



Quarterly report 2021

Q4

Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 31.12		Q4	Q4	
	2021	2020	2021	2020	
Net interest income	3.990	4.142	1.005	994	
Net commission and other income	1.717	1.396	455	370	
Net income on financial investments	1.037	699	344	240	
Total income	6.744	6.237	1.804	1.604	
Total operating costs	2.714	2.386	755	629	
Operating profit before impairments	4.030	3.851	1.049	975	
Impairments on loans and financial commitments	192	2.030	-24	270	
Pre-tax profit	3.838	1.821	1.073	705	
Tax expense	682	231	184	97	
Profit after tax	3.156	1.590	889	608	
BALANCE SHEET					
Gross loans to customers	230.299	219.181			
Deposits from customers	137.664	118.170			
Total assets	304.402	287.049			
Average total assets	295.753	275.235			
Selected key figures (for further key figures see page 44 of the interim report)					
Return on equity ¹⁾	12,6 %	6,4 %	14,0 %	9,7 %	
Cost ratio ¹⁾	40,2 %	38,3 %	41,9 %	39,2 %	
Combined weighted total average spread for lending and deposits ¹⁾	1,35 %	1,50 %	1,32 %	1,40 %	
Balance growth					
Growth in loans ¹⁾	5,1 %	5,8 %			
Growth in loans inclusive SpareBank 1 Boligkredit	5,1 %	3,7 %			
Growth in deposits ¹⁾	16,5 %	14,6 %			
Solidity					
Common equity Tier 1 capital ratio ⁴⁾	17,4 %	18,3 %			
Tier 1 capital ratio ⁴⁾	18,9 %	19,9 %			
Capital ratio ⁴⁾	20,5 %	21,7 %			
Tier 1 capital ⁴⁾	24.163	24.127			
Risk weighted balance	127.981	121.262			
Leverage ratio	7,1 %	7,8 %			
Liquidity					
Liquidity Coverage Ratio (LCR) ²⁾	168 %	157 %			
Deposit-to-loan ratio ¹⁾	59,8 %	53,9 %			
Impairments on loans and financial commitments ¹⁾					
Impairment ratio ¹⁾	0,09 %	0,95 %			
Loans and financial commitments in Stage 3 ¹⁾					
Loans and financial commitments in Stage 3, % of gross loans and financial commitments ¹⁾	1,46 %	1,90 %			
SpareBank 1 SR-Bank share					
	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Market price	133,20	91,00	100,00	89,20	87,00
Market capitalisation (MNOK)	34.066	23.273	25.575	22.813	22.250
Book equity per share (including dividends) (group) ¹⁾	99,05	95,97	89,90	82,27	77,24
Earnings per share, NOK	12,08	5,87	12,06	8,96	8,16
Dividends per share ⁴⁾	6,00	3,10	5,50	4,50	4,25
Price / Earnings per share ¹⁾	11,03	15,50	8,29	9,96	10,66
Price / Book equity ¹⁾	1,34	0,95	1,11	1,08	1,13
Effective return ³⁾	55,8 %	-9,0 %	17,2 %	7,4 %	46,9 %

¹⁾ Defined as alternative performance targets (APMs), see the appendix to the interim report

²⁾ High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

³⁾ %- change in the market price in the last period, including paid share dividend

⁴⁾ The board has exercised its special authorisation from April 2021 and at the board meeting on 30 September 2021 approved a dividend of NOK 3.10 per share for the financial year 2020, which was paid out on 13 October 2021. The total dividend of NOK 793 million reduced equity on 31 December 2021.

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Strong results characterised by good underlying operations and significantly lower impairment provisions

Q4 2021

- Pre-tax profit: NOK 1,073 million (NOK 705 million)
- Net profit for the quarter: NOK 889 million (NOK 608 million)
- Return on equity after tax: 14.0% (9.7%)
- Earnings per share: NOK 3.41 (NOK 2.30)
- Net interest income: NOK 1,005 million (NOK 994 million)
- Net commissions and other operating income: NOK 455 million (NOK 370 million)
- Net income from financial investments: NOK 344 million (NOK 240 million)
- Operating costs: NOK 755 million (NOK 629 million)
- Impairments on loans and financial liabilities: NOK -24 million (NOK 270 million)
(Q4 2020 in brackets)

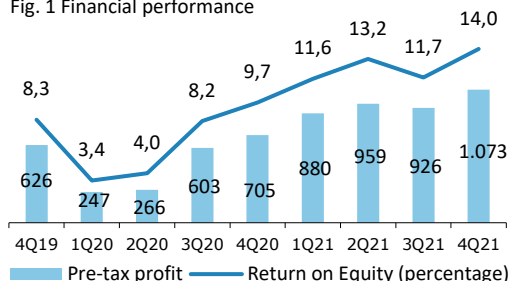
Preliminary annual results for 2021

- Pre-tax profit: NOK 3,838 million (NOK 1,821 million)
- Net profit for the year: NOK 3,156 million (NOK 1,590 million)
- Return on equity after tax: 12.6% (6.4%)
- Earnings per share: NOK 12.08 (NOK 5.87)
- Net interest income: NOK 3,990 million (NOK 4,142 million)
- Net commissions and other operating income: NOK 1,717 million (NOK 1,396 million)
- Net income from financial investments: NOK 1,037 million (NOK 699 million)
- Operating costs: NOK 2,714 million (NOK 2,386 million)
- Impairments on loans and financial liabilities: NOK 192 million (NOK 2,030 million)
- Total lending growth over past 12 months: 5.1% (3.7%)
- Growth in deposits over past 12 months: 16.5% (14.6%)
- Common Equity Tier 1 capital ratio: 17.4% (18.3%)
- Tier 1 capital ratio: 18.9% (19.9%)
- The board proposes a dividend of NOK 6.00 per share for the 2021 financial year (NOK 3.10)
(As at 31 December 2020 in brackets)

Financial performance – Q4 2021

The group achieved strong results for the fourth quarter of 2021 with increases in net interest income, commissions and the financial result, at the same time as previous impairment provisions were reversed.

Fig. 1 Financial performance



Return on equity after tax was 14.0% for the quarter (9.7%), up from 11.7% for the third quarter of 2021. The group's pre-tax profit amounted to NOK 1,073 million for the fourth quarter of 2021 (NOK 705 million), an increase of NOK 147 million from the previous quarter.

Net interest income amounted to NOK 1,005 million in the fourth quarter of 2021 (NOK 994 million), an increase of NOK 16 million from the previous quarter. The increase was mainly due to higher lending volumes, while the interest margin was stable. The average interest margin was 1.32% in the fourth quarter of 2021 (1.40%), up from 1.31% in the third quarter of 2021.

Net commissions and other operating income was NOK 455 million in the fourth quarter of 2021 (NOK 370 million), an increase of NOK 49 million compared with the previous quarter. Good activity in the group's Corporate Finance department resulted in NOK 32 million in higher customer fees and SpareBank 1 SR-Bank ForretningsPartner AS saw NOK 12 million in increased income. Commissions from real estate brokerage fell by NOK 5 million from the previous quarter due to natural seasonal variations. Income from money transfer services increased by a further NOK 6 million compared with the previous quarter, while other commissions were NOK 5 million higher.

Net income from financial investments was NOK 344 million in the fourth quarter of 2021 (NOK 240 million), an increase of NOK 110 million compared with the previous quarter. The increase was due to NOK 21 million in dividends received from Sandnes Sparebank, NOK 72 million in increased income from associated companies and NOK 17 million from financial instruments. The increased income from associated companies primarily came from SpareBank 1 Gruppen AS. The increased income from financial instruments was mainly due to proceeds from the sale of the subsidiary SpareBank 1 SR-Forvaltning AS. The increased income was offset, to some extent by a negative change in value for other financial investments.

Operating costs came to NOK 755 million in the fourth quarter of 2021 (NOK 629 million), an increase of NOK 89 million from the previous quarter. Increase of NOK 29 million was due to high levels of activity, with increase in the use of external consultants, marketing and ICT. SpareBank 1 SR-Bank ForretningsPartner AS saw its costs increase by NOK 16 million. Due to the quarter's good results, provisions for variable remuneration increased by NOK 24 million from the previous quarter.

A net NOK 24 million of impairments on loans and financial liabilities were reversed in the fourth quarter of 2021 (NOK 270 million in impairment provisions), NOK 138 million was reduced IFRS 9 impairment provisions and NOK 114 million higher individual losses. Impairment provisions were NOK 61 million lower than in the third quarter of 2021.

Preliminary annual results for 2021

Despite the Covid-19 pandemic persisting at varying levels of intensity throughout 2021 as well, the group maintained good operations with high levels of activity. The group posted a solid profit after tax of NOK 3,156 million for 2021 (NOK 1,590 million), NOK 1,566 million higher than for 2020, due to improvement in underlying operations and significantly lower impairment provisions.

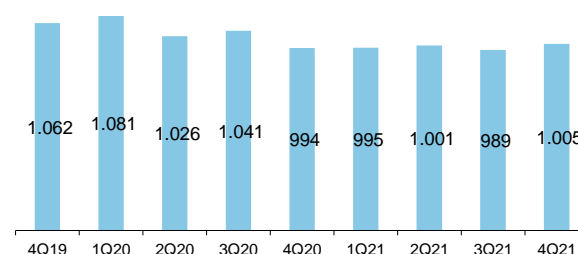
The group's operating profit before impairment provisions increased by NOK 179 million from NOK 3,851 million in 2020 to NOK 4,030 million in 2021. The good financial performance in underlying operations was mainly attributable to increased commissions and income from financial investments, which were partly offset by lower interest income and higher costs.

The group's return on equity after tax increased to 12.6% for 2021 (6.4%).

Net interest income

The group's net interest income totalled NOK 3,990 million in 2021 (NOK 4,142 million), a reduction of NOK 152 million from 2020. The lower net interest income was primarily due to lower lending margins due to a rising interest rate path in the second half of 2021. The negative effect was only partially offset by increased lending volumes, improved deposit margins and lower external funding costs.

Fig. 2 Net interest income



The average interest margin was 1.35% in 2021, compared with 1.50% in 2020.

Net commissions and other operating income

Net commissions and other operating income amounted to NOK 1,717 million in 2021 (NOK 1,396 million), an increase of NOK 321 million from 2020.

Table 1, Commission and other income

	31.12.21	31.12.20
Payment facilities	245	248
Savings/placements	216	195
Insurance products	233	208
Commission income real estate broking	439	396
Guarantee commission	106	96
Arrangement- and customer fees	142	72
Customer fees ForretningsPartner	315	154
Commission income SB1 Boligkreditt	-	14
Other	21	13
Total commission and other income	1.717	1.396

Income from money transfer services amounted to NOK 245 million in 2021 (NOK 248 million), which is NOK 3 million less than in 2020. Income from money transfer services is still being affected by lower travel activity and credit card use after the Covid-19 outbreak. On the other hand, the impact of the pandemic is diminishing and income from money transfer services gradually increased over 2021.

Income from savings/investments increased by NOK 21 million to NOK 216 million in 2021 (NOK 195 million) due to good activity and increased assets under management in the area of savings. Assets under management had increased to NOK 32.4 billion at the end of 2021 (NOK 27.1 billion). Income from insurance increased by NOK 25 million to NOK 233 million (NOK 208 million), of which NOK 17 million was due to increased profitability commissions resulting from a low claims rate in 2021. Income from real estate brokerage amounted to NOK 439 million (NOK 396 million), an increase of NOK 43 million compared with 2020. The increase was due to continued high levels of activity in the property market. Facilitation increased by NOK 70 million to NOK 142 million in 2021 (NOK 72 million) thanks to Corporate Finance's high earnings due to completion of several projects. SpareBank 1 SR-Bank ForretningsPartner AS's income amounted to NOK 315 million (NOK 154 million) in 2021, an increase of NOK 161 million compared with 2020. The increase was primarily due to the acquisition of Tveit Regnskap AS with effect from 15 April 2020 and of Fast Solutions AS with effect from 1 September 2021.

Net income from financial investments

Net income from financial investments was NOK 1,037 million in 2021 (NOK 699 million), an increase of NOK 338 million from 2020.

Table 2, Income on investment securities

	31.12.21	31.12.20
Dividends	30	57
Investment income, associates	676	663
Income from financial instruments	331	-21
- Capital gains/losses on securities	192	-141
- Capital gains/losses interest/currency	139	120
Total income on investment securities	1.037	699

Dividends totalling NOK 30 million were received in 2021 (NOK 57 million), of which the dividends from Sandnes Sparebank amounted to NOK 21 million. An extraordinary dividend was received from Visa Norge AS totalling NOK 39 million in 2020.

Income from associated companies totalled NOK 676 million in 2021 (NOK 663 million), an increase of NOK 13 million from 2020. In 2020, income from associated companies included NOK 340 million in income from the Fremtind Forsikring AS merger. Adjusted for merger income, the income from associated companies increased by NOK 353 million from 2020. The ordinary profit contribution from SpareBank 1 Gruppen AS increased by NOK 277 million, the profit contribution from BN Bank ASA increased by NOK 44 million, and the profit contribution from SpareBank 1 Forvaltning AS increased by NOK 36 million from 2020 to 2021. For more information about the underlying results in associated companies, see the section on page 13.

Table 3, Income associated companies

The share of net profit after tax	31.12.21	31.12.20
SpareBank 1 Gruppen AS	471	194
-Merger effects Fremtind	-	340
BN Bank ASA	164	120
SpareBank 1 Kreditt AS	11	2
SpareBank 1 Forvaltning AS	36	-
SpareBank 1 Boligkreditt AS	2	2
SpareBank 1 Næringskreditt AS	6	9
SpareBank 1 Betaling AS	-14	-2
FinStart Nordic AS*	-1	-4
Other	1	2
Total income associated companies	676	663

*Due to the accounting rules, companies in which FinStart Nordic AS owns stakes of between 20-50% must be measured as associated companies in the consolidated financial statements.

Net income from financial instruments amounted to NOK 331 million in 2021 (NOK -21 million), an increase of NOK 352 million from 2020. In 2020, income from

financial instruments was significantly affected by the Covid-19 outbreak in March 2020. Capital gains on securities amounted to NOK 192 million in 2021 (NOK 141 million in capital losses), while capital gains from interest and currency trading amounted to NOK 139 million (NOK 120 million).

The capital gains on securities of NOK 192 million (capital losses of NOK 141 million) were attributable to capital losses including hedging instruments totalling NOK 104 million (capital losses of NOK 92 million) from the fixed income portfolio and capital gains of NOK 296 million (capital losses of NOK 49 million) from the portfolio of equities and equity certificates. NOK 92 million of the capital gains on equities and equity certificates was due to the sale of the subsidiary SR-Forvaltning AS to SpareBank 1 Forvaltning AS. The investments in FinStart Nordic AS increased in value by NOK 91 million (NOK 62 million decrease in value), the investment in Sandnes Sparebank increased in value by NOK 85 million (NOK 26 million) and the group's portfolio of its own funds increased in value by NOK 13 million in 2021. NOK 51 million of the NOK 91 million increase in value in FinStart Nordic AS was linked to a single investment in Boost Ai AS.

The capital gains from interest rate and currency trading amounted to NOK 139 million in 2021 (NOK 120 million). Capital gains from customer and own account trading amounted to NOK 142 million (NOK 138 million), negative changes in the value of basis swaps amounted to NOK 24 million (NOK 13 million in positive changes in the value), while the sum of hedging recognition and other IFRS effects was NOK 21 million in 2021 (NOK -31 million).

