

Presentation Q1 2025

- A driving force for growth in Helgeland




Presentation 31.03.25



Hanne Nordgaard
Chief Executive Officer



Anne Ekroll
Chief Financial Officer

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- The background of the slide is a photograph of a snowy mountain town, likely in Helgeland, Norway. The town is nestled in a valley, surrounded by snow-covered mountains and evergreen trees. A river or lake is visible in the foreground, reflecting the light. The overall scene is peaceful and scenic.
- Main features
 - Profit & loss
 - Lending
 - Deposits
 - Funding
 - Solidity
 - Prospects ahead
 - Appendices

Financial targets

Profitable

The bank has a ROE target on level with comparable banks, p.t. 12 %.

Solid

The target for CET1 of 16.5 % includes a management buffer of 1.3 %.

Efficient

Long term cost target of 40 % of income

Responsible

Dividend ratio of minimum 50 % of the dividend basis

ROE
>12 %

CET1
>16.5 %

Cost growth
C/I: <40 %

Dividend ratio
Minimum 50 %



Main features so far this year

Gross Profit
MNOK 190 (179)

ROE*
12.3 (12.3) %
*adjusted for hybrid capital

**12 months
lending growth**
5.5 (2.2)%
RM 8.3 (0.0)%
CM -1.6 (8.4) %

Total assets
39.0 (37.4) mrd. Kr

Solidity
CET 17.6 (17.7) %

Losses on loans
MNOK 19 (53)



- Main features
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Summary Q1

SpareBank 1 Helgeland (group)	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Net interest- and credit comission earnings	249	255	254	236
Net comission earnings	43	46	47	39
Other operatios income	2	3	2	2
Ordinary operations cost	109	106	106	106
Result basic operations	184	198	198	172
Write-downs lending and warranties	6	17	26	19
Net value change financial instruments	7	19	7	37
Gross profit	185	200	179	190
Net profit	139	155	133	154
Net extended income posts	0	0	-1	1
Profit for the period	139	155	132	155

Summary Q1

The quarterly profit is affected by dividend from product companies

- Net value change and gains/loss on financial investments amounts to MNOK 37, an increase of MNOK 30 from last quarter.
 - Dividend from product and alliance companies of MNOK 32
 - Net profit from joint ventures of MNOK 3
 - Net profit from other financial investments of MNOK 2
- Stable total lending growth in the quarter with 0.5 %
 - CM: MNOK -358 or -3.3%
 - RM: MNOK 545 or 1.9%
- Net interest of MNOK 236, a decrease of MNOK 18 from last quarter.
- Net commission income of MNOK 41, a decrease of MNOK 8 compared to last quarter.
- Write-downs on lending, MNOK 19 against MNOK 26 last quarter



Increased owner share in SamSpar

- The bank has over time focused on increasing its owner share in Samarbeidende Sparebanker AS, Samarbeidende Sparebanker Utvikling DA and Sparebank 1 SamSpar AS.
- With an investment on MNOK 361 in the start of Q2 2025, the bank has increased its owner share from:
 - 4.09 % to 11.47 % in Samarbeidende Sparebanker AS
 - 4.51 % til 11.94 % in SpareBank 1 SamSpar
 - 5.31 % til 14.84 % in Samarbeidende Sparebanker Utvikling DA

This equals to an increased owner share from 0.80 % to 2.24 % in SpareBank 1 Gruppen AS and from 1.04 % to 2.89 % in SpareBank 1 Utvikling DA

- Important strategic move for SpareBank 1 Helgeland when it comes to strengthening the banks future income and income composition, and to achieve the banks future ROE target. Re-allocation also means that the owner share to a larger extent will reflect SpareBank 1 Helgelands size in the alliance.

SamSpar

SpareBank 1
HELGELAND

SpareBank 1
NORDMØRE

SpareBank 1
SOGN OG FJORDANE

SpareBank 1
LOM OG SKJÅK

SpareBank 1
GUDBRANDSDAL

SpareBank 1
HALLINGDAL VALDRES

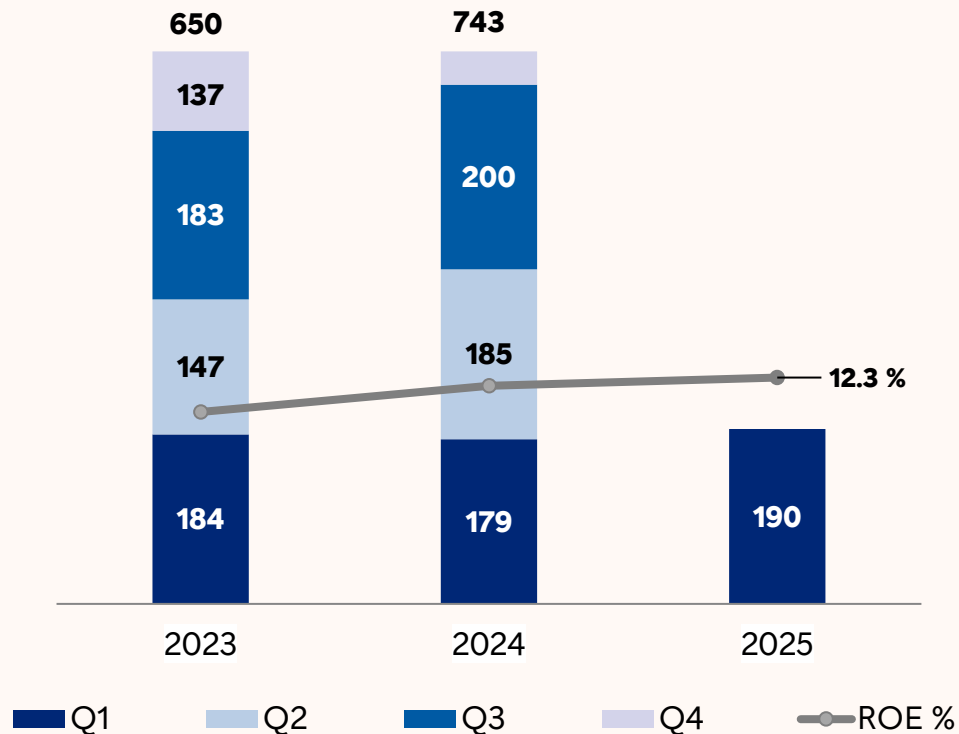
SpareBank 1
RINGERIKE HADELAND

SpareBank 1
ØSTFOLD-ÅKERSHUS

SpareBank 1

Strong quarterly profit

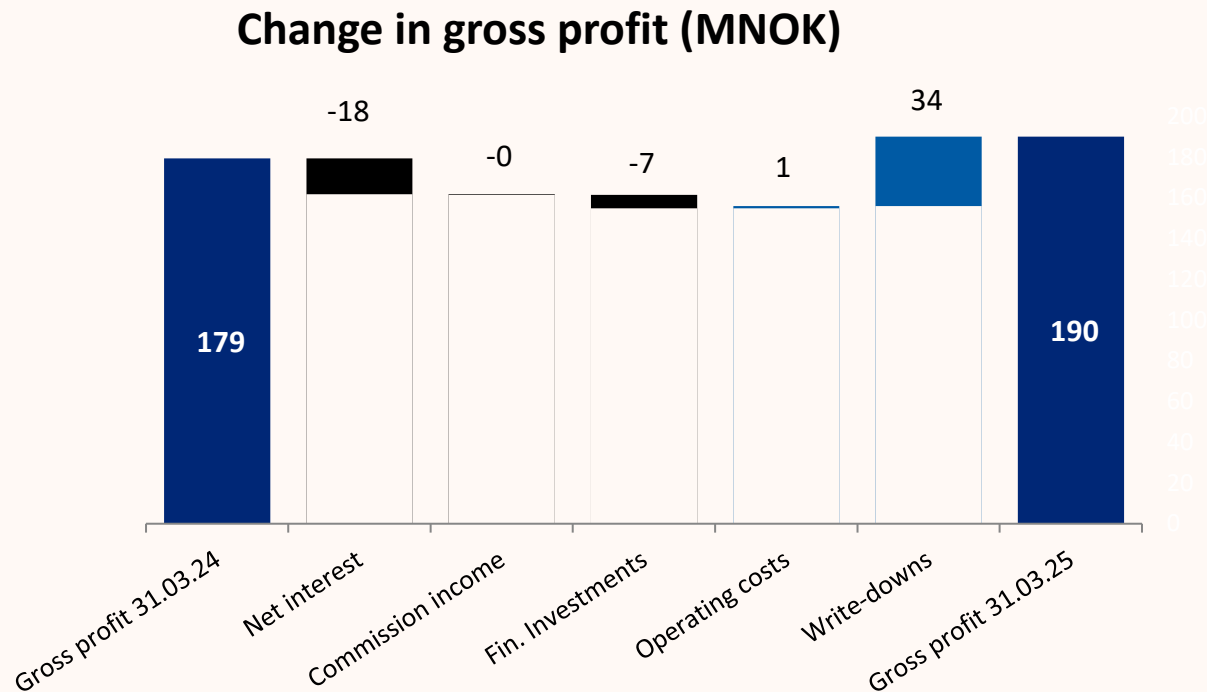
Profit development (MNOK)



