4 quarter 2020

Unaudited interim report

Sparebanken Møre

Financial highlights - Group

Income statement

(Amounts in percentage of average assets)

	Q4 2020		Q4 2019		2020		2019	
	NOK million	%	NOK million	%	NOK million	%	NOK million	%
Net interest income	314	1.58	339	1.79	1 228	1.57	1 314	1.79
Net commission and other operating income	54	0.27	60	0.32	211	0.27	219	0.30
Net return on financial investments	18	0.09	15	0.08	74	0.09	74	0.10
Total income	386	1.94	414	2.19	1 513	1.93	1 607	2.19
Total operating costs	157	0.79	168	0.89	630	0.80	646	0.88
Profit before impairment on loans	229	1.15	246	1.30	883	1.13	961	1.31
Impairment on loans, guarantees etc.	35	0.18	15	0.08	149	0.19	50	0.07
Pre-tax profit	194	0.97	231	1.22	734	0.94	911	1.24
Tax	47	0.24	41	0.21	167	0.21	200	0.27
Profit after tax	147	0.73	190	1.01	567	0.73	711	0.97

Statement of financial position

(NOK million)	31.12.2020	% change during the last 12 months	31.12.2019
Total assets 4)	79 486	6.2	74 875
Average assets 4)	78 450	6.7	73 496
Loans to and receivables from customers	66 850	4.4	64 029
Gross loans to retail customers	45 592	4.0	43 847
Gross loans to corporate and public entities	21 534	5.3	20 441
Deposits from customers	39 023	6.0	36 803
Deposits from retail customers	23 366	7.8	21 685
Deposits from corporate and public entities	15 657	3.6	15 118

Key figures and alternative performance measures (APMs)

	Q4 2020	Q4 2019	2020	2019
Return on equity (annualised) 3) 4)	9.1	11.8	8.6	11.7
Cost income ratio 4)	40.6	40.6	41.6	40.2
Losses as a percentage of loans (annualised) 4)	0.21	0.09	0.23	0.08
Gross credit-impaired commitments as a percentage of loans/guarantees	1.53	1.48	1.53	1.48
Net credit-impaired commitments as a percentage of loans/guarantees	1.22	1.12	1.22	1.12
Deposit-to-loan ratio 4)	58.1	57.2	58.1	57.2
Liquidity Coverage Ratio (LCR)	138	165	138	165
Lending growth as a percentage 4)	2.3	0.6	4.4	6.1
Deposit growth as a percentage 4)	-0.8	1.8	6.0	6.9
Capital adequacy ratio 1)	21.3	21.7	21.3	21.7
Tier 1 capital ratio 1)	19.2	19.5	19.2	19.5
Common Equity Tier 1 capital ratio (CET1) 1)	17.5	17.7	17.5	17.7
Leverage Ratio (LR) 1)	8.0	8.1	8.0	8.1
Man-years	346	357	346	357

Equity Certificates (ECs)

	2020	2019	2018	2017	2016
Profit per EC (Group) (NOK) 2)	27.10	34.50	29.60	27.70	28.80
Profit per EC (Parent Bank) (NOK) 2)	26.83	32.00	28.35	27.00	29.85
EC fraction 1.1 as a percentage (Parent Bank)	49.6	49.6	49.6	49.6	49.6
EC capital (NOK million)	988.70	988.70	988.70	988.70	988.70
Price at Oslo Stock Exchange (NOK)	296	317	283	262	254
Stock market value (NOK million)	2 927	3 134	2 798	2 590	2 511
Book value per EC (Group) (NOK) 4)	332	320	303	289	275
Dividend per EC (NOK)	4.50	14.00	15.50	14.00	14.00
Price/Earnings (Group, annualised)	10.9	9.2	9.5	9.4	8.8
Price/Book value (P/B) (Group) 2) 4)	0.89	0.99	0.93	0.91	0.93

1) Including proposed allocations

2) Calculated using the EC-holders' share (49.6 %) of the period's profit to be allocated to equity owners

3) Calculated using the share of the profit to be allocated to equity owners

4) Defined as alternative performance measure (APM), see attachment to the quarterly report

Interim report from the Board of Directors

All figures relate to the Group. Figures in brackets refer to the corresponding period last year. The financial statements have been prepared in accordance with IFRS and the interim report has been prepared in conformity with IAS 34 Interim Financial Reporting.

RESULTS FOR Q4 2020
Profit after losses was NOK 194 million for the fourth quarter of 2020, or 0.97 per cent of average total assets, compared with NOK 231 million, or 1.22 per cent, for the corresponding quarter last year.

Profit after tax was NOK 147 million for the fourth quarter of 2020, or 0.73 per cent of average total assets, compared with NOK 190 million, or 1.01 per cent, for the corresponding quarter last year.

Return on equity was 9.1 per cent in the fourth quarter of 2020 compared with 11.8 per cent in the fourth quarter of 2019, and the cost income ratio amounted to 40.6 per cent, the same as in the fourth quarter of 2019.

Earnings per equity certificate were NOK 7.10 (NOK 9.00) for the Group and NOK 3.88 (NOK 6.10) for the Parent Bank.

Net interest income
Net interest income was NOK 314 million, which is NOK 25 million, or 7.4 per cent, lower than in the corresponding quarter of last year. This represents 1.58 per cent of total assets, which is 0.21 percentage points lower than in the fourth quarter of 2019.

Strong competition within both loans and deposits, as well as the lower contribution from the Bank's equity put pressure on net interest income in the fourth quarter.

Other operating income
Other operating income was NOK 72 million in the quarter, which is NOK 3 million lower than in the fourth quarter of last year. The return on financial investments was NOK 3 million higher than in the fourth quarter of 2019. Capital gains from bond holdings were NOK 2 million in the quarter, compared with capital losses of NOK 9 million in the corresponding quarter last year. Dividends amounted to NOK 16 million, which is NOK 10 million higher than in the fourth quarter of 2019. Capital losses on equities were NOK 9 million, compared with capital gains of NOK 5 million in the fourth quarter of 2019, and income from other financial investments decreased by NOK 10 million compared with the same period last year.

Other income excluding financial investments decreased by NOK 6 million compared with the fourth quarter of 2019.

Costs
Operating costs in the quarter amounted to NOK 157 million, which is NOK 11 million lower than in the same quarter last year. Personnel costs were NOK 10 million lower than in the corresponding period last year and amounted to NOK 81 million. Staffing has been reduced by 11 FTEs over the past 12 months to 346 FTEs. Other operating costs were NOK 1 million lower than in the same period last year.

The cost income ratio was 40.6 per cent for the fourth quarter of 2020, which is the same as in the fourth quarter last year.

Credit-impaired commitments
The quarterly accounts were charged NOK 35 million (NOK 15 million) in losses on loans and guarantees. This amounts to 0.18 per cent (0.08 per cent) of average total assets on an annualised basis. Losses in the corporate segment increased by NOK 44 million in the quarter, while losses in the retail segment decreased

by NOK 9 million.

Lending and deposit growth
Total assets decreased to NOK 79,486 million, a 1.1 per cent change in relation to the end of the third quarter of 2020. Lending increased by 2.3 per cent to NOK 66,850 million and deposits from customers fell by 0.8 per cent to NOK 39,023 million. Lending to corporate customers increased by 4.8 per cent in the fourth quarter of 2020, while lending to retail customers rose by 1.0 per cent. For further comments concerning volume trends in the past 12 months, please see the comments for the full year 2020.

PRELIMINARY FINANCIAL STATEMENTS FOR 2020
Sparebanken Møre's profit before losses on loans and guarantees was NOK 883 million, or 1.13 per cent of average total assets, compared with NOK 961 million, or 1.31 per cent, for 2019.

Profit before tax was NOK 734 million, or 0.94 per cent of average total assets, compared with NOK 911 million, or 1.24 per cent, for 2019.

Profit after tax was NOK 567 million, or 0.73 per cent of average total assets, compared with NOK 711 million, or 0.97 per cent, for 2019. The results for 2020 represent a return on equity of 8.6 per cent, compared with 11.7 per cent in 2019.

Earnings per equity certificate in 2020 were NOK 27.10 (NOK 34.50) for the Group, and NOK 26.83 (32.00) for the Parent Bank.

Net interest income
Net interest income totalled NOK 1,228 million (NOK 1,314 million) or 1.57 per cent (1.79 per cent) of average total assets. Net interest income accounted for 81.2 per cent of total income in 2020 (81.8 per cent).

The lending and deposit margins for 2020 were heavily affected by the interest rate changes implemented during the second and third quarters. Lending rates were reduced before deposit rates and this significantly affected the net interest income and margins for the year.

Falling interest rates reduced funding costs, but also significantly reduced the net interest contribution from the Bank's equity.

Strong competition in both lending and deposits, and reduced risk in the lending portfolio, contributed to downward pressure on net interest income, while higher lending and deposit volumes resulted in an increase in net interest income.

The retail market saw a weak increase in the interest margin for lending, but there was a large reduction in the deposit margin compared with 2019. In the corporate market, the interest margin for lending was on a par with 2019, while the interest margin for deposits decreased.

Other operating income
Other operating income was NOK 285 million in 2020 (0.36 per cent of average total assets). This is a decrease of NOK 8 million compared with 2019.