Operating costs

The group's operating costs amounted to NOK 2,714 million for 2021 (NOK 2,386 million), a year-on-year increase of NOK 328 million (13.7%).

Table 4, Operating expenses

	31.12.21	31.12.20
Personnel expenses	1.722	1.436
IT expenses	381	373
Marketing	81	73
Administrative expenses	66	71
Operating expenses from real estate	37	31
Other operating expenses	252	214
Depreciation	175	188
Total operating expenses	2.714	2.386

NOK 143 million of the increase in costs was due to higher costs in SpareBank 1 SR-Bank ForretningsPartner AS resulting from the acquisition of Fast Solutions AS with effect from 1 September 2020 and the acquisition of Tveit Regnskap AS with effect from 15 April 2021. The high level of activity in the real estate market resulted in a NOK 34 million increase in costs in EiendomsMegler 1 SR-Eiendom AS. Variable remuneration has increased by NOK 100 million as a result of the improved profit from 2020 to 2021. Adjusted for the above, the group's operating costs increased by NOK 51 million (2.7%) from 2020 to 2021.

Personnel costs amounted to NOK 1,722 million in 2021 (NOK 1,436 million), an increase of NOK 286 million from 2020. Excluding the change in variable remuneration and higher personnel costs in EiendomsMegler 1 SR-Eiendom AS and SpareBank 1 SR-Bank ForretningsPartner AS, personnel costs increased by NOK 37 million (3.4%) from 2020 to 2021. The increase was due to ordinary wage growth and an increase of 36 FTEs in the parent bank in 2021.

Operating costs in excess of personnel costs were NOK 992 million in 2021 (NOK 950 million), an increase of NOK 42 million (4.4%). Other operating costs increased by NOK 38 million to NOK 252 million in 2021 and were largely attributable to NOK 19 million in higher costs in SpareBank 1 SR-Bank ForretningsPartner AS due to more activity and NOK 16 million from the increased use of external consultants. Depreciation decreased by NOK 13 million from 2020 to NOK 175 million in 2021, where ordinary depreciation was NOK 17 million lower while depreciation linked to lease rights increased by NOK 5 million from 2020.

The group's cost/income ratio, costs measured as a percentage of income, was 40.2% for 2021 (38.3%). The parent bank's cost/income ratio was 36.4% in 2021 (36.2%).

Impairments on loans and financial liabilities, and loans and financial liabilities in Stage 3

The group's net impairments on loans and financial liabilities amounted to NOK 192 million in 2021, a reduction of NOK 1,838 million from 2020. Impairment provisions in 2020 were heavily affected by the Covid-19 outbreak, which led to a fall in oilprices and introduction of strict national infection control measures. High impairment provisions were made due to uncertain market conditions, especially related to offshore related activities. Impairment

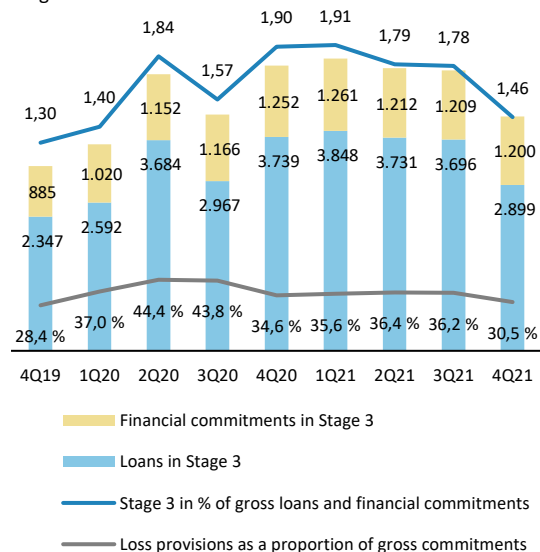
provisions were sharply reduced in 2021 due to the limited impact the pandemic has had on credit quality and the need for impairment provisions.

The group's customers have coped well with the Covid-19 outbreak and registered payment defaults have been low, except for some parts in the offshore sector. Customers made limited use of the option to defer payment deadlines and a large proportion of liquidity loans granted in connection with the pandemic have been repaid. The exposure related to offshore exposures has been significantly reduced over the past 5 years.

The group's impairments on loans and financial liabilities amounted to 0.09% of gross loans at the end of 2021 (0.95%).

Closely monitoring customers and prevention measures are important to maintain a good risk profile in the group's loan portfolio. Because of the low oil prices and Covid-19 outbreak, this work was further reinforced from March 2020. The group's corporate market division has, in cooperation with SpareBank 1 SR-Bank ForretningsPartner AS, worked closely and proactively with customers. Combined with government support measures this has strengthened the lending portfolio's risk profile.

Fig. 3 Gross loans and financial commitments in Stage 3



Gross loans and financial liabilities classified as Stage 3 amounted to NOK 4,099 million at the end of 2021 (NOK 4,991 million), of which provisions as a percentage of gross exposures were 30.5% (34.6%). The group's loans and financial liabilities are classified

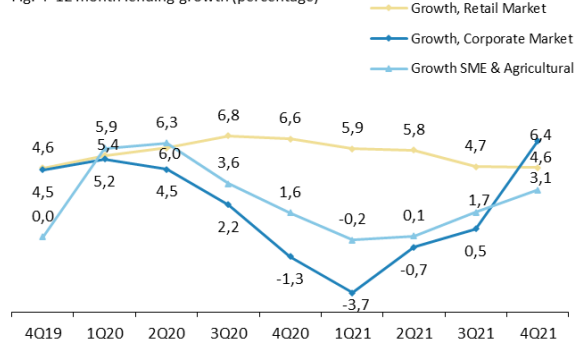
into three groups: Stage 1, Stage 2 and Stage 3. Stage 3 is used for loans and financial liabilities that have seen a significant rise in credit risk since being granted and where there is objective evidence of a loss event on the balance sheet date. The loss provision must cover expected losses over their lifetime for these loans and financial liabilities. Gross loans and financial liabilities classified as Stage 3 corresponded to 1.46% (1.90%) of gross loans and financial liabilities. The reduction in Stage 3 in 2021 was mainly due to the recognition of losses during the year.

Loans to and deposits from customers

Gross loans at year end 2021 amounted to NOK 230.3 billion (NOK 219.2 billion). Gross lending growth in the past 12 months was 5.1% (3.7%).

Retail market has seen lending growth of 4.6% in the past 12 months, helped by low interest rates and a well-functioning housing market. SME & agriculture saw lending growth of 3.1% in 2021, while corporate market saw lending growth of 6.4%.

Fig. 4 12 month lending growth (percentage)



Loans to the retail market accounted for 62.2% of total loans at the end of 2021 (62.5%).

The group's total loan exposure of NOK 230.3 billion (NOK 219.2 billion) included a majority of exposures with a probability of default of less than 0.5%. These exposures accounted for 65.4% (64.5%) of the portfolio. The overall lending portfolio largely consisted of exposures of less than NOK 10 million. These accounted for 67.2% (68.1%) of loan exposure and 98.1% (98.2%) of total customers. Of the total loan exposure, 19.3% (17.9%) was to customers with exposures in excess of NOK 100 million.

Over the past 12 months, deposits from customers increased by 16.5% (14.6%) to NOK 137.7 billion (NOK 118.2 billion). Excluding deposits from customers in the public sector, deposits from customers have

increased by 12.1% in the past 12 months. In addition to high public sector volumes, the high growth in deposits was due to deposit growth of 8.9% in retail market, 10.7% in SME & agriculture and 20.1% in the corporate market. At year end 2021, deposits from the retail customers accounted for 42.0% (45.2%) of the group's customer deposits. At the end of 2021, the deposit coverage ratio, measured as deposits as a percentage of gross loans, had increased to 59.8% (53.9%).

In addition to ordinary customer deposits, the group also has capital under management in alternative investment products. These amounted to NOK 32.4 billion at the end of 2021 (NOK 27.1 billion). These assets are primarily managed by SR-Forvaltning AS and SpareBank 1 Forvaltning AS.

Business areas

SpareBank 1 SR-Bank ASA is split into different business areas, which are defined on the basis of their form of distribution, products, and customers. The reporting format is based on the risk and return profile of the assets and is split into retail market, SME & agriculture, corporate market, capital market and significant subsidiaries. The retail market division's result and balance sheet items include the figures from SR-Boligkreditt AS.

Retail Market¹

Retail market posted a contribution before impairment losses of NOK 1,713 million in 2021 (NOK 1,618 million), NOK 95 million higher than in 2020.

Table 5, Retail market

	31.12.21	31.12.20
Interest income	1.773	1.677
Commission and other income	545	521
Total income	2.318	2.198
Total operating expenses	605	580
Operating profit before impairments	1.713	1.618
Impairments on loans and financial commitments	-39	89
Pre-tax profit	1.752	1.529

Net interest income increased by NOK 96 million as a result of increased lending and deposit volumes. Net

¹ The interest on intercompany receivables for Retail market, SME & agriculture and Corporate market is fixed based on expected observable market interest rates (NIBOR) plus expected additional costs for the group's long-term funding (credit premium). Differences between the group's actual funding costs and the applied interest on intercompany receivables are eliminated at the group level.

commission income increased by NOK 24 million from 2020. Income from the area of payments was still adversely affected by the pandemic. The growth in the area of insurance continued with good sales and higher profitability commissions due to lower claims rates.

The level of activity in the savings and investment market was high in 2021. Income increased in the first half of 2021 but levelled off in the second half due to changes in the pricing model. On 1 June 2021, the bank changed its pricing model for investment services and as a result of this income growth in the savings area will be somewhat weaker in the coming period.

Activity in the housing market remained high. Higher mortgage rates may affect growth going forward. Norges Bank increased its policy rate by 0.25 percentage points in December 2021 and the bank announced higher mortgage rates with effect for the existing portfolio from 31 January 2022. Growth in the Oslo area continued, and the fourth branch was opened in the fourth quarter of 2021.

Lending growth in the past 12 months was 4.3% at the end of 2021. Deposits have grown by 8.9% in the past 12 months.

The quality of the retail market portfolio is considered to be very good with a low risk of losses and low defaults. The proportion of loan exposure within 85% of the loan to value ratio was 94.8% at year end 2021 (90.4%). The model-calculated IRB risk weights² for residential mortgages were 18.5% at the end of 2021 (20.1%) and reflect a solid, stable portfolio. Due to regulatory requirements for minimum risk weights of 20% for residential mortgages, a 20% risk weight was used in the capital ratio reporting.

SME & Agriculture¹

SME & agriculture posted a contribution before impairment losses of NOK 473 million in 2021 (NOK 491 million), NOK 18 million lower than in 2020. The lower result before impairment provisions was mainly due to reduced interest income resulting from lower lending margins compared with 2020. The division's

² The IRB rules define residential mortgage loans as exposures secured by collateral in residential/real property where the collateral in the real property amounts to at least 30%. The figures include the portfolio in SR-Boligkreditt AS.

pre-tax profit was NOK 470 million in 2021 (NOK 404 million).

Table 6, SME & Agriculture

Interest income	473	486
Commission and other income	111	92
Income on investment securities	2	3
Total income	586	581
Total operating expenses	113	90
Operating profit before impairments	473	491
Impairments on loans and financial commitments	3	87
Pre-tax profit	470	404

In the past 12 months, the division's lending volume has increased by 3.1% and deposits have increased by 10.7% (NOK 1.5 billion).

The quality of the SME & agriculture portfolio is considered very good, with a low risk of losses and low defaults. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 86.0% of the portfolio at the end of 2021 (83.6%).

Corporate Market¹

Corporate market' contribution before impairment losses was NOK 1,700 million in 2021 (NOK 1,717 million), NOK 17 million lower than in 2020. Interest income decreased by NOK 134 million to NOK 1,536 million in 2021 due to lower margins. Good activity in the market resulted in an increase of NOK 48 million in commissions. The division's pre-tax profit increased to NOK 1,472 million in 2021 (NOK -137 million) due to significantly less need for impairment provisions in 2021.

Table 7, Corporate Market

	31.12.21	31.12.20
Interest income	1.536	1.670
Commission and other income	255	207
Income on investment securities	66	-10
Total income	1.857	1.867
Total operating expenses	157	150
Operating profit before impairments	1.700	1.717
Impairments on loans and financial commitments	228	1.854
Pre-tax profit	1.472	-137

³ Capital market serves customers throughout the group and customer income is now recognised, in its entirety, in the business area to which the customer belongs.

The division's lending volume has increased by 6.4% (NOK 4.1 billion) in the past 12 months. The division's deposits have increased by 26.7% (NOK 12.5 billion) in the past 12 months. More than 60% of the growth came from public sector customers, geographically spread out across the entire market area.

The quality in the corporate market is considered good. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 85.3% of the portfolio at year end 2021 (82.3%). The property sector portfolio represents the group's largest concentration in a single sector and accounted for 13.5% (13.7%) of total loan exposure. A large portion of this portfolio consisted of financing commercial properties for leasing.

During the pandemic, no significant negative change was registered in the quality of the corporate market portfolio, although the situation for exposures within exposed industries is still being carefully monitored. There was also a focus on a number of restrictions relating to industries aimed at reducing the exposure in volatile industries and at the same time the upper limit for exposure in major exposures has been reduced. This is intended to help improve the group's robustness in order to provide it with financial leeway in any new challenging situations.

High vaccinations rates against Covid-19 resulted in optimism about economic developments. This is also reflected by more normal levels of individual impairment provisions in corporate market. Impairments on loans and financial liabilities amounting to NOK 228 million were recognised in 2021 (NOK 1,923 million).

Capital Market³

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and Corporate Finance services.

SR-Bank Markets' operating income amounted to NOK 238 million in 2021 (NOK 220 million). The income generated is recognised as income in the business areas to which the customers are assigned, primarily corporate market. In 2021, income of NOK 104 million was recognised in the business areas (NOK 80 million). The pre-tax result amounted to NOK 60 million in 2021 (NOK 70 million).

Table 8, Capital Market

	31.12.21	31.12.20
Interest income	23	51
Commission and other income	120	82
Income on investment securities	95	87
Total income	238	220
- allocated to Corporate market	104	80
Total income after allocation	134	140
Total operating expenses	74	70
Pre-tax profit	60	70

Total business volumes were at a normal level in 2021 without significant negative effects due to Covid-19. SR-Bank Markets expects this positive trend to continue going forward.

Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

The company posted a turnover of NOK 448.6 million for 2021 (NOK 405.0 million) and a pre-tax profit of NOK 60.0 million (NOK 49.9 million). The improved result was due to a good property market and focusing on operational efficiency. Faster sales, higher prices and good cost control have had a good effect on results.

In 2021, 7,367 (6,707) properties were sold with a total value of around NOK 25.9 billion (NOK 21.1 billion). The supply of new assignments was very good with 7,391 new assignments in 2021.

Overall, the company is the largest actor in real estate brokerage in the counties of Rogaland, Vestland and Agder, with a stable market share of just under 20% in this market area.

The good growth in the housing market in 2021 was mainly driven by low interest rates, high purchasing power and a focus on private homes during and after the pandemic. The number of used homes and holiday homes sold was the highest ever. The demand for detached and terraced houses was strong and most of the homes sold exceeded their asking price. The market for holiday properties was also good with greater interest in, and higher sales of, holiday properties, both on the coast and in the mountains.

Prices in the main market of Nord-Jæren have risen by 7% in the past 12 months, while Kristiansand saw price growth of 9% and Bergen 6.6%. Overall, this resulted in very positive development in the

company's market area. In 2021, Nord-Jæren saw sales growth of 22.5%, followed by Agder with 9.6%. Vestland saw 2.0% growth and thereby ensured growth across the entire market area after a strong 2020.

