

3Q 2021

Tromsø, 28 October 2021

Liv B. Ulriksen, CEO

Bengt Olsen, CFO

1 Highlights

2 Outlook

3 Financial status

A Appendix



Highlights YTD

| Pre-tax profit | | ROE | |
|--------------------|--|-----------------|-----------------|
| 1 956 MNOK (1 649) | | 14,0 % (13,4 %) | |
| | | | |
| CET-1 ratio | | C/I ratio | Loan losses |
| 18,6 % (17,2 %) | | 39,1 % (38,5 %) | -123 MNOK (259) |

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 **35 %**

Main bank SME **36 %**

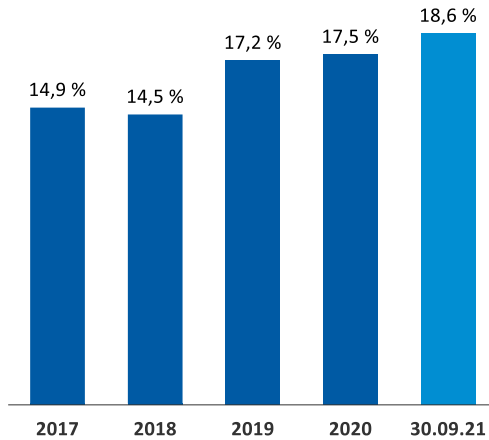
Real estate agency **36 %**

Accounting **20 %**

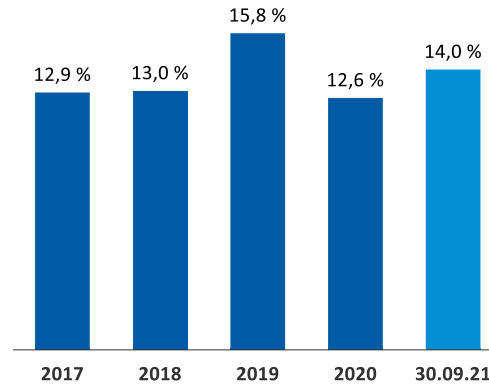
Secured financing **21,3 %**

Delivery on all financial targets

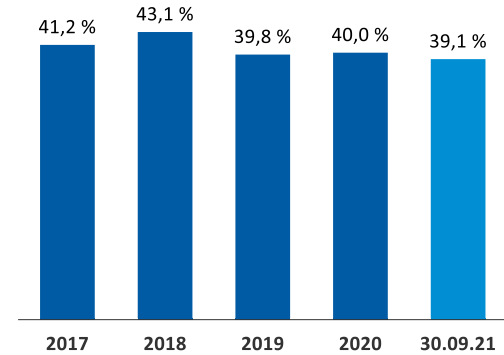
CET 1



Return on equity capital



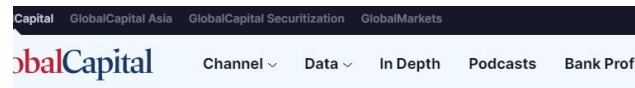
Cost/income Group



Subsidiaries – results before tax

| | 30.09.2021 | 30.09.2020 |
|--|----------------|----------------|
| SpareBank 1 Finans Nord-Norge AS | 155 240 | 103 963 |
| SpareBank 1 Regnskapshuset Nord-Norge AS | 33 503 | 31 061 |
| EiendomsMegler 1 Nord-Norge AS | 35 791 | 34 178 |
| Subsidiaries core operations | 224 534 | 169 202 |
| Other subsidiaries | 1 138 | 2 025 |
| Total | 225 672 | 171 227 |

From green assets to green funding



SpareBank 1 Nord-Norge finds demand for green debut in Swissies

By Frank Jackman August 25, 2021 01:30 PM



Swiss francs offering an attractive alternative to benchmark markets

Åpne dører



Barometer 2021X



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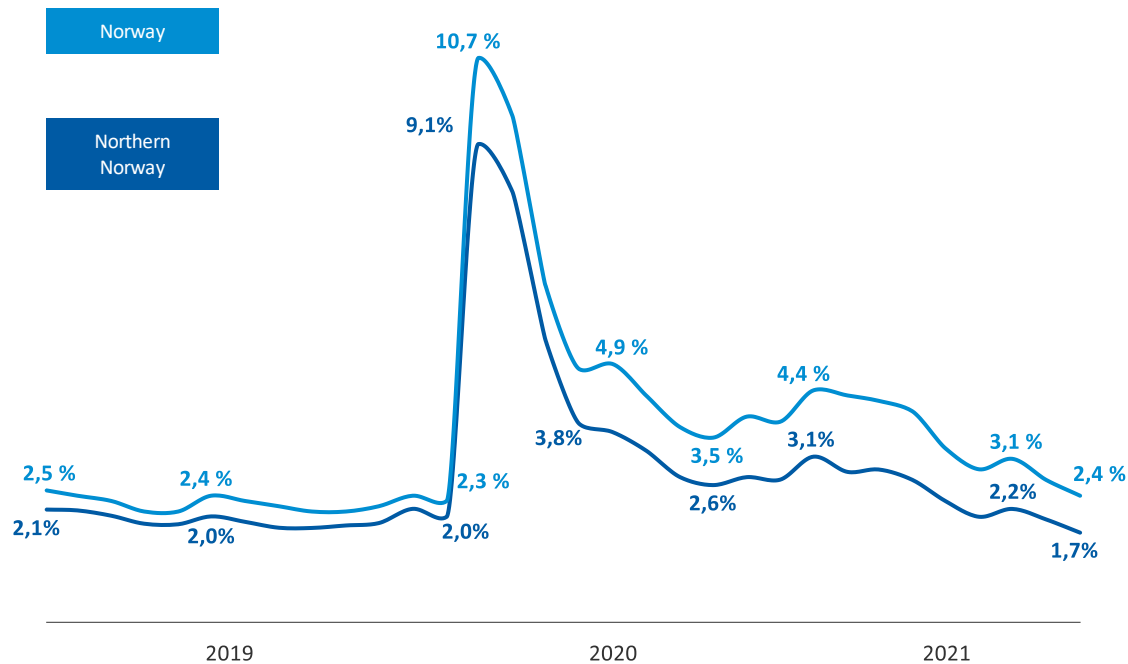


Highlights from Konjunkturbarometeret 2021

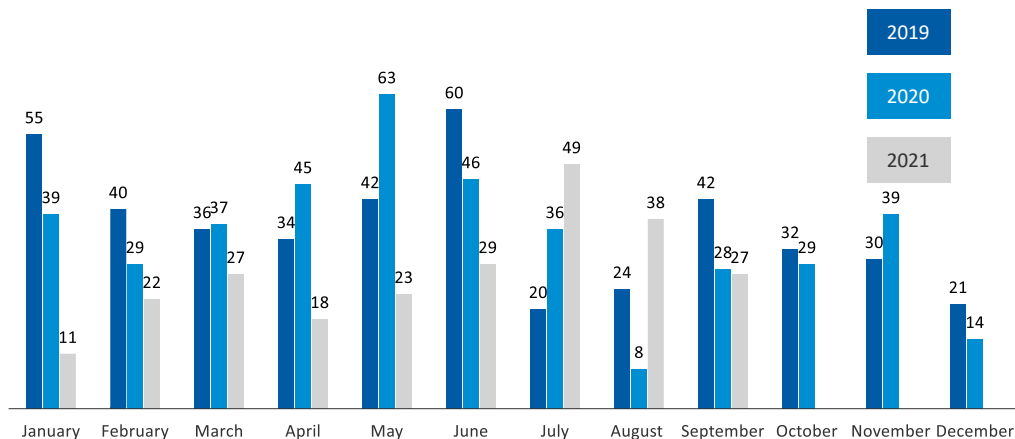
- New record for Seafood export!
- Energy surplus creates new industries!
- Basically no unemployment!

Unemployment

Unemployment



Bankruptcies in Northern Norway



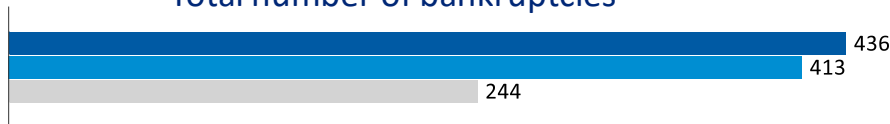
Number of bankruptcies in Northern Norway are still at low levels

These industries have seen the greatest number of bankruptcies:

















- Construction
- Accommodation
- Catering
- Retail sales

Number of bankruptcies are expected to increase going forward

Total number of bankruptcies



Status and outlook in Northern Norway

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

Ambitions for growth and increased market share

Expected growth for SpareBank 1 Nord-Norge in 2021

Retail market: 3-6 %

Corporate market: 5-7 %

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

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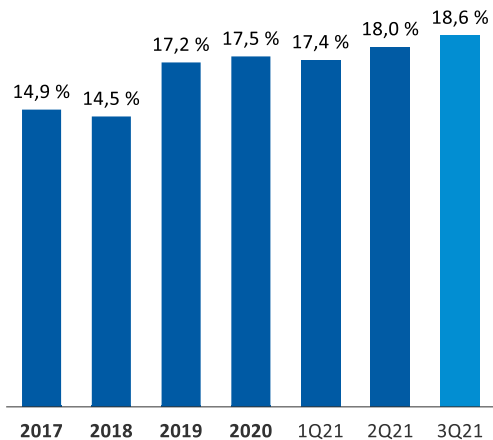
Group financial highlights and key figures