Dividends were NOK 22 million, compared with NOK 12 million in 2019. Capital losses from bond holdings were NOK 4 million, compared with losses of NOK 9 million in 2019. Capital losses on equities totalled NOK 3 million, compared with gains of NOK 16 million in 2019. Income from other financial investments increased by NOK 8 million compared with 2019.

Other operating income decreased by NOK 8 million compared with 2019, with income from money-transfer services decreasing by NOK 16 million.

Costs
Total costs were NOK 630 million, which is NOK 16 million lower than in 2019. Personnel costs decreased by NOK 22 million compared with 2019 and were NOK 332 million. Staffing has been reduced by 11 FTEs in the past 12 months to 346 FTEs. Other costs were NOK 6 million higher than in 2019, primarily due to higher

ICT costs.

The cost income ratio for 2020 was 41.6 per cent, which represents an increase of 1.4 percentage points compared with 2019.

Credit-impaired commitments
In 2020, the income statement was charged with NOK 149 million (NOK 50 million) in losses on loans and guarantees. This represents 0.19 per cent (0.07 per cent) of average total assets.

At year end 2020, total expected losses were NOK 326 million, equivalent to 0.47 per of gross loans and guarantees (NOK 375 million and 0.57 per cent). Of the total expected losses, NOK 18 million is linked to credit-impaired commitments more than 90 days past due (NOK 24 million), which amounts to 0.03 per cent of gross loans and guarantees (0.04 per cent). NOK 191 million relates to other credit-impaired commitments (NOK 216 million), which is equivalent to 0.28 per cent of gross loans and guarantees (0.33 per cent).

Net credit-impaired commitments (commitments more than 90 days past due and other commitments in stage 3) have increased by NOK 105 million in the past 12 months. At year end 2020, the corporate market accounted for NOK 750 million of net credit-impaired commitments and the retail market NOK 91 million. In total, this represents 1.22 per cent of gross loans and guarantees (1.12 per cent).

Lending to customers
At year end 2020, lending to customers amounted to NOK 66,850 million (NOK 64,029 million). Customer lending has increased by a total of NOK 2,821 million, or 4.4 per cent, in the past 12 months. Retail lending has increased by 4.0 per cent, while corporate lending has increased by 5.3 per cent, in the past 12 months. Retail lending accounted for 68.2 per cent of lending at year end 2020 (68.4 per cent).

Deposits from customers
Customer deposits have increased by NOK 2,220 million, or 6.0 per cent, in the past 12 months. At year end 2020, deposits amounted to NOK 39,023 million (NOK 36,803 million). Retail deposits have increased by 7.8 per cent in the past 12 months, while corporate deposits have increased by 3.4 per cent and public sector deposits by 5.8 per cent. The retail market's relative share of deposits amounted to 59.9 per cent (58.9 per cent), while deposits from the corporate market accounted for 38.0 per cent (39.0 per cent) and from the public sector 2.1 per cent (2.1 per cent).

The deposit-to-loan ratio was 58.1 per cent at year end 2020 (57.2 per cent).

CAPITAL ADEQUACY
Sparebanken Møre is very well capitalised. At year end 2020, the Common Equity Tier 1 capital ratio was 17.5 per cent (17.7 per cent) and this is 4.8 percentage points higher than the total regulatory minimum requirement of 12.7 per cent. Primary capital amounted to 21.3 per cent (21.7 per cent) and Tier 1 capital 19.2 per cent (19.5 per cent).

Capital adequacy is calculated in line with the EU's Capital Requirements Directive (CRD) IV and Capital Requirements Regulation (CRR), which were introduced with effect from 31 December 2019.

The most important changes applicable from 31 December 2019 are the elimination of the transitional rule for the Basel I floor and the introduction of an SME discount of 23.82 per cent for SME customers with loans of up to EUR 1.5 million and an annual turnover of less than EUR 50 million.

The countercyclical capital buffer was reduced from 2.5 per cent to 1.0 per cent with effect from 13 March 2020. The level is determined by the Ministry of Finance based on advice from Norges Bank.

With effect from 31 December 2020, a 20 per cent floor has also been introduced for commitments secured by collateral in residential property.

The total regulatory minimum requirement for Sparebanken Møre's Common Equity Tier 1 capital ratio, including the Pillar 2 supplement, was 12.7 per cent at year end 2020. In its assessment of Sparebanken Møre's Pillar 2 supplement in 2018, the Financial Supervisory Authority of Norway set it at 1.7 per cent, although it was made subject to a minimum of NOK 590 million with effect from 31 March 2019.

The leverage ratio (LR) at year end 2020 was 8.0 per cent, 0.1 percentage points lower than at year end 2019. The regulatory minimum requirement (3 per cent) and buffer requirement (2 per cent), 5 per cent in total, were met by a good margin.

SUBSIDIARIES

The aggregate profit of the Bank's three subsidiaries was NOK 232 million after tax in 2020 (NOK 222 million). Møre Boligkreditt AS was established as part of the Group's long-term funding strategy. The main purpose of the covered bond company is to issue covered bonds for sale to Norwegian and international investors. At year end 2020, the company had outstanding bond volume of NOK 24 billion, of which around 35 per cent was issued in currencies other than NOK. NOK 500 billion of the volume of bonds issued by the company was held by the Parent Bank at year end 2020. Møre Boligkreditt AS contributed NOK 230 million to the Group's result in 2020 (NOK 222 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company contributed NOK 0.5 million to the result in 2020 (NOK 0,8 million). At the end of the quarter, the company employed 11 FTEs.

Sparebankeiendom AS's purpose is to own and manage the Bank's commercial properties. The company contributed NOK 2 million to the result in 2020 (NOK -1,1 million). The company has no employees.

COVID-19: LIQUIDITY, FINANCING AND PROFITS

Sparebanken Møre entered the crisis with good key figures for liquidity and capital. At the end of 2019, LCR (short-term liquidity indicator) was at 165 and NSFR (long-term liquidity indicator) was at 113, while Common Equity Tier 1 capital (CET1) was at 17.7 per cent.

At year end, LCR was 138, NSFR was 114 and Common Equity Tier 1 capital was 17.5 per cent.

The Group had one major maturity date in the bond market in 2020 when the gross amount of NOK 3,000 million from MOBK14 from Møre Boligkreditt AS matured on 23 September. Early buybacks had reduced MOBK14 to NOK 438 million at the time of redemption.

In addition to maturity dates for market funding, the Bank's liquidity was affected by the normal seasonal variations and changes in growth rates for loans and deposits due to the current situation. The government's tax deferral measures, as well as support schemes, etc. related to Covid-19 have also affected the liquidity situation to some extent.

During the year, lending increased by NOK 600 million more than deposits. The Group's deposit-to-loan ratio increased from 57.2 per cent to 58.1 per cent.

The capital markets functioned throughout 2020, although there was a marked margin expansion early in the coronavirus pandemic. This margin expansion reversed during the course of the year. Sparebanken Møre has had good access to competitive financing, not only in the form of deposits but also through the issue of senior debt and covered bonds, and the Group executed its planned funding strategy in 2020. Nevertheless, in the first quarter, the Bank chose to take advantage of Norges Bank's F-loan scheme with two loans totalling NOK 1,000 million. NOK 500 million with a 6-month term to maturity and NOK 500 million with a 12-month term to maturity. The first loan matured in September 2020. The liquidity from the loans has been used to strengthen the Bank's LCR liquidity portfolio correspondingly.

The Bank monitors liquidity developments closely. Since March 2020, frequent meetings have been held by the contingency group for liquidity, reporting to the executive management team and Board on a very frequent basis. The status of liquidity and the development of deposits have also been regular items on the agenda in the Bank's crisis management group. LCR has been continuously monitored and reported daily. We have not registered any days without robust margins in relation to the minimum requirement.

The Group’s market funding is raised at floating interest rates or by swapping the fixed-rate issues to floating rates. The funding cost of borrowing will therefore follow developments in the 3-month NIBOR with a time lag corresponding to the timing of the interest rate fixing. Therefore, it was not until July last year that Sparebanken Møre’s funding costs for market funding were adjusted to the new lower level of market interest rates.

The above-mentioned interest rate fixing profile and the fact that lending rates to customers were reduced immediately after the central bank cut its rates, while deposit rates were not reduced until 6 weeks later, markedly weakened the Bank’s net interest income in the second quarter of 2020. During 2020, net interest income was generally also negatively affected by lower returns on the Bank’s equity as well as the ability to maintain the deposit margin in a low interest rate environment. Net interest income amounted to NOK 1,228 million in 2020, compared with NOK 1,314 million in 2019. As a proportion of average total assets this represents a drop from 1.79 per cent to 1.57 per cent.

The item that had the largest negative impact on the Bank’s results in the first quarter was the development of the market value of the Bank’s LCR liquidity portfolio. This effect was largely reversed before the end of the year. The Bank has no trading portfolio in equities or significant ownership stakes in product companies, which results in low volatility in relation to financial performance due to developments in the capital market.

Changes in economic conditions have had consequences for macroeconomic scenarios and weightings in the Group’s calculations of expected credit loss (ECL) in 2020. In the first quarter of 2020, the probability of the pessimistic scenario occurring was increased from 10 to 40 per cent, while for the base case scenario it was reduced from 80 to 50 per cent.

During the fourth quarter the outlook was more positive and clearer. The macroeconomic conditions improved. A public vaccination programme started. There were very few bankruptcies and the level of default was relatively low. The authorities announced new stimulus packages for the hardest hit industries. Oil prices also rose markedly during the fourth quarter.

