

3Q

Quarterly presentation

Third quarter 2024

SpareBank 1
ØSTLANDET



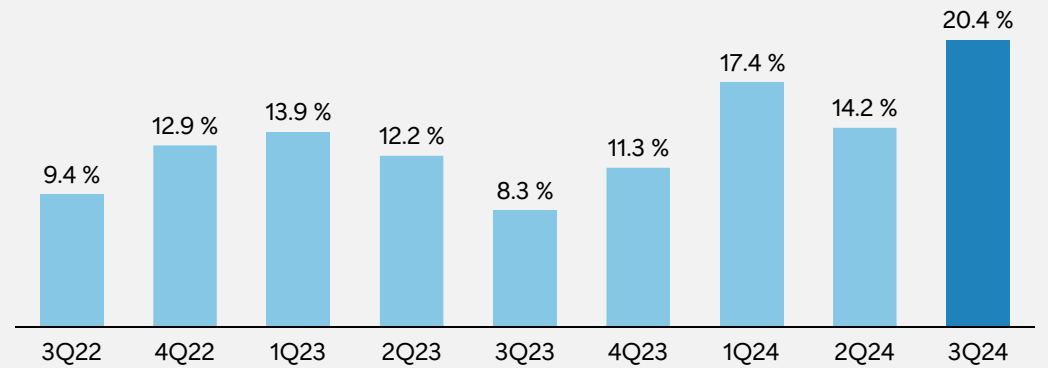
Totens
Sparebank
– en del av SpareBank 1 Østlandet



3Q: High profitability

- **Return on equity** of 20.4 %. Merger of Fremtind/Eika contributed positively, but profitability in core banking operations was also good.
- **Net interest income** up 0.6 % q/q (incl. covered bond commissions). Healthy **loan growth** in both retail and corporate market through the quarter. Higher credit demand but also increasing competition. The bank defends its market share in the Inland and grows in the capital region.
- Another strong quarter for **commission income**, across areas. High activity levels for real estate agents, and also good numbers for savings and insurance.
- **Cost growth** of 11.9 % is higher than desired, also when adjusted for Siffer. Integration with Totens will lead to higher costs going forward, but the bank is working to achieve other efficiency gains.
- Higher than normal **impairment charges**, of NOK 106 mill., where the increase from the previous quarter is due to continued challenges for one customer.

Return on equity (%)



Earnings/ECC

6.24
NOK

Loan growth

4.6 %

NIM

2.15 %

Cost/income

30.0 %

Loss provisions

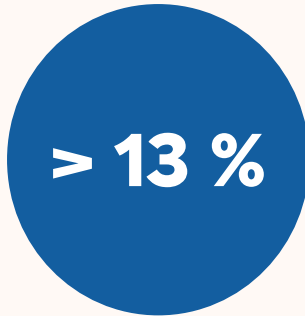
106 NOK
mill.

CET-1

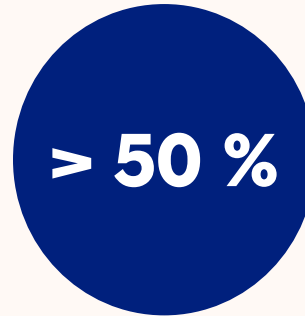
16.9 %

Financial targets

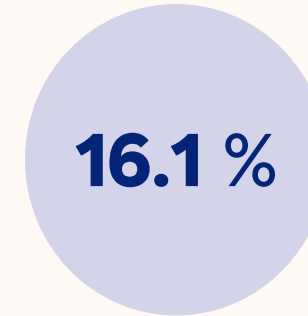
And achievements so far this year



Profitability



Dividends



Solidity

Achievements year-to-date

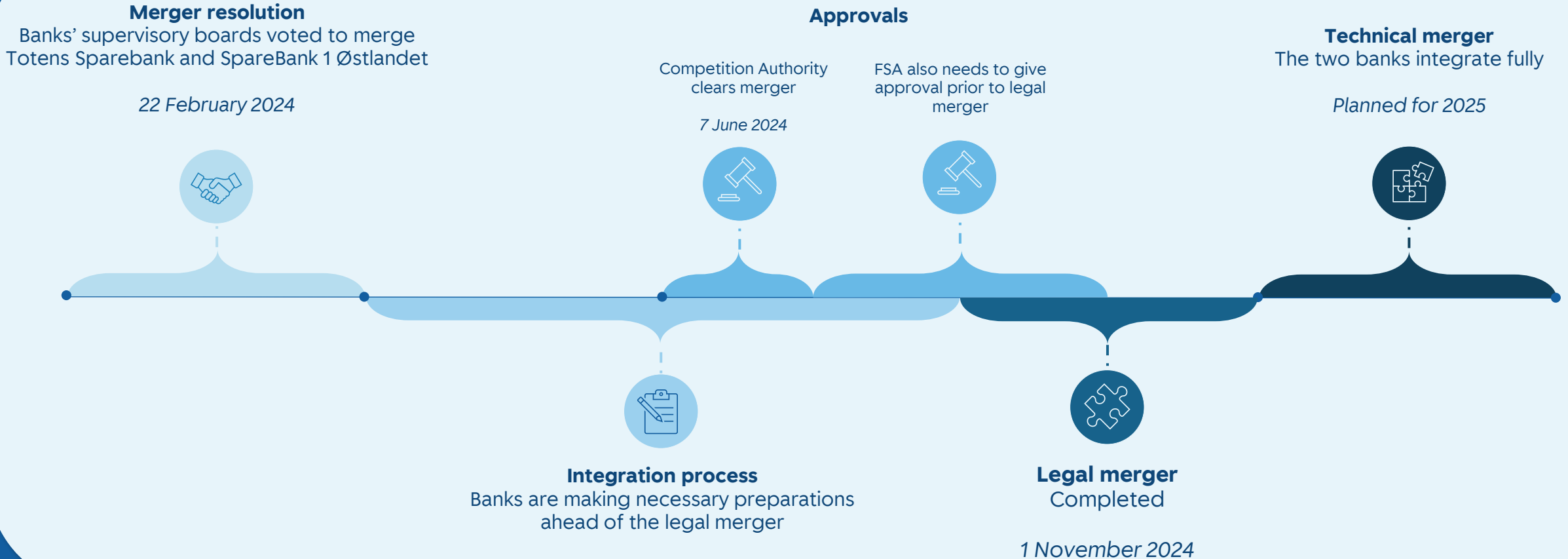
17.3 %

60 %

16.9 %

Merger with Totens has been completed

Integration process is well underway. Technical merger is expected in 2025.



A merger between two well-run banks

Two banks with similar values, business concepts, and culture join forces to create an even better bank for the Inland region

- Solid position with close customer relations and competent employees.
- New and large savings bank foundation, to the benefit of the local community.
- We have made good progress with the integration of employees, offices, and products.
- There will be integration costs. Appr. NOK 32 million so far, while an additional NOK 60 million is expected in 4Q.
- Expect capital synergies of approximately NOK 300 million, of which some occur already on 1 January 2025.



Back in Drammen!

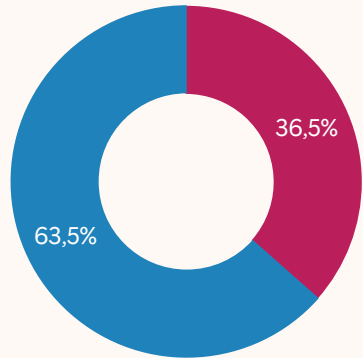
New branch provides an even better offering to existing customers, but also a further development of an already strong market position in Oslo and the surrounding areas



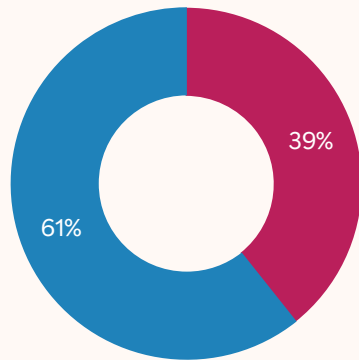
Renewed agreement with LO is important for the bank

Relationship with trade union increases the bank's visibility, provides strong volume growth, and gives the bank the chance to talk to large customer groups about personal finances.

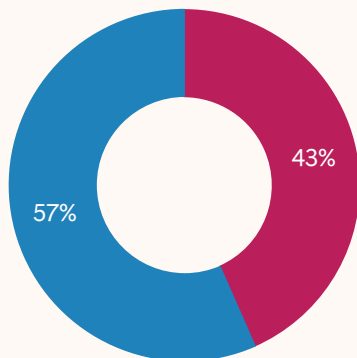
Share of retail loans



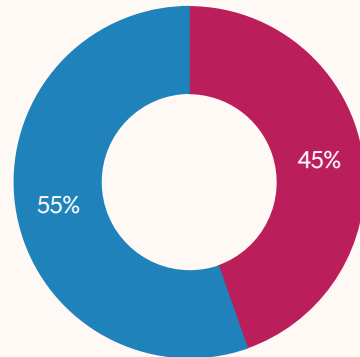
Share new loans, volume



Share new loans, 18-33 yrs



Andel nysalg, utenfor Hedmark, Ahus og Oslo



■ Non-LO
■ LO

Note: New loans past 12 months. All numbers are retail mortgages.



Takk for tilliten!

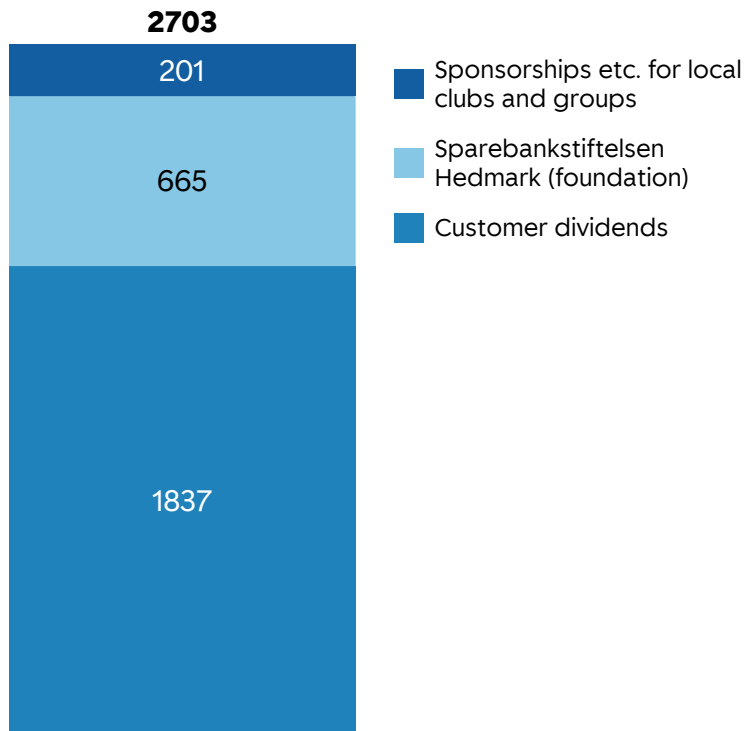
SpareBank 1 ØSTLANDET



«Alle Henda»: Getting everyone on board

Bank has distributed NOK 2.7 bn from 2017 to 2023 through sponsorships, donations, funds from the savings bank foundation, and through customer dividends. “Alle Henda” is the bank's own grant scheme, with the specific aim of supporting local clubs, teams and community groups in their efforts to promote inclusion.

Bank-related community contributions, 2017-23, NOK mill.



Strengthening of our customer service centre

Over time, the bank has strengthened its customer service operations, focusing on more efficient work processes. This has resulted in significantly improved response time, excellent customer satisfaction, and high external ranking of our customer service centre.

22,000 calls
in
September

Service rate*:
94 % (77%)

Response time*:
1m14s (8m31s)



* Numbers from September this year and last year (in brackets). Service rate is the share of answered calls.

New executive managers and organisational structure

Adjustments to further develop the financial group of the future, with a focus on simplification, redesign of customer journeys, efficient collaboration within the alliance, and modernization of the group.



Stine Haugseth (37)
Technology and Development



Johan Ø. Røstøen (49)
Operations and Integration

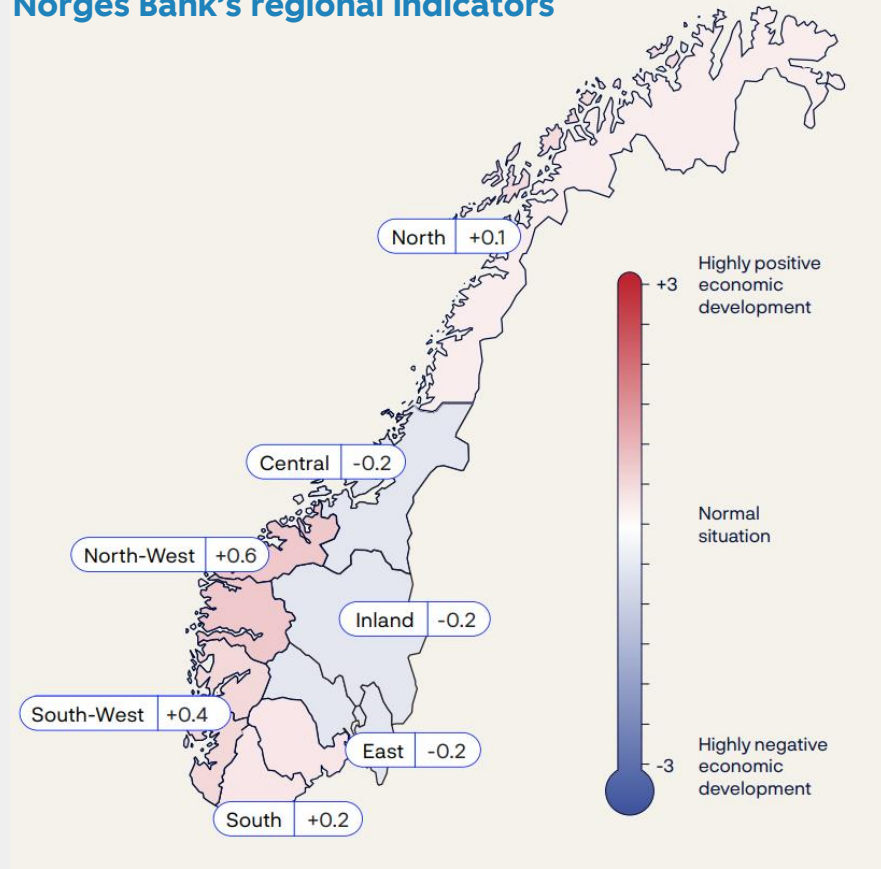


Bård Skjørtorp (45)
Communication, Market and Brand
(from 1 January 2025)

Macroeconomic backdrop is still challenging

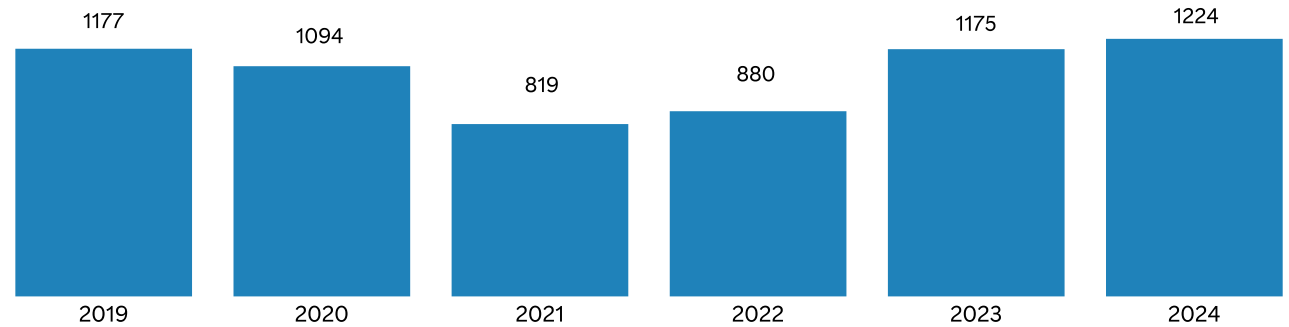
Weaker corporate sentiment in the bank's market area than in several others parts of the country. More bankruptcies, to levels similar to pre-pandemic. Higher unemployment rate, but to moderate levels and in line with rest of country.

Norges Bank's regional indicators



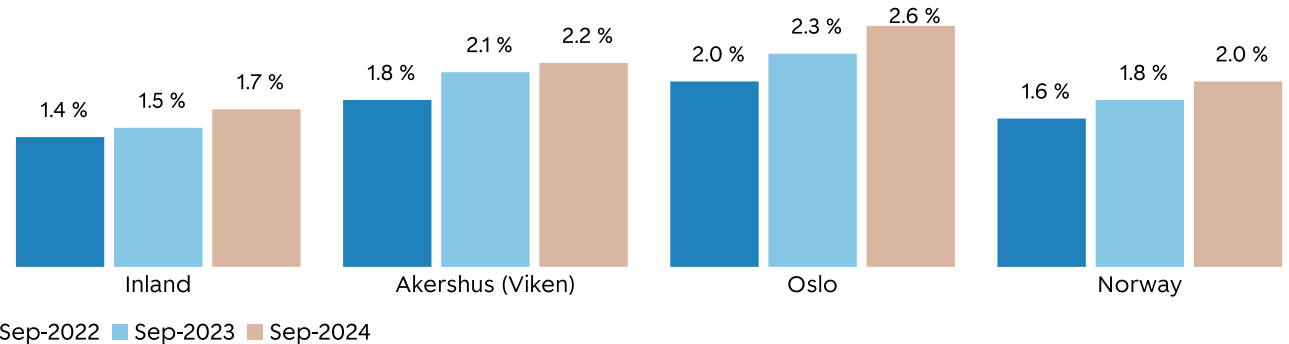
Source: Norges Bank's Regional Network report, no. 3 2024

Number of bankruptcies, year-to-date (wk 43 each year), market area



Sources: Macrobond, Statistics Norway, own calculations

Unemployment (registered), %

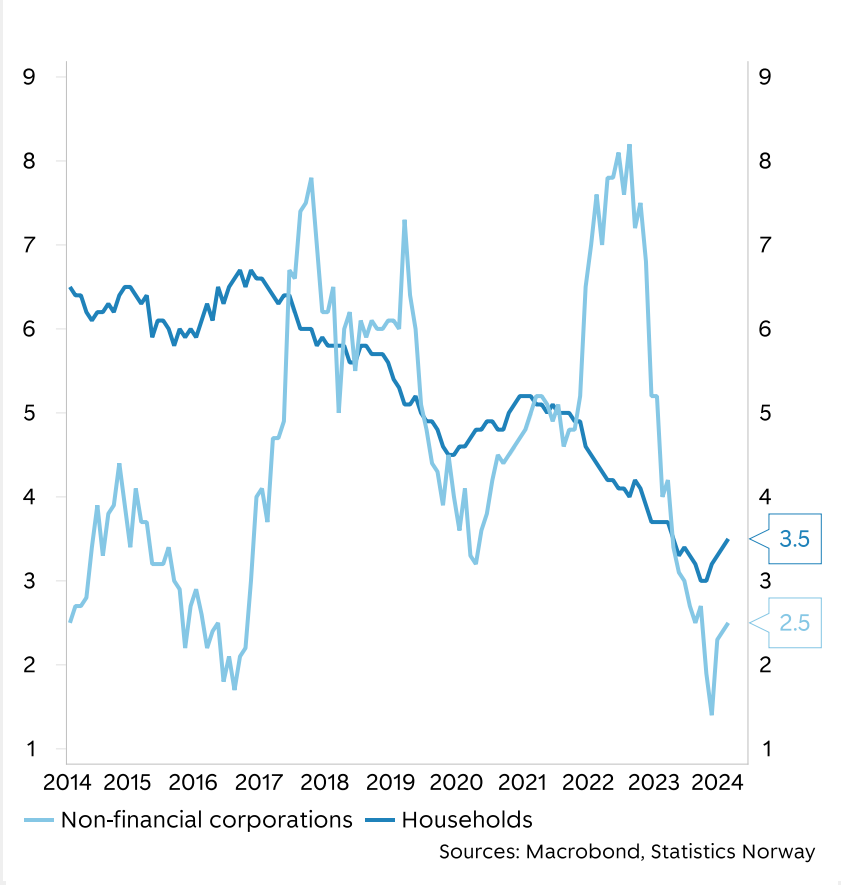


Sources: Macrobond, Norwegian Labour and Welfare Administration

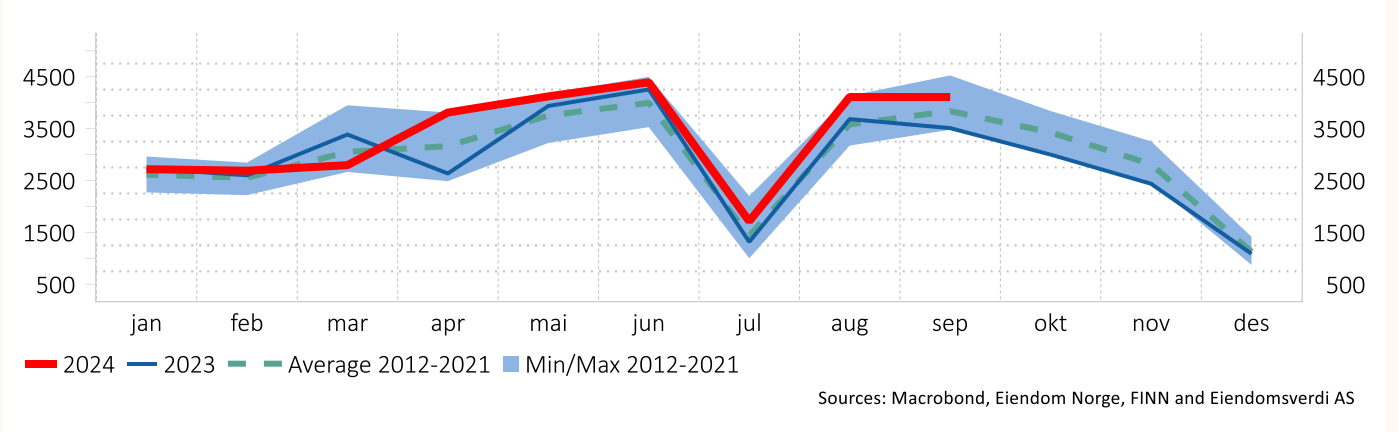
Higher credit growth

Increased loan demand, especially among households. Activity in housing market has been high throughout the 3Q, particularly in the capital region. More homes are being listed, but many still prefer to sell before they buy.

