

Notes

Contents

Note 1 - Accounting principles	2
Note 2 - Critical estimates and assessment concerning the use of accounting principles	3
Note 3 - Account by business line	5
Note 4 - Capital adequacy	8
Note 5 - Distribution of loans by sector/industry	10
Note 6 - Losses on loans and guarantees	11
Note 7 - Losses	12
Note 8 - Gross Loans	16
Note 9 - Distribution of customer deposits by sector/industry	17
Note 10 - Net interest income	18
Note 11 - Net commission income and other income	19
Note 12 - Operating expenses	20
Note 13 - Net return on financial investments	21
Note 14 - Other assets	22
Note 15 - Other liabilities	23
Note 16 - Debt created by issue of securities and subordinated debt	24
Note 17 - Measurement of fair value of financial instruments	25
Note 18 - Liquidity risk	28
Note 19 - Earnings per EC	29

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 2020. The Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts with the exception noted below.

Definition of default

The group implemented a new definition of default on 1 January 2021.

The new definition is formulated in accordance with the European Banking Authority's guidelines on how banks should apply the definition of default in the Capital Requirements Regulation (CRR) and clarifications in the Norwegian CRR/CRD IV regulations.

Default is defined in two categories: 1) payment default or 2) default based on manual default marking.

1) Payment default is defined as material payment arrears or overdrafts of more than 90 days' duration. Threshold values for material arrears or overdrafts are set out in the Norwegian CRR/CRD IV regulations.

2) Default resulting from manual default marking is based to a larger degree on individual credit assessments, and to a lesser degree on automatic mechanisms. Events included in this category are provision for loss on a customer loan, bankruptcy/debt restructuring, forbearance assessments, deferment of interest and instalment payments for more than 180 days, or other indications suggesting considerable doubt as to whether the borrower will perform his obligations.

The new default definition entails the introduction of a 'waiting period' during which borrowers are categorised as still in default after the default has been rectified. The waiting period is three months or 12 months depending on the underlying cause of the default.

Furthermore, rules on default marking at group level are introduced whereby corporate customers in default to a group company (e.g. SpareBank 1 SMN Finans Midt-Norge) will also be considered to be in default to the bank. For personal customers, threshold values are specified for default contagion in the group. Where a defaulted exposure exceeds 20% of total exposure, the exposure will be considered to be in default at group level.

The group has with effect from 1 January 2021 also applied the new default definition for accounting purposes for transfer of loans to stage 3. As at 31 March 2021 this entailed an increase of NOK 818m in loan volume in stage 3, primarily as a result of the new definition. However, there was no significant change in the underlying credit risk over the course of the first quarter of 2021. Comparatives have not been restated.

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 25 in the 2020 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 not been carried out as per 31 March 2021.

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.

2021 Q1 (NOKm)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	40	0	1	1	-	100 %
Total Held for sale	40	0	1	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 2020.

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 and in the first quarter of 2021. 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 of 2020 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. This has been continued in first quarter 2021.

The effect of changes in input assumptions is shown as "Effect of changed assumptions in ECL model" in note 7. The effect is NOK 11 million for the Bank and 5 million for the Group.

Sensitivities

The first part of the table below show total calculated expected credit loss as of 31 March 2021 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 show the ECL distributed by portfolio using the scenario weight applied, in addition to an alternative weighting where worst case have been doubled.

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of March 2021, this would have entailed an increase in loss provisions of NOK 284 million for the parent bank and NOK 291 million for the group.

	CM (excl offshore and agriculture)					Total parent	SB 1 Finans MN Group	
	RM	Offshore	Agriculture	Tourism				
ECL base case	346	92	836	26	47	1,346	63	1,408
ECL worst case	1,215	314	1,086	88	94	2,797	130	2,927
ECL best case	278	41	708	14	11	1,052	47	1,099
	-	-	-	-	-	-	-	-
ECL with scenario weights used 80/10/10	-	-	-	-	-	-	68	69
ECL with scenario weights used 65/25/15	509	-	867	36	-	1,412	-	1,412
ECL with scenario weights used 60/30/10	-	-	-	-	57	57	-	57
ECL with scenario weights used 70/15/15	-	118	-	-	-	118	-	118
Total ECL used	509	118	867	36	57	1,554	68	1,656
	-	-	-	-	-	-	-	-
ECL alternative scenario weights 70/20/10	-	-	-	-	-	-	75	76
ECL alternative scenario weights 45/40/15	683	-	917	49	-	1,649	-	1,649
ECL alternative scenario weights 30/60/10	-	-	-	-	71	71	-	71
ECL alternative scenario weights 55/30/15	-	151	-	-	-	151	-	151
Total ECL alternative weights	683	151	917	49	71	1,871	75	1,946
Change in ECL if alternative weights were used	174	33	50	13	14	284	7	291

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

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 18 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 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 March 2021

