Interim Report
Q3 2023

SparebankenVest

Third quarter 2023

- Good return on equity: 16.1% (17.3%)
- Growth and higher interest rates increased nominal net interest income NOK 1,393 (1,041) million
- A conservative loan book gave low losses: NOK 20 (write-back of 10) million
- Low cost-to-income ratio: 27.5% (27.7%)
- Good growth in lending and deposits in the last 12 months of 13.5% and 14.2%, respectively
- Bulder with NOK 42.1 billion in lending at the end of the quarter
- Sound CET1 ratio: 17.6% (18.3%)

KEY FIGURES	**Q3 2023**	**Q3 2022**	**YTD 2023**	**YTD 2022**	**2022**
Pre-tax profit	1 157 MNOK	1 095 MNOK	3 131 MNOK	2 664 MNOK	3 504 MNOK
Profit per equitiy certificate	3,18	3,11	9,16	7,95	10,29
Net interest (annualised)	1,85%	1,59%	1,77%	1,52%	1,56%
Cost/Income ratio	27,5%	27,7%	29,8%	31,9%	32,5%
Return on equity (annualised)	16,1%	17,3%	16,1%	15,3%	14,6%
Common Equity Tier 1 ratio	17,6%	18,3%	17,6%	18,3%	18,1%

*The CET1 ratio at the end of the third quarter includes 50% of the profit for the year-to-date 2022/2023.

Report for the third quarter 2023

TABLE 1: KEY ACCOUNTING FIGURES

NOKm	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Net interest income and credit commissions	**1 393**	**1 041**	**3 800**	**2 858**	**3 994**
Commissions receivable and income from banking services	203	187	562	520	775
Commissions payable and cost of banking services	29	34	96	88	116
Net banking services	173	153	466	433	658
Income from owner interests in associated companies	22	68	135	167	262
Net gain/(loss) on financial instruments	-40	173	-64	252	74
Other operating income	65	59	209	203	256
Net other operating income	221	453	747	1 055	1 250
Net operating income	**1 614**	**1 495**	**4 547**	**3 913**	**5 244**
Salaries and general administration expenses	345	318	1 044	960	1 292
Depreciation	47	55	144	161	218
Other operating expenses	44	38	145	114	177
Total operating expenses	436	410	1 334	1 235	1 687
Profit before write-downs and tax	**1 178**	**1 084**	**3 213**	**2 678**	**3 556**
Write-downs and losses on loans and guarantees	20	-10	82	14	52
Profit before tax	**1 157**	**1 095**	**3 131**	**2 664**	**3 504**
Taxes	271	249	587	495	687
Profit for the period	**886**	**846**	**2 543**	**2 168**	**2 817**

Third quarter 2023

Sparebanken Vest recorded a pre-tax profit of NOK 1,157 (1,095) million for the third quarter 2023. The bank's return on equity (ROE) was 16.1% (17.3%) Adjusted for the financial result, ROE was 16.6% (14.7%).

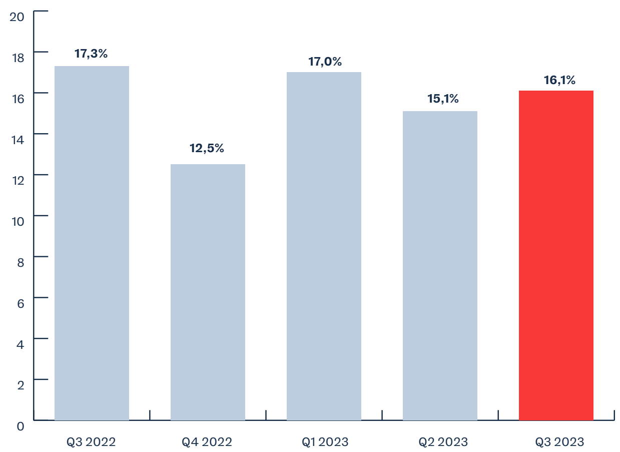
Net interest income amounted to NOK 1,393 (1,041) million. Net interest as a percentage of average assets under management was 1.85% (1.59%). The increase on last year is explained by good lending growth and higher interest rates.

The contribution to profits from associated companies amounted to NOK 22 (68) million. The decrease on last year is explained by contribution from Frende Forsikring, while the contribution from Brage Finans is higher than in Q3 2022.

Operating expenses amounted to NOK 436 (410) million. Operating expenses as a percentage of net operating income was 27.5% (27.7%).

The CET1 ratio was sound at 17.6% (18.3%). The decrease on last year is primarily due to a proposed additional profit distribution of NOK 811 million being incorporated into capital adequacy calculations.

FIGURE 1: DEVELOPMENT IN ROE AS%.



The lending margins in the retail and corporate markets measured against the average 3-month Nibor rate were 0.21 (0.44) and 2.51 (2.38) percentage points, respectively, in the third quarter. The deposit margins in the retail and corporate markets measured against the average 3-month Nibor rate were 2.33 (1.62) and 1.29 (0.97) percentage points, respectively, in the same quarter. The margins for the quarter were affected by a significant increase in the money market interest rate combined with a time lag in the effect of implemented repricing, especially in the retail market due to the notice period requirement. From and including Q3 2023, the notice period requirement has increased from six weeks to two months.

Net commission income amounted to NOK 203 (187) million in the third quarter. Compared with Q3 2022, net income from payment services, savings and investment and guarantee commissions has increased.

Net contributions from financial instruments amounted to minus NOK 40 (plus 173) million in the quarter, due to negative evaluation effects on hedging instruments linked to own debt (basis swaps). The positive price development in the bank's shareholding and reduced credit spreads on bonds in the liquidity portfolio make a positive contribution to the financial result for the quarter.

TABLE 2: GAIN ON FINANCIAL INSTRUMENTS

NOKm	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Dividend	0	9	3	12	37
Gain/(loss) on shares	23	-21	-7	18	5
Gain/(loss) on commercial papers and bonds	14	-29	-32	-152	-126
Gain/(loss) on financial instruments, recognised at fair value	-89	190	-98	315	83
Gain/(loss) on customer and own trading	10	22	75	67	85
Net gain/(loss) on financial instruments designated for hedge accounting	2	1	1	2	1
Other	-1	0	-5	-11	-11
Net gain on financial instruments	**-40**	**173**	**-64**	**252**	**74**

*The value adjustment of derivatives used to manage interest and currency risk is distributed between the financial instruments they are managed together with.

Operating expenses in the quarter amounted to NOK 436 (410) million. Compared with last year, payroll expenses have increased as a result of this year's wage settlement and a higher number of full-time equivalents (FTEs). The increase in FTEs must, among other things, be seen in the context of the merger with Etne Sparebank and the replacement of external consultants with permanent staff. External fees saw a reduction of NOK 10 million compared with Q3 2022. In addition, ICT expenses were approximately NOK 20 million higher than in Q3 2022. Operating expenses as a percentage of net operating income amounted to 27.5% (27.7%).

The number of FTEs in the Group is 784 (752). The increase is due to the merger with Etne Sparebank in Q4 2022, normal variation in staff turnover and the fact that the bank replaced external consultants with permanent staff in 2023.

TABLE 3: NUMBER OF FULL-TIME EQUIVALENTS (FTES)

Quarterly	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Full-time equivalents	784	765	765	755	752

The total profit contribution from associated companies amounted to NOK 22 (68) million in the quarter and the breakdown between the companies is shown in the table below.

TABLE 4: ASSOCIATED COMPANIES

NOKm	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Frende Forsikring	-16	37	17	59	114
Norne Securities	-1	-1	-1	9	12
Brage Finans	39	34	122	95	132
Other Companies	0	-2	-3	4	3
Net profit from associated companies	**22**	**68**	**135**	**167**	**262**
Eiendomsmegler Vest	1	1	8	16	3

See the section on business in subsidiaries and associated companies for a more detailed description of the development of the individual companies.

Write-downs on loans and guarantees amounted to NOK 20 (write-back of 10) million in the quarter, reflecting low risk in the bank's lending portfolio.

See the section on risk and capital factors and Notes 8, 9 and 10, which describe the write-downs and the development in default of payment.

DEVELOPMENTS IN LENDING AND DEPOSITS

Gross lending increased by NOK 29.6 (20.6) billion to NOK 248.3 (218.7) billion from Q3 2022, corresponding to year-on-year growth of 13.5%.

TABLE 5: GROWTH IN LENDING

	Growth last 12 months	Growth last quarter
Lending total	13,5%	3,0%
Lending retail customers	15,8%	4,1%
of which Bulder	*12,2%*	*4,1%*
Lending corporate customers	6,6%	-0,3%

Gross lending to retail customers amounted to NOK 190.4 (164.4) billion, NOK 137.1 (126.8) billion of which were loans transferred to Sparebanken Vest Boligkreditt. Lending growth to retail customers excluding Bulder amounted to 0% (1.2%) in the quarter. A cooling housing market, increased interest rates, tough competition for mortgage customers and lower market growth have reduced growth on retail customers.

Lending through the Bulder concept amounted to approximately NOK 42.1 (22.0) billion at the end of the quarter. Lending growth in the Bulder concept amounted to NOK 20.1 (7.3) billion over the past 12 months and NOK 7.6 (1.5) billion for the last quarter.

Gross lending to corporate customers amounted to NOK 57.9 (54.3) billion, corresponding to lending growth of 6.6% (13.9%) over the past 12 months and minus 0.3% (positive 2.2%) for the last quarter. Adjusted for the effect of the stronger Norwegian krone, the growth for the past 12 months and quarter, respectively, would have been 6.9% and 0.5%. Lending growth to corporate customers is slightly more uneven due to large individual loans. The bank also continues to observe demand from corporate customers, despite the recent decline in market growth.

Total deposits from customers amounted to NOK 123.5 (108.1) billion, corresponding to year-on-year growth of 14.2% (18.2%). Growth in deposits in the quarter amounted to minus 0.1% (plus 1.6%). Deposits break down as follows: NOK 67.2 (61.7) billion from retail customers and NOK 56.3 (46.4) billion from corporate customers.

The development in deposits from retail customers in the quarter is roughly the same as in the same period in 2022. However, developments so far this year indicate that customers have lower buffers as a result of interest rate hikes and higher inflation. Growth in deposits from corporate customers is lower than in the corresponding quarter last year and here, too, a trend is observed indicating that customers have lower buffers as a result of interest rate hikes and higher inflation.

TABLE 6: GROWTH IN DEPOSITS

	Growth last 12 months	Growth last quarter
Deposits total	14,2%	-0,1%
Deposits retail customers	9,0%	-0,4%
of which Bulder	*4,4%*	*2,2%*
Deposits corporate customers	21,2%	0,2%

The breakdown between deposits and lending is specified in Notes 11 and 12.

Risk and capital factors

CREDIT RISK

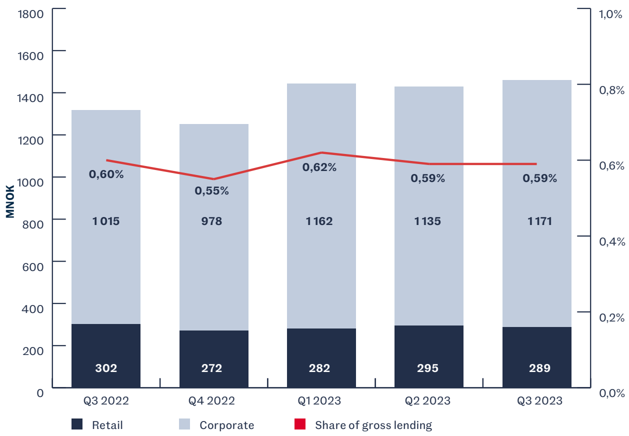
At the end of the third quarter, retail customers made up approx. 77% of the bank's credit portfolio. Around 99% of this portfolio consists of loans secured by residential mortgages.

Defaults and potential bad debt in the retail market amounted to a total of NOK 289 (302) million. This corresponds to 0.15% (0.18%) of gross lending to the retail customers. This trend supports continued low risk in the portfolio.

Defaults and potential bad debt in the corporate market amounted to a total of NOK 1,171 (1,015) million, corresponding to 2.02% (1.87%) of gross lending to corporate customers. The risk profile is considered moderate. Good portfolio management, close follow-up and moderate exposure to industries vulnerable to cyclical fluctuations help to mitigate the risk of loss.

Defaults and other potential bad debt amounted to 0.59% (0.60%) for the retail and corporate customers combined.

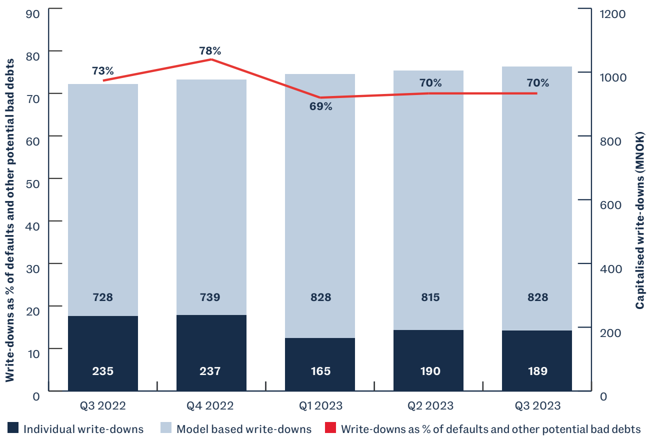
FIGURE 2 – DEFAULTS AND OTHER POTENTIAL BAD DEBT



Defaults in relation to gross lending is shown in Note 10.

Write-downs on loans and guarantees amounted to NOK 20 (-10) million for the quarter. Overall capitalised write-downs amounted to NOK 1,017 (962) million at the end of the quarter. The loan loss provision ratio, as a percentage of defaults and other potential bad debt, amounted to 70% (73%). In the retail market, the loan loss provision ratio was 61% (39%) and in the corporate market, the figure was 72% (83%). The increase in the provision ratio in the retail market is attributed to increased model-based provisions combined with a decrease in defaults and other potential bad debt. The decrease in the corporate market can largely be attributed to the recovery of individual loans that have previously had a high provision ratio. The level of provisions is considered robust overall.

