

Third quarter 2024

31st of October 2024

Jan-Frode Janson
CEO



Q3 2024

Profitable and solid

- **Return on equity at 21.0 %**

The result is driven by growth, strong net interest income and financial profit following merger between Fremtind and Eika Insurance

- **Seasonal variations from accounting and real estate**

This results in somewhat lower commission income in third quarter

- **Loss of 75 NOKm in the quarter**

Robust and diversified lending portfolio with strong credit quality

- **CET 1 well above regulatory requirements**

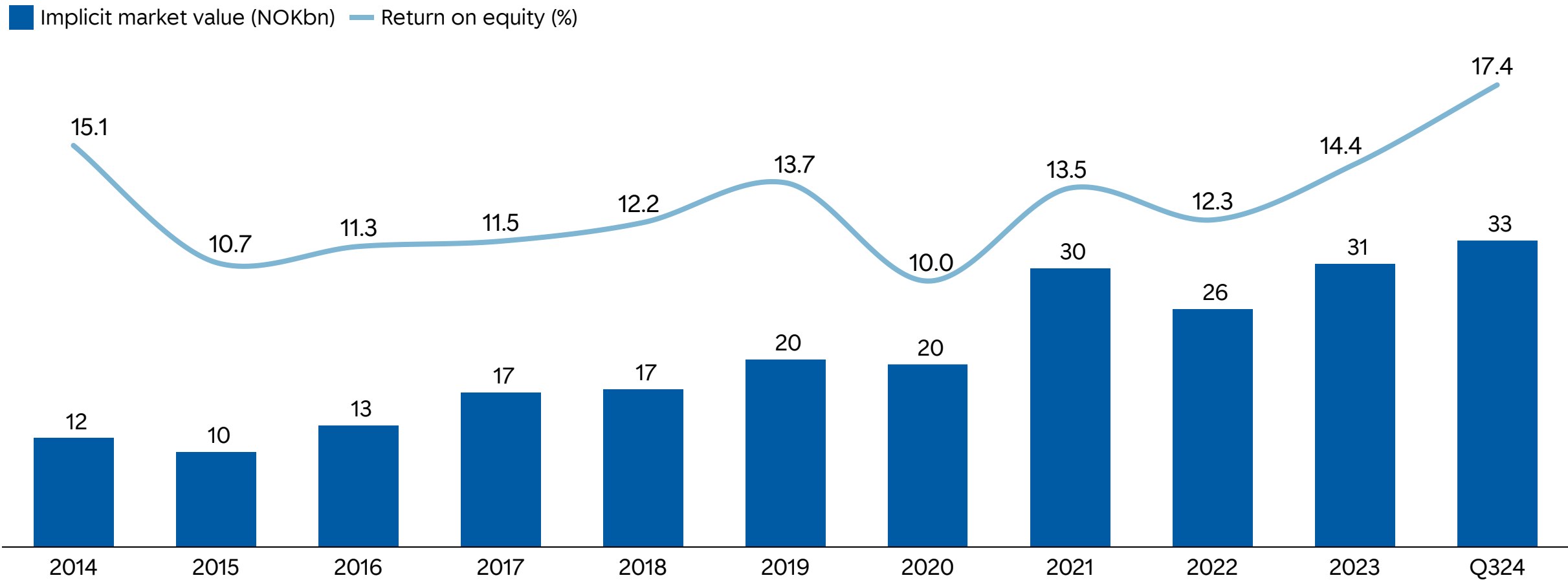
Outlook for further growth and good dividend capacity

- **Leading finance centre in Mid-Norway**

Complete financial service offering with physical presence, digital solutions and regional knowledge as the foundation



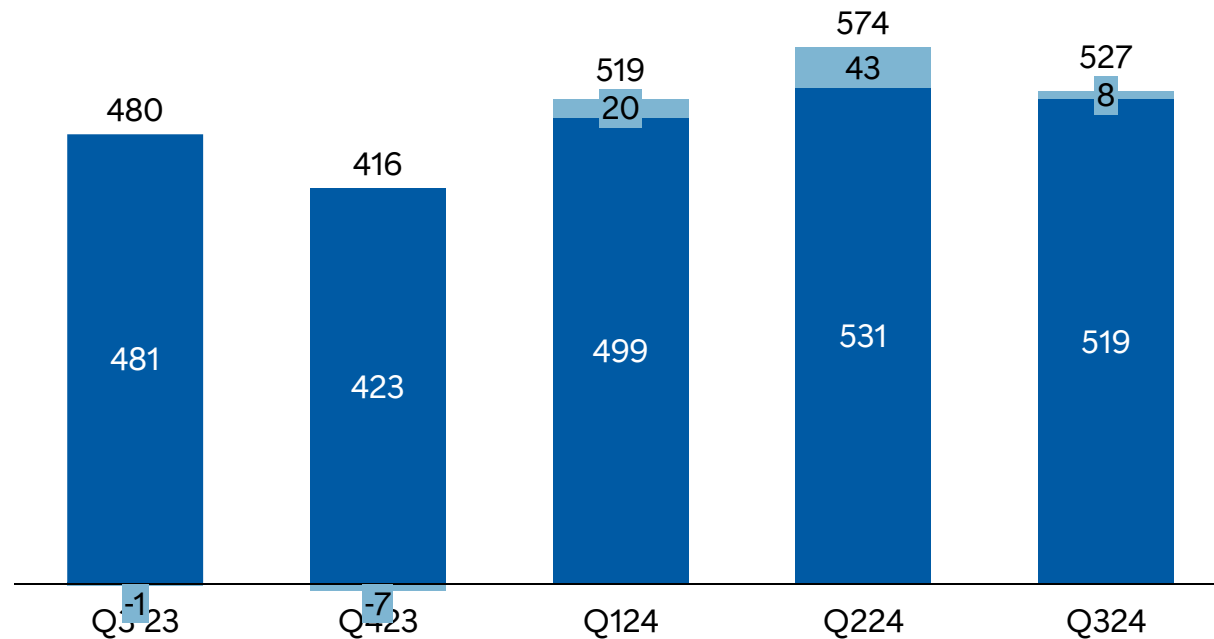
High value creation over time



High activity within retail banking

Pre-tax profit (NOKm)

Real Estate Retail banking



Renewed agreement between SpareBank SMN and LO

As the preferred main bank, SMN will further develop the cooperation with Norway's largest employee organization – with the customer at the center.

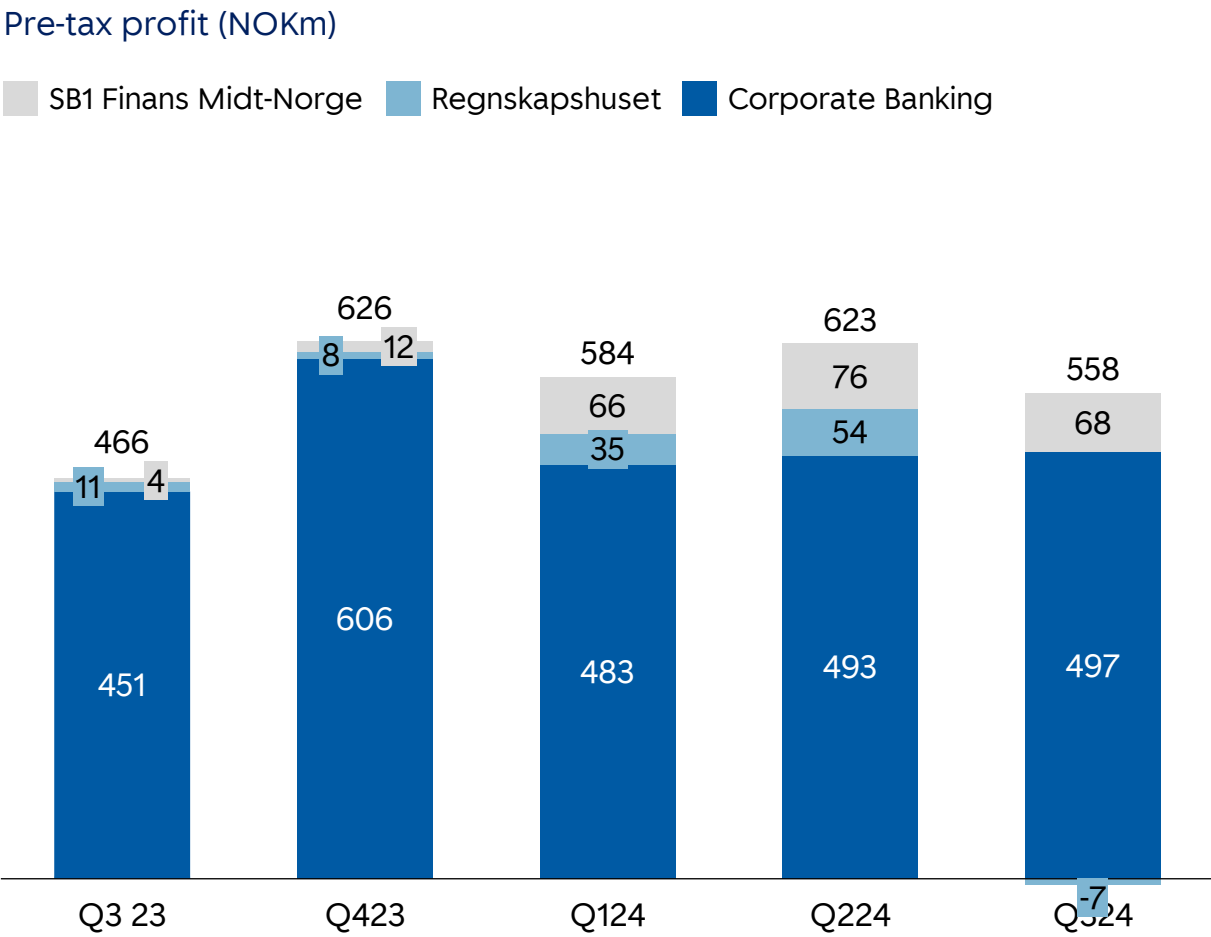
LOfavør Boliglån

Skal du kjøpe hus eller leilighet, pusse opp eller flytte boliglånet ditt? Som medlem i et LO-forbund får du lavere rente hos oss.

Søk LOfavør Boliglån



Strengthened position within the corporate market



32 %

Increased income from advisory services in the last year

900

New customers to Regnskapshuset in the last year

3 %

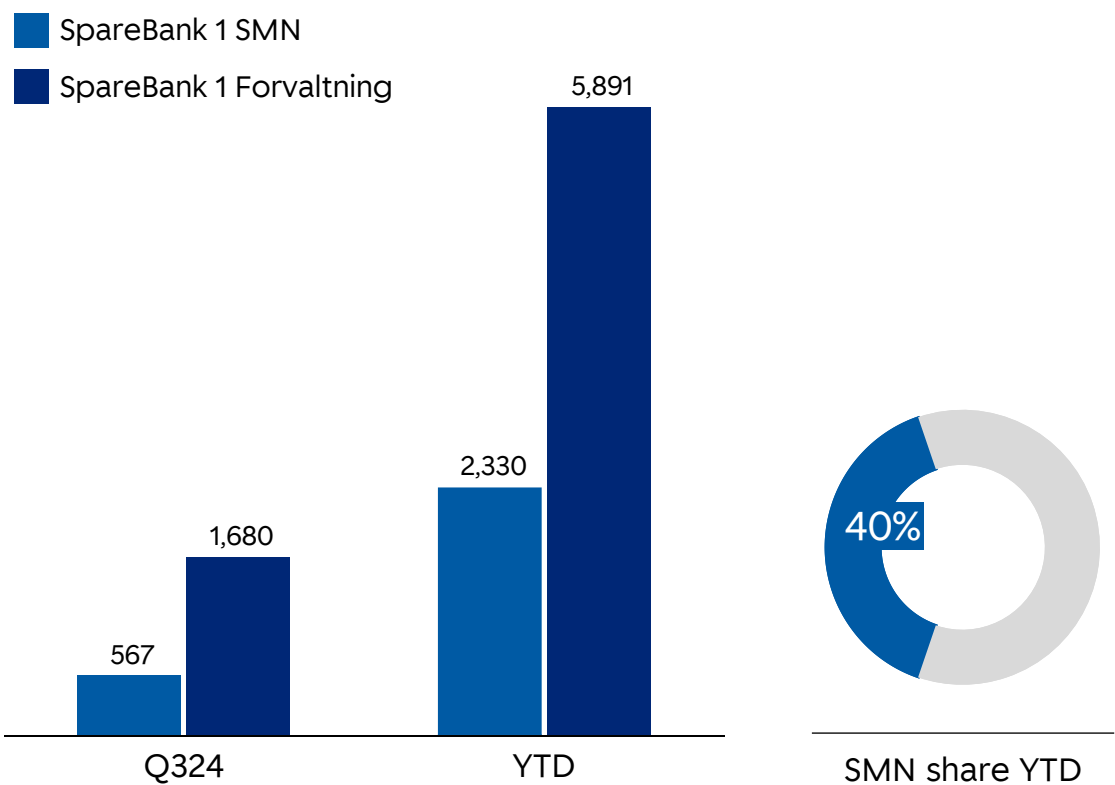
Increased share of newly established companies with banking relations at SpareBank 1 SMN since 2020



