

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 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 various pension schemes, 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.

The Group has obtained a new calculation of pensions as of 30 September 2022:

Actuarial assumptions	31 Dec 2021	1 Jan 2021	30 Sep 2022
Discount rate	1.6 %	1.5 %	3.2 %
Expected rate of return on plan assets	1.6 %	1.5 %	3.2 %
Expected future wage and salary growth	2.3 %	2.0 %	3.5 %
Expected adjustment on basic amount (G)	2.3 %	2.0 %	3.5 %
Expected increase in current pension	0.0 %	0.0 %	0.0 %
Employers contribution	19.1 %	19.1 %	19.1 %

Demographic assumptions:

Mortality base table	K2013BE
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.January 2022	-62	8	-54
OCI accounting Opening balance	0	0	0
OCI accounting Closing balance	-170	-1	-171
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 30 September 2022	-233	7	-226

Net pension liability in the balance sheet Group (NOKm)	30 Sep 2022	31 Dec 2021
Net present value of pension liabilities in funded schemes	520	645
Estimated value of pension assets	-748	-701
Net pension liability in the balance sheet before employer's contribution	-227	-56
Employers contribution	1	1
Net pension liability in the balance sheet	-226	-54

Pension cost Group (NOKm)	30 Sep 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	90	115
Total pension cost for the period	89	113

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.

Jan-Sep 2022 (NOKm)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership	
Mavi XV AS Group	111		2	9	-9	0	100 %
Total Held for sale	111		2	9	-9	0	

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.

The input in the credit loss model have been changed in 2020 and 2021 a result of increased uncertainty due to the corona situation. This uncertainty has been significantly reduced, but in 2022 macroeconomic uncertainty has increased as a result of the war in Ukraine, a strong increase in energy and raw material prices, challenges in the supply chains and the prospect of permanently higher inflation and interest rates made the assessments extra demanding. The bank has focused on the expected long-term effects of the crisis.

In 2020, the bank changed the assumptions for the base scenario in a negative direction. These assumptions were continued in 2021. The bank's exposure to hotels and tourism, including commercial real estate with the income mainly towards this industry, was 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 central drivers of losses in the individual scenarios are projections of trajectories for the probability of default (PD) and losses in case of default (LGD). In addition, the expected loss is affected by the probability weight for the individual scenario. The expected negative effects of the corona pandemic were in the assessments for 2020/2021 primarily linked to debtors who had a demanding starting point before the crisis – typically debtors in stage 2. The bank therefore chose to increase the trajectories for PD and LGD, as well as reduce expected repayments in the base scenario, especially from year two onwards. This change affects the expected loss for debtors in stage 2. To adjust for migration into stage 2, the PD and LGD estimates were also increased in the first year. No first year repayments are assumed for all portfolios in the downside scenario. The effects of the corona pandemic was significantly smaller than expected. This is due, among other things, to implemented authority measures. The bank therefore decided to reverse the pandemic-related mark-ups in the trajectories in the base scenario in the third quarter of 2021 for PM and in the first quarter of 2022 for BM. In second and third quarter 2022, upward adjustments have been made to the PD and LGD trajectories throughout the assessment period against the backdrop of a rising interest rate market which, in combination with the inflation, leads to an expectation of an increased level of default and lower asset values in the future

The applied scenario weighting was changed in 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. In 2022, the weighting of the downside scenario was increased to 25 per cent in the agriculture and other business portfolios (excluding offshore) and hotels/tourism to take into account increased uncertainty as a result of the war in Ukraine as well as generally greater uncertainty with regard to future economical growth. In the third quarter of 2022, the weighting of the downside scenario has also been increased in the subsidiary SpareBank1 Finans Midt-Norge from respectively 10 to 25 per cent for BM and from 10 to 15 per cent for PM.

The effect of changes in input assumptions is shown as "Effect of changed assumptions in 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 markup in PD and LGD projectories for hotel/tourism (down from a very high level). On the other hand, write-downs are increasing both for business and industry the personal market portfolio as a result of a new mark-up in PD and LGD trajectories as a result of a significantly increased interest rate level. In addition, increased weight on low scenario for the business portfolio result in increased write-downs. In total, this amounts to NOK 82 million for the bank and NOK 98 million for the group in reduced write-downs

Sensitivity

The first part of the table below show total calculated expected credit loss as of 30 September 2022 in each of the three scenarios, distributed in the portfolios Retail Market, Corporate Market (excl offshore and agriculture) and offshore, tourism and agriculture, which adds up to parent bank. In addition the subsidiary SpareBank 1 Finans Midt-Norge is included with portfolios Corporate and Retail Market. 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 scenario weight has been doubled.

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of September 2022, this would have entailed an increase in loss provisions of NOK 259 million for the parent bank and NOK 280 million for the group.

	CM	RM	Offshore	Tourism	Agriculture	Total parent	SB 1 Finans MN, CM	SB 1 Finans MN, RM	Group
ECL base case	465	71	314	15	41	905	36	20	962
ECL worst case	1,069	236	512	74	148	2,038	82	70	2,190
ECL best case	361	28	218	7	22	635	24	13	672
ECL with scenario weights used 60/25/15	601	-	-	-	65	665	44	-	709
ECL with scenario weights used 65/20/15	-	-	339	-	-	339	-	-	339
ECL with scenario weights used 60/30/10	-	-	-	32	-	32	-	-	32
ECL with scenario weights used 70/15/15	-	89	-	-	-	89	-	26	115
Total ECL used	601	89	339	32	65	1,126	44	26	1,196
ECL alternative scenario weights 35/50/15	752	-	-	-	91	843	57	-	900
ECL alternative scenario weights 45/40/15	-	-	379	-	-	379	-	-	379
ECL alternative scenario weights 30/60/10	-	-	-	49	-	49	-	-	49
ECL alternative scenario weights 55/30/15	-	114	-	-	-	114	-	33	147
Total ECL alternative weights	752	-	379	49	91	1,385	57	33	1,476
Change in ECL if alternative weights were used	151	25	40	18	27	259	14	7	280