Strengthened profit before tax of MNOK 190 (179) pr. 31.03.25

- ROE of 12.3 %

Increased profit before tax

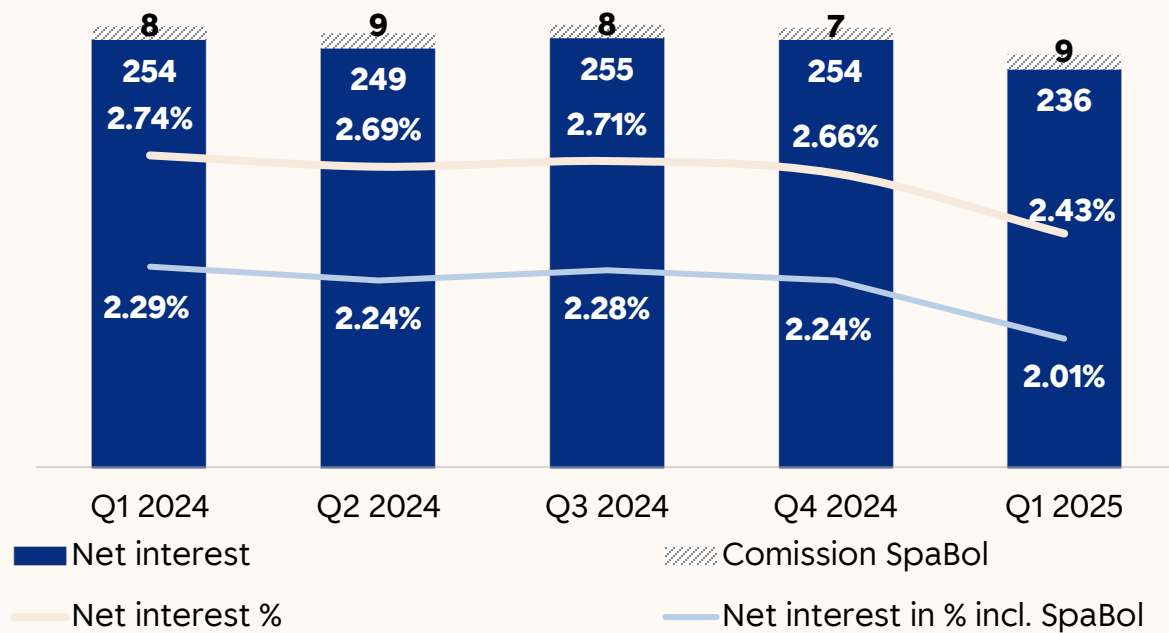


Gross profit is MNOK 11 higher than for the corresponding period last year.

- Reduced write-downs contributes to an increased profit
- Lower net interest reduces the profit
- Stable operating costs

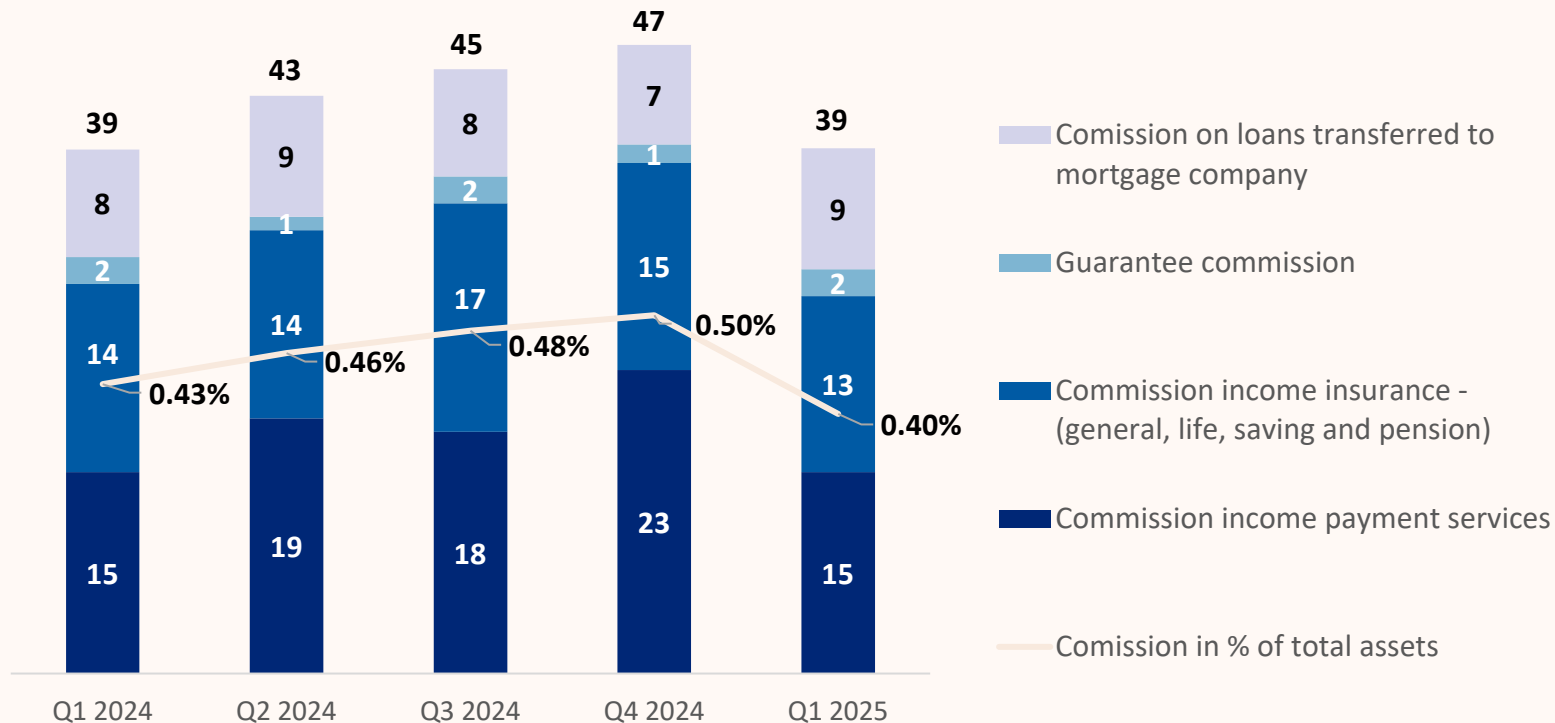
Decreased net interest this quarter

Net interest (MNOK) and in % of total assets



- Net interest and commission income amounts to MNOK 236, a decrease of MNOK 18 from last quarter
- In % of average total assets, net interest and commission income is 2.43 %, down from 2.66 last quarter.
- The decrease in the net interest is related to annual capitalization of deposit products as of 01.01.25, reduced corporate market portfolio and a general pressure on margins.

