

1 quarter 2021

Unaudited
interim report



Sparebanken
Møre

Financial highlights - Group

Income statement

(Amounts in percentage of average assets)

	Q1 2021		Q1 2020		2020	
	NOK million	%	NOK million	%	NOK million	%
Net interest income	305	1.51	342	1.80	1 228	1.57
Net commission and other operating income	51	0.26	53	0.29	211	0.27
Net result from financial instruments	34	0.16	-41	-0.23	74	0.09
Total income	390	1.93	354	1.86	1 513	1.93
Total operating costs	158	0.78	167	0.88	630	0.80
Profit before impairment on loans	232	1.15	187	0.98	883	1.13
Impairment on loans, guarantees etc.	14	0.07	36	0.19	149	0.19
Pre-tax profit	218	1.08	151	0.79	734	0.94
Tax	48	0.24	34	0.18	167	0.21
Profit after tax	170	0.84	117	0.61	567	0.73

Statement of financial position

(NOK million)	31.03.2021	Change in Q1 2021 (%)	31.12.2020	Change over the last 12 months (%)	31.03.2020
Total assets 4)	81 072	2.0	79 486	2.5	79 070
Average assets 4)	80 764	2.9	78 450	6.1	76 097
Loans to and receivables from customers	67 711	1.3	66 850	3.9	65 145
Gross loans to retail customers	45 967	0.8	45 592	3.6	44 378
Gross loans to corporate and public entities	22 033	2.3	21 534	4.7	21 050
Deposits from customers	40 301	3.3	39 023	7.7	37 432
Deposits from retail customers	23 677	1.3	23 366	6.2	22 296
Deposits from corporate and public entities	16 624	6.2	15 657	9.8	15 136

Key figures and alternative performance measures (APMs)

	Q1 2021	Q1 2020	2020
Return on equity (annualised) 3) 4)	10.4	7.1	8.6
Cost/income ratio 4)	40.5	47.2	41.6
Losses as a percentage of loans (annualised) 4)	0.09	0.22	0.23
Gross credit-impaired commitments as a percentage of loans/guarantees	1.52	1.50	1.53
Net credit-impaired commitments as a percentage of loans/guarantees	1.19	1.12	1.22
Deposit-to-loan ratio 4)	59.3	57.5	58.1
Liquidity Coverage Ratio (LCR)	138	125	138
Lending growth as a percentage 4)	3.9	6.3	4.4
Deposit growth as a percentage 4)	7.7	6.7	6.0
Capital adequacy ratio 1)	20.6	20.7	20.8
Tier 1 capital ratio 1)	18.6	18.6	18.7
Common Equity Tier 1 capital ratio (CET1) 1)	16.9	16.9	17.0
Leverage Ratio (LR) 1)	7.7	7.8	7.7
Man-years	343	354	346

Equity Certificates (ECs)

	31.03.2021	31.03.2020	2020	2019	2018	2017
Profit per EC (Group) (NOK) 2)	8.26	5.46	27.10	34.50	29.60	27.70
Profit per EC (Parent Bank) (NOK) 2)	17.20	14.47	26.83	32.00	28.35	27.00
EC fraction 1.1 as a percentage (Parent Bank)	49.6	49.6	49.6	49.6	49.6	49.6
EC capital (NOK million)	988.70	988.70	988.70	988.70	988.70	988.70
Price at Oslo Stock Exchange (NOK)	328	257	296	317	283	262
Stock market value (NOK million)	3 243	2 540	2 927	3 134	2 798	2 590
Book value per EC (Group) (NOK) 4)	335	325	332	320	303	289
Dividend per EC (NOK)	0.00	0.00	4.50	14.00	15.50	14.00
Price/Earnings (Group, annualised)	9.9	11.8	10.9	9.2	9.5	9.4
Price/Book value (P/B) (Group) 2) 4)	0.98	0.79	0.89	0.99	0.93	0.91

1) Incl. 50 % of the profit after tax

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 Q1 2021

Profit after tax was NOK 170 million for the first quarter of 2021, or 0.84 per cent of average assets, compared with NOK 117 million, or 0.61 per cent, for the corresponding quarter last year.

Return on equity was 10.4 per cent in the first quarter of 2021, compared with 7.1 per cent in the first quarter of 2020, and the cost/income ratio amounted to 40.5 per cent compared with 47.2 per cent in the first quarter of 2020.

Earnings per equity certificate were NOK 8.26 (NOK 5.46) for the Group and NOK 17.20 (NOK 14.47) for the parent bank.

Net interest income

Net interest income was NOK 305 million, which is NOK 37 million, or 10.8 per cent, lower than in the corresponding quarter of last year. This represents 1.51 per cent of total assets, which is 0.29 percentage points lower than in the first quarter of 2021. Adjusted for the number of interest days, net interest income in NOK in the first quarter of 2021 was on a par with net interest income in the fourth quarter of 2020.

Slightly higher interest rates resulted in higher funding costs. This, combined with strong competition in both lending and deposits, 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, while there was a major reduction in the deposit margin compared with the first quarter of 2020. In the corporate market, the interest margin for lending was slightly weaker, while the interest margin for deposits saw a significant reduction compared with the first quarter of 2020.

Other operating income

Other operating income amounted to NOK 85 million in the quarter, which is NOK 73 million higher than in the first quarter of last year. The net income from financial instruments of NOK 34 million was NOK 75 million higher than in the first quarter of 2020. Capital gains from bond holdings were NOK 8 million in the quarter, compared with capital losses of NOK 42 million in the corresponding quarter last year. Capital gains from equities amounted to NOK 10 million compared with capital losses of NOK 7 million in the first quarter of 2020. The positive change in value for fixed-rate lending amounted to NOK 8 million (NOK -10 million). The value of issued bonds changed by NOK -6 million, on a par with the same period last year. Income from currency and interest rate business for customers decreased by NOK 4 million compared with the same period last year.

Other operating income, excluding financial instruments, decreased by NOK 2 million compared with the first quarter of 2020. The reduction was mainly due to less income from money-transfer services.

See Note 7 for a specification of other operating income.

Costs

Operating costs in the quarter amounted to NOK 158 million, which is NOK 9 million lower than in the same quarter last year. Salaries and wages were NOK 6 million lower than in the corresponding period last year and amounted to NOK 83 million. Staffing has been reduced by 11 FTEs in the past 12 months to 343 FTEs. Other operating costs were NOK 3 million lower than in the same period last year. See Note 8 for a specification of costs.

The cost/income ratio was 40.5 per cent in the first quarter of 2021, which represents a reduction of 6.7 percentage points compared with the first quarter last year.

Provisions for expected losses and credit-impaired commitments

The quarterly accounts were charged NOK 14 million (NOK 36 million) in losses on loans and guarantees. This amounts to 0.07 per cent (0.19 per cent) of average total assets on an annualised basis. Losses in the corporate segment increased by NOK 11 million in the quarter, while losses in the retail segment increased by NOK 3 million.

At the end of the first quarter of 2021, total expected losses amounted to NOK 339 million, equivalent to 0.49 per cent of gross loans and guarantees (NOK 406 million and 0.61 per cent). Of the total expected losses, NOK 16 million concern credit-impaired commitments more than 90 days past due (NOK 23 million), which amounts to 0.02 per cent of gross loans and guarantees (0.03 per cent). NOK 212 million concerns other credit-impaired commitments (NOK 231 million), which is equivalent to 0.30 per cent of gross loans and guarantees (0.35 per cent).

