

Sbanken

Q1

First quarter 2022

(Unaudited)

Sbanken ASA

Q1

First quarter 2022 – Highlights Sbanken ASA

Annual lending growth

7.5 %
(0.2 %*)

Cost-to-income ratio

48.0 %
(40.6 %*)

ROE

10.2 %
(10.7 %*)

Net interest margin

1.49 %
(1.55 %*)

Loan loss ratio

0.03 %
(0.06 %*)

CET1 ratio

15.7 %**
(16.9 %*)

* Comparable figure corresponding period last year.

** Including 0 per cent of the profit for the first quarter of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Key figures (group)

In NOK thousand	Reference	Q1 22	Q1 21	2021
Summary of income statement				
Net interest income		377 519	384 707	1 517 710
Net fee and commission income		54 083	48 601	210 573
Net other income		14 674	-2 949	-34 995
Total income		446 276	430 359	1 693 288
Other operating expenses		-214 212	-174 737	-741 203
Operating profit before loan losses		232 066	255 621	952 085
Loan losses		-5 898	-12 742	3 470
Earnings before tax		226 168	242 879	955 555
Calculated tax		-46 685	-56 541	-222 015
Net profit		179 483	186 338	733 540
Profitability				
Return on equity	1	10.2 %	10.7 %	10.3 %
Net interest margin	2	1.49 %	1.55 %	1.53 %
Cost-to-income ratio	3	48.0 %	40.6 %	43.8 %
Earnings per share		1.61	1.68	6.62
Balance sheet figures (in NOK million)				
Total loan volume		89 423	83 211	84 671
Customer deposits		64 933	59 962	64 240
Deposit-to-loan ratio	4	74.2 %	71.4 %	75.2 %
Lending growth (gross) previous 12 months		7.5 %	0.2 %	1.5 %
Average total assets	5	102 527	100 804	98 953
Total assets, end of period		103 748	101 718	102 274
Book value per share		64.91	63.27	63.50
Losses and defaults				
Total loan loss (%)	6	0.03 %	0.06 %	0.00 %
Capital adequacy and leverage ratio				
Common equity Tier 1 capital ratio	7	15.7 %	16.9 %	16.8 %
Tier 1 capital ratio		17.3 %	18.7 %	18.6 %
Total capital ratio		19.5 %	21.0 %	20.8 %
Leverage ratio		6.6 %	6.7 %	6.8 %
Employment				
FTEs		321	335	323

References

- 1) Return to shareholders after tax (annualised) as a percentage of average shareholder equity in the period.
- 2) Net interest income (annualised) as a percentage of average total capital
- 3) Operating expenses before loss as a percentage of total income
- 4) Average deposits from customers as a percentage of average loan volume
- 5) Average total assets in the period
- 6) Loan losses as a percentage of average loan volume in the period
- 7) Including 0 per cent of the profit for the first quarter of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

First Quarter Results

The Sbanken group recorded a profit before tax of NOK 226.2 million in the first quarter, compared with NOK 242.9 million in the first quarter of 2021. Net interest income decreased to NOK 377.5 (384.7) million, while net fee and commission income increased by 11.3 per cent to NOK 54.1 (48.6) million. Total customer lending at quarter-end was NOK 89.4 (83.2) billion, representing a growth of 5.6 per cent from the previous quarter. Funds under management increased to NOK 30.8 (25.9) billion. Return on equity in the first quarter was 10.2 (10.7) per cent.

On 30 March, DNB settled the voluntary tender offer launched on 15 April 2021. The shares in Sbanken were subsequently delisted, with the last day of trading 19 April 2022.

Important events during the quarter

Norges Bank raised the key policy with 0.25 percentage points, to 0.75 percent in March. The average three-month Nibor rate was 1.18 per cent, up 40 basis points from the previous quarter.

16 March 2022 the Norwegian Competition Appeals Tribunal repealed the Norwegian Competition Authority's decision against the acquisition of Sbanken by DNB. Sbanken became a subsidiary of DNB Bank ASA from 30 March 2022.

Operating income

Operating income amounted to NOK 446.3 (430.4) million, following a decrease in net interest income of NOK 7.2 million, an increase in net fee and commission income of NOK 5.5 million and an increase in other operating income of NOK 17.6 million from the first quarter of 2021.

Net interest income decreased to NOK 377.5 (384.7) million. The net interest margin was 1.49 per cent, down from 1.55 per cent in the first quarter of 2021. Compared to the previous quarter, the net interest margin was down 4 basis points.

Net fee and commission income increased to NOK 54.1 (48.6) million.

The effective lending rate increased to 2.06 per cent, compared to 1.97 per cent in the first quarter of 2021, and 2.01 per cent in the previous quarter.

The effective funding rate increased to 0.57 per cent, compared with 0.43 per cent in the first quarter of 2021. The funding rate increased by 8 basis points from the previous quarter.

Operating expenses

Operating expenses amounted to NOK 214.2 (174.7) million in the quarter. Transaction-related costs were NOK 29.0 million in the quarter.

The cost-to-income ratio was 48.0 per cent in the quarter, compared to 40.6 per cent in the first quarter of 2021.

Impairments and losses

Loan losses amounted to NOK 5.9 (12.7) million in the quarter, equivalent to a loan loss ratio of 0.03 per cent.

Total expected credit losses amounted to NOK 333.2 million at quarter-end, of which NOK 56.6 million related to secured loans and NOK 276.6 million to unsecured loans.

Taxes

The estimated tax expense amounted to NOK 46.7 (56.5) million, corresponding to an effective tax rate of 20.6 (23.3) per cent.

Loans to and deposits from customers

At the end of the quarter, loans to customers totalled NOK 89.4 (83.2) billion. Lending growth over the past 12 months was 7.5 per cent. Mortgage lending increased with NOK 4.7 billion to NOK 85.6 billion in the quarter.

Outstanding consumer loans amounted to NOK 1.3 (1.6) billion at quarter-end.

Customer deposits increased to NOK 64.9 (60.0) billion, an 8.2 per cent increase from the first quarter of 2021.

Savings

Funds under management (FuM) was NOK 30.8 billion, compared to NOK 25.9 billion at the end of the first quarter 2021 and NOK 33.1 billion at the end of the previous quarter.

Net client cash flow in the quarter was positive in the amount of NOK 0.2 billion.

Capital adequacy, leverage ratio and risk factors

Sbanken currently has a regulatory CET1 requirement of 12.5 per cent and a capital ratio target of 13.0 per cent. At quarter-end, Sbanken had a CET1 capital ratio of 15.7 per cent. The tier 1 capital ratio was 17.3 per cent and the total capital ratio was 19.5 per cent, while the leverage ratio was 6.6 per cent.

Sbanken's financial risk mainly consists of credit risk, market risk and liquidity risk. The credit risk comprises of lending to the public primarily in the form of mortgages, car loans and unsecured credit products. Sbanken has a high-quality lending portfolio predominately composed of mortgages with a moderate loan-to-value (LTV) ratio. At quarter-end, the average LTV was 50.7

per cent, down from 51.3 per cent in the previous quarter. Mortgage lending accounted for 95.7 per cent of the gross lending portfolio.

Sbanken is exposed to market risks such as interest rate risk, share price risk and credit spread risk. The exposure to share price risk amounted to NOK 158.1 million at the end of the quarter, of which NOK 72.3 million related to the valuation of the bank's shares in VN Norge AS (Visa) and NOK 41.6 million to the valuation of the bank's shares in Vipps AS, and Quantfolio AS NOK 28.9 million. The majority of lending provided by Sbanken has variable interest rates. Interest rate swaps are used to reduce interest rate risk that arises with fixed rate mortgages. All deposits have variable interest rates, while capital market funding uses three-month Nibor as reference rate. At quarter-end, Sbanken had a liquidity portfolio of NOK 12.8 billion in interest-bearing securities issued by sovereigns, municipalities and financial institutions. The corresponding credit spread risk was estimated at NOK 277.7 million.

At the end of the quarter, Sbanken had a liquidity coverage ratio (LCR) of 167 per cent against a minimum requirement of 100 per cent. The net stable funding ratio (NSFR) was 144 per cent.

Sbanken had outstanding capital market funding amounting to NOK 29.4 billion at quarter-end. Sbanken Boligkreditt's total nominal issue of covered bonds amounted to NOK 33.5 billion. At the end of the quarter, Sbanken had a deposit-to-loan ratio of 72.9 per cent, compared to 76.2 per cent in the previous quarter and 72.4 per cent in the first quarter of 2021. 90.7 per cent of deposits were covered by the existing Deposit Guarantee Fund (NOK 2.0 million) and 78.1 per cent by the harmonised EU Deposit Guarantee Scheme (EUR 0.1 million).

Moody's aligned Sbanken ASA's long-term credit rating with DNB Bank ASA's Aa2 with a negative outlook on 5 April 2022. Covered bonds issued by Sbanken Boligkreditt AS have a long-term rating of Aaa from Moody's.

Macroeconomic and regulatory developments

In the first quarter of 2022, coronavirus containment measures have gradually been lifted with a positive effect on the economic activity in Norway. Inflationary pressures, high and volatile energy prices as well as geopolitical uncertainties increases economic risks and may hamper the economic outlook.

In the March monetary policy report, Norges Bank projected that the key policy rate is likely to be raised 0.25 percentage points several times in 2022, 2023 and 2024 towards a level of around 2.50 per cent at the end of 2024.

Mainland GDP grew 4.2 per cent in 2021 and growth is forecasted to increase to remain stable at 4.1 per cent in 2022 and then be reduced to 1.6 per cent in 2023 and 1.0 per cent in 2024.

Registered unemployment was 2.0 per cent at quarter-end, down from 2.6 per cent at the end of the previous quarter. The average annual unemployment rate is forecasted at 2.0 per cent in 2022 and 1.8 per cent in 2023.

Norges Bank projects housing prices to increase by 4.4 per cent in 2022 as a whole, with price growth stabilising thereafter. Credit growth for households is forecasted at 5.1 per cent for 2022.

Subsequent events

On 6 April, DNB Bank ASA announced a compulsory acquisition of all remaining shares in Sbanken ASA. The bank's shares were subsequently delisted from the Oslo stock exchange, with the last day of trading 19 April 2022.

The board of directors has resolved to change the proposed dividend to NOK 0.00 per share for 2021.

Oslo, 27 April 2022

The Board of Directors of Sbanken ASA


Ingjerd Blekeli Spiten
(Chair)


Mai-Lill Ibsen


Tor Arne Hansen


Sarah Lunde Mjåtvedt


Tore Olaf Rimmereid


Stein Zahl Pettersen


Øyvind Thomassen
(CEO)

Income statement

(Sbanken group)

In NOK thousand	Note	Q1 22	Q1 21	2021
Interest income from financial instruments using the effective interest method	12	521 723	490 710	1 939 390
Other interest income	12	0	0	0
Interest expense	12	-144 204	-106 003	-421 680
Net interest income		377 519	384 707	1 517 710
Commission and fee income	13	88 343	80 590	332 604
Commission and fee expense	13	-34 259	-31 989	-122 031
Net commission and fee income		54 083	48 601	210 573
Net gain/(loss) on financial instruments	14	14 674	-2 949	-35 005
Other income		0	0	10
Other operating income		14 674	-2 949	-34 995
Personnel expenses	15	-84 488	-83 998	-336 733
Administrative expenses	15,20	-118 028	-74 951	-332 152
Depreciation and impairment of fixed and intangible assets		-11 696	-15 788	-72 318
Profit before loan losses		232 066	255 621	952 085
Loan losses	8	-5 898	-12 742	3 470
Profit before tax		226 168	242 879	955 555
Tax expense	16	-46 685	-56 541	-222 015
Profit for the period		179 483	186 338	733 540
Attributable to				
Shareholders		172 031	179 996	707 781
Additional Tier 1 capital holders	11	7 452	6 342	25 759
Profit for the period		179 483	186 338	733 540

Earnings per share, see note 21.

