Interim report

Q2 2023 (unaudited)

Contents

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ENGLISH TRANSLATION: Språkverkstaden

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

INCOME STATEMENT	30.06.2023/ H1 2023	30.06.2022/ H1 2022	31.12.2022/ Full-year 2022
Net interest income	706	525	1 148
Dividends and gains/losses on financial instruments	74	18	0
Other operating income	83	77	166
Operating expenses	255	242	499
Profit/loss before impairment loss (incl. securities)	**607**	**378**	**815**
Profit/loss before impairment loss (excl. securities)	**533**	**360**	**815**
Impairment loss	– 16	4	36
Profit/loss before taxation	**623**	**374**	**779**
Tax expense	144	84	177
Profit/loss after taxation	**479**	**290**	**602**
Other comprehensive income	0	0	0
Comprehensive income	**479**	**290**	**602**
BALANCE SHEET			
Assets			
Gross loans and advances to customers	63 013	59 468	61 498
Loss allowance	– 289	– 306	– 314
Security investments (shares, fixed income funds, commercial paper and bonds)	9 085	8 973	8 225
Debt and equity			
Deposits from and debt to customers	37 587	35 335	34 846
Debt securities and debt to credit institutions	26 964	26 327	27 673
Equity	6 963	6 340	6 645
Total assets	73 527	69 582	70 824
Average total assets	71 806	67 123	68 515
KEY FIGURES			
Profitability			
Net interest margin	1,98 %	1,58 %	1,67 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,23 %	0,23 %	0,24 %
Operating expenses as a % of average total assets	0,71 %	0,72 %	0,73 %
Profit/loss before impairment loss as a % of average total assets	1,69 %	1,13 %	1,19 %
Profit/loss before tax as a % of average total assets	1,74 %	1,11 %	1,14 %
Profit/loss after tax as a % of average total assets	1,33 %	0,86 %	0,88 %
Comprehensive income as a % of average total assets	1,33 %	0,86 %	0,88 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	32,35 %	40,25 %	37,99 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	29,57 %	39,08 %	37,98 %
Impairment loss as a % of gross loans	– 0,02 %	0,01 %	0,06 %
Return on equity before tax 1)	19,80 %	12,67 %	13,21 %
Return on equity after tax 1)	15,23 %	9,83 %	10,21 %
Pre-tax return on equity (comprehensive income) 1)	15,23 %	9,83 %	10,21 %
Consolidated comprehensive income per equity certificate, in NOK	21,38	12,98	26,98
Dividend payable per equity certificate, in NOK			12,00

1) Return on equity is calculated based on opening equity excl. hybrid capital

Capital and liquidity position			
Capital adequacy ratio	20,36 %	19,95 %	20,15 %
Core capital adequacy ratio	18,34 %	18,12 %	18,39 %
Core Tier 1 capital adequacy ratio	17,04 %	17,05 %	17,36 %
Leverage ratio	8,45 %	8,37 %	8,65 %
Liquidity Coverage Ratio (LCR)	182 %	166 %	165 %
NSFR, consolidated	125 %	127 %	122 %
NSFR, parent company	136 %	144 %	140 %
Balance sheet history			
Growth in total assets (year-on-year)	5,67 %	5,92 %	7,62 %
Growth in gross customer lending (year-on-year)	5,96 %	6,46 %	6,67 %
Growth in customer deposits (year-on-year)	6,37 %	10,30 %	7,10 %
Deposits as a % of consolidated gross lending	59,65 %	59,42 %	56,66 %
Deposits as a % of parent company's gross lending	100,90 %	104,17 %	104,80 %
Employees			
Full-time equivalent employees	287	276	283

Interim report 30 June 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.

Q2 2023 highlights

- NOK 356 million (268 million) of net interest income
- Net gain of NOK 60 million (loss of 11 million) on financial instruments
- Operating expenses of NOK 128 million (125 million)
- Impairment gain of NOK 11 (13) million
- Pre-tax profit of NOK 345 million (188 million)
- Profit after taxation of NOK 270 million (143 million)
- Return on equity after tax of 17.3% (9.8%)
- Capital adequacy ratio of 20.4% (20.0%)

H1 2023 highlights

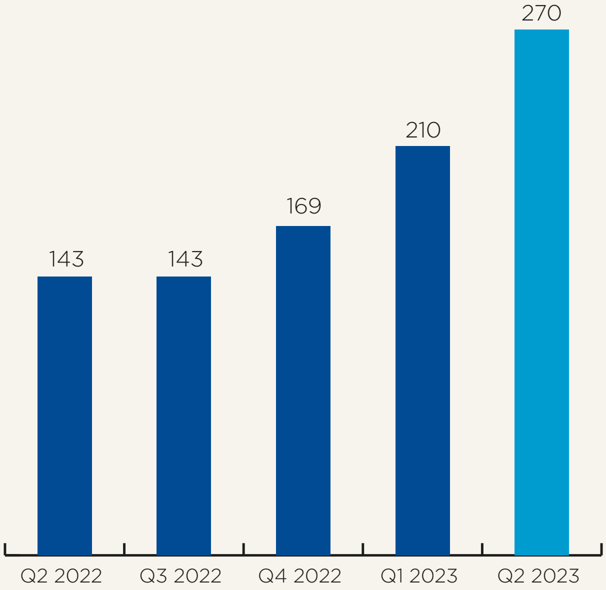
- NOK 706 million (525 million) of net interest income
- Net gain on financial instruments of NOK 74 million (18 million)
- Operating expenses of NOK 255 million (242 million)
- Impairment gain of NOK 16 million (loss of NOK 4 million)
- Profit after taxation of NOK 479 million (290 million)
- Return on equity of 15.2% (9.8%)

Q2 financial results

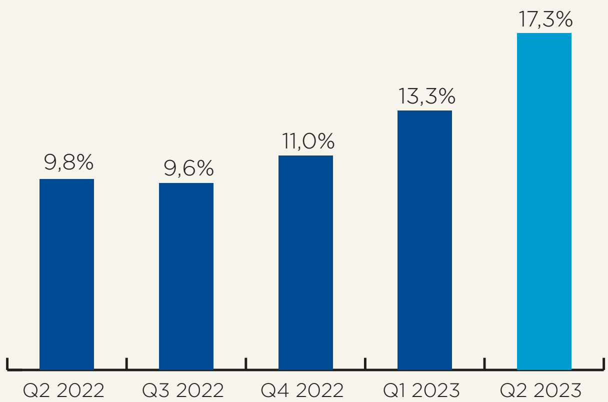
The Group made a pre-tax profit of NOK 345 million, compared with NOK 188 million in the same quarter of 2022. The improvement was due to strong growth in net interest income, a solid contribution from financial instruments and growth in other operating income. Meanwhile, operating expenses rose slightly. A similar-sized impairment gain on loans was recognised in both the second quarter of this year and last year.

The Group made a healthy profit after tax of NOK 270 million in the second quarter, compared with NOK 143 million in the same quarter last year. That corresponds to a return on equity of 17.3% in the second quarter of this year, against 9.8% in the same quarter of 2022.

Graph of profit after taxation by quarter:



Post-tax return on equity by quarter:



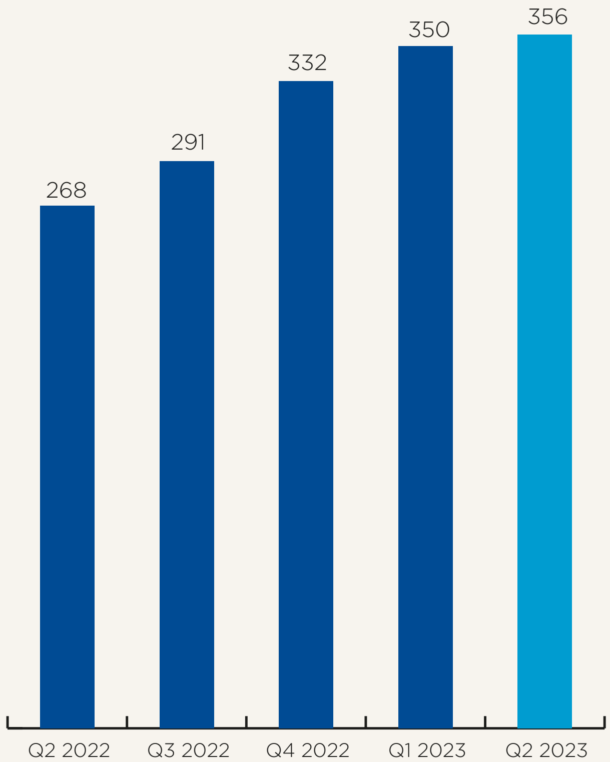
Net interest income in Q2

Net interest income totalled NOK 356 million, which was an improvement of NOK 89 million (33%) over the same quarter of 2022.

Loan growth came to 6.0% over the past 12 months, and deposits grew by 6.4%. 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 second quarter of 2022, due to the increase in the 3-month NIBOR, and viewed in isolation that had a negative impact on net interest income.

