

Sbanken

Q3

Third quarter 2022

(Unaudited)

Sbanken ASA

Q3

Third quarter 2022 – Highlights Sbanken ASA

Annual lending growth

15.2 %
(-1.5 %*)

Cost-to-income ratio

38.8 %
(44.7 %*)

ROE

12.3 %
(9.2 %*)

Net interest margin

1.60 %
(1.50 %*)

Loan loss ratio

0.02 %
(0.03 %*)

CET1 ratio

15.1 %**
(15.6 %*)

* Comparable figure corresponding period last year.

** Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Key figures (group)

In NOK thousand	Reference	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Summary of income statement						
Net interest income		435 031	373 381	1 217 913	1 150 439	1 517 710
Net fee and commission income		81 453	50 940	195 125	146 201	210 573
Net other income		-14 002	-18 888	-21 791	-35 405	-34 995
Total income		502 482	405 433	1 391 247	1 261 235	1 693 288
Other operating expenses		-195 150	-181 056	-605 731	-546 895	-741 203
Operating profit before loan losses		307 332	224 377	785 516	714 340	952 085
Loan losses		-4 254	-5 252	-11 272	821	3 470
Earnings before tax		303 078	219 125	774 244	715 161	955 555
Calculated tax		-73 247	-50 778	-175 430	-164 410	-222 015
Net profit		229 830	168 347	598 813	550 751	733 540
Profitability						
Return on equity	1	12.3 %	9.2 %	10.9 %	10.1 %	10.3 %
Net interest margin	2	1.60 %	1.50 %	1.54 %	1.54 %	1.53 %
Cost-to-income ratio	3	38.8 %	44.7 %	43.5 %	43.4 %	43.8 %
Earnings per share		2.07	1.52	5.38	4.98	6.62
Balance sheet figures (in NOK million)						
Total loan volume		94 920	82 388	94 920	82 388	84 671
Customer deposits		65 637	63 845	65 637	63 845	64 240
Deposit-to-loan ratio	4	72.5 %	77.9 %	73.3 %	74.6 %	75.2 %
Lending growth (gross) previous 12 months		15.2 %	-1.5 %	15.2 %	-1.5 %	1.5 %
Average total assets	5	108 152	98 433	105 964	99 643	98 953
Total assets, end of period		111 093	101 684	111 093	101 684	102 274
Book value per share		68.12	66.54	68.12	66.54	63.50
Losses and defaults						
Total loan loss (%)	6	0.02 %	0.03 %	0.02 %	0.00 %	0.00 %
Capital adequacy and leverage ratio						
Common equity Tier 1 capital ratio	7	15.1 %	15.6 %	15.1 %	15.6 %	16.8 %
Tier 1 capital ratio		16.7 %	17.4 %	16.7 %	17.4 %	18.6 %
Total capital ratio		18.7 %	19.7 %	18.7 %	19.7 %	20.8 %
Leverage ratio		6.1 %	6.2 %	6.1 %	6.2 %	6.8 %
Employment						
FTEs		333	323	333	323	323

References

- 1) Return to shareholders after tax (annualised) as a percentage of average shareholder equity in the period.
- 2) Net interest income (annualised) as a percentage of average total capital
- 3) Operating expenses before loss as a percentage of total income
- 4) Average deposits from customers as a percentage of average loan volume
- 5) Average total assets in the period
- 6) Loan losses as a percentage of average loan volume in the period
- 7) Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Third Quarter Results

The Sbanken group recorded a profit before tax of NOK 303.1 million in the third quarter, compared with NOK 219.1 million in the third quarter of 2021. Net interest income increased to NOK 435.0 (373.4) million, while net fee and commission income increased by 59.9 per cent to NOK 81.5 (50.9) million. Total customer lending at quarter-end was NOK 94.9 (82.4) billion. Funds under management decreased to NOK 27.9 (30.3) billion. Return on equity in the third quarter was 12.3 (9.2) per cent.

Important events during the quarter

In September the Boards of Directors of DNB Bank ASA and Sbanken ASA signed the merger plan for the merger of Sbanken into DNB.

Norges Bank raised the key policy rate with 0.50 percentage points, to 1.75 percent in August, and a further 0.50 percentage points to 2.25 percent in September.

Sbanken has sold its shares in Quantfolio AS, for NOK 28.9 million, booking a realised gain of NOK 26.5 million.

For the 14th consecutive year, Sbanken was placed number one on EPSI's annual customer satisfaction survey, being the only bank to achieve a score above 80.

Operating income

Operating income amounted to NOK 502.5 (405.4) million, following an increase in net interest income of NOK 61.7 million, an increase in net fee and commission income of NOK 30.5 million and an increase in other operating income of NOK 4.9 million from the third quarter of 2021.

Net interest income increased to NOK 435.0 (373.4) million. The net interest margin was 1.60 per cent, up from 1.50 per cent in the third quarter of 2021. Compared to the previous quarter, the net interest margin was up 4 basis points.

Net fee and commission income increased to NOK 81.5 (50.9) million.

The effective lending rate increased to 2.65 per cent, compared to 1.88 per cent in the third quarter of 2021, and 2.32 per cent in the previous quarter.

The effective funding rate increased to 1.05 per cent, compared with 0.37 per cent in the third quarter of 2021. The funding rate increased by 28 basis points from the previous quarter.

Operating expenses

Operating expenses amounted to NOK 195.2 (181.1) million in the quarter.

The cost-to-income ratio was 38.8 per cent in the quarter, compared to 44.7 per cent in the third quarter of 2021.

Impairments and losses

Loan losses amounted to NOK 4.3 million (5.3) in the quarter, equivalent to a loan loss ratio of 0.02 per cent.

Total expected credit losses amounted to NOK 331.2 million at quarter-end, of which NOK 57.0 million related to secured loans and NOK 274.2 million to unsecured loans.

Taxes

The estimated tax expense amounted to NOK 73.3 (50.8) million, corresponding to an effective tax rate of 24.2 (23.2) per cent.

Loans to and deposits from customers

At the end of the quarter, loans to customers totalled NOK 94.9 (82.4) billion. Lending growth over the past 12 months was 15.2 per cent. Mortgage lending increased with NOK 4.3 billion to NOK 91.2 billion in the quarter.

Outstanding consumer loans amounted to NOK 1.1 (1.4) billion at quarter-end 2021, down from 1.2 in the previous quarter.

Customer deposits increased to NOK 65.6 (63.8) billion, a 2.8 per cent increase from the third quarter of 2021.

Savings

Funds under management (FuM) were NOK 27.9 billion, compared to NOK 30.3 billion at the end of the third quarter 2021 and NOK 28.6 billion at the end of the previous quarter.

Net client cash flow in the quarter was negative in the amount of NOK 0.3 billion.

Comments on the results for the first nine months of 2022

Sbanken recorded a net profit of NOK 598.8 million in the first nine months of 2022, compared with NOK 550.8 million in the first nine months of 2021.

Net interest income increased by 5.9 per cent to NOK 1,217.9 (1,150.4) million. Net fee and commission income increased by 33.5 percent to NOK 195.1 (146.2) million.

Operating expenses increased by 10.8 per cent to NOK 605.7 (546.9) million.

Loan losses were NOK 11.3 million (positive 0.8). The loan loss ratio was 0.02 per cent, compared to a loss ratio of 0.00 per cent in the first nine months of 2021.

Capital adequacy, leverage ratio and risk factors

Sbanken currently has a regulatory CET1 requirement of 13.0 per cent and a capital ratio target of 13.5 per cent. At quarter-end, Sbanken had a CET1 capital ratio of 15.1 per cent. The tier 1 capital ratio was 16.7 per cent and

the total capital ratio was 18.7 per cent, while the leverage ratio was 6.1 per cent.

Sbanken's financial risk mainly consists of credit risk, market risk and liquidity risk. The credit risk comprises of lending to the public primarily in the form of mortgages, car loans and unsecured credit products. Sbanken has a high-quality lending portfolio predominately composed of mortgages with a moderate loan-to-value (LTV) ratio. At quarter-end, the average LTV was 50.5 per cent, up from 49.6 per cent in the previous quarter. Mortgage lending accounted for 96.0 per cent of the gross lending portfolio.

Sbanken is exposed to market risks such as interest rate risk, share price risk and credit spread risk. The exposure to share price risk amounted to NOK 83.2 million at the end of the quarter, of which 69.5 million related to the valuation of the bank's shares in VN Norge AS (Visa). The majority of lending provided by Sbanken has variable interest rates. Interest rate swaps are used to reduce interest rate risk that arises with fixed rate mortgages. All deposits have variable interest rates, while capital market funding uses three-month Nibor as reference rate. At quarter-end, Sbanken had a liquidity portfolio of NOK 13.5 billion in interest-bearing securities issued by sovereigns, municipalities and financial institutions. The corresponding credit spread risk was estimated at NOK 272.0 million.

At the end of the quarter, Sbanken had a liquidity coverage ratio (LCR) of 224 per cent against a minimum requirement of 100 per cent. The net stable funding ratio (NSFR) was 145 per cent.

Sbanken had outstanding capital market funding amounting to NOK 35.3 billion at quarter-end. Sbanken Boligkreditt's total nominal issue of covered bonds amounted to NOK 30.7 billion. At the end of the quarter, Sbanken had a deposit-to-loan ratio of 72.5 per cent, compared to 77.9 per cent at the end of the previous quarter and 77.9 per cent at the end of the third quarter of 2021. 90.9 per cent of deposits were covered by the existing Deposit

Guarantee Fund (NOK 2.0 million) and 78.8 per cent by the harmonised EU Deposit Guarantee Scheme (EUR 0.1 million).

Sbanken ASA's long-term credit is rated Aa2, by Moody's, with a positive outlook. Covered bonds issued by Sbanken Boligkreditt AS have a long-term rating of Aaa from Moody's.

Macroeconomic and regulatory developments

In the third quarter of 2022, the inflationary pressure in the economy was high, and there were volatile energy prices as well as geopolitical uncertainties. Taken together, this increases economic risks and may hamper the economic outlook.

In the September monetary policy report, Norges Bank projected that the key policy rate is likely to be raised 0.25 percentage points several times in 2022 and 2023 towards a level of around 3.10 per cent at the end of 2023.

Mainland GDP grew 4.2 per cent in 2021. Growth is forecasted to be reduced to 2.8 per cent in 2022 before a contraction of 0.3 per cent in 2023, and growth of 0.4 per cent in 2024.

Registered unemployment was 1.6 per cent at quarter-end, down from 2.0 per cent as at the end of the previous quarter. The average annual unemployment rate is forecasted at 1.8 per cent in 2022 and 2.0 per cent in 2023.

Norges Bank projects housing prices to increase by 5.5 per cent in 2022, and then fall by 2.4 per cent in 2023. Credit growth for households is forecasted at 4.3 per cent for 2022.