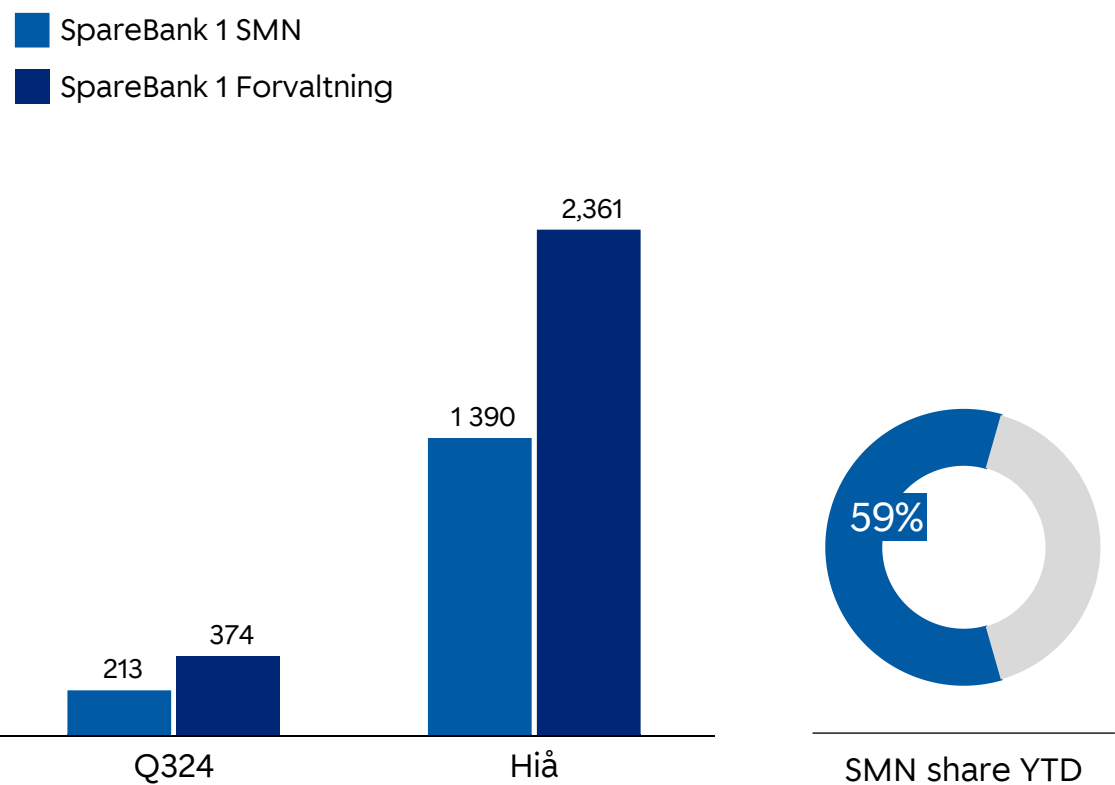
Joint service concept «Bank in Accounting» for comprehensive follow-up of SME customers

Change of pace in saving and investing

Net subscription of mutual funds (NOKm)



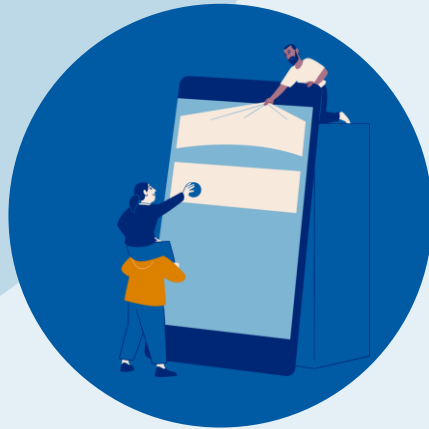
Net subscription of portfolio management (NOKm)



«One SMN 2.0» – a new step in the same direction



Create One SMN



Increase digitalisation
and use of insights



Head up the development
of Norway's savings banks



Integrate sustainability
into the business

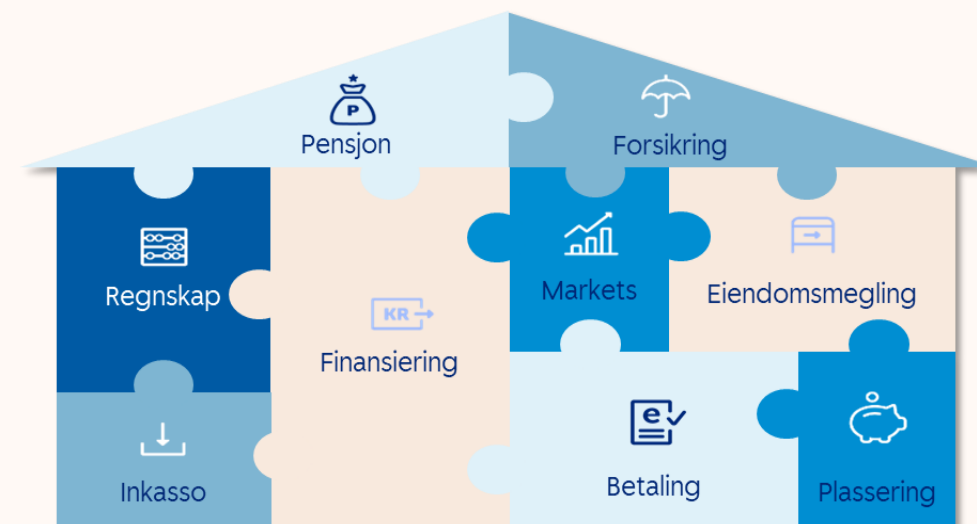
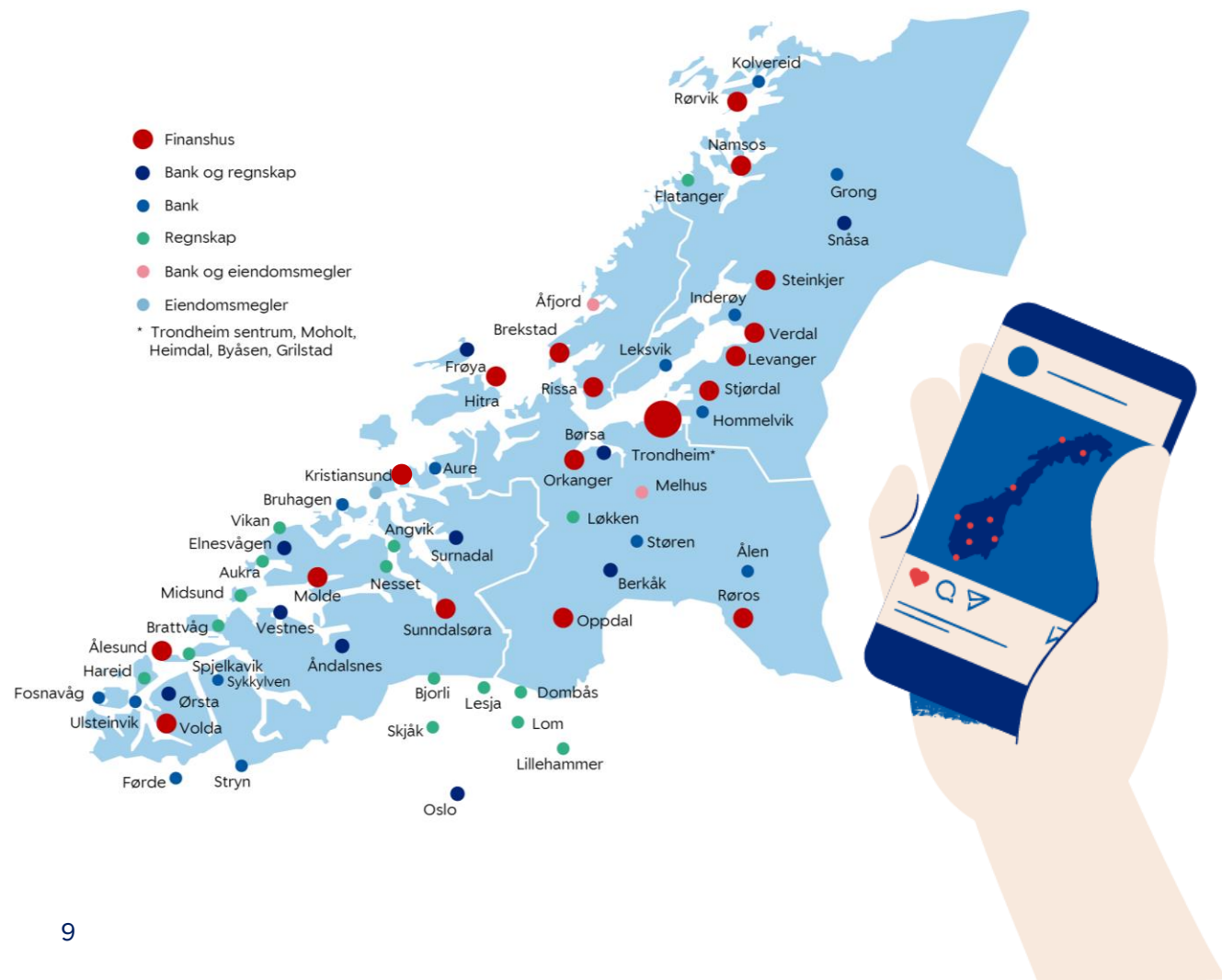


Exploit the power in our
ownership model

New organisational structure



The leading finance centre, physically and digitally



SpareBank 1 SMN Bank Eiendom Regnskap

Kjøper Meese Regnskap og etablerer seg i Kristiansund

12 icons representing staff members.

SparebankenVest

Sparebanken Vest satsar og opnar nytt kontor på Sunnmøre! Vi søker tre finansielle rådgjevarar til Ulsteinvik!

3 icons representing staff members.

SMN builds structure proactively, whilst also believing in alliances and cooperation



- SMN has critical mass and is large enough to be independent
- We actively invite mergers in Central Norway and the expansion of the region, and have a strong value proposition for potential partners
- We have valuable merger experience:
 - SpareBank 1 Søre Sunnmøre
 - Acquisition of several accounting firms
 - Company mergers in SpareBank 1 Gruppen
- We believe in the SpareBank 1 alliance and will lead the further development of both the alliance and other collaborations

The road to the 2025 World Championship

We cheer for good public health, mental health, and small and big heroes, and of course for the celebration during the World Championship in Trondheim 2025



Heeeiiiiaaa!

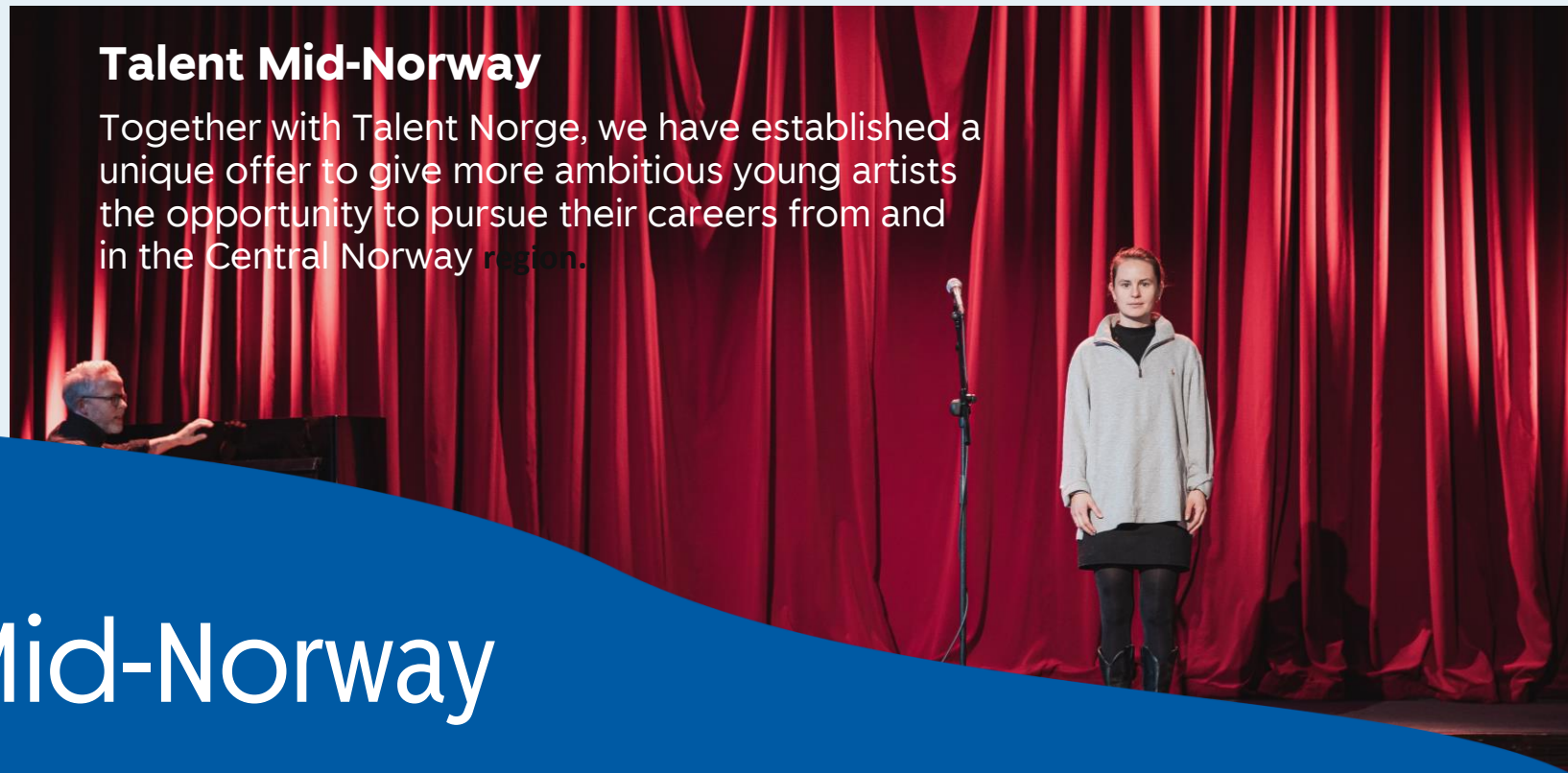


Såkorn 1 Midt

Såkorn 1 Midt has made its first investment in Ably Medical, a health technology company in Ålesund

Talent Mid-Norway

Together with Talent Norge, we have established a unique offer to give more ambitious young artists the opportunity to pursue their careers from and in the Central Norway region.