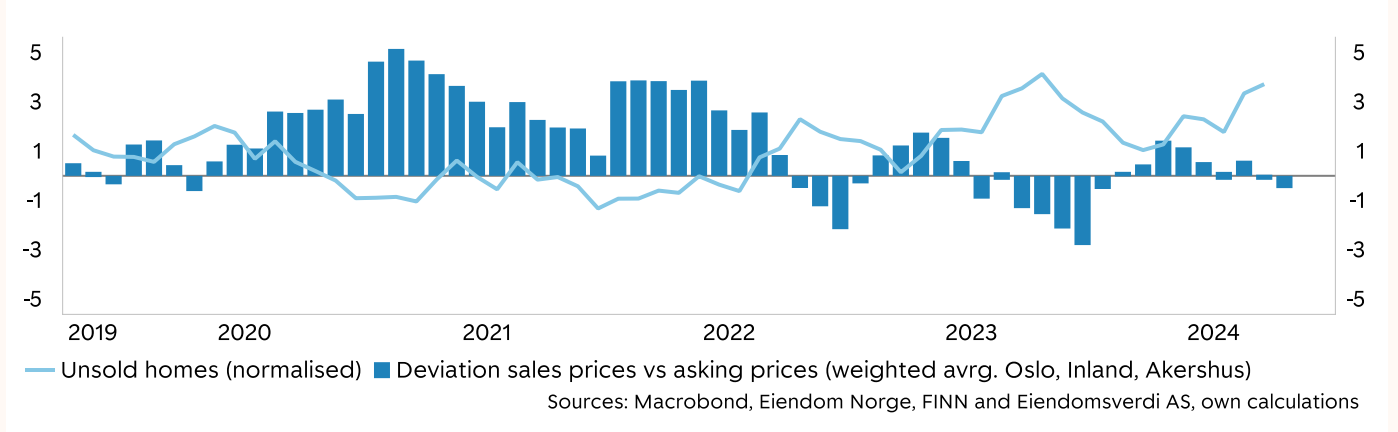
Credit growth



Existing home sales (no. of homes), monthly, market area



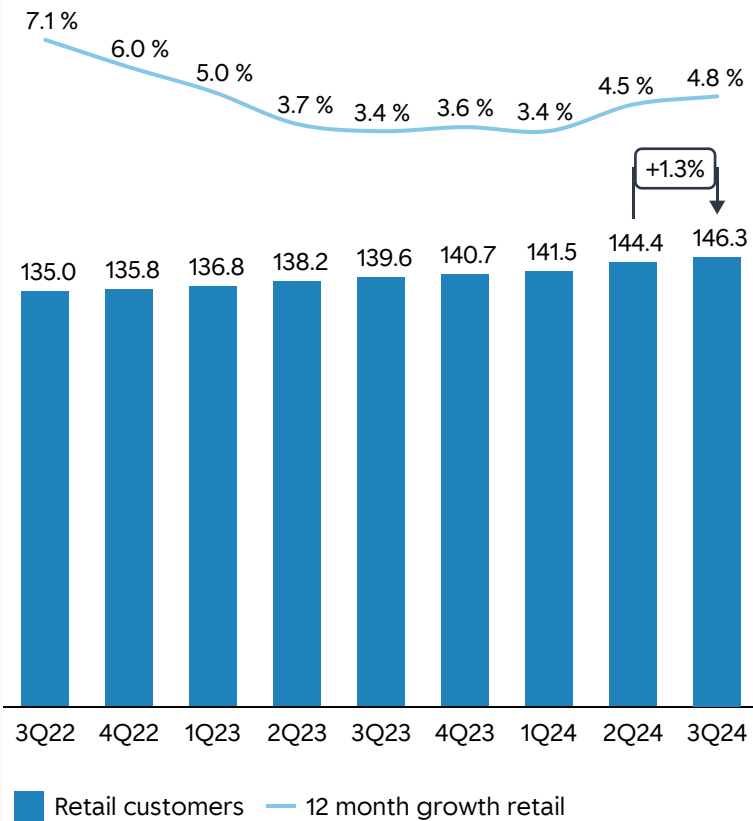
Unsold homes (std. deviations) and sales prices vs asking prices (%), market area



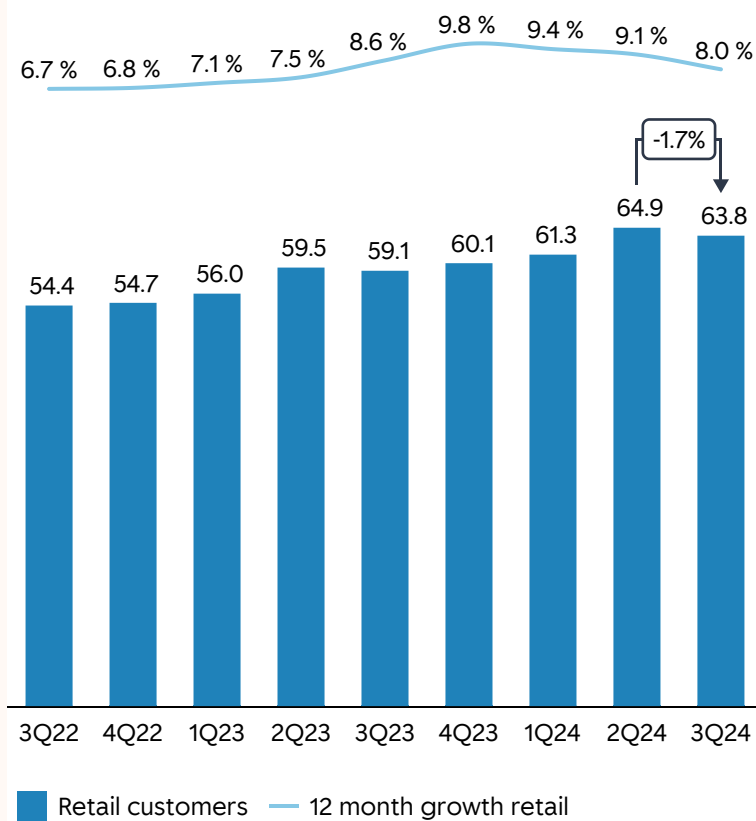
Retail market: High activity level

Unusually high activity in 3Q, but also very strong competition. Net growth in primary borrowers comes primarily outside Hedmark. Still strong development in cross-selling, especially in mutual fund savings and non-life insurance.

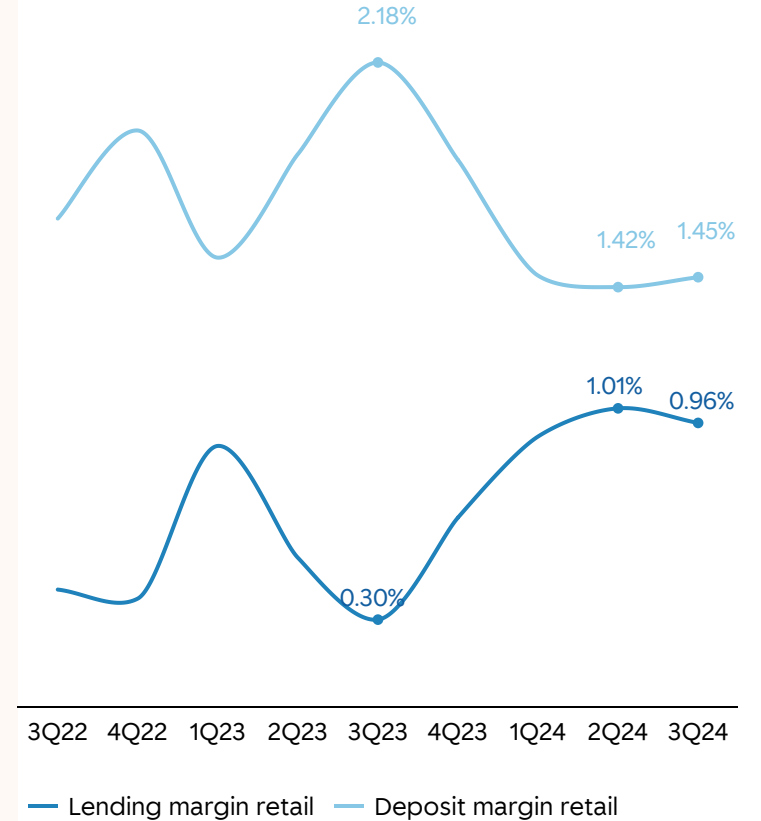
Loan volume and growth (NOK bill. and %)*



Deposit volume and growth (NOK bill. and %)



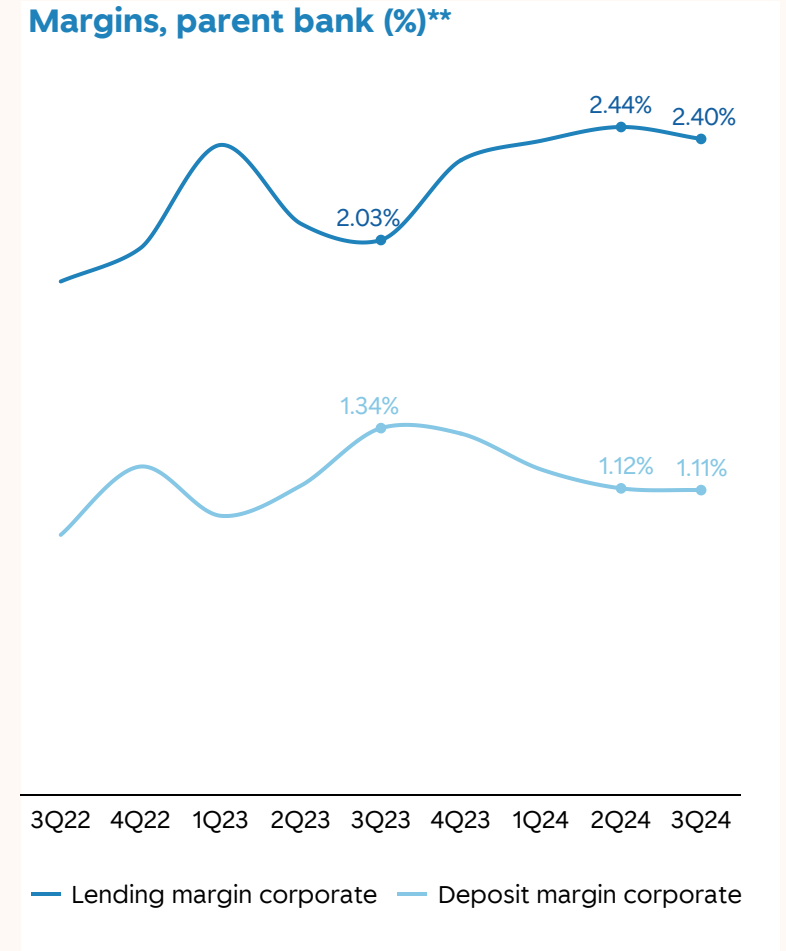
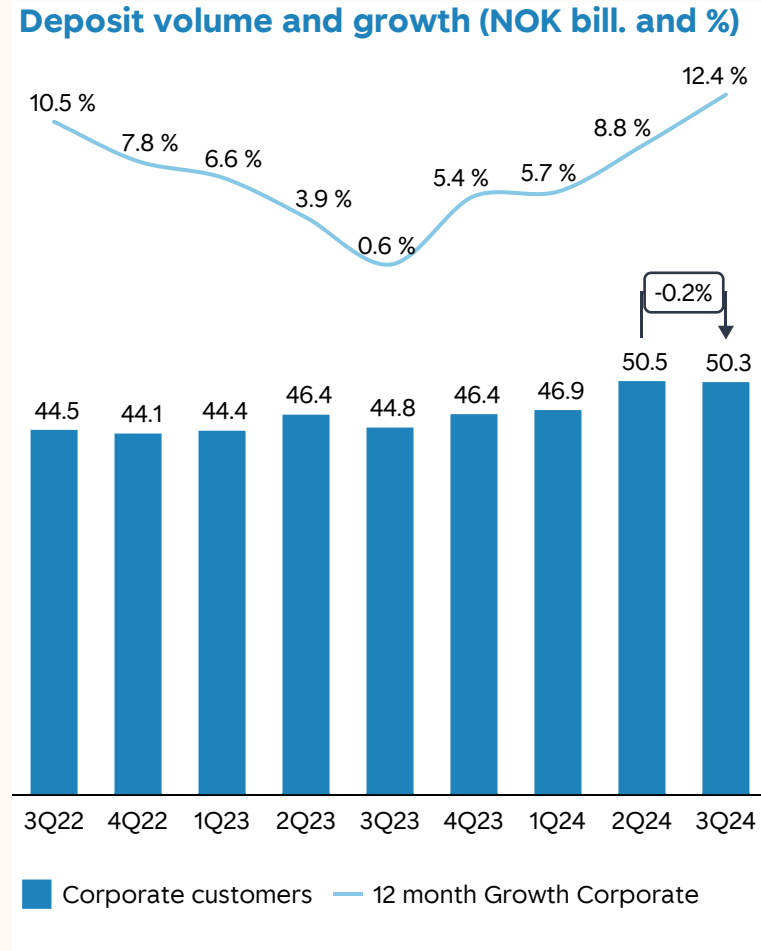
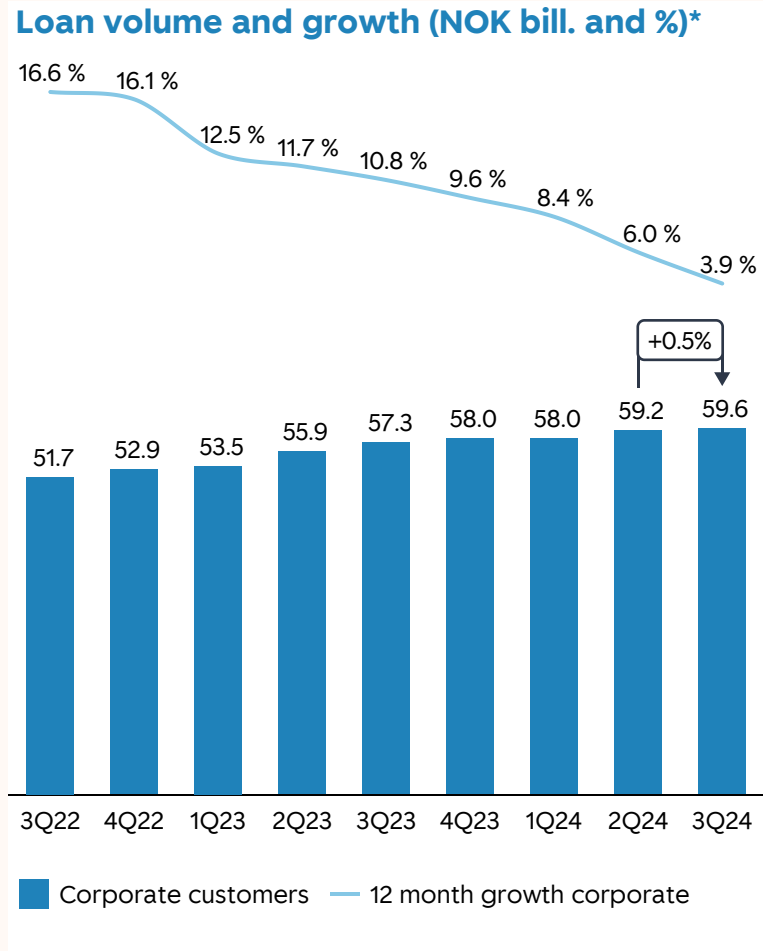
Margins, parent bank (%)**



* Includes loans transferred to the covered bond companies. ** Based on allocation of customer loans between retail and corporate divisions.

Corporate market: Signals of stronger growth ahead

Lower market growth and high competition in 3Q, especially for green buildings. Good activity in CRE, still low activity in the housing and cabin market. Experiencing good activity in the market for energy production and supply.



* Includes loans transferred to the covered bond companies. ** Based on allocation of customer loans between retail and corporate divisions.

3Q

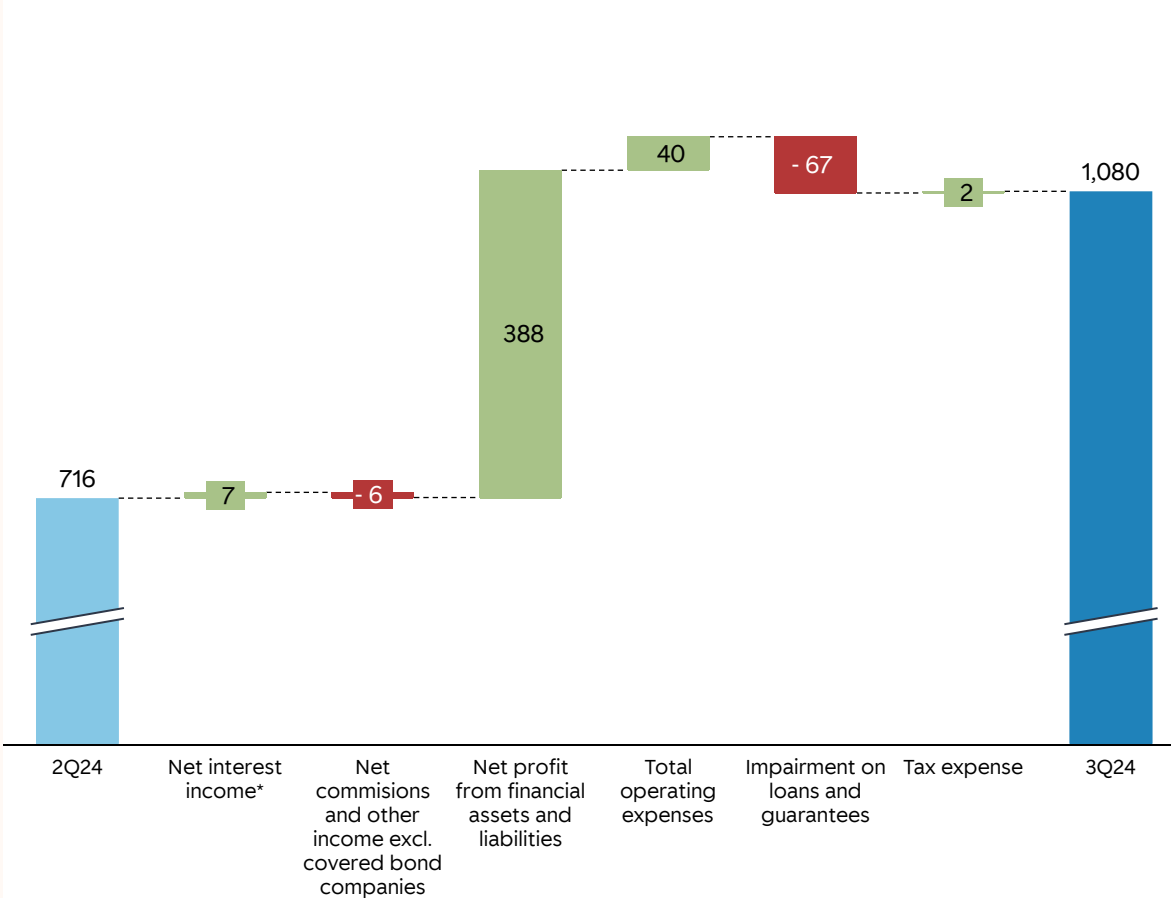


Financial accounts

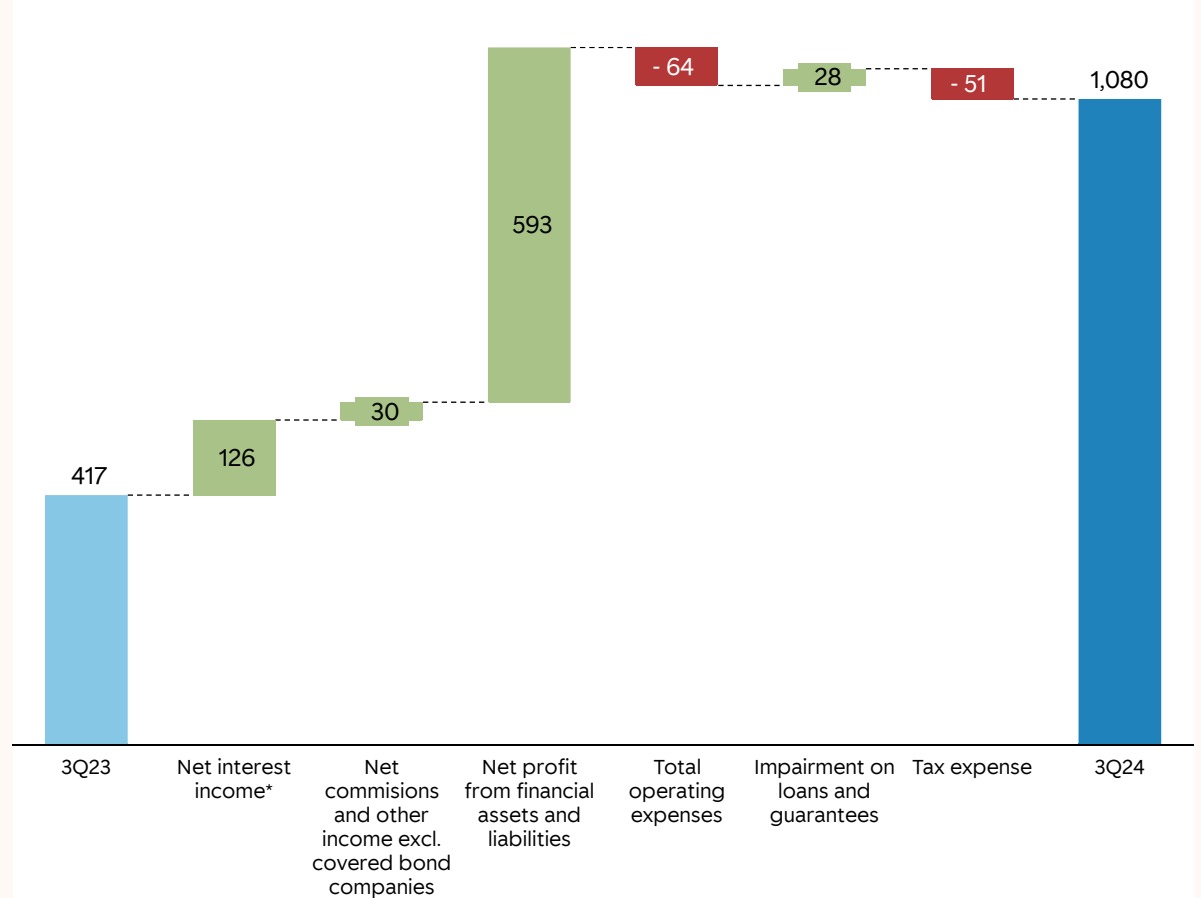
Third quarter 2024

Income statement

Chg. in operating profit after tax (NOK mill.), from previous quarter



Chg. in operating profit after tax (NOK mill.), from last year

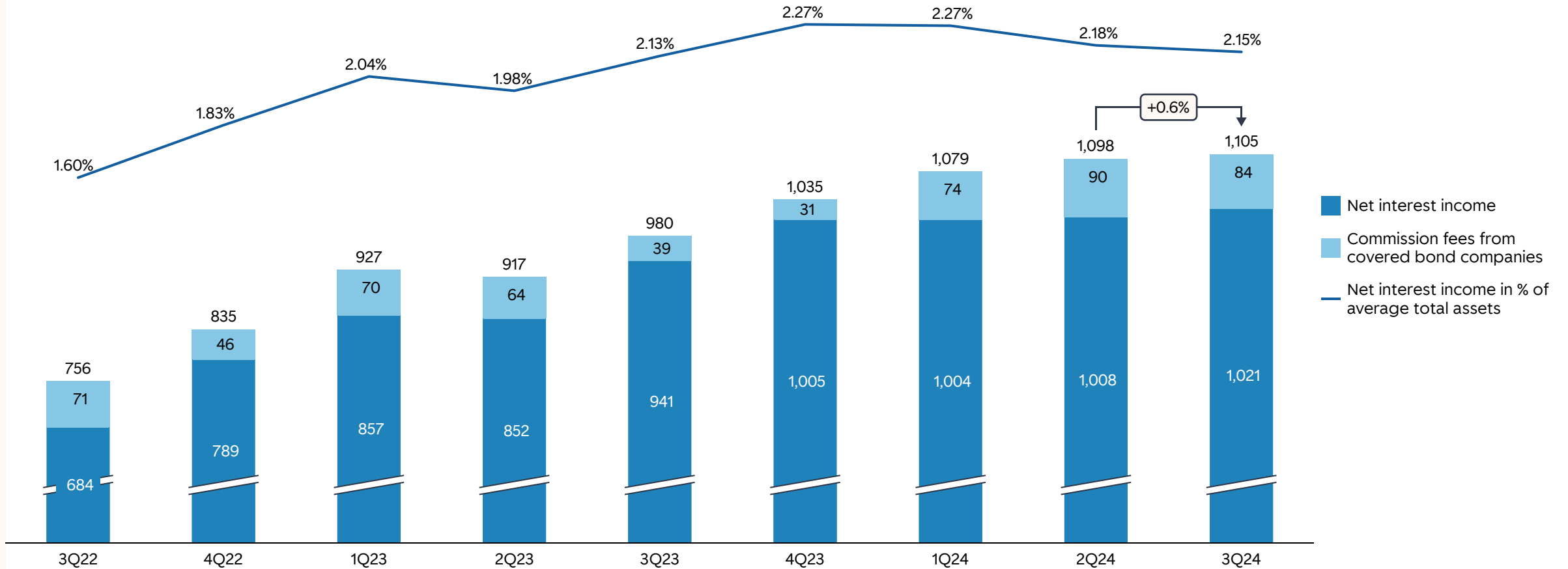


* Net interest income includes commission fees from covered bond companies.

