



Quarterly Report 4Q 2024

February 13th 2025
CEO Hanne Karoline Kræmer
CFO Bengt Olsen

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- 2 Outlook
- 3 Financial status
- 4 Appendix



The Obvious Choice for People and Businesses!



Highlights 2024

Pre-tax profit

4 512 MNOK (3 273)

ROE

21.8 % (16.4)

CET1 ratio

16.8 % (17.1)

C/I ratio

30.2 % (35.0)

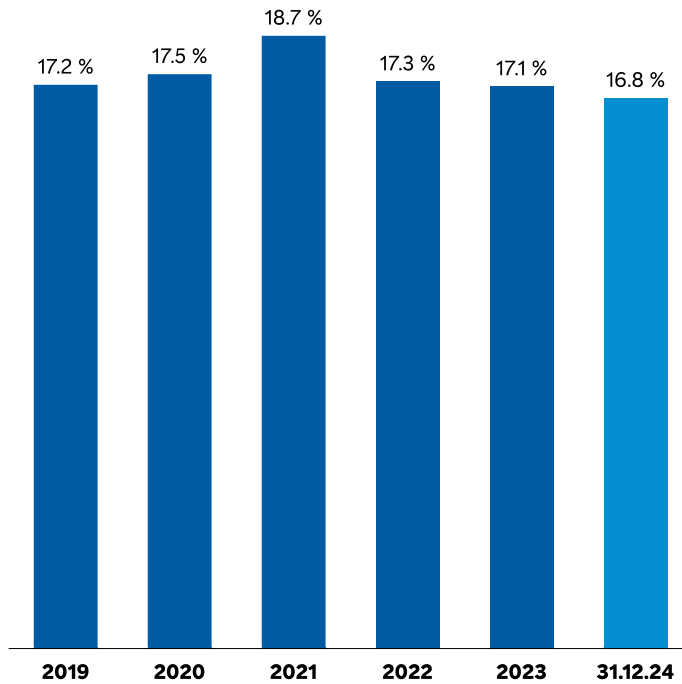
Losses

110 MNOK (116)

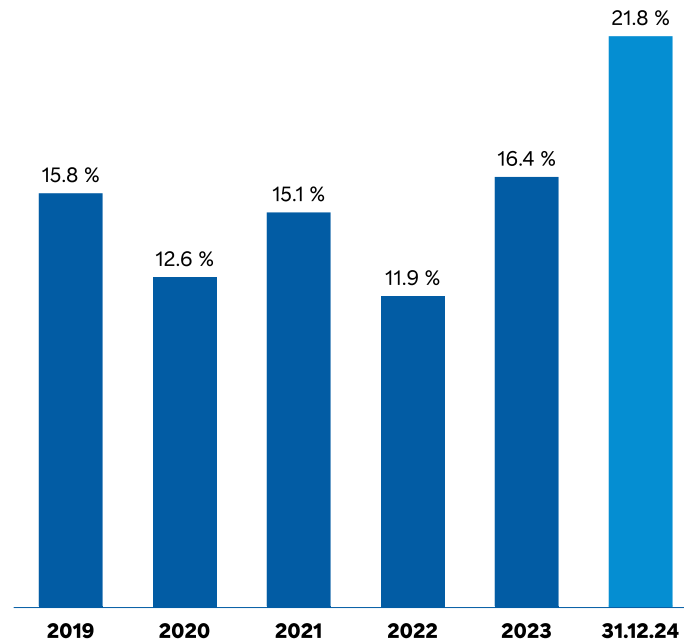


Financial Results

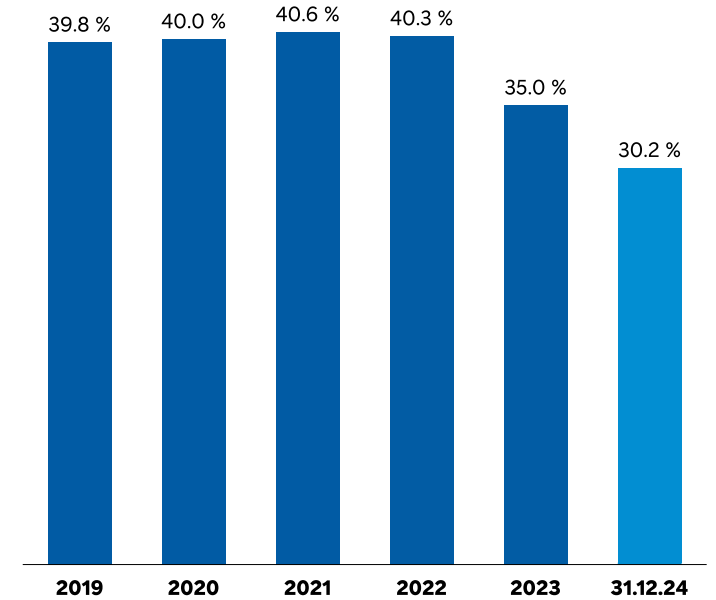
CET1 ratio



Return on equity capital



Cost/income Group



Subsidiaries – Earnings Before Tax

(Amounts in NOK million)	31.12.2024	31.12.2023
SpareBank 1 Finans Nord-Norge AS	242,2	219,7
SpareBank 1 Regnskapshuset Nord-Norge AS	9,9	5,3
EiendomsMegler 1 Nord-Norge AS	31,5	11,3
Subsidiaries core operations	283,7	236,2
Other subsidiaries	7,1	4,0
Total	290,8	240,2

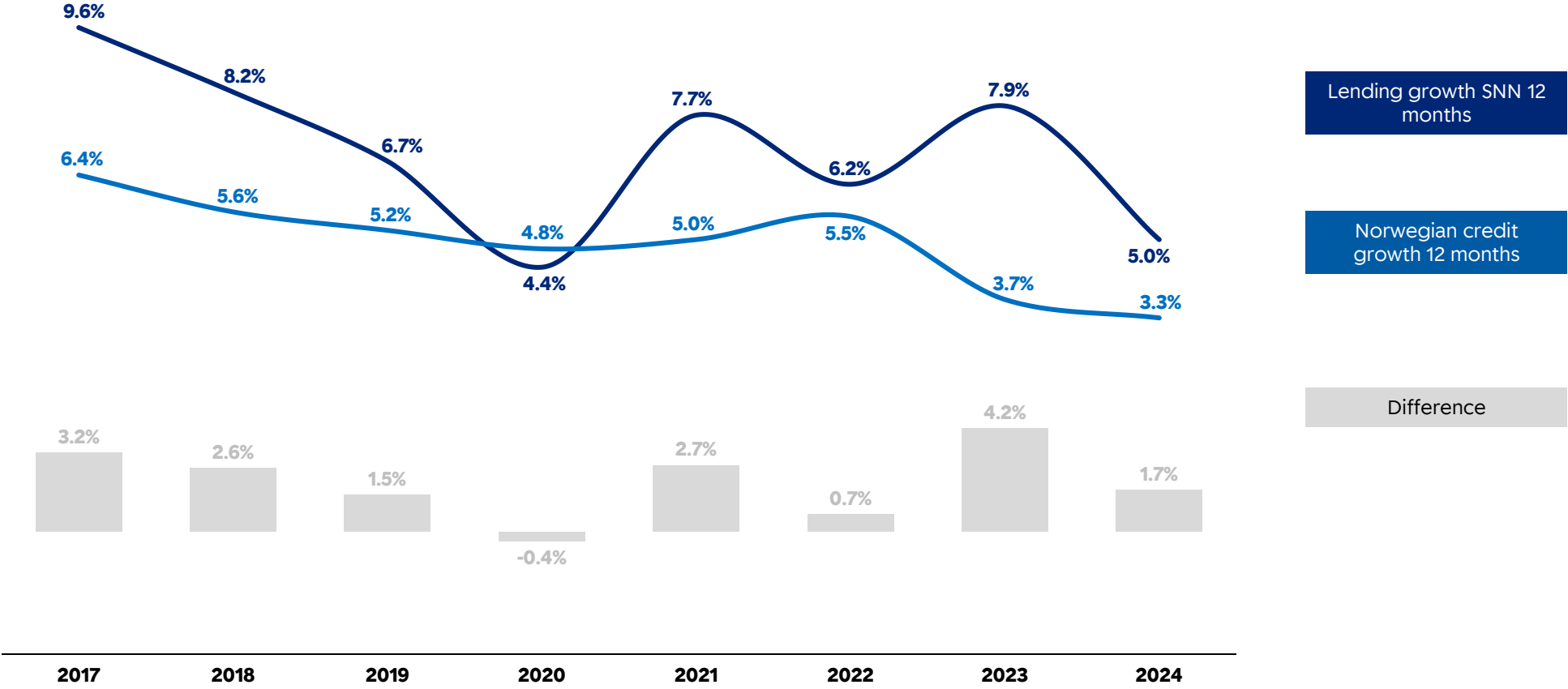
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Norway's best customer service is found here with us!

