



SpareBank
SMN



1st quarter 2020

8. May 2020

Profits Q1 2020

Net profit

NOK 290m (1,046)

ROE

5.7 % (23.3)

CET1

16.3 % (14.8)

Pre loss result of core business NOK 564m (496)
Loan losses NOK 308 m (67)

Gain Fremtind NOK 340m (460)

Leverage ratio 6.9 % (7.4)

Growth in lending RM 7.6 % (8.3) CM 2.7% (3.4)
Growth in deposits 9.2 % (6.3)

Booked equity capital per ECC NOK 86.85 (83.87)
Profit per ECC NOK 1.26 (5.02)



1st quarter 2020

Always there for people, businesses and local communities – in upturns and downturns

SMN is the region's leading finance house – this imposes an obligation In Q1 we have been extra visible and present in our dialogue with a community and business sector in crisis

SMN is solvent and solidly capitalised. We have a strong foundation in the group's broad-based earnings platform. The core business exc losses delivered good results in Q1, but the performance is nonetheless heavily affected by the corona crisis

Our ambition and strategies stand firm. SMN will remain one of the the best-performing banks in the Nordic region

SMN will strengthen its position by helping people, businesses and local communities through the crisis. At the same time we are taking the steps needed to address the crisis and will grasp new opportunities in light of the market and the situation to hand



Strategy 2020-2023

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

12%

2020 will be a challenging year, but our long-term financial ambition is retained

Profitable

Return on equity 12%

15.4%

Financially sound

CET1 ratio 15.4%

Payout ratio approx. 50%

< 2%

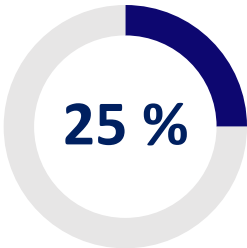
Efficient

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

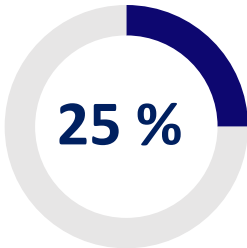
Number 1 in financial services in Central Norway

Market shares

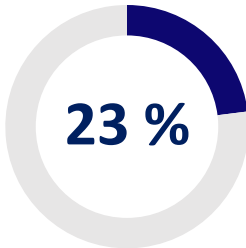
Parent bank retail



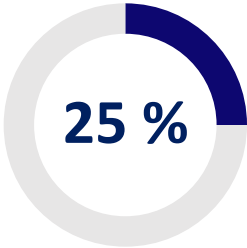
Parent bank SMB



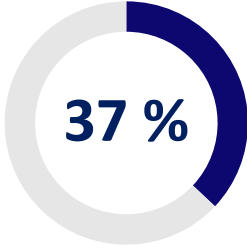
Collateral, residential mortgages



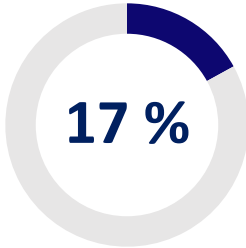
Accounts



Estate agency



Vendor's liens



Corona crisis and oil crisis

Impact on the core business

Business model	<ul style="list-style-type: none">• A business model featuring a local presence is appreciated in times of crisis• Close dialogue with customers throughout the crisis – SMN contributes capital and competence• Changed customer behaviour and increased activity on digital interfaces• Home working, critical societal functions are maintained and all businesses are in operation
Incomes	<ul style="list-style-type: none">• Strong revenue trend in Q1, robust and diversified earnings platform• Falling credit demand expected. Regnskapshuset and SB1 Finans little affected• Reduced interest rate level will bring lower return on group equity and reduced net interest income as from Q2 2020
Expenses	<ul style="list-style-type: none">• Moderate cost growth in Q1, BN Bolig wound up and cost reductions at SB1 Markets• Cost adjustments carried out, expectations of low activity prompt a cost target for 2020 set at an annual growth rate below 2 per cent• The profitability project 'One SMN' was initiated ahead of the corona crisis; the focus is now on achieving rapid gains
Losses	<ul style="list-style-type: none">• Losses of NOK 308m on loans and guarantees in Q1, of which NOK 143m refers to a single exposure• The offshore portfolio is affected by oil prices, and is closely monitored• Increased losses as a result of lower lower expectations of the Norwegian economy

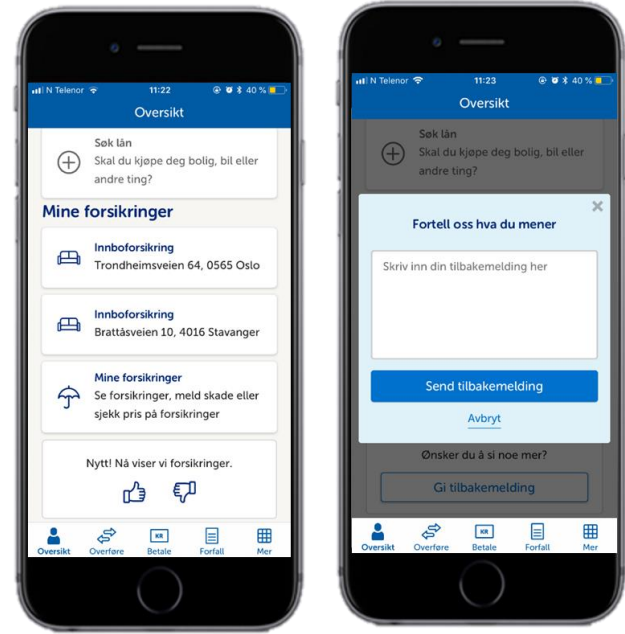
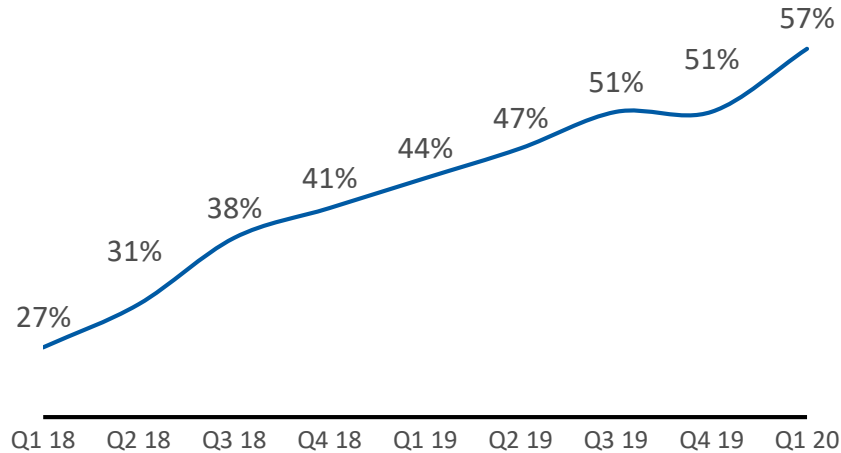
Corona crisis and oil crisis

