

4Q 2021

Tromsø, 10 February 2022
Liv B. Ulriksen, CEO
Bengt Olsen, CFO

1 Highlights

2 Outlook

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Highlights YTD

Pre-tax profit	ROE	
2 794 MNOK (2 102)	15,1 % (12,6 %)	
CET-1 ratio	C/I ratio	Loan losses
18,7 % (17,5 %)	40,6 % (40,0 %)	-235 MNOK (332)

The obvious choice for people and businesses

*«Better than anyone else,
we shall understand and do
what's important for people
and businesses in Northern
Norway»*

Main bank retail **38 % ***

Main bank SME **41 % ***

Real estate agency **36 %**

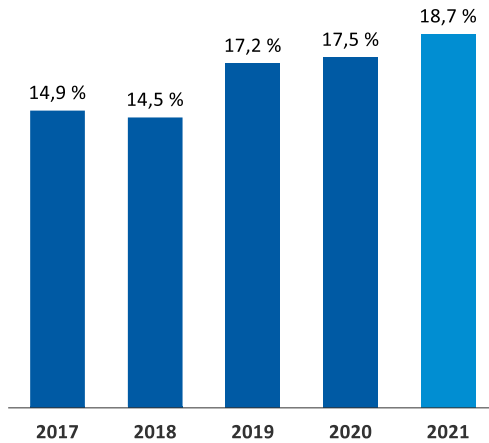
Accounting **20 %**

Secured financing **20 %**

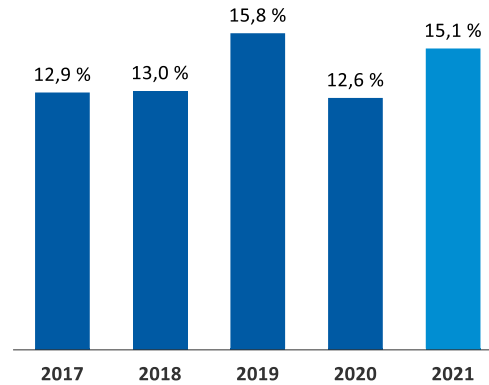
*Adj. for the deal with SpareBank 1 Helgeland

Strong financial results

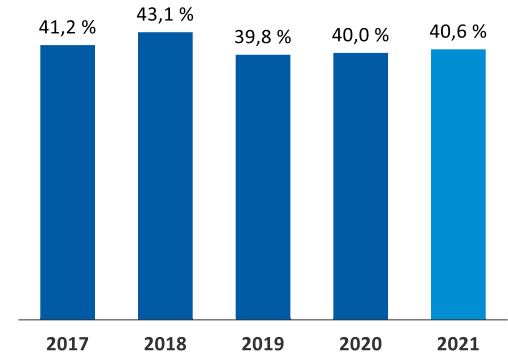
CET 1



Return on equity capital

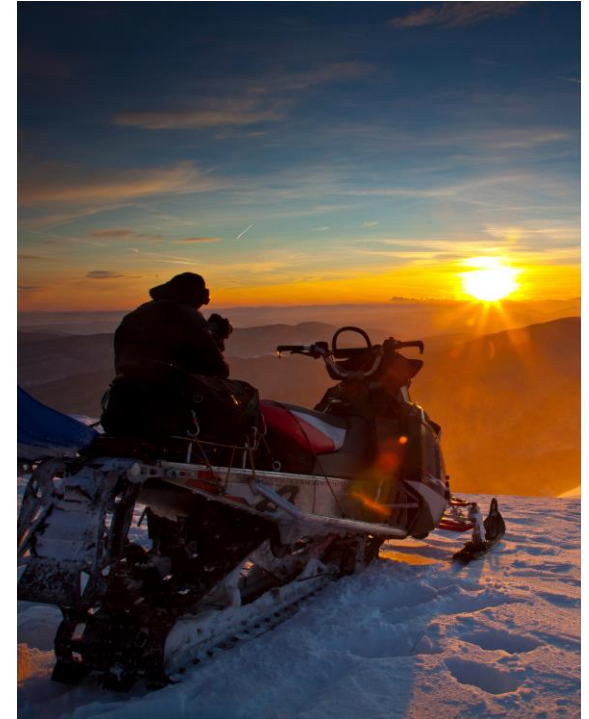


Cost/income Group



Subsidiaries – results before tax

	31.12.2021	31.12.2020
SpareBank 1 Finans Nord-Norge AS	366 451	176 339
SpareBank 1 Regnskapshuset Nord-Norge AS	24 158	24 900
EiendomsMegler 1 Nord-Norge AS	34 687	38 791
Subsidiaries core operations	425 296	240 030
Other subsidiaries	6 765	-4 819
Total	432 061	235 211



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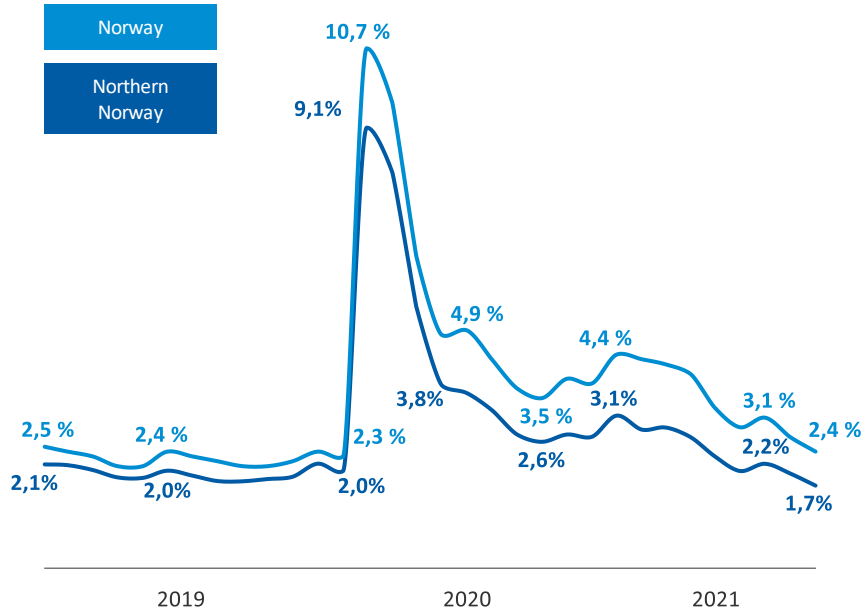


Unique position - great potential

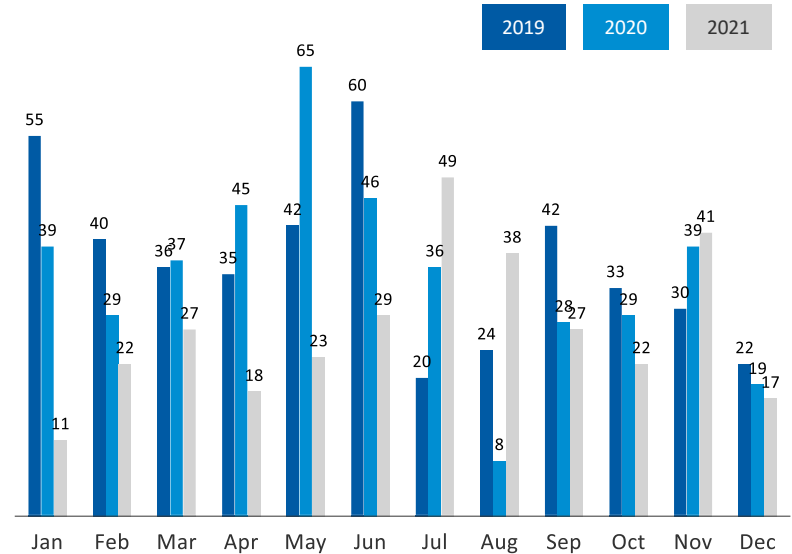


Sound economical growth















Unemployment



Bankruptcies in Northern Norway



Status and outlook in Northern Norway

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

Ambitions for growth and increased market share

Expected growth for SpareBank 1 Nord-Norge in 2022

Retail market: 4-6 %

Corporate market: 6-9 %

Corporate growth within companies and industries with an expected low negative impact of Coronavirus.

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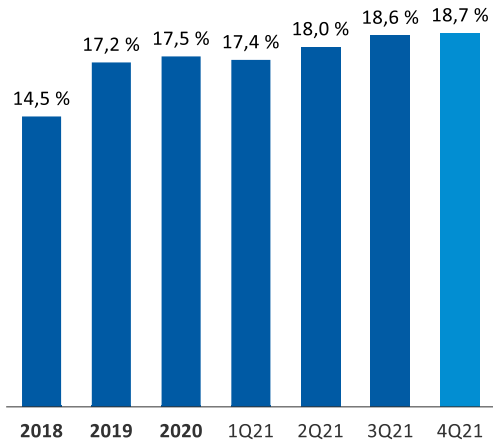
Group financial highlights and key figures

(Amounts in NOK million and in % of average assets)	4Q21	3Q21	31.12.21	31.12.20
From the profit and loss account				
Net interest income	534	505	2 014	2 068
Net fee- and other operating income	419	366	1 499	1 299
Net income from financial investments	345	140	794	693
Total income	1 298	1 011	4 307	4 060
Total costs	572	395	1 748	1 626
Result before losses	726	616	2 559	2 434
Losses	- 112	- 47	- 235	332
Net gain from sale of financial fixed assets	0	0	0	0
Result before tax	838	663	2 794	2 102
Tax	123	131	499	360
Defecit non-current assets held for sale	0	0	0	0
Minority interests	4	1	12	0
Result after tax	711	531	2 283	1 742
Interest hybrid capital	29	7	29	33
Result after tax ex. interest hybrid capital	707	525	2 266	1 709
Profitability				
Return on equity capital	18,0 %	13,7 %	15,1 %	12,6 %
Interest margin	1,8 %	1,6 %	1,7 %	1,8 %
Cost/income	44,1 %	39,1 %	40,6 %	40,0 %

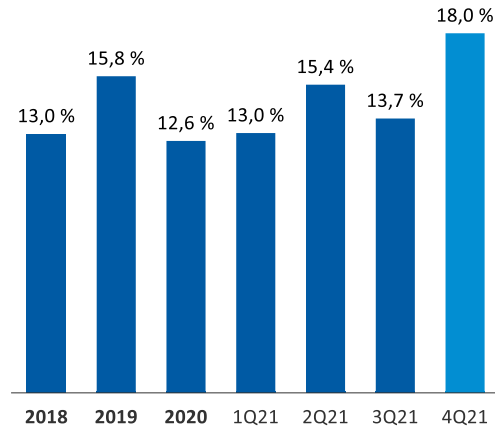
*) Cost/Income ex the Helgeland-deal and cancellation of a pension scheme was 36.5 % in Q4 and 38.3 % for 2021