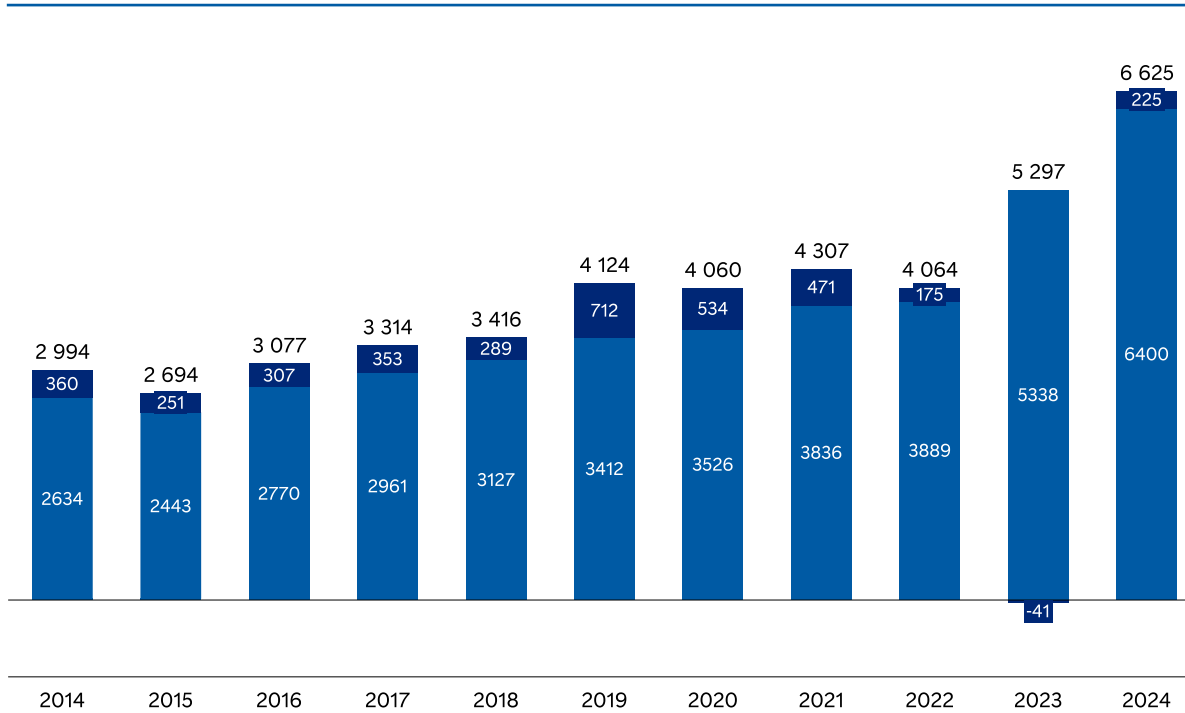


Strong lending growth over time

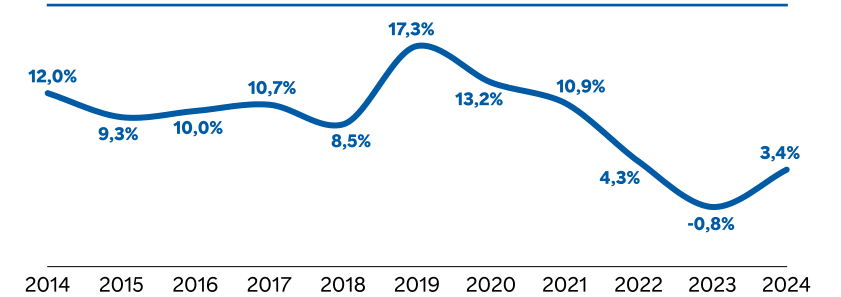


Composition of the Group's income

Total income Group



SpareBank 1 Gruppens share of income

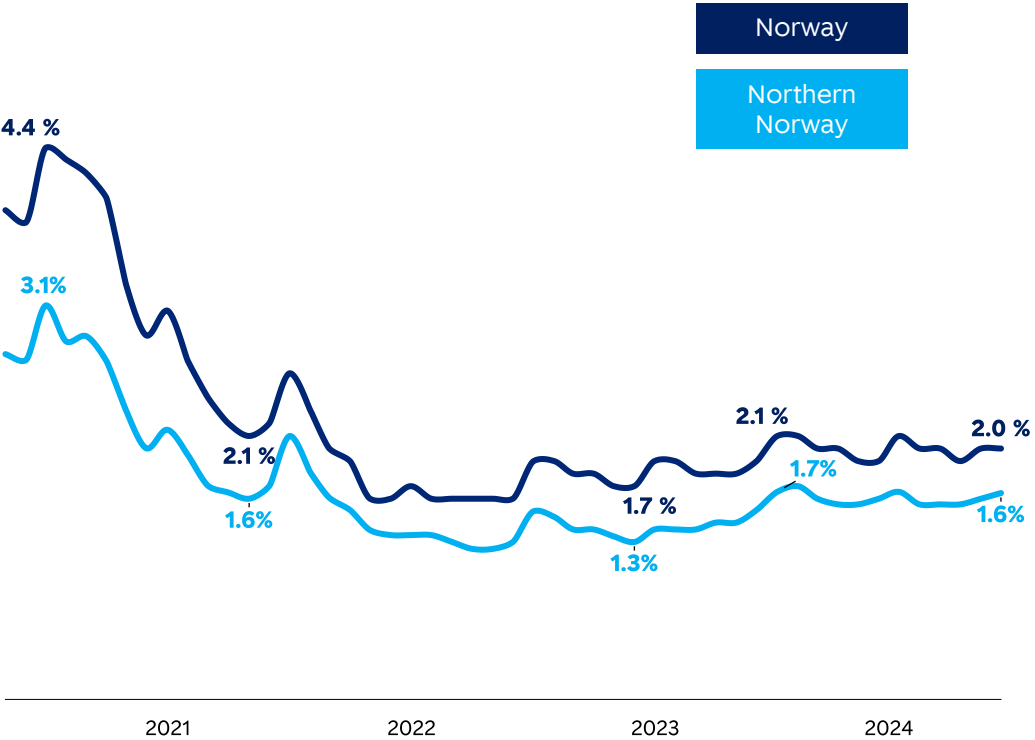


SNN

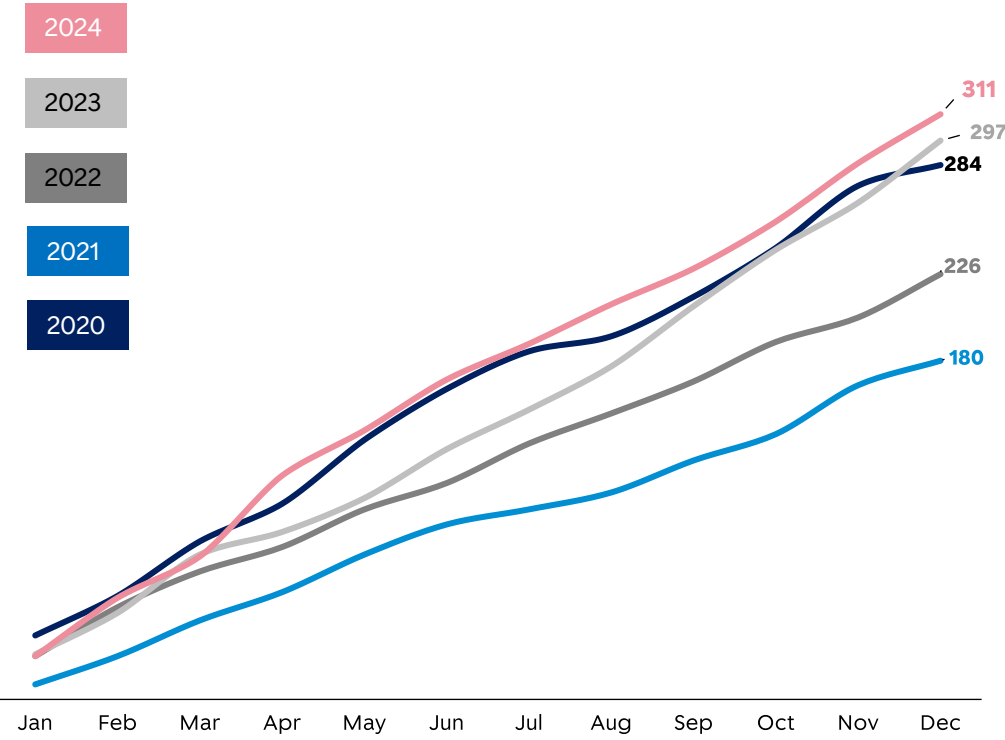
SB1 Gruppen

Strong households and solid corporates

Unemployment, fully unemployd



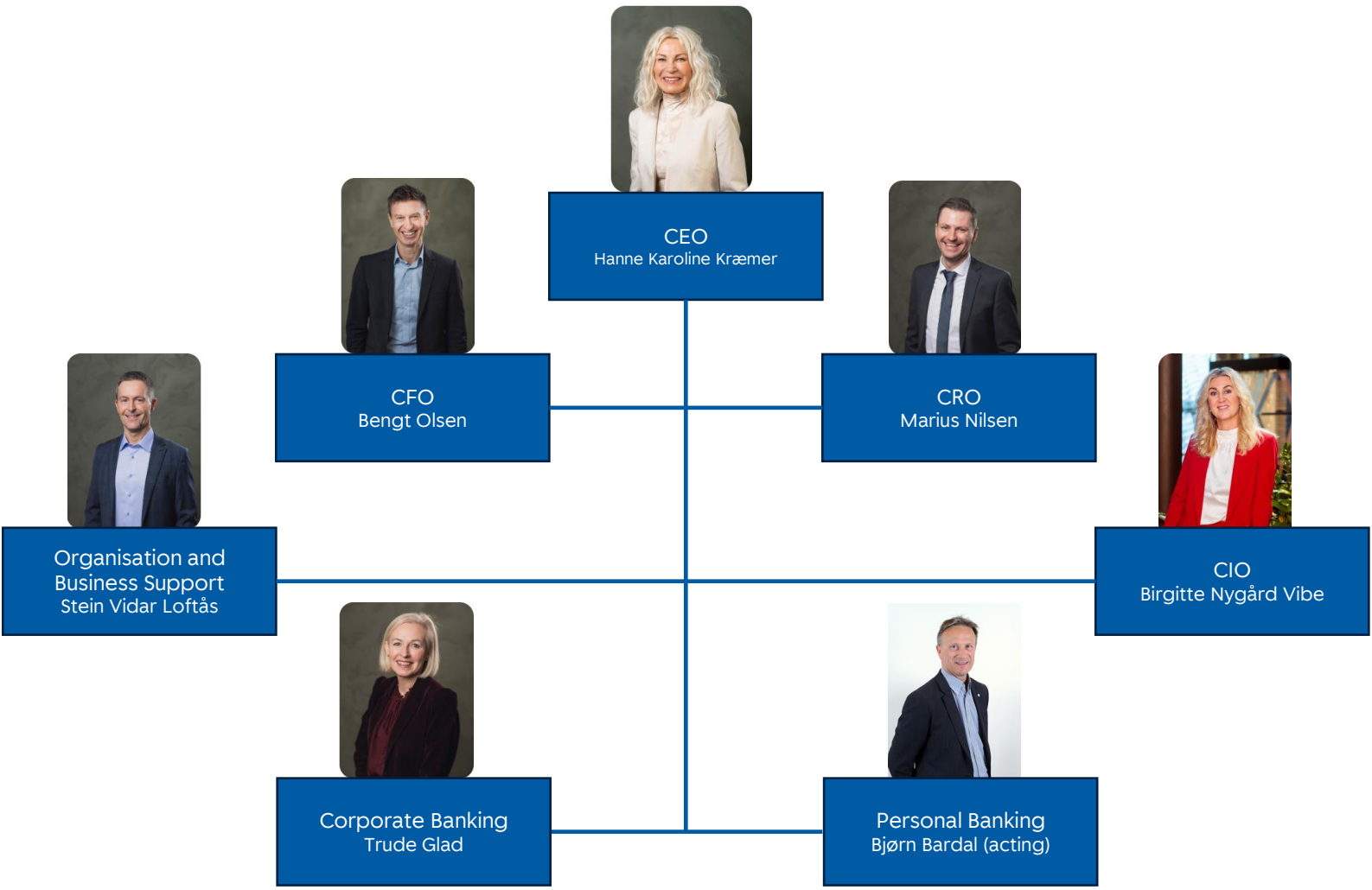
Bankruptcies in Northern Norway



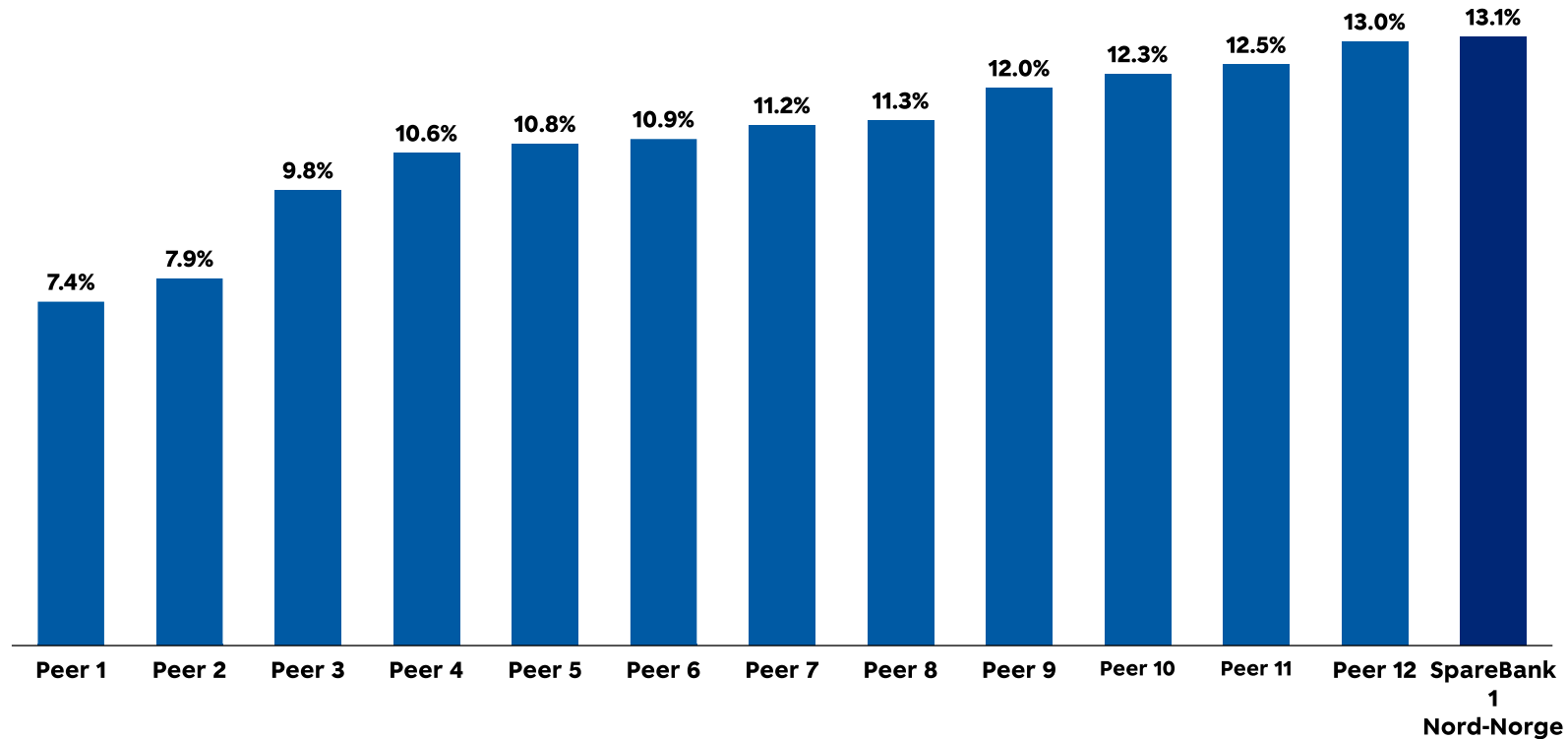
Status and Outlook in Northern Norway

Segment	Status	Outlook
Commercial real estate	●	➔
Fisheries	●	➔
Fish farming	●	➔
Construction	●	➔
Retail sales	●	➔
Tourism	●	➔
Power sector	●	➔

Reorganization in the management



Best average ROE in the Nordics over the last 10 years!



Ambitions for Lending Growth and Market Share

Expected lending growth for SpareBank 1 Nord-Norge in 2025

Retail market: 5-8 %

Corporate market: 4-7 %

The Group is well capitalized. Underlying market growth is lower than in many years, but the region is well positioned compared to the rest of the country. The Group aims to gain market shares.

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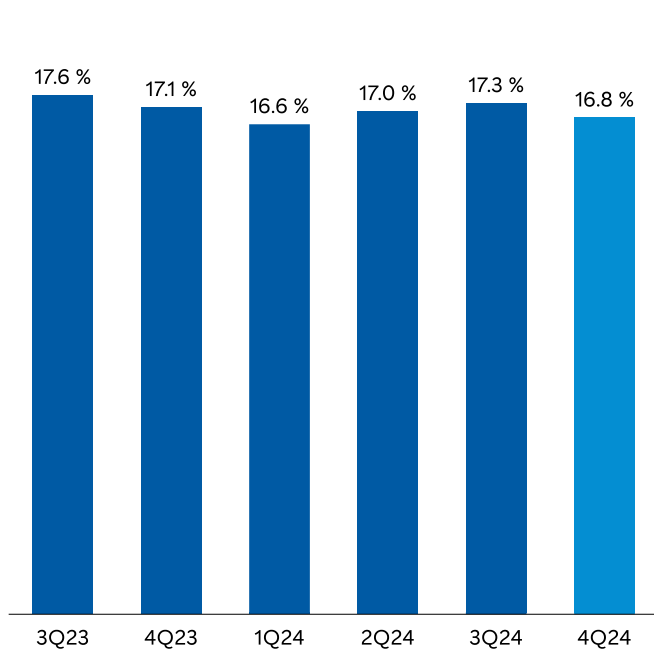


Group Financial Highlights and Key Figures

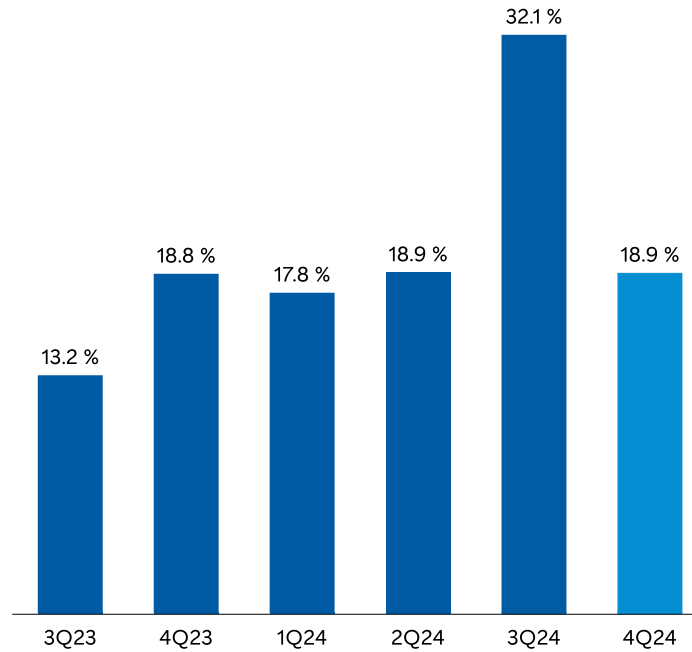
(Amounts in NOK million and in % of average assets)	4Q24	3Q24	4Q23	31.12.24	31.12.23
Net interest income	1 027	1 020	997	4 028	3 627
Net fee- and other operating income	518	352	517	1 541	1 404
Net income from financial investments	146	689	83	1 056	183
Total income	1 691	2 061	1 597	6 625	5 214
Total costs	596	474	578	2 003	1 825
Result before losses	1 095	1 587	1 019	4 622	3 389
Losses	24	35	91	110	116
Result before tax	1 071	1 552	928	4 512	3 273
Tax	219	208	172	849	725
Result after tax	852	1 344	756	3 663	2 548
Interest hybrid capital	27	26	21	100	60
Result after tax ex. interest hybrid capital	825	1 318	735	3 563	2 488
Profitability					
Return on equity capital	18.9 %	32.1 %	18.8 %	21.8 %	16.4 %
Interest margin	3.03 %	3.03 %	2.85 %	3.03 %	2.85 %
Cost/income	35.2 %	23.0 %	36.2 %	30.2 %	35.0 %

