

Notes

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Note 1 - Accounting principles

Accounting principles

SpareBank 1 SMN prepares and presents its quarterly accounts in compliance with the Stock Exchange Regulations, Stock Exchange Rules and International Financial Reporting Standards (IFRS) approved by EU, including IAS 34, Interim Financial Reporting. The quarterly accounts do not include all the information required in a complete set of annual financial statements and should be read in conjunction with the annual accounts for 2019. The Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts.

Revised distribution of profit for 2019

The Board of Directors of SpareBank 1 SMN has decided to change its distribution of profit for 2019 based on the economic outlook, reducing the payout ratio from 53.5 % to 41.2 %. New dividend is NOK 5.00 per equity certificate, down from NOK 6.50 in the annual accounts for 2019. The annual accounts for 2019 were not changed to reflect this. Comparable figures for 2019 has not been restated in the quarterly report, but the effect on the solvency of the changed allocation is shown in note 4.

Distribution of profit for 2020

The board of directors will recommend that 49.6 per cent of the group profit be allocated to cash dividend, corresponding to NOK 4.40 per equity certificate. Of this, NOK 1.30 per equity certificate is recommended for disbursement, in keeping with the Ministry of Finance's recommendation to limit payouts to 30 per cent of overall profits for 2019 and 2020. The board is given authorisation to decide whether to distribute all or parts of the remaining dividend after 30 September 2021 if the capital situation so permits. NOK 321m (364m) is recommended for allocation to community dividend, of which NOK 95m is to be disbursed.

Note 2 - Critical estimates and assessment concerning the use of accounting principles

When it prepares the consolidated accounts the management team makes estimates, discretionary assessments and assumptions which influence the application of accounting principles. This accordingly affects recognised amounts for assets, liabilities, revenues and expenses. Last year's annual accounts give a closer explanation of significant estimates and assumptions in Note 3 Critical estimates and assessments concerning the use of accounting principles.

Pensions

Sparebank1 SMN Group has one pension arrangement; defined contribution plan. For a further description of the pension scheme, see note 22 in the 2019 annual report.

The group's pension liabilities are accounted for under IAS 19R. Estimate variances are therefore directly reflected in equity capital and are presented under other comprehensive income.

It was decided to terminate the defined benefit scheme at a board meeting on 21 October 2016. Employees on this scheme transferred to the defined contribution scheme from 1 January 2017, and received a paid-up policy showing rights accumulated under the defined benefit scheme. Paid-up policies are managed by the pension fund, which has been a paid-up pension fund as from 1 January 2017. A framework agreement has been established between SpareBank 1 SMN and the pension fund which covers funding, asset management etc. In view of the responsibility still held by SpareBank 1 SMN, future liabilities will need to be incorporated in the accounts. The board of the pension fund is required to be composed of representatives from the Group and participants in the pension schemes in accordance with the articles of association of the pension fund.

A new calculation of the Group's pension liabilities has been carried out as per 31 December 2020:

Actuarial assumptions	31 Dec 2019	1 January 2019	31 Dec 2020
Discount rate	2.30 %	2.30 %	1.50 %
Expected rate of return on plan assets	2.30 %	2.30 %	1.50 %
Expected future wage and salary growth	2.00 %	2.00 %	2.00 %
Expected adjustment on basic amount (G)	2.00 %	2.00 %	2.00 %
Expected increase in current pension	0.00 %	0.00 %	0.00 %
Employers contribution	19.10 %	19.10 %	19.10 %

Demographic assumptions:

Mortality base table	K2013 BE
Disability	IR73
Voluntary exit	2% to 50 years, 0% after 50 years

Movement in net pension liability in the balance sheet Group (NOKm)	Funded	Unfunded	Total
Net pension liability in the balance sheet 1.1	-148	16	-132
OCI accounting 1 Jan	-	-	-
OCI accounting 31 December	39	-6	34
Net defined-benefit costs in profit and loss account	-3	1	-3
Paid in pension premium, defined-benefit schemes	-	-	-
Paid in pension premium, defined-benefit plan	-	-1	-1
Net pension liability in the balance sheet 31 December 2020	-112	10	-102

Net pension liability in the balance sheet Group (NOKm)	31 Dec 2020	31 Dec 2019
Net present value of pension liabilities in funded schemes	640	608
Estimated value of pension assets	-743	-743
Net pension liability in the balance sheet before employer's contribution	-104	-135
Employers contribution	2	3
Net pension liability in the balance sheet	-102	-132

Pension cost Group (NOKm)	31 Dec 2020	31 Dec 2019
Present value of pension accumulated in the year	0	0
Net interest income	-3	-4
Net pension cost related to defined plans, incl unfunded pension commitment	-3	-4
Employer's contribution subject to accrual accounting	0	0
Cost of defined contribution pension and early retirement pension scheme	107	108
Total pension cost for the period	105	105

Investment held for sale

SpareBank 1 SMN's strategy is that ownership due to defaulted exposures should at the outset be of brief duration, normally not longer than one year. Investments are recorded at fair value in the Parent Bank's accounts, and is classified as investment held for sale.

2020 Q4 (NOK Million)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	41	1	4	4	1	100 %
Total Held for sale	41	1	4	4	1	

Losses on loans and guarantees

For a detailed description of the Bank's model for expected credit losses, refer to note 2 and 3 in the annual accounts for 2019.

In the first quarter 2020 some changes were made in the input in the credit loss model as a result of changed expectations due to the corona situation. The crisis and the significant increase in macroeconomic uncertainty have made the assessments extra demanding. We are in the early stages of the crisis and the consequences for the bank's customers and the industries we are exposed to are difficult to estimate. The regulators have emphasized the importance of focusing on the expected long-term effects of the crisis and this has also been the bank's focus.

In the first quarter 2020 the bank changed the assumptions for the base scenario in a negative direction. This has been continued for the rest of 2020. In the third quarter the bank's exposure to hotels and tourism, including commercial real estate with the income mainly towards this industry, is separated into a separate portfolio with its own assessments of PD and LGD courses as well as special scenarios and weighting of these to reflect this portfolio's exposure to the effects of corona. In addition, this entire portfolio is included in stage 2 or 3.

