

**4Q 2023**

February 8th 2024  
Hanne Karoline Kræmer, CEO  
Bengt Olsen, CFO

## 1 Highlights

## 2 Outlook

## 3 Financial status

## A Appendix



# Highlights YTD

Pre-tax profit		ROE
3 273 MNOK (2 364)		16.4 % (11.9 %)
CET1 ratio	C/I ratio	Losses
17.1 % (17.3 %)	36.0 % (40.3 %)	116 MNOK (63)



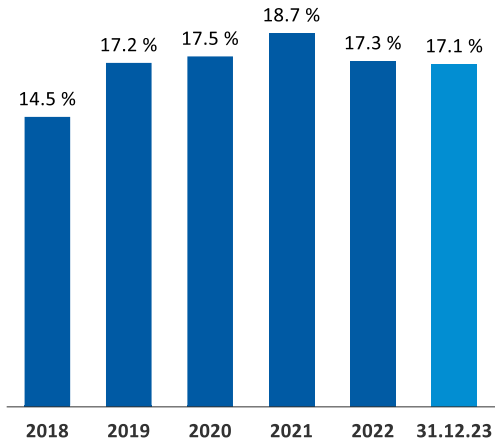


The obvious choice for people and businesses!

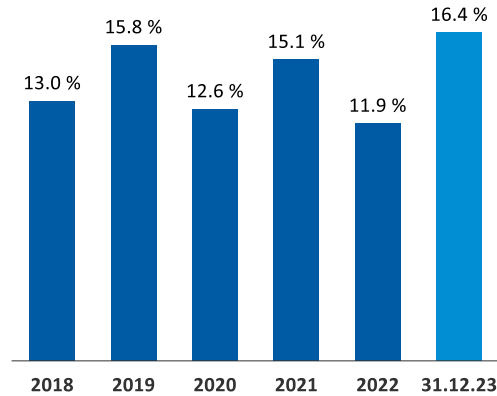


# Satisfying financial results

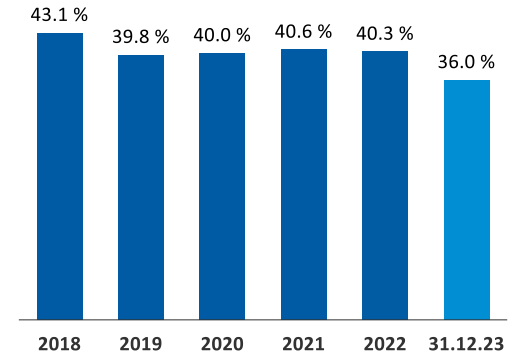
CET1 ratio



Return on equity capital



Cost/income Group



# Subsidiaries – results before tax

(Amounts in NOK million)	31.12.2023	31.12.2022
SpareBank 1 Finans Nord-Norge AS	220	207
SpareBank 1 Regnskapshuset Nord-Norge AS	7	17.5
EiendomsMegler 1 Nord-Norge AS	11	15.8
<b>Subsidiaries within core operations</b>	<b>238</b>	<b>241</b>
Other subsidiaries	4	4
<b>Total</b>	<b>242</b>	<b>244</b>

1 Highlights

2 Outlook

3 Financial status

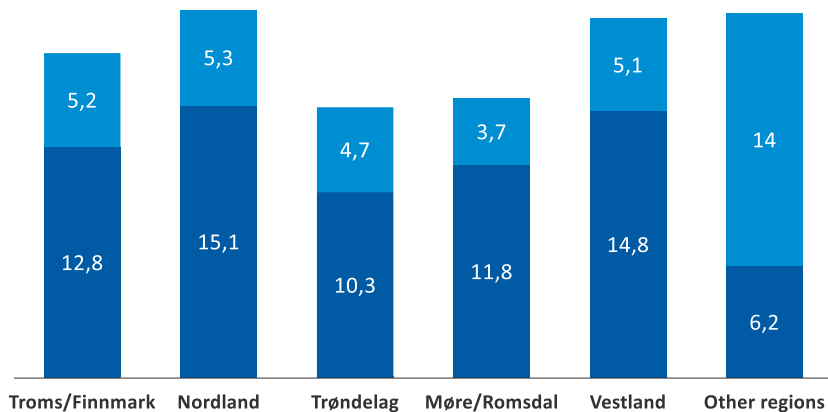
---

A Appendix

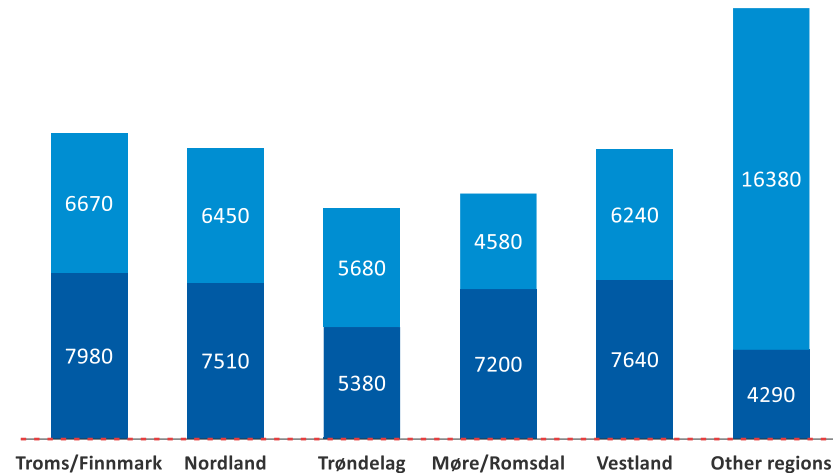


# High value creation and employment in Northern Norway

Value creation seafood 2023 (bn)



Employment seafood 2023



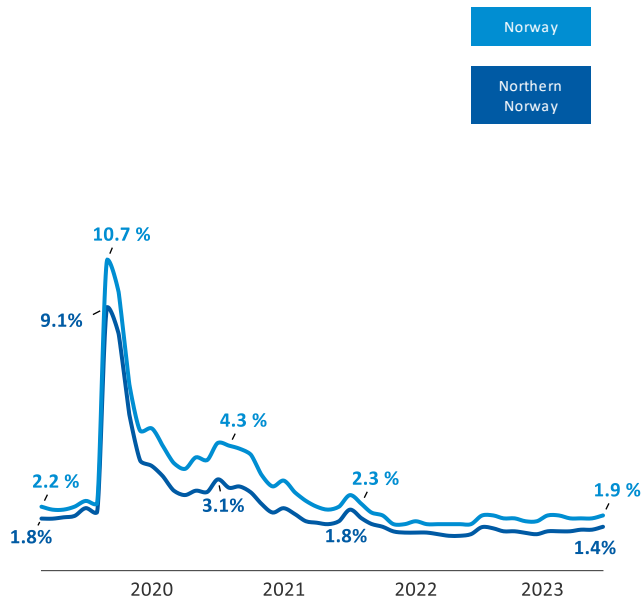
Ripple effect

Core business

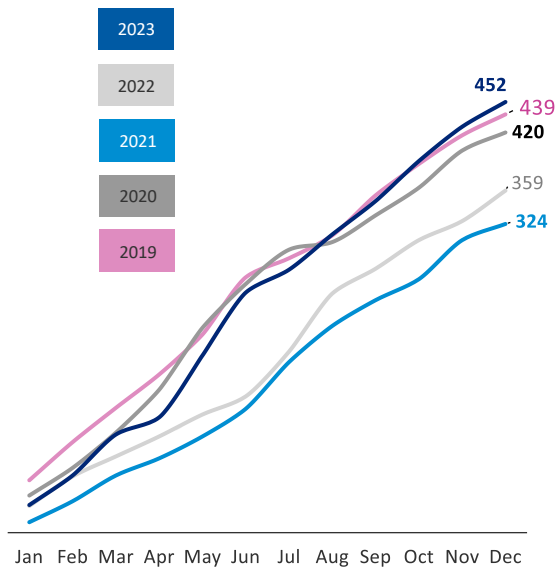


# High activity in the region

Unemployment rate

















Bankruptcies in Northern Norway



Payment defaults on mortgages



# 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 2024

**Retail market:            2-4 %**

**Corporate market:    4-7 %**

The Group is well capitalized. Underlying market growth is lower than in many years, but the region is well positioned compared to the rest of the country. We witnessed surprisingly strong investment willingness in the business sector throughout 2023 but expect slightly lower growth in households and businesses in 2024. The Group aims to gain market shares.

1 Highlights

---

2 Outlook

3 Financial status

A Appendix



# Group financial highlights and key figures

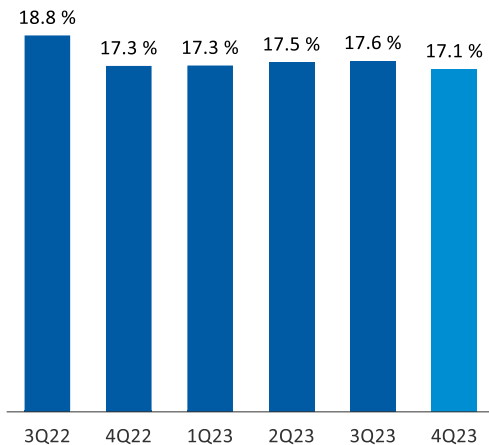
(Amounts in NOK million and in % of average assets)

	4Q23	3Q23	4Q22	31.12.23	31.12.22
Net interest income	997	955	767	3 627	2 556
Net fee- and other operating income	532	308	295	1 487	1 234
Net income from financial investments	83	- 43	258	183	274
Total income	1 612	1 220	1 320	5 297	4 064
Total costs	593	464	457	1 908	1 637
<b>Result before losses</b>	<b>1 019</b>	<b>756</b>	<b>863</b>	<b>3 389</b>	<b>2 427</b>
Losses	91	52	22	116	63
<b>Result before tax</b>	<b>928</b>	<b>704</b>	<b>841</b>	<b>3 273</b>	<b>2 364</b>
Tax	172	192	178	725	513
<b>Result after tax</b>	<b>756</b>	<b>512</b>	<b>663</b>	<b>2 548</b>	<b>1 851</b>
Interest hybrid capital	21	15	10	60	37
<b>Result after tax ex. interest hybrid capital</b>	<b>735</b>	<b>497</b>	<b>653</b>	<b>2 488</b>	<b>1 814</b>
<b>Profitability</b>					
Return on equity capital	18.8 %	13.2 %	17.2 %	16.4 %	11.9 %
Interest margin	2.85 %	2.76 %	2.09 %	2.85 %	2.09 %
Cost/income	36.8 %	38.0 %	34.6 %	36.0 %	40.3 %