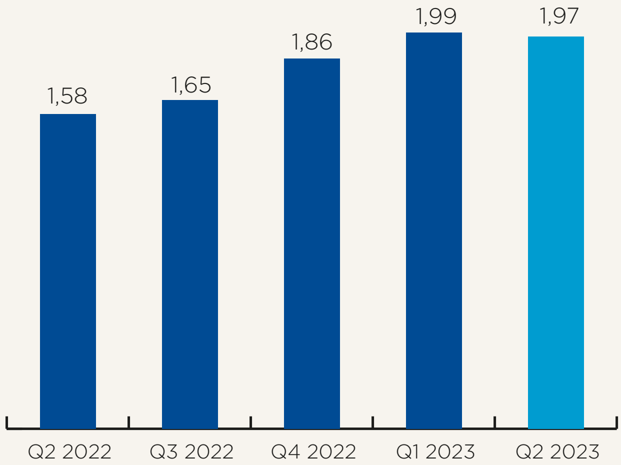
The Bank has notified its customers that interest rates on loans and deposits will rise further, in response to Norges Bank once again raising the key policy rate on 22 June. That was the fourth time that Norges Bank raised interest rates so far this year. The latest rises in interest rates have not 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 1.97% in the second quarter of 2023, which was 0.39 percentage points higher than in the second quarter of 2022. This margin was relatively low in the second quarter of 2022, and it gradually improved through 2022.

Graph of net interest margin:

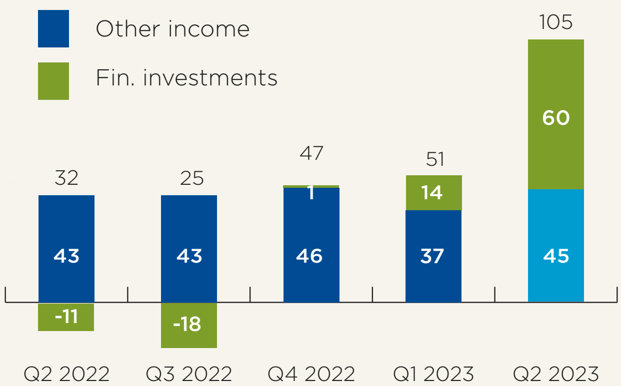


Net other operating income in Q2

In the second quarter, net other operating income came to NOK 105 million, compared with NOK 32 million in the year-earlier period. The increase was due to a strong NOK 60 million contribution from financial instruments in the second quarter of 2023, as opposed to a NOK 11 million loss in the second quarter of 2022. The gain on financial instruments in the second quarter of 2023 included a NOK 43 million contribution from shares, compared with NOK 9 million in the year-earlier quarter. The second quarter of 2023 also saw a NOK 14 million gain on financial instruments (interest items), compared with a loss of NOK 24 million the previous year.

Other income (excluding gains on financial investments) totalled NOK 45 million, NOK 2 million higher than in the second quarter of 2022. The increase was due to higher income from payment services and commission on the sale of savings products.

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

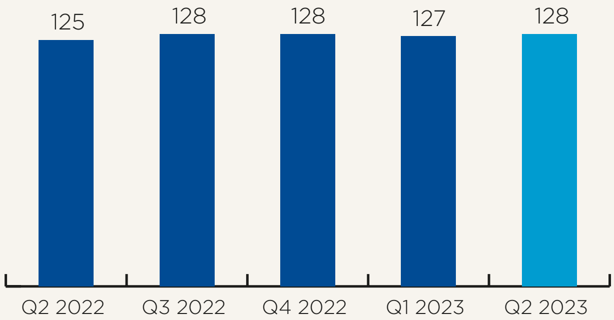


Q2 operating expenses

Second quarter operating expenses were NOK 128 million, up NOK 3 million (2.7%) from the same quarter of last year.

Expenses in the second quarter of last year included costs relating to introducing an employee equity certificate ownership scheme. There were also costs associated with the scheme this year, but they were lower than last year. Adjusted for the cost of the equity certificate scheme, expenses rose by 5.3%. This increase was mainly due to higher consultancy fees and employee benefits.

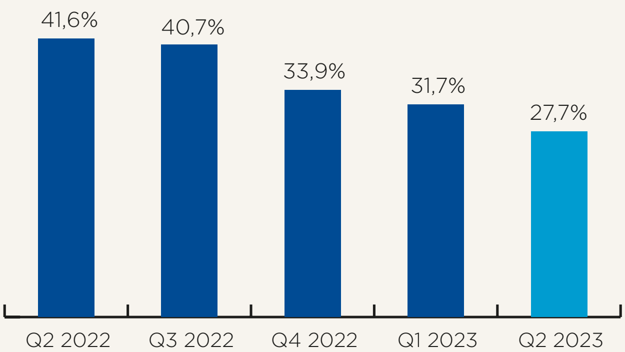
Graph of quarterly operating expenses in millions of NOK:



Operating expenses were equivalent to 0.71% of average total assets, against 0.73% in the year-earlier quarter.

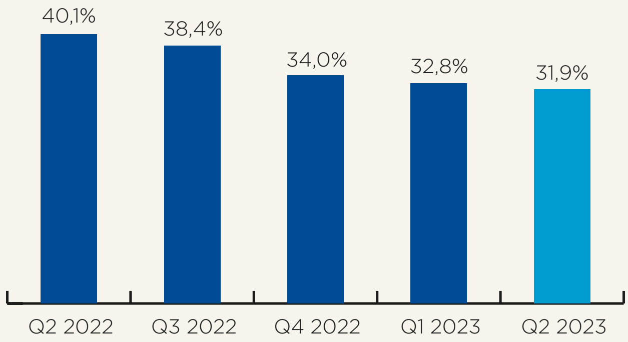
The cost-to-income ratio including financial instruments was only 27.7%, against 41.6% in the second quarter of 2022.

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.

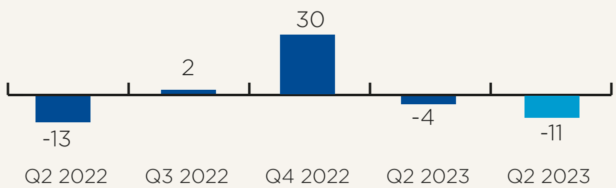
Graph of cost-to-income ratio excluding contribution from financial instruments by quarter:



Impairments in Q2

A net impairment gain of NOK 11 million was recognised for loans and guarantees, compared with a net gain of NOK 13 million in the year-earlier quarter. The gain reflects a NOK 22 million reduction in the model-based loss allowance and a NOK 11 million increase in the allowance for individually assessed assets. Expected credit losses in the retail banking market were roughly unchanged over the last quarter while expected credit losses in the corporate banking market fell.

Graph of impairment loss by quarter in millions of NOK:



Year-to-date net interest income

Net interest income totalled NOK 706 million, which was NOK 181 million, or 34.5%, higher than in the equivalent period last year. The customer margin was higher than in the same period last year, and customer loans and deposits grew strongly. However, our cost of funding rose significantly due to the increase in the 3-month NIBOR. Overall, net interest income saw healthy growth, but that was from a relatively low level in the first six months of last year.

The net interest margin was 1.98%, compared with 1.58% in the year-earlier period.

Year-to-date net other operating income

Other operating income totalled NOK 157 million, compared with NOK 95 million in the same period last year.

Net other operating income rose thanks to a strong NOK 74 million contribution from financial instruments, compared with NOK 18 million in the year-earlier period. In the first six months of this year, long-term shareholdings contributed NOK 48 million, compared with NOK 34 million in the year-earlier period. There was a net NOK 23 million impairment gain on financial instruments (interest items) in the first six months of this year, compared with an impairment loss of NOK 24 million in the year-earlier period. For further details see note 3.

Net commission income and other income (excl. profit/loss on financial instruments) came to NOK 83 million, which was NOK 6 million higher than last year. Income from payment services, investment funds and insurance services grew strongly.

Year-to-date operating expenses

Operating expenses totalled NOK 255 million, which was NOK 13 million, or 5.3%, higher than in the equivalent period last year.

Growth in expenses is affected by one-off items. Last year, an employee equity certificate ownership scheme was introduced. There were also costs associated with the scheme this year, but they were lower than last year. In addition, this year a gain was realised on the sale of a property. Adjusted for these two items, underlying expenses rose by 7.9%.

Expenses were pushed up by fees to external consultants, an increase in head count and wage growth. On the other hand, IT expenses/depreciation fell.

Operating expenses were equivalent to 0.71% of average total assets, against 0.72% for the same period last year. The full-year expense figure for 2022 was 0.73%.

Including financial instruments, the cost-to-income ratio was 29.6%, against 39.1% in the first six months of last year.

Excluding financial instruments, the cost-to-income ratio was 32.3%, against 40.2% in the same period of last year.

Year-to-date impairments for loans and guarantees

In the first six months of 2023, there was a NOK 16 million impairment gain. In the equivalent period last year, there was a net loss of NOK 4 million. Expected credit losses in the retail market have risen over the past half year, whereas losses in the corporate banking have fallen.

The loss allowance on the balance sheet for expected credit losses on loans, guarantees and undrawn credit facilities was NOK 315 million at 30 June 2023, compared with NOK 319 million at 30 June 2022. Of the loss allowance at 30 June 2023, NOK 289 million was for loans. This was equivalent to 0.46% of gross loans, compared with NOK 306 million (0.52%) a year earlier. The reduction in impairment losses is mainly related to a reduction in modelled expected credit losses. For further details, see notes 5 and 6.