Other effects

Financial investments	<ul style="list-style-type: none">• Capital losses on shares• Wider credit margins on the liquidity portfolio bring substantial capital losses in Q1
Funding and liquidity	<ul style="list-style-type: none">• The group's funding situation is sound and SMN has ample access to funding via SpareBank 1 Boligkreditt• SpareBank 1 SMN has an excellent liquidity position
Capital	<ul style="list-style-type: none">• The group is solidly capitalised, CET1 capital adequacy is in keeping with the targeted level• Changed distribution of profit for 2019
SpareBank 1 Gruppen	<ul style="list-style-type: none">• Financial performance is heavily affected, with substantial technical provisions and negative financial return across all asset classes, along with write-downs on property portfolios

Strong increase in share of digital sales in Q1 2020

Share of digital sales %



SpareBank 1 SMN contributing capital and competence

- Task force established to support corporate clients
- Advice provided on support schemes and measures
- Mortgage payment holidays
- Government guaranteed loans (ceiling NOK 1.5bn)
- Advances of unemployment benefit
- Financial support to cultural and community life



We will help people and businesses through the crisis

The consequences of coronavirus can be serious. It is a matter of health and of finances. And it is still too early to tell how long the pandemic will last or how large the repercussions will be. We at SpareBank 1 SMN promise to do our utmost to limit the consequences for people, businesses and the community

[Read more from Group CEO Jan-Frode Janson](#)



BUSINESS SECTOR

Cash subsidies to businesses – how to set up your application



INSURANCE

What will you do about your planned summer holiday abroad?



What steps should you take to save your business?

Crisis package of NOK 100m for the voluntary sector



We are not going to fail the voluntary sector
and cultural life!

As a savings bank it is in our heart to care about people and the place we hail from

A large portion of SpareBank 1 SMN's net profit is returned to the local communities. That is because the community is our largest owner. Rarely has there been a greater need for this than at the present time.

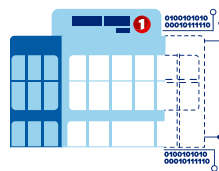
We are distributing NOK 200m as the community's share of the dividend payout, and earmark half of this sum to helping voluntary bodies, clubs and associations through the corona crisis.

Five strategic priorities for 2020-2023



Create 'One SMN'

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



Increase digitalisation and use of insight

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



Head up the development of Norway's savings bank system

- Collaboration as a competitive advantage
- Growth



Integrate sustainability into the business

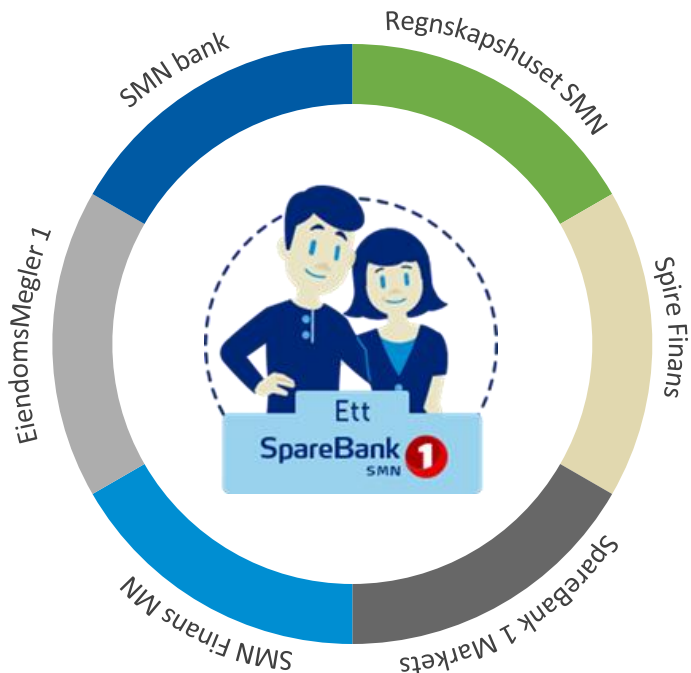
- Sustainable development
- Reduce risk
- Realise business opportunities



Exploit the power in our ownership model

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

'One SMN' will strengthen the Group's market position and profitability



- The profitability enhancement programme One SMN was initiated prior to the corona crisis, and is an extra factor strengthening the group's market position
- A targeted profit improvement of at minimum NOK 300m through increased synergy gains, increased incomes, cost efficiencies and improved capital utilisation across the entire group
- Immediate measures to reduce costs. Structural moves to reduce total costs in the somewhat longer term
- Service concept renewed and digitalisation effort accelerated, in keeping with customers' needs and expectations
- Market situation provides an opportunity to expedite and reinforce the programme's measures



SpareBank
SMN 

Credit risk

Vegard Helland,

Executive director – Corporate Banking

Situation in the housing market during and after the corona pandemic in three phases

Phase 1: Shock

- Reduction in no. of house sales and no. of houses placed on the market from 12 March up to Easter
- Price correction on houses sold estimated at 0 to -2%

Phase 2: Economic contraction (ongoing)

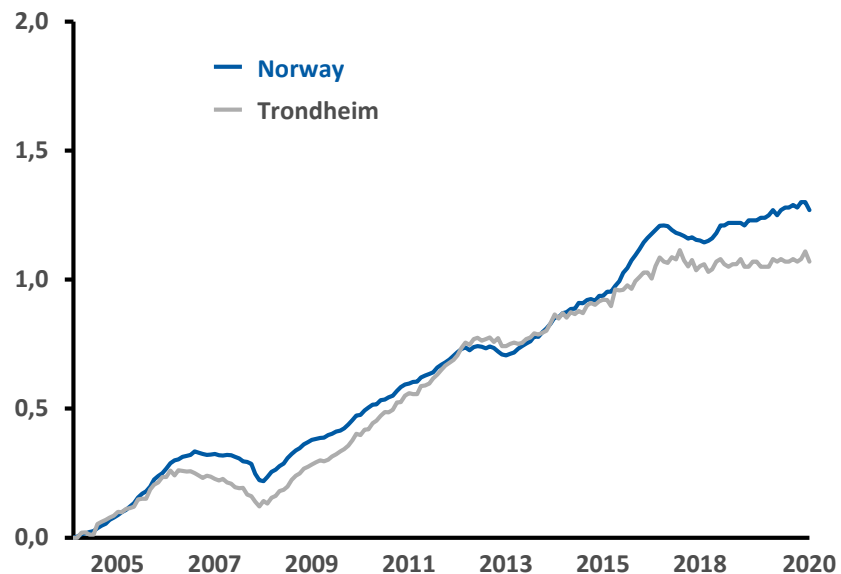
- Good sales of new and existing homes in Easter week, and gradual normalisation of the number of homes put on the market and sold in the second half of April
- Official house price figures for April show price growth of 1.2% both in Trondheim and Central Norway.
- Market equilibrium, sale period and prices will be decided by the trend in unemployment and confidence in the housing

Phase 3: Normalisation (but when?)

