

2Q 2024

August 8th 2024  
Hanne Karoline Kræmer, CEO  
Bengt Olsen, CFO

1 Highlights

2 Outlook

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3 Financial status

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A Appendix





# The Obvious Choice for People and Businesses!



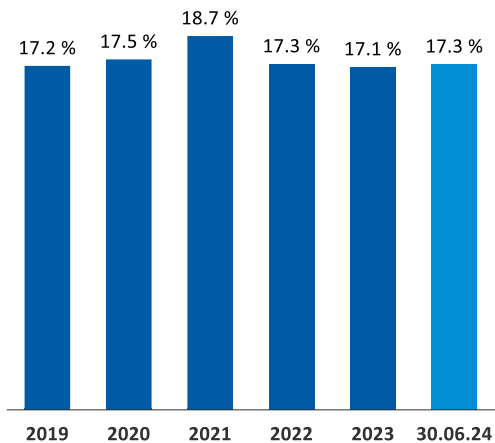
# Highlights YTD

<b>Pre-tax profit</b>	<b>ROE</b>	
<b>1 889 MNOK (1 641)</b>	<b>18.2 % (16.1 %)</b>	
<b>CET1 ratio</b>	<b>C/I ratio</b>	<b>Losses</b>
<b>17.3 % (17.5)</b>	<b>33.5 % (34.5)</b>	<b>51 MNOK (-27)</b>

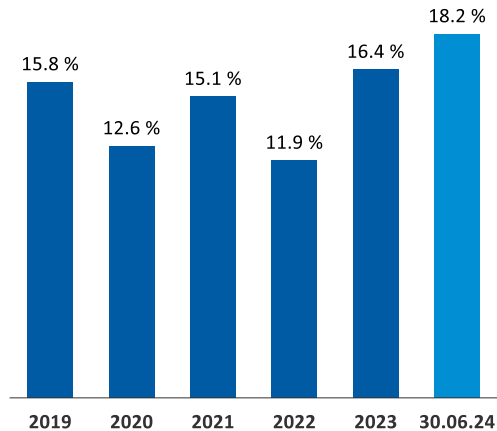


# Satisfying Financial Results

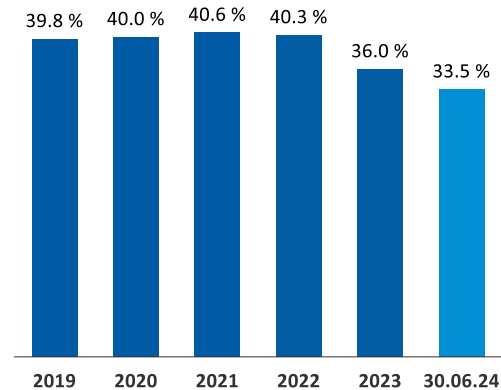
CET1 ratio \*



Return on equity capital



Cost/income Group



# Subsidiaries – Earnings Before Tax

(Amounts in NOK million)	30.06.2024	30.06.2023
SpareBank 1 Finans Nord-Norge AS	131,3	136,2
SpareBank 1 Regnskapshuset Nord-Norge AS	27,9	23,2
EiendomsMegler 1 Nord-Norge AS	22,2	13,3
<b>Subsidiaries core operations</b>	<b>181,4</b>	<b>172,8</b>
Other subsidiaries	3,9	0,6
<b>Total</b>	<b>185,3</b>	<b>173,3</b>

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# Composition of the Groups Total Income

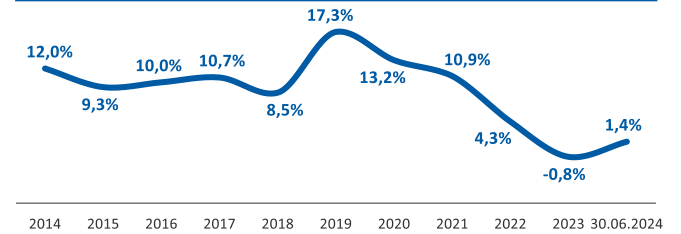
Total income



SNN















SB1 Gruppen

SpareBank 1 Gruppen's share of total income





# Status and Outlook in Northern Norway

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

# Ambitions for Lending Growth and Market Share

Expected lending growth for SpareBank 1 Nord-Norge in 2024

**Retail market: 2-4 %**

**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

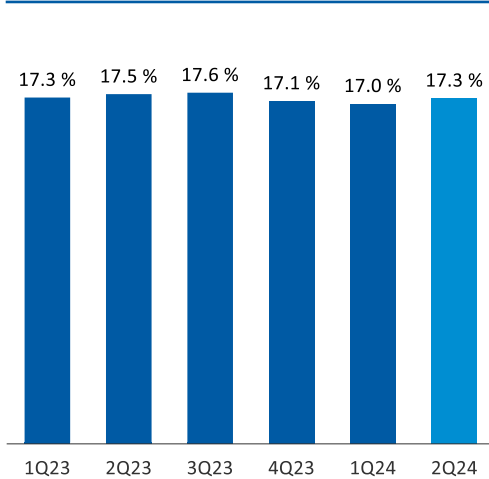
(Amounts in NOK million and in % of average assets)

	2Q24	1Q24	2Q23	31.12.23
Net interest income	995	986	855	3 627
Net fee- and other operating income	380	335	338	1 487
Net income from financial investments	102	119	5	183
Total income	1 477	1 440	1 198	5 297
Total costs	489	488	430	1 908
<b>Result before losses</b>	<b>988</b>	<b>952</b>	<b>768</b>	<b>3 389</b>
Losses	15	36	30	116
<b>Result before tax</b>	<b>973</b>	<b>916</b>	<b>738</b>	<b>3 273</b>
Tax	220	202	179	725
<b>Result after tax</b>	<b>753</b>	<b>714</b>	<b>559</b>	<b>2 548</b>
Interest hybrid capital	23	24	13	60
<b>Result after tax ex. interest hybrid capital</b>	<b>730</b>	<b>690</b>	<b>546</b>	<b>2 488</b>
<b>Profitability</b>				
Return on equity capital	18.9 %	17.8 %	15.1 %	16.4 %
Interest margin	3.03 %	3.04 %	2.65 %	2.85 %
Cost/income	33.1 %	33.9 %	35.9 %	36.0 %