FIGURE 3 CAPITALISED WRITE-DOWNS AND LOAN LOSS PROVISIONS (AS A PERCENTAGE OF DEFAULTS AND OTHER POTENTIAL BAD DEBT)



MARKET RISK
The bank's interest rate and currency risk is managed within the risk tolerance adopted by the Board, and is considered to be low.

The bank is exposed to credit spread risk through the management of interestbearing securities in the bank's liquidity portfolio. The portfolio primarily consists of securities issued by sovereign states, housing credit companies, municipalities and county authorities. The bank's credit spread risk amounted to NOK 357 (313) million at the end of the quarter.

The bank's stock market exposure (excluding subsidiaries and associated companies) amounted to NOK 286 (234) million at the end of the quarter. The increase is mainly due to a restructuring of corporate customer loans.

LIQUIDITY AND FUNDING
The Group's liquidity situation is managed at an overarching level through limits for the liquidity coverage ratio (LCR), stress tests and deposit-to-loan ratio". At the end of the quarter, the Group had an LCR of 188% (174%). The increase in LCR from Q3 2022 is within the range of normal variation. The bond portfolio amounted to approximately NOK 33 (31) billion. The increase is related to general growth in total assets. The bank's deposit-to-loan ratio was 49.9% (49.6%) at the end of the quarter, while the net stable funding ratio (NSFR) was 123% (121%).

Capital market financing, excluding subordinated loans and Additional Tier 1 bonds, amounted to NOK 136.4 (122.0) billion. The average remaining term to maturity of market financing is 3.1 (3.3) years. At the end of the quarter, covered bonds made up approximately 86% (83%) of the bank's capital market financing.

RATING
Moody's rating of the parent bank's long-term deposits, senior unsecured debt and counterparty risk is Aa3. The bank's senior non-preferred debt is rated A3. Both ratings have stable outlooks.

Covered bonds issued by Sparebanken Vest Boligkreditt are also rated by Moody's and have an Aaa rating with a stable outlook. Sparebanken Vest Boligkreditt's covered bond rating now has a margin of four notches, which means that the bank's rating must be downgraded five notches before the Aaa rating is threatened.

Moody's has also issued a Aa3 rating for Sparebanken Vest Boligkreditt's senior unsecured debt in local currency and counterparty risk in both local and foreign currency. The ratings and outlooks are stable and in line with the parent bank's rating.

THE BANK'S EQUITY CAPITAL CERTIFICATE (SVEG)
The profit per equity capital certificate was NOK 3.18 (3.11) in the third quarter. At the end of the quarter, the book equity amounted to NOK 80.0 (73.0). The price of the equity capital certificate at the same time was NOK 105.4 (81.8). At the end of the quarter, the price-to-book ratio was thus 1.32 (1.12).

The Board has decided to propose to the General Meeting an additional allocation for the 2022 financial year. The proposed additional allocation amounts to approximately NOK 811 million, made up of donations for the public benefit of approximately NOK 482 million and a cash dividend for equity certificate holders of approximately NOK 329 million, corresponding to NOK 3.0 per equity certificate.

The payout ratio is equal between equity certificate capital and primary capital, which means that the ownership fraction remains stable. The proposal will be considered at an extraordinary general meeting on 25 October 2023. Given a positive decision by the General Meeting, the dividend is expected to be paid on or around 1 November 2023.

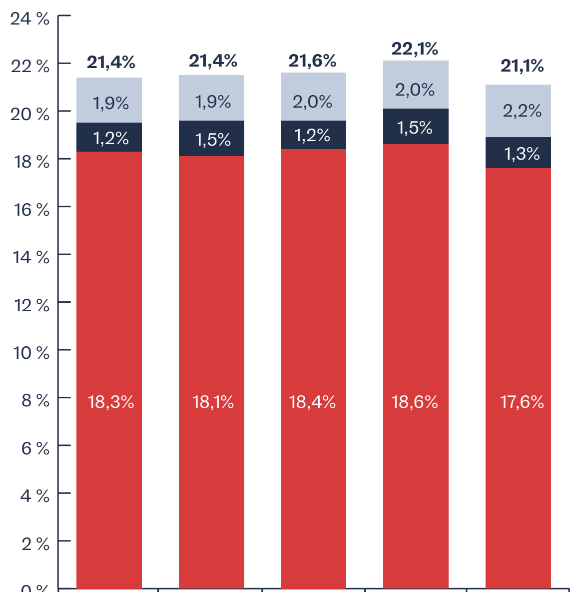
CAPITAL ADEQUACY

The bank's consolidated CET1 ratio was 17.6% (18.3%) at the end of the quarter. The CET1 ratio decreased by 1.0 percentage points in the quarter. Profit accumulation and reduced risk-weighting of corporate customers had a positive impact on CET1, while the proposal for an additional allocation, higher risk weighting of mortgages as a result of falling house prices and lending growth reduced CET1 during the quarter.

The bank's current CET1 requirement is 15.5%, broken down into a combined minimum and buffer requirement of 14% and a statutory, bank-specific Pillar 2 requirement of 1.5%. A CET1 ratio of 17.6% means the bank had a margin of 2.1 percentage points to the requirement at the end of the quarter.

The bank's Board has adopted a capital adequacy target that also takes into account a margin of 1.25 percentage points, in addition to all regulatory minimum and buffer requirements. The bank had a sound margin of 0.85 percentage points to its capital adequacy target at the end of the quarter.

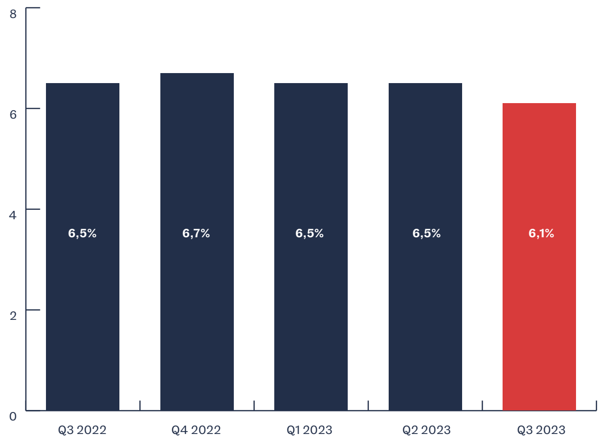
FIGURE 4: CAPITAL ADEQUACY



	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3
Total Capital	21,4%	21,4%	21,6%	22,1%	21,1%
Tier 2 Capital	1,9%	1,9%	2,0%	2,0%	2,2%
Additional Tier 1 capital	1,2%	1,5%	1,2%	1,5%	1,3%
CET1	18,3%	18,1%	18,4%	18,6%	17,6%

The leverage ratio was 6.1% (6.5%) at the end of the quarter. The reduced leverage ratio is mainly due to the proposed additional allocation of NOK 811 million and growth in total assets. The bank meets the current regulatory minimum requirement (3%) by a good margin.

FIGURE 5: LEVERAGE RATIO



The bank's capital adequacy is specified in Note 14.

Business in subsidiaries and associated companies

SUBSIDIARIES

Eiendomsmegler Vest (holding 100%) achieved a pre-tax profit of NOK 1 (1) million in the quarter. Operating income in the quarter amounted to NOK 65 (58) million, while operating expenses came to NOK 64 (58) million. The pre-tax profit for the year-to-date amounted to NOK 8 (16) million, where operating income came to NOK 208 (200) million and operating expenses to NOK 200 (184) million. Within its market area, Eiendomsmegler Vest had a market share of 12.4% (12.2%) in the quarter. The market share for the year-to-date is 12.8% (13.1%).

Sparebanken Vest Boligkreditt AS (holding 100%) manages gross loans (mortgages) in the amount of NOK 137.1 (126.8) billion. At the end of the quarter, the company had issued covered bonds in the amount of NOK 116.8 (101.9) billion.

ASSOCIATED COMPANIES

The share of profit from associates amounted to a total of NOK 22 (68) million, which was included in the accounts in accordance with the equity method in the quarter.

Frende Holding (holding 39.6%) recorded a pre-tax profit for the quarter of minus NOK 46 (plus 139) million. The pre-tax profit for the year-to-date amounted to NOK 42 (247) million.

General insurance has been characterised by extreme weather damagess and relatively many large losses during the quarter. In the third quarter, life insurance was also characterised by challenging developments in disability products and upward adjustment of reserves. The financial result came to minus NOK 38 (minus 17) million for the quarter and NOK 79 (minus 184) million for the year-to-date. The negative financial result for the quarter is largely due to a decrease in the value of the commercial property portfolio.

The bank's share of the profit from Frende Holding amounted to minus NOK 16 (plus 37) million for the quarter. The bank's share of the profit for the year-to-date amounted to NOK 17 (59) million.

Frende Skade recorded a pre-tax profit of minus NOK 35 (plus 130) million for the quarter and NOK 60 (269) million for the year-to-date. The company has total premiums of NOK 2,636 (2,455) million, divided between more than 170,000 customers. Its national market share at the end of Q2 2023 was 3.3% (3.4%).

The loss ratio for the quarter was 83.9% (57.2%) and the combined ratio was 102.1% (76.4%). Run-off gains of NOK 10 (111) million have been realised in the quarter and adjusted for this, the loss ratio was 85.5% (69.9%). The loss ratio for the year-to-date was 82.5% (58.9%) and the combined ratio was 100.3% (77.3%). Run-off gains of NOK 9 (289) million have been recorded for the year-to-date. Adjusted for this, the loss ratio for the year-to-date was 83.1% (75.9%). The quarter is characterised by extreme weather damages and relatively many large losses that result in a higher loss ratio than last year, in addition to significantly lower run-off gains compared with last year.

Frende Liv recorded a pre-tax profit of minus NOK 3 (plus 14) million for the quarter. The pre-tax profit for the year-to-date amounts to NOK 6 (minus 4) million. The risk result is significantly weaker than in previous years, characterised by the development in disability products and upward adjustment of reserves. Frende Liv's portfolio premium amounted to NOK 667 (616) million at the end of the quarter.

Brage Finans (holding 49.99%) is a financing company that offers leasing and loans secured by the purchased object to the corporate and retail markets. The company's products are distributed through owner banks, its own sales organisation and via agents.

At the end of the quarter, Brage Finans had a gross lending portfolio of NOK 23.1 billion. This is an increase of NOK 3.7 billion (19%) since the end of Q3 2022.

The pre-tax profit amounted to NOK 108 (95) million for the quarter. Net interest income for the quarter amounted to NOK 195 (161) million, the increase being due to growth in the portfolio. The growth is supported by good cost control, which meant that the company's cost-to-income ratio was 30% (26%). Consolidation of the subsidiary Factoring Finans in Q2 2023 raises the consolidated cost-to-income ratio by about three percentage points.

At the end of the quarter, Brage's consolidated CET1 ratio was 16.1% (14.7%), while the requirement was 13.5%. During the quarter, Brage Finans received a new Pillar 2 decision from the Financial Supervisory Authority of Norway. This reduced the Pillar 2 requirement from 2.6% to 1.8%, of which around 1.0% must be met by CET1 capital. This means a reduction of around 1.6 percentage points in the Pillar 2 requirement that must be covered by CET1 capital.

In addition to this, the Financial Supervisory Authority stipulated an expectation for the company's capital margin (Pillar 2 Guidance, P2G) of 1.25%. The company carried out a planned equity certificate issue vis-à-vis existing owners at the start of the fourth quarter. In that connection, it raised NOK 200 million in equity to support further growth in the portfolio.

The bank's share of the profit from Brage Finans came to NOK 39 (34) million for the quarter. The bank's share of the profit for the year-to-date amounts to NOK 122 (95) million.

Norne Securities (holding 40.9%) is a securities firm that offers investment services to the retail market, professional investors and companies.

Relative to last year, where the strategic focus on real estate projects in Investment Banking made a positive contribution in particular, the profit performance so far in 2023 has been weaker as a result of continuing uncertainty and turbulence in the financial markets.

The level of activity in Investment Banking has been good, especially in the market for capital raising and mergers, but as a consequence of increased risk and uncertainty around pricing, it takes longer to complete projects. Activity vis-à-vis retail customers in equity and fund trading is still at a good level, although it has decreased somewhat after the 'peak years' 2020 and 2021.

The bank's share of the profit from Norne Securities came to minus NOK 1 (minus 1) million for the quarter. The bank's share of the profit for the year-to-date amounts to minus NOK 1 (plus 9) million.

Balder Betaling (holding 38.5%) is a company that exercises ownership of Vipps Holding AS on behalf of Sparebanken Vest and 20 other savings banks. Sparebanken Vest is the largest owner of Balder Betaling. Balder Betaling has a holding of 10.5% in Vipps Holding AS, which owns 72.2% of the shares in Vipps MobilePay AS.

The bank's share of the profit from Balder Betaling came to NOK 0 (0) million for the quarter. The bank's share of profit for the year-to-date also came to NOK 0 (0) million.

POST BALANCE SHEET EVENTS

No significant events have taken place since the balance sheet date that affect the quarterly accounts.

OUTLOOK

Western Norway

Vestlandsindeksen is a quarterly index developed by Sparebanken Vest in cooperation with Respons Analyse to 'gauge the temperature' of business and industry in Western Norway The Q3 2023 index is the 46th issue, and the survey was carried out among more than 700 companies in Western Norway. The index consists of the performance index, which shows how the companies have found the market situation over the last three months, and the expectation index, which measures their expectations of the market situation for the next six months.

In the index for the third quarter, the performance index increased by 1.4 percentage points on the second quarter to 57.5. Although below the historical average, the increase in the quarter means that the performance index has increased overall through 2023. Compared with expectations, adjusted by six months, the company's expectations at the beginning of the year have largely been met. Considering how high these expectations were compared with the previous quarter, this is seen as positive. Thus, after a small but steady rise through 2023, the conditions for companies appear to have stabilised somewhat compared with year-end 2022.

The expectation index rose by 0.1 percentage points, from 57.1 to 57.2, in Q3 2023. Although the expectation index is stable, it has fallen below the performance index, which means that companies have a less positive outlook for the next six months. This has only happened three times in the history of the index and may, in contrast to the performance index, be a sign of slightly less stable conditions going forward. Investment expectations is the only indicator that has seen an increase, which means that companies still expect lower activity in the market in the short term.