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

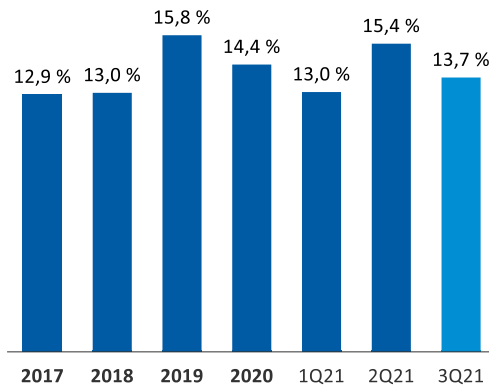
| | 3Q21 | 2Q21 | 30.09.21 | 30.09.20 | 31.12.20 |
|---|------------|------------|--------------|--------------|--------------|
| From the profit and loss account | | | | | |
| Net interest income | 505 | 502 | 1 480 | 1 570 | 2 068 |
| Net fee- and other operating income | 366 | 364 | 1 080 | 951 | 1 299 |
| Net income from financial investments | 140 | 200 | 449 | 581 | 693 |
| Total income | 1 011 | 1 066 | 3 009 | 3 102 | 4 060 |
| Total costs | 395 | 393 | 1 176 | 1 194 | 1 626 |
| Result before losses | 616 | 673 | 1 833 | 1 908 | 2 434 |
| Losses | - 47 | - 23 | - 123 | 259 | 332 |
| Net gain from sale of financial fixed assets | 0 | 0 | 0 | 0 | 0 |
| Result before tax | 663 | 696 | 1 956 | 1 649 | 2 102 |
| Tax | 131 | 121 | 376 | 281 | 360 |
| Defecit non-current assets held for sale | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 1 | 4 | 8 | 0 | 0 |
| Result after tax | 531 | 571 | 1 572 | 1 368 | 1 742 |
| Interest hybrid capital | 21 | 7 | 21 | 26 | 33 |
| Result after tax ex. interest hybrid capital | 525 | 568 | 1 559 | 1 342 | 1 709 |
| Profitability | | | | | |
| Return on equity capital | 13,7 % | 15,4 % | 14,0 % | 13,4 % | 12,6 % |
| Interest margin | 1,6 % | 1,7 % | 1,6 % | 1,8 % | 1,8 % |
| Cost/income | 39,1 % | 36,9 % | 39,1 % | 38,5 % | 40,0 % |

Quarterly development

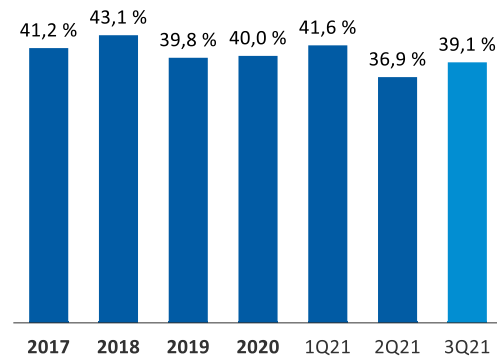
CET 1



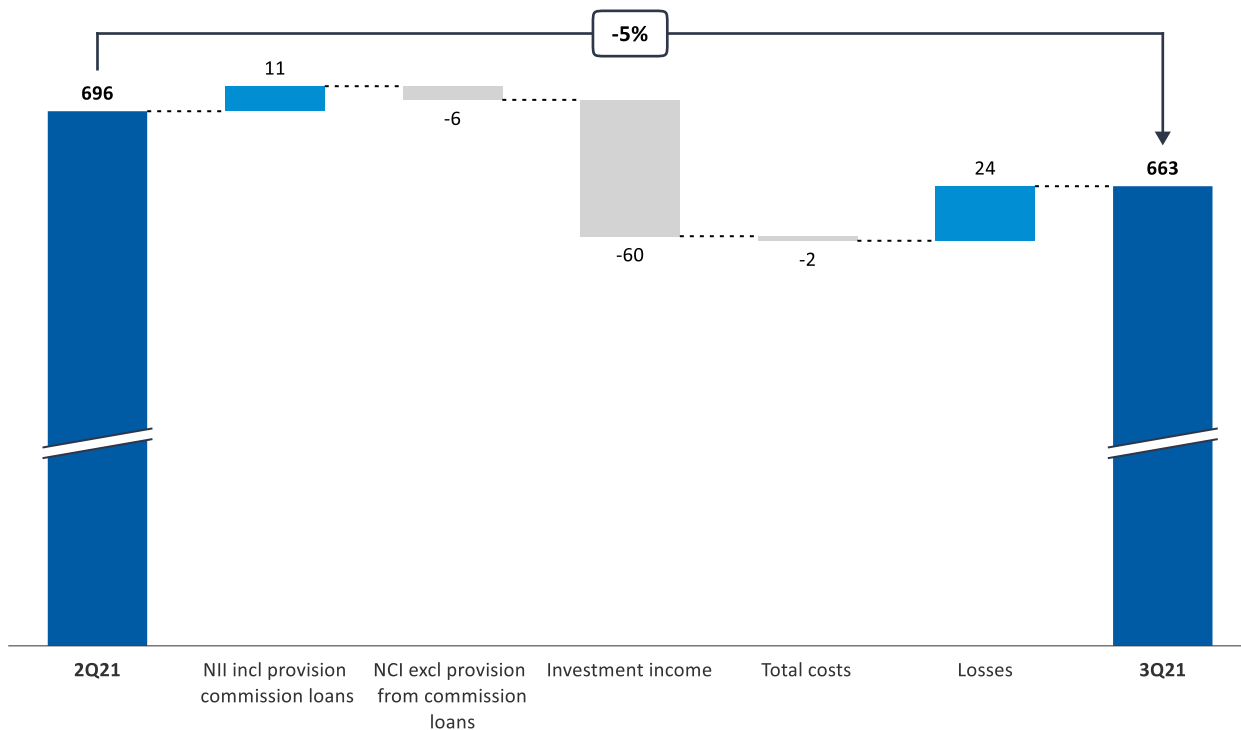
Return on equity capital



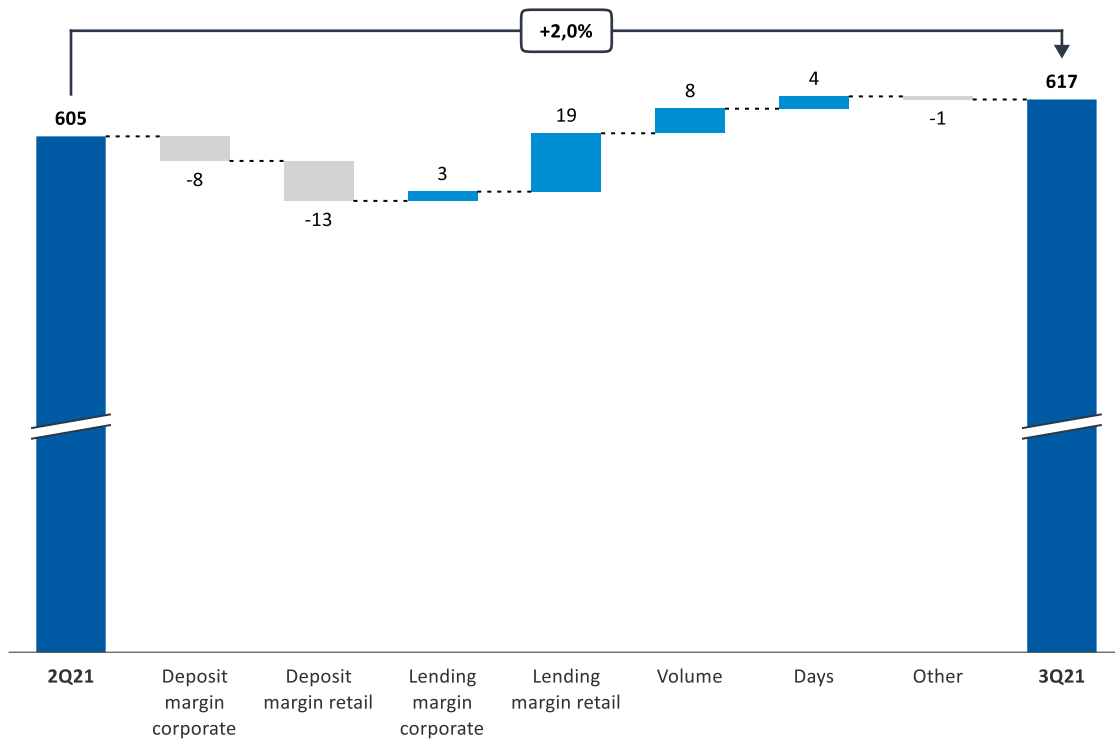
Cost/income Group



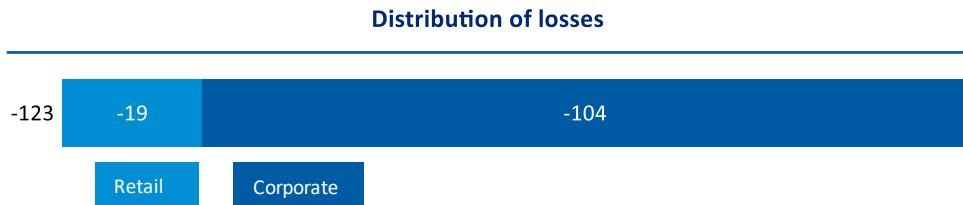
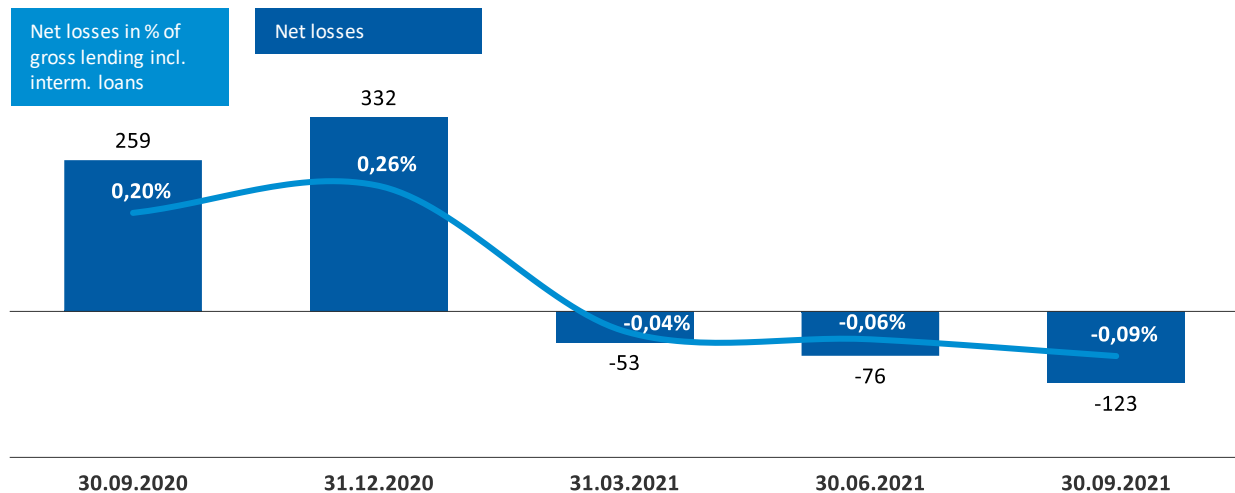
Result before tax - last quarter