Profit and loss account (NOKm)	RM	CM	SB 1		SB 1	SB 1	SB 1	BN	Un-	Total
			Markets	EM 1	Finans	Regnskaps-				
Net interest	337	270	-5	0	113	0	-	-	-47	668
Interest from allocated capital	9	3	-	-	-	-	-	-	-12	-
Total interest income	346	273	-5	0	113	0	-	-	-59	668
Comission income and other income	149	59	321	103	-22	155	-	-	42	808
Net return on financial investments **)	0	5	37	10	-	-	67	40	130	289
Total income	496	337	353	114	91	155	67	40	114	1,766
Total operating expenses	228	107	227	93	29	128	-	-	-6	806
Ordinary operating profit	268	230	125	21	62	27	67	40	119	960
Loss on loans, guarantees etc.	-12	62	-	-	7	-	-	-	1	59
Result before tax including held for sale	280	167	125	21	55	27	67	40	118	901
Post-tax-return on equity *)	12.5 %	9.6 %								14,8 %
Balance										
Loans and advances to customers	130,296	46,190	-	-	9,678	-	-	-	-821	185,342
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-46,611	-1,360	-	-	-	-	-	-	100	-47,871
Allowance for credit loss	-130	-1,351	-	-	-69	-	-	-	-3	-1,553
Other assets	119	12,286	3,112	376	76	553	2,230	1,554	37,598	57,903
Total assets	83,674	55,765	3,112	376	9,685	553	2,230	1,554	36,874	193,822
Deposits to customers	48,439	53,200	-	-	-	-	-	-	751	102,390
Other liabilities and equity	35,235	2,565	3,112	376	9,685	553	2,230	1,554	36,123	91,432
Total liabilities and equity	83,674	55,765	3,112	376	9,685	553	2,230	1,554	36,874	193,822

Group 31 March 2020

Profit and loss account (NOKm)	RM	CM	SB 1		SB 1		SB 1	BN	Un-	Total
			Markets	EM 1	Finans	Regnskaps- huset SMN				
Net interest	301	271	-2	-0	82	0	-	-	59	710
Interest from allocated capital	53	38	-	-	-	-	-	-	-91	-
Total interest income	354	308	-2	-0	82	0	-	-	-32	710
Commission income and other income	198	54	60	83	-6	156	-	-	24	570
Net return on financial investments **)	-2	10	45	-	-	-	-115	23	140	101
Total income	550	373	103	83	76	156	-115	23	132	1,381
Total operating expenses	246	113	118	83	24	129	-	-	2	716
Ordinary operating profit	304	261	-15	-0	52	27	-115	23	130	665
Loss on loans, guarantees etc.	44	258	-	-	5	-	-	-	1	308
Result before tax including held for sale	260	3	-15	-0	47	27	-115	23	128	357
Post-tax return on equity*)	9.5 %	0.2 %								5.7 %
Balance										
Loans and advances to customers	121,269	41,174	-	-	8,957	-	-	-	-629	170,771
Adv. of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-42,254	-1,245	-	-	-	-	-	-	-0	-43,498
Allowance for credit losses	-157	-930	-	-	-52	-	-	-	-6	-1,144
Other assets	197	7,932	2,636	301	23	551	1,834	1,449	44,132	59,054
Total assets	79,055	46,931	2,636	301	8,928	551	1,834	1,449	43,497	185,182
Deposits to customers	43,961	42,710	-	-	-	-	-	-	1,482	88,152
Other liabilities and equity	35,095	4,222	2,636	301	8,928	551	1,834	1,449	42,015	97,030
Total liabilities and equity	79,055	46,931	2,636	301	8,928	551	1,834	1,449	43,497	185,182

Group 31 December 2020

Profit and loss account (NOKm)	RM	CM	SB 1		SB 1		SB 1	BN	Un-	Total	
			Markets	EM 1	Finans	Regnskaps-					
					MN	huset SMN	Gruppen	Bank	collated		
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 16.9 percent to be in line with the capital plan during the year

	31 March 2021	31 March 2020	31 Dec 2020
**) Specification of net return on financial investments (NOKm)			
Dividends	4	8	39
Capital gains/losses shares	102	-42	-4
Gain/(loss) on certificates and bonds	-84	50	103
Gain/(loss) on derivatives	105	-148	32
Gain/(loss) on financial instruments related to hedging	-11	-6	1
Gain/(loss) on other financial instruments at fair value (FVO)	10	-57	-11
Foreign exchange gain/(loss)	15	65	82
Gain/(loss) on shares and share derivatives at SpareBank 1 Markets	20	14	28
Net return on financial instruments	158	-124	230
SpareBank 1 Gruppen	67	-115	194
Gain Fremtind Forsikring		340	340
SpareBank 1 Boligkreditt	4	-31	18
SpareBank 1 Næringskreditt	3	2	18
BN Bank	40	23	120
SpareBank 1 Kredittkort	0	0	2
SpareBank 1 Betaling	-1	-2	-2
Other companies	14	-0	-10
Income from investment in associates and joint ventures	128	217	681
Total net return on financial investments	289	101	951
Fair value hedging			
Changes in fair value on hedging instrument	-293	359	467
Changes in fair value on hedging item	282	-365	-465
Net Gain or Loss from hedge accounting	-11	-6	1

Note 4 - Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD IV). SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Advanced IRB Approach is used for the corporate portfolios. Use of IRB imposes wide-ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems.

As of 31 March 2021 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 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.

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 March 2021 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 first quarter of 2021 both the parent bank and the group is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures.

