



Quarterly report 2022

Q4

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Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 31.12		Q4	Q4	Year 2021
	2022	2021	2022	2021	
Net interest income	4.516	4.001	1.286	1.007	4.001
Net commission and other income	1.770	1.717	453	455	1.717
Net income on financial investments	756	1.026	274	342	1.026
Total income	7.042	6.744	2.013	1.803	6.744
Total operating expense	2.825	2.714	752	754	2.714
Operating profit before impairments	4.216	4.030	1.262	1.049	4.030
Impairments on loans and financial commitments	5	192	36	-24	192
Pre-tax profit	4.211	3.838	1.225	1.073	3.838
Tax expense	834	682	226	184	682
Profit after tax	3.378	3.156	1.000	889	3.156
BALANCE SHEET					
Gross loans to customers	252.957	230.299			230.299
Deposits from customers	148.100	137.664			137.664
Total assets	345.931	304.403			304.403
Average total assets	321.177	295.753			295.753
Selected key figures (for further key figures see page 40 of the interim report)					
Return on equity ¹⁾	12,6 %	12,6 %	14,6 %	14,0 %	12,6 %
Cost ratio ¹⁾	40,1 %	40,2 %	37,3 %	41,9 %	40,2 %
Cost ratio Group ¹⁾⁴⁾	37,6 %	40,3 %	36,1 %	44,7 %	40,3 %
Average net interest margin	1,41 %	1,35 %	1,51 %	1,32 %	1,35 %
Balance growth					
Growth in loans ¹⁾	9,8 %	5,1 %			5,1 %
Growth in loans inclusive SpareBank 1 Boligkredit	9,8 %	5,1 %			5,1 %
Growth in deposits ¹⁾	7,6 %	16,5 %			16,5 %
Solidity					
Common equity Tier 1 capital ratio	17,4 %	17,4 %			17,4 %
Tier 1 capital ratio	18,8 %	18,9 %			18,9 %
Capital ratio	20,3 %	20,5 %			20,5 %
Tier 1 capital	25.193	24.164			24.164
Risk weighted balance	134.324	127.981			127.981
Leverage ratio	6,9 %	7,1 %			7,1 %
Liquidity					
Liquidity Coverage Ratio (LCR) ²⁾	176 %	168 %			168 %
Deposit-to-loan ratio ¹⁾	58,5 %	59,8 %			59,8 %
Impairments on loans and financial commitments ¹⁾					
Impairment ratio ¹⁾	0,00 %	0,09 %			0,09 %
Loans and financial commitments in Stage 3 ¹⁾					
Loans and financial commitments in Stage 3, % of gross loans and financial commitments ¹⁾	1,35 %	1,46 %			1,46 %
SpareBank 1 SR-Bank share					
	31.12.22	31.12.21	31.12.20	31.12.19	31.12.18
Market price	120,70	133,20	91,00	100,00	89,20
Market capitalisation (MNOK)	30.869	34.066	23.273	25.575	22.813
Book equity per share (including dividends) (group) ¹⁾	106,32	99,05	95,97	89,90	82,27
Earnings per share, NOK ¹⁾	12,88	12,08	5,87	12,06	8,96
Dividends per share	7,00	6,00	3,10	5,50	4,50
Price / Earnings per share ¹⁾	9,37	11,03	15,50	8,29	9,96
Price / Book equity ¹⁾	1,14	1,34	0,95	1,11	1,08
Effective return ³⁾	-4,9 %	55,8 %	-9,0 %	17,2 %	7,4 %

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

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

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

⁴⁾ Cost ratio Group includes Parent bank and SR-Boligkredit, excluding income on financial investments

Increase in profit driven by solid growth and solid underlying operation

Q4 2022

- Pre-tax profit: NOK 1,225 million (NOK 1,073 million)
 - Net profit for the quarter: NOK 1,000 million (NOK 889 million)
 - Return on equity after tax: 14.6% (14.1%)
 - Earnings per share: NOK 3.81 (NOK 3.41)
 - Net interest income: NOK 1,286 million (NOK 1,007 million)
 - Net commissions and other income: NOK 453 million (NOK 455 million)
 - Net income from financial investments: NOK 274 million (NOK 342 million)
 - Operating expenses: NOK 752 million (NOK 754 million)
 - Impairments on loans and financial liabilities: NOK 36 million (NOK -24 million)
- (Q4 2021 in brackets)

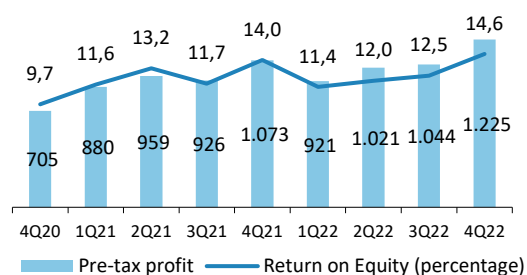
Preliminary annual results for 2022

- Pre-tax profit: NOK 4,211 million (NOK 3,838 million)
 - Net profit for the period: NOK 3,378 million (NOK 3,156 million)
 - Return on equity after tax: 12.6% (12.6%)
 - Earnings per share: NOK 12.88 (NOK 12.08)
 - Net interest income: NOK 4,516 million (NOK 4,001 million)
 - Net commissions and other income: NOK 1,770 million (NOK 1,716 million)
 - Net income from financial investments: NOK 756 million (NOK 1,026 million)
 - Operating costs: NOK 2,825 million (NOK 2,714 million)
 - Impairments on loans and financial liabilities: NOK 5 million (NOK 192 million)
 - Total lending growth over past 12 months: 9.8% (5.3%)
 - Growth in deposits over past 12 months: 7.6% (22.5%)
 - Common Equity Tier 1 capital ratio: 17.4% (17.4%)
 - Capital ratio: 20.3% (20.5%)
- (As at 31 December 2021 in brackets)

Financial performance – Q4 2022

The group made a pre-tax profit of NOK 1,225 million in the fourth quarter of 2022, NOK 181 million higher than in the previous quarter, of which NOK 106 million came from selling the subsidiary Bjergsted Terrasse AS. This resulted in a return on equity after tax of 14.6% for the quarter, up from 12.5% in the third quarter of 2022.

Fig. 1 Financial performance



Net interest income amounted to NOK 1,286 million in the fourth quarter of 2022, NOK 171 million higher than in the previous quarter, driven by a higher lending volume and stronger interest rate margin. The average interest margin was 1.51% in the fourth quarter of 2022, compared with 1.37% in the third quarter of 2022.

Net commission and other income was NOK 453 million in the fourth quarter of 2022, NOK 32 million higher than in the previous quarter. SpareBank 1 ForretningsPartner AS increased its income by NOK 13 million, while EiendomsMegler 1 SR-Eiendom AS saw a reduction of NOK 10 million from the previous quarter. Income from facilitation/customer fees increased by NOK 8 million, money transfer services increased by NOK 5 million, and insurance increased by NOK 5 million.

Net income from financial investments was NOK 274 million in the fourth quarter of 2022, an increase of NOK 83 million compared with the previous quarter. Income from associated companies increased by NOK 126 million from the previous quarter, mainly due to a higher profit contribution from SpareBank 1 Gruppen AS. Capital gains related to shares and equity certificates increased by NOK 120 million from the previous quarter. The increase was mainly due to a NOK 106 million gain from selling the subsidiary Bjergsted Terrasse AS. The certificate and bond portfolio saw a positive change in value of NOK 70 million from the previous quarter. Income from interest rate and currency trading saw a negative change in value of NOK 250 million, of which the market value of basis swaps and other IFRS effects was NOK 130 million and NOK 119 million, respectively. The negative change in the value of basis swaps was mainly due to the EURNOK basis swap premium falling in the quarter and other IFRS effects due to the fall in EURNOK forward points.

Operating expenses amounted to NOK 752 million in the fourth quarter of 2022, an increase of NOK 75 million from the previous quarter, of which NOK 60 million was in the parent bank. Pension costs in the previous quarter were reduced by a NOK 17 million one-time effect. Corrected for this, costs in the parent bank increased by NOK 43 million. Activity was high in the quarter and the use of more consultants, ICT, travel and meeting costs increased costs by NOK 30 million. Provisions for variable remuneration increased by NOK 12 million compared with the previous quarter.

Impairment on loans and financial liabilities amounted to NOK 36 million for the fourth quarter of 2022, compared with NOK 6 million in the previous quarter. Individual losses of NOK 0.6 million were recognised as costs, while IFRS 9 impairment provisions increased by NOK 35.8 million in the quarter. The IFRS 9 impairments includes a NOK 200 million uncertainty premium for the corporate market portfolio, due to the macroeconomic uncertainty going forward, an increase of NOK 100 million from the previous quarter. The increase in IFRS 9 impairments is partially offset by a reduction in model-generated provisions.

Important events in Q4

In September, an agreement was concluded with Base Property AS concerning the purchase of SpareBank 1 SR-Bank ASA's former head office at Bjergsted

Terrasse 1. Settlement for the sale was received in December 2022, and a gain of NOK 106 million was recognised as income from the sale in the fourth quarter.

Preliminary annual results for 2022

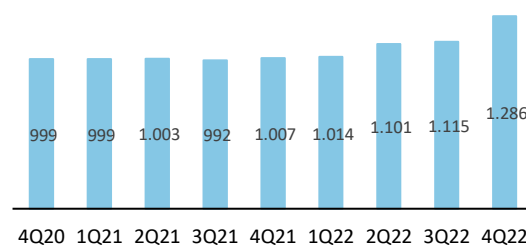
The group made a pre-tax profit for 2022 amounted to NOK 4,211 million (NOK 3,838 million), up NOK 373 million compared with last year.

The group's results were positively impacted by increases in net interest income and commissions and other income of NOK 515 million and NOK 53 million, respectively, as well as NOK 187 million less in impairment provisions. The NOK 270 million reduction in income from financial investments and NOK 111 million increase in costs had a negative impact on the operating result. The group's return on equity after tax was 12.6% (12.6%).

Net interest income

The group's net interest income totalled NOK 4,516 million in 2022 (NOK 4,001 million). The increase was mainly due to increased lending volumes, improved interest margins and a higher return on equity due to higher interest rates.

Fig. 2 Net interest margin



The average interest margin was 1.41% in 2022 (1.35%).

Net commission and other income

Net commissions and other income totalled NOK 1,770 million in 2022 (NOK 1,717 million).

