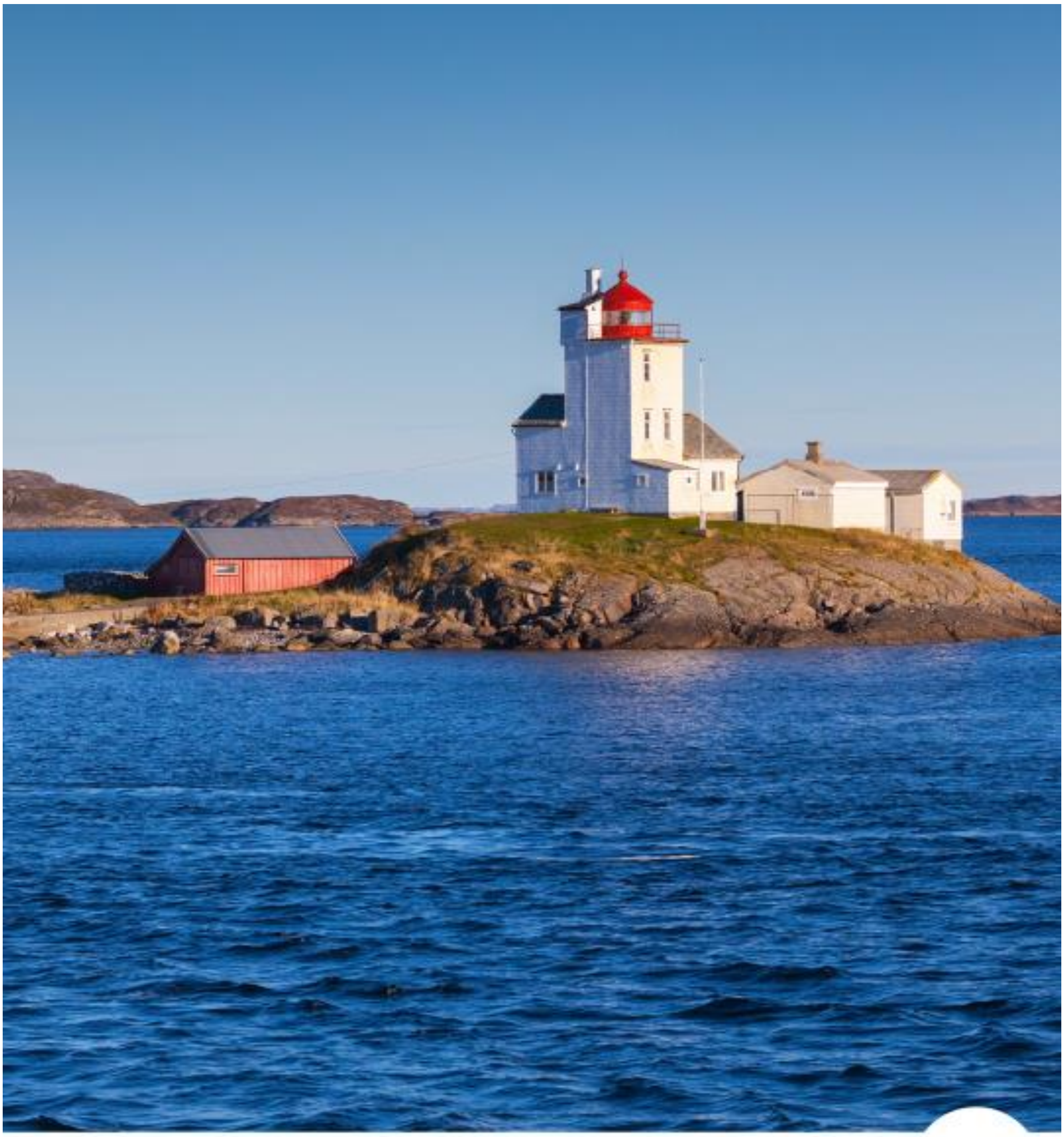
Investor Relations
Supplementary Information

2020

Q2



Tyrhaug fyr, Smøla

SpareBank 1 SMN

Contact information

CEO	Jan-Frode Janson

For further information, please contact

CFO	Kjell Fordal
	kjell.fordal@smn.no
	+47 905 41 672

Address

SpareBank1 SMN	Postboks 4796 Sluppen, 7467 Trondheim
Switchboard	+47 915 07 300
Visiting address	Søndre gate 4, 7011 Trondheim

Information on the internet

SpareBank1 SMN's homepage	www.smn.no
ECC information in general	www. egenkapitalbevis.no

Financial Calendar 2020

2nd quarter	11 August 2020
3rd quarter	30 October 2020

Major changes from Q1 2020

Management change at SpareBank 1 SMN Regnskapshuset

Jon Havdal has stepped down as CEO at SpareBank 1 SMN Regnskapshuset in order to build up his own business. Jon Havdal has presided over SpareBank 1 SMN Regnskapshuset during 13 years of strong growth and good results. Arne Nypan takes over as CEO of Regnskapshuset. Arne Nypan comes from the position of CEO of SpareBank 1 SMN Midt-Norge. The process of recruiting a new head of SpareBank 1 SMN Finans Midt-Norge is under way.

SpareBank 1 Kreditt

SpareBank 1 Kredittkort has changed name to SpareBank 1 Kreditt. In addition to credit cards the company now delivers products for all types of unsecured credit including consumer loans, refinancing, part payment and payment deferment to the SpareBank 1 banks' retail customers in Norway. The company currently has 48 employees and is headquartered in Trondheim.

Table of Contents

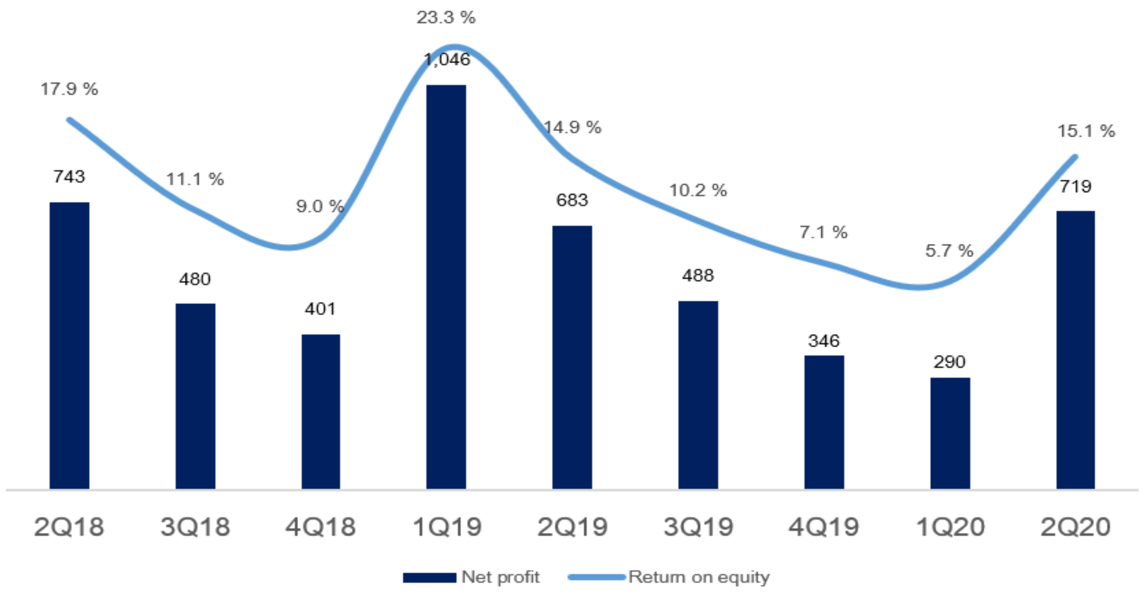
1.1 Financial highlights

January - June 2020

	YTD 2020		YTD 2019
Profit before tax and inv. held for sale	1,202	NOK million	2,003
Net profit	1,008	NOK million	1,729
Return on equity	10.3	per cent	19.0
Annual lending growth	7.0	per cent	5.7
Annual deposits growth	8.9	per cent	7.7
Loan losses	478	NOK million	126
CET1 ratio	17.2	per cent	15.0
Earnings per EC	4.53	NOK	8.23

Q2 2020

			Q2 2019
Profit before tax and inv. held for sale	845	NOK million	848
Net profit	719	NOK million	683
Return on equity	15.1	per cent	14.9
Loan losses	170	NOK million	59
Earnings per EC	3.27	NOK	3.21



Main figures

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest	666	710	697	678	664	649	644	610	581
Commission income and other income	607	570	579	554	606	551	543	486	607
Net return on financial investments	448	101	17	121	336	727	95	182	300
Total income	**1,721**	**1,381**	**1,292**	**1,353**	**1,607**	**1,926**	**1,282**	**1,277**	**1,488**
Total operating expenses	**706**	**716**	**720**	**673**	**701**	**704**	**701**	**616**	**661**
Result before losses	**1,015**	**665**	**572**	**680**	**907**	**1,223**	**580**	**661**	**827**
Loss on loans, guarantees etc.	170	308	103	71	59	67	67	69	78
Result before tax	**845**	**357**	**469**	**609**	**848**	**1,155**	**513**	**592**	**748**
Tax charge	126	67	123	121	165	109	104	119	156
Results investments held for sale, after tax	0	0	0	0	0	0	-8	6	150
Net profit	**719**	**290**	**346**	**488**	**683**	**1,046**	**401**	**480**	**743**

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Net interest	1,376	2,687	2,403	2,225	1,929
Commission income and other income	1,177	2,290	2,177	2,005	1,674
Net return on financial investments	549	1,201	757	760	944
Total income	**3,102**	**6,178**	**5,337**	**4,989**	**4,547**
Total operating expenses	**1,422**	**2,797**	**2,624**	**2,369**	**2,003**
Result before losses	**1,680**	**3,380**	**2,713**	**2,621**	**2,544**
Loss on loans, guarantees etc.	478	299	263	341	516
Result before tax	**1,202**	**3,081**	**2,450**	**2,279**	**2,029**
Tax charge	193	518	509	450	352
Results investments held for sale, after tax	0	0	149	-1	4
Net profit	**1,008**	**2,563**	**2,090**	**1,828**	**1,681**

Balance sheet - condensed

	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
Quarterly figures [NOK million]	2020	2020	2019	2019	2019	2019	2018	2018	2018
Total assets	190,484	185,182	166,662	166,475	167,289	164,641	160,704	159,337	159,584
Average total assets (quarterly)	187,833	175,922	166,569	166,882	165,965	162,673	160,021	159,460	155,833
Gross loans to customers [1]	175,100	170,771	167,777	165,380	163,627	161,091	160,317	157,825	154,790
Deposits from customers	94,289	88,152	85,917	83,641	86,553	81,111	80,615	77,529	80,343
Total equity capital	20,320	19,600	20,420	19,904	19,450	18,673	18,686	18,650	17,984

[1] Loans to customers includes loans sold to SpareBank1 Boligkreditt and SpareBank1 Næringskreditt.

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Total assets	190,484	166,662	160,704	153,254	138,080
Average total assets	180,776	165,154	160,021	150,083	138,948
Gross loans to customers [1]	175,100	167,777	160,317	148,784	137,535
Deposits from customers	94,289	85,917	80,615	76,476	67,168
Total equity capital	20,320	20,420	18,686	17,510	16,253

Equity capital certificate (MING)

Quarterly figures	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
ECC price	78.30	67.60	100.20	98.50	97.70	87.40	84.20	90.90	84.50
Number of certificates issued, millions	129.39	129.22	129.30	129.48	129.66	129.41	129.62	129.44	129.31
Booked equity capital per ECC (incl. dividend)	90.37	86.85	90.75	89.36	87.04	83.86	83.87	82.57	80.21
Adjusted profit per ECC	3.27	1.26	1.60	2.30	3.21	5.02	1.90	2.32	3.54
P/E per ECC (annualised)	5.98	13.46	15.67	10.69	7.61	4.35	11.05	9.77	5.97
P/B equity capital	0.87	0.78	1.10	1.10	1.12	1.04	1.00	1.10	1.05

Five years	YTD 20	2019	2018	2017	2016
ECC price	78.30	100.20	84.20	82.25	64.75
Number of certificates issued, millions	129.39	129.30	129.62	129.38	129.64
Booked equity capital per ECC (incl. dividend)	90.37	90.75	83.87	78.81	73.35
Adjusted profit per ECC	4.53	12.14	9.97	8.71	7.93
P/E per ECC (annualised)	8.65	8.26	8.44	9.44	8.17
P/B equity capital	0.87	1.10	1.00	1.04	0.88

1.2 Credit Rating

Moody's

[year end]	Current rating	2019	2018	2017	2016	2015	2014
Outlook	Stable	Negative	Negative	Stable	Stable	Negative	Stable
Issuer Rating	A1	A1	A1	A1	A1	A2	A2
Bank Deposits	A1/P-1	A1/ P-1	A1/ P-1	A1/ P-1	A1/ P-1	A2/ P-1	A2/ P-1
Senior Unsecured	A1	A1	A1	A1	A1	A2	A2
Subordinate	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3

