Quarterly report Q3 2023

Lea bank ASA

About Lea bank ASA

Lea bank is a leading digital niche bank with an international distribution platform. The strategy is to deliver attractive terms to customers, leading technological solutions, cost-effective operations, prudent credit risk management, and efficient capital utilization.

Lea bank offers unsecured loans and deposit products to the consumer market. The bank has lending operations in Finland, Norway, Sweden and Spain, and offers deposit products in Norway, Sweden, Germany, Spain, Austria, and France. The bank has access to euro deposits through a partnership with Raisin Bank.

Lea bank has a scalable European operation model and leading cloud-based IT solutions with a focus on delivering superior customer experiences.

By using automated loan processing and user-friendly digital products, Lea bank has gained a solid position among Nordic niche banks. The bank has developed a proprietary credit model and offers risk-based pricing to defined customer segments to optimize return on equity.

Lea bank is an independent bank with approximately 1,300 shareholders and is listed on Euronext Growth Oslo with the ticker symbol LEA.

Lea bank is a member of The Norwegian Banks' Guarantee Fund, Finance Norway, and The Association of Norwegian Finance Houses. Deposits up to NOK 2 million are covered by the guarantee scheme fund. Deposits outside Norway are covered up to EUR 100,000.

The bank's headquarter is located at Holbergs gate 21 in Oslo - Norway.

Q3 2023 Results

The bank reported a profit before tax of NOK 38.0 million for Q3 2023, with a profit after tax of NOK 28.9 million. Equity at the end of the quarter was NOK 1,427.0 million, and the annualized return on equity was 8.5% for the quarter.

Loan losses for Q3 2023 were NOK 67.8 million, representing an annualized loan loss ratio of 4,1% compared to 5,0% last quarter and 3,5% in Q3 2022. Loan losses for 2023 are impacted by higher uncertainty in macroeconomic environment leading to increased probability of defaults in the loan book. Year to date loan loss ratio for 2023 was 4,4% compared to 3,2% for the same period last year.

Gross loans to customers were reduced by NOK 11 million during the quarter. The appreciation of NOK against EUR and SEK contributed to a volume reduction of NOK 149 million in currency effects. Adjusted for currency effects, gross loans increased by NOK 138 million during the quarter.

The bank continued to focus on profitable growth, NPL management, effective operations and cost control in the quarter.

The financing cost has increased by 0.4 percentage points compared to the previous quarter, and the annualized financing cost on deposit products at the end of the quarter is at 3.0%. The increase in financing cost was offset by an increase in lending margins of 0.3 percentage points. Net interest income margin for Q3 2023 was 6.7% which is 0.2 percentage points lower than last quarter.

The bank had a solid liquidity position at the end of the quarter, which is expected to continue.

The interim financial statement is not audited.

Income statement for Q3 2023

Profit before tax for Q3 2023 was NOK 38.0 million, compared to NOK 37.0 million in Q3 2022. Profit after tax was NOK 28.9 million, compared to NOK 28.6 million in Q3 2022.

Net interest income for the quarter was NOK 130.4 million, an increase of NOK 4.1 million compared to Q3 2022, and a decrease of NOK 6.4 million compared to the previous quarter. Total income was NOK 150.3 million, compared to NOK 129.1 million in the same quarter of 2022 driven by higher yields on the liquidity balance.

The net change in the value of liquidity holdings and currency effects resulted in a gain of NOK 12.8 million in the quarter, compared to a loss of NOK 4.1 million in Q3 2022. The market for liquidity placements has been positive due to increased underlying interest rates. The bank takes positions to hedge currency risk, as a substantial portion of the bank's lending is outside Norway. There have been significant movements in the currency market throughout the quarter, however the impact on the income statement has been limited.

Total operating expenses were 44.5 MNOK compared to 40.0 MNOK in Q3 2022. The increase is due to higher personnel costs, marketing costs, credit information cost and depreciation of intangible assets.

Losses on loans were 67.8 MNOK compared to 52.1 MNOK in Q3 2022. Annualized loan losses for the quarter were 4,1%, an increase of 0.6 percentage points due to higher uncertainty in macroeconomic environment leading to increased probability of defaults in the loan book.

Balance sheet as of 30.09.2023

Loan development has an underlying positive development throughout the quarter, and gross loans amounted to 6,607.2 MNOK as of 30.09.2023, compared to 6,618.5 MNOK in the previous quarter and 6,090.4 MNOK as of 30.09.2022. Adjusted for currency effects, gross loans increased by NOK 138 million during the quarter. The growth has been positive in Sweden and Spain, while the volumes were reduced in Finland and Norway.

Total assets amounted to 7,719.4 MNOK as of 30.09.2023, compared to 7,065.9 MNOK as of 30.09.2022.

Deposits to customers amounted to 6,141.6 MNOK as of 30.09.2023, compared to 5,545.2 MNOK as of 30.09.2022.

Total equity amounted to 1,427.0 MNOK, compared to 1,362.7 MNOK as of 30.09.2022. See note 4 for information on capital adequacy.

Deposits with other banks and liquid assets amounted to 1,341.1 MNOK. Liquid assets were invested in the Central Bank of Norway, other Norwegian banks, certificates and government bonds, and funds invested in preferred stock bonds and liquidity funds.

The total capital adequacy ratio (tier 2) was 22.68%, the tier 1 capital adequacy ratio (tier 1) was 21.28%, and common equity capital adequacy ratio (CET 1) was 20.36% at the end of the quarter. The interim financial statement has not been audited. Including year to date profits, the capital adequacy ratios would have been 23.97%, 22.57%, and 21.65%, respectively.

The Liquidity Coverage Ratio (LCR) was 600% (384% in NOK, 396% in EUR and 161% in SEK) and the Net Stable Funding Ratio (NSFR) was 148% as of 30.09.2023.

Outlook

The bank will continue its strategy of becoming a leading digital niche bank with consumer financing offering in attractive geographical markets. Lea bank has lending operations in Finland, Norway, Sweden, Spain, and a scalable international operation model.

The focus is to deliver attractive returns for the shareholders, efficient operations, an exciting workplace for the bank's employees, and offer superior customer experiences for the bank's customers and partners.

Focus areas going forward:

1. *Credit risk*
   - Navigate through an uncertain macroeconomic environment
   - Close monitoring of customer behaviour and support customers through temporary challenges

2. *Margins*
   - Aim to maintain interest margins despite increasing funding costs
   - Utilize presence in four markets to optimize capital allocation and develop more diversified funding capabilities

3. *Redomicilation*

   - In process with foreign banking license application
   - In addition, the bank is evaluating M&A opportunities

     In connection with the redomicile project the bank will consider a new listing venue.

