sparebanken
sogn og fjordane

Interim report

Q3 2021 (unaudited)

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ENGLISH TRANSLATION: SPRÅKVERKSTADEN AS

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

INCOME STATEMENT	Q1-Q3 2021	Q1-Q3 2020	Full-year 2020
Net interest income	694	674	907
Dividends and gains/losses on financial instruments	110	87	114
Other operating income	115	101	138
Operating expenses	360	350	491
Profit/loss before impairment loss (incl. securities)	**559**	**513**	**668**
Profit/loss before impairment loss (excl. securities)	**449**	**426**	**554**
Impairment loss	– 37	112	112
Profit/loss before taxation	**596**	**401**	**557**
Tax expense	126	76	113
Profit/loss after taxation	**470**	**325**	**444**
Other comprehensive income	0	0	0
Comprehensive income	**470**	**325**	**443**
BALANCE SHEET			
Assets			
Gross loans and advances to customers	56 631	54 012	54 883
Loss allowance	– 309	– 358	– 353
Security investments (shares, fixed income funds, commercial paper and bonds)	7 701	7 279	7 166
Debt and equity			
Deposits from and debt to customers	31 919	30 498	30 665
Debt securities and debt to credit institutions	25 806	24 690	25 012
Equity	6 186	5 612	5 727
Total assets	65 040	62 122	62 661
Average total assets	64 324	60 058	60 722
KEY FIGURES			
Profitability			
Net interest margin	1,44 %	1,50 %	1,49 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,24 %	0,22 %	0,23 %
Operating expenses as a % of average total assets	0,75 %	0,78 %	0,81 %
Profit/loss before impairment loss as a % of average total assets	1,16 %	1,14 %	1,10 %
Profit/loss before tax as a % of average total assets	1,24 %	0,89 %	0,92 %
Profit/loss after tax as a % of average total assets	0,97 %	0,72 %	0,73 %
Comprehensive income as a % of average total assets	0,97 %	0,72 %	0,73 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	44,50 %	45,11 %	46,98 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	39,19 %	40,55 %	42,35 %
Impairment loss as a % of gross loans	– 0,07 %	0,21 %	0,20 %
Return on equity before tax 1)	14,78 %	10,60 %	11,05 %
Return on equity after tax 1)	11,66 %	8,59 %	8,80 %
Pre-tax return on equity (comprehensive income) 1)	11,66 %	8,59 %	8,80 %
Consolidated comprehensive income per equity certificate, in NOK	21,11	14,60	19,93
Dividend payable per equity certificate, in NOK			6,00

1) Return on equity is calculated based on opening equity excl. hybrid capital

Capital and liquidity position	Q1-Q3 2021	Q1-Q3 2020	Full-year 2020
Capital adequacy ratio	19,00 %	17,99 %	18,88 %
Core capital adequacy ratio	17,17 %	16,13 %	17,02 %
Core Tier 1 capital adequacy ratio	15,71 %	15,04 %	15,94 %
Leverage ratio	8,46 %	8,17 %	8,59 %
Liquidity Coverage Ratio (LCR)	153 %	137 %	157 %
Balance sheet history			
Growth in total assets (year-on-year)	4,70 %	9,20 %	8,54 %
Growth in gross customer lending (year-on-year)	4,85 %	7,21 %	7,42 %
Growth in customer deposits (year-on-year)	4,66 %	8,42 %	7,23 %
Deposits as a % of consolidated gross lending	56,36 %	56,46 %	55,87 %
Deposits as a % of parent company's gross lending	96,05 %	91,98 %	92,88 %
Employees			
Full-time equivalent employees	269	276	276

Interim report 30 September 2021

All of the figures specified below refer to the consolidated accounts unless otherwise stated. The figures in brackets are for the first nine months of 2020.

Q3 2021 highlights

- NOK 235 million (223 million) of net interest income
- Net gain on financial instruments of NOK 36 million (7 million)
- Operating expenses of NOK 117 million (114 million)
- Impairment gain of NOK 37 million (loss of NOK 26 million)
- Comprehensive income of NOK 176 million (95 million)
- Annualised return on equity of 12.7% (7.3%)

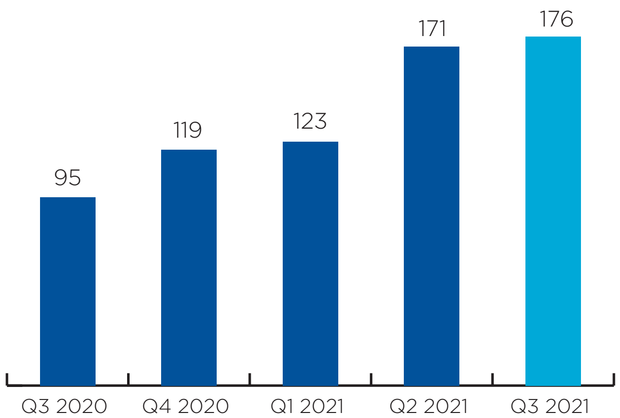
Q1-Q3 2021 highlights

- NOK 694 million (674 million) of net interest income
- Net gain on financial instruments of NOK 110 million (87 million)
- Operating expenses of NOK 360 million (350 million)
- Impairment gain of NOK 37 million (loss of NOK 112 million)
- Comprehensive income of NOK 470 million (325 million)
- Return on equity of 11.7% (8.6%)
- Capital adequacy ratio 19.0% (18.0%)

Q3 financial results

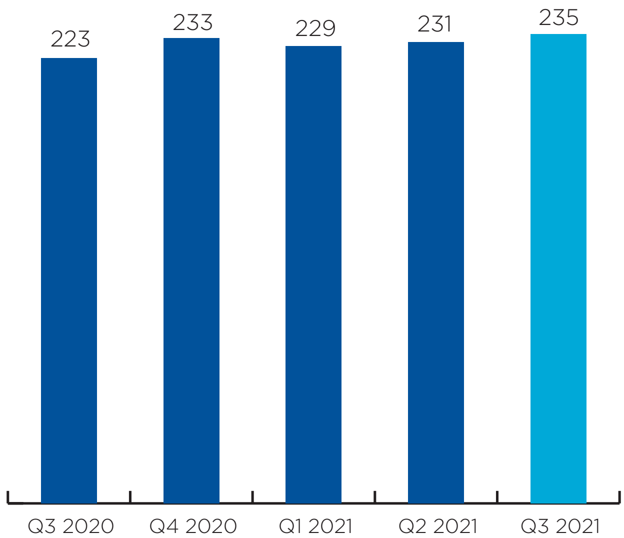
The Group made a pre-tax profit of NOK 229 million, compared with NOK 124 million in the same quarter of last year. The improvement was due to an impairment gain arising from net loan recoveries and a strong contribution from financial instruments. Net interest income and commission income also saw healthy growth in comparison to the third quarter of last year.

Third quarter comprehensive income was strong at NOK 176 million, compared with NOK 95 million in the same quarter last year. It was also higher than in the second quarter of this year. The comprehensive income for the third quarter of this year gives a return on equity of 12.7%. The Board of Directors is very satisfied with the financial performance in 2021.

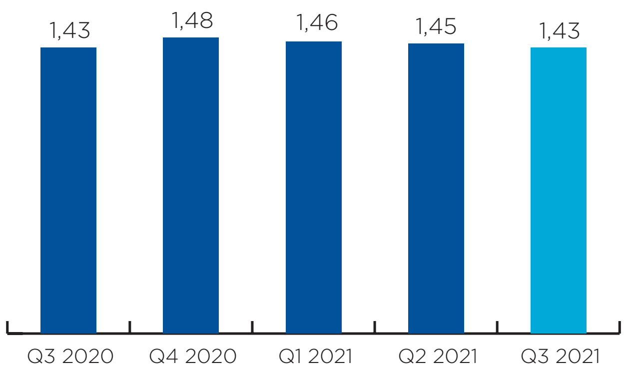


Net interest income in Q3

Net interest income totalled NOK 235 million, which was an improvement of NOK 12 million (3.0%) over the same quarter of last year. Loan growth came to 4.8% over the past 12 months, while deposits rose by 4.7%, which helped to ensure strong growth in net interest income. The overall customer margin for the third quarter of this year was slightly higher than the margin for the third quarter last year. However, in comparison to the cost of funding through debt securities, interest rates on loans are lower than they were in the third quarter last year, as the 3-month Nibor has risen, and that had a negative impact on net interest income. The bank has notified its customers that it will be putting up interest rates on loans and deposits, which viewed in isolation will improve its net interest income next quarter. The overall performance of net interest income is uncertain, because the cost of funding through debt securities is also expected to rise further.



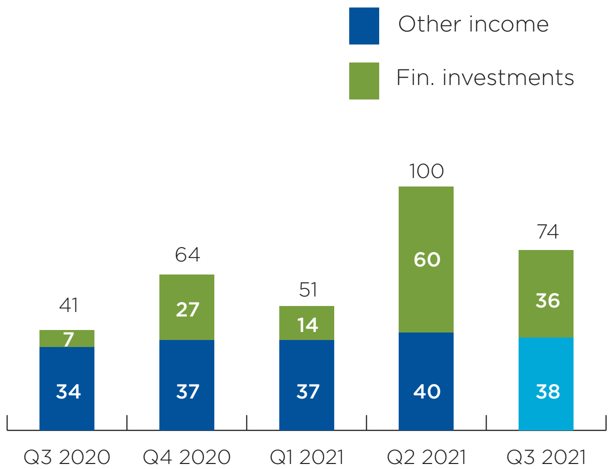
The graph below shows the net interest margin (net interest income measured as a percentage of average total assets). The net interest margin was 1.43% in third quarter of this year, which is relatively stable compared with the third quarter of last year and earlier this year.



Net other operating income in Q3

In the third quarter, net other operating income came to NOK 74 million, compared with NOK 41 million in the year-earlier period. This increase was primarily due to a strong performance from financial instruments, which contributed NOK 36 million compared with NOK 7 million in the third quarter last year. NOK 11 million of the contribution in the third quarter of 2021 came from shareholdings.

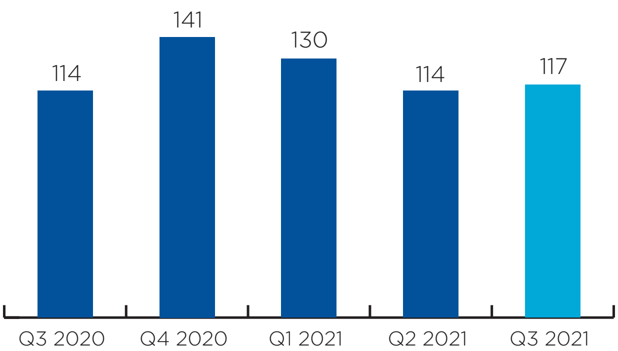
Other income (excluding gains on financial investments) totalled NOK 38 million, NOK 4 million higher than the previous year. Income from alternative savings products, payment services and estate agency services showed decent growth compared with the third quarter of last year.



