SpareBank 1 NORD-NORGE

Quarterly report

Financial statement Q3 2023

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Index

SpareBank 1 NORD-NORGE

Group financial highlights and key figures

(Amounts in NOK million and in % of average assets)		**30.09.23**	**%**	30.09.22	%	31.12.22	%
Net interest income	7	**2 630**	**2,76 %**	1 789	1,95 %	2 556	2,09 %
Net fee- and other operating income		**955**	**1,00 %**	939	1,02 %	1 234	1,01 %
Net income from financial investments		**100**	**0,11 %**	16	0,02 %	274	0,22 %
Total income	7	**3 685**	**3,87 %**	2 744	2,99 %	4 064	3,32 %
Total costs	7	**1 315**	**1,38 %**	1 180	1,29 %	1 637	1,34 %
Result before losses		2 370	2,49 %	1 564	1,70 %	2 427	1,98 %
Losses	7	**25**	**0,03 %**	41	0,04 %	63	0,05 %
Result before tax		2 345	2,46 %	1 523	1,66 %	2 364	1,93 %
Tax		**553**	**0,58 %**	335	0,37 %	513	0,42 %
Result after tax	7	1 792	1,86 %	1 188	1,27 %	1 851	1,49 %
Interest hybrid capital	7	**39**		27		37	
Result after tax ex. interest hybrid capital	7	1 753		1 161		1 814	
Profitability							
Return on equity capital	1, 7	**15,6 %**		10,2 %		11,9 %	
Interest margin	2, 7	**2,76 %**		1,95 %		2,09 %	
Cost/income	3, 7	**35,7 %**		43,0 %		40,3 %	
Balance sheet figures and liquidity		30.09.23		30.09.22		31.12.22	
Total assets		**128 728**		123 676		122 521	
Average assets	4, 7	**126 909**		122 342		122 377	
Gross loans	5, 7	**99 808**		95 265		95 301	
Gross loans incl. commition loans	5, 7	**143 085**		133 077		135 031	
Deposits	6, 7	**85 736**		81 765		80 669	
Liquidity Coverage Ratio (LCR)		**135**		133		146	
Solidity							
Common Equity Tier 1 Capital Ratio		**17,6 %**		18,8 %		17,3 %	
Tier 1 Capital Ratio		**18,9 %**		20,1 %		18,3 %	
Total Capital Ratio		**20,9 %**		21,8 %		19,9 %	
Common Equity Tier 1 Capital		**13.335**		13 182		12 351	
Tier 1 Capital		**14.328**		14 098		13 082	
Own Funds		**15.870**		15 270		14 230	
Total risk exposure amount		**75.942**		70 036		71 399	
Leverage Ratio incl. result		**7,7 %**		8,0 %		7,4 %	
NONG Key figures							
NONG Quoted/market price (NOK)		**95,70**		81,60		96,00	
Number of EC issued (mill)		**100,40**		100,40		100,40	
Equity capital per EC (NOK)		**69,38**		68,13		70,62	
Result per EC (NOK)		**7,88**		5,15		8,13	
P/E (Price/Earnings per EC) NOK		**9,11**		11,89		11,81	
P/B (Price/Book Value per EC) NOK		**1,38**		1,20		1,36	
Branches and full-time employees							
Branches		**15**		15		15	
Manyears		**960**		849		852	

1 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 decucted from equity, and result after tax are adjusted for interests on hybrid tier 1 capital.
2 Net total interests as a percentage of average total assets.
3 Total costs as a percentage of total net income.
4 Average assets are calculated as average assets each quarter and at 01.01.
5 Gross loans customers and gross loans financial institutions.
6 Deposits customers and deposits financial institutions.

Quarterly Report for SNN – 3Q23

Results and key figures

NOK mill	3Q23	3Q22	Change	30.09.23	30.09.22	Change
Result after tax	**512**	389	123	**1 792**	1 188	604
Result per EC	**2,27**	1,70	0,57	**7,88**	5,15	2,73
Return on equity	**13,2 %**	10,1 %	3,1 %	**15,6 %**	10,2 %	5,5 %
Cost/income	**38,0 %**	39,9 %	1,9 %	**35,7 %**	43,0 %	7,3 %
Common Equity Tier 1 Capital Ratio	**17,6 %**	18,8 %	-1,3 %	**17,6 %**	18,8 %	-1,3 %
Growth loans retail market	**4,9 %**	6,5 %	-1,6 %	**4,1 %**	-4,6 %	8,7 %
Growth loans corporate market	**12,8 %**	12,2 %	0,6 %	**14,6 %**	6,4 %	8,2 %
Growth loans total	**7,6 %**	8,3 %	-0,7 %	**7,5 %**	-1,3 %	8,8 %
Growth deposits retail market	**-11,5 %**	-11,3 %	-0,2 %	**2,8 %**	-0,5 %	3,3 %
Growth deposits corporate market	**6,1 %**	-21,7 %	27,8 %	**7,6 %**	6,0 %	1,6 %
Growth deposits total	**-3,3 %**	-16,2 %	12,9 %	**5,0 %**	2,4 %	2,6 %
Result from ownership interests	**- 69**	28	- 97	**- 28**	57	- 85
Result from financial assets	**26**	- 22	48	**128**	- 41	169
Losses	**52**	56	- 4	**25**	41	- 16

Important events in the quarter

SpareBank 1 Nord-Norge (SNN) delivered a strong quarter thanks to good underlying banking operations. This is well illustrated by an annualised return on equity for the quarter in isolation of 13.2 per cent and a cost/income ratio of 38.0 per cent. SNN delivered solid overall lending growth in the quarter totalling 7.6 per cent, with Corporate Market seeing 12.8 per cent growth and Retail Market 4.9 per cent growth (including loans transferred to SB1 Boligkreditt and SB1 Næringskreditt). The Bank is satisfied that, despite a demanding global macroeconomic situation with rising interest rates and continued abnormally high inflation, solid growth is being achieved. This can to some extent be attributed to the macroeconomic situation in Northern Norway being somewhat better than the average for the rest of the country. The Bank is also taking market shares and achieving growth in industries that have not been as adversely impacted by the war in Ukraine and high energy and commodity prices.

Underlying losses remain very low. So far, the Bank's loan portfolio has not been particularly affected by an increasingly uncertain macroeconomic situation, although we are seeing some negative migration for individual customers. We have also observed that some industries face greater challenges than others, although so far this has not significantly affected the Bank’s figures in the form of higher losses and defaults. This could also be due to the Group having systematically focused on reducing risk in its loan portfolio in recent years. Furthermore, the Group's loan portfolio is characterised by residential mortgages and as mentioned above, the Bank is well exposed in industries that are not adversely affected by the current macroeconomic situation.

Corporate Market's figures testify to the fact that major industries in Northern Norway have delivered good results over time and demonstrated a high willingness to invest. Low energy prices and a favourable exchange rate for export-related industries have also made positive contributions.

The market expects interest rates to peak in 2023 and, given this, the surprisingly low inflation figures for September were positive. If inflation continues to trend downwards, this will have a positive impact on interest rate expectations, which may ease the pressure on vulnerable industries to some extent. However, financial uncertainty remains high, and SNN is focusing on closely monitoring our customers, particularly in Corporate Market but also exposed customers in Retail Market. As a consequence of macroeconomic conditions, we expect somewhat lower underlying lending growth in 4Q23 and in 2024, although our ambition to take market shares stands.

SNN has a solid customer portfolio, a strong market position, competitive terms and conditions and cost-effective operations. Therefore, the Bank is well positioned to be a good bank for Northern Norway now and in the future.

Macroeconomic trends

Global economy – activity holds up while peak interest rates may be in sight

Despite the regular hikes in interest rates, activity has remained relatively high in most economies. However, it now appears that the hikes are starting to bite and actually alleviating pressures. Looking at the Eurozone, the signs of growth have weakened, and the same trend is expected in the US by the end of the year. Therefore, it appears that the Fed and ECB may have inflation under control, at least for now, and that we have thus reached or are close to peak interest rates.

The ECB decided to raise its policy rate at both its June and September meetings, which raised its policy rate by a combined total of 0.50 percentage points. As far as the US is concerned, the Fed raised its policy rate at its July meeting but has since kept it unchanged.

Where market participants previously believed that interest rates would fall again relatively soon, the mantra now is that interest rates will remain high for a longer period. Seen in isolation, this is good news since markets interpret it as meaning that economies will experience a soft landing rather than an abrupt halt. This would be the best outcome that all central bank governors have been hoping for in the past few years. If this is the outcome, we will see a slight increase in unemployment, house prices move sideways, or drop slightly, and activity somewhat below the trend for the major economies but no pronounced downturn.

The long-expected growth in China following reopening has so far failed to materialise, and the economy is struggling to meet the growth target that has been set. The real estate industry in particular is pushing growth and future prospects in a negative direction. So far, the authorities have demonstrated little inclination to stimulate the West, which is probably largely due to their fear that stimulus could quickly result in the real estate industry getting out of hand again.

So far this year, stock markets have been in positive territory, in the US the S&P500 is up 11.7 per cent, while its equivalent in Europe, the FTSE100, is up 2.1 per cent. Meanwhile, the trends in the past quarter have been somewhat varied with the S&P500 down 3.7 per cent, while the FTSE100 is up 1.0 per cent.

Norwegian economy – Norges Bank with surprise interest rate path rise

The Norwegian central bank was also busy in 3Q23, raising its policy rate by a total of 0.50 percentage points. At its September meeting, the central bank also indicated that it might raise the policy rate at its December meeting as well, should circumstances warrant it. The central bank's forecast suggests the policy rate will remain flat at 4.50 per cent through 2024, compared with the current 4.25 per cent.

However, the latest inflation survey in Norway showed the rate was surprisingly lower and considerably below Norges Bank's projected inflation rate. Seen in isolation, this suggests that the final hike may be postponed. However, inflation has previously proved to be volatile, so the central bank will probably monitor developments closely.

Growth in the Norwegian economy has slowed in recent months and is now below the trend. At the same time, unemployment remains low and is under 2 per cent. Meanwhile, it appears that monetary policy is now starting to influence households. The latest figures show that retail trade is falling, while service consumption is stable. Households saved more than normal during the pandemic, while in the past year we seen households spend more than they bring in. All in all, this may mean that we will see a slowdown in the Norwegian economy going forward, where unemployment will rise somewhat from its current level.

The housing market is feeling the effect of higher interest rates. There has been a substantial fall in housing starts and a moderate fall in house prices, while the number of homes for sale is rising. The same applies to the time it takes to sell the units that are for sale. All in all, this imbalance in supply and demand means that we can expect property prices to continue falling for a while yet. This also means that the number of housing starts will continue to fall from the current level.

Northern Norwegian economy – significant investment in the region for the period up to 2030

The investment counter for Northern Norway has been updated and total investment plans of more than BNOK 1 000 have been mapped in Northern Norway for the period up to 2030.

Not surprisingly, construction and infrastructure will account for the bulk of investments in Northern Norway going forward. In total, these sectors account for 55 per cent of financed and initiated investments, and if investments in public buildings are included, this proportion rises to 63 per cent. The biggest positive changes can be found in aquaculture and offshore.

Relatively large internal differences exist within the region, and major public infrastructure projects such as the new airport in Bodø and the Hålogalandsveien road project are examples of larger projects that affect the region's investment levels.

There are also ambitious plans for investment in green industry in several locations in the region, although how much of this materialises remains to be seen.

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. The Group wants to be a driving force behind a green future in the north, and it has set itself a target of net zero emissions in its loan portfolio by 2040.

SNN's green framework is based on key sectors for the region and for SNN and links our lending to potential green funding in the capital market. This framework is designed to strengthen the Group's work on climate-related risk and meet new regulations and requirements, as well as to help northern Norwegian business and industry restructure in connection with the green transition. The SpareBank 1-alliansen also has a green finance framework that connects our green assets (green product framework) to green financing. The eligibility of assets is assessed by the Group's ESG team. The status of the green portfolio at 3Q23 is MNOK 15.890, unchanged from 31.12.22. The Group constantly strives to improve the quality of its ESG data, and work is underway to increase the amount of energy labelling in the portfolio.

The table below shows financing categorised as green:

SpareBank 1 Nord-Norge's "green" portfolio:

NOK mill	**30.09.23**	30.09.22	31.12.22
Green housing	**6 787**	8 187	6 787
Green commercial buildings	**3 188**	4 532	3 188
Renewable energy	**1 325**	1 324	1 325
Clean transport	**936**	490	936
Sustainable management of living natural resources and land use	**3 654**	3 661	3 654
Total	**15 890**	18 194	15 890

SNN 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.

See also the specific sections on sustainability on the Bank's website and in the Annual Report 2022. In 2022, SNN voluntarily reported Taxonomy-related information for the first time.

Financial performance

NOK mill	3Q23	3Q22	Change	30.09.23	30.09.22	Change
Total income	**1 220**	972	248	**3 685**	2 744	941
Total costs	**464**	388	-76	**1 315**	1 180	- 135
Losses	**52**	56	4	**25**	41	16
Tax	**192**	139	-53	**553**	335	- 218
Profit after tax	**512**	389	123	**1 792**	1 188	604

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 of 13 per cent or more.

The income statement for 3Q23 in isolation shows a profit after tax of MNOK 512 (MNOK 389). As at 3Q23, profit amounted to MNOK 1 792 (MNOK 1 188), which results in an annualised return on equity of 15.6 per cent (10.2 per cent).

The year-on-year improvement in profit was largely due to increased net interest income thanks to seven rate hikes in 2022 and five rate hikes so far in 2023.

Net interest income

Norges Bank raised its policy rate again on 20.09.23 by 0.25 percentage points to 4.25 per cent.

SNN has followed the development of the policy rate during 2023 so far and raised deposit and lending rates for customers in the last quarter by up to 0.25 percentage points from 22.08.23 and by a further up to 0.25 percentage points from 26.09.23.

Net interest income for 3Q23 in isolation was MNOK 955, MNOK 301 higher than in 3Q22 (MNOK 654) and MNOK 100 higher than in 2Q23 (MNOK 855).

As at 3Q23, net interest income was MNOK 2 630 (MNOK 1 789).

As at 30.09.23, net interest income represented 2.76 per cent of average total assets (1.95 per cent).

Income from the loan portfolio transferred to SB1 Boligkreditt and SB1 Næringskreditt totalled MNOK 102 as at 3Q23 (MNOK 185) and was booked as commission income. This income amounted to MNOK 15 for 3Q23 in isolation (MNOK 49).

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 SB1 Boligkreditt since it is 100 per cent market funded.