Quarterly development

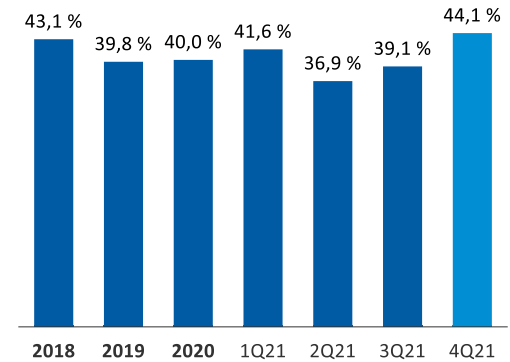
CET 1



Return on equity capital

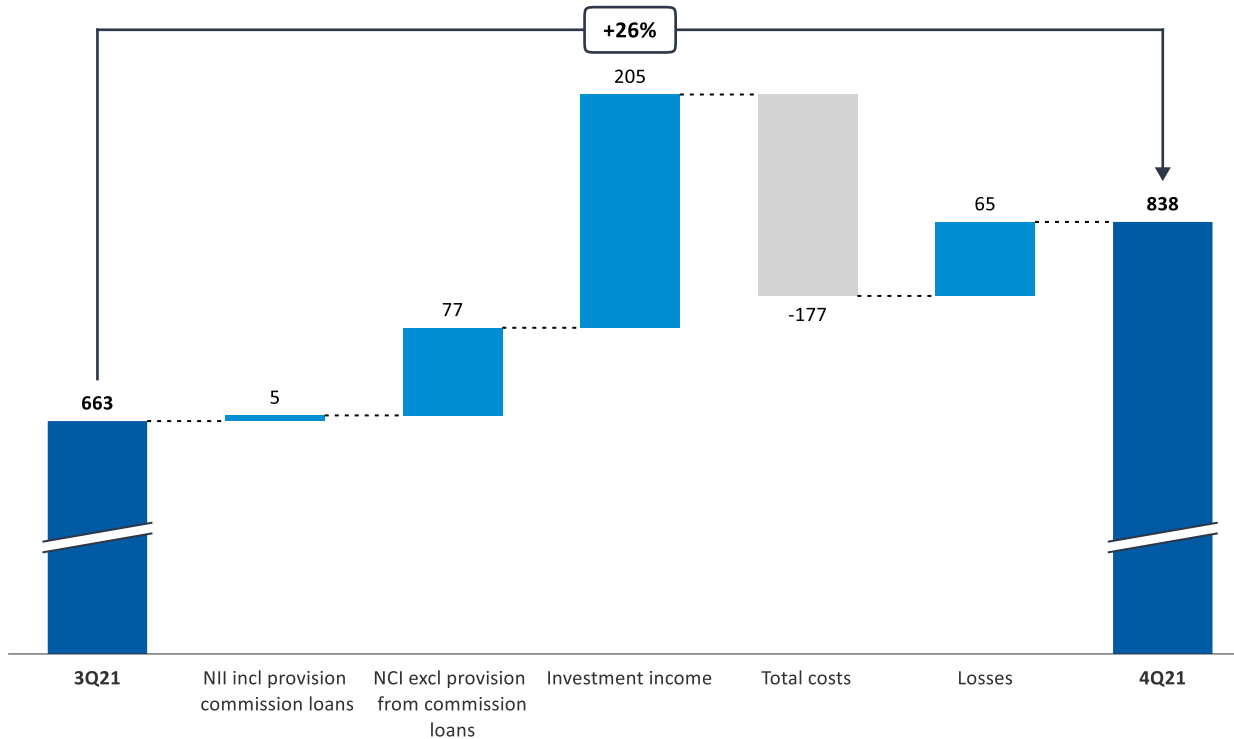


Cost/income Group

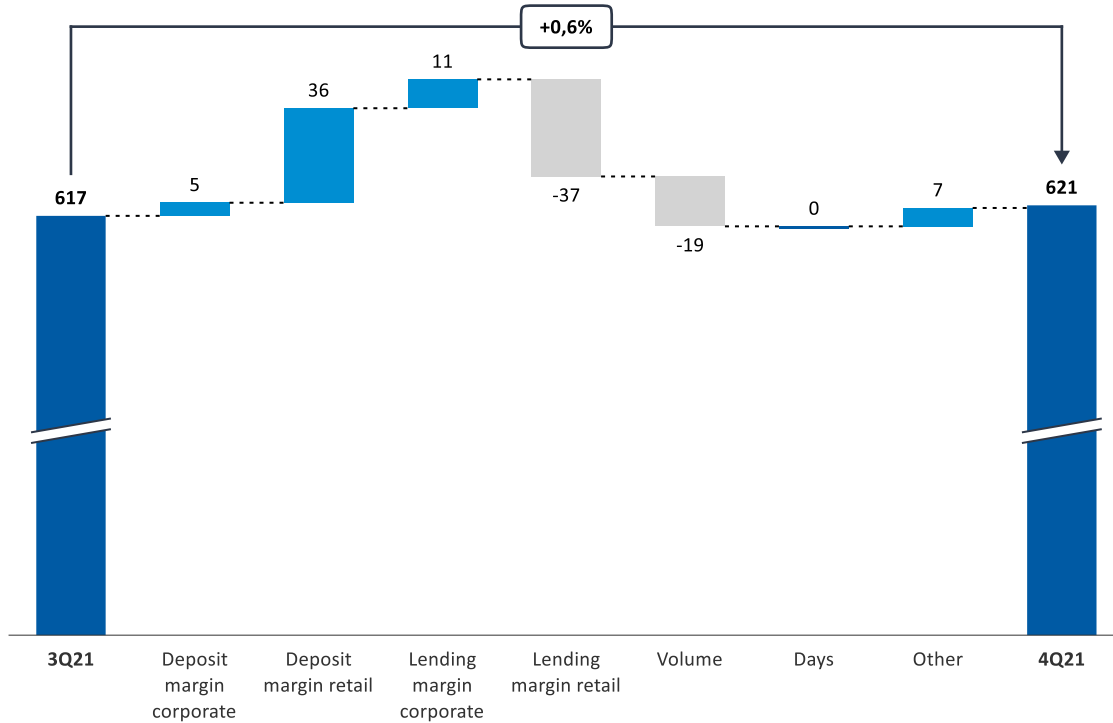


*) Cost/Income ex the Helgeland-deal and cancellation of a pension scheme was 36.5 % in Q4 and 38.3 % for 2021

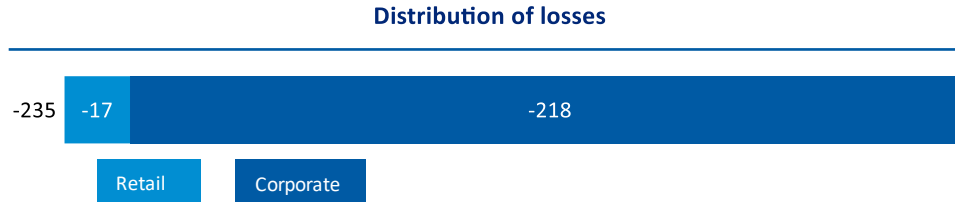
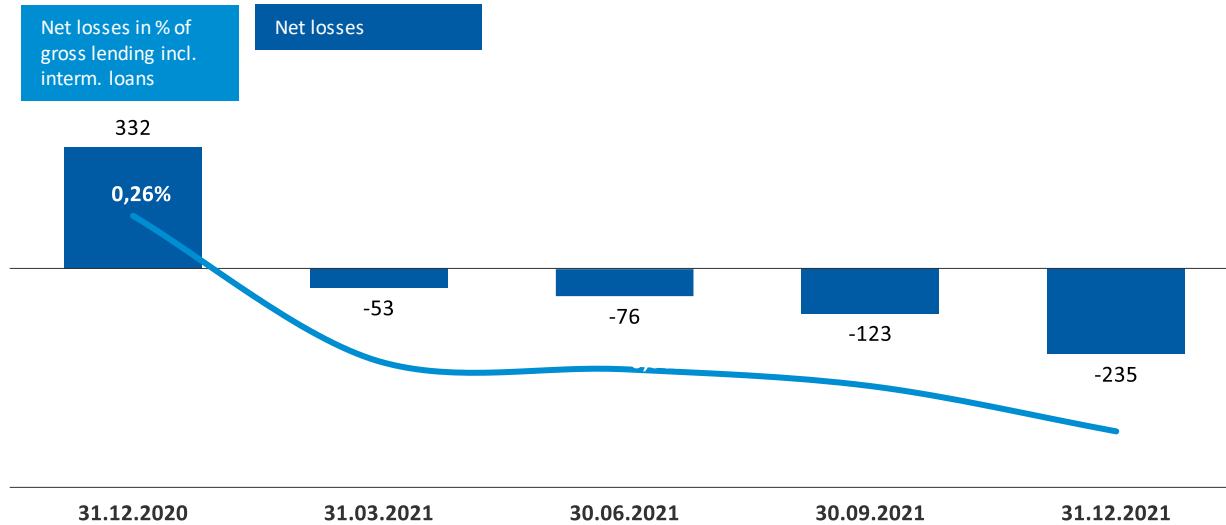
Result before tax - last quarter



