

First Quarter Report 2022



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Main figures

From the income statement (NOKm)	January - March		
	2022	2021	2021
Net interest	758	668	2,796
Net commission income and other income	637	790	2,832
Net return on financial investments	235	289	1,026
Total income	1,630	1,748	6,655
Total operating expenses	762	796	2,993
Results before losses	868	952	3,662
Loss on loans, guarantees etc	0	59	161
Results before tax	868	893	3,501
Tax charge	169	131	609
Result investment held for sale, after tax	-1	6	10
Net profit	698	768	2,902
Interest Tier 1 Capital	21	20	50
Net profit excl. Interest Tier 1 Capital	677	748	2,852

Balance sheet figures	31 March 2022	31 March 2021	31 Dec 2021
Gross loans to customers	147,023	137,471	147,301
Gross loans to customers incl. SB1 Boligkreditt and SB1 Næringskreditt	199,965	185,342	195,353
Deposits from customers	114,053	102,390	111,286
Average total assets	202,936	190,867	196,229
Total assets	207,027	193,822	198,845

Key figures	January - March		
	2022	2021	2021
Profitability			
Return on equity ¹⁾	12.5 %	14.8 %	13.5 %
Cost-income ratio ¹⁾	47 %	46 %	45 %
Deposit-to-loan ratio excl. SB1 Boligkreditt and SB1 Næringskreditt	78 %	74 %	76 %
Deposit-to-loan ratio incl. SB1 Boligkreditt and SB1 Næringskreditt ¹⁾	57 %	55 %	57 %
Growth in loans (gross) last 12 months (incl. SB1 Boligkreditt and SB1 Næringskreditt) ¹⁾	7.9 %	8.5 %	6.9 %
Growth in deposits last 12 months	11.4 %	16.2 %	14.1 %
Losses in % of gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt			
Impairment losses ratio ¹⁾	0.00 %	0.13 %	0.09 %
Stage 3 as a percentage of gross loans ¹⁾	1.62 %	1.66 %	1.68 %
Solidity			
Capital ratio	21.9 %	21.9 %	21.6 %
Tier 1 capital ratio	19.8 %	19.7 %	19.6 %
Common equity Tier 1 capital ratio	18.3 %	18.0 %	18.0 %
Tier 1 capital	19,797	18,636	19,322
Total eligible capital	21,839	20,741	21,333
Liquidity Coverage Ratio (LCR)	155 %	190 %	138 %
Leverage Ratio	7.0 %	7.0 %	6.9 %
Branches and staff			
Number of branches	40	42	40
No. Of full-time positions	1,556	1,544	1,548

¹⁾ Defined as alternative performance measures, see attachment to quarterly report

Key figures ECC	31 March 2022	31 March 2021	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
ECC ratio	64 %	64 %	64 %	64 %	64.0 %	64.0 %
Number of certificates issued, millions ¹⁾	129.39	129.22	129.39	129.39	129.30	129.62
ECC share price at end of period (NOK)	141.20	107.40	149.00	97.60	100.20	84.20
Stock value (NOKM)	18,270	13,878	19,279	12,629	12,956	10,914
Booked equity capital per ECC (including dividend) ¹⁾	99.55	96.70	103.48	94.71	90.75	83.87
Profit per ECC, majority ¹⁾	3.20	3.40	13.31	8.87	12.14	9.97
Dividend per ECC	0.00	0.00	7.50	4.40	6.50	5.10
Price-Earnings Ratio ¹⁾	11.05	7.91	11.19	11.01	8.26	8.44
Price-Book Value Ratio ¹⁾	1.42	1.11	1.44	1.03	1.10	1.00

¹⁾ Defined as alternative performance measures, see attachment to quarterly report

Report of the Board of Directors

First quarter 2022

(Consolidated figures. Figures in parenthesis refer to the same period of 2021 unless otherwise stated)

- Net profit: NOK 698m (768m)
- Return on equity: 12.5 per cent (14.8 per cent)
- CET1 ratio: 18.3 per cent (18.0 per cent)
- Growth in lending: 2.4 per cent (1.4 per cent) and in deposits: 2.5 per cent (growth of 5.0 per cent)
- Lending to personal customers rose by 1.6 per cent in the quarter (0.8 per cent), the same growth as in the fourth quarter. Lending to corporate clients rose by 4.0 per cent (2.6 per cent) which was 1.9 percentage points higher than in the fourth quarter of 2021
- Deposits from personal customers rose by 2.2 per cent (1.8 per cent), 0.8 percentage point higher than in the fourth quarter. Deposits from corporate clients rose by 2.6 per cent (7.3 per cent), 0.9 percentage point higher than in the fourth quarter of 2021
- Net result of ownership interests: NOK 62m (128m)
- Net result of financial instruments (incl. dividends): NOK 173m (161m)
- Losses on loans and guarantees: NOK 0m (59m), 0.00 per cent of gross lending (0.13 per cent)
- Earnings per equity certificate (EC): NOK 3.20 (3.40). Book value per EC: NOK 99.55 (96.70)

Events in the quarter

The upturn in the Norwegian economy is expected to continue despite the war in Ukraine

Norges Bank raised its base rate to 0.75 in March. Like other banks, SpareBank 1 SMN has increased its interest rates on mortgages and deposits.

Activity levels in the Norwegian economy continued to rise following the removal of infection protection measures this winter. Unemployment has been further reduced and there is very high utilisation of the capacity in the economy. The war in Ukraine creates uncertainty, but a continued recovery in the Norwegian economy is in prospect. Wage and price growth has been higher than anticipated. Increased expectations as to wage growth along with higher prices of imported goods are likely to bring higher inflation ahead.

The war and ensuing sanctions along with changed behaviour abroad and at home affect the Norwegian economy both directly and indirectly. The war reduces trade between the countries involved and the rest of the world, causing a shortage of goods and higher prices of energy, food and other commodities. As would be expected, financial markets are experiencing increased disquiet and volatility, resulting in wider credit spreads in the bond market. Despite this, the impact on the Norwegian economy is not expected to be dramatic, with employment remaining high and a limited decline in expected GDP growth. For SpareBank 1 SMN's part, the corporate portfolio is so far little affected by the repercussions of the pandemic or by the war in Ukraine. It is emphasised that there are many uncertainties in both the international and Norwegian economies in the first part of 2022. The conditions in the economy can change rapidly, and thus also the economic outlook.

Norges Bank signals further, relatively frequent changes in the base rate ahead, and the forecast following the interest rate decision in March 2022 indicates a base rate of 2.50 per cent at the end of 2023. The main rationale for this is the need to slow the inflation resulting from capacity constraints in the economy and rising wage and price growth.

Results for the first quarter of 2022

The first quarter net profit was NOK 698m (768m) and return on equity was 12.5 per cent (14.8 per cent). The profit is NOK 5m lower than in the fourth quarter. The profit decline compared with last year's first quarter is largely down to weaker performances by the insurance companies in SpareBank 1 Gruppen.

Earnings per equity certificate (EC) were NOK 3.20 (3.40) and the EC's book value was NOK 99.55 (96.70). In the fourth quarter of 2021 earnings per EC were NOK 3.20.

Net interest income totalled NOK 758m (668m), which is NOK 35m higher than in the fourth quarter and NOK 89m better than in the first quarter of last year. The market interest rate in terms of NIBOR, which is an important component of the banks' funding costs, was about 40 points higher in the first quarter of 2022 than in the fourth quarter and about 70 points higher than in the first quarter of 2021. This has resulted in lower margins on loans and higher margins on deposits. Increased lending and deposit volumes have strengthened net interest income.

Net commission and other income declined from the previous quarter by NOK 34m to NOK 637m (790m). The change from the fourth quarter is largely due to reduced incomes from securities services at SpareBank 1 Markets and lower commission incomes from SpareBank 1 Boligkreditt. The substantial decline from the same quarter of 2021 relates mainly to securities services at SpareBank 1 Markets which posted very high revenues in the first quarter of 2021.

The group's share of the result of ownership interests and related companies was NOK 62m (128m). The fourth quarter's profit share was NOK 186m. The decline is mainly attributable to weak results posted by the insurance companies in SpareBank 1 Gruppen in the first quarter.

Return on financial instruments (incl. dividends) was NOK 173m (161m), and in the fourth quarter NOK 33m. High returns in both the first quarter of 2022 and 2021 refer to gains on shares at SpareBank 1 SMN Invest.

Operating expenses came to NOK 762m (796m). In the fourth quarter operating expenses totalled NOK 765m. The bank reports increased costs compared with the first quarter of 2021, while overall costs at the subsidiaries have fallen.

Net losses on loans and guarantees were NOK 0m (59m) in the first quarter, and in the fourth quarter NOK 32m. The low losses are ascribable to improved prospects in the oil and offshore industry and sound finances among households and the business sector in general.

Good growth is noted in lending and deposits. Overall lending grew by 7.9 per cent (8.5 per cent) and deposits by 11.4 per cent (16.2 per cent) in the last 12 months. In the first quarter lending growth was 2.4 (1.4) per cent and deposit growth 2.5 per cent (5.0 per cent).

As at 31 March 2022 the CET1 ratio was 18.3 per cent (18.0 per cent), an increase of 0.3 per cent from the previous quarter. The CET1 ratio target is 16.9 per cent, including a Pillar 2 requirement of 1.9 per

cent. From 30 April 2022, SpareBank 1 SMN has received a new Pillar 2 requirement. The rate of 1.9 per cent is unchanged, but the bank must have an additional 0.7 per cent in Pillar 2 requirements until the application for adjusted IRB-models has been processed.

The financial supervisory authority has decided that SpareBank 1 SMN shall have a pillar 2 guidance of 1.25 per cent above total capital requirements. With this, the bank's long-term target for common equity tier 1 capital adequacy has been increased to 17.2 per cent

Earnings per EC were NOK 3.20 (3.40). The book value was NOK 99.55 (96.70) per EC. In the first quarter a cash dividend of NOK 7.50 was paid for the year 2021 (4.40).

The price of the bank's equity certificate (MING) at quarter-end was NOK 141.20 (107.40).

Increased net interest income

In March 2022 Norges Bank, as expected, raised its base rate further to 0.75 per cent. Market rates in terms of NIBOR have also risen and, partly as a result of low market liquidity, have risen more than the base rate. The bank has increased its mortgage and deposit rates following the changes in the base rate, and has announced a further increase of up to 25 points as from 13 May 2022.

Net interest income totalled NOK 758m (668m) compared with NOK 723m in the fourth quarter of 2021. Market rates rose from the fourth to the first quarter, and margins on residential mortgages declined while margins on deposits increased. Growth in lending and deposits in the quarter, along with increased return on equity, strengthened net interest income.

Norges Bank has signalled further increases in the base rate in 2022 in view of the relatively good prospects for the economy and higher inflation. This could bring residential mortgage margins under further pressure while margins on deposits and return on equity will rise.

Commission income and other operating income

Commission income and other operating income totalled NOK 637m (790m) compared with NOK 671m in the fourth quarter of 2021.

Good customer offerings and a high proportion of multi-product customers make for high customer satisfaction and a diversified income flow for the group.

Commission income (NOKm)	1Q 22	4Q 21	1Q 21
Payment transfers	60	72	49
Creditcard	16	14	14
Saving products	9	13	15
Insurance	57	55	52
Guarantee commission	18	22	14
Real estate agency	94	100	103
Accountancy services	156	114	148
Markets	124	158	275
Other commissions	14	17	5
Commissions ex SB1 Boligkreditt and SB1 Næringskreditt	549	565	675
Commissions SB1 Boligkreditt	84	102	112
Commissions SB1 Næringskreditt	4	3	4
Total commissions	637	671	790

Commission income on loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt altogether totalled NOK 88m (116m). In the fourth quarter of 2021 commissions came to NOK 105m. The decline in

the first quarter of 2022 is due to lower margins on loans sold to SpareBank 1 Boligkreditt. Margins are down since the company's funding costs related to NIBOR have risen faster than the bank has adjusted its customer interest rates.

Other commission income totalled NOK 549m (675m) compared with NOK 565m in the fourth quarter. The decline of NOK 16m from the fourth quarter relates mainly to securities services at SpareBank 1 Markets and payments incomes. Incomes from accounting services rose in keeping with seasonal variations.

In the first quarter of 2021 high issuance activity spurred very high incomes from securities services at SpareBank 1 Markets.

Return on financial investments

Return on financial investments in the first quarter was NOK 172m (158m), and in the fourth quarter NOK 32m. Gains of NOK 137m (102m) were noted, mainly on shareholdings at SpareBank 1 SMN Invest. Financial instruments, including bonds and CDs, showed a capital loss of NOK 10m (gain of NOK 20m) ascribable to changed credit margins on the bank's liquidity holdings. Income of NOK 7m (15m) from forex transactions is income from currency trading at SpareBank 1 Markets.

Return on financial investments (NOKm)	1Q 22	4Q 21	1Q 21
Capital gains/losses shares	137	15	102
Gain/(loss) on financial instruments	-10	-9	20
Foreign exchange gain/(loss)	7	24	15
Gain/(loss) on shares and share derivatives at SpareBank 1 Markets	37	1	20
Net return on financial instruments	172	32	158

Product companies and other related companies

The product companies provide SpareBank 1 SMN with a broad product range and commission income along with return on invested capital. The overall profit share from the product companies and other related companies was NOK 62m (128m). In the fourth quarter the figure was NOK 186m.

