



# Quarterly report 2022

# Q3

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## Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 30.09		Q3	Q3	Year
	2022	2021	2022	2021	2021
Net interest income	3.230	2.994	1.115	992	4.001
Net commission and other income	1.317	1.262	421	406	1.717
Net income on financial investments	481	684	190	231	1.026
<b>Total income</b>	<b>5.028</b>	<b>4.940</b>	<b>1.726</b>	<b>1.629</b>	<b>6.744</b>
<b>Total operating costs</b>	<b>2.073</b>	<b>1.959</b>	<b>676</b>	<b>666</b>	<b>2.714</b>
<b>Operating profit before impairments</b>	<b>2.955</b>	<b>2.981</b>	<b>1.050</b>	<b>963</b>	<b>4.030</b>
Impairments on loans and financial commitments	-31	216	6	37	192
<b>Pre-tax profit</b>	<b>2.986</b>	<b>2.765</b>	<b>1.044</b>	<b>926</b>	<b>3.838</b>
Tax expense	608	498	215	193	682
<b>Profit after tax</b>	<b>2.378</b>	<b>2.267</b>	<b>829</b>	<b>733</b>	<b>3.156</b>
<b>BALANCE SHEET</b>					
Gross loans to customers	248.237	226.952			230.299
Deposits from customers	143.989	132.283			137.664
Total assets	334.255	296.987			304.402
Average total assets	315.776	293.769			295.753
<b>Selected key figures</b> (for further key figures see page 41 of the interim report)					
Return on equity <sup>1)</sup>	12,0 %	12,1 %	12,5 %	11,7 %	12,6 %
Cost ratio <sup>1)</sup>	41,2 %	39,7 %	39,2 %	40,9 %	40,2 %
Combined weighted total average spread for lending and deposits <sup>1)</sup>	1,37 %	1,36 %	1,37 %	1,31 %	1,35 %
<b>Balance growth</b>					
Growth in loans <sup>1)</sup>	9,4 %	4,7 %			5,07 %
Growth in loans inclusive SpareBank 1 Boligkreditt	9,4 %	3,1 %			5,10 %
Growth in deposits <sup>1)</sup>	8,8 %	16,8 %			16,50 %
<b>Solidity</b>					
Common equity Tier 1 capital ratio	17,8 %	17,6 %			17,4 %
Tier 1 capital ratio	19,2 %	19,2 %			18,9 %
Capital ratio	20,8 %	20,9 %			20,5 %
Tier 1 capital	25.237	24.252			24.163
Risk weighted balance	131.601	126.616			127.981
Leverage ratio	6,8 %	7,3 %			7,1 %
<b>Liquidity</b>					
Liquidity Coverage Ratio (LCR) <sup>2)</sup>	181 %	160 %			168 %
Deposit-to-loan ratio <sup>1)</sup>	58,0 %	58,3 %			59,8 %
<b>Impairments on loans and financial commitments <sup>1)</sup></b>					
Impairment ratio <sup>1)</sup>	-0,02 %	0,13 %			0,09 %
<b>Loans and financial commitments in Stage 3 <sup>1)</sup></b>					
Loans and financial commitments in Stage 3, % of gross loans and financial commitments <sup>1)</sup>	1,39 %	1,78 %			1,46 %
<b>SpareBank 1 SR-Bank share</b>					
	<b>30.09.22</b>	<b>31.12.21</b>	<b>31.12.20</b>	<b>31.12.19</b>	<b>31.12.18</b>
Market price	102,00	133,20	91,00	100,00	89,20
Market capitalisation (MNOK)	26.087	34.066	23.273	25.575	22.813
Book equity per share (including dividends) (group) <sup>1)</sup>	102,86	99,05	95,97	89,90	82,27
Earnings per share, NOK	9,06	12,08	5,87	12,06	8,96
Dividends per share	n.a.	6,00	3,10	5,50	4,50
Price / Earnings per share <sup>1)</sup>	8,44	11,03	15,50	8,29	9,96
Price / Book equity <sup>1)</sup>	0,99	1,34	0,95	1,11	1,08
Effective return <sup>3)</sup>	-18,9 %	55,8 %	-9,0 %	17,2 %	7,4 %

<sup>1)</sup> Defined as alternative performance targets (APMs), see the appendix to the interim report

<sup>2)</sup> High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

<sup>3)</sup> %- change in the market price in the last period, including paid share dividend

## Increase in profit driven by solid growth and low impairment provisions

### Q3 2022

- Pre-tax profit: NOK 1.044 million (NOK 926 million)
  - Net profit for the quarter: NOK 829 million (NOK 733 million)
  - Return on equity after tax: 12.5% (11.7%)
  - Earnings per share: NOK 3.16 (NOK 2.80)
  - Net interest income: NOK 1,115 million (NOK 992 million)
  - Net commissions and other operating income: NOK 421 million (NOK 406 million)
  - Net income from financial investments: NOK 190 million (NOK 231 million)
  - Operating expenses: NOK 676 million (NOK 666 million)
  - Impairments on loans and financial liabilities: NOK 6 million (NOK 37 million)
- (Q3 2021 in brackets)

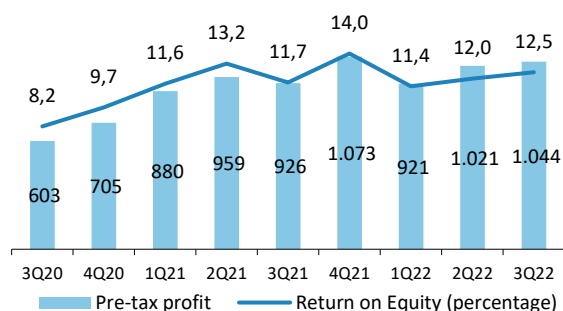
### As at 30 September 2022

- Pre-tax profit: NOK 2,986 million (NOK 2,765 million)
  - Net profit for the period: NOK 2,378 million (NOK 2,267 million)
  - Return on equity after tax: 12.0% (12.1%)
  - Earnings per share: NOK 9.06 (NOK 8.68)
  - Net interest income: NOK 3,230 million (NOK 2,994 million)
  - Net commissions and other operating income: NOK 1,317 million (NOK 1,262 million)
  - Net income from financial investments: NOK 481 million (NOK 684 million)
  - Operating costs: NOK 2,073 million (NOK 1,959 million)
  - Impairments on loans and financial liabilities: NOK -31 million (NOK 216 million)
  - Total lending growth over past 12 months: 9.4% (3.1%)
  - Growth in deposits over past 12 months: 8.8% (16.8%)
  - Common Equity Tier 1 capital ratio: 17.8% (17.6%)
  - Capital ratio: 20.8% (20.9%)
- (As at 30 september 2021 figures in brackets)

### Financial performance – Q3 2022

The group made a pre-tax profit of NOK 1,044 million in the third quarter of 2022, NOK 23 higher than in the previous quarter. This resulted in a return on equity after tax of 12.5% for the quarter, up from 12.0% in the second quarter of 2022.

Fig. 1 Financial performance



Net interest income amounted to NOK 1,115 million in the third quarter of 2022, NOK 14 million higher than in the previous quarter (plus NOK 2 million corrected for number of days). Higher lending volume and return on equity compensated for a lower interest margin in the third quarter. The average interest margin was 1.37% in the third quarter of 2022, compared with 1.40% in the second quarter of 2022.

Net commission and other income was NOK 421 million in the third quarter of 2022, NOK 45 million lower than in the second quarter of 2022. Natural seasonal variations led to lower income from SpareBank 1 ForretningsPartner AS and EiendomsMegler 1 SR-Eiendom AS of NOK 28 million and NOK 27 million, respectively. Income linked to payment facilities increased by NOK 15 million, while other commissions were NOK 5 million lower.

Net income from financial investments was NOK 190 million in the third quarter of 2022, an increase of NOK 86 million compared with the previous quarter. The change in value in the investment in Sandnes Sparebank was NOK 28 million lower and income from interest rate and currency trading increased by NOK 60 million, of which the market value of basis swaps increased by NOK 54 million. Income from associated companies increased by NOK 3 million compared with the previous quarter, although dividends recognised as income were NOK 7 million lower.

Operating expenses amounted to NOK 676 million in the third quarter of 2022, a reduction of NOK 26 million from the previous quarter, which included reductions in costs amounting to NOK 16 million in SpareBank 1 ForretningsPartner and NOK 7 million in the parent bank. Pension costs in the parent bank were reduced with NOK 18 million compared with the previous quarter due to a one-time effect of NOK 17 million in the third quarter, see note 12.

Impairments on loans and financial commitments amounted to NOK 6 million for the third quarter of 2022, compared with income recognition of NOK 52 million in the previous quarter. Individual losses of NOK 35 million were reversed, while IFRS 9 impairment provisions increased by NOK 42 million in the quarter. The increase in the IFRS 9 impairment provisions was mainly due to an increase of the uncertainty premium on exposed parts in the Corporate Market portfolio due to the effects of the war in Ukraine. The buffer was increased to NOK 100 million, up NOK 30 million from the previous quarter.

### Important events in Q3

In September, an agreement was concluded with Base Property concerning the purchase of SpareBank 1 SR-Bank ASA's former head office at Bjergsted Terrasse 1. Final takeover is expected on 5 January 2023. Selling the building will provide an estimated gain of around NOK 85 million for SpareBank 1 SR-Bank ASA. Income recognition is expected in the first quarter of 2023.

The Norwegian FSA has approved the application regarding the strategic partnership with Swedbank for Corporate Market growth. During the next few months SpareBank 1 SR-Bank ASA is taking over a Corporate customer portfolio of around NOK 5.6 billion from Swedbank.

### Financial performance as at 30 September 2022

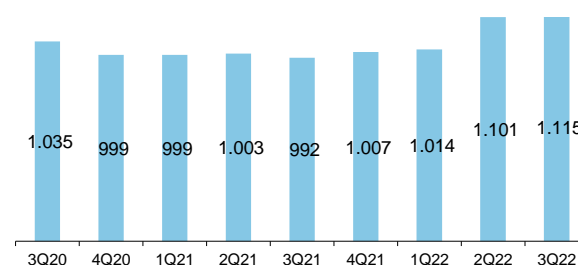
As at 30 September 2022, the group's pre-tax profit amounted to NOK 2,986 million (NOK 2,765 million), an increase of NOK 221 million compared with the same period last year, of which lower impairment provisions accounted for NOK 247 million.

The group's results were positively impacted by the increase in net interest income and net commission and other income of NOK 236 million and NOK 55 million, respectively. Lower net income on financial investments, NOK 236 million, and higher costs, NOK 114 million, had a negative impact on the operating result. As at 30 September 2022, the group's return on equity after tax was 12.0% (12.1%).

### Net interest income

The group's net interest income totalled NOK 3,230 million as at 30 September 2022 (NOK 2,994 million). The increase was mainly due to increased lending volumes, improved interest margins and a higher return on equity due to higher interest rates. Lower lending margins in the Retail Market due to a climbing interest rate path reduced interest income compared with the same period last year.

Fig. 2 Net interest income



As at 30 September 2022, the average interest margin was 1.37% (1.36%).

### Net commission and other income

As at 30 September 2022, net commission and other income totalled NOK 1,317 million (NOK 1,262 million).

Table 1, Commission and other income

	30.09.22	30.09.21
Payment facilities	231	175
Savings/placements	99	166
Insurance products	199	170
Commission income real estate broking	300	343
Guarantee commission	88	78
Arrangement- and customer fees	91	92
Customer fees ForretningsPartner	282	224
Other	27	14
<b>Net commission and other income</b>	<b>1.317</b>	<b>1.262</b>

Income from payment facilities amounted to NOK 231 million as at 30 September 2022 (NOK 175 million). The increase is a result of travel activities and credit card use picking up again, after the Covid-19 restrictions last year. Income from saving and placements amounted to NOK 99 million as at 30 September 2022 (NOK 166 million). The decrease was due to portfolio income from SpareBank 1 Forvaltning now being recognised as profit contributions following SR-Forvaltning AS was acquired by SpareBank 1 Forvaltning on 29 December 2021. Corrected for this, income from savings/placements increased by NOK 2 million. SpareBank 1 SR-Bank ASA's stake in Sparebank 1 Forvaltning AS was 35.6% at the end of the third quarter of 2022. Income from insurance amounted to NOK 199 million (NOK 170 million) and both life insurance and non-life insurance saw good growth. Income from real estate agency services amounted to NOK 300 million (NOK 343 million). The reduction was due to a low order reserve at the start of the year and changes to the Alienation Act. This was sorted out in March and turnover was back to a normal level again. Towards the end of the third quarter, supply in the market increased and the turn over time is on the rise. This is mainly due to higher interest rates and turbulence in the market. Income from arrangement- and customer fees amounted to NOK 91 million as at 30 September 2022 (NOK 92 million). Income from SpareBank 1 SR-Bank ForretningsPartner AS amounted to NOK 282 million as at 30 September 2022 (NOK 224 million). The increase was primarily due to the acquisition of Tveit Regnskap AS with effect from 15 April 2021.

#### **Net income on financial investments**

As at 30 September 2022, net income on financial investments amounted to NOK 481 million (NOK 684 million).

Table 2, Income on financial investments

	30.09.22	30.09.21
Dividends	43	9
Investment income, associates	241	453
Income from financial instruments	197	222
- Capital gains/losses on securities	-142	136
- Capital gains/losses interest/currency	339	86
<b>Total income on financial investments</b>	<b>481</b>	<b>684</b>

Dividends received as at 30 September 2022 amounted to NOK 43 million (NOK 9 million). Dividends from Sandnes Sparebank increased by NOK 18 million (dividends from Sandnes Sparebank were received in the fourth quarter in 2021), dividends from SpareBank 1 Markets AS increased by NOK 12 million and dividends from FinStart Nordic AS also grew.

Income from associated companies amounted to NOK 241 million as at 30 September 2022 (NOK 453 million). The profit contribution from SpareBank 1 Gruppen AS amounted to NOK 47 million (NOK 298 million), the profit contribution from BN Bank ASA amounted to NOK 149 million (NOK 122 million) and the profit contribution from SpareBank 1 Forvaltning AS amounted to NOK 53 million (NOK 22 million). Income from other associated companies amounted to NOK -8 million (NOK 11 million). For more information about the underlying results in associated companies, see page 11.

Income from financial instruments as at 30 September 2022 totalled NOK 197 million (NOK 222 million). Price changes on securities amounted to NOK -142 million (NOK 136 million) and were due to price changes in the fixed income portfolio totalling NOK -173 million (NOK -64 million) and prices changes totalling NOK 31 million (NOK 200 million) from the portfolio of shares and certificates. NOK 35 million of the total price changes on shares and certificates was due to the investment in SpareBank 1 Markets (NOK 13 million). The equity certificates in Sandnes Sparebank saw a change in value of NOK -34 million (NOK 89 million) and investments in FinStart Nordic AS increased in value by NOK 31 million (NOK 79 million). NOK 51 million of the NOK 79 million increase in value in FinStart Nordic AS in 2021 was linked to the realisation of a single investment in Boost Ai AS.

Price changes in interest and currency trading amounted to NOK 339 million as at 30 September

2022 (NOK 86 million). Price changes for customer and own account trading amounted to NOK 155 million (NOK 101 million), the value of basis swaps changed by NOK 149 million (NOK -36 million), and the sum of hedging accounting and other IFRS effects was NOK 36 million (NOK 21 million).

### Operating expenses

The group's operating expenses amounted to NOK 2,073 million as at 30 September 2022 (NOK 1,959 million).

Table 3, Operating expenses

	30.09.22	30.09.21
Personnel expenses	1.311	1.237
IT expenses	293	282
Marketing	65	55
Administrative expenses	70	45
Operating expenses from real estate	36	27
Other operating expenses	167	180
Depreciation	131	133
<b>Total operating expenses</b>	<b>2.073</b>	<b>1.959</b>

Of the total increase in costs of NOK 114 million, NOK 72 million was due to higher costs in SpareBank 1 SR-Bank ForretningsPartner AS, mainly due to the acquisition of Tveit Regnskap AS with effect from 15 April 2021. Fewer sales in the property market resulted in less activity in EiendomsMegler 1 SR-Eiendom AS and reduced costs by NOK 18 million. In addition, there was a NOK 31 million reduction in costs due to SR-Forvaltning AS no longer being consolidated into the accounts after its sale to SpareBank 1 Forvaltning AS. Corrected for these items, costs grew by NOK 91 million, of which personnel costs accounted for NOK 58 million.