With  for Mid-Norway

Financial Information

Trond Søråas
CFO



Q3 2024

21.0%
Return on Equity

1,441 mill
Profit after tax

18.2 %
CET1-ratio

Lending growth 2.2 %
Retail banking 1.3 %
Corporate banking 4.6 %

Deposit growth - 1.2 %
Retail banking - 0.9 %
Corporate banking - 0.8 %

Operating margin subsidiaries
Regnskapshuset SMN -4.4 %
Eiendomsmegler 1 Midt-Norge 6.6 %
SB1 Finans Midt-Norge 12.0 % (ROE)

YTD 2024

17.4 %
Return on Equity

3,540 NOKm
Profit after tax

146 NOKm
Loan losses

Financial targets

Profitable



13 %
ROE

Q3
21.0 %

Solid



16.3 %
CET 1 - ratio

~ 50 %
Payout ratio

Q3
18.2 %

Efficient



< 40 %
Cost/income in parent bank ex. finance

< 85 %
Cost/income subsidiaries

Q3
33.7 % bank
93.6 % EM1 and 104.4 % Regnskapshuset

Responsible

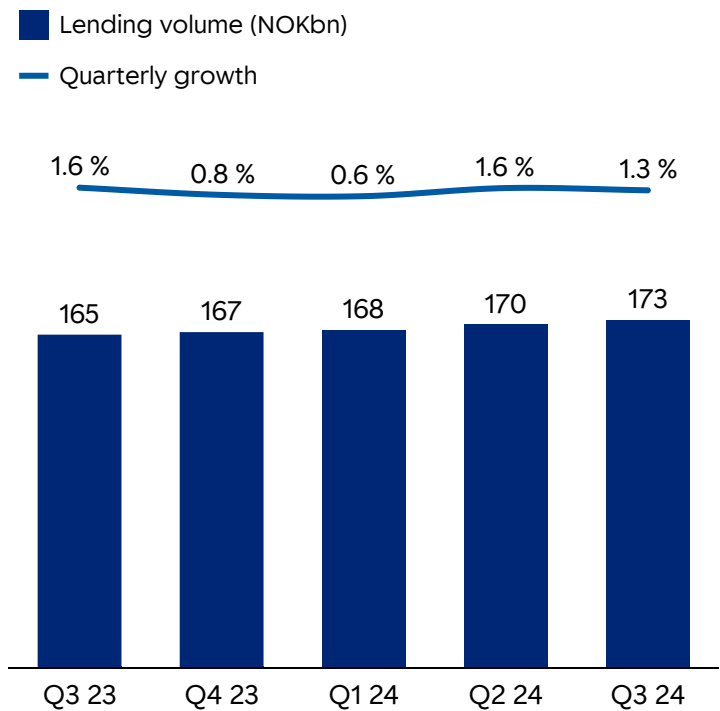


Net zero

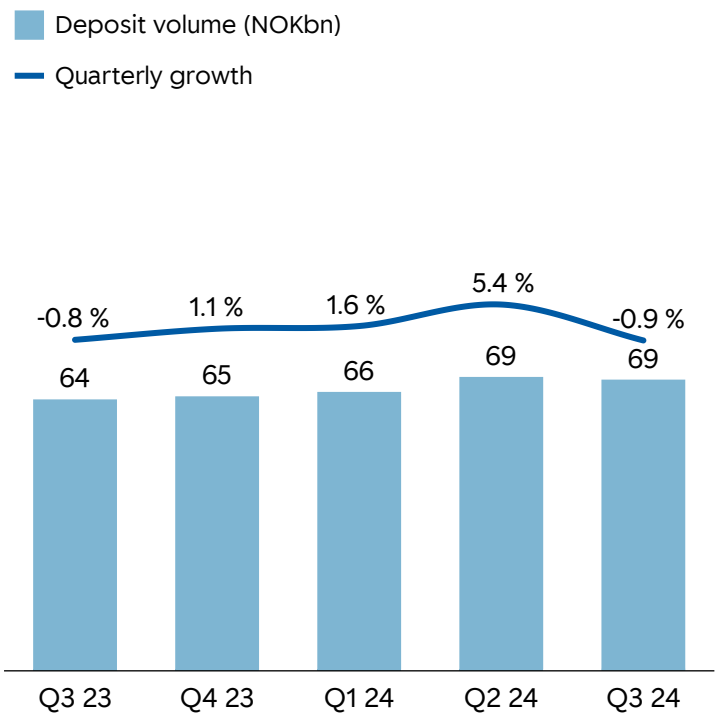
Climate footprint by 2050

Growth and margins in Retail Banking - quarterly

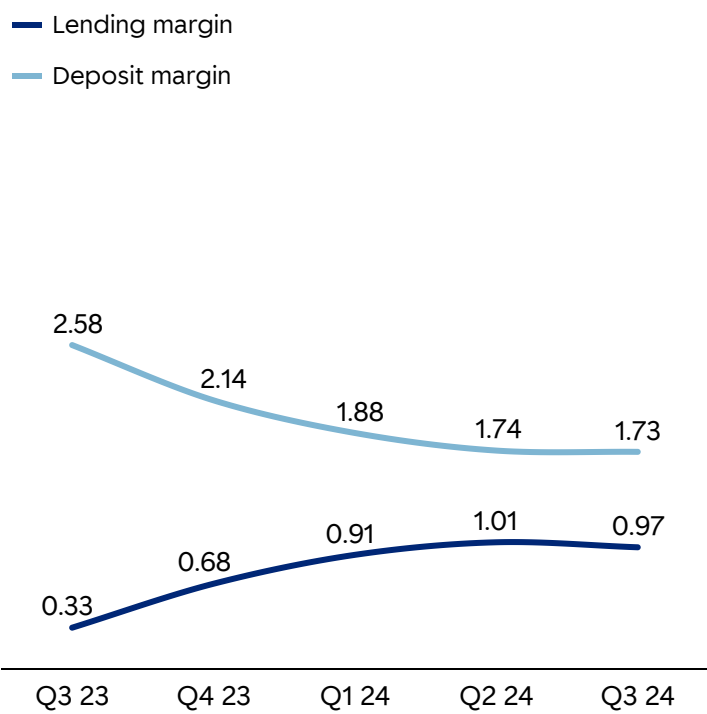
Lending volume (NOKbn)



Deposit volume (NOKbn)



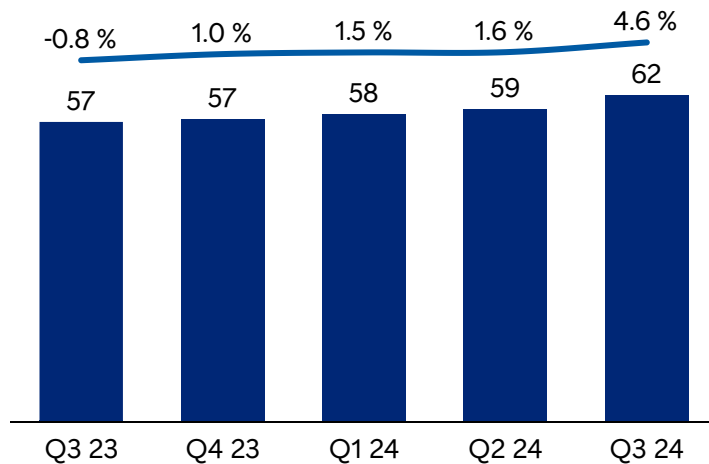
Margins vs NIBOR3M



Growth and margins in Corporate Banking - quarterly

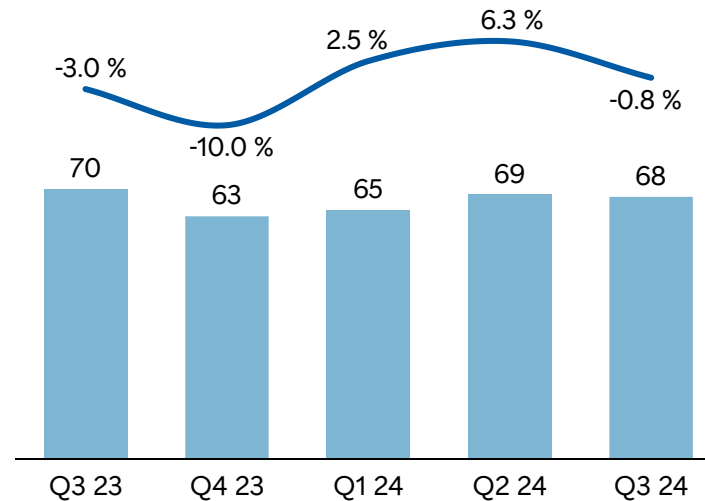
Lending volume (NOKbn)

- Lending volume (NOKbn)
- Quarterly growth



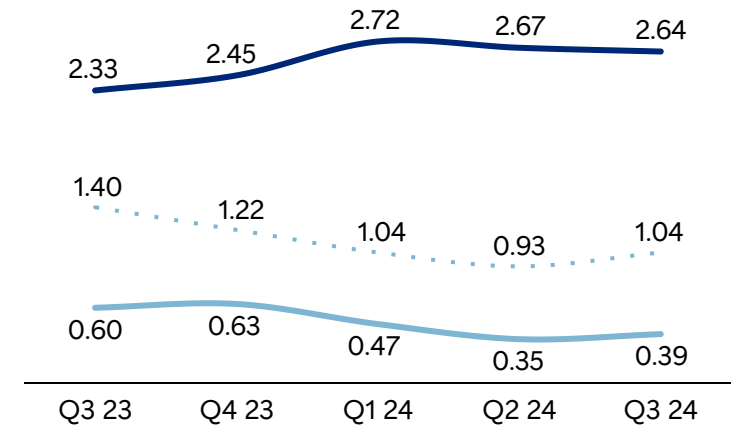
Deposit volume (NOKbn)

- Deposit volume (NOKbn)
- Quarterly growth



Margins vs NIBOR3M

- Lending margin*
- Deposit margin
- - Deposit margin ex. public sector



* Lending margin for Q4 23 is adjusted for previously unrecognised interest due to redemption of an exposure previously acquired at a discount

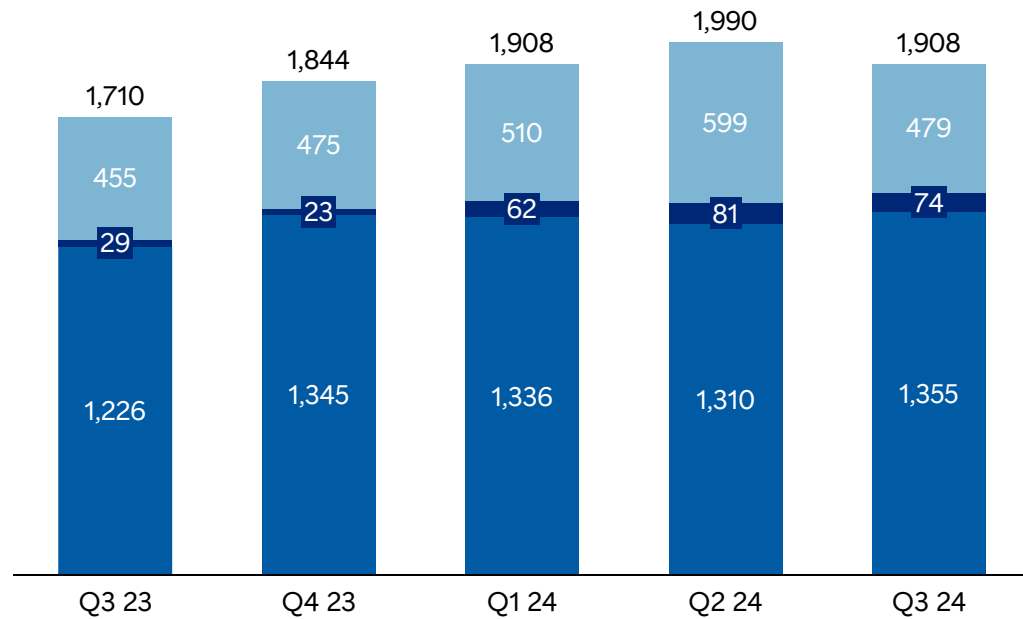
Results

NOK mill	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Change from Q2 24	Change from Q3 23
Net interest income	1,355	1,310	1,336	1,345	1,226	45	129
Commission income and other income	553	680	579	498	484	-128	69
Operating Income	1,908	1,990	1,915	1,844	1,710	-82	198
Total operating expenses	810	801	789	866	741	9	69
Pre-loss result of core business	1,098	1,190	1,126	978	969	-91	129
Losses on loans and guarantees	75	47	24	20	35	28	40
Post-loss result of core business	1,023	1,143	1,103	958	934	-120	88
Related companies	685	148	194	90	-2	536	686
Securities, foreign currency and derivatives	-14	5	57	448	64	-19	-78
Result before tax	1,693	1,296	1,353	1,496	996	397	697
Tax	252	276	273	262	278	-24	-25
Result investment held for sale	0	-5	3	12	22	5	-21
Net profit	1,441	1,015	1,084	1,247	740	426	701
Return on equity	21.0 %	15.4 %	16.0 %	18.3 %	11.1 %	5.6 %	9.9 %