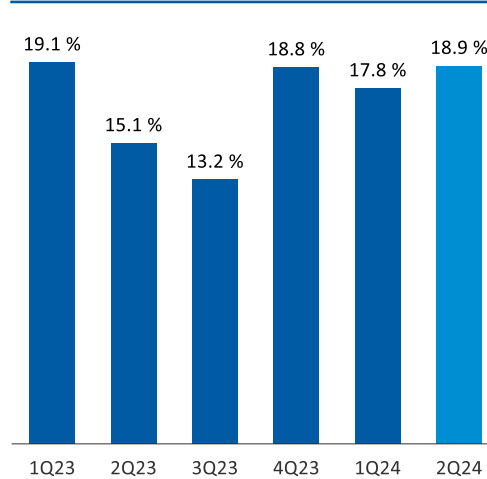


# Quarterly Development

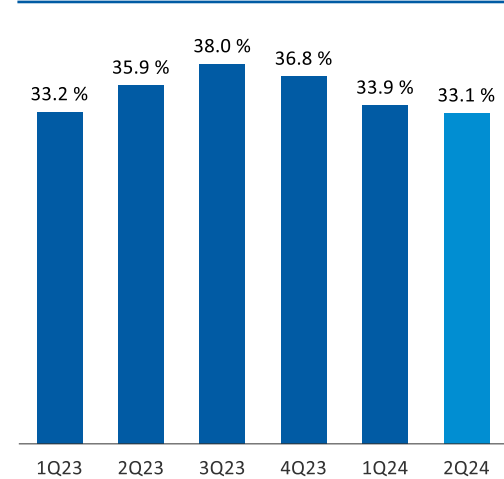
CET1 ratio \*



Return on equity capital

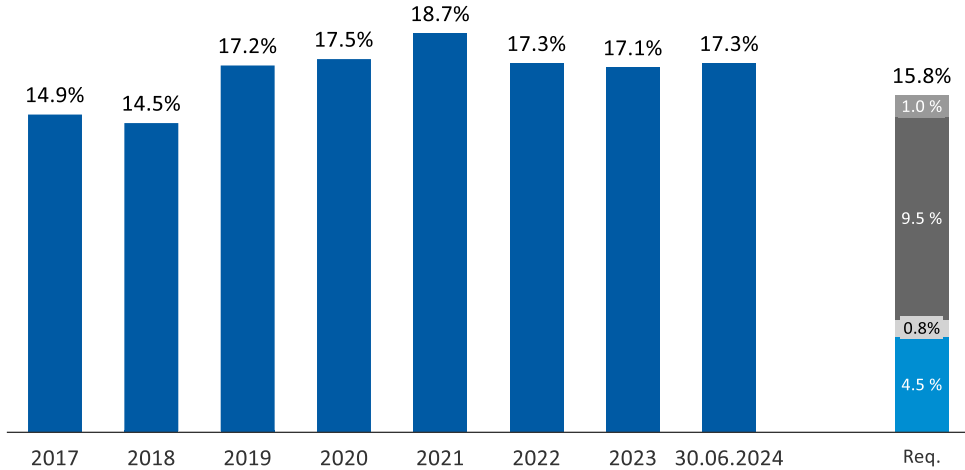


Cost/income Group

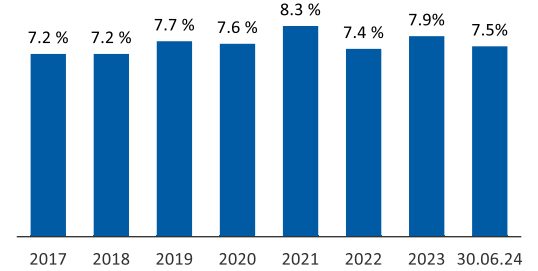


# Strong Capital Base

## CET1



## Leverage Ratio



CET1

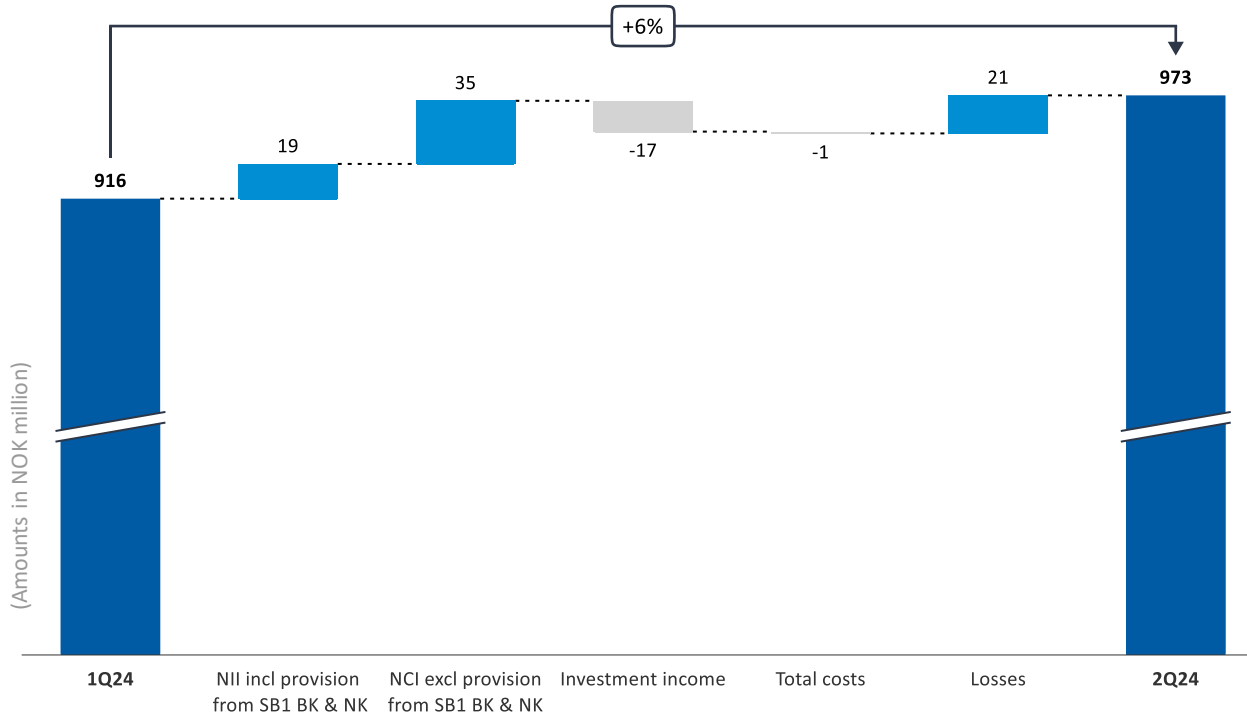
Pillar 1  
min.requirement

P2R

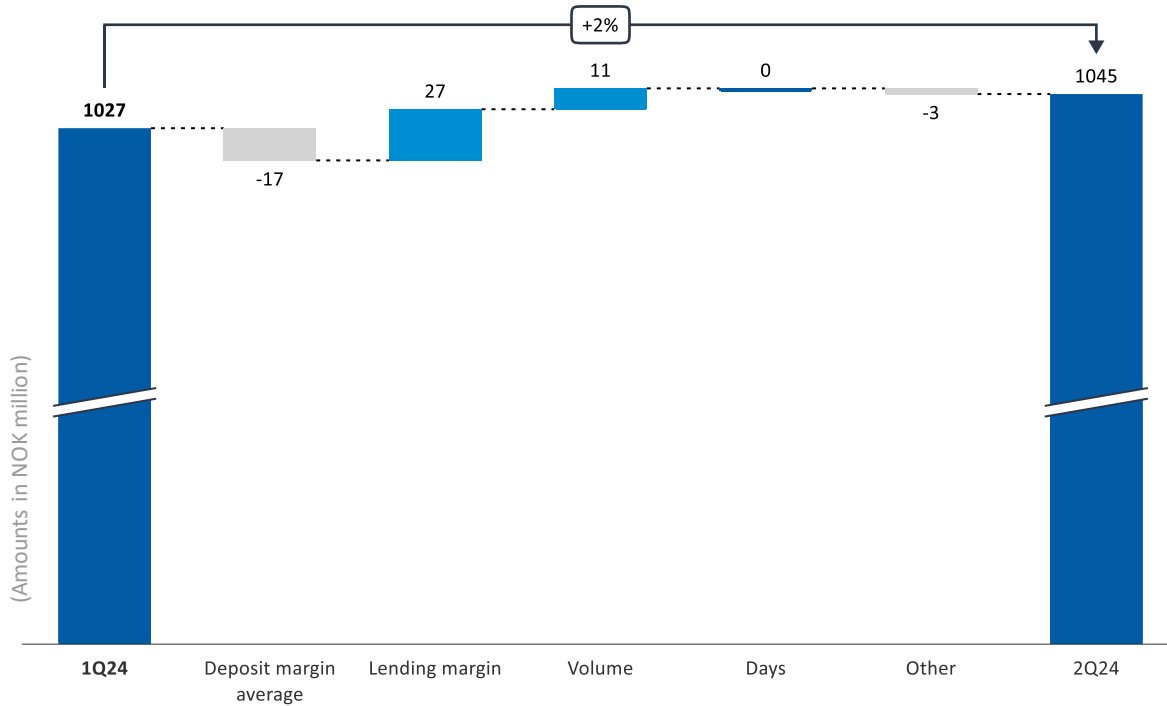
Buffer req

P2G

# Earnings Before Tax - Last Quarter

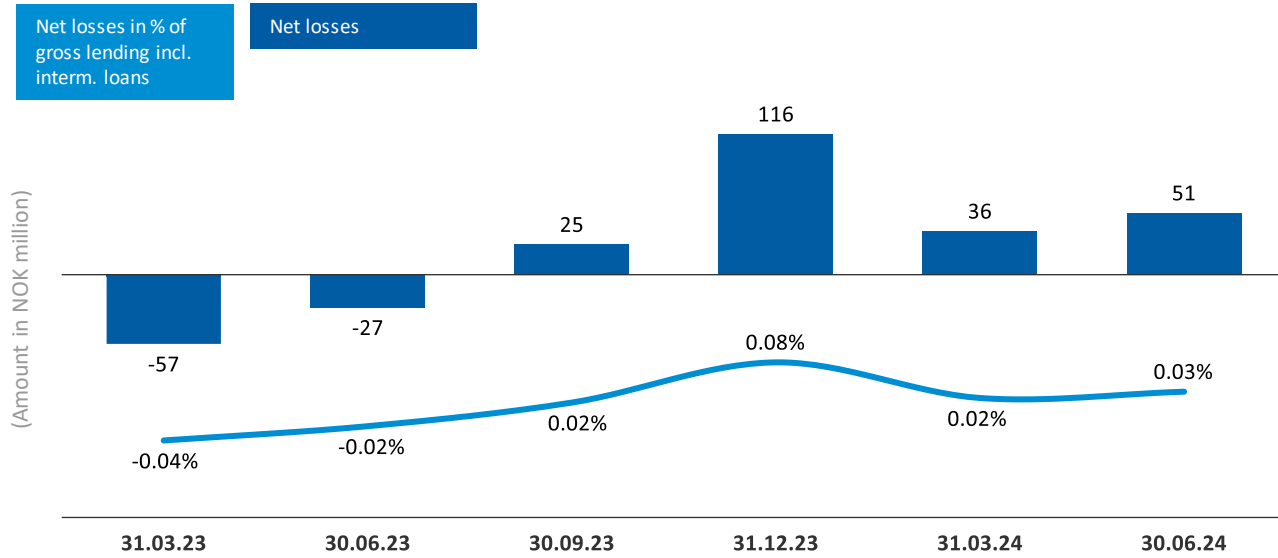


# Net Interest Income - Group





# Low Losses

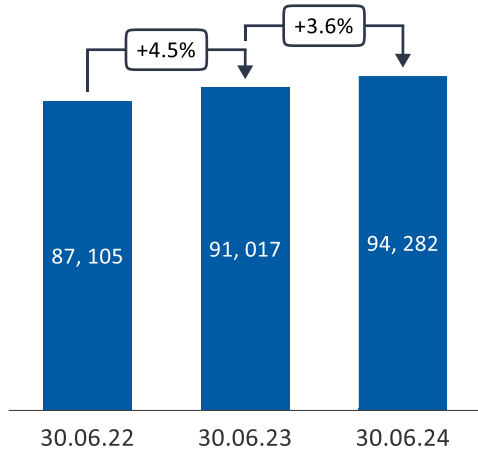


Distribution of losses

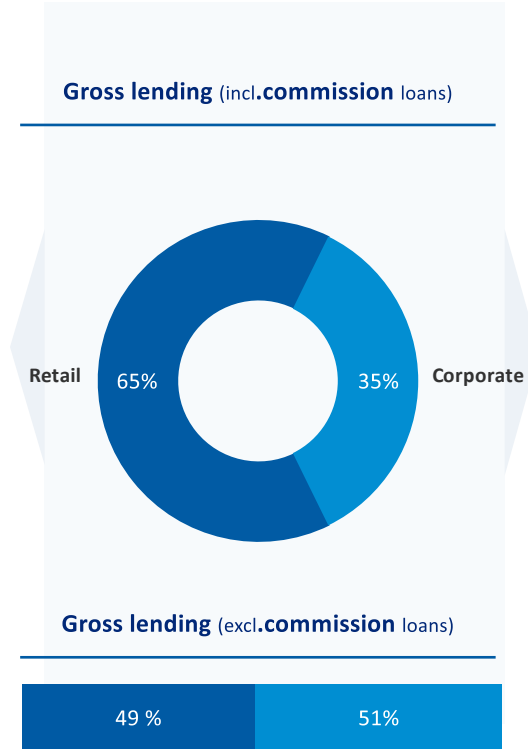


# Lending Growth

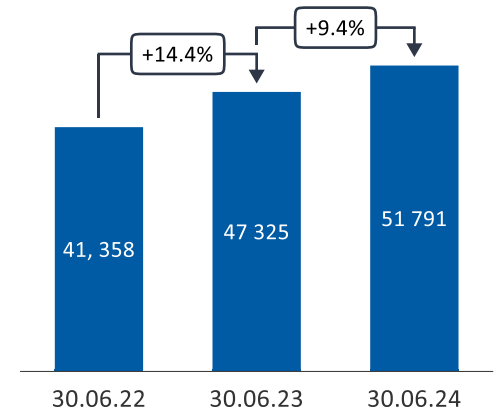
**Retail marked** (incl.commission loans)



**Gross lending** (incl.commission loans)

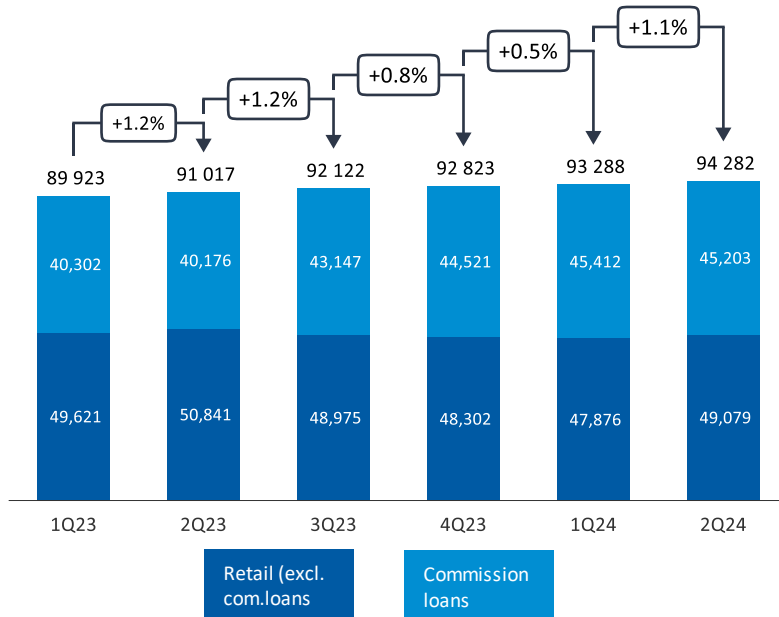


**Corporate Banking** (incl.commission loans)

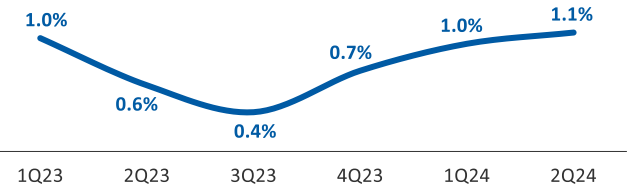


# Retail Market

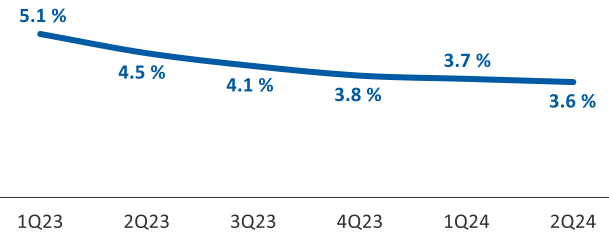
## Lending growth



## Development in lending margin (ISO)

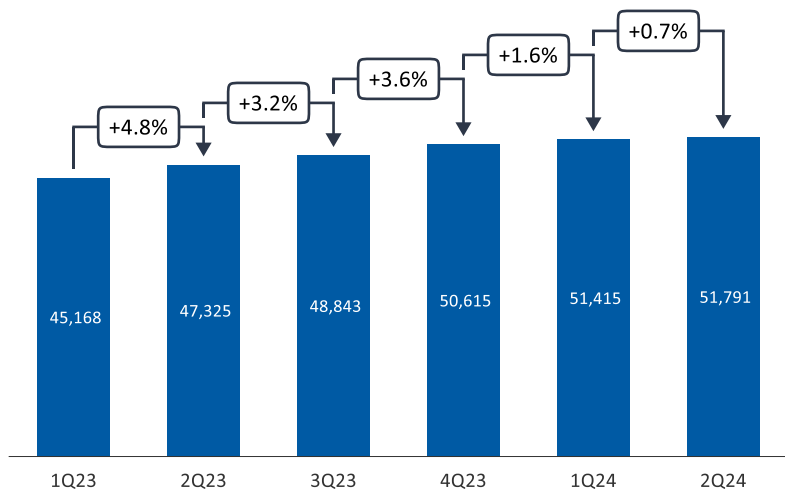


## Lending growth (12 mth)

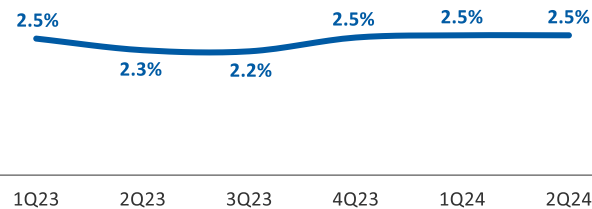