Statement of comprehensive income

(Sbanken group)

In NOK thousand	Q1 22	Q1 21	2021
Profit for the period	179 483	186 338	733 540
Other comprehensive income:			
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI)	-28 617	2 701	-34 200
Tax effect	7 379	-725	8 637
Other comprehensive income that can be reclassified to profit or loss after tax	-21 238	1 976	-25 563
Actuarial gains (losses)	0	0	-8 430
Tax effect	0	0	2 107
Other comprehensive income that can-not be reclassified to profit or loss after tax	0	0	-6 323
Total components of other comprehensive income (after tax)	-21 238	1 976	-31 886
Total comprehensive income for the period	158 245	188 314	701 654
Attributable to			
Shareholders	150 793	181 972	675 895
Additional Tier 1 capital holders	11 7 452	6 342	25 759
Total comprehensive income for the period	158 245	188 314	701 654

Balance sheet

(Sbanken group)

In NOK thousand	Note	31.03.22	31.03.21	31.12.21
Assets				
Cash and receivables with central bank	5	460 994	584 984	510 676
Loans to and receivables from credit institutions	5	291 828	500 859	856 622
Loans to customers	5, 6, 7, 17, 18	89 095 161	82 843 734	84 346 875
Net loans to customers, central bank and credit institutions		89 847 983	83 929 577	85 714 173
Commercial paper and bonds at fair value through OCI	17, 19	12 835 079	16 858 808	15 487 702
Equity and funds	17, 18, 19	339 698	186 019	309 142
Derivatives	19	315 851	355 822	377 403
Intangible assets		104 648	117 344	103 350
Deferred tax assets	16	41 892	21 280	35 638
Property, plant and equipment		82 991	103 087	86 411
Other assets		102 853	69 254	85 488
Advance payment and accrued income		76 617	76 865	74 280
Total assets		103 747 614	101 718 054	102 273 586
Liabilities				
Loans and deposits from central bank	17,18	0	2 250 000	0
Loans and deposits from credit institutions	17, 18	224 436	352 841	326 830
Deposits from customers	17, 18	64 933 310	59 962 127	64 240 315
Debt securities issued	10, 17, 18	29 368 079	30 075 596	28 500 950
Derivatives		45 163	10 647	14 607
Taxes payable	16	147 332	176 997	217 805
Pension commitments		22 459	36 998	22 459
Other liabilities		469 145	490 619	564 335
Subordinated loans	10, 17, 18	899 231	898 911	899 151
Total liabilities		96 109 155	94 254 736	94 786 452
Equity				
Share capital		1 068 693	1 068 693	1 068 693
Share premium		2 625 895	2 625 895	2 625 895
Additional Tier 1 capital	11	701 921	701 272	701 389
Other equity		3 241 949	3 067 458	3 091 157
Total equity		7 638 458	7 463 319	7 487 134
Total liabilities and equity		103 747 614	101 718 054	102 273 586

Subsequent events

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Statement of changes in equity

(Sbanken group)

In NOK thousand	Share capital	Share premium	Additional Tier 1 capital	Actuarial gains and losses	Changes in fair value of financial instruments at fair value through OCI	Other equity	Total equity
Balance sheet as at 01.01.21	1 068 693	2 625 895	701 223	-25 005	-22 920	3 270 052	7 617 936
Profit for the period to other equity (01.01.21 to 31.03.21)						179 996	179 996
Profit for the period to Tier 1 capital holders (01.01.21 to 31.03.21)			6 342				6 342
Payments to Tier 1 capital holders (01.01.21 to 31.03.21)			-6 293				-6 293
Actuarial gains and losses for the period (01.01.21 to 31.03.21)				0			0
Net change in fair value of financial instruments at fair value through OCI (01.01.21 to 31.03.21)					1 976		1 976
Paid dividend to shareholders						-336 638	-336 638
Balance sheet as at 31.03.21	1 068 693	2 625 895	701 272	-25 005	-20 944	3 113 410	7 463 319
Profit for the period to other equity (01.04.21 to 31.12.21)						527 785	527 785
Profit for the period to Tier 1 capital holders (01.04.21 to 31.12.21)			19 417				19 417
Payments to Tier 1 capital holders (01.04.21 to 31.12.21)			-19 300				-19 300
Actuarial gains and losses for the period (01.04.21 to 31.12.21)				-6 323			-6 323
Net change in fair value of financial instruments at fair value through OCI (01.04.21 to 31.12.21)					-27 539		-27 539
Paid dividend to shareholders						-470 225	-470 225
Balance sheet as at 31.12.21	1 068 693	2 625 895	701 389	-31 328	-48 483	3 170 970	7 487 134
Profit for the period to other equity (01.01.22 to 31.03.22)						172 031	172 031
Profit for the period to Tier 1 capital holders (01.01.22 to 31.03.22)			7 452				7 452
Payments to Tier 1 capital holders (01.01.22 to 31.03.22)			-6 920				-6 920
Actuarial gains and losses for the period (01.01.22 to 31.03.22)				0			0
Net change in fair value of financial instruments at fair value through OCI (01.01.22 to 31.03.22)					-21 238		-21 238
Balance sheet as at 31.03.22	1 068 693	2 625 895	701 921	-31 328	-69 721	3 343 001	7 638 458

Statement of cash flows

(Sbanken group)

In NOK thousand	Note	Jan-Mar 22	Jan-Mar 21	2021
Cash flows from operating activities				
Net payments on loans to customers	6	-4 841 521	153 653	-1 380 979
Interest received on loans to customers	12	457 056	459 118	1 774 035
Net receipts on deposits from customers	17, 18	692 994	1 318 500	5 596 688
Interest paid on deposits from customers	12	-25 909	-20 777	-151 980
Net receipts/payments from buying and selling financial instruments at fair value	17, 18, 19	2 586 038	-2 476 856	-1 325 202
Interest received from commercial paper and bonds	12	53 556	36 659	149 644
Receipts of collateral related to derivatives used in hedge accounting		-102 394	-189 890	-215 902
Net receipts/payments on deposits from credit institutions and central bank		0	0	-2 250 000
Interest paid on deposits from credit institutions	12	-40	-1 664	-2 201
Interest received on loans to credit institutions and central bank	12	1 268	548	2 601
Receipts related to commissions and fees	13	95 190	62 423	306 367
Payments related to commissions and fees	13	-35 330	-13 055	-119 029
Payments related to administrative expenses	15	-84 196	-55 367	-315 529
Payments related to personnel expenses	15	-115 461	-97 497	-317 877
Taxes paid	16	-116 032	-104 796	-231 178
Other receipts/payments		-119 397	1 292	76 467
Net cash flows from operating activities		-1 554 178	-927 709	1 595 925
Cash flows from investment activities				
Invested in associated company		0	0	0
Payments on the acquisition of fixed assets		-1 206	-347	-4 588
Payments on the acquisition of intangible assets		-10 433	-12 033	-23 418
Net cash flows from investment activities		-11 639	-12 380	-28 006
Cash flows from financing activities				
Receipts on share capital and share premium net of issuing cost	EQ	0	0	0
Paid dividend to shareholders	EQ	0	-336 638	-806 863
Receipts on subordinated loans	10	150 000	0	0
Payments on matured and redeemed subordinated loans	10	-150 000	0	0
Interest paid on subordinated loans	12	-4 853	-4 219	-17 151
Receipts on issued additional Tier1 capital	11	100 000	0	0
Payments on matured and redeemed additional Tier1 capital		-100 000	0	0
Interest paid on additional Tier 1 capital	EQ	-6 920	-6 293	-25 593
Receipts on issued bonds and commercial paper	10	3 522 000	1 300 000	7 480 000
Payments on matured and redeemed bonds and commercial paper	10	-2 459 396	-941 474	-8 662 775
Interest paid on issued bonds and commercial paper	12	-99 489	-63 229	-246 025
Net cash flows from financing activities		951 342	-51 853	-2 278 407
Total net cash flow		-614 475	-991 942	-710 488
Cash at the beginning of the period		1 367 297	2 077 785	2 077 785
Cash at the end of the period		752 822	1 085 843	1 367 297
Change in cash		-614 475	-991 942	-710 488
Cash				
Cash and receivables with central bank		460 994	584 984	510 675
Loans to credit institutions		291 828	500 859	856 622
Total cash		752 822	1 085 843	1 367 297

Notes

(Sbanken group)

Note 1 - Accounting principles and critical accounting estimates and judgment

The quarterly financial statement for the Sbanken group has been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and adopted by the EU. A description of the accounting principles applied in the preparation of the financial statements appears in the annual report for 2021.

The quarterly financial statements of Sbanken ASA is prepared in accordance with the Norwegian regulations on annual accounts (Norwegian accounting act), section 3-9, the Norwegian regulations on annual accounts for banks and IAS 34. The Norwegian regulations on annual accounts for banks, section 3-1 permits recognition of provisions for dividend and group contribution through profit and loss and as an asset at the balance sheet date. For Sbanken ASA there are no other differences from using full IFRS.

When preparing the financial statements, management makes estimates, judgments and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the critical accounting estimates and areas where judgment is applied appears in note 2 in the annual report for 2021.

New and revised standards effective from 1 January 2022

Sbanken ASA has applied no new accounting standards effective from 1 January 2022.

New and revised standards effective from 1 January 2023 or later

Standards and interpretations that will enter into force for the annual periods beginning 1 January 2023 or later have not been used in the preparation of the accounts. For Sbanken ASA no new published standards will have material effect.

Note 2 - Segments

No segment information has been prepared, as the entire operation of the Sbanken group is deemed to constitute one segment, the "Private Consumer Market", under IFRS 8. Sbanken group launched an SME (small and medium entities) offering late June 2019. At present, neither the customer base nor the revenues or costs from the SME offering constitutes a separate reporting segment. Hence in the supervisory activities performed by the board and management, the customer base is not divided into different business segments that are followed up over time.

Note 3 - Capital adequacy

The capital adequacy regulations are intended to improve institutions' risk management and achieve closer concordance between risk and capital. The applicable regulations for Norwegian banks are adapted to the EU's capital adequacy regulations for credit institutions and investment firms (CRD IV/CRR).

Sbanken ASA uses the standard method to establish the risk-weighted volume credit risk and the standardised approach to establish the risk-weighted volume for operational risk. At the balance sheet date no exposure was included in the risk-weighted volume for market risk. The group mainly engages in banking business and the bank's wholly owned subsidiary, Sbanken Boligkreditt AS, is fully consolidated. There are no differences between solvency and accounting consolidation.

In NOK thousand	31.03.22		31.03.21		31.12.21	
	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume
Central governments	1 450 095	0	4 346 036	0	1 636 276	0
Regional governments	737 921	104 731	3 311 361	541 859	1 576 900	228 088
Multilateral Development Banks	1 662 693	0	1 464 828	0	1 563 271	0
Institutions	1 272 780	308 427	1 160 277	213 621	1 717 129	377 910
Retail	8 654 819	3 360 967	8 614 605	3 344 041	8 614 935	3 337 562
Secured by mortgages on immovable property	108 342 595	33 738 627	95 569 527	29 644 863	99 193 525	30 877 352
Exposures in default	529 021	588 485	594 644	677 645	519 364	582 455
Covered bonds	8 670 189	867 019	7 832 171	783 217	10 536 254	1 053 625
Equity	449 464	492 789	240 187	240 732	399 720	400 265
Other items	176 102	176 102	179 523	179 523	162 307	162 307
Total credit risk, standardised method ¹	131 945 679	39 637 147	123 313 159	35 625 501	125 919 681	37 019 564
Credit value adjustment risk (CVA)		61 183		63 774		56 442
Operational risk		2 773 710		2 693 289		2 773 710
Total risk-weighted volume		42 472 040		38 382 564		39 849 716
Capital base						
Share capital		1 068 693		1 068 693		1 068 693
Share premium		2 625 895		2 625 895		2 625 895
Other equity		3 069 918		2 887 463		2 383 376
Additional Tier 1 capital		701 921		701 272		701 389
Profit for the period		172 031		179 996		707 781
Total booked equity		7 638 458		7 463 319		7 487 134
Additional Tier 1 capital instruments included in total equity		-701 921		-701 272		-701 389
Common equity Tier 1 capital instruments		6 936 537		6 762 047		6 785 745
<i>Deductions</i>						
Goodwill, deferred tax assets and other intangible assets		-78 486		-88 007		-77 513
Value adjustment due to the requirements for prudent valuation (AVA)		-13 146		-17 044		-15 796
Profit for the period, not eligible		-172 031		-179 996		0
Common equity Tier 1 capital		6 672 874		6 477 000		6 692 436
Additional Tier 1 capital		700 000		700 000		700 000
Tier 1 capital		7 372 874		7 177 000		7 392 436
Tier 2 capital		900 000		900 000		900 000
Own funds (primary capital)		8 272 874		8 077 000		8 292 436
Capital requirements						
Minimum requirements - common equity Tier 1 capital	4.5%	1 911 242	4.5%	1 727 215	4.5%	1 793 237
Institution specific Pillar II requirement	1.5%	637 081	1.5%	575 738	1.5%	597 746
Capital conservation buffer	2.5%	1 061 801	2.5%	959 564	2.5%	996 243
Systemic risk buffer	3.0%	1 274 161	3.0%	1 151 477	3.0%	1 195 491
Countercyclical capital buffer	1.0%	424 720	1.0%	383 826	1.0%	398 497
Additional Tier 1 capital	1.5%	637 081	1.5%	575 738	1.5%	597 746
Tier 2 capital	2.0%	849 441	2.0%	767 651	2.0%	796 994
Total minimum and buffer requirements own funds (primary capital)	16.0%	6 795 526	16.0%	6 141 210	16.0%	6 375 955
<i>Available common equity Tier 1 capital after buffer requirements</i>		1 363 870		1 679 178		1 711 222
<i>Available own funds (primary capital)</i>		1 477 348		1 935 788		1 916 482

Capital ratio % (regulatory) ²⁾

Common equity Tier 1 capital	15.7%	16.9%	16.8%
Additional Tier 1 capital	1.6%	1.8%	1.8%
Tier 2 capital	2.1%	2.3%	2.3%
Total capital ratio	19.5%	21.0%	20.8%

¹⁾ The specification is according to EBA reporting framework.