Net interest income

Good growth in net interest income although high competition leads to margin pressure.

Net interest income incl. commissions from covered bond companies (MNOK and %)

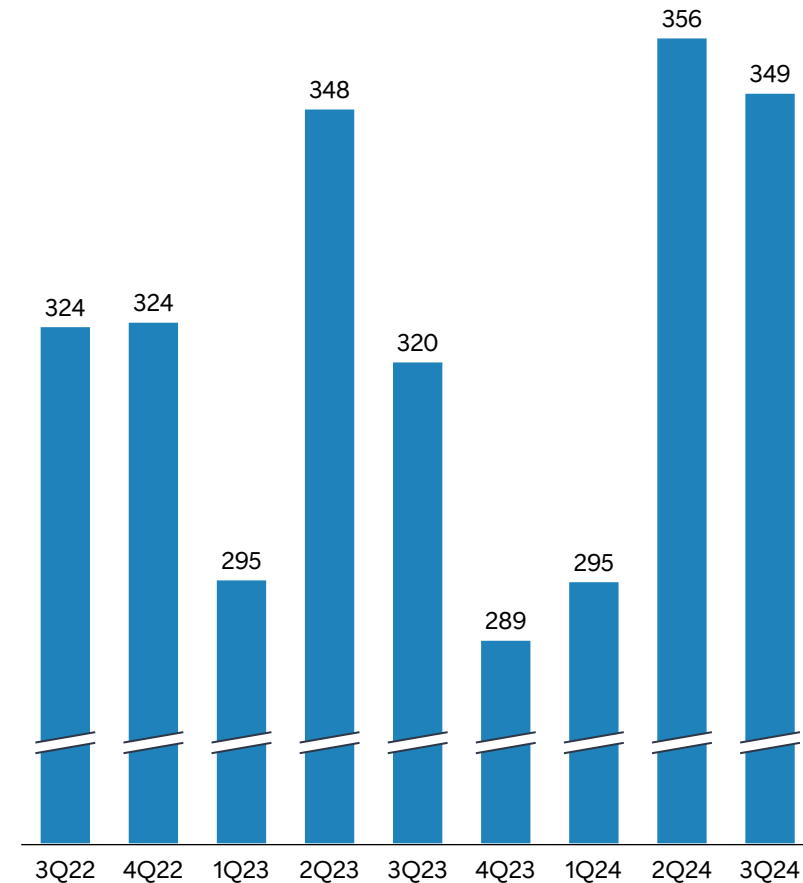


Commission income

(NOK million)	3Q24	2Q24	3Q23
Commission income from credit cards	18.2	17.3	15.4
Payment services	89.2	73.4	86.2
Commissions from insurance	68.4	65.8	66.1
Commissions from savings	11.6	9.9	8.1
Commission from real estate brokerage	103.8	116.1	80.8
Income from accounting services	34.4	51.7	26.0
Other operating income / -commissions	23.8	21.2	37.0
Commission income and other income *	349.4	355.5	319.6

* Excluding commission income from the covered bond companies.

Net commissions and other income (NOK million)

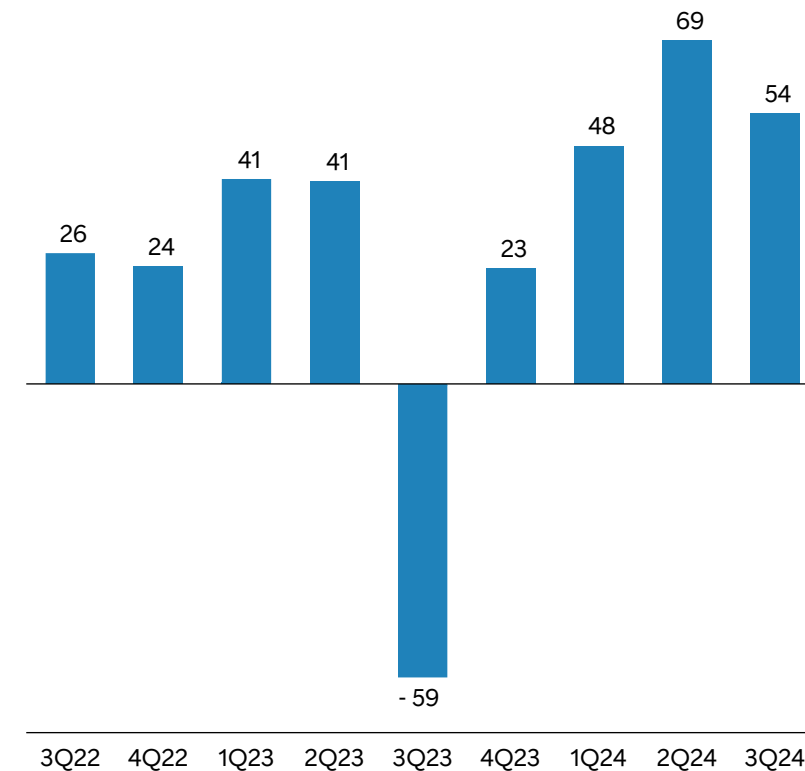


Profits in subsidiaries

(NOK million, after taxes)	3Q24	2Q24	3Q23
Sparebank 1 Finans Østlandet AS - Group	53.4	50.8	- 52.7
EiendomsMegler 1 Innlandet AS	2.4	5.9	- 3.6
EiendomsMegler 1 Oslo Akershus AS - Group	4.0	7.5	- 1.1
SpareBank 1 ForretningsPartner Østlandet AS - Group *	- 5.4	4.8	- 1.5
Subsidiaries	54.4	69.0	- 58.9

* Financial accounts for 2024 include Siffer Norge AS as subsidiary.

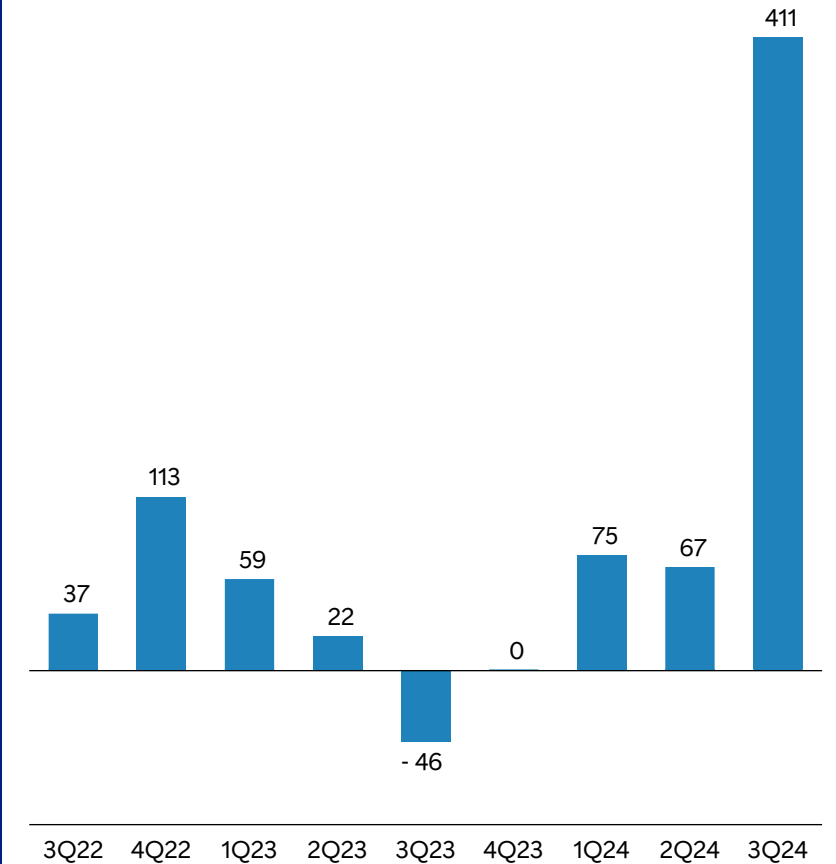
Profits after tax in subsidiaries (NOK million)



Profits in joint ventures

(NOK million, after taxes)	Ownership	Result share		
		3Q24	2Q24	3Q23
SpareBank 1 Gruppen AS - Group	12.4%	344.3	0.4	- 8.2
SpareBank 1 Forvaltning AS	6.3%	3.9	3.8	1.9
SpareBank 1 Boligkreditt AS	23.5%	36.1	35.0	11.2
SpareBank 1 Næringskreditt AS	12.8%	2.4	2.9	3.1
SpareBank 1 Kreditt ASA	19.4%	- 3.0	1.1	- 3.9
SpareBank 1 Betaling AS	18.1%	- 1.1	0.1	- 8.5
BN Bank ASA	10.0%	21.9	20.9	18.3
Other ventures		6.7	3.1	- 60.3
Joint ventures		411.3	67.3	- 46.3

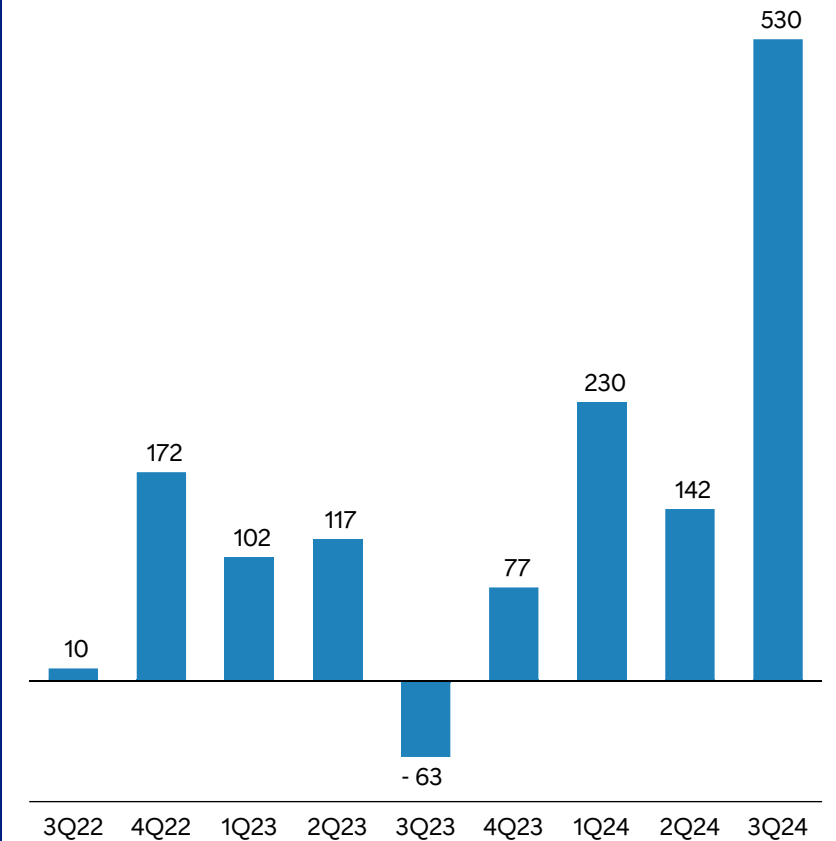
Profits after tax in joint ventures (NOK million)



Net income from financial assets and liabilities

(NOK million)	3Q24	2Q24	3Q23
Dividends from shares and other equity instruments	0.4	19.4	0.3
Share of profit or loss of associates and joint ventures	411.3	67.3	- 46.3
Net profit from other financial assets and liabilities	118.4	55.2	- 17.1
Net profit from financial assets and liabilities	530.1	141.9	- 63.1

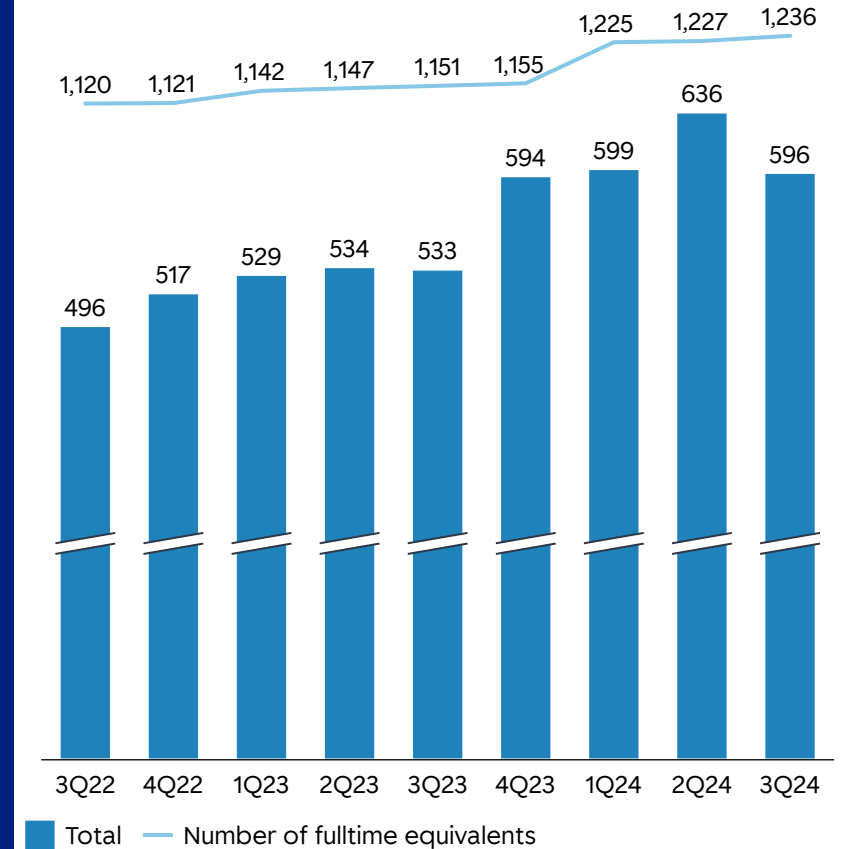
Net income from finance (NOK million)



Operating expenses

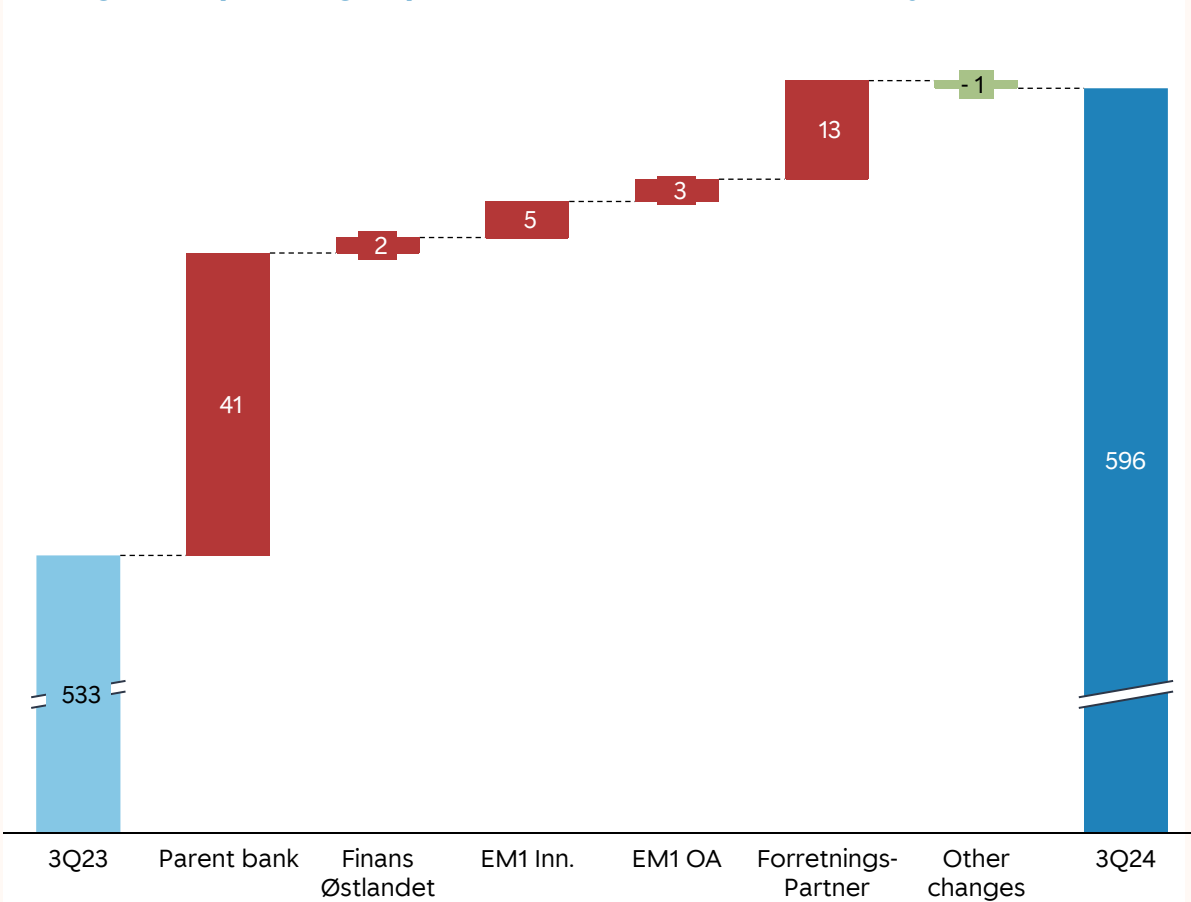
(NOK million)	3Q24	2Q24	3Q23
Personnel expenses	343.2	340.7	305.4
Depreciation/amortisation	29.6	29.4	29.6
ICT expenses	101.3	105.6	90.1
Marketing expenses	23.2	30.3	20.7
Operating expenses real estate	14.5	18.1	15.7
Merger costs	4.3	1.5	0.0
Other expenses	80.2	110.6	71.3
Total	596.4	636.1	532.8

Operating expenses (NOK million)

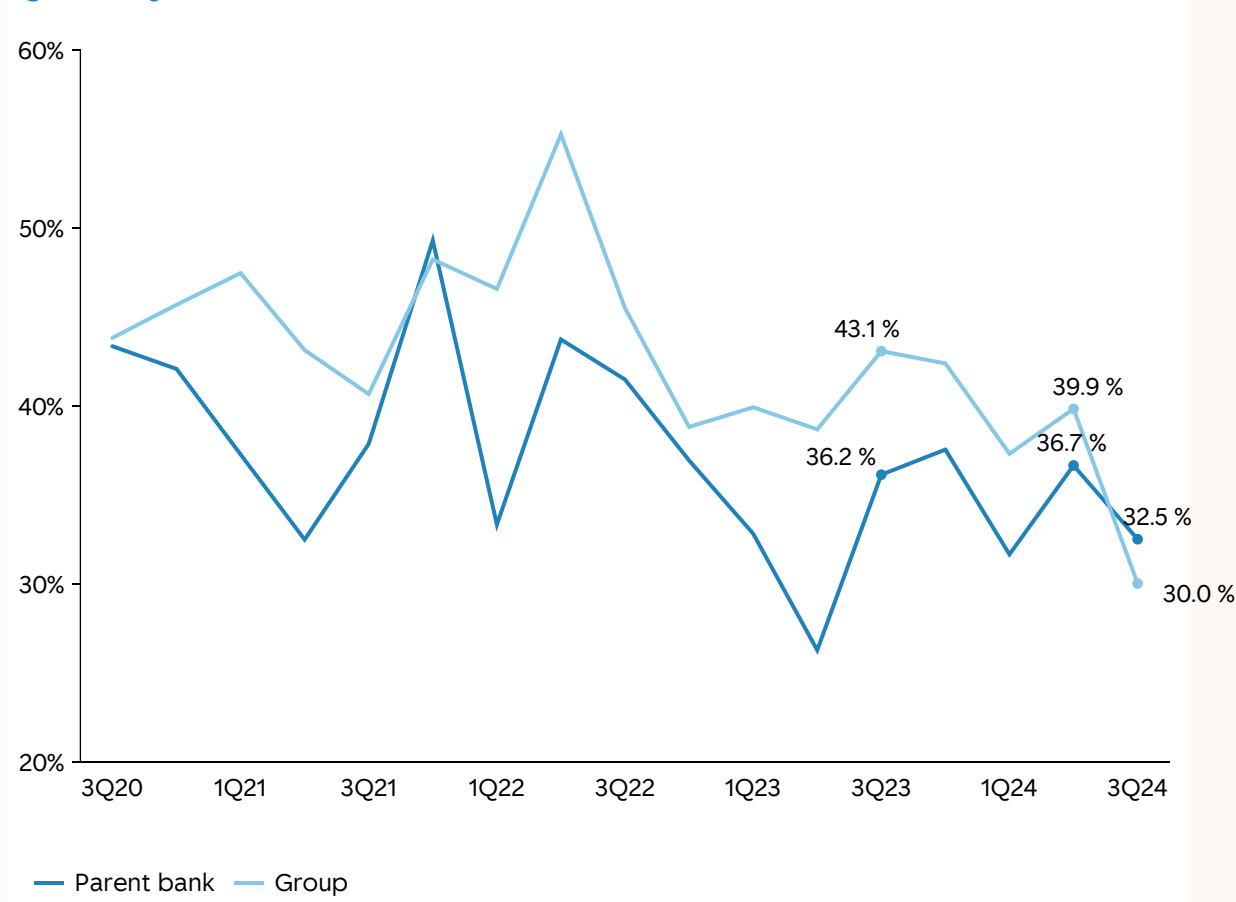


Operating expenses

Changes in operating expenses (NOK million), from last year



Quarterly cost income ratios

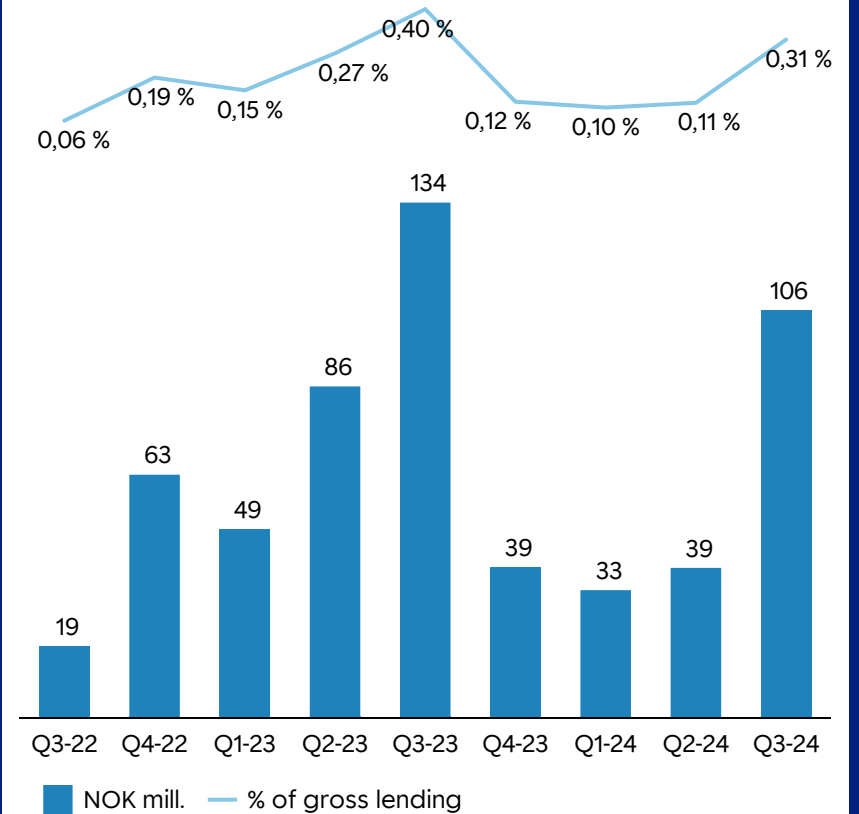


Loan loss provisions

Loan loss provisions (NOK million)	3Q24	2Q24	3Q23
Retail market	2.9	4.8	- 4.2
Corporate market	91.0	25.1	91.4
SpareBank 1 Finans Østlandet	11.7	9.2	46.3
Group	105.7	39.0	133.6

