



sparebanken  
sogn og fjordane



# Interim report

Q1 2023 (unaudited)



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GRAPHIC DESIGN: SPAREBANKEN SOGN OG FJORDANE

E. NATVIK PRENTEVERK AS

ENGLISH TRANSLATION: SPRÅKVERKSTADEN

# Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	31 March 2023/ Q1 2023	31 March 2022/ Q1 2022	31 Dec. 2022/ Full-year 2022
<b>INCOME STATEMENT</b>			
Net interest income	350	257	1 148
Dividends and gains/losses on financial instruments	14	29	0
Other operating income	37	34	166
Operating expenses	127	118	499
<b>Profit/loss before impairment loss (incl. securities)</b>	<b>274</b>	<b>203</b>	<b>815</b>
<b>Profit/loss before impairment loss (excl. securities)</b>	<b>260</b>	<b>174</b>	<b>815</b>
Impairment loss	- 4	17	36
<b>Profit/loss before taxation</b>	<b>278</b>	<b>186</b>	<b>779</b>
Tax expense	69	39	177
<b>Profit/loss after taxation</b>	<b>210</b>	<b>147</b>	<b>602</b>
Other comprehensive income	0	0	0
<b>Comprehensive income</b>	<b>210</b>	<b>147</b>	<b>602</b>
<b>BALANCE SHEET</b>			
<b>Assets</b>			
Gross loans and advances to customers	62 128	58 183	61 498
Loss allowance	- 305	- 324	- 314
Security investments (shares, fixed income funds, commercial paper and bonds)	8 545	7 885	8 225
<b>Debt and equity</b>			
Deposits from and debt to customers	36 020	33 226	34 846
Debt securities and debt to credit institutions	27 126	26 201	27 673
Equity	6 602	6 204	6 645
Total assets	71 738	67 323	70 824
Average total assets	71 165	66 364	68 515
<b>KEY FIGURES</b>			
<b>Profitability</b>			
Net interest margin	1,99 %	1,57 %	1,67 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,21 %	0,21 %	0,24 %
Operating expenses as a % of average total assets	0,71 %	0,71 %	0,73 %
Profit/loss before impairment loss as a % of average total assets	1,54 %	1,22 %	1,19 %
Profit/loss before tax as a % of average total assets	1,56 %	1,12 %	1,14 %
Profit/loss after tax as a % of average total assets	1,18 %	0,88 %	0,88 %
Comprehensive income as a % of average total assets	1,18 %	0,88 %	0,88 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	32,82 %	40,36 %	37,99 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	31,68 %	36,74 %	37,98 %
Impairment loss as a % of gross loans	- 0,01 %	0,03 %	0,06 %
Return on equity before tax 1)	17,69 %	12,60 %	13,21 %
Return on equity after tax 1)	13,32 %	9,95 %	10,21 %
Pre-tax return on equity (comprehensive income) 1)	13,32 %	9,95 %	10,21 %
Consolidated comprehensive income per equity certificate, in NOK	9,35	6,59	26,98
Dividend payable per equity certificate, in NOK			12,00
1) Return on equity is calculated based on opening equity excl. hybrid capital			
<b>Capital and liquidity position</b>			
Capital adequacy ratio	20,35 %	19,65 %	20,15 %
Core capital adequacy ratio	18,21 %	17,84 %	18,39 %
Core Tier 1 capital adequacy ratio	17,19 %	16,79 %	17,36 %
Leverage ratio	8,53 %	8,65 %	8,65 %
Liquidity Coverage Ratio (LCR)	153 %	162 %	165 %
NSFR, consolidated	123 %	-	122 %
NSFR, parent company	142 %	-	140 %
<b>Balance sheet history</b>			
Growth in total assets (year-on-year)	6,56 %	5,42 %	7,62 %
Growth in gross customer lending (year-on-year)	6,78 %	5,56 %	6,67 %
Growth in customer deposits (year-on-year)	8,41 %	7,78 %	7,10 %
Deposits as a % of consolidated gross lending	57,98 %	57,11 %	56,66 %
Deposits as a % of parent company's gross lending	106,60 %	99,70 %	104,80 %
<b>Employee</b>			
Full-time equivalent employees	275	269	283

# Interim report 31.03.2023

All of the figures specified below refer to the consolidated accounts unless otherwise stated. The figures in brackets are the figures for the same period of 2022.

## Q1 2023 highlights

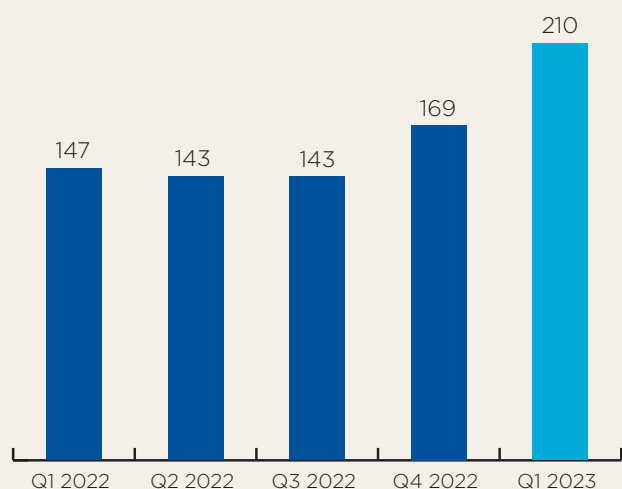
- NOK 350 million (257 million) of net interest income
- Net gain on financial instruments of NOK 14 million (29 million)
- Operating expenses of NOK 127 million (118 million)
- Impairment gain of NOK 4 million (loss of NOK 17 million)
- Pre-tax profit of NOK 278 million (186 million)
- Profit after taxation of NOK 210 million (147 million)
- Return on equity after tax of 13.3% (10.0%)
- Capital adequacy ratio of 20.4% (19.7%)

## Q1 financial results

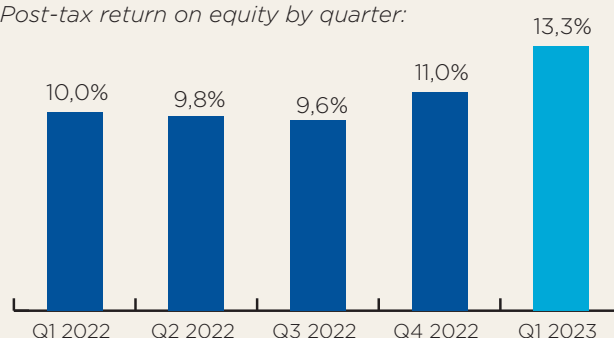
The Group made a pre-tax profit of NOK 278 million, compared with NOK 186 million in the same quarter of 2022. The improvement was mainly due to strong growth in net interest income and an impairment gain. Other operating income also rose. On the other hand, operating expenses rose and the contribution from financial instruments fell, when compared with the first quarter of 2022.

The Group made a healthy profit after tax of NOK 210 million in the first quarter, compared with NOK 147 million in the same quarter last year. That corresponds to a return on equity of 13.3% in the first quarter of this year, against 10.0% in the same quarter of 2022.

Graph of profit after taxation by quarter:



Post-tax return on equity by quarter:

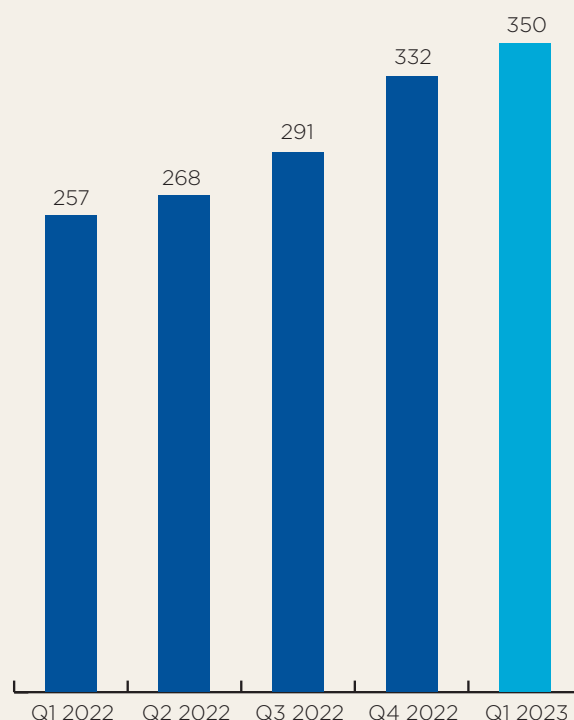


## Net interest income in Q1

Net interest income totalled NOK 350 million, which was an improvement of NOK 82 million (36%) over the same quarter of 2022.

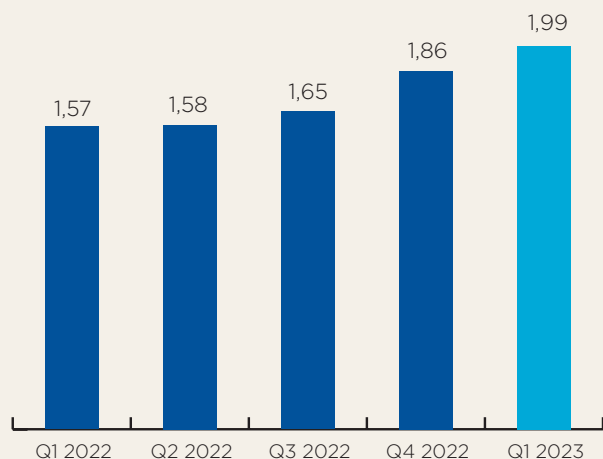
Loan growth came to 6.8% over the past 12 months, and deposits grew by 8.4%. Net interest income rose strongly thanks to the combination of a higher customer margin and growth in deposits and loans. The cost of funding through debt securities was significantly higher than in the first quarter of 2022, as the 3-month Nibor has risen, and viewed in isolation that had a negative impact on net interest income. The Bank has notified its customers that interest rates on loans and deposits will rise further, in response to Norges Bank once again raising the key policy rate. The latest rise in interest rates has not yet come into effect. The overall impact on net interest income will depend on how the 3-month NIBOR rate evolves.

Graph of quarterly net interest income in millions of NOK:



The graph below shows the net interest margin (net interest income measured as a percentage of average total assets). The net interest margin was 1.99% in the first quarter of 2023, which was 0.42 percentage points higher than in the first quarter of 2022. This margin was relatively low in the first quarter of 2022, and it gradually improved through 2022.

Graph of net interest margin:

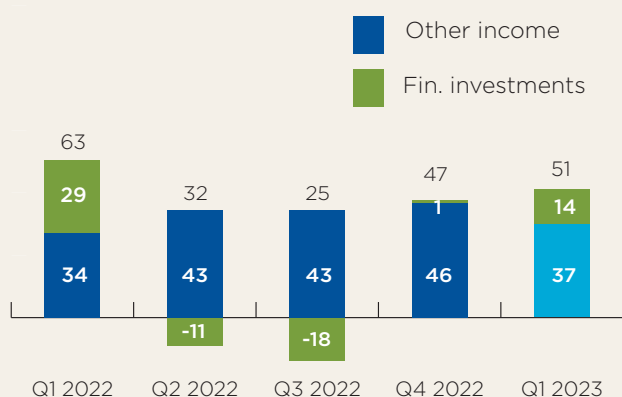


## Net other operating income in Q1

In the first quarter, net other operating income came to NOK 51 million, compared with NOK 63 million in the year-earlier period. The decline was due to a strong NOK 29 million contribution from financial instruments in the first quarter of 2022, as opposed to just NOK 14 million in the first quarter of 2023. This decline was mainly because the Group only made a NOK 4 million gain on shares in the first quarter of 2023, compared with NOK 24 million in the year-earlier quarter. The first quarter of 2023 also saw a NOK 9 million gain on financial instruments (interest items), compared with virtually NOK 0 million in the first quarter of 2022.