Net fee, commission and other operating income

Net fee, commission and other operating income in 3Q23 was MNOK 308 (MNOK 312). As at 3Q23, net fee, commission and other operating income totalled MNOK 955 (MNOK 939).

As mentioned above, increased funding costs are affecting commission income from SpareBank 1 Boligkreditt, which was MNOK 33 lower than for the same period last year and MNOK 26 lower than for 2Q23 in isolation.

See Note 4 in the quarterly report for a more detailed specification of net fee, commission and other operating income.

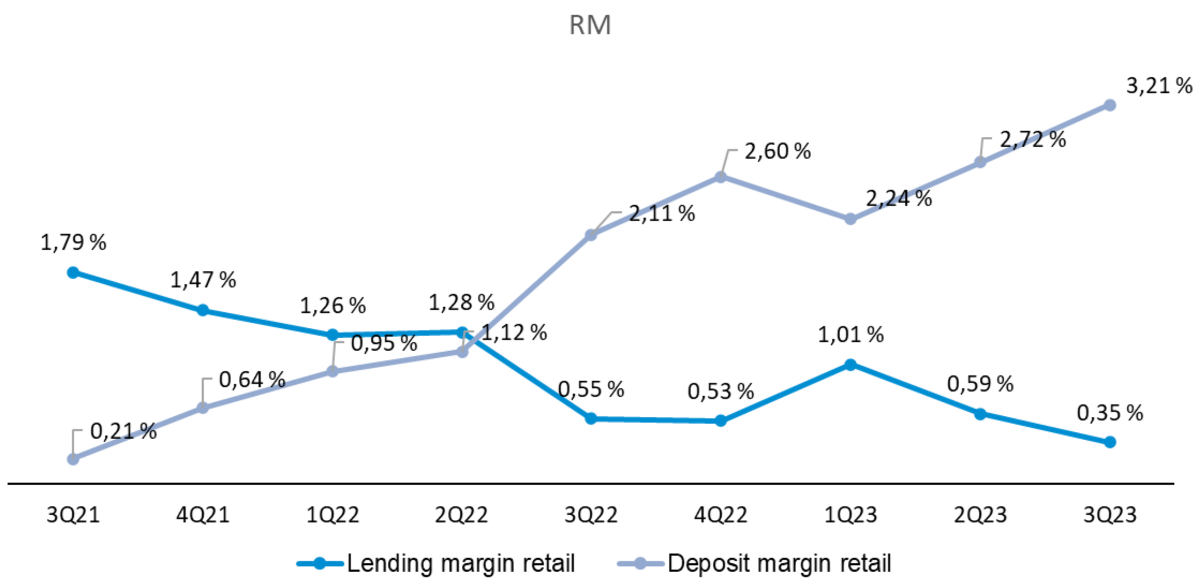
Developments in market divisions

Retail Market

Net interest income amounted to MNOK 458 for 3Q23 in isolation (MNOK 317), compared with MNOK 401 in 2Q23. Net interest income as at 3Q23 was MNOK 1 232 (MNOK 831).

Net fee, commission and other operating income for the quarter was MNOK 138 (MNOK 177), compared with MNOK 152 in 2Q23. Commission income from SB1 Boligkreditt in the last quarter amounted to MNOK 15, MNOK 33 lower than in 3Q22 (MNOK 48). As at 3Q23, net fee, commission and other operating income amounted to MNOK 450 (MNOK 519).

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



Retail Market's lending margin fell by 0.24 percentage points over the quarter (-0.73 percentage points) due to less increase in product interest rates than the increase in average funding costs.

Competition on prices for well-collateralised mortgage loans remains significant, which is making it difficult to maintain the lending margin over time.

Retail Market saw lending growth, incl. loans transferred to SB1 Boligkreditt, for 3Q23 in isolation of 1.2 per cent, and annualised this represents annual growth of 4.9 per cent (6.5 per cent). Actual lending growth in the past 12 months was 4.1 per cent (-4.6 per cent). The total retail market gross lending volume in Parent Bank as at 30.09.23 was MNOK 44 986 (MNOK 46 807).

The average NIBOR rate increased in 3Q23, and this had a positive effect on the deposit margin, and despite increased product interest rates on deposit products, the margin increased by 0.49 percentage points (0.99 percentage points). We do not expect margin growth to be as strong throughout the year, although this will depend on NIBOR rate developments and the competitive situation for deposits.

Deposits in Retail Market grew by -2.9 per cent in the last quarter. On an annualised basis, this represents annual growth of -11.5 per cent (-11.3 per cent). Actual deposit growth in Retail Market in the past 12 months was 2.8 per cent (-0.5 per cent).

Total operating costs in Retail Market amounted to MNOK 172 for 3Q23 (MNOK 176), compared with MNOK 158 in 2Q23. Total operating costs as at 3Q23 were MNOK 481 (MNOK 518). The development in costs is commented on in more detail in the section on operating costs.

At the end of 3Q23, 217 FTEs worked in Retail Market in the Parent Bank, four fewer than as at 3Q22.

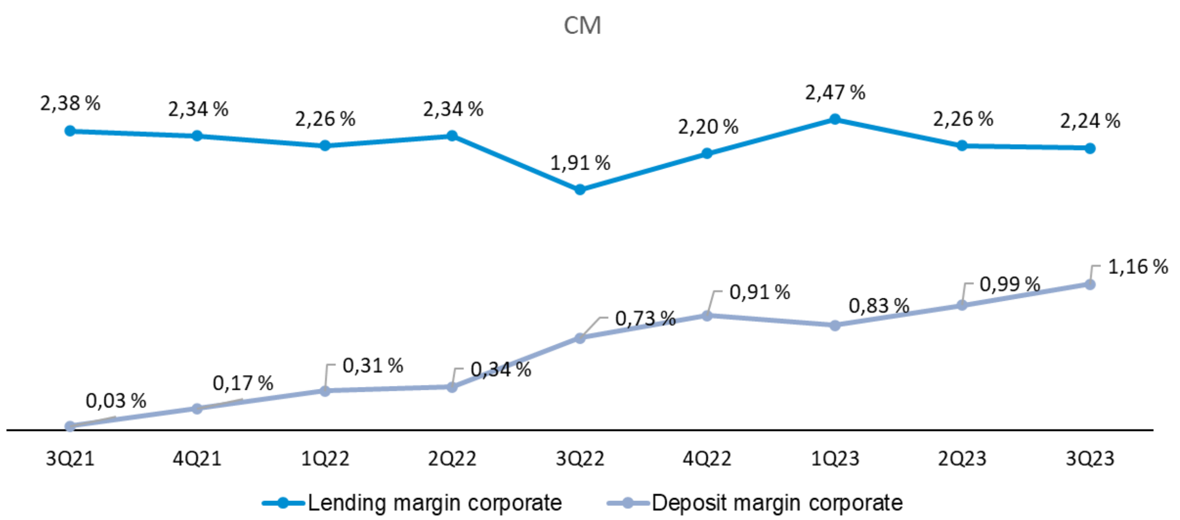
Booked losses in Retail Market amounted to MNOK -1 (income) for 3Q23 (MNOK 3), compared with MNOK -11 in 2Q23. Recognised losses in Retail Market as at 3Q23 amounted to MNOK -11 compared with MNOK 0 as at 3Q22.

Corporate Market

Net interest income amounted to MNOK 362 for 3Q23 in isolation (MNOK 249), compared with MNOK 325 in 2Q23. Net interest income as at 3Q23 was MNOK 992 (MNOK 720).

Net fee, commission and other operating income in the quarter was MNOK 48 (MNOK 41), compared with MNOK 40 in 2Q23. As at 3Q23, net fee, commission and other operating income amounted to MNOK 129 (MNOK 74).

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



The lending margin in Corporate Market measured against the average 3-month NIBOR fell by 0.02 percentage points in 3Q23 (-0.43 percentage points. The margin in Corporate Market was to a large extent directly linked to the development of the NIBOR rate as 83 per cent (82 per cent) of the loan portfolio is linked to the NIBOR rate.

Lending grew by 3.2 per cent in Corporate Market in 3Q23 in isolation (3.1 per cent), which when annualised represents growth of 12.8 per cent (12.2 per cent). Actual growth in the past 12 months was 14.6 per cent (6.4 per cent). It is pleasing that the Group's greater focus on Corporate Market is now producing effects, and balanced growth both geographically and from a sector perspective, with a preponderance of ocean industries. Nonetheless, Corporate Market's expected annual growth rate is still 4-7 per cent for 2023.

The Corporate Market total gross lending volume in Parent Bank as at 3Q23 was MNOK 50 898 (MNOK 36 768).

The deposit margin in Corporate Market measured against the 3-month NIBOR increased by 0.17 percentage points in the quarter (+0.39 percentage points). The reason why the margin has not increased as much as it has for Retail Market is that 65 per cent (64 per cent) of the deposits are linked to the NIBOR rate.

Growth in deposits in Corporate Market in 3Q23 in isolation amounted to 1.5 per cent (-5.4 per cent). Annualised, this represents 6.1 per cent (-21.7 per cent). Actual growth in deposits in the past 12 months was 7.6 per cent, inclusive of the public sector market (6.0 per cent).

Total operating costs in Corporate Market amounted to MNOK 90 in 3Q23 (MNOK 95), compared with MNOK 97 in 2Q23. Total operating costs as at 3Q23 amounted to MNOK 280 (MNOK 283).

As at 3Q23, 98 FTEs worked in Corporate Market in the Parent Bank, ten more than as at 3Q22.

Booked losses in Corporate Market amounted to MNOK 18 for 3Q23 (MNOK 49), compared with MNOK 46 in 2Q23. Booked losses in Corporate Market as at 3Q23 amounted to MNOK 3 compared with MNOK 37 as at 3Q22.

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 5 of the quarterly report. Additionally, the results from subsidiaries, associated companies and joint ventures are specified in Note 13.

Associated companies and joint ventures

Profit contributions from associated companies and joint ventures totalled MNOK -69 (loss) in 3Q23 in isolation (MNOK 28) compared with MNOK 3 in 2Q23.

Profit contributions amounted to MNOK -28 as at 3Q23 (MNOK 57).

The main associated companies are commented on below.

SpareBank 1 Gruppen
As at 01.01.23, a negative implementation effect on equity with effect from 01.01.22 amounting to MNOK 1 045 was recognised in SB1 Gruppen in connection with the transition to IFRS 17 and IFRS 9. SNN's share of this was MNOK 202, which was booked against equity on 01.01.22, ref. Note 1. This will be compensated for over time as income is recognised in the income statement in line with the reduction in the insurance liability. This is primarily an accrual effect. This means that when implementing IFRS 17, SB1 Gruppen must "wait" until it delivers the service to take the income, for example when paying out pension liabilities.

IFRS 17 is forward-looking and looks at the present value of companies' assets and liabilities at any given time, rather than the previous accounting language, where it was income and costs in the last reporting period.

The result for 3Q23 in isolation was MNOK -116 and this was MNOK 323 weaker than in 3Q22 (MNOK 207) and compared with MNOK -21 in 2Q23. The weaker result was due to negative developments in the value of interest-bearing securities, as well as negative developments in the value of investment properties resulting from the continued rise in interest rates in 2023.

In addition to the above, Fremtind's insurance result was also affected by major natural disaster claims in the year to date, as well as higher claims rates for travel and car insurance due to more travel in society this year compared with last year.

If the result in 3Q22 had been set up in accordance with the new IFRS regulations, the profit would have been MNOK 443, MNOK 236 better than reported in 3Q22. SNN's share would have amounted to MNOK 53 of the majority's share of the profit.

As at 3Q23, the profit for SB1 Gruppen was MNOK 187, compared with MNOK 909 in the restated profit (IFRS 17) as at 3Q22. (MNOK 444 reported as at 3Q22 in accordance with the previous regulations).

SNN's share of the result for 3Q23 in isolation amounted to MNOK -22 (MNOK 17).

As at 3Q23, SNN's share of the profit was MNOK 9 (MNOK 46).

SpareBank 1 Boligkreditt
The results for 3Q23 in isolation were affected by higher interest rates/funding costs. The company is a non-profit enterprise. It generated a surplus in 3Q23 of MNOK 66, which is MNOK 7 better than the result for the same period last year (MNOK 59). As at 3Q23, the company posted a surplus of MNOK 336 (MNOK 37).

SNN's share of the surplus in 3Q23 amounted to MNOK 7 (MNOK 8).

SNN's share of the surplus as at 3Q23 amounted to MNOK 45 (MNOK 2).

SpareBank 1 Mobilitet Holding
The company owns 47.16 per cent of Fleks AS and includes the profit contribution from this company in line with the equity method. The loss in SB 1 Mobilitet Holding in 3Q23 of MNOK 285 was due to a write-down of the value of the shares in Fleks AS in September.

As at 3Q23, the loss was MNOK 329 (loss of MNOK 54).

SNN's share of the loss in 3Q23 amounted to MNOK 57 (loss of MNOK 3).

SNN's share of the loss as at 3Q23 was MNOK 71 (loss MNOK 16).

SpareBank 1 Forvaltning
The group consists of the companies SB 1 Forvaltning and ODIN. Total profit as at 3Q23 was MNOK 31 (MNOK 49). ODIN contributed most of the Group's result. As at 3Q23, the company's profit was MNOK 109 (MNOK 143).

SNN's share of the profit in 3Q23 amounted to MNOK 4 (MNOK 6).

SNN's share of the profit as at 3Q23 amounted to MNOK 14 (MNOK 21).

SpareBank 1 Betaling
The company is an owner of Vipps Holding AS, which in turn owns MobilePay AS, and includes the result from this company in line with the equity method. The result in SB1 Betaling for 3Q23 was a loss of MNOK 47 (loss of MNOK 17), which was affected by the operating loss in Vipps AS of MNOK 47 (loss of MNOK 16).

As at 3Q23, the company posted a loss of MNOK 139 (loss of MNOK 43).

SNN's share of the loss in 3Q23 amounted to MNOK 9 (loss of MNOK 3).

SNN's share of the loss as at 3Q23 was MNOK 25 (loss MNOK 8).

Subsidiaries
The Group's subsidiaries are fully consolidated into the Group's accounts and delivered a total profit after tax of MNOK 24 for 3Q23 in isolation (MNOK 43).

- EiendomsMegler 1 Nord-Norge:
  Profit after tax of MNOK 0.9 for 3Q23 in isolation. The corresponding figure for 3Q22 was MNOK 4.2. 45 fewer units were sold in the quarter and operating income increased by 4 per cent compared with the corresponding quarter last year. As at 3Q23, 131 more units have been sold, and operating income had increased by 11 per cent compared with the same point last year. Costs in the quarter increased by MNOK 0.9 (1 per cent) compared with 3Q22. As of 3Q23, costs have increased by 15 per cent compared with the previous year. There were six more FTEs as at 30.09.23 compared with the same period in 2022. As at 3Q23, the profit after tax was MNOK 11 (MNOK 15).