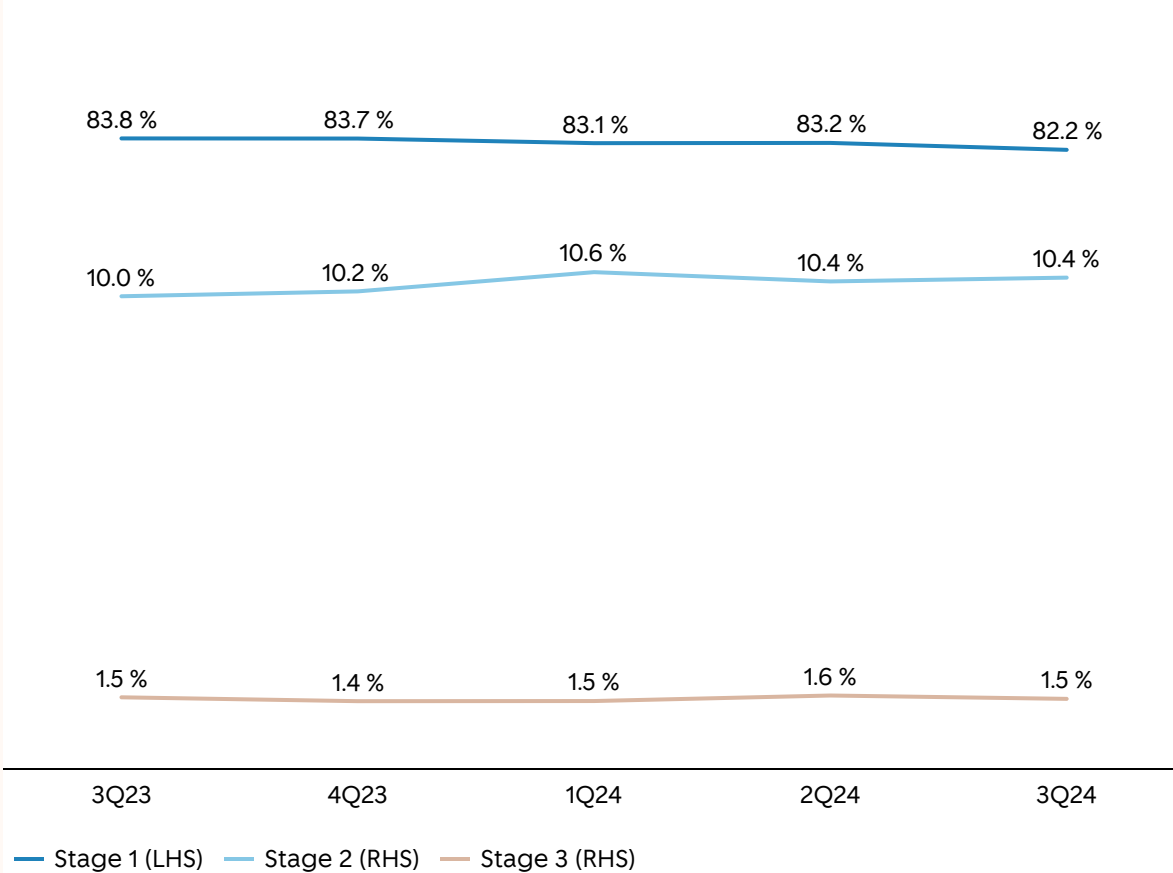
Loan loss provisions (NOK million)	3Q24	2Q24	3Q23
Change in model-based loss provisions	19.1	-31.7	26.2
Change individual loss provisions	74.0	44.3	87.9
Net write-offs	12.5	26.4	19.4
Group	105.7	39.0	133.6

Quarterly loan loss provisions

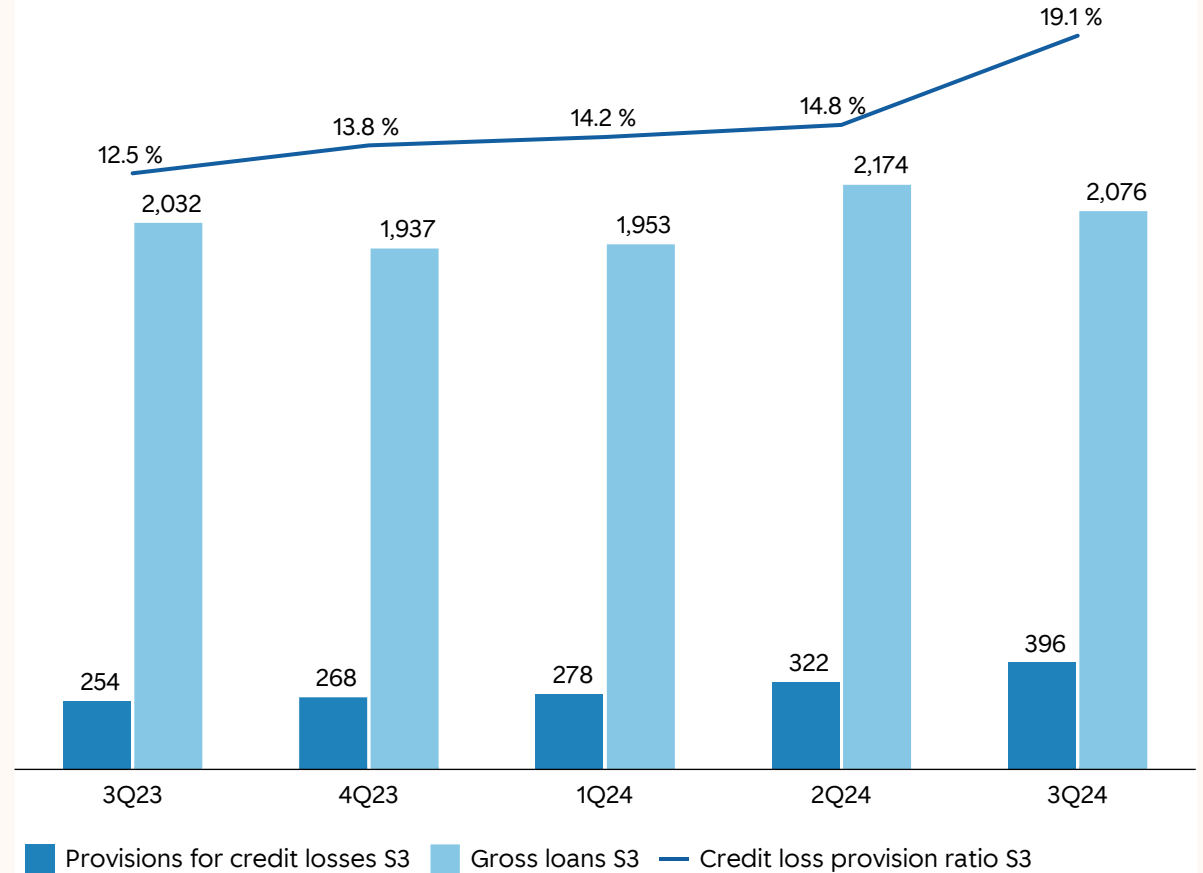


Exposures per stage and credit loss provision ratio in stage 3

Exposure by stages (% of gross loans)*



Loans in Stage 3 (NOK mill.)

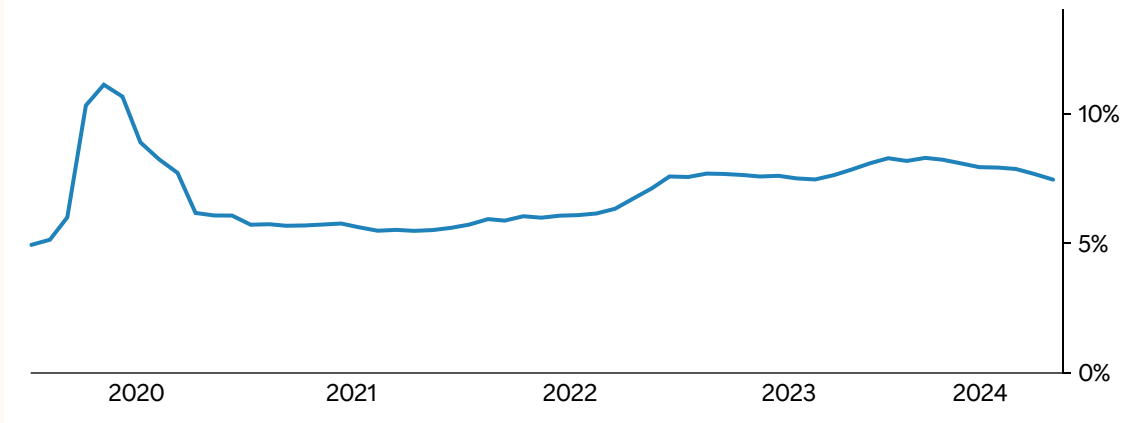


* Excluding loans transferred to covered bond companies. Residual up to 100 per cent is due to loans at fair value over profit.

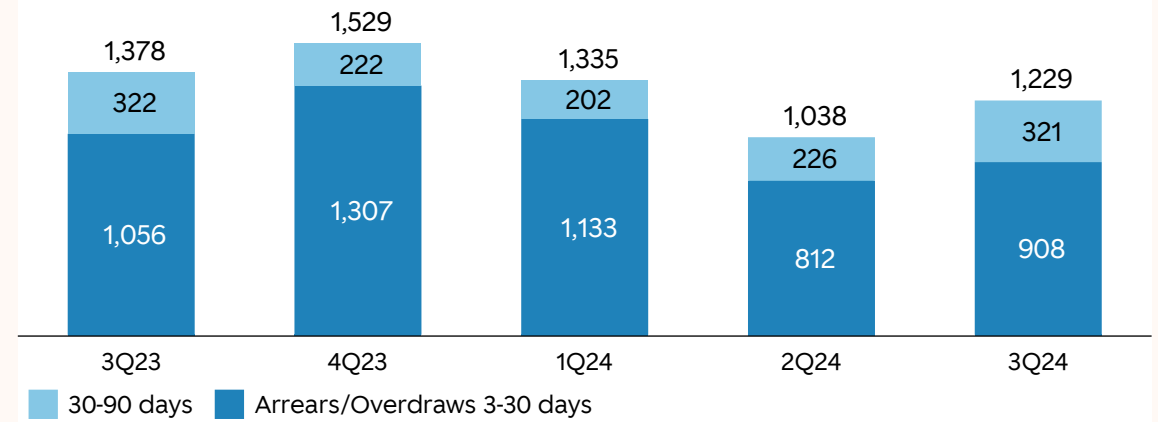
A solid loan portfolio

Bank closely follows up payment problems, but far fewer customers than expected have problems.

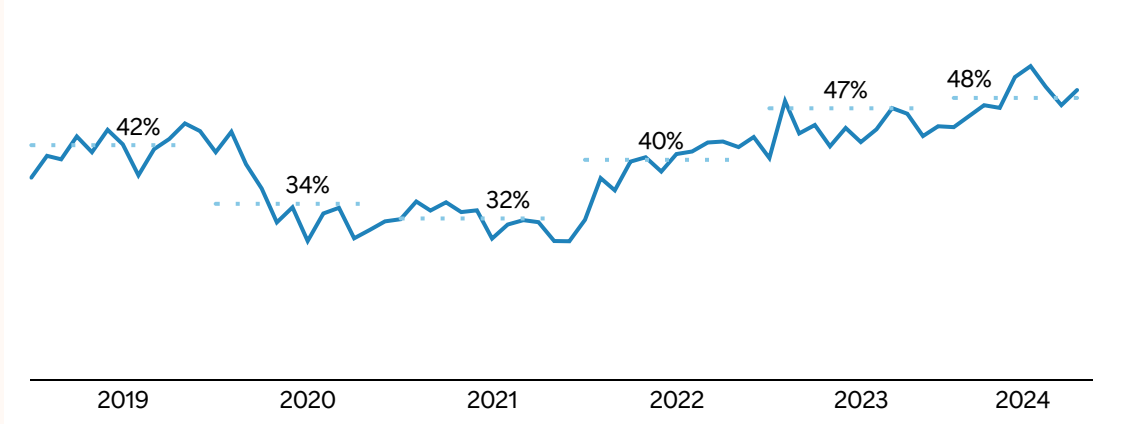
Share of retail customers with interest-only mortgage, %



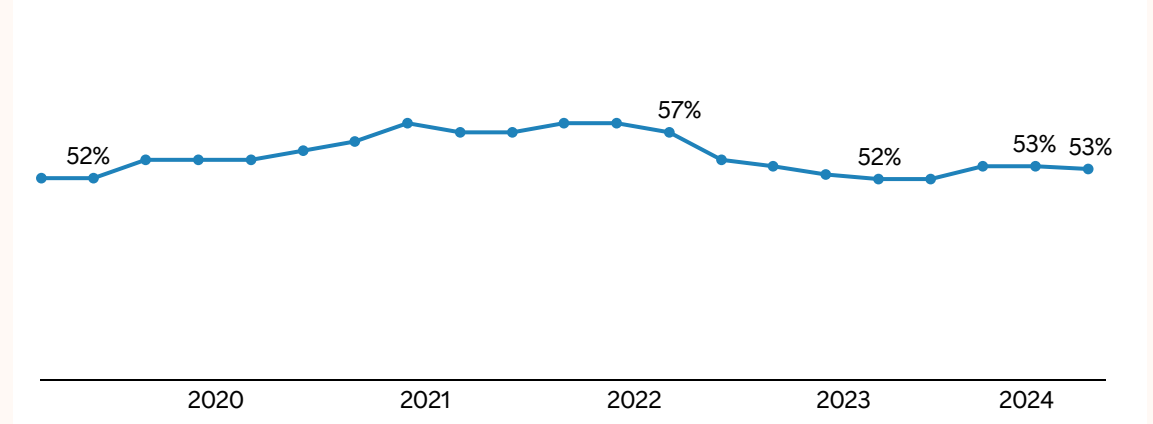
Arrears retail market, NOK mill.



Use of corporate credit facilities (parent bank)



LTV commercial real estate

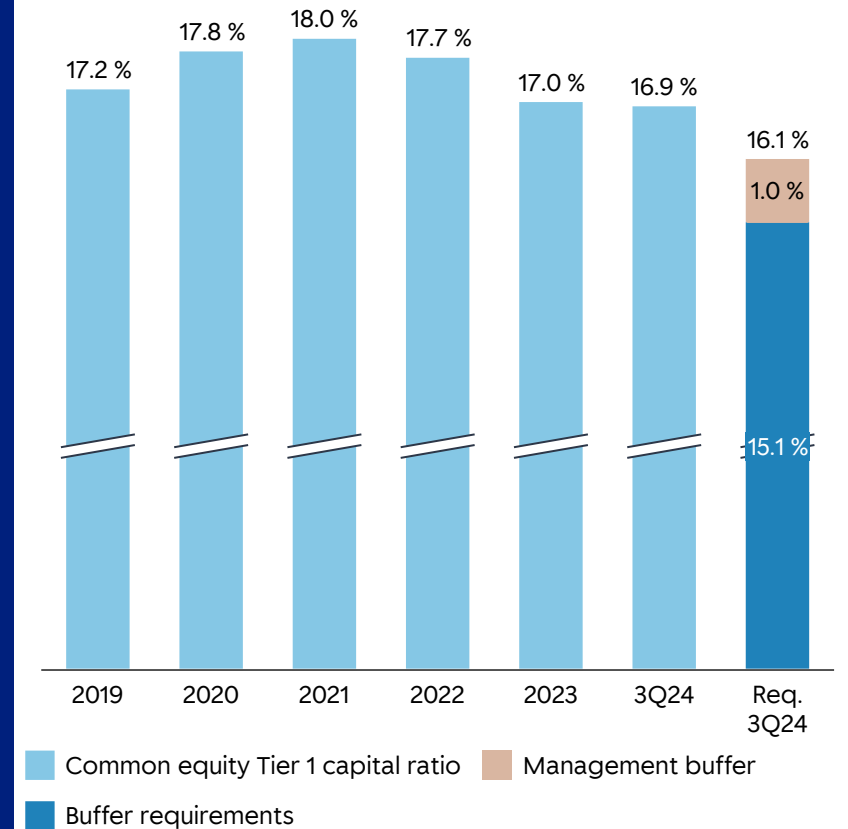


Capital levels

Well above regulatory requirements.

	3Q24	2Q24	3Q23
CET 1 capital ratio	16.9 %	16.8 %	17.7 %
Tier 1 capital ratio	18.8 %	18.8 %	18.9 %
Capital adequacy ratio	21.0 %	21.2 %	20.6 %
Leverage Ratio	7.2 %	7.1 %	7.3 %

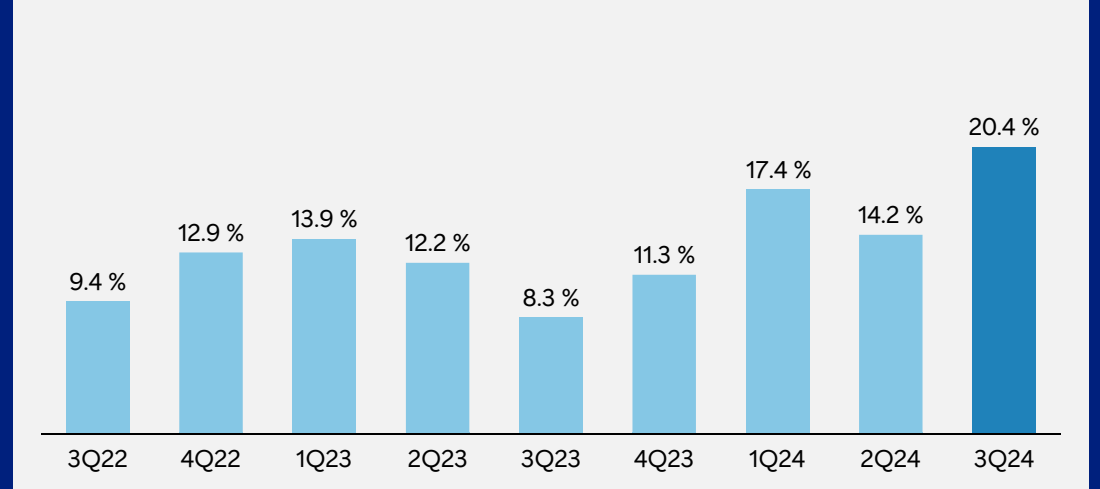
Common equity Tier 1 capital ratio



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NOK

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NIM

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Cost/income

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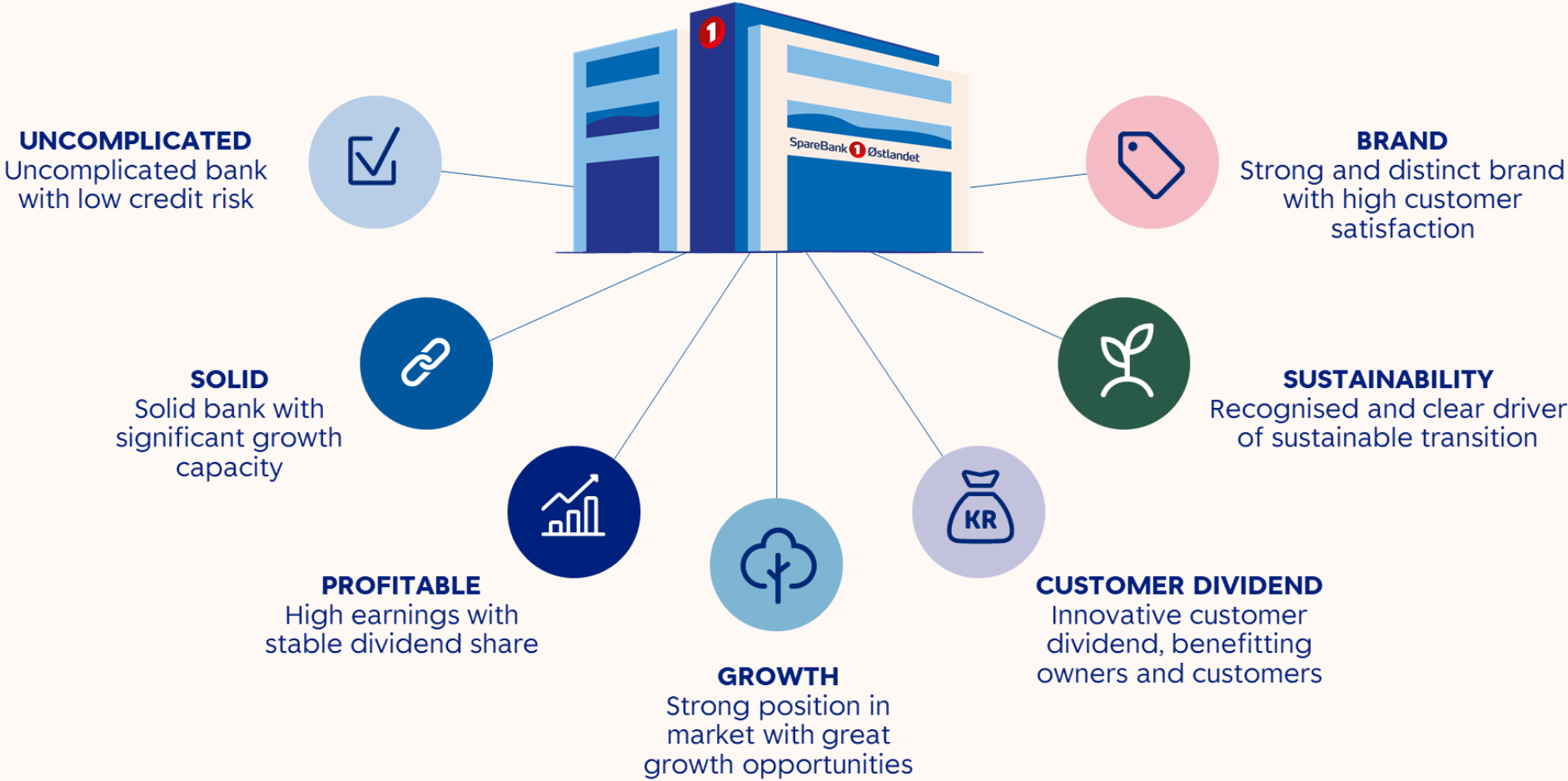
Loss provisions

106 NOK
mill.

CET-1

16.9 %

Why invest in SPOL?