At sector level, building and construction expectations declined from 56.0 to 49.5, and the industry has historically low expectations. Oil and gas companies in Western Norway still have high expectations of future activity. The results from the index also indicate that labour is adaptable, and that the building and construction labour force is turning towards the oil and gas sector.

77% of the bank's lending portfolio consists of loans to households that are negatively affected by higher interest rates and inflation. This weakens some households' personal finances and debt-servicing ability. Over time, reduced purchasing power can also negatively affect house prices. According to statistics from the Norwegian Labour and Welfare Administration (NAV), the unemployment rate in the bank's primary market area (Vestland, Rogaland and Møre og Romsdal) is now around 1.6–1.7%, which is both a low level historically and below the national average of 1.8%. However, an increase of 0.1–0.2 percentage points has been observed in these counties in the last quarter, and unemployment is thus – in line with expectations – on its way up. There is reason to assume that unemployment will rise somewhat over the next quarters. A high wage settlement and financial buffers accumulated during the pandemic mitigate the challenges households face.

Sparebanken Vest

The outlook for all leading economies remains uncertain. Growth prospects have been revised downwards, and central banks are trying to curb inflation by raising key interest rates. Although growth in the Norwegian economy and inflation are falling, capacity utilisation remains high with low unemployment and inflation significantly above Norges Bank's target level. In addition to all the adjustments to the key interest rate, Norges Bank's interest rate path indicates a continued increase in the key rate in the short term.

Changes to the framework conditions have not yet resulted in significantly higher defaults or increased losses among the bank's customers. The Board has previously signalled that this situation is unlikely to persist. Robust model-based provisions, good operations and sound equity mean the bank is well prepared to face more challenging market conditions.

The Board of Sparebanken Vest has previously signalled that it continuously assesses the bank's capital level. Based on the actual capital level at the end of the first half-year and expectations going forward, the Board has concluded that an additional allocation for the 2022 financial year is prudent. The Board has therefore proposed to the General Meeting to increase the payout ratio for the 2022 financial year. The proposal entails a total additional allocation of NOK 811 million, with NOK 329 million being allocated to equity certificate capital and NOK 482 million to primary capital. The equity certificate capital allocation is equivalent to NOK 3 per equity certificate. This matter will be considered at the General Meeting on 25 October 2023.

If approved, Sparebanken Vest will still have a sound CET1 ratio of 17.6% at the end of the third quarter. This exceeds all minimum and buffer requirements, including P2G, of 16.75% combined. The Board expects the bank's capital adequacy to be well above all requirements and targets at the end of 2023.

The Board expects pressure on net interest income going forward as a result of lower market growth, strong competition and well-capitalised banks. Combined with increased inflation and higher interest rates, this has further intensified the competitive landscape and customer mobility. Growth in the bank's ordinary activities in the retail market is therefore somewhat weakened, and the Board expects somewhat lower growth for the year as a whole than previously signalled. Lending growth in the Bulder concept is still good. The Board therefore expects the revised target of NOK 47 billion in lending at the end of 2023 to be achieved.

Sparebanken Vest is diligently monitoring costs. A goal has previously been communicated to bring overall cost development down to the price and wage growth level for 2023 as a whole. The Board expects this objective to be achieved and that the bank will continue to have one of the lowest cost-income ratios among comparable banks.

Although the framework conditions are uncertain, the Board expects the bank to achieve an ROE of 13% in 2023. It also expects the bank's target dividend payout ratio of around 50% to be met for the 2023 financial year.

The Board and the bank's management have recently worked on updating and developing the bank's business strategy. This work has clarified the bank's strategic core, and also defined its strategic flow and strategic victories. Updating the bank's top rolling 10 (TR10) strategic activities is also part of this work. The Board expects this work to further consolidate the bank's position going forward.

Bergen, 25 October 2023
The Board of Directors of Sparebanken Vest

Arild Bødal Chair	Magne Morken Deputy Chair	Kirsti Slotsvik
Agnethe Brekke	Christine Sagen Helgø	Gunnar Skeie
Stig Standal Taule	Marianne Dorthea Jacobsen	Kristin Axelsen
Henrik Gundersen	Jan Erik Kjerpeseth CEO	

Financial highlights, Group

Summary of profit and loss	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022	CHANGE 3Q-23 vs 2Q-23	3Q-23vs 3Q-22
Net interest and credit commission income	1 393	1 041	3 800	2 858	3 994	160	351
Net commission income and income from banking services	173	153	466	433	658	17	20
Income from associated companies	22	68	135	167	262	-38	-46
Net gain/(loss) on financial instruments	-40	173	-64	252	74	-21	-213
Other operating income	65	59	209	203	256	-12	6
Net operating income	**1 614**	**1 495**	**4 547**	**3 913**	**5 244**	**107**	**119**
Operating expenses	436	410	1 334	1 235	1 687	-12	26
Write-downs of loans and losses on guarantees	20	-10	82	14	52	-8	31
Profit/loss before tax expense	**1 157**	**1 095**	**3 131**	**2 664**	**3 504**	**128**	**62**
Tax expense	271	249	587	495	687	29	22
Profit/loss for the period	**886**	**846**	**2 543**	**2 168**	**2 817**	**99**	**40**
Equity certificates share of profit/loss divided by the number of equity certificates	3,18	3,11	9,16	7,95	10,29		

Financial highlights, Group (cont.)

Key figures	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Profitability					
Return on equity after tax	16,1%	17,3%	16,1%	15,3%	14,6%
Net interest as a percentage of average assets under management	1,85%	1,59%	1,77%	1,52%	1,56%
Net other operating income as a percentage of net operating revenues	13,9%	30,6%	16,7%	27,2%	24,1%
Operating expenses as a percentage of net operating income (cost-income)	27,5%	27,7%	29,8%	31,9%	32,5%
Operating expenses as a percentage of net operating income, corrected for financial instruments	26,8%	31,4%	29,4%	34,1%	33,0%
Losses and defaults					
Losses on loans as a percentage of gross lending			0,03%	0,01%	0,02%
Commitments in default (>90days) as a percentage of gross lending			0,30%	0,23%	0,21%
Potential bad debt as a percentage of gross lending (before write-down)			0,59%	0,60%	0,55%

Balance sheet figures and liquidity			**30/09-23**	**30/09-22**	**31/12-22**
Total assets			295 891	263 032	263 812
Average total assets	293 177	256 363	281 546	247 667	251 847
Gross loans to customers			248 331	218 705	225 374
Lending growth, last 12 months			13,5%	10,4%	10,6%
Customer deposits			123 493	108 124	112 274
Deposit growth, last 12 months			14,2%	18,2%	23,6%
Deposit coverage			49,9%	49,6%	50,0%
Liquidity Coverage Ratio (LCR)			188%	174%	155%
Capital adequacy					
Risk-weighted balance sheet total			102 191	94 188	97 627
Core Tier 1 capital adequacy			17,6%	18,3%	18,1%
Core capital adequacy			18,9%	19,5%	19,5%
Capital adequacy, transitional arrangement			21,1%	21,4%	21,4%
Leverage ratio			6,1%	6,5%	6,7%
Personnel					
Number of full-time equivalents			784	752	755
Number of branch offices			35	34	35

The equity certificate	**3Q 2023**	**3Q 2022**	**30/09-23**	**30/09-22**	**31/12-22**
Owner fraction on balance sheet date			40,6%	40,0%	40,6%
Weighted owner fraction in the period	40,6%	40,0%	40,6%	40,0%	40,0%
Equity cert. Capital's share of profit/loss divided by no of equity certificates (NOK)	3,18	3,11	9,16	7,95	10,29
Book equity per equity certificate			80,0	73,0	75,9
Listed price of equity certificate			105,4	81,8	92,4
Price-to-book			1,32	1,12	1,22

Income statement

PARENT BANK											GROUP
2022	01/01-22 -30/09-22	01/01-23 -30/09-23	3Q 2022	3Q 2023		Notes	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
3 879	2 557	5 034	1 045	1 947	Interest income from asset valued at amortised cost		3 157	1 640	8 277	4 175	6 335
715	410	1 177	183	450	Interest income from asset valued at fair value		712	338	1 866	828	1 336
1 591	910	3 089	425	1 249	Interest expenses and similar expenses	4	2 476	937	6 343	2 145	3 677
3 003	**2 057**	**3 121**	**803**	**1 148**	**Net interest and credit commission income**		**1 393**	**1 041**	**3 800**	**2 858**	**3 994**
1 248	905	882	300	319	Commission income and income from banking services		203	187	562	520	775
115	87	95	34	29	Commission expenses and expenses relating to banking services		29	34	96	88	116
584	171	174	8	12	Income from ownership interests in associated companies		22	68	135	167	262
84	4	27	-10	30	Net gain/(loss) on financial instruments		-40	173	-64	252	74
3	1	0	0	0	Other operating income		65	59	209	203	256
1 804	995	988	265	333	Net other operating income	5	221	453	747	1 055	1 250
4 807	**3 052**	**4 109**	**1 069**	**1 481**	**Net operating income**		**1 614**	**1 495**	**4 547**	**3 913**	**5 244**
1 096	815	889	270	294	Payroll and general administration expenses		345	318	1 044	960	1 292
208	159	142	54	46	Depreciation		47	55	144	161	218
122	70	96	25	28	Other operating expenses		44	38	145	114	177
1 426	1 044	1 127	350	369	Total operating expenses	6	436	410	1 334	1 235	1 687
3 380	**2 008**	**2 982**	**719**	**1 113**	**Profit before write-downs and tax**		**1 178**	**1 084**	**3 213**	**2 678**	**3 556**
36	2	53	-9	27	Write-downs on loans and guarantees	7,8	20	-10	82	14	52
3 344	**2 006**	**2 930**	**728**	**1 086**	**Pre-tax profit**		**1 157**	**1 095**	**3 131**	**2 664**	**3 504**
532	445	687	183	259	Tax		271	249	587	495	687
2 812	**1 561**	**2 243**	**545**	**827**	**Profit for the period**		**886**	**846**	**2 543**	**2 168**	**2 817**
2 754	1 523	2 172	532	799	Allocated to equity classes		858	833	2 472	2 131	2 759
58	38	72	13	28	Allocated to Additional Tier 1 capital		28	13	72	38	58
10,27	5,68	8,05	1,98	2,96	Profit/Diluted profit per equity certificate		3,18	3,11	9,16	7,95	10,29

Statement of comprehensive income

PARENT BANK										GROUP
2022	01/01-22 -30/09-22	01/01-23 -30/09-23	3Q 2022	3Q 2023		3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
2 812	**1 561**	**2 243**	**545**	**827**	**Profit/loss for the period**	**886**	**846**	**2 543**	**2 168**	**2 817**
76	97	3	15	12	Changes in fair value due to credit risk - debt securities issued	87	-17	174	227	324
0	0	0	0	0	Base margin from hedging instruments related to hedge accounting	-1	27	5	76	52
-16	-24	-1	-4	-3	Tax on other profit/loss elements	-19	-3	-39	-70	-82
60	**73**	**2**	**11**	**9**	**Total other profit/loss elements in the period after tax**	**67**	**8**	**140**	**233**	**294**
2 872	**1 634**	**2 245**	**556**	**836**	**Total profit for the period**	**953**	**854**	**2 683**	**2 402**	**3 111**

Balance sheet

PARENT BANK							GROUP
31/12-22	30/09-22	30/09-23		Notes	30/09-23	30/09-22	31/12-22
			Assets				
143	1 397	218	Cash and receivables from central banks		218	1 397	143
19 573	21 943	23 275	Loans to and receivables from credit institutions		1 168	2 687	1 018
97 258	91 086	110 489	Net lendings	8, 9, 10, 11	247 475	217 843	224 494
226	234	285	Shares at fair value through profit or loss		286	234	226
30 648	30 681	30 810	Commercial papers and bonds		33 458	31 222	30 825
4 894	5 327	5 171	Financial derivatives		5 112	3 575	2 575
5 413	5 413	6 588	Shareholdings in group companies				
1 544	1 277	1 579	Shareholdings in associated companies		2 618	2 223	2 586
314	122	276	Deferred tax assets		263	0	173
92	88	92	Pension assets		100	96	100
250	249	235	Other intangible assets		261	276	276
629	625	632	Tangible fixed assets		657	650	655
535	68	76	Prepaid expenses		45	45	107
243	2 327	959	Other assets		4 230	2 784	633
161 761	**160 835**	**180 685**	**Total assets**		**295 891**	**263 032**	**263 812**
			Liabilities and equity				
3 568	3 127	6 467	Liabilities to credit institutions		4 475	2 072	3 095
112 302	108 156	123 530	Deposits from customers	12	123 493	108 124	112 274
18 262	20 459	19 676	Securitised debt	16	136 457	122 366	119 836
2 507	2 619	3 304	Financial derivatives		1 651	1 831	1 922
202	170	182	Accrued expenses and pre-paid income		197	185	220
129	122	126	Pension obligation		136	132	139
0	0	0	Deferred taxes		0	46	0
96	100	159	Other provision for commitments	8	161	100	96
611	444	664	Tax liabilities		732	597	736
1 855	1 827	2 285	Subordinated loan capital	16	2 285	1 827	1 855
2 917	4 766	3 736	Other liabilities		3 403	5 082	1 746
142 448	**141 790**	**160 129**	**Total liabilities**		**272 991**	**242 362**	**241 919**
2 743	2 683	2 743	Equity certificates	15	2 743	2 683	2 743
-3	-4	-7	Own equity certificates		-7	-4	-3
1 966	1 837	1 966	Premium reserve		1 966	1 837	1 966
2 523	2 020	2 180	Equalisation reserve		2 510	2 020	3 127
7 230	6 537	6 883	Total equity certificate capital		7 212	6 537	7 833
10 373	9 641	9 891	Primary capital		10 373	9 641	11 254
150	150	150	Gift fund		150	150	150
36	14	36	Compensation fund		36	14	36
10 559	9 806	10 077	Total primary capital		10 559	9 806	11 440
94	0	94	Reserve for unrealised gains				
0	1 596	2 174	Other equity		3 800	3 221	1 189
1 431	1 106	1 329	Hybrid capital		1 329	1 106	1 431
19 313	**19 045**	**20 556**	**Total equity**		**22 900**	**20 670**	**21 893**
161 761	**160 835**	**180 685**	**Total liabilities and equity**		**295 891**	**263 032**	**263 812**