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 over double the ECL than in the expected scenario. Applied scenario weighting gives about 25 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 2022

Profit and loss account (NOKm)	RM	CM	SB1		SB 1		Other	Uncollated	Total
			Markets	EM 1	Finans MN	Regnskaps- huset SMN			
Net interest	930	977	4	4	339	1	-	116	2,370
Interest from allocated capital	85	69	-	-	-	-	-	-155	-
Total interest income	1,015	1,047	4	4	339	1	-	-39	2,370
Comission income and other income	620	206	461	324	-78	467	-	-79	1,921
Net return on financial investments *)	-3	7	78	8	-18	-	265	89	427
Total income	1,631	1,260	543	336	243	468	265	-28	4,718
Total operating expenses	705	348	426	271	83	392	-	-17	2,208
Ordinary operating profit	926	913	117	64	160	76	265	-11	2,511
Loss on loans, guarantees etc.	2	-47	-	-	20	-	-	-0	-26
Result before tax	924	959	117	64	141	76	265	-11	2,536

Group 30 September 2021

Profit and loss account (NOKm)	RM	CM	SB1		SB 1		Other	Uncollated	Total
			Markets	EM 1	Finans MN	Regnskaps- huset SMN			
Net interest	840	826	-3	1	340	-0	-	69	2,073
Interest from allocated capital	19	2	-	-	-	-	-	-21	-
Total interest income	859	828	-3	1	340	-0	-	47	2,073
Comission income and other income	682	178	611	342	-67	439	-	-23	2,161
Net return on financial investments *)	2	10	81	10	-2	-	521	186	808
Total income	1,542	1,016	689	353	271	439	521	210	5,042
Total operating expenses	673	325	486	282	106	357	-	-2	2,228
Ordinary operating profit	869	691	203	71	165	82	521	212	2,814
Loss on loans, guarantees etc.	-11	125	-	-	13	-	-	1	129
Result before tax	880	566	203	71	151	82	521	212	2,685

Group 31 December 21

Profit and loss account (NOKm)	RM	CM	SB1		SB 1	SB 1	Other	Uncollated	Total
			Markets	EM 1	Finans MN	Regnskaps- huset SMN			
Net interest	1,128	1,106	-7	2	450	0	-	117	2,796
Interest from allocated capital	37	14	-	-	-	-	-	-52	-
Total interest income	1,165	1,120	-7	2	450	0	-	66	2,796
Comission income and other income	906	251	782	441	-90	562	-	-20	2,832
Net return on financial investments *)	2	15	126	10	4	-	701	168	1,026
Total income	2,074	1,386	901	453	364	562	701	214	6,655
Total operating expenses	916	446	647	382	141	477	-	-16	2,993
Ordinary operating profit	1,157	940	254	71	224	85	701	230	3,662
Loss on loans, guarantees etc.	-10	145	-	-	25	-	-	1	161
Result before tax	1,167	795	254	71	198	85	701	229	3,501

*) Specification of other (NOKm)	30 Sep 22	30 Sep 21	31 Dec 21
SpareBank 1 Gruppen	46	298	471
SpareBank 1 Boligkreditt	2	18	16
SpareBank 1 Næringskreditt	2	6	7
BN Bank	149	122	164
SpareBank 1 Kreditt	9	11	13
SpareBank 1 Betaling	-9	-4	-15
SpareBank 1 Forvaltning	28	20	32
Other companies	38	49	13
Income from investment in associates and joint ventures	265	521	701
SpareBank 1 Mobilitet Holding	-18	-2	4
Net income from investment in associates and joint ventures	248	519	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 30 September 2022 the overall minimum requirement on CET1 capital is 13.0 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 1.5 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. From 30 April 2022, SpareBank 1 SMN has received a new Pillar 2 requirement. The rate of 1.9 per cent is unchanged, but in addition the bank must have an additional 0.7 per cent in Pillar 2 requirements until the application for modeling has been processed. The Norwegian countercyclical buffer will rise to 1.5 per cent with effect from 30 June 2022, and to 2.0 per cent from 31 December 2022.

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 30 September 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 30 September 2022 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. As of 30 September 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 21	30 Sep 21	30 Sep 22	(NOKm)	30 Sep 22	30 Sep 21	31 Dec 21
19,356	19,629	19,852	Total book equity	23,863	23,077	23,241
-1,250	-1,211	-1,206	Additional Tier 1 capital instruments included in total equity	-1,247	-1,252	-1,293
-458	-500	-465	Deferred taxes, goodwill and other intangible assets	-955	-1,040	-961
-1,517	-627	-	Deduction for allocated dividends and gifts	-	-627	-1,517
-	-	-	Non-controlling interests recognised in other equity capital	-913	-848	-989
-	-	-	Non-controlling interests eligible for inclusion in CET1 capital	701	504	568
-	-1,841	-1,930	Net profit	-2,017	-2,199	-
-	723	900	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	986	1,079	-
-41	-40	-51	Value adjustments due to requirements for prudent valuation	-68	-52	-56
-495	-581	-141	Positive value of adjusted expected loss under IRB Approach	-213	-616	-560
-	-	-	Cash flow hedge reserve	-5	5	3
-202	-187	-219	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-449	-360	-648
15,393	15,365	16,739	Common equity Tier 1 capital	19,683	17,671	17,790
1,250	1,250	1,250	Additional Tier 1 capital instruments	1,615	1,594	1,581
-48	-	-46	Deduction for significant investments in financial institutions	-46	-	-48
16,595	16,615	17,943	Tier 1 capital	21,252	19,265	19,322
-	-	-	Supplementary capital in excess of core capital			
1,750	1,750	2,000	Subordinated capital	2,502	2,247	2,226
-214	-174	-208	Deduction for significant investments in financial institutions	-208	-174	-214
1,536	1,576	1,792	Additional Tier 2 capital instruments	2,294	2,072	2,011
18,130	18,190	19,735	Total eligible capital	23,546	21,338	21,333