- SB1 Regnskapshuset Nord-Norge:
  Profit after tax of MNOK 0.7 for 3Q23 in isolation. Compared with 3Q22, the profit was MNOK 2.4 less (MNOK 3.1).

  SNN Regnskapshuset's peak season is the first half of the year, although it saw 11 per cent growth in income from ordinary accounting and payroll assignments both in 3Q23 and as at 3Q23 compared with the corresponding period last year. At the same time, total operating costs in the quarter increased by 20 per cent compared with last year. As at 3Q23, costs were 17 per cent higher than at the same point last year. This was largely due to more FTEs and the comprehensive implementation of a new IT system.

In May 2023, the company acquired the accounting company Adwice AS in Vesterålen and Lofoten. In September 2023, it acquired Flex AS. Flex AS is the largest accounting firm in Indre Salten. A final date for the merger has yet to be set.

As at 3Q23, there were 81 more FTEs than as at 3Q22, of which 59 FTEs came from Adwice and ten FTEs came from Flex.

As at 3Q23, the profit after tax was MNOK 18.8 (MNOK 23.4). In addition, the profit after tax in Adwice as at 3Q23 was MNOK 3.5

- SB1 Finans Nord-Norge:
  Profit after tax of MNOK 22.3 for 3Q23 in isolation, compared with MNOK 37.9 for 3Q22. The company's income increased by 17 per cent and 19 per cent as at 3Q23 compared with last year.

  The cost level in the quarter was 19 per cent higher than in 3Q22. Costs as at 3Q23 were 6 per cent higher than last year. The company has 41 FTEs as at 3Q23, three more than at the same time last year.

  The net loss in the quarter was MNOK 30 higher than in the corresponding quarter last year. In the year to date, losses have been MNOK 28 higher than last year. The increase was mainly due to higher ECL provisions.

  As at 3Q23, the profit after tax was MNOK 124.9 (MNOK 117.9).

Also see the specification in Note 14.

The Group's equities portfolio
As at 30.09.23, the Group's equities portfolio amounted to MNOK 1 459, compared with MNOK 1 537 as at 30.09.22 and MNOK 1 528 as at 31.12.22.

The Parent Bank's equities portfolio saw a change in value in 3Q23 in isolation amounting to MNOK 0 (MNOK -8), which was mainly due to falls in the shares held in SB1 Helgeland by MNOK -11, in SB 1 Markets by MNOK -3 and Visa by MNOK -1, while the value of shares in BN Bank ASA increased by MNOK 18. The equities portfolio in SB1 Nord-Norge Portefølje fell in value by MNOK 3 in 3Q23.

As at 3Q23, the net change in value of the equity portfolio was an unrealised gain of MNOK 55 (MNOK 98). As at 3Q23, an additional MNOK 2 had been received in share dividends (MNOK 2).

SNN is strengthening its investment in the capital market and will increase its stake in SB1 Markets from 12.2 per cent to 18.1 per cent from 2023. The transaction is expected to be approved and completed during 4Q23, and the initiative will ensure customers have access to a strong capital market environment with regional and national anchoring.

Certificates, bonds, currency and derivatives
As at 30.09.23, the Group's holdings of certificates and bonds amounted to MNOK 19 843, compared with MNOK 18 285 as at 30.09.22 and MNOK 18 073 as at 31.12.22.

The total net change in value in the bond portfolio in 3Q23 represents a net unrealised gain of MNOK 24 (MNOK -34), compared with a loss of MNOK 11 in 2Q23. Of the change in value, MNOK 23 was due to the positive change in value of the portfolio (spread contraction), and MNOK 1 was due to the negative effect on coupon rates and MNOK 1 was due to a realised gain. In addition, the period saw a MNOK -2 negative change in the value of associated foreign exchange items (MNOK 20)

The Group also saw a positive change in the value of its fixed-rate loan portfolio of MNOK 3 in 3Q23 (MNOK 0).

As at 3Q23, total net changes in the value of the bond portfolio, currency and fixed-rate loans amounted to MNOK -25 (MNOK 22).

A summary of the Group's derivatives as at 30.09.23 can be seen in Note 15 in the quarterly report.

Operating costs

The Group's operating costs for 3Q23 in isolation were MNOK 464, which is MNOK 76 higher than in 3Q22 (MNOK 388) and MNOK 34 higher than the previous quarter (MNOK 430). The increase in costs last year was primarily due to increased investments in subsidiaries, MNOK 50, while the increase in the Parent Bank of MNOK 26 was due to a general increase in prices. The Parent Bank's operating costs in the quarter amounted to MNOK 301 (MNOK 275), while operating costs in the subsidiaries amounted to MNOK 163 (MNOK 113).

As at 3Q23, the Group's operating costs amounted to MNOK 1 315, MNOK 135 higher than at the end of 3Q22 (MNOK 1 180). The Parent Bank's operating costs as at 3Q23 amounted to MNOK 869, MNOK 31 higher than at the end of 3Q22 (MNOK 838), while operating costs in subsidiaries, MNOK 446, have increased by MNOK 104 compared with last year (MNOK 342).

Due to a tight labour market, inflation, growth and a need to invest in ICT, we expect somewhat higher cost growth in 2023 than we have seen in recent years, although the Group's long-term target of a cost/income ratio of 40 per cent or less remains unchanged in 2023 as well.

The Group had 960 FTEs as at 3Q23, 111 FTEs more than the 849 as at 3Q22, and 12 more than as at 2Q23 (948). Compared with last year, there are 21 more FTEs in the Parent Bank and 90 FTEs more in the subsidiaries, of which 81 FTEs are in SNN Regnskapshuset.

The increase in staffing was mainly due to acquisitions and growth ambitions, especially in Corporate Market and its subsidiaries, although staffing was also increased to deal with strict regulatory requirements and because of the need for more resources in the ICT area.

The costs are specified by main category compared with previous periods in Note 6 in the quarterly accounts.

Losses and non-performing loans

The Group's net losses in 3Q23 in isolation amounted to MNOK 52 (MNOK 56): MNOK 1 (MNOK 5) from the retail market and MNOK 51 (MNOK 52) from the corporate market. Net income/loss in 3Q23 consists of MNOK 20 in recognised losses/changes in individual loss provisions, MNOK 35 in increased ECL provisions, and MNOK -3 in receipts on previously impaired receivables.

As at 3Q23, the Group's net losses amounted to MNOK 25 (MNOK 41): MNOK -11 from the retail market (MNOK 1) and MNOK 36 from the corporate market (MNOK 40). Net income/loss as at 3Q23 consisted of MNOK 28 in recognised losses/changes in individual loss provisions, MNOK 5 in increased ECL provisions, and MNOK -8 in receipts on previously impaired receivables.

The Group continues to see little negative risk migration and few bankruptcies in its loan portfolio as a result of the macro situation. In general, we have a solid and diversified customer portfolio with low to moderate risk, however we pay close attention to and closely monitor exposed industries such as commercial property, construction and the wholesale and retail trade.

As at 30.09.23, total loss provisions on loans came to MNOK 730 (MNOK 716), which was MNOK 23 higher than at the end of the preceding quarter (MNOK 707). Loan loss provisions amount to 0.74 per cent of the Group's total gross lending (0.77 per cent), and 0.51 per cent of gross lending to customers including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt (0.53 per cent). The corresponding ratios as at 30.06.23 were 0.64 per cent and 0.46 per cent.

As at 30.09.23, the Group's total loss provisions for loans and guarantees classified as Stage 1 and Stage 2 amounted to MNOK 541 (MNOK 532), MNOK 32 higher than at the end of the preceding quarter (MNOK 509).

As at 30.09.23, loss provisions for loans and guarantees classified as Stage 3 amounted to MNOK 189 (MNOK 184) compared with MNOK 199 as at 30.06.23. This equates to a loss provision ratio of 23 per cent (30 per cent) of non-performing and doubtful commitments, compared with 29 per cent at the end of the preceding quarter. The provisions in 3Q23 were MNOK 10 lower than in the last quarter.

Please refer to notes 2, 8 and 11 in the quarterly report, which describe the Group's assessments concerning factors affecting loss provisions in 3Q23, including the consequences of the changed ECL model. Please also see Note 13 of the annual report for 2022.

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

At the end of 3Q23, loans totalling BNOK 43 (BNOK 38) had been transferred to SB1

Boligkreditt and BNOK 0.1 (BNOK 0.3) had been transferred to SB1 Næringskreditt. These loans do not appear as lending on the Bank's balance sheet. Nevertheless, the comments on the growth in lending also include the loans transferred to the mortgage credit institutions.

For 2023 as a whole, the Group expects lending growth of 2-5 per cent in Retail Market and lending growth of 4-7 per cent in Corporate Market. However, the uncertainty surrounding lending growth has increased, and somewhat lower growth is expected in 2H23 than the Group has achieved so far this year.

The competition remains fierce, especially in the mortgage market, but the Group is competitive and is taking market share. The overall growth in loans to customers in 3Q23 was 1.2 per cent in Retail Market and 3.2 per cent in Corporate Market. This represents annualised growth of 4.9 per cent in Retail Market and 12.8 per cent in Corporate Market. Actual growth over the past 12 months was 4.1 per cent in Retail Market (-4.6 per cent) and 14.6 per cent in Corporate Market (6.4 per cent).

Retail Market accounted for 65 per cent of total lending as at 3Q23 (67 per cent). The Group's lending is specified in Note 10 in the quarterly report.

Liquidity

Customer deposits are the Group's most important source of funding and Note 16 in the quarterly report provides an overview of the Bank's deposits.

The deposit coverage ratio as at 3Q23 was 86 per cent, compared with 86 per cent as at 3Q22. 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. LCR (Liquidity Coverage Ratio) as at 3Q23 was 135 per cent (133 per cent). The net stable funding ratio (NSFR) as at 3Q23 was 118 per cent (117 per cent).

Please refer also to Note 22 on liquidity risk in the quarterly report.

SNN Rating 30.09.23	Moody's
Senior preferred rating	Aa3
Senior non-perferred rating	A3

Financial strength and capital adequacy

SNN is subject to the regulatory capital requirements set out in CRR2/CRDV.

There were no changes to regulatory capital requirements in the quarter compared with the previous quarter.

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 SB1 Boligkreditt, SB1 Næringskreditt, SB1 Kreditt, and BN Bank.

The Group's quarterly financial statements have been audited, and 50 per cent of the profit so far this year has thus been included in the calculation of capital adequacy, and in comparisons with previous periods.

	30.09.23	30.09.22	Change	**31.12.22**	Change
Common Equity Tier 1 Capital Ratio	**17,6 %**	18,8 %	-1,3 %	**17,3 %**	0,3 %
Tier 1 Capital Ratio	**18,9 %**	20,1 %	-1,3 %	**18,3 %**	0,5 %
Capital Adequacy Ratio	**20,9 %**	21,8 %	-0,9 %	**19,9 %**	1,0 %
Leverage Ratio	**7,7 %**	8,0 %	-0,3 %	**7,4 %**	0,3 %

The Group's Common Equity Tier 1 capital as at 3Q23 was MNOK 13.335 (MNOK 13.182) and was MNOK 148 higher than as at 2Q23 (MNOK 13.187) and MNOK 253 higher than as at 4Q22 (MNOK 12 351). The change in the last quarter was mainly due to the profit effects, as well as increased deductions for losses after IRB beyond ECL provisions.

The Common Equity Tier 1 capital ratio of 17.6 per cent is 1.1 percentage points above the Group's capital target (16.5 per cent), and 2.1 percentage points above the regulatory minimum level (15.5 per cent).

The risk exposure amount (RWA) as at 3Q23 was MNOK 75.942 (MNOK 70.035) and has increased by MNOK 534 compared with 2Q23 (MNOK 75.408) and MNOK 4.543 compared with 4Q22 (MNOK 71.399). This was mainly due to growth and thus increased exposure in the IRB portfolio.

The capital adequacy calculation is shown in Note 21 of the quarterly report.

Concluding remarks and outlook

The northern Norwegian economy has developed better than the national average ever since the financial crisis Northern Norway continues to enjoy lower unemployment than the average for Norway and important industries in the region are faring well, which is also driven by high commodity prices and a weak Norwegian krone. The region has also seen, and for the next few years is likely to continue to see, low energy prices. However, in the long term, power generation in the region must be expanded in order to realise ambitious plans for the development of new green industry. In this respect, the decision to electrify Melkøya is highly unfortunate for the region if the ambitious plans for the expansion of new renewable power cannot be realised.

The exchange rate is an important factor for an export-oriented northern Norwegian economy, and the current weak Norwegian krone is, all else being equal, beneficial for the northern Norwegian economy. If the krone continues to depreciate, this may result in higher interest rates from Norges Bank, which will not benefit the economy.

Compared with recent years, interest rates are now relatively high. High interest rates are negative for many industries and will initially be felt through reduced new housing starts and new construction projects. This is also being felt in the wholesale and retail trade, particularly in the car sector and in relation to capital goods. Commercial property will also be adversely affected. Even though we have seen moderate effects in our region so far, we expect property prices to fall somewhat.

The long-term effect of the resources rent tax and a sharp tightening of the wealth tax in recent years have generated negative signals for the northern Norwegian economy. High prices for both salmon and whitefish are pulling in the opposite direction, and we are now seeing investment in ocean industries picking up somewhat. Previously, a large public sector has proved beneficial for the region during economic downturns. Most of the increase in defence spending is also expected to take place in the region. The total impact of the positive and negative effects is not a given, although there is still reason to expect Northern Norway to fare better than the rest of the country in the coming years as well. Nonetheless, 2023 and 2024 will be more demanding years for the region than previous years have been. This will require extra vigilance and a bank that takes a proactive approach to its customers, one of the things we always focus heavily on.

SNN 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 favourable economic development. A strong focus on customers and in-depth knowledge of the people and businesses in our region will enable us to strengthen our market position both in 2023 and the future.

All things considered, the Group's future prospects are believed to be good.

