

SpareBank
NORD-NORGE



Quarterly report

Financial statement Q4 2022

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Group financial highlights and key figures

(Amounts in NOK million and in % of average assets)	31.12.22	%	31.12.21	%	31.12.20	%
Net interest income	2 556	2,09 %	2 014	1,67 %	2 068	1,77 %
Net fee- and other operating income	1 234	1,01 %	1 499	1,25 %	1 299	1,11 %
Net income from financial investments	274	0,22 %	794	0,66 %	693	0,59 %
Total income	4 064	3,32 %	4 307	3,58 %	4 060	3,48 %
Total costs	1 637	1,34 %	1 748	1,45 %	1 626	1,39 %
Result before losses	2 427	1,98 %	2 559	2,13 %	2 434	2,08 %
Losses	63	0,05 %	- 235	-0,20 %	332	0,28 %
Result before tax	2 364	1,93 %	2 794	2,32 %	2 102	1,80 %
Tax	513	0,42 %	499	0,41 %	360	0,31 %
Result after tax	1 851	1,49 %	2 295	1,90 %	1 742	1,49 %
Interest hybrid capital	37		29		33	
Result after tax ex. interest hybrid capital	1 814		2 266		1 709	

Profitability

Return on equity capital	1	11,9 %	15,1 %	12,6 %
Interest margin	2	2,09 %	1,67 %	1,77 %
Cost/income	3	40,3 %	40,6 %	40,0 %

Balance sheet figures and liquidity

Total assets		122 521	119 180	117 298
Average assets	4	122 377	120 264	116 810
Gross loans	5	95 301	91 352	92 044
Gross loans incl. commition loans	5	135 031	127 105	128 656
Deposits	6	80 669	77 241	74 430
Liquidity Coverage Ratio (LCR)		146	142	142

Solidity

Common Equity Tier 1 Capital Ratio		17,3 %	18,7 %	17,5 %
Tier 1 Capital Ratio		18,3 %	20,0 %	18,9 %
Total Capital Ratio		19,9 %	21,6 %	20,9 %
Common Equity Tier 1 Capital		12 351	13 097	12 019
Tier 1 Capital		13 082	14 001	12 991
Own Funds		14 230	15 109	14 366
Total risk exposure amount		71 399	70 059	68 588
Leverage Ratio		7,4 %	8,3 %	7,6 %

NONG Key figures

NONG Quoted/market price (NOK)		96,00	112,60	74,60
Number of EC issued (mill)		100,40	100,40	100,40
Equity capital per EC (NOK)		71,69	73,30	65,76
Result per EC (NOK)		8,25	10,41	7,89
P/E (Price/Earnings per EC) NOK		11,63	10,82	9,45
P/B (Price/Book Value per EC) NOK		1,34	1,54	1,13

Branches and full-time employees

Branches		15	15	36
Manyears		852	853	897

- The profit after tax in relation to average equity, calculated as a quarterly average of equity and at 01.01.
The Bank's hybrid 1 capital issued are classified as equity in the financial statements. However, when calculating the return on equity, hybrid tier 1 capital are deducted from equity, and result after tax are adjusted for interests on hybrid tier 1 capital.
- Net total interests as a percentage of average total assets.
- Total costs as a percentage of total net income.
- Average assets are calculated as average assets each quarter and at 01.01.
- Gross loans customers and gross loans financial institutions.
- Deposits customers and deposits financial institutions.

Quarterly Report for SNN – 4Q22

Results and key figures

NOK mill	4Q22	4Q21	Change	31.12.22	31.12.21	Change
Result after tax	663	715	- 52	1 851	2 295	- 444
Result per EC	3,01	3,25	-0,24	8,25	10,41	-2,16
Return on equity	17,2 %	18,0 %	-0,8 %	11,9 %	15,1 %	-3,2 %
Cost/income	34,6 %	44,1 %	-9,4 %	40,3 %	40,6 %	-0,3 %
Common Equity Tier 1 Capital Ratio	17,3 %	18,7 %	-1,4 %	17,3 %	18,7 %	-1,4 %
Growth loans retail market	4,0 %	-33,8 %	37,9 %	5,3 %	-4,3 %	9,6 %
Growth loans corporate market	11,4 %	7,5 %	3,9 %	7,4 %	6,3 %	1,1 %
Growth loans total	6,4 %	-21,4 %	27,8 %	6,0 %	-1,1 %	7,1 %
Growth deposits retail market	-2,2 %	-18,8 %	16,6 %	3,8 %	1,3 %	2,5 %
Growth deposits corporate market	-4,2 %	-0,6 %	-3,6 %	5,1 %	7,5 %	-2,5 %
Growth deposits total	-3,2 %	-10,6 %	7,4 %	4,4 %	4,1 %	0,3 %
Result from ownership interests	147	189	- 42	204	532	- 328
Result from financial assets	111	156	- 45	70	262	- 192
Losses	22	- 112	134	63	- 235	298

Important events in the quarter

SpareBank 1 Nord-Norge has delivered another quarter of very good underlying banking operations. This is well illustrated by a return on equity for the quarter in isolation of 17.2% and a cost/income ratio of 34.6%. The quarter also saw good lending growth of 6.4%. Nevertheless, the macroeconomic situation remains characterised by great uncertainty with high inflation and sharp interest rate rises during the course of the quarter. Despite the challenging times, the Group can still point to low losses and good cost control. This, combined with high net interest income, made a significant contribution to the good figures.

Lending growth (inclusive of intermediary loans) was good in 4Q22 with 11.4% growth in Corporate Market and 4.0% in Retail Market. The Bank's lending portfolio has so far not been impacted by the turbulent macroeconomic situation, which is down to the continued good macroeconomic situation in Northern Norway and the Group's systematic work on reducing the risk in the lending portfolio in recent years. Furthermore, the Group's loan portfolio is characterised by mortgage lending and industries on which the high commodity prices and war have had a limited negative impact.

Corporate Market's figures testify to the fact that major industries in Northern Norway have delivered good figures over time and demonstrated a high willingness to invest. Low energy prices and a favourable exchange rate for export-related industries also made a positive contribution. The government's proposed natural resources rent for aquaculture surprised the industry, both due to its mechanism and due to its level, and less appetite for investment is expected in this sector going forward. This could impact growth and local value creation in the districts in 2024 and beyond. The other

big uncertainty factors are of course inflation, interest rate developments and the effects of the war in Ukraine. Interest rates are expected to peak during the course of 2023. Financial uncertainty has, however, increased. We are conscious of this and, therefore, the emphasis is on closely monitoring our customers, especially in Corporate Market but also exposed customers in Retail Market.

SpareBank 1 Nord-Norge has a solid customer portfolio, a strong market position, competitive terms and conditions, and has taken the necessary steps regarding in recent years. Therefore, we are well positioned to be a good bank for Northern Norway now and in the future.

Macroeconomic trends

Global economy – 2022, the year interest rates returned

After a long period of steadily rising inflation, markets finally saw signs of deceleration. The reasons why inflation is slowing are complex, although energy prices in particular rose early in the period and have subsequently fallen back. During the last quarter of the year, we saw sharp falls in important energy prices in Europe, for example German energy prices and Dutch gas. Energy is now priced significantly lower than it was for large parts of 2022. The outbreak of the war in Ukraine resulted in high energy prices. The fear was that a cold winter would result in high energy consumption at a time when Europe had poor access to energy. Meanwhile, gas storage facilities are now full and the winter has, so far, been significantly warmer than normal.

Global equity markets have long benefited from falling interest rates. However, this changed abruptly in 2022 with sharp worldwide hikes in interest rates. This resulted in significant falls in the world's equity markets, where the S&P 500 index and the NASDAQ technology index in the US fell by 19% and 33%, respectively, over the course of 2022. Europe did somewhat better with the STOXX600 falling by 13%, while high energy prices resulted in an energy-heavy Oslo Børs falling by 1%.

The Norwegian economy – good, but slowing pace

In Norway, the last quarter of the year was characterised by low unemployment and good underlying economic activity. Here too, inflation is becoming entrenched. Inflation peaked at 7.5%, while core inflation reached 5.8%. The most important reasons for the fall in 4Q22 were changes in energy prices and high season offers.

Following many years of rising house prices, the market slowed somewhat in the last months of the year. All types of housing saw falls in prices during the quarter. Flats saw the biggest fall of 1.5%, while small houses and detached houses fell by 0.4% and 0.6%, respectively.

Over the course of the year, Norges Bank raised its policy rate significantly and ended the year with a final 0.25% hike to 2.75%. The market is expecting further rises from the central bank in 1H23. Given that banks must provide 6 weeks' notice to their loan customers, we will not see the full impact of the central bank's rises in 2022 on the real economy before February.

Northern Norwegian economy – solid growth and many visitors

2022 was a big year for Norwegian exporters, which saw new records being set. The growth within seafood was particularly strong. The Norwegian Seafood Council announced that exports for the year totalled 2.9 million tonnes of seafood with a value of BNOK 151.4. This is a record for exports and represents an increase of no less than BNOK 30.7, or 25% in 2021. In 2010, seafood from Northern Norway accounted for 24% of Norway's exports. At the end of 2022, this had increased to no less than 32%. By far the most important species is salmon, which accounted for 70% of the total exports, followed by cod with a share of 8%. While salmon is exported to large parts of the world, Europe is a particularly important market for cod.

2022 was also the year when tourists definitely returned to Norway and Northern Norway. At the end of November, more than 4.1 million guest days had been spent in the region, which is also a new record. As with seafood, Northern Norway's market share is also increasing here. In 2010, guest days in Northern Norway accounted for 10% of Norway's total guest days. This rose to 12% for 2022.

The strong growth in the region is resulting in a tight labour market and low unemployment. Total unemployment in Norway was 1.6%, while in Northern Norway it was 1.2%.

The Business Barometer for Northern Norway has analysed how transport intensive northern Norwegian business is. If we look at important northern Norwegian industries like seafood, tourism, building and construction, and energy-intensive industry, all of these are transport intensive. The analysis shows that most of what is being exported from the region goes by sea, except for seafood exports. Speed remains important here and so road haulage is required. Fish farmers have long pointed to the need for greater investment in infrastructure. If the current growth in the sector continues, the region will experience greater infrastructure challenges. The full report can be read on kbnn.no.

Sustainability

Sustainability is one of the guiding principles of the Group's business strategy. The Group's risk strategy includes climate risk with quarterly reporting to the Board.

SpareBank 1 Nord-Norge's green framework is based on key sectors for the region and for SpareBank 1 Nord-Norge and links our lending to potential green funding in the capital market. This framework will govern the Group's work in relation to climate risks and help us meet new regulatory requirements, while also helping northern Norwegian industry adjust to the green shift. SpareBank 1-alliansen also has a green framework that links our green assets (green product framework) to green funding. The table shows the proportion of financing categorised as green; this has increased by around BNOK 5 since the start of the year.

MNOK	31.12.22	31.12.21
Green homes	8 187	6 438
Green commercial properties	4 532	1 071
Renewable energy	1 324	1 300
Clean transport	490	300
Sustainable management of living natural resources and land use	3 661	3 707
Total	18 194	12 816

SpareBank 1 Nord-Norge is a signatory to the UNEP FI (United Nations Environment Programme Financial Initiative) Principles for Responsible Banking and the UN Global Compact and publishes an annual report in relation to its sustainability work based on the GRI standard. Please also see the section on sustainability on the Bank's website.

On 20.12.22, a decision was made in cabinet that the Act that enacts the Taxonomy Regulation and the Disclosure Regulation would come into force on 01.01.23. The statutory requirements to disclose information as described in Article 8 of the Taxonomy Regulation will first apply to annual reports that contain annual financial statements with a balance sheet date of 31.12.23. However, the Ministry of Finance is encouraging Norwegian enterprises subject to the reporting duty to include this information in their annual reports for the financial year 2022 on a voluntary basis. The ministry is also encouraging Norwegian enterprises subject to the reporting duty in Article 11 of the Disclosure Regulation to include this information in their periodic reports for 2022 on a voluntary basis.

Financial performance

MNOK	4Q22	4Q21	Change	31.12.22	31.12.21	Change
Total income	1 320	1 298	22	4 064	4 307	-243
Total costs	457	572	-115	1 637	1 748	-111
Losses	22	-112	134	63	-235	298
Tax	178	123	55	513	499	14
Profit/result	663	715	-52	1 851	2 295	-444

The income statement shows a profit after tax of MNOK 663 for 4Q22 in isolation (MNOK 715). The profit for the full year 2022 amounted to MNOK 1 851 (MNOK 2 295). This represents a return on equity of 11.9% (15.1%).

The reduction in profit compared with last year was mainly due to weaker results in associated alliance companies, lower commission income from SpareBank 1 Boligkreditt, unrealised losses on securities due to the financial turmoil and a very high equity ratio. The Group's profitability target is a return on equity that is among the best for comparable financial services groups. The board currently considers this to be a return on equity above 13%.