Other income (excluding gains on financial investments) totalled NOK 37 million, NOK 3 million higher than in the first quarter of 2022. The increase was due to higher income from payment services, insurance products and estate agency.

Graph of other income and gains/losses on financial investments by quarter, in millions of NOK:

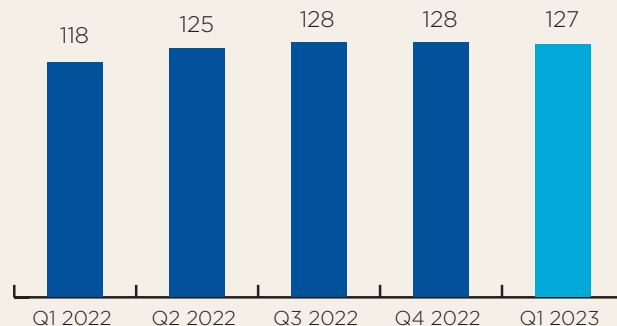


## Operating expenses in Q1

First quarter operating expenses were NOK 127 million, up NOK 9 million (7.9%) from the first quarter of 2022.

This increase was mainly due to higher staff costs, IT expenses and consultancy fees. The underlying reasons for this include general wage growth, an increase in staff numbers, inflation and a higher number of ongoing projects for which consultants have been contracted. Several of the projects have been implemented in order to ensure that we remain profitable in the future.

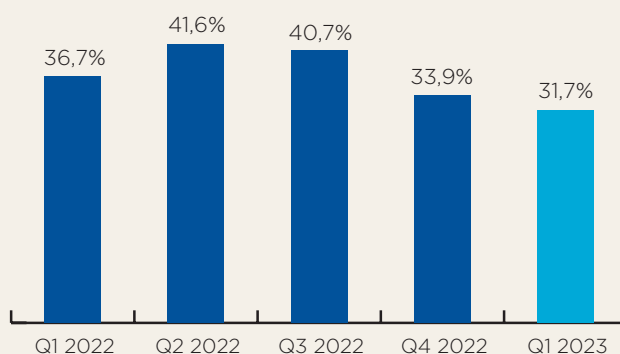
Graph of quarterly operating expenses in millions of NOK:



Operating expenses were equivalent to 0.71% of average total assets, roughly unchanged from the first quarter of last year.

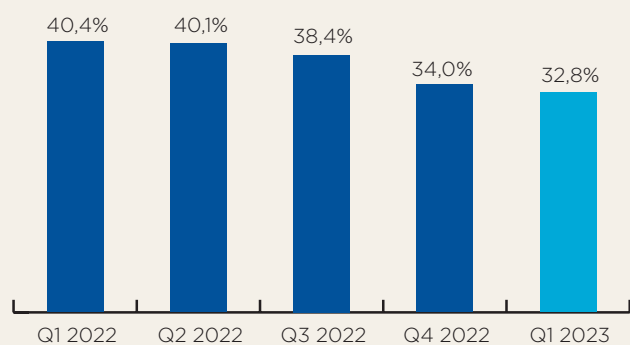
The cost-to-income ratio including financial instruments was 31.7%, against 36.7% in the first quarter of 2022.

Graph of cost-to-income ratio including contribution from financial instruments by quarter:



Since the contribution from financial instruments varies significantly over time, the cost-to-income ratio excluding financial instruments is a better reflection of how our cost-efficiency is evolving. On that basis, the cost-to-income ratio improved significantly to 32.8%, from 40.4% during the same period last year.

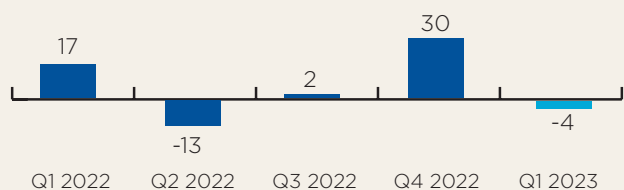
Graph of cost-to-income ratio excluding contribution from financial instruments by quarter:



## Impairments in Q1

A NOK 4 million impairment gain was recognised for loans and guarantees, compared with a NOK 17 million loss in the first quarter of 2022. The gain comprised NOK 2 million due to a reduction in the allowance for individually assessed assets and NOK 2 million on account of a reduction in the model-based loss allowance. Over the past quarter, expected credit losses in the corporate market fell, whereas expected credit losses in the retail market rose. Overall, the changes were relatively small.

Graph of impairment loss by quarter in millions of NOK:



The loss allowance on the balance sheet for expected credit losses on loans, guarantees and undrawn credit facilities was NOK 330 million at 31 March 2023, compared with NOK 336 million at 31 March 2022. Of the loss allowance at 31 March 2022, NOK 305 million was for loans. This was equivalent to 0.49% of gross loans, compared with NOK 324 million (0.56%) a year earlier. For further details, see notes 5 and 6.

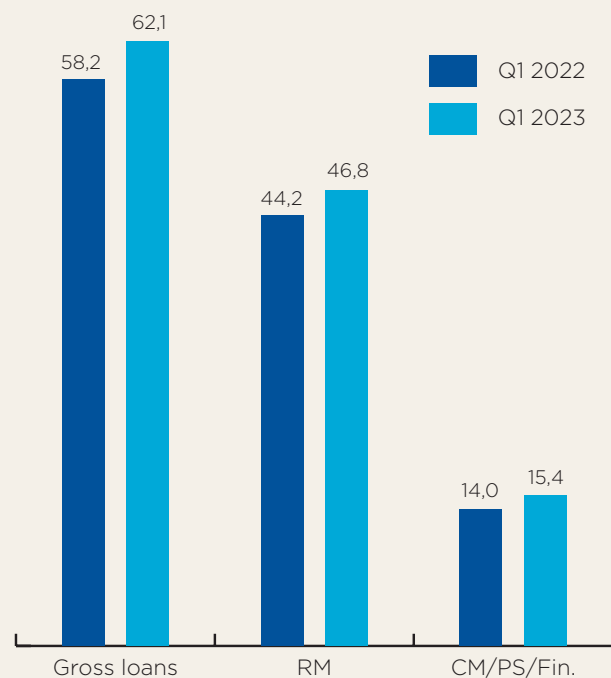
## Balance sheet

The Group had total assets of NOK 71.7 billion at 31 March 2023. This represented an increase of NOK 4.4 billion (6.6%) over the previous 12 months. The increase in total assets was mainly due to strong growth in lending to customers and a larger liquidity buffer held as commercial paper and bonds.

## Loans to customers

Gross loans to customers totalled NOK 62.1 billion at the end of the quarter. Growth over the past year was NOK 3.9 billion (6.8%).

Graph of gross loans by sector in millions of NOK:

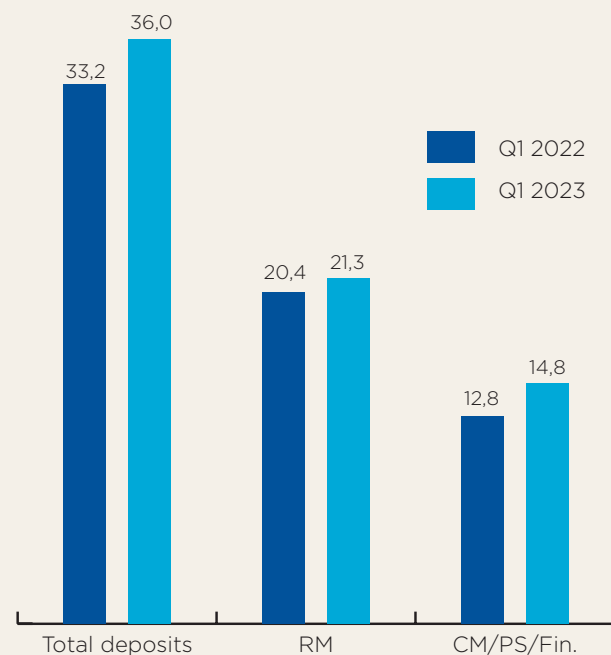


Over the past 12 months, lending to the retail market (RM) rose by 5.8%, while lending to the corporate market (CM) (including loans to the public and financial sectors) was up 9.9%.

## Deposits

Customer deposits totalled NOK 36.0 billion at the end of the year. Growth over the past 12 months was NOK 2.8 billion (8.4%).

Graph of deposits by sector in millions of NOK:



Over the past 12 months, retail market deposits increased by 4.0%, while corporate market deposits (incl. deposits from the public and financial sectors) rose 15.5%.

The Group's deposit/loan ratio was 58.0%, up from 57.1% at 31 March 2022.

## Credit risk

The outstanding balance of loans over 90 days past due was NOK 141 million, down NOK 4 million from the equivalent figure at 31 March 2022.

We still consider credit risk in the retail market to be low, but it is rising slightly. Higher interest rates and generally high inflation is being reflected in our customers' liquidity. The number of people converting to interest-only payments or extending their mortgage terms is higher than normal, but the situation was more stable in the first quarter than in 2022. Over time, we expect a small increase in payment difficulties, but our assessment is that in general the Bank's customers have strong finances.

Businesses in Sogn og Fjordane have robust finances, and we consider the Bank's credit risk in the corporate market to be moderate. Higher interest rates and high inflation will also have a negative impact on businesses. For the moment, activity remains strong, but investment may eventually fall.

As a proportion of outstanding loans, exposure to the corporate market was 24.7% at 31 March 2023, compared with 24.0% a year earlier.

The amount of equity and subordinated debt required to meet credit risk reached NOK 2,559 million, NOK 87 million higher than at 31 March 2022.

## Liquidity and financing

In managing its liquidity, the Bank focuses on its deposit/loan ratio, liquidity buffer and the maturity structure of its funding. The liquidity buffer was NOK 8.4 billion at 31 March 2023. The liquidity buffer is invested in short-term deposits with Norges Bank and other banks, as well as in freely negotiable bonds/commercial paper. The Liquidity Coverage Ratio (LCR) was at a satisfactory 153%, compared with 162% the previous year.

The Bank uses mortgages to issue covered bonds through its wholly-owned subsidiary Bustadkreditt Sogn og Fjordane AS.

At 31 March 2023, the latter company had covered bonds with a face value of NOK 21.4 billion trading on the market. The total value of its cover pool was NOK 28.1 billion. At 31 March 2023, the company's cover pool was worth NOK 6.6 billion more than the loans it was being used to secure.

## Subsidiaries

### *Bustadkreditt Sogn og Fjordane AS*

Bustadkreditt Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. At 31 March 2023, the company had a NOK 28.3 billion loan portfolio, up 14.0% over the past twelve months. The company had NOK 2.2 billion of equity. The company made a profit before tax of NOK 49 million, against NOK 51 million in the first quarter of 2022. Profit fell due to an increase in the provision for expected credit losses on loans.

### *Bankeigedom Sogn og Fjordane AS*

Bankeigedom Sogn og Fjordane AS is a wholly-owned subsidiary, which owns the Group bank buildings. It made a pre-tax profit of NOK 1.6 million in the first quarter of 2023, which is roughly unchanged from the first quarter of 2022.

### *Eigedomsmekling Sogn og Fjordane AS*

The estate agency Eigedomsmekling Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. Its operating revenues totalled NOK 6.3 million, which was NOK 1.1 million higher than in the equivalent period last year. It made a NOK 1.2 million loss in the first quarter of 2023, against a NOK 2.2 million loss in the year-earlier quarter.

