

Investor Relations

Supplementary Information

2019

Q4



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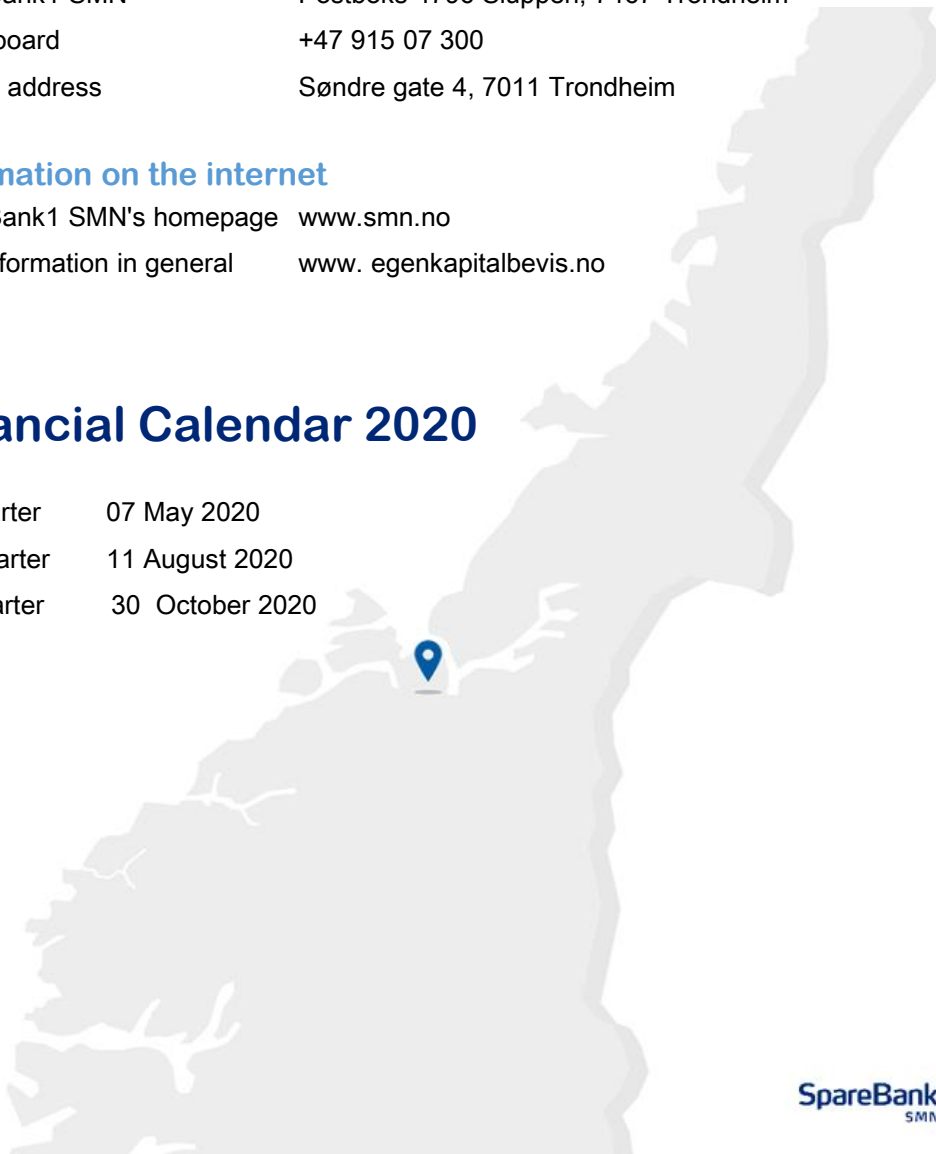
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Information on the internet

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

Financial Calendar 2020

1st quarter 07 May 2020
2nd quarter 11 August 2020
3rd quarter 30 October 2020



Major changes from Q4 2019

Technology and development director appointed

Astrid Undheim was appointed executive director responsible for technology and development at SpareBank 1 SMN. She takes up duties on March 1st 2020.

Launching of green loans to retail borrowers

SpareBank 1 SMN has a targeted focus on sustainability. In December three loan products for the retail were launched: green residential loans, green loans for energy projects and green consumer loans. The green residential mortgage is for borrowers who are building, buying or fully renovating homes to high environmental standard. The green loan for energy projects is for borrowers who wish to engage in energy-oriented projects, and have collateral available in their dwelling. The green consumer loan is an unsecured loan for borrowers wishing to engage in energy-oriented projects, and are unable to mortgage their dwelling.

BN Bolig sold at year-end

The Group sold BN Bolig in the fourth quarter. The company was a joint project between BN Bank and EiendomsMegleg 1 Midt-Norge with a view to acquiring a position in the estate agency market in Oslo. After several years of deficit the business was sold.

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1.1 Financial highlights



January - December 2019

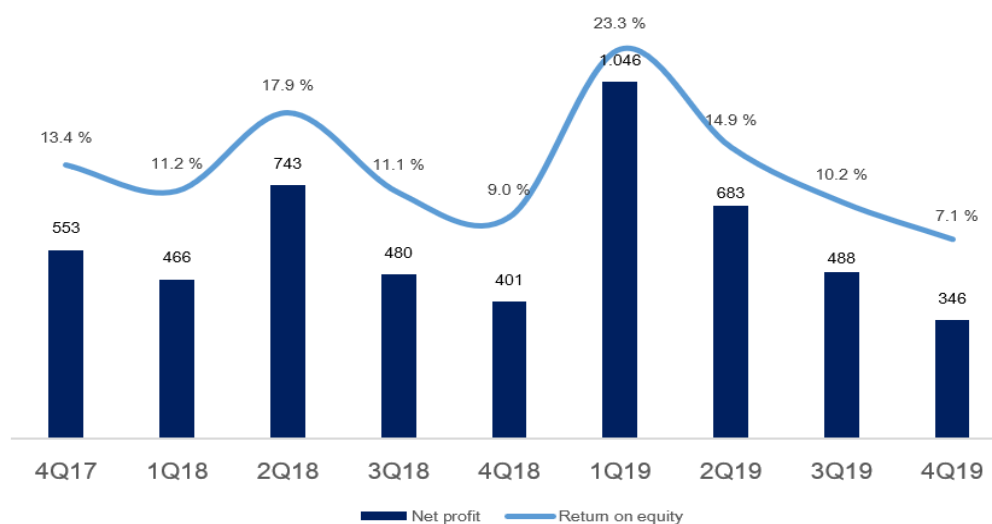
YTD 2018

Profit before tax and inv. held for sale	3,081	NOK million	2,450
Net profit	2,563	NOK million	2,090
Return on equity	13.7	per cent	12.2
Annual lending growth	4.7	per cent	7.8
Annual deposits growth	6.6	per cent	5.4
Loan losses	299	NOK million	263
CET1 ratio	17.2	per cent	14.6
Earnings per EC	12.14	NOK	9.97

Q4 2019

Q4 2018

Profit before tax and inv. held for sale	469	NOK million	513
Net profit	346	NOK million	401
Return on equity	7.1	per cent	9.0
Loan losses	103	NOK million	67
Earnings per EC	1.60	NOK	1.90



Main figures

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest	697	678	664	649	644	610	581	568	589
Commission income and other income	579	554	606	551	543	486	607	542	529
Net return on financial investments	17	121	336	727	95	182	300	180	256
Total income	1,292	1,353	1,607	1,926	1,282	1,277	1,488	1,290	1,374
Total operating expenses	720	673	701	704	701	616	661	645	618
Result before losses	572	680	907	1,223	580	661	827	645	756
Loss on loans, guarantees etc.	103	71	59	67	67	69	78	48	78
Result before tax	469	609	848	1,155	513	592	748	596	678
Tax charge	123	121	165	109	104	119	156	131	122
Results investments held for sale, after tax	0	0	0	0	-8	6	150	1	-4
Net profit	346	488	683	1,046	401	480	743	466	553

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Net interest	2,687	2,403	2,225	1,929	1,920
Commission income and other income	2,290	2,177	2,005	1,674	1,545
Net return on financial investments	1,201	757	760	944	459
Total income	6,178	5,337	4,989	4,547	3,924
Total operating expenses	2,797	2,624	2,369	2,003	1,931
Result before losses	3,380	2,713	2,621	2,544	1,993
Loss on loans, guarantees etc.	299	263	341	516	169
Result before tax	3,081	2,450	2,279	2,029	1,824
Tax charge	518	509	450	352	383
Results investments held for sale, after tax	0	149	-1	4	-1
Net profit	2,563	2,090	1,828	1,681	1,441

Balance sheet - condensed

Quarterly figures [NOK million]	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017
Total assets	166,662	166,475	167,289	164,641	160,704	159,337	159,584	152,083	153,254
Average total assets (quarterly)	166,569	166,882	165,965	162,673	160,021	159,460	155,833	152,668	150,083
Gross loans to customers ¹	167,777	165,380	163,627	161,091	160,317	157,825	154,790	151,065	148,784
Deposits from customers	85,917	83,641	86,553	81,111	80,615	77,529	80,343	75,937	76,476
Total equity capital	20,420	19,904	19,450	18,673	18,686	18,650	17,984	17,365	17,510

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

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Total assets	166,662	160,704	153,254	138,080	131,914
Average total assets (quarterly)	165,154	160,021	150,083	138,948	130,575
Gross loans to customers ¹	167,777	160,317	148,784	137,535	127,378
Deposits from customers	85,917	80,615	76,476	67,168	64,090
Total equity capital	20,420	18,686	17,510	16,253	14,857

Equity capital certificate (MING)

Quarterly figures	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
ECC price	100.20	98.50	97.70	87.40	84.20	90.90	84.50	80.90	82.25
Number of certificates issued, millions	129.30	129.48	129.66	129.41	129.62	129.44	129.31	129.38	129.38
Booked equity capital per ECC (incl. dividend)	90.75	89.36	87.04	83.86	83.87	82.57	80.21	76.53	78.81
Adjusted profit per ECC	1.60	2.30	3.21	5.02	1.90	2.32	3.54	2.21	2.63
P/E per ECC (annualised)	15.67	10.69	7.61	4.35	11.05	9.77	5.97	9.16	7.81
P/B equity capital	1.10	1.10	1.12	1.04	1.00	1.10	1.05	1.06	1.04

Five years	YTD 19	2018	2017	2016	2015
ECC price	100.20	84.20	82.25	64.75	50.50
Number of certificates issued, millions	129.30	129.62	129.38	129.64	129.43
Booked equity capital per ECC (incl. dividend)	90.75	83.87	78.81	73.35	67.39
Adjusted profit per ECC	12.14	9.97	8.71	7.93	6.96
P/E per ECC (annualised)	8.26	8.44	9.44	8.17	7.26
P/B equity capital	1.10	1.00	1.04	0.88	0.75

1.2 Credit Ratings

Moody's

[year end]	Current rating	2018	2017	2016	2015	2014	2013
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

Fitch

[year end]	Current rating	2018	2017	2016	2015	2014	2013
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Long-term IDR	A-	A-	A-	A-	A-	A-	A-
Short-term IDR	F2	F2	F2	F2	F2	F2	F2
Support rating	5	5	5	3	3	3	3