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Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 Østlandet believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 Østlandet are, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 Østlandet has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

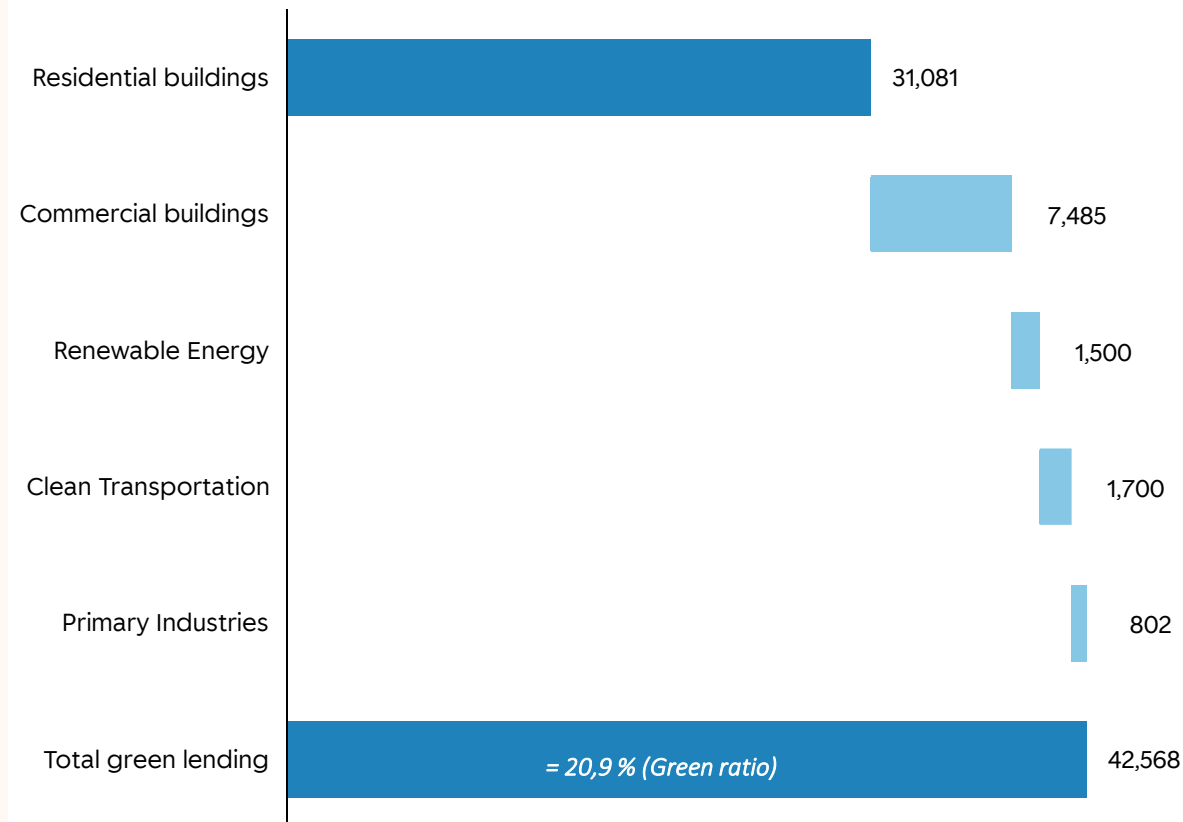
Appendix



Green lending

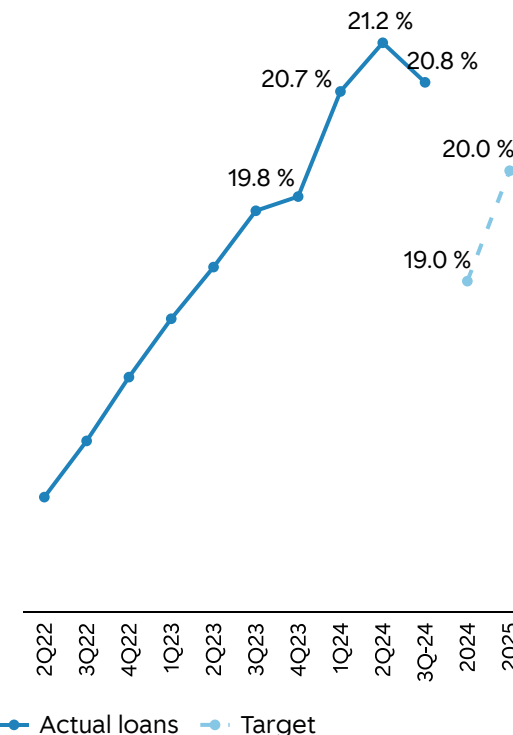
Green share of lending is important to reach our net zero emissions objective.*

Green loans per 30 September 2024, MNOK

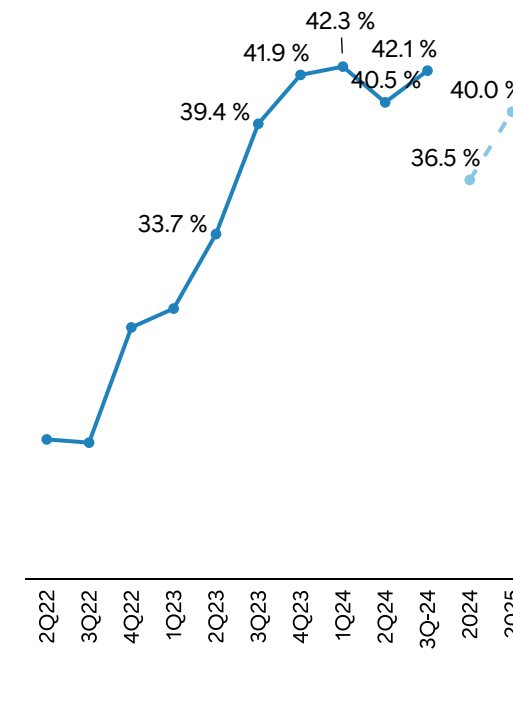


Share of green lending, %

Residential mortgages












Commercial real estate



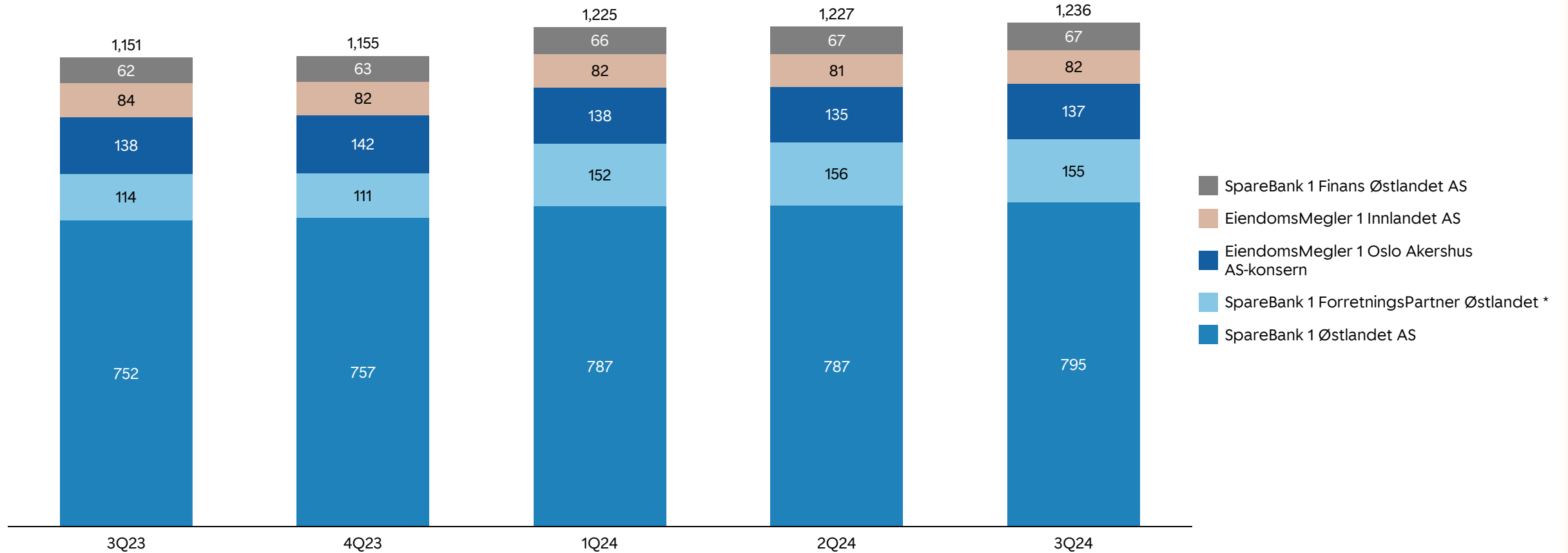
* Green loans are defined on pages 76-84 in [2023 Annual report](#).

Good feedback on our work on CSR

Company	In brief	Score	Scale
	Internationally recognised non-profit organisation that assesses the climate work of companies (2023).	A "Leadership"	A - F
	Assessment of companies' work with forests.	A- in 2023	A - F
	The assessment of our green bond framework resulted in a rating of CICERO Medium Green. The framework's management structure was rated 'Excellent'.	Medium Green/ Excellent	
	Ranking that assesses the sustainability reporting of Norway's 100 largest listed companies.	B+ in 2023	A+ - F
	Ranking that assesses the Bank's policies for sustainability and corporate social responsibility.	2nd place in 2023. 85%	0% - 100%
	Ranking that examines the Bank's compliance with its own policies.	1st place in 2023	
	Farmandprisen – Ranking of Norway's best annual reports in 2022 (published in 2023). Sustainability reporting is an important component of the evaluation. The bank participates in the category for listed companies.	3rd place	Not available
	ESG rating that assesses environmental, social and governance data (published in 2024).	AAA	AAA - CCC
	Sustainalytics - ESG rating that assesses environmental, social and governance data.	10,1 "Low risk"	0 - 100
	Sustainable Brand Index - The largest independent study in Europe on sustainable branding, measuring consumer perception of well-known and established brands' sustainable image. SpareBank 1 ranked 1st in category "Banks."	1st place in 2023	

Headcount

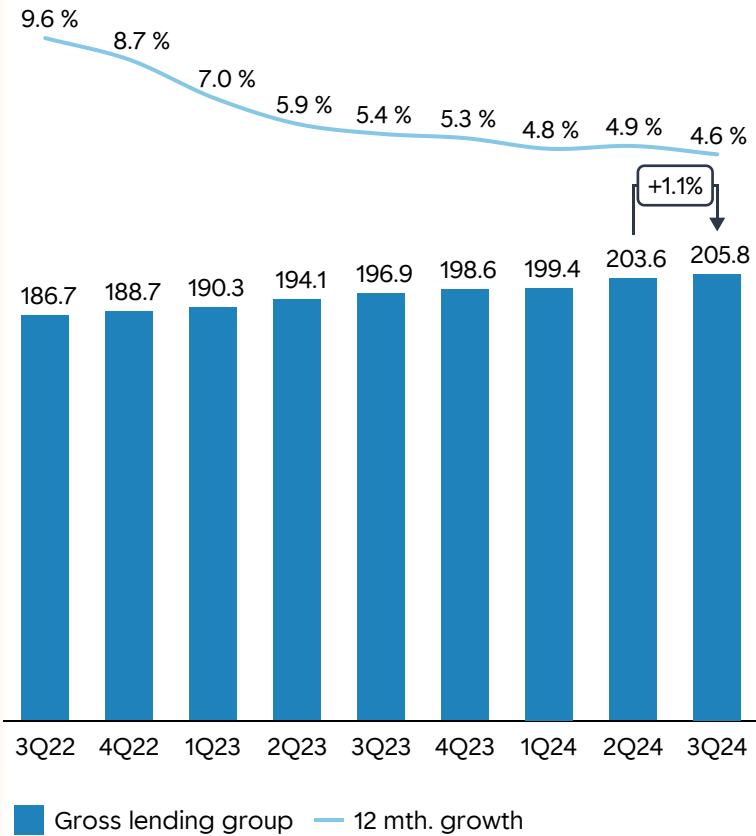
Full-time equivalents in parent bank and subsidiaries



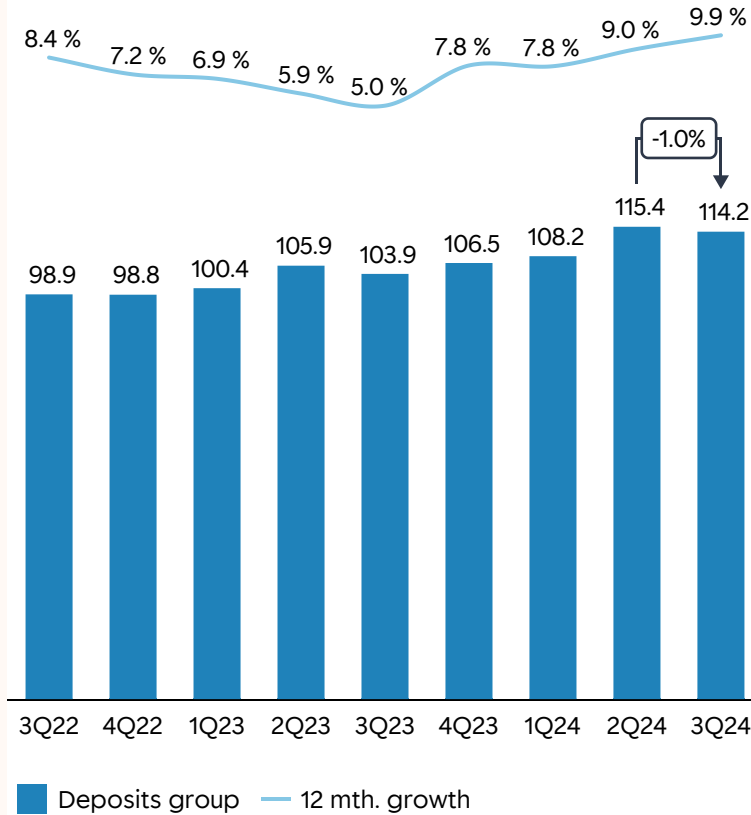
* Includes Siffer Norge AS with subsidiaries from 1Q-2024

Group volume growth and margin development

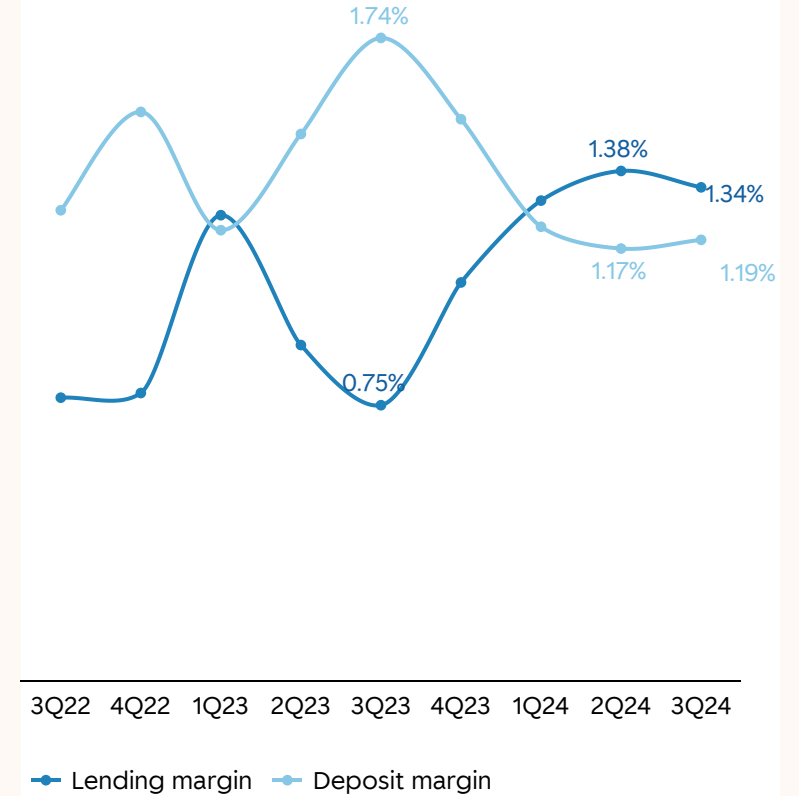
Loan volume and growth (NOK bill. and %)*



Deposit volume and growth (NOK bill. and %)



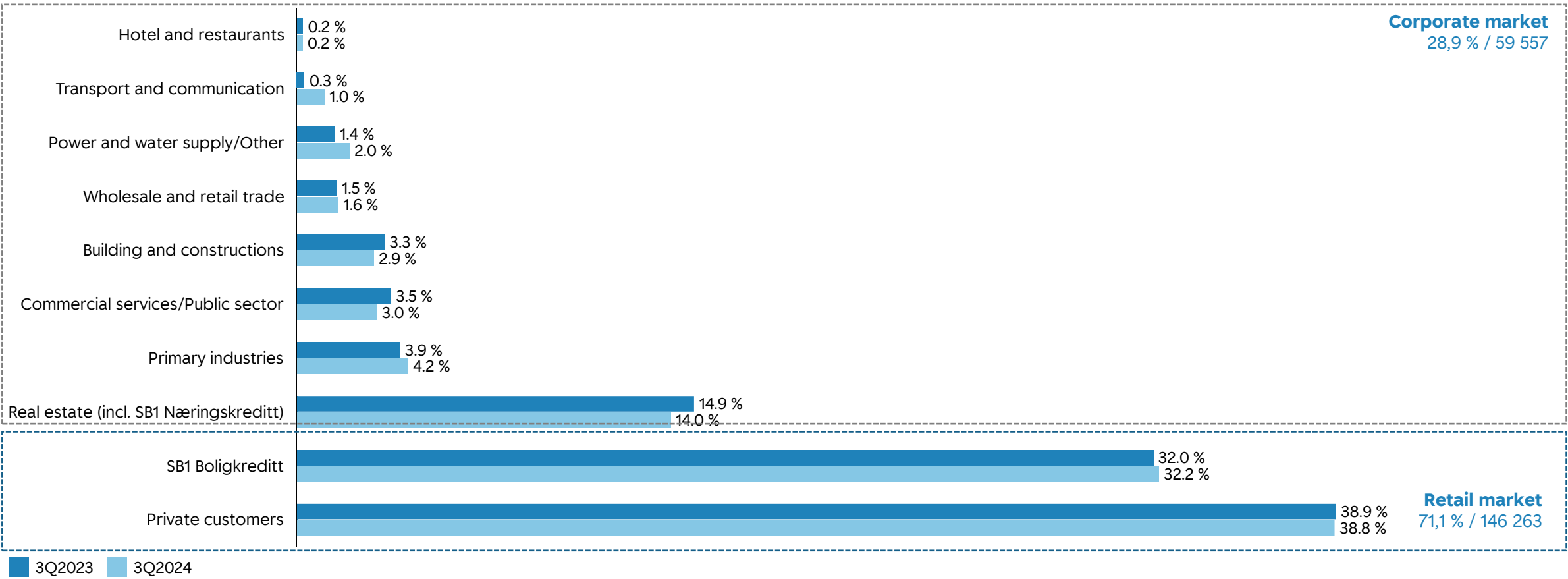
Margins, parent bank (%)**



* Includes loans transferred to the covered bond companies. ** Based on allocation of customer loans between retail and corporate divisions.

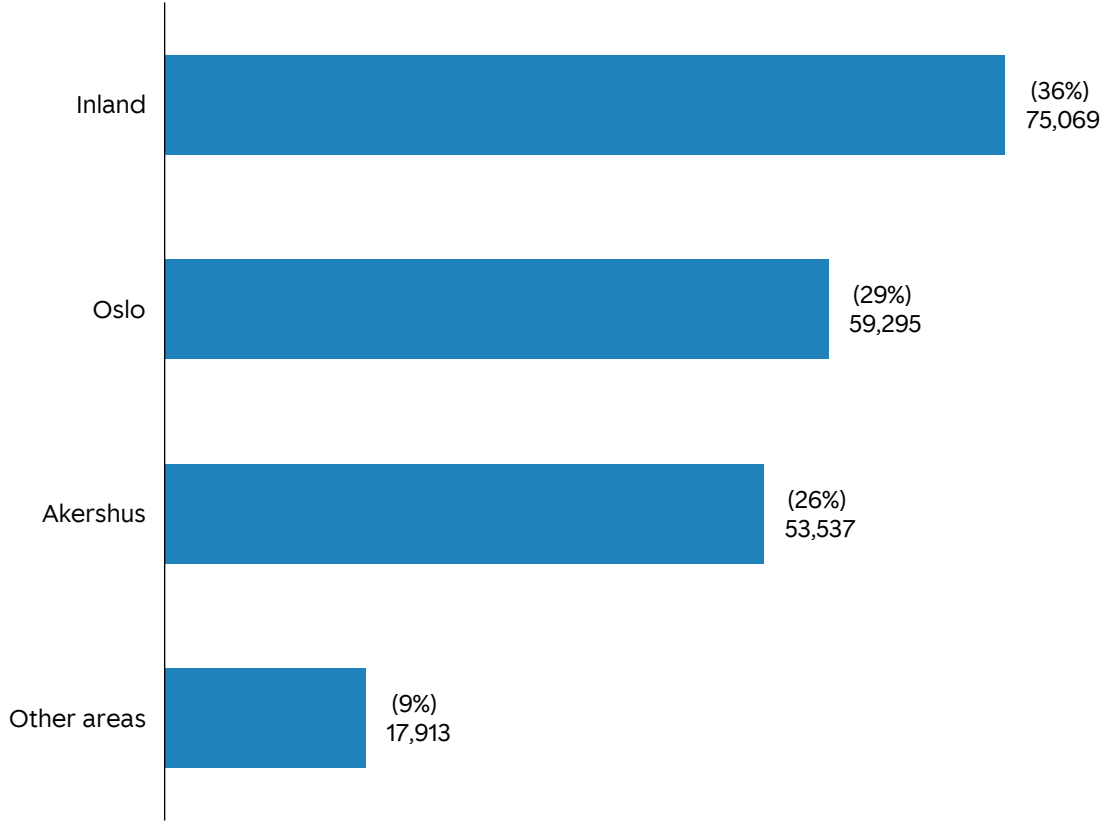
Well diversified loan portfolio

Lending to customers per sector (in %)

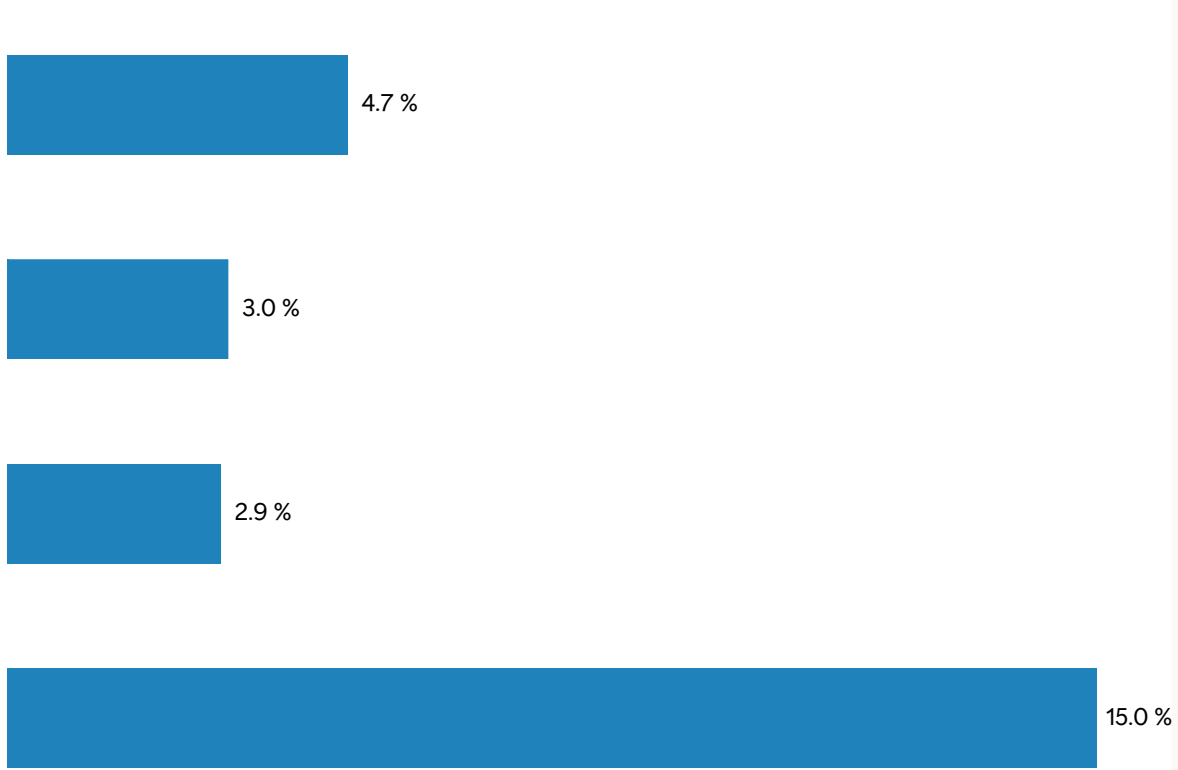


The Group's lending by geography

Lending to customers per county (share in %/NOK million)