Q3 operating expenses

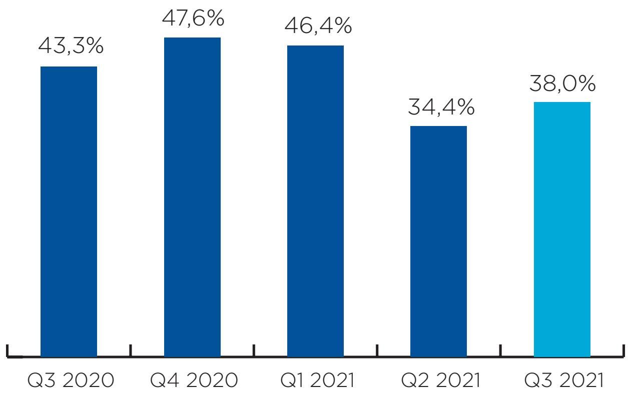
Third quarter operating expenses were NOK 117 million, up NOK 3 million (2.7%) from the third quarter of 2020.

The areas where expenses rose were staff costs, bank cards and consultancy fees. However, many expense items fell on account of the cost-reduction programme that we embarked on in 2020, which aims to implement measures to ensure we continue to operate our business cost-effectively.



Operating expenses were equivalent to 0.72% of average total assets, against 0.74% for the third quarter of last year.

The cost-to-income ratio including financial instruments was only 38.0%, against 43.3% last year.

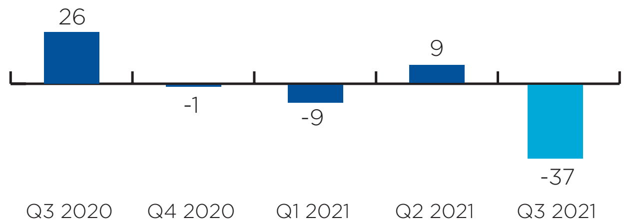


Excluding financial instruments, the cost-to-income ratio was 43.0%, against 44.6% last year.

Q3 impairment loss

In the third quarter, there was a net impairment gain of NOK 37 million as a result of the reversal of past allowances for expected credit losses on loans and guarantees, compared with a net loss of NOK 26 million in the year-earlier period. The gain reflects lower expected credit losses arising from an improved outlook.

For further details, see notes 5 and 6.



Year-to-date net interest income

Net interest income totalled NOK 694 million, which was NOK 20 million, or 3.0%, higher than in the equivalent period last year. Our volume of customer loans and deposits has experienced healthy growth over the past year, but our customer margin on loans has been lower than last year, which means that net interest income has increased less than the growth in lending and deposits would imply.

The net interest margin was 1.44%, compared with 1.50% in the year-earlier period.

Year-to-date net other operating income

Other operating income totalled NOK 224 million, compared with NOK 188 million in the same period last year.

The Group made a NOK 110 million gain on financial instruments, up from NOK 87 million in the year-earlier period. NOK 78 million of this year's gain was attributable to dividends and revaluation gains on long-term shareholdings, compared with NOK 84 million last year. The revaluation gain mainly related to our ownership interest in Frende, both last year and this year. For further details see Note 3.

Net commission income and other income (excluding gains on financial instruments) reached a combined NOK 115 million, NOK 14 million higher than in the first nine months of last year. Income from the sale of alternative savings products, insurance services, payment services and estate agency experienced healthy growth.

Year-to-date operating expenses

Operating expenses totalled NOK 360 million, which was NOK 10 million, or 2.9%, higher than in the equivalent period last year.

In the first quarter of this year, NOK 11 million was set aside for agreed redundancy packages for employees. Excluding this item, expenses were reduced by NOK 1 million. Amongst other things, costs relating to IT, depreciation and travel were lower than in the same period of last year.

Operating expenses were equivalent to 0.75% of average total assets, against 0.78% last year. The full-year expense figure for 2020 was 0.81%.

Including financial instruments, the cost-to-income ratio was 39.2%, against 40.5% in the first nine months of last year.

Excluding financial instruments, the cost-to-income ratio was 44.5%, against 45.1% in the same period of last year.

All key figures relating to costs are moving in the right direction, and the bank has become more cost-efficient over the past year.

Year-to-date impairment loss for loans and guarantees

Thanks to an improved economic outlook and lower credit risk, for the first nine months of 2021 there was a net impairment gain of NOK 37 million in relation to past allowances for expected credit losses. For the same period last year, there was a NOK 112 million loss.

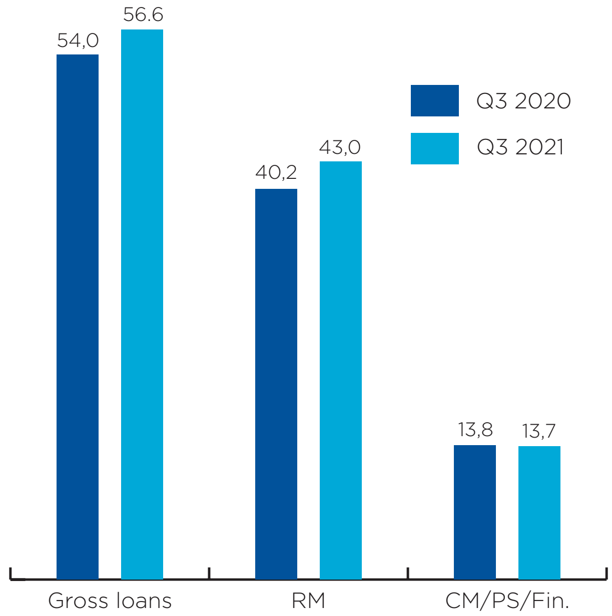
The loss allowance on the balance sheet for expected credit losses on loans, guarantees and undrawn credit facilities was NOK 327 million at 30 September 2021, compared with NOK 383 million at 30 September 2020. Of the loss allowance at 30 September 2021, NOK 309 million was for loans. This was equivalent to 0.55% of gross loans, compared with NOK 358 million (0.66%) a year earlier. At 31 December 2020 the equivalent figures were NOK 353 million and 0.64%.

Balance sheet

The Group had total assets of NOK 65.0 billion at 30 September 2021. This represented an increase of NOK 2.9 billion (4.7%) over the past 12 months. The increase in total assets was mainly due to strong growth in lending to customers and a larger liquidity buffer held as commercial paper and bonds.

Loans to customers

Gross loans to customers totalled NOK 56.6 billion at the end of the quarter. Growth over the past year was NOK 2.6 billion (4.8%).

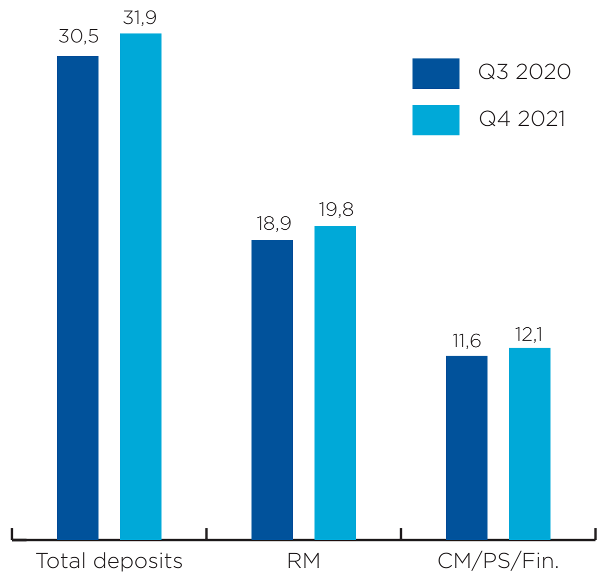


Over the past 12 months, lending to the retail market (RM) rose by 6.9%, while lending to the corporate market (CM) (including loans to the public and financial sectors) was down 1.0% over the same period.

Year-to-date growth was 3.2%, comprising an increase of 5.2% to the RM and a reduction of 2.7% to the CM.

Deposits

Customer deposits totalled NOK 31.9 billion at the end of the quarter. Growth over the past 12 months was NOK 1.4 billion (4.7%).



Over the past 12 months, RM deposits increased by 4.9%, while CM deposits (incl. deposits from the public and financial sectors) rose 4.3%.

In the year to date, deposits increased by 4.1%. RM deposits increased by 4.8%, and CM deposits rose by 2.9%.

The deposit/loan ratio was roughly unchanged at 56.4%, compared with 56.5% at 30 September 2020.

Credit risk

The outstanding balance of loans in payment default, and over 90 days past due, was NOK 135 million, down NOK 115 million from the equivalent figure at 30 September 2020. These figures have been affected by a new definition of default, so the figures are not entirely comparable. For further details see Note 6.

We consider credit risk in the retail market to be low and stable. Payment defaults have fallen over the past 12 months. Looking ahead, the macroeconomic situation, with higher interest rates, high electricity prices and increasing fuel prices, may lead to a small increase in payment difficulties, but it is our assessment that the bank's customers are generally in a strong financial position.

Businesses in Sogn og Fjordane appear to have coped well during the pandemic, and we consider the bank's credit risk in the corporate market to be moderate. The proportion of loans over 90 days past due has also fallen in this market during the past 12 months.

In the first half of 2020, there was great uncertainty about what impacts the pandemic would have on the bank's credit risk. The bank made extra provisions for losses to reflect the uncertainty in 2020. With hindsight, we can see that the increase in credit risk was lower than feared, but a number of businesses have still taken a hit to their capital and liquidity position. At the end of the third quarter of 2021, we had granted NOK 196 million of state-backed loans to the corporate market.

As a proportion of outstanding loans, exposure to the corporate market was 24.1% at 30 September 2021, compared with 25.6% a year earlier. In both our corporate portfolio and our loans to the retail market, the proportion of assets classified as high-risk fell over the past year.

The amount of equity and subordinated debt required to meet credit risk rose to NOK 2,447 million, NOK 39 million (1.6%) higher than at 30 September 2020.

Liquidity and financing

In managing its liquidity, the Bank focuses on its deposit/loan ratio, liquidity buffer and the maturity structure of its funding. We have increased our liquidity buffer over the past year, and it was NOK 7.6 billion at the end of the third quarter of 2021. The liquidity buffer is invested in short-term deposits with Norges Bank and other banks, as well as in freely negotiable bonds/commercial paper. The Liquidity Coverage Ratio (LCR) was at a satisfactory 153%, compared with 137% the previous year.

The Bank uses mortgages to issue covered bonds through its wholly-owned subsidiary Bustadkreditt Sogn og Fjordane AS.