## Financial strength and return on equity

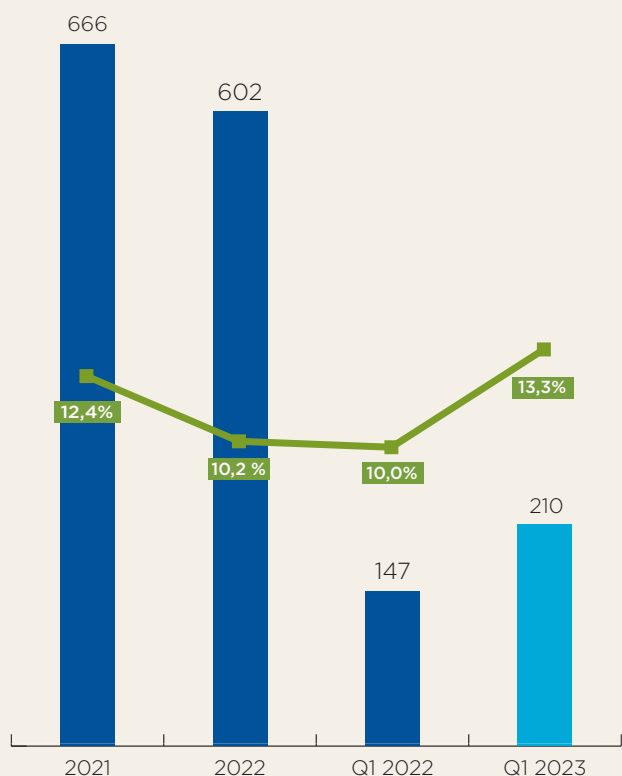
The Group's equity at 31 March 2023 totalled NOK 6.6 billion, NOK 398 million (6.4%) higher than the figure at 31 March 2022. The increase came from profit over the past year less dividends and gifts disbursed.

The Group's capital adequacy ratio at 31 March 2023 was 20.35%, compared with 19.65% at 31 March 2022. The core Tier 1 capital adequacy ratio was 17.19%, against 16.79% a year earlier.

Including profit for the first quarter of 2023, less a proportionate share of expected dividends and gifts, the core Tier 1 capital adequacy ratio at 31 March 2023 is estimated to have been 17.0%.

The Group made a profit after tax of NOK 210 million in the first quarter of 2023, compared with NOK 147 million in the first quarter of last year. This corresponds to a return on equity of 13.3%, against 10.0% in the first quarter of 2022. Sparebanken Sogn og Fjordane has consistently managed to achieve a satisfactory return on equity. The Board of Directors is very satisfied with the Group's financial results and return on equity.

Graph of profit/loss after taxation in millions of NOK and return on equity in percent by year:



## Rating

As of 31 March 2023, Sparebanken Sogn og Fjordane had a long-term rating of A1 from Moody's. Bustadkreditt Sogn og Fjordane's covered bond programme has a long-term rating of Aaa.

## Summary

The Group made a healthy profit after tax of NOK 210 million in the first quarter of 2023, compared with NOK 147 million in the first quarter last year. The improvement was primarily due to strong growth in net interest income and an impairment gain on loans. Commission income also saw healthy growth. However, the contribution from financial instruments was lower than in the year-earlier period and operating expenses rose. The Group's return on equity was 13.3% in the first quarter, compared with 10.0% in the first quarter of 2022.

Førde, 3 May 2023

Lise Mari Haugen  
Chair

Magny Øvrebø  
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Kristian Skibenes

Camilla C. Holvik

Ole Martin Eide

Trond Teigene  
CEO

Total loan growth came to 6.8% over the past 12 months, and deposits grew by 8.4%, with strong growth in both the corporate and retail markets.

Total operating income rose by 25.2% compared with the first quarter of last year, while operating expenses rose by 7.9%. The cost-to-income ratio in the first quarter of 2023 was 31.7%, compared with 36.7% in the first quarter of 2022. The Bank runs its business cost-effectively, but as expected expenses have risen in 2023, due to wage growth, inflation and growing levels of business.

We had a capital adequacy ratio of 20.4% at 31 March 2023, and a core Tier 1 ratio of 17.2%.

The bank has a strong capital adequacy ratio, a solid market position in Sogn og Fjordane, and it is also achieving solid growth in the retail market outside Sogn og Fjordane.

The outlook has become more uncertain over the past year on account of rapidly rising interest rates and high general inflation. The Bank's customers are in a strong position to cope with higher interest rates and higher prices. Unemployment is low, and number of loans that are past due is relatively low. Looking ahead, we must be prepared for the fact that some of our customers may experience challenges, and we have taken this into account in our allowance for expected credit losses on loans and guarantees.

The Board is very happy with the Group's financial performance, and believes that it is in a strong position to continue growing and developing its business.

On 26 April 2023, Sparebanken Sogn og Fjordane announced that it was entering into a strategic banking partnership with the SpareBank 1 alliance. In conjunction with this, Sparebanken Sogn og Fjordane is buying an ownership interest in the SpareBank 1 alliance through SamSpar. This investment is expected to improve the Bank's profit in the long term by enabling it to offer a better and wider range of products and services, as well as reducing its costs. The future partnership means that the Bank intends to sell its shareholdings in its current product suppliers while also buying shares and ownership interests in product suppliers in the SpareBank 1 alliance. The Board strongly believes that the partnership will benefit its customers, owners, employees and the Sogn og Fjordane region.



# Consolidated income statement

AMOUNTS IN MILLIONS OF NOK	Note	Q1 2023	Q1 2022	2022
Interest income		814	417	2 176
Interest expenses		464	160	1 029
<b>Net interest income</b>		<b>350</b>	<b>257</b>	<b>1 148</b>
Commission income		39	36	166
Commission expenses		8	8	31
Net gains/losses on financial instruments		14	29	0
Other income		6	6	31
<b>Net other operating income</b>	<b>3</b>	<b>51</b>	<b>63</b>	<b>167</b>
<b>Total revenues</b>		<b>401</b>	<b>320</b>	<b>1 314</b>
Wages, salaries, etc.		70	64	276
Other expenses		54	46	199
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets		3	8	24
<b>Total operating expenses</b>		<b>127</b>	<b>118</b>	<b>499</b>
<b>Profit/loss before impairment loss</b>		<b>274</b>	<b>203</b>	<b>815</b>
Impairment loss	<b>4</b>	- 4	17	36
<b>Profit/loss before taxation</b>		<b>278</b>	<b>186</b>	<b>779</b>
Tax expense		69	39	177
<b>Profit/loss for the reporting period</b>		<b>210</b>	<b>147</b>	<b>602</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>Profit/loss for the reporting period</b>		<b>210</b>	<b>147</b>	<b>602</b>
<b>Other comprehensive income</b>				
<b>Other items that will never be reclassified to profit or loss, after tax</b>				
Remeasurements, pensions		0	0	0
<b>Total other comprehensive income for the year, after tax</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income</b>		<b>210</b>	<b>147</b>	<b>602</b>
Comprehensive income per equity certificate (weighted), in NOK		9,35	6,59	26,98

# Consolidated balance sheet

AMOUNTS IN MILLIONS OF NOK

<b>ASSETS</b>	Note	31.03.23	31.03.22	31.12.22
Cash and cash equivalents		13	19	19
Loans and advances to credit institutions/central banks	<b>13</b>	621	997	714
Loans to customers	<b>4-7, 13</b>	61 823	57 859	61 184
Commercial paper and bonds measured at fair value		7 782	7 123	7 467
Financial derivatives		442	315	375
Shares and other securities with variable returns		763	762	758
Investments in associates		3	3	3
Intangible assets and goodwill		13	23	16
Fixed assets		85	95	88
Deferred tax assets		20	11	20
Other assets		173	116	180
<b>Total assets</b>		<b>71 738</b>	<b>67 323</b>	<b>70 824</b>
<b>DEBT AND EQUITY</b>				
Debt to credit institutions	<b>13</b>	503	804	504
Deposits from and debt to customers	<b>8, 13</b>	36 020	33 226	34 846
Debt securities in issue	<b>9, 13</b>	26 623	25 397	27 169
Financial derivatives		554	378	612
Tax payable		162	40	187
Other liabilities and provisions		536	671	258
Subordinated debt instruments		739	602	603
<b>Total liabilities</b>		<b>65 136</b>	<b>61 118</b>	<b>64 179</b>
Equity share capital	<b>12</b>	4 651	4 416	4 650
Primary capital		700	645	700
Other equity		901	793	696
Hybrid capital		350	350	350
Proposed allocation for dividends and gifts		0	0	248
<b>Total equity</b>		<b>6 602</b>	<b>6 204</b>	<b>6 645</b>
<b>Total debt and equity</b>		<b>71 738</b>	<b>67 323</b>	<b>70 824</b>

Førde, 3 May 2023

Lise Mari Haugen  
Chair

Magny Øvrebø  
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Kristian Skibenes

Camilla C. Holvik

Ole Martin Eide

Trond Teigene  
CEO

# Consolidated cash flow statement

	31.03.23	31.03.22	31.12.22
Profit/loss before taxation	278	186	779
Increase/(reduction) in customer deposits	1 170	690	2 309
Reduction/(increase) in loans to customers	- 606	- 627	- 4 038
Depreciation and impairment of assets	3	8	24
Impairment loss	- 4	17	36
Losses/(gains) on disposal of fixed assets	- 4	0	- 9
Tax paid	- 86	- 170	- 172
Other non-cash transactions	32	- 61	- 120
Adjustment for other items	- 98	241	111
<b>A) Net cash flow from operating activities</b>	<b>684</b>	<b>284</b>	<b>- 1 079</b>
Reduction/(increase) in shares and other securities with variable returns	- 4	3	7
Reduction/(increase) in investments in commercial paper and bonds	- 321	- 541	- 894
Investments in fixed assets, intangible assets and goodwill	- 1	- 12	- 28
Sale of fixed assets	4	0	17
<b>B) Net cash flow from investment activities</b>	<b>- 321</b>	<b>- 549</b>	<b>- 898</b>
Increase/(decrease) in loans from credit institutions	- 1	304	4
Increase/(reduction) in debt securities in issue	- 597	239	2 147
Increase/(reduction) in subordinated debt	135	0	2
Increase/(reduction) in equity share capital	0	0	- 2 841
Increase in hybrid capital	0	0	0
Dividends and gifts	- 1	- 1	- 179
<b>C) Net cash flow from financing activities</b>	<b>- 463</b>	<b>542</b>	<b>1 970</b>
<b>D) Net cash flow during the year (A+B+C)</b>	<b>- 99</b>	<b>277</b>	<b>- 6</b>
Opening balance of cash and cash equivalents	733	739	739
<b>Closing balance of cash and cash equivalents</b>	<b>634</b>	<b>1 016</b>	<b>733</b>
<b>Breakdown of cash and cash equivalents</b>			
Cash and cash equivalents	13	19	19
Deposits at other financial institutions and central banks	621	997	714
<b>Total</b>	<b>634</b>	<b>1 016</b>	<b>733</b>