Net interest income

As already mentioned, Norges Bank raised its policy rate twice in 4Q22: by 0.25 percentage points to 2.50% on 03.11.22 and by 0.25 percentage points to 2.75% on 15.12.22.

SpareBank 1 Nord-Norge followed the development of the policy rate and raised deposit and lending rates by up to 0.25 percentage points from 08.11.22 and a further up to 0.25 percentage points from 20.12.22.

Net interest income for 4Q22 in isolation was MNOK 233 higher than in 4Q21, and MNOK 113 higher than in 3Q22. For the full year 2022, net interest income was MNOK 2 556, MNOK 541 higher than for 2021 (MNOK 2 014).

Although funding costs have risen steadily in recent quarters, the Group has managed to keep the net interest margin at the same level, mainly due to the improved deposit margin.

As at 31.12.22, net interest income represented 2.09% of average total assets (1.67%).

Income from the loan portfolio transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt totalled MNOK 217 at the end of 4Q22 (MNOK 396) and is booked as commission income. This income amounted to MNOK 32 for 4Q22 in isolation, compared with MNOK 49 in 3Q22. Funding costs in the mortgage credit institutions are rising because the NIBOR rate has increased faster than it has been possible to increase customer rates, which in turn reduces net interest income and commission income from SpareBank 1 Boligkreditt since it is 100% market funded.

Net fee, commission and other operating income

Net fee, commission and other operating income was MNOK 265 lower in 4Q22 than in 4Q21. As mentioned above, increased funding costs are affecting commission income from SpareBank 1 Boligkreditt, which was MNOK 182 lower in 4Q22 than in the same period last year.

Net fee, commission and other operating income for 4Q22 in isolation was MNOK 17 lower than for 3Q22, largely due to lower commission income from the mortgage credit company in the past quarter.

See Note 7 in the quarterly report for a more detailed specification of net fee, commission and other operating income.

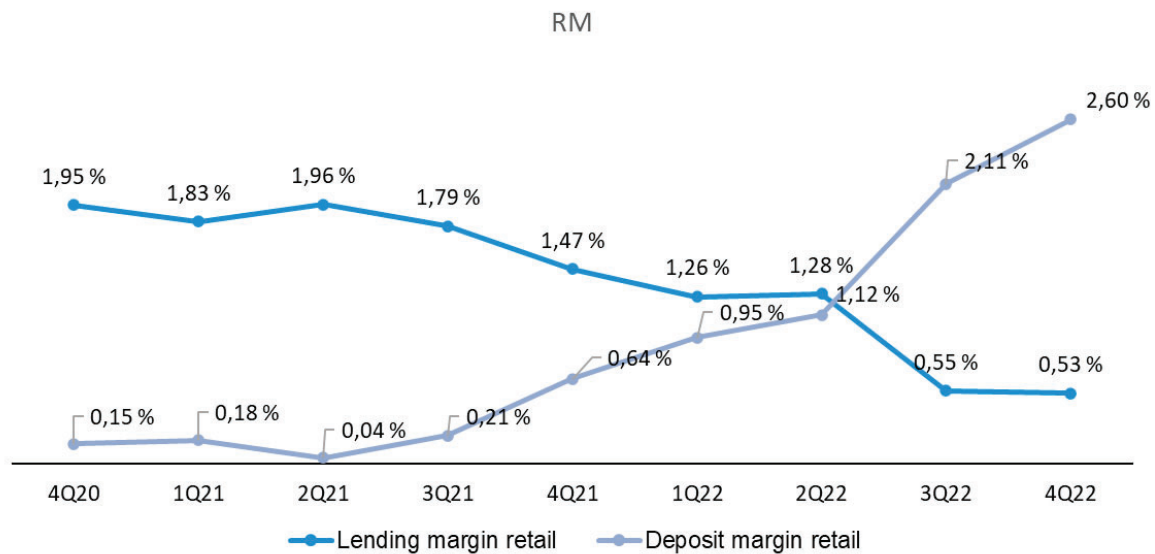
Developments in market divisions

Retail Market

Net interest income amounted to MNOK 382 in 4Q22 in isolation, compared with MNOK 234 in 4Q21. Net interest income for the full year was MNOK 1 213 (MNOK 842).

Net fee, commission and other operating income in the quarter was MNOK 150, compared with MNOK 233 for 4Q21. Commission income from SpareBank 1 Boligkreditt was MNOK 17 lower than in 3Q22. Net fee, commission and other operating income for the full year was MNOK 669 (MNOK 769).

Margin development in Retail Market versus average 3-month NIBOR:



Retail Market's lending margin fell by -0.02 percentage points in 4Q22 (-0.32 percentage points) due to the increase in funding costs exceeding the increase in customer interest rates. The price competition for well-collateralised mortgage loans remains significant, which is making it difficult to maintain the lending margin over time.

Lending growth in Retail Market for 4Q22 in isolation was 4.0%. Actual growth in the past 12 months was 5.3% (-4.3%). The total gross lending volume as at 31.12.22 was MNOK 45 799 (MNOK 45 719).

A higher NIBOR rate during 2022 had a positive effect on the deposit margin, and we expect a continued positive trend in 2023, depending to some extent on the development of the NIBOR rate and competitive situation for deposits.

Growth in deposits in Retail Market in 4Q22 was -2.2% on an annualised basis. Actual deposit growth in Retail Market in the past 12 months was 3.8% (1.3%).

Total operating costs in the division amounted to MNOK 179 in 4Q22 (MNOK 203). Operating costs for the full year amounted to MNOK 697 (MNOK 756). The development in costs is commented on in more detail in the section on operating costs.

At the end of 4Q22, 208 FTEs worked in Retail Market in the Parent Bank, four fewer than at the end of 3Q22 and six fewer than at the end of 4Q21.

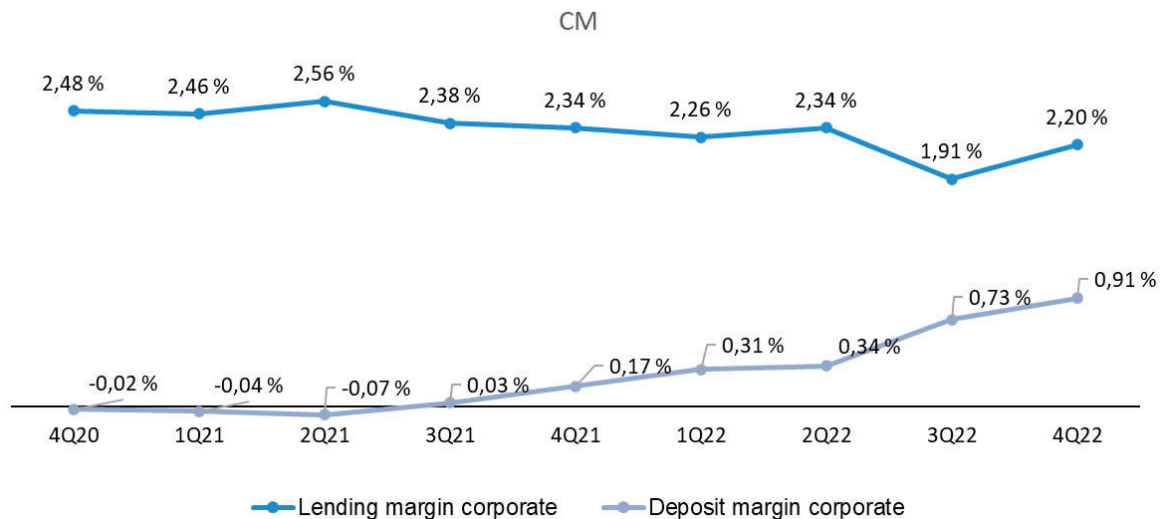
Recognised losses in Retail Market in 4Q22 amounted to MNOK -9 compared with MNOK 2 in 4Q21. Recognised losses for the full year amounted to MNOK -7 (MNOK -3).

Corporate Market

Net interest income for 4Q22 in isolation was MNOK 298 (MNOK 179). Net interest income for the full year was MNOK 1 018 (MNOK 812).

Net fee, commission and other operating income for the quarter was MNOK 39 (MNOK 43). Net fee, commission and other operating income for the full year 2022 was MNOK 154 (MNOK 145).

Margin development in Corporate Market versus average 3-month NIBOR:



The lending margin in Corporate Market measured against the average 3-month NIBOR increased by 0.29 percentage points in 4Q22 (-0.04 percentage points). The margin in Corporate Market was to a large extent directly linked to the development of the NIBOR rate as 75% of the loan portfolio is linked to the NIBOR rate.

Lending growth in Corporate Market in 4Q22 was 11.4%. Actual growth in the past 12 months was 7.4% (6.3%).

The total gross lending volume at the end of 4Q22 was MNOK 37 707 (MNOK 34 996).

The deposit margin in Corporate Market measured against the 3-month NIBOR in 4Q22 increased by 0.18 percentage points, compared with 0.14 percentage points in 4Q21. The reason why the margin has not increased as much as it has for Retail Market is that 64 per cent of the deposits are linked to the NIBOR rate.

Growth in deposits in Corporate Market in 4Q22 amounted to -4.2%. Actual growth in the past 12 months was 5.1%, inclusive of the public sector market (7.5%).

Total operating costs in Corporate Market amounted to MNOK 120 in 4Q22, compared with MNOK 106 in 4Q21. The year-to-date costs totalled MNOK 403 (MNOK 394).

At the end of 4Q22, 90 FTEs worked in Corporate Market in the Parent Bank, one more than at the end of 3Q22 and one fewer than at the end of 4Q21.

Recognised losses in Corporate Market in 4Q22 amounted to MNOK -49 compared with MNOK -33 in 4Q21. Recognised losses for the full year amounted to MNOK -49 (MNOK -33). The higher costs were due to higher ECL provisions due to a poorer economic outlook with a higher risk of an economic downturn.

Financial Investments – income and events in the accounting period

An overview of the quarter's total income from financial investments can be found in Note 8 of the quarterly report. Additionally, the results from subsidiaries, associated companies and joint ventures are specified in Note 14.

Associated companies and joint ventures

Profit contributions from associated companies and joint ventures totalled MNOK 147 in 4Q22 compared with MNOK 28 in 3Q22. Profit contributions for the full year 2022 amounted to MNOK 204 (MNOK 532). The main associated companies are commented on below.

SpareBank 1 Gruppen

The profit for 4Q22 in isolation was MNOK 752 (MNOK 1 080), MNOK 545 better than for 3Q22 (MNOK 207). The improvement in the result was due to a positive trend in the securities market in 4Q22, with positive developments in the equities market and a higher interest yield linked to lower credit spreads.

The year-to-date profit totalled MNOK 1 196, MNOK 2 054 less than in 2021 (MNOK 3 250).

In addition to the above-mentioned impacts from the turbulence in the securities market, the insurance result was also negatively affected by a higher claims ratio for travel and car insurance in the year due to the greater mobility in society compared with last year.

SpareBank 1 Nord-Norge's share of the profit for 2022 amounted to MNOK 175 (MNOK 471).

SpareBank 1 Boligkreditt

The results for 4Q22 were affected by higher interest rates/funding costs, as well as turbulence in the securities market. The company is a non-profit enterprise. It generated a deficit of MNOK 5 in 4Q22 and a positive result for the year to date of MNOK 4.5, which is MNOK 69 weaker than for the same period last year (MNOK 73.5).

SpareBank 1 Nord-Norge's share of the result for 2022 amounts to MNOK 0.7.

SpareBank 1 Mobilitet

The company owns 47.16 per cent of Fleks AS and consolidates the profit contribution from this company using the equity method. The deficit in Fleks AS also mostly accounts for the deficit of MNOK 19 in SpareBank 1 Mobilitet in 4Q22. The result for the year to date was a deficit of MNOK 73, compared with a deficit of MNOK 50 in 2021.

SpareBank 1 Nord-Norge's share of the deficit in 2022 amounts to MNOK 22.

SpareBank 1 Forvaltning

The group was established in 2021, and consists of the companies SpareBank 1 VPS, Odin Forvaltning, SpareBank 1 Kapitalforvaltning and SR-Forvaltning. Total profit as at 4Q22 was MNOK 171 (MNOK 164), of which MNOK 28 was from 4Q22 (MNOK 78). Odin Forvaltning contributed most of the Group's result.

SpareBank 1 Nord-Norge's share of the result in 2022 amounts to MNOK 23 (MNOK 23).

SpareBank 1 Betaling

The company is an owner of Vipps AS and consolidates the result from this company using the equity method. In 4Q22, the company sold shares in Vipps for a total gain of MNOK 140. The result in SpareBank 1 Betaling as at 4Q22 was MNOK 65, and was affected by the above-mentioned results, as well as operating losses in Vipps AS (MNOK -69).

SpareBank 1 Nord-Norge's share of the result in 2022 amounts to MNOK 12 (MNOK -13).