Income from investment in associated companies	1Q 22	4Q 21	1Q 21
SpareBank 1 Gruppen (19.5%)	13	173	67
SpareBank 1 Boligkreditt (20.9%)	-5	-2	4
SpareBank 1 Næringskreditt (14.9%)	0	0	3
SpareBank 1 Kreditt (19.2%)	3	2	0
BN Bank (35%)	49	42	40
SpareBank 1 Betaling (21.5%)	-5	-9	-1
SpareBank 1 Forvaltning (19.3%)	8	12	0
Other companies	-1	-32	14
Income from investment in associated companies	62	186	128

SpareBank 1 Gruppen

This company owns 100 per cent of the shares of SpareBank 1 Forsikring, SpareBank 1 Factoring, SpareBank 1 Spleis and Modhi Finance. SpareBank 1 Gruppen is the majority owner (65 per cent) of the non-life insurer Fremtind.

SpareBank 1 Gruppen's profit after tax for the first quarter of 2022 was NOK 95m (507m) and in the fourth quarter of 2021 NOK 1,079m. NOK 67m of the post-tax profit of NOK 95m accrues to the majority owners of SpareBank 1. Return on equity in the first quarter of 2022 was 2.5 per cent. The poor performance is down to weak results posted by the insurers Fremtind Forsikring and SpareBank 1 Forsikring.

Fremtind Forsikring posted a first quarter profit of NOK 79m (466m) after tax. The profit impairment is due to a weak equity market and a negative value trend on the insurers' fixed income portfolio, and a poor underwriting result. The quarter's underwriting result was NOK 162m (467m) and the claims ratio 70.1 per cent (63.7 per cent). The claims ratio in the first quarter showed an increase due to an unusually large element of natural damage. Financial incomes were minus NOK 38m (plus 158m) in the first quarter.

SpareBank 1 Forsikring reported a first quarter 2022 profit of NOK 3m (minus 17m) after tax. A weak securities market impaired the return on financial assets, while increased incomes on pension products helped strengthen the profit performance.

The debt collection company Mohdi Finance posted a first quarter profit of NOK 37m after tax (56m). The company's incomes rose as a result of new income flows from portfolios acquired in 2021. A good performance in the first quarter of 2021 was largely a result of portfolio revaluation.

Modhi and the debt collection company Kreditor have signed an agreement of intent to merge their operations to become a leading company in the field of debt collection and debt servicing with the Nordic region as its home market. Kreditor is somewhat larger than Modhi, but the intention is that the parties should end up with equal stakes in the company.

SpareBank 1 Factoring recorded a first-quarter profit of NOK 17m (11m), and is on a positive trend following the pick-up in customer activity after the pandemic.

The group's profit share from SpareBank 1 Gruppen was NOK 13m (67m) and in the fourth quarter of 2021 NOK 173m.

SpareBank 1 Forvaltning

The company was established in 2021 to strengthen the SpareBank 1 banks' competitive power in the savings market. Odin Forvaltning, SpareBank 1 Kapitalforvaltning, SpareBank 1 SR Forvaltning and SpareBank 1 verdipapirservice make up the SpareBank 1 Forvaltning group. SpareBank 1 SMN owns 19.3 per cent of the company, and its profit share in the first quarter was NOK 8m and in the fourth quarter NOK 12m. The result is satisfactory taking into account a number of start-up costs still affecting the accounts.

SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt was established by the banks making up SpareBank 1-alliansen to draw benefit from the market for covered bonds. The banks sell well-secured residential mortgages to the company and achieve reduced funding costs.

As at 31 March 2022 the bank had sold loans totalling NOK 51.2bn (46.3bn) to SpareBank 1 Boligkreditt, corresponding to 38.0 per cent (36.9 per cent) of the bank's overall lending to personal borrowers.

The bank's stake in the company is 20.9 per cent, and the share of the company's profit was minus NOK 5m (plus 4m). The negative result is due to increased credit margins on the company's liquidity portfolio.

SpareBank 1 Næringskreditt

SpareBank 1 Næringskreditt was established along the same lines and with the same administration as SpareBank 1 Boligkreditt. As at 31 March 2022, loans worth NOK 1.7bn (1.6bn) had been sold to SpareBank 1 Næringskreditt.

SpareBank 1 SMN share of the profit was NOK 0m (3m). SpareBank 1 SMN's stake in the company is 14.9 per cent.

SpareBank 1 Kreditt

SpareBank 1 SMN's share of the first quarter profit was NOK 3m (0m). SpareBank 1 SMN's customers' portfolio of credit cards and consumer loans totalled NOK 1,076m (893m) and it holds a 19.2 per cent stake. A substantial portion of the growth of NOK 183m in the last 12 months refers to refinancing loans.

BN Bank

BN Bank offers residential mortgage loans and loans to commercial property and its main market is Oslo and south-eastern Norway. BN Bank showed good growth of 14.4 per cent in lending to personal customers in the last 12 months (9.4 per cent) and growth of 2.3 per cent in the first quarter (1.7 per cent). Growth in lending to corporate clients was 5.0 per cent in the last 12 months (11.8 per cent) and 4.2 per cent in the first quarter (5.5 per cent). Total outstanding loans come to NOK 53bn (48bn).

BN Bank recorded a profit of NOK 143m (117m) in the first quarter, providing a return on equity of 11.6 per cent (10.5 per cent). Increased net interest income and commission income explain the profit growth. SpareBank 1 SMN's share of BN Bank's profit is NOK 49m (40m).

SpareBank 1 Betaling

SpareBank 1 Betaling is the SpareBank 1 banks' parent company for Vipps payments solutions. On 30 June 2021 Vipps entered an agreement to merge Vipps' mobile payments arm with Danish MobilePay and Finnish Pivo which opens the way for cross-border mobile payments. BankAxept and BankID are concurrently to be spun off from Vipps to become a Norwegian-owned company with its own management. This company will continue to be 100 per cent owned by the Norwegian banks.

SpareBank 1 SMN stake in the company is 21.5 per cent and its profit share was minus NOK 5m (minus 1m) in the first quarter.

Operating expenses

Overall expenses in the first quarter came to NOK 762m (796m), a decline of NOK 34m compared with the same period of 2021. Overall expenses in the fourth quarter of 2021 were NOK 765m.

Expenses reported by the subsidiaries are down compared with the fourth quarter, mainly as a result of somewhat lower activity at SpareBank 1 Markets. This also essentially explains the decline from the first quarter of 2021 when SpareBank 1 Markets posted extremely high incomes and expenses. The remaining subsidiaries report no increase in expenses.

In the bank, the costs were NOK 389m (344m) and in the previous quarter NOK 368m. Cost increase of NOK 45m from the first quarter of 2021 is mainly increased costs for anti-money laundering, technology development and customer-oriented activity. In addition, some costs in 2022 came earlier in the year than in 2021. Cost growth is expected to slow over the year.

The cost-income ratio was 47 per cent (46 per cent) for the group, 39 per cent (36 per cent) for the parent bank.

Low losses

Losses on loans totalled NOK 0m (59m) and in the fourth quarter NOK 32m.

Impairment losses	1Q 22	4Q 21	1Q 21
RM	-5	4	-7
CM	5	27	65
<i>Of which offshore</i>	-12	-27	56
Total impairment losses	-0	32	59

A loss of NOK 5m (65m) was recorded on loans to corporates, including a net recovery of NOK 12m (loss of NOK 56m) in the offshore portfolio and increased losses of NOK 17m on other business and industry distributed evenly across a number of customers and segments.

A net recovery of NOK 5m was recorded on losses to personal customers (recovery of 7m).

In the first quarter of 2022 the increase in the trajectories for PD in the base scenario as a result for the pandemic has been removed from the loss model. At the same time the downside scenario weighting was increased further in the agriculture and 'other corporate' (corporate exc. offshore and hotels/tourism) portfolios to 25 per cent to take into account increased uncertainty due to the war in Ukraine and generally greater uncertainty with regard to future economic growth. See note 2 for a more detailed description of changed assumptions in the loss model.

Losses on loans were substantially reduced and appear to have stabilised at a relatively low level. The outlook in the offshore industry has brightened and the risk picture as regards lending to other business and industry and personal customers reflects a healthy trend in financial positions in the region, both in business and industry and among households.

Overall write-downs on loans and guarantees total NOK 1,351m (1,665m).

Problem loans (Stage 3) amount to NOK 3,243m (3,073m) corresponding to 1.62 per cent (1.66 per cent) of gross outstanding loans, including loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

Total assets of NOK 207bn

The bank's total assets were NOK 207bn (194bn), having risen as a result of higher lending volumes.

Loans totalling NOK 53bn (48bn) have been sold from SpareBank 1 SMN to SpareBank 1 Boligkreditt and to SpareBank 1 Næringskreditt. These loans do not figure as loans in the bank's balance sheet. The comments covering lending growth take into account loans sold.

Lending

Total outstanding loans rose in the last 12 months by NOK 14.6bn (14.6bn), corresponding to 7.9 per cent (8.5 per cent), and stood at NOK 200.0bn (185.3bn) at year-end. Growth in the first quarter was 2.4 per cent (1.4 per cent).

- Lending to personal customers rose in the last 12 months by NOK 9.5bn (8.5bn) to NOK 135.0bn (125.5bn). Growth in the period was 7.6 per cent (7.3 per cent). In the first quarter growth was 1.6 per cent (0.8 per cent)
- Lending to corporate clients rose in the last 12 months by NOK 5.1bn (6.1bn) to NOK 65.0bn (59.8bn). Growth in the period was 8.6 per cent (11.3 per cent). In the first quarter growth was 4.0 per cent (2.6 per cent)

- Lending to personal customers accounted for 68 per cent (68 per cent) of total outstanding loans to customers.

The group reports good growth in lending to personal customers and is strengthening its market position. A substantial portion of the growth is to the LO (Norwegian Trade Unions Confederation) segment. The growth in lending to corporate clients is largely to small and medium-sized businesses throughout the market area. The growth is distributed across a number of industries, and industry and single name concentrations are avoided.

(For distribution by sector, see [note 5](#)).

Deposits

Customer deposits rose in in the last 12 months by NOK 11.7bn (14.2bn) to NOK 114.1bn (102.4bn). This represents a growth of 11.4 per cent (16.2 per cent). Growth in the first quarter was 2.5 per cent (5.0 per cent).

- Personal deposits rose by NOK 4.3bn (4.1bn) to NOK 45.6bn (41.3bn), corresponding to 10.3 per cent (11.1 per cent). In the first quarter growth was 2.2 per cent (1.8 per cent)
- Corporate deposits rose by NOK 7.4bn (10.1bn) to NOK 68.5bn (61.1bn), corresponding to 12.1 per cent (19.8 per cent). In the first quarter growth was 2.6 per cent (7.3 per cent)
- The deposit-to-loan ratio including SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt was 57 per cent (55 per cent).

Deposit growth has been very high in the last two years due to the pandemic.

(For distribution by sector, see [note 9](#)).

Personal customers

The Personal Banking Division and EiendomsMegler 1 Midt-Norge offer a broad range of financial services. Improved coordination between the bank and the real estate agency business affords customers a better service offering and contributes to increased growth and profitability.

The **Personal Banking Division** achieved a pre-tax profit of NOK 274m (280m), and NOK 288m in the previous quarter.

Loans granted by the Personal Banking Division total NOK 140bn (130bn) and deposits total NOK 52bn (48bn). These are loans to and deposits from wage earners, agricultural customers and sole proprietorships.

Operating income posted by the division totalled NOK 515m (496m) and NOK 531 in the previous quarter. Net interest income accounted for NOK 313m (276m) and NOK 306m in the fourth quarter. Commission income totalled NOK 202m (219m) and NOK 225m in the previous quarter. Net interest income rose compared with the fourth quarter of 2021 as a result of growth and a strengthened deposit margin, while lower margins on loans have weakened net interest income and commissions from SpareBank 1 Boligkreditt.

The lending margin was 1.04 per cent (1.59 per cent) and in the fourth quarter of 2021 1.25 per cent. The deposit margin was 0.73 per cent (0.08 per cent) and 0.43 per cent in the previous quarter.

Growth in lending to and deposits from personal customers was 7.3 per cent (7.4 per cent) and 8.0 per cent (10.2 per cent) respectively in the last 12 months. In the first quarter growth in lending and deposits was 1.5 per cent (0.9 per cent) and 3.2 per cent (2.0 per cent) respectively.

Lending to personal customers consistently carries low risk, as reflected in continued low losses. The loan portfolio is largely secured by residential property. There was a net recovery of NOK 7m on losses (12m) in the first quarter.

Profit and loss account (NOKm)	1Q 22	4Q 21	1Q 21
Net interest	313	306	276
Comission income and other income	202	225	219
Total income	515	531	496
Total operating expenses	248	244	228
Loss on loans, guarantees etc.	-7	0	-12
Result before tax	274	288	280
Balance			
Loans and advances to customers	139,759	137,672	130,296
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-51,477	-46,821	-46,611
Deposits to customers	52,321	50,691	48,439
Key figures			
Return on equity per quarter ¹⁾	13.0 %	13.3 %	12.5 %
Lending margin	1.04 %	1.25 %	1.59 %
Deposit margin	0.73 %	0.43 %	0.08 %

Eiendomsmegler 1 Midt-Norge is the market leader in Trøndelag and in Møre and Romsdal.

Operating income totalled NOK 95m (114m) and expenses NOK 81m (93m) in the first quarter, and the pre-tax profit was NOK 14m (21m).

Activity in the housing market at the start of 2022 was somewhat lower than at the end of 2021. Few dwelling units on the market are the main reason for this, but demand has been high and prices and the turnover rate have risen. There was a close focus on the number of new assignments in the first quarter amidst intense competition. 1,606 dwelling units were sold in the first quarter (1,848). New assignments numbered 2,037, slightly higher than in the first quarter of 2021. The company's market share at 31 March 2022 was 37 per cent (36 per cent).

