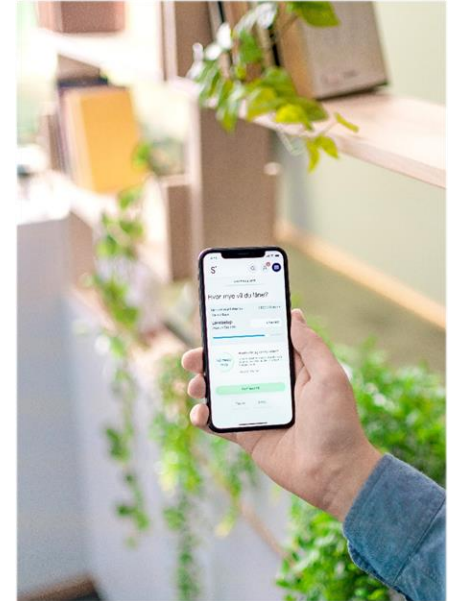
Average ROE of 12.1 % last four years



Most satisfied customers in the last 19 years



Capitalising on investments made in SME offering and long-term savings



Developments in the quarter

DNB launches recommended voluntary offer

- Offer to acquire all Sbanken shares at NOK 103.85 per share

Healthy asset quality

- Loss ratio 0.06 %
- Increased provision with new definition of default

Strong FuM growth

- FuM increased to NOK 25.9bn – LTM growth 86 %
- Continued strong inflow – NCCF 1.8bn

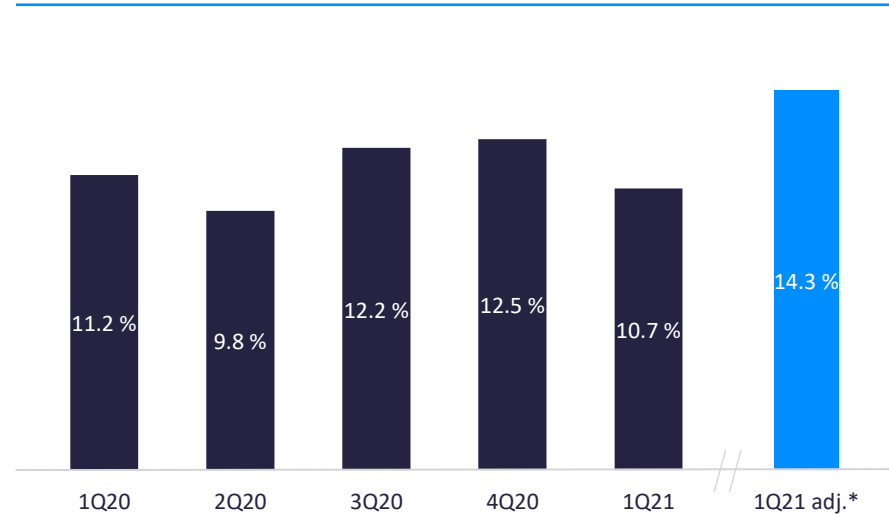
Significant overcapitalisation

- 2019 dividend of NOK 3.15 per share distributed in March
- NOK 1.2bn above capital target post dividends
- Quarterly ROE 14.3 % if capital level at target

Market-leading digital customer experiences

- Ranked top for Digital Innovation Index
- Awarded best mobile banking app

Return on Equity*



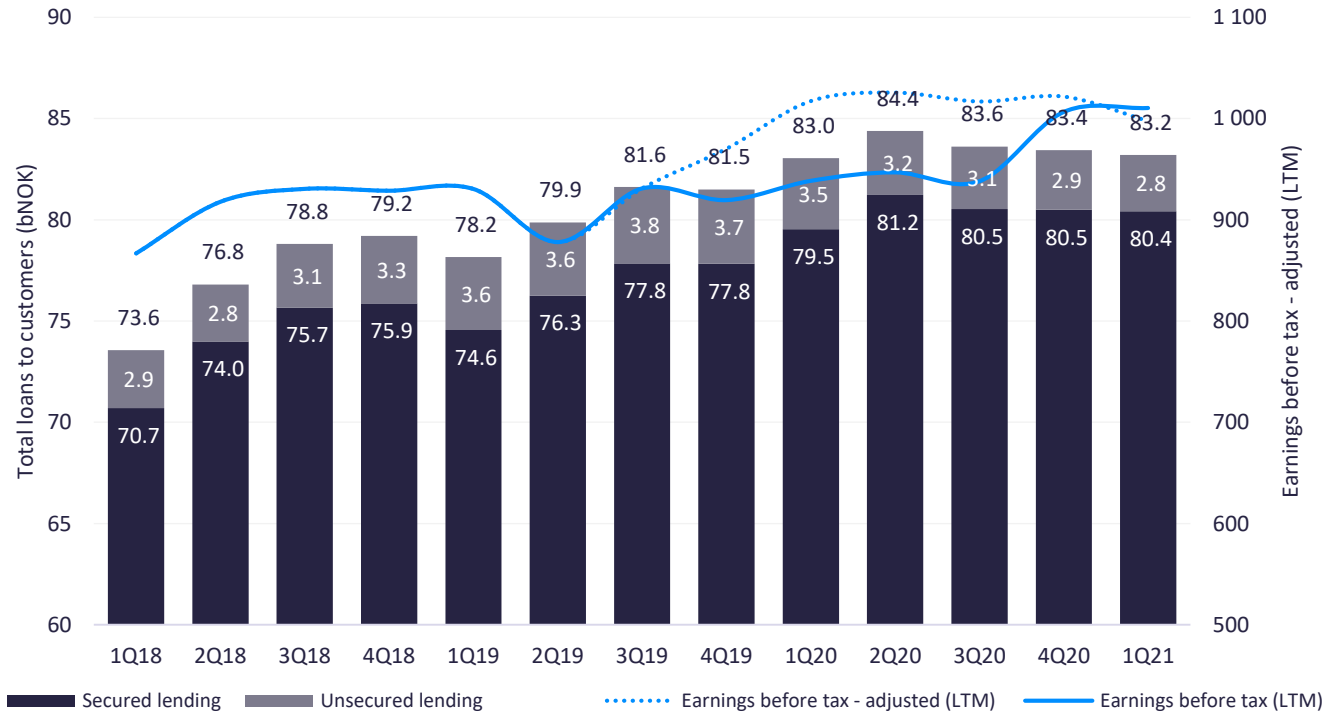
* ROE with CET1 capital at 13.0 % target level