The bank has strong solvency at the end of the quarter with a pure core capital adequacy ratio of 20.36%, which provides a good margin to statutory capital requirements.

There is general uncertainty related to future conditions, regulatory framework and development that may affect the bank's economic development.

Income statement

(Amounts in NOK 1 000)	Note	Q3 2023	Q3 2022	2023 YTD	2022 YTD	2022
Interest income		180,386	140,257	518,868	401,832	554,259
Interest expense		-49,948	-13,932	-120,053	-40,388	-61,123
Net interest income		**130,438**	**126,325**	**398,815**	**361,444**	**493,136**
Commission and bank services income		8,083	7,896	24,290	20,580	28,766
Commission and bank services expenses		-1,079	-1,072	-3,303	-3,305	-4,740
Net changes in value on securities and currency		12,841	-4,082	18,134	-6,407	5,594
Other income		51	44	136	88	220
Net other operating income		**19,897**	**2,786**	**39,257**	**10,956**	**29,841**
Total income		**150,335**	**129,111**	**438,072**	**372,400**	**522,977**
Personnel expenses		-16,542	-15,700	-47,475	-46,939	-62,600
General administrative expenses		-22,180	-19,831	-61,101	-58,913	-79,170
- hereof marketing expenses		*-2,708*	*-1,699*	*-4,530*	*-3,446*	*-3,883*
Depreciation and impairment		-3,822	-2,600	-10,839	-7,559	-10,833
Other operating expenses		-1,949	-1,850	-7,754	-5,289	-8,046
Total operating expenses		**-44,492**	**-39,982**	**-127,168**	**-118,700**	**-160,649**
Profit before loan losses		**105,843**	**89,129**	**310,904**	**253,700**	**362,327**
Provision for loan losses	2	-67,823	-52,123	-211,449	-138,956	-175,968
Profit before tax		**38,019**	**37,006**	**99,455**	**114,744**	**186,359**
Tax charge		-9,133	-8,393	-23,878	-27,495	-45,782
Profit after tax		**28,886**	**28,613**	**75,577**	**87,249**	**140,577**

Balance sheet

(Amounts in NOK 1 000)	Note	30.09.2023	30.09.2022	31.12.2022
Assets				
Cash and deposits with the central bank		51,448	50,154	50,402
Loans and deposits with credit institutions		302,452	190,562	322,201
Loans to customers	2	6,244,695	5,677,089	5,883,551
Certificates and bonds		987,251	985,827	961,163
Deferred tax asset		67,877	107,960	91,756
Other intangible assets		34,647	26,951	29,380
Fixed assets		5,559	7,613	8,775
Other assets		25,462	19,729	20,256
Total assets		**7,719,392**	**7,065,885**	**7,367,484**
Liabilities and equities				
Debt to the central bank		0	0	0
Deposits from customers		6,141,604	5,545,223	5,791,333
Other liabilities	7	68,829	70,396	142,315
Subordinated loans	3	81,999	87,522	81,746
Total liabilities		**6,292,432**	**5,703,141**	**6,015,394**
Share capital		190,425	189,681	189,681
Share premium		662,599	660,322	660,322
Tier 1 capital		54,269	49,012	54,114
Other paid-in equity		14,356	12,944	13,405
Other equity		505,311	450,786	434,568
Total equity	**4,5,6,8**	**1,426,960**	**1,362,745**	**1,352,089**
Total liabilities and equity		**7,719,392**	**7,065,885**	**7,367,484**

Note 1 – General accounting principles

1.1 Company information

Lea bank ASA is a Norwegian public limited company with a business address at Holbergs gate 21, 0166 Oslo - Norway.

Lea bank is a leading digital niche bank with an international distribution platform. The bank offers unsecured loans and deposit products to the consumer market and has lending activities in Finland, Norway, Sweden, and Spain.

1.2 Basis for preparation of the financial statements

The financial statements for Lea bank ASA are prepared in accordance with the Regulations relating to annual accounts for banks, credit institutions, and financing companies (the annual accounts regulations). Changes were made to the annual accounts regulations effective from January 1, 2020. The Bank has chosen to prepare the financial statements in accordance with Section 1-4(2)(b) of the annual accounts regulations, which means that the financial statements are prepared in accordance with IFRS unless otherwise provided by the regulations. Measurement and recognition are fully in accordance with IFRS, except that dividends and group contributions from subsidiaries are recognized as liabilities on the balance sheet date.

The Bank has used the transitional provisions in the regulations, and the effects of the transition to the new annual accounts regulations have been recognized in equity as of January 1, 2020. The Bank has chosen not to restate comparative figures in accordance with Section 9-2 of the regulations, but comparative figures have been partly reclassified to best fit the presentation format under the new regulations.

The Bank will omit the following disclosure requirements under IFRS:
1) IFRS 13. Instead, information on fair value is provided in accordance with Section 7-3 of the regulations.
2) IFRS 15.113-128
3) IAS 19.135 litra c and IAS 19.145-147.

IFRS 16 was included from January 1, 2021.

Unless otherwise stated, amounts in the notes are given in thousands of Norwegian kroner.

The interim financial statement is not audited.

1.3 Summary of the main accounting principles

1.3.1 Revenue recognition

Interest income is recognized using the effective interest method. This involves recognizing interest income on an ongoing basis, with the addition of amortization of establishment fees. The effective interest rate is determined by discounting contracted cash flows within expected maturity. Cash flows include establishment fees, as well as any residual value at the end of the expected maturity.

Revenue recognition of interest using the effective interest method is used for balance sheet items that are valued at amortized cost. For interest-bearing balance sheet items that are valued at fair value through profit or loss, the nominal interest is recognized on an ongoing basis, while other changes in value are presented as "Net change in value and gains/losses on currency and financial instruments." Interest income on engagements that are credit impaired is calculated using the effective interest rate on the written down value. Interest income on engagements that are not credit impaired is calculated using the gross effective interest rate (amortized cost before provision for expected losses).

The effective interest rate is the rate that makes the present value of future cash flows within the expected maturity of the loan equal to the book value of the loan at initial recognition. Cash flows include establishment fees, as well as any residual value at the end of the expected maturity.