# Consolidated statement of changes in equity

## EQUITY SHARE CAPITAL

	Equity certificates	Dividend equalisation reserve	Own equity certificates	Share premium account	Primary capital	Hybrid capital	Reserve for unrealised gains	Other equity	Allocated dividends and gifts	Total
<b>Balance at 31.12.21</b>	<b>1 948</b>	<b>2 452</b>	<b>0</b>	<b>16</b>	<b>645</b>	<b>350</b>	<b>454</b>	<b>196</b>	<b>187</b>	<b>6 249</b>
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 187	- 187
Change in hybrid capital	0	0	0	0	0	0	0	0	0	0
Interest paid to investors in hybrid capital	0	0	0	0	0	- 4	0	0	0	- 4
Purchase and sale of own equity certificates	0	0	0	0	0	0	0	0	0	0
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	4	0	143	0	147
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31.03.22</b>	<b>1 948</b>	<b>2 452</b>	<b>0</b>	<b>16</b>	<b>645</b>	<b>350</b>	<b>454</b>	<b>339</b>	<b>0</b>	<b>6 204</b>
<b>Balance at 31.12.21</b>	<b>1 948</b>	<b>2 452</b>	<b>0</b>	<b>16</b>	<b>645</b>	<b>350</b>	<b>454</b>	<b>196</b>	<b>187</b>	<b>6 249</b>
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 187	- 187
Change in hybrid capital	0	0	0	0	0	0	0	0	0	0
Interest paid to investors in hybrid capital	0	0	0	0	0	- 16	0	0	0	- 16
Purchase and sale of own equity certificates	0	0	- 3	0	0	0	0	0	0	- 3
Proposed allocation of profit/loss for reporting period	0	237	0	0	55	16	115	- 69	248	602
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31.12.22</b>	<b>1 948</b>	<b>2 689</b>	<b>- 3</b>	<b>16</b>	<b>700</b>	<b>350</b>	<b>569</b>	<b>127</b>	<b>248</b>	<b>6 645</b>
<b>Balance at 31.12.22</b>	<b>1 948</b>	<b>2 689</b>	<b>- 3</b>	<b>16</b>	<b>700</b>	<b>350</b>	<b>569</b>	<b>127</b>	<b>248</b>	<b>6 645</b>
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 248	- 248
Change in hybrid capital	0	0	0	0	0	0	0	0	0	0
Interest paid to investors in hybrid capital	0	0	0	0	0	- 5	0	0	0	- 5
Purchase and sale of own equity certificates	0	0	0	0	0	0	0	0	0	0
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	5	0	204	0	210
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31.03.23</b>	<b>1 948</b>	<b>2 689</b>	<b>- 2</b>	<b>16</b>	<b>700</b>	<b>350</b>	<b>569</b>	<b>331</b>	<b>0</b>	<b>6 602</b>

# Statement of changes in equity (cont.)

## Explanation of the various types of equity:

### Equity share capital

Equity share capital comprises capital that in accordance with the articles of association is linked to equity certificates. Profit after taxation attributable to equity share capital is allocated to the dividend equalisation reserve in proportion to the ownership ratio, after deducting dividends and a proportionate share of interest paid to investors in hybrid capital. The dividend equalisation reserve may be used to maintain the payment of dividends to the equity certificate holders, if the Bank's equity position allows it.

### Primary capital

Primary capital comprises capital that is not equity share capital. Profit after taxation attributable to primary capital is allocated to primary capital, after deducting gifts and a proportionate share of interest paid to investors in hybrid capital.

### Hybrid capital

Hybrid capital consists of hybrid debt that meets the criteria for being defined as equity and core capital under rules on capital adequacy. Interest on hybrid capital is split between the dividend equalisation reserve and primary capital in proportion to the ownership ratio, and is in practice allocated together with profit.

### Reserve for unrealised gains

The reserve for other unrealised gains comprises unrealised gains on financial instruments whose valuation is different under IFRS and Norwegian accounting principles. Amongst other things, it includes unrealised gains on shares.

### Other equity

Other equity comprises retained earnings from various subsidiaries and unallocated profit.

### Dividends and gifts

Proposed dividends and gifts are included under equity until their disbursement is adopted by the AGM.

# Notes to the financial statements

## Note 1 Accounting principles and critical accounting estimates

### **BASIS OF PRESENTATION**

Sparebanken Sogn og Fjordane's parent company and consolidated accounts have been prepared in accordance with international accounting standards (IFRS). These interim financial statements have been presented in accordance with IAS 34 "Interim Financial Reporting".

All figures are stated in millions of NOK, unless otherwise specified.

### **GENERAL**

For more detailed information about accounting policies and for information about critical accounting estimates, please see Sparebanken Sogn og Fjordane's 2022 annual report on our website: [www.ssf.no](http://www.ssf.no).

### **CHANGES TO ACCOUNTING STANDARDS**

There have been no changes to accounting standards or interpretations in the first quarter of 2023 that have affected the financial statements of Sparebanken Sogn og Fjordane.

## Note 2 Segment reporting

### **Geographic segments**

All of the segments operate in Norway.

### **General information about segments**

Segments reflect the organisational structure of the Group.

#### **Finance**

- Responsible for financing and for managing liquidity

#### **Corporate banking market/public sector/financial sector**

- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to small and medium-sized enterprises, the public sector and financial sector

#### **Retail market including Bustadkreditt**

- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to retail customers

#### **Other**

- Includes the supply of services to Sparebankstiftinga Sogn og Fjordane and managing various properties

#### **Estate agency**

- Offers estate agency services in conjunction with the purchase and sale of properties

#### **Property management**

- Manages the Group's largest properties



## Note 2 Segment reporting (cont.)

	Total for group	Fin- ance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Pro- perty man- age- ment	Elimina- tions
<b>INCOME STATEMENT Q1 2023</b>								
Net interest income and credit commissions	350	0	146	203	0	0	0	0
Net other operating income	51	12	14	22	1	6	2	- 5
<b>Total operating income</b>	<b>401</b>	<b>12</b>	<b>160</b>	<b>225</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>- 5</b>
Operating expenses	127	4	40	80	0	8	0	- 5
<b>Profit/loss before impairment loss</b>	<b>274</b>	<b>8</b>	<b>120</b>	<b>145</b>	<b>1</b>	<b>- 1</b>	<b>2</b>	<b>0</b>
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	- 4	0	- 24	20	0	0	0	0
<b>Profit/loss before taxation</b>	<b>278</b>	<b>8</b>	<b>145</b>	<b>125</b>	<b>1</b>	<b>- 1</b>	<b>2</b>	<b>0</b>
<b>BALANCE SHEET AT 31.03.23</b>								
Net loans and advances to customers	61 823	0	14 833	46 990	0	0	0	0
Other assets	9 915	10 592	2 732	4 396	0	20	43	- 7 868
<b>Total assets</b>	<b>71 738</b>	<b>10 592</b>	<b>17 565</b>	<b>51 386</b>	<b>0</b>	<b>20</b>	<b>43</b>	<b>- 7 868</b>
Deposits from and debt to customers	36 020	0	14 786	21 259	0	0	0	- 24
Other liabilities	29 116	7 927	165	26 637	0	7	8	- 5 627
Equity (incl. profit/loss for the period)	6 602	2 666	2 614	3 490	0	13	36	- 2 216
<b>Total debt and equity</b>	<b>71 738</b>	<b>10 592</b>	<b>17 565</b>	<b>51 386</b>	<b>0</b>	<b>20</b>	<b>43</b>	<b>- 7 868</b>

	Total for group	Fin- ance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Pro- perty man- age- ment	Elimina- tions
<b>INCOME STATEMENT Q1 2022</b>								
Net interest income and credit commissions	257	1	103	154	0	0	0	0
Net other operating income	63	24	15	21	1	5	2	- 5
<b>Total operating income</b>	<b>320</b>	<b>25</b>	<b>117</b>	<b>174</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>- 4</b>
Operating expenses	118	4	36	72	3	7	0	- 4
<b>Profit/loss before impairment loss</b>	<b>203</b>	<b>21</b>	<b>82</b>	<b>102</b>	<b>- 2</b>	<b>- 2</b>	<b>1</b>	<b>0</b>
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	17	0	16	1	0	0	0	0
<b>Profit/loss before taxation</b>	<b>186</b>	<b>21</b>	<b>66</b>	<b>102</b>	<b>- 2</b>	<b>- 2</b>	<b>1</b>	<b>0</b>
<b>BALANCE SHEET AT 31.03.22</b>								
Net loans and advances to customers	57 859	0	13 447	44 412	0	0	0	0
Other assets	9 464	12 097	1 741	2 636	0	21	42	- 7 072
<b>Total assets</b>	<b>67 323</b>	<b>12 097</b>	<b>15 188</b>	<b>47 048</b>	<b>0</b>	<b>21</b>	<b>42</b>	<b>- 7 072</b>
Deposits from and debt to customers	33 226	0	12 799	20 447	0	0	0	- 19
Other liabilities	27 892	9 509	133	23 482	0	7	6	- 5 244
Equity (incl. profit/loss for the period)	6 204	2 588	2 256	3 120	0	14	35	- 1 809
<b>Total debt and equity</b>	<b>67 323</b>	<b>12 097</b>	<b>15 188</b>	<b>47 048</b>	<b>0</b>	<b>21</b>	<b>42</b>	<b>- 7 072</b>

## Note 2 Segment reporting (cont.)

	Total for group	Fin- ance	Corp. Market/ PS/FS	Retail market including Bustad- kreddt	Other	Estate agency	Pro- perty man- age- ment	Elimina- tions
<b>2022 INCOME STATEMENT</b>								
Net interest income and credit commissions	1 148	8	477	662	- 1	0	0	0
Net other operating income	167	- 15	58	100	4	30	8	- 19
<b>Total operating income</b>	<b>1 314</b>	<b>- 6</b>	<b>535</b>	<b>762</b>	<b>4</b>	<b>30</b>	<b>8</b>	<b>- 19</b>
Operating expenses	499	16	152	308	11	33	- 6	- 15
<b>Profit/loss before impairment loss</b>	<b>815</b>	<b>- 23</b>	<b>383</b>	<b>455</b>	<b>- 8</b>	<b>- 3</b>	<b>15</b>	<b>- 3</b>
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	36	0	19	17	0	0	0	0
<b>Profit/loss before taxation</b>	<b>779</b>	<b>- 23</b>	<b>364</b>	<b>438</b>	<b>- 8</b>	<b>- 3</b>	<b>15</b>	<b>- 3</b>
<b>BALANCE SHEET AT 31.12.22</b>								
Net loans and advances to customers	61 184	0	14 703	46 486	0	0	0	0
Other assets	9 640	10 388	2 106	4 203	0	20	54	- 7 132
<b>Total assets</b>	<b>70 824</b>	<b>10 388</b>	<b>16 809</b>	<b>50 689</b>	<b>0</b>	<b>21</b>	<b>54</b>	<b>- 7 132</b>
Deposits from and debt to customers	34 846	0	14 110	20 760	0	0	0	- 23
Other liabilities	29 332	7 829	219	26 167	0	10	8	- 4 897
Equity (incl. profit/loss for the period)	6 645	2 559	2 480	3 763	0	11	45	- 2 212
<b>Total debt and equity</b>	<b>70 824</b>	<b>10 388</b>	<b>16 809</b>	<b>50 689</b>	<b>0</b>	<b>21</b>	<b>54</b>	<b>- 7 132</b>

## Note 3 Other operating income

<b>NET COMMISSION INCOME</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.12.22</b>
Payment services	19	16	78
Security trading	7	7	27
Guarantee commissions	4	3	13
Currency services and international payments	1	1	5
Insurance services	5	4	24
Other commission income	5	5	18
<b>Total charges and commission income</b>	<b>39</b>	<b>36</b>	<b>166</b>
Interbank fees	0	0	1
Payment services	7	6	25
Cash back Visa credit	1	2	5
<b>Total commission expenses</b>	<b>8</b>	<b>8</b>	<b>31</b>
<b>Net commission income</b>	<b>31</b>	<b>29</b>	<b>135</b>
<b>NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS</b>			
Net gains/losses on foreign currency	1	5	14
Net gains/losses on financial derivatives	52	- 122	- 174
Net gains/losses on loans measured at fair value	16	- 95	- 162
Net gains/losses on deposits measured at fair value	- 4	- 1	- 2
Net gains/losses on commercial paper and bonds	- 5	- 20	- 48
Net gains/losses on shares	4	24	55
Net gains/losses on financial liabilities	- 51	237	317
<b>Net gains/losses on financial instruments measured at fair value</b>	<b>14</b>	<b>29</b>	<b>0</b>
<b>OTHER INCOME</b>			
Income from property	0	0	1
Estate agency	6	5	29
Other operating income	0	0	1
<b>Total other income</b>	<b>6</b>	<b>6</b>	<b>31</b>
<b>TOTAL NET OTHER OPERATING INCOME</b>	<b>51</b>	<b>63</b>	<b>167</b>

## Note 4 Impairment loss on loans, guarantees and undrawn credit facilities

	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>2022</b>
Increase (+)/reduction (-) in individually assessed allowances	- 1	15	- 83
Increase (+)/reduction (-) in model-based expected credit losses	- 2	3	104
Losses realised during period for which a loss allowance had previously been made	0	0	18
Losses realised during period for which a loss allowance had not previously been made	0	0	4
Recoveries against previous years' realised losses	- 1	- 1	- 7
<b>Impairment loss for the period</b>	<b>- 4</b>	<b>17</b>	<b>36</b>



## Note 5 Loss allowance

When calculating expected credit losses, loans are split into three stages in line with the requirements in IFRS 9. When a loan is recognised, as a general rule it is allocated to Stage 1. If its credit risk has increased significantly since initial recognition, it is transferred to Stage 2. Assets in default are allocated to Stage 3. Where an individually assessed allowance has been made, this takes precedence over the impairment calculated by the model. Individually assessed allowances are included in Stage 3.