Tromsø, 26.10.23

The Board of SpareBank 1 Nord-Norge

Statement of Financial Performance

Parent Bank						Group		Group	
(Amounts in NOK million)									
3Q22	**3Q23**	30.09.22	**30.09.23**		Note	**30.09.23**	30.09.22	**3Q23**	3Q22
907	**1 668**	2 324	**4 412**	Interest income	3	**4 673**	2 543	**1 757**	981
329	**807**	758	**2 055**	Interest costs	3	**2 043**	754	**802**	327
578	**861**	1 566	**2 357**	Net interest income		**2 630**	1 789	**955**	654
222	**187**	649	**594**	Fee- and commission income	4	**801**	822	**258**	281
13	**13**	39	**47**	Fee- and commission costs	4	**66**	58	**19**	20
1	**0**	4	**0**	Other operating income	4	**220**	175	**69**	51
210	**174**	614	**547**	Net fee- and other operating income		**955**	939	**308**	312
2	**2**	68	**98**	Dividend	5	**98**	68	**2**	2
1	**- 59**	453	**626**	Income from investments	5,13	**- 28**	57	**- 69**	28
- 22	**26**	- 111	**35**	Net gain from investments in securities	5	**30**	- 109	**24**	- 24
- 19	**- 31**	410	**759**	Net income from financial investments		**100**	16	**-43**	6
0	**0**	0	**0**			**0**	0		
769	**1 004**	2 590	**3 663**	Total income		**3 685**	2 744	**1 220**	972
136	**148**	406	**426**	Personnel costs	6	**683**	623	**241**	213
99	**110**	314	**317**	Administration costs	6	**373**	333	**130**	100
18	**15**	52	**45**	Ordinary depreciation	6,7	**66**	69	**22**	22
22	**28**	66	**81**	Other operating costs	6	**193**	155	**71**	53
275	**301**	838	**869**	Total costs		**1 315**	1 180	**464**	388
494	**703**	1 752	**2 794**	Result before losses		**2 370**	1 564	**756**	584
52	**17**	37	**- 8**	Losses	8	**25**	41	**52**	56
442	**686**	1 715	**2 802**	Result before tax		**2 345**	1 523	**704**	528
124	**185**	289	**504**	Tax		**553**	335	**192**	139
318	**501**	1 426	**2 298**	Result after tax		**1 792**	1 188	**512**	389
				Attributable to:					
				Controlling interests		**1 769**	1 165	**509**	383
				Non-controlling interests		**23**	23	**3**	6
				Result per Equity Certificate					
1,44	**2,31**	6,49	**10,61**	Result per Equity Certificate, adjusted for interests hybrid capital		**7, 88**	5, 15	**2, 27**	1, 7

Other comprehensive income

Parent Bank					Group			
(Amounts in NOK million)								
3Q22	**3Q23**	30.09.22	**30.09.23**		**30.09.23**	30.09.22	**3Q23**	3Q22
318	**501**	1 426	**2 298**	Result after tax	**1 792**	1 188	**512**	389
				Items that will not be reclassified to profit/loss				
0	**0**	0	**0**	Share of other comprhehensive income from investment in assosiated companies	**2**	7	**1**	0
0	**0**	0	**0**	Actuarial gains (losses) on benefit-based pension schemes	**0**	0	**0**	0
0	**0**	0	**0**	Tax	**0**	0	**0**	0
0	**0**	0	**0**	Total	**2**	7	**1**	0
				Items that will be reclassified to profit/loss				
0	**0**	0	**0**	Net change in fair market value of financial assets available for sale	**0**	0	**0**	0
0	**0**	0	**0**	Share of other comprehensive income from investment in assosiated companies	**-32**	179	**- 30**	107
0	**0**	0	**0**	Tax	**0**	0	**0**	0
0	**0**	0	**0**	Total	**- 32**	179	**- 30**	107
318	**501**	1 426	**2 298**	Total comprehensive income for the period	**1 762**	1 374	**483**	496
1,44	**2,31**	6,49	**10,61**	Total result per Equity Certificate, adjusted for interests hybrid capital	**7,85**	6,11	**2,15**	2,22

Statement of Financial Position

Parent Bank (Amounts in NOK million)				Group	
31.12.22	**30.09.23**		Notes	**30.09.23**	31.12.22
		Assets			
145	**126**	Cash and balances with central banks		**126**	145
8 654	**9 256**	Loans to credit institutions	10	**2 121**	1 787
84 205	**88 114**	Loans to customers	10,11,12	**97 007**	92 850
1 513	**1 452**	Shares	12	**1 459**	1 528
18 069	**19 839**	Certificates and bonds	12	**19 843**	18 073
1 458	**1 894**	Financial derivatives	12,15	**1 894**	1 458
5 089	**5 384**	Investment in Group Companies, assosiated companies and joint ventures	13	**4 590**	4 861
406	**403**	Fixed assets	7	**815**	829
583	**549**	Other assets	14	**873**	788
120 122	**127 017**	**Total assets**		**128 728**	122 319
		Liabilities			
1 186	**1 589**	Depsits from credit institutions	**16**	**1 589**	1 185
79 566	**84 216**	Deposits from customers	16	**84 147**	79 484
15 336	**13 236**	Debt securities in issue	17	**13 236**	15 336
1 259	**1 630**	Financial derivatives	12,15	**1 630**	1 259
2 814	**3 520**	Other liabilities	18	**4 164**	3 414
5 718	**7 850**	Senior non-preferred and subordinated debt	19	**7 850**	5 718
105 879	**112 041**	**Total liabilities**		**112 616**	106 396
		Equity			
2 650	**2 650**	Equity Certificate capital and premium reserve	20	**2 650**	2 650
600	**850**	Hybrid capital	20	**850**	600
3 676	**3 900**	Dividend Equalisation Fund	20	**4 317**	4 347
7 317	**7 576**	Saving Bank's primary capital	20	**8 058**	8 095
		Non-controlling interests	20	**237**	231
14 243	**14 976**	**Total equity**		**16 112**	15 923
120 122	**127 017**	**Total liabilities and equity**		**128 728**	122 319

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 31.12.21	2 650	4 619	8 407	780	16 456	197	16 653
Effects due to implementation of IFRS 17/IFRS 9 in Sp 1 Gruppen, our share		- 108	- 126		- 234		- 234
Equity at 01.01.22	**2 650**	**4 511**	**8 281**	**780**	**16 222**	**197**	**16 419**
Total comprehensive income for the period							
Period result		540	625		1 165	23	1 188
Other comprehensive income:							
Share of other comprehensive income from investment in assosiated companies		103	119		222		222
Tax on other comprehensive income							
Total other comprehensive income		103	119		222		222
Total comprehensive income for the period		643	744		1 387	23	1 410
Transactions with owners							
Dividend paid		-1 044			-1 044	- 30	-1 074
Other transactions		3	4		7		7
Interests hybrid capital - this year		- 13	- 14		- 27		- 27
Approved society dividend			-1 208		-1 208		-1 208
Total transactions with owners		-1 054	-1 218		-2 272	- 30	-2 302
Equity at 30.09.22	**2 650**	**4 099**	**7 808**	**780**	**15 337**	**190**	**15 527**
Equity at 01.01.23	2 650	4 347	8 095	600	15 692	231	15 923
Total comprehensive income for the period							
Period result		821	948		1 769	23	1 792
Other comprehensive income:							
Share of other comprehensive income from investment in assosiated companies		- 14	- 16		- 30		- 30
Tax on other comprehensive income							
Total other comprehensive income		- 14	- 16		- 30		- 30
Total comprehensive income for the period		807	932		1 739	23	1 762
Transactions with owners							
Changes in controlling interests						11	11
Hybrid capital				250	250		250
Dividend paid		- 824			- 824	- 27	- 851
Other transactions		5	4		9	- 1	8
Interests hybrid capital - this year		- 18	- 21		- 39		- 39
Approved society dividend			- 952		- 952		- 952
Total transactions with owners		- 837	- 969	250	-1 556	- 17	-1 573
Equity at 30.09.23	**2 650**	**4 317**	**8 058**	**850**	**15 875**	**237**	**16 112**

Change of principle is described in note 1

Statement of Cash Flows

Parent Bank *(Amounts in NOK million)* 31.12.22	**30.09.23**		Notes	Group **30.09.23**	31.12.22
2 432	**2 802**	Profit before tax		**2 345**	2 364
68	**45**	+ Ordinary depreciation	7	**66**	92
0	**0**	+ Write-downs, gains/losses fixed assets		**0**	0
54	**- 8**	+ Losses on loans and guarantees	8	**25**	63
459	**504**	- Tax/Result non-current assetes held for sale		**553**	513
2 095	**2 335**	**Provided from the year's operations**		**1 883**	2 006
1 600	**1 105**	Change in sundry liabilities: + increase/ - decrease	18	**1 161**	1 525
- 646	**- 402**	Change in various claims: - increase/ + decrease	14	**- 521**	- 538
-3 864	**-4 503**	Change in gross lending to and claims on customers: - increase/ + decrease	10,11,12	**-4 518**	-3 992
1 072	**-1 709**	Change in short term-securities: - increase/ + decrease	12	**-1 701**	1 068
3 421	**5 053**	Change in deposits from and debt owed to customers: + increase/ - decrease	16	**5 067**	3 428
3 678	**1 879**	**A. Net liquidity change from operations**		**1 371**	3 497
-14	**-42**	- Investment in fixed assets	7	**- 52**	- 62
0	**0**	+ Sale of fixed assets		**0**	0
-425	**-311**	Payments to group companies and assosiated companies	13	**- 248**	- 425
56	**16**	Payment from/Change in values of group companies and assosiated companies	13	**498**	286
- 383	**- 337**	**B. Liquidity change from investments**		**198**	- 201
- 37	**- 39**	Interest to hybrid capital owners		**- 39**	- 37
- 47	**- 28**	Payments to leases	7	**- 36**	- 51
-2 252	**-1 776**	- Dividend paid on EC/approved distributions		**-1 806**	-2 282
-6 241	**-4 400**	Decrease in borrowings through the issuance of securities	17	**-4 400**	-6 241
4 050	**2 300**	Increase in borrowings through the issuance of securities	17	**2 300**	4 050
- 287	**- 350**	Decrease in subordinated loan capital/hybrid capital	19	**- 350**	- 287
1 265	**2 732**	Increase in subordinated loan capital/hybrid capital	19	**2 743**	1 265
		Payment from non-controlling interests			33
-3 549	**-1 561**	**C. Liquidity change from financing**		**-1 588**	-3 550
- 254	**- 19**	A + B + C. Total change in liquidity		**- 19**	- 254
399	**145**	+ Liquid funds at the start of the period		**145**	399
145	**126**	**= Liquid funds at the end of the period**		**126**	145

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

Result from the Group's quarterly accounts

(Amounts in NOK million)		3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21
Interest income		**1 757**	1 525	1 391	1 281	981	823	739	682	621
Interest costs		**802**	670	571	514	327	229	198	148	116
Net interest income		**955**	855	820	767	654	594	541	534	505
Fee- and commission income		**258**	284	259	266	281	280	261	301	335
Fee- and commission costs		**19**	24	23	21	20	21	17	30	21
Other operating income		**69**	78	73	50	51	57	67	148	52
Net fee- and other operating income		**308**	338	309	295	312	316	311	419	366
Dividend		**2**	40	56	22	2	65	1	1	1
Income from investments		**- 69**	3	38	147	28	18	11	189	118
Net gain from investments in securities		**24**	- 38	44	89	- 24	- 149	64	155	21
Net income from financial investments		**- 43**	5	138	258	6	- 66	76	345	140
Total income		**1 220**	1 198	1 267	1 320	972	844	928	1 298	1 011
Personnel costs		**241**	220	222	221	213	203	207	293	217
Administration costs		**130**	121	122	152	100	113	120	150	109
Ordinary depreciation		**22**	22	22	23	22	23	24	24	24
Other operating costs		**71**	67	55	61	53	57	45	105	45
Total costs		**464**	430	421	457	388	396	396	572	395
Result before losses		**756**	768	846	863	584	448	532	726	616
Losses		**52**	30	- 57	22	56	17	- 32	- 112	- 47
Result before tax		**704**	738	903	841	528	431	564	838	663
Tax		**192**	179	182	178	139	86	110	123	131
Result after tax		**512**	559	721	663	389	345	454	715	532
Interest hybrid capital		**15**	13	11	10	9	8	10	8	7
Result after tax ex. interest hybrid capital		**497**	546	710	653	380	337	444	707	525
Profitability										
Return on equity capital	1	**13,2 %**	15,1 %	19,1 %	17,2 %	10,1 %	9,0 %	11,6 %	18,0 %	13,7 %
Interest margin		**2,76 %**	2,65 %	2,63 %	2,09 %	1,95 %	1,86 %	1,80 %	1,77 %	1,64 %
Cost/income	2	**38,0 %**	35,9 %	33,2 %	34,6 %	39,9 %	46,9 %	42,7 %	44,1 %	39,1 %
Balance sheet figures										
Loans and advances excl. commision loans		**99 808**	101 557	95 300	95 265	93 609	91 783	91 351	95 713	95 713
-of which loans and advances to financial institutitons		**2 121**	3 563	1 787	1 944	1 447	1 539	1 365	1 172	1 172
-of which loans and and advances to customers		**97 688**	97 994	93 513	93 321	92 162	90 244	89 986	94 541	94 541
Loans incl. loans to SB1 BK and SB1 NK		**140 965**	138 342	133 243	131 134	128 463	126 523	125 739	132 831	132 831
Growth in loans and advances to cust. incl. loans in SB1 BK & NK past 12 months	3	**7,5 %**	7,7 %	6,8 %	6,0 %	-1,3 %	-1,9 %	-1,5 %	-1,1 %	5,0 %
Deposits		**85.736**	85 952	82 526	80 669	81 765	84 813	79 679	77 241	79 247
-of which deposits from financial institutions		**1.589**	1 107	861	1 185	1 646	1 308	1 095	1 092	1 024
- of which deposits from customers		**84 147**	84 845	81 665	79 484	80 119	83 505	78 584	76 149	78 223
Growth in deposits from customers past 12 months	3	**5,0 %**	1,6 %	3,9 %	4,4 %	2,4 %	3,3 %	3,8 %	4,1 %	9,1 %
Deposits as a percentage of gross lending	4	**86,1 %**	86,6 %	86,4 %	85,0 %	85,9 %	90,6 %	87,1 %	84,6 %	82,7 %
Deposits as a percentage of gross lending including loans in SB1 BK & NK	5	**59,7 %**	61,3 %	60,5 %	59,7 %	61,1 %	65,0 %	62,1 %	60,6 %	58,9 %
Average assets	6	**126 909**	126 302	124 535	122 377	122 342	121 897	119 977	120 264	120 535
Total assets		**128 728**	129 838	126 548	122 521	123 676	125 737	120 773	119 180	122 080
Losses on loans and commitments in default										
Losses on loans to customers as a percentage of total lending incl. loans in SB1 BK & NK		**0,02 %**	-0,02 %	-0,04 %	0,05 %	0,03 %	-0,01 %	-0,02 %	-0,18 %	-0,09 %
Net comm. in default and at risk of loss as a per. of total lending incl. loans in SB1 BK & NK		**0,44 %**	0,35 %	0,36 %	0,35 %	0,35 %	0,35 %	0,34 %	0,27 %	0,17 %
Solidity										
Common Equity Tier 1 Capital		**13 341**	13 187	12 656	12 351	13 182	13 753	13 464	13 097	13 048
Tier 1 Capital		**14 328**	14 135	13 603	13 082	14 098	14 669	14 618	14 001	14 020
Own Funds		**15 870**	15 366	14 834	14 230	15 270	15 790	15 725	15 109	15 229
Risk exposure amount		**75 942**	75 407	73 071	71 399	70 036	71 082	71 703	61 866	62 201
Common Equity Tier 1 Capital Ratio		**17,6 %**	17,5 %	17,3 %	17,3 %	18,8 %	19,3 %	18,8 %	18,7 %	18,6 %
Tier 1 Capital Ratio		**18,9 %**	18,7 %	18,6 %	18,3 %	20,1 %	20,6 %	20,4 %	20,0 %	20,0 %
Total Capital Ratio		**20,9 %**	20,4 %	20,3 %	19,9 %	21,8 %	22,2 %	21,9 %	21,6 %	21,7 %

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 lendring incl. loans in SB1 BK & NK
6) Average assets are calculated as average assets each quarter and at 01.01. and 31.12.