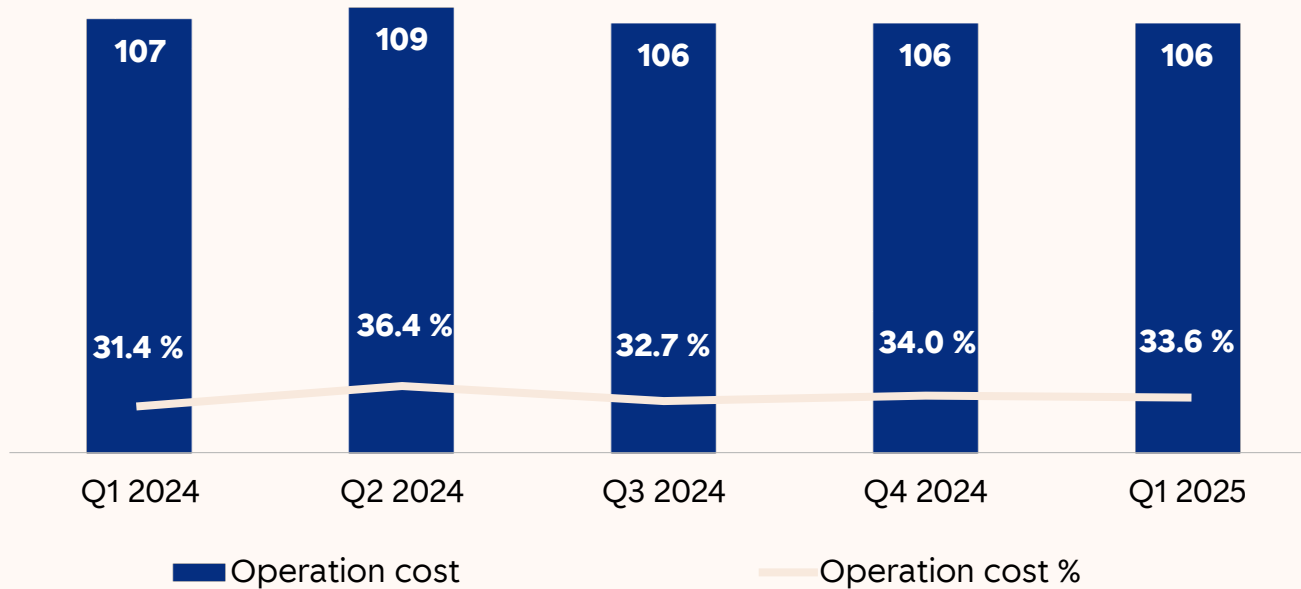
Commission income



Commission income on level with the corresponding period last year

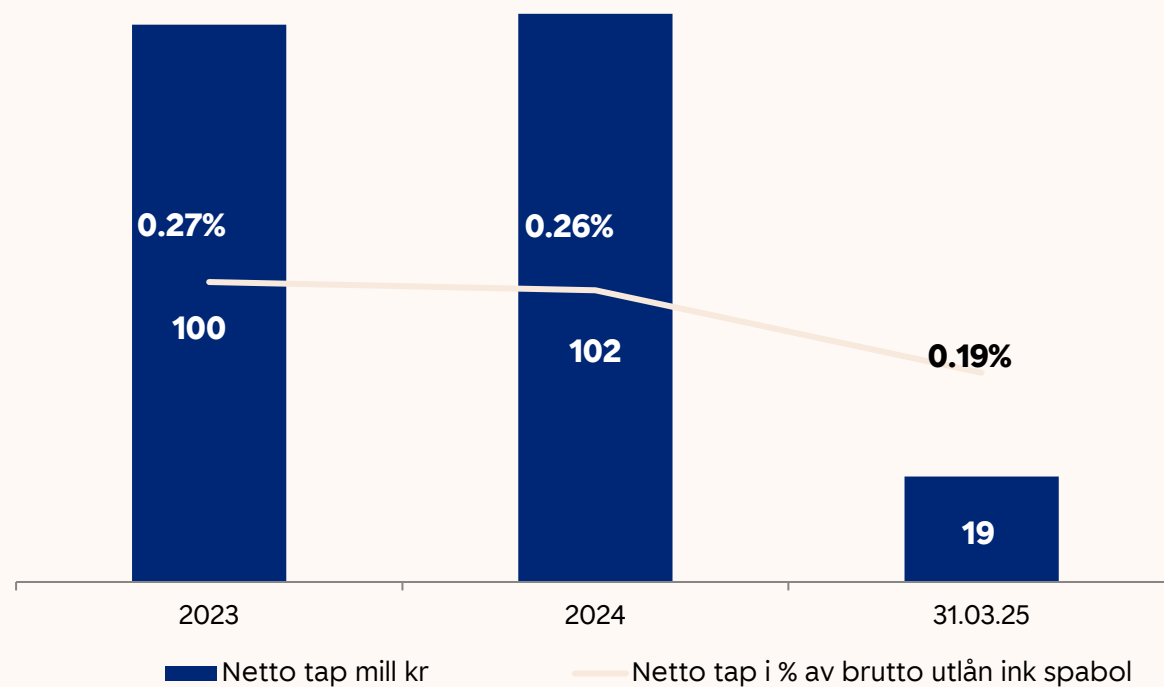
Stable cost development

Operating cost (mnok) and % of income



- The costs are within target (cost/income <40 %).
- Stable costs and good control on cost development

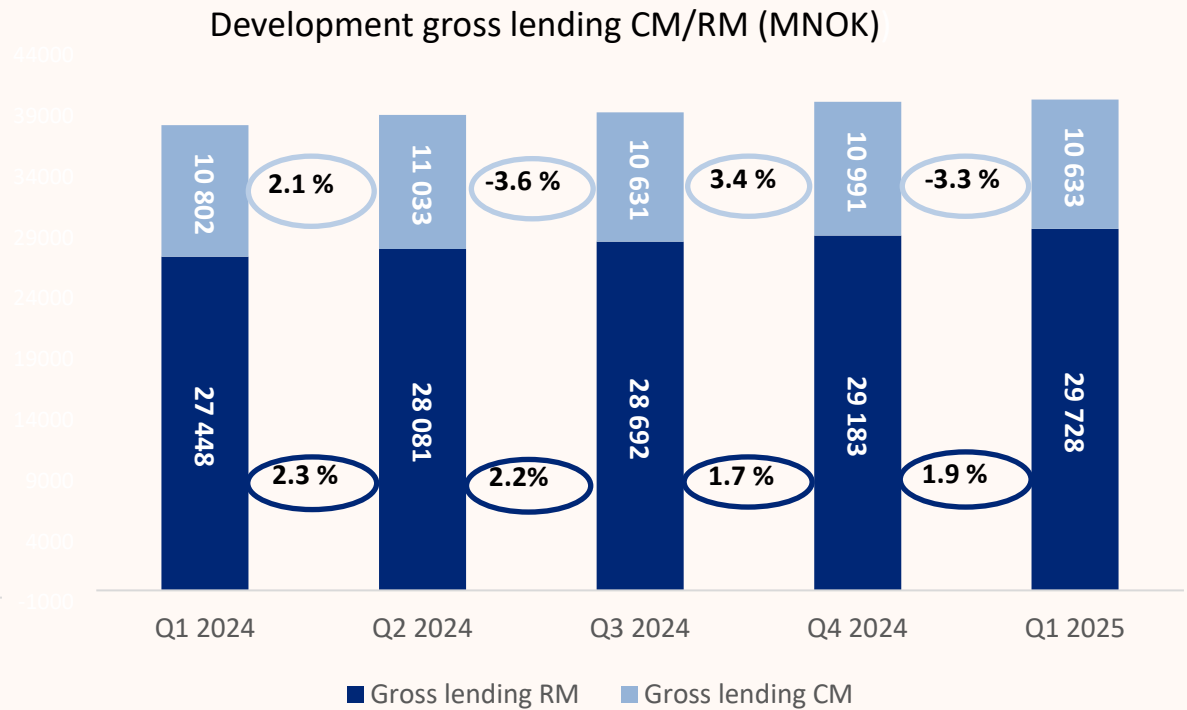
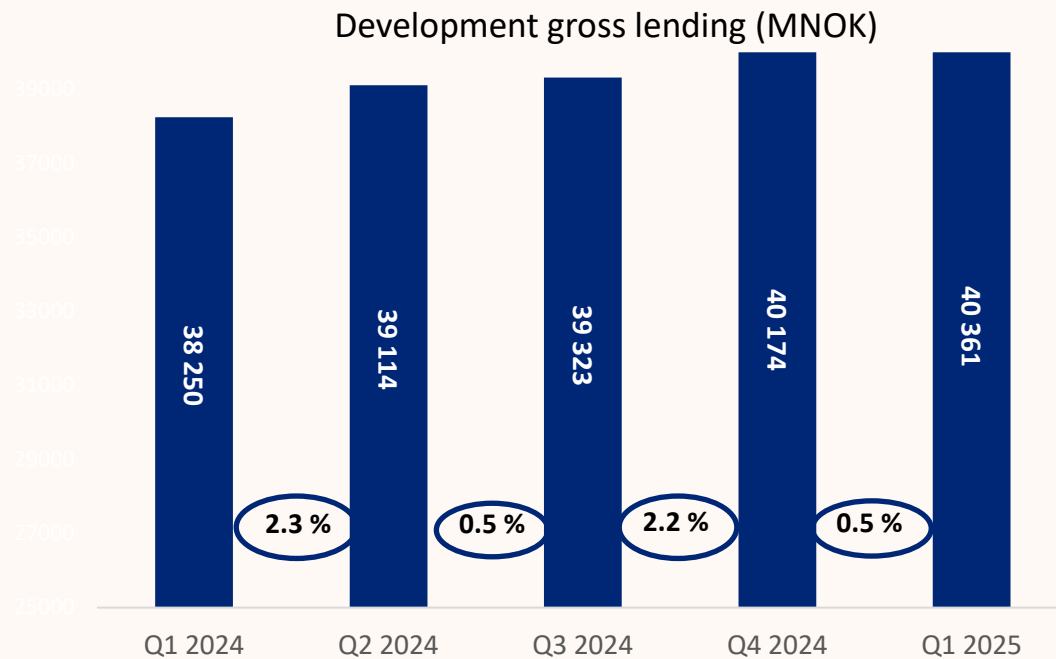
Lower write-downs



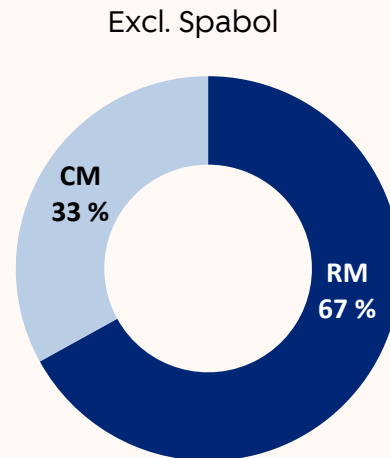
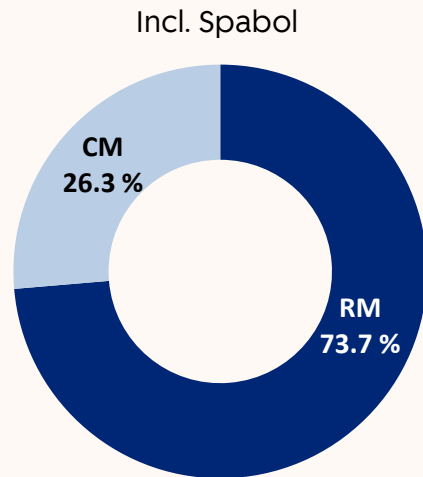
- MNOK 19 in Q1 2025 against MNOK 26 last quarter

- Main features
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Lending growth in the quarter (SpaBol included)