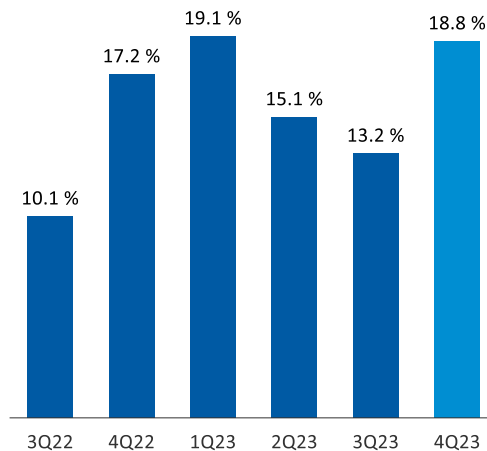


# Quarterly development

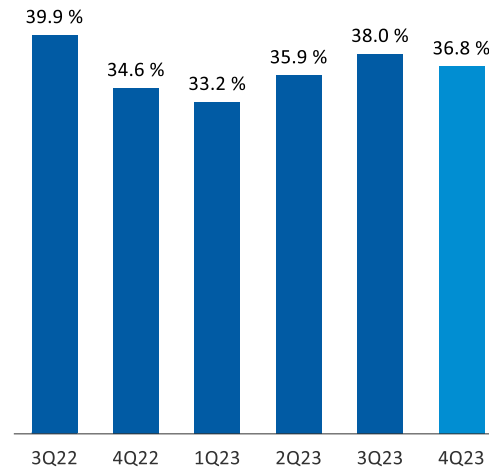
CET1 ratio



Return on equity capital

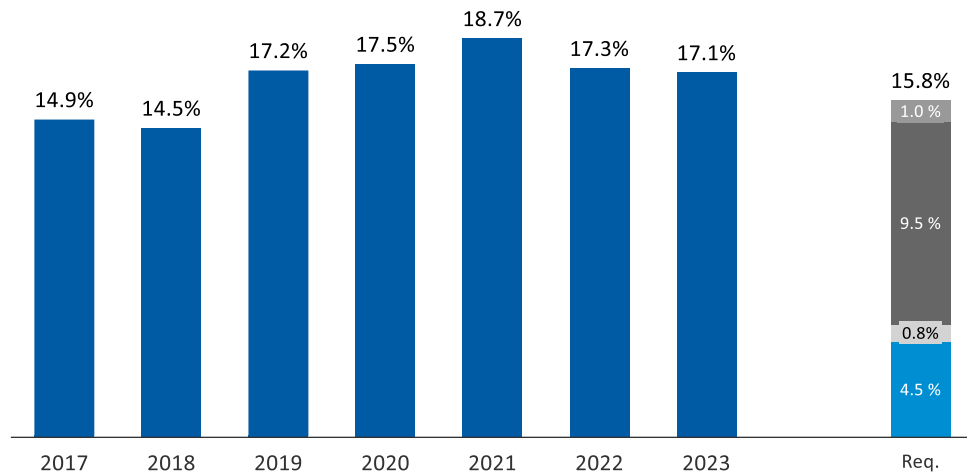


Cost/income Group

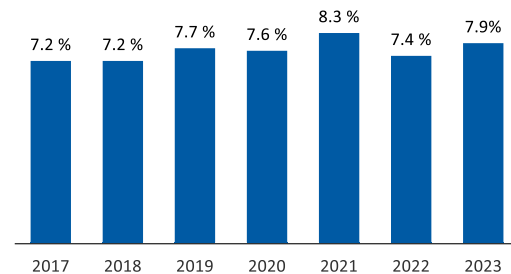


# Strong capital base

CET1



Leverage Ratio



CET1

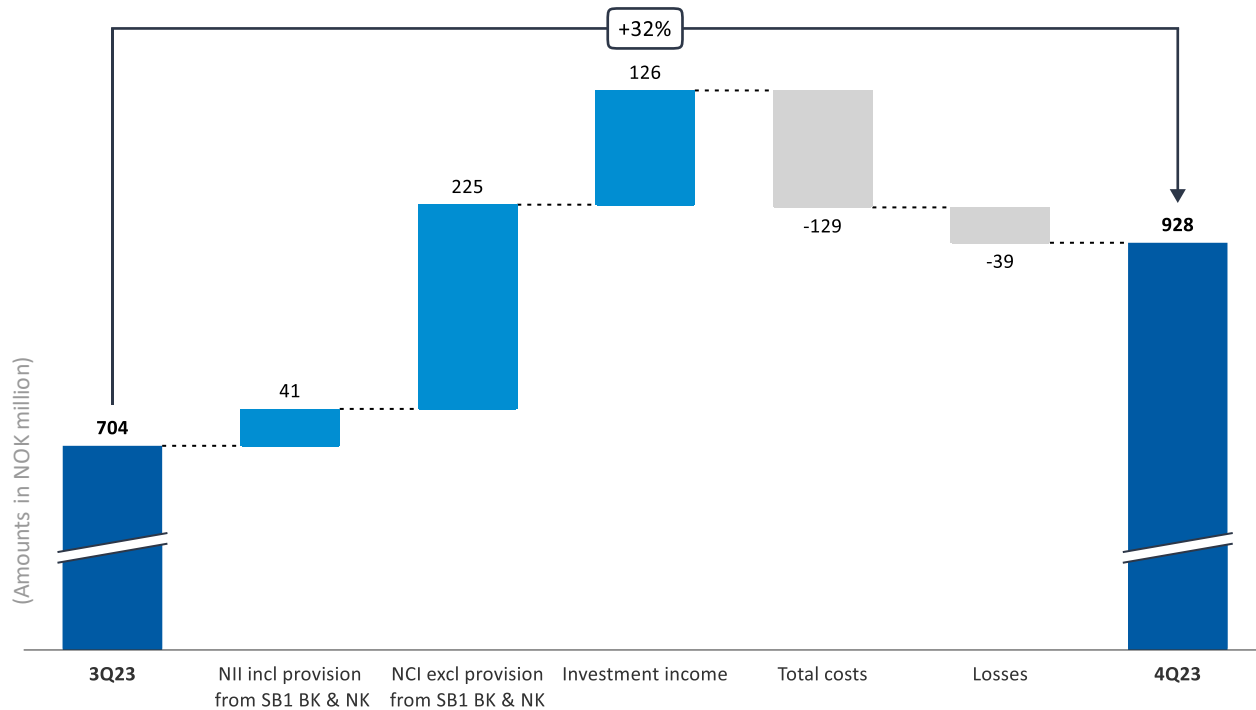
Pillar 1  
min.requirement

P2R

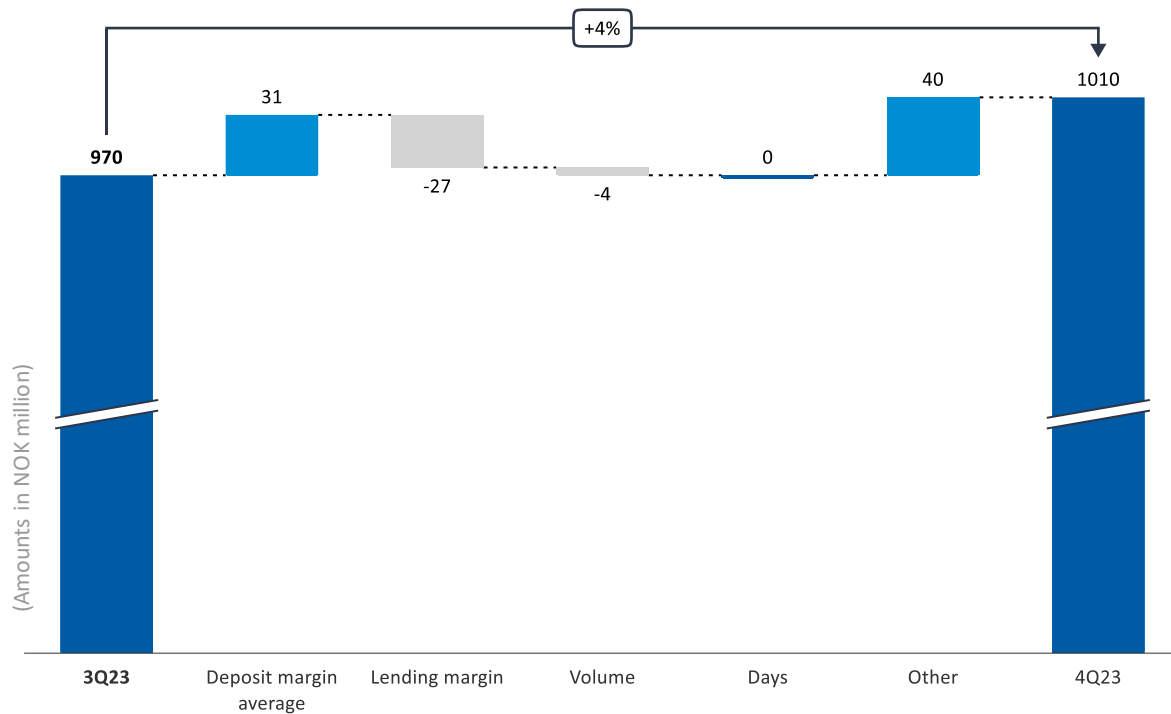
Buffer req

P2G

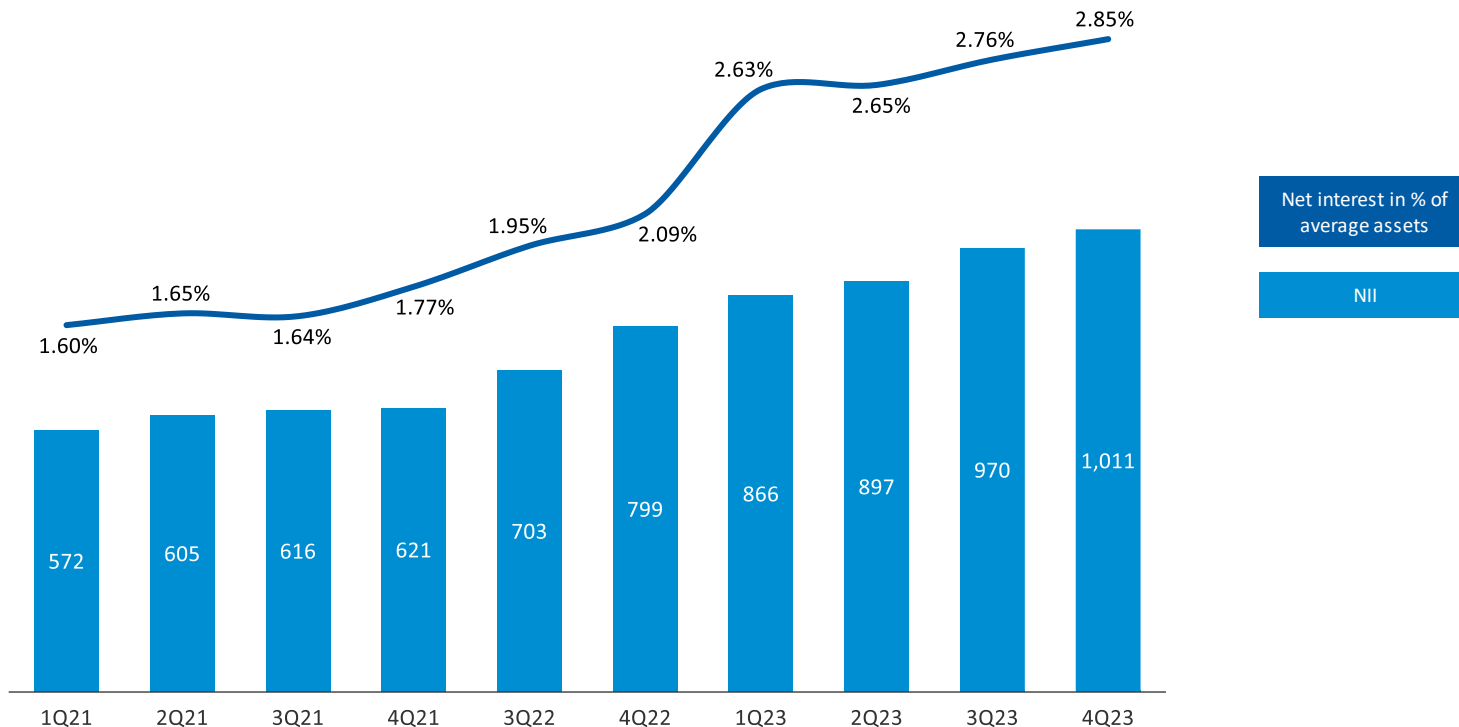
# Result before tax - last quarter



# Net interest income - Group

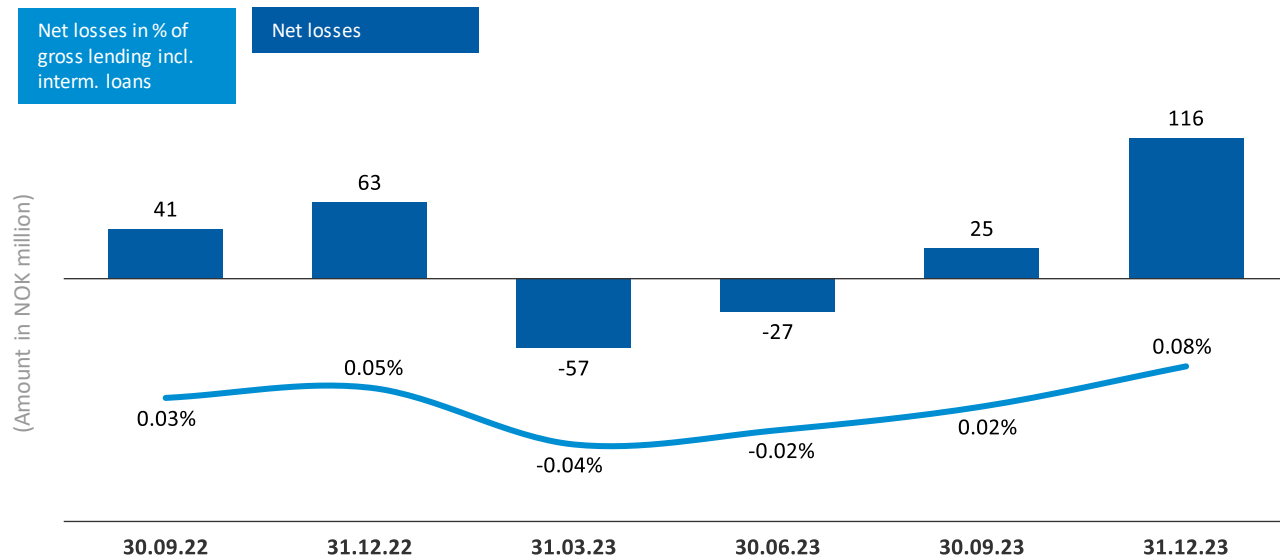


# Development in net interest income





# Low losses

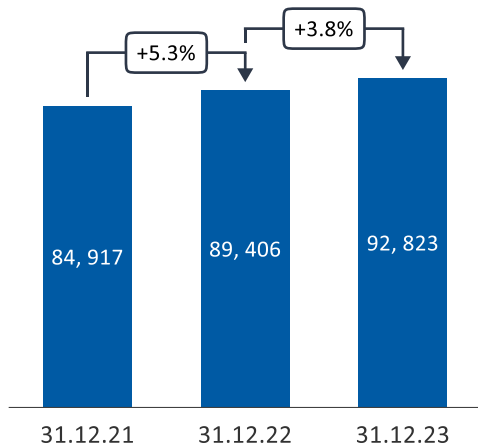


Distribution of losses