EiendomsMegler 1 Midt-Norge (87%)	1Q 22	4Q 21	1Q 21
Total income	95	100	114
Total operating expenses	81	100	93
Result before tax	14	1	21
Operating margin	15 %	0 %	18 %

Corporate customers

The corporate business at SpareBank 1 SMN consists of the bank's corporate banking arm, SpareBank 1 Regnskapshuset SMN, SpareBank 1 Finans Midt-Norge and SpareBank 1 Markets. These business lines provide business and industry with a complete range of accounting, banking and capital market services. Interaction between the business areas has a high priority and part of the growth achieved is attributed to this.

The **Corporate Banking Division** achieved a pre-tax profit of NOK 277m (NOK 167m) and NOK 229m in the fourth quarter of 2021. Lower losses strengthen the profit performance.

Outstanding loans to corporates total NOK 50bn (46bn) and deposits total NOK 60bn (53bn). This is a diversified portfolio of loans to and deposits from corporate clients in Trøndelag and Møre and Romsdal.

Operating income came to NOK 404m (337m) and NOK 370m in the fourth quarter. Net interest income was NOK 330m (273m) and NOK 291m in the fourth quarter. Commission income totalled NOK 74m (64m) compared with NOK 78m in the fourth quarter. An increase in NIBOR reduced lending margins in the quarter, but increased deposit margins. Increased loan and deposit volumes have strengthened the earnings base. Strong growth in commission income is down to increased guarantee commissions and payments incomes.

The lending margin was 2.38 per cent (2.68 per cent) and the deposit margin was minus 0.05 per cent (minus 0.29 per cent). Lending growth in the last 12 months was 9.5 per cent (13.0 per cent) while deposits rose 11.9 per cent (24.6 per cent). Lending growth in the quarter was 5.2 per cent (3.2 per cent) and deposit growth was minus 0.1 per cent (7.7 per cent).

Net loan losses to the bank's corporate clients came to NOK 3m (62m) and to NOK 20m in the fourth quarter.

SpareBank 1 SMN and SpareBank 1 Regnskapshuset SMN each have a large proportion of businesses in the market area as customers. Development of the customer offering seeks to ensure that customers see the added value of being a customer of both the bank and Regnskapshuset.

As a result of the strengthened focus on SMBs, many new customers opted for SpareBank 1 SMN as their bank in 2022 and 2021. Corporate customers have strong links with the bank and customer turnover is extremely low.

Profit and loss account (NOKm)	1Q 22	4Q 21	1Q 21
Net interest	330	291	273
Comission income and other income	74	78	64
Total income	404	370	337
Total operating expenses	124	120	107
Loss on loans, guarantees etc.	3	20	62
Result before tax	277	229	167
Balance			
Loans and advances to customers	49,764	47,585	46,190
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-1,465	-1,231	-1,360
Deposits to customers	59,541	59,619	53,200
Key figures			
Return on equity per quarter ¹⁾	15.4 %	11.5 %	9.6 %
Lending margin	2.38 %	2.39 %	2.68 %
Deposit margin	-0.05 %	-0.16 %	-0.29 %

SpareBank 1 Regnskapshuset SMN posted a pre-tax profit of NOK 23m (27m).

Operating income was NOK 166m (155m) and expenses were NOK 143m (128m). The expense growth in the first quarter compared with the same quarter of 2021 is down to business acquisitions along with investments in new services and a new IT platform.

Increased customer growth has a high priority, and good results have been achieved in the first quarter of 2022. Customer recruitment has increased, at the same time as the company has succeeded in reducing customer turnover. The company wishes to create a broader income platform beyond the traditional production of accounts. Over the course of 2021 the company invested heavily to ensure continued

development of its competitive power. This covered advisory competence and capacity, an increased focus on digitalisation along with new income flows.

The company's market share in Trøndelag, Møre and Romsdal and Gudbrandsdal is 25 per cent.

SpareBank 1 Regnskapshuset SMN (88,7%)	1Q 22	4Q 21	1Q 21
Total income	166	123	155
Total operating expenses	143	120	128
Result before tax	23	3	27
Operating margin	14 %	2 %	17 %

SpareBank 1 Finans Midt-Norge delivered a pre-tax profit of NOK 47m (55m). The company provides leasing and invoice purchasing services to businesses and car loans to personal customers.

The company's incomes totalled NOK 86m (91m). Costs in the first quarter of 2022 totalled NOK 28m (29m). Losses totalled NOK 4m (7m).

The company has leasing agreements with and loans to corporate customers worth NOK 4.3bn (3.9bn) and car loans worth NOK 6.2bn (5.5bn). Growth in in the last 12 months was 10.6 per cent and 13.0 per cent respectively. The invoice sales portfolio from SpareBank 1 Spire Finans was included in the company as from 2021 and invoices worth NOK 154m were purchased in the first quarter of 2022.

SpareBank 1 Finans Midt-Norge and other SpareBank 1 banks own 47 per cent of the shares of the car subscription company Fleks. This company offers flexible car subscription solutions. The car subscription system along with electrification of the car population make for reduced emissions. Fleks currently has 2,400 cars and is the market leader in Norway.

SpareBank 1 Finans Midt-Norge (56,5%)	1Q 22	4Q 21	1Q 21
Total income	86	87	91
Total operating expenses	28	30	29
Loss on loans, guarantees etc.	4	9	7
Result before tax	47	45	55

SpareBank 1 Markets' pre-tax profit for the first quarter was NOK 39m (118m). Activity levels in the business areas were high, but lower than in the first quarter of 2021. SpareBank 1 Markets has facilitated a number of sizeable transactions in the quarter. Earnings from the fixed income and forex business were somewhat lower than in the same quarter last year, and lower activity in the market for debt capital brought reduced earnings. Overall incomes came to NOK 177m (335m). Operating expenses totalled NOK 138m (217m).

SpareBank 1 Markets is headquartered in Oslo and has offices in Trondheim, Ålesund and Stavanger. SpareBank 1 Markets is the leading capital market unit in SpareBank 1 SMN's market area.

SpareBank 1 Markets (66,7%)	1Q 22	4Q 21	1Q 21
Total income	177	212	335
Total operating expenses	138	160	217
Result before tax	39	51	118
Operating margin	22 %	24 %	35 %

SpareBank 1 SMN Invest

The company owns shares in regional businesses. The portfolio is managed together with other long-term shareholdings of the bank and will be scaled down. The company's shares are worth NOK 686m (548m) as at 31 March 2022.

The pre-tax profit was NOK 132m (109m) and in the previous quarter minus NOK 4m. A good profit performance in the first quarter of both 2022 and 2021 is down to upward adjustment of the values of a minority of shares in the portfolio.

Good funding and liquidity

The war in Ukraine has prompted increased uncertainty as to the outlook for growth and inflation internationally and has led to substantial financial market fluctuations. The bank expects the uncertainty to persist for a period.

Credit spreads have narrowed somewhat but are wider than prior to the outbreak of the war. The bank has ample liquidity and the markets for the bank's financial instruments are functioning satisfactorily.

The bank has a conservative liquidity strategy, with liquidity reserves that ensure the bank's survival for 12 months of ordinary operation without need of fresh external funding.

The bank is required to maintain sufficient liquidity buffers to withstand periods of limited access to market funding. The liquidity coverage ratio (LCR) measures the size of banks' liquid assets relative to net liquidity outflow 30 days ahead given a stressed situation.

The LCR is 155 per cent as at 31 March 2022 (190 per cent). The requirement is 100 per cent.

The group's deposit-to-loan ratio at 31 March 2022 was 57 per cent (55 per cent).

The bank's funding sources and products are amply diversified. The proportion of the bank's overall money market funding in excess of one year's maturity is 89 per cent (83 per cent).

SpareBank 1 Boligkreditt and Næringskreditt are the bank's most important funding sources, and loans totalling NOK 53bn (48bn) had been sold to these mortgage companies as at 31 March 2022.

In the first quarter SpareBank 1 SMN issued a senior bond of NOK 2.8bn with a five-year maturity and MREL funding of NOK 0.5bn.

As at 31 March 2022 SpareBank 1 SMN held NOK 4.0bn in senior non-preferred debt (MREL). SpareBank 1 SMN will meet the MREL requirements by the end of 2023.

Rating

The bank has a rating of A1 (stable outlook) with Moody's.

Financial soundness

The CET1 ratio at 31 March 2022 was 18.3 per cent (18.0 per cent). The CET1 requirement is 14.4 per cent, including combined buffer requirements and a Pillar 2 requirement of 1.9 per cent. 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 adjusting IRB-models has been processed.

The financial supervisory authority has decided that SpareBank 1 SMN shall have a pillar 2 guidance of 1.25 per cent above total capital requirements. With this, the bank's long-term target for common equity tier 1 capital adequacy has been increased to 17.2 per cent. In connection with the introduction of CRD V / CRR 2, the SME rebate will be extended from 30 June 2022. The estimated effect of this is a strengthening of common equity tier 1 capital adequacy by 0.4 percentage points.

The CET1 ratio showed a 0.3 percentage point increase from the fourth quarter. Risk weighted assets grew 1.2 per cent in the first quarter at the same time as CET1 capital increased by 2.4 per cent. A payout ratio of 50 per cent of the group's net profit for 2022 is assumed.

A leverage ratio of 7.0 per cent (7.0 per cent) shows the bank to be very solid.

Sustainability

Sustainability is one of five strategic priorities in the group strategy. SpareBank 1 SMN is in the process of implementing its sustainability strategy within the five target areas of innovation, customer offering, climate footprint, competencies and diversity.

A climate account for 2021 for SpareBank 1 SMN's own business activities has been presented using Klimakost (an environmentally extended input-output model). Work on calculating the loan portfolio's climate burden continued in the first quarter. SpareBank 1 SMN entered the Partnership for Carbon Accounting Financials (PCAF) to that end.

The effort to improve the estimation of the loan portfolio's climate contribution could provide new insights requiring the group to adjust and concretise its climate targets within the framework of the Paris Agreement's objectives.

SpareBank 1 SMN will in 2022 continue to stimulate innovation and competence development in the sustainability field in the region. SpareBank 1 SMN has in collaboration with Sintef established an innovation programme in which 15 companies are participating. The programme aims to create business models that support the green transition.

SpareBank 1 SMN has also become the first external contributor to Sintef's Global Climate Fund. The Fund is to finance research with regard to climate-positive measures.

SpareBank 1 SMN has signed up to the Women in Finance Charter and to the charter's binding goals and mode of working. Women in Finance is a voluntary initiative that will contribute to a greater gender balance in the financial industry.

The bank has had a good development in sales of new green mortgages, and has sold loans totaling NOK 1.3 billion per 31. March 2022.

SpareBank 1 Regnskapshuset SMN assists both small and large business customers with the preparation of energy and climate accounting and sustainability reporting. The ambition is to further develop the services and competence within sustainability reporting and consulting.

The bank's equity certificate (MING)

The market price of the equity certificate (EC) as at 31 March 2022 was NOK 141.20 (107.40), the book value was NOK 99.55 (96.70), and earnings per EC were NOK 3.20 (3.40). A total cash dividend of NOK 7.50 was paid per EC in 2022 for the year 2021 (4.40).

The Price / Income ratio was 11.05 (7.91) and the Price / Book ratio was 1.42 (1.11).

Outlook

SpareBank 1 SMN delivered a good performance in the first quarter of 2022 with a return on equity of 12.5 per cent and a strong financial position. All business lines are performing well in a demanding market, thus providing a solid basis on which to attain the group's ambitions as to growth and profitability.

Society has reopened and activity is back to the level in effect prior to the pandemic. However, the war in Ukraine and ensuing sanctions are impacting the Norwegian economy and business and industry both directly and indirectly. Trade between affected countries and the rest of the world is reduced, bringing goods shortages and weakened supply lines. The upshot is higher prices on energy and other commodities. There is also increased disquiet in the financial markets. Despite this, continued growth is expected in Norway's economy.

For SpareBank 1 SMN's part, the corporate portfolio is so far little affected by the repercussions of the pandemic or by the war in Ukraine. Loan losses have been substantially reduced since 2020, and the risk picture in the business sector in general and among personal customers reflects sound finances in the region. Given rising inflation and expectations of further – and relatively frequent – interest rate hikes from Norges Bank, it is uncertain how credit growth to households and businesses will pan out. There are many uncertainties and the conditions in the economy can change rapidly, and thus also the economic outlook.

SpareBank 1 SMN aspires to growth in excess of market growth. Data-driven innovation and a modern, customer-oriented and efficient distribution system will ensure that the group achieves the growth it aspires to.

SpareBank 1 SMN has a diversified earnings platform with profitable subsidiaries and product companies which make for increased sales and an expanding customer base. This provides robustness, in particular in periods of market turbulence.

The fight against economic and financial crime is an important societal responsibility. The anti-money laundering effort and sanctions compliance are the focus of much attention. The war in Ukraine has intensified the need to be alert to money laundering, and in the first quarter the bank expended much effort on living up to the sanctions that have been put in place.

The first-quarter figures show return in excess of the target level. Market uncertainties have grown, but SpareBank 1 SMN is well positioned to handle them.

Trondheim, 5. May 2022
The Board of Directors of SpareBank 1 SMN

Kjell Bjordal
(chair)

Christian Stav
(deputy chair)

Morten Loktu

Mette Kamsvåg

Tonje Eskeland Foss

Eli Skrøvset

Freddy Aursø

Christina Straub
(employee rep.)

Inge Lindseth
(employee rep.)