Net credit-impaired commitments (commitments more than 90 days past due and other commitments in stage 3) have increased by NOK 85 million in the past 12 months. At end of the first quarter of 2021, the corporate market accounted for NOK 717 million of net credit-impaired commitments and the retail market NOK 115 million. In total, this represents 1.19 per cent of gross loans and guarantees (1.12 per cent).

Lending to customers

At the end of the first quarter of 2021, lending to customers amounted to NOK 67,711 million (NOK 65,145 million). Customer lending has increased by a total of NOK 2,566 million, or 3.9 per cent, in the past 12 months. Retail lending has increased by 3.6 per cent and corporate lending has increased by 4.7 per cent in the past 12 months. Lending to corporate customers increased by 2.3 per cent in the first quarter of 2021, while lending to retail customers rose by 0.8 per cent. Retail lending accounted for 67.6 per cent of total lending at the end of the first quarter of 2021 (67.7 per cent).

Deposits from customers

Customer deposits have increased by NOK 2,869 million, or 7.7 per cent, in the past 12 months. At the end of the first quarter of 2021, deposits amounted to NOK 40,301 million (NOK 37,432 million). Retail deposits have increased by 6.2 per cent in the past 12 months, while corporate deposits have increased by 8.0 per cent and public sector deposits by 40.6 per cent. The retail market's relative share of deposits amounted to 58.8 per cent (59.6 per cent), while deposits from the corporate market accounted for 38.3 per cent (38.1 per cent) and from the public sector market 2.9 per cent (2.3 per cent). The deposit-to-loan ratio was 59.3 per cent at the end of the first quarter of 2021 (57.5 per cent).

MREL

In a letter to Sparebanken Møre dated 14 December 2020, the Financial Supervisory Authority of Norway set the bank's minimum requirement for own funds and eligible liabilities (MREL) at 31.4 per cent of the adjusted risk weighted assets. In its letter, the Financial Supervisory Authority of Norway added that the Group must meet the requirement by 31 March 2021 and that the bank must have submitted a plan for phasing in non-preferred liabilities by the same date.

The requirement must be met using senior non-preferred capital (SNP) by 1 January 2024. Prior to this date, the Group can include senior preferred debt (SP), issued by Sparebanken Møre with a remaining term to maturity of at least 1 year, to meet the minimum requirement.

The phasing in designed to satisfy the requirement must, as a minimum, be linear in 2021, 2022 and 2023, such that during 2021 the Group will, as a minimum, phase in one third of the remaining need in the phasing in period 2021-2023, calculated as at 31 December 2020.

Sparebanken Møre sent a letter to the Financial Supervisory Authority of Norway dated 26 March concerning the bank's plan for phasing in SNP.

The bank issued its first SNP bond in the first quarter. The NOK 750 million bond (with a six non-call five structure) was issued in the market at interest of 3-month NIBOR + 0.67 percentage points.

CAPITAL ADEQUACY

Sparebanken Møre is well capitalised. At the end of the first quarter, the Common Equity Tier 1 capital ratio was 16.9 per cent (16.9 per cent), including 50 per cent of the result for the year to date. This is 4.2 percentage points higher than the total regulatory minimum requirement of 12.7 per cent for the Common Equity Tier 1 capital ratio. The primary capital ratio, including 50 per cent of the result for the year to date, was 20.6 per cent (20.7 per cent) and the Tier 1 capital ratio was 18.6 per cent (18.6 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 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 the end of the first quarter of 2021. 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.

Sparebanken Møre's internal target for its Common Equity Tier 1 capital ratio is 15.2 per cent.

The leverage ratio (LR) at the end of the first quarter of 2021 was 7.7 per cent, 0.1 percentage points lower than at the end of the first quarter of 2020. 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 59 million after tax in the first quarter of 2021 (NOK 48 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 the end of the first quarter of 2021, the company had outstanding bonds of NOK 26 billion in the market. Around 30 per cent was issued in a currency other than NOK. NOK 1,633 million of the volume of bonds issued by the company was held by the parent bank at the end of the first quarter of 2021. Møre Boligkreditt AS contributed NOK 59 million to the Group's result in the first quarter of 2021 (NOK 48 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company contributed NOK -0.3 million to the result in the first quarter of 2021 (NOK -0.4 million). At the end of the quarter, the company employed 14 full-time equivalents.

Sparebankeiendom AS's purpose is to own and manage the bank's commercial properties. The company contributed NOK 0.4 million to the result in the first quarter of 2021 (NOK 0.4 million). The company has no employees.

EQUITY CERTIFICATES

At the end of the first quarter of 2021, there were 5,617 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 14 includes a list of the 20 largest holders of the bank's equity certificates. As at 31 March 2021, the bank owned 22,111 of its own equity certificates. These were purchased on the Oslo Børs at market prices.

FUTURE PROSPECTS

Developments in the labour market in Møre og Romsdal indicate that the trends in output and employment in the county were stable during the first quarter of 2021. Unemployment has fallen since the start of the year. At the end of March, the number of unemployed people registered at job centres amounted to 2.8 per cent of the workforce according to NAV. In comparison, the national unemployment rate was 4.2 per cent. Furthermore, almost 7,000 new jobs were added in the public and private sectors in the first quarter.

The long-term economic prospects have improved. This is due to comprehensive infection control measures, the rollout of vaccines and sustained financial support measures. Nevertheless, a number of

industries are facing serious economic situations. This is particularly true for the hotel and restaurant industry, personal services, maritime industries and their suppliers and oil-related industries. Therefore, there is a risk that the number of bankruptcies will increase as financial support measures are discontinued.

The growth rate for household lending for Norway as a whole has been stable so far in 2021. Growth in corporate lending has been increasing and is now slightly higher than it was at the end of last year.

The bank noted good activity during the first quarter of the year with a slightly lower growth rate both in retail- and corporate lending compared with the annual growth rates at the end of 2020. The 12-month figures for growth were 3.6 per cent for retail lending and 4.7 per cent for corporate lending. Deposits increased by 7.7 per cent in the past 12 months up to the end of the first quarter of 2021, and the deposit-to-loan ratio remains high.

Sparebanken Møre expects lending growth for the bank in 2021 to be slightly higher than the growth in 2020 and end up at around 5 per cent. Deposit growth is expected to remain high.

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

Although Sparebanken Møre's strategic financial performance targets were not achieved in 2020 and activity reducing measures related to the Covid-19 pandemic are expected to have an impact on the market also in 2021, our targets of a return on equity above 11 per cent and a cost/income ratio of less than 40 per cent stand. The bank has taken steps to achieve these targets.