Note 1 – Accounting policies

SpareBank 1 Nord-Norge prepares its quarterly accounts in accordance with the Norwegian Stock Exchange Regulations and 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 2022.

In accordance with Section 7-1a of the Accounting Act (Regnskapsloven), the order of the note information has changed from 1Q23, and now follows the arrangement plan for items in the profit and loss account and balance sheet.

In this quarterly reporting, the Group has applied the same accounting policies and calculation methods as those applied in the annual accounts, with the exception of the implementation of IFRS 17 as described below.

IFRS 17 Insurance Contracts
New IFRS came into effect on 01.01.23 with a requirement that comparable figures be stated. IFRS 17 Insurance Contracts replaces IFRS 4 and specifies policies for the recognition, measurement, presentation and disclosure of insurance contracts.
The new standard aims to eliminate different practices in recognising insurance contracts, and the main features of the new model are as follows:

An estimate of the present value of future cash flows for a group of insurance contracts. Future cash flows include future premium receipts and payments of insurance settlements, damages and other payments to policyholders. The estimate must take into account an explicit adjustment for risk and the estimates must be based on the circumstances on the balance sheet date.

A contractual service margin that is equal to the day-one gain in the estimate of the present value of future cash flows from a group of insurance contracts. This is equal to the profit element in the insurance contracts that must be recognised over the period the service is provided. In other words, during the insurance coverage period.
Certain changes in the estimate of the present value of future cash flows are adjusted against the contractual service margin and thereby recognised through profit or loss over the remaining period covered by the relevant contracts.

The effect of changes in the discount rates must, as a choice of accounting policy, be presented either through ordinary profit or loss or through other comprehensive income.

IFRS 17 should generally be applied retrospectively, although modified retrospective application or application based on fair value at the time of transition is permitted if retrospective application is impractical.

IFRS 9 Financial instruments
The standard entered into force on 01.01.18. Companies that mainly run insurance business were given temporary access to postpone implementation of IFRS 9 until the new standard for insurance contracts came into force on 01.01.23.

The effect on equity in the Group due to the implementation of this standard by the associated company SpareBank 1 Gruppen on 01.01.23 was a MNOK 234 reduction in equity at 01.01.22. The profit for 2022 from SpareBank 1 Gruppen restated in line with IFRS 17/IFRS 9 has been adjusted by MNOK 32 such that the effect on equity on 31.12.22 was MNOK 202.

Effects SNN IFRS 17

MNOK	01.01.2023
Group equity at 31.12.22 before implementation	16 125
Implementation IFRS 17/IFRS 9 at 01.01.22	- 234
Adjusted result for 2022 as a result of implementation	32
Effects implementation at 01.01.23	- 202
Group equity at 01.01.23	15 923

Correction of comparison figures

MNOK	3Q22
Group result after tax 3Q22 before implementation	207
Of which SNN's share of SB1 Gruppen's result 3Q22	17
Effect of implementation IFRS 17/IFRS 9	36
Adjusted SNN share of SB1 Gruppen's result for 3Q22	53
Group result after tax 3Q22 after implementation	443

The above-mentioned implementation effects appear in the quarterly accounts in changes in the balance sheet as at 31.12.22, overview of changes in equity, and in notes 13 and 20. No key figures for 2022 have been recalculated.

Note 2 – Important accounting estimates and discretionary judgements

In preparing the consolidated financial statements the management makes estimates, discretionary judgements and assumptions that influence the application of the accounting policies. These could thus affect the stated amounts for assets, liabilities, income and costs. Note 3 in last year's annual financial statements provides a fuller explanation of the items subject to important estimates and judgements.

Losses on loans

SpareBank 1 Nord-Norge uses a model for calculating expected credit loss based on IFRS 9. The results of the calculation are shown in Note 8 and Note 11 of the quarterly report. 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 credit loss.

In 2Q23, an upgraded loss model was used for the first time that provides suggestions concerning key assumptions using regression analysis and simulation. Future default levels (PDs) are predicted based on expected developments in money market rates and unemployment. Future loss levels (LGD) are simulated based on the value of collateral and expected price development for various collateral objects.

The Group previously set the levels of PD and LGD factors based on a scale of 1-12 based on what is expected over the next 12 months and the next 5 years within each scenario. Because future PD and LGD levels in the upgraded loss model are predicted directly via the aforementioned explanatory variables, these levels are no longer determined via this scale.

In addition to the elimination of this scale, more detailed descriptions of the ECL model in notes 2, 3 and 13 to the annual accounts still apply.

The upgraded loss model is based, like the previous model, on PD and LGD predictions in three different scenarios. Unlike the previous model, where all of the scenarios stipulated were more expectation-oriented, the differences between the respective outcomes in the upgraded loss model are greater:

- SC1 "Base case" represents the most likely outcome.

  Norges Bank's *Monetary Policy Report* has been chosen as the main source for the explanatory variables interest rates and unemployment and expected property price developments.

- SC2 “Downside case” represents an outcome that is significantly more negative than SC1. The explanatory variables interest rate and unemployment as well as expected property price developments are commensurate with a very severe downturn.

- SC3 "Best case" represents an outcome that is significantly more positive than SC1 and is designed to reflect the level of the explanatory variables during a strong economic expansion.

The setting of the levels of the explanatory variables in SC1 will change in line with updated forecasts in the *Monetary Policy Report*, while the levels of the explanatory variables in SC2 and SC3 will remain constant to a greater extent, since they are based on historical levels from the cyclical situations described above.

The different scenarios are used to adjust relevant parameters for calculating expected credit loss and a probability-weighted average of expected credit loss according to the respective scenarios is recognised as a loss. The weight of each scenario is still determined based on assessments made by the Group regarding national and local macro developments and perceived uncertainty in relation to SC1. The upgraded loss model also entails greater sensitivity to changes in scenario weights compared with the previously used model.

As of 30.06.23, the weights for SC1, SC2 and SC3 were 70, 25 and 5 per cent, respectively. The macro situation at the end of 3Q23 was not considered to have changed significantly compared with 2Q23, so the weights of the respective scenarios were 70, 25 and 5 per cent also at 30.09.23.

Industries and the development of individual customers will also be monitored closely using a so-called watchlist at a customer commitment level, as well as by flagging customers with forbearance (payment relief). All commitments categorised as high-risk are on the watchlist. As of 30.09.23, some commitments in the *construction industry* have been placed on a watchlist.

Sensitivity analysis

The table below shows the ECL calculated for the three applied scenarios in isolation. The calculations are broken down into the main segments Retail Market and Corporate Market, which add up to Parent Bank. In addition to the segmented ECL for the applied scenario weights, the table shows four alternative scenario weightings. The first two alternatives show previously applied scenario weights. The last two alternatives indicate sensitivity to an improvement in relation to the applied scenario weight with an increased weight for of the best case, while the last alternative indicates a deterioration in relation to the applied scenario weight, with a 30 per cent probability of the downside scenario and thereby an adjustment of the probability of the base scenario. The analysis is exclusive of individual loss provisions.

30.09.23

TNOK	RM	CM	Parent bank
SC1 ECL in Base cenario	48.848	282.610	331.458
SC2 ECL in Downturn scenario	113.903	891.431	1.005.334
SC3 ECL in Upturn scenario	22.974	97.826	120.800
ECL with used scenarioweightning 70/25/5%	58.344	428.160	1.457.592
Sensitivity:			
ECL with alternative scenario weightning 50/40/10%	68.435	511.203	579.639
ECL with alternative scenario weightning 55/35/10%	64.775	480.434	545.209
ECL with alternative scenario weightning 65/25/10%	57.488	418.894	476.383
ECL with alternativw scenario weightning 60/30/10%	61.111	449.664	510.776

Note 3 - Net interest income

Parent Bank					Group			
(Amount in NOK million)								
3Q22	**3Q23**	30.09.22	**30.09.23**		**30.09.23**	30.09.22	**3Q23**	3Q22
				Interest income				
44	**108**	105	**265**	Interest income from loans to other credit institutions (amortized cost)	**38**	8	**21**	3
664	**1 270**	1 739	**3 362**	Interest income from loans to customers (amortized cost)	**3 850**	2 055	**1 471**	778
92	**65**	226	**195**	Interest income from loans to customers (fair value profit and loss)	**195**	226	**40**	91
0	**0**	0	**0**	Interest income from loans to customers (fair value other comprehensive income)	**0**	0	**0**	0
107	**225**	254	**590**	Interest income from certificates and bonds (fair value profit and loss)	**590**	254	**225**	109
907	**1 668**	2 324	**4 412**	Total interest income	**4 673**	2 543	**1 757**	980
				Interest cost				
19	**31**	54	**75**	Interest cost on debt to other credit institutions (amortized cost)	**64**	48	**25**	12
189	**511**	403	**1 276**	Interest cost on debt to customers (amortized cost)	**1 275**	402	**511**	191
115	**290**	245	**571**	Interest cost on the issued securities (amortizes cost)	**595**	245	**315**	115
- 5	**- 37**	20	**96**	Interest cost on subordinated capital and debt (amortized cost)	**72**	23	**- 61**	- 2
318	**795**	722	**2 018**	Total interest cost	**2 006**	718	**790**	291
11	**12**	36	**37**	Guarantee fund fee	**37**	36	**12**	11
578	**861**	1 566	**2 357**	Net interest income	**2 630**	1 789	**955**	578
1,89 %	**2,70 %**	1,74 %	**2,52 %**	Interest margin in relation to average total assets	**2,76 %**	1,95 %	**2,76 %**	1,95 %

Note 4 - Net fee-, commission- and other operating income

Parent bank					Group		Group	
(Amounts in mill NOK)								
3Q22	**3Q23**	30.09.22	**30.09.23**		**30.09.23**	30.09.22	**3Q23**	3Q22
49	**16**	185	**103**	Provision from SB1 BK & NK	**102**	185	**15**	49
71	**76**	183	**204**	Payment facilities	**204**	183	**76**	71
51	**50**	149	**154**	Sales provision insurance products	**154**	149	**50**	51
10	**13**	24	**33**	Guarantee commissions	**33**	24	**13**	10
				Real estate broking	**88**	85	**29**	29
20	**12**	44	**38**	Portfolio commissions	**38**	44	**12**	20
18	**17**	52	**51**	Credit commision	**51**	52	**17**	18
3	**3**	12	**11**	Other commisions	**130**	100	**45**	33
222	**187**	649	**594**	Total commission income	**801**	822	**258**	281
13	**13**	39	**47**	Commission costs	**66**	58	**19**	20
209	**174**	610	**547**	Net fee- and commission income	**735**	764	**239**	261
				Accounting services	**219**	170	**69**	47
1	**0**	4	**0**	Other operating income	**1**	5	**0**	4
210	**174**	610	**547**	Net fee- and other operating income	**955**	939	**308**	312
27 %	**17 %**	28 %	**19 %**	Percent of net core earnings	**27 %**	34 %	**24 %**	32 %

Note 5 - Net income from financial investments

Parent bank					Group			
(Amounts in mill NOK)								
3Q22	**3Q23**	30.09.22	**30.09.23**		**30.09.23**	30.09.22	**3Q23**	3Q22
				Valued at fair value through profit and loss				
				Income from equity capital instruments				
2	**2**	68	**98**	Dividend from shares	**98**	68	**2**	2
1	**22**	453	**707**	Dividend from group companies, assosiated companies and joint ventures				
				Share result from assosiated companies and joint ventures	**- 28**	57	**- 69**	28
- 8	**- 78**	- 11	**- 20**	Gains/losses from shares	**55**	- 9	**0**	- 10
				Income from certificates and bonds				
- 34	**24**	- 134	**- 16**	Gains/losses from certificates and bonds	**- 16**	- 134	**24**	- 34
				Income from financial derivatives				
20	**- 4**	45	**2**	Gains/losses from currencies and hedge derivatives	**3**	45	**- 3**	20
0	**3**	- 11	**- 12**	Gains/losses from fixed rate loans to customers	**- 12**	- 11	**3**	0
- 19	**- 31**	410	**759**	Net income from fair value financial investments	**100**	16	**- 43**	6
				Valued at amortized cost				
				Income from certificates and bonds				
				Gains/losses from certificates and bonds				
0	**0**	0	**0**	Net income from financial investments valued at amortized cost	**0**	0	**0**	0
				Total income fra currency trading				
- 19	**- 31**	410	**759**	**Total net income from financial investments**	**100**	16	**- 43**	6

Note 6 - Expenses

Parent					Group			
(Amounts in mill NOK)								
3Q22	**3Q23**	30.09.22	**30.09.23**		**30.09.23**	30.09.22	**3Q23**	3Q22
101	**108**	298	**309**	Personel expenses	**530**	482	**189**	165
10	**12**	30	**33**	Pension costs	**44**	41	**16**	11
25	**28**	78	**84**	Social costs	**109**	100	**36**	37
136	**148**	406	**426**	**Total personnel costs**	**683**	623	**241**	213
61	**70**	204	**210**	IT expenses	**227**	217	**76**	63
38	**40**	110	**107**	Other administrative expenses	**146**	116	**54**	37
18	**15**	52	**45**	Ordinary depreciation	**66**	69	**22**	22
5	**5**	13	**14**	Operating costs properties	**15**	14	**5**	5
17	**23**	53	**67**	Other operating expenses	**178**	141	**66**	48
275	**301**	838	**869**	**Total costs**	**1 315**	1 180	**464**	388

