

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 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 per cent 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. Loan volume in stage 3 has increased in first nine months of 2021 by NOK 1,193 million, 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 nine months 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 various pension schemes, see note 22 in the 2020 annual report.

The Group has not obtained a new calculation of pensions as of 30 September since no factors have been identified that significantly alter the pension liability.

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.

SpareBank 1 Kapitalforvaltning, subsidiary of SpareBank 1 Markets, has been presented as Investment held for sale from second quarter 2021 due to the agreement of sale to SpareBank 1 Forvaltning in third quarter of 2021. The result for the first half of the year is included on the line held for sale. Comparables have been restated.

The company SpareBank 1 Forvaltning is owned by the SpareBank1 banks and include the subsidiaries Odin Forvaltning, SpareBank 1 Kapitalforvaltning and SpareBank 1 Verdipapirservice.

Jan-Sept 2021 (NOKm)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	60	1	7	7	-0	100 %
SpareBank 1 Kapitalforvaltning	-	-	36	26	10	
Total Held for sale	60	1	43	33	10	

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.

The input in the credit loss model have been changed 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. 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 in 2020 and in the first nine months 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. The bank has 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 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 nine months of 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 13 million for the bank and -1 million for the Group.

Sensitivity

The first part of the table below show total calculated expected credit loss as of 30 september 2021 in each of the three scenarios, distributed in the portfolios Retail Market, Corporate Market and offshore, tourism and agriculture, which adds up to parent bank. In addition the subsidiary SpareBank 1 Finans Midt-Norge is included. ECL for the parent bank and the subsidiary is summed up in the coloumn "Group".

The second part of the table show the ECL distributed by portfolio using the scenario weight applied, in addition to a alternative weighting where downside scenaro weight has been doubled.

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of september 2021, this would have entailed an increase in loss provisions of NOK 318 million for the parent bank and NOK 325 million for the group.

	CM	Retail Market	Offshore	Agriculture	Tourism	Total parent	SB1 Finans MN	Group
ECL base case	421	75	742	33	46	1,316	53	1,369
ECL worst case	949	305	1,465	119	99	2,937	118	3,055
ECL best case	354	39	649	17	12	1,071	39	1,109
ECL with scenario weights used 80/10/10	-	-	-	-	-	-	58	59
ECL with scenario weights used 65/25/15	517	-	872	48	-	1,437	-	1,437
ECL with scenario weights used 60/30/10	-	-	-	-	58	58	-	58
ECL with scenario weights used 70/15/15	-	104	-	-	-	104	-	104
Total ECL used	517	104	872	48	58	1,599	58	1,658
ECL alternative scenario weights 70/20/10	-	-	-	-	-	-	65	66
ECL alternative scenario weights 45/40/15	622	-	1,017	65	-	1,704	-	1,704
ECL alternative scenario weights 30/60/10	-	-	-	-	74	74	-	74
ECL alternative scenario weights 55/30/15	-	139	-	-	-	139	-	139
Total ECL alternative weights	622	139	1,017	65	74	1,917	65	1,983
Change in ECL if alternative weights were used	106	35	145	17	16	318	7	325

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 more than double the ECL than in the expected scenario. Applied scenario weighting gives about 20 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 30 September 2021

Profit and loss account (NOKm)	RM	CM	SB1		SB1	SB1	SB1	BN	Other/	Total
			Markets	EM1	Finans	Regnskaps-				
Net interest	840	826	-3	1	297	-0	-	-	112	2,073
Interest from allocated capital	19	2	-	-	-	-	-	-	-21	-
Total interest income	859	828	-3	1	297	-0	-	-	91	2,073
Comission income and other income	682	178	611	342	-19	439	-	-	-71	2,161
Net return on financial investments **)	2	10	81	10	-	-	298	122	285	808
Total income	1,542	1,016	689	353	278	439	298	122	304	5,042
Total operating expenses	673	325	486	282	111	357	-	-	-7	2,228
Ordinary operating profit	869	691	203	71	167	82	298	122	311	2,814
Loss on loans, guarantees etc.	-11	125	-	-	13	-	-	-	1	129
Result before tax including held for sale	880	566	203	71	153	82	298	122	310	2,685
Post-tax-return on equity *)	13.4 %	11.1 %								13.8 %
Balance										
Loans and advances to customers	135,344	46,859	-	-	10,094	-	-	-	-321	191,976
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-46,867	-1,237	-	-	-	-	-	-	100	-48,004
Allowance for credit loss	-125	-1,381	-	-	10,003	-	-	-	-10,065	-1,568
Other assets	130	17,899	3,025	422	-9,868	622	2,004	1,635	41,851	57,721
Total assets	88,482	62,140	3,025	422	10,230	622	2,004	1,635	31,565	200,124
Deposits to customers	49,909	59,006	-	-	-	-	-	-	776	109,691
Other liabilities and equity	38,573	3,134	3,025	422	10,230	622	2,004	1,635	30,788	90,433
Total liabilities and equity	88,482	62,140	3,025	422	10,230	622	2,004	1,635	31,565	200,124