Subsequent events

No significant events have occurred after 30 September 2022 that affect the financial statements for the third quarter of 2022.

Bergen, 19 October 2022

The Board of Directors of Sbanken ASA


Ingjerd Blekeli Spiten
(Chair)


Mai-Lill Ibsen


Tor Arne Hansen


Sarah Lunde Mjåtvedt


Tore Olaf Rimmereid


Stein Zahl Pettersen


Øyvind Thomassen
(CEO)

Income statement

(Sbanken group)

In NOK thousand	Note	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Interest income from financial instruments using the effective interest method	8	722 070	465 275	1 848 871	1 452 559	1 939 390
Other interest income	8	0	0	0	0	0
Interest expense	8	-287 039	-91 893	-630 958	-302 120	-421 680
Net interest income		435 031	373 381	1 217 913	1 150 439	1 517 710
Commission and fee income	9	114 574	84 604	296 111	241 997	332 604
Commission and fee expense	9	-33 121	-33 664	-100 986	-95 796	-122 031
Net commission and fee income		81 453	50 940	195 125	146 201	210 573
Net gain/(loss) on financial instruments	10	-14 002	-18 888	-21 791	-35 405	-35 005
Other income		0	0	0	0	10
Other operating income		-14 002	-18 888	-21 791	-35 405	-34 995
Personnel expenses	11	-90 801	-84 858	-260 860	-256 424	-336 733
Administrative expenses	11,14	-91 791	-80 082	-308 433	-242 675	-332 152
Depreciation and impairment of fixed and intangible assets		-12 558	-16 116	-36 438	-47 796	-72 318
Profit before loan losses		307 332	224 377	785 516	714 340	952 085
Loan losses	6	-4 254	-5 252	-11 272	821	3 470
Profit before tax		303 078	219 125	774 244	715 161	955 555
Tax expense		-73 247	-50 778	-175 430	-164 410	-222 015
Profit for the period		229 830	168 347	598 813	550 751	733 540
Attributable to						
Shareholders		221 410	162 101	575 097	531 751	707 781
Additional Tier 1 capital holders		8 420	6 246	23 716	19 000	25 759
Profit for the period		229 830	168 347	598 813	550 751	733 540

Earnings per share, see note 15.

Statement of comprehensive income

(Sbanken group)

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Profit for the period	229 830	168 347	598 813	550 751	733 540
Other comprehensive income:					
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI)	-16 969	10 291	-106 646	-620	-34 200
Tax effect	2 962	-2 366	25 435	123	8 637
Other comprehensive income that can be reclassified to profit or loss after tax	-14 007	7 925	-81 211	-497	-25 563
Actuarial gains (losses)	0	0	0	0	-8 430
Tax effect	0	0	0	0	2 107
Other comprehensive income that can-not be reclassified to profit or loss after tax	0	0	0	0	-6 323
Total components of other comprehensive income (after tax)	-14 007	7 925	-81 211	-497	-31 886
Total comprehensive income for the period	215 823	176 272	517 602	550 254	701 654
Attributable to					
Shareholders	207 403	170 026	493 886	531 254	675 895
Additional Tier 1 capital holders	8 420	6 246	23 716	19 000	25 759
Total comprehensive income for the period	215 823	176 272	517 602	550 254	701 654

Balance sheet

(Sbanken group)

In NOK thousand	Note	30.09.22	30.09.21	31.12.21
Assets				
Cash and receivables with central bank	12	572 493	581 647	510 676
Loans to and receivables from credit institutions	12	943 017	1 092 541	856 622
Loans to customers	5, 6, 12	94 593 545	82 037 172	84 346 875
Net loans to customers, central bank and credit institutions		96 109 055	83 711 360	85 714 173
Commercial paper and bonds at fair value through OCI	12, 13	13 522 288	16 551 591	15 487 702
Equity and funds	12, 13	287 292	286 980	309 142
Derivatives	13	731 044	455 198	377 403
Intangible assets		100 027	112 626	103 350
Deferred tax assets		64 812	22 442	35 638
Property, plant and equipment		74 909	91 721	86 411
Other assets		90 588	376 820	85 488
Advance payment and accrued income		113 396	75 147	74 280
Total assets		111 093 411	101 683 885	102 273 586
Liabilities				
Loans and deposits from central bank		0	0	0
Loans and deposits from credit institutions	12	553 168	401 606	326 830
Deposits from customers	12	65 636 722	63 845 031	64 240 315
Debt securities issued	7, 12.14	35 331 086	27 840 858	28 500 950
Derivatives		64 400	10 979	14 607
Taxes payable		164 909	180 668	217 805
Pension commitments		22 459	36 998	22 459
Other liabilities		439 361	656 144	564 335
Subordinated loans	7, 12, 14	899 350	899 071	899 151
Total liabilities		103 111 455	93 871 355	94 786 452
Equity				
Share capital		1 068 693	1 068 693	1 068 693
Share premium		2 625 895	2 625 895	2 625 895
Additional Tier 1 capital		702 324	701 200	701 389
Other equity		3 585 043	3 416 742	3 091 157
Total equity		7 981 955	7 812 530	7 487 134
Total liabilities and equity		111 093 411	101 683 885	102 273 586

Subsequent events

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Statement of changes in equity

(Sbanken group)

In NOK thousand	Share capital	Share premium	Additional Tier 1 capital	Actuarial gains and losses	Changes in fair value of financial instruments at fair value through OCI	Other equity	Total equity
Balance sheet as at 01.01.21	1 068 693	2 625 895	701 223	-25 005	-22 920	3 270 052	7 617 936
Profit for the period to other equity (01.01.21 to 30.09.21)						531 751	531 751
Profit for the period to Tier 1 capital holders (01.01.21 to 30.09.21)			19 000				19 000
Payments to Tier 1 capital holders (01.01.21 to 30.09.21)			-19 023				-19 023
Actuarial gains and losses for the period (01.01.21 to 30.09.21)				0			0
Net change in fair value of financial instruments at fair value through OCI (01.01.21 to 30.09.21)					-497		-497
Paid dividend to shareholders						-336 638	-336 638
Balance sheet as at 30.09.21	1 068 693	2 625 895	701 200	-25 005	-23 417	3 465 165	7 812 530
Profit for the period to other equity (01.10.21 to 31.12.21)						176 030	176 030
Profit for the period to Tier 1 capital holders (01.10.21 to 31.12.21)			6 759				6 759
Payments to Tier 1 capital holders (01.10.21 to 31.12.21)			-6 570				-6 570
Actuarial gains and losses for the period (01.10.21 to 31.12.21)				-6 323			-6 323
Net change in fair value of financial instruments at fair value through OCI (01.10.21 to 31.12.21)					-25 066		-25 066
Paid dividend to shareholders						-470 225	-470 225
Balance sheet as at 31.12.21	1 068 693	2 625 895	701 389	-31 328	-48 483	3 170 970	7 487 134
Profit for the period to other equity (01.01.22 to 30.09.22)						575 097	575 097
Profit for the period to Tier 1 capital holders (01.01.22 to 30.09.22)			23 716				23 716
Payments to Tier 1 capital holders (01.01.22 to 30.09.22)			-22 781				-22 781
Actuarial gains and losses for the period (01.01.22 to 30.09.22)				0			0
Net change in fair value of financial instruments at fair value through OCI (01.01.22 to 30.09.22)					-81 211		-81 211
Balance sheet as at 30.09.22	1 068 693	2 625 895	702 324	-31 328	-129 694	3 746 067	7 981 955

Statement of cash flows

(Sbanken group)

In NOK thousand	Note	Jan-Sep 22	Jan-Sep 21	2021
Cash flows from operating activities				
Net payments on loans to customers	5	-10 395 718	860 897	-1 380 979
Interest received on loans to customers	8	1 617 683	1 356 394	1 774 035
Net receipts on deposits from customers	12	1 396 407	5 201 401	5 596 688
Interest paid on deposits from customers	8	-237 216	-130 786	-151 980
Net receipts/payments from buying and selling financial instruments at fair value	12, 13	1 900 686	-2 081 175	-1 325 202
Interest received from commercial paper and bonds	8	177 227	112 620	149 644
Receipts of collateral related to derivatives used in hedge accounting		229 660	-141 125	-215 902
Net receipts/payments on deposits from credit institutions and central bank		0	-2 250 000	-2 250 000
Interest paid on deposits from credit institutions	8	-1 646	-2 011	-2 201
Interest received on loans to credit institutions and central bank	8	7 871	1 430	2 601
Receipts related to commissions and fees	9	293 058	240 596	306 367
Payments related to commissions and fees	9	-110 862	-91 161	-119 029
Payments related to administrative expenses	11	-294 998	-217 846	-315 529
Payments related to personnel expenses	11	-288 052	-263 513	-317 877
Taxes paid		-232 064	-209 307	-231 178
Other receipts/payments		-161 995	-128 261	76 467
Net cash flows from operating activities		-6 099 959	2 258 153	1 595 925
Cash flows from investment activities				
Invested in associated company		0	0	0
Payments on the acquisition of fixed assets		-2 366	-4 392	-4 588
Payments on the acquisition of intangible assets		-25 442	-26 108	-23 418
Net cash flows from investment activities		-27 808	-30 500	-28 006
Cash flows from financing activities				
Receipts on share capital and share premium net of issuing cost	EQ	0	0	0
Paid dividend to shareholders	EQ	0	-336 638	-806 863
Receipts on subordinated loans	7	150 000	0	0
Payments on matured and redeemed subordinated loans	7	-150 000	0	0
Interest paid on subordinated loans	8	-17 464	-10 651	-17 151
Receipts on issued additional Tier1 capital		100 000	0	0
Payments on matured and redeemed additional Tier1 capital		-100 000	0	0
Interest paid on additional Tier 1 capital	EQ	-22 782	-19 023	-25 593
Receipts on issued bonds and commercial paper	7	12 202 000	5 380 000	7 480 000
Payments on matured and redeemed bonds and commercial paper	7	-5 489 087	-7 456 266	-8 662 775
Interest paid on issued bonds and commercial paper	8	-396 687	-188 672	-246 025
Net cash flows from financing activities		6 275 980	-2 631 250	-2 278 407
Total net cash flow		148 213	-403 597	-710 488
Cash at the beginning of the period		1 367 297	2 077 786	2 077 785
Cash at the end of the period		1 515 510	1 674 188	1 367 297
Change in cash		148 213	-403 597	-710 488
Cash				
Cash and receivables with central bank		572 493	581 647	510 675
Loans to credit institutions		943 017	1 092 541	856 622
Total cash		1 515 510	1 674 188	1 367 297

EQ = Statement of changes in equity.