Note 7 - 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**	
(Amounts in NOK million)				
31.12.22	**30.09.23**		**30.09.23**	31.12.22
		Right to use asset		
336	**303**	Carrying amount 01.01.	**386**	387
4	**0**	Additions	**6**	4
-3	**0**	-Derecognition	**0**	-3
1	**32**	Other changes	**21**	37
338	**336**	**Carrying amountat the end of the period**	**413**	424
34	**23**	Depreciation in the period	**30**	38
303	**313**	**Carrying amount of right to use asset at the end of the period**	**383**	386
		Lease liability		
343	**312**	Carrying amount 01.01.	**399**	397
4	**0**	Additions	**6**	4
-40	**-27**	Lease payments in the period	**-35**	-43
7	**5**	Interest	**6**	8
-3	**32**	Other changes	**21**	33
312	**323**	**Lease liability at the end of the period**	**397**	399
		Profit and loss		
34	**23**	Depreciation	**30**	38
7	**5**	Interest	**6**	8
41	**28**	**Total lease expence**	**36**	47
		Undiscounted lease liabilities and maturity of cash outflows		
33	**44**	Less than 1 year (this year)	**49**	45
32	**42**	1-2 years	**47**	41
31	**37**	2-3 years	**46**	40
31	**36**	3-4 years	**45**	39
31	**34**	4-5 years	**43**	38
219	**218**	More than 5 years	**272**	277
377	**411**	**Total**	**501**	481

Note 8 - Losses

Parent Bank					Group			
(Amounts in NOK million)								
3Q22	**3Q23**	30.09.22	**30.09.23**		**30.09.23**	30.09.22	**3Q23**	3Q22
				Losses incorporated in the accounts				
- 18	**- 15**	22	**- 4**	Period's change in individual lending provisions	**- 14**	24	**- 16**	- 16
59	**7**	3	**- 26**	Period's change in modelbased lending provisions	**5**	1	**35**	62
12	**26**	19	**29**	Period's confirmed losses	**42**	25	**36**	13
- 2	**- 1**	- 7	**- 6**	Recoveries, previously confirmed losses	**- 8**	- 9	**- 3**	- 3
52	**17**	37	**- 8**	**Total losses**	**25**	41	**52**	56
				Losses broken down by sector and industry				
1	**21**	- 8	**- 25**	Real estate	**- 26**	- 7	**22**	2
21	**- 55**	28	**- 17**	Finanicial and insurance activities	**- 17**	28	**- 55**	21
13	**22**	12	**24**	Fishing and aquaculture	**26**	10	**26**	12
- 1	**1**	3	**- 19**	Manufacturing	**- 11**	5	**6**	1
1	**2**	- 1	**1**	Agriculture and forestry	**0**	- 1	**2**	0
5	**5**	3	**23**	Power and water supply and construction	**32**	5	**8**	7
5	**8**	9	**8**	Service industries	**9**	11	**16**	7
1	**23**	- 9	**16**	Transportation	**30**	- 11	**30**	- 2
2	**- 11**	0	**- 7**	Commodity trade, hotel and restaurant industry	**- 7**	1	**- 3**	4
49	**18**	37	**3**	Total corporate market	**36**	40	**51**	52
3	**- 1**	0	**- 11**	Total retail market	**- 11**	1	**1**	5
52	**17**	37	**- 8**	**Total losses**	**25**	41	**52**	56

Isolatet loss effects compared to last quarter

3Q23

(Amounts in NOK million)

PM	BM	**Sum**		**Sum**	PM	BM
8	60	**68**	Change ECL due to period growth and migration	**87**	8	87
- 7	- 54	**- 61**	Change ECL due to adjusted key assumptions	**- 54**	- 7	- 54
0	0	**0**	Change ECL due to changed scenario weighting	**0**	0	0
1	6	**7**	**Change in model-based loss provisions (stage 1 and 2)**	**33**	2	33
0	- 15	**- 15**	Change individual loss provisions (stage 3)	**- 17**	1	- 17
- 2	27	**25**	Change write-offs	**35**	- 1	35
- 1	18	**17**	**Total loss effects**	**51**	1	51

Note 9 - 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 2022.
The Capital Market segment - our capital market products - will be treated by SpareBank 1 Markets in 2023.

Group **30.09.23**

(Amounts in NOK million)

	Retail market	Corporate banking	SpareBank 1 Regnskaps-huset Nord-Norge	Eiendoms-Megler 1 Nord-Norge	SpareBank 1 Finans Nord-Norge	Unspecified/ Eliminations	Total
Net interest income	1 232	992	0	- 1	273	134	2 630
Net fee- and other operating income	450	129	187	211	- 23	1	955
Net income from financial investments	0	- 1	0	0	1	100	100
Total costs	479	280	163	196	51	146	1 315
Result before losses	1 203	840	24	14	200	89	2 370
Losses	- 11	3	0	0	33	0	25
Result before tax	1 214	837	24	14	167	89	2 345
Total lending	44 986	50 898	0	0	9 058	-5 134	99 808
Loss provision	- 74	- 489	0	0	- 118	0	- 681
Other assets	0	0	348	136	0	29 117	29 601
Total assets per business area	44 912	50 409	348	136	8 940	23 983	128 728
Deposits	45 018	38 603	0	34	0	492	84 147
Other liabilities and equity capital	- 105	11 806	348	101	8 940	23 491	44 581
Total equity and liabilities per business area	44 913	50 409	348	135	8 940	23 983	128 728

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 incororated into the consolidated financial statement.

Group **30.09.22**

(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	Unspecified/ Eliminations	Total
Net interest income	831	720	8	0	1	220	9	1 789
Net fee- and other operating income	519	115	19	170	188	- 11	- 62	939
Net income from financial investments	0	6	15	0	0	0	- 6	16
Total costs	518	283	31	140	170	48	- 11	1 180
Result before losses	832	558	12	30	19	161	- 47	1 564
Losses	2	35	0	0	0	4	0	41
Result before tax	830	523	12	30	19	157	- 47	1 523
Total lending	46 807	36 768	0	0	0	8 564	3 126	95 265
Loss provision	- 75	- 472	0	0	0	- 93	- 1	- 641
Other assets	85	8 027	1 016	241	116	76	19 493	29 054
Total assets per business area	46 817	44 323	1 016	241	116	8 547	22 617	123 676
Deposits	43 615	35 957	0	0	0	0	547	80 119
Other liabilities and equity capital	3 202	8 366	1 016	241	116	8 547	22 070	43 558
Total equity and liabilities per business area	46 817	44 323	1 016	241	116	8 547	22 617	123 677

Note 10 - 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 30.09.23. 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 30.09.23 would impact the result by approximately MNOK -11,2 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 11.

Parent Bank
(Amounts in NOK million)

Parent Bank 31.12.22	Parent Bank 30.09.23		Group 30.09.23	Group 31.12.22
		Loans to credit institutions at amortised cost		
487	**646**	Loans without agreed maturity or notice of withdrawal	**669**	487
8 167	**8 610**	Loans with agreed maturity or notice of withdrawal	**1 452**	1 300
8 654	**9 256**	**Loans to credit institutions**	**2 121**	1 787
		Loans to customers at amortised cost		
75 689	**79 556**	Loans at amortised cost	**88 567**	84 430
75 689	**79 556**	**Loans to customers at amortised cost**	**88 567**	84 430
		Loans to customers at fair value through profit and loss		
4 850	**4 461**	Loans to customers at fixed interest rates	**4 461**	4 850
4 233	**4 660**	Mortgages to customers for sale, housing credit company	**4 660**	4 233
9 083	**9 121**	**Loans at fair value through profit and loss**	**9 121**	9 083
84 772	**88 677**	**Total gross loans to customers**	**97 688**	93 513
93 426	**97 934**	**Total gross loans**	**99 808**	95 301
		Loans transfered to SpareBank 1 Boligkreditt/Næringskreditt		
39 449	**43 147**	Loans transrered to SpareBank 1 Boligkreditt	**43 147**	39 449
281	**130**	Loans transfered to SpareBank 1 Næringskreditt	**130**	281
39 730	**43 277**	**Total loans transfered to SB1 BK and SB1 NK**	**43 277**	39 730
133 156	**141 210**	**Total gross loans included loans transfered to SB1 BK and SB1 NK**	**143 085**	135 031
		Provision for credit losses - reduction in assets		
- 176	**- 158**	Provision for credit losses - stage 1	**- 179**	- 205
- 238	**- 254**	Provision for credit losses - stage 2	**- 319**	- 275
- 153	**- 151**	Provision for credit losses - stage 3	**- 182**	- 184
84 205	**88 114**	**Net loans to customers ex. loans transfered to Sb1 SB1 BK and SB1 NK**	**97 007**	92 850

Parent Bank **30.09.23**

(Amounts in NOK million)

Loans broken down by sector/industry	Total commitments to amortised cost	Lending at fair value	Lending provision Stage 1	Stage 2	Stage 3	Net loans
Real estate	17 406	36	- 50	- 120	- 65	17 207
Finanicial and insurance activities	11 745	0	- 21	- 7	- 6	11 711
Fishing and aquaculture	9 762	27	- 36	- 35	0	9 717
Manufacturing	1 503	10	- 2	- 10	- 7	1 493
Agriculture and forestry	1 097	35	- 1	- 1	- 2	1 129
Power and water supply and construction	3 331	26	- 10	- 19	- 20	3 309
Government	222	0	0	0	0	222
Service industries	2 883	43	- 12	- 15	- 6	2 893
Transportation	2 597	26	- 5	- 17	- 6	2 594
Commodity trade, hotel and restaurant industry	2 133	15	- 7	- 7	- 7	2 127
Corporate market	52 679	219	- 145	- 231	- 120	52 402
Retail market	36 135	8 902	- 14	- 23	- 31	44 969
Total loans	88 812	9 121	- 158	- 254	- 151	97 370

Financial commitments broken down by sector/industry	Financial commitments to amortised cost	Ledning provision classified as debt Stage 1	Stage 2	Stage 3	Total
Real estate	1 323	- 11	- 14	0	- 25
Finanicial and insurance activities	282	- 1	0	- 5	- 6
Fishing and aquaculture	1 237	- 1	- 1	0	- 3
Manufacturing	377	0	- 1	- 1	- 2
Agriculture and forestry	125	0	0	0	0
Power and water supply and construction	537	- 1	- 2	- 1	- 3
Government	649	0	0	0	0
Service industries	722	- 2	- 1	0	- 3
Transportation	1 245	- 3	- 1	0	- 5
Commodity trade, hotel and restaurant industry	523	- 1	0	0	- 1
Corporate market	7 019	- 21	- 22	- 7	- 49
Retail market	1 543	0	0	0	0
Total loans	8 562	- 21	- 22	- 7	- 49

Group **30.09.23**

(Amounts in NOK million)

Loans broken down by sector/industry	Total commitments to amortised cost	Lending at fair value	Lending provision Stage 1	Stage 2	Stage 3	Net loans
Real estate	17 493	36	- 51	- 120	- 66	17 291
Finanicial and insurance activities	4 548	0	- 21	- 7	- 6	4 514
Fishing and aquaculture	10 653	27	- 41	- 42	- 1	10 596
Manufacturing	2 061	10	- 4	- 26	- 11	2 031
Agriculture and forestry	1 232	35	- 1	- 2	- 2	1 263
Power and water supply and construction	4 327	26	- 11	- 24	- 30	4 288
Government	240	0	0	0	0	239
Service industries	3 814	43	- 14	- 20	- 8	3 816
Transportation	3 534	26	- 7	- 37	- 9	3 506
Commodity trade, hotel and restaurant industry	2 712	15	- 11	- 11	- 7	2 698
Corporate market	50 613	219	- 161	- 290	- 140	50 242
Retail market	40 074	8 902	- 19	- 29	- 42	48 885
Total loans	90 688	9 121	- 179	- 319	- 182	99 128

Financial commitments broken down by sector/industry	Financial commitments to amortised cost	Ledning provision classified as debt Stage 1	Stage 2	Stage 3	Total
Real estate	1 323	- 11	- 14	0	- 25
Finanicial and insurance activities	282	- 1	0	- 5	- 6
Fishing and aquaculture	1 257	- 1	- 1	0	- 3
Manufacturing	379	0	- 1	- 1	- 2
Agriculture and forestry	125	0	0	0	0
Power and water supply and construction	614	- 1	- 2	- 1	- 3
Government	649	0	0	0	0
Service industries	825	- 2	- 1	0	- 3
Transportation	1 542	- 3	- 1	0	- 5
Commodity trade, hotel and restaurant industry	704	- 1	0	0	- 1
Corporate market	7 699	- 21	- 22	- 7	- 49
Retail market	1 543	0	0	0	0
Total loans	9 242	- 21	- 22	- 7	- 49

Parent Bank **30.09.23**

(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 01.01.23	85 168	6 485	517	**92 170**
Changes in the period due to loans migrated between the stages				
to (-from) stage 1	1 983	-1 970	- 13	**0**
to (-from) stage 2	-5 482	5 499	- 17	**0**
to (-from) stage 3	- 89	- 150	239	**0**
Net increase/(decrease) balance existing loans	-5 281	- 183	- 35	**-5 500**
Originated or purchased during the period	23 772	2 235	147	**26 153**
Loans that have been derecognised	-15 670	-2 020	- 185	**-17 875**
Changes caused by modifications which hasn't resultet in a deduction	2 214	204	8	**2 426**
Total loan commitments to amortised cost	**86 615**	**10 100**	**661**	**97 374**
Loans at fair value through profit and loss				**9 121**
Total loan commitments as at 30.09.23	**86 615**	**10 100**	**661**	**106 496**
Off-balance sheet	-7 549	- 986	- 27	**-8 562**
Gross loans	**79 066**	**9 114**	**634**	**97 934**
Provision for credit losses - reduction in assets	- 158	- 254	- 151	**- 564**
Net loans	**78 907**	**8 859**	**483**	**97 370**

Group **30.09.23**

(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 01.01.23	86 046	7 692	657	**94 396**
Changes in the period due to loans migrated between the stages				
to (-from) stage 1	2 216	-2 193	- 22	**0**
to (-from) stage 2	-6 183	6 227	- 44	**0**
to (-from) stage 3	- 118	- 232	351	**0**
Net increase/(decrease) balance existing loans	-6 005	- 341	- 70	**-6 416**
Originated or purchased during the period	25 797	2 459	173	**28 429**
Loans that have been derecognised	-16 842	-1 852	- 239	**-18 933**
Changes caused by modifications which hasn't resultet in a deduction	2 310	135	8	**2 453**
Total loan commitments to amortised cost	**87 220**	**11 895**	**814**	**99 929**
Loans at fair value through profit and loss				**9 121**
Total loan commitments as at 30.09.23	**87 220**	**11 895**	**814**	**109 050**
Off-balance sheet	-8 024	-1 171	- 47	**-9 242**
Gross loans	**79 196**	**10 723**	**767**	**99 808**
Provision for credit losses - reduction in assets	- 179	- 319	- 182	**- 681**
Net loans	**79 017**	**10 404**	**585**	**99 128**