Personnel costs amounted to NOK 1,311 million as at 30 September 2022 (NOK 1,237 million). Excluding the increased personnel costs in SpareBank 1 SR-Bank ForretningsPartner AS and reduced personnel costs in EiendomsMegler 1 SR-Eiendom AS and SR-Forvaltning AS, personnel costs increased by NOK 58 million (4.8 %) compared with the same period last year. The change was mainly due to an average increase of 30 FTEs and ordinary wages growth. Pension costs decreased by NOK 18 million compared with the same period last year due to a one-time effect of NOK 17 million in the third quarter.

Operating costs other than personnel costs were NOK 762 million as at 30 September 2022 (NOK 722 million). The increase in other operating costs was

mainly attributable to higher costs related to marketing and administration.

The group's cost to income ratio was 41.2% as at 30 September 2022 (39.7%). As at 30 September 2022, there has been higher net interest income and higher commission and other income than in the corresponding period last year. However, the cost to income ratio is weakened as a result of a weaker net income on financial investments and increased expenses compared to 30 September 2021.

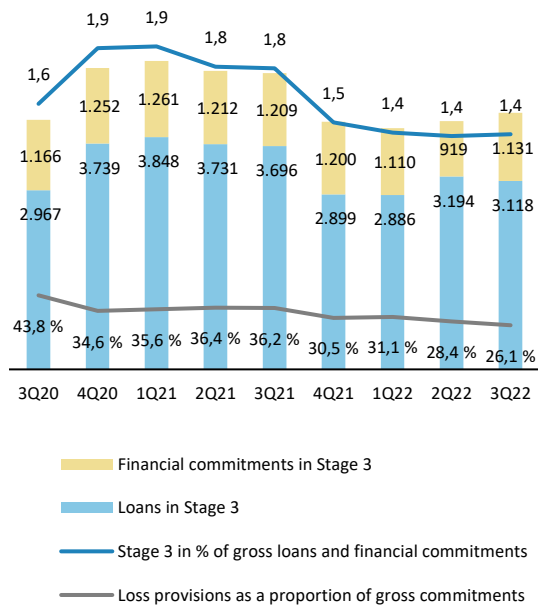
### Impairments on loans and financial commitments, and loans and financial commitments in Stage 3

The group saw income recognition of NOK 31 million in relation to impairments on loans and financial commitments as at 30 September 2022 (cost recognition of NOK 216 million). Of the income recognition of NOK 31 million, NOK 87 million was related to reduced impairments on loans and financial commitments, while NOK 56 million in costs from IFRS impairment provisions were recognised, including a NOK 30 million increase in the uncertainty premium related to the war in Ukraine in this quarter. In total, the uncertainty premium related to the war in Ukraine amounts to NOK 100 million. The bank's ongoing risk assessments of the consequences of the war in Ukraine have identified few exposures in the corporate market portfolio that could be directly impacted by the war in the short term. However, the war in Ukraine has increased the uncertainty associated with future developments that are currently not reflected in underlying portfolio developments.

The group's impairments on loans and financial commitments amounted to -0.02% of gross loans as at 30 September 2022 (0.13%).

The group's loans and financial commitments are classified into three groups: Stage 1, Stage 2 and Stage 3. Stage 3 is used for loans and financial liabilities that have seen a significant rise in credit risk since being granted and where there is objective evidence of a loss event on the balance sheet date. The loss provision must cover expected losses over their lifetime for these loans and financial liabilities. Gross loans and financial liabilities classified as Stage 3 amounted to NOK 4,249 million at the end of the third quarter of 2022 (NOK 4,905 million), of which provisions as a percentage of gross exposures were 26.1% (36.2%). Gross loans and financial commitments classified as Stage 3 corresponded to 1.4% (1.8%) of gross loans and financial liabilities.

Fig. 3 Gross loans and financial commitments in Stage 3

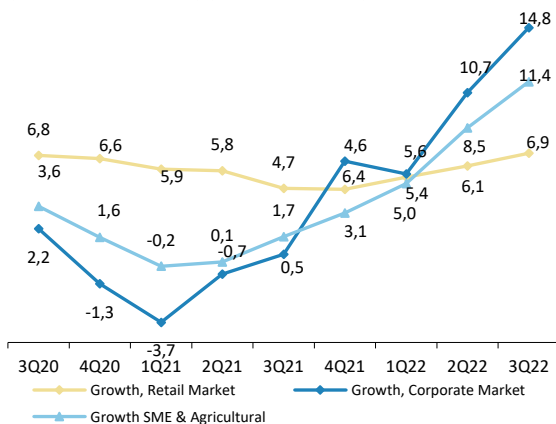


### Loans to and deposits from customers

Gross loans amounted to NOK 248.2 billion at the end of the third quarter of 2022 (NOK 227.0 billion). Gross lending growth in the past 12 months was 9.4% (3.1%). Adjusted for exchange rate effects of NOK 2.0 billion in the past 12 months, gross lending growth was 8.5%.

In the past 12 months, Retail Market, SME & Agriculture and Corporate Market have seen lending growth of 6.9%, 11.4% and 14.8% (12.0% adjusted for foreign exchange effects), respectively.

Fig. 4 12 month lending growth (percentage)



<sup>1</sup> The interest on intercompany receivables for Retail market, SME & Agriculture and Corporate Market is fixed based on expected observable market interest rates (NIBOR) plus expected additional costs for the group's long-term funding (credit premium). Differences between the group's actual

Loans to the Retail Market accounted for 60.9% of total loans at the end of the third quarter of 2022 (62.4%).

The group's total loan exposure of NOK 248.2 billion (NOK 227.0 billion) included a majority of exposures with a probability of default of less than 0.5%. These exposures accounted for 65.3% (65.4%) of the portfolio. The overall lending portfolio largely consisted of exposures of less than NOK 10 million. These accounted for 65.0% (67.7%) of loan exposure and 97.9% (98.2%) of total customers. Of the total loan exposure, 20.9% (18.8%) was to customers with exposures in excess of NOK 100 million.

Over the past 12 months, deposits from customers have increased by 8.8% (16.8%) to NOK 144.0 billion (NOK 132.3 billion). Excluding deposits from customers in the public sector, deposits have grown by 9.6% overall in the past 12 months, with growth of 8.2% in Retail Market, 7.5% in SME & Agriculture and 13.8% in Corporate Market. At the end of the third quarter of 2022, deposits from retail customers accounted for 46.4% (46.6%) of the group's deposits. The deposit-to-loan ratio was 58.0% at the end of the third quarter of 2022 (58.3%).

### Business areas

SpareBank 1 SR-Bank ASA is split into different business areas, which are defined on the basis of their form of distribution, products, and customers. The reporting format is based on the risk and return profile of the assets and is split into Retail Market, SME & Agriculture, Corporate Market, Capital Market and significant subsidiaries. The Retail Market division's result and balance sheet items include the figures from SR-Boligkreditt AS.

### Retail Market<sup>1</sup>

Retail Market posted a contribution before impairment provisions of NOK 1,290 million as at 30 September 2022 (NOK 1,288 million).

funding costs and the applied interest on intercompany receivables are eliminated at the group level.



Table 4, Retail Market

	30.09.22	30.09.21
Interest income	1.292	1.323
Commission and other income	462	401
Income on investment securities	-	0
Total income	1.754	1.724
Total operating expenses	464	436
Operating profit before impairments	1.290	1.288
Impairments on loans and financial commitments	5	-10
Pre-tax profit	1.285	1.298

Net interest income decreased by NOK 31 million, while net commissions increased by NOK 61 million compared with the same period last year.

Total operating costs amounted to NOK 464 million (NOK 436 million). The increase was largely due to general wage and price inflation.

The volume of lending in Retail Market was NOK 154.0 billion at the end of the third quarter (NOK 144.0 billion). The volume of deposits amounted to NOK 67.4 billion at the end of the third quarter of 2022 (NOK 62.3 billion).

The quality of the Retail Market portfolio is considered to be very good with a low risk of losses and low defaults. The proportion of loan exposure within 85% of the loan to value ratio was 95.7% at end of the third quarter of 2022 (95.4%). The model-calculated IRB risk weights for residential mortgages was 18.1% at the end of the quarter (18.1%), and reflects a solid, stable portfolio.

SpareBank 1 SR-Bank ASA will open a new branch in Arendal in the fourth quarter of 2022.

### **SME & Agriculture<sup>1</sup>**

SME & Agriculture received a contribution before impairment provisions of NOK 459 million as at 30 September 2022 (NOK 356 million).

Table 5, SME &amp; Agriculture

	30.09.22	30.09.21
Interest income	446	347
Commission and other income	94	81
Income on investment securities	4	1
Total income	544	429
Total operating expenses	85	73
Operating profit before impairments	459	356
Impairments on loans and financial commitments	24	24
Pre-tax profit	435	332

The higher result before impairment provisions was mainly due to higher interest rates as a result of a higher deposit margin and increased deposit and lending volumes.

The volume of lending in the division was NOK 17.7 billion at the end of the third quarter of 2022 (NOK 15.9 billion) and the deposit volume was NOK 17.5 billion (NOK 16.3 billion).

The quality of the SME & Agriculture portfolio is considered very good, with a low risk of losses and low defaults. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 85.0% of the portfolio at the end of the third quarter of 2022 (86.4%).

### **Corporate Market<sup>1</sup>**

Corporate Market' contribution before impairment provisions increased to NOK 1,320 million as at 30 September 2022 (NOK 1,256 million). As at 30 September 2022, interest income amounted to NOK 1,215 million (NOK 1,145 million). The increase was primarily due to high lending growth. Previous impairment provisions were reversed as at 30 September 2022 and the division's pre-tax profit improved by NOK 326 million to NOK 1,380 million (NOK 1,054 million).

Table 6, Corporate Market

	30.09.22	30.09.21
Interest income	1.215	1.145
Commission and other income	203	179
Income on investment securities	29	44
Total income	1.447	1.368
Total operating expenses	127	112
Operating profit before impairments	1.320	1.256
Impairments on loans and financial commitments	-60	202
Pre-tax profit	1.380	1.054

The lending volume in the division amounted to NOK 76.9 billion at the end of the third quarter of 2022 (NOK 67.0 billion). Exchange rate effects accounted for NOK 1.9 billion of the total growth of NOK 9.9 billion. The volume of deposits amounted to NOK 60.2 billion at the end of the period (NOK 55.0 billion). Almost half of the growth in the volume of deposits came from customers in the public sector.

The quality in Corporate Market is also considered good. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 83.5% of the portfolio at the end of the third quarter of 2022 (87.3%). The property sector portfolio represents the group's largest concentration in a single sector and accounted for 13.6% (14.2%) of total loan exposure. A large portion of this portfolio consists of financing commercial properties for leasing.

There have been major movements in the interest rate and currency markets during 2022. The bank conducts ongoing risk assessments of how the effects of this, combined with the uncertainty due to the war in Ukraine, including the development of commodity and energy prices, are affecting customers. A comprehensive analysis has been conducted in which the corporate portfolio was reviewed. The analysis shows that most customers are well positioned and are taking the steps necessary to manage increased costs and uncertainty in the market. In the coming period, the bank will ensure close customer follow-up, at the same time as work will be done on overarching portfolio analyses per region and industry to ensure good management and control.

### **Capital Market <sup>2</sup>**

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and Corporate Finance services. In June 2022, SpareBank 1 SR-Bank ASA announced a greater focus on capital markets through the acquisition of shares in SpareBank 1 Markets AS. SpareBank 1 SR-Bank ASA is increasing its stake in SpareBank 1 Markets AS by spinning off SR-Bank Markets and transferring this business to SpareBank 1 Markets AS. Assuming the necessary approvals are forthcoming, the transaction will be completed in the first quarter of 2023.

<sup>2</sup> Capital Market serves customers throughout the group and customer income is now recognised, in its entirety, in the business area to which the customer belongs.

SR-Bank Markets' operating income amounted to NOK 174 million as at 30 September 2022 (NOK 179 million). The income generated is recognised as income in the business areas to which the customers are assigned, primarily Corporate Market. As at 30 September 2022, NOK 57 million had been recognised as income in the business areas (NOK 66 million). As at 30 September 2022, the operating profit before tax amounted to NOK 65 million (NOK 61 million).

Table 7, Capital market

	30.09.22	30.09.21
Interest income	-2	20
Commission and other income	62	76
Income on investment securities	114	83
Total income	174	179
- allocated to Corporate market	57	66
Total income after allocation	117	113
Total operating expenses	52	52
Pre-tax profit	65	61

### **Subsidiaries**

#### ***EiendomsMegler 1 SR-Eiendom AS***

As at 30 September 2022, the company posted a turnover of NOK 311 million (NOK 350 million) and a pre-tax profit of NOK 31.7 million (NOK 51.3 million). The reduction was due to a low order reserve at the start of the year and changes to the Alienation Act. This was sorted out in March and turnover was back to a normal level again. Towards the end of the third quarter, supply in the market increased and the turn over time is on the rise. This is mainly due to higher interest rates and turbulence in the market.

As at 30 September 2022, 4,962 (5,809) properties had been sold with a total value of around NOK 17.1 billion (NOK 20.6 billion). The supply of new assignments was marginally weaker than in the corresponding period last year with a 4.9% reduction compared with a national reduction of 2.9%.

Overall, the company is the largest actor in real estate brokerage in the counties of Rogaland, Vestland and Agder, with a stable market share of just under 20%.

The housing market has been strong so far this year, although not at the levels it was at in the record years of 2020 and 2021. The number of transactions so far

is on a par with 2019 and slightly below the average for the last 5 years. The demand for all types of homes was high, especially for detached and terraced houses. A majority of homes achieved prices above their anticipated price and the time they took to sell was historically short at 35 days. The market for holiday properties remains good, although the market is trending towards a levelling off of prices and a lower volume.

House price growth in our main area of Nord-Jæren is 9.4% year to date, with Kristiansand at 10.9% and Bergen at 5.3%. National house price growth year to date is 7.5%. A further increase in the supply of homes during the autumn may further curb the growth in prices, although the property market is expected to remain good.

The commercial property market has been good so far in 2022, with higher levels of activity in both leasing and transactions. Despite a good level of activity, income decreased by NOK 4.7 million compared with the same period last year.

New builds saw a reduction in income compared with the same period last year. The market is markedly down due to higher material costs, which is resulting in delays and uncertainty surrounding starting projects.

#### ***SpareBank 1 SR-Bank ForretningsPartner AS***

As at 30 September 2022, SpareBank 1 SR-Bank ForretningsPartner AS posted a turnover of NOK 304.0 million (NOK 241.3 million) and a pre-tax profit of NOK 15.0 million (NOK 30.3 million). The increase in turnover was primarily due to the full effect of Tveit Regnskap AS (acquisition with effect from 15 April 2021). The result for the year to date was weaker than for the same period last year and this is primarily due to extraordinary income last year related to mergers and acquisitions, as well as increased costs related to integration work in 2022. The result includes depreciation of intangible assets amounting to NOK 4.8 million (NOK 3.9 million).

SpareBank 1 SR-Bank ForretningsPartner AS has through a number of acquisitions established a solid market position in accounting services, with offices in Rogaland, Vestland, Oslo and Agder. SpareBank 1 SR-Bank ForretningsPartner AS is one of the country's largest actors within accounting and advisory services.

#### ***SR-Boligkreditt AS***

As at 30 September 2022, the company's pre-tax profit was NOK 1,225.7 million (NOK 565.0 million). The improved profit was mainly due to a positive market value adjustment of basis swaps. Market value adjustment of basis swaps amounted to NOK 734.5 million as at 30 September 2022, compared with NOK -133.7 million in the same period last year. Net interest income fell by NOK 224.2 million as at 30 September 2021 to NOK 517.7 million as at 30 September 2022.