Minimum requirements subordinated capital						
1,049	1,074	1,123	Specialised enterprises	1,315	1,254	1,248
1,016	955	945	Corporate	965	968	1,030
1,400	1,415	1,352	Mass market exposure, property	2,433	2,348	2,384
93	100	101	Other mass market	104	103	95
1,000	1,045	1,201	Equity positions IRB	-	1	1
4,558	4,590	4,722	Total credit risk IRB	4,817	4,675	4,758
3	3	6	Central government	6	4	4
106	130	92	Covered bonds	136	151	133
398	379	361	Institutions	248	324	299
1	-	117	Local and regional authorities, state-owned enterprises	132	31	29
188	147	224	Corporate	446	382	432
7	11	14	Mass market	653	506	466
25	28	29	Exposures secured on real property	111	120	128
279	264	90	Equity positions	503	513	521
92	94	87	Other assets	154	154	142
1,098	1,056	1,020	Total credit risk standardised approach	2,390	2,186	2,154
35	36	39	Debt risk	41	38	36
-	-	-	Equity risk	16	22	34
-	-	-	Currency risk and risk exposure for settlement/delivery	17	2	1
433	421	433	Operational risk	810	777	817
26	25	31	Credit value adjustment risk (CVA)	98	131	93
6,150	6,128	6,245	Minimum requirements subordinated capital	8,189	7,830	7,893
76,873	76,599	78,063	Risk weighted assets (RWA)	102,367	97,879	98,664
3,459	3,447	3,513	Minimum requirement on CET1 capital, 4.5 per cent	4,607	4,405	4,440
			Capital Buffers			
1,922	1,915	1,952	Capital conservation buffer, 2.5 per cent	2,559	2,447	2,467
3,459	3,447	3,513	Systemic risk buffer, 4.5 per cent	4,607	4,405	4,440
769	766	1,171	Countercyclical buffer, 1.0 per cent	1,536	979	987
6,150	6,128	6,635	Total buffer requirements on CET1 capital	8,701	7,830	7,893
5,784	5,790	6,591	Available CET1 capital after buffer requirements	6,375	5,436	5,457
			Capital adequacy			
20.0 %	20.1 %	21.4 %	Common equity Tier 1 capital ratio	19.2 %	18.1 %	18.0 %
21.6 %	21.7 %	23.0 %	Tier 1 capital ratio	20.8 %	19.7 %	19.6 %
23.6 %	23.7 %	25.3 %	Capital ratio	23.0 %	21.8 %	21.6 %
			Leverage ratio			
191,697	189,698	197,794	Balance sheet items	283,339	270,700	269,857
10,782	12,601	6,811	Off-balance sheet items	8,100	11,887	11,341
-1,042	-1,121	-923	Regulatory adjustments	-1,736	-1,911	-2,110
201,437	201,179	203,682	Calculation basis for leverage ratio	289,703	280,677	279,088
16,595	16,615	17,943	Core capital	21,252	19,265	19,322
8.2 %	8.3 %	8.8 %	Leverage Ratio	7.3 %	6.9 %	6.9 %

Note 5 - Distribution of loans by sector/industry

Parent Bank				Group		
31 Dec 21	30 Sep 21	30 Sep 22 (NOKm)		30 Sep 22	30 Sep 21	31 Dec 21
9,433	9,205	9,975	Agriculture and forestry	10,389	9,546	9,783
5,853	5,851	6,994	Fisheries and hunting	7,016	5,869	5,870
1,926	1,843	2,251	Sea farming industries	2,507	2,093	2,176
2,151	2,203	2,237	Manufacturing	2,833	2,835	2,766
3,169	2,884	4,298	Construction, power and water supply	5,436	3,825	4,124
2,572	2,320	2,889	Retail trade, hotels and restaurants	3,471	2,662	2,966
4,715	5,237	5,313	Maritime sector	5,313	5,237	4,715
16,924	16,724	18,392	Property management	18,501	16,839	17,044
4,497	4,083	3,869	Business services	4,530	4,500	4,990
5,714	5,433	5,756	Transport and other services provision	6,721	6,367	6,667
2	2	104	Public administration	139	35	34
1,383	1,392	1,673	Other sectors	1,619	1,339	1,325
58,337	57,176	63,752	Gross loans in Corporate market	68,473	61,147	62,458
126,828	124,841	133,641	Wage earners	140,426	130,828	132,894
185,165	182,017	197,393	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	208,900	191,976	195,353
46,650	46,675	57,051	of which SpareBank 1 Boligkreditt	57,051	46,675	46,650
1,402	1,329	1,601	of which SpareBank 1 Næringskreditt	1,601	1,329	1,402
137,113	134,013	138,740	Total Gross loans to and receivables from customers	150,247	143,972	147,301
1,250	1,411	921	- Loan loss allowance on amortised cost loans	993	1,472	1,313
97	95	92	- Loan loss allowance on loans at FVOCI	92	95	97
135,766	132,507	137,727	Net loans to and receivables from customers	149,162	142,404	145,890