Net interest income - Group

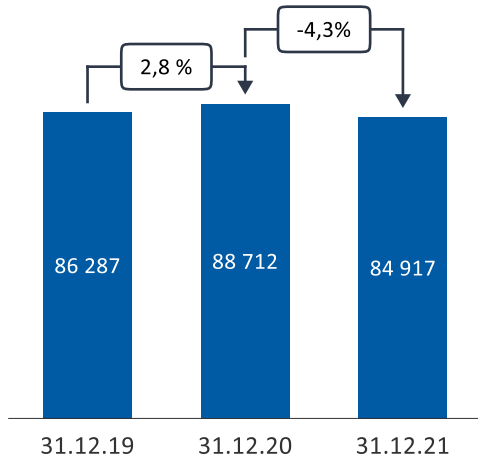


Low losses

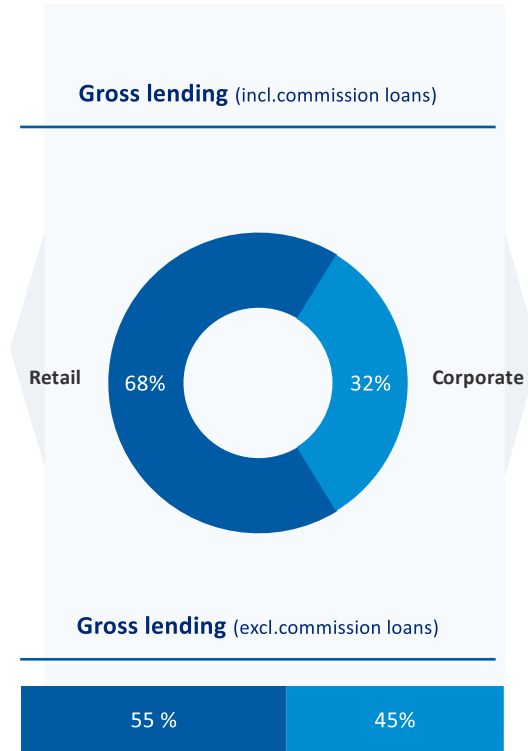


Lending growth

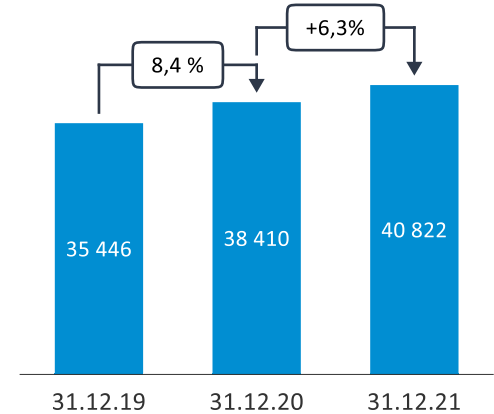
Retail marked (incl.commission loans)



Gross lending (incl.commission loans)

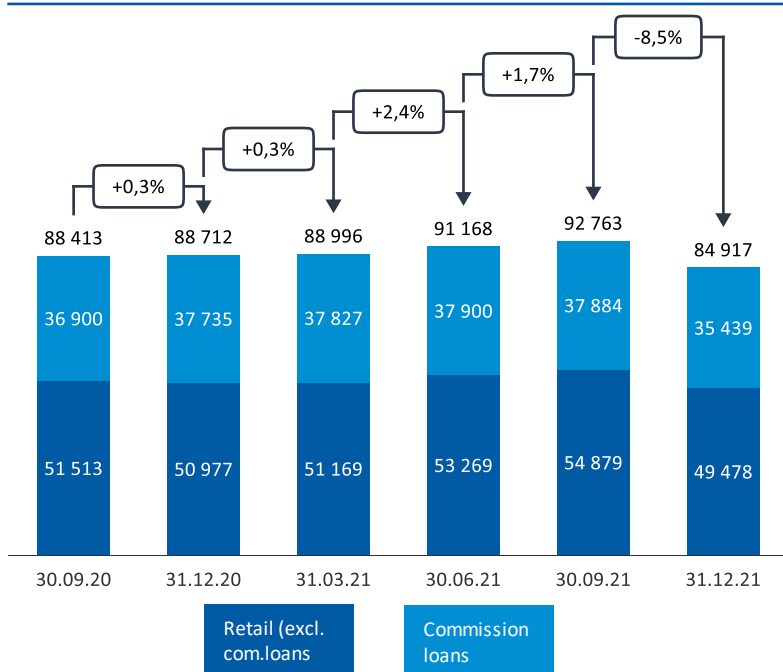


Corporate Banking (incl.commission loans)

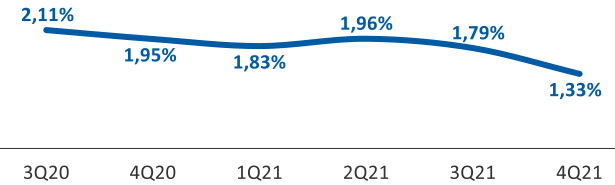


Retail Market

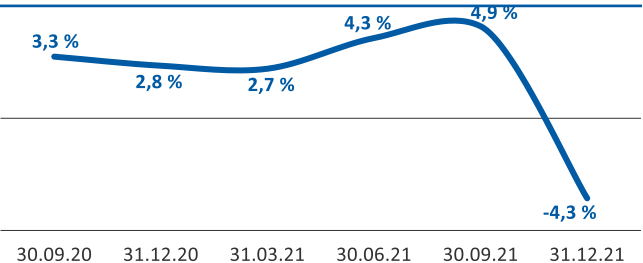
Lending growth



Development in lending margin (ISO)

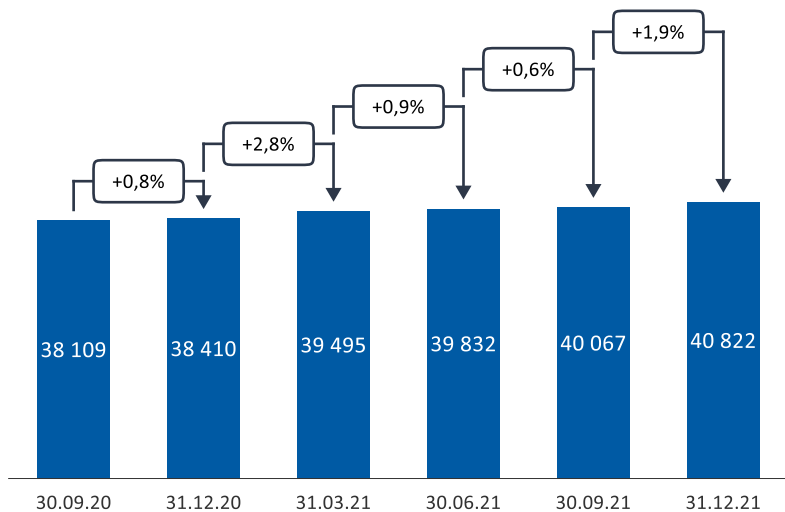


Lending growth (12 mth)

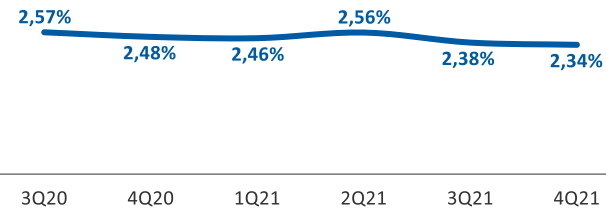


Corporate Banking

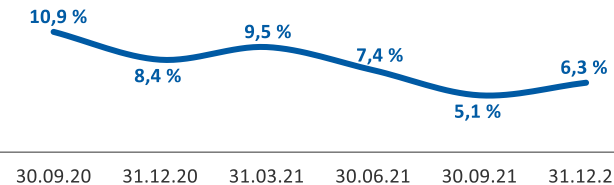
Lending growth



Development in lending margin (ISO)

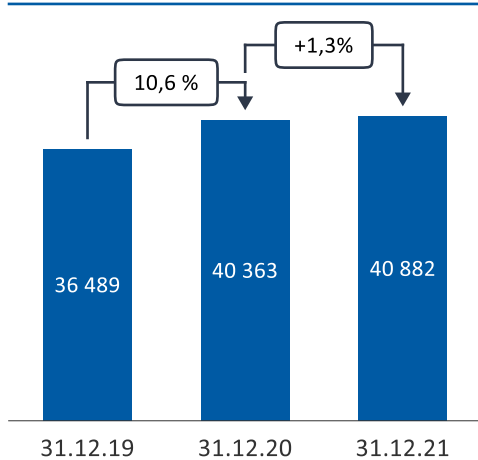


Lending growth (12 mth)

