

SpareBank 1 SR-Bank Group

APM

First quarter 2023

Alternative Performance Measures (APMs)

SpareBank 1 SR-Bank presents alternative performance measures (APMs), which provide useful, supplementary information to the financial statements. The measures are not defined in IFRS (International Financial Reporting Standards) and are not necessarily directly comparable with other companies' performance measures. APMs are included in our reports to provide insight and understanding of the group's performance and represent important target figures for how the executive management team manages the companies and activities in the group. APMs are not intended to replace or overshadow accounting figures. Key figures that are regulated by IFRS or other legislation are not regarded as APMs. The same applies to non-financial information. SpareBank 1 SR-Bank's APMs are presented in the overviews main figures and results from the interim accounts, as well as in the board of directors' report. All APMs are presented with corresponding figures. The APMs listed below have generally been used consistently over time.

Alternative performance measures in SpareBank 1 SR-Bank with definitions:	Explanations and definitions
Profitability	
Return on equity	Return on equity provides relevant information about the group's profitability by measuring its ability to generate profitability from the shareholders' investment. Return on equity is one of the group's most important financial target figures and is calculated as the ordinary result available to shareholders for the period as a percentage of average equity, less hybrid capital (hybrid tier 1 capital) classified as equity.
Cost to income ratio	Provides information about the correlation between income and costs. Calculated as total operating costs divided by total income.
Cost to income ratio Banking Group	The cost to income ratio for the banking group equals the banking group's total income less net income from financial investments divided by costs. The banking group includes SpareBank 1 SR-Bank (parent bank) and SR-Bolligkreditt AS.
Average interest margin	Measures the group's average profit from loans and deposits, calculated as net interest income as a percentage of average total assets.
Lending margin corporate market, SME & agriculture and retail market	The lending margin provides information about the group's net interest income by measuring the interest margin relative to the 3-month money market rate. The lending margin is calculated as net interest income on loans, less interest costs equivalent to the 3-month money market rate, divided by the average lending for the period.
Deposit margin corporate market, SME & agriculture and retail market	The deposit margin provides information about the group's net interest income by measuring the interest rate margin relative to the 3-month money market rate. The deposit margin is calculated as net interest cost on deposits, adjusted for interest income equivalent to the 3-month money market rate, divided by average deposits for the period.
Balance sheet figures	
Growth in loans over last 12 months	Information about the activity and growth in the group's lending activities. This key figure is calculated as gross loans at the end of the period less gross loans at the start of the period, divided by gross loans at the start of the period.
Growth in deposits over last 12 months	Information about the activity and growth in the group's deposit business. This key figure is calculated as deposits from customers at the end of the period less deposits from customers at the start of the period, divided by deposits from customers at the start of the period.
Deposit to loan ratio	Provides relevant information about the group's liquidity and is calculated as deposits from customers divided by total loans to customers at the end of the period.
Impairments on loans and financial commitments and loans and financial commitments in Stage 2 and Stage 3	
Impairment ratio, annualized	Recognised impairments on loans and financial commitments measured relative to gross loans. This is calculated as a function of gross loans and provides some information about how large a percentage of gross loans are subject to impairments. The figure is calculated as impairments on loans and financial commitments recognised in the period divided by average gross loans in the period. When information is provided about impairment percentages for periods of shorter than a full year, the recognised impairments are annualized.
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments	Provides relevant information about the bank's credit exposure. Calculated as loans and financial commitments in Stage 2 divided by gross loans and financial commitments at the end of the period. Loans and financial commitments in Stage 2 are loans and financial commitments that have seen a significant rise in credit risk since initial recognition, but where there is no objective evidence of a loss event on the balance sheet date.
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments	Provides relevant information about the bank's credit exposure. Calculated as loans and financial commitments in Stage 3 divided by gross loans and financial commitments at the end of the period. Loans and financial commitments in Stage 3 are loans and financial commitments that have seen a significant rise in credit risk since granting and where there is objective evidence of a loss event on the balance sheet date.
SpareBank 1 SR-Bank share	
Book equity per share (including dividends)	This key figure provides information about the value of the book equity per share and a basis for assessing the reasonableness of the share price. Calculated as equity at the end of the period divided by the number of shares.
Price/earnings per share	Earnings per share compared to the share price at the relevant time, which provides a basis for assessing the reasonableness of the share price. Calculated as the share price divided by the annualised earnings per share.
Price/book equity	The value of book equity per share compared with the share price at a given time. Provides a basis for assessing the reasonableness of the share price. Calculated as the share price divided by book equity per share (see the definition of this key figure above).

SpareBank 1 SR-Bank Group (MNOK)

