

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	6
Note 4 - Capital adequacy	7
Note 5 - Distribution of loans by sector/industry	9
Note 6 - Losses on loans and guarantees	10
Note 7 - Losses	11
Note 8 - Gross loans	14
Note 9 - Distribution of customer deposits by sector/industry	15
Note 10 - Net interest income	16
Note 11 - Net commission income and other income	17
Note 12 - Operating expenses	18
Note 13 - Net return on financial investments	19
Note 14 - Other assets	20
Note 15 - Other liabilities	21
Note 16 - Debt created by issue of securities and subordinated debt	22
Note 17 - Measurement of fair value of financial instruments	23
Note 18 - Liquidity risk	26
Note 19 - Earnings per EC	27
Note 20 - Events after the balance sheet date	28

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 2021. The Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts.

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

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

Pensions

Sparebank1 SMN Group has one pension arrangement; defined contribution plan. For a further description of the pension scheme, see note 22 in the 2021 annual report.

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

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

A new calculation of the Group's pension liabilities has been carried out as per 31 December 2022:

Actuarial assumptions	31 Dec 2021	1 Jan 2022	31 Dec 2022
Discount rate	1.60 %	1.60 %	3.00 %
Expected rate of return on plan assets	1.60 %	1.60 %	3.00 %
Expected future wage and salary growth	2.25 %	2.25 %	3.25 %
Expected adjustment on basic amount (G)	2.25 %	2.25 %	3.25 %
Expected increase in current pension	0.00 %	0.00 %	0.00 %
Employers contribution	19.10 %	19.10 %	19.10 %

Demographic assumptions:

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

Movement in net pension liability in the balance sheet Group (NOKm)	Funded	Unfunded	Total
Net pension liability in the balance sheet 1.1	-62	8	-54
OCI accounting 1 Jan	0	0	0
OCI accounting 31 December	-177	-1	-177
Net defined-benefit costs in profit and loss account	-1	0	-1
Paid in pension premium, defined-benefit schemes	0	0	0
Paid in pension premium, defined-benefit plan	0	-1	-1
Net pension liability in the balance sheet 31 December 2022	-240	6	-234

Net pension liability in the balance sheet Group (NOKm)	31 Dec 2022	31 Dec 2021
Net present value of pension liabilities in funded schemes	577	645
Estimated value of pension assets	-812	-701
Net pension liability in the balance sheet before employer's contribution	-235	-56
Employers contribution	1	1
Net pension liability in the balance sheet	-234	-54

Pension cost Group (NOKm)	31 Dec 2022	31 Dec 2021
Present value of pension accumulated in the year	0	0
Net interest income	-1	-2
Net pension cost related to defined plans, incl unfunded pension commitment	-1	-1
Employer's contribution subject to accrual accounting	0	0
Cost of defined contribution pension and early retirement pension scheme	99	101
Total pension cost for the period	98	100

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.

Income Statement (NOKm)	Fourth Quarter 2022	Fourth Quarter 2021	2022	2021
Net interest	2	4	8	9
Interest on capital employed	-	-	-	-
Total interest income	2	4	8	9
Commission income and other income	-162	-170	-515	-691
Net return on financial investments	-46	-45	-273	-216
Total income	-207	-212	-780	-898
Total operating expenses	-163	-160	-574	-633
Result before losses	-61	-51	-206	-254
Loss on loans, guarantees etc.	-	-	-	-
Result before tax	-61	-51	-206	-254
Tax charge	15	10	27	46
Net profit for investment held for sale	46	42	179	208

2022 (NOKm)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	75	30	12	11	-0	100 %
SpareBank1 Markets	1,844	1,063	780	601	179	67%
Total Held for sale	1,919	1,093	791	612	179	

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 2021.

In 2020 and 2021, the bank changed the model assumptions due to increased uncertainty related to the pandemic. The change consisted of increased loss expectations in the base scenario both for retail and corporate portfolio. These changes were reversed in 2021 for retail customers and in first quarter of 2022 for corporate market portfolio. In addition, the bank's exposure to hotels and tourism in stage 1 was included in stage 2 and this change was reversed in fourth quarter of 2022.

In 2022, increased macroeconomic uncertainty as a result of the war in Ukraine, strong increases in energy and raw material prices, challenges in the supply chains and the prospect of permanently higher inflation and interest rates have led to an increased probability of a low scenario for the corporate market excl. offshore. Future loss expectations have been increased by increased PD and LGD for both the personal market and the corporate market, excl. offshore in the base scenario. The bank has focused on the expected long-term effects of the crisis. For the offshore portfolio, during 2022, as a result of significant improvement in the market and market prospects,

increased earnings assumptions have been used in the simulations and the weight for low scenarios has been reduced for supply and subsea.

The effect of the change in input assumptions in 2022 is shown as "Effect of changed assumptions in the ECL model" in note 7.

The write-downs are reduced as a result of the removal of mark-ups in the base scenario for the business portfolio (excl. offshore and hotels) and reduced mark-ups in PD and LGD paths for hotels (down from a very high level). On the other hand, write-downs are increasing for both the business and personal market portfolio as a result of a new mark-up in PD and LGD lines as a result of a significantly increased interest rate level. In addition, an increased weight on the low scenario for the business portfolio results in increased write-downs. The write-downs are reduced for offshore as a result of increased earnings assumptions and a reduced weight for the low scenario for the most important segments. The write-downs for hotels/tourism are reduced because the assumption of minimum classification in stage 2 was completed in the fourth quarter of 2022.