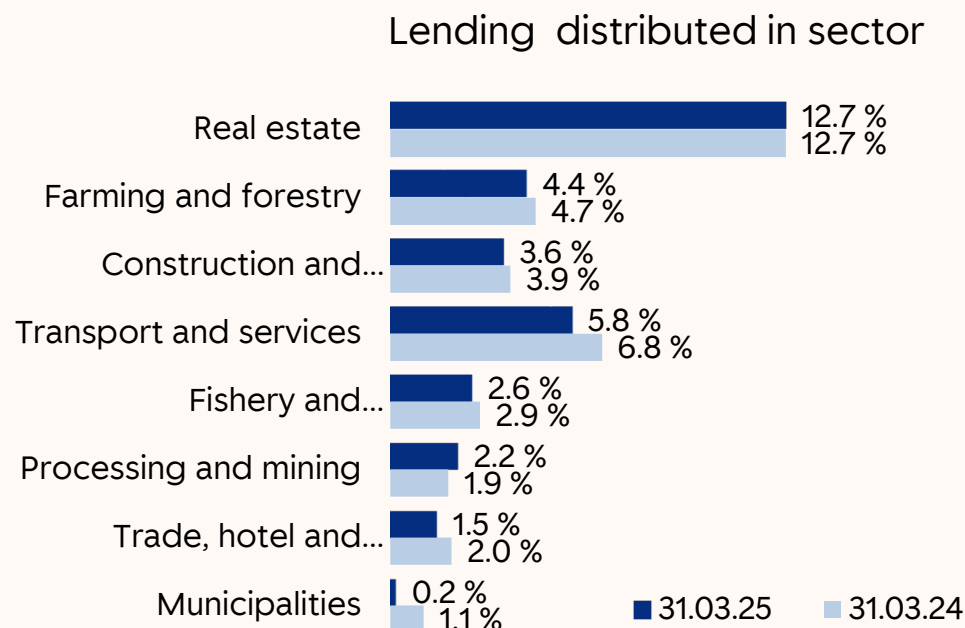


Segment breakdown gross lending



- Share CM of total lending including transferred loans to SpaBol 26.3 (28.2) % equals MNOK 10 633 (10 802).
- Share CM of total lending excluded transferred loans to SpaBol 33.0 (35.7) % equals MNOK 10 991 (10 591).

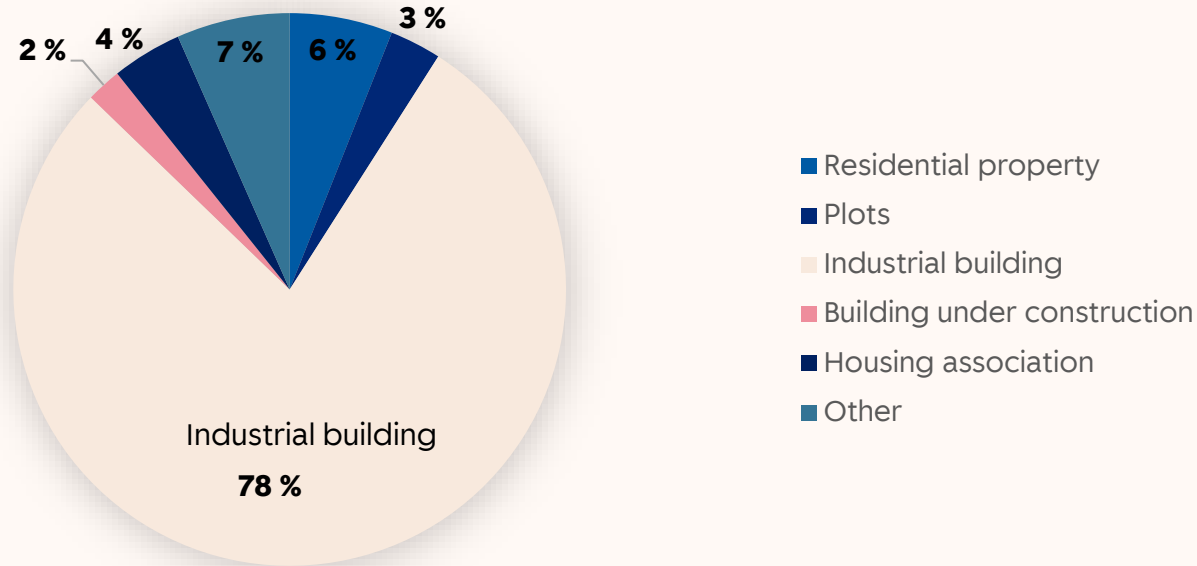
Lending CM – good industry spread



- Good diversified lending portfolio in the CM and loyal corporate customers
- Within management frameworks
- Management frameworks for exposure in real estate and construction is reduced to lower the risk development in the portfolio.

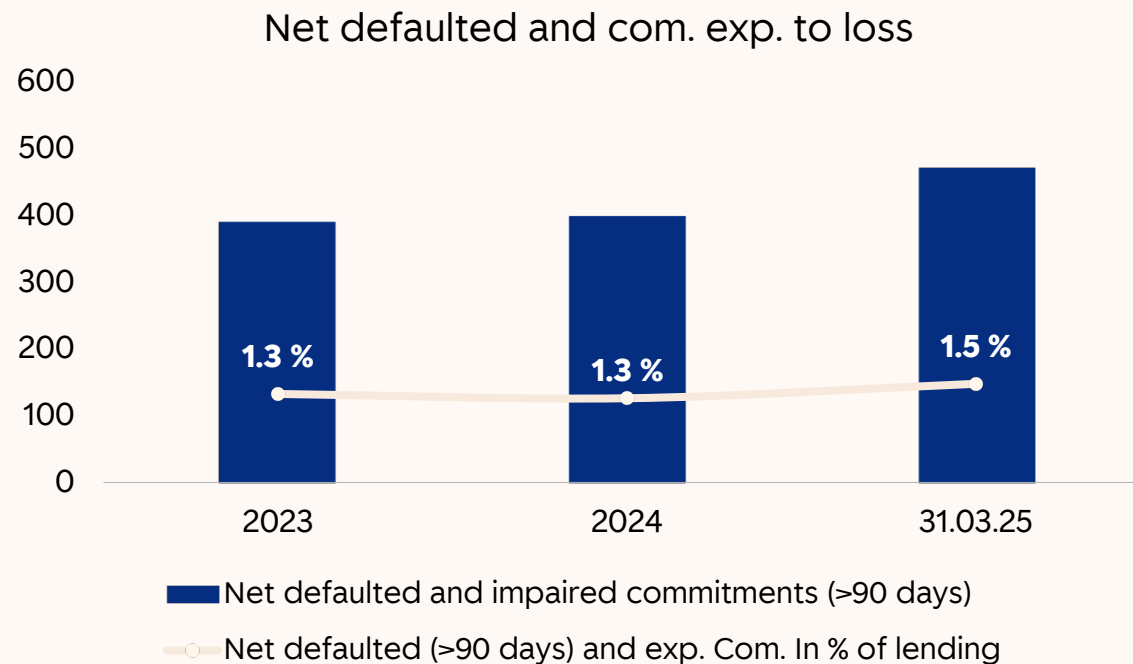
Lending real estate

Real estate - allocation pr segment



- 68 % of real estate categorized in low risk and best middle risk class. 84 % of the real estate mass is in Nordland.
- The 15 largest commitments amounts to 49 % of the volume in commercial property and is mainly not dependent on the commercial rental market.

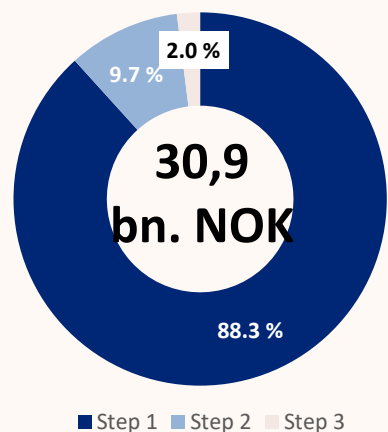
Increased non-performing and impaired commitments



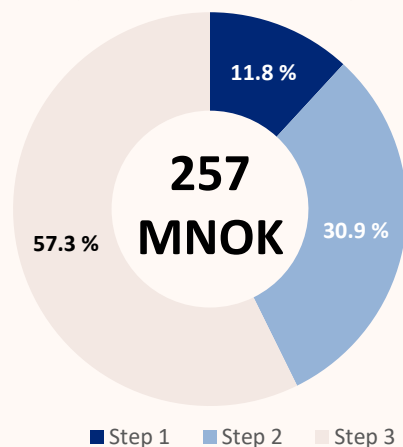
- Net non-performing and impaired commitments amounts to MNOK 471, an increase of MNOK 72 from last quarter
- Increased use of manual marking of default
- It is initiated several measures to secure that the credit risk is held on a satisfying level, and on level with comparable banks.