Table 1, Commission and other income

	31.12.22	31.12.21
Payment facilities	324	245
Savings/placements	126	219
Insurance products	271	231
Commission income real estate broking	383	439
Guarantee commission	121	106
Arrangement- and customer fees	129	142
Customer fees ForretningsPartner	369	315
Other	47	20
Net commission and other income	1.770	1.717

Income from money transfer services amounted to NOK 324 million in 2022 (NOK 245 million). The increase in income from money transfer services is a result of travel activities and credit card use picking up again after the Covid-19 restrictions last year. Income from saving and investments amounted to NOK 126 million in 2022 (NOK 219 million). The decrease was due to portfolio income from SpareBank 1 Forvaltning now being recognised as profit contributions due to structural changes in which SR-Forvaltning AS was acquired by SpareBank 1 Forvaltning AS on 29 December 2021. SpareBank 1 SR-Bank ASA owns a stake of 35.8% in SpareBank 1 Forvaltning AS. Adjusted for this, income from savings/placements decreased by NOK 15 million. Income from insurance amounted to NOK 271 million (NOK 231 million) and both life insurance and non-life insurance saw good growth. Income from estate agency services amounted to NOK 383 million (NOK 439 million). The reduction was due to a lower sales volume than in the record-breaking year of 2021, when the level of activity was unusually high. Income from facilitation amounted to NOK 129 million in 2022 (NOK 142 million), with the decrease mainly due to lower facilitation income within Corporate Finance. Income from SpareBank 1 SR-Bank ForretningsPartner AS amounted to NOK 369 million in 2022 (NOK 315 million). The increase was primarily due to the acquisition of Tveit Regnskap AS with effect from 15. April 2021.

Net income on financial investments

Net income from financial investments amounted to NOK 756 million in 2022 (NOK 1,026 million).

Table 2, Income on financial investments

	31.12.22	31.12.21
Dividends	70	30
Investment income, associates	453	676
Securites gains/losses	-14	192
- of which in shares and certificates	156	296
- of which in certificates and bonds incl. derivatives	-170	-104
Currency/interest gains/losses	247	128
- of which customer- and own-account trading	206	142
- of which basisswap and other IFRS-effects	41	-14
Net income on financial investments	756	1.026

The dividends received in 2022 amounted to NOK 70 million (NOK 30 million). The dividends from Sandnes Sparebank amounted to NOK 19 million (NOK 21 million), from Visa Norge NOK 20 million, and from SpareBank 1 Markets AS NOK 12 million (NOK 8 million). In addition, dividends from FinStart Nordic AS of NOK 16 million were recognised as income and NOK 3 million from other investments.

Income from associated companies amounted to NOK 453 million in 2022 (NOK 676 million). In 2022, the ordinary profit contribution from SpareBank 1 Gruppen AS amounted to NOK 175 million (NOK 471 million), the profit contribution from BN Bank ASA amounted to NOK 203 million (NOK 164 million), the profit contribution from SpareBank 1 Forvaltning AS amounted to NOK 63 million (NOK 36 million), and the profit contribution from SpareBank 1 Betaling AS amounted to NOK 11 million (NOK -14 million). Income from other associated companies amounted to NOK 0 million (NOK 19 million). For more information about the underlying results in associated companies, see the section on page 12.

Value changes for securities amounted to NOK -14 million (NOK 192 million) and were due to value changes in the portfolio of certificates and bonds totalling NOK -170 million (NOK -104 million) and value changes amounting to NOK 156 million (NOK 296 million) in the portfolio of equities and equity certificates. Of the total value change for shares and equity certificates, NOK 106 million was due to the sale of the subsidiary Bjergsted Terrasse AS and NOK 35 million was due to the investment in SpareBank 1 Markets AS. The equity certificates in Sandnes Sparebank saw a change in value of NOK -17 million

(NOK 85 million) and investments in FinStart Nordic AS increased in value by NOK 48 million (NOK 90 million). NOK 51 million of the NOK 90 million increase in value in FinStart Nordic AS in 2021 was linked to the realisation of a single investment in Boost Ai AS. In 2021, NOK 92 million was recognised as income from the sale of the subsidiary SR-Forvaltning AS.

Value changes for the interest and currency trading amounted to NOK 247 million in 2022 (NOK 128 million). Value changes from customer and own account trading amounted to NOK 206 million (NOK 142 million). The value of basis swaps changed by NOK 88 million (NOK -23 million) and other IFRS effects amounted to NOK -47 million (NOK 9 million).

Operating expenses

The operating expenses amounted to NOK 2,825 million for 2022 (NOK 2,714 million). Cost/income ratio was 40.1% for 2022 (40.2%) and the Banking Group cost/income ratio was 37.6% (40.3%).

Table 3, Operating expenses

	31.12.22	31.12.21
Personnel expenses	1.788	1.722
IT expenses	395	381
Marketing	87	81
Administrative expenses	101	65
Operating expenses from real estate	54	37
Other operating expenses	228	252
Depreciation	173	175
Total operating expenses	2.825	2.714

NOK 84 million of the total increase in costs was due to higher costs in SpareBank 1 SR-Bank ForretningsPartner AS, mainly due to the acquisition of Tveit Regnskap AS with effect from 15.4.2021. Less activity in the property market reduced costs by NOK 10 million in EiendomsMegler 1 SR-Eiendom AS. In addition, there was a NOK 43 million reduction in costs due to SR-Forvaltning AS no longer being consolidated into the accounts after its sale to SpareBank 1 Forvaltning AS. Adjusted for these items, the growth in expenses was NOK 80 million.

Personnel costs amounted to NOK 1,788 million in 2022 (NOK 1,722 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 46 million (3.9%) compared with the same period last year. In

the parent bank, personnel costs increased by NOK 52 million, of which NOK 77 million was due to an average increase of around 36 FTEs and ordinary wage growth. The increase was partially offset by reduced pension costs due to a one-off effect of NOK 17 million in the third quarter.

Operating costs other than personnel costs were NOK 1,037 million in 2022 (NOK 992 million). The increase in other operating costs was mainly attributable to higher costs related to ICT, administration and operating expenses.

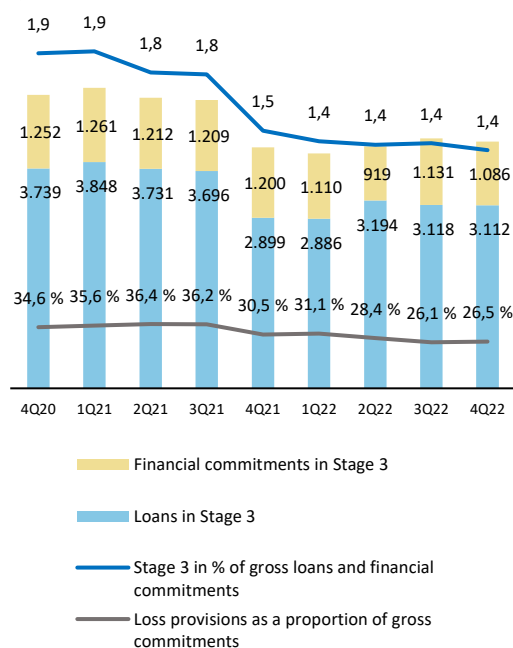
Impairments on loans and financial commitments, and loans and financial commitments in Stage 3

Net impairments on loans and financial commitments amounted to NOK 5 million as at 31.12.2022 (NOK 192 million). NOK 87 million was related to receipts on individual losses, while IFRS impairments of NOK 92 million were recognised as costs. The IFRS impairments include a NOK 200 million uncertainty premium for the corporate market portfolio due to macroeconomic uncertainty going forward.

The group's impairment on loans and financial liabilities amounted to 0.00% of gross loans in 2022 (0.09%).

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 commitments 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 commitments. Gross loans and financial commitments classified as Stage 3 amounted to NOK 4,198 million at the end of 2022 (NOK 4,099 million), of which provisions as a percentage of gross exposures were 26.5% (30.5%). Gross loans and financial commitments classified as Stage 3 corresponded to 1.4% (1.5%) of gross loans and financial commitments.

Fig. 3 Gross loans and financial commitments in Stage 3

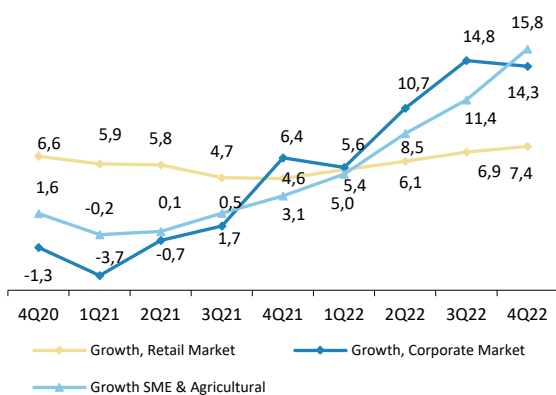


Loans to and deposits from customers

Gross loans at year end 2022 amounted to NOK 253.0 billion (NOK 230.3 billion). Gross lending growth in the past 12 months was 9.8% (5.1%). Adjusted for exchange rate effects of NOK 1.0 billion in the past 12 months, gross lending growth was 9.4%.

In the past 12 months, retail market (incl. staff loans), SME & agriculture and corporate market have seen lending growth of 7.4%, 15.8% and 14.3% (13.0% adjusted for foreign exchange effects), respectively.

Fig. 4 12 month lending growth (percentage)



¹ 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 61.8% of total loans at the end of 2022 (63.2%).

The group's total loan exposure of NOK 253.0 billion (NOK 230.3 billion) included a majority of exposures with a probability of default of less than 0.5%. These exposures accounted for 63.6% (65.4%) of the portfolio. The overall lending portfolio largely consisted of exposures of less than NOK 10 million. These accounted for 64.4% (67.2%) of loan exposure and 97.8% (98.1%) of total customers. Of the total loan exposure, 21.5% (19.3%) was to customers with exposures in excess of NOK 100 million.

Over the past 12 months, deposits from customers have increased by 7.6% (16.5%) to NOK 148.1 billion (NOK 137.7 billion). Excluding deposits from customers in the public sector, deposits have grown by 12.7% overall in the past 12 months, with growth of 5.1% in retail market, 26.1% in SME & agriculture and -1.8% in corporate market. At year end 2022, deposits from retail customers accounted for 44.9% (46.0%) of the group's deposits.

The deposit to loan ratio was 58.5% at the end of 2022 (60.3%).

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 Market¹

Retail market posted a contribution before impairment provisions of NOK 1,778 million in 2022 (NOK 1,713 million).

Table 4, Retail Market

	31.12.22	31.12.21
Interest income	1.792	1.773
Commission and other income	631	545
Income on investment securities	0	0

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

Total income	2.423	2.318
Total operating expenses	645	605
Operating profit before impairments	1.778	1.713
Impairments on loans and financial commitments	-4	-39
Pre-tax profit	1.782	1.752

Net interest income increased by NOK 19 million, while net commissions increased by NOK 86 million compared with the same period last year. The NOK 56 million increase in income from payment services was good, and income from insurance also increased, by NOK 37 million. Disquiet in the market is affecting activities in the area of savings.

Total operating expenses amounted to NOK 645 million as at 31.12.2022 (NOK 605 million). The increase was largely due to general wage and price inflation.

The volume of lending in Retail Market was NOK 151.7 billion at the end of 2022 (NOK 141.6 billion). Retail Market is experiencing a high demand for loans, and lending had grown by 7.1% in the past 12 months as at 31.12.2022 (NOK 10 billion). The deposit volume was NOK 66.6 billion (NOK 63.3 billion) as at 31.12.2022, corresponding to growth in the past 12 months of 5.1%. In December 2022, NOK 1.5 billion linked to customers in associations and clubs was moved internally from Retail Market to SME & Agriculture. The growth in deposits in the past 12 months inclusive of this transfer was 7.4%.