*) 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

Group 30 September 2020

Profit and loss account (NOKm)	RM	CM	SB1		SB1	SB1	SB1	BN	Other/ eliminations	Total
			Markets	EM1	Finans MN	Regnskaps- huset SMN				
Net interest	823	828	-10	1	282	0	-	-	147	2,071
Interest from allocated capital	103	68	-	-	-	-	-	-	-172	-
Total interest income	926	896	-10	1	282	0	-	-	-25	2,071
Comission income and other income	612	166	375	300	-16	415	-	-	-74	1,779
Net return on financial investments **)	-3	17	109	-	-	-	107	84	439	753
Total income	1,536	1,079	474	300	267	415	107	84	-340	4,603
Total operating expenses	704	321	394	251	97	327	-	-	-14	2,080
Ordinary operating profit	832	758	80	50	170	88	107	84	354	2,523
Loss on loans, guarantees etc.	58	614	-	-	37	-	-	-	-0	709
Result before tax including held for sale	773	144	80	50	133	88	107	84	354	1,814
Post-tax-return on equity *)	12.6 %	3.4 %								10.4 %
Balance										
Loans and advances to customers	126,939	43,700	-	-	9,531	-	-	-	-748	179,423
Adv. of this sold to SpareBank 1										
Boligkreditt	-44,447	-1,436	-	-	-	-	-	-	100	-45,782
Allowance for credit losses	-154	-1,235	-	-	-65	-	-	-	-4	-1,457
Other assets	197	8,457	2,747	355	51	568	2,061	1,477	38,802	54,716
Total assets	82,536	49,487	2,747	355	9,518	568	2,061	1,477	38,151	186,900
Deposits to customers	47,574	46,404	-	-	-	-	-	-	1,413	95,391
Other liabilities and equity	34,962	3,084	2,747	355	9,518	568	2,061	1,477	36,737	91,509
Total liabilities and equity	82,536	49,487	2,747	355	9,518	568	2,061	1,477	38,151	186,900

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

Group 31 December 2020

Profit and loss account (NOKm)	RM	CM	SB1		SB1	SB1	SB1	BN	Other/	Total
			Markets	EM1	Finans	Regnskaps-				
					MN	huset SMN	Gruppen	Bank	eliminations	
Net interest	1,112	1,085	-13	2	387	1	-	-	186	2,759
Interest from allocated capital	101	63	-	-	-	-	-	-	-165	-
Total interest income	1,213	1,149	-13	2	387	1	-	-	21	2,759
Commission income and other income	867	211	636	392	-22	533	-	-	-101	2,516
Net return on financial investments **)	-2	21	137	-	-	-	194	120	481	951
Total income	2,078	1,381	759	394	364	533	194	120	401	6,225
Total operating expenses	929	422	590	342	131	423			68	2,904
Ordinary operating profit	1,149	959	169	52	234	110	194	120	333	3,321
Loss on loans, guarantees etc.	56	846	-	-	49	-	-	-	1	951
Result before tax including held for sale	1,093	113	169	52	184	110	194	120	333	2,370
Post-tax return on equity*)	13.4 %	2.1%								10.0 %
Balance										
Loans and advances to customers	129,149	44,845	-	-	9,622	-	-	-	-815	182,801
Adv. of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-46,899	-1,354	-	-	-	-	-	-	-100	-48,153
Allowance for credit losses	-148	-1,298	-	-	-66	-	-	-	-5	-1,517
Other assets	156	10,471	3,265	357	66	592	2,151	1,514	36,210	54,781
Total assets	82,258	52,663	3,265	357	9,623	592	2,151	1,514	35,490	187,912
Deposits to customers	47,478	49,420	-	-	-	-	-	-	631	97,529
Other liabilities and equity	34,780	3,244	3,265	357	9,623	592	2,151	1,514	34,859	90,383
Total liabilities and equity	82,258	52,663	3,265	357	9,623	592	2,151	1,514	35,490	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 percent to be in line with the capital plan

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

	30 Sept 21	30 Sept 20	31 Dec 20
Dividends	21	12	39
Capital gains/losses shares	161	-2	-4
Gain/(loss) on certificates and bonds	-196	166	103
Gain/(loss) on derivatives	232	-78	32
Gain/(loss) on financial instruments related to hedging	-7	0	1
Gain/(loss) on other financial instruments at fair value (FVO)	0	-14	-11
Foreign exchange gain/(loss)	46	79	82
Gain/(loss) on shares and share derivatives at SpareBank 1 Markets	30	26	28
Net return on financial instruments	267	177	230
SpareBank 1 Gruppen	298	107	194
Gain Fremtind Forsikring	-	340	340
SpareBank 1 Boligkreditt	18	22	18
SpareBank 1 Næringskreditt	6	14	18
BN Bank	122	84	120
SpareBank 1 Kredittkort	11	2	2
SpareBank 1 Betaling	-6	-3	-2
Other companies	69	-1	-10
Income from investment in associates and joint ventures	519	564	681
Total net return on financial investments	808	753	951
Fair value hedging			
Changes in fair value on hedging instrument	-460	502	467
Changes in fair value on hedging item	454	-502	-465
Net Gain or Loss from hedge accounting	-7	0	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 30 September 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 Norwegian countercyclical buffer will rise to 1.5 per cent with effect from 30 June 2022.

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 30 September 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 third 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	30 Sept 2020	30 Sept 2021	(NOKm)	30 Sept 2021	30 Sept 2020	31 Dec 2020
18,092	17,876	19,629	Total book equity	23,077	20,829	21,310
-1,250	-1,203	-1,211	Additional Tier 1 capital instruments included in total equity	-1,252	-1,244	-1,293
-515	-494	-500	Deferred taxes, goodwill and other intangible assets	-1,040	-1,047	-1,044
-890	-	-627	Deduction for allocated dividends and gifts	-627	-	-890
-	-	-	Non-controlling interests recognised in other equity capital	-848	-800	-838
-	-	-	Non-controlling interests eligible for inclusion in CET1 capital	504	414	488
-	-1,155	-1,841	Net profit	-2,199	-1,528	-
-	368	723	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	1,079	739	-
-43	-47	-40	Value adjustments due to requirements for prudent valuation	-52	-59	-56
-47	-75	-581	Positive value of adjusted expected loss under IRB Approach	-616	-98	-74
-	-	-	Cash flow hedge reserve	5	13	10
-186	-186	-187	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-360	-510	-572
15,160	15,084	15,365	Common equity Tier 1 capital	17,671	16,711	17,041
1,250	1,250	1,250	Additional Tier 1 capital instruments	1,594	1,579	1,595
16,410	16,334	16,615	Tier 1 capital	19,265	18,290	18,636
			Supplementary capital in excess of core capital			
1,750	1,750	1,750	Subordinated capital	2,247	2,240	2,262
-139	-157	-174	Deduction for significant investments in financial institutions	-174	-157	-139
1,611	1,593	1,576	Additional Tier 2 capital instruments	2,072	2,083	2,123
18,020	17,927	18,190	Total eligible capital	21,338	20,373	20,759