- Trondheim and Central Norway remain attractive areas in which to live, work and study
- The housing market normalises in terms of turnover volume and predictability with regard to house purchase and sale
- House prices back to a normalised level ?

House prices levelling out

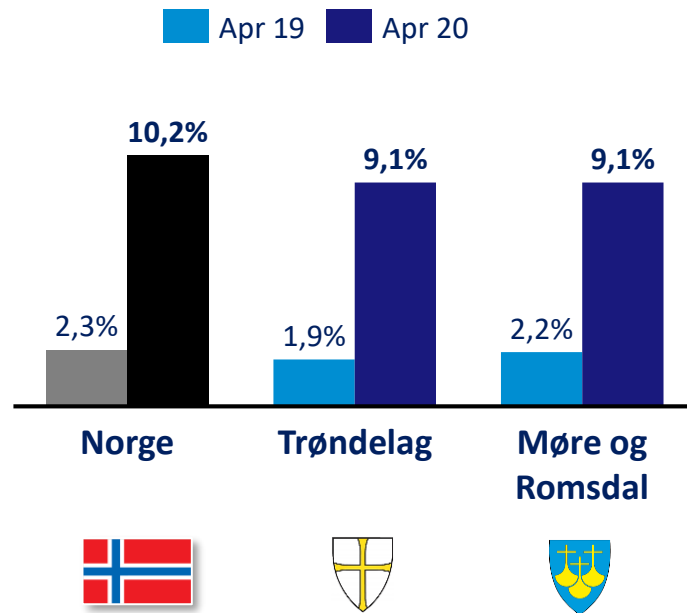
House prices 2005 – 31. March 2020



1st quarter 2020

Significant increase in unemployment

Monthly figures April 2019 and April 2020



Sources: Statistics Norway for house prices, unemployment from NAV

A high proportion of our retail customers are employed in the public sector



1st quarter 2020

About 50% of our retail customers are employed in the public sector, and are thus considered relatively unlikely to be laid off or to become unemployed as a result of COVID-19

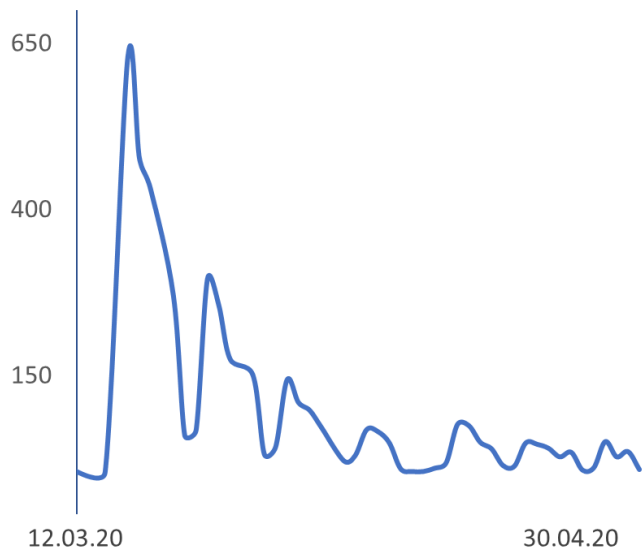
Largest employers in terms of number of customers and volume:

- Trondheim municipality
- St. Olavs Hospital
- Trøndelag County Council
- Norwegian University of Science and Technology (NTNU)

Payment holidays, retail market

No. of applications for payment holiday

Retail market



1st quarter 2020

- Strong growth in applications for payment holidays as a result of lay-offs in March
- No. of applications normalised in the course of April
- Applications relate in all essentials to exposures in the lowest risk categories
- This indicates that the measures taken benefit customers who in a normal situation have the ability to pay, but where one or more household members become uncertain payers due to coronavirus

«Task Force»

Skilled and experienced



Crisis impacts – sectoral overview

Strong impact

Tourist industry
Hotels
Culture
Civil aviation
Sports
Education
Personal hygiene
Bars and restaurants
Canteens and catering
Fitness centres
Travel agents
Physiotherapists and chiropractors
Dentists
Hairdressers and beauty salons
Labour hire
Other personal services

Moderate impact

Carriage of passengers
Retail trade
Building industry
Serving establishments
Manufacturing
Commercial real estate
Security services
Car dealers
Fish exporters
Wholesale/agency business exc food
Plant nurseries
Motorhome dealers
Boat dealers
Financing and insurance services
Media companies/newspapers
Offshore and oil-related
Other business services

Mild impact

Freight transport
Construction
Agriculture
Auditing, accounting and business advisory services
Shipyards
Food production
Craftsmen
Energy companies
Fishfarming/aquaculture
Fisheries
Fish processing
Mining and extraction
Water supply and sewerage
Information and communication technology
Public sector
Health and social services
Shipping
Other transport-related activity
Housing cooperatives
Day care centres

Positive impact

Grocery trade
Pharmacies
Streaming services
Telecommunications companies
Doctor's offices
Wholesale/agency business, foodstuffs

Retail trade heavily impacted by the crisis, but grocery trade, e-commerce and some other categories are experiencing growth. Offshore impacted by oil price fall