Cash flow statement

	01/01-23 -30/09-23	01/01-22 -30/09-22	GROUP 2022
Cash flows from operations			
Interest, commission and customer fees received	9 690	5 239	7 624
Interest, commission and customer fees paid	-787	-303	-1 262
Interest received on other investments	982	291	512
Interest paid on other borrowings	-3 872	-1 433	-2 304
Payments to other suppliers for goods and services	-629	-473	-665
Payment to employees, pension schemes, National Insurance contributions, tax withholdings etc.	-735	-695	-829
Payment of taxes	-721	-380	-694
Net cash flow from operations	**3 928**	**2 246**	**2 381**
Cash flows from investment activities			
Payments made/received on loans to customers	-22 063	-15 145	-19 299
Payments made/received on receivables and tied-up loans to financial institutions	-234	-1 478	247
Dividends received for securities not held for trading purposes	3	12	37
Payments made/received on purch./sales of shares not held for trading purposes	-71	-11	-13
Payments made/received on purch./sales of other securities not held for trading purposes	-2 818	-8 027	-7 794
Payments received from investments in associated companies	139	249	289
Payments made relating to investments in associated companies	-35	-35	-284
Payments received from sale of fixed assets	2	0	0
Payments made on purchases of operating assets etc.	-79	-84	-123
Net cash effect of merger with Etne Sparebank			27
Net cash flows from investment activities	**-25 156**	**-24 519**	**-26 914**
Cash flows from financing activities			
Payments made/received on customer deposits	11 450	16 729	19 537
Payments made/received on deposits from Norges Bank and other financial institutions	1 573	-4 232	-4 100
Payments received relating to subordinated loan capital	1 398	0	300
Payments related to redemptions of subordinated loan capital	-1 099	-412	-412
Payments received on issuing bond debt	24 588	28 782	29 679
Payments made related to redemption of bond debt	-15 158	-16 604	-19 632
Dividends paid / Donations for the public benefit	-1 449	-928	-1 028
Net cash flow from financing activities	**21 304**	**23 336**	**24 342**
Net cash flow for the period	**75**	**1 063**	**-191**
Net change in cash and cash equivalents	**75**	**1 063**	**-191**
Cash and cash equivalents at beginning of period	143	334	334
Cash and cash equivalents at end of period	218	1 397	143

Changes in equity

GROUP	Equity certificates	Own equity certificates	Premium reserve	Equalisation reserve	Primary capital	Gift fund	Comp. fund	Other equity	Hybrid-capital	Total
Equity at 31 Dec. 2021	**2 683**	**-5**	**1 837**	**2 499**	**10 366**	**150**	**14**	**857**	**1 406**	**19 808**
Profit/loss for the period								2 131	38	2 168
Other comprehensive income								233		233
Distributed dividend and donations				-483	-725					-1 208
Purchase/sale of own equity certificates		1		3						4
Dividends on own equity certificates				1						1
Redemption of hybrid capital									-300	-300
Interest paid on hybrid capital									-38	-38
Equity at 30 Sept. 2022	**2 683**	**-4**	**1 837**	**2 020**	**9 641**	**150**	**14**	**3 221**	**1 106**	**20 670**
Equity at 31 Dec. 2021	**2 683**	**-5**	**1 837**	**2 499**	**10 366**	**150**	**14**	**857**	**1 406**	**19 808**
Profit/loss 2022				1 081	1 579			98	58	2 817
Other comprehensive income				24	36			234		294
Issue of new equity certificates	60		129				21			211
Distributed dividend and donations				-483	-725					-1 208
Purchase/sale of own equity certificates		2		5						7
Dividends on own equity certificates				1						1
Discount of ECCs sold to employees with a lock-in period				-1	-2					-3
Issue of new hybrid capital									320	320
Redemption of hybrid capital									-300	-300
Interest paid on hybrid capital									-54	-54
Equity at 31 Dec. 2022	**2 743**	**-3**	**1 966**	**3 127**	**11 254**	**150**	**36**	**1 189**	**1 431**	**21 893**
Profit/loss for the period								2 472	72	2 543
Other comprehensive income								140		140
Distributed dividend and donations				-603	-881					-1 485
Purchase/sale of own equity certificates		-4		-14						-18
Dividends on own equity certificates				0						0
Issue of new hybrid capital									400	400
Redemption of hybrid capital									-520	-520
Interest paid on hybrid capital									-53	-53
Equity at 30 Sept. 2023	**2 743**	**-7**	**1 966**	**2 510**	**10 373**	**150**	**36**	**3 800**	**1 329**	**22 900**

Changes in equity (cont.)

PARENT BANK	Equity certificates	Own equity certificates	Premium reserve	Equalisation reserve	Primary capital	Gift fund	Comp. fund	Reserve for unrealised gains	Other equity	Hybrid capital	Total
Equity at 31 Dec. 2021	**2 683**	**-5**	**1 837**	**2 016**	**9 641**	**150**	**14**	**0**	**0**	**1 406**	**17 744**
Profit/loss for the period									1 523	38	**1 561**
Other comprehensive income									73		**73**
Purchase/sale of own equity certificates		1		3							**4**
Dividends on own equity certificates				1							**1**
Redemption of hybrid capital										-300	**-300**
Interest paid on hybrid capital										-38	**-38**
Equity at 30 Sept. 2022	**2 683**	**-4**	**1 837**	**2 020**	**9 641**	**150**	**14**	**0**	**1 596**	**1 106**	**19 045**
Equity at 31 Dec. 2021	**2 683**	**-5**	**1 837**	**2 016**	**9 641**	**150**	**14**	**0**	**0**	**1 406**	**17 744**
Profit/loss 2022				1 081	1 579			94		58	**2 812**
Other comprehensive income				24	36						**60**
Distributed dividend and donations				-603	-881						**-1 485**
Issue of new equity certificates	60		129				21				**211**
Purchase/sale of own equity certificates		2		5							**7**
Dividends on own equity certificates				1							**1**
Discount of ECCs sold to employees with a lock-in period				-1	-2						**-3**
Issue of new hybrid capital										320	**320**
Redemption of hybrid capital										-300	**-300**
Interest paid on hybrid capital										-54	**-54**
Equity at 31 Dec. 2022	**2 743**	**-3**	**1 966**	**2 523**	**10 373**	**150**	**36**	**94**	**0**	**1 431**	**19 313**
Profit/loss for the period									2 172	72	**2 243**
Other comprehensive income									2		**2**
Distributed dividend and donations				-329	-482						**-811**
Purchase/sale of own equity certificates		-4		-14							**-18**
Dividends on own equity certificates				0							**0**
Issue of new hybrid capital										400	**400**
Redemption of hybrid capital										-520	**-520**
Interest paid on hybrid capital										-53	**-53**
Equity at 30 Sept. 2023	**2 743**	**-7**	**1 966**	**2 180**	**9 891**	**150**	**36**	**94**	**2 174**	**1 329**	**20 556**

Note 1 Accounting principles

The consolidated accounts for the third quarter 2023 were prepared in accordance with the requirements of IAS 34. The accounting principles are described in the annual report for 2022.

All amounts are stated in NOK million unless stated otherwise.

Note 2 Segment information

The management has evaluated the segments that it is appropriate to report in relation to corporate governance. The segments are: Corporate Banking, Retail, Bulder, Treasury and Real Estate Markets. Operating expenses are allocated, with the exception of IT costs, staff costs and depreciation. Net interest income is allocated based on internally calculated interest based on 3-month NIBOR.

	Banking operations						
GROUP	**Corporate market**	**Retail market**	**Bulder**	**Treasury**	**Estate agency business**	**Not allocated by segment**	**Total**
01/01-23 – 30/09-23							
Income statement							
Net interest income	1 328	1 760	40	672	1		3 800
Other operating income	247	368	2	-79	208		747
Operating expenses	-103	-280	-64	-12	-200	-676	-1 334
Loss	-27	-49	-6				-82
Pre-tax profit	**1 446**	**1 799**	**-28**	**581**	**8**	**-676**	**3 131**
Tax expense							-587
Profit for the period							**2 543**
30/09-23							
Balance sheet							
Net lendings	53 032	152 386	42 057				247 475
Deposits	41 662	63 646	7 050	11 136			123 493
01/01-22 – 30/09-22							
Income statement							
Net interest income	1 103	1 473	52	230	0	0	2 858
Other operating income	200	342	1	312	200	0	1 055
Operating expenses	-101	-260	-55	-12	-184	-623	-1 235
Loss	-6	-8	0	0	0	0	-14
Pre-tax profit	**1 196**	**1 546**	**-2**	**531**	**16**	**-623**	**2 664**
Tax expense							-495
Profit for the period							**2 168**
30/09-22							
Balance sheet							
Net lendings	49 637	146 994	21 213	0	0	0	217 843
Deposits	36 120	60 636	4 324	7 044	0	0	108 124
2022							
Income statement							
Net interest income	1 525	1 979	60	429	0	0	3 994
Other operating income	289	445	-1	267	250	0	1 250
Operating expenses	-135	-350	-75	-15	-247	-866	-1 687
Loss	-40	-11	-2			0	-52
Pre-tax profit	**1 640**	**2 063**	**-17**	**680**	**3**	**-866**	**3 504**
Tax expense							-687
Profit for the period							**2 817**
31/12-22							
Balance sheet							
Net lendings	50 758	149 511	24 225				224 494
Deposits	39 256	61 447	4 395	7 177			112 274

Note 3 Classification of financial assets and liabilities

The following table shows the classification of financial assets and liabilities under IFRS 9 on the balance sheet date.

GROUP

30/09-23 Financial assets	Fair value through profit or loss (mandatory)	Fair value through profit or loss (option)	Fair value through other comprehen-sive income	Hedge accounting	Amortised cost	Total book value
Cash in and receivables from central banks					218	218
Loans to and receivables from credit institutions					1 168	1 168
Loans to and receivables from customers		20 268			227 207	247 475
Shares, units and other equity interests	286					286
Certificates and bonds	33 458					33 458
Financial derivatives	3 493			1 619		5 112
Total financial assets	**37 237**	**20 268**	**0**	**1 619**	**228 593**	**287 717**
Financial commitments						
Deposits from and debt to credit institutions					4 475	4 475
Deposits from and debt to customers		1 913			121 581	123 493
Securitised debt [1]		54 594		14 446	67 418	136 457
Financial derivatives	1 371			280		1 651
Subordinated loan capital					2 285	2 285
Other provisions for liabilities					161	161
Total financial liabilities	**1 371**	**56 507**	**0**	**14 726**	**195 920**	**268 523**

PARENT BANK

30/09-23 Financial assets	Fair value through profit or loss (mandatory)	Fair value through profit or loss (option)	Fair value through other comprehen-sive income	Hedge accounting	Amortised cost	Total book value
Cash in and receivables from central banks					218	218
Loans to and receivables from credit institutions					23 275	23 275
Loans to and receivables from customers		5 147	48 797		56 545	110 489
Shares, units and other equity interests	285					285
Certificates and bonds	30 810					30 810
Financial derivatives	5 171					5 171
Total financial assets	**36 267**	**5 147**	**48 797**	**0**	**80 038**	**170 249**
Financial commitments						
Deposits from and debt to credit institutions					6 467	6 467
Deposits from and debt to customers		1 913			121 617	123 530
Securitised debt [1]		9 267			10 409	19 676
Financial derivatives	3 304					3 304
Subordinated loan capital					2 285	2 285
Other provisions for liabilities					159	159
Total financial liabilities	**3 304**	**11 180**	**0**	**0**	**140 937**	**155 420**

[1] Changes in fair value relating to changes in own credit risk are recognised in the statement of comprehensive income.

Note 3 Classification of financial assets and liabilities (cont.)

The following table shows the classification of financial assets and liabilities under IFRS 9 on the balance sheet date.

GROUP

30/09-22 Financial assets	Fair value through profit or loss (mandatory)	Fair value through profit or loss (option)	Fair value through other comprehen-sive income	Hedge accounting	Amortised cost	Total book value
Cash in and receivables from central banks					1 397	1 397
Loans to and receivables from credit institutions					2 687	2 687
Loans to and receivables from customers		23 361			194 482	217 843
Shares, units and other equity interests	234					234
Certificates and bonds	31 222					31 222
Financial derivatives	2 228			1 347		3 575
Total financial assets	**33 683**	**23 361**	**0**	**1 347**	**198 566**	**256 957**
Financial commitments						
Deposits from and debt to credit institutions					2 072	2 072
Deposits from and debt to customers		252			107 873	108 124
Securitised debt [1]		49 112		19 032	54 222	122 366
Financial derivatives	1 632			199		1 831
Subordinated loan capital					1 827	1 827
Other provisions for liabilities					100	100
Total financial liabilities	**1 632**	**49 364**	**0**	**19 232**	**166 094**	**236 321**

PARENT BANK

30/09-22 Financial assets	Fair value through profit or loss (mandatory)	Fair value through profit or loss (option)	Fair value through other comprehen-sive income	Hedge accounting	Amortised cost	Total book value
Cash in and receivables from central banks					1 397	1 397
Loans to and receivables from credit institutions					21 943	21 943
Loans to and receivables from customers		4 473	34 273		52 339	91 086
Shares, units and other equity interests	234					234
Certificates and bonds	30 681					30 681
Financial derivatives	5 327					5 327
Total financial assets	**36 241**	**4 473**	**34 273**	**0**	**75 679**	**150 666**
Financial commitments						
Deposits from and debt to credit institutions					3 127	3 127
Deposits from and debt to customers		252			107 904	108 156
Securitised debt [1]		10 993			9 466	20 459
Financial derivatives	2 619					2 619
Subordinated loan capital					1 827	1 827
Other provisions for liabilities					100	100
Total financial liabilities	**2 619**	**11 244**	**0**	**0**	**122 424**	**136 288**

[1] Changes in fair value relating to changes in own credit risk are recognised in the statement of comprehensive income.

