# 2. Quarter 2024

SpareBank 1 NORD-NORGE

# Table of Contents

## Group financial highlights and key figures

## Quarterly Report for SNN – 2Q24



## Statement of Financial Performance

## Other comprehensive income

## Balance sheet

## Statement of Changes in Equity

## Statement of Cash Flows

## Result from the Group's quarterly accounts

## Notes



## Statement from the Board of Directors and Chief Executive Officer

# Group financial highlights and key figures

| *(Amounts in NOK million and in % of average assets)* | | 30.06.24 | % | 30.06.23 | % | 31.12.23 | % |
|---|---|---|---|---|---|---|---|
| Net interest income | 5 | 1 981 | 3,03 % | 1 675 | 2,65 % | 3 627 | 2,85 % |
| Net fee- and other operating income | | 715 | 1,09 % | 647 | 1,02 % | 1 487 | 1,17 % |
| Net income from financial investments | | 221 | 0,34 % | 143 | 0,23 % | 183 | 0,14 % |
| Total income | 5 | 2 917 | 4,46 % | 2 465 | 3,90 % | 5 297 | 4,17 % |
| Total costs | 5 | 977 | 1,49 % | 851 | 1,35 % | 1 908 | 1,50 % |
| Result before losses | | 1 940 | 2,96 % | 1 614 | 2,56 % | 3 389 | 2,67 % |
| Losses | 5 | 51 | 0,08 % | - 27 | -0,04 % | 116 | 0,09 % |
| Result before tax | | 1 889 | 2,89 % | 1 641 | 2,60 % | 3 273 | 2,57 % |
| Tax | | 422 | 0,64 % | 361 | 0,57 % | 725 | 0,57 % |
| Result after tax | 5 | 1 467 | 2,21 % | 1 280 | 2,00 % | 2 548 | 1,98 % |
| Interest hybrid capital | 5 | 47 | | 24 | | 60 | |
| Result after tax ex. interest hybrid capital | 5 | 1 420 | | 1 256 | | 2 488 | |

| | | | | |
|---|---|---|---|---|
| **Profitability** | | | | |
| Return on equity capital | 1, 5 | 18,2 % | 16,9 % | 16,4 % |
| Interest margin | 2, 5 | 3,03 % | 2,65 % | 2,85 % |
| Cost/income | 3, 5 | 33,5 % | 34,5 % | 36,0 % |
| **Balance sheet figures and liquidity** | | 30.06.24 | 30.06.23 | 31.12.23 |
| Total assets | | 133 027 | 129 838 | 128 138 |
| Average assets | 4, 5 | 130 909 | 126 302 | 127 155 |
| Gross loans | 5 | 103 498 | 101 557 | 101 093 |
| Gross loans incl. commition loans | 5 | 148 825 | 141 905 | 145 742 |
| Deposits | 5 | 89 660 | 85 952 | 83 659 |
| Liquidity Coverage Ratio (LCR) | | 148 | 149 | 150 |
| **Solidity** | | | | |
| Common Equity Tier 1 Capital Ratio excl. sesult | | 16,4 % | 16,7 % | 17,1 % |
| Common Equity Tier 1 Capital incl. result | | 17,3 % | 17,5 % | 17,1 % |
| Tier 1 Capital Ratio - incl. result | | 19,0 % | 18,7 % | 18,9 % |
| Total Capital Ratio incl. result | | 21,6 % | 20,4 % | 21,4 % |
| Common Equity Tier 1 Capital incl. result | | 13 981 | 13 187 | 13 466 |
| Tier 1 Capital | | 15 386 | 14 135 | 14 847 |
| Own Funds | | 17 486 | 15 366 | 16 824 |
| Total risk exposure amount | | 80 888 | 75 407 | 78 527 |
| Leverage Ratio excl. result | | 7,5 % | 7,2 % | 7,9 % |
| Leverage Ratio incl. result | | 7,8 % | 7,6 % | 7,9 % |
| **NONG Key figures** | | | | |
| NONG Quoted/market price (NOK) | | 99,14 | 97,10 | 103,20 |
| Number of EC issued (mill) | | 100,40 | 100,40 | 100,40 |
| Equity capital per EC (NOK) | | 71,77 | 67,24 | 72,47 |
| Result per EC (NOK) | | 6,46 | 5,71 | 11,36 |
| P/E (Price/Earnings per EC) NOK | | 7,67 | 8,51 | 9,08 |
| P/B (Price/Book Value per EC) NOK | | 1,38 | 1,44 | 1,42 |
| **Branches and full-time employees** | | | | |
| Branches | | 15 | 15 | 15 |
| Group manyears | | 970 | 948 | 956 |
| Parent bank manyears | | 530 | 527 | 521 |

1 The profit after tax in relation to average equity, calculated as a quarterly average of equity and at 01.01. " The Bank's hybrid 1 capital issued are classified as equity in the financial statements. However, when calculating the return on equity, hybrid tier 1 capital are decucted from equity, and result after tax are adjusted for interests on hybrid tier 1 capital."

2 Net total interests as a percentage of average total assets.

3 Total costs as a percentage of total net income.

4 Average assets are calculated as average assets each quarter and at 01.01.

5 Defined as alternative performance measures, see attachment to the Quarterly report

# Quarterly Report for SNN – 2Q24

## Group financial results and key figures

| *(Amount in NOK million)* | 2Q24 | 2Q23 | Change | 30.06.24 | 30.06.23 | Change |
|---|---|---|---|---|---|---|
| Result after tax | 753 | 559 | 194 | 1 467 | 1 280 | 187 |
| Result per EC | 3,32 | 2,47 | 0,85 | 6,46 | 5,71 | 0,76 |
| | | | 0 | | | |
| Return on equity | 18,9 % | 15,1 % | 3,9 % | 18,2 % | 16,9 % | 1,3 % |
| Cost/income | 33,1 % | 35,9 % | 2,8 % | 33,5 % | 34,5 % | 1,0 % |
| Common Equity Tier 1 Capital Ratio | 16,4 % | 16,7 % | -0,3 % | 16,4 % | 16,7 % | -0,3 % |
| Growth loans retail market | 4,3 % | 4,9 % | -0,6 % | 3,6 % | 4,5 % | -0,9 % |
| Growth loans corporate market | 2,9 % | 19,1 % | -16,2 % | 9,4 % | 14,4 % | -5,0 % |
| Growth loans total | 3,8 % | 9,6 % | -5,8 % | 5,6 % | 7,7 % | -2,1 % |
| Growth deposits retail market | 21,4 % | 22,8 % | -1,3 % | 3,9 % | 2,8 % | 1,0 % |
| Growth deposits corporate market | 16,9 % | 7,7 % | 9,2 % | 4,6 % | 0,3 % | 4,4 % |
| Growth deposits total | 19,3 % | 15,6 % | 3,7 % | 4,2 % | 1,6 % | 2,6 % |
| Result from ownership interests | 45 | 3 | 42 | 111 | 41 | 70 |
| Result from financial assets | 57 | 2 | 55 | 110 | 102 | 8 |
| Losses | 15 | 30 | 15 | 51 | - 27 | - 78 |

## Important events in the quarter

SpareBank 1 Nord-Norge has delivered a strong quarter, driven by good underlying banking operations and good growth in both deposits and lending. A return on equity of 18.9 per cent, and a cost/income ratio of 33.1 per cent for 2Q24 in isolation are well within the Group's targets.

Given that underlying credit growth in Norway is trending downwards, SpareBank 1 Nord-Norge's delivery of strong lending growth of 3.8 per cent for the quarter in isolation is positive. Corporate Market saw 2.9 per cent growth, while Retail Market also delivered good growth of 4.3 per cent in a challenging quarter (including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt). The Bank is very satisfied with achieving such high growth despite the demanding macroeconomic situation with high interest rates and a complete stop in new house building. The Group are taking market shares in all product areas, which shows that both Corporate Market and Retail Market are competitive. Growth at Corporate Market has nenertheless come down somewhat in Q2, but has been strong over time, with a 12-month growth of 9.4 per cent. The growth has taken place within the Bank's moderate risk profile and with reasonable margins. The fact that Corporate Market has grown so much over time can largely be attributed to the macroeconomic situation in Northern Norway being better than the national average. The growth has also been driven by strong commodity prices and a weak exchange rate for the Norwegian krone. The Bank is also taking market shares, especially within the ocean industries.

Underlying losses remain low. To date, the Group's lending portfolio has not been particularly affected by the uncertain macroeconomic situation, although the Group is seeing some negative migration for some customers, and some are facing challenges. The Group can also see that some industries are facing greater challenges than others. For this reason, the Group has chosen to put both individual commitments and larger commitments in vulnerable industries on a watchlist, which entails close, continuous follow-up of these commitments. The Group is seeing some negative migration in the portfolio and there has been no significant increase in losses and defaults. This could be due to the Group having systematically focused on reducing risk in its loan portfolio in recent years.

The market believes interest rates have peaked and expects rates to decrease within 6-12 months. If inflation continues to trend downwards, this will have a further positive impact on interest rate expectations and may ease the pressure on vulnerable industries to some extent. However, financial uncertainty remains, and the Group is focusing on closely monitoring customers, particularly in Corporate Market but also exposed customers in Retail Market.

SpareBank 1 Nord-Norge has a solid customer portfolio, a strong market position, competitive terms and conditions and cost-effective operations. The Bank is therefore well positioned to be a good bank for Northern Norway and expects to continue taking market share in our region.

## Macroeconomic trends

Global economy – interest rates held, greater focus on this policy

Global GDP growth expectations have been revised gradually upwards since summer 2023. At that time, global GDP was expected to grow by 2.5 per cent in 2024. This figure is now expected to be 3.0 per cent. The expectations regarding most economies have risen, but the expectations regarding the US economy have been especially surprising. A year ago, the outlook for growth in the US economy for 2024 was 0.7 per cent. However, it is now expected to grow by 2.4 per cent.

This means that the activity levels in most economies are better than previously foreseen. Unemployment remains low, most countries are seeing real wage growth, companies report good earnings and there are definite signs of a healthy economy. In addition to this, the Purchasing Manager Index (PMI), a leading indicator of GDP growth, indicates that expectations going forward are positive. The exception is that earlier engine of global growth, China. Here, expectations are more moderate, and the PMI indicates a levelling off of global growth over the next few years.

With slowing inflation and economies experiencing high levels of activity, the expectations of central banks are changing. At the start of this year, leading central banks were expected to cut their policy rates significantly, both this year and next year. The US Fed and the European Central Bank (ECB) were both expected to cut their policy rates by around 0.75 per cent in the first 6 months of 2024, and by a total of 2-2.25 per cent over the next 2 years. The situation as at the end of 2Q24 is no change from the US Fed and a cut by the ECB (-0.25 per cent). Going forward, expectations have also been sharply reduced. Cuts of around 1.5 per cent by both the US Fed and the ECB have been priced in for the next few years.

In Europe, there has been turmoil after the EU elections. For example, French government bond interest rates have risen in relation to other member states. Much of this is attributable to the uncertainty that arose in the aftermath of the EU elections, not least when President Macron announced new elections in France. It is highly likely that politics and elections will affect the markets in the rest of 2024 as well. A great deal of attention will be paid to the US presidential election.

The US stock market rose by 3.9 per cent in 2Q24, while in the year to date it is up by 14.5 per cent. It is primarily the seven largest companies that have provided a very good return, with the Nvidia Corporation (US computer graphics card manufacturer) being the stock market's biggest winner so far in 2024. Among our neighbouring countries, the Danish stock market has had the best start to the year. The Danish stock market is up by 23.5 per cent, with good help from the pharmaceutical company Novo Nordisk. The Swedish stock market has risen by 7.9 per cent this year, while Finland is down by 1.7 per cent.

## Norwegian economy – better household finances

Finance Norway's expectations barometer indicates that Norwegians' belief in their personal finances is back to normal and more optimistic levels after seeing the biggest dip in 30 years. The indicator is still in negative territory, although consumers' views concerning their personal finances are again optimistic, while their views concerning the country's economy going forward have also improved. The explanation for this improvement is complex, although a good wage settlement combined with a greater belief that interest rates have peaked have been strong contributors.

Unemployment in Norway rose slightly over the first 6 months of the year but remains at low levels. There are big differences between the various regions of the country. However, unemployment in Eastern Norway is just under 3 per cent, while the rate in Northern Norway is just under 2 per cent.

Credit growth in Norway continues to slow. Total year-on-year credit growth was 3.2 per cent as at the end of May. The downward trend is broadly based, although the decline in companies' investment appetite was particularly evident in the first half of the year.

The housing market has been a surprise with quite sharp price increases so far this year. On average, house prices increased by 8.2 per cent nationally during the first 5 months of the year. However, there are big differences between the various regions and cities. The strongest growth was seen in Finnmark, which saw prices rise by 12.1 per cent, while prices in Trøndelag and Nordland were up by around 6.5 per cent.

Norges Bank held its last monetary policy meeting before the summer on 20.06.24. Prior to the meeting, the expectation was that there would be no new signals from the central bank. The policy rate was held but the future interest rate path was raised. After the earlier monetary policy meetings, the indications were that the central bank expected to cut its policy rate by 0.25 per cent in September or December of this year. The central bank no longer regards this as an option. The first cut is now expected to come in March 2025. The reasons for this postponement of the first interest rate cut are complex. However, the most important changes are the solid wage settlements for this year, and expected settlements for the next year, where real wage growth will be significant. This will sustain domestic demand at a higher level than previously foreseen. Overall, this will contribute to the policy rate remaining higher for longer.

The Norwegian stock market has recovered somewhat after a weak 1Q24. So far this year, the index is up by 8.9 per cent.

Northern Norwegian economy – number of housing starts falls.

Only 224 new homes were started in Northern Norway in 1Q24. This is a 43 per cent decline compared with the same quarter last year. By comparison, according to figures from Statistics Norway (SSB), 701 new homes were started in Northern Norway in 1Q22.

The downturn in Northern Norway has been significantly sharper than in Norway as a whole, where housebuilding fell by 9 per cent compared with 1Q23.

- Troms is having the biggest negative impact with a decrease of 68 per cent.
- In Nordland, house starts fell by 23 per cent.
- Finnmark saw 17 per cent growth in housebuilding

The low level of house starts in 1Q24 (224 units) is also far below the average for the past 10 years (515 units).

There are, however, major differences between municipalities. The distribution of housebuilding in Norway is skewed, both nationally and regionally. Northern Norway is no exception in this regard. In Nordland, 75 per cent of all new homes were started in five out of its 41 municipalities, while the five municipalities in Troms with the highest number of starts accounted for 85 per cent of all housebuilding in 1Q24.

In Finnmark, all of the new homes were started in just three of the county's 18 municipalities. For Northern Norway as a whole, homes were only being built in 45 per cent of municipalities in 1Q24, while in Finnmark housebuilding was only recorded in 17 per cent of municipalities. A number of factors suggest that housebuilding is bottoming out and that the level of activity will soon increase:

Firstly, the economy is relatively strong, and unemployment remains low. That means that most people have the same level of purchasing power. Secondly, interest rates will be reduced in the next 6-12 months, which will probably stimulate demand for new homes. Thirdly, the price difference between used and new homes has narrowed. That means more people will also consider buying a new home rather than a used one. The benefits of buying a new home, with its better energy properties and lower maintenance needs, could reinforce this effect.

Last but not least, we are building fewer homes than we need, both nationally and regionally. This means that the population is increasing by significantly more than the number of homes being built, and the result is that we are living in less space. At some point, this pent up demand will be released. This calculation has not taken full account of the potential impact of Ukrainian refugees settling here permanently. The longer it takes for housebuilding to resume, the greater the pent up demand will be. That could result in intense bidding rounds and fights for homes on the day the market turns. And turn it will – probably within 6-12 months.

The full report on the housing market in Northern Norway can be read at kbnn.no.

## Sustainability

In 1Q24, SpareBank 1 Nord-Norge launched its transition plan, "The path to net zero in 2040". The plan describes the emissions paths the Group is following in order to achieve the ambitions it has set for cutting emissions, and it spent the quarter focusing on implementation. The plan applies for 2 years and will be revised by no later than 2026.

The new green financial framework has also been revised this year. The framework defines the criteria used as a basis for lending that could potentially be used to raise green funding in the capital markets. This framework will govern the Group's work in relation to climate-related risks and help us meet new regulatory requirements, while also helping northern Norwegian industry adjust to the green shift.

The Group is constantly seeking to improve environmental, social and governance (ESG) data quality, and work is underway on increasing the amount of energy ratings in the portfolio. Please also see SpareBank 1 Nord-Norge's Annual Report 2023, which presents more supplementary information, such as the Group's sustainability reporting in line with the current legal requirements for this area.

## Financial performance

| *(Amount in NOK million)* | 2Q24 | 2Q23 | Change |
|---|---|---|---|
| Total income | 1 477 | 1 198 | 279 |
| Total costs | 489 | 430 | -59 |
| Losses | 15 | 30 | 15 |
| Tax | 220 | 179 | -41 |
| Profit after tax | 753 | 559 | 364 |

The Group's profitability target is a return on equity that is among the best for comparable financial services groups. The Board currently considers this to be a return on equity of 13 per cent or more.

The income statement for 2Q24 in isolation shows a profit after tax of MNOK 753 (MNOK 559), which results in an annualised figure for the return on equity for the quarter in isolation of 18.9 per cent (15.1 per cent). As at the end of 2Q24, the annualised return on equity was 18.2 per cent (16.9 per cent).

## Net interest income

So far this year, Norges Bank has kept its policy rate unchanged at 4.50 per cent.

SpareBank 1 Nord-Norge did not change its general lending and deposit rates for customers in 2Q24.