	Q1-23	Q1-22	YTD January-March		Full year
			2023	2022	2022
Profit after tax	881	753	881	753	3.378
Interest on hybridcapital	35	19	35	19	85
Profit after tax excl. interests on hybridcapital	846	734	846	734	3.293
Total equity	29.912	28.016	29.912	28.016	28.889
Hybridcapital	2.100	1.850	2.100	1.850	1.700
Equity excl. Hybridcapital	27.812	26.166	27.812	26.166	27.189
Average equity excl. Hybridcapital	27.399	25.747	27.399	25.747	26.086
Annualized profit after tax excl. interests on hybridcapital	3.383	2.934	3.383	2.934	3.293
Average equity excl. hybridcapital	27.399	25.747	27.399	25.747	26.086
Return on equity	12,3 %	11,4 %	12,3 %	11,4 %	12,6 %
Total operating costs	761	694	761	694	2.825
Net income	1.927	1.631	1.927	1.631	7.042
Cost to income ratio Group	39,5 %	42,6 %	39,5 %	42,6 %	40,1 %
Total operating costs	562	495	562	495	2.068
Net income excl. Income on financial investments	1.651	1.246	1.651	1.246	5.503
Cost to income ratio Banking Group	34,0 %	39,7 %	34,0 %	39,7 %	37,6 %
Net interest income	1.402	1.014	1.402	1.014	4.516
Total assets	364.646	318.296	364.646	318.296	345.931
Average total assets	355.931	308.513	355.931	308.513	321.177
Average net interest margin	1,60 %	1,33 %	1,60 %	1,33 %	1,41 %
Interest receipts from lending to corporate market	1.238	602	1.238	602	3.267
3 month money market rate	-698	-161	-698	-161	-1.419
Interest margin lending to corporate market	541	441	541	441	1.848
Average lending volume corporate market	80.348	68.747	80.348	68.747	73.025
Net lending margins corporate market	2,73 %	2,60 %	2,73 %	2,60 %	2,53 %
Interest receipts from lending to SME & agriculture	272	154	272	154	772
3 month money market rate	-150	-49	-150	-49	-355
Interest margin lending to SME & agriculture	122	105	122	105	417
Average lending volume SME & agriculture	18.867	16.338	18.867	16.338	17.180
Net lending margins SME & agriculture	2,63 %	2,60 %	2,63 %	2,60 %	2,43 %
Interest receipts from lending to retail market incl. loans to employees	1.608	788	1.608	788	4.126
3 month money market rate	-1.265	-441	-1.265	-441	-3.118
Interest margin lending to retail market incl. loans to employees	344	348	344	348	1.008
Average lending volume retail market incl. loans to employees	157.047	146.344	157.047	146.344	150.724
Net lending margin retail market incl. Loans to employees	0,89 %	0,96 %	0,89 %	0,96 %	0,67 %
Interest payments on deposits from corporate market	-506	-203	-506	-203	-1.269
3 month money market rate	502	171	502	171	1.206
Interest margin on deposits corporate market	-4	-32	-4	-32	-63
Average volume deposits corporate market	60.433	62.440	60.433	62.440	61.065
Net margin on deposits corporate market	-0,03 %	-0,21 %	-0,03 %	-0,21 %	-0,10 %
Interest payments on deposits from SME & agriculture	-67	-12	-67	-12	-103
3 month money market rate	170	46	170	46	359
Interest margin on deposits SME & agriculture	103	34	103	34	255
Average volume deposits SME & agriculture	20.329	16.328	20.329	16.328	17.309
Net margin on deposits SME & agriculture	2,05 %	0,85 %	2,05 %	0,85 %	1,48 %
Interests on deposits retail market	-289	-97	-289	-97	-631
3 month money market rate	547	186	547	186	1.376
Interest margin on deposits retail market	258	90	258	90	745
Average volume deposits retail market	66.615	64.385	66.615	64.385	66.727
Net margin on deposits retail market	1,57 %	0,56 %	1,57 %	0,56 %	1,12 %

Gross loans to customers end of period			258.206	233.581	252.957
Gross loans to customers end of period previous year			233.581	221.292	230.299
Lending growth			24.625	12.289	22.658
Growth in loans over last 12 months			10,5 %	5,6 %	9,8 %
Deposit from customers end of period			152.144	141.999	148.100
Deposits from customers end of period previous year			141.999	128.108	137.664
Growth in deposits			10.145	13.890	10.436
Growth in deposits over last 12 months			7,1 %	10,8 %	7,6 %
Deposit from customers			152.144	141.999	148.100
Gross loans to customers			258.206	233.581	252.957
Deposit to loan ratio			58,9 %	60,8 %	58,5 %
Impairments on loans and financial commitments	35	15	35	15	5
Annualized Impairments on loans and financial commitments	138	62	138	62	5
Average gross lending to customers	255.582	231.940	255.582	231.940	241.628
Impairment ratio, annualized	0,05 %	0,03 %	0,05 %	0,03 %	0,00 %
Financial commitments			58.631	52.494	57.532
Loans in Stage 2			15.241	12.330	14.667
Financial commitments in Stage 2			2.407	2.029	2.775
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments to customers			5,57 %	5,02 %	5,62 %
Loans in Stage 3			2851	2.886	3.112
Financial commitments in Stage 3			1.060	1.110	1.086
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments to customers			1,23 %	1,40 %	1,35 %
Number of share issued, millions			255,75	255,75	255,75
Shares hold by the Group			0,05	0,03	0,03
Outstanding shares			255,70	255,72	255,72
Book equity per share (including dividends) (group)			108,77	102,32	106,32
Earnings per share, NOK	3,31	2,87	3,31	2,87	12,88
Market price	121,00	134,30	121,00	134,30	120,70
Earnings per share, NOK	13,23	11,47	13,23	11,47	12,88
Price / Earnings per share	9,15	11,71	9,15	11,71	9,37
Market price			121,00	134,30	120,70
Book equity per share (including dividends) (group)			108,77	102,32	106,32
Price / Book equity			1,11	1,31	1,14
Days in the year	365	365	365	365	365
Days in the quarter	90	90	90	90	90
Days YTD	90	90	90	90	365