Parent Bank				Group		
31 Dec 2020	31 Mar 2020	31 Mar 2021	(NOKm)	31 Mar 2021	31 Mar 2020	31 Dec 2020
18,092	16,866	18,259	Total book equity	21,734	19,600	21,310
-1,250	-1,227	-1,231	Additional Tier 1 capital instruments included in total equity	-1,273	-1,268	-1,293
-515	-507	-511	Deferred taxes, goodwill and other intangible assets	-1,027	-1,059	-1,044
-890	-	-627	Deduction for allocated dividends and gifts	-627	-	-890
-	-	-	Non-controlling interests recognised in other equity capital	-891	-760	-838
-	-	-	Non-controlling interests eligible for inclusion in CET1 capital	489	398	488
-	-106	-450	Net profit	-768	-290	-
-	83	57	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	374	266	-
-43	-50	-43	Value adjustments due to requirements for prudent valuation	-56	-62	-56
-47	-293	-263	Positive value of adjusted expected loss under IRB Approach	-292	-329	-74
-	-	-	Cash flow hedge reserve	8	13	10
-186	-185	-186	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-629	-353	-572
15,160	14,582	15,005	Common equity Tier 1 capital	17,042	16,155	17,041
1,250	1,250	1,250	Additional Tier 1 capital instruments	1,595	1,637	1,595
16,410	15,832	16,255	Tier 1 capital	18,636	17,792	18,636
			Supplementary capital in excess of core capital			
1,750	1,750	1,750	Subordinated capital	2,259	2,240	2,262
-139	-153	-154	Deduction for significant investments in financial institutions	-154	-153	-139
1,611	1,597	1,596	Additional Tier 2 capital instruments	2,105	2,087	2,123
18,020	17,429	17,851	Total eligible capital	20,741	19,879	20,759

			Minimum requirements subordinated capital			
1,053	964	1,112	Specialised enterprises	1,292	1,153	1,240
920	1,269	982	Corporate	992	1,279	930
1,511	1,625	1,463	Mass market exposure, property	2,218	2,310	2,261
107	97	100	Other mass market	102	100	110
1,026	987	1,025	Equity positions IRB	1	1	1
4,617	4,942	4,682	Total credit risk IRB	4,606	4,842	4,541
1	2	3	Central government	5	4	2
93	101	107	Covered bonds	146	152	142
441	567	485	Institutions	336	466	332
-	-	-	Local and regional authorities, state-owned enterprises	28	15	27
32	30	32	Corporate	270	227	281
20	17	18	Mass market	484	474	476
11	16	12	Exposures secured on real property	131	174	136
272	240	272	Equity positions	428	383	408
99	115	89	Other assets	159	150	159
970	1,088	1,018	Total credit risk standardised approach	1,986	2,045	1,962
30	47	43	Debt risk	44	48	31
-	-	-	Equity risk	9	7	18
-	-	-	Currency risk and risk exposure for settlement/delivery	1	3	3
421	407	421	Operational risk	772	720	770
25	98	32	Credit value adjustment risk (CVA)	153	240	123
6,063	6,583	6,196	Minimum requirements subordinated capital	7,571	7,907	7,448
75,785	82,282	77,455	Risk weighted assets (RWA)	94,633	98,832	93,096
3,410	3,703	3,485	Minimum requirement on CET1 capital, 4.5 per cent	4,258	4,447	4,189
			Capital Buffers			
1,895	2,057	1,936	Capital conservation buffer, 2.5 per cent	2,366	2,471	2,327
3,410	2,468	3,485	Systemic risk buffer, 4.5 per cent (3.0 per cent)	4,258	2,965	4,189
758	823	775	Countercyclical buffer, 1.0 per cent (2.5 per cent)	946	988	931
6,063	5,348	6,196	Total buffer requirements on CET1 capital	7,571	6,424	7,448
5,687	5,531	5,323	Available CET1 capital after buffer requirements	5,212	5,284	5,404
			Capital adequacy			
20.0 %	17.7 %	19.4 %	Common equity Tier 1 capital ratio	18.0 %	16.3 %	18.3 %
21.7 %	19.2 %	21.0 %	Tier 1 capital ratio	19.7 %	18.0 %	20.0 %
23.8 %	21.2 %	23.0 %	Capital ratio	21.9 %	20.1 %	22.3 %
			Leverage ratio			
178,219	177,198	181,720	Balance sheet items	258,536	249,366	256,978
6,190	7,719	8,793	Off-balance sheet items	9,568	8,702	7,514
-606	-1,033	-817	Regulatory adjustments	-1,844	-1,820	-1,577
183,803	183,884	189,696	Calculation basis for leverage ratio	266,260	256,248	262,915
16,410	15,832	16,255	Core capital	18,636	17,792	18,636
8.9 %	8.6 %	8.6 %	Leverage Ratio	7.0 %	6.9 %	7.1 %

Note 5 - Distribution of loans by sector/industry

Parent Bank				Group		
31 Dec 2020	31 Mar 2020	31 Mar 2021	(NOKm)	31 Mar 2021	31 Mar 2020	31 Dec 2020
9,160	8,584	9,134	Agriculture and forestry	9,568	8,946	9,591
5,243	4,893	5,344	Fisheries and hunting	5,362	4,907	5,259
1,704	756	2,005	Sea farming industries	2,268	1,053	2,100
2,234	1,870	2,326	Manufacturing	2,848	2,255	2,646
3,195	3,025	3,080	Construction, power and water supply	4,016	3,837	4,077
2,289	2,266	2,537	Retail trade, hotels and restaurants	2,832	2,607	2,586
4,537	5,177	4,822	Maritime sector	4,822	5,177	4,537
15,427	14,614	16,512	Property management	16,595	14,689	15,509
3,644	2,454	3,641	Business services	3,434	2,158	3,423
6,032	5,546	5,377	Transport and other services provision	6,298	6,379	6,942
9	6	2	Public administration	29	17	33
1,626	1,718	1,746	Other sectors	1,757	1,742	1,638
55,099	50,909	56,525	Gross loans in Corporate market	59,830	53,767	58,340
118,714	111,460	119,780	Wage earners	125,512	117,004	124,461
173,814	162,369	176,305	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	185,342	170,771	182,801
46,613	41,972	46,337	of which SpareBank 1 Boligkreditt	46,337	41,972	46,613
1,540	1,526	1,533	of which SpareBank 1 Næringskreditt	1,533	1,526	1,540
125,660	118,871	128,435	Gross loans in balance sheet	137,471	127,272	134,648
1,351	964	1,380	- Loan loss allowance on amortised cost loans	1,451	1,019	1,421
96	123	101	- Loan loss allowance on loans at FVOCI	101	125	96
124,214	117,784	126,954	Net loans to and receivables from customers	135,919	126,128	133,131