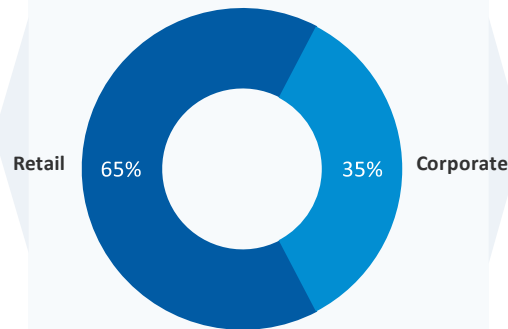


# Lending growth

**Retail marked** (incl.commission loans)



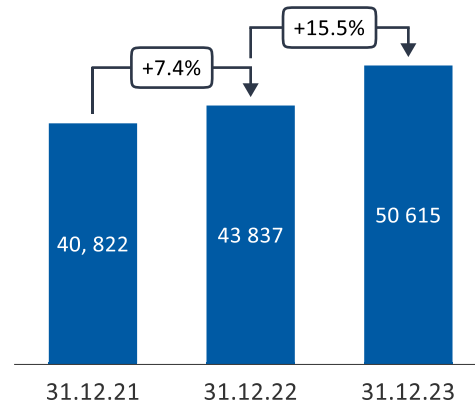
**Gross lending** (incl.commission loans)



**Gross lending** (excl.commission loans)

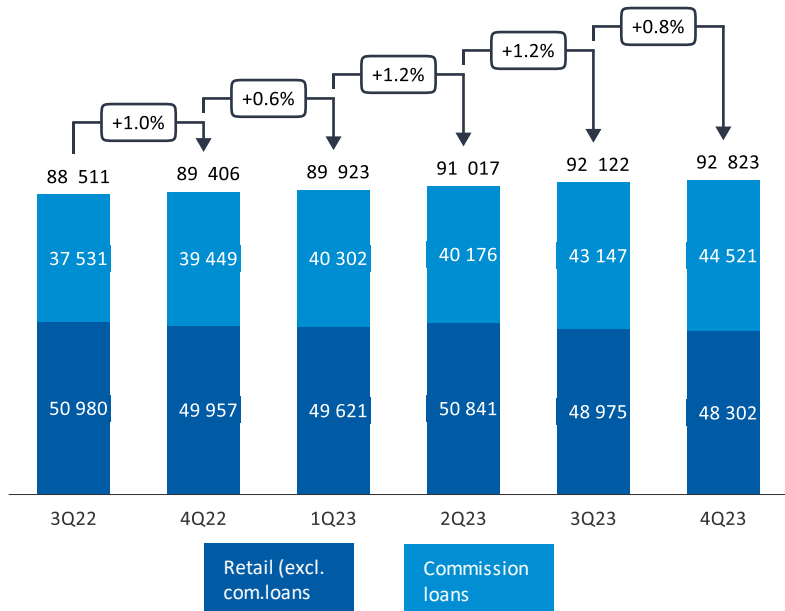


**Corporate Banking** (incl.commission loans)

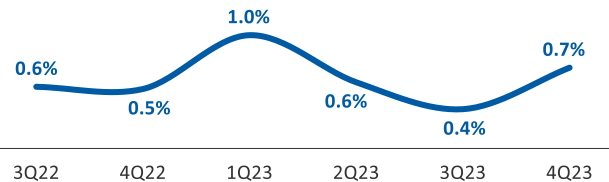


# Retail Market

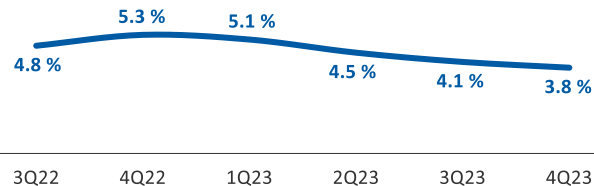
Lending growth



Development in lending margin (ISO)

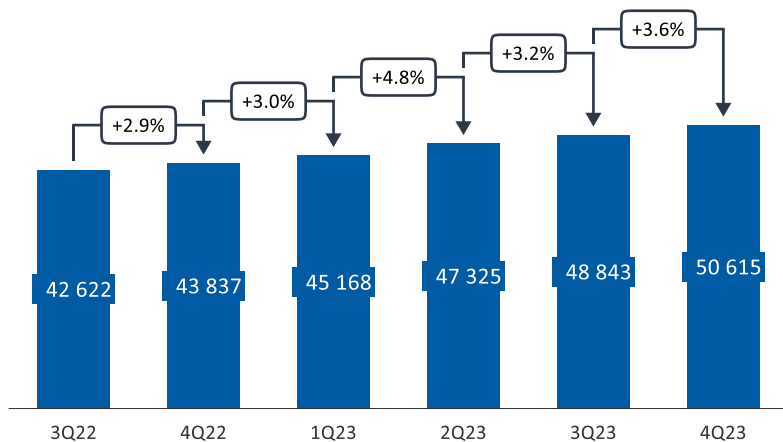


Lending growth (12 mth)

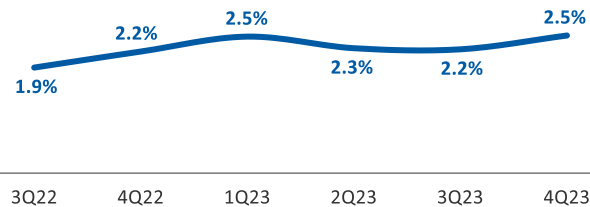


# Corporate Banking

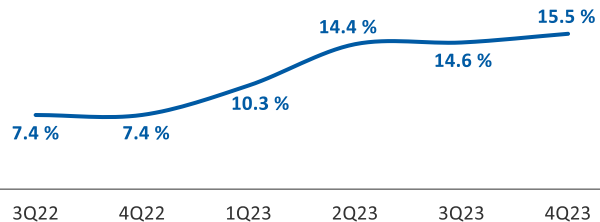
Lending growth



Development in lending margin (ISO)