Note 6 - Losses on loans and guarantees

Parent Bank (NOKm)	January - September						Third quarter						2021		
	2022			2021			2022			2021			2021		
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	3	-68	-65	-14	102	88	10	7	17	-2	24	22	-11	39	27
Actual loan losses on commitments exceeding provisions made	4	27	31	8	23	31	3	-5	-3	3	1	4	10	107	117
Recoveries on commitments previously written-off	-5	-6	-11	-5	-0	-5	-1	-2	-3	-2	-0	-2	-9	-1	-10
Losses for the period on loans and guarantees	2	-47	-45	-11	125	115	11	1	12	-1	25	24	-10	145	134

Group (NOKm)	January - September						3rd quarter						2021		
	2022			2021			2022			2021			2021		
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	10	-65	-55	-23	104	81	14	12	26	-3	27	24	-20	50	30
Actual loan losses on commitments exceeding provisions made	9	32	41	25	29	53	5	-5	-0	7	2	9	30	112	142
Recoveries on commitments previously written-off	-5	-7	-11	-5	-0	-5	-1	-2	-3	-2	-0	-2	-9	-3	-12
Losses for the period on loans and guarantees	14	-39	-26	-3	132	129	17	5	22	3	28	31	1	159	161

Note 7 - Losses

	1 Jan 22	Change in provision	Net write-offs /recoveries	30 Sep 22
Parent Bank (NOKm)				
Loans as amortised cost- CM	1,298	-68	-260	969
Loans as amortised cost- RM	31	6	-5	31
Loans at fair value over OCI- RM	128	-3	-	125
Loans at fair value over OCI- CM	1	1	-	2
Provision for expected credit losses on loans and guarantees	1,458	-65	-265	1,127
Presented as				
Provision for loan losses	1,348	-69	-265	1,014
Other debt- provisons	79	1	-	79
Other comprehensive income - fair value adjustment	31	3	-	34

	1 Jan 21	Change in provision	Net write-offs /recoveries	30 Sep 21
Parent Bank (NOKm)				
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

	1 Jan 21	Change in provision	Net write-offs /recoveries	31 Dec 21
Parent Bank (NOKm)				
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- provisons	81	-2	-	79
Other comprehensive income - fair value adjustment	32	-1	-	31

Group (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	30 Sep 22
Loans as amortised cost- CM	1,343	-65	-261	1,016
Loans as amortised cost- RM	49	12	-5	56
Loans at fair value over OCI- RM	128	-3	-	125
Loans at fair value over OCI- CM	1	11	-1	2
Provision for expected credit losses on loans and guarantees	1,520	-45	-268	1,199
Presented as				
Provision for loan losses	1,410	-59	-267	1,085
Other debt- provisions	79	1	-	79
Other comprehensive income - fair value adjustment	31	3	-	34

Group (NOKm)	1 Jan 21	Change in provision	Net write-offs /recoveries	30 Sep 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 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)	30 Sep 22				30 Sep 21				31 Dec 2021			
	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	39	82	36	156	35	97	47	180	35	97	47	180
Transfer to (from) stage 1	20	-20	-0	-	22	-22	-0	-	20	-20	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-2	2	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-5	5	-	-0	-4	5	-	-1	-6	7	-
Net remeasurement of loss allowances	-26	16	2	-8	-22	25	-5	-2	-22	24	-3	-1
Originations or purchases	13	11	2	26	14	11	1	26	19	17	1	37
Derecognitions	-9	-20	-2	-32	-10	-26	-3	-38	-12	-32	-4	-48
Changes due to changed input assumptions	4	12	-0	16	1	-1	-	0	1	-0	-	1
Actual loan losses	0	0	-5	-5	-	-	-9	-9	0	0	-12	-12
Closing balance	39	78	36	154	37	83	36	156	39	82	36	156
Corporate Market												
Opening balance	84	268	871	1,223	88	387	823	1,299	88	387	823	1,299
Transfer to (from) stage 1	34	-33	-1	-	11	-11	-	-	15	-15	-	-
Transfer to (from) stage 2	-5	96	-91	-	-3	3	-	-	-5	5	-	-
Transfer to (from) stage 3	-1	-2	4	-	-2	-26	28	-	-2	-26	28	-
Net remeasurement of loss allowances	21	-9	-2	10	-20	14	102	97	-26	26	38	39
Originations or purchases	66	19	4	89	23	19	112	154	32	21	100	153
Derecognitions	-27	-19	-24	-70	-16	-141	-1	-159	-20	-145	-1	-166
Changes due to changed input assumptions	-59	5	-43	-98	1	9	-	11	1	14	-	15
Actual loan losses	-	-	-260	-260	-	-	-19	-19	-	-	-117	-117
Closing balance	112	326	456	894	83	253	1,045	1,381	84	268	871	1,223
Total accrual for loan losses	152	404	492	1,048	120	337	1,080	1,537	123	350	907	1,379