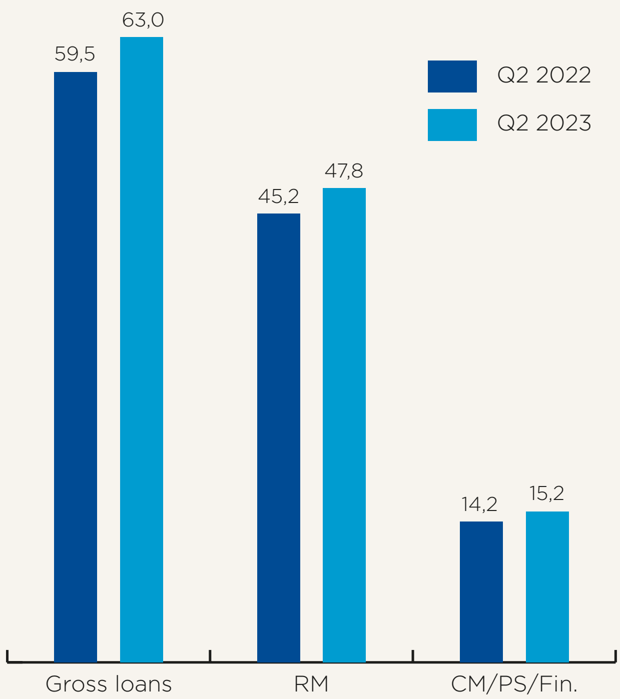
Balance sheet

The Group had total assets of NOK 73.5 billion at 30 June 2023. This represented an increase of NOK 3.9 billion (5.7%) over the previous 12 months. The increase in total assets was mainly driven by healthy growth in lending to customers and a higher liquidity reserve made up of bonds and deposits at other banks.

Loans to customers

Gross loans to customers totalled NOK 63.0 billion at the end of the quarter. Growth over the past year was NOK 3.5 billion (6.0%).

Graph of gross loans by sector in billions of NOK:



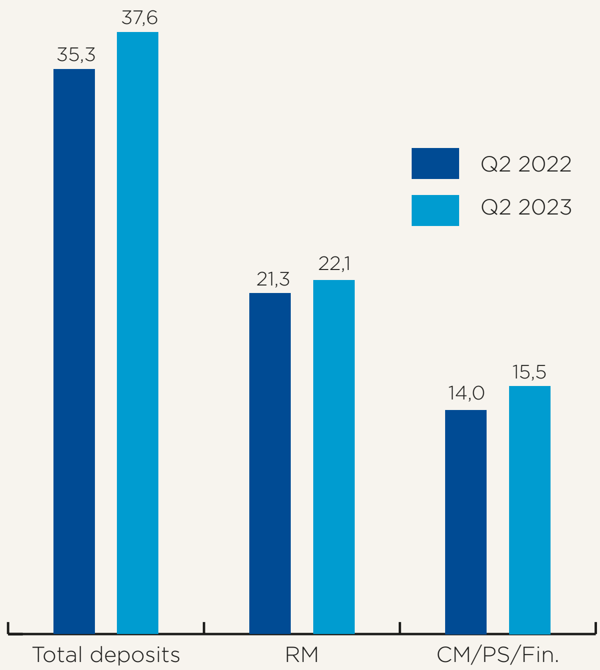
Over the past 12 months, lending to the retail market (RM) rose by 5.6%, while lending to the corporate market (CM) (including loans to the public and financial sectors) was up 7.0%.

In the first six months of the year, loans to the RM rose by 3.3% and loans to the CM were roughly unchanged.

Deposits

Customer deposits totalled NOK 37.6 billion at the end of the year. Growth over the past 12 months was NOK 2.3 billion (6.4%).

Graph of deposits by sector in billions of NOK:



Over the past 12 months, retail market deposits increased by 3.5%, while corporate market deposits (incl. deposits from the public and financial sectors) rose 10.7%.

The Group's deposit/loan ratio was 59.6%, up from 59.4% at 30 June 2022.

Credit risk

The outstanding balance of loans that were over 90 days past due reached NOK 250 million, up NOK 103 million from the equivalent figure at 30 June 2022. The increase is related to one loan where the Bank is in discussions with the customer to find a long-term plan for keeping the business going. We consider the Bank's risk of losses in relation to the loan to be low.

We still assess credit risk in the retail market to be low, but is rising slightly. Higher interest rates and generally high inflation is being reflected in our customers' liquidity and savings. 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 second quarter of 2023 than it was in 2022. Over the longer term, we expect payment difficulties to increase, but our view is that the Bank's customers are generally in a position to adjust their spending in the face of rising costs.

Higher interest rates and rapid inflation also has a negative impact on businesses. In addition, the weak Norwegian krone is creating challenges for some sectors, while for others it is an advantage. For the moment, business activity remains strong, but the Bank is expecting a slowdown in activity and investment. We closely monitor the business community in Sogn og Fjordane, and our assessment is that, overall, local businesses are in a strong position to deal with a more uncertain macroeconomic environment. Consequently, we consider credit risk in the corporate market to be moderate.

As a proportion of outstanding loans, exposure to the corporate market was 24.2% at 30 June 2023, compared with 23.9% a year earlier.

The amount of equity and subordinated debt required to meet credit risk reached NOK 2,568 million, NOK 133 million higher than at 30 June 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 9.2 billion at 30 June 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 182%, compared with 166% the previous year.

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

At 30 June 2023, the latter company had covered bonds with a face value of NOK 20.9 billion trading on the market. The total value of its cover pool was NOK 25.3 billion. At 30 June 2023, the company's cover pool was worth NOK 4.3 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 30 June 2023, the company had a NOK 25.7 billion loan portfolio, up 0.8% over the past twelve months. The company had NOK 2.2 billion of equity. The company made a pre-tax profit of NOK 72 million, compared with NOK 77 million in the first six months 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's bank buildings. It made a pre-tax profit of NOK 3.2 million in the first six months of 2023, which was roughly the same as in the year-earlier period.

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 16.4 million, which was NOK 1.1 million higher than in the equivalent period last year. The company supplied services worth NOK 1.2 million to the bank this year, compared with NOK 0.2 million in the year-earlier period. That is the main reason for the increase in its revenues. It made a pre-tax profit of NOK 2.3 million in the first six months of 2023, compared with NOK 0.7 million in the equivalent period last year.

Financial strength and return on equity

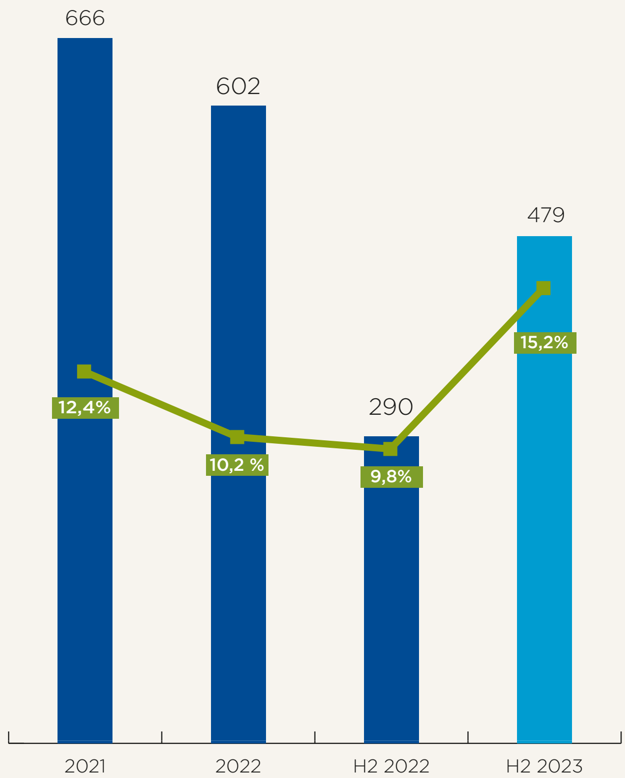
The Group's equity at 30 June 2023 totalled NOK 7.0 billion, NOK 623 million (9.8%) higher than the figure at 30 June 2022. The increase came from profit over the past year less dividends and gifts disbursed.

The Group's capital adequacy ratio at 30 June 2023 was 20.36%, compared with 19.95% at 30 June 2022. The core Tier 1 capital adequacy ratio was 17.04%, against 17.05% a year earlier.

Including profit for the first six months of the year, less a proportionate share of expected dividends and gifts, the core Tier 1 capital adequacy ratio at 30 June 2023 is estimated to have been 18.1%.

The Group made a profit after taxation of NOK 479 million in the first six months of 2023, compared with NOK 290 million in the first six months of last year. That gives a return on equity of 15.2%, compared with 9.8% in the equivalent period last year. 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 and year-to-date compared with the equivalent period last year:



Rating

As of 30 June 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.

Collaborations with other banks

In May 2023, Sparebanken Sogn og Fjordane announced that it had entered into a strategic 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. Sparebanken Sogn og Fjordane will invest NOK 630 million to become a joint owner of the SpareBank 1 alliance. In the long term, this investment will improve the Bank's revenue potential 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.