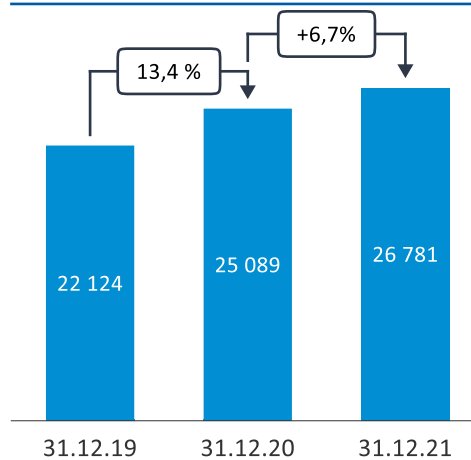


Deposit growth

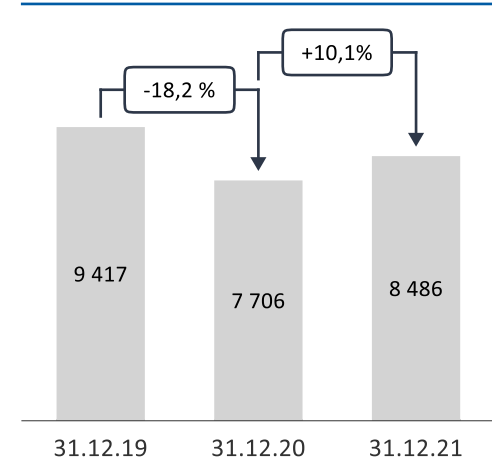
Retail Market



Corporate Banking



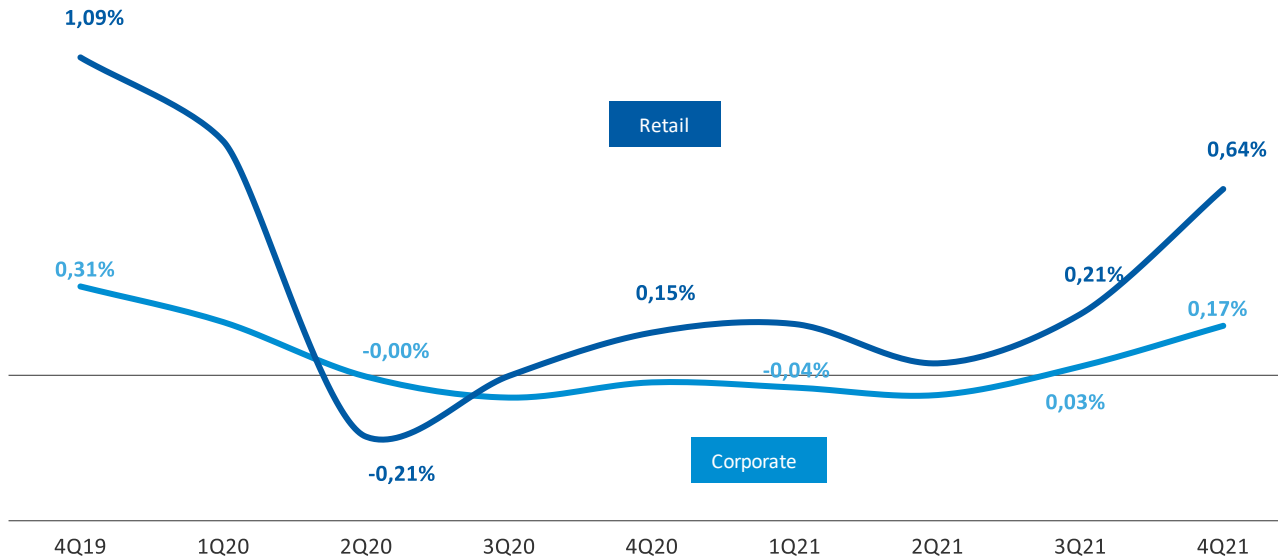
Public Market



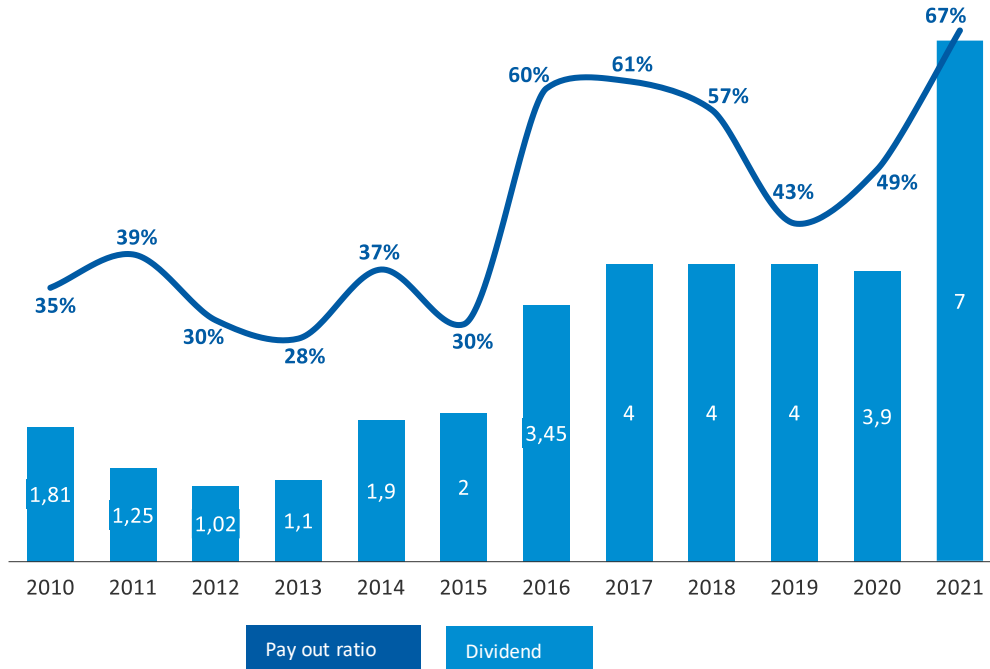
Deposits gross



Development in deposit margins



Proposed record-high dividend for 2021



Total dividend for 2021

NOK 7,00/EC

Ex. date March 25th and pay out on April 12th

A pay out ratio of 66,9 % mean that the northern Norwegian society will receive **NOK 813 million**

Long term financial targets

> 12 %
ROE

< 40 %
C/I ratio

> 50 %
Dividend payout ratio

15 %
CET-1

Financial outlook

NRI

- The interest margin in Q4 is negatively effected by the SpareBank 1 Helgeland-deal and a higher funding cost in the last weeks of last year. At the same time we have a positive effect of the Nibor increase on the deposit margins.
- The expected central bank rate hikes in 2022 will potentially give an additional increase on these margins. The combination of increased competition and a rate hike cycle will put pressure on the mortgages margins, but in sum we are still positive to the margins in 2022.

ROE >12 %

- In spite of the current rate level, the overcapitalization and tough competition on mortgages through 2021 the bank has delivered a ROE at 15.1 %. This gives us a fantastic start of 2022, however we expect harder competition and still have a massive capital base the puts pressure on the ROE.
- The target ROE > 12 % still stands.

CET-1 Ratio : 15 %

- Targeted CET-1 ratio is one percentage point above the regulatory minimum requirement.
- The bank is very well capitalized, and will continue to be so despite of a record high dividend for 2022. Potential changes/tightening of regulatory requirements will not be a challenge for the bank.

C/I < 40 %

- Adjusted for extraordinary effects related to the deal with SpareBank 1 Helgeland and the termination of a pension scheme the C/I ended on 38.3 %, and is well within the targeted levels.
- 2022 will be the first year with full effect from the cost cut program and despite inflation pressure and pressure in the labour market we are expecting to reach the target C/I in 2022.

Pay out ratio > 50 %

- The targeted dividend pay out ratio of > 50 % still stands .
- Record high dividend payouts for 2021, but the bank remain well capitalized and is well positioned in the marked, which should facilitate a good payout ratio going forth.

Why invest in SpareBank 1 Nord-Norge

#1

- Market leader in a resourceful region

ROE

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



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

Contacts

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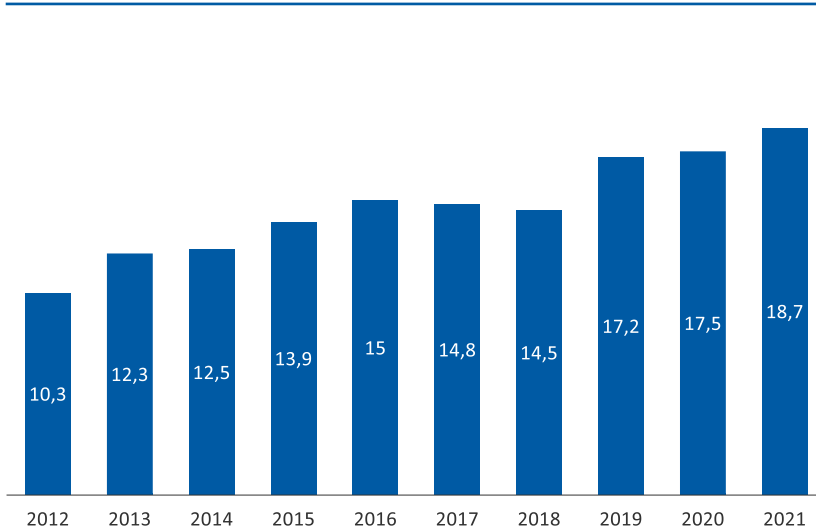
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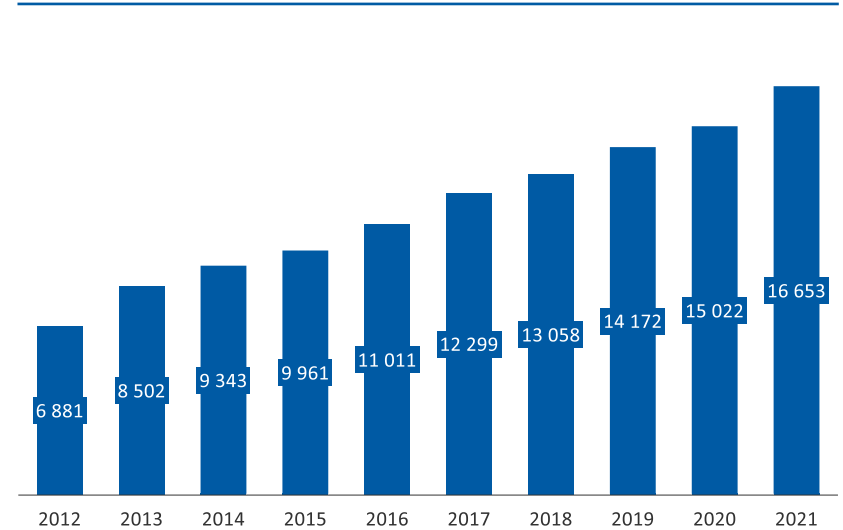


A solid bank for Northern Norway

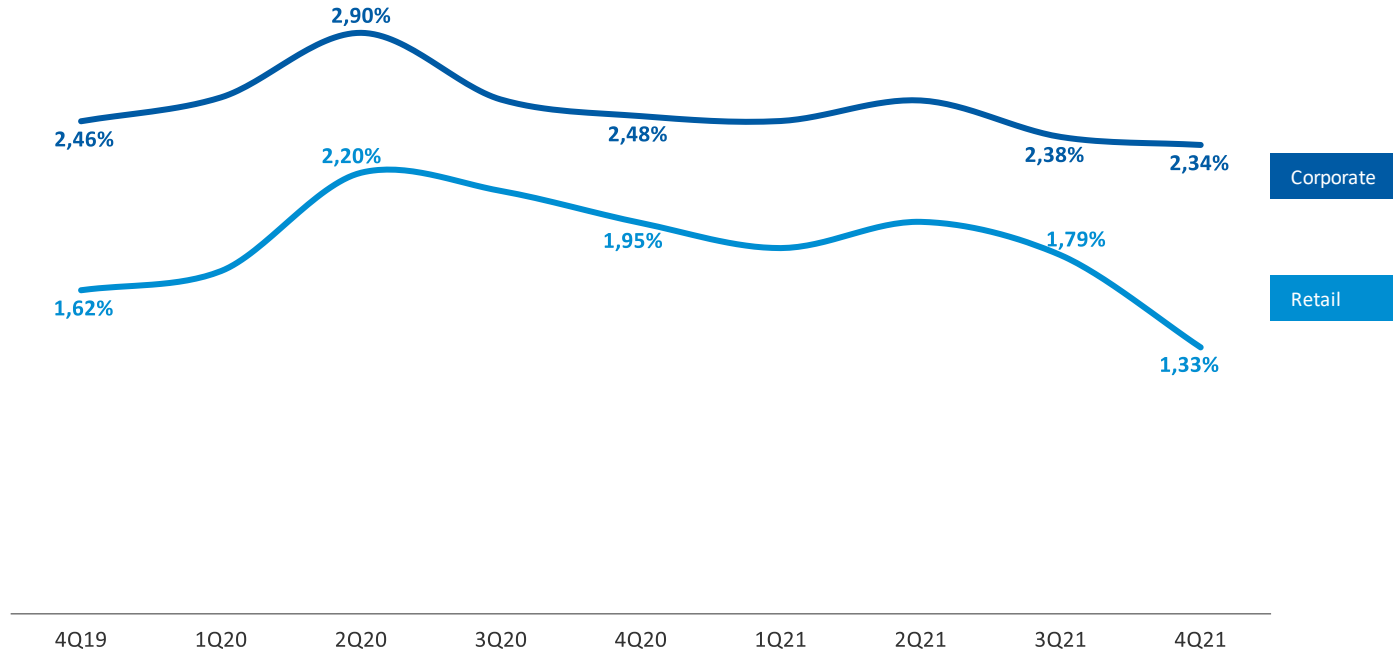
CET-1 (%)



