

1Q 2023

May 2023

Liv B. Ulriksen, CEO

Bengt Olsen, CFO

SpareBank
NORD-NORGE **1**

1 Highlights

2 Outlook

3 Financial status

A Appendix



Highlights YTD

Pre-tax profit	ROE	
903 MNOK (564)	19,1 % (11,6 %)	
CET1 ratio	C/I ratio	Losses
17,3 % (18,8 %)	33,2 % (42,7 %)	-57 MNOK (-32)



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	40 %
Accounting services	17 %
Secured financing	21 %

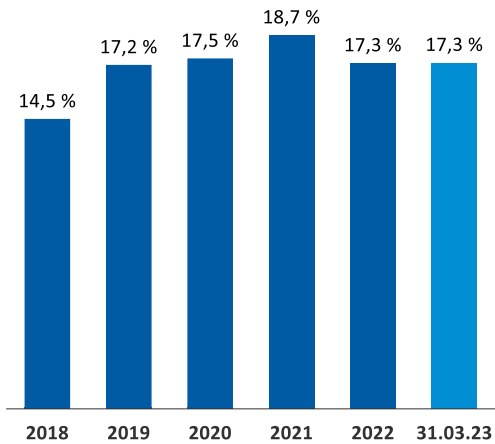
Subsidiaries – results before tax

(Amounts in NOK million)	31.03.2023	31.03.2022
SpareBank 1 Finans Nord-Norge AS	60,0	50,1
SpareBank 1 Regnskapshuset Nord-Norge AS	13,1	14,2
EiendomsMegler 1 Nord-Norge AS	-1,2	-0,2
Subsidiaries within core operations	71,9	64,1
Other subsidiaries	0,8	6,6
Total	72,7	70,7

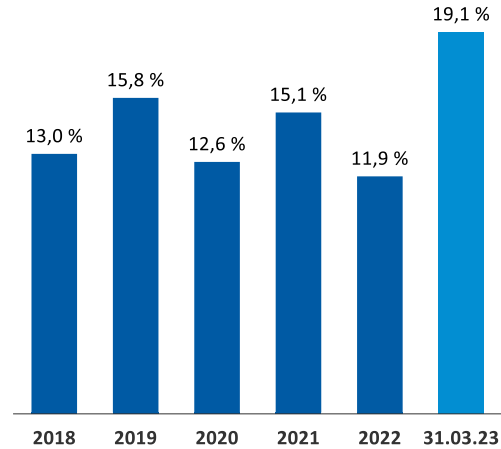


Satisfying financial results

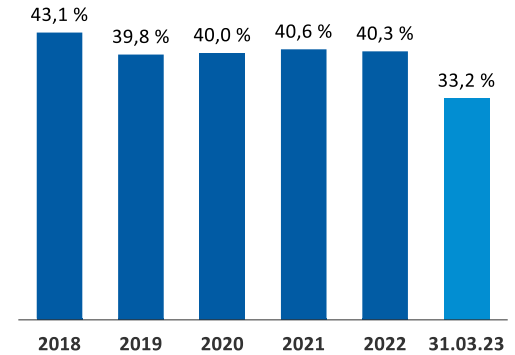
CET1 ratio



Return on equity capital



Cost/income Group



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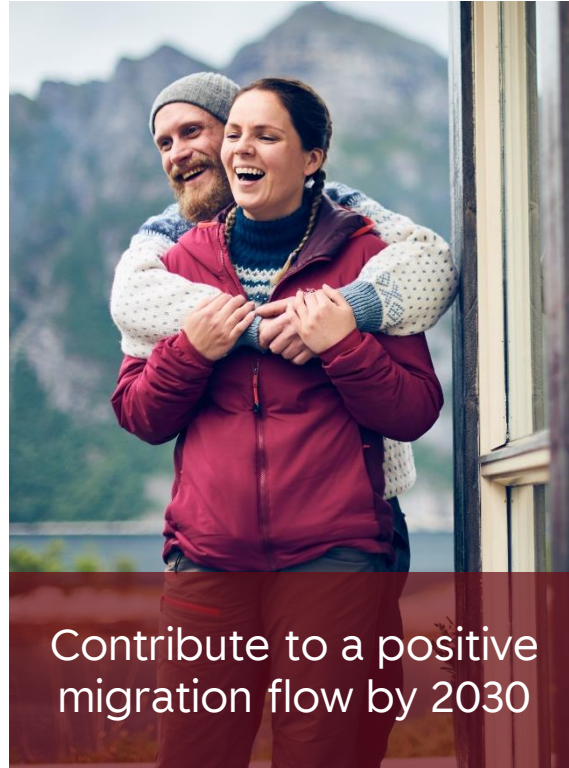
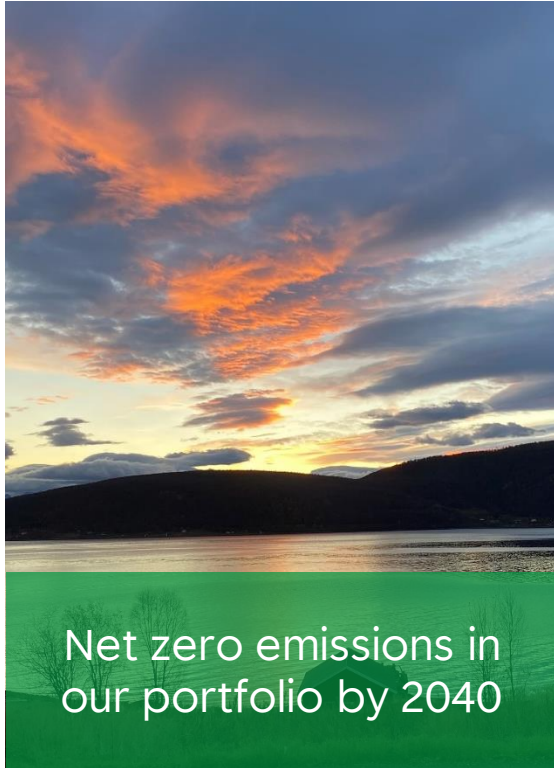
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SpareBank 1
NORD-NORGE

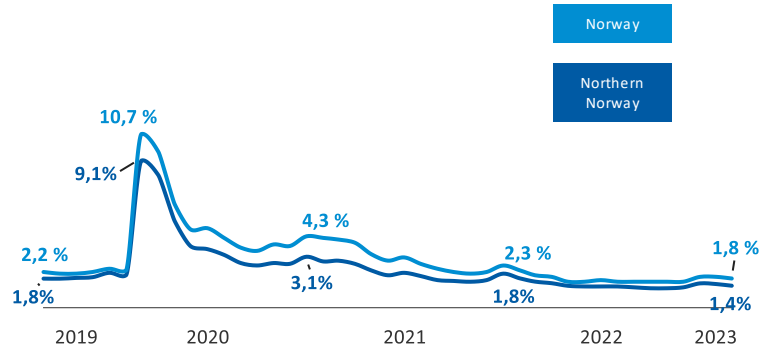


We shall be a driving force for a sustainable development in the north

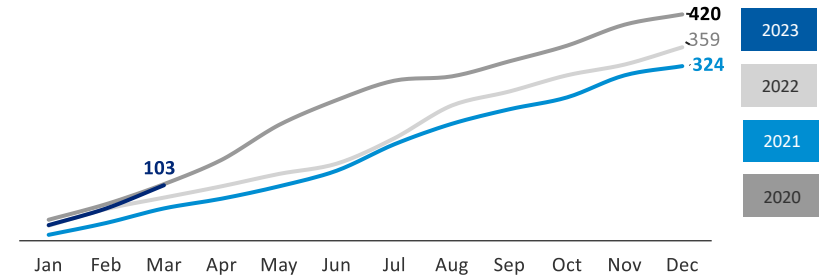


Increased rates – when will the economy slow?