Subsidiaries

The Group's subsidiaries are fully consolidated in the Group's accounts and have delivered a total profit after tax of MNOK 28 for 4Q22 in isolation (MNOK 156), compared with MNOK 43 in the preceding quarter and MNOK 186 for the full year 2022 (MNOK 327).

The decrease in profit after tax in the last quarter was due to:

- **EiendomsMegler 1 Nord-Norge:**
The result after tax was MNOK -2.2 in the last quarter. Compared to the preceding quarter, the profit was MNOK 6.5 lower. This was due to less activity and fewer units being sold in the period.
- **SpareBank 1 Regnskapshuset Nord-Norge:**
The result after tax was MNOK -9.8 in the last quarter. Compared to the preceding quarter, the profit was MNOK 13 lower. The company's peak season is during 1H, but it saw a decline in income from ordinary accounting and payroll in the last two quarters. At the same time, total operating costs in the quarter increased due to many new employees.
- **SpareBank 1 Finans Nord-Norge:**
The result after tax was on a par with the preceding quarter.
(The result in SNN Finans in 4Q21 was affected by a previously written down loss on a commitment amounting to MNOK 163).

Also see the specification in Note 14.

The Group's equities portfolio

As at 31.12.22, the Group's equities portfolio amounted to MNOK 1 528, compared with MNOK 1 519 as at 31.12.21.

The Parent Bank's equities portfolio saw a positive change in value in 4Q22 amounting to MNOK 31 (MNOK 182), which was mainly due to increases in the shares held in SpareBank 1 Helgeland by MNOK 30 and in BN Bank ASA by MNOK 15, while the value of shares in VN Norge AS fell by MNOK 14. The equities portfolio in SpareBank 1 Nord-Norge Portefølje also fell in value by MNOK 1 in the last quarter.

SpareBank 1 Nord-Norge is strengthening its investment in the capital market and will increase its stake in SpareBank 1 Markets from 12.2 per cent to 18.1 per cent

from 2023. The investment is intended to ensure customers have access to a strong capital market environment with regional and national roots.

Certificates, bonds, currency and derivatives

As at 31.12.22, the Group's holdings of certificates and bonds amounted to MNOK 18 073, compared with MNOK 19 150 as at 31.12.21.

The total net change in value in the bond portfolio in 4Q22 represents a net unrealised gain of MNOK 47 (MNOK -38), compared with MNOK -34 in 3Q22. Of the change in value, MNOK 42 was due to the positive change in value of the portfolio (widening spread), and MNOK 7 was due to the positive effect on coupon rates.

In addition, the last quarter saw a MNOK 3 positive change in the value of associated derivatives (MNOK 9).

A summary of the Group's derivatives as at 31.12.22 can be seen in Note 18 in the quarterly report.

Operating costs

The Group's long-term target is a cost/income ratio of 40% or lower, and this applies to 2023 as well. Despite a tight labour market, inflation, growth and the need to invest in ICT, we expect costs to develop relatively flatly during 2023.

The Group's operating costs for 4Q22 in isolation were MNOK 457 (MNOK 572), which is MNOK 69 higher than in 3Q22. The Parent Bank's costs in 4Q22 were MNOK 34 higher than in 3Q22, but MNOK 134 lower than in the corresponding quarter last year. Wealth tax of MNOK 22 was recognised in 4Q22 (MNOK 12), which was treated as an ordinary operating cost in line with IFRS.

As at 31.12.22, the Group's operating costs were MNOK 1 637 (MNOK 1 748), while the Parent Bank's operating costs for the year were MNOK 1 147 (MNOK 1 285).

The Group had 852 FTEs at the end of 4Q22, one FTE fewer than the 853 in 4Q21. Seven fewer FTEs in the Parent Bank and six FTEs more in the subsidiary SNN Regnskapshuset.

The costs are specified by main category compared with previous periods in Note 9 in the quarterly accounts.

Losses and non-performing loans

The Group's net losses for 4Q22 in isolation amounted to MNOK 22 (MNOK -112), compared with MNOK 56 in 3Q22. As at 31.12.22, net losses amounted to MNOK 63 (MNOK -235), with MNOK 7 from Retail Market (MNOK -17) and MNOK 56 from Corporate Market (MNOK -218). The recognition of costs in the last quarter was due to increased ECL provisions due to the economic outlook and the risk of a downturn, although the risk is considered to be lower than as at 3Q22.

As at 31.12.22, total loss provisions on loans came to MNOK 735 (MNOK 692), which was MNOK 19 higher than at the end of the preceding quarter, MNOK 716. Loss provisions for loans amounted to 0.84% of the Group's total gross lending, and 0.55% of gross lending to customers inclusive of intermediary loans. The corresponding ratios as at 31.12.21 were 0.86% and 0.55%.

As at 31.12.22, the Group's total loss provisions for loans and guarantees classified as Stage 1 and Stage 2 amounted to MNOK 546 (MNOK 492), MNOK 14 higher than at the end of the preceding quarter when it was MNOK 532.

As at 31.12.22, loss provisions for loans and guarantees classified as Stage 3 amounted to MNOK 190 (MNOK 200) compared with MNOK 184 as at 3Q22. This equates to a loss provision ratio of 33% (30%) of non-performing and doubtful commitments, compared with 29% at the end of the preceding quarter. The provisions in 4Q22 were MNOK 6 higher than in the preceding quarter. The change was in SNN Finans.

Please refer to Note 2 and Note 13 in the quarterly report, which describe the Group's assessments concerning factors affecting loss provisions in 4Q22. Please also see Note 13 of the annual report for 2021.

In the opinion of the Board, the quality of the Group's loan portfolio is good, and the Group is doing high quality work in connection with non-performing and impaired commitments. There will continue to be a strong focus on this work going forward.

Balance sheet performance

Lending

As at 4Q22, loans totalling BNOK 39 (BNOK 35) had been transferred to SpareBank 1 Boligkreditt, and BNOK 0.3 (BNOK 0.3) to SpareBank 1 Næringskreditt. These intermediary loans do not appear as lending on the Bank's balance sheet. Nevertheless, the comments on the growth in lending also cover intermediary loans.

Competition remains strong, especially in the mortgage loan market, although the Group is competitive and is taking market shares. The total growth in lending to customers in 2022 was 5.3% in Retail Market and 7.4% in Corporate Market.

For 2023 as a whole, lending growth of 2-5% is expected in Retail Market and lending growth of 4-7% is expected in Corporate Market. The uncertainty surrounding lending growth has, however, increased due to the war in Ukraine and the macroeconomic situation, with high energy prices, inflation and rising interest rates.

Retail Market accounted for 67% of total lending as at 4Q22 (68%). The Group's lending is specified in Note 12 in the quarterly report.

Liquidity

Customer deposits are the Group's most important source of funding and Note 19 in the quarterly report provides an overview of the Bank's deposits.

As at 4Q22, the deposit coverage rate (excluding intermediary loans) was 85% compared with 84% in 4Q21. The Bank's remaining funding, apart from equity and subordinated capital and deposits from customers, is mainly long-term funding from the capital markets. The Bank's access to liquidity and the key figures for liquidity are satisfactory. The Bank's strategic objective is to keep overall liquidity risk at a low level. The liquidity coverage ratio (LCR) as at 4Q22 was 146% (142%). The net stable funding ratio (NSFR) as at 4Q22 was 120% (118%).

Please refer also to Note 17 on liquidity risk in the quarterly report.

SNN Rating	31.12.22	Moody's
Senior preferred rating		Aa3
Senior non-perferred rating		A3

Financial strength and capital adequacy

SpareBank 1 Nord-Norge is subject to the regulatory capital requirements set out in CRR/CRD IV.

The most important developments in the area in 4Q22 can be summarised as follows:

- In March, Norges Bank decided that the countercyclical buffer would rise by 50 basis points to 2.5% with effect from 31.03.23. In December, Norges Bank decided to uphold this requirement.

For a more detailed description of the area, please see the Group's annual report.

The Group uses proportional consolidation for its capital adequacy reporting on the stakes in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt, SpareBank 1 Kreditt, and BN Bank.

	Group			Bank		
	31.12.22	31.12.21	Change	31.12.22	31.12.21	Change
Common Equity Tier 1 Capital Ratic	17,3 %	18,7 %	-1,4 %	19,8 %	20,8 %	-1,0 %
Tier 1 Capital Ratio	19,9 %	20,0 %	-1,7 %	20,7 %	22,1 %	-1,4 %
Capital Adequacy Ratio	19,9 %	21,6 %	-1,7 %	22,3 %	23,6 %	-1,3 %
Leverage Ratio	7,4 %	8,3 %	-0,9 %	9,8 %	10,7 %	-0,9 %

The Group's Common Equity Tier 1 capital at 4Q22 is MNOK 831 lower than at 3Q22, and MNOK 746 lower than at 4Q21. The change in the last quarter is mainly due to the proposed dividend in relation to the result, which is significant higher than 50% dividend rate that is used as a basis for reporting throughout the year.

The Group's Common Equity Tier 1 capital of 17.3% is 1.3% above the Group's set minimum level, and 2.3% above the regulatory monimum level.

The total risk exposure amount (RWA) has increased by MNOK 1,364 in 4Q22. This is mainly due to increased exposure in the IRB portfolio and commitments as at 31.12.22. Compared to 4Q21, RWA has increased by MNOK 1,341 during the year.

The capital adequacy calculation is shown in Note 5 of the quarterly report.

Proposed profit allocation

The dividend calculation is based on the Group's profit after tax, adjusted for accrued interest on issued hybrid Tier 1 instruments. After this, the profit after tax is distributed between the ECC holders and the Bank's community-owned capital in accordance with the relative distribution of equity between the owner groups in the Parent Bank as at 01.01.22, 46.36% and 53.64%, respectively.

Based on this, the Board proposes the following allocation of the profit to the Bank's Supervisory Board for 2022:

MNOK	31.12.22	31.12.21	Change
Group's profit/result after tax (majority)	1 824	2 283	-459
Interest costs, hybrid Tier 1 instruments	37	29	8
Net profit available for distribution	1 787	2 254	-467
Allocated cash dividend per ECC (NOK)	8.20	10.40	1.50
Allocated to cash dividend	823	1 044	-221
Allocated to the dividend equalisation fund	5	1	4
Total to ECC holders	828	1 045	-217
<i>Share of profit</i>	46.36%	46.36%	0.00%
Allocated to community dividends	953	1.208	-255
Allocated to the Savings Bank Fund	6	1	5
Total for community-owned capital	959	1 209	-250
<i>Share of profit</i>	53.64%	53.64%	0.00%
Total allocations	1 787	2 254	-467
Retained portion, Group profit	0.7%	0.1%	-0.6%
Retained portion, Parent Bank's profit	8.2%	-3.9%	-12.1%
Payout rate for the result for the Group	99.3%	99.9%	0.6%
Payout rate for the result for the Parent Bank	91.8%	103.9%	12.1%

The allocation of the profit entails an equal payout ratio for the Bank's ECC holders and community-owned capital. The payout ratio amounts to a total 99.3% (99.9%) of the Group's profit. Despite a very high dividend, the Board of Directors wishes to point out that the group's dividend policy of 50% remains fixed. The background for the particularly high dividend proposed for 2022 is to ensure that the group's capital target is reached.

In determining the proposed dividend, thorough assessments of the Group's financial strength, liquidity and financial performance were carried out, including stress tests showing the consequences of negative scenarios. These assessments indicate that the proposed dividend is prudent.

As at 31.12.22, capital adequacy, after the proposed dividend, was higher than both the regulatory requirement and the internal target. This means that our loss-absorbing capacity is high. Nevertheless, please note that the Financial Supervisory Authority of Norway can, when considerations regarding the financial institution's financial strength indicates it is appropriate, instruct a bank not to distribute a dividend or to distribute less than what has been proposed by the Board of Directors or approved by the Supervisory Board.

The Bank will continue to emphasise providing a competitive direct return for the Bank's owners. Nonetheless, the future payout rate will have to take into account the Group's capital adequacy and opportunities for future profitable growth.

The Bank's ECC will be traded ex dividend as at 31.03.23

Concluding remarks and outlook

Growth in the northern Norwegian economy has been better than the average for the rest of country for almost 15 years. Unemployment remains at a record low and important industries in the region are doing well, also driven by high commodity prices, which in turn are partly due to the ongoing war in Ukraine. The region has also seen, and is likely to continue to see, low energy prices. In the long term, however, there will be a need to develop more energy generation in the region to avoid ending up in the same situation as the rest of the country.

The exchange rate is an important factor for an export-oriented northern Norwegian economy, and the current weak Norwegian krone is, in isolation, beneficial for the northern Norwegian economy.