Jan-Frode Janson
(Group CEO)

Income statement

Parent bank				Note	Group		
Jan-March			Jan-March				
2021	2021	2022	(NOKm)		2022	2021	2021
3,067	729	920	Interest income effective interest method		1,035	843	3,524
395	97	124	Other interest income		123	96	392
1,109	267	396	Interest expenses		400	271	1,120
2,353	558	648	Net interest	10	758	668	2,796
1,306	310	299	Commission income		357	374	1,583
97	22	20	Commission expenses		50	51	207
47	9	17	Other operating income		331	468	1,456
1,256	297	296	Commission income and other income	11	637	790	2,832
733	114	63	Dividends		2	4	22
-	-	-	Income from investment in related companies	3	62	128	705
-53	-19	-19	Net return on financial investments	3,13	172	158	299
680	95	43	Net return on financial investments		235	289	1,026
4,289	951	988	Total income		1,630	1,748	6,655
650	166	181	Staff costs		476	531	1,882
745	177	208	Other operating expenses		286	265	1,111
1,395	344	389	Total operating expenses	12	762	796	2,993
2,895	607	599	Result before losses		868	952	3,662
134	51	-4	Loss on loans, guarantees etc.	6,7	-0	59	161
2,760	556	603	Result before tax	3	868	893	3,501
518	106	144	Tax charge		169	131	609
-	-	-	Result investment held for sale, after tax	2,3	-1	6	10
2,242	450	459	Net profit		698	768	2,902
48	19	20	Attributable to additional Tier 1 Capital holders		21	20	50
1,403	276	280	Attributable to Equity capital certificate holders		413	439	1,722
791	155	158	Attributable to the saving bank reserve		233	247	971
			Attributable to non-controlling interests		30	61	160
2,242	450	459	Net profit		698	768	2,902
			Profit/diluted profit per ECC	19	3.20	3.40	13.31

Other comprehensive income

Parent bank				Group		
Jan-March				Jan-March		
2021	2021	2022	(NOKm)	2022	2021	2021
2,242	450	459	Net profit	698	768	2,902
			Items that will not be reclassified to profit/loss			
-49	-	-	Actuarial gains and losses pensions	-	-	-49
12	-	-	Tax	-	-	12
-	-	-	Share of other comprehensive income of associates and joint venture	1	0	4
-37	-	-	Total	1	0	-33
			Items that will be reclassified to profit/loss			
-1	-1	-1	Value changes on loans measured at fair value	-1	-1	-1
-	-	-	Share of other comprehensive income of associates and joint venture	75	-28	21
-1	-1	-1	Total	73	-29	20
-38	-1	-1	Net other comprehensive income	74	-28	-13
2,204	450	457	Total other comprehensive income	772	739	2,889
48	19	20	Attributable to additional Tier 1 Capital holders	21	20	50
1,379	275	279	Attributable to Equity capital certificate holders	461	421	1,714
777	155	157	Attributable to the saving bank reserve	260	237	966
			Attributable to non-controlling interests	30	61	160
2,204	450	457	Total other comprehensive Income	772	739	2,889

Balance sheet

Parent bank			(NOKm)	Note	Group		
31 Dec 2021	31 March 2021	31 March 2022			31 March 2022	31 March 2021	31 Dec 2021
1,252	37	1,190	Cash and receivables from central banks		1,190	37	1,252
13,190	17,265	18,214	Deposits with and loans to credit institutions		9,456	9,487	4,704
135,766	126,954	135,306	Net loans to and receivables from customers	5	145,773	135,919	145,890
30,762	30,953	32,013	Fixed-income CDs and bonds	17	32,014	30,875	30,762
3,192	4,345	4,321	Derivatives	17	4,077	4,395	3,224
402	296	386	Shares, units and other equity interests	17	2,635	2,051	2,654
4,590	4,922	4,631	Investment in related companies		7,534	7,374	7,384
2,374	2,339	2,374	Investment in group companies		-	-	-
98	82	98	Investment held for sale	2	112	40	59
458	511	457	Intangible assets		854	889	853
1,082	1,108	1,851	Other assets	14	3,384	2,754	2,062
193,165	188,813	200,839	Total assets		207,027	193,822	198,845
14,342	14,015	18,598	Deposits from credit institutions		19,468	14,165	15,065
112,028	103,094	114,717	Deposits from and debt to customers	9	114,053	102,390	111,286
40,332	45,273	37,093	Debt created by issue of securities	16	37,093	45,273	40,332
3,500	4,671	5,164	Derivatives	17	5,147	4,879	3,909
1,855	1,748	5,239	Other liabilities	15	7,030	3,584	3,215
-	-	-	Investment held for sale	2	2	0	1
1,753	1,752	1,753	Subordinated loan capital	16	1,796	1,795	1,796
173,809	170,554	182,564	Total liabilities		184,588	172,088	175,603
2,597	2,597	2,597	Equity capital certificates		2,597	2,597	2,597
-0	-0	-0	Own holding of ECCs		-9	-12	-9
895	895	895	Premium fund		895	895	895
7,007	6,556	7,007	Dividend equalisation fund		6,974	6,511	6,974
970	401	-	Recommended dividends		-	401	970
547	226	-	Provision for gifts		-	226	547
5,918	5,664	5,918	Ownerless capital		5,918	5,664	5,918
171	239	171	Unrealised gains reserve		171	239	171
-	-1	-1	Other equity capital		2,919	2,282	2,896
1,250	1,231	1,230	Additional Tier 1 Capital		1,271	1,273	1,293
	450	459	Profit for the period		698	768	
			Non-controlling interests		1,005	891	989
19,356	18,259	18,275	Total equity capital		22,439	21,734	23,241
193,165	188,813	200,839	Total liabilities and equity		207,027	193,822	198,845

Cash flow statement

Parent bank				Group		
Jan-March				Jan-March		
2021	2021	2022	(NOKm)	2022	2021	2021
2,242	450	459	Net profit	698	768	2,902
95	24	19	Depreciations and write-downs on fixed assets	34	54	186
134	51	-4	Losses on loans and guarantees	-0	59	161
-418	-38	-	Adjustments for undistributed profits of related companies	-62	-128	-705
-2,423	-1,710	-1,769	Other adjustments	-1,889	-1,800	-2,574
-369	-1,222	-1,295	Net cash increase from ordinary operations	-1,219	-1,048	-31
3,843	2,691	-1,881	Decrease/(increase) other receivables	-2,145	2,566	4,387
-2,993	-1,892	5,048	Increase/(decrease) short term debt	5,052	-1,800	-3,159
-11,686	-2,791	463	Decrease/(increase) loans to customers	116	-2,847	-12,920
-288	-4,364	-5,024	Decrease/(increase) loans credit institutions	-4,751	-4,396	387
13,862	4,928	2,689	Increase/(decrease) deposits to customers	2,767	4,861	13,757
-290	-614	4,257	Increase/(decrease) debt to credit institutions	4,404	-929	-32
-4,077	-4,269	-1,251	Increase/(decrease) in short term investments	-1,252	-4,269	-4,156
-	-	-	Increase/(decrease) in shares held for trading	95	374	-59
-1,999	-7,532	3,006	A) Net cash flow from operations	3,067	-7,486	-1,826
-75	-25	-36	Increase in tangible fixed assets	-64	-71	-145
60	-	-	Proceeds from sales of property, plant and equipment	-	-	4
-	-	-	Cash flows from losing control of subsidiaries or other businesses	-	3	99
-73	-22	-	Cash flows used in obtaining control of subsidiaries or other businesses	-53	-	-
418	38	-	Dividends received from investments in related companies	-	39	419
548	28	2	Other cash receipts from sales of interests in associates and joint ventures	2	25	544
-204	-17	-43	Other cash payments to acquire interests in associates and joint ventures	-43	-17	-307
672	12	138	Other cash receipts from sales of equity instruments of other entities	170	25	737
-766	-5	-122	Other cash payments to acquire equity instruments of other entities	-124	-9	-826
580	8	-59	B) Net cash flow from investments	-112	-5	526
-0	-0	-0	Purchase of treasury shares	-0	-23	-5
-569	-168	-970	Dividend cleared	-970	-168	-569
-	-	-	Dividends paid to non-controlling interests	-7	-9	-113
-321	-95	-547	Disbursed from gift fund	-547	-95	-321
-48	-19	-20	Interest payments Additional Tier 1 Capital	-21	-20	-50
7,867	6,824	3,380	Increase in other long term loans	3,380	6,824	7,867
-7,021	-1,746	-4,851	Decrease in other long term loans	-4,851	-1,746	-7,021
-93	4,796	-3,009	C) Net cash flow from financial activities	-3,017	4,764	-212
-1,512	-2,727	-62	A) + B) + C) Net changes in cash and cash equivalents	-62	-2,727	-1,512
2,764	2,764	1,252	Cash and cash equivalents at 1.1	1,252	2,764	2,764
1,252	37	1,190	Cash and cash equivalents at end of quarter	1,190	37	1,252
-1,512	-2,727	-62	Net changes in cash and cash equivalents	-62	-2,727	-1,512

Change in equity

Parent Bank (NOKm)	Issued equity		Earned equity						
	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Un-realised gains reserve	Other equity	Additional Tier 1 Capital	Total equity
Equity at 1 January 2021	2,597	895	5,664	6,556	890	239	-	1,250	18,092
Net profit	-	-	268	476	1,517	-68	-	48	2,242
Other comprehensive income									
Financial assets through OCI	-	-	-	-	-	-	-1	-	-1
Actuarial gains (losses), pensions	-	-	-	-	-	-	-37	-	-37
Other comprehensive income	-	-	-	-	-	-	-38	-	-38
Total other comprehensive income	-	-	268	476	1,517	-68	-38	48	2,204
Transactions with owners									
Dividend declared for 2020	-	-	-	-	-569	-	-	-	-569
To be disbursed from gift fund	-	-	-	-	-321	-	-	-	-321
Additional Tier 1 Capital	-	-	-	-	-	-	-	-	-
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-48	-48
Purchase and sale of own ECCs	0	-	-	-0	-	-	-	-	-0
Direct recognitions in equity	-	-	-14	-25	-	-	38	-	-2
Total transactions with owners	0	-	-14	-25	-890	-	38	-48	-940
Equity at 31 December 2021	2,597	895	5,918	7,007	1,517	171	-	1,250	19,356
Equity at 1 January 2022	2,597	895	5,918	7,007	1,517	171	-	1,250	19,356
Net profit	-	-	-	-	-	-	459	-	459
Other comprehensive income									
Value changes on loans measured at fair value	-	-	-	-	-	-	-1	-	-1
Actuarial gains (losses), pensions	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-1	-	-1
Total other comprehensive income	-	-	-	-	-	-	457	-	457
Transactions with owners									
Dividend declared for 2021	-	-	-	-	-970	-	-	-	-970
To be disbursed from gift fund	-	-	-	-	-547	-	-	-	-547
Additional Tier 1 Capital	-	-	-	-	-	-	-	-	-
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-20	-20
Purchase and sale of own ECCs	0	-	-	-0	-	-	-	-	-0
Direct recognitions in equity	-	-	-	-	-	-	-	-	-
Total transactions with owners	0	-	-	-0	-1,517	-	-	-20	-1,538
Equity at 31 March 2022	2,597	895	5,918	7,007	-	171	457	1,230	18,275

Group	Attributable to parent company equity holders									
	Issued equity		Earned equity							
	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Un-realised gains reserve	Other equity	Additional Tier 1 Capital	Non-controlling interests	Total equity
(NOKm)										
Equity at 1 January 2021	2,588	895	5,664	6,536	890	239	2,366	1,293	838	21,310
Net profit	-	-	268	476	1,517	-68	499	50	160	2,902
Other comprehensive income										
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	26	-	-	26
Value changes on loans measured at fair value	-	-	-	-	-	-	-1	-	-	-1
Actuarial gains (losses), pensions	-	-	-	-	-	-	-38	-	-	-38
Other comprehensive income	-	-	-	-	-	-	-13	-	-	-13
Total other comprehensive income	-	-	268	476	1,517	-68	486	50	160	2,889
Transactions with owners										
Dividend declared for 2020	-	-	-	-	-569	-	-	-	-	-569
To be disbursed from gift fund	-	-	-	-	-321	-	-	-	-	-321
Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-	-	-
Buyback Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-	-	-
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-50	-	-50
Purchase and sale of own ECCs	0	-	-	-0	-	-	-	-	-	-0
Own ECC held by SB1 Markets*)	-0	-	-	-13	-	-	7	-	-	-5
Direct recognitions in equity	-	-	-14	-25	-	-	50	-	-	11
Share of other transactions from associates and joint ventures	-	-	-	-	-	-	-14	-	-	-14
Change in non-controlling interests	-	-	-	-	-	-	-	-	-9	-9
Total transactions with owners	-0	-	-14	-38	-890	-	43	-50	-9	-958
Equity at 31 December 2021	2,588	895	5,918	6,974	1,517	171	2,896	1,293	989	23,241
Equity at 1 January 2022	2,588	895	5,918	6,974	1,517	171	2,896	1,293	989	23,241
Net profit	-	-	-	-	-	-	668	-	30	698
Other comprehensive income										
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	75	-	-	75
Value changes on loans measured at fair value	-	-	-	-	-	-	-1	-	-	-1
Actuarial gains (losses), pensions	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	74	-	-	74
Total other comprehensive income	-	-	-	-	-	-	741	-	30	772
Transactions with owners										
Dividend declared for 2021	-	-	-	-	-970	-	-	-	-	-970
To be disbursed from gift fund	-	-	-	-	-547	-	-	-	-	-547
Additional Tier 1 capital issued	-	-	-	-	-	-	-	-	-	-
Buyback additional Tier 1 Capital issued	-	-	-	-	-	-	-	-	-	-
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-21	-	-21
Purchase and sale of own ECCs	0	-	-	-0	-	-	-	-	-	-0
Own ECC held by SB1 Markets*)	-	-	-	-	-	-	-	-	-	-
Direct recognitions in equity	-	-	-	-	-	-	-5	-	-	-5
Share of other transactions from associates and joint ventures	-	-	-	-	-	-	-16	-	-	-16
Change in non-controlling interests	-	-	-	-	-	-	-	-	-15	-15
Total transactions with owners	0	-	-	-0	-1,517	-	-20	-21	-15	-1,574
Equity at 31 March 2022	2,588	895	5,918	6,974	-	171	3,617	1,271	1,005	22,439

*) Holding of own equity certificates as part of SpareBank 1 Markets' trading activity

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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) 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.