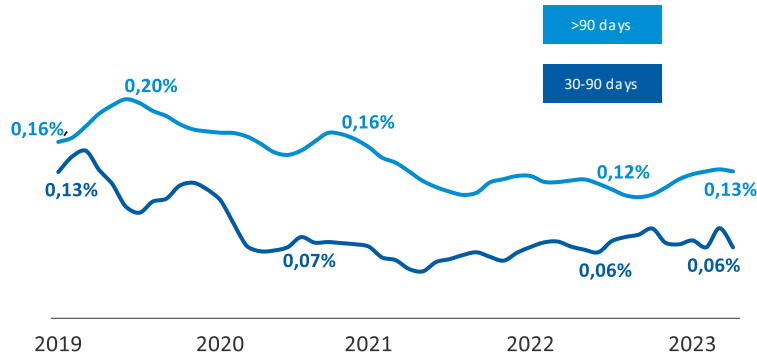
Unemployment rate



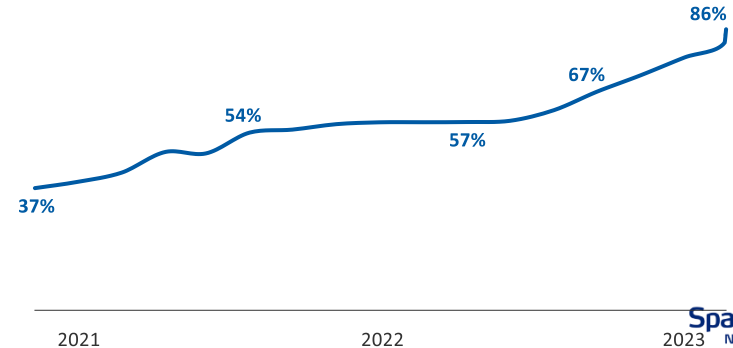
Bankrupcies in Northern Norway



Payment defaults on mortgages

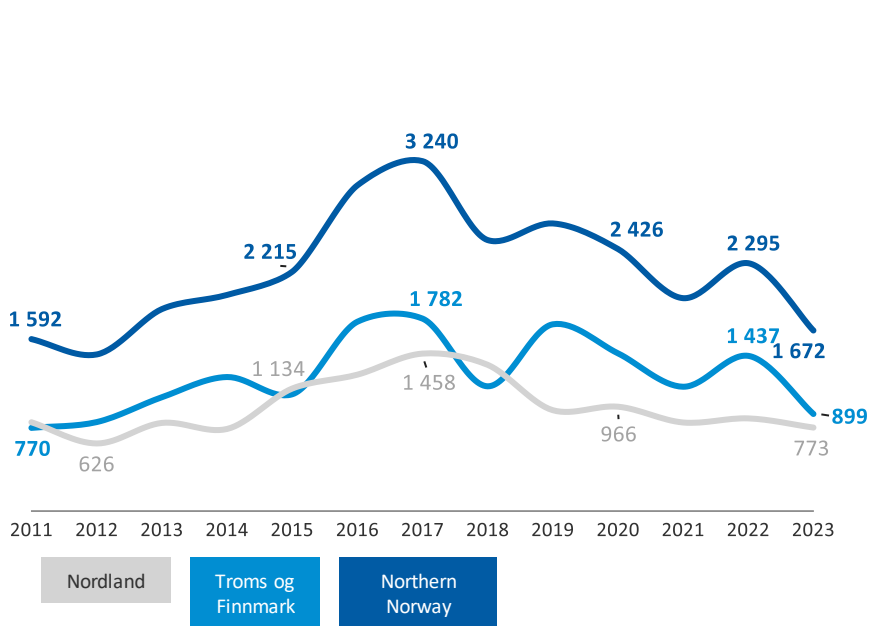


Utilization rate (%) for car dealers' inventory financing

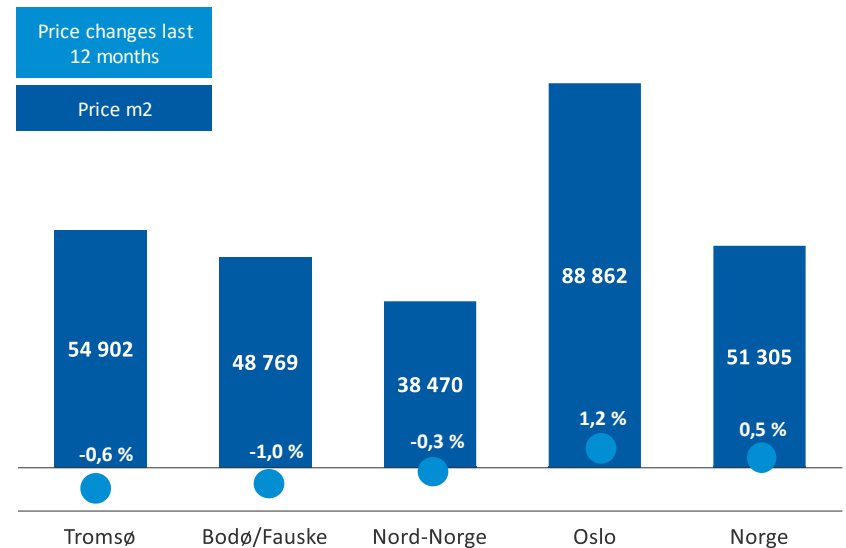


Housing market in balance

Housing construction, commenced in the last 12 months

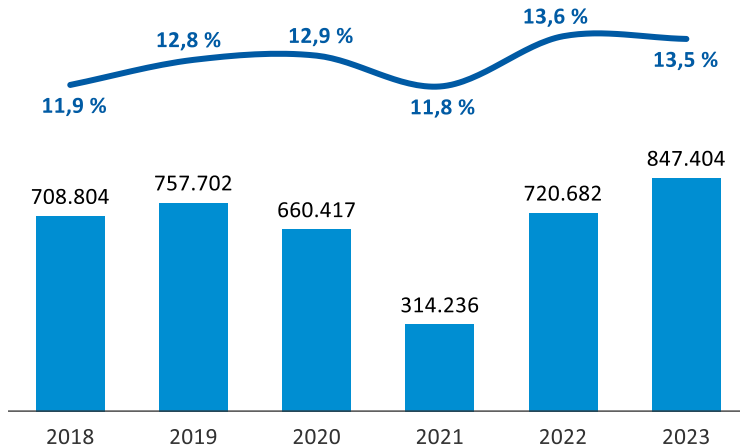


Housing prices and changes, May (avg. selling price)



Two important industries in the north

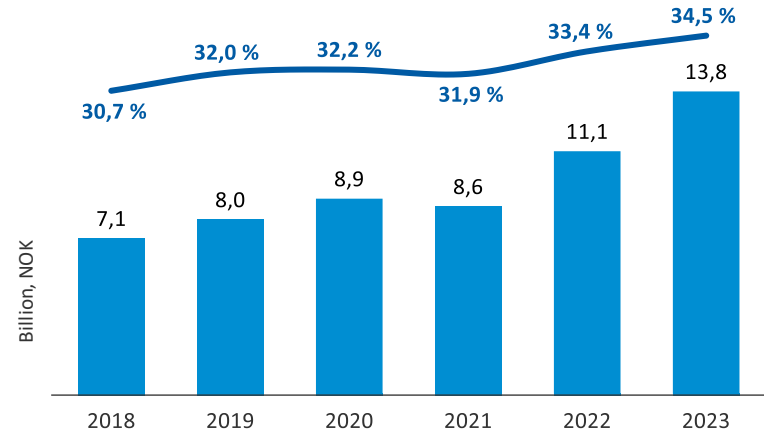
Tourism, guest nights, first quarter



Northern
Norway

N-N, share of
total guest nights
in Norway















The value of seafood exports from Northern Norway, first quarter



Northern
Norway

N-N, share of
total seafood
exports

Status and outlook in Northern Norway

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

Ambitions for growth and increased market share

Expected growth for SpareBank 1 Nord-Norge in 2023

Retail market: 2-5 %

Corporate market: 4-7 %

The bank is strongly capitalized, and the region is well positioned for further economic growth.

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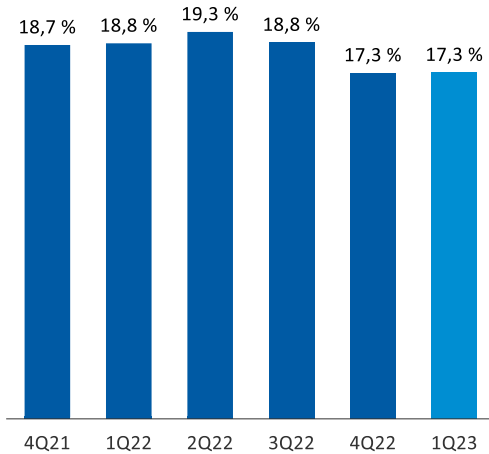
Group financial highlights and key figures

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

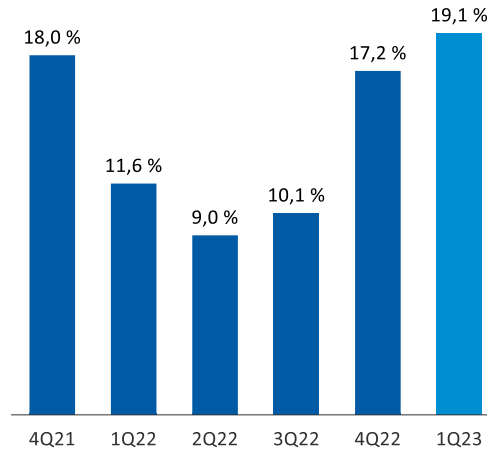
	1Q23	4Q22	1Q22	31.12.22
Net interest income	820	767	541	2 556
Net fee- and other operating income	309	295	311	1 234
Net income from financial investments	138	258	76	274
Total income	1 267	1 320	928	4 064
Total costs	421	457	396	1 637
Result before losses	846	863	532	2 427
Losses	- 57	22	- 32	63
Result before tax	903	841	564	2 364
Tax	182	178	110	513
Result after tax	721	663	454	1 851
Interest hybrid capital	11	10	10	37
Result after tax ex. interest hybrid capital	710	653	444	1 814
Profitability				
Return on equity capital	19,1 %	17,2 %	11,6 %	11,9 %
Interest margin	2,63 %	2,09 %	1,80 %	2,09 %
Cost/income	33,2 %	34,6 %	42,7 %	40,3 %