1.3 Financial results and key figures

Financial results

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Interest income	1,031	1,250	1,235	1,190	1,127	1,075	1,082	1,025	989
Interest expenses	365	540	538	512	463	426	438	414	408
Net interest income	**666**	**710**	**697**	**678**	**664**	**649**	**644**	**610**	**581**
Commission income	331	349	371	374	363	329	343	344	361
Commission expenses	47	50	47	55	51	40	42	45	45
Other operating income	323	271	255	235	294	262	242	186	291
Commission income and other income	**607**	**570**	**579**	**554**	**606**	**551**	**543**	**486**	**607**
Dividends	2	8	1	1	11	2	2	0	4
Income from investment in related companies	177	217	8	85	231	555	130	105	102
Net return on financial investments	269	-124	8	35	95	169	-37	77	195
Net return on financial investments	**448**	**101**	**17**	**121**	**336**	**727**	**95**	**182**	**300**
Total income	**1,721**	**1,381**	**1,292**	**1,353**	**1,607**	**1,926**	**1,282**	**1,277**	**1,488**
Staff costs	449	443	411	404	438	447	391	376	413
Other operating expenses	258	273	309	269	263	257	311	240	248
Total operating expenses	**706**	**716**	**720**	**673**	**701**	**704**	**701**	**616**	**661**
Result before losses	**1,015**	**665**	**572**	**680**	**907**	**1,223**	**580**	**661**	**827**
Loss on loans, guarantees etc.	170	308	103	71	59	67	67	69	78
Result before tax	**845**	**357**	**469**	**609**	**848**	**1,155**	**513**	**592**	**748**
Tax charge	126	67	123	121	165	109	104	119	156
Results investments held for sale, after tax	0	0	0	0	0	0	-8	6	150
Net profit	**719**	**290**	**346**	**488**	**683**	**1,046**	**401**	**480**	**743**
Attributable to additional Tier 1 Capital holders	14	24	10	10	10	19	9	7	9
Majority share	661	254	324	467	650	1,017	386	470	716
Minority interest	43	12	12	11	22	10	6	2	19

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Interest income	2,281	4,626	4,057	3,825	3,597
Interest expenses	905	1,939	1,655	1,600	1,668
Net interest	**1,376**	**2,687**	**2,403**	**2,225**	**1,929**
Commission income	680	1,437	1,387	1,390	1,251
Commission expenses	97	193	168	168	133
Other operating income	593	1,046	958	783	556
Commission income and other income	**1,177**	**2,290**	**2,177**	**2,005**	**1,674**
Dividends	10	15	8	6	88
Income from investment in related companies	394	879	416	437	423
Net return on financial investments	145	307	334	317	434
Net return on financial investments	**549**	**1,201**	**757**	**760**	**944**
Total income	**3,102**	**6,178**	**5,337**	**4,989**	**4,547**
Staff costs	892	1,699	1,584	1,426	1,159
Other operating expenses	530	1,098	1,040	943	844
Total operating expenses	**1,422**	**2,797**	**2,624**	**2,369**	**2,003**
Result before losses	**1,680**	**3,380**	**2,713**	**2,621**	**2,544**
Loss on loans, guarantees etc.	478	299	263	341	516
Result before tax	**1,202**	**3,081**	**2,450**	**2,279**	**2,029**
Tax charge	193	518	509	450	352
Results investments held for sale, after tax	0	0	149	-1	4
Net profit	**1,008**	**2,563**	**2,090**	**1,828**	**1,681**
Attributable to additional Tier 1 Capital holders	38	49	37	33	34
Majority share	915	2,458	2,018	1,763	1,606
Minority interest	55	56	34	32	41

Balance sheet

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Cash and receivables from central banks	4,115	5,848	761	1,279	1,278	647	883	1,129	1,403
Deposits with and loans to credit institutions	5,252	2,239	2,110	4,432	8,612	8,387	5,074	6,828	5,078
Net loans to and receivables from customers	129,360	126,128	125,279	123,037	121,025	119,285	119,728	117,153	114,683
Fixed-income CDs and bonds at fair value	28,955	27,395	23,115	21,125	19,870	20,806	20,348	19,721	18,640
Derivatives	10,069	11,757	2,972	4,052	3,767	3,181	4,119	2,686	2,910
Shares, units and other equity interests	1,673	1,437	2,953	2,386	2,202	2,015	1,873	2,662	2,540
Investment in related companies	6,810	6,652	6,468	6,487	6,406	6,386	6,098	5,865	5,748
Investments held for sale	42	40	40	41	41	42	43	44	48
Intangible assets	873	876	872	876	878	846	851	849	842
Other assets	3,335	2,810	2,092	2,760	3,210	3,047	1,687	2,401	7,692
Assets	**190,484**	**185,182**	**166,662**	**166,475**	**167,289**	**164,641**	**160,704**	**159,337**	**159,584**
Deposits from credit institutions	13,845	13,150	8,853	8,942	11,793	11,601	9,214	10,106	9,889
Deposits from and debt to customers	94,289	88,152	85,917	83,641	86,553	81,111	80,615	77,529	80,343
Debt created by issue of securities	46,129	49,303	43,014	44,889	39,578	43,172	44,269	44,113	43,234
Derivatives	8,644	8,004	3,528	3,505	3,479	3,178	2,982	3,005	2,974
Other liabilities	5,459	4,900	2,841	3,339	4,172	4,632	2,670	3,264	2,962
Investments held for sale	1	1	0	0	0	0	1	0	8
Subordinated loan capital	1,797	2,071	2,090	2,254	2,263	2,273	2,268	2,668	2,189
Total liabilities	**170,164**	**165,582**	**146,243**	**146,571**	**147,839**	**145,968**	**142,018**	**140,687**	**141,600**
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597
Own holdings of ECCs	-9	-12	-11	-7	-3	-9	-4	-5	-11
Premium fund	895	895	895	895	895	895	895	895	895
Dividend equalisation fund	6,320	6,311	6,123	5,581	5,591	5,580	5,594	5,075	5,075
Recommended dividends	0	0	840	0	0	0	661	0	0
Provision for gifts	0	0	474	0	0	0	373	0	0
Ownerless capital	5,541	5,541	5,432	5,126	5,126	5,126	5,126	4,831	4,831
Unrealised gains reserve	189	189	189	155	155	155	155	126	126
Other equity capital	1,757	1,760	1,827	1,544	1,566	1,595	1,608	1,509	1,503
Hybrid capital	1,254	1,268	1,293	1,004	1,013	1,023	1,043	1,310	1,136
Result of the period	1,008	290	0	2,217	1,729	1,046	0	1,689	1,209
Minority interests	768	760	761	792	781	665	637	623	621
Total equity capital	**20,320**	**19,600**	**20,420**	**19,904**	**19,450**	**18,673**	**18,686**	**18,650**	**17,984**
Total liabilities and equity	**190,484**	**185,182**	**166,662**	**166,475**	**167,289**	**164,641**	**160,704**	**159,337**	**159,584**

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Cash and receivables from central banks	4,115	761	883	3,313	315
Deposits with and loans to credit institutions	5,252	2,110	5,074	4,214	3,892
Net loans to and receivables from customers	129,360	125,279	119,728	110,959	101,354
Fixed-income CDs and bonds at fair value	28,955	23,115	20,348	19,736	17,557
Derivatives	10,069	2,972	4,119	4,351	4,752
Shares, units and other equity interests	1,673	2,953	1,873	1,825	1,542
Investment in related companies	6,810	6,468	6,098	5,760	5,638
Investments held for sale	42	40	43	649	15
Intangible assets	873	872	851	793	639
Other assets	3,335	2,092	1,687	1,654	2,376
Assets	**190,484**	**166,662**	**160,704**	**153,254**	**138,080**
Deposits from credit institutions	13,845	8,853	9,214	9,607	10,509
Deposits from and debt to customers	94,289	85,917	80,615	76,476	67,168
Debt created by issue of securities	46,129	43,014	44,269	42,194	36,317
Derivatives	8,644	3,528	2,982	3,343	4,074
Other liabilities	5,459	2,841	2,670	1,923	1,531
Investments held for sale	1	0	1	1	0
Subordinated loan capital	1,797	2,090	2,268	2,201	2,228
Total liabilities	**170,164**	**146,243**	**142,018**	**135,744**	**121,827**
Equity capital certificate	2,597	2,597	2,597	2,597	2,597
Own holdings of ECCs	-9	-11	-4	-8	-4
Premium fund	895	895	895	895	895
Dividend equalisation fund	6,320	6,123	5,594	5,072	4,487
Recommended dividends	0	840	661	571	389
Provision for gifts	0	474	373	322	220
Ownerless capital	5,541	5,432	5,126	4,831	4,499
Unrealised gains reserve	189	189	155	126	139
Other equity capital	1,757	1,827	1,608	1,547	1,656
Hybrid capital	1,254	1,293	1,043	993	950
Result of the period	1,008	0	0	0	0
Minority interests	768	761	637	565	425
Total equity capital	**20,320**	**20,420**	**18,686**	**17,510**	**16,253**
Total liabilities and equity	**190,484**	**166,662**	**160,704**	**153,254**	**138,080**

Key figures

Quarterly figures	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Return on equity	15.1 %	5.7 %	7.1 %	10.2 %	14.9 %	23.3 %	9.0 %	11.1 %	17.9 %
Cost/income ratio group	41%	52%	56%	50%	44%	37%	55%	48%	44%
Cost/income ratio group, ex. financial inv.	55%	56%	56%	55%	55%	59%	59%	56%	56%
12-month cost growth	0.8 %	1.8 %	2.3 %	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %	10.7 %
Gross loans to customers[1]	175,100	170,771	167,777	165,380	163,627	161,091	160,317	157,825	154,790
Growth in loans last 12 months[1]	7.0 %	6.0 %	6.3 %	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %	7.6 %
Growth in loans this period[1]	2.5 %	1.8 %	1.4 %	1.1 %	1.6 %	0.5 %	1.6 %	2.0 %	2.5 %
Deposits from customers	94,289	88,152	85,917	83,641	86,553	81,111	80,615	77,529	80,343
Growth in deposits last 12 months	8.9 %	8.7 %	10.8 %	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %	6.3 %
Growth in deposits this period	7.0 %	2.6 %	2.7 %	-3.4 %	6.7 %	0.6 %	4.0 %	-3.5 %	5.8 %
Deposit-to-loan ratio[1]	54%	52%	51%	51%	53%	50%	50%	49%	52%
Total assets	190,484	185,182	166,662	166,475	167,289	164,641	160,704	159,337	159,584
Average total assets (quarterly)	187,833	175,922	166,569	166,882	165,965	162,673	160,021	159,460	155,833
FTEs, group	1,515	1,553	1,509	1,639	1,556	1,524	1,493	1,467	1,439
FTEs, parent bank	631	630	619	614	580	570	575	589	588
FTEs, subsidiaries	884	923	890	1,024	976	953	918	878	851
Number of branches	46	46	46	46	48	48	48	48	48
Lending margin	2.24	1.85	1.64	1.71	1.73	1.84	1.88	1.89	1.90
Deposit margin	-0.37	0.27	0.43	0.36	0.29	0.24	0.19	0.12	0.12
Net other operating income of total income	35%	41%	45%	41%	38%	29%	42%	38%	41%
Common Equity Tier 1 capital ratio	17.2 %	16.3 %	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %
Tier 1 capital ratio	18.9 %	18.0 %	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %
Capital ratio	21.1 %	20.1 %	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %
Tier 1 capital	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542	16,488
Total eligible capital	20,266	19,879	19,854	19,765	19,634	19,115	18,743	18,969	18,418
Liquidity Coverage Ratio (LCR) (%)	163%	185%	148%	181%	165%	180%	183%	150%	150%
Leverage ratio	6.9 %	6.9 %	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %
Impairment losses ratio	0.39%	0.73%	0.25%	0.17%	0.14%	0.17%	0.17%	0.18%	0.20%
Non-performing commitm. as % of gross loans	0.39%	0.38%	0.26%	0.26%	0.22%	0.18%	0.19%	0.18%	0.18%
Other doubtfull commitm. as % of gross loans	0.97%	1.23%	1.00%	1.03%	1.00%	0.99%	0.86%	0.86%	0.95%
ECC price	78.30	67.60	100.20	98.50	97.70	87.40	84.20	90.90	84.50
Number of certificates issued, millions	129.39	129.22	129.30	129.48	129.66	129.41	129.62	129.44	129.31
Booked equity capital per ECC (incl. dividend)	90.37	86.85	90.75	89.36	87.04	83.86	83.87	82.57	80.21
Adjusted profit per ECC	3.27	1.26	1.60	2.30	3.21	5.02	1.90	2.32	3.54
P/E per ECC	5.98	13.46	15.67	10.69	7.61	4.35	11.05	9.77	5.97
P/B equity capital	0.87	0.78	1.10	1.10	1.12	1.04	1.00	1.10	1.05

[1] Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

Five years	YTD 20	2019	2018	2017	2016
Return on equity	10.3 %	13.7 %	12.2 %	11.5 %	11.3 %