Changes have been made to the loss allowances after validating the impairment model. Amongst other things, major changes have been made to how the collateral ratio is calculated and to the cure rate in the Bank's LGD model. A change has also been made to the rules for transferring loans to Stage 2, whereby the absolute limit for changes in the PD has been lowered from 0.75 to 0.50 percentage points. A loan is now moved to Stage 2 if its PD has increased by at least 100% from when it was originated and the increase in the PD is over 0.50 percentage points. Viewed in isolation, the changes to the model and to the scenario parameters in the first quarter reduced impairments by around NOK 8 million.

### Consolidated

#### 2023

	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for loans at amortised cost at 01.01.2023</b>	<b>58</b>	<b>136</b>	<b>112</b>	<b>306</b>
Transferred to Stage 1	2	- 8	- 1	- 6
Transferred to Stage 2	- 3	14	- 4	7
Transferred to Stage 3	0	- 2	4	2
New financial assets issued or acquired	5	3	0	8
Derecognised financial assets	- 3	- 4	- 2	- 9
Changes to model/macroeconomic parameters	2	- 19	8	- 8
Actual losses covered by previous provisions	0	0	0	0
Other changes	8	- 14	4	- 2
<b>Loss allowance for loans at amortised cost at 31.03.2023</b>	<b>71</b>	<b>105</b>	<b>122</b>	<b>298</b>
<b>Loss allowance for loans at fair value at 31.03.2023</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>7</b>
<b>Total loss allowance for loans at 31.03.2023</b>	<b>73</b>	<b>108</b>	<b>124</b>	<b>305</b>
<i>Of which in the retail market</i>	<i>19</i>	<i>24</i>	<i>26</i>	<i>70</i>
<i>Of which in the corporate and public sector markets</i>	<i>54</i>	<i>84</i>	<i>98</i>	<i>235</i>

	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2023</b>	<b>12</b>	<b>8</b>	<b>1</b>	<b>20</b>
Changes during the reporting period	2	2	1	5
<b>Loss allowance for undrawn credit facilities and guarantees at 31.03.2023</b>	<b>13</b>	<b>10</b>	<b>2</b>	<b>25</b>
<i>Of which in the retail market</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>
<i>Of which in the corporate and public sector markets</i>	<i>13</i>	<i>10</i>	<i>2</i>	<i>24</i>

## Note 5 Loss allowance (cont.)

2022	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for loans at amortised cost at 01.01.2022</b>	<b>35</b>	<b>69</b>	<b>196</b>	<b>300</b>
Transferred to Stage 1	2	- 5	- 3	- 6
Transferred to Stage 2	- 1	12	0	11
Transferred to Stage 3	0	- 3	12	9
New financial assets issued or acquired	3	6	0	9
Derecognised financial assets	- 1	- 3	- 1	- 6
Changes to model/macroeconomic parameters	- 1	- 4	0	- 6
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 2	5	4	6
<b>Loss allowance for loans at amortised cost at 31.03.2022</b>	<b>34</b>	<b>77</b>	<b>206</b>	<b>317</b>
<b>Loss allowance for loans at fair value at 31.03.2022</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>7</b>
<b>Loss allowance for loans at 31.03.2022</b>	<b>35</b>	<b>78</b>	<b>211</b>	<b>324</b>
<i>Of which in the retail market</i>	8	9	20	37
<i>Of which in the corporate and public sector markets</i>	27	70	191	287
	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2022</b>	<b>4</b>	<b>9</b>	<b>3</b>	<b>15</b>
Changes during the reporting period	0	- 2	- 1	- 2
<b>Loss allowance for undrawn credit facilities and guarantees at 31.03.2022</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>13</b>
<i>Of which in the retail market</i>	1	0	0	1
<i>Of which in the corporate and public sector markets</i>	3	7	2	12

### Future scenarios in the impairment model under IFRS 9

Under IFRS 9, impairment allowances shall take into account expectations for future defaults and impairment losses. In 2018 and 2019, the bank used a statistical model to estimate how expected changes in macro-economic parameters will affect the future probability of default amongst the bank's customers. During the Covid-19 pandemic and subsequently, there have been such great fluctuations in macroeconomic variables used as independent variables in the model that the model is no longer suitable for predicting future defaults. We have therefore performed a qualitative assessment of what is likely to happen to the probability of default and house prices over the coming five years, based on the outlook in Norges Bank's monetary policy report and Statistics Norway's estimates. Expected credit losses are calculated using a weighted average of the losses under the 3 different scenarios; see below.

Future scenarios for retail market used to measure estimated expected credit losses at 31.03.2023	Probability of default starting from 31.03.2023					House prices	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Optimistic scenario for retail market	1,50	1,65	1,50	1,35	1,20	2,7 %	25 %
Scenario 2: Base scenario for retail market	2,00	2,20	2,00	1,80	1,60	1,7 %	50 %
Scenario 3: Pessimistic scenario for retail market	2,50	2,75	2,50	2,25	2,00	- 0,3 %	25 %
Future scenarios for corporate market used to measure estimated expected credit losses at 31.03.2023	Probability of default starting from 31.03.2023					Collateral values	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Optimistic scenario for corporate market	1,28	1,28	1,23	1,23	1,15	- 0,3 %	25 %
Scenario 2: Base scenario for corporate market	1,50	1,50	1,45	1,45	1,35	- 1,8 %	50 %
Scenario 3: Pessimistic scenario for corporate market	1,88	1,88	1,81	1,81	1,69	- 5,0 %	25 %

## Note 6 Changes in gross loans and exposures

The change in the rules for transferring loans to Stage 2, whereby the absolute limit for changes in the PD was lowered from 0.75 to 0.50 percentage points, increased the volume of loans in Stage 2 by around NOK 2,298 million in the first quarter of 2023.

<b>2023</b>	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at amortised cost at 01.01.2023</b>	<b>51 529</b>	<b>5 692</b>	<b>583</b>	<b>57 805</b>
Transferred to Stage 1	1 319	- 1 303	- 16	0
Transferred to Stage 2	- 4 372	4 402	- 31	0
Transferred to Stage 3	- 7	- 65	72	0
New financial assets issued or acquired	4 569	303	11	4 883
Derecognised financial assets	- 5 073	- 532	- 30	- 5 635
Other changes	1 522	97	2	1 620
<b>Gross loans at amortised cost at 31.03.2023</b>	<b>49 488</b>	<b>8 594</b>	<b>592</b>	<b>58 674</b>
Loss allowance for loans at amortised cost at 31.03.2023	71	105	122	298
<b>Net loans at amortised cost at 31.03.2023</b>	<b>49 417</b>	<b>8 489</b>	<b>470</b>	<b>58 376</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at fair value at 31.03.2023</b>	<b>3 053</b>	<b>377</b>	<b>24</b>	<b>3 454</b>
Loss allowance for loans at fair value at 31.03.2023	2	3	2	7
<b>Net loans at fair value at 31.03.2023</b>	<b>3 051</b>	<b>374</b>	<b>22</b>	<b>3 447</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at 31.03.2023</b>	<b>52 541</b>	<b>8 971</b>	<b>616</b>	<b>62 128</b>
<i>Of which in the retail market</i>	<i>40 754</i>	<i>5 694</i>	<i>309</i>	<i>46 758</i>
<i>Of which in the corporate and public sector markets</i>	<i>11 787</i>	<i>3 277</i>	<i>307</i>	<i>15 371</i>
Loss allowance for loans at 31.03.2023	73	108	124	305
<b>Net loans at 31.03.2023</b>	<b>52 468</b>	<b>8 863</b>	<b>492</b>	<b>61 823</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Undrawn credit facilities and guarantees at 31.03.2023</b>	<b>5 569</b>	<b>675</b>	<b>22</b>	<b>6 266</b>
<i>Of which in the retail market</i>	<i>3 629</i>	<i>85</i>	<i>3</i>	<i>3 717</i>
<i>Of which in the corporate and public sector markets</i>	<i>1 940</i>	<i>590</i>	<i>19</i>	<i>2 549</i>
Loss allowance for guarantees and undrawn credit facilities at 31.03.2023	13	10	2	25
<b>Net exposure to undrawn credit facilities and guarantees at 31.03.2023</b>	<b>5 555</b>	<b>665</b>	<b>21</b>	<b>6 241</b>

## Note 6 Changes in gross loans and exposures (cont.)

<b>2022</b>	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at amortised cost at 01.01.2022</b>	<b>47 903</b>	<b>4 654</b>	<b>1 043</b>	<b>53 600</b>
Transferred to Stage 1	949	- 925	- 24	0
Transferred to Stage 2	- 939	948	- 10	0
Transferred to Stage 3	- 20	- 92	112	0
New financial assets issued or acquired	3 790	264	3	4 057
Derecognised financial assets	- 2 634	- 301	- 18	- 2 953
Other changes	- 481	0	- 51	- 532
<b>Gross loans at amortised cost at 31.03.2022</b>	<b>48 569</b>	<b>4 547</b>	<b>1 055</b>	<b>54 172</b>
Loss allowance for loans at amortised cost at 31.03.2022	34	77	206	317
<b>Net loans at amortised cost at 31.03.2022</b>	<b>48 536</b>	<b>4 471</b>	<b>849</b>	<b>53 855</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at fair value at 31.03.2022</b>	<b>3 618</b>	<b>368</b>	<b>26</b>	<b>4 011</b>
Loss allowance for loans at fair value at 31.03.2022	1	2	5	7
<b>Net loans at fair value at 31.03.2022</b>	<b>3 617</b>	<b>366</b>	<b>21</b>	<b>4 004</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Total gross loans at 31.03.2022</b>	<b>52 187</b>	<b>4 915</b>	<b>1 081</b>	<b>58 183</b>
<i>Of which in the retail market</i>	40 938	2 948	315	44 201
<i>Of which in the corporate and public sector markets</i>	11 249	1 967	766	13 982
Loss allowance for loans at 31.03.2022	35	78	211	324
<b>Net loans at 31.03.2022</b>	<b>52 152</b>	<b>4 837</b>	<b>870</b>	<b>57 859</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Undrawn credit facilities and guarantees at 31.03.2022</b>	<b>5 596</b>	<b>446</b>	<b>232</b>	<b>6 274</b>
<i>Of which in the retail market</i>	3 505	50	2	3 557
<i>Of which in the corporate and public sector markets</i>	2 091	396	230	2 717
Loss allowance for guarantees and undrawn credit facilities at 31.03.2022	4	7	2	13
<b>Net exposure to undrawn credit facilities and guarantees at 31.03.2022</b>	<b>5 593</b>	<b>439</b>	<b>230</b>	<b>6 261</b>

### Payment default

#### Retail loans and residential mortgage loans:

Accounts are considered to be in payment default when they are past due or overdrawn by an amount of at least NOK 1,000 and by at least 1% of the customer's total balance. If an account is in payment default, all of the customer's other accounts in the same product group are also considered in payment default. If an account that is in payment default represents over 20% of the total exposure to the customer, all of the customer's other accounts are considered in payment default.