Note 4 Net interest and credit commission income

PARENT BANK										GROUP
2022	01/01-22 -30/09-22	01/01-23 -30/09-23	3Q 2022	3Q 2023		3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
460	286	714	150	318	Interest and similar income from loans to and receivables from credit institutions valued at amortised cost	19	4	33	12	21
3 419	2 272	4 319	895	1 628	Interest and similar income from loans to and receivables from customers valued at amortised cost	3 139	1 635	8 245	4 163	6 314
152	94	213	37	83	Interest and similar income from loans to and receivables from customers valued at fair value	322	189	867	500	758
563	316	964	146	367	Interest and similar income from commercial papers, bonds and other interest-bearing securities	389	149	998	328	578
4 594	**2 967**	**6 210**	**1 228**	**2 397**	**Interest income and similar income**	**3 869**	**1 978**	**10 143**	**5 003**	**7 671**
51	25	186	15	90	Interest and similar expenses on debt to credit institutions	54	6	132	12	23
1 077	590	2 277	289	923	Interest and similar expenses on deposits from and debt to customers	881	289	2 233	590	1 073
322	194	472	85	179	Interest and similar expenses on issued securities	1 477	601	3 795	1 425	2 423
55	36	78	14	32	Interest and similar expenses on subordinated loan capital	32	14	78	36	55
16	12	12	4	4	Other interest expenses etc. [1)]	6	4	16	13	18
71	53	65	18	22	Fee Norwegian Banks' Guarantee Fund	27	23	89	69	85
1 591	**910**	**3 089**	**425**	**1 249**	**Interest expenses and similar expenses**	**2 476**	**937**	**6 343**	**2 145**	**3 677**
3 003	**2 057**	**3 121**	**803**	**1 148**	**Net interest and credit commission income**	**1 393**	**1 041**	**3 800**	**2 858**	**3 994**

[1)] Interest from derivatives entered into to manage the interest rate risk attached to the bank's ordinary portfolios is classified as interest income and recognised as an adjustment of the bank's other interest income/ interest expenses.

Note 5 Net other operating income

PARENT BANK										GROUP
2022	01/01-22 -30/09-22	01/01-23 -30/09-23	3Q 2022	3Q 2023		3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
43	31	42	11	16	Guarantee commissions	16	11	42	31	43
357	267	287	102	108	Fees from payment transfers	108	102	287	267	357
162	80	80	28	26	Income from insurance	26	28	80	80	162
120	91	89	29	31	Commission income from savings and investment products	31	29	89	91	120
473	385	320	113	116	Commission income from group companies					
92	51	64	17	22	Other commissions and fees	22	17	65	51	92
1 248	**905**	**882**	**300**	**319**	**Commission income and income from banking services**	**203**	**187**	**562**	**520**	**775**
103	78	89	30	30	Fees payment transfers	30	30	89	78	103
8	7	3	3	-2	Expenses related to savings and investment products	-2	3	3	7	8
3	2	3	1	1	Other commissions and fees	1	1	4	3	4
115	**87**	**95**	**34**	**29**	**Commission expenses and expenses relating to banking services**	**29**	**34**	**96**	**88**	**116**
1 133	**819**	**787**	**266**	**290**	**Net banking services**	**173**	**153**	**466**	**433**	**658**
584	**171**	**174**	**8**	**12**	**Income from shareholdings in group companies and associated companies**	**22**	**68**	**135**	**167**	**262**
37	12	3	9	0	Dividend	0	9	3	12	37
37	51	-7	-21	23	Gain/(loss) on shares	23	-21	-7	18	5
-130	-151	-24	-28	20	Gain/(loss) on commercial papers and bonds [1]	14	-29	-32	-152	-126
57	28	-18	7	-22	Gain/(loss) on financial instruments, designated at fair value [1]	-89	190	-98	315	83
85	67	74	23	9	Gain/(loss) related to positions to customers and trading	10	22	75	67	85
					Net gain/(loss) on financial instruments designated for hedge accounting	2	1	1	2	1
-2	-2	-1	0	0	Other gain/(loss)	-1	0	-5	-11	-11
84	**4**	**27**	**-10**	**30**	**Net gain/(loss) on financial instruments**	**-40**	**173**	**-64**	**252**	**74**
0	0	0	0	0	Brokerage commission	65	58	208	201	251
3	1	0	0	0	Other operating income	0	1	1	2	5
3	**1**	**0**	**0**	**0**	**Other operating income**	**65**	**59**	**209**	**203**	**256**
1 804	**995**	**988**	**265**	**333**	**Net other operating income**	**221**	**453**	**747**	**1 055**	**1 250**

[1] The value adjustment of derivatives used to manage interest and currency risk is distributed between the financial instruments they are managed together with.

Note 6 Operating expenses

PARENT BANK 2022	01/01-22 -30/09-22	01/01-23 -30/09-23	3Q 2022	3Q 2023		GROUP 3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
576	441	465	155	165	Payroll expenses including empl.Nat.Ins.contributins	203	191	583	553	722
83	61	64	20	22	Pension expenses	25	23	72	69	94
47	28	28	8	9	Other personnel expences	13	10	40	35	59
78	55	60	18	8	External fees	9	19	63	58	82
255	186	227	61	81	ICT expenses	84	64	236	196	267
57	43	44	9	9	Marketing	11	12	50	49	67
1 096	**815**	**889**	**270**	**294**	**Payroll and general administration expenses**	**345**	**318**	**1 044**	**960**	**1 292**
208	**159**	**142**	**54**	**46**	**Depreciation**	**47**	**55**	**144**	**161**	**218**
23	18	20	6	4	Operating expenses, premises	8	9	33	29	37
31	0	0	0	0	Wealth tax	0	0	0	0	31
67	52	75	19	24	Other operating expenses	36	29	112	85	108
122	**70**	**96**	**25**	**28**	**Total other operating expenses**	**44**	**38**	**145**	**114**	**177**
1 426	**1 044**	**1 127**	**350**	**369**	**Total operating expenses**	**436**	**410**	**1 334**	**1 235**	**1 687**

Note 7 Losses on loans, guarantees, unused credit facilities and loan approvals

PARENT BANK 2022	01/01-22 -30/09-22	01/01-23 -30/09-23	3Q 2022	3Q 2023		GROUP 3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
27	-12	-13	-23	18	Losses on loans in the period	11	-24	15	0	43
9	14	65	14	9	Losses on guarantees, unused credit facilities and loan approvals in the period	9	14	68	14	9
36	**2**	**53**	**-9**	**27**	**Loss cost for the period**	**20**	**-10**	**82**	**14**	**52**

Note 8 Write-down on loans, guarantees, unused credit facilities and loan approvals

GROUP

30/09-23 Changes in write-downs under IFRS 9 on loans, guarantees, unused credit facilities and loan approvals	Calculated by model			Total calculated by model losses	Individually assessed	
	Stage 1	Stage 2	Stage 3		Stage 3	Total
Loss provision in opening balance	**199**	**336**	**205**	**739**	**237**	**976**
Transferred to 12-month ECL (Stage 1)	89	-85	-4	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-20	35	-7	7	-7	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Calculated by model	-1	-27	30	2	-2	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Individually assessed	0	-12	-18	-30	30	0
Net new measurement of losses	-20	31	80	91	170	261
Newly issued or acquired financial assets	132	55	19	206	6	212
Financial assets derecognised	-71	-64	-53	-187	-244	-431
Currency effects and other changes				0	1	1
Loss provision closing balance	**307**	**269**	**251**	**828**	**189**	**1 017**
Loan loss provision	219	230	218	667	189	856
Provision for guarantees, unused credit facilities and loan approvals	88	40	33	161	0	161
Total loss provision	**307**	**269**	**251**	**828**	**189**	**1 017**
Gross lending recognised at amortised cost, allocated to different stages opening balance	189 124	12 010	776	201 910	624	202 534
Gross lending recognised at amortised cost, allocated to different stages closing balance	212 228	14 409	916	227 553	510	228 063
Distribution corporate market/retail market						
Write-downs in opening balance						
Corporate Market	172	278	177	628	227	855
Retail Market	26	57	27	111	10	120
Total write-down	**199**	**336**	**205**	**739**	**237**	**976**
Write-downs closing balance						
Corporate Market	242	211	205	658	182	840
Retail Market	65	59	46	170	7	177
Total write-down	**307**	**269**	**251**	**828**	**189**	**1 017**
Loss cost for the period:						
Changes in individual write-downs for the period						-47
Currency gain and other changes						1
Confirmed loss in the period with previous individual write-down						13
Confirmed loss in the period with no previous individual write-down						35
Recoveries in previously confirmed write-downs						-8
Net effect on profit/loss from individual write-downs						-7
Changes in losses for the period, calculated by model (Stage 1-3)						89
Loss cost for the period on loans, guarantees, unused credit and loan approvals						**82**
Gross lending recognised at amortised cost closing balance	212 228	14 409	916	227 553	510	228 063
Loss write-down	-219	-230	-218	-667	-189	-856
Net lending recognised at amortised cost in the balance sheet	212 008	14 180	698	226 886	321	227 207
Loans valued at fair value						20 268
Capitalised lending closing balance						**247 475**

ECL = Expected Credit Loss

In line with IFRS 9, the bank groups its loans into three stages based on the probability of default (PD) at the time of recognition compared with the balance sheet date, and checking the watch list, forbearance and instalments paid more than 30 days after the due date. In other words, each individual loan (or commitment) is classified as Stage 1, 2 or 3. All commitments recognised at amortised cost are included in the model.

Stage 1 is the starting point for financial assets covered by the general loss model, for which a provision will be made corresponding to 12-month expected losses. Stage 2 includes assets for which the credit risk has increased significantly since initial recognition, but where there is no objective evidence of a loss. Commitments at Stage 1 and 2 are assessed at portfolio level (calculated by model).

Note 8 Write-down on loans, guarantees, unused credit facilities and loan approvals (cont.)

Stage 3 of the model includes assets for which the credit risk has increased significantly since initial recognition, and where there has been objective evidence of a loss event on the balance sheet date. They are divided into loans that have been individually assessed and loans assessed at portfolio level (calculated by model).

Transfer between the stages shows how much of expected credit losses in the opening balance have migrated from the other stages. The effect of the new measurement method and new calculation in the quarter is presented on the line 'Net new measurement of losses'.

Confirmation of the loss write-down (booked against the customer's commitment) takes place when all security has been realised and it is certain that the bank will receive no further payments on the loan. The claim on the customer remains and will be followed up, unless it has been agreed with the customer that the loan is to be written off.

Write-downs of guarantees, unused credit facilities and loan approvals include off-balance sheet items and are recognised as debt obligations in the accounts.

GROUP

30/09-22 **Changes in write-downs under IFRS 9 on loans, guarantees, unused credit facilities and loan approvals**	**Calculated by model**			**Total calculated by model losses**	**Individually assessed**	
	Stage 1	**Stage 2**	**Stage 3**		**Stage 3**	**Total**
Loss provision in opening balance	**169**	**344**	**212**	**725**	**221**	**946**
Transferred to 12-month ECL (Stage 1)	100	-78	-4	17	-17	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-24	67	-42	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Calculated by model	-1	-15	16	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Individually assessed	-1	-3	-2	-6	6	0
Net new measurement of losses	-107	100	31	24	-15	9
Newly issued or acquired financial assets	87	41	5	133	81	213
Financial assets derecognised	-44	-82	-40	-166	-46	-212
Currency effects and other changes	0	0	0	0	7	7
Loss provision closing balance	**179**	**374**	**174**	**728**	**235**	**962**
Loan loss provision	142	313	173	628	234	862
Provision for guarantees, unused credit facilities and loan approvals	37	61	2	100	0	100
Total loss provision	**179**	**374**	**174**	**728**	**235**	**962**
Gross lending recognised at amortised cost, allocated to different stages opening balance	163 156	11 575	780	175 511	656	176 167
Gross lending recognised at amortised cost, allocated to different stages closing balance	181 584	12 330	679	194 592	752	195 345
Distribution corporate market/retail market						
Write-downs in opening balance						
Corporate Market	153	301	176	630	206	835
Retail Market	16	43	36	95	15	110
Total write-down	**169**	**344**	**212**	**725**	**221**	**946**
Write-downs closing balance						
Corporate Market	155	318	147	620	223	844
Retail Market	24	56	27	107	11	119
Total write-down	**179**	**374**	**174**	**728**	**235**	**962**
Loss cost for the period:						
Changes in individual write-downs for the period						14
Currency gain and other changes						-7
Confirmed loss in the period with previous individual write-down						6
Confirmed loss in the period with no previous individual write-down						22
Recoveries in previously confirmed write-downs						-23
Net effect on profit/loss from individual write-downs						11
Changes in losses for the period, calculated by model (Stage 1-3)						3
Loss cost for the period on loans, guarantees, unused credit and loan approvals						**14**
Gross lending recognised at amortised cost closing balance	181 584	12 330	679	194 592	752	195 345
Loss write-down	-142	-313	-173	-628	-234	-862
Net lending recognised at amortised cost in the balance sheet	181 442	12 017	506	193 965	518	194 482
Loans valued at fair value						23 361
Capitalised lending closing balance						**217 843**

Note 8 Write-down on loans, guarantees, unused credit facilities and loan approvals (cont.)

PARENT BANK

30/09-23 Changes in write-downs under IFRS 9 on loans, guarantees, unused credit facilities and loan approvals	Calculated by model			Total calculated by model losses	Individually assessed	
	Stage 1	Stage 2	Stage 3		Stage 3	Total
Loss provision in opening balance	**190**	**303**	**194**	**687**	**237**	**923**
Transferred to 12-month ECL (Stage 1)	77	-73	-4	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-20	33	-6	7	-7	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Calculated by model	-1	-26	29	2	-2	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Individually assessed	0	-12	-18	-30	30	0
Net new measurement of losses	-20	11	59	50	170	220
Newly issued or acquired financial assets	126	55	26	207	6	213
Financial assets derecognised	-69	-57	-48	-174	-244	-418
Currency effects and other changes	0	0	0	0	1	1
Loss provision closing balance	**282**	**233**	**233**	**748**	**189**	**938**
Loan loss provision	196	194	199	590	189	779
Provision for guarantees, unused credit facilities and loan approvals	86	39	33	158	0	159
Total loss provision	**282**	**233**	**233**	**748**	**189**	**938**
Loss cost for the period:						
Changes in individual write-downs for the period						-47
Currency gain and other changes						1
Confirmed loss in the period with previous individual write-down						13
Confirmed loss in the period with no previous individual write-down						32
Recoveries in previously confirmed write-downs						-7
Net effect on profit/loss from individual write-downs						-9
Changes in losses for the period, calculated by model (Stage 1-3)						62
Loss cost for the period on loans, guarantees, unused credit and loan approvals						**53**
Gross lending recognised at amortised cost or fair value through other comprehensive income closing balance	93 831	10 954	827	105 611	510	106 121
Loss write-down	-196	-194	-199	-590	-189	-779
Net lending	93 635	10 759	627	105 021	321	105 342
Loans valued at fair value						5 147
Capitalised lending closing balance						**110 489**

Note 8 Write-down on loans, guarantees, unused credit facilities and loan approvals (cont.)