Sparebanken Sogn og Fjordane will become part of the SpareBank 1 alliance during 2024. The project to migrate and adapt to the SpareBank 1 alliance will begin at the end of August 2023. It has not been decided when the technical conversion process will be completed.

There will be various expenses involved, particularly for IT systems and the use of external consultants, but it is not yet clear how much they will amount to, as the time line and details of the project have not been finalised. As of 30 June 2023, NOK 2.1 million of external project expenses have been incurred. No provision has been made for future project expenses.

The Bank strongly believes that the partnership will benefit its customers, owners, employees and the Sogn og Fjordane region.

Summary and outlook

The Group made a healthy profit after tax of NOK 270 million in the first six months of 2023, compared with NOK 143 million in the first half of last year. This improvement was thanks to healthy growth in net interest income and a strong contribution from financial instruments.

Commission income also grew strongly. The allowance for expected credit losses fell over the quarter by a similar amount to in the second quarter of last year.

The Group's return on equity was 17.3% in the second quarter, compared with 9.8% in the second quarter of 2022.

Total loan growth came to 6.0% over the past 12 months, and deposits grew by 6.4%. The Group achieved strong growth in both the corporate and retail banking markets compared with the year-earlier period.

Total operating income rose by 54% compared with the second quarter of last year, while operating expenses rose by 2.7%. Excluding financial instruments, the cost-to-income ratio in the second quarter of 2023 was 31.9%, compared with 40.1% in the second quarter of 2022.

We had a capital adequacy ratio of 20.4% at 30 June 2023, and a core Tier 1 ratio of 17.0%.

The Bank has a strong capital adequacy ratio, cost-efficient operations and a solid market position in Sogn og Fjordane. It is also achieving healthy 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. We are prepared for the fact that some customers may face a challenging situation, due to rising expenses, and that is taken into account in our loss allowance for loans and guarantees.

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

Sparebanken Sogn og Fjordane has entered into a partnership with the SpareBank 1 alliance. This is an important strategic venture for the bank, which will strengthen its revenue potential and help it to remain strongly profitable in the future. The Board is looking forward to a successful and long-lasting partnership with the SpareBank 1 alliance.

Førde, 14 August 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 income statement

AMOUNTS IN MILLIONS OF NOK	Note	Q2 2023	Q2 2022	H1 2023	H1 2022	Full-year 2022
Interest income		877	466	1 690	883	2 176
Interest expenses		520	198	985	358	1 029
Net interest income		**356**	**268**	**706**	**525**	**1 148**
Commission income		42	38	81	75	166
Commission expenses		6	6	14	14	31
Net gains/losses on financial instruments		60	– 11	74	18	0
Other income		10	11	16	16	31
Net other operating income	**3**	**105**	**32**	**157**	**95**	**167**
Total revenues		**462**	**300**	**863**	**620**	**1 314**
Wages, salaries, etc.		65	66	136	130	276
Other expenses		56	51	110	97	199
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets		6	8	9	16	24
Total operating expenses		**128**	**125**	**255**	**242**	**499**
Profit/loss before impairment loss		**334**	**175**	**607**	**378**	**815**
Impairment loss	**4**	– 11	– 13	– 16	4	36
Profit/loss before taxation		**345**	**188**	**623**	**374**	**779**
Tax expense		75	45	144	84	177
Profit/loss for the reporting period		**270**	**143**	**479**	**290**	**602**
STATEMENT OF COMPREHENSIVE INCOME						
Profit/loss for the reporting period		**270**	**143**	**479**	**290**	**602**
Other comprehensive income						
Other items that will never be reclassified to profit or loss, after tax						
Remeasurements, pensions		0	0	0	0	0
Total other comprehensive income for the year, after tax		**0**	**0**	**0**	**0**	**0**
Comprehensive income		**270**	**143**	**479**	**290**	**602**
Comprehensive income per equity certificate (weighted), in NOK		12,03	6,41	21,38	12,98	26,98

Consolidated balance sheet

AMOUNTS IN MILLIONS OF NOK

ASSETS	Note	30.06.23	30.06.22	31.12.22
Cash and cash equivalents		15	22	19
Loans and advances to credit institutions/central banks	**13**	806	719	714
Loans to customers	**4-7, 13**	62 724	59 161	61 184
Commercial paper and bonds measured at fair value		8 349	8 254	7 467
Financial derivatives		532	396	375
Shares and other securities with variable returns		736	721	758
Investments in associates		3	3	3
Intangible assets and goodwill		12	21	16
Fixed assets		96	94	88
Deferred tax assets		20	11	20
Other assets		234	180	180
Total assets		**73 527**	**69 582**	**70 824**
DEBT AND EQUITY				
Debt to credit institutions	**13**	502	501	504
Deposits from and debt to customers	**8, 13**	37 587	35 335	34 846
Debt securities in issue	**9, 13**	26 462	25 825	27 169
Financial derivatives		882	588	612
Tax payable		144	84	187
Other liabilities and provisions		282	305	258
Subordinated debt instruments		704	602	603
Total liabilities		**66 564**	**63 241**	**64 179**
Equity share capital	**12**	4 648	4 412	4 650
Primary capital		700	645	700
Other equity		1 165	933	696
Hybrid capital		450	350	350
Proposed allocation for dividends and gifts		0	0	248
Total equity		**6 963**	**6 340**	**6 645**
Total debt and equity		**73 527**	**69 582**	**70 824**

Førde, 14 August 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

	30.06.23	30.06.22	31.12.22
Profit/loss before taxation	623	374	779
Increase/(reduction) in customer deposits	2 743	2 799	2 309
Reduction/(increase) in loans to customers	- 1 553	- 1 973	- 4 038
Depreciation and impairment of assets	9	16	24
Impairment loss	- 16	4	36
Losses/(gains) on disposal of fixed assets	- 4	0	- 9
Tax paid	- 187	- 172	- 172
Other non-cash transactions	- 226	- 72	- 120
Adjustment for other items	67	117	111
A) Net cash flow from operating activities	**1 456**	**1 093**	**- 1 079**
Reduction/(increase) in shares and other securities with variable returns	23	45	7
Reduction/(increase) in investments in commercial paper and bonds	- 888	- 1 702	- 894
Investments in fixed assets, intangible assets and goodwill	- 17	- 18	- 28
Sale of fixed assets	4	0	17
B) Net cash flow from investment activities	**- 879**	**- 1 676**	**- 898**
Increase/(decrease) in loans from credit institutions	- 2	1	4
Increase/(reduction) in debt securities in issue	- 448	765	2 147
Increase/(reduction) in subordinated debt	101	0	2
Increase/(reduction) in equity share capital	- 2	- 4	- 3
Increase in hybrid capital	100	0	0
Dividends and gifts	- 238	- 178	- 179
C) Net cash flow from financing activities	**- 489**	**585**	**1 970**
D) Net cash flow during the year (A+B+C)	**88**	**2**	**- 6**
Opening balance of cash and cash equivalents	733	739	739
Closing balance of cash and cash equivalents	**821**	**742**	**733**
Breakdown of cash and cash equivalents			
Cash and cash equivalents	15	22	19
Deposits at other financial institutions and central banks	806	719	714
Total	**821**	**742**	**733**

Consolidated statement of changes in equity

	EQUITY SHARE CAPITAL									
	Equity certi-ficates	Dividend equali-sation reserve	Own equity certi-ficates	Share pre-mium account	Primary capital	Hybrid capital	Reserve for unrea-lised gains	Other equity	Allo-cated divi-dends and gifts	Total
Balance at 31.12.21	**1 948**	**2 452**	**0**	**16**	**645**	**350**	**454**	**196**	**187**	**6 249**
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	- 7	0	0	0	**- 7**
Purchase and sale of own equity certificates	0	0	- 4	0	0	0	0	0	0	**- 4**
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	7	0	282	0	**290**
Other comprehensive income	0	0	0	0	0	0	0	0	0	**0**
Balance at 30.06.22	**1 948**	**2 452**	**- 4**	**16**	**645**	**350**	**454**	**478**	**0**	**6 340**
Balance at 31.12.21	**1 948**	**2 452**	**0**	**16**	**645**	**350**	**454**	**196**	**187**	**6 249**
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**
Balance at 31.12.22	**1 948**	**2 689**	**- 3**	**16**	**700**	**350**	**569**	**127**	**248**	**6 645**
Balance at 31.12.22	**1 948**	**2 689**	**- 3**	**16**	**700**	**350**	**569**	**127**	**248**	**6 645**
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 248	**- 248**
Change in hybrid capital	0	0	0	0	0	100	0	0	0	**100**
Interest paid to investors in hybrid capital	0	0	0	0	0	- 11	0	0	0	**- 11**
Purchase and sale of own equity certificates	0	0	- 2	0	0	0	0	0	0	**- 2**
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	11	0	468	0	**479**
Other comprehensive income	0	0	0	0	0	0	0	0	0	**0**
Balance at 31.06.23	**1 948**	**2 689**	**- 5**	**16**	**700**	**450**	**569**	**595**	**0**	**6 963**

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.