Step breakdown provision rate

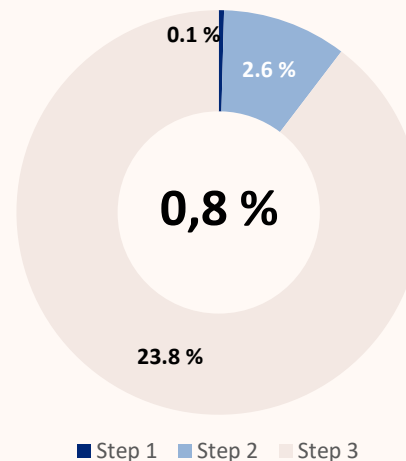
Step breakdown gross lending



Step breakdown loss provision

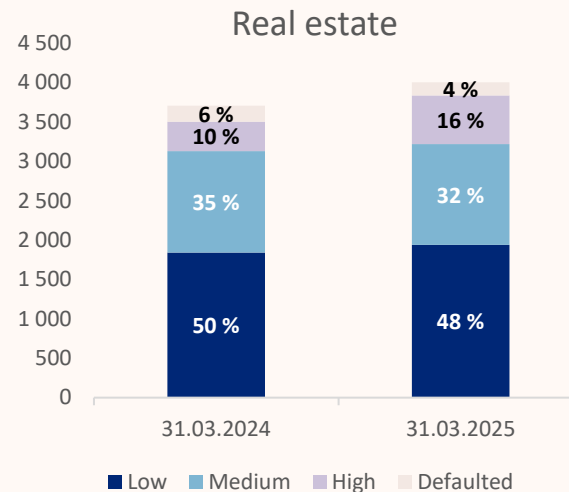
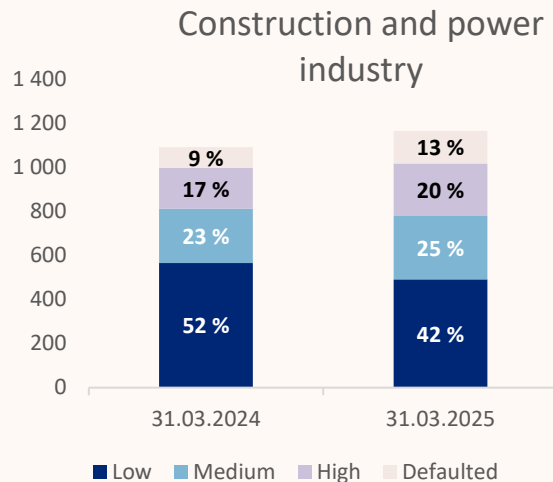
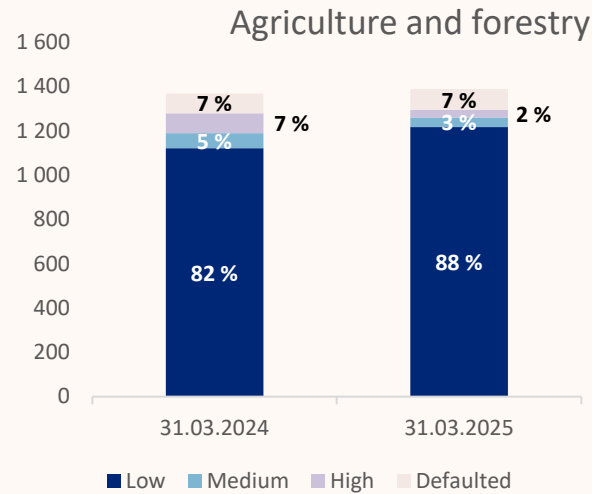
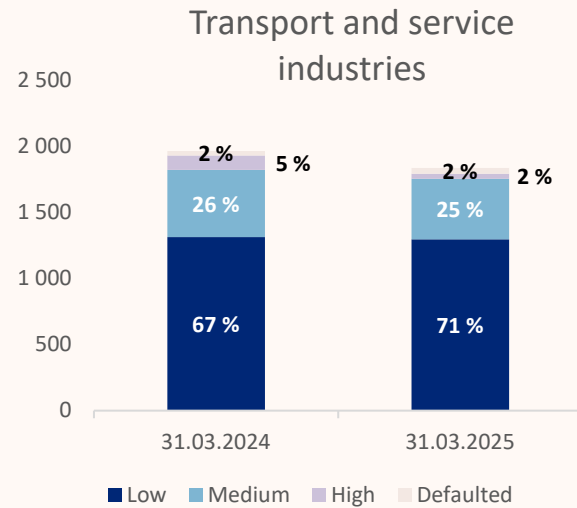


Provision rate



- It is individual assessments on large parts of the volume that 31.03.25 is marked non-performing and impaired, and it is not expected significant changes on write-downs in these commitments

Migration between risk classes

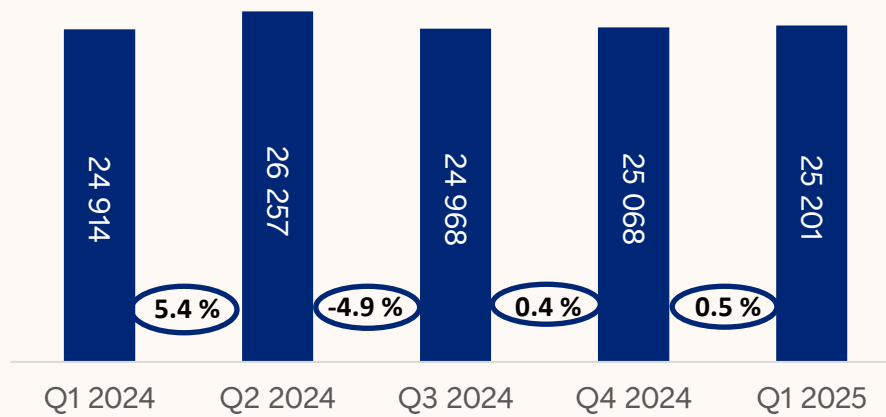


- Improvement in transport and service industries and agriculture and forestry
- Worsening in construction and real estate

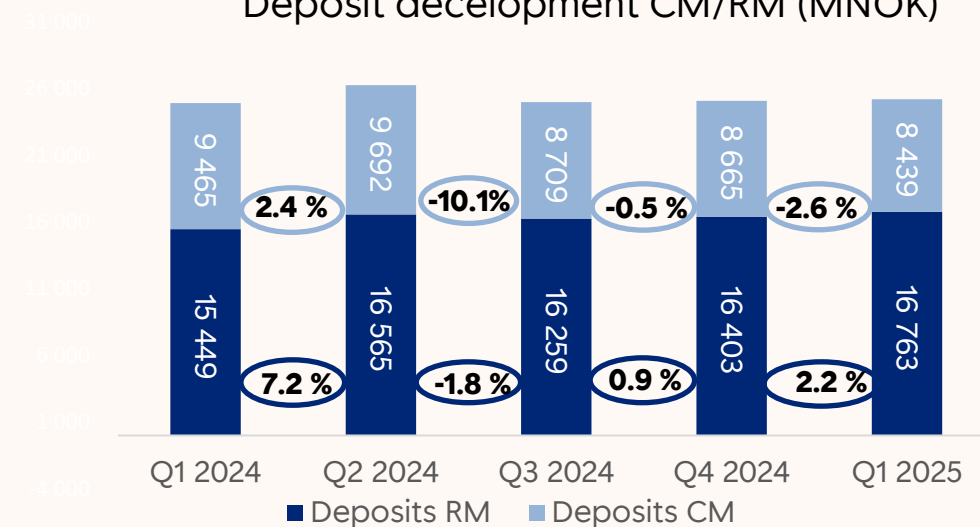
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Stable deposit level

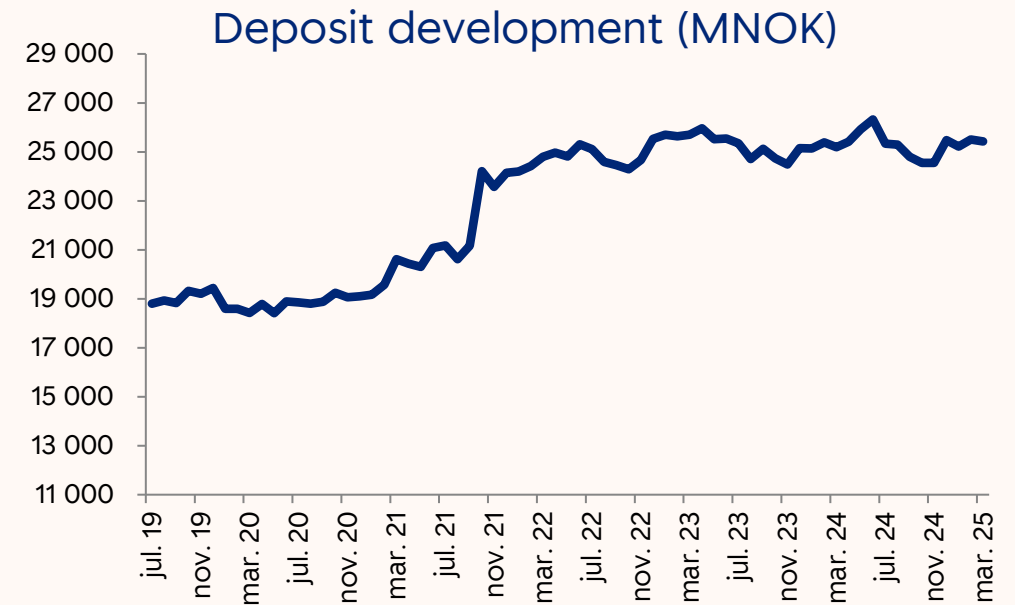
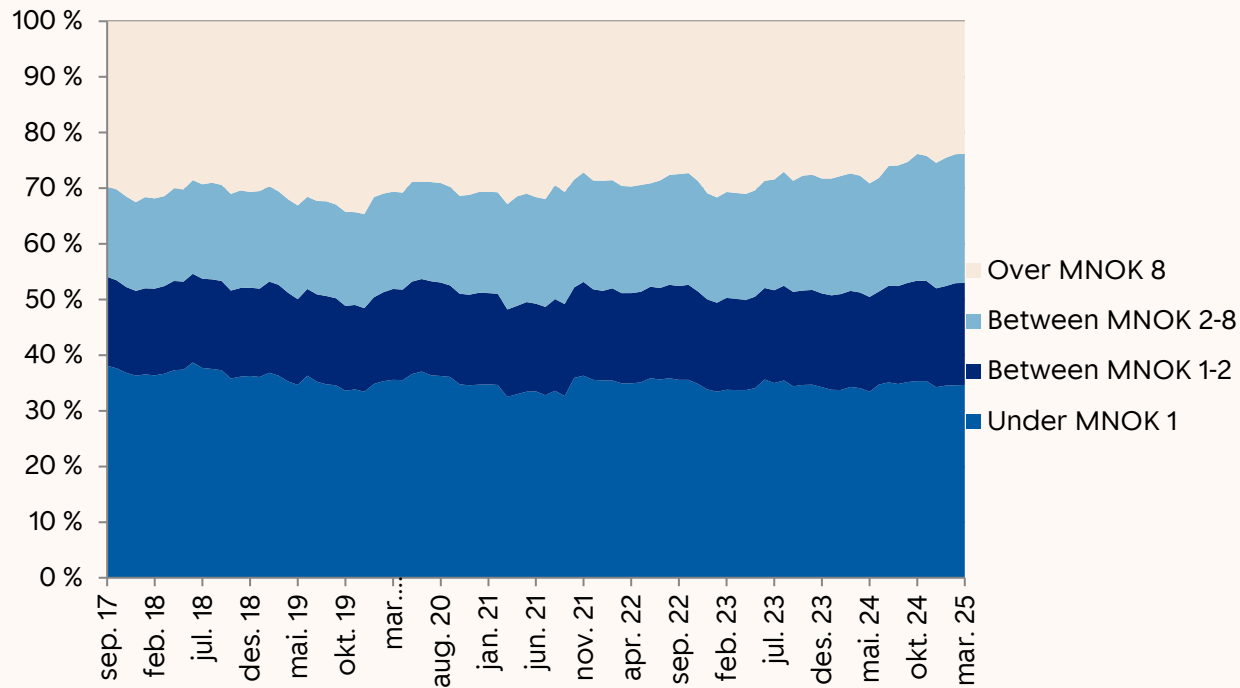
Deposit development (MNOK)