Fees and commissions are recognized as revenue as the service is provided. Fees for the establishment of loan agreements are included in cash flows when calculating amortized cost and recognized as revenue under net interest income using the effective interest method. Payment of fees to loan intermediaries for consumer loans is spread over the expected maturity.

Dividends from investments are recognized at the time the dividend is approved at the general meeting.

1.3.2 Financial Instruments

Recognition and derecognition of Financial Instruments
Financial assets and liabilities are recognized on the balance sheet at the time the bank becomes a party to the contractual terms of the instrument. Common purchases and sales of investments are recorded at the time of agreement. Financial assets are removed from the balance sheet when the rights to receive cash flows from the investment cease or when these rights have been transferred and the bank has substantially transferred the risks and entire profit potential of ownership. Financial liabilities are derecognized when the rights to the contractual terms have been fulfilled, cancelled or expired.

Classification and Subsequent Measurement of Financial Instruments
Financial instruments are classified into one of the following measurement categories upon initial recognition.

Financial assets:

- amortized cost (AC)
- fair value through profit or loss (FVPL) or;

Financial assets are classified based on an assessment of the bank's business model for managing assets and the contractual cash flow characteristics of the instrument. Financial assets with contractual cash flows that are solely payments of principal and interest on specified dates and held in a business model whose objective is to collect contractual cash flows are measured at amortized cost. Other financial assets are measured at fair value through profit or loss. Based on this, "Cash and cash equivalents", "Loans and receivables from credit institutions and financing companies" and "Loans from customers" are measured at amortized cost, but the bank's holdings of "Interest-bearing securities" and "Shares, and other equity instruments" are measured at fair value through profit or loss.

Financial liabilities:

- Amortized cost

This category consists of “Deposits from customers”.

Measurement at fair value
Financial assets and liabilities that are measured at fair value through profit or loss are recognized at fair value upon acquisition and transaction costs are recognized in profit or loss. The items are subsequently measured at fair value in subsequent periods.
The fair value of financial instruments traded in active markets is based on market prices on the balance sheet date.
The fair value of financial instruments not traded in an active market is determined using valuation techniques.

Measurement at amortized cost
All financial assets not measured at fair value are initially recognized at fair value with transaction costs added, and other liabilities recognized at amortized cost are initially recognized at fair value with transaction costs deducted.
Amortized cost is determined by discounting the contractual cash flows over the expected life. The cash flows include establishment fees and direct, marginal transaction costs not directly paid by the customer, as well as any residual value at the end of the expected life. Amortized cost is the present value of such cash flows, discounted at the effective interest rate, with an allowance for expected losses.

Impairment of financial assets
Under IFRS 9, impairment losses are recognized based on expected credit losses.
The measurement of the provision for expected losses in the general model depends on whether the credit risk has increased significantly since initial recognition. At initial recognition and when the credit risk has not increased significantly since initial recognition, the provisions are based on 12-month expected credit losses ("stage 1"). 12-month expected credit losses are the losses expected to occur over the life of the instrument but that can be attributed to events occurring in the first 12 months.
If the credit risk, assessed as the probability of default over the remaining life of an asset or group of assets, is considered to have increased significantly since initial recognition, a provision for expected losses equal to the present value, determined using the effective interest rate, of the expected loss over the entire expected life of the instrument must be made, and the asset must be reclassified to stage 2. If a credit event occurs, the instrument is moved to stage 3.
The bank has defined expected life as the expected time horizon associated with the first occurrence of default or full payment of interest and principal on the claim. The bank looks at changes in the risk of default since initial recognition to determine if an asset has experienced a significant increase in credit risk. The bank considers a commitment to be impaired/defaulted when the loan is more than 90 days past due, the customer has been transferred to a debt collection agency for recovery of the claim, there is a death, or cases where there is suspicion of fraud.
In the event of bankruptcy or a court judgment, the bank records commitments affected by such circumstances as incurred losses (write-offs). This also applies in cases where the bank has otherwise ceased recovery or waived parts of or the entire commitment.

Model Characteristics
The bank uses a loss model to calculate loss provisions. The model includes, among other things, the probability of default (PD), discount rate, exposure at default (EAD), and loss given default (LGD).

The bank uses various indicators to assess whether an asset has had a significant increase in the risk of default. This information is based on the actual behavior of customers, and the bank has established a range of rules that it has identified as triggers for a significant increase in credit risk.

The models provide an estimate of PD, which involves separate LGD loss models that run both before and after default. The bank uses models for exposures at the time of default. Triggers are used to classify accounts into three stages:

- Stage 1: "12-month expected loss"
- Stage 2: "Significant increase in credit risk compared to initial recognition"
- Stage 3: "Credit-impaired"

All defaulted engagements are placed in stage 3 of the model. Engagements that have had a significant increase in credit risk since initial recognition are allocated to stage 2. The remaining engagements are included in stage 1.

Default is defined as engagements that are more than 90 days past due according to the agreed payment plan and the overdue amount is at least € 100 in the respective local currency. On December 31, 2022, the bank switched to a new definition of default, which is in line with the definition used by the EBA (Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013). The "last in, first out" (LIFO) principle is applied, where the most recent overdue invoice is covered first. This is different from the previous default definition where the oldest overdue invoice was covered first. This new principle means that a customer who consistently falls 30 days behind schedule will roll over into default.

To assess whether an engagement has had a significant increase in credit risk and should be transferred from stage 1 to stage 2 in the model, two main tests are conducted. The first test, the PD test, checks whether two criteria are met for an engagement to be considered to have had a significant increase in credit risk. The first criterion is a relative measurement of PD, which means that the observed PD on the reporting date must be at least six times higher than the expected PD calculated on the recognition date. The second criterion measures the absolute change in PD and requires it to be at least five percentage points higher, if the increase in credit risk is to be considered significant. Both criteria in the first test must be met for the engagement to be considered to have had a significant increase in credit risk. The second test serves as a backstop and involves moving the engagement to stage 2 if it is at least 30 days overdue, regardless of the result in the first test to stage 2.

In addition to the two tests, the bank also used information regarding approved payment relief (forbearance), as well as information regarding defaults on other products, to assess whether an engagement has had a significant increase in credit risk. Engagements with forbearance where the present value of future cash flows is reduced by more than 1% or there are multiple forbearance events are reported in stage 3. The volume of engagements with forbearance flag at the reporting date is specified in the loan note in the corresponding overview showing changes in gross loans.