Group (NOKm)	30 Sep 22				30 Sep 21				31 Dec 2021			
	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	45	89	40	174	42	107	58	207	42	107	58	207
Transfer to (from) stage 1	22	-22	-0	-	23	-23	-0	-	22	-22	-0	-
Transfer to (from) stage 2	-3	3	-1	-	-3	3	-0	-	-2	3	-0	-
Transfer to (from) stage 3	-0	-5	5	-	-0	-5	6	-	-1	-7	8	-
Net remeasurement of loss allowances	-26	20	3	-2	-23	27	-2	1	-23	26	-1	2
Originations or purchases	18	14	2	33	16	13	3	32	22	20	1	43
Derecognitions	-11	-21	-4	-35	-12	-30	-8	-49	-14	-37	-9	-60
Changes due to changed input assumptions	4	11	-1	14	-0	-2	-5	-7	-0	-2	-4	-5
Actual loan losses	-	-	-5	-5	-	-	-9	-9	-	-	-12	-12
Closing balance	49	89	41	179	43	90	41	174	45	89	40	174
Corporate Market												
Opening balance	94	278	896	1,268	98	399	845	1,342	98	399	845	1,342
Transfer to (from) stage 1	37	-35	-1	-	16	-16	-0	-	20	-20	-0	-
Transfer to (from) stage 2	-6	98	-91	0	-4	4	-0	-	-7	7	-0	-
Transfer to (from) stage 3	-1	-2	4	-	-2	-27	29	-	-2	-27	29	-
Net remeasurement of loss allowances	21	-5	9	25	-23	17	108	102	-29	31	42	44
Originations or purchases	71	20	4	95	26	20	113	159	35	23	112	169
Derecognitions	-28	-20	-26	-74	-17	-143	-2	-162	-21	-146	-2	-169
Changes due to changed input assumptions	-61	4	-54	-112	-1	8	-2	4	-2	12	-2	9
Actual loan losses	-	-	-261	-261	-	-	-20	-20	-	-	-128	-128
Closing balance	125	337	478	941	92	263	1,069	1,425	94	278	896	1,268
Total accrual for loan losses	174	426	519	1,119	136	353	1,110	1,599	138	367	936	1,442

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	30 Sep 22				30 Sep 21				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	19	55	5	79	27	50	4	81	27	50	4	81
Transfer to (from) stage 1	3	-3	-0	-	5	-5	-0	-	6	-6	-0	-
Transfer to (from) stage 2	-1	1	-0	-	-6	6	-	-	-7	7	-	-
Transfer to (from) stage 3	-0	-0	0	-	-0	-1	1	-	-0	-1	1	-
Net remeasurement of loss allowances	-11	-1	5	-7	-7	7	-2	-2	-9	4	0	-4
Originations or purchases	10	6	0	16	8	3	0	10	7	4	0	11
Derecognitions	-2	-6	-0	-9	-5	-4	-0	-9	-6	-5	-0	-11
Changes due to changed input assumptions	-1	0	0	0	0	1	-	2	0	2	-	2
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	18	51	10	79	22	57	3	82	19	55	5	79
Of which												
Retail market				2				3				2
Corporate Market				77				79				76

Provision for credit losses specified by industry

Parent Bank (NOKm)	30 Sep 22				30 Sep 21				31 Dec 2021			
	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	12	47	2	31	3	36	2	31	6	39
Fisheries and hunting	10	11	0	21	7	0	0	8	6	7	0	13
Sea farming industries	2	1	1	4	1	0	0	2	1	0	0	2
Manufacturing	5	42	4	50	7	25	14	46	5	36	15	56
Construction, power and water supply	20	23	9	52	12	12	22	46	13	16	14	43
Retail trade, hotels and restaurants	9	28	2	39	7	28	9	44	8	28	11	46
Maritime sector	18	144	200	362	14	122	730	866	14	118	555	687
Property management	27	47	28	102	18	47	35	100	20	50	36	105
Business services	14	23	198	235	11	15	223	249	13	12	222	247
Transport and other services	8	11	16	35	7	8	10	25	7	6	17	30
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	1	0	-	1	0	0	-	1	0	0	0	0
Wage earners	1	42	24	67	2	47	32	82	2	47	30	79
Total provision for losses on loans	117	404	492	1,014	89	337	1,080	1,506	91	350	907	1,348
loan loss allowance on loans at FVOCI	34			34	31			31	31			31
Total loan loss allowance	152	404	492	1,048	120	337	1,080	1,537	123	350	907	1,379

Group (NOKm)	30 Sep 22				30 Sep 21				31 Dec 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	4	34	13	51	3	32	4	39	3	33	7	42
Fisheries and hunting	10	11	0	21	7	0	0	8	6	7	0	13
Sea farming industries	3	1	4	8	2	1	0	3	1	1	1	3
Manufacturing	9	45	6	59	9	27	20	56	7	38	21	66
Construction, power and water supply	24	26	12	62	15	15	25	54	16	19	18	53
Retail trade, hotels and restaurants	10	29	5	44	8	28	11	47	9	28	16	53
Maritime sector	18	144	200	362	14	122	730	866	14	118	555	687
Property management	28	48	28	103	18	48	36	101	20	50	36	106
Business services	16	24	202	242	12	16	226	255	14	14	227	255
Transport and other services	11	14	21	46	9	10	21	40	8	7	22	37
Public administration	0	-	-	0	0	-	0	0	0	0	0	0
Other sectors	1	0	-	1	0	0	-	1	0	0	0	0
Wage earners	8	52	28	88	7	53	36	97	7	53	34	95
Total provision for losses on loans	140	426	519	1,085	105	353	1,110	1,568	107	367	936	1,410
loan loss allowance on loans at FVOCI	34			34	31			31	31			31
Total loan loss allowance	174	426	519	1,119	136	353	1,110	1,599	138	367	936	1,442