Net interest income for 2Q24 in isolation was MNOK 995 (MNOK 855), MNOK 9 higher than in 1Q24 (MNOK 986). For the year to date, net interest income is MNOK 1 981 (MNOK 1 675).

As at the end of 2Q24, net interest income represented 3.03 per cent of average total assets (2.65 per cent).

Income from the loan portfolio transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt totalled MNOK 91 as at the end of 2Q24 (MNOK 87) and was booked as commission income. This income amounted to MNOK 50 for 2Q24 in isolation (MNOK 41).

The almost unchanged funding costs in the mortgage credit institutions in the last quarter was due to NIBOR also being stable, on a par with customer rates, as well as commission income from SpareBank 1 Boligkreditt, since they are 100 per cent market-funded.

## Net fee, commission and other operating income

Net fee, commission and other operating income in 2Q24 in isolation was MNOK 380 (MNOK 338).

As mentioned above, stable funding costs had a positive effect on commission income from SpareBank 1 Boligkreditt in the quarter, which was MNOK 9 higher than in the corresponding quarter last year and MNOK 9 higher than in 1Q24.

As at the end of 2Q24, net fee, commission and other operating income amounted to MNOK 715 (MNOK 647).

Please see Note 4 in the quarterly report for a more detailed specification of net fee, commission and other operating income.

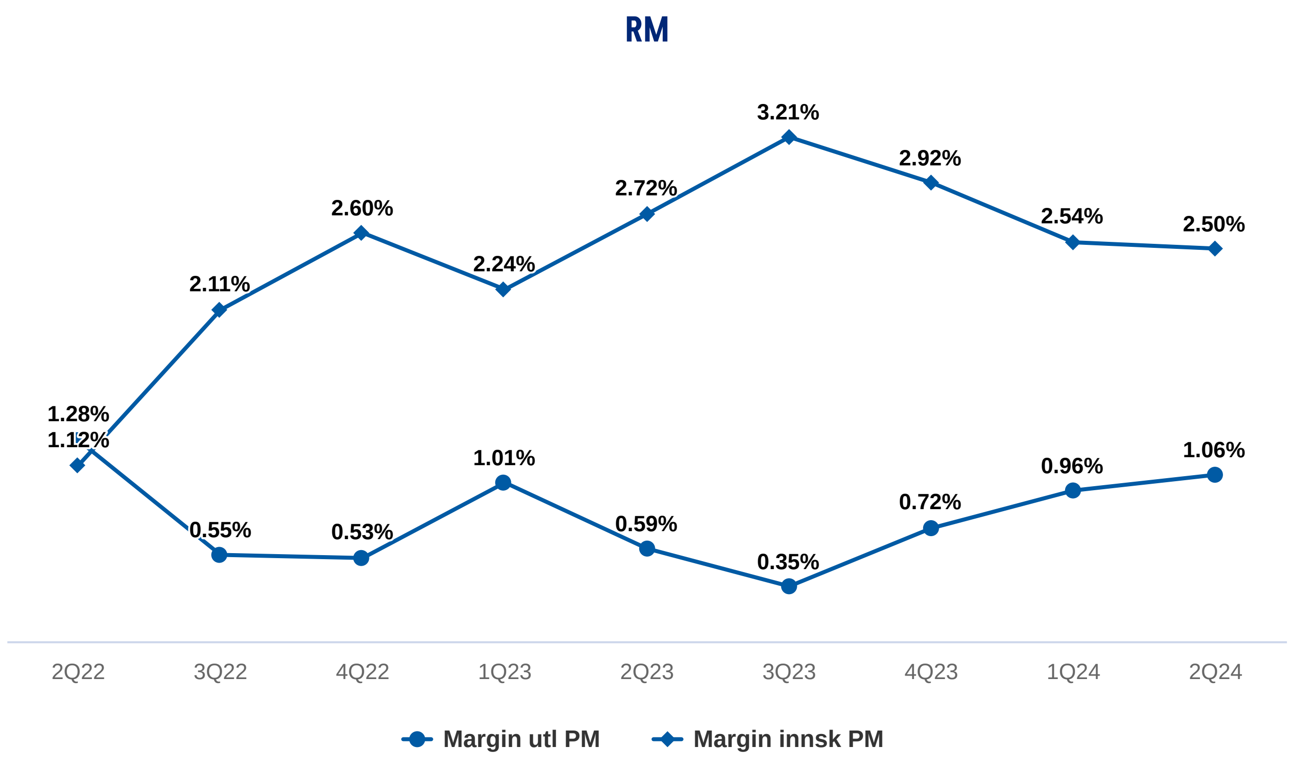
## Developments in market divisions

### Retail Market

Net interest income amounted to MNOK 441 for 2Q24 in isolation (MNOK 401), compared with MNOK 418 in 1Q24. Net interest income as at the end of 2Q24 was MNOK 859 (MNOK 774).

Net fee, commission and other operating income for the quarter was MNOK 161 (MNOK 152), compared with MNOK 150 in 1Q24. Commission income from SpareBank 1 Boligkreditt in the last quarter amounted to MNOK 50, MNOK 9 higher than in 2Q23 (MNOK 41) and MNOK 9 higher than in 1Q24. As at the end of 2Q24, net fee, commission and other operating income amounted to MNOK 311 (MNOK 312).

*Margin development in Retail Market versus average 3-month NIBOR:*




Retail Market's lending margin, measured against average 3-month NIBOR, increased by 0.1 percentage points over the quarter (-0.42 percentage points) due to the larger increase in product interest rates (following the last change in interest rates from Norges Bank) than the increase in average funding costs.

Competition on prices for well-collateralised mortgage loans remains significant, which is making it difficult to maintain the lending margin over time.

Lending growth in Retail Market, including loans transferred to SpareBank 1 Boligkreditt, for 2Q24 in isolation was 1.1 per cent, which represents annualised growth of 4.3 per cent (4.9 per cent). Actual growth in the past 12 months was 3.6 per cent (4.5 per cent). As at the end of 2Q24, the Parent Bank's total gross lending in Retail Market, excluding loans transferred to SpareBank 1 Boligkreditt, was MNOK 44 929 (MNOK 46 712).

The average NIBOR interest rate in 2Q24 was stable and should, therefore, not have had any effect on the deposit margin. However, the margin has fallen by 0.04 percentage points (+0.48 percentage points) due to higher product interest rates for deposit products. The Group expects deposit margins to decrease somewhat going forward, although this will depend on how the NIBOR interest rate develops and the competitive situation on deposits.

Deposits in Retail Market grew by 5.4 per cent in the last quarter (5.7 per cent). On an annualised basis, this represents annual growth of 21.4 per cent (22.8 per cent). Actual deposit growth in Retail Market in the past 12 months was 3.9 per cent (2.8 per cent).

Total operating costs in the division amounted to MNOK 141 for 2Q24 (MNOK 158), compared with MNOK 125 in 1Q24. As at the end of 2Q24, operating costs in the division amounted to MNOK 266 (MNOK 309). The development in costs is commented on in more detail in the section on operating costs.

As at the end of 2Q24, 224 FTEs worked in Retail Market in the Parent Bank (212), two fewer than as at the end of 1Q23 (222).

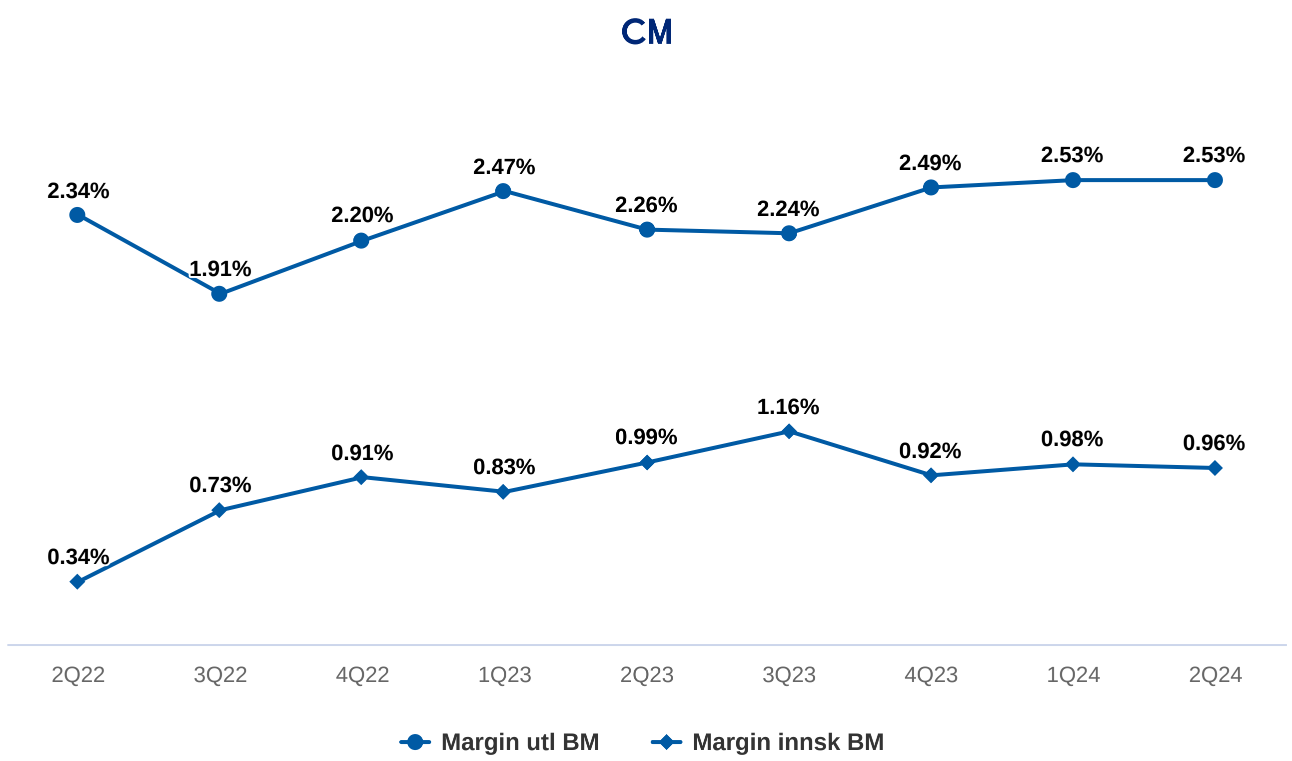
In Retail Market, the recognised loss for 2Q24 in isolation was MNOK -11 (income), the same as in 2Q23, compared with MNOK 11 (cost) in 1Q24. Recognised losses in Retail Market as at the end of 2Q24 amounted to MNOK -1 (MNOK -11).

## Corporate Market

Net interest income amounted to MNOK 361 for 2Q24 in isolation (MNOK 325), compared with MNOK 354 in 1Q24. Net interest income as at the end of 2Q24 was MNOK 715 (MNOK 630).

Net fee, commission and other operating income for the quarter was MNOK 49 (MNOK 40), compared with MNOK 44 in 1Q24. As at the end of 2Q24, net fee, commission and other operating income amounted to MNOK 93 (MNOK 81).

*Margin development in Corporate Market versus average 3-month NIBOR:*



The lending margin in Corporate Market measured against the average 3-month NIBOR has been stable in 2Q24 (-0.21 percentage points). The margin in Corporate Market is to a large extent directly linked to the development of the NIBOR rate as 7 per cent (77 per cent) of the loan portfolio is linked to the NIBOR rate.

Lending grew by 0.7 per cent in Corporate Market in 2Q24 in isolation (4.8 per cent), which when annualised represents growth of 2.9 per cent (19.1 per cent). Actual growth in the past 12 months was 9.4 per cent (14.4 per cent). It is positive that the Group's greater focus on Corporate Market is producing effects, including balanced growth both geographically and from a sector perspective, with a preponderance of ocean industries.

The total gross lending volume as at the end of 2Q24 was MNOK 54 127 (MNOK 49 467).

The deposit margin in Corporate Market measured against the 3-month NIBOR fell by 0.02 percentage points in the quarter (+0.16 percentage points). The reason why the margin does not always fall as much as it does for Retail Market is that 65 per cent (66 per cent) of the deposits are linked to the NIBOR rate.

Growth in deposits in Corporate Market in 2Q24 in isolation amounted to 4.2 per cent (1.9 per cent). Annualised, this represents 16.9 per cent (7.7 per cent). Actual growth in the past 12 months was 4.6 per cent, inclusive of the public sector market (0.3 per cent).

Total operating costs in Corporate Market amounted to MNOK 90 in 2Q24 in isolation (MNOK 97), compared with MNOK 79 in 1Q24. As at the end of 2Q24, total operating costs in the division amounted to MNOK 169 (MNOK 190).

As at the end of 2Q24, 98 FTEs worked in Corporate Market in the Parent Bank (96), one more than as at the end of 1Q24 (97).

Booked losses in Corporate Market amounted to MNOK 25 for 2Q24 in isolation (MNOK 44), compared with MNOK 20 in 1Q24. Booked losses in Corporate Market as at the end of 2Q24 amounted to MNOK 52 (MNOK -16).

## Financial Investments – income and events in the accounting period

An overview of the quarter's total income from financial investments can be found in Note 5 of the quarterly report. Additionally, the results from subsidiaries, associated companies and joint ventures are specified in Note 13.

## Associated companies and joint ventures

Profit contributions from associated companies and joint ventures totalled MNOK 45 for 2Q24 in isolation (MNOK 3). As at the end of 2Q24, the profit share was MNOK 111 (MNOK 41).

The main associated companies are commented on below.

### SpareBank 1 Gruppen

The result for 2Q24 in isolation was MNOK 115 (MNOK -21), MNOK 156 lower than in 1Q24 (MNOK 271).

The insurance companies saw good financial returns and good insurance results in 2Q24 in isolation. Claims rates have developed positively compared with the corresponding period last year. However, the result as a whole is negatively impacted by a MNOK 234 write-down of the stake in the company Kredinor.

As at the end of 2Q24, SpareBank 1 Gruppen's profit amounted to MNOK 416 (MNOK 250).

SpareBank 1 Nord-Norge's share of the result for 2Q24 in isolation amounted to MNOK 1 (MNOK -5). SpareBank 1 Nord-Norge's share of the profit as at the end of 2Q24 amounted to MNOK 40 (MNOK 22).

On 28 June 2024, a stock exchange announcement was made that the Norwegian Financial Supervisory Authority has approved the notified merger between Fremtind Forsikring and Eika Forsikring. The transaction will take place on 01.07.24, and the two insurance companies will be sister companies in Fremtind Holding until the planned decision on the merger, and then completion of the merger on 01.10.24. SpareBank 1 Nord-Norge's share of the accounting effects of the merger will, as appears from the stock exchange announcement on 28 June 2024, be booked in 3Q24.

### SpareBank 1 Boligkreditt

The result for 2Q24 in isolation was a profit of MNOK 167 (MNOK 109). As at the end of 2Q24, the profit was MNOK 324 (MNOK 270).

SpareBank 1 Nord-Norge's share of the profit for 2Q24 in isolation was MNOK 24 (MNOK 15) and as at the end of 2Q24 it was MNOK 47 (MNOK 38).

### SpareBank 1 Mobilitet Holding

The company owned 47.16 per cent of Fleks AS, which produced deficits in recent years due to the strong build-up of its fleet. Fleks AS declared bankruptcy in May 2024.

The company posted a deficit of NOK -58 660 for 2Q24 in isolation (MNOK -22). As at the end of 2Q24, the loss was NOK -90 589 (MNOK -44).

SpareBank 1 Nord-Norge's share of the profit for 2Q24 in isolation was MNOK -0 (MNOK -7) and as at the end of 2Q24 it was MNOK -0 (MNOK -13).

### SpareBank 1 Forvaltning

The Group consists of the companies SpareBank 1 Forvaltning and ODIN. Total profit for 2Q24 in isolation was MNOK 61 (MNOK 39). ODIN contributed most of the Group's result. As at 2Q24, the profit was MNOK 106 (MNOK 78).

SpareBank 1 Nord-Norge's share of the profit for 2Q24 in isolation was MNOK 7 (MNOK 5) and as at the end of 2Q24 it was MNOK 13 (MNOK 10).

### SpareBank 1 Betaling

The company is an owner of Vipps Holding AS, which in turn owns MobilePay AS, and includes the result from this company in line with the equity method. The result for 2Q24 in isolation was a loss of MNOK -24 (loss of MNOK -53), which was affected by the operating loss in Vipps AS of MNOK -24 (loss of MNOK -52).

As at the end of 2Q24, the result was a loss of MNOK -78 (loss MNOK -92).

SpareBank 1 Nord-Norge's share of the loss for 2Q24 in isolation amounted to a loss of MNOK -4 (loss of MNOK -10). SpareBank 1 Nord-Norge's share of the loss as at the end of 2Q24 was a loss of MNOK -14 (loss MNOK -17).

### SpareBank 1 Markets

The company took over SpareBank 1 Nord-Norge's market activities from December 2023. At the same time, the Bank's ownership interest in this company was increased and it is now treated in the accounts as an associated company based on the equity method.

SpareBank 1 Markets posted a profit of MNOK 65 for 2Q24 in isolation and of MNOK 127 as at the end of 2Q24.

SpareBank 1 Nord-Norge's share of the profit in 2Q24 amounted to MNOK 12 and as at the end of 2Q24 to MNOK 23.

## Subsidiaries

The Group's subsidiaries are fully consolidated in the Group's accounts and delivered a total profit after tax of MNOK 81 for the quarter (MNOK 81), and MNOK 142 as at the end of 2Q24 (MNOK 137).

### EiendomsMegler 1 Nord-Norge

The company posted a profit after tax of MNOK 14 for 2Q24 in isolation. The corresponding figure for 2Q23 was MNOK 11. The year-to-date profit after tax totalled MNOK 13 (MNOK 10).

