

# 1Q 2023

## SpareBank 1 Østlandet NEWSLETTER

Institutional investors and analysts



### Highlights

- **Very strong return on equity:** 13.9 %. Strong development in core banking operations as main contributor, particularly from higher net interest income.
- Solid growth in net **interest income** (including commission income from transferred loans): Up 36.9 % y/y (11.0 % q/q), from repricing and volume growth. Lending growth of 7.0 % y/y (0.8 % q/q) and deposit growth of 6.9 % y/y (1.6 % q/q).
- Net **commission income** (excl. transferred loans): Down by 2.9 % y/y (down 8.8 % q/q), due primarily to the reorganization of accounting operations in 3Q. Good underlying development in commission income, with a strong sales effort.
- Net **financials**: Positive contribution of NOK 102 mill.. Ownership contributions of NOK 59 mill., dividends of 17 mill. and positive net contribution from other financial items of NOK 25 mill.
- **Operating expenses**: Up 5.1 % y/y (2.3 % q/q), due particularly to higher FTEs in parent bank, wage growth, and underlying inflation developments.
- **Loan losses**: Impairment charges of NOK 49 mill., of which NOK 30 mill. were model-based provisions.
- Capital adequacy: **CET-1 ratio** of 17.7 % (as in 4Q-22). Effects of positive results counterweighed by negative effects from basis swaps and higher risk-weighted assets.
- **ESG**: MSCI upgraded the bank's ESG rating from AA to AAA, the highest rating possible.

### Financial performance in 1Q 2023

- ROE 13.9 % (vs. long term target  $\geq 12$  %)
- Dividend of NOK 6.80/ECC for 2022 paid in April (equiv. to 60 % payout ratio)
- CET-1 of 17.7 % (vs. target of regulatory requirement + 100 bps., equiv. to 16.8% in 1Q-23)
- Cost growth in parent bank +9.3 % (vs. target of maximum 5 %)

### Presentation and resources

[Published accounts and presentation 1Q-2023](#)

[Oslo Stock Exchange – Company Announcement](#)

### Investor relations



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