Quarterly report 2023

Q3

SpareBank 1 SR-BANK

Contents

Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 30.09 2023	01.01 - 30.09 2022	Q3 2023	Q3 2022	Year 2022
Net interest income	4.421	3.230	1.596	1.115	4.516
Net commission and other income	1.473	1.317	496	421	1.770
Net income on financial investments	191	481	11	191	756
Total income	6.086	5.028	2.103	1.726	7.042
Total operating expenses	2.364	2.074	786	677	2.825
Operating profit before impairment	3.721	2.955	1.317	1.049	4.216
Impairment losses on loans and financial commitments	-142	-31	-78	5	5
Pre-tax profit	3.863	2.986	1.396	1.044	4.211
Tax expense	891	608	334	215	834
Profit after tax	2.972	2.378	1.062	829	3.378
BALANCE SHEET					
Gross loans to customers	269.566	248.237			252.957
Deposits from customers	150.534	143.989			148.100
Total assets	362.823	334.045			345.730
Average total assets	361.850	315.776			321.177
Selected key figures (for further key figures see page 40 of the interim report) [4]					
Return on equity [1]	13,9 %	12,0 %	14,5 %	12,4 %	12,6 %
Cost to income ratio [1]	38,9 %	41,2 %	37,4 %	39,2 %	40,1 %
Cost to income ratio Banking Group [1]	33,3 %	38,1 %	31,4 %	36,9 %	37,6 %
Average net interest margin	1,63 %	1,37 %	1,74 %	1,37 %	1,41 %
Balance growth					
Growth in loans over last 12 months [1]	8,6 %	9,4 %			9,8 %
Growth in deposits over last 12 months [1]	4,5 %	8,8 %			7,6 %
Solidity					
Common equity Tier 1 capital ratio	17,88 %	17,82 %			17,42 %
Tier 1 capital ratio	20,11 %	19,18 %			18,76 %
Capital ratio	22,03 %	20,76 %			20,31 %
Tier 1 capital	27.809	25.237			25.193
Risk weighted balance	138.291	131.601			134.324
Leverage ratio	7,1 %	6,8 %			6,9 %
Liquidity					
Liquidity Coverage Ratio (LCR) [2]	191 %	181 %			176 %
Deposit to loan ratio [1]	55,8 %	58,0 %			58,5 %
Impairments on loans and financial commitments [1]					
Impairment ratio [1]	-0,07 %	-0,02 %			0,00 %
Loans and financial commitments in Stage 3 [1]					
Loans and financial commitments in Stage 3, % of gross loans and financial commitments [1]	1,10 %	1,39 %			1,35 %

SpareBank 1 SR-Bank share	30.09.23	31.12.22	31.12.21	31.12.20	31.12.19
Market price	122,70	120,70	133,20	91,00	100,00
Market capitalisation (MNOK)	31.381	30.869	34.066	23.273	25.575
Book equity per share (including dividends) (group) [1]	109,57	106,32	99,05	95,97	89,90
Earnings per share, NOK	11,15	12,88	12,08	5,87	12,06
Dividends per share	-	7,00	6,00	3,10	5,50
Price / Earnings per share [1]	8,23	9,37	11,03	15,50	8,29
Price / Book equity [1]	1,12	1,14	1,34	0,95	1,11
Effective return [3]	7,5 %	-4,9 %	55,8 %	-9,0 %	17,2 %

[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] 2022 numbers has not been altered to reflect the change in principle following the implementation of IFRS 17/IFRS 9 as described in note 1

A result characterised by growth and income recognition for losses

Q3 2023

- Pre-tax profit: NOK 1,396 million (NOK 1,044 million)
- Net profit for the quarter: NOK 1,062 million (NOK 829 million)
- Return on equity after tax: 14.5% (12.4%)
- Earnings per share: NOK 3.94 (NOK 3.16)
- Net interest income: NOK 1,596 million (NOK 1,115 million)
- Net commission and other income: NOK 496 million (NOK 421 million)
- Net income from financial investments: NOK 11 million (NOK 191 million)
- Operating costs: NOK 786 million (NOK 677 million)
- Impairments on loans and financial liabilities: NOK -78 million (NOK 5 million)

  (Q3 2022 figures in brackets)

As at 30 september 2023

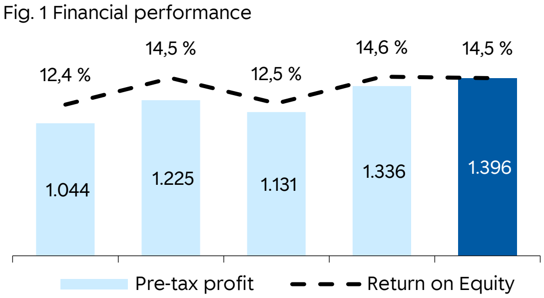
- Pre-tax profit: NOK 3,863 million (NOK 2,986 million)
- Net profit for the period: NOK 2,972 million (NOK 2,378 million)
- Return on equity after tax: 13.9% (12.0%)
- Earnings per share: NOK 11.15 (NOK 9.06)
- Net interest income: NOK 4,421 million (NOK 3,230 million)
- Net commission and other income: NOK 1,473 million (NOK 1,317 million)
- Net income from financial investments: NOK 191 million (NOK 481 million)
- Operating costs: NOK 2,364 million (NOK 2,074 million)
- Impairments on loans and financial liabilities: NOK -142 million (NOK -31 million)
- Total lending growth over past 12 months: 8.6% (9.4%)
- Growth in deposits over past 12 months: 4.5% (8.8%)
- Common Equity Tier 1 capital ratio: 17.88% (17.82%)
- Capital ratio: 22.03% (20.76%)

  (As at 30 september 2022 figures in brackets)

Financial performance – Q3 2023

The Group made a pre-tax profit of NOK 1,396 million for the third quarter of 2023, NOK 60 million higher than in the previous quarter. This resulted in a return on equity after tax of 14.5% for the quarter, compared with 14.6% for the second quarter of 2023.

Fig. 1 Financial performance



Net interest income amounted to NOK 1,596 million in the third quarter of 2023, an increase of NOK 172 million, NOK 17 million of which was due to the number of interest days. The increase was due to high lending growth and increased deposit margins. The average interest margin was 1.74% in the third quarter of 2023, compared with 1.56% in the second quarter of 2023.

Net commission and other income was NOK 496 million in the third quarter of 2023, NOK 26 million less than in the previous quarter. Seasonal variations were a contributory factor to the reductions in income from EiendomsMegler 1 SR-Eiendom AS and SpareBank 1 ForretningsPartner AS of NOK 28 million and NOK 26 million, respectively. These reductions were partly offset by a NOK 24 million increase in customer fees in corporate market.

Net income from financial investments amounted to NOK 11 million in the third quarter of 2023, a reduction of NOK 98 million compared with the previous quarter. Basis swaps and other IFRS effects saw a negative change in value of NOK 83 million, and dividends were NOK 24 million lower than in the second quarter. Shares and equity certificates saw a negative change in prices amounting to NOK 24 million, while certificates and bonds with associated derivatives saw a positive change in prices amounting to NOK 39 million. Income from associated companies amounted to NOK 47 million, down NOK 6 million from the previous quarter. The profit contribution from SpareBank 1 Gruppen AS was NOK -13 million for the third quarter, NOK 8 million lower than the second quarter. It has been a turbulent quarter in the financial markets, and the financial results must be seen in this context.

Operating costs amounted to NOK 786 million in the third quarter of 2023, a reduction of NOK 32 million from the last quarter. The main reason for the decrease was the recognition of charges totalling NOK 29 million related to the payment of settlements in complaint cases in Monio AS. Costs in the parent bank increased by NOK 6 million, of which personnel costs were up by NOK 20 million due to more FTEs and wage growth. Operating costs in the parent bank decreased by NOK 14 million, mainly due to lower costs in relation to consultants and travel. Mainly due to periodization of personell expenses, the overall expense in SpareBank 1 ForretningsPartner AS were 8 mnok lower than in the previous quarter.

Impairment provisions on loans and financial liabilities amounting to NOK 78 million were recognised as income in the third quarter of 2023, compared with income recognition of NOK 98 million in the second quarter. Individual losses of NOK 147 million were recognised as income, while IFRS 9 impairment provisions increased by NOK 69 million in the quarter.

Important events after Q3

Moody's has upgraded SpareBank 1 SR-Bank ASA to Aa3 from A1, outlook stable.

Financial performance as at 30 september 2023

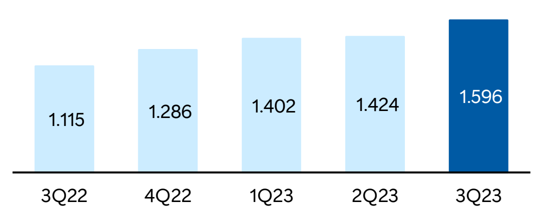
As at 30 September 2023, the group's operating profit before tax amounted to NOK 3,863 million (NOK 2,986 million), an increase of NOK 877 million from the same period last year. Net interest income increased by NOK 1,191 million. Furthermore, the operating profit was positively impacted by an increase in net commissions and other income, while less income from financial investments and higher costs had a negative impact on the operating profit. Impairment provisions on loans and financial liabilities amounting to NOK 142 million had been recognised as income as at 30 September 2023, an improvement of NOK 110 million from the same period last year.

As at 30 September 2023, the group's return on equity after tax was 13.9% (12.0%).

Net interest income

The Group's net interest income totalled NOK 4,421 million as at 30 September 2023 (NOK 3,230 million), equivalent to an increase of 37%. The improvement was due to high lending and deposit growth and a higher net interest margin.

Fig. 2 Net interest margin



As at 30 September 2023, the average interest margin was 1.63% (1.37%).

Net commission and other income

As at 30 September 2023, net commissions and other income totalled NOK 1,473 million (NOK 1,317 million).

Table 1, Commission and other income

	30.09.23	30.09.22
Payment facilities	253	231
Savings/placements	112	99
Insurance products	200	199
Commission income EiendomsMegler 1	303	300
Guarantee commission	86	88
Arrangement- and customer fees	192	91
Commission income ForretningsPartner	302	281
Other	26	27
Net commission and other income	1.473	1.317

The NOK 156 million increase was mainly attributable to a NOK 101 million increase in facilitation and customer fees within corporate market. Furthermore, income from money-transfer services grew by NOK 22 million, mainly due to increased card income. Customer fees from SpareBank 1 SR-Bank ForretningsPartner AS increased by NOK 21 million with the improvement due to integration work in 2022 which affected the invoicing rate last year.

Net income on financial investments

As at 30 September 2023, net income from financial investments amounted to NOK 191 million (NOK 481 million).

Table 2, Income on financial investments

	30.09.23	30.09.22
Dividends	58	43
Investment income, associates	195	241
Securitites gains/losses	-200	-143
- of which in shares and certificates	*-116*	*31*
- of which in certificates and bonds incl. derivatives	*-84*	*-173*
Currency/interest gains/losses	138	339
- of which customer- and own-account trading	*170*	*155*
- of which basisswap and other IFRS-effects	*-31*	*185*
Net income on financial investments	191	481

Dividends received amounted to NOK 58 million (NOK 43 million). The dividends recognised as income were from FinStart Nordic AS, NOK 27 million (NOK 11 million), Sandnes Sparebank, NOK 21 million (NOK 19 million), and SpareBank 1 Markets, NOK 9 million (NOK 12 million).

Income from associated companies amounted to NOK 195 million as at 30 September 2023 (NOK 241 million). The profit contribution from BN Bank ASA amounted to NOK 183 million (NOK 149 million), the profit contribution from SpareBank 1 Forvaltning AS amounted to NOK 40 million (NOK 53 million) and the profit contribution from SpareBank 1 Gruppen AS amounted to NOK 10 million (NOK 47 million). The profit contribution from SpareBank 1 Betaling AS was negative in the amount of NOK -27 million (NOK -9 million). Income from other associated companies amounted to NOK -11 million (NOK 1 million). For more information about the underlying results in associated companies, see the section on page 10.

Price changes for securities amounted to NOK -200 million (NOK -143 million) and were due to price changes in the portfolio of equities and equity certificates amounting to NOK -116 million (NOK 31 million) and price changes in the portfolio of certificates and bonds, which is held for liquidity purposes, totalling NOK -84 million (NOK -173 million). The negative change in value of equities and equity certificates was due to the change in value of the equity certificates in Sandnes Sparebank of NOK -36 million (NOK -34 million) and investments in FinStart Nordic AS decreasing in value by NOK -57 million (NOK 31 million). Other investments saw a change in value of NOK -23 million (NOK 34 million).