			Minimum requirements subordinated capital			
1,053	1,044	1,074	Specialised enterprises	1,254	1,236	1,240
920	981	955	Corporate	968	991	930
1,511	1,598	1,415	Mass market exposure, property	2,348	2,282	2,261
107	108	100	Other mass market	103	111	110
1,026	1,012	1,045	Equity positions IRB	1	1	1
4,617	4,742	4,590	Total credit risk IRB	4,675	4,621	4,541
1	2	3	Central government	4	2	2
93	115	130	Covered bonds	151	162	142
441	507	379	Institutions	324	402	332
-	-	-	Local and regional authorities, state-owned enterprises	31	21	27
32	27	147	Corporate	382	253	281
20	16	11	Mass market	506	470	476
11	14	28	Exposures secured on real property	120	154	136
272	279	264	Equity positions	513	400	408
99	100	94	Other assets	154	161	159
970	1,058	1,056	Total credit risk standardised approach	2,186	2,025	1,962
30	42	36	Debt risk	38	43	31
-	-	-	Equity risk	22	9	18
-	-	-	Currency risk and risk exposure for settlement/delivery	2	3	3
421	407	421	Operational risk	777	720	770
25	60	25	Credit value adjustment risk (CVA)	131	192	123
6,063	6,309	6,128	Minimum requirements subordinated capital	7,830	7,612	7,448
75,785	78,861	76,599	Risk weighted assets (RWA)	97,879	95,156	93,096
3,410	3,549	3,447	Minimum requirement on CET1 capital, 4.5 per cent	4,405	4,282	4,189
			Capital Buffers			
1,895	1,972	1,915	Capital conservation buffer, 2.5 per cent	2,447	2,379	2,327
3,410	2,366	3,447	Systemic risk buffer, 4.5 per cent (3.0 per cent)	4,405	2,855	4,189
758	789	766	Countercyclical buffer, 1.0 per cent (1.0 per cent)	979	952	931
6,063	5,126	6,128	Total buffer requirements on CET1 capital	7,830	6,185	7,448
5,687	6,409	5,790	Available CET1 capital after buffer requirements	5,436	6,243	5,404
			Capital adequacy			
20.0 %	19.1 %	20.1 %	Common equity Tier 1 capital ratio	18.1 %	17.6 %	18.3 %
21.7 %	20.7 %	21.7 %	Tier 1 capital ratio	19.7 %	19.2 %	20.0 %
23.8 %	22.7 %	23.7 %	Capital ratio	21.8 %	21.4 %	22.3 %
			Leverage ratio			
178,219	179,304	189,698	Balance sheet items	270,700	252,366	256,978
6,190	7,518	12,601	Off-balance sheet items	11,887	8,333	7,514
-606	-617	-1,121	Regulatory adjustments	-1,911	-1,543	-1,577
183,803	186,205	201,179	Calculation basis for leverage ratio	280,677	259,156	262,915
16,410	16,334	16,615	Core capital	19,265	18,290	18,636
8.9 %	8.8 %	8.3%	Leverage Ratio	6.9%	7.1 %	7.1 %

Note 5 - Distribution of loans by sector/industry

Parent Bank				Group		
31 Dec 2020	30 Sept 2020	30 Sept 2021	(NOKm)	30 Sept 2021	30 Sept 2020	31 Dec 2020
9,160	8,994	9,205	Agriculture and forestry	9,546	9,442	9,591
5,243	4,872	5,851	Fisheries and hunting	5,869	4,872	5,259
1,704	1,384	1,843	Sea farming industries	2,093	1,790	2,100
2,234	1,962	2,203	Manufacturing	2,835	2,369	2,646
3,195	3,227	2,884	Construction, power and water supply	3,825	4,087	4,077
2,289	2,315	2,320	Retail trade, hotels and restaurants	2,662	2,649	2,586
4,537	4,787	5,237	Maritime sector	5,237	4,787	4,537
15,427	15,136	16,724	Property management	16,839	15,215	15,509
3,644	3,293	4,083	Business services	4,500	3,014	3,423
6,032	6,089	5,433	Transport and other services provision	6,367	6,994	6,942
9	6	2	Public administration	35	29	33
1,626	1,627	1,392	Other sectors	1,339	1,645	1,638
55,099	53,692	57,176	Gross loans in Corporate market	61,147	56,893	58,340
118,714	116,767	124,841	Wage earners	130,828	122,529	124,461
173,814	170,459	182,017	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	191,976	179,423	182,801
46,613	44,160	46,675	of which SpareBank 1 Boligkreditt	46,675	44,160	46,613
1,540	1,622	1,329	of which SpareBank 1 Næringskreditt	1,329	1,622	1,540
125,660	124,677	134,013	Gross loans in balance sheet	143,972	133,640	134,648
1,351	1,284	1,411	- Loan loss allowance on amortised cost loans	1,472	1,352	1,421
96	105	95	- Loan loss allowance on loans at FVOCI	95	105	96
124,214	123,288	132,507	Net loans to and receivables from customers	142,404	132,183	133,131