Losses on loans and guarantees

For a detailed description of the Bank's model for expected credit losses, refer to note 2 and 3 in the annual accounts for 2021.

In 2020 and 2021 a number of changes were made in inputs to the bank's credit loss model in light of the increased uncertainty triggered by the Covid-19 situation. In the present quarter, increased macroeconomic uncertainty due to the war in Ukraine, a strong increase in energy and commodity prices, supply chain challenges and prospects of lasting higher inflation and interest rate levels have made the assessments extra demanding. The supervisory authorities have underscored the importance of focusing on the expected long-term effects of the crisis, and this has been the focus in the bank's assessments.

In 2020 the bank revised its assumptions for the baseline scenario in a negative direction. This was continued through 2021. The bank's exposure to the hotel and tourism industry, including commercial property with revenues deriving mainly from that industry, was hived off into a separate portfolio with its own assessments of PD and LGD trajectories and separate scenarios and weighting of the latter to reflect the portfolio's vulnerability to the effects of Covid. In addition, the entire portfolio was assigned to stage 2 or 3.

The key assumptions per scenario are projected trajectories for the probability of default (PD) and loss given default (LGD) along with a probability weighting for the individual scenario. In the assessments for 2020/2021, expected effects of the Covid pandemic were linked to debtors who were in a demanding position prior to the crisis – typically debtors in stage 2. We therefore chose to increase the trajectories for PD and LGD as well as reduce expected payments in the baseline scenario especially for year 2 onwards since this will mainly affect expected losses for stage 2 debtors. To allow for migration to stage 2, the PD and LGD estimates were also increased in the first year. In addition, an assumption of no first-year repayments is made for all portfolios in the downside scenario. However, experience shows the effects of the Covid pandemic to be significantly smaller than expected owing to the government measures put in place, and we no longer see a basis for add-ons to the baseline trajectories due to the Covid pandemic.

The scenario weighting applied was also revised in 2020 to reflect a further increase in uncertainty. For business and industry including offshore, along with agriculture, the downside scenario was revised from a 10 per cent probability weighting to a weighting of 20 per cent probability. For the personal market the weighting of the downside scenario was revised from 10 to 15 per cent. In the first quarter of 2022 the downside scenario weighting was increased further in the agriculture and 'other corporate' (corporate exc. offshore and hotels /tourism) portfolios to 25 per cent to take into account increased uncertainty due to the war in Ukraine and generally greater uncertainty with regard to future economic growth.

The effect of the revision of assumptions in 2022 is shown in the line "Changes due to changed input assumptions in the credit loss model" in note 7. Removal of the add-on in the baseline scenario for the corporate portfolio (with the exception of hotels/tourism and offshore where special assumptions are employed) pulls in the direction of reduced write-downs, while increased weight given to a low scenario pulls in the opposite direction. Altogether this amounts to NOK 59 million for the bank and NOK 63 million for the group in terms of reduced write-downs.

Sensitivity

The first part of the table below show total calculated expected credit loss as of 31 mars 2022 in each of the three scenarios, distributed in the portfolios Retail Market, Corporate Market and offshore, tourism and agriculture, which adds up to parent bank. In addition the subsidiary SpareBank 1 Finans Midt-Norge is included. ECL for the parent bank and the subsidiary is summed up in the 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 2022, this would have entailed an increase in loss provisions of NOK 355 million for the parent bank and NOK 363 million for the group.

	CM (excl offshore and agriculture)	RM	Offshore	Tourism	Agriculture	Total parent	SB 1 Finans MN	Group
ECL base case	412	64	408	30	29	943	51	994
ECL worst case	1,025	278	1,037	90	130	2,560	133	2,693
ECL best case	360	31	326	12	18	746	34	780
	-							
ECL with scenario weights used 80/10/10		-	-	-		-	57	57
ECL with scenario weights used 60/25/15	558	-		-	53	610	-	610
ECL with scenario weights used 65/20/15			521			521		521
ECL with scenario weights used 60/30/10	-	-	-	46	-	46	-	46
ECL with scenario weights used 70/15/15	-	91	-	-	-	91	-	91
Total ECL used	558	91	521	46	53	1,269	57	1,326
ECL alternative scenario weights 70/20/10	-	-	-	-	-	-	65	65
ECL alternative scenario weights 35/50/15	711	-	-	-	78	789	-	789
ECL alternative scenario weights 45/40/15	-	-	647	-	-	647	-	647
ECL alternative scenario weights 30/60/10				64		64		64
ECL alternative scenario weights 55/30/15	-	123	-		-	123	-	123
Total ECL alternative weights	711	123	647	64	78	1,623	65	1,688
Change in ECL if alternative weights were used	153	32	126	18	25	355	8	363

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

The table reflects that there are some significant differences in underlying PD and LGD estimates in the different scenarios and that there are differentiated levels and level differences between the portfolios. At group level, the ECL in the upside scenario, which largely reflects the loss and default picture in recent years, is about 80 per cent of the ECL in the expected scenario. The downside scenario gives about double the ECL than in the expected scenario. Applied scenario weighting gives about 30 percent higher ECL than in the expected scenario.

Note 3 - Account by business line

For the subsidiaries the figures refer to the respective company accounts, while for 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 22

Profit and loss account (NOKm)	RM	CM	SB1 Markets	EM 1	SB 1 Finans MN	SB 1 Regnskaps- huset SMN	Other*	Uncollated	Total
Net interest	287	309	1	1	111	0	-	50	758
Interest from allocated capital	25	22	-	-	-	-	-	-47	-
Total interest income	313	330	1	1	111	0	-	3	758
Comission income and other income	203	72	153	94	-25	166	-	-26	637
Net return on financial investments **)	-0	2	23	-	-	-	62	149	235
Total income	515	404	177	95	86	166	62	125	1,630
Total operating expenses	248	124	138	81	28	143	-	-1	762
Ordinary operating profit	266	280	39	14	57	23	62	126	868
Loss on loans, guarantees etc.	-7	3	-	-	4	-	-	-0	-0
Result before tax including held for sale	274	277	39	14	53	23	62	126	868

Group 31 March 21

Profit and loss account (NOKm)	RM	CM	SB1 Markets	EM 1	SB 1 Finans MN	SB 1 Regnskaps- huset SMN	Other*	Uncollated	Total
Net interest	268	270	-5	0	113	0	-	23	668
Interest from allocated capital	9	3	-	-	-	-	-	-12	-
Total interest income	276	273	-5	0	113	0	-	11	668
Comission income and other income	219	59	302	103	-22	155	-	-27	790
Net return on financial investments **)	0	5	37	10	-	-	128	110	289
Total income	496	337	335	114	91	155	128	93	1,748
Total operating expenses	228	107	217	93	29	128	-	-6	796
Ordinary operating profit	268	230	118	21	62	27	128	-58	796
Loss on loans, guarantees etc.	-12	62	-	-	7	-	-	1	59
Result before tax including held for sale	280	167	118	21	55	27	128	98	893

Group 31 December 21

Profit and loss account (NOKm)	RM	CM	SB1 Markets	EM 1	SB 1 Finans MN	SB 1 Regnskaps- huset SMN	Other*	Uncollated	Total
Profit and loss account (NOKm)	1,128	1,106	-7	2	450	0	-	117	2,796
Net interest	37	14	-	-	-	-	-	-52	-
Interest from allocated capital	1,165	1,120	-7	2	450	0	-	66	2,796
Total interest income	906	251	782	441	-90	562	-	-20	2,832
Comission income and other income	2	15	126	10	4	-	705	164	1,026
Net return on financial investments **)	2,074	1,386	901	453	364	562	705	210	6,655
Total income	916	446	647	382	141	477	-	-16	2,993
Total operating expenses	1,157	940	254	71	224	85	705	226	3,662
Ordinary operating profit	-10	145	-	-	25	-	-	1	161
Loss on loans, guarantees etc.	1,167	795	254	71	198	85	705	225	3,501

*) Specification of other (NOKm)			
	31 March 22	31 March 21	31 Dec 21
SpareBank 1 Gruppen	13	67	471
SpareBank 1 Boligkreditt	-5	4	16
SpareBank 1 Næringskreditt	-0	3	7
BN Bank	49	40	164
SpareBank 1 Kredittkort	3	0	13
SpareBank 1 Betaling	-5	-1	-15
SpareBank 1 Forvaltning	8	-	32
Other companies	-1	14	17
Income from investment in associates and joint ventures	62	128	705

Note 4 - Capital adequacy

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

As of 31 March 2022 the overall minimum requirement on CET1 capital is 12.5 per cent. The capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement for Norwegian IRB-banks is 4.5 per cent and the Norwegian countercyclical buffer is 1.0 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital. In addition the financial supervisory authority has set a Pillar 2 requirement of 1.9 per cent for SpareBank 1 SMN, however not below NOK 1,794 million in monetary terms. 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 adjusting IRB-models 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 31 March 2022 an adjustment was made in both the parent bank and the group to bring the average risk weight up to 20 per cent. This is presented in the note together with 'mass market exposure, property' under 'credit risk IRB'.

The systemic risk buffer stands at 4.5 per cent for the Norwegian exposures. For exposures in other countries, the particular country's systemic buffer rate shall be employed. As of 31 March 2021 the effective rate for the parent bank and for the group is accordingly 4.4 per cent.

The countercyclical buffer is calculated using differentiated rates. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. For the first quarter of 2022 both the parent bank and the group is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures.

Parent Bank				Group		
31 Dec 2021	31 March 2021	31 March 2022	(NOKm)	31 March 2022	31 March 2021	31 Dec 2021
19,356	18,259	18,275	Total book equity	22,439	21,734	23,241
-1,250	-1,231	-1,230	Additional Tier 1 capital instruments included in total equity	-1,271	-1,273	-1,293
-458	-511	-457	Deferred taxes, goodwill and other intangible assets	-957	-1,027	-961
-1,517	-627	-	Deduction for allocated dividends and gifts	-	-627	-1,517
-	-	-	Non-controlling interests recognised in other equity capital	-1,005	-891	-989
-	-	-	Non-controlling interests eligible for inclusion in CET1 capital	579	489	568
-	-450	-459	Net profit	-698	-768	-
-	57	100	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	338	374	-
-41	-43	-46	Value adjustments due to requirements for prudent valuation	-62	-56	-56
-495	-263	-469	Positive value of adjusted expected loss under IRB Approach	-529	-292	-560
-	-	-	Cash flow hedge reserve	-2	8	3
-202	-186	-202	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-603	-629	-648
15,393	15,005	15,513	Common equity Tier 1 capital	18,229	17,042	17,790
1,250	1,250	1,250	Additional Tier 1 capital instruments	1,616	1,595	1,581
-48	-	-47	Deduction for significant investments in financial institutions	-47	-	-48
16,595	16,255	16,715	Tier 1 capital	19,797	18,636	19,322
			Supplementary capital in excess of core capital			
1,750	1,750	1,750	Subordinated capital	2,258	2,259	2,226
-214	-154	-217	Deduction for significant investments in financial institutions	-217	-154	-214
1,536	1,596	1,533	Additional Tier 2 capital instruments	2,041	2,105	2,011
18,130	17,851	18,249	Total eligible capital	21,839	20,741	21,333

Minimum requirements subordinated capital						
1,049	1,112	1,157	Specialised enterprises	1,376	1,292	1,248
1,016	982	1,052	Corporate	1,072	992	1,030
1,400	1,463	1,356	Mass market exposure, property	2,374	2,218	2,384
93	100	101	Other mass market	104	102	95
1,000	1,025	1,008	Equity positions IRB	1	1	1
4,558	4,682	4,674	Total credit risk IRB	4,927	4,606	4,758
3	3	3	Central government	4	5	4
106	107	97	Covered bonds	144	146	133
398	485	421	Institutions	301	336	299
1	-	1	Local and regional authorities, state-owned enterprises	20	28	29
188	32	139	Corporate	401	270	432
7	18	4	Mass market	485	484	466
25	12	33	Exposures secured on real property	123	131	128
279	272	279	Equity positions	495	428	521
92	89	65	Other assets	125	159	142
1,098	1,018	1,041	Total credit risk standardised approach	2,098	1,986	2,154
35	43	52	Debt risk	54	44	36
-	-	-	Equity risk	30	9	34
-	-	-	Currency risk and risk exposure for settlement/delivery	2	1	1
433	421	433	Operational risk	809	772	817
26	32	28	Credit value adjustment risk (CVA)	67	153	93
6,150	6,196	6,228	Minimum requirements subordinated capital	7,988	7,571	7,893
76,873	77,455	77,846	Risk weighted assets (RWA)	99,847	94,633	98,664
3,459	3,485	3,503	Minimum requirement on CET1 capital, 4.5 per cent	4,493	4,258	4,440
Capital Buffers						
1,922	1,936	1,946	Capital conservation buffer, 2.5 per cent	2,496	2,366	2,467
3,459	3,485	3,503	Systemic risk buffer, 4.5 per cent	4,493	4,258	4,440
769	775	778	Countercyclical buffer, 1.0 per cent	998	946	987
6,150	6,196	6,228	Total buffer requirements on CET1 capital	7,988	7,571	7,893
5,784	5,323	5,782	Available CET1 capital after buffer requirements	5,748	5,212	5,457
Capital adequacy						
20.0 %	19.4 %	19.9 %	Common equity Tier 1 capital ratio	18.3 %	18.0 %	18.0 %
21.6 %	21.0 %	21.5 %	Tier 1 capital ratio	19.8 %	19.7 %	19.6 %
23.6 %	23.0 %	23.4 %	Capital ratio	21.9 %	21.9 %	21.6 %
Leverage ratio						
191,697	181,720	193,702	Balance sheet items	275,296	258,536	269,857
10,782	8,793	9,942	Off-balance sheet items	11,167	9,568	11,341
-1,042	-817	-1,020	Regulatory adjustments	-2,062	-1,844	-2,110
201,437	189,696	202,624	Calculation basis for leverage ratio	284,401	266,260	279,088
16,595	16,255	16,715	Core capital	19,797	18,636	19,322
8.2 %	8.6 %	8.2 %	Leverage Ratio	7.0 %	7.0 %	6.9 %