The Bank granted payment relief in the first and second quarters of 2020 due to the consequences of Covid-19. Customers who applied were granted 6-month interest-only periods until the second half of 2020. Most of the customers granted interest-only periods are now paying their installments in line with their original agreement.

As part of the process of granting payment relief, a specific, individual assessment is made of whether the application for payment relief is ‘forbearance’ and whether the loan should thus migrate to stage 2 (performing) or stage 3 (non-performing) in the Group’s ECL model.

This has been further supplemented with a more portfolio or segment based (hotels, tourism, travel industry, and personal services industry) approach to assess significantly increased credit risk and migration to stage 2. This was due to the fact that current changes in future prospects are not adequately captured by the ECL model.

The positive changes in economic conditions resulted in changes to the macroeconomic scenarios and weightings as at 31 December 2020. The probability of the pessimistic scenario occurring was reduced from 40 to 20 per cent, while for the base case scenario it was reduced from 50 to 70 per cent. The best case scenario’s weighting was kept unchanged at 10 per cent. For further information about the consequences of Covid-19 and the measurement of expected credit loss see note 3.

EQUITY CERTIFICATES

At year end 2020, there were 5,758 holders of Sparebanken Møre’s equity certificates. 9,886,954 equity certificates have been issued. Equity certificate capital accounts for 49.6 per cent of the Bank’s total equity. Note 11 includes a list of the 20 largest holders of the Bank’s equity certificates. As at 31 December 2020, the Bank owned 22,111 of its own equity certificates. These were purchased on the Oslo Børs at market prices.

DIVIDEND POLICY

The aim of Sparebanken Møre is to achieve financial results which provide a good and stable return on the Bank's equity capital. The results should ensure that the owners of the equity receive a competitive long-term return in the form of cash dividends and capital appreciation on their equity.

Dividends consist of cash dividends for equity certificate holders and dividend funds for local communities. The proportion of profits allocated to dividends is in line with the Bank's capital strength. Unless the Bank's capital strength dictates otherwise, it is expected that about 50 per cent of this year's surplus can be distributed as dividends.

Sparebanken Møre's allocation of earnings should ensure that all EC holders are guaranteed equal treatment.

PROPOSED ALLOCATION OF PROFIT FOR THE YEAR

In a letter to the Financial Supervisory Authority of Norway dated 20 January 2021, the Ministry of Finance expressed an expectation that Norwegian banks, which after a careful assessment and based on ESRB's recommendations find a basis for distributions, keep overall distributions within a maximum of 30 per cent of the cumulative annual result for the years 2019 and 2020 up to 30 September 2021.

The Bank's dividend policy implies a cash dividend for 2020 of NOK 13.50 per equity certificate. Based on the current extraordinary situation and the authorities' expectations, the Board has deemed it appropriate to propose to the General Meeting a cash dividend per equity certificate of NOK 4.50 for the 2020 financial year. The corresponding provision for dividend funds to the local community will amount to NOK 45 million. The total dividend for 2019 and 2020 will thus amount to 30 per cent of the cumulative annual result for the years 2019 and 2020.

The Board will also propose to the General Meeting that the Board is issued authorisation to make an additional payment of up to NOK 9.00 per EC for distribution as cash dividend and allocate up to NOK 91 million as dividend funds to the local community for the 2020 financial year. In the event of such further distribution, the overall dividend for the 2020 financial year will thus be in line with the Bank's dividend policy.

Based on the accounting breakdown of equity in the Parent Bank between equity certificate capital and the primary capital fund, 49.6 per cent of the profit will be allocated to equity certificate holders and 50.4 per cent to the primary capital fund. The earnings per equity certificate in the Group were NOK 27.10 in 2020.

Proposed allocation of profit (figures in NOK millions):

Profit for the year		**567**
Share allocated to AT1 instrument holders		27
Dividend funds (16.5%):		
To cash dividends	44	
To dividend funds for local communities	45	89
Strengthening equity (83.5%):		
To the dividend equalisation fund	221	
To the primary capital fund	224	
To other funds	6	451
Total allocated		**567**

FUTURE PROSPECTS

Labour market developments in Møre og Romsdal indicate that the total output of goods and services in the county stabilised during the fourth quarter of 2020. At the end of December, registered unemployment amounted to 2.9 per cent of the workforce according to the Norwegian Labour and Welfare Administration (NAV). By comparison, the unemployment rate for the country as a whole was 3.8 per cent.

However, there is a risk of some rise in unemployment and the number of bankruptcies increasing due to prolonged activity-reducing infection control measures. A number of industries are facing serious economic situations. This is particularly true for tourism-related sectors such as the hotel and restaurant industry, personal services, and the maritime industries and their suppliers. Challenges will also remain in oil-related industries.

After falling prior to June, the figures for the second half of 2020 show that the pace of growth in lending to households was increasing in the second half of the year for Norway as a whole. At year end 2020, the growth in lending to the corporate market was somewhat lower than at the end of the year before.

During the first three quarters of 2020, the Bank noted somewhat slower growth in both lending to the retail market and lending to the corporate market compared with the annual growth rates at year end 2019. The pace of growth increased in the fourth quarter and ended the year at 4.0 per cent for the retail market, while the growth in lending to the corporate market ended 2020 at 5.3 per cent. Deposits increased by 6.0 per cent in 2020 and the deposit-to-loan ratio remains high.

Sparebanken Møre expects lending growth for the full year 2021 to be slightly higher than the growth in 2020. The growth in deposits is expected to remain high.

The Bank has a solid capital base and good liquidity, and will also going forward remain strong and committed in supporting our customers. The focus will always be on good operations and profitability.

Although Sparebanken Møre's strategic financial targets were not achieved in 2020 and the activity-reducing measures due to the coronavirus pandemic are expected to impact the market in 2021 as well, the targets of a return on equity in excess of 11 per cent and a cost income ratio of less than 40 per cent stand. The Bank has taken steps aimed at achieving these targets.

Ålesund, 31 December 2020
11 February 2021

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

LEIF-ARNE LANGØY, Chairman of the Board
RAGNA BRENNE BJERKESET, Deputy Chairman
HENRIK GRUNG
JILL AASEN
ANN MAGRITT BJÅSTAD VIKEBAKK
KÅRE ØYVIND VASSDAL
HELGE KARSTEN KNUDSEN
MARIE REKDAL HIDE

TROND LARS NYDAL, CEO

Statement of income - Group

STATEMENT OF INCOME - GROUP (COMPRESSED)

(NOK million)	Note	Q4 2020	Q4 2019	2020	2019
Interest income from assets at amortised cost		388	572	1 762	2 085
Interest income from assets at fair value		30	70	192	243
Interest expenses		104	303	726	1 014
Net interest income	9	314	339	1 228	1 314
Commission income and revenues from banking services		54	59	210	221
Commission costs and charges from banking services		7	7	26	26
Other operating income		7	8	27	24
Net commission and other operating income		54	60	211	219
Dividends		16	6	22	12
Net gains/losses on financial instruments	5	2	9	52	62
Net return on financial instruments		18	15	74	74
Total income		386	414	1 513	1 607
Wages, salaries etc.		81	91	332	354
Administration costs		31	34	143	143
Depreciation and impairment		11	17	46	50
Other operating costs		34	26	109	99
Total operating costs		157	168	630	646
Profit before impairment on loans		229	246	883	961
Impairment on loans, guarantees etc.	3	35	15	149	50
Pre-tax profit		194	231	734	911
Taxes		47	41	167	200
Profit after tax		147	190	567	711
Allocated to equity owners		141	179	540	688
Allocated to owners of Additional Tier 1 capital		6	11	27	23
Profit per EC (NOK) 1)		7.10	9.00	27.10	34.50
Diluted earnings per EC (NOK) 1)		7.10	9.00	27.10	34.50
Distributed dividend per EC (NOK)		0.00	0.00	14.00	15.50

STATEMENT OF COMPREHENSIVE INCOME - GROUP (COMPRESSED)

(NOK million)	Q4 2020	Q4 2019	2020	2019
Profit after tax	147	190	567	711
Items that may subsequently be reclassified to the income statement:				
Basisswap spreads - changes in value	10	1	3	2
Tax effect of changes in value on basisswap spreads	-2	0	-1	0
Items that will not subsequently be reclassified to the income statement:				
Pension estimate deviations	-36	-29	-36	-29
Tax effect of pension estimate deviations	9	7	9	7
Total comprehensive income after tax	128	169	542	691
Allocated to equity owners	122	158	515	668
Allocated to owners of Additional Tier 1 capital	6	11	27	23

1) Calculated using the EC-holders' share (49.6 %) of the period's profit to be allocated to equity owners.