In total, this amounts to NOK 104 million for the Bank and NOK 86 million for the Group in reduced write-downs.

Sensitivity

The first part of the table below show total calculated expected credit loss as of 31 December 2022 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 column "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 scenario weight has been doubled.

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of 2022, this would have entailed an increase in loss provisions of NOK 315 million for the parent bank and NOK 343 million for the group.

	CM (excl offshore and agriculture)	RM	Offshore	Tourism	Agriculture	Total parent	SB 1 Finans MN, CM	SB 1 Finans MN, RM	Group
ECL base case	465	80	236	10	47	839	42	22	903
ECL worst case	1,240	268	482	32	191	2,214	89	78	2,381
ECL best case	353	30	195	6	28	612	29	14	654
ECL with scenario weights used 60 /25/15	642	-	-	-	81	723	44	-	767
ECL with scenario weights used 65 /20/15	-	-	279	-	-	279	-	-	279
ECL with scenario weights used 60 /30/10	-	-	-	15	-	15	-	-	15
ECL with scenario weights used 70 /15/15	-	100	-	-	-	100	-	29	129
Total ECL used	642	100	279	15	81	1,117	44	29	1,190
ECL alternative scenario weights 35 /50/15	836	-	-	-	117	952	64	-	1,016
ECL alternative scenario weights 45 /40/15	-	-	328	-	-	328	-	-	328
ECL alternative scenario weights 30 /60/10	-	-	-	23	-	23	-	-	23
ECL alternative scenario weights 55 /30/15	-	129	-	-	-	129	-	37	166
Total ECL alternative weights	836	129	328	23	117	1,432	64	37	1,533
Change in ECL if alternative weights were used	194	28	49	8	36	315	20	8	343

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 70 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 30 percent higher ECL than in the expected scenario.

Note 3 - Account by business line

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

Group 31 December 2022

Profit and loss account (NOKm)	RM	CM	EM 1	SB 1		Other	Uncollated	Total
				Finans MN	Regnskaps- huset SMN			
Net interest	1,328	1,380	3	459	2	-	167	3,339
Interest from allocated capital	163	125	-	-	-	-	-288	-
Total interest income	1,491	1,505	3	459	2	-	-121	3,339
Comission income and other income	796	290	418	-106	605	-	39	2,042
Net return on financial investments (**)	-4	9	8	-23	-	466	-76	380
Total income	2,283	1,804	429	329	607	466	-158	5,760
Total operating expenses	958	467	371	108	511	-	28	2,443
Ordinary operating profit	1,325	1,337	58	221	96	466	-186	3,317
Loss on loans, guarantees etc.	29	-66	-	30	-	-	-0	-7
Result before tax	1,296	1,403	58	191	96	466	-186	3,324
Return on equity *)	13.6%	20.8%						

Group 31 December 2021

Profit and loss account (NOKm)	RM	CM	EM 1	SB 1		Other	Uncollated	Total
				Finans MN	Regnskaps- huset SMN			
Net interest	1,128	1,106	2	450	0	-	120	2,805
Interest from allocated capital	37	14	-	-	-	-	-52	-
Total interest income	1,165	1,120	2	450	0	-	68	2,805
Comission income and other income	906	251	441	-90	562	-	70	2,141
Net return on financial investments (**)	2	15	10	4	-	701	107	840
Total income	2,074	1,386	453	364	562	701	246	5,786
Total operating expenses	916	446	382	141	476	-	-1	2,360
Ordinary operating profit	1,157	940	71	223	86	701	247	3,426
Loss on loans, guarantees etc.	-10	145	-	25	-	-	1	161
Result before tax	1,167	795	71	198	86	701	246	3,266
Return on equity *)	13.4%	11.5%						

*) Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 17.2 percent to be in line with the capital plan

**) Specification of other (NOKm)	31 Dec 22	31 Dec 21
SpareBank 1 Gruppen	175	471
SpareBank 1 Boligkreditt	1	16
SpareBank 1 Næringskreditt	3	7
BN Bank	203	164
SpareBank 1 Kreditt	9	13
SpareBank 1 Betaling	13	-15
SpareBank 1 Forvaltning	33	32
Other companies	29	13
Income from investment in associates and joint ventures	466	701
SpareBank 1 Mobilitet Holding	-23	4
Net income from investment in associates and joint ventures	442	705

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 December 2022 the overall minimum requirement on CET1 capital is 13.5 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 2.0 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 2.5 per cent with effect from 31 March 2023.

Under the CRR/CRDIV regulations the average risk weighting of exposures secured on residential property in Norway cannot be lower than 20 per cent. As of 31 December 2022 an adjustment was made in both the parent bank and the group to bring the average risk weight up to 20 per cent. This is presented in the note together with 'mass market exposure, property' under 'credit risk IRB'.