# Corporate Banking

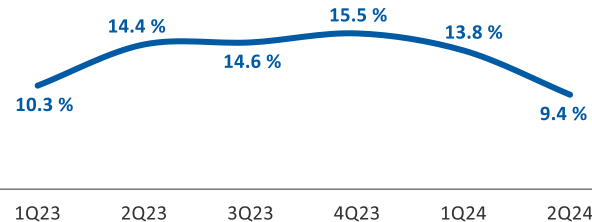
## Lending growth



## Development in lending margin (ISO)



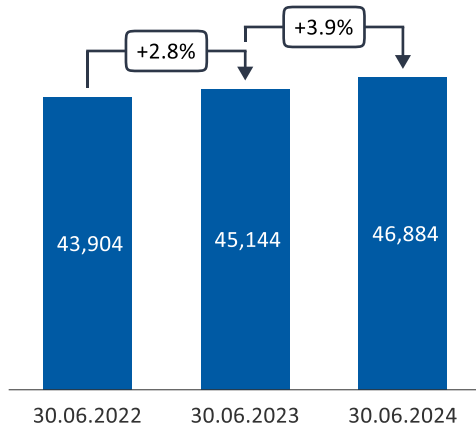
## Lending growth (12 mth)



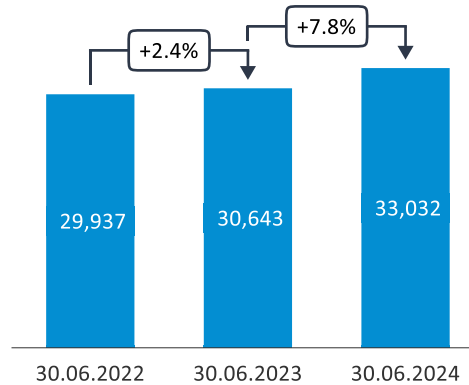


# Deposit Growth

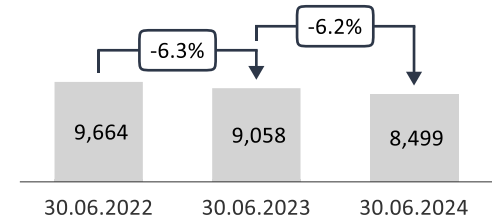
## Retail Market



## Corporate Banking



## Public Sector



## Deposits gross



# Long Term Financial Targets

> 13 %  
ROE

< 40 %  
C/I ratio

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> 50 %  
Dividend payout ratio

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15.8 %  
CET1 ratio

# Financial Outlook

NRI

- The second quarter of 2024 is the first quarter with full effect of the latest interest hike from Norges Bank from back in December. Despite strong competition on both deposits and mortgages, the full quarter effect has contributed to maintaining a strong NII this quarter. There are still higher margins on retail deposits than on mortgages, but this will normalize over time. Credit growth has softened over the last months which has led to a stronger competition, especially for mortgages. This will lead to a compression on margins. Nevertheless, the group expects no significant weakening in the NII in 2024.