Financial highlights

	Q1 2021	Q1 2020	12-month growth
Net interest income (NOK million)	384.7	430.6	-10.7 %
Net fee and commission (NOK million)	48.6	48.4	0.4 %
Net profit (NOK million)	186.3	184.0	1.2 %
Earning per share (NOK)	1.68	1.63	
ROE (per cent)	10.7	11.2	
Cost-to-income (per cent)	40.6	38.8	
Loan-loss-ratio (per cent)	0.06	0.25	
NIM (per cent)	1.55	1.85	
CET1 (per cent)	15.9*	16.1	
FuM (NOK billion)	25.9	13.9	

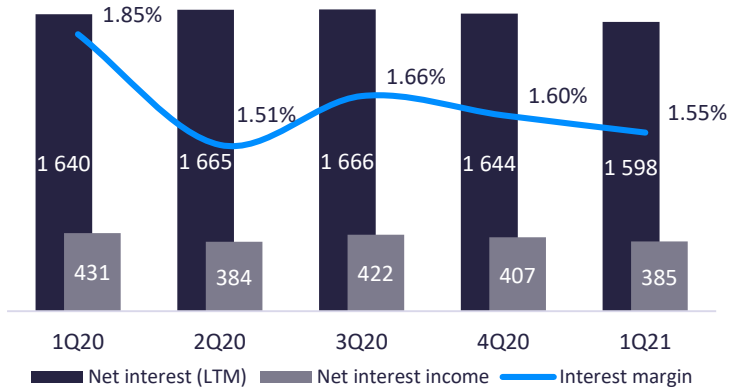
* Including 50 per cent retained earnings for first quarter of 2021 and 37.2 per cent retained earnings for 2020.

Sound balance between profitability and growth



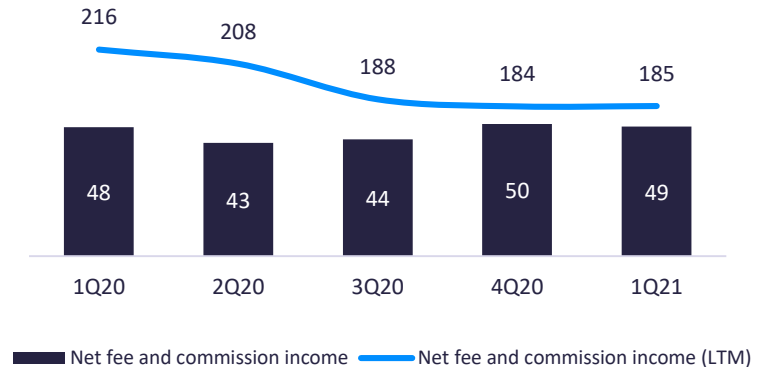
Revenues

Net interest income



- NIM compression with increased money market rates
- Money market rates coming down from elevated levels at the start of the year