The company's purpose is to purchase residential mortgages from SpareBank 1 SR-Bank ASA, and it funds this by issuing covered bonds. SR-Boligkreditt AS enables the parent company to diversify and optimise its funding. Moody's has given SR-Boligkreditt AS its best rating, Aaa. At the end of the third quarter of 2022, the company had issued covered bonds with a nominal value of NOK 86.7 billion (NOK 80.3 billion) and bought loans worth NOK 105.8 billion (NOK 91.6 billion) from SpareBank 1 SR-Bank ASA.

#### ***FinStart Nordic AS***

FinStart Nordic AS invests in, and contributes to the development and growth of, innovative financial technology companies. The aim is to strengthen and expand the group's existing value chains and contribute to the streamlining of its core business through the supply of innovative products and services. At the same time, FinStart Nordic AS is looking to achieve a financial return on the company portfolio. The company also manages a portfolio from a former subsidiary that primarily had investments linked to the oil industry.

As at 30 September 2022, the company's pre-tax profit was NOK 33.5 million (NOK 71.9 million). In the year to date, the value of the financial technology (fintech) portfolio has increased by NOK 6.7 million (NOK 56.8 million) and the value of investments in the oil industry has increased by NOK 24.6 million (NOK 21.6 million). Last year, a sell-down in Boost.ai AS significantly contributed to the positive change in value in the fintech portfolio.

The change in the value of the fintech portfolio is based on ongoing valuations of a portfolio of early-stage companies.

FinStart Nordic AS made its first investment within sustainable finance in the company Celsia AS in the third quarter. The sustainability company Celsia AS was established in 2021 and hopes to accelerate the

green transition by making sustainability scoring simple. The EU taxonomy for sustainable activities is a cornerstone of the EU's action plan for sustainable finance and forms an important part of the green transition plan. By investing in Celsia AS, FinStart Nordic AS is playing an active role in supporting SpareBank 1 SR-Bank ASA's strategy of being the customer's ally in the transition to a sustainable society.

New fintech, tech or impact/ESG investments are assessed on an ongoing basis with the purpose of strengthening the group's capacity for streamlining, business development and innovation.

#### **Monio AS**

Monio AS (formerly Monner AS) is a payment company and a registered loan arranger. Monio AS is a licensed payment initiation service provider (PISP) and account information service provider (AISP) under the PSD2 Regulation.

As at 30 September 2022, Monio AS posted a deficit of NOK 10.2 million (NOK 54.2 million). The negative result was in line with expectations and due to the company being in a development phase, which means that costs from products and market development will be higher than earnings. As at 30 September 2021, NOK 70.3 million of the profit was related to the gain from the sale of Monner Gründer's business to SpareBank 1 SR-Bank ASA. The gain was eliminated in the consolidated accounts.

Monio AS arranges direct loans from private investors (people and limited liability companies) to small and medium-sized Norwegian companies via its proprietary digital platform. At the end of the third quarter of 2022, the company had arranged loans totalling NOK 903 million (NOK 579 million) for Norwegian enterprises. The company's main product is arranging secured loans for property projects. The market for crowd funded corporate loans has grown, although it appears that the growth has levelled off somewhat. Monio AS has focused on strengthening the portfolio and is continuing to deliver a low proportion of defaults. Monio AS had arranged loans for more than NOK 257 million as at 30 September 2022 compared with NOK 258 million as at 30 September 2021.

#### **Key associated companies**

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#### **SpareBank 1 Alliance**

The SpareBank 1 Alliance is Norway's second largest financial group and is a banking and product partnership in which the SpareBank 1 banks in Norway cooperate in order to keep them strong and independent. The purpose of the alliance is to procure and provide competitive financial services and products, and to exploit economies of scale in the form of lower costs and/or higher quality. The alliance is run through its ownership and participation in SpareBank 1 Utvikling DA, while the development and operation of product companies is organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

#### **SpareBank 1 Gruppen AS**

SpareBank 1 Gruppen AS owns 100% of the shares in SpareBank 1 Forsikring AS, SpareBank 1 Factoring AS, Modhi Finance AS and SpareBank 1 Spleis AS. SpareBank 1 Gruppen AS also owns 65% of the shares in Fremtind Forsikring AS and 49% of the shares in LO Favør AS. SpareBank 1 SR-Bank ASA owned a 19.5% stake in SpareBank 1 Gruppen AS at the end of the third quarter of 2022.

As at 30 September 2022, SpareBank 1 Gruppen AS posted a significantly weaker result than the result for the corresponding period last year. The pre-tax profit amounted to NOK 595 million (NOK 2,816 million). The profit after tax amounted to NOK 444 million (NOK 2,170 million). The controlling interest's share of the net profit amounted to NOK 238 million (NOK 1,527 million). The poorer result was due to a weak equity market and a negative change in value in the fixed-income portfolio in the insurance companies, as well as a significant incidence of natural damage in Fremtind Forsikring. The annualised return on equity was 4.0% (20.2%).

The Fremtind Forsikring Group saw a significantly lower result as at 30 September 2022 due to a poorer insurance and financial result. The insurance result was affected by a negative result in the group portfolio, a high incidence of natural damage, and a higher claims ratio. The financial result was lower than in the same period last year due to a negative return on equities and the negative development of fixed income securities. The return on equities for the year to date amounted to -22.5%, compared with 16.7% last year.

SpareBank 1 Forsikring AS posted a pre-tax result of NOK -155 million as at 30 September 2022 (NOK 293 million). The result as at 30 September 2022 was

affected by a lower management result due to lower fee income and higher operating costs. In addition to this, the interest result was significantly weaker due to a poorer return on the company portfolio and the adjustment of property values.

#### **SpareBank 1 Utvikling DA**

SpareBank 1 Utvikling DA delivers business platforms and common management and development services to the alliance banks. The company contributes to joint activities that provide the banks with benefits in the form of economies of scale and expertise. The company also owns and manages the alliance's intellectual property rights under common brand name: SpareBank 1. SpareBank 1 SR-Bank ASA owned an 18.0% stake in SpareBank 1 Utvikling DA at the end of the third quarter of 2022.

#### **SpareBank 1 Forvaltning AS**

SpareBank 1 Forvaltning AS delivers products and services designed to streamline and simplify savings for its customers. The SpareBank 1 Forvaltning group was established on 1.5.2021. The company consists of the subsidiaries ODIN, SpareBank 1 Kapitalforvaltning AS, SpareBank 1 Verdipapirservice AS and SR-Forvaltning AS. On 29.12.2021, SR-Forvaltning AS was acquired by SpareBank 1 Forvaltning AS. SpareBank 1 Forvaltning AS is owned by the SpareBank 1 banks and the Norwegian Confederation of Trade Unions (LO). SpareBank 1 SR-Bank ASA's stake was 35.6% at the end of the third quarter of 2022.

SpareBank 1 Forvaltning AS posted a pre-tax profit of NOK 190 million as at 30 September 2022. Income has grown despite a volatile market.

#### **BN Bank ASA**

BN Bank ASA is a nationwide bank with its head office in Trondheim. As at 30 September 2022, BN Bank ASA's pre-tax profit was NOK 569 million (NOK 470 million). The improvement in the result was largely due to increased income. Net interest income increased by NOK 131 million and other operating income increased by NOK 27 million compared with the same period last year. NOK 25 million in impairment provisions had been recognised as costs as at 30 September 2022, while NOK 22 million in impairment provisions had been reversed as at 30 September 2021.

The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank ASA's stake was 35.0% at the end of the third quarter of 2022.

#### **SpareBank 1 Kreditt AS**

SpareBank 1 Kreditt AS is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank ASA owns a stake of 16.1%. The company provides credit card solutions for the SpareBank 1 banks and posted a pre-tax profit of NOK 63 million as at 30 September 2022 (NOK 78 million). The income side has developed positively due to society being largely shut down in 2021, plus solid growth related to refinancing products in 2022. However, costs and lending losses also increased. Impairment provisions amounted to NOK 17 million as at 30 September 2022, up from NOK 3 million in the same period last year.

#### **SpareBank 1 Betaling AS**

The SpareBank 1 banks jointly own SpareBank 1 Betaling AS. SpareBank 1 SR-Bank ASA's stake is 19.1%. SpareBank 1 Betaling AS owns a 23.4% stake in Vipps AS.

Vipps AS's plans for the merger of BankID and BankAxept have been approved. The merger is expected to be completed during the fourth quarter of 2022.

SpareBank 1 Betaling AS posted a pre-tax result of NOK -42.6 million as at 30 September 2022 (NOK -27.9 million). The negative profit contribution was due to its share of the operating loss in Vipps AS.

For more information about the accounts of the various companies, please refer to their quarterly reports, which are available on their websites.

#### **Funding and liquidity**

SpareBank 1 SR-Bank ASA had good liquidity at the end of the third quarter of 2022 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer was NOK 53.7 billion at the end of the third quarter of 2022 and would cover normal operations for 28 months in the event of closed markets and without net lending growth. NOK 22.0 billion of the bank's external funding will come due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 16.1 billion in residential mortgages ready for covered bond funding.

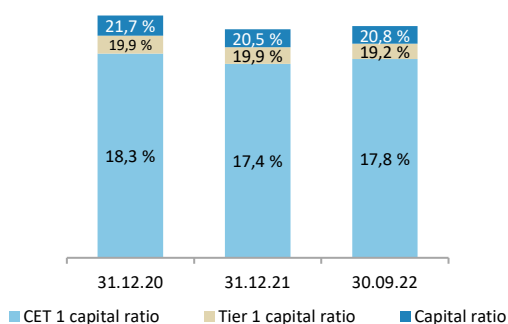
The group has continued to enjoy a high proportion of long-term funding in the past 12 months. The group's net stable funding ratio (NSFR) was 127% at the end of the third quarter of 2022 (125%), which confirms

the group's good funding situation. SpareBank 1 SR-Bank ASA has an A1 long-term rating and a P-1 short-term rating from Moody's.

### Capital adequacy

At the end of the third quarter of 2022, the Common Equity Tier 1 capital ratio was 17.8%, compared with 17.4% as at 31.12.2021, up 42 basis points. The 'banking package' (CRR II/CRD IV) came into force in the second quarter of 2022 and reduced the risk-weighted balance sheet by NOK 3.4 billion, equivalent to approximately 47 basis points.

Fig. 5 Capital adequacy



The total requirement for SpareBank 1 SR-Bank ASA's Common Equity Tier 1 capital ratio was 15.85% at the end of the third quarter of 2022. The requirement includes a systemic risk buffer, countercyclical buffer, Pillar 2 premium and capital adequacy margin.

The Tier 1 capital ratio was 19.2%, while the total capital ratio was 20.8% at the end of the third quarter of 2022. This is well above the capital adequacy requirement of 19.35%, including the capital requirement margin of 1.25%.

A countercyclical buffer requirement applies in Norway in the range of 0-2.5 percentage points in the form of Common Equity Tier 1 capital. The purpose of the countercyclical buffer is to make the banks more solid and robust in relation to lending losses. The capital buffer requirement amounted to 2.5 percentage points at the end of 2019. As a result of the Covid-19 situation, the countercyclical buffer requirement was reduced by 1.5 percentage points to 1.0% with effect from March 2020. In June 2021, the Ministry of Finance decided to increase the capital requirement for the countercyclical buffer by 0.5 percentage points to 1.5% with effect from 30 June 2022. In December 2021, a decision was made to increase the countercyclical buffer requirement by a further 0.5 percentage points to 2.0% with effect from

31 December 2022. In March 2022, a decision was made to introduce a full countercyclical buffer of 2.5% with effect from 31 March 2023.

The Pillar 2 premium is an institution-specific premium intended to ensure that Norwegian banks have adequate capital to cover the risk associated with operations, including risks not covered by the regulatory minimum requirement.

In April 2022, the Financial Supervisory Authority of Norway set an individual Pillar 2 premium for the group of 1.6 percentage points, down from the 1.7 percentage points set in 2018. The authority also expects the group to have a capital adequacy margin of 1.25%, up from 1.0%. The authority's decision became effective on 30 April 2022.

In March, the board adopted a new target for the Common Equity Tier 1 capital ratio of at least 16.85%. This includes a full countercyclical buffer of 2.5%.

### New crisis management directive and MREL

Based on the EU Crisis Management Directive (BRRD), the group will have to meet a minimum requirement for own funds and eligible liabilities (MREL). On 15 October 2020, the Ministry of Finance published a consultation paper on the introduction of BRRD2 in Norway, which entails an MREL requirement of 34.4% and an MREL subordination requirement of 27.4%. The requirement for lower priority (non-preferred senior debt) must be met by 1 January 2024 and can be phased in by SpareBank 1 SR-Bank ASA including senior debt up to this date, provided that it meets the general requirements for eligible liabilities. At the end of the third quarter of 2022, SpareBank 1 SR-Bank ASA was carrying senior debt that falls due after 30. September 2022 amounting to NOK 27.2 billion and issued non-preferred senior debt of NOK 7.1 billion. This requirement is, therefore, met by a good margin.

### The bank's share

The price of the bank's share (SRBNK) was NOK 102.0 at the end of the third quarter of 2022. This resulted in an effective negative return of 23.4% from the end of 2021. The Oslo Børs's main index fell by 8.2% in the corresponding period (not corrected for dividends). Some 4.1% of outstanding SRBNK shares were traded in the third quarter of 2022 (3.7%).

Fig.6, Development in Price/Book



There were 18,083 shareholders of SRBNK at the end of the third quarter of 2022 (15,830). The proportion owned by foreign companies and individuals was 22.6% (22.5%), while 65.7% (65.5%) were resident in Rogaland, Agder, Vestland, Oslo and Viken. The 20 largest shareholders owned a combined total of 56.0% of the shares (56.8%). The bank held 30,196 treasury shares, while employees of the group owned 1.8% (1.7%).

The table below shows the 20 largest shareholders as at 30 September 2022:

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,3 %
Folketrygdfondet	17.533	6,9 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,4 %
Brown Brothers Harriman & Co, U.S.A.	6.206	2,4 %
State Street Bank and Trust Co, U.S.A.	4.984	1,9 %
JPMorgan Chase Bank NA, U.S.A.	3.526	1,4 %
Odin Norge	3.019	1,2 %
Pareto Aksje Norge	2.955	1,2 %
Verdipapirfondet Alfred Berg Gambak	2.922	1,1 %
Danske Invest Norske Instit. II	2.429	0,9 %
State Street Bank and Trust Co, U.S.A.	2.415	0,9 %
J.P.Morgan SE, Luxembourg	2.383	0,9 %
State Street Bank and Trust Co, U.S.A.	2.293	0,9 %
Pareto Invest Norge AS	2.244	0,9 %
AS Clipper	2.234	0,9 %
Spesialfondet Borea Utbytte	2.033	0,8 %
Vpf Nordea Norge Verdi	1.962	0,8 %
Westco AS	1.847	0,7 %
The Bank of New York Mellon SA, Belgia	1.807	0,7 %
The Bank of New York Mellon SA, Belgia	1.771	0,7 %
<b>Total 20 largest</b>	<b>143.209</b>	<b>56,0 %</b>

The group established a share savings arrangement for the group's employees in 2019, and the scheme

has been continued in 2022. All permanent employees have an opportunity to purchase shares for a specified savings amount, limited to a maximum of NOK 3,000 per employee per month, at a 30% discount and with a lock-in period of 2 years. More than 1,150 of the group's almost 1,600 employees have signed a regular savings agreement for the share savings scheme in 2022.

### Accounting policies

Please refer to notes 1 and 2 for a description of the accounting policies and judgements applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements. For more information about this see notes 1 and 2.

### Events after the balance sheet date

No material events have been registered after 30 September 2022 that affect the interim financial statements as prepared.

