

SpareBank 1 SR-Bank Group

Alternative Performance Measures (APM)

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Alternative Performance Measures (APMs)

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

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

SpareBank 1 SR-Bank Group (MNOK)

	Q3-23	Q3-22	YTD January-September		Full year 2022
			2023	2022	
Profit after tax	1.062	829	2.972	2.378	3.378
Interest on hybridcapital	54	20	120	61	85
Profit after tax excl. interests on hybridcapital	1.008	809	2.852	2.317	3.293
Total equity	31.074	28.003	31.074	28.003	28.889
Hybridcapital	3.055	1.700	3.055	1.700	1.700
Equity excl. Hybridcapital	28.018	26.303	28.018	26.303	27.189
Average equity excl. Hybridcapital	27.527	25.872	27.463	25.810	26.086
Annualized profit after tax excl. interests on hybridcapital	3.999	3.210	3.813	3.098	3.293
Average equity excl. hybridcapital	27.527	25.872	27.463	25.810	26.086
Return on equity	14,5 %	12,4 %	13,9 %	12,0 %	12,6 %
Total operating costs	786	677	2.364	2.074	2.825
Net income	2.103	1.726	6.086	5.028	7.042
Cost to income ratio Group	37,4 %	39,2 %	38,9 %	41,2 %	40,1 %
Total operating costs	603	502	1.761	1.506	2.068
Net income excl. income on financial investments	1.917	1.361	5.288	3.948	5.503
Cost to income ratio Banking Group	31,4 %	36,9 %	33,3 %	38,1 %	37,6 %
Net interest income	1.596	1.115	4.421	3.230	4.516
Total assets	362.823	334.255	362.823	334.255	345.931
Average total assets	363.341	323.658	361.850	315.713	321.177
Average net interest margin	1,74 %	1,37 %	1,63 %	1,37 %	1,41 %
Interest receipts from lending to corporate market	1.578	856	3.905	2.157	3.268
3 month money market rate	-1.009	-409	-2.262	-789	-1.419
Interest margin lending to corporate market	569	447	1.643	1.368	1.850
Average lending volume corporate market	85.808	74.923	83.059	71.682	73.052
Net lending margins corporate market	2,63 %	2,37 %	2,64 %	2,55 %	2,53 %
Interest receipts from lending to SME & agriculture	341	199	909	522	772
3 month money market rate	-229	-102	-563	-208	-355
Interest margin lending to SME & agriculture	111	96	345	313	417
Average lending volume SME & agriculture	20.200	17.373	19.508	16.846	17.185
Net lending margins SME & agriculture	2,19 %	2,20 %	2,37 %	2,49 %	2,43 %
Interest receipts from lending to retail market incl. Loans to employees	1.996	1.043	5.343	2.712	4.126
3 month money market rate	-1.837	-905	-4.608	-1.854	-3.118
Interest margin lending to retail market incl. Loans to employees	158	138	735	858	1.008
Average lending volume retail market incl. Loans to employees	160.910	152.234	158.945	149.300	150.750
Net lending margin retail market incl. Loans to employees	0,39 %	0,36 %	0,62 %	0,77 %	0,67 %
Interest payments on deposits from corporate market	-644	-358	-1.732	-790	-1.269
3 month money market rate	659	353	1.742	721	1.206
Interest margin on deposits corporate market	15	-6	10	-69	-63
Average volume deposits corporate market	56.294	60.544	58.750	61.889	61.059
Net margin on deposits corporate market	0,10 %	-0,04 %	0,02 %	-0,15 %	-0,10 %
Interest payments on deposits from SME & agriculture	-105	-29	-256	-54	-103
3 month money market rate	251	106	627	206	359
Interest margin on deposits SME & agriculture	146	77	370	152	255
Average volume deposits SME & agriculture	21.350	17.740	20.887	16.975	17.318
Net margin on deposits SME & agriculture	2,72 %	1,73 %	2,37 %	1,20 %	1,48 %
Interests on deposits retail market	-423	-164	-1.044	-373	-631
3 month money market rate	812	407	2.017	813	1.376
Interest margin on deposits retail market	390	243	973	440	745
Average volume deposits retail market	69.372	68.185	67.962	66.401	66.741
Net margin on deposits retail market	2,23 %	1,42 %	1,91 %	0,89 %	1,12 %
Combined weighted average margin for lending and deposits - corporate market	1,63 %	1,29 %	1,56 %	1,30 %	1,33 %
Combined weighted average margin for lending and deposits - SME & agriculture	2,46 %	1,96 %	2,37 %	1,84 %	1,95 %
Combined weighted average margin for lending and deposits - retail market incl. Loans to employees	0,94 %	0,69 %	1,01 %	0,80 %	0,81 %
Average margin for lending to customers - Group	1,25 %	1,11 %	1,39 %	1,43 %	1,36 %
Average margin for deposits from customers - Group	1,49 %	0,85 %	1,23 %	0,48 %	0,65 %
Combined weighted average margin for lending and deposits - Group	1,33 %	1,01 %	1,33 %	1,07 %	1,09 %

Gross loans to customers end of period			269.566	248.237	252.957
Gross loans to customers end of period previous year			248.237	226.952	230.299
Lending growth			21.330	21.284	22.658
Growth in loans over last 12 months			8,6 %	9,4 %	9,8 %
Deposit from customers end of period			150.534	143.989	148.100
Deposits from customers end of period previous year			143.989	132.283	137.664
Growth in deposits			6.545	11.706	10.436
Growth in deposits over last 12 months			4,5 %	8,8 %	7,6 %
Deposit from customers			150.534	143.989	148.100
Gross loans to customers			269.566	248.237	252.957
Deposit to loan ratio			55,8 %	58,0 %	58,5 %
Impairments on loans and financial commitments	-78	5	-142	-31	5
Annualized Impairments on loans and financial commitments	-311	20	-189	-42	5
Average gross lending to customers	267.224	245.552	261.262	239.268	241.628
Impairment ratio, annualized	-0,12 %	0,01 %	-0,07 %	-0,02 %	0,00 %
Financial commitments			59.201	56.534	57.532
Loans in Stage 2			23.676	13.534	14.667
Financial commitments in Stage 2			3.416	2.054	2.775
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments to customers			8,24 %	5,11 %	5,62 %
Loans in Stage 3			2.707	3.118	3.112
Financial commitments in Stage 3			902	1.131	1.086
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments to customers			1,10 %	1,39 %	1,35 %
Number of share issued, millions			255,75	255,75	255,75
Shares hold by the Group			0,04	0,03	0,03
Outstanding shares			255,71	255,72	255,72
Book equity per share (including dividends) (group)			109,57	102,86	106,32
Earnings per share, NOK	3,94	3,16	11,15	9,06	12,88
Market price	122,70	102,00	122,70	102,00	120,70
Annualized earnings per share, NOK	15,64	12,55	14,91	12,12	12,88
Price / Earnings per share	7,85	8,13	8,23	8,42	9,37
Market price			122,70	102,00	120,70
Book equity per share (including dividends) (group)			109,57	102,86	106,32
Price / Book equity			1,12	0,99	1,14
Days in the year	365	365	365	365	365
Days in the quarter	92	92	92	92	92
Number of days YTD	273	273	273	273	365