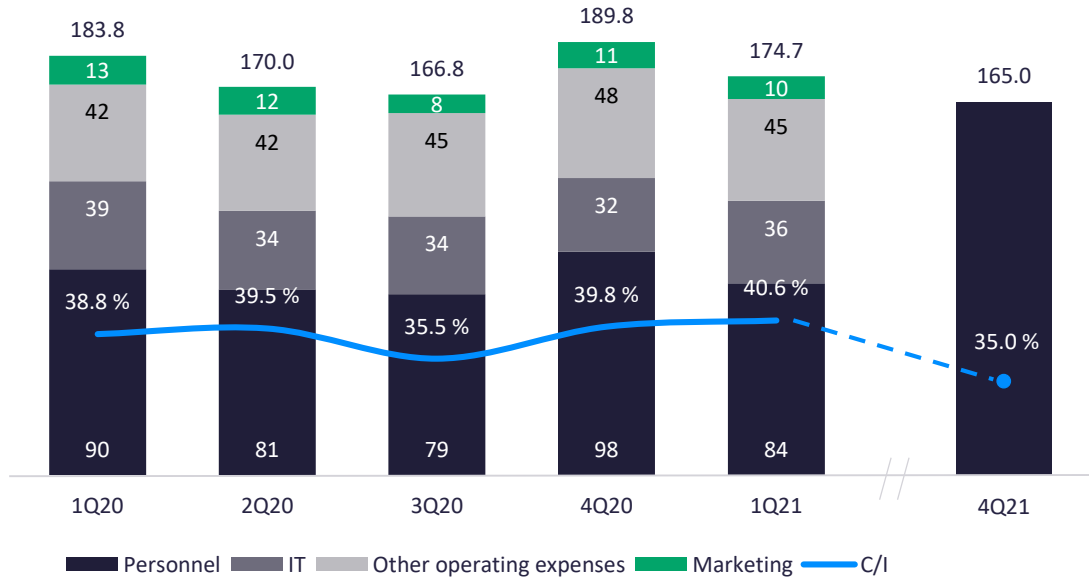
Net fee and commission income



- Reduced revenues from card transactions as customers' travel activity remained subdued
- Positive contribution from fund savings and securities trading

Operating costs

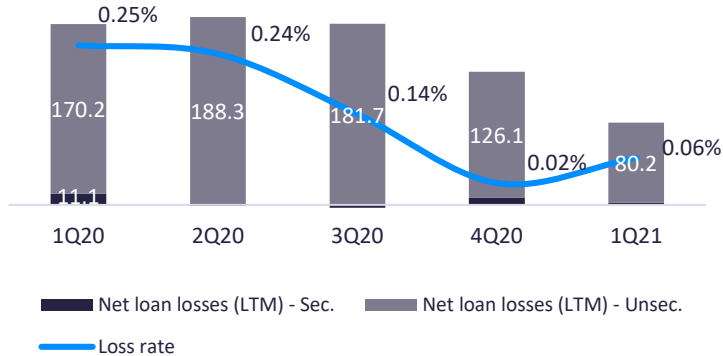
NOK million



- Cost and efficiency initiatives continuing in 2021
- Expecting falling cost trend through current year

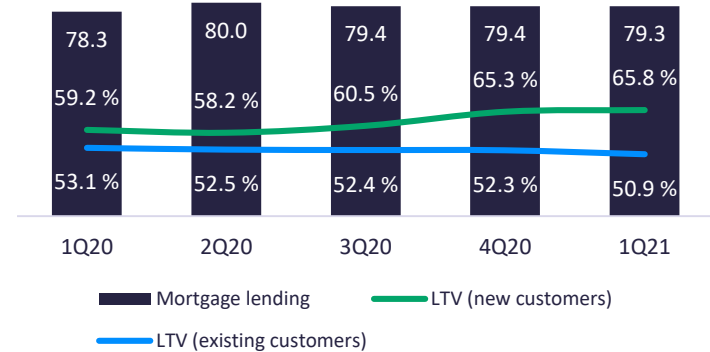
Asset quality

Net loan losses and loss ratio



- Improved credit quality in unsecured loans
- Implementation of EBA's new definition of default accounted for 23.1 million provision increase
- Loss level expected to remain below 0.10 % for 2021

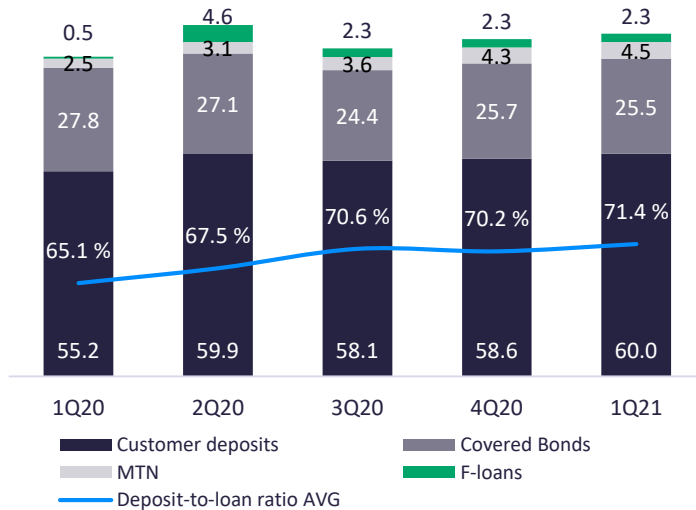
Mortgage lending and LTV



- Stock LTV lower with increased housing prices
- LTV on new loans trending higher in line with strategy for larger loans at higher LTV