A loan that has migrated to stage 2 can migrate back to stage 1, provided it no longer meets any of the criteria or conditions described in the paragraphs above. There is no explicit quarantine before a loan can migrate from stage 2 to stage 1. Loans in default (stage 3) will migrate to stage 1 or 2 when they are no longer classified as defaults, unless they are purchased defaulted loans or loans originally assessed as credit-impaired.

The bank has developed models for the expected lifetime of all unsecured loans per country, measured against repayment agreements and current repayment patterns. The chosen methodology for each model is based on the respective maturity of the portfolio as well as the availability of data in the respective markets. The models are continuously validated. This includes validation on out of time sample.

The PD, LGD, and EAD models use an adjustment factor based on macro assessments for each product and country. Through simulations, an expected, an upper, and a lower scenario for expected losses are established where the model weights in the management's assessment of the likely macro picture. Significant macro variables are defined as GDP, unemployment, and interest rates. For engagements with SME and mortgage customers, the portfolio is of insignificant size, and the bank has therefore not applied a quantitative model.

The bank segments the portfolio into groups of loans with common risk characteristics and calculates expected credit losses (ECL) for each segment. The expected credit loss (ECL) is calculated as a product of a defined set of parameters tailored to the characteristics of each segment. The formula used is: ECL = PD * EAD * LGD.

Cash and deposits with the central bank
The bank's credit risk related to "Cash and balances with central banks" is exclusively towards Norges Bank. Norges Bank is rated Aaa by Moody's and AAA/A-1+ by S&P, and therefore has low credit risk. The bank assesses that the presumption of low credit risk is fulfilled and does not make any provisions for losses related to this balance item.

Loans and deposits with credit institutions
"Loans and deposits with credit institutions" are towards Norwegian financial institutions with good ratings and are thus considered to meet the presumption of low credit risk under the standard. The bank assesses that this, combined with LGD, will result in insignificant provisions for losses, and therefore has not made any provisions for losses related to this balance item.

1.3.3 Fixed assets and intangible assets

Fixed assets and intangible assets are recorded on the balance sheet at acquisition cost, less accumulated ordinary depreciation and any impairment losses.

Ordinary depreciation is based on acquisition cost and is linearly distributed over the estimated economic life of the asset. There have been no changes to the depreciation schedules.

If the fair value of a property, plant and equipment asset is significantly lower than the book value and the impairment is not expected to be temporary, the asset is written down to fair value.

The bank's lease agreement for office space falls under IFRS 16. At initial recognition, the lease liability and the right-of-use asset are measured at the present value of future lease payments and are amortized in the accounts.

1.3.4 Currency
Losses or gains due to foreign exchange rates that arise from payments made to foreign countries are recognized as income or expenses at the time of the transaction in NOK.

1.3.5 Taxes

Deferred tax and deferred tax assets are recognized in accordance with NRS (F) on income tax. The tax expense in the income statement includes both the current payable tax and the change in deferred tax. The change in deferred tax is related to the tax effect of temporary differences in results and changes in losses carried forward.

Deferred tax assets in the balance sheet can only be recognized as an asset in the balance sheet if it can be held to be more likely than not that the company will have a taxable income in a future accounting year that makes it possible to utilize the benefit.

1.3.6 Financial derivatives

The estimated value of options is expensed continuously in the income statement in line with the accrual, with the offset recorded in other contributed equity in the balance sheet.

Freestanding subscription rights are recognized as an intangible asset with the offset recorded in other contributed equity. The asset is depreciated on a straight-line basis over five years.

In cases where the bank has entered into forward flow agreements for defaulted loans, these agreements are defined as financial derivatives. The bank has concluded that the value of the financial derivatives is not material and therefore the agreement is not recognized in the balance sheet. This assessment is based on a comparison of the LGD rates that the bank realizes with the forward flow agreement compared to the LGD rates observed in the market for comparable banks with comparable products.

1.3.7 Pension

The bank is subject to the Mandatory Occupational Pension Act and has a deposit-based pension scheme that covers all employees. Contributions to the scheme are made continuously, and the bank has no obligations beyond the ongoing contributions to the scheme.

1.3.8 Assessments and estimates

In preparing the financial statements, management has made judgments, estimates, and assumptions that affect the application of the bank's accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed continuously. Changes in estimates are recognized as they arise.

Information about judgments made in the application of accounting policies that have the most significant effect on the amounts presented in the financial statements is included in the following notes:

Note 2: including establishing the criteria for when a significant increase in credit risk has occurred since initial recognition, determining the methodology for incorporating forward-looking information in the measurement of ECL (Expected Credit Loss), and choosing the models used to measure ECL.

Note 2 – Gross loans and loan loss provisions

2.1 Gross loans, undrawn credit lines, and expected credit losses

Gross loans, undrawn credit lines, and expected credit losses per product and country - 30.09.2023

				Gross loans				Loan loss provisions (ECL)				Net loans			
	Gross loans	Of which agent-comm/fees	Off-balance	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Consumer loans															
Norway	2,252,034	63,674	141,085	1,960,241	150,664	141,129	2,252,034	42,808	20,183	35,749	98,740	1,917,433	130,481	105,380	2,153,294
Finland	3,256,532	57,075	125,528	2,780,902	202,256	273,374	3,256,532	73,789	28,239	88,316	190,343	2,707,113	174,018	185,058	3,066,189
Sweden	839,478	27,849	55,023	683,185	33,246	123,046	839,478	11,746	4,751	42,312	58,809	671,439	28,495	80,734	780,669
Spain	229,604	8,837	-	220,501	6,262	2,841	229,604	7,556	1,410	2,193	11,159	212,945	4,852	647	218,444
SME and mortgages															
Norway	29,599	-	-	29,599	-	-	29,599	3,500	-	-	3,500	26,099	-	-	26,099
Total	**6,607,247**	**157,435**	**321,636**	**5,674,428**	**392,428**	**540,391**	**6,607,247**	**139,398**	**54,583**	**168,571**	**362,552**	**5,535,030**	**337,846**	**371,820**	**6,244,695**

2.2 Specification of credit losses on loans and guarantees *

Amounts in NOK 1 000	**Q3 2023**
Loan loss provisions - 12 months expected credit loss (stage 1)	**-2,479**
Loan loss provisions - lifetime expected credit loss (stage 2)	**-5,575**
Loan loss provisions - lifetime expected credit loss (stage 3)	**28,379**
Realized losses and NPL-interest in the period	**47,497**
Loans losses in the period	**67,823**

