

Investor Relations

Supplementary Information

2020

Q3



Nidarosdomen, Trondheim

Contact information

CEO Jan-Frode Janson

For further information, please contact

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

Address

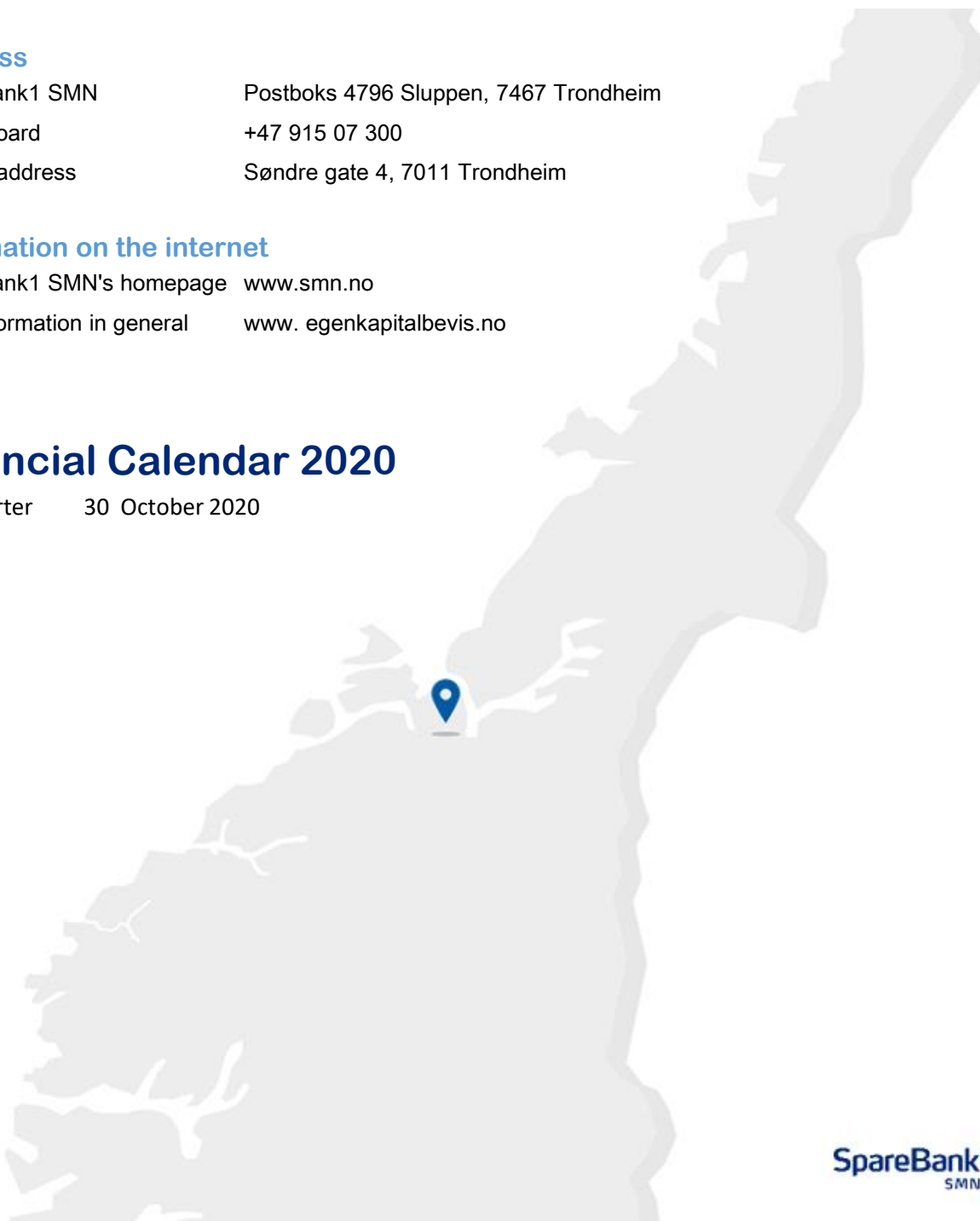
SpareBank1 SMN	Postboks 4796 Sluppen, 7467 Trondheim
Switchboard	+47 915 07 300
Visiting address	Søndre gate 4, 7011 Trondheim

Information on the internet

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

Financial Calendar 2020

3rd quarter 30 October 2020



Major changes from Q2 2020

One SMN – Customer-oriented and simplified distribution, increased digitalisation and more efficient operations

SpareBank 1 SMN is to establish ten regional centres in which the group's business lines will be co-located, while six smaller branches will be closed down. Strong specialist units under development in the regional centres will provide customers with an improved offering in accounting, estate agency and banking services. Joint support and development units are concurrently being set up to deliver services of high quality and efficiency across the group.

A customer-oriented and simplified distribution system, increased digitalisation along with streamlining of support functions will enable group FTEs to be reduced by about 100 in the course of 2021. The reduction will take place mainly in the bank and in support functions throughout the group.

The changes are part of the wide-ranging profitability and enhancement programme known as One SMN. The programme is central to achieving the group's strategy for the period to 2023, and provides the basis for a united and forward-looking group. Overarching objectives are an improved customer experience, a strengthened market position and improved profitability. SpareBank 1 SMN has identified measures designed to achieve a profit improvement of NOK 400m before tax through increased synergies, increased revenues, cost efficiencies and improved capital utilisation. The ambition is to deliver even better services to customers through stronger collective action both in terms of support functions at central level and in outreach to the customer.

In addition to the above changes the measures include new customer offerings and renewed service concepts for prioritised segments, improved price models along with increased application of analytical insight in the customer dialogue and reduction of operating and IT expenses.

SpareBank 1 Spire Finans

SpareBank 1 SMN Spire Finans will be amalgamated with SpareBank 1 Finans Midt-Norge in the fourth quarter. Invoice purchasing will be a third product area alongside leasing and car financing. The intention is to reduce costs and strengthen distributive power.

SpareBank 1 Invest

SpareBank 1 SMN is to wind up SpareBank 1 SMN Invest. Investment in shares is no longer within the group's strategy. The share portfolio of about NOK 400m will be managed together with the bank's other long-term shareholdings and will be wound down over time.

Table of Contents



1 SpareBank 1 SMN

1.1 Financial highlights	5	1.6 Operating expenses	21
Main figures	5	Operating expenses	21
Balance sheet - condensed	6	Change in operating expenses	22
Equity capital certificate (MING)	7	Employees- full time equivalents	22
1.2 Credit ratings	8	1.7 Loans to customers	23
Moody's	8	Distribution of loans by industry	23
1.3 Financial results and key figures	9	Credit risk classification in SpareBank 1 SMN	24
Financial results	9	Risk profile - Exposure At Default	24
Balance sheet	11	Loans and guarantees by industry	25
Key figures	13	Write-downs on loans and guarantees	25
1.4 Net interest income	15	Loss on loans by segment	26
Net interest income	15	Write-down ratio	26
Change in interest income from lending and deprec	15	1.8 Funding and liquidity	27
Change in net interest income	15	Securities liabilities	27
Margin development	16	Funding maturity dates	27
Volume development	16	1.9 Capital adequacy	28
1.5 Other income	17	Capital adequacy ratios	28
Commision and other income	17	Leverage ratio	28
Change in commision and other income	18	Spesification of capital requirements	29
Net return on financial investments	19		
Change in net return on financial investments	20		

2 Segment information

2.1 Extract from income statement	33
2.2 Retail market	35
2.3 Corporate market	37
2.4 Subsidiaries	39
EiendomsMegler 1 Midt-Norge AS	39
SpareBank 1 Finans Midt-Norge AS	40
SpareBank 1 Regnskapshuset AS	41
SpareBank 1 Markets AS	42
Other subsidiaries	43

3 Appendix

A1 Business description	44
A2 20 largest stakeholders	47
A3 ECC capital history	48
A4 CAD	48

1.1 Financial highlights



January - September 2020

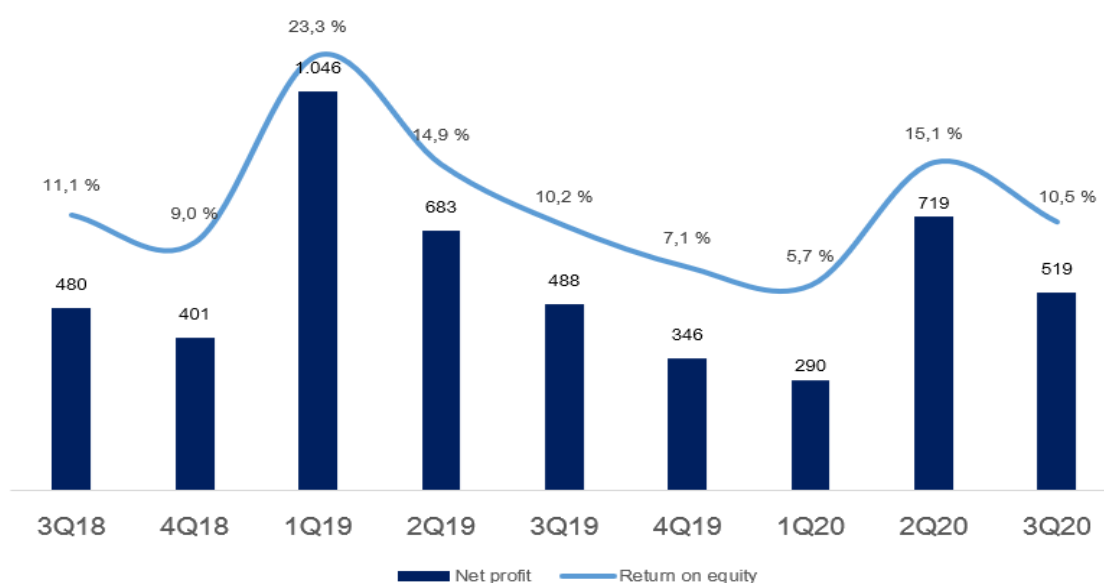
YTD 2019

Profit before tax and inv. held for sale	1,823	NOK million	2,612
Net profit	1,528	NOK million	2,217
Return on equity	10.4	per cent	16.0
Annual lending growth	8.5	per cent	4.8
Annual deposits growth	14.0	per cent	7.9
Loan losses	709	NOK million	198
CET1 ratio	17.6	per cent	15.1
Earnings per EC	6.88	NOK	10.54

Q3 2020

Q3 2019

Profit before tax and inv. held for sale	621	NOK million	609
Net profit	519	NOK million	488
Return on equity	10.5	per cent	10.2
Loan losses	231	NOK million	71
Earnings per EC	2.35	NOK	2.30



Main figures

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest	695	666	710	697	678	664	649	644	610
Commission income and other income	638	607	570	579	554	606	551	543	486
Net return on financial investments	205	448	101	17	121	336	727	95	182
Total income	1,538	1,721	1,381	1,292	1,353	1,607	1,926	1,282	1,277
Total operating expenses	685	706	716	720	673	701	704	701	616
Result before losses	853	1,015	665	572	680	907	1,223	580	661
Loss on loans, guarantees etc.	231	170	308	103	71	59	67	67	69
Result before tax	621	845	357	469	609	848	1,155	513	592
Tax charge	102	126	67	123	121	165	109	104	119
Results investments held for sale, after tax	0	0	0	0	0	0	0	-8	6
Net profit	519	719	290	346	488	683	1,046	401	480

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Net interest	2,071	2,687	2,403	2,225	1,929
Commission income and other income	1,815	2,290	2,177	2,005	1,674
Net return on financial investments	754	1,201	757	760	944
Total income	4,640	6,178	5,337	4,989	4,547
Total operating expenses	2,107	2,797	2,624	2,369	2,003
Result before losses	2,532	3,380	2,713	2,621	2,544
Loss on loans, guarantees etc.	709	299	263	341	516
Result before tax	1,823	3,081	2,450	2,279	2,029
Tax charge	296	518	509	450	352
Results investments held for sale, after tax	0	0	149	-1	4
Net profit	1,528	2,563	2,090	1,828	1,681