Statement of financial position - Group

ASSETS (COMPRESSED)

(NOK million)	Note	31.12.2020	31.12.2019
Cash and claims on Norges Bank	5 6 10	542	1 072
Loans to and receivables from credit institutions	5 6 10	1 166	1 088
Loans to and receivables from customers	2 3 4 5 7 10	66 850	64 029
Certificates, bonds and other interest-bearing securities	5 7 10	8 563	6 938
Financial derivatives	5 7	1 793	1 176
Shares and other securities	5 7	178	194
Intangible assets		56	53
Fixed assets		224	236
Other assets		114	89
Total assets		79 486	74 875

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	Note	31.12.2020	31.12.2019
Loans and deposits from credit institutions	5 6 10	2 209	817
Deposits from customers	2 5 7 10	39 023	36 803
Debt securities issued	5 6 8	28 774	28 271
Financial derivatives	5 7	537	288
Other liabilities		653	641
Incurred costs and prepaid income		78	86
Other provisions for incurred liabilities and costs		302	295
Subordinated loan capital	5 6	702	704
Total liabilities		72 278	67 905
EC capital	11	989	989
ECs owned by the Bank		-2	-3
Share premium		357	357
Additional Tier 1 capital		599	599
Paid-in equity		1 943	1 942
Primary capital fund		3 029	2 819
Gift fund		125	125
Dividend equalisation fund		1 768	1 559
Other equity		343	525
Retained earnings		5 265	5 028
Total equity		7 208	6 970
Total liabilities and equity		79 486	74 875

Statement of changes in equity - Group

GROUP 31.12.2020	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Other equity
Equity as at 31 December 2019	6 970	986	357	599	2 819	125	1 559	525
Changes in own equity certificates	2	1					1	
Distributed dividend to the EC holders	-138							-138
Distributed dividend to the local community	-141							-141
Interests paid on Additional Tier 1 capital issued	-27							-27
Equity before allocation of profit for the year	6 666	987	357	599	2 819	125	1 560	219
Allocated to the primary capital fund	224				224			
Allocated to the dividend equalisation fund	221						221	
Allocated to owners of Additional Tier 1 capital	27							27
Allocated to other equity	6							6
Proposed dividend allocated for the EC holders	44							44
Proposed dividend allocated for the local community	45							45
Profit for the year	567	0	0	0	224	0	221	122
Changes in value - basis swaps	3							3
Tax effect of changes in value - basis swaps	-1							-1
Pension estimate deviations	-36				-18		-18	
Tax effect of pension estimate deviations	9				4		5	
Total other income and costs from comprehensive income	-25	0	0	0	-14	0	-13	2
Total profit for the year	542	0	0	0	210	0	208	124
Equity as at 31 December 2020	7 208	987	357	599	3 029	125	1 768	343

GROUP 31.12.2019	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Other equity
Equity as at 31 December 2018	6 360	986	356	349	2 649	125	1 391	504
Changes in own equity certificates	1		1					
Distributed dividend to the EC holders	-153							-153
Distributed dividend to the local community	-156							-156
Additional Tier 1 capital issued	250			250				
Interests paid on Additional Tier 1 capital issued	-23							-23
Equity before allocation of profit for the year	6 279	986	357	599	2 649	125	1 391	172
Allocated to the primary capital fund	181				181			
Allocated to the dividend equalisation fund	179						179	
Allocated to owners of Additional Tier 1 capital	23							23
Allocated to other equity	49							49
Proposed dividend allocated for the EC holders	138							138
Proposed dividend allocated for the local community	141							141
Profit for the year	711	0	0	0	181	0	179	351
Changes in value - basis swaps	2							2
Tax effect of changes in value - basis swaps	0							0
Pension estimate deviations	-29				-15		-14	
Tax effect of pension estimate deviations	7				4		3	
Total other income and costs from comprehensive income	-20	0	0	0	-11	0	-11	2
Total profit for the year	691	0	0	0	170	0	168	353
Equity as at 31 December 2019	6 970	986	357	599	2 819	125	1 559	525

Statement of cash flow - Group

(NOK million)	31.12.2020	31.12.2019
Cash flow from operating activities		
Interest, commission and fees received	2 069	2 449
Interest, commission and fees paid	-521	-515
Dividend and group contribution received	22	12
Operating expenses paid	-552	-548
Income taxes paid	-99	-81
Changes relating to loans to and claims on other financial institutions	-78	200
Changes relating to repayment of loans/leasing to customers	-2 632	-3 755
Changes in utilised credit facilities	-207	52
Net change in deposits from customers	2 220	2 390
Net cash flow from operating activities	222	204
Cash flow from investing activities		
Interest received on certificates, bonds and other securities	115	134
Proceeds from the sale of certificates, bonds and other securities	7 359	8 462
Purchases of certificates, bonds and other securities	-8 919	-8 649
Proceeds from the sale of fixed assets etc.	0	0
Purchase of fixed assets etc.	-37	-33
Changes in other assets	-65	63
Net cash flow from investing activities	-1 547	-23
Cash flow from financing activities		
Interest paid on debt securities and subordinated loan capital	-388	-563
Net change in deposits from Norges Bank and other financial institutions	1 392	-138
Proceeds from bond issues raised	5 821	5 374
Redemption of debt securities	-5 912	-4 317
Dividend paid	-138	-153
Changes in other debt	47	-396
Proceeds from Additional Tier 1 capital issued	0	250
Paid interest on Additional Tier 1 capital issued	-27	-23
Net cash flow from financing activities	795	34
Net change in cash and cash equivalents	-530	215
Cash balance at 01.01	1 072	857
Cash balance at 31.12	542	1 072

Note 1

Accounting principles

The Group's interim accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), implemented by the EU as at 31 December 2020. The interim report has been prepared in compliance with IAS 34 Interim Reporting and in accordance with accounting principles and methods applied in the 2019 Financial statements.

The accounts are presented in Norwegian kroner (NOK), which is also the Parent Bank's and subsidiaries' functional currency. All amounts are stated in NOK million unless stated otherwise.

Note 1.5 in the Annual report 2019 discloses the use of estimates applied in the preparation of the annual financial statements. One of the most important areas to which critical estimates and assumptions are linked is the measurement of expected credit losses (ECL) according to IFRS 9. Covid-19 has resulted in changed assumptions for the calculation of expected losses per Q4 2020. See note 3 for further information.

Note 2

Loans and deposits broken down according to sectors

GROUP	Loans	
Broken down according to sectors	**31.12.2020**	**31.12.2019**
Agriculture and forestry	622	568
Fisheries	3 452	3 502
Manufacturing	2 703	2 346
Building and construction	971	915
Wholesale and retail trade, hotels	692	621
Supply/Offshore	1 488	1 042
Property management	7 702	7 692
Professional/financial services	933	1 186
Transport and private/public services	2 971	2 569
Total corporate/public entities	21 534	20 441
Retail customers	45 592	43 847
Total loans (gross carrying amount)	67 126	64 288
Expected credit loss (ECL) - stage 1 - Corporate	-27	-30
Expected credit loss (ECL) - stage 1 - Retail	-6	-5
Expected credit loss (ECL) - stage 2 - Corporate	-43	-58
Expected credit loss (ECL) - stage 2 - Retail	-34	-36
Expected credit loss (ECL) - stage 3 - Corporate	-146	-106
Expected credit loss (ECL) - stage 3 - Retail	-20	-24
Loans to and receivables from customers (net carrying amount) 1)	66 850	64 029
-of which loans with floating interest rate (amortised cost)	62 478	59 832
-of which loans with fixed interest rate (fair value)	4 372	4 197

1) Sparebanken Møre's total EAD is published in the bank's annual report, ref note 3 in the annual report for 2019. Total EAD is also published quarterly in the bank's Pillar 3 document, ref appendix CR6.

GROUP	Deposits	
Broken down according to sectors	**31.12.2020**	**31.12.2019**
Agriculture and forestry	196	187
Fisheries	1 446	1 252
Manufacturing	2 321	1 659
Building and construction	909	841
Wholesale and retail trade, hotels	1 082	839
Property management	1 802	1 648
Transport and private/public services	4 773	5 448
Public entities	822	777
Miscellaneous	2 306	2 467
Total corporate/public entities	15 657	15 118
Retail customers	23 366	21 685
Total deposits from customers	39 023	36 803

Note 3

Losses and impairment on loans and guarantees

Sparebanken Møre applies a three-stage approach when assessing ECL on loans to customers and financial guarantees in accordance with IFRS 9.

Stage 1: At initial recognition and if there's no significant increase in credit risk, the commitment is classified in stage 1 with 12-months ECL.

Stage 2: If a significant increase in credit risk since initial recognition is identified, but without evidence of loss, the commitment is transferred to stage 2 with lifetime ECL measurement.

Stage 3: If the credit risk increases further, including evidence of loss, the commitment is transferred to stage 3 with lifetime ECL measurement. The commitment is considered to be credit-impaired. As opposed to stage 1 and 2, effective interest rate in stage 3 is calculated on net impaired commitment (total commitment less expected credit loss) instead of gross commitment.

Staging is performed at account level and implies that two or more accounts held by the same customer can be placed in different stages.

An increase in credit risk reflects both customer-specific circumstances and development in relevant macro factors for the particular customer segment. The assessment of what is considered to be a significant increase in credit risk is based on a combination of quantitative and qualitative indicators, as well as "backstops" (see separate section regarding "backstops")

Quantitative criteria

A significant increase in credit risk is determined by comparing the PD at the reporting date with PD at initial recognition. If the actual PD is higher than initial PD, an assessment is made of whether the increase is significant.

Significant increase in credit risk since initial recognition is considered to have occurred when either

- PD has increased by 100 per cent or more and the increase in PD is more than 0.5 percentage points, or
- PD has increased by more than 2 percentage points

A 12-months PD is used to determine whether the credit risk has increased significantly.

Qualitative criteria

In addition to the quantitative assessment of a changes in the PD, a qualitative assessment is made to determine whether there has been a significant increase in credit risk, for example, if the commitment is subject to special monitoring.