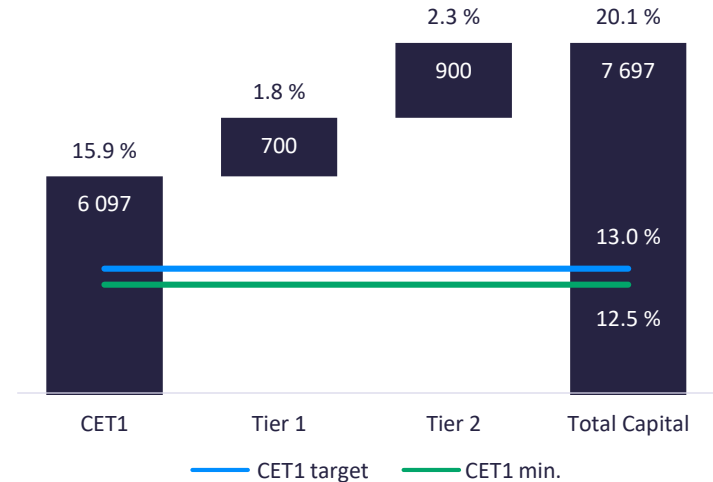
Funding and capital

Funding



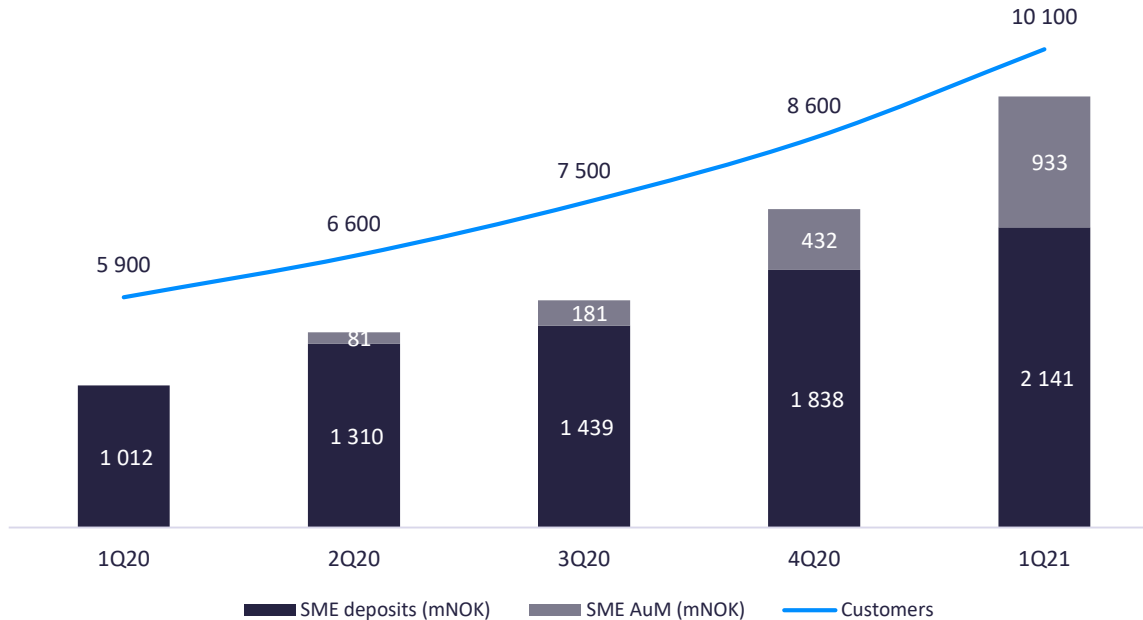
- Annual deposit growth 8.5 %
- Moody's upgrade credit rating to A2 - outlook positive

Capital



- NOK 3.15 dividend per share distributed in March
- NOK 4.40 dividend authorisation for 2020
- Significant overcapitalisation – NOK 1.2bn above CET1 target post dividends

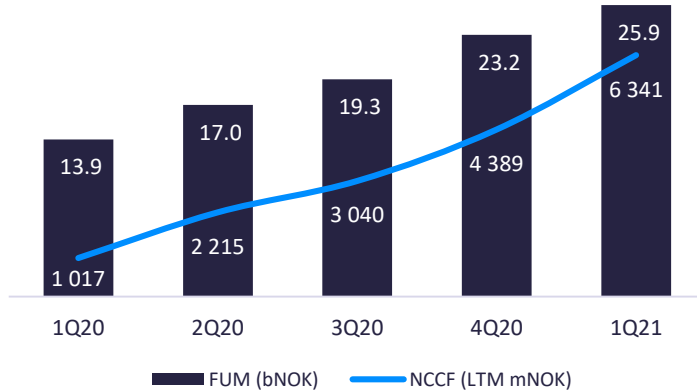
SMEs



- Cost-effective solutions on highly scalable platform with cutting-edge technology
- PowerOffice Go and Visma eAccounting pilots in March, fully launched in April
- AuM from SMEs NOK 933 million – double from previous quarter