Balance sheet - condensed

Quarterly figures [NOK million]	30 Sep 2020	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018
Total assets	186,900	190,484	185,182	166,662	166,475	167,289	164,641	160,704	159,337
Average total assets (quarterly)	188,692	187,833	175,922	166,569	166,882	165,965	162,673	160,021	159,460
Gross loans to customers ¹	179,423	175,100	170,771	167,777	165,380	163,627	161,091	160,317	157,825
Deposits from customers	95,391	94,289	88,152	85,917	83,641	86,553	81,111	80,615	77,529
Total equity capital	20,829	20,320	19,600	20,420	19,904	19,450	18,673	18,686	18,650

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	186,900	166,662	160,704	153,254	138,080
Average total assets	182,307	165,154	160,021	150,083	138,948
Gross loans to customers ¹	179,423	167,777	160,317	148,784	137,535
Deposits from customers	95,391	85,917	80,615	76,476	67,168
Total equity capital	20,829	20,420	18,686	17,510	16,253

Equity capital certificate (MING)

Quarterly figures	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
ECC price	84.30	78.30	67.60	100.20	98.50	97.70	87.40	84.20	90.90
Number of certificates issued, millions	129.44	129.39	129.22	129.30	129.48	129.66	129.41	129.62	129.44
Booked equity capital per ECC (incl. dividend)	92.73	90.37	86.85	90.75	89.36	87.04	83.86	83.87	82.57
Adjusted profit per ECC	2.35	3.27	1.26	1.60	2.30	3.21	5.02	1.90	2.32
P/E per ECC (annualised)	8.96	5.98	13.46	15.67	10.69	7.61	4.35	11.05	9.77
P/B equity capital	0.91	0.87	0.78	1.10	1.10	1.12	1.04	1.00	1.10

Five years	YTD 20	2019	2018	2017	2016
ECC price	84.30	100.20	84.20	82.25	64.75
Number of certificates issued, millions	129.44	129.30	129.62	129.38	129.64
Booked equity capital per ECC (incl. dividend)	92.73	90.75	83.87	78.81	73.35
Adjusted profit per ECC	6.88	12.14	9.97	8.71	7.93
P/E per ECC (annualised)	9.19	8.26	8.44	9.44	8.17
P/B equity capital	0.91	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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Interest income	971	1,031	1,250	1,235	1,190	1,127	1,075	1,082	1,025
Interest expenses	276	365	540	538	512	463	426	438	414
Net interest income	695	666	710	697	678	664	649	644	610
Commission income	414	331	349	371	374	363	329	343	344
Commission expenses	52	47	50	47	55	51	40	42	45
Other operating income	277	323	271	255	235	294	262	242	186
Commission income and other income	638	607	570	579	554	606	551	543	486
Dividends	2	2	8	1	1	11	2	2	0
Income from investment in related companies	170	177	217	8	85	231	555	130	105
Net return on financial investments	32	269	-124	8	35	95	169	-37	77
Net return on financial investments	205	448	101	17	121	336	727	95	182
Total income	1,538	1,721	1,381	1,292	1,353	1,607	1,926	1,282	1,277
Staff costs	422	449	443	411	404	438	447	391	376
Other operating expenses	263	258	273	309	269	263	257	311	240
Total operating expenses	685	706	716	720	673	701	704	701	616
Result before losses	853	1,015	665	572	680	907	1,223	580	661
Loss on loans, guarantees etc.	231	170	308	103	71	59	67	67	69
Result before tax	621	845	357	469	609	848	1,155	513	592
Tax charge	102	126	67	123	121	165	109	104	119
Results investments held for sale, after tax	0	0	0	0	0	0	0	-8	6
Net profit	519	719	290	346	488	683	1,046	401	480
Attributable to additional Tier 1 Capital holders	11	14	24	10	10	10	19	9	7
Majority share	476	661	254	324	467	650	1,017	386	470
Minority interest	33	43	12	12	11	22	10	6	2

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Interest income	3,252	4,626	4,057	3,825	3,597
Interest expenses	1,181	1,939	1,655	1,600	1,668
Net interest	2,071	2,687	2,403	2,225	1,929
Commission income	1,094	1,437	1,387	1,390	1,251
Commission expenses	149	193	168	168	133
Other operating income	870	1,046	958	783	556
Commission income and other income	1,815	2,290	2,177	2,005	1,674
Dividends	12	15	8	6	88
Income from investment in related companies	564	879	416	437	423
Net return on financial investments	177	307	334	317	434
Net return on financial investments	754	1,201	757	760	944
Total income	4,640	6,178	5,337	4,989	4,547
Staff costs	1,314	1,699	1,584	1,426	1,159
Other operating expenses	793	1,098	1,040	943	844
Total operating expenses	2,107	2,797	2,624	2,369	2,003
Result before losses	2,532	3,380	2,713	2,621	2,544
Loss on loans, guarantees etc.	709	299	263	341	516
Result before tax	1,823	3,081	2,450	2,279	2,029
Tax charge	296	518	509	450	352
Results investments held for sale, after tax	0	0	149	-1	4
Net profit	1,528	2,563	2,090	1,828	1,681
Attributable to additional Tier 1 Capital holders	49	49	37	33	34
Majority share	1,391	2,458	2,018	1,763	1,606
Minority interest	88	56	34	32	41

Balance sheet

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019	2019	2019	2018	2018
Cash and receivables from central banks	3,227	4,115	5,848	761	1,279	1,278	647	883	1,129
Deposits with and loans to credit institutions	2,517	5,252	2,239	2,110	4,432	8,612	8,387	5,074	6,828
Net loans to and receivables from customers	132,183	129,360	126,128	125,279	123,037	121,025	119,285	119,728	117,153
Fixed-income CDs and bonds at fair value	26,375	28,955	27,395	23,115	21,125	19,870	20,806	20,348	19,721
Derivatives	10,309	10,069	11,757	2,972	4,052	3,767	3,181	4,119	2,686
Shares, units and other equity interests	1,890	1,673	1,437	2,953	2,386	2,202	2,015	1,873	2,662
Investment in related companies	7,017	6,810	6,652	6,468	6,487	6,406	6,386	6,098	5,865
Investments held for sale	42	42	40	40	41	41	42	43	44
Intangible assets	881	873	876	872	876	878	846	851	849
Other assets	2,459	3,335	2,810	2,092	2,760	3,210	3,047	1,687	2,401
Assets	186,900	190,484	185,182	166,662	166,475	167,289	164,641	160,704	159,337
Deposits from credit institutions	11,586	13,845	13,150	8,853	8,942	11,793	11,601	9,214	10,106
Deposits from and debt to customers	95,391	94,289	88,152	85,917	83,641	86,553	81,111	80,615	77,529
Debt created by issue of securities	46,144	46,129	49,303	43,014	44,889	39,578	43,172	44,269	44,113
Derivatives	8,415	8,644	8,004	3,528	3,505	3,479	3,178	2,982	3,005
Other liabilities	2,738	5,459	4,900	2,841	3,339	4,172	4,632	2,670	3,264
Investments held for sale	1	1	1	0	0	0	0	1	0
Subordinated loan capital	1,796	1,797	2,071	2,090	2,254	2,263	2,273	2,268	2,668
Total liabilities	166,070	170,164	165,582	146,243	146,571	147,839	145,968	142,018	140,687
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	-8	-9	-12	-11	-7	-3	-9	-4	-5
Premium fund	895	895	895	895	895	895	895	895	895
Dividend equalisation fund	6,314	6,320	6,311	6,123	5,581	5,591	5,580	5,594	5,075
Recommended dividends	0	0	0	840	0	0	0	661	0
Provision for gifts	0	0	0	474	0	0	0	373	0
Ownerless capital	5,541	5,541	5,541	5,432	5,126	5,126	5,126	5,126	4,831
Unrealised gains reserve	189	189	189	189	155	155	155	155	126
Other equity capital	1,729	1,757	1,760	1,827	1,544	1,566	1,595	1,608	1,509
Hybrid capital	1,244	1,254	1,268	1,293	1,004	1,013	1,023	1,043	1,310
Result of the period	1,528	1,008	290	0	2,217	1,729	1,046	0	1,689
Minority interests	800	768	760	761	792	781	665	637	623
Total equity capital	20,829	20,320	19,600	20,420	19,904	19,450	18,673	18,686	18,650
Total liabilities and equity	186,900	190,484	185,182	166,662	166,475	167,289	164,641	160,704	159,337

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Cash and receivables from central banks	3,227	761	883	3,313	315
Deposits with and loans to credit institutions	2,517	2,110	5,074	4,214	3,892
Net loans to and receivables from customers	132,183	125,279	119,728	110,959	101,354
Fixed-income CDs and bonds at fair value	26,375	23,115	20,348	19,736	17,557
Derivatives	10,309	2,972	4,119	4,351	4,752
Shares, units and other equity interests	1,890	2,953	1,873	1,825	1,542
Investment in related companies	7,017	6,468	6,098	5,760	5,638
Investments held for sale	42	40	43	649	15
Intangible assets	881	872	851	793	639
Other assets	2,459	2,092	1,687	1,654	2,376
Assets	186,900	166,662	160,704	153,254	138,080
Deposits from credit institutions	11,586	8,853	9,214	9,607	10,509
Deposits from and debt to customers	95,391	85,917	80,615	76,476	67,168
Debt created by issue of securities	46,144	43,014	44,269	42,194	36,317
Derivatives	8,415	3,528	2,982	3,343	4,074
Other liabilities	2,738	2,841	2,670	1,923	1,531
Investments held for sale	1	0	1	1	0
Subordinated loan capital	1,796	2,090	2,268	2,201	2,228
Total liabilities	166,070	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	-8	-11	-4	-8	-4
Premium fund	895	895	895	895	895
Dividend equalisation fund	6,314	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	1,729	1,827	1,608	1,547	1,656
Hybrid capital	1,244	1,293	1,043	993	950
Result of the period	1,528	0	0	0	0
Minority interests	800	761	637	565	425
Total equity capital	20,829	20,420	18,686	17,510	16,253
Total liabilities and equity	186,900	166,662	160,704	153,254	138,080