²⁾ Including 0 per cent of the profit for the first quarter of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Note 4 - Leverage Ratio

The leverage ratio requirements is a supplement to the risk-weighted minimum capital requirements and states that the capital base in financial institutions shall also comprise a defined percentage of the value of the company's assets and off-balance-sheet liabilities, calculated without risk weighting. The capital ratio target consists of Tier 1 capital and the exposure target follows the rules in the Commission Delegated Regulation (EU) 2015-62. The minimum leverage ratio requirement for Norwegian banks and credit institutions is three per cent and a buffer requirement of two per cent.

The table below shows the calculation for the bank, on the basis of existing rule proposals and with conversion factors based on the current standardised approach, subject to a floor of 10 per cent.

In NOK thousand		31.03.22	31.03.21	31.12.21
Derivatives at market value		91 415	41 877	50 573
Potential future exposure on derivatives		95 875	91 350	95 325
Off-balance sheet commitments		8 739 393	6 318 469	7 450 518
Loans and advances and other assets		103 327 115	101 244 889	101 792 833
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		112 253 798	107 696 585	109 389 249
Tier 1 capital ¹⁾		7 372 874	7 177 000	7 392 436
Leverage ratio % (regulatory)		6.6 %	6.7 %	6.8 %
Leverage Ratio requirements				
Minimum requirements	3.0%	3 367 614	3 230 898	3 281 677
Buffer requirements	2.0%	2 245 076	2 153 932	2 187 785
Total minimum and buffer requirements (Tier 1 capital)	5.0%	5 612 690	5 384 829	5 469 462
<i>Available Tier 1 capital after minimum and buffer requirements</i>		1 760 184	1 792 171	1 922 974

¹⁾ Including 0 per cent of the profit for the first quarter of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Note 5 – Maximum exposure to credit risk

Credit risk is defined as the risk of loss resulting from a counterparty not fulfilling its obligations, and any pledged collateral not covering the outstanding claim. The Bank's maximum credit exposure is the book value of financial assets and any associated off-balance sheet liabilities. The following table shows the Bank's maximum credit risk exposure to financial instruments by measurement category.

	31.03.22		
In NOK thousand	Gross carrying amounts	Off-balance sheet amounts	Maximum exposure to credit risk
Cash and receivables with central bank	460 994	0	460 994
Loans to and receivables from credit institutions	291 828	0	291 828
Loans to and receivables from central bank and credit institutions	752 822	0	752 822
Loans to customers, secured	79 011 067	23 531 507	102 542 574
Loans to customers, unsecured	2 379 061	4 903 380	7 282 441
Loans to and receivables from customers	81 390 128	28 434 887	109 825 015
Shares in associated company	0	0	0
Other financial assets with credit risk	179 471	0	179 471
Financial instruments at amortised cost (gross)	82 322 421	28 434 887	110 757 308
Commercial paper and bonds	12 835 079	0	12 835 079
Financial instruments at fair value through other comprehensive income	12 835 079	0	12 835 079
Equity and funds	339 698	0	339 698
Derivatives	315 851	0	315 851
Loans to customers, secured	8 033 110	0	8 033 110
Financial instruments at fair value through profit and loss	8 688 659	0	655 549
Gross exposure with credit risk	103 846 159	28 434 887	124 247 936
Impairment	-328 078	-5 092	-333 170
Total net exposure with credit risk	103 518 081	28 429 795	131 947 876
Other assets without credit risk	229 533	n/a	n/a
Total assets	103 747 614	n/a	n/a

	31.12.21		
In NOK thousand	Gross carrying amounts	Off-balance sheet amounts	Maximum exposure to credit risk
Cash and receivables with central bank	510 676	0	510 676
Loans to and receivables from credit institutions	856 622	0	856 622
Loans to and receivables from central bank and credit institutions	1 367 298	0	1 367 298
Loans to customers, secured	74 072 421	19 069 040	93 141 461
Loans to customers, unsecured	2 430 645	4 915 239	7 345 884
Loans to and receivables from customers	76 503 066	23 984 279	100 487 345
Shares in associated company	364	0	364
Other financial assets with credit risk	159 768	0	159 768
Financial instruments at amortised cost (gross)	78 030 496	23 984 279	102 014 775
Commercial paper and bonds	15 487 702	0	15 487 702
Financial instruments at fair value through other comprehensive income	15 487 702	0	15 487 702
Equity and funds	308 778	0	308 778
Derivatives	377 403	0	377 403
Loans to customers, secured	8 168 042	0	8 168 042
Financial instruments at fair value through profit and loss	8 854 223	0	686 181
Gross exposure with credit risk	102 372 421	23 984 279	118 188 658
Impairment	-324 234	-4 822	-329 056
Total net exposure with credit risk	102 048 187	23 979 457	126 027 644
Other assets without credit risk	225 399	n/a	n/a
Total assets	102 273 586	n/a	n/a

Note 6 - Loans to customers

Gross carrying amount				
31.03.22				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers) 01.01.22	80 796 523	3 060 816	813 768	84 671 109
Transfers to Stage 1 (12-months ECL)	371 518	-364 025	-7 493	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-780 739	793 495	-12 756	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-49 820	-41 437	91 257	0
New financial assets originated	12 304 012	123 555	3 538	12 431 105
Financial assets that have been derecognised	-7 261 668	-264 135	-64 486	-7 590 289
Changes in interest accrual	5 978	539	2 597	9 114
Other movements	-97 797	0	0	-97 797
Closing balance gross carrying amount 31.03.22	85 288 007	3 308 808	826 423	89 423 238

Gross carrying amount				
31.12.21				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers) 01.01.21	78 483 644	4 344 627	609 847	83 438 118
Transfers to Stage 1 (12-months ECL)	1 202 654	-1 198 999	-3 655	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-1 112 425	1 121 602	-9 177	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-132 312	-278 852	411 164	0
New financial assets originated	31 064 310	441 955	36 751	31 543 016
Financial assets that have been derecognised	-28 567 347	-1 366 555	-246 742	-30 180 644
Changes in interest accrual	-2 577	-2 962	15 582	10 043
Other movements	-139 424	0	0	-139 424
Closing balance gross carrying amount 31.12.21	80 796 523	3 060 816	813 768	84 671 109

Lending by geographical area				
In NOK thousand	31.03.22		31.12.21	
	Percentage	Gross lending	Percentage	Gross lending
Eastern Norway ex. Oslo	45.5%	40 697 665	45.3%	38 370 605
Oslo	20.1%	18 008 633	19.6%	16 624 833
Southern Norway	2.4%	2 109 964	2.3%	1 962 117
Western Norway	20.5%	18 361 636	21.0%	17 807 262
Central Norway	4.8%	4 334 688	4.8%	4 076 377
Northern Norway	6.6%	5 910 652	6.9%	5 829 915
Total gross lending by geographical area	100.0%	89 423 238	100.0%	84 671 109

Note 7 – Credit risk exposure and collateral

The bank's customer exposures comprises the bulk of the bank's total credit exposure. A high percentage of the bank's lending is collateralised. Collateral in the private retail market essentially comprise fixed property and vehicles.

The table below shows the relationship between total credit exposure and the associated collateral distributed to exposure class. Lending secured by mortgages and cars includes the percentage distributed of exposure relating to the various loan-to-value levels. The property values on which the calculations are based are updated in the last month of each quarter and are therefore representative of the current market value. The calculation of loan-to-value does not take into account any additional collateral.

In NOK thousand	31.03.22			31.12.21		
	Distribution as percentage	Gross carrying amounts	Unutilised credit lines	Distribution as percentage	Gross carrying amounts	Unutilised credit lines
Loan-to-value, secured loans						
0 % - 40 %	28.2%	24 154 426	6 373 314	27.3%	22 111 687	5 341 938
40 % - 60 %	36.3%	31 097 196	4 984 660	34.1%	27 594 337	4 126 770
60 % - 80 %	26.6%	22 816 207	552 964	27.8%	22 505 324	591 487
80 % - 90 %	6.1%	5 265 561	89 023	7.5%	6 090 897	91 154
90 % - 100 %	1.4%	1 179 577	40 321	1.6%	1 318 962	54 777
> 100 %	1.3%	1 107 192	61 282	1.6%	1 276 011	64 539
Home loans, secured by fixed property	100.0%	85 620 159	12 101 564	100.0%	80 897 218	10 270 665
< 50 %	15.2%	172 039	0	14.4%	151 465	0
50 % - 80 %	47.0%	531 907	0	42.9%	451 446	0
80 % - 100 %	18.0%	203 904	0	20.0%	210 440	0
> = 100 %	19.8%	223 716	0	22.7%	238 743	0
Car loans, secured	100.0%	1 131 566	0	100.0%	1 052 094	0
Custody account credit, secured	100.0%	292 452	205 421	100.0%	291 152	198 861
Loan and funding commitments, secured loans		0	11 224 522		0	8 599 514
Total loans to customers, secured		87 044 177	23 531 507		82 240 463	19 069 040

The table below shows the percentage allocation of exposures for mortgages for various loan-to-value levels. Where the entire exposure in the table above is placed at a related loan-to-value level, the relative share of the loan exposure at each level is shown in the table below.