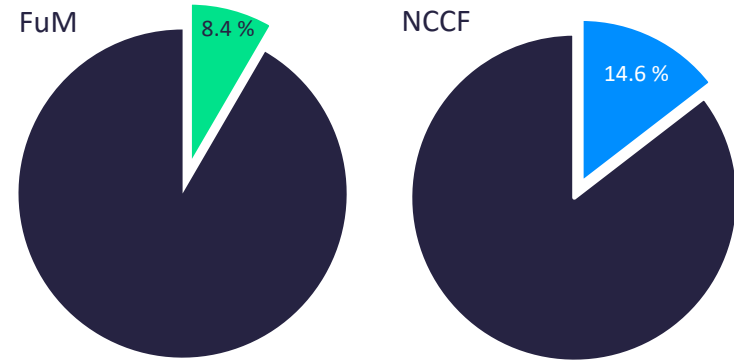
Strong growth in savings

Funds under Management



- Strong growth in FuM – continued high inflow of customers' funds
- Net client cash flow NOK 1 757 million in the quarter

Market share*







- Monthly inflow from savings agreements reached NOK 164 million

*Calculated as total FuM as share of Norwegian retail fund savings and total NCCF as share of Norwegian retail fund inflows.

Source: Norwegian Fund and Asset Management Association (VFF)

Financial targets 2021 - 2023

	Targets 2021 – 2023	Q1 2021
 Return on equity	14 %	10.7 % (14.3 %*)
 LTM EPS growth	10 %	9.8 %
 Cost-to-income ratio	30 %	40.6 %
 CET1 ratio	Regulatory req. plus 50 bps**	15.9 %

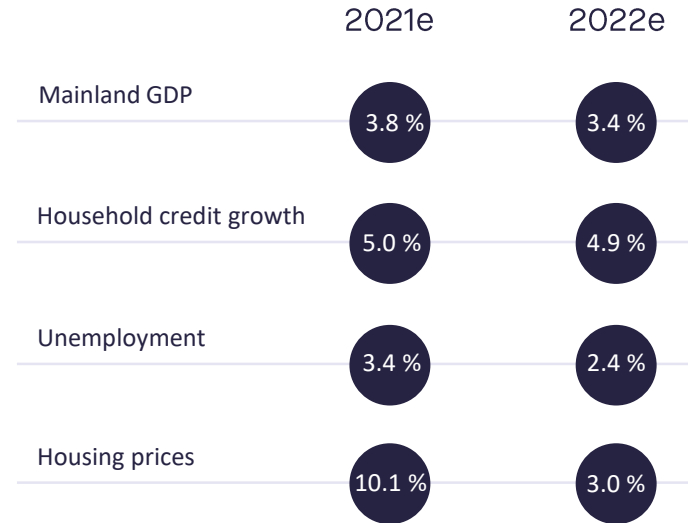
* ROE with CET1 capital at 13.0 % target level

** Currently 12.5 per cent plus 50 bps management buffer

Outlook



- Record low key policy rate puts pressure on interest margin – first policy rate hike forecasted in second-half 2021
- Cost of risk expected to remain below 0.10 % in 2021
- Continuing its efficiency initiatives to provide the market’s most automated core banking solutions
- Irrespective of the pending offer process, organisation will continue to deliver Norway’s best digital banking customer experiences