Net interest income - Group

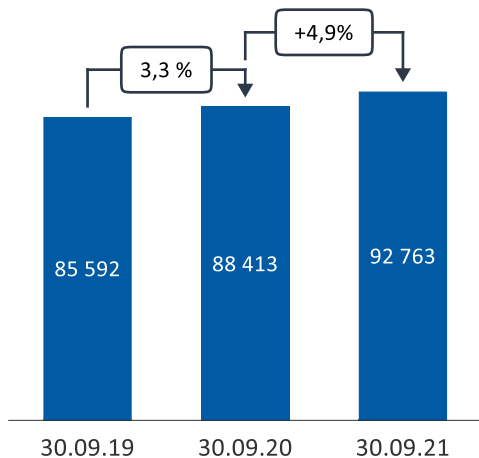


Low losses

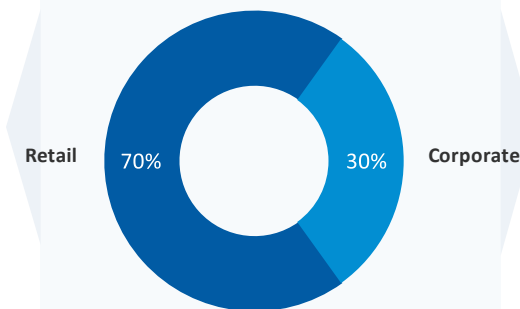


Lending growth

Retail marked (incl.commission loans)



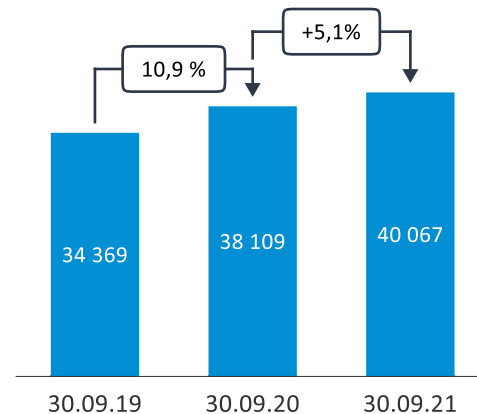
Gross lending (incl.commission loans)



Gross lending (excl.commission loans)

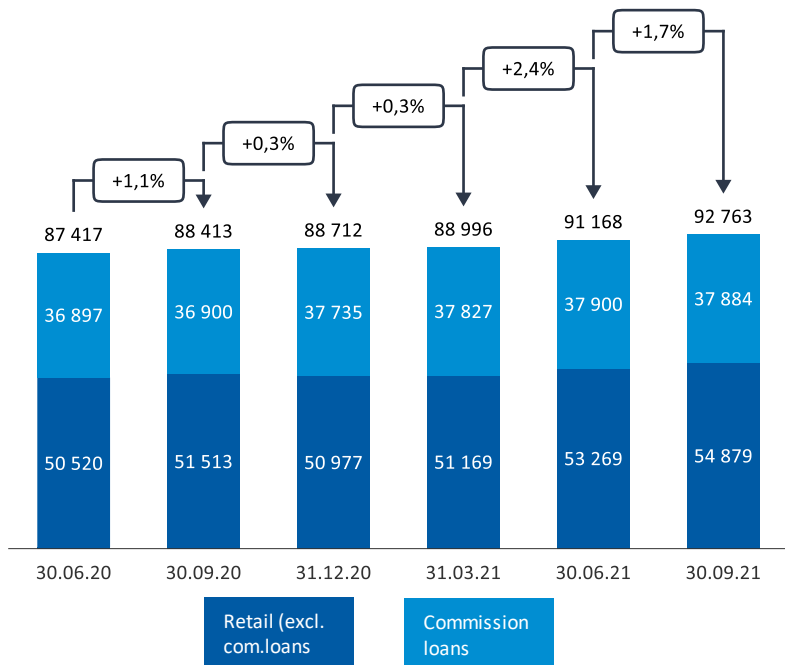


Corporate Banking (incl.commission loans)

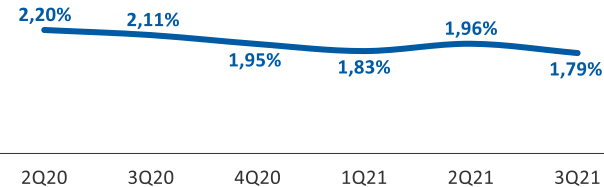


Retail Market

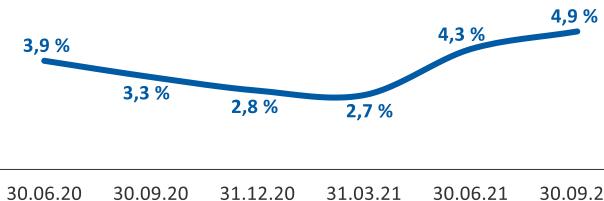
Lending growth



Development in lending margin (ISO)

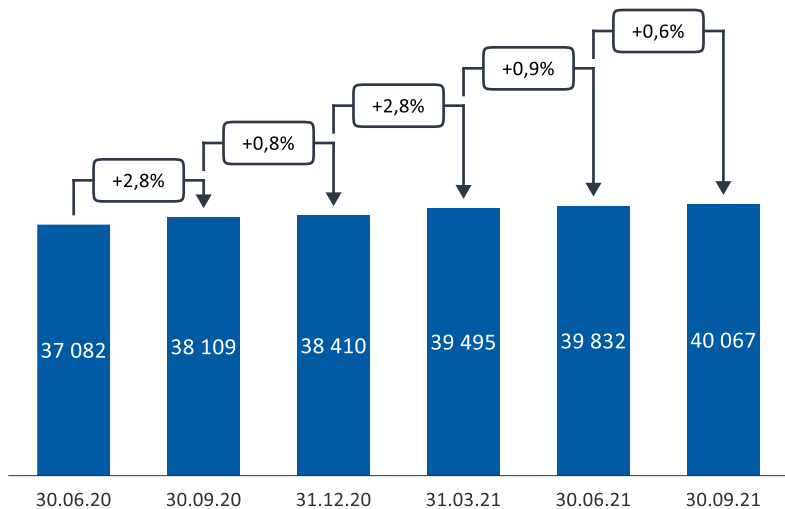


Lending growth (12 mth)

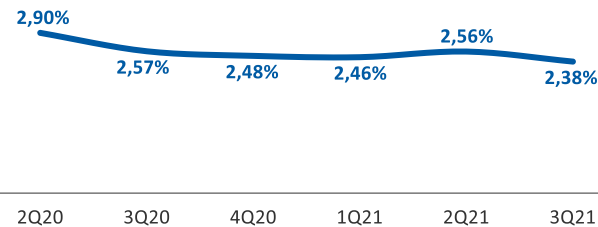


Corporate Banking

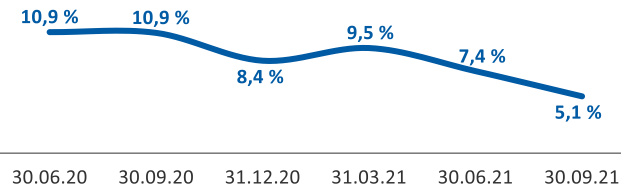
Lending growth



Development in lending margin (ISO)

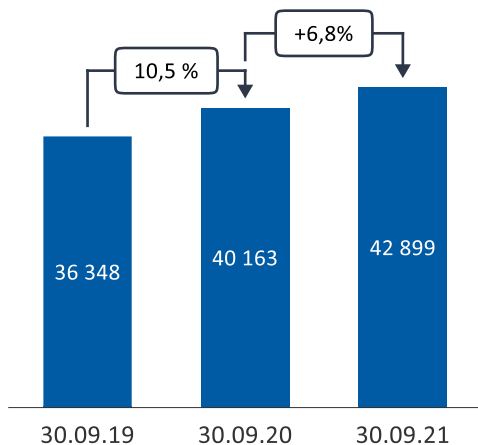


Lending growth (12 mth)