At 30 September 2021, the latter company had covered bonds with a face value of NOK 20.4 billion trading on the market. The total value of its cover pool was NOK 23.3 billion. At 30 September 2021, the company's cover pool was worth NOK 2.9 billion more than the loans it was being used to secure.

Subsidiaries

Bustadkreditt Sogn og Fjordane AS

Bustadkreditt Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. At 30 September 2021, the company had a NOK 23.4 billion loan portfolio, up 12.2% over the past twelve months. The company had NOK 1.9 billion of equity. The company made a pre-tax profit of NOK 177 million, compared with NOK 128 million in the first nine months of 2020. Profit primarily rose as a result of higher net interest income, which was in turn due to loan growth and lower interest expense on its debt securities in issue.

Bankeigedom Sogn og Fjordane AS

Bankeigedom Sogn og Fjordane AS is a wholly-owned subsidiary, which owns the Group's largest buildings. It made a pre-tax profit of NOK 3.9 million, compared with NOK 4.7 million in the equivalent period last year.

Eigedomsmekling Sogn og Fjordane AS

The estate agency Eigedomsmekling Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. Its operating revenues were NOK 26.6 million, up 3.3 million from the year-earlier period. Pre-tax profit was NOK 3.5 million, compared with NOK 3.8 million in the equivalent period in 2020.

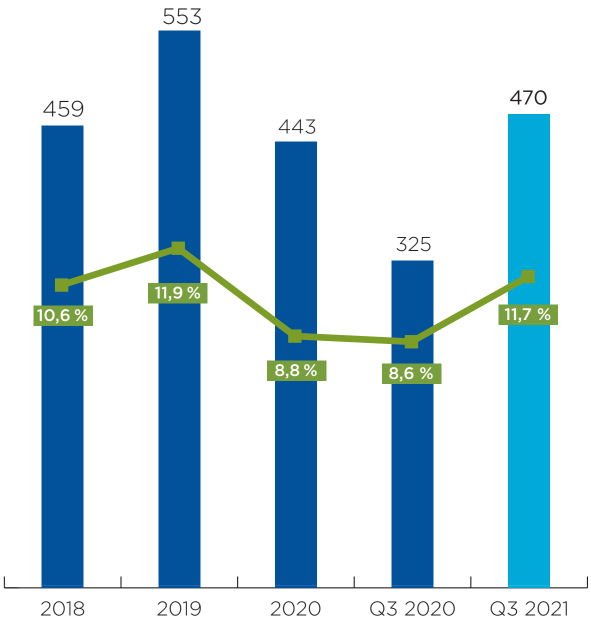
Financial strength and return on equity

The Group's equity at 30 September 2021 totalled NOK 6.2 billion, NOK 574 million (10.2%) higher than the figure at 30 September 2020. The increase came from profit over the past year less dividends and gifts disbursed. In addition, in the third quarter of 2021 a new hybrid debt instrument was issued, which led to a net increase in hybrid debt of NOK 129 million over the past year.

The Group's capital adequacy ratio at 30 September 2021 was 19.0%, compared with 17.99% at 30 September 2020. The core Tier 1 capital adequacy ratio was 15.71%, against 15.04% at 30 September 2020.

Including profit for the first nine months of the year, less a proportionate share of expected dividends and gifts for 2021, the core Tier 1 capital adequacy ratio at 30 September 2021 is estimated to have been 16.7%.

Comprehensive income for the first nine months of the year came to NOK 470 million, compared with NOK 325 million in the same period of 2020. That gives an annualised return on equity of 11.7% for the first nine months of the year, compared with 8.6% for the same period of 2020. Sparebanken Sogn og Fjordane has consistently managed to achieve a satisfactory return on equity. The Board of Directors is satisfied with its financial results and return on equity in the first nine months of 2021.



Rating

As of 30 September 2021, Sparebanken Sogn og Fjordane had a long-term rating of A1 from Moody's. Bustadkreditt Sogn og Fjordane's covered bond programme has a long-term rating of Aaa.

Summary

Comprehensive income for the third quarter came to NOK 176 million, compared with NOK 95 million in the third quarter of last year. This good performance is due to an impairment gain arising from net loan recoveries and a strong contribution from financial instruments. Net interest income and other operating income also saw healthy growth. Operating expenses rose slightly compared with last year. The Group's return on equity was 12.7% in the third quarter, compared with 7.3% in the year-earlier period.

At NOK 470 million, year-to-date comprehensive income was NOK 145 million higher than in the same period of last year, which is a significant improvement. The figure for the first nine months of last year was affected by a high impairment loss, which was NOK 112 million, whereas in the year to date there was a net impairment gain of NOK 37 million.

The loss allowance for loans is an uncertain estimate based on expected future developments.

In the first half of 2020, there was great uncertainty about what impacts the pandemic would have on the bank's credit risk, so the bank made extra provisions for losses to allow for that. With hindsight, it is clear that businesses in Sogn og Fjordane have coped relatively well with the pandemic, but some businesses have still taken a hit to their capital and liquidity position. In both the retail and corporate markets, payment defaults have fallen over the past year. Overall, the economic outlook is improving and credit risk has fallen. We therefore reduced our loss allowance in the third quarter of 2021.

Loan growth came to 4.8% over the past 12 months, and deposits grew by 4.7%. Loan growth over the past year was strong in the retail market, which had a positive impact on net interest income.

In the year to date, net interest income was 3.0% higher than in the same period last year, thanks to solid lending growth. However, interest rates on loans to customers were lower than in the year-earlier period, which meant that interest income rose less than the loan growth would imply. Net other operating income rose a healthy 19.2%, which was due to a good contribution from financial instruments and strong growth in several types of commission income. Operating expenses rose by 2.9%, primarily due to a provision for agreed redundancies. Excluding that provision, expenses fell slightly. The cost-to-income ratio was 39.2%, down from 40.5% in the first nine months of last year. All key figures relating to expenses indicate that our operations have become more cost-efficient. In 2020 we embarked on a cost-reduction programme, and various measures have been implemented that will help to ensure that our operations remain cost-effective.

We had a capital adequacy ratio of 19.0% at 30 September 2021, and a core Tier 1 ratio of 15.7%.

The bank has a strong capital adequacy ratio and a solid market position in Sogn og Fjordane. In 2020 and 2021, the outlook and market conditions have been impacted by the Covid-19 pandemic. The bank's customers appear to have coped well through the pandemic, and the economic outlook has improved over recent quarters. The Board is happy with the Group's financial performance, and believes that it is in a strong position to continue growing and developing its business.

Førde, 26 October 2021

Sindre Kvalheim Chair	Magny Øvrebø Deputy Chair	Monica Rydland	Johnny Haugsbakk
Geir Opseth	Lise Mari Haugen	Marie Heieren	Jo Dale Pedersen
Trond Teigene CEO			

Consolidated income statement

AMOUNTS IN MILLIONS OF NOK	Note	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Interest income		345	344	1 040	1 241	1 589
Interest expenses		110	122	345	567	682
Net interest income		**235**	**223**	**694**	**674**	**907**
Commission income		36	31	106	91	127
Commission expenses		8	6	20	18	24
Net gains/losses on financial instruments		36	7	110	87	114
Other income		9	10	28	28	34
Net other operating income	**3**	**74**	**41**	**224**	**188**	**252**
Total revenues		**309**	**264**	**919**	**863**	**1 159**
Wages, salaries, etc.		66	60	195	176	246
Other expenses		41	44	135	142	203
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets		11	10	30	32	42
Total operating expenses		**117**	**114**	**360**	**350**	**491**
Profit before impairment loss and net gain on fixed assets		**192**	**149**	**559**	**513**	**668**
Impairment loss	**4**	– 37	26	– 37	112	112
Profit/loss before taxation		**229**	**124**	**596**	**401**	**557**
Tax expense		53	29	126	76	113
Profit/loss for the reporting period		**176**	**95**	**470**	**325**	**444**
STATEMENT OF COMPREHENSIVE INCOME						
Profit/loss for the reporting period		**176**	**95**	**470**	**325**	**444**
Other comprehensive income						
Other items that will never be reclassified to profit or loss, after tax						
Remeasurements, pensions		0	0	0	0	0
Total other comprehensive income for the year, after tax		**0**	**0**	**0**	**0**	**0**
Comprehensive income		**176**	**95**	**470**	**325**	**443**
Comprehensive income per equity certificate (weighted), in NOK		7,91	4,25	21,11	14,60	19,93

Consolidated balance sheet

AMOUNTS IN MILLIONS OF NOK

ASSETS	Note	30/09/2021	30/09/2020	31/12/2020
Cash and cash equivalents		20	26	26
Loans and advances to credit institutions/central banks	**13**	655	350	346
Loans to customers	**4-7, 13**	56 322	53 655	54 530
Commercial paper and bonds measured at fair value		6 878	6 614	6 509
Financial derivatives		176	519	374
Shares and other securities with variable returns		823	665	657
Investments in associates		3	3	3
Intangible assets and goodwill		28	38	39
Fixed assets		87	105	97
Deferred tax assets		1	0	1
Other assets		47	147	80
Total assets		**65 040**	**62 122**	**62 661**
DEBT AND EQUITY				
Debt to credit institutions	**13**	500	1 501	1 803
Deposits from and debt to customers	**8, 13**	31 919	30 498	30 665
Debt securities in issue	**9, 13**	25 306	23 189	23 209
Financial derivatives		134	299	214
Tax payable		126	76	120
Deferred tax		0	4	0
Other liabilities and provisions		268	343	322
Subordinated debt instruments		601	601	601
Total liabilities		**58 854**	**56 510**	**56 934**
Equity share capital	**12**	4 139	3 949	4 139
Primary capital		593	561	593
Other equity		976	752	517
Hybrid capital		479	350	350
Proposed allocation for dividends and gifts		0	0	129
Total equity		**6 186**	**5 612**	**5 727**
Total debt and equity		**65 040**	**62 122**	**62 661**

Førde, 26 October 2021

Sindre Kvalheim Chair	Magny Øvrebø Deputy Chair	Monica Rydland	Johnny Haugsbakk
Geir Opseth	Lise Mari Haugen	Marie Heieren	Jo Dale Pedersen
Trond Teigene CEO			