Quarterly development

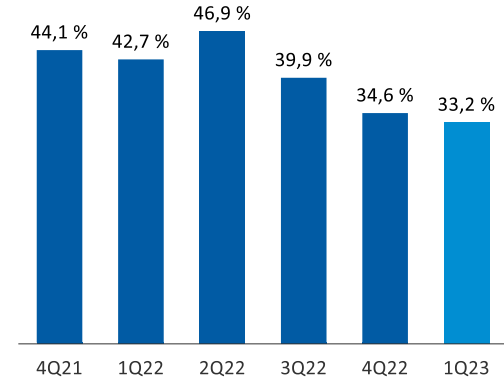
CET1 ratio



Return on equity capital

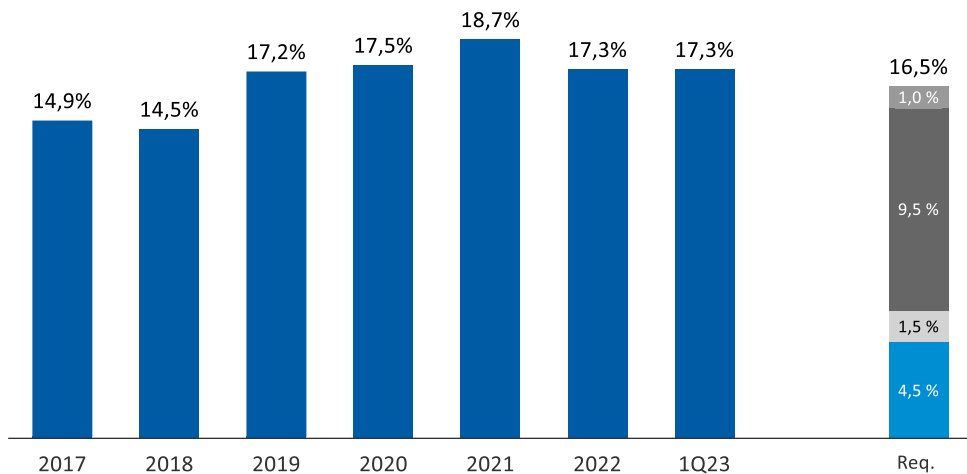


Cost/income Group

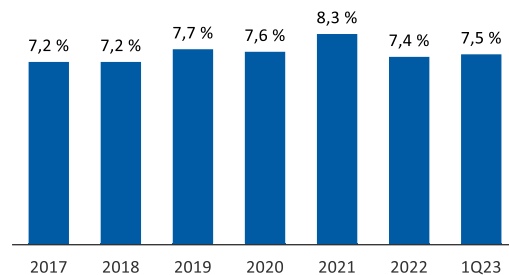


Strong capital base

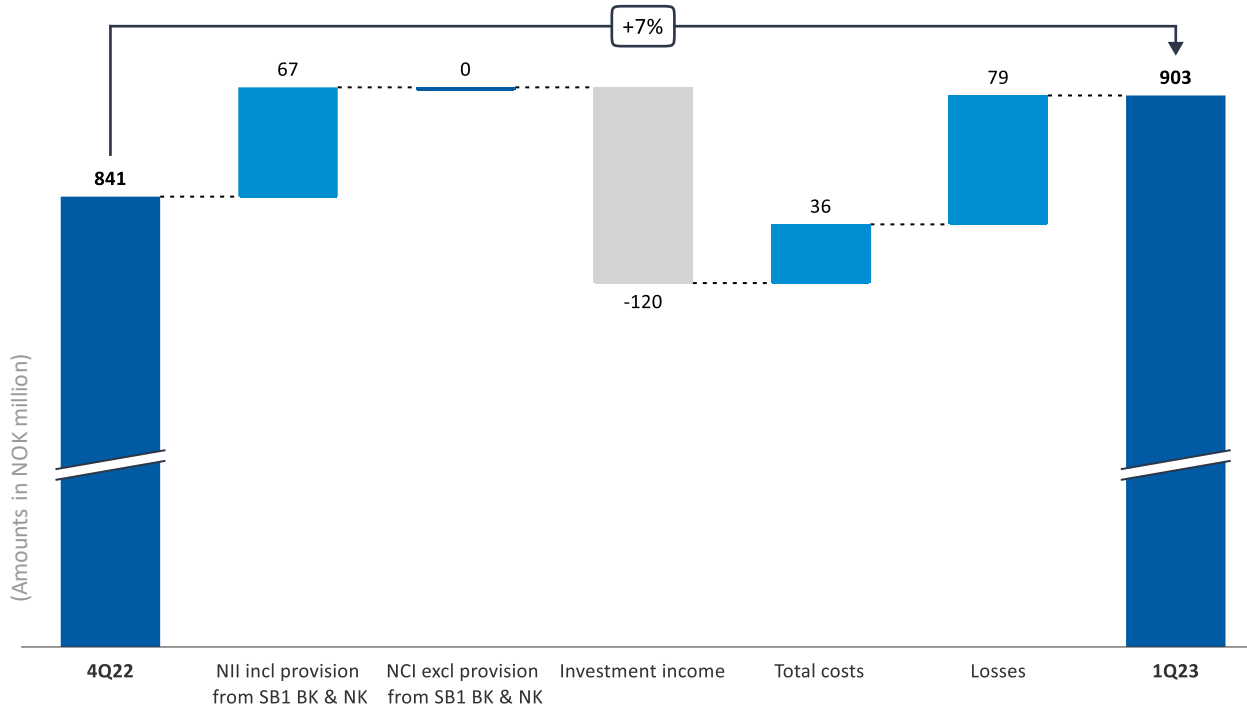
CET1



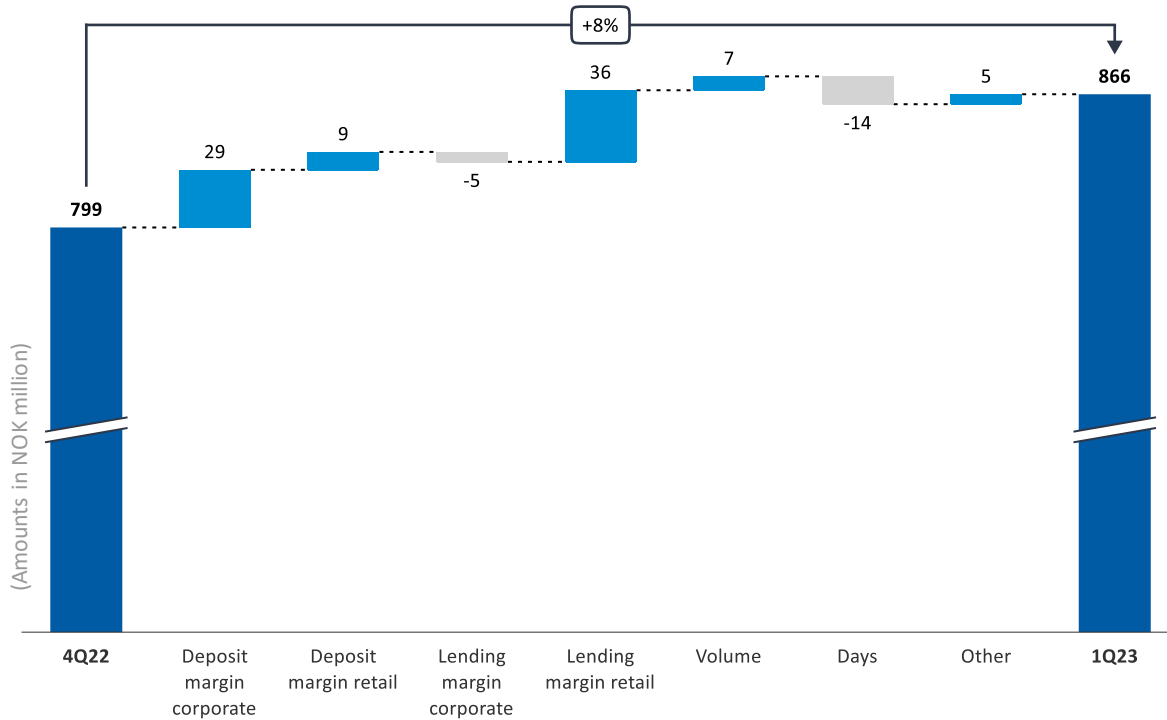
Leverage Ratio



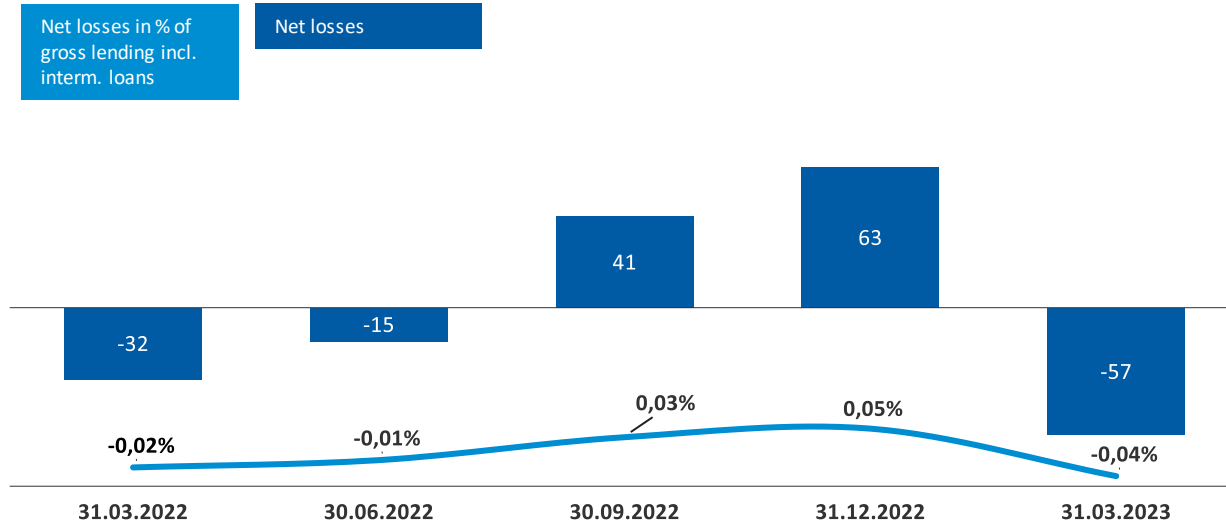
Result before tax - last quarter



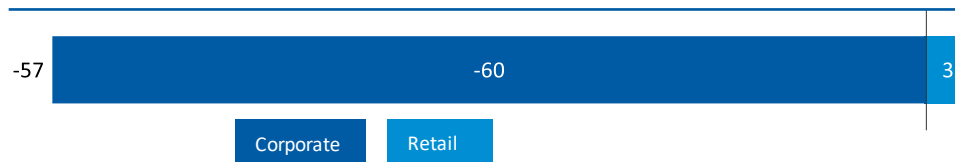
Net interest income - Group



Low losses

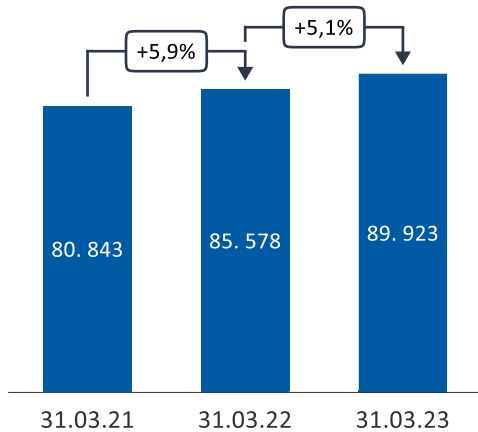


Distribution of losses

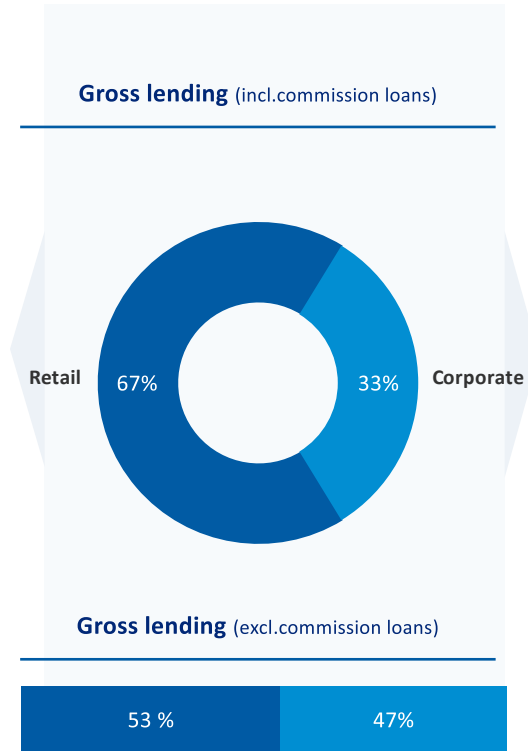


Lending growth

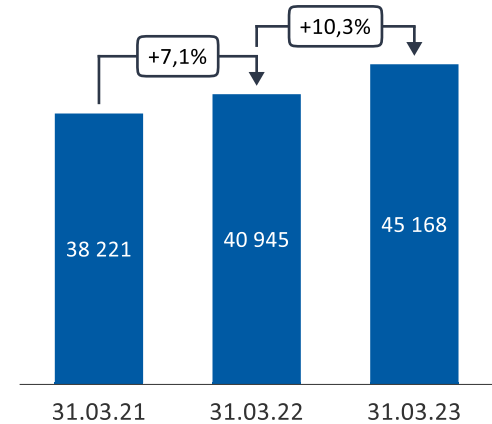
Retail marked (incl.commission loans)



Gross lending (incl.commission loans)

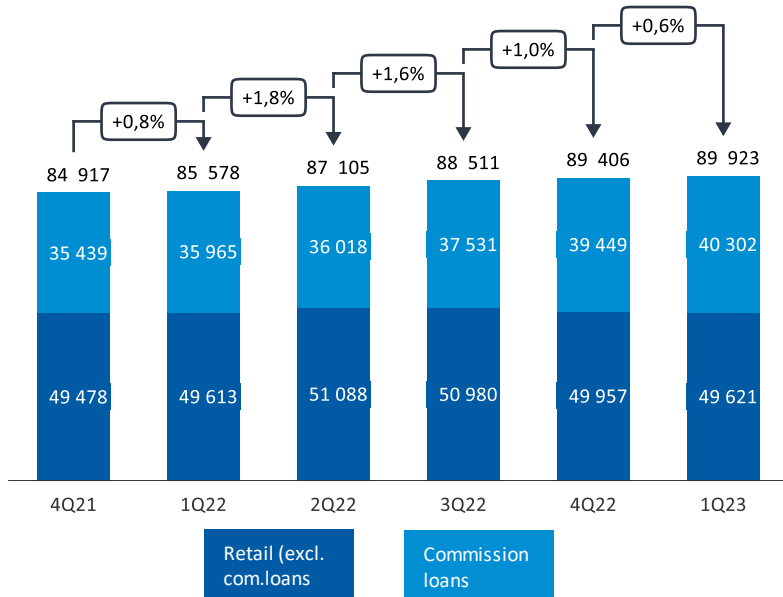


Corporate Banking (incl.commission loans)