Operating income in the quarter amounted to MNOK 63,19 per cent higher than in the corresponding quarter last year. 1 059 units were sold in the quarter, 80 more than last year. As at the end of 2Q24, 25 more units had been sold than as at the end of 2Q23 and earnings were 12 per cent higher.

The costs in the quarter were MNOK 40 lower, 4 per cent more than in 2Q23. For the year to date, costs are 2 per cent higher than for last year. There were 111 FTEs as at the end of 2Q24 (106), the same as at the end of 1Q24.

SpareBank 1 Regnskapshuset Nord-Norge:

In May 2023, the company acquired the accounting company Adwice AS in Vesterålen and Lofoten. In September 2023, it acquired Flex AS. Flex AS is the largest accounting firm in Indre Salten. The companies merged on 01.01.24.

The company's profit after tax for 2Q24 in isolation was MNOK 11 (MNOK 8).

SpareBank 1 Regnskapshuset Nord-Noege's peak season is the first half of the year, although it saw 39 per cent growth in income from ordinary accounting and payroll assignments as at the end of 2Q24 compared with the corresponding period the year before. At the same time, total operating costs in 2Q24 increased by 43 per cent compared with last year, largely due to the mergers carried out in 2023.

As at the end of 2Q24, the profit after tax was MNOK 21 (MNOK 18).

As at the end of 2Q24, there were 287 FTEs in the company, 10 more FTEs than as at the end of 2Q23.

SpareBank 1 Finans Nord-Norge:

The company posted a profit after tax of MNOK 50 for 2Q24 in isolation, compared with MNOK 57 for 2Q23. The company's income increased by 4 per cent in 2Q24 compared with the corresponding quarter in 2023. As at the end of 2Q24, the profit after tax was MNOK 100 (MNOK 103).

Costs increased by 12 per cent in 2Q24 compared with 2Q23. As at the end of 2Q24, the costs were MNOK 33, 6 per cent higher than as at the end of 2Q23 (MNOK 31). The company had 42 FTEs as at the end of 2Q24, four more than at the same time last year.

The net loss in the quarter was MNOK 13 higher than in the corresponding quarter last year. As at the end of 2Q24, net losses amounted to MNOK 13 (MNOK -2).

Also see the specification in Note 14.

## The Group's equities portfolio

As at the end of 2Q24, the Group's equities portfolio amounted to MNOK 1 370, compared with MNOK 1 461 as at the end of 2Q23 and MNOK 1 364 as at the end of 4Q23.

The Parent Bank's equities portfolio saw a change in value in 2Q24 in isolation amounting to MNOK -20 (MNOK -20), which was mainly due to falls in the value of shares held in SpareBank 1 Helgeland by MNOK 22 and Visa by MNOK 4, while the value of shares in BN Bank ASA increased by MNOK 29. As at the end of 2Q24, the value of the portfolio had changed by MNOK 32 (MNOK 55). As at the end of 2Q24, SpareBank 1 Nord-Norge Portefølje's equities portfolio had not increased in value.

## Certificates, bonds, currency and derivatives

As at the end of 2Q24, the Group's holdings of certificates and bonds amounted to MNOK 20 039, compared with MNOK 18 477 as at the end of 2Q23 and MNOK 18 189 as at the end of 4Q23.

The total net change in value in the bond portfolio in 2Q24 in isolation represents a net unrealised gain of MNOK 20 (MNOK -11). Of the change in value, MNOK 28 was due to the positive change in value of the portfolio (spread contraction), and MNOK 8 was due to the negative effect on coupon rates. In addition, a negative change in value of MNOK 1 was recognised for the associated foreign exchange items.

The Group saw a MNOK 0 change in the value of its fixed-rate loan portfolio in 2Q24 (MNOK -6).

As at the end of 2Q24, total net changes in the value of the bond portfolio, currency and fixed-rate loans amounted to MNOK 44 (MNOK -49).

A summary of the Group's derivatives as at the end of 2Q24 can be seen in Note 15 in the quarterly report.

## Operating costs

The Group's operating costs for 2Q24 in isolation were MNOK 489, which is MNOK 59 higher than in 2Q23 (MNOK 430) and MNOK 1 higher than the previous quarter (MNOK 488). The Parent Bank's operating costs in the quarter amounted to MNOK 328 (MNOK 284), while operating costs in the subsidiaries amounted to MNOK 161 (MNOK 146).

The cost increase in the last year was largely inflation- and staff-driven, and comes primarily on the back of wage growth and increased investments in the subsidiaries. The increase in the parent bank is also due to high inflation, especially in the ICT area, more man-years, both on the customer side and linked to regulatory requirements, as well as high wage growth.

As at the end of 2Q24, the Group's operating costs were MNOK 977 (MNOK 851). The Parent Bank's total operating costs as at the end of 2Q24 were MNOK 651 (MNOK 568).

The Group had 970 FTEs as at the end of 2Q24, 22 FTEs more than the 948 as at the end of 2Q23, and 10 more than as at the end of 1Q24 (960). Compared with last year, there are three more FTEs in the Parent Bank and 22 FTEs more in the subsidiaries, of which 10 FTEs are in SpareBank 1

Regnskapshuset Nord-Norge. The increase in staffing was mainly due to acquisitions and growth ambitions, especially in Corporate Market and its subsidiaries, although staffing was also increased to deal with strict regulatory requirements and because of the need for more resources in the ICT and on the customer side.

The Group's long-term target of a cost/income ratio of 40 per cent or lower remains fixed in 2024 as well. Despite relatively high cost growth in the past year, cost growth has come down in 2024, is under control and is closely linked to an increased top line, which also Cost/income the development documents.

The costs are specified by main category compared with previous periods in Note 6 in the quarterly accounts.

## Losses and non-performing loans

The Group's net losses in 2Q24 in isolation amounted to MNOK 15 (MNOK 30): MNOK -11 (MNOK -14) from the retail market and MNOK 25 (MNOK 44) from the corporate market. The net loss in 2Q24 consisted of MNOK 52 in recognised losses/changes in individual loss provisions (MNOK -4), MNOK -36 in reduced ECL provisions (MNOK +37), and MNOK -2 in receipts on previously impaired receivables (MNOK -3).

As at the end of 2Q24, the Group's net losses amounted to MNOK 51 (MNOK -27): MNOK -1 from the retail market (MNOK -11) and MNOK 52 from the corporate market (MNOK -16). The net loss in 2Q24 consisted of MNOK 89 in recognised losses/changes in individual loss provisions (MNOK 8), MNOK -35 in increased ECL provisions (MNOK -30), and MNOK -4 in receipts on previously impaired receivables (MNOK -5).

The Group continues to see little negative risk migration and few bankruptcies in its loan portfolio as a result of the macro situation. In general, the Group has a solid and diversified customer portfolio with low to moderate risk, however we pay close attention to and closely monitor exposed areas such as commercial property, construction and the wholesale and retail trade.

As at the end of 2Q24, total´ loss provisions on loans came to MNOK 848 (MNOK 707), which was MNOK 16 higher than as at the end of the preceding quarter (MNOK 832). Loan loss provisions amount to 0.82 per cent of the Group's total gross lending (0.64 per cent), and 0.57 per cent of gross lending, including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt (0.46 per cent). The corresponding ratios at the end of 4Q23 were 0.81 per cent and 0.56 per cent.

As at the end of 2Q24, the Group's total loss provisions for loans and guarantees classified as Stage 1 and Stage 2 amounted to MNOK 495 (MNOK 509), MNOK 16 lower than as at the end of the previous quarter (MNOK 511).

As at the end of 2Q24, loss provisions for loans and guarantees classified as Stage 3 amounted to MNOK 353 (MNOK 199) compared with MNOK 320 as at the end of 1Q24. This equates to a loss provision ratio of 26 per cent (29 per cent) of non-performing and doubtful commitments, compared with 28 per cent as at the end of the preceding quarter. The provisions in 2Q24 were MNOK 33 higher than in the preceding quarter.

Please refer to Notes 2, 8 and 11 in the quarterly report, which describe the Group's assessments concerning factors affecting loss provisions in 1Q24.

In the opinion of the Board, the quality of the Group's loan portfolio is good, and the Group is doing high quality work in connection with non-performing and impaired commitments. There will continue to be a strong focus on this work going forward.

## Balance sheet development

### Lending

As at the end of 2Q24, loans totalling BNOK 45 (BNOK 40) had been transferred to SpareBank 1 Boligkreditt, and BNOK 0.1 (BNOK 0.1) to SpareBank 1 Næringskreditt. These loans do not appear as lending on the Bank's balance sheet. Nevertheless, the comments on the growth in lending also include the loans sold to the mortgage credit institutions.

For 2024 as a whole, the Group expects lending growth of 2-4 per cent in Retail Market and lending growth of 4-7 per cent in Corporate Market. However, the uncertainty in relation to lending growth has increased from before and growth over the course of the year will be affected by developments in interest rates, the housing market and inflation.

The competition remains fierce, especially in the mortgage market, but the Group is competitive and is taking market share. The overall growth in loans to customers in 2Q24 was 1.1 per cent in Retail Market (1.2 per cent) and 0.7 per cent in Corporate Market (4.8 per cent). This represents annualised growth of 4.3 per cent (4.9 per cent) in Retail Market and 2.9 per cent (19.1 per cent) in Corporate Market. Actual growth over the past 12 months was 3.6 per cent in Retail Market (4.5 per cent) and 9.4 per cent in Corporate Market (14.4 per cent).

Retail Market accounted for 63 per cent of total lending as at the end of 2Q24 (66 per cent).
The Group's lending is specified in Note 10 in the quarterly report.

## Liquidity

Customer deposits are the Group's most important source of funding and Note 16 in the quarterly report provides an overview of the Bank's deposits.

The deposit-to-loan ratio as at 2Q24 was 88 per cent, compared with 87 per cent as at 2Q23. The Bank's remaining funding, apart from equity and subordinated capital and deposits from customers, is mainly long-term funding from the capital markets. The Bank's access to liquidity and the key figures for liquidity are satisfactory. The Bank's strategic objective is to keep overall liquidity risk at a low level. LCR (Liquidity Coverage Ratio) as at the end of 2Q24 was 148 per cent (149 per cent). The net stable funding ratio (NSFR) as at the end of 2Q24 was 120 per cent (118 per cent).

The senior preferred rating from Moody's as at the end of 2Q24 was Aa3, and the senior non-preferred rating A3.

Please refer also to Note 22 on liquidity risk in the quarterly report.

## Financial strength and capital adequacy

SpareBank 1 Nord-Norge is subject to the regulatory capital requirements set out in CRR2/CRDV.

In December 2023, the Financial Supervisory Authority of Norway set a new Pillar 2 requirement (SREP) for SpareBank 1 Nord-Norge. As at 31.12.23, the Pillar 2 requirement was 1.4 per cent of the consolidated risk exposure amount. Furthermore, the minimum requirement must be met with a minimum of 56.25 per cent Common Equity Tier 1 capital and at least 75 per cent Tier 1 capital.

The Group uses proportional consolidation for its capital adequacy reporting on the stakes in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt, SpareBank 1 Kreditt, SpareBank 1 Markets and BN Bank.

The calculation is carried out both with the inclusion in the capital of the year-to-date's share of the profit not allocated for dividends pursuant to the dividend policy (50 per cent), as well as completely without a profit contribution, which normally corresponds to a dividend payout ratio of 100 per cent.

For a more detailed description of the area, please see the Group's annual report.

| | 30.06.24 | 30.06.23 | Change |
|---|---|---|---|
| Common Equity Tier 1 Capital Ratio | 16,4 % | 16,7 % | -0,3 % |
| Tier 1 Capital Ratio | 18,1 % | 17,9 % | 0,2 % |
| Capital Adequacy Ratio | 20,7 % | 19,5 % | 1,2 % |
| Leverage Ratio | 7,5 % | 7,2 % | 0,2 % |

The Group's Common Equity Tier 1 capital as at the end of 2Q24 was MNOK 13 257 and was MNOK 70 higher than as at the end of 2Q23 (MNOK 13 187) but MNOK 27 lower than as at the end of 1Q24 (MNOK 13 285). The calculation as at the end of 2Q24 does not include any profit sharing. The change in the last quarter was mainly due to increases in the deduction items significant stakes in associated companies and joint ventures and interest on hybrid Tier 1 instruments.

The Common Equity Tier 1 capital ratio of 16.4 per cent is 0.6 percentage points above the Group's capital target (15.8 per cent), and 1.6 percentage points above the regulatory minimum level (14.8 per cent). If the profit share in accordance with the dividend policy (50 per cent) is taken into account as at the end of 2Q24, Common Equity Tier 1 capital was 17.3 per cent (17.5 per cent).

The risk exposure amount (RWA) as at the end of 2Q24 was MNOK 80 888 and had increased by MNOK 5 481 compared with 2Q23 (MNOK 75 407) and MNOK 740 compared with 1Q24 (MNOK 80 149). This was mainly due to growth and thus increased exposure in the loan portfolio.

The capital adequacy calculation is shown in Note 21 of the quarterly report.

## Concluding remarks and outlook

After the pandemic, a relatively rapid and sharp decrease in interest rates was expected. This has not happened. Much of the reason for this is the record weakness of the Norwegian krone and Norway being among the OECD countries with the highest inflation rates. Interest rates are expected to fall towards the end of the year or at the start of 2025, although Norges Bank is constantly adjusting its interest rate path, which means that we must expect higher interest rates for longer than the market has so far assumed. In addition, there is much to suggest that interest rates are unlikely to fall as much as previously suggested. Current interest rates are not particularly high from a historical perspective, and if Norges Bank manages to achieve a soft landing, without a large increase in unemployment, there is reason to believe that everyone will have to adapt to higher interest rate levels than we have experienced in recent years, and a higher level than the expectations over the past couple of years have assumed.

On average, northern Norwegian households have a lower debt ratio than the national average, and, with some exceptions, the business sector in the region is strong and enjoying good earnings. Northern Norway continues to see lower unemployment than the average for Norway, and important industries in the region are benefiting from a weak Norwegian kroner exchange rate. The current level of interest rates is challenging for the construction industry and capital goods traders in Northern Norway, as it is in the rest of the country. It is unfortunate that housebuilding has stopped, although with rising used house prices and strong migration into the region, new housing projects will eventually have to be started. Real wage growth will also help to increase purchasing power, and the Norwegian Armed Forces' investments in the region over the next few years will be a formidable economic driving force.

The biggest uncertainty factor is the announced decrease in cod quotas, which comes on top of an already heavy decrease in crab quotas. Lower quotas combined with high interest rates and expensive bunkers will present the traditional fisheries industry with some challenges in the next few years. At the same time, prices are good, the exchange rate is favourable, and the industry has many good years behind it. The aquaculture industry is still faring very well despite somewhat weaker prices in late spring, and after the introduction of basic interest tax, it seems that the appetite to invest has returned to some extent.

Commercial real estate is also a challenging industry given current interest rates. However, at the same time, we can see that the unemployment rate in the industry is relatively stable, and our region has much more moderate yield levels than central cities in the south. As long as the underlying economy continues to perform well and unemployment rates remain low, we expect no major negative shifts in relation to commercial property.

The total impact of the positive and negative economic effects is not a given, although there is still reason to expect Northern Norway to fare better than the rest of the country in the coming years as well. Nonetheless, 2024 will be a more demanding year for the region than previous years have been. This will require extra vigilance and a bank that takes a proactive approach to its customers, one of the things the Group always focuses heavily on.

SpareBank 1 Nord-Norge is well positioned, financially very strong and liquid with a good customer portfolio and a strong market position in a region with good conditions for favourable economic development. A strong focus on customers and good knowledge of the people and businesses in our region will enable the Group to strengthen its market position both in 2024 and the future.

All things considered, the Group's future prospects are believed to be good.