CHANGES TO ACCOUNTING STANDARDS
There have been no changes to accounting standards or interpretations in the second 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.)

INCOME STATEMENT 30.06.23	Total for group	Fin-ance	Corp. Market/ PS/FS	Retail market including Bustad-kreditt	Other	Estate agency	Pro-perty man-age-ment	Elimina-tions
Net interest income and credit commissions	706	4	292	411	0	0	0	0
Net other operating income	157	65	30	50	2	16	4	– 11
Total operating income	**863**	**69**	**321**	**461**	**2**	**16**	**4**	**– 5**
Operating expenses	255	8	81	158	3	14	1	– 11
Profit/loss before impairment loss	**607**	**61**	**240**	**303**	**– 2**	**2**	**3**	**5**
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	– 16	0	– 35	20	0	0	0	0
Profit/loss before taxation	**623**	**61**	**275**	**283**	**– 2**	**2**	**3**	**5**
BALANCE SHEET AT 30.06.2023								
Net loans and advances to customers	62 724	0	14 748	47 975	0	0	0	0
Other assets	10 803	11 129	3 735	2 120	0	23	44	– 6 248
Total assets	**73 527**	**11 129**	**18 483**	**50 095**	**0**	**23**	**44**	**– 6 248**
Deposits from and debt to customers	37 587	0	15 535	22 075	0	0	0	– 23
Other liabilities	28 977	8 319	237	24 416	0	8	7	– 4 010
Equity (incl. profit/loss for the period)	6 963	2 810	2 712	3 604	0	15	37	– 2 215
Total debt and equity	**73 527**	**11 129**	**18 483**	**50 095**	**0**	**23**	**44**	**– 6 248**

INCOME STATEMENT 30.06.22	Total for group	Fin-ance	Corp. Market/ PS/FS	Retail market including Bustad-kreditt	Other	Estate agency	Pro-perty man-age-ment	Elimina-tions
Net interest income and credit commissions	525	3	209	312	0	0	0	0
Net other operating income	95	9	28	45	2	15	4	– 9
Total operating income	**620**	**13**	**237**	**358**	**2**	**15**	**4**	**– 9**
Operating expenses	242	8	73	149	6	15	1	– 9
Profit/loss before impairment loss	**378**	**5**	**164**	**209**	**– 4**	**1**	**3**	**0**
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	4	0	3	1	0	0	0	0
Profit/loss before taxation	**374**	**5**	**160**	**208**	**– 4**	**1**	**3**	**0**
BALANCE SHEET AT 30.06.2022								
Net loans and advances to customers	59 161	0	13 716	45 446	0	0	0	0
Other assets	10 420	11 209	2 803	3 503	0	23	42	– 7 160
Total assets	**69 582**	**11 209**	**16 519**	**48 949**	**0**	**23**	**42**	**– 7 160**
Deposits from and debt to customers	35 335	0	14 025	21 329	0	0	0	– 19
Other liabilities	27 907	8 641	166	24 419	0	7	6	– 5 332
Equity (incl. profit/loss for the period)	6 340	2 569	2 327	3 201	0	16	36	– 1 809
Total debt and equity	**69 582**	**11 209**	**16 519**	**48 949**	**0**	**23**	**42**	**– 7 160**

Note 2 Segment reporting (cont.)

INCOME STATEMENT 31.12.22	Total for group	Fin-ance	Corp. Market/ PS/FS	Retail market including Bustad-kreditt	Other	Estate agency	Pro-perty man-age-ment	Elimina-tions
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
Total operating income	**1 314**	**- 6**	**535**	**762**	**4**	**30**	**8**	**- 19**
Operating expenses	499	16	152	308	11	33	– 6	– 15
Profit/loss before impairment loss	**815**	**- 23**	**383**	**455**	**- 8**	**- 3**	**15**	**- 3**
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	36	0	19	17	0	0	0	0
Profit/loss before taxation	**779**	**- 23**	**364**	**438**	**- 8**	**- 3**	**15**	**- 3**
BALANCE SHEET AT 31.12.22								
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
Total assets	**70 824**	**10 388**	**16 809**	**50 689**	**0**	**21**	**54**	**- 7 132**
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
Total debt and equity	**70 824**	**10 388**	**16 809**	**50 689**	**0**	**21**	**54**	**- 7 132**

Note 3 Other operating income

NET COMMISSION INCOME	30.06.23	30.06.22	31.12.22
Payment services	39	36	78
Security trading	14	13	27
Guarantee commissions	7	7	13
Currency services and international payments	3	2	5
Insurance services	9	8	24
Other commission income	9	8	18
Total charges and commission income	**81**	**75**	**166**
Interbank fees	0	0	1
Payment services	12	11	25
Cash back Visa credit	2	3	5
Total commission expenses	**14**	**14**	**31**
Net commission income	**66**	**61**	**135**
NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS			
Net gains/losses on foreign currency	3	8	14
Net gains/losses on financial derivatives	– 199	– 191	– 174
Net gains/losses on loans measured at fair value	– 29	– 151	– 162
Net gains/losses on deposits measured at fair value	3	0	– 2
Net gains/losses on commercial paper and bonds	– 10	– 59	– 48
Net gains/losses on shares	48	34	55
Net gains/losses on financial liabilities	258	378	317
Net gains/losses on financial instruments measured at fair value	**74**	**18**	**0**
OTHER INCOME			
Income from property	0	1	1
Estate agency	15	15	29
Other operating income	0	1	1
Total other income	**16**	**16**	**31**
TOTAL NET OTHER OPERATING INCOME	**157**	**95**	**167**

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

	Q2 2023	Q2 2022	Year-to-date 2023	Year-to-date 2022	Full-year 2022
Increase (+)/reduction (-) in individually assessed allowances	8	– 41	8	– 26	– 83
Increase (+)/reduction (-) in model-based expected credit losses	– 22	26	– 25	29	104
Losses realised during period for which a loss allowance had previously been made	3	2	3	2	18
Losses realised during period for which a loss allowance had not previously been made	0	2	0	2	4
Recoveries against previous years' realised losses	0	– 1	– 1	– 2	– 7
Impairment loss for the period	**– 11**	**– 13**	**– 16**	**4**	**36**

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.

As of the first quarter of 2023, changes have been made to the loss allowances after validating the impairment model. Amongst other things, major changes were made to how the collateral ratio is calculated and to the cure rate in the Bank's LGD model. A change was also made to 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. 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.

Consolidated

2023	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.23	**58**	**136**	**112**	**306**
Transferred to Stage 1	1	– 10	– 1	– 9
Transferred to Stage 2	– 5	26	– 4	17
Transferred to Stage 3	0	– 29	18	– 11
New financial assets issued or acquired	9	14	0	23
Derecognised financial assets	– 6	– 14	– 16	– 35
Changes to model/macroeconomic parameters	2	– 12	13	2
Actual losses covered by previous provisions	0	0	– 3	– 3
Other changes	2	– 14	5	– 7
Loss allowance for loans at amortised cost at 30.06.23	**61**	**97**	**125**	**283**
Loss allowance for loans at fair value at 30.06.23	**2**	**3**	**1**	**6**
Total loss allowance for loans at 30.06.23	**63**	**100**	**126**	**289**
Of which in the retail market	*15*	*29*	*26*	*70*
Of which in the corporate and public sector markets	*48*	*70*	*101*	*219*

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.23	**12**	**8**	**1**	**20**
Changes during the reporting period	3	– 2	5	6
Loss allowance for undrawn credit facilities and guarantees at 30.06.23	**15**	**6**	**5**	**26**
Of which in the retail market	*1*	*0*	*0*	*1*
Of which in the corporate and public sector markets	*14*	*6*	*5*	*25*

Note 5 Loss allowance (cont.)

2022	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.22	**35**	**69**	**196**	**300**
Transferred to Stage 1	2	– 11	– 3	– 11
Transferred to Stage 2	– 2	16	– 1	12
Transferred to Stage 3	0	– 3	11	8
New financial assets issued or acquired	13	12	3	28
Derecognised financial assets	– 6	– 12	– 8	– 26
Changes to model/macroeconomic parameters	– 2	– 3	– 1	– 6
Actual losses covered by previous provisions	0	0	– 2	– 2
Other changes	0	2	– 7	– 5
Loss allowance for loans at amortised cost at 30.06.22	**41**	**70**	**189**	**299**
Loss allowance for loans at fair value at 30.06.22	**1**	**1**	**5**	**7**
Loss allowance for loans at 30.06.22	**42**	**71**	**194**	**306**
Of which in the retail market	*8*	*9*	*19*	*36*
Of which in the corporate and public sector markets	*34*	*62*	*174*	*271*

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.22	**4**	**9**	**3**	**15**
Changes during the reporting period	1	– 4	0	– 3
Loss allowance for undrawn credit facilities and guarantees at 30.06.22	**5**	**5**	**3**	**12**
Of which in the retail market	*1*	*0*	*0*	*1*
Of which in the corporate and public sector markets	*4*	*5*	*2*	*11*

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 30.06.23	Probability of default starting from 30.06.23					House prices	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average	Weighting of scenario
Scenario 1: Optimistic scenario for retail market	1,50	1,65	1,50	1,35	1,20	3,3 %	25 %
Scenario 2: Base scenario for retail market	2,00	2,20	2,00	1,80	1,60	2,3 %	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 30.06.23	Probability of default starting from 30.06.23					Collateral values	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average	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 as of the first quarter, whereby the absolute limit for changes in the PD was lowered from 2023 to 0.50 percentage points, increased the volume of loans in Stage 2 by around NOK 2,298 million.