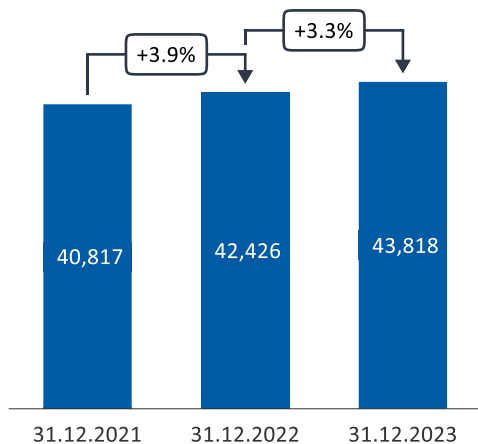


Lending growth (12 mth)

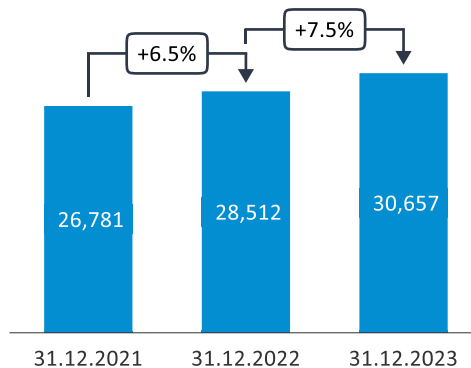


# Deposit growth

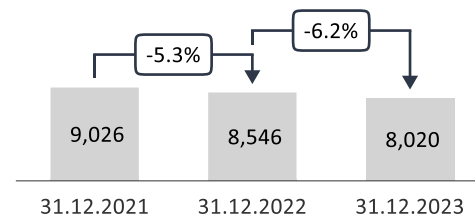
Retail Market



Corporate Banking



Public Sector



Deposits gross





# Long term financial targets

> 13 %  
ROE

< 40 %  
C/I ratio

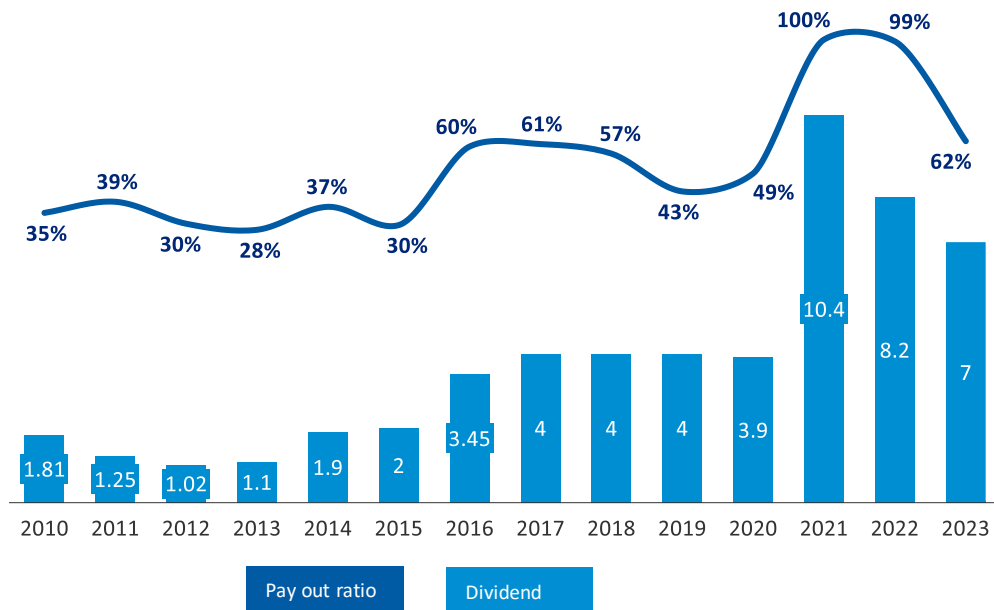
---

> 50 %  
Dividend payout ratio

---

15.8 %  
CET1 ratio

# Proposed dividend for 2023



Total dividend for 2023 NOK 7,0/EC

Ex date March 15th 2024

A pay out ratio of 61.6 % mean that the **northern norwegian society** will receive **NOK 813 million**

# Financial outlook

## NRI

- Lending margins and provisions from SpareBank 1 Boligkreditt have continued to decrease in Q4 based on the hike from the central bank. The increase in NIBOR has had a positive effect on deposit margins. If the market expectations that the interest rate peak is reached persists, and the NIBOR decreases, this will over time contribute to a somewhat lower deposit margin, while margins on mortgages will increase. However, a significant pressure on margins on mortgages is to be expected as underlying growth decreases and the competition for volume increases.

## ROE > 13 %

- Solid underlying operation, and an optimized capital structure results in a record high ROE in Q4 at 18.8 %, ROE for the year 2023 ended on 16.4 %. 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 2024 is good and the goal stands.

## CET1 Ratio: 15.8 %

- Targeted CET1 ratio is one percentage point above the regulatory minimum requirement, currently 14.8 %.
- The bank is, with a CET1 at 17.1 % in Q4, very well capitalized, and indisputably solid. Based on this the bank has the financial muscles needed for wanted growth going forward.

## C/I < 40 %

- Total costs in Q4 is NOK 129 mill higher than in Q3. Compared to Q4-22 the cost has increased with NOK 136 mill, of which the parent bank accounts for NOK 100 mill, while the remaining NOK 36 mill is related to the subsidiaries. The increase is mainly due to added manpower, increased investment in subsidiaries and provisions for profit sharing. SNN has a targeted C/I below 40 %, and delivered a C/I in 2023 of 36 %. 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. Dividends for 2021 and 2022 were high, but the bank is still well capitalized and has the capacity needed for growth without affecting the dividend capacity.
- 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

## Management



**Hanne Karoline Kræmer**  
CEO  
+47 414 70 483  
[Hanne.karoline.kramer@snn.no](mailto:Hanne.karoline.kramer@snn.no)



**Bengt Olsen**  
CFO  
+47 975 89 560  
[bengt.olsen@snn.no](mailto:bengt.olsen@snn.no)

## Investor Relations



**Terje Karlstad**  
Investor Relations  
+47 411 22 220  
[terje.karlstad@snn.no](mailto:terje.karlstad@snn.no)



1 Highlights

---

2 Outlook

---

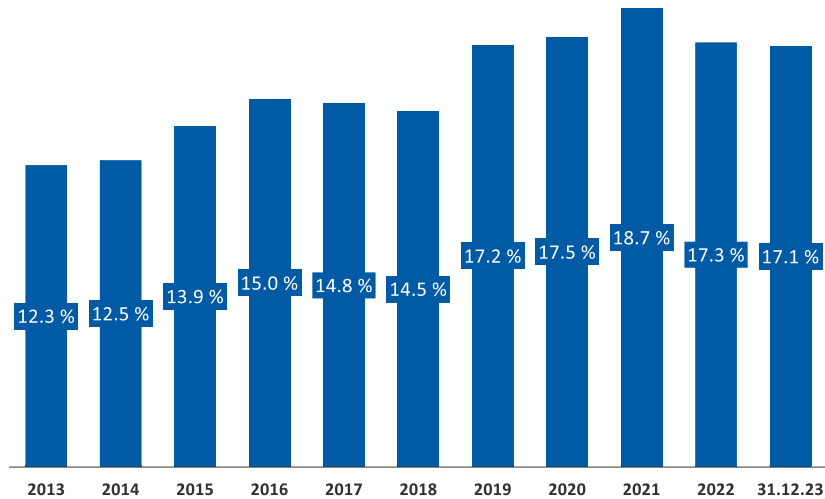
3 Financial status

A Appendix

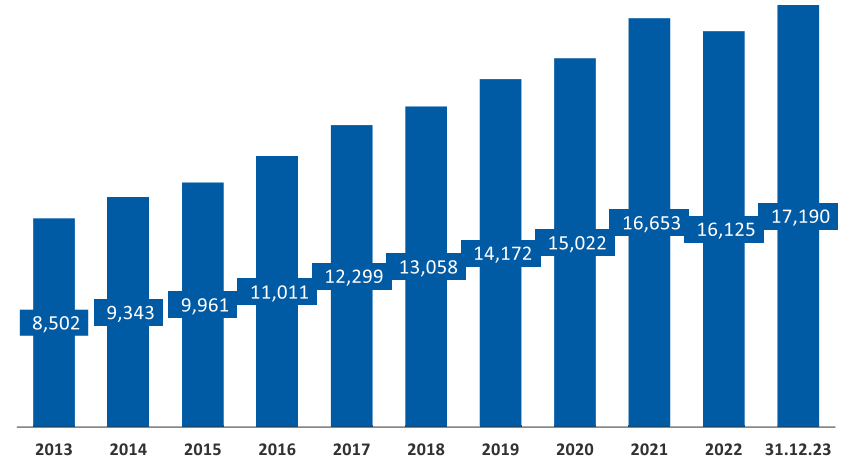


# A solid bank for Northern Norway

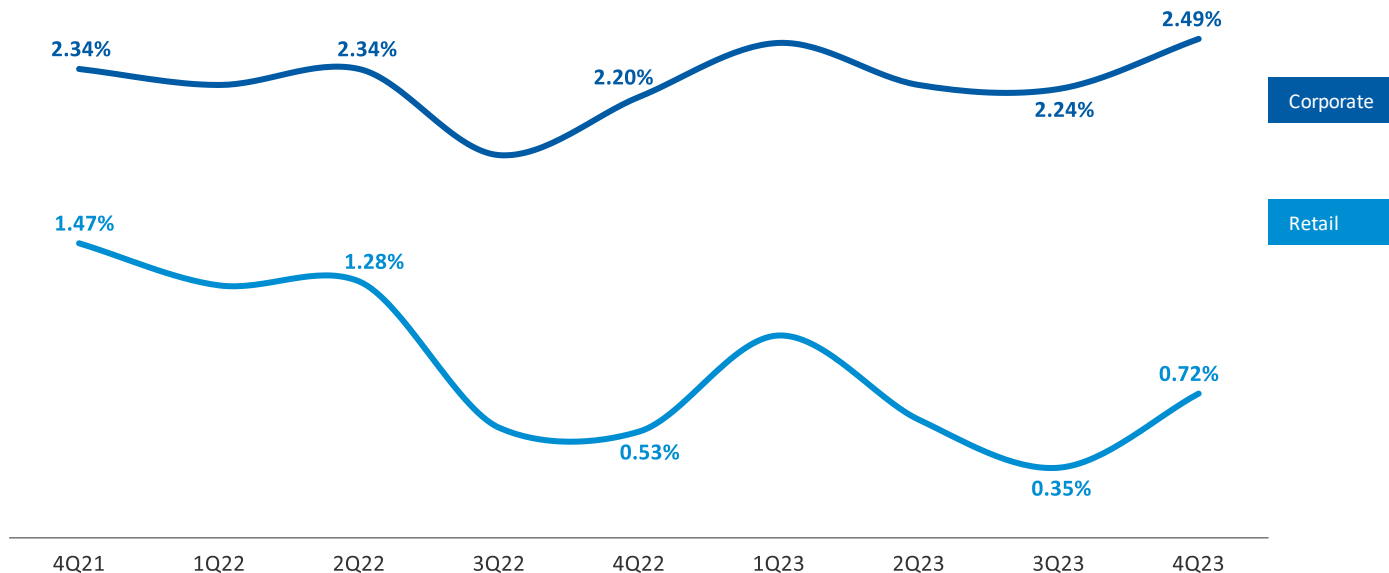
CET1 ratio



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**  
15.70 % | Mortgage company