### Sustainable development

The business sector's focus on sustainability has significantly increased recently. SpareBank 1 SR-Bank ASA thinks this is a positive development and sees great opportunities in the green shift. The group is actively striving to contribute to sustainable development and believes it has a responsibility to be part of the solution and a proactive ally in the transition to a more sustainable society. In autumn 2021, the group adopted a new sustainability strategy as part of its corporate strategy. The ambition is for sustainability to form an integral part of everything the group does. SpareBank 1 SR-Bank ASA will work to help achieve the Paris Agreement's goal of limiting global warming to 1.5°C. The group has set itself the goals of becoming climate neutral by the end of 2022 and achieving net zero emissions from its lending and investment activities by 2050 to underpin this ambition. A target of funding NOK 50 billion in sustainable activities by 2030 has also been set. The group supports the UN Sustainable Development Goals and has selected three goals that it is particularly focusing on: Goal 5 Gender equality, Goal 8 Decent work and economic growth, and Goal 13 Climate action. The group has developed specific targets for these.

## Regulatory matters

Sustainable finance is in the process of transitioning from being almost unregulated to being regulated in several areas. In Norway, it is primarily the Act on sustainability disclosures in the financial services sector and a framework for sustainable investments that is showing the way. This Act enacts the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU taxonomy for sustainable activities into Norwegian law. It will make it easier for investors to compare investments and also reduce the risk of greenwashing. Additionally, the Norwegian Transparency Act, which came into force on 1 July 2022, sets requirements for how companies manage the risk associated with human rights and transparency related to the dark side of global value chains. SpareBank 1 SR-Bank ASA has included taxonomy-related information from and including the annual report for 2021 in line with the wishes of the Ministry of Finance.

The group will closely monitor how sustainable finance regulations develop and continue to ensure that the applicable requirements are met at all times.

## Key initiatives in 2022

The sustainability strategy that was approved in autumn 2021 set in motion a number of internal processes that will run through 2022. One particularly important project is the group-wide skills boost for employees within the area of sustainability. One of the ambitions in the strategy is to ensure that all employees of SpareBank 1 SR-Bank ASA have an active and responsible relationship to sustainability, and to achieve this it is important that the group offers relevant training. The skills boost is a multi-phase project that will run over the next 2-3 years. The central sustainability department will also hire more people to strengthen our capacity to implement the measures set out in the sustainability strategy.

The corporate market division has over time strengthened its integration of sustainability into its work with customers. A framework for categorising sustainable financing activities was finalised during the first half of 2022, and a process for qualifying sustainable funding has been developed. The division's expertise within sustainability has also been strengthened through various training activities and sustainability champions have been appointed to lead their respective branches.

## Outlook

The Norwegian economy developed positively in 2021 and in the beginning of 2022, with higher energy prices, a good property market and falling unemployment. In recent months, the effects of the war in Ukraine have further affected the macro situation. High energy prices, high levels of demands and supply side constraints have resulted in a very strong price inflation both in Norway and internationally. This inflation has resulted in central banks rapidly hiking interest rates. According to the latest updated forecasts, the prospects of growth have weakened, and the IMF expects the global economy to grow by 2.7% in 2023, down from 2.9%.

Unemployment in Norway has fallen from 2.6% at the start of the year to 1.6% in September 2022. Unemployment is now at historically low levels. Actual house price inflation at the end of September was 6.7%, down from 8.8% at the end of August. Real Estate Norway expects house prices to continue falling in the next few months. Energy prices in Norway in general, and in Southern Norway in particular, have been at record highs so far this year. It is assumed that energy prices will remain markedly higher in the coming years as well. The government has introduced electricity support measures for private households and enterprises in areas with especially high electricity prices. Norges Bank expects higher electricity prices to contribute to a reduction in private consumption.

According to the latest forecasts from Statistics Norway, 3.2% GDP growth is expected for Mainland Norway in 2022. Due to the ripple effects of the pandemic, the Norwegian Petroleum Directorate expects oil investments on the Norwegian Continental Shelf to decrease slightly in 2022, before investments are expected to rise again in 2023-2025. Statistics Norway expects price inflation, adjusted for energy and taxes, to be 3.9% in 2022.

Norges Bank has since the start of the year increased its policy rate from 0.5% to 2.25% at the end of September 2022. The market expects further interest rate increases during 2022. In connection with Norges Bank raising its policy rate in both August and September 2022, SpareBank 1 SR-Bank ASA has announced two interest rate increases of up to 0.50 percentage points with effect for existing portfolios from 4 October 2022 and 8 November 2022.



Increasing prices, increased interest costs, higher level of taxes and duties are expected to have a negative impact on the companies' results and investments and the households' disposable income forwards.

The group's long-term return on equity target is a minimum of 12%. The target will be achieved through profitable lending growth, moderate impairment provisions, growth in other operating income, gains from financial investments, and greater cost-effectiveness. The group's cost/income ratio target is less than 40%.

The group has a Common Equity Tier 1 capital ratio target of a minimum of 16.85%. SpareBank 1 SR-Bank ASA is a solid, profitable group and has in recent years increased its financial strength in line with the authorities' requirements. This was achieved through earnings via a business model involving good breadth in earnings and efficient operations.

SpareBank 1 SR-Bank ASA's dividend policy remains unchanged, with an expected dividend of around 50% of the profit for the year. Consideration must be given to financial needs, including capital adequacy requirements and the group's targets and strategic plans, when determining the annual dividend.

SpareBank 1 SR-Bank ASA is a proactive financial services group with strong distribution. As Norway's second largest privately owned bank, the group provides financial muscle for growth, value creation, and profitability for customers, society, and our owners. The group is a bank for the whole of Southern Norway, in which the Oslo region is a particular focus area. Having a presence in this market is important with respect to geographical diversification and creating a greater basis for growth, and thus earnings.

Stavanger, 26 October, 2022

The Board of Directors of SpareBank 1 SR-Bank ASA

## Income statement

Parent bank					Note	Group				
Q3 2021	Q3 2021	Q3 2022	01.01.21 - 30.09.21	01.01.22 - 30.09.22		01.01.22 - 30.09.22	01.01.21 - 30.09.21	Q3 2022	Q3 2021	Q3 2021
					<b>Income statement (MNOK)</b>					
3.055	730	1.268	2.228	3.161	Interest income amortised cost	5.514	4.020	2.170	1.330	5.474
1.160	265	514	846	1.331	Interest income other	553	247	226	64	345
1.585	376	848	1.137	1.967	Interest expenses amortised cost	2.437	1.479	1.041	488	2.039
-386	-104	-28	-302	-178	Interest expenses other	400	-206	240	-86	-221
3.016	723	<b>962</b>	2.239	<b>2.703</b>	<b>Net interest income</b>	<b>3.230</b>	2.994	<b>1.115</b>	992	4.001
1.019	242	283	737	825	Commission income	1.373	1.326	440	429	1.801
91	24	22	67	64	Commission expenses	64	68	22	24	90
12	2	4	8	12	Other operating income	8	4	3	1	6
940	220	<b>265</b>	678	<b>773</b>	<b>Net commission and other income</b>	<b>1.317</b>	1.262	<b>421</b>	406	1.717
30	-	1	9	32	Dividend income	42	9	7	-	30
1.106	-	-	1.106	913	Income from investment in associates	242	453	86	151	676
293	43	-242	199	-369	Net gains/losses on financial instruments	11 197	222	97	80	320
1.429	43	<b>-241</b>	1.314	<b>576</b>	<b>Net income on financial investments</b>	<b>481</b>	684	<b>190</b>	231	1.026
5.385	986	<b>986</b>	4.231	<b>4.052</b>	<b>Total income</b>	<b>5.028</b>	4.940	<b>1.726</b>	1.629	6.744
1.182	298	298	846	901	Personnel expenses	12 1.311	1.237	428	432	1.722
636	150	170	449	497	Other operating expenses	631	589	207	191	817
142	34	33	104	106	Depreciation/ impairments on tangible and intangible assets	131	133	41	43	175
1.960	482	<b>501</b>	1.399	<b>1.504</b>	<b>Total operating expenses</b>	<b>2.073</b>	1.959	<b>676</b>	666	2.714
3.425	504	<b>485</b>	2.832	<b>2.548</b>	<b>Operating profit before impairments</b>	<b>2.955</b>	2.981	<b>1.050</b>	963	4.030
193	40	12	219	-35	Impairments on loans and financial commitments	3, 4 -31	216	6	37	192
3.232	464	<b>473</b>	2.613	<b>2.583</b>	<b>Pre-tax profit</b>	10 <b>2.986</b>	2.765	<b>1.044</b>	926	3.838
468	124	117	356	392	Tax expense	608	498	215	193	682
2.764	340	<b>356</b>	2.257	<b>2.191</b>	<b>Profit after tax</b>	<b>2.378</b>	2.267	<b>829</b>	733	3.156
2.697	323	336	2.208	2.130	Shareholders' share of the profit	2.317	2.218	809	716	3.089
67	17	20	49	61	Hybrid capital owners' share of the profit	61	49	20	17	67
2.764	340	<b>356</b>	2.257	<b>2.191</b>	<b>Profit after tax</b>	<b>2.378</b>	2.267	<b>829</b>	733	3.156
					<b>Other comprehensive income</b>					
-72	-1	-32	-7	7	Unrecognised actuarial gains and losses	7	-7	-32	-2	-72
18	-	8	2	-2	Deferred tax concerning changed estimates/pension plan changes	-2	2	8	1	18
-2	-1	<b>-24</b>	-5	<b>5</b>	<b>Total items not reclassified through profit or loss</b>	<b>5</b>	-5	<b>-24</b>	-1	-54
-2	-	-1	-	-	Change in ECL <sup>1)</sup> 12 months	-	-	-	-	-
-	-	-	-	-	Basis swap spread	219	-64	98	21	-58
-	-	-	-	-	Deferred tax concerning basis swap spread	-55	16	-24	-5	15
-	-	-	-	-	Share of profit associated companies and joint ventures	15	7	4	1	10
-2	-	<b>-1</b>	-	<b>-</b>	<b>Total items reclassified through profit or loss</b>	<b>179</b>	-41	<b>78</b>	17	-33
-56	-1	<b>-25</b>	-5	<b>5</b>	<b>Other comprehensive income</b>	<b>184</b>	-46	<b>54</b>	16	-87
2.708	340	<b>331</b>	2.252	<b>2.196</b>	<b>Total comprehensive income</b>	<b>2.562</b>	2.221	<b>883</b>	749	3.069
					<b>Earnings per share (group)</b>	<b>9,06</b>	8,68	<b>3,16</b>	2,80	12,08

<sup>1)</sup> ECL - Expected credit loss

## Balance sheet

Parent bank				Note	Group		
31.12.21	30.09.21	30.09.22	Balance sheet (MNOK)		30.09.22	30.09.21	31.12.21
78	76	80	Cash and balances with central banks		80	76	78
13.214	14.305	15.296	Balances with credit institutions		4.563	4.116	5.366
139.260	133.323	141.096	Loans to customers	4, 6	246.612	224.597	228.578
54.321	50.858	48.439	Certificates and bonds		50.941	52.903	56.266
6.713	6.572	30.437	Financial derivatives	8	21.579	5.687	5.053
694	673	699	Shares, ownership stakes and other securities	14	1.037	970	1.001
2.363	2.120	2.395	Investment in associates		4.985	4.443	4.894
7.569	7.586	7.569	Investment in subsidiaries		-	-	-
70	70	70	Intangible assets		456	471	458
565	1.016	564	Deferred tax assets		605	1.037	598
283	266	272	Tangible fixed assets		973	965	979
881	884	869	Lease rights		324	343	335
361	951	1.781	Other assets		2.100	1.379	796
<b>226.372</b>	<b>218.700</b>	<b>249.567</b>	<b>Total assets</b>	10	<b>334.255</b>	296.987	304.402
3.361	2.038	739	Balances with credit institutions		284	1.291	2.634
138.043	132.741	144.351	Deposits from customers	5	143.989	132.283	137.664
44.116	39.920	46.703	Listed debt securities	9	133.250	119.883	122.276
5.495	6.759	21.789	Financial derivatives	8	17.114	3.458	3.203
-	356	391	Taxes payable		670	517	232
920	917	913	Liabilities associated with lease rights		346	367	359
269	204	238	Pension liabilities	12	246	211	277
153	167	171	Impairments on financial commitments	4	171	167	153
518	2.379	653	Other liabilities		919	2.703	830
7.465	7.614	7.101	Senior non-preferred bonds	9	7.101	7.614	7.465
2.130	2.142	2.162	Subordinated loan capital	9	2.162	2.142	2.130
<b>202.470</b>	<b>195.237</b>	<b>225.211</b>	<b>Total liabilities</b>		<b>306.252</b>	270.636	277.223
6.394	6.394	6.394	Share capital		6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve		1.587	1.587	1.587
1.535	-	-	Proposed dividend		-	-	1.535
1.850	1.850	1.700	Hybrid capital		1.700	1.850	1.850
12.536	11.375	12.484	Other equity		15.944	14.253	15.813
	2.257	2.191	Profit/loss at period end		2.378	2.267	
<b>23.902</b>	<b>23.463</b>	<b>24.356</b>	<b>Total equity</b>		<b>28.003</b>	26.351	27.179
<b>226.372</b>	<b>218.700</b>	<b>249.567</b>	<b>Total liabilities and equity</b>	10	<b>334.255</b>	296.987	304.402

## Statement of changes in equity

SpareBank 1 SR-Bank Group (MNOK)	Share- capital	Premium reserve	Hybrid- capital	Non- controlling interests	Other equity	Total equity
Equity as at 31.12.2020	6.394	1.587	1.850	5	16.557	26.393
Profit after tax				-	3.156	3.156
Unrecognised actuarial gains and losses after tax					-54	-54
Basisswap spread after tax					-43	-43
Share of profit associated companies and joint ventures					10	10
Total comprehensive income				-	3.069	3.069
Hybrid capital						-
Interest on hybridcapital after tax					-67	-67
Non-controlling interests				-5	5	-
Adjusted equity accosiates					-16	-16
Dividend 2019, resolved in 2021					-1.407	-1.407
Dividend 2020, resolved in 2021					-793	-793
Trade in treasury shares					-	-
Transactions with shareholders					-2.200	-2.200
<b>Equity as at 31.12.2021</b>	<b>6.394</b>	<b>1.587</b>	<b>1.850</b>	<b>-</b>	<b>17.348</b>	<b>27.179</b>
Profit after tax					2.378	2.378
Unrecognised actuarial gains and losses after tax					5	5
Basisswap spread after tax					164	164
Share of profit associated companies and joint ventures					15	15
Total comprehensive income					2.562	2.562
Hybrid capital			-150			-150
Interest on hybridcapital					-61	-61
Transactions against equity in subsidiaries and associated companies					6	6
Dividend 2021, resolved in 2022					-1.535	-1.535
Trade in treasury shares					2	2
Transactions with shareholders					-1.533	-1.533
<b>Equity as at 30.09.2022</b>	<b>6.394</b>	<b>1.587</b>	<b>1.850</b>	<b>-</b>	<b>18.322</b>	<b>28.003</b>