Note 6 - Losses on loans and guarantees

Parent Bank (NOKm)	Jan-Sept						Third quarter						2020		
	2021			2020			2021			2020			RM	CM	Total
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total			
Change in provision for expected credit losses for the period	-14	102	88	53	499	553	-2	24	22	14	203	217	49	666	715
Actual loan losses on commitments exceeding provisions made	8	23	31	10	116	126	3	1	4	4	2	5	14	197	212
Recoveries on commitments previously written-off	-5	-0	-5	-6	-1	-7	-2	-0	-2	-2	-1	-3	-7	-18	-25
Losses for the period on loans and guarantees	-11	125	115	58	614	672	-1	25	24	16	204	219	56	846	902

Group (NOKm)	Jan-Sept						Third quarter						2020		
	2021			2020			2021			2020			RM	CM	Total
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total			
Change in provision for expected credit losses for the period	-23	104	81	51	511	562	-3	27	24	15	207	222	48	681	729
Actual loan losses on commitments exceeding provisions made	25	29	53	46	112	158	7	2	9	8	-14	-7	55	213	268
Recoveries on commitments previously written-off	-5	-0	-5	-25	14	-11	-2	-0	-2	-2	18	16	-25	-21	-46
Losses for the period on loans and guarantees	-3	132	129	72	637	709	3	28	31	21	210	231	78	873	951

Note 7 - Losses

Parent Bank (NOKm)	1 Jan 21	Change in provision	Net write-offs /recoveries	30 Sept 21
Loans as amortised cost- CM	1,377	102	-19	1,459
Loans as amortised cost- RM	35	8	-9	33
Loans at fair value over OCI- RM	147	-21	-	126
Loans at fair value over OCI- CM	0	0	-	1
Provision for expected credit losses on loans and guarantees	1,559	88	-29	1,619
Presented as				
Provision for loan losses	1,446	89	-29	1,506
Other debt- provisons	81	1	-	82
Other comprehensive income - fair value adjustment	32	-1	-	31

Parent Bank (NOKm)	1 Jan 20	Change in provision	Net write-offs /recoveries	30 Sept 20
Loans as amortised cost- CM	916	575	-116	1,374
Loans as amortised cost- RM	34	8	-10	32
Loans at fair value over OCI- RM	109	46	-	155
Loans at fair value over OCI- CM	1	-1	-	0
Provision for expected credit losses on loans and guarantees	1,060	627	-126	1,561
Presented as				
Provision for loan losses	937	577	-126	1,388
Other debt- provisons	100	43	-	143
Other comprehensive income - fair value adjustment	23	7	-	30

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	30 Sept 21
Loans as amortised cost- CM	1,421	103	-20	1,503
Loans as amortised cost- RM	62	-2	-9	51
Loans at fair value over OCI- RM	147	-21	-	126
Loans at fair value over OCI- CM	0	0	-	1
Provision for expected credit losses on loans and guarantees	1,630	81	-30	1,680
Presented as				
Provision for loan losses	1,517	81	-30	1,568
Other debt- provisions	81	1	-	82
Other comprehensive income - fair value adjustment	32	-1	-	31

Group (NOKm)	1 Jan 20	Change in provision	Net write-offs /recoveries	30 Sept 20
Loans as amortised cost- CM	948	588	-119	1,417
Loans as amortised cost- RM	63	6	-10	58
Loans at fair value over OCI- RM	109	46	-	155
Loans at fair value over OCI- CM	1	-1	-	0
Provision for expected credit losses on loans and guarantees	1,121	639	-130	1,630
Presented as				
Provision for loan losses	998	588	-130	1,457
Other debt- provisions	100	43	-	143
Other comprehensive income - fair value adjustment	23	7	-	30

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)	30 Sept 2021				30 Sept 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	35	97	47	180	25	73	45	143	25	73	45	143
Transfer to (from) stage 1	22	-22	-0	-	13	-13	-0	-	14	-13	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-2	2	-0	-	-1	2	-0	-
Transfer to (from) stage 3	-0	-4	5	-	-0	-3	4	-	-0	-3	3	-
Net remeasurement of loss allowances	-22	25	-5	-2	-16	12	9	5	-17	12	9	5
Originations or purchases	14	11	1	26	12	8	0	20	13	13	0	26
Derecognitions	-10	-26	-3	-38	-7	-18	-2	-26	-8	-23	-2	-33
Changes due to changed input assumptions	1	-1	-	0	8	44	-0	52	10	38	2	50
Actual loan losses	-	-	-9	-9	-	-	-10	-10	-	-	-11	-11
Closing balance	37	83	36	156	34	105	45	184	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	11	-11	-	-	10	-10	-0	-	14	-14	-0	-
Transfer to (from) stage 2	-3	3	-	-	-5	5	-0	-	-4	4	-0	-
Transfer to (from) stage 3	-2	-26	28	-	-0	-1	1	-	-0	-1	1	-
Net remeasurement of loss allowances	-20	14	102	97	3	66	393	462	-2	72	486	556
Originations or purchases	23	19	112	154	39	33	1	74	45	99	1	144
Derecognitions	-16	-141	-1	-159	-25	-47	-1	-72	-30	-96	-1	-127
Changes due to changed input assumptions	1	9	-	11	-16	88	0	71	-0	113	2	115
Actual loan losses	-	-	-19	-19	-	-	-116	-116	-	-	-206	-206
Closing balance	83	253	1,045	1,381	72	344	819	1,235	88	387	823	1,299
Total accrual for loan losses	120	337	1,080	1,537	106	449	864	1,419	123	484	870	1,478