The systemic risk buffer stands at 4.5 per cent for the Norwegian exposures. For exposures in other countries, the particular country's systemic buffer rate shall be employed. As of 31 December 2022 the effective rate for the parent bank and for the group is accordingly 4.5 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. As of 31 December 2022 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 2021	31 Dec 2022	(NOKm)	31 Dec 2022	31 Dec 2021
19,356	20,887	Total book equity	25,009	23,241
-1,250	-1,726	Additional Tier 1 capital instruments included in total equity	-1,769	-1,293
-458	-467	Deferred taxes, goodwill and other intangible assets	-947	-961
-1,517	-1,314	Deduction for allocated dividends and gifts	-1,314	-1,517
-	-	Non-controlling interests recognised in other equity capital	-997	-989
-	-	Non-controlling interests eligible for inclusion in CET1 capital	784	568
-	-	Net profit	-	-
-	-	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	-	-
-41	-72	Value adjustments due to requirements for prudent valuation	-89	-56
-495	-194	Positive value of adjusted expected loss under IRB Approach	-279	-560
-	-	Cash flow hedge reserve	-4	3
-202	-281	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-619	-648
15,393	16,833	Common equity Tier 1 capital	19,776	17,790
1,250	1,726	Additional Tier 1 capital instruments	2,106	1,581
-48	-47	Deduction for significant investments in financial institutions	-47	-48
16,595	18,512	Tier 1 capital	21,835	19,322
		Supplementary capital in excess of core capital		
1,750	2,000	Subordinated capital	2,523	2,226
-214	-210	Deduction for significant investments in financial institutions	-210	-214
1,536	1,790	Additional Tier 2 capital instruments	2,312	2,011
18,130	20,301	Total eligible capital	24,147	21,333

Minimum requirements subordinated capital				
1,049	1,148	Specialised enterprises	1,351	1,248
1,016	901	Corporate	923	1,030
1,400	1,379	Mass market exposure, property	2,559	2,384
93	98	Other mass market	100	95
1,000	1,249	Equity positions IRB	-	1
4,558	4,774	Total credit risk IRB	4,933	4,758
3	6	Central government	6	4
106	82	Covered bonds	139	133
398	403	Institutions	276	299
1	187	Local and regional authorities, state-owned enterprises	207	29
188	143	Corporate	385	432
7	7	Mass market	662	466
25	27	Exposures secured on real property	109	128
279	90	Equity positions	504	521
92	97	Other assets	162	142
1,098	1,042	Total credit risk standardised approach	2,450	2,154
35	27	Debt risk	29	36
-	-	Equity risk	10	34
-	-	Currency risk and risk exposure for settlement/delivery	1	1
433	458	Operational risk	853	817
26	30	Credit value adjustment risk (CVA)	101	93
6,150	6,331	Minimum requirements subordinated capital	8,377	7,893
76,873	79,140	Risk weighted assets (RWA)	104,716	98,664
3,459	3,561	Minimum requirement on CET1 capital, 4.5 per cent	4,712	4,440
Capital Buffers				
1,922	1,978	Capital conservation buffer, 2.5 per cent	2,618	2,467
3,459	3,561	Systemic risk buffer, 4.5 per cent	4,712	4,440
769	1,583	Countercyclical buffer, 2.0 per cent (1.0 per cent)	2,094	987
6,150	7,123	Total buffer requirements on CET1 capital	9,424	7,893
5,784	6,149	Available CET1 capital after buffer requirements	5,639	5,457
Capital adequacy				
20.0 %	21.3 %	Common equity Tier 1 capital ratio	18.9 %	18.0 %
21.6 %	23.4 %	Tier 1 capital ratio	20.9 %	19.6 %
23.6 %	25.7 %	Capital ratio	23.1 %	21.6 %
Leverage ratio				
191,697	210,227	Balance sheet items	302,617	269,857
10,782	6,234	Off-balance sheet items	7,744	11,341
-1,042	-1,061	Regulatory adjustments	-1,985	-2,110
201,437	215,400	Calculation basis for leverage ratio	308,376	279,088
16,595	18,512	Core capital	21,835	19,322
8.2 %	8.6 %	Leverage Ratio	7.1 %	6.9 %

Note 5 - Distribution of loans by sector/industry

Parent Bank			Group	
31 Dec 2021	31 Dec 2022	(NOKm)	31 Dec 2022	31 Dec 2021
9,433	10,707	Agriculture and forestry	11,140	9,783
5,853	7,047	Fisheries and hunting	7,075	5,870
1,926	2,324	Sea farming industries	2,656	2,176
2,151	2,563	Manufacturing	3,150	2,766
3,169	4,370	Construction, power and water supply	5,526	4,124
2,572	2,976	Retail trade, hotels and restaurants	3,632	2,966
4,715	5,382	Maritime sector	5,382	4,715
16,924	18,722	Property management	18,840	17,044
4,497	3,561	Business services	4,312	4,990
5,714	5,327	Transport and other services provision	6,375	6,667
2	1	Public administration	35	34
1,383	1,343	Other sectors	1,288	1,325
58,337	64,322	Gross loans in Corporate market	69,411	62,458
126,828	134,841	Wage earners	141,833	132,894
185,165	199,163	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	211,244	195,353
46,650	56,876	of which SpareBank 1 Boligkreditt	56,876	46,650
1,402	1,739	of which SpareBank 1 Næringskreditt	1,739	1,402
137,113	140,549	Total Gross loans to and receivables from customers	152,629	147,301
1,250	890	- Loan loss allowance on amortised cost loans	972	1,313
97	109	- Loan loss allowance on loans at FVOCI	109	97
135,766	139,550	Net loans to and receivables from customers	151,549	145,890