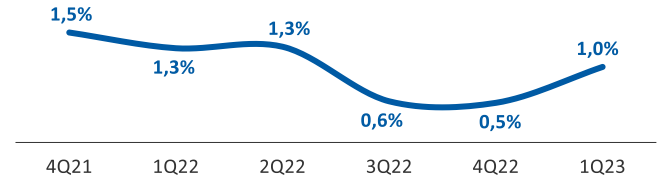


Retail Market

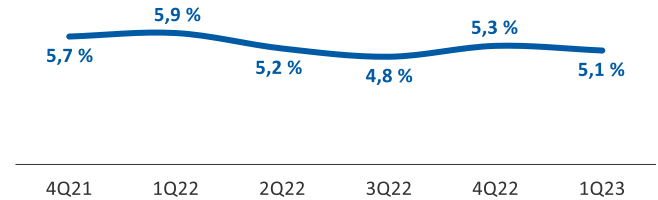
Lending growth



Development in lending margin (ISO)



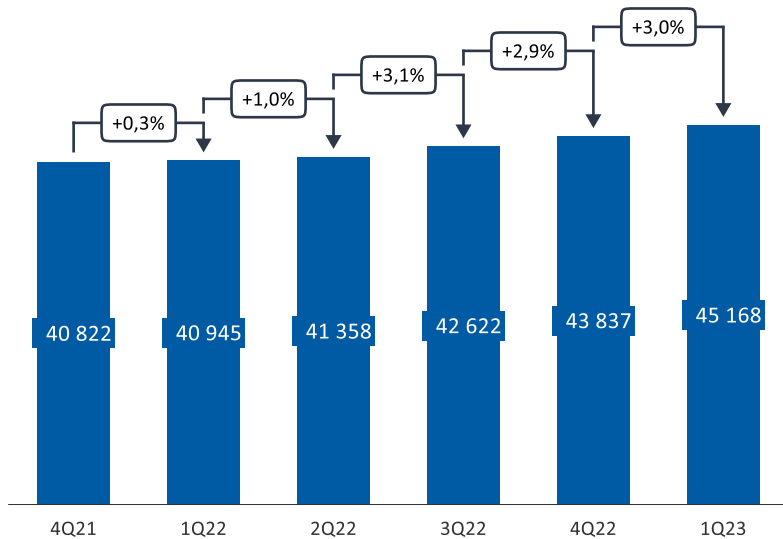
Lending growth (12 mth)



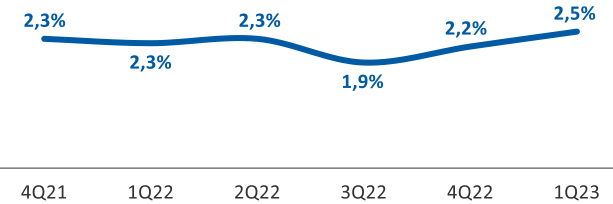
*) All historical figures have been corrected for the portfolio sold to SpareBank 1 Helgeland

Corporate Banking

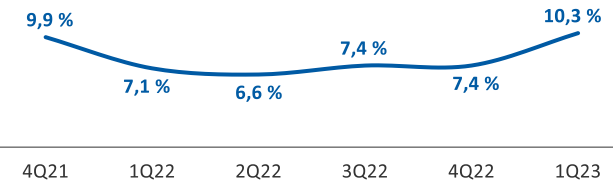
Lending growth



Development in lending margin (ISO)

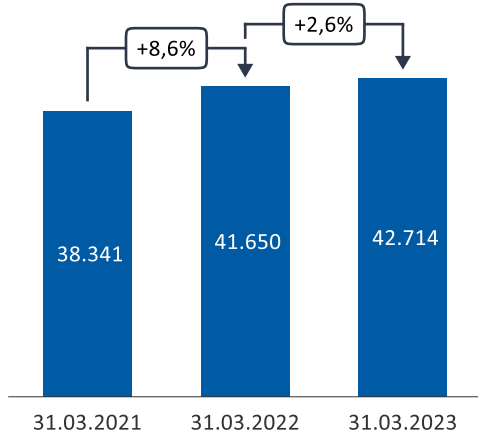


Lending growth (12 mth)

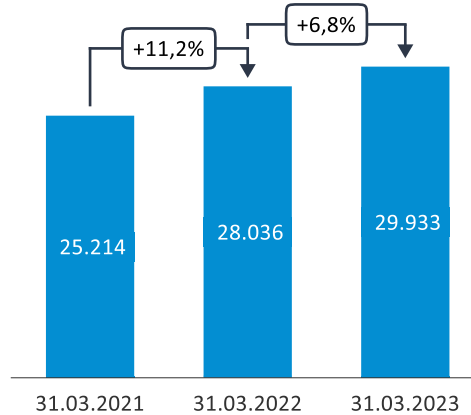


Deposit growth

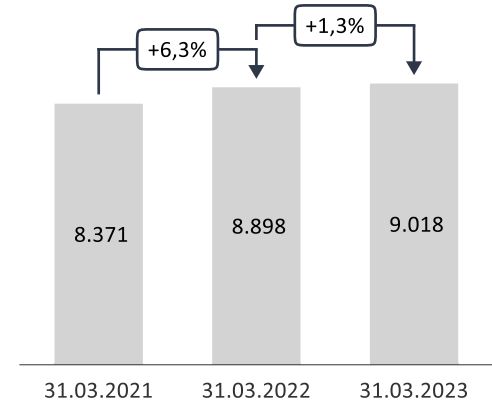
Retail Market



Corporate Banking



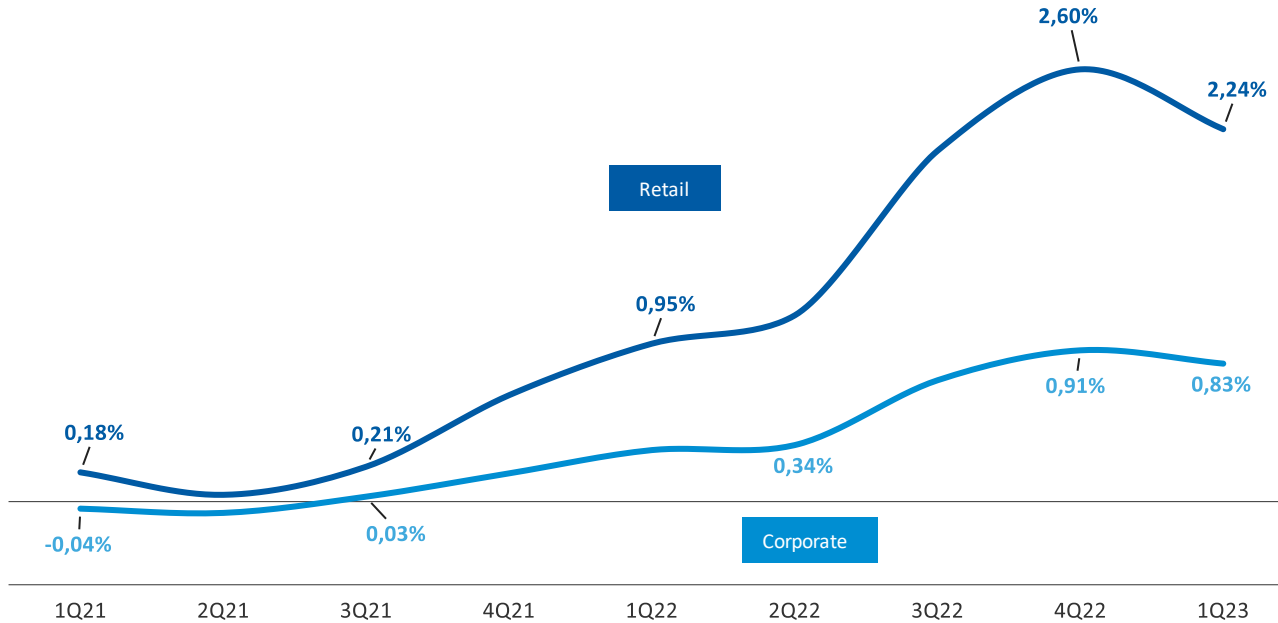
Public Sector



Deposits gross



Development in deposit margins



Long term financial targets

> 13 %
ROE

< 40 %
C/I ratio

> 50 %
Dividend payout ratio

16,5 %
CET1 ratio

Financial outlook

NRI

- Lending margins and provisions from SpareBank 1 Boligkreditt have increased in Q1 based on the flattening of the yield curve. The positive development in deposit margins have continued, but not at the same pace as in the earlier quarters. This is as expected with the changes in the yield curve, and the effect will balance over time. We expect that the interest margin will continue to improve in Q2 and for the rest of 2023.

ROE >13 %

- Solid underlying operation, net reversal of loan losses and a positive effect from a reduced CET-1 ratio based on the dividends over the last years, have contributed to a record strong ROE of 19.1 % in Q1. SNN is delivering above the targeted ROE, which is to deliver an ROE at a similar level of comparable companies, currently at 13 %. The outlook for the rest of the year is good and the goal stands.

CET1 Ratio: 16.5 %

- Targeted CET1 ratio is one percentage point above the regulatory minimum requirement, currently 15.5 %.
- The bank is very well capitalized and despite the large dividend payments in 2021 and 2022 have the financial muscles needed for growth going forward.

C/I < 40 %

- Total costs in Q1 is NOK 36 mill lower than in Q4-22. Compared to Q1-22 the cost has increased with NOK 25 mill, of which NOK 21 mill is related to the subsidiaries. The increase is mainly due to added manpower and an increased investment in subsidiaries. SNN has a targeted C/I below 40 %, and delivered a C/I in Q1 of 33,2 %. The target still stands despite a underlying inflation and new investments which will lead to some increase in total costs.

Pay out ratio > 50 %

- The targeted dividend pay out ratio of > 50 % still stands.
- The Bank is well capitalized and are well equipped to take growth without limiting the capacity to pay out dividends.
- SpareBank 1 Nord-Norge shall not, over time, have more capital than we need for growth and to maintain our solvency.