1.3 Financial results and key figures

Financial results

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Interest income	1,235	1,190	1,127	1,075	1,082	1,025	989	962	989
Interest expenses	538	512	463	426	438	414	408	394	400
Net interest income	697	678	664	649	644	610	581	568	589
Commission income	371	374	363	329	343	344	361	339	372
Commission expenses	47	55	51	40	42	45	45	36	49
Other operating income	255	235	294	262	242	186	291	239	206
Commission income and other income	579	554	606	551	543	486	607	542	529
Dividends	1	1	11	2	2	0	4	2	0
Income from investment in related companies	8	85	231	555	130	105	102	79	147
Net return on financial investments	8	35	95	169	-37	77	195	99	108
Net return on financial investments	17	121	336	727	95	182	300	180	256
Total income	1,292	1,353	1,607	1,926	1,282	1,277	1,488	1,290	1,374
Staff costs	411	404	438	447	391	376	413	403	362
Other operating expenses	309	269	263	257	311	240	248	241	255
Total operating expenses	720	673	701	704	701	616	661	645	618
Result before losses	572	680	907	1,223	580	661	827	645	756
Loss on loans, guarantees etc.	103	71	59	67	67	69	78	48	78
Result before tax	469	609	848	1,155	513	592	748	596	678
Tax charge	123	121	165	109	104	119	156	131	122
Results investments held for sale, after tax	0	0	0	0	-8	6	150	1	-4
Net profit	346	488	683	1,046	401	480	743	466	553
Attributable to additional Tier 1 Capital holders	10	10	10	19	9	7	9	11	8
Majority share	324	467	650	1,017	386	470	716	447	533
Minority interest	12	11	22	10	6	2	19	8	12

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Interest income	4,626	4,057	3,825	3,597	4,031
Interest expenses	1,939	1,655	1,600	1,668	2,111
Net interest	2,687	2,403	2,225	1,929	1,920
Commission income	1,437	1,387	1,390	1,251	1,245
Commission expenses	193	168	168	133	135
Other operating income	1,046	958	783	556	435
Commission income and other income	2,290	2,177	2,005	1,674	1,545
Dividends	15	8	6	88	25
Income from investment in related companies	879	416	437	423	448
Net return on financial investments	307	334	317	434	-14
Net return on financial investments	1,201	757	760	944	459
Total income	6,178	5,337	4,989	4,547	3,924
Staff costs	1,699	1,584	1,426	1,159	1,093
Other operating expenses	1,098	1,040	943	844	838
Total operating expenses	2,797	2,624	2,369	2,003	1,931
Result before losses	3,380	2,713	2,621	2,544	1,993
Loss on loans, guarantees etc.	299	263	341	516	169
Result before tax	3,081	2,450	2,279	2,029	1,824
Tax charge	518	509	450	352	383
Results investments held for sale, after tax	0	149	-1	4	-1
Net profit	2,563	2,090	1,828	1,681	1,441
Attributable to additional Tier 1 Capital holders	49	37	33	34	35
Majority share	2,458	2,018	1,763	1,606	1,410
Minority interest	56	34	32	41	-4

Balance sheet

	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Quarterly figures [NOK million]	2019	2019	2019	2019	2018	2018	2018	2018	2017
Cash and receivables from central banks	761	1,279	1,278	647	883	1,129	1,403	635	3,313
Deposits with and loans to credit institutions	2,110	4,432	8,612	8,387	5,074	6,828	5,078	6,113	4,214
Net loans to and receivables from customers	125,279	123,037	121,025	119,285	119,728	117,153	114,683	112,119	110,959
Fixed-income CDs and bonds at fair value	23,115	21,125	19,870	20,806	20,348	19,721	18,640	18,797	19,736
Derivatives	2,972	4,052	3,767	3,181	4,119	2,686	2,910	3,278	4,351
Shares, units and other equity interests	2,953	2,386	2,202	2,015	1,873	2,662	2,540	2,164	1,825
Investment in related companies	6,468	6,487	6,406	6,386	6,098	5,865	5,748	5,879	5,760
Investments held for sale	40	41	41	42	43	44	48	639	649
Intangible assets	872	876	878	846	851	849	842	819	793
Other assets	2,092	2,760	3,210	3,047	1,687	2,401	7,692	1,641	1,654
Assets	166,662	166,475	167,289	164,641	160,704	159,337	159,584	152,083	153,254
Deposits from credit institutions	8,853	8,942	11,793	11,601	9,214	10,106	9,889	8,374	9,607
Deposits from and debt to customers	85,917	83,641	86,553	81,111	80,615	77,529	80,343	75,937	76,476
Debt created by issue of securities	43,014	44,889	39,578	43,172	44,269	44,113	43,234	41,410	42,194
Derivatives	3,528	3,505	3,479	3,178	2,982	3,005	2,974	2,970	3,343
Other liabilities	2,841	3,339	4,172	4,632	2,670	3,264	2,962	3,832	1,923
Investments held for sale	0	0	0	0	1	0	8	0	1
Subordinated loan capital	2,090	2,254	2,263	2,273	2,268	2,668	2,189	2,195	2,201
Total liabilities	146,243	146,571	147,839	145,968	142,018	140,687	141,600	134,718	135,744
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	-11	-7	-3	-9	-4	-5	-11	-10	-8
Premium fund	895	895	895	895	895	895	895	895	895
Dividend equalisation fund	6,123	5,581	5,591	5,580	5,594	5,075	5,075	5,066	5,072
Recommended dividends	840	0	0	0	661	0	0	0	571
Provision for gifts	474	0	0	0	373	0	0	0	322
Ownerless capital	5,432	5,126	5,126	5,126	5,126	4,831	4,831	4,831	4,831
Unrealised gains reserve	189	155	155	155	155	126	126	126	126
Other equity capital	1,827	1,544	1,566	1,595	1,608	1,509	1,503	1,515	1,547
Hybrid capital	1,293	1,004	1,013	1,023	1,043	1,310	1,136	1,306	993
Result of the period	0	2,217	1,729	1,046	0	1,689	1,209	466	0
Minority interests	761	792	781	665	637	623	621	572	565
Total equity capital	20,420	19,904	19,450	18,673	18,686	18,650	17,984	17,365	17,510
Total liabilities and equity	166,662	166,475	167,289	164,641	160,704	159,337	159,584	152,083	153,254

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Cash and receivables from central banks	761	883	3,313	315	3,270
Deposits with and loans to credit institutions	2,110	5,074	4,214	3,892	2,407
Net loans to and receivables from customers	125,279	119,728	110,959	101,354	93,415
Fixed-income CDs and bonds at fair value	23,115	20,348	19,736	17,557	15,752
Derivatives	2,972	4,119	4,351	4,752	7,524
Shares, units and other equity interests	2,953	1,873	1,825	1,542	1,485
Investment in related companies	6,468	6,098	5,760	5,638	5,522
Investments held for sale	40	43	649	15	16
Intangible assets	872	851	793	639	562
Other assets	2,092	1,687	1,654	2,376	1,962
Assets	166,662	160,704	153,254	138,080	131,914
Deposits from credit institutions	8,853	9,214	9,607	10,509	8,155
Deposits from and debt to customers	85,917	80,615	76,476	67,168	64,090
Debt created by issue of securities	43,014	44,269	42,194	36,317	35,154
Derivatives	3,528	2,982	3,343	4,074	5,414
Other liabilities	2,841	2,670	1,923	1,531	1,734
Investments held for sale	0	1	1	0	0
Subordinated loan capital	2,090	2,268	2,201	2,228	2,509
Total liabilities	146,243	142,018	135,744	121,827	117,056
Equity capital certificate	2,597	2,597	2,597	2,597	2,597
Own holdings of ECCs	-11	-4	-8	-4	-21
Premium fund	895	895	895	895	895
Dividend equalisation fund	6,123	5,594	5,072	4,487	3,790
Recommended dividends	840	661	571	389	292
Provision for gifts	474	373	322	220	40
Ownerless capital	5,432	5,126	4,831	4,499	4,106
Unrealised gains reserve	189	155	126	139	292
Other equity capital	1,827	1,608	1,547	1,656	1,597
Hybrid capital	1,293	1,043	993	950	950
Result of the period	0	0	0	0	0
Minority interests	761	637	565	425	318
Total equity capital	20,420	18,686	17,510	16,253	14,857
Total liabilities and equity	166,662	160,704	153,254	138,080	131,914

Key figures

Quarterly figures	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Return on equity	7.1 %	10.2 %	14.9 %	23.3 %	9.0 %	11.1 %	17.9 %	11.2 %	13.4 %
Cost/income ratio group	56%	50%	44%	37%	55%	48%	44%	50%	45%
Cost/income ratio group, ex. financial inv.	56%	55%	55%	59%	59%	56%	56%	58%	55%
12-month cost growth	2.7 %	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %	10.7 %	12.9 %	28.1 %
Gross loans to customers ¹	167,777	165,380	163,627	161,091	160,317	157,825	154,790	151,065	148,784
Growth in loans last 12 months ¹	6.3 %	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %	7.6 %	7.9 %	8.2 %
Growth in loans this period ¹	1.4 %	1.1 %	1.6 %	0.5 %	1.6 %	2.0 %	2.5 %	1.5 %	1.1 %
Deposits from customers	85,917	83,641	86,553	81,111	80,615	77,529	80,343	75,937	76,476
Growth in deposits last 12 months	10.8 %	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %	6.3 %	8.2 %	13.9 %
Growth in deposits this period	2.7 %	-3.4 %	6.7 %	0.6 %	4.0 %	-3.5 %	5.8 %	-0.7 %	4.6 %
Deposit-to-loan ratio ¹	51%	51%	53%	50%	50%	49%	52%	50%	51%
Total assets	166,662	166,475	167,289	164,641	160,704	159,337	159,584	152,083	153,254
Average total assets (quarterly)	166,569	166,882	165,965	162,673	160,021	159,460	155,833	152,668	150,083
FTEs, group	1,509	1,639	1,556	1,524	1,493	1,467	1,439	1,393	1,403
FTEs, parent bank	619	614	580	570	575	589	588	581	595
FTEs, subsidiaries	890	1,024	976	953	918	878	851	812	808
Number of branches	46	46	48	48	48	48	48	48	48
Lending margin	1.64	1.71	1.73	1.84	1.88	1.89	1.90	2.03	2.14
Deposit margin	0.43	0.36	0.29	0.24	0.19	0.12	0.12	0.04	-0.05
Net other operating income of total income	45%	41%	38%	29%	42%	38%	41%	42%	39%
Common Equity Tier 1 capital ratio	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.6 %
Tier 1 capital ratio	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.6 %
Capital ratio	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %
Tier 1 capital	17,742	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707
Total eligible capital	19,854	19,765	19,634	19,115	18,743	18,969	18,418	17,518	17,629
Liquidity Coverage Ratio (LCR) (%)	148%	181%	165%	180%	183%	150%	150%	162%	164%
Leverage ratio	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.2 %
Impairment losses ratio	0.25%	0.17%	0.14%	0.17%	0.17%	0.18%	0.20%	0.13%	0.22%
Non-performing commitm. as % of gross loans	0.26%	0.26%	0.22%	0.18%	0.19%	0.18%	0.18%	0.19%	0.19%
Other doubtful commitm. as % of gross loans	1.00%	1.03%	1.00%	0.99%	0.86%	0.86%	0.95%	0.90%	0.80%
ECC price	100.20	98.50	97.70	87.40	84.20	90.90	84.50	80.90	82.25
Number of certificates issued, millions	129.30	129.48	129.66	129.41	129.62	129.44	129.31	129.38	129.38
Booked equity capital per ECC (incl. dividend)	90.75	89.36	87.04	83.86	83.87	82.57	80.21	76.53	78.81
Adjusted profit per ECC	1.60	2.30	3.21	5.02	1.90	2.32	3.54	2.21	2.63
P/E per ECC	15.67	10.69	7.61	4.35	11.05	9.77	5.97	9.16	7.81
P/B equity capital	1.10	1.10	1.12	1.04	1.00	1.10	1.05	1.06	1.04

