

Notes

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Note 1 - 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®/Accounting Standards 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 2023. The Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts, with the exception of statement of cash flows as described below.

Statement of cash flows

With effect from 1 January 2024, SpareBank 1 SMN has presented cash flow from operations according to the direct method in accordance with IAS 7. The change in principle is voluntary and has been implemented because it provides better information to users of the financial statements. The change in principle has been implemented retrospectively and comparative figures have been restated.

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

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

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.

	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	104	2	3	-	3	100 %
Total Held for sale	104	2	3	-	3	

Losses on loans and guarantees

For a detailed description of the Bank's model for expected credit losses, refer to note 3 and note 10 in the annual accounts for 2023.

Measurement of expected credit loss for each stage requires both information on events and current conditions and information on expected events and future economic conditions. Estimation and use of forward-looking information requires a high degree of discretionary judgement. Each macroeconomic scenario that is utilised includes a projection for a five-year period. For credits where credit risk is assessed to have increased significantly since loan approval (stage 2), loss estimates for the period after year 5 are based on year 5 as regards level of PD and LGD.

Our estimate of expected credit loss at stage 1 and 2 is a probability-weighted average of three scenarios: Base Case, Best Case and Worst Case. The model that computes model write-downs is based on two macro variables – interest rate level (three-month NIBOR) and unemployment (Statistics Norway's Labour Force Survey, AKU). The assumptions in the baseline scenario are based on the assumptions in Norges Bank's Monetary Policy Report 1/24. The downside scenario features high interest rates and high unemployment, which are largely based on Finanstilsynet's stress test reported in Financial Outlook, June 2023. The upside scenario features low interest rates and low unemployment.

Calculation of the group's overall model write-downs is based on calculations of expected credit loss (ECL) for each of five portfolios below. For each portfolio, separate assumptions are defined with regard to how the macro variables 'interest rate' and 'unemployment' impact PD and LGD. The relationships between the macro variables are developed using regression analysis and simulation, while the relationships between the macro variables and LGD are based largely on expert assessments and discretionary judgement. The five portfolios are:

- Residential mortgages
- Other retail loans
- Agriculture
- Industries with large balance sheets / high long-term debt ratios (real estate, shipping, offshore, aquaculture, fishery)
- Industries with smaller balance sheets / low long-term debt ratios (other industries)

As in the previous quarter, the building and construction industry is generally considered to have acquired significantly increased credit risk since loan approval and customers in this industry are accordingly classified to stage 2 or 3. Customers in some fishery segments have also been moved to stage 2 for the same reason.

ECL as at 31 March 2024 is calculated as a combination of 80 per cent expected scenario, 10 per cent downside scenario and 10 per cent upside scenario (80/10/10 pct).

The effect of the change of assumptions in 2024 is shown in the line "Effect of changed assumptions in the ECL model" in note 7.

The model write-downs are reduced in the quarter for the retail market due to a somewhat lower interest rate path than in the previous quarter in the baseline scenario and an upward adjustment of the expected trend in house prices. The model write-downs in the corporate portfolio have increased, in particular with respect to fishery due to increased credit risk. Overall, this amounts to NOK 32m for the bank and NOK 22m for the group in terms of increased write-downs.

Sensitivity

The first part of the table below show total calculated expected credit loss as of 31 March 2023 in each of the three scenarios, distributed in the portfolios Retail Market, Corporate Market and offshore, tourism and agriculture, which adds up to parent bank. In addition the subsidiary SpareBank 1 Finans Midt-Norge is included. ECL for the parent bank and the subsidiary is summed up in the coloumn "Group".

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

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of March 2023, this would have entailed an increase in loss provisions of NOK 105 million for the parent bank and NOK 124 million for the group.

	CM	RM	Agriculture	Total parent	SB 1 Finans MN, CM	SB 1 Finans MN, RM	Total group
ECL base case	626	86	72	784	39	16	839
ECL worst case	1,326	259	257	1,842	161	76	2,078
ECL best case	407	51	40	498	20	11	528
ECL with scenario weights used 80/10/10	674	99	88	861	49	22	932
ECL alternative scenario weights 70/20/10	744	117	106	967	61	28	1,056
Total ECL used	70	17	18	105	12	6	124

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 60 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 10 percent higher ECL than in the expected scenario.

Note 3 - Account by business line

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

Group 31 March 2024

Profit and loss account (NOKm)	Sunnmøre og Fjordane			SB 1 Finans		SB 1 Regnskaps- huset SMN		Other	Uncollated	Total
	RM	CM	EM 1	MN	Regnskaps- huset SMN	Other				
Net interest	460	341	149	2	130	1	-	224	1,306	
Interest from allocated capital	101	58	37	-	-	-	-	-197	-	
Total interest income	561	399	186	2	130	1	-	27	1,306	
Comission income and other income	168	56	34	115	-22	216	-	5	572	
Net return on financial investments **)	-0	1	2	-	-	-	194	85	281	
Total income	729	456	222	117	108	217	194	117	2,159	
Total operating expenses	143	49	50	97	39	182	-	222	782	
Ordinary operating profit	586	406	172	20	69	35	194	-105	1,377	
Loss on loans, guarantees etc.	11	18	-8	-	3	-	-	-0	24	
Result before tax	575	389	180	20	66	35	194	-105	1,353	
Return on equity *)	18.9 %	23.8 %	14.2 %						16.0 %	