ROE > 13 %

- Solid underlying operation, and a group that has an optimized capital structure resulted in a solid ROE in Q2 at 18.9 %. SNN is delivering above the targeted ROE, which is to deliver an ROE at a similar level of comparable companies, currently at 13 %. The outlook for 2024 is good and the goal stands.

CET1 Ratio: 15.8 %

- Targeted CET1 ratio is one percentage point above the regulatory minimum requirement, currently 14.8 %.
- The bank is, with a CET1 at 17.3 % in Q2, well capitalized, and indisputably solid. Based on this the bank has the financial muscles needed for wanted growth going forward.

C/I < 40 %

- Total costs in Q2 is NOK 1 mill higher than in Q1. Compared to Q2-23 the cost has increased with NOK 59 mill, of which the parent bank account for NOK 44 mill, while the remaining NOK 15 mill is related to the subsidiaries. The increase is mainly due to increased inflation, added manpower, increased investment in subsidiaries. SNN has a targeted C/I below 40 %, and delivered a C/I in Q1 of 33.1 %. The target C/I level still stands.

Pay out ratio > 50 %

- The targeted dividend pay out ratio of > 50 % still stands. The group is still well capitalized and has the capacity needed for growth without affecting the dividend capacity.
- SpareBank 1 Nord-Norge shall not, over time, have more capital than we need for growth and to maintain our solvency.

# 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

## Management



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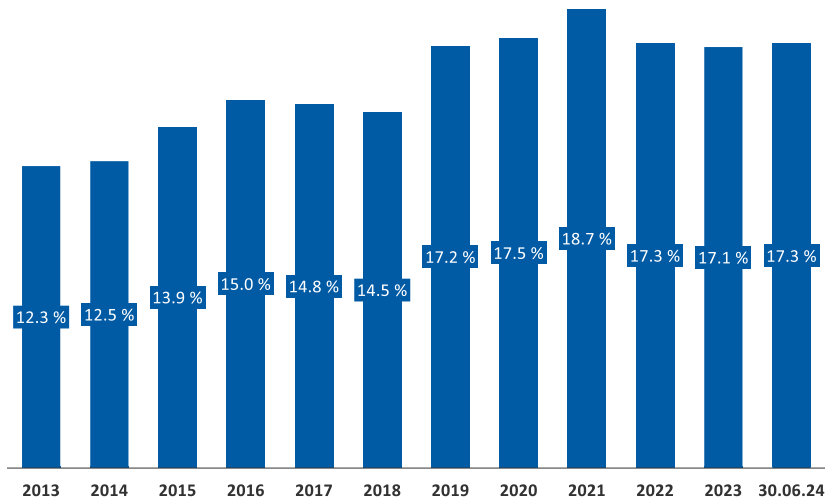
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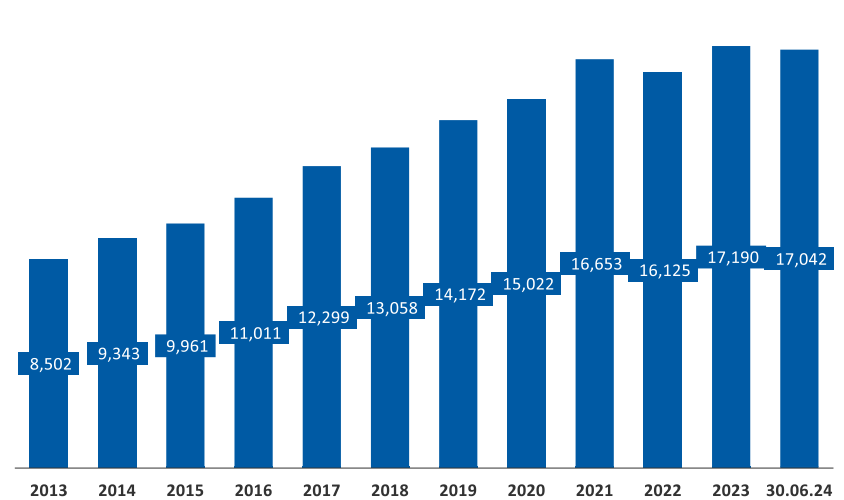


# A Solid Bank for Northern Norway

CET1 ratio \*

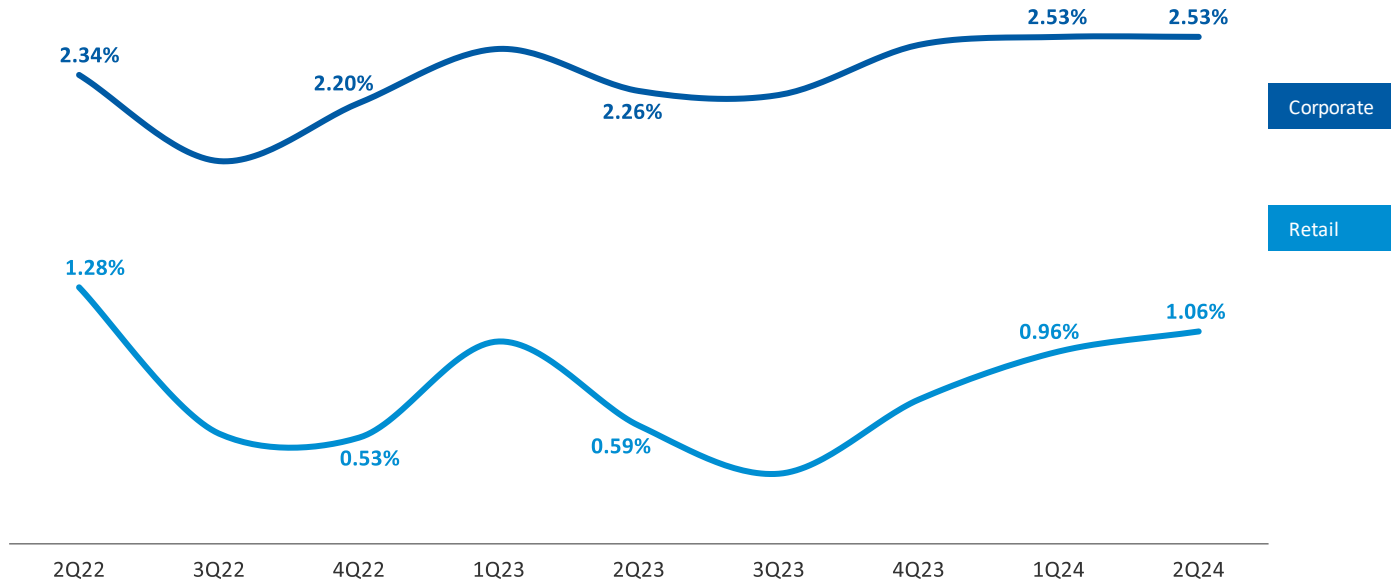


Total equity (mNOK)





# 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 % | Mortgage company

**SpareBank 1  
Næringskreditt AS**  
1.05 % | Mortgage company

**SpareBank 1 Utvikling DA**  
18 % | System development

**SpareBank 1 Kreditt AS**  
16.73 % | Credit card

**SpareBank 1 Betaling AS**  
17.94 % | Vipps/mobile payment

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

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

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

**SpareBank 1 Forvaltning AS**  
12.18 % | 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

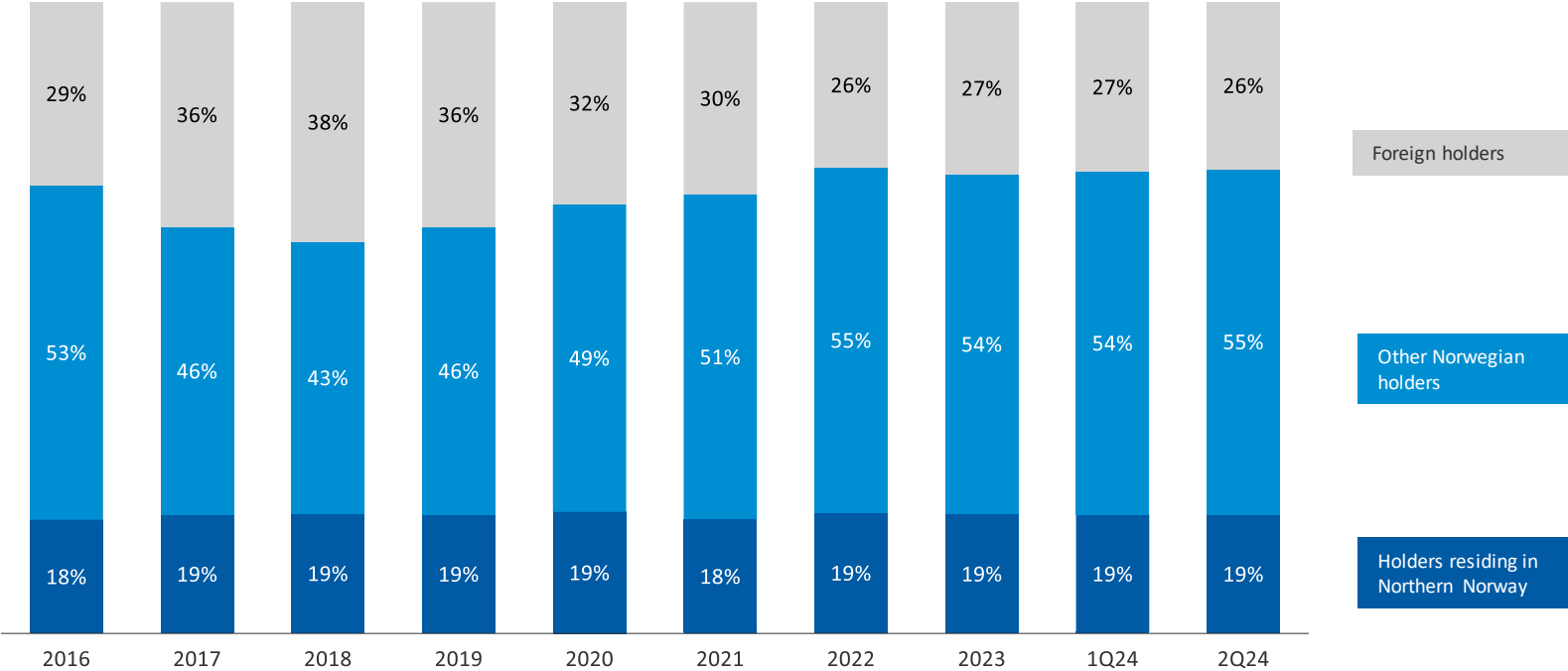
**Fredrik Langesgt 20 AS**  
100 % | Commercial building