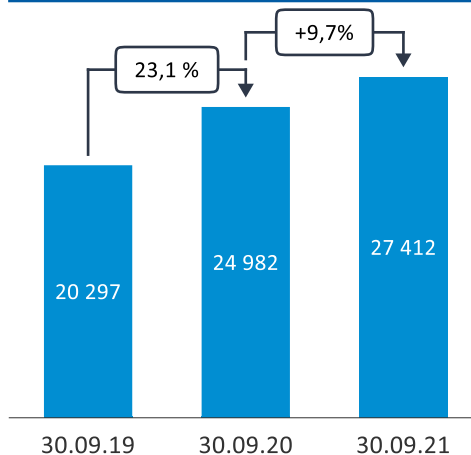


Deposit growth

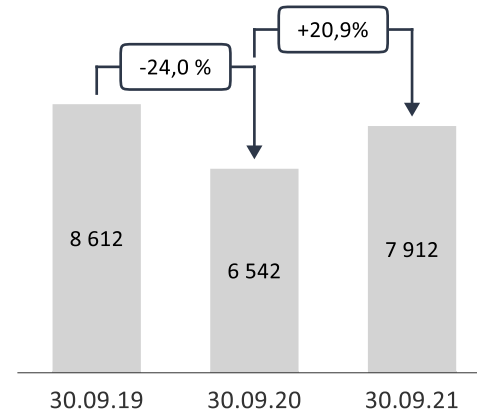
Retail Market



Corporate Banking



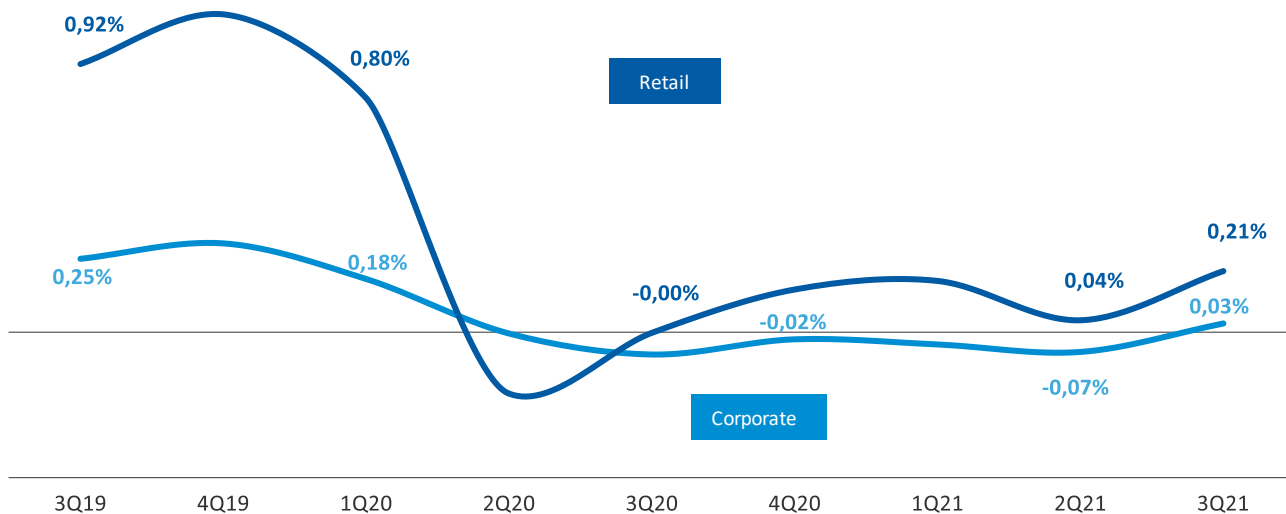
Public Market



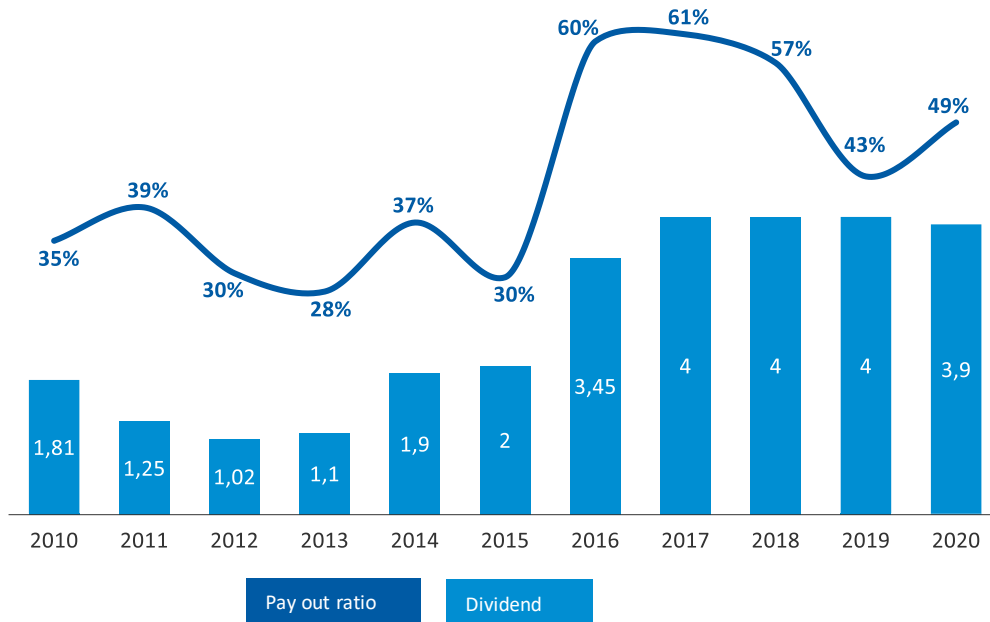
Deposits gross



Development in deposit margins



Dividend 2020



Total dividend for 2020

NOK 3,90/EC

Decided 1Q21 and
paid 2Q21

NOK 1,27/EC

(In line with FSA's recommendation on restraint)

Dividend with delayed pay
Out in Q421

NOK 2,63/EC

Ex. date November 4th with pay out on November
11th

A pay out ratio of 49,4 % mean that the northern
Norwegian society will receive **NOK 453 million**

Long term financial targets

> 12 %
ROE

< 40 %
C/I ratio

> 50 %
Dividend payout ratio

15 %
CET-1

Financial outlook

NRI

- A lower average Nibor in the first part of Q3 had a positive effect on lending margin, but weakened an already weak deposit margin. This was reversed in the latter part of Q3 and we expect an increased deposit margin and a weakened lending margin at the beginning of Q4, until the interest rate changes take effect in our portfolios in mid-November. We expect a gradual improvement in the overall interest margin in line with interest rate increases from Norges Bank. Due to regulatory restrictions it normally takes 6-7 weeks to see the full effect.

ROE >12 %

- The current rate level combined with the overcapitalization and tough competition on mortgages initially made the ROE target demanding for 2021. Strong growth, increased cost efficiency, low losses and good numbers from the SpareBank 1 Gruppen have contributed positively, and despite the tough competition we expect that the positive development continues into Q4.
- 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 none of the expected changes/tightening of regulatory requirements will be a challenge for the bank.

C/I < 40 %

- C/I within the targeted level the last quarter. Based on a somewhat weakened NII due to low interest rates, the target for 2021 was initially demanding. However, the profitability measures have had a good effect, and with a gradually improved NII we expect to stay within the 2021 target, the goal remains firm going forth.

Pay out ratio > 50 %

- The targeted dividend pay out ratio of > 50 % still stands.
- The authorities have imposed temporary restrictions on the industry, but a good solvency and strong earnings provide a good basis for future dividends. The board has decided that the remaining allocated dividend for 2020 (NOK 2,63/EC) will be paid in Q4.

Why invest in SpareBank 1 Nord-Norge

#1

- Market leader in a resourceful region

ROE

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



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

Contacts

Management



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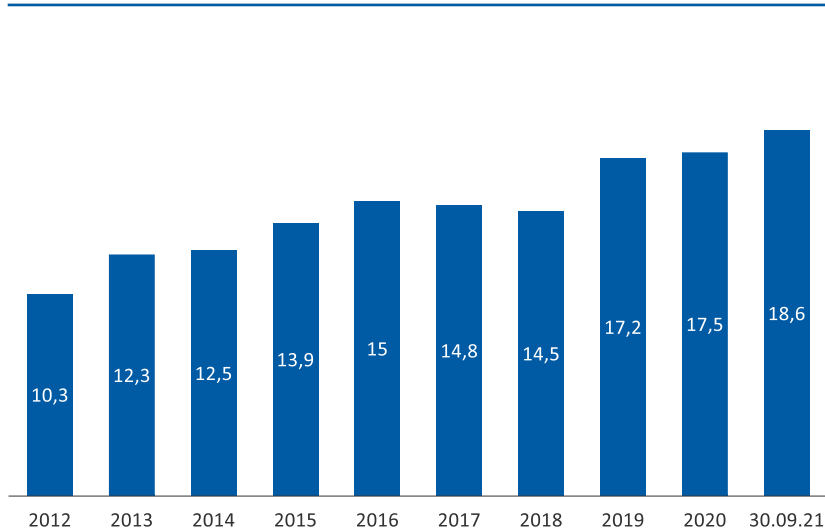
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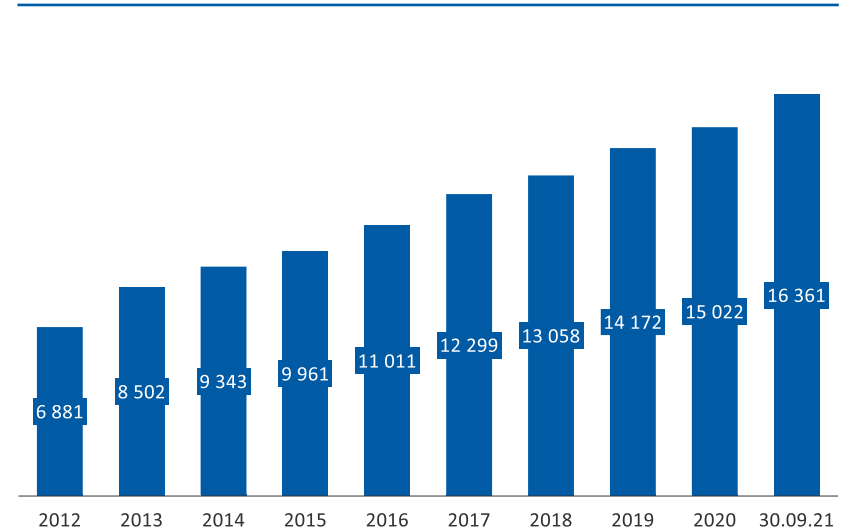


A solid bank for Northern Norway

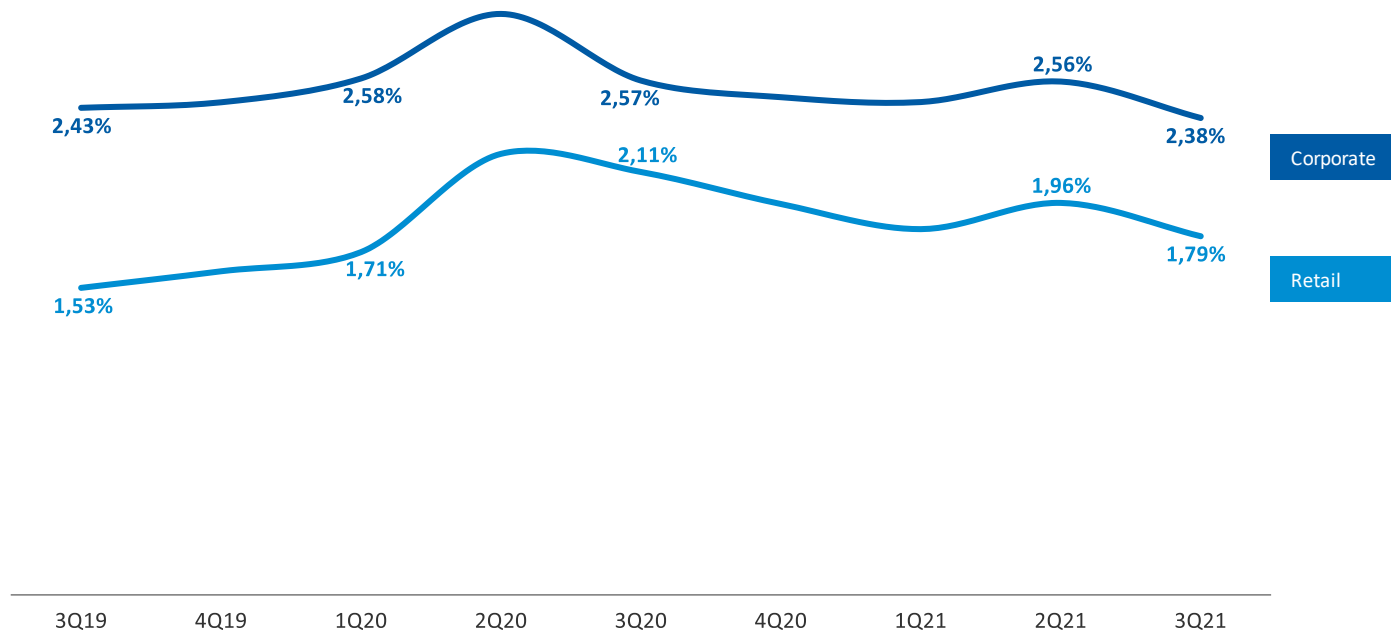
CET-1 (%)