Group 31 March 2023

Profit and loss account (NOKm)	RM	CM	EM 1	SB 1		Other	Uncollated	Total
				Finans	Regnskaps- huset SMN			
Net interest	433	406	1	123	1	-	70	1,035
Interest from allocated capital	91	68	-	-	-	-	-158	-
Total interest income	524	474	1	123	1	-	-88	1,035
Comission income and other income	181	63	105	-27	201	-	17	541
Net return on financial investments **)	1	4	-	-7	-	131	-101	28
Total income	706	541	107	90	202	131	-172	1,604
Total operating expenses	325	127	89	30	158	-	-0	728
Ordinary operating profit	381	413	18	59	44	131	-172	875
Loss on loans, guarantees etc.	9	-86	-	7	-	-	-0	-71
Result before tax	372	500	18	53	44	131	-172	946
Return on equity *)	15.8 %	28.4 %						13.0 %

Group 2023

Profit and loss account (NOKm)	Sunnmøre og Fjordane			SB 1 Finans		SB 1 Regnskaps- huset SMN		Other	Uncollated	Total
	RM	CM	EM 1	MN	SMN					
Net interest	1,824	1,335	598	2	490	4	-	379	4,632	
Interest from allocated capital	328	195	112	-	-	-	-	-634	-	
Total interest income	2,151	1,530	709	2	490	4	-	-255	4,632	
Comission income and other income	652	234	110	432	-97	716	-	37	2,084	
Net return on financial investments **)	1	6	7	1	-82	-	379	488	799	
Total income	2,804	1,770	826	435	311	720	379	270	7,515	
Total operating expenses	1,078	407	315	395	115	612	-	97	3,017	
Ordinary operating profit	1,726	1,363	512	40	196	108	379	173	4,498	
Loss on loans, guarantees etc.	1	45	-118	-	86	-	-	-0	14	
Result before tax	1,725	1,318	629	40	111	108	379	173	4,484	
Return on equity *)	18.2 %	24.3 %	19.6 %						14.4 %	

*) Regulatory capital is used as a basis for calculating capital used in the Private market and Business.

**) Specification of other (NOKm)	31 Mar 24	31 Mar 23	31 Dec 23
SpareBank 1 Gruppen	40	34	-34
SpareBank 1 Boligkreditt	33	33	98
SpareBank 1 Næringskreditt	4	2	10
BN Bank	84	62	257
SpareBank 1 Markets	25	-	19
SpareBank 1 Kreditt	-4	-4	-13
SpareBank 1 Betaling	-12	-8	-37
SpareBank 1 Forvaltning	10	8	35
Other companies	13	4	46
Income from investment in associates and joint ventures	194	131	379
SpareBank 1 Mobilitet Holding	-	-7	-82
Net income from investment in associates and joint ventures	194	125	297

Note 4 - Capital adequacy

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

As of 31 March 2024 the overall minimum requirement on CET1 capital is 14.0 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 2.5 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 for SpareBank 1 SMN. From 31 December 2023, the requirement is 1.7 per cent and must be met with a minimum of 56.25 per cent. In addition the bank must have an additional 0.7 per cent in Pillar 2 requirements until the application for adjusting IRB-models has been processed.

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 March 2024, the average risk weights are over 20 per cent.

The systemic risk buffer stands at 4.5 per cent for the Norwegian exposures. For exposures in other countries, the particular country's systemic buffer rate shall be employed. As of 31 March 2024 the effective rate for the parent bank and for the group is accordingly 4.43 per cent.

The countercyclical buffer is calculated using differentiated rates. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. For the first quarter of 2024 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 2023	31 Mar 2023	31 Mar 2024	(NOKm)	31 Mar 2024	31 Mar 2023	31 Dec 2023
25,150	20,021	23,378	Total book equity	27,004	24,092	28,597
-1,800	-1,617	-1,761	Additional Tier 1 capital instruments included in total equity	-1,862	-1,659	-1,903
-812	-467	-808	Deferred taxes, goodwill and other intangible assets	-1,700	-951	-1,625
-2,591	-	-	Deduction for allocated dividends and gifts	-	-	-2,591
-	-	-	Non-controlling interests recognised in other equity capital	-691	-1,031	-666
-	-	-	Non-controlling interests eligible for inclusion in CET1 capital	683	834	679
-	-552	-869	Net profit	-1,084	-778	-
-	147	73	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	285	372	-
-53	-78	-56	Value adjustments due to requirements for prudent valuation	-76	-95	-72
-412	-258	-348	Positive value of adjusted expected loss under IRB Approach	-488	-363	-546
-	-	-	Cash flow hedge reserve	-4	-4	-4
-350	-281	-350	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-268	-460	-278
19,131	16,915	19,258	Common equity Tier 1 capital	21,799	19,959	21,589
1,800	1,650	1,800	Additional Tier 1 capital instruments	2,322	2,073	2,252
-48	-46	-48	Deduction for significant investments in financial institutions	-48	-46	-48
20,883	18,519	21,010	Tier 1 capital	24,073	21,985	23,793
-	-	-	Supplementary capital in excess of core capital			
2,150	2,000	2,650	Subordinated capital	3,390	2,522	2,822
-216	-209	-214	Deduction for significant investments in financial institutions	-214	-209	-216
1,934	1,791	2,436	Additional Tier 2 capital instruments	3,177	2,313	2,606
22,817	20,309	23,447	Total eligible capital	27,250	24,298	26,399