Within commercial real estate, improvements were observed in both the rental and transaction markets in 2021. Vestland continued to see strong growth, increasing income from NOK 13 million in 2020 to NOK 24 million in 2021. Stavanger also increased its income from NOK 5 million to NOK 8 million. The supply of assignments increased sharply in both Rogaland and Vestland.

New builds have also seen good earnings growth with an increase from NOK 29 million in 2020 to NOK 39 million in 2021.

SpareBank 1 SR-Bank ForretningsPartner AS

SpareBank 1 SR-Bank ForretningsPartner AS achieved a turnover of NOK 336.3 million in 2021 (NOK 176.0 million) and a pre-tax profit of NOK 34.5 million (NOK 21.0 million). The result includes depreciation of intangible assets amounting to NOK 5.5 million (NOK 2.9 million).

With the acquisition of Fast Solutions AS in September 2020 and Tveit Regnskap AS in April 2021, SpareBank 1 SR-Bank ForretningsPartner AS has established a solid market position in accounting services, with offices in Rogaland, Vestland, Oslo and Agder. It is now one of the country's largest actors within accounting and consulting services.

SR-Forvaltning AS

SR-Forvaltning AS saw good growth in both income and profit in 2021 due to good operations, good market development and good sales. The company's strategy has been to grow by building on its established cost base (which was increased with the SR-Bank Fondene venture in 2019) and it is now seeing the fruits of this. Given its integration with a new savings group from and including 2022 (SpareBank 1 Forvaltning AS), where SpareBank 1 SR-Bank ASA will be the largest owner, The future outlook for the company is positive.

The company achieved a turnover of NOK 105.5 million in 2021 (NOK 93.1 million) and made a pre-tax profit of NOK 34.1 million (NOK 19.3 million). This corresponds to an increase of no less than 76%. The company saw good sales in 2021 with positive net subscriptions of just over NOK 1 billion. SR-Bank

Fondene in particular saw good growth. Savings agreement business grew particularly well, both in terms of volume and numbers. The assets under management at year end 2021 amounted to NOK 16.4 billion (NOK 13.5 billion).

SpareBank 1 SR-Bank ASA has signed an agreement to increase its stake in SpareBank 1 Forvaltning AS⁴. SpareBank 1 Forvaltning AS, the savings and investment products and services company of the SpareBank 1 banks and the Norwegian Confederation of Trade Unions (LO), acquired all of the shares in SR-Forvaltning ASA. At the same time, SpareBank 1 SR-Bank ASA became the largest owner of SpareBank 1 Forvaltning AS with a stake of 36.3%. The transaction was completed on 29 December 2021. Through a significant ownership in SpareBank 1 Forvaltning AS, SpareBank 1 SR-Bank ASA will take a leading position in asset management in Norway through better and simpler customer solutions.

SR-Boligkreditt AS

The company achieved a pre-tax profit of NOK 838.7 million in 2021 (NOK 811.2 million). The increased result was mainly due to lower interest costs. The increase was partly offset by negative market value adjustments of basis swaps. Net interest income rose by NOK 133.0 million in 2020 to NOK 936.9 million in 2021. The market value of basis swaps was NOK -70.2 million in 2021 compared with NOK 70.9 million in 2020.

The company's purpose is to purchase residential mortgages from SpareBank 1 SR-Bank ASA, and it funds this by issuing covered bonds. SR-Boligkreditt AS enables the parent company to diversify and optimise its funding. Moody's has given SR-Boligkreditt AS its best rating, Aaa. At year end 2021, the company had issued covered bonds with a nominal value of NOK 78.5 billion (NOK 75.4 billion) and bought loans worth NOK 89.6 billion (NOK 85.6 billion) from SpareBank 1 SR-Bank ASA.

FinStart Nordic AS

FinStart Nordic AS invests in, and contributes to the development and growth of, innovative financial technology companies. The aim is to strengthen and expand the group's existing value chains and contribute to the streamlining of its core business through the supply of innovative products and services. At the same time, FinStart Nordic AS is looking to achieve a financial return on the company

portfolio. The company also manages a portfolio from a former subsidiary that primarily had investments linked to the oil industry.

The company posted a pre-tax result of NOK 85.0 million in 2021 (NOK -113.1 million). The improved result came from changes in the value of the financial technology (fintech) portfolio totalling NOK 60.4 million and changes in the values of investments in the oil industry of NOK 32.0 million. A sell down of the investment in Boost Ai AS to Nordic Capital contributed significantly to the increase in value.

Despite Covid-19, the fintech portfolio of early phase investments has shown positive growth in the past year and the market for raising capital improved in 2021. All of the companies in the portfolio are satisfactorily capitalised and several of the companies are in the process of transitioning to a scale-up phase.

Considerable uncertainty surrounding market developments in 2020 resulted in substantial write-downs on investments in the oil industry. This uncertainty decreased significantly in 2021, and developments in the past year have resulted in the writing up of several investments.

Both the fintech portfolio and the investments in the oil industry exhibit prospects for growth and positive developments in value in both the short and medium term.

Monio AS

Monio AS (formerly Monner AS) is a payment company and a registered loan arranger. Monio AS is a licensed payment initiation service provider (PISP) and account information service provider (AISP) under the PSD2 Regulation.

In 2021, Monio AS posted a profit of NOK 49.7 million (NOK 17.4 million loss), where NOK 70.3 million of the profit was due to proceeds from the sale of Monio AS's entrepreneur business to SpareBank 1 SR-Bank ASA in April 2021. The gain has been eliminated in the consolidated accounts. Excluding the gain from this sale, Monio AS posted a loss of NOK 20.6 million in 2021. The negative result was in line with expectations and due to the company being in a development phase, which means that costs from products and market development will be higher than earnings. The company gained a record number of new lenders who set up a savings accounts in the

⁴ See page 13 for more information about SpareBank 1 Forvaltning AS.

bank. Some 3,113 private lenders set up Monio savings accounts in 2021 compared with 2,095 private lenders in 2020.

Monio AS arranges direct loans from private investors (people and limited liability companies) to small and medium-sized Norwegian companies via its proprietary digital platform. At year end 2021, the company had arranged loans totalling NOK 657.4 million (NOK 303.2 million) for Norwegian enterprises. The company's main product is arranging secured loans for property projects. The market for crowd-funded business loans grew well. Monio AS arranged loans for NOK 354.2 million in 2021 compared with NOK 144.2 million in 2020.

Key associated companies

SpareBank 1 Alliance

The SpareBank 1 Alliance is Norway's second largest financial group and is a banking and product partnership in which the SpareBank 1 banks in Norway cooperate in order to keep them strong and independent. The purpose of the alliance is to procure and provide competitive financial services and products, and to exploit economies of scale in the form of lower costs and/or higher quality. The alliance is run through its ownership and participation in SpareBank 1 Utvikling DA, while the development and operation of product companies is organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS owns 100% of the shares in SpareBank 1 Forsikring AS, SpareBank 1 Factoring AS, Modhi Finance AS and SpareBank 1 Spleis AS. SpareBank 1 Gruppen AS also owns 65% of the shares in Fremtind Forsikring AS and 49% of the shares in LO Favør AS. SpareBank 1 SR-Bank ASA owned a 19.5% stake in SpareBank 1 Gruppen AS at the end of 2021.

SpareBank 1 Gruppen AS posted a record pre-tax profit of NOK 4,152 million for 2021 (NOK 1,817 million), which is NOK 2.3 billion better than in 2020. The controlling interest's share of the net profit for the year amounted to NOK 2,414 million (NOK 988 million).

The Fremtind Insurance Group saw a strong improvement in profit in 2021 as a result of a significantly better insurance result due to lower claims ratios in 2021. The financial result was also better in 2021. The insurance result included NOK 160

million of reserves recognised as income linked to the transferred portfolio from DNB Liv AS. Both the insurance result and the financial result were strongly impacted by the Covid-19 situation in 2020.

SpareBank 1 Forsikring saw an improvement in the risk, administration and interest results in 2021. In 2021, properties in the collective portfolio were written up by NOK 312 million, while they were written down by NOK 317 million in 2020. The previously allocated administration reserves totalling NOK 270 million were also dissolved in 2021 and contributed to this good result.

SpareBank 1 Utvikling DA

SpareBank 1 Utvikling DA delivers business platforms and common management and development services to the alliance banks. The company contributes to joint activities that provide the banks with benefits in the form of economies of scale and expertise. The company also owns and manages the alliance's intellectual property rights under common brand name: SpareBank 1. SpareBank 1 SR-Bank ASA owned a 18.0% stake in SpareBank 1 Utvikling DA at year end 2021.

SpareBank 1 Forvaltning AS

The SpareBank 1 Forvaltning group was established on 1 May 2021. At the same time, ODIN Forvaltning AS was demerged from SpareBank 1 Gruppen AS and merged with SpareBank 1 Forvaltning AS based on continuity. At the time of the transfer, SpareBank 1 Forvaltning AS had the same owners and ownership interests as SpareBank 1 Gruppen AS. On 1 July, SpareBank 1 Forvaltning AS acquired SpareBank 1 Kapitalforvaltning AS and SpareBank 1 Verdipapirservice AS. On 29 December 2021, SR-Forvaltning AS was acquired by SpareBank 1 Forvaltning AS. A rebalancing of the stakes in SpareBank 1 Forvaltning AS was carried out in connection with the transaction and SpareBank 1 SR bank ASA's stake in SpareBank 1 Forvaltning AS increased to 36.3% at the end of 2021.

SpareBank 1 Forvaltning AS posted a pre-tax profit of NOK 208 million for 2021. Increased total assets and good net new subscriptions in ODIN Forvaltning resulted in increased management fees.

BN Bank ASA

BN Bank ASA is a nationwide bank with its head office in Trondheim. BN Bank ASA achieved a pre-tax profit of NOK 632 million in 2021 (NOK 467 million). The improvement in the result was largely due to lower impairment provisions in 2021. Net interest income

increased by NOK 41 million and other operating income increased by NOK 24 million compared with 2020. NOK 18 million in impairment provisions were reversed in 2021, while impairment provisions of NOK 75 million were recognised as costs in 2020.

The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank ASA's stake was 35.0% at year end 2021.

SpareBank 1 Kreditt AS

SpareBank 1 Kreditt AS is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank ASA owns a stake of 17.1%. The company provides credit card solutions for the SpareBank 1 banks and posted a pre-tax profit of NOK 89 million in 2021 (NOK 16 million). The improvement in profit was due to reduced impairment provisions as a result of calibrating the loss model. Impairment provisions amounted to NOK 17 million in 2021, down from NOK 95 million in 2020.

SpareBank 1 Betaling AS

The SpareBank 1 banks jointly own SpareBank 1 Betaling AS. SpareBank 1 SR-Bank ASA's stake is 19.2%. SpareBank 1 Betaling AS owns a 23.1% stake in Vipps AS.

SpareBank 1 Betaling AS posted a pre-tax result of NOK -69 million for 2021 (NOK -9 million). The negative profit contribution was due to the operating loss in Vipps AS, of which NOK -8 million was due to the correction of the profit for 2020.

Funding and liquidity

SpareBank 1 SR-Bank ASA had very good liquidity at year end 2021 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer⁵ was NOK 57.9 billion at the end of 2021 and would cover normal operations for 37 months in the event of closed markets and without net lending growth. NOK 20.4 billion of the bank's external funding will come due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 22.7 billion in residential mortgages ready for covered bond funding.

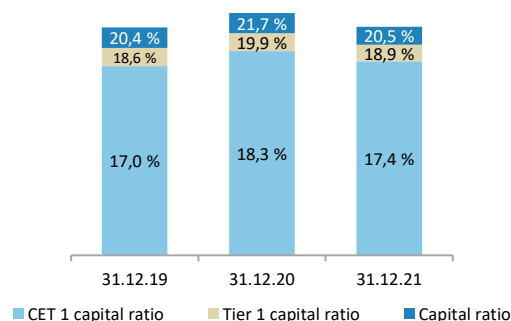
⁵ Liquidity buffer: cash, short-term investments, and drawing rights in Norges Bank (bonds, including covered bonds). Assuming deposits and lending remain unchanged and no new borrowing during the period.

The group has continued to enjoy a high proportion of long-term funding in the past 12 months. The group's net stable funding ratio (NSFR)⁶ was 124% at year end 2021 (123%) and this confirms the group's good funding situation. SpareBank 1 SR-Bank ASA has an A1 long-term rating and a P-1 short-term rating from Moody's.

Capital adequacy

At year end 2021, the Common Equity Tier 1 capital ratio was 17.4% (18.3%). The Common Equity Tier 1 capital ratio has decreased by 0.9 percentage points in the past 12 months, of which 1.1 percentage points was due to provisions for, and payment of, a dividend of NOK 5.50 for the 2019 accounting year, and 0.6 percentage points was due to provisions for and payment of a dividend of NOK 3.10 for the 2020 accounting year. As a result of the outbreak of Covid-19 in March 2020, the annual general meeting in April 2020 decided to follow the board's recommendation not to pay out a dividend for 2019 at that time. Therefore, the dividend for 2019 was not paid out until 19 March 2021. The dividend for 2020 was paid out on 13 October 2021.

Fig. 5 Capital adequacy



The total requirement for SpareBank 1 SR-Bank ASA's Common Equity Tier 1 capital ratio was 15.2% at the end of 2021. The requirement includes a systemic risk buffer, countercyclical buffer, Pillar 2 premium and 1.0% management buffer.

A countercyclical buffer requirement applies in Norway in the range of 0-2.5 percentage points in the form of Common Equity Tier 1 capital. The purpose of the countercyclical buffer is to make the banks more solid and robust in relation to lending losses. The

⁶NSFR is calculated in accordance with guidelines from the Financial Supervisory Authority of Norway and is calculated as available stable funding relative to necessary stable funding.

capital buffer requirement amounted to 2.5 percentage points at the end of 2019. As a result of the Covid-19 situation, the countercyclical buffer requirement was reduced by 1.5 percentage points to 1.0% with effect from March 2020. In June 2021, a decision was made to increase the capital requirement for the countercyclical buffer by 0.5 percentage points to 1.5% with effect from 30 June 2022. In December 2021, a decision was made to further increase the countercyclical buffer requirement by 0.5 percentage points to 2.0% with effect from 31 December 2022.

The Pillar 2 premium is an institution-specific premium intended to ensure that Norwegian banks have adequate capital to cover the risk associated with operations, including risks not covered by the regulatory minimum requirement. In 2018, the Financial Supervisory Authority of Norway stipulated a Pillar 2 premium of 1.7 percentage points for the group.

At year end 2021, the total requirement for a Common Equity Tier 1 capital ratio of 15.2% was met by a good margin. SpareBank 1 SR-Bank ASA's internal target for its Common Equity Tier 1 capital ratio is 16.7% by the end of 2022. The group has maintained its original capital target in order to take into account expectations of a gradual increase in the countercyclical buffer from 2022.

The Tier 1 capital ratio was 18.9% (19.9%), while the total capital ratio was 20.5% (21.7%) at year end 2021. This is well above the required capital ratio of 18.7%.

On 28 April 2021, the annual general meeting approved the board's proposal that no dividend be paid out for 2020 at that time. The decision was in line with the recommendations of the Financial Supervisory Authority of Norway, Norwegian Ministry of Finance and European Central Bank (ECB). However, the board received special authorisation from the general meeting to make a decision about the distribution of a dividend, at some later point in time, of up to NOK 3.10 per share based on the bank's approved annual financial statements for 2020. On 30 September 2021, the board exercised its special authorisation and decided to pay out a dividend of NOK 3.10 per share based on the bank's approved annual financial accounts for 2020. The dividend for 2020 was paid out on 13 October 2021.