In NOK thousand	31.03.22		31.12.21	
	Distribution as percentage	Gross carrying amounts	Distribution as percentage	Gross carrying amounts
Loan-to-value, home loans (relative distribution)				
0 % - 85 %	99.42%	85 120 104	99.27%	80 304 145
85 % - 100 %	0.32%	277 730	0.44%	352 590
> 100 %	0.26%	222 325	0.30%	240 483
Home loans, secured by fixed property	100.0%	85 620 159	100.0%	80 897 218

In NOK thousand	31.03.22		31.12.21	
	Distribution as percentage	Gross carrying amounts	Distribution as percentage	Gross carrying amounts
Distribution by type of security object, home loans				
Apartment	25.9%	22 156 408	25.8%	20 875 054
Detached house	51.7%	44 225 200	51.5%	41 651 256
Semidetached house	18.7%	16 044 469	18.9%	15 306 496
Vacation home	3.7%	3 194 082	3.8%	3 064 412
Total home loans secured by fixed property	100.0%	85 620 159	100.0%	80 897 218

Note 8 - Loan losses

Expected credit loss (ECL) - Loans to customers				
January - March 2022				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance ECL 01.01.22	14 819	40 240	273 997	329 056
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	620	-4 290	-699	-4 369
Transfers to Stage 2	-1 499	12 934	-1 727	9 708
Transfers to Stage 3	-108	-2 443	8 888	6 337
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	-739	-355	2 235	1 141
<i>Other changes:</i>				
New financial assets originated	2 695	884	97	3 676
Financial assets that have been derecognised	-1 458	-2 687	-8 234	-12 379
Financial assets that have been derecognised through sale of portfolio			0	0
Changes to model assumption and methodologies	0	0	0	0
Other movements	0	0	0	0
Closing balance ECL 31.03.22¹	14 330	44 283	274 557	333 170
¹ As of 31.03.2022, the bank has included a credit loss provision of NOK 25.0 for unsecured loans in addition to the model calculation. The distribution of this provision is as follows: stage 1 NOK 0.8 million, stage 2 NOK 2.3 million and stage 3 NOK 21.9 million.				
Specification of ECL				
In NOK thousands	31.03.22			
ECL On-balance sheet amounts 31.03.22	12 326	42 675	273 077	328 078
ECL Off-balance sheet amounts 31.03.22	2 004	1 608	1 480	5 092
Closing balance ECL 31.03.22	14 330	44 283	274 557	333 170
In NOK thousands	31.03.22			
Secured loans	3 424	5 081	48 094	56 599
Unsecured loans	10 906	39 202	226 463	276 571
Total	14 330	44 283	274 557	333 170

ECL by geographical area	
In NOK thousands	31.03.22
Eastern Norway ex. Oslo	116 624
Oslo	51 180
Southern Norway	14 215
Western Norway	99 836
Central Norway	23 052
Northern Norway	28 263
Total	333 170

Specification of loan losses			
In NOK thousands	Q1 22	Q1 21	2021
Changes in ECL, stage 1	489	3 095	8 292
Changes in ECL, stage 2	-4 043	35 959	51 616
Changes in ECL, stage 3	-560	-50 303	-27 431
Write-offs	-2 063	-1 565	-29 858
Recoveries of previously written off loans	279	72	851
Net cost of loan losses in the period	-5 898	-12 742	3 470

Sbanken ASA has no expected credit loss related to loans to central bank, credit institutions and commercial paper and bonds.

Expected credit loss (ECL) - Loans to customers

January - December 2021

In NOK thousand	Stage 1, 12- months ECL	Stage 2, Lifetime ECL(not impaired)	Stage 3, Lifetime ECL(impaired)	Total
Opening balance ECL 01.01.21	23 111	91 857	246 565	361 533
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	1 156	-14 178	-927	-13 949
Transfers to Stage 2	-1 041	7 941	-1 540	5 360
Transfers to Stage 3	-231	-3 888	22 769	18 650
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers ¹	-5 784	-14 998	11 835	-8 947
<i>Other changes:</i>				
New financial assets originated	5 344	11 295	6 386	23 025
Financial assets that have been derecognised	-6 487	-20 893	-20 650	-48 030
Financial assets that have been derecognised through sale of portfolio			-31 715	-31 715
Changes to model assumption and methodologies ²	-1 249	-16 896	41 274	23 129
Other movements	0	0	0	0
Closing balance ECL 31.12.21	14 819	40 240	273 997	329 056

¹As of 31.12.2021, the bank has included a credit loss provision of NOK 25.0 for unsecured loans in addition to the model calculation. The provision is included to account for potential uncertainty related to outbreak of coronavirus. The distribution of this provision is as follows: stage 1 NOK 0.8 million, stage 2 NOK 2.3 million and stage 3 NOK 21.9 million.

² Effects related to new definition of default.

Specification of ECL

In NOK thousands	31.12.21			
ECL On-balance sheet amounts 31.12.21	12 943	38 788	272 503	324 234
ECL Off-balance sheet amounts 31.12.21	1 876	1 452	1 494	4 822
Closing balance ECL 31.12.21	14 819	40 240	273 997	329 056

In NOK thousands	31.12.21			
Secured loans	3 390	5 118	47 798	56 306
Unsecured loans	11 429	35 122	226 199	272 750
Total	14 819	40 240	273 997	329 056

ECL by geographical area

In NOK thousands	31.12.21
Eastern Norway ex. Oslo	116 930
Oslo	48 571
Southern Norway	13 436
Western Norway	99 104
Central Norway	22 120
Northern Norway	28 895
Total	329 056

Specification of loan losses

In NOK thousands	2021	2020
Changes in ECL, stage 1	8 292	-4 496
Changes in ECL, stage 2	51 616	-14 737
Changes in ECL, stage 3	-27 431	-78 057
Write-offs	-29 858	-36 672
Recoveries of previously written off loans	851	480
Net cost of loan losses in the period	3 470	-133 482

Sbanken ASA has no expected credit loss related to loans to central bank, credit institutions and commercial paper and bonds.

Note 9 – Credit-impaired assets and overdue loans

Credit-impaired assets		31.03.22					
In NOK thousand	Principal type of collateral held	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held	Net exposure	Provisioning ratio after collateral
Loans to customers:							
Home loans	Residential property	428 282	-40 935	387 347	385 420	1 927	95.5%
Car Loans	Vehicle	18 587	-5 702	12 885	12 859	26	99.5%
Custody account credits	Listed securities	0	0	0	0	0	Na
Unsecured loans	None	379 554	-226 440	153 114	0	153 114	59.7%
Total credit-impaired assets		826 423	-273 077	553 346	398 279	155 067	63.8%

31.03.2022	Credit-impaired (Gross carrying amount)
Home loans - Loan to value	
0 % - 40 %	55 248
40 % - 60 %	135 931
60 % - 80 %	148 924
80 % - 90 %	22 099
90 % - 100 %	31 456
> 100 %	34 624
Total	428 282

Credit-impaired loans	
In NOK thousand	31.03.22
Overdue loans - more than 90 days	461 880
Other credit-impaired assets	364 543
Total	826 423

Credit-impaired assets

31.12.21

In NOK thousand	Principal type of collateral held	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held	Net exposure	Provisioning ratio after collateral
Loans to customers:							
Home loans	Residential property	415 077	-44 432	370 645	368 993	1 652	96.4%
Car Loans	Vehicle	15 832	-5 155	10 677	10 657	20	99.6%
Custody account credits	Listed securities	0	0	0	0	0	Na
Unsecured loans	None	382 859	-222 916	159 943	0	159 943	58.2%
Total credit-impaired assets		813 768	-272 503	541 265	379 650	161 615	62.8%

	Credit-impaired (Gross carrying amount)
31.12.2021	
Home loans - Loan to value	
0 % - 40 %	44 270
40 % - 60 %	129 549
60 % - 80 %	150 116
80 % - 90 %	22 541
90 % - 100 %	19 082
> 100 %	49 519
Total	415 077

Credit-impaired loans

In NOK thousand	31.12.21
Overdue loans - more than 90 days	470 715
Other credit-impaired assets	343 053
Total	813 768

Note 10 - Debt securities issued and subordinated loans

Carried at amortised cost:

In NOK thousand	Currency	31.03.22	31.03.21	31.12.21
Bonds issued	NOK	29 368 079	30 075 596	28 500 950
Subordinated loans	NOK	899 231	898 911	899 151
Total debt securities issued and subordinated loans		30 267 310	30 974 507	29 400 101

Specification of bonds and subordinated loans as at 31.03.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Bonds						
NO0010862048	Sbanken ASA	665 000	NOK	Floating	09.09.22	664 948
NO0010874878	Sbanken ASA	632 000	NOK	Floating	10.02.23	631 282
NO0010886757	Sbanken ASA	800 000	NOK	Floating	26.09.23	801 066
NO0010895519	Sbanken ASA	1 000 000	NOK	Floating	12.04.24	999 725
NO0010920762	Sbanken ASA	1 000 000	NOK	Floating	12.12.24	1 000 713
Total bonds		4 097 000				4 097 734
Bonds, senior non-preferred						
NO0011087587	Sbanken ASA	1 200 000	NOK	Floating	08.09.25	1 198 774
NO0011087595	Sbanken ASA	800 000	NOK	Fixed	07.09.27	757 742
Total bonds, senior non-preferred		2 000 000				1 956 516
Covered bonds ¹						
NO0010786999	Sbanken Boligkreditt AS	1 059 000	NOK	Floating	27.04.22	1 059 047
NO0010790603	Sbanken Boligkreditt AS	5 061 000	NOK	Floating	10.02.23	5 064 100
NO0010887078	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	17.06.24	5 014 252
NO00108878978	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	20.06.25	5 038 986
NO0010958093	Sbanken Boligkreditt AS	2 188 000	NOK	Floating	20.11.26	2 234 323
XS1813051858	Sbanken Boligkreditt AS	500 000	EURO	Fixed	26.04.23	4 903 121
Total covered bonds						23 313 829
Total bonds and covered bonds						29 368 079

¹ All covered bond loans have "soft bullet" with the possibility of extending the maturity by one year.

Subordinated loans

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity ²	Carrying value
NO0010847205	Sbanken ASA	125 000	NOK	Floating	21.03.29	125 000
NO0010871502	Sbanken ASA	125 000	NOK	Floating	19.12.29	124 963
NO0010885197	Sbanken ASA	350 000	NOK	Floating	17.06.30	349 486
NO0010891922	Sbanken ASA	150 000	NOK	Floating	28.08.30	149 781
NO0011203598	Sbanken ASA	150 000	NOK	Floating	14.01.32	150 001
Total subordinated loans		900 000				899 231

² First possible call date for the issuer is 5 years before date of maturity. The loan agreement has covenants to qualify as Tier 2 capital.

Changes of debt securities and subordinated loans:

	31.12.21	January- March 2022			Other adjustments	31.03.22
		Issued	Matured	Redeemed		
Bonds (nominal)	3 990 000	500 000	0	-393 000	0	4 097 000
Bonds, senior non-preferred (nominal)	1 200 000	800 000	0	0	0	2 000 000
Covered Bonds (nominal)	22 985 000	2 190 000	0	-2 062 000	0	23 113 000
Subordinated loans (nominal)	900 000	150 000	0	-150 000	0	900 000
Total	29 075 000	3 640 000	0	-2 605 000	0	30 110 000

Note 11 - Additional Tier 1 capital (hybrid capital)

In NOK thousand	Currency	31.03.22	31.12.21
Additional Tier 1 capital	NOK	700 000	700 000
Total Additional Tier 1 capital		700 000	700 000

Specification of additional Tier 1 capital as at 31.03.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying amounts
Additional Tier 1 capital						
NO0010847213	Sbanken ASA	100 000	NOK	3M Nibor + 3.6 %	Perpetual ¹	100 000
NO0010871494	Sbanken ASA	100 000	NOK	3M Nibor + 3.15 %	Perpetual ²	100 000
NO0010885205	Sbanken ASA	300 000	NOK	3M Nibor + 3.10 %	Perpetual ³	300 000
NO0010891914	Sbanken ASA	100 000	NOK	3M Nibor + 3.0 %	Perpetual ⁴	100 000
NO0011204125	Sbanken ASA	100 000	NOK	3M Nibor + 2.6 %	Perpetual ⁵	100 000
Total additional Tier 1 capital		700 000				700 000

¹ The Tier1 capital is perpetual with an option for the issuer to redeem the capital at specific dates, the first being 23 March 2024.

² The Tier1 capital is perpetual with an option for the issuer to redeem the capital at specific dates, the first being 19 December 2024.

³ The Tier1 capital is perpetual with an option for the issuer to redeem the capital at specific dates, the first being 17 June 2025.

⁴ The Tier1 capital is perpetual with an option for the issuer to redeem the capital at specific dates, the first being 28 August 2025.

⁵ The Tier1 capital is perpetual with an option for the issuer to redeem the capital at specific dates, the first being 14 January 2027.

Change of additional Tier 1 capital

	January - March 2022					31.03.22
	31.12.21	Issued	Matured	Redeemed	Other adjustments	
Additional Tier 1 capital	700 000	100 000	0	-100 000	0	700 000
Total	700 000	100 000	0	-100 000	0	700 000

As of 31 March 2022, NOK 1.9 million in accrued interest is related to additional Tier 1 capital.

This has been recognised against the additional Tier 1 capital and the carried value including accrued interest is NOK 701.9 million.