Total equity (mNOK)



Development in lending margins



Company structure

Associated companies and joint ventures

SpareBank 1 Gruppen AS
19,5 % | Financial services

SpareBank 1 Boligkreditt AS
18,14 % | Covered Bond company

**SpareBank 1
Næringskreditt AS**
4,07 % | 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
33,33 % | System development

SpareBank 1 Forvaltning AS
16,68 % | Investment company

SpareBank 1 Kundepleie AS
33,33 % | System development

Subsidiaries

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

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

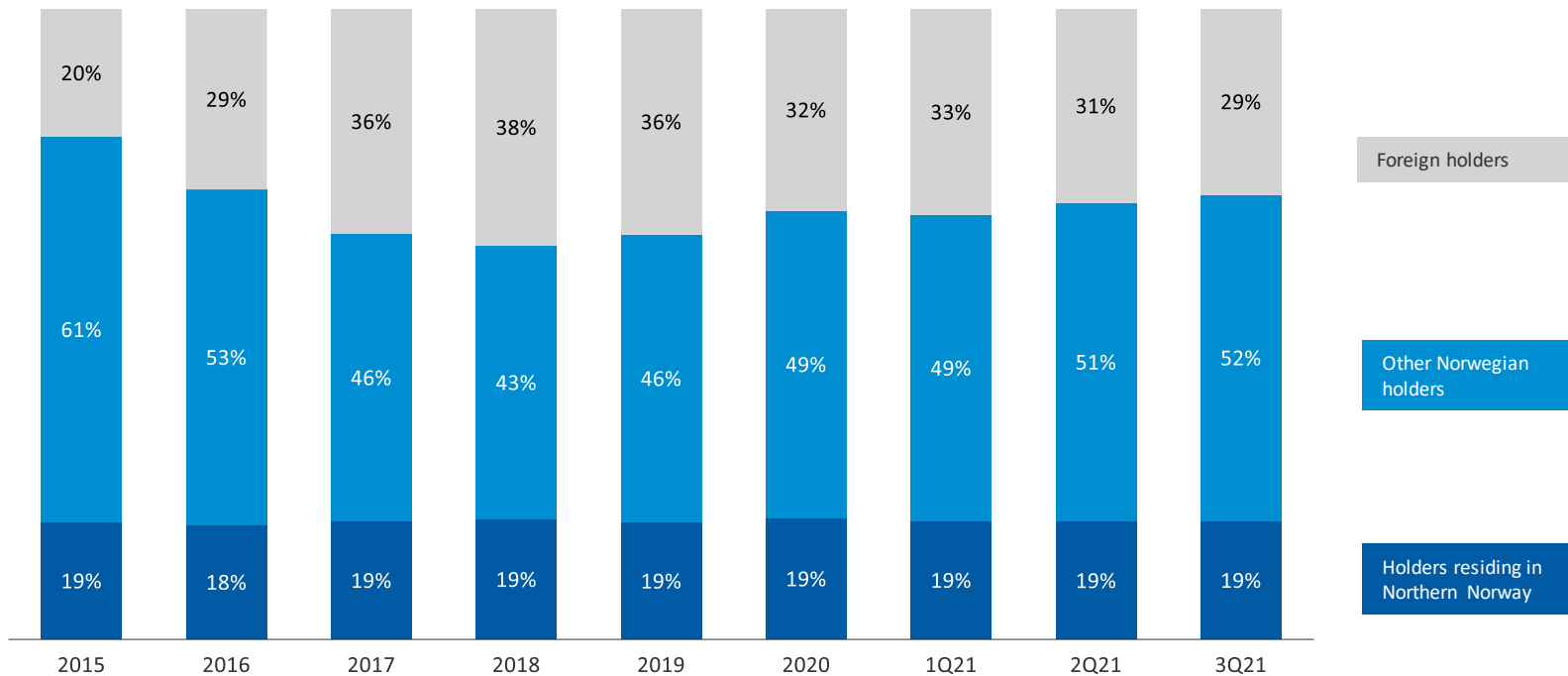
Fredrik Langesgt 20 AS
Commercial building

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

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

Rødbanken Holding AS*
Investment company

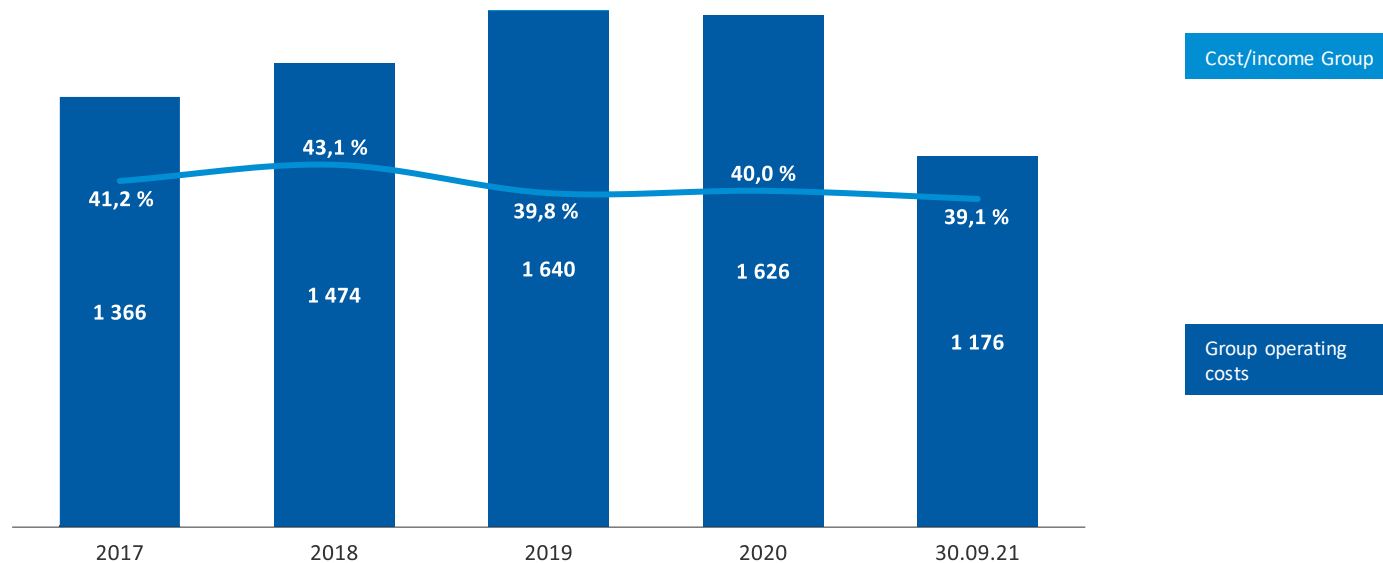
Geographical distribution of ownership



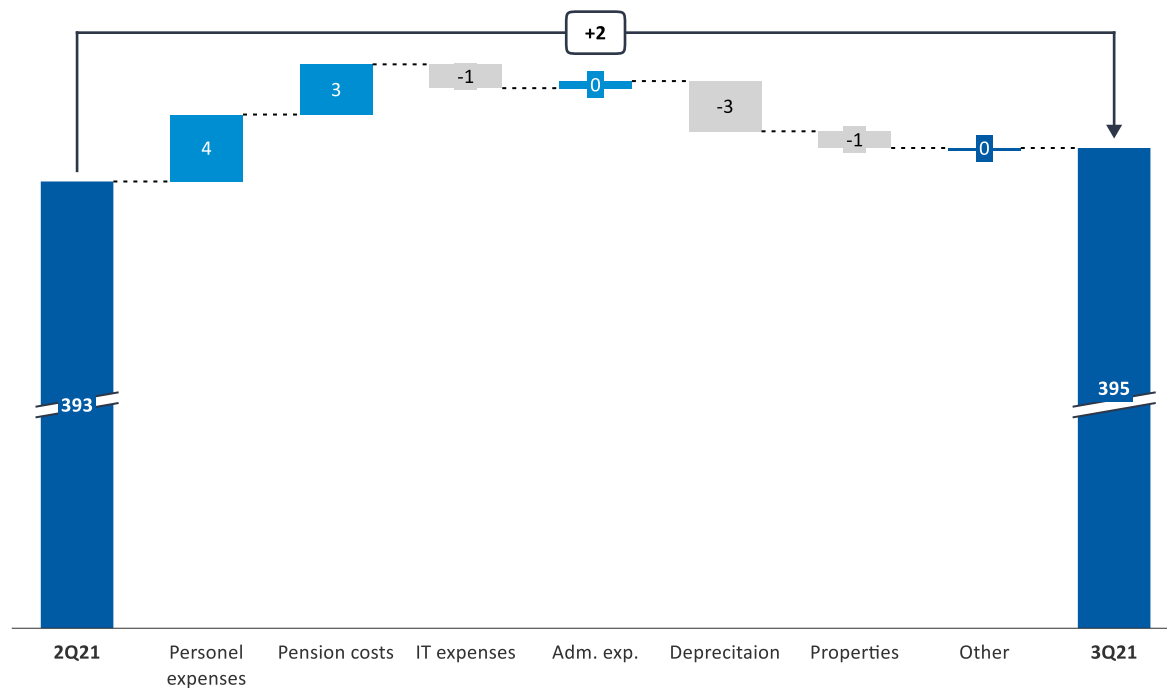
The 20 largest EC holders

| EC Holders | Number of Ecs | Share of EC Capital |
|------------------------------------|---------------|---------------------|
| PARETO INVEST AS | 3,6M | 3,6 % |
| PARETO AKSJE NORGE VERDIPAPIRFOND | 3,3M | 3,3 % |
| VPF EIKA EGENKAPITALBEVIS | 2,9M | 2,9 % |
| GEVERAN TRADING CO LTD | 2,8M | 2,8 % |
| The Northern Trust Comp, London Br | 2,6M | 2,6 % |
| MP PENSJON PK | 2,4M | 2,4 % |
| State Street Bank and Trust Comp | 2,1M | 2,1 % |
| Brown Brothers Harriman & Co. | 2,0M | 2,0 % |
| FORSVARETS PERSONELLSERVICE | 1,7M | 1,7 % |
| SPECIALFONDET BOREA UTBYTTE | 1,6M | 1,6 % |
| Landkreditt Utbytte | 1,5M | 1,5 % |
| SPAREBANKSTIFTELSEN SPAREBANK 1 NO | 1,4M | 1,4 % |
| Morgan Stanley & Co. Int. Plc. | 984K | 1,0 % |
| State Street Bank and Trust Comp | 951K | 0,9 % |
| Euroclear Bank S.A./N.V. | 766K | 0,8 % |
| J.P. Morgan Bank Luxembourg S.A. | 755K | 0,8 % |
| CLEARSTREAM BANKING S.A. | 743K | 0,7 % |
| Brown Brothers Harriman & Co. | 735K | 0,7 % |
| The Bank of New York Mellon SA/NV | 649K | 0,6 % |
| The Bank of New York Mellon SA/NV | 648K | 0,6 % |
| Total | 34.165.577 | 34,0 % |