Quarterly Development

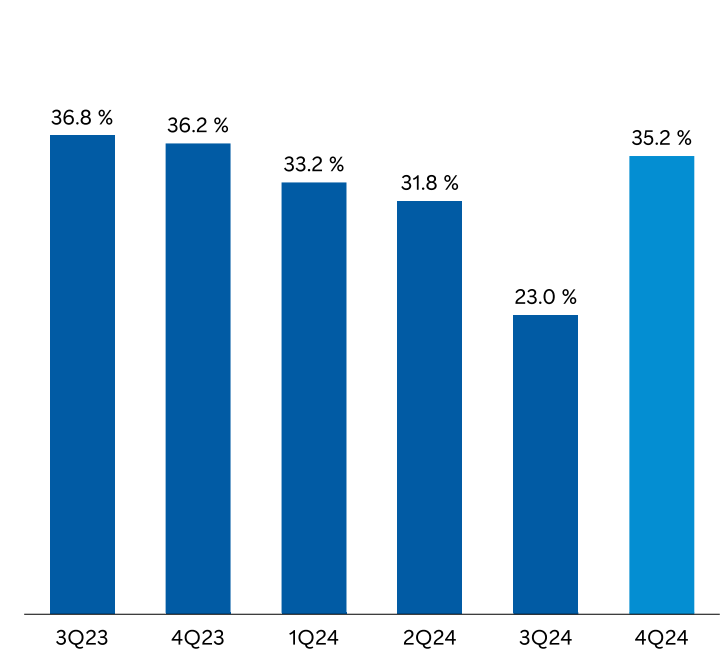
CET1 ratio



Return on equity capital

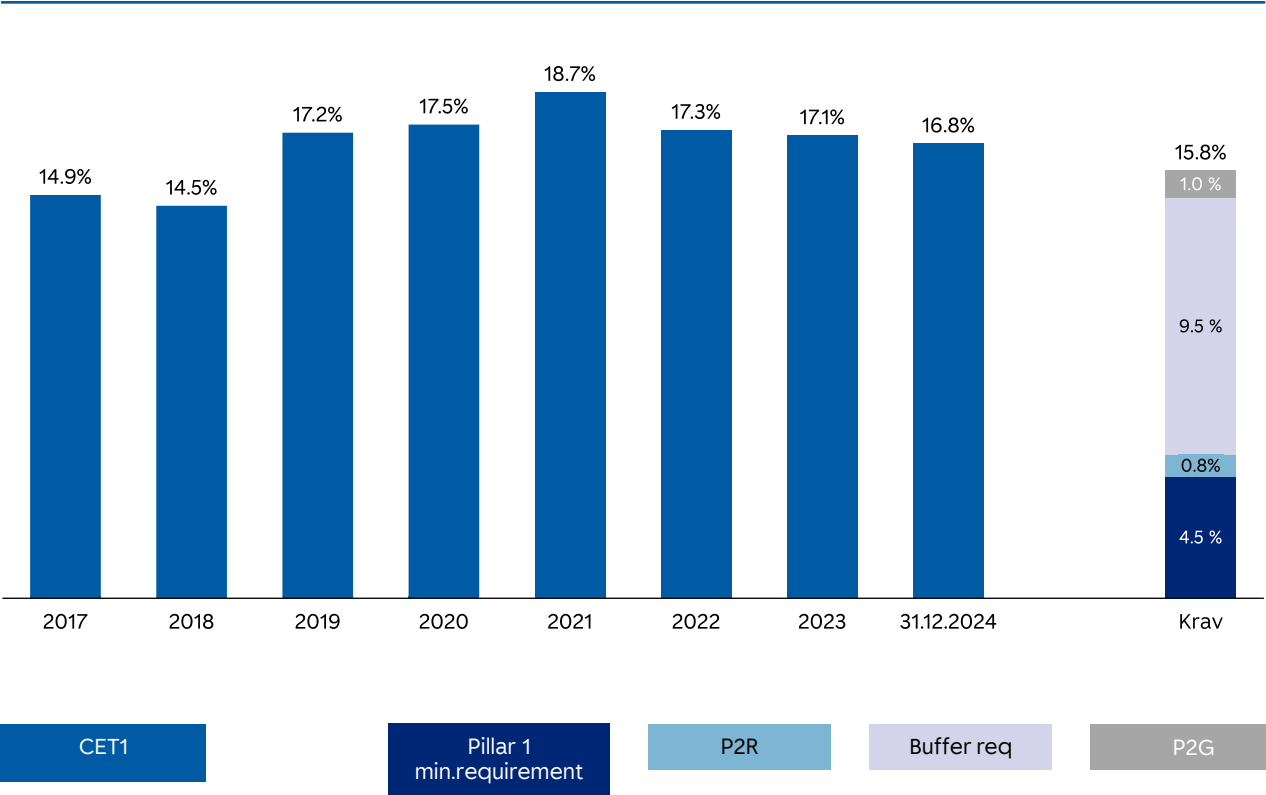


Cost/income Group

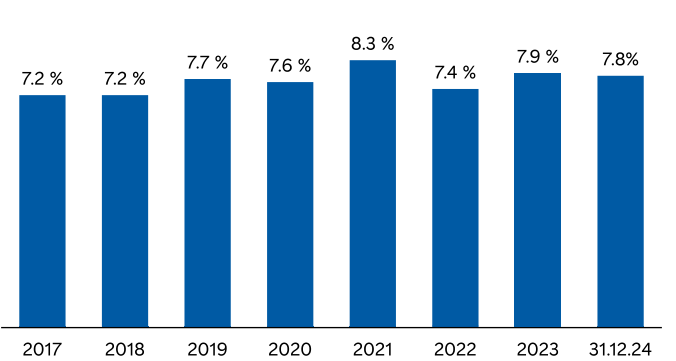


Strong Capital Base

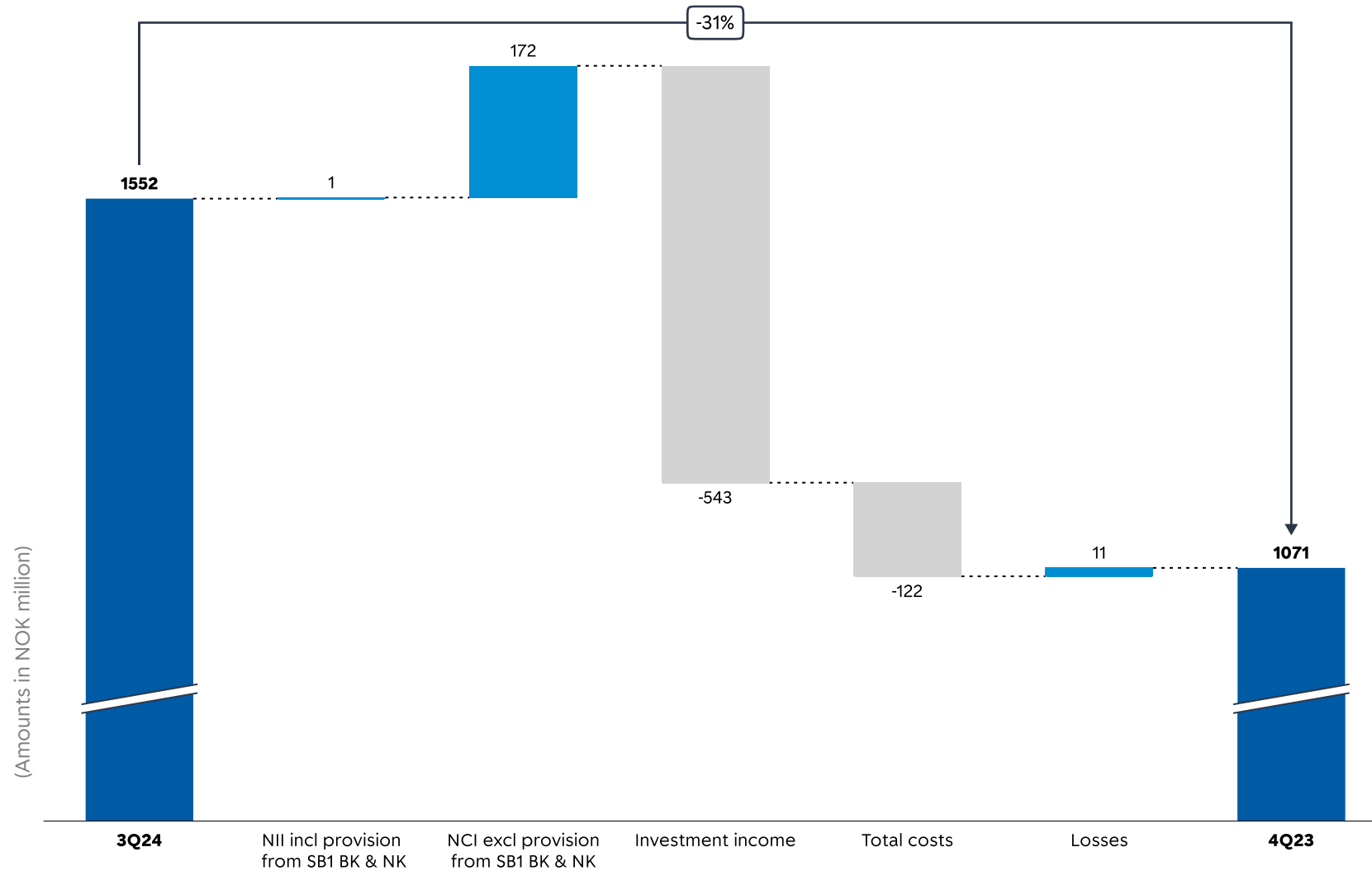
CET1



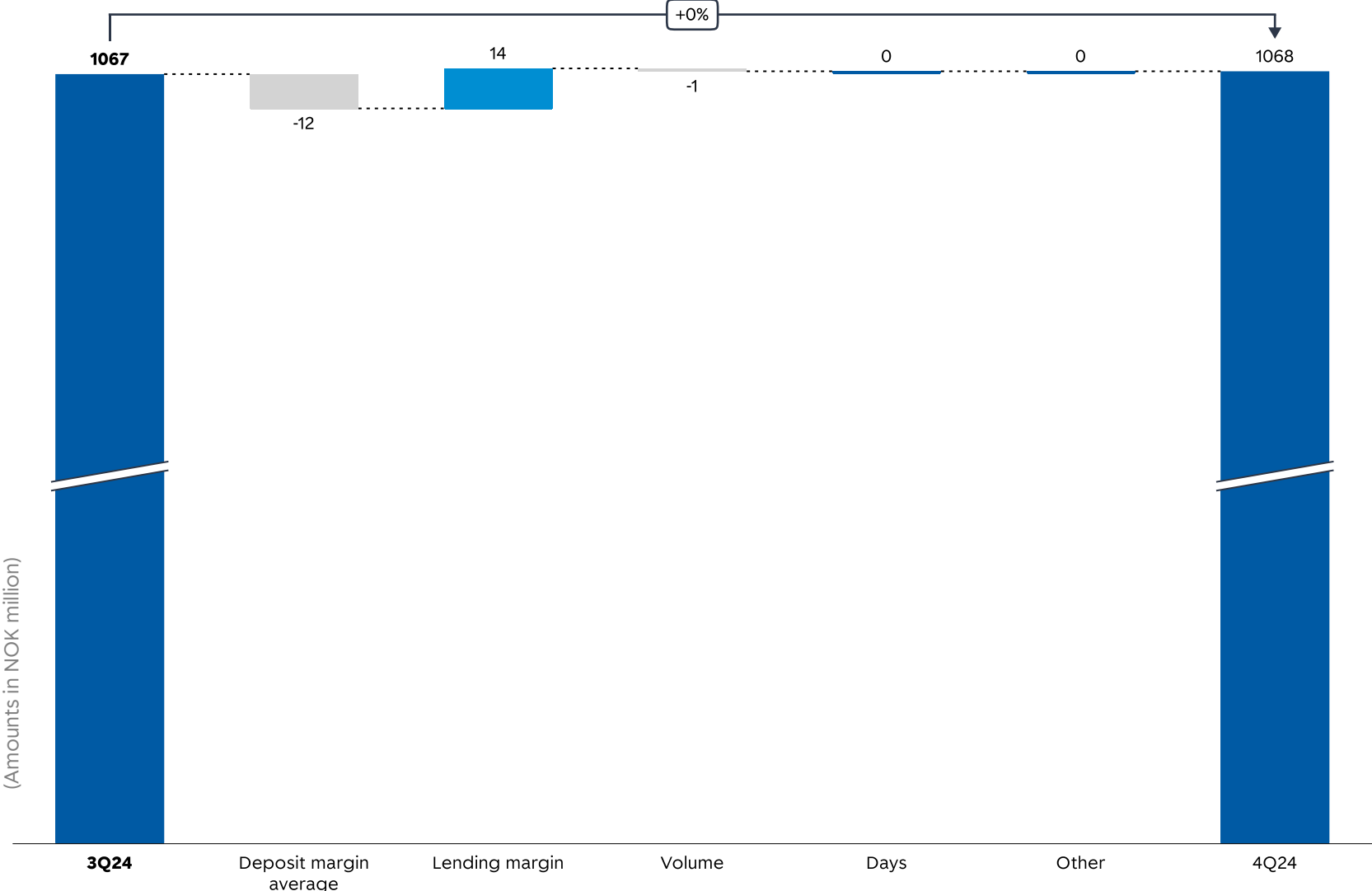
Leverage Ratio



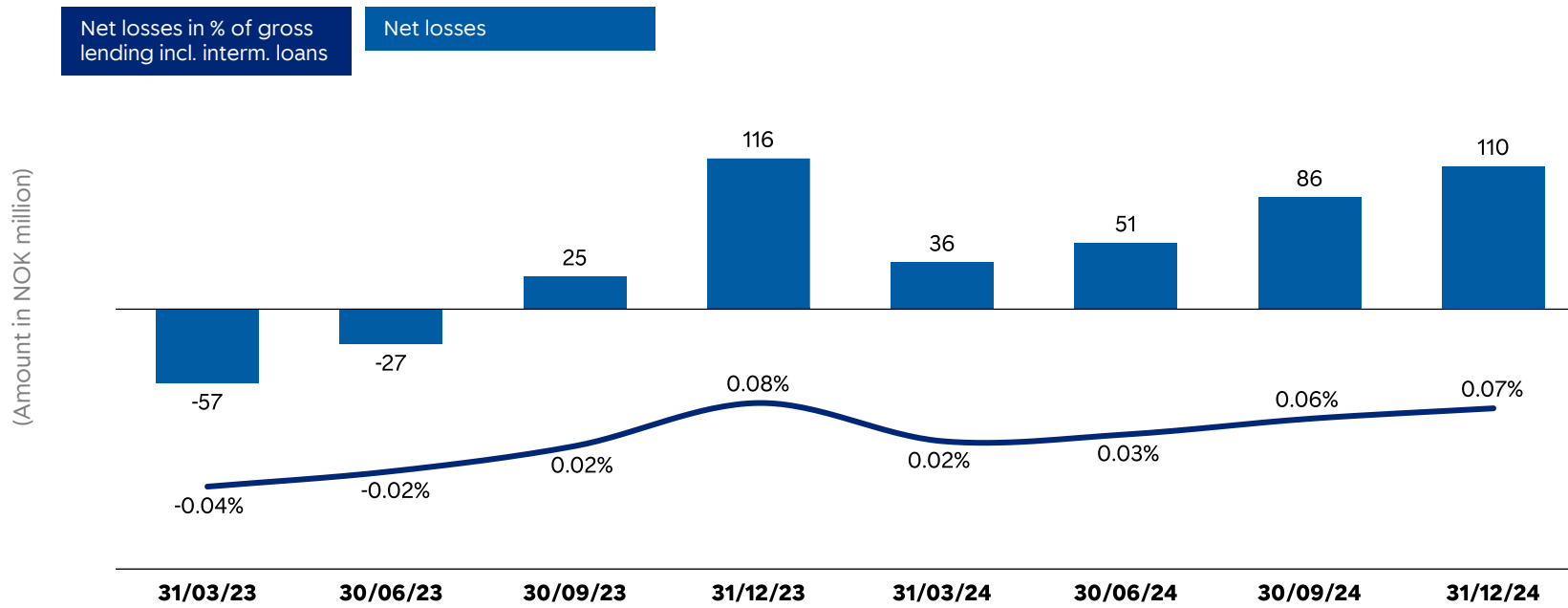
Earnings Before Tax - Last Quarter



Net Interest Income



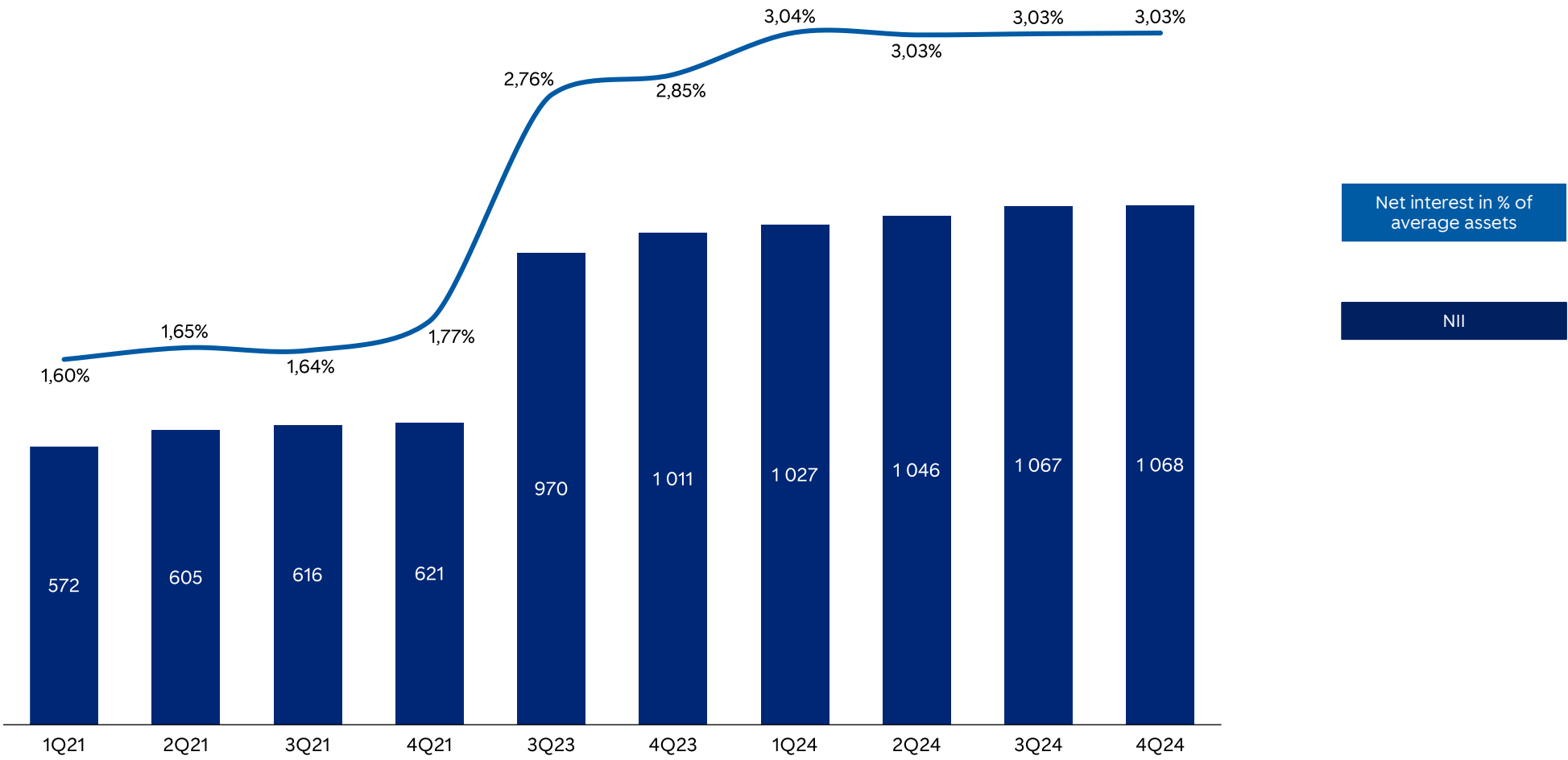
Low Losses



Distribution of losses

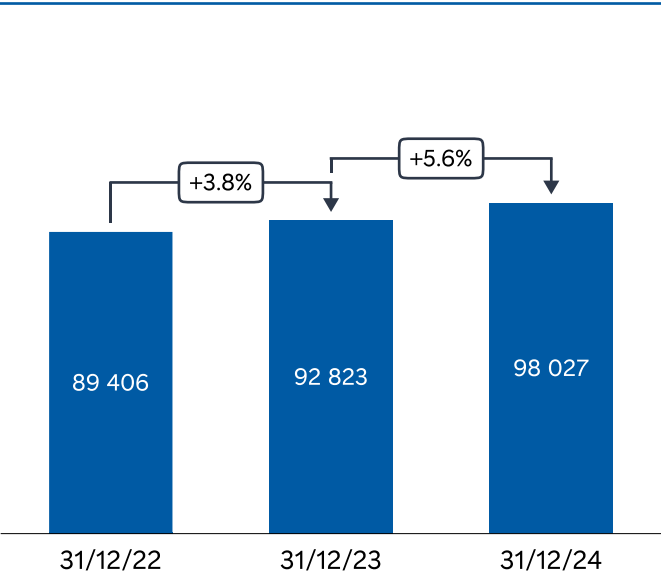


Development in Net Interest Income

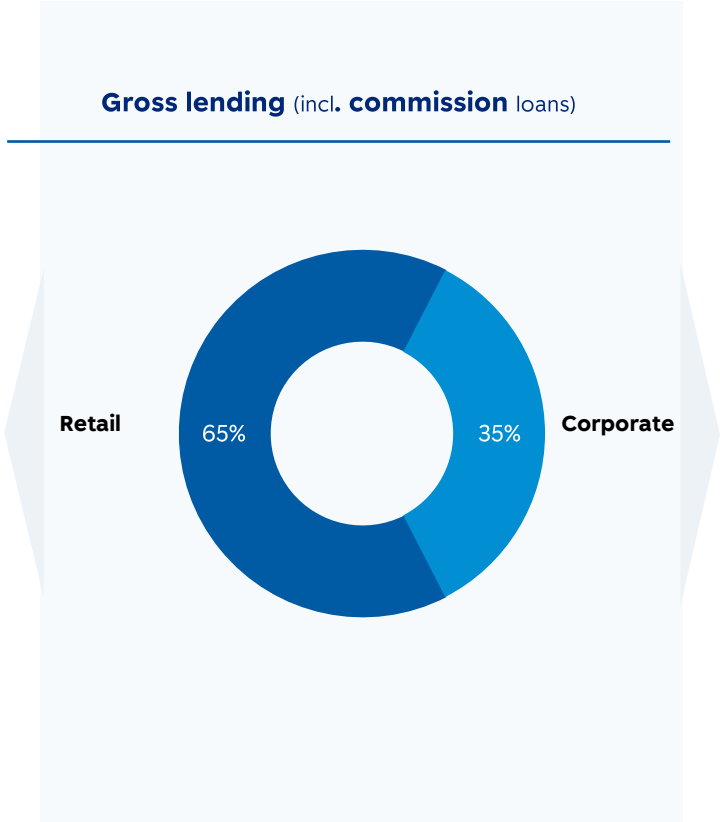


Lending Growth

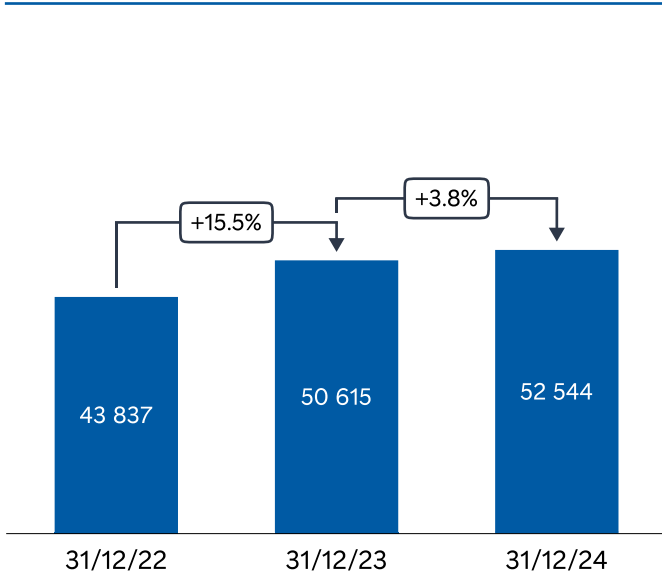