Minimum requirements subordinated capital						
1,256	1,234	1,343	Specialised enterprises	1,615	1,469	1,538
904	920	871	Corporate	897	947	931
1,569	1,368	1,583	Mass market exposure, property	3,015	2,587	2,907
124	108	127	Other mass market	131	111	126
1,485	1,253	1,533	Equity positions IRB	-	-	-
5,338	4,884	5,457	Total credit risk IRB	5,658	5,113	5,502
3	3	5	Central government	5	3	5
95	109	99	Covered bonds	163	156	153
373	383	364	Institutions	276	285	280
110	217	109	Local and regional authorities, state-owned enterprises	146	242	146
248	174	290	Corporate	557	421	506
4	7	9	Mass market	708	679	703
37	36	44	Exposures secured on real property	116	111	126
63	90	63	Equity positions	478	501	465
112	102	133	Other assets	206	180	178
1,046	1,121	1,116	Total credit risk standardised approach	2,654	2,578	2,561
22	42	30	Debt risk	31	43	22
-	-	-	Equity risk	11	10	7
-	-	-	Currency risk and risk exposure for settlement/delivery	0	4	2
545	458	545	Operational risk	923	852	924
38	40	32	Credit value adjustment risk (CVA)	141	149	153
6,988	6,544	7,180	Minimum requirements subordinated capital	9,418	8,749	9,171
87,354	81,801	89,750	Risk weighted assets (RWA)	117,721	109,366	114,633
3,931	3,681	4,039	Minimum requirement on CET1 capital, 4.5 per cent	5,297	4,921	5,159
			Capital Buffers			
2,184	2,045	2,244	Capital conservation buffer, 2.5 per cent	2,943	2,734	2,866
3,896	3,640	4,003	Systemic risk buffer, 4.5 per cent	5,218	4,867	5,081
2,184	2,045	2,244	Countercyclical buffer, 1.0 per cent	2,943	2,734	2,866
8,264	7,730	8,490	Total buffer requirements on CET1 capital	11,104	10,335	10,813
6,937	5,504	6,729	Available CET1 capital after buffer requirements	5,397	4,702	5,618
			Capital adequacy			
21.9 %	20.7 %	21.5 %	Common equity Tier 1 capital ratio	18.5 %	18.2 %	18.8 %
23.9 %	22.6 %	23.4 %	Tier 1 capital ratio	20.4 %	20.1 %	20.8 %
26.1 %	24.8 %	26.1 %	Capital ratio	23.1 %	22.2 %	23.0 %
			Leverage ratio			
221,334	216,517	224,379	Balance sheet items	329,436	311,331	323,929
7,559	6,724	7,777	Off-balance sheet items	9,211	8,046	8,984
-513	-382	-452	Regulatory adjustments	-612	-504	-666
228,380	222,858	231,704	Calculation basis for leverage ratio	338,035	318,873	332,247
20,883	18,519	21,010	Core capital	24,073	21,985	23,793
9.1 %	8.3 %	9.1 %	Leverage Ratio	7.1 %	6.9 %	7.2 %

Note 5 - Distribution of loans by sector/industry

Parent Bank				Group		
31 Dec 2023	31 Mar 2023	31 Mar 2024	(NOKm)	31 Mar 2024	31 Mar 2023	31 Dec 2023
12,021	10,773	11,919	Agriculture and forestry	12,398	11,214	12,489
5,459	7,095	5,599	Fisheries and hunting	5,626	7,123	5,488
2,218	1,864	2,239	Sea farming industries	2,499	2,179	2,473
3,170	2,736	3,206	Manufacturing	3,806	3,321	3,757
6,111	4,923	6,238	Construction, power and water supply	7,484	6,086	7,353
2,845	3,129	3,019	Retail trade, hotels and restaurants	3,961	3,872	3,777
6,030	5,700	5,066	Maritime sector	5,066	5,700	6,030
21,288	19,587	22,121	Property management	22,237	19,703	21,400
4,239	3,817	4,050	Business services	4,904	4,635	5,148
5,396	5,102	6,275	Transport and other services provision	7,424	6,182	6,459
2	3	10	Public administration	46	37	39
2,220	1,142	2,038	Other sectors	1,958	1,094	2,140
70,997	65,872	71,779	Gross loans in Corporate market	77,407	71,146	76,553
152,710	135,646	153,782	Wage earners	160,863	142,822	159,777
223,708	201,518	225,561	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	238,270	213,967	236,329
64,719	59,054	67,249	of which SpareBank 1 Boligkreditt	67,249	59,054	64,719
1,749	1,732	1,695	of which SpareBank 1 Næringskreditt	1,695	1,732	1,749
157,240	140,731	156,617	Total Gross loans to and receivables from customers	169,326	153,181	169,862
659	784	667	- Loan loss allowance on amortised cost loans	793	870	790
117	102	126	- Loan loss allowance on loans at FVOCI	126	102	117
156,464	139,845	155,824	Net loans to and receivables from customers	168,407	152,208	168,955

Note 6 - Losses on loans and guarantees

Parent Bank (NOKm)	Jan - Mar								
	2024			2023			2023		
	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	10	11	21	6	-93	-87	4	-59	-55
Actual loan losses on commitments exceeding provisions made	2	2	4	5	7	11	11	146	157
Recoveries on commitments previously written-off	-1	-3	-4	-2	-1	-2	-21	-153	-174
Losses for the period on loans and guarantees	11	10	21	9	-86	-77	-6	-66	-72

Group (NOKm)	Jan - Mar								
	2024			2023			2023		
	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	5	11	16	8	-91	-83	1	-7	-6
Actual loan losses on commitments exceeding provisions made	4	8	11	5	9	14	47	168	215
Recoveries on commitments previously written-off	-1	-3	-4	-2	-1	-2	-40	-155	-195
Losses for the period on loans and guarantees	8	16	24	11	-82	-71	8	6	14

Note 7 - Losses

	1 Jan	Change in	Net write-	31 Mar
Parent Bank (NOKm)	24	provision	offs	24
			/recoveries	
Loans as amortised cost- CM	671	6	-1	677
Loans as amortised cost- RM	43	5	-	48
Loans at fair value over OCI- RM	137	5	-	142
Loans at fair value over OCI- CM	13	4	-	17
Provision for expected credit losses on loans and guarantees	864	21	-1	884
Presented as				
Provision for loan losses	776	18	-1	793
Other debt- provisons	53	3	-	55
Other comprehensive income - fair value adjustment	36	0	-	36