2023	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.23	**51 529**	**5 692**	**583**	**57 805**
Transferred to Stage 1	974	– 955	– 19	0
Transferred to Stage 2	– 3 896	3 945	– 49	0
Transferred to Stage 3	– 51	– 322	374	0
New financial assets issued or acquired	8 505	1 275	15	9 795
Derecognised financial assets	– 6 348	– 848	– 108	– 7 304
Other changes	– 748	13	– 14	– 750
Gross loans at amortised cost at 30.06.23	**49 964**	**8 800**	**783**	**59 547**
Loss allowance for loans at amortised cost at 30.06.23	61	97	125	283
Net loans at amortised cost at 30.06.23	**49 903**	**8 704**	**657**	**59 263**

	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.06.23	**2 943**	**509**	**15**	**3 466**
Loss allowance for loans at fair value at 30.06.23	2	3	1	6
Net loans at fair value at 30.06.23	**2 941**	**506**	**14**	**3 461**

	Stage 1	Stage 2	Stage 3	Total
Gross loans at 30.06.23	**52 907**	**9 309**	**797**	**63 013**
Of which in the retail market	*41 549*	*5 910*	*307*	*47 765*
Of which in the corporate and public sector markets	*11 358*	*3 399*	*491*	*15 247*
Loss allowance for loans at 30.06.23	63	100	126	289
Net loans at 30.06.23	**52 844**	**9 209**	**671**	**62 724**

	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 30.06.23	**5 568**	**660**	**31**	**6 260**
Of which in the retail market	*3 653*	*124*	*4*	*3 781*
Of which in the corporate and public sector markets	*1 916*	*536*	*27*	*2 479*
Loss allowance for guarantees and undrawn credit facilities at 30.06.23	15	6	5	26
Net exposure to undrawn credit facilities and guarantees at 30.06.23	**5 553**	**655**	**25**	**6 233**

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

2022	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.22	**47 903**	**4 654**	**1 043**	**53 600**
Transferred to Stage 1	1 096	– 1 077	– 19	0
Transferred to Stage 2	– 1 197	1 219	– 22	0
Transferred to Stage 3	– 25	– 127	152	0
New financial assets issued or acquired	8 741	595	28	9 364
Derecognised financial assets	– 8 927	– 869	– 75	– 9 871
Other changes	2 438	77	– 76	2 439
Gross loans at amortised cost at 30.06.22	**50 030**	**4 472**	**1 030**	**55 532**
Loss allowance for loans at amortised cost at 30.06.22	41	70	189	299
Net loans at amortised cost at 30.06.22	**49 989**	**4 402**	**841**	**55 233**

	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.06.22	**3 564**	**346**	**26**	**3 936**
Loss allowance for loans at fair value at 30.06.22	1	1	5	7
Net loans at fair value at 30.06.22	**3 563**	**344**	**21**	**3 929**

	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30.06.22	**53 594**	**4 817**	**1 056**	**59 468**
Of which in the retail market	*41 938*	*2 945*	*339*	*45 222*
Of which in the corporate and public sector markets	*11 656*	*1 872*	*717*	*14 246*
Loss allowance for loans at 30.06.22	42	71	194	306
Net loans at 30.06.22	**53 553**	**4 746**	**862**	**59 161**

	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 30.06.22	**5 811**	**412**	**164**	**6 386**
Of which in the retail market	*3 601*	*55*	*2*	*3 657*
Of which in the corporate and public sector markets	*2 210*	*357*	*162*	*2 729*
Loss allowance for guarantees and undrawn credit facilities at 30.06.22	5	5	3	12
Net exposure to undrawn credit facilities and guarantees at 30.06.22	**5 806**	**407**	**161**	**6 374**

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.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
CONSOLIDATED	30.06.23	30.06.22	31.12.22	30.06.23	30.06.22	31.12.22	30.06.23	30.06.22	31.12.22
11–30 days past due	66	145	41	0	0	0	1	2	0
31–90 days past due	79	18	47	1	0	0	2	1	1
More than 90 days past due	248	145	139	2	2	2	60	51	48
Total assets more than 10 days past due	**393**	**308**	**227**	**3**	**3**	**3**	**62**	**54**	**50**

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

Assets in default or at risk of default

An asset is considered in default or at risk of default if one or more of the following criteria apply:

- At least one of the customer's accounts is more than 90 days past due and the amount overdue is material
- An individually assessed allowance has been made for the customer
- A loss has been realised in relation to the customer
- One or more of the following external indicators applies to the customer:
  - Debt restructuring
  - Insolvency/Bankruptcy

The threshold for considering overdue payments material has been set at NOK 1,000.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
CONSOLIDATED	30.06.23	30.06.22	31.12.22	30.06.23	30.06.22	31.12.22	30.06.23	30.06.22	31.12.22
More than 90 days past due	248	145	139	2	2	2	60	51	48
Other assets in default	549	911	462	29	161	34	72	146	68
Total assets in default	**797**	**1 056**	**601**	**31**	**164**	**37**	**132**	**197**	**117**
Of which in the retail market	*307*	*339*	*285*	*4*	*2*	*2*	*26*	*19*	*19*
Of which in the corporate and public sector markets	*490*	*717*	*316*	*27*	*162*	*35*	*106*	*177*	*97*

Note 7 Loans by sector and industry

CONSOLIDATED	Gross loans 30.06.23	Gross loans 31.12.22	Guarantees and undrawn credit facilities 30.06.23	Guarantees and undrawn credit facilities 31.12.22	Loans in default and at risk of default 30.06.23	Loans in default and at risk of default 31.12.22	Loss allowance 30.06.23	Loss allowance 31.12.22
Wage and salary earners and pensioners	47 765	46 229	3 777	3 667	310	285	71	51
Public sector	4	10	69	64	0	0	0	0
Farming and forestry	1 592	1 611	216	192	10	2	10	11
Fishing and hunting	2 168	2 034	149	171	191	3	14	33
Aquaculture and hatcheries	467	532	74	90	3	42	6	10
Industry and mining	795	847	472	362	11	20	9	18
Power/water supply	666	980	23	28	3	3	7	10
Building and construction	1 581	1 529	529	759	111	116	85	83
Commerce	867	858	353	378	37	31	6	8
Transport	546	585	135	121	0	15	2	3
Hotels and tourism	461	459	43	43	5	4	4	4
Services	1 611	927	100	127	119	46	32	31
Property management	4 488	4 898	320	337	28	71	71	72
Other	0	0	0	0	0	0	0	0
Total	**63 013**	**61 498**	**6 260**	**6 338**	**828**	**638**	**315**	**334**
Of which in the retail market	*47 765*	*46 229*	*3 777*	*3 667*	*310*	*285*	*71*	*51*
Of which in the corporate and public sector markets	*15 247*	*15 270*	*2 482*	*2 671*	*517*	*353*	*245*	*284*

Note 8 Customer deposits by sector and industry

	30.06.23	30.06.22	31.12.22
Retail market	22 075	21 329	20 760
Corporate market	12 585	11 061	11 441
Public sector/other	2 926	2 945	2 646
Customer deposits	**37 587**	**35 335**	**34 846**
Breakdown of customer deposits, consolidated			
Deposits from and debt to customers at amortised cost	35 116	34 303	33 339
Deposits from and debt to customers at fair value	2 470	1 031	1 507
Customer deposits	**37 587**	**35 335**	**34 846**
Breakdown of customer deposits, parent company			
Deposits from and debt to customers at amortised cost	35 139	34 323	33 363
Deposits from and debt to customers at fair value	2 470	1 031	1 507
Customer deposits	**37 610**	**35 354**	**34 870**

Note 9 Debt securities in issue

CONSOLIDATED	FACE VALUE 30.06.23	30.06.22	31.12.22	CARRYING AMOUNT 30.06.23	30.06.22	31.12.22
Bonds in issue	17 917	19 550	18 341	18 081	19 673	18 509
- of which own bonds, not amortised	– 79	– 500	0	– 80	– 505	0
Debt securities in issue at amortised cost	**17 838**	**19 050**	**18 341**	**18 001**	**19 168**	**18 509**
Bonds in issue (MRELs)	1 400	1 400	1 400	1 410	1 404	1 409
- of which own bonds, not amortised	0	0	0	0	0	0
Debt securities in issue (MRELs) at amortised cost	**1 400**	**1 400**	**1 400**	**1 410**	**1 404**	**1 409**
Bonds in issue (MRELs)	800	500	800	685	438	721
- of which own bonds, not amortised	0	0	0	0	0	0
Debt securities (MRELs) measured at fair value	**800**	**500**	**800**	**685**	**438**	**721**
Bonds in issue	6 825	5 600	6 825	6 366	5 275	6 530
- of which own bonds, not amortised	0	– 453	0	0	– 460	0
Debt securities measured at fair value	**6 825**	**5 147**	**6 825**	**6 366**	**4 815**	**6 530**
Total debt securities in issue	**26 863**	**26 097**	**27 366**	**26 462**	**25 825**	**27 169**