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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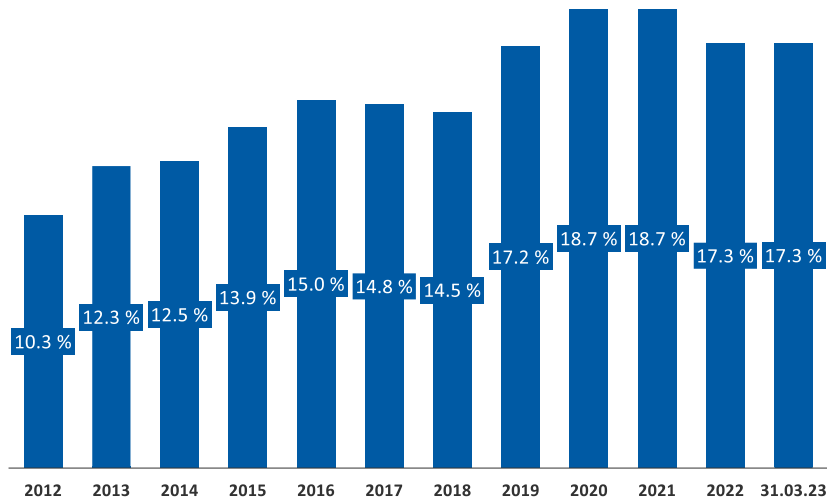
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SpareBank 1
NORD-NORGE

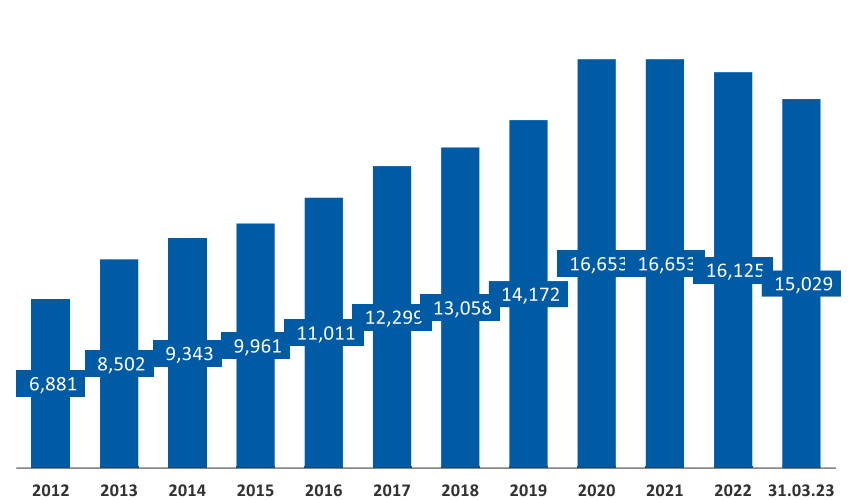


A solid bank for Northern Norway

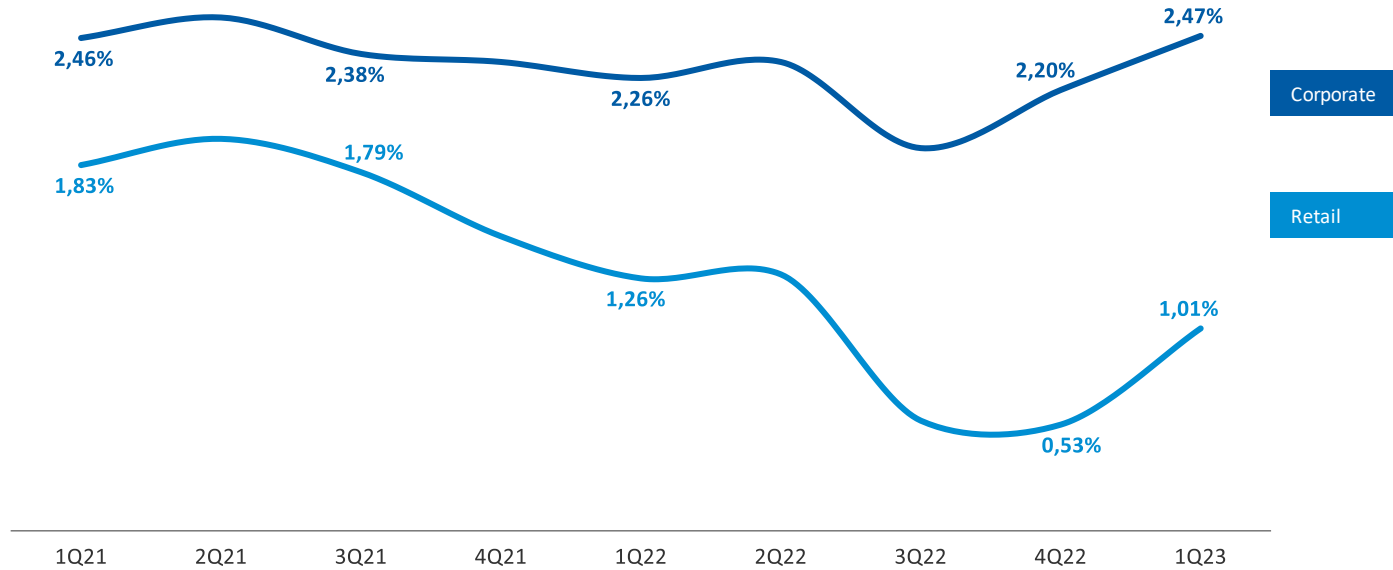
CET1 ratio



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
15,58 % | Mortgage company

**SpareBank 1
Næringskreditt AS**
2,71 % | Mortgage company

SpareBank 1 Utvikling DA
18 % | System development

SpareBank 1 Kreditt AS
16,73 % | Credit card

SpareBank 1 Betaling AS
17,94 % | Vipps/mobile payment

**SpareBank 1
Gjeldsinformasjon AS**
14,44 % | Investment company

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

SpareBank 1 Mobilitet AS
30,66 % | System development

SpareBank 1 Forvaltning AS
13,27 % | Investment company

SpareBank 1 Kundepleie AS
26,67 % | System development

Subsidiaries

**SpareBank 1 Finans Nord-
Norge AS**
85 % | Loan/consumer finance/leasing

**EiendomsMegler 1 Nord-
Norge AS**
85 % | Real estate brokerage

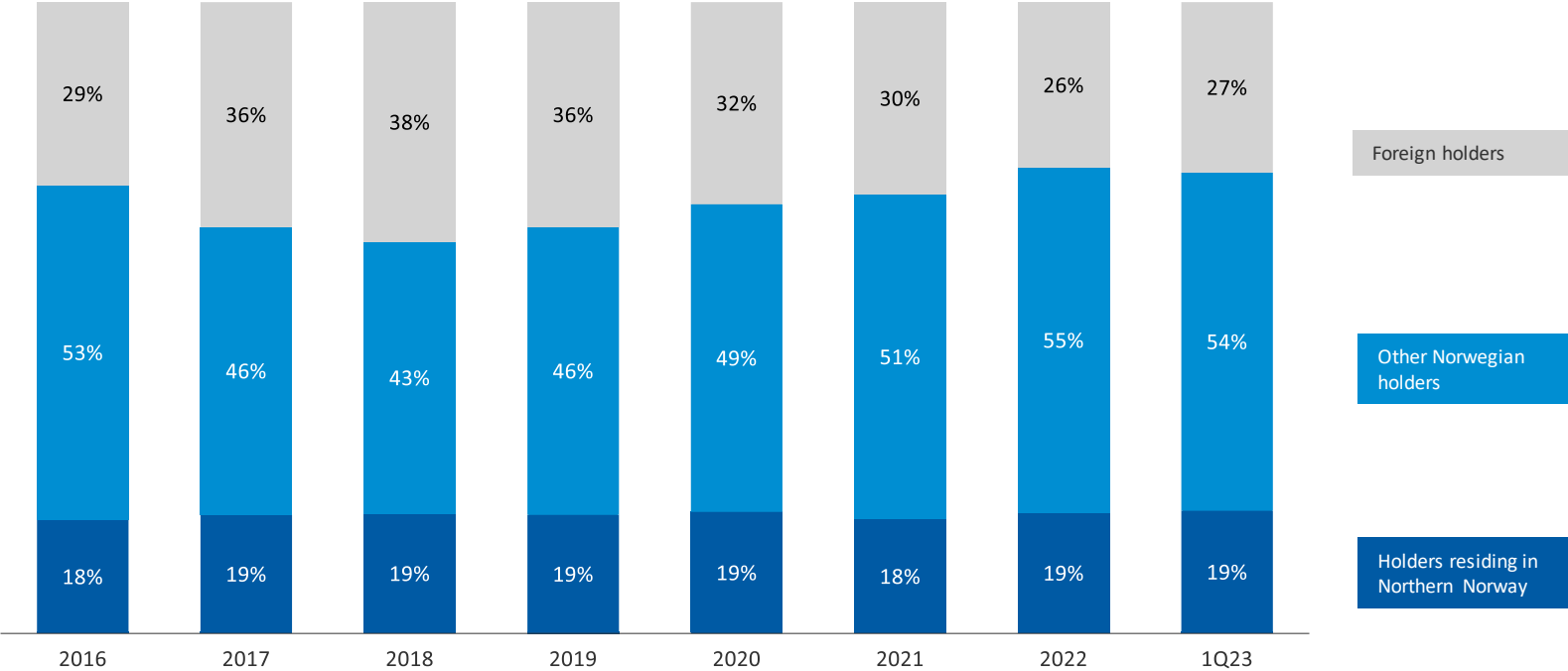
Fredrik Langesgt 20 AS
100 % | Commercial building