	1 Jan	Change in	Net write-	31 Mar
Parent Bank (NOKm)	23	provision	offs	23
			/recoveries	
Loans as amortised cost- CM	921	-93	-	828
Loans as amortised cost- RM	35	7	-3	39
Loans at fair value over OCI- RM	147	-1	-	146
Loans at fair value over OCI- CM	2	0	-	2
Provision for expected credit losses on loans and guarantees	1,106	-87	-3	1,015
Presented as				
Provision for loan losses	999	-109	-3	887
Other debt- provisons	67	17	-	83
Other comprehensive income - fair value adjustment	40	5	-	45

	1 Jan	Merge	Change in	Net write-	31 Dec
Parent Bank (NOKm)	23	Søre	provision	offs	23
		Sunnmøre		/recoveries	
Loans as amortised cost- CM	921	32	-101	-181	671
Loans as amortised cost- RM	35	11	2	-5	43
Loans at fair value over OCI- RM	147	-	-10	-	137
Loans at fair value over OCI- CM	2	-	11	-	13
Provision for expected credit losses on loans and guarantees	1,106	43	-99	-186	864
Presented as					
Provision for loan losses	999	41	-77	-186	776
Other debt- provisons	67	2	-16	-	53
Other comprehensive income - fair value adjustment	40	-	-5	-	36

Group (NOKm)	1 Jan 24	Change in provision	Net write- offs /recoveries	31 Mar 24
Loans as amortised cost- CM	777	7	-1	783
Loans as amortised cost- RM	68	0	-	69
Loans at fair value over OCI- RM	137	5	-	142
Loans at fair value over OCI- CM	13	4	-	17
Provision for expected credit losses on loans and guarantees	995	16	-1	1,011
Presented as				
Provision for loan losses	907	13	-1	919
Other debt- provisons	53	3	-	55
Other comprehensive income - fair value adjustment	36	0	-	36

Group (NOKm)	1 Jan 23	Change in provision	Net write- offs /recoveries	31 Mar 23
Loans as amortised cost- CM	976	-91	-	885
Loans as amortised cost- RM	63	9	-3	69
Loans at fair value over OCI- RM	147	-1	-	146
Loans at fair value over OCI- CM	2	0	-	2
Provision for expected credit losses on loans and guarantees	1,188	-83	-3	1,101
Presented as				
Provision for loan losses	1,081	-105	-3	973
Other debt- provisons	67	17	-	83
Other comprehensive income - fair value adjustment	40	5	-	45

Group (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write- offs /recoveries	31 Dec 23
Loans as amortised cost- CM	976	32	-44	-186	777
Loans as amortised cost- RM	63	11	-1	-5	68
Loans at fair value over OCI- RM	147	-	-10	-	137
Loans at fair value over OCI- CM	2	-	11	-	13
Provision for expected credit losses on loans and guarantees	1,188	43	-44	-192	995
Presented as					
Provision for loan losses	1,081	41	-23	-192	907
Other debt- provisons	67	2	-16	-	53
Other comprehensive income - fair value adjustment	40	-	-5	-	36

Accrual for losses on loans

Parent Bank (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2023			
	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	38	95	45	179	46	93	42	181	46	93	42	181
Transfer to (from) stage 1	14	-14	-0	-	20	-20	-0	-	18	-18	-0	-
Transfer to (from) stage 2	-2	3	-0	-	-3	3	-0	-	-3	3	-0	-
Transfer to (from) stage 3	-0	-5	5	-	-0	-5	5	-	-0	-8	9	-
Net remeasurement of loss allowances	-13	21	9	18	-21	18	5	2	-26	19	-5	-12
Originations or purchases	4	3	0	8	8	2	1	11	15	20	3	37
Derecognitions	-3	-10	-2	-15	-6	-9	-3	-18	-14	-31	-4	-49
Changes due to changed input assumptions	1	-2	-0	-2	6	7	-4	9	3	16	8	27
Actual loan losses	0	0	-	-	-	-	-3	-3	0	0	-5	-5
Closing balance	39	91	58	188	51	89	43	182	38	95	45	179
Corporate Market												
Opening balance	160	267	205	633	138	298	421	858	138	298	421	858
Transfer to (from) stage 1	10	-10	-0	-	28	-27	-0	-	59	-59	-0	-
Transfer to (from) stage 2	-4	4	-0	-	-4	14	-10	-	-14	24	-10	-
Transfer to (from) stage 3	-6	-1	8	-	-1	-2	3	-	-1	-5	6	-
Net remeasurement of loss allowances	-13	28	11	26	-31	-56	-20	-107	-58	11	9	-38
Originations or purchases	21	10	3	34	18	1	-	19	90	35	37	163
Derecognitions	-13	-56	-12	-82	-13	-15	-3	-32	-52	-68	-15	-136
Changes due to changed input assumptions	6	25	0	31	7	5	0	12	-2	31	-62	-33
Actual loan losses	-	-	-1	-1	-	-	-	-	-	-	-181	-181
Closing balance	160	267	214	641	141	218	391	750	160	267	205	633
Total accrual for loan losses	198	359	271	829	192	306	434	932	198	363	251	812