Cost/income ratio group	46%	45%	49%	47%	44%
Cost/income ratio group, ex. financial inv.	56%	56%	57%	56%	56%
12-month cost growth	1.3 %	6.6 %	10.8 %	18.3 %	3.7 %
Gross loans to customers[1]	175,100	167,777	160,317	148,784	137,535
Growth in loans last 12 months[1]	7.0 %	4.7 %	7.8 %	8.2 %	8.0 %
Growth in loans this period[1]	4.4 %	4.7 %	7.8 %	8.2 %	8.0 %
Deposits from customers	94,289	85,917	80,615	76,476	67,168
Growth in deposits last 12 months	8.9 %	6.6 %	5.4 %	13.9 %	4.8 %
Growth in deposits this period	9.7 %	6.6 %	5.4 %	13.9 %	4.8 %
Deposit-to-loan ratio[1]	54%	51%	50%	51%	49%
Total assets	190,484	166,662	160,704	153,254	138,080
Average total assets (quarterly)	180,776	165,154	156,992	145,948	137,060
FTEs, group	1,515	1,509	1,493	1,403	1,254
FTEs, parent bank	631	619	575	595	630
FTEs, subsidiaries	884	890	918	808	624
Number of branches	46	46	48	48	49
Lending margin	2.04	1.73	1.92	2.13	1.97
Deposit margin	-0.04	0.33	0.12	0.00	0.09
Net other operating income of total income	38%	37%	41%	40%	37%
Common Equity Tier 1 ratio	17.2 %	17.2 %	14.6 %	14.6 %	14.8 %
Core capital ratio	18.9 %	19.3 %	16.3 %	16.6 %	16.8 %
Capital adequacy ratio	21.1 %	21.6 %	18.5 %	18.6 %	19.2 %
Tier 1 capital	18,182	17,742	16,472	15,707	15,073
Total eligible capital	20,266	19,854	18,743	17,629	17,189
Liquidity Coverage Ratio (LCR) (%)	163%	148%	183%	164%	129%
Leverage ratio	6.9 %	7.5 %	7.4 %	7.2 %	7.4 %
Impairment losses ratio	0.56%	0.18%	0.17%	0.24%	0.39%
Non-performing commitm. as % of gross loans	0.39%	0.26%	0.19%	0.19%	0.16%
Other doubtfull commitm. as % of gross loans	0.97%	1.00%	0.86%	0.80%	1.07%
ECC price	78.30	100.20	84.20	82.25	64.75
Number of certificates issued, millions	129.39	129.30	129.62	129.38	129.64
Booked equity capital per ECC (incl. dividend)	90.37	90.75	83.87	78.81	73.35
Adjusted profit per ECC	4.53	12.14	9.97	8.71	7.93
P/E per ECC	8.65	8.26	8.44	9.44	8.17
P/B equity capital	0.87	1.10	1.00	1.04	0.88

[1] Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

1.4 Net interest income

Net interest income

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Interest income	1,031	1,250	1,235	1,190	1,127	1,075	1,082	1,025	989
Interest expenses	365	540	538	512	463	426	438	414	408
Net interest income	**666**	**710**	**697**	**678**	**664**	**649**	**644**	**610**	**581**
As a percentage of total income	39%	51%	54%	50%	41%	34%	50%	48%	39%

Margins on loans sold to Sparebank 1 Boligkreditt and Sparebank 1 Næringskreditt are recorded as commision income. See part 1.5 Other income

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Interest income	2,281	4,626	4,057	3,825	3,597
Interest expenses	905	1,939	1,655	1,600	1,668
Net interest income	**1,376**	**2,687**	**2,403**	**2,225**	**1,929**
As a percentage of total income	44%	43%	45%	45%	42%

Change in interest income from lending and deposits

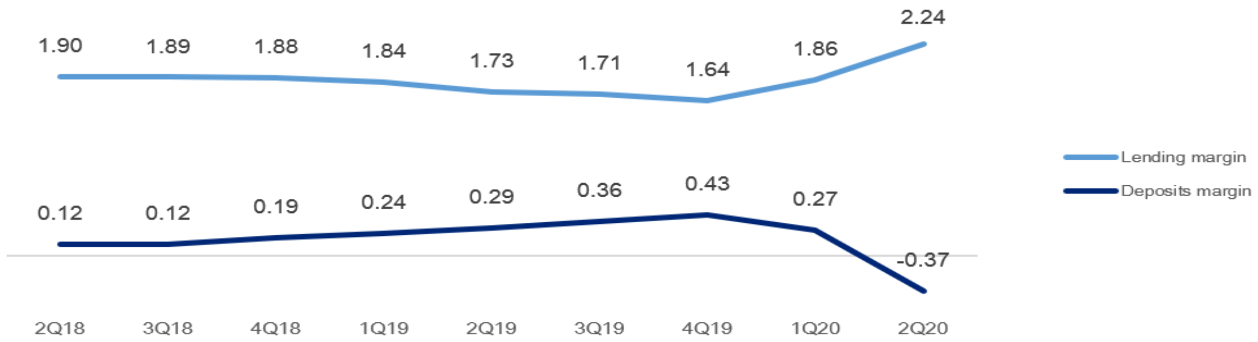
Last 12 months [NOK million]	Volume	Margin	Total
Lending	57	155	212
Deposits	10	-138	-129
Total	**66**	**17**	**83**

Change in net interest income

Last 12 months [NOK million]	2Q20	Change	2Q19
Net interest income	**1,376**	**63**	**1,313**
Lending volume		57	
Lending margin		155	
Fees on lending		-8	
Deposit volume		10	
Deposit margin		-138	
Subsidiaries		20	
Equity capital		-16	
Funding and liquidity buffer		-17	

Margin development

Definition of margin: average customer interest rate minus 3 months nibor



Volume development

Quarterly figures	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Lending volume	175.1	170.8	167.8	165.4	163.6	161.1	160.3	157.8	154.8
Deposits volume	94.3	88.2	85.9	83.6	86.6	81.1	80.6	77.5	80.3
Growth in loans last 12 months	7.0 %	6.0 %	6.3 %	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %	7.6 %
Growth in deposits last 12 months	8.9 %	8.7 %	10.8 %	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %	6.3 %

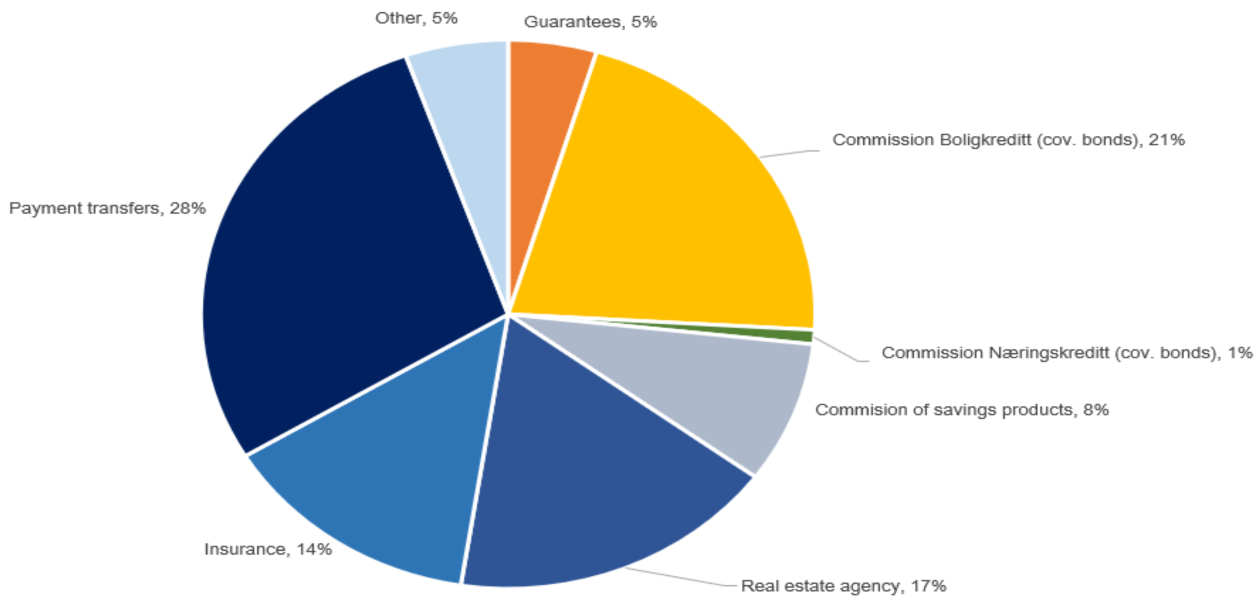
1.5 Other income

Commision and other income

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Guarantees	16	16	15	15	15	15	16	19	17
Commission Boligkreditt (cov. bonds)	57	88	90	90	86	83	87	77	86
Commission Næringskreditt (cov. bonds)	2	4	4	4	4	4	5	4	4
Commision of savings products	31	25	35	28	28	29	30	28	28
Real estate agency	66	52	57	65	74	56	48	58	71
Insurance	48	47	47	47	45	44	44	43	44
Payment transfers	90	102	106	110	93	85	95	94	89
Other	21	16	16	16	18	14	19	21	23
Total commisions income	**331**	**349**	**371**	**374**	**363**	**329**	**343**	**344**	**361**
Operating- and sales income real estate	39	31	36	34	40	29	24	31	41
Accounting services	141	148	102	92	147	131	93	78	126
Other operating income	143	91	118	109	106	103	125	77	125
Total other operating income	**323**	**271**	**255**	**235**	**294**	**262**	**242**	**186**	**291**
Commision expenses	47	50	47	55	51	40	42	45	45
Total commision and other income	**607**	**570**	**579**	**554**	**606**	**551**	**543**	**486**	**607**
As a percentage of total income	35%	41%	45%	41%	38%	29%	42%	38%	41%

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Guarantees	32	59	72	80	76
Commission Boligkreditt (cov. bonds)	144	349	350	353	271
Commission Næringskreditt (cov. bonds)	6	16	16	17	12
Commision of savings products	57	117	113	115	74
Real estate agency	118	252	225	223	247
Insurance	95	183	174	172	159
Payment transfers	192	393	360	362	355
Other	37	67	78	67	57
Total commisions income	**680**	**1,437**	**1,387**	**1,390**	**1,251**
Operating- and sales income real estate	70	138	124	118	121
Accounting services	290	473	411	342	202
Other operating income	234	435	423	323	234
Total other operating income	**593**	**1,046**	**958**	**783**	**556**
Commision expenses	97	193	168	168	133
Total commision and other income	**1,177**	**2,290**	**2,177**	**2,005**	**1,674**
As a percentage of total income	38%	37%	41%	40%	37%

Distribution of commision income



Change in commision and other income

Last 12 months [NOK million]	2Q20	Change	2Q19
Commision and other income	**1,177**	**20**	**1,157**
Real estate agency		-12	
Other operating income		25	
Operating- and sales income real estate		1	
Accounting services		11	
Insurance		5	
Commission of savings products		3	
Commission expenses		-5	
Other		2	
Payments transfers		15	
Guarantees		2	
Commission Boligkreditt (cov. bonds)		-25	
Commission Næringskreditt (cov. bonds)		-2	

Net return on financial investments

including investments held for sale

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Dividends	**2**	**8**	**1**	**1**	**11**	**2**	**2**	**0**	**4**
SpareBank 1 Gruppen	109	-115	-12	40	186	38	99	72	81
Capital gain Fremtind Forsikring	0	340	0	0	0	460			
SpareBank 1 Boligkreditt	41	-31	0	3	8	14	-9	7	-8
SpareBank 1 Næringskreditt	7	2	6	5	2	8	4	2	4
BN Bank	27	23	28	33	27	24	24	20	23
SpareBank 1 Kreditt	2	0	0	5	5	3	6	5	6
SpareBank 1 Betaling	1	-2	-5	-2	-2	12	-3	-3	-3
Other companies	-9	0	-10	-4	5	-4	-1	-4	1
Income from inv. in associates and joint ventures	**177**	**217**	**8**	**81**	**231**	**555**	**120**	**100**	**103**
Capital gains shares	36	-42	11	1	23	84	-48	26	113
Gain on sertificates and bonds	124	50	-42	-26	15	32	5	-45	23
Gain on derivatives	51	-148	40	29	40	23	-5	50	23
Gain on financial instruments related to hedging	2	-6	-8	4	-1	-4	1	1	-7
Gain on other financial instruments at fair value (FVO)	45	-57	-2	4	-4	10	-13	11	8
Foreign exchange gain	4	65	-10	10	14	9	16	21	15
Gain on shares and derivatives in SB1 Markets	7	14	17	13	8	15	7	14	20
Net return on financial investments[1]	**269**	**-124**	**7**	**35**	**95**	**169**	**-37**	**77**	**195**
Total net return on financial investments	**448**	**101**	**16**	**117**	**336**	**727**	**85**	**177**	**301**
As percentage of total income	26%	7%	1%	9%	21%	38%	7%	14%	20%

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Dividends	**10**	**15**	**8**	**6**	**88**
SpareBank 1 Gruppen	-7	252	289	349	317
Capital gain Fremtind Forsikring	340	460	0	0	0
SpareBank 1 Boligkreditt	10	26	-7	-41	-17
SpareBank 1 Næringskreditt	9	21	15	19	29
BN Bank	50	113	97	98	86
SpareBank 1 Kreditt	2	13	23	15	24
SpareBank 1 Betaling	-2	3	-12	-14	-27
Other companies	-9	-8	12	12	15
Income from inv. in associates and joint ventures	**394**	**879**	**416**	**437**	**427**
Capital gains shares	-6	120	96	62	76
Gain on sertificates and bonds	174	-20	-77	58	-2
Gain on derivatives	-97	132	187	148	280
Gain on financial instruments related to hedging	-3	-9	-4	-46	-21
Gain on other financial instruments at fair value (FVO)	-11	9	10	7	26
Foreign exchange gain	68	22	63	45	51
Gain on shares and derivatives in SB1 Markets	21	54	58	43	25
Net return on financial investments	**145**	**307**	**334**	**317**	**434**
Total net return on financial investments	**549**	**1,201**	**757**	**760**	**949**
As percentage of total income	18%	19%	14%	15%	21%

Change in net return on financial investments

Last 12 months [NOK million]	2Q20	Change	2Q19
Net return on financial investments	**549**	**-514**	**1,063**
Dividends		-3	
Income from investment in related companies		-392	
Capital gains shares		-113	
Gain on derivatives		-160	
Gain on other financial instruments at fair value (FVO)		-17	
Foreign exchange gain		45	
Gain on sertificates and bonds		127	
Gain on shares and derivatives in SB1 Markets		-2	
Gain on financial instruments related to hedging		2	