Cost development - Group



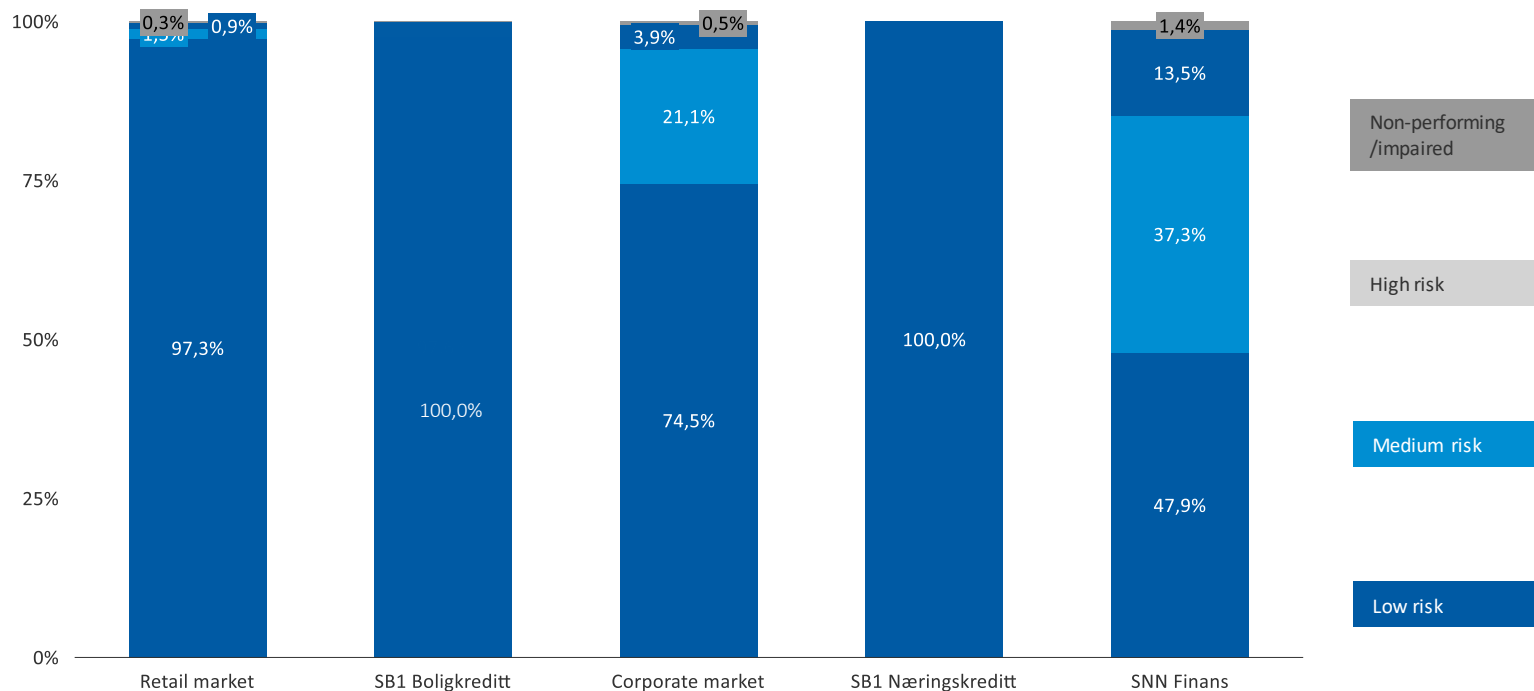
Operating expenses - Group



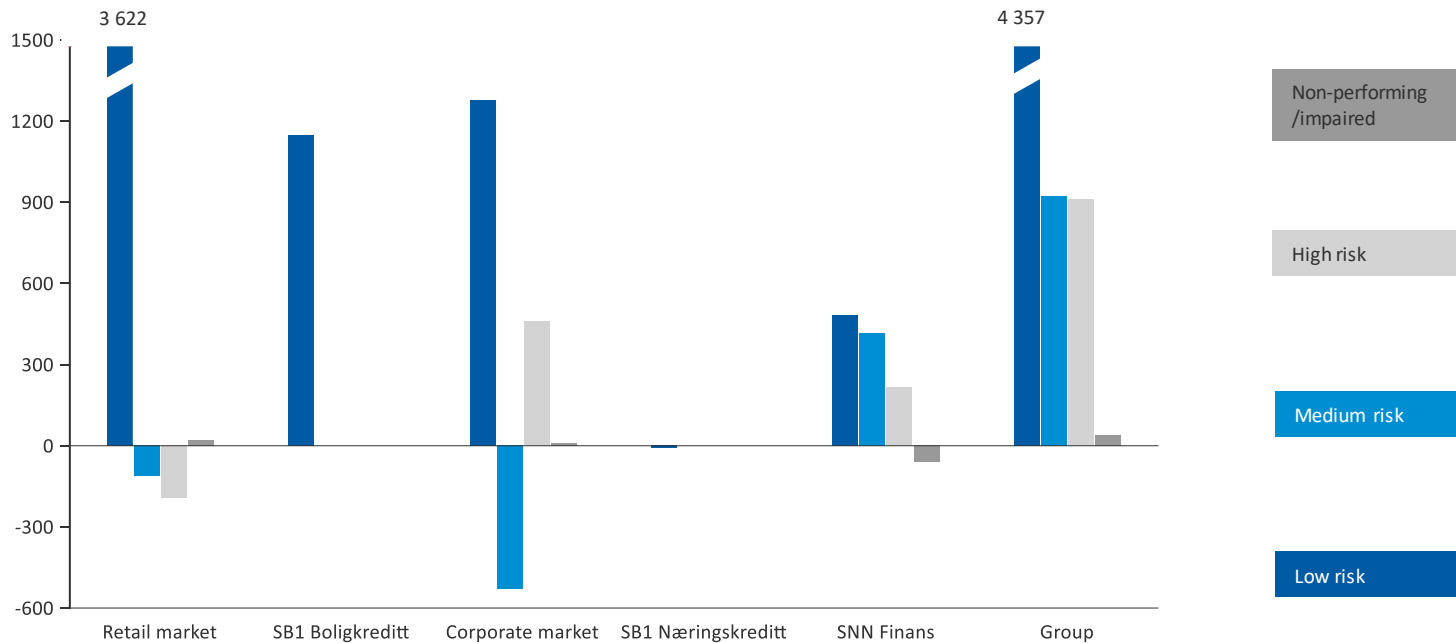
Net fee- and other operating income - Group

| (Amounts in NOK million) | 3Q21 | 2Q21 | 1Q21 | 4Q20 | 3Q20 |
|--|------------|------------|------------|------------|------------|
| Payment facilities | 62 | 53 | 61 | 73 | 74 |
| Sales provision insurance products | 50 | 51 | 49 | 46 | 47 |
| Guarantee commissions | 8 | 8 | 7 | 9 | 9 |
| Real estate broking | 32 | 29 | 40 | 29 | 19 |
| Portfolio commissions | 18 | 17 | 14 | 17 | 14 |
| Other commissions | 53 | 71 | 29 | 35 | 57 |
| Commissions excl. commission loan | 223 | 229 | 200 | 209 | 220 |
| Commission loans | 112 | 103 | 99 | 114 | 113 |
| Total commission income | 335 | 332 | 299 | 323 | 333 |
| Commission costs | 21 | 24 | 21 | 29 | 14 |
| Accounting services | 47 | 54 | 64 | 42 | 55 |
| Other operating income | 5 | 2 | 8 | 12 | 1 |
| Total commissions and other income | 52 | 56 | 72 | 54 | 56 |
| Net fee- and other operating income | 366 | 364 | 350 | 348 | 375 |