**SpareBank 1 Regnskaps-
huset Nord-Norge AS**
85 % | Accounting

**SpareBank 1 Nord-Norge
Portefølje AS**
100 % | Investment company

Rødbanken Holding AS*
100 % | Investment company

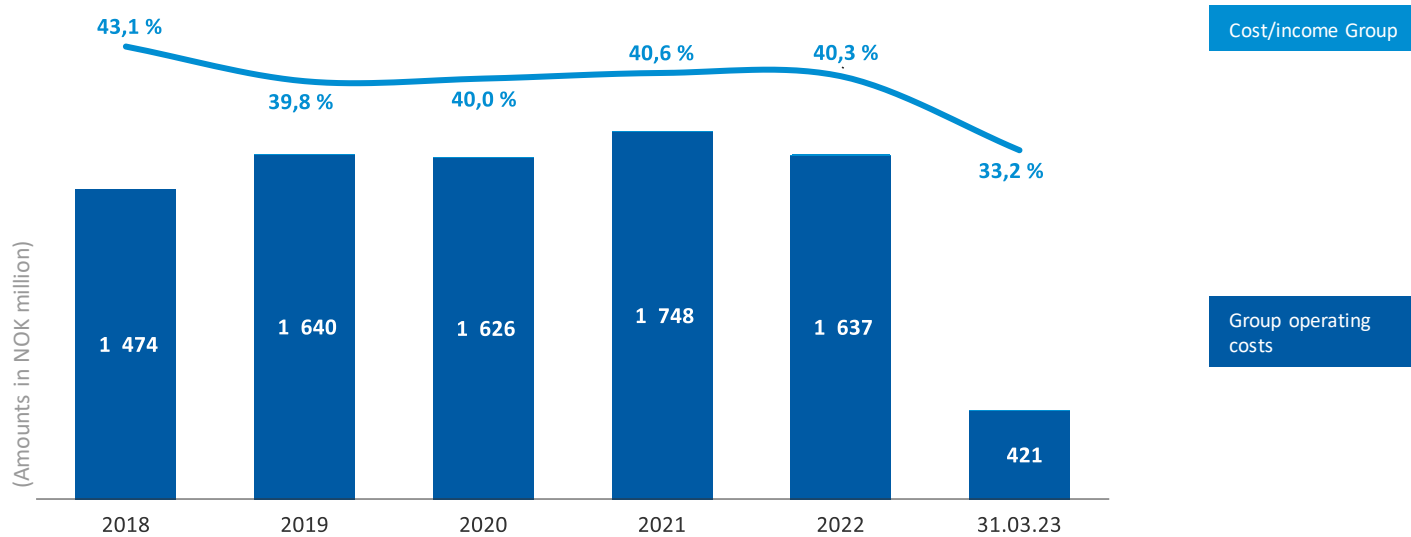
Geographical distribution of ownership



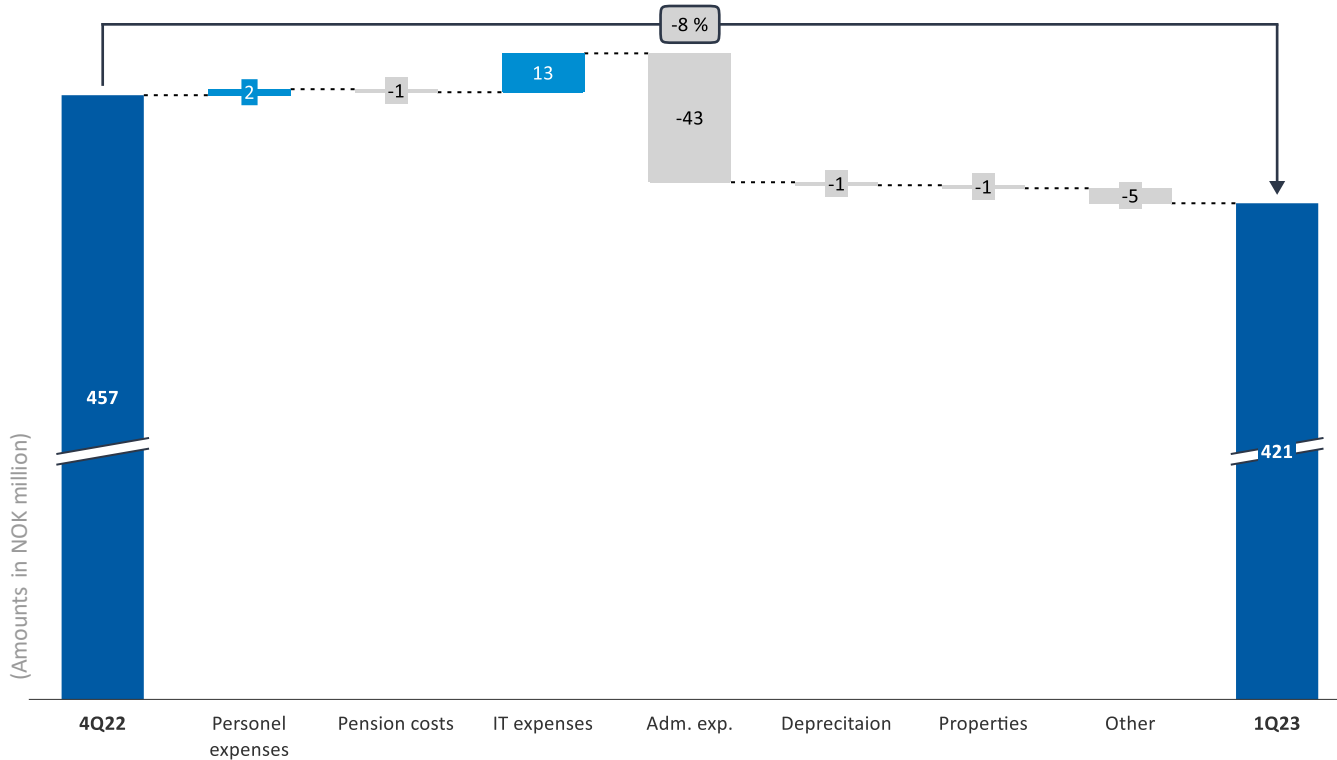
The 20 largest EC holders

EC Holders	Number of Ecs	Share of EC Capital
PARETO INVEST NORGE AS	4,6M	4,6 %
PARETO AKSJE NORGE VERDIPAPIRFOND	3,9M	3,9 %
GEVERAN TRADING CO LTD	3,5M	3,5 %
VPF EIKA EGENKAPITALBEVIS	3,5M	3,4 %
KOMMUNAL LANDSPENSJONSKASSE GJENSI	2,6M	2,6 %
MP PENSJON PK	2,4M	2,4 %
The Northern Trust Comp, London Br	2,4M	2,4 %
Brown Brothers Harriman & Co.	2,0M	2,0 %
FORSVARETS PERSONELLSERVICE	1,8M	1,7 %
J.P. MORGAN SECURITIES PLC	1,7M	1,6 %
Euroclear Bank S.A./N.V.	1,5M	1,5 %
Morgan Stanley & Co. International	1,5M	1,5 %
SPAREBANKSTIFTELSEN SPAREBANK 1 NO	1,4M	1,4 %
SPESIALFONDET BOREA UTBYTTE	1,4M	1,4 %
Landkreditt Utbytte	1,1M	1,1 %
J.P. Morgan SE	1,1M	1,1 %
State Street Bank and Trust Comp	994K	1,0 %
State Street Bank and Trust Comp	945K	0,9 %
Brown Brothers Harriman & Co.	735K	0,7 %
State Street Bank and Trust Comp	692K	0,7 %
Total	39.532.283	39,4 %

Cost development - Group



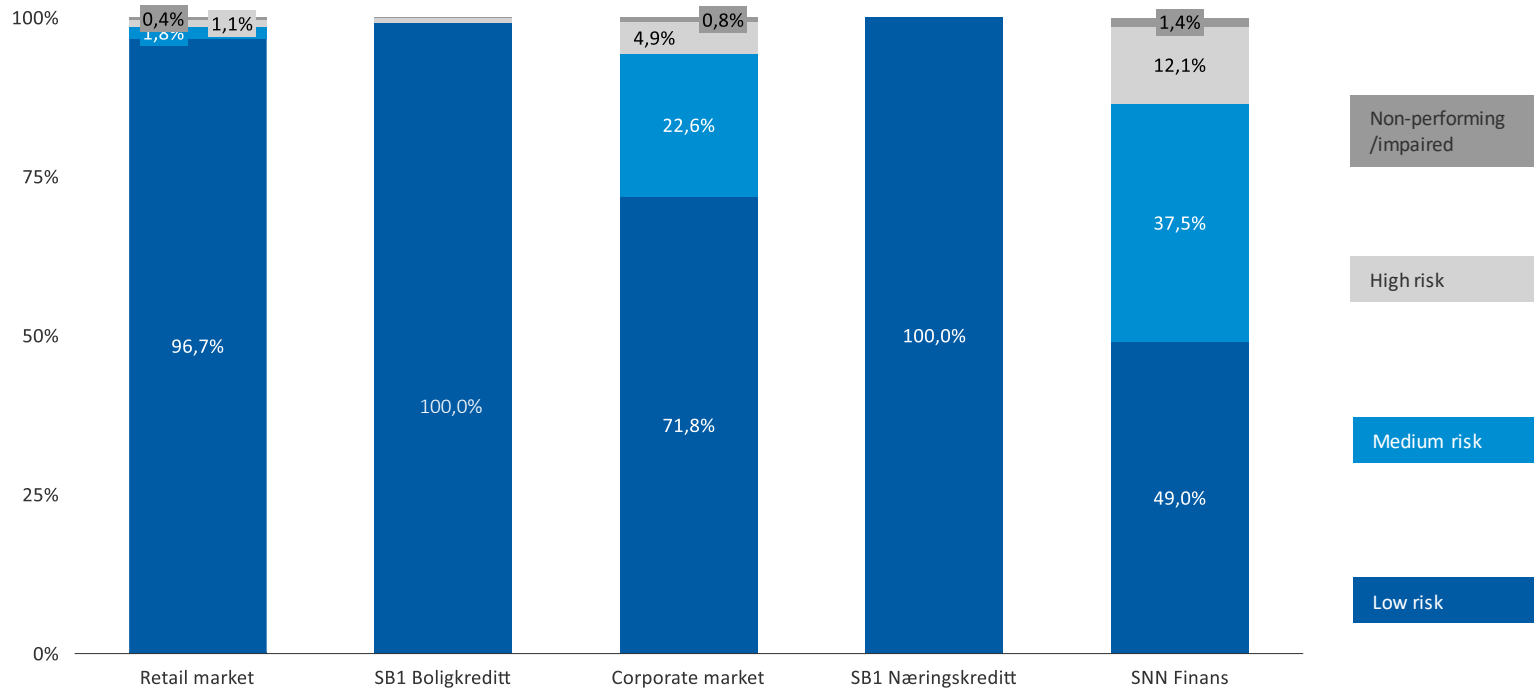
Operating expenses - Group



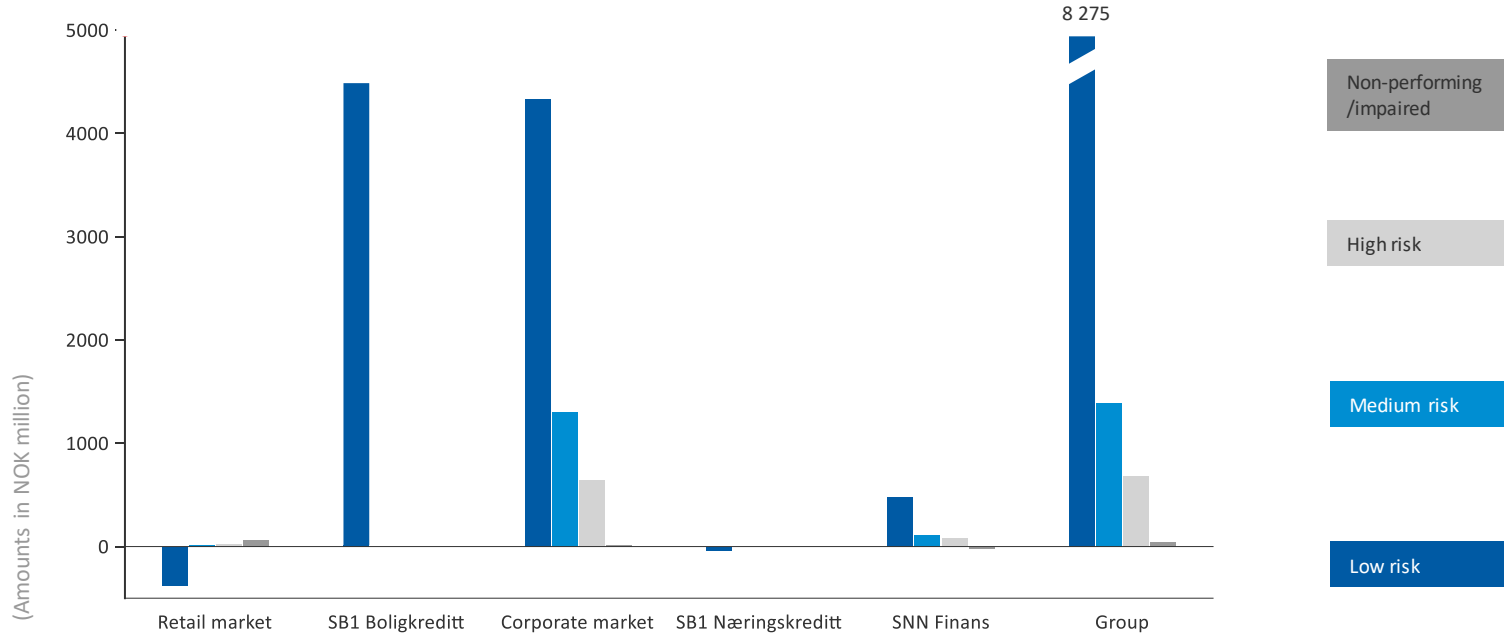
Net fee- and other operating income - Group