Note 8 - Gross loans

Parent Bank (NOKm)	30 Sep 22				30 Sep 21				31 Dec 21			
	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	82,299	3,892	444	86,636	73,297	4,430	381	78,108	73,297	4,430	381	78,108
Transfer to stage 1	1,164	-1,148	-16	-	1,216	-1,212	-4	-	1,007	-1,002	-6	-
Transfer to stage 2	-1,133	1,142	-9	-	-1,009	1,012	-3	-	-1,325	1,332	1	-
Transfer to stage 3	-25	-96	121	-	-50	-77	127	-	-61	-87	148	-
Net increase/decrease amount existing loans	-2,241	-90	-14	-2,345	-2,228	-72	-20	-2,319	-2,513	-102	-15	-2,630
New loans	31,416	695	87	32,197	35,597	721	70	36,388	43,464	1,198	118	44,780
Derecognitions	-31,882	-1,230	-113	-33,226	-26,274	-1,532	-128	-27,935	-31,569	-1,876	-156	-33,601
Financial assets with actual loan losses	0	-1	-9	-10	-0	-1	-16	-17	-0	-1	-20	-21
Closing balance	79,599	3,163	490	83,253	80,549	3,268	408	84,225	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	35,587	5,979	1,702	43,268
Transfer to stage 1	978	-963	-15	-	414	-414	-	-	647	-647	-0	-
Transfer to stage 2	-1,593	2,463	-869	-	-690	690	-0	-	-1,434	1,434	-	-
Transfer to stage 3	-64	-73	137	-	-16	-594	609	-	-43	-593	637	-
Net increase/decrease amount existing loans	-274	-152	49	-377	-963	-162	-27	-1,152	-1,202	-196	-39	-1,437
New loans	12,908	1,016	93	14,017	9,799	110	1,305	11,214	13,125	-550	1,074	13,649
Derecognitions	-7,590	-912	-504	-9,006	-6,431	-745	-711	-7,888	-8,320	-236	-524	-9,081
Financial assets with actual loan losses	-2	-5	-59	-66	0	0	-21	-21	-1	-4	-193	-199
Closing balance	42,721	6,560	1,489	50,770	37,699	4,865	2,856	45,420	38,359	5,186	2,656	46,201
Fixed interest loans at FV	4,718			4,718	4,367			4,367	4,276	-	-	4,276
Total gross loans at the end of the period	127,039	9,723	1,979	138,740	122,615	8,133	3,264	134,013	124,934	9,079	3,100	137,113

Group (NOKm)	30 Sep 22				30 Sep 21				31 Dec 21			
	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	87,577	4,612	531	92,721	78,206	5,208	453	83,867	78,206	5,208	453	83,867
Transfer to stage 1	1,358	-1,341	-17	-	1,418	-1,413	-4	-	1,227	-1,221	-6	-
Transfer to stage 2	-1,447	1,462	-15	-	-1,245	1,253	-7	-	-1,598	1,609	-11	-
Transfer to stage 3	-31	-126	157	-	-59	-119	178	-	-74	-132	206	-
Net increase/decrease amount existing loans	-1,956	-134	-20	-2,110	-2,254	-106	-29	-2,388	-2,599	-154	-28	-2,782
New loans	33,803	912	92	34,807	37,915	892	74	38,881	46,190	1,465	125	47,781
Derecognitions	-33,780	-1,427	-131	-35,338	-28,197	-1,772	-142	-30,111	-33,775	-2,161	-189	-36,125
Financial assets with actual loan losses	-0	-1	-9	-10	-0	-1	-16	-17	-0	-1	-20	-21
Closing balance	85,524	3,958	587	90,070	85,785	3,941	507	90,233	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	38,107	6,587	1,802	46,496
Transfer to stage 1	1,224	-1,184	-40	-	649	-646	-3	-	879	-876	-2	-
Transfer to stage 2	-1,862	2,739	-877	-	-985	987	-3	-	-1,795	1,797	-1	-
Transfer to stage 3	-75	-92	167	-	-26	-617	643	-	-57	-626	683	-
Net increase/decrease amount existing loans	-301	-202	45	-457	-480	-198	-33	-711	-652	-257	-53	-963
New loans	14,284	1,079	108	15,471	10,685	179	1,306	12,170	14,533	-455	1,085	15,164
Derecognitions	-8,225	-1,016	-552	-9,793	-6,936	-875	-751	-8,562	-9,159	-397	-561	-10,117
Financial assets with actual loan losses	-2	-5	-59	-66	0	0	-21	-21	-1	-4	-193	-199
Closing balance	46,897	7,087	1,551	55,536	41,014	5,416	2,941	49,372	41,855	5,768	2,759	50,382
Fixed interest loans at FV	4,640			4,640	4,367			4,367	4,198			4,198
Total gross loans at the end of the period	137,062	11,046	2,139	150,247	131,166	9,357	3,448	143,972	133,630	10,381	3,290	147,301

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank			(NOKm)	30 Sep 22	Group	
31 Dec 21	30 Sep 21	30 Sep 21			31 Dec 21	
1,958	2,247	2,286	Agriculture and forestry	2,286	2,247	1,958
991	964	1,285	Fisheries and hunting	1,285	964	991
1,050	915	685	Sea farming industries	685	915	1,050
2,562	2,297	3,149	Manufacturing	3,149	2,297	2,562
5,535	5,293	6,423	Construction, power and water supply	6,423	5,293	5,535
6,649	5,436	5,138	Retail trade, hotels and restaurants	5,138	5,436	6,649
1,006	1,102	1,071	Maritime sector	1,071	1,102	1,006
5,692	6,170	6,560	Property management	6,495	6,112	5,635
11,469	11,534	13,416	Business services	13,416	11,534	11,469
9,247	9,494	9,007	Transport and other services provision	8,521	9,057	8,750
16,826	16,300	20,624	Public administration	20,624	16,300	16,826
4,453	4,610	3,836	Other sectors	3,797	4,468	4,267
67,439	66,362	73,482	Total	72,892	65,725	66,697
44,589	43,967	47,666	Wage earners	47,666	43,967	44,589
112,028	110,328	121,148	Total deposits	120,558	109,691	111,286