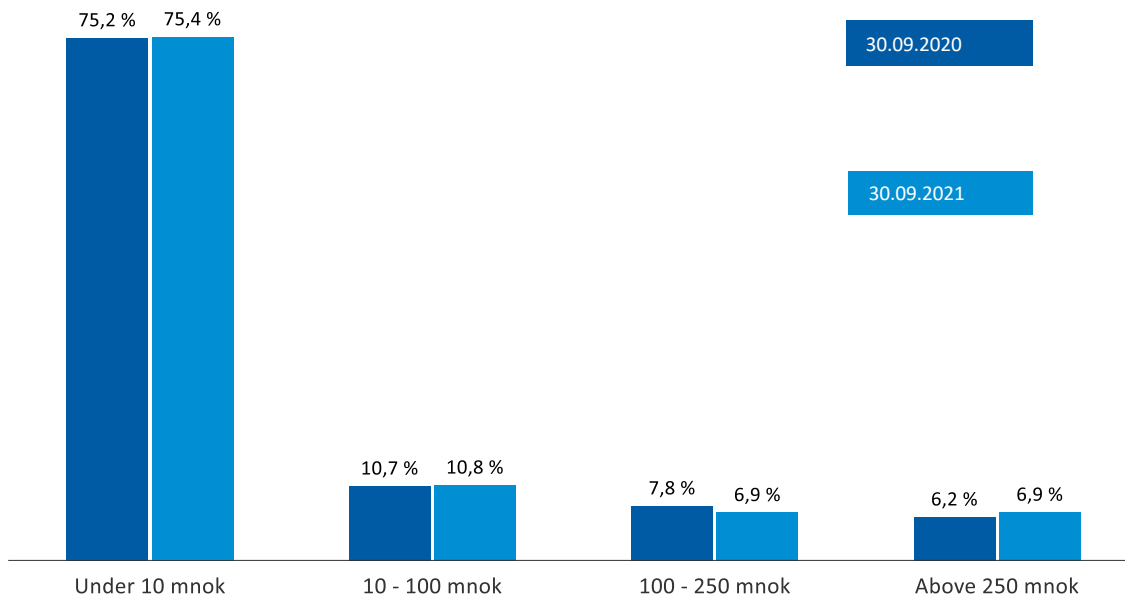
Risk exposure - Group



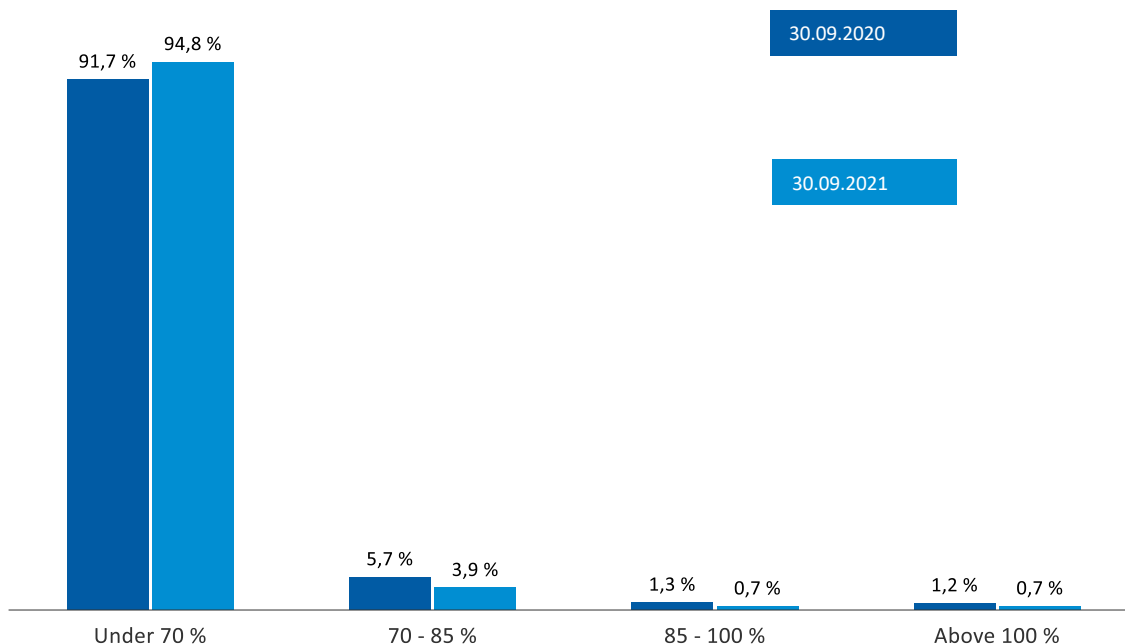
Changes in exposure last 12 months - Group



Exposure distributed by size*



LTV mortgage loans

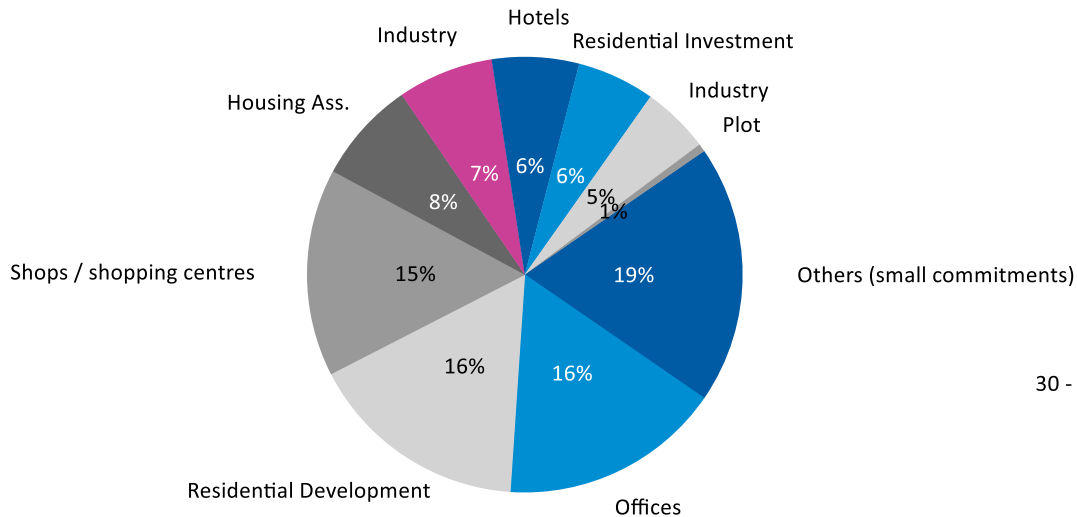


LTV is distributed by balance and is based on the market value of the collateral:

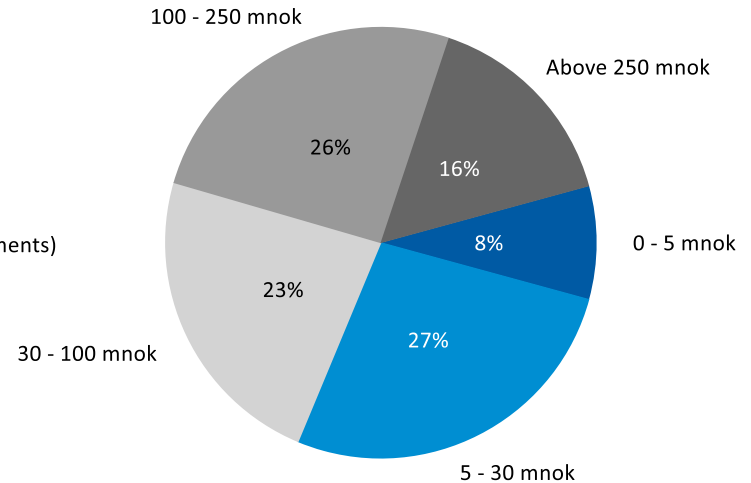
- 98.7 % of the gross exposure is within 85 % of the collateral market value
- Only 0.7 % of the gross exposure is higher than 100 % of the collateral market value
- The figures include the portfolio in SB1 Boligkreditt

Diversified portfolio in commercial real estate

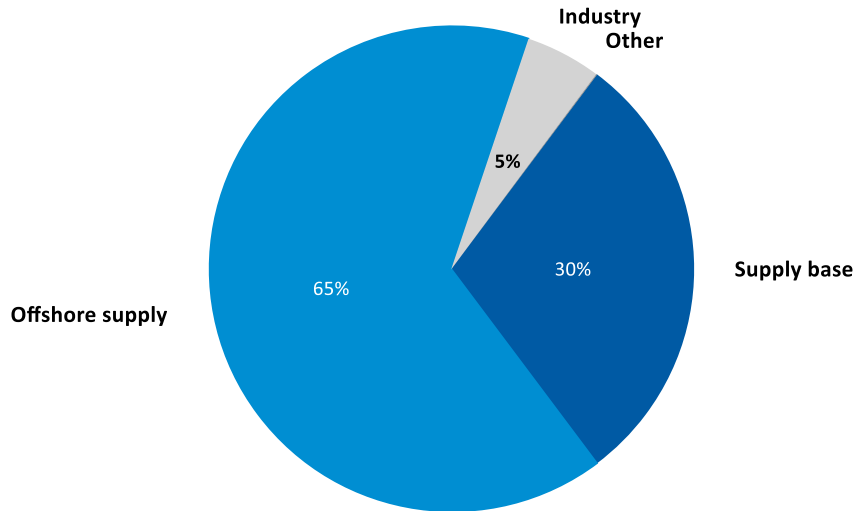
Portfolio distribution



Size of commitments



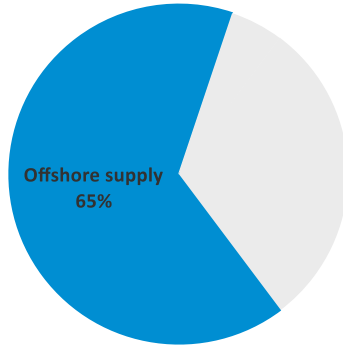
Still low oil related exposure



Oil related exposure amounts to NOK 862 mill

- The exposure represents 0.60 % of total exposure including covered bond companies
- Average weighted probability of default 1.90 %
- A total of NOK 43 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

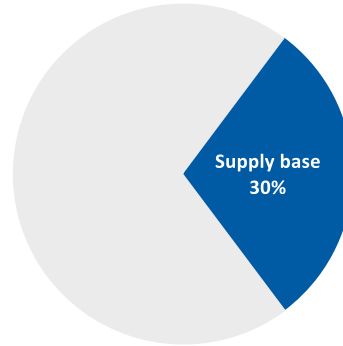
Oil related portfolio



Offshore Supply Vessels

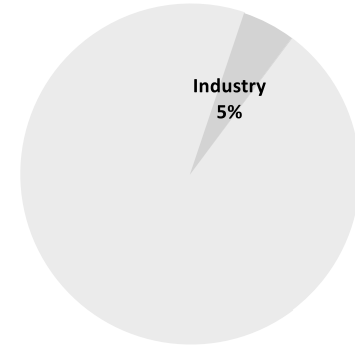
- Exposure amounts to NOK 564 mill
- Average weighted probability of default 2.51 %
- Total amount of 7 vessels*
- Weighted age 9.4 years*
- Average weighted contract length 2.6 years*
- SNN is participant in syndicates on 6 vessels

*Exclusive of barges



Supply base

- Exposure amounts to NOK 254 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 and other

- Exposure amounts to NOK 44 mill. including Industry NOK 43 mill and Other NOK 1 mill
- Average weighted probability of default:
 - “Other” 1.32 %
- A total of NOK 43 mill non-performing or impaired commitments