Notes

(Sbanken group)

Note 1 - Accounting principles and critical accounting estimates and judgment

The quarterly financial statement for the Sbanken group has been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and adopted by the EU. A description of the accounting principles applied in the preparation of the financial statements appears in the annual report for 2021.

The quarterly financial statements of Sbanken ASA is prepared in accordance with the Norwegian regulations on annual accounts (Norwegian accounting act), section 3-9, the Norwegian regulations on annual accounts for banks and IAS 34. The Norwegian regulations on annual accounts for banks, section 3-1 permits recognition of provisions for dividend and group contribution through profit and loss and as an asset at the balance sheet date. For Sbanken ASA there are no other differences from using full IFRS.

When preparing the financial statements, management makes estimates, judgments and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the critical accounting estimates and areas where judgment is applied appears in note 2 in the annual report for 2021.

New and revised standards effective from 1 January 2022

Sbanken ASA has applied no new accounting standards effective from 1 January 2022.

New and revised standards effective from 1 January 2023 or later

Standards and interpretations that will enter into force for the annual periods beginning 1 January 2023 or later have not been used in the preparation of the accounts. For Sbanken ASA no new published standards will have material effect.

Note 2 - Segments

No segment information has been prepared, as the entire operation of the Sbanken group is deemed to constitute one segment, the "Private Consumer Market", under IFRS 8. Sbanken group launched an SME (small and medium entities) offering late June 2019. At present, neither the customer base nor the revenues or costs from the SME offering constitutes a separate reporting segment. Hence in the supervisory activities performed by the board and management, the customer base is not divided into different business segments that are followed up over time.

Note 3 - Capital adequacy

The capital adequacy regulations are intended to improve institutions' risk management and achieve closer concordance between risk and capital. The applicable regulations for Norwegian banks are adapted to the EU's capital adequacy regulations for credit institutions and investment firms (CRD/CRR).

Sbanken ASA uses the standard method to establish the risk-weighted volume credit risk and the standardised approach to establish the risk-weighted volume for operational risk. At the balance sheet date no exposure was included in the risk-weighted volume for market risk. The group mainly engages in banking business and the bank's wholly owned subsidiary, Sbanken Boligkreditt AS, is fully consolidated. There are no differences between solvency and accounting consolidation.

In NOK thousand	30.09.22		30.09.21		31.12.21	
	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume
Central governments	1 273 942	0	2 862 398	0	1 636 276	0
Regional governments	594 416	162 030	1 746 373	231 414	1 576 900	228 088
Multilateral Development Banks	1 610 694	0	1 570 988	0	1 563 271	0
Institutions	1 787 043	410 317	2 105 016	428 433	1 717 129	377 910
Retail	8 599 661	3 332 255	8 586 375	3 295 702	8 614 935	3 337 562
Secured by mortgages on immovable property	114 162 241	35 071 461	95 997 855	29 650 329	99 193 525	30 877 352
Exposures in default	455 814	510 989	541 058	614 920	519 364	582 455
Covered bonds	9 886 272	988 627	10 352 208	1 035 221	10 536 254	1 053 625
Equity	393 311	393 311	368 177	368 723	399 720	400 265
Other items	187 824	187 824	167 677	167 677	162 307	162 307
Total credit risk, standardised method ¹	138 951 218	41 056 814	124 298 125	35 792 419	125 919 681	37 019 564
Credit value adjustment risk (CVA)		19 939		37 564		56 442
Operational risk		2 773 710		2 693 289		2 773 710
Total risk-weighted volume		43 850 463		38 523 272		39 849 716
Capital base						
Share capital		1 068 693		1 068 693		1 068 693
Share premium		2 625 895		2 625 895		2 625 895
Other equity		3 009 946		2 884 991		2 383 376
Additional Tier 1 capital		702 324		701 200		701 389
Profit for the period		575 097		531 751		707 781
Total booked equity		7 981 955		7 812 530		7 487 134
Additional Tier 1 capital instruments included in total equity		-702 324		-701 200		-701 389
Common equity Tier 1 capital instruments		7 279 631		7 111 330		6 785 745
<i>Deductions</i>						
Goodwill, deferred tax assets and other intangible assets		-75 020		-84 470		-77 513
Value adjustment due to the requirements for prudent valuation (AVA)		-13 810		-16 838		-15 796
Dividends payable		0		-470 225		0
Profit for the period, not eligible		-575 097		-531 751		0
Common equity Tier 1 capital		6 615 704		6 008 046		6 692 436
Additional Tier 1 capital		700 000		700 000		700 000
Tier 1 capital		7 315 704		6 708 046		7 392 436
Tier 2 capital		900 000		900 000		900 000
Own funds (primary capital)		8 215 704		7 608 046		8 292 436
Capital requirements						
Minimum requirements - common equity Tier 1 capital	4.5%	1 973 271	4.5%	1 733 547	4.5%	1 793 237
Institution specific Pillar II requirement	1.5%	657 757	1.5%	577 849	1.5%	597 746
Capital conservation buffer	2.5%	1 096 262	2.5%	963 082	2.5%	996 243
Systemic risk buffer	3.0%	1 315 514	3.0%	1 155 698	3.0%	1 195 491
Countercyclical capital buffer	1.5%	657 757	1.0%	385 233	1.0%	398 497
Additional Tier 1 capital	1.5%	657 757	1.5%	577 849	1.5%	597 746
Tier 2 capital	2.0%	877 009	2.0%	770 465	2.0%	796 994
Total minimum and buffer requirements own funds (primary capital)	16.5%	7 235 326	16.0%	6 163 724	16.0%	6 375 955
<i>Available common equity Tier 1 capital after buffer requirements</i>		915 144		1 192 636		1 711 222
<i>Available own funds (primary capital)</i>		980 378		1 444 322		1 916 482

Capital ratio % (regulatory) ²⁾				
Common equity Tier 1 capital		15.1%	15.6%	16.8%
Additional Tier 1 capital		1.6%	1.8%	1.8%
Tier 2 capital		2.1%	2.3%	2.3%
Total capital ratio		18.7%	19.7%	20.8%

¹⁾ The specification is according to EBA reporting framework.

²⁾ Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Note 4 - Leverage Ratio

The leverage ratio requirements is a supplement to the risk-weighted minimum capital requirements and states that the capital base in financial institutions shall also comprise a defined percentage of the value of the company's assets and off-balance-sheet liabilities, calculated without risk weighting. The capital ratio target consists of Tier 1 capital and the exposure target follows the rules in the Commission Delegated Regulation (EU) 2015-62. The minimum leverage ratio requirement for Norwegian banks and credit institutions is three per cent and a buffer requirement of two per cent.

The table below shows the calculation for the bank, on the basis of existing rule proposals and with conversion factors based on the current standardised approach, subject to a floor of 10 per cent.

In NOK thousand		30.09.22	30.09.21	31.12.21
Exposure value on derivatives		64 708	93 950	145 898
Off-balance sheet commitments		9 590 888	6 859 142	7 450 518
Loans and advances and other assets		110 262 339	101 116 060	101 792 833
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		119 917 935	108 069 152	109 389 249
Tier 1 capital ¹⁾		7 315 704	6 708 046	7 392 436
Leverage ratio % (regulatory)		6.1 %	6.2 %	6.8 %
Leverage Ratio requirements				
Minimum requirements	3.0%	3 597 538	3 242 075	3 281 677
Buffer requirements ²⁾	0%/2%	0	2 161 383	2 187 785
Total minimum and buffer requirements (Tier 1 capital)	3%/5%	3 597 538	5 403 458	5 469 462
<i>Available Tier 1 capital after minimum and buffer requirements</i>		3 718 166	1 304 588	1 922 974

¹⁾ Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

²⁾ The special Norwegian buffer requirement for banks expired from June 2022.

Note 5 - Loans to customers

Gross carrying amount				
30.09.22				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers) 01.01.22	80 796 523	3 060 816	813 768	84 671 109
Transfers to Stage 1 (12-months ECL)	581 641	-563 510	-18 131	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-1 412 950	1 477 519	-64 569	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-80 006	-102 446	182 452	0
New financial assets originated	30 310 705	442 375	26 332	30 779 412
Financial assets that have been derecognised	-19 562 923	-640 792	-183 674	-20 387 389
Changes in interest accrual	18 494	1 746	5 954	26 194
Other movements	-169 756	0	0	-169 756
Closing balance gross carrying amount 30.09.22	90 481 728	3 675 708	762 130	94 919 566

Gross carrying amount				
31.12.21				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers) 01.01.21	78 483 644	4 344 627	609 847	83 438 118
Transfers to Stage 1 (12-months ECL)	1 202 654	-1 198 999	-3 655	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-1 112 425	1 121 602	-9 177	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-132 312	-278 852	411 164	0
New financial assets originated	31 064 310	441 955	36 751	31 543 016
Financial assets that have been derecognised	-28 567 347	-1 366 555	-246 742	-30 180 644
Changes in interest accrual	-2 577	-2 962	15 582	10 043
Other movements	-139 424	0	0	-139 424
Closing balance gross carrying amount 31.12.21	80 796 523	3 060 816	813 768	84 671 109

Lending by geographical area				
In NOK thousand	30.09.22		31.12.21	
	Percentage	Gross lending	Percentage	Gross lending
Eastern Norway ex. Oslo	45.8%	43 435 383	45.3%	38 370 605
Oslo	20.5%	19 481 387	19.6%	16 624 833
Southern Norway	2.4%	2 255 342	2.3%	1 962 117
Western Norway	20.1%	19 064 909	21.0%	17 807 262
Central Norway	4.9%	4 625 910	4.8%	4 076 377
Northern Norway	6.4%	6 056 635	6.9%	5 829 915
Total gross lending by geographical area	100.0%	94 919 566	100.0%	84 671 109

Note 6 - Loan losses

Expected credit loss (ECL) - Loans to customers				
January - September 2022				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance ECL 01.01.22	14 819	40 240	273 997	329 056
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	685	-6 891	-1 727	-7 933
Transfers to Stage 2	-1 309	12 797	-3 947	7 541
Transfers to Stage 3	-469	-3 743	21 687	17 475
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers ¹	-1 991	-2 545	10 118	5 582
<i>Other changes:</i>				
New financial assets originated	4 253	8 260	2 099	14 612
Financial assets that have been derecognised	-3 170	-7 160	-24 850	-35 180
Financial assets that have been derecognised through sale of portfolio			0	0
Changes to model assumption and methodologies	0	0	0	0
Other movements	0	0	0	0
Closing balance ECL 30.09.22	12 818	40 958	277 377	331 152

¹As of 30.09.2022, the bank has included a credit loss provision of NOK 25.0 for unsecured loans in addition to the model calculation. The provision is included to account for potential uncertainty related to outbreak of coronavirus. The distribution of this provision is as follows: stage 1 NOK 0.8 million, stage 2 NOK 2.3 million and stage 3 NOK 21.9 million.