Total equity (mNOK)



Development in lending margins



Company structure

Associated companies and joint ventures

SpareBank 1 Gruppen AS
19,50 % | Financial services

SpareBank 1 Boligkreditt AS
15,92 % | Covered Bond company

**SpareBank 1
Næringskreditt AS**
3,20 % | Funding/property

SpareBank 1 Utvikling
18 % | System development

SpareBank 1 Kreditt AS
18,37 % | Credit card

SpareBank 1 Betaling AS
18,57 % | Vipps/mobile payment

**SpareBank 1
Gjeldsinformasjon AS**
14,53 % | Investment company

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

SpareBank 1 Mobilitet AS
30,66 % | System development

SpareBank 1 Forvaltning AS
14,14 % | Investment company

SpareBank 1 Kundepleie AS
26,67 % | System development

Subsidiaries

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

**Eiendomsmegler 1 Nord-
Norge AS**
Real estate brokerage

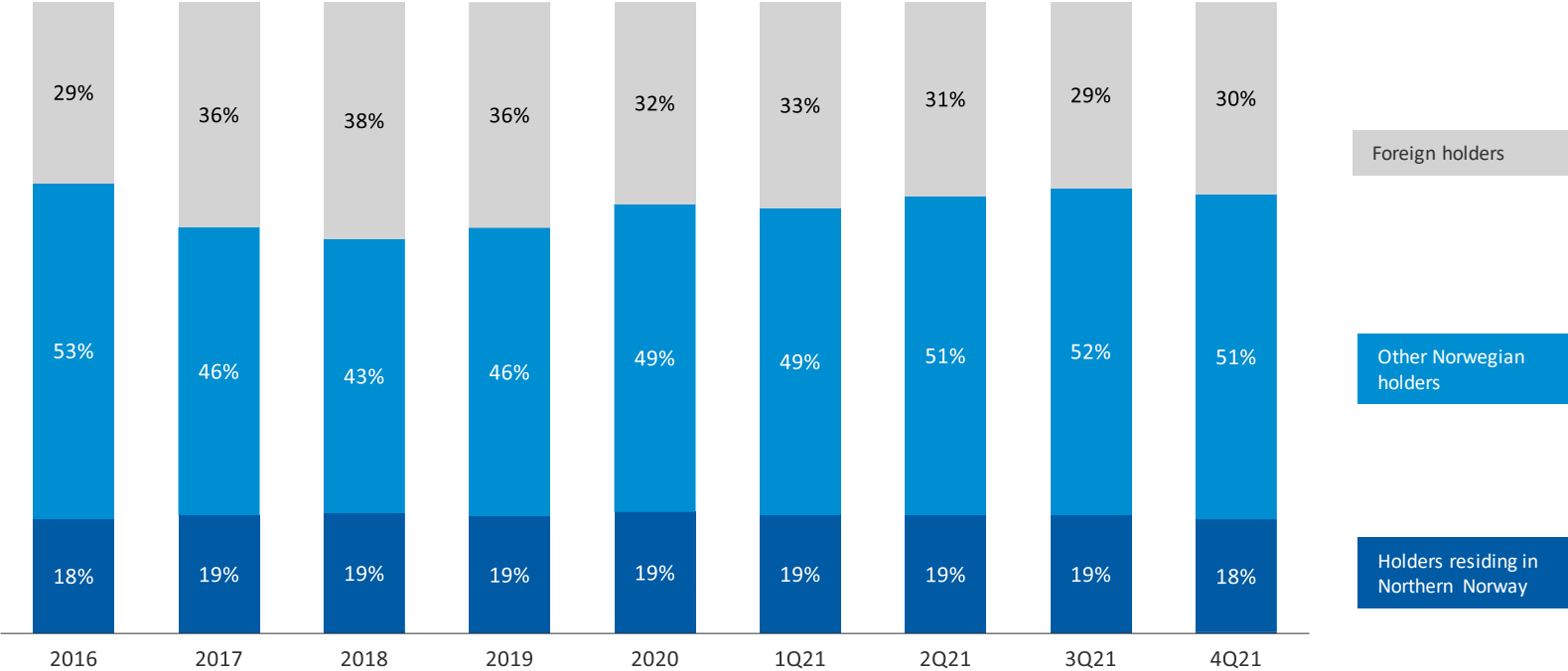
Fredrik Langesgt 20 AS
Commercial building

**SpareBank 1 Regnskaps-
huset Nord-Norge AS**
Accounting

**SpareBank 1 Nord-Norge
Portefølje AS**
Investment company

Rødbanken Holding AS*
Investment company

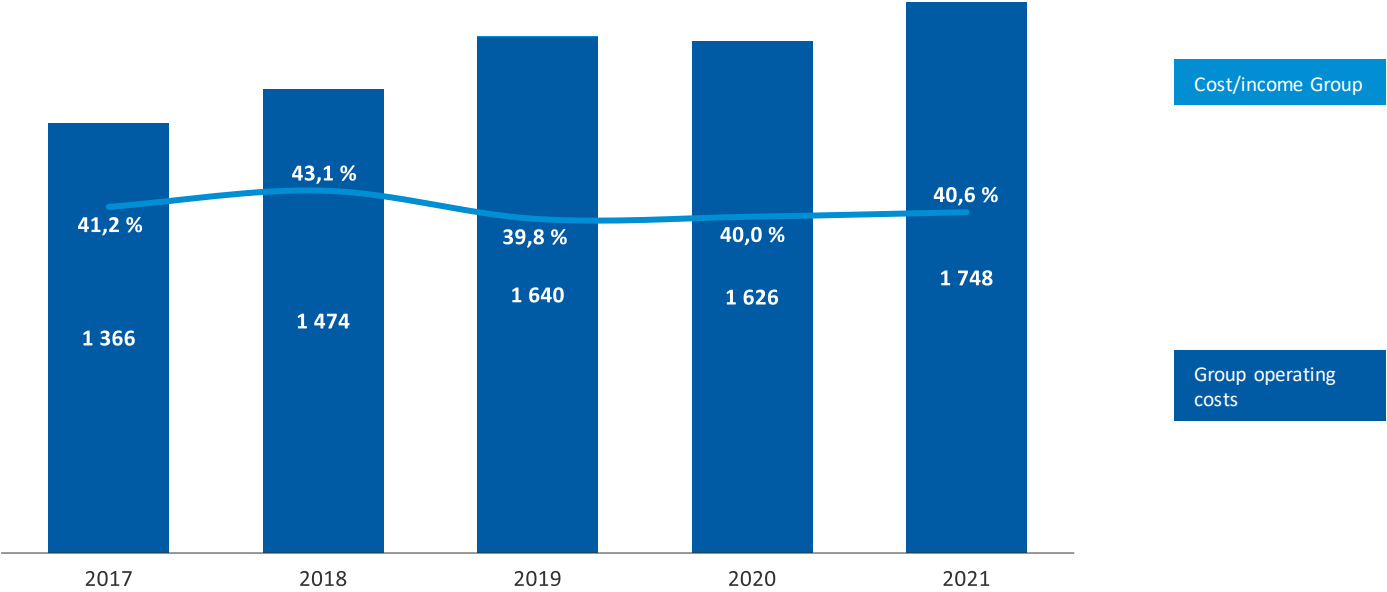
Geographical distribution of ownership



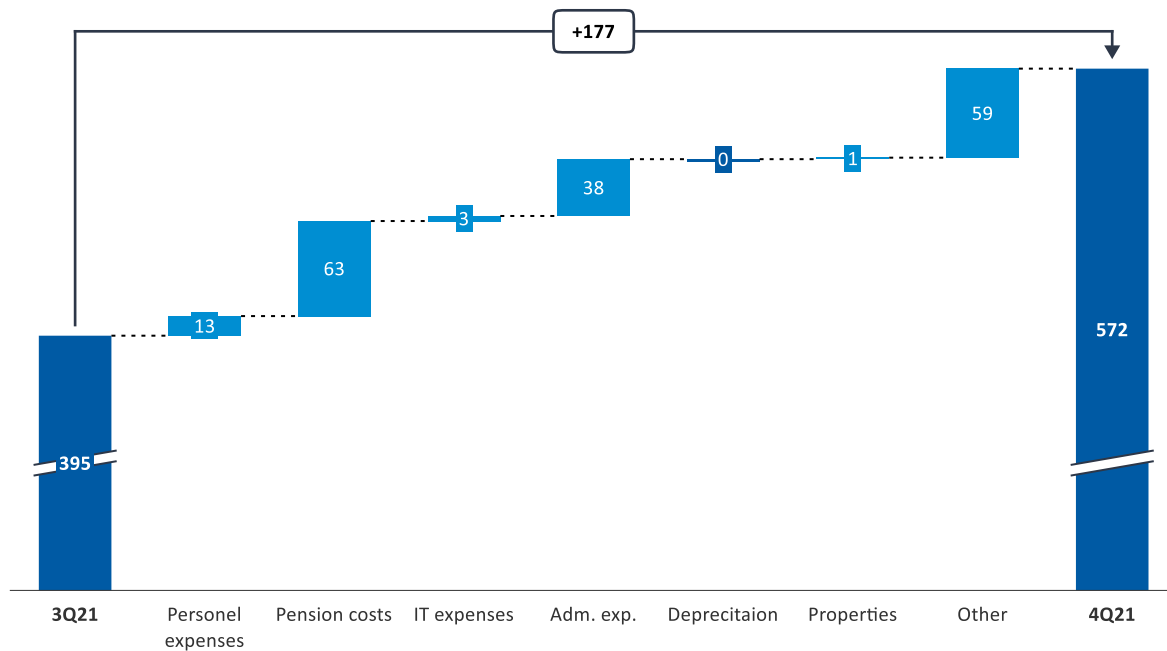
The 20 largest EC holders

EC Holders	Number of Ecs	Share of EC Capital
PARETO INVEST AS	3,9M	3,9 %
VPF EIKA EGENKAPITALBEVIS	3,0M	3,0 %
PARETO AKSJE NORGE VERDIPAPIRFOND	3,0M	3,0 %
GEVERAN TRADING CO LTD	2,8M	2,8 %
The Northern Trust Comp, London Br	2,3M	2,3 %
MP PENSJON PK	2,3M	2,3 %
Brown Brothers Harriman & Co.	2,0M	2,0 %
State Street Bank and Trust Comp	1,9M	1,9 %
FORSVARETS PERSONELLSERVICE	1,7M	1,7 %
SPAREBANKSTIFTELSEN SPAREBANK 1 NO	1,4M	1,4 %
Landkreditt Utbytte	1,4M	1,3 %
SPESIALFONDET BOREA UTBYTTE	1,3M	1,3 %
The Bank of New York Mellon SA/NV	1,3M	1,3 %
State Street Bank and Trust Comp	1,1M	1,1 %
J.P. MORGAN BANK LUXEMBOURG S.A.	1,1M	1,1 %
J.P. MORGAN BANK LUXEMBOURG S.A.	980K	1,0 %
The Bank of New York Mellon SA/NV	924K	0,9 %
Euroclear Bank S.A./N.V.	885K	0,9 %
CLEARSTREAM BANKING S.A.	781K	0,8 %
Morgan Stanley & Co. Int. Plc.	753K	0,8 %
Total	34.721.553	34,6 %