For these purposes, the definition of retail loans covers mortgage loans that do not qualify for a 35% risk-weighting, building loans, consumer loans and advances to SMEs.

#### Other advances:

Customers are considered in payment default when at least one of their accounts is past due or overdrawn by an amount of at least NOK 2,000 and by at least 1% of the customer's total balance.

The number of days that a customer is considered to have been in payment default is determined by the account that has been past due for longest.

CONSOLIDATED	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	31.03.23	31.03.22	31.12.22	31.03.23	31.03.22	31.12.22	31.03.23	31.03.22	31.12.22
11-30 days past due	159	106	41	0	1	0	8	1	0
31-90 days past due	26	46	47	0	0	0	1	1	1
More than 90 days past due	139	143	139	2	2	2	54	52	48
<b>Total assets more than 10 days past due</b>	<b>325</b>	<b>296</b>	<b>227</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>64</b>	<b>54</b>	<b>50</b>

## Note 6 Changes in gross loans and exposures (cont.)

### Assets in default

#### Retail loans and residential mortgage loans:

An account is considered in default if it is more than 90 days past due and the amount overdue is material. The threshold for being considered material has been set at NOK 1,000 and at least 1% of the customer's total balance. If an account is in default, all of the customer's other accounts in the same product group are also considered in default.

A customer is considered in default if the customer has an account in default that represents over 20% of the total exposure to the customer, or if there is an indication of unlikelihood to pay unless the collateral is realised.

#### Other advances

A customer is considered in default if at least one of their accounts is more than 90 days past due and the amount overdue is material, or if there is an indication of unlikelihood to pay unless the collateral is realised. The threshold for being considered material has been set at NOK 2,000 and at least 1% of the customer's total balance.

The following may be indications of unlikelihood to pay:

- An individually assessed allowance has been made for the customer
- Insolvency/Bankruptcy
- Debt restructuring
- Debt restructuring/relief that reduces the value of the asset by more than 1%
- Realisation of the collateral
- Expectation of insolvency/bankruptcy or payment default

Customers or accounts in payment default have a probation period of at least 3 months.

Customers or accounts in default in conjunction with debt restructuring have a probation period of at least 12 months.

Assets in default shall be considered equivalent to credit-impaired assets as defined in IFRS 9.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	31.03.23	31.03.22	31.12.22	31.03.23	31.03.22	31.12.22	31.03.23	31.03.22	31.12.22
<b>CONSOLIDATED</b>									
More than 90 days past due	139	143	139	2	2	2	54	52	48
Other assets in default	477	938	462	21	230	34	71	160	68
<b>Total assets in default</b>	<b>616</b>	<b>1 081</b>	<b>601</b>	<b>22</b>	<b>232</b>	<b>37</b>	<b>126</b>	<b>213</b>	<b>117</b>
<i>Of which in the retail market</i>	<i>309</i>	<i>315</i>	<i>285</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>26</i>	<i>21</i>	<i>19</i>
<i>Of which in the corporate and public sector markets</i>	<i>307</i>	<i>766</i>	<i>316</i>	<i>19</i>	<i>230</i>	<i>35</i>	<i>99</i>	<i>181</i>	<i>97</i>



## Note 7 Loans by sector and industry

Consolidated	Gross loans		Guarantees and undrawn credit facilities		Loans in default and at risk of default		Loss allowance	
	31.03.23	31.12.22	31.03.23	31.12.22	31.03.23	31.12.22	31.03.23	31.12.22
Wage and salary earners and pensioners	46 758	46 229	3 717	3 667	313	285	71	51
Public sector	4	10	69	64	0	0	0	0
Farming and forestry	1 535	1 611	249	192	2	2	10	11
Fishing and hunting	2 160	2 034	156	171	5	3	12	33
Aquaculture and hatcheries	494	532	108	90	41	42	9	10
Industry and mining	824	847	405	362	19	20	14	18
Power/water supply	730	980	24	28	3	3	11	10
Building and construction	1 586	1 529	566	759	111	116	82	83
Commerce	885	858	307	378	30	31	8	8
Transport	568	585	129	121	0	15	2	3
Hotels and tourism	479	459	40	43	4	4	3	4
Services	960	927	109	127	46	46	34	31
Property management	5 145	4 898	387	337	66	71	74	72
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>62 128</b>	<b>61 498</b>	<b>6 266</b>	<b>6 338</b>	<b>639</b>	<b>638</b>	<b>330</b>	<b>334</b>
<i>Of which in the retail market</i>	<i>46 758</i>	<i>46 229</i>	<i>3 717</i>	<i>3 667</i>	<i>313</i>	<i>287</i>	<i>71</i>	<i>51</i>
<i>Of which in the corporate and public sector markets</i>	<i>15 371</i>	<i>15 270</i>	<i>2 549</i>	<i>2 671</i>	<i>326</i>	<i>351</i>	<i>259</i>	<i>284</i>

## Note 8 Customer deposits by sector and industry

Retail market	31.03.23	31.03.22	31.12.22
	21 259	20 447	20 760
Corporate market	11 893	10 255	11 441
Public sector/other	2 868	2 525	2 646
<b>Customer deposits</b>	<b>36 020</b>	<b>33 226</b>	<b>34 846</b>
<b>Breakdown of customer deposits, consolidated</b>			
Deposits from and debt to customers at amortised cost	33 827	32 208	33 339
Deposits from and debt to customers at fair value	2 193	1 018	1 507
<b>Customer deposits</b>	<b>36 020</b>	<b>33 226</b>	<b>34 846</b>
<b>Breakdown of customer deposits, parent company</b>			
Deposits from and debt to customers at amortised cost	33 852	32 227	33 363
Deposits from and debt to customers at fair value	2 193	1 018	1 507
<b>Customer deposits</b>	<b>36 045</b>	<b>33 245</b>	<b>34 870</b>

## Note 9 Debt securities in issue

CONSOLIDATED	FACE VALUE			CARRYING AMOUNT		
	31.03.23	31.03.22	31.12.22	31.03.23	31.03.22	31.12.22
Bonds in issue	17 911	21 050	18 341	18 070	21 155	18 509
- of which own bonds, not amortised	- 209	- 2 460	0	- 210	- 2 483	0
<b>Debt securities in issue at amortised cost</b>	<b>17 702</b>	<b>18 590</b>	<b>18 341</b>	<b>17 860</b>	<b>18 672</b>	<b>18 509</b>
Bonds in issue (MRELS)	1 400	1 400	1 400	1 409	1 404	1 409
- of which own bonds, not amortised	0	0	0	0	0	0
<b>Debt securities in issue (MRELS) at amortised cost</b>	<b>1 400</b>	<b>1 400</b>	<b>1 400</b>	<b>1 409</b>	<b>1 404</b>	<b>1 409</b>
Bonds in issue (MRELS)	800	500	800	725	467	721
- of which own bonds, not amortised	0	0	0	0	0	0
<b>Debt securities (MRELS) measured at fair value</b>	<b>800</b>	<b>500</b>	<b>800</b>	<b>725</b>	<b>467</b>	<b>721</b>
Bonds in issue	6 825	5 100	6 825	6 629	4 941	6 530
- of which own bonds, not amortised	0	- 86	0	0	- 87	0
<b>Debt securities measured at fair value</b>	<b>6 825</b>	<b>5 014</b>	<b>6 825</b>	<b>6 629</b>	<b>4 854</b>	<b>6 530</b>
<b>Total debt securities in issue</b>	<b>26 727</b>	<b>25 504</b>	<b>27 366</b>	<b>26 623</b>	<b>25 397</b>	<b>27 169</b>

### MATURITY STRUCTURE OF DEBT SECURITIES (NET FACE VALUE)

	31.03.23	31.03.22	31.12.22
2022	0	2 054	0
2023	2 402	3 950	3 041
2024	4 100	4 100	4 100
2025	4 800	4 800	4 800
2026	4 000	4 000	4 000
2027	5 400	3 400	5 400
2028	800	500	800
2029	1 000	0	1 000
2030	1 000	1 000	1 000
2031	200	200	200
2032	525	0	525
2033	1 000	500	1 000
2034	1 000	1 000	1 000
2037	500	0	500
<b>Total debt securities (net face value)</b>	<b>26 727</b>	<b>25 504</b>	<b>27 366</b>

**New debt securities issued in 2023** 0

**Net repayment of debt securities in 2023** 410

### PARENT COMPANY

Debt securities in issue by valuation method (carrying amount)

	31.03.23	31.03.22	31.12.22
Debt securities in issue at amortised cost	1 509	2 655	1 940
Debt securities in issue (MRELS) at amortised cost	1 409	1 404	1 409
Debt securities measured at fair value	1 755	2 500	1 746
Debt securities (MRELS) measured at fair value	725	467	721
<b>Total debt securities in issue</b>	<b>5 397</b>	<b>7 026</b>	<b>5 817</b>

The Bank uses hedge accounting for six fixed-rate covered bonds issued by its subsidiary Bustadkreditt Sogn og Fjordane AS. There is a ratio of virtually 1:1 between the hedged item (the bond) and the hedging instrument (the interest rate swap).

## Note 10 Capital adequacy

<b>EQUITY AND SUBORDINATED DEBT</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.12.22</b>
Equity share capital	1 948	1 948	1 948
Deduction for own equity certificates	- 2	0	- 3
Primary capital	700	645	700
Share premium account	16	16	16
Dividend equalisation reserve	2 689	2 452	2 689
Allocated dividends and gifts	0	0	248
Reserve for unrealised gains	564	454	569
Other equity	127	192	127
Profit/loss for the reporting period	210	134	0
<b>Equity excluding hybrid capital</b>	<b>6 252</b>	<b>5 841</b>	<b>6 295</b>
<b>Other core capital</b>			
Hybrid capital	350	350	350
<b>Equity</b>	<b>6 602</b>	<b>6 191</b>	<b>6 645</b>
<b>Deductions</b>			
Deferred tax assets	- 20	- 11	- 20
Other intangible assets	- 10	- 17	- 12
Deduction for ownership interests in other companies in financial sector	- 94	- 84	- 94
Adjustment to comply with prudent valuation rules	- 18	- 17	- 20
Dividends and gifts	0	0	- 248
Profit/loss for the reporting period	- 210	- 134	0
Other deductions	0	0	0
<b>Net core capital</b>	<b>6 250</b>	<b>5 928</b>	<b>6 252</b>
<b>Core Tier 1 capital</b>	<b>5 900</b>	<b>5 578</b>	<b>5 902</b>
<b>Supplementary capital</b>			
Subordinated debt instruments	735	600	600
<b>Net supplementary capital</b>	<b>735</b>	<b>600</b>	<b>600</b>
<b>Net equity and subordinated debt</b>	<b>6 985</b>	<b>6 528</b>	<b>6 852</b>
<b>BASIS FOR CALCULATION</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.12.22</b>
<b>Credit risk</b>			
Local and regional authorities	3	4	20
Institutions	307	146	277
Enterprises	2 725	2 670	2 845
Retail loans	4 910	3 682	4 262
Residential mortgage loans	20 628	20 620	20 926
Overdue advances	560	1 014	560
Particularly high-risk assets (property development projects)	316	307	297
Equity investments	1 841	1 749	1 837
Covered bonds	561	489	539
Other advances	133	221	102
<b>Total calculation basis for credit risk</b>	<b>31 984</b>	<b>30 902</b>	<b>31 665</b>
Currency risk	0	0	0
Operational risk	2 300	2 245	2 300
CVA	34	80	36
<b>Total calculation basis</b>	<b>34 319</b>	<b>33 227</b>	<b>34 002</b>
<b>Excess equity and subordinated debt</b>	<b>4 239</b>	<b>3 870</b>	<b>4 131</b>
<b>CAPITAL ADEQUACY</b>			
Capital adequacy ratio	20,35 %	19,65 %	20,15 %
Core capital adequacy ratio	18,21 %	17,84 %	18,39 %
Core Tier 1 capital adequacy ratio	17,19 %	16,79 %	17,36 %
Unweighted core capital ratio	8,53 %	8,65 %	8,65 %

## Note 11 Transactions with related parties

Agreements and transactions between the parties have been made on market terms, as if they had been agreed between two totally independent parties.