Key figures

Quarterly figures	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Return on equity	10.5 %	15.1 %	5.7 %	7.1 %	10.2 %	14.9 %	23.3 %	9.0 %	11.1 %
Cost/income ratio group	45%	41%	52%	56%	50%	44%	37%	55%	48%
Cost/income ratio group, ex. financial inv.	51%	55%	56%	56%	55%	55%	59%	59%	56%
12-month cost growth	1.8 %	0.8 %	1.8 %	2.3 %	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %
Gross loans to customers ¹	179,423	175,100	170,771	167,777	165,380	163,627	161,091	160,317	157,825
Growth in loans last 12 months ¹	8.5 %	7.0 %	6.0 %	6.3 %	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %
Growth in loans this period ¹	2.5 %	2.5 %	1.8 %	1.4 %	1.1 %	1.6 %	0.5 %	1.6 %	2.0 %
Deposits from customers	95,391	94,289	88,152	85,917	83,641	86,553	81,111	80,615	77,529
Growth in deposits last 12 months	14.0 %	8.9 %	8.7 %	10.8 %	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %
Growth in deposits this period	1.2 %	7.0 %	2.6 %	2.7 %	-3.4 %	6.7 %	0.6 %	4.0 %	-3.5 %
Deposit-to-loan ratio ¹	53%	54%	52%	51%	51%	53%	50%	50%	49%
Total assets	186,900	190,484	185,182	166,662	166,475	167,289	164,641	160,704	159,337
Average total assets (quarterly)	188,692	187,833	175,922	166,569	166,882	165,965	162,673	160,021	159,460
FTEs, group	1,528	1,515	1,553	1,509	1,639	1,556	1,524	1,493	1,467
FTEs, parent bank	640	631	630	619	614	580	570	575	589
FTEs, subsidiaries	888	884	923	890	1,024	976	953	918	878
Number of branches	46	46	46	46	46	48	48	48	48
Lending margin	2.09	2.24	1.85	1.64	1.71	1.73	1.84	1.88	1.89
Deposit margin	-0.21	-0.37	0.27	0.43	0.36	0.29	0.24	0.19	0.12
Net other operating income of total income	41%	35%	41%	45%	41%	38%	29%	42%	38%
Common Equity Tier 1 capital ratio	17.6 %	17.2 %	16.3 %	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %
Tier 1 capital ratio	19.2 %	18.9 %	18.0 %	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %
Capital ratio	21.4 %	21.1 %	20.1 %	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %
Tier 1 capital	18,290	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542
Total eligible capital	20,373	20,266	19,879	19,854	19,765	19,634	19,115	18,743	18,969
Liquidity Coverage Ratio (LCR) (%)	140%	163%	185%	148%	181%	165%	180%	183%	150%
Leverage ratio	7.1 %	6.9 %	6.9 %	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %
Impairment losses ratio	0.52%	0.39%	0.73%	0.25%	0.17%	0.14%	0.17%	0.17%	0.18%
Non-performing commitm. as % of gross loans	0.27%	0.39%	0.38%	0.26%	0.26%	0.22%	0.18%	0.19%	0.18%
Other doubtful commitm. as % of gross loans	1.03%	0.97%	1.23%	1.00%	1.03%	1.00%	0.99%	0.86%	0.86%
ECC price	84.30	78.30	67.60	100.20	98.50	97.70	87.40	84.20	90.90
Number of certificates issued, millions	129.44	129.39	129.22	129.30	129.48	129.66	129.41	129.62	129.44
Booked equity capital per ECC (incl. dividend)	92.73	90.37	86.85	90.75	89.36	87.04	83.86	83.87	82.57
Adjusted profit per ECC	2.35	3.27	1.26	1.60	2.30	3.21	5.02	1.90	2.32
P/E per ECC	8.96	5.98	13.46	15.67	10.69	7.61	4.35	11.05	9.77
P/B equity capital	0.91	0.87	0.78	1.10	1.10	1.12	1.04	1.00	1.10

¹ Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

Five years	YTD 20	2019	2018	2017	2016
Return on equity	10.4 %	13.7 %	12.2 %	11.5 %	11.3 %

Cost/income ratio group	45%	45%	49%	47%	44%
Cost/income ratio group, ex. financial inv.	54%	56%	57%	56%	56%
12-month cost growth	1.4 %	6.6 %	10.8 %	18.3 %	3.7 %
Gross loans to customers ¹	179,423	167,777	160,317	148,784	137,535
Growth in loans last 12 months ¹	8.5 %	4.7 %	7.8 %	8.2 %	8.0 %
Growth in loans this period ¹	6.9 %	4.7 %	7.8 %	8.2 %	8.0 %
Deposits from customers	95,391	85,917	80,615	76,476	67,168
Growth in deposits last 12 months	14.0 %	6.6 %	5.4 %	13.9 %	4.8 %
Growth in deposits this period	11.0 %	6.6 %	5.4 %	13.9 %	4.8 %
Deposit-to-loan ratio ¹	53%	51%	50%	51%	49%
Total assets	186,900	166,662	160,704	153,254	138,080
Average total assets (quarterly)	182,307	165,154	156,992	145,948	137,060
FTEs, group	1,528	1,509	1,493	1,403	1,254
FTEs, parent bank	640	619	575	595	630
FTEs, subsidiaries	888	890	918	808	624
Number of branches	46	46	48	48	49
Lending margin	2.06	1.73	1.92	2.13	1.97
Deposit margin	-0.09	0.33	0.12	0.00	0.09
Net other operating income of total income	39%	37%	41%	40%	37%
Common Equity Tier 1 ratio	17.6 %	17.2 %	14.6 %	14.6 %	14.8 %
Core capital ratio	19.2 %	19.3 %	16.3 %	16.6 %	16.8 %
Capital adequacy ratio	21.4 %	21.6 %	18.5 %	18.6 %	19.2 %
Tier 1 capital	18,290	17,742	16,472	15,707	15,073
Total eligible capital	20,373	19,854	18,743	17,629	17,189
Liquidity Coverage Ratio (LCR) (%)	140%	148%	183%	164%	129%
Leverage ratio	7.1 %	7.5 %	7.4 %	7.2 %	7.4 %
Impairment losses ratio	0.55%	0.18%	0.17%	0.24%	0.39%
Non-performing commitm. as % of gross loans	0.27%	0.26%	0.19%	0.19%	0.16%
Other doubtful commitm. as % of gross loans	1.03%	1.00%	0.86%	0.80%	1.07%
ECC price	84.30	100.20	84.20	82.25	64.75
Number of certificates issued, millions	129.44	129.30	129.62	129.38	129.64
Booked equity capital per ECC (incl. dividend)	92.73	90.75	83.87	78.81	73.35
Adjusted profit per ECC	6.88	12.14	9.97	8.71	7.93
P/E per ECC	9.19	8.26	8.44	9.44	8.17
P/B equity capital	0.91	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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Interest income	971	1,031	1,250	1,235	1,190	1,127	1,075	1,082	1,025
Interest expenses	276	365	540	538	512	463	426	438	414
Net interest income	695	666	710	697	678	664	649	644	610
As a percentage of total income	45%	39%	51%	54%	50%	41%	34%	50%	48%

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

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Interest income	3,252	4,626	4,057	3,825	3,597
Interest expenses	1,181	1,939	1,655	1,600	1,668
Net interest income	2,071	2,687	2,403	2,225	1,929
As a percentage of total income	45%	43%	45%	45%	42%

Change in interest income from lending and deposits

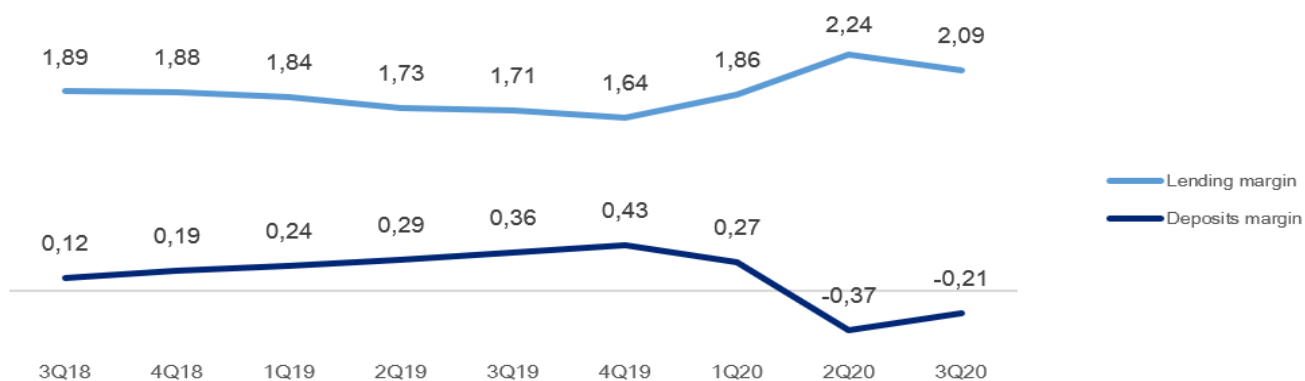
Last 12 months [NOK million]	Volume	Margin	Total
Lending	98	253	352
Deposits	18	-268	-249
Total	117	-14	102

Change in net interest income

Last 12 months [NOK million]	3Q20	Change	3Q19
Net interest income	2,071	80	1,991
Lending volume		98	
Lending margin		253	
Fees on lending		-3	
Deposit volume		18	
Deposit margin		-268	
Subsidiaries		20	
Equity capital		-68	
Funding and liquidity buffer		29	

Margin development

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



Volume development

Quarterly figures

	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Lending volume	179.4	175.1	170.8	167.8	165.4	163.6	161.1	160.3	157.8
Deposits volume	95.4	94.3	88.2	85.9	83.6	86.6	81.1	80.6	77.5
Growth in loans last 12 months	8.5 %	7.0 %	6.0 %	6.3 %	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %
Growth in deposits last 12 months	14.0 %	8.9 %	8.7 %	10.8 %	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %



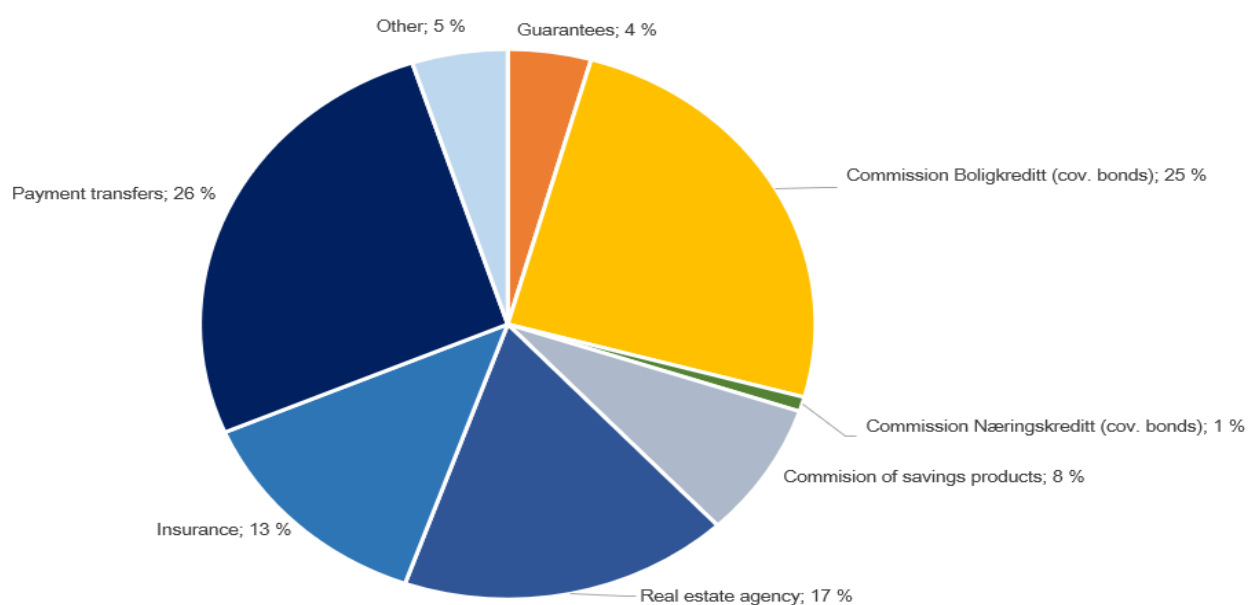
1.5 Other income

Commision and other income

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Guarantees	16	16	16	15	15	15	15	16	19
Commission Boligkreditt (cov. bonds)	128	57	88	90	90	86	83	87	77
Commission Næringskreditt (cov. bonds)	4	2	4	4	4	4	4	5	4
Commision of savings products	30	31	25	35	28	28	29	30	28
Real estate agency	72	66	52	57	65	74	56	48	58
Insurance	49	48	47	47	47	45	44	44	43
Payment transfers	97	90	102	106	110	93	85	95	94
Other	18	21	16	16	16	18	14	19	21
Total commisions income	414	331	349	371	374	363	329	343	344
Operating- and sales income real estate	40	39	31	36	34	40	29	24	31
Accounting services	105	141	148	102	92	147	131	93	78
Other operating income	132	143	91	118	109	106	103	125	77
Total other operating income	277	323	271	255	235	294	262	242	186
Commision expenses	52	47	50	47	55	51	40	42	45
Total commision and other income	638	607	570	579	554	606	551	543	486
As a percentage of total income	41%	35%	41%	45%	41%	38%	29%	42%	38%