Note 6 - Losses on loans and guarantees

	Jan-Mar			Jan-Mar			Jan-Dec		
	2021			2020			2020		
Parent Bank (NOKm)	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	-8	57	49	44	146	190	49	666	715
Actual loan losses on commitments exceeding provisions made	2	1	3	1	112	112	14	197	212
Recoveries on commitments previously written-off	-1	-0	-1	-1	-0	-1	-7	-18	-25
Losses for the period on loans and guarantees	-7	58	51	44	258	302	56	846	902

	Jan-Mar			Jan-Mar			Jan-Dec		
	2021			2020			2020		
Group (NOKm)	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	-7	57	50	40	148	188	48	681	729
Actual loan losses on commitments exceeding provisions made	6	4	10	28	115	143	55	213	268
Recoveries on commitments previously written-off	-1	-0	-2	-19	-4	-22	-25	-21	-46
Losses for the period on loans and guarantees	-2	61	59	49	259	308	78	873	951

Note 7 - Losses

Parent Bank (NOKm)	1 Jan 21	Change in provision	Net write-offs /recoveries	31 Mar 21
Loans as amortised cost- CM	1,377	57	-5	1,429
Loans as amortised cost- RM	35	7	-10	32
Loans at fair value over OCI- RM	147	-15	-	132
Loans at fair value over OCI- CM	0	0	-	1
Provision for expected credit losses on loans and guarantees	1,559	49	-14	1,594
Presented as				
Provision for loan losses	1,446	49	-14	1,481
Other debt- provisons	81	0	-	81
Other comprehensive income - fair value adjustment	32	-1	-	31

Parent Bank (NOKm)	1 Jan 20	Change in provision	Net write-offs /recoveries	31 Mar 20
Loans as amortised cost- CM	916	146	-30	1,031
Loans as amortised cost- RM	34	7	-3	39
Loans at fair value over OCI- RM	109	37	-	146
Loans at fair value over OCI- CM	1	-0	-	1
Provision for expected credit losses on loans and guarantees	1,060	190	-33	1,219
Presented as				
Provision for loan losses	937	182	-33	1,086
Other debt- provisons	100	6	-	106
Other comprehensive income - fair value adjustment	23	3	-	26

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- provisons	100	-19	-	81
Other comprehensive income - fair value adjustment	23	9	-	32

Group (NOKm)	1 Jan 21	Change in provision	Net write-offs /recoveries	31 Mar 21
Loans as amortised cost- CM	1,421	57	-6	1,472
Loans as amortised cost- RM	62	8	-10	61
Loans at fair value over OCI- RM	147	-15	-	132
Loans at fair value over OCI- CM	0	0	-	1
Provision for expected credit losses on loans and guarantees	1,630	51	-15	1,665
Presented as				
Provision for loan losses	1,517	51	-15	1,553
Other debt- provisons	81	0	-	81
Other comprehensive income - fair value adjustment	32	-1	-	31

Group (NOKm)	1 Jan 20	Change in provision	Net write-offs/ recoveries	31 Mar 20
Loans as amortised cost- CM	948	149	-32	1,065
Loans as amortised cost- RM	63	3	-3	63
Loans at fair value over OCI- RM	109	37	-	146
Loans at fair value over OCI- CM	1	-0	-	1
Provision for expected credit losses on loans and guarantees	1,121	190	-34	1,276
Presented as				
Provision for loan losses	998	180	-34	1,144
Other debt- provisions	100	6	-	106
Other comprehensive income - fair value adjustment	23	3	-	26

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

Accrual for losses on loans

Parent Bank (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Retail market												
Opening balance	35	97	47	180	25	73	45	143	25	73	45	143
Transfer to (from) stage 1	16	-16	-0	-	13	-13	-0	-	14	-13	-0	-
Transfer to (from) stage 2	-1	1	-0	-	-2	2	-0	-	-1	2	-0	-
Transfer to (from) stage 3	-0	-3	3	-	-0	-3	3	-	-0	-3	3	-
Net remeasurement of loss allowances	-15	17	-11	-10	-15	12	9	6	-17	12	9	5
Originations or purchases	5	2	0	8	4	2	0	6	13	13	0	26
Derecognitions	-4	-11	-1	-15	-2	-6	-1	-10	-8	-23	-2	-33
Changes due to changed input assumptions	1	3	-	4	5	38	-	43	10	38	2	50
Actual loan losses	0	0	-5	-5	-	-	-3	-3	0	0	-11	-11
Closing balance	37	91	34	162	28	104	53	185	35	97	47	180
Corporate Market												
Opening balance	88	387	823	1,299	66	210	540	816	66	210	540	816
Transfer to (from) stage 1	7	-7	-0	-	9	-9	-0	-	14	-14	-0	-
Transfer to (from) stage 2	-2	2	-	-	-4	4	-0	-	-4	4	-0	-
Transfer to (from) stage 3	-2	-78	81	-	-0	-1	1	-	-0	-1	1	-
Net remeasurement of loss allowances	-9	13	50	54	-8	33	148	173	-2	72	486	556
Originations or purchases	13	1	4	18	14	2	1	17	45	99	1	144
Derecognitions	-5	-9	-1	-15	-11	-72	-0	-83	-30	-96	-1	-127
Changes due to changed input assumptions	1	4	-	6	4	30	-	34	-0	113	2	-
Actual loan losses	-	-	-10	-10	-	-	-30	-30	-	-	-206	-206
Closing balance	91	312	948	1,351	70	197	660	927	88	387	823	1,299
Total accrual for loan losses	128	403	981	1,512	98	301	713	1,112	123	484	870	1,478