Tromsø, 07.08.24

The Board of SpareBank 1 Nord-Norge

# Statement of Financial Performance

| Parent Bank | | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | Note | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| 1 438 | 1 852 | 2 744 | 3 687 | Interest income | 3 | 3 867 | 2 916 | 1 941 | 1 525 |
| 675 | 953 | 1 248 | 1 898 | Interest costs | 3 | 1 886 | 1 241 | 946 | 670 |
| 763 | 899 | 1 496 | 1 789 | Net interest income | | 1 981 | 1 675 | 995 | 855 |
| 204 | 217 | 407 | 415 | Fee- and commission income | 4 | 562 | 543 | 307 | 284 |
| 18 | 17 | 34 | 30 | Fee- and commission costs | 4 | 41 | 47 | 21 | 24 |
| 0 | 1 | 0 | 2 | Other operating income | 4 | 194 | 151 | 94 | 78 |
| 186 | 201 | 373 | 387 | Net fee- and other operating income | | 715 | 647 | 380 | 338 |
| 40 | 59 | 96 | 60 | Dividend | 5 | 60 | 96 | 59 | 40 |
| 514 | 97 | 685 | 256 | Income from investments | 5,13 | 111 | 41 | 45 | 3 |
| - 37 | - 2 | 9 | 49 | Net gain from investments in securities | 5 | 50 | 6 | - 2 | - 38 |
| 517 | 154 | 790 | 365 | Net income from financial investments | | 221 | 143 | 102 | 5 |
| 0 | 0 | 0 | 0 | | | 0 | 0 | | |
| 1 466 | 1 254 | 2 659 | 2 541 | Total income | | 2 917 | 2 465 | 1 477 | 1 198 |
| 139 | 158 | 278 | 316 | Personnel costs | 6 | 516 | 442 | 252 | 220 |
| 103 | 123 | 207 | 241 | Administration costs | 6 | 278 | 243 | 142 | 121 |
| 15 | 15 | 30 | 30 | Ordinary depreciation | 6,7 | 43 | 44 | 20 | 22 |
| 27 | 32 | 53 | 64 | Other operating costs | 6 | 140 | 122 | 75 | 67 |
| 284 | 328 | 568 | 651 | Total costs | | 977 | 851 | 489 | 430 |
| 1 182 | 926 | 2 091 | 1 890 | Result before losses | | 1 940 | 1 614 | 988 | 768 |
| 35 | 7 | - 25 | 38 | Losses | 8 | 51 | - 27 | 15 | 30 |
| 1 147 | 919 | 2 116 | 1 852 | Result before tax | | 1 889 | 1 641 | 973 | 738 |
| 153 | 192 | 319 | 376 | Tax | | 422 | 361 | 220 | 179 |
| 994 | 727 | 1 797 | 1 476 | Result after tax | | 1 467 | 1 280 | 753 | 559 |
| | | | | Attributable to: | | | | | |
| | | | | Controlling interests | | 1 447 | 1 260 | 742 | 547 |
| | | | | Non-controlling interests | | 20 | 20 | 11 | 12 |
| | | | | Result per Equity Certificate | | | | | |
| 4, 53 | 3, 36 | 8, 19 | 6, 82 | Result per Equity Certificate, adjusted for interests hybrid capital | | 6 | 6 | 3, 32 | 2, 47 |

# Other comprehensive income

| Parent Bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| 994 | 727 | 1 797 | 1 476 | Result after tax | 1 467 | 1 280 | 753 | 559 |
| | | | | Items that will not be reclassified to profit/loss | | | | |
| 0 | 0 | 0 | 0 | Share of other comphrehensive income from investment in assosiated companies | 3 | 1 | 2 | 0 |
| 0 | 0 | 0 | 0 | Total | 3 | 1 | 2 | 0 |
| | | | | Items that will be reclassified to profit/loss | | | | |
| 0 | - 1 | 0 | 9 | Value changes on loans measured at fair value | 9 | 0 | 9 | 0 |
| 0 | 0 | 0 | 0 | Share of other comphrehensive income from investment in assosiated companies | -45 | -2 | - 45 | 9 |
| 0 | 1 | 0 | -2 | Tax | -2 | 0 | - 2 | 0 |
| 0 | 0 | 0 | 7 | Total | - 38 | - 2 | - 38 | 9 |
| 994 | 727 | 1 797 | 1 483 | Total comprehensive income for the period | 1 432 | 1 279 | 717 | 568 |
| 4,53 | 3,36 | 8,19 | 6,85 | Total result per Equity Certificate, adjusted for interests hybrid capital | 6,30 | 5,70 | 3,15 | 2,51 |

# Balance sheet

| Parent Bank | | | | Group | |
|---|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | | |
| 31.12.23 | 30.06.24 | | Notes | 30.06.24 | 31.12.23 |
| | | Assets | | | |
| 402 | 756 | Cash and balances with central banks | | 756 | 402 |
| 9 300 | 10 232 | Loans to credit institutions | 10 | 2 753 | 2 304 |
| 89 086 | 90 949 | Loans to customers | 10,11,12 | 99 933 | 98 032 |
| 1 359 | 1 365 | Shares | 12 | 1 370 | 1 364 |
| 18 187 | 20 037 | Certificates and bonds | 12 | 20 039 | 18 189 |
| 1 422 | 1 439 | Financial derivatives | 12,15 | 1 439 | 1 422 |
| 5 758 | 6 104 | Investment in Group Companies, assosiated companies and joint ventures | 13 | 5 113 | 4 858 |
| 402 | 418 | Fixed assets | 7 | 824 | 811 |
| 504 | 419 | Other assets | 14 | 800 | 756 |
| 126 420 | 131 719 | Total assets | | 133 027 | 128 138 |
| | | Liabilities | | | |
| 1 165 | 1 246 | Depsits from credit institutions | 16 | 1 245 | 1 164 |
| 82 560 | 88 507 | Deposits from customers | 16 | 88 415 | 82 495 |
| 13 970 | 13 395 | Debt securities in issue | 17 | 13 395 | 13 970 |
| 1 198 | 1 260 | Financial derivatives | 12,15 | 1 260 | 1 198 |
| 3 055 | 2 945 | Other liabilities | 18 | 3 329 | 3 754 |
| 8 367 | 8 341 | Senior non-preferred and subordinated debt | 19 | 8 341 | 8 367 |
| 110 315 | 115 694 | Total liabilities | | 115 985 | 110 948 |
| | | Equity | | | |
| 2 650 | 2 650 | Equity Certificate capital and premium reserve | 20 | 2 650 | 2 650 |
| 1 250 | 1 250 | Hybrid capital | 20 | 1 250 | 1 250 |
| 4 238 | 4 201 | Dividend Equalisation Fund | 20 | 4 557 | 4 628 |
| 7 967 | 7 924 | Saving Bank's primary capital | 20 | 8 336 | 8 417 |
| | | Non-controlling interests | 20 | 249 | 245 |
| 16 105 | 16 025 | Total equity | | 17 042 | 17 190 |
| 126 420 | 131 719 | Total liabilities and equity | | 133 027 | 128 138 |

# Statement of Changes in Equity

| *(Amounts in NOK million)* | EC capital and Premium Fund | Dividend Equalisation Fund | Saving Bank's primary capital | Hybrid capital | Total controlling interests | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| Group | | | | | | | |
| Equity at 01.01.23 | 2 650 | 4 347 | 8 095 | 600 | 15 692 | 231 | 15 923 |
| Total comprehensive income for the period | | | | | | | |
| Period result | | 585 | 675 | | 1 260 | 20 | 1 280 |
| *Other comprehensive income:* | | | | | | | |
| Share of other comprehensive income from investment in assosiated companies | | | - 1 | | - 1 | | - 1 |
| Tax on other comprehensive income | | | | | | | |
| Total other comprehensive income | | | - 1 | | - 1 | | - 1 |
| Total comprehensive income for the period | | 585 | 674 | | 1 259 | 20 | 1 279 |
| Transactions with owners | | | | | | | |
| Changes in controlling interests | | | | | | 11 | 11 |
| Hybrid capital | | | | 204 | 204 | | 204 |
| Dividend paid | | - 824 | | | - 824 | - 27 | - 851 |
| Other transactions | | 5 | 5 | | 10 | - 1 | 9 |
| Interests hybrid capital - this year | | - 11 | - 13 | | - 24 | | - 24 |
| Approved society dividend | | | - 952 | | - 952 | | - 952 |
| Total transactions with owners | | - 830 | - 960 | 204 | -1 586 | - 17 | -1 603 |
| Equity at 30.06.23 | 2 650 | 4 102 | 7 809 | 804 | 15 365 | 234 | 15 599 |
| Equity at 01.01.24 | 2 650 | 4 628 | 8 417 | 1 250 | 16 945 | 245 | 17 190 |
| Total comprehensive income for the period | | | | | | | |
| Period result | | 671 | 776 | | 1 447 | 20 | 1 467 |
| *Other comprehensive income:* | | | | | | | |
| Value changes on loans measured at fair value | | 4 | 5 | | 9 | | 9 |
| Share of other comprehensive income from investment in assosiated companies | | - 19 | - 23 | | - 42 | | - 42 |
| Tax on other comprehensive income | | - 1 | - 1 | | - 2 | | - 2 |
| Total other comprehensive income | | - 16 | - 19 | | - 35 | | - 35 |
| Total comprehensive income for the period | | 655 | 757 | | 1 412 | 20 | 1 432 |
| Transactions with owners | | | | | | | |
| Equity issue | | | | | | 11 | 11 |
| Dividend paid | | - 703 | | | - 703 | - 27 | - 730 |
| Other transactions | | | 1 | | 1 | | 1 |
| Interests hybrid capital - this year | | - 23 | - 26 | | - 49 | | - 49 |
| Approved society dividend | | | - 813 | | - 813 | | - 813 |
| Total transactions with owners | | - 726 | - 838 | | -1 564 | - 16 | -1 580 |
| Equity at 30.06.24 | 2 650 | 4 557 | 8 336 | 1 250 | 16 793 | 249 | 17 042 |

# Statement of Cash Flows

| Parent Bank | | | | Group | |
|---|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | | |
| 31.12.23 | 30.06.24 | | | 30.06.24 | 31.12.23 |
| 3 720 | 1 852 | Profit before tax | | 1 889 | 3 273 |
| 60 | 30 | + Ordinary depreciation | 7 | 43 | 88 |
| 71 | 38 | + Losses on loans and guarantees | 8 | 51 | 116 |
| 671 | 376 | - Tax/Result non-current assetes held for sale | | 422 | 725 |
| 3 180 | 1 544 | Provided from the year's operations | | 1 561 | 2 752 |
| 1 213 | - 181 | Change in sundry liabilities: + increase/ - decrease | 18 | - 493 | 1 314 |
| 115 | 68 | Change in various claims: - increase/ + decrease | 14 | - 61 | 68 |
| -5 257 | -3 107 | Change in gross lending to and claims on customers: - increase/ + decrease | 10,11,12 | -2 678 | -5 452 |
| 36 | -1 856 | Change in short term-securities: - increase/ + decrease | 12 | -1 856 | 48 |
| 2 994 | 5 947 | Change in deposits from and debt owed to customers: + increase/ - decrease | 16 | 5 920 | 3 011 |
| - 21 | 81 | Change in liabilities to credit institusions: + increase/ - decrease | 16 | 81 | - 21 |
| 2 260 | 2 496 | A. Net liquidity change from operations | | 2 474 | 1 720 |
| -56 | -46 | - Investment in fixed assets | 7 | -56 | -70 |
| - 767 | - 346 | Payments to group companies and assosiated companies | 13 | - 282 | - 767 |
| 98 | 0 | Payments from/Change in values of group companies and assosiated companies | 13 | - 15 | 701 |
| - 725 | - 392 | B. Liquidity change from investments | | - 353 | - 136 |
| - 60 | - 49 | Interest to hybrid capital owners | | - 49 | - 60 |
| - 43 | - 24 | Payments to leases | 7 | - 28 | - 55 |
| -1 558 | -1 459 | - Dividend paid on EC/approved distributions | | -1 486 | -1 588 |
| -4 667 | -2 400 | Payments to borrowings through the issuance of securities | 17 | -2 400 | -4 667 |
| 2 448 | 1 849 | Payments from borrowings through the issuance of securities | 17 | 1 849 | 2 448 |
| - 350 | - 200 | Payments to subordinated loan capital | 19 | - 200 | - 350 |
| 2 643 | 250 | Payments from subordinated loan capital | 19 | 250 | 2 643 |
| 650 | 0 | Payments to/payments from hybrid capital | 20 | 0 | 650 |
| | | Payment from non-controlling interests | | 11 | 15 |
| - 937 | -2 033 | C. Liquidity change from financing | | -2 053 | - 964 |
| 598 | 71 | A + B + C. Total change in liquidity | | 68 | 620 |
| 631 | 1 229 | + Liquid funds at the start of the period | | 1 251 | 631 |
| 1 229 | 1 300 | = Liquid funds at the end of the period | | 1 319 | 1 251 |
| 402 | 756 | Cash and balances with Central Banks | | 756 | 402 |
| 827 | 544 | Loans and advances to credit institutions without an agreed term or notice period | | 563 | 849 |
| 1 229 | 1 300 | Liquid funds at the end of the period | | 1 319 | 1 251 |

Liquid funds are defined as cash and balances with Central Banks, and loans and advances to credit institutions without an agreed term or notice period.

# Result from the Group's quarterly accounts

| *(Amounts in NOK million)* | | 2Q24 | 1Q24 | 4Q23 | 3Q23 | 2Q23 | 1Q23 | 4Q22 | 3Q22 | 2Q22 |
|---|---|---|---|---|---|---|---|---|---|---|
| Interest income | | 1 941 | 1 926 | 1 888 | 1 757 | 1 525 | 1 391 | 1 281 | 981 | 823 |
| Interest costs | | 946 | 940 | 891 | 802 | 670 | 571 | 514 | 327 | 229 |
| **Net interest income** | | 995 | 986 | 997 | 955 | 855 | 820 | 767 | 654 | 594 |
| Fee- and commission income | | 307 | 255 | 244 | 258 | 284 | 259 | 266 | 281 | 280 |
| Fee- and commission costs | | 21 | 20 | 24 | 19 | 24 | 23 | 21 | 20 | 21 |
| Other operating income | | 94 | 100 | 312 | 69 | 78 | 73 | 50 | 51 | 57 |
| **Net fee- and other operating income** | | 380 | 335 | 532 | 308 | 338 | 309 | 295 | 312 | 316 |
| Dividend | | 59 | 1 | 3 | 2 | 40 | 56 | 22 | 2 | 65 |
| Income from investments | | 45 | 66 | - 28 | - 69 | 3 | 38 | 147 | 28 | 18 |
| Net gain from investments in securities | | - 2 | 52 | 108 | 24 | - 38 | 44 | 89 | - 24 | - 149 |
| **Net income from financial investments** | | 102 | 119 | 83 | - 43 | 5 | 138 | 258 | 6 | - 66 |
| **Total income** | | 1 477 | 1 440 | 1 612 | 1 220 | 1 198 | 1 267 | 1 320 | 972 | 844 |
| Personnel costs | | 252 | 264 | 317 | 241 | 220 | 222 | 221 | 213 | 203 |
| Administration costs | | 142 | 136 | 157 | 130 | 121 | 122 | 152 | 100 | 113 |
| Ordinary depreciation | | 20 | 23 | 22 | 22 | 22 | 22 | 23 | 22 | 23 |
| Other operating costs | | 75 | 65 | 97 | 71 | 67 | 55 | 61 | 53 | 57 |
| **Total costs** | | 489 | 488 | 593 | 464 | 430 | 421 | 457 | 388 | 396 |
| **Result before losses** | | 988 | 952 | 1 019 | 756 | 768 | 846 | 863 | 584 | 448 |
| Losses | | 15 | 36 | 91 | 52 | 30 | - 57 | 22 | 56 | 17 |
| **Result before tax** | | 973 | 916 | 928 | 704 | 738 | 903 | 841 | 528 | 431 |
| Tax | | 220 | 202 | 172 | 192 | 179 | 182 | 178 | 139 | 86 |
| **Result after tax** | | 753 | 714 | 756 | 512 | 559 | 721 | 663 | 389 | 345 |
| Interest hybrid capital | | 23 | 24 | 21 | 15 | 13 | 11 | 10 | 9 | 8 |
| **Result after tax ex. interest hybrid capital** | | 730 | 690 | 735 | 497 | 546 | 710 | 653 | 380 | 337 |
| **Profitability** | | | | | | | | | | |
| Return on equity capital | 1 | 18,9 % | 17,8 % | 18,8 % | 13,2 % | 15,1 % | 19,1 % | 17,2 % | 10,1 % | 9,0 % |
| Interest margin | | 3,03 % | 3,04 % | 2,85 % | 2,76 % | 2,65 % | 2,63 % | 2,09 % | 1,95 % | 1,86 % |
| Cost/income | 2 | 33,1 % | 33,9 % | 36,8 % | 38,0 % | 35,9 % | 33,2 % | 34,6 % | 39,9 % | 46,9 % |
| **Balance sheet figures** | | | | | | | | | | |
| Loans and advances excl. commision loans | | 103 498 | 101 250 | 99 809 | 101 557 | 98 199 | 95 301 | 95 265 | 93 609 | 93 609 |
| -of which loans and advances to financial institutitons | | 2 753 | 2 085 | 2 121 | 3 563 | 3 689 | 1 787 | 1 944 | 1 447 | 1 447 |
| -of which loans and and advances to customers | | 100 746 | 99 165 | 97 688 | 97 994 | 94 510 | 93 513 | 93 321 | 92 162 | 92 162 |
| Loans incl. loans to SB1 BK and SB1 NK | | 146 073 | 144 703 | 140 965 | 138 342 | 135 091 | 133 243 | 131 134 | 128 463 | 128 463 |
| Growth in loans and advances to cust. incl. loans in SB1 BK & NK past 12 months | 3 | 5,6 % | 7,1 % | 7,7 % | 7,5 % | 7,7 % | 6,8 % | 6,0 % | -1,3 % | -1,9 % |
| Deposits | | 89 660 | 86 233 | 83 659 | 85 736 | 85 952 | 82 526 | 80 669 | 81 765 | 84 813 |
| -of which deposits from financial institutions | | 1 245 | 1 890 | 1 164 | 1 589 | 1 107 | 861 | 1 185 | 1 646 | 1 308 |
| -of which deposits from customers | | 88 415 | 84 343 | 82 495 | 84 147 | 84 845 | 81 665 | 79 484 | 80 119 | 83 505 |
| Growth in deposits from customers past 12 months | 3 | 4,2 % | 3,3 % | 3,8 % | 5,0 % | 1,6 % | 3,9 % | 4,4 % | 2,4 % | 3,3 % |
| Deposits as a percentage of gross lending | 4 | 87,8 % | 85,1 % | 83,5 % | 86,1 % | 86,6 % | 86,4 % | 85,0 % | 85,9 % | 90,6 % |
| Deposits as a percentage of gross lending including loans in SB1 BK & NK | 5 | 60,5 % | 58,3 % | 57,5 % | 59,7 % | 61,3 % | 60,5 % | 59,7 % | 61,1 % | 65,0 % |
| Average assets | 6 | 130 909 | 129 850 | 127 155 | 126 909 | 126 302 | 124 535 | 122 377 | 122 342 | 121 897 |
| Total assets | | 133 027 | 131 562 | 128 138 | 128 728 | 129 838 | 126 548 | 122 521 | 123 676 | 125 737 |
| **Losses on loans and commitments in default** | | | | | | | | | | |
| Losses on loans to customers as a percentage of total lending incl. loans in SB1 BK & NK | | 0,03 % | 0,02 % | 0,08 % | 0,02 % | -0,02 % | -0,04 % | 0,05 % | 0,03 % | -0,01 % |
| Net comm. in default and at risk of loss as a per. of total lending incl. loans in SB1 BK & NK | | 0,68 % | 0,55 % | 0,40 % | 0,44 % | 0,35 % | 0,36 % | 0,35 % | 0,35 % | 0,35 % |
| **Solidity** | | | | | | | | | | |
| Common Equity Tier 1 Capital incl. result | | 13 981 | 13 635 | 13 466 | 13 335 | 13 187 | 12 656 | 12 351 | 13 182 | 13 753 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Tier 1 Capital | **15 386** | 15 041 | 14 847 | 14 328 | 14 135 | 13 603 | 13 082 | 14 098 | 14 669 |
| Own Funds | **17 486** | 17 069 | 16 824 | 15 870 | 15 366 | 14 834 | 14 230 | 15 270 | 15 790 |
| Risk exposure amount | **80 888** | 80 148 | 78 527 | 75 942 | 75 407 | 73 071 | 71 399 | 70 036 | 71 082 |
| Common Equity Tier 1 Capital Ratio excl. sesult | **17,3 %** | 17,0 % | 17,1 % | 17,6 % | 17,5 % | 17,3 % | 17,3 % | 18,8 % | 19,3 % |
| Tier 1 Capital Ratio excl. result | **19,0 %** | 18,8 % | 18,9 % | 18,9 % | 18,7 % | 18,6 % | 18,3 % | 20,1 % | 20,6 % |
| Total Capital Ratio excl. result | **21,6 %** | 21,3 % | 21,4 % | 20,9 % | 20,4 % | 20,3 % | 19,9 % | 21,8 % | 22,2 % |

1) The profit after tax in relation to average equity, calculated as a quarterly average of equity at 1 January and end quarterly equity. The Bank's hybrid tier 1 capital issued are classified as equity in the financial statements.
"However, when calculating the return on equity, hybrid tier 1 capital is treated as a liability and the associated interest costs are adjusted for in the result."

