



SpareBank
SMN 

3rd quarter 2020

29. October 2020

Retail Banking

Lending growth of 9.8bn in last 12 months. Deposits have grown by 5.2bn



EM1 Midt-Norge has sold 344 more dwellings than at the same point last year

Corporate Banking

Lending growth of 4.3bn in last 12 months. Strong growth in leasing to SMEs



Income growth at Regnskapshuset (6.4%) and Markets (13.1%) in last 12 months

A strengthened SMN

As the region's leading finance house, SMN has shown social responsibility in a demanding period.

We are there for people, businesses and local communities – also in times of crisis. Now, with the market normalising, we are reaping the value of close customer relationships and a strong market position.

Growth in all business lines so far this year, and a record-high share of sales is digital. Income growth of 4,9 % compared with last year, while growth in costs is limited to 1,4 %.

High losses again in Q3, mainly from offshore and the hospitality segment. SMN is solidly capitalised, in a financial position for further growth and has good dividend capacity.

Good progression towards our financial objectives. One SMN is now implementing measures designed to provide customer-oriented, simplified distribution, increased digitalisation and more efficient operation of the group.

Structural changes

- Merger between SpareBank 1 Finans Midt-Norge and SpareBank 1 SMN Spire Finans
- Winding up of SpareBank 1 SMN Invest

Profits as at 30. September 2020

Net profit

NOK 1,528m (2,217)

ROE

10.4 % (16.0)

CET1

17.6 % (15.1)

Pre loss result of core business NOK 1,779 (1,625)
Loan losses NOK 709 m (198)

Gain Fremtind NOK 340m (460)

Leverage ratio 7.1 % (7.4)

Growth in lending RM 8.7 % (5.8) CM 8.1% (2.8)
Growth in deposits 14.0 % (7.9)

Booked equity capital per ECC NOK 92.73 (89.36)

Profit per ECC NOK 6.88 (10.54)



Strategy 2020-2023

SpareBank 1 SMN to be the leading finance house in Central Norway, and among the best performers in the Nordic region

12%

Financial ambitions

Profitable

Return on equity 12%

15.4%

Financially sound

CET1 ratio 15.4%

Payout ratio approx. 50%

< 2%

Efficient

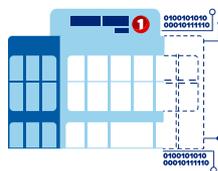
Annual cost growth in the group to be limited to 2% in existing business. For 2020 the aim is to keep cost growth below 2%

Five strategic priorities for 2020-2023



Create 'One SMN'

- Strengthen the customer offering and distribution
- Simplifications and efficiencies
- Attractive jobs



Increase digitalisation and use of insight

- Ensure relevance
- New digital solutions
- New income flows
- Improved efficiency



Head up the development of Norway's savings bank system

- Collaboration as a competitive advantage
- Growth



Integrate sustainability into the business

- Sustainable development
- Reduce risk
- Realise business opportunities



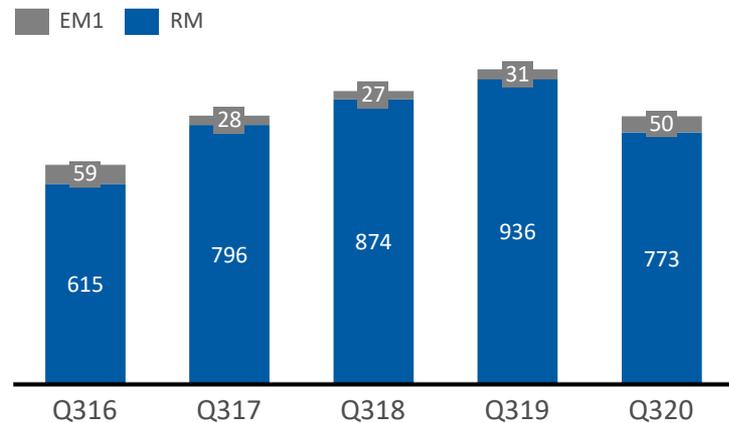
Exploit the power in our ownership model

- The region's development and value creation
- Pride and commitment
- Strengthened position

Breadth makes SMN robust and is an increasingly important aspect of the group

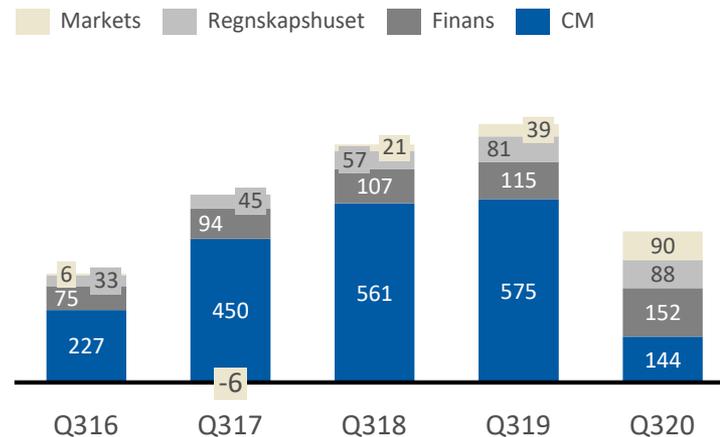
Retail Banking

Profit before tax as at Q3 (NOKm)



Corporate Banking

Profit before tax as at Q3 (NOKm)



Fremtind aiming for no. 1 position

#1

Market position

Bancassurance in Norway

#1

Personal insurance

26.6 % market share

#3

Land based non-life insurance

15.0 % market share

#3

Risk products in total

16.6 % market share

Fremtind



Norway's most popular payment app



**bank
axcept**

85% market share
September 2020

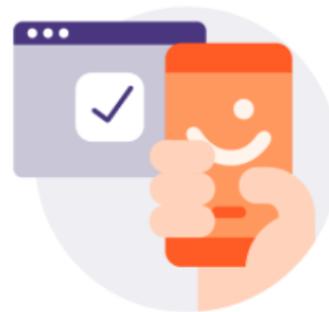
(based on
transactions)



bankID

Net transaction
income:
+94%

(compared with
September 2019)



vøpps
online
payment

Net transaction
income:
+145 %

(compared with
September 2019)

vøpps



vøpps

person-to-person
payment

No. of transactions in
September:
16.7 millioner

+23% from September 2019



Sustainability is a strategic foundation of SMN

Ambition to integrate sustainability into all aspects of the business

Good ESG rating – but the ambitions are higher

SUSTAINALYTICS ESG RISK RATING REPORT

SpareBank 1 SMN

Regional Banks | Norway | OSL:MING

20.0 Low Risk



Kilde: Sustainalytics

«SpareBank 1 SMNs overall ESG-related disclosure follows best practice, signaling strong accountability to investors and the public.

The company's ESG-related issues are overseen by the executive team, suggesting that these are integrated in the core business strategy»

SpareBank 1 SMN (MING) an attractive investment – also in an uncertain world

- 1 High return over time and solid capitalisation. **Efficient** banking operations and unrealised income and cost synergies within the group. Shareholder-friendly dividend policy
- 2 Strong **position** and good **growth** in an attractive region and across all business lines. Diversified customer portfolio and income base
- 3 Good **brand** with development potential based on ownership model, local presence and sustainability
- 4 Substantial **underlying assets** through ownership in and outside the SpareBank1-alliance
- 5 Well positioned through **consolidation** of Norwegian savings banks

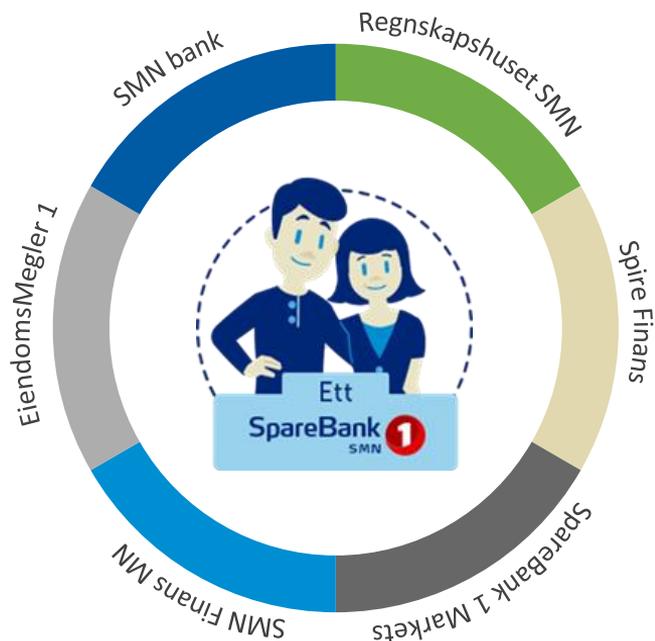


One SMN

Nelly Maske,

Executive director - Retail Banking

#1 in our region and among the best in the Nordics



3rd quarter 2020

1

Strengthen market position

One SMN will strengthen its market position and demonstrate that we are a coherent and effective group – for our customers, employees and shareholders

2

Increased incomes

Income growth from new customers and increased share of wallet on existing customers