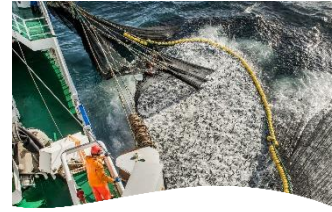
Retail

Positive - strong impact ■ ■ ■



Construction

Mild-moderate impact ■



Fishery

Mild-moderate impact ■



Maritime industry

Mild-moderate impact ■



Offshore

Strong-moderate impact ■ ■



Agriculture

Mild-positive impact ■ ■



Aquaculture

Mild impact ■



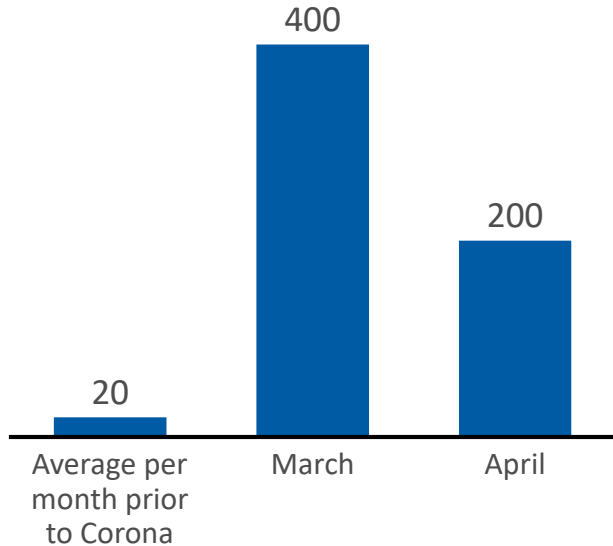
Commercial real estate

Moderate impact ■

Payment deferments, corporates

No. of payment deferments

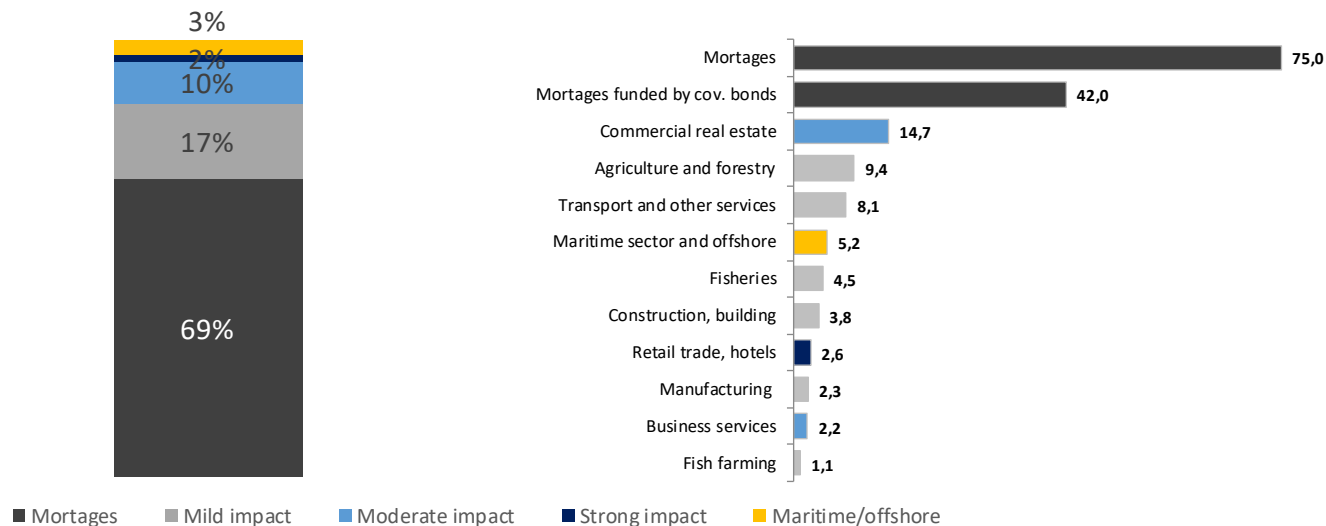
Corporates



- Strong growth in the number of payment deferments in March, and a relatively high number in April
- SpareBank 1 SMN has utilised NOK 175m of a loan ceiling of NOK 1.5bn (11.7%), of which 96% is government-guaranteed (figures as per 28.04.2020)
- 221 companies that have received support under the compensation scheme are credit customers of SpareBank 1 SMN. Mostly in the retail, hotel, restaurant and tourist industries (figures as per 27.04.2020)

Robust loan portfolio of which 69 per cent of loans are to wage earners. Retail trade, hotels and business services are vulnerable industries, while oil-related sectors are affected by the oil price fall

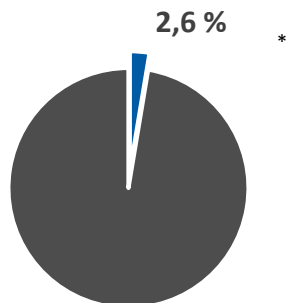
Total loans NOK 170.8bn



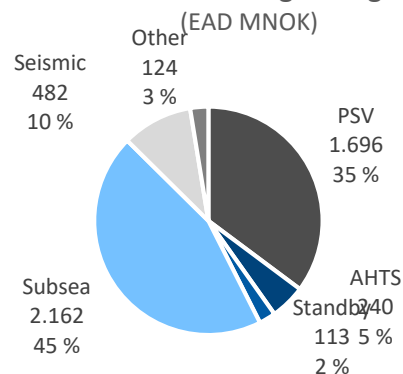
Offshore constitutes a small share of total credit risk (2.6 per cent)

Impairment level corresponds to 13.5 per cent of the offshore portfolio

Oil and offshore

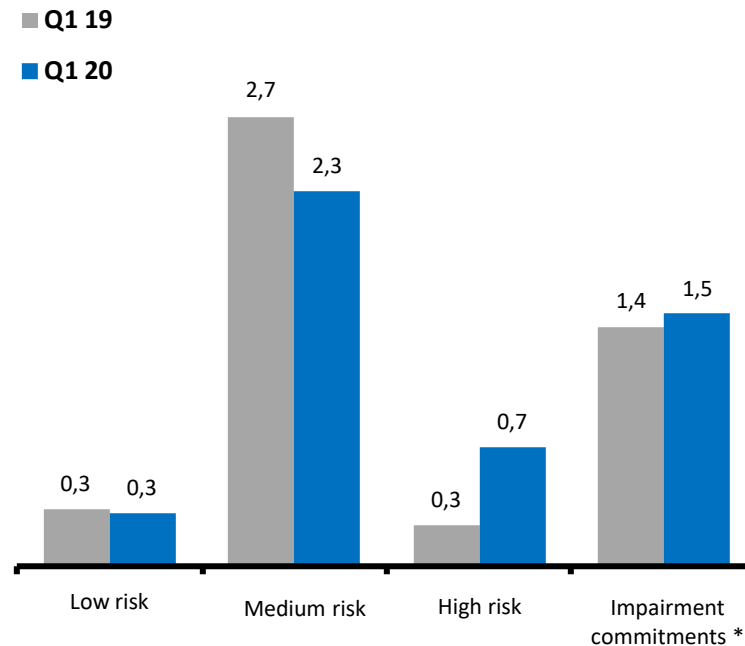


Subsea and PSV largest segments (EAD MNOK)



1st quarter 2020

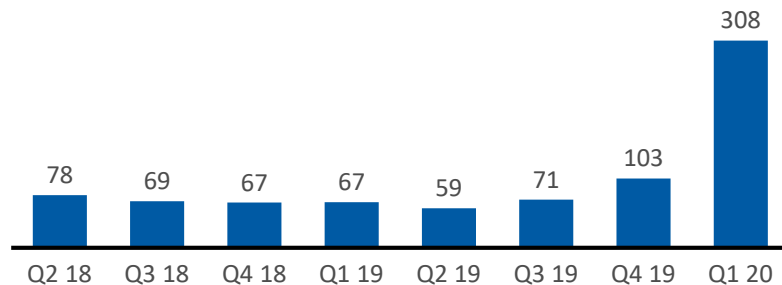
Default risk class distribution**



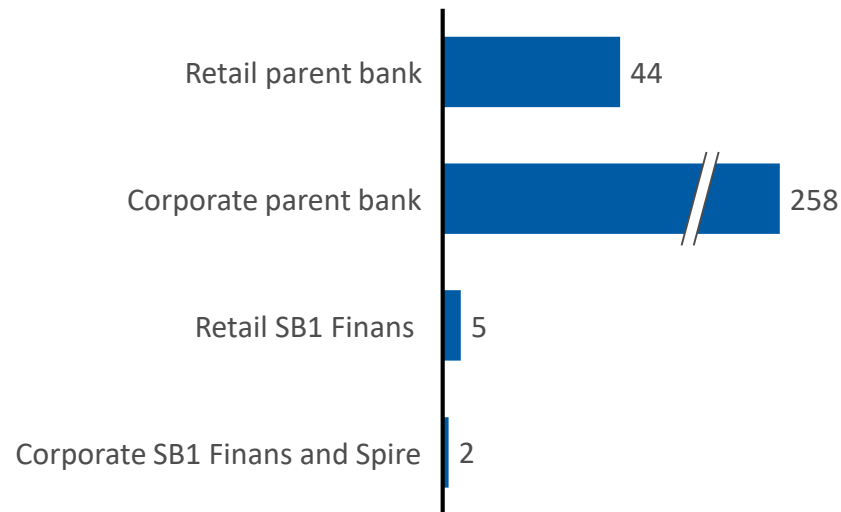
***) Excl. exposure vs barges and towing vessels