Ålesund, 31 March 2021

28 April 2021

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

LEIF-ARNE LANGØY, Chair of the Board

HENRIK GRUNG, Deputy Chair

JILL AASEN

ANN MAGRITT BJÅSTAD VIKERBAKK

KÅRE ØYVIND VASSDAL

THERESE MONSÅS LANGSET

HELGE KARSTEN KNUDSEN

MARIE REKDAL HIDE

TROND LARS NYDAL, CEO

Statement of income - Group

STATEMENT OF INCOME - GROUP (COMPRESSED)

(NOK million)	Note	Q1 2021	Q1 2020	2020
Interest income from assets at amortised cost		384	565	1 762
Interest income from assets at fair value		36	75	192
Interest expenses		115	298	726
Net interest income	<u>3</u>	305	342	1 228
Commission income and revenues from banking services		53	54	210
Commission expenses and charges from banking services		8	7	26
Other operating income		6	6	27
Net commission and other operating income	<u>7</u>	51	53	211
Dividends		1	6	22
Net change in value of financial instruments		33	-47	52
Net result from financial instruments	<u>7</u>	34	-41	74
Total other income		85	12	285
Total income	<u>7</u>	390	354	1 513
Salaries, wages etc.		83	89	332
Depreciation and impairment of non-financial assets		12	13	46
Other operating expenses		63	65	252
Total operating expenses	<u>8</u>	158	167	630
Profit before impairment on loans		232	187	883
Impairment on loans, guarantees etc.	<u>5</u>	14	36	149
Pre-tax profit		218	151	734
Taxes		48	34	167
Profit after tax		170	117	567
Allocated to equity owners		164	109	540
Allocated to owners of Additional Tier 1 capital		6	8	27
Profit per EC (NOK) 1)		8.26	5.46	27.10
Diluted earnings per EC (NOK) 1)		8.26	5.46	27.10
Distributed dividend per EC (NOK)		0.00	0.00	14.00

STATEMENT OF COMPREHENSIVE INCOME - GROUP (COMPRESSED)

(NOK million)	Q1 2021	Q1 2020	2020
Profit after tax	170	117	567
Items that may subsequently be reclassified to the income statement:			
Basisswap spreads - changes in value	-9	6	3
Tax effect of changes in value on basisswap spreads	2	-1	-1
Items that will not subsequently be reclassified to the income statement:			
Pension estimate deviations	0	0	-36
Tax effect of pension estimate deviations	0	0	9
Total comprehensive income after tax	163	122	542
Allocated to equity owners	157	114	515
Allocated to owners of Additional Tier 1 capital	6	8	27

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	31.03.2021	31.03.2020	31.12.2020
Cash and claims on Norges Bank	<u>9 10 13</u>	221	653	542
Loans to and receivables from credit institutions	<u>9 10 13</u>	2 566	1 775	1 166
Loans to and receivables from customers	<u>4 5 6 9 11 13</u>	67 711	65 145	66 850
Certificates, bonds and other interest-bearing securities	<u>9 11 13</u>	8 767	7 758	8 563
Financial derivatives	<u>9 11</u>	1 189	3 149	1 793
Shares and other securities	<u>9 11</u>	188	181	178
Intangible assets		54	51	56
Fixed assets		218	232	224
Other assets		158	126	114
Total assets		81 072	79 070	79 486

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	Note	31.03.2021	31.03.2020	31.12.2020
Loans and deposits from credit institutions	<u>9 10 13</u>	1 566	3 146	2 209
Deposits from customers	<u>4 9 10 13</u>	40 301	37 432	39 023
Debt securities issued	<u>9 10 12</u>	29 758	28 550	28 774
Financial derivatives	<u>9 11</u>	407	1 228	537
Other provisions for incurred costs and prepaid income		83	70	78
Pension liabilities		57	29	57
Tax payable		110	92	111
Provisions for guarantee liabilities		50	123	50
Deferred tax liabilities		194	146	194
Other liabilities		567	465	543
Subordinated loan capital	<u>9 10</u>	702	704	702
Total liabilities		73 795	71 985	72 278
EC capital	<u>14</u>	989	989	989
ECs owned by the bank		-2	-2	-2
Share premium		357	357	357
Additional Tier 1 capital		599	599	599
Paid-in equity		1 943	1 943	1 943

Primary capital fund	2 939	2 819	2 939
Gift fund	125	125	125
Dividend equalisation fund	1 679	1 559	1 679
Other equity	428	517	522
Comprehensive income for the period	163	122	0
Retained earnings	5 334	5 142	5 265
Total equity	7 277	7 085	7 208
Total liabilities and equity	81 072	79 070	79 486

Statement of changes in equity - Group

GROUP 31.03.2021	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Other equity
Equity as of 31.12.2020	7 208	987	357	599	2 939	125	1 679	522
Changes in own equity certificates	0							
Distributed dividends to the EC holders	-44							-44
Distributed dividends to the local community	-45							-45
Interests on issued Additional Tier 1 capital	-6							-6
Comprehensive income for the period	163							163
Equity as at 31 March 2021	7 277	987	357	599	2 939	125	1 679	591

GROUP 31.03.2020	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Other equity
Equity as of 31.12.2019	6 970	986	357	599	2 819	125	1 559	525
Changes in own equity certificates	1	1						
Interests on issued Additional Tier 1 capital	-8							-8
Comprehensive income for the period	122							122
Equity as at 31 March 2020	7 085	987	357	599	2 819	125	1 559	639

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 dividends to the EC holders	-138							-138
Distributed dividends 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	134				134			
Allocated to the dividend equalisation fund	132						132	
Allocated to owners of Additional Tier 1 capital	27							27
Allocated to other equity	6							6
Proposed dividends allocated for the EC holders	44							44
Proposed dividends allocated for the local community	45							45
Dividends that can be distributed to EC holders in accordance with board authorisation	89							89
Dividends that can be distributed to the local community in accordance with board authorisation	90							90
Profit for the year	567	0	0	0	134	0	132	301
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
Comprehensive income for the year	542	0	0	0	120	0	119	303
Equity as at 31 December 2020	7 208	987	357	599	2 939	125	1 679	522

Statement of cash flow - Group

(NOK million)	31.03.2021	31.03.2020	31.12.2020
Cash flow from operating activities			
Interest, commission and fees received	459	643	2 069
Interest, commission and fees paid	-77	-201	-521
Dividend and group contribution received	1	6	22
Operating expenses paid	-118	-192	-552
Income taxes paid	-47	-42	-99
Changes relating to loans to and claims on other financial institutions	-1 401	-687	-78
Changes relating to repayment of loans/leasing to customers	-614	-609	-2 632
Changes in utilised credit facilities	-258	-531	-207
Net change in deposits from customers	1 278	629	2 220
Net cash flow from operating activities	-777	-984	222
Cash flow from investing activities			
Interest received on certificates, bonds and other securities	22	40	115
Proceeds from the sale of certificates, bonds and other securities	522	3 027	7 359
Purchases of certificates, bonds and other securities	-1 949	-4 008	-8 919
Proceeds from the sale of fixed assets etc.	0	0	0
Purchase of fixed assets etc.	-2	-4	-37
Changes in other assets	34	157	-65
Net cash flow from investing activities	-1 373	-788	-1 547
Cash flow from financing activities			
Interest paid on debt securities and subordinated loan capital	-66	-161	-388
Net change in deposits from Norges Bank and other financial institutions	-643	2 329	1 392
Proceeds from bond issues raised	3 523	0	5 821
Redemption of debt securities	-896	-980	-5 912
Dividend paid	0	0	-138
Changes in other debt	-83	173	47
Proceeds from Additional Tier 1 capital issued	0	0	0
Paid interest on Additional Tier 1 capital issued	-6	-8	-27
Net cash flow from financing activities	1 829	1 353	795
Net change in cash and cash equivalents	-321	-419	-530
Cash balance at 01.01	542	1 072	1 072
Cash balance at 31.03/31.12	221	653	542

Note 1

Accounting principles

The Group's interim accounts have been prepared in accordance with adopted International Financial Reporting Standards (IFRS), approved by the EU as at 31 March 2021. The interim report has been prepared in compliance with IAS 34 Interim Reporting and in accordance with accounting principles and methods applied in the 2020 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 2

Capital adequacy

Sparebanken Møre calculates and reports capital adequacy in compliance with the EU's capital requirements regulation and directive (CRR/CRD IV). Sparebanken Møre is granted permission from the Financial Supervisory Authority of Norway (FSA) to use internal rating methods, IRB Foundation for credit risk. Calculations regarding market risk are performed using the standard method and for operational risk the basic method is used.