The greatest long-term uncertainty surrounds what the effects of the lasting, sharp rises in interest rates will be. There are strong indications that inflation has now peaked and that an end to rate hikes will soon be seen. High interest rates are negative for many industries and will initially be felt through reduced new housing starts and new construction projects. We still expect property prices to edge downwards, and the long-term effects of natural resources rent taxation and a sharp increase in wealth tax for aquaculture compared with last year to have a negative impact on the northern Norwegian economy. High prices for both salmon and whitefish will pull in the opposite direction, as will low energy prices. Previously, a large public sector has proved beneficial for the region during economic downturns. Large parts of the increase in defence spending are also expected to take place in the region. The overall effect of this is not a given, although we still expect Northern Norway to do better than the rest of the country, including in this economic downturn. However, this does not mean that as a region Northern Norway will not experience a much tougher year in 2023, economically speaking, than what we have seen in recent years. This requires extra vigilance and a bank that takes a proactive approach to its customers.

SpareBank 1 Nord-Norge is well positioned, financially very strong and liquid with a good customer portfolio and a strong market position in a region with good conditions for continued favourable economic development. A major focus on customers and in-depth knowledge of the people and businesses in our region will enable us to maintain our strong market position both in 2023 and the future.

The Group's future prospects are considered good.

Tromsø, 08.01.23

The Board of SpareBank 1 Nord-Norge

Statement of Financial Performance

Parent Bank				Group					
(Amounts in NOK million)					Note	31.12.22	31.12.21	4Q22	4Q21
4Q21	4Q22	31.12.21	31.12.22						
600	1 216	2 251	3 540	Interest income	6	3 824	2 542	1 281	682
150	522	534	1 280	Interest costs	6	1 268	528	514	148
450	694	1 717	2 260	Net interest income		2 556	2 014	767	534
246	200	1 022	849	Fee- and commission income	7	1 088	1 267	266	301
18	17	68	56	Fee- and commission costs	7	79	96	21	30
105	1	123	5	Other operating income	7	225	328	50	148
333	184	1 077	798	Net fee- and other operating income		1 234	1 499	295	419
1	22	36	90	Dividend	8	90	36	22	1
101	53	757	506	Income from investments	8	204	532	147	189
151	90	221	- 21	Net gain from investments in securities	8	- 20	226	89	155
253	165	1 014	575	Net income from financial investments		274	794	258	345
1 036	1 043	3 808	3 633	Total income		4 064	4 307	1 320	1 298
202	135	632	541	Personnel costs	9	844	936	221	293
140	113	423	427	Administration costs	9	485	472	152	150
17	16	78	68	Ordinary depreciation	9,10	92	104	23	24
84	45	152	111	Other operating costs	9	216	236	61	105
443	309	1.285	1.147	Total costs		1 637	1 748	457	572
593	734	2 523	2 486	Result before losses		2 427	2 559	863	726
41	17	- 70	54	Losses	11	63	- 235	22	- 112
552	717	2 593	2 432	Result before tax		2 364	2 794	841	838
73	170	395	459	Tax		513	499	178	123
479	547	2 198	1 973	Result after tax		1 851	2 295	663	715
				Attributable to:					
				Controlling interests		1 824	2 283	659	711
				Non-controlling interests		27	12	4	4
				Result per Equity Certificate					
2,17	2,49	10,02	8,98	Result per Equity Certificate, adjusted for interests hybrid capital		8,25	10,41	3,01	3,25

Other comprehensive income

Parent Bank				Group					
(Amounts in NOK million)						31.12.22	31.12.21	4Q22	4Q21
4Q21	4Q22	31.12.21	31.12.22						
479	547	2 198	1 973	Result after tax		1 851	2 295	663	715
				<i>Items that will not be reclassified to profit/loss</i>					
0	0	0	0	Share of other comprehensive income from investment in associated companies		4	4	- 3	2
- 128	0	-98	0	Actuarial gains (losses) on benefit-based pension schemes		0	-101	0	- 131
33	0	25	0	Tax		0	26	0	34
-95	0	-73	0	Total		4	- 71	- 3	- 95
				<i>Items that will be reclassified to profit/loss</i>					
0	0	-15	0	Net change in fair market value of financial assets available for sale		0	-15	0	0
0	0	0	0	Share of other comprehensive income from investment in associated companies		81	18	- 98	30
0	0	0	0	Tax		0	0	0	0
0	0	-15	0	Total		81	3	- 98	30
384	547	2 110	1 973	Total comprehensive income for the period		1 936	2 227	562	650
1,74	2,49	9,61	8,98	Total result per Equity Certificate, adjusted for interests hybrid capital		8,64	10,15	2,56	2,96

Statement of Financial Position

Parent Bank		Group		
(Amounts in NOK million)				
31.12.21	31.12.22	Notes	31.12.22	31.12.21
Assets				
399	145		145	399
89 049	92 859	12,13,16	94 637	90 708
1 504	1 513	16	1 528	1 519
19 150	18 069	16	18 073	19 150
1 089	1 458	16,18	1 458	1 089
4 720	5 089	14	5 063	4 837
460	406	10	829	859
306	583	15	788	619
116 677	120 122		122 521	119 180
Liabilities				
77 331	80 752	19	80 669	77 241
17 527	15 336	20	15 336	17 527
602	1 259	16,18	1 259	602
1 916	2 814	22	3 414	2 597
4 560	5 718	21	5 718	4 560
101 936	105 879		106 396	102 527
Equity				
2 650	2 650	23	2 650	2 650
780	600	23	600	780
3 824	3 676	23	4 441	4 619
7 487	7 317	23	8 203	8 407
		23	231	197
14 741	14 243		16 125	16 653
116 677	120 122		122 521	119 180

Statement of Changes in Equity

(Amounts in NOK million)	EC capital and Premium Fund	Dividend Equalisation Fund	Saving Bank's primary capital	Hybrid capital	Total controlling interests	Non- controlling interests	Total equity
Group							
Equity at 01.01.21	2 650	3 955	7 637	780	15 022		15 022
Total comprehensive income for the period							
Period result		1 058	1 225		2 283	12	2 295
<i>Other comprehensive income:</i>							
Share of other comprehensive income from investment in associated companies		10	12		22		22
Net change in fair market value of financial assets available for sale		- 7	- 8		- 15		- 15
Actuarial gains (losses) on benefit-based pension schemes		- 47	- 54		- 101		- 101
Tax on other comprehensive income		12	14		26		26
Total other comprehensive income		- 32	- 36		- 68		- 68
Total comprehensive income for the period		1 027	1 188		2 215	12	2 227
Transactions with owners							
Changes in controlling interests		47	55		102	185	287
Dividend paid		- 392			- 392		- 392
Other transactions		- 4	- 5		- 9		- 9
Interests hybrid capital - this year		- 13	- 16		- 29		- 29
Approved society dividend			- 453		- 453		- 453
Total transactions with owners		- 362	- 419		- 781	185	- 596
Equity at 31.12.21	2 650	4 619	8 407	780	16 456	197	16 653
Equity at 01.01.22	2 650	4 619	8 407	780	16 456	197	16 653
Total comprehensive income for the period							
Period result		846	978		1 824	27	1 851
<i>Other comprehensive income:</i>							
Share of other comprehensive income from investment in associated companies		39	46		85		85
Net change in fair market value of financial assets available for sale							
Actuarial gains (losses) on benefit-based pension schemes							
Tax on other comprehensive income							
Total other comprehensive income		39	46		85		85
Total comprehensive income for the period		885	1 024		1 909	27	1 936
Transactions with owners							
Changes in controlling interests						33	33
Hybrid capital				- 180	- 180		- 180
Dividend paid		- 1 044			- 1 044	- 30	- 1 074
Other transactions		- 2			- 2	4	2
Interests hybrid capital - this year		- 17	- 20		- 37		- 37
Approved society dividend			- 1 208		- 1 208		- 1 208
Total transactions with owners		- 1 063	- 1 228	- 180	- 2 471	7	- 2 464
Equity at 31.12.22	2 650	4 441	8 203	600	15 894	231	16 125

Statement of Cash Flows

Parent Bank			Group	
(Amounts in NOK million)				
31.12.21	31.12.22		31.12.22	31.12.21
2 593	2 432	Profit before tax	2 364	2 794
78	68	+ Ordinary depreciation	92	104
4	0	+ Write-downs, gains/losses fixed assets	0	4
- 70	54	+ Losses on loans and guarantees	63	- 235
395	459	- Tax/Result non-current assets held for sale	513	499
2 210	2 095	Provided from the year's operations	2 006	2 168
- 570	1 600	Change in sundry liabilities: + increase/ - decrease	1 525	- 454
933	- 646	Change in various claims: - increase/ + decrease	- 538	904
- 710	-3 864	Change in gross lending to and claims on customers: - increase/ + decrease	-3 992	- 725
-1 870	1 072	Change in short term-securities: - increase/ + decrease	1 068	-1 876
2 988	3 421	Change in deposits from and debt owed to customers: + increase/ - decrease	3 428	2 991
2 981	3 678	A. Net liquidity change from operations	3 497	3 008
-29	-14	- Investment in fixed assets	- 62	- 49
57	0	+ Sale of fixed assets	0	57
-274	-425	Payments to group companies and associated companies	- 425	- 274
508	56	Payment from/Change in values of group companies and associated companies	286	409
262	- 383	B. Liquidity change from investments	- 201	143
- 29	- 37	Interest to hybrid capital owners	- 37	- 29
- 49	- 47	Payments to leases	- 51	- 53
- 845	-2 252	- Dividend paid on EC/approved distributions	-2 282	- 845
-4 791	-6 241	Decrease in borrowings through the issuance of securities	-6 241	-4 820
0	4 050	Increase in borrowings through the issuance of securities	4 050	0
- 501	- 287	Decrease in subordinated loan capital	- 287	- 501
3 011	1 265	Increase in subordinated loan capital	1 265	3 011
		Payment from non-controlling interests	33	125
-3 204	-3 549	C. Liquidity change from financing	-3 550	-3 112
39	- 254	A + B + C. Total change in liquidity	- 254	39
360	399	+ Liquid funds at the start of the period	399	360
399	145	= Liquid funds at the end of the period	145	399

Liquid funds are defined as cash-in-hand and claims on central banks.

Reconciliation of movements of liabilities to cash flows arising from financing activities	Debt securities	Subordinated dept	Senior non-preferred dept
Balance 01.01.22	17 527	3 509	1 051
Changes from financing cash flows:			
Proceeds from issue	3 620	1 000	
Redeemed	0		
Due excl. Redeemed	-5 656		
Total changes from financing cash flows	-2 036	1 000	
The effect of changes in foreign exchange rates	408	249	
Changes in fair value	- 585	- 107	
Changes in accrued interest	22	14	2
Balance 31.12.22	15 336	4 665	1 053

Result from the Group's quarterly accounts

(Amounts in NOK million)