Increased losses in Q1 2020, largely as a result of the corona crisis NOK 143m of the losses in Q1 refer to a single exposure

Losses per quarter, NOKm

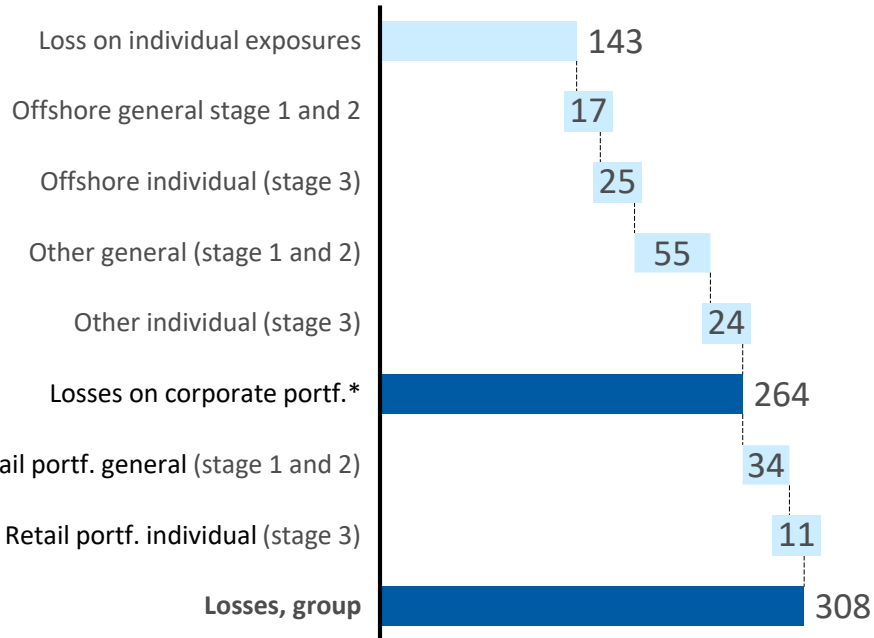


Distribution loan losses 1st quarter 2020



Loan losses including collective loss provisions 0.73 % (0.17 %) of gross lending as of 31.3.2020

Increased losses in the first quarter, mainly as a result of a single exposure and changed expectations of the Norwegian economy



* Corporate portfolio incl agriculture

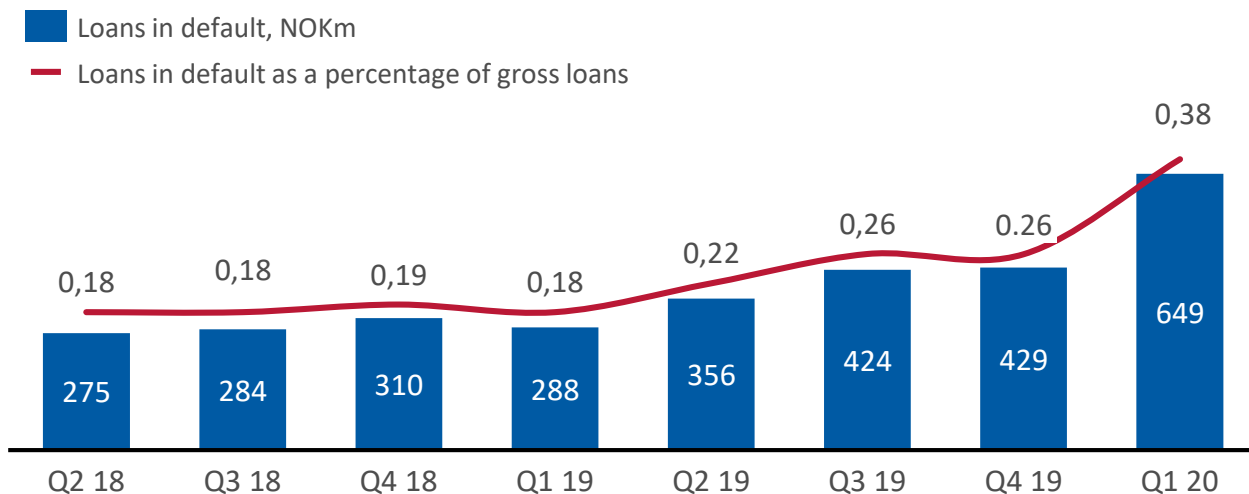
1st quarter 2020

- Losses of NOK 308m in the group in Q1
- Losses of NOK 264m on the corporate portfolio. Of this, NOK 143m refers to a single exposure
- Offshore portfolio shows losses of NOK 42m in Q1
- Losses of NOK 45m on the group's retail portfolio in Q1, mainly from general write-downs
- SMN has revised the assumptions for economic development in its loss model. This produces an effect of NOK 80m