Specification of ECL

In NOK thousands	30.09.22			
ECL On-balance sheet amounts 30.09.22	10 923	39 239	275 859	326 021
ECL Off-balance sheet amounts 30.09.22	1 895	1 719	1 518	5 131
Closing balance ECL 30.09.22	12 818	40 958	277 377	331 152

In NOK thousands	30.09.22			
Secured loans	3 605	6 634	46 721	56 960
Unsecured loans	9 213	34 324	230 656	274 193
Total	12 818	40 958	277 377	331 152

ECL by geographical area

In NOK thousands	30.09.22
Eastern Norway ex. Oslo	115 734
Oslo	51 742
Southern Norway	13 664
Western Norway	99 631
Central Norway	21 957
Northern Norway	28 424
Total	331 152

Specification of loan losses

In NOK thousands	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Changes in ECL, stage 1	99	2 216	2 001	8 383	8 292
Changes in ECL, stage 2	-2 203	6 264	-718	50 272	51 616
Changes in ECL, stage 3	30	-11 351	-3 380	-53 211	-27 431
Write-offs	-2 331	-2 495	-9 884	-4 888	-29 858
Recoveries of previously written off loans	151	114	709	265	851
Net cost of loan losses in the period	-4 254	-5 252	-11 272	821	3 470

Sbanken ASA has no expected credit loss related to loans to central bank, credit institutions and commercial paper and bonds.

Expected credit loss (ECL) - Loans to customers

January - December 2021

In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL(not impaired)	Stage 3, Lifetime ECL(impaired)	Total
Opening balance ECL 01.01.21	23 111	91 857	246 565	361 533
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	1 156	-14 178	-927	-13 949
Transfers to Stage 2	-1 041	7 941	-1 540	5 360
Transfers to Stage 3	-231	-3 888	22 769	18 650
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers ¹	-5 784	-14 998	11 835	-8 947
<i>Other changes:</i>				
New financial assets originated	5 344	11 295	6 386	23 025
Financial assets that have been derecognised	-6 487	-20 893	-20 650	-48 030
Financial assets that have been derecognised through sale of portfolio			-31 715	-31 715
Changes to model assumption and methodologies ²	-1 249	-16 896	41 274	23 129
Other movements	0	0	0	0
Closing balance ECL 31.12.21	14 819	40 240	273 997	329 056

¹As of 31.12.2021, the bank has included a credit loss provision of NOK 25.0 for unsecured loans in addition to the model calculation. The provision is included to account for potential uncertainty related to outbreak of coronavirus. The distribution of this provision is as follows: stage 1 NOK 0.8 million, stage 2 NOK 2.3 million and stage 3 NOK 21.9 million.

² Effects related to new definition of default.

Specification of ECL

In NOK thousands	31.12.21			
ECL On-balance sheet amounts 31.12.21	12 943	38 788	272 503	324 234
ECL Off-balance sheet amounts 31.12.21	1 876	1 452	1 494	4 822
Closing balance ECL 31.12.21	14 819	40 240	273 997	329 056
In NOK thousands	31.12.21			
Secured loans	3 390	5 118	47 798	56 306
Unsecured loans	11 429	35 122	226 199	272 750
Total	14 819	40 240	273 997	329 056

ECL by geographical area

In NOK thousands	31.12.21
Eastern Norway ex. Oslo	116 930
Oslo	48 571
Southern Norway	13 436
Western Norway	99 104
Central Norway	22 120
Northern Norway	28 895
Total	329 056

Specification of loan losses

In NOK thousands	2021	2020
Changes in ECL, stage 1	8 292	-4 496
Changes in ECL, stage 2	51 616	-14 737
Changes in ECL, stage 3	-27 431	-78 057
Write-offs	-29 858	-36 672
Recoveries of previously written off loans	851	480
Net cost of loan losses in the period	3 470	-133 482

Sbanken ASA has no expected credit loss related to loans to central bank, credit institutions and commercial paper and bonds.

Note 7 - Debt securities issued and subordinated loans

Carried at amortised cost:

In NOK thousand	Currency	30.09.22	30.09.21	31.12.21
Bonds issued	NOK	35 331 086	27 840 858	28 500 950
Subordinated loans	NOK	899 350	899 071	899 151
Total debt securities issued and subordinated loans		36 230 436	28 739 929	29 400 101

Specification of bonds and subordinated loans as at 30.09.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Bonds						
NO0010874878	Sbanken ASA	467 000	NOK	Floating	10.02.23	466 776
NO0010886757	Sbanken ASA	800 000	NOK	Floating	26.09.23	800 709
NO0010895519	Sbanken ASA	1 000 000	NOK	Floating	12.04.24	999 751
NO0010920762	Sbanken ASA	2 000 000	NOK	Floating	12.12.24	1 995 796
Total bonds		4 267 000				4 263 032
Bonds, senior non-preferred						
NO0011087587	Sbanken ASA	2 300 000	NOK	Floating	08.09.25	2 282 434
NO0011087595	Sbanken ASA	800 000	NOK	Fixed	07.09.27	737 285
Total bonds, senior non-preferred		3 100 000				3 019 719
Covered bonds ¹						
NO0010790603	Sbanken Boligkreditt AS	3 885 000	NOK	Floating	10.02.23	3 886 617
NO0010887078	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	17.06.24	5 011 085
NO0010878978	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	20.06.25	5 032 988
NO0010958093	Sbanken Boligkreditt AS	7 000 000	NOK	Floating	20.11.26	7 069 654
NO0012483835	Sbanken Boligkreditt AS	1 800 000	NOK	Floating	29.03.27	1 785 960
XS1813051858	Sbanken Boligkreditt AS	500 000	EURO	Fixed	26.04.23	5 262 031
Total covered bonds						28 048 335
Total bonds and covered bonds						35 331 086

¹ All covered bond loans have "soft bullet" with the possibility of extending the maturity by one year.

Subordinated loans

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity ²	Carrying value
NO0010847205	Sbanken ASA	125 000	NOK	Floating	21.03.29	125 000
NO0010871502	Sbanken ASA	125 000	NOK	Floating	19.12.29	125 001
NO0010885197	Sbanken ASA	350 000	NOK	Floating	17.06.30	349 548
NO0010891922	Sbanken ASA	150 000	NOK	Floating	28.08.30	149 799
NO0011203598	Sbanken ASA	150 000	NOK	Floating	14.01.32	150 002
Total subordinated loans		900 000				899 350

² First possible call date for the issuer is 5 years before date of maturity. The loan agreement has covenants to qualify as Tier 2 capital.

Changes of debt securities and subordinated loans:

	31.12.21	January- September 2022			Other adjustments	30.09.22
		Issued	Matured	Redeemed		
Bonds (nominal)	3 990 000	1 500 000	0	-1 223 000	0	4 267 000
Bonds, senior non-preferred (nominal)	1 200 000	1 900 000	0	0	0	3 100 000
Covered Bonds (nominal)	22 985 000	8 802 000	0	-4 297 000	0	27 490 000
Subordinated loans (nominal)	900 000	150 000	0	-150 000	0	900 000
Total	29 075 000	12 352 000	0	-5 670 000	0	35 757 000

Note 8 - Net interest income

Net interest income

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Loans to and receivables from credit institutions and central bank	3 624	588	7 872	1 430	2 601
Loans to customers ¹	637 921	435 616	1 649 413	1 348 617	1 789 628
Commercial paper and bonds ²	80 524	29 071	191 586	102 512	147 161
Total interest income	722 070	465 275	1 848 871	1 452 559	1 939 390
Loans and deposits from credit institutions and central bank	-1 380	-3	-1 646	-2 011	-2 201
Deposits from customers	-83 164	-20 558	-154 867	-60 937	-81 492
Debt securities issued	-172 819	-48 394	-388 337	-169 568	-244 812
Subordinated loans	-6 976	-4 063	-18 604	-12 645	-17 364
Other interest expenses	-22 700	-18 875	-67 504	-56 959	-75 811
Total interest expenses	-287 039	-91 893	-630 958	-302 120	-421 680
Net interest income	435 031	373 381	1 217 913	1 150 439	1 517 710

¹ Interest income in Jan-Sep 2022 of TNOK 142 784 are related to home loans measured at fair value through profit and loss.

² Investments are recognised at fair value.

Interest income from loans to customers:

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Home loans	557 064	351 684	1 408 734	1 082 738	1 440 781
Car loans	14 263	11 025	38 481	33 301	44 509
Consumer loans	36 647	35 389	111 342	116 091	149 629
Other loans ³	29 947	37 518	90 856	116 487	154 709
Total interest income from loans to customers	637 921	435 616	1 649 413	1 348 617	1 789 628

³ Credit card, account credit and custody account credit

Note 9 - Net commission and fee income

Net commission and fee income

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Payment processing	10 129	9 396	31 026	28 872	40 664
Card and interbank	79 510	51 425	186 770	132 228	186 735
Mutual funds and securities	23 955	22 808	75 532	78 229	101 640
Other commission income	980	975	2 784	2 668	3 565
Total commission and fee income	114 574	84 604	296 111	241 997	332 604
Payment processing	-6 134	-5 428	-18 592	-16 415	-22 810
Card and interbank	-18 897	-19 533	-56 518	-53 020	-65 620
Mutual funds and securities	-7 699	-7 879	-23 724	-25 321	-32 359
Other commission expenses	-391	-824	-2 152	-1 040	-1 242
Total commission and fee expenses	-33 121	-33 664	-100 986	-95 796	-122 031
Net commission and fee income	81 453	50 940	195 125	146 201	210 573

Note 10 - Net gain (loss) on financial instruments

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
1) Realisation of financial instruments at fair value through other comprehensive income					
Gain/(loss) by realisation of financial instruments:	-2 801	-5 160	-27 515	-16 056	-19 700
Total gain/(loss) by realisation of financial instruments at fair value through other comprehensive income	-2 801	-5 160	-27 515	-16 056	-19 700
2) Financial instruments at fair value through profit and loss					
Realised gain/ (loss) from shares and funds	26 520	0	44 431	0	0
Unrealised gain/(loss) from shares and funds	-35 319	-2 715	-11 111	3 434	3 241
Gain/(loss) on derivatives (used in hedge accounting)	-5 353	1 238	-12 312	1 726	2 444
Unrealised gain/(loss) on derivatives	7 899	28 782	165 332	110 226	134 878
Unrealised gain/(loss) from fixed rate loans	-2 894	-28 237	-169 756	-108 954	-131 106
Total gain/(loss) on financial instruments at fair value through profit and loss	-9 147	-932	16 584	6 432	9 457
3) Financial instruments at amortised cost					
Gain (loss) by repurchase of own bonds/commercial paper at amortised cost	-661	-14 244	-11 907	-28 009	-28 009
Total gain (loss) on financial instruments at amortised cost	-661	-14 244	-11 907	-28 009	-28 009
4) Currency					
Net gain (loss) on currency items	-1 393	1 448	-837	2 228	3 247
Total gain (loss) on currency items	-1 393	1 448	-837	2 228	3 247
5) Dividends:					
Dividends from investments in shares and funds	0	0	1 884	0	0
Total dividends	0	0	1 884	0	0
Total gain (loss) on financial instruments recognised through profit and loss	-14 002	-18 888	-21 791	-35 405	-35 005

The shares in Quantfolio AS were sold in Q3 22 which led to a realised gain on 26.5 million and a decrease in unrealised gain on the same amount.