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 94.6% at year end 2022 (94.8%). The model-calculated IRB risk weights for residential mortgages was 18.8% at the end of the quarter (18.5%), and reflects a solid, stable portfolio.

SpareBank 1 SR-Bank ASA will open a new branch in Arendal in January 2023.

SME & Agriculture¹

SME & Agriculture received a contribution before impairment provisions of NOK 671 million in 2022 (NOK 471 million).

Table 5, SME & Agriculture

	31.12.22	31.12.21
Interest income	651	473
Commission and other income	130	111
Income on investment securities	5	2
Total income	786	585
Total operating expenses	116	115
Operating profit before impairments	671	471
Impairments on loans and financial commitments	59	3
Pre-tax profit	611	467

The higher profit before impairment provisions was primarily due to increased interest income driven by growth and stronger margins. Impairments on loans and financial commitments is increased from a very low level in 2021.

The lending volume in the division amounted to NOK 18.7 billion at the end of 2022 (NOK 16.2 billion). The deposit volume was NOK 20.2 billion (NOK 16.0 billion), corresponding to growth in the past 12 months of 26.1%. In December 2022, NOK 1.5 billion linked to customers in associations and clubs was moved internally from Retail Market to SME & Agriculture. The growth in deposits in the past 12 months exclusive of this move was 16.8%.

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 86.0% of the portfolio at the end of 2022 (85.9%).

Corporate Market¹

Corporate Market' contribution before impairment provisions increased to NOK 1,840 million in 2022 (NOK 1,700 million). Interest income amounted to NOK 1,705 million in 2022 (NOK 1,536 million). The increase was primarily due to high lending growth. Previous impairment provisions were reversed in 2022, and the division's pre-tax profit improved by NOK 418 million to NOK 1,890 million (NOK 1,472 million).

Table 6, Corporate market

	31.12.22	31.12.21
Interest income	1.705	1.536
Commission and other income	278	255
Income on investment securities	39	66
Total income	2.022	1.857
Total operating expenses	182	157
Operating profit before impairments	1.840	1.700
Impairments on loans and financial commitments	-50	228
Pre-tax profit	1.890	1.472

The lending volume in the division amounted to NOK 78.1 billion at the end of 2022 (NOK 68.3 billion). Exchange rate effects accounted for NOK 0.9 billion of the total growth of NOK 9.8 billion. There was solid lending growth in all market areas. The volume of deposits amounted to NOK 58.1 billion at the end of 2022 (NOK 59.1 billion). Of the reduced deposit volume, NOK 2.7 billion was due to fewer customers in the public sector.

The quality in Corporate Market is considered good. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 86.0% of the portfolio at year end 2022 (85.4%). The property sector portfolio represents the group's largest concentration in a single sector and accounted for 14.0% (14.6%) 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 effects of 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 ²

² 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.

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 from 5.6% to 33.3% 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.

SR-Bank Markets' operating income amounted to NOK 244 million in 2022 (NOK 238 million). The income generated is recognised as income in the business areas to which the customers are assigned, primarily Large Corporates. In 2022, income of NOK 72 million was recognised in the business areas (NOK 104 million). The pre-tax result amounted to NOK 102 million in 2022 (NOK 60 million).

Table 7, Capital market

	31.12.22	31.12.21
Interest income	-6	23
Commission and other income	80	120
Income on investment securities	170	95
Total income	244	238
- allocated to Corporate market	72	104
Total income after allocation	171	134
Total operating expenses	70	74
Pre-tax profit	102	60

Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

The company posted a turnover of NOK 395 million for 2022 (NOK 449 million) and a pre-tax profit of NOK 18.8 million (NOK 60.0 million). The reduction was due to a lower sales volume than in the record-breaking year of 2021, when the level of activity was unusually high.

In 2022, 6,233 (7.367) properties were sold with a total value of around NOK 21.7 billion (NOK 25.9 billion). The supply of new assignments was weaker than last year with a 3.6% reduction compared with a national reduction of 1.8%.

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%. A branch was opened in Oslo in 2022 with the primary aim of contributing to increased growth for the group.

Price growth in our main area of Nord-Jæren was 3.7% in 2022, with Kristiansand at 5.0% and Bergen at 0.5%. The national growth in prices was 1.5% in 2022. In 2023 Eiendom Norge expect a decline in the housing market, albeit with large regional differences.

SpareBank 1 SR-Bank ForretningsPartner AS

SpareBank 1 SR-Bank ForretningsPartner AS achieved revenue of NOK 410.7 million in 2022 (NOK 336.3 million) and a pre-tax profit of NOK 17.0 million (NOK 34.5 million). The increase in turnover was primarily due to the full effect of Tveit Regnskap AS (acquisition with effect from 15.4.2021). The result for 2022 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 6.4 million (NOK 5.5 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

The company posted a pre-tax profit of NOK 900.1 million in 2022 (NOK 838.7 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 367.1 million in 2022, compared with NOK -70.1 million in 2021. Net interest income decreased by NOK 330.6 million from 2021 to NOK 640.9 million in 2022 due to weaker lending margins.

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 year end 2022, the company had issued covered bonds with a nominal value of NOK 87.4 billion (NOK 78.5 billion) and bought loans worth NOK 104.5 billion (NOK 89.6 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 value chains and help streamline the group by supplying 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 the portfolio of a former subsidiary that primarily had investments linked to the oil industry.

The company posted a pre-tax profit of NOK 51.6 million in 2022 (NOK 85.0 million). In 2022, the value of the financial technology (fintech) portfolio increased by a total of NOK 6.7 million (NOK 60.4 million) and the value of investments in the oil industry increased by NOK 40.8 million (NOK 32.0 million). In 2021, a sell-down in Boost.ai AS significantly contributed to the positive change in value in the fintech portfolio.

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.

Monio AS posted a deficit of NOK 15.6 million in 2022 (NOK 49.7 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. In 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 year end 2022, the company had arranged loans totalling NOK 969 million (NOK 646 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.

Key associated companies

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, and SpareBank 1 Spleis AS. SpareBank 1 Gruppen AS also owns 65% of the shares in Fremtind Forsikring AS, 50% of the shares in Kredinor 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 2022.

SpareBank 1 Gruppen AS posted a significantly weaker result for 2022 than for the year before. The pre-tax profit amounted to NOK 1,458 million (NOK 4,105 million). The profit after tax amounted to NOK 1,196 million (NOK 3,250 million). The controlling interest's share of the net profit amounted to NOK 895 million (NOK 2,415 million). The decrease in profit was due to financial income in the insurance companies being significantly lower this year due to weak equity markets, higher interest rates, higher claims rates and write-downs of investment properties. In connection with the merger of Modhi Finance and Kredinor, a group gain of NOK 382 million was recognised as income in the fourth quarter. In the fourth quarter, SpareBank 1 Gruppen AS became the owner of 50% of the Kredinor Group. Return on equity after tax was 8.0% in 2022 (21.9%).

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 a common brand name, SpareBank 1. SpareBank 1 SR-Bank ASA owned

a 18.0% stake in SpareBank 1 Utvikling DA at year end 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, and SpareBank 1 Verdipapirservice 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 35.8% at year end 2022.

SpareBank 1 Forvaltning AS posted a pre-tax profit of NOK 232 million for 2022.

BN Bank ASA

BN Bank ASA is a nationwide bank with its head office in Trondheim. BN Bank ASA achieved a pre-tax profit of NOK 780 million in 2022 (NOK 632 million). The improvement in profit was mainly due to an increase in net interest income of NOK 222 million.

The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank ASA's stake was 35.0% at year end 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 16.2%. The company provides credit card solutions for the SpareBank 1 banks and posted a pre-tax profit of NOK 61 million in 2022 (NOK 89 million). The company saw good growth in 2022 but profit dropped as a result of increased impairment provisions of NOK 36 million in 2022 (NOK 3 million).

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 23.7% stake in Vipps AS.

SpareBank 1 Betaling AS posted a pre-tax profit of NOK 65.0 million for 2022 (NOK -69.0 million). The positive profit contribution in 2022 was mainly due to Danske Bank AS's acquisition of shares in Vipps AS in the fourth quarter.

For more information about the accounts of the various companies, please refer to their quarterly

reports, which are available on the websites of the various companies.

Funding and liquidity

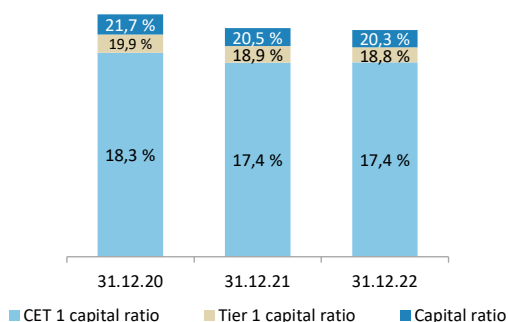
SpareBank 1 SR-Bank ASA had good liquidity at year end 2022 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer was NOK 61.2 billion at the end of 2022 and would cover normal operations for 33 months in the event of closed markets and without net lending growth. NOK 19.7 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 22.1 billion in residential mortgages ready for covered bond funding.

The group has solid long-term funding. The group's net stable funding ratio (NSFR) was 130% at year end 2022 (124%) and this 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 year end 2022, the Common Equity Tier 1 capital ratio was 17.4%, unchanged from 31.12.2021. 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 16.85% at the end of 2022. The requirement includes a systemic risk buffer, countercyclical buffer, Pillar 2 premium and capital adequacy margin.

The Tier 1 capital ratio was 18.8 percent, while the

total capital ratio was 20.31 percent at the end of 2022. The capital adequacy requirement is 20.35 percent, including the capital requirement margin of 1.25 percent.

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. In December 2021, a decision was made to increase the countercyclical buffer requirement by 0.5 percentage points to 2.0% with effect from 31.12.2022. In March 2022, a decision was made to introduce a full countercyclical buffer of 2.5% with effect from 31.3.2023.

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. In addition, it added a temporary Pillar 2 premium of 0.5%, until applications for model changes have been processed. 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 30.4.2022.

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 must meet a minimum requirement for own funds and eligible liabilities (MREL). The Financial Supervisory Authority of Norway has decided that SpareBank 1 SR-Bank ASA will be subject to an effective MREL requirement of 35.2% and have own funds and non-preferred senior debt amounting to at least 26.2% of the adjusted basis for calculation. The total subordination requirement must be met from 1 January 2024, and the subordination requirement must as a minimum be phased in on a linear basis. By the end of 2022, SpareBank 1 SR-Bank ASA had issued non-preferred senior debt equal to NOK 10.0 billion, and the requirement was met by a good margin.

The bank's share

The price of the bank's share (SRBNK) was NOK 120.70 at year end 2022. This resulted in an effective negative return of 4.9% from the end of 2021. The Oslo Børs's main index fell by 1.0% in the corresponding period (not corrected for dividends). 5.5% of outstanding SRBNK shares were traded in the fourth quarter of 2022 (5.0%).