Develop new financial services

3

Increased synergies

The group's customers will be offered an improved and expanded customer offering

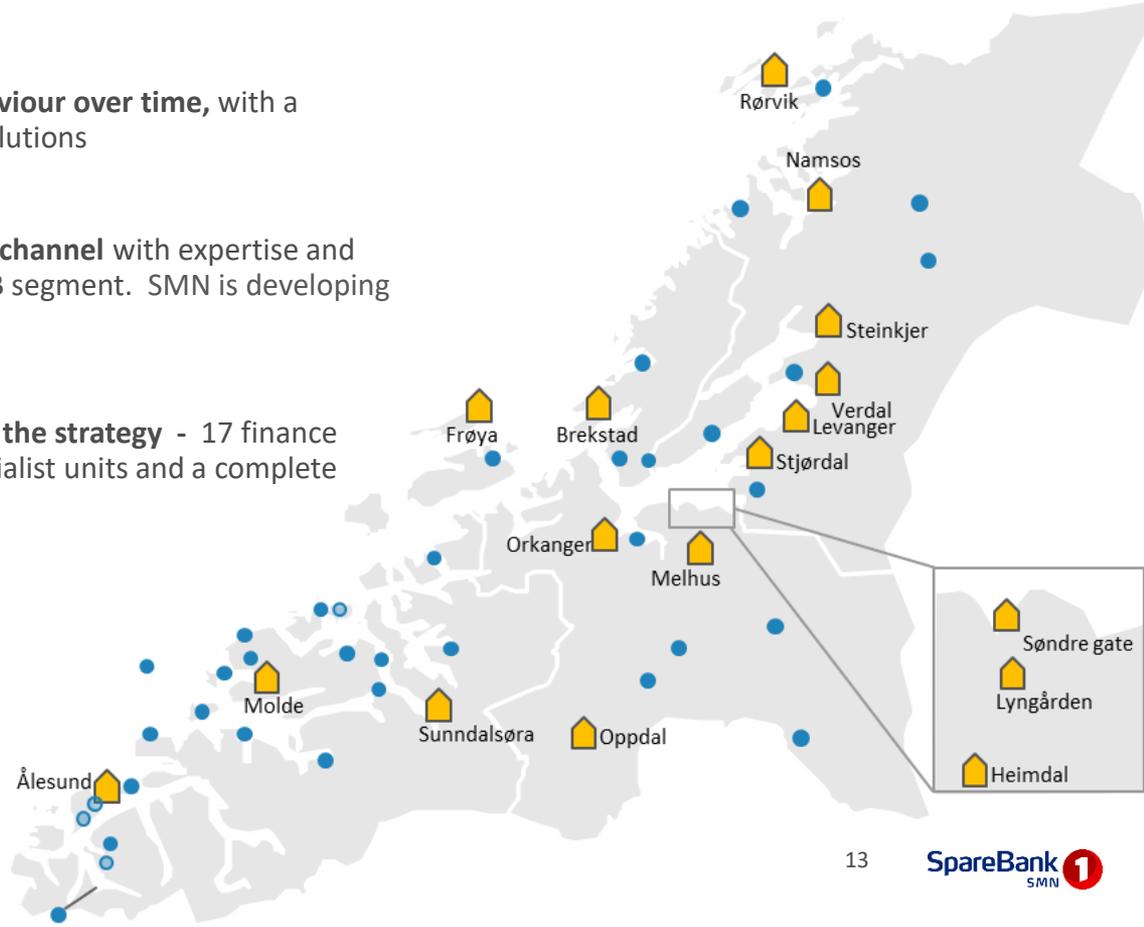
4

Reduced costs

Reduce costs through efficient distribution, reduced number of branches, efficient support functions, a total of 100 fewer FTEs and reduction in operating costs and IT costs

New and efficient distribution model

- **The backdrop is an intensified shift in digital behaviour over time**, with a decline in branch visits and greater use of digital solutions
- **SMN is strengthening its digital and direct service channel** with expertise and capacity for efficient servicing of the retail and SMB segment. SMN is developing new customer solutions
- **A strong local presence remains at centre stage of the strategy** - 17 finance centres are being established featuring strong specialist units and a complete service offering assembled in each location
- **6 smaller branches are to be closed down**



New customer offerings and more business through our collective efforts

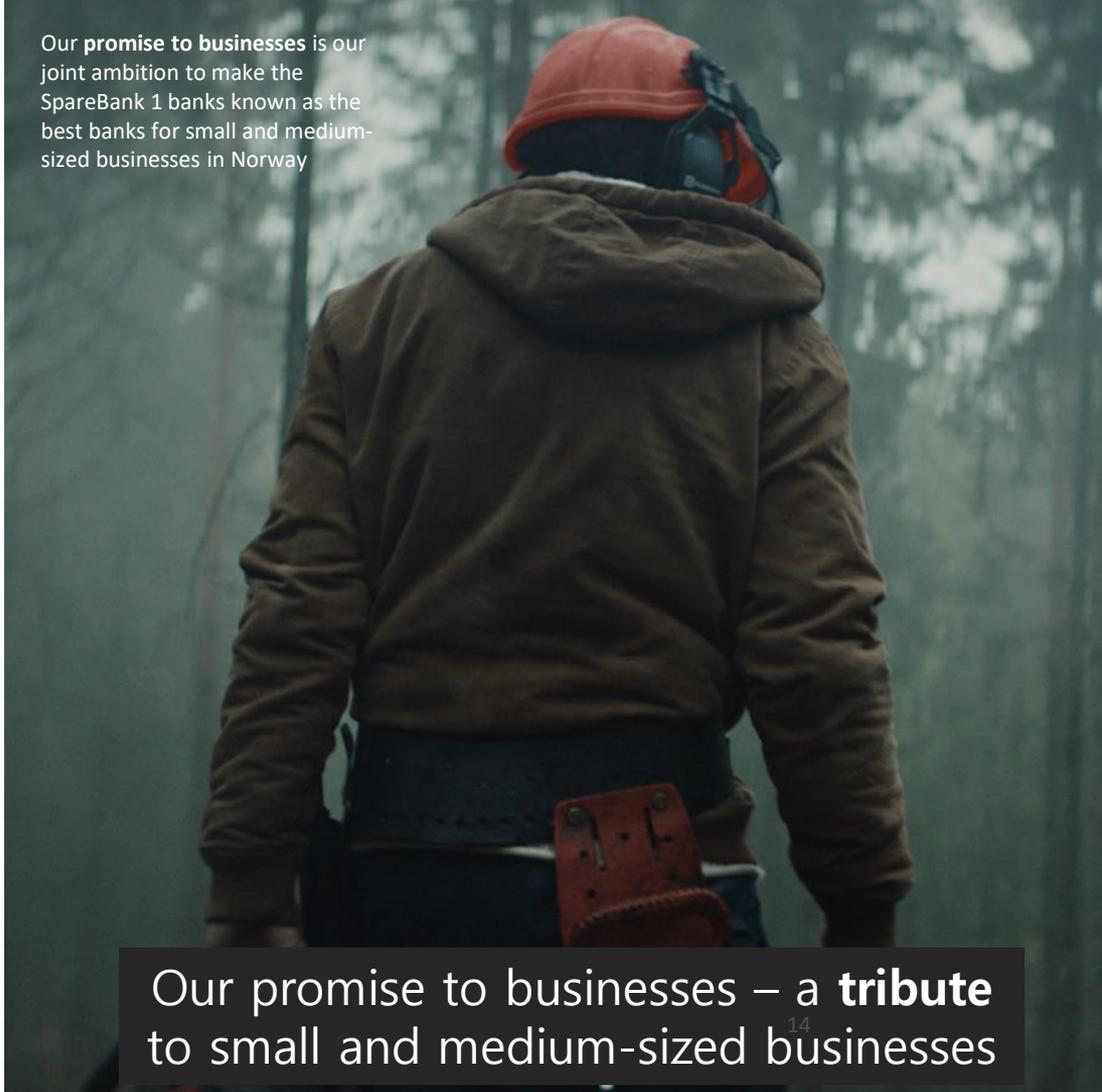
One SMN will strengthen the group's market position as a coherent and effective group for its customers, employees and shareholders alike

More business and increased incomes

- Further development and distribution of the group's products and services across business lines
- Adjusted customer promise - for increased loyalty
- Analytical insight into sales and follow-up of customers – for customer recruitment, more sales to existing customers, reduced customer loss and improved price achievement

Our **promise to businesses** is our joint ambition to make the SpareBank 1 banks known as the best banks for small and medium-sized businesses in Norway

Our promise to businesses – a **tribute** to small and medium-sized businesses¹⁴





SpareBank
SMN 

Financial information

Kjell Fordal, CFO

Profits Q3 2020

Net profit

NOK 519m (488)

ROE

10.5 % (10.2)

CET1

17.6 % (15.1)

Pre loss result of core business NOK 648m (559)
Loan losses NOK 231m (71)

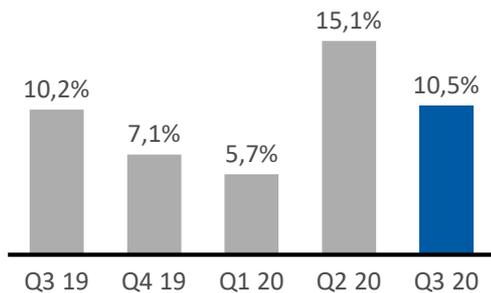
Growth in lending RM 2.2 % (1.5) NL 3.0 % (0.2)

Growth in deposits RM -1.1 % (-2.4), CM 2.9% (-4.1)

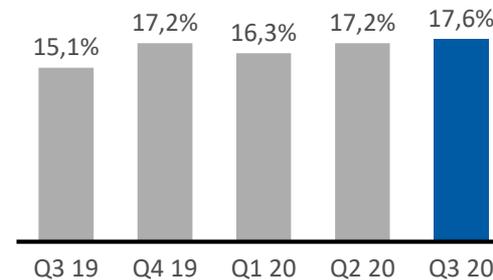
Profit per ECC NOK 2.35 (2.30)