2) Total costs as a percentage of total net income

3) The calculation of growth includes sale of loan and deposit portfolio to Sparebank 1 Helgeland in 4Q21

4) Deposits from customers as a percentage of gross lending

5) Deposits from customers in percentage of total lendring incl. loans in SB1 BK & NK

6) Average assets are calculated as average assets each quarter and at 01.01. and 31.12.

# Notes

## Note 1 Accounting policies

SpareBank 1 Nord-Norge prepares its quarterly accounts in accordance with the Norwegian Stock Exchange Regulations and International Financial Reporting Standards (IFRS Accounting Standards) approved by the EU, including IAS 34 – Interim Financial Reporting.

The quarterly accounts do not include all information required in full annual accounts and should be read in conjunction with the annual accounts for 2023.

In this quarterly reporting, the Group has applied the same accounting policies and calculation methods as those applied in the annual accounts.

## Note 2 Important accounting estimates and discretionary judgements

In preparing the consolidated financial statements the management makes estimates, discretionary judgements and assumptions that influence the application of the accounting policies. These could thus affect the stated amounts for assets, liabilities, income and costs. Note 3 in last year's annual financial statements provides a fuller explanation of the items subject to important estimates and judgements.

Losses on loans
SpareBank 1 Nord-Norge uses a model for calculating expected credit loss (ECL) based on IFRS 9. In addition to the elimination of this scale, more detailed descriptions of the ECL model in 13 to the annual report still apply.

The results of the calculation are shown in Note 8 and Note 11 of the quarterly report.
Expected credit loss is calculated on a monthly basis based on an objective and probability-weighted analysis of alternative outcomes, where account is also taken of the time value of the expected cash flows. The analysis is based on relevant information available at the time of reporting and builds on macroeconomic scenarios in order to take account of non-linear aspects of expected credit loss.
• SC1 "Base case" represents the most likely outcome. Norges Bank's Monetary Policy Report has been chosen as the main source for the explanatory variables interest rates unemployment and expected property price developments.
• SC2 “Downside case” represents an outcome that is significantly more negative than SC1. The explanatory variables interest rate and unemployment as well as expected property price developments are commensurate with a very severe downturn.
• SC3 "Best case" represents an outcome that is significantly more positive than SC1 and is designed to reflect the level of the explanatory variables during a strong economic expansion.

The macro situation at the end of 2Q24 is considered to have improved somewhat compared to the previous quarter, but not enough for the weighting of the respective scenarios to have changed.

Industries and the development of individual customers will also be monitored closely using a so-called watchlist at a customer commitment level, as well as by flagging customers with forbearance (payment relief). No significant adjustments have been made to customers on the watchlist per 2Q24.

### Sensitivity analysis

The table below shows the ECL calculated for the three applied scenarios in isolation. The calculations are broken down into the main segments Retail Market and Corporate Market, which add up to Parent Bank. In addition to the segmented ECL for the applied scenario weights (75/20/5%), the table shows four alternative scenario weightings, with an adjustment of probability for the expected scenario (70/25/5%, 70/30/0%, 65/25/10% and 60/30/10%).

30.06.2024

| *(Amount in NOK million)* | RM | CM | Parent bank |
|---|---|---|---|
| SC1 ECL in Base cenario | 51 732 | 310 761 | 362 493 |
| SC2 ECL in Downturn scenario | 113 867 | 997 814 | 1 111 680 |
| SC3 ECL in Upturn scenario | 33 368 | 130 017 | 163 385 |
| ECL with used scenarioweightning 75/20/5% | 63 241 | 439 135 | 502 375 |
| *Sensitivity:* | | | |
| ECL with alternative scenario weightning 70/25/5% | 66 347 | 473 487 | 539 835 |
| ECL with alternative scenario weightning 70/30/0% | 70 372 | 516 877 | 587 249 |
| ECL with alternative scenario weightning 65/25/10% | 65 429 | 464 450 | 529 879 |
| ECL with alternativw scenario weightning 60/30/10% | 68 536 | 498 803 | 567 338 |

# Note 3 Net interest income

| Parent Bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amount in NOK million)* | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| | | | | Interest income | | | | |
| 84 | 100 | 157 | 203 | Interest income from loans to other credit institutions (amortized cost) | 17 | 17 | 5 | 11 |
| 1 098 | 893 | 2 092 | 1 774 | Interest income from loans to customers (amortized cost) | 2 140 | 2 379 | 1 078 | 1 244 |
| 63 | 32 | 130 | 88 | Interest income from loans to customers (fair value profit and loss) | 88 | 155 | 32 | 88 |
| 0 | 565 | 0 | 1 091 | Interest income from loans to customers (fair value other comprehensive income) | 1 091 | 0 | 565 | 0 |
| 193 | 262 | 365 | 531 | Interest income from certificates and bonds (fair value profit and loss) | 531 | 365 | 262 | 193 |
| 1 438 | 1 852 | 2 744 | 3 687 | Total interest income | 3 867 | 2 916 | 1 941 | 1 525 |
| | | | | Interest cost | | | | |
| 23 | 41 | 44 | 83 | Interest cost on debt to other credit institutions (amortized cost) | 72 | 39 | 34 | 20 |
| 418 | 626 | 765 | 1 225 | Interest cost on debt to customers (amortized cost) | 1 224 | 764 | 626 | 417 |
| 137 | 183 | 281 | 385 | Interest cost on the issued securities (amortizes cost) | 407 | 280 | 194 | 136 |
| 84 | 90 | 133 | 178 | Interest cost on subordinated capital and debt (amortized cost) | 156 | 133 | 79 | 84 |
| 662 | 940 | 1 223 | 1 871 | Total interest cost | 1 859 | 1 216 | 933 | 657 |
| 13 | 13 | 25 | 27 | Guarantee fund fee | 28 | 25 | 14 | 13 |
| 763 | 899 | 1 496 | 1 789 | Net interest income | 1 980 | 1 675 | 995 | 763 |
| 2,42 % | 2,75 % | 2,41 % | 2,76 % | Interest margin in relation to average total assets | 3,03 % | 2,65 % | 3,03 % | 2,65 % |

# Note 4 Net fee-, commission- and other operating income

| Parent bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amounts in mill NOK)* | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| 41 | 50 | 87 | 92 | Provision from SB1 BK & NK | 91 | 87 | 50 | 41 |
| 68 | 70 | 128 | 134 | Payment facilities | 134 | 128 | 70 | 68 |
| 52 | 50 | 104 | 98 | Sales provision insurance products | 98 | 104 | 50 | 52 |
| 10 | 12 | 20 | 23 | Guarantee commissions | 24 | 20 | 12 | 10 |
| | | | | Real estate broking | 63 | 59 | 38 | 33 |
| 13 | 14 | 26 | 27 | Portfolio commissions | 27 | 26 | 14 | 13 |
| 16 | 18 | 34 | 34 | Credit commision | 35 | 34 | 18 | 17 |
| 4 | 4 | 8 | 7 | Other commisions | 91 | 85 | 55 | 50 |
| 204 | 217 | 407 | 415 | Total commission income | 562 | 543 | 307 | 284 |
| 18 | 17 | 34 | 30 | Commission costs | 41 | 47 | 21 | 24 |
| 186 | 200 | 373 | 385 | Net fee- and commission income | 521 | 496 | 286 | 260 |
| | | | | Accounting services | 188 | 150 | 90 | 78 |
| 0 | 1 | 0 | 2 | Other operating income | 6 | 1 | 4 | 0 |
| 186 | 201 | 373 | 387 | Net fee- and other operating income | 715 | 647 | 380 | 338 |
| 20 % | 18 % | 20 % | 18 % | Percent of net core earnings | 27 % | 28 % | 28 % | 28 % |

## Note 5 Net income from financial investments

| Parent bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amounts in mill NOK)* | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| | | | | *Valued at fair value through profit and loss* | | | | |
| | | | | Income from equity capital instruments | | | | |
| 40 | 59 | 96 | 60 | Dividend from shares | 60 | 96 | 59 | 40 |
| 514 | 97 | 685 | 256 | Dividend from group companies, assosiated companies and joint ventures | | | | |
| | | | | Share result from assosiated companies and joint ventures | 111 | 41 | 45 | 3 |
| - 19 | - 20 | 58 | 6 | Gains/losses from shares | 6 | 55 | - 20 | - 20 |
| | | | | Income from certificates and bonds | | | | |
| - 11 | 19 | - 40 | 43 | Gains/losses from certificates and bonds | 44 | - 40 | 20 | - 11 |
| | | | | Income from financial derivatives | | | | |
| - 1 | - 1 | 6 | - 1 | Gains/losses from currencies and hedge derivatives | - 1 | 6 | - 2 | - 1 |
| - 6 | 0 | - 15 | 1 | Gains/losses from fixed rate loans to customers | 1 | - 15 | 0 | - 6 |
| 517 | 154 | 790 | 365 | Net income from fair value financial investments | 221 | 143 | 102 | 5 |
| | | | | *Valued at amortized cost* | | | | |
| | | | | Income from certificates and bonds | | | | |
| | | | | Gains/losses from certificates and bonds | | | | |
| 0 | 0 | 0 | 0 | Net income from financial investments valued at amortized cost | 0 | 0 | 0 | 0 |
| | | | | Total income fra currency trading | | | | |
| 517 | 154 | 790 | 365 | Total net income from financial investments | 221 | 143 | 102 | 5 |

## Note 6 Expenses

| Parent bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amounts in mill NOK)* | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| 100 | 112 | 201 | 227 | Personel expenses | 393 | 341 | 189 | 170 |
| 11 | 11 | 21 | 23 | Pension costs | 35 | 28 | 17 | 14 |
| 28 | 35 | 56 | 66 | Social costs | 88 | 73 | 46 | 36 |
| 139 | 158 | 278 | 316 | Total personnel costs | 516 | 442 | 252 | 220 |
| 63 | 83 | 140 | 169 | IT expenses | 180 | 151 | 89 | 68 |
| 40 | 40 | 67 | 72 | Other administrative expenses | 98 | 92 | 53 | 53 |
| 15 | 15 | 30 | 30 | Ordinary depreciation | 43 | 44 | 20 | 22 |
| 4 | 5 | 9 | 10 | Operating costs properties | 11 | 10 | 5 | 5 |
| 23 | 27 | 44 | 54 | Other operating expenses | 129 | 112 | 70 | 62 |
| 284 | 328 | 568 | 651 | Total costs | 977 | 851 | 489 | 430 |

## Note 7 Leases

On a lease's start date, the Group recognises a liability to pay rent and an asset that represents the right to use the underlying asset during the term of the lease ('right-of-use asset'). The Group sets the lease liabilities and 'right-of-use assets' at the present value of the remaining rent payments, discounted with the aid of the Group's marginal loan rate.

Interest costs on the lease liability are recognised as costs on an ongoing basis and the right-of-use asset is depreciated on a straight-line basis over the term of the lease.

The Group's leased assets mainly include branches and naturally associated premises. Many of the contracts include the right to an extension that can be exercised during the term of the contract. The Group assesses, upon entering into a contract and thereafter continually, whether the right to the extension will, with reasonable certainty, be exercised.

The terms of leases have varying durations and option structures.

| Parent bank | | | Group | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| | | *Right to use asset* | | |
| 303 | 303 | Carrying amount 01.01. | 374 | 386 |
| 0 | 12 | Additions | 54 | 6 |
| 0 | 0 | -Derecognition | 0 | 0 |
| 31 | 19 | Other changes | -22 | 21 |
| 334 | 333 | Carrying amountat the end of the period | 406 | 413 |
| 31 | 18 | Depreciation in the period | 20 | 39 |
| 303 | 316 | Carrying amount of right to use asset at the end of the period | 386 | 374 |
| | | *Lease liability* | | |
| 312 | 313 | Carrying amount 01.01. | 388 | 399 |
| 0 | 12 | Additions | 54 | 6 |
| -36 | -20 | Lease payments in the period | -23 | -46 |
| 7 | 4 | Interest | 5 | 9 |
| 30 | 19 | Other changes | -24 | 21 |
| 313 | 327 | Lease liability at the end of the period | 400 | 388 |
| | | *Profit and loss* | | |
| 31 | 18 | Depreciation | 20 | 39 |
| 7 | 4 | Interest | 5 | 9 |
| 38 | 21 | Total lease expence | 24 | 48 |
| | | *Undiscounted lease liabilities and maturity of cash outflows* | | |
| 38 | 40 | Less than 1 year (this year) | 45 | 44 |
| 36 | 36 | 1-2 years | 44 | 41 |
| 31 | 33 | 2-3 years | 43 | 40 |
| 31 | 32 | 3-4 years | 41 | 39 |
| 30 | 31 | 4-5 years | 38 | 38 |
| 189 | 202 | More than 5 years | 262 | 242 |
| 354 | 373 | Total | 473 | 444 |

# Note 8 Losses

| Parent Bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | | | | | |
| 2Q23 | 2Q24 | 30.06.23 | 30.06.24 | | 30.06.24 | 30.06.23 | 2Q24 | 2Q23 |
| | | | | Losses incorporated in the accounts | | | | |
| 3 | 43 | 10 | 60 | Period's change in individual lending provisions | 75 | 2 | 48 | - 8 |
| 31 | - 38 | - 34 | - 30 | Period's change in modelbased lending provisions | - 35 | - 30 | - 36 | 37 |
| 1 | 2 | 2 | 10 | Period's confirmed losses | 14 | 6 | 4 | 4 |
| - 1 | - 1 | - 4 | - 3 | Recoveries, previously confirmed losses | - 4 | - 5 | - 2 | - 3 |
| 35 | 7 | - 25 | 38 | Total losses | 51 | - 27 | 15 | 30 |
| | | | | Losses broken down by sector and industry | | | | |
| 1 | 33 | - 46 | 67 | Real estate | 66 | - 47 | 33 | 0 |
| 47 | - 11 | 38 | - 11 | Finanicial and insurance activities | - 11 | 38 | - 11 | 47 |
| 1 | - 5 | 2 | - 8 | Fishing and aquaculture | - 8 | 0 | - 3 | - 1 |
| - 10 | - 4 | - 20 | - 6 | Manufacturing | - 7 | - 18 | - 4 | - 8 |
| - 1 | 0 | - 1 | - 1 | Agriculture and forestry | - 1 | - 1 | 0 | - 1 |
| 13 | - 2 | 18 | 2 | Power and water supply and construction | 5 | 24 | - 2 | 13 |
| - 6 | 13 | - 7 | 8 | Service industries | 11 | - 7 | 18 | - 5 |
| - 7 | 11 | 4 | - 11 | Transportation | - 6 | - 1 | - 6 | 2 |
| 6 | - 8 | - 3 | - 1 | Commodity trade, hotel and restaurant industry | 3 | - 4 | 0 | - 3 |
| 46 | 17 | - 15 | 38 | Total corporate market | 52 | - 16 | 25 | 44 |
| - 12 | - 11 | - 10 | - 1 | Total retail market | - 1 | - 11 | - 11 | - 14 |
| 35 | 7 | - 25 | 38 | Total losses | 51 | - 27 | 15 | 30 |

Isolatet loss effects compared to last quarter

| 2Q24 | | | | | | |
|---|---|---|---|---|---|---|
| (Amounts in NOK million) | | | | | | |
| PM | BM | Sum | | Sum | PM | BM |
| - 2 | 30 | 28 | Change ECL due to period growth and migration | 28 | - 2 | 31 |
| - 1 | - 65 | - 66 | Change ECL due to adjusted key assumptions | - 70 | - 2 | - 68 |
| 0 | 0 | 0 | Change ECL due to changed scenario weighting | 6 | 1 | 5 |
| - 3 | - 35 | - 38 | Change in model-based loss provisions (stage 1 and 2) | - 36 | - 3 | - 33 |
| 3 | 40 | 43 | Change individual loss provisions (stage 3) | 48 | 3 | 45 |
| - 10 | 12 | 1 | Change write-offs | 2 | - 11 | 13 |
| - 11 | 17 | 7 | Total loss effects | 15 | - 11 | 25 |

## Note 9 Business Areas

The table shows SpareBank 1 Nord-Norge's segment's pursuant to IFRS 8. For more information see note 4 in annual report 2023.
The Capital Market segment - our capital market products - will be treated by SpareBank 1 Markets in 2024.