## Statement of cash flows

Parent bank			Cash flow statement	Group		
01.01.21 - 2021	30.09.21	01.01.22 - 30.09.22		01.01.22 - 30.09.22	01.01.21 - 30.09.21	2021
-6.977	-1.674	-1.747	Change in gross lending to customers <sup>1)</sup>	-17.938	-7.771	-7.136
4.017	2.950	3.860	Interest receipts from lending to customers	5.538	4.161	5.652
19.649	14.347	6.308	Change in deposits from customers	6.325	14.113	14.113
-737	-502	-1.219	Interest payments on deposits from customers	-1.212	-500	-733
8.365	7.855	-14.157	Change in receivables and debt from credit institutions	-11.001	4.642	3.115
-209	-189	107	Interest on receivables and debt to financial institutions	-26	-330	-438
-17.343	-13.880	5.882	Change in certificates and bonds <sup>1)</sup>	5.325	-12.982	-12.982
485	354	458	Interest receipts from commercial paper and bonds	489	364	500
922	683	779	Commission receipts	1.319	1.269	1.709
82	-13	2	Capital gains from sale of trading	-9	106	120
-1.624	-1.219	-1.384	Payments for operations	-1.963	-1.574	-2.238
-669	-669	-	Taxes paid	-235	-821	-834
-7.110	-4.076	510	Other accruals <sup>1)</sup>	1.152	-3.190	-8.283
-1.149	3.967	-601	<b>A Net change in liquidity from operations</b>	<b>-12.236</b>	<b>-2.513</b>	<b>-7.435</b>
-139	-102	-53	Investments in tangible fixed assets	-71	-117	-177
3	3	-	Receipts from sale of tangible fixed assets	-	3	3
-676	-462	-34	Change in long-term investments in equities	-49	-728	-929
395	366	-	Receipts from sales of long-term investments in equities	11	492	492
1.115	1.115	945	Dividends from long-term investments in equities	250	406	406
698	920	858	<b>B Net cash flow, investments</b>	<b>141</b>	<b>56</b>	<b>-205</b>
15.746	9.519	12.064	Debt raised by issuance of securities and senior non-preferred bonds	30.512	24.879	31.105
-14.133	-12.648	-9.369	Repayments - issued securities and senior non-preferred bonds	-14.411	-20.352	-21.838
-379	-254	-363	Interest payments on securities issued and senior non-preferred bonds	-1.423	-594	-835
-	-	-	Additional subordinated loan capital issued	-	-	-
-	-	-	Repayments - additional capital instruments	-	-	-
-40	-28	-42	Interest payments on subordinated loans	-42	-28	-40
-	-	-150	Repayments in debt established by issuing hybrid capital	-150	-	-
-67	-49	-61	Interest payments on debt established by issuing hybrid capital	-61	-49	-67
-72	-53	-58	Lease payments	-54	-39	-57
-2.200	-1.407	-1.535	Dividend to share holders	-1.535	-1.407	-2.200
-1.145	-4.920	486	<b>C Net cash flow, financing</b>	<b>12.836</b>	<b>2.410</b>	<b>6.068</b>
-1.596	-33	743	<b>A+B+C Net cash flow during the period</b>	<b>741</b>	<b>-47</b>	<b>-1.572</b>
2.138	2.138	542	Cash and cash equivalents as at 1 January	580	2.152	2.152
542	2.105	1.285	<b>Cash and cash equivalents at the end of the period</b>	<b>1.321</b>	<b>2.105</b>	<b>580</b>
			<b>Cash and cash equivalents specified</b>			
78	76	80	Cash and balances with central banks	80	76	78
464	2.029	1.205	Balances with credit institutions	1.241	2.029	502
542	2.105	1.285	<b>Cash and cash equivalents</b>	<b>1.321</b>	<b>2.105</b>	<b>580</b>

<sup>1)</sup> Changes in loans to customers, as well as changes in certificates and bonds, include the increase in exchange rates. The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by the parent bank and the group.

## Notes to the financial statements

### Note 1 Accounting policies and accounting estimates

#### 1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 30 September 2022. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

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

#### New standards and interpretations that have not been adopted yet

There are no standards or interpretations that have not been adopted yet, that are expected to have any material effects on the Groups financial statements.

#### Impairments on loans and financial liabilities

The group has calculated loss provisions pursuant to the IFRS 9 regulations since 1.1.2018. Prior to the reporting for the fourth quarter of 2019, only minor adjustments were made in the model. Since then, the assessment of expected credit losses has taken account of the extraordinary circumstances that have arisen with respect to the Covid-19 outbreak and the war in Ukraine. The following explains the policies that have been applied and the changes that have been made in the third quarter of 2022. Please also refer to note 2 in the annual report for 2021. The calculations follow the normal procedures for source data. The scenarios on which the calculations are based were updated in the fourth quarter of 2021 and has been continued since. The scenario weights have not been changed. The group is following the same principles for migration between the stages as those that applied previously. An increase in PD of more than 150% and which results in a PD higher than 0.6% is considered a significant change in credit risk. In addition, overdrafts or arrears of at least 30 days will always be considered a significant increase in credit risk. Exposures subject to repayment relief may, based on an individual assessment, also be regarded as having experienced a significant increase in credit risk. No negative migration from Stage 1 to Stage 2 has been observed as a consequence of payment postponements in healthy portfolios. Please refer to notes 2, 3, 4 and 6.

## Note 2 Critical estimates and judgements concerning use of the accounting policies

The preparation of the consolidated financial statements entails the group executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2021 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

Russia's invasion of Ukraine on 24.2.2022 triggered strict sanctions on both Russia and Belarus, which have resulted in rapidly rising energy and commodity prices, as well as challenges in relation to deliveries of some commodities. SpareBank 1 SR-Bank has no significant exposure to these countries. The risks associated with the consequences of the war in Ukraine are under continuous assessment by the bank and, given this, a general review of the customer base was conducted early on in order to identify those customers exposed to higher short-term risk due to the war. The analysis identified a small number of exposures in the corporate market portfolio that could in the short term be directly impacted by the war. Meanwhile, the war in Ukraine has also created greater uncertainty surrounding future developments in the somewhat longer term. So far, this uncertainty has not been reflected in the underlying portfolio development based on historical data, and determining what industries and segments may be affected in the longer term with a reasonable degree of certainty is challenging. Following an overall assessment in which the potential negative effects of the war in Ukraine, both in the short and somewhat longer term, were taken into account, an uncertainty premium has been introduced for exposed parts of the corporate market portfolio amounting to a total of NOK 100 million.

In addition, a number of measures have been implemented to secure the bank's IT infrastructure and prevent potential cyber attacks on the most critical systems and processes.

Uncertainty remains with regard to how the war in Ukraine will impact developments in Norway and the global economy, and the picture is constantly changing. This continues to cause uncertainty in relation to critical estimates.

### Impairments on loans

The group's assessment of critical estimates and judgements concerning the use of the accounting policies has not changed since 31.12.2021, although the changes in the situation surrounding the Covid-19 virus and the war in Ukraine have been included in the assessment in the third quarter of 2022.

The group conducts an annual evaluation of its entire corporate market portfolio. High-risk exposures in the corporate market portfolio are evaluated on a quarterly basis. Loans to retail customers are subject to evaluation when they are more than 90 days past due; larger exposures in default are evaluated on a quarterly basis.

The group's risk classification systems are described under financial risk management in the annual report.

The group carries out an impairment if there is objective evidence that can be identified for an individual exposure, and the objective evidence entails a reduction in future cash flows for servicing the exposure. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties.

Individual impairment provisions are calculated as the difference between the loan's book (carrying) value and the present value of future cash flows based on the effective interest rate at the time of the calculation of the initial individual impairment. Account is taken of subsequent changes in interest rates for loan agreements with variable rates if these changes affect the expected cash flow. For smaller exposures, the general rule is that the difference between the actual exposure at the time of impairment and the realisation value (underabsorption) of the pledged collateral is written down, and that the impairment is based on one scenario. For larger exposures, the general rule is that the difference between the actual exposure and the bank's assessment of the discounted value of the customer's future cash flow is written down, and the impairment is based on three scenarios.

**Note 2 Critical estimates and judgements concerning use of the accounting policies (continued)**

According to IFRS 9, loss provisions are recognised for all exposures based on expected credit loss (ECL). The measurement of the provisions for expected losses on exposures that are not individually impaired depends on whether or not the credit risk has increased significantly since initial capitalisation. Upon initial capitalisation and when the credit risk has not increased significantly after initial capitalisation, provisions must be made for 12 months' expected losses. If the credit risk has increased substantially after initial recognition, provisions must be made for expected losses over the entire lifetime. Expected credit loss is calculated on the basis of the present value of all cash flows over the remaining expected lifetime.

A probability weighted average is calculated for three different scenarios called an upturn scenario, a base scenario and an adverse scenario, respectively. The upturn scenario is based on data from a historically representative period of strong economic expansion and the base scenario and adverse scenario are based on internally prepared prognoses and stress tests linked to the group's periodic internal capital adequacy assessment process (ICAAP) for various given scenarios. The mutual weighting of the scenarios is considered and determined by a specially established internal working group composed of people at a management level.

The choice of scenarios and their weighting are regularly reviewed (at least once a year) by the aforementioned working group. At the end of the third quarter of 2022, the base case scenario had a 65% weighting, while the worst case and best case scenarios both had a weighting of 17.5%. The weighting is the same for all portfolios and reflects the uncertainty associated with economic developments going forward. In order to illustrate the associated weight sensitivity, a simulation of the effects of a more conservative scenario weighting was conducted in which the weight of the base scenario was reduced to 50% and the downside scenario and upside scenario were both increased to 25%. Such a change in the scenario weighting would, seen in isolation, increase the group's expected impairment losses for commitments without individual impairment by NOK 184 million.

<b>Sensitivity Calculations (NOK millions)</b>	<b>Best Case scenario</b>	<b>Base Case scenario</b>	<b>Worst Case scenario</b>	<b>Corporate market</b>	<b>SME &amp; Agri-culture</b>	<b>Retail market</b>	<b>SR-Bolig-kreditt</b>	<b>Not distributed</b>	<b>Total Group</b>
<b>Weighting used in Q3 2022</b>									
ECL in a strong economic expansion scenario	17,5 %			139	60	31	13		243
ECL in a normal economic expansion scenario		65,0 %		172	72	33	13	-1	289
ECL in a recession economic expansion scenario			17,5 %	1.787	635	228	164	1	2.815
ECL with the applied scenario weighting: (current, used from the fourth quarter of 2020)	17,5 %	65,0 %	17,5 %	449	168	67	40	1	725
Isolated effect of changed scenario weighting - 1 (used up to the third quarter of 2020, although with less conservative scenarios)	0,0 %	60,0 %	40,0 %	818	297	111	73	-	1.299
Isolated effect of changed scenario weighting - 2 (used up to the fourth quarter of 2020, although with less conservative scenarios)	25,0 %	65,0 %	10,0 %	325	125	52	28	-	530
Isolated effect of changed scenario weighting - 3 (illustration, not used before)	25,0 %	50,0 %	25,0 %	567	210	81	51	-	909
Isolated effect of changed scenario weighting - 4 (illustration, not used before)	33,3 %	33,3 %	33,3 %	698	255	97	63	1	1.114

Closely monitoring customers and prevention work are important measures actively employed by the group to maintain its good risk profile in the group's loan portfolio. This work was intensified at the end of the first quarter of 2020 and because of the low oil prices and Covid-19 outbreak, and has been continued since. The monitoring and prevention work has also been intensified in order to look at the impacts of the higher prices for many of the factor inputs used by the bank's customers and also how the war in Ukraine could affect the bank's customers. The group has provided advice in order to find good solutions for customers, including by granting interest-only periods and helping find other possible solutions.

The group's assessments of critical estimates and judgements concerning use of the accounting policies are challenging but are currently considered to be the best estimate of the consequences the war in Ukraine and the after-effects of the Covid-19 situation will have for the group.



## Note 3 Impairments on loans and financial liabilities recognised in the income statement

Parent bank				Group		
01.01.21 - 2021	30.09.21	01.01.22 - 30.09.22		01.01.22 - 30.09.22	01.01.21 - 30.09.21	2021
-493	143	-100	Change in impairments on loans	-96	140	-494
-103	-89	18	Change in impairments on financial commitments	18	-89	-103
947	269	70	Actual loan losses on commitments	70	269	947
3	2	2	Change in accrued interest	2	2	3
-1	-	-0	Change in assets taken over for the period	-0	-	-1
-160	-106	-26	Recoveries on commitments previously written-off	-26	-106	-160
193	219	-35	<b>Total net impairments on loans and financial commitments</b>	<b>-31</b>	216	192

## Note 4 Impairments on loans and financial liabilities recognised on the balance sheet

Parent Bank			Changes in impairments on loans	Changes in impairments on financial commitments	Total
2022	Impairments on loans and financial commitments	01.01.2022			30.09.2022
	Impairments after amortised cost, corporate market	1.495	-82	13	1.426
	Impairments after amortised cost, SME & ariculture	211	-11	3	202
	Impairments after amortised cost, retail market	71	-5	3	69
	Mortgages at FVOCI <sup>1)</sup>	61	-1	-	60
	<b>Total impairments on loans and financial commitments</b>	<b>1.838</b>	<b>-100</b>	<b>18</b>	<b>1.756</b>
<b>Presented as</b>					
	Impairments on loans	1.685	-100	-	1.585
	Impairments on financial commitments	153	-	18	171
	<b>Total impairments on loans and financial commitments</b>	<b>1.838</b>	<b>-100</b>	<b>18</b>	<b>1.756</b>
<b>2021</b>					
	<b>Impairments on loans and financial commitments</b>	<b>01.01.2021</b>			<b>Total 30.09.2021</b>
	Impairments after amortised cost, corporate market	2.035	161	-85	2.111
	Impairments after amortised cost, SME & ariculture	225	10	-4	231
	Impairments after amortised cost, retail market	96	-5	-	91
	Mortgages at FVOCI <sup>1)</sup>	78	-23	-	55
	<b>Total impairments on loans and financial commitments</b>	<b>2.434</b>	<b>143</b>	<b>-89</b>	<b>2.488</b>
<b>Presented as</b>					
	Impairments on loans	2.178	143	-	2.321
	Impairments on financial commitments	256	-	-89	167
	<b>Total impairments on loans and financial commitments</b>	<b>2.434</b>	<b>143</b>	<b>-89</b>	<b>2.488</b>

**Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)**

Group	2022			Total 30.09.2022
	01.01.2022	Changes in impairments on loans	Changes in impairments on financial commitments	
<b>Impairments on loans and financial commitments</b>				
Impairments after amortised cost, corporate market	1.495	-82	13	1.425
Impairments after amortised cost, SME & agriculture	211	-11	3	202
Impairments after amortised cost, retail market	168	-2	3	169
Mortgages at FVOCI <sup>1)</sup>	-	-	-	-
<b>Total impairments on loans and financial commitments</b>	<b>1.874</b>	<b>-96</b>	<b>18</b>	<b>1.796</b>
<b>Presented as</b>				
Impairments on loans	1.721	-96	-	1.625
Impairments on financial commitments	153	-	18	171
<b>Total impairments on loans and financial commitments</b>	<b>1.874</b>	<b>-96</b>	<b>18</b>	<b>1.796</b>

2021	2021			Total 30.09.2021
	01.01.2021			
<b>Impairments on loans and financial commitments</b>				
Impairments after amortised cost, corporate market	2.035	161	-85	2.111
Impairments after amortised cost, SME & agriculture	226	10	-4	232
Impairments after amortised cost, retail market	210	-31	-	179
Mortgages at FVOCI <sup>1)</sup>	-	-	-	-
<b>Total impairments on loans and financial commitments</b>	<b>2.471</b>	<b>140</b>	<b>-89</b>	<b>2.522</b>
<b>Presented as</b>				
Impairments on loans	2.215	140	-	2.355
Impairments on financial commitments	256	-	-89	167
<b>Total impairments on loans and financial commitments</b>	<b>2.471</b>	<b>140</b>	<b>-89</b>	<b>2.522</b>

<sup>1)</sup> FVOCI - Fair value other comprehensive income

Parent Bank	01.01.2022 - 30.09.2022				01.01.2021 - 30.09.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Impairments recognised on loans per stage</b>								
Impairments on loans 01.01	185	326	1.174	1.685	288	331	1.559	2.178
Changes 01.01 - 30.09.								
Transfer to (from) stage 1	-21	20	-	-	-25	25	-	-
Transfer to (from) stage 2	89	-90	1	-	78	-82	4	-
Transfer to (from) stage 3	4	3	-7	-	-	6	-6	-
Net new measurement of impairments	-88	134	-137	-91	-79	91	160	172
New issued or purchased loan	73	61	13	146	88	56	10	154
Loans that have been derecognised	-38	-97	-19	-155	-69	-89	-25	-183
<b>Impairments on loans 30.09</b>	<b>203</b>	<b>356</b>	<b>1.025</b>	<b>1.585</b>	<b>281</b>	<b>338</b>	<b>1.702</b>	<b>2.321</b>
<b>Impairments recognised on financial commitments per stage</b>								
Impairments on financial commitments 01.01.	32	45	76	153	43	47	166	256
Changes 01.01 - 30.09.								
Transfer to (from) stage 1	-4	4	-	-	-3	3	-	-
Transfer to (from) stage 2	17	-17	-	-	17	-17	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	-18	20	7	10	-24	10	-82	-96
New issued or purchased loan	16	7	1	23	22	7	-	29
Loans that have been derecognised	-9	-5	-1	-15	-6	-6	-10	-22
<b>Impairments on financial commitments 30.09</b>	<b>34</b>	<b>53</b>	<b>84</b>	<b>171</b>	<b>49</b>	<b>44</b>	<b>74</b>	<b>167</b>

**Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)**

Group	01.01.2022 - 30.09.2022				01.01.2021 - 30.09.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Impairments recognised on loans per stage</b>								
Impairments on loans 01.01	193	352	1.176	1.721	298	357	1.560	2.215
Changes 01.01 - 30.09.								
Transfer to (from) stage 1	-21	21	-	-	-25	25	-	-
Transfer to (from) stage 2	97	-97	1	-	86	-90	4	-
Transfer to (from) stage 3	4	3	-8	-	-	6	-6	-
Net new measurement of impairments	-97	145	-136	-89	-88	100	161	173
New issued or purchased loan	76	67	13	157	92	59	11	162
Loans that have been derecognised	-40	-105	-20	-164	-72	-96	-27	-195
<b>Impairments on loans 30.09</b>	<b>212</b>	<b>386</b>	<b>1.026</b>	<b>1.624</b>	<b>291</b>	<b>361</b>	<b>1.703</b>	<b>2.355</b>
<b>Impairments recognised on financial commitments per stage</b>								
Impairments on financial commitments 01.01.	32	45	76	153	43	47	166	256
Changes 01.01 - 30.09.								
Transfer to (from) stage 1	-4	3	-	-	-3	3	-	-
Transfer to (from) stage 2	17	-17	-	-	17	-17	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	-18	20	7	10	-24	10	-82	-96
New issued or purchased loan	16	7	1	23	22	7	-	29
Loans that have been derecognised	-9	-5	-1	-15	-6	-6	-10	-22
<b>Impairments on financial commitments 30.09</b>	<b>34</b>	<b>53</b>	<b>84</b>	<b>171</b>	<b>49</b>	<b>44</b>	<b>74</b>	<b>167</b>

**Note 5 Deposits from customers**

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
421	296	533	Aquaculture	533	296	421
1.852	1.556	1.329	Industry	1.329	1.556	1.852
1.464	1.554	1.634	Agriculture/forestry	1.634	1.554	1.464
17.450	15.763	16.860	Service industry	16.498	15.305	17.071
3.631	3.771	3.493	Retail trade, hotels and restaurants	3.493	3.771	3.631
1.520	1.496	1.614	Energy, oil and gas	1.614	1.496	1.520
2.574	2.343	2.585	Building and construction	2.585	2.343	2.574
1.554	1.287	2.400	Power and water supply	2.400	1.287	1.554
7.195	7.662	8.544	Real estate	8.544	7.662	7.195
2.007	1.882	1.727	Shipping and other transport	1.727	1.882	2.007
40.513	37.952	42.364	Public sector and financial services	42.364	37.952	40.513
80.181	75.562	<b>83.083</b>	<b>Total corporate sector</b>	<b>82.721</b>	75.104	79.802
57.862	57.179	<b>61.268</b>	<b>Retail customers</b>	<b>61.268</b>	57.179	57.862
138.043	132.741	<b>144.351</b>	<b>Deposits from customers</b>	<b>143.989</b>	132.283	137.664

## Note 6 Loans and financial liabilities to customers

Parent bank			Gross loans to customers by industry	Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
3.586	3.395	3.672	Aquaculture	3.681	3.403	3.594
3.718	3.466	4.143	Industry	4.198	3.518	3.766
5.305	5.254	5.365	Agriculture/forestry	5.682	5.539	5.576
15.804	15.027	19.638	Service industry	20.152	15.305	16.100
3.008	2.744	3.164	Retail trade, hotels and restaurants	3.356	2.912	3.180
1.195	2.739	1.380	Energy, oil and gas	1.382	2.739	1.195
3.951	4.630	4.805	Building and construction	5.022	4.828	4.152
1.412	1.336	1.456	Power and water supply	1.456	1.336	1.412
33.599	31.487	35.890	Real estate	35.898	31.498	33.608
11.812	11.710	13.517	Shipping and other transport	13.686	11.865	11.958
2.451	2.468	2.450	Public sector and financial services	2.450	2.468	2.451
85.841	84.256	<b>95.480</b>	<b>Total corporate sector</b>	<b>96.964</b>	85.411	86.992
55.093	51.375	<b>47.190</b>	<b>Retail customers</b>	<b>151.273</b>	141.541	143.307
140.934	135.631	<b>142.670</b>	<b>Gross loans</b>	<b>248.237</b>	226.952	230.299
-1.685	-2.321	-1.585	- Impairments after amortised cost	-1.625	-2.355	-1.721
11	13	11	- Mortgages at FVOCI <sup>2)</sup>	-	-	-
139.260	133.323	<b>141.096</b>	<b>Loans to customers</b>	<b>246.612</b>	224.597	228.578
<b>Financial commitments <sup>1)</sup></b>						
10.644	9.782	14.351	Guarantees customers	14.391	9.829	10.686
19.414	18.948	19.357	Unused credit lines for customers	26.709	26.419	26.897
12.475	12.295	15.434	Approved loan commitments	15.434	12.295	12.475
42.533	41.025	<b>49.142</b>	<b>Total financial commitments</b>	<b>56.534</b>	48.543	50.058
<b>Other guarantees issued and liabilities</b>						
12.048	9.633	9.072	Unused credit lines for financial institutions	-	-	-
78.529	80.348	86.881	Guarantees other	589	596	589
2	3	50	Letters of credit	50	3	2
90.579	89.984	<b>96.003</b>	<b>Total other guarantees issued and liabilities</b>	<b>639</b>	599	591

<sup>1)</sup> Financial liabilities not on the balance sheet that are the basis for impairments

<sup>2)</sup> FVOCI - Fair value other comprehensive income

**Note 6 Loans and other financial commitments to customers (continued)**

**Parent bank**

<b>2022</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>30.09.2022</b>
Aquaculture	3.637	-9	-15	-	35	3.648
Industry	4.096	-13	-16	-105	47	4.008
Agriculture/forestry	2.979	-2	-9	-1	2.385	5.353
Service industry	19.049	-62	-89	-118	589	19.369
Retail trade, hotels and restaurants	2.913	-13	-20	-7	251	3.124
Energy, oil and gas	1.380	-2	-10	-57	-	1.311
Building and construction	4.524	-9	-24	-20	281	4.752
Power and water supply	1.447	-3	-1	-	10	1.453
Real estate	35.698	-63	-104	-41	193	35.682
Shipping and other transport	13.406	-15	-32	-614	111	12.855
Public sector and financial services	2.450	-	-	-	-	2.450
<b>Total corporate sector</b>	<b>91.578</b>	<b>-191</b>	<b>-320</b>	<b>-964</b>	<b>3.902</b>	<b>94.004</b>
<b>Retail customers</b>	<b>5.401</b>	<b>-12</b>	<b>-36</b>	<b>-61</b>	<b>41.788</b>	<b>47.081</b>
Mortgages at FVOCI <sup>1)</sup>					11	11
<b>Loans to customers</b>	<b>96.979</b>	<b>-203</b>	<b>-356</b>	<b>-1.025</b>	<b>45.702</b>	<b>141.096</b>

<b>2021</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>30.09.2021</b>
Aquaculture	3.361	-15	-13	-	34	3.367
Industry	3.420	-15	-15	-137	46	3.299
Agriculture/forestry	2.603	-2	-4	-2	2.651	5.246
Service industry	14.431	-59	-91	-116	596	14.761
Retail trade, hotels and restaurants	2.493	-16	-17	-12	251	2.699
Energy, oil and gas	2.739	-10	-7	-735	-	1.987
Building and construction	4.357	-15	-8	-15	273	4.592
Power and water supply	1.332	-4	-8	-	4	1.324
Real estate	31.261	-112	-107	-74	226	31.194
Shipping and other transport	11.593	-19	-28	-538	117	11.125
Public sector and financial services	2.468	-	-	-	-	2.468
<b>Total corporate sector</b>	<b>80.058</b>	<b>-267</b>	<b>-298</b>	<b>-1.629</b>	<b>4.198</b>	<b>82.062</b>
<b>Retail customers</b>	<b>5.231</b>	<b>-14</b>	<b>-40</b>	<b>-73</b>	<b>46.144</b>	<b>51.248</b>
Mortgages at FVOCI <sup>1)</sup>					13	13
<b>Loans to customers</b>	<b>85.289</b>	<b>-281</b>	<b>-338</b>	<b>-1.702</b>	<b>50.355</b>	<b>133.323</b>

<sup>1)</sup> FVOCI - Fair value other comprehensive income

**Note 6 Loans and other financial commitments to customers (continued)**

**Group**

<b>2022</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>30.09.2022</b>
Aquaculture	3.674	-9	-15	-	7	3.657
Industry	4.183	-13	-17	-105	15	4.063
Agriculture/forestry	4.743	-2	-9	-1	939	5.670
Service industry	20.068	-62	-90	-118	84	19.882
Retail trade, hotels and restaurants	3.317	-13	-20	-7	39	3.315
Energy, oil and gas	1.382	-2	-10	-57	-	1.313
Building and construction	4.979	-9	-25	-20	43	4.967
Power and water supply	1.450	-3	-1	-	6	1.453
Real estate	35.780	-63	-104	-41	118	35.691
Shipping and other transport	13.658	-15	-33	-614	28	13.024
Public sector and financial services	2.450	-	-	-	-	2.450
<b>Total corporate sector</b>	<b>95.685</b>	<b>-192</b>	<b>-323</b>	<b>-965</b>	<b>1.279</b>	<b>95.485</b>
<b>Retail customers</b>	<b>144.602</b>	<b>-20</b>	<b>-63</b>	<b>-62</b>	<b>6.671</b>	<b>151.128</b>
<b>Loans to customers</b>	<b>240.287</b>	<b>-212</b>	<b>-386</b>	<b>-1.026</b>	<b>7.950</b>	<b>246.612</b>

<b>2021</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>30.09.2021</b>
Aquaculture	3.397	-15	-13	-	6	3.375
Industry	3.508	-15	-15	-137	10	3.351
Agriculture/forestry	4.400	-2	-4	-1	1.139	5.532
Service industry	15.195	-59	-93	-116	110	15.037
Retail trade, hotels and restaurants	2.878	-17	-17	-12	34	2.866
Energy, oil and gas	2.739	-10	-7	-735	-	1.987
Building and construction	4.774	-15	-8	-15	54	4.790
Power and water supply	1.336	-4	-8	-	-	1.324
Real estate	31.378	-112	-107	-74	120	31.205
Shipping and other transport	11.841	-19	-28	-538	24	11.280
Public sector and financial services	2.468	-	-	-	-	2.468
<b>Total corporate sector</b>	<b>83.914</b>	<b>-268</b>	<b>-300</b>	<b>-1.628</b>	<b>1.497</b>	<b>83.215</b>
<b>Retail customers</b>	<b>134.121</b>	<b>-23</b>	<b>-61</b>	<b>-75</b>	<b>7.420</b>	<b>141.382</b>
<b>Loans to customers</b>	<b>218.035</b>	<b>-291</b>	<b>-361</b>	<b>-1.703</b>	<b>8.917</b>	<b>224.597</b>

**Note 6 Loans and other financial commitments to customers (continued)**

**Parent bank**

Gross loans per stage	01.01.2022 - 30.09.2022				01.01.2021 - 30.09.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	128.811	9.252	2.871	140.934	119.320	10.933	3.704	133.957
Transfer to (from) stage 1	-5.582	5.535	47	-	-6.002	5.946	56	-
Transfer to (from) stage 2	3.271	-3.285	14	-	2.782	-2.922	140	-
Transfer to (from) stage 3	7	17	-24	-	10	30	-40	-
Net increase/(decrease) balance existing loans	4.817	282	-66	5.033	8.015	641	215	8.871
Originated or purchased during the period	39.761	1.880	444	42.085	38.852	1.612	108	40.572
Loans that have been derecognised	-41.979	-3.208	-195	-45.382	-43.031	-4.218	-520	-47.769
<b>Gross loans 30.09</b>	<b>129.106</b>	<b>10.473</b>	<b>3.091</b>	<b>142.670</b>	<b>119.946</b>	<b>12.022</b>	<b>3.663</b>	<b>135.631</b>

**Financial commitments per stage <sup>1)2)</sup>**

Financial commitments 01.01.	39.667	1.668	1.198	42.533	32.837	1.945	1.249	36.031
Net increase / (decrease) during period	6.506	172	-69	6.609	4.635	402	-43	4.994
<b>Financial commitments 30.09</b>	<b>46.173</b>	<b>1.840</b>	<b>1.129</b>	<b>49.142</b>	<b>37.472</b>	<b>2.347</b>	<b>1.206</b>	<b>41.025</b>

**Group**

Gross loans per stage	01.01.2022 - 30.09.2022				01.01.2021 - 30.09.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	215.341	12.059	2.899	230.299	201.155	14.072	3.739	218.966
Transfer to (from) stage 1	-6.786	6.734	52	-	-7.169	7.111	58	-
Transfer to (from) stage 2	4.059	-4.074	15	-	4.019	-4.172	153	-
Transfer to (from) stage 3	13	27	-40	-	13	39	-52	-
Net increase/(decrease) balance existing loans	6.942	335	-66	7.211	10.658	697	215	11.570
Originated or purchased during the period	62.732	2.049	436	65.217	54.251	1.712	95	56.058
Loans that have been derecognised	-50.716	-3.596	-178	-54.490	-54.369	-4.761	-512	-59.642
<b>Gross loans 30.09</b>	<b>231.585</b>	<b>13.534</b>	<b>3.118</b>	<b>248.237</b>	<b>208.558</b>	<b>14.698</b>	<b>3.696</b>	<b>226.952</b>

**Financial commitments per stage <sup>1)2)</sup>**

Financial commitments 01.01.	46.954	1.904	1.200	50.058	39.789	2.208	1.252	43.249
Net increase / (decrease) during period	6.395	150	-69	6.476	4.979	358	-43	5.294
<b>Financial commitments 30.09</b>	<b>53.349</b>	<b>2.054</b>	<b>1.131</b>	<b>56.534</b>	<b>44.768</b>	<b>2.566</b>	<b>1.209</b>	<b>48.543</b>

<sup>1)</sup> Other financial liabilities include guarantees, undrawn credit and loan commitments

<sup>2)</sup> Financial liabilities provide the basis for impairment losses under IFRS 9

## Note 7 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU's capital requirements for banks and securities undertakings (CRD IV/CRR). SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

The total requirement for SpareBank 1 SR-Bank ASA's Common Equity Tier 1 capital ratio was 15.85% at the end of the third quarter of 2022.