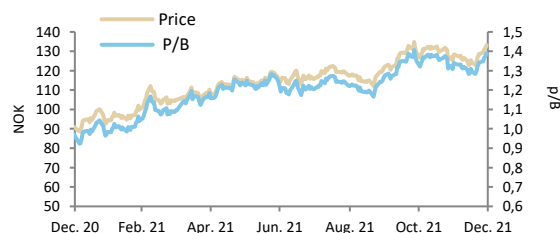
New crisis management directive and MREL

Based on the EU Crisis Management Directive (BRRD), the group will have to meet a minimum requirement for own funds and eligible liabilities (MREL). On 15 October 2020, the Ministry of Finance published a consultation paper on the introduction of BRRD2 in Norway, which entails an MREL requirement of 34.4% and an MREL subordination requirement of 27.4%. The requirement for lower priority (non-preferred senior debt) must be met by 1 January 2024 and can be phased in by SpareBank 1 SR-Bank ASA including senior debt up to this date, provided that it meets the general requirements for eligible liabilities. At the end of 2021, SpareBank 1 SR-Bank ASA was carrying senior debt that falls due after 31 December 2022 amounting to NOK 26.6 billion and had issued non-preferred senior debt of NOK 7.5 billion as at 31 December 2021. This requirement is, therefore, met by a good margin.

The bank's share

The price of the bank's share (SRBNK) was NOK 133.20 at year end 2021. This resulted in an effective return of 55.8% from the end of 2020. The main Oslo Børs index increased by 23.4% in the same period (not adjusted for dividend). 5.0% of outstanding SRBNK shares were traded in the fourth quarter of 2021 (5.3%).

Fig.6, Development in Price/Book



There were 16,826 shareholders at year end 2021 (13,113). The proportion owned by foreign companies and individuals was 22.2% (21.8%), while 65.7% (66.2%) were resident in Rogaland, Agder, Vestland, Oslo and Viken. The 20 largest shareholders owned a combined total of 56.7% (58.8%) of the shares. The bank held 41,517 treasury shares, while employees of the group owned 1.7% (1.7%).

The table below lists the 20 largest shareholders as at 31 December 2021:

Table 9, 20 largest shareholders

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,3 %
Folketrygdfondet	19.496	7,6 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,4 %
Brown Brothers Harriman & Co, U.S.A.	6.206	2,4 %
State Street Bank and Trust Co, U.S.A.	4.888	1,9 %
Verdipapirfondet Alfred Berg Gambak	3.511	1,4 %
Odin Norge	3.423	1,3 %
JPMorgan Chase Bank NA, U.S.A.	3.251	1,3 %
Pareto Aksje Norge	2.739	1,1 %
Danske Invest Norske Instit. II	2.619	1,0 %
Vpf Nordea Norge Verdi	2.431	1,0 %
State Street Bank and Trust Co, U.S.A.	2.415	0,9 %
State Street Bank and Trust Co, U.S.A.	2.390	0,9 %
Verdipapirfondet Alfred Berg Norge	2.004	0,8 %
Clipper AS	1.946	0,8 %
Pareto Invest AS	1.842	0,7 %
KLP Aksjenorge Indeks	1.811	0,7 %
Westco AS	1.797	0,7 %
Verdipapirfondet DNB Norge	1.774	0,7 %
The Bank of New York Mellon SA, Irland	1.726	0,7 %
Total 20 largest	144.914	56,7 %

The group established a share savings arrangement for the group's employees in 2019, and the scheme has been continued in 2020 and 2021. All permanent employees have an opportunity to purchase shares for a specified savings amount, limited to a maximum of NOK 3,000 per employee per month, at a 30% discount and with a lock-in period of 2 years. More than 1,150 of the group's almost 1,600 employees have signed a regular savings agreement for the share savings scheme in 2022.

Accounting policies

Please refer to notes 1 and 2 for a description of the accounting policies and judgements applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements. For more information about this see notes 1 and 2.

Events after the balance sheet date

No material events have been registered after 31 December 2021 that affect the interim financial statements as prepared.

Sustainable development

The business sector's focus on sustainability has significantly increased recently. SpareBank 1 SR-Bank ASA thinks this is a positive development and sees great opportunities in the green shift. The group is actively striving to contribute to sustainable development and believes it has a responsibility to be part of the solution and a proactive ally in the transition to a more sustainable society. In autumn 2021, the group adopted a new sustainability strategy as part of its corporate strategy. The ambition is for sustainability to form an integral part of all of the group's activities. SpareBank 1 SR-Bank ASA wants to help ensure that the Paris Agreement's goal of limiting global warming to 1.5°C by 2050 is achieved. The group has set itself the goals of becoming climate neutral by 2022 and achieving net zero emissions from its lending and investment activities by 2050 to underpin this ambition. A target of funding NOK 50 billion in sustainable activities by 2030 has also been set. The group will report its progress towards this goal from 2022 onwards. The group supports the UN Sustainable Development Goals and has selected three goals that it will particularly focus on: Goal 5 Gender equality, Goal 8 Decent work and economic growth, and Goal 13 Climate action. The group has developed specific targets for these.

Regulatory matters

Sustainable finance is in the process of transitioning from being unregulated to being regulated in several areas. In Norway, it is primarily the Act on sustainability disclosures in the financial services sector and a framework for sustainable investments that are showing the way. This Act enacts the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU taxonomy for sustainable activities into Norwegian law. It will make it easier for investors to compare investments and also reduce the risk of greenwashing. The new Norwegian transparency Act sets requirements for how companies manage the risk associated with human rights and transparency related to the dark side of global value chains. SpareBank 1 SR-Bank ASA is monitoring developments in sustainable finance regulations closely and will take steps that include providing taxonomy related information in the annual report for the 2021 financial year in response to a challenge issued by the Ministry of Finance.

Outlook

The news is still dominated by the Covid-19 pandemic. Greater knowledge, high vaccination rates and good support measures from the Norwegian government have helped to mitigate the negative effects of the pandemic. Nevertheless, some uncertainty still exists regarding how the reopening of the society will impact economic development going forward. Optimism has returned in the retail market and parts of the business sector, albeit with an expectation of continued lower activity within tourism and service industries at the start of 2022.

The Norwegian economy developed positively in 2021, with a higher oil price, a good property market and falling unemployment. However, less international demand and a more volatile oil price are expected to affect economic development going forward. According to the latest updated forecasts, the IMF expects the global economy to grow by 4.9% in 2022. The growth is expected to be highest in industrialised countries, with somewhat lower growth in emerging economies due to lower Covid-19 vaccination rates.

In Norway, slightly higher unemployment is expected at the start of 2022 due to continued Covid-19 measures, although unemployment is expected to gradually fall during the year. The housing market and private consumption are being stimulated by low mortgage rates, and good demand for loans is expected in the retail market going forward, despite indications of a higher policy rate. Expectations of higher wage growth in 2022 will partly offset the effect of increased mortgage rates. Real Estate Norway is forecasting 4% growth for housing prices in 2022.

According to the latest forecasts from Statistics Norway, 4.2% GDP growth is expected for Mainland Norway in 2022. Due to the ripple effects of the pandemic, the Norwegian Petroleum Directorate expects oil investments on the Norwegian Continental Shelf to decrease by almost 13% in 2022, before investments are expected to rise again in 2023-2025. Statistics Norway expects price inflation, adjusted for energy and taxes, to be 2.5% in 2022.

Norges Bank raised its policy rate in 2021 by 0.25 percentage points in both September and December to 0.50%. The market expects the effects of the Covid-19 outbreak to diminish going forward and Norges Bank's interest rate forecast is a further three interest rate hikes of 0.25 percentage points each in 2022. In

connection with Norges Bank raising its policy rate in December 2021, SpareBank 1 SR-Bank ASA announced interest rate increases of up to 0.25 percentage points with effect for existing portfolios from 31 January 2022.

The group's long-term return on equity target is a minimum of 12%. The target will be achieved through profitable lending growth, moderate impairment provisions, growth in other operating income, gains from financial investments, and greater cost-effectiveness. The group's target for cost-effectiveness is below 40%.

The group has a Common Equity Tier 1 capital ratio target of 16.7%. SpareBank 1 SR-Bank ASA is a solid, profitable group and has in recent years increased its financial strength in line with the authorities' requirements. This was achieved through earnings via a business model involving good breadth in earnings and efficient operations. Financial strength is very good, earnings have strengthened, and the group's impairment provisions have been substantially reduced in 2021. In the board's judgement, the group has turned the page on the largest impairment provisions due to the oil price slump and Covid-19, and impairment provisions are now deemed to be back at normal levels.

SpareBank 1 SR-Bank ASA's dividend policy remains unchanged, with an expected dividend of around 50% of the profit for the year. Consideration must be given to financial needs, including capital adequacy requirements and the group's targets and strategic plans, when determining the annual dividend.

For a long time, the group has been systematically working to increase efficiency through digitalisation and automation, both internally and in relation to customers. More and more of the group's retail customers are purchasing their products via self-service solutions. In 2021, 70% of all products and services were purchased via a digital channel and 94% of all mortgage applications were completed digitally by the customer themselves. The pandemic has contributed to a general improvement in the digital skills of customers, and it is assumed that more customers will continue to choose self-service solutions. The continued widespread use of digital tools will be important in order to meet the customers' needs, streamline operations and, thereby, improve competitiveness going forward.

The board would like to thank all employees for their good efforts, adaptability and good results in a demanding year.

SpareBank 1 SR-Bank ASA is a proactive financial services group with strong distribution. As Norway's second largest privately owned bank, the group provides financial muscle for growth, value creation, and profitability for customers, society, and our owners. The group is a bank for the whole of Southern

Norway, in which the Oslo region is a particular focus area. Having a presence in this market is important with respect to geographical diversification and creating a greater basis for growth, and thus earnings. Now that society has reopened, the group is well-positioned for further growth.

Stavanger, 8 February, 2022

The Board of Directors of SpareBank 1 SR-Bank ASA

Income statement

Parent bank				Note	Group			
Q4 2020	Q4 2021	01.01.20 - 31.12.20	01.01.21 - 31.12.21		01.01.21 - 31.12.21	01.01.20 - 31.12.20	Q4 2021	Q4 2020
				Income statement (MNOK)				
746	827	3.525	3.055	Interest income amortised cost	5.474	6.238	1.455	1.340
371	397	1.726	1.527	Interest income other	712	715	180	167
375	442	1.940	1.565	Interest expenses amortised cost	2.012	2.511	553	478
12	7	13	5	Interest expenses other	184	300	77	35
730	775	3.298	3.012	Net interest income	3.990	4.142	1.005	994
252	282	934	1.019	Commission income	1.801	1.501	475	396
27	24	107	91	Commission expenses	90	111	22	28
2	4	10	12	Other operating income	6	6	2	2
227	262	837	940	Net commission and other income	1.717	1.396	455	370
39	21	57	30	Dividend income	30	57	21	39
-	-	836	1.106	Income from investment in associates	676	663	223	129
16	96	-98	297	Net gains/losses on financial instruments	13 331	-21	100	72
55	117	795	1.433	Net income on financial investments	1.037	699	344	240
1.012	1.154	4.930	5.385	Total income	6.744	6.237	1.804	1.604
284	336	1.029	1.182	Personnel expenses	14 1.722	1.436	485	401
146	187	610	636	Other operating expenses	817	762	228	182
34	38	145	142	Depreciation/ impairments on tangible and intangible assets	175	188	42	46
464	561	1.784	1.960	Total operating expenses	2.714	2.386	755	629
548	593	3.146	3.425	Operating profit before impairments	4.030	3.851	1.049	975
255	-26	2.003	193	Impairments on loans and financial commitments	3, 4 192	2.030	-24	270
293	619	1.143	3.232	Pre-tax profit	12 3.838	1.821	1.073	705
67	112	73	468	Tax expense	682	231	184	97
226	507	1.070	2.764	Profit after tax	3.156	1.590	889	608
205	489	982	2.697	Shareholders' share of the profit	3.089	1.503	871	587
21	18	88	67	Hybrid capital owners' share of the profit	67	88	18	21
				Non-controlling interests		-1		
226	507	1.070	2.764	Profit after tax	3.156	1.590	889	608
				Other comprehensive income				
7	-65	-10	-72	Unrecognised actuarial gains and losses	-72	-7	-65	10
-1	16	3	18	Deferred tax concerning changed estimates/pension plan changes	18	2	16	-2
6	-49	-7	-54	Total items not reclassified through profit or loss	-54	-5	-49	8
1	-2	5	-2	Change in ECL ¹⁾ 12 months	-	-	-	-
				Basis swap spread	-58	47	6	21
				Deferred tax concerning basis swap spread	15	-12	-1	-6
				Share of profit associated companies and joint ventures	10	12	3	11
1	-2	5	-2	Total items reclassified through profit or loss	-33	47	8	26
7	-51	-2	-56	Other comprehensive income	-87	42	-41	34
233	456	1.068	2.708	Total comprehensive income	3.069	1.632	848	642
				Earnings per share (group)	12,08	5,87	3,41	2,30

¹⁾ ECL - Expected credit loss

Balance sheet

Parent bank			Note	Group	
31.12.20	31.12.21	Balance sheet (MNOK)		31.12.21	31.12.20
68	78	Cash and balances with central banks		78	68
25.304	13.214	Balances with credit institutions		5.366	12.589
131.792	139.260	Loans to customers	4, 8	228.578	216.966
36.978	54.321	Certificates and bonds		56.266	39.921
8.971	6.713	Financial derivatives	10	5.053	8.672
596	694	Shares, ownership stakes and other securities	17	1.001	908
2.246	2.363	Investment in associates		4.894	4.523
7.346	7.569	Investment in subsidiaries		-	-
-	70	Intangible assets	19	458	298
1.002	565	Deferred tax assets		598	1.015
295	283	Tangible fixed assets		979	994
915	881	Lease rights	18	335	346
414	361	Other assets	5	796	749
215.927	226.372	Total assets	12	304.402	287.049
4.218	3.361	Balances with credit institutions		2.634	4.144
118.394	138.043	Deposits from customers	7	137.664	118.170
51.748	44.116	Listed debt securities	11	122.276	126.763
13.115	5.495	Financial derivatives	10	3.203	6.825
669	-	Taxes payable		232	835
936	920	Liabilities associated with lease rights	18	359	365
197	269	Pension liabilities	14	277	204
256	153	Impairments on financial commitments	4	153	256
378	518	Other liabilities	6	830	540
400	7.465	Senior non-preferred bonds	11	7.465	400
2.154	2.130	Subordinated loan capital	11	2.130	2.154
192.465	202.470	Total liabilities		277.223	260.656
6.394	6.394	Share capital		6.394	6.394
1.587	1.587	Premium reserve		1.587	1.587
1.407	1.535	Proposed dividend ^{1) 2)}		1.535	1.407
1.850	1.850	Hybrid capital		1.850	1.850
	-	Non-controlling interests		-	5
12.224	12.536	Other equity		15.813	15.150
23.462	23.902	Total equity		27.179	26.393
215.927	226.372	Total liabilities and equity	12	304.402	287.049

¹⁾ The board have exercised the authorisation from April 2020 and on a board meeting 10th of February 2021 approved a dividend of NOK 5.50 per share for the financial year 2019. The dividend was paid as at 19th March 2021.