Note 6 - Losses on loans and guarantees

Parent Bank (NOKm)	Jan - Dec						Fourth quarter					
	2022			2021			2022			2021		
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	29	-97	-68	-11	39	27	26	-30	-4	2	-64	-61
Actual loan losses on commitments exceeding provisions made	7	38	45	10	107	117	3	12	15	2	84	86
Recoveries on commitments previously written-off	-7	-7	-14	-9	-1	-10	-2	-0	-3	-4	-1	-5
Losses for the period on loans and guarantees	29	-66	-37	-10	145	134	27	-19	8	0	20	20

Group (NOKm)	Jan - Dec						Fourth quarter					
	2022			2021			2022			2021		
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	38	-86	-48	-20	50	30	29	-22	7	3	-53	-50
Actual loan losses on commitments exceeding provisions made	13	45	58	30	112	142	4	13	17	6	83	89
Recoveries on commitments previously written-off	-7	-10	-17	-9	-3	-12	-2	-3	-6	-4	-3	-7
Losses for the period on loans and guarantees	44	-51	-7	1	159	161	31	-12	19	4	27	32

Note 7 - Losses

Parent Bank (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	31 Dec 22
Loans as amortised cost- CM	1,298	-98	-278	921
Loans as amortised cost- RM	31	10	-5	35
Loans at fair value over OCI- RM	128	19	-	147
Loans at fair value over OCI- CM	1	1	-	2
Provision for expected credit losses on loans and guarantees	1,458	-68	-284	1,106
Presented as				
Provision for loan losses	1,348	-65	-284	999
Other debt- provisions	79	-12	-	67
Other comprehensive income - fair value adjustment	31	9	-	40

Parent Bank (NOKm)	1 Jan 21	Change in provision	Net write-offs /recoveries	31 Dec 21
Loans as amortised cost- CM	1,377	38	-117	1,298
Loans as amortised cost- RM	35	8	-12	31
Loans at fair value over OCI- RM	147	-19	-	128
Loans at fair value over OCI- CM	0	1	-	1
Provision for expected credit losses on loans and guarantees	1,559	27	-129	1,458
Presented as				
Provision for loan losses	1,446	30	-129	1,348
Other debt- provisions	81	-2	-	79
Other comprehensive income - fair value adjustment	32	-1	-	31

Group (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	31 Dec 22
Loans as amortised cost- CM	1,343	-88	-280	976
Loans as amortised cost- RM	49	19	-5	63
Loans at fair value over OCI- RM	128	19	-	147
Loans at fair value over OCI- CM	1	1	-	2
Provision for expected credit losses on loans and guarantees	1,520	-48	-285	1,188
Presented as				
Provision for loan losses	1,410	-45	-285	1,081
Other debt- provisions	79	-12	-	67
Other comprehensive income - fair value adjustment	31	9	-	40

Group (NOKm)	1 Jan 21	Change in provision	Net write-offs /recoveries	31 Dec 21
Loans as amortised cost- CM	1,421	50	-128	1,343
Loans as amortised cost- RM	62	-1	-12	49
Loans at fair value over OCI- RM	147	-19	-	128
Loans at fair value over OCI- CM	0	1	-	1
Provision for expected credit losses on loans and guarantees	1,630	30	-140	1,520
Presented as				
Provision for loan losses	1,517	33	-140	1,410
Other debt- provisions	81	-2	-	79
Other comprehensive income - fair value adjustment	32	-1	-	31

Accrual for losses on loans

Parent Bank (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market								
Opening balance	39	82	36	156	35	97	47	180
Transfer to (from) stage 1	18	-18	-0	-	20	-20	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-6	6	-	-1	-6	7	-
Net remeasurement of loss allowances	-24	20	7	4	-22	24	-3	-1
Originations or purchases	17	24	4	45	19	17	1	37
Derecognitions	-12	-24	-3	-39	-12	-32	-4	-48
Changes due to changed input assumptions	9	13	-2	20	1	-0	-	1
Actual loan losses	0	0	-5	-5	-	-	-12	-12
Closing balance	46	93	42	181	39	82	36	156
Corporate Market								
Opening balance	84	268	871	1,223	88	387	823	1,299
Transfer to (from) stage 1	75	-74	-1	-	15	-15	-	-
Transfer to (from) stage 2	-5	97	-92	-	-5	5	-	-
Transfer to (from) stage 3	-1	-3	4	-	-2	-26	28	-
Net remeasurement of loss allowances	-67	-35	-66	-168	-26	26	38	39
Originations or purchases	49	34	4	87	32	21	100	153
Derecognitions	-33	-31	-24	-88	-20	-145	-1	-166
Changes due to changed input assumptions	37	41	4	83	1	14	-	15
Actual loan losses	-	-	-278	-278	-	-	-117	-117
Closing balance	138	298	421	858	84	268	871	1,223
Total accrual for loan losses	184	391	463	1,039	123	350	907	1,379