Price changes for interest rate and currency trading amounted to NOK 138 million as at 30 September 2023 (NOK 339 million). Income from customer and own account trading amounted to NOK 170 million (NOK 155 million). The change in the value of basis swaps was NOK -39 million (NOK 149 million) and other IFRS effects amounted to NOK 8 million (NOK 36 million).

Operating expenses

The Group's operating costs totalled NOK 2,364 million as at 30 September 2023 (NOK 2,074 million), an increase of NOK 290 million or 14.0%. The Group's cost/income ratio was 38.9% (41.2%) as at 30 September 2023 and the cost/income ratio for the Banking Group[1] was 33.3% (38.1%). The increase in costs in the Group was mainly attributable to increased activity, wage increases and inflation.

Table 3, Operating expenses

	30.09.23	30.09.22
Personnel expenses	1.483	1.311
IT expenses	333	293
Marketing	62	64
Administrative expenses	92	70
Operating expenses from real estate	33	36
Other operating expenses	239	167
Depreciation and impairments	123	131
Total operating expenses	2.364	2.074

In the parent bank, costs amounted to NOK 1,758 million (NOK 1,503 million). Of the NOK 255 million increase in the parent bank, payroll costs increased by NOK 160 million. On average, there were 77 more FTEs as at 30 September 2023, which has increased costs by around NOK 63 million. The increase in FTEs was due to investments in new market areas, the taking over of FTEs in connection with the acquisition of Swedbank's loan portfolio and sustainability measures. Furthermore, the increase in payroll costs was due to wage growth of NOK 33 million, a NOK 34 million increase in provisions for variable remuneration and an increase in pension costs of NOK 33 million. The increase in pension costs was partly due to a one-off effect of NOK -17 million in the third quarter of 2022. Other increases in costs were due to high inflation and activity. The increase in activity particularly related to IT expenses, the use of consultants, travel and meetings.

Monio AS saw an increase in costs of NOK 27 million, which was primarily due to the recognition in the second quarter of NOK 29 million in costs related to payments in settlements in connection with complaints. Costs in EiendomsMegler 1 SR-Eiendom AS and SpareBank 1 SR-Bank ForretningsPartner AS increased by NOK 14 million and NOK 13 million, respectively, mainly due to higher wage costs and general operating costs.

Impairment losses on loans and financial commitments, and loans and financial commitments in Stage 3

Impairment losses on loans and financial liabilities amounting to NOK 142 million had been recognised as income as at 30 September 2023, compared with income recognition of NOK 31 million for the same period last year. Individual losses of NOK 151 million were recognised as income, while NOK 9 million in IFRS impairment provisions was recognised as costs. In the second quarter 2023, an updated model was adopted for calculating loss costs on exposures without individual impairment provisions, which replaced the management overlay.

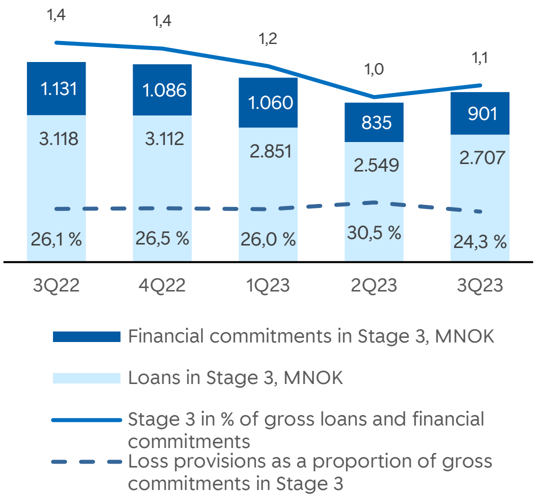
The Group's impairment losses on loans and financial liabilities amounted to -0.07% of gross loans as at 30 September 2023 (-0.02%).

The Group's loans and financial liabilities are classified into three groups: Stage 1, Stage 2 and Stage 3. Stage 3 is used for loans and financial liabilities that have seen a significant rise in credit risk since being granted and where there is objective evidence of a loss event on the balance sheet date. The loss provision must cover expected losses over their lifetime for these loans and financial liabilities. Gross loans and financial liabilities classified as Stage 3 amounted to NOK 3,608 million at the end of the third quarter of 2023 (NOK 4,249 million). The reduction in Stage 3 was mainly due to an exposure that is no longer subject to quarantine[2] and the recognition of losses. Provisions as a share of the gross exposure in Stage 3 were 24.3% (26.1%). Gross loans and financial liabilities classified as Stage 3 corresponded to 1.1% (1.4%) of gross loans and financial liabilities.

[1]The consolidated cost/income ratio equals total income less net income from financial investments divided by costs in the Banking Group. The banking group includes Sparebank 1 SR-Bank (parent bank) and SR-Boligkreditt AS.

[2]The quarantine period is 12 months after being declared healthy.

Fig. 3 Gross loans and financial commitments in Stage 3

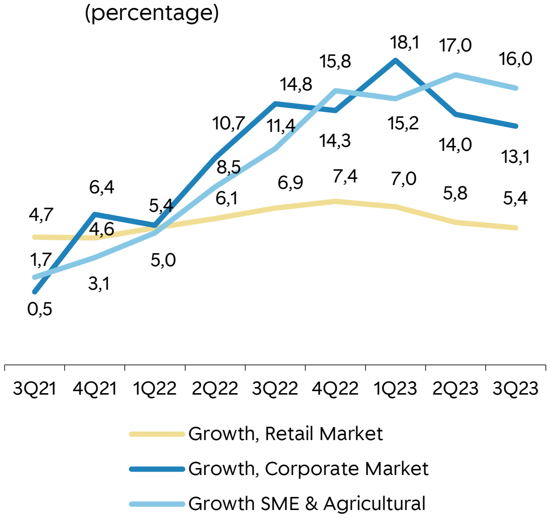


Loans to and deposits from customers

Gross loans amounted to NOK 269.6 billion at the end of the third quarter of 2023 (NOK 248.2 billion). Gross lending growth in the past 12 months was 8.6% (9.4%).

In the past 12 months, retail market (incl. staff loans), SME & agriculture and corporate market have seen lending growth of 5.4%, 16.0% and 13.1% (no foreign exchange effects), respectively.

Fig. 4 12 month lending growth (percentage)



Loans to the retail market accounted for 58.8% of total loans at the end of the third quarter of 2023 (60.9%).

The Group's total loan exposure of NOK 269.6 billion (NOK 248.2 billion) included a majority of exposures with a probability of default of less than 0.5%. These commitments accounted for 62.6% (65.3%) of the portfolio. The overall lending portfolio largely consisted of exposures of less than NOK 10 million. These accounted for 62.4% (65.0%) of loan exposure and 97.6% (97.9%) of customers. Of the total loan exposure, 23.3% (20.9%) was to customers with exposures in excess of NOK 100 million.

Over the past 12 months, deposits from customers have increased by 4.5% (8.8%) to NOK 150.5 billion (NOK 144.0 billion). Excluding deposits from customers in the public sector, deposits have grown by 13.6% overall in the past 12 months, with growth of 2.5% in Retail Market, 19.0% in SME & Agriculture and 10.4% in Large Corporates. The growth in deposits in Retail Market and SME & Agriculture was affected by an internal transfer of exposures related to associations and clubs in the fourth quarter of 2022. See the section on business areas for further information. At the end of the third quarter of 2023, deposits from retail customers accounted for 45.9% (46.8%) of the Group's deposits.

The deposit-to-loan ratio was 55.8% at the end of the third quarter of 2023 (58.0%).

Business areas

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

Retail Market[3]

Retail Market posted an operating profit before impairments of NOK 1,521 million as at 30 September 2023 (NOK 1,290 million).

Table 4, Retail Market

	30.09.23	30.09.22
Interest income	1.531	1.292
Commission and other income	484	462
Income on investment securities	13	0
Total income	2.028	1.754
Total operating expenses	507	464
Operating profit before impairments	1.521	1.290
Impairments on loans and financial commitments	8	5
Pre-tax profit	1.513	1.285

Net interest income increased by NOK 239 million, mainly as a result of increased deposit margins and lending growth. Other operating income increased by NOK 35 million compared with the same period last year.

Total operating costs amounted to NOK 507 million (NOK 464 million). The increase was mainly due to general wage growth and price inflation, as well as increased investments in new market areas.

The volume of lending in Retail Market was NOK 157.3 billion at the end of the third quarter of 2023 (NOK 149.5 billion). Retail Market is experiencing good demand for loans, and lending has grown by 5.2% in the past 12 months (NOK 7.8 billion). The deposit volume was NOK 69.1 billion at the end of the third quarter of 2023 (NOK 67.4 billion), corresponding to growth over the past 12 months of 2.5%. In December 2022, NOK 1.5 billion in deposits linked to customers in associations and clubs was moved internally from Retail Market to SME & Agriculture. The 12-month deposit growth figure inclusive of this transfer was 4.8%.

The quality of the retail market portfolio is considered to be very good with a low risk of losses and low defaults. The proportion of loan exposure within 85% of the loan to value ratio was 95.4% at end of the third quarter of 2023 (95.7%). The model-calculated IRB risk weights for residential mortgages was 18.6% at the end of the quarter (17.8%).

SME & Agriculture[3]

SME & Agriculture received an operating profit before impairments of NOK 719 million as at 30 September 2023 (NOK 459 million).

Table 5, SME & Agriculture

	30.09.23	30.09.22
Interest income	688	445
Commission and other income	103	94
Income on investment securities	23	4
Total income	814	544
Total operating expenses	95	85
Operating profit before impairments	719	459
Impairments on loans and financial commitments	43	24
Pre-tax profit	677	435

The higher profit before impairment provisions was primarily due to increased interest income driven by volume growth and stronger deposit margins. The increase in impairment provisions on loans and financial liabilities was due to IFRS impairment provisions.

The lending volume in the division amounted to NOK 20.5 billion at the end of the third quarter of 2023 (NOK 17.7 billion). SME & Agriculture is experiencing high demand for loans and credit, and lending growth over the past 12 months was 16.0%. The deposit volume was NOK 20.8 billion (NOK 17.5 billion), corresponding to growth in the past 12 months of 19.0%. 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 10.4%.

The quality of the SME & Agriculture portfolio is considered good, with a low risk of losses and low defaults. The proportion of

[3] 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 funding costs and the applied interest on intercompany receivables are eliminated at the Group level.

commitments with a probability of default of less than 2.5% through a full loss cycle was 81.7% of the portfolio at the end of the third quarter of 2023 (85.0%).

Corporate Market[3]

The operating profit before impairments increased by NOK 479 million to NOK 1,798 million as at 30 September 2023 (NOK 1,319 million).

Table 6, Corporate market

	30.09.23	30.09.22
Interest income	1.610	1.215
Commission and other income	300	203
Income on investment securities	46	29
Total income	1.956	1.447
Total operating expenses	158	128
Operating profit before impairments	1.798	1.319
Impairments on loans and financial commitments	-192	-60
Pre-tax profit	1.990	1.380

Interest income increased by NOK 395 million to NOK 1,610 million (NOK 1,215 million), mainly as a result of good lending growth in the past 12 months. Commissions and other operating income rose by NOK 97 million to NOK 300 million (NOK 203 million) due to growth in customer fees in 2023. NOK 192 million had been recognised as income in impairment provisions on loans and financial liabilities as at 30 September 2023 (income recognition of NOK 60 million), and the division's profit before tax improved by NOK 610 million to NOK 1,990 million (NOK 1,380 million).

The lending volume in the division amounted to NOK 87.0 billion at the end of the third quarter of 2023 (NOK 76.9 billion). Total growth of NOK 10.1 billion was not affected by foreign exchange rate effects. There was solid lending growth in all market areas. Of the division's total lending volume, NOK 11.7 billion (13%) was classified as green or sustainability-linked loans. The volume of deposits amounted to NOK 54.6 billion at the end of the quarter (NOK 60.2 billion). The lower deposit volume was primarily due to a decrease in the public sector.

The quality of the corporate market portfolio is also considered good. The proportion of commitments with a probability of default of less than 2.5% through a full loss cycle was 84.8% of the portfolio at the end of the third quarter of 2023 (83.5%). The property sector portfolio represents the Group's largest concentration in a single sector and accounted for 13.7% (14.2%) of total loan exposure. A large portion of this portfolio consists of financing commercial properties for leasing.

Capital Market

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 expected to increase 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. The transaction will be completed in 2023, assuming that the Financial Supervisory Authority of Norway gives the required approval.