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

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

**Rødbanken Holding AS\***  
100 % | Investment company

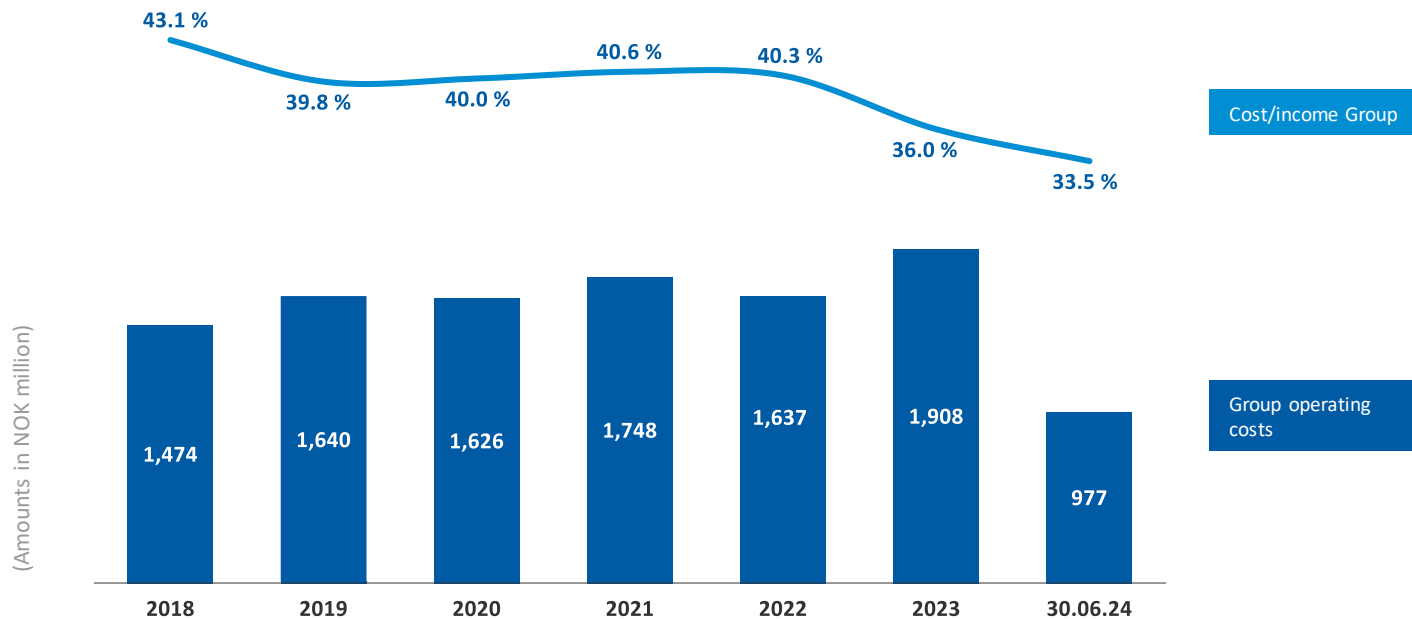
# Geographical Distribution of Ownership



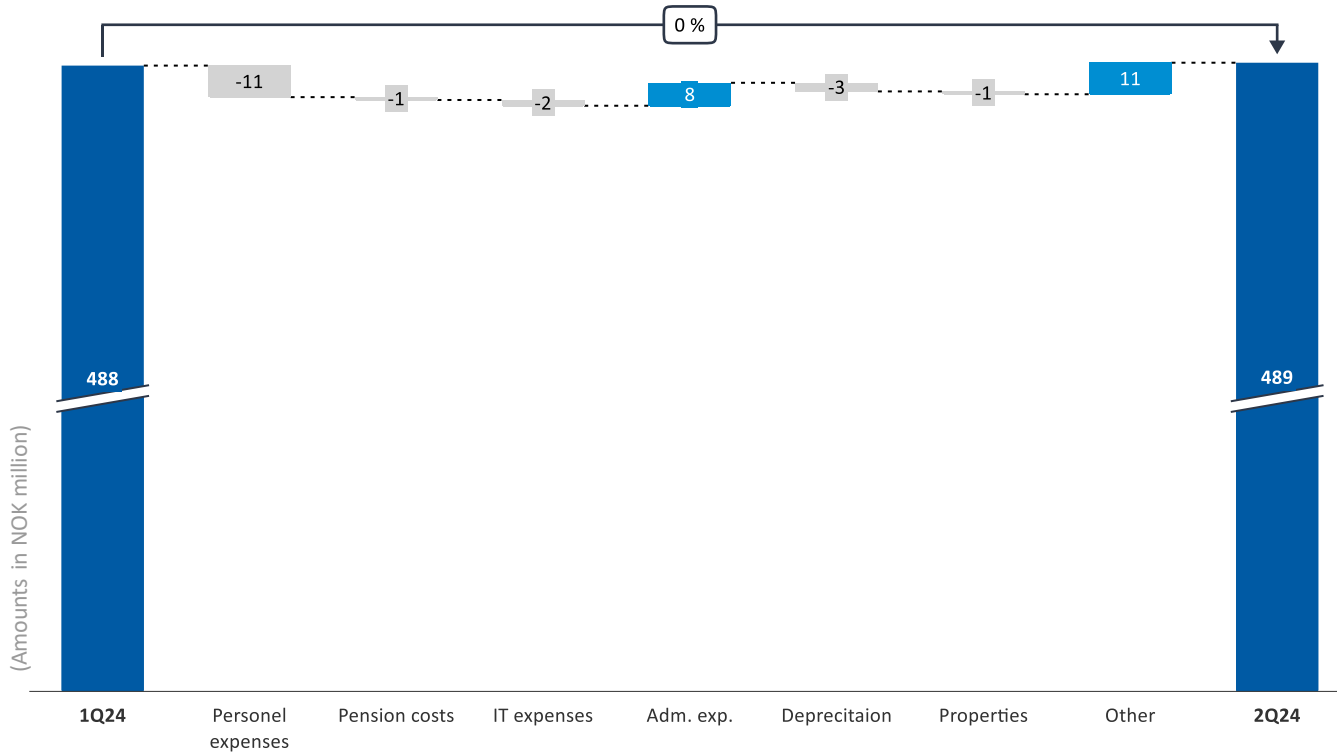
# The 20 Largest EC Holders

EC Holders	Number of ECs	Share of EC Capital
PARETO AKSJER NORGE VERDIPAPIRFOND	5.3M	5.3 %
PARETO INVEST NORGE AS	5.0M	5.0 %
VPF EIKA EGENKAPITALBEVIS	4.2M	4.2 %
Geveran Trading Company LTd	3.9M	3.8 %
KOMMUNAL LANDSPENSJONSKASSE GJENSI	2.9M	2.9 %
MP PENSJON PK	2.4M	2.4 %
Brown Brothers Harriman & Co.	2.4M	2.4 %
FORSVARETS PERSONELLSERVICE	1.8M	1.7 %
The Northern Trust Comp, London Br	1.6M	1.6 %
State Street Bank and Trust Comp	1.5M	1.5 %
State Street Bank and Trust Comp	1.4M	1.4 %
SPAREBANKSTIFTELSEN SPAREBANK 1 NO	1.4M	1.4 %
SPESIALFONDET BOREA UTBYTTE	1.3M	1.3 %
Brown Brothers Harriman & Co.	1.1M	1.1 %
J.P. Morgan SE	1.0M	1.0 %
CACEIS Investor Services Bank S.A.	937K	0.9 %
State Street Bank and Trust Comp	868K	0.9 %
State Street Bank and Trust Comp	862K	0.9 %
VPF SPAREBANK 1 UTBYTTE	855K	0.9 %
Landkreditt Utbytte	821K	0.8 %
Total	41, 656, 470	41.5 %