Income

Net interest income and other income (NOKm)

- Commission income
- Bolig- og Næringskred.
- Net interest income

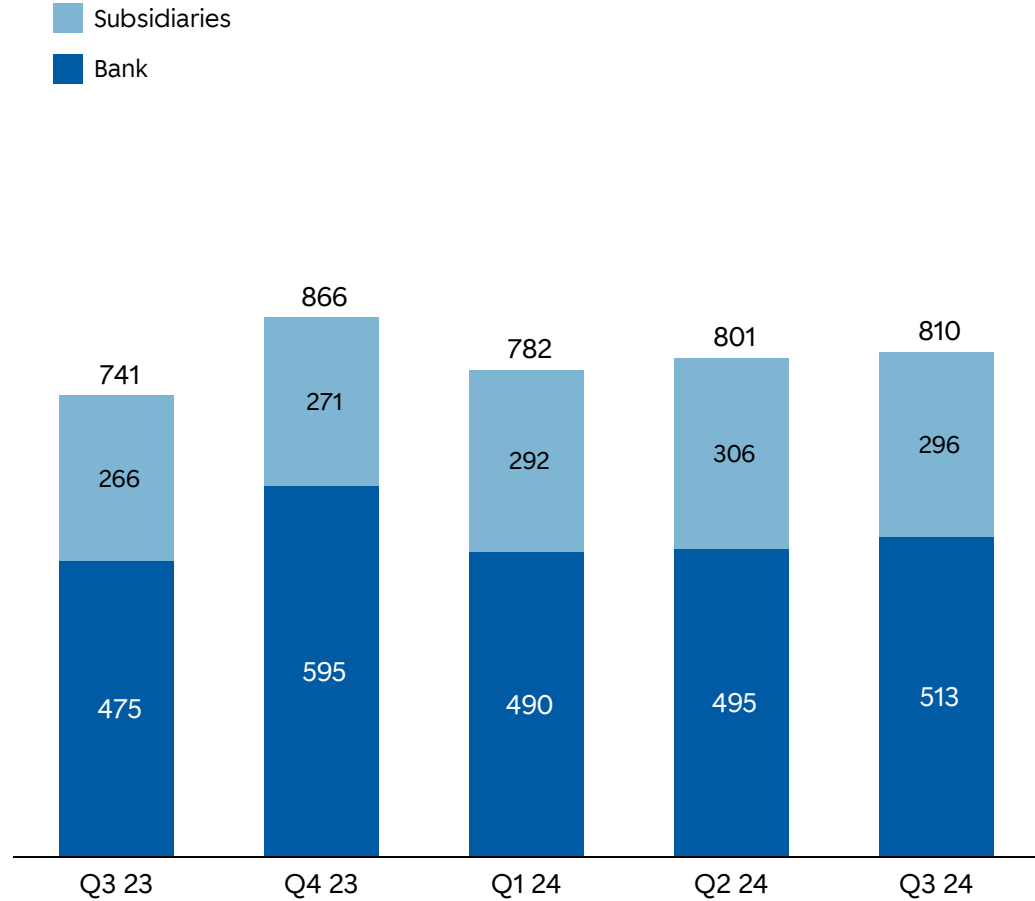


Commission income

NOK mill	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Change from Q2 24	Change from Q3 23
Payment transmission income	79	91	77	101	79	-12	0
Credit cards	18	17	18	14	16	1	2
Commissions savings and asset mgmt	13	12	11	11	10	1	3
Commissions insurance	67	65	63	61	67	2	0
Guarantee commissions	16	17	15	16	15	0	1
Estate agency	127	151	115	98	110	-24	18
Accountancy services	145	228	200	152	138	-83	7
Other commissions	13	19	11	23	20	-6	-7
Commissions ex. Bolig/Næringskreditt	479	599	510	475	455	-120	23
Commissions Boligkreditt (cov. bonds)	71	78	59	19	25	-7	46
Commissions Næringskred. (cov. bonds)	3	4	4	4	4	0	0
Total commission income	553	680	572	498	484	-127	69

Costs

Total operating expenses per quarter (NOKm)



Costs per category

- Increase in staff related costs in the bank
- Lower costs from Regnskapshuset
- Otherwise, minor changes from the previous quarter

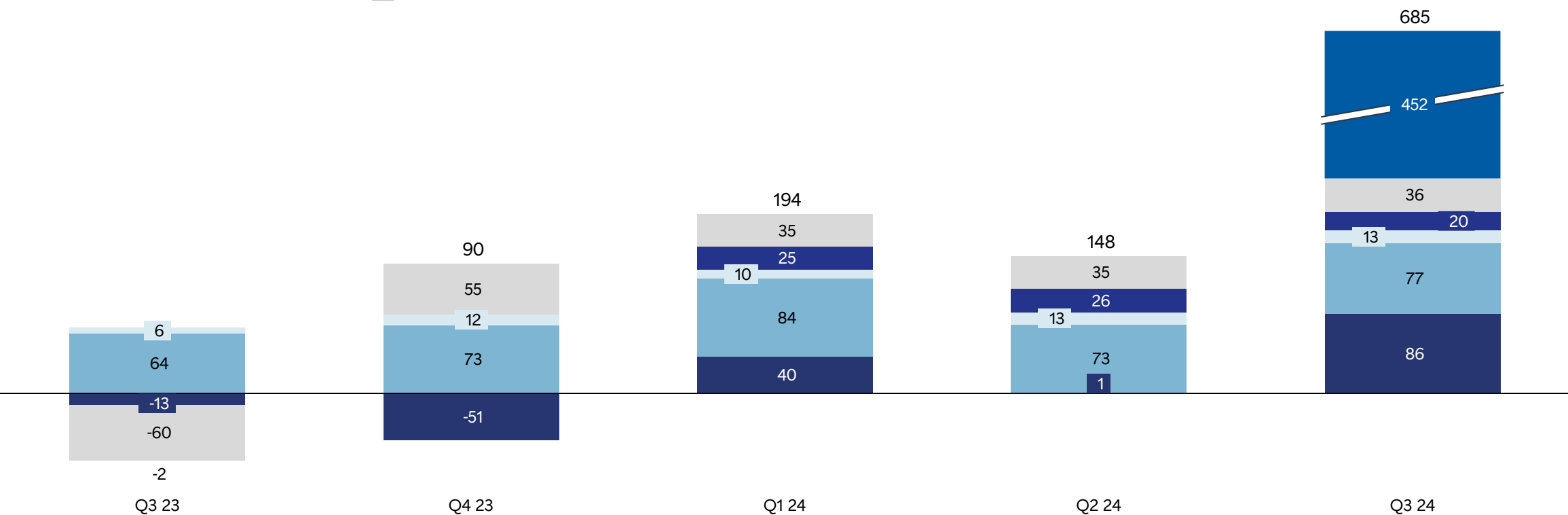
NOKm	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Change from Q2 24	Change from Q3 23
Staff costs	498	484	482	476	435	13	63
IT costs	108	109	110	132	93	-1	15
Marketing	23	25	26	21	24	-2	-1
Ordinary depreciation	44	44	41	47	43	0	1
Op.ex., real estate properties	14	12	13	11	15	3	-1
Purchased services	61	66	74	71	62	-5	-1
Merger expenses	0	0	0	18	14	0	-14
Other operating expense	62	62	36	90	56	0	6
Total operating expenses	810	801	782	866	741	9	69

Broad product range and a diversified income platform

Ownership interests

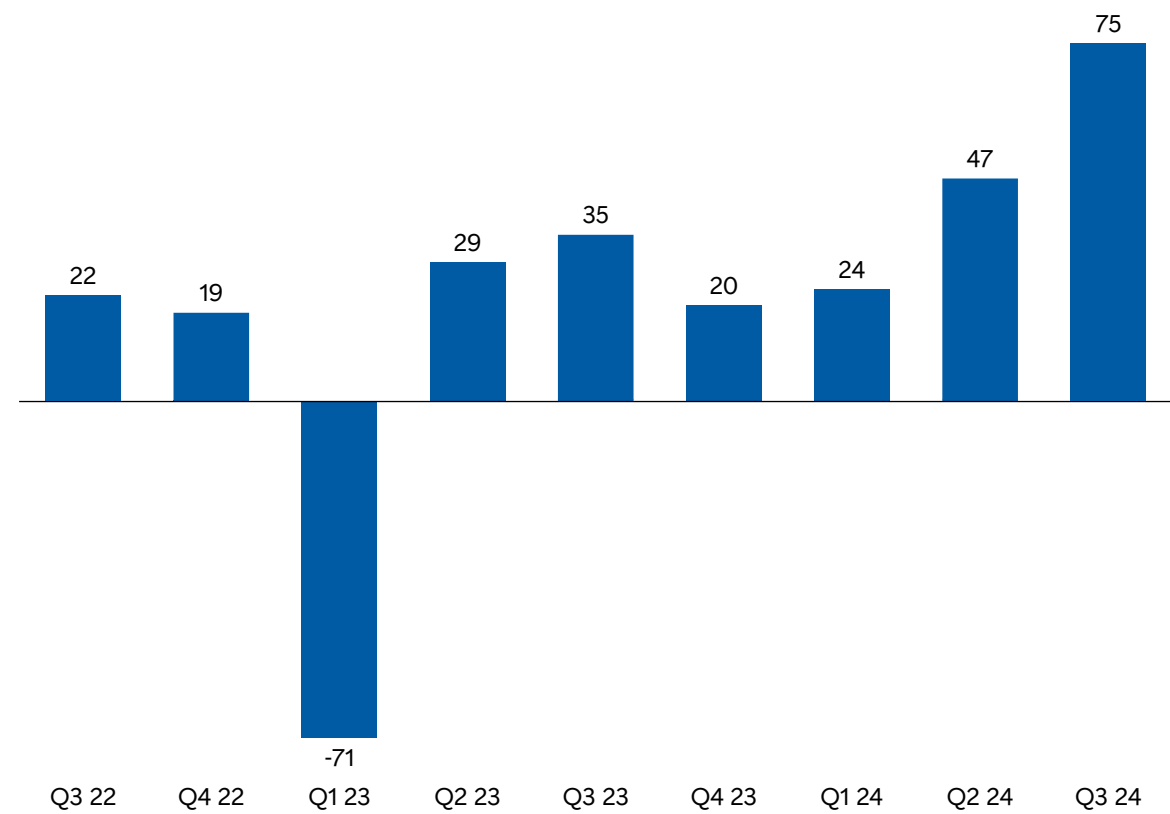
Profit after tax (NOKm)

- Profit from insurance merger Fremtind/Eika
- Other associated companies
- SpareBank 1 Markets
- SpareBank 1 Forvaltning
- BN Bank
- SpareBank 1 Gruppen



Losses

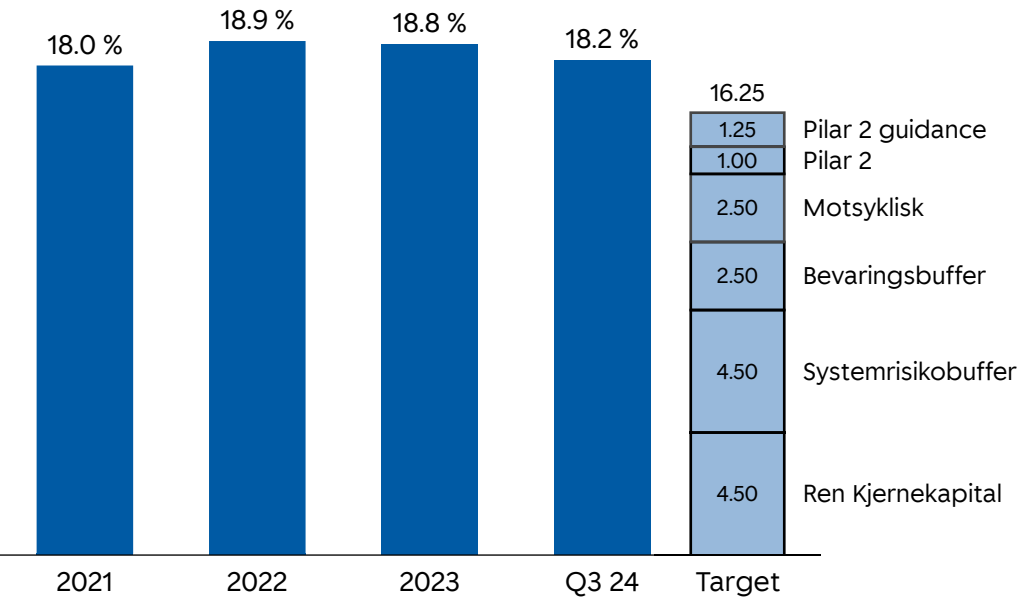
Loan losses (NOKm)