Table 7, Capital market

	30.09.23	30.09.22
Interest income	-8	-2
Commission and other income	40	62
Income on investment securities	81	114
Total income	112	174
' - thereof redistributed	25	57
Total income after allocation	87	117
Total operating expenses	38	52
Pre-tax profit	49	64

SR-Bank Markets' operating income amounted to NOK 112 million as at 30 September 2023 (NOK 174 million). The income is recognised as income in the business areas to which the customers are assigned. As at 30 September 2023, NOK 26 million had been recognised as income in the business areas (NOK 57 million). The main reason for the decrease in redistributed income in 2023 was a change in the internal allocation of foreign exchange and interest income. The operating profit before tax amounted to NOK 49 million (NOK 64 million).

Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

As at 30 September 2023, the company posted a turnover of NOK 310 million (NOK 311 million) and a profit before tax of NOK 16.7 million (NOK 31.7 million). The decrease in profit was mainly due to increased costs related to payroll and other operating costs, which was partly related to increased rental costs and marketing.

As at 30 September 2023, 4,894 (4,962) properties had been sold with a total value of around NOK 17.2 billion (NOK 17.2 billion).

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 at the end of 2022 with the primary aim of contributing to increased growth for the Group.

Since the start of the year, prices have grown by 6.6% in the company's main area of Nord-Jæren, with Kristiansand at 10.0% and Bergen at 3.4%. National growth in prices for the year to date was at 3.7%. The regional differences that signs were seen of in the previous quarter thus became more pronounced during the third quarter. Overall, the national figures show a higher number of unsold homes, while in the company's area, and in Rogaland in particular, the number of unsold homes remains historically low. It is clear that a strong business sector and low unemployment are dampening the effects of the interest rate hikes by Norges Bank.

SpareBank 1 SR-Bank ForretningsPartner AS

SpareBank 1 SR-Bank ForretningsPartner AS posted a turnover of NOK 343.5 million as at 30 September 2023 (NOK 304.0 million). The profit before tax amounted to NOK 25.5 million (NOK 15.0 million). The result as at 30 September 2023 was better than that for the same period last year and was primarily due to integration work in 2022. The result includes depreciation of intangible assets amounting to NOK 3.9 million (NOK 4.8 million).

SpareBank 1 SR-Bank ForretningsPartner AS enjoys a solid market position in accounting services, with offices in Rogaland, Vestland, Oslo and Agder.

SR-Boligkreditt AS

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. As at 30 September 2023, the company had issued covered bonds with a nominal value of NOK 80.5 billion (NOK 86.7 billion) and bought loans worth NOK 100.2 billion (NOK 105.8 billion) from SpareBank 1 SR-Bank ASA.

As at 30 September 2023, the company's profit before tax was NOK 246.1 million (NOK 1,225.7 million). The decrease in profit was mainly due to a negative market value adjustment of basis swaps. Market value adjustment of basis swaps amounted to NOK -192.6 million as at 30 September 2023, compared with NOK 734.5 million as at 30 September 2022. Net interest income decreased by NOK 30.0 million from 30 September 2022 to NOK 487.7 million as 30 September 2023 due to weaker lending margins.

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.

As at 30 September 2023, the company's result after tax was NOK -40.0 million (NOK 33.5 million). The value of the portfolio of oil industry related investments was adjusted downwards by NOK -57.6 million (NOK 24.6 million), while dividends of NOK 27.0 million were received related to the same portfolio. No adjustment was made for investments in financial technology as at 30 September 2023 (NOK 6.7 million).

Monio AS

Monio 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 arranges direct loans from private investors (people and limited liability companies) to small and medium-sized Norwegian companies via its proprietary digital platform. The company's main product is arranging secured loans for property projects. In June, SpareBank 1 SR-Bank ASA entered into an agreement to merge Monio AS with Folkeinvest AS to provide an even better offer to companies and investors in the crowdfunding market in relation to loan and equity funding. The merge will be completed in 2023, assuming that the Financial Supervisory Authority of Norway gives the required approval.

Monio AS posted a result before tax of NOK -42,8 million as at 30 September 2023 (NOK -10.2 million). The negative result was largely due to the payment of settlements in complaint cases amounting to NOK 29.3 million in the second quarter 2023.

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 the third quarter of 2023.

SpareBank 1 Gruppen AS implemented IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments as of 1.1.2023.

Table 8, SpareBank 1 Gruppen AS

	Recalculated		Reported
	30.09.23	30.09.22	30.09.22
Pre-tax profit	267	1.216	595
Profit after tax	187	910	444
The controlling interest's share	86	553	238
Profitshare after tax Q123	17	108	47
Correction Q422	-7	0	0
Profitshare after tax SR-Bank	9	108	47

See note 1 for a more detailed description

SpareBank 1 Gruppen AS posted a profit after tax of NOK 187 million as at 30 September 2023 (NOK 444 million), of which NOK 86 million (NOK 238 million) represented the majority interests' share.

The decrease in profit from Sparebank 1 Gruppen AS was mainly due to a considerably weaker result in the Fremtind Group. The result is most affected by some major natural events and an increased frequency of damage. This was partly offset by an improvement in profit from SpareBank 1 Forsikring, mainly as a result of positive returns on the company portfolio..

The annualised return on equity after tax was 1.9% (9.0%) as at 30 September 2023.

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 an 18.0%

stake in SpareBank 1 Utvikling DA at the end of the third quarter of 2023.

SpareBank 1 Forvaltning AS

SpareBank 1 Forvaltning AS delivers products and services designed to streamline and simplify savings for its customers. 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 the end of the third quarter of 2023.

SpareBank 1 Forvaltning AS posted a profit after tax of NOK 109.2 million as at 30 September 2023 (NOK 143.4 million). The decrease in profit was mainly due to higher costs as a result of increased depreciation and other operating costs. Income was NOK 18 million higher than in the same period last year. Assets under management in funds have increased by NOK 8 billion so far this year and totalled NOK 101.8 billion at the end of the third quarter of 2023 (NOK 90.3 billion). So far this year, net purchases in funds have amounted to NOK 1.7 billion, compared with net redemptions of NOK 1.6 billion in the same period last year. Assets under management with discretionary mandates totalled NOK 30.4 billion, compared with NOK 27.9 billion in the same period last year. Net new subscriptions were NOK 113.9 million, compared with net redemptions of NOK 690.1 million in the same period last year.

BN Bank ASA

BN Bank ASA is a nationwide bank with its head office in Trondheim. The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank ASA's stake was 35.0% at the end of the third quarter of 2023.

As of 30 September 2023, BN Bank ASA achieved a profit after tax of NOK 546 million (NOK 435 million), of which NOK 524 million (NOK 425 million) represents the majority share. The improved result was mainly due to an increase in net interest income of NOK 195 million due to the increase in volumes for both loans and deposits, higher interest rates and improved deposit margins, while a reduction in lending margins had a negative impact.
The return on equity after tax was 13.1% (11.6%) as at 30 September 2023.

SpareBank 1 Kreditt AS

SpareBank 1 Kreditt AS is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank ASA owned a stake of 16.7% at the end of the third quarter of 2023. The company offers unsecured financing to the retail market and offers credit cards and repayment loans to SpareBank 1 banks.

As at 30 September 2023, the company's result before tax was NOK -50.9 million (NOK 47.6 million). The reduction in profit was due to higher costs and increased losses compared with the same period last year. The company's total portfolio at the end of third quarter of 2023 was NOK 8.9 billion (NOK 7.2 billion). 12-month lending growth was around 24%, mainly due to the company becoming a credit card supplier for Coop Mastercard from February 2023.

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 23.3% stake in Vipps AS. Vipps AS is a company in strong growth and is a strategic investment for the SpareBank 1 banks.

SpareBank 1 Betaling AS posted a result before tax of NOK -139.4 million as at 30 September 2023 (NOK -42.6 million). The negative result was due to its share of the operating loss in Vipps AS.

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

Funding and liquidity

SpareBank 1 SR-Bank ASA had good liquidity at the end of the third quarter of 2023 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 60.3

billion at the end of the third quarter of 2023 and would cover normal operations for 33 months in the event of closed markets and without net lending growth. NOK 20.2 billion of the bank's external funding will fall due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 44.3 billion in residential mortgages ready for covered bond funding.

The Group has continued to enjoy a high proportion of long-term funding in the past 12 months. The Group's net stable funding ratio (NSFR) was 130% at the end of the third quarter of 2023 (127%) and this confirms the Group's good funding situation. SpareBank 1 SR-Bank ASA has an Aa3 long-term rating and a P-1 short-term rating from Moody's.

Capital adequacy

At the end of the third quarter, the Common Equity Tier 1 capital ratio had increased to 17.88%, up from 17.83% in the previous quarter of 2023.

Table 9, Capital adequacy

	3Q23	2Q23	1Q23	4Q22	3Q22
CET1 capital ratio	17,88	17,83	17,42	17,42	17,82
Tier 1 captial ratio	20,11	19,90	19,05	18,76	19,18
Capital ratio	22,03	21,89	21,05	20,31	20,76
Leverage ratio	7,12	6,98	6,77	6,85	6,83

The Tier 1 capital ratio was 20.11%, while the capital adequacy ratio was 22.03% at the end of the third quarter of 2023. This is higher than the required capital adequacy ratio of 20.85%.

The total requirement for SpareBank 1 SR-Bank ASA's Common Equity Tier 1 capital ratio was 17.35% at the end of the third quarter of 2023. The requirement includes the systemic risk buffer (4.5%), the countercyclical buffer (2.5%), the Pillar 2 Premium (1.6%), Pillar 2 Guidance (1.25%) and temporary Pillar 2 requirement (0.5%).

A countercyclical buffer requirement applies in Norway in the range of 0-2.5% 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 August, Norges Bank decided to leave the countercyclical buffer rate for banks unchanged at 2.5%.

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 stipulated a Pillar 2 premium for the Group of 1.6%. In addition, it added as 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%.

In June, the Ministry of Finance decided that SpareBank 1 SR-Bank ASA should be regarded as a systemically important institution. This will result in a 1.0% higher Common Equity Tier 1 capital ratio requirement with effect from 30 September 2024.

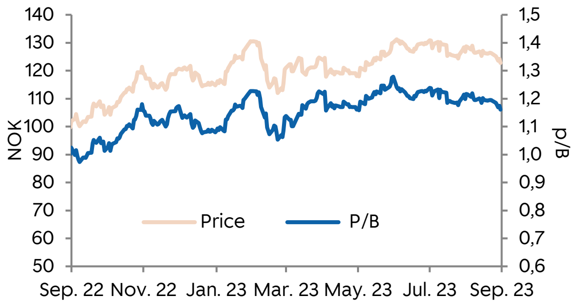
New crisis management directive and MREL

Based on the EU Crisis Management Directive (BRRD), the Group must meet a minimum requirement for own funds and eligible liabilities (MREL). SpareBank 1 SR-Bank ASA has an effective MREL requirement of 36.7% of the adjusted risk-weighted assets. In addition, subordinated capital and non-preferred liabilities must account for at least 29.7%. 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. At the end of the third quarter of 2023, SpareBank 1 SR-Bank ASA had issued senior non-preferred debt equivalent to NOK 17.3 billion (above the subordination requirement from 1 January 2024).

The bank's share

The price of the bank's share (SRBNK) was NOK 122.70 at the end of the third quarter of 2023. This resulted in an effective return of 7.5% since the end of 2022. The Oslo Børs's main index rose by 8.6% in the corresponding period (not corrected for dividends). 2.7% of outstanding SRBNK shares were traded in the third quarter of 2023 (4.1%).

Fig.6, Development in Price/Book



There were 18,810 shareholders of SRBNK at the end of the third quarter of 2023 (18,083). The proportion owned by foreign companies and individuals was 21.2% (22.6%), while 64.8% (65.7%) were resident in Rogaland, Agder, Vestland, Oslo and Viken. The 20 largest shareholders owned a combined total of 57.7% of the shares (56.0%). The bank held 42,627 treasury shares, while employees of the Group owned 1.8% (1.8%).