Group (NOKm)	30 Sept 2021				30 Sept 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	42	107	58	207	32	84	56	172	32	84	56	172
Transfer to (from) stage 1	23	-23	-0	-	15	-14	-0	-	14	-13	-0	-
Transfer to (from) stage 2	-3	3	-0	-	-2	3	-1	-	0	-0	-0	-
Transfer to (from) stage 3	-0	-5	6	-	-0	-5	5	-	-1	-2	3	-
Net remeasurement of loss allowances	-23	27	-2	1	-17	15	14	12	-17	11	11	5
Originations or purchases	16	13	3	32	14	10	1	25	12	15	5	31
Derecognitions	-12	-30	-8	-49	-8	-20	-9	-37	-6	-20	1	-25
Changes due to changed input assumptions	-0	-2	-5	-7	6	43	-0	49	7	33	-6	35
Actual loan losses	-	-	-9	-9	-	-	-10	-10	-	-	-11	-11
Closing balance	43	90	41	174	41	115	54	210	42	107	58	207
Corporate Market												
Opening balance	98	399	845	1,342	71	217	560	849	71	218	560	849
Transfer to (from) stage 1	16	-16	-0	-	12	-12	-0	-	14	-14	-0	-
Transfer to (from) stage 2	-4	4	-0	-	-5	5	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-2	-27	29	-	-0	-1	1	-	-1	0	1	-
Net remeasurement of loss allowances	-23	17	108	102	6	69	392	468	-2	72	484	555
Originations or purchases	26	20	113	159	42	36	8	85	46	103	3	151
Derecognitions	-17	-143	-2	-162	-25	-47	-2	-75	-26	-93	10	-109
Changes due to changed input assumptions	-1	8	-2	4	-17	87	-2	68	-2	111	-4	106
Actual loan losses	-	-	-20	-20	-	-	-119	-119	-	-	-209	-209
Closing balance	92	263	1,069	1,425	83	355	839	1,277	98	399	845	1,342
Total accrual for loan losses	136	353	1,110	1,599	124	470	893	1,487	140	507	902	1,549

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	30 Sept 2021				30 Sept 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
Opening balance	27	50	4	81	14	29	57	100	14	29	57	100
Transfer to (from) stage 1	5	-5	-0	-	2	-2	-0	-	2	-2	-0	-
Transfer to (from) stage 2	-6	6	-	-	-0	0	-0	-	-0	0	-0	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-0	0	-	-0	-0	0	-
Net remeasurement of loss allowances	-7	7	-2	-2	-11	-24	-0	-35	2	16	-54	-36
Originations or purchases	8	3	0	10	-	-	-	-	11	8	0	19
Derecognitions	-5	-4	-0	-9	-4	-3	-0	-7	-5	-13	-0	-19
Changes due to changed input assumptions	0	1	-	2	18	68	0	87	3	12	0	16
Closing balance	22	57	3	82	18	68	56	143	27	50	4	81
Of which												
Retail market				3				3				2
Corporate Market				79				140				79

Provision for credit losses specified by industry

Parent Bank (NOKm)	30 Sept 2021				30 Sept 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	2	31	3	36	2	32	5	39	2	34	5	41
Fisheries and hunting	7	0	0	8	6	1	0	7	6	2	-	8
Sea farming industries	1	0	0	2	2	0	3	5	2	0	3	5
Manufacturing	7	25	14	46	5	18	2	26	8	25	2	35
Construction, power and water supply	12	12	22	46	10	12	17	39	11	27	17	55
Retail trade, hotels and restaurants	7	28	9	44	9	9	5	23	10	30	17	58
Maritime sector	14	122	730	866	6	229	619	855	10	180	614	804
Property management	18	47	35	100	17	42	42	101	20	56	38	114
Business services	11	15	223	249	9	21	138	168	12	56	142	210
Transport and other services	7	8	10	25	7	10	2	19	8	10	2	19
Public administration	0	-	-	0	0	-	-	0	0	-	-	0
Other sectors	0	0	-	1	0	0	-	0	0	0	-	0
Wage earners	2	47	32	82	3	73	30	106	2	65	31	97
Total provision for losses on loans	89	337	1,080	1,506	75	449	864	1,388	91	484	870	1,446
loan loss allowance on loans at FVOCI	31			31	30			30	32			32
Total loan loss allowance	120	337	1,080	1,537	106	449	864	1,419	123	484	870	1,478

Group (NOKm)	30 Sept 2021				30 Sept 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	32	4	39	3	34	5	42	3	36	5	44
Fisheries and hunting	7	0	0	8	6	1	0	7	6	2	-	8
Sea farming industries	2	1	0	3	2	1	3	6	3	1	3	6
Manufacturing	9	27	20	56	6	21	7	34	10	27	7	44
Construction, power and water supply	15	15	25	54	13	15	22	50	13	31	20	64
Retail trade, hotels and restaurants	8	28	11	47	10	10	6	26	12	31	19	62
Maritime sector	14	122	730	866	6	229	619	855	10	180	614	804
Property management	18	48	36	101	17	42	42	102	20	56	39	115
Business services	12	16	226	255	10	22	139	171	13	57	143	213
Transport and other services	9	10	21	40	9	12	12	32	10	12	10	32
Public administration	0	-	0	0	0	-	-	0	0	-	-	0
Other sectors	0	0	-	1	2	0	0	2	0	0	2	2
Wage earners	7	53	36	97	9	82	39	130	7	73	41	122
Total provision for losses on loans	105	353	1,110	1,568	94	470	893	1,457	108	507	902	1,517
loan loss allowance on loans at FVOCI	31			31	30			30	32			32
Total loan loss allowance	136	353	1,110	1,599	124	470	893	1,487	140	507	902	1,549