Deposit development CM/RM (MNOK)

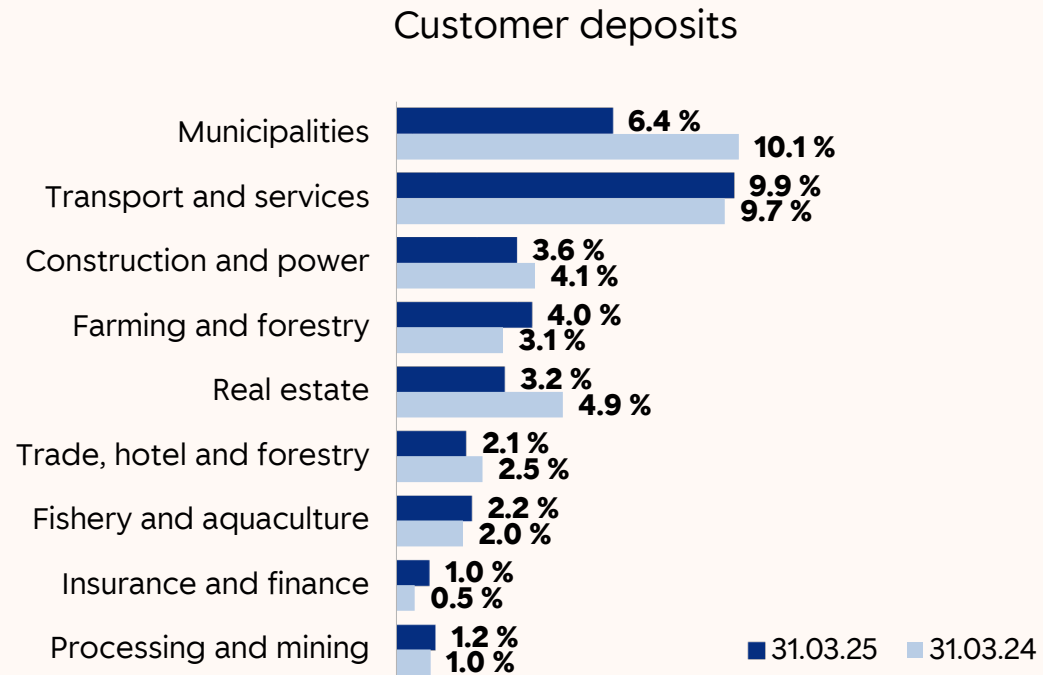


Stable deposit allocation



- Increase in deposits of MNOK 133 or 0.4 % last quarter.
- Allocation deposits sorted on size is relatively stable.
- 52.4 % of the RM deposits are under MNOK 2
- 57.8 % of the deposits are included in the guarantee arrangement.

Deposits CM



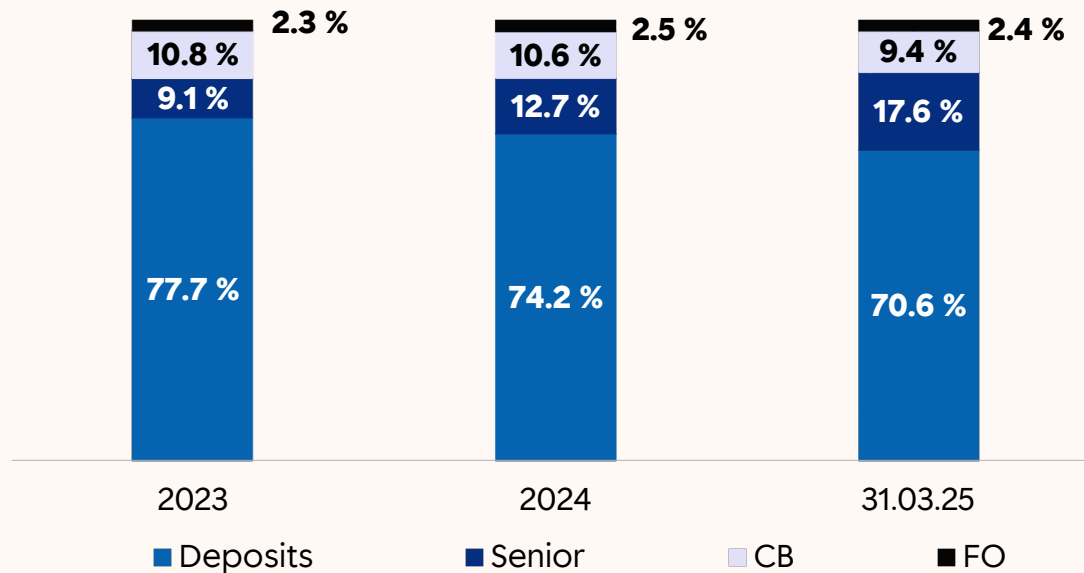
- Good diversity in the deposit portfolio in the CM.
- Share CM deposits amounts to 33.5 (38.0) % or MNOK 8 439 (9 465) of total deposits.
- Deposits from municipalities amounts to 19.0 % of the CM deposits.



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Increased senior funding

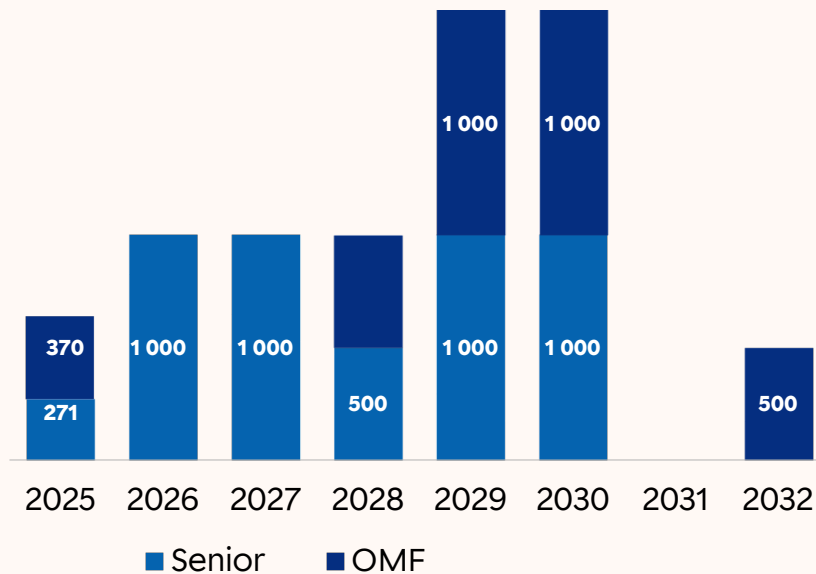
Funding development



- Preparations for expected MREL requirements
 - Full MREL requirements
 - No requirement for subordination
 - No significant changes in senior funding
 - Some higher duration and volume of MREL-counting senior loans