Retail market (incl. commission loans)



Gross lending (incl. commission loans)



Corporate Banking (incl. commission loans)

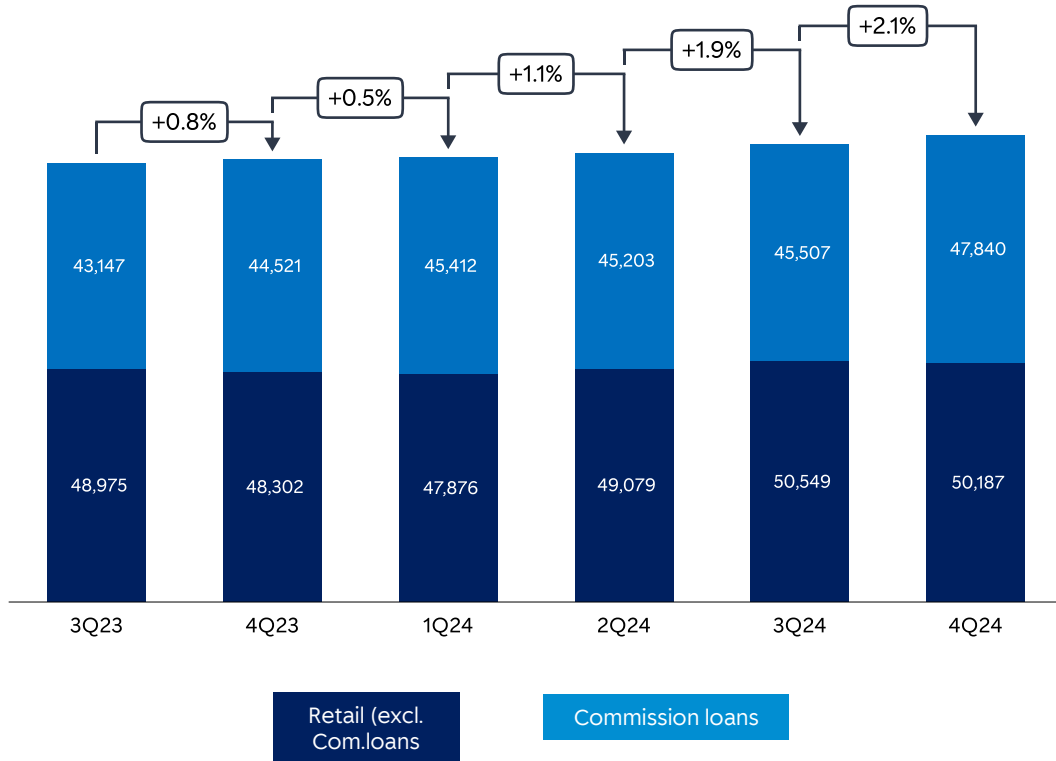


Gross lending (excl. commission loans)

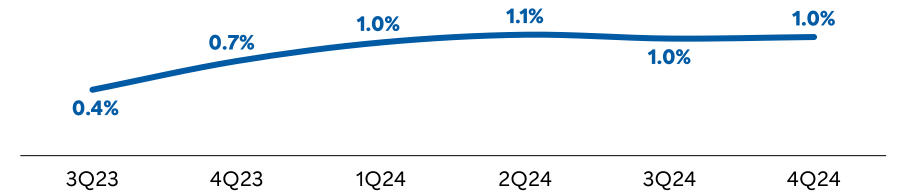


Retail Market

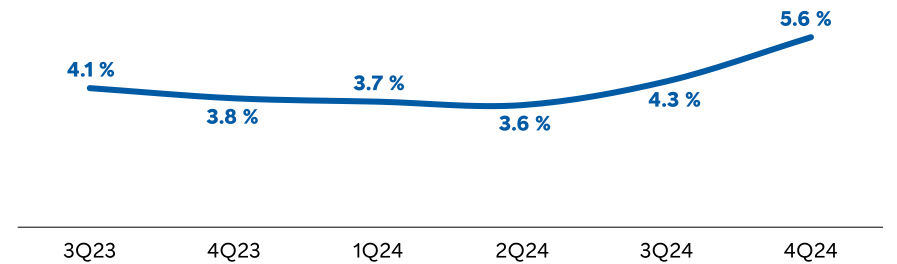
Lending growth



Development in lending margin (ISO)

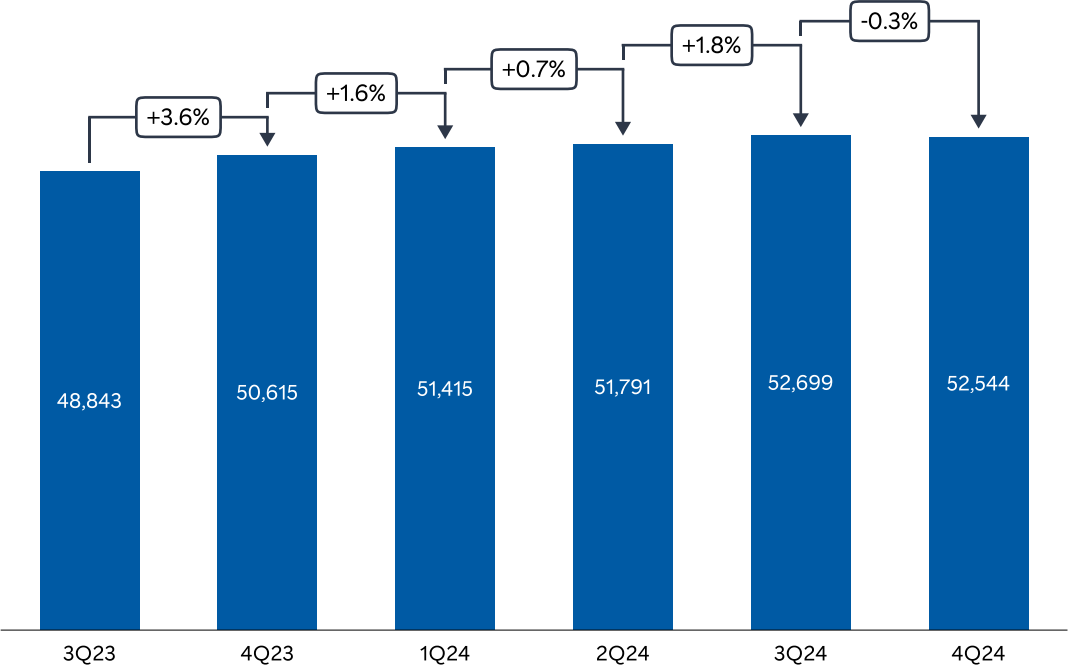


Lending growth (12 mth)

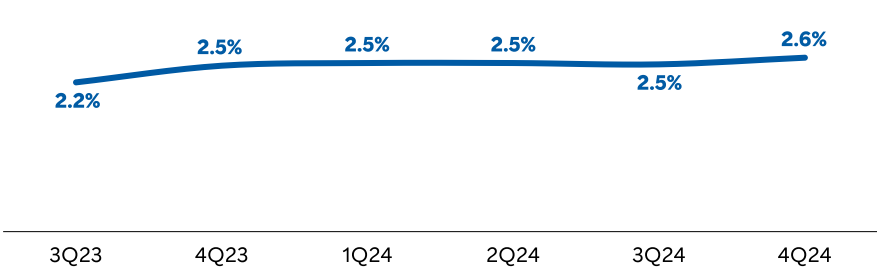


Corporate Banking

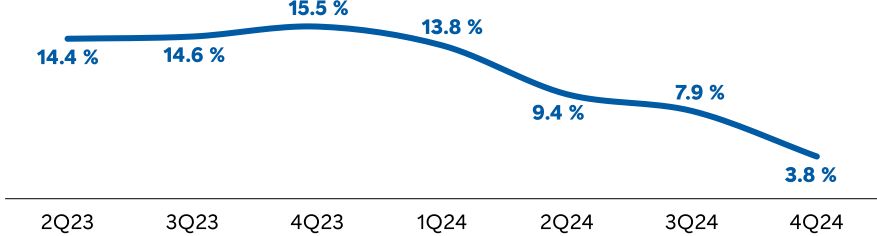
Lending growth



Development in lending margin (ISO)

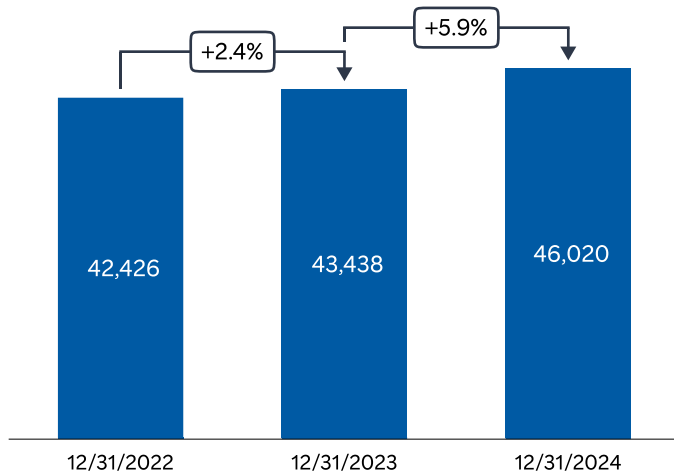


Lending growth (12 mth)