Group (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2023			
	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	46	111	46	204	55	107	47	209	55	107	47	209
Transfer to (from) stage 1	18	-18	-0	-	21	-21	-0	-	21	-20	-1	-
Transfer to (from) stage 2	-3	3	-0	-	-3	3	-0	-	-4	5	-1	-
Transfer to (from) stage 3	-0	-6	6	-	-0	-6	6	-	-1	-10	11	-
Net remeasurement of loss allowances	-16	25	8	18	-21	21	6	7	-28	25	-6	-9
Originations or purchases	5	4	0	10	10	2	1	13	19	25	3	47
Derecognitions	-4	-11	-2	-17	-6	-10	-3	-19	-17	-34	-7	-58
Changes due to changed input assumptions	-1	-5	-0	-6	5	5	-4	6	-0	14	7	21
Actual loan losses	-	-	-	-	-	-	-3	-3	-	-	-5	-5
Closing balance	46	103	59	208	60	103	49	212	46	111	46	204
Corporate Market												
Opening balance	172	299	268	739	151	311	450	912	151	311	450	912
Transfer to (from) stage 1	11	-11	-0	-	29	-28	-0	-	63	-63	-0	-
Transfer to (from) stage 2	-5	6	-0	-	-5	15	-10	-	-18	28	-10	-
Transfer to (from) stage 3	-6	-3	9	-	-1	-3	4	-	-1	-6	7	-
Net remeasurement of loss allowances	-13	31	11	29	-29	-53	-19	-101	-59	22	60	23
Originations or purchases	22	12	4	38	20	2	1	22	96	46	38	181
Derecognitions	-14	-57	-13	-84	-14	-16	-3	-33	-54	-70	-16	-140
Changes due to changed input assumptions	5	22	-1	26	7	4	-6	5	-5	29	-75	-51
Actual loan losses	-	-	-1	-1	-	-	-	-	-	-	-186	-186
Closing balance	172	298	277	747	158	231	417	806	172	299	268	739
Total accrual for loan losses	218	401	336	955	219	334	465	1,018	218	410	314	943

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	18	27	8	53	24	34	9	67	24	34	9	67
Transfer to (from) stage 1	3	-3	-0	-	1	-1	-0	-	6	-6	-0	-
Transfer to (from) stage 2	-0	0	-0	-	-0	0	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-0	1	-	-0	-0	0	-	-0	-1	1	-
Net remeasurement of loss allowances	-4	-0	0	-4	-4	11	4	12	-13	-4	2	-15
Originations or purchases	2	0	5	7	10	1	0	11	9	4	0	13
Derecognitions	-1	-1	-0	-3	-1	-3	-0	-4	-6	-8	-1	-15
Changes due to changed input assumptions	1	2	-0	2	2	-4	-0	-2	0	5	-3	2
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	17	25	13	55	31	39	13	83	18	27	8	53
Of which												
Retail market				3				3				1
Corporate Market				53				81				51

Provision for credit losses specified by industry

Parent Bank (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2022			
	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	44	16	63	3	33	18	54	3	44	10	57
Fisheries and hunting	8	73	-	81	13	8	-	21	6	33	0	39
Sea farming industries	6	1	18	25	2	1	1	4	5	0	0	5
Manufacturing	10	29	14	52	9	39	5	53	15	31	13	59
Construction, power and water supply	35	28	32	96	38	22	15	75	46	25	28	99
Retail trade, hotels and restaurants	15	20	4	40	17	24	0	41	8	13	1	23
Maritime sector	6	18	102	127	6	22	152	180	7	54	103	164
Property management	37	72	27	136	33	63	23	119	44	92	22	159
Business services	20	20	6	46	14	33	178	226	17	16	24	57
Transport and other services	21	8	6	36	10	12	17	39	10	6	13	29
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	1	1	-	1	0	0	-	0	1	0	0	1
Wage earners	1	44	46	91	0	49	25	74	1	47	35	83
Total provision for losses on loans	163	359	271	793	146	306	434	887	163	363	251	776
loan loss allowance on loans at FVOCI	36			36	45			45	36			36
Total loan loss allowance	198	359	271	829	192	306	434	932	198	363	251	812

Group (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2022			
	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	45	17	66	4	35	19	58	4	46	10	60
Fisheries and hunting	8	73	0	81	13	8	0	21	6	33	0	39
Sea farming industries	7	1	18	26	4	1	1	6	6	0	0	6
Manufacturing	13	33	17	63	13	43	11	67	18	36	13	68
Construction, power and water supply	35	45	36	116	43	25	20	88	46	42	33	121
Retail trade, hotels and restaurants	18	22	4	44	19	25	2	45	11	15	2	28
Maritime sector	6	18	102	127	6	22	152	180	7	54	103	164
Property management	37	73	27	137	34	63	23	120	45	93	22	160
Business services	23	22	59	104	16	34	186	237	19	18	78	114
Transport and other services	23	13	9	46	13	17	21	51	12	11	16	39
Public administration	0	0	-	0	0	-	-	0	0	0	0	0
Other sectors	1	1	-	1	0	0	0	0	1	0	0	1
Wage earners	7	54	47	109	8	61	30	99	8	62	36	106
Total provision for losses on loans	182	401	336	919	173	334	465	973	183	410	314	907
loan loss allowance on loans at FVOCI	36			36	45			45	36			36
Total loan loss allowance	218	401	336	955	219	334	465	1,018	218	410	314	943