Note 5 - Distribution of loans by sector/industry

Parent Bank			(NOKm)	Group		
31 Dec 2021	31 March 2021	31 March 2022		31 March 2021	31 Dec 2021	31 Dec 2021
9,433	9,134	9,446	Agriculture and forestry	9,807	9,568	9,783
5,853	5,344	7,069	Fisheries and hunting	7,086	5,362	5,870
1,926	2,005	1,949	Sea farming industries	2,194	2,268	2,176
2,151	2,326	2,259	Manufacturing	2,856	2,848	2,766
3,169	3,080	3,287	Construction, power and water supply	4,266	4,016	4,124
2,572	2,537	2,783	Retail trade, hotels and restaurants	3,212	2,832	2,966
4,715	4,822	5,067	Maritime sector	5,067	4,822	4,715
16,924	16,512	17,468	Property management	17,570	16,595	17,044
4,497	3,641	4,649	Business services	5,207	3,434	4,990
5,714	5,377	5,500	Transport and other services provision	6,448	6,298	6,667
2	2	2	Public administration	32	29	34
1,383	1,746	1,280	Other sectors	1,223	1,757	1,325
58,337	56,525	60,759	Gross loans in Corporate market	64,966	59,830	62,458
126,828	119,780	128,673	Wage earners	134,998	125,512	132,894
185,165	176,305	189,432	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	199,965	185,342	195,353
46,650	46,337	51,233	of which SpareBank 1 Boligkreditt	51,233	46,337	46,650
1,402	1,533	1,709	of which SpareBank 1 Næringskreditt	1,709	1,533	1,402
137,113	128,435	136,490	Gross loans in balance sheet	147,023	137,471	147,301
1,250	1,380	1,098	- Loan loss allowance on amortised cost loans	1,162	1,451	1,313
97	101	87	- Loan loss allowance on loans at FVOCI	87	101	97
135,766	126,954	135,306	Net loans to and receivables from customers	145,773	135,919	145,890

Note 6 - Losses on loans and guarantees

Parent Bank (NOKm)	Jan-March								
	2022			2021			2021		
	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	-6	-13	-18	-13	62	49	-11	39	27
Actual loan losses on commitments exceeding provisions made	1	18	19	2	1	3	10	107	117
Recoveries on commitments previously written-off	-2	-3	-5	-1	-0	-1	-9	-1	-10
Losses for the period on loans and guarantees	-7	3	-4	-12	63	51	-10	145	134

Group (NOKm)	Jan-March								
	2022			2021			2021		
	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	-5	-12	-16	-11	61	50	-20	50	30
Actual loan losses on commitments exceeding provisions made	2	20	22	6	4	10	30	112	142
Recoveries on commitments previously written-off	-2	-3	-5	-1	-0	-2	-9	-3	-12
Losses for the period on loans and guarantees	-5	5	-0	-7	65	59	1	159	161

Note 7 - Losses

Parent Bank (NOKm)	1 Jan 22	Change in provision	Net write-offs/ recoveries	31 March 22
Loans as amortised cost- CM	1,298	-13	-149	1,137
Loans as amortised cost- RM	31	6	-4	32
Loans at fair value over OCI- RM	128	-11	-	116
Loans at fair value over OCI- CM	1	-0	-	1
Provision for expected credit losses on loans and guarantees	1,458	-18	-153	1,286
Presented as				
Provision for loan losses	1,348	-10	-153	1,185
Other debt- provisions	79	-7	-	71
Other comprehensive income - fair value adjustment	31	-1	-	30

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

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

Group (NOKm)	1 Jan 22	Change in provision	Net write-offs/ recoveries	31 March 22
Loans as amortised cost- CM	1,343	-12	-149	1,182
Loans as amortised cost- RM	49	7	-4	51
Loans at fair value over OCI- RM	128	-11	-	116
Loans at fair value over OCI- CM	1	-0	-	1
Provision for expected credit losses on loans and guarantees	1,520	-17	-153	1,351
Presented as				
Provision for loan losses	1,410	-8	-153	1,249
Other debt- provisions	79	-7	-	71
Other comprehensive income - fair value adjustment	31	-1	-	30

Group (NOKm)	1 Jan 21	Change in provision	Net write-offs/ recoveries	31 Mar 21
Loans as amortised cost- CM	1,421	57	-6	1,472
Loans as amortised cost- RM	62	8	-10	61
Loans at fair value over OCI- RM	147	-15	-	132
Loans at fair value over OCI- CM	0	0	-	1
Provision for expected credit losses on loans and guarantees	1,630	51	-15	1,665
Presented as				
Provision for loan losses	1,517	51	-15	1,553
Other debt- provisions	81	0	-	81
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)	31 March 2022				31 March 2021				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	15	-15	-0	-	16	-16	-0	-	20	-20	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-1	1	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-5	5	-	-0	-3	3	-	-1	-6	7	-
Net remeasurement of loss allowances	-16	12	0	-4	-15	17	-11	-10	-22	24	-3	-1
Originations or purchases	5	4	1	10	5	2	0	8	19	17	1	37
Derecognitions	-3	-8	-2	-13	-4	-11	-1	-15	-12	-32	-4	-48
Changes due to changed input assumptions	-0	2	-2	0	1	3	-	4	1	-0	-	1
Actual loan losses	0	0	-4	-4	-	-	-5	-5	0	0	-12	-12
Closing balance	38	74	34	146	37	91	34	162	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	20	-20	-0	-	7	-7	-0	-	15	-15	-	-
Transfer to (from) stage 2	-2	2	-	-	-2	2	-	-	-5	5	-	-
Transfer to (from) stage 3	-1	-3	4	-	-2	-78	81	-	-2	-26	28	-
Net remeasurement of loss allowances	38	19	-12	45	-9	13	50	54	-26	26	38	39
Originations or purchases	25	8	2	35	13	1	4	18	32	21	100	153
Derecognitions	-6	-10	-15	-31	-5	-9	-1	-15	-20	-145	-1	-166
Changes due to changed input assumptions	-55	-6	6	-54	1	4	-	6	1	14	-	15
Actual loan losses	-	-	-149	-149	-	-	-10	-10	-	-	-117	-117
Closing balance	104	258	708	1,069	91	312	948	1,351	84	268	871	1,223
Total accrual for loan losses	142	332	741	1,215	128	403	981	1,512	123	350	907	1,379

Group (NOKm)	31 March 2022				31 March 2021				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	16	- 16	- 0	-	17	- 17	- 0	-	22	- 22	- 0	-
Transfer to (from) stage 2	- 2	2	- 0	-	- 1	1	- 0	-	- 2	3	- 0	-
Transfer to (from) stage 3	- 0	- 5	5	-	- 0	- 5	5	-	- 1	- 7	8	-
Net remeasurement of loss allowances	- 16	15	1	- 1	- 16	19	- 9	- 6	- 23	26	- 1	2
Originations or purchases	7	5	1	12	6	3	2	11	22	20	1	43
Derecognitions	- 4	- 8	- 2	- 14	- 4	- 12	- 3	- 19	- 14	- 37	- 9	- 60
Changes due to changed input assumptions	- 1	2	- 3	- 2	1	2	- 1	2	- 0	- 2	- 4	- 5
Actual loan losses	-	-	- 4	- 4	-	-	- 5	- 5	-	-	- 12	- 12
Closing balance	45	82	38	165	43	99	48	190	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	21	- 21	- 0	-	8	- 8	0	-	20	- 20	- 0	-
Transfer to (from) stage 2	- 2	2	- 0	-	- 2	2	-	-	- 7	7	- 0	-
Transfer to (from) stage 3	- 1	- 3	4	-	- 2	- 79	82	-	- 2	- 27	29	-
Net remeasurement of loss allowances	39	20	- 11	48	- 10	14	53	57	- 29	31	42	44
Originations or purchases	27	8	2	37	15	1	4	20	35	23	112	169
Derecognitions	- 6	- 11	- 16	- 33	- 5	- 10	- 2	- 16	- 21	- 146	- 2	- 169
Changes due to changed input assumptions	- 55	- 7	6	- 56	- 0	3	- 1	2	- 2	12	- 2	9
Actual loan losses	-	-	- 149	- 149	-	-	- 10	- 10	-	-	- 128	- 128
Closing balance	115	268	732	1,115	101	322	971	1,394	94	278	896	1,268
Total accrual for loan losses	160	350	770	1,279	145	421	1,019	1,584	138	367	936	1,442

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	31 March 2022				31 March 2021				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	1	- 1	- 0	-	3	- 3	- 0	-	6	- 6	- 0	-
Transfer to (from) stage 2	- 0	0	- 0	-	- 6	6	-	-	- 7	7	-	-
Transfer to (from) stage 3	- 0	- 0	0	-	- 0	- 1	1	-	- 0	- 1	1	-
Net remeasurement of loss allowances	2	- 5	0	- 2	- 6	6	- 1	- 1	- 9	4	0	- 4
Originations or purchases	5	1	0	6	3	1	0	4	7	4	0	11
Derecognitions	- 1	- 5	- 0	- 6	- 1	- 2	- 0	- 3	- 6	- 5	- 0	- 11
Changes due to changed input assumptions	- 5	- 1	0	- 5	0	1	-	1	0	2	-	2
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	21	45	5	71	20	57	4	81	19	55	5	79
Of which												
Retail market				3				3				2
Corporate Market				68				79				76

Provision for credit losses specified by industry

Parent Bank (NOKm)	31 March 2022				31 March 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	2	31	8	41	2	23	2	27	2	31	6	39
Fisheries and hunting	9	10	0	19	8	2	0	10	6	7	0	13
Sea farming industries	1	0	1	2	4	0	0	4	1	0	0	2
Manufacturing	5	31	11	47	7	20	9	36	5	36	15	56
Construction, power and water supply	13	14	8	35	11	12	37	60	13	16	14	43
Retail trade, hotels and restaurants	10	28	11	49	9	26	16	51	8	28	11	46
Maritime sector	22	109	409	539	14	190	657	862	14	118	555	687
Property management	24	45	30	99	20	49	34	102	20	50	36	105
Business services	14	14	221	249	12	12	194	218	13	12	222	247
Transport and other services	7	8	18	33	8	10	1	19	7	6	17	30
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	0	0	-	0	1	1	-	1	0	0	0	0
Wage earners	3	42	25	70	2	58	31	91	2	47	30	79
Total provision for losses on loans	111	332	741	1,185	97	403	981	1,481	91	350	907	1,348
loan loss allowance on loans at FVOCI	30			30	31			31	31			31
Total loan loss allowance	142	332	741	1,215	128	403	981	1,512	123	350	907	1,379

Group (NOKm)	31 March 2022				31 March 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	32	9	44	3	25	3	31	3	33	7	42
Fisheries and hunting	9	10	0	19	8	2	0	10	6	7	0	13
Sea farming industries	2	1	1	4	4	1	0	5	1	1	1	3
Manufacturing	8	34	16	57	9	23	14	45	7	38	21	66
Construction, power and water supply	16	16	11	44	13	14	41	68	16	19	18	53
Retail trade, hotels and restaurants	12	28	19	59	11	26	18	55	9	28	16	53
Maritime sector	22	109	409	539	14	190	657	862	14	118	555	687
Property management	25	45	30	100	20	49	34	103	20	50	36	106
Business services	15	16	225	256	13	13	198	224	14	14	227	255
Transport and other services	10	10	21	41	10	11	11	32	8	7	22	37
Public administration	0	-	-	0	0	0	-	0	0	0	0	0
Other sectors	0	0	-	0	1	1	-	1	0	0	0	0
Wage earners	8	49	29	86	7	65	44	116	7	53	34	95
Total provision for losses on loans	130	350	770	1,249	113	421	1,019	1,553	107	367	936	1,410
loan loss allowance on loans at FVOCI	30			30	31			31	31			31
Total loan loss allowance	160	350	770	1,279	145	421	1,019	1,584	138	367	936	1,442