Group (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market								
Opening balance	45	89	40	174	42	107	58	207
Transfer to (from) stage 1	20	-20	-0	-	22	-22	-0	-
Transfer to (from) stage 2	-3	3	-1	-	-2	3	-0	-
Transfer to (from) stage 3	-0	-7	7	-	-1	-7	8	-
Net remeasurement of loss allowances	-24	25	8	9	-23	26	-1	2
Originations or purchases	22	30	4	56	22	20	1	43
Derecognitions	-13	-26	-4	-43	-14	-37	-9	-60
Changes due to changed input assumptions	8	13	-3	18	-0	-2	-4	-5
Actual loan losses	-	-	-5	-5	-	-	-12	-12
Closing balance	55	107	47	209	45	89	40	174
Corporate Market								
Opening balance	94	278	896	1,268	98	399	845	1,342
Transfer to (from) stage 1	77	-76	-1	-	20	-20	-0	-
Transfer to (from) stage 2	-7	99	-92	-	-7	7	-0	-
Transfer to (from) stage 3	-2	-3	4	-	-2	-27	29	-
Net remeasurement of loss allowances	-68	-30	-47	-145	-29	31	42	44
Originations or purchases	55	35	5	95	35	23	112	169
Derecognitions	-34	-33	-26	-93	-21	-146	-2	-169
Changes due to changed input assumptions	35	40	-8	67	-2	12	-2	9
Actual loan losses	-	-	-280	-280	-	-	-128	-128
Closing balance	151	311	450	912	94	278	896	1,268
Total accrual for loan losses	206	418	497	1,121	138	367	936	1,442

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	19	55	5	79	27	50	4	81
Transfer to (from) stage 1	16	-16	-0	-	6	-6	-0	-
Transfer to (from) stage 2	-1	1	-0	-	-7	7	-	-
Transfer to (from) stage 3	-0	-0	1	-	-0	-1	1	-
Net remeasurement of loss allowances	-16	-3	3	-15	-9	4	0	-4
Originations or purchases	12	6	0	18	7	4	0	11
Derecognitions	-4	-12	-0	-16	-6	-5	-0	-11
Changes due to changed input assumptions	-3	3	0	1	0	2	-	2
Actual loan losses	-	-	-	-	-	-	-	-
Closing balance	24	34	9	67	19	55	5	79
Of which								
Retail market				1				3
Corporate Market				66				79

Provision for credit losses specified by industry

Parent Bank (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	4	38	18	60	2	31	6	39
Fisheries and hunting	11	12	0	23	6	7	0	13
Sea farming industries	3	1	1	5	1	0	0	2
Manufacturing	9	47	2	58	5	36	15	56
Construction, power and water supply	26	22	11	59	13	16	14	43
Retail trade, hotels and restaurants	16	14	1	32	8	28	11	46
Maritime sector	19	117	184	320	14	118	555	687
Property management	34	55	28	117	20	50	36	105
Business services	13	24	177	214	13	12	222	247
Transport and other services	9	11	16	36	7	6	17	30
Public administration	0	-	-	0	0	-	-	0
Other sectors	0	0	-	0	0	0	-	0
Wage earners	1	50	25	75	2	47	30	79
Total provision for losses on loans	144	391	463	999	91	350	907	1,348
loan loss allowance on loans at FVOCI	40			40	31			31
Total loan loss allowance	184	391	463	1,039	123	350	907	1,379

Group (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	5	40	19	64	3	33	7	42
Fisheries and hunting	11	12	0	23	6	7	0	13
Sea farming industries	4	1	4	9	1	1	1	3
Manufacturing	11	50	8	70	7	38	21	66
Construction, power and water supply	30	25	16	71	16	19	18	53
Retail trade, hotels and restaurants	17	15	2	34	9	28	16	53
Maritime sector	19	117	184	320	14	118	555	687
Property management	35	55	29	118	20	50	36	106
Business services	15	25	184	224	14	14	227	255
Transport and other services	12	16	21	49	8	7	22	37
Public administration	0	-	-	0	0	-	0	0
Other sectors	0	0	0	0	0	0	-	0
Wage earners	8	61	29	99	7	53	34	95
Total provision for losses on loans	166	418	497	1,081	107	367	936	1,410
loan loss allowance on loans at FVOCI	40			40	31			31
Total loan loss allowance	206	418	497	1,121	138	367	936	1,442

Note 8 - Gross loans

Parent Bank (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening balance	82,299	3,892	444	86,636	73,297	4,430	381	78,108
Transfer to stage 1	1,075	-1,060	-15	-	1,007	-1,002	-6	-
Transfer to stage 2	-1,403	1,411	-8	-	-1,325	1,332	-7	-
Transfer to stage 3	-32	-119	150	-	-61	-87	148	-
Net increase/decrease amount existing loans	-2,501	-106	-15	-2,623	-2,513	-102	-15	-2,630
New loans	38,691	1,418	120	40,229	43,464	1,198	118	44,780
Derecognitions	-37,136	-1,473	-137	-38,746	-31,569	-1,876	-156	-33,601
Financial assets with actual loan losses	0	-1	-11	-12	-0	-1	-20	-21
Closing balance	80,994	3,962	527	85,484	82,299	3,892	444	86,636
Corporate Market								
Opening balance	38,359	5,186	2,656	46,201	35,587	5,979	1,702	43,268
Transfer to stage 1	1,839	-1,820	-19	-	647	-647	-0	-
Transfer to stage 2	-1,699	2,606	-908	-	-1,434	1,434	-	-
Transfer to stage 3	-67	-72	139	-	-43	-593	637	-
Net increase/decrease amount existing loans	-731	-257	-3	-990	-1,202	-196	-39	-1,437
New loans	17,124	1,661	86	18,872	13,125	-550	1,074	13,649
Derecognitions	-11,697	-1,415	-514	-13,625	-8,320	-236	-524	-9,081
Financial assets with actual loan losses	-3	-8	-91	-102	-1	-4	-193	-199
Closing balance	43,127	5,883	1,346	50,356	38,359	5,186	2,656	46,201
Fixed interest loans at FV	4,709			4,709	4,276			4,276
Total gross loans at the end of the period	128,830	9,845	1,874	140,549	124,934	9,079	3,100	137,113