Note 8 - Gross loans

Parent Bank (NOKm)	30 Sept 2021				30 Sept 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	1,216	-1,212	-4	-	1,048	-1,018	-30	-	1,050	-1,019	-31	-
Transfer to stage 2	-1,009	1,012	-3	-	-1,398	1,465	-67	-	-1,433	1,470	-38	-
Transfer to stage 3	-50	-77	127	-	-24	-61	85	-	-30	-47	77	-
Net increase/decrease amount existing loans	-2,228	-72	-20	-2,319	-1,793	-111	5	-1,899	-2,093	-136	-7	-2,237
New loans	35,597	721	70	36,388	43,184	1,054	93	44,331	49,001	1,464	111	50,575
Derecognitions	-26,274	-1,532	-128	-27,935	-36,578	-1,999	-156	-38,733	-42,243	-2,429	-196	-44,867
Financial assets with actual loan losses	0	-1	-16	-17	-0	-2	-18	-20	-1	-2	-22	-24
Closing balance	80,549	3,268	408	84,225	73,484	4,457	399	78,340	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	414	-414	-	-	484	-485	1	-	521	-521	-0	-
Transfer to stage 2	-690	690	-0	-	-2,791	2,813	-22	-	-2,605	2,614	-9	-
Transfer to stage 3	-16	-594	609	-	-79	-96	176	-	-70	-685	754	-
Net increase/decrease amount existing loans	-963	-162	-27	-1,152	-1,949	-228	216	-1,961	-1,541	-208	38	-1,711
New loans	9,799	110	1,305	11,214	13,123	1,002	296	14,421	17,141	1,672	328	19,141
Derecognitions	-6,431	-745	-711	-7,888	-8,053	-532	-371	-8,957	-11,046	-753	-862	-12,662
Financial assets with actual loan losses	0	0	-21	-21	0	-111	-12	-123	-2	-111	-19	-132
Closing balance	37,699	4,865	2,856	45,420	33,924	6,333	1,755	42,012	35,587	5,979	1,702	43,268
Fixed interest loans at FV	4,367			4,367	4,324			4,324	4,285			4,285
Total gross loans at the end of the period	122,615	8,133	3,264	134,013	111,732	10,791	2,154	124,677	113,169	10,409	2,083	125,660

Group (NOKm)	30 Sept 2021				30 Sept 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	80,169	73,675	5,924	570	80,169
Transfer to stage 1	1,418	-1,413	-4	-	1,244	-1,211	-34	-	1,260	-1,225	-35	-
Transfer to stage 2	-1,245	1,253	-7	-	-1,686	1,767	-81	-	-1,731	1,785	-54	-
Transfer to stage 3	-59	-119	178	-	-35	-106	141	-	-44	-89	133	-
Net increase/decrease amount existing loans	-2,254	-106	-29	-2,388	-1,824	-156	1	-1,979	-2,136	-196	-15	-2,346
New loans	37,915	892	74	38,881	45,169	1,210	97	46,475	51,383	1,702	119	53,204
Derecognitions	-28,197	-1,772	-142	-30,111	-38,117	-2,211	-200	-40,529	-43,512	-2,624	-239	-46,375
Financial assets with actual loan losses	-0	-1	-16	-17	-0	-2	-18	-20	-689	-70	-25	-784
Closing balance	85,785	3,941	507	90,233	78,425	5,215	477	84,117	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	649	-646	-3	-	650	-646	-4	-	693	-690	-4	-
Transfer to stage 2	-985	987	-3	-	-3,021	3,045	-25	-	-2,897	2,909	-11	-
Transfer to stage 3	-26	-617	643	-	-117	-115	231	-	-107	-695	801	-
Net increase/decrease amount existing loans	-480	-198	-33	-711	-1,882	-269	213	-1,937	-1,589	-265	34	-1,819
New loans	10,685	179	1,306	12,170	13,949	1,156	304	15,408	18,238	1,875	349	20,462
Derecognitions	-6,936	-875	-751	-8,562	-8,583	-605	-391	-9,579	-11,287	-815	-883	-12,985
Financial assets with actual loan losses	0	0	-21	-21	0	-111	-12	-123	-410	-159	-24	-593
Balance at 31 December	41,014	5,416	2,941	49,372	36,462	6,881	1,855	45,199	38,107	6,587	1,802	46,496
Closing balance												
Fixed interest loans at FV	4,367			4,367	4,324			4,324	4,285			4,285
Total gross loans at the end of the period	131,166	9,357	3,448	143,972	119,212	12,097	2,332	133,640	120,598	11,794	2,255	134,648

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank				Group		
31 Dec 2020	30 Sept 2020	30 Sept 2021	(NOKm)	30 Sept 2021	30 Sept 2020	31 Dec 2020
2,269	2,374	2,247	Agriculture and forestry	2,247	2,374	2,269
1,210	745	964	Fisheries and hunting	964	745	1,210
1,305	1,219	915	Sea farming industries	915	1,219	1,305
1,796	1,738	2,297	Manufacturing	2,297	1,738	1,796
3,799	3,510	5,293	Construction, power and water supply	5,293	3,510	3,799
5,461	4,801	5,436	Retail trade, hotels and restaurants	5,436	4,801	5,461
1,182	1,087	1,102	Maritime sector	1,102	1,087	1,182
5,821	6,411	6,170	Property management	6,112	6,340	5,750
9,286	8,775	11,534	Business services	11,534	8,775	9,286
8,930	8,657	9,494	Transport and other services provision	9,057	8,297	8,518
12,711	12,338	16,300	Public administration	16,300	12,338	12,711
3,795	3,757	4,610	Other sectors	4,468	3,623	3,641
57,566	55,412	66,362	Total	65,725	54,847	56,928
40,600	40,544	43,967	Wage earners	43,967	40,544	40,600
98,166	95,956	110,328	Total deposits	109,691	95,391	97,529