Sparebanken Møre has a total requirement for Common Tier 1 capital ratio (CET1) of 12.7 per cent. The requirement consists of a minimum requirement of 4.5 per cent, a capital 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, the FSA has set an individual Pillar 2 requirement for Sparebanken Møre of 1.7 per cent, albeit a minimum of NOK 590 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 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 so far in 2021.

Sparebanken Møre has an internal target for CET1 of 15.2 per cent.

Reported capital adequacy in the annual report for 2020 was based on a proposed cash dividend of NOK 4.50 per equity certificate, a total of NOK 44 million, and dividend funds to the local community totaling NOK 45 million.

On 23 March 2021, the General Meeting made a decision to authorise the Board of Directors to decide on further distribution of dividends on the basis of the bank's annual accounts for 2020 of up to NOK 9.00 per equity certificate and up to NOK 91 million in dividends for local communities. The authorisation is valid until the ordinary General Meeting in 2022. The funds that can be distributed in accordance with the board authorisation have been transferred to other equity pending any distribution, instead of to the equalisation fund and primary capital as originally proposed. The funds transferred to other equity shall not be included in the calculation of Common Equity Tier 1 capital, which resulted in a reduction in the CET1 capital ratio as at 31.12.2020 from 17.5 per cent to 17.0 per cent. Similarly, the Tier 1 capital ratio was reduced from 19.2 per cent to 18.7 per cent and the capital adequacy ratio was reduced from 21.3 per cent to 20.8 per cent.

The figures as of 31 December 2020 in the quarterly report have been revised in relation to reported capital adequacy in the annual report for 2020, thus reflecting the General Meeting's resolution of 23 March 2021.

Equity	31.03.2021	31.03.2020	31.12.2020
EC capital	989	989	989
- ECs owned by the bank	-2	-2	-2
Share premium	357	357	357
Additional Tier 1 capital (AT1)	599	599	599
Primary capital fund	2 939	2 819	2 939
Gift fund	125	125	125
Dividend equalisation fund	1 679	1 559	1 679
Proposed dividend for EC holders	0	138	44
Proposed dividend for the local community	0	140	45
Equity that can be granted in accordance with board authorisation	179	0	179
Other equity	249	239	254
Comprehensive income for the period	163	122	
Total equity	7 277	7 085	7 208

Tier 1 capital (T1)	31.03.2021	31.03.2020	31.12.2020
Goodwill, intangible assets and other deductions	-54	-51	-56
Value adjustments of financial instruments at fair value	-15	-16	-16
Deduction of overfunded pension liability	0	-3	0
Additional Tier 1 capital (AT1)	-599	-599	-599
Expected IRB-losses exceeding ECL calculated according to IFRS 9	-490	-338	-480
Deduction for proposed dividend for EC holders	0	-138	-44
Deduction for proposed dividend for the local community	0	-140	-45
Deduction for equity that can be granted in accordance with board authorisation	-179	0	-179
Deduction of comprehensive income for the period	-163	-122	
Total Common Equity Tier 1 capital (CET1)	5 777	5 678	5 788
Additional Tier 1 capital - classified as equity	599	599	599
Additional Tier 1 capital - classified as debt	0	0	0
Total Tier 1 capital (T1)	6 376	6 277	6 387

Tier 2 capital (T2)	31.03.2021	31.03.2020	31.12.2020
Subordinated loan capital of limited duration	702	704	702
Total Tier 2 capital (T2)	702	704	702
Net equity and subordinated loan capital	7 078	6 981	7 089

Risk weighted assets (RWA) by exposure classes

Credit risk - standardised approach	31.03.2021	31.03.2020	31.12.2020
Central governments or central banks	0	0	0
Local and regional authorities	280	269	248
Public sector companies	196	62	99
Institutions (banks etc)	440	790	538
Covered bonds	438	407	454
Equity	173	173	173
Other items	674	675	640
Total credit risk - standardised approach	2 201	2 376	2 152

Credit risk - IRB Foundation	31.03.2021	31.03.2020	31.12.2020
Retail - Secured by real estate	10 355	8 770	9 932
Retail - Other	456	431	411
Corporate lending	18 473	18 935	18 419
Total credit risk - IRB-F	29 284	28 136	28 762
Credit value adjustment risk (CVA) - market risk	326	826	396
Operational risk (basic method)	2 840	2 735	2 840
Risk weighted assets (RWA)	34 651	34 073	34 150
Minimum requirement Common Equity Tier 1 capital (4.5 %)	1 559	1 533	1 537
Buffer requirements	31.03.2021	31.03.2020	31.12.2020
Capital conservation buffer , 2.5 %	866	852	854
Systemic risk buffer, 3.0 %	1 040	1 022	1 025
Countercyclical buffer, 1.0 %	347	341	342
Total buffer requirements for Common Equity Tier 1 capital	2 252	2 215	2 220
Available Common Equity Tier 1 capital after buffer requirements	1 965	1 930	2 032
Capital adequacy as a percentage of risk weighted assets (RWA)	31.03.2021	31.03.2020	31.12.2020
Capital adequacy ratio	20.4	20.5	20.8
Capital adequacy ratio incl. 50 % of the profit	20.6	20.7	-
Tier 1 capital ratio	18.4	18.4	18.7
Tier 1 capital ratio incl. 50 % of the profit	18.6	18.6	-
Common Equity Tier 1 capital ratio	16.7	16.7	17.0
Common Equity Tier 1 capital ratio incl. 50 % of the profit	16.9	16.9	-
Leverage Ratio (LR)	31.03.2021	31.03.2020	31.12.2020
Basis for calculation of leverage ratio	83 391	81 376	82 643
Leverage Ratio (LR)	7.6	7.7	7.7
Leverage Ratio (LR) incl. 50 % of the profit	7.7	7.8	-

Note 3

Operating segments

Result - Q1 2021	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	305	0	-3	125	183	0
Other operating income	85	-15	45	26	23	6
Total income	390	-15	42	151	206	6
Operating costs	158	-15	28	34	105	6
Profit before impairment	232	0	14	117	101	0
Impairment on loans, guarantees etc.	14	0	0	11	3	0
Pre-tax profit	218	0	14	106	98	0
Taxes	48					
Profit after tax	170					