Good profits in second quarter and strong capitalization

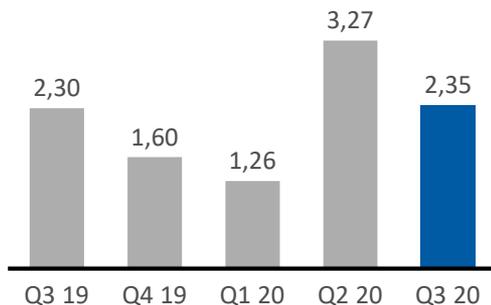
ROE



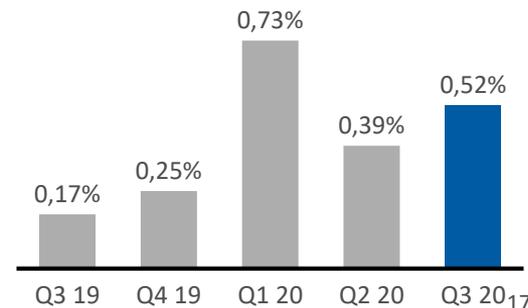
CET1



Profit per ECC



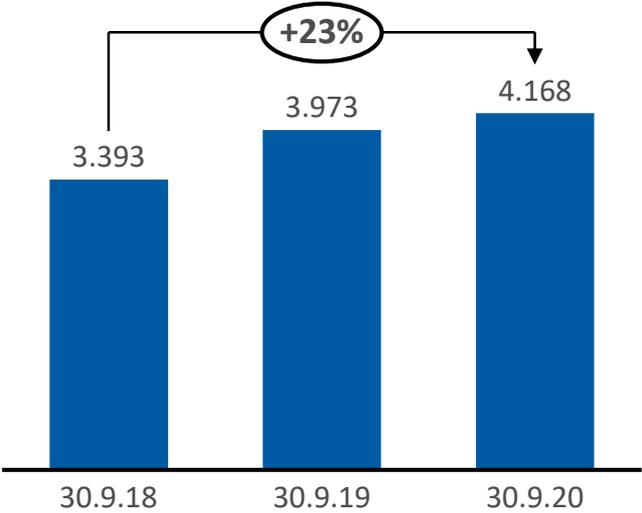
Loan losses as a percentage of total loans



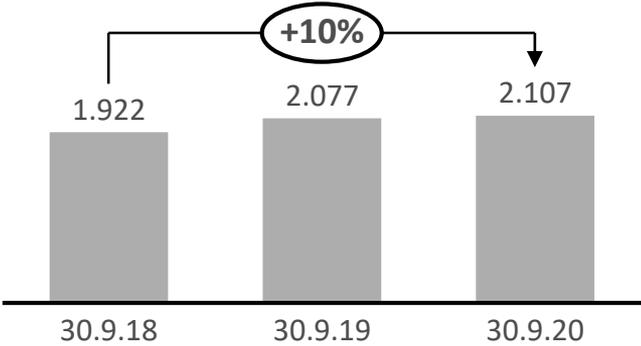
3rd quarter 2020

Strong growth in income, moderate growth in costs

Operating income



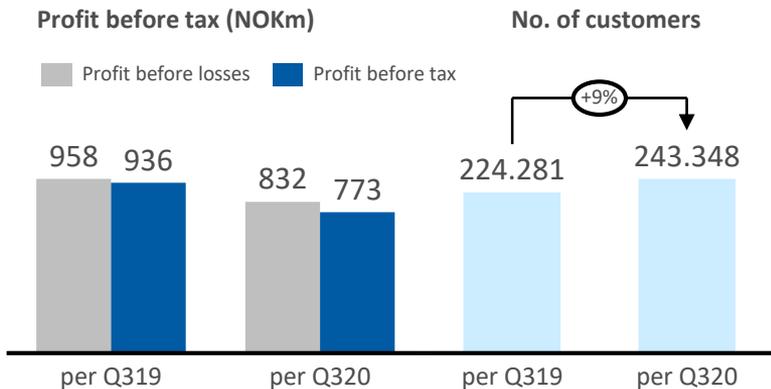
Operating costs



Normalised banking market in an abnormal period

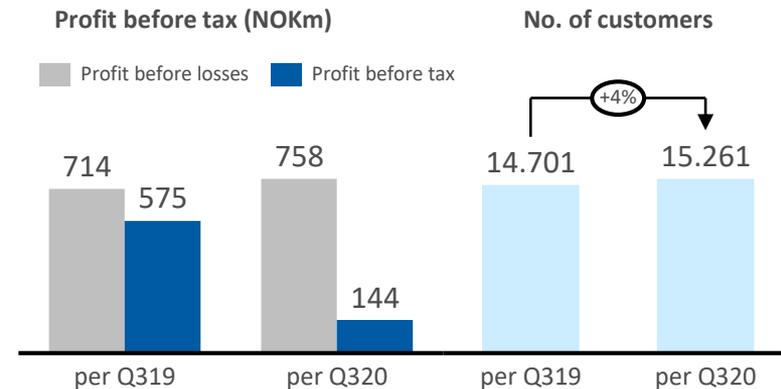
Retail Banking

- Strong growth over time, and the LO agreement provides a basis for increased market shares
- The corona pandemic has brought reduced consumption and thus high deposit growth so far this year
- Consistent low risk and low losses in the portfolio



Corporate Banking

- Diversified portfolio with the bulk of customers from business and industry in Trøndelag and in Møre and Romsdal
- Increased growth in 2020, mainly in the SMB segment
- Good underlying operations, but high loss provisions for offshore and downward adjustment of market prospects affect profits for the current year



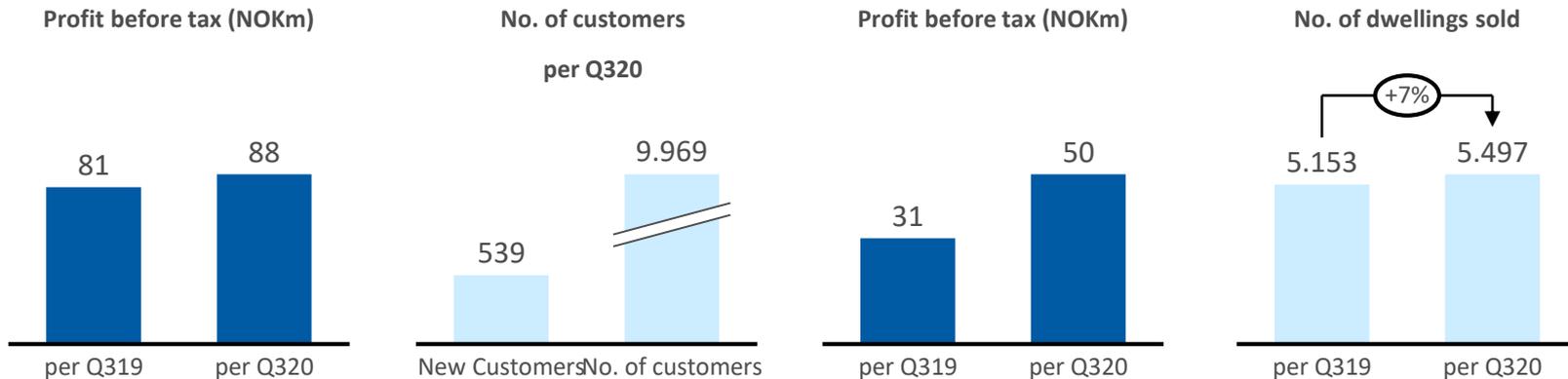
Good trend in accounting and estate agency services strengthens the group's position in the retail and corporate market



- Regnskapshus is expanding due to acquisitions and organic growth
- Good income trend in an industry little affected by COVID-19
- Consolidating and digitalising the accounting industry



- Market leader in Trøndelag and in Møre and Romsdal
- High activity and good sales in a traditionally quiet season, well assisted by record-low mortgage rates
- Contributing to growth in the bank's retail market portfolio



Growth in leasing and high activity in the capital market

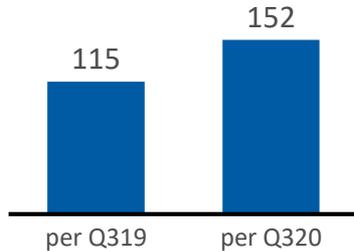


- Solid market position in leasing to corporates and in car loans to retail customers. A new product is small business invoice factoring
- Strong income growth both in the corporate and retail market as a result of new sales and a good trend in margins



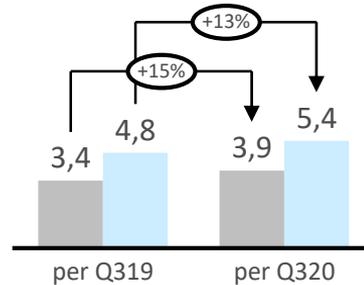
- Offers a complete range of capital market services
- High activity in most business lines has brought strong income and profit growth so far this year

Profit before tax (NOKm)

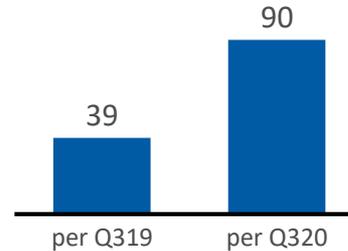


Lending (NOKm)

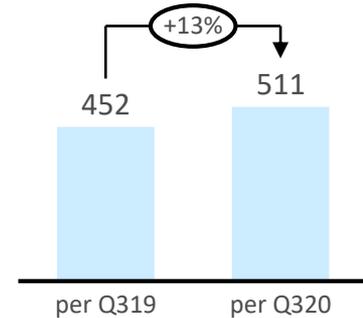
■ Leasing ■ Car loans



Profit before tax (NOKm)

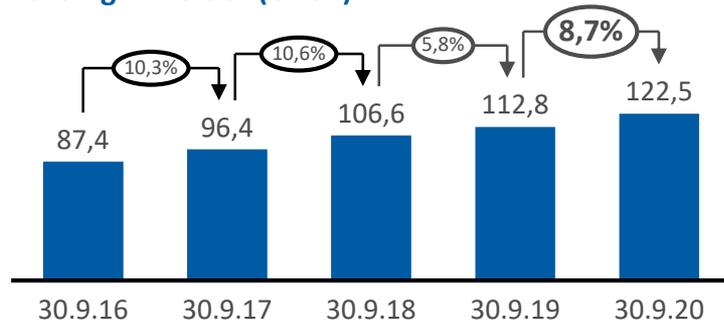


Incomes (NOKm)

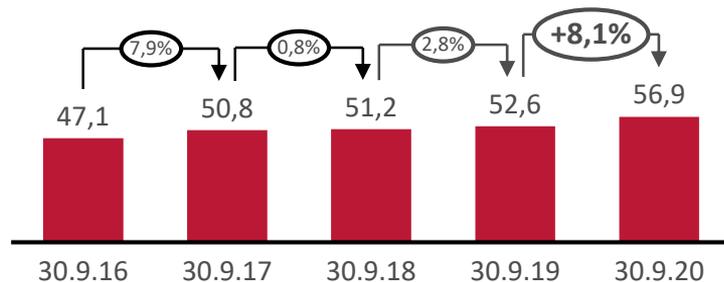


Total growth lending 8.5 % last 12 months

Lending RM 8.8 % (CAGR)