1.6. Operating expenses

Operating expenses

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Salaries	372	340	312	320	354	348	311	289	325
Pension costs (defined benefit plan)	26	26	28	26	24	27	12	24	30
Employer's insurance contributions	4	4	3	3	5	3	-4	4	5
Other personnel expenses	47	74	68	54	55	69	72	58	54
Total personnel expenses	**449**	**443**	**411**	**404**	**438**	**447**	**391**	**376**	**413**
IT costs	87	86	70	83	87	81	78	69	75
Postage and transportation services	6	5	5	8	6	5	5	4	5
Marketing	17	24	22	27	25	26	30	26	24
Depr./write-downs of fixed & intangible assets	40	42	42	41	44	46	32	23	14
Operating exp. on properties and premises	15	9	17	13	14	13	41	35	40
Other external services	55	53	66	50	41	36	50	36	38
Other operating expenses	38	53	88	47	46	50	74	47	53
Other expenses	**258**	**273**	**309**	**269**	**263**	**257**	**311**	**240**	**248**
Total operating expenses	**706**	**716**	**720**	**673**	**701**	**704**	**701**	**616**	**661**
Cost/income ratio	41%	52%	56%	50%	44%	37%	55%	48%	44%
Cost/income ratio ex financial investments	55%	56%	56%	55%	55%	59%	59%	56%	56%
12-month cost growth[1]	0.8 %	1.8 %	2.3 %	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %	10.7 %

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Salaries	712	1,334	1,228	1,107	991
Pension costs (defined benefit plan)	52	105	96	85	-20
Employer's insurance contributions	7	15	10	12	13
Other personnel expenses	120	245	249	223	175
Total personnel expenses	**892**	**1,699**	**1,584**	**1,426**	**1,159**
IT costs	173	321	293	266	252
Postage and transportation services	12	23	17	22	22
Marketing	41	101	106	104	98
Depr./write-downs of fixed & intangible assets	82	172	99	102	98
Operating exp. on properties and premises	24	57	153	118	109
Other external services	108	193	151	139	108
Other operating expenses	91	231	221	192	156
Other expenses	**530**	**1,098**	**1,040**	**943**	**844**
Total operating expenses	**1,422**	**2,797**	**2,624**	**2,369**	**2,003**
Cost/income ratio	45.9 %	45.3 %	49.2 %	47.5 %	44.0 %
Cost/income ratio ex financial investments	55.7 %	56.2 %	57.3 %	56.0 %	55.6 %
12-month cost growth	1.3 %	6.6 %	10.8 %	18.3 %	3.7 %

Change in operating expenses

Last 12 months [NOK million]	2Q20	Change	2Q19
Operating expenses	**1,422**	**18**	**1,404**
Total personnel expenses		8	
EDP and telecommunication expenses		5	
Postage and transportation services		1	
Marketing		-11	
Depr./write-downs of fixed & intangible assets		-8	
Operating exp. on properties and premises		-3	
Other external services		31	
Other operating expenses		-5	

Employees- full time equivalents

FTE's	2Q20	2019	2018	2017	2016
Parent bank	631	619	575	595	630
EiendomsMegler 1 Midt-Norge AS	239	230	309	251	227
SpareBank 1 Markets[1]	157	164	149	132	105
SpareBank 1 Regnskapshuset SMN AS	424	435	402	349	223
SpareBank 1 Finans Midt-Norge AS	35	34	34	32	34
DeBank	21	19			
Other	8	8	24	44	35
Total number of FTE's	**1,515**	**1,509**	**1,493**	**1,403**	**1,254**

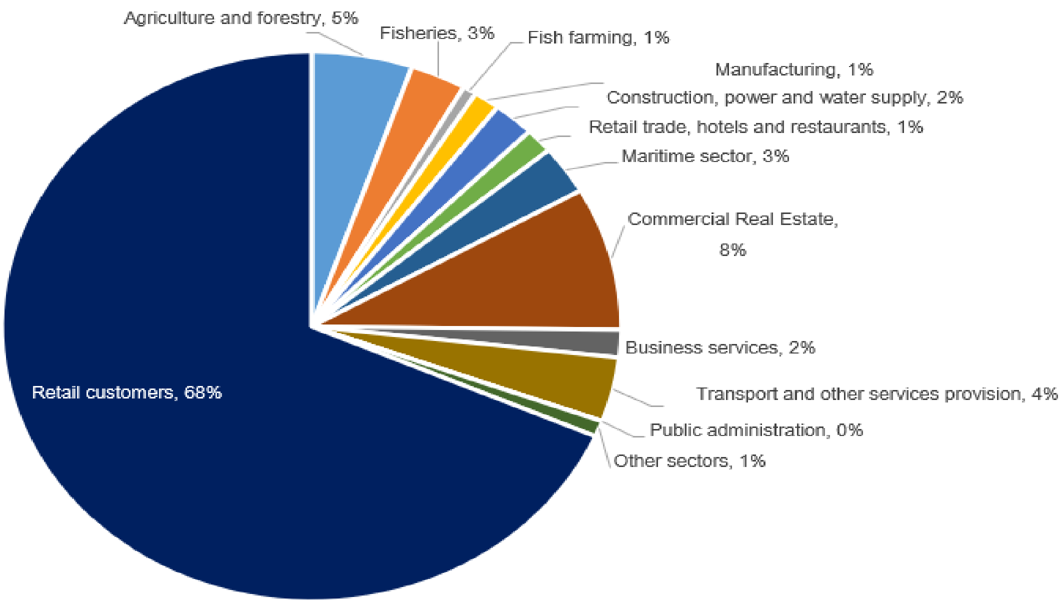
[1] SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015. SpareBank 1 SMN's capital market activities, including 32 FTEs, were transferred to SpareBank 1 Markets as part of the transaction.

1.7 Loans to customers

Distribution of loans by industry

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Agriculture and forestry	9,220	9,014	8,957	8,640	8,471	8,244	8,284	8,105	7,915
Fisheries	5,104	4,839	4,601	4,490	4,431	4,414	4,402	4,241	4,222
Fish farming	1,258	1,053	1,132	1,348	1,160	1,176	1,180	1,317	1,556
Manufacturing	2,390	2,255	2,595	3,097	3,118	3,507	3,787	3,158	2,794
Construction, power and water supply	3,795	3,837	3,970	3,719	3,678	3,703	3,661	3,536	3,349
Retail trade, hotels and restaurants	2,578	2,607	2,517	2,555	2,826	3,014	2,621	2,410	2,902
Maritime sector	5,006	5,177	4,660	4,678	4,667	4,609	4,227	4,372	4,706
Commercial Real Estate	14,753	14,689	14,878	14,530	14,726	14,915	15,168	14,737	14,623
Business services	2,840	2,158	2,146	2,053	2,088	2,060	2,162	2,463	2,195
Transport and other services provision	6,636	6,379	5,409	5,459	5,285	4,977	4,961	4,876	4,545
Public administration	26	17	12	14	15	15	55	23	19
Other sectors	1,632	1,742	1,863	2,026	2,036	1,720	1,679	1,955	1,852
Gross loans in corporate market	**55,238**	**53,767**	**52,740**	**52,609**	**52,499**	**52,354**	**52,186**	**51,195**	**50,676**
Retail customers	**119,861**	**117,004**	**115,036**	**112,772**	**111,128**	**108,738**	**108,131**	**106,631**	**104,114**
Gross loans incl. Boligkreditt and Næringskreditt	**175,100**	**170,771**	**167,777**	**165,380**	**163,627**	**161,091**	**160,317**	**157,825**	**154,790**
of which Boligkreditt	43,073	41,972	39,833	39,713	40,064	39,220	38,062	37,669	37,172
of which Næringskreditt	1,400	1,526	1,667	1,701	1,668	1,771	1,782	2,112	1,831
Gross loans in balance sheet	**130,627**	**127,272**	**126,277**	**123,967**	**121,895**	**120,100**	**120,473**	**118,044**	**115,787**
Share of volume, corporate market	32%	31%	31%	32%	32%	32%	33%	32%	33%
Share of volume, retail market	68%	69%	69%	68%	68%	68%	67%	68%	67%

Distribution of loans by industry



Credit risk classification in SpareBank 1 SMN

Risk class	Probability of default (%) Low	High	Corresponding rating class Moody's
A	0.01	0.10	AAA - A3
B	0.10	0.25	Baa1 - Baa2
C	0.25	0.50	Baa3
D	0.50	0.75	Ba1
E	0.75	1.25	Ba2
F	1.25	2.50	
G	2.50	5.00	Ba2 - B1
H	5.00	10.00	B1 - B2
I	10.00	99.99	B3 - caa3
J	Default		
K	Written down		

SB 1 SMN's risk classification system, where A represents the lowest risk and K the highest risk

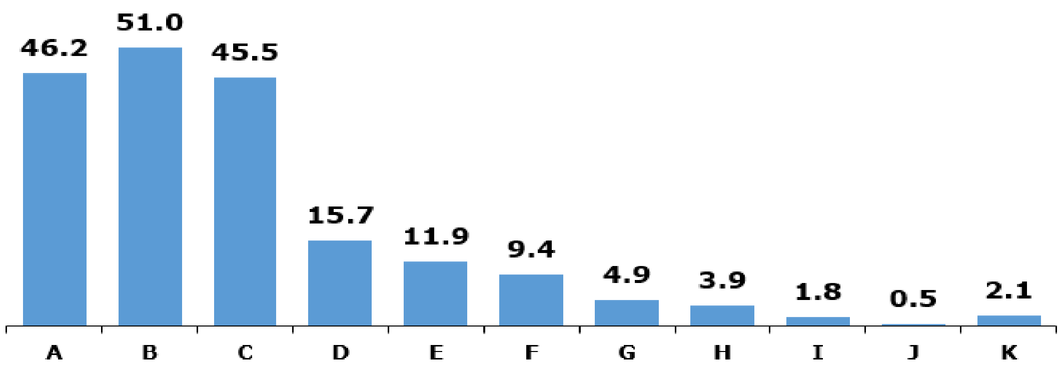
Risk profile - Exposure at default

As of 30 June 2020	EAD NOK billion	%
A	46.2	24.0 %
B	51.0	26.4 %
C	45.5	23.6 %
D	15.7	8.2 %
E	11.9	6.2 %
F	9.4	4.9 %
G	4.9	2.6 %
H	3.9	2.0 %
I	1.8	0.9 %
J	0.5	0.2 %
K	2.1	1.1 %

Exposure at default, EAD, is the share of the approved credit that is expected to be drawn at the time of any future default at the same time as there is a downturn in the market.

Risk profile, Exposure at default

NOK billion



Loans and guarantees by industry

As of 30 June 2020	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Personal customers	118,299	101,451	11,187	3,360	982	932	387
Public administration	461	461	0	0	0	0	0
Agriculture and forestry	15,340	9,338	4,122	1,304	301	249	26
Fish farming industries	2,878	1,044	1,094	77	654	9	0
Manufacturing	3,212	709	721	1,404	219	114	46
Construction, power and water supply	4,816	1,076	859	2,280	450	97	53
Retail trade, hotels and restaurants	3,690	963	1,070	1,384	207	44	21
Maritime sector	1,264	716	172	0	370	6	0
Property management	15,397	10,329	2,409	1,950	330	269	110
Business services	5,167	975	2,611	1,117	270	27	167
Transport and other services	12,309	5,651	3,415	1,448	60	38	1,696
Finance	150	150	0	0	0	0	0
Other sectors	10,013	9,881	21	40	22	0	49
2Q20	**192,994**	**142,744**	**27,682**	**14,363**	**3,865**	**1,785**	**2,555**

Five years [NOK million]	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
YTD 20	**192,994**	142,744	27,682	14,363	3,865	1,785	2,555
2019	**184,071**	135,691	24,880	15,174	3,417	2,593	2,315
2018	**176,188**	127,106	24,974	16,833	3,379	2,189	1,707
2017	**164,510**	116,961	23,842	16,258	3,394	2,480	1,575
2016	**155,065**	108,123	21,643	18,875	2,766	1,702	1,956

Write-downs on loans and guarantees

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Change in provision for expected credit losses for the period	152	188	81	60	44	61	22	58	61
Actual loan losses on commitments exceeding provisions made	22	143	23	14	16	8	46	15	24
Recoveries on commitments previously written-off	-5	-22	-2	-2	-2	-2	-1	-4	-7
Write-downs on loans and guarantees[1]	**168**	**308**	**103**	**71**	**59**	**67**	**67**	**69**	**78**
As % of gross loans incl. Boligkreditt	0.39%	0.73%	0.25%	0.17%	0.14%	0.17%	0.17%	0.18%	0.20%

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Change in provision for expected credit losses for the period	340	246	150		
Actual loan losses on commitments exceeding provisions made	165	62	127		
Recoveries on commitments previously written-off	-27	-8	-15		
Write-downs on loans and guarantees[1]	**478**	**299**	**263**		
As % of gross loans incl. Boligkreditt	0.56%	0.18%	0.17%		

[1]Provisions for expected credit losses on loans and guarantees are presented after implemantation of IFRS 9 from January 1, 2018, comparative figures for periodes before Q1 2018 have not been restated.