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
6.394	6.394	6.394	Share capital	6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve	1.587	1.587	1.587
1.535	-	-	Allocated to dividend	-	-	1.535
1.850	1.850	1.700	Hybrid capital	1.700	1.850	1.850
12.536	11.375	12.484	Other equity	15.945	14.253	15.813
-	2.257	2.191	Non-controlling interests	-	-	-
-	-	-	Profit for the period	2.378	-	-
23.902	23.463	24.356	<b>Book equity</b>	<b>28.003</b>	26.349	27.179
			<b>Tier 1 capital</b>			
-70	-70	-70	Deferred taxes, goodwill and other intangible assets	-708	-565	-681
-1.535	-	-	Deduction for allocated dividends	-	-	-1.535
-206	-29	-495	Deduction in expected losses IRB less loss provisions	-605	-117	-305
-1.850	-1.850	-1.700	Hybrid capital that cannot be included in CET 1 capital	-1.700	-1.850	-1.850
			Profit for the period that cannot be included in total Tier 1 capital	-1.189		
	-1.128	-	Deduction for CET 1 capital in essential investments in financial institutions	-111	-170	-325
-165	-151	-181	Deduction for CET 1 capital in not essential investments in financial institutions	-165	-149	-150
-63	-59	-62	Value adjustments due to the requirements for prudent valuation	-79	-65	-71
20.013	20.176	20.752	<b>CET 1 capital</b>	<b>23.447</b>	22.301	22.262
1.850	1.850	1.700	Hybrid capital	1.837	1.951	1.951
		-46	Deduction for essential investments in financial institutions	-46		
21.814	22.026	22.406	<b>Tier 1 capital</b>	<b>25.237</b>	24.252	24.164
			<b>Tier 2 capital</b>			
2.097	2.097	2.097	Term subordinated loan capital	2.273	2.237	2.238
-195	-43	-184	Deduction for essential investments in financial institutions	-184	-43	-195
1.902	2.054	1.913	<b>Tier 2 capital</b>	<b>2.089</b>	2.194	2.043
23.716	24.080	24.319	<b>Net primary capital</b>	<b>27.326</b>	26.446	26.207



**Note 7 Capital adequacy (continued)**

Parent bank			Credit risk Basel II	Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
18.522	17.704	15.512	SME	15.519	17.712	18.535
22.961	21.190	21.682	Specialised enterprises	24.092	23.455	25.456
6.948	7.629	10.571	Other corporations	10.815	7.791	7.116
842	794	875	Mass market SME	1.250	1.327	1.172
11.042	9.862	9.406	Mass market - mortgage on real estate <sup>1)</sup>	31.567	28.959	30.473
2.030	2.493	1.925	Other mass market	2.004	2.454	1.997
12.114	11.598	12.173	Equity positions	-	-	-
<b>74.459</b>	<b>71.270</b>	<b>72.144</b>	<b>Total credit and counterparty risk IRB</b>	<b>85.246</b>	81.698	84.749
33	34	27	States and central banks	35	53	43
44	37	264	Local and regional authorities, state-owned enterprises	426	223	277
2.736	4.877	6.926	Institutions	2.440	2.702	1.042
9.868	8.653	10.179	Enterprises	10.688	9.278	10.408
3.420	3.677	3.942	Mass market	4.806	4.401	4.147
-	-	-	Mass market - mortgage on real estate	586	712	881
10.059	10.262	10.399	Covered bonds	2.076	2.577	2.524
6.000	6.029	6.000	Equity positions	6.815	6.405	6.494
182	182	176	Units in securities funds	192	182	196
2.972	4.129	3.080	Other assets	3.785	4.915	3.811
<b>35.314</b>	<b>37.880</b>	<b>40.993</b>	<b>Total credit and counterparty risk standard method</b>	<b>31.849</b>	31.448	29.823
134	182	370	Credit value adjustment risk (CVA)	501	358	259
7.258	7.171	7.258	Operational risk	10.621	10.007	10.587
	513	689	Other risk exposures <sup>1)2)</sup>	3.383	3.105	2.563
<b>117.575</b>	<b>117.016</b>	<b>121.454</b>	<b>Risk weighted balance</b>	<b>131.601</b>	126.616	127.981
5.291	5.266	5.465	Minimum requirement for common equity Tier 1 capital ratio 4.5 %	5.922	5.698	5.759
			<b>Buffer requirement</b>			
2.939	2.925	3.036	Capital conservation buffer 2.5 %	3.290	3.165	3.200
5.291	5.266	5.465	Systemic risk buffer 4.5 %	5.922	5.698	5.759
1.176	1.170	1.822	Countercyclical capital buffer 1.5 %	1.974	1.266	1.280
9.406	9.361	10.324	Total buffer requirement to common equity Tier 1 capital ratio	11.186	10.129	10.238
5.316	5.549	<b>4.963</b>	<b>Available common equity Tier 1 capital ratio after buffer requirement</b>	<b>6.339</b>	6.474	6.264
17,02 %	17,24 %	<b>17,09 %</b>	<b>Common equity Tier 1 capital ratio</b>	<b>17,82 %</b>	17,61 %	17,39 %
18,55 %	18,82 %	<b>18,45 %</b>	<b>Tier 1 capital ratio</b>	<b>19,18 %</b>	19,15 %	18,88 %
20,17 %	20,58 %	<b>20,02 %</b>	<b>Capital ratio</b>	<b>20,76 %</b>	20,89 %	20,48 %
6,91 %	7,03 %	<b>6,53 %</b>	<b>Leverage Ratio</b>	<b>6,83 %</b>	7,27 %	7,14 %

<sup>1)</sup> Due to change in regulatory presentation figures for 30.09.2021 have been revised. The regulatory floor on residential mortgages has been moved from mass market - mortgage on real estate to other risk exposure amounts.

<sup>2)</sup> Risk weights for residential mortgages are subject to a regulatory floor of 20%. Without this floor, the risk weight for residential mortgages in the group would have been 18,1 % as at 30 September 2022.

## Note 8 Financial derivatives

Group	Contract amount	Fair value at 30.09.22	
	30.09.22	Assets	Liabilities
<b>At fair value through profit and loss</b>			
<b>Currency instruments</b>			
Currency futures (forwards)	4.835	198	113
Currency swaps	39.016	1.635	162
Currency swaps (basis swaps)	28.843	942	323
Currency swaps (basis swaps hedging)	30.272	1.204	134
<b>Total currency instruments</b>	<b>102.966</b>	<b>3.980</b>	<b>732</b>
<b>Interest rate instruments</b>			
Interest rate swaps	72.752	2.340	1.086
Other interest rate contracts	2.025	34	31
<b>Total interest rate instruments</b>	<b>74.777</b>	<b>2.374</b>	<b>1.117</b>
<b>Interest rate instruments, hedging</b>			
Interest rate swaps	125.205	18	11.599
<b>Total interest rate instruments, hedging</b>	<b>125.205</b>	<b>18</b>	<b>11.599</b>
<b>Security</b>			
Security		15.207	3.666
<b>Total security</b>		<b>15.207</b>	<b>3.666</b>
<b>Total currency and interest rate instruments</b>			
Total currency instruments	102.966	3.980	732
Total interest rate instruments	199.982	2.392	12.716
Total collateral		15.207	3.666
<b>Total financial derivatives</b>	<b>302.948</b>	<b>21.579</b>	<b>17.114</b>
<b>Counterparty risk:</b>			
Netting agreements		2.787	
Considered collateral		18.873	
<b>Total exposure to financial derivatives</b>		<b>-80</b>	

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits.

### IBOR reform

Reforming and alternatives to IBOR rates have become a priority area for governments around the world in recent years. However, there is uncertainty surrounding which methods will be used for any changes and when they will be introduced. All of SpareBank 1 SR-Bank's interest rate derivatives use IBOR rates as a reference, and may thus be affected by changes. The most important positions are in EURIBOR and NIBOR. The bank is monitoring developments in the market closely, and is participating in several projects to monitor the changes and facilitate any changes. The table below shows nominal amount and weighted average remaining maturity for derivatives in hedging relationships that may be affected by IBOR reform, categorised by the relevant IBOR rate.

**Note 8 Financial derivatives (continued)**

	<b>Contract amount</b>	<b>Weighted maturity</b>
<b>Interest rate instruments</b>		
CIBOR DKK (6 months)	851	3,2
EURIBOR EUR (3 months)	194.695	4,0
EURIBOR EUR (6 months)	390	6,4
LIBOR USD (1 month)	1.074	0,2
LIBOR USD (3 months)	7.217	1,9
LIBOR USD (6 months)	411	2,0
NIBOR NOK (1 month)	40	4,4
NIBOR NOK (3 months)	72.556	4,1
NIBOR NOK (6 months)	940	0,5
STIBOR SEK (3 months)	267	1,8
<b>Total interest rate instruments</b>	<b>278.441</b>	
<b>Currency instruments</b>		
EURIBOR EUR (3 months) to LIBOR USD (3 months)	13.417	2,3
EURIBOR EUR (3 months) to NIBOR NOK (3 months)	111.420	4,1
LIBOR USD (3 months) to NIBOR NOK (3 months)	4.445	1,5
LIBOR USD (6 months) to FIXED NOK	184	3,5
STIBOR SEK (3 months) to NIBOR NOK (3 months)	1.278	1,7
<b>Total currency instruments</b>	<b>130.744</b>	
<b>Total exposure to financial derivatives</b>	<b>409.185</b>	
<b>Assets</b>		
<b>Certificates and bonds</b>		
LIBOR USD (3 months)	32	2,3
NIBOR NOK (3 months)	22.736	3,0
<b>Total exposure certificates and bonds</b>	<b>22.768</b>	
<b>Liabilities</b>		
<b>Securities issued</b>		
EURIBOR EUR (3 months)	3.270	1,8
EURIBOR EUR (6 months)	527	8,2
LIBOR USD (6 months)	1.516	1,1
NIBOR NOK (3 months)	26.525	6,6
STIBOR SEK (3 months)	677	1,0
<b>Total exposure securities issued</b>	<b>32.515</b>	

The bank also has loans to customers in GBP and USD LIBOR and EURIBOR, respectively, as well as loans to and deposits from customers linked to NIBOR.

## Note 9 Securities issued, non-preferred bonds and subordinated loan capital

### Group

<b>Change in debt raised through securities issued</b>	<b>Balance as at 30.09.22</b>	<b>Issued/ sale own 2022</b>	<b>Past due/ redeemed 2022</b>	<b>FX rate- and other changes 2022</b>	<b>31.12.21</b>
Other long-term borrowing	1.516	-	-	273	1.243
Bonds and certificates, nominal value	46.542	12.064	-9.368	1.582	42.264
Covered bonds, nominal value	95.050	18.448	-5.043	3.990	77.655
Adjustments and accrued interests	-9.858			-10.972	1.114
<b>Total debt raised through securities issued</b>	<b>133.250</b>	<b>30.512</b>	<b>-14.411</b>	<b>-5.127</b>	<b>122.276</b>

<b>Change in debt raised by issuing non-preferred senior debts</b>	<b>Balance as at 30.09.22</b>	<b>Issued/ sale own 2022</b>	<b>Past due/ redeemed 2022</b>	<b>FX rate- and other changes 2022</b>	<b>31.12.21</b>
Senior non-preferred bonds	7.803	-	-	284	7.519
Adjustments and accrued interests	-702			-648	-54
<b>Total senior non-preferred bonds</b>	<b>7.101</b>	<b>-</b>	<b>-</b>	<b>-364</b>	<b>7.465</b>

<b>Change in debt raised through subordinated loan capital issued</b>	<b>Balance as at 30.09.22</b>	<b>Issued/ sale own 2022</b>	<b>Past due/ redeemed 2022</b>	<b>FX rate- and other changes 2022</b>	<b>31.12.21</b>
Term subordinated loan capital, nominal value	2.153	-	-	28	2.125
Adjustments and accrued interests	9			4	5
<b>Total additional Tier 1 and Tier 2 capital instruments</b>	<b>2.162</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>2.130</b>

## Note 10 Segment reporting

The executive management team has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between retail market, corporate market and SME & agriculture. Other activities covers all staff departments including treasury, subsidiaries and associated companies.

SpareBank 1 SR-Bank Group 30.09.2022						
Income statement (MNOK)	Retail Market	Corporate Market	SME & Agriculture	Other activities	Eliminations	Group
Net interest income <sup>1)</sup>	1.292	1.215	446	282	-5	3.230
Net commission and other income	462	203	94	607	-49	1.317
Net income on investment securities	-	29	4	448	-	481
<b>Total net income</b>	<b>1.754</b>	<b>1.447</b>	<b>544</b>	<b>1.337</b>	<b>-54</b>	<b>5.028</b>
Total operating expenses	464	127	85	1.451	-54	2.073
Operating profit before losses	1.290	1.320	459	-114	-	2.955
Change in individual write-downs in the period	5	-60	24	-	-	-31
<b>Pre-tax profit</b>	<b>1.285</b>	<b>1.380</b>	<b>435</b>	<b>-114</b>	<b>-</b>	<b>2.986</b>
<b>Balance sheet (MNOK)</b>						
Loans to customers	149.475	76.903	17.705	4.373	-219	248.237
Individual loss provisions	-164	-1.280	-181	-	-	-1.625
Certificates/bonds/financial derivatives	-	-	-	86.196	-13.676	72.520
Other assets	-3.626	8.213	-183	32.220	-21.501	15.123
<b>Total assets</b>	<b>145.685</b>	<b>83.836</b>	<b>17.341</b>	<b>122.789</b>	<b>-35.396</b>	<b>334.255</b>
Deposits from customers	67.393	60.203	17.512	-757	-362	143.989
Other debt and equity <sup>1)</sup>	78.292	23.633	-171	123.546	-35.034	190.266
<b>Total debt and equity</b>	<b>145.685</b>	<b>83.836</b>	<b>17.341</b>	<b>122.789</b>	<b>-35.396</b>	<b>334.255</b>

SpareBank 1 SR-Bank Group 30.09.2021						
Income statement (MNOK)	Retail Market	Corporate Market	SME & Agriculture	Other activities	Eliminations	Group
Net interest income <sup>1)</sup>	1.323	1.145	347	179	-	2.994
Net commission and other income	401	179	81	650	-49	1.262
Net income on investment securities	-	44	1	639	-	684
<b>Total net income</b>	<b>1.724</b>	<b>1.368</b>	<b>429</b>	<b>1.468</b>	<b>-49</b>	<b>4.940</b>
Total operating expenses	436	112	73	1.387	-49	1.959
Operating profit before losses	1.288	1.256	356	81	-	2.981
Change in individual write-downs in the period	-10	202	24	-	-	216
<b>Pre-tax profit</b>	<b>1.298</b>	<b>1.054</b>	<b>332</b>	<b>81</b>	<b>-</b>	<b>2.765</b>
<b>Balance sheet (MNOK)</b>						
Loans to customers	140.395	67.009	15.888	3.952	-292	226.952
Individual loss provisions	-177	-1.967	-211	-	-	-2.355
Certificates/bonds/financial derivatives	-	0	-	63.142	-4.552	58.590
Other assets	-2.215	7.958	-38	29.180	-21.085	13.800
<b>Total assets</b>	<b>138.003</b>	<b>73.000</b>	<b>15.639</b>	<b>96.274</b>	<b>-25.929</b>	<b>296.987</b>
Deposits from customers	62.284	54.990	16.286	-819	-458	132.283
Other debt and equity <sup>1)</sup>	75.719	18.010	-647	97.093	-25.471	164.704
<b>Total debt and equity</b>	<b>138.003</b>	<b>73.000</b>	<b>15.639</b>	<b>96.274</b>	<b>-25.929</b>	<b>296.987</b>

1) Other liabilities contains allocated arrangements between the segments. The interest on intercompany receivables for the retail market division and the corporate market division is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit premium). Deviations between the Group's actual funding costs and the applied interest on intercompany receivables are eliminated in the parent bank.

## Note 11 Net income/losses from financial instruments

Parent bank				Group		
	01.01.21 -	01.01.22-		01.01.22-	01.01.21 -	
2021	30.09.21	30.09.22		30.09.22	30.09.21	2021
247	102	6	Net gains/losses on equity instruments <sup>1)</sup>	31	200	296
-561	-416	-1.003	Net gains/losses for bonds and certificates	-1.008	-416	-562
458	352	834	Net derivatives bonds and certificates	834	352	458
4	4	2	Net counterparty risk, inclusive of CVA	2	4	4
-13	-4	-8	Net derivatives other assets	-8	-4	-13
23	24	11	Net derivatives liabilities	42	21	19
-12	34	-366	Net derivatives basis swap spread	149	-36	-24
147	103	155	Net gain currency	155	101	142
293	199	<b>-369</b>	<b>Net income/losses from financial instruments</b>	<b>197</b>	222	320

<sup>1)</sup> Including gains from the sale of SR-Forvaltning of NOK 134 million in the parent bank and NOK 92 million in the group 2021

## Note 12 Pensions

The SpareBank 1 SR-Bank Group has defined contribution pension schemes as well as closed defined benefit schemes. For more information about the accounting treatment of the plans see note 23 in the annual financial statements for 2021.