Cost development - Group



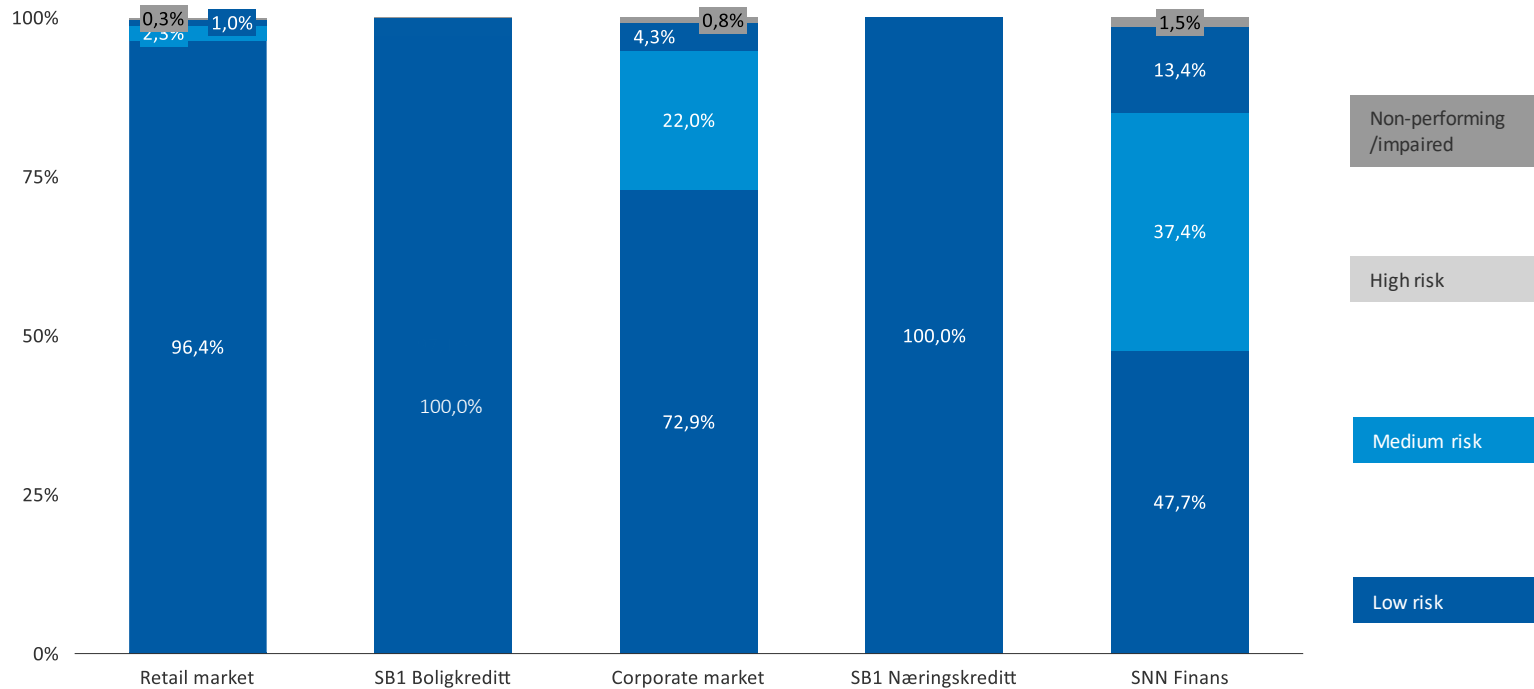
Operating expenses - Group



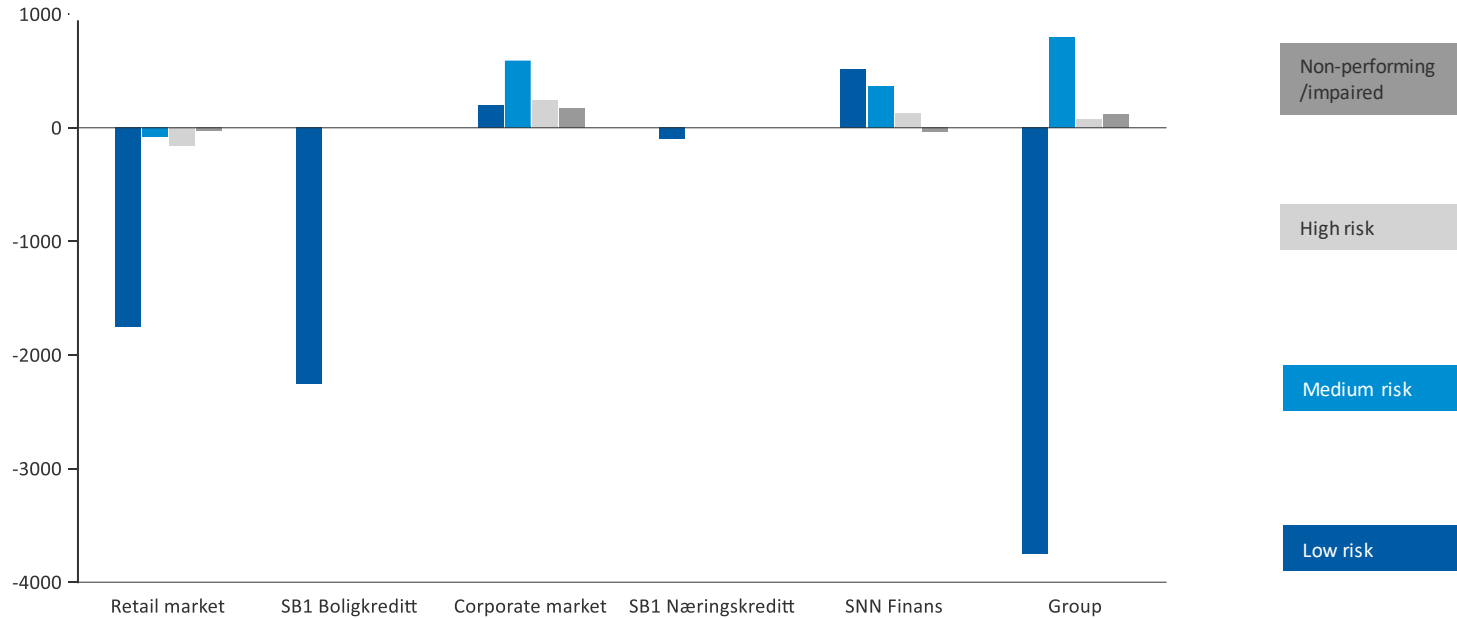
Net fee- and other operating income - Group

(Amounts in NOK million)	4Q21	3Q21	2Q21	1Q21	4Q20
Payment facilities	63	62	53	61	73
Sales provision insurance products	49	50	51	49	46
Guarantee commissions	9	8	8	7	9
Real estate broking	29	32	29	40	29
Portfolio commissions	15	18	17	14	17
Other commissions	49	53	71	29	35
Commissions excl. commission loan	214	223	229	200	209
Commission loans	87	112	103	99	114
Total commission income	301	335	332	299	323
Commission costs	30	21	24	21	29
Accounting services	47	47	54	64	42
Other operating income	101	5	2	8	12
Total commissions and other income	148	52	56	72	54
Net fee- and other operating income	419	366	364	350	348