	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	
Interest income	1 281	981	823	739	682	621	623	616	631	
Interest costs	514	327	229	198	148	116	121	143	133	
Net interest income	767	654	594	541	534	505	502	473	498	
Fee- and commission income	266	281	280	261	301	335	332	299	323	
Fee- and commission costs	21	20	21	17	30	21	24	21	29	
Other operating income	50	51	57	67	148	52	56	72	54	
Net fee- and other operating income	295	312	316	311	419	366	364	350	348	
Dividend	22	2	65	1	1	1	20	14	29	
Income from investments	147	28	18	11	189	118	154	71	85	
Net gain from investments in securities	89	-24	-149	64	155	21	26	24	-2	
Net income from financial investments	258	6	-66	76	345	140	200	109	112	
Total income	1 320	972	844	928	1 298	1 011	1 066	932	958	
Personnel costs	221	213	203	207	293	217	210	216	228	
Administration costs	152	100	113	120	150	109	110	103	111	
Ordinary depreciation	23	22	23	24	24	24	27	29	27	
Other operating costs	61	53	57	45	105	45	46	40	66	
Total costs	457	388	396	396	572	395	393	388	432	
Result before losses	863	584	448	532	726	616	673	544	526	
Losses	22	56	17	-32	-112	-47	-23	-53	73	
Result before tax	841	528	431	564	838	663	696	597	453	
Tax	178	139	86	110	123	131	121	124	79	
Result after tax	663	389	345	454	715	532	575	473	374	
Interest hybrid capital	10	9	8	10	8	7	7	7	7	
Result after tax ex. interest hybrid capital	653	380	337	444	707	525	568	466	367	
Profitability										
Return on equity capital	1	17,2 %	10,1 %	9,0 %	11,6 %	18,0 %	13,7 %	15,4 %	13,0 %	10,4 %
Interest margin		2,09 %	1,95 %	1,86 %	1,80 %	1,77 %	1,64 %	1,65 %	1,60 %	1,77 %
Cost/income	2	34,6 %	39,9 %	46,9 %	42,7 %	44,1 %	39,1 %	36,9 %	41,6 %	45,1 %
Balance sheet figures										
Loans and advances excl. commission loans		95 301	95 265	91 783	91 351	95 713	94 355	91 556	90 511	90 511
-of which loans and advances to financial institutions		1 787	1 944	1 539	1 365	1 172	1 661	1 299	1 534	1 534
-of which loans and advances to customers		93 513	93 321	90 244	89 986	94 541	92 694	90 257	88 977	88 977
Total lending incl. intermediary loans		133 243	131 134	126 523	125 739	132 831	131 001	128 493	127 122	127 122
Growth in loans and advances to cust. incl. commission loans past 12 months	3	6,0 %	-1,3 %	-1,9 %	-1,5 %	-1,1 %	5,0 %	5,2 %	4,7 %	4,4 %
Deposits		80 669	81 765	84 813	79 679	77 241	79 247	81 371	76 261	74 430
-of which deposits from financial institutions		1 185	1 646	1 308	1 095	1 092	1 024	499	551	1 272
- of which deposits from customers		79 484	80 119	83 505	78 584	76 149	78 223	80 872	75 710	73 158
Growth in deposits from customers past 12 months	3	4,4 %	2,4 %	3,3 %	3,8 %	4,1 %	9,1 %	10,7 %	7,2 %	7,5 %
Deposits as a percentage of gross lending	4	85,0 %	85,9 %	90,6 %	87,1 %	84,6 %	82,7 %	87,2 %	83,9 %	82,2 %
Deposits as a percentage of gross lending including commission loans	5	59,7 %	61,1 %	65,0 %	62,1 %	60,6 %	58,9 %	61,7 %	58,9 %	57,5 %
Average assets	6	122 377	122 342	121 897	119 977	120 264	120 535	120 019	118 042	116 810
Total assets		122 521	123 676	125 737	120 773	119 180	122 080	123 975	118 785	117 298
Losses on loans and commitments in default										
Losses on loans to customers as a percentage of total lending incl. intermediary loans		0,05 %	0,03 %	-0,01 %	-0,02 %	-0,18 %	-0,09 %	-0,06 %	-0,04 %	0,26 %
Net comm. in default and at risk of loss as a per. of total lending incl. intermediary loans		0,35 %	0,35 %	0,35 %	0,34 %	0,27 %	0,17 %	0,25 %	0,23 %	0,16 %
Solidity										
Common Equity Tier 1 Capital		12 351	13 182	13 753	13 464	13 097	13 048	12 877	12 206	12 019
Tier 1 Capital		13 082	14 098	14 669	14 618	14 001	14 020	13 849	13 178	12 991
Own Funds		14 230	15 270	15 790	15 725	15 109	15 229	15 145	14 508	14 366
Risk exposure amount		71 399	70 036	71 082	71 703	70 059	70 240	71 528	70 359	68 588
Common Equity Tier 1 Capital Ratio		17,3 %	18,8 %	19,3 %	18,8 %	18,7 %	18,6 %	18,0 %	17,3 %	17,5 %
Tier 1 Capital Ratio		18,3 %	20,1 %	20,6 %	20,4 %	20,0 %	20,0 %	19,4 %	18,7 %	18,9 %
Total Capital Ratio		19,9 %	21,8 %	22,2 %	21,9 %	21,6 %	21,7 %	21,2 %	20,6 %	20,9 %

1) The profit after tax in relation to average equity, calculated as a quarterly average of equity at 1 January and end quarterly equity. The Bank's hybrid tier 1 capital issued are classified as equity in the financial statements. However, when calculating the return on equity, hybrid tier 1 capital is treated as a liability and the associated interest costs are adjusted for in the result.

2) Total costs as a percentage of total net income

3) The calculation of growth includes sale of loan and deposit portfolio to Sparebank 1 Helgeland in 4Q21

4) Deposits from customers as a percentage of gross lending

5) Deposits from customers in percentage of total lending incl. intermediary loans

6) Average assets are calculated as average assets each quarter and at 01.01. and 31.12.

Note 1 – Accounting policies

The Group's financial statements for 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) approved by the EU, including IAS 34 – Interim Financial Reporting.

The quarterly accounts do not include all information required in full annual accounts and should be read in conjunction with the annual accounts for 2021.

There are no standards or interpretations that have not entered into force in 2022 that are expected to have a significant impact on the Group's accounts.

Note 2 - Important accounting estimates and discretionary judgements

When preparing the consolidated financial statements, the management makes estimates, discretionary assessments and assumptions that affect the application of the accounting policies. This will therefore affect the recognized amounts for assets, liabilities, income and costs. In last year's annual accounts note 3, a fuller explanation of significant estimates and assessment items are reported.

SpareBank 1 Nord-Norge uses a model for calculating expected credit losses based on IFRS 9. The result of the calculation appears in note 13 of the quarterly accounts. Expected credit loss is calculated on a monthly basis based on an objective and probability-weighted analysis of alternative outcomes, where account is also taken of the time value of the expected cash flows. The analysis is based on relevant information available at the time of reporting and builds on macroeconomic scenarios in order to take account of non-linear aspects of expected loss.

SC1 «Base case» represent the most probable outcome.

SC2 "downside case" represents outcomes that are somewhat more negative than SC1, respectively.

SC3 «best case» represents outcomes that are somewhat more positive than SC1, respectively.

The different scenarios are used to adjust relevant parameters for calculating expected loss and a probability-weighted average of expected credit loss according to the respective scenarios is recognised as a loss.

Based on assessments made by the group regarding national and local macro development, the group decides the level of PD and LGD factors based on a scale from 1-12 based on what is expected in the next 12 months and the next 5 years, within each scenario. Level 1 is "boom", level 5 "normal economy", level 9 "recession" and level 12 is "banking crisis". Level on a scale may differ between PM and BM, if it is considered probable that one segment is more / less exposed than the other.

For further descriptions, see note 13 to the annual accounts.

Highlights

- The scenario weighting is used to express the uncertainty in the base case (SC1).
- The same weighting of BM and PM is used in the model, and deviating expectations are controlled through PD and LGD paths.
- Great uncertainty - less emphasis on SC1
- Small uncertainty - greater emphasis on SC1

As of 31.12.21, the weighting between SC1, SC2, and SC 3 was respectively: 75/10/15, and levels in the three different scenarios were set at SC1 level 7, SC2 level 9 and SC3 level 4.

As of 31.03.22, the weighting has been adjusted to: 60/30/10, and the levels are set to SC1 level 6, SC2 level 9 and SC3 level 3. This is based on the fact that uncertainty about the effects of the covid-19 pandemic is virtually gone, but replaced by high uncertainty about the macro-effects of the ongoing war in Europe.

As of 30.06.22, the weighting is retained at 60/30/10. The levels also remain unchanged. Ongoing war in Europe, high inflation and increased interest rates still lead to a situation characterized by great uncertainty.

As of 30.09.22, the weighting has been adjusted to: 50/40/10 as a result of the assessment of macroeconomic effects indicating an increased probability of a “down-side” scenario. No changes to PD and LGD levels.

As of 31.12.22, the weighting has been changed to: 55/35/10 after a new assessment and where it has been concluded that there is less uncertainty related to the “down-side” scenario.

Weighting	Perceived uncertainty to SC 1								
	Small 80-90%			Medium 60-80%			Large 50-60%		
	Positive	Neutral	Negative	Positive	Neutral	Negative	Positive	Neutral	Negative
SC1									
SC2	0-5%	5-10%	5-20%	0-10%	10-20%	20-40%	5-15%	20-25%	25-45%
SC3	5-20%	5-10%	0-5%	20-40%	10-20%	0-10%	25-45%	20-25%	5-15%

Industries and development of individual customers are also closely followed up through so-called watchlists at the customer engagement level, as well as marking of customers with pre-payment (payment relief).

All commitments with assessed high risk are on the watchlist.

In 2021, all significant tourism-related commitments were put on the watchlist and manually moved from step 1 to step 2. As of 31.03.22, these commitments have been removed from the watchlist.

Sensitivity analysis

Below follows a sensitivity analysis for the Parent Bank, based on figures as at 30.09.22.

By changing PD, LGD and scenario weights in isolation, the following change is seen in expected credit loss:

Segment	10% increase PD-factor	10% increase LGD-factor	20% increase PD-factor*)	SC1=100% SC2=0% SC3=0%	SC1=0% SC2=100% SC3=0%	SC1=0% SC2=0% SC3=100%
Retail market	5,3 %	6,1 %	18,3 %	-19,0 %	39,3 %	-33,1 %
Corporate market	6,8 %	7,5 %	17,0 %	-16,5 %	34,9 %	-31,1 %
Total	6,6 %	7,3 %	17,1 %	-16,9 %	35,5 %	-31,4 %

*) 20% increase PD-factor on all loans engagements. Step migration as a result of increased PD is taken into account in the sensitivity analysis.

***) Effect of going from the current weighting of 55%, 35% and 10% for scenario 1, 2 and 3.

Notes 3 – Changes to group structure

There has been no significant changes to the Group's structure in 4Q 2022.

Note 4 - Business Areas

The table shows SpareBank 1 Nord-Norge's segment's pursuant to IFRS 8. For more information see note 4 in annual report 2021.

Group		31.12.22							
(Amounts in NOK million)									
	Retail market	Corporate banking	Markets	SpareBank 1 Regnskaps- huset Nord- Norge	Eiendoms- Megler 1 Nord-Norge	SpareBank 1 Finans Nord-Norge	Sparebank 1 Helgeland	Unspecified/ Eliminations	Total
Net interest income	1 213	1 018	10	0	1	294	0	20	2 556
Net fee- and other operating income	669	154	24	218	240	- 22	0	- 49	1 234
Net income from financial investments	1	9	27	0	1	0	0	236	274
Total costs	697	403	42	200	226	57	0	11	1 637
Result before losses	1 186	778	19	18	16	215	0	196	2 427
Losses	7	49	0	0	0	9	0	- 2	63
Result before tax	1 179	729	19	18	16	206	0	198	2 364
Total lending	45 795	45 666	0	35	- 18	8 778	0	- 4 955	95 301
Loss provision	- 79	- 487	0	0	0	- 96	0	- 1	- 663
Other assets	116	22	718	217	99	78	0	26 633	27 883
Total assets per business area	45 832	45 201	718	252	81	8 760	0	21 677	122 521
Deposits from customers	43 406	35 554	0	0	0	0	0	524	79 484
Other liabilities and equity capital	2 426	9 647	718	252	81	8 760	0	21 153	43 037
Total equity and liabilities per business area	45 832	45 201	718	252	81	8 760	0	21 677	122 521

During 2021, SpareBank 1 Nord-Norge has sold its portfolio of local banks in Helgeland to SpareBank 1 Helgeland. Following the sale, SpareBank 1 Nord-Norge will own 19.99% of SpareBank 1 Helgeland. This stake will be incorporated into the consolidated financial statement.

Group		31.12.21							
(Amounts in NOK million)									
	Retail market	Corporate banking	Markets	SpareBank 1 Regnskaps- huset Nord- Norge	Eiendoms- Megler 1 Nord-Norge	SpareBank 1 Finans Nord-Norge	Sparebank 1 Helgeland	Unspecified/ Eliminations	Total
Net interest income	842	812	12	0	2	294	86	- 33	2 014
Net fee- and other operating income	769	145	38	212	244	12	168	- 89	1 499
Net income from financial investments	0	13	27	0	0	0	0	753	794
Total costs	756	394	47	188	211	104	87	- 39	1 748
Result before losses	855	576	31	24	35	202	167	670	2 559
Losses	- 3	- 33	0	0	0	- 165	- 36	1	- 235
Result before tax	858	608	31	24	35	366	203	669	2 794
Total lending	45 719	34 996	0	0	0	7 888	27	2 722	91 352
Loss provision	- 71	- 479	0	0	0	- 93	0	0	- 643
Other assets	83	6 852	435	240	105	117	0	20 640	28 472
Total assets per business area	45 731	41 368	435	240	105	7 911	27	23 362	119 180
Deposits from customers	41 726	33 783	0	0	0	0	65	575	76 149
Other liabilities and equity capital	4 006	7 585	435	240	105	7 911	- 38	22 787	43 031
Total equity and liabilities per business area	45 732	41 368	435	240	105	7 911	27	23 362	119 180

Note 5 - Capital Adequacy

Parent Bank		Group	
<i>(Amounts in NOK million)</i>			
31.12.21	31.12.22	31.12.22	31.12.21
Equity			
2 650	2 650	2 650	2 650
780	600	600	780
3 824	3 676	4 441	4 619
7 487	7 317	8 203	8 407
0	0	231	197
14 741	14 243	16 125	16 653
Tier 1 Capital			
- 780	- 600	- 600	- 780
-1 516	-1 776	-1 776	-1 516
0	0	0	0
0	0	- 98	- 62
0	0	- 132	- 138
- 33	- 31	- 42	- 69
- 26	0	0	- 34
0	0	- 902	- 812
- 171	- 239	- 224	- 145
12 214	11 597	12 351	13 097
Additional Tier 1 Capital			
780	600	778	952
- 48	- 47	- 47	- 48
12 946	12 150	13 082	14 001
Tier 2 Capital			
1 050	1 050	1 321	1 317
56	94	45	18
- 227	- 218	- 218	- 227
13 825	13 076	14 230	15 109