The table below shows the 20 largest shareholders as at 30 September 2023:

Table 10, 20 largest shareholders

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	74.977	29,3 %
Folketrygdfondet	18.396	7,2 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,4 %
State Street Bank and Trust Co, U.S.A.	5.262	2,1 %
Brown Brothers Harriman & Co, U.S.A.	4.762	1,9 %
Pareto Aksje Norge	3.755	1,5 %
JPMorgan Chase Bank NA, U.S.A.	3.750	1,5 %
Verdipapirfondet Alfred Berg Gambak	3.302	1,3 %
Odin Norge	3.140	1,2 %
Danske Invest Norske Instit. II	2.745	1,1 %
J.P.Morgan SE, Luxembourg	2.662	1,0 %
Swedbank AB	2.547	1,0 %
State Street Bank and Trust Co, U.S.A.	2.374	0,9 %
Pareto Invest Norge AS	2.333	0,9 %
AS Clipper	2.234	0,9 %
KLP AksjeNorge Indeks	1.907	0,7 %
Westco AS	1.897	0,7 %
Spesialfondet Borea Utbytte	1.836	0,7 %
Vpf Nordea Norge Verdi	1.828	0,7 %
Forsvarets Personellservice	1.519	0,6 %
Total 20 largest	147.451	57,7 %

The Group has had a special share savings scheme for the Group's employees since 2019. 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 note 1 and 2.

Events after the balance sheet date

No material events have been registered after 30 September 2023 that affect the interim financial statements as prepared.

Sustainable development

The sustainability strategy forms 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 an annual goal of being climate neutral from 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. As at 30 September 2023, the bank had financed around NOK 26.8 billion (NOK 9.7 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.

In order to maintain the Group's goal of being a climate-neutral Group, an environmental management system has been developed that was fully certified according to the ISO14001 standard in September 2023. Further work has also been carried out, and is ongoing, to improve the quality of the Group's climate report.

The corporate market division has over time strengthened its integration of sustainability into its work with customers. 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 is used in its ongoing credit work to identify this risk.

Outlook

Norges Bank raised its policy rate from 4.00% to 4.25% in September 2023, and also indicated a further increase to 4.50% in December.

Growth in the Norwegian economy has slowed, and household consumption has fallen over the course of the year. Nevertheless, employment has continued to rise, and the labour market remains tight.

The SR Business Barometer for September reports less optimism among enterprises, although there are major differences between regions and industries.

House prices fell in September and Eiendom Norge expects the increasing interest rate to further affect the house prices in the time to come. They expect the nominal growth in house prices to end at around zero for 2023.

The Group is a bank for the whole of Southern Norway, in which the Oslo region is a particular focus area. In May, the bank marked the fifth anniversary of its establishment in Oslo and Viken. Having a presence in this market is important with respect to geographical diversification and creating a greater basis for growth and increased earnings.

At the beginning of 2023, the board approved a new, long-term target for return on equity of at least 13%. This goal will be achieved through customer growth in Southern Norway and growth in other income.

The Group has a Common Equity Tier 1 capital ratio target of a minimum of 16.85%. The Board's Common Equity Tier 1 capital ratio target does not take into account the temporary Pillar 2 premium of 0.50%.

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 is to distribute approximately 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.

Stavanger, 25 October, 2023
The Board of Directors of SpareBank 1 SR-Bank ASA

Income statement

Parent bank						Note	Group				
2022	Q3 2022	Q3 2023	01.01.22 - 30.09.22	01.01.23 - 30.09.23	**Income statement (MNOK)**		01.01.23 - 30.09.23	01.01.22 - 30.09.22	Q3 2023	Q3 2022	2022
6.051	1.565	3.189	3.961	8.347	Interest income using effective interest method		11.357	5.514	4.270	2.170	8.459
912	216	675	531	1.803	Other interest income		1.803	553	691	226	940
3.111	819	2.411	1.789	6.223	Interest expense		8.739	2.837	3.365	1.281	4.883
3.853	962	**1.453**	2.703	**3.928**	**Net interest income**		**4.421**	3.230	**1.596**	1.115	4.516
1.132	283	358	825	978	Commission income		1.538	1.373	518	439	1.836
87	22	24	64	72	Commission expense		72	64	24	22	87
24	4	4	12	12	Other operating income		7	9	2	3	21
1.070	265	**338**	773	**918**	**Net commission and other income**		**1.473**	1.317	**496**	421	1.770
53	1	1	32	31	Dividends		58	43	1	9	70
1.055	0	54	913	1.475	Income from ownership interests		195	241	47	85	453
-40	-242	105	-369	26	Net gains/losses on financial instruments	11	-62	197	-37	97	233
1.069	-241	**160**	576	**1.532**	**Net income on financial investments**		**191**	481	**11**	191	756
5.991	985	**1.950**	4.051	**6.377**	**Total income**		**6.086**	5.028	**2.103**	1.726	7.042
1.234	298	374	901	1.061	Salaries and other personell expense		1.483	1.311	513	429	1.788
692	170	195	497	600	Other operating expense		759	631	231	207	865
137	33	33	106	97	Depreciation and impairment of fixed and intangible assets		123	131	41	41	173
2.064	501	**602**	1.503	**1.758**	**Total operating expense**		**2.364**	2.074	**786**	677	2.825
3.927	484	**1.348**	2.548	**4.619**	**Operating profit before impairment**		**3.721**	2.955	**1.317**	1.049	4.216
4	12	-74	-35	-142	Impairment losses on loans and other financial liabilities	3, 4	-142	-31	-78	5	5
3.923	472	**1.422**	2.583	**4.761**	**Pre-tax profit**	10	**3.863**	2.986	**1.396**	1.044	4.211
670	116	333	391	813	Tax expense		891	608	334	215	834
3.253	356	**1.089**	2.191	**3.949**	**Profit after tax**		**2.972**	2.378	**1.062**	829	3.378
3.168	336	1.035	2.131	3.829	Shareholders' share of the profit		2.852	2.317	1.008	809	3.293
85	20	54	61	120	Hybrid capital owners' share of the profit		120	61	54	20	85
3.253	356	**1.089**	2.191	**3.949**	**Profit after tax** [2]		**2.972**	2.378	**1.062**	829	3.378
					Other comprehensive income						
1	-32	0	7	-0	Unrecognised actuarial gains and losses		-0	7	0	-32	3
-0	8	0	-2	0	Deferred tax concerning changed estimates/pension pla		0	-2	0	8	-1
1	-24	**0**	5	**-0**	**Total items not reclassified through profit or loss**		**-0**	5	**0**	-24	2
1	-0	-0	0	-3	Change in ECL[1] 12 months		-0	0	-0	0	0
					Basis swap spread		-62	219	-36	98	120
					Deferred tax concerning basis swap spread		16	-55	9	-25	-30
					Share of profit associated companies and joint ventures		6	15	2	4	10
1	-0	**-0**	0	**-3**	**Total items reclassified through profit or loss**		**-41**	179	**-25**	77	100
2	-24	**-0**	6	**-3**	**Other comprehensive income**		**-41**	184	**-25**	53	102
3.255	332	**1.089**	2.197	**3.946**	**Total comprehensive income**		**2.930**	2.562	**1.038**	883	3.480
					Earnings per share (group)		**11,15**	9,06	**3,94**	3,16	12,88

[1] ECL - Expected credit loss

[2] Profit after tax 2022 has not been altered to reflect the change in principle following the implementation of IFRS 17/IFRS 9 as described in note 1

Balance sheet

Parent bank				Note	Group		
2022	**30.09.22**	**30.09.23**	**Balance sheet (MNOK)**		**30.09.23**	**30.09.22**	**2022**
76	80	70	Cash and balances with central banks		70	80	76
25.760	15.296	20.652	Balances with credit institutions		5.985	4.563	11.939
146.988	141.096	168.124	Loans to customers	4, 6	268.132	246.612	251.272
54.882	48.439	55.993	Certificates and bonds		57.619	50.941	53.989
28.131	30.437	30.942	Financial derivatives	8	20.667	21.579	18.612
496	699	512	Shares, ownership stakes and other securities	13	809	1.037	848
2.593	2.395	3.033	Investment in associates	1	5.057	4.774	5.041
7.547	7.569	7.556	Investment in subsidiaries		0	0	0
70	70	70	Intangible assets		452	455	454
1.102	564	1.132	Deferred tax assets		1.076	605	1.075
273	272	306	Fixed assets		954	973	923
857	869	882	Right-of-use assets		351	324	314
767	1.782	1.173	Other assets		1.650	2.100	1.186
269.542	249.567	**290.445**	**Total assets**	10	**362.823**	334.045	345.730
9.585	739	3.066	Balances with credit institutions		2.678	284	3.428
148.442	144.351	150.826	Deposits from customers	5	150.534	143.989	148.100
51.364	46.703	58.058	Listed debt securities	9	137.810	133.250	135.353
20.224	21.789	27.171	Financial derivatives	8	18.367	17.114	15.771
1.206	391	812	Taxes payable		874	670	1.345
903	913	936	Lease liabilities		375	347	336
245	238	243	Pension liabilities		249	246	251
138	171	129	Impairment provisions on financial commitments	4	129	171	138
584	652	1.237	Other liabilities		1.543	919	858
9.301	7.101	16.415	Senior non-preferred bonds	9	16.415	7.101	9.301
2.161	2.162	2.774	Subordinated loan capital	9	2.774	2.162	2.161
244.152	225.211	**261.666**	**Total liabilities**		**331.750**	306.252	317.042
6.394	6.394	6.394	Share capital		6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve		1.587	1.587	1.587
1.790	0	0	Proposed dividend		0	0	1.790
1.700	1.700	3.055	Hybrid capital		3.055	1.700	1.700
13.919	14.675	17.743	Other equity		20.038	18.112	17.217
25.390	24.356	**28.779**	**Total equity**	1	**31.074**	27.793	28.687
269.542	249.567	**290.445**	**Total liabilities and equity**	10	**362.823**	334.045	345.730

Statement of changes in equity

SpareBank 1 SR-Bank Group (MNOK)	Share-capital	Premium reserve	Hybrid-capital	Value of basis swap defined as hedging instrument	Other equity	Total equity
Equity as at 31.12.21	6.394	1.587	1.850	-25	17.373	27.179
Effect of implementation IFRS 17 in SpareBank 1 Gruppen [1)]					-234	-234
Equity as at 1.1.22	6.394	1.587	1.850	-25	17.139	26.945
Profit after tax					2.378	2.378
Unrecognised actuarial gains and losses after tax					5	5
Basisswap spread after tax				165		165
Share of profit associated companies and joint ventures [1)]					15	15
Total comprehensive income				165	2.398	2.562
Hybrid capital			-150			-150
Interest on hybridcapital					-61	-61
Transactions against equity in subsidiaries and associated companies					30	30
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 30.09.22	**6.394**	**1.587**	**1.700**	**140**	**17.973**	**27.793**
Equity as at 31.12.22	**6.394**	**1.587**	**1.700**	**65**	**18.942**	**28.687**
Profit after tax					2.972	2.972
Unrecognised actuarial gains and losses after tax					-0	-0
Basisswap spread after tax				-47		-47
Share of profit associated companies and joint ventures					6	6
Total comprehensive income				-47	2.977	2.930
Hybrid capital			1.355			1.355
Interest on hybridcapital					-120	-120
Transactions against equity in subsidiaries and associated companies					12	12
Dividend 2021, resolved in 2022					-1.790	-1.790
Trade in treasury shares					-2	-2
Transactions with shareholders					-1.792	-1.792
Equity as at 30.09.23	**6.394**	**1.587**	**3.055**	**18**	**20.019**	**31.074**

[1)] The change in principle following the implementation of IFRS 17/IFRS 9 is described in note 1