Note 8 - Gross Loans

Parent Bank (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2023			
	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	90,901	4,553	725	96,178	80,994	3,962	527	85,484	80,994	3,962	527	85,484
Transfer to stage 1	880	-868	-13	-	1,061	-1,048	-14	-	895	-868	-27	-
Transfer to stage 2	-875	889	-14	-	-1,003	1,010	-7	-	-1,538	1,557	1	-
Transfer to stage 3	-5	-111	116	-	-2	-95	97	-	-38	-156	194	-
Net increase/decrease amount existing loans	-1,184	-45	-17	-1,246	-973	-33	-2	-1,007	-2,305	-95	-6	-2,406
New loans	12,389	281	72	12,743	11,257	205	49	11,511	42,690	1,549	222	44,460
Derecognitions	-12,729	-525	-93	-13,346	-11,250	-489	-59	-11,798	-29,797	-1,395	-149	-31,342
Financial assets with actual loan losses	0	0	-1	-1	-0	-	-8	-8	0	0	-18	-18
Closing balance	89,377	4,175	775	94,327	80,085	3,514	583	84,181	90,901	4,553	725	96,178
Corporate Market												
Opening balance	47,327	6,988	1,165	55,480	43,127	5,883	1,346	50,356	43,127	5,883	1,346	50,356
Transfer to stage 1	249	-245	-5	-	791	-787	-4	-	1,026	-1,021	-5	-
Transfer to stage 2	-1,008	1,008	-0	-	-625	700	-76	-	-2,669	2,670	-1	-
Transfer to stage 3	-4	-31	35	-	-11	-16	27	-	-72	-44	116	-
Net increase/decrease amount existing loans	-131	-55	-3	-189	106	-66	2	42	-1,099	-485	-10	-1,594
New loans	6,193	1,257	188	7,638	4,732	30	47	4,810	17,922	816	351	19,089
Derecognitions	-4,768	-1,370	-408	-6,546	-3,147	-162	-50	-3,360	-10,901	-828	-335	-12,064
Financial assets with actual loan losses	0	0	-3	-3	0	0	-5	-5	-7	-2	-298	-307
Closing balance	47,858	7,553	969	56,380	44,972	5,582	1,288	51,843	47,327	6,988	1,165	55,480
Fixed interest loans at FV	5,909			5,909	4,707			4,707	5,582	-	-	5,582
Total gross loans at the end of the period	143,145	11,727	1,744	156,617	129,764	9,096	1,872	140,731	143,809	11,541	1,890	157,240

Group (NOKm)	31 Mar 2024				31 Mar 2023				31 Dec 2023			
	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	96,963	5,474	825	103,263	86,972	4,901	635	92,508	86,972	4,901	635	92,508
Transfer to stage 1	1,223	-1,209	-13	-	1,180	-1,167	-14	-	1,138	-1,108	-30	-
Transfer to stage 2	-1,052	1,070	-18	-	-1,219	1,229	-10	-	-1,955	1,978	-23	-
Transfer to stage 3	-11	-145	156	-	-5	-120	124	-	-59	-219	277	-
Net increase/decrease amount existing loans	-1,159	-51	-19	-1,229	-902	-40	-3	-944	-2,272	-165	-20	-2,457
New loans	13,231	301	73	13,605	12,195	229	50	12,474	45,658	1,781	231	47,670
Derecognitions	-13,502	-600	-108	-14,210	-11,990	-581	-69	-12,640	-32,519	-1,694	-227	-34,440
Financial assets with actual loan losses	-	-	-1	-1	-0	-	-8	-8	-0	-0	-18	-18
Closing balance	95,694	4,839	895	101,428	86,232	4,451	705	91,389	96,963	5,474	825	103,263
Corporate Market												
Opening balance	51,327	8,533	1,259	61,119	47,621	6,460	1,410	55,491	47,621	6,460	1,410	55,491
Transfer to stage 1	332	-323	-9	-	846	-834	-12	-	1,207	-1,199	-8	-
Transfer to stage 2	-1,132	1,137	-5	-	-684	760	-76	-	-3,639	3,655	-17	-
Transfer to stage 3	-10	-54	64	-	-16	-41	57	-	-101	-80	180	-
Net increase/decrease amount existing loans	-97	-61	-4	-162	119	-68	1	52	-1,103	-692	-23	-1,818
New loans	6,668	1,367	188	8,223	5,242	41	50	5,333	19,159	1,339	368	20,866
Derecognitions	-5,137	-1,530	-421	-7,088	-3,431	-211	-66	-3,708	-11,811	-949	-354	-13,114
Financial assets with actual loan losses	0	0	-3	-3	0	0	-4	-4	-7	-2	-297	-306
Balance at 31 December	51,952	9,068	1,069	62,089	49,696	6,108	1,359	57,163	51,327	8,533	1,259	61,119
Closing balance												
Fixed interest loans at FV	5,809			5,809	4,629			4,629	5,480			5,480
Total gross loans at the end of the period	153,455	13,907	1,964	169,326	140,557	10,559	2,065	153,181	153,770	14,007	2,085	169,862

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank			(NOKm)	Group		
31 Dec 2023	31 Mar 2023	31 Mar 2024		31 Mar 2024	31 Mar 2023	31 Dec 2023
2,460	2,747	3,129	Agriculture and forestry	3,129	2,747	2,460
1,588	1,464	1,352	Fisheries and hunting	1,352	1,464	1,588
1,157	774	1,076	Sea farming industries	1,076	774	1,157
2,671	2,880	2,392	Manufacturing	2,392	2,880	2,671
5,251	4,952	4,551	Construction, power and water supply	4,551	4,952	5,251
5,996	4,976	5,033	Retail trade, hotels and restaurants	5,033	4,976	5,996
1,132	1,265	1,348	Maritime sector	1,348	1,265	1,132
5,867	5,810	6,196	Property management	6,111	5,738	5,787
13,413	13,225	12,334	Business services	12,334	13,225	13,413
11,164	9,912	11,895	Transport and other services provision	11,428	9,417	10,698
19,437	23,301	20,866	Public administration	20,866	23,301	19,437
5,452	3,952	6,215	Other sectors	6,176	3,846	5,425
75,588	75,259	76,386	Total	75,795	74,586	75,015
57,874	48,943	58,600	Wage earners	58,600	48,943	57,874
133,462	124,202	134,986	Total deposits	134,395	123,529	132,888