¹ Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

Five years

	YTD 19	2018	2017	2016	2015
Return on equity	13.7 %	12.2 %	11.5 %	11.3 %	10.7 %
Cost/income ratio group	45%	49%	47%	44%	50%
Cost/income ratio group, ex. financial inv.	56%	57%	56%	56%	57%

12-month cost growth	6.6 %	10.8 %	18.3 %	3.7 %	7.9 %
Gross loans to customers ¹	167,777	160,317	148,784	137,535	127,378
Growth in loans last 12 months ¹	4.7 %	7.8 %	8.2 %	8.0 %	5.8 %
Growth in loans this period ¹	4.7 %	7.8 %	8.2 %	8.0 %	5.8 %
Deposits from customers	85,917	80,615	76,476	67,168	64,090
Growth in deposits last 12 months	6.6 %	5.4 %	13.9 %	4.8 %	5.6 %
Growth in deposits this period	6.6 %	5.4 %	13.9 %	4.8 %	5.6 %
Deposit-to-loan ratio ¹	51%	50%	51%	49%	50%
Total assets	166,662	160,704	153,254	138,080	131,914
Average total assets (quarterly)	165,154	156,992	145,948	137,060	128,355
FTEs, group	1,509	1,493	1,403	1,254	1,208
FTEs, parent bank	619	575	595	630	645
FTEs, subsidiaries	890	918	808	624	563
Number of branches	46	48	48	49	49
Lending margin	1.73	1.92	2.13	1.97	2.26
Deposit margin	0.33	0.12	0.00	0.09	-0.21
Net other operating income of total income	37%	41%	40%	37%	40%
Common Equity Tier 1 ratio	17.2 %	14.6 %	14.6 %	14.8 %	13.6 %
Core capital ratio	19.3 %	16.3 %	16.6 %	16.8 %	15.6 %
Capital adequacy ratio	21.6 %	18.5 %	18.6 %	19.2 %	18.3 %
Tier 1 capital	17,742	16,472	15,707	15,073	13,992
Total eligible capital	19,854	18,743	17,629	17,189	16,381
Liquidity Coverage Ratio (LCR) (%)	148%	183%	164%	129%	118%
Leverage ratio	7.5 %	7.4 %	7.2 %	7.4 %	6.7 %
Impairment losses ratio	0.18%	0.17%	0.24%	0.39%	0.14%
Non-performing commitm. as % of gross loans	0.26%	0.19%	0.19%	0.16%	0.16%
Other doubtful commitm. as % of gross loans	1.00%	0.86%	0.80%	1.07%	0.31%
ECC price	100.20	84.20	82.25	64.75	50.50
Number of certificates issued, millions	129.30	129.62	129.38	129.64	129.43
Booked equity capital per ECC (incl. dividend)	90.75	83.87	78.81	73.35	67.39
Adjusted profit per ECC	12.14	9.97	8.71	7.93	6.96
P/E per ECC	8.26	8.44	9.44	8.17	7.26
P/B equity capital	1.10	1.00	1.04	0.88	0.75

¹ Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

1.4 Net interest income

Net interest income

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Interest income	1,235	1,190	1,127	1,075	1,082	1,025	989	962	989
Interest expenses	538	512	463	426	438	414	408	394	400
Net interest income	697	678	664	649	644	610	581	568	589
As a percentage of total income	54%	50%	41%	34%	50%	48%	39%	44%	43%

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 19	2018	2017	2016	2015
Interest income	4,626	4,057	3,825	3,597	4,031
Interest expenses	1,939	1,655	1,600	1,668	2,111
Net interest income	2,687	2,403	2,225	1,929	1,920
As a percentage of total income	43%	45%	45%	42%	48%

Change in interest income from lending and deposits

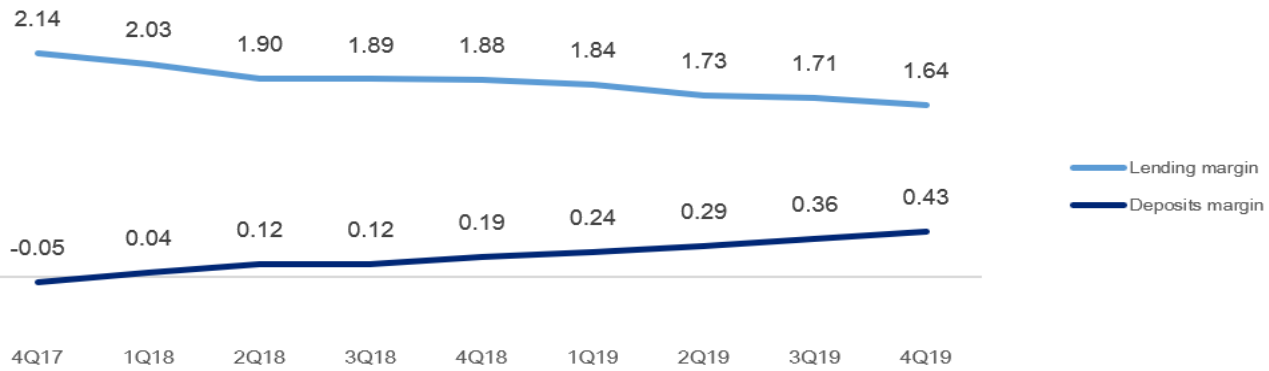
Last 12 months [NOK million]	Volume	Margin	Total
Lending	111	-218	-107
Deposits	7	177	184
Total	118	-41	77

Change in net interest income

Last 12 months [NOK million]	4Q19	Change	4Q18
Net interest income	2,687	284	2,403
Lending volume		111	
Lending margin		-218	
Fees on lending		9	
Deposit volume		7	
Deposit margin		177	
Subsidiaries		56	
Equity capital		81	
Funding and liquidity buffer		60	

Margin development

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



Volume development

Quarterly figures

	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Lending volume	167.8	165.4	163.6	161.1	160.3	157.8	154.8	151.1	148.8
Deposits volume	85.9	83.6	86.6	81.1	80.6	77.5	80.3	75.9	76.5
Growth in loans last 12 months	6.3 %	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %	7.6 %	7.9 %	8.2 %
Growth in deposits last 12 months	10.8 %	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %	6.3 %	8.2 %	13.9 %



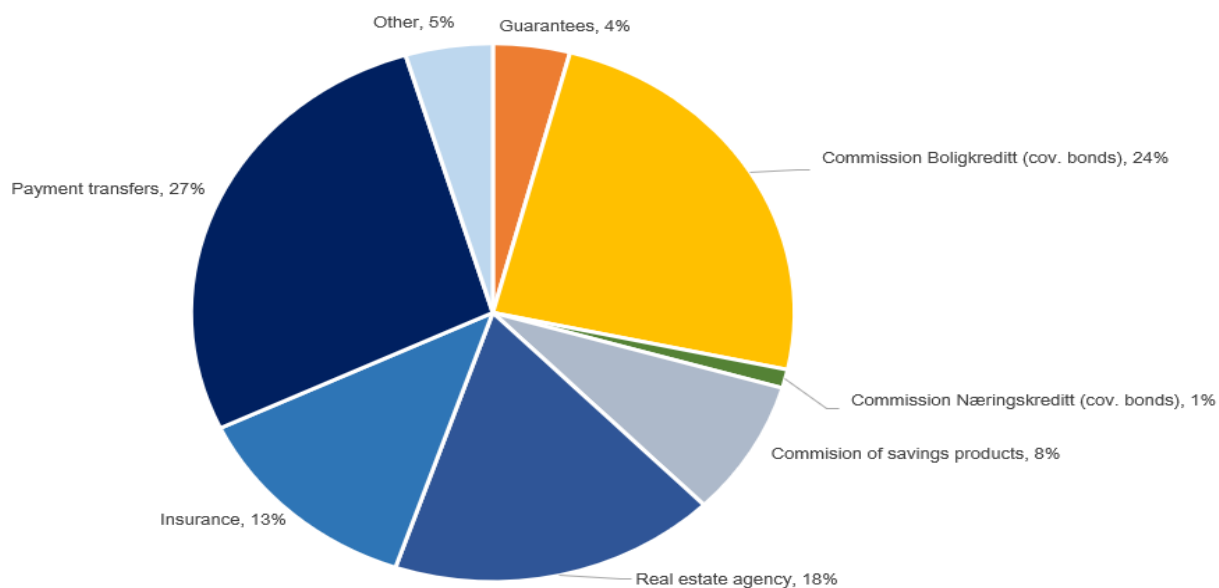
1.5 Other income

Commision and other income

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Guarantees	15	15	15	15	16	19	17	20	19
Commission Boligkreditt (cov. bonds)	90	90	86	83	87	77	86	99	100
Commission Næringskreditt (cov. bonds)	4	4	4	4	5	4	4	3	4
Commision of savings products	35	28	28	29	30	28	28	27	48
Real estate agency	57	65	74	56	48	58	71	49	46
Insurance	47	47	45	44	44	43	44	43	44
Payment transfers	106	110	93	85	95	94	89	82	95
Other	16	16	18	14	19	21	23	15	16
Total commisions income	371	374	363	329	343	344	361	339	372
Operating- and sales income real estate	36	34	40	29	24	31	41	29	23
Accounting services	102	92	147	131	93	78	126	114	83
Other operating income	118	109	106	103	125	77	125	96	99
Total other operating income	255	235	294	262	242	186	291	239	206
Commision expenses	47	55	51	40	42	45	45	36	49
Total commision and other income	579	554	606	551	543	486	607	542	529
As a percentage of total income	45%	41%	38%	29%	42%	38%	41%	42%	39%

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Guarantees	59	72	80	76	80
Commission Boligkreditt (cov. bonds)	349	350	353	271	326
Commission Næringskreditt (cov. bonds)	16	16	17	12	8
Commision of savings products	117	113	115	74	68
Real estate agency	252	225	223	247	212
Insurance	183	174	172	159	156
Payment transfers	393	360	362	355	344
Other	67	78	67	57	50
Total commisions income	1,437	1,387	1,390	1,251	1,245
Operating- and sales income real estate	138	124	118	121	108
Accounting services	473	411	342	202	182
Other operating income	435	423	323	234	145
Total other operating income	1,046	958	783	556	435
Commision expenses	193	168	168	133	135
Total commision and other income	2,290	2,177	2,005	1,674	1,545
As a percentage of total income	37%	41%	40%	37%	40%

Distribution of commission income



Change in commission and other income

Last 12 months [NOK million]	4Q19	Change	4Q18
Commission and other income	2,290	113	2,177
Real estate agency		28	
Other operating income		12	
Operating- and sales income real estate		14	
Accounting services		62	
Insurance		9	
Commission of savings products		5	
Commission expenses		-25	
Other		-11	
Payments transfers		33	
Guarantees		-13	
Commission Boligkreditt (cov. bonds)		-1	
Commission Næringskreditt (cov. bonds)		0	