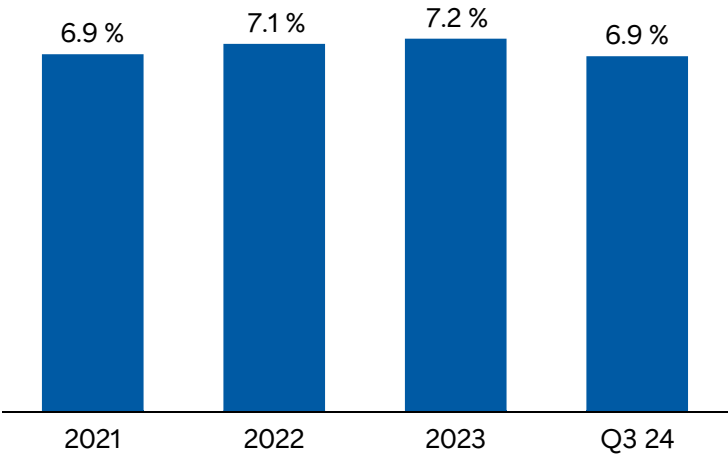
Distribution of losses Q3 (NOKm)



CET 1



Leverage ratio



The groups' pillar 2 requirement is 1,7 percentage points, whereby 1,0 pp. must be covered by CET1-capital. The bank is subject to a provisional add-on of 0,7 per cent to its Pillar 2 requirement. Until the application for adjustment of IRB models has been processed the CET1 requirement is 16,95%



SpareBank 1 MING

1

Focus on long-term profitability

efficient operations with synergies in the group, solidly capitalized and shareholder-friendly dividend policy

2

Leading finance centre in Mid-Norway

sustainable growth in an attractive region, diversified customer portfolio and income platform

3

Strong brand with development potential

ownership model and local presence gives customer loyalty

4

Substantial underlying value

through ownership positions in and outside the SpareBank 1 Alliance

5

Well positioned in regards to consolidation

amongst Norwegian savings banks and through the SpareBank 1 Alliance

Disclaimer

This presentation contains certain forward-looking statements relating to the business, financial performance and results of SpareBank 1 SMN and/or the industry in which it operates. Forward- looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions.

The forward-looking statements contained in this presentation, including assumptions, opinions and views of SpareBank 1 SMN, or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Important factors that may cause such a difference for SpareBank 1 SMN are but not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

SpareBank 1 SMN do not provide any assurance that the assumptions underlying such forward-looking statements are free from errors and do not accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments. SpareBank 1 SMN assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