In the consolidated financial statements, transactions between the parent and its subsidiaries have been eliminated.

## Note 12 Equity share capital and ownership structure

### Parent company

#### The equity share capital was raised as follows:

Year		Equity share capital (NOK)	Face value of each equity certificate (NOK)	Number of equity certificates
2010	Initial issue of equity certificates	1 894 953 000	100	18 949 530
2016	Equity certificates issued to existing shareholders	50 000 000	100	500 000
2016	Equity certificates issued to employees and Board	3 365 700	100	33 657
		<b>1 948 318 700</b>		<b>19 483 187</b>

Figures in NOK '000s unless otherwise specified

<b>Equity share capital</b>		31.03.23	31.03.22	31.12.22
Equity certificates		1 948 319	1 948 319	1 948 319
Share premium account		15 608	15 608	15 608
Dividend equalisation reserve		2 689 343	2 452 130	2 689 343
Own equity certificates		- 2 361	0	- 2 841
<b>Total equity share capital (A)</b>		<b>4 650 909</b>	<b>4 416 057</b>	<b>4 650 429</b>
<b>Primary capital (B)</b>		<b>700 305</b>	<b>645 461</b>	<b>700 305</b>
Reserve for unrealised gains		569 237	454 086	569 237
Hybrid capital		350 000	350 000	350 000
Proposed allocation for dividends and gifts		0	0	247 798
Other equity		298 042	297 312	0
<b>Total equity</b>		<b>6 568 493</b>	<b>6 162 916</b>	<b>6 517 769</b>
<b>Equity share capital ratio A / (A+B) after disbursal of dividends</b>		<b>86,91 %</b>	<b>87,25 %</b>	<b>86,91 %</b>
Parent company's earnings per equity certificate (weighted), in NOK		13,53	13,52	30,06
Consolidated earnings per equity certificate (weighted), in NOK		9,35	6,59	26,98
Consolidated book equity per equity certificate in NOK (excl. hybrid capital)		278,89	262,16	280,81
<b>Proposed allocation for dividends</b>				
Dividend payable per equity certificate, in NOK				12,00
<b>Total dividends</b>				<b>233 798</b>
<b>Proposed allocation for gifts</b>				
Charitable donations				14 000
<b>Total proposed allocation for dividends and gifts</b>				<b>247 798</b>
<b>Dividends and gifts as a % of consolidated profit after taxation</b>				<b>41,1 %</b>
<b>Dividends and gifts as a % of parent company profit after taxation</b>				<b>36,9 %</b>

## Note 12 Equity share capital and ownership structure (cont.)

### 20 largest holders of equity certificates with an interest of at least 1%

	Number of equity certificates 31.03.23	
Sparebankstiftinga Sogn og Fjordane	18 170 436	93,26 %
Sparebankstiftinga Fjaler	1 152 992	5,92 %
Other *)	145 455	0,75 %
Own equity certificates	14 304	0,07 %
<b>Total</b>	<b>19 483 187</b>	<b>100,00 %</b>

\*) Other owners of equity certificates comprise employees, Board members and former employees at Sparebanken Sogn og Fjordane.

### Equity certificates held by key personnel

Equity certificates held by the CEO, senior management team, members of the Board of Directors and their personal related parties, as defined by Section 7-26 of the Norwegian Accounting Act.

	Number of equity certificates
Trond Teigene, CEO	3 650
Harald Slettvoll, Director of Risk Management and Compliance	3 547
RLK Holding AS represented by Johnny Haugsbakk, Board member	3 000
Vaseth AS represented by Frode Vaseth, CFO	2 400
Frode Vaseth, CFO	150
Linda Marie Vøllestad Westbye, Retail Banking Director	1 497
Eirik Rostad Ness, Director of Human Resources	1 197
Ole Martin Eide, Board member, employee representative	1 000
Roy Stian Farsund, Corporate Banking Director	1 000
Reiel Haugland, Technology Director	698
Johanne Viken Sandnes, Director of Communications	223
Lise Mari Haugen, Chair	200
Silje Mari Sunde, Director of Business Support	147
Gro Skrede Mardal, Credit Director	110
Camilla Chruickshank, Board member, employee representative	97
<b>Total equity certificates held by key personnel and Board members</b>	<b>18 916</b>

### Information about voting rights, etc.

Representatives elected by the equity certificate owners shall have 40% of the votes at the AGM.

Representatives elected by and from our customers shall have 36% of the votes at the AGM.

Representatives elected by and from our employees shall have 24% of the votes at the AGM.

As well as requiring majority support at the AGM in the same way as for changes to the articles of association, the following matters require the support of at least 2/3 of the votes representing the equity certificate holders:

- Buying back equity certificates (Financial Institutions Act, Section 10-5)
- Any reduction or increase in the equity share capital (Financial Institutions Act, Sections 10-21 and 10-22)
- Establishing subscription rights (Financial Institutions Act, Section 10-23)
- Loans with a right to require that equity certificates be issued (Financial Institutions Act, Section 10-24)
- Decisions relating to mergers and demergers (Financial Institutions Act, Section 12-3)
- Decisions about restructuring (Financial Institutions Act, Section 12-14)

The articles of association entitle the Bank to issue negotiable equity certificates



## Note 13 Fair value of financial instruments

### FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

CONSOLIDATED	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>	31.03.23	31.03.23	31.03.22	31.03.22	31.12.22	31.12.22
Cash and cash equivalents	13	13	19	19	19	19
Loans and advances to credit institutions/ central banks	621	621	997	997	714	714
Loans to customers	58 376	58 376	53 855	53 855	57 499	57 499
<b>Total financial assets measured at amortised cost</b>	<b>59 009</b>	<b>59 009</b>	<b>54 871</b>	<b>54 871</b>	<b>58 232</b>	<b>58 232</b>
<b>Liabilities</b>						
Debt to credit institutions	503	503	804	804	504	504
Deposits from and debt to customers	33 827	33 827	32 208	32 208	33 339	33 339
Debt securities in issue	19 269	19 216	20 076	20 135	19 918	19 879
Subordinated debt instruments	739	739	602	602	603	603
<b>Total financial liabilities measured at amortised cost</b>	<b>54 338</b>	<b>54 285</b>	<b>53 690</b>	<b>53 749</b>	<b>54 364</b>	<b>54 326</b>

### FINANCIAL INSTRUMENTS AT FAIR VALUE

#### Classification by level

#### CONSOLIDATED

Assets at 31.03.23	Level 1	Level 2	Level 3	Total
Loans to customers	0	0	3 447	<b>3 447</b>
Commercial paper and bonds	0	7 782	0	<b>7 782</b>
Financial derivatives	0	442	0	<b>442</b>
Shares	0	366	397	<b>763</b>
<b>Total financial assets measured at fair value</b>	<b>0</b>	<b>8 590</b>	<b>3 844</b>	<b>12 435</b>

#### Liabilities at 31.03.23

Deposits from and debt to customers	0	0	2 193	<b>2 193</b>
Debt securities in issue	0	2 480	0	<b>2 480</b>
Debt securities in issue used as hedging instruments	0	4 874	0	<b>4 874</b>
Financial derivatives	0	554	0	<b>554</b>
<b>Total financial liabilities measured at fair value</b>	<b>0</b>	<b>7 908</b>	<b>2 193</b>	<b>10 101</b>

Assets and liabilities measured at fair value shall be classified according to how reliable the fair value estimate is. There are three classification levels:

There are three classification levels:

- Level 1: Prices quoted in active markets
- Level 2: Valuation is directly or indirectly based on observable prices for similar assets
- Level 3: Valuation is not based on observable prices, and instead relies on e.g. our own valuation models.

#### Breakdown of fair value, level 3

Consolidated	Financial assets		Financial liabilities	
At 31.03.23	Loans to customers	Shares	Customer deposits	
Nominal value/cost	3 647	241	2 190	
Fair value adjustment	- 200	156	3	
<b>Total fair value</b>	<b>3 447</b>	<b>397</b>	<b>2 193</b>	

## Note 13 Fair value of financial instruments (cont.)

### Breakdown of changes in level 3:

Consolidated	Financial assets		Financial liabilities
	Loans to customers	Shares	Deposits from and debt to customers
<b>Carrying amount at 31.12.2022</b>	<b>3 685</b>	<b>392</b>	<b>1 507</b>
Net gains/losses on financial instruments through profit or loss	- 40	5	0,4
Acquisitions over the period	0	0	686
Sales/redemptions over the period	- 198	- 1	0
Moved into level 3	0	0	0
Moved out of level 3	0	0	0
<b>Carrying amount at 31.03.2023</b>	<b>3 447</b>	<b>397</b>	<b>2 193</b>

Loans to customers and customer deposits measured at fair value comprise fixed-rate loans and deposits. The acquisitions/purchases or sales/redemptions shown for the period represent the net change excluding changes in market value. Fixed-rate deposits and fixed-rate loans are valued based on discounted cash flows. The discount rate that we use is supposed to represent the interest rate on an equivalent new product issued at the reporting date. To help us value retail loans, we use the fixed rates offered by a representative sample of our competitors. For the corporate market we use our own internal calculation models for those products.

### Sensitivity analysis, level 3

For fixed-rate deposits the average remaining term is approximately 0.97 years. Using a simple duration-based approach, a 1% fall in interest rates will increase the value of our fixed-rate deposits by approximately NOK 20.7 million. For fixed-rate loans the weighted average remaining term is approx. 3.7 years. Calculated simply, a 1% rise in the discount rate will reduce the value of our fixed-rate loans by approximately NOK 126 million.

Shares defined as level 3 assets are not listed on a stock exchange, have no known transactions and are shares for which the Bank has no observable assets that can be used for valuation purposes. In such cases we use our own valuations based on discounted cash flows or an analysis of key figures. For companies valued using a cash flow model, a required rate of return on equity of 9.03% has been used. A 10% reduction in the price to book ratio of a company valued using key figures and a 1 percentage point increase in the required rate of return in the cash flow models would cut the value by approx. NOK 40 million.

### Method used to calculate fair value of financial instruments

For more information about how the fair value of financial instruments is calculated, please see our 2022 annual report.