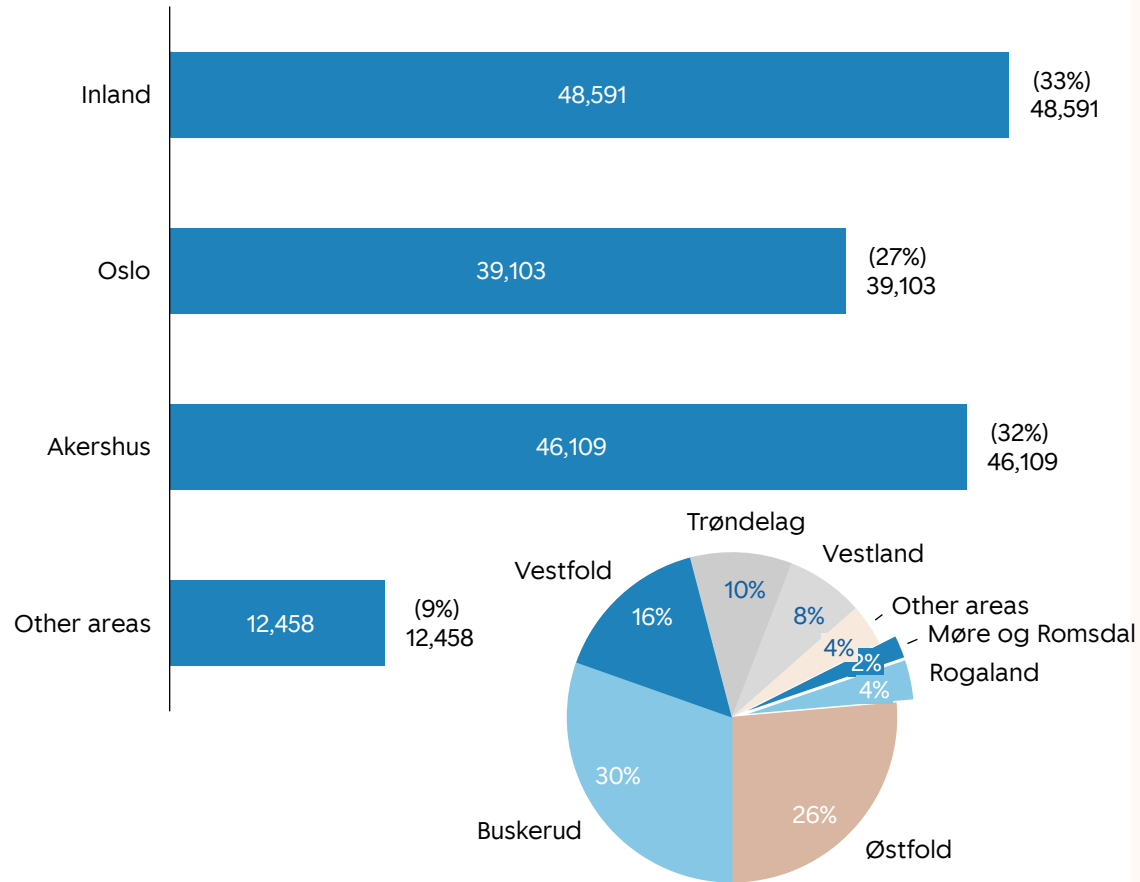


Change last 12 months (%)

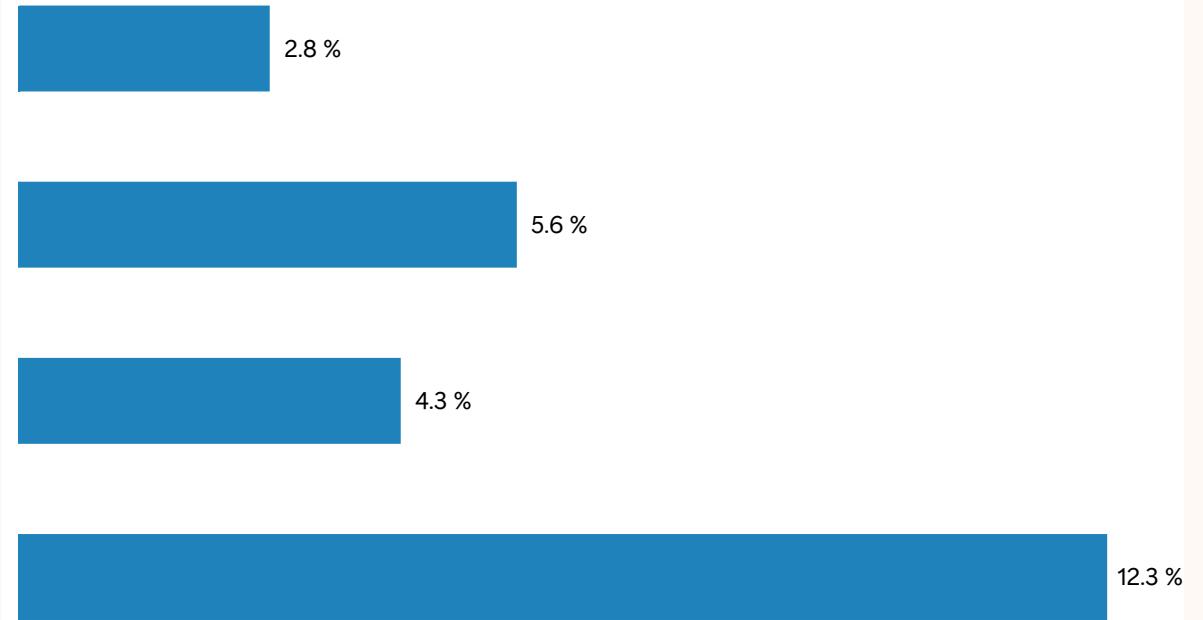


Mortgage loans by geography

Retail lending by county (share in %/NOK million)

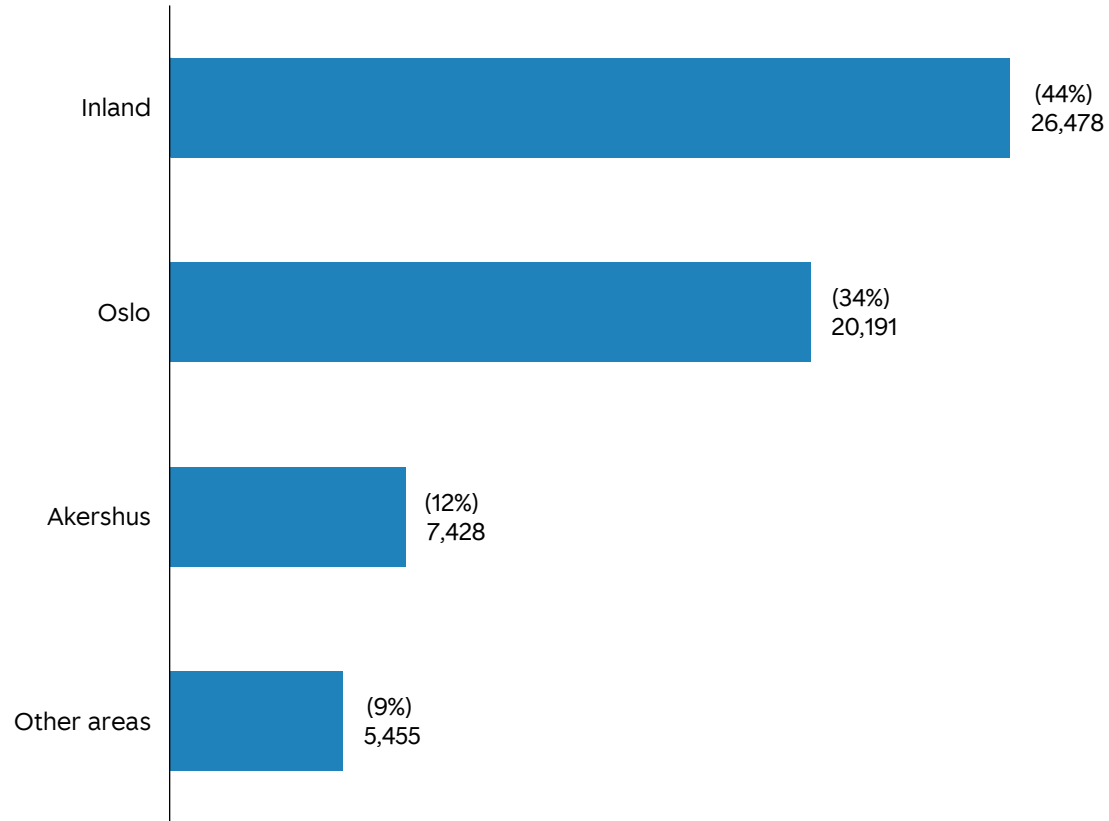


Change last 12 months (%)

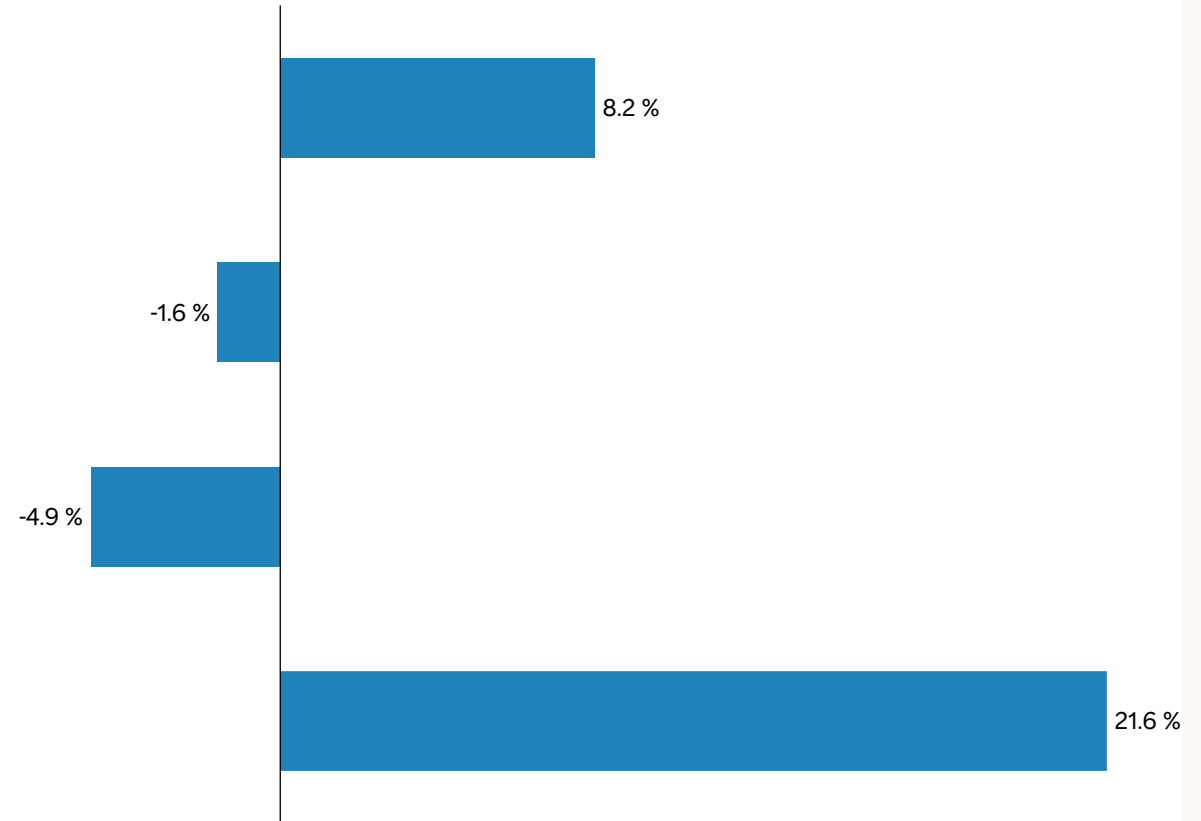


Corporate market lending by geography

Corporate lending by county (share in %/NOK million)



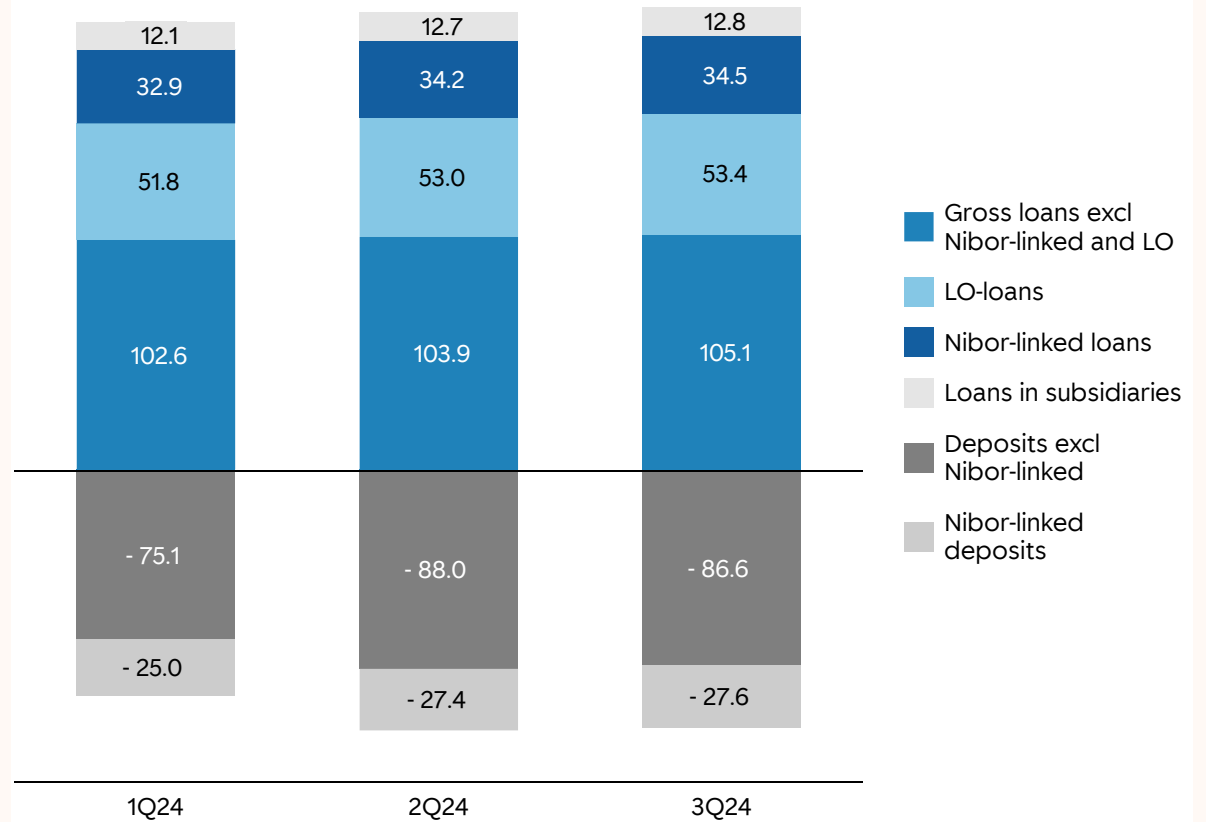
Change last 12 months (%)



Bank customer rates and rate-sensitive volumes

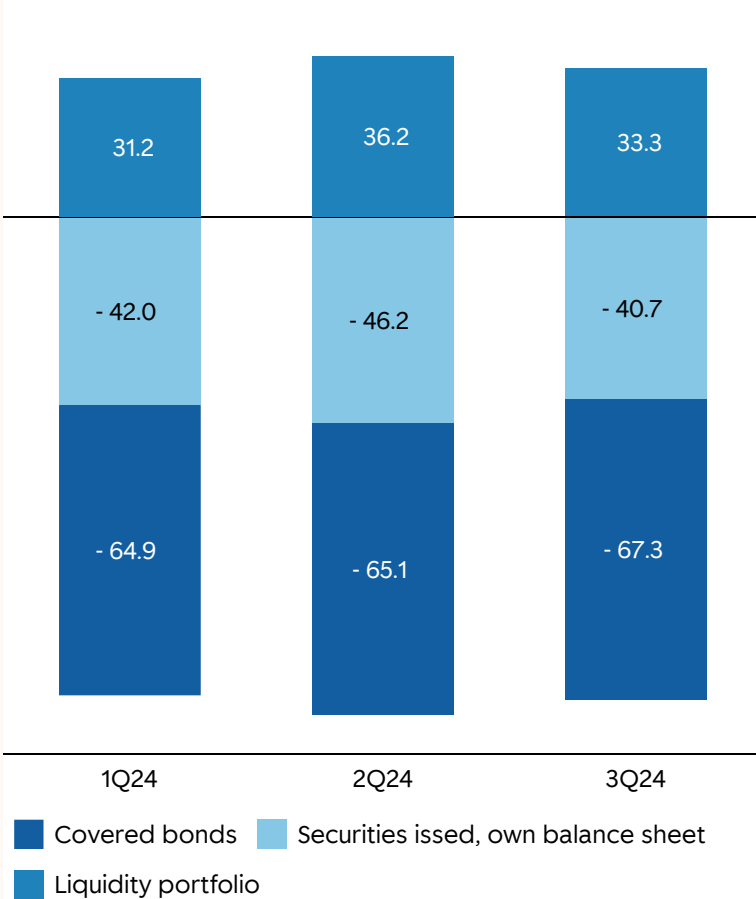
Norges Bank	17 Aug-23 (0.25%)	21 Sep-23 (0.25%)	14 Dec-23 (0.25%)
Effective dates new loans and deposits	21 Sep-23	28 Nov-23	21 Feb-24
Existing CM loans and deposits	6 Sep-23	6 Oct-23	3 Jan-24
Existing RM loans and deposits	24 Oct-23	28 Nov-23	21 Feb-24

Loans and deposits, NOK bill.

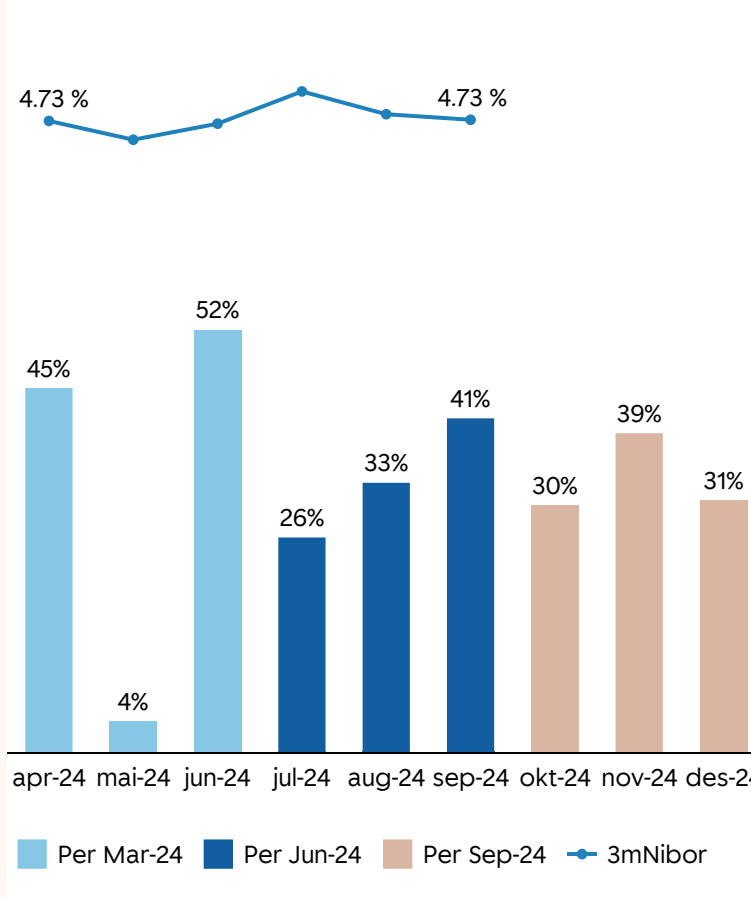


Structure and rate fixings of funding and security holdings

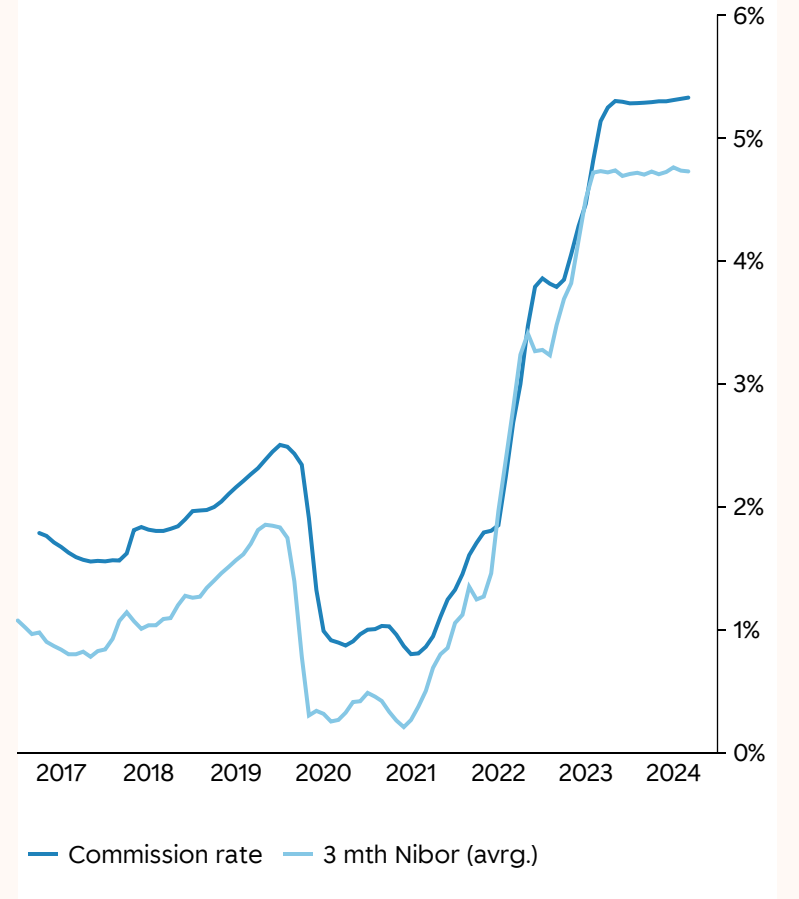
Securities, NOK bill.*



Net rate fixings per month, share of quarter**



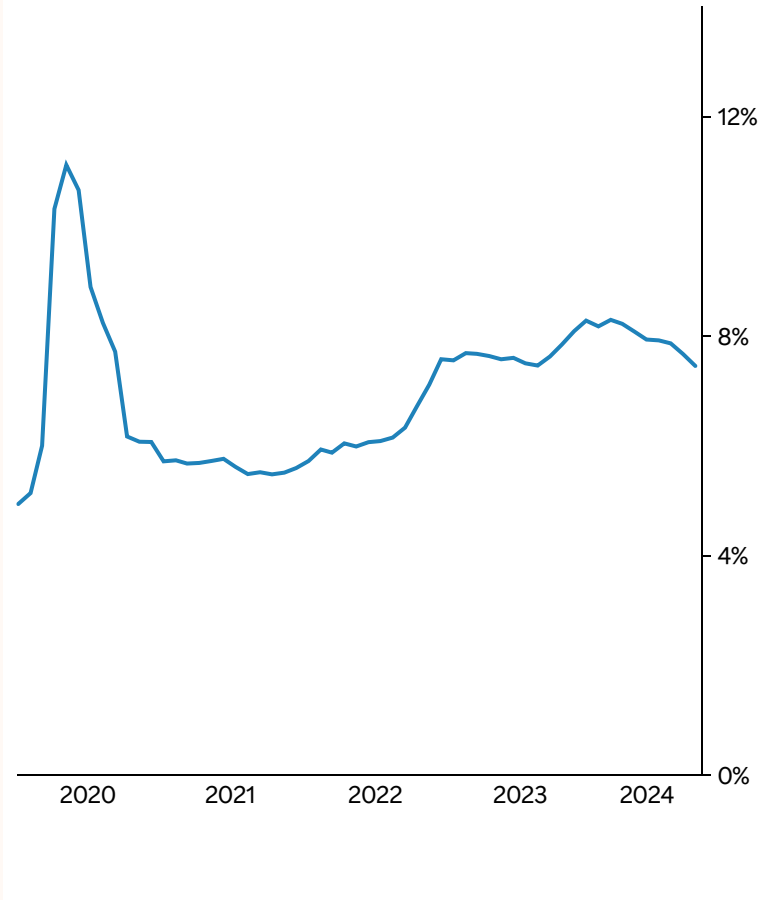
NIBOR and commission rate SB1 Boligkreditt, %