"Backstops"

Credit risk is always considered to have increased significantly if the following events, "backstops", have occurred:

- the customer's contractual payments are 30 days past due
- the customer has been granted forbearance measures due to financial distress, though it is not severe enough to be individually assessed in stage 3

Significant reduction in credit risk – recovery

A customer migrates from stage 2 to stage 1 if:

- The criteria for migration from stage 1 to stage 2 is no longer present, **and**

- This is satisfied for at least one subsequent month (total 2 months)

A customer migrates from stage 3 to stage 1 or stage 2 if the customer no longer meets the conditions for migration to stage 3:

- The customer migrates to stage 2 if more than 30 days in default.
- Otherwise, the customer migrates to stage 1.

Customers who are not subject to the migration rules above are not expected to have significant change in credit risk and retain the stage from previous month.

Definition of default, credit-impaired and forbearance
A commitment is defined to be in default and credit-impaired (non-performing) if a claim is more than 90 days overdue and the overdue amount exceeds NOK 1 000.

A commitment is also defined to be credit-impaired (non-performing) if the commitment, as a result of a weakening of the debtor's creditworthiness, has been subject to an individual assessment, resulting in a lifetime ECL in stage 3.

A commitment is defined to be subject to forbearance (payment relief due to payment difficulties) if the bank agrees to changes in the terms and conditions as a result of the debtor having problems meeting payment obligations. Performing forbearance (not in default) is placed in stage 2 whereas non-performing (defaulted) forbearance is placed in stage 3.

Management override
Quarterly review meetings evaluate the basis for the accounting of ECL losses. If there are significant events that will affect an estimated loss which the model has not taken into account, relevant factors in the ECL model will be overridden.

Consequences of Covid-19 and measurement of expected credit loss (ECL) for loans and guarantees
Pursuant to the accounting rules (IAS 34), interim financial reports must provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of an entity since the last annual report. The information related to these events and transactions must take into account relevant information presented in the most recent annual report.

The interim report for Q4 2020 has been prepared in a period when the economic outlook differs from that in the annual financial statements for 2019.

The Bank’s loss provisions reflect expected credit loss (ECL) pursuant to IFRS 9. When assessing ECL, the relevant conditions at the time of reporting and expected economic developments are taken into account.

Covid-19 has resulted in an extraordinary situation for the Bank’s customers. Many corporate and retail customers have seen their income reduced in the short term, and the level of uncertainty associated with estimating the future cash flows and debt servicing capacity of these customers is high. On the other hand, other industries have had a positive economic development throughout 2020.

Changes in economic conditions have had consequences for macroeconomic scenarios and weightings in the Group’s calculations of expected credit loss (ECL) in 2020. In the first quarter of 2020, the probability of the pessimistic scenario occurring was increased from 10 to 40 per cent, while for the base case scenario it was reduced from 80 to 50 per cent.

During the fourth quarter, the outlook was more positive and clearer. Macroeconomic conditions improved. A public vaccination programme started. There was very few bankruptcies and the level of default was relatively low. The authorities announced new stimulus packages aimed at the hardest hit industries. In addition, oil prices rose markedly during the fourth quarter.

The Bank granted payment relief in the first and second quarters of 2020 due to the consequences of Covid-19. Customers who applied were granted 6-month interest-only periods until the second half of 2020. Most of the customers granted interest-only periods are now paying their installments in line with their original agreement.

As part of the process of granting payment relief, a specific, individual assessment is made of whether the application for payment relief is ‘forbearance’ and whether the loan should thus migrate to stage 2 (performing) or stage 3 (non-performing) in the Group’s ECL model.

This has been further supplemented with a more portfolio- or segment based (hotels, tourism, travel industry, personal services industry) approach to assess significantly increased credit risk and migration to stage 2. This is due to the fact that changes in future prospects are not fully captured by the ECL model.

The positive changes in economic conditions have been reflected in the macro economic scenarios and weightings as of 31.12.2020 compared to the third quarter of 2020. The probability of a pessimistic scenario occuring is reduced from 40 to 20 per cent, while the base case scenario is increased from 50 per cent to 70 per cent probability. Best case scenario is kept unchanged at 10 per cent.

Specification of credit loss in the income statement

GROUP	Q4 2020	Q4 2019	2020	2019
Changes in ECL - stage 1	0	1	-3	10
Changes in ECL - stage 2	-30	13	-15	37
Changes in ECL - stage 3	-2	-2	-3	-138
Increase in existing expected losses in stage 3 (individually assessed)	-19	-3	25	2
New expected losses in stage 3 (individually assessed)	48	3	113	155
Confirmed losses, previously impaired	152	7	161	12
Reversal of previous expected losses in stage 3 (individually assessed)	-150	-7	-165	-30
Confirmed losses, not previously impaired	39	5	44	10
Recoveries	-3	-2	-8	-8
Total impairments on loans and guarantees, etc	35	15	149	50

Changes in the loss provisions/ECL recognised in the balance sheet in the period

GROUP - 31.12.2020	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2019	36	99	240	375
New commitments	13	20	1	34
Disposal of commitments and transfer to stage 3 (individually assessed)	-12	-17	-6	-35
Changes in ECL in the period for commitments which have not migrated	-3	-22	-2	-27
Migration to stage 1	3	-22	0	-19
Migration to stage 2	-4	27	-1	22
Migration to stage 3	0	-1	5	4
Changes stage 3 (individually assessed)	-	-	-28	-28
ECL 31.12.2020	33	84	209	326
- of which expected losses on loans to retail customers	6	34	20	60
- of which expected losses on loans to corporate customers	27	43	146	216
- of which expected losses on guarantees	0	7	43	50

GROUP - 31.12.2019	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2018	26	61	251	338
New commitments	15	11	1	27
Disposal of commitments and transfer to stage 3 (individually assessed)	-5	-12	-125	-142
Changes in ECL in the period for commitments which have not migrated	2	2	0	4
Migration to stage 1	1	-22	-1	-22
Migration to stage 2	-3	60	-21	36
Migration to stage 3	0	-1	8	7
Changes stage 3 (individually assessed)	-	-	127	127
ECL 31.12.2019	36	99	240	375
- of which expected losses on loans to retail customers	5	36	24	65
- of which expected losses on loans to corporate customers	30	58	106	194
- of which expected losses on guarantees	1	5	110	116

Commitments (exposure) divided into risk groups based on probability of default

GROUP - 31.12.2020	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	52 268	569	-	52 837
Medium risk (0.5 % - < 3 %)	7 532	2 239	-	9 771
High risk (3 % - <100 %)	756	1 112	-	1 868
Credit-impaired commitments	-	-	1 050	1 050
Total commitments before ECL	60 556	3 920	1 050	65 526
- ECL	-33	-84	-209	-326
Net commitments *)	60 523	3 836	841	65 200

GROUP - 31.12.2019	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	50 157	171	-	50 328
Medium risk (0.5 % - < 3 %)	7 369	2 489	-	9 858
High risk (3 % - <100 %)	1 726	1 004	-	2 730
Credit-impaired commitments	-	-	976	976
Total commitments before ECL	59 252	3 664	976	63 892
- ECL	-36	-99	-240	-375
Net commitments *)	59 216	3 565	736	63 517

*) The tables above are based on exposure (incl. undrawn credit facilities and guarantees) and are not including fixed rate loans assessed at fair value. The figures are thus not reconcilable against balances in the statement of financial position.

Note 4

Credit-impaired commitments

The table shows total commitments in default above 90 days and other credit-impaired commitments (not above 90 days).

	31.12.2020			31.12.2019		
GROUP	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments in default above 90 days	83	72	11	162	76	86
Gross other credit-impaired commitments	967	39	928	814	34	780
Gross credit-impaired commitments	1 050	111	939	976	110	866
ECL on commitments above 90 days	18	12	6	24	19	5
ECL on other credit-impaired commitments	191	8	183	216	5	211
ECL on credit-impaired commitments	209	20	189	240	24	216
Net commitments in default above 90 days	65	60	5	138	57	81
Net other credit-impaired commitments	776	31	745	598	29	569
Net credit-impaired commitments	841	91	750	736	86	650
Gross credit-impaired commitments as a percentage of loans/guarantees	1.53	0.24	4.09	1.48	0.25	3.96
Net credit-impaired commitments as a percentage of loans/guarantees	1.22	0.20	3.27	1.12	0.20	2.98

Note 5

Classification of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet at the date when the Group becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or the company transfers the financial asset in such a way that risk and profit potential of the financial asset is substantially transferred. Financial liabilities are derecognised from the date when the rights to the contractual provisions have been extinguished, cancelled or expired.

CLASSIFICATION AND MEASUREMENT
The Group’s portfolio of financial instruments is at initial recognition classified in accordance with IFRS 9. Financial assets are classified in one of the following categories:

- Amortised cost
- Fair value with value changes through the income statement

The classification of the financial assets depends on two factors:

- The purpose of the acquisition of the financial instrument
- The contractual cash flows from the financial assets

Financial assets assessed at amortised cost
The classification of the financial assets assumes that the following requirements are met:

- The asset is acquired to receive contractual cash flows
- The contractual cash flows consist solely of principal and interest

All lending and receivables, except fixed interest rate loans, are recorded in the group accounts at amortised cost, based on expected cash flows. The difference between the issue cost and the settlement amount at maturity, is amortised over the lifetime of the loan.