Net return on financial investments

including investments held for sale

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Dividends	1	1	11	2	2	0	4	2	0
SpareBank 1 Gruppen	-12	40	186	38	99	72	81	36	134
Capital gain Fremtind Forsikring	0	0	0	460					
SpareBank 1 Boligkreditt	0	3	8	14	-9	7	-8	3	-15
SpareBank 1 Næringskreditt	6	5	2	8	4	2	4	4	1
BN Bank	28	33	27	24	24	20	23	30	28
SpareBank 1 Kredittkort	0	5	5	3	6	5	6	5	5
SpareBank 1 Betaling	-5	-2	-2	12	-3	-3	-3	-3	-7
Other companies	-10	-4	5	0	-1	-4	1	3	1
Income from inv. in associates and joint ventures	8	81	231	560	120	100	103	79	147
Capital gains shares	11	1	23	84	-48	26	113	5	
Gain on certificates and bonds	-42	-26	15	32	5	-45	23	-59	
Gain on derivatives	40	29	40	23	-5	50	23	119	
Gain on financial instruments related to hedging	-8	4	-1	-4	1	1	-7	1	
Gain on other financial instruments at fair value (FVO)	-2	4	-4	10	-13	11	8	4	
Foreign exchange gain	-10	10	14	9	16	21	15	11	
Gain on shares and derivatives in SB1 Markets	17	13	8	15	7	14	20	17	
Net return on financial investments¹	8	35	95	169	-37	77	195	99	108
Total net return on financial investments	16	117	336	732	85	177	301	180	256
As percentage of total income	1%	9%	21%	38%	7%	14%	20%	14%	19%

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Dividends	15	8	6	88	25
SpareBank 1 Gruppen	252	289	349	317	251
Capital gain Fremtind Forsikring	460	0	0	0	0
SpareBank 1 Boligkreditt	26	-7	-41	-17	80
SpareBank 1 Næringskreditt	21	15	19	29	30
BN Bank	113	97	98	86	41
SpareBank 1 Kredittkort	13	23	15	24	21
SpareBank 1 Betaling	3	-12	-14	-27	-2
Other companies	-8	12	12	15	26
Income from inv. in associates and joint ventures	879	416	437	427	447
Capital gains shares	120	96	62	76	
Gain on certificates and bonds	-20	-77	58	-2	
Gain on derivatives	132	187	148	280	
Gain on financial instruments related to hedging	-9	-4	-46	-21	
Gain on other financial instruments at fair value (FVO)	9	10	7	26	
Foreign exchange gain	22	63	45	51	
Gain on shares and derivatives in SB1 Markets	54	58	43	25	
Net return on financial investments	307	334	317	434	-14
Total net return on financial investments	1,201	757	760	949	458
As percentage of total income	19%	14%	15%	21%	12%

Change in net return on financial investments

Last 12 months [NOK million]	4Q19	Change	4Q18
Net return on financial investments	1,201	443	757
Dividends		7	
Income from investment in related companies		463	
Capital gains shares		24	
Gain on derivatives		-55	
Gain on other financial instruments at fair value (FVO)		-1	
Foreign exchange gain		-40	
Gain on certificates and bonds		56	
Gain on shares and derivatives in SB1 Markets		-5	
Gain on financial instruments related to hedging		-6	

1.6. Operating expenses

Operating expenses

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Salaries	312	320	354	348	311	289	325	303	293
Pension costs (defined benefit plan)	28	26	24	27	12	24	30	29	6
Employer's insurance contributions	3	3	5	3	-4	4	5	5	4
Other personnel expenses	68	54	55	69	72	58	54	65	60
Total personnel expenses	411	404	438	447	391	376	413	403	362
IT costs	70	83	87	81	78	69	75	71	61
Postage and transportation services	5	8	6	5	5	4	5	4	5
Marketing	22	27	25	26	30	26	24	26	31
Depr./write-downs of fixed & intangible assets	42	41	44	46	32	23	14	29	28
Operating exp. on properties and premises	17	13	14	13	41	35	40	37	35
Other external services	66	50	41	36	50	36	38	28	37
Other operating expenses	88	47	46	50	74	47	53	47	60
Other expenses	309	269	263	257	311	240	248	241	255
Total operating expenses	720	673	701	704	701	616	661	645	618
Cost/income ratio	56%	50%	44%	37%	55%	48%	44%	50%	45%
Cost/income ratio ex financial investments	56%	55%	55%	59%	59%	56%	56%	58%	55%
12-month cost growth ¹	2.7 %	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %	10.7 %	12.9 %	28.1 %

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 19	2018	2017	2016	2015
Salaries	1,334	1,228	1,107	991	833
Pension costs (defined benefit plan)	105	96	85	-20	71
Employer's insurance contributions	15	10	12	13	14
Other personnel expenses	245	249	223	175	176
Total personnel expenses	1,699	1,584	1,426	1,159	1,093
IT costs	321	293	266	252	240
Postage and transportation services	23	17	22	22	22
Marketing	101	106	104	98	96
Depr./write-downs of fixed & intangible assets	172	99	102	98	100
Operating exp. on properties and premises	57	153	118	109	105
Other external services	193	151	139	108	171
Other operating expenses	231	221	192	156	104
Other expenses	1,098	1,040	943	844	838
Total operating expenses	2,797	2,624	2,369	2,003	1,931
Cost/income ratio	45.3 %	49.2 %	47.5 %	44.0 %	50%
Cost/income ratio ex financial investments	56.2 %	57.3 %	56.0 %	55.6 %	57%
12-month cost growth	6.6 %	10.8 %	18.3 %	3.7 %	8%

Change in operating expenses

Last 12 months [NOK million]	4Q19	Change	4Q18
Operating expenses	2,797	174	2,624
Total personnel expenses		115	
EDP and telecommunication expenses		29	
Postage and transportation services		6	
Marketing		-5	
Depr./write-downs of fixed & intangible assets		73	
Operating exp. on properties and premises		-96	
Other external services		42	
Other operating expenses		9	

Employees- full time equivalents

FTE's	4Q19	2018	2017	2016	2015
Parent bank	619	575	595	630	645
EiendomsMegler 1 Midt-Norge AS	230	309	251	227	211
SpareBank 1 Markets ¹	164	149	132	105	104
SpareBank 1 Regnskapshuset SMN AS	435	402	349	223	184
SpareBank 1 Finans Midt-Norge AS	34	34	32	34	34
DeBank	19				
Other	8	24	44	35	29
Total number of FTE's	1,509	1,493	1,403	1,254	1,208

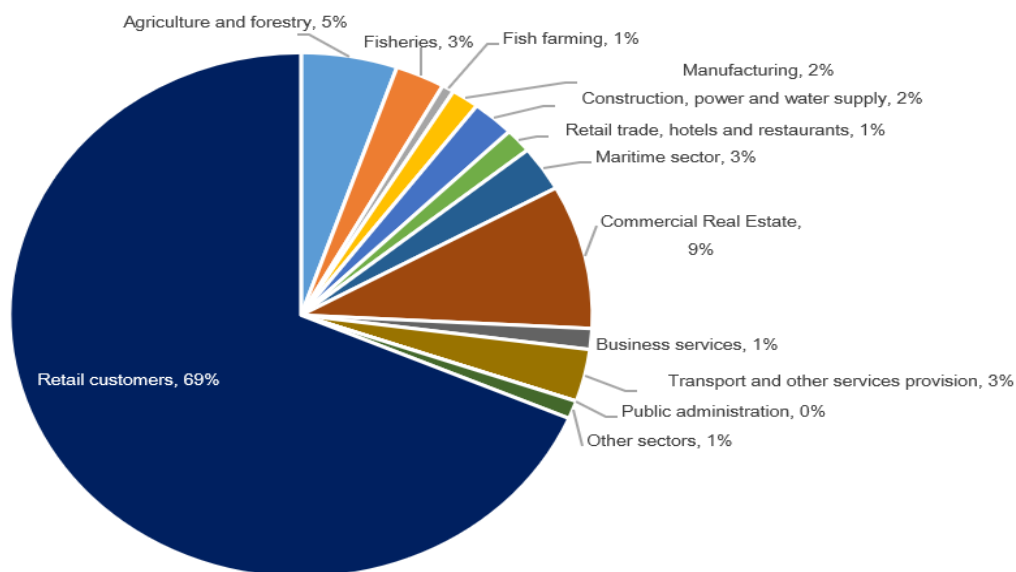
¹ SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015. SpareBank 1 SMN's capital market activities, including 32 FTEs, were transferred to SpareBank 1 Markets as part of the transaction.

1.7 Loans to customers

Distribution of loans by industry

	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Quarterly figures [NOK million]	2019	2019	2019	2019	2018	2018	2018	2018	2017
Agriculture and forestry	8,957	8,640	8,471	8,244	8,284	8,105	7,915	7,604	7,579
Fisheries	4,601	4,490	4,431	4,414	4,402	4,241	4,222	4,212	4,027
Fish farming	1,132	1,348	1,160	1,176	1,180	1,317	1,556	1,697	1,697
Manufacturing	2,595	3,097	3,118	3,507	3,787	3,158	2,794	3,129	3,157
Construction, power and water supply	3,970	3,719	3,678	3,703	3,661	3,536	3,349	3,622	3,419
Retail trade, hotels and restaurants	2,517	2,555	2,826	3,014	2,621	2,410	2,902	2,825	2,700
Maritime sector	4,660	4,678	4,667	4,609	4,227	4,372	4,706	4,533	4,639
Commercial Real Estate	14,878	14,530	14,726	14,915	15,168	14,737	14,623	14,366	14,348
Business services	2,146	2,053	2,088	2,060	2,162	2,463	2,195	2,203	2,260
Transport and other services provision	5,409	5,459	5,285	4,977	4,961	4,876	4,545	4,370	4,322
Public administration	12	14	15	15	55	23	19	243	240
Other sectors	1,863	2,026	2,036	1,720	1,679	1,955	1,852	1,823	1,699
Gross loans in corporate market	52,740	52,609	52,499	52,354	52,186	51,195	50,676	50,629	50,087
Retail customers	115,036	112,772	111,128	108,738	108,131	106,631	104,114	100,436	98,697
Gross loans incl. Boligkreditt and Næringskreditt	167,777	165,380	163,627	161,091	160,317	157,825	154,790	151,065	148,784
of which Boligkreditt	39,833	39,713	40,064	39,220	38,062	37,669	37,172	36,374	34,885
of which Næringskreditt	1,667	1,701	1,668	1,771	1,782	2,112	1,831	1,518	1,828
Gross loans in balance sheet	126,277	123,967	121,895	120,100	120,473	118,044	115,787	113,174	112,071
Share of volume, corporate market	31%	32%	32%	32%	33%	32%	33%	34%	34%
Share of volume, retail market	69%	68%	68%	68%	67%	68%	67%	66%	66%

Distribution of loans by industry



Credit risk classification in SpareBank 1 SMN

Risk class	Probability of default (%)		Corresponding rating class
	Low	High	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