Group (NOKm)	31 Dec 2022				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening balance	87,577	4,612	531	92,721	78,206	5,208	453	83,867
Transfer to stage 1	1,278	-1,261	-17	-	1,227	-1,221	-6	-
Transfer to stage 2	-1,771	1,784	-13	-	-1,598	1,609	-11	-
Transfer to stage 3	-40	-151	190	-	-74	-132	206	-
Net increase/decrease amount existing loans	-2,177	-170	-25	-2,372	-2,599	-154	-28	-2,782
New loans	41,570	1,801	129	43,500	46,190	1,465	125	47,781
Derecognitions	-39,465	-1,714	-150	-41,329	-33,775	-2,161	-189	-36,125
Financial assets with actual loan losses	-0	-1	-11	-12	-0	-1	-20	-21
Closing balance	86,972	4,901	635	92,508	87,577	4,612	531	92,721
Corporate Market								
Opening balance	41,855	5,768	2,759	50,382	38,107	6,587	1,802	46,496
Transfer to stage 1	2,090	-2,045	-45	-	879	-876	-2	-
Transfer to stage 2	-2,042	2,959	-917	-	-1,795	1,797	-1	-
Transfer to stage 3	-97	-88	185	-	-57	-626	683	-
Net increase/decrease amount existing loans	-761	-329	-13	-1,104	-652	-257	-53	-963
New loans	19,085	1,751	109	20,945	14,533	-455	1,085	15,164
Derecognitions	-12,507	-1,546	-577	-14,629	-9,159	-397	-561	-10,117
Financial assets with actual loan losses	-3	-8	-91	-102	-1	-4	-193	-199
Closing balance	47,621	6,460	1,410	55,491	41,855	5,768	2,759	50,382
Fixed interest loans at FV	4,631			4,631	4,198			4,198
Total gross loans at the end of the period	139,224	11,361	2,044	152,629	133,630	10,381	3,290	147,301

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank			Group	
31 Dec 2021	31 Dec 2022	(NOKm)	31 Dec 2022	31 Dec 2021
1,958	2,159	Agriculture and forestry	2,159	1,958
991	1,366	Fisheries and hunting	1,366	991
1,050	644	Sea farming industries	644	1,050
2,562	2,881	Manufacturing	2,881	2,562
5,535	5,534	Construction, power and water supply	5,534	5,535
6,649	6,065	Retail trade, hotels and restaurants	6,065	6,649
1,006	1,198	Maritime sector	1,198	1,006
5,692	5,645	Property management	5,577	5,635
11,469	13,036	Business services	13,036	11,469
9,247	9,364	Transport and other services provision	8,856	8,750
16,826	21,690	Public administration	21,690	16,826
4,453	4,800	Other sectors	4,687	4,267
67,439	74,383	Total	73,693	66,697
44,589	48,316	Wage earners	48,316	44,589
112,028	122,699	Total deposits	122,010	111,286

Note 10 - Net interest income

Parent bank				(NOKm)	Group			
Fourth quarter		Jan - Dec			Jan - Dec		Fourth quarter	
2021	2022	2021	2022		2022	2021	2022	2021
				Interest income				
38	169	128	400	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	177	33	82	11
448	761	1,654	2,461	Interest income from loans to and claims on customers (amortised cost)	3,129	2,167	967	578
341	647	1,285	1,879	Interest income from loans to and claims on customers (FVOCI)	1,879	1,300	647	345
28	34	116	125	Interest income from loans to and claims on customers (FVPL)	125	116	34	28
80	239	279	599	Interest income from money market instruments, bonds and other fixed income securities	595	276	238	79
-	-	-	-	Other interest income	22	21	6	5
935	1,850	3,462	5,463	Total interest income	5,927	3,913	1,973	1,046
				Interest expense				
19	108	51	260	Interest expenses on liabilities to credit institutions	260	51	108	19
175	607	547	1,524	Interest expenses relating to deposits from and liabilities to customers	1,508	534	604	173
98	247	395	647	Interest expenses related to the issuance of securities	647	395	247	98
9	22	33	66	Interest expenses on subordinated debt	68	35	23	10
2	2	8	7	Other interest expenses	26	17	10	4
18	20	75	79	Guarantee fund levy	79	75	20	18
321	1,007	1,109	2,583	Total interest expense	2,588	1,107	1,012	321
614	843	2,353	2,880	Net interest income	3,339	2,805	961	725