Financial liabilities assessed at amortised cost
Debt securities, including debt securities included in fair value hedging, loans and deposits from credit institutions and deposits from customers, are valued at amortised cost based on expected cash flows. The portfolio of own bonds is shown in the accounts as a reduction of the debt.

Financial instruments assessed at fair value, any changes in value recognised through the income statement
The Group's portfolio of bonds in the liquidity portfolio is classified at fair value through the income statement. The portfolio is held solely for liquidity management and is traded to optimize returns within current quality requirements for the liquidity portfolio.

The Group’s portfolio of fixed interest rate loans is assessed at fair value to avoid accounting mismatch in relation to the underlying interest rate swaps.

Financial derivatives are contracts signed to mitigate an existing interest rate or currency risk incurred by the Group. Financial derivatives are recognised at fair value through the income statement and recognised gross per contract as an asset or a liability.

The Group’s portfolio of shares is assessed at fair value with any value changes through the income statement.

Losses and gains as a result of value changes on assets and liabilities assessed at fair value, with any value changes being recognised in the income statement, are included in the accounts during the period in which they occur.

LEVELS IN THE VALUATION HIERARCHY

Financial instruments are classified into different levels based on the quality of market data for each type of instrument.

Level 1 – Valuation based on prices in an active market

Level 1 comprises financial instruments valued by using quoted prices in active markets for identical assets or liabilities. This category includes listed shares, as well as bonds and certificates in LCR-level 1, traded in active markets.

Level 2 – Valuation based on observable market data

Level 2 comprises financial instruments valued by using information which is not quoted prices, but where prices are directly or indirectly observable for assets or liabilities, including quoted prices in inactive markets for identical assets or liabilities. This category includes derivatives, as well as bonds which are not included in level 1.

Level 3 – Valuation based on other than observable market data

Level 3 comprises financial instruments which cannot be valued based on directly or indirectly observable prices. This category includes loans to customers, as well as shares.

GROUP - 31.12.2020	Financial instruments at fair value through profit and loss	Financial instruments assessed at amortised cost	Total book value
Cash and claims on Norges Bank		542	542
Loans to and receivables from credit institutions		1 166	1 166
Loans to and receivables from customers	4 372	62 478	66 850
Certificates and bonds	8 563		8 563
Shares and other securities	178		178
Financial derivatives	1 793		1 793
Total financial assets	14 906	64 186	79 092
Loans and deposits from credit institutions		2 209	2 209
Deposits from and liabilities to customers		39 023	39 023
Financial derivatives	537		537
Debt securities		28 774	28 774
Subordinated loan capital		702	702
Total financial liabilities	537	70 708	71 245

GROUP - 31.12.2019	Financial instruments at fair value through profit and loss	Financial instruments assessed at amortised cost	Total book value
Cash and claims on Norges Bank		1 072	1 072
Loans to and receivables from credit institutions		1 088	1 088
Loans to and receivables from customers	4 197	59 832	64 029
Certificates and bonds	6 938		6 938
Shares and other securities	194		194
Financial derivatives	1 176		1 176
Total financial assets	12 505	61 992	74 497
Loans and deposits from credit institutions		817	817
Deposits from customers		36 803	36 803
Financial derivatives	288		288
Debt securities issued		28 271	28 271
Subordinated loan capital		704	704
Total financial liabilities	288	66 595	66 883

Net gains/losses on financial instruments

	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Certificates and bonds	2	-8	-4	-9
Securities	-9	4	-3	16
Foreign exchange trading (for customers)	8	11	52	41
Fixed income trading (for customers)	2	5	16	16
Financial derivatives	-1	-3	-9	-2
Net change in value and gains/losses from financial instruments	2	9	52	62

Note 6

Financial instruments at amortised cost

GROUP	31.12.2020		31.12.2019	
	Fair value	Book value	Fair value	Book value
Cash and claims on Norges Bank	542	542	1 072	1 072
Loans to and receivables from credit institutions	1 166	1 166	1 088	1 088
Loans to and receivables from customers	62 478	62 478	59 832	59 832
Total financial assets	64 186	64 186	61 992	61 992
Loans and deposits from credit institutions	2 209	2 209	817	817
Deposits from and liabilities to customers	39 023	39 023	36 803	36 803
Debt securities issued	28 907	28 774	28 362	28 271
Subordinated loan capital and AT1 capital	714	702	714	704
Total financial liabilities	70 853	70 708	66 696	66 595

Note 7

Financial instruments at fair value

A change in the discount rate of 10 basis points will have an impact of about NOK 15 million on loans with fixed interest rate.

GROUP - 31.12.2020	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Cash and claims on Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			4 372	4 372
Certificates and bonds	6 121	2 442		8 563
Shares and other securities	14		164	178
Financial derivatives		1 793		1 793
Total financial assets	6 135	4 235	4 536	14 906
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers				-
Debt securities				-
Subordinated loan capital and AT1 capital				-
Financial derivatives		537		537
Total financial liabilities	-	537	-	537

GROUP - 31.12.2019	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Cash and claims on Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			4 197	4 197
Certificates and bonds	4 741	2 197		6 938
Shares	6		188	194
Financial derivatives		1 176		1 176
Total financial assets	4 747	3 373	4 385	12 505
Loans and deposits from credit institutions				-
Deposits from customers				-
Debt securities issued				-
Subordinated loan capital and AT1 capital				-
Financial derivatives		288		288
Total financial liabilities	-	288	-	288

Reconciliation of movements in level 3 during the period

GROUP	Loans to and receivables from customers	Shares
Book value as at 31.12.2019	4 197	188
Purchases/additions	1 204	4
Sales/reduction	-1 058	-17
Transferred to Level 3	0	0
Transferred from Level 3	0	0
Net gains/losses in the period	29	-11
Book value as at 31.12.2020	4 372	164

GROUP	Loans to and receivables from customers	Shares
Book value as at 31.12.2018	3 811	175
Purchases/additions	1 097	10
Sales/reduction	-687	-14
Transferred to Level 3	0	0
Transferred from Level 3	0	0
Net gains/losses in the period	-24	17
Book value as at 31.12.2019	4 197	188

Note 8

Issued covered bonds

The debt securities of the Group consist of covered bonds quoted in Norwegian kroner (NOK) and Euro (EUR) issued by Møre Boligkreditt AS, in addition to certificates and bonds quoted in NOK issued by Sparebanken Møre. The table below provides an overview of the Group's issued covered bonds.

Issued covered bonds in the Group (NOK million)

ISIN code	Currency	Nominal value 31.12.2020	Interest	Issued	Maturity	Book value 31.12.2020	Book value 31.12.2019
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 221	1 187
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	330	308
XS0984191873	EUR	-	6M Euribor + 0.20 %	2013	2020	-	296
NO0010696990	NOK	-	3M Nibor + 0.45 %	2013	2020	-	231
NO0010720204	NOK	-	3M Nibor + 0.24 %	2014	2020	-	3 001
NO0010730187	NOK	1 000	fixed NOK 1.50 %	2015	2022	1 022	999
NO0010777584	NOK	3 000	3M Nibor + 0.58 %	2016	2021	3 006	3 013
XS1626109968	EUR	250	fixed EUR 0.125 %	2017	2022	2 647	2 490
NO0010819543	NOK	3 000	3M Nibor + 0.42 %	2018	2024	3 002	3 004
XS1839386577	EUR	250	fixed EUR 0.375 %	2018	2023	2 684	2 522
NO0010836489	NOK	1 000	fixed NOK 2.75 %	2018	2028	1 086	1 024
NO0010853096	NOK	3 000	3M Nibor + 0.37 %	2019	2025	2 998	2 503
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024	2 670	2 484
NO0010884950	NOK	3 000	3M Nibor + 0.42 %	2020	2025	2 998	-
XS2233150890	EUR	30	3 mnd Euribor + 0.75 %	2020	2027	327	-
Total covered bonds issued by Møre Boligkreditt AS (incl. accrued interests)						23 991	23 062

As at 31.12.2020, Sparebanken Møre held NOK 503 million in covered bonds issued by Møre Boligkreditt AS (NOK 0 million). Møre Boligkreditt AS held no own covered bonds as at 31.12.2020 (NOK 0 million).