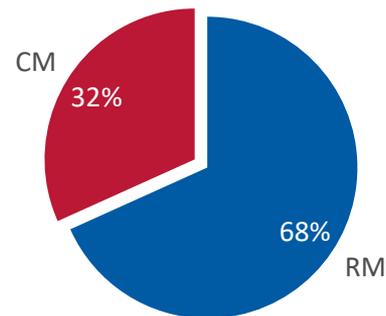
Lending CM + 5.0 % (CAGR)



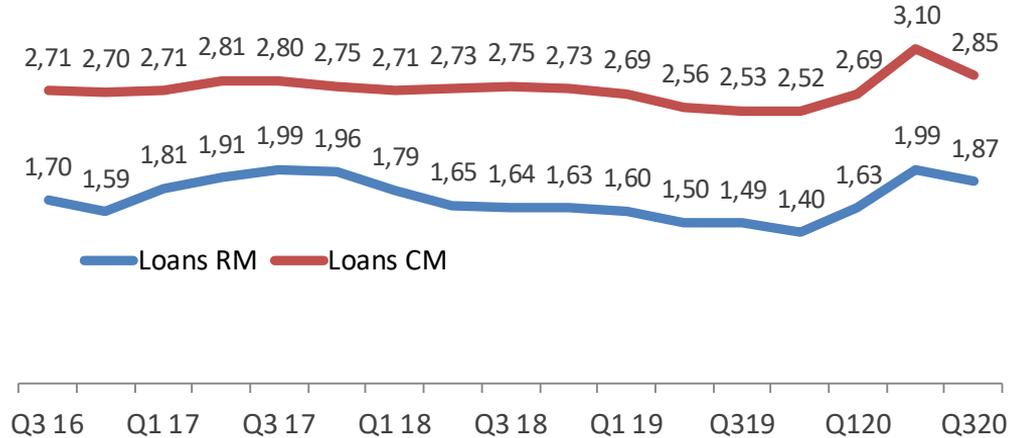
High growth in lending

- Residential mortgage market growth of about 4.6 % (C2) last 12 months (August 2020)
- Growth in retail lending, specially in the LO segment
- Increased growth to SMEs
- Share of loans to personal borrowers up from 61 to 68 per cent in last four years

Share of lending



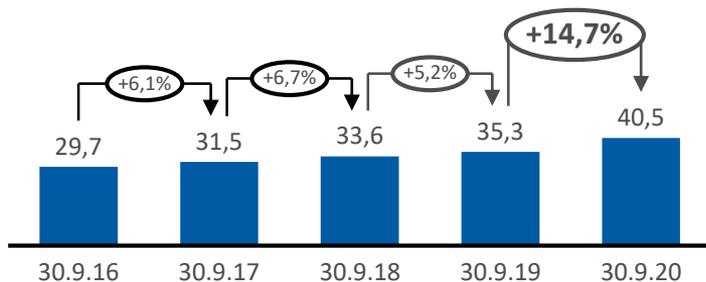
Increasing lending margins in 2020



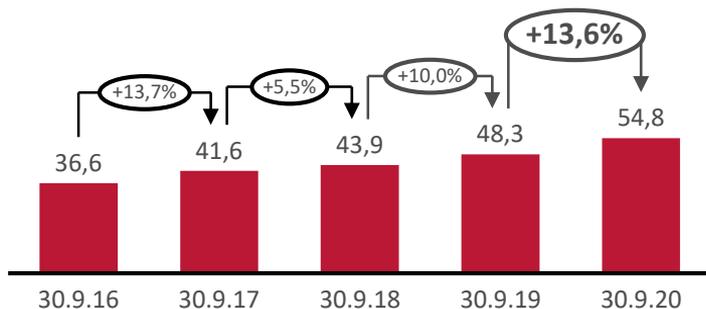
- Base rate down to 0 in June, and a 150 point fall in NIBOR in 2020 has strengthened margins in 2020
- Two mortgage rate cuts carried out in the second quarter of 2020
- In the third quarter more balance was seen between interest rates on loans and NIBOR, and a normalisation of margins

Total growth of 14.0% in deposits in last 12 months

Deposits RM + 8.1 % (CAGR)



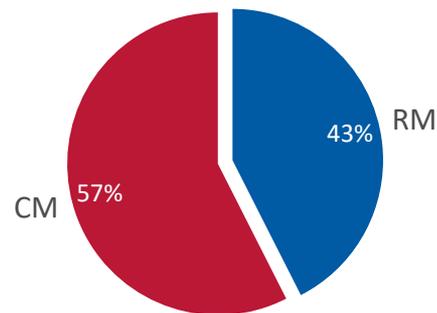
Deposits CM + 10.6 % (CAGR)



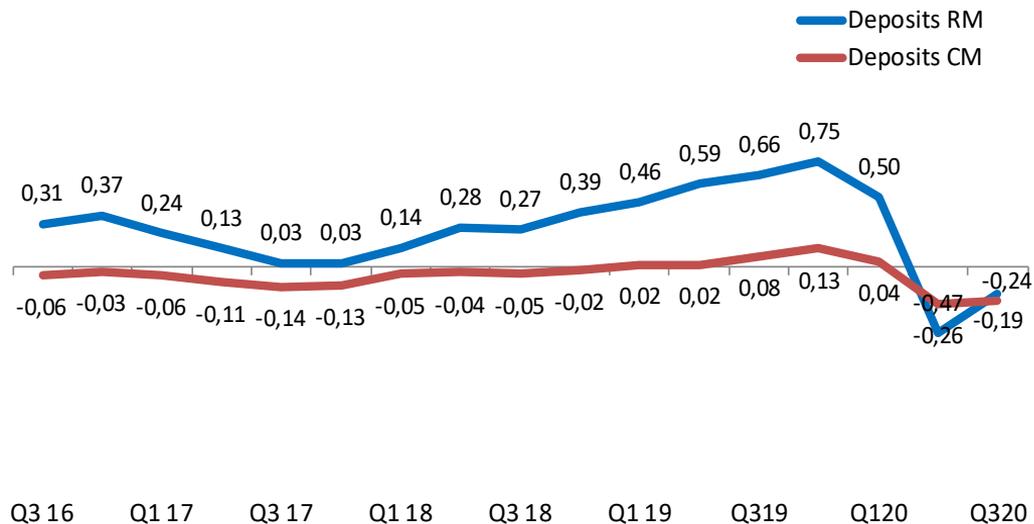
Good growth in deposits

- Good growth in deposits from both retail customers and corporate customers. Reduced retail consumption from March onwards has brought increased retail customer deposits
- Deposit-to-loan ratio 71% (67%), including loans sold to Bolig- and Næringskreditt 53% (51%)
- Of the corporate market deposits, 23% are from the public sector

Share of deposits



Deposit margins Retail and Corporate



- Considerable decrease in NIBOR in 2020 weakened margins in first half
- Interest rate reduction also on deposits; carried out later than the mortgage rate cuts
- Margins in the third quarter give an almost correct expression of the level measured against NIBOR with current product pricing

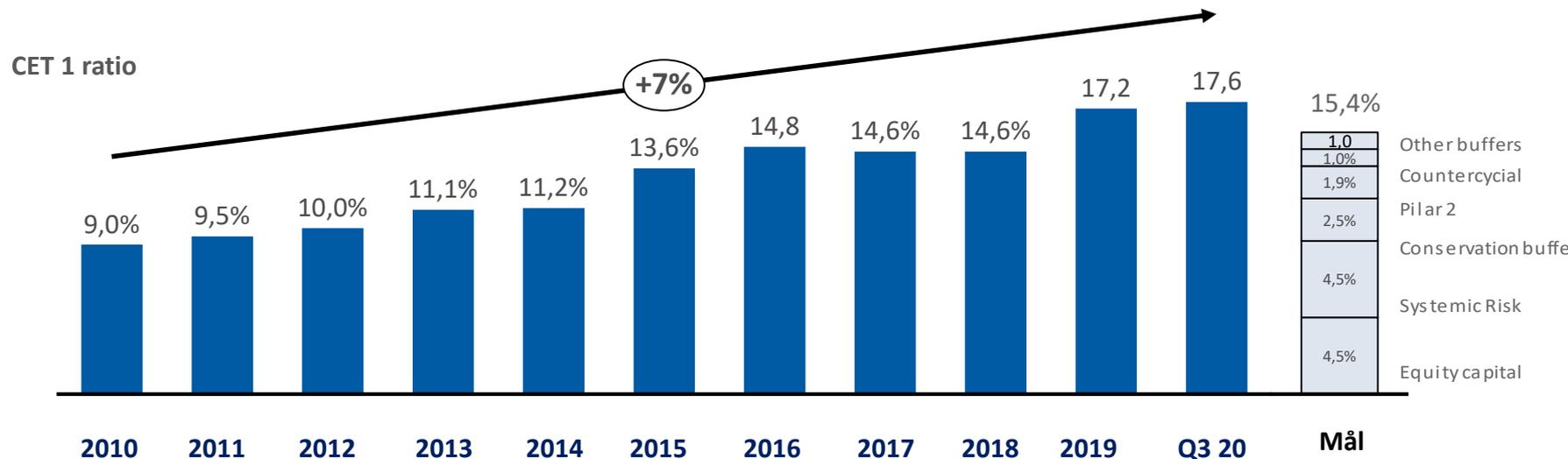
Robust income platform and increased commission income

Commissions as at Q3 2020 and 2019, and five last quarters

<i>mill kr</i>	2020	2019	Change	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
Payment transmission income	163	167	-4	54	51	59	65	65
Creditcards	45	44	1	15	15	16	15	15
Commissions savings and asset management	77	69	8	27	28	22	31	23
Commissions insurance	144	136	8	49	48	47	47	47
Guarantee commissions	42	37	5	14	15	13	15	12
Estate agency	300	298	2	111	105	83	93	99
Accountancy services	395	371	24	105	141	148	102	92
Securities	332	285	47	122	129	81	101	97
Other commissions	36	33	3	9	17	10	16	10
Commissions ex. Bolig/Næringskreditt	1.533	1.440	94	506	548	479	485	460
Commissions Boligkreditt (cov. bonds)	272	259	13	128	57	88	90	90
Commissions Næringskreditt (cov. bonds)	9	12	-3	4	2	4	4	4
Total commission income	1.815	1.711	104	638	607	570	579	554