# Cost Development - Group



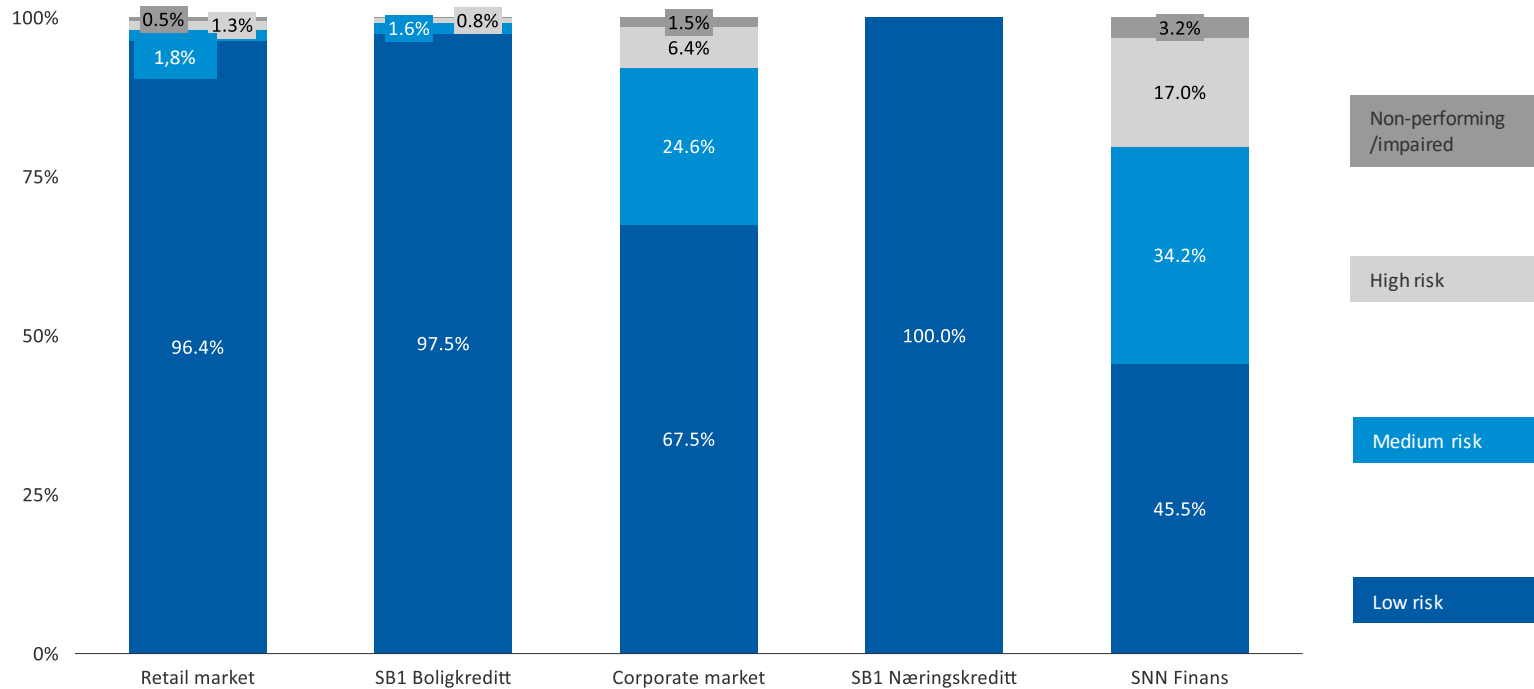
# Operating Expenses - Group



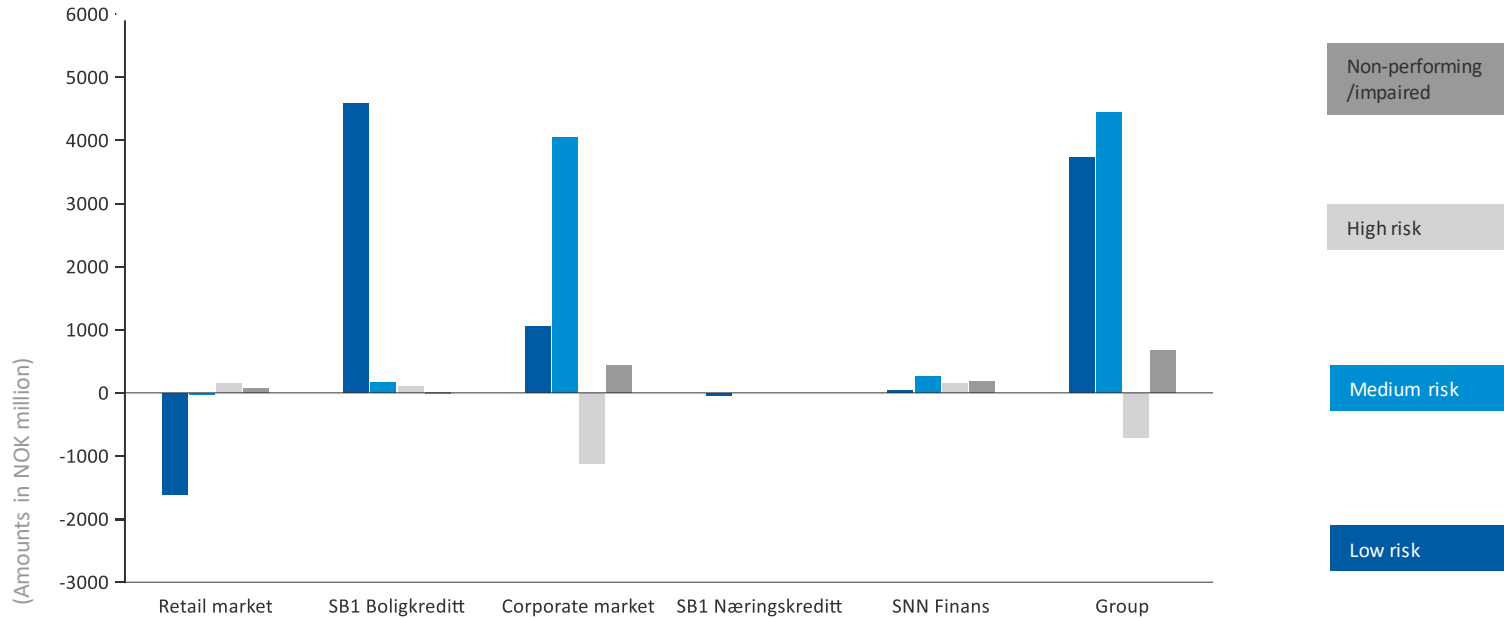
# Net Fee- and Other Operating Income - Group

(Amounts in NOK million)	2Q24	1Q24	4Q23	3Q23	2Q23
Payment facilities	70	64	78	76	68
Sales provision insurance products	50	48	49	50	52
Guarantee commissions	12	12	10	13	10
Real estate broking	38	25	22	29	33
Portfolio commissions	14	13	16	12	13
Other commissions	73	53	57	62	67
<b>Commissions excl. provision from SB1 BK &amp; NK</b>	<b>257</b>	<b>214</b>	<b>232</b>	<b>242</b>	<b>243</b>
Loans sold to SB1 BK & NK	50	41	13	15	41
<b>Total commission income</b>	<b>307</b>	<b>255</b>	<b>245</b>	<b>257</b>	<b>284</b>
Commission costs	21	20	24	19	24
Accounting services	90	98	73	69	78
Other operating income	4	2	239	0	0
<b>Total commissions and other income</b>	<b>94</b>	<b>100</b>	<b>312</b>	<b>69</b>	<b>78</b>
<b>Net fee- and other operating income</b>	<b>379</b>	<b>336</b>	<b>533</b>	<b>307</b>	<b>338</b>