²⁾ The board has exercised its special authorisation from April 2021 and at the board meeting on 30 September 2021 approved a dividend of NOK 3.10 per share for the financial year 2020, which was paid out on 13 October 2021. The total dividend of NOK 793 million reduced equity on 30 September 2021.

Statement of changes in equity

SpareBank 1 SR-Bank Group (MNOK)	Share- capital	Premium reserve	Hybrid- capital	Non- controlling interests	Other equity	Total equity
Equity as at 31.12.2019	6.394	1.587	1.850	-	15.003	24.834
Profit after tax				-1	1.591	1.590
Unrecognised actuarial gains and losses after tax					-5	-5
Basisswap spread after tax					35	35
Share of profit associated companies and joint ventures					12	12
Year's comprehensive income				-1	1.633	1.632
Hybrid capital						-
Interest on hybridcapital after tax					-88	-88
Non-controlling interests				6	-6	-
Adjusted equity associates					14	14
Trade in treasury shares					1	1
Transactions with shareholders					1	1
Equity as at 31.12.2020	6.394	1.587	1.850	5	16.557	26.393
Profit after tax					3.156	3.156
Unrecognised actuarial gains and losses after tax					-54	-54
Basisswap spread after tax					-43	-43
Share of profit associated companies and joint ventures					10	10
Year's comprehensive income					3.069	3.069
Hybrid capital						-
Interest on hybridcapital					-67	-67
Non-controlling interests				-5	5	-
Transactions against equity in subsidiaries and associated companies					-16	-16
Dividend 2019, resolved in 2021					-1.407	-1.407
Dividend 2020, resolved in 2021					-793	-793
Trade in treasury shares					-	-
Transactions with shareholders					-2.200	-2.200
Equity as at 31.12.2021	6.394	1.587	1.850	-	17.348	27.179

Statement of cash flows

Parent bank			Group	
01.01.20 - 31.12.20	01.01.21 - 31.12.21		01.01.21 - 31.12.21	01.01.20 - 31.12.20
		Cash flow statement		
558	-6.977	Change in gross lending to customers ¹⁾	-7.136	-12.068
4.646	4.017	Interest receipts from lending to customers	5.652	6.405
15.071	19.649	Change in deposits from customers	14.113	15.064
-865	-737	Interest payments on deposits from customers	-733	-861
-10.181	8.365	Change in receivables and debt from credit institutions	3.115	-5.901
-38	-209	Interest on receivables and debt to financial institutions	-438	-389
-5.543	-17.343	Change in certificates and bonds ¹⁾	-12.982	-7.129
502	485	Interest receipts from commercial paper and bonds	500	505
860	922	Commission receipts	1.709	1.438
-14	82	Capital gains from sale of trading	120	5
-1.660	-1.624	Payments for operations	-2.238	-2.372
-1.078	-669	Taxes paid	-834	-1.225
3.381	-7.110	Other accruals ¹⁾	-8.285	4.183
5.639	-1.149	A Net change in liquidity from operations	-7.437	-2.345
-37	-139	Investments in tangible fixed assets	-177	-47
6	3	Receipts from sale of tangible fixed assets	3	6
-252	-676	Change in long-term investments in equities	-929	-257
266	395	Receipts from sales of long-term investments in equities	492	305
854	1.115	Dividends from long-term investments in equities	406	271
837	698	B Net cash flow, investments	-205	278
5.802	15.746	Debt raised by issuance of securities and senior non-preferred bonds	31.105	25.367
-9.923	-14.133	Repayments - issued securities and senior non-preferred bonds	-21.838	-20.387
-779	-379	Interest payments on securities issued and senior non-preferred bonds	-835	-1.356
-	-	Additional subordinated loan capital issued	-	-
-	-	Repayments - additional capital instruments	-	-
-49	-40	Interest payments on subordinated loans	-40	-49
-	-	Increase in debt established by issuing hybrid capital	-	-
-88	-67	Interest payments on debt established by issuing hybrid capital	-67	-88
-69	-72	Lease payments	-57	-47
-	-2.200	Dividend to share holders	-2.200	-
-5.106	-1.145	C Net cash flow, financing	6.068	3.440
1.370	-1.596	A+B+C Net cash flow during the period	-1.574	1.373
768	2.138	Cash and cash equivalents as at 1 January	2.152	779
2.138	542	Cash and cash equivalents at the end of the period	578	2.152
		Cash and cash equivalents specified		
68	78	Cash and balances with central banks	76	68
2.070	464	Balances with credit institutions	502	2.084
2.138	542	Cash and cash equivalents	578	2.152

¹⁾ Changes in loans to customers, as well as changes in certificates and bonds, include the increase in exchange rates. The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by the parent bank and the group.

Notes to the financial statements

Note 1 Accounting policies and accounting estimates

1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 31 December 2021. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for 2020.

New standards and interpretations that have not been adopted yet

There are no standards or interpretations that have not been adopted yet, that are expected to have any material effects on the Groups financial statements.

Impairments on loans and financial liabilities

The group has calculated loss provisions pursuant to the IFRS 9 regulations from and including 1 January 2018. Prior to the reporting for the fourth quarter of 2019, only minor adjustments were made in the model. After this, account has been taken of the special situation that has arisen in connection with the Covid-19 outbreak in the assessment of expected credit losses. The following explains the policies that have been applied and the changes that have been made in the fourth quarter of 2021. Please also refer to note 2 in the annual report for 2020. The calculations follow the normal procedures for source data. The scenarios on which the calculations are based have been updated in the fourth quarter of 2021. The weighting of scenarios has not changed. The group is following the same principles for migration between the stages as those that applied previously. An increase in PD of more than 150% and which results in a PD higher than 0.6% is considered a significant change in credit risk. In addition, overdrafts or arrears of at least 30 days will always be considered a significant increase in credit risk. Exposures subject to repayment relief may, based on an individual assessment, also be regarded as having experienced a significant increase in credit risk. No negative migration from Stage 1 to Stage 2 has been observed as a consequence of payment postponements in healthy portfolios. Otherwise, please refer to notes 2, 3, 4 and 8.

Non-performing exposures

In 2017, the EBA published new guidelines for calculating defaults, and in December 2019 the Norwegian authorities set statutory Norwegian limits for failures to pay. The new guidelines and regulation contain significant changes compared with the previous definition of default as it was described in chapter 10 of the Capital Requirements Regulation. The new definition of what constitutes a default came into effect on 1 January 2021. SpareBank 1 SR-Bank has implemented the new definition of default since 1 January 2021.

Defaults are defined in two categories:

1. Failures to pay are defined as substantial overdrafts that are more than 90 days past due.
2. Manual default flagging is largely based on technical credit ratings. Events that are included in this category are provisions for losses from customers, bankruptcy/debt negotiations, assessments of forbearance, periods of grace of more than 180 days or other indications that considerable doubt may exist about whether the customer will meet their obligations.

The comparative figures have not been restated based on the new definition of what constitutes a default. Implementation of the new definition of default had not resulted in a significant increase in the volume of loans in Stage 3 as at 31 December 2021.

Note 2 Critical estimates and judgements concerning use of the accounting policies

The preparation of the consolidated financial statements entails the group executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2020 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

Given our increased understanding of the impact of the pandemic and the ongoing vaccination programmes, the uncertainty surrounding macroeconomic developments shrank in the last six months. Some uncertainty still exists regarding what effects fully reopening society will have on developments in Norway and the global economy, and the picture is constantly changing. This continues to cause great uncertainty in relation to critical estimates.

Impairments on loans

The group's assessment of critical estimates and judgements concerning the use of the accounting policies has not changed since 31 December 2020, although the situation surrounding the Covid-19 virus has been included in the assessment in the fourth quarter of 2021.

The group conducts an annual evaluation of its entire corporate market portfolio. High-risk exposures in the corporate market portfolio are evaluated on a quarterly basis. Loans to retail customers are subject to evaluation when they are more than 90 days past due; larger exposures in default are evaluated on a quarterly basis.

The group's risk classification systems are described under financial risk management in the annual report.

The group carries out an impairment if there is objective evidence that can be identified for an individual exposure, and the objective evidence entails a reduction in future cash flows for servicing the exposure. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties.

Individual impairment losses are calculated as the difference between the loan's book (carrying) value and the present value of future cash flows based on the effective interest rate at the time of the calculation of the initial individual impairment. Account is taken of subsequent changes in interest rates for loan agreements with variable rates if these changes affect the expected cash flow.

According to IFRS 9, loss provisions are recognised for all exposures based on expected credit loss (ECL). The measurement of the provisions for expected losses on exposures that are not individually impaired depends on whether or not the credit risk has increased significantly since initial capitalisation. Upon initial capitalisation and when the credit risk has not increased significantly after initial capitalisation, provisions must be made for 12 months' expected losses. If the credit risk has increased substantially after initial recognition, provisions must be made for expected losses over the entire lifetime. Expected credit loss is calculated on the basis of the present value of all cash flows over the remaining expected lifetime.

A probability weighted average is calculated for three different scenarios called an upturn scenario, a base scenario and an adverse scenario, respectively. The upturn scenario is based on data from a historically representative period of strong economic expansion and the base scenario and adverse scenario are based on internally prepared prognoses and stress tests linked to the group's periodic internal capital adequacy assessment process (ICAAP) for various given scenarios. The mutual weighting of the scenarios is considered and determined by a specially established internal working group composed of people at a management level.

Note 2 Critical estimates and judgements concerning use of the accounting policies (continued)

The choice of scenarios and their weighting are regularly reviewed (at least once a year) by the aforementioned working group. At the end of the fourth quarter of 2021, the base case scenario had a 65% weighting, while the worst case and best case scenarios both had a weighting of 17.5%. The weighting is the same for all portfolios and reflects the uncertainty surrounding economic development going forward. In order to illustrate the associated weighting sensitivity, a simulation of the effects of a more conservative scenario weighting was conducted in which the weighting of the base scenario was reduced to 50% while both the worst case and the best case scenario weightings were increased to 25%. Such a change in the scenario weighting would, seen in isolation, increase the group's expected impairment losses for commitments without individual impairment by NOK 168 million.

Sensitivity Calculations (NOK millions)	Best	Base	Worst	Corporate	SME &	Retail	SR-	Total
	Case	Case	Case		Agri-		Bolig-	
	scenario	scenario	scenario	market	culture	market	kreditt	
Weighting used in Q4 2021								
ECL in a strong economic expansion scenario	17,5 %			115	60	39	13	227
ECL in a normal economic expansion scenario		65,0 %		149	73	41	14	277
ECL in a recession economic expansion scenario			17,5 %	1.634	560	227	141	2.562
ECL with the applied scenario weighting: (current, used from the fourth quarter of 2020)	17,5 %	65,0 %	17,5 %	403	156	73	36	668
Isolated effect of changed scenario weighting - 1 (used up to the third quarter of 2020, although with less conservative scenarios)	0,0 %	60,0 %	40,0 %	743	268	116	65	1.192
Isolated effect of changed scenario weighting - 2 (used up to the fourth quarter of 2020, although with less conservative scenarios)	25,0 %	65,0 %	10,0 %	289	118	59	27	493
Isolated effect of changed scenario weighting - 3 (illustration, not used before)	25,0 %	50,0 %	25,0 %	512	191	87	46	836
Isolated effect of changed scenario weighting - 4 (illustration, not used before)	33,3 %	33,3 %	33,3 %	633	231	103	56	1.023

Closely monitoring customers and prevention work are important measures actively employed by the group to maintain its good risk profile in the group's loan portfolio. As a result of the low oil price and Covid-19 outbreak, this work was intensified at the end of the first quarter of 2020 and has been continued since. The group has provided advice in order to find good solutions for customers, including by granting payment holidays and providing assistance with applications for the use of various support schemes.

The group's assessments of critical estimates and judgements concerning use of the accounting policies are currently considered to be the best estimate of the long-term consequences the Covid-19 situation will have for the group.

Note 3 Impairments on loans and financial liabilities recognised in the income statement

Parent bank			Group	
01.01.20 - 31.12.20	01.01.21 - 31.12.21		01.01.21 - 31.12.21	01.01.20 - 31.12.20
763	-493	Change in impairments on loans	-494	789
126	-103	Change in impairments on financial commitments	-103	126
1.150	947	Actual loan losses on commitments	947	1.150
-1	3	Change in accrued interest	3	-
-	-1	Change in assets taken over for the period	-1	-
-35	-160	Recoveries on commitments previously written-off	-160	-35
2.003	193	Total net impairments on loans and financial commitments	192	2.030

Note 4 Impairments on loans and financial liabilities recognised on the balance sheet

Parent Bank				
2021		Changes in	Changes in	Total
Impairments on loans and financial commitments	01.01.2021	impairments on	impairments on	31.12.2021
		loans	financial	
			commitments	
Impairments after amortised cost, corporate market	2.035	-444	-96	1.495
Impairments after amortised cost, SME & ariculture	226	-9	-6	211
Impairments after amortised cost, retail market	95	-23	-1	71
Mortgages at FVOCI ¹⁾	78	-17	-	61
Total impairments on loans and financial commitments	2.434	-493	-103	1.838
Presented as				
Impairments on loans	2.178	-493	-	1.685
Impairments on financial commitments	256	-	-103	153
Total impairments on loans and financial commitments	2.434	-493	-103	1.838
2020				
Impairments on loans and financial commitments	01.01.2020			Total
				31.12.2020
Impairments after amortised cost, corporate market	1.239	684	112	2.035
Impairments after amortised cost, SME & ariculture	157	56	13	226
Impairments after amortised cost, retail market	95	-	-	95
Mortgages at FVOCI ¹⁾	54	23	1	78
Total impairments on loans and financial commitments	1.545	763	126	2.434
Presented as				
Impairments on loans	1.415	763	-	2.178
Impairments on financial commitments	130	-	126	256
Total impairments on loans and financial commitments	1.545	763	126	2.434
Group				
2021		Changes in	Changes in	Total
Impairments on loans and financial commitments	01.01.2021	impairments on	impairments on	31.12.2021
		loans	financial	
			commitments	
Impairments after amortised cost, corporate market	2.035	-444	-96	1.495
Impairments after amortised cost, SME & ariculture	226	-9	-6	211
Impairments after amortised cost, retail market	210	-41	-1	168
Mortgages at FVOCI ¹⁾	-	-	-	-
Total impairments on loans and financial commitments	2.471	-494	-103	1.874
Presented as				
Impairments on loans	2.215	-494	-	1.721
Impairments on financial commitments	256	-	-103	153
Total impairments on loans and financial commitments	2.471	-494	-103	1.874
2020				
Impairments on loans and financial commitments	01.01.2020			Total
				31.12.2020
Impairments after amortised cost, corporate market	1.240	683	112	2.035
Impairments after amortised cost, SME & ariculture	157	56	13	226
Impairments after amortised cost, retail market	159	50	1	210
Mortgages at FVOCI ¹⁾	-	-	-	-
Total impairments on loans and financial commitments	1.556	789	126	2.471
Presented as				
Impairments on loans	1.426	789	-	2.215
Impairments on financial commitments	130	-	126	256
Total impairments on loans and financial commitments	1.556	789	126	2.471

¹⁾ FVOCI - Fair value other comprehensive income

Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)