Loss on loans by segment

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Retail Market	-2	44	9	12	5	6	-1	9	13
Corporate Market	153	258	73	47	39	53	59	51	54
SMN Finans and other	19	6	19	13	15	8	10	10	11
Total loss on loans	**170**	**308**	**103**	**71**	**59**	**67**	**67**	**69**	**78**

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Retail Market	42	32	17	5	13
Corporate Market	410	213	212	318	490
SMN Finans and other	25	54	34	18	14
Total loss on loans	**478**	**299**	**263**	**341**	**516**

Write-down ratio

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Non-performing commitments (gross)	678	649	429	424	356	288	310	284	275
Impaired commitments (gross)	1,692	2,097	1,680	1,700	1,641	1,591	1,372	1,365	1,477
Gross non-performing and impaired commitments	**2,370**	**2,747**	**2,109**	**2,123**	**1,998**	**1,880**	**1,682**	**1,649**	**1,752**

1.8 Capital Markets funding

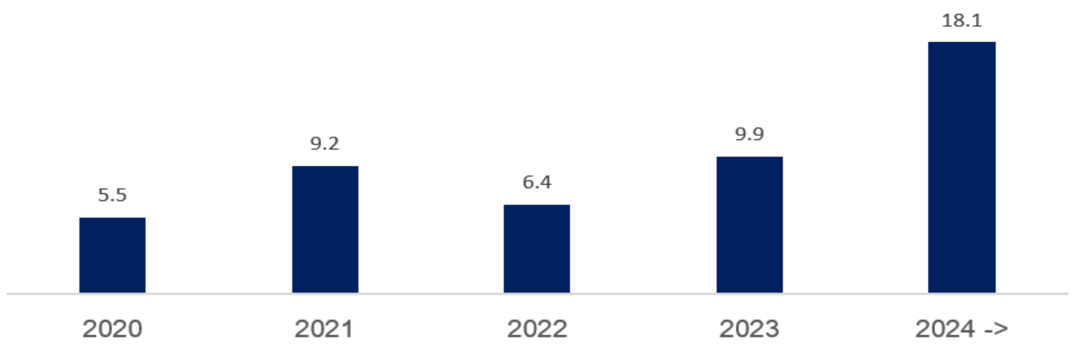
Parent bank

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019
NOK bonds	14,350	14,459	13,315	14,772	15,024
Curr bonds	31,778	34,844	29,699	30,117	24,554
Hybrid equity	1,250	1,250	1,250	1,000	1,000
Subordinated loan capital	1,752	2,026	2,047	2,207	2,219
Total capital markets funding	**49,131**	**52,579**	**46,311**	**48,097**	**42,797**

Funding maturity dates

[NOK billion]	2020	2021	2022	2023	2024 ->
Funding maturity	5.5	9.2	6.4	9.9	18.1

Next eight quarters [NOK billion]	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Funding maturity	1.3	4.2	1.1	5.5	0.7	1.9	6.0	0.0



1.9 Capital adequacy

Capital adequacy ratios

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Common equity Tier 1 capital	16,547	16,155	15,830	15,758	15,625	15,122	14,727	14,697	14,528
Tier 1 capital	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542	16,488
Total eligible capital	20,266	19,879	19,854	19,765	19,634	19,115	18,743	18,969	18,418
Risk-weighted assets (RWA)	96,181	98,832	91,956	104,464	104,240	102,495	101,168	98,915	97,137
Common equity Tier 1 ratio	**17.2 %**	**16.3 %**	**17.2 %**	**15.1 %**	**15.0 %**	**14.8 %**	**14.6 %**	**14.9 %**	**15.0 %**
Tier 1 capital ratio	**18.9 %**	**18.0 %**	**19.3 %**	**16.7 %**	**16.6 %**	**16.4 %**	**16.3 %**	**16.7 %**	**17.0 %**
Capital ratio	**21.1 %**	**20.1 %**	**21.6 %**	**18.9 %**	**18.8 %**	**18.6 %**	**18.5 %**	**19.2 %**	**19.0 %**

Five years [NOK million]	YTD 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Common equity Tier 1 capital	16,547	15,830	14,727	13,820	13,233
Tier 1 capital	18,182	17,742	16,472	15,707	15,073
Total eligible capital	20,266	19,854	18,743	17,629	17,189
Risk-weighted assets (RWA)	96,181	91,956	101,168	94,807	88,786
Common equity Tier 1 ratio	**17.2 %**	**17.2 %**	**14.6 %**	**14.6 %**	**14.8 %**
Tier 1 capital ratio	**18.9 %**	**19.3 %**	**16.3 %**	**16.6 %**	**16.8 %**
Capital ratio	**21.1 %**	**21.6 %**	**18.5 %**	**18.6 %**	**19.2 %**

Leverage ratio

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Calculation basis for leverage ratio	262,834	256,248	236,441	234,678	230,667	227,862	223,853	221,628	224,271
Tier 1 capital	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542	16,488
Leverage ratio	**6.9 %**	**6.9 %**	**7.5 %**	**7.4 %**	**7.5 %**	**7.4 %**	**7.4 %**	**7.5 %**	**7.4 %**

Five years [NOK million]	YTD 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Calculation basis for leverage ratio	262,834	236,441	223,853	218,479	203,005
Tier 1 capital	18,182	17,742	16,472	15,707	15,073
Leverage ratio	**6.9 %**	**7.5 %**	**7.4 %**	**7.2 %**	**7.4 %**

Spesification of capital requirements

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Capital adequacy									
Total book equity	**20,320**	**19,600**	**20,420**	**19,904**	**19,450**	**18,673**	**18,686**	**18,650**	**17,984**
Additional Tier 1 capital instruments included in total equity	-1,254	-1,268	-1,293	-1,004	-1,013	-1,023	-1,043	-1,310	-1,136
Deferred taxes, goodwill and other intangible assets	-1,042	-1,059	-1,099	-1,106	-1,105	-1,073	-1,079	-1,059	-1,044
Deduction for allocated dividends and gifts	0	0	-1,314	0	0	0	-1,034	0	0
Non-controlling interests recognised in other equity capital	-768	-760	-761	-792	-781	-665	-637	-623	-621
Non-controlling interests eligible for incl. in CET1 capital	401	398	438	450	447	392	366	371	357
Net profit	-1,008	-290	0	-2,217	-1,729	-1,046	0	-1,689	-1,209
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	618	266	0	1,128	879	537	0	864	614
Value adjustments due to requirements for prudent valuation	-62	-62	-45	-44	-44	-43	-44	-47	-46
Positive value of adj. expected loss under IRB Approach	-248	-329	-351	-383	-309	-303	-286	-316	-299
Cash flow hedge reserve	14	13	3	5	5	5	5	2	4
Deduction for commom equity Tier 1 capital in significant investments in financial institutions	-424	-353	-168	-183	-175	-333	-206	-147	-74
Common equity Tier 1 capital	**16,547**	**16,155**	**15,830**	**15,758**	**15,625**	**15,122**	**14,727**	**14,697**	**14,528**
Addtional Tier 1 capital instruments	1,635	1,637	1,637	1,384	1,384	1,377	1,378	1,478	1,592
Additional Tier 1 capital instruments covered by transitional provisions	0	0	275	275	275	275	367	367	367
Tier 1 capital	**18,182**	**17,792**	**17,742**	**17,417**	**17,284**	**16,775**	**16,472**	**16,542**	**16,488**
Subordinated capital	2,240	2,240	2,240	2,310	2,310	2,298	2,316	2,118	1,621
Subordinated capital covered by transitional provisions	0	0	12	179	182	184	96	449	449
Deduction for significant investments in financial institutions	-157	-153	-140	-141	-141	-142	-140	-140	-141
Additional Tier 2 capital instruments	**2,083**	**2,087**	**2,113**	**2,348**	**2,351**	**2,340**	**2,272**	**2,427**	**1,930**
Total eligible capital	**20,266**	**19,879**	**19,854**	**19,765**	**19,634**	**19,115**	**18,743**	**18,969**	**18,418**

Quarterly figures [NOK million]	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Minimum requirements subordinated capital									
Specialised enterprises	1,166	1,153	1,101	1,128	1,094	1,106	1,116	1,107	1,072
Corporate	1,052	1,279	1,149	1,194	1,163	1,161	1,163	1,181	1,128
Mass market exposure, mortgages	2,290	2,310	2,299	2,169	2,166	2,126	2,098	2,070	2,010
Other mass market	115	100	101	106	102	97	92	94	96
Equity investments, IRB	1	1	1	1	1	1	1	1	1
Total credit risk IRB	**4,624**	**4,842**	**4,651**	**4,597**	**4,525**	**4,491**	**4,470**	**4,453**	**4,307**
Central government	5	4	3	2	3	3	4	3	2
Covered bonds	159	152	132	149	136	135	124	145	146
Institutions	504	466	282	301	300	269	246	217	262
Local and regional authorities, state-owned enterprises	17	15	5	5	8	10	8	10	9
Corporate	251	227	239	237	237	251	221	241	255
Mass market	465	474	463	532	525	536	520	510	438
Exposures secured on real property	157	174	167	200	207	211	215	181	195
Equity positions	394	383	377	371	369	365	366	358	359
Other assets	150	150	151	157	167	169	107	109	128
Total credit risk standardised approach	**2,102**	**2,045**	**1,818**	**1,955**	**1,952**	**1,949**	**1,810**	**1,774**	**1,796**
Debt risk	44	48	34	27	35	45	31	33	23
Equity risk	10	7	15	6	14	12	7	24	11
Currency risk	1	3	3	3	3	3	3	3	4
Operational risk	720	720	720	656	656	654	575	575	575
Credit value adjustment risk (CVA)	193	240	115	130	122	118	122	80	110
Transitional arrangements	0	0	0	983	1,032	929	1,074	971	946
Minimum requirements subordinated capital	**7,694**	**7,907**	**7,357**	**8,357**	**8,339**	**8,200**	**8,093**	**7,913**	**7,771**
Risk-weighted assets (RWA)	**96,181**	**98,832**	**91,956**	**104,464**	**104,240**	**102,495**	**101,168**	**98,915**	**97,137**
Minimum requirement on CET1 capital, 4.5 per cent	4,328	4,447	4,138	4,701	4,691	4,612	4,553	4,451	4,371
Capital conservation buffer, 2,5 per cent	2,405	2,471	2,299	2,612	2,606	2,562	2,529	2,473	2,428
Systemic risk buffer, 3.0 per cent	2,885	2,965	2,759	3,134	3,127	3,075	3,035	2,967	2,914
Countercyclical buffer, 2.0 per cent (1.5 per cent)	962	988	2,299	2,089	2,085	2,050	2,023	1,978	1,943
Available CET1 capital after buffer requirements	**5,968**	**5,284**	**4,335**	**3,222**	**3,116**	**2,823**	**2,587**	**2,827**	**2,872**
Common equity Tier 1 capital ratio	17.2 %	16.3 %	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %
Tier 1 capital ratio	18.9 %	18.0 %	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %
Total eligible capital	21.1 %	20.1 %	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %
Leverage ratio									
Balance sheet items	255,493	249,366	230,048	228,285	223,781	221,200	216,240	213,761	216,406
Off-balance sheet items	8,944	8,702	7,897	7,939	8,343	8,262	9,086	9,595	9,345
Regulatory adjustments	-1,603	-1,820	-1,503	-1,546	-1,458	-1,600	-1,474	-1,729	-1,480
Calculation basis for leverage ratio	**262,834**	**256,248**	**236,441**	**234,678**	**230,667**	**227,862**	**223,853**	**221,628**	**224,271**
Tier 1 capital	**18,182**	**17,792**	**17,742**	**17,417**	**17,284**	**16,775**	**16,472**	**16,542**	**16,488**
Leverage ratio	6.9 %	6.9 %	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %

Five years [NOK million]	YTD 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Capital adequacy					
Total book equity	**20,320**	**20,420**	**18,686**	**17,510**	**16,253**
Hybrid capital included in total equity	-1,254	-1,293	-1,043	-993	-950
Deferred taxes, goodwill and other intangible assets	-1,042	-1,099	-1,079	-984	-741
Part of reserve for unrealised gains, associated companies	0	0	0	0	117
Deduction for allocated dividends and gifts	0	-1,314	-1,034	-893	-609
Non-controlling interests recognised in other equity capital	-768	-761	-637	-565	-425
Non-controlling interests eligible for inclusion in CET1 capital	401	438	366	324	220
Net profit	-1,008	0	0	0	0
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	618	0	0	0	0
Value adjustments due to requirements for prudent valuation	-62	-45	-44	-41	-48
Positive value of adjusted expected loss under IRB Approach	-248	-351	-286	-333	-248
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	14	3	5	7	0
Direct, indirect and synthetic investments in financial sector companies	-424	-168	-206	-212	-337
Common equity Tier 1 capital	**16,547**	**15,830**	**14,727**	**13,820**	**13,233**
Hybrid capital, core capital	1,635	1,637	1,378	1,427	1,358
Hybrid capital covered by transitional provisions	0	275	367	459	483
Tier 1 capital	**18,182**	**17,742**	**16,472**	**15,707**	**15,073**
Subordinated capital	2,240	2,240	2,316	1,615	1,698
Subordinated capital covered by transitional provisions	0	12	96	561	673
Deduction for significant investments in financial institutions	-157	-140	-140	-254	-256
Additional Tier 2 capital instruments	**2,083**	**2,113**	**2,272**	**1,922**	**2,116**
Total eligible capital	**20,266**	**19,854**	**18,743**	**17,629**	**17,189**