Group (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Retail market												
Opening balance	42	107	58	207	32	84	56	172	32	84	56	172
Transfer to (from) stage 1	17	-17	-0	-	14	-14	-0	-	14	-13	-0	-
Transfer to (from) stage 2	-1	1	-0	-	-2	3	-1	-	0	-0	-0	-
Transfer to (from) stage 3	-0	-5	5	-	-0	-4	4	-	-1	-2	3	-
Net remeasurement of loss allowances	-16	19	-9	-6	-16	12	11	8	-17	11	11	5
Originations or purchases	6	3	2	11	5	2	0	7	12	15	5	31
Derecognitions	-4	-12	-3	-19	-3	-7	-7	-17	-6	-20	1	-25
Changes due to changed input assumptions	1	2	-1	2	5	38	-	43	7	33	-6	35
Actual loan losses	-	-	-5	-5	-	-	-3	-3	-	-	-11	-11
Closing balance	43	99	48	190	35	114	61	210	42	107	58	207
Corporate Market												
Opening balance	98	399	845	1,342	71	218	557	846	71	218	560	849
Transfer to (from) stage 1	8	-8	0	-	9	-9	-0	-	14	-14	-0	-
Transfer to (from) stage 2	-2	2	-	-	-4	4	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-2	-79	82	-	-0	-1	1	-	-1	0	1	-
Net remeasurement of loss allowances	-10	14	53	57	-9	33	151	175	-2	72	484	555
Originations or purchases	15	1	4	20	14	2	3	20	46	103	3	151
Derecognitions	-5	-10	-2	-16	-11	-73	-1	-85	-26	-93	10	-109
Changes due to changed input assumptions	-0	3	-1	2	4	30	-	34	-2	111	-4	106
Actual loan losses	-	-	-10	-10	-	-	-31	-31	-	-	-209	-209
Closing balance	101	322	971	1,394	75	204	680	960	98	399	845	1,342
Total accrual for loan losses	145	421	1,019	1,584	110	318	741	1,170	140	507	902	1,549

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Opening balance	27	50	4	81	14	29	57	100	14	29	57	100
Transfer to (from) stage 1	3	-3	-0	-	1	-1	-0	-	2	-2	-0	-
Transfer to (from) stage 2	-6	6	-	-	-0	0	-	-	-0	0	-0	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-0	0	-	-0	-0	0	-
Net remeasurement of loss allowances	-6	6	-1	-1	-3	8	-0	5	2	16	-54	-36
Originations or purchases	3	1	0	4	2	0	0	3	11	8	0	19
Derecognitions	-1	-2	-0	-3	-1	-3	-0	-4	-5	-13	-0	-19
Changes due to changed input assumptions	0	1	-	1	1	2	-	3	3	12	0	16
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	20	57	4	81	14	36	57	106	27	50	4	81
Of which												
Retail market				3				3				2
Corporate Market				79				103				79

Provision for credit losses specified by industry

Parent Bank (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Agriculture and forestry	2	23	2	27	2	25	8	34	2	34	5	41
Fisheries and hunting	8	2	0	10	4	0	-	4	6	2	0	8
Sea farming industries	4	0	0	4	1	1	-	1	2	0	3	5
Manufacturing	7	20	9	36	4	22	3	28	8	25	2	35
Construction, power and water supply	11	12	37	60	11	7	16	34	11	27	17	55
Retail trade, hotels and restaurants	9	26	16	51	9	15	11	34	10	30	17	58
Maritime sector	14	190	657	862	4	101	588	692	10	180	614	804
Property management	20	49	34	102	19	41	26	86	20	56	38	114
Business services	12	12	194	218	7	5	27	38	12	56	142	210
Transport and other services	8	10	1	19	11	5	1	17	8	10	2	19
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	1	1	-	1	0	0	-	0	0	0	0	0
Wage earners	2	58	31	91	2	81	32	116	2	65	31	97
Total provision for losses on loans	97	403	981	1,481	72	301	713	1,086	91	484	870	1,446
loan loss allowance on loans at FVOCI	31	-	-	31	26	-	-	26	32	0	0	32
Total loan loss allowance	128	403	981	1,512	98	301	713	1,112	123	484	870	1,478

Group (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	25	3	31	3	25	9	37	3	36	5	44
Fisheries and hunting	8	2	0	10	4	0	-	4	6	2	0	8
Sea farming industries	4	1	0	5	1	1	-	2	3	1	3	6
Manufacturing	9	23	14	45	4	24	7	35	10	27	7	44
Construction, power and water supply	13	14	41	68	13	9	24	46	13	31	20	64
Retail trade, hotels and restaurants	11	26	18	55	10	15	11	36	12	31	19	62
Maritime sector	14	190	657	862	4	101	588	692	10	180	614	804
Property management	20	49	34	103	19	41	26	86	20	56	39	115
Business services	13	13	198	224	7	6	28	41	13	57	143	213
Transport and other services	10	11	11	32	12	6	8	26	10	12	10	32
Public administration	0	0	-	0	0	-	-	0	0	0	0	0
Other sectors	1	1	-	1	0	0	2	2	0	0	2	2
Wage earners	7	65	44	116	8	90	40	138	7	73	41	122
Total provision for losses on loans	113	421	1,019	1,553	84	319	741	1,144	108	507	902	1,517
loan loss allowance on loans at FVOCI	31	-	-	31	26	-	-	26	32	0	0	32
Total loan loss allowance	145	421	1,019	1,584	110	319	741	1,170	140	507	902	1,549