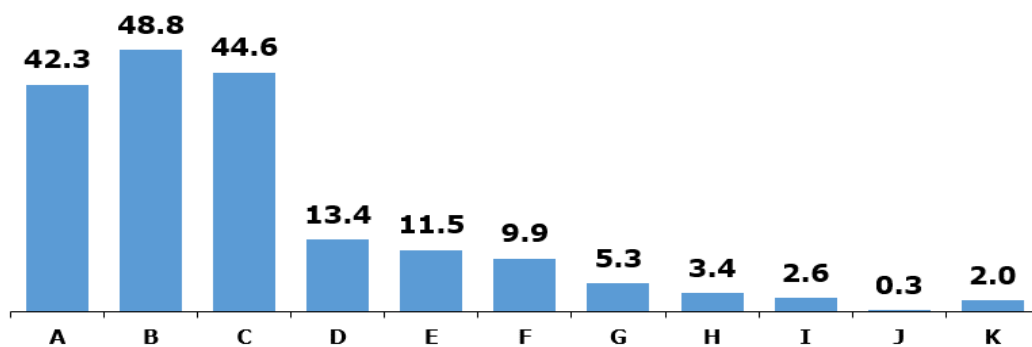
Risk profile - Exposure at default

As of	EAD	
	NOK billion	%
31 December 2019		
A	42.3	23.0 %
B	48.8	26.5 %
C	44.6	24.2 %
D	13.4	7.3 %
E	11.5	6.3 %
F	9.9	5.4 %
G	5.3	2.9 %
H	3.4	1.9 %
I	2.6	1.4 %
J	0.3	0.2 %
K	2.0	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		Very low	Low	Medium	High	Very high	Default and
31 December 2019	Total	risk	risk	risk	risk	risk	written down
Personal customers	113,709	95,430	11,688	4,073	947	1,237	334
Public administration	511	511	0	0	0	0	0
Agriculture and forestry	14,199	9,048	3,233	1,213	354	325	25
Fish farming industries	1,567	1,154	318	85	1	9	0
Manufacturing	3,233	619	767	1,090	243	479	35
Construction, power and water supply	5,036	1,141	902	2,362	473	106	52
Retail trade, hotels and restaurants	3,408	847	861	1,255	369	48	28
Maritime sector	1,222	427	250	210	335	0	0
Property management	15,223	10,129	2,417	1,981	330	291	76
Business services	4,339	940	2,014	1,179	119	44	43
Transport and other services	11,240	5,184	2,412	1,645	224	53	1,723
Finance	150	150	0	0	0	0	0
Other sectors	10,233	10,111	19	81	22	0	0
4Q19	184,071	135,691	24,880	15,174	3,417	2,593	2,315

Five years [NOK million]		Very low	Low	Medium	High	Very high	Default and
YTD 19	Total	risk	risk	risk	risk	risk	written down
YTD 19	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
2015	148,680	97,588	25,632	19,231	3,838	1,746	645

Write-downs on loans and guarantees

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Change in provision for expected credit losses for the period	81	60	44	61	22	58	61	9	
Actual loan losses on commitments exceeding provisions made	23	14	16	8	46	15	24	42	
Recoveries on commitments previously written-off	-2	-2	-2	-2	-1	-4	-7	-2	
Write-downs on loans and guarantees¹	103	71	59	67	67	69	78	48	
As % of gross loans incl. Boligkreditt	0.25%	0.17%	0.14%	0.17%	0.17%	0.18%	0.20%	0.13%	

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Change in provision for expected credit losses for the period	246	150			
Actual loan losses on commitments exceeding provisions made	62	127			
Recoveries on commitments previously written-off	-8	-15			
Write-downs on loans and guarantees¹	299	263			
As % of gross loans incl. Boligkreditt	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]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Retail Market	9	12	5	6	-1	9	13	-3	2
Corporate Market	73	47	39	53	59	51	54	48	70
SMN Finans and other	19	13	15	8	10	10	11	4	6
Total loss on loans	103	71	59	67	67	69	78	48	78

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Retail Market	32	17	5	13	11
Corporate Market	213	212	318	490	151
SMN Finans and other	54	34	18	14	6
Total loss on loans	299	263	341	516	169

Write-down ratio

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Non-performing commitments (gross)	429	424	356	288	310	284	275	289	284
Impaired commitments (gross)	1,680	1,700	1,641	1,591	1,372	1,365	1,477	1,358	1,184
Gross non-performing and impaired commitments	2,109	2,123	1,998	1,880	1,682	1,649	1,752	1,647	1,468

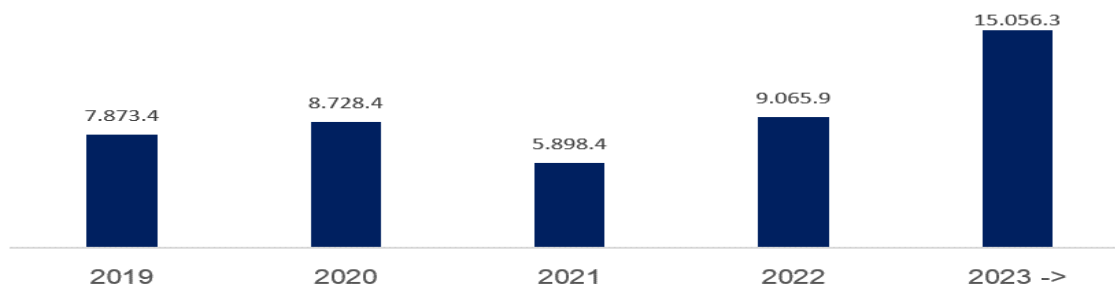
1.8 Capital Markets funding

Parent bank

	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Quarterly figures [NOK million]	2019	2019	2019	2019	2018
NOK bonds	13,315	14,772	15,024	14,977	15,548
Curr bonds	29,699	30,117	24,554	27,803	28,329
Curr CD's	0	0	0	392	391
Hybrid equity	1,538	1,454	1,457	1,459	1,463
Subordinated loan capital	1,759	1,753	1,762	1,770	1,761
Total capital markets funding	46,311	48,097	42,797	46,401	47,493

Funding maturity dates

Next eight quarters [NOK billion]	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Funding maturity	0.1	1.0	2.9	4.0	1.2	4.9	0.7	1.9



1.9 Capital adequacy

Capital adequacy ratios

Quarterly figures [NOK million]	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2019	2019	2019	2019	2018	2018	2018	2018	2017
Common equity Tier 1 capital	15,830	15,758	15,625	15,122	14,727	14,697	14,528	13,976	13,820
Tier 1 capital	17,742	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707
Total eligible capital	19,854	19,765	19,634	19,115	18,743	18,969	18,418	17,518	17,629
Risk-weighted assets (RWA)	91,956	104,464	104,240	102,495	101,168	98,915	97,137	96,044	94,807
Common equity Tier 1 ratio	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.6 %
Tier 1 capital ratio	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.6 %
Capital ratio	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Common equity Tier 1 capital	15,830	14,727	13,820	13,233	12,196
Tier 1 capital	17,742	16,472	15,707	15,073	13,992
Total eligible capital	19,854	18,743	17,629	17,189	16,381
Risk-weighted assets (RWA)	91,956	101,168	94,807	88,786	89,465
Common equity Tier 1 ratio	17.2 %	14.6 %	14.6 %	14.8 %	13.6 %
Tier 1 capital ratio	19.3 %	16.3 %	16.6 %	16.8 %	15.6 %
Capital ratio	21.6 %	18.5 %	18.6 %	19.2 %	18.3 %

Leverage ratio

Quarterly figures [NOK million]	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2019	2019	2019	2019	2018	2018	2018	2018	2017
Calculation basis for leverage ratio	236,441	234,678	230,667	227,862	223,853	221,628	224,271	215,248	218,479
Tier 1 capital	17,742	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707
Leverage ratio	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.2 %

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Calculation basis for leverage ratio	236,441	223,853	218,479	203,005	209,145
Tier 1 capital	17,742	16,472	15,707	15,073	13,992
Leverage ratio	7.5 %	7.4 %	7.2 %	7.4 %	6.7 %

Spesification of capital requirements

	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Quarterly figures [NOK million]	2019	2019	2019	2019	2018	2018	2018	2018	2017
Capital adequacy									
Total book equity	20,420	19,904	19,450	18,673	18,686	18,650	17,984	17,365	17,510
Additional Tier 1 capital instruments included in total equity	-1,293	-1,004	-1,013	-1,023	-1,043	-1,310	-1,136	-1,306	-993
Deferred taxes, goodwill and other intangible assets	-1,099	-1,106	-1,105	-1,073	-1,079	-1,059	-1,044	-1,040	-984
Deduction for allocated dividends and gifts	-1,314	0	0	0	-1,034	0	0	0	-893
Non-controlling interests recognised in other equity capital	-761	-792	-781	-665	-637	-623	-621	-572	-565
Non-controlling interests eligible for incl. in CET1 capital	438	450	447	392	366	371	357	341	324
Net profit	0	-2,217	-1,729	-1,046	0	-1,689	-1,209	-466	0
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	0	1,128	879	537	0	864	614	233	0
Value adjustments due to requirements for prudent valuation	-45	-44	-44	-43	-44	-47	-46	-45	-41
Positive value of adj. expected loss under IRB Approach	-351	-383	-309	-303	-286	-316	-299	-313	-333
Cash flow hedge reserve	3	5	5	5	5	2	4	3	7
Deduction for common equity Tier 1 capital in significant investments in financial institutions	-168	-183	-175	-333	-206	-147	-74	-222	-212
Common equity Tier 1 capital	15,830	15,758	15,625	15,122	14,727	14,697	14,528	13,976	13,820
Additional Tier 1 capital instruments	1,637	1,384	1,384	1,377	1,378	1,478	1,592	1,353	1,427
Additional Tier 1 capital instruments covered by transitional provisions	275	275	275	275	367	367	367	367	459
Tier 1 capital	17,742	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707
Subordinated capital	2,240	2,310	2,310	2,298	2,316	2,118	1,621	1,621	1,615
Subordinated capital covered by transitional provisions	12	179	182	184	96	449	449	449	561
Deduction for significant investments in financial institutions	-140	-141	-141	-142	-140	-140	-141	-248	-254
Additional Tier 2 capital instruments	2,113	2,348	2,351	2,340	2,272	2,427	1,930	1,822	1,922
Total eligible capital	19,854	19,765	19,634	19,115	18,743	18,969	18,418	17,518	17,629