Increased payment defaults in Q1, 0.38 per cent of gross lending

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

Last two years, per quarter





SpareBank
SMN

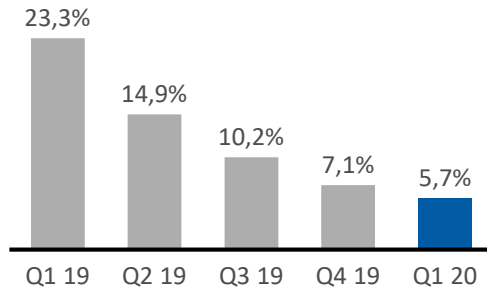


Financial information

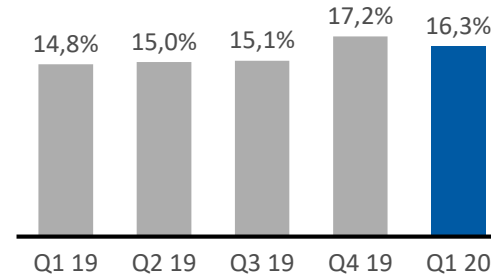
Kjell Fordal, CFO

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

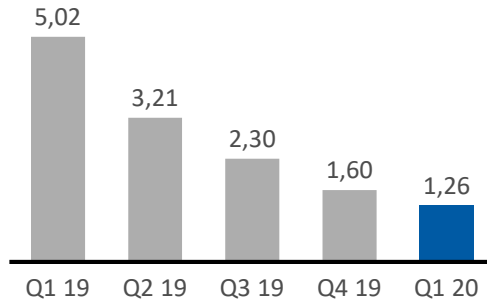
ROE



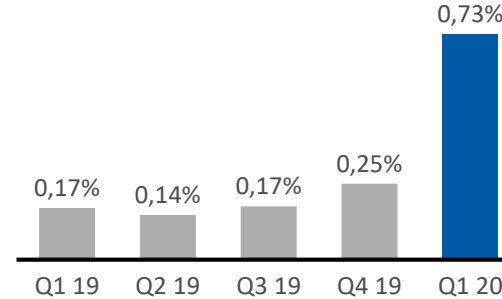
CET1



Profit per ECC



Loan losses as a percentage of total loans



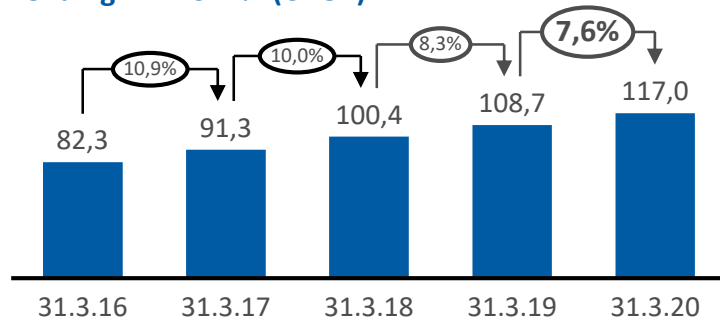
1st quarter 2020

Profits

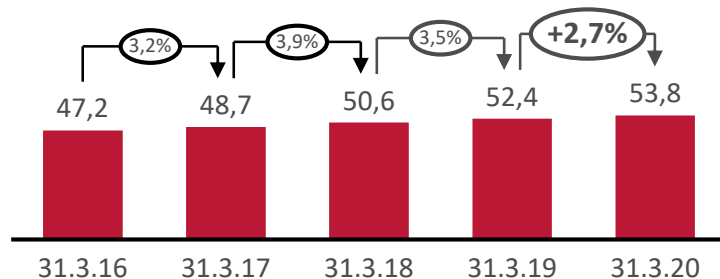
NOK mill	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19
Net interest	710	697	678	664	649
Commission income and other income	570	579	554	606	551
Operating income	1.280	1.276	1.232	1.271	1.200
Total operating expenses	716	720	673	701	704
Pre-loss result of core business	564	556	559	570	496
Losses on loans and guarantees	308	103	71	59	67
Post-loss result of core business	256	453	487	511	428
Related companies	-123	8	85	231	95
Gain Fremtind	340				460
Securities, foreign currency and derivatives	-116	9	36	105	172
Result before tax	357	469	609	848	1.155
Tax	67	123	121	165	109
Net profit	290	346	488	683	1.046
Return on equity	5,7 %	7,1 %	10,2 %	14,9 %	23,3 %

Total growth lending 6.0 % last 12 months

Lending RM +9.2 % (CAGR)



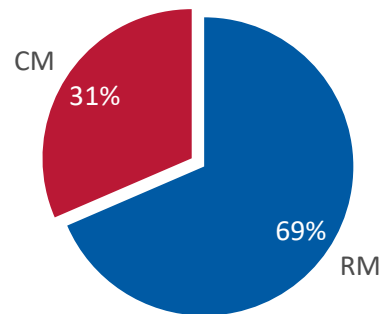
Lending CM + 3.0 % (CAGR)



High growth in home mortgage lending

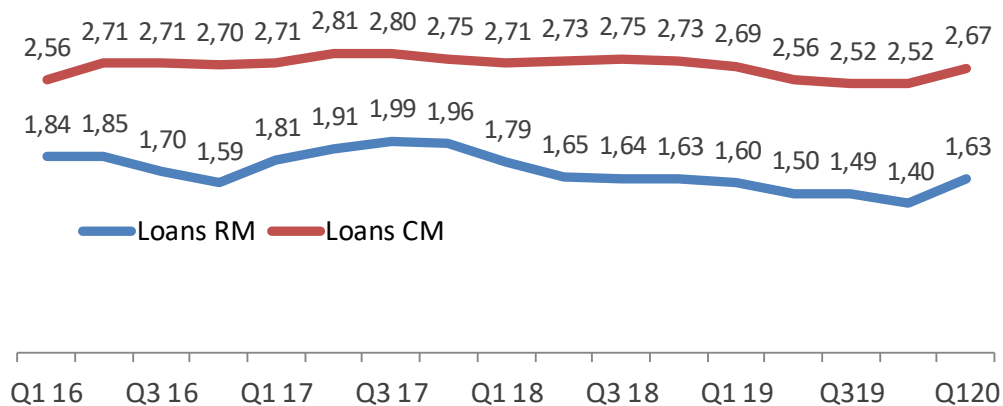
- Residential mortgage market growth of about 4.9 % (C2) last 12 months.
- Growth in retail lending at a high level
- Share of loans to personal borrowers up from 61 to 69 per cent in last four years

Share of lending



Lending margins

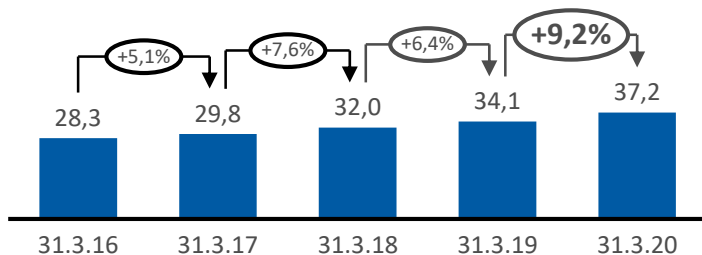
Increasing margins Q1 20



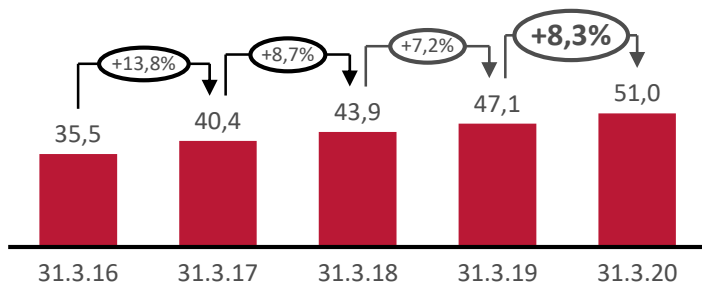
- Key policy rate down to 0.25 in March; falling market rates in March 2020 have strengthened margins in Q1 2020
- Three mortgage lending rate hikes carried out since Q1 2019, most recently with effect from 7 November 2019
- Mortgage lending rates lowered by up to 0.85 points as from 5 April

Total growth deposits 8.7 % last 12 months

Deposits RM + 7.1 % (CAGR)