Note 8 - Gross Loans

Parent Bank (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market												
Opening balance	73,297	4,430	381	78,108	69,045	5,129	487	74,661	69,045	5,129	487	74,661
Transfer to stage 1	1,034	-1,033	-1	-	1,082	-1,071	-11	-	1,050	-1,019	-31	-
Transfer to stage 2	-752	753	-0	-	-1,148	1,206	-57	-	-1,433	1,470	-38	-
Transfer to stage 3	-30	-52	82	-	-18	-79	97	-	-30	-47	77	-
Net increase/decrease amount existing loans	-1,127	-57	-7	-1,190	-1,019	-52	-5	-1,076	-2,093	-136	-7	-2,237
New loans	12,982	175	29	13,186	15,166	311	58	15,535	49,001	1,464	111	50,575
Derecognitions	-10,075	-540	-57	-10,672	-13,602	-751	-63	-14,416	-42,243	-2,429	-196	-44,867
Financial assets with actual loan losses	0	0	-7	-7	-	-	-4	-4	-1	-2	-22	-24
Closing balance	75,330	3,676	420	79,426	69,506	4,693	503	74,701	73,297	4,430	381	78,108
Corporate Market												
Opening balance	35,587	5,979	1,702	43,268	33,190	3,971	1,470	38,632	33,190	3,971	1,470	38,632
Transfer to stage 1	220	-218	-2	-	400	-400	-	-	521	-521	-0	-
Transfer to stage 2	-286	286	-	-	-650	666	-15	-	-2,605	2,614	-9	-
Transfer to stage 3	-86	-474	559	-	-61	-521	582	-	-70	-685	754	-
Net increase/decrease amount existing loans	197	-17	-10	170	-642	152	66	-424	-1,541	-208	38	-1,711
New loans	3,735	28	302	4,064	5,065	71	26	5,162	17,141	1,672	328	19,141
Derecognitions	-2,548	-137	-138	-2,823	-3,392	-100	-35	-3,527	-11,046	-753	-862	-12,662
Financial assets with actual loan losses	0	0	-10	-10	0	-110	-0	-110	-2	-111	-19	-132
Closing balance	36,818	5,448	2,403	44,668	33,910	3,729	2,093	39,732	35,587	5,979	1,702	43,268
Fixed interest loans at FV	4,341	-	-	4,341	4,438	-	-	4,438	4,285	-	-	4,285
Total gross loans at the end of the period	116,489	9,123	2,823	128,435	107,853	8,421	2,596	118,871	113,169	10,409	2,083	125,660

Group (NOKm)	31 Mar 2021				31 Mar 2020				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market												
Opening balance	78,206	5,208	453	83,867	73,675	5,924	570	80,265	73,675	5,924	570	80,169
Transfer to stage 1	1,141	-1,139	-1	-	1,181	-1,168	-13	-	1,260	-1,225	-35	-
Transfer to stage 2	-886	888	-1	-	-1,306	1,378	-71	-0	-1,731	1,785	-54	-
Transfer to stage 3	-37	-105	142	-	-21	-118	139	-	-44	-89	133	-
Net increase/decrease amount existing loans	-1,132	-63	-10	-1,205	-1,022	-62	-5	-1,105	-2,136	-196	-15	-2,346
New loans	13,740	192	29	13,961	15,824	328	58	16,211	51,383	1,702	119	53,204
Derecognitions	-10,687	-622	-74	-11,383	-14,032	-915	-95	-14,756	-43,512	-2,624	-239	-46,375
Financial assets with actual loan losses	-0	-	-7	-7	-	-	-4	-4	-689	-70	-25	-784
Closing balance	80,345	4,358	531	85,233	74,300	5,367	579	80,245	78,206	5,208	453	83,867
Corporate Market												
Opening balance	38,107	6,587	1,802	46,496	35,466	4,426	1,539	41,431	35,466	4,426	1,539	41,431
Transfer to stage 1	308	-305	-3	-	415	-414	-0	-	693	-690	-4	-
Transfer to stage 2	-314	314	-	-	-682	697	-16	-	-2,897	2,909	-11	-
Transfer to stage 3	-91	-508	599	-	-78	-531	609	-	-107	-695	801	-
Net increase/decrease amount existing loans	173	-19	-14	139	-599	149	66	-384	-1,589	-265	34	-1,819
New loans	4,090	37	302	4,429	5,349	80	27	5,456	18,238	1,875	349	20,462
Derecognitions	-2,657	-169	-142	-2,968	-3,691	-55	-56	-3,802	-11,287	-815	-883	-12,985
Financial assets with actual loan losses	-159	-38	-1	-198	0	-110	-0	-110	-410	-159	-24	-593
Balance at 31 December	39,457	5,898	2,543	47,897	36,180	4,241	2,168	42,589	38,107	6,587	1,802	46,496
Closing balance												
Fixed interest loans at FV	4,341	-	-	4,341	4,438	-	-	4,438	4,285	-	-	4,285
Total gross loans at the end of the period	124,142	10,256	3,073	137,471	114,918	9,608	2,747	127,272	120,598	11,794	2,255	134,648