Consolidated cash flow statement

	Q1-Q3 2021	Q1-Q3 2020	Full-year 2020
Profit/loss before taxation	596	401	557
Increase/(reduction) in customer deposits	1 253	1 899	2 066
Reduction/(increase) in loans to customers	– 1 824	– 2 906	– 3 796
Depreciation and impairment of assets	30	32	42
Impairment loss	– 37	112	112
Losses/(gains) on disposal of fixed assets	2	0	0
Tax paid	– 120	– 133	– 133
Other non-cash transactions	– 92	255	82
Adjustment for other items	88	– 154	25
A) Net cash flow from operating activities	**– 105**	**– 493**	**– 1 045**
Reduction/(increase) in shares and other securities with variable returns	– 166	– 86	– 78
Reduction/(increase) in investments in commercial paper and bonds	– 368	– 1 215	– 1 112
Investments in fixed assets, intangible assets and goodwill	– 22	– 21	– 28
Sale of fixed assets	1	0	5
B) Net cash flow from investment activities	**– 555**	**– 1 322**	**– 1 213**
Increase/(decrease) in loans from credit institutions	– 1 303	1 494	1 796
Increase/(reduction) in debt securities in issue	2 256	168	306
Increase/(reduction) in subordinated debt	0	– 1	– 1
Increase in hybrid capital	129	0	0
Dividends and gifts	– 119	– 81	– 83
C) Net cash flow from financing activities	**964**	**1 580**	**2 017**
D) Net cash flow during the year (A+B+C)	**304**	**– 236**	**– 241**
Opening balance of cash and cash equivalents	371	613	613
Closing balance of cash and cash equivalents	**675**	**377**	**371**
Breakdown of cash and cash equivalents			
Cash and cash equivalents	20	26	26
Deposits at other financial institutions and central banks	655	350	346
Total	**675**	**377**	**371**

Consolidated statement of changes in equity

	EQUITY SHARE CAPITAL								
	Equity certifi-cates	Dividend equali-sation reserve	Share pre-mium account	Primary capital	Hybrid capital	Reserve for un-realised gains	Other equity	Allocated divi-dends and gifts	Total
Balance at 31/12/2019	**1 948**	**1 985**	**16**	**561**	**350**	**281**	**159**	**90**	**5 390**
Allocated for dividends and gifts	0	0	0	0	0	0	0	- 90	**- 90**
New hybrid capital	0	0	0	0	0	0	0	0	**0**
Interest paid to investors in hybrid capital	0	0	0	0	0	0	- 13	0	**- 13**
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	0	325	0	**325**
Other comprehensive income	0	0	0	0	0	0	0	0	**0**
Balance at 30/09/2020	**1 948**	**1 985**	**16**	**561**	**350**	**281**	**471**	**0**	**5 612**
Balance at 31/12/2019	**1 948**	**1 985**	**16**	**561**	**350**	**281**	**159**	**90**	**5 390**
Allocated for dividends and gifts	0	0	0	0	0	0	0	- 90	**- 90**
Interest paid to investors in hybrid capital	0	0	0	0	- 17	0	0	0	**- 17**
Proposed allocation of profit/loss for reporting period	0	190	0	32	17	73	3	129	**444**
Other comprehensive income	0	0	0	0	0	0	0	0	**0**
Balance at 31/12/2020	**1 948**	**2 175**	**16**	**593**	**350**	**354**	**163**	**129**	**5 727**
Balance at 31/12/20	**1 948**	**2 175**	**16**	**593**	**350**	**354**	**163**	**129**	**5 727**
Allocated for dividends and gifts	0	0	0	0	0	0	0	- 129	**- 129**
New hybrid capital	0	0	0	0	129	0	0	0	**129**
Interest paid to investors in hybrid capital	0	0	0	0	- 11	0	0	0	**- 11**
Proposed allocation of profit/loss for reporting period	0	0	0	0	11	0	459	0	**470**
Other comprehensive income	0	0	0	0	0	0	0	0	**0**
Balance at 30/09/2021	**1 948**	**2 175**	**16**	**593**	**479**	**354**	**622**	**0**	**6 186**

Statement of changes in equity (cont.)

Explanation of the various types of equity:

Equity share capital:
Equity share capital comprises capital that in accordance with the articles of association is linked to equity certificates. Profit after taxation attributable to equity share capital is allocated to the dividend equalisation reserve in proportion to the ownership ratio, after deducting dividends and a proportionate share of interest paid to investors in hybrid capital. The dividend equalisation reserve may be used to maintain the payment of dividends to the equity certificate holders, if the Bank's equity position allows it.

Primary capital:
Primary capital comprises capital that is not equity share capital. Profit after taxation attributable to primary capital is allocated to primary capital, after deducting gifts and a proportionate share of interest paid to investors in hybrid capital.

Hybrid capital:
Hybrid capital consists of hybrid debt that meets the criteria for being defined as equity and core capital under rules on capital adequacy. Interest on hybrid capital is split between the dividend equalisation reserve and primary capital in proportion to the ownership ratio, and is in practice allocated together with profit.

Reserve for unrealised gains:
The reserve for other unrealised gains comprises unrealised gains on financial instruments whose valuation is different under IFRS and Norwegian accounting principles. Amongst other things, it includes unrealised gains on shares.

Other equity:
Other equity comprises retained earnings from various subsidiaries and unallocated profit.

Dividends and gifts:
Proposed dividends and gifts are included under equity until their disbursement is adopted by the AGM.

Notes to the financial statements

Note 1 Accounting principles and critical accounting estimates

BASIS OF PRESENTATION

Sparebanken Sogn og Fjordane's parent company and consolidated accounts have been prepared in accordance with international accounting standards (IFRS). These interim financial statements have been presented in accordance with IAS 34 "Interim Financial Reporting".

All figures are stated in millions of NOK, unless otherwise specified.

GENERAL

For more detailed information about accounting policies and for information about critical accounting estimates, please see Sparebanken Sogn og Fjordane's 2020 annual report on our website: www.ssf.no.

CHANGES TO ACCOUNTING STANDARDS

There have been no changes to accounting standards or interpretations in 2021 that have affected the financial statements of Sparebanken Sogn og Fjordane.

CRITICAL ACCOUNTING ESTIMATES

In the first quarter of 2021, the Bank adjusted its impairment model to the new definition of default. Overall, the volume of assets considered in default was slightly reduced by the new definition. This was particularly true of the retail market, due to new rules on how one account being in default affects other accounts held by the same customer (the "pulling effect"). Previously, if one account was in default all of the customer's accounts were considered in default. With the new definition, a customer may default on an unsecured loan without any secured loans being considered in default. The new definition of default has also resulted in a probation period of at least 3 months for assets in payment default and of at least 12 months for defaults involving debt restructuring. Viewed in isolation, this pushed up the volume of defaults, but overall, the default rate was still slightly lower than it would have been before. For a more detailed explanation of the new definition of default, see Note 6.

The loss allowance has been slightly reduced as a result of the new definition of default, but the impact is insignificant.

In addition to what is said about critical accounting estimates in our 2020 annual report, please refer to Note 5 "Loss allowance for loans and exposures". In view of the unusual macroeconomic conditions caused by Covid-19 pandemic, Note 5 provides information about the judgements that have been made to estimate expected credit losses.

Note 2 Segment reporting

Geographic segments
All of the segments operate in Norway.

General information about segments
Segments reflect the organisational structure of the Group.

Finance
- Responsible for financing and for managing liquidity

Corporate banking market/public sector/financial sector
- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to small and medium-sized enterprises, the public sector and financial sector

Retail market including Bustadkreditt
- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to retail customers

Other
- Includes the supply of services to Sparebankstiftinga Sogn og Fjordane and managing various properties

Estate agency
- Offers estate agency services in conjunction with the purchase and sale of properties

Property management
- Manages the Group's largest properties

INCOME STATEMENT Q1-Q3 2021	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad-kreditt	Other	Estate agency	Property manage-ment	Elimina-tions
Net interest income and credit commissions	694	- 7	274	427	0	0	0	0
Net other operating income	224	99	41	62	3	27	6	- 13
Total operating income	**919**	**92**	**315**	**489**	**3**	**27**	**6**	**- 13**
Operating expenses	360	10	110	218	8	23	2	- 12
Profit/loss before impairment loss	**559**	**81**	**204**	**272**	**- 6**	**3**	**4**	**0**
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	- 37	0	- 38	1	0	0	0	0
Profit/loss before taxation	**596**	**81**	**242**	**271**	**- 6**	**3**	**4**	**0**
BALANCE AT 30/09/2021								
Net loans and advances to customers	56 322	0	13 141	43 182	0	0	0	0
Other assets	8 717	11 452	1 328	1 827	0	26	50	- 5 966
Total assets	**65 040**	**11 452**	**14 469**	**45 009**	**0**	**26**	**50**	**- 5 966**
Deposits from and debt to customers	31 919	0	12 113	19 836	0	0	0	- 31
Other liabilities	26 935	8 887	143	22 017	0	8	8	- 4 128
Equity (incl. profit/loss for the period)	6 186	2 566	2 213	3 156	0	18	42	- 1 808
Total debt and equity	**65 040**	**11 452**	**14 469**	**45 009**	**0**	**26**	**50**	**- 5 966**

Note 2 Segment reporting (cont.)

INCOME STATEMENT Q1-Q3 2020	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad-kreditt	Other	Estate agency	Property manage-ment	Elimina-tions
Net interest income and credit commissions	674	21	261	392	0	0	0	0
Net other operating income	188	73	38	55	5	23	6	- 12
Total operating income	**863**	**94**	**299**	**447**	**5**	**23**	**6**	**- 12**
Operating expenses	350	11	102	217	10	20	2	- 11
Profit/loss before impairment loss	**513**	**83**	**197**	**230**	**- 5**	**4**	**5**	**0**
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	112	0	101	12	0	0	0	0
Profit/loss before taxation	**401**	**83**	**96**	**218**	**- 5**	**4**	**5**	**0**
BALANCE SHEET AT 30/09/2020								
Net loans and advances to customers	53 655	0	13 229	40 425	0	0	0	0
Other assets	8 468	11 714	633	1 615	0	24	52	- 5 571
Total assets	**62 122**	**11 714**	**13 863**	**42 041**	**0**	**24**	**52**	**- 5 571**
Deposits from and debt to customers	30 498	0	11 613	18 912	0	0	0	- 28
Other liabilities	26 013	9 502	187	20 038	0	7	7	- 3 731
Equity (incl. profit/loss for the period)	5 612	2 209	2 062	3 091	0	17	45	- 1 812
Total debt and equity	**62 122**	**11 710**	**13 863**	**42 041**	**0**	**24**	**52**	**- 5 571**