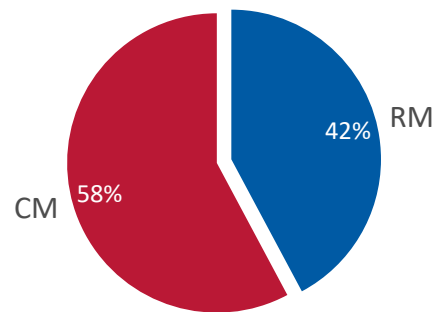
Deposits CM + 9.5 % (CAGR)



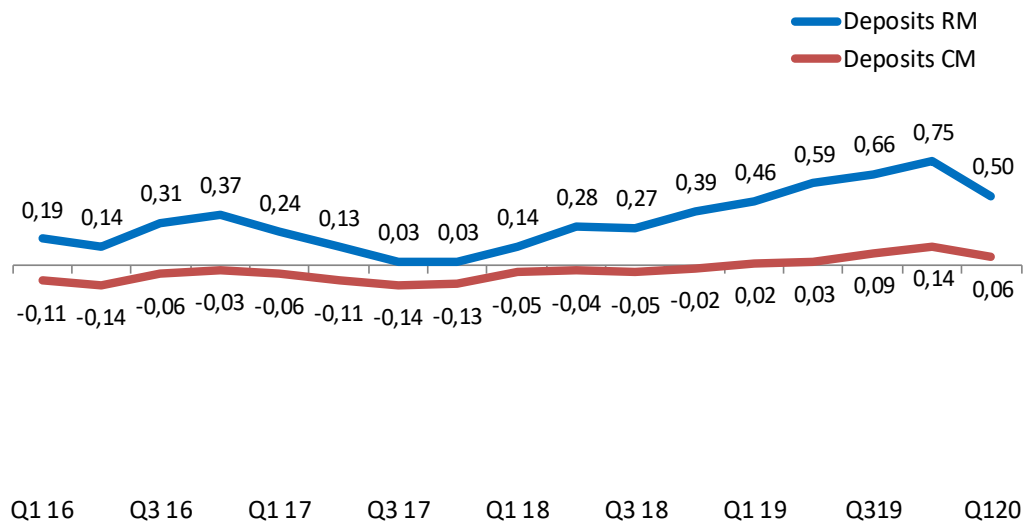
Good growth in deposits

- Stable and good growth in deposits from retail customers
- Deposit-to-loan ratio 69 % (68 %), including loans sold to Bolig- and Næringskreditt 52 % (50 %)
- Of the Corporate Market deposits 25 % are from public sector

Share of deposits



Deposit margins Retail and Corporate



- Decreased Nibor in 2020 has weakened the margins
- Interest rate reduction also on deposits

Change in net interest income

1st quarter 2020 compared with 1st quarter 2019

Net interest Q1 20	710
Net interest Q1 19	649
Change	61

Obtained as follows:

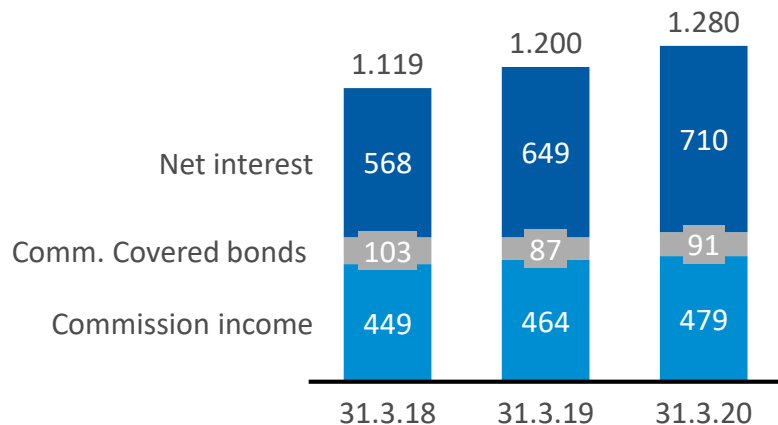
Fees on lending	1
Lending volume	26
Deposit volume	4
Lending margin	3
Deposit margin	7
Equity capital	21
Funding and liquidity buffer	-4
Subsidiaries	4
Change	61

Net interest income strengthened by growth and increased deposit margin

- Net interest income strengthened by increased lending volume
- Margins on mortgages weakened by higher Nibor in 2019, but deposit margins have been strengthened
- Three general increases in mortgage interest carried out since Q1 2019
- Net interest income strengthened by higher interest on equity

Robust income platform and increased commission income

Net interest and other income



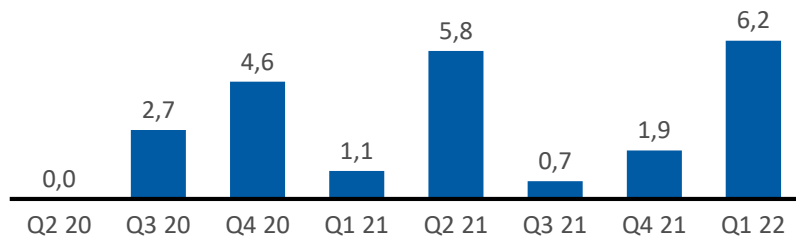
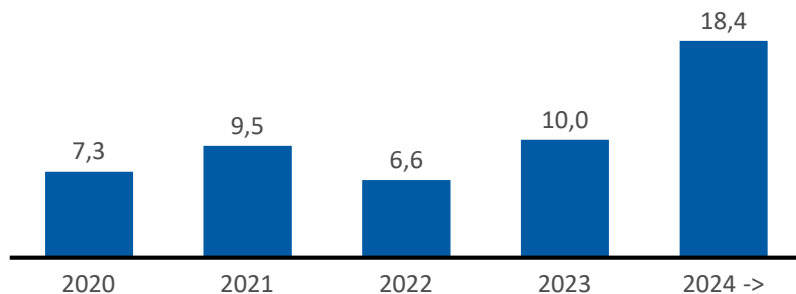
Commissions 1st quarter 2020 and 1st quarter 2019

<i>mill kr</i>	2020	2019	Change
Payment transmission income	59	50	9
Creditcards	16	15	1
Commissions savings and asset management	22	24	-2
Commissions insurance	47	44	3
Guarantee commissions	13	13	0
Estate agency	83	84	-1
Accountancy services	148	131	17
Securities	81	87	-7
Other commissions	10	15	-5
Commissions ex. Bolig/Næringskreditt	479	464	15
Commissions Boligkreditt (cov. bonds)	88	83	5
Commissions Næringskreditt (cov. bonds)	4	4	0
Total commission income	570	551	19

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

Satisfying access to capital market funding

Funding maturity 31. March 2020 (NOK bn)