Cash flow statement

Parent bank				Group		
2022	01.01.22 - 30.09.22	01.01.23 - 30.09.23	Cash flow statement	01.01.23 - 30.09.23	01.01.22 - 30.09.22	2022
-7.690	-1.747	-20.889	Change in gross lending to customers [1]	-16.609	-17.938	-22.658
5.783	3.860	7.424	Interest receipts from lending to customers	10.722	5.538	8.404
10.399	6.308	2.384	Change in deposits from customers	2.435	6.325	10.436
-2.021	-1.219	-3.201	Interest payments on deposits from customers	-3.190	-1.212	-2.010
-15.952	-14.157	-6.479	Change in receivables and debt from credit institutions	123	-11.001	-15.429
239	107	760	Interest on receivables and debt to financial institutions	489	-26	226
-561	5.882	-1.110	Change in certificates and bonds [1]	-3.630	5.325	2.277
825	458	1.799	Interest receipts from commercial paper and bonds	1.809	489	866
1.070	779	923	Commission receipts	1.451	1.319	1.770
86	2	27	Capital gains from sale of trading	27	-9	70
-1.849	-1.384	-1.603	Payments for operations	-2.196	-1.963	-2.654
0	0	-1.206	Taxes paid	-1.355	-235	-235
2.717	510	11.036	Other accruals [1]	12.017	1.152	3.285
-6.954	-601	**-10.134**	**A Net change in liquidity from operations**	**2.092**	-12.236	-15.653
-79	-53	-84	Investments in tangible fixed assets	-104	-71	-97
15	0	-0	Receipts from sale of tangible fixed assets	-0	0	15
-235	-34	-441	Change in long-term investments in equities	-454	-49	-252
15	0	0	Receipts from sales of long-term investments in equities	12	11	31
1.108	945	1.506	Dividends from long-term investments in equities	660	250	402
824	858	**981**	**B Net cash flow, investments**	**114**	141	100
19.195	12.064	17.846	Debt raised by issuance of securities and senior non-preferred bonds	17.846	30.512	42.894
-9.511	-9.369	-6.893	Repayments - issued securities and senior non-preferred bonds	-15.720	-14.411	-22.017
-778	-363	-2.631	Interest payments on securities issued and senior non-preferred bonds	-5.187	-1.423	-2.586
0	0	1.500	Additional subordinated loan capital issued	1.500	0	0
0	0	-925	Repayments - additional capital instruments	-925	0	0
-64	-42	-115	Interest payments on subordinated loans	-115	-42	-64
0	0	1.650	Issued hybrid capital	1.650	0	0
-150	-150	-295	Repayments in debt established by issuing hybrid capital	-295	-150	-150
-92	-61	-120	Interest payments on debt established by issuing hybrid capital	-120	-61	-92
-77	-58	-62	Lease payments	-51	-54	-58
-1.535	-1.535	-1.790	Dividend to share holders	-1.790	-1.535	-1.535
6.989	486	**8.165**	**C Net cash flow, financing**	**-3.207**	12.836	16.392
858	743	**-988**	**A+B+C Net cash flow during the period**	**-1.001**	741	839
542	542	1.400	Cash and cash equivalents as at 1 January	1.419	580	580
1.400	1.285	**412**	**Cash and cash equivalents at the end of the period**	**418**	1.321	1.419
			Cash and cash equivalents specified			
76	80	70	Cash and balances with central banks	70	80	76
1.324	1.205	343	Balances with credit institutions	349	1.241	1.343
1.400	1.285	**412**	**Cash and cash equivalents**	**418**	1.321	1.419

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 Accouting policies

1.1 Basis of preparation
These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 30 September 2023. 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 2022.

New and amended standards applied in 2023:

IFRS 17 replaces IFRS 4 and sets out principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The purpose of IFRS 17 is to eliminate inconsistency in accounting practises of insurance contracts between companies. The main elements of the new
standard are:

- An estimate of the present value of future cash flows of a Group of insurance contracts. Future cash flows include future insurance premiums and settlement payments, claims and other payments to policyholder. The estimate shall take into account an explicit risk adjustment, and the estimates shall reflect conditions existing at the balance sheet date.
- A contractual service margin equal to the day-one profit in the estimate of the present value of future cash flows from a Group of insurance contracts.
- This profit element shall be recognised in the income statement over the coverage period.
- Certain amendments to the estimate for the present value of the future cashflows are adjusted against the contractual service margin and recognised in the result over the remaining coverage period for the insurance contracts.
- The effect of changes in the discount rate should, as a choice of accounting principle, be presented either in profit or loss or in other comprehensive income.

IFRS 17 should, as a starting point, be used retrospectively, but companies may use a modified retrospective approach or a fair value approach at the time of transition if retrospective use is impracticable. The standard is effective for reporting periods beginning on or after 1 January 2023, with a requirement for comparable figures. Early implementation is permitted.

IFRS 9 Financial instruments
The standard went into force 1 January 2018 with an exception, for undertakings whose main business area is insurance, to await implementation of IFRS 9 until the new standard for insurance contracts came into force 1 January 2023.

The effect on equity for the Group from the implementation of the IFRS 17/IFRS 9 in joint venture SpareBank 1 Gruppen as of 1.1.2022 is NOK 234 million in reduced equity. Effect on profit after tax from the implementation of IFRS 17 / IFRS 9 for 2022 from SpareBank 1 Gruppen is adjusted by NOK 32 million, resulting in a total effect on equity of NOK 202 million as per 1.1.2023. Group income statement 2022 and key figures has not been altered.

Note 1 Accounting policies (continued)

IFRS 17 Effect 2022:	
Group equity 31.12.2021	27.179
Implementation of IFRS 17/IFRS 9	-234
Effect on profit after tax 2022 from the implementation of IFRS 17/IFRS 9	32
IFRS 17/IFRS 9 implementation effect on equity	-202
Other changes in equity 2022	1.710
Group equity 1.1.2023	28.687

IFRS 17 Effect 2022:	01.01.22 - 30.09.22	Q3 2022	Q2 2022	Q1 2022
Group equity	27.179	26.930	27.805	27.179
Implementation of IFRS 17/IFRS 9	-234	0	0	-234
Effect on profit after tax from the implementation of IFRS 17/IFRS 9	23	0	0	23
IFRS 17/IFRS 9 implementation effect on equity	-211	0	0	-211
Other changes in equity	825	863	-875	837
Group equity	27.793	27.793	26.930	27.805
Group profit after tax before implementation	2.378	829	796	753
Share of profit from SpareBank 1 Gruppen	30	47	17	13
Effect of implementation IFRS17/IFRS9	23	0	0	23
Adjusted share of profit from SpareBank1 Gruppen	53	47	17	36
Group profit after tax after implementation	2.401	829	796	776

There are no other new standards, amendments to standards or interpretations which has been implemented since 01.01.2023 with material effect on the Group or parent bank's financial statements.

New standards and interpretations that have not been adopted yet

There are a number of new standards, changes to the standards and interpretations that are mandatory for future annual accounts.There are no standards or interpretations that have not been adopted yet, that are expected to have any material effects on the Group's statements.

Impairments on loans and financial liabilities

The Group has calculated loss provisions pursuant to the IFRS 9 regulations since 1.1.2018. Prior to the reporting for the fourth quarter of 2019, only minor adjustments were made in the model. Since then, the assessment of expected credit losses has taken account of the extraordinary circumstances that have arisen with respect to the Covid-19 outbreak and the war in Ukraine. The following explains the policies that have been applied and the changes that have been made in the third quarter of 2023. Please also refer to note 2 in the annual report for 2022. The calculations follow the normal procedures for source data. An upgraded model for calculating the provisions for expected losses on engagements that are not individually impaired was implemented in Q2 2023. The most important change is that the calculation of the repayment profiles are more refined. The change has limited effect on the impaiment losses. The scenarios and the mutual weighting of these has been updated. 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 2022 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

An upgraded model for calculating the provisions for expected losses on engagements that are not individually impaired was implemented in Q2 2023. In addition, the use of uncertainty premium on the PD has been replaced by updated scenarios and weighting of these. The most important change is that the calculation of the repayment profiles are more refined. The change has limited effect on the impaiment losses.

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 31.12.2022.

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.

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.

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

A probability weighted average is calculated for three different scenarios called a base scenario, an adverse scenario,and a stress scenario respectively. The base scenario is based on data from a normal business cycle period, while the adverse scenario is based on data from a representative industry specific period of decline. The stress scenario is linked to the Group's periodic internal capital adequacy assessment process (ICAAP) for a period of severe decline. The scenarios are subject to a quarterly review by an internal working Group composed of people on management level and are adjusted accordingly if there are significant changes in the macro economic picture.

The choice of scenarios and their weighting are regularly reviewed (at least once a year) by the aforementioned working Group. At the end of the third quarter of 2023, the base case scenario had a 80% weighting, the adverse scenario had 12.5% weighting and the stress scenarios had a weighting of 7.5%. 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 70% and the adverse scenario and stress scenario were both increased to 15%. Such a change in the scenario weighting would, all else equal, increase the Group's expected impairment losses for commitments without individual impairment by NOK 104 million.

Sensitivity Calculations (NOK millions)	**Base scenario**	**Adverse scenario**	**Stress scenario**	**Corporate market**	**SME and agriculture**	**Retail market**	**SR-Bolig-kreditt**	**Not distributed**	**Total Group**	**Change in applied scenario**
Weighting used in Q3 2023										
ECL in Base scenario	*80,0 %*			375	170	48	25		618	
ECL in Adverse scenario		*12,5 %*		642	278	102	69		1.091	
ECL in Stress scenario			*7,5 %*	1.111	470	154	117		1.852	
ECL with applied scenario weighting	*80,0 %*	*12,5 %*	*7,5 %*	463	206	63	38		770	
(current, used from the second quarter of 2023)										
Alternativ Base scenario										
	100,0 %	*0,0 %*	*0,0 %*	375	170	48	25		618	-152
Normal business cycle period										
Alternativ Adverse scenario	*0,0 %*	*100,0 %*	*0,0 %*	642	278	102	68		1.090	320
Industry specific period of decline										
Alternativ Stress scenario	*0,0 %*	*0,0 %*	*100,0 %*	1.111	470	154	115		1.850	1.080
Internal assessment (ICAAP) for period of severe decline										
Alternativ scenario weighting	*70,0 %*	*15,0 %*	*15,0 %*	526	231	72	45		874	104

Sensitivity Calculations (NOK millions)	**Base scenario**	**Adverse scenario**	**Stress scenario**	**Corporate market**	**SME and agriculture**	**Retail market**	**SR-Bolig-kreditt**	**Not distributed**	**Total Group**	**Change in applied scenario**
Weighting used in Q2 2023										
ECL in Base scenario	*80,0 %*			337	140	48	29	1	555	
ECL in Adverse scenario		*12,5 %*		610	234	100	77	2	1.023	
ECL in Stress scenario			*7,5 %*	1.061	377	153	126	3	1.720	
ECL with applied scenario weighting	*80,0 %*	*12,5 %*	*7,5 %*	426	170	62	42	1	701	
(current, used from the second quarter of 2023)										
Alternativ Base scenario	*100,0 %*	*0,0 %*	*0,0 %*	338	141	49	28		556	-145
Normal business cycle period										
Alternativ Adverse scenario	*0,0 %*	*100,0 %*	*0,0 %*	609	235	102	76	1	1.023	322
Industry specific period of decline										
Alternativ Stress scenario	*0,0 %*	*0,0 %*	*100,0 %*	1.060	379	156	125		1.720	1.019
Internal assessment (ICAAP) for period of severe decline										
Alternativ scenario weighting	*70,0 %*	*15,0 %*	*15,0 %*	487	191	73	50	-1	800	99

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

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		
2022	30.09.22	01.01.23 - 30.09.23		01.01.23 - 30.09.23	30.09.22	2022
-37	-100	-252	Change in impairments on loans	-251	-96	-36
-15	18	-9	Change in impairments on financial commitments	-9	18	-15
83	70	250	Actual loan losses on commitments	250	70	83
2	2	3	Change in accrued interest	3	2	2
-0	-0	-0	Change in assets taken over for the period	-0	-0	-0
-29	-26	-135	Recoveries on commitments previously written-off	-135	-26	-29
4	-35	**-142**	**Total impairments on loans and financial commitments**	**-142**	-31	5

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

Parent Bank **2023** **Impairment provisions on loans and financial commitments**	**01.01.23**	**Changes in impairment provisions on loans**	**Changes in impairment provisions on financial commitments**	**Total 30.09.23**
Impairment provisions after amortised cost, corporate market	1.430	-269	-14	1.147
Impairment provisions after amortised cost, SME & ariculture	235	27	2	264
Impairment provisions after amortised cost, retail market	63	-5	3	62
Mortgages at FVOCI [1)]	58	-5	0	53
Total impairment provisions on loans and financial commitments	1.786	-252	-9	**1.525**
Presented as				
Impairment provisions on loans	1.648	-252	0	1.396
Impairment provisions on financial commitments	138	0	-9	129
Total impairment provisions on loans and financial commitments	1.786	-252	-9	**1.525**

2022 **Impairment provisions on loans and financial commitments**	**01.01.22**			**Total 30.09.22**
Impairment provisions after amortised cost, corporate market	1.495	-82	13	1.426
Impairment provisions after amortised cost, SME & ariculture	211	-11	3	202
Impairment provisions after amortised cost, retail market	71	-5	3	69
Home mortgages at FVOCI [1)]	61	-1	0	60
Total impairment provisions on loans and financial commitments	1.838	-100	18	1.756
Presented as				
Impairment provisions on loans	1.685	-100	0	1.585
Impairment provisions on financial commitments	153	0	18	171
Total impairment provisions on loans and financial commitments	1.838	-100	18	1.756