Note 11 - Operating expenses

Other administrative expenses

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Properties and premises	-1 603	-654	-4 603	-1 822	-2 984
IT	-41 465	-34 470	-122 535	-103 315	-141 731
Advertising and marketing	-10 864	-13 283	-37 795	-34 549	-46 403
Temporary employment agencies	-5 714	-5 704	-16 376	-15 471	-21 817
Consultants and other external services	-15 545	-13 937	-78 525	-51 726	-70 355
Telephone and postage	-4 655	-3 982	-12 497	-11 973	-16 111
Other operating expenses	-11 945	-8 052	-36 102	-23 819	-32 750
Total administrative expenses	-91 791	-80 082	-308 433	-242 675	-332 152

In the period January -September 22, 28.2 million NOK has been recognised as success fees for facilitators who have contributed to the acquisition of Sbanken (all in Q1 22).

Personnel expenses

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Wages	-68 403	-63 611	-198 561	-197 501	-270 073
<i>Capitalised as intangible assets</i>	772	1 322	8 912	8 321	11 287
Pension costs	-6 360	-6 182	-19 403	-17 176	-11 661
Payroll tax	-14 589	-13 686	-43 254	-42 254	-53 827
Other personnel expenses	-2 221	-2 701	-8 554	-7 814	-12 459
Total personnel expenses	-90 801	-84 858	-260 860	-256 424	-336 733

A change of pension plan from defined benefit to defined contribution resulted in transaction costs of NOK 1.5 million and a positive re-valuation effect of NOK 17.1 million, leading to a net positive effect of 15.6 million in 2021.

Note 12 - Classification of financial instruments

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI	Financial instruments carried at amortised cost	Total
30.09.22				
Financial assets				
Cash and receivables with central bank	0	0	572 493	572 493
Loans to and receivables from credit institutions	0	0	943 017	943 017
Loans to customers	7 709 412	0	86 884 133	94 593 545
Commercial paper and bonds	0	13 522 288	0	13 522 288
Equity and funds	287 292	0	0	287 292
Derivatives ¹	731 044	0	0	731 044
Other assets	0	0	203 984	203 984
Total financial assets	8 727 748	13 522 288	88 603 627	110 853 663
Financial liabilities				
Loans and deposits from central bank	0	0	0	0
Loans and deposits from credit institutions	0	0	553 168	553 168
Deposits from customers	0	0	65 636 722	65 636 722
Debt securities issued ²	0	0	35 331 086	35 331 086
Derivatives	64 400	0	0	64 400
Subordinated loans	0	0	899 350	899 350
Other liabilities	0	0	439 361	439 361
Total financial liabilities	64 400	0	102 859 687	102 924 087
¹ Including derivatives used as hedging instruments.				
² Including hedged liabilities.				

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI	Financial instruments carried at amortised cost	Total
31.12.21				
Financial assets				
Cash and receivables with central bank	0	0	510 676	510 676
Loans to and receivables from credit institutions	0	0	856 622	856 622
Loans to customers	8 168 042	0	76 178 833	84 346 875
Commercial paper and bonds	0	15 487 702	0	15 487 702
Equity and funds ¹	308 778	0	364	309 142
Derivatives ²	377 403	0	0	377 403
Other assets	0	0	159 768	159 768
Total financial assets	8 854 223	15 487 702	77 706 263	102 048 188
Financial liabilities				
Loans and deposits from central bank	0	0	0	0
Loans and deposits from credit institutions	0	0	326 830	326 830
Deposits from customers	0	0	64 240 315	64 240 315
Debt securities issued ³	0	0	28 500 950	28 500 950
Derivatives	14 607	0	0	14 607
Subordinated loans	0	0	899 151	899 151
Other liabilities	0	0	564 335	564 335
Total financial liabilities	14 607	0	94 531 581	94 546 188
¹ Shares in associated company are recognised using the equity method and put under the category amortised cost.				
² Including derivatives used as hedging instruments.				
³ Including hedged liabilities.				

Note 13 - Financial instruments at fair value

Fair value of financial instruments (in NOK thousand)

In NOK thousand	30.09.22		31.12.21	
	Carrying value	Fair value	Carrying value	Fair value
Assets:				
Equity and funds	287 292	287 292	308 778	308 778
Commercial paper and bonds	13 522 288	13 522 288	15 487 702	15 487 702
Derivatives	731 044	731 044	377 403	377 403
Loans to customers (fixed rate)	7 709 412	7 709 412	8 168 042	8 168 042
Total financial assets at fair value	22 250 036	22 250 036	24 341 925	24 341 925
Liabilities:				
Derivatives	64 400	64 400	14 607	14 607
Total financial liabilities at fair value	64 400	64 400	14 607	14 607

30.09.2022

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity and funds	0	204 109	83 183	287 292
Commercial paper and bonds	0	13 522 288	0	13 522 288
Derivatives at fair value through profit and loss (asset)	0	731 044	0	731 044
Loans to customers (fixed rate)	0	0	7 709 412	7 709 412
Total	0	14 457 441	7 792 595	22 250 036
Derivatives at fair value through profit and loss (liability)	0	64 400	0	64 400
Total	0	64 400	0	64 400

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2022	8 168 042	114 560	8 282 602
Net gain/(loss) on financial instruments (realised and unrealised)	-169 756	39 072	-130 684
New loans/exits	-288 874	0	-288 874
Sale	0	-70 449	-70 449
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 30 September 2022	7 709 412	83 183	7 792 595

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to September 2022.

Information about fair value of securities at Level 3:

Shares in Vipps AS

Sbanken has sold their shares in Vipps in Q2 22. The realised profit on 17.9 MNOK has been recognised in the line "Net gain/(loss) on financial instruments".

Shares in VN Norge AS

Sbanken has used the same method as year-end 2021 for calculating the fair value of the shares in VN Norge AS at 30 September 2022. In the calculation of fair value, adjustments for movements in currency (USD/NOK) and share price of Visa Inc. is accounted for. Sbanken's valuation of VN Norge AS includes a discount of 20 per cent to account for liquidity and general uncertainty.

Sensitivity analysis regarding shares in VN Norge:

Parameter	Effect in NOK
Shift in exchange rate of NOK/USD of +/- 10 %	+/- 3.0 mill
Shift in share price of Visa Inc. of +/- 10 %	+/- 3.0 mill
Shift in liquidity discount on shares in VN Norge AS of +/- 10 basis points	+/- 6.6 mill

Fixed rate loans

Principles related to fair value of fixed rate loans are described in the annual report for 2021.

31.12.2021

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity and funds	0	194 218	114 560	308 778
Commercial paper and bonds	1 240 074	14 247 628	0	15 487 702
Derivatives at fair value through profit and loss (asset)	0	377 403	0	377 403
Loans to customers (fixed rate)	0	0	8 168 042	8 168 042
Total	1 240 074	14 819 249	8 282 602	24 341 925
Derivatives at fair value through profit and loss (liability)	0	14 607	0	14 607
Total	0	14 607	0	14 607

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2021	7 921 668	110 285	8 031 953
Net gain/(loss) on financial instruments (unrealised)	-139 424	4 275	-135 149
New loans/exits	385 798	0	385 798
Sale	0	0	0
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 31 December 2021	8 168 042	114 560	8 282 602

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to December 2021.

Note 14 - Information about related parties

Assets and liabilities to Sbanken Boligkreditt AS

In NOK thousand	30.09.22	30.09.21	31.12.21
Receivable related to overdraft facility with Sbanken Boligkreditt AS	3 008 333	3 105 290	5 655 290
Sbanken Boligkreditt AS's deposit in Sbanken ASA	4 250 942	356 774	782 646
Sbanken ASA's ownership of covered bonds issued by Sbanken Boligkreditt AS	3 215 040	8 485 707	7 538 556
Sbanken ASA's ownership of subordinated loan issued by Sbanken Boligkreditt AS	325 000	325 000	325 000
Sbanken ASA's ownership of additional Tier 1 capital issued by Sbanken Boligkreditt	225 000	225 000	225 000

Transactions with Sbanken Boligkreditt AS

In NOK thousand	01.01.22 - 30.09.22	01.01.21 - 30.09.21	01.01.21 - 31.12.21
Sale of services in line with service agreement	6 477	6 509	8 652
Interest on overdraft facility	57 483	20 065	32 468
Interest on deposit	1 871	837	1 055
Interest on covered bonds issued by Sbanken Boligkreditt AS	101 814	57 663	81 018
Interest on subordinated loan issued by Sbanken Boligkreditt AS	6 027	5 190	6 622
Share of result related to ownership of additional Tier 1 capital in Sbanken Boligkreditt AS	7 111	6 956	8 948
Dividend from Sbanken Boligkreditt AS to Sbanken ASA	0	0	260 000

All numbers in the income statement and the balance sheet between Sbanken ASA and Sbanken Boligkreditt AS are eliminated in the group financial statements.

As of 31.03.22, other companies of the DNB Group are considered a related party to Sbanken Group. This includes assets and liabilities related to deposits, covered bonds and derivatives.

As of 30.09.22 Sbanken's holdings of DNB Bank ASA and DNB Boligkreditt AS bonds was valued at NOK 135 million. At the same time DNB Bank ASA had invested a total amount of NOK 9 361 million in bonds issued by Sbanken ASA and Sbanken Boligkreditt AS.

Transactions with related parties are based on the arm's length principle.

Note 15 - Earnings per share

In NOK	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Profit for the period to shareholders	221 410 000	162 101 000	575 097 000	531 751 000	707 781 000
Number of shares (weighted average)	106 869 333	106 869 333	106 869 333	106 869 333	106 869 333
Earnings per share (basic)	2.07	1.52	5.38	4.98	6.62
Earnings per share (diluted)	2.07	1.52	5.38	4.98	6.62

The earnings-per-share ratio shows the return to the group's ordinary shareholders. Accrued interest paid to hybrid capital investors, has been excluded from the profit in the calculation of earnings per share for the period.

Note 16 - Subsequent events

There have not been any significant events subsequent to 30.09.22 that affect the financial statements for Q3 2022.