2020 INCOME STATEMENT	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad-kreditt	Other	Estate agency	Property manage-ment	Elimina-tions
Net interest income and credit commissions	907	25	346	536	0	0	0	1
Net other operating income	252	95	52	78	6	30	8	- 16
Total operating income	**1 159**	**120**	**398**	**614**	**5**	**30**	**8**	**- 16**
Operating expenses	491	14	149	301	13	27	2	- 15
Profit/loss before impairment loss	**668**	**107**	**249**	**313**	**- 8**	**2**	**6**	**- 1**
Net gain on fixed assets	0	0	0	0	- 2	0	2	0
Impairment loss	112	0	99	12	0	0	0	0
Profit/loss before taxation	**557**	**107**	**149**	**300**	**- 10**	**2**	**8**	**- 1**
BALANCE SHEET AT 31/12/2020								
Net loans and advances to customers	54 530	0	13 464	41 063	0	0	0	0
Other assets	8 131	11 702	583	1 589	0	22	56	- 5 821
Total assets	**62 661**	**11 702**	**14 047**	**42 653**	**0**	**22**	**56**	**- 5 821**
Deposits from and debt to customers	30 665	0	11 780	18 920	0	0	0	- 36
Other liabilities	26 269	9 485	164	20 577	0	6	8	- 3 974
Equity (incl. profit/loss for the period)	5 727	2 217	2 102	3 155	0	16	48	- 1 811
Total debt and equity	**62 661**	**11 702**	**14 047**	**42 653**	**0**	**22**	**56**	**- 5 821**

Note 3 Other operating income

	Q1-Q3 2021	Q1-Q3 2020	Full-year 2020
NET COMMISSION INCOME			
Payment services	47	44	59
Security trading	19	13	19
Guarantee commissions	12	11	15
Currency services and international payments	4	4	5
Insurance services	13	10	16
Other commission income	12	10	14
Total charges and commission income	**106**	**91**	**127**
Interbank fees *)	1	1	1
Payment services *)	14	14	18
Cash back Visa credit	5	3	4
Total commission expenses	**20**	**18**	**24**
Net commission income	**87**	**73**	**104**
NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS			
Net gains/losses on foreign currency	11	7	12
Net gains/losses on financial derivatives	- 89	239	159
Net gains/losses on loans measured at fair value	- 69	93	77
Net gains/losses on deposits measured at fair value	- 1	- 1	- 1
Net gains/losses on commercial paper and bonds	6	20	16
Net gains/losses on shares	78	84	88
Net gains/losses on financial liabilities	174	- 355	- 237
Net gains/losses on financial instruments measured at fair value	**110**	**87**	**114**
OTHER INCOME			
Income from property	1	1	1
Estate agency	26	23	29
Other operating income	1	4	4
Total other income	**28**	**28**	**34**
TOTAL NET OTHER OPERATING INCOME	**224**	**188**	**252**

*) The allocation between interbank fees and payment services has been corrected in relation to the interim report for the third quarter of 2020.

Note 4 Impairment loss on loans, guarantees and undrawn credit facilities

	Q1-Q3 2021	Q1-Q3 2020	Full year 2020
Increase/reduction in individually assessed allowances	9	- 51	- 58
Increase/reduction in model-based expected credit losses	- 56	104	107
Losses realised during period for which a loss allowance had previously been made	11	59	62
Losses realised during period for which a loss allowance had not previously been made	2	3	4
Recoveries against previous years' realised losses	- 3	- 3	- 4
Impairment loss for the period	**- 37**	**112**	**112**

Note 5 Loss allowance

When calculating expected credit losses, loans are split into three stages in line with the requirements in IFRS 9. When a loan is recognised, as a general rule it is allocated to Stage 1. If its credit risk has increased significantly since initial recognition, it is transferred to Stage 2. Assets in default are allocated to Stage 3. Where an individually assessed allowance has been made, this takes precedence over the impairment calculated by the model. Individually assessed allowances are included in Stage 3.

In the first quarter of 2021, the Bank started using a new definition of default, which is described in Note 6. The change to the definition had little impact on the overall loss allowance.

Consolidated

2021	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01/01/2021	**42**	**123**	**179**	**344**
Transferred to Stage 1	3	- 32	- 1	- 30
Transferred to Stage 2	- 5	20	0	15
Transferred to Stage 3	0	- 21	76	55
New financial assets issued or acquired	9	11	15	35
Derecognised financial assets	- 11	- 26	- 42	- 78
Changes to model/macroeconomic parameters	1	- 1	0	0
Actual losses covered by previous provisions	0	0	- 11	- 11
Other changes	- 7	- 9	- 12	- 28
Loss allowance for loans at amortised cost at 30/09/2021	**32**	**67**	**203**	**302**
Loss allowance for loans at fair value at 30/09/2021	**1**	**2**	**4**	**7**
Total loss allowance for loans at 30/09/2021	**33**	**68**	**208**	**309**
Of which in the retail market	*7*	*6*	*23*	*36*
Of which in the corporate and public sector markets	*26*	*62*	*185*	*273*

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01/01/2021	**6**	**12**	**8**	**25**
Changes during the reporting period	0	- 6	- 1	- 8
Loss allowance for undrawn credit facilities and guarantees at 30/09/2021	**5**	**6**	**7**	**18**
Of which in the retail market	*1*	*0*	*0*	*1*
Of which in the corporate and public sector markets	*5*	*5*	*7*	*17*

Note 5 Loss allowance (cont.)

2020	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01/01/2020	**13**	**59**	**245**	**317**
Transferred to Stage 1	5	– 17	– 8	– 19
Transferred to Stage 2	– 1	19	– 1	17
Transferred to Stage 3	0	– 2	10	7
New financial assets issued or acquired	16	29	11	56
Derecognised financial assets	– 2	– 16	– 23	– 41
Changes to model/macroeconomic parameters	13	53	3	70
Actual losses covered by previous provisions	0	0	– 59	– 59
Other changes	– 5	– 12	18	2
Loss allowance for loans at amortised cost at 30/09/2020	**39**	**114**	**196**	**349**
Loss allowance for loans at fair value at 30/09/2020	**1**	**1**	**6**	**8**
Loss allowance for loans at 30/09/2020	**40**	**116**	**202**	**358**
Of which in the retail market	*7*	*7*	*22*	*36*
Of which in the corporate and public sector markets	*33*	*108*	*180*	*321*

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01/01/2020	**2**	**6**	**3**	**11**
Changes during the reporting period	3	9	2	14
Loss allowance for undrawn credit facilities and guarantees at 30/09/2020	**4**	**14**	**6**	**25**
Of which in the retail market	*1*	*0*	*0*	*1*
Of which in the corporate and public sector markets	*4*	*14*	*6*	*24*

Future scenarios in the impairment model under IFRS 9

Under IFRS 9, impairment allowances shall take into account expectations for future defaults and impairment losses. In 2018 and 2019, the bank used a statistical model to estimate how expected changes in macro-economic parameters will affect the future probability of default amongst the bank's customers. The Covid-19 pandemic led to such great fluctuations in macroeconomic variables used as independent variables in the model that the model was no longer suitable for predicting future defaults. We have therefore performed a qualitative assessment of what is likely to happen to the probability of default and house prices over the coming five years, based on the impacts of past crises, long-term expectations prior to the coronavirus crisis and the outlook in Norges Bank's monetary policy report. Expected credit losses are calculated using a weighted average of the losses under the 3 different scenarios; see below.

Future scenarios for retail market used to measure estimated expected credit losses at 30/09/2021	Probability of default starting from 30/09/2021					House prices	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Base scenario for retail market	1,60	1,70	1,70	1,80	1,90	2,2 %	50 %
Scenario 2: Optimistic scenario for retail market	1,36	1,45	1,45	1,53	1,62	3,2 %	25 %
Scenario 3: Pessimistic scenario for retail market	2,00	2,13	2,13	2,25	2,38	0,2 %	25 %

Future scenarios for corporate market used to measure estimated expected credit losses at 30/09/2021	Probability of default starting from 30/09/2021					Collateral values	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Base scenario for corporate market	2,10	2,20	2,10	2,00	1,75	1,5 %	50 %
Scenario 2: Optimistic scenario for corporate market	1,79	1,87	1,79	1,70	1,49	3,0 %	25 %
Scenario 3: Pessimistic scenario for corporate market	2,63	2,75	2,63	2,50	2,19	– 1,5 %	25 %

Note 5 Loss allowance (cont.)

Sensitivity analysis of changes to assumptions in impairment model under IFRS 9

The table below shows how sensitive the Bank's profitability would be to changes in the qualitative assessments in the scenarios presented above. For example, if the probability of default in all of the scenarios had been put 10% higher across the whole 5 years, expected credit losses would have been NOK 10 million higher. This would reduce pre-tax profit by an equivalent amount.

	Change to parameter	Impact on pre-tax profit/loss
Probability of default compared with central assumption	- 10 %	10
	+ 10 %	– 10
Annual change in house prices and other collateral values	- 1 pp.	– 4
	+ 1 pp.	4

Impact on profit of changing weighting of each scenario

The table below shows the impact on pre-tax profit of changing the weighting of the base, optimistic and pessimistic scenarios. When calculating expected losses, the base scenario is given a 50% weighting, while the pessimistic and optimistic scenarios are each given a 25% weighting. For example, if the pessimistic scenario were to be given a 35% weighting, and the optimistic scenario a 15% weighting, expected credit losses would be NOK 5 million higher. This would reduce pre-tax profit by an equivalent amount.

Weighting of Scenario 1: Base	Weighting of Scenario 2: Optimistic	Weighting of Scenario 3: Pessimistic	Impact on pre-tax profit/loss
50 %	15 %	35 %	– 5
50 %	35 %	15 %	5
100 %	0 %	0 %	4
0 %	100 %	0 %	23
0 %	0 %	100 %	– 32

Note 6 Changes in gross loans and exposures

2021	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01/01/2021	**44 902**	**4 799**	**849**	**50 550**
Transferred to Stage 1	1 391	-1 369	-22	0
Transferred to Stage 2	-1 428	1 454	-26	0
Transferred to Stage 3	-46	-429	475	0
New financial assets issued or acquired	11 616	831	131	12 578
Derecognised financial assets	-11 052	-1 180	-393	-12 625
Other changes	1 578	395	-38	1 935
Gross loans at amortised cost at 30/09/2021	**46 961**	**4 502**	**975**	**52 438**
Loss allowance for loans at amortised cost at 30/09/2021	32	67	203	302
Net loans at amortised cost at 30/09/2021	**46 929**	**4 435**	**772**	**52 137**

	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30/09/2021	**3 818**	**343**	**31**	**4 193**
Loss allowance for loans at fair value at 30/09/2021	1	2	4	7
Net loans at fair value at 30/09/2021	**3 817**	**341**	**27**	**4 186**

	Stage 1	Stage 2	Stage 3	Total
Gross loans at 30/09/2021	**50 780**	**4 845**	**1 007**	**56 631**
Of which in the retail market	*40 082*	*2 592*	*298*	*42 972*
Of which in the corporate and public sector markets	*10 697*	*2 253*	*709*	*13 660*
Loss allowance for loans at 30/09/2021	33	68	208	309
Net loans at 30/09/2021	**50 747**	**4 671**	**905**	**56 322**

	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 30/09/2021	**5 549**	**500**	**160**	**6 209**
Of which in the retail market	*3 452*	*52*	*2*	*3 507*
Of which in the corporate and public sector markets	*2 097*	*448*	*157*	*2 701*
Loss allowance for guarantees and undrawn credit facilities at 30/09/2021	5	6	7	18
Net exposure to undrawn credit facilities and guarantees at 30/09/2021	**5 544**	**494**	**153**	**6 191**

Note 6 Changes in gross loans and exposures (cont.)