Note 12 - Net interest income

Net interest income

In NOK thousand	Q1 22	Q1 21	2021
Loans to and receivables from credit institutions and central bank	1 268	548	2 601
Loans to customers ¹	467 270	460 319	1 789 628
Commercial paper and bonds ²	53 185	29 843	147 161
Total interest income	521 723	490 710	1 939 390
Loans and deposits from credit institutions and central bank	-40	-1 664	-2 201
Deposits from customers	-25 488	-20 061	-81 492
Debt securities issued	-94 897	-63 567	-244 812
Subordinated loans	-5 388	-4 269	-17 364
Other interest expenses	-18 391	-16 442	-75 811
Total interest expenses	-144 204	-106 003	-421 680
Net interest income	377 519	384 707	1 517 710

¹ Interest income in Jan-Mar 2022 of TNOK 39 202 are related to home loans measured at fair value through profit and loss.

² Investments are recognised at fair value.

Interest income from loans to customers:

In NOK thousand	Q1 22	Q1 21	2021
Home loans	386 742	367 461	1 440 781
Car loans	11 583	11 395	44 509
Consumer loans	31 567	41 531	149 629
Other loans ³	37 378	39 932	154 709
Total interest income from loans to customers	467 270	460 319	1 789 628

³ Credit card, account credit and custody account credit

Note 13 - Net commission and fee income

Net commission and fee income

In NOK thousand	Q1 22	Q1 21	2021
Payment processing	9 933	9 429	40 664
Card and interbank	50 038	39 987	186 735
Mutual funds and securities	27 482	30 300	101 640
Other commission income	890	875	3 565
Total commission and fee income	88 343	80 590	332 604
Payment processing	-5 535	-5 607	-22 810
Card and interbank	-18 108	-16 755	-65 620
Mutual funds and securities	-9 691	-8 355	-32 359
Other commission expenses	-925	-1 273	-1 242
Total commission and fee expenses	-34 259	-31 989	-122 031
Net commission and fee income	54 083	48 601	210 573

Note 14 - Net gain (loss) on financial instruments

In NOK thousand	Q1 22	Q1 21	2021
1) Realisation of financial instruments at fair value through other comprehensive income			
Gain/(loss) by realisation of financial instruments:	-11 275	-1 690	-19 700
Total gain/(loss) by realisation of financial instruments at fair value through other comprehensive income	-11 275	-1 690	-19 700
2) Financial instruments at fair value through profit and loss			
Realised gain/ (loss) from shares and funds	0	0	0
Unrealised gain/(loss) from shares and funds	26 197	82	3 241
Gain/(loss) on derivatives (used in hedge accounting)	3 825	-885	2 444
Unrealised gain/(loss) on derivatives	97 992	73 360	134 878
Unrealised gain/(loss) from fixed rate loans	-97 797	-73 069	-131 106
Total gain/(loss) on financial instruments at fair value through profit and loss	30 217	-512	9 457
3) Financial instruments at amortised cost			
Gain (loss) by repurchase of own bonds/commercial paper at amortised cost	-7 247	-2 121	-28 009
Total gain (loss) on financial instruments at amortised cost	-7 247	-2 121	-28 009
4) Currency			
Net gain (loss) on currency items	2 979	1 374	3 247
Total gain (loss) on currency items	2 979	1 374	3 247
5) Dividends:			
Dividends from investments in shares and funds	0	0	0
Total dividends	0	0	0
Total gain (loss) on financial instruments recognised through profit and loss	14 674	-2 949	-35 005

From January 2022, Sbanken ASA no longer had shares recognised as associated companies using the equity method, as the ownership in Quantfolio AS was reduced from 22.4% to 15.3%. The shares are valued at fair value from that time, which led to an unrealised increase in value of NOK 26.5 million in Q1 22.

Note 15 - Operating expenses

Other administrative expenses

In NOK thousand	Q1 22	Q1 21	2021
Properties and premises	-1 224	-721	-2 984
IT	-42 666	-36 141	-141 731
Advertising and marketing	-10 991	-9 900	-46 403
Temporary employment agencies	-5 239	-4 613	-21 817
Consultants and other external services	-46 383	-11 582	-70 355
Telephone and postage	-3 708	-3 834	-16 111
Other operating expenses	-7 817	-8 160	-32 750
Total administrative expenses	-118 028	-74 951	-332 152

In Q1 22, 28.2 million NOK has been recognised as success fees for facilitators who have contributed to the acquisition of Sbanken.

Personnel expenses

In NOK thousand	Q1 22	Q1 21	2021
Wages	-64 733	-65 644	-270 073
<i>Capitalised as intangible assets</i>	4 422	3 101	11 287
Pension costs	-6 796	-5 351	-11 661
Payroll tax	-14 875	-13 752	-53 827
Other personnel expenses	-2 506	-2 352	-12 459
Total personnel expenses	-84 488	-83 998	-336 733

A change of pension plan from defined benefit to defined contribution resulted in transaction costs of NOK 1.5 million and a positive re-valuation effect of NOK 17.1 million, leading to a net positive effect of 15.6 million in 2021.

Note 16 - Tax expense

In NOK thousand	Q1 22	Q1 21	2021
Specification of tax expense:			
Taxes payable	45 501	56 867	222 399
Change in deferred tax	1 184	-326	-3 215
Correction of taxes payable previous year	0	0	2 831
Total tax expense	46 685	56 541	222 015
Reconciliation of the tax expense:			
Profit before tax	226 168	242 879	955 555
-from Sbanken ASA	179 100	170 653	926 902
-from Sbanken Boligkreditt AS	43 110	82 375	356 128
- from group transactions related to own debt, hybrid capital and dividend from subsidiary	-3 958	-10 149	-327 475
Expected tax expense at nominal rate of 25 % Sbanken ASA	44 775	42 663	231 726
Expected tax expense at nominal rate of 22 % Sbanken Boligkreditt AS	9 484	18 123	78 348
Total expected tax expense	54 259	60 786	310 074
Tax effect from non-deductible expenses and tax-exempt income	0	0	660
Tax effect from tax-exempt income from shareholdings and funds (realised and unrealised)	-6 432	-204	-66 012
Tax effect from costs recognised against interest to Tier 1 capital holders	-2 329	-2 182	-8 409
Other differences	1 187	-1 859	-17 129
Correction of taxes payable previous year	0	0	2 831
Total tax expense	46 685	56 541	222 015
Effective tax rate	20.6%	23.3%	23.2%

Note 17 - Classification of financial instruments

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI	Financial instruments carried at amortised cost	Total
31.03.22				
Financial assets				
Cash and receivables with central bank	0	0	460 994	460 994
Loans to and receivables from credit institutions	0	0	291 828	291 828
Loans to customers	8 033 110	0	81 062 051	89 095 161
Commercial paper and bonds	0	12 835 079	0	12 835 079
Equity and funds	339 698	0	0	339 698
Derivatives ¹	315 851	0	0	315 851
Other assets	0	0	179 470	179 470
Total financial assets	8 688 659	12 835 079	81 994 343	103 518 081
Financial liabilities				
Loans and deposits from central bank	0	0	0	0
Loans and deposits from credit institutions	0	0	224 436	224 436
Deposits from customers	0	0	64 933 310	64 933 310
Debt securities issued ²	0	0	29 368 079	29 368 079
Derivatives	45 163	0	0	45 163
Subordinated loans	0	0	899 231	899 231
Other liabilities	0	0	469 145	469 145
Total financial liabilities	45 163	0	95 894 201	95 939 364
¹ Including derivatives used as hedging instruments.				
² Including hedged liabilities.				

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI	Financial instruments carried at amortised cost	Total
31.12.21				
Financial assets				
Cash and receivables with central bank	0	0	510 676	510 676
Loans to and receivables from credit institutions	0	0	856 622	856 622
Loans to customers	8 168 042	0	76 178 833	84 346 875
Commercial paper and bonds	0	15 487 702	0	15 487 702
Equity and funds ¹	308 778	0	364	309 142
Derivatives ²	377 403	0	0	377 403
Other assets	0	0	159 768	159 768
Total financial assets	8 854 223	15 487 702	77 706 263	102 048 188
Financial liabilities				
Loans and deposits from central bank	0	0	0	0
Loans and deposits from credit institutions	0	0	326 830	326 830
Deposits from customers	0	0	64 240 315	64 240 315
Debt securities issued ³	0	0	28 500 950	28 500 950
Derivatives	14 607	0	0	14 607
Subordinated loans	0	0	899 151	899 151
Other liabilities	0	0	564 335	564 335
Total financial liabilities	14 607	0	94 531 581	94 546 188
¹ Shares in associated company are recognised using the equity method and put under the category amortised cost.				
² Including derivatives used as hedging instruments.				
³ Including hedged liabilities.				

Note 18 - Fair value of financial instruments at amortised cost

Recognised at amortised cost	Carrying value	Fair value
	31.03.22	31.03.22
Assets		
Cash and receivables with central bank	460 994	460 994
Loans to and receivables from credit institutions	291 828	291 828
Loans to customers	81 062 051	81 062 051
Equity and funds	0	0
Other assets	179 470	179 470
Total financial assets at amortised cost	81 994 343	81 994 343
Liabilities		
Loans and deposits from central bank	0	0
Loans and deposits from credit institutions	224 436	224 436
Deposits from customers	64 933 310	64 933 310
Debt securities issued	29 368 079	29 368 567
Subordinated loans	899 231	904 720
Other liabilities	469 145	469 145
Total financial liabilities at amortised cost	95 894 201	95 900 178

31.03.22	Level 1	Level 2	Level 3	Total
Cash and receivables with central bank			460 994	460 994
Loans to and receivables from credit institutions			291 828	291 828
Loans to customers			81 062 051	81 062 051
Equity and funds			0	0
Other assets			179 470	179 470
Total financial assets at amortised cost		0	81 994 343	81 994 343
Liabilities				
Loans and deposits from central bank			0	0
Loans and deposits from credit institutions			224 436	224 436
Deposits from customers			64 933 310	64 933 310
Debt securities issued		29 368 567	0	29 368 567
Subordinated loan		904 720	0	904 720
Other liabilities			469 145	469 145
Total financial liabilities at amortised cost		30 273 287	65 626 891	95 900 178

Recognised at amortised cost

	Carrying value	Fair value
	31.12.21	31.12.21
Assets		
Cash and receivables with central bank	510 676	510 676
Loans to and receivables from credit institutions	856 622	856 622
Loans to customers	76 178 833	76 178 833
Equity and funds	364	364
Other assets	159 768	159 768
Total financial assets at amortised cost	77 706 263	77 706 263
Liabilities		
Loans and deposits from central bank	0	0
Loans and deposits from credit institutions	326 830	326 830
Deposits from customers	64 240 315	64 240 315
Debt securities issued	28 500 950	28 545 722
Subordinated loans	899 151	910 584
Other liabilities	564 335	564 335
Total financial liabilities at amortised cost	94 531 581	94 587 786

31.12.21	Level 1	Level 2	Level 3	Total
Cash and receivables with central bank		510 676		510 676
Loans to and receivables from credit institutions			856 622	856 622
Loans to customers			76 178 833	76 178 833
Equity and funds			364	364
Other assets			159 768	159 768
Total financial assets at amortised cost		510 676	77 195 587	77 706 263
Liabilities				
Loans and deposits from central bank			0	0
Loans and deposits from credit institutions			326 830	326 830
Deposits from customers			64 240 315	64 240 315
Debt securities issued		28 545 722	0	28 545 722
Subordinated loan		910 584	0	910 584
Other liabilities			564 335	564 335
Total financial liabilities at amortised cost		29 456 306	65 131 480	94 587 786

Note 19 - Financial instruments at fair value

Fair value of financial instruments (in NOK thousand)

In NOK thousand	31.03.22		31.12.21	
	Carrying value	Fair value	Carrying value	Fair value
Assets:				
Equity and funds	339 698	339 698	308 778	308 778
Commercial paper and bonds	12 835 079	12 835 079	15 487 702	15 487 702
Derivatives	315 851	315 851	377 403	377 403
Loans to customers (fixed rate)	8 033 110	8 033 110	8 168 042	8 168 042
Total financial assets at fair value	21 523 738	21 523 738	24 341 925	24 341 925
Liabilities:				
Derivatives	45 163	45 163	14 607	14 607
Total financial liabilities at fair value	45 163	45 163	14 607	14 607

31.03.2022

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity and funds	0	196 193	143 505	339 698
Commercial paper and bonds	0	12 835 079	0	12 835 079
Derivatives at fair value through profit and loss (asset)	0	315 851	0	315 851
Loans to customers (fixed rate)	0	0	8 033 110	8 033 110
Total	0	13 347 123	8 176 615	21 523 738
Derivatives at fair value through profit and loss (liability)	0	45 163	0	45 163
Total	0	45 163	0	45 163

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2022	8 168 042	114 560	8 282 602
Net gain/(loss) on financial instruments (unrealised)	-97 797	28 945	-68 852
New loans/exits	-37 135	0	-37 135
Sale	0	0	0
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 31 March 2022	8 033 110	143 505	8 176 615

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to March 2022.