Group 30.06.24

*(Amounts in NOK million)*

| | Retail market | Corporate banking | SpareBank 1 Regnskaps-huset Nord-Norge | Eiendoms- Megler 1 Nord-Norge | SpareBank 1 Finans Nord-Norge | Unspecified/ Eliminations | Total |
|---|---|---|---|---|---|---|---|
| Net interest income | 859 | 715 | 0 | 2 | 189 | 216 | 1 981 |
| Net fee- and other operating income | 311 | 93 | 188 | 149 | - 12 | - 14 | 715 |
| Net income from financial investments | 0 | 9 | 0 | 0 | 0 | 212 | 221 |
| Total costs | 266 | 169 | 161 | 129 | 33 | 219 | 977 |
| Result before losses | 904 | 648 | 27 | 22 | 144 | 195 | 1 940 |
| Losses | - 1 | 52 | 0 | 0 | 13 | - 13 | 51 |
| Result before tax | 905 | 596 | 27 | 22 | 131 | 208 | 1 889 |
| Total lending | 44 929 | 54 127 | 0 | 0 | 9 161 | -4 719 | 103 498 |
| Loss provision | - 78 | - 594 | 0 | 0 | - 141 | 0 | - 813 |
| Other assets | 0 | 0 | 421 | 149 | 0 | 29 772 | 30 342 |
| Total assets per business area | 44 851 | 53 533 | 421 | 149 | 9 020 | 25 053 | 133 027 |
| Deposits | 48 229 | 39 625 | 0 | 39 | 0 | 522 | 88 415 |
| Other liabilities and equity capital | -3 379 | 13 908 | 421 | 110 | 9 020 | 24 532 | 44 612 |
| Total equity and liabilities per business area | 44 850 | 53 533 | 421 | 149 | 9 020 | 25 054 | 133 027 |

Group 30.06.23

*(Amounts in NOK million)*

| | Retail market | Corporate banking | SpareBank 1 Regnskaps-huset Nord-Norge | Eiendoms- Megler 1 Nord-Norge | SpareBank 1 Finans Nord-Norge | Unspecified/ Eliminations | Total |
|---|---|---|---|---|---|---|---|
| Net interest income | 774 | 630 | 0 | - 1 | 179 | 94 | 1 675 |
| Net fee- and other operating income | 312 | 81 | 136 | 138 | - 14 | - 7 | 647 |
| Net income from financial investments | 1 | 0 | 0 | 0 | 0 | 142 | 143 |
| Total costs | 309 | 190 | 112 | 123 | 31 | 85 | 851 |
| Result before losses | 778 | 521 | 23 | 13 | 135 | 144 | 1 614 |
| Losses | - 8 | - 17 | 0 | 0 | 0 | - 1 | - 27 |
| Result before tax | 786 | 538 | 23 | 13 | 135 | 145 | 1 641 |
| Total lending | 46 712 | 49 467 | 0 | 0 | 9 045 | -3 668 | 101 557 |
| Loss provision | - 73 | - 488 | 0 | 0 | - 92 | - 1 | - 654 |
| Other assets | 0 | 0 | 348 | 140 | 0 | 28 447 | 28 935 |
| Total assets per business area | 46 639 | 48 979 | 348 | 140 | 8 953 | 24 778 | 129 838 |
| Deposits | 46 335 | 37 981 | 0 | 43 | 0 | 1 593 | 84 845 |
| Other liabilities and equity capital | 304 | 10 998 | 348 | 97 | 8 953 | 24 293 | 44 993 |
| Total equity and liabilities per business area | 46 639 | 48 979 | 348 | 140 | 8 953 | 25 886 | 129 838 |

## Note 10 Loans

### Loans at amortized cost

Loans held in a "hold to receive" business model are measured at amortized cost. For all loans at amortized cost, the expected credit loss (ECL-expected credit loss) and loss provisions have been calculated according to IFRS 9.

### Loans at fair value through profit and loss

Fixed-rate loans to customers are classified at fair value over profit or loss (Fair Value Option).

### Loans at fair value through other comprehensive income (OCI)

The bank sells parts of the loans that qualify for transfer to SB1 Boligkreditt. Loans that are part of business models (portfolios) with loans that qualify for transfer are therefore held both to receive contractual cash flows and for sale. The bank therefore classifies mortgages at fair value through OCI.

| Parent Bank | | | Group | |
|---|---|---|---|---|
| *(Amount in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| | | Loans to credit institutions at amortised cost | | |
| 827 | 544 | Loans without agreed maturity or notice of withdrawal | 563 | 849 |
| 8 473 | 9 688 | Loans with agreed maturity or notice of withdrawal | 2 190 | 1 455 |
| 9 300 | 10 232 | Loans to credit institutions | 2 753 | 2 304 |
| | | Loans to customers at amortised cost | | |
| 82 399 | 54 445 | Loans at amortised cost | 63 571 | 91 476 |
| 82 399 | 54 445 | Loans to customers at amortised cost | 63 571 | 91 476 |
| | | Loans to customers at fair value through profit and loss | | |
| 4 268 | 3 963 | Loans to customers at fixed interest rates | 3 963 | 4 268 |
| | | Loans to customers at fair value through OCI | | |
| 3 045 | 33 212 | Mortgages to customers | 33 212 | 3 045 |
| 7 313 | 37 175 | Loans at fair value | 37 175 | 7 313 |
| 89 712 | 91 620 | Total gross loans to customers | 100 746 | 98 789 |
| 99 013 | 101 852 | Total gross loans | 103 498 | 101 093 |
| | | Loans transfered to SB1 Boligkreditt/SB1 Næringskreditt | | |
| 44 521 | 45 203 | Loans transrered to SB1 Boligkreditt | 45 203 | 44 521 |
| 128 | 124 | Loans transfered to SB1 Næringskreditt | 124 | 128 |
| 44 649 | 45 327 | Total loans transfered to SB1 BK and SB1 NK | 45 327 | 44 649 |
| 143 661 | 147 179 | Total gross loans included loans transfered to SB1 BK and SB1 NK | 148 825 | 145 742 |
| | | Provision for credit losses - reduction in assets | | |
| - 134 | - 98 | Provision for credit losses - stage 1 | - 117 | - 152 |
| - 302 | - 310 | Provision for credit losses - stage 2 | - 345 | - 343 |
| - 190 | - 264 | Provision for credit losses - stage 3 | - 351 | - 261 |
| 89 086 | 90 949 | Net loans to customers ex. loans transfered to Sb1 SB1 BK and SB1 NK | 99 933 | 98 032 |

Parent Bank 30.06.24

*(Amount in NOK million)*

| | | | Lending provision | | | |
|---|---|---|---|---|---|---|
| Loans broken down by sector/industry | Total commitments to amortised cost | Lending at fair value | Stage 1 | Stage 2 | Stage 3 | Net loans |
| Real estate | 18 945 | 57 | - 34 | - 155 | - 155 | 18 658 |
| Finanicial and insurance activities | 13 216 | 0 | - 16 | - 6 | - 6 | 13 188 |
| Fishing and aquaculture | 9 837 | 163 | - 7 | - 79 | - 8 | 9 905 |
| Manufacturing | 1 629 | 34 | - 5 | - 8 | - 10 | 1 641 |
| Agriculture and forestry | 1 033 | 116 | 0 | - 1 | - 4 | 1 144 |
| Power and water supply and construction | 3 092 | 113 | - 10 | - 15 | - 22 | 3 157 |
| Government | 435 | 0 | 0 | 0 | 0 | 435 |
| Service industries | 2 361 | 258 | - 11 | - 6 | - 6 | 2 596 |
| Transportation | 2 981 | 198 | - 8 | - 7 | - 2 | 3 161 |
| Commodity trade, hotel and restaurant industry | 2 187 | 88 | - 4 | - 10 | - 5 | 2 255 |
| Corporate market | 55 716 | 1 028 | - 96 | - 287 | - 219 | 56 141 |
| Retail market | 8 961 | 36 148 | - 2 | - 23 | - 45 | 45 039 |
| Total loans | 64 676 | 37 175 | - 98 | - 310 | - 264 | 101 180 |

| | | Ledning provision classified as debt | | | |
|---|---|---|---|---|---|
| Financial commitments broken down by sector/industry | Financial commitments to amortised cost | Stage 1 | Stage 2 | Stage 3 | Total |
| Real estate | 661 | - 3 | - 10 | 0 | - 13 |
| Finanicial and insurance activities | 124 | - 2 | 0 | 0 | - 2 |
| Fishing and aquaculture | 1 537 | - 1 | - 4 | 0 | - 4 |
| Manufacturing | 311 | - 1 | - 1 | - 1 | - 2 |
| Agriculture and forestry | 192 | 0 | 0 | 0 | 0 |
| Power and water supply and construction | 691 | - 1 | - 2 | - 1 | - 3 |
| Government | 709 | 0 | 0 | 0 | 0 |
| Service industries | 490 | - 1 | - 1 | 0 | - 2 |
| Transportation | 1 743 | - 4 | - 2 | 0 | - 6 |
| Commodity trade, hotel and restaurant industry | 560 | - 1 | - 2 | 0 | - 2 |
| Corporate market | 7 018 | - 13 | - 20 | - 2 | - 35 |
| Retail market | 1 879 | 0 | 0 | 0 | 0 |
| Total loans | 8 897 | - 13 | - 20 | - 2 | - 35 |

Group 30.06.24

*(Amount in NOK million)*

| | | | Lending provision | | | |
|---|---|---|---|---|---|---|
| Loans broken down by sector/industry | Total commitments to amortised cost | Lending at fair value | Stage 1 | Stage 2 | Stage 3 | Net loans |
| Real estate | 19 034 | 57 | - 34 | - 155 | - 155 | 18 746 |
| Finanicial and insurance activities | 5 690 | 0 | - 16 | - 6 | - 6 | 5 662 |
| Fishing and aquaculture | 10 735 | 163 | - 10 | - 85 | - 11 | 10 791 |
| Manufacturing | 2 106 | 34 | - 6 | - 20 | - 10 | 2 104 |
| Agriculture and forestry | 1 153 | 116 | - 1 | - 1 | - 5 | 1 263 |
| Power and water supply and construction | 4 077 | 113 | - 11 | - 19 | - 31 | 4 129 |
| Government | 455 | 0 | 0 | 0 | 0 | 455 |
| Service industries | 3 251 | 258 | - 12 | - 7 | - 61 | 3 430 |
| Transportation | 4 106 | 198 | - 14 | - 10 | - 4 | 4 276 |
| Commodity trade, hotel and restaurant industry | 2 785 | 88 | - 8 | - 13 | - 10 | 2 842 |
| Corporate market | 53 392 | 1 028 | - 111 | - 317 | - 293 | 53 698 |
| Retail market | 12 931 | 36 148 | - 6 | - 28 | - 58 | 48 987 |
| Total loans | 66 323 | 37 175 | - 117 | - 345 | - 351 | 102 686 |

| Financial commitments broken down by sector/industry | Financial commitments to amortised cost | Ledning provision classified as debt Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|---|
| Real estate | 662 | - 3 | - 10 | 0 | - 13 |
| Finanicial and insurance activities | 127 | - 2 | 0 | 0 | - 2 |
| Fishing and aquaculture | 1 586 | - 1 | - 4 | 0 | - 4 |
| Manufacturing | 314 | - 1 | - 1 | - 1 | - 2 |
| Agriculture and forestry | 192 | 0 | 0 | 0 | 0 |
| Power and water supply and construction | 789 | - 1 | - 2 | - 1 | - 3 |
| Government | 709 | 0 | 0 | 0 | 0 |
| Service industries | 672 | - 1 | - 1 | 0 | - 2 |
| Transportation | 1 879 | - 4 | - 2 | 0 | - 6 |
| Commodity trade, hotel and restaurant industry | 796 | - 1 | - 2 | 0 | - 2 |
| Corporate market | 7 725 | - 13 | - 20 | - 2 | - 35 |
| Retail market | 1 879 | 0 | 0 | 0 | 0 |
| **Total loans** | **9 604** | **- 13** | **- 20** | **- 2** | **- 35** |

**Parent Bank 30.06.24** 45473

*(Amount in NOK million)*

| Total loan commitments broken down by stage of the credit risk assessment | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Total loan commitments to amortised cost 01.01.24 | 94 871 | 11 954 | 740 | 107 565 |
| Changes in the period due to loans migrated between the stages | | | | |
| to (-from) stage 1 | 1 688 | -1 680 | - 8 | 0 |
| to (-from) stage 2 | -5 387 | 5 422 | - 35 | 0 |
| to (-from) stage 3 | - 52 | - 350 | 401 | 0 |
| Net increase/(decrease) balance existing loans | -4 396 | - 503 | - 14 | -4 914 |
| Originated or purchased during the period | 17 132 | 2 870 | 86 | 20 087 |
| Loans that have been derecognised | -12 602 | -1 474 | - 116 | -14 191 |
| Changes caused by modifications which hasn't resultet in a deduction | 1 714 | 478 | 10 | 2 203 |
| Total loan commitments to amortised cost | 92 968 | 16 718 | 1 063 | 110 749 |
| Off-balance sheet | -6 855 | -2 029 | - 14 | -8 897 |
| Gross loans | 86 113 | 14 689 | 1 050 | 101 852 |
| Provision for credit losses - reduction in assets | - 98 | - 310 | - 264 | - 672 |
| Net loans | 86 015 | 14 379 | 786 | 101 180 |

Group 30.06.24

*(Amount in NOK million)*

| Total loan commitments broken down by stage of the credit risk assessment | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Total loan commitments to amortised cost 01.01.24 | 95 434 | 13 955 | 858 | 110 247 |
| Changes in the period due to loans migrated between the stages | | | | |
| to (-from) stage 1 | 2 045 | -2 035 | - 10 | 0 |
| to (-from) stage 2 | -5 875 | 5 915 | - 40 | 0 |
| to (-from) stage 3 | - 73 | - 378 | 451 | 0 |
| Net increase/(decrease) balance existing loans | -4 929 | - 667 | - 37 | -5 633 |
| Originated or purchased during the period | 18 797 | 3 084 | 103 | 21 984 |
| Loans that have been derecognised | -14 035 | -1 678 | 34 | -15 679 |
| Changes caused by modifications which hasn't resultet in a deduction | 1 761 | 413 | 10 | 2 183 |
| Total loan commitments to amortised cost | 93 124 | 18 609 | 1 369 | 113 102 |
| | | | | 0 |
| Off-balance sheet | -7 344 | -2 238 | - 23 | -9 604 |
| Gross loans | 85 781 | 16 372 | 1 346 | 103 498 |
| Provision for credit losses - reduction in assets | - 117 | - 345 | - 351 | - 813 |
| Net loans | 85 664 | 16 027 | 995 | 102 685 |

## Note 11 Loss provisions

| Parent bank | | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| *(Amount in NOK million)* | | | | | | | | |
| Stage 1 | Stage 2 | Stage 3 | Total | Changes in lending loss provisions | Total | Stage 3 | Stage 2 | Stage 1 |
| -148 | -338 | -200 | -686 | Loss provisions at 01.01.23 | -816 | -271 | -380 | -166 |
| -134 | -302 | -190 | -625 | Of which presented as a reduction of the assets | -756 | -261 | -343 | -152 |
| -14 | -36 | -10 | -61 | Of which presented as other debt | -61 | -10 | -36 | -14 |
| | | | | Changes in the period due to loans migrating between stages: | | | | |
| -28 | 27 | 1 | 0 | to (-from) stage 1 | 0 | 1 | 30 | -31 |
| 17 | -27 | 10 | 0 | to (-from) stage 2 | 0 | 10 | -29 | 19 |
| 0 | 2 | -3 | 0 | to (-from) stage 3 | 0 | -4 | 3 | 0 |
| 22 | -55 | -76 | -109 | Net increase/decrease excisting loans | -102 | -93 | -30 | 22 |
| -29 | -39 | -12 | -79 | New issued or purchased loan | -112 | -12 | -70 | -30 |
| 27 | 53 | 13 | 93 | Loans that have been derecognised | 98 | 13 | 57 | 28 |
| 26 | 45 | 2 | 74 | Changes caused by modifications which hasn't resultet in deduction | 84 | 3 | 52 | 29 |
| -111 | -330 | -265 | -708 | Total loss provisions as at 30.06.24 | -848 | -353 | -365 | -130 |
| | | | | Loss provisions allocated to markets | | | | |
| -2 | -23 | -45 | -70 | Retail market | -92 | -58 | -29 | -6 |
| -109 | -307 | -221 | -638 | Corporate market | -756 | -295 | -337 | -124 |
| -111 | -330 | -266 | -708 | Total loss provisions as at 30.06.24 | -848 | -353 | -365 | -130 |
| -98 | -310 | -264 | -672 | Of which presented as a reduction of the assets | -813 | -351 | -345 | -117 |
| -13 | -20 | -2 | -35 | Of which presented as other debt | -35 | -2 | -20 | -13 |

Explanation of the table:
- The changes during the period as a result of migration: Transfer between the stages due to a significant change in credit risk.
- Net increase/decrease in balance: Changes in the expexted credit loss, changes in the model assumptions, effects of repayments, ascertainment and other changes that affect the balance.
- Newly issued or purchased financial assets: Account numbers of customers that are only found in the closing balance in the ECL model.
- Financial assets that have been derecognised: Account numbers of customers that are only found in the opening balance in the ECL model.
- Provisions for losses also include expected losses on assets not posted to the balance sheet, including guarantees and untapped credit limits, but not loan commitments.

