

4Q 2022

SpareBank 1 Østlandet NEWSLETTER

Institutional investors and analysts



Highlights

- Very strong **return on equity** in the 4th quarter: 12.9 %. Strong development in core banking operations, but net financials were also positive.
- Solid growth in net **interest income** (including commission income from transferred loans): Up 24.4 % y/y (10.5 % q/q), from repricing and volume growth. Lending growth of 8.7 % y/y (1.1 % q/q).
- Net **commission income** (excl. transferred loans): Growth of 2.5 % y/y (0.2 % q/q). The reorganization of accounting operations in 3Q had a negative income impact, along with lower income from real estate brokerage. Good growth in other commission income.
- **Net financials:** Positive contribution of NOK 172 mill., due largely to ownership contributions of NOK 113 mill. and positive net contribution from other financial items of NOK 46 mill.
- **Operating expenses:** Down 2.6 % y/y, due particularly to lower cost base in SpareBank 1 ForretningsPartner Østlandet AS and lower commission-based pay of real estate brokers. Cost growth in parent bank of 6.1 % y/y in 2022.
- **Loan losses:** Impairment charges of NOK 63 mill., of which NOK 38 mill. were model-based provisions.
- Capital adequacy: **CET-1 ratio** of 17.7 % (18.2 % in 3Q-22). Lower ratio due to dividends, negative basis swap effects, and higher risk-weighted assets.
- **Dividends:** Board proposes to Supervisory Board a cash dividend of NOK 6.80 per ECC, equivalent to 60 % of the majority's share of the consolidated profit. Customer dividend and provisions for donations of NOK 306 mill. and 31 mill., respectively.

Financial performance in 2022

- ROE 10.5 % (vs. long term target \geq 11 %)
- Proposed dividend of NOK 6.80/ECC for 2022*
- CET-1 of 17.7 % (vs. target of regulatory requirement + 100 bps., equiv. to 16.3% in 4Q-22)
- Cost growth in parent bank +6.1 % (vs. target of within 4 %)

*2022 dividend decision will be made by the Supervisory Board on 30 March 2023

Presentation and resources

[Published accounts and presentation 4Q-2022](#)

[Oslo Stock Exchange – Company Announcement](#)

[Investor homepage and webcast 4Q 2022 \(English\)](#)

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