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank			(NOKm)	Group		
31 Dec 2020	31 March 2021	31 March 2021		31 March 2021	31 March 2020	31 Dec 2020
2,269	2,523	2,691	Agriculture and forestry	2,691	2,523	2,269
1,210	1,055	1,455	Fisheries and hunting	1,455	1,055	1,210
1,305	923	1,295	Sea farming industries	1,295	923	1,305
1,796	1,525	1,761	Manufacturing	1,761	1,525	1,796
3,799	3,026	4,337	Construction, power and water supply	4,337	3,026	3,799
5,461	3,810	5,341	Retail trade, hotels and restaurants	5,341	3,810	5,461
1,182	295	1,118	Maritime sector	1,118	295	1,182
5,821	5,631	5,664	Property management	5,603	5,318	5,750
9,286	7,633	9,548	Business services	9,548	7,633	9,286
8,930	9,847	9,863	Transport and other services provision	9,509	9,479	8,518
12,711	12,004	13,928	Public administration	13,928	12,004	12,711
3,795	3,545	4,758	Other sectors	4,469	3,370	3,641
57,566	51,817	61,760	Total	61,056	50,962	56,928
40,600	37,190	41,334	Wage earners	41,334	37,190	40,600
98,166	89,007	103,094	Total deposits	102,390	88,152	97,529

Note 10 - Net interest income

Parent bank				Group		
January - March				January - March		
2020	2020	2021	(NOKm)	2021	2020	2020
			Interest income			
171	67	35	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	12	22	42
1,584	430	384	Interest income from loans to and claims on customers (amortised cost)	512	565	2,120
1,519	505	310	Interest income from loans to and claims on customers (FVOCI)	313	509	1,534
129	33	29	Interest income from loans to and claims on customers (FVPL)	29	33	129
349	116	67	Interest income from money market instruments, bonds and other fixed income securities	67	115	346
-	-	-	Other interest income	6	7	27
3,752	1,151	826	Total interest income	939	1,250	4,197
			Interest expense			
84	45	11	Interest expenses on liabilities to credit institutions	12	52	92
731	301	125	Interest expenses relating to deposits from and liabilities to customers	123	295	719
484	148	104	Interest expenses related to the issuance of securities	104	148	484
48	20	8	Interest expenses on subordinated debt	9	21	50
8	2	2	Other interest expenses	5	9	25
67	16	17	Guarantee fund levy	17	16	67
1,423	533	267	Total interest expense	271	540	1,439
2,329	618	558	Net interest income	668	710	2,759

Note 11 - Net commission income and other income

Parent bank			Group		
Jan-March			Jan-March		
2020	2020	2021 (NOKm)	2021	2020	2020
Commission income					
59	16	18	18	16	58
-	-	-	67	52	251
56	11	15	33	25	123
408	88	112	112	88	408
13	4	4	4	4	13
393	102	92	91	102	390
195	47	52	52	47	195
80	18	18	15	16	71
1,205	286	310	392	349	1,510
Commission expenses					
83	21	17	28	27	112
14	4	4	23	23	95
97	25	22	51	50	207
Other operating income					
22	5	6	6	5	21
-	-	-	36	31	142
-	-	-	262	81	583
-	-	-	148	148	506
19	3	2	15	4	18
41	9	9	467	271	1,269
1,149	270	297	808	570	2,572

Note 12 - Operating expenses

Parent bank				Group		
January - March				January - March		
2020	2020	2021	(NOKm)	2021	2020	2020
246	63	64	IT costs	89	86	340
15	4	2	Postage and transport of valuables	3	5	19
52	15	14	Marketing	20	24	73
102	27	24	Ordinary depreciation	54	42	166
39	7	13	Operating expenses, real properties	18	9	62
150	38	30	Purchased services	47	53	221
140	37	31	Other operating expense	38	53	187
744	191	177	Total other operating expenses	269	273	1,069

Note 13 - Net return on financial investments

Parent Bank			(NOK million)	Group		
Jan-March				Jan-March		
2020	2020	2021		2021	2020	2020
Valued at fair value through profit/loss						
-74	33	-128	Value change in interest rate instruments	-83	52	103
Value change in derivatives/hedging						
1	-6	-11	Net value change in hedged bonds and derivatives	-11	-6	1
-11	-57	10	Net value change in hedged fixed rate loans and derivatives	10	-57	-11
32	-148	105	Other derivatives	125	-134	59
Income from equity instruments						
-	-	-	Income from owner interests	128	217	681
492	74	74	Dividend from owner instruments	-	-	-
-15	-3	-3	Value change and gain/loss on owner instruments	0	-3	-9
36	3	40	Dividend from equity instruments	4	8	39
-1	-22	-6	Value change and gain/loss on equity instruments	102	-39	5
460	-126	80	Total net income from financial assets and liabilities at fair value through profit/(loss)	275	38	868
Valued at amortised cost						
Value change in interest rate instruments						
-6	-3	-1	Value change in interest rate instruments held to maturity	-1	-3	-6
-6	-3	-1	Total net income from financial assets and liabilities at amortised cost	-1	-3	-6
89	67	16	Total net gain from currency trading	15	66	89
542	-62	95	Total net return on financial investments	289	101	951