** The bank has no issued guarantees as of 30.09.2023*
*** Contractually regulated outstanding amounts for financial assets that were written off during the reporting period, and which are still subject to enforcement activities, are insignificant for the financial statements*

2.3 Gross loans, undrawn credit lines and maximum exposure per risk class - 30.09.2023

Risk class, amounts in NOK 1 000	Probability of default	Gross loans	Off-balance	Max exposure	Of which stage 1	Of which stage 2	Of which stage 3
A	0 - 10 %	4,658,418	321,636	4,980,054	4,955,803	24,251	-
B	10 - 20 %	624,309	-	624,309	593,781	30,528	-
C	20 - 30 %	255,234	-	255,234	207,345	47,889	-
D	30 - 40 %	185,471	-	185,471	117,004	68,468	-
E	40 - 50 %	180,488	-	180,488	64,615	115,873	-
F	50 - 60 %	114,837	-	114,837	48,645	66,192	-
G	60 - 70 %	47,430	-	47,430	9,476	37,954	-
H	70 - 80 %	-	-	-	-	-	-
I	80 - 90 %	-	-	-	-	-	-
J	90 - 100 %	669	-	669	669	-	-
Defaulted loans	100 %*	540,391	-	540,391	-	-	540,391
Total		**6,607,247**	**321,636**	**6,928,883**	**5,997,337**	**391,155**	**540,391**

Risk classes are grouped by probability of default (12-month PD) into groups from A to J, where group A is the group with the lowest risk and group J is the group with the highest risk. Defaulted loans are separated into their own group. *Parts of the volume in stage 3 have PD lower than 100%. This applies to loans that are in stage 3 due to the new definition of default and/or are in quarantine.

2.4 Changes in gross loans and loan loss provisions.

Total consumer loans - 01.07.2023 - 30.09.2023

Reconciliation of gross loans

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2023	**5,782,903**	**385,648**	**449,957**	**6,618,508**
transfers				
- transfers from stage 1 to stage 2	-240,448	240,448	-	-
- transfers from stage 1 to stage 3	-68,387	-	68,387	-
- transfers from stage 2 to stage 3	-	-121,858	121,858	-
- transfers from stage 3 to stage 2	-	11,310	-11,310	-
- transfers from stage 2 to stage 1	63,571	-63,571	-	-
- transfers from stage 3 to stage 1	21,812	-	-21,812	-
New financial assets issued	828,225	9,092	1,851	839,167
Financial assets derecognized in the period	-393,403	-57,012	-48,591	-499,005
Partial repayments	-191,034	-2,883	-7,211	-201,127
Currency effects	-128,813	-8,746	-12,738	-150,297
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2023	**5,674,428**	**392,428**	**540,391**	**6,607,247**
- of which loans with payment concessions	**-**	**-**	**32,700**	**32,700**

Reconciliation of total expected credit losses

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2023	**141,877**	**60,157**	**140,192**	**342,225**
transfers				
- transfers from stage 1 to stage 2	-10,558	10,558	-	-
- transfers from stage 1 to stage 3	-5,020	-	5,020	-
- transfers from stage 2 to stage 3	-	-20,374	20,374	-
- transfers from stage 3 to stage 2	-	1,547	-1,547	-
- transfers from stage 2 to stage 1	8,175	-8,175	-	-
- transfers from stage 3 to stage 1	2,802	-	-2,802	-
New financial assets issued	16,445	470	451	17,366
Financial assets derecognized in the period	-8,701	-8,123	-12,930	-29,755
Changes in measurements*	-2,413	19,786	23,421	40,794
Currency effects	-3,208	-1,263	-3,609	-8,079
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2023	**139,398**	**54,583**	**168,571**	**362,552**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*
PD (probability of default), LGD (loss given default), EAD (exposure at default)

Reconciliation of gross loans – consumer loans Norway

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2023	**2,016,167**	**151,994**	**97,516**	**2,265,678**
transfers				
- transfers from stage 1 to stage 2	-74,347	74,347	-	-
- transfers from stage 1 to stage 3	-19,684	-	19,684	-
- transfers from stage 2 to stage 3	-	-38,451	38,451	-
- transfers from stage 3 to stage 2	-	3,116	-3,116	-
- transfers from stage 2 to stage 1	26,246	-26,246	-	-
- transfers from stage 3 to stage 1	5,298	-	-5,298	-
New financial assets issued	276,041	2,123	-	278,164
Financial assets derecognized in the period	-166,780	-12,916	-3,291	-182,987
Partial repayments	-102,699	-3,305	-2,817	-108,821
Currency effects	-	-	-	-
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2023	**1,960,241**	**150,664**	**141,129**	**2,252,034**
- of which loans with payment concessions	**-**	**-**	**14,267**	**14,267**

Reconciliation of total expected credit losses – consumer loans in Norway

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2023	**44,746**	**21,771**	**23,733**	**90,250**
transfers				
- transfers from stage 1 to stage 2	-3,305	3,305	-	-
- transfers from stage 1 to stage 3	-1,583	-	1,583	-
- transfers from stage 2 to stage 3	-	-6,555	6,555	-
- transfers from stage 3 to stage 2	-	345	-345	-
- transfers from stage 2 to stage 1	3,567	-3,567	-	-
- transfers from stage 3 to stage 1	531	-	-531	-
New financial assets issued	4,428	103	-	4,531
Financial assets derecognized in the period	-3,321	-1,710	-1,113	-6,144
Changes in measurements*	-2,254	6,490	5,868	10,104
Currency effects	-	-	-	-
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2023	**42,808**	**20,183**	**35,749**	**98,740**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – consumer loans Finland

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2023	**2,997,166**	**200,796**	**259,925**	**3,457,887**
transfers				
- transfers from stage 1 to stage 2	-132,618	132,618	-	-
- transfers from stage 1 to stage 3	-36,653	-	36,653	-
- transfers from stage 2 to stage 3	-	-56,935	56,935	-
- transfers from stage 3 to stage 2	-	7,780	-7,780	-
- transfers from stage 2 to stage 1	33,164	-33,164	-	-
- transfers from stage 3 to stage 1	14,420	-	-14,420	-
New financial assets issued	282,264	3,085	1,689	287,039
Financial assets derecognized in the period	-192,604	-43,810	-44,870	-281,284
Partial repayments	-74,292	-118	-4,024	-78,434
Currency effects	-109,945	-7,996	-10,734	-128,676
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2023	**2,780,902**	**202,256**	**273,374**	**3,256,532**
- of which loans with payment concessions	**-**	**-**	**18,421**	**18,421**