There were 17,821 shareholders at year end 2022 (16,826). The proportion owned by foreign companies and individuals was 22.8% (22.2%), while 63.7% (65.7%) were resident in Rogaland, Agder, Vestland, Oslo and Viken. The 20 largest shareholders owned a combined total of 57.0% of the shares (56.7%). The bank held 29,219 treasury shares, while employees of the group owned 1.8% (1.7%).

The table below lists the 20 largest shareholders as at 31.12.2022:

Shareholder	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	74.977	29,3 %
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.	5.036	2,0 %
JPMorgan Chase Bank NA, U.S.A.	3.603	1,4 %
Odin Norge	3.019	1,2 %
Pareto Aksje Norge	2.939	1,1 %
Verdipapirfondet Alfred Berg Gambak	2.922	1,1 %
Swedbank AB	2.547	1,0 %
Danske Invest Norske Instit. II	2.523	1,0 %
J.P.Morgan SE, Luxembourg	2.508	1,0 %
State Street Bank and Trust Co, U.S.A.	2.383	0,9 %
Pareto Invest Norge AS	2.298	0,9 %
AS Clipper	2.234	0,9 %
Vpf Nordea Norge Verdi	1.870	0,7 %
Westco AS	1.847	0,7 %

State Street Bank and Trust Co, U.S.A.	1.827	0,7 %
KLP AksjeNorge Indeks	1.790	0,7 %
The Bank of New York Mellon SA, Belgia	1.587	0,6 %
Total 20 largest	145.873	57,0 %

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. Around 1,200 of the group's almost 1,650 employees have signed a regular savings agreement for the share savings scheme in 2023.

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 31 December 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. The sustainability strategy is part of the 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. At the end of 2022, the bank had financed around NOK 15 billion in sustainable

activities. 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.

Key initiatives in 2022

The sustainability strategy set in motion a number of internal processes that were driven forward during 2022. One particularly important project is the group-wide skills boost for employees within the area of sustainability. One of the strategy's ambitions is that all employees of SpareBank 1 SR-Bank ASA will have an active and responsible relationship with sustainability. 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. In 2022, four new employees were hired to work in the sustainability department. Their main duties will be to work on the group's sustainability work and to help develop sustainability within the customer offering for the corporate divisions. An advisory team consisting of specialists in sustainability and ESG has also been established in the subsidiary SpareBank 1 SR-Bank ForretningsPartner AS.

In order to achieve our goal of being a climate neutral group by 2022, an effort has been made to improve the quality of the group's climate report. A plan has also been drawn up to compensate for emissions in the group's Scope 1, Scope 2 and some parts of our Scope 3 emissions, which consists of purchasing biochar and planting of climate forests. During the first half of 2023, a target for emission reductions from the group's operations will be drawn up as part of the ongoing work on environmental certification based on the ISO14001 standard.

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. Increasing attention is being paid to climate-related factors in the credit ratings that are carried out. The bank has recently implemented an ESG risk module that will be used in its ongoing credit work to uncover this risk.

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.

Selected changes in the regulatory framework in the Q4

Setting of requirement for own funds and eligible liabilities (MREL)

On 8.12.2022, the Financial Supervisory Authority of Norway set minimum requirements for the sum of own funds and eligible liabilities for 11 banks. The MREL requirement and the MREL subordination requirement were set at 35.2% and 26.2%, respectively, for SpareBank 1 SR-Bank ASA.

The lending regulations will be continued with moderate relief in some areas

On 9.12.2022, the Ministry of Finance adopted amendments to the lending regulations, although most of the requirements will remain unchanged. The key changes include:

- Clarification that the regulations apply to lending to consumers.
- Loans to consumers secured by assets other than homes will also be subject to the regulations, and provisions regarding such loans are laid down in a separate chapter (chapter 5), while the general rules in chapters 1, 2 and 6 also apply to such loans.
- The servicing capacity requirement has been amended such that an interest rate increase of 3 percentage points must be assumed for the customer's total debt, although such that the financial institution must always assume an interest rate of at least 7%.
- The special requirements regarding second homes in Oslo have been removed.

Countercyclical buffer unchanged

On 15.12.2022, Norges Bank decided to leave the countercyclical buffer rate for banks unchanged at 2.5%. The current buffer requirement as at 31.12.2022 is 2.0%. Norges Bank had previously decided to increase the buffer rate to 2.5% with effect from 31.3.2023.

Continuation of banks' capital requirements

On 16.12.2022, the Ministry of Finance decided to leave the systemic risk buffer requirement unchanged at 4.5%. The Ministry of Finance also decided to leave the risk weight floors for IRB banks' residential and commercial property loans at their current level, with no lower average risk weights than 20% and 35%, respectively. The minimum requirement for average risk weight applies from 31.12.2022 until 31.12.2024.

Outlook

The macroeconomic picture is tainted by the war in Europe and there is considerable uncertainty about future economic developments. At the same time, the activity in the Norwegian economy has been good in 2022. The extraordinary savings, that built up during the pandemic, have contributed to higher demand and consumer growth during the year. Inflation has risen in 2022 and Norges Bank increased its policy rate. Because of higher interest rates, high energy prices and lower real wages lower consumption growth is expected going forward. SpareBank 1 SR-Bank's Business Barometer, which was launched in January 2023, shows that business expects a change from growth to downturn. High inflation and interest rates will curb profitability and investments, although there are major differences between industries.

The board has adopted a new, long-term target for return on equity of at least 13%. This target will be achieved through customer growth in South of Norway, growth in other income, cost efficiency and a well-diversified portfolio. The group's cost to 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.

A good mutual relationship between the region's inhabitants, the business sector and the bank are important for growth in the group's market area. The board would like to thank the group's customers, owners, employees and other partners for their loyal support of SpareBank 1 SR-Bank ASA in 2022 and assure them that it will make every effort to ensure that this teamwork continues.

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, 7 February, 2023

The Board of Directors of SpareBank 1 SR-Bank ASA

Income statement

Parent bank				Note	Group			
Q4 2021	Q4 2022	01.01.21 - 31.12.21	01.01.22 - 31.12.22		01.01.22 - 31.12.22	01.01.21 - 31.12.21	Q4 2022	Q2 2021
				Income statement (MNOK)				
827	1.703	3.055	4.864	Interest income effective interest method	8.459	5.474	2.945	1.455
314	769	1.160	2.100	Other interest income	940	344	387	97
364	1.322	1.198	3.111	Interest expense	4.883	1.817	2.046	544
777	1.150	3.017	3.853	Net interest income	4.516	4.001	1.286	1.007
282	307	1.019	1.132	Commission income	1.836	1.801	463	475
24	22	91	87	Commission expense	87	90	22	22
4	12	12	24	Other operating income	21	6	12	2
262	297	940	1.070	Net commission and other income	1.770	1.717	453	455
21	21	30	53	Dividends	70	30	26	21
0	142	1.106	1.055	Income from ownership interests	453	676	211	223
94	330	292	-40	Net gains/losses on financial instruments	233	320	37	98
114	493	1.428	1.069	Net income on financial investments	756	1.026	274	342
1.153	1.940	5.385	5.991	Total income	7.042	6.744	2.013	1.803
336	334	1.182	1.234	Salaries and other personell expense	1.788	1.722	477	484
186	195	635	692	Other operating expense	865	817	234	228
38	32	142	137	Depreciation and impairment of fixed and intangible assets	173	175	41	42
560	561	1.960	2.064	Total operating expense	2.825	2.714	752	754
593	1.379	3.425	3.927	Operating profit before impairments	4.216	4.030	1.262	1.049
-26	39	193	4	Impairment losses on loans and other financial liabilities	3, 4	5	192	36
619	1.340	3.232	3.923	Pre-tax profit	4.211	3.838	1.225	1.073
112	278	468	670	Tax expense	834	682	226	184
507	1.062	2.764	3.253	Profit after tax	3.378	3.156	1.000	889
489	1.038	2.698	3.168	Shareholders' share of the profit	3.293	3.090	975	871
18	24	67	85	Hybrid capital owners' share of the profit	85	67	24	18
507	1.062	2.764	3.253	Profit after tax	3.378	3.156	1.000	889
				Other comprehensive income				
-65	-6	-72	1	Unrecognised actuarial gains and losses	3	-72	-4	-65
16	1	18	-0	Deferred tax concerning changed estimates/pension plan changes	-1	18	1	16
-49	-4	-54	1	Total items not reclassified through profit or loss	2	-54	-3	-49
-2	1	-2	1	Change in ECL ¹⁾ 12 months	0	0	-0	0
				Basis swap spread	120	-58	-99	6
				Deferred tax concerning basis swap spread	-30	15	25	-1
				Share of profit associated companies and joint ventures	10	10	-4	3
-2	1	-2	1	Total items reclassified through profit or loss	100	-33	-79	8
-50	-4	-56	2	Other comprehensive income	102	-87	-82	-41
456	1.058	2.709	3.255	Total comprehensive income	3.480	3.069	918	848
				Earnings per share (group)	12,88	12,08	3,81	3,41

¹⁾ ECL - Expected credit loss

Balance sheet

Parent bank			Note	Group	
31.12.21	31.12.22	Balance sheet (MNOK)		31.12.22	31.12.21
78	76	Cash and balances with central banks		76	78
13.214	25.760	Balances with credit institutions		11.939	5.366
139.260	146.988	Loans to customers	4, 6	251.272	228.578
54.321	54.882	Certificates and bonds		53.989	56.266
6.713	28.131	Financial derivatives	8	18.612	5.053
694	496	Shares, ownership stakes and other securities	14	848	1.001
2.363	2.593	Investment in associates		5.242	4.894
7.569	7.547	Investment in subsidiaries		0	0
70	70	Intangible assets		454	458
565	1.102	Deferred tax assets		1.075	598
283	273	Fixed assets		923	979
881	857	Right-of-use assets		314	334
361	767	Other assets		1.186	797
226.373	269.542	Total assets	10	345.931	304.403
3.361	9.585	Balances with credit institutions		3.428	2.634
138.043	148.442	Deposits from customers	5	148.100	137.664
44.116	51.364	Listed debt securities	9	135.353	122.276
5.495	20.224	Financial derivatives	8	15.771	3.203
-0	1.206	Taxes payable		1.345	232
920	903	Lease liabilities		336	359
270	245	Pension liabilities	12	251	277
152	138	Impairments on financial commitments	4	138	153
518	584	Other liabilities		858	831
7.465	9.301	Senior non-preferred bonds	11	9.301	7.465
2.130	2.161	Subordinated loan capital	9	2.161	2.130
202.471	244.152	Total liabilities		317.042	277.224
6.394	6.394	Share capital		6.394	6.394
1.587	1.587	Premium reserve		1.587	1.587
1.535	1.790	Proposed dividend		1.790	1.535
1.850	1.700	Hybrid capital		1.700	1.850
12.537	13.919	Other equity		17.418	15.814
23.902	25.390	Total equity		28.889	27.179
226.373	269.542	Total liabilities and equity	10	345.931	304.403