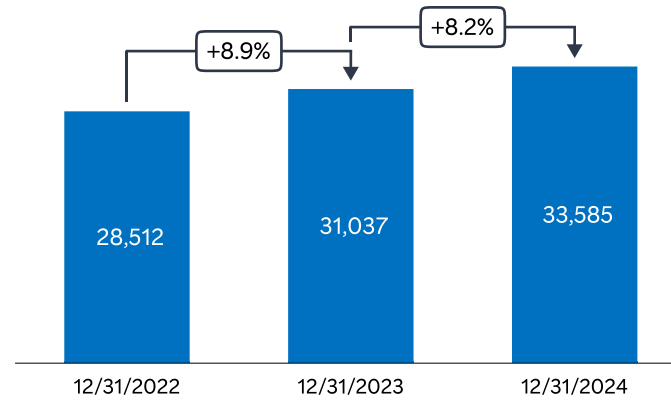


Deposit Growth

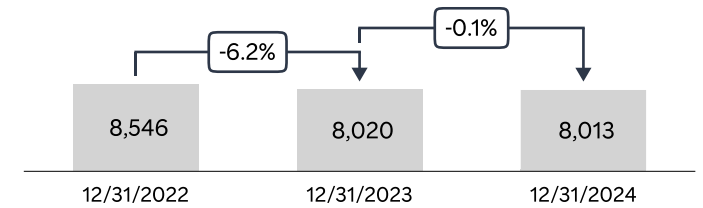
Retail Market



Corporate Banking



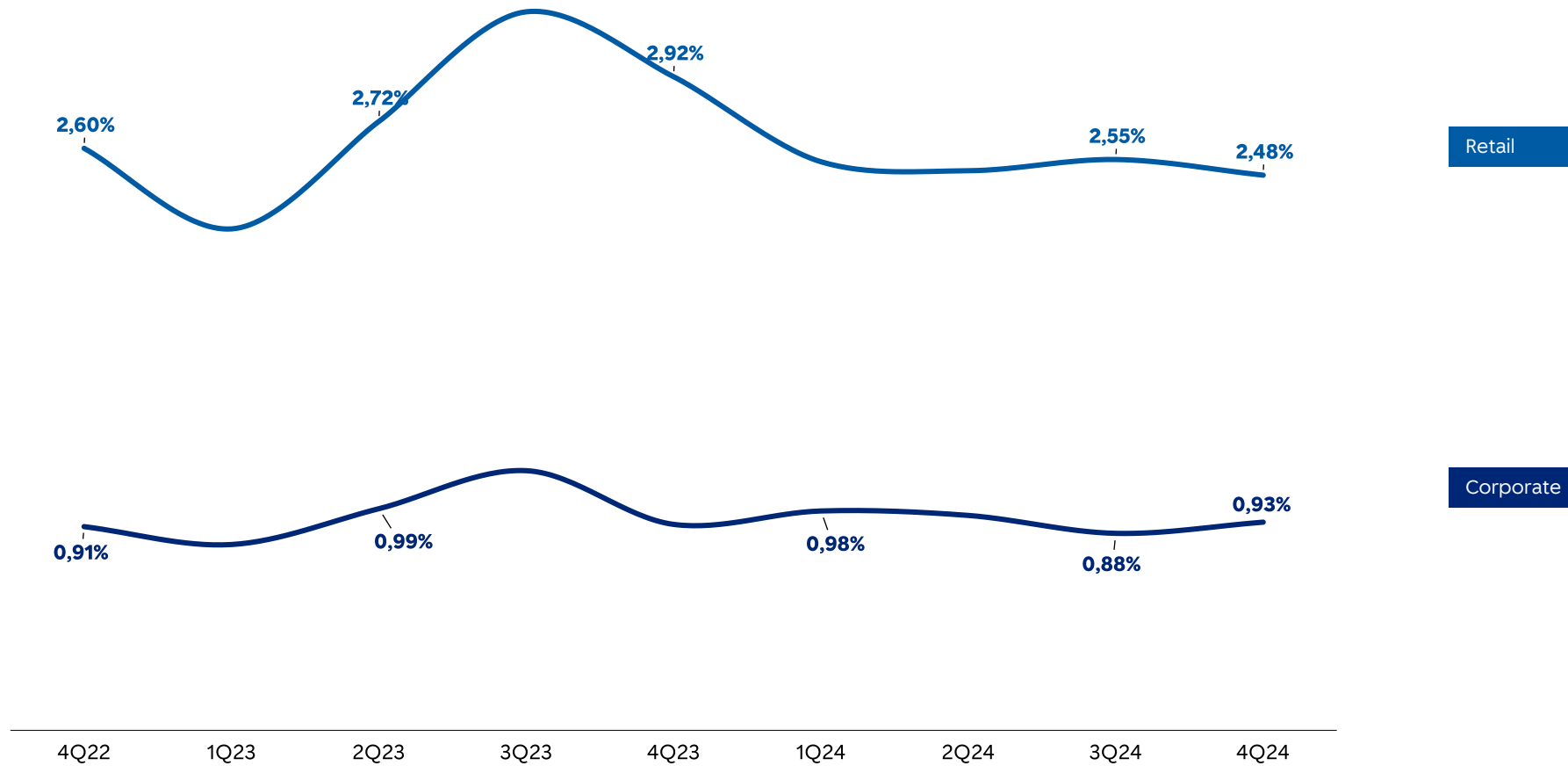
Public sector



Gross deposits



Development in Deposit Margins

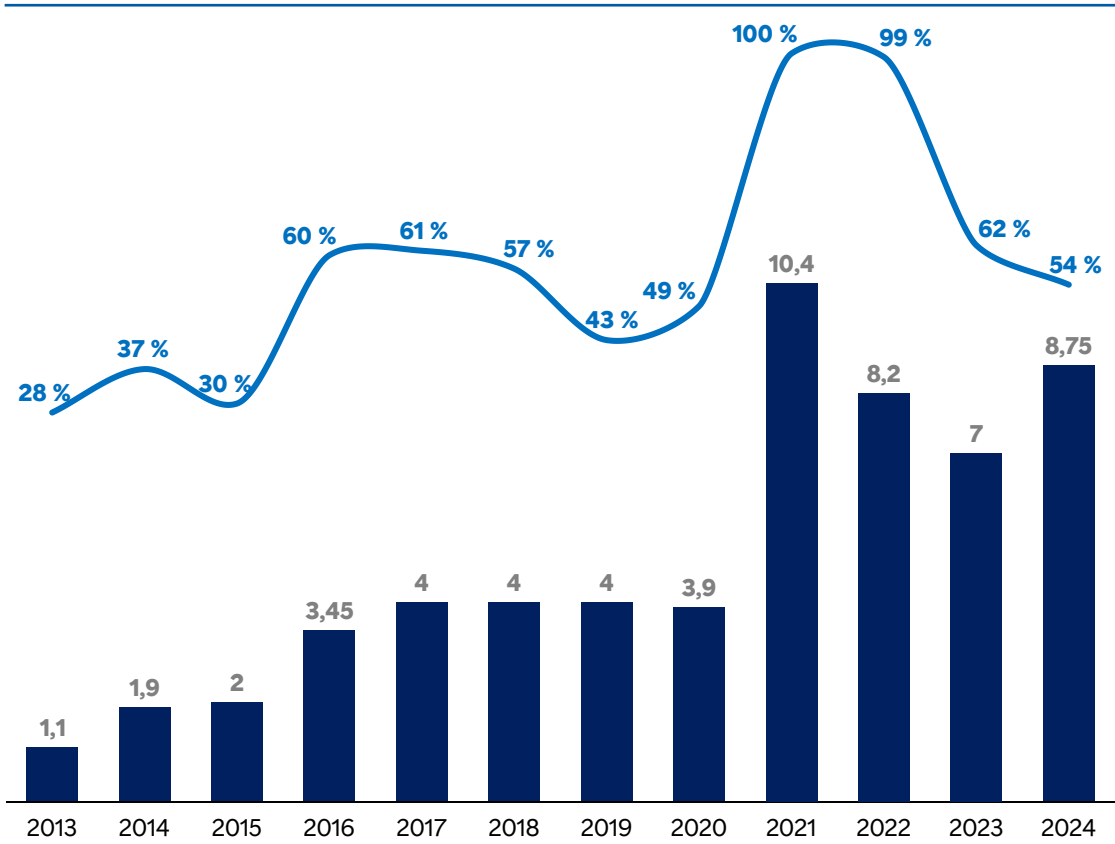


Notice of correction order from the FSA

- The Financial Supervisory Authority of Norway has issued a notice to SNN regarding the correction of the financial statements for 2022 and 2023.
- SNN disagrees with the Financial Supervisory Authority's assessment of the legal basis for such an order and has submitted our comments to the notice and requested a postponement of implementation
- SNN, together with our legal advisors, assesses that we have a probability advantage of prevailing with our view, but there is always a process risk
- SNN adheres to the existing ownership ratio in the Q4 financial statements
- The financial consequences of a possible order are limited:
 - The ownership ratio as of 31.12.2024 will change from 46.36/53.64 to 46.20/53.80
 - This will, all else being equal, reduce the dividend to equity certificate holders for 2024 by NOK 62 million
- SNN assumes that a postponement of implementation will be granted
- The consequences of not getting it or ultimately losing the case are limited
 - Equity certificate holders can be compensated with a skewed distribution of the dividend (62 mNOK) at a later date
 - The ownership ratio can be restored by an extraordinary allocation from the primary capital (gift fund) to charitable purposes of NOK 28 million
 - This requires the approval of the Financial Supervisory Authority

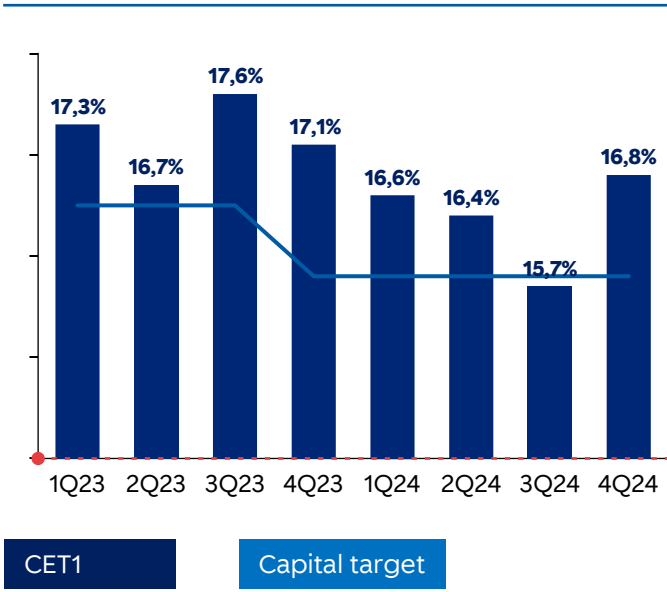
Solid operations yields results – proposed dividend

Historical dividend and dividend yield



Dividend (NOK) Div.yield

Reported CET1 and capital target



CET1 Capital target

Long Term Financial Targets

> 13 %
ROE

< 40 %
C/I ratio

> 50 %
Dividend payout
ratio

15,8 %
CET1 ratio

Financial Outlook

NRI

- The fact that Norges Bank's key policy rate has remained stable throughout 2024 has contributed to Sparebank 1 Nord-Norge (SNN) maintaining its deposit margin and net interest income despite increasingly tough price competition on mortgages. A continued high key policy rate further into 2025, and uncertain expectations about how much the key policy rate will decrease, is all else being equal an advantage for SNN. The bank expects a continued good net interest income through 2025.

ROE

- SNN delivers an extraordinarily high ROE for 2024. This is partly due to one-time effects such as the merger between Fremtind/Eika Forsikring and the recognition of gains from the sale of the pension fund. Nevertheless, the main driver for the high ROE is good underlying banking operations, and the ROE even without the mentioned gains is clearly meeting the target of delivering at a top level compared to peers. The outlook for 2025 is good. We expect continued low losses, the net interest income will remain good, and cost growth will decrease. SNN expects a target-achieving ROE also in 2025.

CET1 Ratio

- SNN has a long-term goal of being indisputably solid, operationalized to a CET1 at least one percentage point above the regulatory requirement. As of 2025, the regulatory requirement is 14.8%, and the minimum requirement for Common Equity Tier 1 (CET1) capital is 15.8%. With a CET1 of 16.8% as of 31.12.24, SNN is well positioned in relation to this requirement, and the bank has room for growth and new regulatory requirements, including the specific Norwegian requirement for a minimum 25% risk weight on mortgages for IRB banks.

Cost/income

- SNN has had higher cost growth than desired over the past 2 years, driven by top-line growth in the parent bank and in the subsidiaries, strong inflation, high wage growth, and regulatory requirements (AML, etc.). However, the mentioned top-line growth has also contributed to significantly improving our C/I during the same period, and it is now just above 30%. The bank is now taking cost measures that will have some effect in 2025. At full effect in 2027, these measures will reduce costs by 40-50 million NOK - all else being equal. With this, the bank will achieve its cost percentage target in 2025 and beyond.

Pay out ratio

- SNN's dividend policy indicates a dividend of more than 50%. For 2024, we deliver a dividend of 8.75 NOK per equity certificate, which corresponds to a payout ratio of 53.7%. Taking into account the merger gain from Fremtid/Eika, which does not provide cash flow, this year's dividend corresponds to a payout ratio of 61.6%. SNN is solid, has good earnings, balanced growth, and emphasizes providing a continuous direct return. Everything is in place for the bank to deliver a target-achieving dividend also for 2025.

Why Invest in SpareBank 1 Nord-Norge

#1

- Market leader in a resourceful region

ROE

- Ambitious, top class financial targets
- Implements new KPI measures to maintain top class ROE



- Owner friendly dividend policy and strong capitalization
- High relative ownership in SpareBank 1 Group, other alliance companies and Norwegian banking infrastructure

Contacts

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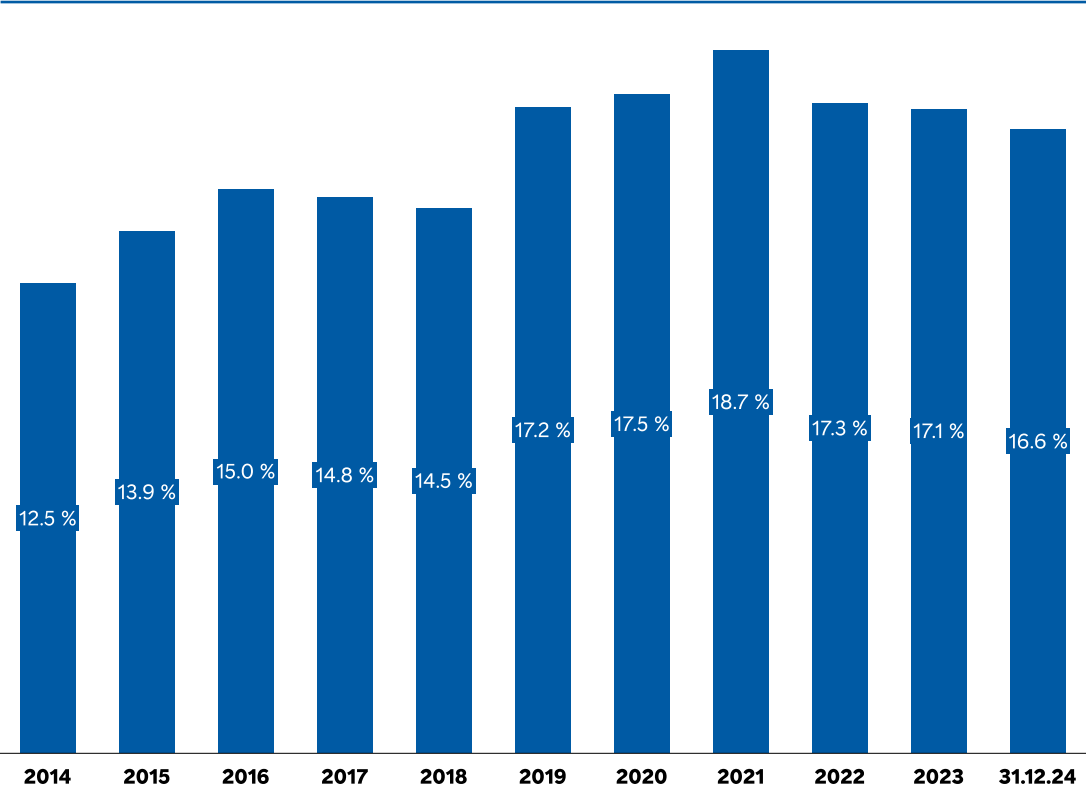


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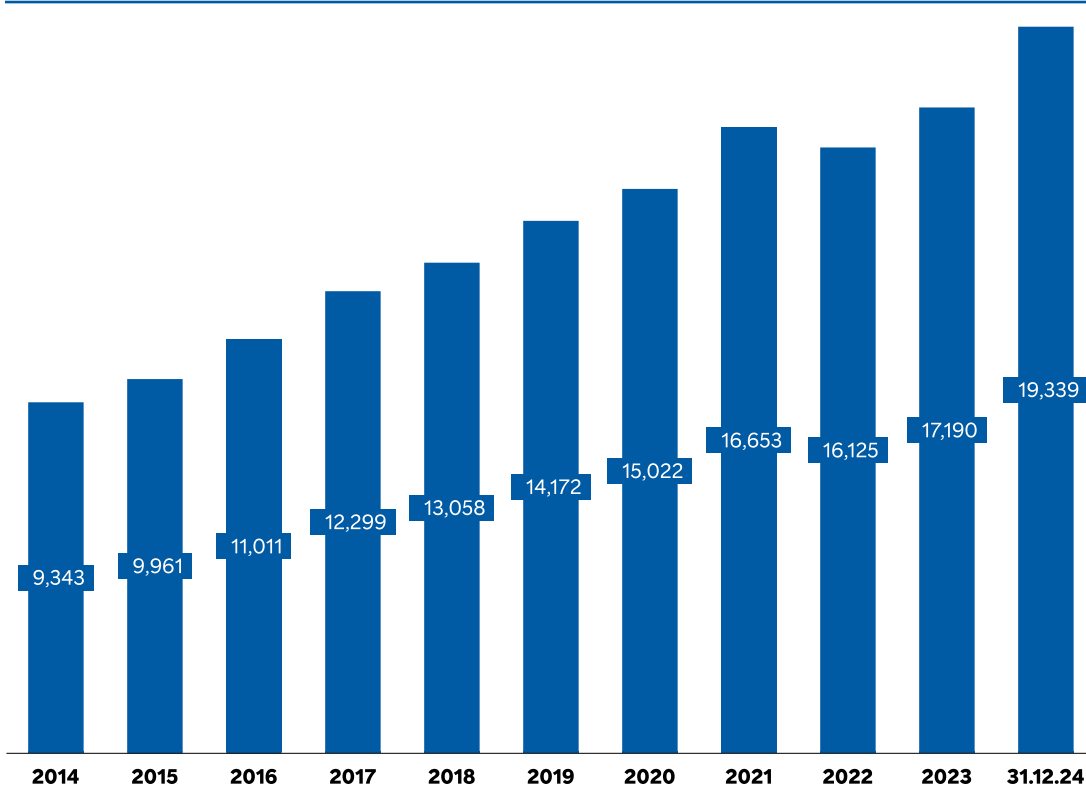