	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Quarterly figures [NOK million]	2019	2019	2019	2019	2018	2018	2018	2018	2017
Minimum requirements subordinated capital									
Specialised enterprises	1,101	1,128	1,094	1,106	1,116	1,107	1,072	1,200	1,107
Corporate	1,149	1,194	1,163	1,161	1,163	1,181	1,128	1,070	1,113
Mass market exposure, mortgages	2,299	2,169	2,166	2,126	2,098	2,070	2,010	1,930	1,892
Other mass market	101	106	102	97	92	94	96	92	91
Equity investments, IRB	1	1	1	1	1	1	1	1	1
Total credit risk IRB	4,651	4,597	4,525	4,491	4,470	4,453	4,307	4,292	4,205
Central government	3	2	3	3	4	3	2	3	3
Covered bonds	132	149	136	135	124	145	146	142	146
Institutions	282	301	300	269	246	217	262	285	333
Local and regional authorities, state-owned enterprises	5	5	8	10	8	10	9	7	4
Corporate	239	237	237	251	221	241	255	236	226
Mass market	463	532	525	536	520	510	438	419	405
Exposures secured on real property	167	200	207	211	215	181	195	199	193
Equity positions	377	371	369	365	366	358	359	349	344
Other assets	151	157	167	169	107	109	128	150	166
Total credit risk standardised approach	1,818	1,955	1,952	1,949	1,810	1,774	1,796	1,791	1,820
Debt risk	34	27	35	45	31	33	23	25	18
Equity risk	15	6	14	12	7	24	11	14	22
Currency risk	3	3	3	3	3	3	4	4	1
Operational risk	720	656	656	654	575	575	575	575	510
Credit value adjustment risk (CVA)	115	130	122	118	122	80	110	119	117
Transitional arrangements	0	983	1,032	929	1,074	971	946	863	891
Minimum requirements subordinated capital	7,357	8,357	8,339	8,200	8,093	7,913	7,771	7,684	7,585
Risk-weighted assets (RWA)	91,956	104,464	104,240	102,495	101,168	98,915	97,137	96,044	94,807
Minimum requirement on CET1 capital, 4.5 per cent	4,138	4,701	4,691	4,612	4,553	4,451	4,371	4,322	4,266
Capital conservation buffer, 2.5 per cent	2,299	2,612	2,606	2,562	2,529	2,473	2,428	2,401	2,370
Systemic risk buffer, 3.0 per cent	2,759	3,134	3,127	3,075	3,035	2,967	2,914	2,881	2,844
Countercyclical buffer, 2.0 per cent (1.5 per cent)	2,299	2,089	2,085	2,050	2,023	1,978	1,943	1,921	1,896
Available CET1 capital after buffer requirements	4,335	3,222	3,116	2,823	2,587	2,827	2,872	2,451	2,444
Common equity Tier 1 capital ratio	17.2 %	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.6 %
Tier 1 capital ratio	19.3 %	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.6 %
Total eligible capital	21.6 %	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %
Leverage ratio									
Balance sheet items	230,048	228,285	223,781	221,200	216,240	213,761	216,406	207,831	210,764
Off-balance sheet items	7,897	7,939	8,343	8,262	9,086	9,595	9,345	9,530	9,295
Regulatory adjustments	-1,503	-1,546	-1,458	-1,600	-1,474	-1,729	-1,480	-2,113	-1,580
Calculation basis for leverage ratio	236,441	234,678	230,667	227,862	223,853	221,628	224,271	215,248	218,479
Tier 1 capital	17,742	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707
Leverage ratio	7.5 %	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.2 %

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
Capital adequacy					
Total book equity	20,420	18,686	17,510	16,253	14,857
Hybrid capital included in total equity	-1,293	-1,043	-993	-950	-950
Deferred taxes, goodwill and other intangible assets	-1,099	-1,079	-984	-741	-662
Part of reserve for unrealised gains, associated companies	0	0	0	117	264
Deduction for allocated dividends and gifts	-1,314	-1,034	-893	-609	-332
Non-controlling interests recognised in other equity capital	-761	-637	-565	-425	-318
Non-controlling interests eligible for inclusion in CET1 capital	438	366	324	220	132
Net profit	0	0	0	0	-43
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	0	0	0	0	0
Value adjustments due to requirements for prudent valuation	-45	-44	-41	-48	0
Positive value of adjusted expected loss under IRB Approach	-351	-286	-333	-248	-55
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	3	5	7	0	-239
Direct, indirect and synthetic investments in financial sector companies	-168	-206	-212	-337	-458
Common equity Tier 1 capital	15,830	14,727	13,820	13,233	12,196
Hybrid capital, core capital	1,637	1,378	1,427	1,358	1,301
Hybrid capital covered by transitional provisions	275	367	459	483	495
Tier 1 capital	17,742	16,472	15,707	15,073	13,992
Subordinated capital	2,240	2,316	1,615	1,698	1,647
Subordinated capital covered by transitional provisions	12	96	561	673	786
Deduction for significant investments in financial institutions	-140	-140	-254	-256	-43
Additional Tier 2 capital instruments	2,113	2,272	1,922	2,116	2,390
Total eligible capital	19,854	18,743	17,629	17,189	16,381

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
Minimum requirements subordinated capital					
Specialised enterprises	1,101	1,116	1,107	1,206	1,213
Corporate	1,149	1,163	1,113	1,102	1,105
Mass market exposure, mortgages	2,299	2,098	1,892	1,753	1,709
Other mass market	101	92	91	88	55
Equity investments, IRB	1	1	1	3	0
Total credit risk IRB	4,651	4,470	4,205	4,153	4,082
Central government	3	4	3	5	5
Covered bonds	132	124	146	130	62
Institutions	282	246	333	340	480
Local and regional authorities, state-owned enterprises	5	8	4	7	13
Corporate	239	221	226	253	262
Mass market	463	520	405	179	136
Exposures secured on real property	167	215	193	342	416
Equity positions	377	366	344	338	322
Other assets	151	107	166	178	108
Total credit risk standardised approach	1,818	1,810	1,820	1,772	1,805
Debt risk	34	31	18	36	64
Equity risk	15	7	22	5	10
Currency risk	3	3	1	1	0
Operational risk	720	575	510	479	457
Credit value adjustment risk (CVA)	115	122	117	84	106
Transitional arrangements	0	1,074	891	574	634
Minimum requirements subordinated capital	7,357	8,093	7,585	7,103	7,157
Risk-weighted assets (RWA)	91,956	101,168	94,807	88,786	89,465
Minimum capital requirement, transitional rules 4.5 per cent	4,138	4,553	4,266	3,995	4,026
Capital conservation buffer, 2.5 per cent	2,299	2,529	2,370	2,220	2,237
Systemic risk buffer, 3.0 per cent	2,759	3,035	2,844	2,664	2,684
Countercyclical buffer, 2.0 per cent (1.5 per cent)	2,299	2,023	1,896	1,332	895
Available CET1 capital after buffer requirements	4,335	2,587	2,444	3,022	2,355
Common equity Tier 1 ratio	17.2 %	14.6 %	14.6 %	14.8 %	13.6 %
Tier 1 capital ratio	19.3 %	16.3 %	16.6 %	16.8 %	15.6 %
Capital ratio	21.6 %	18.5 %	18.6 %	19.2 %	18.3 %
Leverage ratio					
Balance sheet items	230,048	216,240	210,764	194,324	198,616
Off-balance sheet items	7,897	9,086	9,295	10,068	12,017
Regulatory adjustments	-1,503	-1,474	-1,580	-1,388	-1,487
Calculation basis for leverage ratio	236,441	223,853	218,479	203,005	209,145
Tier 1 capital	17,742	16,472	15,707	15,073	13,992
Leverage ratio	7.5 %	7.4 %	7.2 %	7.4 %	6.7 %

2.1 Extract from income statement¹

Group [in NOK million] as of	31 December 2019	SB 1									Total
		Retail Market	Corporate Market	SB1 Markets	Eiendoms- megler 1 Midt- Norge	Finans Midt- Norge	SB 1 Regnskaps- huset SMN	SB 1 Gruppen	BN Bank	Un- collated ²	
Net interest		1,160	1,024	-17	-1	313	0	0	0	207	2,687
Allocated		211	147	0	0	0	0	0	0	-358	0
Total interest income		1,372	1,171	-17	-1	313	0	0	0	-151	2,687
Commission income and other income		805	205	509	540	73	502	0	0	-345	2,290
Net profit on financial investments		0	12	117	0	0	0	252	107	714	1,201
Total income		2,177	1,388	609	540	386	502	252	107	218	6,178
Total operating expenses		875	410	566	538	184	394	0	0	-169	2,797
Ordinary operating profit		1,302	978	43	1	202	108	252	107	386	3,380
Loss on loans, guarantees etc.		32	213	0	0	52	0	0	0	2	299
Result before tax		1,270	765	43	1	150	108	252	107	384	3,081
Post- tax return on equity ³		13.1 %	11.7 %								13.7 %

Main balance sheet items

Loans and advances to customers adv. of this to Boligkreditt and Næringskreditt	119,381	40,162	0	0	8,897	0	0	0	-663	167,777
Loss on loans	-119	-819	0	0	-56	0	0	0	-4	-998
Other assets	220	5,495	3,669	309	21	527	1,609	1,425	28,109	41,384
Total assets	79,360	43,460	3,669	309	8,861	527	1,609	1,425	27,442	166,662
Deposits to customers	41,639	42,756	0	0	0	0	0	0	1,522	85,917
Other liabilities and equity	37,721	704	3,669	309	8,861	527	1,609	1,425	25,920	80,745
Total liabilities	79,360	43,460	3,669	309	8,861	527	1,609	1,425	27,442	166,662

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 15.0 percent to be in line with the capital plan.

Development in interest income, Retail Market and Corporate Market

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Retail	298	301	283	278	288	270	244	254	266
Corporate	267	253	256	247	251	253	245	232	247
Net interest income	566	554	539	526	540	523	489	486	512

Development in margin¹, Retail Market and Corporate Market

Quarterly figures [percentage]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Lending									
Retail	1.40	1.49	1.50	1.60	1.63	1.64	1.65	1.79	1.96
Corporate	2.52	2.52	2.56	2.69	2.73	2.75	2.73	2.71	2.75
Total	1.64	1.71	1.73	1.84	1.88	1.89	1.90	2.03	2.14

Quarterly figures [percentage]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Deposits									
Retail	0.75	0.66	0.59	0.46	0.39	0.27	0.28	0.14	0.03
Corporate	0.14	0.09	0.03	0.02	-0.02	-0.05	-0.04	-0.05	-0.13
Total	0.43	0.36	0.29	0.24	0.19	0.12	0.12	0.04	-0.05

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

Development in volume, Retail Market and Corporate Market

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Lending²									
Retail	119,381	116,882	115,289	113,040	112,723	111,207	108,702	104,999	103,131
Corporate	40,162	40,502	38,422	38,881	40,548	39,716	39,452	39,821	39,482
Total	159,543	157,384	153,711	151,921	153,271	150,923	148,154	144,821	142,613

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

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Deposits									
Retail	41,639	41,674	42,795	40,734	40,046	39,879	40,372	37,811	37,182
Corporate	42,756	40,542	42,374	39,471	39,236	37,201	38,390	37,358	38,719
Total	84,395	82,216	85,169	80,206	79,282	77,079	78,762	75,169	75,902

Development in commission income, Retail Market and Corporate Market

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Retail	208	212	197	188	203	193	193	204	213
Corporate	60	52	49	56	54	63	51	51	47
Total	269	263	246	244	257	256	244	255	260

2.2 Retail market

Business description

	31 Dec
Facts about the business area	2019
Lending volume	119,381
Deposits volume	41,639
No. of active cutomers	226,422
FTEs	353