Reconciliation of total expected credit losses – consumer loans in Finland

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2023	**77,811**	**33,618**	**81,723**	**193,153**
transfers				
- transfers from stage 1 to stage 2	-6,612	6,612	-	-
- transfers from stage 1 to stage 3	-3,216	-	3,216	-
- transfers from stage 2 to stage 3	-	-9,793	9,793	-
- transfers from stage 3 to stage 2	-	1,111	-1,111	-
- transfers from stage 2 to stage 1	4,112	-4,112	-	-
- transfers from stage 3 to stage 1	1,802	-	-1,802	-
New financial assets issued	6,749	230	451	7,429
Financial assets derecognized in the period	-4,901	-6,385	-11,731	-23,016
Changes in measurements*	844	8,087	10,758	19,690
Currency effects	-2,800	-1,130	-2,982	-6,912
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2023	**73,789**	**28,239**	**88,316**	**190,343**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – consumer loans Sweden

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2023	**636,521**	**31,766**	**92,292**	**760,578**
transfers				
- transfers from stage 1 to stage 2	-27,912	27,912	-	-
- transfers from stage 1 to stage 3	-10,639	-	10,639	-
- transfers from stage 2 to stage 3	-	-25,365	25,365	-
- transfers from stage 3 to stage 2	-	414	-414	-
- transfers from stage 2 to stage 1	4,162	-4,162	-	-
- transfers from stage 3 to stage 1	2,095	-	-2,095	-
New financial assets issued	133,328	3,076	-	136,403
Financial assets derecognized in the period	-29,026	-286	-429	-29,740
Partial repayments	-14,813	405	-416	-14,824
Currency effects	-10,531	-512	-1,897	-12,940
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2023	**683,185**	**33,246**	**123,046**	**839,478**
- of which loans with payment concessions	**-**	**-**	**12**	**12**

Reconciliation of total expected credit losses – consumer loans in Sweden

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2023	**11,877**	**4,630**	**34,550**	**51,057**
transfers				
- transfers from stage 1 to stage 2	-376	376	-	-
- transfers from stage 1 to stage 3	-149	-	149	-
- transfers from stage 2 to stage 3	-	-3,888	3,888	-
- transfers from stage 3 to stage 2	-	91	-91	-
- transfers from stage 2 to stage 1	497	-497	-	-
- transfers from stage 3 to stage 1	470	-	-470	-
New financial assets issued	898	81	-	979
Financial assets derecognized in the period	-341	-29	-86	-455
Changes in measurements*	-1,025	4,063	4,911	7,950
Currency effects	-105	-76	-539	-720
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2023	**11,746**	**4,751**	**42,312**	**58,809**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – consumer loans Spain

(Before Q2 2023 included in figures for Norway)

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2023	**101,717**	**1,092**	**224**	**103,032**
transfers				
- transfers from stage 1 to stage 2	-5,570	5,570	-	-
- transfers from stage 1 to stage 3	-1,410	-	1,410	-
- transfers from stage 2 to stage 3	-	-1,107	1,107	-
- transfers from stage 3 to stage 2	-	-	-	-
- transfers from stage 2 to stage 1	-	-	-	-
- transfers from stage 3 to stage 1	-	-	-	-
New financial assets issued	136,591	808	161	137,561
Financial assets derecognized in the period	-3,261	-	-	-3,261
Partial repayments	771	135	46	952
Currency effects	-8,337	-237	-107	-8,681
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2023	**220,501**	**6,262**	**2,841**	**229,604**
- of which loans with payment concessions	**-**	**-**	**-**	**-**

Reconciliation of total expected credit losses – consumer loans in Spain

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2023	**3,943**	**139**	**185**	**4,267**
transfers				
- transfers from stage 1 to stage 2	-265	265	-	-
- transfers from stage 1 to stage 3	-72	-	72	-
- transfers from stage 2 to stage 3	-	-139	139	-
- transfers from stage 3 to stage 2	-	-	-	-
- transfers from stage 2 to stage 1	-	-	-	-
- transfers from stage 3 to stage 1	-	-	-	-
New financial assets issued	4,371	56	-	4,427
Financial assets derecognized in the period	-138	-	0	-138
Changes in measurements*	21	1,146	1,885	3,051
Currency effects	-302	-56	-88	-447
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2023	**7,556**	**1,410**	**2,193**	**11,159**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – SME and mortgages

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2023	**31,332**	**-**	**-**	**31,332**
transfers				
- transfers from stage 1 to stage 2	-	-	-	-
- transfers from stage 1 to stage 3	-	-	-	-
- transfers from stage 2 to stage 3	-	-	-	-
- transfers from stage 3 to stage 2	-	-	-	-
- transfers from stage 2 to stage 1	-	-	-	-
- transfers from stage 3 to stage 1	-	-	-	-
New financial assets issued	-	-	-	-
Financial assets derecognized in the period	-1,733	-	-	-1,733
Partial repayments	-	-	-	-
Currency effects	-	-	-	-
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2023	**29,599**	**-**	**-**	**29,599**
- of which loans with payment concessions	-	-	-	-

Reconciliation of total expected credit losses – SME and mortgages

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2023	**3,500**	**-**	**-**	**3,500**
transfers				
- transfers from stage 1 to stage 2	-	-	-	-
- transfers from stage 1 to stage 3	-	-	-	-
- transfers from stage 2 to stage 3	-	-	-	-
- transfers from stage 3 to stage 2	-	-	-	-
- transfers from stage 2 to stage 1	-	-	-	-
- transfers from stage 3 to stage 1	-	-	-	-
New financial assets issued	-	-	-	-
Financial assets derecognized in the period	-	-	-	-
Changes in measurements*	-	-	-	-
Currency effects	-	-	-	-
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2023	**3,500**	**-**	**-**	**3,500**

* *Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

2.5 Macro scenario sensitivity on ECL - 30.06.2023

Amounts in NOK 1 000	ECL reported under IFRS 9	Base scenario (30-35 %)	Optimistic scenario (30 %)	Pessimistic scenario (35-40 %)
Total	**362,552**	**325,674**	**282,091**	**455,590**
Consumer loans	359,052	322,174	278,591	452,090
SME and mortgages	3,500	3,500	3,500	3,500
Norway	**102,240**	**92,157**	**78,782**	**132,428**
Consumer loans	98,740	88,657	75,282	128,928
SME and mortgages	3,500	3,500	3,500	3,500
Finland	**190,343**	**169,167**	**145,362**	**239,962**
Consumer loans	190,343	169,167	145,362	239,962
SME and mortgages	-	-	-	-
Sweden	**58,809**	**54,721**	**50,024**	**68,464**
Consumer loans	58,809	54,721	50,024	68,464
SME and mortgages	-	-	-	-
Spain	**11,159**	**9,629**	**7,923**	**14,735**
Consumer loans	11,159	9,629	7,923	14,735
SME and mortgages	-	-	-	-

Expected credit losses reported under IFRS 9 are macro-weighted. The following weights are used for the three scenarios:
Norway: base scenario (35%), optimistic scenario (30%), and pessimistic scenario (35%).
Finland, Sweden and Spain: base scenario (30%), optimistic scenario (30%), and pessimistic scenario (40%).