- Robust income platform
- A wide range of products both from the parent bank, the subsidiaries, and the SpareBank 1 Group

Strong development in CET 1 (capital and ratio)



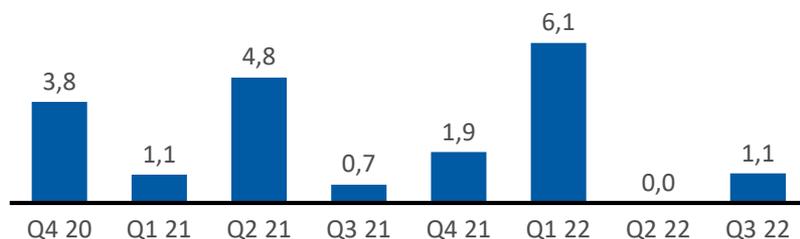
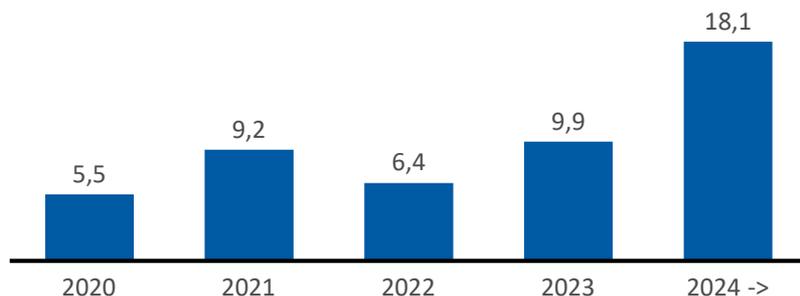
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3 20
CET1 capital	6.177	6.687	8.254	9.374	10.679	12.192	13.233	13.820	14.727	15.830	16.711
ROE	14,6 %	12,8 %	11,7 %	13,3 %	15,1 %	10,7 %	11,3 %	11,5 %	12,2%	13,7%	10,4 %
RWA	66.688	75.337	82.450	84.591	95.322	89.465	88.786	94.807	101.168	91.956	95.156

3rd quarter 2020

27

Satisfying access to capital market funding

Funding maturity 30. September 2020 (NOK bn)



3rd quarter 2020

Comments

- SpareBank 1 Boligkreditt is the main funding source through covered bonds. NOK 44 billion transferred as of 30. September 2020
- Maturities next two years NOK 19.5 bn:
 - NOK 3.8 bn in Q4 2020
 - NOK 8.5 bn in 2021
 - NOK 7.2 bn in Q1, Q2 and Q3 2022
- LCR 140 % as at 30. September 2020
- MREL (minimum requirement for own funds and eligible liabilities) introduced as from 2019. The bank will fulfil the MREL requirement by January 2024 within the framework of ordinary maturities
- SpareBank 1 SMN issued senior non-preferred debt (MREL) worth NOK 1bn in September 2020



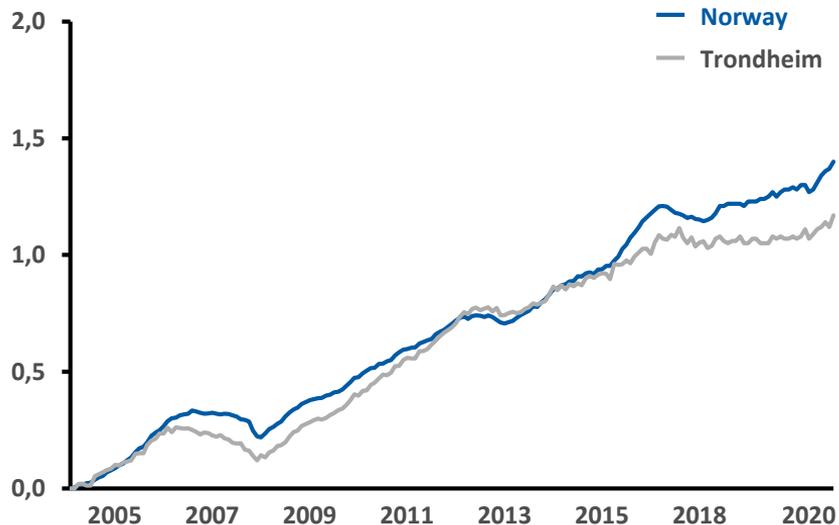
Credit risk

Vegard Helland,

Executive director – Corporate Banking

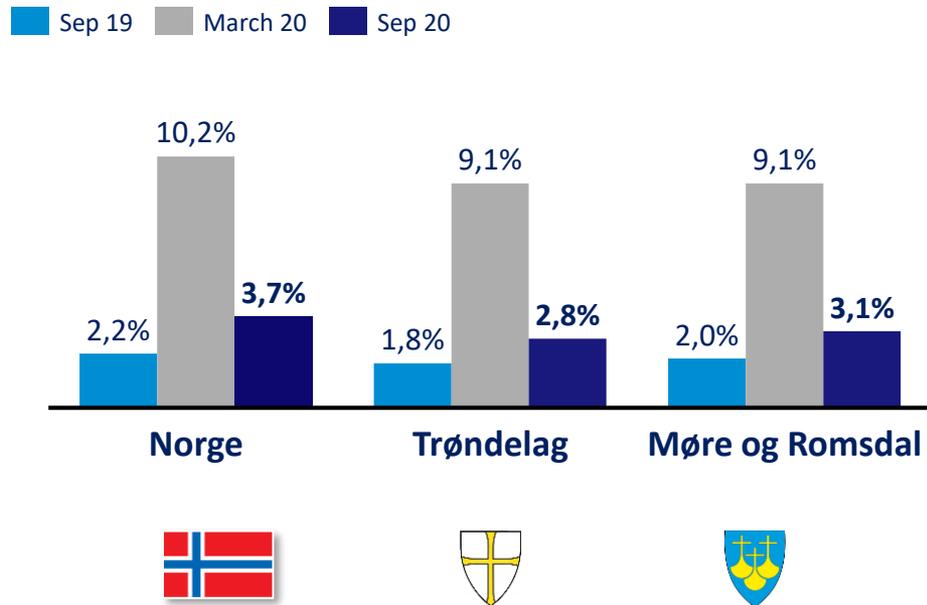
House prices levelling out

House prices 2005 – 30. September 2020



Significant decrease in unemployment since March 2020

Monthly figures Sept. 2019, Mar. 2020 and Sept. 2020



Industry indicator: changing consumer pattern as a result of the corona pandemic has improved the situation for retail trade and agriculture



Retail trade

Status ■ Outlook ➔



Construction

Status ■ Outlook ⬇



Fisheries

Status ■ Outlook ➔



Maritime industry

Status ■ Outlook ⬇



Offshore

Status ■ Outlook ➔



Agriculture

Status ■ Outlook ➔



Seafarming

Status ■ Outlook ➔

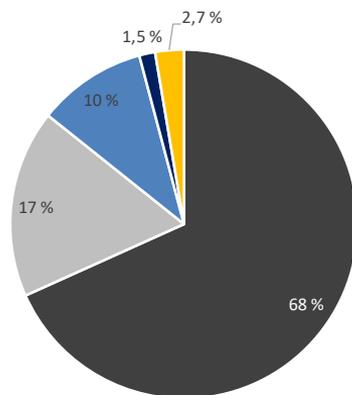


Commercial property

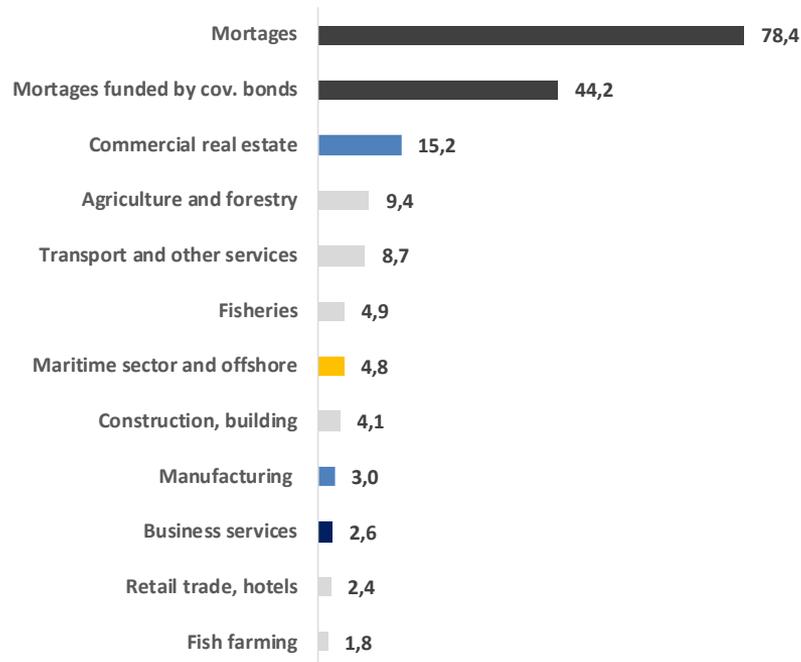
Status ■ Outlook ⬇

Robust loan portfolio of which 68 per cent of loans are to wage earners. Tourism and oil-related sectors are vulnerable industries

Total loans NOK 179 bn



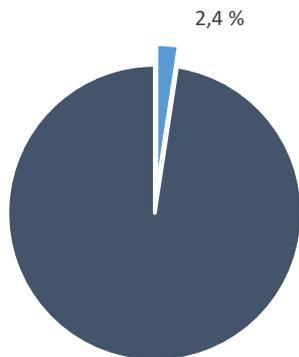
- Mortgages
- Mild impact
- Moderate impact
- Strong impact
- Maritime sector and offshore