Note 14 - Other assets

Parent Bank			(NOKm)	Group		
31 Dec 2020	31 March 2020	31 March 2021		31 March 2021	31 March 2020	31 Dec 2020
-	-	-	Deferred tax asset	129	156	129
67	79	80	Fixed assets	206	215	194
298	338	291	Right to use assets	492	488	470
135	134	94	Earned income not yet received	215	186	185
11	422	122	Accounts receivable, securities	828	1,102	678
112	109	112	Pension assets	112	109	112
340	571	409	Other assets	773	554	690
963	1,654	1,108	Total other assets	2,754	2,810	2,457

Note 15 - Other liabilities

Parent Bank			(NOKm)	Group		
31 Dec 2020	31 March 2020	31 March 2021		31 March 2021	31 March 2020	31 Dec 2020
8	38	8	Deferred tax	82	103	81
322	120	74	Payable tax	130	179	408
11	10	11	Capital tax	11	10	11
101	246	109	Accrued expenses and received, non-accrued income	681	602	671
301	291	365	Provision for accrued expenses and commitments	365	291	301
81	106	81	Losses on guarantees and unutilised credits	81	106	81
10	16	10	Pension liabilities	10	16	10
303	344	297	Lease liabilities	501	494	479
74	42	133	Drawing debt	133	42	74
3	5	2	Creditors	63	58	45
13	1,097	110	Debt from securities	720	1,677	568
-	-	-	Equity Instruments	30	34	-
239	1,188	547	Other liabilities	776	1,286	355
1,466	3,503	1,748	Total other liabilities	3,584	4,900	3,084

Note 17 - 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 March 2021:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	2	4,394	-	4,395
- Bonds and money market certificates	2,225	28,650	-	30,875
- Equity instruments	1,536	5	510	2,015
- Fixed interest loans	-	43	4,298	4,341
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	76,297	76,297
Total assets	3,762	33,091	81,105	117,958
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	1	4,878	-	4,879
- Equity instruments	30	-	-	30
Total liabilities	31	4,878	-	4,909

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

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	2	11,755	-	11,757
- Bonds and money market certificates	3,121	24,274	-	27,395
- Equity instruments	989	42	406	1,437
- Fixed interest loans	-	43	4,396	4,439
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	71,584	71,584
Total assets	4,112	36,114	76,386	116,612
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	18	7,986	-	8,004
- Equity instruments	34	-	-	34
Total liabilities	52	7,986	-	8,038

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 changes in the instruments classified in level 3 as at 31 March 2021:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	432	4,242	74,761	79,435
Investment in the period	4	337	11,848	12,190
Disposals in the period	-0	-238	-10,318	-10,556
Expected credit loss	-	-	6	6
Gain or loss on financial instruments	74	-44	0	30
Closing balance	510	4,298	76,297	81,105

The following table presents the changes in the instruments classified in level 3 as at 31 March 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 period	6	91	14,264	14,361
Disposals in the period	-11	-284	-14,016	-14,421
Expected credit loss	-	-	-3	-3
Gain or loss on financial instruments	5	64	3	72
Closing balance	406	4,396	71,584	76,386

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 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

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)

Floating rate mortgages classified at fair value through other comprehensive income (OCI) are valued based on carrying amounts and expected credit losses. Mortgages without significant increase in credit risk since initial recognition, are valued at nominal amount. For loans with a significant increase in credit risk since initial recognition, expected credit loss will be calculated as for assets at amortised cost. Estimated fair value on these mortgages are the carrying amount less lifetime expected credit losses. With a double likelihood of the worst case scenario in the expected credit loss model, the calculated fair value is reduced by NOK 7 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 1 SMN Invest AS. 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 March 2021:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumptions
Fixed interest loans	4,298	-12
Equity instruments through profit/loss*	510	-
Loans at fair value through other comprehensive income	76,297	-7

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

Note 18 - 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 first quarter 2021 was 3.8 years. The overall LCR at the same point was 190 per cent and the average overall LCR in the first quarter was 188 per cent. The LCR in Norwegian kroner and euro at quarter-end was 188 and 173 per cent respectively.

Note 19 - 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-March		2020
	2021	2020	
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	687	254	1,793
Allocated to ECC Owners 2)	439	162	1,147
Issues Equity Capital Certificates adjusted for own certificates	129,305,359	129,261,369	129,347,626
Earnings per Equity Capital Certificate	3.40	1.26	8.87

1) Adjusted Net Profit	Jan-March		2020
	2021	2020	
Net Profit for the group	768	290	1,978
Adjusted for non-controlling interests share of net profit	-61	-12	-126
Adjusted for Tier 1 capital holders share of net profit	-20	-24	-59
Adjusted Net Profit	687	254	1,793

2) Equity capital certificate ratio (parent bank) (NOKm)	31 March 2021	31 March 2020	31 Dec 2020
ECC capital	2,597	2,597	2,597
Dividend equalisation reserve	6,556	6,338	6,556
Premium reserve	895	895	895
Unrealised gains reserve	153	121	153
Other equity capital	-0	-17	-
A. The equity capital certificate owners' capital	10,201	9,934	10,201
Ownerless capital	5,664	5,541	5,664
Unrealised gains reserve	86	68	86
Other equity capital	-0	-10	-
B. The saving bank reserve	5,750	5,599	5,750
To be disbursed from gift fund	226	-	321
Dividend declared	401	-	569
Equity ex. profit	16,578	15,533	16,842
Equity capital certificate ratio A/(A+B)	64.0 %	64.0 %	64.0 %
Equity capital certificate ratio for distribution	64.0 %	64.0 %	64.0 %