Note 3 – Subordinated loans

Subordinated loans as of 30.09.2023

ISIN	Nominal value	Currency	Interest	Reference-interest + margin	Due date	Book value
NO0010877863	15,000	NOK	Floating	NIBOR + 700bp	27.03.30	14,911
NO0011108276	50,000	NOK	Floating	NIBOR + 425bp	29.09.31	49,378
NO0012750803	18,000	NOK	Floating	NIBOR + 575bp	09.02.33	17,710
Total subordinated loans	**83,000**					**81,999**

Note 4 – Capital adequacy

Amounts in NOK 1 000	30.09.2023	30.09.2022
Share capital	190,425	189,681
Share premium	662,599	660,322
Other equity	444,090	376,481
IFRS9 effects	0	46,020
Deferred tax assets and other intangible assets	-102,525	-117,546
Deduction for defaulted loans	-68	0
Valuation adjustment	-987	-986
Common equity tier 1 (CET 1)	1,193,534	1,153,972
Additional tier 1 capital	54,269	49,012
Tier 1 capital (Tier 1)	1,247,803	1,202,983
Tier 2 capital	81,999	87,522
Total capital (Tier 2)	1,329,802	1,290,505
Risk weighted assets		
Loans and deposits with credit institutions	60,490	38,112
Institutions	7,204	6,817
Loans to customers	4,265,892	3,800,636
Mortgages	8,669	10,453
Defaulted loans	371,820	429,710
Certificates and bonds	55,377	51,420
Equity positions	2,663	2,759
Other assets	236,982	334,242
Total credit risk	**5,009,098**	**4,674,150**
Operational risk	846,955	689,710
CVA risk	6,954	521
Total calculation basis	**5,863,007**	**5,364,380**

Capital ratios	30.09.2023	30.09.2022
Common equity tier 1 in % (CET 1)	20.36 %	21.51 %
Tier 1 capital in % (Tier 1)	21.28 %	22.43 %
Total capital in % (Tier 2)	22.68 %	24.06 %
Leverage ratio in %	16.19 %	17.16 %

Including year to date profits, the capital adequacy ratios would have been 23.97% (tier 2), 22.57% (tier 1), and 21.65% (CET 1).

Note 5 - Equity

Amounts in NOK 1 000	Share capital	Share premium	Tier 1 capital	Other paid-in capital	Other equity	Total
Equity per 31.12.2022	**189,681**	**660,322**	**54,114**	**13,405**	**434,568**	**1,352,089**
Cost Tier 1 capital					-1,395	-1,395
Changes Tier 1 capital			51		-51	-
Share issue	667	2,039				2,706
Share options				346		346
Profit after tax					27,563	27,563
Equity per 31.03.2023	**190,348**	**662,360**	**54,165**	**13,751**	**460,684**	**1,381,309**

Amounts in NOK 1 000	Share capital	Share premium	Tier 1 capital	Other paid-in capital	Other equity	Total
Equity per 31.03.2023	**190,348**	**662,360**	**54,165**	**13,751**	**460,684**	**1,381,309**
Cost Tier 1 capital					-1,460	-1,460
Changes Tier 1 capital			52		-52	-
Share options				365		365
Profit after tax					19,128	19,128
Dividend					-247	-247
Equity per 30.06.2023	**190,348**	**662,360**	**54,217**	**14,116**	**478,053**	**1,399,094**

Amounts in NOK 1 000	Share capital	Share premium	Tier 1 capital	Other paid-in capital	Other equity	Total
Equity per 30.06.2023	**190,348**	**662,360**	**54,217**	**14,116**	**478,053**	**1,399,094**
Cost Tier 1 capital	-	-	-	-	-1,577	-1,577
Changes Tier 1 capital	-	-	52	-	-52	-
Share issue	77	238	-	75	-	391
Share options	-	-	-	165	-	165
Profit after tax	-	-	-		28,886	28,886
Dividend	-	-	-	-	-	-
Equity per 30.09.2023	**190,425**	**662,599**	**54,269**	**14,356**	**505,311**	**1,426,960**

Note 6 – Key profitability and equity indicators

Amounts in NOK 1 000	
Equity as of 30.09.23*	1,372,691
Profit before tax Q3 2023	38,019
Profit after tax Q3 2023	28,886
Profit before tax YTD Q3 2023	99,455
Profit after tax YTD Q32023	75,577
Number of shares 30.09.23 (in thousands)	95,213
Book equity per share as of 30.09.23*	14.42
Earnings per share before tax Q3 2023	0.40
Earnings per share after tax Q3 2023	0.30
Earnings per share before tax YTD Q3 2023	1.04
Earnings per share after tax YTD Q3 2023	0.79
Annualised return on equity Q3 2023*	8.5 %
Annualised return on equity YTD Q3 2023*	7.5 %

** excluding tier 1 capital*

Note 7 – Contractual obligations

Amounts in NOK 1 000	Q3 2023	Q2 2023
Right to use:		
Opening balance	**6,125**	**7,300**
Implementation effect		
Assets		
Write-downs		
Adjustments		
Depreciation	-1,170	-1,175
Disposals		
Closing balance	**4,911**	**6,125**
Lease obligation:		
Opening balance	**-6,291**	**-7,468**
Implementation effect		
Assets		
Effect of changes in exchange rates		
Adjustments	44	
Lease payments	1,236	1,236
Interest	-59	-59
Settlement upon disposal		
Closing balance	**-5,070**	**-6,291**
Proportion of short-term debt	-3,611	-3,940
Proportion of long-term debt	-1,459	-2,352
Maturity analysis, undiscounted cash flow		
Up to 1 year	3,697	4,009
1-2 years	1,540	2,464
2-3 years	0	574
3-4 years	0	0
4-5 years		
More than 5 years		
Other key figures		
Costs related to agreements with exceptions for short-term duration	6	6
Weighted average discount rate on implementation date	0.045	0.035

