

# SpareBank 1 SR-Bank Group

## Alternative performance measures

Second quarter 2024

## 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
<b>Profitability</b>	
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-Boligkreditt 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.
<b>Balance sheet figures</b>	
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.
<b>Impairments on loans and financial commitments and loans and financial commitments in Stage 2 and Stage 3</b>	
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.
<b>SpareBank 1 SR-Bank share</b>	
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 annualized 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)

	Q2-24	Q2-23	YTD January-June		Full year
			2024	2023	2023
Profit after tax	1.162	1.028	2.352	1.909	4.475
Interest on hybridcapital	53	30	119	66	175
Profit after tax excl. interests on hybridcapital	1.109	998	2.233	1.844	4.300
Total equity	34.124	29.740	34.124	29.740	33.561
Hybridcapital	3.525	2.704	3.525	2.704	3.155
Equity excl. Hybridcapital	30.599	27.036	30.599	27.036	30.405
Average equity excl. Hybridcapital	30.552	27.424	30.641	27.278	28.052
Annualized profit after tax excl. interests on hybridcapital	4.459	4.003	4.490	3.718	4.300
Average equity excl. hybridcapital	30.552	27.424	30.641	27.278	28.052
<b>Return on equity</b>	<b>14,6 %</b>	<b>14,6 %</b>	<b>14,7 %</b>	<b>13,6 %</b>	<b>15,3 %</b>
Total operating costs	844	817	1.670	1.579	3.299
Net income	2.419	2.055	4.778	3.983	8.745
<b>Cost to income ratio Group</b>	<b>34,9 %</b>	<b>39,8 %</b>	<b>34,9 %</b>	<b>39,6 %</b>	<b>37,7 %</b>
Total operating costs	647	596	1.266	1.158	2.456
Net income excl. income on financial investments	2.018	1.720	4.020	3.371	7.281
<b>Cost to income ratio Banking Group</b>	<b>32,0 %</b>	<b>34,7 %</b>	<b>31,5 %</b>	<b>34,4 %</b>	<b>33,7 %</b>
Net interest income	1.726	1.424	3.456	2.826	6.136
Total assets	382.744	361.765	382.744	361.765	362.186
Average total assets	380.779	366.957	375.399	360.986	362.417
<b>Average net interest margin</b>	<b>1,82 %</b>	<b>1,56 %</b>	<b>1,85 %</b>	<b>1,58 %</b>	<b>1,69 %</b>
Interest receipts from lending to corporate market	1.695	1.365	2.917	2.602	5.851
3 month money market rate	-1.076	-830	-1.682	-1.528	-3.595
Interest margin lending to corporate market	619	534	1.234	1.074	2.257
Average lending volume corporate market	89.708	82.949	88.371	81.661	84.092
<b>Net lending margins corporate market</b>	<b>2,77 %</b>	<b>2,58 %</b>	<b>2,81 %</b>	<b>2,65 %</b>	<b>2,68 %</b>
Interest receipts from lending to SME & agriculture	398	295	787	568	1.287
3 month money market rate	-256	-183	-504	-334	-809
Interest margin lending to SME & agriculture	142	112	283	234	479
Average lending volume SME & agriculture	22.289	19.468	21.986	19.157	19.934
<b>Net lending margins SME &amp; agriculture</b>	<b>2,55 %</b>	<b>2,31 %</b>	<b>2,59 %</b>	<b>2,46 %</b>	<b>2,40 %</b>
Interest receipts from lending to retail market incl. Loans to employees	2.359	1.739	4.649	3.348	7.542
3 month money market rate	-1.940	-1.506	-3.835	-2.771	-6.505
Interest margin lending to retail market incl. Loans to employees	419	233	814	577	1.037
Average lending volume retail market incl. Loans to employees	168.886	158.890	167.237	157.946	160.083
<b>Net lending margin retail market incl. Loans to employees</b>	<b>1,00 %</b>	<b>0,59 %</b>	<b>0,98 %</b>	<b>0,74 %</b>	<b>0,65 %</b>
Interest payments on deposits from corporate market	-651	-582	-1.254	-1.088	-2.362
3 month money market rate	653	582	1.260	1.083	2.391
Interest margin on deposits corporate market	2	0	6	-5	29
Average volume deposits corporate market	55.687	59.575	53.714	59.998	57.677
<b>Net margin on deposits corporate market</b>	<b>0,01 %</b>	<b>0,00 %</b>	<b>0,02 %</b>	<b>-0,02 %</b>	<b>0,05 %</b>
Interest payments on deposits from SME & agriculture	-127	-84	-259	-151	-373
3 month money market rate	249	206	509	375	882
Interest margin on deposits SME & agriculture	123	122	250	224	508
Average volume deposits SME & agriculture	21.230	20.959	21.676	20.652	21.010
<b>Net margin on deposits SME &amp; agriculture</b>	<b>2,32 %</b>	<b>2,33 %</b>	<b>2,32 %</b>	<b>2,19 %</b>	<b>2,42 %</b>
Interests on deposits retail market	-563	-332	-1.102	-622	-1.530
3 month money market rate	843	658	1.662	1.205	2.844
Interest margin on deposits retail market	280	326	559	584	1.314
Average volume deposits retail market	71.756	67.898	70.799	67.245	68.338
<b>Net margin on deposits retail market</b>	<b>1,57 %</b>	<b>1,92 %</b>	<b>1,59 %</b>	<b>1,75 %</b>	<b>1,92 %</b>
Combined weighted average margin for lending and deposits - corporate market	1,72 %	1,50 %	1,76 %	1,52 %	1,61 %
Combined weighted average margin for lending and deposits - SME & agriculture	2,44 %	2,32 %	2,45 %	2,32 %	2,41 %
Combined weighted average margin for lending and deposits - retail market incl. Loans to employees	1,17 %	0,99 %	1,16 %	1,04 %	1,03 %
Average margin for lending to customers - Group	1,69 %	1,35 %	1,69 %	1,47 %	1,43 %
Average margin for deposits from customers - Group	1,09 %	1,21 %	1,12 %	1,09 %	1,26 %
Combined weighted average spread for lending and deposits - Group	1,48 %	1,30 %	1,49 %	1,33 %	1,37 %