MATURITY STRUCTURE OF DEBT SECURITIES (NET FACE VALUE)

	30.06.23	30.06.22	31.12.22
2022	0	647	0
2023	600	3 950	3 041
2024	3 538	4 100	4 100
2025	6 800	4 800	4 800
2026	4 500	4 000	4 000
2027	5 400	4 900	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	1 000	1 000
2034	1 000	1 000	1 000
2037	500	0	500
Total debt securities (net face value)	**26 863**	**26 097**	**27 366**

New debt securities issued in 2023	**2 500**
Net repayment of debt securities in 2023	**2 904**

PARENT COMPANY

Debt securities in issue by valuation method (carrying amount)

	30.06.23	30.06.22	31.12.22
Debt securities in issue at amortised cost	2 011	2 655	1 940
Debt securities in issue (MRELs) at amortised cost	1 410	1 404	1 409
Debt securities measured at fair value	1 739	2 099	1 746
Debt securities (MRELs) measured at fair value	685	438	721
Total debt securities in issue	**5 844**	**6 597**	**5 817**

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

EQUITY AND SUBORDINATED DEBT	30.06.23	30.06.22	31.12.22
Equity share capital	1 948	1 948	1 948
Deduction for own equity certificates	– 5	– 4	– 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	558	454	569
Other equity	127	196	127
Profit/loss for the reporting period	479	290	0
Equity excluding hybrid capital	**6 513**	**5 998**	**6 295**
Other core capital			
Hybrid capital	450	350	350
Equity	**6 963**	**6 348**	**6 645**
Deductions			
Deferred tax assets	– 20	– 11	– 20
Other intangible assets	– 9	– 15	– 12
Deduction for ownership interests in other companies in financial sector	– 94	– 80	– 94
Adjustment to comply with prudent valuation rules	– 18	– 18	– 20
Dividends and gifts	0	0	– 248
Profit/loss for the reporting period	– 479	– 290	0
Other deductions	0	– 7	0
Net core capital	**6 342**	**5 926**	**6 252**
Core Tier 1 capital	**5 892**	**5 576**	**5 902**
Supplementary capital			
Subordinated debt instruments	700	600	600
Net supplementary capital	**700**	**600**	**600**
Net equity and subordinated debt	**7 042**	**6 526**	**6 852**

BASIS FOR CALCULATION **Credit risk**	30.06.23	30.06.22	31.12.22
Local and regional authorities	4	4	20
Institutions	357	190	277
Enterprises	2 289	2 091	2 845
Retail loans	4 434	4 165	4 262
Residential mortgage loans	21 280	20 219	20 926
Overdue advances	828	1 124	560
Particularly high-risk assets (property development projects)	255	302	297
Equity investments	1 880	1 692	1 837
Covered bonds	607	562	539
Other advances	159	84	102
Total calculation basis for credit risk	**32 094**	**30 432**	**31 665**
Currency risk	0	0	0
Operational risk	2 300	2 245	2 300
CVA	191	31	36
Total calculation basis	**34 585**	**32 708**	**34 002**
Excess equity and subordinated debt	**4 275**	**3 909**	**4 131**
CAPITAL ADEQUACY			
Capital adequacy ratio	20,36 %	19,95 %	20,15 %
Core capital adequacy ratio	18,34 %	18,12 %	18,39 %
Core Tier 1 capital adequacy ratio	17,04 %	17,05 %	17,36 %
Unweighted core capital ratio	8,45 %	8,37 %	8,65 %

The capital adequacy ratio has been calculated using the Basel II capital adequacy regulations. The standardised approach has been used for credit risk, whilst the basic indicator approach has been used for operational risk. The original exposure method has been used for derivatives.

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 organisational 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
	1 948 318 700		**19 483 187**

Figures in NOK '000s unless otherwise specified

Equity share capital	30.06.23	30.06.22	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	– 5 201	– 3 813	– 2 841
Total equity share capital (A)	**4 648 069**	**4 412 245**	**4 650 429**
Primary capital (B)	**700 305**	**645 461**	**700 305**
Reserve for unrealised gains	569 237	454 086	569 237
Hybrid capital	450 000	350 000	350 000
Proposed allocation for dividends and gifts	0	0	247 798
Other equity	524 335	396 740	0
Total equity	**6 891 947**	**6 258 532**	**6 517 769**
Equity share capital ratio A / (A+B) after disbursal of dividends	**86,91 %**	**87,24 %**	**86,91 %**
Parent company's earnings per equity certificate (weighted), in NOK	23,88	18,09	30,06
Consolidated earnings per equity certificate (weighted), in NOK	21,38	12,98	26,98
Consolidated book equity per equity certificate in NOK (excl. hybrid capital)	290,53	268,25	280,81
Proposed allocation for dividends			
Dividend payable per equity certificate, in NOK			12,00
Total dividends			**233 798**
Proposed allocation for gifts			
Charitable donations			14 000
Total proposed allocation for dividends and gifts			**247 798**
Dividends and gifts as a % of consolidated profit after taxation			**41,1 %**
Dividends and gifts as a % of parent company profit after taxation			**36,9 %**

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 30.06.23	
Sparebankstiftinga Sogn og Fjordane	18 119 496	93,00 %
Sparebankstiftinga Fjaler	1 152 992	5,92 %
Other *)	182 663	0,94 %
Own equity certificates	28 036	0,14 %
Total	**19 483 187**	**100,00 %**

*) 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
Harald Slettvoll, Director of Risk Management and Compliance	3 973
Trond Teigene, CEO	3 800
Vasseth AS and Frode Vasseth, CFO	3 100
RLK Holding AS represented by Johnny Haugsbakk, Board member	3 000
Linda Marie Vøllestad Westbye, Retail Banking Director	1 650
Eirik Rostad Ness, Director of Human Resources	1 597
Ole Martin Eide, Board member, employee representative	1 159
Roy Stian Farsund, Corporate Banking Director	1 150
Kristian Skibenes, Board member	1 000
Reiel Haugland, Technology Director	698
Lise Mari Haugen, Chair	300
Johanne Viken Sandnes, Director of Communications	274
Gro Skrede Mardal, Credit Director	180
Silje Mari Sunde, Director of Business Support	147
Camilla C. Holvik, Board member, employee representative	147
Total equity certificates held by key personnel and Board members	**22 175**

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 **Assets**	Carrying amount 30.06.23	Fair value 30.06.23	Carrying amount 30.06.22	Fair value 30.06.22	Carrying amount 31.12.22	Fair value 31.12.22
Cash and cash equivalents	15	15	22	22	19	19
Loans and advances to credit institutions/ central banks	806	806	719	719	714	714
Loans to customers	59 263	59 263	55 233	55 233	57 499	57 499
Total financial assets measured at amortised cost	**60 085**	**60 085**	**55 974**	**55 974**	**58 232**	**58 232**
Liabilities						
Debt to credit institutions	502	502	501	501	504	504
Deposits from and debt to customers	35 116	35 116	34 303	34 303	33 339	33 339
Debt securities in issue	19 411	19 351	20 572	20 509	19 918	19 879
Subordinated debt instruments	704	704	602	602	603	603
Total financial liabilities measured at amortised cost	**55 734**	**55 674**	**55 979**	**55 915**	**54 364**	**54 326**

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE
Classification by level

CONSOLIDATED **Assets at 30.06.23**	Level 1	Level 2	Level 3	Total
Loans to customers	0	0	3 461	**3 461**
Commercial paper and bonds	0	8 349	0	**8 349**
Financial derivatives	0	532	0	**532**
Shares	0	366	370	**736**
Total financial assets measured at fair value	**0**	**9 246**	**3 831**	**13 077**
Liabilities at 30.06.23				
Deposits from and debt to customers	0	0	2 470	**2 470**
Debt securities in issue	0	2 423	0	**2 423**
Debt securities in issue used as hedging instruments	0	4 628	0	**4 628**
Financial derivatives	0	882	0	**882**
Total financial liabilities measured at fair value	**0**	**7 933**	**2 470**	**10 404**

Assets and liabilities measured at fair value shall be classified according to how reliable the fair value estimate is.

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 30.06.23	Loans to customers	Shares	Customer deposits
Nominal value/cost	3 660	232	2 468
Fair value adjustment	– 200	138	3
Total fair value	**3 461**	**370**	**2 470**

Note 13 Fair value of financial instruments (cont.)