**SpareBank 1  
Næringskreditt AS**  
1.05 % | 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**  
12.18 % | Investment company

**SpareBank 1 Markets AS**  
18.06 % | Investment Bank

## 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

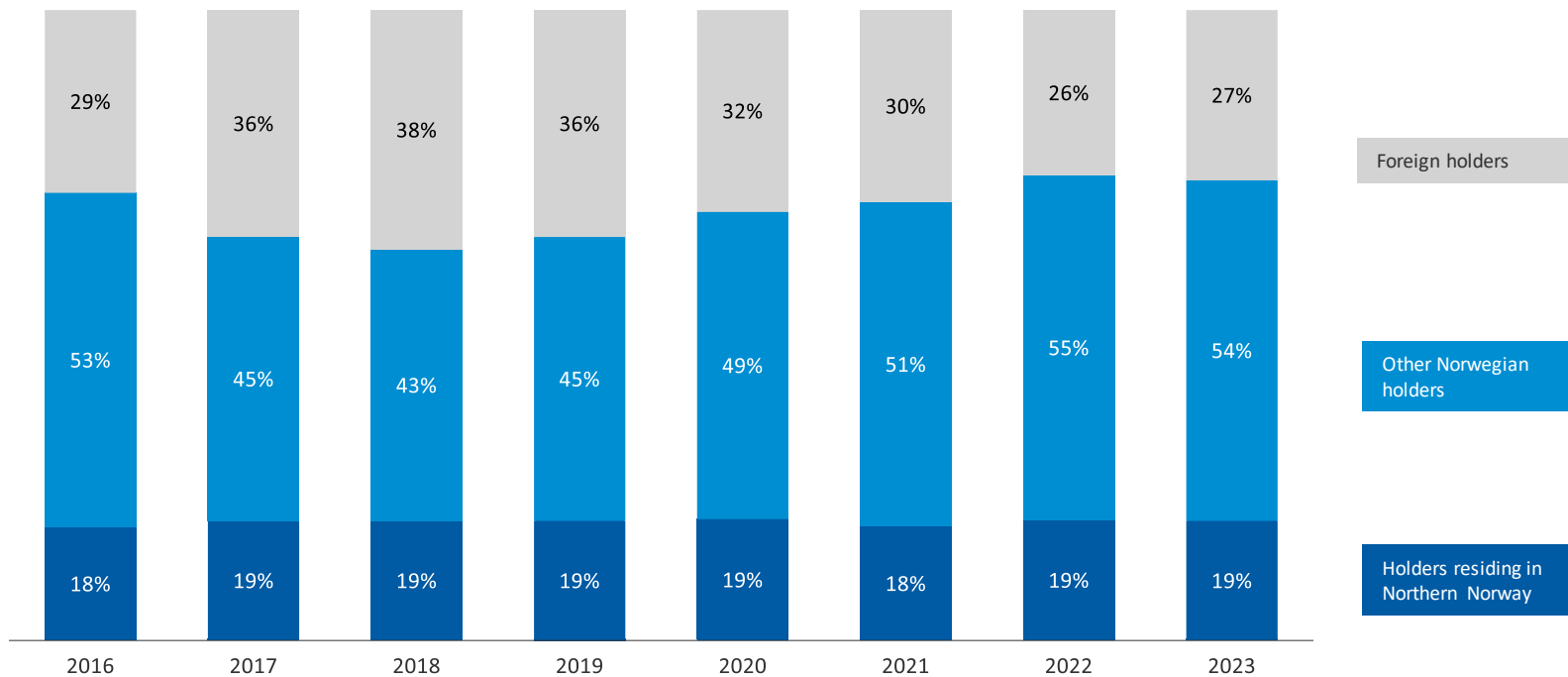
**SpareBank 1 Nord-Norge  
Portefølje AS**  
100 % | Investment company

**Rødbanken Holding AS\***  
100 % | Investment company

**Adwice AS**  
100 % | Accounting

**Flex AS**  
100 % | Accounting

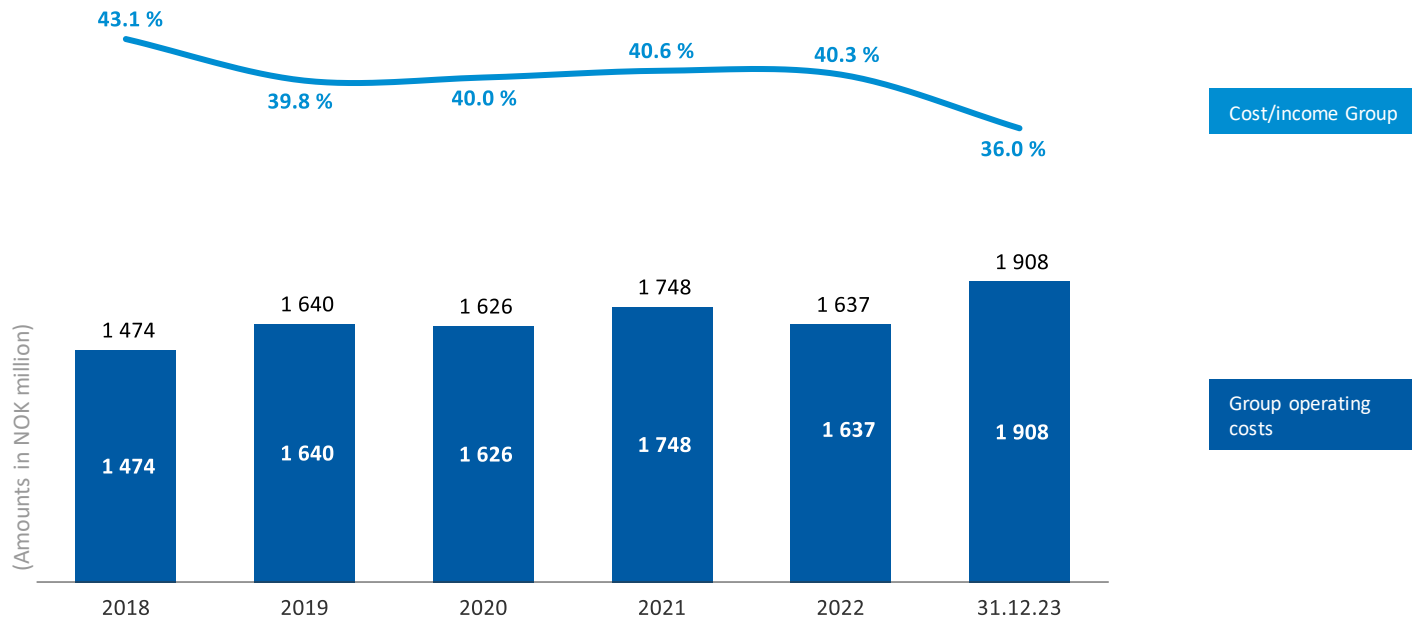
# Geographical distribution of ownership