Note 8 – Largest shareholders

Rank	Name	Nbr of shares	Ownership %
1	Braganza AB	10,383,899	10.9 %
2	DNB Bank ASA*	9,175,667	9.6 %
3	Hjellegjerde Invest AS	7,600,000	8.0 %
4	Skagerrak Sparebank	4,409,380	4.6 %
5	Fondsavanse AS	3,371,048	3.5 %
6	Verdipapirfondet Alfred Berg Norge	3,088,045	3.2 %
7	Verdipapirfondet Alfred Berg Aktiv	2,719,589	2.9 %
8	Vida AS	2,581,654	2.7 %
9	Umico - Gruppen AS	2,143,779	2.3 %
10	Shelter AS	1,945,486	2.0 %
11	Jenssen & Co AS	1,845,879	1.9 %
12	Lindbank AS	1,838,007	1.9 %
13	Jolly Roger AS	1,802,793	1.9 %
14	Verdipapirfondet Alfred Berg Norge	1,700,000	1.8 %
15	MP Pensjon PK	1,632,767	1.7 %
16	Varde Norge AS	1,234,399	1.3 %
17	Krogsrud Invest AS	1,125,000	1.2 %
18	Thon Holding AS	1,081,211	1.1 %
19	Sober Kapital AS	901,922	0.9 %
20	Bara Eiendom AS	883,179	0.9 %
	Total top 20 shareholders	**61,463,704**	**64.6 %**
	Other shareholders	33,748,935	35.4 %
	Total number of shares	**95,212,639**	**100.0 %**

Shareholder list per October 25th 2023

** Nominee account*

Quarterly historical figures

Income statement (amounts in NOK 1 000)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest income	180,386	177,777	160,705	152,427	140,257	133,427	128,148
Interest expense	-49,948	-40,912	-29,193	-20,735	-13,932	-12,439	-14,017
Net interest income	**130,438**	**136,865**	**131,512**	**131,692**	**126,325**	**120,988**	**114,131**
Commission and bank services income	8,083	7,481	8,726	8,186	7,896	7,097	5,587
Commission and bank services expenses	-1,079	-1,144	-1,080	-1,435	-1,072	-1,361	-871
Net changes in value on securities and currency	12,841	6,056	-763	12,001	-4,082	-1,756	-569
Other income	51	72	12	133	44	31	13
Net other operating income	**19,897**	**12,466**	**6,894**	**18,884**	**2,786**	**4,011**	**4,160**
Total income	**150,335**	**149,331**	**138,406**	**150,576**	**129,111**	**124,999**	**118,291**
Personnel expenses	-16,542	-15,999	-14,934	-15,661	-15,700	-15,316	-15,923
General administrative expenses	-22,180	-18,500	-20,421	-20,257	-19,831	-19,939	-19,143
- of which marketing expenses	*-2,708*	*-911*	*-912*	*-437*	*-1,699*	*-923*	*-824*
Depreciation and impairment	-3,822	-3,551	-3,465	-3,275	-2,600	-2,508	-2,450
Other operating expenses	-1,949	-2,673	-3,131	-2,756	-1,850	-1,565	-1,874
Total operating expenses	**-44,492**	**-40,724**	**-41,952**	**-41,949**	**-39,982**	**-39,328**	**-39,390**
Profit before loan losses	**105,843**	**108,607**	**96,454**	**108,627**	**89,129**	**85,671**	**78,901**
Provision for loan losses	-67,823	-83,552	-60,073	-37,012	-52,123	-42,277	-44,556
Profit before tax	**38,019**	**25,055**	**36,381**	**71,615**	**37,006**	**43,394**	**34,345**
Tax charge	-9,133	-5,927	-8,819	-18,287	-8,393	-10,705	-8,398
Profit after tax	**28,886**	**19,128**	**27,563**	**53,328**	**28,613**	**32,689**	**25,947**

Balance sheet (Amounts in NOK 1 000)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Assets							
Cash and deposits with the central bank	51,448	51,021	50,685	50,402	50,154	50,021	49,988
Loans and deposits with credit institutions	302,452	437,415	496,705	322,201	190,562	294,555	289,262
Gross loans to customers	6,607,247	6,618,508	6,676,559	6,286,924	6,090,391	5,837,647	5,486,168
- Provision for loan losses	-362,552	-342,225	-445,922	-403,373	-413,302	-391,784	-412,773
Certificates and bonds	987,251	1,044,304	989,545	961,163	985,827	1,011,184	1,300,676
Deferred tax asset	67,877	77,010	82,937	91,756	107,960	118,434	129,140
Other intangible assets	34,647	30,206	28,730	29,380	26,951	19,668	16,936
Fixed assets	5,559	6,876	8,051	8,775	7,613	8,457	9,468
Other assets	25,462	33,498	32,270	20,256	19,729	27,980	22,079
Total assets	**7,719,392**	**7,956,614**	**7,919,560**	**7,367,484**	**7,065,885**	**6,976,162**	**6,890,945**
Liabilities and equities							
Debt to the central bank	0	0	0	0	0	0	0
Deposits from customers	6,141,604	6,393,293	6,325,948	5,791,333	5,545,223	5,397,067	5,316,978
Other liabilities	68,829	82,312	130,473	142,315	70,396	110,206	136,579
Subordinated loans	81,999	81,914	81,830	81,746	87,522	104,420	104,311
Total liabilities	**6,292,432**	**6,557,520**	**6,538,251**	**6,015,394**	**5,703,141**	**5,611,692**	**5,557,867**
Share capital	190,425	190,348	190,348	189,681	189,681	189,681	189,681
Share premium	662,599	662,360	662,360	660,322	660,322	660,322	660,322
Tier 1 capital	54,269	54,217	54,165	54,114	49,012	75,947	75,875
Other paid in equity	14,356	14,115	13,750	13,405	12,944	12,454	11,929
Other equity	505,311	478,053	460,684	434,568	450,786	426,066	395,270
Total equity	**1,426,960**	**1,399,094**	**1,381,309**	**1,352,089**	**1,362,745**	**1,364,470**	**1,333,077**
Total liabilities and equity	**7,719,392**	**7,956,614**	**7,919,560**	**7,367,484**	**7,065,885**	**6,976,162**	**6,890,945**

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