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 31.12.20	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
Basiswap 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
Equity as at 31.12.21	6.394	1.587	1.850	0	17.348	27.179
Profit after tax					3.378	3.378
Unrecognised actuarial gains and losses after tax					2	2
Basiswap spread after tax					90	90
Share of profit associated companies and joint ventures					10	10
Total comprehensive income					3.480	3.480
Hybrid capital		-150				-150
Interest on hybridcapital					-85	-85
Transactions against equity in subsidiaries and associated companies					-2	-2
Dividend 2021, resolved in 2022					-1.535	-1.535
Trade in treasury shares					2	2
Transactions with shareholders					-1.533	-1.533
Equity as at 31.12.22	6.394	1.587	1.850	0	19.208	28.889

Statement of cash flows

Parent bank			Group	
01.01.21 - 31.12.21	01.01.22 - 31.12.22	Cash flow statement	01.01.22 - 31.12.22	01.01.21 - 31.12.21
-6.977	-7.690	Change in gross lending to customers ¹⁾	-22.658	-7.136
4.017	5.783	Interest receipts from lending to customers	8.404	5.652
19.649	10.399	Change in deposits from customers	10.436	14.113
-737	-2.021	Interest payments on deposits from customers	-2.010	-733
8.365	-15.952	Change in receivables and debt from credit institutions	-15.429	3.115
-209	239	Interest on receivables and debt to financial institutions	226	-438
-17.343	-561	Change in certificates and bonds ¹⁾	2.277	-12.982
485	825	Interest receipts from commercial paper and bonds	866	500
922	1.070	Commission receipts	1.770	1.709
82	86	Capital gains from sale of trading	70	120
-1.624	-1.849	Payments for operations	-2.654	-2.238
-669	0	Taxes paid	-235	-834
-7.110	2.717	Other accruals ¹⁾	3.285	-8.283
-1.149	-6.954	A Net change in liquidity from operations	-15.653	-7.435
-139	-79	Investments in tangible fixed assets	-97	-177
3	15	Receipts from sale of tangible fixed assets	15	3
-676	-235	Change in long-term investments in equities	-252	-929
395	15	Receipts from sales of long-term investments in equities	31	492
1.115	1.108	Dividends from long-term investments in equities	402	406
698	824	B Net cash flow, investments	100	-205
15.746	19.195	Debt raised by issuance of securities and senior non-preferred bonds	42.894	31.105
-14.133	-9.511	Repayments - issued securities and senior non-preferred bonds	-22.017	-21.838
-379	-778	Interest payments on securities issued and senior non-preferred bonds	-2.586	-835
0	0	Additional subordinated loan capital issued	0	0
0	0	Repayments - additional capital instruments	0	0
-40	-64	Interest payments on subordinated loans	-64	-40
0	-150	Repayments in debt established by issuing hybrid capital	-150	0
-67	-92	Interest payments on debt established by issuing hybrid capital	-92	-67
-72	-77	Lease payments	-58	-57
-2.200	-1.535	Dividend to share holders	-1.535	-2.200
-1.145	6.989	C Net cash flow, financing	16.392	6.068
-1.596	858	A+B+C Net cash flow during the period	839	-1.572
2.138	542	Cash and cash equivalents as at 1 January	580	2.152
542	1.400	Cash and cash equivalents at the end of the period	1.419	580
		Cash and cash equivalents specified		
78	76	Cash and balances with central banks	76	78
464	1.324	Balances with credit institutions	1.343	502
542	1.400	Cash and cash equivalents	1.419	580

¹⁾ 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

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 31 December 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 fourth 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 8.

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.

The war in Ukraine has contributed to increased uncertainty regarding the macroeconomic development throughout 2022.

Following Russia's invasion of Ukraine 24 February 2022 strict sanctions have been imposed on both Russia and Belarus, resulting in rapidly rising energy and commodity prices, as well as challenges in shipment of certain goods. 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. In relation to this, a general review of the customer base was conducted, 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 in the short term could be directly impacted by the war.

Additionally, there is increased macroeconomic uncertainty. Based on historical data, this uncertainty is so far not reflected in the development of the underlying portfolio. This makes it difficult to determine, with a reasonable amount of certainty, which industries and market segments that could be affected in the longer term. SpareBank 1 SR-Bank has recently prepared a liquidity risk-analysis on the corporate market portfolio to identify the most exposed industries. Following an overall assessment, in which the potential negative effects of the macroeconomic development in both short and medium term is considered, an uncertainty premium of NOK 200 million has been added to the corporate market portfolio. The potential negative effect is calculated with a general increase in the 12-month and life-long probability of default (PD) of 40% and a increase of 80% in PD towards the most exposed industries. The group decided on a similar basis to exercise its discretion and override the modelled ECL with NOK 32 million in the corporate market portfolio due to the macroeconomic uncertainties from the COVID-19 pandemic as at 31.12.2021.

Climate-related issues are given increased attention in credit assessments. Climate-related risks are primarily exposed through a recently implemented ESG-module. There is no indication of impairments due to climate-related matters.

Aforementioned circumstances continue to cause uncertainty in relation to critical estimates.

Furthermore, several measures have been implemented to secure the bank's IT infrastructure and to prevent potential cyber-attacks on the most critical systems and processes.

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 war in Ukraine and the Covid-19 virus have been included in the assessment in the fourth quarter of 2022.

The group conducts annual evaluation of its 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 fourth 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 170 million. To illustrate the sensitivity associated with the general macroeconomic uncertainty a simulation of the effect given a 10 percent increase of the life-long probability of default in the corporate market portfolio has been conducted. Such an increase would, all else equal, increase the group's expected impairment losses on exposures without individual impairment provisions in the corporate market portfolio by approximately NOK 35 million.

Sensitivity Calculations (NOK millions)	Best Case scenario	Base Case scenario	Worst Case scenario	Corporate market	SME &			Not distributed	Total Group
					Agri-culture	Retail market	SR-Bolig-kreditt		
Weighting used in Q4 2022									
ECL in a strong economic expansion scenario	17,5 %			176	76	34	14		300
ECL in a normal economic expansion scenario		65,0 %		219	90	37	14		360
ECL in a recession economic expansion scenario			17,5 %	1.785	578	193	142	1	2.699
ECL with the applied scenario weighting: (current, used from the fourth quarter of 2020)	17,5 %	65,0 %	17,5 %	486	173	64	37	1	760
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 %	846	285	99	65		1.295
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 %	365	135	52	27		579
Isolated effect of changed scenario weighting - 3 (illustration, not used before)	25,0 %	50,0 %	25,0 %	601	208	75	46		930
Isolated effect of changed scenario weighting - 4 (illustration, not used before)	33,3 %	33,3 %	33,3 %	725	248	88	57		1.118

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 in 2020 and has been continued following the war in Ukraine. The group's assessments of critical estimates and judgements regarding its use of accounting policies are challenging but are currently considered to be the best estimate

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

Parent bank			Group	
01.01.21 - 31.12.21	01.01.22 - 31.12.22		01.01.22 - 31.12.22	01.01.21 - 31.12.21
-493	-37	Change in impairments on loans	-36	-494
-103	-15	Change in impairments on financial commitments	-15	-103
947	83	Actual loan losses on commitments	83	947
3	2	Change in accrued interest	2	3
-1	-0	Change in assets taken over for the period	-0	-1
-160	-29	Recoveries on commitments previously written-off	-29	-160
193	4	Total net impairments on loans and financial commitments	5	192

Note 4 Impairments on loans and financial commitments recognised on the balance sheet

Parent Bank				
2022		Changes in impairments on loans	Changes in impairments on financial commitments	Total 31.12.22
Impairments on loans and financial commitments	01.01.22			
Impairments after amortised cost, corporate market	1.495	-42	-23	1.430
Impairments after amortised cost, SME & ariculture	211	19	5	235
Impairments after amortised cost, retail market	71	-10	3	63
Mortgages at FVOCI ¹⁾	61	-4	0	57
Total impairments on loans and financial commitments	1.838	-37	-15	1.786
Presented as				
Impairments on loans	1.685	-37	0	1.648
Impairments on financial commitments	153	0	-15	138
Total impairments on loans and financial commitments	1.838	-37	-15	1.786
2021				Total 31.12.21
Impairments on loans and financial commitments	01.01.21			
Impairments after amortised cost, corporate market	2.035	-444	-96	1.495
Impairments after amortised cost, SME & ariculture	226	-9	-6	211
Impairments after amortised cost, retail market	95	-23	-1	71
Mortgages at FVOCI ¹⁾	78	-17	0	61
Total impairments on loans and financial commitments	2.434	-493	-103	1.838
Presented as				
Impairments on loans	2.178	-493	0	1.685
Impairments on financial commitments	256	0	-103	153
Total impairments on loans and financial commitments	2.434	-493	-103	1.838

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

Group	Changes in			Total
	01.01.22	impairments on loans	impairments on financial commitments	
2022				
Impairments on loans and financial commitments	01.01.22			31.12.22
Impairments after amortised cost, corporate market	1.495	-42	-23	1.430
Impairments after amortised cost, SME & agriculture	211	19	5	235
Impairments after amortised cost, retail market	168	-13	3	159
Mortgages at FVOCI ¹⁾	0	0	0	0
Total impairments on loans and financial commitments	1.874	-36	-15	1.823
Presented as				
Impairments on loans	1.721	-36	0	1.685
Impairments on financial commitments	153	0	-15	138
Total impairments on loans and financial commitments	1.874	-36	-15	1.823

2021	Changes in			Total
	01.01.21	impairments on loans	impairments on financial commitments	
Impairments on loans and financial commitments	01.01.21			31.12.21
Impairments after amortised cost, corporate market	2.035	-444	-96	1.495
Impairments after amortised cost, SME & agriculture	226	-9	-6	211
Impairments after amortised cost, retail market	210	-41	-1	168
Mortgages at FVOCI ¹⁾	0	0	0	0
Total impairments on loans and financial commitments	2.471	-494	-103	1.874
Presented as				
Impairments on loans	2.215	-494	0	1.721
Impairments on financial commitments	256	0	-103	153
Total impairments on loans and financial commitments	2.471	-494	-103	1.874

¹⁾ FVOCI - Fair value other comprehensive income

Parent Bank	01.01.22 - 31.12.22				01.01.21 - 31.12.21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments recognised on loans per stage								
Impairments on loans 01.01	185	326	1.174	1.685	288	331	1.559	2.178
Changes 01.01 - 31.12								
Transfer to (from) stage 1	-17	17	1	-0	-19	19	0	0
Transfer to (from) stage 2	84	-86	2	-0	90	-94	4	0
Transfer to (from) stage 3	4	2	-6	0	0	5	-5	0
Net new measurement of impairments	-65	74	-79	-71	-172	130	-366	-408
New issued or purchased loan	138	74	14	226	86	37	15	138
Loans that have been derecognised	-51	-114	-27	-192	-88	-102	-33	-223
Impairments on loans 31.12	278	292	1.078	1.648	185	326	1.174	1.685
Impairments recognised on financial commitments per stage								
Impairments on financial commitments 01.01.	32	45	76	153	43	47	166	256
Changes 01.01 - 31.12								
Transfer to (from) stage 1	-4	4	0	0	-2	2	0	0
Transfer to (from) stage 2	15	-15	0	-0	18	-18	0	0
Transfer to (from) stage 3	0	0	-0	0	0	0	0	0
Net new measurement of impairments	-8	16	-43	-34	-37	14	-80	-103
New issued or purchased loan	23	15	1	39	18	7	1	26
Loans that have been derecognised	-13	-6	-1	-19	-8	-7	-11	-26
Impairments on financial commitments 31.12	46	59	34	138	32	45	76	153