Note 11 - Net commission income and other income

Parent bank				(NOKm)	Group			
Fourth quarter		Jan - Dec			Jan - Dec		Fourth quarter	
2021	2022	2021	2022		2022	2021	2022	2021
				Commission income				
25	27	76	77	Guarantee commission	77	76	27	24
-	1	-	2	Broker commission	267	291	62	70
14	12	63	42	Portfolio commission, savings products	44	63	12	14
102	32	450	256	Commission from SpareBank 1 Boligkreditt	256	450	32	102
3	4	14	16	Commission from SpareBank 1 Næringskreditt	16	14	4	3
119	129	413	475	Payment transmission services	471	409	128	118
55	60	214	236	Commission from insurance services	236	214	60	55
19	18	77	88	Other commission income	80	69	15	17
338	282	1,306	1,192	Total commission income	1,446	1,586	340	404
				Commission expenses				
25	22	84	80	Payment transmission services	80	85	22	32
3	3	13	11	Other commission expenses	105	91	23	22
28	25	97	90	Total commission expenses	186	177	45	55
				Other operating income				
5	8	27	30	Operating income real property	32	26	10	6
-	-	-	-	Property administration and sale of property	151	150	32	30
-	-	-	-	Accountant's fees	564	529	127	114
11	10	21	25	Other operating income	34	26	9	14
17	19	47	55	Total other operating income	781	731	178	163
326	276	1,256	1,156	Total net commission income and other operating income	2,042	2,141	473	521

Note 12 - Operating expenses

Parent bank				(NOKm)	Group			
Fourth quarter		Jan - Dec			Jan - Dec		Fourth quarter	
2021	2022	2021	2022		2022	2021	2022	2021
73	87	265	304	IT costs	355	320	100	87
2	2	10	11	Postage and transport of valuables	14	14	3	4
13	18	53	59	Marketing	86	75	24	21
22	20	95	77	Ordinary depreciation	117	170	33	35
11	10	44	46	Operating expenses, real properties	55	53	9	9
38	69	143	188	Purchased services	217	173	75	43
46	55	134	156	Other operating expense	195	178	71	68
206	261	745	841	Total other operating expenses	1,038	981	314	267

Note 13 - Net return on financial investments

Parent Bank				Group				
Fourth quarter		Jan - Dec		Jan - Dec		Fourth quarter		
2021	2022	2021	2022	2022	2021	2022	2021	
				(NOKm)				
Valued at fair value through profit/loss								
-140	51	-433	-428	Value change in interest rate instruments	-427	-433	51	-140
Value change in derivatives/hedging								
0	-21	-6	-10	Net value change in hedged bonds and derivatives*	-10	-6	-21	0
12	28	12	-38	Net value change in hedged fixed rate loans and derivatives	-38	12	28	12
68	-111	301	275	Other derivatives	275	301	-111	68
Income from equity instruments								
-	-	-	-	Income from owner interests	442	705	195	186
18	72	726	646	Dividend from owner instruments	-	-	-	-
-0	-	8	4	Value change and gain/loss on owner instruments	4	13	-	14
2	21	6	30	Dividend from equity instruments	33	22	19	1
-5	-0	-4	-19	Value change and gain/loss on equity instruments	9	156	-23	1
-45	39	610	461	Total net income from financial assets and liabilities at fair value through profit/ (loss)	287	770	138	143
Valued at amortised cost								
-0	-0	-2	-0	Value change in interest rate instruments held to maturity	-0	-2	-0	0
-0	-0	-2	-0	Total net income from financial assets and liabilities at amortised cost	-0	-2	-0	0
25	24	72	93	Total net gain from currency trading	93	72	25	25
-20	63	680	554	Total net return on financial investments	380	840	163	168
* Fair value hedging								
-203	-11	-664	-2,155	Changes in fair value on hedging instrument	-2,155	-664	-11	-203
204	-11	657	2,145	Changes in fair value on hedging item	2,145	657	-11	204
0	-21	-6	-10	Net Gain or Loss from hedge accounting	-10	-6	-21	0

Note 14 - Other assets

Parent Bank			Group	
31 Dec 2021	31 Dec 2022	(NOKm)	31 Dec 2022	31 Dec 2021
3	-	Deferred tax asset	5	90
84	117	Fixed assets	232	210
253	223	Right to use assets	325	460
152	87	Earned income not yet received	104	186
20	262	Accounts receivable, securities	262	300
62	240	Pension assets	240	62
508	1,164	Other assets	1,387	752
1,082	2,092	Total other assets	2,555	2,062

Note 15 - Other liabilities

Parent Bank			Group	
31 Dec 2021	31 Dec 2022	(NOKm)	31 Dec 2022	31 Dec 2021
-	72	Deferred tax	127	56
513	611	Payable tax	705	583
12	13	Capital tax	13	12
118	97	Accrued expenses and received, non-accrued income	388	774
347	427	Provision for accrued expenses and commitments	427	347
78	66	Losses on guarantees and unutilised credits	66	78
8	6	Pension liabilities	6	8
262	233	Lease liabilities	339	476
84	97	Drawing debt	97	84
92	73	Creditors	116	150
157	176	Debt from securities	176	351
-	-	Equity Instruments	-	31
185	196	Other liabilities	265	266
1,855	2,067	Total other liabilities	2,725	3,215

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

Group

	31 Dec 2021	Issued	Fallen due/ Redeemed	Other changes	31 Dec 2022
Change in securities debt (NOKm)					
Bond debt, nominal value	36,805	12,594	6,613	-254	42,532
Senior non preferred, nominal value	3,500	3,600	-	-	7,100
Value adjustments	-152	-	-	-2,286	-2,438
Accrued interest	178	-	-	102	280
Total	40,332	16,194	6,613	-2,438	47,474