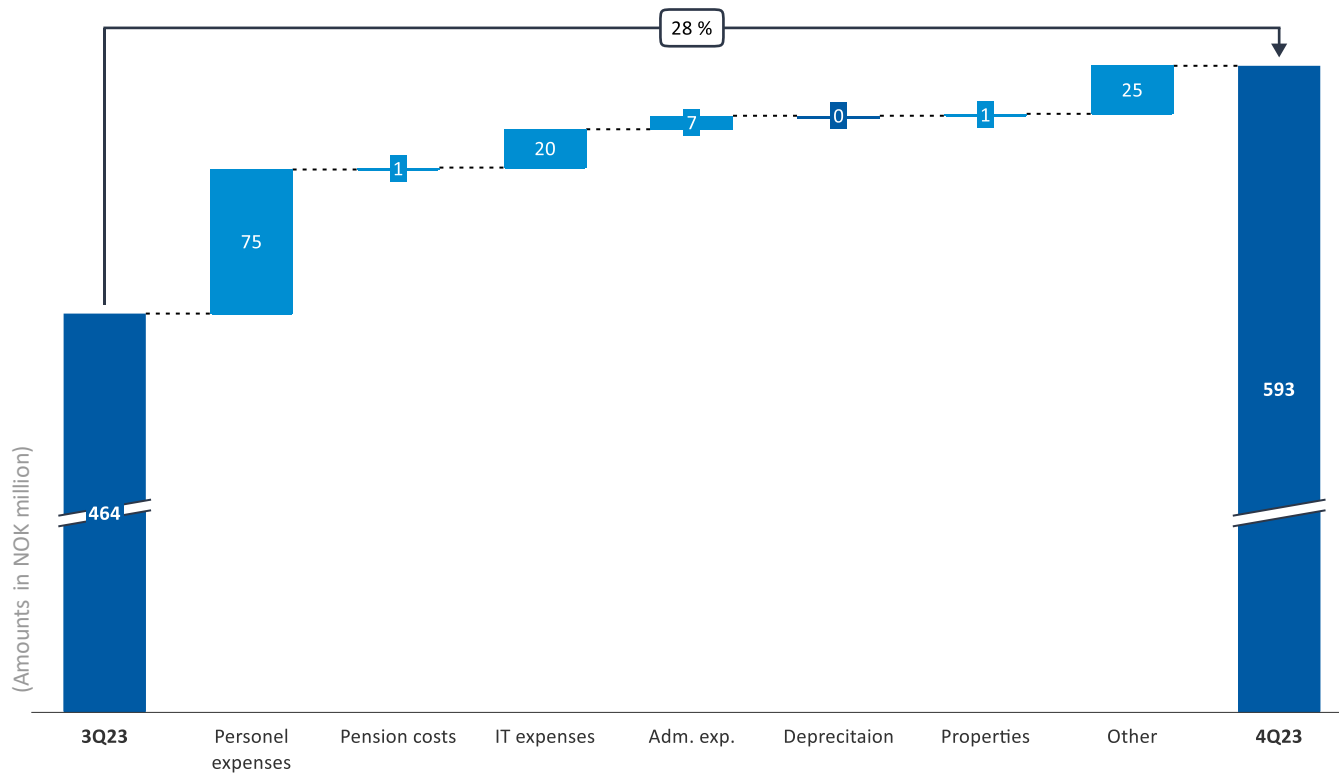
# The 20 largest EC holders

EC Holders	Number of ECs	Share of EC Capital
PARETO AKSJE NORGE VERDIPAPIRFOND	5.0M	5.0 %
PARETO INVEST NORGE AS	4.6M	4.6 %
VPF EIKA EGENKAPITALBEVIS	3.7M	3.7 %
Geveran Trading Company Ltd	3.5M	3.5 %
KOMMUNAL LANDSPENSJONSKASSE GJENSI	2.8M	2.8 %
Brown Brothers Harriman & Co.	2.4M	2.4 %
MP PENSJON PK	2.4M	2.4 %
FORSVARETS PERSONELLSERVICE	1.8M	1.7 %
The Northern Trust Comp, London Br	1.6M	1.6 %
State Street Bank and Trust Comp	1.6M	1.6 %
SPAREBANKSTIFTELSEN SPAREBANK 1 NO	1.4M	1.4 %
State Street Bank and Trust Comp	1.3M	1.3 %
Brown Brothers Harriman & Co.	1.1M	1.1 %
State Street Bank and Trust Comp	923K	0.9 %
State Street Bank and Trust Comp	866K	0.9 %
VPF SPAREBANK 1 UTBYTTE	835K	0.8 %
J.P. Morgan SE	826K	0.8 %
SPESIALFONDET BOREA UTBYTTE	825K	0.8 %
Landkreditt Utbytte	821K	0.8 %
Brown Brothers Harriman & Co.	735K	0.7 %
Total	39,037,481	38.9 %

# Cost development - Group



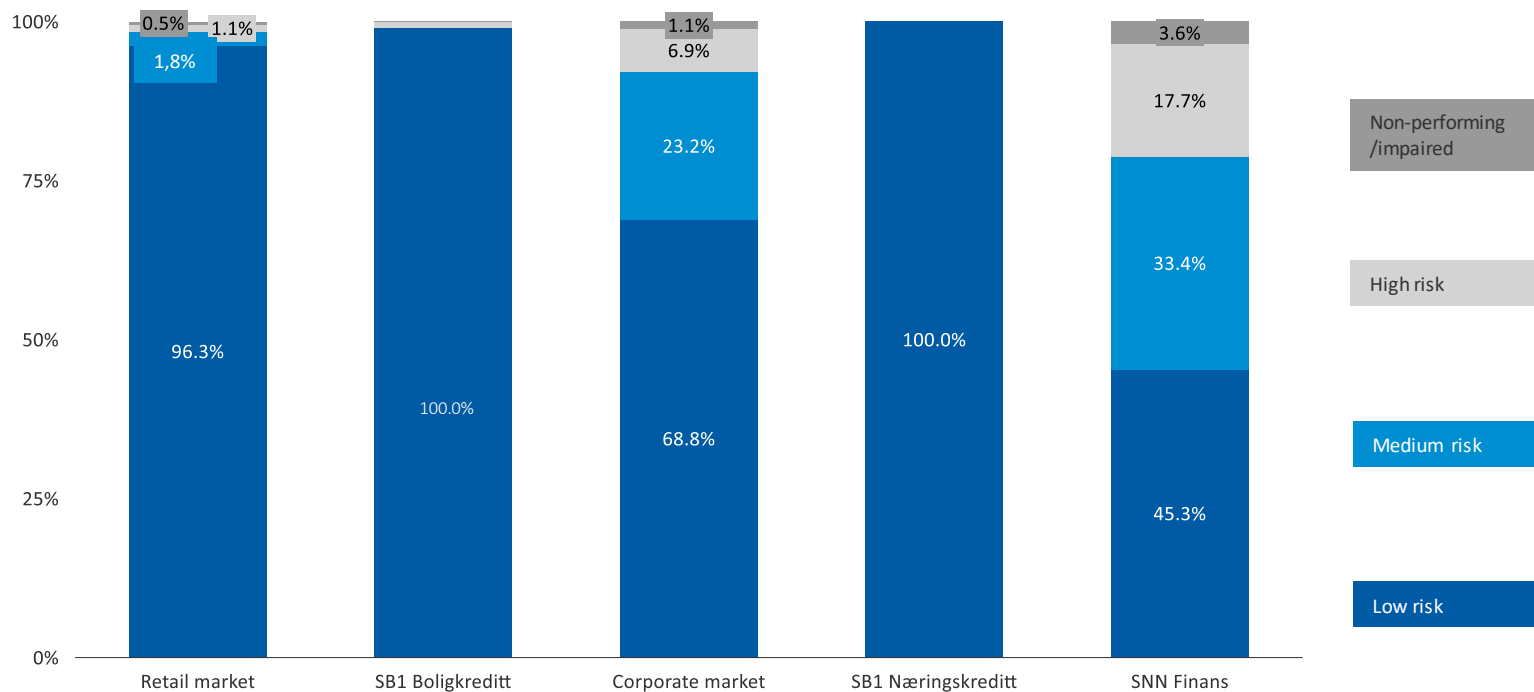
# Operating expenses - Group



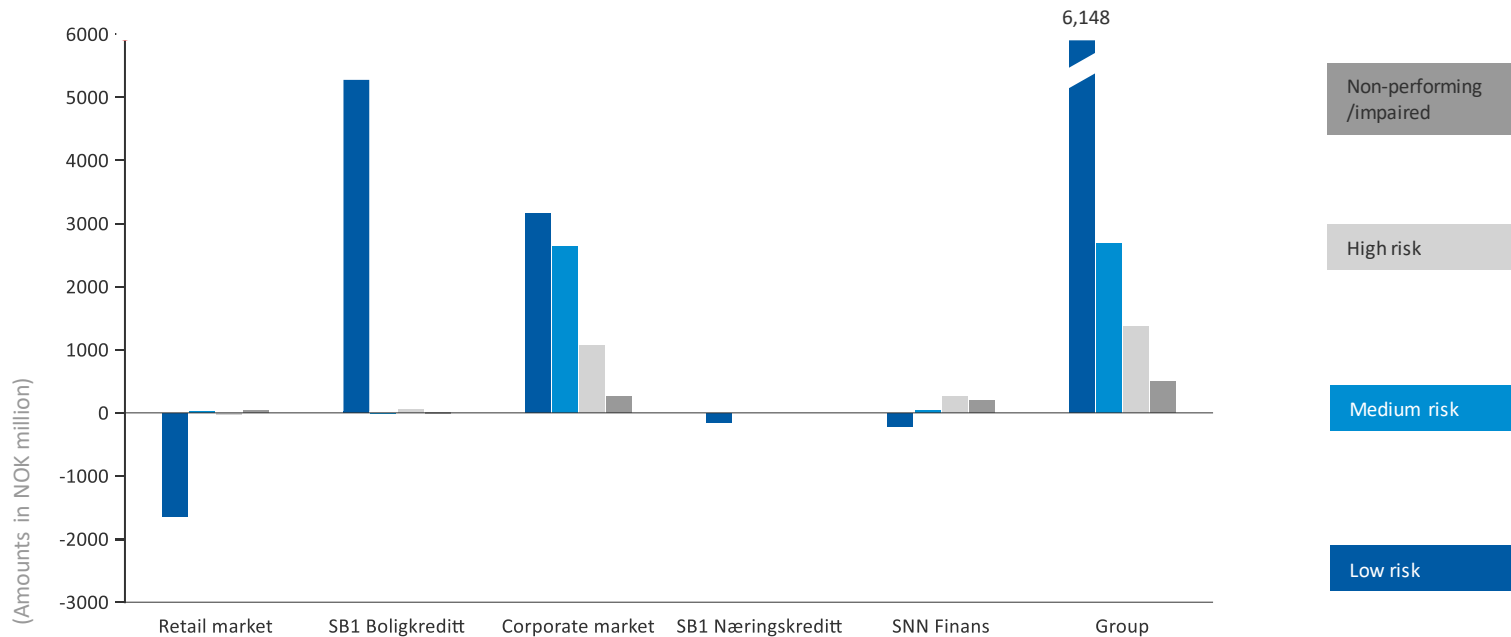
# Net fee- and other operating income - Group

(Amounts in NOK million)	4Q23	3Q23	2Q23	1Q23	4Q22
Payment facilities	78	76	68	60	74
Sales provision insurance products	49	50	52	52	52
Guarantee commissions	10	13	10	10	8
Real estate broking	22	29	33	26	22
Portfolio commissions	16	12	13	13	12
Other commissions	57	62	67	52	66
<b>Commissions excl. provision from SB1 BK &amp; NK</b>	<b>232</b>	<b>242</b>	<b>243</b>	<b>213</b>	<b>234</b>
Loans sold to SB1 BK & NK	13	15	41	46	32
<b>Total commission income</b>	<b>245</b>	<b>257</b>	<b>284</b>	<b>259</b>	<b>266</b>
Commission costs	24	19	24	23	21
Accounting services	73	69	78	72	48
Other operating income	239	0	0	1	2
<b>Total commissions and other income</b>	<b>312</b>	<b>69</b>	<b>78</b>	<b>73</b>	<b>50</b>
<b>Net fee- and other operating income</b>	<b>533</b>	<b>307</b>	<b>338</b>	<b>309</b>	<b>295</b>