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Guarantees	48	59	72	80	76
Commission Boligkreditt (cov. bonds)	272	349	350	353	271
Commission Næringskreditt (cov. bonds)	9	16	16	17	12
Commision of savings products	87	117	113	115	74
Real estate agency	190	252	225	223	247
Insurance	144	183	174	172	159
Payment transfers	289	393	360	362	355
Other	55	67	78	67	57
Total commisions income	1,094	1,437	1,387	1,390	1,251
Operating- and sales income real estate	110	138	124	118	121
Accounting services	395	473	411	342	202
Other operating income	366	435	423	323	234
Total other operating income	870	1,046	958	783	556
Commision expenses	149	193	168	168	133
Total commision and other income	1,815	2,290	2,177	2,005	1,674
As a percentage of total income	39%	37%	41%	40%	37%

Distribution of commission income



Change in commission and other income

Last 12 months [NOK million]	3Q20	Change	3Q19
Commission and other income	1,815	104	1,711
Real estate agency		-5	
Other operating income		48	
Operating- and sales income real estate		7	
Accounting services		24	
Insurance		8	
Commission of savings products		5	
Commission expenses		-3	
Other		4	
Payments transfers		2	
Guarantees		4	
Commission Boligkreditt (cov. bonds)		13	
Commission Næringskreditt (cov. bonds)		-3	

Net return on financial investments

including investments held for sale

Quarterly figures [NOK million]

	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Dividends	2	2	8	1	1	11	2	2	0
SpareBank 1 Gruppen	114	109	-115	-12	40	186	38	99	72
Capital gain Fremtind Forsikring	0	0	340	0	0	0	460		
SpareBank 1 Boligkreditt	11	41	-31	0	4	8	14	-9	7
SpareBank 1 Næringskreditt	5	7	2	6	5	2	8	4	2
BN Bank	34	27	23	28	33	27	24	24	20
SpareBank 1 Kreditt	0	2	0	0	5	5	3	6	5
SpareBank 1 Betaling	-1	1	-2	-5	-3	-2	12	-3	-3
Other companies	8	-9	0	-10	1	5	-4	-1	-4
Income from inv. in associates and joint ventures	170	177	217	8	85	231	555	120	100
Capital gains shares	4	36	-42	11	1	23	84	-48	26
Gain on certificates and bonds	-8	124	50	-42	-26	15	32	5	-45
Gain on derivatives	19	51	-148	40	29	40	23	-5	50
Gain on financial instruments related to hedging	4	2	-6	-8	4	-1	-4	1	1
Gain on other financial instruments at fair value (FVO)	-2	45	-57	-2	4	-4	10	-13	11
Foreign exchange gain	11	4	65	-10	10	14	9	16	21
Gain on shares and derivatives in SB1 Markets	5	7	14	17	13	8	15	7	14
Net return on financial investments¹	32	269	-124	7	35	95	169	-37	77
Total net return on financial investments	204	448	101	16	121	336	727	85	177
As percentage of total income	13%	26%	7%	1%	9%	21%	38%	7%	14%

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Dividends	12	15	8	6	88
SpareBank 1 Gruppen	107	252	289	349	317
Capital gain Fremtind Forsikring	340	460	0	0	0
SpareBank 1 Boligkreditt	22	26	-7	-41	-17
SpareBank 1 Næringskreditt	14	21	15	19	29
BN Bank	84	113	97	98	86
SpareBank 1 Kreditt	2	13	23	15	24
SpareBank 1 Betaling	-3	3	-12	-14	-27
Other companies	-1	-8	12	12	15
Income from inv. in associates and joint ventures	564	879	416	437	427
Capital gains shares	-2	120	96	62	76
Gain on certificates and bonds	166	-20	-77	58	-2
Gain on derivatives	-78	132	187	148	280
Gain on financial instruments related to hedging	0	-9	-4	-46	-21
Gain on other financial instruments at fair value (FVO)	-14	9	10	7	26
Foreign exchange gain	79	22	63	45	51
Gain on shares and derivatives in SB1 Markets	26	54	58	43	25
Net return on financial investments	177	307	334	317	434
Total net return on financial investments	754	1,201	757	760	949
As percentage of total income	16%	19%	14%	15%	21%

Change in net return on financial investments

Last 12 months [NOK million]	3Q20	Change	3Q19
Net return on financial investments	754	-431	1,185
Dividends		-2	
Income from investment in related companies		-307	
Capital gains shares		-110	
Gain on derivatives		-170	
Gain on other financial instruments at fair value (FVO)		-24	
Foreign exchange gain		47	
Gain on certificates and bonds		144	
Gain on shares and derivatives in SB1 Markets		-11	
Gain on financial instruments related to hedging		2	

1.6. Operating expenses

Operating expenses

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Salaries	336	372	340	312	320	354	348	311	289
Pension costs (defined benefit plan)	29	26	26	28	26	24	27	12	24
Employer's insurance contributions	5	4	4	3	3	5	3	-4	4
Other personnel expenses	52	47	74	68	54	55	69	72	58
Total personnel expenses	422	449	443	411	404	438	447	391	376
IT costs	83	87	86	70	83	87	81	78	69
Postage and transportation services	5	6	5	5	8	6	5	5	4
Marketing	18	17	24	22	27	25	26	30	26
Depr./write-downs of fixed & intangible assets	40	40	42	42	41	44	46	32	23
Operating exp. on properties and premises	16	15	9	17	13	14	13	41	35
Other external services	57	55	53	66	50	41	36	50	36
Other operating expenses	44	38	53	88	47	46	50	74	47
Other expenses	263	258	273	309	269	263	257	311	240
Total operating expenses	685	706	716	720	673	701	704	701	616
Cost/income ratio	45%	41%	52%	56%	50%	44%	37%	55%	48%
Cost/income ratio ex financial investments	51%	55%	56%	56%	55%	55%	59%	59%	56%
12-month cost growth ¹	1.8 %	0.8 %	1.8 %	2.3 %	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %

¹ SpareBank 1 Regnskapshuset SMN's acquisition of a large accounting firm 1 January 2017 affects the 12 month cost growth in 2017. The 12 month cost growth in 2016 is affected by the consolidation of SpareBank 1 Markets as a subsidiary.

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Salaries	1,048	1,334	1,228	1,107	991
Pension costs (defined benefit plan)	81	105	96	85	-20
Employer's insurance contributions	12	15	10	12	13
Other personnel expenses	172	245	249	223	175
Total personnel expenses	1,314	1,699	1,584	1,426	1,159
IT costs	256	321	293	266	252
Postage and transportation services	16	23	17	22	22
Marketing	59	101	106	104	98
Depr./write-downs of fixed & intangible assets	122	172	99	102	98
Operating exp. on properties and premises	40	57	153	118	109
Other external services	165	193	151	139	108
Other operating expenses	135	231	221	192	156
Other expenses	793	1,098	1,040	943	844
Total operating expenses	2,107	2,797	2,624	2,369	2,003
Cost/income ratio	45.4 %	45.3 %	49.2 %	47.5 %	44.0 %
Cost/income ratio ex financial investments	54.2 %	56.2 %	57.3 %	56.0 %	55.6 %
12-month cost growth	1.4 %	6.6 %	10.8 %	18.3 %	3.7 %

Change in operating expenses

Last 12 months [NOK million]	3Q20	Change	3Q19
Operating expenses	2,107	30	2,077
Total personnel expenses		26	
EDP and telecommunication expenses		5	
Postage and transportation services		-2	
Marketing		-20	
Depr./write-downs of fixed & intangible assets		-9	
Operating exp. on properties and premises		0	
Other external services		38	
Other operating expenses		-8	

Employees- full time equivalents

FTE's	3Q20	2019	2018	2017	2016
Parent bank	640	619	575	595	630
EiendomsMegler 1 Midt-Norge AS	225	230	309	251	227
SpareBank 1 Markets ¹	163	164	149	132	105
SpareBank 1 Regnskapshuset SMN AS	436	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	1,528	1,509	1,493	1,403	1,254

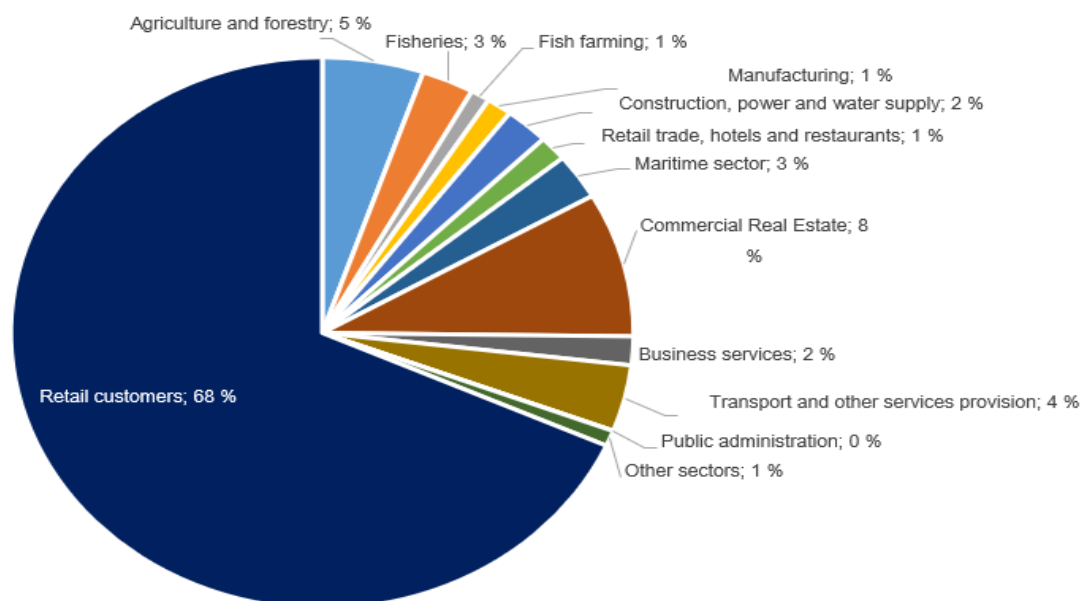
¹ SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015. SpareBank 1 SMN's capital market activities, including 32 FTEs, were transferred to SpareBank 1 Markets as part of the transaction.

1.7 Loans to customers

Distribution of loans by industry

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019	2019	2019	2018	2018
Agriculture and forestry	9,442	9,220	9,014	8,957	8,640	8,471	8,244	8,284	8,105
Fisheries	4,872	5,104	4,839	4,601	4,490	4,431	4,414	4,402	4,241
Fish farming	1,790	1,258	1,053	1,132	1,348	1,160	1,176	1,180	1,317
Manufacturing	2,369	2,390	2,255	2,595	3,097	3,118	3,507	3,787	3,158
Construction, power and water supply	4,087	3,795	3,837	3,970	3,719	3,678	3,703	3,661	3,536
Retail trade, hotels and restaurants	2,649	2,578	2,607	2,517	2,555	2,826	3,014	2,621	2,410
Maritime sector	4,787	5,006	5,177	4,660	4,678	4,667	4,609	4,227	4,372
Commercial Real Estate	15,215	14,753	14,689	14,878	14,530	14,726	14,915	15,168	14,737
Business services	3,014	2,840	2,158	2,146	2,053	2,088	2,060	2,162	2,463
Transport and other services provision	6,994	6,636	6,379	5,409	5,459	5,285	4,977	4,961	4,876
Public administration	29	26	17	12	14	15	15	55	23
Other sectors	1,645	1,632	1,742	1,863	2,026	2,036	1,720	1,679	1,955
Gross loans in corporate market	56,893	55,238	53,767	52,740	52,609	52,499	52,354	52,186	51,195
Retail customers	122,529	119,861	117,004	115,036	112,772	111,128	108,738	108,131	106,631
Gross loans incl. Boligkreditt and Næringskreditt	179,423	175,100	170,771	167,777	165,380	163,627	161,091	160,317	157,825
of which Boligkreditt	44,160	43,073	41,972	39,833	39,713	40,064	39,220	38,062	37,669
of which Næringskreditt	1,622	1,400	1,526	1,667	1,701	1,668	1,771	1,782	2,112
Gross loans in balance sheet	133,640	130,627	127,272	126,277	123,967	121,895	120,100	120,473	118,044
Share of volume, corporate market	32%	32%	31%	31%	32%	32%	32%	33%	32%
Share of volume, retail market	68%	68%	69%	69%	68%	68%	68%	67%	68%