Note 10 - Net interest income

Parent bank			(NOKm)	Group		
2023	Jan - Mar			Jan - Mar		2023
2023	2023	2024	2024	2023	2023	
Interest income						
887	183	236	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	91	77	380
4,716	981	1,361	Interest income from loans to and claims on customers (amortised cost)	1,638	1,207	5,701
3,616	725	1,096	Interest income from loans to and claims on customers (FVOCI)	1,096	725	3,616
165	33	49	Interest income from loans to and claims on customers (FVPL)	49	33	165
1,382	312	368	Interest income from money market instruments, bonds and other fixed income securities	372	319	1,377
-	-	-	Other interest income	6	6	24
10,766	2,234	3,111	Total interest income	3,253	2,367	11,263
Interest expense						
559	126	168	Interest expenses on liabilities to credit institutions	168	126	559
3,780	696	1,166	Interest expenses relating to deposits from and liabilities to customers	1,159	689	3,748
2,056	462	542	Interest expenses related to the issuance of securities	542	462	2,057
129	24	40	Interest expenses on subordinated debt	42	25	132
9	2	3	Other interest expenses	12	9	45
90	21	23	Guarantee fund levy	23	21	90
6,623	1,331	1,943	Total interest expense	1,947	1,332	6,631
4,143	903	1,168	Net interest income	1,306	1,035	4,632

Note 11 - Net commission income and other income

Parent bank			Group		
Jan - Mar			Jan - Mar		
2023	2023	2024 (NOKm)	2024	2023	2023
Commission income					
68	18	17	17	18	68
-	-	-	71	64	265
47	11	15	15	11	47
155	57	59	59	57	155
15	3	4	4	3	15
496	113	123	123	112	493
253	61	63	63	61	253
83	18	17	15	16	74
1,117	281	298	367	341	1,370
Commission expenses					
102	23	28	28	24	102
12	3	4	23	26	96
114	26	32	51	50	199
Other operating income					
38	9	11	9	10	41
-	-	-	44	42	166
-	-	-	200	188	661
34	7	1	4	10	45
73	16	12	257	249	913
1,076	271	279	572	541	2,084

Note 12 - Operating expenses

Parent bank			Group			
Jan - Mar			Jan - Mar			
2023	2023	2024	(NOKm)	2024	2023	2023
304	92	91	IT costs	110	106	355
11	3	3	Postage and transport of valuables	4	4	14
59	17	20	Marketing	26	23	86
77	23	30	Ordinary depreciation	41	29	117
46	13	13	Operating expenses, real properties	13	16	55
188	43	60	Purchased services	74	53	217
156	90	21	Other operating expense *)	32	99	195
841	280	237	Total other operating expenses	299	330	1,038

*) In the first quarter of 2024, a cost reduction of NOK 30 million has been made under other operating expense after payment of an insurance settlement in connection with the embezzlement case. In the first quarter of 2023, an operational loss of NOK 51 million, relating to the same case, has been expensed under other operating expense.

Note 13 - Net return on financial investments

Parent Bank				Group		
Jan - Mar				Jan - Mar		
2023	2023	2024	(NOKm)	2024	2023	2023
			Valued at fair value through profit/loss			
17	-25	-88	Value change in interest rate instruments	-94	-33	17
			Value change in derivatives/hedging			
2	9	6	Net value change in hedged bonds and derivatives*	6	9	2
5	-24	11	Net value change in hedged fixed rate loans and derivatives	11	-24	5
-118	-57	96	Other derivatives	96	-57	-118
			Income from equity instruments			
-	-	-	Income from owner interests	194	125	297
693	-	109	Dividend from owner instruments	-	-	-
32	5	1	Value change and gain/loss on owner instruments	1	2	-5
18	4	6	Dividend from equity instruments	3	2	26
421	11	11	Value change and gain/loss on equity instruments	41	-18	469
1,069	-77	153	Total net income from financial assets and liabilities at fair value through profit/(loss)	258	5	692
			Valued at amortised cost			
-2	-1	0	Value change in interest rate instruments held to maturity	0	-1	-2
-2	-1	0	Total net income from financial assets and liabilities at amortised cost	0	-1	-2
108	24	22	Total net gain from currency trading	22	24	108
1,175	-54	175	Total net return on financial investments	281	28	799
			* Fair value hedging			
896	185	-185	Changes in fair value on hedging instrument	-185	185	896
-894	-176	191	Changes in fair value on hedging item	191	-176	-894
2	9	6	Net Gain or Loss from hedge accounting	6	9	2

Note 14 - Other assets

Parent Bank			(NOKm)	Group		
31 Dec 2023	31 Mar 2023	31 Mar 2024		31 Mar 2024	31 Mar 2023	31 Dec 2023
-	-	-	Deferred tax asset	6	5	6
167	114	161	Fixed assets	268	227	276
251	275	331	Right to use assets	481	410	390
136	143	159	Earned income not yet received	215	192	153
66	1,780	278	Accounts receivable, securities	278	1,780	66
221	240	221	Pension assets	221	240	221
479	694	531	Other assets	826	953	737
1,320	3,246	1,682	Total other assets	2,295	3,808	1,848

Note 15 - Other liabilities

Parent Bank			(NOKm)	Group		
31 Dec 2023	31 Mar 2023	31 Mar 2024		31 Mar 2024	31 Mar 2023	31 Dec 2023
158	72	158	Deferred tax	216	127	216
813	527	757	Payable tax	812	602	900
22	13	22	Capital tax	22	13	22
137	263	681	Accrued expenses and received, non-accrued income	1,001	573	439
533	619	619	Provision for accrued expenses and commitments	619	619	533
52	83	55	Losses on guarantees and unutilised credits	55	83	52
9	6	9	Pension liabilities	9	6	9
260	285	338	Lease liabilities	491	421	403
9	109	4	Drawing debt	4	109	9
132	81	99	Creditors	189	159	191
-15	972	288	Debt from securities	288	972	-15
148	1,139	1,984	Other liabilities	2,064	1,195	243
2,259	4,168	5,013	Total other liabilities	5,771	4,878	3,002