Note 9

Operating segments

Result - Q4 2020	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	314	1	-16	132	197	0
Other operating income	72	-15	34	25	22	6
Total income	386	-14	18	157	219	6
Operating costs	157	-15	27	32	104	9
Profit before impairment	229	1	-9	125	115	-3
Impairment on loans, guarantees etc.	35	0	0	44	-9	0
Pre-tax profit	194	1	-9	81	124	-3
Taxes	47					
Profit after tax	147					

Result - 31.12.2020	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	1 228	2	15	485	726	0
Other operating income	285	-56	115	101	102	23
Total income	1 513	-54	130	586	828	23
Operating costs	630	-55	139	128	396	22
Profit before impairment	883	1	-9	458	432	1
Impairment on loans, guarantees etc.	149	0	0	149	0	0
Pre-tax profit	734	1	-9	309	432	1
Taxes	167					
Profit after tax	567					

Key figures - 31.12.2020	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Loans to customers 1)	66 850	-116	1 312	20 690	44 964	0
Deposits from customers 1)	39 023	-26	651	13 665	24 733	0
Guarantee liabilities	1 530	0	0	1 525	5	0
The deposit-to-loan ratio	58.1	0.0	49.6	66.0	55.0	0.0
Man-years	346	0	156	49	130	11

Result - Q4 2019	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	339	0	-13	136	216	0
Other operating income	75	13	16	25	16	5
Total income	414	13	3	161	232	5
Operating costs	168	13	28	33	88	6
Profit before impairment	246	0	-25	128	144	-1
Impairment on loans, guarantees etc.	15	0	0	13	2	0
Pre-tax profit	231	0	-25	115	142	-1
Taxes	41					
Profit after tax	190					

Result - 31.12.2019	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	1 314	2	5	509	798	0
Other operating income	293	-51	110	99	115	20
Total income	1 607	-49	115	608	913	20
Operating costs	646	-50	153	127	397	19
Profit before impairment	961	1	-38	481	516	1
Impairment on loans, guarantees etc.	50	0	0	40	10	0
Pre-tax profit	911	1	-38	441	506	1
Taxes	200					
Profit after tax	711					

Key figures - 31.12.2019	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Loans to customers 1)	64 029	-120	1 204	19 794	43 151	0
Deposits from customers 1)	36 803	-21	696	13 134	22 994	0
Guarantee liabilities	1 360	0	0	1 355	5	0
Deposit-to-loan ratio	57.2	0.0	57.8	66.4	53.3	0.0
Man-years	357	0	156	51	137	13

1) The subsidiary, Møre Boligkreditt AS, is part of the Bank’s Retail segment. The mortgage company's main objective is to issue covered bonds for both national and international investors, and the company is part of Sparebanken Møre's long-term financing strategy. Key figures for Møre Boligkreditt AS are displayed in a separate table.

2) Consists of head office activities not allocated to reporting segments, customer commitments towards employees as well as the subsidiary Sparebankeiendom AS, which manages the buildings owned by the Group.

	MØRE BOLIGKREDITT AS	
Statement of income	**31.12.2020**	**31.12.2019**
Net interest income	345	308
Other operating income	-1	-3
Total income	344	305
Operating costs	49	45
Profit before impairment on loans	295	260
Impairment on loans, guarantees etc.	1	-11
Pre-tax profit	294	271
Taxes	64	49
Profit after tax	230	222

Statement of financial position	**31.12.2020**	**31.12.2019**
Loans to and receivables from customers	29 041	25 655
Total equity	2 282	2 274

Note 10

Transactions with related parties

These are transactions between the Parent Bank and wholly-owned subsidiaries based on arm's length principles.

The most important transactions eliminated in the Group accounts:

PARENT BANK	31.12.2020	31.12.2019
Statement of income		
Net interest and credit commission income from subsidiaries	24	10
Received dividend from subsidiaries	227	172
Administration fee received from Møre Boligkreditt AS	41	36
Rent paid to Sparebankeiendom AS	14	13
Statement of financial position		
Claims on subsidiaries	4 876	2 290
Covered bonds	503	0
Liabilities to subsidiaries	1 475	848
Intragroup right-of-use of properties in Sparebankeiendom AS	96	107
Intragroup hedging	60	0
Accumulated loan portfolio transferred to Møre Boligkreditt AS	29 045	25 658

Note 11

EC capital

The 20 largest EC holders in Sparebanken Møre as at 31.12.2020	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	994 800	10.06
Cape Invest AS	863 813	8.74
Verdipapirfond Nordea Norge Verdi	390 343	3.95
Wenaasgruppen AS	380 000	3.84
MP Pensjon	339 781	3.44
Pareto AS	305 189	3.09
Verdipapirfond Pareto Aksje Norge	279 249	2.82
Wenaas Kapital AS	250 000	2.53
Verdipapirfondet Eika egenkapital	245 435	2.48
FLPS - Princ All Sec	204 728	2.07
Beka Holding AS	150 100	1.52
Lapas AS (Leif-Arne Langøy)	123 500	1.25
Forsvarets personell pensjonskasse	80 760	0.82
Stiftelsen Kjell Holm	79 700	0.81
PIBCO AS	75 000	0.76
BKK Pensjonskasse	58 828	0.60
Malme AS	55 000	0.56
U Aandals Eftf AS	50 000	0.51
Spesialfondet Borea utbytte	44 029	0.45
Storebrand Norge I Verdipapirfond	41 905	0.42
Total 20 largest EC holders	5 012 160	50.69
Total number of ECs	9 886 954	100.00

Note 12

Capital adequacy

Capital adequacy for Sparebanken Møre is calculated in accordance with IRB Foundation for credit risk. Market risk calculations are based on the standard method and operational risk calculations on the basic method.

The countercyclical capital buffer was reduced from 2.5 per cent to 1.0 per cent with effect from 13 March 2020. The level is set by the Ministry of Finance based on advice from Norges Bank. The countercyclical capital buffer can be increased with 12 months notice. No changes have been announced in 2020.

The requirement for Common Equity Tier 1 capital (CET1) for Pillar 1 is 11.0 per cent. The requirement consists of a minimum requirement of 4.5 per cent, a conservation buffer of 2.5 per cent, a systemic risk buffer of 3.0 per cent and a countercyclical capital buffer of 1.0 per cent. In addition, Finanstilsynet has set an individual Pillar 2 requirement of 1.7 per cent for Sparebanken Møre, however a minimum of NOK 590 million.

The capital adequacy reported in the Q4 report is based on a proposed cash dividend of NOK 4.50 per equity certificate, a total of NOK 44 million, and an allocation to dividend funds for the local community totalling NOK 45 million.

	31.12.2020	31.12.2019
EC capital	989	989
- ECs owned by the Bank	-2	-3
Share premium	357	357
Additional Tier 1 capital (AT1)	599	599
Primary capital fund	3 029	2 819
Gift fund	125	125
Dividend equalisation fund	1 768	1 559
Proposed dividend for EC holders	44	138
Proposed dividend for the local community	45	140
Other equity	254	246
Total equity	7 208	6 970
Tier 1 capital (T1)		
Goodwill, intangible assets and other deductions	-56	-53
Value adjustments of financial instruments at fair value	-16	-14
Additional Tier 1 capital (AT1)	-599	-599
Expected IRB-losses exceeding ECL	-480	-352
Deduction for proposed dividend for EC holders	-44	-138
Deduction for proposed dividend for the local community	-45	-140
Total Common Equity Tier 1 capital (CET1)	5 968	5 673
Additional Tier 1 capital - classified as equity	599	599
Additional Tier 1 capital - classified as debt	0	0
Total Tier 1 capital (T1)	6 567	6 272

Tier 2 capital (T2)	31.12.2020	31.12.2019
Subordinated loan capital of limited duration	702	704
Total Tier 2 capital (T2)	702	704

Net equity and subordinated loan capital	7 269	6 976

Risk weighted assets (RWA) by exposure classes

Credit risk - standardised approach	31.12.2020	31.12.2019
Central governments or central banks	0	0
Regional governments or local authorities	248	188
Public sector companies	99	73
Institutions (banks etc)	538	342
Covered bonds	454	373
Equity	173	148
Other items	640	666
Total credit risk - standardised approach	2 152	1 790

Credit risk - IRB Foundation		
Retail - Secured by real estate	9 932	8 684
Retail - Other	411	431
Corporate lending	18 419	17 969
Total credit risk - IRB-F	28 762	27 084

Credit value adjustment risk (CVA) - market risk	396	535
Operational risk (basic method)	2 840	2 735
Risk weighted assets (RWA)	**34 150**	**32 144**

Minimum requirement Common Equity Tier 1 capital (4.5 %)	1 537	1 446

Buffer requirements	31.12.2020	31.12.2019
Capital conservation buffer , 2.5 %	854	804
Systemic risk buffer, 3.0 %	1 025	964
Countercyclical buffer, 1.0 % (2.5 % per 31.12.2019)	342	804
Total buffer requirements	2 220	2 572
Available Common Equity Tier 1 capital after buffer requirements	2 212	1 655

Capital adequacy as a percentage of risk weighted assets (RWA)	31.12.2020	31.12.2019
Capital adequacy ratio	21.3	21.7
Tier 1 capital ratio	19.2	19.5
Common Equity Tier 1 capital ratio	17.5	17.7

Leverage Ratio (LR)	31.12.2020	31.12.2019
Basis for calculation of leverage ratio	82 643	77 552
Leverage Ratio (LR)	8.0	8.1

Note 13

Events after the reporting period

No events have occurred after the reporting period that will materially affect the figures presented as of 31 December 2020.

There is still great uncertainty associated with Covid-19. This uncertainty is reflected in the calculations of expected losses. Please see the interim report from the Board of Directors as well as note 3 for further information.