Parent Bank		Group		
(Amounts in NOK million)				
31.12.21	31.12.22	31.12.22	31.12.21	
Risk exposure amount				
4 561	4 888	Corporates - SME	4 896	4 583
14 441	14 103	Corporates - Specialised Lending	14 812	15 138
553	689	Corporates - Other	765	601
12 434	11 712	Retail - Secured by real estate	19 921	19 181
690	846	Retail - Other	865	709
8 288	8 353	Equity IRB	0	0
40 967	40 591	Credit risk IRB	41 258	40 212
0	0	Central governments or central banks	0	3
486	405	Regional governments or local authorities	501	626
1	0	Public sector entities	3	2
2 087	2 004	Institutions	863	1 241
2 378	3 274	Corporates	6 110	5 358
191	183	Retail	4 961	4 354
307	401	Secured by mortgages on immovable property	637	661
3	4	Exposures in default	209	195
1 169	961	Covered bonds	1 359	1 362
0	0	Collective investments undertakings (CIU)	1	0
3 613	3 917	Equity	6 050	6 217
929	905	Other items	1 662	1 627
11 163	12 054	Credit risk standardised approach	22 354	21 646
52 130	52 645	Total credit risk	63 612	61 858
33	0	Debt risk	0	33
6 051	5 908	Operational risk	7 134	7 239
371	112	Credit Value Adjustment	654	929
58 585	58 664	Total risk exposure amount	71 399	70 059
Capital Adequacy Ratios				
20,8 %	19,8 %	Common Equity Tier 1 Capital Ratio	17,3 %	18,7 %
22,1 %	20,7 %	Tier 1 Capital Ratio	18,3 %	20,0 %
23,6 %	22,3 %	Total Capital Ratio	19,9 %	21,6 %
10,7 %	9,8 %	Leverage Ratio	7,4 %	8,3 %

Note 6 - Net interest income

Parent Bank				Group			
<i>(Amount in NOK million)</i>							
4Q21	4Q22	31.12.21	31.12.22	31.12.22	31.12.21	4Q22	4Q21
Interest income							
17	69	57	174	16	3	8	1
484	908	1 800	2 647	3 089	2 147	1 034	584
57	88	254	314	314	254	88	55
0	0	0	0	0	0	0	0
42	151	140	405	405	138	151	42
600	1 216	2 251	3 540	3 824	2 542	1 281	682
Interest cost							
13	38	40	92	80	40	32	13
68	302	235	705	704	229	302	66
52	162	192	407	408	192	163	52
5	10	18	30	30	18	7	5
138	512	485	1 234	1 222	479	504	136
12	10	49	46	46	49	10	12
450	694	1 717	2 260	2 556	2 014	767	534
1,52 %	2,30 %	1,45 %	1,88 %	2,09 %	1,67 %	2,09 %	1,77 %

Note 7 - Net fee-, commission- and other operating income

Parent bank					Group			
<i>(Amounts in mill NOK)</i>								
4Q21	4Q22	31.12.21	31.12.22		31.12.22	31.12.21	4Q22	4Q21
87	32	401	217	Provision commission loans	217	401	32	87
63	73	239	256	Payment facilities	257	239	74	63
49	52	199	201	Sales provision insurance products	201	199	52	49
8	8	32	32	Guarantee commissions	32	32	8	9
				Real estate broking	107	130	22	29
15	12	64	56	Portfolio commissions	56	64	12	15
17	17	58	69	Credit commision	69	58	17	17
7	6	29	18	Other commisions	149	144	49	32
246	200	1 022	849	Total commission income	1 088	1 267	266	301
18	17	68	56	Commission costs	79	96	21	30
228	183	954	793	Net fee- and commission income	1 009	1 171	245	271
				Accounting services	218	212	48	47
105	1	123	5	Other operating income	7	116	2	101
333	184	1 077	798	Net fee- and other operating income	1 234	1 499	295	419
43 %	21 %	39 %	26 %	Percent of net core earnings	33 %	43 %	28 %	44 %

Note 9 - Expenses

Parent				Group				
<i>(Amounts in mill NOK)</i>								
4Q21	4Q22	31.12.21	31.12.22		31.12.22	31.12.21	4Q22	4Q21
96	95	417	393	Personel expenses	649	677	167	171
71	11	100	41	Pension costs	56	118	15	79
35	29	115	107	Social costs	139	141	39	43
202	135	632	541	Total personnel costs	844	936	221	293
70	62	271	266	IT expenses	287	293	70	76
70	51	152	161	Other administrative expenses	198	179	82	74
17	16	78	68	Ordinary depreciation	92	104	23	24
4	5	20	18	Operating costs properties	20	22	6	6
80	40	132	93	Other operating expenses	196	214	55	99
443	309	1 285	1 147	Total costs	1 637	1 748	457	572

Note 10 - Leases

On a lease's start date, the Group recognises a liability to pay rent and an asset that represents the right to use the underlying asset during the term of the lease ('right-of-use asset'). The Group sets the lease liabilities and 'right-of-use assets' at the present value of the remaining rent payments, discounted with the aid of the Group's marginal loan rate. The discount rate used upon establishment is 2.09 per cent.

Interest costs on the lease liability are recognised as costs on an ongoing basis and the right-of-use asset is depreciated on a straight-line basis over the term of the lease.

The Group's leased assets mainly include branches and naturally associated premises. Many of the contracts include the right to an extension that can be exercised during the term of the contract. The Group assesses, upon entering into a contract and thereafter continually, whether the right to the extension will, with reasonable certainty, be exercised.

The terms of leases vary from 2 to 14 years.

Parent bank			Group	
<i>(Amounts in NOK million)</i>				
31.12.21	31.12.22		31.12.22	31.12.21
Right to use asset				
388	336	Carrying amount 01.01.	387	435
21	4	Additions	4	26
-42	-3	-Derecognition	-3	-42
5	1	Other changes	37	6
372	338	Carrying amount at the end of the period	424	426
36	34	Depreciation in the period	38	39
336	303	Carrying amount of right to use asset at the end of the period	386	387
Lease liability				
393	343	Carrying amount 01.01.	397	443
21	4	Additions	4	26
-41	-40	Lease payments in the period	-43	-44
8	7	Interest	8	9
-38	-3	Other changes	33	-37
343	312	Lease liability at the end of the period	399	397
Profit and loss				
36	34	Depreciation	38	39
8	7	Interest	8	9
44	41	Total lease expense	47	48
Undiscounted lease liabilities and maturity of cash outflows				
39	33	Less than 1 year (this year)	45	43
33	32	1-2 years	41	41
32	31	2-3 years	40	38
30	31	3-4 years	39	35
30	31	4-5 years	38	35
180	219	More than 5 years	277	269
344	377	Total	481	462

Note 11 - Losses

Parent Bank				Group				
(Amounts in NOK million)								
4Q21	4Q22	31.12.21	31.12.22		31.12.22	31.12.21	4Q22	4Q21
				Losses incorporated in the accounts				
- 13	8	- 20	30	Period's change in individual lending provisions	31	- 17	7	- 6
33	8	- 99	11	Period's change in group lending provisions	30	- 112	29	35
22	4	55	23	Period's confirmed losses	13	66	- 12	24
- 1	- 3	- 6	- 10	Recoveries, previously confirmed losses	- 12	- 172	- 3	- 165
41	17	- 70	54	Total losses	63	- 235	22	- 112
				Losses broken down by sector and industry				
43	- 1	- 32	- 9	Real estate	- 9	- 33	- 2	43
4	12	- 3	40	Financial and insurance activities	40	- 2	12	5
7	1	- 8	13	Fishing and aquaculture	12	- 6	2	7
7	3	- 4	6	Manufacturing	8	- 2	3	12
- 2	- 1	- 4	- 2	Agriculture and forestry	- 3	- 5	- 1	- 2
- 4	2	- 1	5	Power and water supply and construction	9	- 6	5	- 3
0	- 3	2	6	Service industries	8	3	- 4	- 1
- 12	- 1	8	- 10	Transportation	- 13	- 157	- 1	- 175
0	1	- 9	1	Commodity trade, hotel and restaurant industry	3	- 11	1	0
43	12	- 51	49	Total corporate market	56	- 218	15	- 114
- 2	5	- 19	5	Total retail market	7	- 17	6	2
41	17	- 70	54	Total losses	63	- 235	22	- 112

Note 12 - Loans

Loans at fair value - Loans to customers for sale to mortgage company

Mortgages to be sold to mortgage credit companies over the next 12 months are valued at the agreed value at which these loans are to be assigned.

Loans at fair value - Fixed-rate loans

Actual value is determined by the loans' actual cash flows discounted by a discounting factor based on the swap rate, with the addition of a margin requirement. The margin requirement includes credit markup, administrative markup, anticipated loss, and a liquidity premium. The bank considers on a continual basis changes in observable market rates that can affect the value of these loans. There is also a continuous assessment of possible differences between discount rates and observable market rates for similar loans. The Bank makes appropriate adjustments to the discount rate, if this difference becomes significant. No adjustments to the margin requirement have been made as at 31.12.22. Value changes on loans are included in full in the result of the line - net value changes on financial assets. The sensitivity to discounting as at 31.12.22 would impact the result by approximately MNOK -11,6 per +10 basis points of change in the discount rate.

Loans at amortised cost

For all loans at amortised cost there has been calculated expected losses and provisions according to IFRS 9. Please also see note 13.

Parent Bank			Group	
(Amounts in NOK million)				
31.12.21	31.12.22		31.12.22	31.12.21
		Loans and advances to credit institutions at amortised cost		
484	487	Loans and advances without agreed maturity or notice of withdrawal	487	484
7 007	8 167	Loans and advances with agreed maturity or notice of withdrawal	1 300	881
7 491	8 654	Loans and advances to credit institutions	1 787	1 365
		Loans to customers at amortised cost		
70 815	75 689	Loans at amortised cost	84 430	78 680
70 815	75 689	Loans to customers at amortised cost	84 430	78 680
		Loans to customers at fair value through profit and loss		
5 629	4 850	Loans to customers at fixed interest rates	4 850	5 642
5 664	4 233	Mortgages to customers for sale, housing credit company	4 233	5 664
11 293	9 083	Loans at fair value through profit and loss	9 083	11 306
82 108	84 772	Total gross loans to customers	93 513	89 986
89 598	93 426	Total gross loans	95 301	91 351
		Commission loans		
35 439	39 449	Loans transferred to SpareBank 1 Boligkreditt	39 449	35 439
314	281	Loans transferred to SpareBank 1 Næringskreditt	281	314
35 753	39 730	Total intermediary loans	39 730	35 753
125 352	133 156	Total gross loans included intermediary loans	135 031	127 105
		Provision for credit losses - reduction in assets		
- 156	- 176	Provision for credit losses - stage 1	- 205	- 184
- 234	- 238	Provision for credit losses - stage 2	- 275	- 269
- 159	- 153	Provision for credit losses - stage 3	- 184	- 190
89 049	92 859	Net loans excluded intermediary loans	94 637	90 708

Parent Bank 31.12.22

(Amounts in NOK million)

Loans broken down by sector/industry	Total		Lending provision			Net loans
	commitments to amortised cost	Lending at fair value	Stage 1	Stage 2	Stage 3	
Real estate	15 666	43	- 68	- 128	- 62	15 451
Financial and insurance activities	11 131	0	- 24	- 25	- 6	11 076
Fishing and aquaculture	8 276	30	- 33	- 13	- 3	8 256
Manufacturing	1 307	10	- 3	- 5	- 30	1 279
Agriculture and forestry	1 010	36	- 1	- 1	- 1	1 044
Power and water supply and construction	3 167	32	- 9	- 10	- 3	3 177
Government	176	0	0	0	0	176
Service industries	2 311	59	- 7	- 13	- 4	2 346
Transportation	2 300	38	- 4	- 5	- 8	2 321
Commodity trade, hotel and restaurant industry	1 782	24	- 8	- 11	- 7	1 780
Corporate market	47 126	272	- 157	- 212	- 125	46 905
Retail market	37 218	8 810	- 20	- 27	- 28	45 954
Total loans	84 344	9 083	- 176	- 238	- 153	92 859

Financial commitments broken down by sector/industry	Financial commitments to amortised cost	Lending provision classified as debt			Total
		Stage 1	Stage 2	Stage 3	
Real estate	1 324	- 14	- 36	- 5	- 54
Financial and insurance activities	308	- 1	- 1	0	- 2
Fishing and aquaculture	861	- 1	0	0	- 1
Manufacturing	368	- 1	- 1	0	- 2
Agriculture and forestry	94	0	0	0	0
Power and water supply and construction	640	- 2	- 2	0	- 4
Government	407	0	0	0	0
Service industries	1 160	- 4	0	0	- 4
Transportation	493	0	- 2	0	- 2
Commodity trade, hotel and restaurant industry	511	- 1	- 1	- 1	- 3
Corporate market	6 165	- 23	- 43	- 6	- 72
Retail market	1 662	0	0	0	0
Total loans	7 827	- 23	- 43	- 6	- 72