The development in the base scenario is prepared using adjustment factors where the development in the business cycle is projected by assumptions about how much the probability of default (PD) or loss of default (LGD) will increase or decrease compared to the base scenario in a five-year period. We expect increased losses related to debtors that have a demanding starting point before the crisis - typically debtors in stage 2. We have therefore chosen to increase the trajectories for PD and LGD as well as reduce expected repayments in the base scenario, especially from year 2 onwards, since this will affect expected losses mainly for debtors in stage 2. To adjust for migration into stage 2, PD and LGD estimates are also increased in the first year. No first year repayments are assumed for all portfolios in the downside scenario.

The applied scenario weighting was changed in the fourth quarter to reflect further increased uncertainty. For corporate market including offshore, as well as agriculture, the downside scenario was changed from a weighting with a 10 percent probability, to a weighting of a 20 percent probability. For retail market, the weighting of the downside scenario was changed from 10 to 15 per cent.

The effect of changes in input assumptions is shown as "Effect of changed assumptions in ECL model" in note 7. The effect is NOK 165 million for the Bank and 140 million for the Group.

Sensitivities

The first part of the table below show total calculated expected credit loss as of 31 December 2020 in each of the three scenarios, distributed in the portfolios retail market (RM) corporate market (CM), and offshore, travel and agriculture which adds up to parent bank. In

addition the subsidiary SB 1 Finans Midt-norge is included. ECL for the parent bank and the subsidiary is summed up in the column "Group".

The second part of the table shows the ECL distributed by portfolio using the scenario weight applied, in addition to an alternative weighting where the worst case has been doubled. If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of December 2020, this would have entailed an increase in loss provisions of NOK 207 million for the parent bank and NOK 215 million for the group.

	CM (excl offshore and agriculture)	RM	Offshore	Agriculture	Tourism	SB 1		
						Total parent	Finans MN	Group
ECL base case	434	94	781	48	39	1,394	61	1,455
ECL worst case	906	337	1,017	96	112	2,468	137	2,605
ECL best case	325	41	662	11	22	1,061	43	1,105
ECL with scenario weights used 80/10/10	-	-	-	-	-	-	67	69
ECL with scenario weights used 65/25/15	512	-	810	51	-	1,373	-	1,373
ECL with scenario weights used 60/30/10	-	-	-	-	58	58	-	58
ECL with scenario weights used 70/15/15	-	122	-	-	-	122	-	122
Total ECL used	512	122	810	51	58	1,554	67	1,622
ECL alternative scenario weights 70/20/10	-	-	-	-	-	-	74	76
ECL alternative scenario weights 45/40/15	606	-	857	66	-	1,529	-	1,529
ECL alternative scenario weights 30/60/10	-	-	-	-	73	73	-	73
ECL alternative scenario weights 55/30/15	-	159	-	-	-	159	-	159
Total ECL alternative weights	606	159	857	66	73	1,761	74	1,837
Change in ECL if alternative weights were used	94	37	47	15	14	207	8	215

The Tourism portfolio includes commercial real estate with more than 50% of the income from hotels and tourism companies.

In addition, an ECL provision has been included for the group for SpareBank 1 SMN Spire Finans of NOK 2 million, which is not specified in the table.

The table reflects that there are some significant differences in underlying PD and LGD estimates in the different scenarios and that there are differentiated levels and level differences between the portfolios. At group level, the ECL in the upside scenario, which largely reflects the loss and default picture in recent years, is about 80 per cent of the ECL in the expected scenario. The downside scenario gives about double the ECL than in the expected scenario. Applied scenario weighting gives about ten percent higher ECL than in the expected scenario.

Note 3 - Account by business line

For the subsidiaries the figures refer to the respective company accounts, while for associates and joint ventures incorporated by the equity method the Group's profit share is stated, after tax, as well as book value of the investment at group level.

Group 31 December 2020

Profit and loss account (NOKm)	RM	CM	SB1		SB 1		SB 1		BN	Un-collated	Total
			Markets	EM 1	Finans MN	Regnskaps- huset SMN	SB1 Gruppen				
Net interest	1,112	1,085	-14	2	371		1	-	-	202	2,759
Interest from allocated capital	101	63	-	-	-		-	-	-	-165	-
Total interest income	1,213	1,149	-14	2	371		1	-	-	37	2,759
Comission income and other income	867	211	693	392	-22		533	-	-	-102	2,572
Net return on financial investments (**)	-2	21	137	-	-		-	194	120	481	951
Total income	2,078	1,381	816	394	349		533	194	120	416	6,281
Total operating expenses	929	422	637	342	86		423	-	-	114	2,952
Ordinary operating profit	1,149	959	179	52	263		110	194	120	301	3,329
Loss on loans, guarantees etc.	56	846	-	-	49		-	-	-	1	951
Result before tax	1,093	113	179	52	214		110	194	120	301	2,378
Post-tax-return on equity *)	13.4 %	2.1 %									10.0 %
Balance											
Loans and advances to customers	129,149	44,845	-	-	9,549		-	-	-	-742	182,801
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-46,899	-1,354	-	-	-		-	-	-	100	-48,153
Allowance for credit loss	-148	-1,298	-	-	-67		-	-	-	-4	-1,517
Other assets	156	10,471	3,265	357	116		592	2,151	1,514	36,160	54,781
Total assets	82,258	52,663	3,265	357	9,598		592	2,151	1,514	35,514	187,912
Deposits to customers	47,478	49,420	-	-	-		-	-	-	631	97,529
Other liabilities and equity	34,780	3,244	3,265	357	9,598		592	2,151	1,514	34,883	90,383
Total liabilities and equity	82,258	52,663	3,265	357	9,598		592	2,151	1,514	35,514	187,912

*) Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.4 per cent to be in line with the capital plan during the period