Loan losses - Group

| | 3Q21 | 2Q21 | 1Q21 | 31.12.2020 | 4Q20 | 3Q20 | 2Q20 |
|--|---------------|---------------|---------------|--------------|-------------|-------------|-------------|
| Individual losses Corporate market | 19,9 | 7,3 | (1,1) | 32,4 | 7,5 | 9,9 | 10,5 |
| Individual losses Retail market | 1,2 | (3,5) | 0,2 | 5,4 | 0,0 | 0,7 | 1,5 |
| Collective losses and other value change items | (68,0) | (26,8) | (51,7) | 286,6 | 58,2 | 47,1 | 70,1 |
| Total losses on loans and guarantees | (47,0) | (23,0) | (52,6) | 324,4 | 65,7 | 57,7 | 82,1 |

The Group's annualized losses is -0.12 % (annualized) of gross lending including loans transferred to covered bond companies

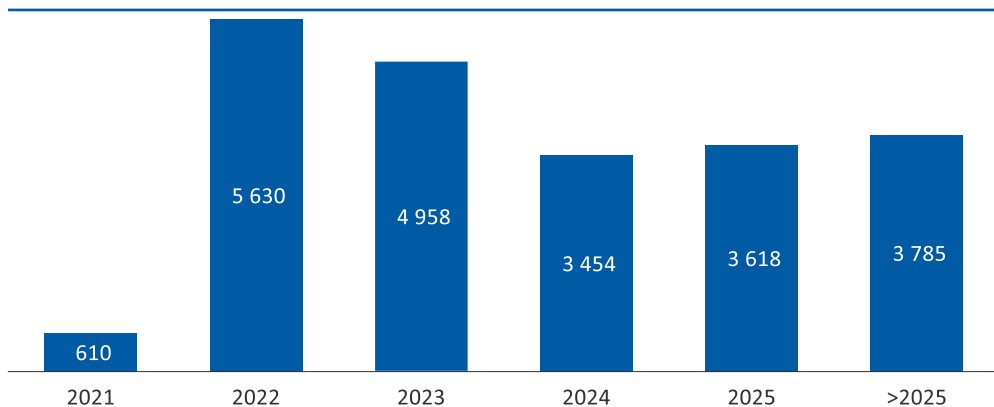
Commitments in step 3: 0.40 % of total exposure. Expected loss share: 41.67 %

Commitments in step 2: 8.61 % of total exposure. Expected loss share: 3.84 %

Commitments in step 1: 90.99 % of total exposure. Expected loss share: 0.22 %

Funding

Maturity profile (mNOK)



NOK 22 804 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 38 290 mill had been transferred as of 30.09.21

Amount of gross maturities of capital market funding next 12 months is NOK 4 731 mill

Distribution of capital market funding (mNOK)



SP

SNP

AT2

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

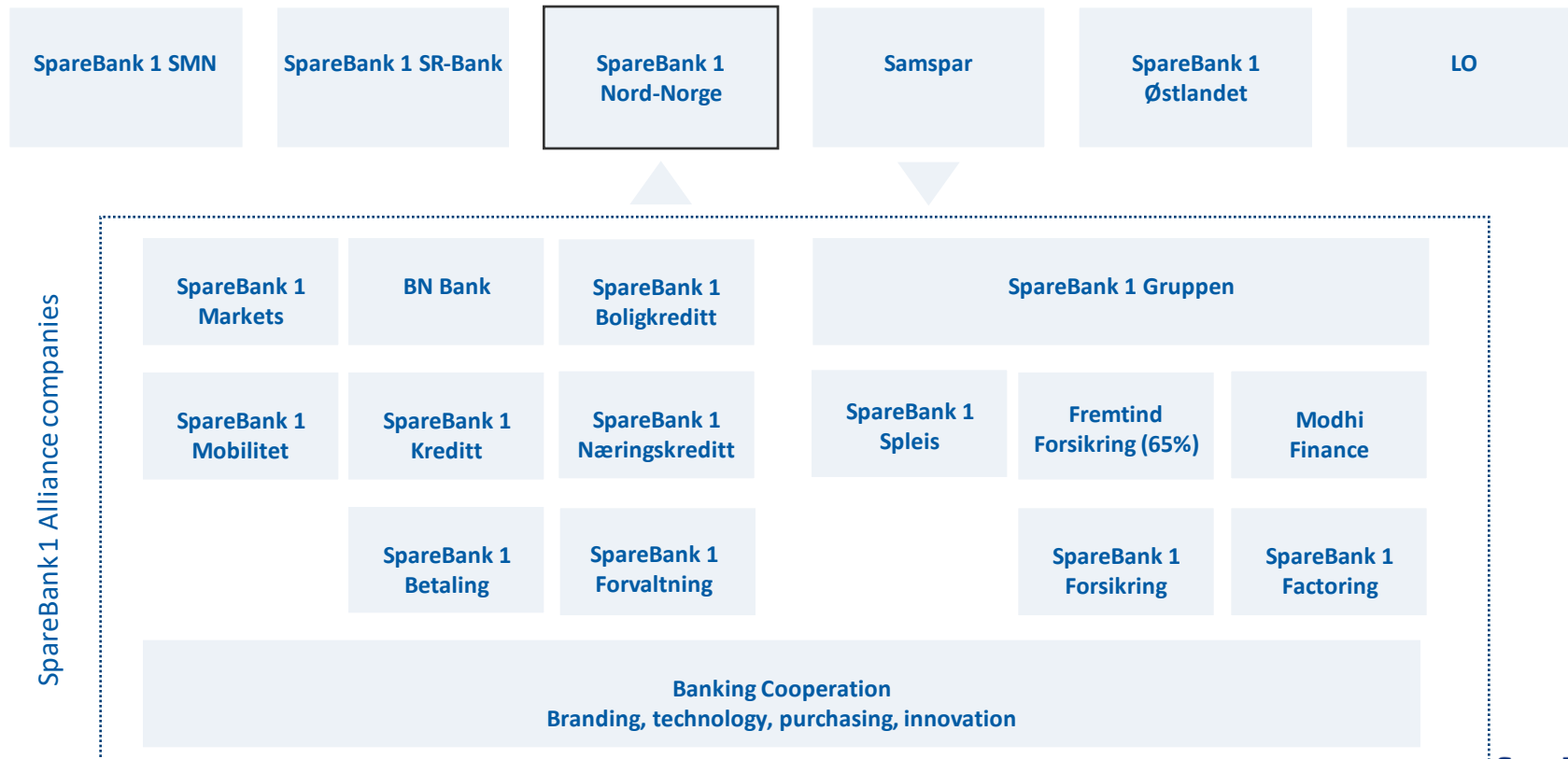
SpareBank 1 Alliance

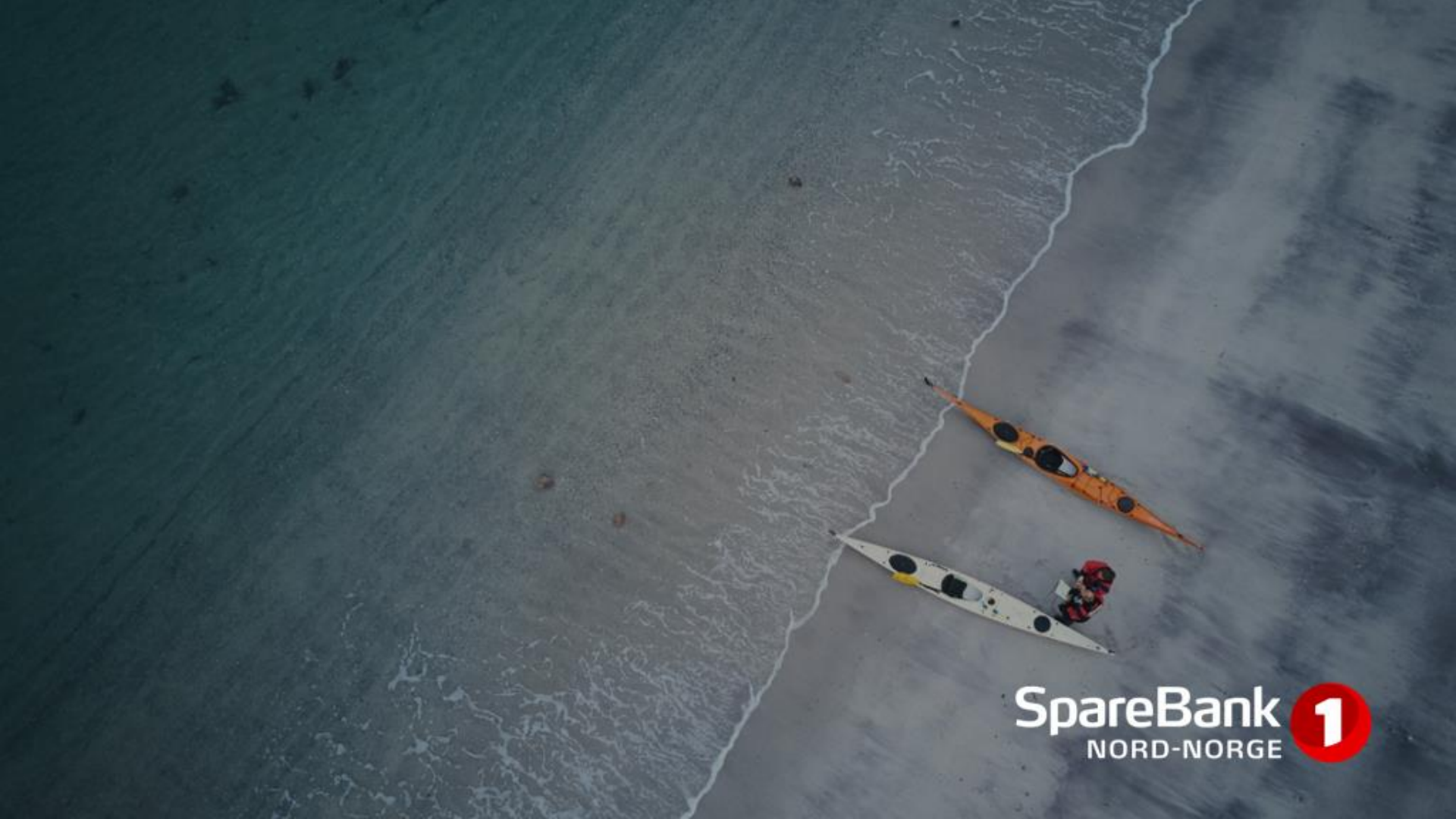


- The SpareBank 1-alliance consists of 14 banks
- Operate exclusively in Norway – Norway's most extensive branch network with approx. 350 branches
- The alliance are in the forefront of incorporating technological innovation into its distribution channels. Best rated mobile banking in Norway
- Market 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





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