Note 11 - 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**
-199	-281	-159	**-639**	**Loss provisions at 01.01.23**	**-735**	-190	-318	-228
			-567	Of which presented as a reduction of the assets	**-663**			
			-72	Of which presented as other debt	**-72**			
				Changes in the period due to loans migrating between stages:				
-99	95	4	**0**	to (-from) stage 1	**0**	4	99	-104
27	-29	2	**0**	to (-from) stage 2	**0**	5	-34	29
0	2	-3	**0**	to (-from) stage 3	**0**	-4	4	0
51	-97	-10	**-56**	Net increase/decrease excisting loans	**-56**	-9	-105	58
-61	-84	-7	**-153**	New issued or purchased loan	**-193**	-9	-117	-66
48	75	12	**135**	Loans that have been derecognised	**140**	12	78	50
54	43	1	**99**	Changes caused by modifications which hasn't resultet in deduction	**114**	2	52	60
-179	-276	-158	**-613**	**Total loss provisions as at 30.09.23**	**-730**	-189	-341	-200
				Loss provisions allocated to markets				
-14	-23	-31	**-68**	Retail market	**-91**	-42	-29	-19
-165	-253	-126	**-544**	Corporate market	**-639**	-147	-312	-181
-179	-276	-158	**-613**	**Total loss provisions as at 30.09.23**	**-730**	-189	-341	-200
-158	-254	-151	**-564**	Of which presented as a reduction of the assets	**-681**	-182	-319	-179
-21	-22	-7	**-49**	Of which presented as other debt	**-49**	-7	-22	-21

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 expexted 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.
- Provicions 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 12 - Financial instruments at fair value

Financial instruments at fair value are classified at different levels. See note 26 i annual report. The bank has in Q1 2023 reconsidered the fair value hierarchy. Bonds previously reported as Level 1 are now reclassified as Level 2

Group

(Amounts in NOK million)

	Level 1	Level 2	Level 3	Total
Assets at 30.09.23				
Shares	663	82	715	**1 459**
Bonds		19 843		**19 843**
Financial derivatives		1 894		**1 894**
Loans to customers with fixed rate			4 461	**4 461**
Loans to customers for sale			4 660	**4 660**
Total assets	663	21 819	9 836	**32 317**
Liabilities at 30.09.23				
Financial derivatives		1 630		**1 630**
Total liabilities		1 630		**1 630**
Assets at 31.12.22				
Shares	793	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	14 751	5 629	9 762	30 142
Liabilities at 31.12.22				
Financial derivatives		1 259		1 259
Total liabilities		1 259		1 259

Changes in instruments at fair value, level 3:	**Financial assets**		
(Amounts in NOK million)	Shares	Loans to customers with fixed rate	Loans to customers for sale
Carrying amount at 31.12.22	679	4 850	4 233
Net gains on financial instruments	36	- 259	
Additions/acquisitions		366	51
Sales			-3 638
Matured		- 496	4 014
Carrying amount at 30.09.23	715	4 461	4 660

Note 13 - Subsidiaries, associated companies and joint ventures

Result from subsidiaries fully consolidated into the group financial statements

(Amount in NOK mill.)		Result after tax at		Result after tax	
Company	Share	**30.09.23**	30.09.22	**3Q23**	3Q22
SpareBank 1 Nord-Norge Portefølje AS	100 %	**0**	0	**0**	- 3
Fredrik Langes Gate 20 AS	100 %	**2**	2	**1**	1
SpareBank 1 Finans Nord-Norge AS	85 %	**125**	118	**22**	38
SpareBank 1 Regnskapshuset Nord-Norge AS (inkl r	85 %	**19**	23	**1**	3
EiendomsMegler 1 Nord-Norge AS	85 %	**11**	15	**1**	4
Adwice AS (Sub subsidiary from 01.05.23)	100 %	**4**	0	**- 1**	0
Finansmodell AS (Sub subsidiary from 01.07.23)	100 %	**0**	0	**0**	0
Flex AS (Sub subsidiary from 30.09.23)	100 %	**0**	0	**0**	0
Total		**161**	158	**24**	43

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

(Amount in NOK mill.)		Result after tax at		Result after tax		Booked value at	
Company	Share	**30.09.23**	30.09.22	**3Q23**	3Q22	**30.09.23**	31.12.22
SpareBank 1 Mobilitet Holding AS	30,66 %	**- 71**	- 16	**- 57**	- 3	**6**	74
SpareBank 1 Gruppen AS	19,50 %	**9**	46	**- 13**	17	**1 783**	2 047
SpareBank 1 Kreditt AS	16,73 %	**- 5**	9	**- 3**	3	**323**	300
SpareBank 1 Boligkreditt AS	15,58 %	**45**	2	**8**	8	**1 863**	1 852
SpareBank 1 Næringskreditt AS	2,71 %	**1**	0	**1**	0	**54**	53
SpareBank 1 Utvikling DA	18,00 %	**0**	0	**0**	0	**136**	136
SpareBank 1 Bank og Regnskap AS	25,00 %	**2**	1	**1**	0	**45**	43
SpareBank 1 Forvaltning AS	13,27 %	**14**	21	**4**	6	**144**	109
SpareBank 1 Gjeldsinformasjon AS	14,44 %	**0**	0	**0**	0	**1**	1
SpareBank 1 Kundepleie AS	0,00 %	**0**	2	**0**	0	**0**	23
SpareBank 1 Betaling AS	17,94 %	**- 25**	- 8	**- 8**	- 3	**236**	223
Total		**- 28**	57	**- 69**	28	**4 590**	4 861

Note 14 - Other assets

Parent bank *(Amounts in NOK million)*			Group	
31.12.22	**30.09.23**		**30.09.23**	31.12.22
11	**13**	Accrued income	**54**	44
0	**0**	Goodwill and other intangible assets	**193**	118
88	**88**	Deferred tax	**0**	0
244	**234**	Prepayments	**280**	286
240	**214**	Other assets 1)	**346**	340
583	**549**	**Total other assets**	**873**	788

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

Note 15 - Financial derivatives

Parent Bank and Group
(Amounts in NOK million)

Fair value hedging transactions	**30.09.23**	31.12.22
Net loss charged to the statement of comprehensive income in respect of hedging instruments in connection with actual value hedging	**538**	565
Total gain from hedging objects relating to the hedged risk	**- 542**	- 570
Total fair value hedging transactions	**- 4**	- 5

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		**30.09.23**			31.12.22	
		Fair value			Fair value	
Foreign currency instruments	**Contract**	**Assets**	**Liabilites**	Contract	Assets	Liabilites
Foreign exchange financial derivatives (forwards)	**2 142**	**19**	**36**	1 732	12	25
Currency swaps	**23 861**	**211**	**208**	17 481	176	70
Total non-standardised contracts	**26 003**	**231**	**244**	19 213	189	95
Standardised foreign currency contracts (futures)						
Total foreign currency instruments	**26 003**	**231**	**244**	19 213	189	95
Interest rate instruments						
Interest rate swaps (including cross currency)	**31 945**	**1 838**	**1 019**	33 692	1 158	532
Other interest rate contracts	**658**	**47**	**44**	593	55	54
Total non-standardised contracts	**32 604**	**1 885**	**1 063**	34 285	1 213	585
Standardised interest rate contracts (futures)						
Total interest rate instruments	**32 604**	**1 885**	**1 063**	34 285	1 213	585

Hedging of funding loans

Interest rate instruments	**Contract**	**Assets**	**Liabilites**	Contract	Assets	Liabilites
Interest rate swaps (including cross currency)	**11 619**		**568**	12 249	56	570
Total, non-standardised contracts	**11 619**		**568**	12 249	56	570
Standardised interest rate contracts (futures)						
Total interest rate instruments	**11 619**		**568**	12 249	56	570
Total interest rate instruments	**44 222**	**1 885**	**1 630**	46 535	1 270	1 155
Total foreign currency instruments	**26 003**	**231**	**244**	19 213	189	95
Total	**70 225**	**1 894**	**1 630**	65 748	1 458	1 259

Note 16 - Deposits

Parent Bank (Amounts in NOK million) 31.12.22	30.09.23		Group 30.09.23	31.12.22
		Deposits from credit institutions		
280	328	Deposits without agreed maturity	**328**	280
906	1 261	Deposits with agreed maturity	**1 261**	905
1 186	**1 589**	**Total deposits from credit institutions**	**1 589**	1 185
		Deposits from customers		
73 122	77 426	Deposits without agreed maturity	**77 364**	73 052
6 444	6 790	Deposits with agreed maturity	**6 783**	6 432
79 566	**84 216**	**Total deposits from customers**	**84 147**	79 484
80 752	**85 805**	**Total deposits**	**85 736**	80 669
		Deposits from customers broken down by sector and industry		
3 725	**3 946**	Real estate	**3 946**	3 725
2 863	**2 817**	Finanicial and insurance activities	**2 817**	2 863
3 356	**5 221**	Fishing and aquaculture	**5 221**	3 356
1 469	**1 104**	Manufacturing	**1 104**	1 469
564	**562**	Agriculture and forestry	**562**	564
2 908	**2 758**	Power and water supply and construction	**2 758**	2 908
8 581	**9 858**	Service industries	**9 789**	8 499
2 325	**2 701**	Transportation	**2 701**	2 325
2 803	**3 067**	Commodity trade, hotel and restaurant industry	**3 067**	2 803
28 594	**32 034**	Public market	**31 965**	28 512
8 546	**8 340**	Government market	**8 340**	8 546
42 426	**43 842**	Retail market	**43 842**	42 426
79 566	**84 216**	**Deposits from customers**	**84 147**	79 484

Note 17 - Securities issued

Parent Bank and Group

(Amounts in NOK million)

Changes in securities issued	Booked value 31.12.22	Issued	Matured or redeemed	Exchange rate movements	Fair value changes	Accrued interest	**Booked value 30.09.23**
Certificates and other short-term loans:							
Senior bonds	15 337	1 848	-4 373	444	6	- 27	**13 236**
Senior bonds	15 337	1 848	-4 373	444	6	- 27	**13 236**

Note 18 - Other liabilities

Parent bank			Group	
(Amounts in NOK million)				
31.12.22	**30.09.23**		**30.09.23**	31.12.22
2 612	**3 177**	Other liabilities	**3 410**	2 814
129	**294**	Costs incurred	**681**	503
0	**0**	Deferred tax liabilities	**24**	25
73	**49**	Off balance loss provision	**49**	72
2 814	**3 520**	**Total other liabilities**	**4 164**	3 414
		Specification of other liabilities		
312	**323**	Lease liabilites	**397**	399
577	**521**	Accrued tax	**567**	42
19	**13**	Tax deductions	**22**	13
734	**987**	Creditors	**1 013**	25
849	**1 145**	Agreed payments from Donations Fund	**1 145**	889
121	**188**	Miscellaneous liabilities	**267**	1 446
2 612	**3 177**	Other liabilites	**3 410**	2 814

Note 19 - Subordinated debt and loan capital

Parent Bank and Group

(Amounts in NOK million)

Changes in subordinated loan capital and subordinated bond debt	Booked value 31.12.22	Issued	Matured or redeemed	Exchange rate movements	Fair value changes	Accrued interest	**Booked value 30.09.23**
Subordinated loan capital	1 053	800	- 350			5	**1 508**
Senior non-preferred	4 665	1 443		186	21	28	**6 343**
Subordinated loan capital and other senior non-preferred	5 718	2 243	- 350	186	21	32	**7 850**

Note 20 - Equity

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

Parent bank			Group	
(Amounts in NOK million)				
31.12.22	**30.09.23**		**30.09.23**	31.12.22
1 807	**1 807**	EC capital	**1 807**	1 807
843	**843**	Premium Fund	**843**	843
2 870	**2 853**	Dividend Equalisation Fund	**2 853**	2 870
823	**0**	Set aside EC dividend, not decided	**0**	823
- 17	**- 18**	EC owner's share of other equity	**743**	762
	1 065	EC owner's share of period result	**831**	
6 326	**6 550**	**EC owner's share of equity**	**7 077**	7 105
46,36 %	**46,36 %**	EC owner's percentage of equity	**46,36 %**	46,36 %
6 384	**6 364**	Saving Bank's primary capital	**6 364**	6 384
953	**0**	Set aside society dividend, not decided	**0**	953
- 20	**- 21**	Society's share of other equity	**860**	881
	1 233	Society's share of period result	**961**	
7 317	**7 576**	**Society's share of equity**	**8 185**	8 218
53,64 %	**53,64 %**	Society's percentage of equity	**53,64 %**	53,64 %
600	**850**	Hybrid Capital	**850**	600
14 243	**14 976**	**Total equity**	**16 112**	15 923

Hybrid Capital

Three 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 21.