Five years [NOK million]	YTD 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Minimum requirements subordinated capital					
Specialised enterprises	1,166	1,101	1,116	1,107	1,206
Corporate	1,052	1,149	1,163	1,113	1,102
Mass market exposure, mortgages	2,290	2,299	2,098	1,892	1,753
Other mass market	115	101	92	91	88
Equity investments, IRB	1	1	1	1	3
Total credit risk IRB	**4,624**	**4,651**	**4,470**	**4,205**	**4,153**
Central government	5	3	4	3	5
Covered bonds	159	132	124	146	130
Institutions	504	282	246	333	340
Local and regional authorities, state-owned enterprises	17	5	8	4	7
Corporate	251	239	221	226	253
Mass market	465	463	520	405	179
Exposures secured on real property	157	167	215	193	342
Equity positions	394	377	366	344	338
Other assets	150	151	107	166	178
Total credit risk standardised approach	**2,102**	**1,818**	**1,810**	**1,820**	**1,772**
Debt risk	44	34	31	18	36
Equity risk	10	15	7	22	5
Currency risk	1	3	3	1	1
Operational risk	720	720	575	510	479
Credit value adjustment risk (CVA)	193	115	122	117	84
Transitional arrangements	0	0	1,074	891	574
Minimum requirements subordinated capital	**7,694**	**7,357**	**8,093**	**7,585**	**7,103**
Risk-weighted assets (RWA)	**96,181**	**91,956**	**101,168**	**94,807**	**88,786**
Minimum capital requirement, transitional rules 4.5 per cent	4,328	4,138	4,553	4,266	3,995
Capital conservation buffer, 2,5 per cent	2,405	2,299	2,529	2,370	2,220
Systemic risk buffer, 3.0 per cent	2,885	2,759	3,035	2,844	2,664
Countercyclical buffer, 2.0 per cent (1.5 per cent)	962	2,299	2,023	1,896	1,332
Available CET1 capital after buffer requirements	**5,968**	**4,335**	**2,587**	**2,444**	**3,022**
Common equity Tier 1 ratio	17.2 %	17.2 %	14.6 %	14.6 %	14.8 %
Tier 1 capital ratio	18.9 %	19.3 %	16.3 %	16.6 %	16.8 %
Capital ratio	21.1 %	21.6 %	18.5 %	18.6 %	19.2 %
Leverage ratio					
Balance sheet items	255,493	230,048	216,240	210,764	194,324
Off-balance sheet items	8,944	7,897	9,086	9,295	10,068
Regulatory adjustments	-1,603	-1,503	-1,474	-1,580	-1,388
Calculation basis for leverage ratio	**262,834**	**236,441**	**223,853**	**218,479**	**203,005**
Tier 1 capital	**18,182**	**17,742**	**16,472**	**15,707**	**15,073**
Leverage ratio	6.9 %	7.5 %	7.4 %	7.2 %	7.4 %

2.1 Extract from income statement[1]

Group [in NOK million] as of 30 June 2020	Retail Market	Corporate Market	SB1 Markets	Eiendoms-megler 1 Midt- Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps-huset SMN	SB 1 Gruppen	BN Bank	Un-collated[2]	Total
Net interest		560	-3	0	171	0	0	0	111	1,376
Allocated	85	59	0	0	0	0	0	0	-144	0
Total interest income	**622**	**619**	**-3**	**0**	**171**	**0**	**0**	**0**	**-33**	**1,376**
Commission income and other income	371	113	258	188	-9	304	0	0	-48	1,177
Net profit on financial investments	-2	14	86	0	0	0	-7	50	407	549
Total income	**992**	**747**	**341**	**188**	**162**	**304**	**-7**	**50**	**325**	**3,102**
Total operating expenses	**471**	**217**	**286**	**158**	**45**	**237**	**0**	**0**	**9**	**1,422**
Ordinary operating profit	**521**	**530**	**55**	**30**	**117**	**67**	**-7**	**50**	**316**	**1,680**
Loss on loans, guarantees etc.	42	410	0	0	24	0	0	0	0	478
Result before tax	**478**	**119**	**55**	**30**	**93**	**67**	**-7**	**50**	**316**	**1,202**
Post- tax return on equity[3]	**11.4 %**	**4.1 %**								**10.3 %**

Main balance sheet items

	Retail Market	Corporate Market	SB1 Markets	Eiendoms-megler 1 Midt- Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps-huset SMN	SB 1 Gruppen	BN Bank	Un-collated[2]	Total
Loans and advances to customers	124,165	42,366	0	0	9,310	0	0	0	-742	175,100
adv. of this to Boligkreditt and Næringskreditt	-43,264	-1,308	0	0	0	0	0	0	100	-44,473
Loss on loans	-146	-1,057	0	0	-59	0	0	0	-4	-1,267
Other assets	199	8,518	2,267	327	18	580	1,950	1,441	45,823	61,124
Total assets	**80,954**	**48,518**	**2,267**	**327**	**9,269**	**580**	**1,950**	**1,441**	**45,177**	**190,484**
Deposits to customers	48,103	44,715	0	0	0	0	0	0	1,470	94,289
Other liabilities and equity	32,850	3,803	2,267	327	9,269	580	1,950	1,441	43,707	96,195
Total liabilites	**80,954**	**48,518**	**2,267**	**327**	**9,269**	**580**	**1,950**	**1,441**	**45,177**	**190,484**

[1]For the subsidiaries the figures refer to the respective company accounts, while for joint ventures incorporated by the equity method the Group's profit share is stated, after tax, as well as book value of the investment at group level.

[2]Uncollated consist of, among other things, return on financial investments in parent bank, net profit on the bank's funding activities and gain on the establishment of Fremtind.

[3]Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.4 percent to be in line with the capital plan.

Development in interest income, Retail Market and Corporate Market

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Retail	237	301	298	301	283	278	288	270	244
Corporate	289	271	267	253	256	247	251	253	245
Net interest income	**526**	**571**	**566**	**554**	**539**	**526**	**540**	**523**	**489**

Development in margin[1], Retail Market and Corporate Market

Quarterly figures [percentage]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Lending									
Retail	1.99	1.63	1.40	1.49	1.50	1.60	1.63	1.64	1.65
Corporate	3.10	2.69	2.52	2.53	2.56	2.69	2.73	2.75	2.73
Total	**2.24**	**1.86**	**1.64**	**1.71**	**1.73**	**1.84**	**1.88**	**1.89**	**1.90**

Quarterly figures [percentage]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Deposits									
Retail	-0.47	0.50	0.75	0.66	0.59	0.46	0.39	0.27	0.28
Corporate	-0.26	0.04	0.13	0.08	0.02	0.02	-0.02	-0.05	-0.04
Total	**-0.37**	**0.27**	**0.43**	**0.36**	**0.29**	**0.24**	**0.19**	**0.12**	**0.12**

[1]Definition margin: Average customer interest minus 3 months average Nibor

Development in volume, Retail Market and Corporate Market

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Lending[2]									
Retail	124,165	121,269	119,381	116,882	115,289	113,040	112,723	111,207	108,702
Corporate	42,366	41,174	40,162	40,502	38,422	38,881	40,548	39,716	39,452
Total	**166,531**	**162,443**	**159,543**	**157,384**	**153,711**	**151,921**	**153,271**	**150,923**	**148,154**

[2]Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Deposits									
Retail	48,103	43,961	41,639	41,674	42,795	40,734	40,046	39,879	40,372
Corporate	44,715	42,710	42,756	40,542	42,374	39,471	39,236	37,201	38,390
Total	**92,818**	**86,670**	**84,395**	**82,216**	**85,169**	**80,206**	**79,282**	**77,079**	**78,762**

Development in commision income, Retail Market and Corporate Market

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Retail	173	196	208	212	197	188	203	193	193
Corporate	63	65	60	52	49	57	54	63	51
Total	**236**	**261**	**269**	**263**	**246**	**244**	**257**	**256**	**244**

2.2 Retail market

Business description

Facts about the business area	2020
Lending volume	124,165
Deposits volume	48,103
No. of active cutomers	230,518
FTEs	364

Financial performance

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest income lending	140	140	136	150	147	156	169	155	135
Net interest income deposits	92	153	157	148	134	123	113	111	107
Net interest income allocated capital	36	61	64	53	53	52	52	50	46
Total interest income	**268**	**354**	**357**	**351**	**334**	**330**	**334**	**316**	**288**
Net guarantee commission, incl BK, NK	72	100	102	102	99	94	99	89	98
Net commission of savings products	19	14	22	21	14	14	22	21	17
Net commission insurance services	41	40	40	40	39	38	38	37	38
Net commission payment trans. services	41	44	44	48	45	42	45	45	39
Other commision income	0	0	0	1	0	0	0	0	1
Net fee and commission income	**173**	**198**	**208**	**212**	**197**	**188**	**203**	**193**	**193**
Net profit on financial investments	0	-2	0	0	0	0	0	0	0
Total income	**441**	**550**	**565**	**563**	**532**	**518**	**537**	**509**	**481**
Total operating expenses[1]	**225**	**246**	**221**	**222**	**215**	**217**	**207**	**199**	**200**
Result before losses	**217**	**303**	**344**	**341**	**317**	**301**	**330**	**310**	**281**
Loss on loans, guarantees etc.	-2	44	9	11	6	6	-1	8	13
Result before tax	**218**	**260**	**335**	**330**	**311**	**295**	**332**	**301**	**268**

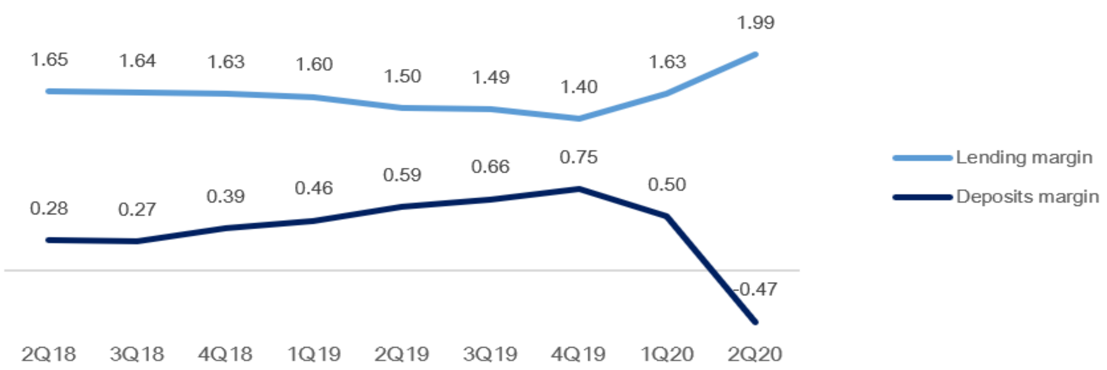
Five years [NOK million]	YTD 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Net interest income lending	280	589	624	572	457
Net interest income deposits	245	561	419	411	438
Net interest income allocated capital	97	221	190	154	57
Total interest income	**622**	**1,372**	**1,234**	**1,137**	**953**
Net guarantee commission, incl BK, NK	171	397	394	392	306
Net commission of savings products	33	70	75	70	63
Net commission insurance services	82	158	151	151	139
Net commission payment trans. services	85	179	172	175	171
Other commision income	0	1	1	1	1
Net fee and commission income	**371**	**805**	**793**	**789**	**679**
Net profit on financial investments	-2	0	0	0	-1
Total income	**992**	**2,177**	**2,027**	**1,926**	**1,631**
Total operating expenses[1]	**471**	**875**	**804**	**794**	**770**
Result before losses	**521**	**1,302**	**1,223**	**1,132**	**861**
Loss on loans, guarantees etc.	42	32	17	5	13
Result before tax	**479**	**1,270**	**1,206**	**1,127**	**849**
Post- tax return on equity (annualized)[2]	**11.4 %**	**13.1 %**	**13.2 %**	**16.6 %**	**13.8 %**

[1] Includes both direct and distributed expences

[2] Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.4 percent to be in line with the capital plan.