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

Group

2023 **Impairment provisions on loans and financial commitments**	**01.01.23**	**Changes in impairment provisions on loans**	**Changes in impair-ment provisions on financial commitments**	**Total 30.09.23**
Impairment provisions after amortised cost, corporate market	1.430	-269	-14	1.147
Impairment provisions after amortised cost, SME & ariculture	235	27	2	264
Impairment provisions after amortised cost, retail market	158	-9	3	152
Mortgages at FVOCI [1]	0	0	0	0
Total impairment provisions on loans and financial commitments	1.823	-251	-9	**1.563**
Presented as				
Impairment provisions on loans	1.685	-251	0	1.434
Impairment provisions on financial commitments	138	0	-9	129
Total impairment provisions on loans and financial commitments	1.823	-251	-9	**1.563**

2022 **Impairment provisions on loans and financial commitments**	**01.01.22**			**Total 30.09.22**
Impairment provisions after amortised cost, corporate market	1.495	-82	13	1.425
Impairment provisions after amortised cost, SME & ariculture	211	-11	3	202
Impairment provisions after amortised cost, retail market	168	-2	3	169
Home mortgages at FVOCI [1]	0	0	0	0
Total impairment provisions on loans and financial commitments	1.874	-96	18	1.796
Presented as				
Impairment provisions on loans	1.721	-96	0	1.625
Impairment provisions on financial commitments	153	0	18	171
Total impairment provisions on loans and financial commitments	1.874	-96	18	1.796

[1] FVOCI - Fair value other comprehensive income

Parent Bank

	01.01.23 - 30.09.23				**01.01.22 - 30.09.22**			
Impairment provisions on loans per stage	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Impairment provisions on loans 01.01	278	292	1.078	1.648	185	326	1.174	1.685
Changes 01.01 - 30.09								
Transfer to (from) stage 1	-24	24	0	-0	-21	20	0	0
Transfer to (from) stage 2	52	-56	4	0	89	-90	1	0
Transfer to (from) stage 3	2	13	-15	0	4	3	-7	0
Net new measurement of impairment provisions	-93	82	-244	-255	-88	134	-137	-91
New issued or purchased loan	84	53	32	169	73	61	13	146
Loans that have been derecognised	-77	-76	-12	-166	-38	-97	-19	-155
Impairment provisions on loans 30.09	223	331	843	**1.396**	203	357	1.025	1.585

Impairment provisions on financial commitments per stage	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Impairment provisions on financial commitments 01.01.	45	59	34	138	32	45	76	153
Changes 01.01 - 30.09								
Transfer to (from) stage 1	-3	3	0	0	-4	4	0	0
Transfer to (from) stage 2	17	-19	2	0	17	-17	0	0
Transfer to (from) stage 3	0	1	-1	0	0	0	0	0
Net new measurement of impairment provisions	-30	13	-6	-24	-18	20	7	10
New issued or purchased loan	22	15	9	45	16	7	1	23
Loans that have been derecognised	-10	-17	-3	-31	-9	-5	-1	-15
Impairment provisions on financial commitments 30.09	41	54	34	**129**	34	53	84	171

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

Group

Impairment provisions on loans per stage	01.01.23 - 30.09.23 Stage 1	Stage 2	Stage 3	Total	01.01.22 - 30.09.22 Stage 1	Stage 2	Stage 3	Total
Impairment provisions on loans 01.01	288	318	1.079	1.685	193	352	1.176	1.721
Changes 01.01 - 30.09								
Transfer to (from) stage 1	-25	24	0	0	-21	21	0	0
Transfer to (from) stage 2	59	-62	4	0	97	-97	1	0
Transfer to (from) stage 3	2	14	-16	0	4	3	-8	0
Net new measurement of impairment provisions	-99	94	-244	-250	-97	145	-136	-89
New issued or purchased loan	86	56	33	174	76	67	13	157
Loans that have been derecognised	-80	-84	-13	-176	-40	-105	-20	-164
Impairment provisions on loans 30.09	231	359	843	**1.434**	212	386	1.026	1.624

Impairment provisions on financial commitments per stage	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment provisions on financial commitments 01.01.	46	59	34	138	32	45	76	153
Changes 01.01 - 30.09								
Transfer to (from) stage 1	-3	3	0	-0	-4	3	0	0
Transfer to (from) stage 2	17	-19	2	0	17	-17	0	0
Transfer to (from) stage 3	0	1	-1	0	0	0	0	0
Net new measurement of impairment provisions	-30	13	-6	-24	-18	20	7	10
New issued or purchased loan	22	15	9	45	16	7	1	23
Loans that have been derecognised	-10	-17	-3	-31	-9	-5	-1	-15
Impairment provisions on financial commitments 30.09	41	54	34	**129**	34	53	84	171

Note 5 Deposits from customers

Parent bank				Group		
31.12.22	**30.09.22**	**30.09.23**		**30.09.23**	**30.09.22**	**31.12.22**
621	533	722	Aquaculture	722	533	621
1.446	1.329	1.131	Industry	1.131	1.329	1.446
1.600	1.634	1.811	Agriculture/forestry	1.811	1.634	1.600
17.292	16.860	19.502	Service industry	19.211	16.498	16.949
3.286	3.493	3.500	Retail trade, hotels and restaurants	3.500	3.493	3.286
1.844	1.614	2.159	Energy, oil and gas	2.159	1.614	1.844
2.929	2.585	2.719	Building and construction	2.719	2.585	2.929
1.948	2.400	1.917	Power and water supply	1.917	2.400	1.948
7.735	8.544	8.094	Real estate	8.094	8.544	7.735
3.996	1.727	4.078	Shipping and other transport	4.078	1.727	3.996
44.118	42.364	40.848	Public sector and financial services	40.848	42.364	44.118
86.815	83.083	**86.481**	**Total corporate market**	**86.189**	82.721	86.472
61.627	61.268	**64.345**	**Retail customers**	**64.345**	61.268	61.627
148.442	144.351	**150.826**	**Deposits from customers**	**150.534**	143.989	148.100

Note 6 Loans and other financial commitments to customers

Parent bank				Group		
31.12.22	**30.09.22**	**30.09.23**	**Gross loans to customers by industry**	**30.09.23**	**30.09.22**	**31.12.22**
3.706	3.672	4.468	Aquaculture	4.478	3.681	3.714
3.996	4.143	4.125	Industry	4.192	4.198	4.049
5.683	5.365	6.093	Agriculture/forestry	6.459	5.682	6.042
20.415	19.638	19.195	Service industry	19.874	20.152	21.023
3.295	3.164	3.674	Wholesale and retail trade, hotels and restaurants	3.889	3.356	3.520
1.084	1.380	1.986	Energy, oil and gas	1.989	1.382	1.087
5.003	4.805	9.382	Building and construction	9.658	5.022	5.268
1.708	1.456	4.167	Power and water supply	4.168	1.456	1.708
37.644	35.890	39.755	Real estate	39.773	35.898	37.660
13.343	13.517	14.022	Shipping and other transport	14.229	13.686	13.525
2.163	2.450	2.280	Public sector and financial services	2.280	2.450	2.163
98.041	95.480	**109.146**	**Total corporate sector**	**110.988**	96.964	99.759
50.582	47.190	**60.367**	**Retail customers**	**158.578**	151.273	153.198
148.624	142.670	**169.512**	**Gross loans**	**269.566**	248.237	252.957
-1.648	-1.585	-1.396	- Impairment provisions after amortised cost	-1.434	-1.625	-1.685
12	11	8	- Home mortgages at FVOCI [2]	0	0	0
146.988	141.096	**168.124**	**Loans to customers**	**268.132**	246.612	251.272
			Financial commitments [1]			
17.397	14.351	18.121	Guarantees customers	18.150	14.391	17.433
19.119	19.357	20.009	Unused credit lines for customers	28.529	26.709	26.659
13.441	15.434	12.522	Approved loan commitments	12.522	15.434	13.441
49.957	49.142	**50.653**	**Total financial commitments**	**59.201**	56.534	57.532
			Other guarantees issued and liabilities			
6.022	9.072	5.075	Unused credit lines for financial institutions	0	0	0
589	86.881	513	Guarantees other	513	589	589
0	50	57	Letters of credit	57	50	0
6.611	96.003	**5.645**	**Total other guarantees issued and liabilities**	**570**	639	589

[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

2023

Loans to customers by industry and stages	Gross loans at amortised cost	Stage 1	Stage 2	Stage 3	Loans at fair value	Net loans 30.09.23
Aquaculture	4.438	-12	-14	0	29	4.442
Industry	4.037	-9	-7	-115	88	3.994
Agriculture/forestry	3.572	-1	-3	-1	2.521	6.088
Service industry	18.364	-78	-90	-127	830	18.899
Wholesale and retail trade, hotels and restaurants	3.373	-7	-12	-21	301	3.634
Energy, oil and gas	1.986	-10	-17	-56	0	1.903
Building and construction	9.076	-10	-19	-8	305	9.344
Power and water supply	4.155	-9	-3	0	12	4.156
Real estate	39.546	-66	-108	-168	209	39.413
Shipping and other transport	13.870	-12	-24	-288	151	13.698
Public sector and financial services	2.280	0	0	0	0	2.280
Total corporate market	104.699	-214	-296	-785	4.447	**107.850**
Retail customers	5.274	-9	-34	-58	55.093	**60.266**
Mortgages at FVOCI [1]					8	8
Loans to customers	109.973	-223	-331	-843	59.548	**168.124**

2022

Loans to customers by industry and stages	Gross loans at amortised cost	Stage 1	Stage 2	Stage 3	Loans at fair value	Net loans 30.09.22
Aquaculture	3.637	-9	-15	0	35	3.648
Industry	4.096	-13	-16	-105	47	4.008
Agriculture/forestry	2.979	-2	-9	-1	2.385	5.353
Service industry	19.049	-62	-89	-118	589	19.369
Wholesale and retail trade, hotels and restaurants	2.913	-13	-20	-7	251	3.124
Energy, oil and gas	1.380	-2	-10	-57	0	1.311
Building and construction	4.524	-9	-24	-20	281	4.752
Power and water supply	1.447	-3	-1	0	10	1.453
Real estate	35.698	-63	-104	-41	193	35.682
Shipping and other transport	13.406	-15	-32	-614	111	12.855
Public sector and financial services	2.450	0	0	0	0	2.450
Total corporate market	91.578	-191	-320	-964	3.902	94.004
Retail customers	5.401	-12	-36	-61	41.788	47.081
Mortgages at FVOCI [1]					11	11
Loans to customers	96.979	-203	-356	-1.025	45.702	141.096

[1] FVOCI - Fair value other comprehensive income

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

Group

2023

Loans to customers by industry and stages	Gross loans at amortised cost	Stage 1	Stage 2	Stage 3	Loans at fair value	Net loans 30.09.23
Aquaculture	4.471	-12	-14	0	7	4.452
Industry	4.179	-9	-7	-115	13	4.062
Agriculture/forestry	5.671	-1	-3	-1	788	6.454
Service industry	19.783	-78	-91	-127	91	19.577
Wholesale and retail trade, hotels and restaurants	3.847	-7	-12	-21	42	3.848
Energy, oil and gas	1.989	-10	-17	-56	0	1.906
Building and construction	9.619	-10	-20	-8	39	9.619
Power and water supply	4.163	-9	-3	0	5	4.157
Real estate	39.668	-66	-108	-168	105	39.431
Shipping and other transport	14.203	-12	-24	-288	26	13.904
Public sector and financial services	2.280	0	0	0	0	2.280
Total corporate market	109.872	-214	-299	-785	1.116	**109.690**
Retail customers	152.031	-17	-61	-58	6.547	**158.442**
Loans to customers	261.903	-231	-359	-843	7.663	**268.132**

2022

Loans to customers by industry and stages	Gross loans at amortised cost	Stage 1	Stage 2	Stage 3	Loans at fair value	Net loans 30.09.22
Aquaculture	3.674	-9	-15	0	7	3.657
Industry	4.183	-13	-17	-105	15	4.063
Agriculture/forestry	4.743	-2	-9	-1	939	5.670
Service industry	20.068	-62	-90	-118	84	19.882
Wholesale and retail trade, hotels and restaurants	3.317	-13	-20	-7	39	3.315
Energy, oil and gas	1.382	-2	-10	-57	0	1.313
Building and construction	4.979	-9	-25	-20	43	4.967
Power and water supply	1.450	-3	-1	0	6	1.453
Real estate	35.780	-63	-104	-41	118	35.691
Shipping and other transport	13.658	-15	-33	-614	28	13.024
Public sector and financial services	2.450	0	0	0	0	2.450
Total corporate market	95.685	-192	-323	-965	1.279	95.485
Retail customers	144.602	-20	-63	-62	6.671	151.128
Loans to customers	240.287	-212	-386	-1.026	7.950	246.612