## Note 12 Financial instruments at fair value

Financial assets and liabilities classified and measured at fair value are grouped into three different levels, depending on the reliability of the valuation method used:

Level 1: Utilizes quoted prices in active markets for such assets and liabilities.
Level 2: Relies on information that includes prices not directly quoted but are directly or indirectly observable for these assets and liabilities, including prices in inactive markets.
Level 3: When valuation based on Levels 1 and 2 is not available, proprietary valuation methods are employed, relying on non-observable information1.

Stocks: In Level 3, stocks include investments in certain unlisted shares. These may encompass unlisted shares held through the company SNN Portefølje. Valuations primarily rely on cash flow-based models or multiples when determining fair value.
Fixed-rate loans: The fair value of fixed-rate loans (classified in Level 3) is determined by discounting the actual cash flows of these loans using a discount factor based on swap rates, with an additional margin requirement.
The margin requirement includes components such as credit spread, administrative markup, expected losses, and a liquidity premium.

The bank continuously assesses changes in observable market rates that may impact the value of these loans.
Ongoing evaluations consider potential differences between the discount rate and observable market rates for similar loans.
If significant differences arise, necessary adjustments are made to the discount rate.
Changes in the value of these loans are fully reflected in the net changes in financial assets line in the financial statements.
The interest rate risk associated with fixed-rate loans is managed using interest rate swaps.
These swaps are also accounted for at fair value through the income statement.

Loans at fair vaule through other comprehensive income (OCI):
In Level 3, housing loans with floating interest rates, classified at fair value through other comprehensive income (OCI), are valued based on the nominal balance and expected credit losses.
For loans that do not experience significant credit deterioration after initial recognition, the estimated fair value is equal to the nominal balance.
When loans exhibit a substantial increase in credit risk after approval or objective evidence of impairment, expected losses are calculated over the instrument’s lifetime, similar to the impairment of loans at amortized cost.
The estimated fair value is then determined as the balance minus the calculated expected lifetime losses.
For further details, refer to Note 26 in the annual financial statements.

| Group | | | | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| Assets at 30.06.24 | Level 1 | Level 2 | Level 3 | Total |
| Shares | 669 | 163 | 538 | 1 370 |
| Bonds | | 20 039 | | 20 039 |
| Financial derivatives | | 1 439 | | 1 439 |
| Loans to customers with fixed rate | | | 3 963 | 3 963 |
| Loans at fair value through OCI | | | 33 212 | 33 212 |
| Total assets | 669 | 21 642 | 37 713 | 60 023 |
| Liabilities at 30.06.24 | | | | |
| Financial derivatives | | 1 260 | | 1 260 |
| Total liabilities | | 1 260 | | 1 260 |
| Assets at 31.12.23 | | | | |
| Shares | 712 | 163 | 489 | 1 364 |
| Bonds | 0 | 18 187 | | 18 187 |
| Financial derivatives | | 1 422 | | 1 422 |
| Loans to customers with fixed rate | | | 4 268 | 4 268 |
| Loans to customers for sale | | | 3 045 | 3 045 |
| Total assets | 712 | 19 772 | 7 802 | 28 287 |
| Liabilities at 31.12.23 | | | | |
| Financial derivatives | | 1 198 | | 1 198 |
| Total liabilities | | 1 198 | | 1 198 |

| Changes in instruments at fair value, level 3: | | Financial assets | |
|---|---|---|---|
| *(Amounts in NOK million)* | Shares | Loans to customers with fixed rate | Loans at fair value through OCI |
| Carrying amount at 31.12.23 | 489 | 4 268 | 3 045 |
| Net gains on financial instruments | 49 | - 158 | |
| Additions/acquisitions | | 1 599 | 0 |
| Sales | | | -2 658 |
| Matured | | -1 746 | 32 824 |
| Carrying amount at 30.06.24 | 538 | 3 963 | 33 212 |

## Note 13 Subsidiaries, associated companies and joint ventures

Result from subsidiaries fully consolidated into the group financial statements

| (Amount in NOK mill.) Company | Share | Result after tax at 30.06.24 | Result after tax at 30.06.23 | Result after tax 2Q24 | Result after tax 2Q23 |
|---|---|---|---|---|---|
| SpareBank 1 Nord-Norge Portefølje AS | 100 % | 0 | 0 | 0 | 0 |
| Fredrik Langes Gate 20 AS | 100 % | 3 | 1 | 2 | 0 |
| SpareBank 1 Finans Nord-Norge AS | 85 % | 100 | 103 | 50 | 57 |
| SpareBank 1 Regnskapshuset Nord-Norge AS | 85 % | 21 | 18 | 11 | 8 |
| EiendomsMegler 1 Nord-Norge AS | 85 % | 17 | 10 | 18 | 11 |
| Finansmodell AS (Sub subsidiary) | 75 % | 1 | 0 | 0 | 0 |
| Total | | 142 | 137 | 81 | 81 |

Result from associated companies and joint ventures consolidated into the group financial statements according to the equity method

| (Amount in NOK mill.) Company | Share | Result after tax at 30.06.24 | Result after tax at 30.06.23 | Result after tax 2Q24 | Result after tax 2Q23 | Booked value at 30.06.24 | Booked value at 31.12.23 |
|---|---|---|---|---|---|---|---|
| SpareBank 1 Mobilitet Holding AS | 30,66 % | 0 | - 13 | 0 | - 7 | 0 | 0 |
| SpareBank 1 Gruppen AS | 19,50 % | 40 | 22 | 1 | - 5 | 1 770 | 1 736 |
| SpareBank 1 Kreditt AS | 16,73 % | - 2 | - 1 | 1 | 2 | 374 | 318 |
| SpareBank 1 Boligkreditt AS | 16,21 % | 47 | 38 | 24 | 15 | 2 000 | 1 843 |
| SpareBank 1 Næringskreditt AS | 1,05 % | 1 | 1 | 0 | 0 | 19 | 20 |
| SpareBank 1 Utvikling DA | 18,00 % | 0 | 0 | 0 | 0 | 143 | 143 |
| SpareBank 1 Bank og Regnskap AS | 25,00 % | 4 | 1 | 3 | 1 | 48 | 44 |
| SpareBank 1 Forvaltning AS | 12,18 % | 13 | 10 | 7 | 5 | 152 | 139 |
| SpareBank 1 Gjeldsinformasjon AS | 13,83 % | 0 | 0 | 0 | 0 | 1 | 1 |
| SpareBank 1 Betaling AS | 17,94 % | - 14 | - 17 | - 4 | - 10 | 215 | 224 |
| SpareBank 1 Markets AS | 18,06 % | 23 | 0 | 12 | 0 | 393 | 391 |
| Total | | 111 | 41 | 45 | 3 | 5 113 | 4 858 |

## Note 14 Other assets

| Parent bank 31.12.23 | Parent bank 30.06.24 | (Amounts in NOK million) | Group 30.06.24 | Group 31.12.23 |
|---|---|---|---|---|
| 13 | 16 | Accrued income | 85 | 61 |
| 0 | 0 | Goodwill and other intangible assets | 200 | 193 |
| 72 | 72 | Deferred tax | 0 | 0 |
| 315 | 246 | Prepayments | 290 | 294 |
| 104 | 85 | Other assets 1) | 225 | 208 |
| 504 | 419 | Total other assets | 800 | 756 |

1) Of which 75 NOK million is capital contribution to the SpareBank 1 Nord-Norge Pension Fund

# Note 15 Financial derivatives

Parent Bank and Group

*(Amounts in NOK million)*

| Fair value hedging transactions | 30.06.24 | 31.12.23 |
|---|---|---|
| Net loss charged to the statement of comprehensive income in respect of hedging instruments in connection with actual value hedging | 296 | 289 |
| Total gain from hedging objects relating to the hedged risk | - 301 | - 293 |
| Total fair value hedging transactions | - 5 | - 4 |

The Bank's main Board of Directors has determined limits for maximum risk for the Bank's interest rate positions. Routines have been established to ensure that positions are maintained within these limits.

*(Amounts in NOK million)*

| Fair value through statement of comprehensive income | | 30.06.24 | | | 31.12.23 | |
|---|---|---|---|---|---|---|
| | | Fair value | | | Fair value | |
| Foreign currency instruments | Contract | Assets | Liabilites | Contract | Assets | Liabilites |
| Foreign exchange financial derivatives (forwards) | 3 879 | 15 | 46 | 3 147 | 40 | 37 |
| Currency swaps | 10 110 | 82 | 73 | 9 707 | 96 | 177 |
| Total non-standardised contracts | 13 989 | 96 | 119 | 12 854 | 136 | 214 |
| Standardised foreign currency contracts (futures) | | | | | | |
| Total foreign currency instruments | 13 989 | 96 | 119 | 12 854 | 136 | 214 |
| Interest rate instruments | | | | | | |
| Interest rate swaps (including cross currency) | 46 596 | 1 339 | 1 053 | 46 686 | 1 195 | 615 |
| Other interest rate contracts | 634 | 43 | 40 | 618 | 23 | 21 |
| Total non-standardised contracts | 48 130 | 1 382 | 1 093 | 47 303 | 1 218 | 636 |
| Standardised interest rate contracts (futures) | | | | | | |
| Total interest rate instruments | 48 130 | 1 382 | 1 093 | 47 303 | 1 218 | 636 |
| Hedging of funding loans | | | | | | |
| Interest rate instruments | Contract | Assets | Liabilites | Contract | Assets | Liabilites |
| Interest rate swaps (including cross currency) | 9 556 | 72 | 350 | 11 366 | 68 | 348 |
| Total, non-standardised contracts | 9 556 | 72 | 350 | 11 366 | 68 | 348 |
| Standardised interest rate contracts (futures) | | | | | | |
| Total interest rate instruments | 9 556 | 72 | 350 | 11 366 | 68 | 348 |
| Total interest rate instruments | 57 686 | 1 453 | 1 443 | 58 669 | 1 286 | 984 |
| Total foreign currency instruments | 13 989 | 96 | 119 | 12 854 | 136 | 214 |
| Total | 71 675 | 1 439 | 1 260 | 71 523 | 1 422 | 1 198 |

## Note 16 Deposits

| Parent Bank | | | Group | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| | | Deposits from credit institutions | | |
| 175 | 220 | Deposits without agreed maturity | 220 | 175 |
| 990 | 1 026 | Deposits with agreed maturity | 1 025 | 989 |
| 1 165 | 1 246 | Total deposits from credit institutions | 1 245 | 1 164 |
| | | Deposits from customers | | |
| 74 566 | 79 490 | Deposits without agreed maturity | 79 414 | 74 514 |
| 7 994 | 9 017 | Deposits with agreed maturity | 9 001 | 7 981 |
| 82 560 | 88 507 | Total deposits from customers | 88 415 | 82 495 |
| 83 725 | 89 753 | Total deposits | 89 660 | 83 659 |
| | | Deposits from customers broken down by sector and industry | | |
| 3 586 | 4 350 | Real estate | 4 350 | 3 586 |
| 3 013 | 5 586 | Finanicial and insurance activities | 5 586 | 3 013 |
| 4 781 | 5 229 | Fishing and aquaculture | 5 229 | 4 781 |
| 1 076 | 1 185 | Manufacturing | 1 185 | 1 076 |
| 583 | 700 | Agriculture and forestry | 700 | 583 |
| 2 894 | 2 711 | Power and water supply and construction | 2 711 | 2 894 |
| 9 763 | 7 840 | Service industries | 7 748 | 9 698 |
| 2 476 | 2 758 | Transportation | 2 758 | 2 476 |
| 2 550 | 2 765 | Commodity trade, hotel and restaurant industry | 2 765 | 2 550 |
| 30 722 | 33 124 | Public market | 33 032 | 30 657 |
| 8 020 | 8 499 | Government market | 8 499 | 8 020 |
| 43 818 | 46 884 | Retail market | 46 884 | 43 818 |
| 82 560 | 88 507 | Deposits from customers | 88 415 | 82 495 |

## Note 17 Securities issued

| Parent Bank and Group | | | | | | | |
|---|---|---|---|---|---|---|---|
| *(Amounts in NOK million)* | Booked value | | | | | | Booked value |
| Changes in securities issued | 31.12.23 | Issued | Matured or redeemed | Exchange rate movements | Fair value changes | Accrued interest | 30.06.24 |
| Certificates and other short-term loans: | | | | | | | |
| Senior bonds | 13 970 | 1 849 | -2 400 | - 83 | 26 | 33 | 13 395 |
| Senior bonds | 13 970 | 1 849 | -2 400 | - 83 | 26 | 33 | 13 395 |

## Note 18 Other liabilities

| Parent bank | | | Group | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| 2 837 | 2 768 | Other liabilities | 2 998 | 3 078 |
| 157 | 142 | Costs incurred | 248 | 564 |
| 0 | 0 | Deferred tax liabilities | 48 | 51 |
| 61 | 35 | Off balance loss provision | 35 | 61 |
| 3 055 | 2 945 | Total other liabilities | 3 329 | 3 754 |
| | | Specification of other liabilities | | |
| 313 | 327 | Lease liabilites | 400 | 399 |
| 682 | 476 | Accrued tax | 527 | 736 |
| 21 | 23 | Tax deductions | 40 | 35 |
| 636 | 676 | Creditors | 697 | 666 |
| 1 067 | 1 123 | Agreed payments from Donations Fund | 1 123 | 1 067 |
| 118 | 143 | Miscellaneous liabilities | 211 | 175 |
| 2 837 | 2 768 | Other liabilites | 2 998 | 3 078 |

## Note 19 Subordinated debt and loan capital

Parent Bank and Group

*(Amounts in NOK million)*

| Changes in subordinated loan capital and subordinated bond debt | Booked value 31.12.23 | Issued | Matured or redeemed | Exchange rate movements | Fair value changes | Accrued interest | Booked value 31.03.24 |
|---|---|---|---|---|---|---|---|
| Subordinated loan capital | 1 912 | 250 | - 200 | 5 | | - 3 | 1 964 |
| Senior non-preferred | 6 456 | | | - 75 | - 25 | 21 | 6 377 |
| Subordinated loan capital and other senior non-preferred | 8 367 | 250 | - 200 | - 70 | - 25 | 18 | 8 341 |

## Note 20 Equity

Total EC Capital 1.807.164.288 NOK, distributed on 100.398.016 EC's, each denomination NOK 18.

| Parent bank | | | Group | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| 1 807 | 1 807 | EC capital | 1 807 | 1 807 |
| 843 | 843 | Premium Fund | 843 | 843 |
| 3 563 | 4 220 | Dividend Equalisation Fund | 4 220 | 3 563 |
| 703 | 0 | Set aside EC dividend, not decided | 0 | 703 |
| - 28 | - 19 | EC owner's share of other equity | 338 | 362 |
| 6 888 | 6 851 | EC owner's share of equity | 7 207 | 7 278 |
| 46,36 % | 46,36 % | EC owner's percentage of equity | 46,36 % | 46,36 % |
| 7 186 | 7 945 | Saving Bank's primary capital | 7 945 | 7 186 |
| 813 | 0 | Set aside society dividend, not decided | 0 | 813 |
| - 32 | - 21 | Society's share of other equity | 390 | 418 |
| 7 967 | 7 924 | Society's share of equity | 8 336 | 8 417 |
| 53,64 % | 53,64 % | Society's percentage of equity | 53,64 % | 53,64 % |
| | | Non-controlling interests | 249 | 245 |
| 1250 | 1 250 | Hybrid Capital | 1 250 | 1250 |
| 16 105 | 16 025 | Total equity | 17 042 | 17 190 |

### Hybrid Capital

Five hybrid capital instruments issued by the Bank are not covered by the IFRS regulations' definition of debt and are therefore classified as equity. Based on this, accrued interest on the hybrid capital has not been recognised as a cost in the income statement but has been charged directly against equity.

When calculating key figures for equity and the equity certificates, accrued interest on hybrid capital is thus deducted from the accounting result. At the same time, hybrid capital is deducted from the equity on the balance sheet. This ensures that the keyfigures relevant to the Bank's owners are calculated on the basis of the result and the equity that actually belong to the owners.