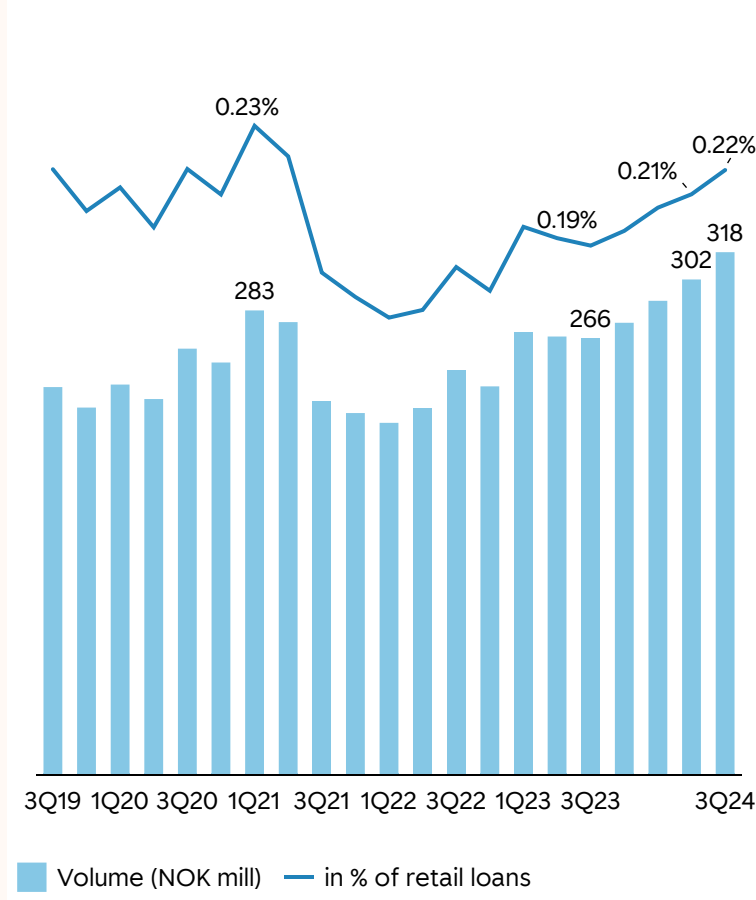
* Covered bonds refer to loans transferred to covered bond companies. ** Includes rate fixings on liquidity portfolio, debt securities issued on own balance, and interest rate/cross currency basis swaps.

Retail: Indicators of underlying credit quality

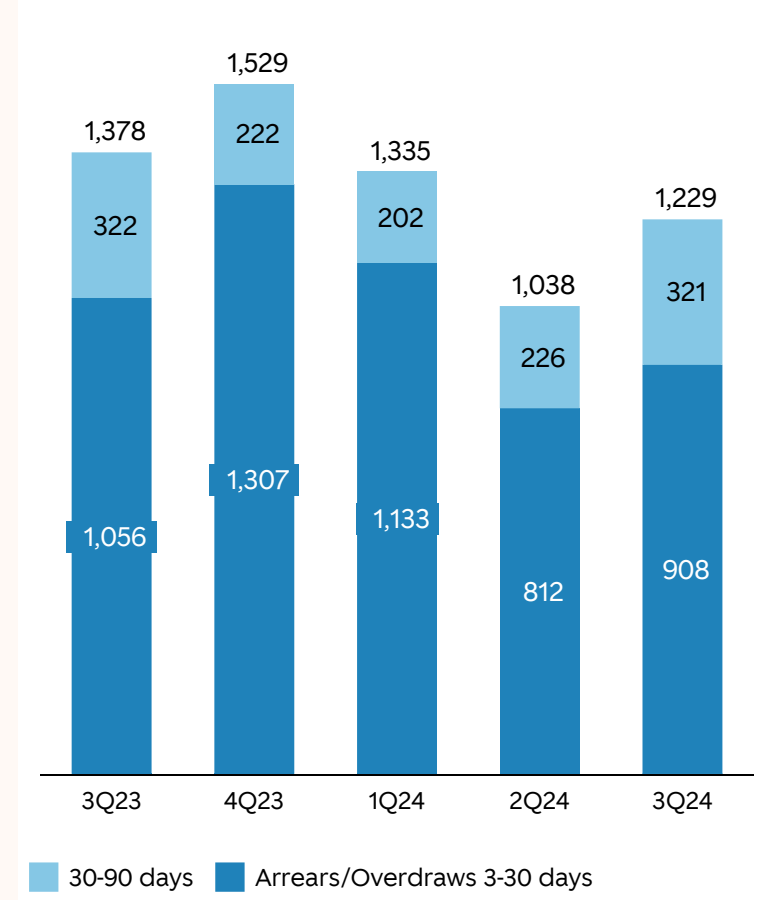
Retail customers with interest-only mortgage



Mortgages to debt collection (volume)



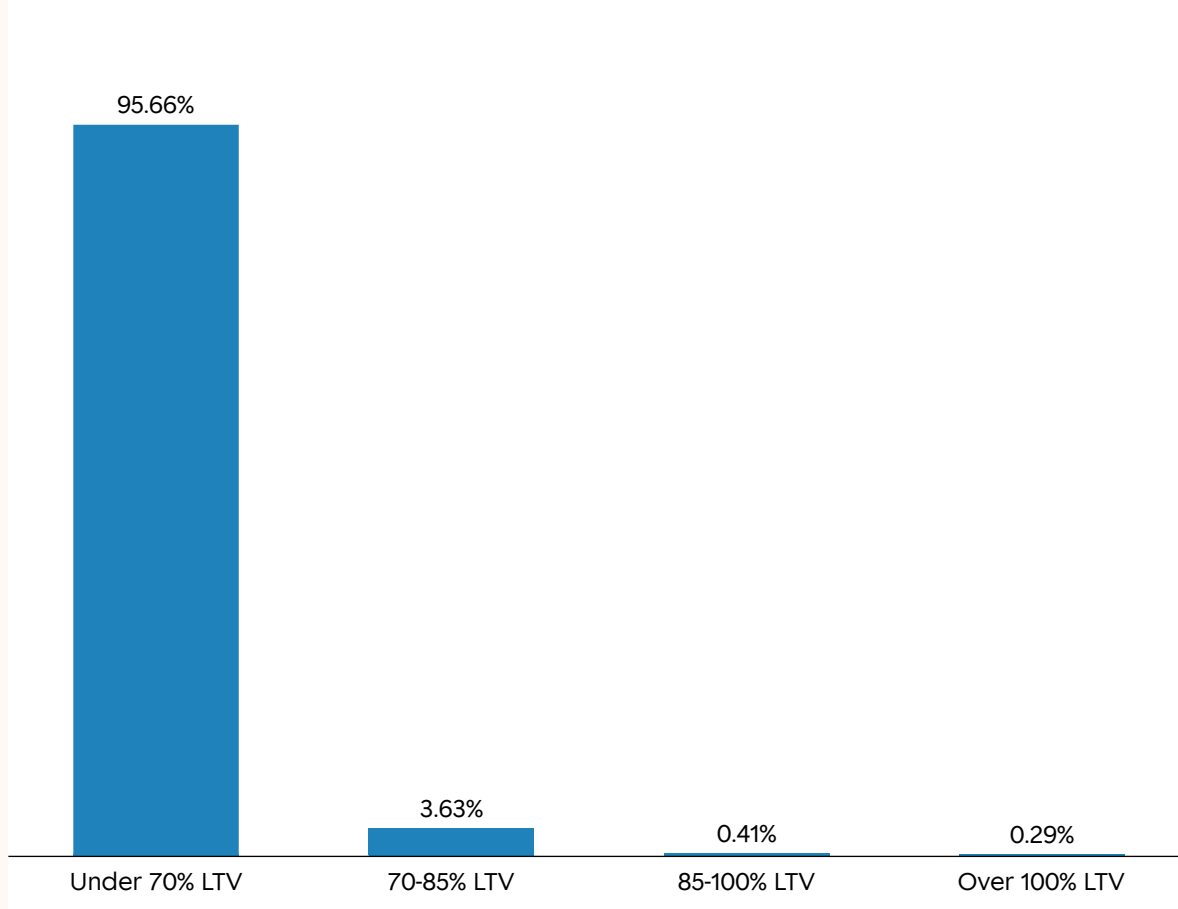
Arrears retail market, NOK mill.*



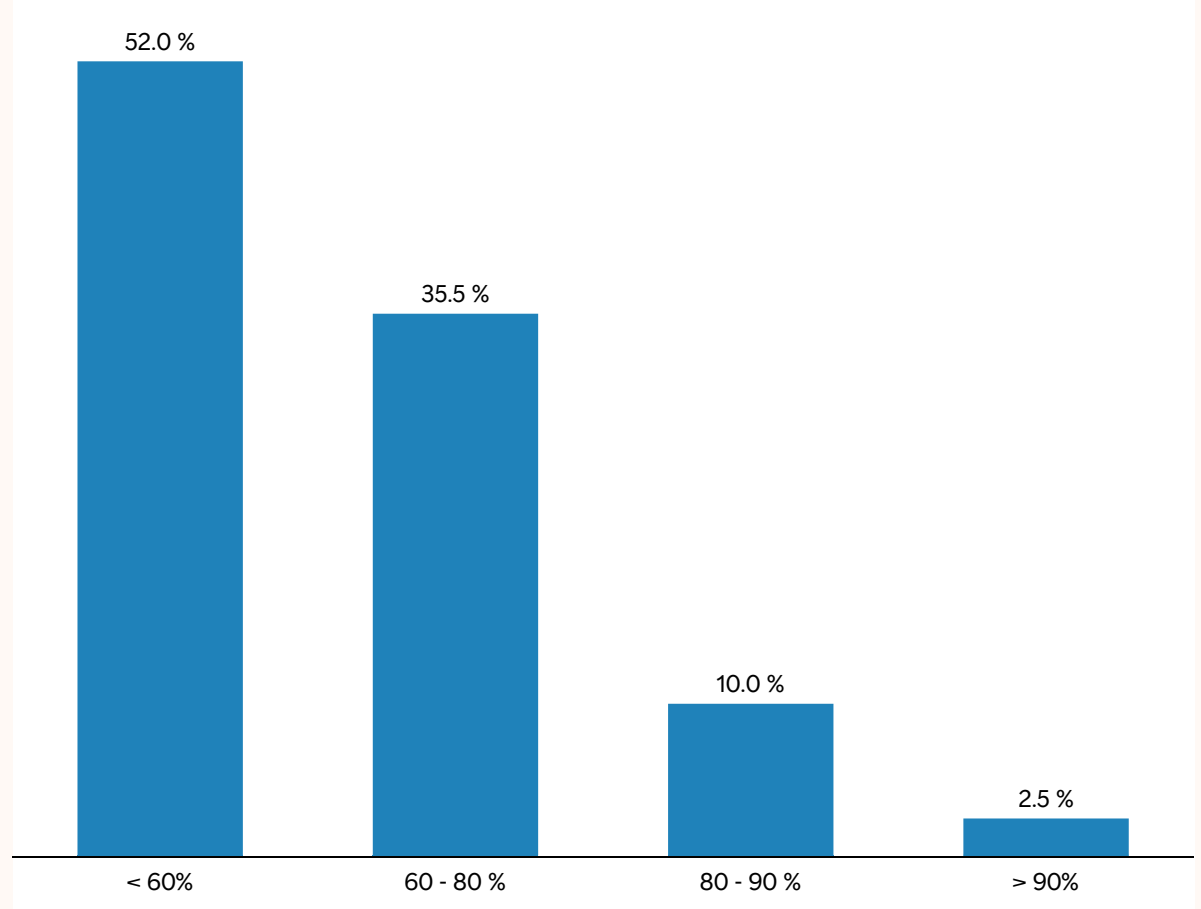
* Does not include loans transferred to SpareBank 1 Boligkreditt.

Retail: Mortgage collateral

Share of LTV by exposure – retail mortgages*



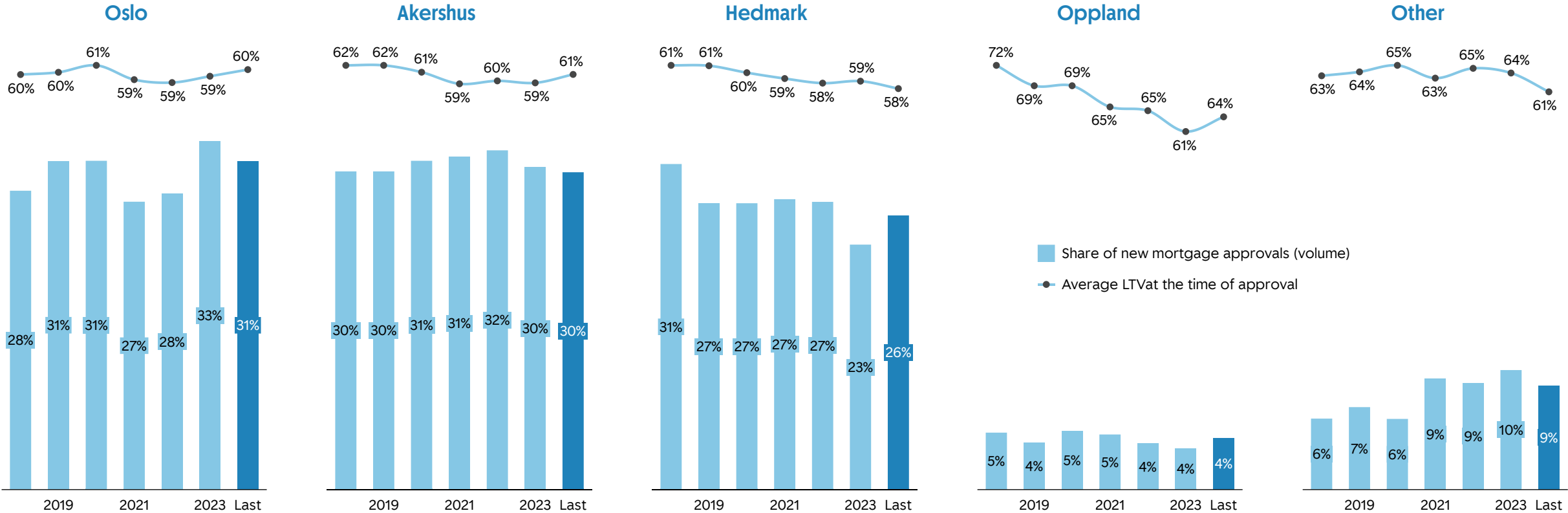
Share of lending according to LTV - retail mortgages*



* Including loans transferred to SpareBank 1 Boligkreditt.

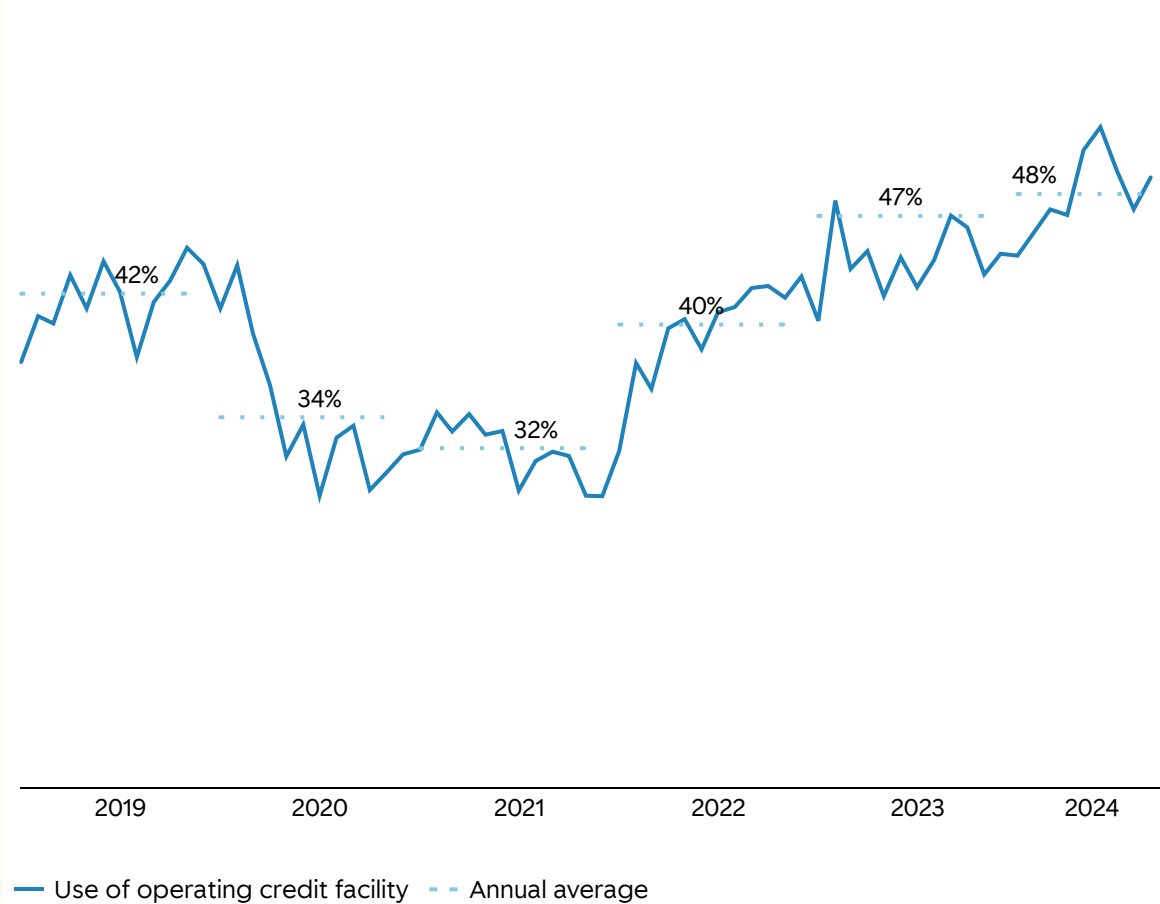
Stable low LTVs in new mortgage approvals

Share of new mortgage approvals and average LTV per period and county (Inland county divided b/w old Hedmark and Oppland counties)

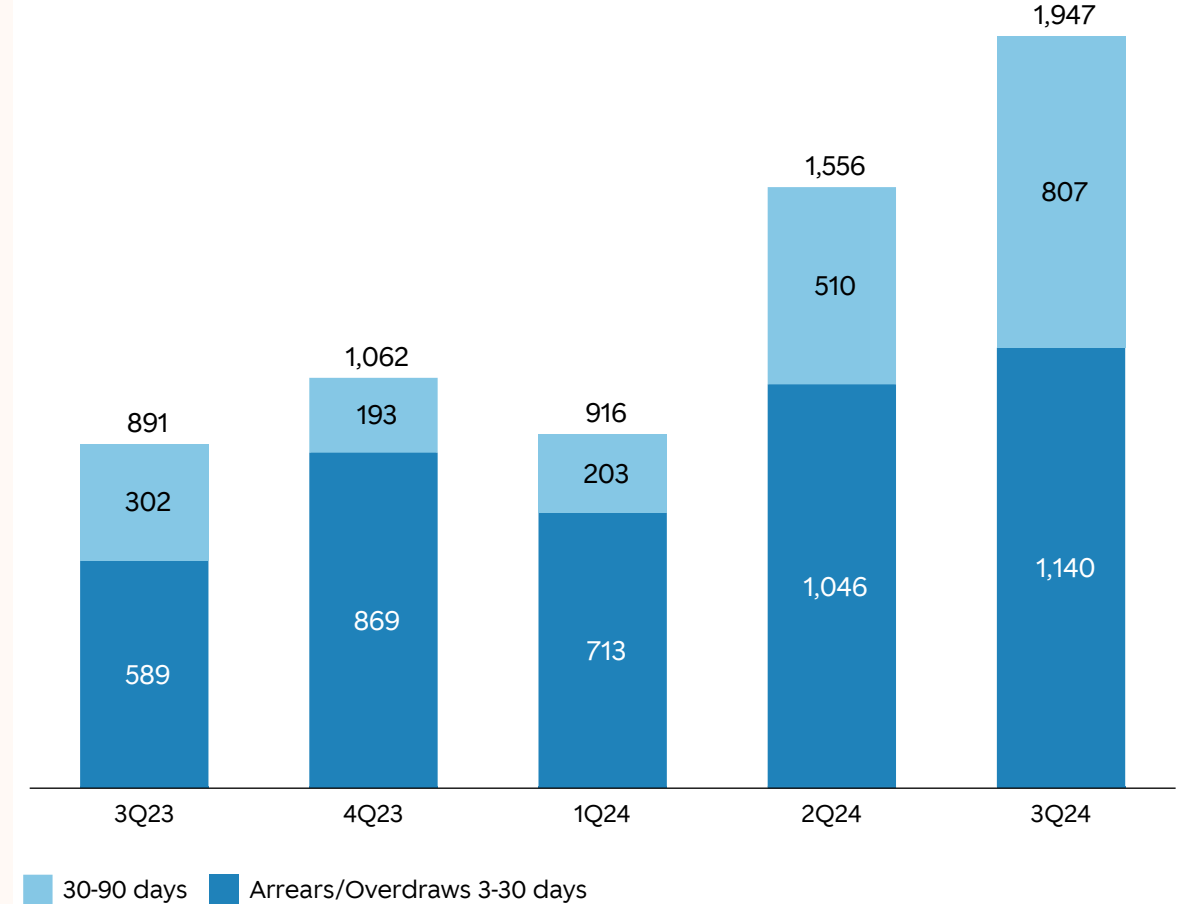


Corporate: Indicators of underlying credit quality

Use of corporate credit facilities (parent bank)



Corp. arrears below 90 days (NOK mill.)*

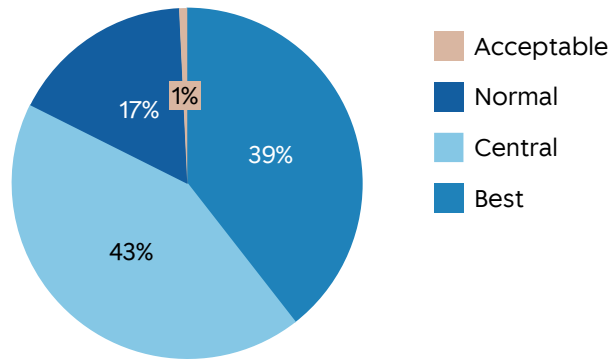


* Does not include loans transferred to SpareBank 1 Næringskreditt.