# Risk Exposure - Group

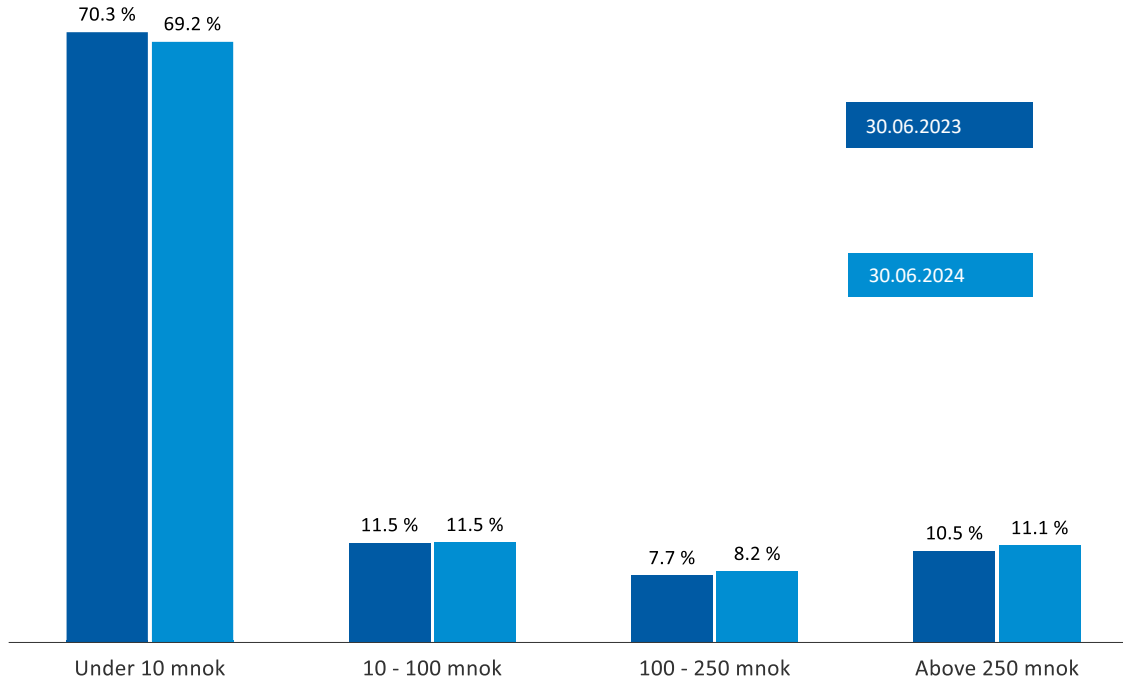


# Changes in Exposure last 12 Months - Group

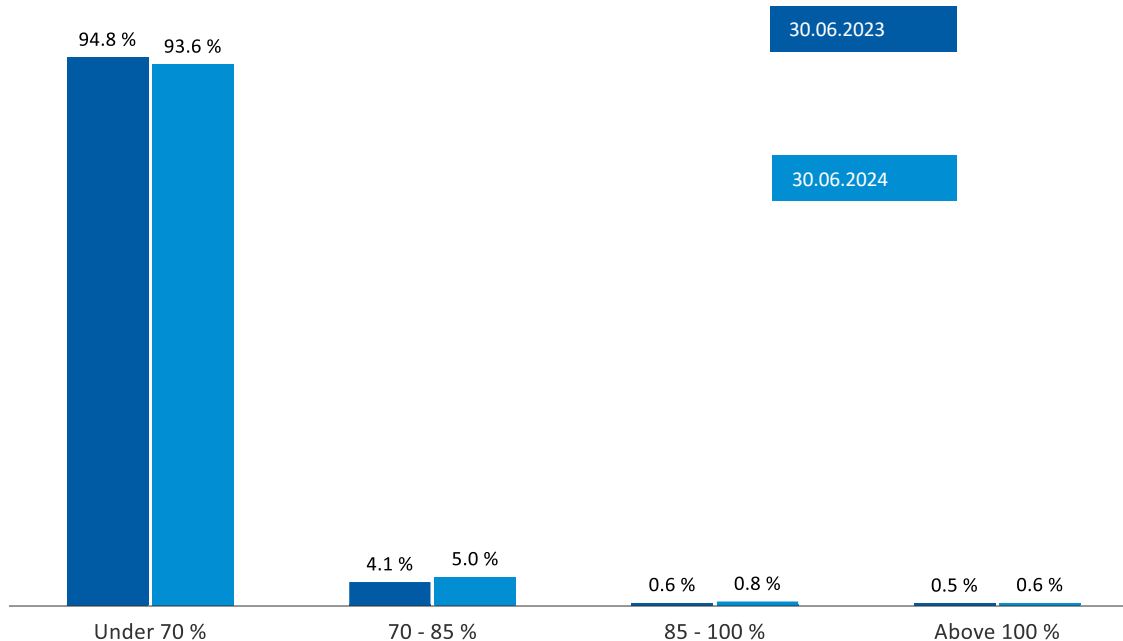




# Exposure Distributed by Size\*



# LTV Mortgage Loans

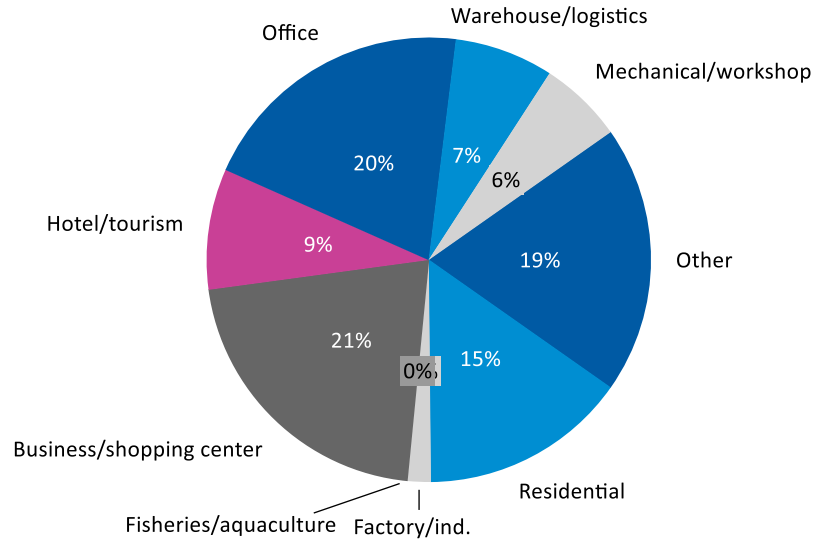


LTV is distributed by balance and is based on the market value of the collateral:

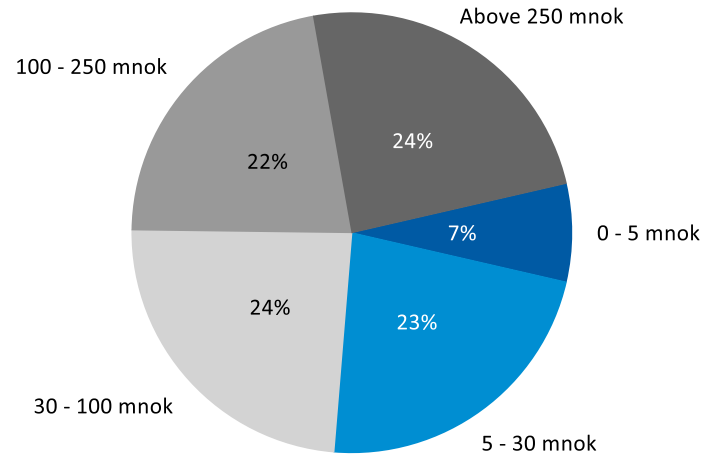
- 98.7 % of the gross exposure is within 85 % of the collateral market value
- Only 0.6 % of the gross exposure is higher than 100 % of the collateral market value
- The figures include the portfolio in SB1 Boligkreditt

# Diversified Portfolio in Commercial Real Estate

Portfolio distribution



Size of commitments



# Loan Losses - Group

(Amounts in NOK million)	2Q24	1Q24	2Q23	4Q23	3Q23	2Q23	1Q23
Individual losses Corporate market	3	0.0	-12.2	3.3	0.15	0.5	6.2
Individual losses Retail market	50	35	71.2	47.4	18.7	7.9	3.8
Collective losses and other value change items	-38	1	56.5	23.7	-13.7	-28.3	-67.5
<b>Total losses on loans and guarantees</b>	<b>15</b>	<b>36</b>	<b>116</b>	<b>91</b>	<b>24.9</b>	<b>-27.3</b>	<b>-57.4</b>

The Group's annualized losses is 0.13 % (annualized) of gross lending including loans transferred to covered bond companies

Commitments in step 3: 1.21 % of total exposure. Expected loss share: 24.10 %

Commitments in step 2: 16.45 % of total exposure. Expected loss share: 1.96 %

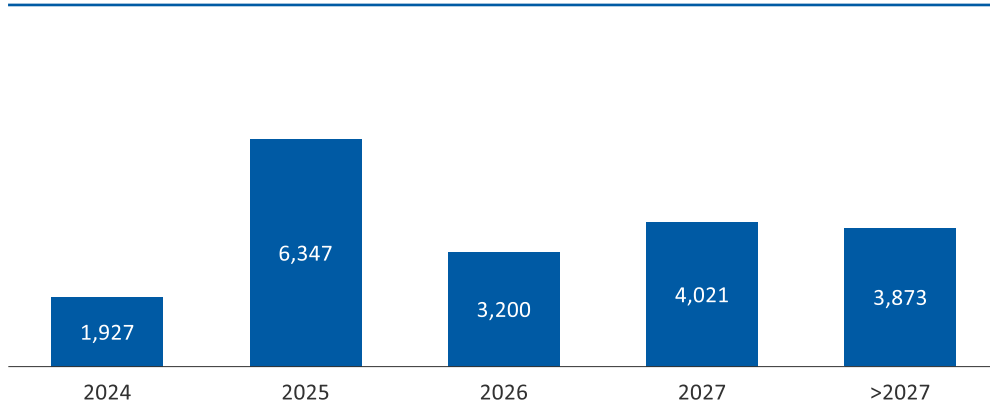
Commitments in step 1: 82.34 % of total exposure. Expected loss share: 0.14 %

# The Lending Portfolio\*

Sector	Share of total loans	Lending mNOK
Retail market	33.0 %	49,079
Mortgages transferred to SpareBank 1 Boligkreditt	30.4 %	45,203
Commercial real estate	12.8 %	19,091
Fishing and aquaculture	7.3 %	10,897
Financial and insurance activities	3.8 %	5,690
Power and water supply and construction	2.8 %	4,190
Service industries	2.4 %	3,510
Transportation	2.9 %	4,304
Commodity trade, hotel and restaurant industry	1.9 %	2,873
Manufacturing	1.4 %	2,140
Agriculture and forestry	0.9 %	1,270
Government	0.3 %	455
<b>Total loans Retail market</b>	<b>63.4 %</b>	<b>94,282</b>
<b>Total loans Corporate market</b>	<b>36.6 %</b>	<b>54,543</b>
<b>Total loans to customers</b>		<b>148,825</b>