Distribution of loans by industry



Credit risk classification in SpareBank 1 SMN

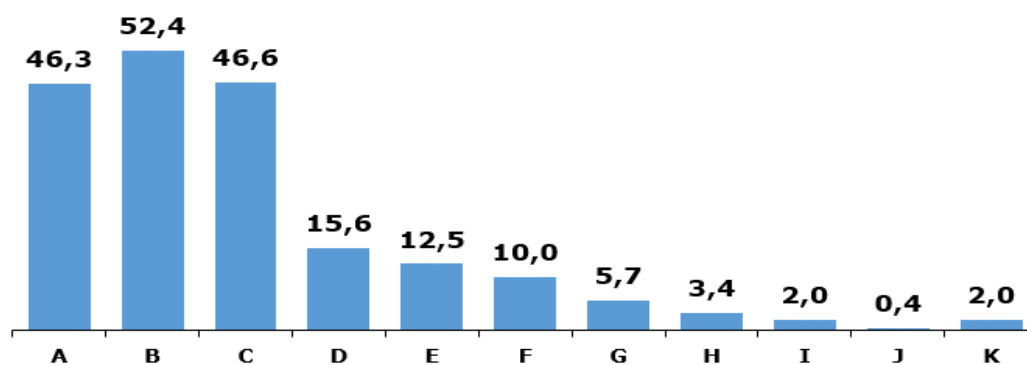
Risk class	Probability of default (%)		Corresponding rating class
	Low	High	
A	0.01	0.10	AAA - A3
B	0.10	0.25	Baa1 - Baa2
C	0.25	0.50	Baa3
D	0.50	0.75	Ba1
E	0.75	1.25	Ba2
F	1.25	2.50	
G	2.50	5.00	Ba2 - B1
H	5.00	10.00	B1 - B2
I	10.00	99.99	B3 - caa3
J	Default		
K	Written down		

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	EAD	
	NOK billion	%
30 September 2020		
A	46.3	23.5 %
B	52.4	26.6 %
C	46.6	23.7 %
D	15.6	7.9 %
E	12.5	6.4 %
F	10.0	5.1 %
G	5.7	2.9 %
H	3.4	1.7 %
I	2.0	1.0 %
J	0.4	0.2 %
K	2.0	1.0 %

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.



Loans and guarantees by industry

As of		Very low	Low	Medium	High	Very high	Default and
30 September 2020	Total	risk	risk	risk	risk	risk	written down
Personal customers	120,875	104,082	11,362	3,165	918	987	361
Public administration	462	462	0	0	0	0	0
Agriculture and forestry	15,339	8,422	4,401	1,800	327	364	25
Fish farming industries	3,020	1,146	1,097	113	653	1	8
Manufacturing	3,337	859	694	1,392	286	80	26
Construction, power and water supply	5,087	1,279	991	2,251	313	193	59
Retail trade, hotels and restaurants	3,814	986	1,243	1,281	243	42	19
Maritime sector	1,420	275	769	128	0	6	242
Property management	16,186	11,079	2,497	1,874	376	238	122
Business services	5,205	992	1,568	2,257	169	40	178
Transport and other services	11,930	5,686	3,462	1,322	87	51	1,320
Finance	0	0	0	0	0	0	0
Other sectors	10,159	10,026	0	80	3	0	50
3Q20	196,833	145,295	28,085	15,664	3,376	2,003	2,410

Five years [NOK million]		Very low	Low	Medium	High	Very high	Default and
	Total	risk	risk	risk	risk	risk	written down
YTD 20	196,833	145,295	28,085	15,664	3,376	2,003	2,410
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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Change in provision for expected credit losses for the period	222	152	188	81	60	44	61	22	58
Actual loan losses on commitments exceeding provisions made	-7	22	143	23	14	16	8	46	15
Recoveries on commitments previously written-off	16	-5	-22	-2	-2	-2	-2	-1	-4
Write-downs on loans and guarantees¹	231	169	309	103	71	59	67	67	69
As % of gross loans incl. Boligkreditt	0.52%	0.39%	0.73%	0.25%	0.17%	0.14%	0.17%	0.17%	0.18%

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Change in provision for expected credit losses for the period	562	246	150		
Actual loan losses on commitments exceeding provisions made	158	62	127		
Recoveries on commitments previously written-off	-11	-8	-15		
Write-downs on loans and guarantees¹	709	299	263		
As % of gross loans incl. Boligkreditt	0.55%	0.18%	0.17%		

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

Loss on loans by segment

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Retail Market	16	-2	44	9	12	5	6	-1	9
Corporate Market	204	153	258	73	47	39	53	59	51
SMN Finans and other	12	19	6	19	13	15	8	10	10
Total loss on loans	231	170	308	103	71	59	67	67	69

Five years [NOK million]	YTD 20	2019	2018	2017	2016
Retail Market	58	32	17	5	13
Corporate Market	614	213	212	318	490
SMN Finans and other	37	54	34	18	14
Total loss on loans	709	299	263	341	516

Write-down ratio

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Non-performing commitments (gross)	484	678	649	429	424	356	288	310	284
Impaired commitments (gross)	1,848	1,692	2,097	1,680	1,700	1,641	1,591	1,372	1,365
Gross non-performing and impaired commitments	2,332	2,370	2,747	2,109	2,123	1,998	1,880	1,682	1,649

1.8 Capital Markets funding

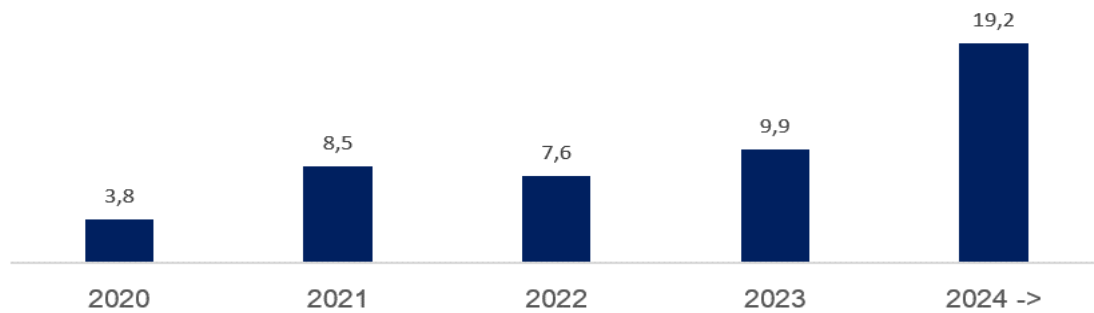
Parent bank

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019
NOK bonds	14,083	14,350	14,459	13,315	14,772
Curr bonds	32,060	31,778	34,844	29,699	30,117
Hybrid equity	1,203	1,250	1,250	1,250	1,000
Subordinated loan capital	1,752	1,752	2,026	2,047	2,207
Total capital markets funding	49,098	49,131	52,579	46,311	48,097

Funding maturity dates

[NOK billion]	2020	2021	2022	2023	2024 ->
Funding maturity	3.8	8.5	7.6	9.9	19.2

Next eight quarters [NOK billion]	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Funding maturity	3.8	1.1	4.8	0.7	1.9	6.1	0.0	1.1



1.9 Capital adequacy

Capital adequacy ratios

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019	2019	2019	2018	2018
Common equity Tier 1 capital	16,711	16,547	16,155	15,830	15,758	15,625	15,122	14,727	14,697
Tier 1 capital	18,290	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542
Total eligible capital	20,373	20,266	19,879	19,854	19,765	19,634	19,115	18,743	18,969
Risk-weighted assets (RWA)	95,156	96,181	98,832	91,956	104,464	104,240	102,495	101,168	98,915
Common equity Tier 1 ratio	17.6 %	17.2 %	16.3 %	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %
Tier 1 capital ratio	19.2 %	18.9 %	18.0 %	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %
Capital ratio	21.4 %	21.1 %	20.1 %	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Common equity Tier 1 capital	16,711	15,830	14,727	13,820	13,233
Tier 1 capital	18,290	17,742	16,472	15,707	15,073
Total eligible capital	20,373	19,854	18,743	17,629	17,189
Risk-weighted assets (RWA)	95,156	91,956	101,168	94,807	88,786
Common equity Tier 1 ratio	17.6 %	17.2 %	14.6 %	14.6 %	14.8 %
Tier 1 capital ratio	19.2 %	19.3 %	16.3 %	16.6 %	16.8 %
Capital ratio	21.4 %	21.6 %	18.5 %	18.6 %	19.2 %

Leverage ratio

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019	2019	2019	2018	2018
Calculation basis for leverage ratio	259,156	262,834	256,248	236,441	234,678	230,667	227,862	223,853	221,628
Tier 1 capital	18,290	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542
Leverage ratio	7.1 %	6.9 %	6.9 %	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Calculation basis for leverage ratio	259,156	236,441	223,853	218,479	203,005
Tier 1 capital	18,290	17,742	16,472	15,707	15,073
Leverage ratio	7.1 %	7.5 %	7.4 %	7.2 %	7.4 %

Spesification of capital requirements

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019	2019	2019	2018	2018
Capital adequacy									
Total book equity	20,829	20,320	19,600	20,420	19,904	19,450	18,673	18,686	18,650
Additional Tier 1 capital instruments included in total equity	-1,244	-1,254	-1,268	-1,293	-1,004	-1,013	-1,023	-1,043	-1,310
Deferred taxes, goodwill and other intangible assets	-1,047	-1,042	-1,059	-1,099	-1,106	-1,105	-1,073	-1,079	-1,059
Deduction for allocated dividends and gifts	0	0	0	-1,314	0	0	0	-1,034	0
Non-controlling interests recognised in other equity capital	-800	-768	-760	-761	-792	-781	-665	-637	-623
Non-controlling interests eligible for incl. in CET1 capital	414	401	398	438	450	447	392	366	371
Net profit	-1,528	-1,008	-290	0	-2,217	-1,729	-1,046	0	-1,689
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	739	618	266	0	1,128	879	537	0	864
Value adjustments due to requirements for prudent valuation	-59	-62	-62	-45	-44	-44	-43	-44	-47
Positive value of adj. expected loss under IRB Approach	-98	-248	-329	-351	-383	-309	-303	-286	-316
Cash flow hedge reserve	13	14	13	3	5	5	5	5	2
Deduction for common equity Tier 1 capital in significant investments in financial institutions	-510	-424	-353	-168	-183	-175	-333	-206	-147
Common equity Tier 1 capital	16,711	16,547	16,155	15,830	15,758	15,625	15,122	14,727	14,697
Additional Tier 1 capital instruments	1,579	1,635	1,637	1,637	1,384	1,384	1,377	1,378	1,478
Additional Tier 1 capital instruments covered by transitional provisions	0	0	0	275	275	275	275	367	367
Tier 1 capital	18,290	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542
Subordinated capital	2,240	2,240	2,240	2,240	2,310	2,310	2,298	2,316	2,118
Subordinated capital covered by transitional provisions	0	0	0	12	179	182	184	96	449
Deduction for significant investments in financial institutions	-157	-157	-153	-140	-141	-141	-142	-140	-140
Additional Tier 2 capital instruments	2,083	2,083	2,087	2,113	2,348	2,351	2,340	2,272	2,427
Total eligible capital	20,373	20,266	19,879	19,854	19,765	19,634	19,115	18,743	18,969