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

Group	01.01.22 - 31.12.22				01.01.21 - 31.12.21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments recognised on loans per stage								
Impairments on loans 01.01	193	352	1.176	1.721	298	357	1.560	2.215
Changes 01.01 - 31.12								
Transfer to (from) stage 1	-17	17	1	0	-19	19	0	0
Transfer to (from) stage 2	91	-93	2	-0	98	-102	4	0
Transfer to (from) stage 3	4	3	-7	0	0	6	-6	0
Net new measurement of impairments	-73	79	-79	-72	-182	141	-365	-406
New issued or purchased loan	143	83	14	241	89	44	15	148
Loans that have been derecognised	-53	-123	-28	-204	-91	-112	-33	-236
Impairments on loans 31.12	288	318	1.079	1.685	193	353	1.175	1.721
Impairments recognised on financial commitments per stage								
Impairments on financial commitments 01.01.	32	45	76	153	43	47	166	256
Changes 01.01 - 31.12								
Transfer to (from) stage 1	-4	4	0	0	-2	2	0	0
Transfer to (from) stage 2	15	-15	0	-0	18	-18	0	0
Transfer to (from) stage 3	0	0	-0	0	0	0	0	0
Net new measurement of impairments	-8	16	-43	-34	-37	14	-80	-103
New issued or purchased loan	23	15	1	39	18	7	1	26
Loans that have been derecognised	-13	-6	-1	-19	-8	-7	-11	-26
Impairments on financial commitments 31.12	46	59	34	138	32	45	76	153

Note 5 Deposits from customers

Parent bank			Group	
31.12.21	31.12.22		31.12.22	31.12.21
421	621	Aquaculture	621	421
1.852	1.446	Industry	1.446	1.852
1.464	1.600	Agriculture/forestry	1.600	1.464
17.450	17.292	Service industry	16.949	17.071
3.631	3.286	Retail trade, hotels and restaurants	3.286	3.631
1.520	1.844	Energy, oil and gas	1.844	1.520
2.574	2.929	Building and construction	2.929	2.574
1.554	1.948	Power and water supply/	1.948	1.554
7.195	7.735	Real estate	7.735	7.195
2.007	3.996	Shipping and other transport	3.996	2.007
40.513	44.118	Public sector and financial services	44.118	40.513
80.181	86.815	Total corporate market	86.472	79.802
57.862	61.627	Retail customers	61.627	57.862
138.043	148.442	Deposits from customers	148.100	137.664

Note 6 Loans and financial commitments to customers

Parent bank		Gross loans to customers by industry	Group	
31.12.21	31.12.22		31.12.22	31.12.21
3.586	3.706	Aquaculture	3.714	3.594
3.718	3.996	Industry	4.049	3.766
5.305	5.683	Agriculture/forestry	6.042	5.576
15.804	20.415	Service industry	21.023	16.100
3.008	3.295	Retail trade, hotels and restaurants	3.520	3.180
1.195	1.084	Energy, oil and gas	1.087	1.195
3.951	5.003	Building and construction	5.268	4.152
1.412	1.708	Power and water supply	1.708	1.412
33.599	37.644	Real estate	37.660	33.608
11.812	13.343	Shipping and other transport	13.525	11.958
2.451	2.163	Public sector and financial services	2.163	2.451
85.841	98.041	Total corporate sector	99.759	86.992
55.093	50.582	Retail customers	153.198	143.307
140.934	148.624	Gross loans	252.957	230.299
-1.685	-1.648	- Impairments after amortised cost	-1.685	-1.721
11	12	- Mortgages at FVOCI ²⁾	0	0
139.260	146.988	Loans to customers	251.272	228.578
Financial commitments ¹⁾				
10.644	17.397	Guarantees customers	17.433	10.686
19.414	19.119	Unused credit lines for customers	26.659	26.897
12.475	13.441	Approved loan commitments	13.441	12.475
42.533	49.957	Total financial commitments	57.532	50.058
Other guarantees issued and liabilities				
12.048	6.022	Unused credit lines for financial institutions	0	0
78.529	589	Guarantees other	589	589
2	0	Letters of credit	0	2
90.579	6.611	Total other guarantees issued and liabilities	589	591

¹⁾ Financial liabilities not on the balance sheet that are the basis for impairments

²⁾ FVOCI - Fair value other comprehensive income

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

Parent bank

2022	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.22
Aquaculture	3.668	-9	-10	0	39	3.687
Industry	3.938	-12	-13	-107	59	3.865
Agriculture/forestry	3.211	-2	-7	-1	2.472	5.672
Service industry	19.758	-102	-63	-133	657	20.117
Retail trade, hotels and restaurants	3.060	-14	-13	-14	235	3.254
Energy, oil and gas	1.084	-3	-2	-57	0	1.023
Building and construction	4.721	-14	-15	-17	282	4.956
Power and water supply	1.699	-3	-1	-0	9	1.703
Real estate	37.452	-87	-105	-46	192	37.407
Shipping and other transport	13.214	-20	-31	-640	129	12.653
Public sector and financial services	2.163	0	0	0	0	2.163
Total corporate market	93.968	-266	-260	-1.015	4.073	96.501
Retail customers	5.168	-13	-32	-63	45.415	50.475
Mortgages at FVOCI ¹⁾					12	12
Loans to customers	99.136	-278	-292	-1.078	49.500	146.988

2021	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.21
Aquaculture	3.551	-8	-33	0	35	3.545
Industry	3.657	-10	-8	-132	61	3.568
Agriculture/forestry	2.724	-1	-6	-2	2.581	5.296
Service industry	15.141	-43	-63	-133	663	15.565
Retail trade, hotels and restaurants	2.757	-11	-17	-6	251	2.974
Energy, oil and gas	1.195	-2	-3	-68	0	1.122
Building and construction	3.651	-7	-18	-19	300	3.907
Power and water supply	1.408	-3	-6	0	4	1.403
Real estate	33.373	-79	-91	-53	226	33.376
Shipping and other transport	11.678	-10	-47	-691	134	11.064
Public sector and financial services	2.451	0	0	0	0	2.451
Total corporate market	81.586	-174	-292	-1.104	4.255	84.271
Retail customers	5.287	-11	-34	-70	49.806	54.978
Mortgages at FVOCI ¹⁾					11	11
Loans to customers	86.873	-185	-326	-1.174	54.072	139.260

¹⁾ FVOCI - Fair value other comprehensive income

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

Group

2022	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.22
Aquaculture	3.707	-9	-10	0	7	3.695
Industry	4.035	-12	-13	-107	14	3.917
Agriculture/forestry	5.131	-2	-7	-1	911	6.031
Service industry	20.937	-102	-63	-133	86	20.725
Retail trade, hotels and restaurants	3.478	-14	-13	-14	41	3.478
Energy, oil and gas	1.087	-3	-2	-57	0	1.025
Building and construction	5.227	-14	-15	-18	41	5.221
Power and water supply	1.703	-3	-1	-0	6	1.703
Real estate	37.542	-87	-105	-46	118	37.423
Shipping and other transport	13.497	-20	-31	-640	28	12.834
Public sector and financial services	2.163	0	0	0	0	2.163
Total corporate market	98.507	-266	-261	-1.015	1.251	98.216
Retail customers	146.588	-22	-56	-63	6.610	153.056
Loans to customers	245.096	-288	-318	-1.079	7.861	251.272

2021	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.21
Aquaculture	3.586	-8	-33	0	8	3.553
Industry	3.756	-10	-8	-132	10	3.616
Agriculture/forestry	4.479	-1	-7	-2	1.097	5.566
Service industry	16.001	-43	-64	-133	99	15.860
Retail trade, hotels and restaurants	3.146	-11	-17	-7	34	3.145
Energy, oil and gas	1.195	-2	-3	-68	0	1.122
Building and construction	4.103	-8	-18	-18	49	4.108
Power and water supply	1.412	-3	-6	0	0	1.403
Real estate	33.480	-79	-91	-53	128	33.385
Shipping and other transport	11.931	-10	-47	-691	27	11.210
Public sector and financial services	2.451	0	0	0	0	2.451
Total corporate market	85.540	-175	-294	-1.104	1.452	85.419
Retail customers	136.309	-18	-59	-71	6.998	143.159
Loans to customers	221.849	-193	-353	-1.175	8.450	228.578

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

Parent bank

Gross loans per stage	01.01.22 - 31.12.22				01.01.21 - 31.12.21			
	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	-6.002	5.922	80	0	-4.606	4.528	78	0
Transfer to (from) stage 2	2.912	-2.943	31	0	3.042	-3.162	120	0
Transfer to (from) stage 3	15	15	-30	0	6	25	-31	0
Net increase/(decrease) balance existing loans	6.889	790	4	7.683	9.800	813	637	11.250
Originated or purchased during the period	55.633	2.629	1.014	59.277	55.705	1.192	206	57.103
Loans that have been derecognised	-53.817	-4.577	-875	-59.270	-54.456	-5.077	-1.843	-61.376
Gross loans 31.12	134.441	11.090	3.093	148.624	128.811	9.252	2.871	140.934

Financial commitments per stage ¹⁾²⁾

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	6.690	847	-113	7.424	6.830	-277	-51	6.502
Financial commitments 31.12	46.357	2.515	1.085	49.957	39.667	1.668	1.198	42.533

Group

Gross loans per stage	01.01.22 - 31.12.22				01.01.21 - 31.12.21			
	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	201.370	14.072	3.739	219.181
Transfer to (from) stage 1	-7.476	7.391	84	-0	-5.902	5.818	84	0
Transfer to (from) stage 2	3.689	-3.719	31	0	4.263	-4.393	130	0
Transfer to (from) stage 3	20	24	-44	0	9	37	-46	0
Net increase/(decrease) balance existing loans	9.629	849	6	10.484	12.838	888	638	14.364
Originated or purchased during the period	82.539	3.063	1.000	86.602	74.598	1.402	193	76.193
Loans that have been derecognised	-68.575	-4.989	-864	-74.428	-71.835	-5.765	-1.839	-79.439
Gross loans 31.12	235.168	14.677	3.112	252.957	215.341	12.059	2.899	230.299

Financial commitments per stage ¹⁾²⁾

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	6.718	871	-114	7.474	7.165	-304	-52	6.809
Financial commitments 31.12	53.672	2.775	1.086	57.532	46.954	1.904	1.200	50.058

¹⁾ Other financial liabilities include guarantees, undrawn credit and loan commitments

²⁾ 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 16.85% at the end of the fourth quarter of 2022.