Financial performance

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest income lending	136	150	147	156	169	155	135	165	164
Net interest income deposits	157	148	134	123	113	111	107	89	96
Net interest income allocated capital	64	53	53	52	52	50	46	43	58
Total interest income	357	351	334	330	334	316	288	296	318
Net guarantee commission, incl BK, NK	102	102	99	94	99	89	98	108	109
Net commission of savings products	22	21	14	14	22	21	17	15	21
Net commission insurance services	40	40	39	38	38	37	38	38	39
Net commission payment trans. services	44	48	45	42	45	45	39	43	44
Other comission income	0	1	0	0	0	0	1	0	1
Net fee and comission income	208	212	197	188	203	193	193	204	214
Net profit on financial investments	0	0	0	0	0	0	0	0	0
Total income	565	563	532	518	537	509	481	501	531
Total operating expenses¹	221	222	215	217	207	199	200	199	197
Result before losses	344	341	317	301	330	310	281	302	335
Loss on loans, guarantees etc.	9	11	6	6	-1	8	13	-3	2
Result before tax	335	330	311	295	332	301	268	305	332

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income lending	589	624	572	457	621
Net interest income deposits	561	419	411	438	286
Net interest income allocated capital	221	190	154	57	41
Total interest income	1,372	1,234	1,137	953	948
Net guarantee commission, incl BK, NK	397	394	392	306	360
Net commission of savings products	70	75	70	63	55
Net commission insurance services	158	151	151	139	135
Net commission payment trans. services	179	172	175	171	165
Other commission income	1	1	1	1	0
Net fee and commission income	805	793	789	679	715
Net profit on financial investments	0	0	0	-1	1
Total income	2,177	2,027	1,926	1,631	1,663
Total operating expenses¹	875	804	794	770	779
Result before losses	1,302	1,223	1,132	861	884
Loss on loans, guarantees etc.	32	17	5	13	11
Result before tax	1,270	1,206	1,127	849	873
Post- tax return on equity (annualized)²	13.1 %	13.2 %	16.6 %	13.8 %	15.8 %

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 15.0 (14.5) 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

	31 Dec
Facts about the business area	2019
Lending volume	40,162
Deposits volume	42,756
No. of active customers	14,932
FTEs	158

Financial performance

Quarterly figures [NOK million]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest income lending	176	174	185	179	186	182	175	169	172
Net interest income deposits	75	70	64	62	56	63	64	58	68
Net interest income allocated capital	55	44	44	42	41	41	39	36	54
Total interest income	307	288	293	284	283	286	278	263	294
Net guarantee commission, incl BK, NK	21	18	17	20	19	22	19	20	20
Net commission of savings products	0	-2	2	2	0	1	1	1	1
Net commission insurance services	6	6	6	6	6	6	6	6	5
Net commission payment trans. services	28	24	20	25	25	23	22	22	21
Other commission income	2	2	0	2	1	2	0	1	1
Net fee and commission income	57	48	45	55	51	53	48	50	48
Net profit on financial investments	3	3	4	2	2	11	3	1	-1
Total income	367	340	341	340	336	350	329	314	341
Total operating expenses¹	103	100	103	104	94	91	92	95	89
Result before losses	264	239	239	236	242	258	237	219	252
Loss on loans, guarantees etc.	73	46	40	53	59	50	54	48	70
Result before tax	190	193	199	183	183	208	183	171	182

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income lending	715	712	677	649	704
Net interest income deposits	271	241	274	272	218
Net interest income allocated capital	185	157	157	78	48
Total interest income	1,171	1,110	1,108	1,000	971
Net guarantee commission, incl BK, NK	76	81	86	89	79
Net commission of savings products	2	2	2	2	5
Net commission insurance services	25	23	21	20	20
Net commission payment trans. services	97	92	86	84	75
Other commission income	5	4	3	2	1
Net fee and commission income	205	202	199	196	180
Net profit on financial investments	12	17	9	9	13
Total income	1,388	1,329	1,315	1,205	1,164
Total operating expenses¹	410	373	365	332	353
Result before losses	978	956	950	873	810
Loss on loans, guarantees etc.	213	212	318	490	151
Result before tax	765	744	632	384	659
Post- tax return on equity (annualized)²	11.7 %	11.3 %	10.5 %	6.9 %	12.4 %

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 15.0 (14.5) 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]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest income	0	0	0	0	-3	1	1	1	2
Commission income and other income	122	142	162	115	108	128	157	104	102
Total income	122	141	162	114	105	129	158	104	104
Total operating expenses	128	148	139	123	134	140	133	112	114
Result before tax	-6	-7	23	-9	-29	-11	25	-8	-10

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income	-1	-1	3	4	4
Commission income and other income	540	497	473	426	360
Total income	540	496	477	430	364
Total operating expenses	538	519	474	363	317
Result before tax	1	-23	3	68	47

SpareBank 1 Finans Midt- Norge AS

Ownership 61.2 %

the 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]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest income	82	79	76	75	75	69	66	65	63
Commission income and other income	19	18	19	16	16	16	17	14	14
Total income	101	98	96	92	91	85	83	79	77
Total operating expenses	47	45	48	44	40	41	38	36	36
Ordinary operating profit	54	53	48	47	51	44	45	42	41
Loss on loans, guarantees etc.	19	12	13	8	10	9	11	4	6
Result before tax	35	41	35	40	42	35	34	38	35

Five years [NOK million]	YTD 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Net interest income	313	275	228	183	154
Commission income and other income	73	62	55	30	33
Total income	386	337	283	213	187
Total operating expenses	184	155	137	96	97
Ordinary operating profit	202	182	146	117	91
Loss on loans, guarantees etc.	52	34	18	13	8
Result before tax	150	149	128	104	83

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]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest income	0	0	0	0	0	0	0	0	0
Commission income and other income	111	100	151	140	107	84	132	121	91
Total income	112	100	151	140	107	84	132	120	92
Total operating expenses	85	80	110	119	93	71	105	103	76
Result before tax	27	20	41	21	14	13	27	17	15

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income	0	0	-1	0	0
Commission income and other income	502	444	377	234	197
Total income	502	444	376	235	197
Total operating expenses	394	373	315	191	162
Result before tax	108	71	61	44	35

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]	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17
Net interest income	-3	-4	-5	-4	-3	-4	-4	-3	-4
Equities/ High Yield	56	27	49	51	39	40	60	56	47
Fixed Income	11	8	12	12	10	6	13	11	6
Corporate	46	61	64	43	74	32	57	21	41
Foreign exchange/ interest rate derivatives	28	31	37	21	30	17	24	34	32
Asset Management	20	12	12	11	0	11	11	10	33
Other commission income	1	3	2	6	0	4	2	3	3
Total income	157	139	172	140	150	106	164	131	158
Total operating expenses	153	129	146	138	156	120	136	124	146
Ordinary operating profit	4	11	26	2	-6	-14	29	7	12
Loss on loans, guarantees etc.	0	0	0	0	0	0	0	0	0
Result before tax	4	11	26	2	-6	-14	29	7	12

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income	-17	-14	-15	-8	-3
Equities/ High Yield	184	195	152	97	69
Fixed Income	44	40	41	20	-25
Corporate	214	183	112	87	35
Foreign exchange/ interest rate derivatives	117	105	82	88	50
Asset Management	56	32	53	0	0
Other commission income	13	10	11	8	6
Total income	609	551	437	292	132
Total operating expenses	566	536	435	282	235
Ordinary operating profit	43	15	2	10	-103
Loss on loans, guarantees etc.	0	0	0	0	0
Result before tax	43	15	2	10	-103

Other subsidiaries

SpareBank 1 Spire Finans

A bank catering exclusively to small and medium-sized businesses that specialise in factoring. DeBank 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

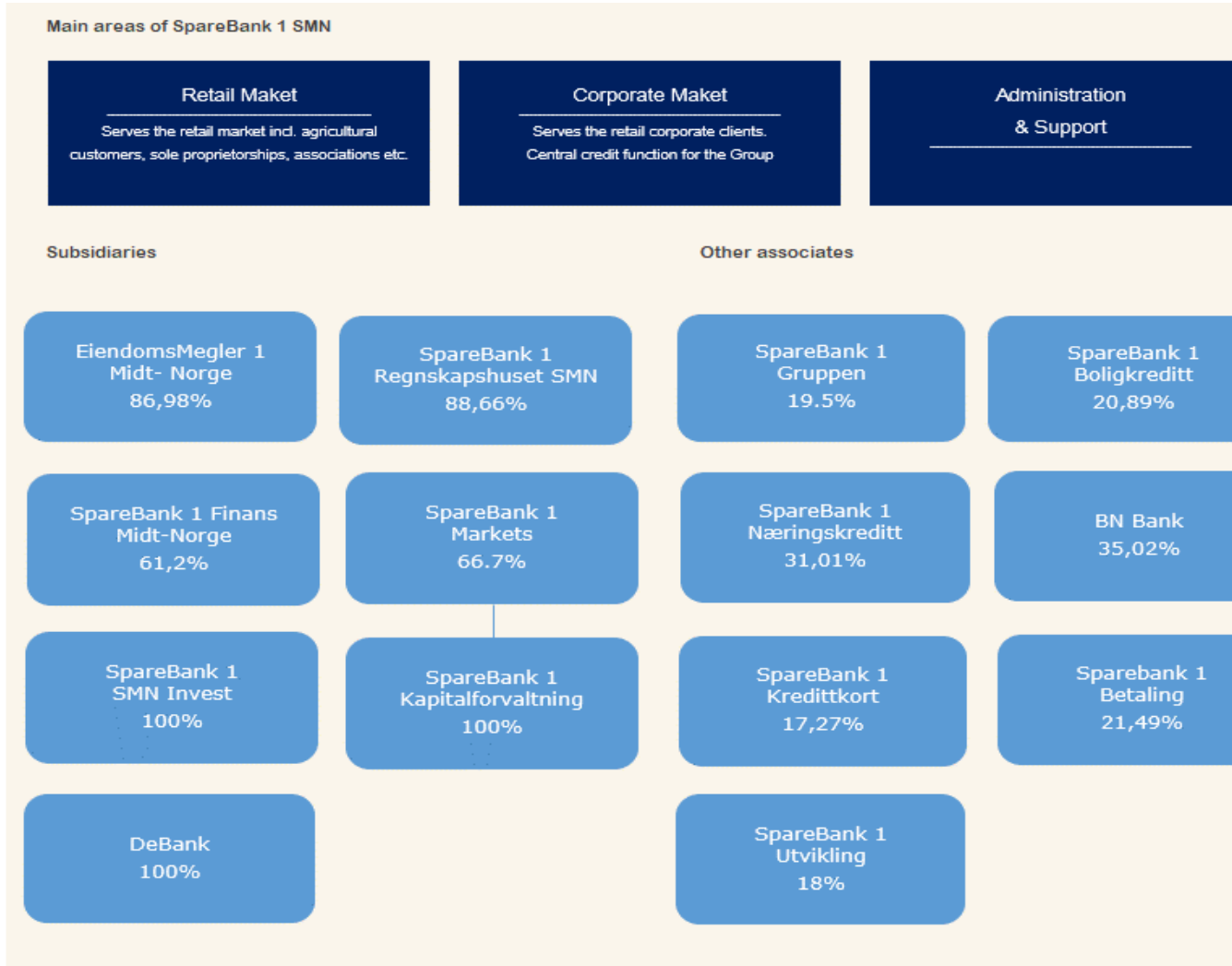
Their mission is to own, operate and develop property. Property companies: SpareBank 1 SMN Kvartalet, SpareBank 1 Bygget Steinkjer, St Olavs Plass 1 SMN