Group 31 December 2019

Profit and loss account (NOKm)	RM	CM	SB1		SB 1		SB 1		BN	Un-collated	Total
			Markets	EM 1	Finans	Regnskaps- huset SMN	SB1 Gruppen	Bank			
Net interest	1,160	1,024	-17	-1	313	-0	-	-	-	207	2,687
Interest from allocated capital	211	147	-	-	-	-	-	-	-	-358	-
Total interest income	1,372	1,171	-17	-1	313	-0	-	-	-	-151	2,687
Comission income and other income	805	205	509	390	-26	502	-	-	-	-97	2,290
Net return on financial investments (**)	0	12	117	-	-	-	252	107	-	714	1,201
Total income	2,177	1,388	609	390	287	502	252	107	-	467	6,178
Total operating expenses	875	410	566	388	85	394	-	-	-	80	2,797
Ordinary operating profit	1,302	978	43	1	202	108	252	107	-	387	3,380
Loss on loans, guarantees etc.	32	213	-	-	52	-	-	-	-	2	299
Result before tax	1,270	765	43	1	150	108	252	107	-	384	390
Post-tax-return on equity *)	13.1%	11.7%									13.7 %

Balance

Loans and advances to customers	119,381	40,162	-	-	8,897	-	-	-	-	-663	167,777
Adv. of this sold to SpareBank 1 Boligkreditt	-40,122	-1,378	-	-	-	-	-	-	-	-0	-41,500
Allowance for credit losses	-119	-819	-	-	-56	-	-	-	-	-4	-998
Other assets	220	5,495	3,669	309	21	527	1,609	1,425	-	28,109	41,384
Total assets	79,360	43,460	3,669	309	8,861	527	1,609	1,425	-	27,442	166,662
Deposits to customers	41,639	42,756	-	-	-	-	-	-	-	1,522	85,917
Other liabilities and equity	37,721	704	3,669	309	8,861	527	1,609	1,425	-	25,920	80,745
Total liabilities and equity	79,360	43,460	3,669	309	8,861	527	1,609	1,425	-	27,442	166,662

*) Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 per cent to be in line with the capital plan during the period

***) Specification of net return on financial investments (NOKm)

	31 Dec 2020	31 Dec 2019
Dividends	39	15
Gain/(loss) on financial instruments related to hedging	-4	120
Capital gains/losses shares	103	-20
Gain/(loss) on certificates and bonds	32	132
Gain/(loss) on derivatives	1	-9
Gain/(loss) on other financial instruments at fair value (FVO)	-11	9
Foreign exchange gain/(loss)	82	22
Gain/(loss) on shares and share derivatives at SpareBank 1 Markets	28	54
Net return on financial instruments	230	307
SpareBank 1 Gruppen	194	252
Gain Fremtind Forsikring	340	460
SpareBank 1 Boligkreditt	18	26
SpareBank 1 Næringskreditt	18	21
BN Bank	120	113
SpareBank 1 Kredittkort	2	13
SpareBank 1 Betaling	-2	3
Other companies	-10	-8
Income from investment in associates and joint ventures	681	879
Total net return on financial investments	951	1,201
Fair value hedging		
Changes in fair value on hedging instrument	467	-66
Changes in fair value on hedged item	-465	56
Net Gain or Loss from hedge accounting	1	-9

Note 4 - Capital adequacy

SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Use of IRB imposes wide-ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems. As from 31 March 2015 the bank has received permission to apply the Advanced IRB Approach to those corporate portfolios that were previously reported under the Basic Indicator Approach. The EU capital adequacy framework (CRR/CRDIV) was incorporated into Norwegian law with effect from 31 December 2019. The Basel I floor was accordingly removed and an SME rebate introduced.

As of 31 December 2020 the overall minimum requirement on CET1 capital is 12.5 per cent. The capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement for Norwegian IRB-banks is raised to 4.5 per cent and the Norwegian countercyclical buffer is 1.0 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital. In addition the financial supervisory authority has set a Pillar 2 requirement of 1.9 per cent for SpareBank 1 SMN, however not below NOK 1,794 million in monetary terms. As at 31 December 2020, reduced risk weighted assets mean that the minimum monetary requirement of NOK 1,794 million is binding for the Pillar 2 requirement. The Pillar 2 requirement therefore rises from 1.9 per cent to 1.93 per cent. The overall minimum requirement as of 31 December 2019 has accordingly increased from 14.4 per cent to 14.43 per cent.

The systemic risk buffer stands at 4.5 per cent for the Norwegian exposures. For exposures in other countries, the particular country's systemic buffer rate shall be employed. As of 31 December 2020 the effective rate for the parent bank and for the group is accordingly 4.4 per cent.

The countercyclical buffer is calculated using differentiated rates. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. For the fourth quarter of 2020 both the parent bank and the group is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures.

The Supervisory Board adopted at its meeting on 26 March 2020 a revised proposal for application of the net profit for 2019 entailing an overall reduction of 303 NOK million compared with the original proposal of NOK 1,314 million for distribution as dividends and donations. Historical figures as at 31 December 2019 are not restated, but the effect of the above decision as at 31 December 2019 is shown in the table below.

The group's hybrid equity and subordinated debt issued under the old rules has now been redeemed such that as of the first quarter of 2020 the group has no holdings covered by the transitional provisions.

Parent Bank			Group	
31 Dec 2019	31 Dec 2020 (NOKm)		31 Dec 2020	31 Dec 2019
17,822	18,092	Total book equity	21,310	20,420
-1,250	-1,250	Additional Tier 1 capital instruments included in total equity	-1,293	-1,293
-512	-515	Deferred taxes, goodwill and other intangible assets	-1,044	-1,099
-1,314	-890	Deduction for allocated dividends and gifts	-890	-1,314
-	-	Non-controlling interests recognised in other equity capital	-838	-761
-	-	Non-controlling interests eligible for inclusion in CET1 capital	488	438
-33	-43	Value adjustments due to requirements for prudent valuation	-56	-45
-305	-47	Positive value of adjusted expected loss under IRB Approach	-74	-351
-	-	Cash flow hedge reserve	10	3
-185	-186	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-572	-168
14,222	15,160	Common equity Tier 1 capital	17,041	15,830
1,250	1,250	Additional Tier 1 capital instruments	1,595	1,637
275	-	Additional Tier 1 capital instruments covered by transitional provisions	-	275
15,747	16,410	Tier 1 capital	18,636	17,742
		Supplementary capital in excess of core capital		
1,750	1,750	Subordinated capital	2,262	2,240
12	-	Subordinated capital covered by transitional provisions	-	12
-140	-139	Deduction for significant investments in financial institutions	-139	-140
1,623	1,611	Additional Tier 2 capital instruments	2,123	2,113
17,370	18,020	Total eligible capital	20,759	19,854