Note 8 - Gross Loans

Parent Bank (NOKm)	31 March 2022				31 March 2021				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	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	1,034	-1,022	-12	-	1,034	-1,033	-1	-	1,007	-1,002	-6	-
Transfer to stage 2	-968	968	-0	-	-752	753	-0	-	-1,325	1,332	-7	-
Transfer to stage 3	-19	-115	133	-	-30	-52	82	-	-61	-87	148	-
Net increase/decrease amount existing loans	-1,224	-50	-32	-1,306	-1,127	-57	-7	-1,190	-2,513	-102	-15	-2,630
New loans	12,643	234	30	12,906	12,982	175	29	13,186	43,464	1,198	118	44,780
Derecognitions	-13,820	-502	-33	-14,355	-10,075	-540	-57	-10,672	-31,569	-1,876	-156	-33,601
Financial assets with actual loan losses	0	0	-6	-6	-0	-	-7	-7	-0	-1	-20	-21
Closing balance	79,946	3,406	523	83,875	75,330	3,676	420	79,426	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	201	-198	-3	-	220	-218	-2	-	647	-647	-0	-
Transfer to stage 2	-555	555	-0	-	-286	286	-	-	-1,434	1,434	-	-
Transfer to stage 3	-66	-73	139	-	-86	-474	559	-	-43	-593	637	-
Net increase/decrease amount existing loans	390	-83	-13	294	197	-17	-10	170	-1,202	-196	-39	-1,437
New loans	5,932	261	78	6,271	3,735	28	302	4,064	13,125	-550	1,074	13,649
Derecognitions	-3,805	-404	-283	-4,492	-2,548	-137	-138	-2,823	-8,320	-236	-524	-9,081
Financial assets with actual loan losses	0	0	-31	-31	0	0	-10	-10	-1	-4	-193	-199
Closing balance	40,455	5,244	2,543	48,242	36,818	5,448	2,403	44,668	38,359	5,186	2,656	46,201
Fixed interest loans at FV	4,373			4,373	4,341			4,341	4,276			4,276
Total gross loans at the end of the period	124,774	8,651	3,066	136,490	116,489	9,123	2,823	128,435	124,934	9,079	3,100	137,113

Group (NOKm)	31 March 2022				31 March 2021				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	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	1,141	-1,128	-12	-	1,141	-1,139	-1	-	1,227	-1,221	-6	-
Transfer to stage 2	-1,147	1,150	-2	-	-886	888	-1	-	-1,598	1,609	-11	-
Transfer to stage 3	-21	-129	149	-	-37	-105	142	-	-74	-132	206	-
Net increase/decrease amount existing loans	-1,067	-59	-32	-1,158	-1,132	-63	-10	-1,205	-2,599	-154	-28	-2,782
New loans	13,427	248	40	13,715	13,740	192	29	13,961	46,190	1,465	125	47,781
Derecognitions	-14,473	-582	-61	-15,117	-10,687	-622	-74	-11,383	-33,775	-2,161	-189	-36,125
Financial assets with actual loan losses	-	-	-6	-6	-0	-	-7	-7	-0	-1	-20	-21
Closing balance	85,436	4,113	606	90,155	80,345	4,358	531	85,233	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	250	-235	-15	-	308	-305	-3	-	879	-876	-2	-
Transfer to stage 2	-618	620	-2	-	-314	314	-	-	-1,795	1,797	-1	-
Transfer to stage 3	-70	-80	149	-	-91	-508	599	-	-57	-626	683	-
Net increase/decrease amount existing loans	419	-86	-14	319	173	-19	-14	139	-652	-257	-53	-963
New loans	6,390	268	94	6,752	4,090	37	302	4,429	14,533	-455	1,085	15,164
Derecognitions	-4,078	-467	-304	-4,849	-2,657	-169	-142	-2,968	-9,159	-397	-561	-10,117
Financial assets with actual loan losses	0	0	-31	-31	-159	-38	-1	-198	-1	-4	-193	-199
Balance at 31 December	44,148	5,788	2,636	52,573	39,457	5,898	2,543	47,897	41,855	5,768	2,759	50,382
Closing balance												
Fixed interest loans at FV	4,295			4,295	4,341			4,341	4,198			4,198
Total gross loans at the end of the period	133,879	9,901	3,243	147,023	124,142	10,256	3,073	137,471	133,630	10,381	3,290	147,301

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank				Group		
31 Dec 2021	31 March 2021	31 March 2022	(NOKm)	31 March 2022	31 March 2021	31 Dec 2021
1,958	2,691	2,453	Agriculture and forestry	2,453	2,691	1,958
991	1,455	1,487	Fisheries and hunting	1,487	1,455	991
1,050	1,295	789	Sea farming industries	789	1,295	1,050
2,562	1,761	2,255	Manufacturing	2,255	1,761	2,562
5,535	4,337	4,552	Construction, power and water supply	4,552	4,337	5,535
6,649	5,341	5,452	Retail trade, hotels and restaurants	5,452	5,341	6,649
1,006	1,118	1,006	Maritime sector	1,006	1,118	1,006
5,692	5,664	5,913	Property management	5,855	5,603	5,635
11,469	9,548	12,452	Business services	12,452	9,548	11,469
9,247	9,863	9,598	Transport and other services provision	9,158	9,509	8,750
16,826	13,928	19,242	Public administration	19,242	13,928	16,826
4,453	4,758	3,929	Other sectors	3,762	4,469	4,267
67,439	61,760	69,127	Total	68,463	61,056	66,697
44,589	41,334	45,590	Wage earners	45,590	41,334	44,589
112,028	103,094	114,717	Total deposits	114,053	102,390	111,286

Note 10 - Net interest income

Parent bank			(NOKm)	Group		
2021	Jan-March 2021	2022		Jan-March 2022	2021	2021
			Interest income			
128	35	52	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	18	12	33
1,654	384	501	Interest income from loans to and claims on customers (amortised cost)	643	512	2,169
1,285	310	368	Interest income from loans to and claims on customers (FVOCI)	368	313	1,300
116	29	28	Interest income from loans to and claims on customers (FVPL)	28	29	116
279	67	96	Interest income from money market instruments, bonds and other fixed income securities	95	67	276
-	-	-	Other interest income	6	6	23
3,462	826	1,044	Total interest income	1,158	939	3,916
			Interest expense			
51	16	30	Interest expenses on liabilities to credit institutions	33	17	55
547	125	225	Interest expenses relating to deposits from and liabilities to customers	223	123	540
395	99	109	Interest expenses related to the issuance of securities	109	99	395
33	8	11	Interest expenses on subordinated debt	11	9	35
8	2	2	Other interest expenses	5	5	20
75	17	20	Guarantee fund levy	20	17	75
1,109	267	396	Total interest expense	400	271	1,120
2,353	558	648	Net interest income	758	668	2,796

Note 11 - Net commission income and other income

Parent bank			Group		
Jan-March			Jan-March		
2021	2021	2022 (NOKm)	2022	2021	2021
Commission income					
76	18	20	19	18	73
-	-	-	61	67	291
63	15	10	10	15	63
450	112	84	84	112	450
14	4	4	4	4	14
413	92	103	102	91	409
214	52	57	57	52	214
77	18	21	19	15	69
1,306	310	299	357	374	1,583
Commission expenses					
84	17	18	26	28	115
13	4	2	24	23	92
97	22	20	50	51	207
Other operating income					
26	6	13	12	6	27
-	-	-	33	36	150
-	-	-	125	275	719
-	-	-	156	148	529
21	2	4	4	3	31
47	9	17	331	468	1,456
1,256	297	296	637	790	2,832

Note 12 - Operating expenses

Parent bank				Group		
Jan-March				Jan-March		
2021	2021	2022	(NOKm)	2022	2021	2021
265	64	76	IT costs	98	87	359
10	2	3	Postage and transport of valuables	4	3	14
53	14	14	Marketing	21	20	77
95	24	19	Ordinary depreciation	34	53	189
44	13	21	Operating expenses, real properties	24	18	57
143	30	42	Purchased services	61	46	224
134	31	33	Other operating expense	42	38	190
745	177	208	Total other operating expenses	286	265	1,111

Note 13 - Net return on financial investments

Parent Bank				Group		
Jan-March				Jan-March		
2021	2021	2022	(NOKm)	2022	2021	2021
			Valued at fair value through profit/loss			
-433	-128	-203	Value change in interest rate instruments	-179	-83	-283
			Value change in derivatives/hedging			
-6	-11	-0	Net value change in hedged bonds and derivatives*	-0	-11	-6
12	10	-3	Net value change in hedged fixed rate loans and derivatives	-3	10	12
301	105	171	Other derivatives	207	125	332
			Income from equity instruments			
			Income from owner interests	54	128	705
726	112	60	Dividend from owner instruments			
8	-3	4	Value change and gain/loss on owner instruments	4	0	13
6	2	3	Dividend from equity instruments	3	4	22
-4	-6	3	Value change and gain/loss on equity instruments	133	102	163
610	80	34	Total net income from financial assets and liabilities at fair value through profit/(loss)	217	276	959
			Valued at amortised cost			
-2	-2	-0	Value change in interest rate instruments held to maturity	-0	-2	-2
-2	-2	-0	Total net income from financial assets and liabilities at amortised cost	-0	-2	-2
72	16	10	Total net gain from currency trading	9	15	70
680	95	43	Total net return on financial investments	226	289	1,026
* Fair value hedging						
-664	-293	-824	Changes in fair value on hedging instrument	-824	-293	-664
657	282	824	Changes in fair value on hedging item	824	282	657
-6	-11	-0	Net Gain or Loss from hedge accounting	-0	-11	-6

Note 14 - Other assets

Parent Bank				Group		
31 Dec 2021	31 March 2021	31 March 2022 (NOKm)		31 March 2022	31 March 2021	31 Dec 2021
3	-	3	Deferred tax asset	87	129	90
84	80	99	Fixed assets	223	206	210
253	291	255	Right to use assets	477	492	460
152	94	119	Earned income not yet received	183	215	186
20	122	974	Accounts receivable, securities	1,752	828	300
62	112	62	Pension assets	62	112	62
508	409	338	Other assets	600	773	752
1,082	1,108	1,851	Total other assets	3,384	2,754	2,062

Note 15 - Other liabilities

Parent Bank			(NOKm)	Group		
31 Dec 2021	31 March 2021	31 March 2022		31 March 2022	31 March 2021	31 Dec 2021
-	8	-	Deferred tax	56	82	56
513	74	322	Payable tax	367	130	583
12	11	12	Capital tax	12	11	12
118	110	407	Accrued expenses and received, non-accrued income	932	681	774
347	365	542	Provision for accrued expenses and commitments	542	365	347
78	81	71	Losses on guarantees and unutilised credits	71	81	78
8	10	8	Pension liabilities	8	10	8
262	297	265	Lease liabilities	492	501	476
84	133	57	Drawing debt	57	133	84
92	132	240	Creditors	377	211	150
157	110	1,330	Debt from securities	1,940	720	351
-	-	-	Equity Instruments	-0	30	31
185	418	1,986	Other liabilities	2,177	629	266
1,855	1,748	5,239	Total other liabilities	7,030	3,584	3,215

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

Group

	1 Jan 2022	Issued	Fallen due/ Redeemed	Other changes	31 March 2022
Change in securities debt (NOKm)					
Bond debt, nominal value	36,805	2,850	4,851	-927	33,878
Senior non preferred, nominal value	3,500	530	-	-	4,030
Value adjustments	-152	-	-	-798	-950
Accrued interest	178	-	-	-42	136
Total	40,332	3,380	4,851	-1,768	37,093

	1 Jan 2022	Issued	Fallen due/ Redeemed	Other changes	31 March 2022
Change in subordinated debt and hybrid equity (NOKm)					
Ordinary subordinated loan capital, nominal value	1,793	-	-	-	1,793
Value adjustments	-	-	-	-	-
Accrued interest	3	-	-	0	4
Total	1,796	-	-	0	1,796

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 22:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	2	4,074	-	4,077
- Bonds and money market certificates	3,164	28,850	-	32,014
- Equity instruments	1,861	89	685	2,635
- Fixed interest loans	-	-	4,294	4,294
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	80,643	80,643
Total assets	5,027	33,013	85,623	123,662
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	0	5,147	-	5,147
- Equity instruments	-0	-	-	-0
Total liabilities	-0	5,147	-	5,146

The following table presents the Group's assets and liabilities measured at fair value at 31 March 2021:

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

The following table presents the Group's assets and liabilities measured at fair value at 31 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 31 March 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	79,435
Investment in the period	3	460	11,522	11,985
Disposals in the period	-2	-264	-13,944	-14,209
Expected credit loss	-	-	11	11
Gain or loss on financial instruments	120	-100	-1	19
Closing balance 31 March	685	4,294	80,643	77,241

The following table presents the changes in the instruments classified in level 3 as at 31 March 2021:

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

The following table presents the changes in the instruments classified in level 3 as at 31 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 8 million.

Short-term paper and bonds (level 2 and 3)

Valuation on level 2 is based for the most part on observable market information in the form of interest rate curves, exchange rates and credit margins for the individual credit and the bond's or certificate's characteristics. For paper valued under level 3 the valuation is based on indicative prices from a third party or comparable paper.

Equity instruments (level 3)

Shares that are classified to level 3 include essentially investments in unquoted shares. Among other a total of NOK 598 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 22:

(NOKm)	Effect from	
	Book value	change in reasonable possible alternative assumptions
Fixed interest loans	4,294	-13
Equity instruments through profit/loss*	685	-
Loans at fair value through other comprehensive income	80,643	-8

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

Note 18 - Liquidity risk

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

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

The average residual maturity on debt created by issue of securities at the end of the first quarter 2022 was 3.9 years. The overall LCR at the same point was 155 per cent and the average overall LCR in the first quarter was 153 per cent. The LCR in Norwegian kroner and euro at quarter-end was 144 and 266 per cent respectively.

Note 19 - Earnings per EC

ECC owners share of profit have been calculated based on net profit allocated in accordance to the average number of certificates outstanding in the period. There is no option agreements in relation to the Equity Capital certificates, diluted net profit is therefore equivalent to Net profit per ECC.