## Note 14 Off balance sheet items

Guarantees	31.03.23	31.03.22	31.12.22
Payment guarantees	639	569	680
Contract guarantees	263	288	272
Other guarantee liabilities	61	60	61
Commitments to investments in shares	3	3	3
<b>Total in NOK</b>	<b>966</b>	<b>921</b>	<b>1 016</b>

# Income statement, parent company

AMOUNTS IN MILLIONS OF NOK	Q1 2023	Q1 2022	2022
Interest income	557	300	1 556
Interest expenses	266	99	600
<b>Net interest income</b>	<b>291</b>	<b>201</b>	<b>956</b>
Commission income	39	36	164
Commission expenses	8	8	31
Net gains/losses on financial instruments	136	223	210
Other income	3	3	12
<b>Net other operating income</b>	<b>170</b>	<b>254</b>	<b>355</b>
<b>Total revenues</b>	<b>461</b>	<b>455</b>	<b>1 311</b>
Wages, salaries, etc.	65	59	256
Other expenses	52	43	187
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	3	9	32
<b>Total operating expenses</b>	<b>120</b>	<b>111</b>	<b>475</b>
<b>Profit/loss before impairment loss</b>	<b>341</b>	<b>344</b>	<b>836</b>
Impairment loss	- 21	15	23
<b>Profit/loss before taxation</b>	<b>361</b>	<b>329</b>	<b>813</b>
Tax expense	58	28	141
<b>Profit/loss for the reporting period</b>	<b>303</b>	<b>301</b>	<b>671</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Profit/loss for the reporting period</b>	<b>303</b>	<b>301</b>	<b>671</b>
<b>Other comprehensive income</b>			
<b>Other items that will never be reclassified to profit or loss, after tax</b>			
Remeasurements, pensions	0	0	0
<b>Total other items that will never be reclassified to profit or loss, after tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income</b>	<b>303</b>	<b>301</b>	<b>671</b>

# Balance sheet, parent company

AMOUNTS IN MILLIONS OF NOK	31.03.23	31.03.22	31.12.22
<b>ASSETS</b>			
Cash and cash equivalents	13	19	19
Loans and advances to credit institutions/central banks	5 632	3 312	5 032
Loans to customers	33 549	33 037	33 272
Commercial paper and bonds measured at fair value	7 575	9 442	7 259
Financial derivatives	750	500	716
Shares and other securities with variable returns	763	762	758
Investments in associates	3	3	3
Investments in subsidiaries	2 212	1 812	2 212
Intangible assets and goodwill	12	21	14
Fixed assets	75	82	79
Deferred tax assets	29	18	29
Other assets	161	108	159
<b>Total assets</b>	<b>50 773</b>	<b>49 115</b>	<b>49 553</b>
<b>DEBT AND EQUITY</b>			
Debt to credit institutions	649	974	640
Deposits from and debt to customers	36 045	33 245	34 870
Debt securities in issue	5 397	7 026	5 817
Financial derivatives	686	415	680
Tax payable	150	28	153
Other liabilities and provisions	540	662	273
Subordinated debt instruments	739	602	603
<b>Total liabilities</b>	<b>44 205</b>	<b>42 953</b>	<b>43 035</b>
Equity share capital	4 651	4 416	4 650
Primary capital	700	645	700
Other equity	867	751	569
Hybrid capital	350	350	350
Proposed allocation for dividends and gifts	0	0	248
<b>Total equity</b>	<b>6 568</b>	<b>6 163</b>	<b>6 518</b>
<b>Total debt and equity</b>	<b>50 773</b>	<b>49 115</b>	<b>49 553</b>

# Consolidated income statement

As a % of average total assets

	31.03.23	31.03.22	31.12.22
Interest income	4,64 %	2,55 %	3,18 %
Interest expenses	2,64 %	0,98 %	1,50 %
<b>Net interest income</b>	<b>1,99 %</b>	<b>1,57 %</b>	<b>1,67 %</b>
Commission income	0,22 %	0,22 %	0,24 %
Commission expenses	0,05 %	0,05 %	0,05 %
Net gains/losses on financial instruments	0,08 %	0,17 %	0,00 %
Other income	0,03 %	0,03 %	0,05 %
<b>Net other operating income</b>	<b>0,29 %</b>	<b>0,38 %</b>	<b>0,24 %</b>
<b>Total revenues</b>	<b>2,25 %</b>	<b>1,93 %</b>	<b>1,92 %</b>
Wages, salaries, etc.	0,40 %	0,38 %	0,40 %
Other expenses	0,30 %	0,28 %	0,29 %
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	0,01 %	0,05 %	0,04 %
<b>Total operating expenses</b>	<b>0,71 %</b>	<b>0,71 %</b>	<b>0,73 %</b>
<b>Profit/loss before impairment loss</b>	<b>1,54 %</b>	<b>1,22 %</b>	<b>1,19 %</b>
Impairment loss	- 0,02 %	0,10 %	0,05 %
<b>Profit/loss before taxation</b>	<b>1,56 %</b>	<b>1,12 %</b>	<b>1,14 %</b>
Tax expense	0,39 %	0,24 %	0,26 %
<b>Profit/loss for the reporting period</b>	<b>1,18 %</b>	<b>0,88 %</b>	<b>0,88 %</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Profit/loss for the reporting period</b>	<b>1,18 %</b>	<b>0,88 %</b>	<b>0,88 %</b>
<b>Other comprehensive income</b>			
Remeasurements, pensions	0,00 %	0,00 %	0,00 %
<b>Total other comprehensive income for the year, after tax</b>	<b>0,00 %</b>	<b>0,00 %</b>	<b>0,00 %</b>
<b>Comprehensive income</b>	<b>1,18 %</b>	<b>0,88 %</b>	<b>0,88 %</b>
<b>AVERAGE TOTAL ASSETS</b>	<b>71 165</b>	<b>66 364</b>	<b>68 515</b>



# Consolidated financial results by quarter

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Net interest income</b>	<b>349</b>	<b>332</b>	<b>291</b>	<b>268</b>	<b>257</b>
Other operating income	37	46	43	43	34
Dividends and gains/losses on financial instruments	14	1	- 18	- 11	29
<b>Net other operating income</b>	<b>51</b>	<b>47</b>	<b>25</b>	<b>32</b>	<b>63</b>
<b>Total revenues</b>	<b>401</b>	<b>379</b>	<b>315</b>	<b>300</b>	<b>320</b>
Operating expenses	127	128	128	125	118
<b>Profit/loss before impairment loss</b>	<b>274</b>	<b>250</b>	<b>187</b>	<b>175</b>	<b>203</b>
Impairment loss	- 4	30	2	- 13	17
<b>Profit/loss before taxation</b>	<b>278</b>	<b>220</b>	<b>185</b>	<b>188</b>	<b>186</b>
Tax expense	69	51	42	45	39
<b>Profit/loss after taxation</b>	<b>210</b>	<b>169</b>	<b>143</b>	<b>143</b>	<b>147</b>
Remeasurements, pensions	0	0	0	0	0
<b>COMPREHENSIVE INCOME</b>	<b>210</b>	<b>169</b>	<b>143</b>	<b>143</b>	<b>147</b>
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	
<b>Net interest income</b>	<b>250</b>	<b>235</b>	<b>231</b>	<b>229</b>	
Other operating income	42	38	40	37	
Dividends and gains/losses on financial instruments	63	36	60	14	
<b>Net other operating income</b>	<b>105</b>	<b>74</b>	<b>100</b>	<b>51</b>	
<b>Total revenues</b>	<b>355</b>	<b>309</b>	<b>331</b>	<b>279</b>	
Operating expenses	123	117	114	130	
<b>Profit/loss before impairment loss</b>	<b>232</b>	<b>192</b>	<b>217</b>	<b>149</b>	
Impairment loss	1	- 37	9	- 9	
<b>Profit/loss before taxation</b>	<b>231</b>	<b>229</b>	<b>208</b>	<b>159</b>	
Tax expense	35	53	37	36	
<b>Profit/loss after taxation</b>	<b>196</b>	<b>176</b>	<b>171</b>	<b>123</b>	
Remeasurements, pensions	0	0	0	0	
<b>COMPREHENSIVE INCOME</b>	<b>196</b>	<b>176</b>	<b>171</b>	<b>123</b>	

# Consolidated financial results by quarter

As a % of average total assets

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Net interest income</b>	<b>1,99 %</b>	<b>1,86 %</b>	<b>1,65 %</b>	<b>1,58 %</b>	<b>1,57 %</b>
Other operating income	0,21 %	0,26 %	0,25 %	0,25 %	0,21 %
Dividends and changes in the value of fin. instr.	0,08 %	0,00 %	- 0,10 %	- 0,06 %	0,17 %
<b>Net other operating income</b>	<b>0,29 %</b>	<b>0,27 %</b>	<b>0,14 %</b>	<b>0,19 %</b>	<b>0,38 %</b>
<b>Total revenues</b>	<b>2,25 %</b>	<b>2,14 %</b>	<b>1,80 %</b>	<b>1,77 %</b>	<b>1,93 %</b>
Operating expenses	0,71 %	0,73 %	0,73 %	0,73 %	0,71 %
<b>Profit/loss before impairment loss</b>	<b>1,54 %</b>	<b>1,42 %</b>	<b>1,07 %</b>	<b>1,03 %</b>	<b>1,22 %</b>
Impairment loss	- 0,02 %	0,17 %	0,01 %	- 0,08 %	0,10 %
<b>Profit/loss before taxation</b>	<b>1,56 %</b>	<b>1,25 %</b>	<b>1,06 %</b>	<b>1,11 %</b>	<b>1,12 %</b>
Tax expense	0,39 %	0,29 %	0,24 %	0,26 %	0,24 %
<b>Profit/loss after taxation</b>	<b>1,18 %</b>	<b>0,96 %</b>	<b>0,82 %</b>	<b>0,84 %</b>	<b>0,88 %</b>
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
<b>COMPREHENSIVE INCOME</b>	<b>1,18 %</b>	<b>0,96 %</b>	<b>0,82 %</b>	<b>0,84 %</b>	<b>0,88 %</b>
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	
<b>Net interest income</b>	<b>1,52 %</b>	<b>1,43 %</b>	<b>1,45 %</b>	<b>1,46 %</b>	
Other operating income	0,26 %	0,23 %	0,25 %	0,23 %	
Dividends and changes in the value of fin. instr.	0,38 %	0,22 %	0,37 %	0,09 %	
<b>Net other operating income</b>	<b>0,64 %</b>	<b>0,45 %</b>	<b>0,62 %</b>	<b>0,32 %</b>	
<b>Total revenues</b>	<b>2,17 %</b>	<b>1,89 %</b>	<b>2,04 %</b>	<b>1,76 %</b>	
Operating expenses	0,75 %	0,72 %	0,70 %	0,82 %	
<b>Profit/loss before impairment loss</b>	<b>1,42 %</b>	<b>1,17 %</b>	<b>1,34 %</b>	<b>0,94 %</b>	
Impairment loss	0,00 %	- 0,23 %	0,06 %	- 0,06 %	
<b>Profit/loss before taxation</b>	<b>1,41 %</b>	<b>1,40 %</b>	<b>1,28 %</b>	<b>1,00 %</b>	
Tax expense	0,22 %	0,32 %	0,23 %	0,23 %	
<b>Profit/loss after taxation</b>	<b>1,20 %</b>	<b>1,08 %</b>	<b>1,05 %</b>	<b>0,77 %</b>	
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	
<b>COMPREHENSIVE INCOME</b>	<b>1,20 %</b>	<b>1,08 %</b>	<b>1,05 %</b>	<b>0,77 %</b>	

# Information about the company

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