Note 10 - Net interest income

Parent bank					Group					
Third quarter			January - September		(NOKm)	January - September		Third quarter		2021
2021	2021	2022	2021	2022		2022	2021	2022	2021	
Interest income										
128	27	107	90	231	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	99	22	53	5	33
1,654	421	644	1,206	1,700	Interest income from loans to and claims on customers (amortised cost)	2,163	1,591	812	549	2,169
1,285	320	469	943	1,232	Interest income from loans to and claims on customers (FVOCI)	1,232	954	469	323	1,300
116	29	33	88	91	Interest income from loans to and claims on customers (FVPL)	91	88	33	29	116
279	62	149	199	359	Interest income from money market instruments, bonds and other fixed income securities	356	197	148	61	276
-	-	-	-	-	Other interest income	19	17	7	5	23
3,462	858	1,402	2,527	3,613	Total interest income	3,961	2,869	1,521	973	3,916
Interest expense										
51	9	77	32	152	Interest expenses on liabilities to credit institutions	163	35	82	10	55
547	130	423	372	917	Interest expenses relating to deposits from and liabilities to customers	906	367	418	128	540
395	95	167	297	400	Interest expenses related to the issuance of securities	400	297	167	95	395
33	8	16	24	43	Interest expenses on subordinated debt	45	26	17	8	35
8	2	2	6	6	Other interest expenses	18	15	7	5	20
75	19	20	57	59	Guarantee fund levy	59	57	20	19	75
1,109	263	705	788	1,576	Total interest expense	1,591	796	710	266	1,120
2,353	595	697	1,739	2,037	Net interest income	2,370	2,073	811	707	2,796

Note 11 - Net commission income and other income

Parent bank					Group					
Third quarter			January - September		(NOKm)	January - September		Third quarter		2021
2021	2021	2022	2021	2022		2022	2021	2022	2021	
Commission income										
76	17	19	51	50	Guarantee commission	47	49	17	16	73
-	-	-	-	-	Broker commission	205	221	66	69	291
63	18	11	48	32	Portfolio commission, savings products	32	48	11	18	63
450	123	63	348	224	Commission from SpareBank 1 Boligkreditt	224	348	63	123	450
14	3	4	11	12	Commission from SpareBank 1 Næringskreditt	12	11	4	3	14
413	107	129	294	346	Payment transmission services	343	291	128	106	409
214	54	60	159	176	Commission from insurance services	176	159	60	54	214
77	19	22	58	70	Other commission income	64	53	20	17	69
1,306	340	307	969	909	Total commission income	1,102	1,179	369	405	1,583
Commission expenses										
84	24	22	60	58	Payment transmission services	81	83	29	31	115
13	3	3	10	8	Other commission expenses	82	69	30	23	92
97	27	25	69	66	Total commission expenses	163	152	60	54	207
Other operating income										
26	3	8	21	22	Operating income real property	21	21	8	3	27
-	-	-	-	-	Property administration and sale of property	119	120	39	38	150
-	-	-	-	-	Securities trading	379	561	57	110	719
-	-	-	-	-	Accountant's fees	437	416	115	114	529
21	6	9	10	15	Other operating income	25	17	11	7	31
47	9	17	31	36	Total other operating income	982	1,134	230	272	1,456
1,256	321	298	930	880	Total net commission income and other operating income	1,921	2,161	540	623	2,832

Note 12 - Operating expenses

Parent bank					Group					
	Third quarter		January - September			January - September		Third quarter		
2021	2021	2022	2021	2022	(NOKm)	2022	2021	2022	2021	2021
265	62	71	192	217	IT costs	286	262	95	85	359
10	3	3	8	9	Postage and transport of valuables	11	10	3	4	14
53	14	12	40	41	Marketing	66	56	18	19	77
95	24	19	74	57	Ordinary depreciation	100	149	32	56	189
44	9	11	32	36	Operating expenses, real properties	51	47	18	14	57
143	36	40	105	120	Purchased services	178	167	63	60	224
134	27	34	88	101	Other operating expense	132	119	42	38	190
745	176	190	540	580	Total other operating expenses	825	809	271	275	1,111

Note 13 - Net return on financial investments

Parent Bank					Group					
Third quarter		January - September		(NOKm)	January - September		Third quarter		2021	
2021	2022	2021	2022		2022	2021	2022	2021		
Valued at fair value through profit/loss										
-433	-94	-100	-293	-479	Value change in interest rate instruments	-388	-194	-67	-72	-283
-6	3	13	-7	11	Value change in derivatives/hedging Net value change in hedged bonds and derivatives*	11	-7	13	3	-6
12	-12	-29	0	-66	Net value change in hedged fixed rate loans and derivatives	-66	0	-29	-12	12
301	96	122	232	386	Other derivatives	503	263	150	98	332
726	-0	-	709	574	Income from equity instruments Income from owner interests	248	519	109	179	705
8	13	-	8	4	Dividend from owner instruments Value change and gain/loss on owner instruments	4	-2	-	0	13
6	2	3	5	9	Dividend from equity instruments	13	21	8	1	22
-4	-7	-8	1	-19	Value change and gain/loss on equity instruments	32	162	-66	36	163
610	1	1	656	422	Total net income from financial assets and liabilities at fair value through profit/(loss)	358	764	117	232	959
Valued at amortised cost										
-2	-0	0	-2	-0	Value change in interest rate instruments held to maturity	-0	-2	0	0	-2
-2	-0	0	-2	-0	Total net income from financial assets and liabilities at amortised cost	-0	-2	0	0	-2
72	15	30	47	69	Total net gain from currency trading	69	46	30	16	70
680	17	32	700	491	Total net return on financial investments	427	808	148	248	1,026
* Fair value hedging										
-664	-106	-781	-460	-2,144	Changes in fair value on hedging instrument	-2,144	-460	-781	-106	-664
657	109	794	454	2,156	Changes in fair value on hedging item	2,156	454	794	109	657
-6	3	13	-7	11	Net Gain or Loss from hedge accounting	11	-7	13	3	-6