	31 Dec 2021	Issued	Fallen due/ Redeemed	Other changes	31 Dec 2022
Change in subordinated debt and hybrid equity (NOKm)					
Ordinary subordinated loan capital, nominal value	1,793	1,000	750	-	2,043
Hybrid equity, nominal value	-	-	-	-	-
Value adjustments	-	-	-	-	-
Accrued interest	3	-	-	13	16
Total	1,796	1,000	750	13	2,058

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 December 22:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	6,804	-	6,804
- Bonds and money market certificates	3,721	34,352	-	38,073
- Equity instruments	140	130	570	840
- Fixed interest loans	-	78	4,630	4,708
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	81,901	81,901
Total assets	3,861	41,363	87,101	132,325
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	8,307	-	8,307
- Equity instruments	-	-	-	-
Total liabilities	-	8,307	-	8,307

The following table presents the Group's assets and liabilities measured at fair value at 31 December 21:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	4	3,221	-	3,224
- Bonds and money market certificates	2,377	28,385	-	30,762
- Equity instruments	1,984	106	564	2,654
- Fixed interest loans	-	-	4,198	4,198
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	83,055	83,055
Total assets	4,364	31,712	87,817	123,893
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	0	3,909	-	3,909
- Equity instruments	31	-	-	31
Total liabilities	31	3,909	-	3,940

The following table presents the changes in the instruments classified in level 3 as at 31 December 22:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	564	4,198	83,055	87,817
Investment in the period	17	1,355	36,461	37,834
Disposals in the period	-2	-752	-37,604	-38,358
Expected credit loss	-	-	-20	-20
Gain or loss on financial instruments	-8	-171	9	-171
Closing balance 31 December 22	570	4,630	81,901	87,101

The following table presents the changes in the instruments classified in level 3 as at 31 December 21:

(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	26	1,201	40,891	42,118
Disposals in the period	-12	-1,150	-32,615	-33,778
Expected credit loss	-	-	19	19
Gain or loss on financial instruments	118	-95	-1	22
Closing balance 31 December 21	563	4,198	83,055	87,817

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 6 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 501 million in Private Equity investments, property funds, hedge funds and unquoted shares through the company SpareBank SMN 1 Invest. The valuations are in all essentials based on reporting from managers of the funds who utilise cash flow based models or multiples when determining fair value. The Group does not have full access to information on all the elements in these valuations and is therefore unable to determine alternative assumptions.

Financial derivatives (level 2)

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

Sensitivity analyses, level 3 as at 31 December 22:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumptions
Fixed interest loans	4,630	-13
Equity instruments through profit/loss*	570	-
Loans at fair value through other comprehensive income	81,901	-6

* 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 fourth quarter 2022 was 3.4 years. The overall LCR at the same point was 239 per cent and the average overall LCR in the fourth quarter was 183 per cent. The LCR in Norwegian kroner and euro at quarter-end was 192 and 216 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 - Dec	
	2022	2021
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	2,592	2,692
Allocated to ECC Owners 2)	1,658	1,722
Issues Equity Capital Certificates adjusted for own certificates	129,316,131	129,339,665
Earnings per Equity Capital Certificate	12.82	13.31

1) Adjusted Net Profit	Jan - Dec	
	2022	2021
Net Profit for the group	2,785	2,902
adjusted for non-controlling interests share of net profit	-130	-160
Adjusted for Tier 1 capital holders share of net profit	-63	-50
Adjusted Net Profit	2,592	2,692

2) Equity capital certificate ratio (parent bank) (NOKm)	31 Dec 2022	31 Dec 2021
	ECC capital	2,597
Dividend equalisation reserve	7,877	7,007
Premium reserve	895	895
Unrealised gains reserve	45	109
Other equity capital	-	-
A. The equity capital certificate owners' capital	11,413	10,609
Ownerless capital	6,408	5,918
Unrealised gains reserve	25	62
Other equity capital	-	-
B. The saving bank reserve	6,433	5,980
To be disbursed from gift fund	474	547
Dividend declared	840	970
Equity ex. profit	19,161	18,106
Equity capital certificate ratio A/(A+B)	64.0 %	64.0 %
Equity capital certificate ratio for distribution	64.0 %	64.0 %

Note 20 - Events after the balance sheet date

SpareBank 1 SMN reported to the police on Thursday 19 January a hired replacement employee for gross embezzlement. The relationship was uncovered through the bank's own control functions. The police's investigation, which corresponds to the bank's own investigations, shows that the embezzlement totals just under NOK 75 million. Because the accused returned part of the amount to SpareBank 1 SMN before the arrest, the net amount withdrawn from the bank is in excess of NOK 66 million. The police have secured just over NOK 15 million in Sweden. Based on the information that is now known, more than NOK 50 million of the embezzled amount has been lost.

SpareBank 1 SMN has insurance that covers financial crime, including embezzlement. The insurance has a deductible of NOK 5 million. Most of the embezzlement occurred within a short time before it was discovered and reported to the police. The funds have been transferred to bank accounts in other banks in Norway, and further out of the country. There, they have mainly been invested in securities and financial instruments with a very high risk.