Information about fair value of securities at Level 3:

Shares in Vipps AS

Sbanken has used the same value as year-end 2021 for calculating the total fair value of the shares in Vipps AS, at 31 March 2022, adjusted for a liquidity and general uncertainty discount of 20 %.

Shares in VN Norge AS

Sbanken has used the same method as year-end 2021 for calculating the fair value of the shares in VN Norge AS at 31 March 2022. In the calculation of fair value, adjustments for movements in currency (USD/NOK) and share price of Visa Inc. is accounted for. Sbanken's valuation of VN Norge AS includes a discount of 20 per cent to account for liquidity and general uncertainty.

Sensitivity analysis regarding shares in VN Norge:

Parameter	Effect in NOK
Shift in exchange rate of NOK/USD of +/- 10 %	+/- 3.0 mill
Shift in share price of Visa Inc. of +/- 10 %	+/- 3.0 mill
Shift in liquidity discount on shares in VN Norge AS of +/- 10 basis points	+/- 6.6 mill

Fixed rate loans

Principles related to fair value of fixed rate loans are described in the annual report for 2021.

31.12.2021

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity and funds	0	194 218	114 560	308 778
Commercial paper and bonds	1 240 074	14 247 628	0	15 487 702
Derivatives at fair value through profit and loss (asset)	0	377 403	0	377 403
Loans to customers (fixed rate)	0	0	8 168 042	8 168 042
Total	1 240 074	14 819 249	8 282 602	24 341 925
Derivatives at fair value through profit and loss (liability)	0	14 607	0	14 607
Total	0	14 607	0	14 607

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2021	7 921 668	110 285	8 031 953
Net gain/(loss) on financial instruments (unrealised)	-139 424	4 275	-135 149
New loans/exits	385 798	0	385 798
Sale	0	0	0
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 31 December 2021	8 168 042	114 560	8 282 602

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to December 2021.

Note 20 - Information about related parties

Assets and liabilities to Sbanken Boligkreditt AS

In NOK thousand	31.03.22	31.03.21	31.12.21
Receivable related to overdraft facility with Sbanken Boligkreditt AS	3 862 419	2 309 891	5 655 290
Sbanken Boligkreditt AS's deposit in Sbanken ASA	2 143 556	1 279 088	782 646
Sbanken ASA's ownership of covered bonds issued by Sbanken Boligkreditt AS	10 417 429	12 165 684	7 538 556
Sbanken ASA's ownership of subordinated loan issued by Sbanken Boligkreditt AS	325 000	325 000	325 000
Sbanken ASA's ownership of additional Tier 1 capital issued by Sbanken Boligkreditt	225 000	225 000	225 000

Transactions with Sbanken Boligkreditt AS

In NOK thousand	01.01.22 - 31.03.22	01.01.21 - 31.03.21	01.01.21 - 31.12.21
Sale of services in line with service agreement	2 200	2 047	8 652
Interest on overdraft facility	19 203	6 890	32 468
Interest on deposit	338	280	1 055
Interest on covered bonds issued by Sbanken Boligkreditt AS	27 440	10 918	81 018
Interest on subordinated loan issued by Sbanken Boligkreditt AS	1 689	2 177	6 622
Share of result related to ownership of additional Tier 1 capital in Sbanken Boligkreditt AS	2 120	2 709	8 948
Dividend from Sbanken Boligkreditt AS to Sbanken ASA	0	0	260 000

All numbers in the income statement and the balance sheet between Sbanken ASA and Sbanken Boligkreditt AS are eliminated in the group financial statements.

As of 31.03.22, other companies of the DNB Group are considered a related party to Sbanken Group. This includes assets and liabilities related to deposits, covered bonds and derivatives.

Transactions with related parties are based on the arm's length principle.

Note 21 - Earnings per share

In NOK	Q1 22	Q1 21	2021
Profit for the period to shareholders	172 031 000	179 996 000	707 781 000
Number of shares (weighted average)	106 869 333	106 869 333	106 869 333
Earnings per share (basic)	1.61	1.68	6.62
Earnings per share (diluted)	1.61	1.68	6.62

The earnings-per-share ratio shows the return to the group's ordinary shareholders. Accrued interest paid to hybrid capital investors, has been excluded from the profit in the calculation of earnings per share for the period.

Note 22 - Subsequent events

On 6 April, DNB Bank ASA announced a compulsory acquisition of all remaining shares in Sbanken ASA. The bank's shares were subsequently delisted from the Oslo stock exchange, with the last day of trading 19 April 2022.

The board of directors has resolved to change the proposed dividend to NOK 0.00 per share for 2021.

Income statement

(Sbanken ASA)

In NOK thousand	Note	Q1 22	Q1 21	2021
Interest income from financial instruments using the effective interest method		399 136	351 793	1 377 607
Other interest income		0	0	0
Interest expense		-72 475	-52 152	-218 410
Net interest income		326 660	299 641	1 159 197
Commission and fee income		88 343	80 590	332 604
Commission and fee expense		-34 259	-31 989	-122 031
Net commission and fee income		54 083	48 601	210 573
Net gain/(loss) on financial instruments		16 602	7 473	285 260
Other income		2 200	2 047	8 662
Other operating income		18 802	9 520	293 922
Personnel expenses		-84 385	-83 906	-336 357
Administrative expenses		-117 646	-74 720	-330 823
Depreciation and impairment of fixed and intangible assets		-11 696	-15 788	-72 318
Profit before loan losses		185 818	183 348	924 193
Loan losses		-6 719	-12 696	2 709
Profit before tax		179 100	170 653	926 902
Tax expense		-36 575	-40 874	-159 672
Profit for the period		142 525	129 779	767 230
Attributable to				
Shareholders		135 073	123 437	741 472
Additional Tier 1 capital holders		7 452	6 342	25 759
Profit for the period		142 525	129 779	767 230

Statement of comprehensive income

(Sbanken ASA)

In NOK thousand	Q1 22	Q1 21	2021
Profit for the period	142 525	129 779	767 230
Other comprehensive income:			
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI)	-50 103	2 527	-96 721
Tax effect	12 526	-631	24 180
Other comprehensive income that can be reclassified to profit or loss after tax	-37 577	1 896	-72 541
Actuarial gains (losses)	0	0	-8 430
Tax effect	0	0	2 107
Other comprehensive income that can not be reclassified to profit or loss after tax	0	0	-6 323
Total components of other comprehensive income (after tax)	-37 577	1 896	-78 864
Total comprehensive income for the period	104 948	131 675	688 366
Attributable to			
Shareholders	97 496	125 333	662 607
Additional Tier 1 capital holders	7 452	6 342	25 759
Total comprehensive income for the period	104 948	131 675	688 366

Balance sheet

(Sbanken ASA)

In NOK thousand	Note	31.03.22	31.03.21	31.12.21
Assets				
Cash and receivables with central bank		460 994	584 984	510 676
Loans to and receivables from credit institutions		4 154 092	2 810 593	6 511 755
Loans to customers		51 175 031	41 160 400	46 217 101
Net loans to customers, central bank and credit institutions		55 790 117	44 555 977	53 239 532
Commercial paper and bonds at fair value through OCI		22 620 923	28 822 384	22 520 436
Equity investments and funds		567 250	415 336	536 668
Commercial paper and bonds at amortised cost		325 956	325 648	325 854
Shares in subsidiary		1 699 880	1 699 880	1 699 880
Derivatives		247 534	93 182	143 382
Intangible assets		104 648	117 344	103 350
Deferred tax assets		48 403	7 238	36 577
Property, plant and equipment		82 991	103 087	86 411
Other assets		358 956	299 979	344 219
Advance payment and accrued income		76 617	76 865	74 550
Total assets		81 923 274	76 516 919	79 110 860
Liabilities				
Loans and deposits from central bank		0	2 250 000	0
Loans and deposits from credit institutions		2 368 410	1 341 295	1 109 560
Deposits from customers		64 933 310	59 962 127	64 240 315
Debt securities issued		6 054 264	4 548 924	5 177 881
Derivatives		45 163	10 647	14 607
Taxes payable		114 363	121 373	160 280
Deferred tax		0	0	0
Pension commitments		22 459	36 998	22 459
Other liabilities		447 611	473 375	546 169
Subordinated loans		899 231	898 911	899 151
Total liabilities		74 884 810	69 643 650	72 170 422
Equity				
Share capital		1 068 693	1 068 693	1 068 693
Share premium		2 625 895	2 625 895	2 625 895
Additional Tier 1 capital		701 921	701 272	701 389
Other equity		2 641 955	2 477 408	2 544 460
Total equity		7 038 464	6 873 269	6 940 437
Total liabilities and equity		81 923 274	76 516 919	79 110 860

Expected credit losses (ECL) relate to Sbanken ASA with exception of a provision of NOK 4.4 million in Sbanken Boligkreditt AS, please refer to note 8 in the financial statements for the Sbanken group. For information regarding related parties, refer to note 20 in the financial statements for the Sbanken group.

Statement of changes in equity

(Sbanken ASA)

In NOK thousand	Share capital	Share premium	Additional Tier 1 capital	Actuarial gains and losses	Changes in fair value of financial instruments at fair value through OCI	Other equity	Total equity
Balance sheet as at 01.01.21	1 068 693	2 625 895	701 223	-25 005	16 657	2 697 064	7 084 526
Profit for the period to other equity (01.01.21 to 31.03.21)						123 437	123 437
Profit for the period to Tier 1 capital holders (01.01.21 to 31.03.21)			6 342				6 342
Payments to Tier 1 capital holders (01.01.21 to 31.03.21)			-6 293				-6 293
Actuarial gains and losses for the period (01.01.21 to 31.03.21)				0			0
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI) (01.01.21 to 31.03.21)					1 896		1 896
Paid dividend to shareholders, February						-336 638	-336 638
Balance sheet as at 31.03.21	1 068 693	2 625 895	701 272	-25 005	18 553	2 483 863	6 873 269
Profit for the period to other equity (01.04.21 to 31.12.21)						618 035	618 035
Profit for the period to Tier 1 capital holders (01.04.21 to 31.12.21)			19 417				19 417
Payments to Tier 1 capital holders (01.04.21 to 31.12.21)			-19 300				-19 300
Actuarial gains and losses for the period (01.04.21 to 31.12.21)				-6 323			-6 323
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI) (01.04.21 to 31.12.21)					-74 437		-74 437
Paid dividend to shareholders, October						-470 225	-470 225
Balance sheet as at 31.12.21	1 068 693	2 625 895	701 389	-31 328	-55 884	2 631 673	6 940 437
Profit for the period to other equity (01.01.22 to 31.03.22)						135 073	135 073
Profit for the period to Tier 1 capital holders (01.01.22 to 31.03.22)			7 452				7 452
Payments to Tier 1 capital holders (01.01.22 to 31.03.22)			-6 920				-6 920
Actuarial gains and losses for the period (01.01.22 to 31.03.22)				0			0
Net change in fair value of financial instruments at fair value through other comprehensive income (OCI) (01.01.22 to 31.03.22)					-37 577		-37 577
Balance sheet as at 31.03.22	1 068 693	2 625 895	701 921	-31 328	-93 461	2 766 746	7 038 464

Statement of Cash Flows

(Sbanken ASA)