Note 10 - Net interest income

Parent bank					Group					
Third quarter		Jan-Sept			Jan-Sept		Third quarter			
2020	2020	2021	2020	2021	(NOKm)	2021	2020	2021	2020	2020
					Interest income					
171	28	27	144	90	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	22	37	5	4	42
1,584	399	421	1,199	1,206	Interest income from loans to and claims on customers (amortised cost)	1,591	1,602	549	531	2,120
1,519	327	320	1,198	943	Interest income from loans to and claims on customers (FVOCI)	954	1,209	323	330	1,534
129	32	29	97	88	Interest income from loans to and claims on customers (FVPL)	88	97	29	32	129
349	68	62	290	199	Interest income from money market instruments, bonds and other fixed income securities	197	287	61	68	346
-	-	-	-	-	Other interest income	17	20	5	7	27
3,752	854	858	2,928	2,527	Total interest income	2,869	3,252	973	972	4,197
					Interest expense					
84	12	5	75	19	Interest expenses on liabilities to credit institutions	21	83	6	13	92
731	119	130	611	372	Interest expenses relating to deposits from and liabilities to customers	367	599	128	117	719
484	115	99	386	310	Interest expenses related to the issuance of securities	310	386	99	115	484
48	8	8	40	24	Interest expenses on subordinated debt	26	42	8	8	50
8	2	2	6	6	Other interest expenses	15	20	5	6	25
67	17	19	52	57	Guarantee fund levy	57	52	19	17	67
1,423	274	263	1,170	788	Total interest expense	796	1,181	266	277	1,439
2,329	579	595	1,758	1,739	Net interest income	2,073	2,071	707	695	2,759

Note 11 - Net commission income and other income

Parent bank					Group					
Third quarter		Jan-Sept			Jan-Sept		Third quarter			
2020	2020	2021	2020	2021	(NOKm)	2021	2020	2021	2020	2020
Commission income										
59	16	17	49	51	Guarantee commission	49	48	16	16	58
-	-	-	-	-	Broker commission	221	190	69	72	251
56	15	18	43	48	Portfolio commission, savings products	48	43	18	15	57
408	128	123	272	348	Commission from SpareBank 1 Boligkreditt	348	272	123	128	408
13	4	3	9	11	Commission from SpareBank 1 Næringskreditt	11	9	3	4	13
393	97	107	291	294	Payment transmission services	291	291	106	97	390
195	49	54	144	159	Commission from insurance services	159	144	54	49	195
80	20	19	61	58	Other commission income	53	53	17	17	71
1,205	330	340	869	969	Total commission income	1,179	1,050	405	399	1,443
Commission expenses										
83	2	24	60	60	Payment transmission services	83	80	31	28	112
14	24	3	9	10	Other commission expenses	69	62	23	21	84
97	26	27	68	69	Total commission expenses	152	141	54	50	196
Other operating income										
22	5	3	16	21	Operating income real property	21	16	3	5	21
-	-	-	-	-	Property administration and sale of property	120	110	38	40	142
-	-	-	-	-	Securities trading	561	332	110	122	583
-	-	-	-	-	Accountant's fees	416	395	114	105	506
19	3	6	14	10	Other operating income	17	17	7	4	18
41	8	9	30	31	Total other operating income	1,134	870	272	277	1,269
1,149	312	321	831	930	Total net commission income and other operating income	2,161	1,779	623	625	2,516

Note 12 - Operating expenses

Parent bank					Group					
Third quarter		Jan-Sept			Jan-Sept		Third quarter			
2020	2020	2021	2020	2021	(NOKm)	2021	2020	2021	2020	2020
246	60	62	185	192	IT costs	262	251	85	81	334
15	4	3	13	8	Postage and transport of valuables	10	16	4	5	19
52	13	14	41	40	Marketing	56	58	19	18	73
102	25	24	77	74	Ordinary depreciation	149	121	56	40	164
39	11	9	27	32	Operating expenses, real properties	47	40	14	16	62
150	41	36	117	105	Purchased services	167	161	60	56	217
140	31	27	98	88	Other operating expense	119	134	38	44	186
744	185	176	560	540	Total other operating expenses	809	783	275	261	1,054

Note 13 - Net return on financial investments

Parent Bank					Group					
Third quarter		Jan-Sept			Jan-Sept		Third quarter			
2020	2020	2021	2020	2021	(NOKm)	2021	2020	2021	2020	2020
Valued at fair value through profit/loss										
-74	-39	-94	26	-293	Value change in interest rate instruments	-194	167	-72	-8	103
Value change in derivatives/hedging										
1	4	3	0	-7	Net value change in hedged bonds and derivatives	-7	0	3	4	1
Net value change in hedged fixed rate										
-11	-2	-12	-14	0	loans and derivatives	0	-14	-12	-2	-11
32	19	96	-78	232	Other derivatives	263	-52	98	24	59
Income from equity instruments										
-	-	-	-	-	Income from owner interests	519	564	179	170	681
492	70	-0	481	709	Dividend from owner instruments	-	-	-	-	-
Value change and gain/loss on owner										
-15	-	13	-3	8	instruments	-2	-3	-	-	-9
36	3	2	8	5	Dividend from equity instruments	21	12	1	2	39
Value change and gain/loss on equity										
-1	6	-7	18	1	instruments	162	1	36	4	5
460	61	1	438	656	Total net income from financial assets and liabilities at fair value through profit/(loss)	764	676	232	194	868
Valued at amortised cost										
Value change in interest rate instruments										
-6	-0	-0	-5	-2	Value change in interest rate instruments held to maturity	-2	-5	-0	-0	-6
-6	-0	-0	-5	-2	Total net income from financial assets and liabilities at amortised cost	-2	-5	-0	-0	-6
89	11	15	83	47	Total net gain from currency trading	46	83	16	11	89
542	72	17	516	700	Total net return on financial investments	808	753	248	205	951