A Solid Bank For Northern Norway

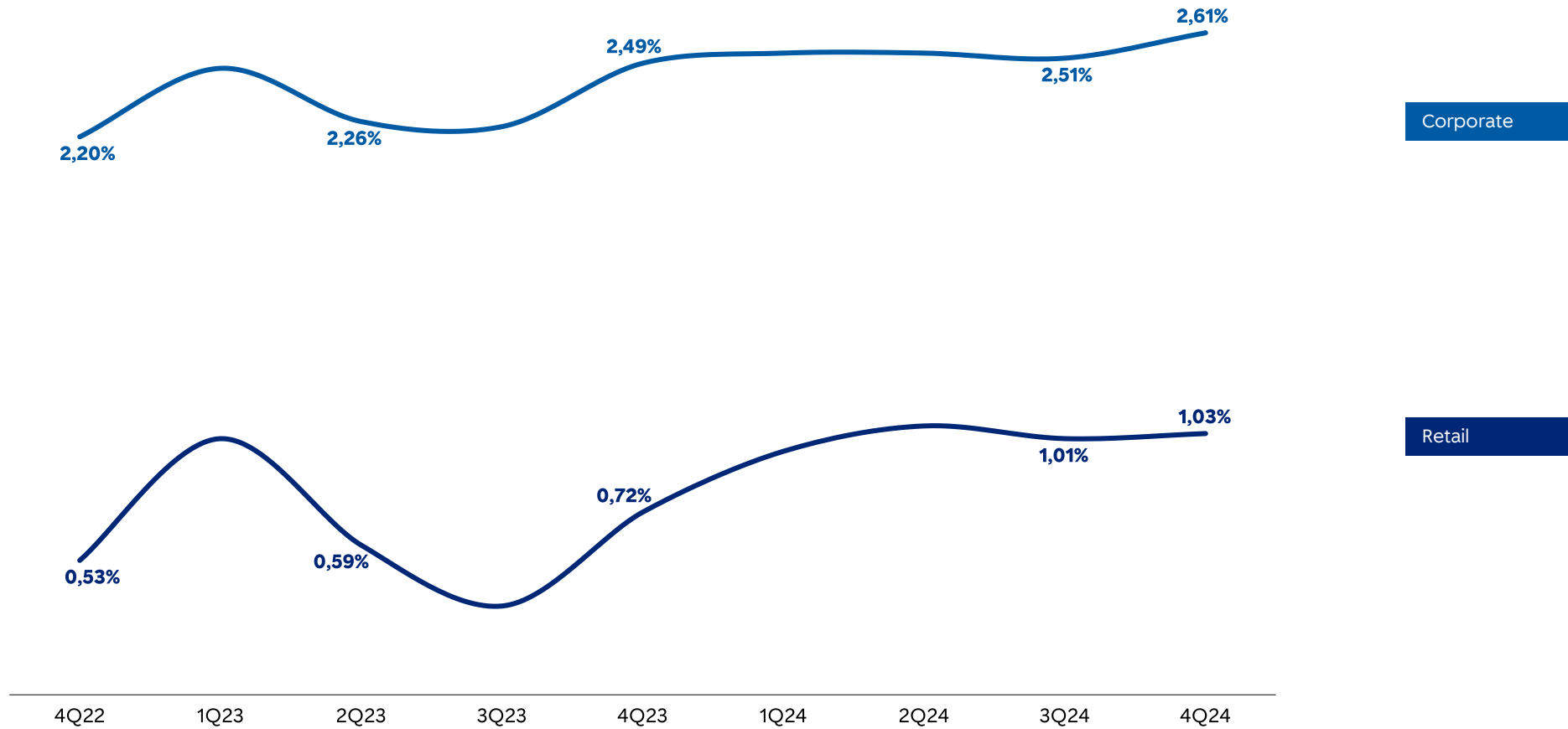
CET1 ratio



Total equity (mNOK)



Development in Lending Margins



Company Structure

Associated companies and joint ventures

SpareBank 1 Gruppen AS
19.50 % | Financial services

SpareBank 1 Boligkreditt AS
16.21 % | Covered bond company

**SpareBank 1
Næringskreditt AS**
0.58 % | Covered bond company

SpareBank 1 Utvikling DA
18 % | System development

Kredittbanken ASA
13.18 % | Credit card

SpareBank 1 Betaling AS
17.94 % | Vipps/mobile pay

**SpareBank 1
Gjeldsinformasjon AS**
13.83 % | Investment company

**SpareBank 1 Bank og
Regnskap AS**
25 % | Innovation

**SpareBank 1 Mobilitet
Holding AS**
30.66 % | System development

SpareBank 1 Forvaltning AS
12.08 % | Investment company

SpareBank 1 Markets AS
18.06 % | Investment bank

Subsidiaries

**SpareBank 1 Finans Nord-
Norge AS**
85 % | Loan/consumer finance/leasing

**EiendomsMegler 1 Nord-
Norge AS**
85 % | Real estate brokerage

Fredrik Langes Gate 20 AS
100 % | Commercial property

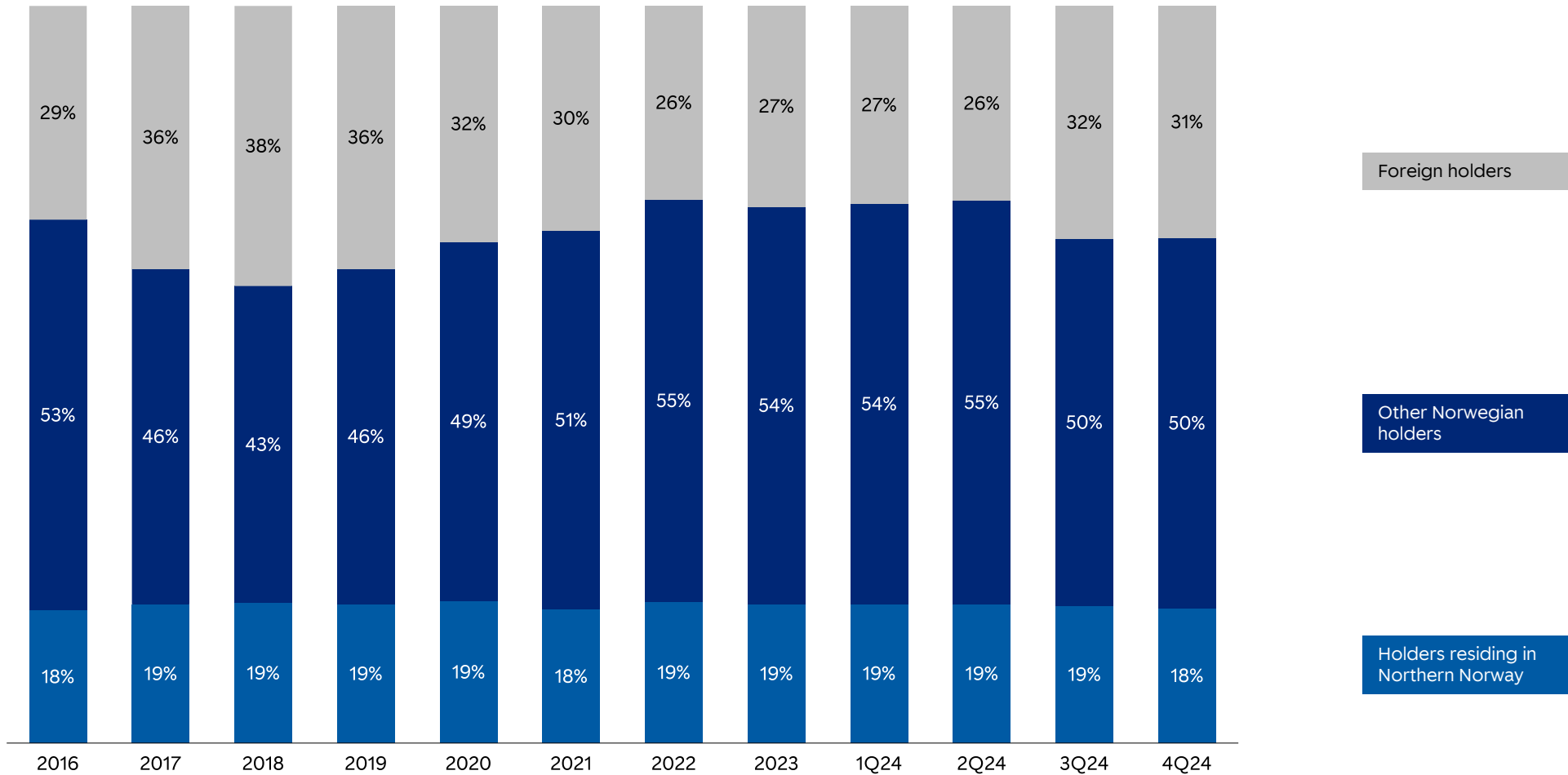
**SpareBank 1 Regnskaps-
huset Nord-Norge AS**
85 % | Accounting

**SpareBank 1 Nord-Norge Portefølje
AS**
100 % | Investment company

Rødbanken Holding AS*
100 % | Investment company

*) Not consolidated

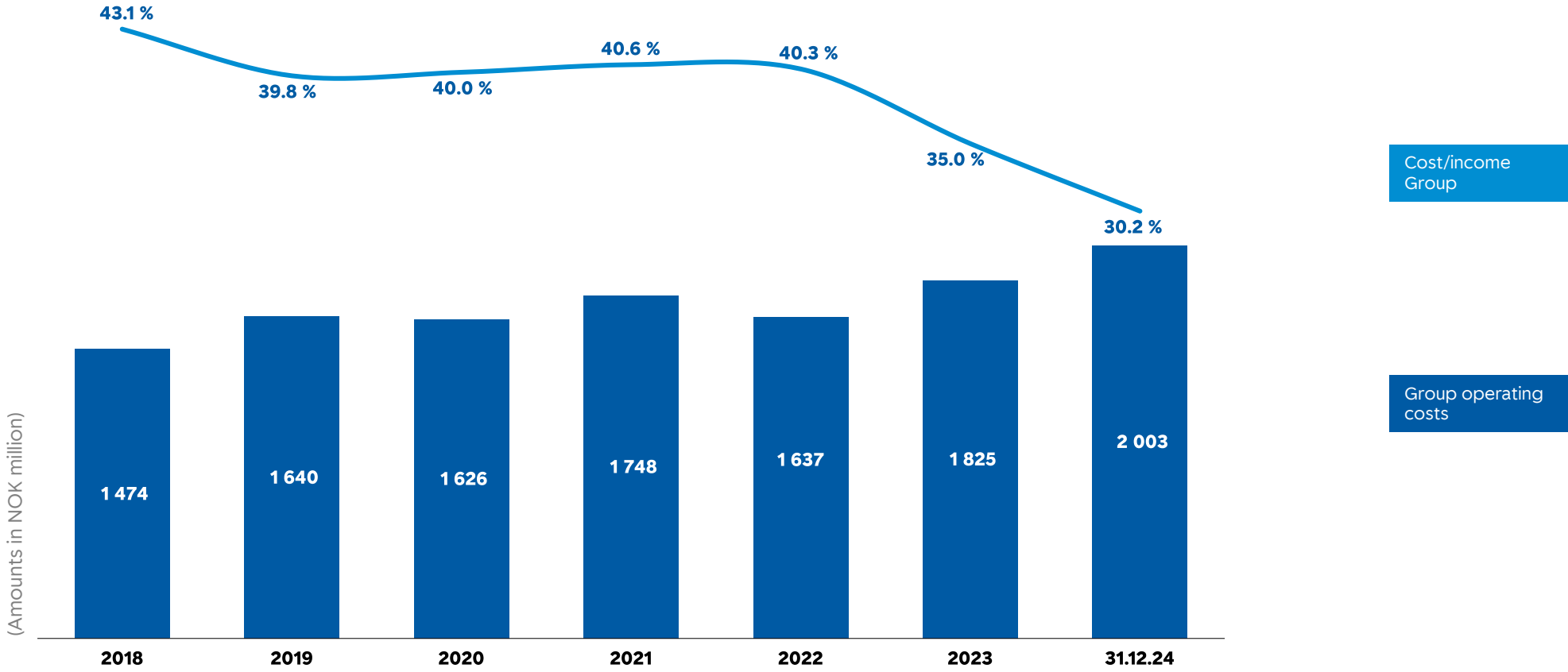
Geographical Distribution of Ownership



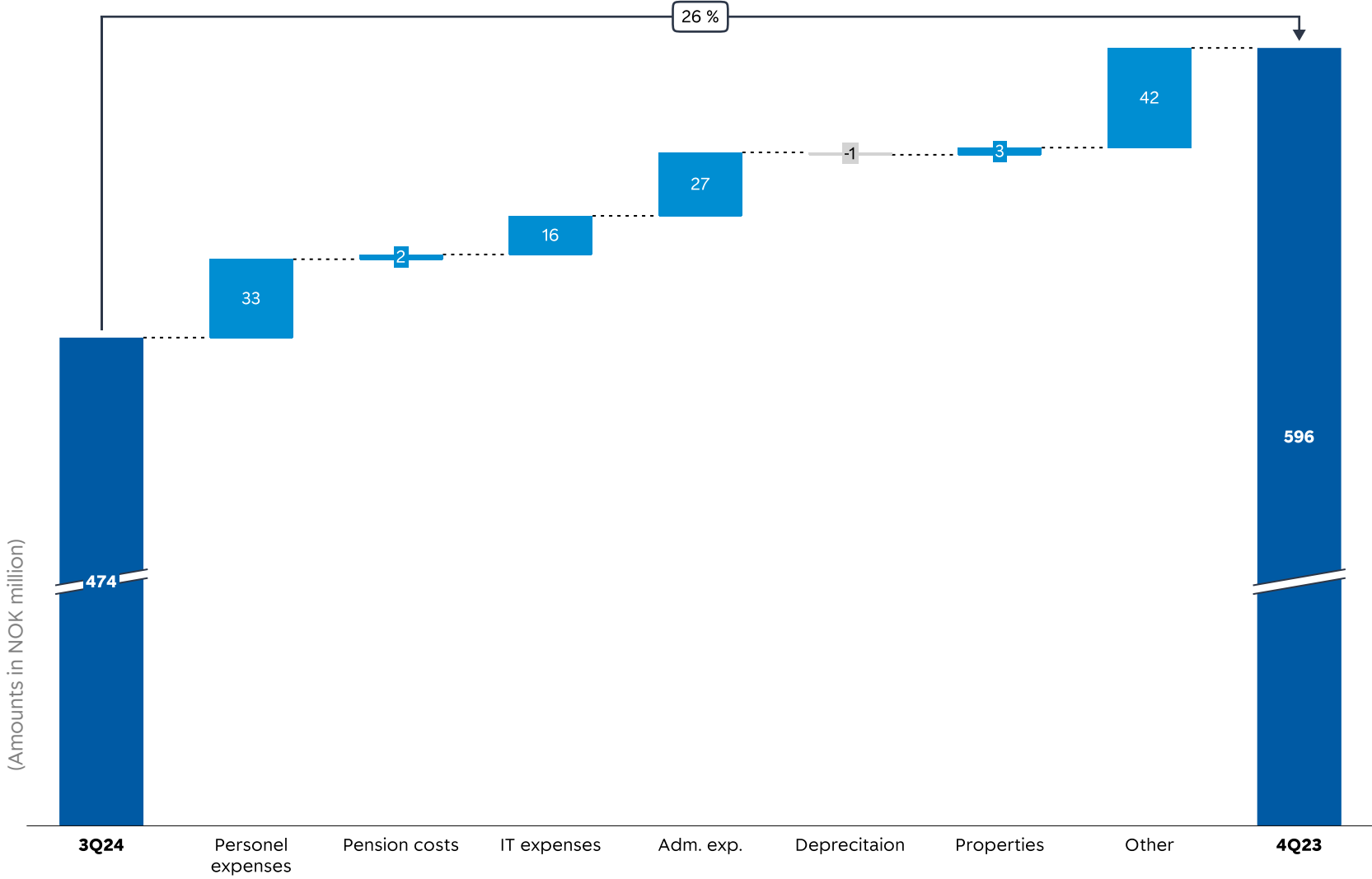
The 20 Largest EC Holders

EC Holders	Number of ECs	Share of EC Capital
Skandinaviska Enskilda Banken AB	5.3M	5,2 %
Pareto Aksje Norge Verdipapirfond	4.8M	4,8 %
Verdipapirfond Eika Egenkapitalbevis	4.3M	4,3 %
Geveran Trading Company Ltd	3.9M	3,8 %
Kommunal Landspensjonskasse Gjensidige	3.4M	3,4 %
MP Pensjonskasse	2.4M	2,4 %
Brown Brothers Harriman & Co.	2.4M	2,3 %
Forsvarets Personellservice	1.9M	1,8 %
State Street Bank and Trust Comp	1.6M	1,6 %
State Street Bank and Trust Comp	1.5M	1,5 %
Spesialfondet Borea Utbytte	1.5M	1,5 %
Sparebankstiftelsen SpareBank 1 Nord-Norge	1.4M	1,4 %
The Northern Trust Comp, London	1.2M	1,2 %
Brown Brothers Harriman & Co.	1.1M	1,1 %
Verdipapirfond SpareBank 1 Utbytte	1.1M	1,0 %
J.P. Morgan SE	1.0M	1,0 %
State Street Bank and Trust Comp	951K	0,9 %
State Street Bank and Trust Comp	880K	0,9 %
Landkreditt Utbytte	821K	0,8 %
Brown Brothers Harriman & Co.	735K	0,7 %
Total	41,958,860	41,8 %