# Risk exposure - Group

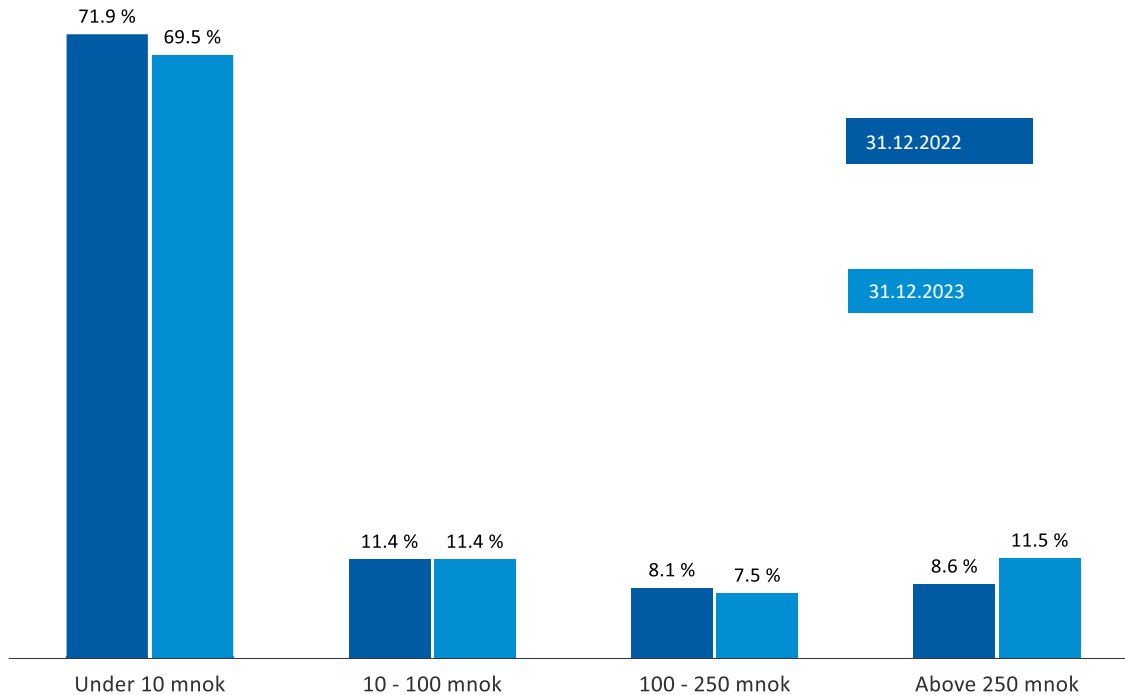


# Changes in exposure last 12 months - Group

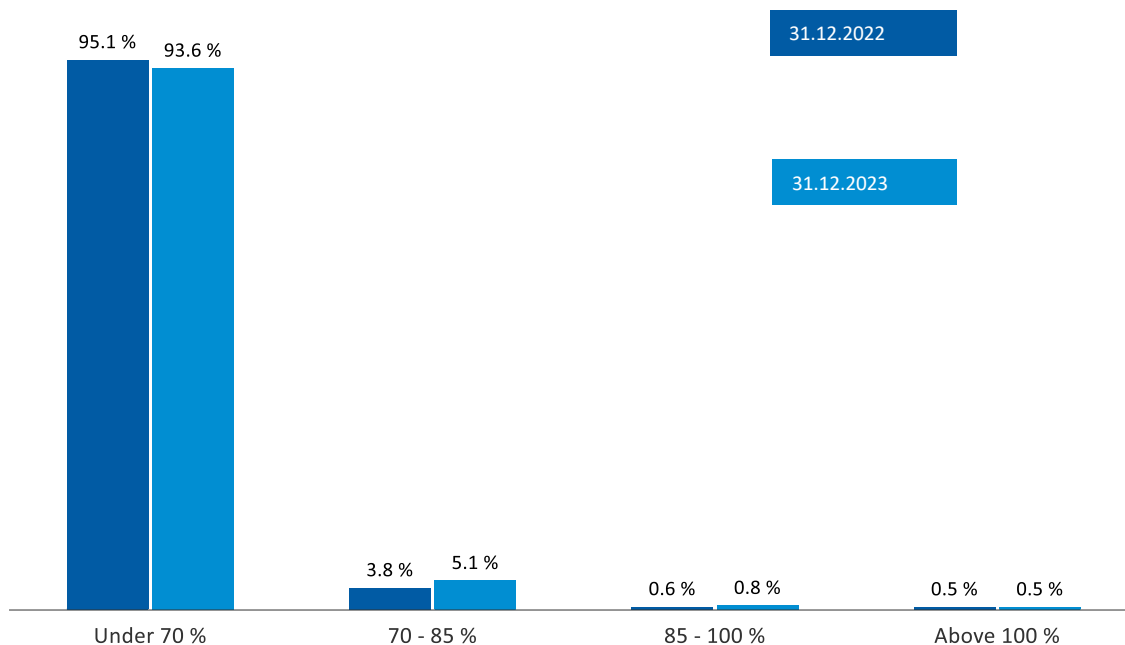




# Exposure distributed by size\*



# LTV mortgage loans

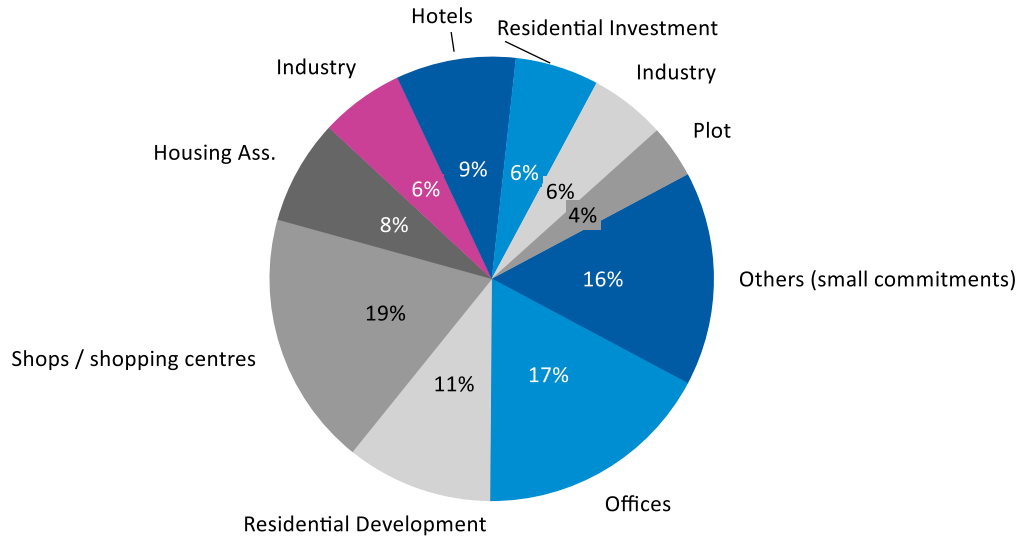


LTV is distributed by balance and is based on the market value of the collateral:

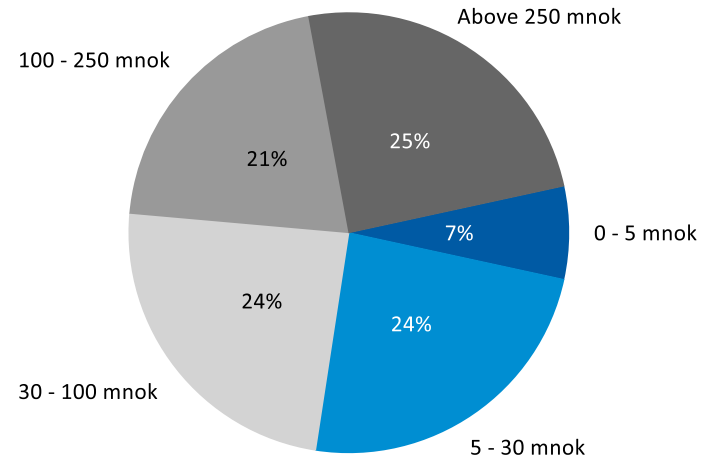
- 98.7 % of the gross exposure is within 85 % of the collateral market value
- Only 0.5 % of the gross exposure is higher than 100 % of the collateral market value
- The figures include the portfolio in SB1 Boligkreditt

# Diversified portfolio in commercial real estate

Portfolio distribution



Size of commitments



# Loan losses - Group

(Amounts in NOK million)	2023	4Q23	3Q23	2Q23	1Q23	2022	4Q22	3Q22	2Q22	1Q22
Individual losses Corporate market	-12.2	3.3	0.15	0.5	6.2	52.9	10.4	-3.6	3.1	43.0
Individual losses Retail market	71.2	47.4	18.7	7.9	3.8	-2.9	-0.8	-2.4	0.1	0.2
Collective losses and other value change items	56.5	23.7	-13.7	-28.3	-67.5	12.7	11.9	62.6	13.8	-75.6
<b>Total losses on loans and guarantees</b>	<b>116</b>	<b>91</b>	<b>24.9</b>	<b>-27.3</b>	<b>-57.4</b>	<b>62.6</b>	<b>21.5</b>	<b>56.6</b>	<b>17.0</b>	<b>-32.4</b>

The Group's annualized losses is 0.32 % (annualized) of gross lending including loans transferred to covered bond companies

Commitments in step 3: 0.87 % of total exposure. Expected loss share: 31.57 %

Commitments in step 2: 14.09 % of total exposure. Expected loss share: 2.70 %

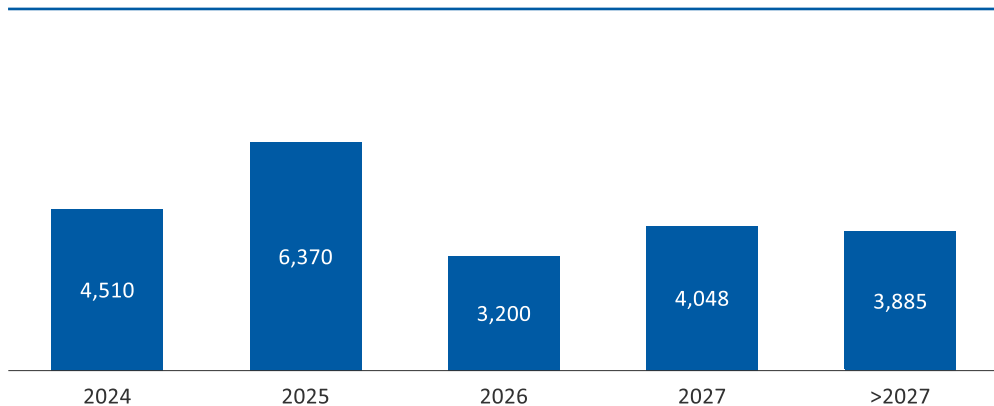
Commitments in step 1: 85.05 % of total exposure. Expected loss share: 0.20 %

# The lending portfolio\*

Sector	Share of total loans	Lending mNOK
Retail market	33.1 %	48,302
Mortgages transferred to SpareBank 1 Boligkreditt	30.5 %	44,521
Commercial real estate	12.4 %	18,101
Fishing and aquaculture	7.5 %	10,958
Financial and insurance activities	3.5 %	5,089
Power and water supply and construction	3.0 %	4,328
Service industries	2.8 %	4,052
Transportation	2.5 %	3,689
Commodity trade, hotel and restaurant industry	1.9 %	2,733
Manufacturing	1.5 %	2,152
Agriculture and forestry	0.9 %	1,291
Government	0.3 %	398
Total loans Retail market	63.7 %	92,823
Total loans Corporate market	36.3 %	52,920
Total loans to customers		145,742