Note 14 - Other assets

Parent Bank			(NOKm)	Group		
31 Dec 2020	30 Sept 2020	30 Sept 2021		30 Sept 2021	30 Sept 2020	31 Dec 2020
-	-	-	Deferred tax asset	97	154	129
67	74	86	Fixed assets	211	200	194
298	311	265	Right to use assets	468	450	470
135	133	121	Earned income not yet received	156	233	185
11	50	2,225	Accounts receivable, securities	2,823	688	678
112	83	112	Pension assets	112	83	112
340	313	452	Other assets	741	650	690
963	964	3,261	Total other assets	4,609	2,459	2,457

Note 15 - Other liabilities

Parent Bank			(NOKm)	Group		
31 Dec 2020	30 Sept 2020	30 Sept 2021		30 Sept 2021	30 Sept 2020	31 Dec 2020
8	32	8	Deferred tax	81	98	81
322	297	350	Payable tax	440	371	408
11	10	11	Capital tax	11	10	11
101	19	89	Accrued expenses and received, non-accrued income	707	477	671
301	238	307	Provision for accrued expenses and commitments	307	238	301
81	142	82	Losses on guarantees and unutilised credits	82	142	81
10	11	10	Pension liabilities	10	11	10
303	315	274	Lease liabilities	481	458	479
74	51	57	Drawing debt	57	51	74
3	4	1	Creditors	33	49	45
13	1	2,052	Debt from securities	2,621	311	568
-	-	-	Equity Instruments	90	8	-
239	422	323	Other liabilities	405	513	355
1,466	1,544	3,562	Total other liabilities	5,324	2,737	3,084

Note 16 - Debt created by issue of securities and subordinated debt

Group

Change in securities debt (NOKm)	31 Dec 2020	Issued	Fallen due/ Redeemed	Other changes	30 Sept 2021
Certificate, nominal value	341	-	368	28	-
Bond debt, nominal value	39,819	5,367	5,928	-1,106	38,152
Senior non preferred, nominal value	1,000	2,500	-	-	3,500
Value adjustments	569	-	-	-514	55
Accrued interest	191	-	-	-3	188
Total	41,920	7,867	6,296	-1,595	41,895

Change in subordinated debt and hybrid equity (NOKm)	31 Dec 2020	Issued	Fallen due/ Redeemed	Other changes	30 Sept 2021
Ordinary subordinated loan capital, nominal value	1,793	-	-	-	1,793
Hybrid equity, nominal value	-	-	-	-	-
Value adjustments	-	-	-	-	-
Accrued interest	3	-	-	-0	3
Total	1,795	-	-	-0	1,795

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 30 September 2021:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	1	3,731	-	3,732
- Bonds and money market certificates	2,360	27,672	-	30,032
- Equity instruments	1,908	57	559	2,525
- Fixed interest loans	-	43	4,246	4,289
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	80,832	80,832
Total assets	4,269	31,503	85,638	121,410
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	1	3,740	-	3,741
- Equity instruments	90	-	-	90
Total liabilities	91	3,740	-	3,831

The following table presents the Group's assets and liabilities measured at fair value at 30 September 2020:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	0	10,309	-	10,309
- Bonds and money market certificates	2,267	24,108	-	26,375
- Equity instruments	1,440	16	434	1,890
- Fixed interest loans	-	43	4,282	4,324
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	75,047	75,047
Total assets	3,707	34,476	79,763	117,945
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	2	8,413	-	8,415
- Equity instruments	10	-	-	10
Total liabilities	12	8,413	-	8,425

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 30 September 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	21	922	33,175	34,118
Disposals in the period	-2	-827	-27,123	-27,952
Expected credit loss	-	-	19	19
Gain or loss on financial instruments	107	-91	1	17
Closing balance 31 December	559	4,246	80,832	85,638

The following table presents the changes in the instruments classified in level 3 as at 30 September 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	26	497	41,527	42,051
Disposals in the period	-14	-969	-37,802	-38,784
Expected credit loss	-	-	-21	-21
Gain or loss on financial instruments	17	117	7	141
Closing balance	434	4,282	75,047	79,763

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 31 December	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)

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 471 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 30 September 2021:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumptions
Fixed interest loans	4,246	-12
Equity instruments through profit/loss*	559	
Loans at fair value through other comprehensive income	80,832	-8

* 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 third quarter 2021 was 3.7 years. The overall LCR at the same point was 163 per cent and the average overall LCR in the third quarter was 172 per cent. The LCR in Norwegian kroner and euro at quarter-end was 163 and 223 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)	January - September		
	2021	2020	2020
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	2,046	1,391	1,793
Allocated to ECC Owners 2)	1,308	890	1,147
Issues Equity Capital Certificates adjusted for own certificates	129,340,421	129,336,827	129,347,626
Earnings per Equity Capital Certificate	10.11	6.88	8.87

1) Adjusted Net Profit	January - September		
	2021	2020	2020
Net Profit for the group	2,199	1,528	1,978
adjusted for non-controlling interests share of net profit	-113	-88	-126
Adjusted for Tier 1 capital holders share of net profit	-40	-49	-59
Adjusted Net Profit	2,046	1,391	1,793

2) Equity capital certificate ratio (parent bank) (NOKm)	January - September		
	30 Sept 2021	30 Sept 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	-1	-27	-
A. The equity capital certificate owners' capital	10,200	9,925	10,201
Ownerless capital	5,664	5,541	5,664
Unrealised gains reserve	86	68	86
Other equity capital	-1	-15	-
B. The saving bank reserve	5,749	5,594	5,750
To be disbursed from gift fund	226	-	321
Dividend declared	401	-	569
Equity ex. profit	16,577	15,518	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 %