The contract terms and conditions for hybrid instruments mean that they are included in the Bank's Tier 1 capital for capital adequacy purposes, see note 21.

| Parent bank and group | | |
|---|---|---|
| *(Amounts in NOK million)* | | |
| Hybrid Capital | 30.06.24 | 31.12.23 |
| 2099 3 m NIBOR + 3,35% | 200 | 200 |
| 2099 3 m NIBOR + 3,10% | 300 | 300 |
| 2099 3 m NIBOR + 2,60% | 350 | 350 |
| 2099 3 m NIBOR + 3,40% | 200 | 200 |
| Fixed interest rate 7,53 % | 200 | 200 |
| Total hybrid capital | 1 250 | 1 250 |
| Average interest hybrid capital | 7,70 % | 6,98 % |

Equity Certificates (ECs)

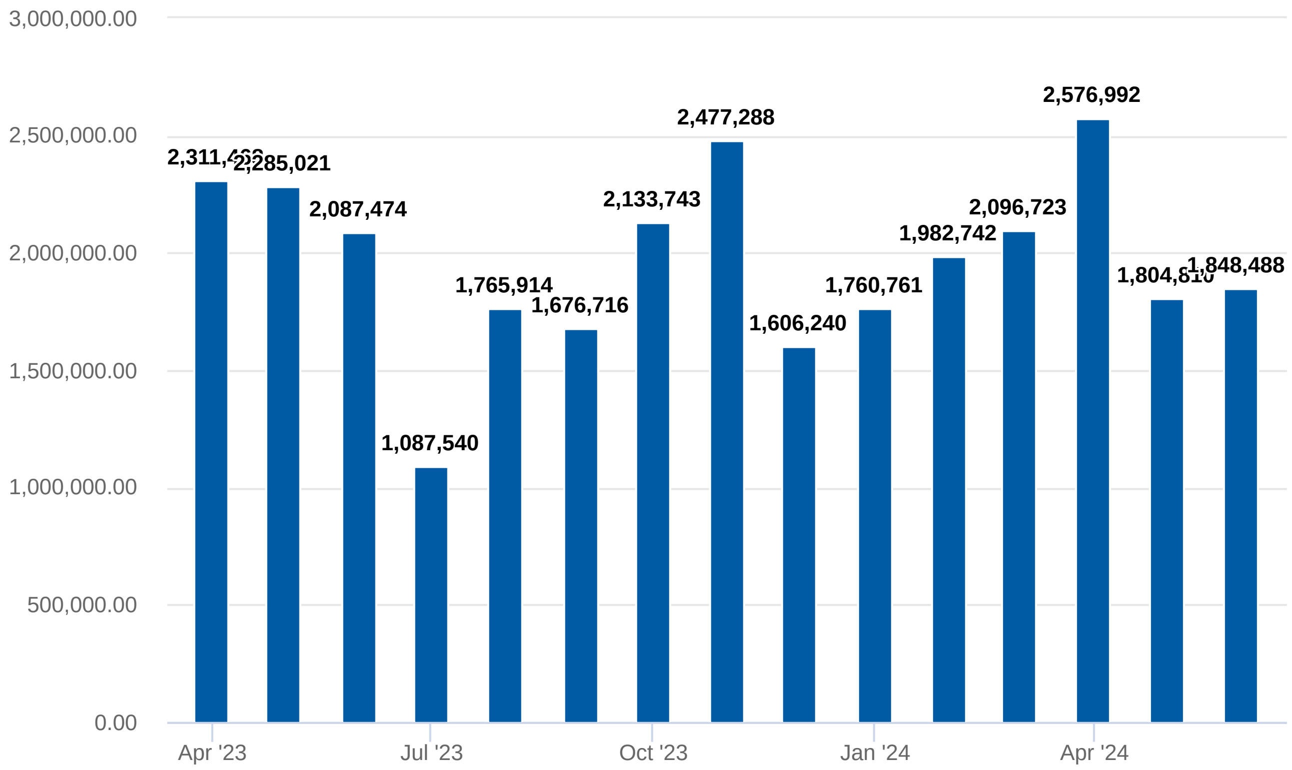
The 20 largest EC holders at 30.06.24

| EC Holders | Number of Ecs | Share of EC Capital |
|---|---|---|
| PARETO AKSJE NORGE VERDIPAPIRFOND | 5 332 246 | 5,31% |
| PARETO INVEST NORGE AS | 5 005 677 | 4,99% |
| VPF EIKA EGENKAPITALBEVIS | 4 245 752 | 4,23% |
| Geveran Trading Company LTd | 3 851 277 | 3,84% |
| KOMMUNAL LANDSPENSJONSKASSE GJENSI | 2 910 921 | 2,90% |
| MP PENSJON PK | 2 409 322 | 2,40% |
| Brown Brothers Harriman & Co. | 2 391 032 | 2,38% |
| FORSVARETS PERSONELLSERVICE | 1 752 630 | 1,75% |
| The Northern Trust Comp, London Br | 1 612 933 | 1,61% |
| State Street Bank and Trust Comp | 1 538 555 | 1,53% |
| State Street Bank and Trust Comp | 1 444 057 | 1,44% |
| SPAREBANKSTIFTELSEN SPAREBANK 1 NO | 1 411 606 | 1,41% |
| SPESIALFONDET BOREA UTBYTTE | 1 258 407 | 1,25% |
| Brown Brothers Harriman & Co. | 1 140 900 | 1,14% |
| J.P. Morgan SE | 1 007 638 | 1,00% |
| CACEIS Investor Services Bank S.A. | 936 645 | 0,93% |
| State Street Bank and Trust Comp | 868 137 | 0,86% |
| State Street Bank and Trust Comp | 862 461 | 0,86% |
| VPF SPAREBANK 1 UTBYTTE | 855 000 | 0,85% |
| Landkreditt Utbytte | 821 274 | 0,82% |
| Total | 41 656 470 | 41,49% |

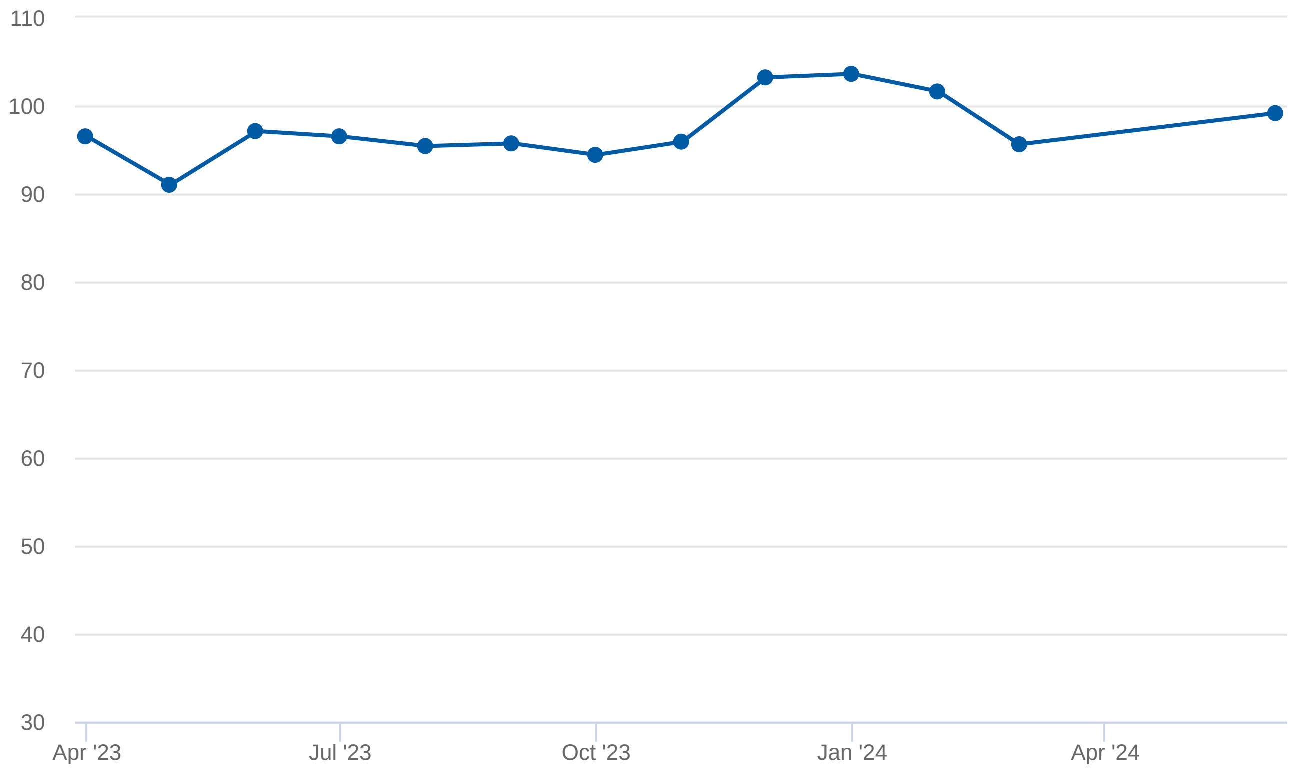
## Dividend policy

The Bank's dividend policy states that the Bank aims to provide a competitive direct return for the Bank's owners. The target dividend rate is at minimum 50%. The future distribution rate will also take into account the group's capital coverage and future growth.

## Trading statistics




## Price trend NONG



## Note 21 Capital Adequacy and MREL

In order for the period's result to be included in the capital adequacy reporting, it is a regulatory requirement that the quarterly accounts must be audited. For the 2st quarter of 2024, the quarterly accounts have not been audited, and the result for the period is thus not included in the capital adequacy. If 50% of the period's result had been included in the capital coverage, the group's solvency would have been 17,32%.

| Parent Bank | | | Group | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| | | Equity | | |
| 2 650 | 2 650 | Equity Certificate capital and premium reserve | 2 650 | 2 650 |
| 1 250 | 1 250 | Hybrid capital | 1 250 | 1 250 |
| 4 238 | 4 201 | Dividend Equalisation Fund | 4 557 | 4 628 |
| 7 967 | 7 924 | Saving Bank's primary capital | 8 336 | 8 417 |
| 0 | 0 | Non-controlling interests | 249 | 245 |
| 16 105 | 16 025 | Total equity | 17 042 | 17 190 |
| | | Tier 1 Capital | | |
| -1 250 | -1 250 | Hybrid capital | -1 250 | -1 250 |
| -1 516 | 0 | Deduction for allocated dividends | 0 | -1 516 |
| 0 | -1 476 | Period result not eligible as CET1 capital | - 724 | 0 |
| 0 | 0 | Minority interests not eligible as CET1 capital | - 79 | - 83 |
| 0 | 0 | Goodwill and other intangible assets | - 216 | - 213 |
| - 29 | - 61 | Adjustments to CET1 due to prudential filters | - 73 | - 40 |
| 0 | - 26 | IRB shortfall of credit risk adjustments to expected losses | - 120 | - 58 |
| 0 | 0 | Deduction for significant investments in financial sector entities | - 384 | - 333 |
| - 276 | - 276 | Deduction for non-significant investments in financial sector entities | - 215 | - 225 |
| - 6 | 0 | Deduction for treasury shares | 0 | - 6 |
| 13 028 | 12 936 | Common Equity Tier 1 Capital | 13 981 | 13 466 |
| | | Additional Tier 1 Capital | | |
| 1 250 | 1 250 | Hybrid capital | 1 454 | 1 430 |
| - 48 | - 49 | Deduction for Tier 1 capital in other financial sector entities with a significant investment | - 48 | - 48 |
| 14 230 | 14 137 | Total Tier 1 Capital | 15 386 | 14 847 |
| | | Tier 2 Capital | | |
| 1 900 | 1 950 | Non-perpetual subordinated capital | 2 326 | 2 200 |
| 9 | 0 | Expected losses on IRB, net of writedowns | 0 | 0 |
| - 223 | - 226 | Deduction for subordinated capital in other financial institutions with a significant investment | - 226 | - 223 |
| 1 686 | 1 724 | Tier 2 Capital | 2 100 | 1 977 |
| 15 916 | 15 863 | Own Funds | 17 486 | 16 824 |

| Parent Bank | | | Group | |
|---|---|---|---|---|
| *(Amounts in NOK million)* | | | | |
| 31.12.23 | 30.06.24 | | 30.06.24 | 31.12.23 |
| | | Risk exposure amount | | |
| 6 250 | 6 240 | Corporates - SME | 6 250 | 6 258 |
| 16 052 | 18 067 | Corporates - Specialised Lending | 19 028 | 17 042 |
| 1 127 | 712 | Corporates - Other | 783 | 1 218 |
| 12 474 | 12 416 | Retail - Secured by real estate | 21 443 | 21 059 |
| 981 | 1 064 | Retail - Other | 1 098 | 1 001 |
| 8 230 | 8 548 | Equity IRB | 0 | 0 |
| 45 113 | 47 046 | Credit risk IRB | 48 601 | 46 578 |
| 0 | 0 | Central governments or central banks | 223 | 15 |
| 222 | 383 | Regional governments or local authorities | 436 | 436 |
| 0 | 0 | Public sector entities | 2 | 2 |
| 2 126 | 2 387 | Institutions | 1 335 | 1 247 |
| 3 270 | 3 028 | Corporates | 6 132 | 6 200 |
| 227 | 231 | Retail | 5 294 | 5 109 |
| 402 | 497 | Secured by mortgages on immovable property | 697 | 621 |
| 3 | 2 | Exposures in default | 355 | 364 |
| 1 077 | 1 085 | Covered bonds | 1 568 | 1 500 |
| 0 | 0 | Collective investments undertakings (CIU) | 1 | 1 |
| 4 663 | 4 721 | Equity | 5 756 | 5 879 |
| 1 043 | 1 056 | Other items | 1 749 | 1 627 |
| 13 033 | 13 391 | Credit risk standardised approach | 23 546 | 23 001 |
| 58 146 | 60 436 | Total credit risk | 72 148 | 69 578 |
| 7 054 | 7 054 | Operational risk | 7 965 | 7 965 |
| 65 | 87 | Credit Value Adjustment | 703 | 933 |
| 0 | 0 | Other risk weighted exposure amount | 73 | 50 |
| 65 265 | 67 577 | Total risk exposure amount | 80 888 | 78 527 |
| | | Capital Adequacy Ratios | | |
| 20,0 % | 19,1 % | Common Equity Tier 1 Capital incl. result | 17,3 % | 17,1 % |
| 20,0 % | 17,0 % | Common Equity Tier 1 Capital Ratio excl. sesult | 16,4 % | 17,1 % |
| 21,8 % | 18,7 % | Tier 1 Capital Ratio excl. result | 18,1 % | 18,9 % |
| 24,4 % | 21,3 % | Total Capital Ratio excl. result | 20,7 % | 21,4 % |
| 11,0 % | 9,4 % | Leverage Ratio excl. result | 7,5 % | 7,9 % |

## Own funds and eligible liabilities

In connection with The Financial Supervisory Authority of Norway's work with crisis plans for Norwegian banks, SpareBank 1 Nord-Norge received a requirement in December 2022 on MREL - Minimum requirement for own funds and eligible liabilities. A key element in the crisis management regulations is that capital instruments and debt can be written down and/or converted to equity by internal recapitalization (bail-in), so that the enterprises have sufficient responsible capital and convertible debt in order to be able to manage the crisis without the use of public funds.

The bank's MREL requirement (Effective MREL percentage) at 30.06.24 is set at 35.22%, and is the sum of the MREL percentage at 25.76%, and the combined buffer requirement (CBR) at 9.45% of the applicable adjusted risk-weighted calculation basis (TREA).

In 2024, the Group must also fulfill a minimum requirement for total subordination set as 28.26% at 30.06.24. Subordination means that parts of the claim must be met with responsible capital or debt instruments with priority such as meets the requirements of Norwegian law (Finansforetaksloven §20-32(1) no. 4). The minimum requirement can only be met with responsible capital and subordinated debt.

The difference between the effective MREL requirement and the company's subordinated instruments could be met until 31.12.23 with unsecured senior debt with a remaining term of at least 12 months issued by the bank to external investors. From 2024 the difference can only be fulfilled with unsecured senior debt that meets the requirement of Norwegian law (Finansforetaksloven) § 20-7a, no. 1.

In the table below the current requirement and the banks fulfillment is listed.

| Group | | |
|---|---|---|
| *(Amounts in NOK million)* | 30.06.24 | 31.12.23 |
| **Own funds and eligible liabilities** | | |
| Own funds and eligible liabilities including eligible YTD results (excl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt) | 14 454 | 14 733 |
| Senior non-preferred (SNP) | 6 377 | 6 456 |
| Senior preferred (SP) - over 12 mths | 6 776 | 9 644 |
| Total own funds and eligible liabilities | 27 607 | 30 833 |
| Total risk exposure amount (TREA) of the resolution group | 69 169 | 67 110 |
| **Own funds and eligible liabilities as percentage of the total risk exposure amount** | | |
| Own funds and eligible liabilities | 39,91 % | 45,94 % |
| Own funds and SNP | 30,12 % | 31,57 % |
| **MREL requirement expressed as nominal amount** | | |
| Total MREL requirement | 35,22 % | 35,18 % |
| Total subrogation (linear phasing-in requirement) | 28,26 % | 24,87 % |
| Surplus (+) / deficit (-) of MREL capital | 4,69 % | 10,76 % |
| Surplus (+) / deficit (-) of subrogation | 1,86 % | 6,70 % |

## Note 22 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations, and/or the risk of not being able to fund a desired growth in assets. SNN prepares an annual liquidity strategy that encompasses, for example, the bank's liquidity risk.

The Group's liquidity risk is revealed, except in the case of raising external financing, through the Bank's liquidity reserve/buffer, including sale of mortgage loans to SB1 Boligkreditt.

The Bank proactively manages the Group's liquidity risk on a daily basis. SpareBank 1 Nord-Norge must also comply with the regulatory minimum requirements for prudent liquidity management at all times.

The average remaining term to maturity for the Bank's debt securities in issue was 2.7 years as of

30.06.24.
The short-term liquidity risk measure, liquidity coverage ratio (LCR), was 148 % (149 %) as of the end of the quarter.
NSFR (Net Stable Funding Ratio) at 30.06.24 was 120 % (118 %).

## Note 23 Changes to group structure

There has been no significant changes to the Group`s structure in 2Q 2024.

## Note 24 Events occuring after the end of the quarter

No further information has come to light about important events that have occurred between the balance sheet date, and the Board's final consideration of the financial statements.

# Statement from the Board of Directors and Chief Executive Officer

Today the Board of Directors and the Chief Executive Officer have considered and adopted the financial quarterly report and the consolidated financial statements of SpareBank 1 Nord-Norge for the period from 1 April to 30 June 2024, and preliminary annual accounts for the period from 1 January to 30 June 2024.

We confirm to the best of our knowledge that the financial statements for the period from 1 January to 30 June 2024 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group takes as a whole. We also confirm the quarterly financial report gives a true and fair view of important events during the accounting period and their influence on the financial statements, the most important elements of risk and uncertainty that the group faces in the next accounting period, and a description of related parties' material transactions.

Tromsø, 07.08.24

Board of Directors and Chief Executive Officer in SpareBank 1 Nord-Norge