	Q2-24	Q2-23	YTD January-June 2024	2023	Full year 2023
Gross loans to customers end of period			284.621	264.882	272.001
Gross loans to customers end of period previous year			264.882	242.867	252.957
Lending growth			19.739	22.016	19.045
<b>Growth in loans over last 12 months</b>			<b>7,5 %</b>	<b>9,1 %</b>	<b>7,5 %</b>
Deposit from customers end of period			154.975	150.758	149.076
Deposits from customers end of period previous year			150.758	145.667	148.100
Growth in deposits			4.217	5.091	977
<b>Growth in deposits over last 12 months</b>			<b>2,8 %</b>	<b>3,5 %</b>	<b>0,7 %</b>
Deposit from customers			154.975	150.758	149.076
Gross loans to customers			284.621	264.882	272.001
<b>Deposit to loan ratio</b>			<b>54,4 %</b>	<b>56,9 %</b>	<b>54,8 %</b>
Impairments on loans and financial commitments	103	-98	138	-63	-232
Annualized Impairments on loans and financial commitments	413	-392	277	-127	-232
Average gross lending to customers	281.402	261.544	278.311	258.920	262.479
<b>Impairment ratio, annualized</b>	<b>0,15 %</b>	<b>-0,15 %</b>	<b>0,10 %</b>	<b>-0,05 %</b>	<b>-0,09 %</b>
Financial commitments			68.622	65.522	57.384
Loans in Stage 2			22.155	19.193	22.935
Financial commitments in Stage 2			2.742	2.472	3.353
<b>Loans and financial commitments in Stage 2 in % of gross loans and financial commitments to customers</b>			<b>7,05 %</b>	<b>6,56 %</b>	<b>7,98 %</b>
Loans in Stage 3			2.299	2.549	2.522
Financial commitments in Stage 3			187	835	789
<b>Loans and financial commitments in Stage 3 in % of gross loans and financial commitments to customers</b>			<b>0,70 %</b>	<b>1,02 %</b>	<b>1,01 %</b>
Number of share issued, millions			264,27	255,75	264,27
Shares hold by the Group			0,05	0,04	0,05
Outstanding shares			264,22	255,71	264,22
<b>Book equity per share (including dividends) (group)</b>			<b>115,81</b>	<b>105,73</b>	<b>115,07</b>
<b>Earnings per share, NOK</b>	<b>4,20</b>	<b>3,90</b>	<b>8,45</b>	<b>7,21</b>	<b>16,27</b>
Market price	130,60	130,10	130,60	130,10	128,90
Annualized earnings per share, NOK	16,88	15,65	16,99	14,54	16,27
<b>Price / Earnings per share</b>	<b>7,74</b>	<b>8,31</b>	<b>7,68</b>	<b>8,95</b>	<b>7,92</b>
Market price			130,60	130,10	128,90
Book equity per share (including dividends) (group)			115,81	105,73	115,07
<b>Price / Book equity</b>			<b>1,13</b>	<b>1,23</b>	<b>1,12</b>
Days in the year	366	365	366	365	365
Days in the quarter	91	91	91	91	91
Number of days YTD	182	181	182	181	365