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

Parent bank

Gross loans per stage	01.01.23 - 30.09.23 Stage 1	Stage 2	Stage 3	Total	01.01.22 - 30.09.22 Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	134.441	11.090	3.093	148.624	128.811	9.252	2.871	140.934
Transfer to (from) stage 1	-8.853	8.728	124	0	-5.582	5.535	47	0
Transfer to (from) stage 2	2.091	-2.126	34	0	3.271	-3.285	14	0
Transfer to (from) stage 3	44	562	-606	0	7	17	-24	0
Net increase/(decrease) balance existing loans	4.623	343	-186	4.780	4.817	282	-66	5.033
Originated or purchased during the period	59.048	2.495	841	62.384	39.761	1.880	444	42.085
Loans that have been derecognised	-43.057	-2.606	-613	-46.275	-41.979	-3.208	-195	-45.382
Gross loans 30.09	148.338	18.487	2.687	**169.512**	129.106	10.473	3.091	142.670

Financial commitments per stage [1) 2)]	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial commitments 01.01.	46.358	2.515	1.084	49.957	39.667	1.668	1.198	42.533
Net increase / (decrease) during period	421	459	-185	695	6.506	172	-69	6.609
Financial commitments 30.09	46.779	2.974	899	**50.653**	46.173	1.840	1.129	49.142

Group

Gross loans per stage	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	235.168	14.677	3.112	252.957	215.341	12.059	2.899	230.299
Transfer to (from) stage 1	-11.991	11.860	132	0	-6.786	6.734	52	0
Transfer to (from) stage 2	3.068	-3.102	34	-0	4.059	-4.074	15	0
Transfer to (from) stage 3	45	565	-610	0	13	27	-40	0
Net increase/(decrease) balance existing loans	7.798	409	-186	8.021	6.942	335	-66	7.211
Originated or purchased during the period	70.452	2.463	827	73.743	62.732	2.049	436	65.217
Loans that have been derecognised	-61.356	-3.195	-603	-65.154	-50.716	-3.596	-178	-54.490
Gross loans 30.09	243.184	23.676	2.707	**269.566**	231.585	13.534	3.118	248.237

Financial commitments per stage [1) 2)]	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial commitments 01.01.	53.672	2.775	1.086	57.532	46.954	1.904	1.200	50.058
Net increase / (decrease) during period	1.212	642	-185	1.669	6.395	150	-69	6.476
Financial commitments 30.09	54.884	3.416	901	**59.201**	53.349	2.054	1.131	56.534

[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 17.35% at the end of the third quarter of 2023.

Parent bank				Group		
31.12.22	**30.09.22**	**30.09.23**		**30.09.23**	**30.09.22**	**31.12.22**
6.394	6.394	6.394	Share capital	6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve	1.587	1.587	1.587
1.790	0	0	Allocated to dividend	0	0	1.790
1.700	1.700	3.055	Hybrid capital	3.055	1.700	1.700
13.919	14.675	17.743	Other equity	20.038	18.323	17.418
25.390	24.356	**28.779**	**Book equity**	**31.074**	28.003	28.889
			Tier 1 capital			
-70	-70	-70	Deferred taxes, goodwill and other intangible assets	-737	-708	-704
-1.790	0	0	Deduction for allocated dividends	0	0	-1.790
-612	-495	-526	Deduction in expected losses IRB less loss provisions	-662	-605	-733
-1.700	-1.700	-3.055	Hybrid capital that cannot be included in CET 1 capital	-3.055	-1.700	-1.700
0	-1.096	-2.034	Profit for the period that cannot be included in total Tier 1 capital	-1.546	-1.189	0
0	0	0	Deduction for CET 1 capital in essential investments in financial institutions	0	-111	-235
-237	-181	-277	institutions	-254	-165	-241
-64	-62	-72	Value adjustments due to the requirements for prudent valuation	-90	-79	-80
20.916	20.752	**22.744**	**CET 1 capital**	**24.729**	23.447	23.405
1.700	1.700	3.055	Hybrid capital	3.232	1.837	1.836
0	0	-105	Hybrid capital that cannot be included in Tier 1 capital	-105	0	0
-48	-46	-47	Deduction for essential investments in financial institutions	-47	-46	-48
22.568	22.406	**25.646**	**Tier 1 capital**	**27.809**	25.237	25.193
			Tier 2 capital			
2.097	2.097	2.672	Term subordinated loan capital	2.847	2.273	2.272
-188	-184	-191	Deduction for essential investments in financial institutions	-191	-184	-188
1.909	1.913	**2.481**	**Tier 2 capital**	**2.656**	2.089	2.084
24.477	24.319	**28.128**	**Net primary capital**	**30.465**	27.326	27.277

Note 7 Capital adequacy (continued)

Parent bank				Group		
31.12.22	**30.09.22**	**30.09.23**	**Credit risk Basel II**	**30.09.23**	**30.09.22**	**31.12.22**
16.351	15.512	16.794	SME	16.801	15.519	16.359
22.825	21.682	21.151	Specialised enterprises	24.486	24.092	25.379
10.745	10.571	12.365	Other corporations	12.681	10.815	11.011
965	875	1.051	Mass market SME	1.524	1.250	1.408
10.320	9.406	12.490	Mass market - mortgage on real estate	34.776	31.567	32.983
1.943	1.925	1.707	Other mass market	1.780	2.004	2.012
12.314	12.173	13.415	Equity positions	0	0	0
75.462	72.144	**78.973**	**Total credit and counterparty risk IRB**	**92.049**	85.246	89.153
26	27	20	States and central banks	22	35	26
67	264	79	Local and regional authorities, state-owned enterprises	244	426	222
7.101	6.926	5.701	Institutions	1.331	2.440	1.818
10.201	10.179	10.938	Enterprises	11.443	10.688	10.588
3.596	3.942	3.754	Mass market	4.859	4.806	4.472
			Mass market - mortgage on real estate	592	586	555
2.220	10.399	2.524	Covered bonds	2.716	2.076	1.997
6.000	6.000	6.000	Equity positions	6.106	6.815	6.834
0	176	0	Units in securities funds	2	192	16
4.266	3.080	4.738	Other assets	5.406	3.785	4.930
33.476	40.993	**33.755**	**Total credit and counterparty risk standard method**	**32.721**	31.849	31.457
286	370	246	Credit value adjustment risk (CVA)	390	501	416
7.377	7.258	7.377	Operational risk	11.227	10.621	11.121
	689	215	Other risk exposures [1]	1.904	3.383	2.177
116.893	121.454	**120.566**	**Risk weighted balance**	**138.291**	131.601	134.324
5.260	5.465	5.425	Minimum requirement for common equtiy Tier 1 capital ratio 4.5 %	6.223	5.922	6.045
			Buffer requirement			
2.922	3.036	3.014	Capital conservation buffer 2.5 %	3.457	3.290	3.358
5.237	5.465	5.370	Systemic risk buffer 4.5 %	6.168	5.922	6.014
2.335	1.822	3.002	Countercyclical capital buffer 1.5 %	3.457	1.974	2.686
10.494	10.324	11.386	Total buffer requirement to common equity Tier 1 capital ratio	13.082	11.186	12.058
5.161	4.963	5.932	**Available common equity Tier 1 capital ratio after buffer requirement**	5.424	6.339	5.302
17,89 %	17,09 %	**18,86 %**	**Common equity Tier 1 capital ratio**	**17,88 %**	17,82 %	17,42 %
19,31 %	18,45 %	**21,27 %**	**Tier 1 capital ratio**	**20,11 %**	19,18 %	18,76 %
20,94 %	20,02 %	**23,33 %**	**Capital ratio**	**22,03 %**	20,76 %	20,31 %
8,24 %	6,53 %	**8,81 %**	**Leverage Ratio**	**7,12 %**	6,83 %	6,85 %

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 19 % as at 30 September 2023.

Note 8 Financial derivatives

Group

	Contract amount	Fair value at 30.09.23	
At fair value through profit and loss	**30.09.23**	**Assets**	**Liabilities**
Currency instruments			
Currency futures (forwards)	5.100	122	75
Currency swaps	53.020	203	1.164
Currency swaps (basis swaps)	37.922	102	888
Currency swaps (basis swaps hedging)	24.947	25	715
Total currency instruments	**120.989**	**452**	**2.842**
Interest rate instruments			
Interest rate swaps	70.636	3.177	1.319
Other interest rate contracts	5.197	41	41
Total interest rate instruments	**75.832**	**3.218**	**1.360**
Interest rate instruments, hedging			
Interest rate swaps	145.198	19	13.113
Total interest rate instruments, hedging	**145.198**	**19**	**13.113**
Security			
Security		16.978	1.053
Totalt security		**16.978**	**1.053**
Total currency and interest rate instruments			
Total currency instruments	120.989	452	2.842
Total interest rate instruments	221.030	3.237	14.472
Total collateral		16.978	1.053
Total financial derivatives	**342.019**	**20.667**	**18.367**
Counterparty risk:			
Netting agreements		3.315	
Considered collateral		18.031	
Total exposure to financial derivatives		**-678**	

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 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)

Interest rate instruments	Contract amount	Weighted maturity
CIBOR DKK (3 months)	302	10
CIBOR DKK (6 months)	906	2
EURIBOR EUR (3 months)	136.088	4
EURIBOR EUR (6 months)	417	5
LIBOR USD (3 months)	2.787	1
NIBOR NOK (1 month)	31	3
NIBOR NOK (3 months)	74.667	4
NIBOR NOK (6 months)	740	2
STIBOR SEK (3 months)	249	1
Total interest rate instruments	**216.185**	
Currency instruments		
EURIBOR EUR (3 months)	1.045	-
EURIBOR EUR (3 months) to LIBOR USD (3 months)	11.072	2
EURIBOR EUR (3 months) to NIBOR NOK (3 months)	46.727	3
LIBOR USD (3 months) to NIBOR NOK (3 months)	3.202	1
LIBOR USD (6 months) to FIXED NOK	137	3
STIBOR SEK (3 months) to NIBOR NOK (3 months)	686	-
Total currency instruments	**62.869**	
Total exposure to financial derivatives	**279.054**	
Assets		
Certificates and bonds		
NIBOR NOK (3 months)	32.367	4
CIBOR NOK (3 months)	490	0
Total exposure certificates and bonds	**32.856**	
Liabilities		
Securities issued		
EURIBOR EUR (3 months)	3.716	1
EURIBOR EUR (6 months)	563	7
LIBOR USD (6 months)	1.497	0
NIBOR NOK (3 months)	24.950	12
STIBOR SEK (3 months)	930	1
Total exposure securities issued	**31.656**	

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 30.09.23	Issued/ sale own 2023	Past due/ redeemed 2023	FX rate- and other changes 2023	31.12.22
Other long-term borrowing	1.497	0	0	107	1.390
Bonds and certificates, nominal value	57.939	10.927	-6.893	2.629	51.276
Covered bonds, nominal value	88.268	0	-8.827	4.492	92.603
Adjustments and accrued interests	-9.894	0	0	23	-9.917
Total debt raised through securities issued	**137.810**	10.927	-15.720	7.251	135.353

Change in debt raised by issuing non-preferred senior debts	Balance as at 30.09.23	Issued/ sale own 2023	Past due/ redeemed 2023	FX rate- and other changes 2023	31.12.22
Senior non-preferred bonds	17.276	6.919	0	338	10.019
Adjustments and accrued interests	-861			-143	-718
Total senior non-preferred bonds	**16.415**	6.919	0	195	9.301

Change in debt raised through subordinated loan capital issued	Balance as at 30.09.23	Issued/ sale own 2023	Past due/ redeemed 2023	FX rate- and other changes 2023	31.12.22
Term subordinated loan capital, nominal value	2.763	1.500	-925	37	2.151
Adjustments and accrued interests	11			1	10
Total additional Tier 1 and Tier 2 capital instruments	**2.774**	1.500	-925	38	2.161

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 returnprofile of the assets, and it is divided between retail market, corporate market and SME & agriculture. Other activities covers all staff departments including treasury, subsidiaries and associated companies.