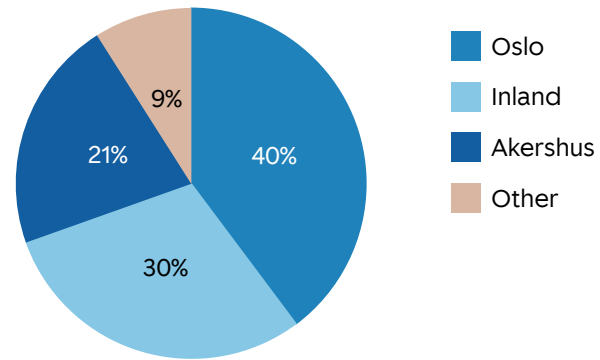
CRE: Attractive, diversified portfolio

97 % of tenants have contracts that are 100 % indexed (to CPI).

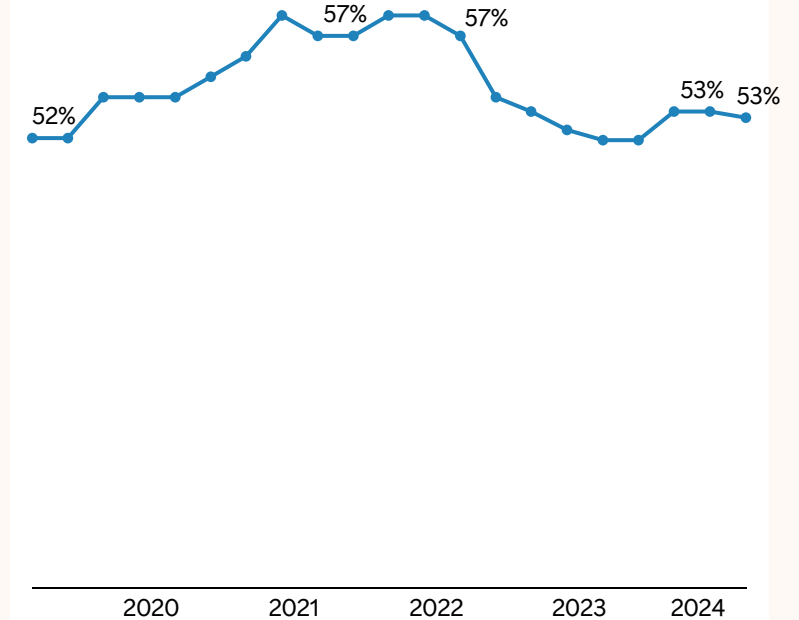
Rental space attractiveness



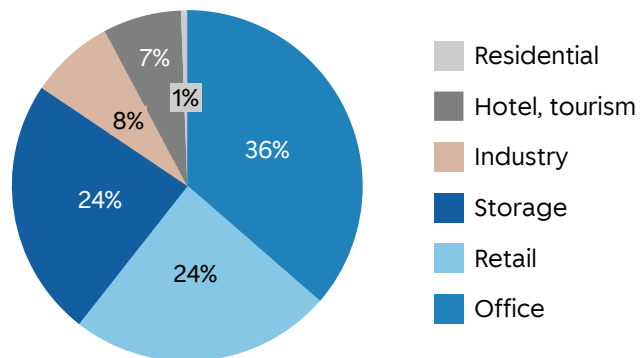
Geographical distribution of rental space



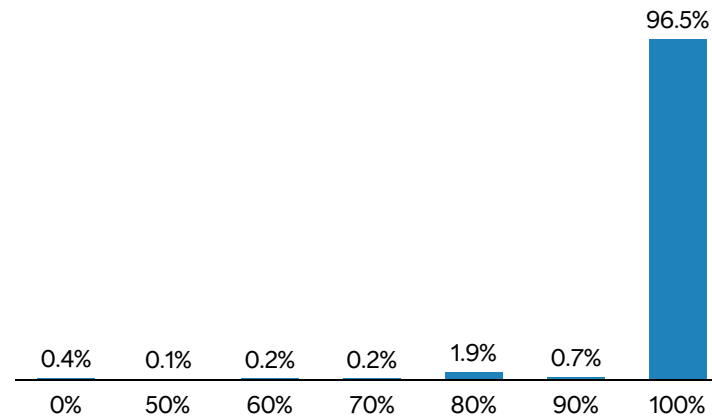
LTV for CRE portfolio



Share of rental space according to type



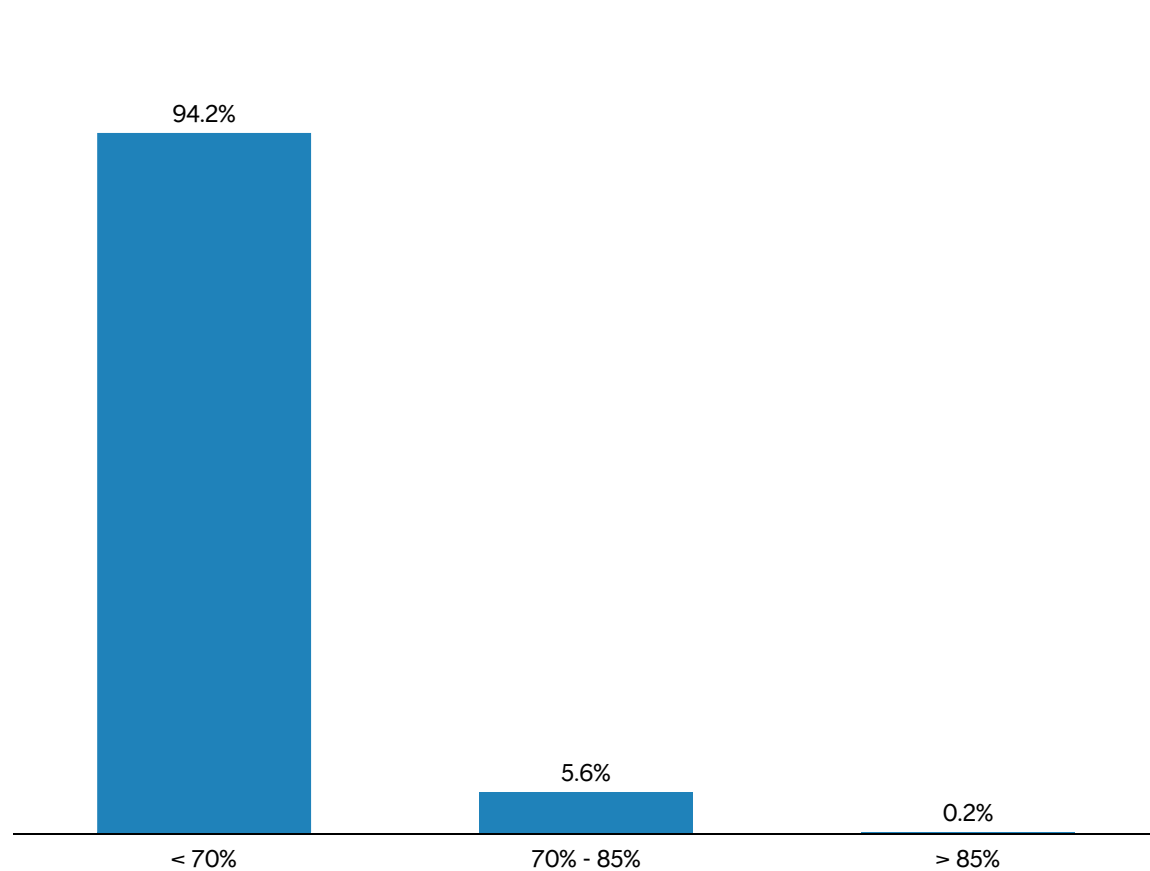
Share of rental space at different indexation



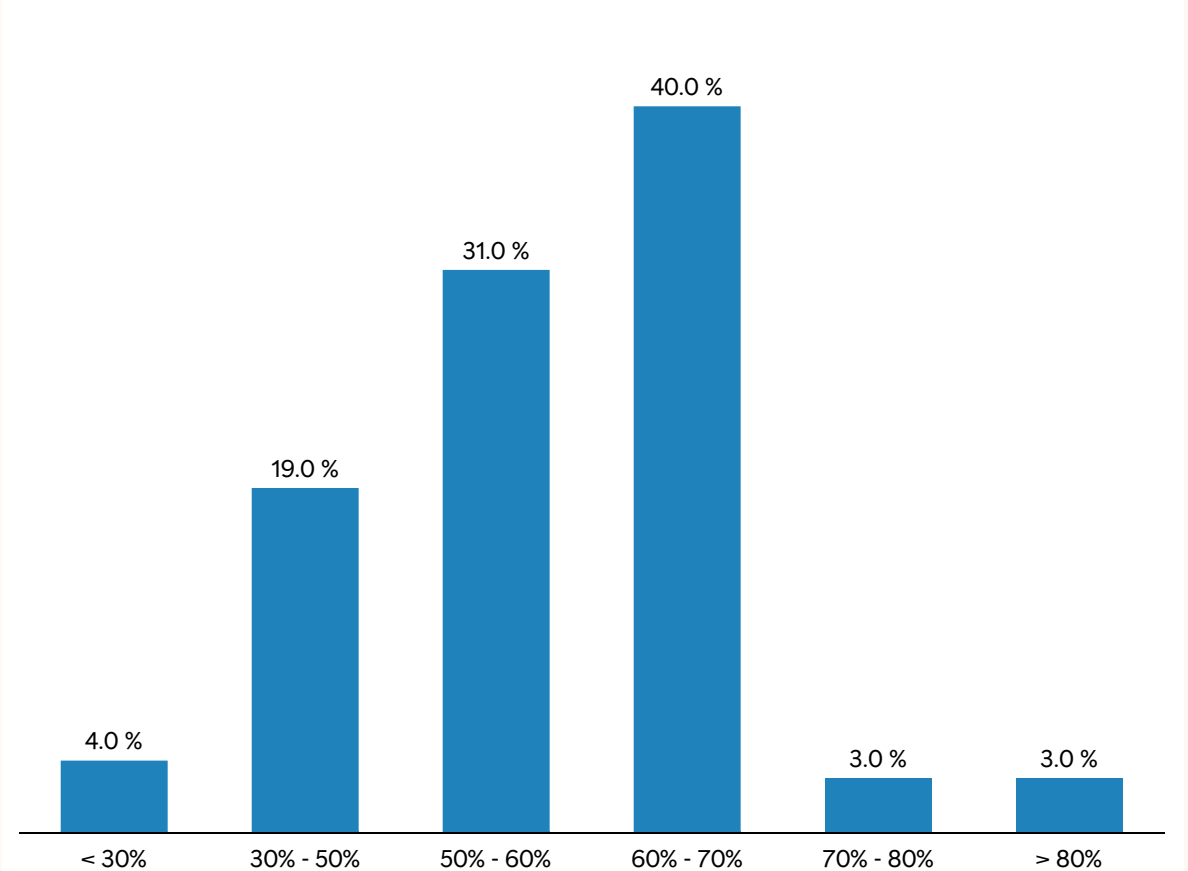
CRE: Solid collateral

Loan portfolio is well positioned for higher yields in the commercial real estate market.

Share of LTV by exposure – CRE*



Share of lending according to LTV – CRE*

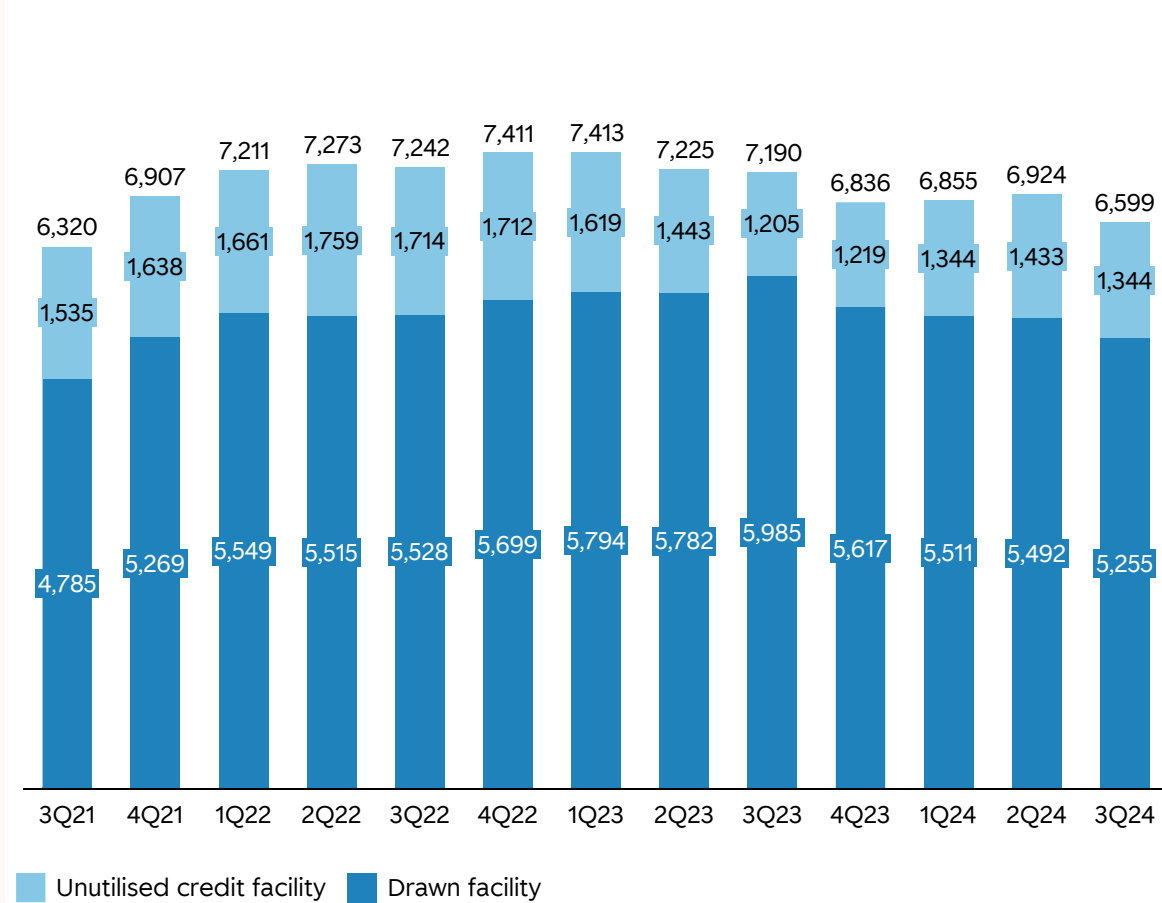


* Based on numbers for parent bank and exposures of at least NOK 10 mill.

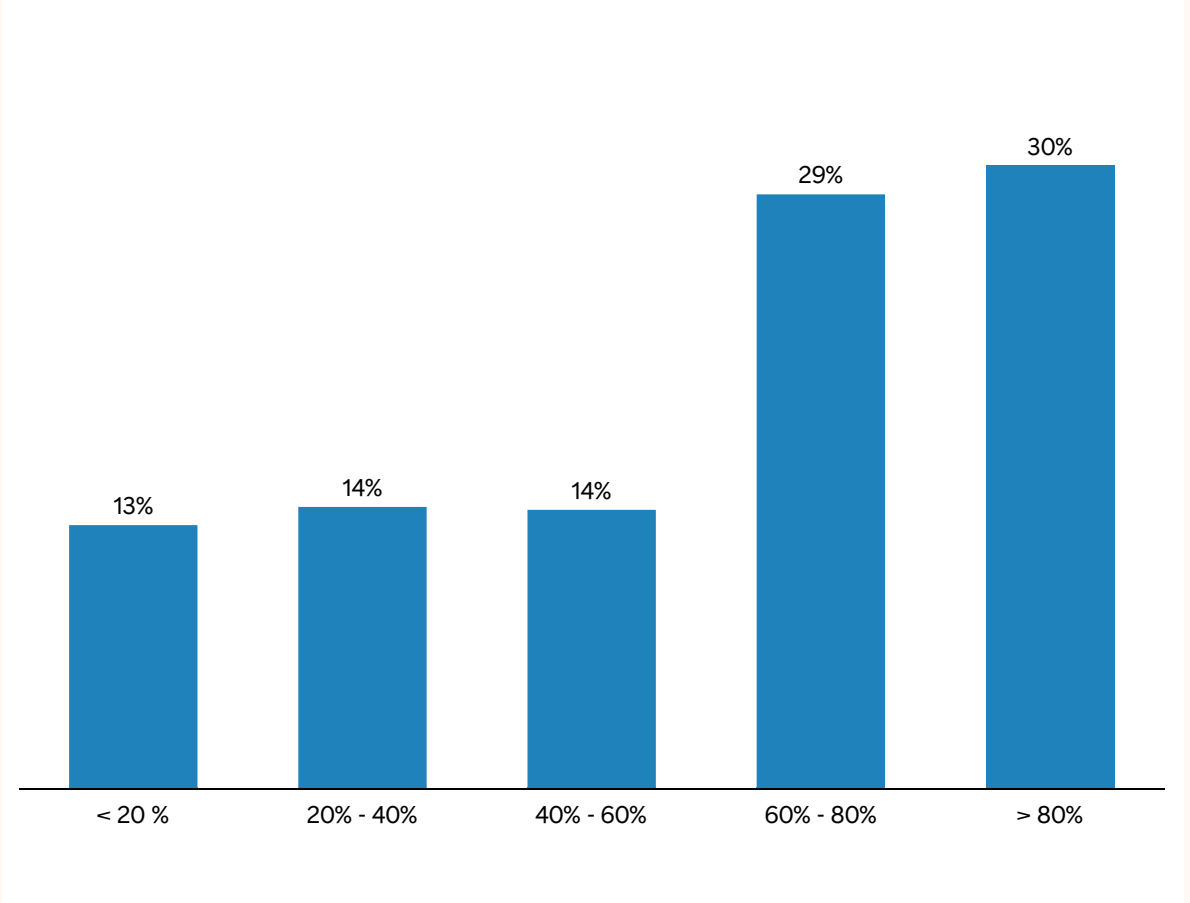
Projects: More new building projects are initiated

Required pre-sales normally 60 %, depending for example on equity, experience and complexity.

Loans to real estate projects, building and construction, NOK bill.*



Draw on construction loans, volume-weighted, share in %, *



* Based on numbers for parent bank.

SPOL

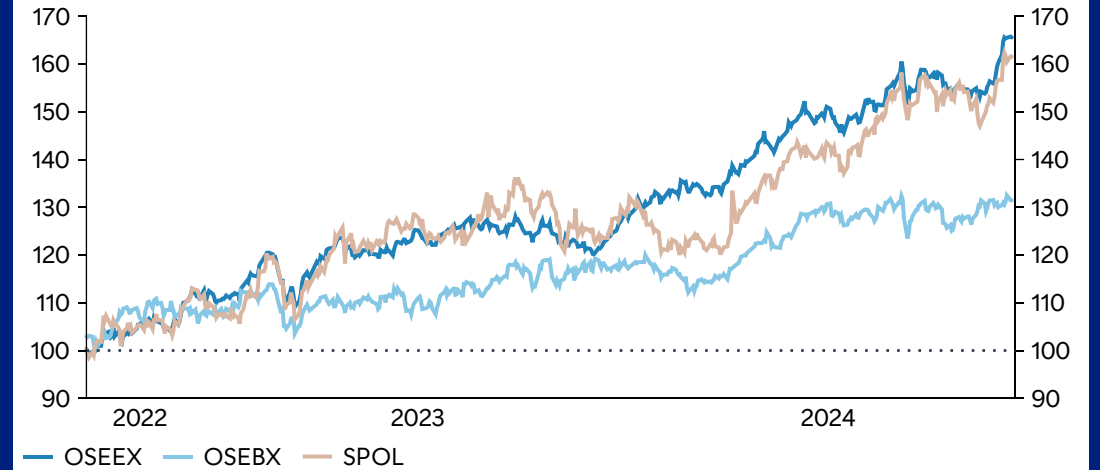
	30.09.2024	30.09.2023	2023
ECC ratio	70.0 %	70.0 %	69.9 %
ECC issued	115,829,789	115,829,789	115,829,789
Market price (NOK)	145.20	133.40	132.60
Market capitalisation (NOK million)	16,818	15,452	15,359
Book equity per ECC ²⁾	123.84	114.42	117.11
Earnings per ECC, NOK ³⁾	15.37	9.67	12.99
Price/Earnings per ECC ²⁾	7.07	10.32	10.21
Price/book equity ²⁾	1.17	1.17	1.13

1) SpareBank 1 Østlandet was listed on 13 June 2017.

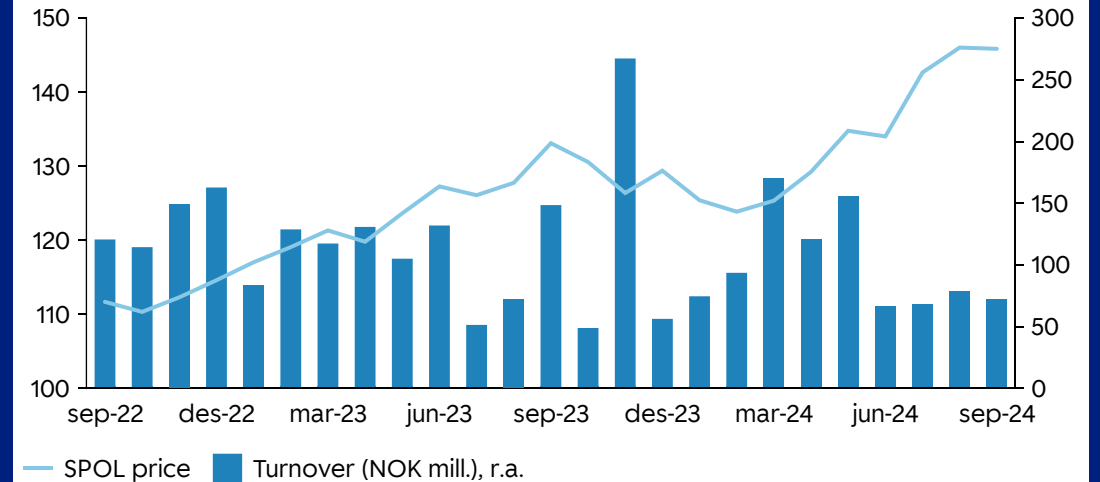
2) APMs are defined in the quarterly report and the factbook.

3) Profit after tax for controlling interests x Equity capital certificate ratio*/ number of ECC's.

Price development (dividend adjusted), index = 100 pr 30 Jun-22



Turnover and SPOL price, monthly



Creating together

Proficient | Near | Engaged

We have worked for more than 175
years for people and businesses to
succeed

Our work continues

SpareBank 
ØSTLANDET