Funding due

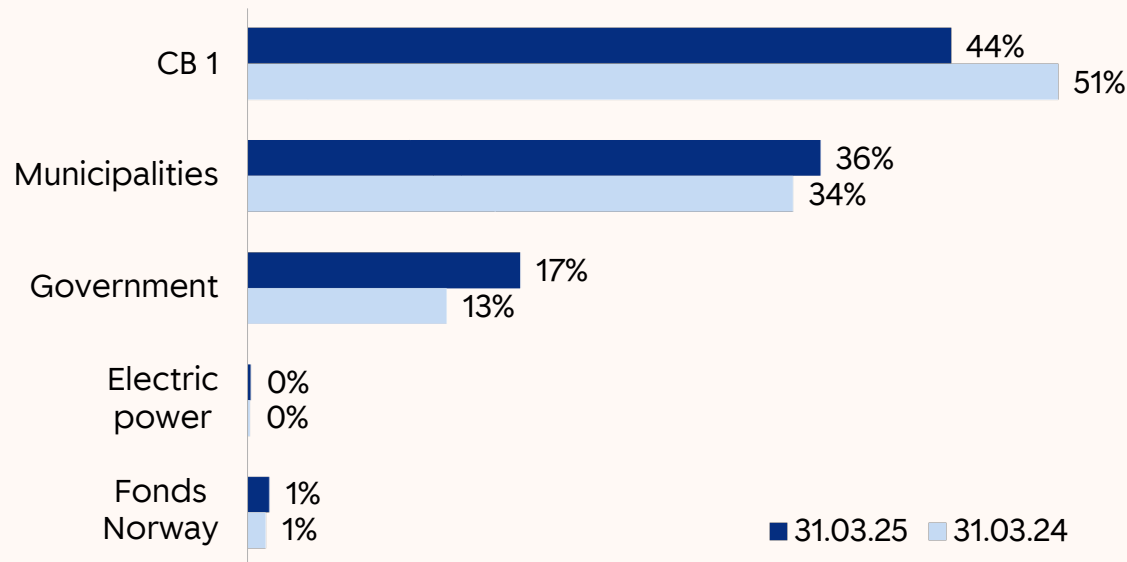
Maturity of loans (MNOK)



- Share long term funding
86.0 % (79.3) %
- Combined duration of 3.2 (2.4)
years. Duration in the mortgage
company of 3.8 years.

Liquidity buffer

Sector distribution interest portfolio



Interest bearing securities:

- Duration portfolio 1.4 (1.7) years
- 98.7 % rated A- or better
- 97.3 % is OMF or state/ municipality guaranteed bonds.
- Municipality papers are actively used as short-term liquidity placements.
- Liquidity buffers amounts to 5.2 (6.3) bn. – equals 13.1 (16.8) % of total assets. The buffer capital consist of cash, deposits in NB/ banks and interest-bearing securities.

SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt is 2.93 % owned by SpareBank 1 Helgeland

- SpareBank 1 Boligkreditt (SpaBol) is an issuer of covered bonds that is jointly owned by the saving banks working closely together under the brand SpareBank 1.
- Transferred loans amounts to MNOK 8 514 (8 515)



HELGELAND
BOLIGKREDITT

Helgeland Boligkreditt AS is 100 % owned by SpareBank 1 Helgeland

- Transferred loans amounts to MNOK 4 558 (4 411)

Transfer of loans to mortgage companies

Maximum limit for transfer to mortgage companies is maximum 40 % of the groups gross lending, and 55 % of gross lending RM.

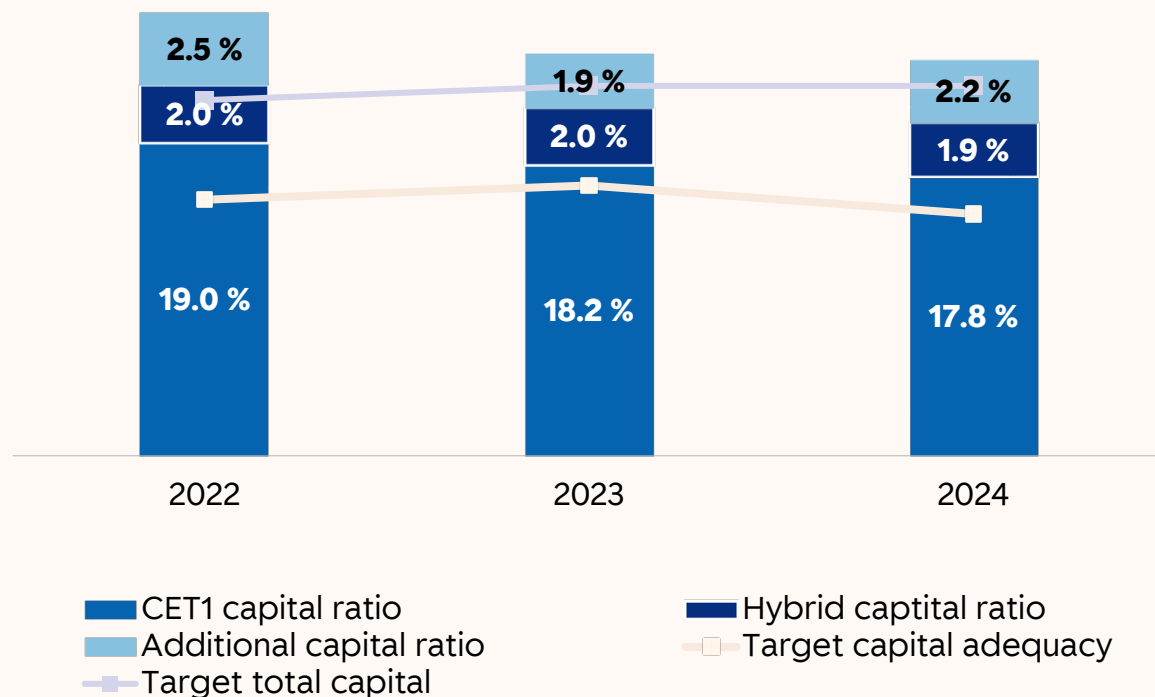
Pr. 31.03.25 transfer degree is 32.4 % and 44.0 % with a total of MNOK 13 072 transferred to the mortgage companies.



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Solid capital adequacy

Development capital adequacy

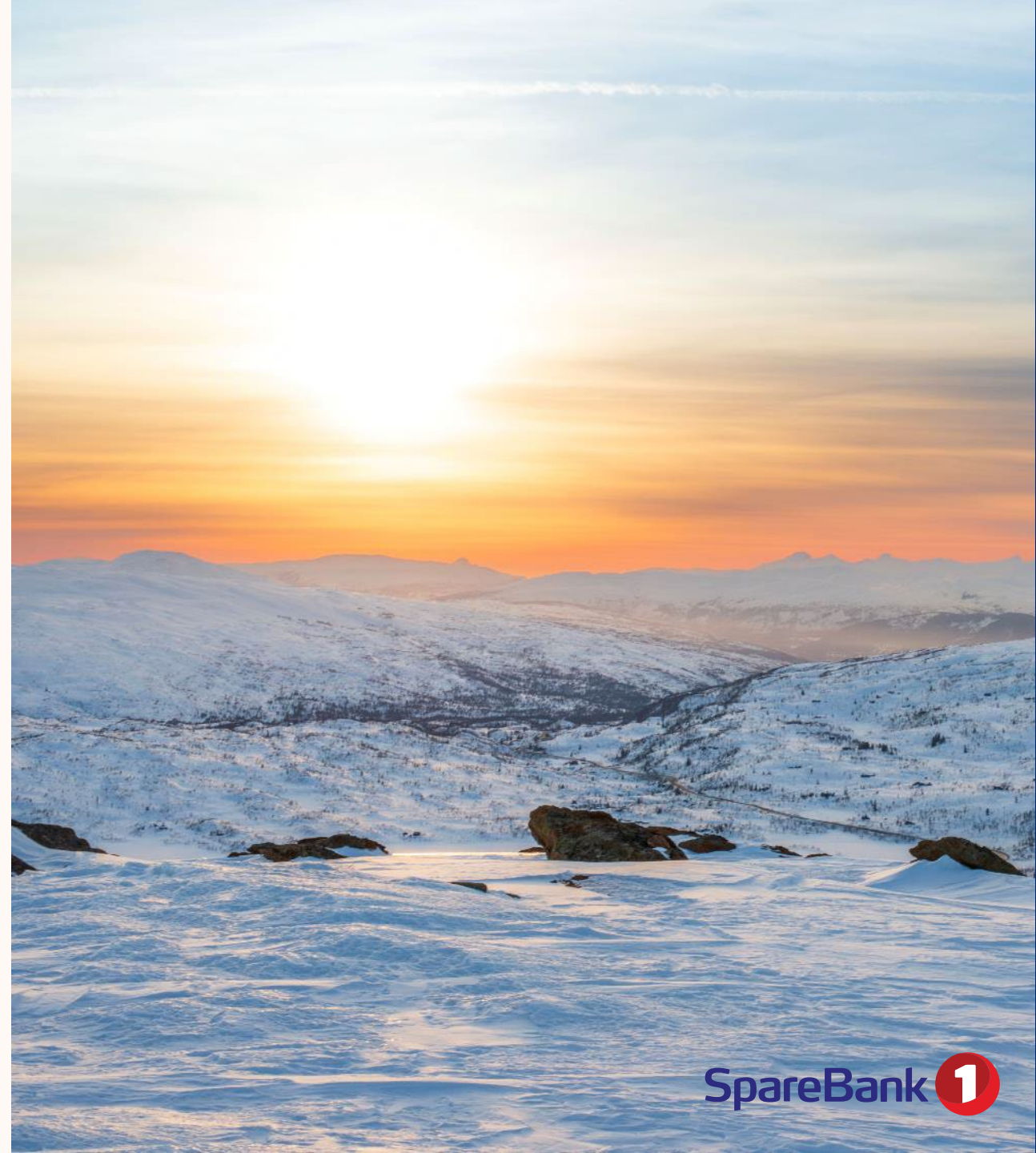


Capital adequacy

- The effects of CRR3 are estimated to reduce the basis for calculation in the order of NOK 800 million, which corresponds to an increase in core Tier 1 capital coverage of around 0.8 %. The estimate include the effects of the new IRB floor, which will have effect on transferred portfolio to SpareBank 1 Boligkreditt
- The bank's capital adequacy is higher than the target
- Target : CET1 16.5 %