Key figures - 31.03.2021	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	68 000	-115	1 218	21 391	45 506	0
Expected credit loss on loans	-289	0	0	-225	-64	0
Net loans to customers	67 711	-115	1 218	21 166	45 442	0
Deposits from customers 1)	40 301	-17	667	14 588	25 063	0
Guarantee liabilities	1 642	0	0	1 637	5	0
Expected credit loss on guarantee liabilities	50	0	0	50	0	0
The deposit-to-loan ratio	59.3	14.8	54.8	68.2	55.1	0.0
Man-years	343	0	160	42	127	14

Result - Q1 2020	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	342	1	22	129	190	0
Other operating income	12	-13	-35	28	28	4
Total income	354	-12	-13	157	218	4
Operating costs	167	-13	37	38	101	4
Profit before impairment	187	1	-50	119	117	0
Impairment on loans, guarantees etc.	36	0	0	9	27	0
Pre-tax profit	151	1	-50	110	90	0
Taxes	34					
Profit after tax	117					

Key figures - 31.03.2020	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	65 428	-119	1 484	20 579	43 484	0
Expected credit loss on loans	-283	0	0	-195	-88	0
Net loans to customers	65 145	-119	1 484	20 384	43 396	0
Deposits from customers 1)	37 432	-16	786	13 089	23 573	0
Guarantee liabilities	1 762	0	0	1 756	6	0
Expected credit loss on guarantee liabilities	123	0	0	123	0	0
The deposit-to-loan ratio	57.2	13.4	53.0	63.6	54.2	0
Man-years	354	0	157	50	134	13

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
Gross loans to customers 1)	67 126	-116	1 312	20 907	45 023	0
Expected credit loss on loans	-276	0	0	-217	-59	0
Net loans to customers	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
Expected credit loss on guarantee liabilities	50	0	0	50	0	0
The deposit-to-loan ratio	58.1	0.0	49.6	65.4	54.9	0.0
Man-years	346	0	156	49	130	11

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. 20

MØRE BOLIGKREDITT AS

Statement of income	Q1 2021	Q1 2020	31.12.2020
Net interest income	88	81	345
Other operating income	1	-5	-1
Total income	89	76	344
Operating costs	13	12	49
Profit before impairment on loans	76	64	295
Impairment on loans, guarantees etc.	0	3	1
Pre-tax profit	76	61	294
Taxes	17	13	64
Profit after tax	59	48	230

Statement of financial position	31.03.2021	31.03.2020	31.12.2020
Loans to and receivables from customers	29 198	25 880	29 041
Total equity	2 102	2 102	2 282

Note 4

Loans and deposits broken down according to sectors

The loan portfolio with agreed floating interest is measured at amortised cost, while the loan portfolio with fixed interest rates is measured at fair value.

31.03.2021		GROUP				
Sector/industry	Gross loans at amortised cost	ECL Stage 1	ECL Stage 2	ECL Stage 3	Loans at fair value	Net loans
Agriculture and forestry	555	0	-2	-1	52	604
Fisheries	3 602	-2	0	0	3	3 603
Manufacturing	3 107	-6	-1	-7	13	3 106
Building and construction	964	-2	-6	-2	8	962
Wholesale and retail trade, hotels	957	-2	-1	-2	6	958
Supply/Offshore	1 224	-1	-14	-140	0	1 069
Property management	7 472	-7	-8	-6	201	7 652
Professional/financial services	524	-1	-2	-1	17	537
Transport and private/public services/abroad	3 299	-4	-3	-4	29	3 317
Total corporate/public entities	21 704	-25	-37	-163	329	21 808
Retail customers	41 953	-6	-35	-23	4 014	45 903
Total loans to and receivables from customers	63 657	-31	-72	-186	4 343	67 711

31.03.2020		GROUP				
Sector/industry	Gross loans at amortised cost	ECL Stage 1	ECL Stage 2	ECL Stage 3	Loans at fair value	Net loans
Agriculture and forestry	505	0	-2	-1	53	555
Fisheries	3 583	-1	0	0	0	3 582
Manufacturing	2 233	-6	-5	-6	7	2 223
Building and construction	1 083	-1	-2	-2	3	1 081
Wholesale and retail trade, hotels	715	-1	-5	-3	3	709
Supply/Offshore	1 222	0	-22	-94	0	1 106
Property management	7 591	-7	-8	-6	139	7 709
Professional/financial services	971	-1	-2	-4	15	979
Transport and private/public services/abroad	2 902	-6	-7	0	25	2 914
Total corporate/public entities	20 805	-23	-53	-116	245	20 858
Retail customers	40 576	-8	-59	-24	3 802	44 287
Total loans to and receivables from customers	61 381	-31	-112	-140	4 047	65 145

31.12.2020	GROUP					
Sector/industry	Gross loans at amortised cost	ECL Stage 1	ECL Stage 2	ECL Stage 3	Loans at fair value	Net loans
Agriculture and forestry	569	0	-2	-1	53	619
Fisheries	3 449	-2	-2	0	3	3 448
Manufacturing	2 690	-8	-6	-7	13	2 682
Building and construction	965	-3	-6	-1	6	961
Wholesale and retail trade, hotels	686	-1	-2	-2	6	687
Supply/Offshore	1 488	-3	-16	-122	0	1 347
Property management	7 516	-7	-5	-8	186	7 682
Professional/financial services	909	-1	-1	0	24	931
Transport and private/public services/abroad	2 941	-2	-3	-5	30	2 961
Total corporate/public entities	21 213	-27	-43	-146	321	21 318
Retail customers	41 541	-6	-34	-20	4 051	45 532
Total loans to and receivables from customers	62 754	-33	-77	-166	4 372	66 850

Deposits with agreed floating and fixed interest rates are measured at amortised cost.

DEPOSITS FROM CUSTOMERS	GROUP		
Sector/industry	31.03.2021	31.03.2020	31.12.2020
Agriculture and forestry	256	231	196
Fisheries	1 928	1 227	1 446
Manufacturing	2 196	1 827	2 321
Building and construction	840	858	909
Wholesale and retail trade, hotels	1 663	730	1 082
Property management	1 925	1 753	1 802
Transport and private/public services	4 164	5 365	4 773
Public administration	1 202	855	822
Abroad	0	3	2
Others	2 450	2 287	2 304
Total corporate/public entities	16 624	15 136	15 657
Retail customers	23 677	22 296	23 366
Total	40 301	37 432	39 023

Note 5

Losses on loans and guarantees

Methodology for measuring expected credit losses (ECL) according to IFRS 9

Sparebanken Møre has developed an ECL model based on the Group's IRB parameters and 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

The definition of default has been amended from 1 January 2021 and has been extended to include breaches of special covenants and agreed payment reliefs (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 the highest of 1 per cent of the exposure (loans and undrawn credits) and NOK 1,000 for the retail market and NOK 2,000 for the corporate market. Breaches of covenants can also trigger default.

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 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. Due to both low oil prices and the ongoing Covid-19 situation, there is still considerable uncertainty associated with expected developments both in Norway and in the world economy, and the picture is constantly changing. This means that there is greater uncertainty about critical estimates.

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 experienced positive economic developments through 2020 and in the first quarter of 2021.

In the Group's calculations of expected credit loss (ECL), the macroeconomic scenarios and the weightings have been impacted by the changes in economic conditions through 2020.

In the first quarter of 2021, the outlook is more positive and clearer. There are improvements in macroeconomic conditions. The vaccination of the population has started well. There are very few

bankruptcies and the level of default is relatively low. The authorities have come up with new stimulus packages aimed at the hardest hit industries.