(NOKm)	Jan-March		
	2022	2021	2021
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	646	687	2,692
Allocated to ECC Owners 2)	413	439	1,722
Issues Equity Capital Certificates adjusted for own certificates	129,387,872	129,305,359	129,339,665
Earnings per Equity Capital Certificate	3.20	3.40	13.31

1) Adjusted Net Profit	Jan-March		
	2022	2021	2021
Net Profit for the group	698	768	2,902
adjusted for non-controlling interests share of net profit	-30	-61	-160
Adjusted for Tier 1 capital holders share of net profit	-21	-20	-50
Adjusted Net Profit	646	687	2,692

2) Equity capital certificate ratio (parent bank) (NOKm)	31 March		
	2022	2021	2021
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	-1	-0	-
A. The equity capital certificate owners' capital	10,608	10,201	10,609
Ownerless capital	5,918	5,664	5,918
Unrealised gains reserve	62	86	62
Other equity capital	-0	-0	-
B. The saving bank reserve	5,979	5,750	5,980
To be disbursed from gift fund	-	401	547
Dividend declared	-	226	970
Equity ex. profit	16,587	16,578	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 %

Results from quarterly accounts

Group (NOKm)	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Interest income effective interest method	1,158	1,047	973	958	939	945	972	1,031	1,250
Interest expenses	400	324	266	260	271	258	277	365	540
Net interest	758	723	707	698	668	688	695	666	710
Commission income	357	404	405	400	374	393	399	316	335
Commission expenses	50	55	54	48	51	54	50	44	47
Other operating income	331	322	272	395	468	399	277	323	271
Commission income and other income	637	671	623	748	790	738	625	595	558
Dividends	2	1	1	17	4	27	2	2	8
Income from investment in related companies	62	186	179	212	128	117	170	177	217
Net return on financial investments	172	32	68	42	158	53	32	269	-124
Net return on financial investments	235	219	248	270	289	197	205	448	101
Total income	1,630	1,613	1,578	1,716	1,748	1,622	1,525	1,709	1,369
Staff costs	476	463	423	465	531	553	415	445	438
Other operating expenses	286	302	275	269	265	271	261	254	268
Total operating expenses	762	765	698	735	796	824	675	699	706
Result before losses	868	848	880	981	952	798	850	1,010	663
Loss on loans, guarantees etc.	-0	32	31	39	59	242	231	170	308
Result before tax	868	816	849	942	893	556	619	840	355
Tax charge	169	112	175	191	131	105	102	124	69
Result investment held for sale, after tax	-1	-0	1	4	6	-0	2	3	4
Net profit	698	703	675	755	768	450	519	719	290

Key figures from quarterly accounts

Group (NOKm)	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Profitability									
Return on equity per quarter ¹⁾	12.5%	12.7%	12.4%	14.3%	14.8%	8.9%	10.5%	15.1%	5.7%
Cost-income ratio ¹⁾	47 %	47 %	44 %	43 %	46 %	51 %	45 %	41 %	52 %
Balance sheet figures									
Gross loans to customers	147,023	147,301	143,972	141,935	137,471	134,648	133,640	130,627	127,272
Gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt	199,965	195,353	191,976	189,015	185,342	182,801	179,423	175,100	170,771
Deposit from customers	114,053	111,286	109,691	110,133	102,390	97,529	95,391	94,289	88,152
Total assets	207,027	198,845	200,124	200,426	193,822	187,912	186,900	190,484	185,182
Quarterly average total assets	202,936	199,492	200,275	197,124	190,867	187,406	188,692	187,833	175,922
Growth in loans incl. SB1 Boligkreditt and SB1 Næringskreditt last 12 months ¹⁾	2.4 %	1.8 %	1.6 %	2.0 %	1.4 %	1.9 %	2.5 %	2.5 %	1.8 %
Growth in deposits last 12 months	2.5 %	1.5 %	-0.4 %	7.6 %	5.0 %	2.2 %	1.2 %	7.0 %	2.6 %
Losses in % of gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt									
Impairment losses ratio ¹⁾	0.00 %	0.07 %	0.07 %	0.08 %	0.13 %	0.54 %	0.52 %	0.39 %	0.73 %
Stage 3 as a percentage of gross loans ¹⁾	1.62 %	1.68 %	1.80 %	1.87 %	1.66 %	1.23 %	1.30 %	1.35 %	1.39 %
Solidity ²⁾									
Common equity Tier 1 capital ratio	18.3 %	18.0 %	18.1 %	18.3 %	18.0 %	18.3 %	17.6 %	17.2 %	16.3 %
Tier 1 capital ratio	19.8 %	19.6 %	19.7 %	20.0 %	19.7 %	20.0 %	19.2 %	18.9 %	18.0 %
Capital ratio	21.9 %	21.6 %	21.8 %	22.2 %	21.9 %	22.3 %	21.4 %	21.1 %	20.1 %
Tier 1 capital	19,797	19,322	19,265	19,011	18,636	18,636	18,290	18,182	17,792
Total eligible capital	21,839	21,333	21,338	21,105	20,741	20,759	20,373	20,266	19,879
Liquidity Coverage Ratio (LCR)	155 %	138 %	163 %	184 %	190 %	171 %	140 %	163 %	185 %
Leverage Ratio	7.0 %	6.9 %	6.9 %	7.0 %	7.0 %	7.1 %	7.1 %	6.9 %	6.9 %
Key figures ECC									
ECC share price at end of period (NOK)	141.20	149.00	129.80	119.20	107.40	97.60	84.30	78.30	67.60
Number of certificates issued, millions ¹⁾	129.39	129.39	129.39	129.36	129.22	129.39	129.44	129.39	129.22
Booked equity capital per ECC (including dividend) ¹⁾	99.55	103.48	103.57	100.18	96.70	94.71	92.73	90.37	86.85
Profit per ECC, majority ¹⁾	3.20	3.20	3.22	3.51	3.40	1.99	2.35	3.27	1.26
Price-Earnings Ratio ¹⁾	11.05	11.65	10.09	8.50	7.91	12.28	8.96	5.98	13.46
Price-Book Value Ratio ¹⁾	1.42	1.44	1.25	1.19	1.11	1.03	0.91	0.87	0.78

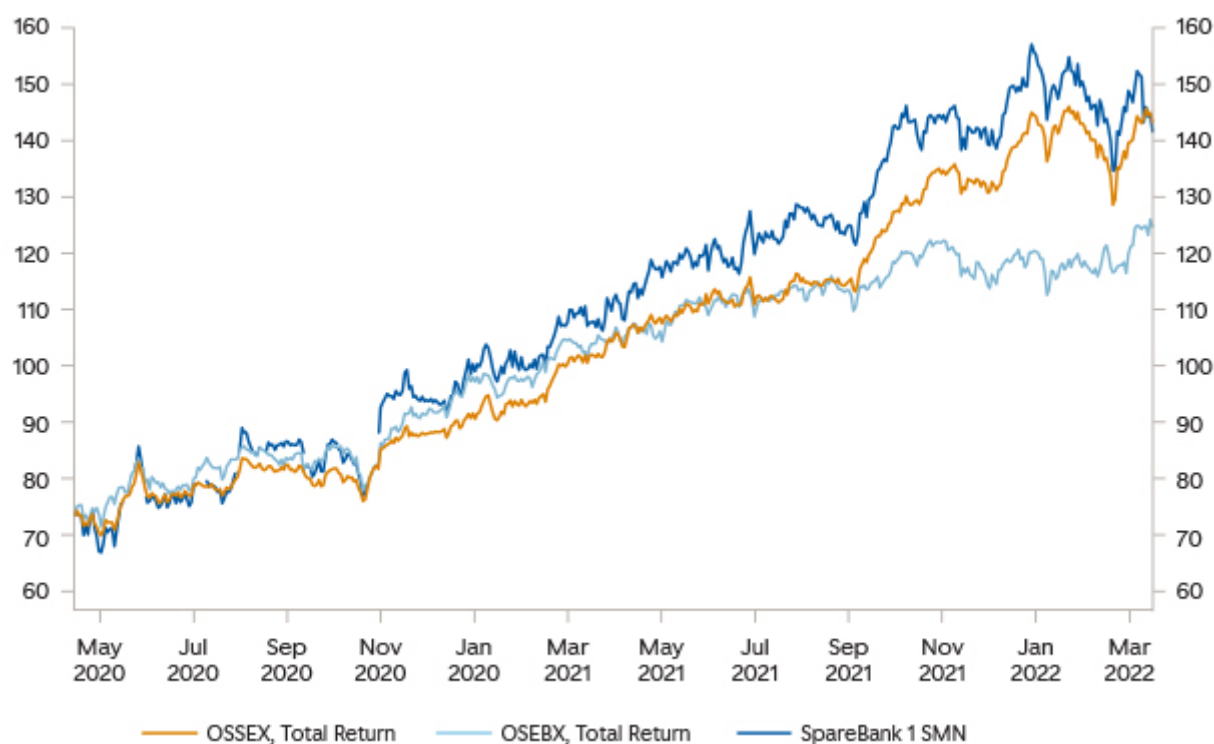
¹⁾ Defined as alternative performance measures, see attachment to the quarterly report

²⁾ Comparables have not been restated since revised distribution of profit for 2019

Equity capital certificates

Stock price compared with OSEBX and OSEEX

1 April 2020 to 31 March 2022

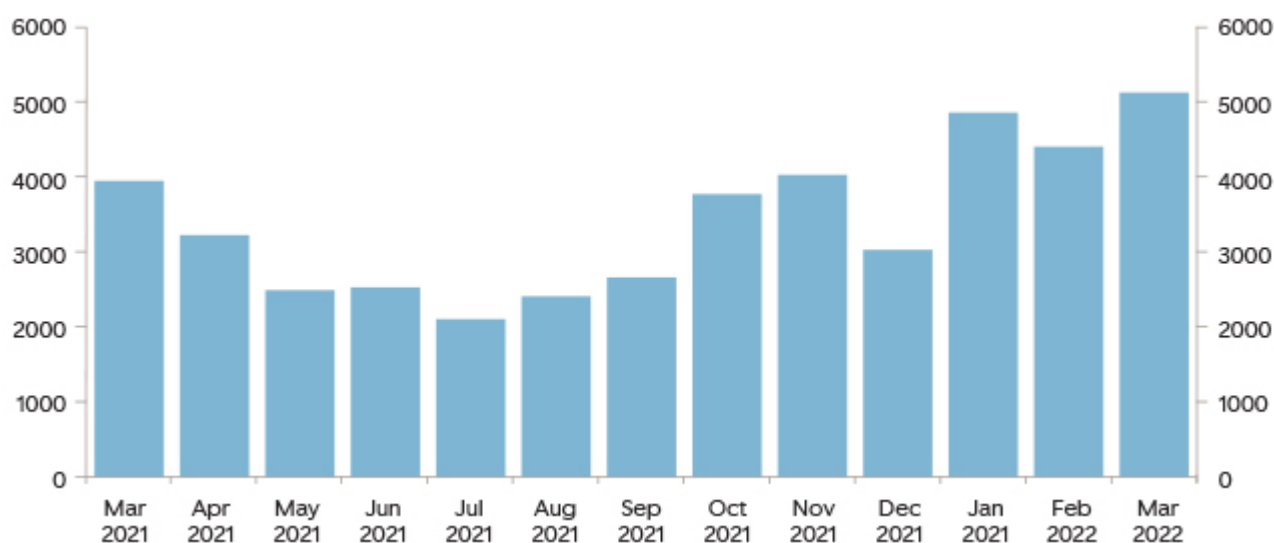


OSEBX = Oslo Stock Exchange Benchmark Index (rebased)

OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics

1 April 2021 to 31 March 2022



Total number of ECs traded (1000)

20 largest ECC holders	No. Of ECCs	Holding
Sparebankstiftelsen SMN	3,965,391	3.05 %
Pareto Aksje Norge VPF	2,944,317	2.27 %
VPF Alfred Berg Gambak	2,903,934	2.24 %
State Street Bank and Trust Comp (nominee)	2,688,906	2.07 %
VPF Eika Egenkapitalbevis	2,645,271	2.04 %
VPF Odin Norge	2,574,707	1.98 %
J. P. Morgan Chase Bank, N.A., London (nominee)	2,501,610	1.93 %
State Street Bank and Trust Comp (nominee)	2,424,197	1.87 %
The Bank of New York Mellon SA/NV	2,327,086	1.79 %
Danske Invest Norske Aksjer Institusjon II	2,123,568	1.64 %
Forsvarets personellservice	2,014,446	1.55 %
Pareto Invest AS	1,957,702	1.51 %
Spesialfondet Borea Utbytte	1,734,867	1.34 %
VPF Nordea Norge	1,729,650	1.33 %
J. P. Morgan SE	1,649,031	1.27 %
J. P. Morgan Securities plc	1,428,694	1.10 %
KLP	1,380,331	1.06 %
MP Pensjon PK	1,352,771	1.04 %
RBC Investor Services Trust	1,308,197	1.01 %
J. P. Morgan SE	1,229,700	0.95 %
The 20 largest ECC holders in total	42,884,376	33.03 %
Others	86,952,067	66.97 %
Total issued ECCs	129,836,443	100.00 %

Dividend policy

SpareBank 1 SMN aims to manage the Group's resources in such a way as to provide equity certificate holders with a good, stable and competitive return in the form of dividend and a rising value of the bank's equity certificate.

The net profit for the year will be distributed between the owner capital (the equity certificate holders) and the ownerless capital in accordance with their respective shares of the bank's total equity capital.

SpareBank 1 SMN's intention is that about one half of the owner capital's share of the net profit for the year should be disbursed in dividends and, similarly, that about one half of the owner capital's share of the net profit for the year should be disbursed as gifts or transferred to a foundation. This is on the assumption that capital adequacy is at a satisfactory level. When determining dividend payout, account will be taken of the profit trend expected in a normalised market situation, external framework conditions and the need for tier 1 capital.



To the Board of Directors of Sparebank 1 SMN

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim balance sheet of Sparebank 1 SMN as of 31 March 2022, the income statement, the statement of changes in equity and the cash flow statement for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 31 March 2022, and of its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Trondheim, 5 May 2022

PricewaterhouseCoopers AS

Rune Kenneth S. Lædre

State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.