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

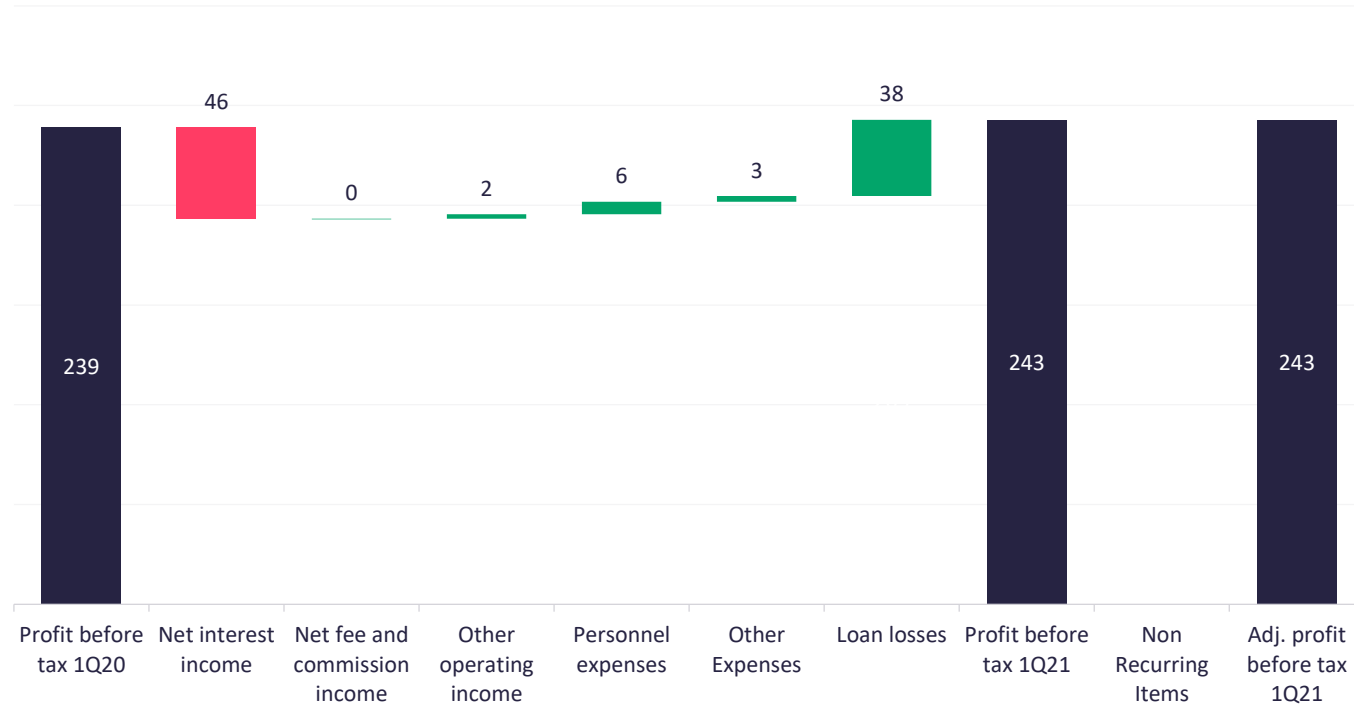
In NOK thousand	Note	Q1 21	Q1 20	2020
Interest income from financial instruments using the effective interest method	12	490 710	747 254	2 380 696
Other interest income	12	0	0	0
Interest expense	12	-106 003	-316 622	-736 560
Net interest income		384 707	430 632	1 644 137
Commission and fee income	13	80 590	86 948	345 717
Commission and fee expense	13	-31 989	-38 545	-161 407
Net commission and fee income		48 601	48 403	184 310
Net gain/(loss) on financial instruments	14	-2 949	-5 311	21 920
Other income		0	0	130
Other operating income		-2 949	-5 311	22 050
Personnel expenses	15	-83 998	-90 150	-348 558
Administrative expenses	15,20	-74 951	-77 357	-296 053
Depreciation and impairment of fixed and intangible assets		-15 788	-16 243	-65 760
Profit before loan losses		255 621	289 973	1 140 126
Loan losses	8	-12 742	-51 019	-133 482
Profit before tax		242 879	238 955	1 006 643
Tax expense	16	-56 541	-54 911	-223 601
Profit for the period		186 338	184 043	783 042
Attributable to				
Shareholders		179 996	174 016	748 575
Additional Tier 1 capital holders	11	6 342	10 027	34 467
Profit for the period		186 338	184 043	783 042

Balance sheet

In NOK thousand	Note	31.03.21	31.03.20	31.12.20
Assets				
Cash and receivables with central bank	5	584 984	1 046 441	1 423 268
Loans to and receivables from credit institutions	5	500 859	1 176 530	654 517
Loans to customers	5, 6, 7, 17, 18	82 843 734	82 748 395	83 082 252
Net loans to customers, central bank and credit institutions		83 929 577	84 971 367	85 160 037
Commercial paper and bonds at fair value through OCI	17, 19	16 858 808	9 630 644	14 412 990
Equity and funds	17, 18, 19	186 019	191 137	163 701
Derivatives	19	355 822	1 069 828	561 305
Intangible assets		117 344	130 931	114 645
Deferred tax assets	16	21 280	27 358	21 679
Property, plant and equipment		103 087	151 836	127 755
Other assets		69 254	104 498	110 850
Advance payment and accrued income		76 865	74 628	53 498
Total assets		101 718 054	96 352 228	100 726 459
Liabilities				
Loans and deposits from central bank	17, 18	2 250 000	500 000	2 250 000
Loans and deposits from credit institutions	17, 18	352 841	0	542 731
Deposits from customers	17, 18	59 962 127	55 239 466	58 643 627
Debt securities issued	10, 17, 18	30 075 596	30 327 081	29 974 370
Derivatives		10 647	30 169	21 738
Taxes payable	16	176 997	162 704	224 640
Pension commitments		36 998	27 494	36 998
Other liabilities		490 619	2 126 550	515 589
Subordinated loans	10, 17, 18	898 911	899 521	898 831
Total liabilities		94 254 736	89 312 986	93 108 523
Equity				
Share capital		1 068 693	1 068 693	1 068 693
Share premium		2 625 895	2 625 895	2 625 895
Additional Tier 1 capital	11	701 272	705 872	701 223
Other equity		3 067 458	2 638 781	3 222 125
Total equity		7 463 319	7 039 241	7 617 936
Total liabilities and equity		101 718 054	96 352 228	100 726 459