Minimum requirements subordinated capital				
911	1,053	Specialised enterprises	1,240	1,101
1,139	920	Corporate	930	1,149
1,628	1,511	Mass market exposure, property	2,261	2,299
98	107	Other mass market	110	101
984	1,026	Equity investments	1	1
4,760	4,617	Total credit risk IRB	4,541	4,651
2	1	Central government	2	3
86	93	Covered bonds	142	132
419	441	Institutions	332	282
-	-	Local and regional authorities, state-owned enterprises	27	5
42	32	Corporate	281	239
22	20	Mass market	476	463
9	11	Exposures secured on real property	136	167
236	272	Equity positions	408	377
104	99	Other assets	159	151
918	970	Total credit risk standardised approach	1,962	1,818
31	30	Debt risk	31	34
-	-	Equity risk	18	15
-	-	Currency risk and risk exposure for settlement/delivery	3	3
407	421	Operational risk	770	720
29	25	Credit value adjustment risk (CVA)	123	115
6,145	6,063	Minimum requirements subordinated capital	7,448	7,357
76,817	75,785	Risk weighted assets (RWA)	93,096	91,956
3,457	3,410	Minimum requirement on CET1 capital, 4.5 per cent	4,189	4,138
		Capital Buffers		
1,920	1,895	Capital conservation buffer, 2.5 per cent	2,327	2,299
2,305	3,410	Systemic risk buffer, 4.5 per cent (3.0 per cent)	4,189	2,759
1,920	758	Countercyclical buffer, 1.0 per cent (2.5 per cent)	931	2,299
6,145	6,063	Total buffer requirements on CET1 capital	7,448	7,357
4,620	5,687	Available CET1 capital after buffer requirements	5,404	4,335
		Capital adequacy		
18.5 %	20.0 %	Common equity Tier 1 capital ratio	18.3 %	17.2 %
20.5 %	21.7 %	Tier 1 capital ratio	20.0 %	19.3 %
22.6 %	23.8 %	Capital ratio	22.3 %	21.6 %
		Leverage ratio		
161,905	178,219	Balance sheet items	256,978	230,048
6,830	6,190	Off-balance sheet items	7,514	7,897
-851	-606	Regulatory adjustments	-1,577	-1,503
167,885	183,803	Calculation basis for leverage ratio	262,915	236,441
15,747	16,410	Core capital	18,636	17,742
9.4 %	8.9 %	Leverage Ratio	7.1 %	7.5 %

Effect as at 31 December 2019 on the adopted application of net profit, as revised:

	31 Dec 2019	
	Parent Bank	Group
Common equity Tier 1 capital	14,525	16,133
Tier 1 capital	16,051	18,045
Total eligible capital	17,673	20,158
Common equity Tier 1 capital ratio	18.9 %	17.5 %
Tier 1 capital ratio	20.9 %	19.6 %
Capital ratio	23.0 %	21.9 %
Leverage Ratio	9.6 %	7.6 %

Note 5 - Distribution of loans by sector/industry

Parent Bank			Group	
31 Dec 2019	31 Dec 2020	(NOKm)	31 Dec 2020	31 Dec 2019
8,602	9,160	Agriculture and forestry	9,591	8,947
4,601	5,243	Fisheries and hunting	5,259	4,611
833	1,704	Sea farming industries	2,100	1,132
2,212	2,234	Manufacturing	2,646	2,595
3,157	3,195	Construction, power and water supply	4,077	3,970
2,181	2,289	Retail trade, hotels and restaurants	2,586	2,517
4,660	4,537	Maritime sector	4,537	4,660
14,800	15,427	Property management	15,509	14,878
2,445	3,644	Business services	3,423	2,146
4,542	6,032	Transport and other services provision	6,942	5,409
2	9	Public administration	33	12
1,890	1,626	Other sectors	1,638	1,863
49,926	55,099	Gross loans in Corporate market	58,340	52,740
109,544	118,714	Wage earners	124,461	115,036
159,470	173,814	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	182,801	167,777
39,833	46,613	of which SpareBank 1 Boligkreditt	46,613	39,833
1,667	1,540	of which SpareBank 1 Næringskreditt	1,540	1,667
117,970	125,660	Gross loans in balance sheet	134,648	126,277
850	1,351	- Loan loss allowance on amortised cost loans	1,421	911
87	96	- Loan loss allowance on loans at FVOCI	96	87
117,033	124,214	Net loans to and receivables from customers	133,131	125,279

Note 6 - Losses on loans and guarantees

Parent Bank	Jan-Dec			Jan-Dec		
	2020			2019		
Losses on loans and guarantees (NOKm)	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	49	666	715	28	205	234
Actual loan losses on commitments exceeding provisions made	14	197	212	10	9	19
Recoveries on commitments previously written-off	-7	-18	-25	-5	-1	-7
Losses for the period on loans and guarantees	56	846	902	32	213	245

Group	Jan-Dec			Jan-Dec		
	2020			2019		
Losses on loans and guarantees (NOKm)	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	48	681	729	34	212	246
Actual loan losses on commitments exceeding provisions made	55	213	268	40	22	62
Recoveries on commitments previously written-off	-25	-21	-46	-6	-2	-8
Losses for the period on loans and guarantees	78	873	951	68	231	299

Note 7 - Losses

Parent Bank (NOKm)	1 Jan 20	Change in provision	Net write-offs/ recoveries	31 Dec 20
Loans as amortised cost- CM	916	667	-206	1,377
Loans as amortised cost- RM	34	12	-11	35
Loans at fair value over OCI- RM	109	38	-	147
Loans at fair value over OCI- CM	1	-1	-	0
Provision for expected credit losses on loans and guarantees	1,060	715	-217	1,559
Presented as				
Provision for loan losses	937	725	-217	1,446
Other debt- provisions	100	-19	-	81
Other comprehensive income - fair value adjustment	23	9	-	32