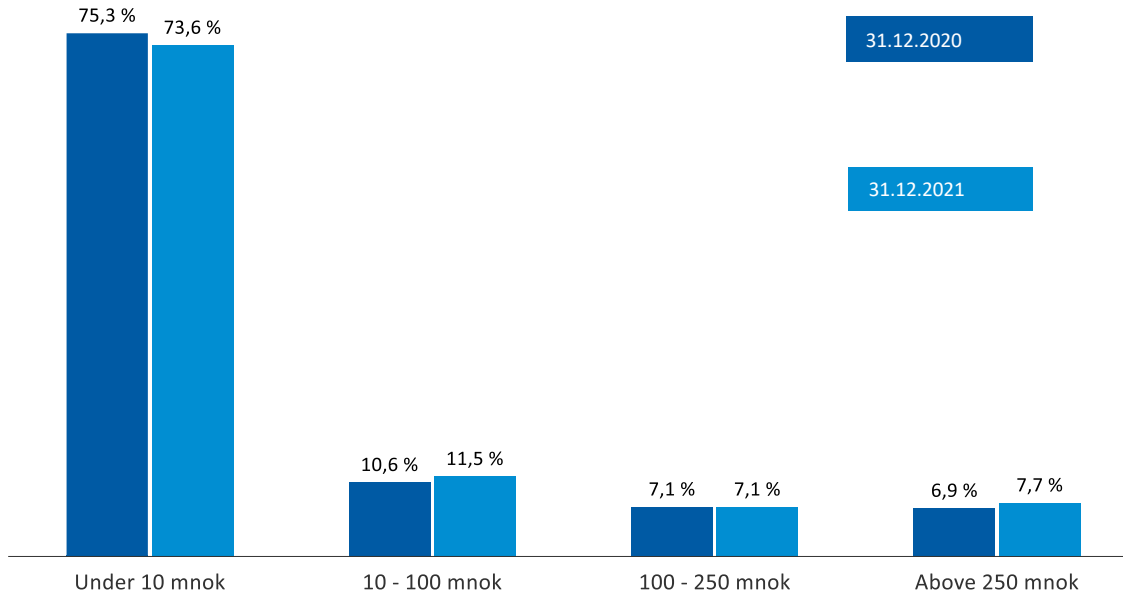
Risk exposure - Group



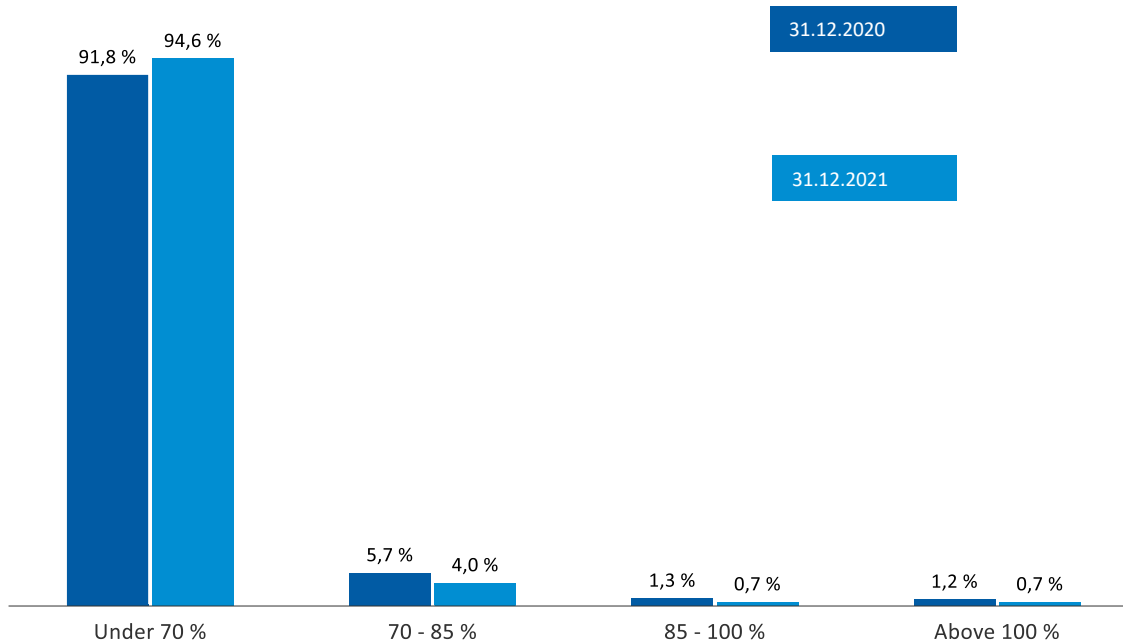
Changes in exposure last 12 months - Group



Exposure distributed by size*



LTV mortgage loans



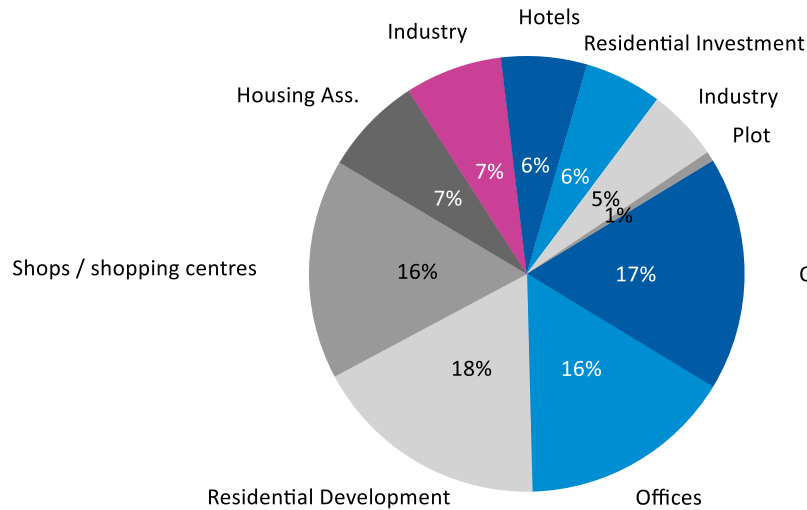
LTV is distributed by balance and is based on the market value of the collateral:

- 98.6 % of the gross exposure is within 85 % of the collateral market value
- Only 0.7 % of the gross exposure is higher than 100 % of the collateral market value

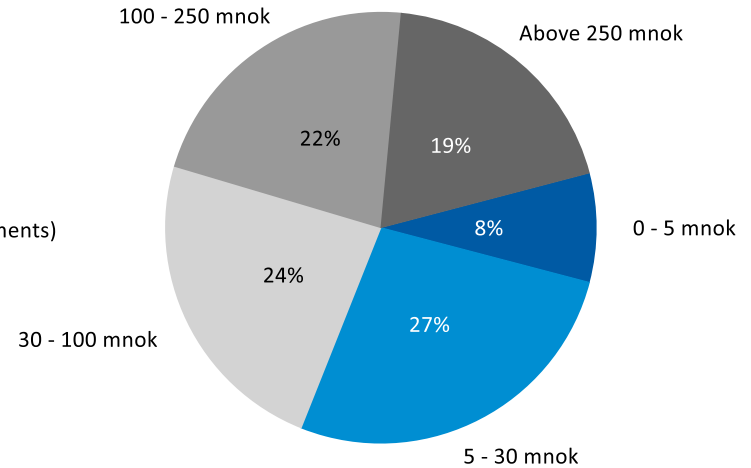
- The figures include the portfolio in SB1 Boligkreditt

Diversified portfolio in commercial real estate

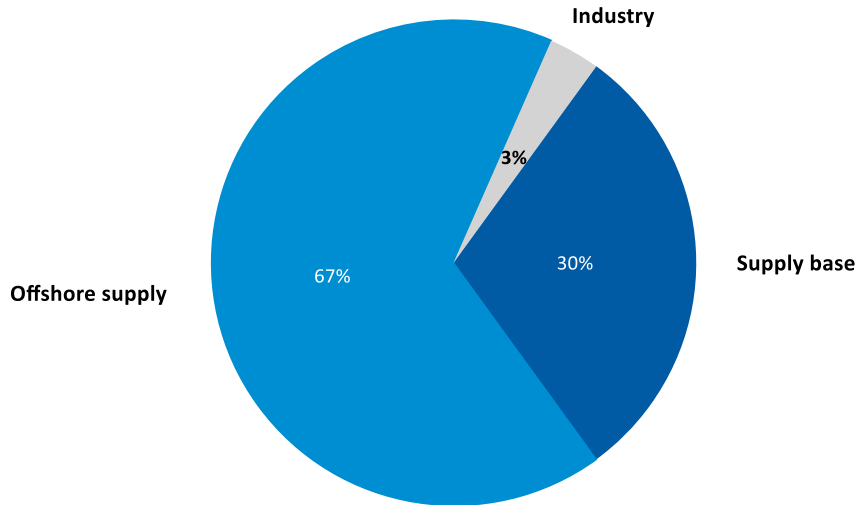
Portfolio distribution



Size of commitments



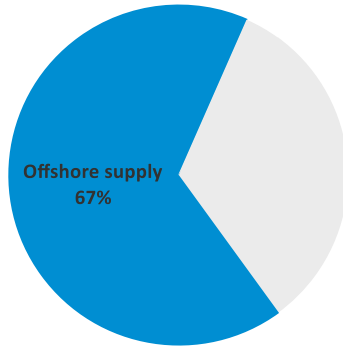
Still low oil related exposure



Oil related exposure amounts to NOK 833 mill

- The exposure represents 0.61 % of total exposure including covered bond companies
- Average weighted probability of default 1.86 %
- A total of NOK 28 mill are non-performing or impaired commitments
- The activity within oil and offshore consists of a small customer portfolio handled by a small group of advisors

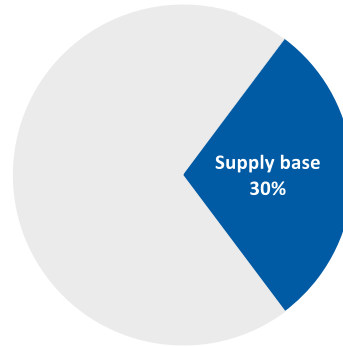
Oil related portfolio



Offshore Supply Vessels

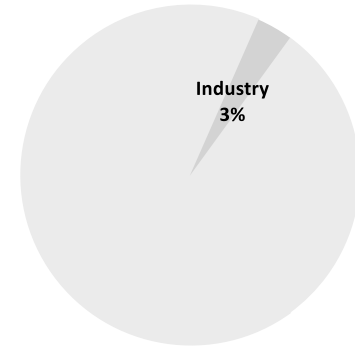
- Exposure amounts to NOK 555 mill
- Average weighted probability of default 2.46 %
- Total amount of 7 vessels*
- Weighted age 9.4 years*
- Average weighted contract length 2.3 years*
- SNN is participant in syndicates on 6 vessels

*Exclusive of barges



Supply base

- Exposure amounts to NOK 250 mill
- Average weighted probability of default is 0.33%
- Customers with long term contracts with solid and strong partners gives good cash flows in the short and long term



Industry

- Exposure amounts to NOK 28 mill
- Average weighted probability of default if 100 %
- A total of NOK 28 mill non-performing or impaired commitments

Loan losses - Group

	31.12.2021	4Q21	3Q21	2Q21	1Q21	31.12.2020
Individual losses Corporate market	(126,9)	(153,1)	19,9	7,3	(1,1)	32,4
Individual losses Retail market	1,6	3,8	1,2	(3,5)	0,2	5,4
Collective losses and other value change items	(110,0)	36,6	(68,0)	(26,8)	(51,7)	286,6
Total losses on loans and guarantees	(235,3)	(112,8)	(47,0)	(23,0)	(52,6)	324,4

The Group's annualized losses is -0.19 % (annualized) of gross lending including loans transferred to covered bond companies

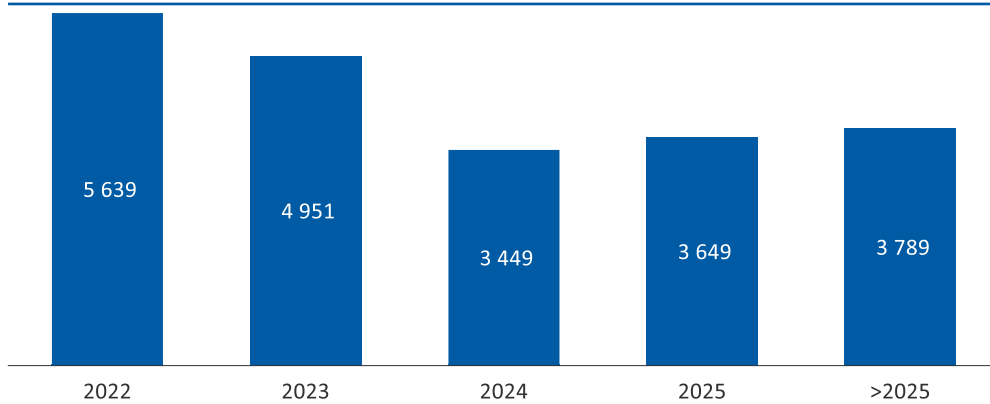
Commitments in step 3: 0.62 % of total exposure. Expected loss share: 36.70 %