Parent bank and group

(Amounts in NOK million)

Hybrid Capital	30.09.23	31.12.22
2099 3 m NIBOR + 3,35%	**200**	
2099 3 m NIBOR + 3,10%	**300**	
2099 3 m NIBOR + 3,30%		250
2099 3 m NIBOR + 2,60%	**350**	350
Total hybrid capital	**850**	600
Average interest hybrid capital	**6,51 %**	4,36 %

Equity Certificates (ECs)

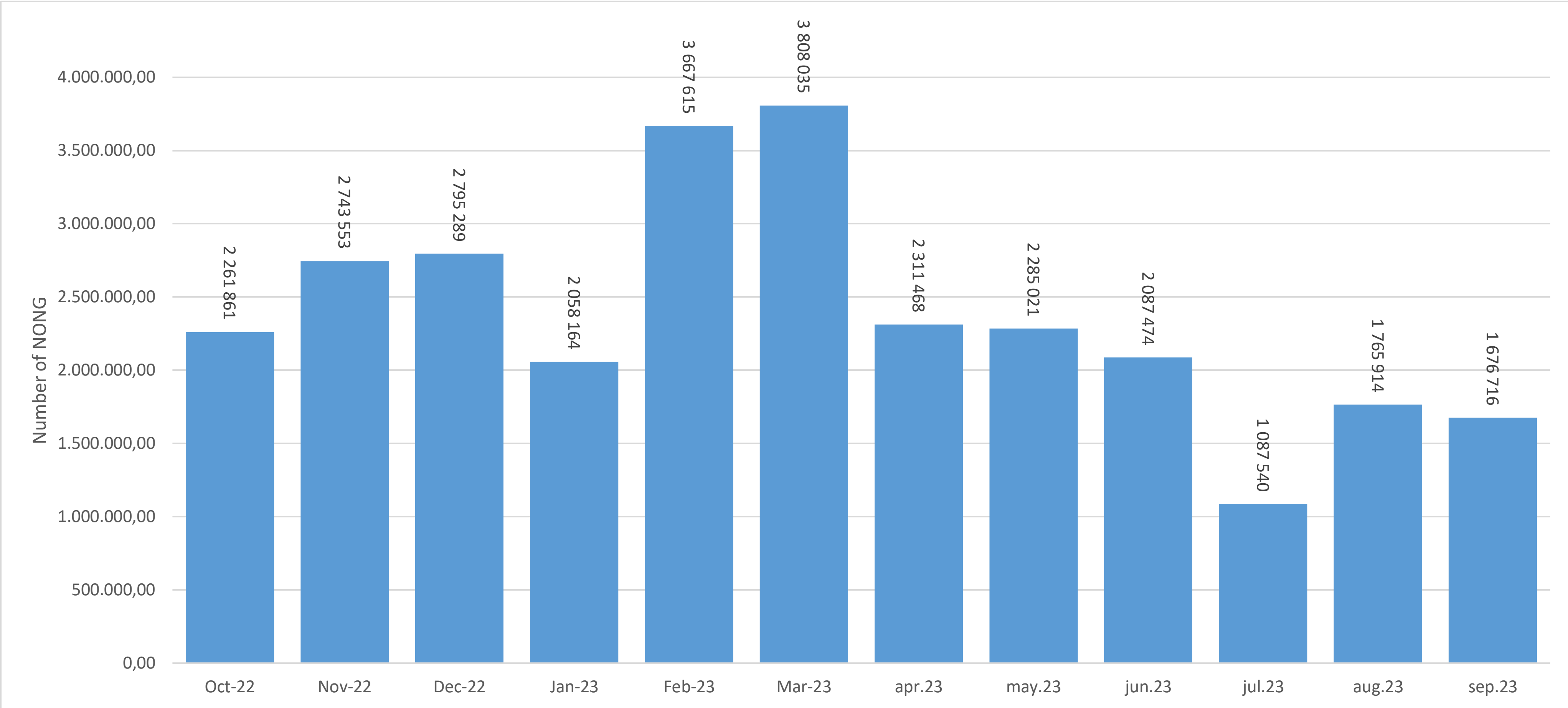
The 20 largest EC holders at 30.09.23

EC Holders	Number of Ecs	Share of EC Capital
PARETO AKSJE NORGE VERDIPAPIRFOND	4.730.843	4,71%
PARETO INVEST NORGE AS	4.605.677	4,59%
VPF EIKA EGENKAPITALBEVIS	3.653.589	3,64%
GEVERAN TRADING CO LTD	3.525.028	3,51%
KOMMUNAL LANDSPENSJONSKASSE GJENSI	2.737.719	2,73%
MP PENSJON PK	2.484.322	2,47%
The Northern Trust Comp, London Br	2.035.508	2,03%
Brown Brothers Harriman & Co.	1.956.073	1,95%
FORSVARETS PERSONELLSERVICE	1.752.630	1,75%
State Street Bank and Trust Comp	1.605.264	1,60%
SPESIALFONDET BOREA UTBYTTE	1.490.891	1,48%
SPAREBANKSTIFTELSEN SPAREBANK 1 NO	1.411.606	1,41%
State Street Bank and Trust Comp	1.003.378	1,00%
State Street Bank and Trust Comp	896.482	0,89%
Landkreditt Utbytte	821.274	0,82%
VPF SPAREBANK 1 UTBYTTE	810.750	0,81%
State Street Bank and Trust Comp	779.002	0,78%
J.P. Morgan SE	748.363	0,75%
Brown Brothers Harriman & Co.	735.389	0,73%
J.P. Morgan SE	565.301	0,56%
Total	**38.349.089**	**38,20%**

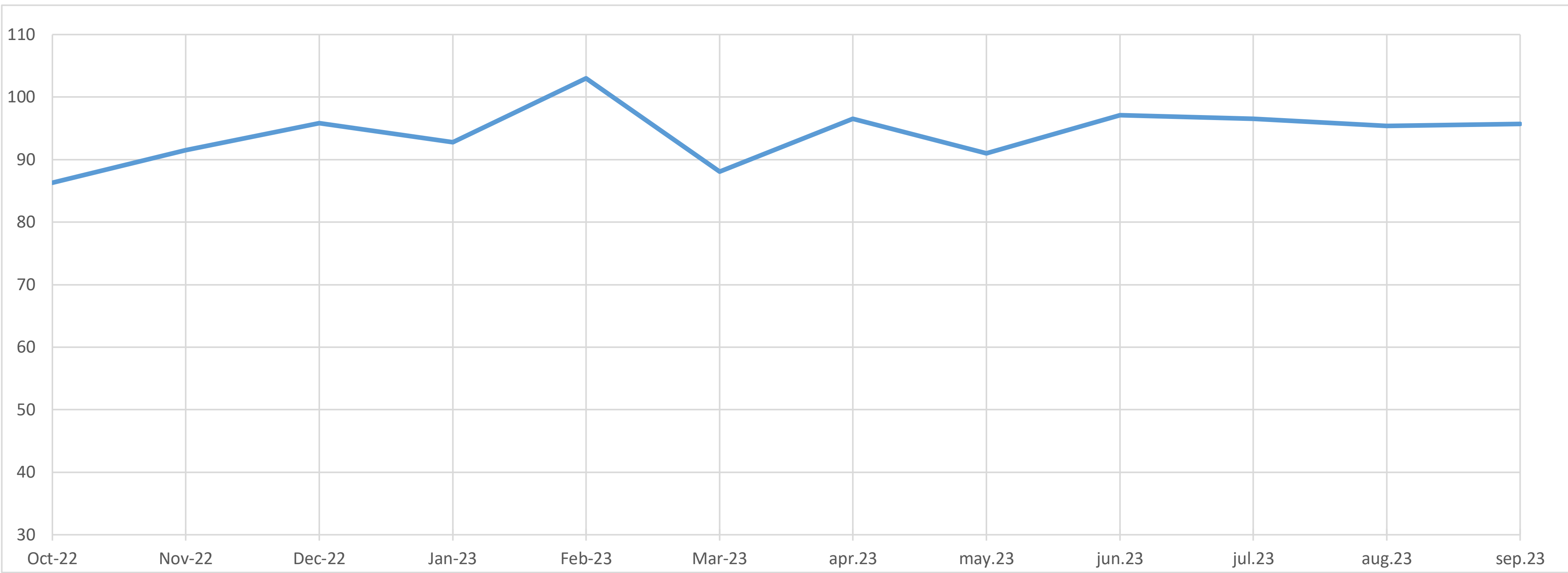
Dividend policy

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 21 - Capital Adequacy and MREL

Parent Bank			Group	
(Amounts in NOK million)				
31.12.22	**30.09.23**		**30.09.23**	31.12.22
		Equity		
2 650	**2 650**	Equity Certificate capital and premium reserve	**2 650**	2 650
600	**850**	Hybrid capital	**850**	600
3 676	**3 900**	Dividend Equalisation Fund	**4 317**	4 441
7 317	**7 576**	Saving Bank's primary capital	**8 058**	8 203
0	**0**	Non-controlling interests	**237**	231
14 243	**14 976**	**Total equity**	**16 112**	16 125
		Tier 1 Capital		
- 600	**- 850**	Hybrid capital	**- 850**	- 600
-1 776	**0**	Deduction for allocated dividends	**0**	-1 776
0	**-1 149**	Period result not eligible as CET1 capital	**- 885**	0
0	**0**	Minority interests not eligible as CET1 capital	**- 94**	- 98
0	**0**	Goodwill and other intangible assets	**- 204**	- 132
- 31	**- 34**	Adjustments to CET1 due to prudential filters	**- 46**	- 42
0	**- 14**	IRB shortfall of credit risk adjustments to expected losses	**- 70**	0
0	**0**	Deduction for significant investments in financial sector entities	**- 387**	- 902
- 239	**- 239**	Deduction for non-significant investments in financial sector entities	**- 236**	- 224
0	**- 6**	Deduction for treasury shares	**- 6**	0
11 597	**12 687**	**Common Equity Tier 1 Capital**	**13 335**	12 351
		Additional Tier 1 Capital		
600	**850**	Hybrid capital	**1 041**	778
- 47	**- 48**	Deduction for Tier 1 capital in other financial sector entities with a significant investment	**- 48**	- 47
12 150	**13 489**	**Total Tier 1 Capital**	**14 328**	13 082
		Tier 2 Capital		
1 050	**1 500**	Non-perpetual subordinated capital	**1 762**	1 321
94	**0**	Expected losses on IRB, net of writedowns	**0**	45
- 218	**- 220**	Deduction for subordinated capital in other financial institutions with a significant investment	**- 220**	- 218
926	**1 280**	**Tier 2 Capital**	**1 542**	1 148
13 076	**14 769**	**Own Funds**	**15 870**	14 230

Parent Bank 31.12.22	Parent Bank 30.09.23	(Amounts in NOK million)	Group 30.09.23	Group 31.12.22
		Risk exposure amount		
4 888	**6.168**	Corporates - SME	**6 170**	4 896
14 103	**15 634**	Corporates - Specialised Lending	**16 567**	14 812
689	**928**	Corporates - Other	**1 019**	765
11 712	**11 917**	Retail - Secured by real estate	**20 412**	19 921
846	**916**	Retail - Other	**935**	865
8 353	**7 995**	Equity IRB	**0**	0
40 591	**43 558**	**Credit risk IRB**	**45 103**	41 258
0	**0**	Central governments or central banks	**13**	0
405	**412**	Regional governments or local authorities	**538**	501
0	**6**	Public sector entities	**9**	3
2 004	**2 197**	Institutions	**1 141**	863
3 274	**3 176**	Corporates	**6 121**	6 110
183	**201**	Retail	**5 124**	4 961
401	**428**	Secured by mortgages on immovable property	**683**	637
4	**3**	Exposures in default	**257**	209
961	**1 136**	Covered bonds	**1 421**	1 359
0	**0**	Collective investments undertakings (CIU)	**1**	1
3 917	**4 559**	Equity	**6 061**	6 050
905	**1 022**	Other items	**1 597**	1 662
12 054	**13 141**	**Credit risk standardised approach**	**22 966**	22 354
52 645	**56 698**	**Total credit risk**	**68 069**	63 612
5 908	**5 908**	Operational risk	**7 115**	7 134
112	**105**	Credit Value Adjustment	**758**	654
58 664	**62 711**	**Total risk exposure amount**	**75 942**	71 399
		Capital Adequacy Ratios		
19,8 %	**20,2 %**	Common Equity Tier 1 Capital Ratio	**17,6 %**	17,3 %
20,7 %	**21,5 %**	Tier 1 Capital Ratio	**18,9 %**	18,3 %
22,3 %	**23,6 %**	Total Capital Ratio	**20,9 %**	19,9 %
9,8 %	**10,4 %**	Leverage Ratio excl. result	**7,7 %**	7,4 %

Own funds and eligible liabilities

In connection with The Financial Supervisory Authority of Norway's work with crisis plans for Norwegian banks, SpareBank 1 Nord-Norge received a requirement in December 2022 on MREL - Minimum requirement for own funds and eligible liabilities. A key element in the crisis management regulations is that capital instruments and debt can be written down and/or converted to equity by internal recapitalization (bail-in), so that the enterprises have sufficient responsible capital and convertible debt in order to be able to manage the crisis without the use of public funds.

The bank's MREL requirement (Effective MREL percentage) was then set at 34.84% and is the sum of the MREL percentage (25.92%) and the combined buffer requirement (CBR 8.92%) of the applicable adjusted risk-weighted calculation basis (TREA). The difference between the effective MREL requirement and the company's subordinated instruments can be met until 31.12.23 with unsecured senior debt with a remaining term of at least 12 months issued by the bank to external investors.

From 01.01.23, the company must also fulfill a minimum requirement for total subordination (24.71%) on the adjusted calculation basis. Subordination means that parts of the claim must be met with responsible capital or debt instruments with priority such as meets the requirements of Norwegian law (Finansforetaksloven §20-32(1) no. 4). The minimum requirement can only be met with responsible capital and subordinated debt. In the table below the current requirement and the banks fulfillment is listed.

Group

(Amounts in NOK million)	**30.09.23**	31.12.22
Own funds and eligible liabilities		
Own funds and eligible liabilities including eligible YTD results (excl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt)	**13 717**	12 033
Senior non-preferred (SNP)	**6 343**	4 665
Senior preferred (SP) - over 12 mths	**10 513**	10 971
Total risk exposure amount (TREA) of the resolution group	**65 317**	61 528
Own funds and eligible liabilities as percentage of the total risk exposure amount		
Own funds and eligible liabilities	**46,81 %**	44,97 %
Own funds and SNP	**30,71 %**	27,14 %
MREL requirement expressed as nominal amount		
Total MREL requirement	**35,40 %**	34,90 %
Total subrogation (linear phasing-in requirement)	**24,98 %**	22,45 %
Surplus (+) / deficit (-) of MREL capital	**11,41 %**	10,07 %
Surplus (+) / deficit (-) of subrogation	**5,73 %**	4,69 %

Note 22 - 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 3.6 years as of 30.09.23.
The short-term liquidity risk measure, liquidity coverage ratio (LCR), was 135 % (133 %) as of the end of the quarter.
NSFR (Net Stable Funding Ratio) at 30.09.23 was 118 % (117 %).

Notes 23 – Changes to group structure

SpareBank 1 Regnskapshuset Nord-Norge AS has in the third quarter bought 100% of the shares in the company Flex AS. The company deals with accounting and accounting-related services.

The accounts of Flex AS are fully incorporated into the group's quarterly accounts. Profit items will be incorporated from and including 01.10.23.

SpareBank 1 Portefølje AS has established the 100% owned subsidiary, Finansmodell AS. The company deals with programming services. The accounts of Finansmodell AS are fully incorporated into the group's quarterly accounts.

Note 24 - Events occuring 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.

To the Board of SpareBank 1 Nord-Norge

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of SpareBank 1 Nord-Norge as at 30 September 2023, and the related condensed consolidated income statement, the statement of changes in equity and the cash flow statement for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Tromsø, 26 October 2023
KPMG AS

Stig-Tore Richardsen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only