The bank granted payment relief in the first and second quarters of 2020 due to the consequences of Covid-19. Most of the customers granted interest-only periods are now paying their instalments 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 the economic conditions from the fourth quarter of 2020 have continued in the first quarter of 2021 and the macroeconomic scenarios and weightings as at 31 December 2020 have been continued in the first quarter of 2021. The probability of a pessimistic scenario is 20 per cent, the base case scenario is 70 per cent probability and the best case scenario is 10 per cent.

Specification of credit loss in the income statement

GROUP	Q1 2021	Q1 2020	2020
Changes in ECL - stage 1	-1	-1	-3
Changes in ECL - stage 2	-8	18	-15
Changes in ECL - stage 3	3	0	-3
Increase in existing expected losses in stage 3 (individually assessed)	21	11	25
New expected losses in stage 3 (individually assessed)	2	12	113
Confirmed losses, previously impaired	3	4	161
Reversal of previous expected losses in stage 3 (individually assessed)	-3	-9	-165
Confirmed losses, not previously impaired	0	2	44
Recoveries	-3	-1	-8
Total impairments on loans and guarantees	14	36	149

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

GROUP - 31.03.2021	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2020	33	84	209	326
New commitments	5	1	0	6
Disposal of commitments and transfer to stage 3 (individually assessed)	-2	-8	-1	-11
Changes in ECL in the period for commitments which have not migrated	-4	-4	0	-8
Migration to stage 1	1	-5	0	-4
Migration to stage 2	-1	10	-2	7
Migration to stage 3	0	-2	6	4
Changes stage 3 (individually assessed)	-	-	19	19
ECL 31.03.2021	32	76	231	339
- of which expected losses on loans to retail customers	6	35	23	64
- of which expected losses on loans to corporate customers	25	37	163	225
- of which expected losses on guarantees	1	4	45	50

GROUP - 31.03.2020	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2019	36	99	240	375
New commitments	6	2	0	8
Disposal of commitments and transfer to stage 3 (individually assessed)	-7	-4	-3	-14
Changes in ECL in the period for commitments which have not migrated	0	-1	0	-1
Migration to stage 1	4	-13	0	-9
Migration to stage 2	-4	36	-1	31
Migration to stage 3	0	-2	4	2
Changes stage 3 (individually assessed)	-	-	14	14
ECL 31.03.2020	35	117	254	406
- of which expected losses on loans to retail customers	8	59	24	91
- of which expected losses on loans to corporate customers	23	53	116	192
- of which expected losses on guarantees	4	5	114	123

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

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

GROUP - 31.03.2021	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	52 263	558	-	52 821
Medium risk (0.5 % - < 3 %)	8 855	2 026	-	10 881
High risk (3 % - <100 %)	774	1 020	-	1 794
Credit-impaired commitments	-	-	1 060	1 060
Total commitments before ECL	61 892	3 604	1 060	66 556
- ECL	-32	-76	-231	-339
Net commitments *)	61 860	3 528	829	66 217

GROUP - 31.03.2020	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	50 530	506	-	51 036
Medium risk (0.5 % - < 3 %)	7 922	2 521	-	10 443
High risk (3 % - <100 %)	808	1 262	-	2 070
Credit-impaired commitments	-	-	1 001	1 001
Total commitments before ECL	59 260	4 289	1 001	64 550
- ECL	-35	-117	-254	-406
Net commitments *)	59 225	4 172	747	64 144

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

*) 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 6

Credit-impaired commitments

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

GROUP	31.03.2021			31.03.2020			31.12.2020		
	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments in default above 90 days	73	64	9	170	73	97	83	72	11
Gross other credit-impaired commitments	987	71	916	831	40	791	967	39	928
Gross credit-impaired commitments	1 060	135	925	1 001	113	888	1 050	111	939
ECL on commitments above 90 days	16	11	5	23	15	8	18	12	6
ECL on other credit-impaired commitments	212	9	203	231	9	222	191	8	183
ECL on credit-impaired commitments	228	20	208	254	24	230	209	20	189
Net commitments in default above 90 days	57	53	4	147	58	89	65	60	5
Net other credit-impaired commitments	775	62	713	600	31	569	776	31	745
Net credit-impaired commitments	832	115	717	747	89	658	841	91	750
Gross credit-impaired commitments as a percentage of loans/guarantees	1.52	0.33	3.91	1.50	0.26	3.89	1.53	0.24	4.09
Net credit-impaired commitments as a percentage of loans/guarantees	1.19	0.25	3.03	1.12	0.21	2.89	1.22	0.20	3.27

Note 7

Other income

(NOK million)	Q1 2021	Q1 2020	2020
Guarantee commission	9	9	36
Income from the sale of insurance services (non-life/personal)	8	8	23
Income from the sale of shares in unit trusts/securities	3	3	11
Income from Discretionary Asset Management	10	10	36
Income from payment transfers	18	20	81
Other fees and commission income	5	4	23
Commission income and income from banking services	53	54	210
Commission expenses and expenses from banking services	-8	-7	-26
Income from real estate brokerage	6	4	23
Other operating income	0	2	4
Total other operating income	6	6	27
Net commission and other operating income	51	53	211
Interest hedging (for customers)	5	6	15
Currency hedging (for customers)	9	12	52
Dividend received	1	6	22
Net gains/losses on shares	10	-7	-3
Net gains/losses on bonds	8	-42	-4
Change in value of fixed-rate loans	-51	105	78
Derivates related to fixed-rate lending	59	-115	-77
Change in value of issued bonds	526	-1567	-600
Derivates related to issued bonds	-532	1561	596
Net gains/losses related to buy back of outstanding bonds	-1	0	-3
Net result from financial instruments	34	-41	74
Total other income	85	12	285

Note 8

Operating expenses

(NOK million)	Q1 2021	Q1 2020	2020
Wages	62	68	250
Pension expenses	5	5	20
Employers' social security contribution and Financial activity tax	13	14	53
Other personnel expenses	3	2	9
Wages, salaries, etc.	83	89	332
Depreciations	12	13	46
Operating expenses own and rented premises	5	4	19
Maintenance of fixed assets	2	3	9
IT-expenses	34	31	117
Marketing expenses	6	6	26
Purchase of external services	6	6	27
Expenses related to postage, telephone and newspapers etc.	2	3	10
Travel expenses	0	2	4
Capital tax	1	1	5
Other operating expenses	8	10	34
Total other operating expenses	63	65	252
Total operating expenses	158	167	630

Note 9

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 - 31.03.2021	Financial instruments at fair value through profit and loss	Financial instruments assessed at amortised cost	Total book value
Cash and claims on Norges Bank		221	221
Loans to and receivables from credit institutions		2 566	2 566
Loans to and receivables from customers	4 343	63 368	67 711
Certificates and bonds	8 767		8 767
Shares and other securities	188		188
Financial derivatives	1 189		1 189
Total financial assets	14 487	66 155	80 642
Loans and deposits from credit institutions		1 566	1 566
Deposits from and liabilities to customers		40 301	40 301
Financial derivatives	407		407
Debt securities		29 758	29 758
Subordinated loan capital		702	702
Total financial liabilities	407	72 327	72 734