Group 31.12.22

(Amounts in NOK million)

Loans broken down by sector/industry	Total		Lending provision			Net loans
	commitments to amortised cost	Lending at fair value	Stage 1	Stage 2	Stage 3	
Real estate	15 760	43	- 69	- 129	- 63	15 542
Financial and insurance activities	4 205	0	- 24	- 25	- 6	4 150
Fishing and aquaculture	9 193	30	- 41	- 15	- 3	9 164
Manufacturing	1 847	10	- 5	- 14	- 33	1 806
Agriculture and forestry	1 144	36	- 1	- 3	- 1	1 176
Power and water supply and construction	4 092	32	- 11	- 16	- 8	4 089
Government	190	0	0	0	0	190
Service industries	3 203	59	- 12	- 15	- 6	3 229
Transportation	3 098	38	- 7	- 10	- 12	3 108
Commodity trade, hotel and restaurant industry	2 339	24	- 11	- 16	- 9	2 327
Corporate market	45 072	272	- 180	- 243	- 141	44 780
Retail market	41 147	8 810	- 24	- 32	- 43	49 858
Total loans	86 219	9 083	- 204	- 275	- 184	94 637

Financial commitments broken down by sector/industry	Financial commitments to amortised cost	Lending provision classified as debt				Total
		Stage 1	Stage 2	Stage 3		
Real estate	1 282	- 14	- 36	- 5	- 54	
Financial and insurance activities	118	- 1	- 1	0	- 2	
Fishing and aquaculture	925	- 1	0	0	- 1	
Manufacturing	418	- 1	- 1	0	- 2	
Agriculture and forestry	94	0	0	0	0	
Power and water supply and construction	697	- 2	- 2	0	- 4	
Government	407	0	0	0	0	
Service industries	1 324	- 4	0	0	- 4	
Transportation	581	0	- 2	0	- 2	
Commodity trade, hotel and restaurant industry	671	- 1	- 1	- 1	- 3	
Corporate market	6 516	- 23	- 43	- 6	- 72	
Retail market	1 662	0	0	0	0	
Total loans	8 177	- 23	- 43	- 6	- 72	

Parent Bank 31.12.22

(Amounts in NOK million)

Total loan commitments broken down by stage of the credit risk assessment	Stage 1	Stage 2	Stage 3	Total
Total loan commitments to amortised cost 01.01.22	76 675	7 904	496	85 075
Changes in the period due to loans migrated between the stages				
to (-from) stage 1	2 865	-2 845	- 20	0
to (-from) stage 2	-2 950	2 986	- 37	0
to (-from) stage 3	- 28	- 115	143	0
Net increase/(decrease) balance existing loans	-5 538	- 7	3	-5 542
Originated or purchased during the period	33 920	1 241	38	35 199
Loans that have been derecognised	-19 776	-2 679	- 106	-22 561
Total loan commitments to amortised cost	85 168	6 485	517	92 170
Loans at fair value through profit and loss				9 083
Total loan commitments as at 30.09.22	85 168	6 485	517	101 253
Off-balance sheet	-6 798	-1 005	- 24	-7 827
Gross loans	78 370	5 480	493	93 426
Provision for credit losses - reduction in assets	- 176	- 238	- 153	- 567
Net loans	78 194	5 242	340	92 859

Group 31.12.22

(Amounts in NOK million)

Total loan commitments broken down by stage of the credit risk assessment	Stage 1	Stage 2	Stage 3	Total
Total loan commitments to amortised cost 01.01.22	78 639	8 201	549	87 389
Changes in the period due to loans migrated between the stages				
to (-from) stage 1	3 157	-3 128	- 28	0
to (-from) stage 2	-3 332	3 389	- 56	0
to (-from) stage 3	- 52	- 162	214	0
Net increase/(decrease) balance existing loans	-6 153	- 52	- 27	-6 231
Originated or purchased during the period	36 221	1 433	46	37 700
Loans that have been derecognised	-22 433	-1 988	- 41	-24 463
Total loan commitments to amortised cost	86 046	7 692	657	94 396
Loans at fair value through profit and loss				9 083
Total loan commitments as at 30.09.22	86 046	7 692	657	103 478
Off-balance sheet	-7 057	-1 097	- 24	-8 177
Gross loans	78 990	6 595	633	95 301
Provision for credit losses - reduction in assets	- 204	- 275	- 184	- 663
Net loans	78 785	6 321	449	94 637

Note 13 - Loss provisions

Parent bank				Group				
(Amounts in NOK million)								
Stage 1	Stage 2	Stage 3	Total	Changes in lending loss provisions	Total	Stage 3	Stage 2	Stage 1
-170	-259	-169	-598	Loss provisions at 01.01.22	-692	-200	-294	-198
			-549	Of which presented as a reduction of the assets	-643			
			-49	Of which presented as other debt	-49			
				Changes in the period due to loans migrating between stages:				
-84	81	3	0	to (-from) stage 1	0	3	91	-94
8	-15	7	0	to (-from) stage 2	0	8	-18	10
0	4	-4	0	to (-from) stage 3	0	-6	6	0
100	-90	-38	-27	Net increase/decrease existing loans	-23	-38	-98	113
-107	-56	-3	-166	New issued or purchased loan	-180	-3	-61	-115
55	53	45	152	Loans that have been derecognised	159	46	56	57
-199	-281	-159	-639	Total loss provisions at 31.12.22	-735	-190	-318	-228
				Loss provisions allocated to markets				
-20	-27	-28	-75	Retail market	-99	-43	-32	-24
-179	-254	-131	-565	Corporate market	-636	-147	-286	-203
-199	-281	-159	-639	Total loss provisions at 31.12.22	-735	-190	-318	-228
			-567	Of which presented as a reduction of the assets	-663			
			-72	Of which presented as other debt	-72			

Explanation of the table:

- The changes during the period as a result of migration: Transfer between the stages due to a significant change in credit risk.
- Net increase/decrease in balance: Changes in the expected credit loss, changes in the model assumptions, effects of repayments, ascertainment and other changes that affect the balance.
- Newly issued or purchased financial assets: Account numbers of customers that are only found in the closing balance in the ECL model.
- Financial assets that have been derecognised: Account numbers of customers that are only found in the opening balance in the ECL model.
- Provisions for losses also include expected losses on assets not posted to the balance sheet, including guarantees and untapped credit limits, but not loan commitments.

Note 14 - Subsidiaries, associated companies and joint ventures

Result from subsidiaries fully consolidated into the group financial statements

(Amount in NOK mill.)

Company	Share	Result after tax at		Result after tax	
		31.12.22	31.12.21	4Q22	4Q21
SpareBank 1 Nord-Norge Portefølje AS	100 %	- 1	4	- 1	3
Fredrik Langes Gate 20 AS	100 %	3	2	2	1
SpareBank 1 Finans Nord-Norge AS	85 %	157	276	39	159
SpareBank 1 Regnskapshuset Nord-Norge AS	85 %	14	19	- 10	- 7
EiendomsMegler 1 Nord-Norge AS	85 %	12	27	- 2	- 1
Total		186	327	28	156

Result from associated companies and joint ventures consolidated into the group financial statements according to the equity method

(Amount in NOK mill.)

Company	Share	Result after tax at		Result after tax		Booked value at	
		31.12.22	31.12.21	4Q22	4Q21	31.12.22	31.12.21
SpareBank 1 Mobilitet Holding AS	30,66 %	- 22	3	- 6	5	74	82
SpareBank 1 Gruppen AS	19,50 %	175	471	128	173	2 249	2 218
SpareBank 1 Kreditt AS	19,22 %	9	12	0	2	300	199
SpareBank 1 Boligkreditt AS	15,58 %	1	12	- 1	- 3	1 852	1 828
SpareBank 1 Næringskreditt AS	2,71 %	0	1	0	0	53	63
SpareBank 1 Utvikling DA	18,00 %	3	1	3	1	136	134
SpareBank 1 Bank og Regnskap AS	25,00 %	1	0	0	0	43	42
SpareBank 1 Forvaltning AS	13,27 %	25	23	4	- 3	109	105
SpareBank 1 Gjeldsinformasjon AS	14,44 %	0	0	0	0	1	1
SpareBank 1 Kundepleie AS	26,67 %	2	2	0	2	23	22
SpareBank 1 Betaling AS	17,94 %	12	- 13	19	- 8	223	145
Total		204	512	147	168	5 063	4 837

Note 15 - Other assets

Parent bank			Group	
<i>(Amounts in NOK million)</i>				
31.12.21	31.12.22		31.12.22	31.12.21
3	11	Accrued income	44	79
0	0	Goodwill and other intangible assets	118	116
0	88	Deferred tax	0	0
79	0	Overfunding of pension liabilities	0	88
86	244	Prepayments	286	114
138	240	Other assets 1)	340	222
306	583	Total other assets	788	619

1) Of which 75 NOK million is capital contribution to the SpareBank 1 Nord-Norge Pension Fund

Note 16 - Financial instruments at fair value

Financial instruments at fair value are classified at different levels. See note 26 i annual report.

Group

(Amounts in NOK million)

	Level 1	Level 2	Level 3	Total
Assets at 31.12.22				
Shares	794	55	679	1 528
Bonds	13 958	4 115		18 073
Financial derivatives		1 458		1 458
Loans to customers with fixed rate			4 850	4 850
Loans to customers for sale			4 233	4 233
Total assets	14 752	5 629	9 762	30 142

Liabilities at 31.12.22

Financial derivatives		1 259		1 259
Total liabilities		1 259		1 259

Assets at 31.12.21

Shares	843	68	607	1 519
Bonds	14 084	5 066		19 150
Financial derivatives		1 089		1 089
Loans to customers with fixed rate			5 642	5 642
Loans to customers for sale			5 664	5 664
Total assets	14 927	6 223	11 913	33 064

Liabilities at 31.12.21

Financial derivatives		602		602
Total liabilities		602		602

Changes in instruments at fair value, level 3:

Financial assets

	Shares	Loans to customers with fixed rate	Loans to customers for sale
(Amounts in NOK million)			
Carrying amount at 31.12.21	607	5 642	5 664
Net gains on financial instruments	72	- 205	
Additions/acquisitions		442	1 246
Sales			-3 396
Matured		-1 029	719
Carrying amount at 31.12.22	679	4 850	4 233

Note 17 - Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations, and/or the risk of not being able to fund a desired growth in assets. SpareBank 1 Nord-Norge prepares an annual liquidity strategy that encompasses, for example, the bank's liquidity risk.

The Group's liquidity risk is revealed, except in the case of raising external financing, through the Bank's liquidity reserve/buffer, including sale of mortgage loans to SpareBank 1 Boligkreditt.

The Bank proactively manages the Group's liquidity risk on a daily basis. SpareBank 1 Nord-Norge must also comply with the regulatory minimum requirements for prudent liquidity management at all times.

The average remaining term to maturity for the Bank's debt securities in issue was 3.8 years as of 31.12.22.

The short-term liquidity risk measure, liquidity coverage ratio (LCR), was 146 % (142 %) as of the end of the quarter. NSFR (Net Stable Funding Ratio) at 31.12.22 was 120 % (118 %).

Note 18 - Financial derivatives

Parent Bank and Group

(Amounts in NOK million)

Fair value hedging transactions	31.12.22	31.12.21
Net loss charged to the statement of comprehensive income in respect of hedging instruments in connection with actual value hedging	565	- 127
Total gain from hedging objects relating to the hedged risk	- 570	120
Total fair value hedging transactions	- 5	- 6

The Bank's main Board of Directors has determined limits for maximum risk for the Bank's interest rate positions. Routines have been established to ensure that positions are maintained within these limits.