Parent Bank (NOKm)	1 Jan 19	Change in provision	Net write-offs/ recoveries	31 Dec 19
Loans as amortised cost- CM	742	201	-27	916
Loans as amortised cost- RM	45	-6	-5	34
Loans at fair value over OCI- RM	75	34	-	109
Loans at fair value over OCI- CM	-	1	-	1
Provision for expected credit losses on loans and guarantees	862	230	-32	1,060
Presented as				
Provision for loan losses	697	272	-32	937
Other debt- provisions	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Group (NOKm)	1 Jan 20	Change in provision	Net write-offs / recoveries	31 Dec 20
Loans as amortised cost- CM	948	682	-209	1,421
Loans as amortised cost- RM	63	10	-11	62
Loans at fair value over OCI- RM	109	38	-	147
Loans at fair value over OCI- CM	1	-1	-	0
Provision for expected credit losses on loans and guarantees	1,121	729	-220	1,630
Presented as				
Provision for loan losses	998	739	-220	1,517
Other debt- provisions	100	-19	-	81
Other comprehensive income - fair value adjustment	23	9	-	32

Group (NOKm)	1 Jan 19	Change in provision	Net write-offs/ recoveries	31 Dec 19
Loans as amortised cost- CM	766	212	-31	948
Loans as amortised cost- RM	68	0	-5	63
Loans at fair value over OCI- RM	75	34	-	109
Loans at fair value over OCI- CM	-	1	-	1
Provision for expected credit losses on loans and guarantees	909	248	-36	1,121
Presented as				
Provision for loan losses	744	290	-36	998
Other debt- provisions	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Accrual for losses on loans Parent Bank	Jan-Dec 2020				Jan-Dec 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market								
Opening balance	25	73	45	143	27	62	31	120
Transfer to (from) stage 1	14	-13	-0	-	10	-10	-	-
Transfer to (from) stage 2	-1	2	-0	-	-2	2	-	-
Transfer to (from) stage 3	-0	-3	3	-	-	-3	3	-
Net remeasurement of loss allowances	-17	12	9	5	-11	24	18	30
Originations or purchases	13	13	0	26	13	17	1	31
Derecognitions	-8	-23	-2	-33	-11	-20	-1	-33
Changes due to changed input assumptions	10	38	2	50	-	-	-	-
Actual loan losses	0	0	-11	-11	-	-	-5	-5
Closing balance	35	97	47	180	25	73	45	143
Corporate Market								
Opening balance	66	210	540	816	64	148	382	594
Transfer to (from) stage 1	14	-14	-0	-	19	-19	-	-
Transfer to (from) stage 2	-4	4	-0	-	-8	8	-	-
Transfer to (from) stage 3	-0	-1	1	-	-	-	1	-
Net remeasurement of loss allowances	-2	72	486	556	-17	98	185	266
Originations or purchases	45	99	1	144	27	20	1	48
Derecognitions	-30	-96	-1	-127	-20	-43	-	-63
Changes due to changed input assumptions	-0	113	2	-	-	-	-	-
Actual loan losses	-	-	-206	-206	-	-	-27	-27
Closing balance	88	387	823	1,299	66	210	541	817
Total accrual for loan losses	123	484	870	1,478	91	283	586	960

Accrual for losses on loans Group	Jan-Dec 2020				Jan-Dec 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening balance	32	84	56	172	33	71	39	143
Transfer to (from) stage 1	14	-13	-0	-	12	-11	-	-
Transfer to (from) stage 2	0	-0	-0	-	-2	4	-1	-
Transfer to (from) stage 3	-1	-2	3	-	-	-3	4	-
Net remeasurement of loss allowances	-17	11	11	5	-14	24	22	32
Originations or purchases	12	15	5	31	17	23	3	44
Derecognitions	-6	-20	1	-25	-13	-23	-5	-41
Changes due to changed input assumptions	7	33	-6	35	-	-	-	-
Actual loan losses	-	-	-11	-11	-	-	-5	-5
Closing balance	42	107	58	207	32	84	56	172
Corporate Market								
Opening balance	71	218	560	849	70	152	397	619
Transfer to (from) stage 1	14	-14	-0	-	20	-20	-	-
Transfer to (from) stage 2	-2	2	-0	-	-9	9	-	-
Transfer to (from) stage 3	-1	0	1	-	-	-1	1	-
Net remeasurement of loss allowances	-2	72	484	555	-19	100	188	268
Originations or purchases	46	103	3	151	30	21	7	59
Derecognitions	-26	-93	10	-109	-20	-44	-2	-66
Changes due to changed input assumptions	-2	111	-4	106	-	-	-	-
Actual loan losses	-	-	-209	-209	-	-	-31	-31
Closing balance	98	399	845	1,342	71	218	560	849
Total accrual for loan losses	140	507	902	1,549	104	302	616	1,021

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	2020				2019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Opening balance	14	29	57	100	11	47	90	148
Transfer to (from) stage 1	2	-2	-0	-	3	-3	-0	-
Transfer to (from) stage 2	-0	0	-0	-	-1	1	-	-
Transfer to (from) stage 3	-0	-0	0	-	-0	-0	0	-
Net remeasurement of loss allowances	2	16	-54	-36	-2	3	-33	-33
Originations or purchases	11	8	0	19	7	1	0	8
Derecognitions	-5	-13	-0	-19	-3	-20	-0	-24
Changes due to changed input assumptions	3	12	0	16	-	-	-	-
Actual loan losses	-	-	-	-	-	-	-	-
Closing balance	27	50	4	81	14	29	57	100
Of which								
Retail market				2				2
Corporate Market				79				98