Parent bank			Group	
31.12.21	31.12.22		31.12.22	31.12.21
6.394	6.394	Share capital	6.394	6.394
1.587	1.587	Premium reserve	1.587	1.587
1.535	1.790	Allocated to dividend	1.790	1.535
1.850	1.700	Hybrid capital	1.700	1.850
12.536	13.919	Other equity	17.418	15.813
23.902	25.390	Book equity	28.889	27.179
		Tier 1 capital		
-70	-70	Deferred taxes, goodwill and other intangible assets	-704	-681
-1.535	-1.790	Deduction for allocated dividends	-1.790	-1.535
-206	-612	Deduction in expected losses IRB less loss provisions	-733	-305
-1.850	-1.700	Hybrid capital that cannot be included in CET 1 capital	-1.700	-1.850
	0	Deduction for CET 1 capital in essential investments in financial institutions	-235	-325
-165	-237	Deduction for CET 1 capital in not essential investments in financial institutions	-241	-150
-63	-64	Value adjustments due to the requirements for prudent valuation	-80	-71
20.013	20.916	CET 1 capital	23.405	22.262
1.850	1.700	Hybrid capital	1.836	1.951
	-48	Deduction for essential investments in financial institutions	-48	
21.814	22.568	Tier 1 capital	25.193	24.164
		Tier 2 capital		
2.097	2.097	Term subordinated loan capital	2.272	2.238
-195	-188	Deduction for essential investments in financial institutions	-188	-195
1.902	1.909	Tier 2 capital	2.084	2.043
23.716	24.477	Net primary capital	27.277	26.207

Note 7 Capital adequacy (continued)

Parent bank		Credit risk Basel II	Group	
31.12.21	31.12.22		31.12.22	31.12.21
18.522	16.351	SME	16.359	18.535
22.961	22.825	Specialised enterprises	25.379	25.456
6.948	10.745	Other corporations	11.011	7.116
842	965	Mass market SME	1.408	1.172
11.042	10.320	Mass market - mortgage on real estate ¹⁾	32.983	30.473
2.030	1.943	Other mass market	2.012	1.997
12.114	12.314	Equity positions	0	0
74.459	75.462	Total credit and counterparty risk IRB	89.153	84.749
33	26	States and central banks	26	43
44	67	Local and regional authorities, state-owned enterprises	222	277
2.736	7.101	Institutions	1.818	1.042
9.868	10.201	Enterprises	10.588	10.408
3.420	3.596	Mass market	4.472	4.147
0		Mass market - mortgage on real estate	555	881
10.059	2.220	Covered bonds	1.997	2.524
6.000	6.000	Equity positions	6.834	6.494
182	0	Units in securities funds	16	196
2.972	4.266	Other assets	4.930	3.811
35.314	33.476	Total credit and counterparty risk standard method	31.457	29.823
134	286	Credit value adjustment risk (CVA)	416	259
7.258	7.377	Operational risk	11.121	10.587
	292	Other risk exposures ¹⁾	2.177	2.563
117.575	116.893	Risk weighted balance	134.324	127.981
5.291	5.260	Minimum requirement for common equity Tier 1 capital ratio 4.5 %	6.045	5.759
		Buffer requirement		
2.939	2.922	Capital conservation buffer 2.5 %	3.358	3.200
5.291	5.231	Systemic risk buffer 4.5 %	6.014	5.759
1.176	2.335	Countercyclical capital buffer 1.5 %	2.686	1.280
9.406	10.489	Total buffer requirement to common equity Tier 1 capital ratio	12.058	10.238
5.316	5.167	Available common equity Tier 1 capital ratio after buffer requirement	5.302	6.264
17,02 %	17,89 %	Common equity Tier 1 capital ratio	17,42 %	17,39 %
18,55 %	19,31 %	Tier 1 capital ratio	18,76 %	18,88 %
20,17 %	20,94 %	Capital ratio	20,31 %	20,48 %
6,91 %	8,24 %	Leverage Ratio	6,85 %	7,14 %

¹⁾ 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 18,8 % as at 31 December 2022.

Note 8 Financial derivatives

Group

At fair value through profit and loss	Contract amount	Fair value at 31.12.22	
	31.12.22	Assets	Liabilities
Currency instruments			
Currency futures (forwards)	5.329	121	150
Currency swaps	39.194	572	78
Currency swaps (basis swaps)	28.398	818	137
Currency swaps (basis swaps hedging)	29.311	536	25
Currency options	952	0	0
Total currency instruments	103.184	2.047	390
Interest rate instruments			
Interest rate swaps	71.543	2.184	924
Other interest rate contracts	2.021	27	27
Total interest rate instruments	73.564	2.211	950
Interest rate instruments, hedging			
Interest rate swaps	127.769	-14	11.902
Total interest rate instruments, hedging	127.769	-14	11.902
Security			
Security		14.368	2.529
Total security		14.368	2.529
Total currency and interest rate instruments			
Total currency instruments	103.184	2.047	390
Total interest rate instruments	201.334	2.197	12.852
Total collateral		14.368	2.529
Total financial derivatives	304.517	18.612	15.771
Counterparty risk:			
Netting agreements		2.352	
Considered collateral		16.896	
Total exposure to financial derivatives		-636	

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)

	Contract amount	Weighted maturity
Interest rate instruments		
CIBOR DKK (6 months)	848	3
EURIBOR EUR (3 months)	194.435	5
EURIBOR EUR (6 months)	389	6
LIBOR USD (3 months)	3.962	2
NIBOR NOK (1 month)	38	4
NIBOR NOK (3 months)	79.143	4
NIBOR NOK (6 months)	940	2
STIBOR SEK (3 months)	256	2
Total interest rate instruments	280.010	
Currency instruments		
EURIBOR EUR (3 months) to LIBOR USD (3 months)	13.565	2
EURIBOR EUR (3 months) to NIBOR NOK (3 months)	110.164	5
LIBOR USD (3 months) to NIBOR NOK (3 months)	4.200	1
LIBOR USD (6 months) to FIXED NOK	153	3
STIBOR SEK (3 months) to NIBOR NOK (3 months)	1.256	1
Total currency instruments	129.338	
Total exposure to financial derivatives	409.347	
Assets		
Certificates and bonds		
LIBOR USD (3 months)	13	2
NIBOR NOK (3 months)	24.815	3
Total exposure certificates and bonds	24.827	
Liabilities		
Securities issued		
EURIBOR EUR (3 months)	3.049	1
EURIBOR EUR (6 months)	526	8
LIBOR USD (6 months)	1.390	1
NIBOR NOK (3 months)	13.975	12
STIBOR SEK (3 months)	661	1
Total exposure securities issued	19.601	

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

Change in debt raised through securities issued	Balance as at 31.12.22	Issued/ sale own 2022	Past due/ redeemed 2022	FX rate- and other changes 2022	31.12.21
Other long-term borrowing	1.390	0	0	147	1.243
Bonds and certificates, nominal value	51.276	17.021	-9.511	1.502	42.264
Covered bonds, nominal value	92.603	23.699	-12.506	3.755	77.655
Adjustments and accrued interests	-9.917			-11.031	1.114
Total debt raised through securities issued	135.353	40.720	-22.017	-5.626	122.276

Change in debt raised by issuing non-preferred senior debts	Balance as at 31.12.22	Issued/ sale own 2022	Past due/ redeemed 2022	FX rate- and other changes 2022	31.12.21
Senior non-preferred bonds	9.960	2.174	0	267	7.519
Adjustments and accrued interests	-658			-604	-54
Total senior non-preferred bonds	9.301	2.174	0	-338	7.465

Change in debt raised through subordinated loan capital issued	Balance as at 31.12.22	Issued/ sale own 2022	Past due/ redeemed 2022	FX rate- and other changes 2022	31.12.21
Term subordinated loan capital, nominal value	2.151	0	0	26	2.125
Adjustments and accrued interests	10			5	5
Total additional Tier 1 and Tier 2 capital instruments	2.161	0	0	31	2.130

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 Konsern 31.12.22						
	Retail Market	Corporate Market	SME & Agriculture	Other activities	Elimin- ations	Group
Income statement (MNOK)						
Net interest income ¹⁾	1.792	1.705	651	378	-10	4.516
Net commission and other income	631	278	130	808	-77	1.770
Net income on investment securities	0	39	5	711	0	756
Total net income	2.423	2.022	786	1.897	-87	7.042
Total operating expenses	645	182	116	1.969	-87	2.825
Operating profit before losses	1.778	1.840	671	-72	0	4.216
Change in individual write-downs in the period	-4	-50	59	-0	0	5
Pre-tax profit	1.782	1.890	611	-72	0	4.211
Balance sheet (MNOK)						
Loans to customers	151.678	78.098	18.739	4.660	-218	252.957
Individual loss provisions	-153	-1.320	-212	0	0	-1.685
Certificates/bonds/financial derivatives	0	0	0	89.941	-17.339	72.602
Other assets	-4.069	8.492	-183	48.136	-30.319	22.057
Total assets	147.455	85.270	18.344	142.737	-47.876	345.931
Deposits from customers	66.562	58.061	20.232	3.587	-342	148.100
Other debt and equity ¹⁾	80.893	27.209	-1.887	139.150	-47.533	197.831
Total debt and equity	147.455	85.270	18.344	142.737	-47.876	345.931

Sparebank 1 SR-Bank Konsern 31.12.21						
	Retail Market	Corporate Market	SME & Agriculture	Other activities	Elimin- ations	Group
Income statement (MNOK)						
Net interest income ¹⁾	1.773	1.536	473	219	-0	4.001
Net commission and other income	545	255	111	868	-62	1.717
Net income on investment securities	0	66	2	958	0	1.026
Total net income	2.318	1.857	585	2.045	-63	6.744
Total operating expenses	605	157	115	1.900	-63	2.714
Operating profit before losses	1.713	1.700	471	146	0	4.030
Change in individual write-downs in the period	-39	228	3	0	0	192
Pre-tax profit	1.752	1.473	467	146	0	3.838
Balance sheet (MNOK)						
Loans to customers	141.593	68.305	16.185	4.505	-290	230.299
Individual loss provisions	-166	-1.363	-192	0	0	-1.721
Certificates/bonds/financial derivatives	0	3	0	65.631	-4.315	61.320
Other assets	-2.494	7.748	-195	28.263	-18.816	14.505
Total assets	138.933	74.694	15.798	98.400	-23.421	304.403
Deposits from customers	63.342	59.118	16.040	-457	-379	137.664
Other debt and equity ¹⁾	75.591	15.575	-242	98.857	-23.042	166.739
Total debt and equity	138.933	74.694	15.798	98.400	-23.421	304.403