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2020	2020	2020	2019	2019	2019	2019	2018	2018
Minimum requirements subordinated capital									
Specialised enterprises	1,236	1,166	1,153	1,101	1,128	1,094	1,106	1,116	1,107
Corporate	991	1,052	1,279	1,149	1,194	1,163	1,161	1,163	1,181
Mass market exposure, mortgages	2,282	2,290	2,310	2,299	2,169	2,166	2,126	2,098	2,070
Other mass market	111	115	100	101	106	102	97	92	94
Equity investments, IRB	1	1	1	1	1	1	1	1	1
Total credit risk IRB	4,621	4,624	4,842	4,651	4,597	4,525	4,491	4,470	4,453
Central government	2	5	4	3	2	3	3	4	3
Covered bonds	162	159	152	132	149	136	135	124	145
Institutions	402	504	466	282	301	300	269	246	217
Local and regional authorities, state-owned enterprises	21	17	15	5	5	8	10	8	10
Corporate	253	251	227	239	237	237	251	221	241
Mass market	470	465	474	463	532	525	536	520	510
Exposures secured on real property	154	157	174	167	200	207	211	215	181
Equity positions	400	394	383	377	371	369	365	366	358
Other assets	161	150	150	151	157	167	169	107	109
Total credit risk standardised approach	2,025	2,102	2,045	1,818	1,955	1,952	1,949	1,810	1,774
Debt risk	43	44	48	34	27	35	45	31	33
Equity risk	9	10	7	15	6	14	12	7	24
Currency risk	3	1	3	3	3	3	3	3	3
Operational risk	720	720	720	720	656	656	654	575	575
Credit value adjustment risk (CVA)	192	193	240	115	130	122	118	122	80
Transitional arrangements	0	0	0	0	983	1,032	929	1,074	971
Minimum requirements subordinated capital	7,612	7,694	7,907	7,357	8,357	8,339	8,200	8,093	7,913
Risk-weighted assets (RWA)	95,156	96,181	98,832	91,956	104,464	104,240	102,495	101,168	98,915
Minimum requirement on CET1 capital, 4.5 per cent	4,282	4,328	4,447	4,138	4,701	4,691	4,612	4,553	4,451
Capital conservation buffer, 2.5 per cent	2,379	2,405	2,471	2,299	2,612	2,606	2,562	2,529	2,473
Systemic risk buffer, 3.0 per cent	2,855	2,885	2,965	2,759	3,134	3,127	3,075	3,035	2,967
Countercyclical buffer, 2.0 per cent (1.5 per cent)	952	962	988	2,299	2,089	2,085	2,050	2,023	1,978
Available CET1 capital after buffer requirements	6,243	5,968	5,284	4,335	3,222	3,116	2,823	2,587	2,827
Common equity Tier 1 capital ratio	17.6 %	17.2 %	16.3 %	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %
Tier 1 capital ratio	19.2 %	18.9 %	18.0 %	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %
Total eligible capital	21.4 %	21.1 %	20.1 %	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %
Leverage ratio									
Balance sheet items	252,366	255,493	249,366	230,048	228,285	223,781	221,200	216,240	213,761
Off-balance sheet items	8,333	8,944	8,702	7,897	7,939	8,343	8,262	9,086	9,595
Regulatory adjustments	-1,543	-1,603	-1,820	-1,503	-1,546	-1,458	-1,600	-1,474	-1,729
Calculation basis for leverage ratio	259,156	262,834	256,248	236,441	234,678	230,667	227,862	223,853	221,628
Tier 1 capital	18,290	18,182	17,792	17,742	17,417	17,284	16,775	16,472	16,542
Leverage ratio	7.1 %	6.9 %	6.9 %	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Capital adequacy					
Total book equity	20,829	20,420	18,686	17,510	16,253
Hybrid capital included in total equity	-1,244	-1,293	-1,043	-993	-950
Deferred taxes, goodwill and other intangible assets	-1,047	-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	-800	-761	-637	-565	-425
Non-controlling interests eligible for inclusion in CET1 capital	414	438	366	324	220
Net profit	-1,528	0	0	0	0
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	739	0	0	0	0
Value adjustments due to requirements for prudent valuation	-59	-45	-44	-41	-48
Positive value of adjusted expected loss under IRB Approach	-98	-351	-286	-333	-248
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	13	3	5	7	0
Direct, indirect and synthetic investments in financial sector companies	-510	-168	-206	-212	-337
Common equity Tier 1 capital	16,711	15,830	14,727	13,820	13,233
Hybrid capital, core capital	1,579	1,637	1,378	1,427	1,358
Hybrid capital covered by transitional provisions	0	275	367	459	483
Tier 1 capital	18,290	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	20,373	19,854	18,743	17,629	17,189

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Minimum requirements subordinated capital					
Specialised enterprises	1,236	1,101	1,116	1,107	1,206
Corporate	991	1,149	1,163	1,113	1,102
Mass market exposure, mortgages	2,282	2,299	2,098	1,892	1,753
Other mass market	111	101	92	91	88
Equity investments, IRB	1	1	1	1	3
Total credit risk IRB	4,621	4,651	4,470	4,205	4,153
Central government	2	3	4	3	5
Covered bonds	162	132	124	146	130
Institutions	402	282	246	333	340
Local and regional authorities, state-owned enterprises	21	5	8	4	7
Corporate	253	239	221	226	253
Mass market	470	463	520	405	179
Exposures secured on real property	154	167	215	193	342
Equity positions	400	377	366	344	338
Other assets	161	151	107	166	178
Total credit risk standardised approach	2,025	1,818	1,810	1,820	1,772
Debt risk	43	34	31	18	36
Equity risk	9	15	7	22	5
Currency risk	3	3	3	1	1
Operational risk	720	720	575	510	479
Credit value adjustment risk (CVA)	192	115	122	117	84
Transitional arrangements	0	0	1,074	891	574
Minimum requirements subordinated capital	7,612	7,357	8,093	7,585	7,103
Risk-weighted assets (RWA)	95,156	91,956	101,168	94,807	88,786
Minimum capital requirement, transitional rules 4.5 per cent	4,282	4,138	4,553	4,266	3,995
Capital conservation buffer, 2.5 per cent	2,379	2,299	2,529	2,370	2,220
Systemic risk buffer, 3.0 per cent	2,855	2,759	3,035	2,844	2,664
Countercyclical buffer, 2.0 per cent (1.5 per cent)	952	2,299	2,023	1,896	1,332
Available CET1 capital after buffer requirements	6,243	4,335	2,587	2,444	3,022
Common equity Tier 1 ratio	17.6 %	17.2 %	14.6 %	14.6 %	14.8 %
Tier 1 capital ratio	19.2 %	19.3 %	16.3 %	16.6 %	16.8 %
Capital ratio	21.4 %	21.6 %	18.5 %	18.6 %	19.2 %
Leverage ratio					
Balance sheet items	252,366	230,048	216,240	210,764	194,324
Off-balance sheet items	8,333	7,897	9,086	9,295	10,068
Regulatory adjustments	-1,543	-1,503	-1,474	-1,580	-1,388
Calculation basis for leverage ratio	259,156	236,441	223,853	218,479	203,005
Tier 1 capital	18,290	17,742	16,472	15,707	15,073
Leverage ratio	7.1 %	7.5 %	7.4 %	7.2 %	7.4 %

2.1 Extract from income statement¹

Group [in NOK million] as of	30 September 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		823	828	-11	1	271	0	0	0	159	2,071
Allocated		103	68	0	0	0	0	0	0	-172	0
Total interest income		926	896	-11	1	271	0	0	0	-13	2,071
Commission income and other income		612	166	412	300	-16	415	0	0	-75	1,815
Net profit on financial investments		-3	17	109	0	0	0	107	84	439	754
Total income		1,536	1,079	511	300	255	415	107	84	352	4,640
Total operating expenses		704	321	421	251	67	327	0	0	16	2,107
Ordinary operating profit		832	758	90	50	188	88	107	84	336	2,532
Loss on loans, guarantees etc.		58	614	0	0	36	0	0	0	1	709
Result before tax		773	144	90	50	152	88	107	84	335	1,823
Post- tax return on equity ³		12.6 %	3.4 %								10.4 %

Main balance sheet items

Loans and advances to customers	126,939	43,700	0	0	9,531	0	0	0	-748	179,423
adv. of this to Boligkreditt and Næringskreditt	-44,447	-1,436	0	0	0	0	0	0	100	-45,782
Loss on loans	-154	-1,235	0	0	-65	0	0	0	-4	-1,457
Other assets	197	8,457	2,747	355	51	568	2,061	1,477	38,802	54,716
Total assets	82,536	49,487	2,747	355	9,518	568	2,061	1,477	38,151	186,900
Deposits to customers	47,574	46,404	0	0	0	0	0	0	1,413	95,391
Other liabilities and equity	34,962	3,084	2,747	355	9,518	568	2,061	1,477	36,737	91,509
Total liabilities	82,536	49,487	2,747	355	9,518	568	2,061	1,477	38,151	186,900

¹For 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.

²Uncollated 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.

³Calculation 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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Retail	285	237	301	298	301	283	278	288	270
Corporate	268	289	271	267	253	256	247	251	253
Net interest income	553	526	571	566	554	539	526	540	523

Development in margin¹, Retail Market and Corporate Market

Quarterly figures [percentage]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Lending									
Retail	1.87	1.99	1.63	1.40	1.49	1.50	1.60	1.63	1.64
Corporate	2.85	3.10	2.69	2.52	2.53	2.56	2.69	2.73	2.75
Total	2.09	2.24	1.86	1.64	1.71	1.73	1.84	1.88	1.89

Quarterly figures [percentage]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Deposits									
Retail	-0.19	-0.47	0.50	0.75	0.66	0.59	0.46	0.39	0.27
Corporate	-0.24	-0.26	0.04	0.13	0.08	0.02	0.02	-0.02	-0.05
Total	-0.21	-0.37	0.27	0.43	0.36	0.29	0.24	0.19	0.12

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

Development in volume, Retail Market and Corporate Market

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Lending²									
Retail	126,939	124,165	121,269	119,381	116,882	115,289	113,040	112,723	111,207
Corporate	43,700	42,366	41,174	40,162	40,502	38,422	38,881	40,548	39,716
Total	170,639	166,531	162,443	159,543	157,384	153,711	151,921	153,271	150,923

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

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Deposits									
Retail	47,574	48,103	43,961	41,639	41,674	42,795	40,734	40,046	39,879
Corporate	46,404	44,715	42,710	42,756	40,542	42,374	39,471	39,236	37,201
Total	93,978	92,818	86,670	84,395	82,216	85,169	80,206	79,282	77,079

Development in commission income, Retail Market and Corporate Market

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Retail	240	173	196	208	212	197	188	203	193
Corporate	56	63	65	60	52	49	57	54	63
Total	296	236	261	269	263	246	244	257	256

2.2 Retail market

Business description

	30 Sep
Facts about the business area	2020
Lending volume	126,939
Deposits volume	47,574
No. of active cutomers	243,348
FTEs	376

Financial performance

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest income lending	201	140	140	136	150	147	156	169	155
Net interest income deposits	78	92	153	157	148	134	123	113	111
Net interest income allocated capital	26	36	61	64	53	53	52	52	50
Total interest income	304	268	354	357	351	334	330	334	316
Net guarantee commission, incl BK, NK	138	72	100	102	102	99	94	99	89
Net commission of savings products	23	19	14	22	21	14	14	22	21
Net commission insurance services	43	41	40	40	40	39	38	38	37
Net commission payment trans. services	36	41	44	44	48	45	42	45	45
Other commision income	1	0	0	0	1	0	0	0	0
Net fee and commission income	241	173	198	208	212	197	188	203	193
Net profit on financial investments	-1	0	-2	0	0	0	0	0	0
Total income	544	441	550	565	563	532	518	537	509
Total operating expenses¹	233	225	246	221	222	215	217	207	199
Result before losses	311	217	303	344	341	317	301	330	310
Loss on loans, guarantees etc.	16	-2	44	9	11	6	6	-1	8
Result before tax	295	218	260	335	330	311	295	332	301