In NOK thousand	Note	Jan-Mar 22	Jan-Mar 21	2021
Cash flows from operating activities				
Net payments on loans to customers		-5 055 656	6 654 389	1 573 224
Interest received on loans to customers		290 131	303 574	1 089 672
Net receipts on deposits from customers		692 994	1 318 500	5 596 668
Interest paid on deposits from customers		-25 909	-20 777	-151 980
Payments/receipts on loans to/deposits from group company		2 960 975	-323 154	-3 952 683
Interest received on loans to group company		18 865	6 890	32 468
Net receipts/payments from buying and selling financial instruments at fair value		-169 501	-8 742 231	-2 644 217
Interest received from commercial paper and bonds		83 411	50 783	233 288
Receipts of collateral related to derivatives used in hedge accounting		90 745	62 206	108 807
Net receipts/payments on deposits from central bank		0	0	-2 250 000
Interest paid on deposits from credit institutions		-40	-1 689	-2 201
Interest received on loans to credit institutions and central bank		946	0	900
Receipts related to commissions and fees		95 190	62 423	306 367
Payments related to commissions and fees		-35 330	-13 055	-119 029
Payments related to administrative expenses		-84 056	-55 317	-314 108
Payments related to personnel expenses		-115 362	-97 402	-317 501
Taxes paid		-81 792	-81 274	-163 586
Other receipts/payments		-116 408	-3 038	65 028
Net cash flows from operating activities		-1 450 797	-879 172	-908 883
Cash flows from investment activities				
Capital increase in subsidiary		0	0	0
Received dividend from subsidiary		0	0	230 000
Invested in Additional Tier 1 capital in subsidiary		0	0	0
Invested in associated company		0	0	0
Payments on the acquisition of fixed assets		-1 206	-347	-4 588
Payments on the acquisition of intangible assets		-10 432	-12 032	-23 418
Net cash flows from investment activities		-11 638	-12 379	201 994
Cash flows from financing activities				
Receipts on share capital and share premium net of issuing cost		0	0	0
Paid dividend to shareholders		0	-336 638	-806 863
Receipts on subordinated loans		150 000	0	0
Payments on matured and redeemed subordinated loans		-150 000	0	0
Interest paid on subordinated loans		-4 853	-4 219	-17 151
Receipts on issued additional Tier1 capital		100 000	0	0
Payments on matured and redeemed additional Tier1 capital		-100 000	0	0
Interest paid on additional Tier 1 capital		-6 920	-6 293	-25 593
Receipts on issued bonds and commercial paper		1 300 000	500 000	1 700 000
Payments on matured and redeemed bonds and commercial paper		-423 792	-242 979	-814 531
Interest paid on issued bonds and commercial paper		-16 473	-10 262	-39 460
Net cash flows from financing activities		847 962	-100 391	-3 598
Total net cash flow		-614 473	-991 942	-710 487
Cash at the beginning of the period		1 367 140	2 077 627	2 077 627
Cash at the end of the period		752 667	1 085 685	1 367 140
Change in cash		-614 473	-991 942	-710 487
Cash				
Cash and receivables with central bank		460 994	584 984	510 675
Loans to credit institutions		291 673	500 701	856 465
Total cash		752 667	1 085 685	1 367 140

Capital adequacy

(Sbanken ASA)

In NOK thousand	31.03.22		31.03.21		31.12.21	
	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume	Nominal exposure	Risk-weighted volume
Central governments	1 424 968	0	4 320 520	0	1 611 053	0
Regional governments	744 432	121 007	3 297 319	506 753	1 577 839	230 435
Multilateral Development Banks	1 508 117	0	1 411 155	0	1 469 749	0
Institutions	30 507 250	3 470 723	32 638 742	3 407 636	29 981 388	3 742 762
Retail	8 652 112	3 358 937	8 613 032	3 342 861	8 612 228	3 335 532
Secured by mortgages on immovable property	70 544 646	20 521 981	54 038 423	15 124 768	61 177 525	17 584 879
Exposures in default	409 548	469 012	443 987	526 987	408 298	471 389
Covered bonds	18 635 736	1 863 574	19 874 936	1 987 494	17 687 733	1 768 773
Equity	2 702 851	2 746 177	2 495 032	2 495 578	2 652 980	2 653 525
Other items	419 912	419 912	410 248	410 248	421 308	421 308
Total credit risk, standardised method¹⁾	135 549 572	32 971 323	127 543 394	27 802 325	125 600 101	30 208 603
Credit value adjustment risk (CVA)		41 577		44 230		37 612
Operational risk		2 316 820		2 290 161		2 316 820
Total risk-weighted volume		35 329 720		30 136 716		32 563 035
Capital base						
Share capital		1 068 693		1 068 693		1 068 693
Share premium		2 625 895		2 625 895		2 625 895
Other equity		2 506 882		2 353 972		1 802 988
Additional Tier 1 capital		701 921		701 272		701 389
Profit for the period		135 073		123 437		741 472
Total booked equity		7 038 464		6 873 269		6 940 437
Additional Tier 1 capital instruments included in total equity		-701 921		-701 272		-701 389
Common equity Tier 1 capital instruments		6 336 543		6 171 997		6 239 048
<i>Deductions</i>						
Goodwill, deferred tax assets and other intangible assets		-78 486		-88 008		-77 513
Value adjustment due to the requirements for prudent valuation (AVA)		-12 159		-29 237		-23 057
Profit for the period, not eligible ²⁾		-135 073		-123 437		0
Common equity Tier 1 capital		6 110 825		5 931 315		6 138 478
Additional Tier 1 capital		700 000		700 000		700 000
Tier 1 capital		6 810 825		6 631 315		6 838 478
Tier 2 capital		900 000		900 000		900 000
Own funds (primary capital)		7 710 825		7 531 315		7 738 478
Capital requirements						
Minimum requirements - common equity Tier 1 capital	4.5%	1 589 837	4.5%	1 356 152	4.5%	1 465 337
Capital conservation buffer	2.5%	883 243	2.5%	753 418	2.5%	814 076
Systemic risk buffer	3.0%	1 059 892	3.0%	904 101	3.0%	976 891
Countercyclical capital buffer	1.0%	353 297	1.0%	301 367	1.0%	325 630
Additional Tier 1 capital	1.5%	529 946	1.5%	452 051	1.5%	488 446
Tier 2 capital	2.0%	706 594	2.0%	602 734	2.0%	651 261
Total minimum and buffer requirements own funds (primary capital)	14.5%	5 122 809	14.5%	4 369 824	14.5%	4 721 640
<i>Available common equity Tier 1 capital after buffer requirements</i>		2 213 556		2 616 276		2 556 545
<i>Available own funds (primary capital)</i>		2 577 016		3 161 491		3 016 838
Capital ratio % (regulatory)						
Common equity Tier 1 capital		17.3%		19.7%		18.9%
Additional Tier 1 capital		2.0%		2.3%		2.1%
Tier 2 capital		2.5%		3.0%		2.8%
Total capital ratio		21.8%		25.0%		23.8%

¹⁾ The specification is according to EBA reporting framework.

²⁾ Including 0 per cent of the profit for the first quarter of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Leverage Ratio (Sbanken ASA)

In NOK thousand		31.03.22	31.03.21	31.12.21
Derivatives market value		47 982	41 877	34 575
Potential future exposure on derivatives		47 825	43 300	47 275
Off-balance sheet commitments		32 480 725	32 790 196	29 847 924
Loans and advances and other assets		81 571 093	76 306 393	78 864 127
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		114 147 625	109 181 766	108 793 901
Tier 1 capital ¹⁾		6 810 825	6 631 315	6 838 478
Leverage ratio % (regulatory)		6.0 %	6.1 %	6.3 %
Leverage Ratio requirements				
Minimum requirements	3.0%	3 424 429	3 275 453	3 263 817
Buffer requirements	0.0%	0	0	0
Total minimum and buffer requirements (Tier 1 capital)	3.0%	3 424 429	3 275 453	3 263 817
<i>Available Tier 1 capital after minimum and buffer requirements</i>		3 386 396	3 355 862	3 574 661
<i>Available Tier 1 capital after minimum and buffer requirements ²⁾</i>		2 751 576	2 981 215	2 869 324

¹⁾ Including 0 per cent of the profit for the first quarter of 2022 and 2021. Year-end 2021 includes fully retained earnings for 2021 with no dividend.

Debt securities issued and subordinated loans

(Sbanken ASA)

Carried at amortised cost:

In NOK thousand	Currency	31.03.22	31.12.21
Bonds issued	NOK	6 054 264	5 177 881
Subordinated loans	NOK	899 231	899 151
Total debt securities issued and subordinated loans		6 953 495	6 077 032

Specification of bonds and subordinated loans as at 31.03.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Bonds						
NO0010862048	Sbanken ASA	665 000	NOK	Floating	09.09.22	664 948
NO0010874878	Sbanken ASA	632 000	NOK	Floating	10.02.23	631 282
NO0010886757	Sbanken ASA	800 000	NOK	Floating	26.09.23	801 066
NO0010895519	Sbanken ASA	1 000 000	NOK	Floating	12.04.24	999 725
NO0010920762	Sbanken ASA	1 000 000	NOK	Floating	12.12.24	1 000 713
Total bonds		4 097 000				4 097 734
Bonds, senior non-preferred						
NO0011087587	Sbanken ASA	1 200 000	NOK	Floating	08.09.25	1 198 774
NO0011087595	Sbanken ASA	800 000	NOK	Fixed	07.09.27	757 742
Total bonds, senior non-preferred		2 000 000				1 956 516
Total bonds		6 097 000				6 054 250

Subordinated loans

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity ²	Carrying value
NO0010847205	Sbanken ASA	125 000	NOK	Floating	21.03.29	125 000
NO0010871502	Sbanken ASA	125 000	NOK	Floating	19.12.29	124 963
NO0010885197	Sbanken ASA	350 000	NOK	Floating	17.06.30	349 486
NO0010891922	Sbanken ASA	150 000	NOK	Floating	28.08.30	149 781
NO0011203598	Sbanken ASA	150 000	NOK	Floating	14.01.32	150 001
Total subordinated loans		900 000				899 231

¹ First possible call date for the issuer is 5 years before date of maturity. The loan agreement has covenants to qualify as Tier 2 capital.

Changes of debt securities and subordinated loans:

	31.12.21	January-March 2022				31.03.22
		Issued	Matured	Redeemed	Other adjustments	
Bonds (nominal)	3 990 000	500 000	0	-393 000	0	4 097 000
Bonds, senior non-preferred (nominal)	1 200 000	800 000	0	0	0	2 000 000
Subordinated loans (nominal)	900 000	150 000	0	-150 000	0	900 000
Total	6 090 000	1 450 000	0	-543 000	0	6 997 000

Net interest income

(Sbanken ASA)

Net interest income

In NOK thousand	Q1 22	Q1 21	2021
Loans to and receivables from credit institutions and central bank	20 150	6 864	33 369
Loans to customers ¹	296 676	299 694	1 104 237
Commercial paper and bonds ²	82 310	45 235	240 002
Total interest income	399 136	351 793	1 377 607
Loans and deposits from credit institutions and central bank	-378	-1 945	-3 256
Deposits from customers	-25 488	-20 061	-81 492
Debt securities issued	-23 821	-10 837	-45 810
Subordinated loans	-5 388	-4 269	-17 364
Other interest expenses	-17 400	-15 041	-70 488
Total interest expenses	-72 475	-52 152	-218 410
Net interest income	326 660	299 641	1 159 197

¹ Interest income in Jan-Mar 22 of TNOK 126 844 are related to home loans measured at fair value through OCI and TNOK 39 202 are related to home loans measured at fair value through profit and loss.

² Interest income in Jan-Mar 22 of TNOK 1 689 are related to commercial paper and bonds at amortised cost. The rest relates to investments measured at fair value through OCI.

Classification of financial instruments

(Sbanken ASA)

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI ¹	Financial instruments carried at amortised cost	Total carrying value	Total fair value
31.03.22					
Financial Assets					
Cash and receivables with central bank			460 994	460 994	460 994
Loans to and receivables from credit institutions			4 154 092	4 154 092	4 154 092
Loans to customers	8 033 110	25 770 923	17 370 998	51 175 031	51 175 031
Commercial paper and bonds		22 620 923	0	22 620 923	22 620 923
Equity investments and funds ²	567 250		0	567 250	567 250
Commercial paper and bonds at amortised cost			325 956	325 956	323 225
Shares in subsidiary			1 699 880	1 699 880	1 699 880
Derivatives	247 534			247 534	247 534
Other assets			435 573	435 573	435 573
Total financial assets	8 847 894	48 391 846	24 447 493	81 687 233	81 684 502
Financial liabilities					
Loans and deposits from central bank			0	0	0
Loans and deposits from credit institutions			2 368 410	2 368 410	2 368 410
Deposits from customers			64 933 310	64 933 310	64 933 310
Debt securities issued			6 054 264	6 054 264	6 052 616
Derivatives	45 163			45 163	45 163
Subordinated loans			899 231	899 231	904 720
Other liabilities			447 611	447 611	447 611
Total financial liabilities	45 163	0	74 702 826	74 747 989	74 751 830

¹ Home loans and earned interest that may be sold to Sbanken Boligkreditt AS are measured at fair value through other comprehensive income.