Parent Bank

Impairments recognised on loans per stage	01.01.2021 - 31.12.2021				01.01.2020 - 31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments on loans 01.01	288	331	1.559	2.178	144	381	890	1.415
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-19	19	-	-	-15	15	-	-
Transfer to (from) stage 2	90	-94	4	-	61	-66	5	-
Transfer to (from) stage 3	-	5	-5	-	5	-	-5	-
Net new measurement of impairments	-172	130	-366	-408	34	147	681	862
New issued or purchased loan	86	37	15	138	106	40	12	158
Loans that have been derecognised	-88	-102	-33	-223	-47	-186	-24	-257
Impairments on loans 31.12	185	326	1.174	1.685	288	331	1.559	2.178
Impairments recognised on financial commitments per stage	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments on financial commitments 01.01.	43	47	166	256	21	82	27	130
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-2	2	-	-	-2	2	-	-
Transfer to (from) stage 2	18	-18	-	-	10	-10	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	-37	14	-80	-103	3	12	139	154
New issued or purchased loan	18	7	1	26	16	4	1	21
Loans that have been derecognised	-8	-7	-11	-26	-5	-43	-1	-49
Impairments on financial commitments 31.12.	32	45	76	153	43	47	166	256

Group

Impairments recognised on loans per stage	01.01.2021 - 31.12.2021				01.01.2020 - 31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments on loans 01.01	298	357	1.560	2.215	146	388	892	1.426
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-19	19	-	-	-15	15	-	-
Transfer to (from) stage 2	98	-102	4	-	62	-67	5	-
Transfer to (from) stage 3	-	6	-6	-	5	-	-5	-
Net new measurement of impairments	-182	141	-365	-406	36	161	681	878
New issued or purchased loan	89	44	15	148	111	48	12	171
Loans that have been derecognised	-91	-112	-33	-236	-47	-188	-25	-260
Impairments on loans 31.12	193	353	1.175	1.721	298	357	1.560	2.215
Impairments recognised on financial commitments per stage	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments on financial commitments 01.01.	43	47	166	256	21	82	27	130
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-2	2	-	-	-2	2	-	-
Transfer to (from) stage 2	18	-18	-	-	10	-10	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	-37	14	-80	-103	3	12	139	154
New issued or purchased loan	18	7	1	26	16	4	1	21
Loans that have been derecognised	-8	-7	-11	-26	-5	-43	-1	-49
Impairments on financial commitments 31.12.	32	45	76	153	43	47	166	256

Note 5 Other assets

Parent bank			Group	
31.12.20	31.12.21		31.12.21	31.12.20
4	-	Income earned but not received	2	15
9	31	Prepaid expenses	38	17
4	5	Over funding of pension liabilities	5	4
200	200	Capital contribution SR-Pensjonskasse	200	200
23	1	Unsettled trades	1	23
174	124	Other assets	550	490
414	361	Total other assets	796	749

Note 6 Other Liabilities

Parent bank			Group	
31.12.20	31.12.21		31.12.21	31.12.20
124	283	Accrued expenses and prepaid revenue	512	223
4	-	Unsettled trades	-	4
250	235	Other liabilities	318	313
378	518	Total other liabilities	830	540

Note 7 Deposits from customers

Parent bank			Group	
31.12.20	31.12.21		31.12.21	31.12.20
457	421	Aquaculture	421	457
1.499	1.852	Industry	1.852	1.499
1.309	1.464	Agriculture/forestry	1.464	1.309
14.561	17.450	Service industry	17.071	14.337
3.753	3.631	Retail trade, hotels and restaurants	3.631	3.753
1.679	1.520	Energy, oil and gas	1.520	1.679
2.340	2.574	Building and construction	2.574	2.340
984	1.554	Power and water supply/	1.554	984
6.559	7.195	Real estate	7.195	6.559
1.952	2.007	Shipping and other transport	2.007	1.952
29.902	40.513	Public sector and financial services	40.513	29.902
64.995	80.181	Total corporate sector	79.802	64.771
53.399	57.862	Retail customers	57.862	53.399
118.394	138.043	Deposits from customers	137.664	118.170

Note 8 Loans and financial liabilities to customers

Parent bank		Gross loans to customers by industry	Group	
31.12.20	31.12.21		31.12.21	31.12.20
2.904	3.586	Aquaculture	3.594	2.909
2.829	3.718	Industry	3.766	2.881
5.199	5.305	Agriculture/forestry	5.576	5.481
14.286	15.804	Service industry	16.100	14.421
3.204	3.008	Retail trade, hotels and restaurants	3.180	3.339
2.544	1.195	Energy, oil and gas	1.195	2.544
4.235	3.951	Building and construction	4.152	4.421
1.129	1.412	Power and water supply	1.412	1.129
31.419	33.599	Real estate	33.608	31.430
11.227	11.812	Shipping and other transport	11.958	11.372
2.180	2.451	Public sector and financial services	2.451	2.180
81.156	85.841	Total corporate sector	86.992	82.107
52.801	55.093	Retail customers	143.307	137.074
133.957	140.934	Gross loans	230.299	219.181
-2.178	-1.685	- Impairments after amortised cost	-1.721	-2.215
13	11	- Mortgages at FVOCI ²⁾	-	-
131.792	139.260	Loans to customers	228.578	216.966
Financial commitments ¹⁾				
8.763	10.644	Guarantees customers	10.686	8.814
17.795	19.414	Unused credit lines for customers	26.897	24.962
9.473	12.475	Approved loan commitments	12.475	9.473
36.031	42.533	Total financial commitments	50.058	43.249
Other guarantees issued and liabilities				
7.220	12.048	Unused credit lines for financial institutions	-	-
75.385	78.529	Guarantees other	589	589
35	2	Letters of credit	2	35
82.640	90.579	Total other guarantees issued and liabilities	591	624

¹⁾ Financial liabilities not on the balance sheet that are the basis for impairments

²⁾ FVOCI - Fair value other comprehensive income

Note 8 Loans and other financial commitments to customers (continued)

Parent bank

2021	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.2021
Aquaculture	3.551	-8	-33	-	35	3.545
Industry	3.657	-10	-8	-132	61	3.568
Agriculture/forestry	2.724	-1	-6	-2	2.581	5.296
Service industry	15.141	-43	-63	-133	663	15.565
Retail trade, hotels and restaurants	2.757	-11	-17	-6	251	2.974
Energy, oil and gas	1.195	-2	-3	-68	-	1.122
Building and construction	3.651	-7	-18	-19	300	3.907
Power and water supply	1.408	-3	-6	-	4	1.403
Real estate	33.373	-79	-91	-53	226	33.376
Shipping and other transport	11.678	-10	-47	-691	134	11.064
Public sector and financial services	2.451	-	-	-	-	2.451
Total corporate sector	81.586	-174	-292	-1.104	4.255	84.271
Retail customers	5.287	-11	-34	-70	49.806	54.978
Mortgages at FVOCI ¹⁾					11	11
Loans to customers	86.873	-185	-326	-1.174	54.072	139.260

2020	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.2020
Aquaculture	2.872	-14	-15	-	32	2.875
Industry	2.747	-17	-11	-83	82	2.718
Agriculture/forestry	2.582	-2	-6	-6	2.617	5.185
Service industry	13.730	-59	-72	-128	556	14.027
Retail trade, hotels and restaurants	2.959	-24	-28	-16	245	3.136
Energy, oil and gas	2.544	-14	-9	-705	-	1.816
Building and construction	3.942	-18	-21	-12	293	4.184
Power and water supply	1.125	-4	-3	-	4	1.122
Real estate	31.170	-100	-75	-62	249	31.182
Shipping and other transport	11.100	-23	-37	-454	127	10.713
Public sector and financial services	2.180	-	-	-	-	2.180
Total corporate sector	76.951	-275	-277	-1.466	4.205	79.138
Retail customers	5.789	-13	-54	-93	47.012	52.641
Mortgages at FVOCI ¹⁾					13	13
Loans to customers	82.740	-288	-331	-1.559	51.230	131.792

¹⁾ FVOCI - Fair value other comprehensive income

Note 8 Loans and other financial commitments to customers (continued)

Group

2021	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.2021
Aquaculture	3.586	-8	-33	-	8	3.553
Industry	3.756	-10	-8	-132	10	3.616
Agriculture/forestry	4.479	-1	-7	-2	1.097	5.566
Service industry	16.001	-43	-64	-133	99	15.860
Retail trade, hotels and restaurants	3.146	-11	-17	-7	34	3.145
Energy, oil and gas	1.195	-2	-3	-68	-	1.122
Building and construction	4.103	-8	-18	-18	49	4.108
Power and water supply	1.412	-3	-6	-	-	1.403
Real estate	33.480	-79	-91	-53	128	33.385
Shipping and other transport	11.931	-10	-47	-691	27	11.210
Public sector and financial services	2.451	-	-	-	-	2.451
Total corporate sector	85.540	-175	-294	-1.104	1.452	85.419
Retail customers	136.309	-18	-59	-71	6.998	143.159
Loans to customers	221.849	-193	-353	-1.175	8.450	228.578

2020	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	31.12.2020
Aquaculture	2.901	-14	-15	-	8	2.880
Industry	2.871	-17	-11	-83	10	2.770
Agriculture/forestry	4.366	-2	-6	-6	1.115	5.467
Service industry	14.304	-59	-73	-128	117	14.161
Retail trade, hotels and restaurants	3.309	-24	-28	-16	30	3.271
Energy, oil and gas	2.544	-14	-9	-705	-	1.816
Building and construction	4.368	-18	-21	-12	53	4.370
Power and water supply	1.127	-4	-3	-	2	1.122
Real estate	31.287	-100	-75	-62	143	31.193
Shipping and other transport	11.348	-23	-37	-454	24	10.858
Public sector and financial services	2.180	-	-	-	-	2.180
Total corporate sector	80.605	-275	-278	-1.466	1.502	80.088
Retail customers	128.922	-23	-79	-94	8.152	136.878
Loans to customers	209.527	-298	-357	-1.560	9.654	216.966

Note 8 Loans and other financial commitments to customers (continued)

Parent bank

Gross loans per stage	01.01.2021 - 31.12.2021				01.01.2020 - 31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	119.320	10.933	3.704	133.957	120.440	11.745	2.330	134.515
Transfer to (from) stage 1	-4.606	4.528	78	-	-7.225	6.579	646	-
Transfer to (from) stage 2	3.042	-3.162	120	-	2.597	-3.524	927	-
Transfer to (from) stage 3	6	25	-31	-	27	4	-31	-
Net increase/(decrease) balance existing loans	9.800	813	637	11.250	13.352	2.230	146	15.728
Originated or purchased during the period	55.705	1.192	206	57.103	49.521	1.534	887	51.942
Loans that have been derecognised	-54.456	-5.077	-1.843	-61.376	-59.392	-7.635	-1.201	-68.228
Gross loans 31.12.	128.811	9.252	2.871	140.934	119.320	10.933	3.704	133.957

Financial commitments per stage ¹⁾²⁾

Financial commitments 01.01.	32.837	1.945	1.249	36.031	27.537	2.446	884	30.867
Net increase / (decrease) during period	6.830	-277	-51	6.502	5.300	-501	365	5.164
Financial commitments 31.12.	39.667	1.668	1.198	42.533	32.837	1.945	1.249	36.031

Group

Gross loans per stage	01.01.2021 - 31.12.2021				01.01.2020 - 31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	201.370	14.072	3.739	219.181	190.391	14.376	2.347	207.114
Transfer to (from) stage 1	-5.902	5.818	84	-	-8.379	7.724	655	-
Transfer to (from) stage 2	4.263	-4.393	130	-	3.601	-4.545	944	-
Transfer to (from) stage 3	9	37	-46	-	31	6	-37	-
Net increase/(decrease) balance existing loans	12.838	888	638	14.364	17.447	2.366	148	19.961
Originated or purchased during the period	74.598	1.402	193	76.193	81.878	2.470	896	85.244
Loans that have been derecognised	-71.835	-5.765	-1.839	-79.439	-83.599	-8.325	-1.214	-93.138
Gross loans 31.12.	215.341	12.059	2.899	230.299	201.370	14.072	3.739	219.181

Financial commitments per stage ¹⁾²⁾

Financial commitments 01.01.	39.789	2.208	1.252	43.249	34.272	2.698	885	37.855
Net increase / (decrease) during period	7.165	-304	-52	6.809	5.517	-490	367	5.394
Financial commitments 31.12.	46.954	1.904	1.200	50.058	39.789	2.208	1.252	43.249

¹⁾ Other financial liabilities include guarantees, undrawn credit and loan commitments

²⁾ Financial liabilities provide the basis for impairment losses under IFRS 9

Note 9 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU's capital requirements for banks and securities undertakings (CRD IV/CRR). SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

The total minimum common equity tier 1 capital ratio requirement for SpareBank 1 SR-Bank, inclusive of the countercyclical buffer and Pillar 2 premium, as at 31 December 2021 was 14.2%. The requirement consists of a 4.5% minimum requirement plus other buffer requirements, which consist of a capital conservation buffer of 2.5%, a systemic risk buffer of 4.5% and a countercyclical buffer of 1.0%. As a result of the Covid-19 situation, the countercyclical buffer requirement was reduced by 1.5%-points to 1.0% with effect from March 2020. In June 2021, a decision was made to increase the capital requirement for the countercyclical buffer by 0.5 percentage points to 1.5% with effect from 30 June 2022. In December 2021, a decision was made to further increase the countercyclical buffer requirement by 0.5 percentage points to 2.0% with effect from 31 December 2022. The Financial Supervisory Authority of Norway has also set an individual Pillar 2 requirement of 1.7%.

Investments in associated companies and joint ventures are recognised in the group using the equity method and in accordance with the cost method in the parent bank.

SpareBank 1 SR-Bank's internal target for its Common Equity Tier 1 capital ratio is 16.7%. The group has thus maintained its original capital target in order to take into account expectations of a gradual increase in the countercyclical buffer from 2022. The internal target includes a 1.0%-point management buffer.

The investments are treated identically for the purposes of determining the capital ratio, except for the group's investments in BN Bank, SpareBank 1 Forvaltning and SpareBank 1 Kredit. A proportionate consolidation is carried out for the group's capital ratio. The comparative figures for 2020 include figures from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. These were sold with effect from 31 December 2020 and 30 September 2021, respectively.