Breakdown of changes in level 3:

CONSOLIDATED	Financial assets Loans to customers	Shares	Financial liabilities Deposits from and debt to customers
Carrying amount at 31.03.23	**3 447**	**397**	**2 193**
Net gains/losses on financial instruments through profit or loss	0	– 17	0,0
Acquisitions over the period	13	0	278
Sales/redemptions over the period	0	– 10	0
Moved into level 3	0	0	0
Moved out of level 3	0	0	0
Carrying amount at 30.06.23	**3 461**	**370**	**2 470**

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 0.85 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 20.6 million. For fixed-rate loans the weighted average remaining term is approx. 3.6 years. Calculated simply, a 1% rise in the discount rate will reduce the value of our fixed-rate loans by approximately NOK 124.6 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 10.8% 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 39.7 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	30.06.23	30.06.22	31.12.22
Payment guarantees	633	592	680
Contract guarantees	299	296	272
Other guarantee liabilities	61	60	61
Commitments to investments in shares	3	19	3
Total in NOK	**997**	**967**	**1 016**

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the financial statements for the first six months of 2023 have been prepared in accordance with current accounting standards, and that the information contained therein provides a true picture of the assets, liabilities, financial position and results of the Group. The Board believes that the financial statements give a true picture of the most important areas of uncertainty and potential risks faced by the Group at 30 June 2023.

Førde, 14 August 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			

Income statement, parent company

AMOUNTS IN MILLIONS OF NOK	H1 2023	H1 2022	Full-year 2022
Interest income	1 172	636	1 556
Interest expenses	576	216	600
Net interest income	**596**	**420**	**956**
Commission income	80	73	164
Commission expenses	14	14	31
Net gains/losses on financial instruments	203	213	210
Other income	6	6	12
Net other operating income	**275**	**278**	**355**
Total revenues	**871**	**698**	**1 311**
Wages, salaries, etc.	127	121	256
Other expenses	105	90	187
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	11	17	32
Total operating expenses	**243**	**229**	**475**
Profit/loss before impairment loss	**628**	**469**	**836**
Impairment loss	– 30	4	23
Profit/loss before taxation	**658**	**465**	**813**
Tax expense	122	61	141
Profit/loss for the reporting period	**535**	**404**	**671**
STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the reporting period	**535**	**404**	**671**
Other comprehensive income			
Other items that will never be reclassified to profit or loss, after tax			
Remeasurements, pensions	0	0	0
Total other items that will never be reclassified to profit or loss, after tax	**0**	**0**	**0**
Comprehensive income	**535**	**404**	**671**

Balance sheet, parent company

AMOUNTS IN MILLIONS OF NOK	30.06.23	30.06.22	31.12.22
ASSETS			
Cash and cash equivalents	15	22	19
Loans and advances to credit institutions/central banks	3 957	4 949	5 032
Loans to customers	37 026	33 646	33 272
Commercial paper and bonds measured at fair value	7 841	8 344	7 259
Financial derivatives	1 038	729	716
Shares and other securities with variable returns	736	721	758
Investments in associates	3	3	3
Investments in subsidiaries	2 212	1 812	2 212
Intangible assets and goodwill	10	18	14
Fixed assets	84	80	79
Deferred tax assets	29	18	29
Other assets	218	166	159
Total assets	**53 170**	**50 508**	**49 553**
DEBT AND EQUITY			
Debt to credit institutions	749	675	640
Deposits from and debt to customers	37 610	35 354	34 870
Debt securities in issue	5 844	6 597	5 817
Financial derivatives	959	637	680
Tax payable	122	61	153
Other liabilities and provisions	290	323	273
Subordinated debt instruments	704	602	603
Total liabilities	**46 279**	**44 249**	**43 035**
Equity share capital	4 648	4 412	4 650
Primary capital	700	645	700
Other equity	1 094	851	569
Hybrid capital	450	350	350
Proposed allocation for dividends and gifts	0	0	248
Total equity	**6 892**	**6 259**	**6 518**
Total debt and equity	**53 170**	**50 508**	**49 553**

Consolidated income statement

As a % of average total assets

	30.06.23	30.06.22	31.12.22
Interest income	4,75 %	2,65 %	3,18 %
Interest expenses	2,76 %	1,08 %	1,50 %
Net interest income	**1,98 %**	**1,58 %**	**1,67 %**
Commission income	0,23 %	0,22 %	0,24 %
Commission expenses	0,04 %	0,04 %	0,05 %
Net gains/losses on financial instruments	0,21 %	0,05 %	0,00 %
Other income	0,04 %	0,05 %	0,05 %
Net other operating income	**0,44 %**	**0,28 %**	**0,24 %**
Total revenues	**2,40 %**	**1,85 %**	**1,92 %**
Wages, salaries, etc.	0,38 %	0,39 %	0,40 %
Other expenses	0,31 %	0,29 %	0,29 %
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	0,02 %	0,05 %	0,04 %
Total operating expenses	**0,71 %**	**0,72 %**	**0,73 %**
Profit/loss before impairment loss	**1,69 %**	**1,13 %**	**1,19 %**
Impairment loss	- 0,04 %	0,01 %	0,05 %
Profit/loss before taxation	**1,74 %**	**1,11 %**	**1,14 %**
Tax expense	0,40 %	0,25 %	0,26 %
Profit/loss for the reporting period	**1,33 %**	**0,86 %**	**0,88 %**
STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the reporting period	**1,33 %**	**0,86 %**	**0,88 %**
Other comprehensive income			
Remeasurements, pensions	0,00 %	0,00 %	0,00 %
Total other comprehensive income for the year, after tax	**0,00 %**	**0,00 %**	**0,00 %**
Comprehensive income	**1,33 %**	**0,86 %**	**0,88 %**
AVERAGE TOTAL ASSETS	**71 806**	**67 123**	**68 515**

Consolidated financial results by quarter

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net interest income	**356**	**350**	**332**	**291**	**268**
Other operating income	45	37	46	43	43
Dividends and gains/losses on financial instruments	60	14	1	– 18	– 11
Net other operating income	**105**	**51**	**47**	**25**	**32**
Total revenues	**462**	**401**	**379**	**315**	**300**
Operating expenses	128	127	128	128	125
Profit/loss before impairment loss	**334**	**274**	**250**	**187**	**175**
Impairment loss	– 11	– 4	30	2	– 13
Profit/loss before taxation	**345**	**278**	**220**	**185**	**188**
Tax expense	75	69	51	42	45
Profit/loss after taxation	**270**	**210**	**169**	**143**	**143**
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	**270**	**210**	**169**	**143**	**143**

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net interest income	**257**	**250**	**235**	**231**
Other operating income	34	42	38	40
Dividends and gains/losses on financial instruments	29	63	36	60
Net other operating income	**63**	**105**	**74**	**100**
Total revenues	**320**	**355**	**309**	**331**
Operating expenses	118	123	117	114
Profit/loss before impairment loss	**203**	**232**	**192**	**217**
Impairment loss	17	1	– 37	9
Profit/loss before taxation	**186**	**231**	**229**	**208**
Tax expense	39	35	53	37
Profit/loss after taxation	**147**	**196**	**176**	**171**
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	**147**	**196**	**176**	**171**

Consolidated financial results by quarter

As a % of average total assets

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net interest income	**1,97 %**	**1,99 %**	**1,86 %**	**1,65 %**	**1,58 %**
Other operating income	0,25 %	0,21 %	0,26 %	0,25 %	0,25 %
Dividends and changes in the value of fin. instr.	0,33 %	0,08 %	0,00 %	– 0,10 %	– 0,06 %
Net other operating income	**0,58 %**	**0,29 %**	**0,27 %**	**0,14 %**	**0,19 %**
Total revenues	**2,54 %**	**2,25 %**	**2,14 %**	**1,80 %**	**1,77 %**
Operating expenses	0,71 %	0,71 %	0,73 %	0,73 %	0,73 %
Profit/loss before impairment loss	**1,84 %**	**1,54 %**	**1,42 %**	**1,07 %**	**1,03 %**
Impairment loss	– 0,06 %	– 0,02 %	0,17 %	0,01 %	– 0,08 %
Profit/loss before taxation	**1,90 %**	**1,56 %**	**1,25 %**	**1,06 %**	**1,11 %**
Tax expense	0,41 %	0,39 %	0,29 %	0,24 %	0,26 %
Profit/loss after taxation	**1,49 %**	**1,18 %**	**0,96 %**	**0,82 %**	**0,84 %**
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
COMPREHENSIVE INCOME	**1,49 %**	**1,18 %**	**0,96 %**	**0,82 %**	**0,84 %**

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net interest income	**1,57 %**	**1,52 %**	**1,43 %**	**1,45 %**
Other operating income	0,21 %	0,26 %	0,23 %	0,25 %
Dividends and changes in the value of fin. instr.	0,17 %	0,38 %	0,22 %	0,37 %
Net other operating income	**0,38 %**	**0,64 %**	**0,45 %**	**0,62 %**
Total revenues	**1,93 %**	**2,17 %**	**1,89 %**	**2,04 %**
Operating expenses	0,71 %	0,75 %	0,72 %	0,70 %
Profit/loss before impairment loss	**1,22 %**	**1,42 %**	**1,17 %**	**1,34 %**
Impairment loss	0,10 %	0,00 %	– 0,23 %	0,06 %
Profit/loss before taxation	**1,12 %**	**1,41 %**	**1,40 %**	**1,28 %**
Tax expense	0,24 %	0,22 %	0,32 %	0,23 %
Profit/loss after taxation	**0,88 %**	**1,20 %**	**1,08 %**	**1,05 %**
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %
COMPREHENSIVE INCOME	**0,88 %**	**1,20 %**	**1,08 %**	**1,05 %**

Information about the company

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