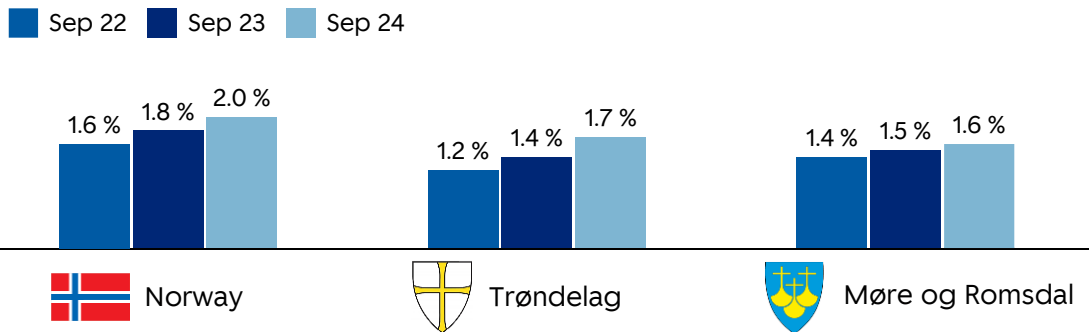
Appendix



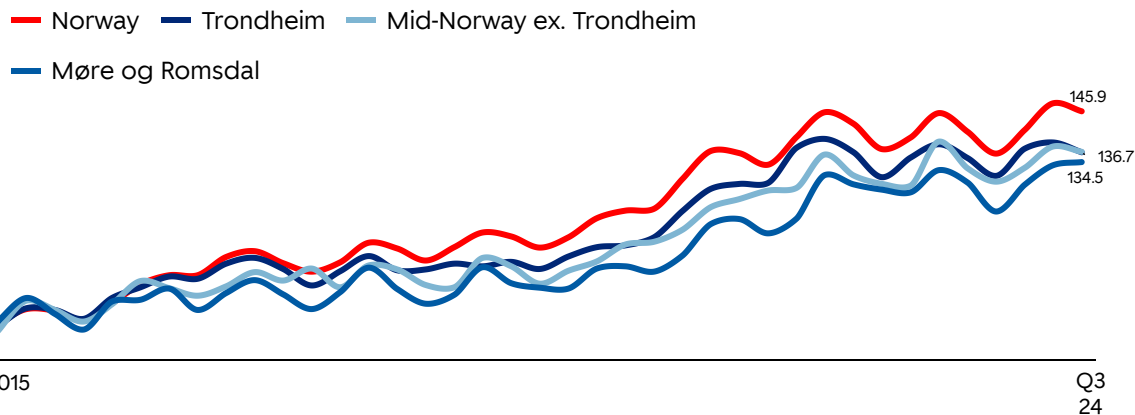
Macro in Mid-Norway

Unemployment

Wholly unemployed as a percentage of the labor force

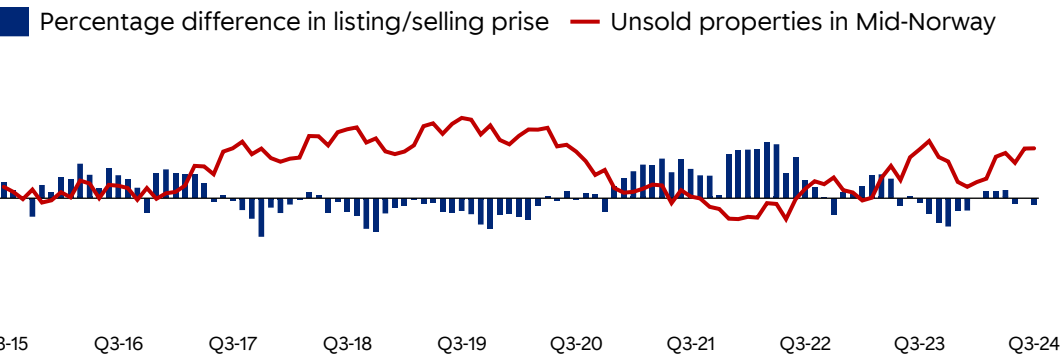


Development in housing prices

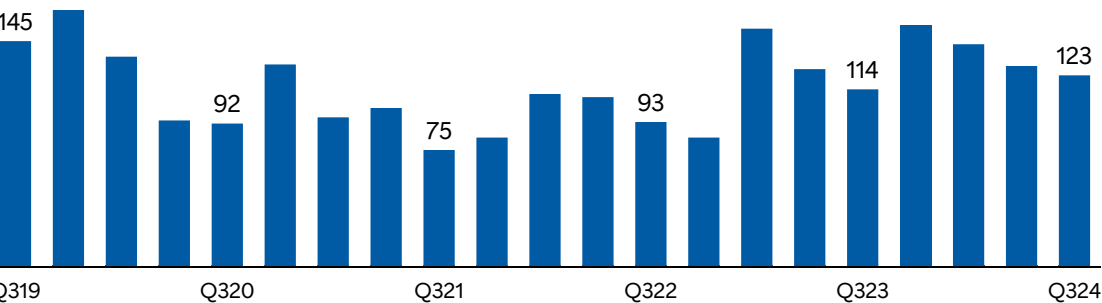


Source: NAV, SSB Boligpriser, Brønnøysundregisteret og Eiendomsverdi

Housing market dynamics

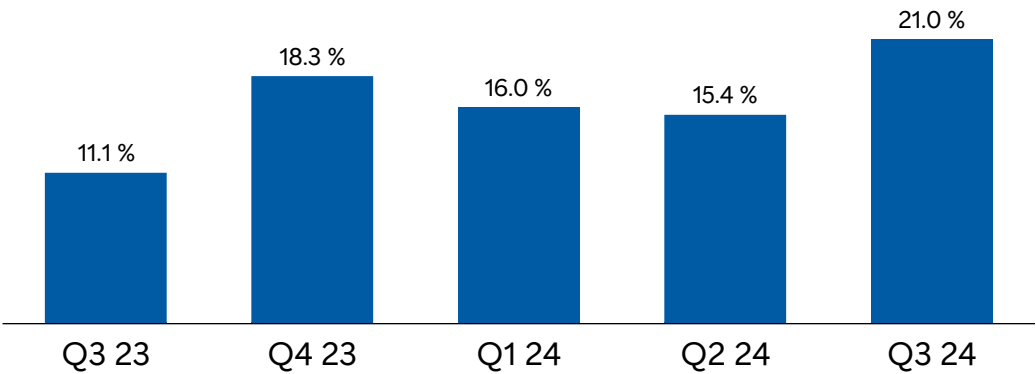


Number of bankruptcies in Trøndelag, Møre & Romsdal

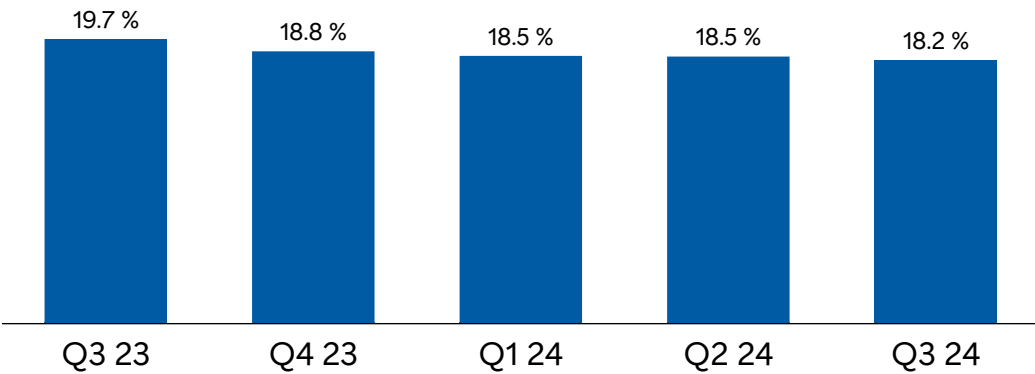


Profitable and solid

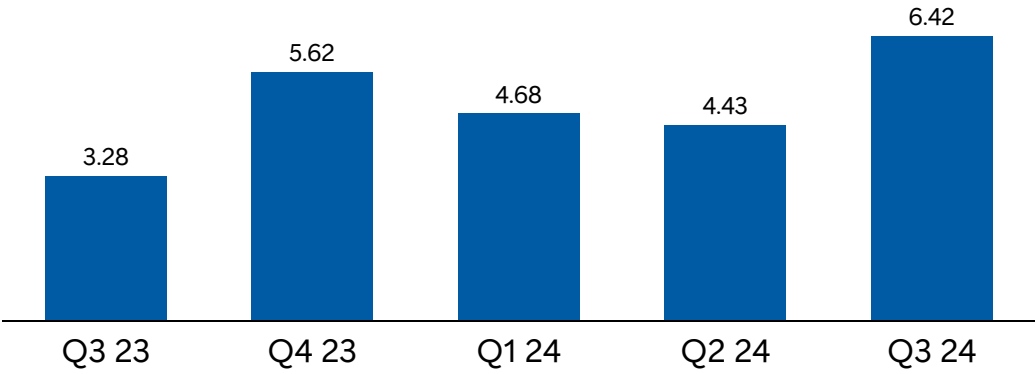
Return on equity



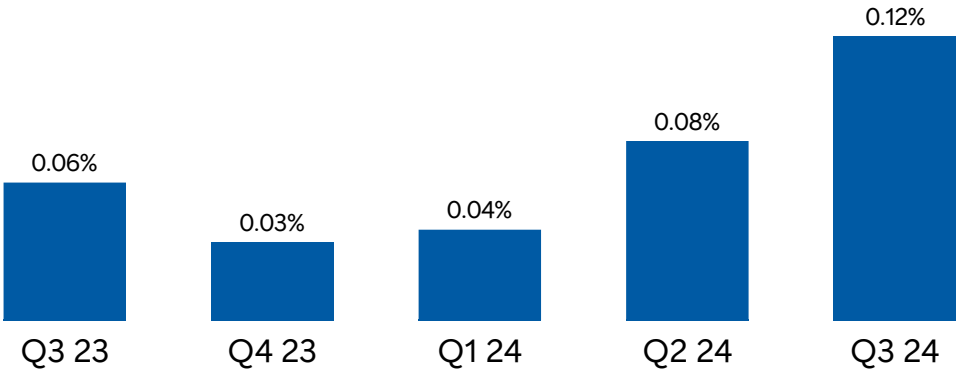
CET1 ratio



Result per ECC

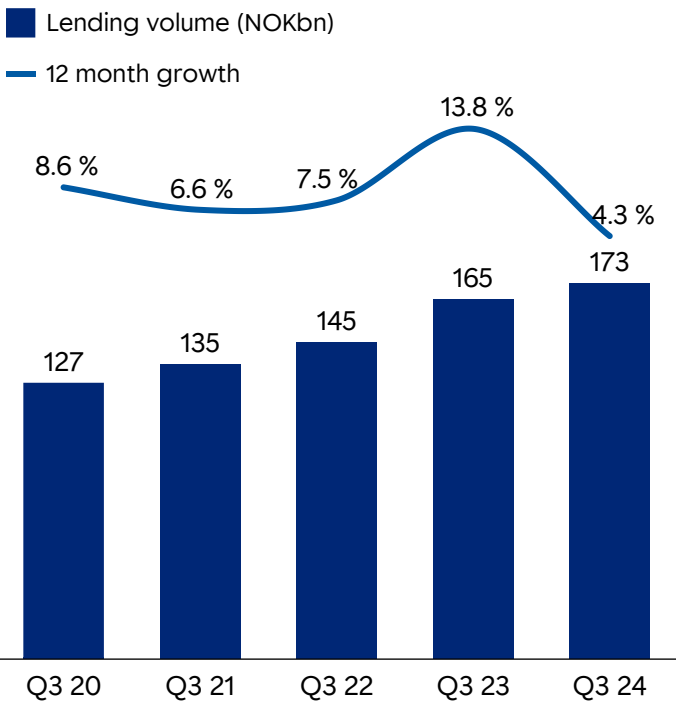


Loan losses in per cent of total lending

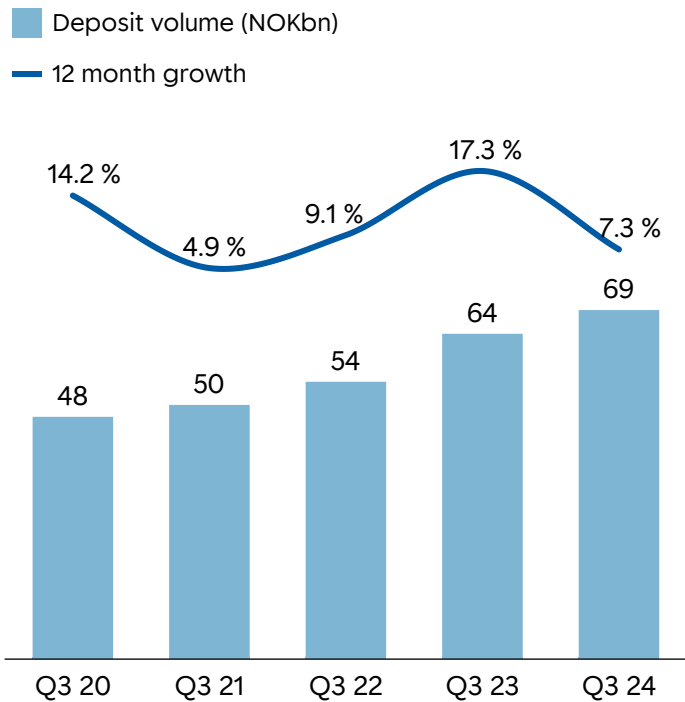


Growth and margins in Retail Banking - Yearly

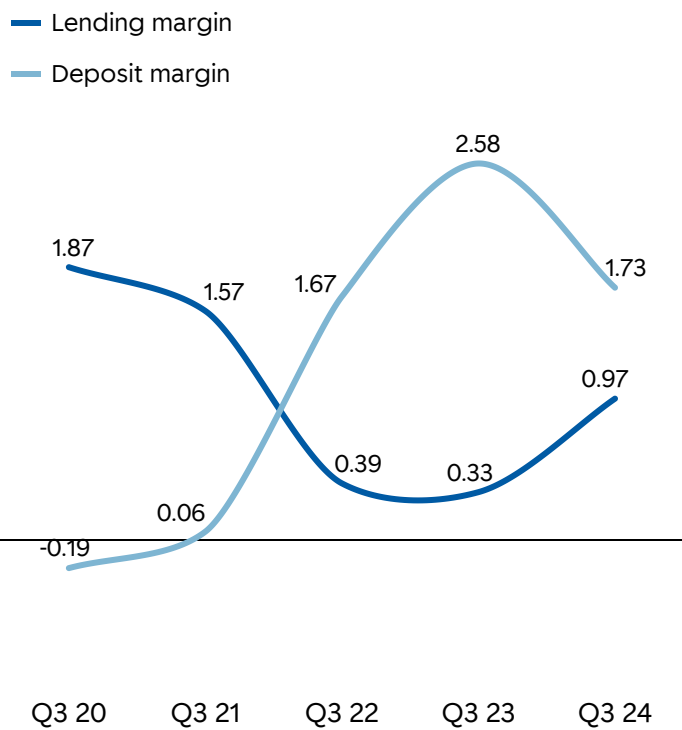
Lending volume (NOKbn)



Deposit volume (NOKbn)

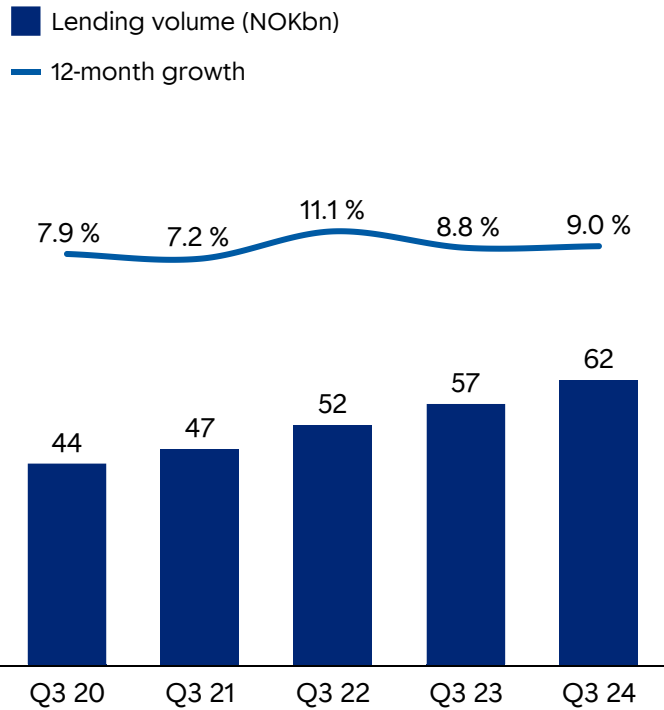


Margins vs NIBOR3M

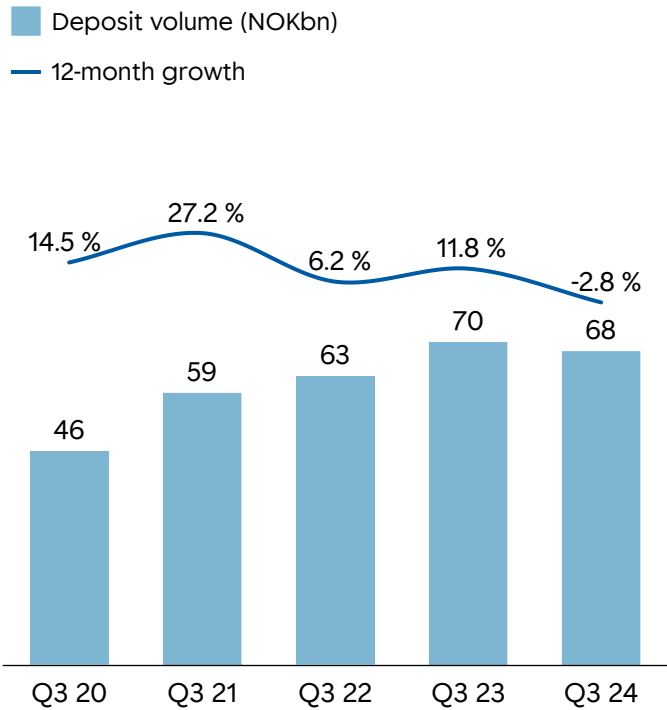


Growth and margins in Corporate Banking - Yearly

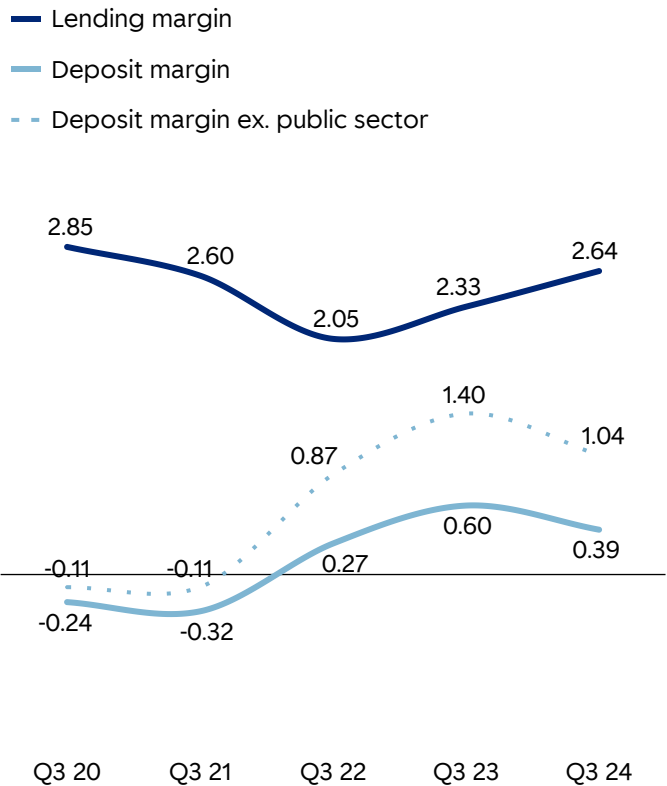
Lending volume (NOKbn)



Deposit volume (NOKbn)

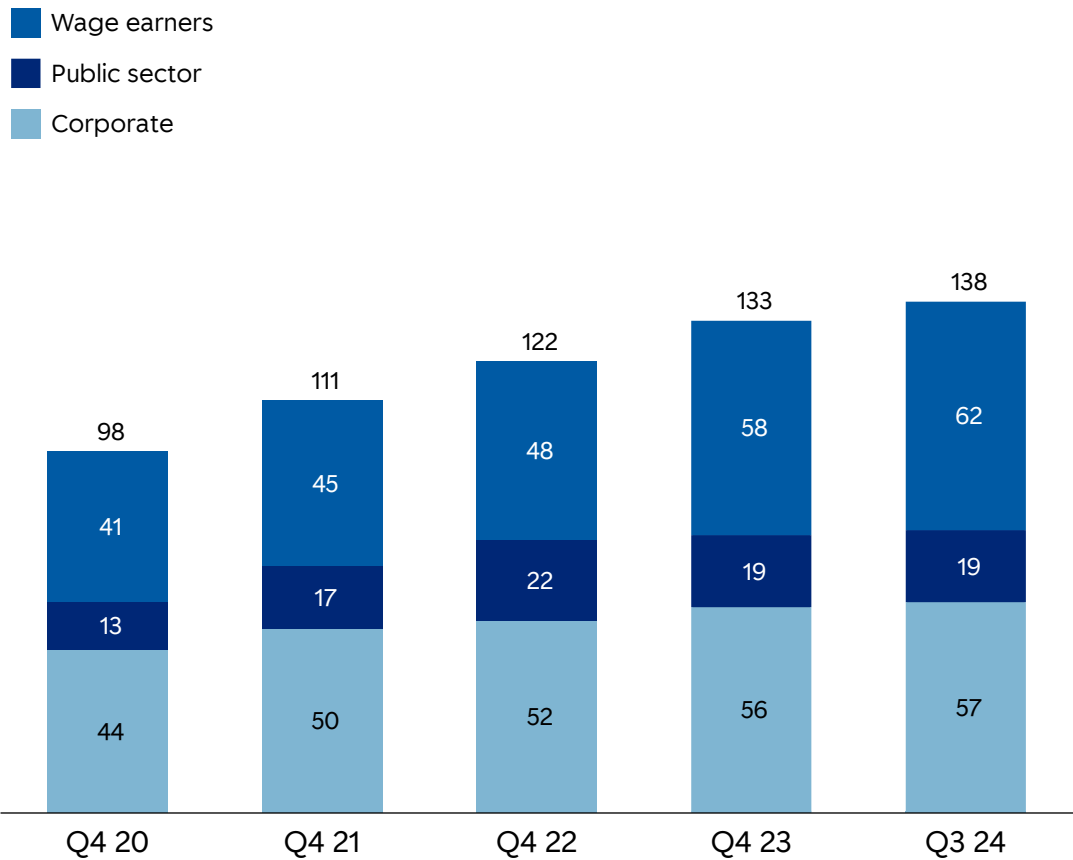


Margins vs NIBOR3M

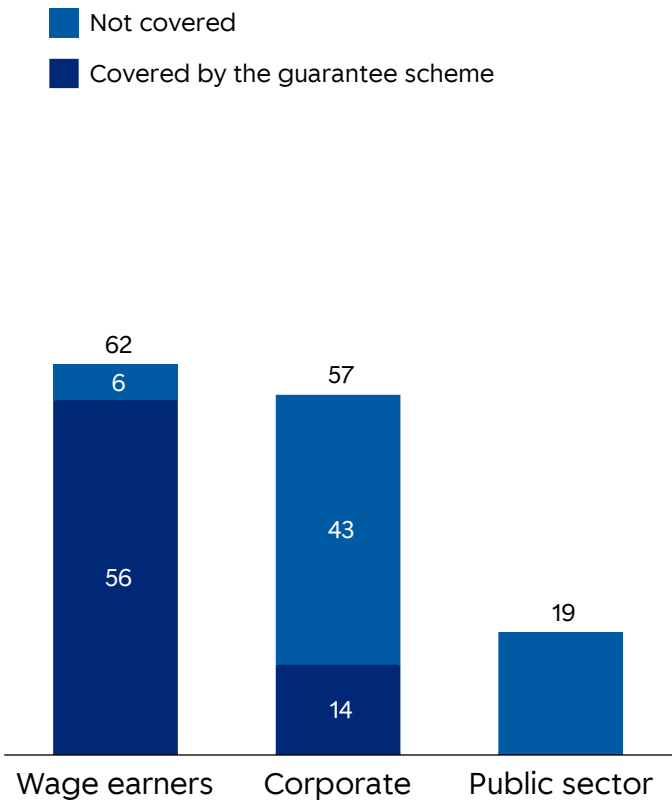


Diversified deposit portfolio

Deposits by sector (NOKbn)