Cost Development



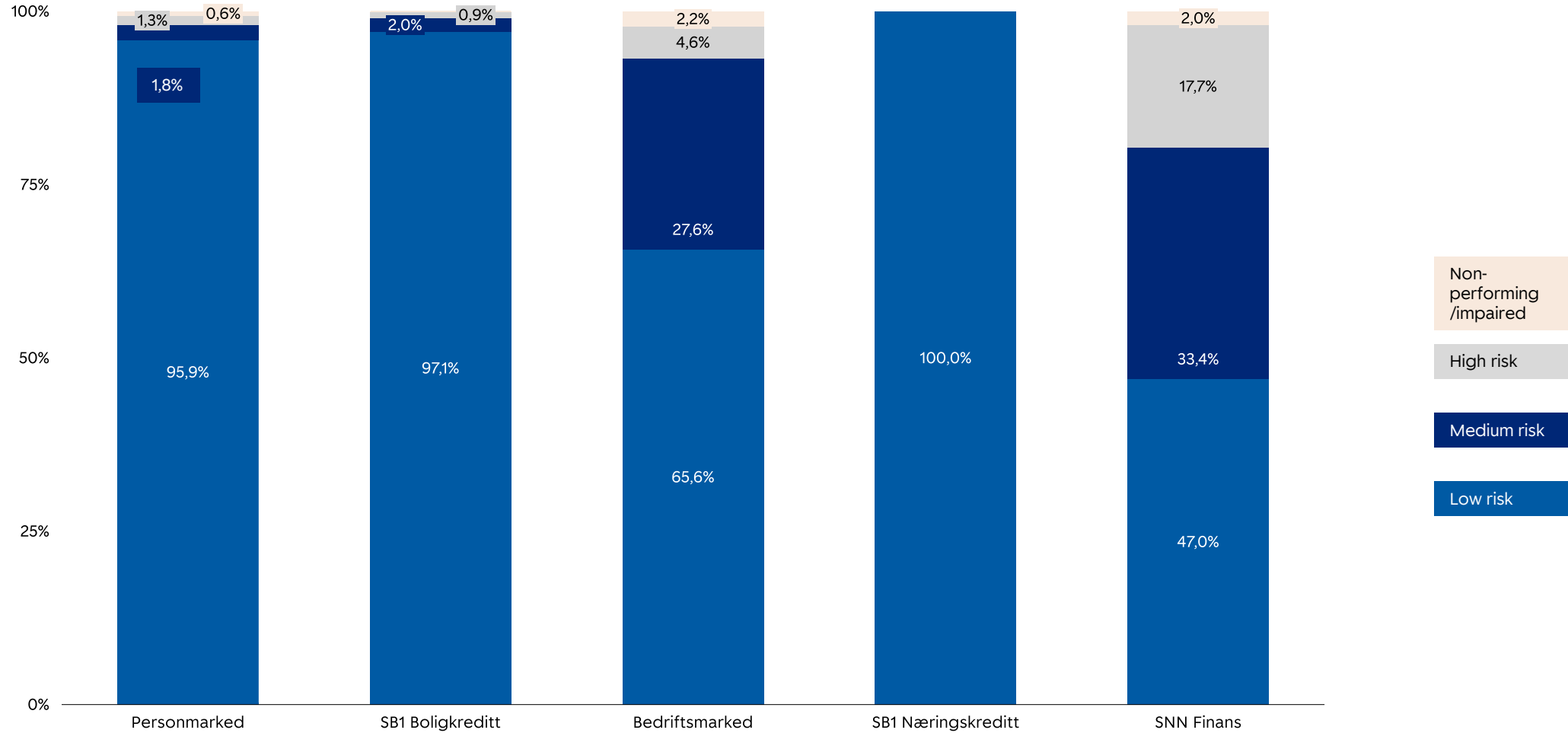
Operating Expenses



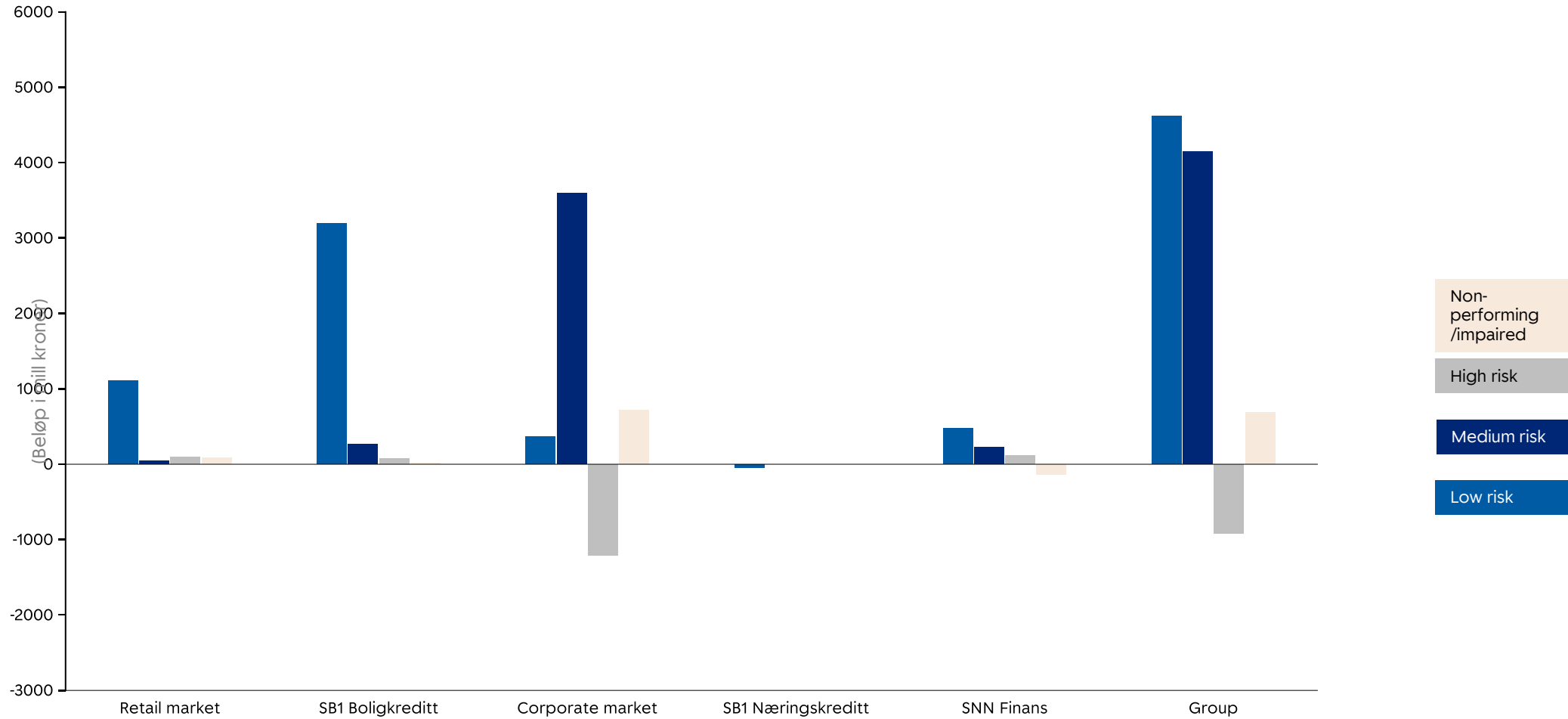
Net Fee- and Other Operating Income

(Amounts in NOK million)	4Q24	3Q24	2Q24	1Q24	4Q23
Payment facilities	82	83	70	64	78
Sales provision insurance products	53	51	50	48	49
Guarantee commissions	11	12	12	12	10
Real estate broking	52	62	63	42	40
Portfolio commissions	15	13	14	13	16
Other commisions	24	22	19	20	23
Commissions excl. provision from SB1 BK & NK	237	243	228	199	216
Loans sold to SB1 BK & NK	41	47	50	41	13
Total commission income	278	290	278	240	229
Commission costs	22	18	21	20	24
Accounting services	75	72	90	98	73
Other operating income	187	8	4	2	239
Total commissions and other income	262	80	94	100	312
Net fee- and other operating income	517	352	351	320	517

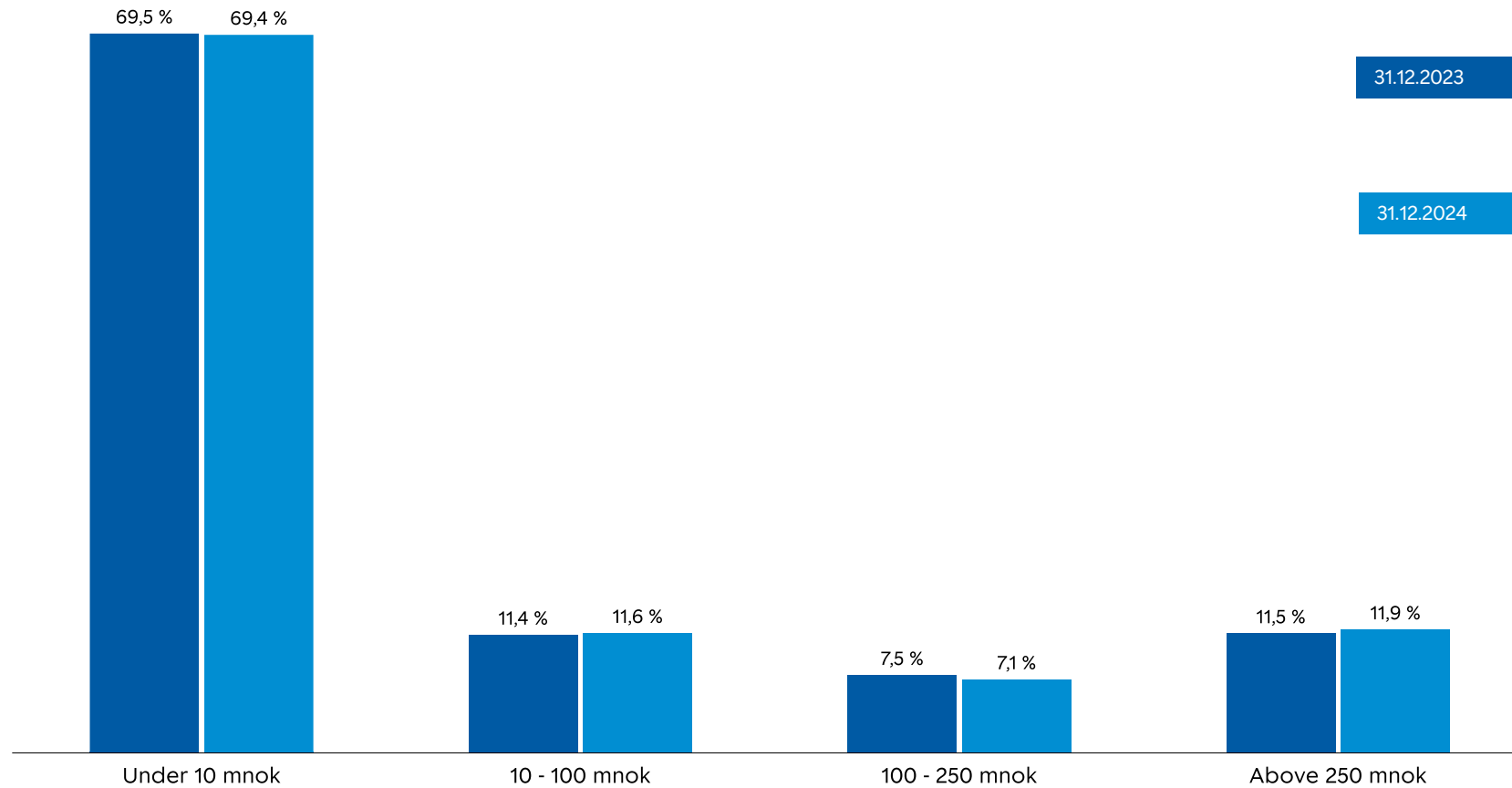
Risk Exposure



Changes in Exposure last 12 Months

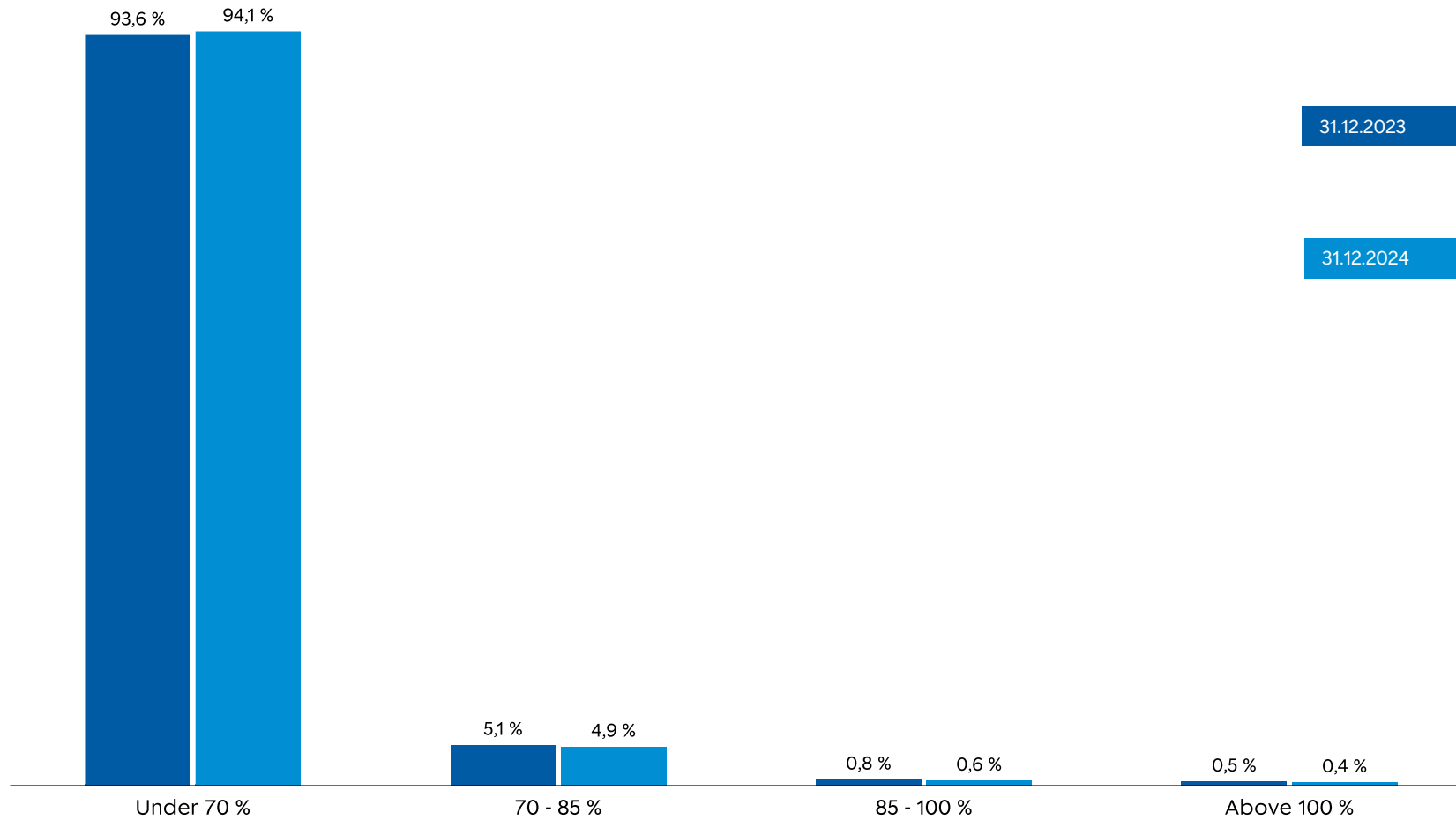


Exposure Distributed by Size*



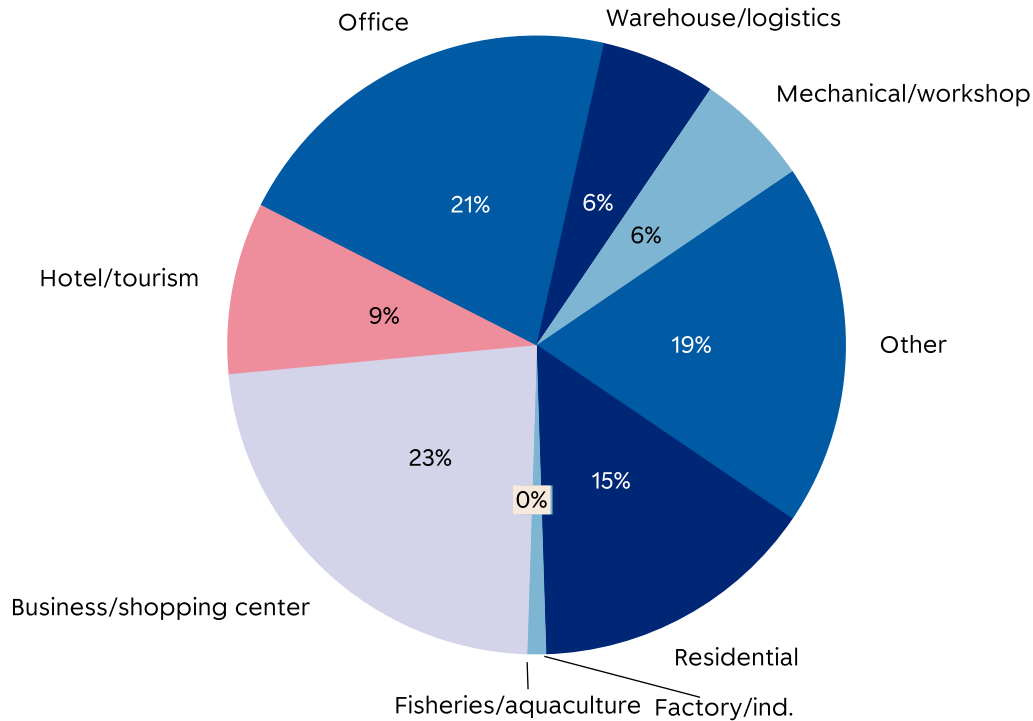
*) Incl. parent bank, SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