(Amounts in NOK million)

Fair value through statement of comprehensive income	31.12.22			31.12.21		
	Fair value			Fair value		
Foreign currency instruments	Contract	Assets	Liabilites	Contract	Assets	Liabilites
Foreign exchange financial derivatives (forwards)	1 732	12	25	2 090	14	22
Currency swaps	17 481	176	70	12 985	151	70
Total non-standardised contracts	19 213	189	95	15 076	165	92
Standardised foreign currency contracts (futures)						
Total foreign currency instruments	19 213	189	95	15 076	165	92
Interest rate instruments						
Interest rate swaps (including cross currency)	33 692	1 158	532	36 530	686	445
Other interest rate contracts	593	55	54	244	27	25
Total non-standardised contracts	34 285	1 213	585	36 774	713	470
Standardised interest rate contracts (futures)						
Total interest rate instruments	34 285	1 213	585	36 774	713	470

Hedging of funding loans

Interest rate instruments	Contract	Assets	Liabilites	Contract	Assets	Liabilites
Interest rate swaps (including cross currency)	12 249	56	570	14 496	212	41
Total, non-standardised contracts	12 249	56	570	14 496	212	41
Standardised interest rate contracts (futures)						
Total interest rate instruments	12 249	56	570	14 496	212	41
Total interest rate instruments	46 534	1 270	1 155	51 270	924	511
Total foreign currency instruments	19 213	189	95	15 076	165	92
Total	65 747	1 458	1 259	66 346	1 089	602

Note 19 - Deposits

Parent Bank			Group	
<i>(Amounts in NOK million)</i>				
31.12.21	31.12.22		31.12.22	31.12.21
		Deposits from credit institutions		
544	280	Deposits without agreed maturity	280	514
579	906	Deposits with agreed maturity	905	578
1 123	1 186	Total deposits from credit institutions	1 185	1 092
		Deposits from customers		
70 750	73 122	Deposits without agreed maturity	73 052	70 691
5 458	6 444	Deposits with agreed maturity	6 432	5 458
76 208	79 566	Total deposits from customers	79 484	76 149
77 331	80 752	Total deposits	80 669	77 241
		Deposits from customers broken down by sector and industry		
3 852	3 725	Real estate	3 725	3 852
2 654	2 863	Financial and insurance activities	2 863	2 654
2 675	3 356	Fishing and aquaculture	3 356	2 675
1 565	1 469	Manufacturing	1 469	1 565
532	564	Agriculture and forestry	564	532
2 493	2 908	Power and water supply and construction	2 908	2 493
7 988	8 581	Service industries	8 499	7 929
2 108	2 325	Transportation	2 325	2 108
2 973	2 803	Commodity trade, hotel and restaurant industry	2 803	2 973
26 840	28 594	Public market	28 512	26 781
8 486	8 546	Government market	8 546	8 486
40 882	42 426	Retail market	42 426	40 882
76 208	79 566	Deposits from customers	79 484	76 149

Note 20 - Securities issued

Parent Bank and Group

(Amounts in NOK million)

Changes in securities issued	Booked value		Matured or redeemed	Exchange rate movements	Fair value changes	Accrued interest	Booked value
	31.12.21	Issued					31.12.22
Certificates and other short-term loans:							
Senior bonds	17 527	3 620	-5 656	406	- 583	22	15 336
Senior bonds	17 527	3 620	-5 656	406	- 583	22	15 336

Note 21 - Subordinated debt and loan capital

Parent Bank and Group

(Amounts in NOK million)

Changes in subordinated loan capital and subordinated bond debt	Booked value 31.12.21	Issued	Matured or redeemed	Exchange rate movements	Fair value changes	Accrued interest	Booked value 31.12.22
Subordinated loan capital	1 050					2	1 052
Senior non-preferred	3 510	1 000		249	- 108	14	4 664
Subordinated loan capital and other senior non-preferred	4 560	1 000		249	- 108	16	5 717

Note 22 - Other liabilities

Parent bank			Group	
<i>(Amounts in NOK million)</i>				
31.12.21	31.12.22		31.12.22	31.12.21
1 700	2 612	Other liabilities	2 814	1 883
158	129	Costs incurred	503	538
9	0	Deferred tax liabilities	25	127
49	73	Off balance loss provision	72	49
1 916	2 814	Total other liabilities	3 414	2 597
Specification of other liabilities				
343	312	Lease liabilities	399	397
735	577	Accrued tax	619	827
22	19	Tax deductions	32	38
82	734	Creditors	759	97
350	849	Agreed payments from Donations Fund	849	350
168	121	Miscellaneous liabilities	156	174
1 700	2 612	Other liabilities	2 814	1 883

Note 23 - Equity

Total EC Capital 1.807.164.288 NOK, distributed on 100.398.016 EC's, each denomination NOK 18.

Parent bank			Group	
<i>(Amounts in NOK million)</i>				
31.12.21	31.12.22		31.12.22	31.12.21
1 807	1 807	EC capital	1 807	1 807
843	843	Premium Fund	843	843
3 142	2 870	Dividend Equalisation Fund	2 870	3 142
703	823	Set aside EC dividend, not decided	823	703
- 22	- 17	EC owner's share of other equity	855	865
6 473	6 326	EC owner's share of equity	7 198	7 360
46,36 %	46,36 %	EC owner's percentage of equity	46,36 %	46,36 %
6 699	6 384	Saving Bank's primary capital	6 384	6 699
813	953	Set aside society dividend, not decided	953	813
- 24	- 20	Society's share of other equity	990	1 001
7 488	7 317	Society's share of equity	8 327	8 513
53,64 %	53,64 %	Society's percentage of equity	53,64 %	53,64 %
780	600	Hybrid Capital	600	780
14 741	14 243	Total equity	16 125	16 653

Hybrid Capital

Two hybrid capital instruments issued by the Bank are not covered by the IFRS regulations' definition of debt and are therefore classified as equity. Based on this, accrued interest on the hybrid capital has not been recognised as a cost in the income statement but has been charged directly against equity.

When calculating key figures for equity and the equity certificates, accrued interest on hybrid capital is thus deducted from the accounting result. At the same time, hybrid capital is deducted from the equity on the balance sheet. This ensures that the keyfigures relevant to the Bank's owners are calculated on the basis of the result and the equity that actually belong to the owners.

The contract terms and conditions for hybrid instruments mean that they are included in the Bank's Tier 1 capital for capital adequacy purposes, see note 5.

Parent bank and group

(Amounts in NOK million)

Hybrid Capital	31.12.22	31.12.21
2099 3m NIBOR + 3,30 %		350
2099 3m NIBOR + 3,15 %		180
2099 3m NIBOR + 3,30 %	250	250
2099 3m NIBOR + 2,60 %	350	
Total hybrid capital	600	780
Average interest hybrid capital	4,36 %	3,73 %

Equity Certificates (ECs)

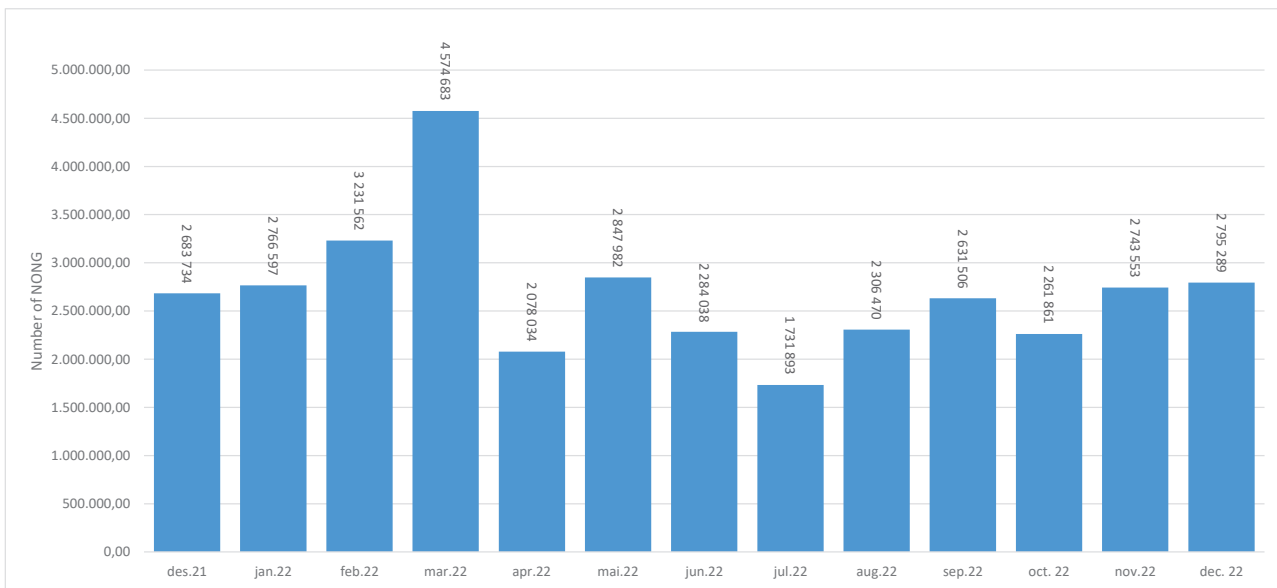
The 20 largest EC holders at 31.12.22

EC Holders	Number of Ecs	Share of EC Capital
PARETO INVEST NORGE AS	4.605.677	4,59%
PARETO AKSJE NORGE VERDIPAPIRFOND	3.724.261	3,71%
VPF EIKA EGENKAPITALBEVIS	3.282.492	3,27%
GEVERAN TRADING CO LTD	3.099.028	3,09%
MP PENSJON PK	2.424.322	2,41%
The Northern Trust Comp, London Br	2.412.235	2,40%
KOMMUNAL LANDSPENSJONSKASSE GJENSI	2.300.686	2,29%
Brown Brothers Harriman & Co.	1.970.327	1,96%
SPESIALFONDET BOREA UTBYTTE	1.759.795	1,75%
FORSVARETS PERSONELLSERVICE	1.752.630	1,75%
State Street Bank and Trust Comp	1.628.472	1,62%
SPAREBANKSTIFTELSEN SPAREBANK 1 NO	1.411.606	1,41%
Morgan Stanley & Co. Int. Plc.	1.203.713	1,20%
Landkreditt Utbytte	1.095.000	1,09%
J.P. Morgan SE	1.053.130	1,05%
Euroclear Bank S.A./N.V.	874.983	0,87%
J.P. Morgan SE	802.127	0,80%
Brown Brothers Harriman & Co.	735.389	0,73%
State Street Bank and Trust Comp	702.241	0,70%
The Bank of New York Mellon SA/NV	683.201	0,68%
Total	37.521.315	37,37%

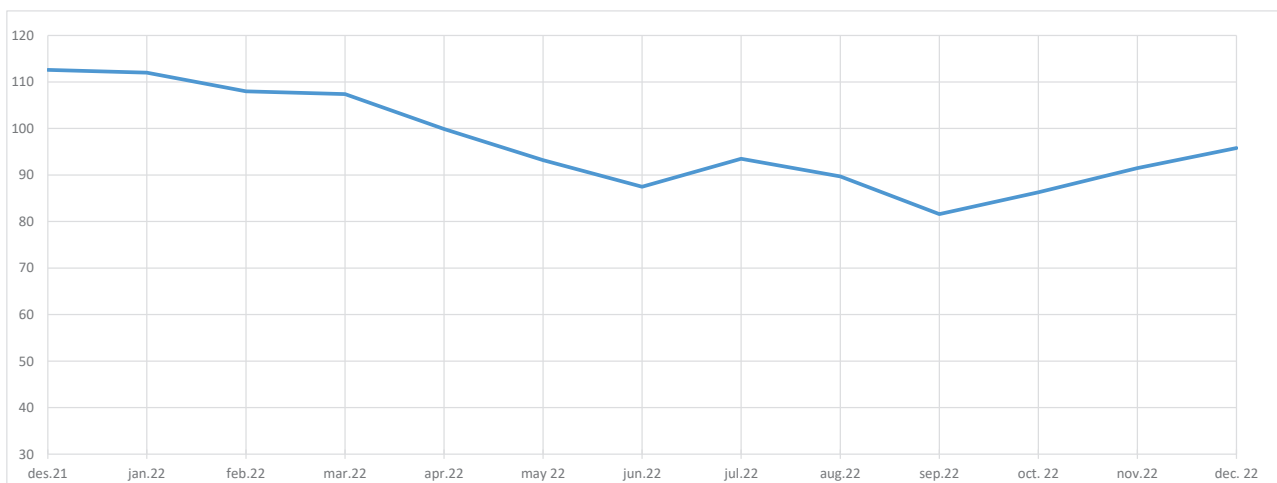
Dividend policy

The Bank's dividend policy states that the Bank aims to provide a competitive direct return for the Bank's owners. The target dividend rate is at minimum 50%. The future distribution rate will also take into account the group's capital coverage and future growth.

Trading statistics



Price trend NONG



Note 24 - Events occurring after the end of the quarter

No further information has come to light about important events that have occurred between the balance sheet date, and the Board's final consideration of the financial statements.

Statement from the Board of Directors and Chief Executive Officer

Today the Board of Directors and the Chief Executive Officer have considered and adopted the financial quarterly report and the consolidated financial statements of SpareBank 1 Nord-Norge for the period from 1 October to 31 December 2022, and preliminary annual accounts for the period from 1 January to 31 December 2022.

We confirm to the best of our knowledge that the financial statements for the period from 1 January to 31 December 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group taken as a whole. We also confirm the quarterly financial report gives a true and fair view of important events during the accounting period and their influence on the financial statements, the most important elements of risk and uncertainty that the group faces in the next accounting period, and a description of related parties' material transactions.

Tromsø, 08.02.23

Board of Directors and Chief Executive Officer in SpareBank 1 Nord-Norge