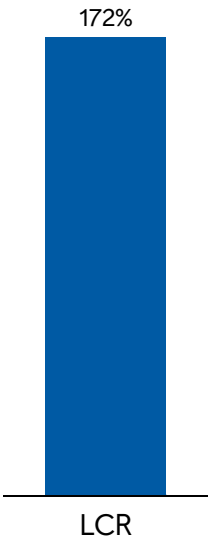


Deposits covered by the deposit guarantee scheme (NOKbn)



Public deposits are not covered by the guarantee scheme, but are mostly bound by contractual obligations

LCR as at 30.09.24 (per cent)

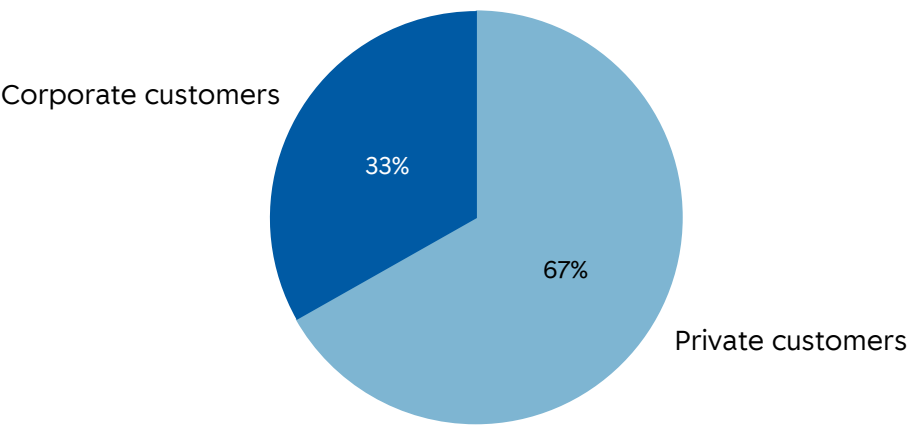
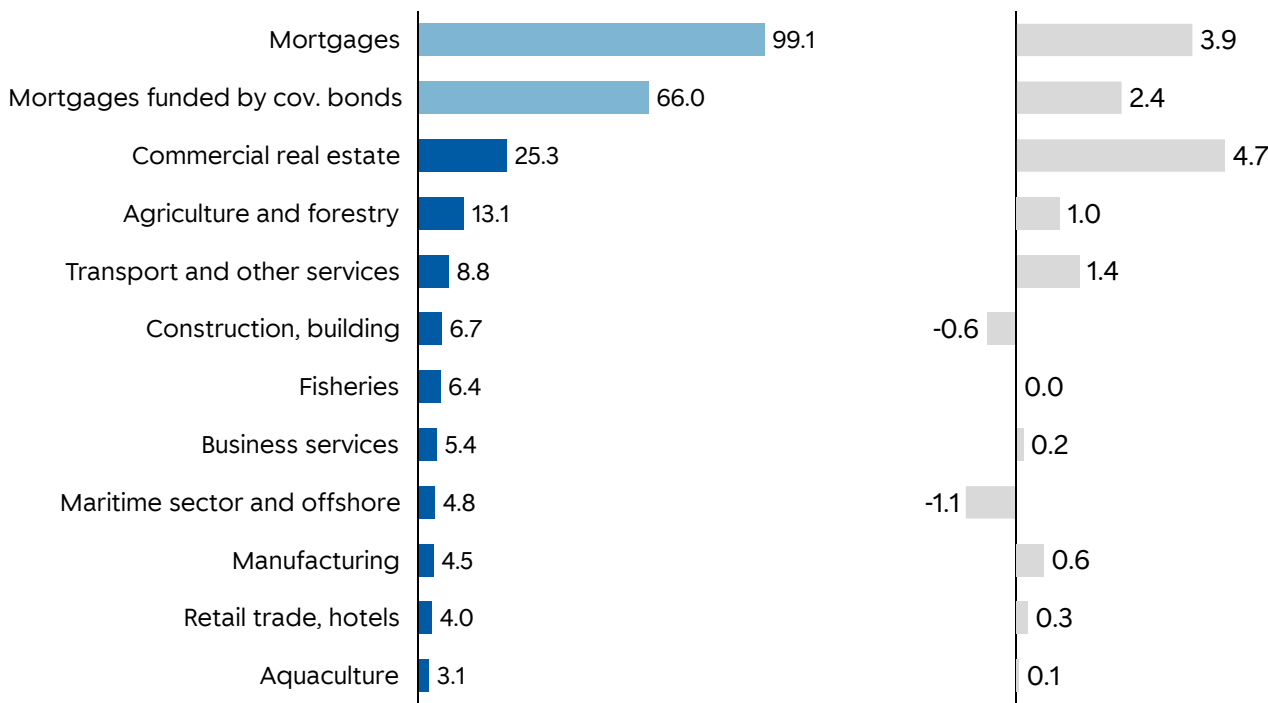


LCR: Liquidity Coverage Ratio

Well diversified lending portfolio dominated by mortgages

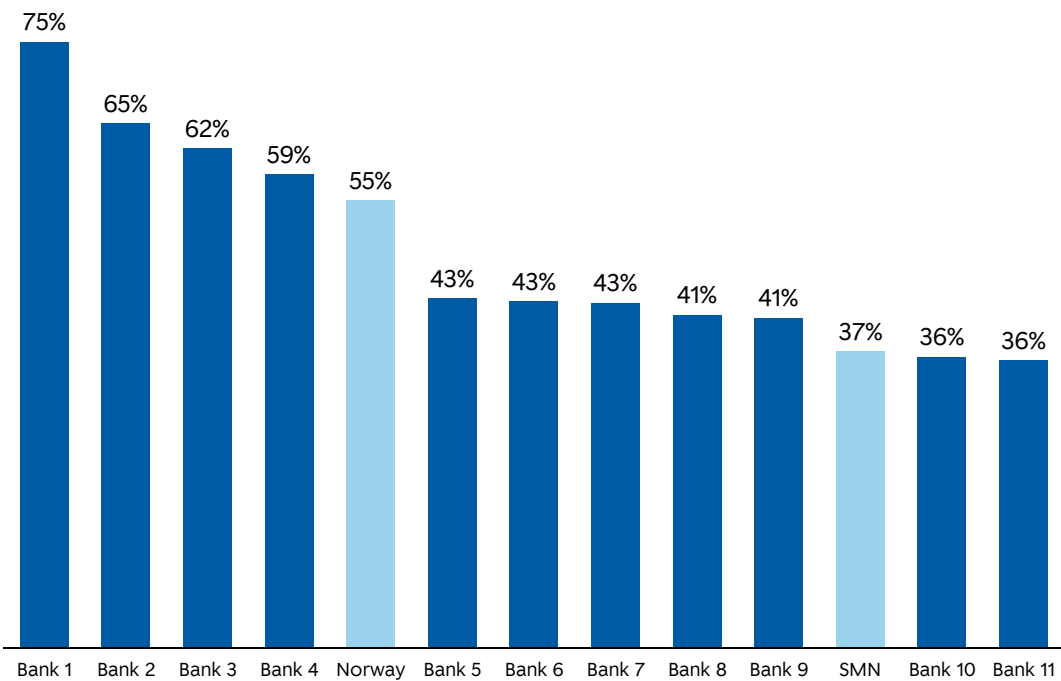
Loans per sector

as at 30th of September 2024 and change last 12 months (NOKbn)



Commercial property, construction, building

Share of commercial real estate exposure in the corporate lending book*



*Gross lending to commercial real estate as a share of corporate lending.. National data from SSB. Data for individual banks are based on reported numbers as at Q1 2024

Rental properties make up 75 % of the banks CRE exposure, mainly to retail trade, industry/storage and offices

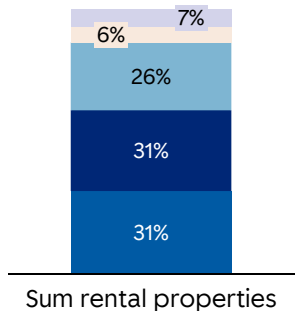
Distribution of property per Q324

- Housing co-operatives and other
- Real estate projects
- Rental properties



Distribution of area per 2023

- Housing
- Hotel/tourism
- Industry/storage
- Retail trade, business mgmt
- Offices