Sustainability in SpareBank 1 Helgeland

- New ESG strategy implemented in the first quarter of 2025.
- During the quarter, the bank has published its first version of the transition plan towards net zero emissions by 2050
- The bank has revised and implemented a new green framework in Q1 2025. In the quarter, the bank has taken up a new green senior loan of MNOK 500.
- The SpareBank 1 alliance continuously work to make available relevant ESG data, and the bank developed in 2023 its own stress test on physical climate risk. At the turn of the year 2024/2025, the bank has further developed the stress test to also quantify transition risk, initially on property (residential and commercial property)




EU's omnibus proposal

- Simplification and reductions in sustainability directives

- The bank's impact, risks, and opportunities in terms of sustainability remain the same. The targets in the EU and the bank in terms of sustainability remain the same, and the EU's omnibus proposal will help the bank focus more on measures rather than complex reporting.
- The new proposal means that around 80% fewer companies will be covered by the Corporate Sustainability Reporting Directive (CSRD). In addition, it will involve a reduction in the number of reporting points and reduce overlap reporting.
- With this proposal, SpareBank 1 Helgeland falls outside the scope and will no longer be covered by the reporting requirements in CSRD.

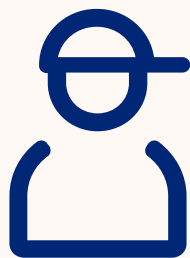


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Unemployment

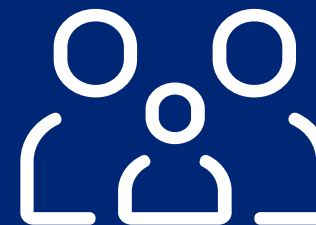
Unemployment in Helgeland and in Nordland is lower than for Norway overall.

Norway:	2.1 %
Nordland:	1.6 %
Helgeland:	1.6 %



Recruitment

The region is dependent on immigration and skills development. Several projects have been implemented to achieve this.



The property market

With potential for corporate establishment and migration more housing is needed in central parts of Helgeland. Several projects are ready. It lies uncertain around the timing and when the need for these housings will occur.



Developments in tourism, industry, aquaculture and mining provide opportunities for growth in Helgeland

Price development

Decrease in the prices on sold apartments by 11.4 % in Helgeland in first quarter 2025

Increase in the prices of -0.2 % on sold villas in Helgeland in first quarter 2025



Prospects ahead

For the corporate market, an increase in activity is expected in the coming years.

A market growth corresponding to credit growth in Helgeland in the private market is expected in the near future.

Long term ROE target of 12 % after tax

A certain reduction in the net interest is expected further into 2025.

Stable commission income of around 0.35% of total assets excluded commission from mortgage credit companies

Operating costs for basic operations are expected to remain well within the bank's target of less than 40% of total income. Expect a stable cost development in 2025.

The bank has an expectation of a decrease in losses on lending compared to the level in 2023 and 2024.



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Profit & loss

SpareBank 1 Helgeland (group)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Net interest- and credit comission earnings	223	233	233	254	265	254	249	255	254	236
Net comission earnings	39	36	40	40	39	39	43	46	47	39
Other operatios income	0	2	4	1	2	2	2	3	2	2
Ordinary operations cost	101	101	100	100	113	107	109	106	106	106
Result basic operations	161	170	177	195	193	188	184	198	198	172
Write-downs lending and warranties	6	10	37	11	43	53	6	17	26	19
Net value change financial instruments	26	24	6	-2	-13	44	7	19	7	37
Gross profit	181	184	147	183	137	179	185	200	179	190
Net profit	165	144	111	134	101	144	139	155	133	154
Net extended income posts	4	0	-2	0	1	0	0	0	-1	1
Profit for the period	169	144	109	134	102	144	139	155	132	155

HELG- EC development and OSEEX last 12 months

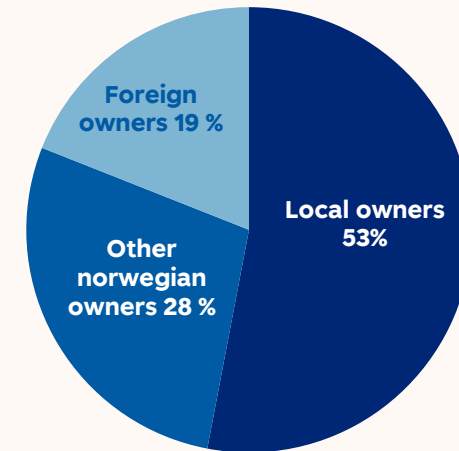
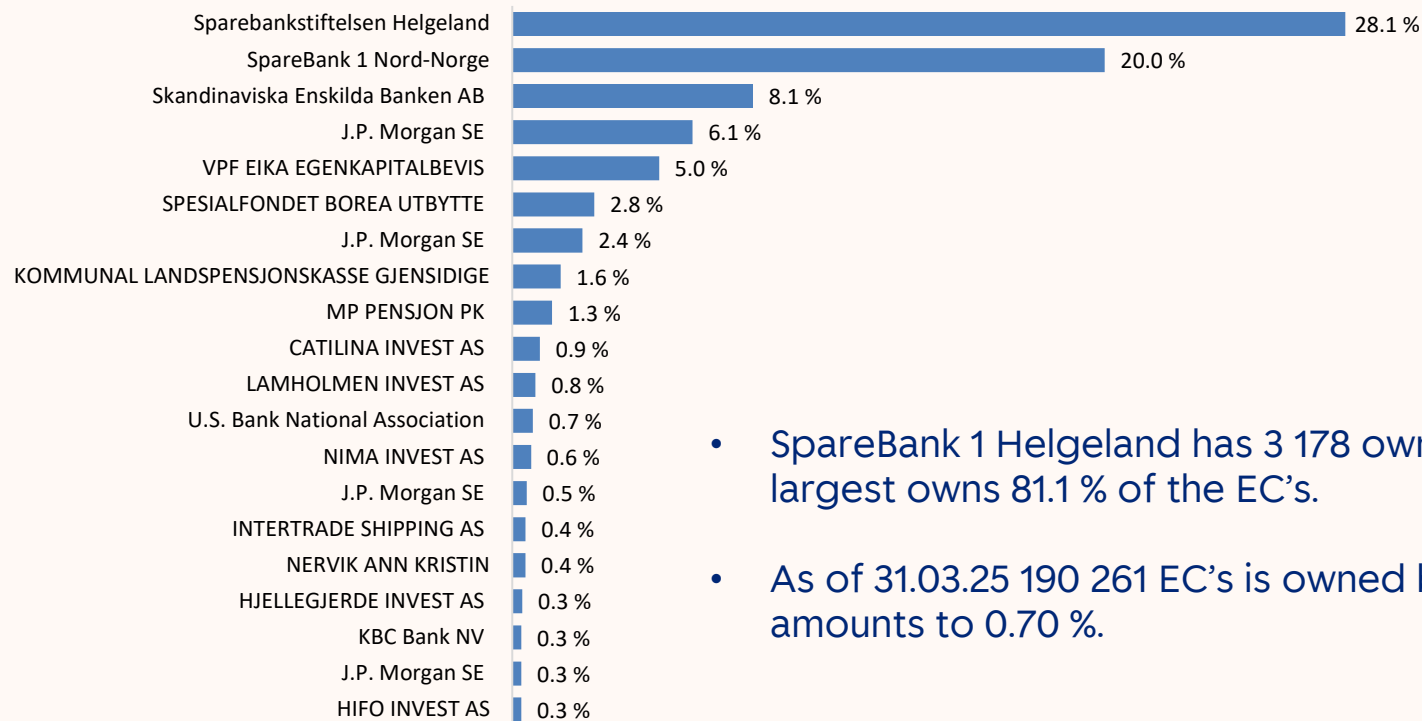


	31.12.22	31.12.23	31.12.24	31.03.25
EC fraction opening balance	79.9 %	79.9 %	79.9 %	79.9 %
Number of EC's	27.0	27.0	27.0	27.0
price	120	130	144.5	159.5
Stock exchange value	3 240	3 510	3 902	4 307
Accounted equity per EC	135	141	145	140
Profit per EC	12.8	13.9	16.2	4.3
Dividend per EC	10.3	10.8	8.4	
Price/Accounted EC	0.9	0.9	1.0	1.1

(Source: SBH; Data: Bloomberg/Euronext | April 2025)

53 % north norwegian ownership

20 largest owners



- SpareBank 1 Helgeland has 3 178 owners where the 20 largest owns 81.1 % of the EC's.
- As of 31.03.25 190 261 EC's is owned by SBH's employees. This amounts to 0.70 %.

SpareBank 1 Helgeland

- Vision: a driving force for growth in Helgeland.
- Business concept: Sparebank 1 Helgeland is the local leading and profitable bank that takes an active social responsibility to build the Helgeland of the future.
- Offices: The bank has offices in Mo i Rana, Mosjøen, Sandnessjøen and Brønnøysund.
- Total assets included transferred loans to SpaBol: MNOK 47 501
- Employees, total man-years: 169
- Rating from Moodys: A2 – Stabile
Ticker: HELG





Contact information

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