Income statement

(Sbanken ASA)

In NOK thousand	Note	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Interest income from financial instruments using the effective interest method		573 437	321 488	1 440 995	1 018 360	1 377 607
Other interest income		0	0	0	0	0
Interest expense		-150 481	-51 836	-327 892	-159 407	-218 410
Net interest income		422 956	269 652	1 113 103	858 953	1 159 197
Commission and fee income		114 574	84 604	296 111	241 997	332 604
Commission and fee expense		-33 121	-33 664	-100 986	-95 796	-122 031
Net commission and fee income		81 453	50 940	195 125	146 201	210 573
Net gain/(loss) on financial instruments		-85 115	4 683	-97 455	25 071	285 260
Other income		2 092	2 201	6 477	6 509	8 662
Other operating income		-83 023	6 884	-90 978	31 580	293 922
Personnel expenses		-90 766	-84 763	-260 676	-256 143	-336 357
Administrative expenses		-91 415	-78 872	-307 237	-240 739	-330 823
Depreciation and impairment of fixed and intangible assets		-12 558	-16 116	-36 438	-47 796	-72 318
Profit before loan losses		226 647	147 724	612 898	492 054	924 193
Loan losses		-4 010	-5 482	-11 939	-212	2 709
Profit before tax		222 637	142 242	600 959	491 842	926 902
Tax expense		-53 685	-34 347	-134 586	-117 000	-159 672
Profit for the period		168 952	107 895	466 373	374 842	767 230
Attributable to						
Shareholders		160 532	101 649	442 657	355 842	741 472
Additional Tier 1 capital holders		8 420	6 246	23 716	19 000	25 759
Profit for the period		168 952	107 895	466 373	374 842	767 230

Statement of comprehensive income

(Sbanken ASA)

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Profit for the period	168 952	107 895	466 373	374 842	767 230
Other comprehensive income:					
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI)	-2 340	-6 996	-117 215	-32 430	-96 721
Tax effect	585	1 749	29 304	8 108	24 180
Other comprehensive income that can be reclassified to profit or loss after tax	-1 755	-5 247	-87 911	-24 322	-72 541
Actuarial gains (losses)	0	0	0	0	-8 430
Tax effect	0	0	0	0	2 107
Other comprehensive income that can not be reclassified to profit or loss after tax	0	0	0	0	-6 323
Total components of other comprehensive income (after tax)	-1 755	-5 247	-87 911	-24 322	-78 864
Total comprehensive income for the period	167 197	102 648	378 462	350 520	688 366
Attributable to					
Shareholders	158 777	96 402	354 746	331 520	662 607
Additional Tier 1 capital holders	8 420	6 246	23 716	19 000	25 759
Total comprehensive income for the period	167 197	102 648	378 462	350 520	688 366

Balance sheet

(Sbanken ASA)

In NOK thousand	Note	30.09.22	30.09.21	31.12.21
Assets				
Cash and receivables with central bank		572 493	581 647	510 676
Loans to and receivables from credit institutions		3 951 195	4 197 674	6 511 755
Loans to customers		62 751 455	45 814 914	46 217 101
Net loans to customers, central bank and credit institutions		67 275 143	50 594 235	53 239 532
Commercial paper and bonds at fair value through OCI		15 966 052	24 240 285	22 520 436
Equity investments and funds		515 256	516 454	536 668
Commercial paper and bonds at amortised cost		326 532	325 664	325 854
Shares in subsidiary		1 699 880	1 699 880	1 699 880
Derivatives		288 706	124 988	143 382
Intangible assets		100 027	112 626	103 350
Deferred tax assets		71 576	16 865	36 577
Property, plant and equipment		74 909	91 721	86 411
Other assets		91 257	376 257	344 219
Advance payment and accrued income		111 518	74 154	74 550
Total assets		86 520 856	78 173 129	79 110 860
Liabilities				
Loans and deposits from central bank		0	0	0
Loans and deposits from credit institutions		4 804 894	758 186	1 109 560
Deposits from customers		65 636 722	63 845 031	64 240 315
Debt securities issued		7 282 751	4 784 036	5 177 881
Derivatives		64 400	10 979	14 607
Taxes payable		136 976	117 114	160 280
Pension commitments		22 459	36 998	22 459
Other liabilities		377 187	642 330	546 169
Subordinated loans		899 350	899 071	899 151
Total liabilities		79 224 739	71 093 745	72 170 422
Equity				
Share capital		1 068 693	1 068 693	1 068 693
Share premium		2 625 895	2 625 895	2 625 895
Additional Tier 1 capital		702 324	701 200	701 389
Other equity		2 899 205	2 683 596	2 544 460
Total equity		7 296 117	7 079 384	6 940 437
Total liabilities and equity		86 520 856	78 173 129	79 110 860

Expected credit losses (ECL) relate to Sbanken ASA with exception of a provision of NOK 4.5 million in Sbanken Boligkreditt AS, please refer to note 6 in the financial statements for the Sbanken group. For information regarding related parties, refer to note 14 in the financial statements for the Sbanken group.

Statement of changes in equity

(Sbanken ASA)

In NOK thousand	Share capital	Share premium	Additional Tier 1 capital	Actuarial gains and losses	Changes in fair value of financial instruments at fair value through OCI	Other equity	Total equity
Balance sheet as at 01.01.21	1 068 693	2 625 895	701 223	-25 005	16 657	2 697 064	7 084 526
Profit for the period to other equity (01.01.21 to 30.09.21)						355 842	355 842
Profit for the period to Tier 1 capital holders (01.01.21 to 30.09.21)			19 000				19 000
Payments to Tier 1 capital holders (01.01.21 to 30.09.21)			-19 023				-19 023
Actuarial gains and losses for the period (01.01.21 to 30.09.21)				0			0
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI) (01.01.21 to 30.09.21)					-24 322		-24 322
Paid dividend to shareholders, February						-336 638	-336 638
Balance sheet as at 30.09.21	1 068 693	2 625 895	701 200	-25 005	-7 665	2 716 268	7 079 384
Profit for the period to other equity (01.10.21 to 31.12.21)						385 630	385 630
Profit for the period to Tier 1 capital holders (01.10.21 to 31.12.21)			6 759				6 759
Payments to Tier 1 capital holders (01.10.21 to 31.12.21)			-6 570				-6 570
Actuarial gains and losses for the period (01.10.21 to 31.12.21)				-6 323			-6 323
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI) (01.10.21 to 31.12.21)					-48 219		-48 219
Paid dividend to shareholders, October						-470 225	-470 225
Balance sheet as at 31.12.21	1 068 693	2 625 895	701 389	-31 328	-55 884	2 631 673	6 940 437
Profit for the period to other equity (01.01.22 to 30.09.22)						442 657	442 657
Profit for the period to Tier 1 capital holders (01.01.22 to 30.09.22)			23 716				23 716
Payments to Tier 1 capital holders (01.01.22 to 30.09.22)			-22 781				-22 781
Actuarial gains and losses for the period (01.01.22 to 30.09.22)				0			0
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI) (01.01.22 to 30.09.22)					-87 911		-87 911
Balance sheet as at 30.09.22	1 068 693	2 625 895	702 324	-31 328	-143 795	3 074 330	7 296 117

Statement of Cash Flows

(Sbanken ASA)

In NOK thousand	Note	Jan-Sep 22	Jan-Sep 21	2021
Cash flows from operating activities				
Net payments on loans to customers		-16 688 876	1 974 741	1 573 224
Interest received on loans to customers		1 049 666	833 500	1 089 672
Net receipts on deposits from customers		1 396 407	5 201 404	5 596 668
Interest paid on deposits from customers		-237 215	-130 786	-151 980
Payments/receipts on loans to/deposits from group company		6 228 082	-1 724 916	-3 952 683
Interest received on loans to group company		57 483	20 065	32 468
Net receipts/payments from buying and selling financial instruments at fair value		6 399 887	-4 057 793	-2 644 217
Interest received from commercial paper and bonds		295 887	174 323	233 288
Receipts of collateral related to derivatives used in hedge accounting		114 203	79 665	108 807
Net receipts/payments on deposits from central bank		0	-2 250 000	-2 250 000
Interest paid on deposits from credit institutions		-1 646	-2 011	-2 201
Interest received on loans to credit institutions and central bank		7 000	9	900
Receipts related to commissions and fees		293 058	240 596	306 367
Payments related to commissions and fees		-110 862	-91 161	-119 029
Payments related to administrative expenses		-293 716	-216 498	-314 108
Payments related to personnel expenses		-287 861	-263 229	-317 501
Taxes paid		-163 586	-162 548	-163 586
Other receipts/payments		-152 419	-324 589	65 028
Net cash flows from operating activities		-2 094 508	-699 228	-908 883
Cash flows from investment activities				
Capital increase in subsidiary		0	0	0
Received dividend from subsidiary		260 000	230 000	230 000
Invested in Additional Tier 1 capital in subsidiary		0	0	0
Invested in associated company		0	0	0
Payments on the acquisition of fixed assets		-2 366	-4 392	-4 588
Payments on the acquisition of intangible assets		-25 442	-26 108	-23 418
Net cash flows from investment activities		232 192	199 500	201 994
Cash flows from financing activities				
Receipts on share capital and share premium net of issuing cost		0	0	0
Paid dividend to shareholders		0	-336 638	-806 863
Receipts on subordinated loans		0	0	0
Payments on matured and redeemed subordinated loans		0	0	0
Interest paid on subordinated loans		-17 646	-10 651	-17 151
Receipts on issued additional Tier1 capital		0	0	0
Payments on matured and redeemed additional Tier1 capital		0	0	0
Interest paid on additional Tier 1 capital		-22 781	-19 022	-25 593
Receipts on issued bonds and commercial paper		3 550 000	1 300 000	1 700 000
Payments on matured and redeemed bonds and commercial paper		-1 445 546	-808 159	-814 531
Interest paid on issued bonds and commercial paper		-53 496	-29 398	-39 460
Net cash flows from financing activities		2 010 531	96 132	-3 598
Total net cash flow		148 215	-403 596	-710 487
Cash at the beginning of the period		1 367 140	2 077 627	2 077 627
Cash at the end of the period		1 515 355	1 674 031	1 367 140
Change in cash		148 215	-403 596	-710 487
Cash				
Cash and receivables with central bank		572 493	581 647	510 675
Loans to credit institutions		942 862	1 092 384	856 465
Total cash		1 515 355	1 674 031	1 367 140

Capital adequacy

(Sbanken ASA)