# Funding

**Maturity profile** (mNOK)

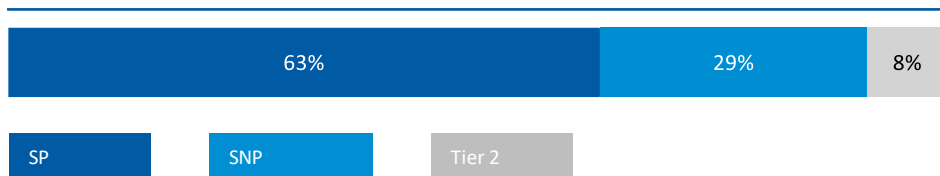


NOK 22,413 mill in capital market funding exclusive of SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt is important funding sources. In total NOK 44,648 mill had been transferred as of 31.12.23

Amount of gross maturities of capital market funding next 12 months is NOK 4,510 mill

**Distribution of capital market funding** (mNOK)

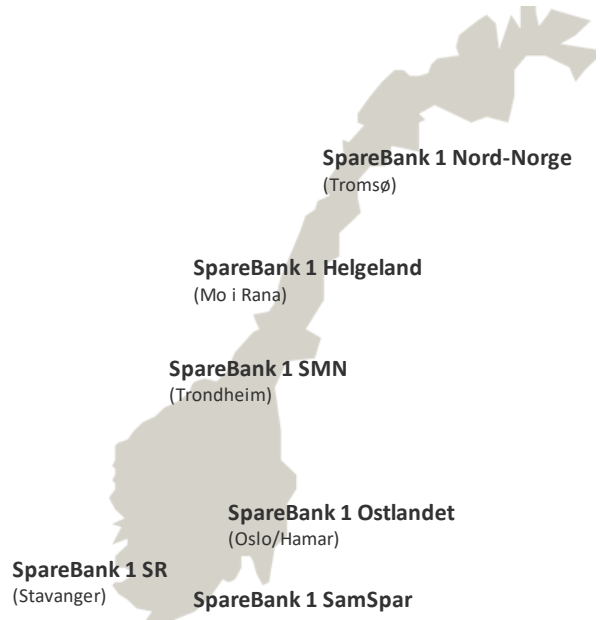


# Achieving goals for sustainability

- ESG-classified portfolio aligned with EUs taxonomy
- Major contribution to the SDGs
- 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)



# SpareBank 1 Alliance

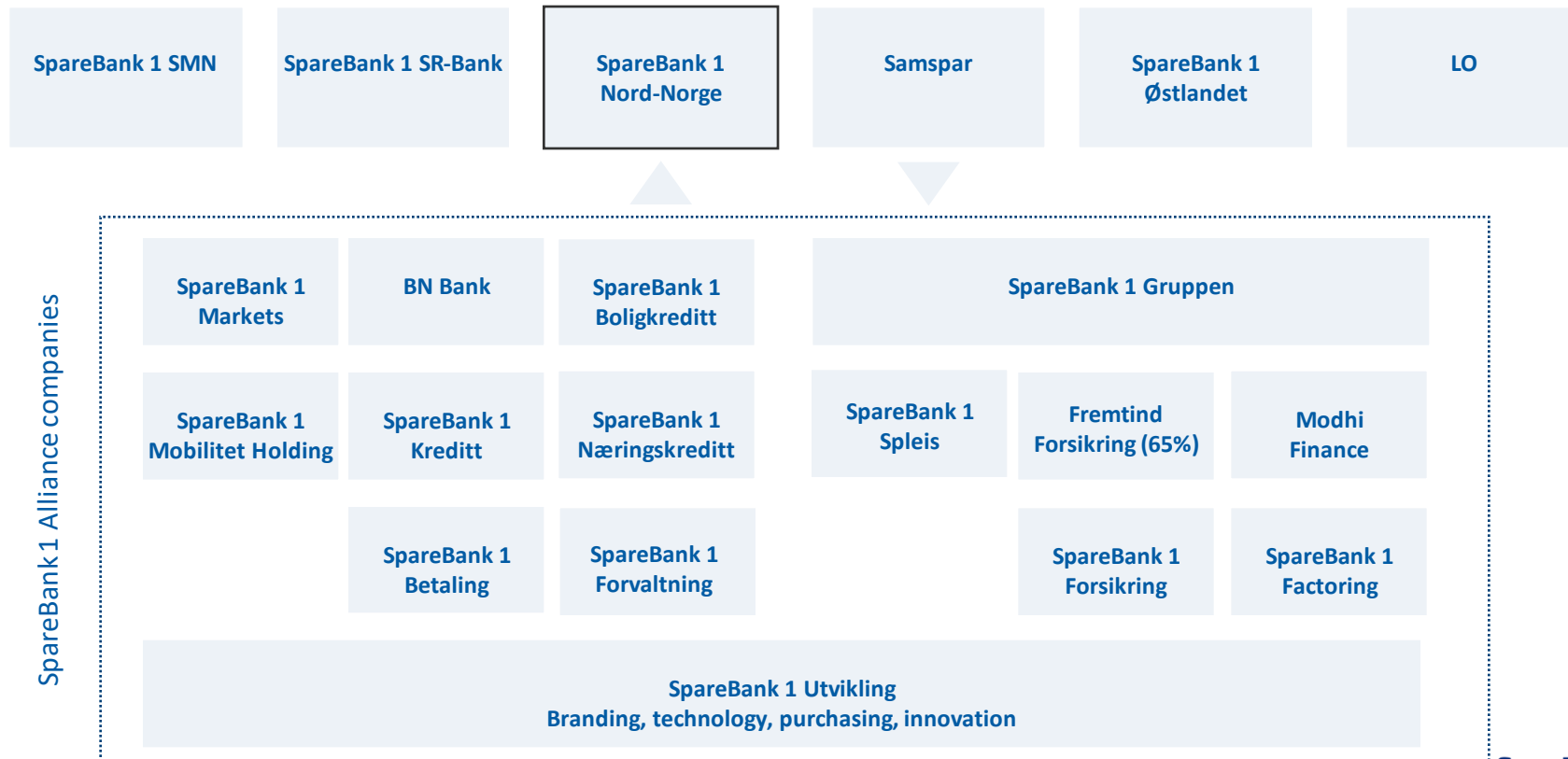


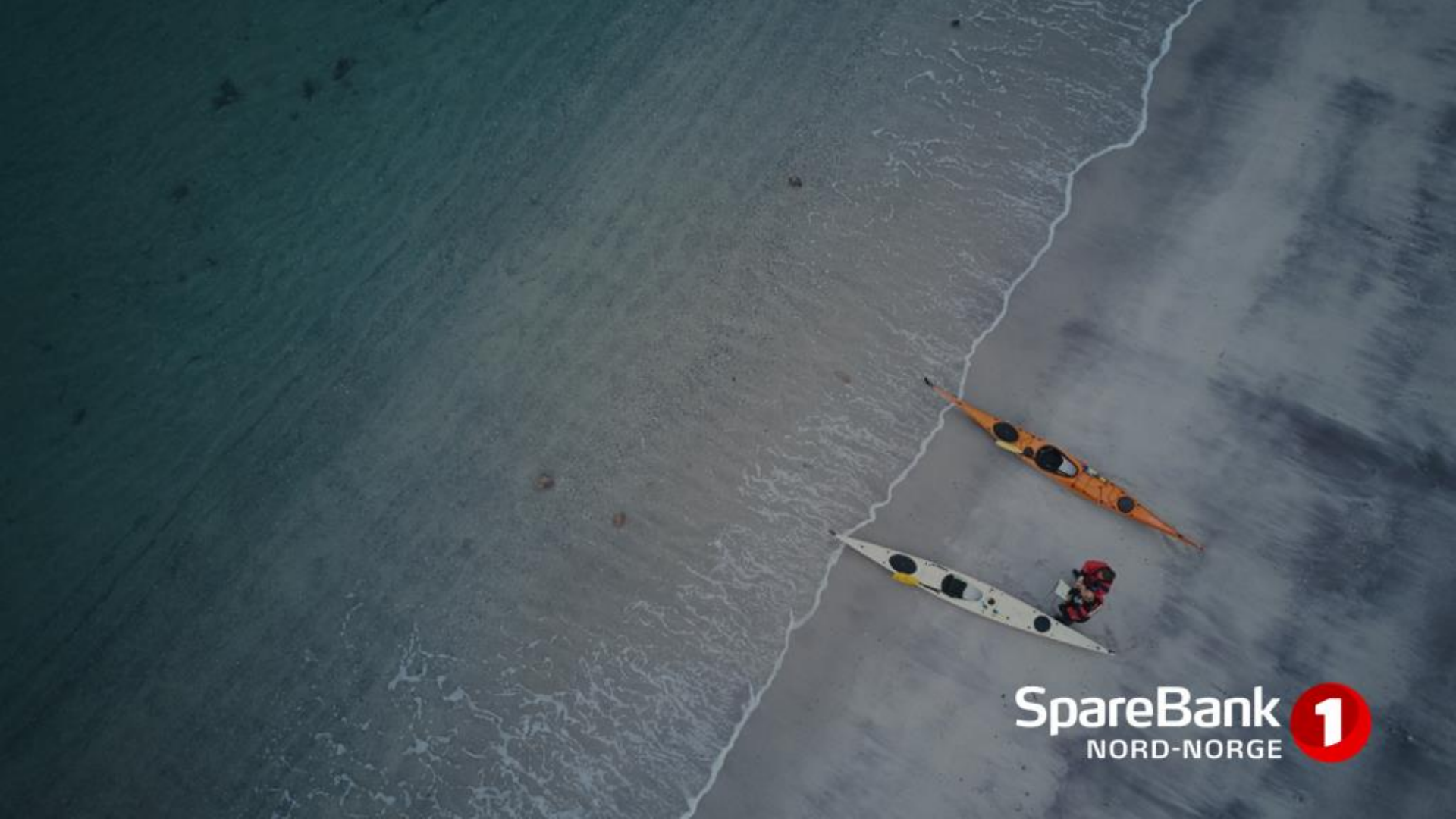
- The SpareBank 1-alliance consists of 14 banks
- Operate exclusively in Norway
- Norway's most extensive branch network with approx. 350 branches
- The alliance is in the forefront of incorporating technological innovation into its distribution channels. Best rated mobile banking in Norway
- Market 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	Aa3 / P-1
SpareBank 1 Østlandet	Aa3 / P-1



# SpareBank 1 Alliance





SpareBank  
NORD-NORGE