Allowance for losses on loans distributed by sector

Parent Bank (NOK million)	31 Dec 2020				31 Dec 2019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Agriculture and forestry	2	34	5	41	2	21	7	30
fisheries and hunting	6	2	-	8	2	1	0	3
Sea farming industries	2	0	3	5	1	0	-	1
Manufacturing	8	25	2	35	5	9	5	20
Construction, power and water supply	11	27	17	55	10	5	11	26
Retail trade, hotels and restaurants	10	30	17	58	10	8	11	28
Maritime sector	10	180	614	804	9	87	471	568
Property management	20	56	38	114	16	45	23	83
Business services	12	56	142	210	7	50	22	79
Transport and other services	8	10	2	19	7	4	3	14
Public administration	0	-	-	0	-	-	-	-
Other sectors	0	0	-	0	-	-	-	-
Wage earners	2	65	31	97	-	52	33	86
Total provision for losses on loans	91	484	870	1,446	68	283	586	937
loan loss allowance on loans at FVOCI	32	-	-	32	23	-	-	24
Total loan loss allowance	123	484	870	1,478	91	283	586	961

Group (NOK million)	31 Dec 2020				31 Dec 2019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Agriculture and forestry	3	36	5	44	2	22	8	32
fisheries and hunting	6	2	-	8	2	1	0	3
Sea farming industries	3	1	3	6	1	0	-	1
Manufacturing	10	27	7	44	6	11	9	27
Construction, power and water supply	13	31	20	64	11	8	16	35
Retail trade, hotels and restaurants	12	31	19	62	11	8	11	30
Maritime sector	10	180	614	804	9	87	471	568
Property management	20	56	39	115	16	45	23	84
Business services	13	57	143	213	8	51	24	82
Transport and other services	10	12	10	32	8	5	8	21
Public administration	0	-	-	0	-	-	-	-
Other sectors	0	0	2	2	2	0	0	2
Wage earners	7	73	41	122	6	63	44	112
Total provision for losses on loans	108	507	902	1,517	82	302	614	998
loan loss allowance on loans at FVOCI	32	-	-	32	23	-	-	24
Total loan loss allowance	140	507	902	1,549	105	302	614	1,022

Note 8 - Gross loans

Parent Bank (NOK million)	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Balance at 1 January	69,045	5,129	487	74,661	65,403	4,366	320	70,089
Transfer to stage 1	1,050	-1,019	-31	-	893	-877	-16	-
Transfer to stage 2	-1,433	1,470	-38	-	-1,847	1,872	-25	-
Transfer to stage 3	-30	-47	77	-	-60	-135	195	-
Net increase/decrease amount existing loans	-2,093	-136	-7	-2,237	-1,843	-123	-21	-1,986
New loans	49,001	1,464	111	50,575	43,549	1,588	178	45,315
Derecognitions	-42,243	-2,429	-196	-44,867	-37,050	-1,562	-145	-38,756
Financial assets with actual loan losses	-1	-2	-22	-24	-	-	-	-
Balance at 31 December	73,297	4,430	381	78,108	69,045	5,129	487	74,661
Corporate Market								
Balance at 1 January	33,190	3,971	1,470	38,632	32,055	5,521	1,223	38,800
Transfer to stage 1	521	-521	-0	-	1,586	-1,561	-26	0
Transfer to stage 2	-2,605	2,614	-9	-	-1,405	1,446	-41	0
Transfer to stage 3	-70	-685	754	-	-8	-227	234	-0
Net increase/decrease amount existing loans	-1,541	-208	38	-1,711	-1,638	-91	-7	-1,736
New loans	17,141	1,672	328	19,141	11,323	205	319	11,848
Derecognitions	-11,046	-753	-862	-12,662	-8,723	-1,324	-232	-10,279
Financial assets with actual loan losses	-2	-111	-19	-132	0	0	-	-
Balance at 31 December	35,587	5,979	1,702	43,268	33,190	3,971	1,470	38,632
Fixed interest loans at FV	4,285			4,285	4,677			4,677
Total gross loans at 31 December	113,169	10,409	2,083	125,660	106,912	9,101	1,957	117,970

Group (NOK million)	2020				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Balance at 1 January	73,675	5,924	570	80,169	69,736	4,951	386	75,073
Transfer to stage 1	1,260	-1,225	-35	-	1,053	-1,034	-19	-
Transfer to stage 2	-1,731	1,785	-54	-	-2,184	2,217	-33	-
Transfer to stage 3	-44	-89	133	-	-84	-164	248	-
Net increase/decrease amount existing loans	-2,136	-196	-15	-2,346	-2,867	-277	-31	-3,175
New loans	51,383	1,702	119	53,204	45,617	1,901	196	47,715
Derecognitions	-43,512	-2,624	-239	-46,375	-37,596	-1,669	-165	-39,430
Financial assets with actual loan losses	-689	-70	-25	-784	-2	-1	-12	-14
Balance at 31 December	78,206	5,208	453	83,867	73,675	5,924	570	80,169
Corporate Market								
Balance at 1 January	35,466	4,426	1,539	41,431	33,897	5,881	1,299	41,076
Transfer to stage 1	693	-690	-4	-	1,659	-1,631	-28	-
Transfer to stage 2	-2,897	2,909	-11	-	-1,681	1,736	-55	-
Transfer to stage 3	-107	-695	801	-	-42	-237	279	-
Net increase/decrease amount existing loans	-1,589	-265	34	-1,819	-1,682	-164	-22	-1,868
New loans	18,238	1,875	349	20,462	12,682	261	326	13,269
Derecognitions	-11,287	-815	-883	-12,985	-9,367	-1,414	-230	-11,011
Financial assets with actual loan losses	-410	-159	-24	-593	0	-5	-30	-35
Balance at 31 December	38,107	6,587	1,802	46,496	35,466	4,426	1,539	41,431
Fixed interest loans at FV	4,285			4,285	4,677			4,677
Total gross loans at 31 December	120,598	11,794	2,255	134,648	113,817	10,350	2,110	126,277