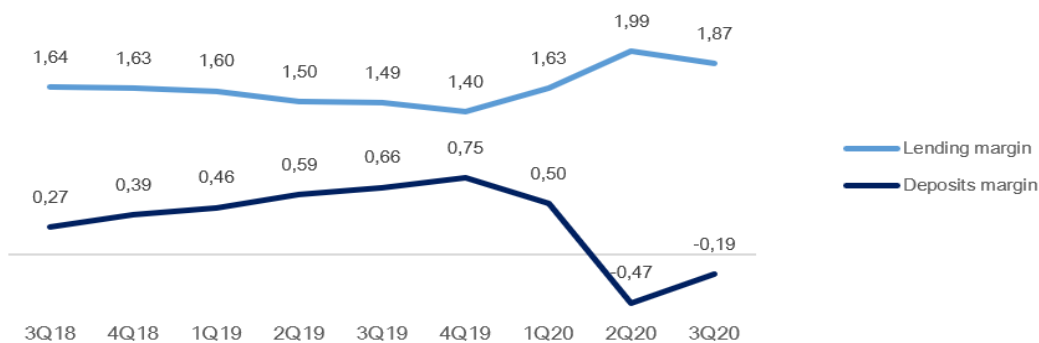
	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income lending	480	589	624	572	457
Net interest income deposits	323	561	419	411	438
Net interest income allocated capital	123	221	190	154	57
Total interest income	926	1,372	1,234	1,137	953
Net guarantee commission, incl BK, NK	310	397	394	392	306
Net commission of savings products	57	70	75	70	63
Net commission insurance services	124	158	151	151	139
Net commission payment trans. services	121	179	172	175	171
Other commission income	1	1	1	1	1
Net fee and commission income	612	805	793	789	679
Net profit on financial investments	-3	0	0	0	-1
Total income	1,536	2,177	2,027	1,926	1,631
Total operating expenses¹	704	875	804	794	770
Result before losses	832	1,302	1,223	1,132	861
Loss on loans, guarantees etc.	58	32	17	5	13
Result before tax	773	1,270	1,206	1,127	849
Post- tax return on equity (annualized)²	12.6 %	13.1 %	13.2 %	16.6 %	13.8 %

¹ Includes both direct and distributed expenses

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

	30 Sep
Facts about the business area	2020
Lending volume	43,700
Deposits volume	46,404
No. of active cutomers	15,261
FTEs	151

Financial performance

Quarterly figures [NOK million]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest income lending	210	184	170	176	174	185	179	186	182
Net interest income deposits	52	94	87	75	70	64	62	56	63
Net interest income allocated capital	15	34	52	55	44	44	42	41	41
Total interest income	277	311	308	307	288	293	284	283	286
Net guarantee commission, incl BK, NK	20	20	19	21	18	17	20	19	22
Net commission of savings products	0	1	0	0	-2	2	2	0	1
Net commission insurance services	7	6	7	6	6	6	6	6	6
Net commission payment trans. services	25	25	27	28	24	20	25	25	23
Other commision income	1	7	2	2	2	0	2	1	2
Net fee and commission income	53	59	54	57	48	45	55	51	53
Net profit on financial investments	3	4	10	3	3	4	2	2	11
Total income	332	374	373	367	340	341	340	336	350
Total operating expenses¹	104	105	113	103	100	103	104	94	91
Result before losses	228	269	261	264	239	239	236	242	258
Loss on loans, guarantees etc.	204	153	258	73	46	40	53	59	50
Result before tax	25	116	3	190	193	199	183	183	208

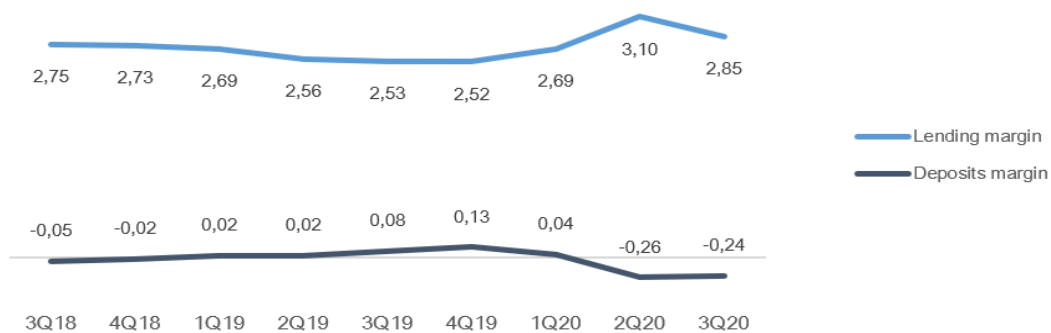
	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income lending	563	715	712	677	649
Net interest income deposits	232	271	241	274	272
Net interest income allocated capital	101	185	157	157	78
Total interest income	896	1,171	1,110	1,108	1,000
Net guarantee commission, incl BK, NK	59	76	81	86	89
Net commission of savings products	1	2	2	2	2
Net commission insurance services	20	25	23	21	20
Net commission payment trans. services	77	97	92	86	84
Other commission income	9	5	4	3	2
Net fee and commission income	166	205	202	199	196
Net profit on financial investments	17	12	17	9	9
Total income	1,079	1,388	1,329	1,315	1,205
Total operating expenses¹	321	410	373	365	332
Result before losses	758	978	956	950	873
Loss on loans, guarantees etc.	614	213	212	318	490
Result before tax	144	765	744	632	384
Post- tax return on equity (annualized)²	3.4 %	11.7 %	11.3 %	10.5 %	6.9 %

¹ Includes both direct and distributed expenses

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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest income	1	0	0	0	0	0	0	-3	1
Commission income and other income	111	105	83	122	142	115	84	108	128
Total income	113	105	83	122	141	115	84	105	129
Total operating expenses	92	75	83	128	148	91	93	134	140
Result before tax	20	30	0	-6	-7	23	-9	-29	-11

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	1	-1	-1	3	4
Commission income and other income	300	463	497	473	426
Total income	300	463	496	477	430
Total operating expenses	251	461	519	474	363
Result before tax	50	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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest income	100	90	82	82	79	76	75	75	69
Net commission income	-7	-4	-6	-5	-7	-6	-7	-4	-7
Total income	93	86	76	77	72	70	69	70	62
Total operating expenses	23	20	24	23	19	22	22	19	19
Ordinary operating profit	71	66	52	54	53	48	47	51	44
Loss on loans, guarantees etc.	12	20	5	19	12	13	8	10	9
Result before tax	59	46	47	35	41	35	40	42	35

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	271	313	275	228	183
Net commission income	-16	-26	-19	-15	-11
Total income	255	287	256	213	172
Total operating expenses	67	85	73	67	55
Ordinary operating profit	188	202	182	146	117
Loss on loans, guarantees etc.	36	52	34	18	13
Result before tax	152	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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest income	1	0	0	0	0	0	0	0	0
Commission income and other income	111	147	156	111	100	151	140	107	84
Total income	112	147	156	112	100	151	140	107	84
Total operating expenses	91	108	129	85	80	110	119	93	71
Result before tax	21	40	27	27	20	41	21	14	13

	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	415	502	444	377	234
Total income	415	502	444	376	235
Total operating expenses	327	394	373	315	191
Result before tax	88	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]	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18
Net interest income	-7	-1	-2	-3	-4	-5	-4	-3	-4
Equities/ High Yield	70	71	39	56	27	49	51	39	40
Fixed Income	8	49	-21	11	8	12	12	10	6
Corporate	60	62	25	46	61	64	43	74	32
Foreign exchange/ interest rate derivatives	23	40	45	28	31	37	21	30	17
Asset Management	13	13	12	20	12	12	11	0	11
Other commission income	3	4	4	1	3	2	6	0	4
Total income	170	238	103	157	139	172	140	150	106
Total operating expenses	135	168	118	153	129	146	138	156	120
Ordinary operating profit	35	71	-15	4	11	26	2	-6	-14
Loss on loans, guarantees etc.	0	0	0	0	0	0	0	0	0
Result before tax	35	71	-15	4	11	26	2	-6	-14

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2020	2019	2018	2017	2016
Net interest income	-11	-17	-14	-15	-8
Equities/ High Yield	180	184	195	152	97
Fixed Income	36	44	40	41	20
Corporate	147	214	183	112	87
Foreign exchange/ interest rate derivatives	109	117	105	82	88
Asset Management	37	56	32	53	0
Other commission income	11	13	10	11	8
Total income	511	609	551	437	292
Total operating expenses	421	566	536	435	282
Ordinary operating profit	90	43	15	2	10
Loss on loans, guarantees etc.	0	0	0	0	0
Result before tax	90	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

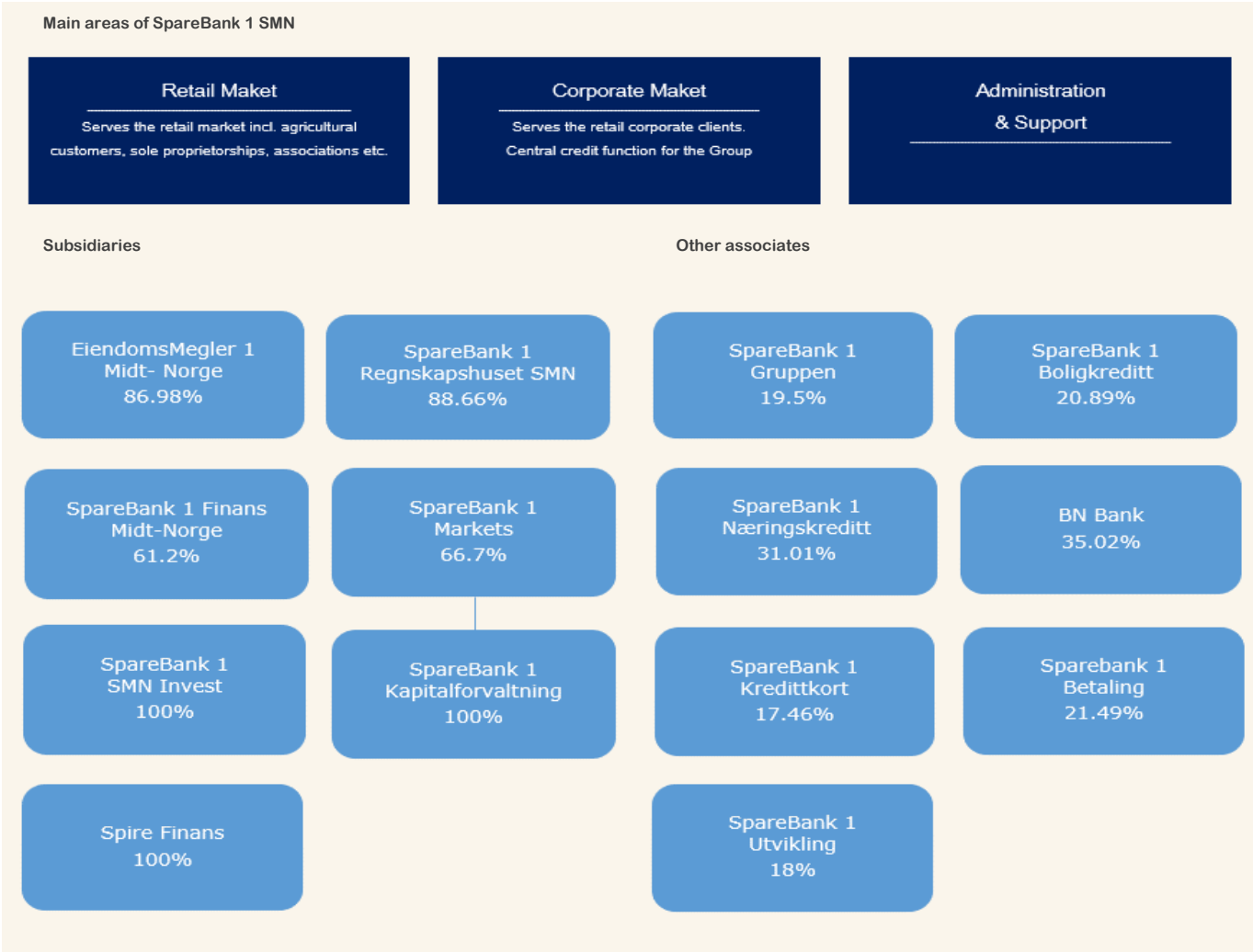
Their mission is to own, operate and develop property. Property companies: SpareBank 1 SMN Kvartalet, SpareBank 1 Bygget Steinkjer, St Olavs Plass 1 SMN