SpareBank 1 SR-Bank Group 30.09.23						
Income statement (MNOK)	**Retail market**	**Corporate market**	**SME & agriculture**	**Other activities**	**Elimin-ations**	**Group**
Net interest income [1]	1.531	1.610	688	603	-11	4.421
Net commission and other income	484	300	103	637	-51	1.473
Net income on investment securities	13	46	23	109	0	191
Total net income	2.028	1.956	814	1.349	-62	6.086
Total operating expenses	507	158	95	1.666	-62	2.364
Operating profit before losses	1.521	1.798	719	-317	0	3.721
Impairment losses on loans and other financial liabilities	8	-192	43	-0	0	-142
Pre-tax profit	**1.513**	**1.990**	**677**	**-317**	**0**	**3.863**
Balance sheet items (MNOK)						
Loans to customers	157.310	86.994	20.546	4.895	-178	269.566
Impairment provisions on loans	-144	-1.052	-238	0	0	-1.434
Deposits from customers	69.108	54.586	20.832	6.300	-292	150.534

SpareBank 1 SR-Bank Group 30.09.22						
Income statement (MNOK)	**Retail market**	**Corporate market**	**SME & agriculture**	**Other activities**	**Elimin-ations**	**Group**
Net interest income [1]	1.292	1.215	445	283	-5	3.230
Net commission and other income	462	203	94	607	-49	1.317
Net income on investment securities	0	29	4	448	0	481
Total net income	1.754	1.447	544	1.338	-54	5.028
Total operating expenses	464	128	85	1.452	-54	2.074
Operating profit before losses	1.290	1.319	459	-114	0	2.955
Impairment losses on loans and other financial liabilities	5	-60	24	-0	0	-31
Pre-tax profit	**1.285**	**1.380**	**435**	**-114**	**0**	**2.986**
Balance sheet items (MNOK)						
Loans to customers	149.475	76.903	17.705	4.373	-219	248.237
Impairment provisions on loans	-164	-1.280	-181	0	0	-1.624
Deposits from customers	67.393	60.203	17.512	-757	-362	143.989

1) Net interes income contains allocated arrangements between the segments. The interest on intercompany receivables for the retail market, corporate market and SME & agriculture 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		
2022	**01.01.22 - 30.09.22**	**01.01.23 - 30.09.23**		**01.01.23 - 30.09.23**	**01.01.22 - 30.09.22**	**2022**
88	6	-161	Net gains/losses on equity instruments [1]	-116	31	156
-867	-1.003	-381	Net gains/lossses for bonds and certificates	-390	-1.008	-875
705	834	306	Net derivatives bonds and certificates	306	834	705
3	2	-1	Net counterparty risk, inclusive of CVA	-1	2	3
7	-8	-4	Net derivatives other assets	-4	-8	7
-24	12	5	Net derivatives liabilities	12	42	-58
-159	-366	91	Net derivatives basis swap spread	-39	149	88
206	155	170	Net gain/losses currency	170	155	206
-40	-369	**26**	**Net income/losses from financial instruments**	**-62**	197	233

[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

Note 12 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 3.6 years at the end of the third quarter of 2023. The total LCR was 191% at the end of the third quarter, and the average total LCR was 207% in the quarter. The LCR in NOK and EUR at the end of the quarter was 126% and 395%, respectively.

Note 13 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

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

Fair value 30.09.23	Level 1	Level 2	Level 3	**Total**
Assets				
Net lending to customers [1]			7.663	**7.663**
Commercial paper and bonds	28.280	20.499		**48.779**
Financial derivatives		20.667		**20.667**
Equities, units and other equity interests	377	82	350	**809**
Liabilities				
Financial derivatives		18.367		**18.367**
No transfers between levels 1 and 2				
[1] Net lending to customers in parent bank, level 3			59.540	

Fair value 30.09.22	Level 1	Level 2	Level 3	**Total**
Assets				
Net lending to customers [1]			7.950	**7.950**
Commercial paper and bonds	24.315	18.056		**42.371**
Financial derivatives		21.579		**21.579**
Equities, units and other equity interests	526	81	430	**1.037**
Liabilities				
Financial derivatives		17.114		**17.114**
No transfers between levels 1 and 2				
[1] Net lending to customers in parent bank, level 3			45.690	

Note 13 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	7.861	420
Additions	1.216	14
Disposals	-1.237	-12
Transferred from or to measurement according to prices in an active market or observable market data		
Change in value [1]	-177	-72
Balance 30.09.23	**7.663**	**350**
Nominal value/cost price	8.171	321
Fair value adjustment	-508	29
Balance 30.09.23	**7.663**	**350**

[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 45 million.

Fair value of financial instruments at amortised cost

Group	Balance 30.09.23	Fair value 30.09.23
Assets		
Cash and balances with central banks	70	70
Balances with credit institutions [1]	5.985	5.985
Loans to customers [1]	260.469	260.469
Certificates and bond	8.840	8.875
Total assets at amortised cost	**275.364**	**275.399**
Liabilities		
Balances with credit institutions [1]	2.678	2.678
Deposits from customers [1]	150.534	150.534
Listed debt securities	137.810	137.525
Senior non-preferred bonds	16.415	16.397
Subordinated loan capital	2.774	2.954
Total liabilities at amortised cost	**310.212**	**310.087**

[1] Loans and deposits at amortised cost, amount to book value best estimate at fair value.

Note 14 Events after the balance sheet date

No material events have been registered after 30 September 2023 that affect the interim financial statements as prepared.

Results from the interim financial statements

SpareBank 1 SR-Bank Group, MNOK	Q3 2023	Q2 2023	Q1 2023	Q4 2022 [8]	Q3 2022 [8]	Q2 2022 [8]	Q1 2022 [8]	Q4 2021	Q3 2021
Interest income	4.961	4.308	3.892	3.332	2.395	1.951	1.722	1.635	1.497
Interest expense	3.365	2.884	2.490	2.046	1.281	849	707	630	508
Net interest income	1.596	1.424	1.402	1.286	1.115	1.101	1.016	1.005	989
Commission income	518	545	476	463	439	486	447	475	429
Commission expenses	24	25	23	22	22	23	19	22	24
Other operating income	2	2	2	12	3	3	2	2	1
Net commission and other income	496	522	455	453	421	466	430	455	406
Dividend income	1	25	32	26	9	16	19	21	-
Income from investment in associates	47	53	94	211	85	82	74	223	151
Net gains/losses on financial instrument	-37	32	-56	37	97	6	95	100	83
Net income on financial investments	11	109	71	274	191	104	187	344	234
Total income	2.103	2.055	1.927	2.013	1.726	1.671	1.633	1.804	1.629
Personnel expenses	513	488	482	477	429	438	444	485	432
Other operating expenses	231	289	239	234	207	224	200	228	191
Depreciation and impairment of fixed and intangible assets	41	41	41	41	41	40	50	42	43
Total operating expenses	786	817	761	752	677	702	694	755	666
Operating profit before impairment	1.317	1.238	1.166	1.262	1.049	969	938	1.049	963
Impairment losses on loans and financial commitments	-78	-98	35	36	5	-52	15	-24	37
Pre-tax profit	1.396	1.336	1.131	1.225	1.044	1.021	923	1.073	926
Tax expense	334	308	250	226	215	225	168	184	193
Profit after tax	1.062	1.028	881	1.000	829	796	754	889	733
Profitability									
Return on equity per quarter [1]	14,5 %	14,6 %	12,5 %	14,5 %	12,4 %	12,0 %	11,6 %	13,9 %	11,6 %
Cost to income ratio [1]	37,4 %	39,8 %	39,5 %	37,3 %	39,2 %	42,0 %	42,6 %	41,9 %	40,9 %
Cost to income ratio Banking Group [1]	31,4 %	34,7 %	34,0 %	36,1 %	36,9 %	37,9 %	39,7 %	44,7 %	40,5 %
Average net interest margin [1]	1,74 %	1,56 %	1,60 %	1,51 %	1,37 %	1,40 %	1,33 %	1,32 %	1,31 %
Balance sheet figures from quarterly accounts									
Gross loans to customers	269.566	264.882	258.206	252.957	248	242.867	233.581	230.299	226.952
Gross loans to customers including SB1 BK [2]	269.566	264.882	258.206	252.957	248	242.867	233.581	230.299	226.952
Growth in loans over last 12 months [1]	8,6 %	9,1 %	10,5 %	9,8 %	9,4 %	7,6 %	5,6 %	5,1 %	4,7 %
Growth in loans incl SB1 BK [1] [2]	8,6 %	9,1 %	10,5 %	9,8 %	9,4 %	7,6 %	5,6 %	5,1 %	3,1 %
Deposits from customers	150.534	150.758	152.144	148.100	143.989	145.667	141.999	137.664	132.283
Growth in deposits over last 12 months [1]	4,5 %	3,5 %	7,1 %	7,6 %	8,8 %	6,9 %	10,8 %	16,5 %	16,8 %
Total assets	362.823	361.765	364.646	345.931	334.255	318.642	318.295	304.402	296.987
Average total assets	363.341	366.957	355.931	337.947	323.816	316.347	308.512	301.021	300.562
Impairments on loans and financial commitments									
Impairment ratio, annualized [1]	-0,12 %	-0,15 %	0,05 %	0,06 %	0,01 %	-0,09 %	0,03 %	-0,04 %	0,07 %

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

[2] SpareBank 1 Boligkreditt are abbreviated to SB1 BK

Results from the interim financial statements (continued)

	Q3 2023	Q2 2023	Q1 2022 8)	Q4 2022 8)	Q3 2022 8)	Q2 2022	Q1 2021	Q4 2021	Q3 2021
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)	1,10 %	1,02 %	1,23 %	1,35 %	1,39 %	1,38 %	1,40 %	1,46 %	1,78 %
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments 1)	8,24 %	6,56 %	5,57 %	5,62 %	5,11 %	4,24 %	5,02 %	4,98 %	6,27 %
Solidity									
Common equity Tier 1 capital ratio 4) 5)	17,88 %	17,83 %	17,42 %	17,42 %	17,82 %	17,88 %	17,60 %	17,39 %	17,61 %
Tier 1 capital ratio 4) 5)	20,11 %	19,90 %	19,05 %	18,76 %	19,18 %	19,26 %	19,10 %	18,88 %	19,15 %
Capital ratio 4) 5)	22,03 %	21,89 %	21,05 %	20,31 %	20,76 %	20,87 %	20,71 %	20,48 %	20,89 %
Tier 1 capital 4) 5)	27.809	27.291	26.042	25.193	25.237	24.965	24.685	24.163	24.252
Net primary capital	30.465	30.022	28.771	27.277	27.326	27.050	26.767	26.207	26.446
Risk weighted balance	138.291	137.165	136.685	134.324	131.601	129.618	129.234	127.981	126.616
Leverage ratio	7,1 %	7,0 %	6,8 %	6,8 %	6,8 %	7,1 %	7,1 %	7,1 %	7,3 %
Liquidity									
Liquidity Coverage Ratio (LCR) 3)	191 %	215 %	244 %	176 %	181 %	151 %	155 %	168 %	160 %
Deposit to loan ratio 1)	55,8 %	56,9 %	58,9 %	58,5 %	58,0 %	60,0 %	60,8 %	59,8 %	58,3 %
Branches and staff									
Number of branches	36	36	36	35	35	35	35	34	34
Number of man-years	1.616	1.571	1.560	1.543	1.510	1.487	1.489	1.505	1.483
Number of man-years including temps	1.667	1.636	1.612	1.582	1.554	1.543	1.530	1.556	1.533
SpareBank 1 SR-Bank share									
Market price at end of quarter	122,70	130,10	121,00	120,70	102,00	106,70	134,30	133,20	121,50
Market capitalisation	31.381	33.273	30.946	30.869	26.087	27.289	34.347	34.066	31.074
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)	109,57	105,73	108,77	106,32	102,86	99,49	102,32	99,05	95,82
Earnings per share, NOK (annualised)	3,94	3,90	3,31	3,81	3,16	3,03	2,87	3,41	2,80
Price/earnings per share 1)	7,85	8,31	9,02	7,98	8,13	8,78	11,54	9,85	10,94
Price / Book equity (group) 1)	1,12	1,23	1,11	1,14	0,99	1,07	1,31	1,34	1,27
Annualised turnover rate in quarter 6)	2,7 %	4,0 %	4,7 %	5,5 %	4,1 %	5,2 %	5,9 %	5,0 %	3,7 %
Effective return 7)	-5,7 %	13,3 %	0,2 %	18,3 %	-4,4 %	-20,6 %	0,8 %	12,2 %	6,9 %

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) Annualized 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

8) 2022 numbers has not been altered to reflect the change in principle following the implementation of IFRS 17/IFRS 9 as described in note 1

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2023/2024 Financial Calendar

Q3 2023	Thursday 26 October 2023
Q4 2023	Thursday 8 February 2024
Q1 2024	Thursday 25 April 2024
Q2 2024	Thursday 8 August 2024
Q3 2024	Thursday 31 October 2024