LTV Mortgage Loans

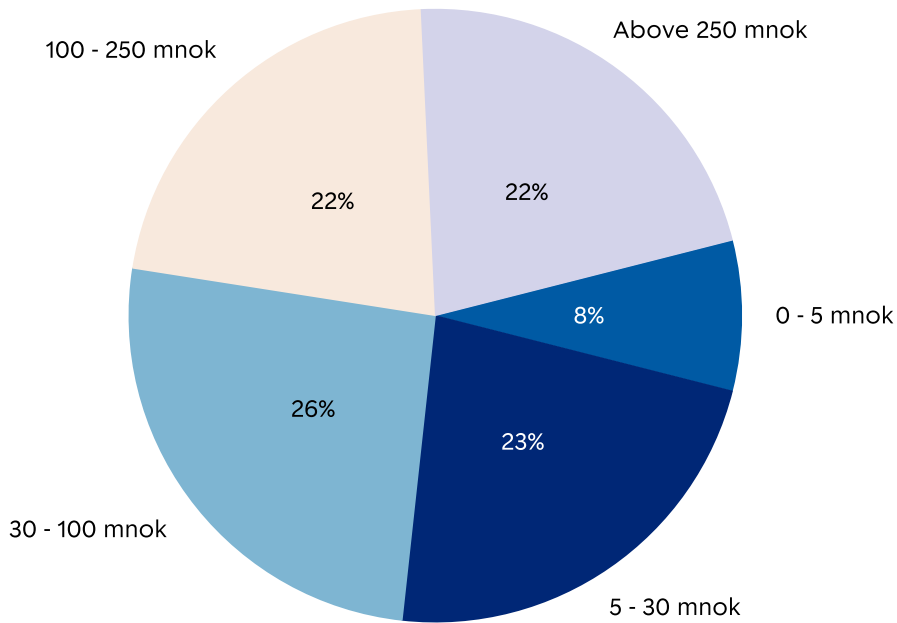


Diversified Portfolio in Commercial Real Estate

Portfolio distribution



Size of commitments



Loan Losses

(Amounts in NOK million)	2024	4Q24	3Q24	2Q24	1Q24	2023	4Q23	3Q23	2Q23	1Q23
Individual losses Retail market	33	29	1	3	0,0	-12	3	0	1	6
Individual losses Corporate market	113	-15	43	50	35	71	47	19	8	4
Collective losses and other value change items	-36	10	-9	-38	1	57	24	-14	-28	-68
Total losses on loans and guarantees	110	24	35	15	36	116	91	25	-27	-57

The Group's annualized losses is 0.29 % (annualized) of gross lending including loans transferred to covered bond companies

Commitments in step 3: 1.54 % of total exposure. Expected loss share: 21.43 %
 Commitments in step 2: 13.80 % of total exposure. Expected loss share: 2.22 %
 Commitments in step 1: 84.66 % of total exposure. Expected loss share: 0.13 %

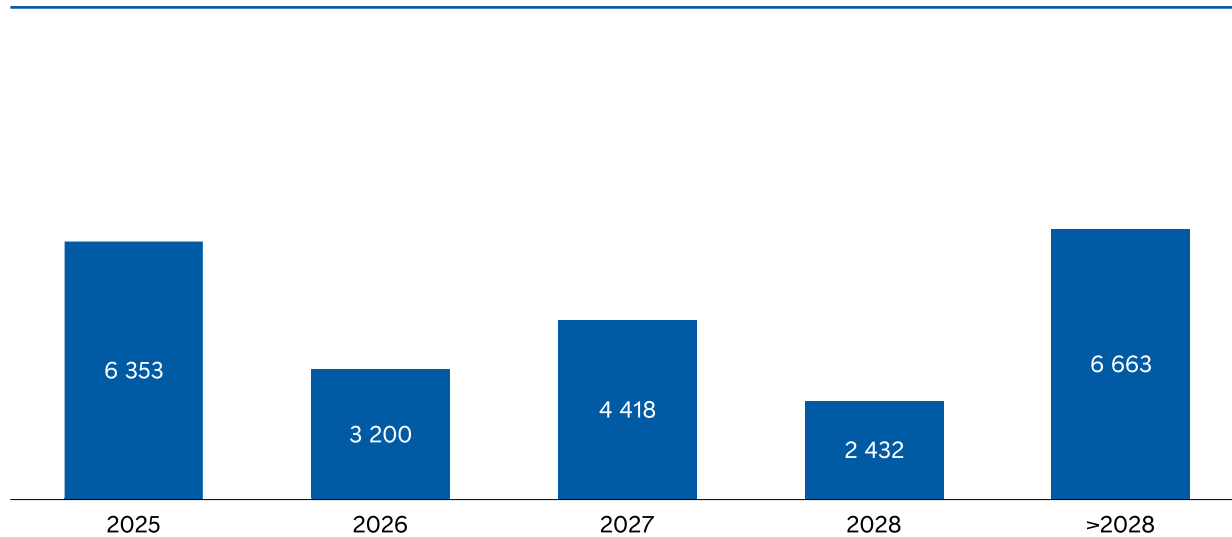
The Lending Portfolio*

Sector	Share of total loans	Lending mNOK
Retail market	32,8 %	50 187
Mortgages trns. to SpareBank 1 Boligkreditt	31,3 %	47 840
Omsetning og drift av fast eiendom	11,7 %	17 954
Agriculture, forestry and fishing	8,7 %	13 266
Transport	2,9 %	4 457
Financial and insurance activities	2,8 %	4 351
Construction	2,1 %	3 180
Industry	1,6 %	2 374
Electricity, gas, steam	1,4 %	2 160
Retail trade	1,3 %	1 986
Business services	0,7 %	1 119
Professional, scientific and technical services	0,7 %	1 064
Public administration and defence	0,3 %	450
Other services	0,3 %	427
Cultural activities	0,2 %	379
Water supply, sewage and waste management	0,2 %	340
Health and social services	0,2 %	265
Education	0,1 %	127
Information and communication	0,0 %	71
Mining and extraction	0,0 %	55
Paid employment in private households	0,0 %	8
International organizations	0,0 %	0
Total loans Retail market	64,1 %	98 027
Total loans Corporate market	35,9 %	54 938
Total loans		152 965

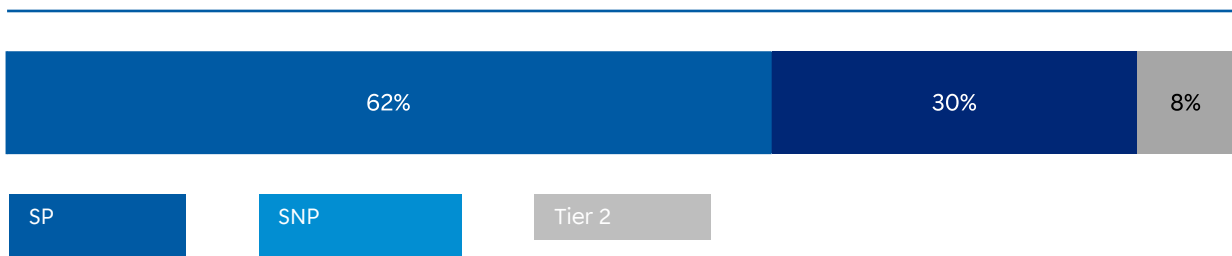
*) Incl. SpareBank 1 Boligkreditt

Funding

Maturity profile (mNOK)



Distribution of capital market funding (mNOK)

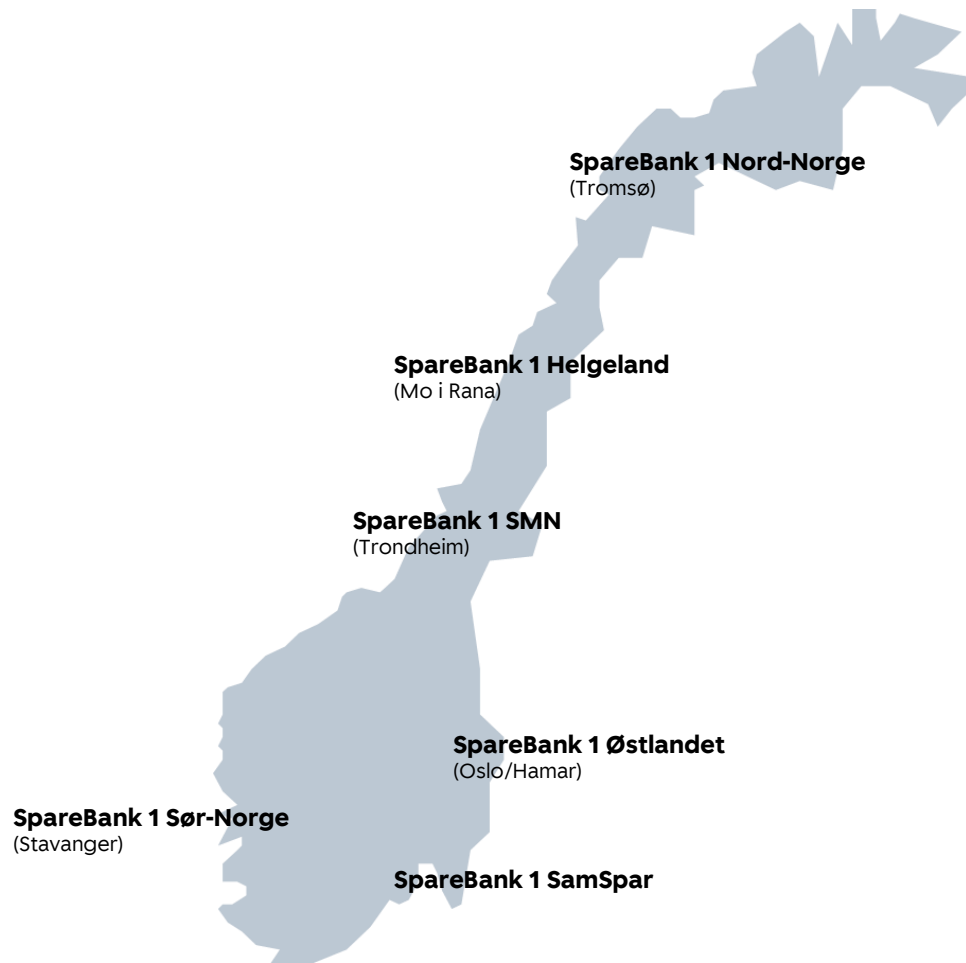


NOK 23,066 mill in capital market funding exclusive of SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt is important funding sources. In total NOK 47,840 mill had been transferred as of 31.12.24

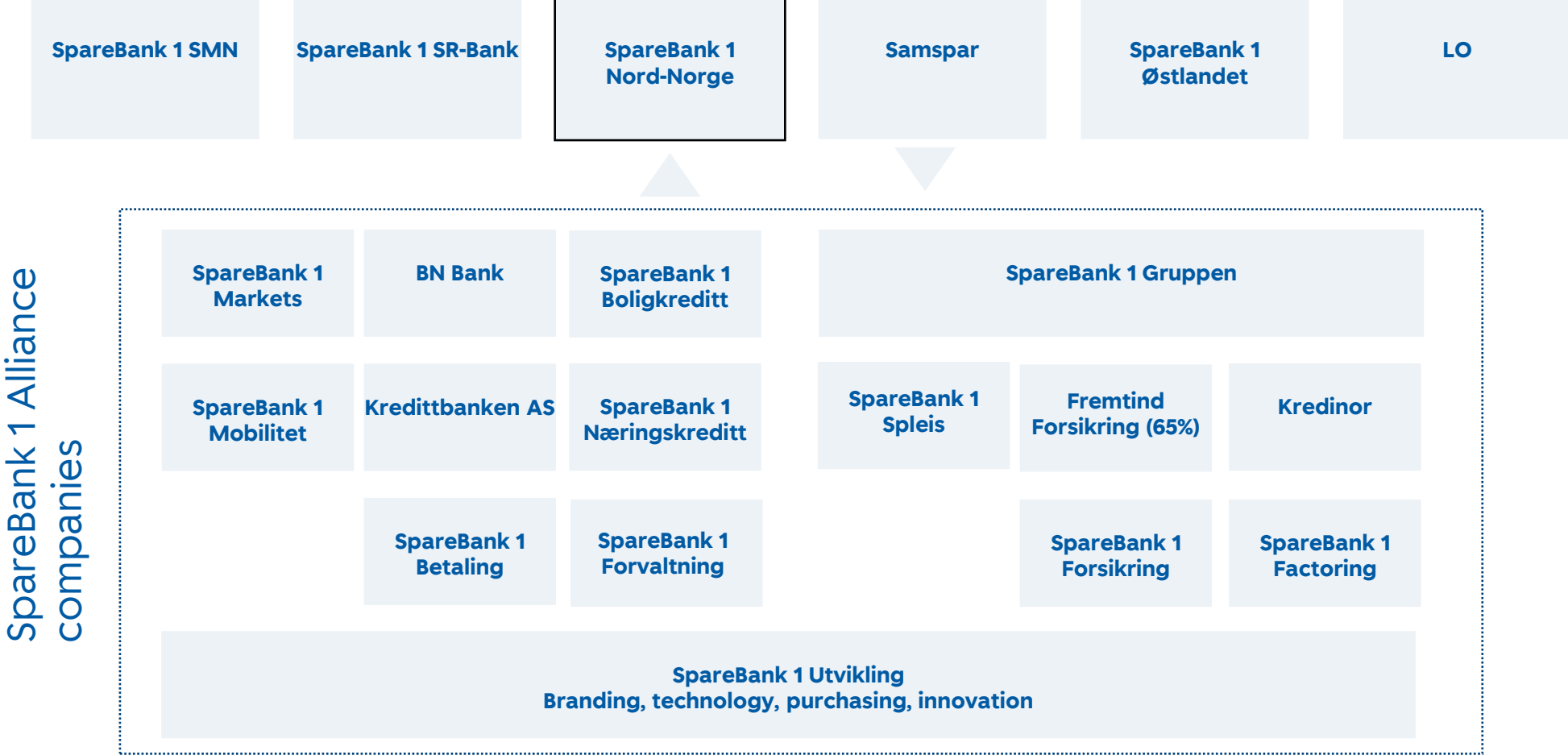
Amount of gross maturities of capital market funding next 12 months is NOK 6,353 mill

SpareBank 1 Alliance



- The SpareBank 1-alliance consists of 13 banks
- Operate exclusively in Norway
- Norway's most extensive branch network with approx. 350 branches
- The alliance is in the forefront of incorporating technological innovation into its distribution channels. Best rated mobile banking in Norway
- Market leaders in their core regional markets

SpareBank 1 Alliance





SpareBank
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