² Sbanken ASAs holdings of Tier 1 capital issued by others are measured at fair value through profit and loss.

In NOK thousand	Financial instruments at fair value through profit and loss	Financial instruments at fair value through OCI ¹	Financial instruments carried at amortised cost	Total carrying value	Total fair value
31.12.21					
Financial Assets					
Cash and receivables with central bank			510 676	510 676	510 676
Loans to and receivables from credit institutions			6 511 755	6 511 755	6 511 755
Loans to customers	8 168 042	24 606 853	13 442 206	46 217 101	46 217 101
Commercial paper and bonds		22 520 436	0	22 520 436	22 520 436
Equity investments and funds ^{2 and 3}	536 304		364	536 668	536 668
Commercial paper and bonds at amortised cost			325 854	325 854	326 408
Shares in subsidiary			1 699 880	1 699 880	1 699 880
Derivatives	143 382			143 382	143 382
Other assets			418 769	418 769	418 769
Total financial assets	8 847 728	47 127 289	22 909 504	78 884 521	78 885 075
Financial liabilities					
Loans and deposits from central bank			0	0	0
Loans and deposits from credit institutions			1 109 560	1 109 560	1 109 560
Deposits from customers			64 240 315	64 240 315	64 240 315
Debt securities issued			5 177 881	5 177 881	5 190 219
Derivatives	14 607			14 607	14 607
Subordinated loans			899 151	899 151	910 584
Other liabilities			546 168	546 168	546 168
Total financial liabilities	14 607	0	71 973 075	71 987 682	72 011 453

¹ Home loans and earned interest that may be sold to Sbanken Boligkreditt AS are measured at fair value through other comprehensive income.

² Shares in associated company are recognised using the equity method and allocated to the category amortised cost.

³ Sbanken ASAs holdings of Tier 1 capital issued by others are measured at fair value through profit and loss.

Financial instruments at fair value

(Sbanken ASA)

Fair value of financial instruments (in NOK thousand)

In NOK thousand	31.03.22		31.12.21	
	Carrying value	Fair value	Carrying value	Fair value
Assets:				
Equity investments and funds	567 250	567 250	536 304	536 304
Commercial paper and bonds	22 620 923	22 620 923	22 520 436	22 520 436
Loans to customers	33 804 033	33 804 033	32 774 895	32 774 895
Derivatives	247 534	247 534	143 382	143 382
Total financial assets at fair value	57 239 740	57 239 740	55 975 017	55 975 017
Liabilities:				
Derivatives	45 163	45 163	14 607	14 607
Total financial liabilities at fair value	45 163	45 163	14 607	14 607

31.03.2022

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity investments and funds	0	423 745	143 505	567 250
Commercial paper and bonds	0	22 620 923	0	22 620 923
Loans to customers	0	0	33 804 033	33 804 033
Derivatives	0	247 534	0	247 534
Total	0	23 292 202	33 947 538	57 239 740
Derivatives at fair value through profit and loss (liability)		45 163		45 163
Total		45 163		45 163

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2022	32 774 895	114 560	32 889 455
Net gain/(loss) on financial instruments (unrealised)	-97 797	28 945	-68 852
Net new loans/exits	5 015 065	0	5 015 065
Sale (to Sbanken Boligkreditt AS)	-3 888 130	0	-3 888 130
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 31 March 2022	33 804 033	143 505	33 947 538

There have been no transfers of financial instruments between Level 1 and Level 2 in the period January to March 2022.

31.12.2021

In NOK thousand	Level 1	Level 2	Level 3	Total
Equity investments and funds	0	421 744	114 560	536 304
Commercial paper and bonds	1 240 074	21 280 362	0	22 520 436
Loans to customers	0	0	32 774 895	32 774 895
Derivatives	0	143 382	0	143 382
Total	1 240 074	21 845 488	32 889 455	55 975 017

Derivatives at fair value through profit and loss (liability)		14 607		14 607
Total		14 607		14 607

Financial instruments measured at fair value Level 3

In NOK thousand	Loans to customers	Shares and funds	Total
Opening balance at 1 January 2021	38 033 122	110 285	38 143 407
Net gain/(loss) on financial instruments (unrealised)	-139 424	4 275	-135 149
Net new loans/exits	18 310 806	0	18 310 806
Sale (to Sbanken Boligkreditt AS)	-23 429 609	0	-23 429 609
Settlement	0	0	0
Transferred from Level 1 or Level 2	0	0	0
Transferred to Level 1 or Level 2	0	0	0
Other	0	0	0
Closing balance at 31 December 2021	32 774 895	114 560	32 889 455

There have been no transfers of financial instruments between Level 1 and Level 2 in the period January to December 2021.

Alternative performance measures

(Sbanken group)

Sbanken discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are commonly used by analysts, investors and other stakeholders to evaluate the performance of the bank in isolation or relative to the financial industry. The measures are provided to give an enhanced insight into the operations, financing and future prospects of the Bank.

Interest rate measures

Interest rate measures are presented to provide enhanced insight into the underlying performance of net interest income. These measures are commonly used by industry analysts to calculate performance and projections for banks. For interim periods the interest income and expense figures are annualised using the number of interest bearing days in the period to the total number of interest bearing days in the year.

Average total assets is calculated based on daily observations of the total balance divided by the number of days in the period.

Net interest margin is calculated as annualised net interest income divided by average total assets. The measure reflects the margin between interest paid and interest received. It is an important measure to evaluate the profitability of the Bank's lending operations.

Effective lending rate is calculated as annualised interest income divided by average total assets. The measure reflects the average interest rate received on the Bank's assets.

Effective funding rate is calculated as annualised interest expense divided by average total assets. The measure reflects the average interest rate paid on the Bank's liabilities.

Average effective interest rate by product group is calculated as annualised interest income divided by average lending for each product respectively. The average lending is calculated based on daily observations over the number of days in the period.

In NOK thousand	Q1 22	Q1 21	2021
Net interest income (annualised)	1 531 050	1 560 198	1 517 710
Average total assets	102 527 415	100 803 732	98 953 138
Net interest margin	1.49 %	1.55 %	1.53 %
Interest income (annualised)	2 115 878	1 990 100	1 939 390
Average total assets	102 527 415	100 803 732	98 953 138
Effective lending rate	2.06 %	1.97 %	1.96 %
Interest expense (annualised)	584 828	429 902	421 680
Average total assets	102 527 415	100 803 732	98 953 138
Effective funding rate	0.57 %	0.43 %	0.43 %

Profit related measures

Profit related measures are provided for enhanced insight into the underlying performance of the business. Cost-to-income ratio and Return on Equity are commonly used by analysts and investors to evaluate the financial performance of banks and the banking industry.

Operating income is the sum of net interest income, net commission and fee income and other operating income.

Operating expenses is the sum of personnel expenses, administrative expenses and depreciation and impairment of fixed and intangible assets.

Cost-to-income ratio is calculated as operating expense divided by operating income. The measure reflects the operating efficiency of the Bank.

Return on Equity (ROE) is calculated as profit for the period attributable to shareholders as a percentage of average shareholder equity in the period. Tier-1 capital and related accrued interest have been excluded from the ROE calculation. For interim periods the profit for the period is annualised using the number of days in the period to the total number of days in the year. The average equity is calculated using a linear average over the reporting period.

In NOK thousand	Q1 22	Q1 21	2021
Operating expense	214 212	174 737	741 203
Operating income	446 276	430 359	1 693 288
Cost-to-income ratio	48.0 %	40.6 %	43.8 %
Operating expense	214 212	n/a	741 203
Adjustment one-off	-29 028	n/a	-11 514
Operating expense adjusted	185 184	n/a	729 689
Operating income	432 053	n/a	1 693 288
Adjustment one-off	-26 520	n/a	0
Operating income adjusted	405 533	n/a	1 693 288
Cost-to-income ratio adjusted	45.7 %	n/a	43.1 %
Profit for the period attributable to shareholders (annualised)	697 681	729 984	707 781
Average equity	6 861 141	6 839 380	6 851 229
Return on equity	10.2 %	10.7 %	10.3 %

Other performance measures

Other performance measures are presented as they are commonly used by analysts and investors to evaluate the performance of the loan book and the funding mix of banks.

Growth, e.g loan growth, is calculated as a percentage by subtracting the period end balance from the period start balance and dividing by the period start balance.

Average loan volume is calculated based on daily observations of gross loans to customers divided by the number of days in the period.

Loss rate is calculated as the loan losses of the period divided by the average loan volume of the period. The measure is commonly used by banks and industry analysts to indicate the performance and quality of the lending book. For interim periods the loan losses for the period is annualised using the number of days in the period to the total number of days in the year.

Loss rate (adj.) is calculated as the loan losses of the period adjusted for income from sold portfolio of non-performing loans, divided by the average loan volume in the period. The measure is presented to provide a better understanding of the underlying performance of the lending book.

Average deposit-to-loan ratio is calculated as average deposits from customers in the period divided by average loans to customers in the period. The average is based on daily observations. The measure reflects the average amount of customer lending funded by customer deposits and is commonly used by banks and industry analysts.

Deposit-to-loan ratio is calculated as deposits from customers divided by loans to customers at the end of the period. The measure reflects the average amount of customer lending funded by customer deposits and is commonly used by banks and industry analysts.

LTV (Loan-to-Value) is calculated as the loan amount divided by the estimated value of the property. When calculating a weighted average of LTV for the entire loan book, the credit balance of mortgages and the credit limit of home equity credit lines are used as weights. The LTV is provided as a measure of lending risk exposure.

In NOK thousand	Q1 22	Q1 21	2021
Loan losses (annualised)	23 919	51 677	-3 470
Average loan volume	87 497 734	83 288 248	82 824 694
Loss rate	0.03 %	0.06 %	0.00 %
Average deposits from customers	64 935 502	59 441 340	62 307 679
Average loans to customers	87 497 734	83 288 248	82 824 694
Average deposit-to-loan ratio	74.2 %	71.4 %	75.2 %
Deposits from customers	64 933 310	59 962 127	64 240 315
Loans to customers	89 095 161	82 843 734	84 346 875
Deposit-to-loan ratio	72.9 %	72.4 %	76.2 %
LTV (Loan-to-value)	50.7 %	51.6 %	51.3 %

The liquidity requirements are intended to guarantee satisfactory liquidity management by ensuring that the institutions have sufficient liquid assets to cover their liabilities on maturity and have stable and long-term financing at all times. The Liquidity Coverage Ratio (LCR) is intended to ensure that institutions can convert sufficient assets to cash to cover expected net liquidity outflows over the next 30 days in stressed situations in the money and capital markets. The Net Stable Funding Ratio (NSFR) is intended to ensure that less liquid assets are financed over the long term.

LCR (Liquidity Coverage Ratio)

In NOK thousand	31.03.22		31.03.21		31.12.21	
	Carrying value	Value LCR	Carrying value	Value LCR	Carrying value	Value LCR
Level 1 - assets exclusive of covered bonds	4 118 080	4 118 080	6 968 423	6 968 423	4 355 321	4 355 321
Level 1 covered bonds	6 488 760	6 034 546	6 927 612	6 442 679	8 586 363	7 985 318
Level 2A - assets	2 151 634	1 828 889	3 347 853	2 845 675	2 614 867	2 222 637
Level 2B - assets		0	0	0	0	0
Excess liquid asset amount		0		0		-45 540
Assets ineligible as "liquid assets"	90 989 141		84 474 166		86 717 035	
Total assets	103 747 614	11 981 515	101 718 054	16 256 777	102 273 586	14 517 736
Net outflows		7 182 768		4 555 997		5 102 181
LCR %		167 %		357 %		285 %

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