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 - 31.12.21	01.01.22 - 31.12.22		01.01.22 - 31.12.22	01.01.21 - 31.12.21
247	88	Net gains/losses on equity instruments ¹⁾	156	296
-561	-867	Net gains/losses for bonds and certificates	-875	-562
458	705	Net derivatives bonds and certificates	705	458
4	3	Net counterparty risk, inclusive of CVA	3	4
-13	7	Net derivatives other assets	7	-13
22	-24	Net derivatives liabilities	-58	18
-12	-159	Net derivatives basis swap spread	88	-23
147	206	Net gain currency	206	142
292	-40	Net income/losses from financial instruments	233	320

¹⁾ Including gains from the sale of Bjergsted Terrasse of NOK 81 million in the parent bank and NOK 106 million in the group 2022
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). 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:

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

¹⁾ 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 - 31.12.21	01.01.22 - 31.12.22		01.01.22 - 31.12.22	01.01.21 - 31.12.21
197	269	Net pension obligations opening balance	277	204
-192	-225	comprehensive income	-226	-193
9	-128	Net pension cost	-128	9
-1	0	Company contributions	0	-2
-8	-8	Payments from operations	-9	-8
264	223	Upper limit for capitalisation of the asset	223	267
269	131	Net pension obligations closing balance	137	277
	114	Contribution-based service pension for wages above 12 G	114	
269	245	Net pension obligation UB	251	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 fourth quarter of 2022. The total LCR was 176% at the end of the fourth quarter, and the average total LCR was 168% in the quarter. The LCR in NOK and EUR at the end of the quarter was 141% and 328%, 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)

Fair value 31.12.22	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers ¹⁾			7.861	7.861
Commercial paper and bonds	24.524	19.893		44.416
Financial derivatives		18.612		18.612
Shares, ownership stakes and other securities	348	80	420	848
Liabilities				
Financial derivatives		15.771		15.771
No transfers between levels 1 and 2				

¹⁾ Net lending to customers in parent bank, level 3 49.488

Fair value 31.12.21	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers ¹⁾			8.450	8.450
Commercial paper and bonds	28.347	19.653		48.000
Financial derivatives		5.053		5.053
Shares, ownership stakes and other securities	563	44	394	1.001
Liabilities				
Financial derivatives		3.203		3.203
No transfers between levels 1 and 2				

¹⁾ Net lending to customers in parent bank, level 3 54.061

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	1.612	20
Disposals	-1.918	-16
Transferred from or to measurement according to prices in an active market or observable market data		
Change in value ¹⁾	-283	22
Balance 31.12.22	7.861	420
Nominal value/cost price	8.192	328
Fair value adjustment	-331	92
Balance 31.12.22	7.861	420

¹⁾ 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 24 million.

Fair value of financial instruments at amortised cost

Group	Balance	Fair value
	31.12.22	
Assets		
Cash and balances with central banks	76	76
Balances with credit institutions ¹⁾	11.939	11.939
Loans to customers ¹⁾	243.411	243.411
Certificates and bond	9.573	9.542
Total assets at amortised cost	264.999	264.968
Liabilities		
Balances with credit institutions ¹⁾	3.428	3.428
Deposits from customers ¹⁾	148.100	148.100
Listed debt securities	135.353	135.181
Senior non-preferred bonds	9.301	9.274
Subordinated loan capital	2.161	2.239
Total liabilities at amortised cost	298.342	298.222

¹⁾ 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 31.12.2022 that affect the interim financial statements as prepared.

Results from the interim financial statements

SpareBank 1 SR-Bank Group, MNOK	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest income	3.332	2.395	1.888	1.784	1.635	1.497	1.519	1.535	1.507
Interest expense	2.046	1.281	787	770	630	508	518	540	513
Net interest income	1.286	1.115	1.101	1.014	1.005	989	1.001	995	994
Commission income	463	439	486	447	475	429	471	426	396
Commission expenses	22	22	23	19	22	24	19	25	28
Other operating income	12	3	3	2	2	1	2	1	2
Net commission and other income	453	421	466	430	455	406	454	402	370
Dividend income	26	9	16	19	21	-	9	-	39
Income from investment in associates	211	85	82	74	223	151	193	109	129
Net gains/losses on financial instrument	37	97	6	94	100	83	41	107	72
Net income on financial investments	274	191	104	187	344	234	243	216	240
Total income	2.013	1.726	1.671	1.631	1.804	1.629	1.698	1.613	1.604
Personnel expenses	477	429	438	445	485	432	423	382	401
Other operating expenses	234	207	224	200	228	191	212	186	182
Depreciation/ impairments on tangible and intangible assets	41	41	40	50	42	43	46	44	46
Total operating expenses	752	677	702	695	755	666	681	612	629
Operating profit before impairments	1.262	1.049	969	936	1.049	963	1.017	1.001	975
Impairments on loans and financial commitments	36	5	-52	15	-24	37	58	121	270
Pre-tax profit	1.225	1.044	1.021	921	1.073	926	959	880	705
Tax expense	226	215	225	168	184	193	143	162	97
Profit after tax	1.000	829	796	753	889	733	816	718	608

Profitability

Return on equity per quarter ¹⁾	14,6 %	12,5 %	12,0 %	11,4 %	14,0 %	11,7 %	13,2 %	11,6 %	9,7 %
Cost percentage ¹⁾	37,3 %	39,2 %	42,0 %	42,6 %	41,9 %	40,9 %	40,1 %	37,9 %	39,2 %
Combined weighted average spread for lending and deposits ¹⁾	1,51 %	1,37 %	1,40 %	1,33 %	1,32 %	1,31 %	1,36 %	1,40 %	1,40 %

Balance sheet figures from quarterly accounts

Gross loans to customers	252.957	248.237	242.867	233.581	230.299	226.952	225.791	221.291	219.181
Gross loans to customers including SB1 BK ²⁾	252.957	248.237	242.867	233.581	230.299	226.952	225.791	221.291	219.181
Growth in loans over last 12 months ¹⁾	9,8 %	9,4 %	7,6 %	5,6 %	5,1 %	4,7 %	5,3 %	4,3 %	5,8 %
Growth in loans incl SB1 BK ¹⁾²⁾	9,8 %	9,4 %	7,6 %	5,6 %	5,1 %	3,1 %	3,3 %	2,3 %	3,7 %
Deposits from customers	148.100	143.989	145.667	141.999	137.664	132.283	136.209	128.108	118.170
Growth in deposits over last 12 months ¹⁾	7,6 %	8,8 %	6,9 %	10,8 %	16,5 %	16,8 %	22,5 %	21,4 %	14,6 %
Total assets	345.931	334.255	318.642	318.295	304.402	296.987	299.939	296.492	287.049
Average total assets	337.947	323.816	316.347	308.512	301.021	300.562	295.347	287.621	282.912

Impairments on loans and financial commitments

Impairment ratio, annualized ¹⁾	0,06 %	0,01 %	-0,09 %	0,03 %	-0,04 %	0,07 %	0,10 %	0,22 %	0,50 %
Impairment ratio, including loans SB1 BK ¹⁾²⁾	0,06 %	0,01 %	-0,09 %	0,03 %	-0,04 %	0,07 %	0,10 %	0,22 %	0,49 %

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

²⁾ SpareBank 1 Boligkredit are abbreviated to SB1 BK

Results from the interim financial statements (continued)

	Q4 2022	Q3 2022	Q2 2022	Q1 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Loans and financial commitments in Stage 2 and Stage 3 ¹⁾									
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments ¹⁾	1,35 %	1,39 %	1,38 %	1,40 %	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %
Loans and financial commitments in Stage 3 in % of gross loans and fin. commitments, incl. loans SB1 BK ¹⁾²⁾	1,35 %	1,39 %	1,38 %	1,40 %	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments ¹⁾	5,62 %	5,11 %	4,24 %	5,02 %	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %
Loans and financial commitments in Stage 2 in % of gross loans and fin. commitments, incl. loans SB1 BK ¹⁾²⁾	5,62 %	5,11 %	4,24 %	5,02 %	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %
Solidity									
Common equity Tier 1 capital ratio ⁴⁾⁵⁾	17,4 %	17,8 %	17,9 %	17,6 %	17,4 %	17,6 %	17,9 %	18,1 %	18,3 %
Tier 1 capital ratio ⁴⁾⁵⁾	18,8 %	19,2 %	19,3 %	19,1 %	18,9 %	19,2 %	19,5 %	19,7 %	19,9 %
Capital ratio ⁴⁾⁵⁾	20,3 %	20,8 %	20,9 %	20,7 %	20,5 %	20,9 %	21,2 %	21,5 %	21,7 %
Tier 1 capital ⁴⁾⁵⁾	25.193	25.237	24.965	24.685	24.163	24.252	24.805	24.408	24.127
Net primary capital	27.277	27.326	27.050	26.767	26.207	26.446	26.999	26.612	26.336
Risk weighted balance	134.324	131.601	129.618	129.234	127.981	126.616	127.398	123.860	121.262
Leverage ratio	6,9 %	6,8 %	7,1 %	7,1 %	7,1 %	7,3 %	7,5 %	7,6 %	7,8 %
Liquidity									
Liquidity Coverage Ratio (LCR) ³⁾	176 %	181 %	151 %	155 %	168 %	160 %	167 %	141 %	157 %
Deposit-to-loan ratio ¹⁾	58,5 %	58,0 %	60,0 %	60,8 %	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %
Deposit-to-loan ratio, incl loans SB1 BK ¹⁾²⁾	58,5 %	58,0 %	60,0 %	60,8 %	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %
Branches and staff									
Number of branches	35	35	35	35	34	34	34	34	34
Number of man-years	1.543	1.510	1.487	1.489	1.505	1.483	1.488	1.275	1.283
Number of man-years including temps	1.582	1.554	1.543	1.530	1.556	1.533	1.555	1.321	1.332
SpareBank 1 SR-Bank share									
Market price at end of quarter	120,70	102,00	106,70	134,30	133,20	121,50	113,70	105,00	91,00
Market capitalisation	30.869	26.087	27.289	34.347	34.066	31.074	29.079	26.854	23.273
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) ¹⁾	106,32	102,86	99,49	102,32	99,05	95,82	96,08	93,12	95,97
Earnings per share, NOK (annualised)	3,81	3,16	3,03	2,87	3,41	2,80	3,13	2,74	2,30
Price/earnings per share ¹⁾	7,91	8,07	8,80	11,70	9,77	10,85	9,08	9,58	9,89
Price / Book equity (group) ¹⁾	1,14	0,99	1,07	1,31	1,34	1,27	1,18	1,13	0,95
Annualised turnover rate in quarter ⁶⁾	5,5 %	4,1 %	5,2 %	5,9 %	5,0 %	3,7 %	5,5 %	7,2 %	5,3 %
Effective return ⁷⁾	18,3 %	-4,4 %	-20,6 %	0,8 %	12,2 %	6,9 %	8,3 %	21,4 %	17,6 %

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

²⁾ SpareBank 1 Boligkreditt is abbreviated to SB1 BK

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

⁴⁾ 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.

⁴⁾ 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.

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

⁷⁾ Percentage change in the market price in the last period, including paid share dividend

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2022 and 2023 Financial Calendar

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