(Amounts in NOK million)	1Q23	4Q22	3Q22	2Q22	1Q22
Payment facilities	60	74	71	57	55
Sales provision insurance products	52	52	51	49	49
Guarantee commissions	10	8	10	8	6
Real estate broking	26	22	29	34	22
Portfolio commissions	13	12	20	12	12
Other commissions	52	66	51	57	44
Commissions excl. provision from SB1 BK & NK	213	234	232	217	188
Loans sold to SB1 BK & NK	46	32	49	63	73
Total commission income	259	266	281	280	261
Commission costs	23	21	20	21	17
Accounting services	72	48	47	57	66
Other operating income	1	2	4	0	1
Total commissions and other income	73	50	51	57	67
Net fee- and other operating income	309	295	312	316	311

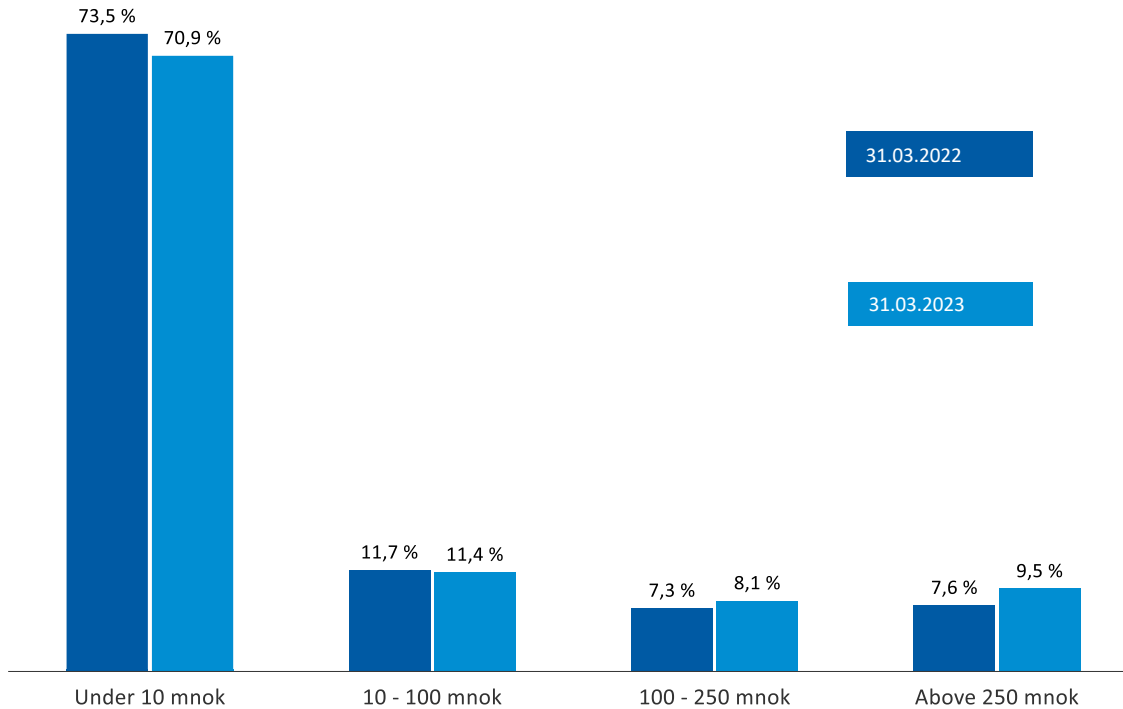
Risk exposure - Group



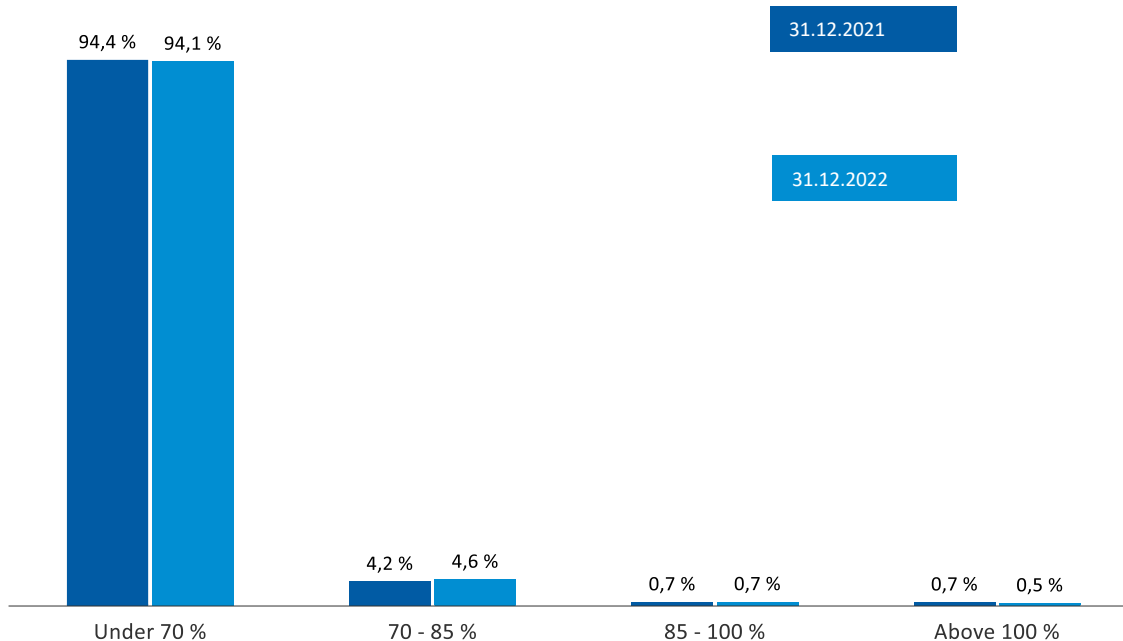
Changes in exposure last 12 months - Group



Exposure distributed by size*



LTV mortgage loans

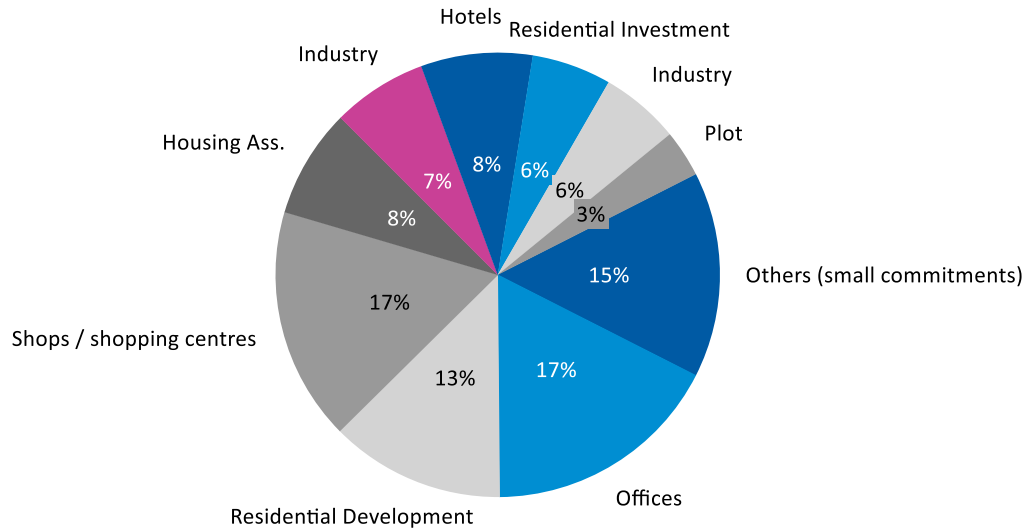


LTV is distributed by balance and is based on the market value of the collateral:

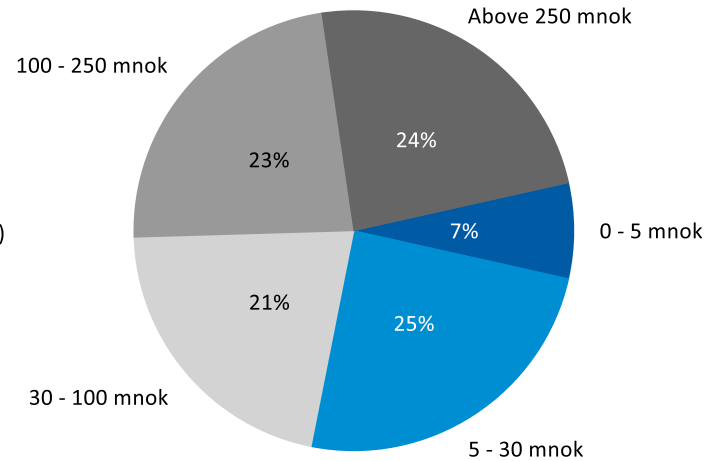
- 98.7 % of the gross exposure is within 85 % of the collateral market value
- Only 0.5 % of the gross exposure is higher than 100 % of the collateral market value
- The figures include the portfolio in SB1 Boligkreditt

Diversified portfolio in commercial real estate

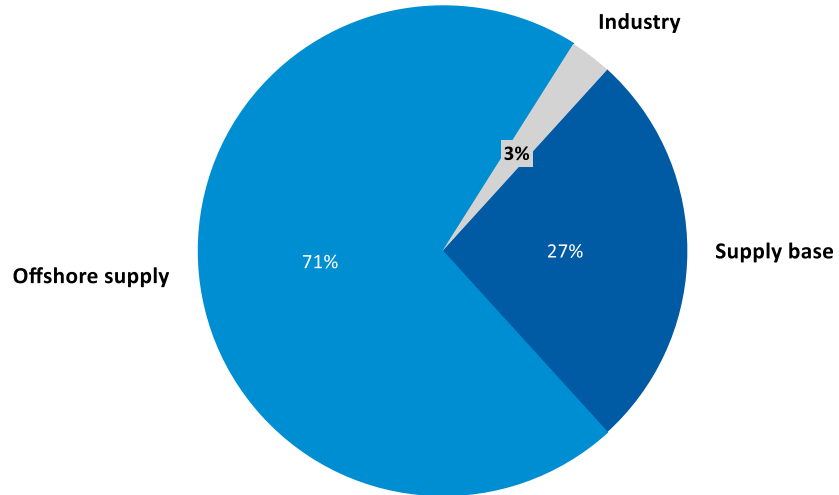
Portfolio distribution



Size of commitments



Low oil related exposure



Oil related exposure amounts to NOK 861 mill

- The exposure represents 0.58 % of total exposure including covered bond companies
- Average weighted probability of default 0.89 %
- A total of NOK 24 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

Loan losses - Group

(Amounts in NOK million)	31.03.2023	31.12.2022	4Q22	3Q22	2Q22	1Q22
Individual losses Corporate market	6,2	52,9	10,4	-3,6	3,1	43,0
Individual losses Retail market	3,8	-2,9	-0,8	-2,4	0,1	0,2
Collective losses and other value change items	-67,5	12,7	11,9	62,6	13,8	-75,6
Total losses on loans and guarantees	-57,4	62,6	21,5	56,6	17,0	-32,4

The Group's annualized losses is -0.17 % (annualized) of gross lending including loans transferred to covered bond companies