The group previously had a funded defined benefit pension scheme in its own pension fund. This scheme was wound up in 2015 and employees who were in the defined benefit scheme were issued a paid-up policy for their earned rights in the defined benefit scheme.

Paid-up policies will be managed by the pension fund, which from 1 January 2016 was set as a paid-up fund. A framework agreement has been established between SpareBank 1 SR-Bank and the pension fund that covers things such as financing, capital management, etc. Because of the responsibilities SpareBank 1 SR-Bank still has, future liabilities will have to be incorporated in the financial statements. The board of the pension fund must consist of representatives of the group and pension scheme participants in accordance with the pension fund's articles of association.

A few members of the group executive management team have had a funded pension plan for salary in excess of 12G. This scheme is described in note 23 in the annual financial statements for 2021, as well as in the executive remuneration report for 2021. In the third quarter of 2022, these agreements were converted to defined contribution schemes for salary in excess of 12G (with retroactive effect from 1.1.22).

As a consequence of the change, a one-time effect of NOK 17 million reduced pension costs in the third quarter of 2022. Other members of the group executive management team have received similar schemes from the same date and therefore the entire group executive management team now have unfunded defined contribution pension plans for salary in excess of 12G. The schemes will be described in more detail in the executive remuneration report for 2022.

The following economic assumptions have been used to calculate the obligations for the defined benefit-based pension scheme:

Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Parent bank and group
1,80 %	1,90 %	2,70 %	3,20 %	3,20 %	Discount rate
1,80 %	1,90 %	2,70 %	3,20 %	3,20 %	Expected return on assets
2,50 %	2,75 %	2,75 %	2,75 %	3,75 %	Forecast salary increase
2,25 %	2,50 %	2,50 %	2,50 %	3,50 %	National Insurance scheme's basic amount
0,00 %	0,00 %	0,00 %	0,00 %	1,70 %	Pension adjustment <sup>1)</sup>
0,00 %	0,00 %	0,00 %	0,00 %	1,70 %	Paid-up policy adjustment

<sup>1)</sup> Closed service pensions above 12G (G= the basic National Insurance amount) are regulated in line with general developments in the pay scale for finance or a corresponding scale that might replace the pay scale.

Change in pension obligations (NOK million):

Parent bank				Group		
01.01.21 - 2021	01.01.21 - 30.09.21	01.01.22 - 30.09.22		01.01.22 - 30.09.22	01.01.21 - 30.09.21	2021
197	197	269	Net pension obligations opening balance	277	204	204
-192	-238	-268	Actuarial liabilities and losses recognised in comprehensive income	-268	-239	-193
9	6	-129	Net pension cost	-129	6	9
-1	-	-	Company contributions	-	-	-2
-8	-6	-4	Payments from operations	-4	-6	-8
264	245	261	Upper limit for capitalisation of the asset	261	246	267
269	204	129	Net pension obligations closing balance	137	211	277
		109	Contribution-based service pension for wages above 12 G	109		
269	204	238	<b>Net pension obligation UB</b>	246	211	277

## Note 13 Liquidity risk

Liquidity risk is the risk that the group is not able to refinance its debt or is not able to finance an increase in assets. The bank's framework for managing liquidity risk shall reflect the bank's conservative risk profile. The board has adopted internal limits such that the bank has as balanced a maturity structure for its borrowing as possible. Stress testing is conducted for the various terms of maturity for bank-specific crises, system crises and combinations of these. A contingency plan has also been put in place to manage liquidity crises. The average remaining term to maturity in the portfolio of senior bond funding and covered bonds was 3.9 years at the end of the third quarter of 2022. The total LCR was 181% at the end of the third quarter, and the average total LCR was 158% in the quarter. The LCR in NOK and EUR at the end of the quarter was 112% and 787%, respectively.

## Note 14 Information about fair value

### Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices)

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions)

<b>Fair value 30.09.2022</b>	Level 1	Level 2	Level 3	<b>Total</b>
<b>Assets</b>				
Net lending to customers <sup>1)</sup>			7.950	<b>7.950</b>
Commercial paper and bonds	24.315	18.056		<b>42.371</b>
Financial derivatives		21.579		<b>21.579</b>
Equities, units and other equity interests	526	81	430	<b>1.037</b>
<b>Liabilities</b>				
Financial derivatives		17.114		<b>17.114</b>
No transfers between levels 1 and 2				
<sup>1)</sup> Net lending to customers in parent bank, level 3			45.690	

<b>Fair value 30.09.2021</b>	Level 1	Level 2	Level 3	<b>Total</b>
<b>Assets</b>				
Net lending to customers <sup>1)</sup>			8.917	<b>8.917</b>
Commercial paper and bonds	27.617	17.463		<b>45.080</b>
Financial derivatives		5.687		<b>5.687</b>
Equities, units and other equity interests	565	43	362	<b>970</b>
<b>Liabilities</b>				
Financial derivatives		3.458		<b>3.458</b>
No transfers between levels 1 and 2				
<sup>1)</sup> Net lending to customers in parent bank, level 3			50.342	



#### Note 14 Information about fair value (continued)

##### Change in holding during the financial year of assets valued on the basis of factors other than observable market data

Group	Loans to customers	Shares, ownership stakes and other securities
Balance 01.01	8.450	394
Additions	1.170	15
Disposals	-1.296	-11
Transferred from or to measurement according to prices in an active market or observable market data		
Change in value <sup>1)</sup>	-374	32
<b>Balance 30.09.2022</b>	<b>7.950</b>	<b>430</b>
Nominal value/cost price	8.373	392
Fair value adjustment	-423	38
<b>Balance 30.09.2022</b>	<b>7.950</b>	<b>430</b>

<sup>1)</sup> Value changes are recognised in net income from financial instruments

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the applicable interest curve, having taken into account a market premium, which is adjusted for the profit margin. The conducted sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 25 million.

##### Fair value of financial instruments at amortised cost

Group	Balance	Fair value
	30.09.2022	
<b>Assets</b>		
Cash and balances with central banks	80	80
Balances with credit institutions <sup>1)</sup>	4.563	4.563
Loans to customers <sup>1)</sup>	238.662	238.662
Certificates and bond	8.570	8.552
<b>Total assets at amortised cost</b>	<b>251.875</b>	<b>251.857</b>
<b>Liabilities</b>		
Balances with credit institutions <sup>1)</sup>	284	284
Deposits from customers <sup>1)</sup>	143.989	143.989
Listed debt securities	133.250	133.083
Senior non-preferred bonds	7.101	7.030
Subordinated loan capital	2.162	2.248
<b>Total liabilities at amortised cost</b>	<b>286.786</b>	<b>286.634</b>

<sup>1)</sup> Loans and deposits at amortised cost, amount to book value best estimate at fair value.

## Note 15 Events after the balance sheet date

No material events have been registered after 30.09.2022 that affect the interim financial statements as prepared.

## Results from the interim financial statements

SpareBank 1 SR-Bank Group, MNOK	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Interest income	2.395	1.888	1.784	1.635	1.497	1.519	1.535	1.507	1.547
Interest expense	1.280	787	770	630	508	518	540	513	506
<b>Net interest income</b>	<b>1.115</b>	1.101	1.014	1.005	989	1.001	995	994	1.041
Commission income	440	486	447	475	429	471	426	396	365
Commission expenses	22	23	19	22	24	19	25	28	31
Other operating income	3	3	2	2	1	2	1	2	2
<b>Net commission and other income</b>	<b>421</b>	466	430	455	406	454	402	370	336
Dividend income	7	16	19	21	-	9	-	39	1
Income from investment in associates	86	82	74	223	151	193	109	129	147
Net gains/losses on financial instrument	97	6	94	100	83	41	107	72	42
<b>Net income on financial investments</b>	<b>190</b>	104	187	344	234	243	216	240	190
<b>Total income</b>	<b>1.726</b>	1.671	1.631	1.804	1.629	1.698	1.613	1.604	1.567
Personnel expenses	428	438	445	485	432	423	382	401	357
Other operating expenses	207	224	200	228	191	212	186	182	179
Depreciation/ impairments on tangible and intangible assets	41	40	50	42	43	46	44	46	59
<b>Total operating expenses</b>	<b>676</b>	702	695	755	666	681	612	629	595
<b>Operating profit before impairments</b>	<b>1.050</b>	969	936	1.049	963	1.017	1.001	975	972
Impairments on loans and financial commitments	6	-52	15	-24	37	58	121	270	369
<b>Pre-tax profit</b>	<b>1.044</b>	1.021	921	1.073	926	959	880	705	603
Tax expense	215	225	168	184	193	143	162	97	98
<b>Profit after tax</b>	<b>829</b>	796	753	889	733	816	718	608	505

### Profitability

Return on equity per quarter <sup>1)</sup>	12,5 %	12,0 %	11,4 %	14,0 %	11,7 %	13,2 %	11,6 %	9,7 %	8,2 %
Cost percentage <sup>1)</sup>	39,2 %	42,0 %	42,6 %	41,9 %	40,9 %	40,1 %	37,9 %	39,2 %	38,0 %
Combined weighted average spread for lending and deposits <sup>1)</sup>	1,37 %	1,40 %	1,33 %	1,32 %	1,31 %	1,36 %	1,40 %	1,40 %	1,48 %

### Balance sheet figures from quarterly accounts

Gross loans to customers	248.237	242.867	233.581	230.299	226.952	225.791	221.291	219.181	216.796
Gross loans to customers including SB1 BK <sup>2)</sup>	248.237	242.867	233.581	230.299	226.952	225.791	221.291	219.181	220.186
Growth in loans over last 12 months <sup>1)</sup>	9,4 %	7,6 %	5,6 %	5,1 %	4,7 %	5,3 %	4,3 %	5,8 %	6,5 %
Growth in loans incl SB1 BK <sup>1)2)</sup>	9,4 %	7,6 %	5,6 %	5,1 %	3,1 %	3,3 %	2,3 %	3,7 %	4,9 %
Deposits from customers	143.989	145.667	141.999	137.664	132.283	136.209	128.108	118.170	113.248
Growth in deposits over last 12 months <sup>1)</sup>	8,8 %	6,9 %	10,8 %	16,5 %	16,8 %	22,5 %	21,4 %	14,6 %	10,8 %
Total assets	334.255	318.642	318.295	304.402	296.987	299.939	296.492	287.049	280.338
Average total assets	323.816	316.347	308.512	301.021	300.562	295.347	287.621	282.912	280.147

### Impairments on loans and financial commitments

Impairment ratio, annualized <sup>1)</sup>	0,01 %	-0,09 %	0,03 %	-0,04 %	0,07 %	0,10 %	0,22 %	0,50 %	0,68 %
Impairment ratio, including loans SB1 BK <sup>1)2)</sup>	0,01 %	-0,09 %	0,03 %	-0,04 %	0,07 %	0,10 %	0,22 %	0,49 %	0,67 %

<sup>1)</sup> Defined as alternative performance targets (APMs), see the appendix to the interim report

<sup>2)</sup> SpareBank 1 Boligkreditt are abbreviated to SB1 BK

**Results from the interim financial statements (continued)**

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
<b>Loans and financial commitments in Stage 2 and Stage 3 <sup>1)</sup></b>									
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments <sup>1)</sup>	1,39 %	1,38 %	1,40 %	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %	1,59 %
Loans and financial commitments in Stage 3 in % of gross loans and fin. commitments, incl. loans SB1 BK <sup>1)2)</sup>	1,39 %	1,38 %	1,40 %	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %	1,57 %
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments <sup>1)</sup>	5,11 %	4,24 %	5,02 %	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %	6,21 %
Loans and financial commitments in Stage 2 in % of gross loans and fin. commitments, incl. loans SB1 BK <sup>1)2)</sup>	5,11 %	4,24 %	5,02 %	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %	6,13 %
<b>Solidity</b>									
Common equity Tier 1 capital ratio <sup>4)5)</sup>	17,8 %	17,9 %	17,6 %	17,4 %	17,6 %	17,9 %	18,1 %	18,3 %	18,5 %
Tier 1 capital ratio <sup>4)5)</sup>	19,2 %	19,3 %	19,1 %	18,9 %	19,2 %	19,5 %	19,7 %	19,9 %	20,2 %
Capital ratio <sup>4)5)</sup>	20,8 %	20,9 %	20,7 %	20,5 %	20,9 %	21,2 %	21,5 %	21,7 %	22,0 %
Tier 1 capital <sup>4)5)</sup>	25.237	24.965	24.685	24.163	24.252	24.805	24.408	24.127	24.489
Net primary capital	27.326	27.050	26.767	26.207	26.446	26.999	26.612	26.336	26.728
Risk weighted balance	131.601	129.618	129.234	127.981	126.616	127.398	123.860	121.262	121.494
Leverage ratio	6,8 %	7,1 %	7,1 %	7,1 %	7,3 %	7,5 %	7,6 %	7,8 %	7,9 %
<b>Liquidity</b>									
Liquidity Coverage Ratio (LCR) <sup>3)</sup>	181 %	151 %	155 %	168 %	160 %	167 %	141 %	157 %	154 %
Deposit-to-loan ratio <sup>1)</sup>	58,0 %	60,0 %	60,8 %	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %	52,2 %
Deposit-to-loan ratio, incl loans SB1 BK <sup>1)2)</sup>	58,0 %	60,0 %	60,8 %	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %	51,4 %
<b>Branches and staff</b>									
Number of branches	35	35	35	34	34	34	34	34	35
Number of man-years	1.510	1.487	1.489	1.505	1.483	1.488	1.275	1.283	1.279
Number of man-years including temps	1.554	1.543	1.530	1.556	1.533	1.555	1.321	1.332	1.326
<b>SpareBank 1 SR-Bank share</b>									
Market price at end of quarter	102,00	106,70	134,30	133,20	121,50	113,70	105,00	91,00	77,40
Market capitalisation	26.087	27.289	34.347	34.066	31.074	29.079	26.854	23.273	19.795
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share (including dividends) <sup>1)</sup>	102,86	99,49	102,32	99,05	95,82	96,08	93,12	95,97	93,51
Earnings per share, NOK (annualised)	3,16	3,03	2,87	3,41	2,80	3,13	2,74	2,30	1,90
Price/earnings per share <sup>1)</sup>	8,07	8,80	11,70	9,77	10,85	9,08	9,58	9,89	10,18
Price / Book equity (group) <sup>1)</sup>	0,99	1,07	1,31	1,34	1,27	1,18	1,13	0,95	0,83
Annualised turnover rate in quarter <sup>6)</sup>	4,1 %	5,2 %	5,9 %	5,0 %	3,7 %	5,5 %	7,2 %	5,3 %	6,1 %
Effective return <sup>7)</sup>	-4,4 %	-20,6 %	0,8 %	12,2 %	6,9 %	8,3 %	21,4 %	17,6 %	10,7 %

<sup>1)</sup> Defined as alternative performance targets (APMs), see the appendix to the interim report

<sup>2)</sup> SpareBank 1 Boligkredit is abbreviated to SB1 BK

<sup>3)</sup> High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

<sup>4)</sup> A decision was made in April 2020 not to pay dividend for 2019 at this time. Historical figures per 31 December 2019 was not changed. The board have exercised the authorisation from April 2020 and on a board meeting 10th of February 2021 approved a dividend of NOK 5.50 per share for the financial year 2019. The dividend was paid as at 19th March 2021.

<sup>4)</sup> The board has exercised its special authorisation from April 2021 and at the board meeting on 30 September 2021 approved a dividend of NOK 3.10 per share for the financial year 2020, which was paid out on 13 October 2021. The total dividend of NOK 793 million reduced equity on 30 September 2021.

<sup>6)</sup> Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

<sup>7)</sup> Percentage change in the market price in the last period, including paid share dividend

## Contact information and financial calendar

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### 2022 and 2023 Financial Calendar

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Q3 2022	Thursday 27 October
Q4 2022	Thursday 9 February
Annual General Meeting	Thursday 13 April
Q1 2023	Thursday 4 May
Q2 2023, Half-yearly Report	Thursday 10 August
Q3 2023	Thursday 26 October