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30/09-22 Changes in write-downs under IFRS 9 on loans, guarantees, unused credit facilities and loan approvals	Calculated by model			Total calculated by model losses	Individually assessed	
	Stage 1	Stage 2	Stage 3		Stage 3	Total
Loss provision in opening balance	**162**	**320**	**201**	**683**	**221**	**904**
Transferred to 12-month ECL (Stage 1)	95	-74	-3	17	-17	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-24	65	-41	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Calculated by model	-1	-14	15	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Individually assessed	-1	-3	-2	-6	6	0
Net new measurement of losses	-102	89	28	14	-15	-1
Newly issued or acquired financial assets	84	38	5	126	81	207
Financial assets derecognised	-43	-78	-36	-157	-46	-203
Currency effects and other changes	0	0	0	0	7	7
Loss provision closing balance	**171**	**344**	**165**	**679**	**234**	**914**
Loan loss provision	133	283	163	579	234	814
Provision for guarantees, unused credit facilities and loan approvals	37	61	2	100	0	100
Total loss provision	**171**	**344**	**165**	**679**	**234**	**914**
Loss cost for the period:						
Changes in individual write-downs for the period						14
Currency gain and other changes						-7
Confirmed loss in the period with previous individual write-down						4
Confirmed loss in the period with no previous individual write-down						18
Recoveries in previously confirmed write-downs						-23
Net effect on profit/loss from individual write-downs						6
Changes in losses for the period, calculated by model (Stage 1-3)						-4
Loss cost for the period on loans, guarantees, unused credit and loan approvals						**2**
Gross lending recognised at amortised cost or fair value through other comprehensive income closing balance	76 904	9 240	533	86 676	750	87 426
Loss write-down	-133	-283	-163	-579	-234	-814
Net lending	76 770	8 957	370	86 097	516	86 613
Loans valued at fair value						4 473
Capitalised lending closing balance						**91 086**

Note 9 Breakdown of gross lending between different stages of IFRS 9

GROUP

30/09-23	Calculated by model			Total calculated by model losses	Individually assessed	
Gross lending recognised at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**		**Stage 3**	**Total**
Gross lending opening balance	**189 124**	**12 010**	**776**	**201 910**	**624**	**202 534**
Transferred to 12-month ECL (Stage 1)	4 189	-4 171	-18	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-6 925	6 995	-56	13	-13	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 3) – Model-based	-94	-312	407	1	-1	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 3) – Individually assessed	-10	-260	-48	-318	318	0
Newly issued or acquired financial assets	69 255	3 058	69	72 382	28	72 410
Financial assets derecognised – excluding loss write-down	-48 838	-3 541	-276	-52 655	-449	-53 104
Net change in existing loans	5 526	629	64	6 219	4	6 223
Gross lending closing balance recognised at amortised cost	**212 228**	**14 409**	**916**	**227 553**	**510**	**228 063**
Impairment loss	-219	-230	-218	-667	-189	-856
Net lending at closing balance recognised at amortised cost	212 008	14 180	698	226 886	321	227 207
Lending valued at fair value						20 268
Capitalised lending closing balance						**247 475**
Gross lending recognised at amortised cost, allocated to different stages closing balance	**212 228**	**14 409**	**916**	**227 553**	**510**	**228 063**
** Of which Corporate Market*	45 630	9 172	672	55 474	499	55 973
** Of which Retail Market – mortgages*	166 037	5 120	236	171 394	0	171 394
** Of which Retail Market – unsecured loans/other*	561	117	8	686	11	696

30/09-22	Calculated by model			Total calculated by model losses	Individually assessed	
Gross lending recognised at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**		**Stage 3**	**Total**
Gross lending opening balance	**163 156**	**11 575**	**780**	**175 510**	**656**	**176 167**
Transferred to 12-month ECL (Stage 1)	3 157	-3 052	-26	80	-80	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-4 973	5 117	-144	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 3) – Model-based	-43	-275	319	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 3) – Individually assessed	-120	-26	-7	-153	153	0
Newly issued or acquired financial assets	55 287	1 815	21	57 123	93	57 216
Financial assets derecognised – excluding loss write-down	-32 227	-2 712	-209	-35 149	-77	-35 226
Net change in existing loans	-2 654	-111	-55	-2 819	6	-2 813
Gross lending closing balance recognised at amortised cost	**181 584**	**12 330**	**679**	**194 592**	**752**	**195 345**
Impairment loss	-142	-313	-173	-628	-234	-862
Net lending at closing balance recognised at amortised cost	181 442	12 017	506	193 965	518	194 482
Lending valued at fair value						23 361
Capitalised lending closing balance						**217 843**
Gross lending recognised at amortised cost, allocated to different stages closing balance	**181 584**	**12 330**	**679**	**194 592**	**752**	**195 345**
** Of which Corporate Market*	40 730	7 696	406	48 832	733	49 565
** Of which Retail Market – mortgages*	140 006	4 568	260	144 834	15	144 849
** Of which Retail Market – unsecured loans/other*	847	67	13	927	4	930

Note 10 Defaults and other problem loans

The table shows the recognised defaults and other potential bad debt, where the total reported is based on definitions pursuant to the Basel regulations.

PARENT BANK				GROUP		
30/09-23				30/09-23		
Retail market	Corporate market	Total		Retail market	Corporate market	Total
77	665	743	Gross loans in defaults of payment exceeding 90 days	87	665	753
113	501	614	Gross other defaults and other problem loans	202	506	708
190	**1 166**	**1 356**	**Gross default and other problem loans**	**289**	**1 171**	**1 461**
-31	-358	-388	- Total write-downs stage 3	-49	-358	-407
159	**809**	**968**	**Net default and other problem loans**	**240**	**813**	**1 054**

30/09-22				30/09-22		
Retail market	Corporate market	Total		Retail market	Corporate market	Total
74	381	455	Gross loans in defaults of payment exceeding 90 days	124	383	508
79	627	705	Gross other defaults and other problem loans	177	632	810
152	**1 008**	**1 160**	**Gross default and other problem loans**	**302**	**1 015**	**1 317**
-28	-370	-397	- Total write-downs stage 3	-37	-370	-407
125	**639**	**763**	**Net default and other problem loans**	**265**	**646**	**910**

Age distribution of commitments in default

The table shows the book value of loans registered with default, where the default exceeds NOK 1 000 on one of the commitment's accounts and constitutes at least 1% of the commitment size for the Retail Market. The same applies to the Corporate Market, but here the amount limit is NOK 2 000.

PARENT BANK				GROUP		
30/09-23				30/09-23		
Retail market	Corporate market	Total		Retail market	Corporate market	Total
88	801	889	Up to 30 days	185	808	993
67	41	108	31-90 days	87	43	131
77	665	743	More than 90 days	87	665	753
232	**1 507**	**1 739**	**Gross loans in default of payment**	**360**	**1 517**	**1 876**

30/09-22				30/09-22		
Retail market	Corporate market	Total		Retail market	Corporate market	Total
51	85	136	Up to 30 days	104	85	190
27	21	48	31-90 days	58	24	83
74	381	455	More than 90 days	124	383	508
151	**487**	**639**	**Gross loans in default of payment**	**287**	**492**	**780**

Note 11 Loans by sector and industry

PARENT BANK						GROUP
31/12-22	30/09-22	30/09-23		30/09-23	30/09-22	31/12-22
9 393	9 123	10 203	Primary industries	10 596	9 626	9 882
3 990	4 067	4 056	Manufacturing and mining	4 128	4 130	4 056
2 480	2 425	2 466	Power and water supply	2 476	2 431	2 487
6 343	6 611	6 847	Building and construction	7 210	6 982	6 714
2 617	2 559	2 936	Commerce	3 067	2 700	2 757
8 071	7 812	7 877	International shipping and transport	8 189	8 130	8 384
595	739	587	Hotel and restaurants	638	796	655
16 515	15 838	17 125	Property management	17 156	15 922	16 549
2 692	2 470	3 288	Services	4 000	3 121	3 369
66	55	64	Municipal/public sector	64	55	66
445	436	419	Other financial undertakings	419	436	445
53 206	52 136	55 869	Total corporate sector	57 944	54 331	55 364
44 880	39 763	55 399	Retail customers	190 387	164 375	170 010
98 085	**91 899**	**111 268**	**Total gross loans to customers**	**248 331**	**218 705**	**225 374**
828	814	779	Total write-downs on loans	856	862	880
97 258	**91 086**	**110 489**	**Total net loans to customers**	**247 475**	**217 843**	**224 494**

Note 12 Deposits by sector and industry

PARENT BANK						GROUP
31/12-22	30/09-22	30/09-23		30/09-23	30/09-22	31/12-22
5 763	5 403	6 445	Primary industries	6 445	5 403	5 763
7 403	7 170	9 966	Manufacturing and mining	9 966	7 170	7 403
1 742	1 426	1 465	Power and water supply	1 465	1 426	1 742
3 784	3 525	3 615	Building and construction	3 615	3 525	3 784
2 816	2 978	3 773	Commerce	3 773	2 978	2 816
4 348	4 316	6 364	International shipping and transport	6 364	4 316	4 348
537	527	745	Hotel and restaurants	745	527	537
6 587	5 641	6 768	Property management	6 755	5 634	6 580
9 983	9 535	11 799	Services	11 769	9 505	9 958
2 495	2 914	1 937	Municipal/public sector	1 937	2 914	2 495
4 281	3 048	3 449	Other financial undertakings	3 449	3 048	4 281
49 739	46 483	56 325	Total corporate sector	56 283	46 446	49 707
62 563	61 673	67 205	Retail customers	67 211	61 678	62 567
112 302	**108 156**	**123 530**	**Total deposits to customers**	**123 493**	**108 124**	**112 274**

Note 13 Valuation hierarchy for financial instruments at fair value

Level 1
Financial instruments traded in active markets are classified as level 1. A market is deemed to be active if the market prices are easily and regularly available from a stock exchange, broker, industry group, pricing service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. The market price used for financial assets is the applicable purchase price, while the applicable sales price is used for financial commitments. Instruments included in level 1 comprise some treasury certificates.

Level 2
The fair value of financial instruments that are not traded in an active market is determined by using valuation methods. These valuation methods maximise the use of observable data where available and, as far as possible, are not based on the group's own estimates. If all the material data required to determine the fair value of an instrument are observable data, the instrument is included in level 2. Instruments included in level 2 comprise loans to customers, equity instruments on the OTC list, other certificates and bonds, financial derivatives and all financial commitments valued at fair value.

Level 3
If one or more data items are not based on observable market information, the instrument is included in level 3. Non-listed equity instruments, certain equity instruments on the OTC list and loans to customers valued at fair value are classified at level 3.

Financial instruments valued at fair value				**GROUP**
30/09-23	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Loans to customers			20 268	20 268
Shares	38		248	286
Commercial papers and bonds	10 720	22 738		33 458
Financial derivatives		3 493		3 493
Financial derivatives designated for hedge accounting		1 619		1 619
Total	**10 758**	**27 850**	**20 516**	**59 124**
Liabilities				
Deposits from and debt to customers		1 913		1 913
Securitised debt		54 594		54 594
Financial derivatives		1 371		1 371
Financial derivatives designated for hedge accounting		280		280
Total	**0**	**58 158**	**0**	**58 158**

	Loans to customers	**Shares**
Financial Instruments valued at level 3 – opening balance	**22 840**	**183**
Additions/acquisitions	1 455	84
Sales/redemption/repayment	-3 857	-17
This years value adjustment	-170	-2
Reclassification between levels 2 and 3	0	0
Financial instruments valued at level 3 – closing balance	**20 268**	**248**

Note 13 Valuation hierarchy for financial instruments at fair value (cont.)