Commitments in step 3: 0.70 % of total exposure. Expected loss share: 28.91 %

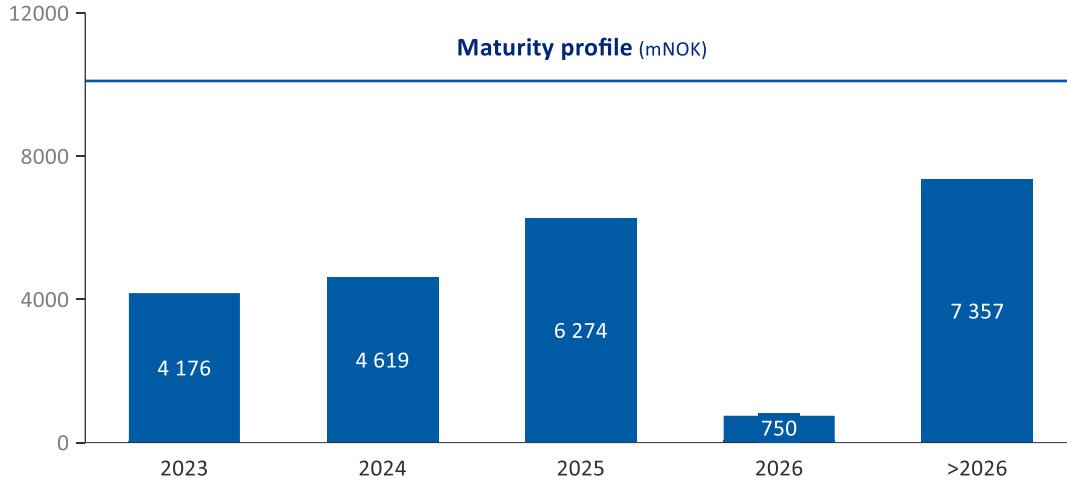
Commitments in step 2: 7.15 % of total exposure. Expected loss share: 3.34 %

Commitments in step 1: 92.15 % of total exposure. Expected loss share: 0.26 %

The lending portfolio*

Sector	Share of total loans	Lending mNOK
Retail market	35,8 %	49 519
SpareBank 1 Boligkreditt	29,4 %	40 581
Real estate	11,7 %	16 185
Fishing and aquaculture	6,6 %	9 183
Financial and insurance activities	4,6 %	6 381
Power and water supply and construction	3,0 %	4 130
Service industries	2,3 %	3 180
Transportation	2,5 %	3 419
Commodity trade, hotel and restaurant industry	1,7 %	2 351
Manufacturing	1,4 %	1 925
Agriculture and forestry	0,8 %	1 161
Government	0,1 %	141
Total loans Retail market	65,2 %	90 100
Total loans Corporate market	34,8 %	48 056
Total loans to customers		138 156

Funding

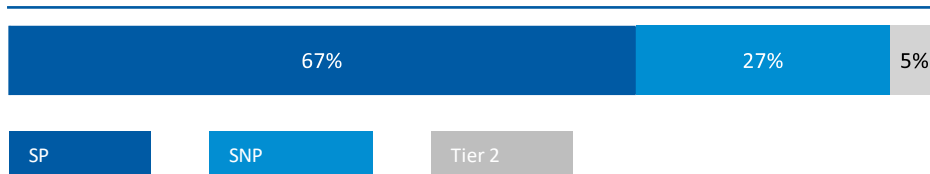


NOK 23 176 mill in capital market funding exclusive of SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt is important funding sources. In total NOK 40 581 mill had been transferred as of 31.03.23

Amount of gross maturities of capital market funding next 12 months is NOK 5 676mill

Distribution of capital market funding (mNOK)



Achieving goals for sustainability

- ESG-classified portfolio aligned with EUs taxonomy*
- 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



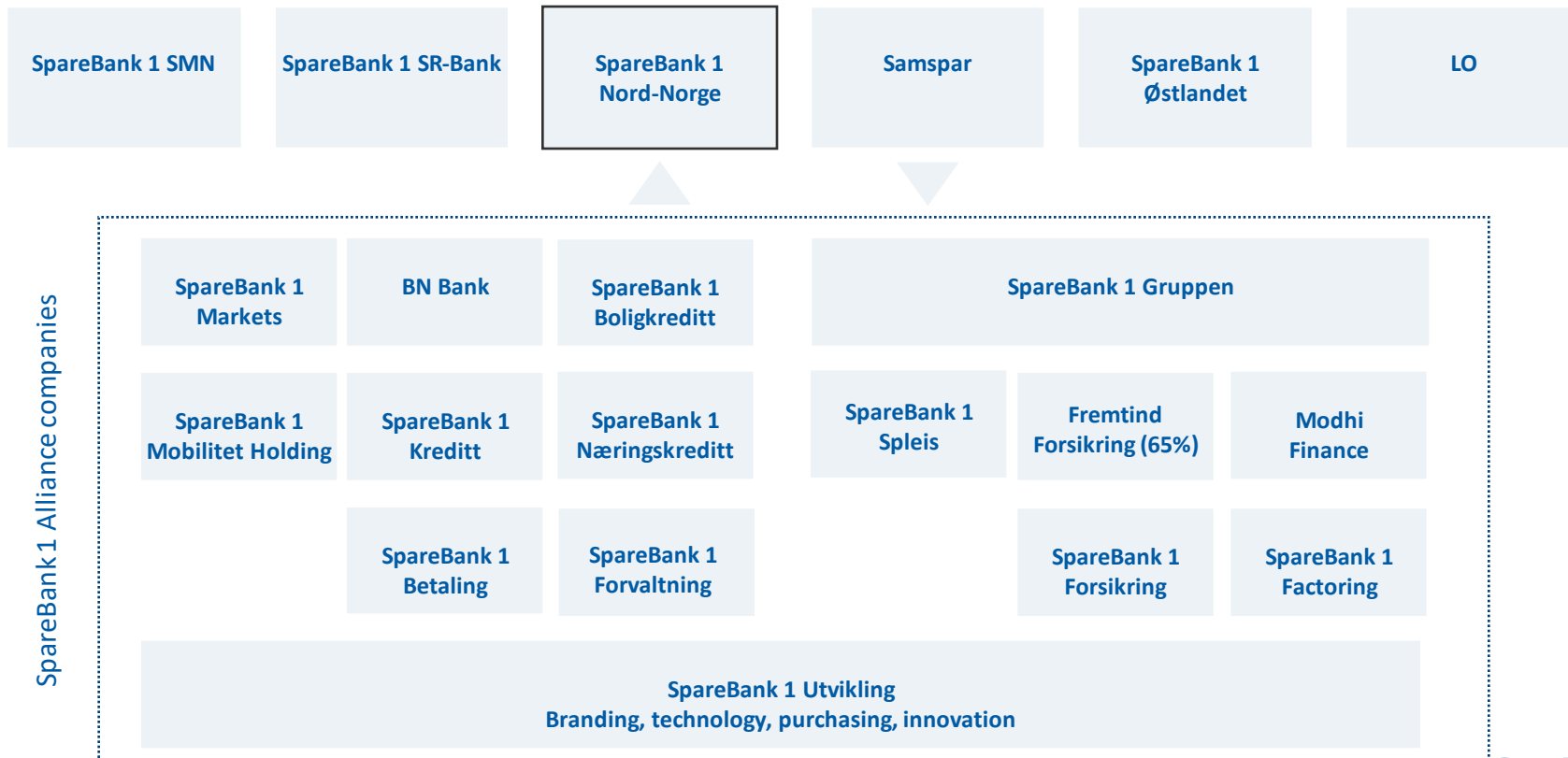
SpareBank 1 Alliance

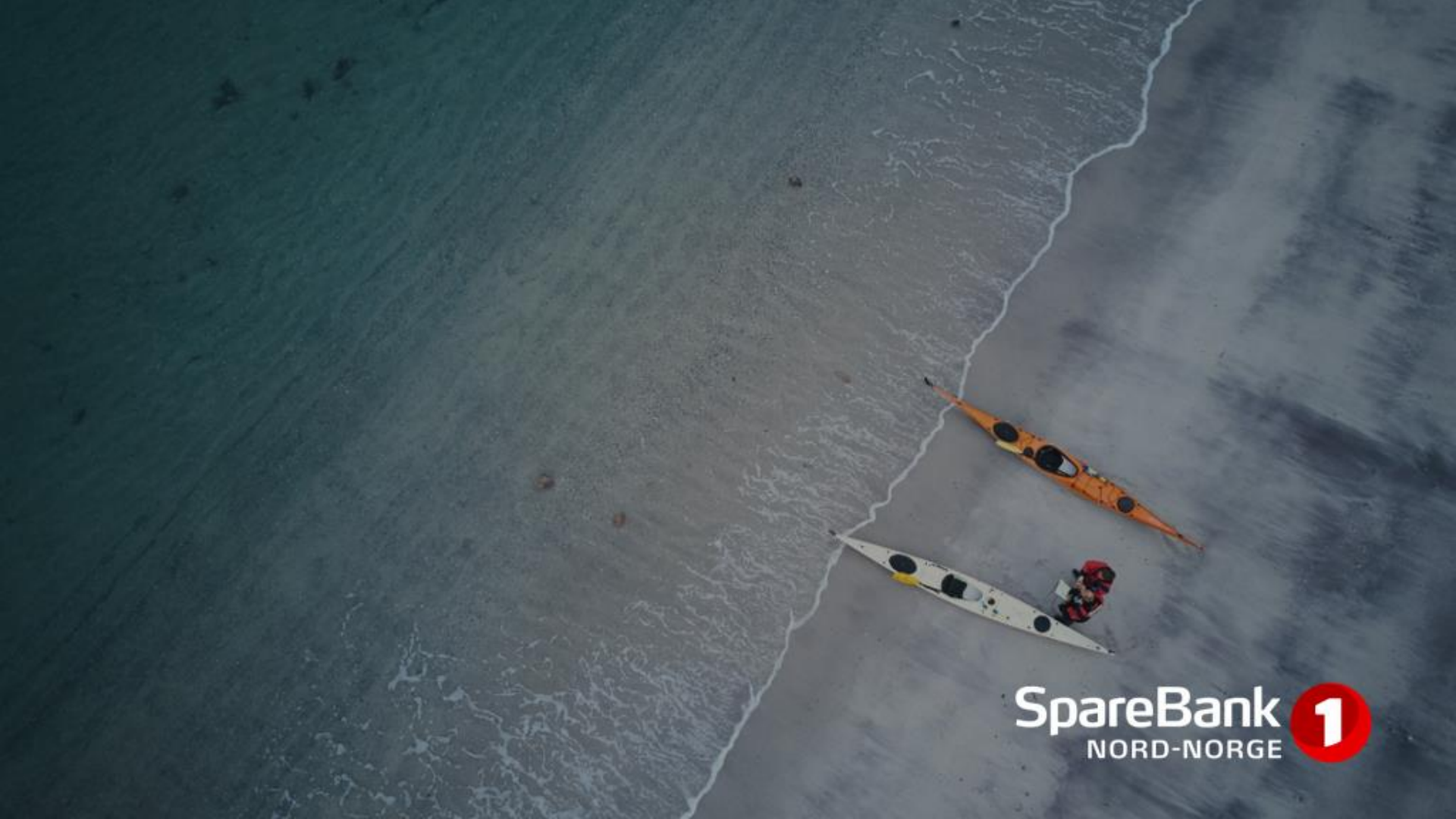


- The SpareBank 1-alliance consists of 14 banks
- Operate exclusively in Norway
- Norway's most extensive branch network with approx. 350 branches
- The alliance is in the forefront of incorporating technological innovation into its distribution channels. Best rated mobile banking in Norway
- Market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