# Funding

**Maturity profile** (mNOK)

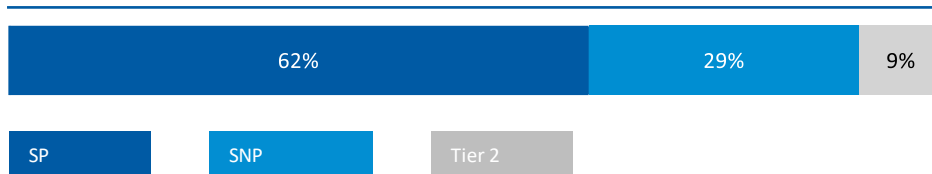


NOK 21,869 mill in capital market funding exclusive of SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt is important funding sources. In total NOK 45,203 mill had been transferred as of 30.06.24

Amount of gross maturities of capital market funding next 12 months is NOK 2,041 mill

**Distribution of capital market funding** (mNOK)



# Achieving Goals for Sustainability

- ESG-classified portfolio aligned with EUs taxonomy
- Major contribution to the SDGs
- Green product framework and Green Finance Framework established special for the Arctic region
- 41% women in leadership positions
- 24% reduction in greenhouse gas emissions
- ESG-strategy build on established principles in the Finance sector (UNEP FI, UNG Global Compact, GRI, TCFD)



# SpareBank 1 Alliance

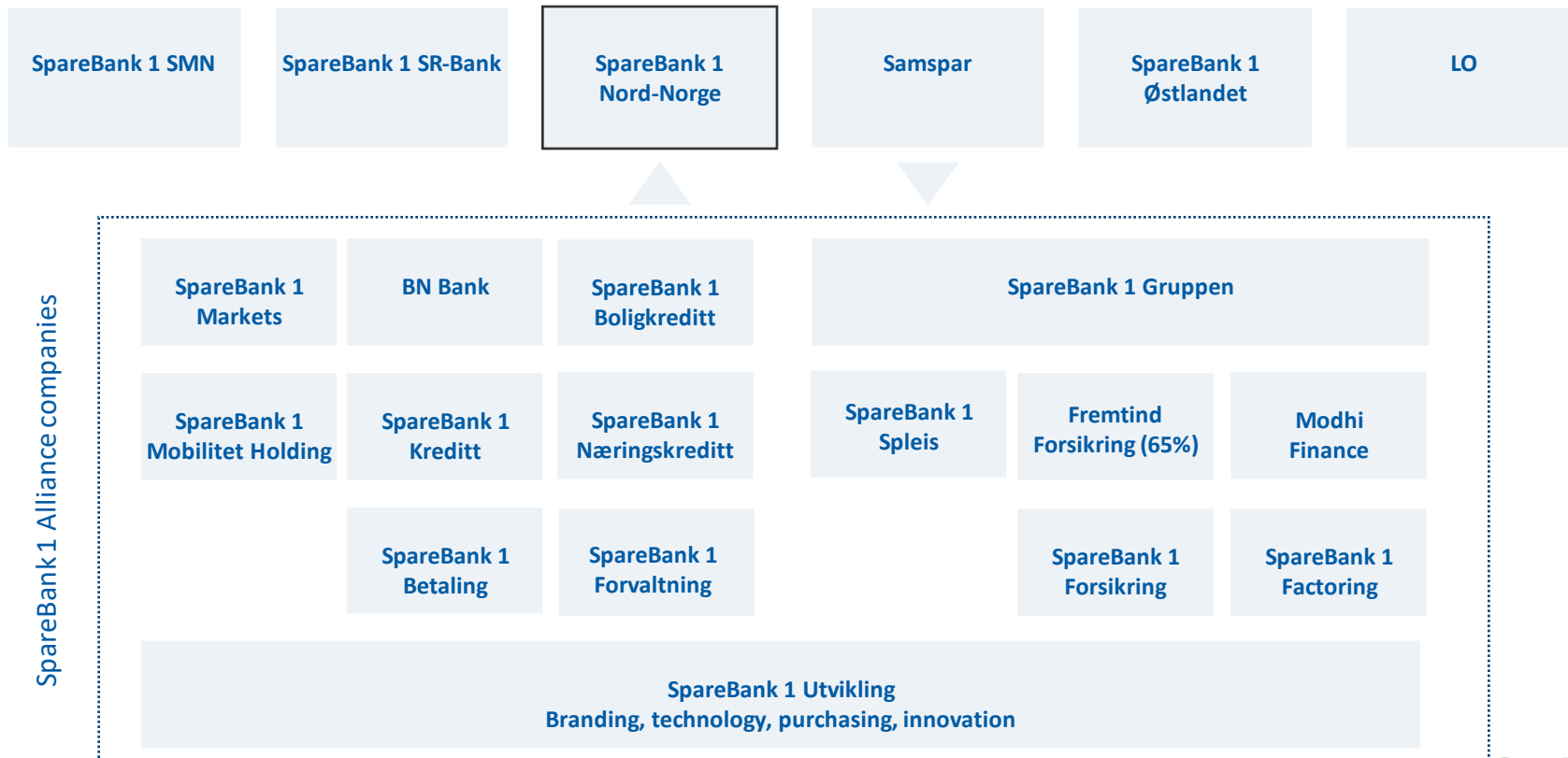


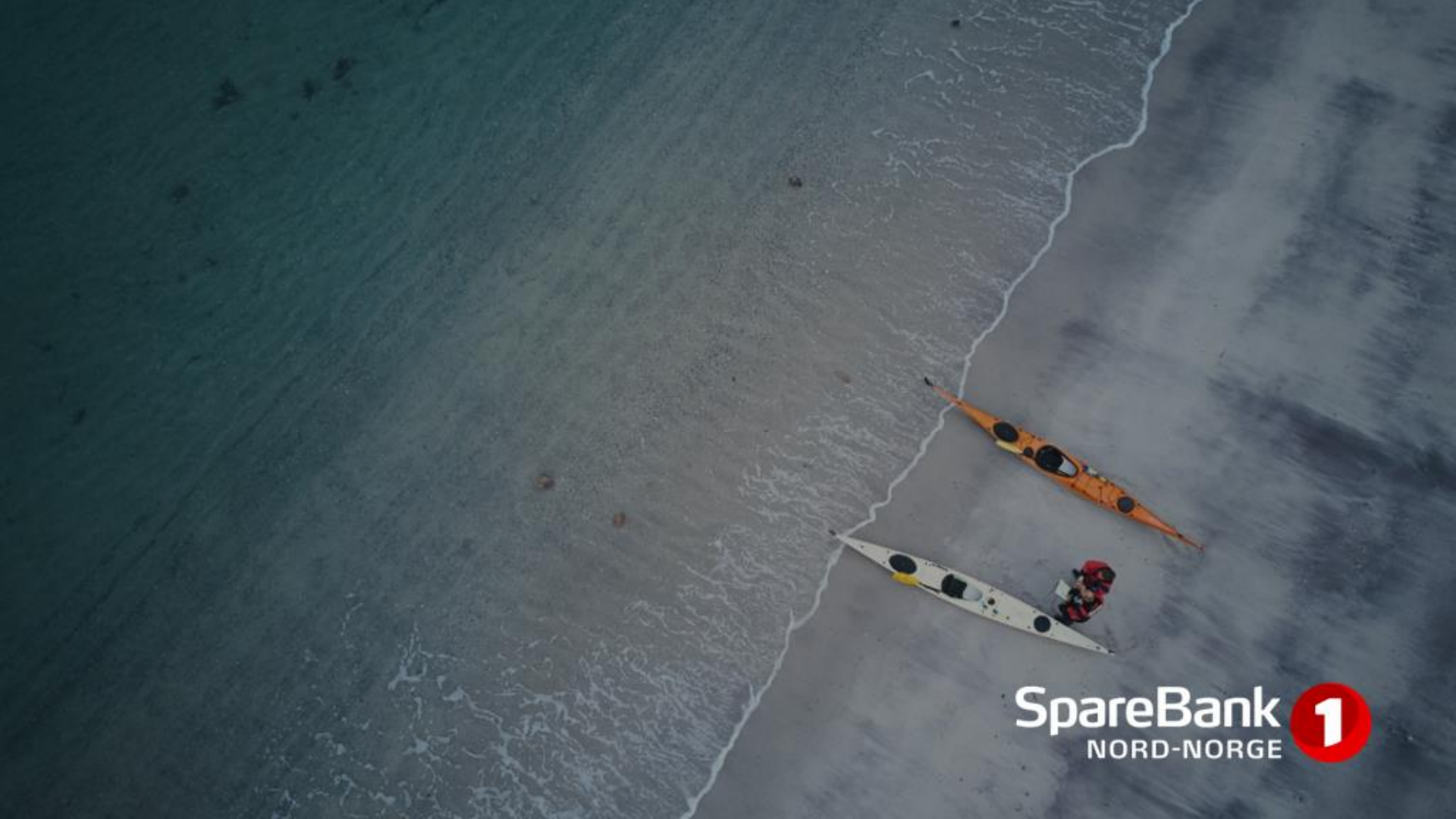
- The SpareBank 1-alliance consists of 14 banks
- Operate exclusively in Norway
- Norway's most extensive branch network with approx. 350 branches
- The alliance is in the forefront of incorporating technological innovation into its distribution channels. Best rated mobile banking in Norway
- Market leaders in their core regional markets
- The largest banks (approx. 80 % of total assets) have the following rating:

Sr. Unsec. Ratings	Moody's
SpareBank 1 Nord-Norge	Aa3 / P-1
SpareBank 1 SMN	A1 / P-1
SpareBank 1 SR	Aa3 / P-1
SpareBank 1 Østlandet	Aa3 / P-1



# SpareBank 1 Alliance





SpareBank  
NORD-NORGE 