In NOK thousand	30.09.22		30.09.21		31.12.21	
	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume
Central governments	1 267 091	0	2 687 118	0	1 611 053	0
Regional governments	601 180	178 939	1 740 796	217 471	1 577 839	230 435
Multilateral Development Banks	1 457 227	0	1 477 058	0	1 469 749	0
Institutions	35 831 238	3 910 266	31 048 663	3 455 109	29 981 388	3 742 762
Retail	8 596 338	3 329 762	8 591 294	3 294 816	8 612 228	3 335 532
Secured by mortgages on immovable property	82 440 548	23 980 280	59 892 515	17 025 131	61 177 525	17 584 879
Exposures in default	338 740	393 915	426 847	500 709	408 298	471 389
Covered bonds	12 483 503	1 248 350	18 310 113	1 831 011	17 687 733	1 768 773
Equity	2 647 688	2 647 688	2 623 196	2 623 741	2 652 980	2 653 525
Other items	186 616	186 616	166 121	166 121	421 308	421 308
Total credit risk, standardised method¹⁾	145 850 169	35 875 816	126 963 721	29 114 109	125 600 101	30 208 603
Credit value adjustment risk (CVA)		17 727		22 602		37 612
Operational risk		2 316 820		2 290 161		2 316 820
Total risk-weighted volume		38 210 363		31 426 872		32 563 035
Capital base						
Share capital		1 068 693		1 068 693		1 068 693
Share premium		2 625 895		2 625 895		2 625 895
Other equity		2 456 548		2 327 754		1 802 988
Additional Tier 1 capital		702 324		701 200		701 389
Profit for the period		442 657		355 842		741 472
Total booked equity		7 296 117		7 079 384		6 940 437
Additional Tier 1 capital instruments included in total equity		-702 324		-701 200		-701 389
Common equity Tier 1 capital instruments		6 593 793		6 378 184		6 239 048
<i>Deductions</i>						
Goodwill, deferred tax assets and other intangible assets		-75 020		-84 470		-77 513
Value adjustment due to the requirements for prudent valuation (AVA)		-16 481		-24 756		-23 057
Dividends payable		0		-470 225		
Profit for the period, not eligible ²⁾		-442 657		-355 842		0
Common equity Tier 1 capital		6 059 635		5 442 891		6 138 478
Additional Tier 1 capital		700 000		700 000		700 000
Tier 1 capital		6 759 635		6 142 891		6 838 478
Tier 2 capital		900 000		900 000		900 000
Own funds (primary capital)		7 659 635		7 042 891		7 738 478
Capital requirements						
Minimum requirements - common equity Tier 1 capital	4.5%	1 719 466	4.5%	1 414 209	4.5%	1 465 337
Capital conservation buffer	2.5%	955 259	2.5%	785 672	2.5%	814 076
Systemic risk buffer	3.0%	1 146 311	3.0%	942 806	3.0%	976 891
Countercyclical capital buffer	1.5%	573 155	1.0%	314 269	1.0%	325 630
Additional Tier 1 capital	1.5%	573 155	1.5%	471 403	1.5%	488 446
Tier 2 capital	2.0%	764 207	2.0%	628 537	2.0%	651 261
Total minimum and buffer requirements own funds (primary capital)	15.0%	5 731 554	14.5%	4 556 896	14.5%	4 721 640
<i>Available common equity Tier 1 capital after buffer requirements</i>		<i>1 662 443</i>		<i>1 985 935</i>		<i>2 556 545</i>
<i>Available own funds (primary capital)</i>		<i>1 928 080</i>		<i>2 485 995</i>		<i>3 016 838</i>
Capital ratio % (regulatory)						

Common equity Tier 1 capital	15.9%	17.3%	18.9%
Additional Tier 1 capital	1.8%	2.2%	2.1%
Tier 2 capital	2.4%	2.9%	2.8%
Total capital ratio	20.0%	22.4%	23.8%

¹⁾ The specification is according to EBA reporting framework.

²⁾ Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Leverage Ratio (Sbanken ASA)

In NOK thousand		30.09.22	30.09.21	31.12.21
Exposure value on derivatives		45 540	45 900	81 850
Off-balance sheet commitments		38 239 223	30 431 366	29 847 924
Loans and advances and other assets		86 132 123	77 935 515	78 864 127
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		124 416 886	108 412 781	108 793 901
Tier 1 capital ¹⁾		6 759 635	6 142 891	6 838 478
Leverage ratio % (regulatory)		5.4 %	5.7 %	6.3 %
Leverage Ratio requirements				
Minimum requirements	3.0%	3 732 507	3 252 383	3 263 817
Buffer requirements	0.0%	0	0	0
Total minimum and buffer requirements (Tier 1 capital)	3.0%	3 732 507	3 252 383	3 263 817
<i>Available Tier 1 capital after minimum and buffer requirements</i>		3 027 128	2 890 508	3 574 661

¹⁾ Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Debt securities issued and subordinated loans

(Sbanken ASA)

Carried at amortised cost:

In NOK thousand	Currency	30.09.22	31.12.21
Bonds issued	NOK	7 282 751	5 177 881
Subordinated loans	NOK	899 350	899 151
Total debt securities issued and subordinated loans		8 182 101	6 077 032

Specification of bonds and subordinated loans as at 30.09.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Bonds						
NO0010874878	Sbanken ASA	467 000	NOK	Floating	10.02.23	466 776
NO0010886757	Sbanken ASA	800 000	NOK	Floating	26.09.23	800 709
NO0010895519	Sbanken ASA	1 000 000	NOK	Floating	12.04.24	999 751
NO0010920762	Sbanken ASA	2 000 000	NOK	Floating	12.12.24	1 995 796
Total bonds		4 267 000				4 263 032
Bonds, senior non-preferred						
NO0011087587	Sbanken ASA	2 300 000	NOK	Floating	08.09.25	2 282 434
NO0011087595	Sbanken ASA	800 000	NOK	Fixed	07.09.27	737 285
Total bonds, senior non-preferred		3 100 000				3 019 719
Total bonds		7 367 000				7 282 751

Subordinated loans

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity ²	Carrying value
NO0010847205	Sbanken ASA	125 000	NOK	Floating	21.03.29	125 000
NO0010871502	Sbanken ASA	125 000	NOK	Floating	19.12.29	125 001
NO0010885197	Sbanken ASA	350 000	NOK	Floating	17.06.30	349 548
NO0010891922	Sbanken ASA	150 000	NOK	Floating	28.08.30	149 799
NO0011203598	Sbanken ASA	150 000	NOK	Floating	14.01.32	150 002
Total subordinated loans		900 000				899 350

¹ First possible call date for the issuer is 5 years before date of maturity. The loan agreement has covenants to qualify as Tier 2 capital.

Changes of debt securities and subordinated loans:

	31.12.21	January-September 2022				30.09.22
		Issued	Matured	Redeemed	Other adjustments	
Bonds (nominal)	3 990 000	1 500 000	0	-1 223 000	0	4 267 000
Bonds, senior non-preferred (nominal)	1 200 000	1 900 000	0	0	0	3 100 000
Subordinated loans (nominal)	900 000	150 000	0	-150 000	0	900 000
Total	5 193 000	3 550 000	0	-1 373 000	0	8 267 000

Net interest income

(Sbanken ASA)

Net interest income

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Loans to and receivables from credit institutions and central bank	26 489	7 339	64 656	20 074	33 369
Loans to customers ¹	430 634	261 336	1 076 591	827 920	1 104 237
Commercial paper and bonds ²	116 314	52 812	299 748	170 365	240 002
Total interest income	573 437	321 488	1 440 995	1 018 360	1 377 607
Loans and deposits from credit institutions and central bank	-2 355	-258	-3 517	-2 848	-3 256
Deposits from customers	-83 164	-20 558	-154 867	-60 937	-81 492
Debt securities issued	-37 164	-9 345	-88 764	-30 078	-45 810
Subordinated loans	-6 976	-4 063	-18 604	-12 645	-17 364
Other interest expenses	-20 822	-17 612	-62 140	-52 899	-70 488
Total interest expenses	-150 481	-51 836	-327 892	-159 407	-218 410
Net interest income	422 956	269 652	1 113 103	858 953	1 159 197

¹ Interest income in Jan-Sep 22 of TNOK 467 279 are related to home loans measured at fair value through OCI and TNOK 142 784 are related to home loans measured at fair value through profit and loss.

² Interest income in Jan-Sep 22 of TNOK 6 027 are related to commercial paper and bonds at amortised cost. The rest relates to investments measured at fair value through OCI.

Classification of financial instruments

(Sbanken ASA)

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI ¹	Financial instruments carried at amortised cost	Total carrying value	Total fair value
30.09.22					
Financial Assets					
Cash and receivables with central bank			572 493	572 493	572 493
Loans to and receivables from credit institutions			3 951 195	3 951 195	3 951 195
Loans to customers	7 709 412	32 571 940	22 470 103	62 751 455	62 751 455
Commercial paper and bonds		15 966 052	0	15 966 052	15 966 052
Equity investments and funds ²	515 256		0	515 256	515 256
Commercial paper and bonds at amortised cost			326 532	326 532	317 340
Shares in subsidiary			1 699 880	1 699 880	1 699 880
Derivatives	288 706			288 706	288 706
Other assets			202 775	202 775	202 775
Total financial assets	8 513 374	48 537 992	29 222 978	86 274 344	86 265 152
Financial liabilities					
Loans and deposits from central bank			0	0	0
Loans and deposits from credit institutions			4 804 894	4 804 894	4 804 894
Deposits from customers			65 636 722	65 636 722	65 636 722
Debt securities issued			7 282 751	7 282 751	7 206 070
Derivatives	64 400			64 400	64 400
Subordinated loans			899 350	899 350	899 350
Other liabilities			377 187	377 187	377 187
Total financial liabilities	64 400	0	79 000 904	79 065 304	78 988 623

¹ Home loans and earned interest that may be sold to Sbanken Boligkreditt AS are measured at fair value through other comprehensive income.

² Sbanken ASAs holdings of Tier 1 capital issued by others are measured at fair value through profit and loss.

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI ¹	Financial instruments carried at amortised cost	Total carrying value	Total fair value
31.12.21					
Financial Assets					
Cash and receivables with central bank			510 676	510 676	510 676
Loans to and receivables from credit institutions			6 511 755	6 511 755	6 511 755
Loans to customers	8 168 042	24 606 853	13 442 206	46 217 101	46 217 101
Commercial paper and bonds		22 520 436	0	22 520 436	22 520 436
Equity investments and funds ^{2 and 3}	536 304		364	536 668	536 668
Commercial paper and bonds at amortised cost			325 854	325 854	326 408
Shares in subsidiary			1 699 880	1 699 880	1 699 880
Derivatives	143 382			143 382	143 382
Other assets			418 769	418 769	418 769
Total financial assets	8 847 728	47 127 289	22 909 504	78 884 521	78 885 075
Financial liabilities					
Loans and deposits from central bank			0	0	0
Loans and deposits from credit institutions			1 109 560	1 109 560	1 109 560
Deposits from customers			64 240 315	64 240 315	64 240 315
Debt securities issued			5 177 881	5 177 881	5 190 219
Derivatives	14 607			14 607	14 607
Subordinated loans			899 151	899 151	910 584
Other liabilities			546 168	546 168	546 168
Total financial liabilities	14 607	0	71 973 075	71 987 682	72 011 453

¹ Home loans and earned interest that may be sold to Sbanken Boligkreditt AS are measured at fair value through other comprehensive income.