2020	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01/01/2020	**36 613**	**8 704**	**800**	**46 118**
Transferred to Stage 1	4 161	-4 104	-57	0
Transferred to Stage 2	-1 250	1 266	-16	0
Transferred to Stage 3	-70	-163	232	0
New financial assets issued or acquired	11 653	1 275	271	13 198
Derecognised financial assets	-6 682	-1 809	-344	-8 835
Other changes	-696	-115	-77	-888
Gross loans at amortised cost at 30/09/2020	**43 730**	**5 054**	**809**	**49 593**
Loss allowance for loans at amortised cost at 30/09/2020	39	114	196	349
Net loans at amortised cost at 30/09/2020	**43 691**	**4 940**	**612**	**49 243**

	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30/09/2020	**3 973**	**413**	**33**	**4 420**
Loss allowance for loans at fair value at 30/09/2020	1	1	6	8
Net loans at fair value at 30/09/2020	**3 972**	**412**	**27**	**4 411**

	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30/09/2020	**47 704**	**5 467**	**842**	**54 012**
Of which in the retail market	*37 199*	*2 828*	*181*	*40 208*
Of which in the corporate and public sector markets	*10 504*	*2 639*	*661*	*13 804*
Loss allowance for loans at 30/09/2020	40	116	202	358
Net loans at 30/09/2020	**47 664**	**5 351**	**639**	**53 655**

	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 30/09/2020	**5 645**	**435**	**82**	**6 162**
Of which in the retail market	*3 334*	*46*	*2*	*3 382*
Of which in the corporate and public sector markets	*2 311*	*389*	*79*	*2 779*
Loss allowance for guarantees and undrawn credit facilities at 30/09/2020	4	14	6	25
Net exposure to undrawn credit facilities and guarantees at 30/09/2020	**5 641**	**420**	**76**	**6 137**

Note 6 Changes in gross loans and exposures (cont.)

Payment default

Retail loans and residential mortgage loans
Accounts are considered to be in payment default when they are past due or overdrawn by an amount of at least NOK 1,000 and by at least 1% of the customer's total balance. If an account is in payment default, all of the customer's other accounts in the same product group are also considered in payment default. If an account that is in payment default represents over 20% of the total exposure to the customer, all of the customer's other accounts are considered in payment default.

For these purposes, the definition of retail loans covers mortgage loans that do not qualify for a 35% risk-weighting, building loans, consumer loans and advances to SMEs.

Other advances:
Customers are considered in payment default when at least one of their accounts is past due or overdrawn by an amount of at least NOK 2.000 and by at least 1% of the customer's total balance.

The number of days that a customer is considered to have been in payment default is determined by the account that has been past due for longest.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020
11–30 days past due	68	130	269	4	9	1	4	2	9
31–90 days past due	28	76	55	0	0	0	2	1	2
More than 90 days past due	135	250	233	1	1	1	43	64	62
Total assets more than 10 days past due	**231**	**456**	**557**	**5**	**10**	**2**	**48**	**67**	**73**

Assets in default

Retail loans and residential mortgage loans
An account is considered in default if it is more than 90 days past due and the amount overdue is material. The threshold for being considered material has been set at NOK 1,000 and at least 1% of the customer's total balance. If an account is in default, all of the customer's other accounts in the same product group are also considered in default.

A customer is considered in default if the customer has an account in default that represents over 20% of the total exposure to the customer, or if there is an indication of unlikeliness to pay unless the collateral is realised.

Other advances:
A customer is considered in default if at least one of their accounts is more than 90 days past due and the amount overdue is material, or if there is an indication of unlikeliness to pay unless the collateral is realised. The threshold for being considered material has been set at NOK 2,000 and at least 1% of the customer's total balance.

The following may be indications of unlikeliness to pay:
- An individually assessed allowance has been made for the customer
- Insolvency/Bankruptcy
- Debt restructuring
- Debt restructuring/relief that reduces the value of the asset by more than 1%
- Realisation of the collateral
- Expectation of insolvency/bankruptcy or payment default

Customers or accounts in payment default have a probation period of at least 3 months.
Customers or accounts in default in conjunction with debt restructuring have a probation period of at least 12 months.

Assets in default shall be considered equivalent to credit-impaired assets as defined in IFRS 9.

Note 6 Changes in gross loans and exposures (cont.)

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020
More than 90 days past due	135	250	233	1	1	1	43	64	62
Other assets in default	872	592	649	158	81	262	171	144	123
Total assets in default	**1 007**	**842**	**882**	**160**	**82**	**263**	**215**	**208**	**185**
Of which in the retail market	*298*	*181*	*177*	*2*	*2*	*1*	*23*	*22*	*23*
Of which in the corporate and public sector markets	*709*	*661*	*705*	*157*	*80*	*262*	*191*	*186*	*162*

Debt relief

Debt relief refers to changes to the agreed terms and conditions granted because a customer is in financial difficulties that would not have been granted if the customer were in a stronger financial position.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020
Assets with debt relief that are not also in default	338	426	456	7	7	7	7	14	15
Assets with debt relief that are also	228	124	123	18	12	6	48	44	31
Total assets with debt relief	**566**	**550**	**579**	**25**	**19**	**13**	**55**	**58**	**47**
Of which in the retail market	*185*	*220*	*242*	*0*	*0*	*0*	*2*	*2*	*2*
Of which in the corporate and public sector markets	*381*	*330*	*37*	*25*	*19*	*13*	*53*	*56*	*45*

Debt relief broken down by asset level			
Stage 2 assets	*338*	*426*	*456*
Stage 3 assets	*228*	*124*	*123*

New definition of default as of 1 January 2021

In the first quarter of 2021, the Bank started using a new definition of default. The figures in the tables are therefore not comparable with figures from previous quarters. There are several changes in the definition of default that affect the volume of assets in default.

For retail loans and residential mortgage loans, the new definition means that if one account is in default, the customer's other accounts in the same product group are also considered in default. Previously, any default would have meant that all of the customer's accounts would have been considered in default. In addition, a new threshold of 1% of the customer's total balance was introduced for a default to be considered material. This reduces the volume of defaults in retail loans.

For other assets, the threshold for being considered material has been raised to NOK 2,000 (from 1,000) and at least 1% of the customer's total balance.

The new definition of default has introduced a probation period of at least 3 months for payment defaults and at least 12 months for defaults involving debt restructuring. This increases the volume of defaults. Overall, the default rate has been reduced as a result of the new definition of default. The biggest reduction is for payment defaults in the retail market.

Note 7 Loans by customer groups

Consolidated	Gross loans			Guarantees and undrawn credit facilities			Loans in default and at risk of default			Loss allowance		
	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020	30/09/2021	30/09/2020	31/12/2020
Wage and salary earners and pensioners	42 972	40 208	40 849	3 507	3 382	3 396	298	183	178	36	36	38
Public sector	5	8	8	69	78	77	0	0	0	0	0	0
Farming and forestry	1 608	1 596	1 626	195	182	170	27	34	34	20	21	25
Fishing and hunting	2 061	2 092	2 237	140	108	186	159	3	3	3	24	25
Aquaculture and hatcheries	408	357	343	42	54	59	45	1	1	13	1	1
Industry and mining	884	942	1 084	412	498	726	68	252	528	35	48	43
Power/water supply	1 036	1 040	1 073	54	233	215	5	15	3	6	7	5
Building and construction	1 079	1 212	1 213	574	531	550	131	166	152	41	65	60
Commerce	753	830	809	338	362	370	64	52	50	36	31	32
Transport	352	363	351	167	104	104	26	36	24	4	8	6
Hotels and tourism	447	434	437	38	38	33	16	4	4	7	27	26
Services	720	810	826	125	145	122	68	35	33	29	24	25
Property management	4 307	4 121	4 016	546	447	420	259	141	133	97	91	92
Other	0	0	12	0	0	0	0	0	0	0	0	0
Total	**56 631**	**54 012**	**54 883**	**6 209**	**6 162**	**6 427**	**1 166**	**924**	**1 145**	**327**	**383**	**378**
Of which in the retail market	*42 972*	*40 208*	*40 849*	*3 507*	*3 382*	*3 396*	*298*	*183*	*178*	*36*	*36*	*38*
Of which in the corporate and public sector markets	*13 660*	*13 804*	*14 034*	*2 701*	*2 780*	*3 031*	*868*	*741*	*967*	*291*	*347*	*340*

Note 8 Customer deposits by sector and industry

	30/09/2021	30/09/2020	31/12/2020
Retail market	19 836	18 912	18 920
Corporate market	9 277	9 033	8 937
Public sector/other	2 805	2 552	2 808
Customer deposits	**31 919**	**30 498**	**30 665**
Breakdown of customer deposits, consolidated			
Deposits from and debt to customers at amortised cost	30 816	28 743	29 130
Deposits from and debt to customers at fair value	1 102	1 754	1 535
Customer deposits	**31 919**	**30 498**	**30 665**
Breakdown of customer deposits, parent company			
Deposits from and debt to customers at amortised cost	30 847	28 771	29 164
Deposits from and debt to customers at fair value	1 102	1 754	1 537
Customer deposits	**31 949**	**30 525**	**30 700**

Note 9 Debt securities in issue

CONSOLIDATED	FACE VALUE 30/09/2021	30/09/2020	31/12/2020	CARRYING AMOUNT 30/09/2021	30/09/2020	31/12/2020
Bonds in issue	21 802	18 913	21 034	21 919	18 924	21 056
- of which own bonds, not amortised	- 3 074	- 706	- 2 458	- 3 117	- 708	- 2 470
Debt securities in issue at amortised cost	**18 728**	**18 207**	**18 576**	**18 802**	**18 216**	**18 587**
Bonds in issue (MRELs)	1 400	0	0	1 402	0	0
- of which own bonds, not amortised	0	0	0	0	0	0
Debt securities in issue (MRELs) at amortised cost	**1 400**	**0**	**0**	**1 402**	**0**	**0**
Bonds in issue (MRELs)	500	0	0	498	0	0
- of which own bonds, not amortised	0	0	0	0	0	0
Debt securities (MRELs) measured at fair value	**500**	**0**	**0**	**498**	**0**	**0**
Bonds in issue	4 600	4 760	4 400	4 651	5 091	4 622
- of which own bonds, not amortised	- 46	- 118	0	- 46	- 118	0
Debt securities measured at fair value	**4 554**	**4 642**	**4 400**	**4 605**	**4 973**	**4 622**
Total debt securities in issue	**25 182**	**22 849**	**22 976**	**25 306**	**23 189**	**23 209**