Statement of income - Parent Bank

STATEMENT OF INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q4 2020	Q4 2019	2020	2019
Interest income from assets at amortised cost	258	367	1 140	1 367
Interest income from assets at fair value	21	71	169	245
Interest costs	60	179	426	605
Net interest income	219	259	883	1 007
Commission income and revenues from banking services	54	59	209	220
Commission costs and expenditure from banking services	7	7	26	26
Other operating income	11	10	44	38
Net commission and other operating income	58	62	227	232
Dividends	15	6	249	184
Net gains/losses on financial instruments	4	13	54	65
Net return on financial instruments	19	19	303	249
Total income	296	340	1 413	1 488
Wages, salaries etc.	75	86	317	340
Administration costs	31	35	142	143
Depreciation and impairment	12	15	51	54
Other operating costs	30	21	92	80
Total operating costs	148	157	602	617
Profit before impairment on loans	148	183	811	871
Impairment on loans, guarantees etc.	37	13	148	60
Pre-tax profit	111	170	663	811
Taxes	29	37	102	150
Profit after tax	82	133	561	661
Allocated to equity owners	76	122	534	638
Allocated to owners of Additional Tier 1 capital	6	11	27	23
Profit per EC (NOK) 1)	3.88	6.10	26.83	32.00
Diluted earnings per EC (NOK) 1)	3.88	6.10	26.83	32.00
Distributed dividend per EC (NOK)	0.00	0.00	14.00	15.50

STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q4 2020	Q4 2019	2020	2019
Profit after tax	82	133	561	661
Items that may subsequently be reclassified to the income statement:				
Basisswap spreads - changes in value	0	0	0	0
Tax effect of changes in value on basisswap spreads	0	0	0	0
Items that will not subsequently be reclassified to the income statement:				
Pension estimate deviations	-36	-29	-36	-29
Tax effect of pension estimate deviations	9	7	9	7
Total comprehensive income after tax	55	111	534	639
Allocated to equity owners	49	100	507	616
Allocated to owners of Additional Tier 1 capital	6	11	27	23

1) Calculated using the EC-holders' share (49.6 %) of the period's profit to be allocated to equity owners.

Statement of financial position - Parent Bank

ASSETS (COMPRESSED)

(NOK million)	31.12.2020	31.12.2019
Cash and claims on Norges Bank	542	1 072
Loans to and receivables from credit institutions	5 925	3 259
Loans to and receivables from customers	37 925	38 494
Certificates, bonds and other interest-bearing securities	8 950	6 260
Financial derivatives	677	586
Shares and other securities	178	194
Equity stakes in Group companies	2 071	2 071
Intangible assets	56	53
Fixed assets	183	198
Other assets	111	84
Total assets	56 618	52 271

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	31.12.2020	31.12.2019
Loans and deposits from credit institutions	3 113	1 519
Deposits from customers	39 049	36 824
Debt securities issued	5 286	5 209
Financial derivatives	521	242
Other liabilities	742	733
Incurred costs and prepaid income	79	86
Other provisions for incurred liabilities and costs	172	230
Subordinated loan capital	702	704
Total liabilities	49 664	45 547
EC capital	989	989
ECs owned by the Bank	-2	-3
Share premium	357	357
Additional Tier 1 capital	599	599
Paid-in equity	1 943	1 942
Primary capital fund	3 029	2 819
Gift fund	125	125
Dividend equalisation fund	1 768	1 559
Other equity	89	279
Retained earnings	5 011	4 782
Total equity	6 954	6 724
Total liabilities and equity	56 618	52 271

Profit performance - Group

QUARTERLY PROFIT

(NOK million)	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net interest income	314	306	266	342	339
Other operating income	72	77	124	12	75
Total operating costs	157	149	157	167	168
Profit before impairment on loans	229	234	233	187	246
Impairment on loans, guarantees etc.	35	36	42	36	15
Pre-tax profit	194	198	191	151	231
Tax	47	45	41	34	41
Profit after tax	147	153	150	117	190

As a percentage of average assets					
Net interest income	1.58	1.54	1.35	1.80	1.79
Other operating income	0.36	0.39	0.63	0.06	0.40
Total operating costs	0.79	0.75	0.80	0.88	0.89
Profit before impairment on loans	1.15	1.18	1.18	0.98	1.30
Impairment on loans, guarantees etc.	0.18	0.18	0.21	0.19	0.08
Pre-tax profit	0.97	1.00	0.97	0.79	1.22
Tax	0.24	0.22	0.21	0.18	0.21
Profit after tax	0.73	0.78	0.76	0.61	1.01

Alternative Performance Measures

Sparebanken Møre has prepared Alternative Performance Measures (APMs) in accordance with ESMA's guidelines for APMs. We use APMs in our reports to provide additional information to the accounts and also as important financial performance figures for the management. The APM's are not intended to substitute accounting figures prepared in accordance with IFRS nor should they be given more emphasize. The key figures are not defined under IFRS or any other legislation and are not necessarily directly comparable with similar key figures in other banks or companies.

Total assets	**Definition**	Total assets.
	Justification	Total assets is an industry-specific designation for the sum of all assets.
	Calculation	The total of all assets.
Average assets	**Definition**	The average sum of total assets for the year, calculated as a daily average.
	Justification	This key figure is used in the calculation of percentage ratios for the performance items.
	Calculation	This figures comes from daily calculations in the accounting system and cannot be directly reconciled with the balance sheet.
Return on equity	**Definition**	Profit/loss for the financial year as a percentage of the average equity for the year. Additional Tier 1 capital classified as equity is excluded from this calculation, both in profit/loss and in equity.
	Justification	Return on equity is one of Sparebanken Møre's most important financial performance figures. It provides relevant information about the profitability of the Group by measuring the profitability of the operation in relation to the invested capital. The profit/loss is adjusted for interest on Additional Tier 1 capital, which pursuant to IFRS, is classified as equity, but in this context more naturally is classified as liability since the Additional Tier 1 capital bears interest and does not entitle to dividends.
	Calculation	Pre tax profit - interests on AT1 capital ((OB Equity-AT1-interests AT1-dividends-gifts)+(CB Equity-AT1-interests AT1-dividends-gifts))/2
	Figures	31.12.2020: (567-27)*100/(((6,970-599-0-138-141)+(7,208-599-0-44-45))/2) = 8.6 %
		31.12.2019: (711-23)/(((6.360-349-0-153-156)+(6.970-599-0-138-141))/2) = 11,7 %
Cost income ratio	**Definition**	Total operating costs in percentage of total income.
	Justification	This key figure provides information about the relation between income and costs and is a useful performance indicator for evaluating the cost-efficiency of the Group.
	Calculation	Total operating costs Total income
	Figures	31.12.2020: 630/1,513 = 41.6 %
		31.12.2019: 646/1,607 = 40.2 %
Losses as a percentage of loans, guarantees, etc	**Definition**	«Impairment on loans, guarantees etc.» in percentage of «Gross loans to and receivables from customers» at the beginning of the accounting period (annualized).
	Justification	This key figure specifies recognised impairments in relation to gross lending and gives relevant information about the bank's losses compared to lending volume. This key figure is considered to be more suitable as a comparison figure to other banks than the impairments itself since this figure is viewed in context of lending volume.
	Calculation	Losses on loans and guarantees Gross loans to and receivables from customers per 1.1.
	Figures	31.12.2020: 149/64,288 = 0.23 %
		31.12.2019: 50/60,589 = 0.08 %
Deposit-to-loan ratio	**Definition**	«Deposit from customers» as a percentage of «Gross loans to and receivables from customers».
	Justification	The deposit-to-loan ratio provides important information about how the Group finances its operations. Receivables from customers represent an important share of the financing of the Group's lending, and this key figure provides important information about the Group's dependence on market funding.
	Calculation	Deposits from customers Gross loans to and receivables from customers
	Figures	31.12.2020: 39,023/67,125 = 58.1 %
		31.12.2019: 36,803/64,288 = 57.2 %
Lending growth as a percentage	**Definition**	The period's change in «Lending to and receivables from customers» as a percentage of «Lending to and receivables from customers» over the last 12 months.
	Justification	This key figure provides information about the activity and growth in the bank's lending.
	Calculation	CB Net loans to and recievables from customers - OB Net loans to and recievables from customers OB Net loans to and recievables from customers
	Figures	31.12.2020: (66,850-64,029)/64,029 = 4.4 %
		31.12.2019: (64,029-60,346)/60,346 = 6.1 %

Deposit growth as a percentage	**Definition**	The period's change in «Receivables from customers» as a percentage of «Receivables from customers» over the last 12 months.
	Justification	This key figure provides information about the activity and growth in deposits, which is an important part of the financing of the Group's lending.
	Calculation	$\frac{\text{CB Deposit from customers - OB Deposits from customers}}{\text{OB Deposits from customers}}$
	Figures	31.12.2020: (39,023-36,803)/36,803 = 6.0 %
		31.12.2019: (36,803-34,414)/34,414 = 6.9 %
Book value per equity certificate	**Defintion**	The total equity that belongs to the owners of the bank's equity certificates (equity certificate capital, share premium, dividend equalisation fund and equity certificate holders' share of other equity, including proposed dividends) divided by the number of issued equity certificates.
	Justification	This key figure provides information about the value of the book equity per equity certificate. This gives the reader the opportunity to assess whether the market price of the equity certificate is reasonable. The key figure is calculated as equity certificate holders' share of the equity at the end of the period, divided by the number of equity certificates.
	Calculation	$\frac{\text{(Total Equity+share premium+dividend equal.fund+EC holders' share of other equity, incl.proposed dividends)}}{\text{Number of ECs issued}}$
	Figures	31.12.2020: (989+357+1,768+343*0.496)/9.886954 = 332
		31.12.2019: (989+357+1,525+595*0.496)/9.886954 = 320
Price/book value (P/B)	**Definition**	Market price on the bank's equity certificates (MORG) divided by the book value per equity certificate for the Group.
	Justification	This key figure provides information about the book value per equity certificate compared to the market price at a certain time. This gives the reader the opportunity to assess the market price of the equity certificate.
	Calculation	$\frac{\text{Market price per equity certificate}}{\text{Book value per equity certificate}}$
	Figures	31.12.2020: 296/332= 0.89
		31.12.2019: 317/320= 0.99

Sparebanken
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