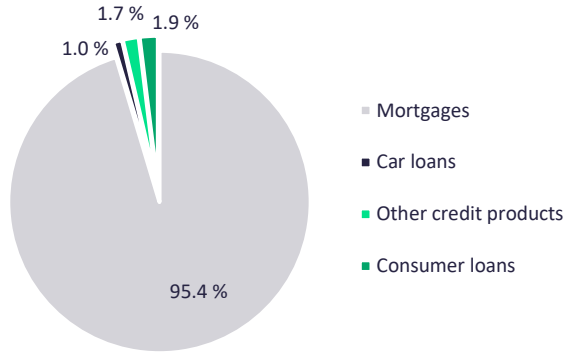
Change in profit before tax

NOK million

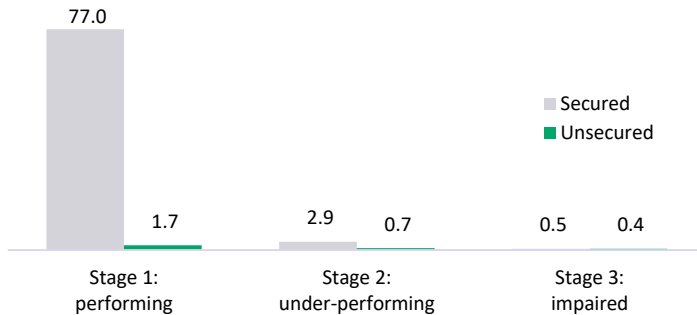


Lending portfolio

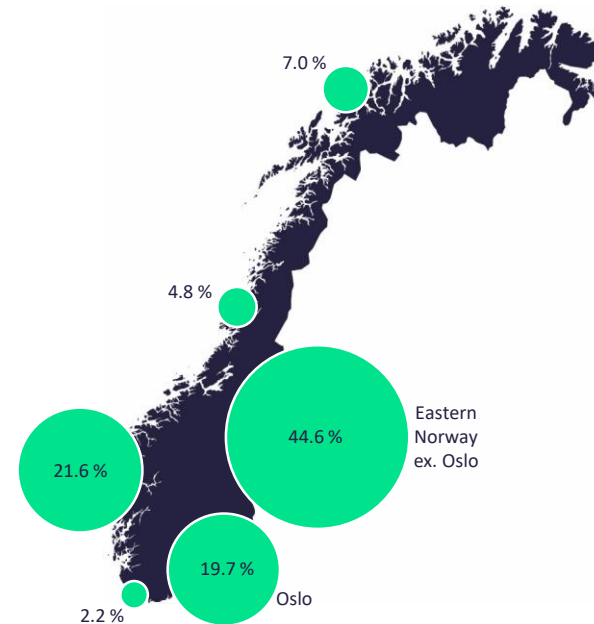
Product distribution



Risk classification (bnNOK)