Margin development

Definition of margin: average customer interest rate minus 3 months nibor



2.3 Corporate market

Business description

Facts about the business area	2020
Lending volume	42,366
Deposits volume	44,715
No. of active cutomers	15,375
FTEs	151

Financial performance

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest income lending	184	170	176	174	185	179	186	182	175
Net interest income deposits	94	87	75	70	64	62	56	63	64
Net interest income allocated capital	34	52	55	44	44	42	41	41	39
Total interest income	**311**	**308**	**307**	**288**	**293**	**284**	**283**	**286**	**278**
Net guarantee commission, incl BK, NK	20	19	21	18	17	20	19	22	19
Net commission of savings products	1	0	0	-2	2	2	0	1	1
Net commission insurance services	6	7	6	6	6	6	6	6	6
Net commission payment trans. services	25	27	28	24	20	25	25	23	22
Other commision income	7	2	2	2	0	2	1	2	0
Net fee and commission income	**59**	**54**	**57**	**48**	**45**	**55**	**51**	**53**	**48**
Net profit on financial investments	4	10	3	3	4	2	2	11	3
Total income	**374**	**373**	**367**	**340**	**341**	**340**	**336**	**350**	**329**
Total operating expenses[1]	**105**	**113**	**103**	**100**	**103**	**104**	**94**	**91**	**92**
Result before losses	**269**	**261**	**264**	**239**	**239**	**236**	**242**	**258**	**237**
Loss on loans, guarantees etc.	153	258	73	46	40	53	59	50	54
Result before tax	**116**	**3**	**190**	**193**	**199**	**183**	**183**	**208**	**183**

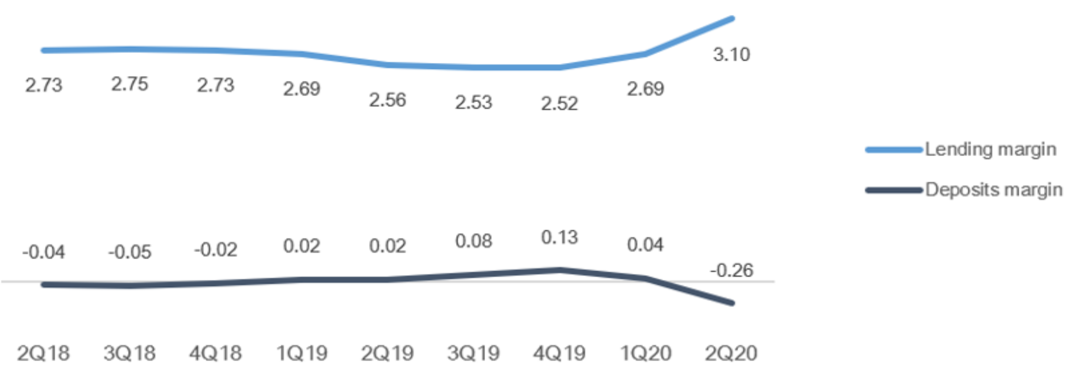
	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income lending	353	715	712	677	649
Net interest income deposits	181	271	241	274	272
Net interest income allocated capital	85	185	157	157	78
Total interest income	**619**	**1,171**	**1,110**	**1,108**	**1,000**
Net guarantee commission, incl BK, NK	39	76	81	86	89
Net commission of savings products	1	2	2	2	2
Net commission insurance services	13	25	23	21	20
Net commission payment trans. services	52	97	92	86	84
Other commision income	9	5	4	3	2
Net fee and commission income	**113**	**205**	**202**	**199**	**196**
Net profit on financial investments	14	12	17	9	9
Total income	**747**	**1,388**	**1,329**	**1,315**	**1,205**
Total operating expenses[1]	**217**	**410**	**373**	**365**	**332**
Result before losses	**530**	**978**	**956**	**950**	**873**
Loss on loans, guarantees etc.	410	213	212	318	490
Result before tax	**119**	**765**	**744**	**632**	**384**
Post- tax return on equity (annualized)[2]	**4.1 %**	**11.7 %**	**11.3 %**	**10.5 %**	**6.9 %**

[1] Includes both direct and distributed expences

[2] Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.4 percent to be in line with the capital plan.

Margin development

Definition of margin: average customer interest rate minus 3 months nibor



2.4 Subsidiaries

EiendomsMegler 1 Midt-Norge AS

Ownership 87.0 %

EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market- leader position in the region. The company has specialized operations, which include separate units for project and commercial real estate broking.

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest income	0	0	0	0	0	0	-3	1	1
Commission income and other income	105	83	122	142	115	84	108	128	157
Total income	**105**	**83**	**122**	**141**	**115**	**84**	**105**	**129**	**158**
Total operating expenses	**75**	**83**	**128**	**148**	**91**	**93**	**134**	**140**	**133**
Result before tax	**30**	**0**	**-6**	**-7**	**23**	**-9**	**-29**	**-11**	**25**

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	0	-1	-1	3	4
Commission income and other income	188	463	497	473	426
Total income	**188**	**463**	**496**	**477**	**430**
Total operating expenses	**158**	**461**	**519**	**474**	**363**
Result before tax	**30**	**1**	**-23**	**3**	**68**

SpareBank 1 Finans Midt- Norge AS

Ownership 61.2 %

Bank’s offices and other partners.

The company is owned by SpareBank 1 SMN and other Sparebanker in the SpareBank 1 Alliance. This owning structure has contributed to a dispersed presence across Mid- and South Norway

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest income	90	82	82	79	76	75	75	69	66
Net commission income	-4	-6	-5	-7	-6	-7	-4	-7	-5
Total income	**86**	**76**	**77**	**72**	**70**	**69**	**70**	**62**	**62**
Total operating expenses	**20**	**24**	**23**	**19**	**22**	**22**	**19**	**19**	**16**
Ordinary operating profit	**66**	**52**	**54**	**53**	**48**	**47**	**51**	**44**	**45**
Loss on loans, guarantees etc.	20	5	19	12	13	8	10	9	11
Result before tax	**46**	**47**	**35**	**41**	**35**	**40**	**42**	**35**	**34**

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	171	313	275	228	183
Net commission income	-9	-26	-19	-15	-11
Total income	**162**	**287**	**256**	**213**	**172**
Total operating expenses	**45**	**85**	**73**	**67**	**55**
Ordinary operating profit	**117**	**202**	**182**	**146**	**117**
Loss on loans, guarantees etc.	24	52	34	18	13
Result before tax	**93**	**150**	**149**	**128**	**104**

SpareBank 1 Regnskapshuset SMN AS

Ownership 88.7 %

SpareBank 1 Regnskapshuset SMN is an accountancy business within the SMB segment. SpareBank 1 Regnskapshuset intends to be one of Norway's leading actors in the accounting industry by building up a national accounting enterprise based on regional ownership, strong links to the owner banks and closeness to the market.

The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry. SpareBank 1 Regnskapshuset SMN has shown strong growth the past five years.

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest income	0	0	0	0	0	0	0	0	0
Commission income and other income	147	156	111	100	151	140	107	84	132
Total income	**147**	**156**	**112**	**100**	**151**	**140**	**107**	**84**	**132**
Total operating expenses	**108**	**129**	**85**	**80**	**110**	**119**	**93**	**71**	**105**
Result before tax	**40**	**27**	**27**	**20**	**41**	**21**	**14**	**13**	**27**

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	0	0	0	-1	0
Commission income and other income	304	502	444	377	234
Total income	**304**	**502**	**444**	**376**	**235**
Total operating expenses	**237**	**394**	**373**	**315**	**191**
Result before tax	**67**	**108**	**71**	**61**	**44**

SpareBank 1 Markets AS

Ownership 66.7 %

services, debt and fixed income products. Through the collaboration with the SpareBank 1 Alliance, SpareBank 1 Markets can offer a complete national capital structure service, and cover all customer segments, from retail clients and small and medium- sized businesses to large listed companies and institutional investors. The company is headquartered in Oslo and has offices in Trondheim and Ålesund.

Quarterly figures [NOK million]	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18
Net interest income	-1	-2	-3	-4	-5	-4	-3	-4	-4
Equities/ High Yield	71	39	56	27	49	51	39	40	60
Fixed Income	49	-21	11	8	12	12	10	6	13
Corporate	62	25	46	61	64	43	74	32	57
Foreign exchange/ interest rate derivatives	40	45	28	31	37	21	30	17	24
Asset Management	13	12	20	12	12	11	0	11	11
Other commission income	4	4	1	3	2	6	0	4	2
Total income	**238**	**103**	**157**	**139**	**172**	**140**	**150**	**106**	**164**
Total operating expenses	**168**	**118**	**153**	**129**	**146**	**138**	**156**	**120**	**136**
Ordinary operating profit	**71**	**-15**	**4**	**11**	**26**	**2**	**-6**	**-14**	**29**
Loss on loans, guarantees etc.	0	0	0	0	0	0	0	0	0
Result before tax	**71**	**-15**	**4**	**11**	**26**	**2**	**-6**	**-14**	**29**

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	-3	-17	-14	-15	-8
Equities/ High Yield	110	184	195	152	97
Fixed Income	28	44	40	41	20
Corporate	88	214	183	112	87
Foreign exchange/ interest rate derivatives	86	117	105	82	88
Asset Management	25	56	32	53	0
Other commission income	8	13	10	11	8
Total income	**341**	**609**	**551**	**437**	**292**
Total operating expenses	**286**	**566**	**536**	**435**	**282**
Ordinary operating profit	**55**	**43**	**15**	**2**	**10**
Loss on loans, guarantees etc.	0	0	0	0	0
Result before tax	**55**	**43**	**15**	**2**	**10**

Other subsidiaries

SpareBank 1 Spire Finans

A bank catering exclusively to small and medium-sized businesses that specialise in factoring. SpareBank 1 Spire Finans is headquartered in Trondheim. SpareBank 1 SMN is increasing its focus on small and medium-sized businesses and strengthening its offering in the factoring area through this acquisition.

Sparebank 1 SMN Invest

The company's strategy is to carry out investments in regional start-ups, venture and private equity funds and to invest directly in growth companies with national/ international market potential in the same market area.

Property companies

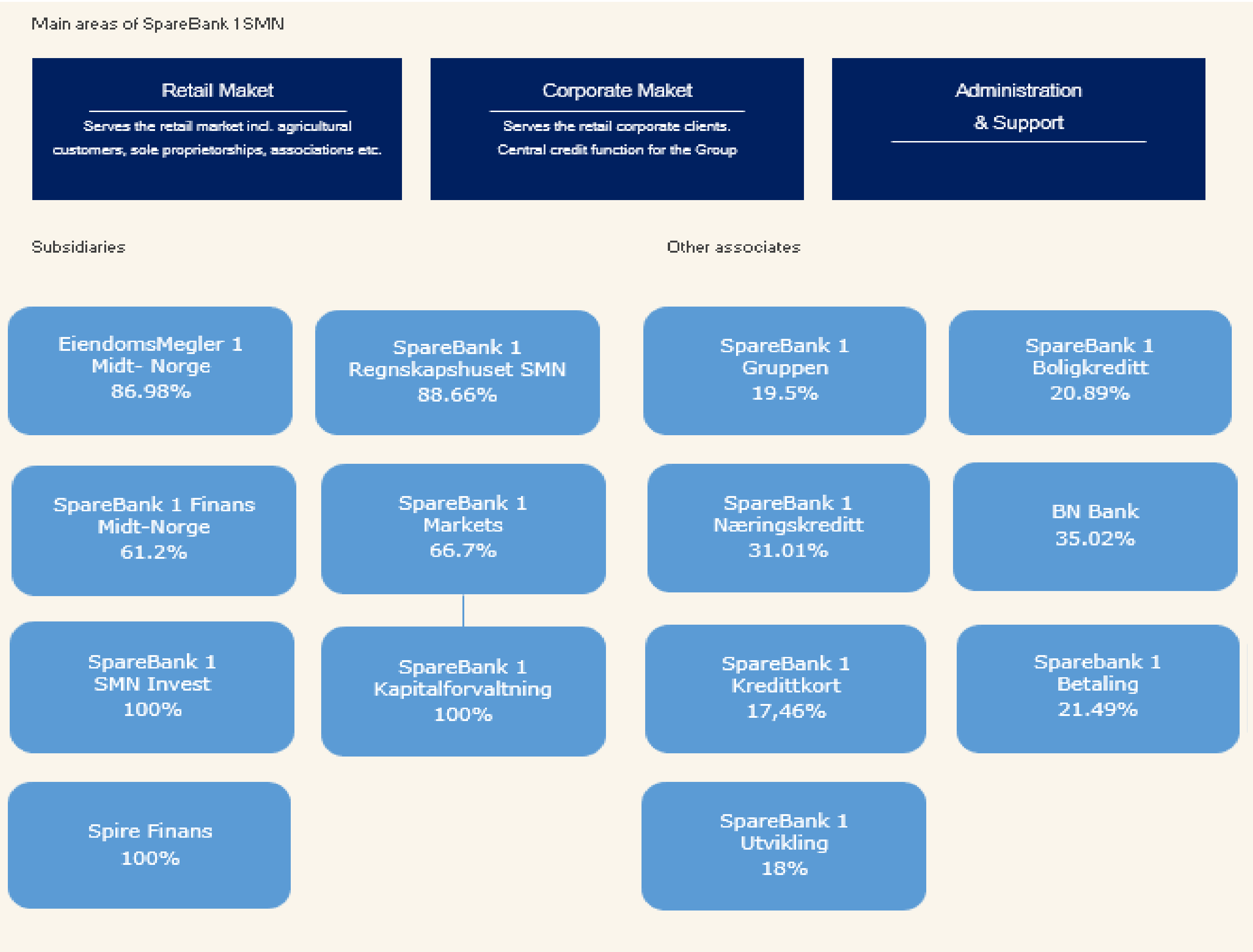
Their mission is to own, operate and develop property. Property companies: SpareBank 1 SMN Kvartalet, SpareBank 1 Bygget Steinkjer, St Olavs Plass 1 SMN