GROUP - 31.03.2020	Financial instruments at fair value through profit and loss	Financial instruments assessed at amortised cost	Total book value
Cash and claims on Norges Bank		653	653
Loans to and receivables from credit institutions		1 775	1 775
Loans to and receivables from customers	4 047	61 098	65 145
Certificates and bonds	7 758		7 758
Shares and other securities	181		181
Financial derivatives	3 149		3 149
Total financial assets	15 135	63 526	78 661
Loans and deposits from credit institutions		3 146	3 146
Deposits from and liabilities to customers		37 432	37 432
Financial derivatives	1 228		1 228
Debt securities		28 550	28 550
Subordinated loan capital		704	704
Total financial liabilities	1 228	69 832	71 060

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 customers		39 023	39 023
Financial derivatives	537		537
Debt securities issued		28 774	28 774
Subordinated loan capital		702	702
Total financial liabilities	537	70 708	71 245

Note 10

Financial instruments at amortised cost

GROUP	31.03.2021		31.03.2020		31.12.2020	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Cash and claims on Norges Bank	221	221	653	653	542	542
Loans to and receivables from credit institutions	2 566	2 566	1 775	1 775	1 166	1 166
Loans to and receivables from customers	63 368	63 368	61 098	61 098	62 478	62 478
Total financial assets	66 155	66 155	63 526	63 526	64 186	64 186
Loans and deposits from credit institutions	1 566	1 566	3 146	3 146	2 209	2 209
Deposits from and liabilities to customers	40 301	40 301	37 432	37 432	39 023	39 023
Debt securities issued	29 922	29 758	28 479	28 550	28 907	28 774
Subordinated loan capital and AT1 capital	716	702	665	704	714	702
Total financial liabilities	72 505	72 327	69 722	69 832	70 853	70 708

Note 11

Financial instruments at fair value

A change in the discount rate of 10 basis points will have an impact of about NOK 11 million on loans with fixed interest rate.

GROUP - 31.03.2021	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
Cash and claims on Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			4 343	4 343
Certificates and bonds	5 445	3 322		8 767
Shares and other securities	12		175	187
Financial derivatives		1 189		1 189
Total financial assets	5 457	4 511	4 518	14 486
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers				-
Debt securities				-
Subordinated loan capital and AT1 capital				-
Financial derivatives		407		407
Total financial liabilities	-	407	-	407

GROUP - 31.03.2020	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
Cash and claims on Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			4 047	4 047
Certificates and bonds	5 282	2 476		7 758
Shares and other securities	5		176	181
Financial derivatives		3 149		3 149
Total financial assets	5 287	5 625	4 223	15 135
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers				-
Debt securities				-
Subordinated loan capital and Additional Tier 1 capital				-
Financial derivatives		1 228		1 228
Total financial liabilities	-	1 228	-	1 228

GROUP - 31.12.2020	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
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

Reconciliation of movements in level 3 during the period

GROUP	Loans to and receivables from customers	Shares
Book value as at 31.12.2020	4 372	164
Purchases/additions	220	0
Sales/reduction	-203	-6
Transferred to Level 3	0	0
Transferred from Level 3	0	0
Net gains/losses in the period	-46	17
Book value as at 31.03.2021	4 343	175

GROUP	Loans to and receivables from customers	Shares
Book value as at 31.12.2019	4 197	188
Purchases/additions	258	0
Sales/reduction	-513	-8
Transferred to Level 3	0	0
Transferred from Level 3	0	0
Net gains/losses in the period	105	-4
Book value as at 31.03.2020	4 047	176

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

Note 12

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 31.03.2021	Interest	Issued	Maturity	Book value 31.03.2021	Book value 31.03.2020	Book value 31.12.2020
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 203	1 262	1 221
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	310	364	330
XS0984191873	EUR	-	6M Euribor + 0.20 %	2013	2020	-	345	-
NO0010720204	NOK	-	3M Nibor + 0.24 %	2014	2020	-	3 001	-
NO0010730187	NOK	1 000	fixed NOK 1.50 %	2015	2022	1 008	1 011	1 022
NO0010777584	NOK	3 000	3M Nibor + 0.58 %	2016	2021	3 005	3 013	3 006
XS1626109968	EUR	250	fixed EUR 0.125 %	2017	2022	2 521	2 905	2 647
NO0010819543	NOK	3 000	3M Nibor + 0.42 %	2018	2024	3 002	3 003	3 002
XS1839386577	EUR	250	fixed EUR 0.375 %	2018	2023	2 554	2 947	2 684
NO0010836489	NOK	1 000	fixed NOK 2.75 %	2018	2028	1 053	1 115	1 086
NO0010853096	NOK	3 000	3M Nibor + 0.37 %	2019	2025	2 999	3 002	2 998
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024	2 538	2 912	2 670
NO0010884950	NOK	3 000	3M Nibor + 0.42 %	2020	2025	2 999	-	2 998
XS2233150890	EUR	30	3 M Euribor + 0.75 %	2020	2027	311	-	327
NO0010951544	NOK	2 700	3M Nibor + 0.75 %	2021	2026	2 775	-	-
Total covered bonds issued by Møre Boligkreditt AS (incl. accrued interests)						26 278	24 880	23 991

As at 31.03.2021, Sparebanken Møre held NOK 1,641 million in covered bonds issued by Møre Boligkreditt AS (NOK 823 million). Møre Boligkreditt AS held no own covered bonds as at 31.03.2021 (NOK 0 million).

Note 13

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	31.03.2021	31.03.2020	31.12.2020
Statement of income			
Net interest and credit commission income from subsidiaries	8	5	24
Received dividend from subsidiaries	237	227	227
Administration fee received from Møre Boligkreditt AS	11	9	41
Rent paid to Sparebankeiendom AS	3	3	14
Statement of financial position			
Claims on subsidiaries	3 500	2 975	4 876
Covered bonds	1 641	823	503
Liabilities to subsidiaries	2 184	3 087	1 475
Intragroup right-of-use of properties in Sparebankeiendom AS	94	106	96
Intragroup hedging	25	0	60
Accumulated loan portfolio transferred to Møre Boligkreditt AS	29 202	25 887	29 045

Note 14

EC capital

The 20 largest EC holders in Sparebanken Møre as at 31.03.2021	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	996 300	10.08
Cape Invest AS	881 851	8.92
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	266 714	2.70
Verdipapirfondet Eika egenkapital	261 173	2.64
Wenaas EFTF AS	223 626	2.26
FLPS - Princ All Sec	204 378	2.07
Beka Holding AS	150 100	1.52
Spesialfondet Borea utbytte	146 612	1.48
Lapas AS (Leif-Arne Langøy)	123 500	1.25
Forsvarets personellservice	84 160	0.85
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 Aandahls Eftf AS	50 000	0.51
Bergen kommunale pensjonskasse	50 000	0.51
Total 20 largest EC holders	5 122 255	51.81
Total number of ECs	9 886 954	100.00

Note 15

Events after the reporting date

No events have occurred after the reporting period that will materially affect the figures presented as of 31 March 2021.

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 5 for further information.