MATURITY STRUCTURE OF DEBT SECURITIES (NET FACE VALUE)

	30/09/2021	30/09/2020	31/12/2020
2020	0	242	0
2021	177	2 057	1 626
2022	2 755	4 600	4 500
2023	3 950	3 950	3 950
2024	3 400	3 100	3 100
2025	4 800	3 900	3 900
2026	4 000	3 000	3 000
2027	3 400	0	900
2028	500	0	0
2030	500	500	500
2031	200	0	0
2033	500	500	500
2034	1 000	1 000	1 000
Total debt securities (net face value)	**25 182**	**22 849**	**22 976**

New debt securities issued in 2021	**5 675**
Net repayment of debt securities in 2021	**3 242**

PARENT COMPANY

Debt securities in issue by valuation method (carrying amount)

	30/09/2021	30/09/2020	31/12/2020
Debt securities in issue at amortised cost	2 724	4 147	3 952
Debt securities in issue (MRELs) at amortised cost	1 402	0	0
Debt securities measured at fair value	2 603	2 761	2 497
Debt securities (MRELs) measured at fair value	498	0	0
Total debt securities in issue	**7 226**	**6 908**	**6 449**

The Bank uses hedge accounting for three fixed-rate covered bonds issued by its subsidiary Bustadkreditt Sogn og Fjordane AS. There is a ratio of virtually 1:1 between the hedged item (the bond) and the hedging instrument (the interest rate swap).

Note 10 Capital adequacy

EQUITY AND SUBORDINATED DEBT	30/09/2021	30/09/2020	31/12/2020
Equity share capital	1 948	1 948	1 948
Primary capital	593	561	593
Share premium account	16	16	16
Dividend equalisation reserve	2 175	1 985	2 175
Allocated dividends and gifts	0	0	129
Reserve for unrealised gains	354	281	354
Other equity	152	146	163
Share of interim profit/loss	0	0	0
Equity	**5 237**	**4 937**	**5 377**
Other core capital			
Hybrid capital	479	350	350
Deductions			
Deferred tax assets	- 1	0	- 1
Other intangible assets	- 21	- 29	- 30
Other deductions	- 66	- 67	- 195
Net core capital	**5 628**	**5 192**	**5 502**
Core Tier 1 capital	**5 149**	**4 842**	**5 152**
Supplementary capital			
Subordinated debt instruments	600	600	600
Net supplementary capital	**600**	**600**	**600**
Net equity and subordinated debt	**6 228**	**5 792**	**6 102**

BASIS FOR CALCULATION			
Credit risk	30/09/2021	30/09/2020	31/12/2020
Local and regional authorities	52	122	45
Institutions	142	516	386
Enterprises	2 778	2 906	3 172
Retail loans	4 349	5 135	3 795
Residential mortgage loans	19 741	18 245	18 735
Overdue advances	1 031	1 094	1 090
Particularly high-risk assets (property development projects)	309	0	743
Equity investments	499	1 528	1 531
Covered bonds	1 554	440	439
Other advances	131	113	213
Total calculation basis for credit risk	**30 587**	**30 098**	**30 147**
Currency risk	0	0	0
Operational risk	2 116	2 043	2 102
CVA	74	55	71
Total calculation basis	**32 777**	**32 196**	**32 321**
Excess equity and subordinated debt	**3 605**	**3 216**	**3 516**
CAPITAL ADEQUACY RATIO			
Capital adequacy ratio	19,00 %	17,99 %	18,88 %
Core capital adequacy ratio	17,17 %	16,13 %	17,02 %
Core Tier 1 capital adequacy ratio	15,71 %	15,04 %	15,94 %
Unweighted core capital ratio	8,46 %	8,17 %	8,59 %

Note 11 Transactions with related parties

Agreements and transactions between the parties have been made on market terms, as if they had been agreed between two totally independent parties.

In the consolidated financial statements, transactions between the parent and its subsidiaries have been eliminated.

Note 12 Equity share capital and organisational structure

Parent company
The equity share capital was raised as follows:

Year	Equity share capital (NOK)	Face value of each equity	Number of equity certificates
2010 Initial issue of equity certificates	1 894 953 000	100	18 949 530
2016 Equity certificates issued to existing shareholders	50 000 000	100	500 000
2016 Equity certificates issued to employees and Board	3 365 700	100	33 657
	1 948 318 700		**19 483 187**

Figures in NOK '000s unless otherwise specified	30/09/2021	30/09/2020	31/12/2020
Equity share capital			
Equity certificates	1 948 319	1 948 319	1 948 319
Share premium account	15 608	15 608	15 608
Dividend equalisation reserve	2 174 775	1 985 079	2 174 775
Total equity share capital (A)	**4 138 702**	**3 949 006**	**4 138 702**
Primary capital (B)	**592 636**	**561 075**	**592 636**
Reserve for unrealised gains	354 185	280 884	354 185
Hybrid capital	479 000	350 000	350 000
Allocated dividends and gifts	0	0	128 899
Other equity	470 450	357 647	0
Total equity	**6 034 973**	**5 498 613**	**5 564 422**
Equity share capital ratio A / (A+B) after disbursal of dividends	**87,47 %**	**87,56 %**	**87,47 %**
Parent company's comprehensive income per equity certificate (weighted), in NOK	21,62	16,66	19,78
Consolidated comprehensive income per equity certificate (weighted), in NOK	21,11	14,60	19,93
Consolidated book equity per equity certificate in NOK (excl. hybrid capital)	256,24	236,48	241,41
Dividends			
Dividend payable per equity certificate, in NOK			6,00
Total dividends			**116 899**
Gifts			
Charitable donations			12 000
Total dividends and gifts			**128 899**
Dividends and gifts as a % of consolidated comprehensive income			**29,1 %**

Note 12 Equity share capital and ownership structure (cont.)

20 largest holders of equity certificates with an interest of at least 1%:

	Number of equity certificates 30.09.21	
Sparebankstiftinga Sogn og Fjordane	18 229 997	93,57 %
Sparebankstiftinga Fjaler	1 152 992	5,92 %
Other *)	100 198	0,51 %
Total	**19 483 187**	**100,00 %**

*) Other owners of equity certificates comprise employees, Board members and former employees at Sparebanken Sogn og Fjordane.

Equity certificates held by key personnel

Equity certificates held by the CEO, senior management team, members of the Board of Directors and their personal related parties, as defined by Section 7-26 of the Norwegian Accounting Act.

	Number of equity certificates
Trond Teigene, CEO	3 400
Johnny Haugsbakk representing RLK Holding AS, Board member	3 000
Frode Vasseth, CFO	2 250
Linda Marie Vøllestad Westbye, Retail Banking Director	1 300
Sindre Kvalheim, Chair of the Board	1 000
Incubate AS represented by Sindre Kvalheim, Chair	1 000
Jo Dale Pedersen, Board member, employee representative	860
Eirik Rostad Ness, Director of Human Resources	850
Roy Stian Farsund, Corporate Banking Director	650
Reiel Haugland, Technology Director	601
Marie Heieren, Board member	300
Lise Mari Haugen, Board member	100
Total equity certificates held by key personnel and Board members	**15 311**

Information about voting rights, etc.

Representatives elected by the equity certificate owners shall have 40% of the votes at the AGM.
Representatives elected by and from our customers shall have 36% of the votes at the AGM.
Representatives elected by and from our employees shall have 24% of the votes at the AGM.

As well as requiring majority support at the AGM in the same way as for changes to the articles of association, the following matters require the support of at least 2/3 of the votes representing the equity certificate holders:

- Buying back equity certificates (Financial Institutions Act, Section 10-5)
- Any reduction or increase in the equity share capital (Financial Institutions Act, Sections 10-21 and 10-22)
- Establishing subscription rights (Financial Institutions Act, Section 10-23)
- Loans with a right to require that equity certificates be issued (Financial Institutions Act, Section 10-24)
- Decisions relating to mergers and demergers (Financial Institutions Act, Section 12-3)
- Decisions about restructuring (Financial Institutions Act, Section 12-14)

The articles of association entitle the Bank to issue negotiable equity certificates.

Note 13 Fair value of financial instruments

FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

Consolidated **Assets**	Carrying amount 30/09/2021	Fair value 30/09/2021	Carrying amount 30/09/2020	Fair value 30/09/2020
Cash and cash equivalents	20	20	26	26
Loans and advances to credit institutions/central banks	655	655	350	350
Loans to customers	52 137	52 137	49 243	49 243
Total financial assets measured at amortised cost	**52 812**	**52 812**	**49 620**	**49 620**
Liabilities				
Debt to credit institutions	500	500	1 501	1 501
Deposits from and debt to customers	30 816	30 816	28 743	28 743
Debt securities in issue	20 204	20 376	18 216	18 352
Subordinated debt instruments	601	601	601	601
Total financial liabilities measured at amortised cost	**52 122**	**52 293**	**49 062**	**49 198**

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Classification by level

Consolidated

Assets at 30/09/2021	Level 1	Level 2	Level 3	Total
Loans to customers	0	0	4 186	**4 186**
Commercial paper and bonds	10	6 868	0	**6 878**
Financial derivatives	0	176	0	**176**
Shares and other securities with variable returns	0	515	308	**823**
Total financial assets measured at fair value	**10**	**7 559**	**4 494**	**12 062**
Liabilities at 30/09/2021				
Deposits from and debt to customers	0	0	1 102	**1 102**
Debt securities in issue	0	3 100	0	**3 100**
Debt securities in issue used as hedging instruments	0	2 002	0	**2 002**
Financial derivatives	0	134	0	**134**
Total financial liabilities measured at fair value	**0**	**5 236**	**1 102**	**6 338**

Assets and liabilities measured at fair value shall be classified according to how reliable the fair value estimate is.

There are three classification levels:

- Level 1: Prices quoted in active markets
- Level 2: Valuation is directly or indirectly based on observable prices for similar assets
- Level 3: Valuation is not based on observable prices, and instead relies on e.g. our own valuation models.

Breakdown of fair value, level 3

Consolidated	Financial assets		Financial liabilities
At 30.09.21	Loans to customers	Shares	Customer deposits
Nominal value/cost	4 157	198	1 101
Fair value adjustment	28	110	1
Total fair value	**4 186**	**308**	**1 102**

Note 13 Fair value of financial instruments (cont.)