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank			Group	
31 Dec 2019	31 Dec 2020	(NOKm)	31 Dec 2020	31 Dec 2019
2,094	2,269	Agriculture and forestry	2,269	2,094
970	1,210	Fisheries and hunting	1,210	970
645	1,305	Sea farming industries	1,305	645
1,582	1,796	Manufacturing	1,796	1,582
3,363	3,799	Construction, power and water supply	3,799	3,363
4,197	5,461	Retail trade, hotels and restaurants	5,461	4,197
1,059	1,182	Maritime sector	1,182	1,059
5,027	5,821	Property management	5,750	4,718
7,643	9,286	Business services	9,286	7,643
8,186	8,930	Transport and other services provision	8,518	7,819
13,162	12,711	Public administration	12,711	13,162
3,278	3,795	Other sectors	3,641	3,001
51,206	57,566	Total	56,928	50,253
35,664	40,600	Wage earners	40,600	35,664
86,870	98,166	Total deposits	97,529	85,917

Note 10 - Net interest income

Parent bank Jan-Dec		(NOKm)	Group Jan-Dec	
2019	2020		2020	2019
		Interest income		
		Interest income from loans to and claims on central banks and credit institutions (amortised cost)		
246	171		42	103
1,693	1,584	Interest income from loans to and claims on customers (amortised cost)	2,120	2,177
1,792	1,519	Interest income from loans to and claims on customers (FVOCI)	1,534	1,814
134	129	Interest income from loans to and claims on customers (FVPL)	129	134
		Interest income from money market instruments, bonds and other fixed income securities		
375	349		346	371
-	-	Other interest income	27	26
4,241	3,752	Total interest income	4,197	4,626
		Interest expense		
		Interest expenses on liabilities to credit institutions		
170	84		92	190
1,042	731	Interest expenses relating to deposits from and liabilities to customers	719	1,019
545	484	Interest expenses related to the issuance of securities	484	545
84	48	Interest expenses on subordinated debt	50	86
62	8	Other interest expenses	25	86
13	67	Guarantee fund levy	67	13
1,916	1,423	Total interest expense	1,439	1,939
2,325	2,329	Net interest income	2,759	2,687

Note 11 - Operating expenses

Parent bank			Group	
Jan-Dec			Jan-Dec	
2019	2020	(NOKm)	2020	2019
234	246	IT costs	340	321
19	15	Postage and transport of valuables	19	23
63	52	Marketing	73	101
109	102	Ordinary depreciation	166	172
42	39	Operating expenses, real properties	62	57
134	150	Purchased services	221	193
149	140	Other operating expense	187	231
750	744	Total other operating expenses	1,069	1,098

Note 12 - Other assets

Parent Bank			Group	
31 Dec 2019	31 Dec 2020	(NOKm)	31 Dec 2020	31 Dec 2019
-	-	Deferred tax asset	129	158
88	67	Fixed assets	194	225
342	298	Right to use assets	470	499
107	135	Earned income not yet received	185	132
13	11	Accounts receivable, securities	678	292
148	112	Pension assets	112	148
543	340	Other assets	690	637
1,241	963	Total other assets	2,457	2,092

Note 13 - Other liabilities

Parent Bank			Group	
31 Dec 2019	31 Dec 2020	(NOKm)	31 Dec 2020	31 Dec 2019
48	8	Deferred tax	81	115
475	322	Payable tax	408	546
10	11	Capital tax	11	10
10	101	Accrued expenses and received, non-accrued income	671	389
127	301	Provision for accrued expenses and commitments	301	127
100	81	Losses on guarantees and unutilised credits	81	100
16	10	Pension liabilities	10	16
347	303	Lease liabilities	479	505
68	74	Drawing debt	74	68
6	3	Creditors	45	57
9	13	Debt from securities	568	197
-	-	Equity Instruments	-	244
353	239	Other liabilities	355	467
1,570	1,466	Total other liabilities	3,084	2,841

Note 14 - Debt created by issue of securities and subordinated debt

Group

	31 Dec 2019	Issued	Fallen due/ Redeemed	Other changes	31 Dec 2020
Change in securities debt (NOKm)					
Certificate, nominal value	-	368	-	-28	341
Bond debt, nominal value	42,722	9,518	11,553	1,132	41,819
Senior non preferred, nominal value	-	1,000	-	-	1,000
Value adjustments	73	-	-	495	568
Accrued interest	218	-	-	-27	191
Total	43,014	10,886	11,553	1,572	43,919
Change in subordinated debt and hybrid equity (NOKm)					
Ordinary subordinated loan capital, nominal value	1,793	-	-	-	1,793
Hybrid equity, nominal value	287	-	287	-	-
Value adjustments	1	-	-	-1	-
Accrued interest	10	-	-	-7	3
Total	2,090	-	287	-8	1,795

Note 15 - Measurement of fair value of financial instruments

Financial instruments at fair value are classified at various levels.

Level 1: Valuation based on quoted prices in an active market

Fair value of financial instruments that are traded in the active markets is based on market price on the balance sheet date. A market is considered active if market prices are easily and regularly available from a stock exchange, dealer, broker, industry group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at an arm's length. This category also includes quoted shares and Treasury bills.

Level 2: Valuation based on observable market data

Level 2 consists of instruments that are valued by the use of information that does not consist in quoted prices, but where the prices are directly or indirectly observable for the assets or liabilities concerned, and which also include quoted prices in non-active markets.

Level 3: Valuation based on other than observable data

If valuation data are not available for level 1 and 2, valuation methods are applied that are based on non-observable information.