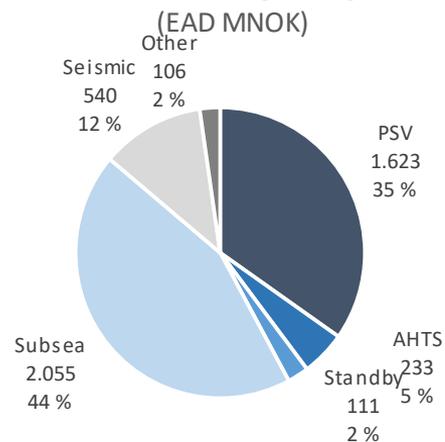
Offshore* constitutes a small share of total credit risk (2.4 per cent)

Impairment level corresponds to 18.9 per cent of the offshore portfolio

Offshore constitutes a small share of the total credit risk (EAD share)



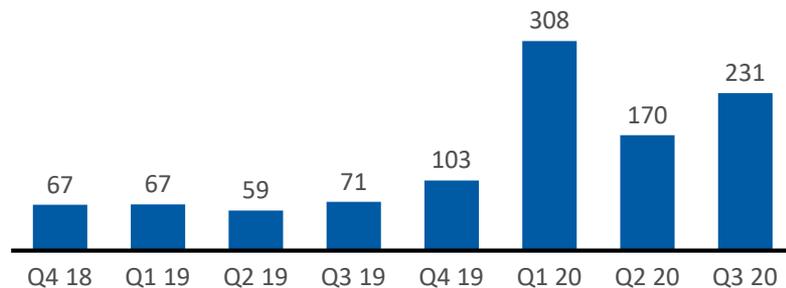
Subsea and PSV largest segments



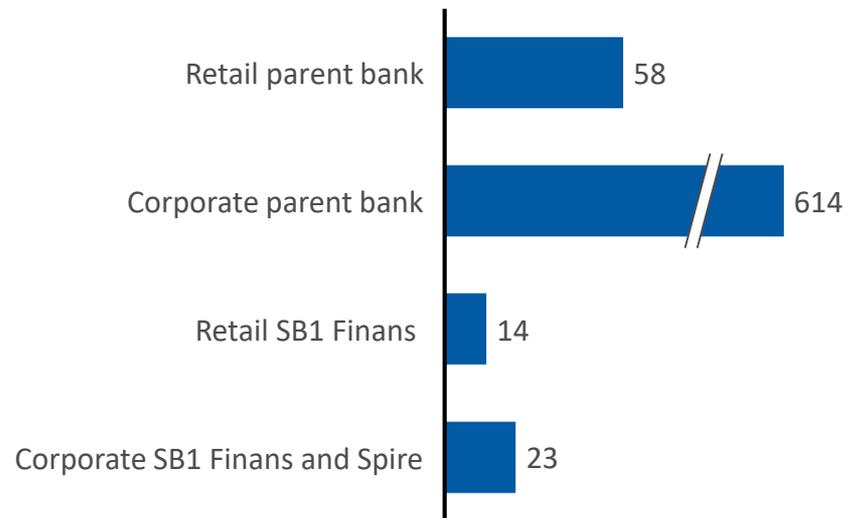
mill kr	EAD	Loans	Individual	IFRS 9	Total impairments	Share of EAD
4 % Low risk	172	146	0	0	0,1	0,1 %
39 % Medium risk	1.816	1.393	0	85	85	4,7 %
26 % High risk	1.222	868	0	158	158	12,9 %
31 % Obligors with impairments / defaulted	1.457	1.195	639	0	639	43,8 %
100 % Total	4.668	3.603	639	243	882	18,9 %

Increased losses in 2020, largely as a result of the corona crisis and oil service

Losses per quarter, NOKm



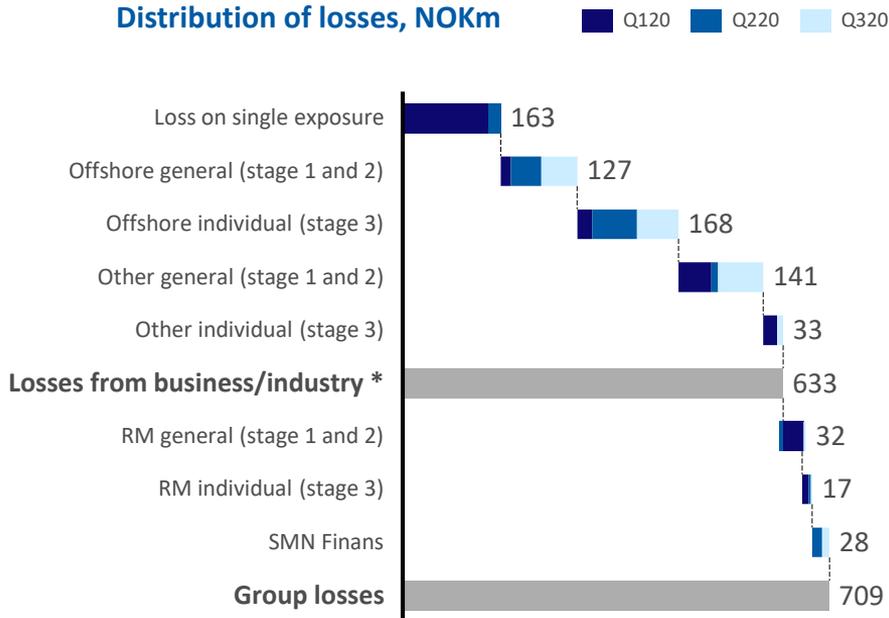
Distribution loan losses as at Q3 2020



Loan losses including collective loss provisions 0.55 % (0.16 %) of gross lending as of 30.9.2020

Increased losses in 2020 as a result of COVID-19; uncertainty most marked in the offshore and hospitality industries

Distribution of losses, NOKm



* Includes agriculture portfolio
3rd quarter 2020

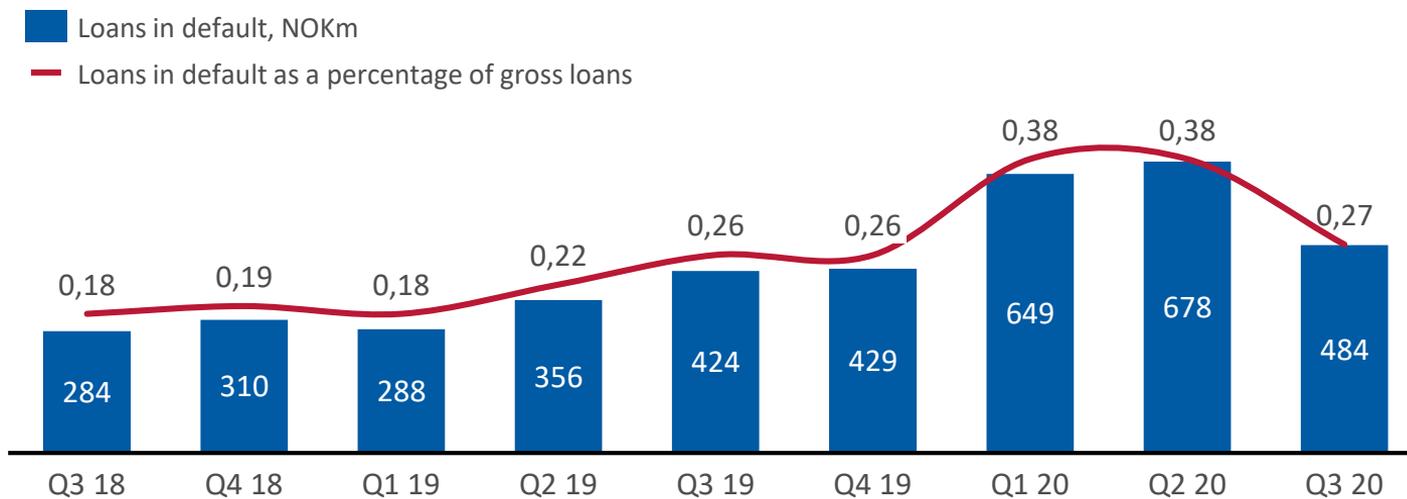
Losses of NOK 231m in Q3, which is NOK 58m higher than in Q2

- Of the group's total loss NOK 709m so far this year, NOK 634m refers to the business and industry portfolio
- Losses from corporates increased by NOK 58m from the previous quarter, primarily due to increased write-downs on hotels and hospitality businesses (NOK 45m)
- The offshore portfolio shows overall losses of NOK 296m, of which NOK 129m refers to the third quarter
- NOK 163m is losses on single exposures
- Losses from the RM portfolio are mainly general write-downs

Decrease in payment defaults in 3rd quarter 2020, 0.27 per cent of gross lending

Retail customers show the largest increase in defaults in 2019 and 2020

Last two years, per quarter



SpareBank 1 SMN

7467 TRONDHEIM



CEO Jan-Frode Janson

Tel +47 909 75 183

E-mail jan-frode.janson@smn.no

CFO Kjell Fordal

Tel +47 905 41 672

E-mail kjell.fordal@smn.no

SpareBank 1 SMN

Tel +47 915 07 300



Internet addresses:

SMN homepage and internet bank:

www.smn.no



Financial calendar 2020

Q3 20 30. October 2020





SpareBank
SMN



Appendix



Norway's largest equity-certificate-issuing bank

3rd quarter 2020

**Finance house offering
a wide range of products**

**Retail customers
243 300**

**Corporate customers
15 260**

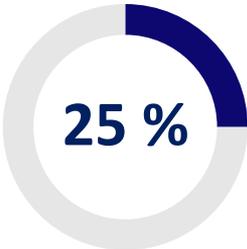
**Loan volume
179 bn**

**Market leader in the region
Co-owner of SpareBank 1 Alliance**

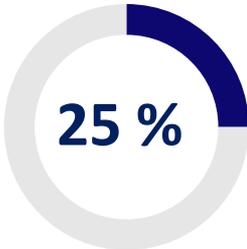
Number 1 in financial services in Central Norway