Note 14 - Other assets

Parent Bank			(NOKm)	Group		
31 Dec 21	30 Sep 21	30 Sep 22		30 Sep 22	30 Sep 21	31 Dec 21
3	-	3	Deferred tax asset	79	97	90
84	86	106	Fixed assets	229	211	210
253	265	231	Right to use assets	456	468	460
152	121	110	Earned income not yet received	144	156	186
20	2,225	645	Accounts receivable, securities	1,182	2,823	300
62	112	233	Pension assets	233	112	62
508	452	1,343	Other assets	1,639	741	752
1,082	3,261	2,671	Total other assets	3,962	4,609	2,062

Note 15 - Other liabilities

Parent Bank				Group		
31 Dec 21	30 Sep 21	30 Sep 22 (NOKm)		30 Sep 22	30 Sep 21	31 Dec 21
-	8	43	Deferred tax	99	81	56
513	350	615	Payable tax	682	440	583
12	11	12	Capital tax	12	11	12
118	88	44	Accrued expenses and received, non-accrued income	594	706	774
347	307	486	Provision for accrued expenses and commitments	486	307	347
78	82	79	Losses on guarantees and unutilised credits	79	82	78
8	10	7	Pension liabilities	7	10	8
262	274	241	Lease liabilities	473	481	476
84	57	79	Drawing debt	79	57	84
92	1	64	Creditors	144	33	150
157	2,052	306	Debt from securities	701	2,621	351
-	-	-	Equity Instruments	8	90	31
185	323	241	Other liabilities	309	405	266
1,855	3,561	2,217	Total other liabilities	3,672	5,323	3,215

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

Group

Change in securities debt (NOKm)	31 Dec 21	Issued	Fallen due/ Redeemed	Other changes	30 Sep 22
Bond debt, nominal value	36,805	9,625	6,397	1,267	41,301
Senior non preferred, nominal value	3,500	3,600	-	-41	7,059
Value adjustments	-152	-	-	-2,298	-2,450
Accrued interest	178	-	-	70	248
Total	40,332	13,225	6,397	-1,002	46,158

Change in subordinated debt and hybrid equity (NOKm)	31 Dec 21	Issued	Fallen due/ Redeemed	Other changes	30 Sep 22
Ordinary subordinated loan capital, nominal value	1,793	1,000	750	-	2,043
Accrued interest	3	-	-	8	11
Total	1,796	1,000	750	8	2,054

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 22:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	0	7,479	-	7,480
- Bonds and money market certificates	2,346	28,215	-	30,561
- Equity instruments	1,261	102	611	1,974
- Fixed interest loans	-	78	4,640	4,718
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	79,839	79,839
Total assets	3,608	35,874	85,090	124,571
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	2	8,113	-	8,115
- Equity instruments	8	-	-	8
Total liabilities	11	8,113	-	8,124

The following table presents the Group's assets and liabilities measured at fair value at 30 September 21:

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 31 December 2021:

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 30 September 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	15	1,250	29,075	30,340
Disposals in the period	-2	-575	-32,296	-32,872
Expected credit loss	-	-	2	2
Gain or loss on financial instruments	34	-233	3	-196
Closing balance 30 September 22	610	4,640	79,839	85,090

The following table presents the changes in the instruments classified in level 3 as at 30 September 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	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 30 September 21	559	4,246	80,832	85,638

The following table presents the changes in the instruments classified in level 3 as at 31 December 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 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	564	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 521 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 22:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumptions
Fixed interest loans	4,640	-13
Equity instruments through profit/loss*	610	-
Loans at fair value through other comprehensive income	79,839	-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 third quarter 2022 was 3.6 years. The overall LCR at the same point was 180 per cent and the average overall LCR in the third quarter was 179 per cent. The LCR in Norwegian kroner and euro at quarter-end was 166 and 405 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		
	2022	2021	2021
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve ¹⁾	1,878	2,046	2,692
Allocated to ECC Owners ²⁾	1,201	1,308	1,722
Issues Equity Capital Certificates adjusted for own certificates	129,341,667	129,340,421	129,339,665
Earnings per Equity Capital Certificate	9.29	10.11	13.31

¹⁾ Adjusted Net Profit	January - September		
	2022	2021	2021
Net Profit for the group	2,017	2,199	2,902
adjusted for non-controlling interests share of net profit	-93	-113	-160
Adjusted for Tier 1 capital holders share of net profit	-45	-40	-50
Adjusted Net Profit	1,878	2,046	2,692

²⁾ Equity capital certificate ratio (parent bank) (NOKm)	30.9.22	30.9.21	31.12.21
ECC capital	2,597	2,597	2,597
Dividend equalisation reserve	7,007	6,556	7,007
Premium reserve	895	895	895
Unrealised gains reserve	109	153	109
Other equity capital	82	-1	-
A. The equity capital certificate owners' capital	10,690	10,200	10,609
Ownerless capital	5,918	5,664	5,918
Unrealised gains reserve	62	86	62
Other equity capital	46	-1	-
B. The saving bank reserve	6,025	5,749	5,980
To be disbursed from gift fund	-	226	547
Dividend declared	-	401	970
Equity ex. profit	16,716	16,577	18,106
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 %