				GROUP
30/09-22	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Loans to customers			23 361	23 361
Shares	41		193	234
Certificates and bonds	11 435	19 787		31 222
Financial derivatives		2 228		2 228
Financial derivatives designated for hedge accounting		1 347		1 347
Total	**11 476**	**23 362**	**23 554**	**58 391**
Liabilities				
Deposits from and debt to customers		252		252
Securitised debt		49 112		49 112
Financial derivatives		1 831		1 831
Total	**0**	**51 195**	**0**	**51 195**

	Loans to customers	**Shares**
Financial Instruments valued at level 3 – opening balance	**27 667**	**217**
Additions/acquisitions	1 690	21
Sales/redemption/repayment	-5 207	-10
This years value adjustment	-789	-35
Reclassification between levels 2 and 3	0	0
Financial instruments valued at level 3 – closing balance	**23 361**	**193**

Note 14 Capital adequacy

PARENT BANK						GROUP
31/12-22	30/09-22	30/09-23	Capital adequacy	30/09-23	30/09-22	31/12-22
			Risk-weighted volume			
24 080	24 865	24 138	Enterprise – SME	24 143	24 875	24 083
692	753	731	Enterprise – Specialised	731	753	692
6 538	8 253	7 346	Enterprise – Other	7 346	8 253	6 538
678	590	886	Mass market with secured by property – SME	1 563	1 246	1 410
12 661	11 252	15 926	Mass market with mortgage secured by property – not SME	41 313	34 767	38 500
45	44	61	Mass market – Other SMEs	61	44	45
1 331	1 308	1 345	Mass market – Other not-SMEs	1 353	1 332	1 344
3 517	3 137	3 736	Equity positions IRB	0	0	0
49 542	50 203	54 170	Total credit risk IRB	76 510	71 270	72 613
7 197	6 353	7 197	Operational risk	7 908	7 026	7 908
29 219	28 248	18 429	Commitment pursuant to the standard method	16 476	14 186	15 506
1 422	1 512	1 188	Risk of credit valuation adjustment for counterparty (CVA)	1 297	1 706	1 600
87 380	**86 316**	**80 984**	**Total risk-weighted volume**	**102 191**	**94 188**	**97 627**
			Own funds			
2 743	2 683	2 743	Equity certificates	2 743	2 683	2 743
-3	-4	-7	Deductions for own equity certificates	-7	-4	-3
1 966	1 837	1 966	Premium reserve	1 966	1 837	1 966
10 373	9 641	9 891	Primary capital	10 373	9 641	11 254
36	14	36	Compensation fund	36	14	36
150	150	150	Gift fund	150	150	150
2 523	2 020	2 180	Equalisation reserve	2 510	2 020	3 127
94	1 596	2 267	Other equity	3 800	3 221	1 189
17 882	17 939	19 227	Total book equity excluding hybrid capital	21 571	19 563	20 462
			Deductions			
-217	-230	-202	Goodwill and other intangible assets	-255	-280	-267
			Including effects of regulatory scope of consolidation	-27	-24	-25
-6	-22	-8	Adj. for unrealised losses/(gains) on debt recorded at fair value	-267	-55	-131
-88	-89	-105	Value adjustments due to the requirements for prudent valuation	-115	-108	-104
-222	-169	-257	Adj. for investments in other financial institutions	-365	-277	-330
-250	-295	-331	Adjusted expected losses IRB-portfolios	-514	-513	-487
0	-761	-1 086	Dividend and donations	-2 047	-1 065	-1 485
17 100	**16 373**	**17 239**	**Common Equity Tier 1 capital**	**18 007**	**17 265**	**17 659**
1 420	1 100	1 300	Additional Tier 1 capital	1 300	1 100	1 420
18 520	**17 473**	**18 539**	**Total Tier 1 capital**	**19 307**	**18 365**	**19 079**
1 845	1 820	2 268	Tier 2 instruments – Supplementary capital	2 268	1 820	1 845
20 365	**19 293**	**20 806**	**Own funds**	**21 575**	**20 185**	**20 924**

Note 14 Capital adequacy (cont.)

PARENT BANK						GROUP
31/12-22	30/09-22	30/09-23	Capital adequacy	30/09-23	30/09-22	31/12-22
			Minimum requirement			
6 990	6 905	6 479	Own funds, minimum requirement; 8%	8 175	7 535	7 810
13 374	**12 387**	**14 327**	**Own funds, regulatory surplus**	**13 400**	**12 650**	**13 114**
13 168	*12 294*	*13 594*	*of which surplus Common Equity Tier 1 to cover buffer requirement*	*13 176*	*12 650*	*13 114*
			Buffer requirements			
2 185	2 158	2 025	Capital conservation buffer requirement; 2,5%	2 555	2 355	2 441
3 932	3 884	3 644	Systemic risk buffer requirement; 4,5%	4 599	4 238	4 393
1 748	1 295	2 025	Countercyclical buffer requirement; 2,5%	2 555	1 413	1 953
7 864	**7 337**	**7 694**	**Total buffer requirement Common Equity Tier 1**	**9 708**	**8 006**	**8 786**
5 304	**4 957**	**5 901**	**Common Equity Tier 1 capital, regulatory surplus**	**3 468**	**4 644**	**4 327**
19,6%	19,0%	21,3%	Common Equity Tier 1 capital	17,6%	18,3%	18,1%
1,6%	1,3%	1,6%	Additional Tier 1 capital	1,3%	1,2%	1,5%
2,1%	2,1%	2,8%	Supplementary capital	2,2%	1,9%	1,9%
23,3%	**22,4%**	**25,7%**	**Capital adequacy IRB**	**21,1%**	**21,4%**	**21,4%**

PARENT BANK						GROUP
31/12-22	30/09-22	30/09-23	Leverage ratio	30/09-23	30/09-22	31/12-22
161 761	160 835	180 685	Balance sheet items, incl. gross consolidation of associated companies	305 918	271 728	272 618
27 006	28 489	20 964	Off-balance sheet items	11 777	10 327	11 540
1 350	349	-812	Regulatory adjustments	317	-394	-80
190 117	189 672	200 837	Calculation basis for leverage ratio	318 012	281 660	284 077
18 520	17 473	18 539	Core capital	19 307	18 365	19 079
9,7%	**9,2%**	**9,2%**	**Leverage ratio**	**6,1%**	**6,5%**	**6,7%**

Note 15 Key information about equity certificate Sec. no. 6000900 (30/9-23)

The twenty largest owners of ECs	No of ECs	Proportion of equity share capital %
SPAREBANKSTIFTINGA HARDANGER	11 954 394	10,90
PARETO INVEST NORGE AS	8 079 308	7,36
GEVERAN TRADING CO LTD	4 397 818	4,01
VERDIPAPIRFONDET ALFRED BERG GAMBAK	3 589 282	3,27
VPF EIKA EGENKAPITALBEVIS	3 324 633	3,03
SPAREBANKSTIFTELSEN SAUDA	3 144 264	2,87
KOMMUNAL LANDSPENSJONSKASSE GJENSIDIGE	2 714 185	2,47
SPAREBANKSTIFTINGA ETNE	2 461 296	2,24
PARETO AKSJE NORGE VERDIPAPIRFOND	2 372 247	2,16
SPESIALFONDET BOREA UTBYTTE	2 211 170	2,02
BROWN BROTHERS HARRIMAN & CO.	2 183 075	1,99
BLOMESTØ AS	2 000 000	1,82
STATE STREET BANK AND TRUST COMP	1 841 458	1,68
J.P. MORGAN SE	1 387 273	1,26
VERDIPAPIRFONDET NORDEA NORGE VERDI	1 303 343	1,19
DNB MARKETS AKSJEHANDEL/-ANALYSE	1 243 803	1,13
THE BANK OF NEW YORK MELLON SA/NV	1 225 000	1,12
SPAREBANKSTIFTELSEN SPAREBANKEN VEST	1 193 958	1,09
SPAR SHIPPING AS	1 183 480	1,08
MP PENSJON PK	1 085 436	0,99
Total	**58 895 423**	**53,68**

Turnover statistics, the last 12 months

Month	Volume OSE (number)	Market price ultimo
October	2 030 267	92,30
November	1 791 709	87,80
December	1 739 994	92,40
January	1 340 921	94,10
February	1 707 330	100,80
March	2 610 328	92,00
April	1 174 622	99,90
May	1 909 788	95,00
June	1 948 857	103,00
July	773 449	106,80
August	1 796 947	108,20
September	1 168 607	105,40

Sparebanken Vest has paid a dividend of 5.50 NOK per equity certificate. The equity certificates was traded ex dividend as of 23 Mar. 2023.

Owner fraction (Parent bank)	31/12-20	31/12-21	31/12-22	30/09-23
Equity certificate capital	2 680	2 678	2 740	2 736
Share premium reserve	1 837	1 837	1 966	1 966
Equalisation reserve	1 781	2 016	2 523	2 180
A Total equity certificate capital	**6 298**	**6 532**	**7 230**	**6 883**
Primary capital	9 291	9 641	10 373	9 891
Compensation fund	14	14	36	36
Gift fund	150	150	150	150
B Total primary capital	**9 455**	**9 806**	**10 559**	**10 077**
Owner fraction (A/(A+B))	**40,0%**	**40,0%**	**40,6%**	**40,6%**
Weighted owner fraction	**40,0%**	**39,9%**	**40,0%**	**40,6%**

Note 16 Securitised debt and subordinated loan capital

GROUP

Change in securitised debt – Book value	31/12-22	Issued	Matured/ redeemed	Change in exchange rate	Other changes	30/09-23
Senior preferred bonds	11 567	700	-896	150	-16	11 506
Senior non-preferred bonds	6 695	1 500	0	0	-26	8 170
Covered bonds	101 573	25 339	-14 257	4 250	-124	116 782
Total securitised debt	**119 836**	**27 539**	**-15 153**	**4 400**	**-165**	**136 457**
Subordinated loan capital						
Ordinary subordinated loan capital	1 855	1 000	-576	0	6	2 285
Total subordinated loans	**1 855**	**1 000**	**-576**	**0**	**6**	**2 285**

Residual time to maturity	0-1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Credit institutions, borrowings	75	40	30	0	0	145
Senior bonds nominal amount	0	0	3 225	7 921	563	11 710
Senior non-preferred bonds, nominal amount	0	0	0	8 250	0	8 250
Covered bonds, nominal amount	0	0	13 629	98 962	9 294	121 884
Subordinated loan capital	0	0	0	0	2 269	2 269
Total borrowings from capital market	**75**	**40**	**16 884**	**115 133**	**12 125**	**144 258**

PARENT BANK

Change in securitised debt – Book value	31/12-22	Issued	Matured/ redeemed	Change in exchange rate	Other changes	30/09-23
Senior preferred bonds	11 567	700	-896	150	-16	11 506
Senior non-preferred bonds	6 695	1 500	0	0	-26	8 170
Total securitised debt	**18 262**	**2 200**	**-896**	**150**	**-41**	**19 676**
Subordinated loan capital						
Ordinary subordinated loan capital	1 855	1 000	-576	0	6	2 285
Total subordinated loans	**1 855**	**1 000**	**-576**	**0**	**6**	**2 285**

Residual time to maturity	0-1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Credit institutions, borrowings	75	40	30	0	0	145
Senior bonds nominal amount	0	0	3 225	7 921	563	11 710
Senior non-preferred bonds, nominal amount	0	0	0	8 250	0	8 250
Subordinated loan capital	0	0	0	0	2 269	2 269
Total borrowings from capital market	**75**	**40**	**3 255**	**16 171**	**2 832**	**22 374**

Note 17 Significant transactions

The “Lokalbank-alliansen” acquired shares in Frende Holding AS the first quarter of 2022. Sparebanken Vest sold 167 933 shares in connection with this, and reduced the ownership in Frende Holding AS from 41.4 per cent to 38.9 per cent. The transaction led to a gain of NOK 51 million in the group accounts for the first quarter of 2022. The gain is classified under the accounting line “net gain/loss on financial instruments”. Following another smaller transaction and an addition through the merger with Etne Sparebank, the ownership share is 39,58% as of 30 September 2023.

Profit development – year-to-date (group)

	30/09-23	30/06-23	31/03-23	31/12-22	30/09-22	30/06-22	31/03-22	31/12-21	30/09-21
Interest income and similar income	10 143	6 274	2 981	7 671	5 003	3 025	1 409	4 525	3 285
Interest expenses and similar expenses	6 343	3 867	1 806	3 677	2 145	1 208	522	1 226	855
Net interest and credit commission income	**3 800**	**2 407**	**1 175**	**3 994**	**2 858**	**1 817**	**887**	**3 299**	**2 430**
Commission income and income from banking services	562	359	168	775	520	333	162	639	424
Commission expenses and expenses relating to banking services	96	67	32	116	88	54	25	104	77
Net banking services	466	293	136	658	433	279	137	535	347
Income from ownership interests in associated companies	135	113	53	262	167	99	28	401	226
Net gain/(loss) on financial instruments	-64	-24	-4	74	252	79	146	63	63
Other operating income	209	144	66	256	203	144	61	266	205
Net other operating income	747	526	252	1 250	1 055	601	372	1 264	842
Net operating income	**4 547**	**2 933**	**1 427**	**5 244**	**3 913**	**2 418**	**1 259**	**4 563**	**3 272**
Payroll and general administration expenses	1 044	699	356	1 292	960	643	316	1 190	877
Depreciation	144	97	49	218	161	107	52	208	156
Other operating expenses	145	101	45	177	114	75	36	141	95
Total operating expenses	1 334	898	450	1 687	1 235	825	405	1 538	1 128
Profit before write-downs and tax	**3 213**	**2 035**	**977**	**3 556**	**2 678**	**1 593**	**855**	**3 024**	**2 144**
Net gain on fixed assets	0	0	0	0	0	0	0	0	0
Write-downs and losses on loans and guarantees	82	62	33	52	14	25	6	-31	-27
Pre-tax profit	**3 131**	**1 974**	**944**	**3 504**	**2 664**	**1 569**	**849**	**3 055**	**2 172**
Tax	587	316	74	687	495	246	93	542	375
Profit for the period	**2 543**	**1 657**	**870**	**2 817**	**2 168**	**1 322**	**756**	**2 513**	**1 797**
AVERAGE TOTAL ASSETS	**281 546**	**275 656**	**269 829**	**251 847**	**247 667**	**243 251**	**239 313**	**225 560**	**223 192**
PROFIT AS PERCENTAGE OF AVERAGE TOTAL ASSETS									
Interest income and similar income	4,82	4,59	4,48	3,05	2,70	2,51	2,39	2,01	1,97
Interest expenses and similar expenses	3,05	2,86	2,75	1,48	1,18	1,02	0,90	0,57	0,54
Net interest and credit commission income	**1,77**	**1,73**	**1,73**	**1,56**	**1,52**	**1,49**	**1,48**	**1,44**	**1,43**
Commission income and income from banking services	0,27	0,26	0,25	0,31	0,28	0,28	0,27	0,28	0,25
Commission expenses and expenses relating to banking services	0,05	0,05	0,05	0,05	0,05	0,04	0,04	0,05	0,05
Net banking services	0,22	0,21	0,20	0,26	0,23	0,23	0,23	0,24	0,21
Income from ownership interests in associated companies	0,06	0,08	0,08	0,10	0,09	0,08	0,05	0,18	0,14
Net gain/(loss) on financial instruments	-0,03	-0,02	-0,01	0,03	0,14	0,07	0,25	0,03	0,04
Other operating income	0,10	0,11	0,10	0,10	0,11	0,12	0,10	0,12	0,12
Net other operating income	0,35	0,38	0,38	0,50	0,57	0,50	0,63	0,56	0,50
Net operating income	**2,13**	**2,11**	**2,11**	**2,06**	**2,09**	**1,98**	**2,11**	**2,00**	**1,93**
Payroll and general administration expenses	0,50	0,51	0,53	0,51	0,52	0,53	0,54	0,53	0,53
Depreciation	0,07	0,07	0,07	0,09	0,09	0,09	0,09	0,09	0,09
Other operating expenses	0,07	0,07	0,07	0,07	0,06	0,06	0,06	0,06	0,06
Total operating expenses	0,63	0,66	0,68	0,67	0,67	0,68	0,69	0,68	0,68
Profit before write-downs and tax	**1,49**	**1,46**	**1,43**	**1,39**	**1,43**	**1,30**	**1,43**	**1,31**	**1,26**
Net gain on fixed assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Write-downs and losses on loans and guarantees	0,04	0,05	0,05	0,02	0,01	0,02	0,01	-0,01	-0,02
Pre-tax profit	**1,45**	**1,41**	**1,38**	**1,37**	**1,42**	**1,28**	**1,42**	**1,33**	**1,27**
Tax	0,28	0,23	0,11	0,27	0,27	0,20	0,16	0,24	0,22
Profit for the period	**1,17**	**1,18**	**1,27**	**1,10**	**1,15**	**1,08**	**1,26**	**1,09**	**1,05**