Market shares

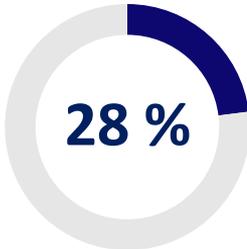
Parent bank retail



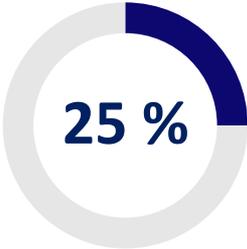
Parent bank SMB



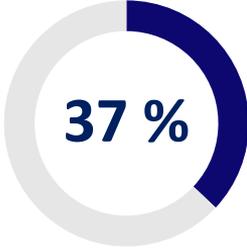
Collateral, residential mortgages



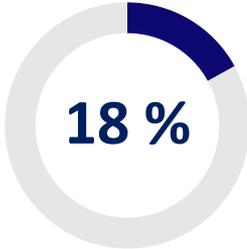
Accounts



Estate agency

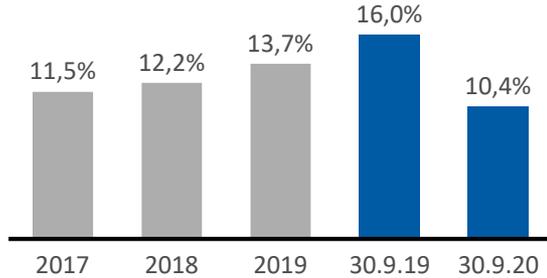


Vendor's liens

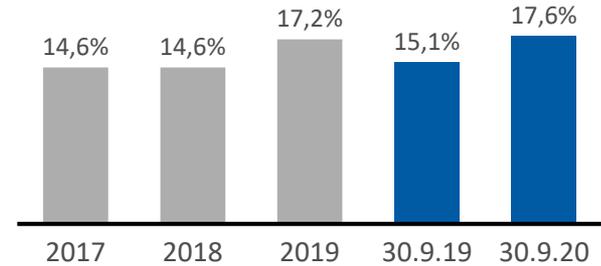


Profits weakened in 2020, at a high degree due to increased loan losses

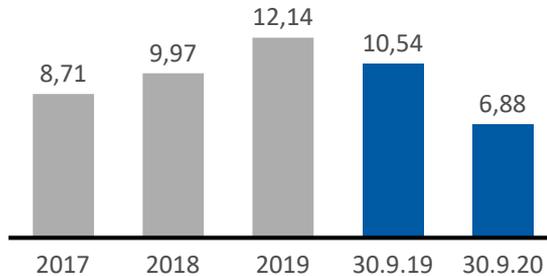
ROE



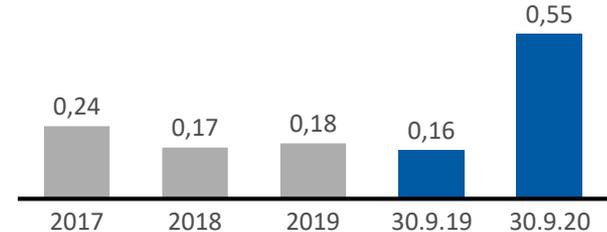
CET1



Earnings per ECC



Loan losses as a percentage of total loans



Profits

NOK mill	2019	2018	Change	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
Net interest	2.071	1.991	80	695	666	710	697	678
Commission income and other income	1.815	1.711	104	638	607	570	579	554
Operating income	3.886	3.702	184	1.333	1.273	1.280	1.276	1.232
Total operating expenses	2.107	2.077	30	685	706	716	720	673
Pre-loss result of core business	1.779	1.625	154	648	567	564	556	559
Losses on loans and guarantees	709	198	511	231	170	308	103	71
Post-loss result of core business	1.070	1.427	-357	417	397	256	453	487
Related companies	224	411	-187	170	177	-123	8	85
Gain Fremtind	340	460	-120			340		
Securities, foreign currency and derivatives	189	313	-124	34	271	-116	9	36
Result before tax	1.823	2.612	-788	621	845	357	469	609
Tax	296	395	-99	102	126	67	123	121
Net profit	1.528	2.217	-689	519	719	290	346	488
Return on equity	10,4 %	16,0 %		10,5 %	15,1 %	5,7 %	7,1 %	10,2 %

Change in net interest income

As at 30. September 2020 and 2019

Net interest 30.9.20	2.071
Net interest 30.9.19	1.991
Change	80

Obtained as follows:

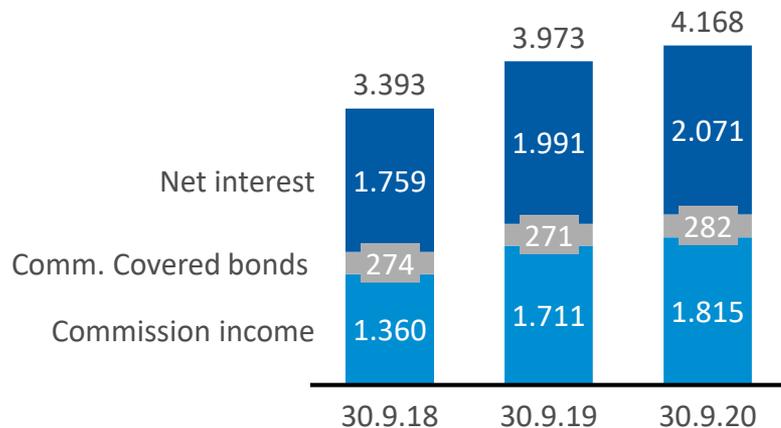
Fees on lending	-3
Lending volume	98
Deposit volume	18
Lending margin	253
Deposit margin	-268
Equity capital	-68
Funding and liquidity buffer	29
Subsidiaries	20
Change	80

Net interest income strengthened by growth and increased lending margin

- Net interest income strengthened by increased lending volume
- Margins on mortgages strengthened by decrease in NIBOR in 2020, but deposit margins have been weakened
- Two general reductions in mortgage interest carried out in 2020
- Net interest income weakened by lower interest on equity

Robust income platform and increased commission income

Net interest and other income



Commissions as at Q3 2020 and 2019

<i>mill kr</i>	2020	2019	Change
Payment transmission income	163	167	-4
Creditcards	45	44	1
Commissions savings and asset management	77	69	8
Commissions insurance	144	136	8
Guarantee commissions	42	37	5
Estate agency	300	298	2
Accountancy services	395	371	24
Securities	332	285	47
Other commissions	36	33	3
Commissions ex. Bolig/Næringskreditt	1,533	1,440	94
Commissions Boligkreditt (cov. bonds)	272	259	13
Commissions Næringskreditt (cov. bonds)	9	12	-3
Total commission income	1,815	1,711	104

- Robust income platform
- A wide range of products both from the parent bank, the subsidiaries, and the SpareBank 1 Group

Subsidiaries

Pre tax profit subsidiaries

mNOK, SMN's share in parentheses	2020	2019	Change	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
EiendomsMegler 1 Midt-Norge (87 %)	50	31	19	19	30	0	1	0
BN Bolig (subsidiary of EM1)	0	-24	24	0	0	0	-7	-7
SpareBank 1 Regnskapshuset SMN (89 %)	88	81	7	21	40	27	27	20
SpareBank 1 Finans Midt-Norge (61 %)	152	115	36	59	46	47	35	41
SpareBank 1 Markets (67 %)	90	39	51	35	71	-15	4	11
SpareBank 1 SMN Invest (100%)	-15	44	-59	-3	7	-19	4	-3
DeBank (100%)	-19	-14	-6	-7	-5	-8	-6	-5
Other companies	7	12	-5	1	2	3	4	3
Subsidiaries	351	285	66	125	191	36	62	59

The results refer to the respective company accounts

Associated companies

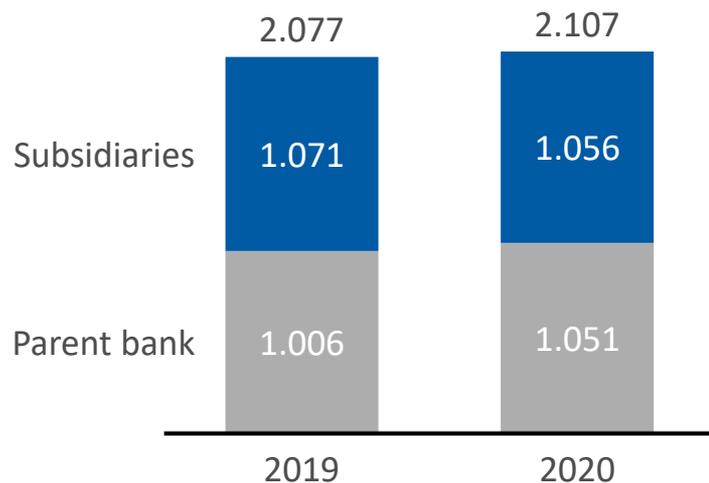
Profit shares after tax

mNOK, SMN's share in parentheses	2020	2019	Change	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
SpareBank 1 Gruppen (19,5 %)	107	264	-157	114	109	-115	-12	40
Gain Fremtind	340	460	-120	0	0	340	0	0
SpareBank 1 Boligkreditt (20,9 %)	22	26	-4	11	41	-31	0	3
SpareBank 1 Næringskreditt (31,0 %)	14	15	-1	5	7	2	6	5
BN Bank (35,0 %)	84	84	0	34	27	23	28	33
SpareBank 1 Kreditt (17,3 %)	2	13	-11	0	2	0	0	5
SpareBank 1 Betaling (19,5 %)	-3	7	-10	-1	1	-2	-5	-2
Other companies	0	2	-2	10	-9	0	-10	-4
Associated companies	566	872	-306	172	177	217	8	81

Cost growth of 1.4 per cent over last 12 months

But underlying cost growth higher than desired, but decreasing

Costs as at 30. September 2019 and 2020



A higher no. of FTEs in 2020 than in 2019 is the main reason for excessive underlying cost growth in the bank

Lower costs among the subsidiaries due to the disposal of BN Bolig. The subsidiaries apart from BN Bolig show cost growth

SpareBank 1 SMN aims to limit cost growth to 2%

‘One SMN’ includes measures designed to produce short and long-term effects:

- Efficient distribution
- Group-oriented organisation of the group
- Reduction of operating and IT expenses across all business lines

Return on financial investments

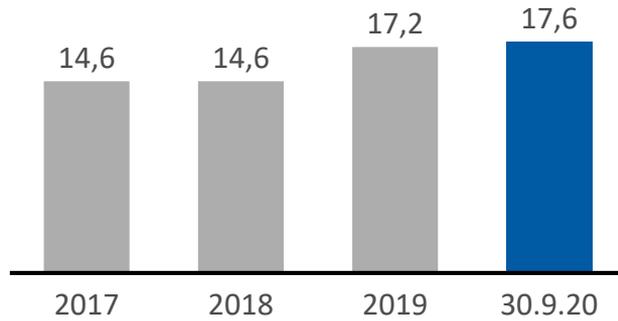
NOKm	2020	2019	Change	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
Shares	-2	108	-110	4	36	-42	11	1
Sertificates and bonds	166	22	144	-8	124	50	-42	-26
Derivatives	-78	92	-170	19	51	-148	40	29
Financial instruments related to hedging	0	-1	2	4	2	-6	-8	4
Other financial instruments at fair value	-14	10	-24	-2	45	-57	-2	4
Foreign exchange	79	32	47	11	4	65	-10	10
Shares and share derivatives at SpareBank 1 Markets	26	36	-11	5	7	14	17	13
Net return on financial instruments	177	301	-121	32	269	-124	7	35

Balance sheet

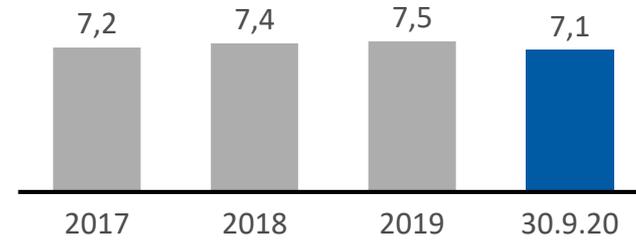
	30.9.20	30.9.19	30.9.18
Funds available	32,1	26,0	27,6
Net loans	132,2	125,3	117,2
Securities	1,9	3,0	2,7
Investment in related companies	7,0	6,5	5,9
Goodwill	0,9	0,9	0,8
Other assets	12,8	5,1	5,1
Total Assets	186,9	166,7	159,3
Capital market funding	57,7	51,9	54,2
Deposits	95,4	85,9	77,5
Other liabilities	11,2	6,4	6,3
Subordinated debt	1,8	2,1	2,7
Equity ex hybrid bonds	19,6	19,1	17,3
Hybrid bonds	1,2	1,3	1,3
Total liabilities and equity	186,9	166,7	159,3
in addition loans sold to Boligkreditt and Næringskreditt	45,8	41,4	41,5

Capitalization

CET1



Leverage ratio



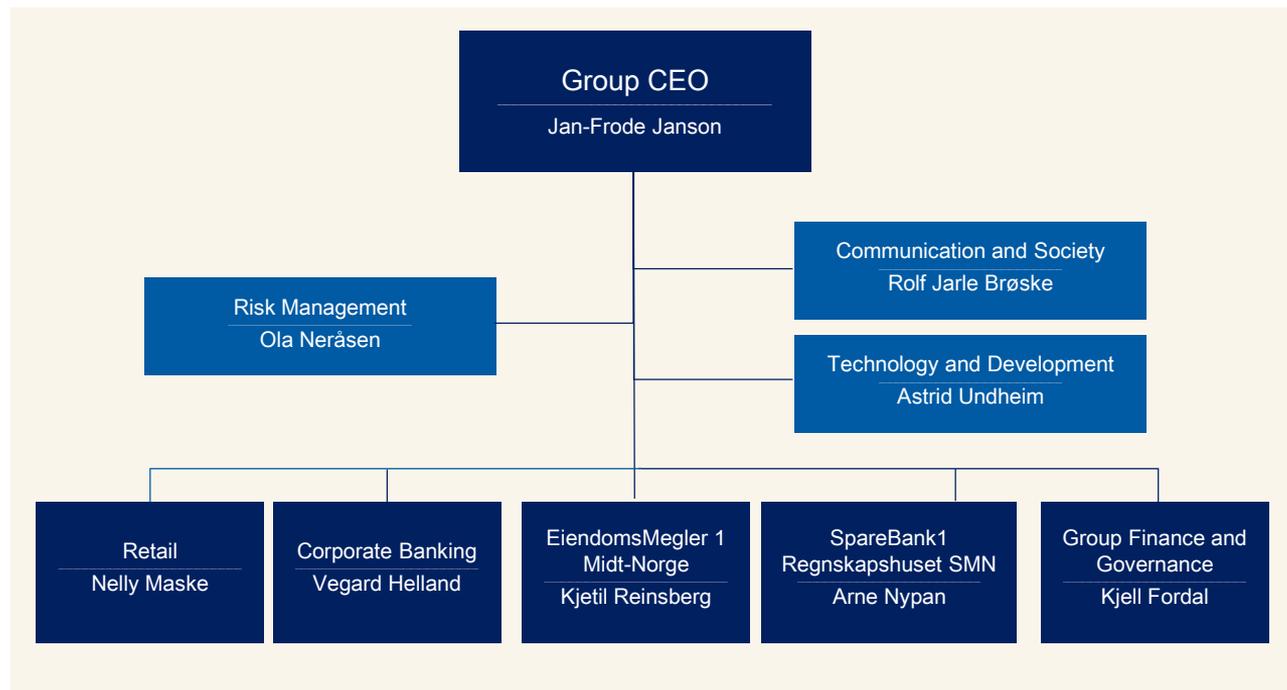
Key figures

	30.9.20	30.9.19	30.9.18
CET 1 ratio	17,6 %	15,1 %	14,9 %
Core capital ratio	19,2 %	16,7 %	16,7 %
Capital adequacy	21,4 %	18,9 %	19,2 %
Leverage ratio	7,1 %	7,4 %	7,5 %
Growth in loans (incl.Boligkreditt and Næringskreditt)	8,5 %	4,8 %	7,3 %
Growth in deposits	14,0 %	7,9 %	6,1 %
Deposit-to-loan ratio	71 %	67 %	66 %
RM share loans	68 %	68 %	68 %
Cost-income ratio	45,4 %	42,5 %	47,0 %
Return of equity	10,4 %	16,0 %	13,3 %
Impairment losses ratio	0,55 %	0,16 %	0,17 %

Key figures ECC

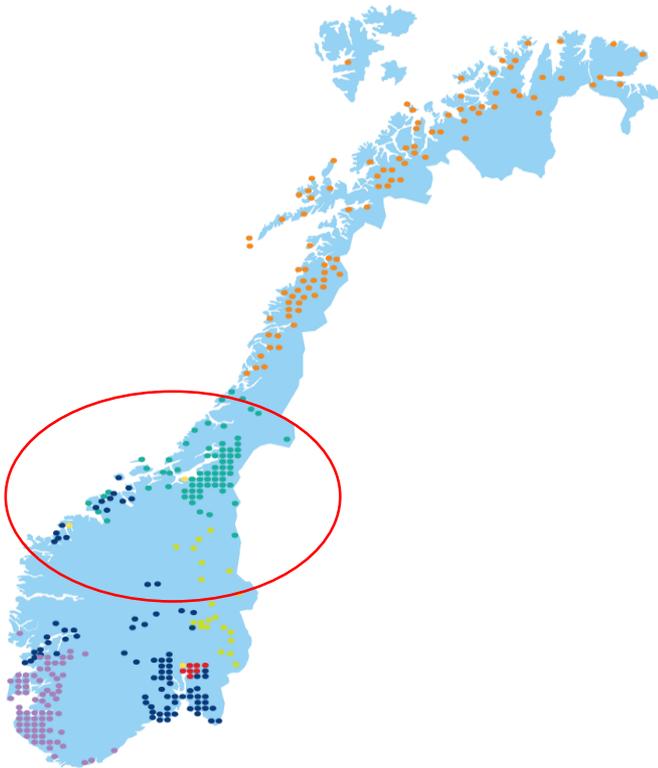
	30.9.20	30.9.19	2019	2018	2017	2016
ECC ratio	64,0 %	64,0 %	64,0 %	64,0 %	64,0 %	64,0 %
Total issued ECCs (mill)	129,44	129,48	129,30	129,62	129,38	129,64
ECC price	84,30	98,50	100,20	84,20	82,25	64,75
Market value (NOKm)	10.912	12.754	12.956	10.914	10.679	8.407
Booked equity capital per ECC	92,73	89,36	90,75	83,87	78,81	73,35
Post-tax earnings per ECC, in NOK	6,88	10,54	12,14	9,97	8,71	7,93
Dividend per ECC			6,50	5,10	4,40	3,00
P/E	9,19	7,01	8,26	8,44	9,44	8,17
Price / Booked equity capital	0,91	1,10	1,10	1,00	1,04	0,88

New group management team signals business orientation and breadth



- Additional parts of the business represented on the group management team – increased focus on the customer and the business, and closer collaboration between the business lines
- New group-wide units created – increased power to strategic focal areas and efficiency gains across the group companies
- Transition from management anchored in the bank to management anchored in the group, from emphasis on staff to emphasis on the business
- A better and more cost-efficient organisation – further elaboration of the organisation in keeping with «One SMN» over past half-year

SpareBank 1 Alliance: National champion, regional focus



3rd quarter 2020

- The SpareBank 1-alliance consists of 14 banks
- Operate exclusively in Norway – Norway’s most extensive branch network with approx. 350 branches
- SpareBank 1-banks are at the forefront of technological innovation
- Operate as independent banks in each their respective Norwegian region
- Market leaders in their core regional markets
- The largest banks (~ 80% of total assets) have the following ratings:

Sr. Unsec. Ratings	Moody’s
SpareBank 1 SMN	A1 / P-1
SpareBank 1 SR	A1 / P-1
SpareBank 1 SNN	Aa3 / P-1
SpareBank 1 Østlandet	Aa3 / P-1

Spare Bank 1 Alliance