Commitments in step 2: 8.70 % of total exposure. Expected loss share: 3.87 %

Commitments in step 1: 90.68 % of total exposure. Expected loss share: 0.25 %

Funding

Maturity profile (mNOK)

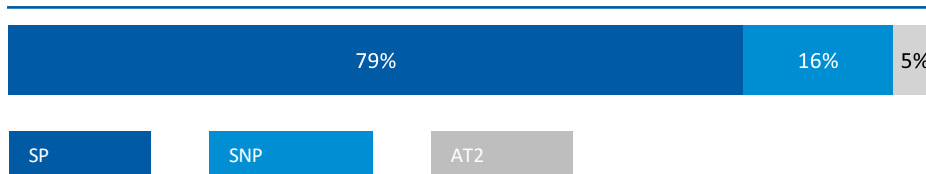


NOK 22 227 mill in capital market funding exclusive of SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt is important funding sources. In total NOK 35 752 mill had been transferred as of 31.12.21

Amount of gross maturities of capital market funding next 12 months is NOK 5 639 mill

Distribution of capital market funding (mNOK)



Ambitious goals for climate risk and sustainability



Sustainability and climate risk are included in our business- and risk strategy

A framework for the link between green lending and green capital market funding has been developed. The framework is based on important business sectors in the north, including fisheries, aquaculture, real estate, transport and renewable energy

The group aims for a total reduction in greenhouse gas emission by 40 % by 2026

Green loan products and ESG labeling of funds are some of the ways we are making it easier for customers to make sustainable choices

The group reports on its work on sustainability according to internationally recognized standards such as GRI, TCFD, UNEP FI and the Global Compact

Achieving goals for sustainability

- ESG-classified portfolio aligned with EUs taxonomi*
- Major contribution to the SDGs (175 mill in 2021)
- Green product framework and Green Finance Framework established special for the Arctic region
- 41% women in leadership positions
- 24% reduction in greenhouse gas emissions
- ESG-strategy build on established principles in the Finance sector (UNEP FI, UNG Global Compact, GRI, TCFD)

*Delegatet acts June 2021



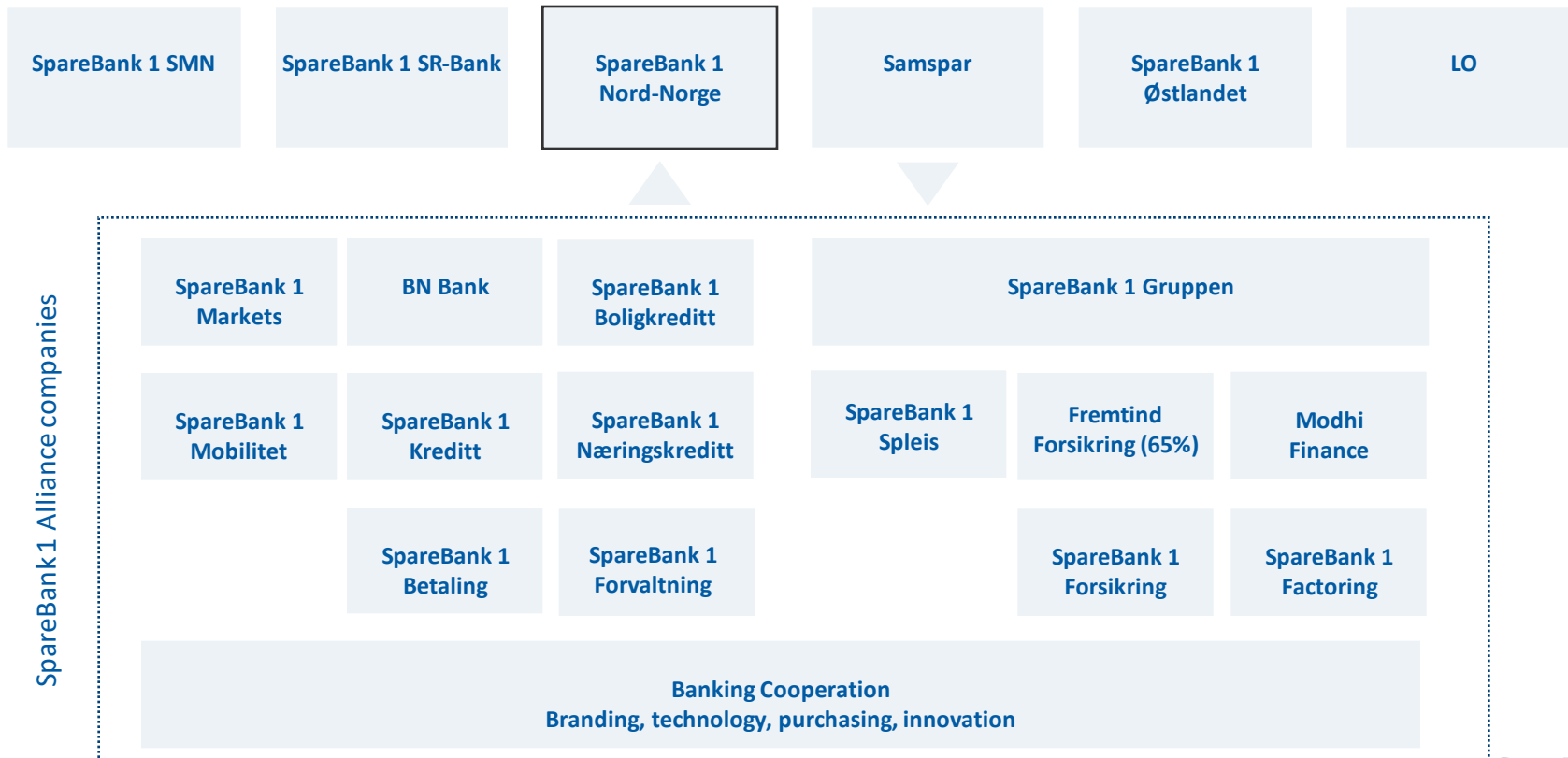
SpareBank 1 Alliance



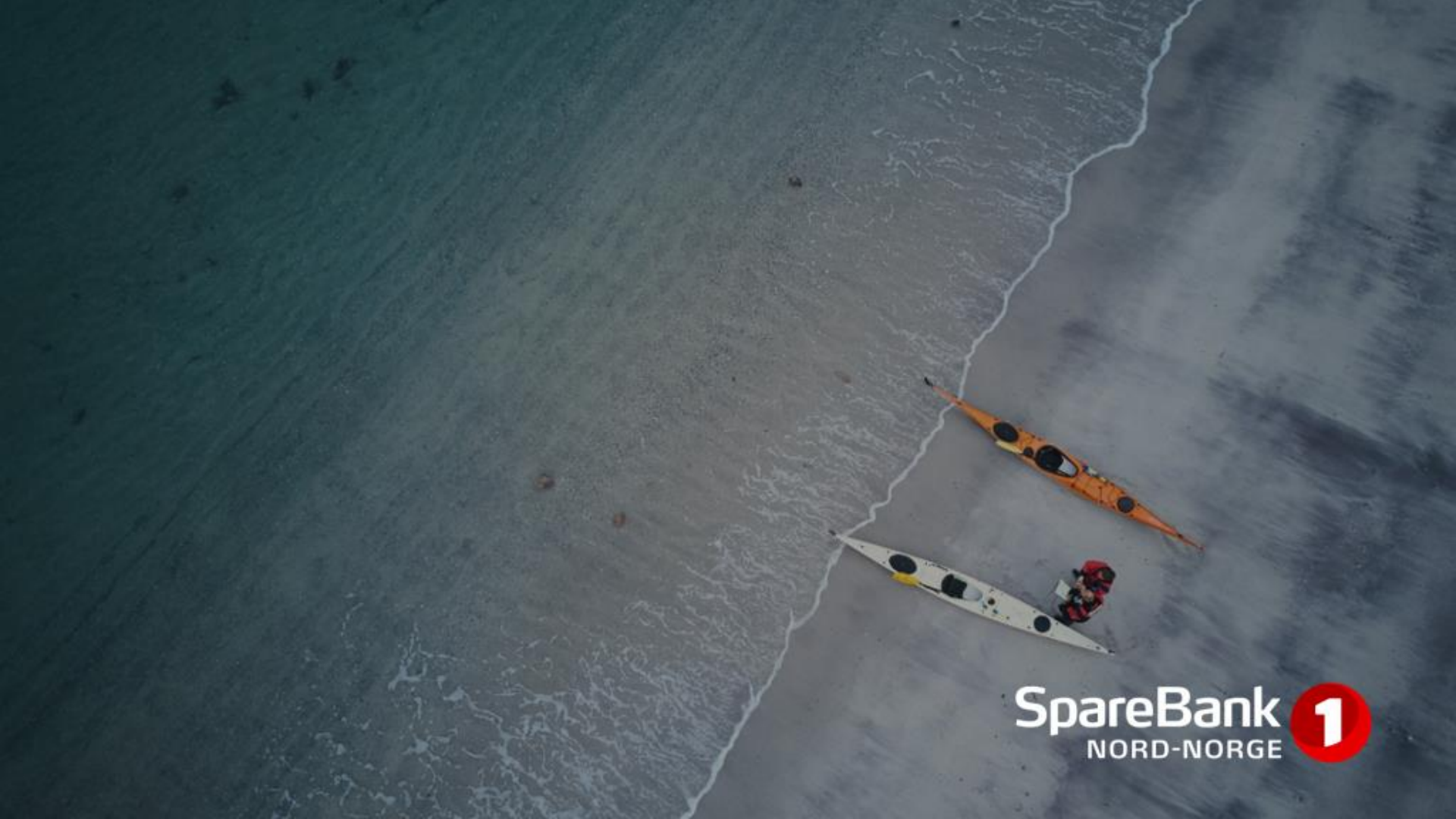
- The SpareBank 1-alliance consists of 14 banks
- Operate exclusively in Norway – Norway’s most extensive branch network with approx. 350 branches
- The alliance are in the forefront of incorporating technological innovation into its distribution channels. Best rated mobile banking in Norway
- Market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

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

SpareBank 1 Alliance



SpareBank 1 Alliance companies



SpareBank
NORD-NORGE