Parent bank			Group	
31.12.20	31.12.21		31.12.21	31.12.20
6.394	6.394	Share capital	6.394	6.394
1.587	1.587	Premium reserve	1.587	1.587
1.407	1.535	Allocated to dividend ^{1) 2)}	1.535	1.407
1.850	1.850	Hybrid capital	1.850	1.850
12.224	12.536	Other equity	15.813	15.150
		Non-controlling interests	-	5
23.462	23.902	Book equity	27.179	26.393
		Tier 1 capital		
-	-70	Deferred taxes, goodwill and other intangible assets	-681	-364
-1.407	-1.535	Deduction for allocated dividends ^{1) 2)}	-1.535	-1.407
-52	-206	Deduction in expected losses IRB less loss provisions	-305	-146
-1.850	-1.850	Hybrid capital that cannot be included in CET 1 capital	-1.850	-1.850
-	-	Deduction for CET 1 capital in essential investments in financial institutions	-325	-246
-151	-165	Deduction for CET 1 capital in not essential investments in financial institutions	-150	-154
-50	-63	Value adjustment due to requirements concerning proper valuation	-71	-50
19.952	20.013	CET 1 capital	22.262	22.176
1.850	1.850	Hybrid capital	1.951	1.951
	-49	Deduction for essential investments in financial institutions	-49	
21.802	21.814	Tier 1 capital	24.164	24.127
		Tier 2 capital		
2.097	2.097	Term subordinated loan capital	2.238	2.252
-43	-195	Deduction for essential investments in financial institutions	-195	-43
2.054	1.902	Tier 2 capital	2.043	2.209
23.856	23.716	Net primary capital	26.207	26.336

Note 9 Capital adequacy (continued)

Parent bank		Credit risk Basel II	Group	
31.12.20	31.12.21		31.12.21	31.12.20
16.932	18.522	SME	18.535	16.935
20.779	22.961	Specialised enterprises	25.456	23.130
6.413	6.948	Other corporations	7.116	6.529
1.007	842	Mass market SME	1.172	1.311
12.286	11.042	Mass market - mortgage on real estate	30.473	31.178
2.695	2.030	Other mass market	1.997	2.692
11.086	12.114	Equity positions	-	-
71.198	74.459	Total credit and counterparty risk IRB	84.749	81.775
33	33	States and central banks	43	43
153	44	Local and regional authorities, state-owned enterprises	277	308
4.212	2.736	Institutions	1.042	1.580
8.425	9.868	Enterprises	10.408	8.984
3.358	3.420	Mass market	4.147	4.020
-	-	Mass market - mortgage on real estate	881	931
9.219	10.059	Covered bonds	2.524	2.095
6.029	6.000	Equity positions	6.494	6.436
-	182	Units in securities funds	196	-
4.284	2.972	Other assets	3.811	4.902
35.713	35.314	Total credit and counterparty risk standard method	29.823	29.299
121	134	Credit value adjustment risk (CVA)	259	334
7.171	7.258	Operational risk	10.587	9.854
	410	Other risk exposures	2.563	-
114.203	117.575	Risk weighted balance	127.981	121.262
5.139	5.291	Minimum requirement for common equity Tier 1 capital ratio 4.5 %	5.759	5.457
		Buffer requirement		
2.855	2.939	Capital conservation buffer 2.5 %	3.200	3.032
5.139	5.291	Systemic risk buffer 4.5 %	5.759	5.457
1.142	1.176	Countercyclical capital buffer 1.0 %	1.280	1.213
9.136	9.406	Total buffer requirement to common equity Tier 1 capital ratio	10.238	9.701
5.677	5.316	Available common equity Tier 1 capital ratio after buffer requirement	6.263	7.018
17,47 %	17,02 %	Common equity Tier 1 capital ratio ^{1) 2)}	17,39 %	18,29 %
19,09 %	18,55 %	Tier 1 capital ratio ^{1) 2)}	18,88 %	19,90 %
20,89 %	20,17 %	Capital ratio ^{1) 2)}	20,48 %	21,72 %
7,44 %	6,91 %	Leverage Ratio	7,14 %	7,79 %

¹⁾ The board have exercised the authorisation from April 2020 and on a board meeting 10th of February 2021 approved a dividend of NOK 5.50 per share for the financial year 2019. The dividend was paid as at 19th March 2021.

²⁾ The board has exercised its special authorisation from April 2021 and at the board meeting on 30 September 2021 approved a dividend of NOK 3.10 per share for the financial year 2020, which was paid out on 13 October 2021. The total dividend of NOK 793 million reduced equity on 31 December 2021.

³⁾ Risk weights for residential mortgages are subject to a regulatory floor of 20%. Without this floor, the risk weight for residential mortgages in the group would have been 18,5 % as at 31 December 2021.

Note 10 Financial derivatives

Group	Contract amount	Fair value at 31.12.21	
	31.12.21	Assets	Liabilities
At fair value through profit and loss			
Currency instruments			
Currency futures (forwards)	3.616	88	60
Currency swaps	20.359	222	167
Currency swaps (basis swaps)	38.025	246	390
Currency swaps (basis swaps hedging)	31.562	52	381
Total currency instruments	93.562	608	998
Interest rate instruments			
Interest rate swaps	75.206	744	817
Other interest rate contracts	1.314	12	12
Total interest rate instruments	76.520	756	829
Interest rate instruments, hedging			
Interest rate swaps	105.569	1.741	776
Total interest rate instruments, hedging	105.569	1.741	776
Security			
Security		1.948	600
Total security		1.948	600
Total currency and interest rate instruments			
Total currency instruments	93.562	608	998
Total interest rate instruments	182.089	2.497	1.605
Total collateral		1.948	600
Total financial derivatives	275.651	5.053	3.203
Counterparty risk:			
Netting agreements		1.683	
Considered collateral		2.548	
Total exposure to financial derivatives		822	

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits.

IBOR reform

Reforming and alternatives to IBOR rates have become a priority area for governments around the world in recent years. However, there is uncertainty surrounding which methods will be used for any changes and when they will be introduced. All of SpareBank 1 SR-Bank's interest rate derivatives use IBOR rates as a reference, and may thus be affected by changes. The most important positions are in EURIBOR and NIBOR. The bank is monitoring developments in the market closely, and is participating in several projects to monitor the changes and facilitate any changes. The table below shows nominal amount and weighted average remaining maturity for derivatives in hedging relationships that may be affected by IBOR reform, categorised by the relevant IBOR rate.

Note 10 Financial derivatives (continued)

	Contract amount	Weighted maturity
Interest rate instruments		
CIBOR DKK (6 months)	806	3,9
EURIBOR EUR (3 months)	96.449	4,7
EURIBOR EUR (6 months)	120	3,3
LIBOR USD (1 month)	881	1,0
LIBOR USD (3 months)	14.137	1,5
LIBOR USD (6 months)	818	1,4
NIBOR NOK (1 month)	46	5,1
NIBOR NOK (3 months)	68.191	4,2
NIBOR NOK (6 months)	855	2,7
STIBOR SEK (3 months)	286	3,1
Total interest rate instruments	182.589	
Currency instruments		
EURIBOR EUR (3 months) to LIBOR USD (3 months)	14.240	2,2
EURIBOR EUR (3 months) to NIBOR NOK (3 months)	48.843	3,4
EURIBOR EUR (3 months) to STIBOR SEK (3 months)	198	0,5
LIBOR USD (3 months) to NIBOR NOK (3 months)	5.440	2,1
LIBOR USD (6 months) to FIXED NOK	184	4,5
STIBOR SEK (3 months) to NIBOR NOK (3 months)	682	1,8
Total currency instruments	69.587	
Total exposure to financial derivatives	252.176	

Note 11 Securities issued and subordinated loan capital

Group

	Balance as at 31.12.21	Issued/ sale own 2021	Past due/ redeemed 2021	FX rate- and other changes 2021	31.12.20
Change in debt raised through securities issued					
Other long-term borrowing	1.243	-	-	41	1.202
Bonds and certificates, nominal value	42.264	8.485	-14.134	-1.138	49.051
Covered bonds, nominal value	77.655	15.359	-7.704	-2.495	72.495
Adjustments and accrued interests	1.114			-2.901	4.015
Total debt raised through securities issued	122.276	23.844	-21.838	-6.493	126.763

	Balance as at 31.12.21	Issued/ sale own 2021	Past due/ redeemed 2021	FX rate- and other changes 2021	31.12.20
Change in debt raised by issuing non-preferred senior debts					
Senior non-preferred bonds	7.519	7.261	-	-141	399
Adjustments and accrued interests	-54			-55	1
Total senior non-preferred bonds	7.465	7.261	-	-196	400

	Balance as at 31.12.21	Issued/ sale own 2021	Past due/ redeemed 2021	FX rate- and other changes 2021	31.12.20
Change in debt raised through subordinated loan capital issued					
Term subordinated loan capital, nominal value	2.125	-	-	-25	2.150
Adjustments and accrued interests	5			1	4
Total additional Tier 1 and Tier 2 capital instruments	2.130	-	-	-24	2.154

Note 12 Segment reporting

The executive management team has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between retail market, SME & agriculture, corporate market, capital market and subsidiaries of significant importance. Staff/support covers all staff departments and treasury functions in the bank. The activities in SR-Boligkreditt AS are divided between the retail market and own account trading/staff/support in the parent bank segments.

SpareBank 1 SR-Bank Group 01.01.21 - 31.12.21										
Income statement	Retail Market	Corporate market	SME & Agriculture	Capital Market	Staff/Support	Eiendoms- Megler 1	Forretnings- partner	Other activities	Eliminations	Total
Interest income	2.121	1.990	512	142	1.486	2	1	2	-70	6.186
Interest expense	348	454	39	119	1.314	-	1	12	-91	2.196
Net interest income ¹⁾	1.773	1.536	473	23	172	2	-	-10	21	3.990
Commission income	603	271	120	16	9	449	327	119	-113	1.801
Commission expenses	59	16	9	-	64	-	-	32	-90	90
Other operating income	1	-	-	-	11	-	-	104	-110	6
Net commission and other income	545	255	111	16	-44	449	327	191	-133	1.717
Dividend income	-	-	-	-	30	-	-	-	-	30
Income from investment in associates	-	27	-	-	1.079	-	-	-1	-429	676
Net gains/losses on financial instruments	-	39	2	95	92	-	-	87	16	331
Net income on investment securities	-	66	2	95	1.201	-	-	86	-413	1.037
Personnel expenses	435	127	80	63	478	278	233	37	-9	1.722
Other operating expenses	170	30	33	10	395	109	43	56	-29	817
Depreciation and impairment on tangible and int	-	-	-	-	142	4	16	29	-16	175
Total operating expenses	605	157	113	73	1.015	391	292	122	-54	2.714
Operating profit before losses	1.713	1.700	473	61	314	60	35	145	-471	4.030
Impairments on loans and financial commitments	-39	228	3	-	-	-	-	-	-	192
Pre-tax profit	1.752	1.472	470	61	314	60	35	145	-471	3.838
Net interest income										
External net interest income	1.773	1.536	473	23	172	-	-	-	13	3.990
Internal net interest income	-	-	-	-	-	2	-	-10	8	-
Net interest income	1.773	1.536	473	23	172	2	-	-10	21	3.990
Balance sheet										
Loans to customers	141.593	68.305	16.185	-36	4.542	-	-	-	-290	230.299
Impairments on loans	-166	-1.363	-192	-	-	-	-	-	-	-1.721
Certificates/bonds/financial derivatives	-	3	-3	3.187	62.430	-	-	17	-4.315	61.319
Other assets	-2.495	7.748	-192	1.096	20.692	238	614	1.471	-14.667	14.505
Total assets	138.932	74.693	15.798	4.247	87.664	238	614	1.488	-19.272	304.402
Deposits from customers	63.342	59.118	16.040	9	-466	-	-	-	-379	137.664
Other debt and equity ¹⁾	75.590	15.575	-242	4.238	88.130	238	614	1.488	-18.893	166.738
Total debt and equity	138.932	74.693	15.798	4.247	87.664	238	614	1.488	-19.272	304.402

¹⁾ Other liabilities contains allocated arrangements between the segments. The interest on intercompany receivables for the divisions is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit premium). Deviations between the Group's actual funding costs and the applied interest on intercompany receivables are eliminated in the parent bank.

Note 12 Segment reporting (continued)

SpareBank 1 SR-Bank Group 01.01.20 - 31.12.20										
	Retail Market	Corporate market	SME & Agriculture	Capital Market	Staff/ Support	Eiendoms- Megler 1	Forretnings- partner	Other activities	Eliminations	Total
Income statement										
Interest income	2.175	2.079	540	141	2.111	2	-	2	-97	6.953
Interest expense	498	409	54	90	1.867	-	-	12	-119	2.811
Net interest income ¹⁾	1.677	1.670	486	51	244	2	-	-10	22	4.142
Commission income	591	227	103	3	11	405	170	102	-111	1.501
Commission expenses	72	19	11	1	55	-	-	37	-84	111
Other operating income	1	-	-	-	10	-	-	35	-40	6
Net commission and other income	520	208	92	2	-34	405	170	100	-67	1.396
Dividend income	-	-	-	-	57	-	-	-	-	57
Income from investment in associates	-	-	-	-	836	-	-	-4	-169	663
Net gains/losses on financial instruments	-	-10	3	87	-116	-	-	-41	56	-21
Net income on investment securities	-	-10	3	87	777	-	-	-45	-113	699
Personnel expenses	417	122	70	58	362	240	123	49	-4	1.437
Other operating expenses	162	29	20	11	391	113	19	47	-30	762
Depreciation and impairment on tangible and int	-	-	-	-	144	4	8	48	-17	187
Total operating expenses	579	151	90	69	897	357	150	144	-51	2.386
Operating profit before losses	1.618	1.717	491	71	90	50	20	-99	-107	3.851
Impairments on loans and financial commitments	89	1.854	87	-	-	-	-	-	-	2.030
Pre-tax profit	1.529	-137	404	71	90	50	20	-99	-107	1.821
Net interest income										
External net interest income	1.677	1.670	486	51	244	-	-	-	14	4.142
Internal net interest income	-	-	-	-	-	2	-	-10	8	-
Net interest income	1.677	1.670	486	51	244	2	-	-10	22	4.142
Balance sheet										
Loans to customers	135.713	64.191	15.692	252	3.681	-	-	-	-348	219.181
Impairments on loans	-208	-1.806	-201	-	-	-	-	-	-	-2.215
Certificates/bonds/financial derivatives	-	-45	-	4.485	51.092	-	-	19	-6.958	48.593
Other assets	7.608	-6.232	765	1.811	34.330	212	214	1.482	-18.700	21.490
Total assets	143.113	56.108	16.256	6.548	89.103	212	214	1.501	-26.006	287.049
Deposits from customers	58.159	46.654	14.494	15	-927	-	-	-	-225	118.170
Other debt and equity ¹⁾	84.954	9.454	1.762	6.533	90.030	212	214	1.501	-25.781	168.879
Total debt and equity	143.113	56.108	16.256	6.548	89.103	212	214	1.501	-26.006	287.049

Note 13 Net income/losses from financial instruments

Parent bank			Group	
01.01.20 - 31.12.20	01.01.21- 31.12.21		01.01.21- 31.12.21	01.01.20 - 31.12.20
-107	247	Net gains/losses on equity instruments ¹⁾	296	-49
37	-561	Net gains/losses for bonds and certificates	-562	29
-121	458	Net derivatives bonds and certificates	458	-121
-47	4	Net counterparty risk, inclusive of CVA	4	-47
19	-13	Net derivatives other assets	-13	19
-2	27	Net derivatives liabilities	30	-3
-10	-12	Net derivatives basis swap spread	-24	13
133	147	Net gain currency	142	138
-98	297	Net income/losses from financial instruments	331	-21

¹⁾ Including gains from the sale of SR-Forvalting of NOK 134 million in the parent bank and NOK 92 million in the group.

Note 14 Pensions

The SpareBank 1 SR-Bank group has two types of pension scheme: defined benefit-based and contribution benefit-based pension schemes. For more information about the accounting treatment of the schemes see note 1 above and note 24 to the annual financial statements for 2020.

The group previously had a secured defined benefit pension scheme covered by the group's pensions fund. This scheme was wound up in 2015 and employees who were in the defined benefit scheme were issued a paid-up policy for their earned rights in the defined benefit scheme.

Paid-up policies will be managed by the pension fund, which from 1 January 2016 was set as a paid-up fund. A framework agreement has been established between SpareBank 1 SR-Bank and the pension fund that covers things such as financing, capital management, etc. Because of the responsibilities SpareBank 1 SR-Bank still has, future liabilities will have to be incorporated in the financial statements. The board of the pension fund must consist of representatives of the group and pension scheme participants in accordance with the pension fund's articles of association.