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2020:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	1	7,225	-	7,226
- Bonds and money market certificates	4,865	21,741	-	26,606
- Equity instruments	1,928	6	432	2,366
- Fixed interest loans	-	43	4,242	4,285
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	74,761	74,761
Total assets	6,793	29,015	79,435	115,244
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	2	7,177	-	7,179
- Equity instruments	-	-	-	-
Total liabilities	2	7,177	-	7,179

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2019:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	3	2,969	-	2,972
- Bonds and money market certificates	2,913	20,202	-	23,115
- Equity instruments	2,506	43	405	2,953
- Fixed interest loans	-	43	4,636	4,678
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	71,336	71,336
Total assets	5,421	23,256	76,377	105,054
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	2	3,525	-	3,528
- Equity instruments	244	-	-	244
Total liabilities	247	3,525	-	3,772

The following table presents the changes in the instruments classified in level 3 as at 31 December 2020:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	405	4,636	71,336	76,377
Investment in the period	48	731	47,183	47,962
Disposals in the period	-14	-1,206	-43,754	-44,973
Expected credit loss	-	-	-13	-13
Gain or loss on financial instruments	-7	81	7	81
Closing balance	432	4,242	74,761	79,435

The following table presents the changes in the instruments classified in level 3 as at 31 December 2019:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	550	4,425	61,294	66,269
Investment in the period	24	1,054	44,421	45,499
Disposals in the period	-256	-818	-34,350	-35,453
Expected credit loss	-	-	-36	-36
Gain or loss on financial instruments	87	-25	6	68
Closing balance	405	4,636	71,336	76,377

Valuation method

The valuation method applied is adapted to each financial instrument, and is intended to utilise as much of the information that is available in the market as possible.

The method for valuation of financial instruments in level 2 and 3 is described in the following:

Fixed interest loans to customers (level 3)

The loans consist for the most part of fixed interest loans denominated in Norwegian kroner. The value of the fixed interest loans is determined such that agreed interest flows are discounted over the term of the loan by a discount factor that is adjusted for margin requirements. The discount factor is raised by 10 points when calculating sensitivity.

Loans at fair value through other comprehensive income (level 3)

Property Loans at floating interest classified at fair value over other comprehensive income is valued based on nominal amount reduced by expected credit loss. Loans with no significant credit risk deterioration since first recognition is assessed at nominal amount. For loans with a significant increase in credit risk since first recognition or objective evidence of loss, the calculation of expected credit losses over the life of the asset is in line with loan losses for loans at amortised cost. Estimated fair value is the nominal amount reduced by expected lifetime credit loss. If the likelihood of the worst case scenario in the model is doubled, fair value is reduced by NOK 8 million.

Short-term paper and bonds (level 2 and 3)

Valuation on level 2 is based for the most part on observable market information in the form of interest rate curves, exchange rates and credit margins for the individual credit and the bond's or certificate's characteristics. For paper valued under level 3 the valuation is based on indicative prices from a third party or comparable paper.

Equity instruments (level 3)

Shares that are classified to level 3 include essentially investments in unquoted shares. Among other a total of NOK 291 million in Private Equity investments, property funds, hedge funds and unquoted shares through the company SpareBank SMN 1 Invest. The valuations are in all essentials based on reporting from managers of the funds who utilise cash flow based models or multiples when determining fair value. The Group does not have full access to information on all the elements in these valuations and is therefore unable to determine alternative assumptions.

Financial derivatives (level 2)

Financial derivatives at level 2 include for the most part currency futures and interest rate and exchange rate swaps. Valuation is based on observable interest rate curves. In addition the item includes derivatives related to FRAs. These are valued with a basis in observable prices in the market. Derivatives classified to level 2 also include equity derivatives related to SpareBank 1 Markets' market-making activities. The bulk of these derivatives refer to the most sold shares on Oslo Børs, and the valuation is based on the price of the actual/underlying share and observable or calculated volatility.

Sensitivity analyses, level 3 as at 31 December 2020:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumptions
Fixed interest loans	4,242	-11
Equity instruments through profit/loss*	433	-
Loans at fair value through other comprehensive income	74,761	-8

* As described above, the information to perform alternative calculations are not available

Note 16 - Liquidity risk

Liquidity risk is the risk that the group will be unable to refinance its debt or to finance asset increases. Liquidity risk management starts out from the group's overall liquidity strategy which is reviewed and adopted by the board of directors at least once each year. The liquidity strategy reflects the group's moderate risk profile.

The group reduces its liquidity risk through guidelines and limits designed to achieve a diversified balance sheet, both on the asset and liability side. Preparedness plans have been drawn up both for the group and the SpareBank 1 Alliance to handle the liquidity situation in periods of turbulent capital markets. The bank's liquidity situation is stress tested on a monthly basis using various maturities and crisis scenarios: bank-specific, for the financial market in general or a combination of internal and external factors. The group's objective is to survive twelve months of ordinary operations without access to fresh external funding while housing prices fall 30 per cent. In the same period minimum requirements to LCR shall be fulfilled.

The average residual maturity on debt created by issue of securities at the end of the fourth quarter 2020 was 3.4 years. The overall LCR at the same point was 171 per cent and the average overall LCR in the fourth quarter was 147 per cent. The LCR in Norwegian kroner and euro at quarter-end was 161 and 317 per cent respectively.

Note 17 - Earnings per EC

ECC owners share of profit have been calculated based on net profit allocated in accordance to the average number of certificates outstanding in the period. There is no option agreements in relation to the Equity Capital certificates, diluted net profit is therefore equivalent to Net profit per ECC

(NOKm)	Jan-Dec	
	2020	2019
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	1,793	2,458
Allocated to ECC Owners 2)	1,147	1,572
Issues Equity Capital Certificates adjusted for own certificates	129,347,626	129,496,367
Earnings per Equity Capital Certificate	8.87	12.14

1) Adjusted Net Profit	Jan-Dec	
	2020	2019
Net Profit for the group	1,978	2,563
adjusted for non-controlling interests share of net profit	-126	-56
Adjusted for Tier 1 capital holders share of net profit	-59	-49
Adjusted Net Profit	1,793	2,458

2) Equity capital certificate ratio (parent bank) (NOKm)	31 Dec	
	2020	2019
ECC capital	2,597	2,597
Dividend equalisation reserve	6,556	6,144
Premium reserve	895	895
Unrealised gains reserve	153	121
Other equity capital	-	-
A. The equity capital certificate owners' capital	10,201	9,758
Ownerless capital	5,664	5,432
Unrealised gains reserve	86	68
Other equity capital	-	-
B. The saving bank reserve	5,750	5,500
To be disbursed from gift fund	321	474
Dividend declared	569	840
Equity ex. profit	16,842	16,572
Equity capital certificate ratio A/(A+B)	64.0 %	64.0 %
Equity capital certificate ratio for distribution	64.0 %	64.0 %