Statement of income - Parent bank

STATEMENT OF INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q1 2021	Q1 2020	2020
Interest income from assets at amortised cost	260	361	1 140
Interest income from assets at fair value	26	73	169
Interest expenses	68	173	426
Net interest income	218	261	883
Commission income and revenues from banking services	53	54	209
Commission expenses and expenditure from banking services	8	7	26
Other operating income	11	10	44
Net commission and other operating income	56	57	227
Dividends	238	233	249
Net change in value of financial instruments	31	-44	54
Net result from financial instruments	269	189	303
Total other income	325	246	530
Total income	543	507	1 413
Salaries, wages etc.	78	85	317
Depreciation and impairment of non-financial assets	13	14	51
Other operating expenses	59	61	234
Total operating expenses	150	160	602
Profit before impairment on loans	393	347	811
Impairment on loans, guarantees etc.	13	30	148
Pre-tax profit	380	317	663
Taxes	32	21	102
Profit after tax	348	296	561
Allocated to equity owners	342	288	534
Allocated to owners of Additional Tier 1 capital	6	8	27
Profit per EC (NOK) 1)	17.20	14.47	26.83
Diluted earnings per EC (NOK) 1)	17.20	14.47	26.83
Distributed dividend per EC (NOK)	0.00	0.00	14.00

STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q1 2021	Q1 2020	2020
Profit after tax	348	296	561
Items that may subsequently be reclassified to the income statement:			
Basisswap spreads - changes in value	0	0	0
Tax effect of changes in value on basisswap spreads	0	0	0
Items that will not subsequently be reclassified to the income statement:			
Pension estimate deviations	0	0	-36
Tax effect of pension estimate deviations	0	0	9
Total comprehensive income after tax	348	296	534
Allocated to equity owners	342	288	507
Allocated to owners of Additional Tier 1 capital	6	8	27

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)	31.03.2021	31.03.2020	31.12.2020
Cash and claims on Norges Bank	221	653	542
Loans to and receivables from credit institutions	5 949	4 630	5 925
Loans to and receivables from customers	38 628	39 384	37 925
Certificates, bonds and other interest-bearing securities	10 294	8 484	8 950
Financial derivatives	516	1 038	677
Shares and other securities	188	181	178
Equity stakes in Group companies	2 071	2 071	2 071
Intangible assets	54	51	56
Fixed assets	176	194	183
Other assets	153	122	111
Total assets	58 250	56 808	56 618

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	31.03.2021	31.03.2020	31.12.2020
Loans and deposits from credit institutions	3 527	4 986	3 113
Deposits from customers	40 318	37 448	39 049
Debt securities issued	5 123	4 493	5 286
Financial derivatives	368	1 215	521
Incurring costs and prepaid income	81	70	79
Pension liabilities	57	29	57
Tax payable	94	78	109
Provisions for guarantee liabilities	50	123	50
Deferred tax liabilities	65	81	65
Other liabilities	657	567	633
Subordinated loan capital	702	704	702
Total liabilities	51 042	49 794	49 664
EC capital	989	989	989
ECs owned by the bank	-2	-2	-2
Share premium	357	357	357
Additional Tier 1 capital	599	599	599
Paid-in equity	1 943	1 943	1 943

Primary capital fund	2 939	2 819	2 939
Gift fund	125	125	125
Dividend equalisation fund	1 679	1 559	1 679
Other equity	174	271	268
Comprehensive income for the period	348	296	0
Retained earnings	5 265	5 071	5 011
Total equity	7 208	7 014	6 954
Total liabilities and equity	58 250	56 808	56 618

Profit performance - Group

QUARTERLY PROFIT

(NOK million)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net interest income	305	314	306	266	342
Other operating income	85	72	77	124	12
Total operating costs	158	157	149	157	167
Profit before impairment on loans	232	229	234	233	187
Impairment on loans, guarantees etc.	14	35	36	42	36
Pre-tax profit	218	194	198	191	151
Tax	48	47	45	41	34
Profit after tax	170	147	153	150	117

As a percentage of average assets

Net interest income	1.51	1.58	1.54	1.35	1.80
Other operating income	0.42	0.36	0.39	0.63	0.06
Total operating costs	0.78	0.79	0.75	0.80	0.88
Profit before impairment on loans	1.15	1.15	1.18	1.18	0.98
Impairment on loans, guarantees etc.	0.07	0.18	0.18	0.21	0.19
Pre-tax profit	1.08	0.97	1.00	0.97	0.79
Tax	0.24	0.24	0.22	0.21	0.18
Profit after tax	0.84	0.73	0.78	0.76	0.61

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	$\frac{\text{Pre tax profit} - \text{interests on AT1 capital}}{((\text{OB Equity-AT1-interests AT1-dividends-gifts})+(\text{CB Equity-AT1-interests AT1-dividends-gifts}))/2}$
	Figures	31.03.2021: $(170-6)/(((7,208-599-27-44-45-89-90)+(7,277-599-89-90))/2*90/365)=10.4 \%$
		31.03.2020: $(117-8)/(((6,970-599-138-141)+(7,085-599-138-141))/2*91/365)=7.1 \%$
	31.12.2020: $(567-27)*100/(((6,970-599-0-138-141)+(7,208-599-0-44-45))/2)=8.6 \%$	
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	$\frac{\text{Total operating costs}}{\text{Total income}}$
	Figures	31.03.2021: $157/390=40.4 \%$
		31.03.2020: $167/354=47.2 \%$
	31.12.2020: $630/1,513 = 41.6 \%$	
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	$\frac{\text{Losses on loans and guarantees}}{\text{Gross loans to and receivables from customers per 1.1.}}$
	Figures	31.03.2021: $14/67,125*365/90=0.09 \%$
		31.03.2020: $36/64,288*365/91=0.22 \%$
	31.12.2020: $149/64,288=0.23 \%$	
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	$\frac{\text{Deposits from customers}}{\text{Gross loans to and receivables from customers}}$
	Figures	31.03.2021: $40,301/67,999=59.3 \%$
		31.03.2020: $37,432/65,428=57.2 \%$
	31.12.2020: $39,023/67,125 = 58.1 \%$	

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	$\frac{\text{CB Net loans to and recievables from customers} - \text{OB Net loans to and recievables from customers}}{\text{OB Net loans to and recievables from customers}}$
	Figures	31.03.2021: (67,711-65,145)/65,145=3.9 % 31.03.2020: (65,145-61,270)/61,270=6.3 % 31.12.2020: (66,850-64,029)/64,029=4.4 %
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	$\frac{\text{CB Deposit from customers} - \text{OB Deposits from customers}}{\text{OB Deposits from customers}}$
	Figures	31.03.2021: (40,301-37,432)/37,432=7.7 % 31.03.2020: (37,432-35,066)/35,066=6.7 % 31.12.2020: (39,023-36,803)/36,803=6.0 %
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 the market price of the equity certificate. 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	$\frac{(\text{Total Equity} + \text{share premium} + \text{dividend equal.fund} + \text{EC holders' share of other equity, incl.proposed dividends})}{\text{Number of ECs issued}}$
	Figures	31.03.2021: (989+357+1,678+(427+170-6-45-44)*0.496+44)/9.886954=335 31.03.2020: (989+357+1,559+(517+122-8-141-138)*0.496+138)/9.886954=325 31.12.2020: (989+357+1,678+269*0.496)/9.886954=332
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	31.03.2021: 328/335=0.98 31.03.2020: 257/325=0.79 31.12.2020: 296/332=0.89