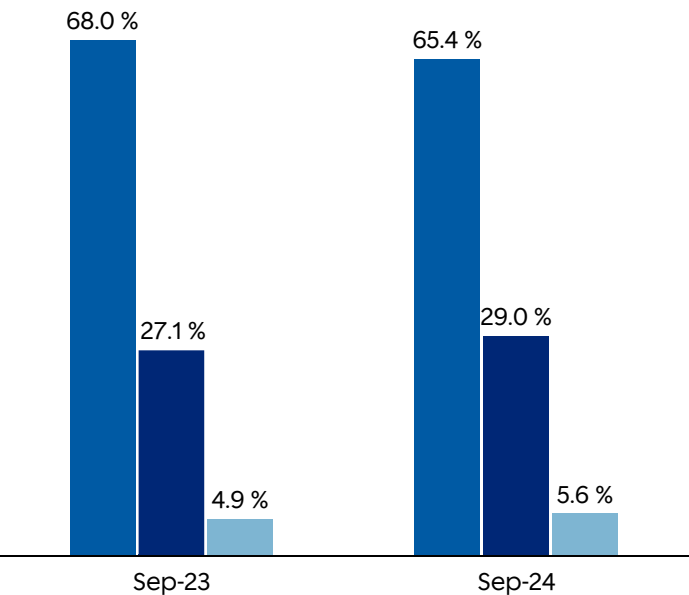


Robust mortgage portfolio

Loan-to-value ratio in the mortgage portfolio

Share of mortgages by LTV

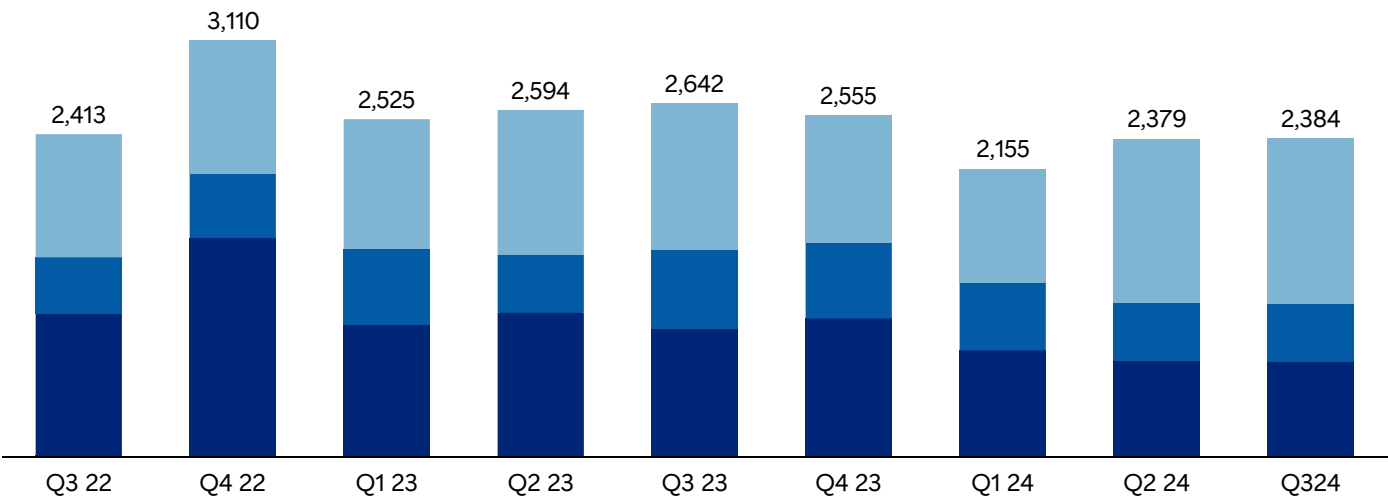
- LTV < 70 %
- 70 - 85 %
- > 85%



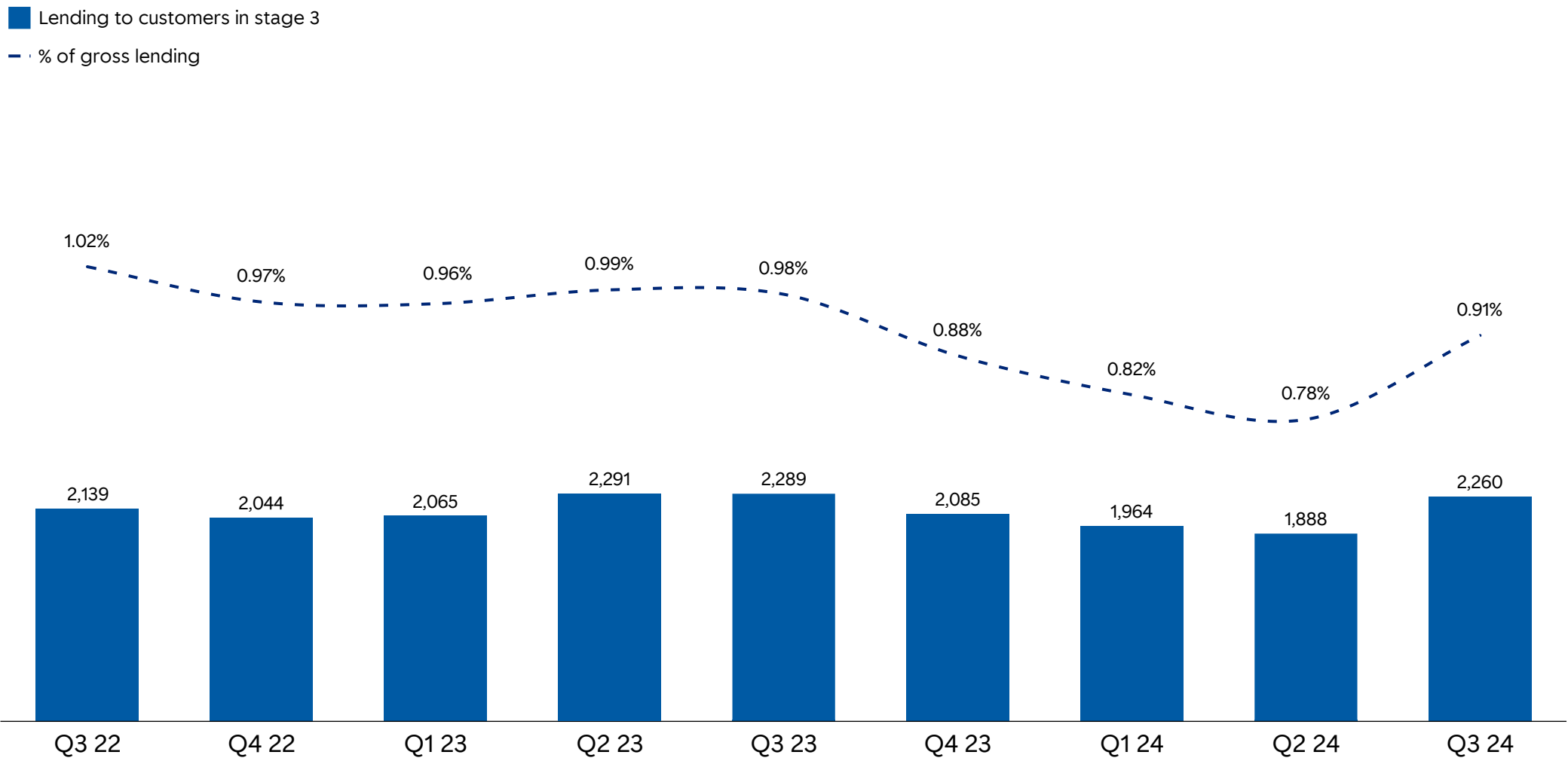
Granted interest-only periods

Number of loans granted interest-only periods in the Retail Banking portfolio

- 1-3 months
- 3-6 months
- 6 months +



Problem loans



Subsidiaries

NOK mill, SMN's share in parentheses	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Change from Q2 24	Change from Q3 23
EiendomsMegler 1 Midt-Norge (92.4%)	8	43	20	-7	-1	-35	10
SpareBank 1 Regnskapshuset SMN (93.3%)	-7	54	35	8	11	-61	-18
SpareBank 1 Finans Midt-Norge (56.5%)	68	76	66	12	3	-8	65
SpareBank 1 SMN Invest (100%)	-12	-13	48	66	37	0	-49
Other companies	3	5	5	4	3	-2	-0
Sum subsidiaries	59	165	174	83	53	-106	7

Product companies

NOK mill, SMN's share in parentheses	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Change from Q2 24	Change from Q3 23
SpareBank 1 Gruppen (19.5%)	86	1	40	-51	-13	85	99
Profit from insurance merger Fremtind/Eika	452					452	452
SpareBank 1 Boligkreditt (23.7%)	37	35	33	30	5	1	32
SpareBank 1 Næringskreditt (14.8%)	3	3	4	1	4	-1	-1
BN Bank (35.0%)	77	73	84	73	64	4	12
SpareBank 1 Markets (39.9%)	20	26	25	19	0	-6	20
SpareBank 1 Kreditt (18.6%)	-3	1	-4	-3	-3	-4	0
SpareBank 1 Betaling (21.9%)	-1	-2	-12	-8	-10	1	9
SpareBank 1 Forvaltning (21.5%)	13	13	10	12	6	0	7
Other companies	1	-3	13	16	-55	4	55
Sum associated companies	685	148	194	90	-2	536	686

Return on financial investments

NOK mill	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	0	Change from Q2 24	Change from Q3 23
Net gain/(loss) on stocks	-1	4	42	472	17	0	-5	-17
Net gain/(loss) on financial instruments	-45	-17	-11	-41	12	0	-29	-57
Net gain/(loss) on forex	24	11	22	27	20	0	13	4
Net return on financial instruments	-22	-1	54	458	48	0	-20	-70

Equity certificate, key figures

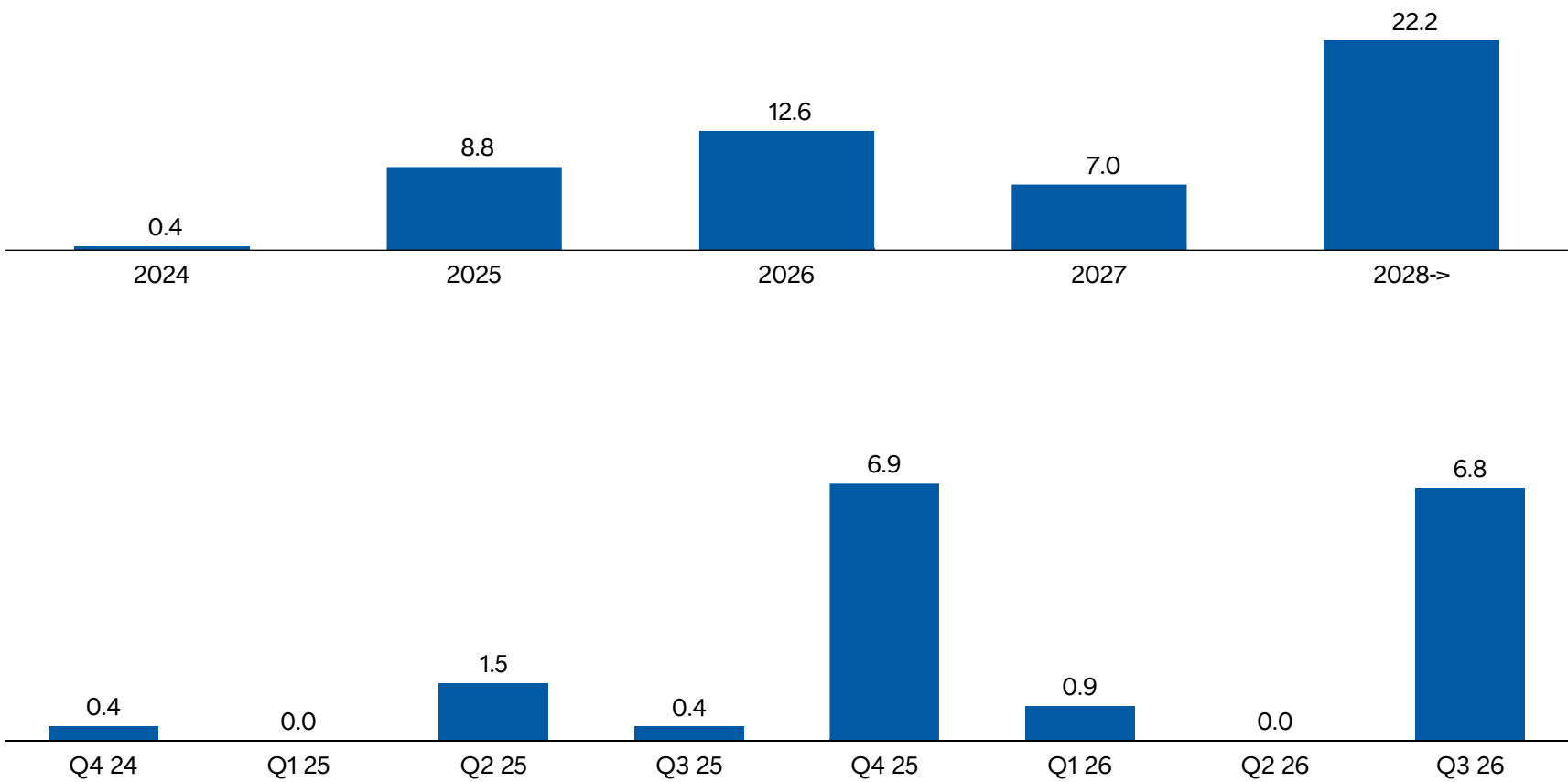
Key figures	Q3 24	2023	2022	2021	2020
ECC ratio	66.8 %	66.8 %	64.0 %	64.0 %	64.0 %
Total issued ECCs (mill)	144.21	144.20	129.29	129.39	129.39
ECC price	153.46	141.80	127.40	149.00	97.60
Market value (NOKm)	22,130	20,448	16,471	19,279	12,629
Booked equity capital per ECC	124.05	120.48	109.86	103.48	94.71
Post-tax earnings per ECC, in NOK	15.57	16.88	12.82	13.31	8.87
Dividend per ECC	-	12.00	6.50	7.50	4.40
P/E	7.28	8.40	9.94	11.19	11.01
Price / Booked equity capital	1.24	1.18	1.16	1.44	1.03

Balance

NOKbn	30.9.24	30.9.23
Cash and receivables from central banks	1.1	1.2
Deposits with and loans to credit institutions	8.1	13.0
Net loans to and receivables from customers	178.6	167.9
Fixed-income CDs and bonds	36.0	36.6
Shares, units and other equity interests	0.9	1.0
Investment in related companies	9.7	8.1
Intangible assets	1.2	1.1
Other assets	10.2	14.7
Total assets	246.0	243.5
Deposits from credit institutions	11.9	12.9
Deposits from and debt to customers	138.0	138.2
Debt created by issue of securities	37.8	34.0
Subordinated debt (SNP)	13.2	12.0
Derivatives	5.6	9.8
Other debt	6.9	5.2
Investment held for sale	0.0	1.6
Subordinated loan capital	2.9	2.4
Total equity ex Tier 1 Capital	27.6	26.0
Additional Tier 1 Capital	2.1	1.5
Total liabilities and equity	246.0	243.5

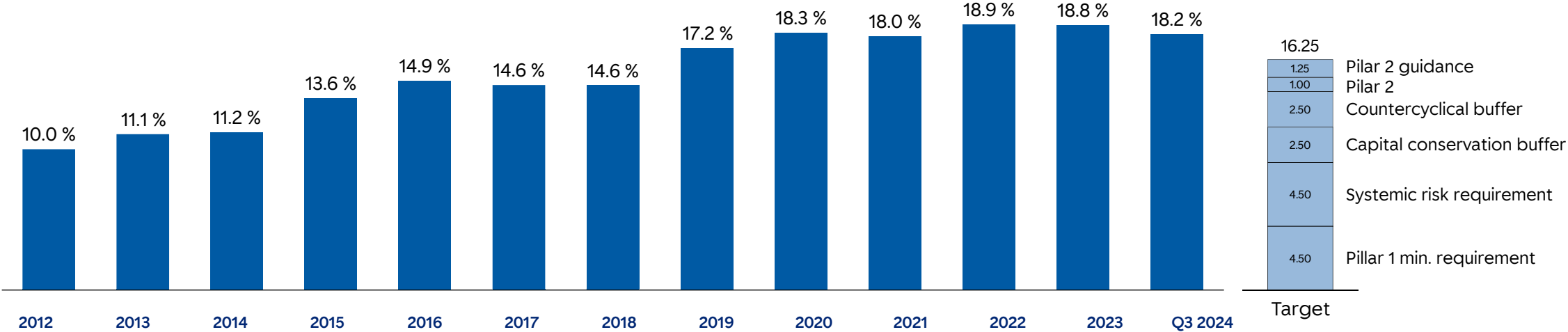
Maturity structure

NOKbn



Development in CET1 capital and capital adequacy

CET1 ratio in per cent



CET1	8.254	9.374	10.679	12.192	13.223	13.820	14.727	15.830	17.041	17.790	19.776	21.589	21.688
ROE	11.7%	13.3%	15.1%	10.7%	11.3%	11.5%	12.2%	13.7%	10.0%	13.5 %	12.3 %	14.4 %	17.4 %
RWA	82.450	84.591	95.322	89.465	88.786	94.807	101.168	91.956	93.096	98.664	104.716	114.633	119.092