Profit development – isolated (group)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Interest income and similar income	3 869	3 293	2 981	2 668	1 978	1 616	1 409	1 240	1 111
Interest expenses and similar expenses	2 476	2 060	1 806	1 533	937	687	522	371	263
Net interest and credit commission income	**1 393**	**1 232**	**1 175**	**1 136**	**1 041**	**930**	**887**	**868**	**849**
Commission income and income from banking services	203	191	168	254	187	171	162	215	147
Commission expenses and expenses relating to banking services	29	35	32	29	34	28	25	28	25
Net banking services	173	156	136	226	153	142	137	188	122
Income from ownership interests in associated companies	22	60	53	95	68	71	28	174	79
Net gain/(loss) on financial instruments	-40	-20	-4	-178	173	-67	146	0	56
Other operating income	65	77	66	53	59	83	61	60	67
Net other operating income	221	274	252	195	453	229	372	422	323
Net operating income	**1 614**	**1 506**	**1 427**	**1 331**	**1 495**	**1 159**	**1 259**	**1 290**	**1 172**
Payroll and general administration expenses	345	344	356	332	318	327	316	313	300
Depreciation	47	48	49	57	55	54	52	52	51
Other operating expenses	44	56	45	63	38	39	36	46	32
Total operating expenses	436	448	450	452	410	420	405	410	383
Profit before write-downs and tax	**1 178**	**1 058**	**977**	**878**	**1 084**	**739**	**855**	**880**	**789**
Net gain on fixed assets									
Write-downs and losses on loans and guarantees	20	29	33	38	-10	19	6	-3	-22
Pre-tax profit	**1 157**	**1 030**	**944**	**840**	**1 095**	**720**	**849**	**883**	**811**
Tax	271	242	74	191	249	153	93	168	174
Profit for the period	**886**	**787**	**870**	**649**	**846**	**567**	**756**	**716**	**636**
AVERAGE TOTAL ASSETS (isolated)	**293 177**	**281 618**	**269 829**	**264 254**	**256 363**	**247 144**	**239 313**	**232 617**	**227 005**
PROFIT AS PERCENTAGE OF AVERAGE TOTAL ASSETS									
Interest income and similar income	5,24	4,69	4,48	4,01	3,06	2,62	2,39	2,11	1,94
Interest expenses and similar expenses	3,39	2,96	2,75	2,33	1,47	1,13	0,90	0,66	0,49
Net interest and credit commission income	**1,85**	**1,73**	**1,73**	**1,67**	**1,59**	**1,49**	**1,48**	**1,46**	**1,46**
Commission income and income from banking services	0,27	0,27	0,25	0,38	0,29	0,28	0,27	0,37	0,26
Commission expenses and expenses relating to banking services	0,04	0,05	0,05	0,04	0,05	0,05	0,04	0,05	0,04
Net banking services	0,23	0,22	0,20	0,34	0,24	0,23	0,23	0,32	0,21
Income from ownership interests in associated companies	0,03	0,09	0,08	0,14	0,11	0,12	0,05	0,30	0,14
Net gain/(loss) on financial instruments	-0,05	-0,03	-0,01	-0,27	0,27	-0,11	0,25	0,00	0,10
Other operating income	0,09	0,11	0,10	0,08	0,09	0,13	0,10	0,10	0,12
Net other operating income	0,30	0,39	0,38	0,29	0,70	0,37	0,63	0,72	0,56
Net operating income	**2,15**	**2,12**	**2,11**	**1,97**	**2,29**	**1,86**	**2,11**	**2,18**	**2,02**
Payroll and general administration expenses	0,46	0,49	0,53	0,50	0,49	0,53	0,54	0,53	0,52
Depreciation	0,06	0,07	0,07	0,09	0,08	0,09	0,09	0,09	0,09
Other operating expenses	0,06	0,08	0,07	0,10	0,06	0,06	0,06	0,08	0,06
Total operating expenses	0,59	0,64	0,68	0,68	0,64	0,68	0,69	0,70	0,67
Profit before write-downs and tax	**1,56**	**1,48**	**1,43**	**1,29**	**1,66**	**1,18**	**1,43**	**1,48**	**1,35**
Net gain on fixed assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Write-downs and losses on loans and guarantees	0,03	0,04	0,05	0,06	-0,02	0,03	0,01	-0,01	-0,04
Pre-tax profit	**1,53**	**1,44**	**1,38**	**1,23**	**1,67**	**1,15**	**1,42**	**1,48**	**1,39**
Tax	0,37	0,34	0,11	0,29	0,38	0,25	0,16	0,29	0,30
Profit for the period	**1,16**	**1,09**	**1,27**	**0,94**	**1,29**	**0,90**	**1,26**	**1,20**	**1,09**

Balance sheet development (group)

	30/09-23	30/06-23	31/03-23	31/12-22	30/09-22	30/06-22	31/03-22	31/12-21	30/09-21
Assets									
Cash to and receivables from central banks	218	514	101	143	1 397	228	651	334	129
Loans to and receivables from credit institutions	1 168	553	1 202	1 018	2 687	3 420	5 370	1 238	973
Net lendings	247 475	240 227	231 264	224 494	217 843	213 430	206 057	202 975	197 273
Shares	286	280	304	226	234	246	261	254	254
Commercial papers and bonds	33 458	34 464	31 141	30 825	31 222	29 724	24 616	22 945	21 515
Financial derivatives	5 112	7 005	5 616	2 575	3 575	2 644	1 073	2 668	3 333
Shareholdings in associated companies	2 618	2 561	2 639	2 586	2 223	2 130	2 197	2 220	2 034
Deferred tax assets	263	117	92	173	0	79	212	239	188
Pension funds	100	100	100	100	96	96	96	96	88
Other intangible assets	261	272	275	276	276	289	298	308	319
Tangible fixed assets	657	665	674	655	650	663	678	650	649
Prepaid expenses	45	88	123	107	45	76	12	56	43
Other assets	4 230	1 617	936	633	2 784	522	3 305	590	928
Total assets	**295 891**	**288 462**	**274 467**	**263 812**	**263 032**	**253 548**	**244 826**	**234 571**	**227 725**
Liabilities and equity									
Liabilities to credit institutions	4 475	6 986	5 326	3 095	2 072	3 493	1 190	4 058	2 603
Deposits	123 493	123 654	115 626	112 274	108 124	106 446	97 366	90 812	91 484
Securitised liabilities	136 457	128 922	124 480	119 836	122 366	117 605	117 620	113 812	108 825
Financial derivatives	1 651	1 574	1 208	1 922	1 831	1 450	2 697	1 530	1 139
Accrued expenses and pre-paid income	197	208	222	220	185	180	212	201	173
Pension commitments	136	136	136	139	132	132	132	132	126
Deferred tax	0	0	0	0	46	0	0	0	0
Other provision for commitments	161	153	128	96	100	87	74	86	84
Tax payable	732	388	126	736	597	471	432	697	272
Subordinated loan capital	2 285	1 963	1 961	1 855	1 827	1 825	1 825	1 937	1 823
Other liabilities	3 403	2 301	4 172	1 746	5 082	2 032	4 111	1 498	1 657
Total liabilities	**272 991**	**266 285**	**253 384**	**241 919**	**242 362**	**233 721**	**225 660**	**214 763**	**208 186**
Equity certificates	2 743	2 743	2 743	2 743	2 683	2 683	2 683	2 683	2 683
Own equity certificates	-7	-2	-2	-3	-4	-4	-5	-5	-13
Premium reserve	1 966	1 966	1 966	1 966	1 837	1 837	1 837	1 837	1 837
Equalisation reserve	2 510	2 526	2 526	3 127	2 020	2 020	2 017	2 499	1 759
Total equity certificate capital	7 212	7 234	7 233	7 833	6 537	6 537	6 532	7 014	6 266
Primary capital	10 373	10 373	10 373	11 254	9 641	9 641	9 641	10 366	9 291
Gift fund	150	150	150	150	150	150	150	150	150
Compensation fund	36	36	36	36	14	14	14	14	14
Total primary capital	10 559	10 559	10 559	11 440	9 806	9 806	9 806	10 531	9 455
Other equity	3 800	2 875	2 125	1 189	3 221	2 380	1 723	857	2 412
Hybrid capital	1 329	1 510	1 166	1 431	1 106	1 105	1 105	1 406	1 406
Total equity	**22 900**	**22 177**	**21 082**	**21 893**	**20 670**	**19 828**	**19 166**	**19 808**	**19 538**
Total liabilities and equity	**295 891**	**288 462**	**274 467**	**263 812**	**263 032**	**253 548**	**244 826**	**234 571**	**227 725**

Explanation of key figures/alternative performance measures – group

Net interest as a percentage of average assets under management	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Net interest as shown in the income statement	1 393	1 041	3 800	2 858	3 994
Correction of interest on hybrid capital entered directly against equity	-28	-13	-72	-38	-58
Net interest used in relevant key figure	1 365	1 028	3 728	2 821	3 936
Average assets under management	293 177	256 363	281 546	247 667	251 847
No. of days	365/92	365/92	365/273	365/273	365/365
Net interest as a percentage of average assets under management	**1,85%**	**1,59%**	**1,77%**	**1,52%**	**1,56%**

Net other operating income as a percentage of net operating income	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Net other operating income as shown in the income statement	221	453	747	1 055	1 250
Net operating income as shown in the income statement	1 614	1 495	4 547	3 913	5 244
Correction of interest on hybrid capital entered directly against equity	-28	-13	-72	-38	-58
Net operating income corrected for hybrid capital interest	1 586	1 481	4 475	3 875	5 186
Net other operating income as a percentage of net operating income	**13,9%**	**30,6%**	**16,7%**	**27,2%**	**24,1%**

Operating expenses as a percentage of net operating income (cost-income)	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Total operating expenses as shown in the income statement	436	410	1 334	1 235	1 687
Net operating income corrected for hybrid capital interest (see above)	1 586	1 481	4 475	3 875	5 186
Operating expenses as a percentage of net operating income (cost-income)	**27,5%**	**27,7%**	**29,8%**	**31,9%**	**32,5%**

Operating expenses as a percentage of net operating income corrected for financial instruments	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Total operating expenses as shown in the income statement	436	410	1 334	1 235	1 687
Net operating income corrected for hybrid capital interest (see above)	1 586	1 481	4 475	3 875	5 186
Correction for financial instruments as shown in the income statement	40	-173	64	-252	-74
Net operating income corrected for financial instruments	1 626	1 308	4 539	3 623	5 112
Operating expenses as a percentage of net operating income corrected for financial instruments	**26,8%**	**31,4%**	**29,4%**	**34,1%**	**33,0%**

Return on equity	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Profit after tax as shown in the income statement	886	846	2 543	2 168	2 817
Correction for interest on the hybrid capital entered directly against equity	-28	-13	-72	-38	-58
Profit after tax corrected for interest on the hybrid capital	858	833	2 472	2 131	2 759
Average equity	21 119	19 143	20 537	18 592	18 950
No. of days	365/92	365/92	365/273	365/273	365/365
Return on equity	**16,1%**	**17,3%**	**16,1%**	**15,3%**	**14,6%**

Profit per equity certificate	3Q 2023	3Q 2022	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Profit after tax corrected for interest on the hybrid capital (see above)	858	833	2 472	2 131	2 759
Weighted equity percentage during the year before allocation	40,6%	40,0%	40,6%	40,0%	40,0%
Average number of outstanding equity certificates during the year	109 569 752	107 181 341	109 611 754	107 161 354	107 355 059
Profit per equity certificate	**3,18**	**3,11**	**9,16**	**7,95**	**10,29**

Explanation of key figures/alternative performance measures – group (cont.)

Lending growth, past 12 months	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Gross lending UB	248 331	218 705	225 374
Gross lending 12 months ago	218 705	198 154	203 835
Change past 12 months	**13,5%**	**10,4%**	**10,6%**

Deposit growth, past 12 months	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Deposits from customers UB	123 493	108 124	112 274
Deposits from customers 12 months ago	108 124	91 484	90 812
Change past 12 months	**14,2%**	**18,2%**	**23,6%**

Deposit coverage	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Net lending	247 475	217 843	224 494
Deposits from customers	123 493	108 124	112 274
Deposit coverage (deposits as percentage of lending)	**49,9%**	**49,6%**	**50,0%**

	01/01-23 -30/09-23	01/01-22 -30/09-22	2022
Gross lending on balance sheet date	248 331	218 705	225 374
Loss cost	82	14	52
Losses on loans as a percentage of gross lending (UB)	**0,03%**	**0,01%**	**0,02%**
Gross lending on balance sheet date	248 331	218 705	225 374
Commitments in default (>90 days)	753	508	472
Commitments in default (>90 days) as a percentage of gross lending (UB)	**0,30%**	**0,23%**	**0,21%**
Gross lending on balance sheet date	248 331	218 705	225 374
Potential bad debt	1 461	1 317	1 250
Potential bad debt as a percentage of gross lending (UB)	**0,59%**	**0,60%**	**0,55%**

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