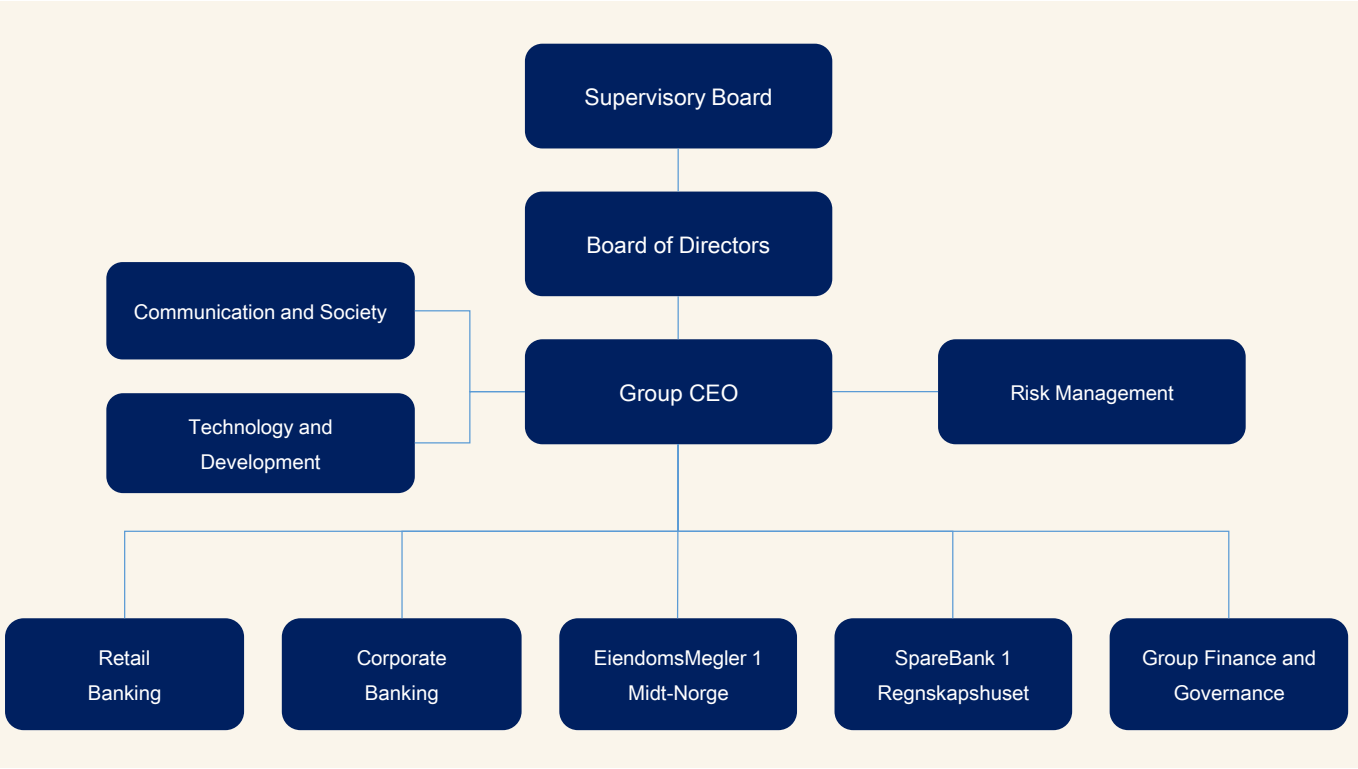
3 Appendix

A1 Business description

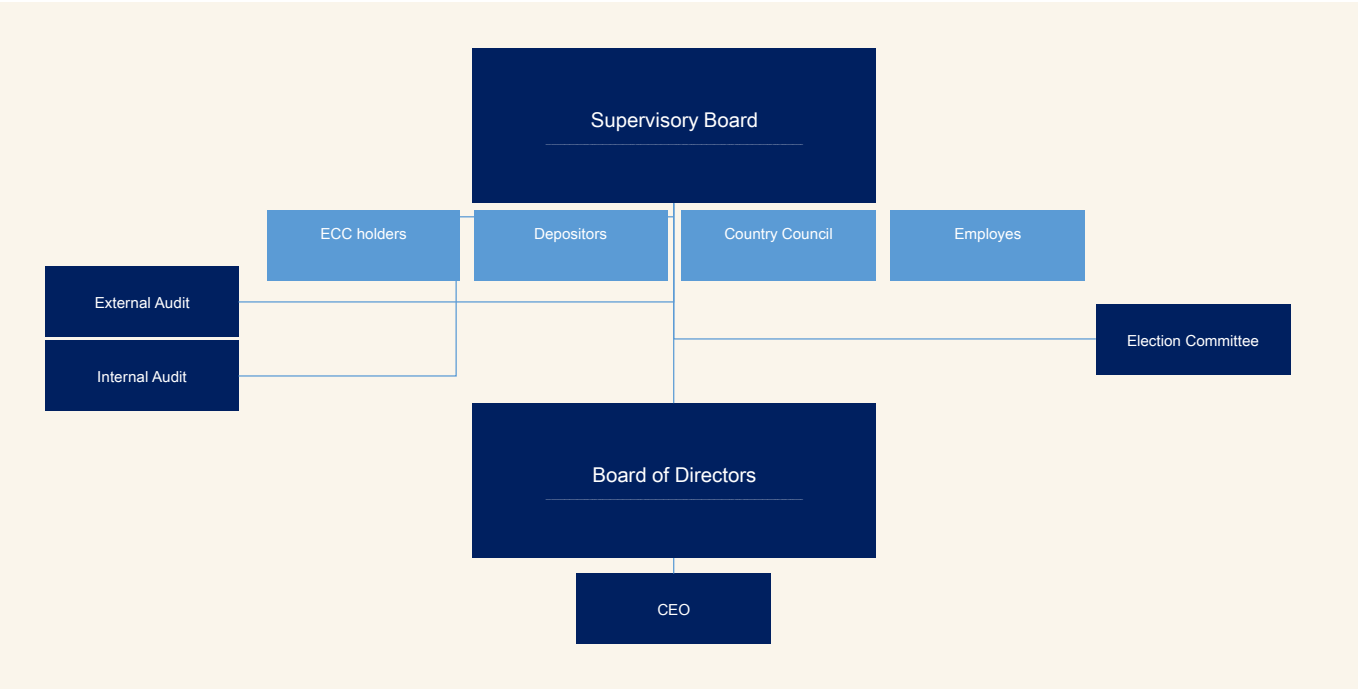
SpareBank 1 SMN is the region's leading financial services group and one of six owners of the SpareBank 1 Alliance. Its head office is in Trondheim. SpareBank 1 SMN is a regional independent savings bank with a local footing. Through the SpareBank 1 Alliance and its own subsidiaries, SpareBank 1 SMN has secured access to competitive 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



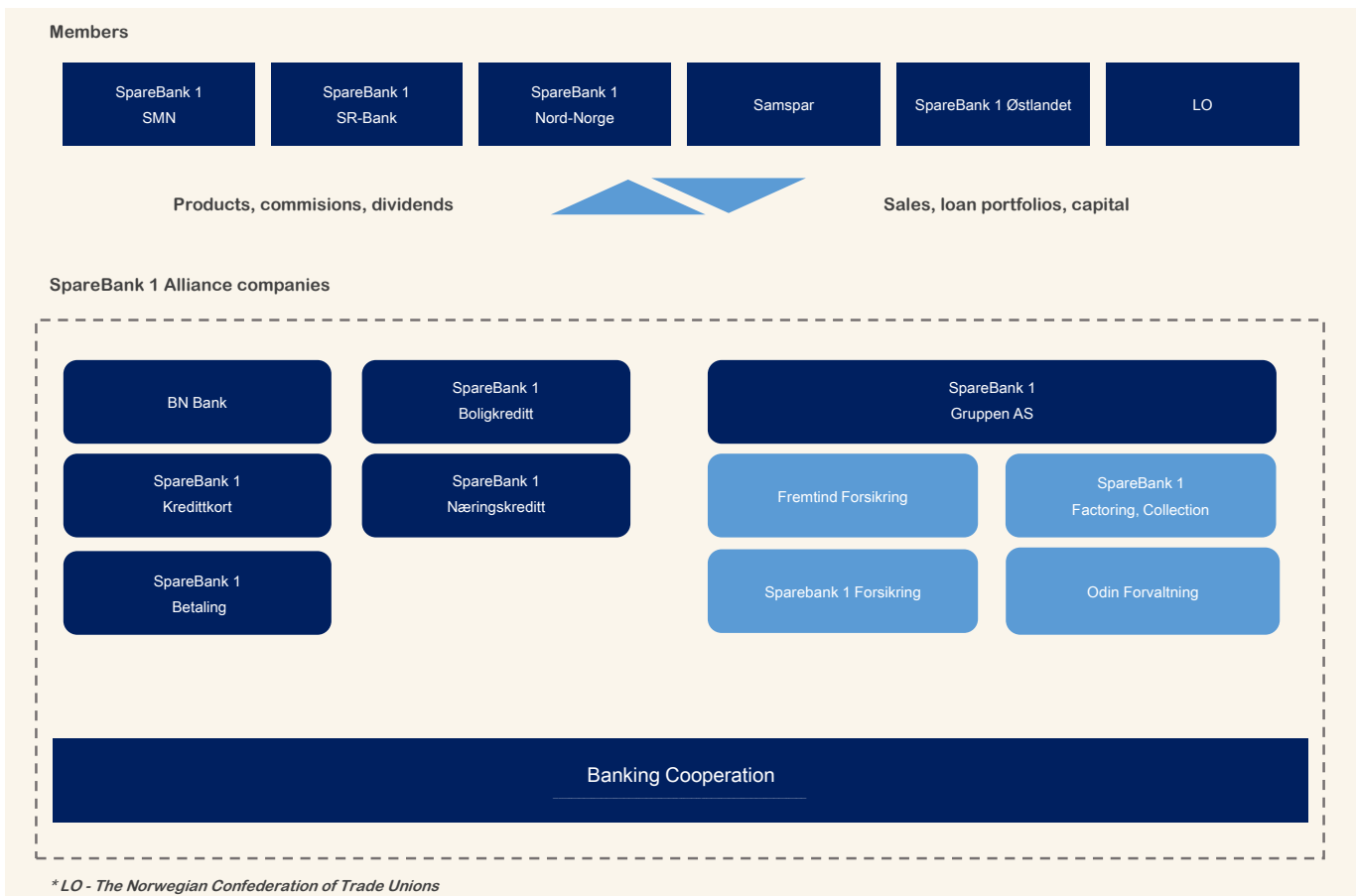


Overview of governing and control bodies



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.



A2 20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge	4,571,779	3.52%
State Street Bank and Trust Comp	4,017,603	3.09%
Sparebankstiftelsen SMN	3,965,391	3.05%
VPF Odin Norge	3,342,919	2.57%
Danske Invest Norske aksjer institusjon II.	3,110,473	2.40%
VPF Pareto aksje Norge	2,672,980	2.06%
VPF Alfred Berg Gambak	2,574,171	1.98%
J. P. Morgan Chase Bank, N.A., London	2,052,616	1.58%
State Street Bank and Trust Comp	2,046,465	1.58%
FORSVARETS PERSONELLSERVICE	1,890,446	1.46%
VPF EIKA EGENKAPITALBEVIS	1,869,717	1.44%
Pareto Invest AS	1,806,243	1.39%
Morgan Stanley & Co. International	1,725,758	1.33%
Citibank N.A	1,556,607	1.20%
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%
VPF Alfred Berg Norge	1,145,659	0.88%
Landkreditt utbytte	1,050,000	0.81%
Total 20 largest shareholders	44,782,585	34.49%
Others	85,053,858	65.51%
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