Breakdown of changes in level 3 in 2021:

Consolidated	Financial assets Loans to customers	Shares	Financial liabilities Deposits from and debt to customers
Carrying amount at 30/06/2021	**4 123**	**305**	**1 211**
Net gains/losses on financial instruments through profit or loss	– 12	2	0
Acquisitions over the period	74	0	0
Sales/redemptions over the period	0	0	– 109
Moved into level 3	0	0	0
Moved out of level 3	0	0	0
Carrying amount at 30/09/2021	**4 186**	**308**	**1 102**

Loans to customers and customer deposits measured at fair value comprise fixed-rate loans and deposits. The acquisitions/purchases or sales/redemptions shown for the period represent the net change excluding changes in market value. Fixed-rate deposits and fixed-rate loans are valued based on discounted cash flows. The discount rate that we use is supposed to represent the interest rate on an equivalent new product issued at the reporting date, with the same term and cash flow. To help us value retail loans, we use the fixed rates offered by a representative sample of our competitors. For the corporate market we use our own internal calculation models for those products.

Sensitivity analysis, level 3
For fixed-rate deposits the average remaining term is approx. 0.53 years. Using a simple duration-based approach, a 1% fall in interest rates will increase the value of our fixed-rate deposits by approx. NOK 5.8 million. For fixed-rate loans the weighted average remaining term is approx. 3.6 years. Calculated simply, a 1% rise in the discount rate will reduce the value of our fixed-rate loans by approx. NOK 104 million.

Shares defined as level 3 assets are not listed on a stock exchange, have no known transactions and are shares for which the Bank has no observable assets that can be used for valuation purposes. In such cases we use our own valuations based on discounted cash flows or an analysis of key figures. For companies valued using a cash flow model, a required rate of return on equity of 9.03% has been used. A 10% reduction in the price to book ratio of a company valued using key figures and a 1 percentage point increase in the required rate of return in the cash flow models would cut the value by approx. NOK 32 million.

Method used to calculate fair value of financial instruments
For more information about how the fair value of financial instruments is calculated, please see our 2020 annual report.

Note 14 Off-balance-sheet items

Guarantees	30/09/2021	30/09/2020	31/12/2020
Payment guarantees	642	689	855
Contract guarantees	295	309	331
Other guarantee liabilities	60	63	64
Commitments to investments in shares	38	3	3
Total in NOK	**1 035**	**1 064**	**1 253**

Income statement, parent company

AMOUNTS IN MILLIONS OF NOK	Q1-Q3 2021	Q1-Q3 2020	2020
Interest income	743	909	1 160
Interest expenses	234	374	454
Net interest income	**509**	**535**	**706**
Commission income	105	89	125
Commission expenses	20	18	24
Net gains/losses on financial instruments	265	242	268
Other income	8	10	13
Net other operating income	**358**	**323**	**382**
Total revenues	**867**	**858**	**1 088**
Wages, salaries, etc.	182	164	229
Other expenses	125	132	189
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	31	36	49
Total operating expenses	**338**	**332**	**467**
Profit before impairment loss and net gain on fixed assets	**530**	**526**	**620**
Impairment loss	– 37	110	109
Profit/loss before taxation	**567**	**417**	**511**
Tax expense	85	46	71
Profit/loss for the reporting period	**482**	**371**	**440**
STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the reporting period	**482**	**371**	**440**
Other comprehensive income			
Other items that may be reclassified subsequently to profit or loss, after tax			
Remeasurements, pensions	0	0	0
Total other items that will never be reclassified to profit or loss, after tax	**0**	**0**	**0**
Comprehensive income	**482**	**371**	**440**

Balance sheet, parent company

AMOUNTS IN MILLIONS OF NOK	30/09/2021	30/09/2020	31/12/2020
ASSETS			
Cash and cash equivalents	20	26	26
Loans and advances to credit institutions/central banks	2 013	1 495	1 596
Loans to customers	32 966	32 840	32 713
Commercial paper and bonds measured at fair value	9 081	8 264	8 497
Financial derivatives	207	541	395
Shares and other securities with variable returns	823	665	657
Investments in associates	3	3	3
Investments in subsidiaries	1 812	1 812	1 812
Intangible assets and goodwill	27	36	37
Fixed assets	75	94	87
Deferred tax assets	5	0	5
Other assets	45	348	194
Total assets	**47 075**	**46 125**	**46 021**
DEBT AND EQUITY			
Debt to credit institutions	727	1 647	1 924
Deposits from and debt to customers	31 949	30 525	30 700
Debt securities in issue	7 226	6 908	6 449
Financial derivatives	166	529	358
Tax payable	85	46	76
Other liabilities and provisions	285	369	348
Subordinated debt instruments	601	601	601
Total liabilities	**41 040**	**40 626**	**40 456**
Equity share capital	4 139	3 949	4 139
Primary capital	593	561	593
Other equity	825	639	354
Hybrid capital	479	350	350
Proposed allocation for dividends and gifts	0	0	129
Total equity	**6 035**	**5 499**	**5 564**
Total debt and equity	**47 075**	**46 125**	**46 021**

Consolidated income statement

As a % of average total assets

	Q1-Q3 2021	Q1-Q3 202	Full-year 2020
Interest income	2,16 %	2,75 %	2,62 %
Interest expenses	0,72 %	1,26 %	1,12 %
Net interest income	**1,44 %**	**1,50 %**	**1,49 %**
Commission income	0,22 %	0,20 %	0,21 %
Commission expenses	0,04 %	0,04 %	0,04 %
Net gains/losses on financial instruments	0,23 %	0,19 %	0,19 %
Other income	0,06 %	0,06 %	0,06 %
Net other operating income	**0,47 %**	**0,42 %**	**0,42 %**
Total revenues	**1,90 %**	**1,92 %**	**1,91 %**
Wages, salaries, etc.	0,41 %	0,39 %	0,40 %
Other expenses	0,28 %	0,31 %	0,33 %
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	0,06 %	0,07 %	0,07 %
Total operating expenses	**0,75 %**	**0,78 %**	**0,81 %**
Profit before impairment loss and net gain on fixed assets	**1,16 %**	**1,14 %**	**1,10 %**
Impairment loss	- 0,08 %	0,25 %	0,18 %
Profit/loss before taxation	**1,24 %**	**0,89 %**	**0,92 %**
Tax expense	0,26 %	0,17 %	0,19 %
Profit/loss for the reporting period	**0,97 %**	**0,72 %**	**0,73 %**
STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the reporting period	**0,97 %**	**0,72 %**	**0,73 %**
Other comprehensive income			
Remeasurements, pensions	0,00 %	0,00 %	0,00 %
Total other comprehensive income for the year, after tax	**0,00 %**	**0,00 %**	**0,00 %**
Comprehensive income	**0,97 %**	**0,72 %**	**0,73 %**
AVERAGE TOTAL ASSETS	**64 324**	**60 058**	**60 722**

Consolidated financial results by quarter

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net interest income	**235**	**231**	**229**	**233**	**223**
Other operating income	38	40	37	37	34
Dividends and gains/losses on financial instruments	36	60	14	27	7
Net other operating income	**74**	**100**	**51**	**64**	**41**
Total revenues	**309**	**331**	**279**	**297**	**264**
Operating expenses	117	114	130	141	114
Profit/loss before impairment loss and net gain on fixed assets	**192**	**217**	**149**	**155**	**149**
Impairment loss	– 37	9	– 9	– 1	26
Profit/loss before taxation	**229**	**208**	**159**	**156**	**124**
Tax expense	53	37	36	37	29
Profit/loss after taxation	**176**	**171**	**123**	**119**	**95**
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	**176**	**171**	**123**	**119**	**95**

	Q2 202	Q1 2020	Q4 2019	Q3 2019
Net interest income	**202**	**250**	**248**	**241**
Other operating income	35	32	38	36
Dividends and gains/losses on financial instruments	129	– 49	53	45
Net other operating income	**164**	**– 17**	**90**	**81**
Total revenues	**366**	**233**	**338**	**322**
Operating expenses	111	124	132	119
Profit/loss before impairment loss and net gain on fixed assets	**254**	**109**	**206**	**203**
Impairment loss	6	80	22	9
Profit/loss before taxation	**248**	**29**	**183**	**194**
Tax expense	29	17	21	46
Profit/loss after taxation	**219**	**12**	**163**	**148**
Estimatavvik pensjon	0	0	– 1	0
COMPREHENSIVE INCOME	**219**	**12**	**162**	**148**

Consolidated financial results by quarter

As a % of average total assets

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net interest income	**1,43 %**	**1,45 %**	**1,46 %**	**1,48 %**	**1,43 %**
Other operating income	0,23 %	0,25 %	0,23 %	0,24 %	0,22 %
Dividends and changes in the value of fin. instr.	0,22 %	0,37 %	0,09 %	0,17 %	0,04 %
Net other operating income	**0,45 %**	**0,62 %**	**0,32 %**	**0,41 %**	**0,27 %**
Total revenues	**1,89 %**	**2,04 %**	**1,76 %**	**1,90 %**	**1,71 %**
Operating expenses	0,72 %	0,70 %	0,82 %	0,90 %	0,74 %
Impairment loss	- 0,23 %	0,06 %	- 0,06 %	0,00 %	0,17 %
Profit/loss before taxation	**1,40 %**	**1,28 %**	**1,00 %**	**1,00 %**	**0,80 %**
Tax expense	0,32 %	0,23 %	0,23 %	0,24 %	0,19 %
Profit/loss after taxation	**1,08 %**	**1,05 %**	**0,77 %**	**0,76 %**	**0,61 %**
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
COMPREHENSIVE INCOME	**1,08 %**	**1,05 %**	**0,77 %**	**0,76 %**	**0,61 %**

	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net interest income	**1,35 %**	**1,73 %**	**1,71 %**	**1,69 %**
Other operating income	0,23 %	0,22 %	0,26 %	0,25 %
Dividends and changes in the value of fin. instr.	0,86 %	- 0,34 %	0,37 %	0,32 %
Net other operating income	**1,09 %**	**- 0,11 %**	**0,63 %**	**0,57 %**
Total revenues	**2,44 %**	**1,61 %**	**2,36 %**	**2,27 %**
Operating expenses	0,74 %	0,85 %	0,92 %	0,84 %
Impairment loss	0,04 %	0,55 %	0,16 %	0,06 %
Profit/loss before taxation	**1,65 %**	**0,20 %**	**1,28 %**	**1,37 %**
Tax expense	0,20 %	0,12 %	0,14 %	0,33 %
Profit/loss after taxation	**1,46 %**	**0,08 %**	**1,14 %**	**1,04 %**
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %
COMPREHENSIVE INCOME	**1,46 %**	**0,08 %**	**1,13 %**	**1,04 %**

Information about the company

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