² Shares in associated company are recognised using the equity method and allocated to the category amortised cost.

³ Sbanken ASAs holdings of Tier 1 capital issued by others are measured at fair value through profit and loss.

Financial instruments at fair value (Sbanken ASA)

Fair value of financial instruments (in NOK thousand)

In NOK thousand	30.09.22		31.12.21	
	Carrying value	Fair value	Carrying value	Fair value
Assets:				
Equity investments and funds	515 256	515 256	536 304	536 304
Commercial paper and bonds	15 966 052	15 966 052	22 520 436	22 520 436
Loans to customers	40 281 352	40 281 352	32 774 895	32 774 895
Derivatives	288 706	288 706	143 382	143 382
Total financial assets at fair value	57 051 366	57 051 366	55 975 017	55 975 017
Liabilities:				
Derivatives	64 400	64 400	14 607	14 607
Total financial liabilities at fair value	64 400	64 400	14 607	14 607

30.09.2022				
In NOK thousand	Level 1	Level 2	Level 3	Total
Equity investments and funds	0	432 073	83 183	515 256
Commercial paper and bonds	0	15 966 052	0	15 966 052
Loans to customers	0	0	40 281 352	40 281 352
Derivatives	0	288 706	0	288 706
Total	0	16 686 831	40 364 535	57 051 366
Derivatives at fair value through profit and loss (liability)		64 400		64 400
Total		64 400		64 400

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2022	32 774 895	114 560	32 889 455
Net gain/(loss) on financial instruments (unrealised)	-169 756	39 072	-130 684
Net new loans/exits	13 485 281	0	13 485 281
Sale (to Sbanken Boligkreditt AS)	-5 809 068	0	-5 809 068
Sale to others	0	-70 449	-70 449
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 30 September 2022	40 281 352	83 183	40 364 535

There have been no transfers of financial instruments between Level 1 and Level 2 in the period January to September 2022.

31.12.2021

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity investments and funds	0	421 744	114 560	536 304
Commercial paper and bonds	1 240 074	21 280 362	0	22 520 436
Loans to customers	0	0	32 774 895	32 774 895
Derivatives	0	143 382	0	143 382
Total	1 240 074	21 845 488	32 889 455	55 975 017
Derivatives at fair value through profit and loss (liability)		14 607		14 607
Total		14 607		14 607

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2021	38 033 122	110 285	38 143 407
Net gain/(loss) on financial instruments (unrealised)	-139 424	4 275	-135 149
Net new loans/exits	18 310 806	0	18 310 806
Sale (to Sbanken Boligkreditt AS)	-23 429 609	0	-23 429 609
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 31 December 2021	32 774 895	114 560	32 889 455

There have been no transfers of financial instruments between Level 1 and Level 2 in the period January to December 2021.

Alternative performance measures

(Sbanken group)

Sbanken discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are commonly used by analysts, investors and other stakeholders to evaluate the performance of the bank in isolation or relative to the financial industry. The measures are provided to give an enhanced insight into the operations, financing and future prospects of the Bank.

Interest rate measures

Interest rate measures are presented to provide enhanced insight into the underlying performance of net interest income. These measures are commonly used by industry analysts to calculate performance and projections for banks. For interim periods the interest income and expense figures are annualised using the number of interest bearing days in the period to the total number of interest bearing days in the year.

Average total assets is calculated based on daily observations of the total balance divided by the number of days in the period.

Net interest margin is calculated as annualised net interest income divided by average total assets. The measure reflects the margin between interest paid and interest received. It is an important measure to evaluate the profitability of the Bank's lending operations.

Effective lending rate is calculated as annualised interest income divided by average total assets. The measure reflects the average interest rate received on the Bank's assets.

Effective funding rate is calculated as annualised interest expense divided by average total assets. The measure reflects the average interest rate paid on the Bank's liabilities.

Average effective interest rate by product group is calculated as annualised interest income divided by average lending for each product respectively. The average lending is calculated based on daily observations over the number of days in the period.

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Net interest income (annualised)	1 725 936	1 481 350	1 628 345	1 538 133	1 517 710
Average total assets	108 151 529	98 433 335	105 964 094	99 643 284	98 953 138
Net interest margin	1.60 %	1.50 %	1.54 %	1.54 %	1.53 %
Interest income (annualised)	2 864 733	1 845 927	2 471 934	1 942 066	1 939 390
Average total assets	108 151 529	98 433 335	105 964 094	99 643 284	98 953 138
Effective lending rate	2.65 %	1.88 %	2.33 %	1.95 %	1.96 %
Interest expense (annualised)	1 138 797	364 577	843 588	403 934	421 680
Average total assets	108 151 529	98 433 335	105 964 095	99 643 284	98 953 138
Effective funding rate	1.05 %	0.37 %	0.80 %	0.41 %	0.43 %

Profit related measures

Profit related measures are provided for enhanced insight into the underlying performance of the business. Cost-to-income ratio and Return on Equity are commonly used by analysts and investors to evaluate the financial performance of banks and the banking industry.

Operating income is the sum of net interest income, net commission and fee income and other operating income.

Operating expenses is the sum of personnel expenses, administrative expenses and depreciation and impairment of fixed and intangible assets.

Cost-to-income ratio is calculated as operating expense divided by operating income. The measure reflects the operating efficiency of the Bank.

Return on Equity (ROE) is calculated as profit for the period attributable to shareholders as a percentage of average shareholder equity in the period. Tier-1 capital and related accrued interest have been excluded from the ROE calculation. For interim periods the profit for the period is annualised using the number of days in the period to the total number of days in the year. The average equity is calculated using a linear average over the reporting period.

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Operating expense	195 150	181 056	605 731	546 895	741 203
Operating income	502 482	405 433	1 391 247	1 261 235	1 693 288
Cost-to-income ratio	38.8 %	44.7 %	43.5 %	43.4 %	43.8 %
Operating expense	195 150	181 056	605 731	546 895	741 203
Adjustment one-off	0	-3 785	-29 028	-12 461	-11 514
Operating expense adjusted	195 150	177 271	576 703	534 434	729 689
Operating income	502 482	405 433	1 391 247	1 261 235	1 693 288
Adjustment one-off	0	0	-26 520	0	0
Operating income adjusted	502 482	405 433	1 364 727	1 261 235	1 693 288
Cost-to-income ratio adjusted	38.8 %	43.7 %	42.3 %	42.4 %	43.1 %
Profit for the period attributable to shareholders (annualised)	878 420	643 120	768 903	710 950	707 781
Average equity	7 170 527	7 026 316	7 032 688	7 014 022	6 851 229
Return on equity	12.3 %	9.2 %	10.9 %	10.1 %	10.3 %

Other performance measures

Other performance measures are presented as they are commonly used by analysts and investors to evaluate the performance of the loan book and the funding mix of banks.

Growth, e.g loan growth, is calculated as a percentage by subtracting the period end balance from the period start balance and dividing by the period start balance.

Average loan volume is calculated based on daily observations of gross loans to customers divided by the number of days in the period.

Loss rate is calculated as the loan losses of the period divided by the average loan volume of the period. The measure is commonly used by banks and industry analysts to indicate the performance and quality of the lending book. For interim periods the loan losses for the period is annualised using the number of days in the period to the total number of days in the year.

Loss rate (adj.) is calculated as the loan losses of the period adjusted for income from sold portfolio of non-performing loans, divided by the average loan volume in the period. The measure is presented to provide a better understanding of the underlying performance of the lending book.

Average deposit-to-loan ratio is calculated as average deposits from customers in the period divided by average loans to customers in the period. The average is based on daily observations. The measure reflects the average amount of customer lending funded by customer deposits and is commonly used by banks and industry analysts.

Deposit-to-loan ratio is calculated as deposits from customers divided by loans to customers at the end of the period. The measure reflects the average amount of customer lending funded by customer deposits and is commonly used by banks and industry analysts.

LTV (Loan-to-Value) is calculated as the loan amount divided by the estimated value of the property. When calculating a weighted average of LTV for the entire loan book, the credit balance of mortgages and the credit limit of home equity credit lines are used as weights. The LTV is provided as a measure of lending risk exposure.

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Loan losses (annualised)	16 879	20 836	15 071	1 098	-3 470
Average loan volume	92 411 929	81 895 896	89 857 381	82 555 541	82 824 694
Loss rate	0.02 %	0.03 %	0.02 %	0.00 %	0.00 %
Average deposits from customers	66 954 831	63 797 722	65 905 418	61 620 633	62 307 679
Average loans to customers	92 411 929	81 895 896	89 857 381	82 555 541	82 824 694
Average deposit-to-loan ratio	72.5 %	77.9 %	73.3 %	74.6 %	75.2 %
Deposits from customers	65 636 722	63 845 031	65 636 722	63 845 031	64 240 315
Loans to customers	94 593 545	82 037 172	94 593 545	82 037 172	84 346 875
Deposit-to-loan ratio	69.4 %	77.8 %	69.4 %	77.8 %	76.2 %
LTV (Loan-to-value)	50.5 %	51.1 %	50.5 %	51.1 %	51.3 %

The liquidity requirements are intended to guarantee satisfactory liquidity management by ensuring that the institutions have sufficient liquid assets to cover their liabilities on maturity and have stable and long-term financing at all times. The Liquidity Coverage Ratio (LCR) is intended to ensure that institutions can convert sufficient assets to cash to cover expected net liquidity outflows over the next 30 days in stressed situations in the money and capital markets. The Net Stable Funding Ratio (NSFR) is intended to ensure that less liquid assets are financed over the long term.

LCR (Liquidity Coverage Ratio)

In NOK thousand	30.09.22		30.09.21		31.12.21	
	Carrying value	Value LCR	Carrying value	Value LCR	Carrying value	Value LCR
Level 1 - assets exclusive of covered bonds	3 701 194	3 701 194	5 591 418	5 591 418	4 355 321	4 355 321
Level 1 covered bonds	8 104 556	7 537 237	8 712 139	8 102 289	8 586 363	7 985 318
Level 2A - assets	1 765 434	1 500 619	2 516 618	2 139 126	2 614 867	2 222 637
Level 2B - assets					0	0
Excess liquid asset amount		-401 737				-45 540
Assets ineligible as "liquid assets"	97 522 227		84 863 710		86 717 035	
Total assets	111 093 411	12 337 313	101 683 885	15 832 833	102 273 586	14 517 736
Net outflows		5 518 663		5 036 536		5 102 181
LCR %		224 %		314 %		285 %

S'banken

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