The following economic assumptions have been used to calculate the obligations for the defined benefit-based pension scheme:

Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Parent bank and group
1,70 %	2,10 %	1,80 %	1,80 %	1,90 %	Discount rate
1,70 %	2,10 %	1,80 %	1,80 %	1,90 %	Expected return on assets
2,25 %	2,25 %	2,25 %	2,50 %	2,75 %	Forecast salary increase
2,00 %	2,00 %	2,00 %	2,25 %	2,50 %	National Insurance scheme's basic amount
0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	Pension adjustment
0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	Paid-up policy adjustment

Change in pension obligations (NOK million):

Parent bank			Group	
01.01.20 - 31.12.20	01.01.21 - 31.12.21		01.01.21 - 31.12.21	01.01.20 - 31.12.20
176	197	Net pension obligations opening balance	204	187
-157	-192	Actuarial liabilities and losses recognised in comprehensive income	-193	-159
15	9	Net pension cost	9	15
-	-1	Company contributions	-2	-
-4	-8	Payments from operations	-8	-5
167	264	Upper limit for capitalisation of the asset	267	166
197	269	Net pension obligations closing balance	277	204

Note 15 Sale of loans

SpareBank 1 SR-Bank sold its shares in SpareBank 1 Næringskreditt on 29 September 2021 and the agreement concerning the legal sale of highly collateralised mortgages and collateral in real estate ended on the same date. For more information about the accounting treatment of the agreement that has now ended see note 2 and note 9 to the annual financial statements for 2020.

SpareBank 1 SR-Bank has concluded an agreement concerning the sale of loans with good security and collateral in real estate to its subsidiary SR-Boligkreditt AS. Such loans are derecognised from the parent bank's balance sheet, but are recognised in the consolidated financial statements, see note 2 in the 2020 annual financial statements.

Note 16 Liquidity risk

Liquidity risk is the risk that the group is not able to refinance its debt or is not able to finance an increase in assets. The bank's framework for managing liquidity risk shall reflect the bank's conservative risk profile. The board has adopted internal limits such that the bank has as balanced a maturity structure for its borrowing as possible. Stress testing is conducted for the various terms of maturity for bank-specific crises, system crises and combinations of these. A contingency plan has also been put in place to manage liquidity crises. The average remaining term to maturity in the portfolio of senior bond funding and covered bonds was 4.1 years at the end of the fourth quarter of 2021. The total LCR was 168% at the end of the fourth quarter, and the average total LCR was 165% in the quarter. The LCR in NOK and EUR at the end of the quarter was 141% and 760%, respectively.

Note 17 Information about fair value

Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices)

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions)

Fair value 31.12.2021	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers ¹⁾			8.450	8.450
Commercial paper and bonds	28.347	19.653		48.000
Financial derivatives		5.053		5.053
Equities, units and other equity interests	563	44	394	1.001
Liabilities				
Financial derivatives		3.203		3.203

No transfers between levels 1 and 2

¹⁾ Net lending to customers in parent bank, level 3

54.061

Note 17 Information about fair value (continued)

Fair value 31.12.2020	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers ¹⁾			9.654	9.654
Commercial paper and bonds	17.623	15.123		32.746
Financial derivatives		8.672		8.672
Equities, units and other equity interests	506	27	375	908
Liabilities				
Financial derivatives		6.825		6.825
No transfers between levels 1 and 2				
¹⁾ Net lending to customers in parent bank, level 3			51.217	

Change in holding during the financial year of assets valued on the basis of factors other than observable market data

Group	Loans to customers	Shares, ownership stakes and other securities
Balance 01.01	9.654	375
Additions	1.653	120
Disposals	-2.574	-92
Transferred from or to measurement according to prices in an active market or observable market data		
Change in value ¹⁾	-283	-9
Balance 31.12.2021	8.450	394
Nominal value/cost price	8.499	384
Fair value adjustment	-49	10
Balance 31.12.2021	8.450	394

¹⁾ Value changes are recognised in net income from financial instruments

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the applicable interest curve, having taken into account a market premium, which is adjusted for the profit margin. The conducted sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 26 million.

Fair value of financial instruments at amortised cost

Group	Balance 31.12.2021	Fair value
Assets		
Cash and balances with central banks	78	78
Balances with credit institutions ¹⁾	5.366	5.366
Loans to customers ¹⁾	220.128	220.128
Certificates and bond	8.266	8.274
Total assets at amortised cost	233.838	233.846
Liabilities		
Balances with credit institutions ¹⁾	2.634	2.634
Deposits from customers ¹⁾	137.664	137.664
Listed debt securities	122.276	122.836
Senior non-preferred bonds	7.465	7.532
Subordinated loan capital	2.130	2.152
Total liabilities at amortised cost	272.169	272.818

¹⁾ Loans and deposits at amortised cost, amount to book value best estimate at fair value.
SpareBank 1 SR-Bank Group Q4 2021 – Unaudited

Note 18 Leases

Pursuant to IFRS 16, lessees must capitalise a right-to-use asset and a lease liability for each of their leases. For more information about the accounting treatment of the schemes see note 31 to the annual statements of 2020.

Parent Bank			Group	
01.01.20 - 31.12.20	01.01.21 - 31.12.21		01.01.21 - 31.12.21	01.01.20 - 31.12.20
		Balance		
915	881	Lease rights	335	346
936	920	Liabilities associated with lease rights	359	365
		Income Statement		
53	57	Depreciations on lease rights	53	44
-	4	Impairments on lease rights	-	4
32	29	Interests on lease liabilities	9	13
84	90	Total IFRS 16 costs	63	62
		Effects of IFRS 16		
70	72	Reduction in operating expenses pursuant to IAS 17	37	32
84	91	Increase in expenses pursuant to IFRS 16	63	62
-14	-19	Changes to pre-tax profit	-26	-30
		Changes in lease rights and liabilities associated with lease rights		
682	915	Lease rights 31.12.	346	398
275	-	Adjustment of calculations previous years	-	20
957	915	Lease rights 01.01.	346	418
54	27	Additions in the period	41	43
	-	Disposals in the period	-	67
53	57	Depreciations	52	44
	4	Impairments	-	4
915	881	Lease rights at the end of the periode	335	346
688	936	Liabilities associated with lease rights 31.12.	365	395
275	-	Adjustment of calculations previous years	-	20
963	936	Liabilities associated with lease rights 01.01.	365	415
54	27	Additions in the period	41	51
	-	Disposals in the period	-	67
69	72	Instalments in the period	56	47
32	29	Interest rate	9	13
936	920	Liabilities associated with lease rights, at the end of the period	359	365

Note 19 Intangible assets

Intangible assets amounting to NOK 70 million in the parent bank are goodwill linked to the acquisition of the entrepreneur business from Monio AS and have been eliminated in the group. Of the increase in intangible assets in the group, NOK 159 million is related to goodwill and NOK 25 million to customers contracts linked to SpareBank 1 SR-Bank ForretningsPartner AS's acquisition of Tveit Regnskap AS.

Note 20 Events after the balance sheet date

No material events have been registered after 31 December 2021 that affect the interim financial statements as prepared.

Results from the interim financial statements

SpareBank 1 SR-Bank Group, MNOK	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Interest income	1.635	1.497	1.519	1.535	1.507	1.547	1.752	2.147	2.120
Interest expense	630	508	518	540	513	506	726	1.066	1.058
Net interest income	1.005	989	1.001	995	994	1.041	1.026	1.081	1.062
Commission income	475	429	471	426	396	365	368	372	383
Commission expenses	22	24	19	25	28	31	24	28	31
Other operating income	2	1	2	1	2	2	-	2	7
Net commission and other income	455	406	454	402	370	336	344	346	359
Dividend income	21	-	9	-	39	1	17	-	-
Income from investment in associates	223	151	193	109	129	147	145	242	15
Net gains/losses on financial instrument	100	83	41	107	72	42	135	-270	7
Net income on financial investments	344	234	243	216	240	190	297	-28	22
Total income	1.804	1.629	1.698	1.613	1.604	1.567	1.667	1.399	1.443
Personnel expenses	485	432	423	382	401	357	330	348	396
Other operating expenses	228	191	212	186	182	179	198	203	244
Depreciation/ impairments on tangible and intangible assets	42	43	46	44	46	59	42	41	37
Total operating expenses	755	666	681	612	629	595	570	592	677
Operating profit before impairments	1.049	963	1.017	1.001	975	972	1.097	807	766
Impairments on loans and financial commitments	-24	37	58	121	270	369	831	560	139
Pre-tax profit	1.073	926	959	880	705	603	266	247	627
Tax expense	184	193	143	162	97	98	10	26	141
Profit after tax	889	733	816	718	608	505	256	221	486

Profitability

Return on equity per quarter ¹⁾	14,0 %	11,7 %	13,2 %	11,6 %	9,7 %	8,2 %	4,0 %	3,4 %	8,3 %
Cost percentage ¹⁾	41,9 %	40,9 %	40,1 %	37,9 %	39,2 %	38,0 %	34,2 %	42,3 %	47,0 %
Combined weighted average spread for lending and deposits ¹⁾	1,32 %	1,31 %	1,36 %	1,40 %	1,40 %	1,48 %	1,50 %	1,64 %	1,64 %

Balance sheet figures from quarterly accounts

Gross loans to customers	230.299	226.952	225.791	221.291	219.181	216.796	214.432	212.161	207.114
Gross loans to customers including SB1 BK ²⁾	230.299	226.952	225.791	221.291	219.181	220.186	218.630	216.354	211.357
Growth in loans over last 12 months ¹⁾	5,1 %	4,7 %	5,3 %	4,3 %	5,8 %	6,5 %	8,0 %	8,0 %	7,8 %
Growth in loans incl SB1 BK ¹⁾²⁾	5,1 %	3,1 %	3,3 %	2,3 %	3,7 %	4,9 %	5,4 %	5,3 %	4,9 %
Deposits from customers	137.664	132.283	136.209	128.108	118.170	113.248	111.170	105.545	103.106
Growth in deposits over last 12 months ¹⁾	16,5 %	16,8 %	22,5 %	21,4 %	14,6 %	10,8 %	8,3 %	6,6 %	4,3 %
Total assets	304.402	296.987	299.939	296.492	287.049	280.338	278.715	278.639	255.895
Average total assets	301.021	300.562	295.347	287.621	282.912	280.147	275.917	264.959	256.488

Impairments on loans and financial commitments

Impairment ratio, annualized ¹⁾	-0,04 %	0,07 %	0,10 %	0,22 %	0,50 %	0,68 %	1,56 %	1,07 %	0,27 %
Impairment ratio, including loans SB1 BK ¹⁾²⁾	-0,04 %	0,07 %	0,10 %	0,22 %	0,49 %	0,67 %	1,53 %	1,05 %	0,26 %

¹⁾ Defined as alternative performance targets (APMs), see the appendix to the interim report

²⁾ SpareBank 1 Boligkreditt are abbreviated to SB1 BK

Quarterly income statement (continued)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Loans and financial commitments in Stage 2 and Stage 3 ¹⁾									
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments ¹⁾	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %	1,59 %	1,87 %	1,42 %	1,32 %
Loans and financial commitments in Stage 3 in % of gross loans and fin. commitments, incl. loans SB1 BK ¹⁾²⁾	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %	1,57 %	1,84 %	1,40 %	1,30 %
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments ¹⁾	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %	6,21 %	5,51 %	6,67 %	6,97 %
Loans and financial commitments in Stage 2 in % of gross loans and fin. commitments, incl. loans SB1 BK ¹⁾²⁾	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %	6,13 %	5,42 %	6,56 %	6,85 %
Solidity									
Common equity Tier 1 capital ratio ³⁾⁵⁾⁶⁾	17,4 %	17,6 %	17,9 %	18,1 %	18,3 %	18,5 %	18,3 %	17,7 %	17,0 %
Tier 1 capital ratio ³⁾⁵⁾⁶⁾	18,9 %	19,2 %	19,5 %	19,7 %	19,9 %	20,2 %	19,9 %	19,2 %	18,6 %
Capital ratio ³⁾⁵⁾⁶⁾	20,5 %	20,9 %	21,2 %	21,5 %	21,7 %	22,0 %	21,8 %	21,0 %	20,4 %
Tier 1 capital ³⁾⁵⁾⁶⁾	24.163	24.252	24.805	24.408	24.127	24.489	24.299	24.182	22.626
Net primary capital	26.206	26.446	26.999	26.612	26.336	26.728	26.538	26.421	24.866
Risk weighted balance ³⁾	127.981	126.616	127.398	123.860	121.262	121.494	121.918	125.780	121.744
Leverage ratio	7,1 %	7,3 %	7,5 %	7,6 %	7,8 %	7,9 %	7,8 %	7,9 %	7,8 %
Liquidity									
Liquidity Coverage Ratio (LCR) ⁴⁾	168 %	160 %	167 %	141 %	157 %	154 %	159 %	135 %	155 %
Deposit-to-loan ratio ¹⁾	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %	52,2 %	51,8 %	49,7 %	49,8 %
Deposit-to-loan ratio, incl loans SB1 BK ¹⁾²⁾	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %	51,4 %	50,8 %	48,8 %	48,8 %
Branches and staff									
Number of branches	35	34	34	34	34	35	34	33	33
Number of man-years	1.505	1.483	1.488	1.275	1.283	1.279	1.255	1.272	1.260
Number of man-years including temps	1.556	1.533	1.555	1.321	1.332	1.326	1.323	1.336	1.352
SpareBank 1 SR-Bank share									
Market price at end of quarter	133,20	121,50	113,70	105,00	91,00	77,40	69,90	59,20	100,00
Market capitalisation	34.066	31.074	29.079	26.854	23.273	19.795	17.877	15.140	25.575
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share (including dividends) ¹⁾	99,05	95,82	96,08	93,12	95,97	93,51	91,32	90,55	89,90
Earnings per share, NOK (annualised)	3,41	2,80	3,13	2,74	2,30	1,90	0,91	0,77	1,84
Price/earnings per share ¹⁾	9,77	10,85	9,08	9,58	9,89	10,18	19,20	19,22	13,59
Price / Book equity (group) ¹⁾	1,34	1,27	1,18	1,13	0,95	0,83	0,77	0,65	1,11
Annualised turnover rate in quarter ⁷⁾	5,0 %	3,7 %	5,5 %	7,2 %	5,3 %	6,1 %	11,0 %	9,4 %	4,7 %
Effective return ⁸⁾	12,2 %	6,9 %	8,3 %	21,4 %	17,6 %	10,7 %	18,1 %	-40,8 %	0,9 %

¹⁾ Defined as alternative performance targets (APMs), see the appendix to the interim report

²⁾ SpareBank 1 Boligkreditt are abbreviated to SB1 BK

³⁾ Historical capital ratio figures prior to 31.12.2019, are based on the capital adequacy rules and regulations when the so-called Basel I floor applied

⁴⁾ High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

⁵⁾ A decision was made in April 2020 not to pay dividend for 2019 at this time. Historical figures per 31 December 2019 was not changed. The board have exercised the authorisation from April 2020 and on a board meeting 10th of February 2021 approved a dividend of NOK 5.50 per share for the financial year 2019. The dividend was paid as at 19th March 2021.

⁶⁾ The board has exercised its special authorisation from April 2021 and at the board meeting on 30 September 2021 approved a dividend of NOK 3.10 per share for the financial year 2020, which was paid out on 13 October 2021. The total dividend of NOK 793 million reduced equity on 30 September 2021.

⁷⁾ Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

⁸⁾ Percentage change in the market price in the last period, including paid share dividend

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2022 Financial Calendar

Q4 2021	Wednesday 9 February 2022
Yearly report	Thursday 31 March
Annual General Meeting	Thursday 28 April
Q1 2022	Thursday 5 May
Q2 2022, Half-yearly Report	Thursday 11 August
Q3 2022	Thursday 27 October