3 Appendix

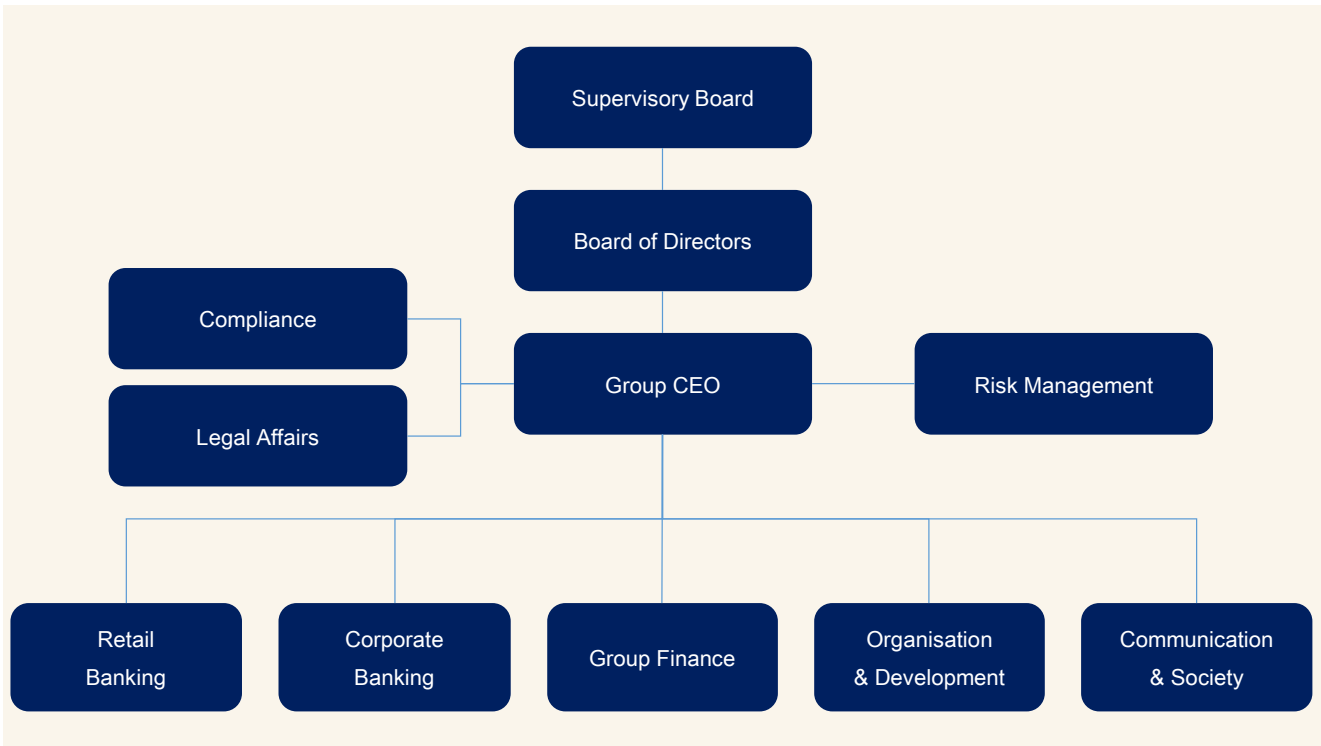
A1 Business description

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:

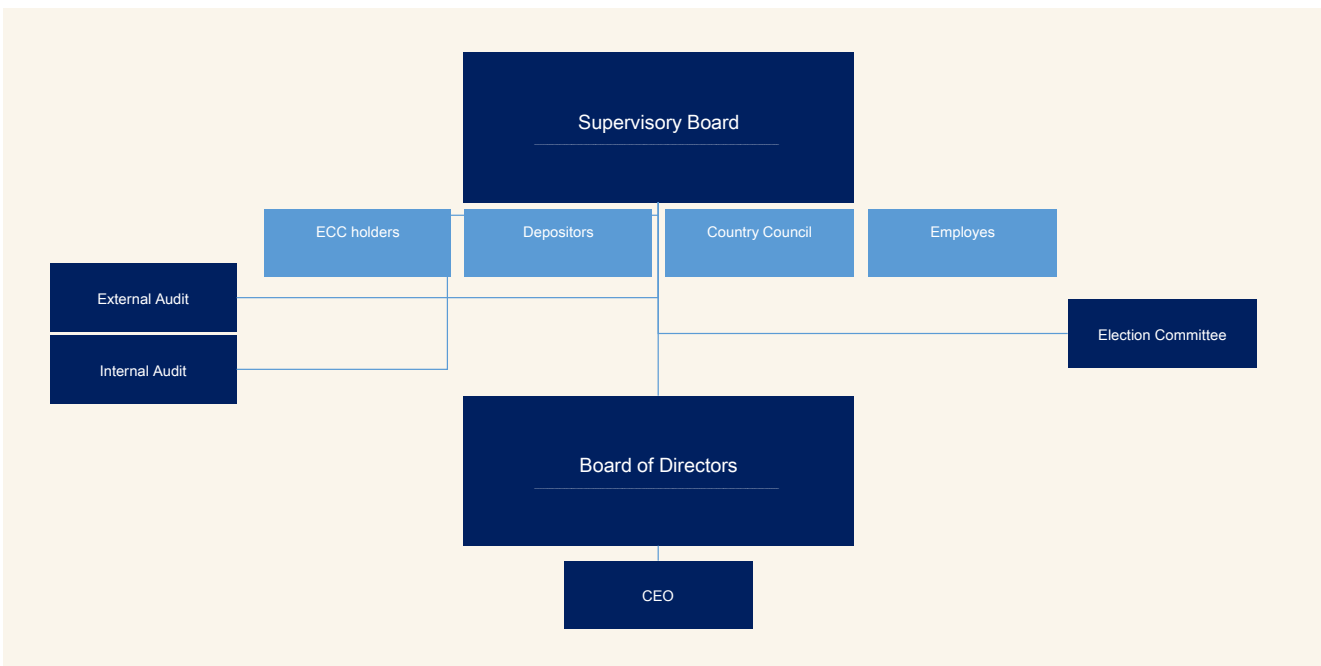
Financial Group SpareBank 1 SMN



Organisation of SpareBank 1 SMN

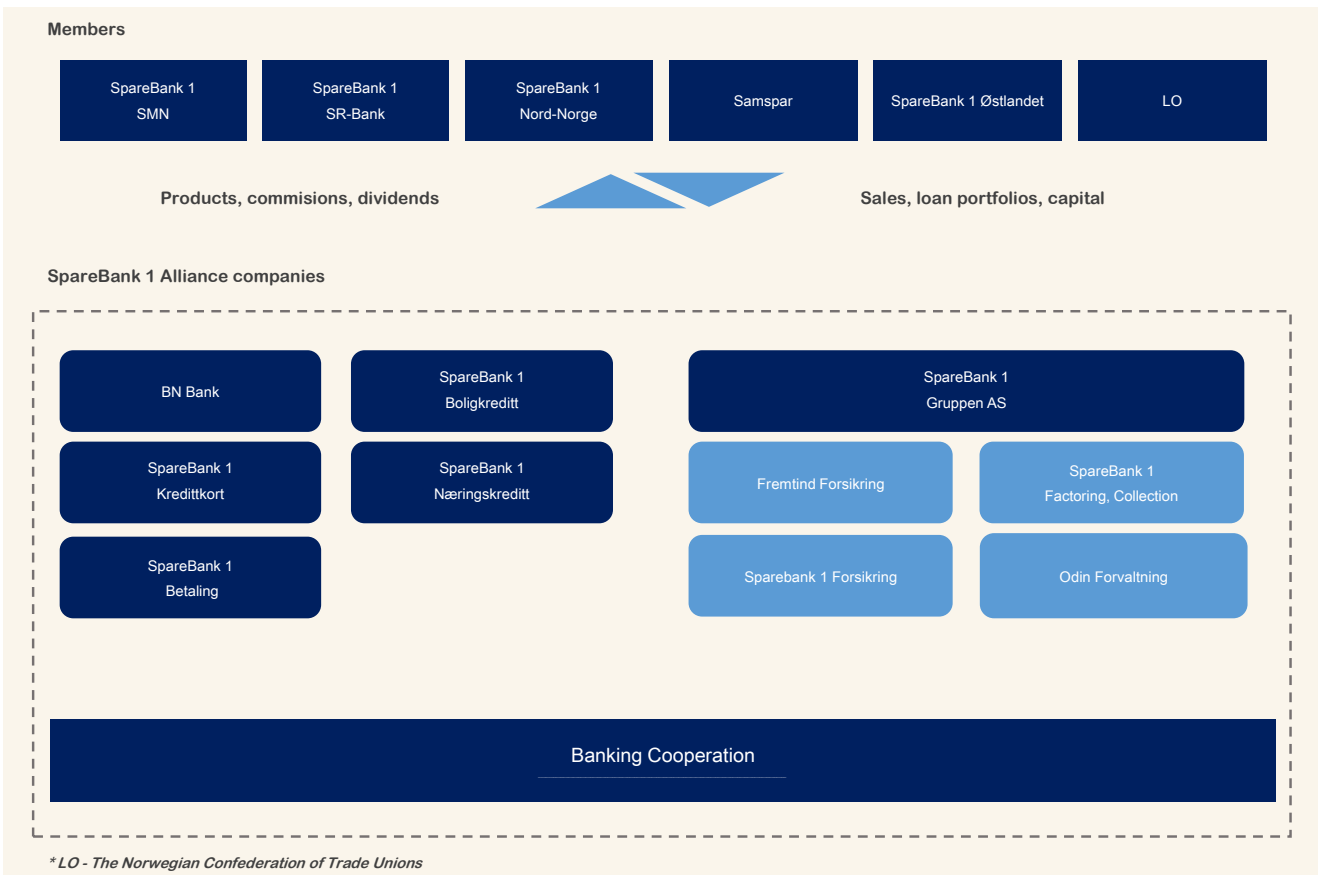


Overview of governing and control bodies



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 SpareBank 1 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 %
State Street Bank and Trust CO (nominee)	5,596,264	4.31%
VPF Nordea Norge	4,911,723	3.78%
Sparebankstiftelsen SMN	3,965,391	3.05%
VPF Odin Norge	3,442,919	2.65%
Danske Invest Norske Aksjer Institusjon II	3,314,149	2.55%
VPF Pareto Aksje Norge	2,368,292	1.82%
VPF Alfred Berg Gambak	2,254,451	1.74%
Morgan Stanley & Co. International	2,084,858	1.61%
State Street Bank and Trust Comp (nominee)	2,044,622	1.57%
JPMorgan Chase Bank, N.A., London (nominee)	2,023,423	1.56%
Pareto Invest AS	1,815,271	1.40%
Forsvarets Personellservice	1,779,246	1.37%
VPF Nordea Kapital	1,503,225	1.16%
Danske Invest Norske Aksjer Institusjon I	1,372,975	1.06%
J.P. Morgan Bank Luxembourg S.A. (nominee)	1,370,104	1.06%
MP Pensjon PK	1,352,771	1.04%
VPF Eika Egenkapitalbevis	1,349,141	1.04%
Handelsbanken Nordiska Småbolagsfond	1,316,359	1.01%
Citibank N.A (nominee)	1,293,691	1.00%
VPF Nordea Avkastning	1,249,111	0.96%
Total 20 largest shareholders	46,407,986	35.74%
Others	83,428,457	64.26%
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