3 Appendix

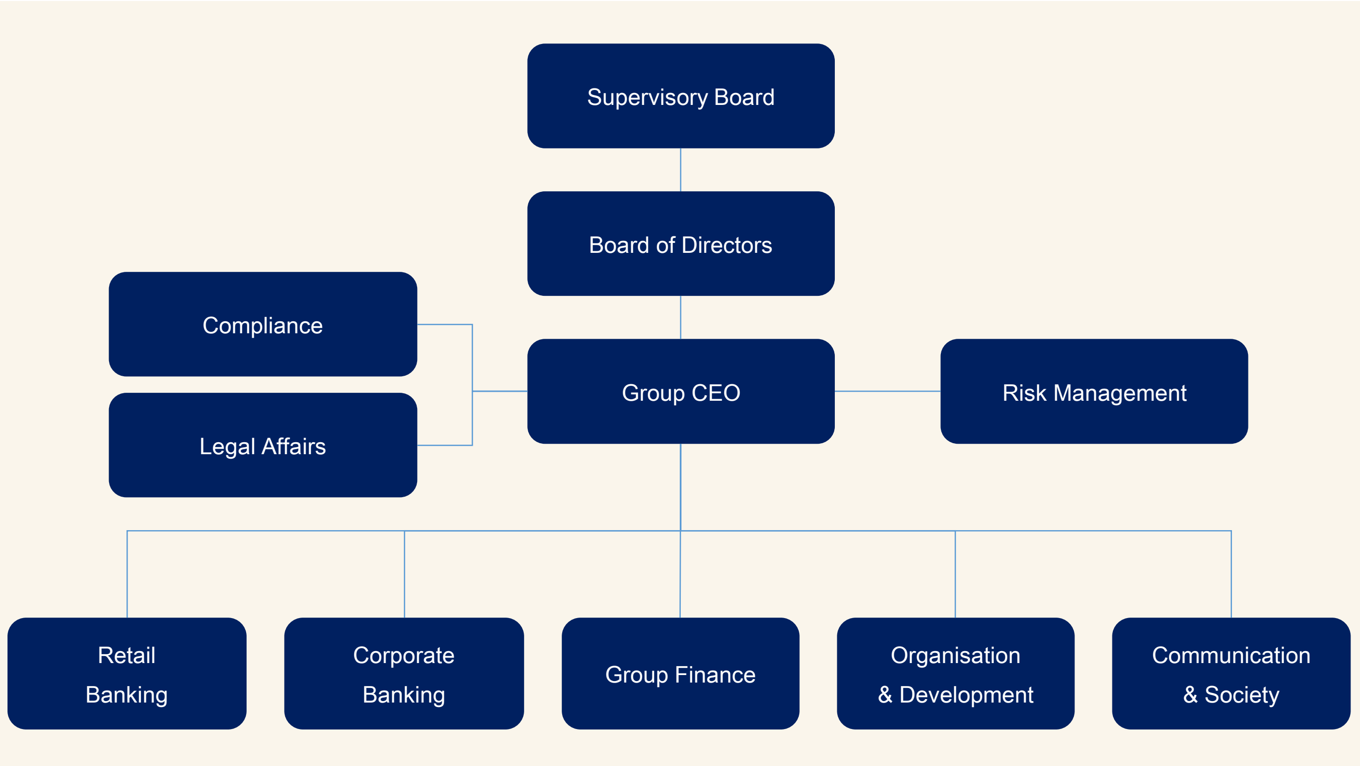
A1 Business description

SpareBank 1 SMN is the region's leading financial services group and one of six owners of the SpareBank 1 Alliance. Its head office is in Trondheim. SpareBank 1 SMN is a regional independent savings bank with a local footing. Through the SpareBank 1 Alliance and its own subsidiaries, SpareBank 1 SMN has secured access to comnpetitive products in the fields of financing, savings and investment, insurance and payment services. The bank is organised under the following structure:

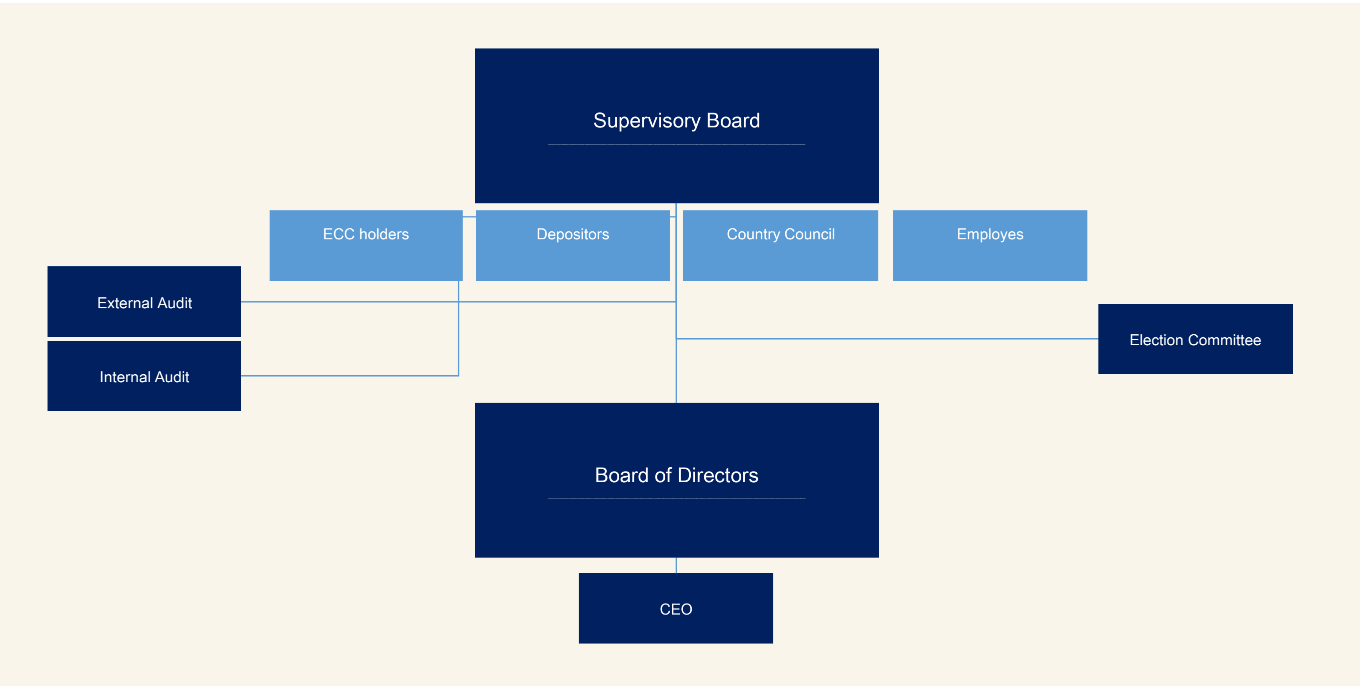
Financial Group SpareBank 1 SMN



Organisation of SpareBank 1 SMN

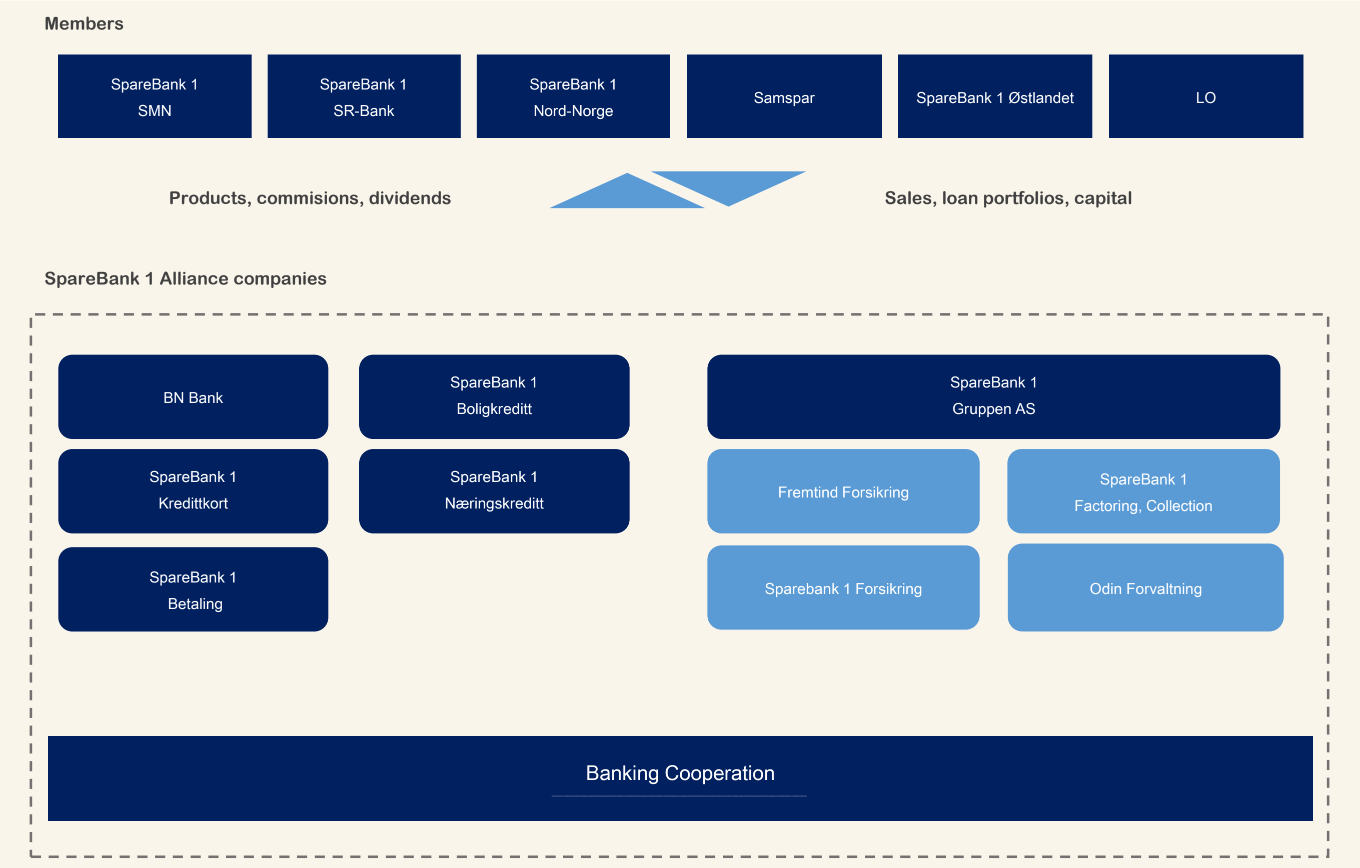


Overwiew of governing and control bodies



SpareBank 1 Alliance

SpareBank 1 SMN was one of the founding partners of the SpareBank 1 Alliance in 1996. The Alliance consists of closely cooperating saving banks, all of them being independent and locally anchored banks. The purpose of the SpareBank1 Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale. The Alliance canalize a lot of its mutual interests through SpareBank1 Gruppen AS, a holding company of life and non-life insurance, mutual funds, a broker-dealer and other companies. The Alliance is the 2nd largest Norwegian financial group with wide distribution all over Norway.



** LO - The Norwegian Confederation of Trade Unions*

A2 20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge	5,505,744	4.24%
State Street Bank and Trust Comp	4,171,804	3.21%
Sparebankstiftelsen SMN	3,965,391	3.05%
VPF Odin Norge	3,342,919	2.57%
Danske Invest Norske aksjer institusjon II.	3,190,549	2.46%
VPF Pareto aksje Norge	2,734,480	2.11%
VPF Alfred Berg Gambak	2,397,837	1.85%
JPMorgan Chase Bank, N.A., London	2,052,616	1.58%
State Street Bank and Trust Comp	1,992,314	1.53%
VPF EIKA EGENKAPITALBEVIS	1,941,083	1.50%
PARETO INVEST AS	1,810,197	1.39%
FORSVARETS PERSONELLSERVICE	1,797,946	1.38%
Citibank, N.A.	1,582,586	1.22%
VPF Nordea kapital	1,440,601	1.11%
MP PENSJON PK	1,352,771	1.04%
Danske invest norske aksjer institusjon I	1,341,275	1.03%
VPF Nordea avkastning	1,249,111	0.96%
Morgan Stanley & Co. International	1,186,816	0.91%
VPF Alfred Berg Norge	1,085,659	0.84%
Landkreditt utbytte	1,075,000	0.83%
Total 20 largest shareholders	45,216,699	34.83%
Others	84,619,744	65.17%
Total	**129,836,443**	**100%**

A3 ECC capital history

Year	Change	Change in ECC capital	Total ECC capital	No. of ECC's
1991	Placing	525	525	5,250,000
1992	Placing	75	600	6,000,000
2000	Employee placing	5	605	6,053,099
2001	Employee placing	5	610	6,099,432
2002	Employee placing	5	614	6,148,060
2004	Bonus Issue	154	768	7,685,075
2005	Placing	217	986	9,859,317
2005	Employee placing	24	1,009	10,097,817
2005	Split	-	1,009	40,391,268
2005	Bonus Issue	253	1,262	50,489,085
2007	Dividend Issue	82	1,344	53,752,203
2007	Employee placing	5	1,349	53,976,003
2008	Dividend Issue	91	1,440	57,603,748
2008	Employee placing	6	1,447	57,861,806
2009	Bonus Issue	289	1,736	69,434,167
2010	Placing	624	2,360	94,397,474
2010	Employee placing	13	2,373	94,905,286
2011	Issue	1	2,373	94,930,286
2012	Placing	95	2,468	123,407,456
2012	Employee placing	16	2,484	124,218,466
2012	Private placement	112	2,597	129,836,443

A4 CAD - methods for calculating minimum requirements

	Portfolio	Regulatory method
Credit risk	States - parent bank	Standardized approach
	Institutions - parent bank	Standardized approach
	Housing cooperatives, clubs and associations - parent bank	Standardized approach
	Enterprises - parent bank	Advanced IRB approach
	Mass market - parent bank	IRB - mass market (advanced)
	SpareBank 1 Finans Midt-Norge AS	Standardized approach
	SpareBank 1 SMN Invest	Standardized approach
	Mass market - SpareBank 1 Boligkreditt AS	IRB - mass market (advanced)
	Enterprises - SpareBank 1 Næringskreditt AS	Standardized approach
	Enterprises - BN Bank AS	Advanced IRB approach
	Mass market - BN Bank AS	IRB - mass market (advanced)
Market risk	Equity risk - parent bank	Standardized approach
	Debt risk - parent bank	Standardized approach
	Currency risk - parent bank	Standardized approach
	Subsidiaries and part-owned companies	Standardized approach
Operational risk	SpareBank 1 SMN (parent bank)	Standardized approach
	Subsidiaries and part-owned companies	Basic Indicator Approach