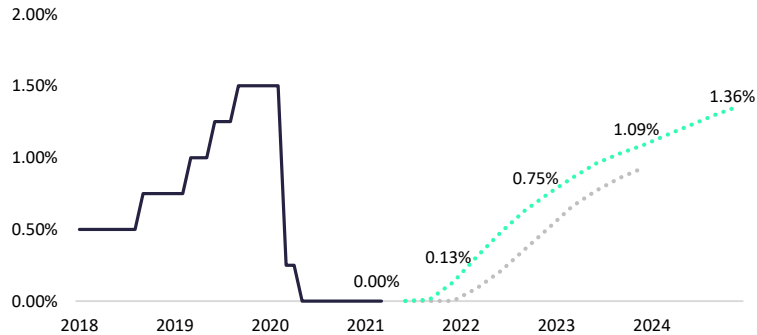


Mortgage lending centred in urban areas

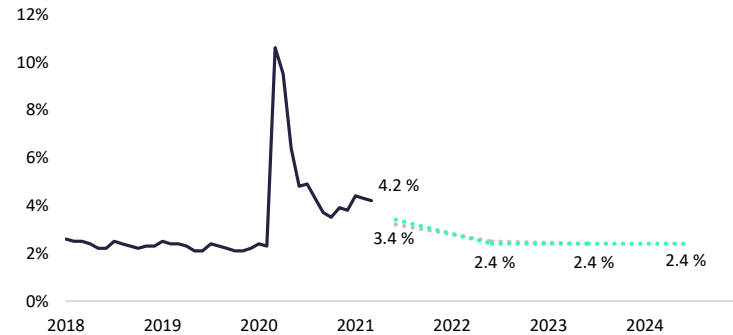


Norwegian macro development

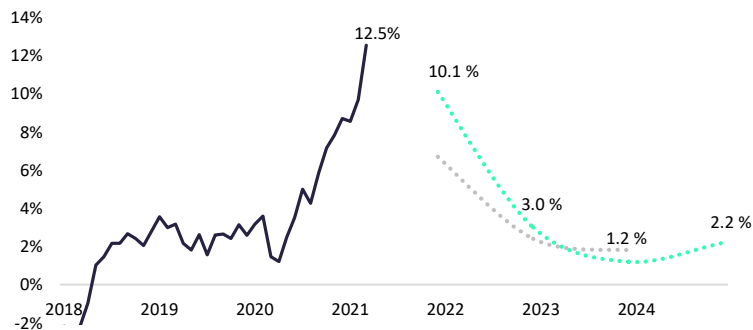
Key policy rate



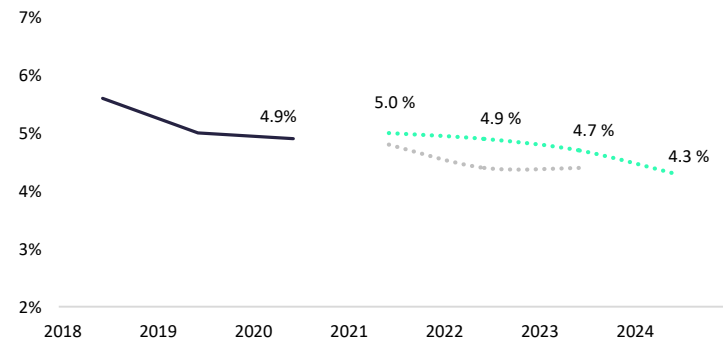
Unemployment (registered)



Housing prices (12-month rolling)



Credit to households (C2)



Interest bearing lending and funding

Interest bearing lending

NOKm		2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Mortgages	Volume	79 382	78 318	79 995	79 362	79 382	79 350
	Interest income	1 786	570	443	397	377	367
	Effective rate ¹	2.26 %	2.98 %	2.23 %	1.99 %	1.89 %	1.88 %
Car loans	Volume	878	1 098	1 033	953	878	821
	Interest income	57	16	15	14	13	11
	Effective rate ¹	5.58 %	5.70 %	5.55 %	5.46 %	5.61 %	5.46 %
Consumer loans	Volume	1 739	2 187	2 027	1 869	1 739	1 618
	Interest income	209	58	54	51	46	42
	Effective rate ¹	10.32 %	10.33 %	10.36 %	10.35 %	10.23 %	10.02 %
Other credit products ²	Volume	1 440	1 443	1 339	1 436	1 440	1 423
	Interest income	174	48	43	41	42	40
	Effective rate ¹	11.80 %	11.81 %	12.21 %	11.58 %	11.56 %	11.43 %
Interest bearing securities	Volume	14 413	9 631	14 855	12 071	14 413	16 859
	Interest income	147	51	44	25	27	30
	Effective rate ¹	1.19 %	2.21 %	1.31 %	0.70 %	0.81 %	0.92 %
Total	Volume	100 726	96 352	104 269	98 101	100 726	101 718
	Interest income	2 381	747	601	527	506	491
	Effective lending rate ¹	2.41 %	3.21 %	2.37 %	2.07 %	1.99 %	1.97 %

Interest bearing funding

NOKm		2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Deposits	Volume	58 644	55 239	59 901	58 064	58 644	59 962
	Interest expense	244	117	84	38	20	20
	Effective rate ¹	0.43 %	0.88 %	0.59 %	0.15 %	0.13 %	0.13 %
	Bank guarantee fee	67	16	16	16	17	16
	Effective rate incl. fee ¹	0.54 %	1.00 %	0.71 %	0.26 %	0.24 %	0.24 %
Debt securities issued	Volume	29 956	30 327	30 148	27 978	29 956	30 076
	Interest expense	394	174	107	56	57	64
	Effective rate ¹	1.31 %	2.27 %	1.37 %	0.78 %	0.75 %	0.86 %
Loans from central bank	Volume	2 250	0	4 550	2 250	2 250	2 250
	Interest expense	6	0	2	2	2	2
	Effective rate ¹	N/A	N/A	0.24 %	0.24 %	0.24 %	0.24 %
Total	Volume	87 469	86 496	95 524	90 689	93 095	94 255
	Interest expense	737	317	217	105	98	106
	Effective funding rate ¹	0.74 %	1.36 %	0.85 %	0.42 %	0.39 %	0.43 %

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

(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		31.03.21					
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	445 451	-38 216	407 235	405 195	2 040	94.9 %
Car Loans	Vehicle	21 099	-7 710	13 389	12 746	643	92.3 %
Custody account credits	Listed securities	0	0	0	0	0	Na
Unsecured loans	None	435 398	-248 919	186 479	0	186 479	57.2 %
Total credit-impaired assets		901 948	-294 845	607 103	417 941	189 162	60.9 %

Financial calendar

16.07.2021

Quarterly report Q2 2021

11.11.2021

Quarterly report Q3 2021