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

Group

Change in securities debt (NOKm)	01 Jan 2024	Issued	Fallen due/ Redeemed	Other changes	31 Mar 2024
Bond debt, nominal value	34,767	-	2,955	713	32,526
Senior non preferred, nominal value	12,344	357	-	-5	12,696
Value adjustments	-1,588	-	-	-248	-1,836
Accrued interest	306	-	-	77	386
Total	45,830	357	2,955	537	43,772

Change in subordinated debt and hybrid equity (NOKm)	01 Jan 2024	Issued	Fallen due/ Redeemed	Other changes	31 Mar 2024
Ordinary subordinated loan capital, nominal value	2,226	-	-500	2	2,728
Hybrid equity, nominal value	-	-	-	-	-
Value adjustments	-	-	-	-	-
Accrued interest	21	-	-	3	24
Total	2,247	-	-500	5	2,752

Note 17 - Measurement of fair value of financial instruments

Financial instruments at fair value are classified at various levels.

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

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

Level 2: Valuation based on observable market data

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

Level 3: Valuation based on other than observable data

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

The following table presents the Group's assets and liabilities measured at fair value at 31 March 2024:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	7,260	-	7,260
- Bonds and money market certificates	4,104	31,976	-	36,080
- Equity instruments	385	110	660	1,156
- Fixed interest loans	-	101	5,808	5,909
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	90,820	90,820
Total assets	4,490	39,447	97,288	141,225
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	7,084	-	7,084
Total liabilities	-	7,084	-	7,084

The following table presents the Group's assets and liabilities measured at fair value at 31 March 2023:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	7,073	-	7,073
- Bonds and money market certificates	4,576	39,754	-	44,330
- Equity instruments	158	120	548	826
- Fixed interest loans	-	78	4,628	4,706
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	80,843	80,843
Total assets	4,734	47,025	86,019	137,777
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	7,792	-	7,792
Total liabilities	-	7,792	-	7,792

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2023:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	6,659	-	6,659
- Bonds and money market certificates	2,879	31,284	-	34,163
- Equity instruments	363	152	622	1,137
- Fixed interest loans	-	102	5,480	5,582
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	92,263	92,263
Total assets	3,242	38,197	98,365	139,804
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	6,989	-	6,989
Total liabilities	-	6,989	-	6,989

The following table presents the changes in the instruments classified in level 3 as at 31 March 2024:

(NOKm)	Equity instruments through profit /loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	622	5,480	92,263	98,365
Investment in the period	5	612	11,544	12,161
Disposals in the period	-1	-257	-12,978	-13,236
Expected credit loss	-	-	-9	-9
Gain or loss on financial instruments	34	-26	0	8
Closing balance 31 March 2024	660	5,808	90,820	97,288

The following table presents the changes in the instruments classified in level 3 as at 31 March 2023:

(NOKm)	Equity instruments through profit /loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	570	4,630	81,901	87,101
Investment in the period	4	211	10,292	10,506
Disposals in the period	-3	-209	-11,356	-11,568
Expected credit loss	-	-	1	1
Gain or loss on financial instruments	-24	-4	5	-22
Closing balance 31 March 2023	548	4,628	80,843	86,019

The following table presents the changes in the instruments classified in level 3 as at 31 December 2023:

(NOKm)	Equity instruments through profit /loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	570	4,630	81,901	87,101
Investment in period	38	1,814	40,578	42,430
Disposals in the period	-25	-977	-30,210	-31,212
Expected credit loss	-	-	2	2
Gain or loss on financial instruments	38	14	-7	45
Closing balance 31 December	622	5,480	92,263	98,366

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 2 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 560 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 March 2024:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumptions
Fixed interest loans	5,808	-15
Equity instruments through profit/loss *	660	-
Loans at fair value through other comprehensive income	90,820	-2

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

Note 18 - Liquidity risk

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

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

The average residual maturity on debt created by issue of securities at the end of the first quarter 2024 was 3.3 years. The overall LCR at the same point was 160 per cent and the average overall LCR in the first quarter was 176 per cent. The LCR in Norwegian kroner and euro at quarter-end was 160 and 392 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 - Mar		
	2024	2023	2023
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	1,011	711	3,489
Allocated to ECC Owners 2)	675	455	2,331
Issues Equity Capital Certificates adjusted for own certificates	144,166,778	129,357,116	138,106,331
Earnings per Equity Capital Certificate	4.68	3.52	16.88
	Jan - Mar		
	2024	2023	2023
1) Adjusted Net Profit			
Net Profit for the group	1,084	778	3,688
adjusted for non-controlling interests share of net profit	-25	-33	-74
Adjusted for Tier 1 capital holders share of net profit	-48	-34	-125
Adjusted Net Profit	1,011	711	3,489
	31 Mar 2024	31 Mar 2023	31 Dec 2023
2) Equity capital certificate ratio (parent bank) (NOKm)			
ECC capital	2,883	2,597	2,884
Dividend equalisation reserve	8,472	7,877	8,482
Premium reserve	2,422	895	2,422
Unrealised gains reserve	71	45	71
Other equity capital	0	-	0
A. The equity capital certificate owners' capital	13,848	11,413	13,859
Ownerless capital	6,865	6,408	6,865
Unrealised gains reserve	35	25	35
Other equity capital	0	-	0
B. The saving bank reserve	6,901	6,433	6,900
To be disbursed from gift fund	-	-	860
Dividend declared	-	-	1,730
Equity ex. profit	20,748	17,846	23,350
Equity capital certificate ratio A/(A+B)	66.8 %	64.0 %	66.8 %
Equity capital certificate ratio for distribution	66.8 %	64.0 %	66.8 %