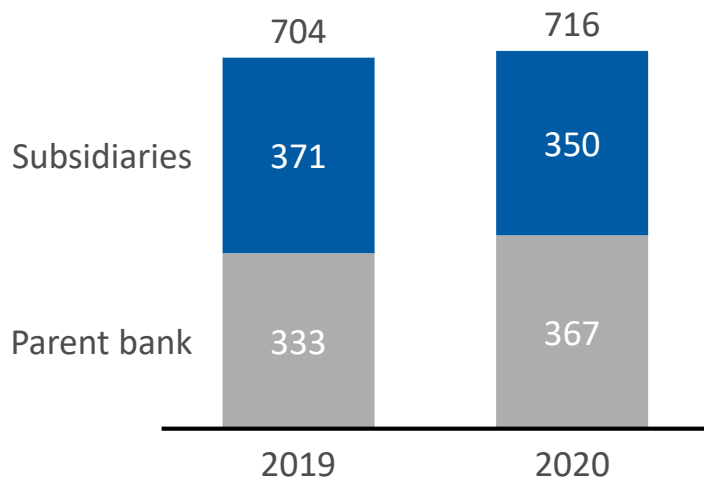
1st quarter 2020

Comments

- SpareBank 1 Boligkreditt is the main funding source through covered bonds. NOK 42 billion transferred as of 31. March 2020
- Maturities next two years NOK 23,0 bn:
 - NOK 7.3 bn in 2020
 - NOK 9.5 bn in 2021
 - NOK 6.2 bn in Q1 2022
- LCR 182 % as at 30. September 2019
- MREL (minimum requirement for own funds and eligible liabilities) introduced as from 2019. The bank will fulfil the MREL requirement by 2022 within the framework of ordinary maturities

Reduced costs in the subsidiaries, increased costs in the bank

Costs 1st quarter 2019 and 1st quarter 2020



Net decline of NOK 20m in costs in the subsidiaries

- Lower activity at SpareBank 1 Markets
- BN Bolig wound up

Growth in parent bank costs

- Additional FTEs assigned to customer-facing activity
- Purchase of control function services

Ambition to keep cost growth below 2%

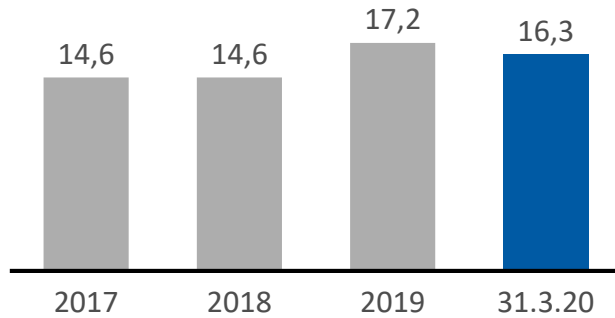
- 'One SMN' with measures that will produce effects in the short and long term
- Service concept renewed and work on digitalisation speeded up, in keeping with customers' needs and expectations

Balance sheet

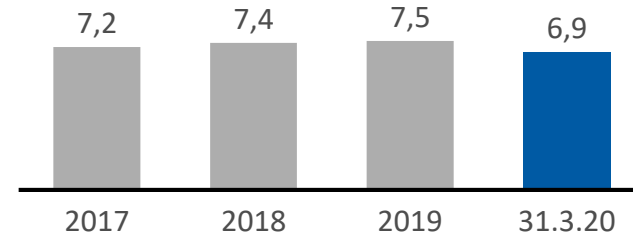
	31.3.20	31.3.19	31.3.18
Funds available	35,5	29,8	25,5
Net loans	126,1	119,3	112,1
Securities	1,4	2,0	2,2
Investment in related companies	6,7	6,4	6,5
Goodwill	0,9	0,8	0,8
Other assets	14,6	6,2	4,9
Total Assets	185,2	164,6	152,1
Capital market funding	62,5	54,8	49,8
Deposits	88,2	81,1	75,9
Other liabilities	12,9	7,8	6,8
Subordinated debt	2,1	2,3	2,2
Equity ex hybrid bonds	18,3	17,7	16,1
Hybrid bonds	1,3	1,0	1,3
Total liabilities and equity	185,2	164,6	152,1
in addition loans sold to Boligkreditt and Næringskreditt	43,5	41,0	41,5

Capitalization

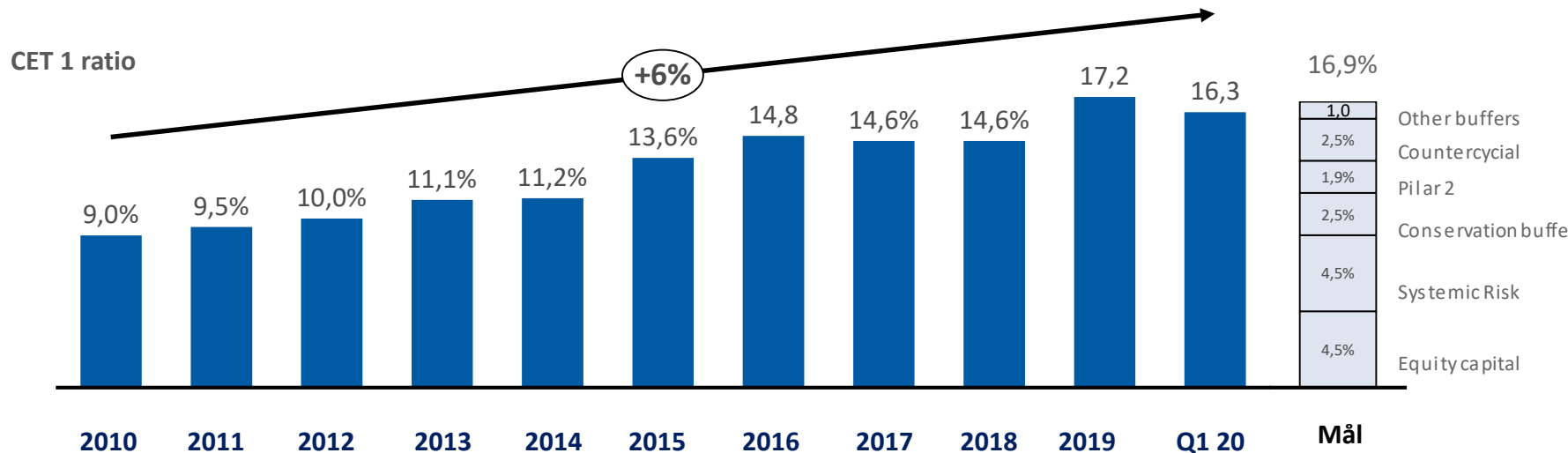
CET1



Leverage ratio



Strong development in CET 1 (capital and ratio)



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 Q1 20 Mål

CET1 capital	6.177	6.687	8.254	9.374	10.679	12.192	13.115	13.820	14.727	15.830	16.155
ROE	14,6 %	12,8 %	11,7 %	13,3 %	15,1 %	10,7 %	11,3 %	11,5 %	12,2%	13,7%	5,7 %
RWA	66.688	75.337	82.450	84.591	95.322	89.465	88.788	94.807	101.168	91.956	98.832

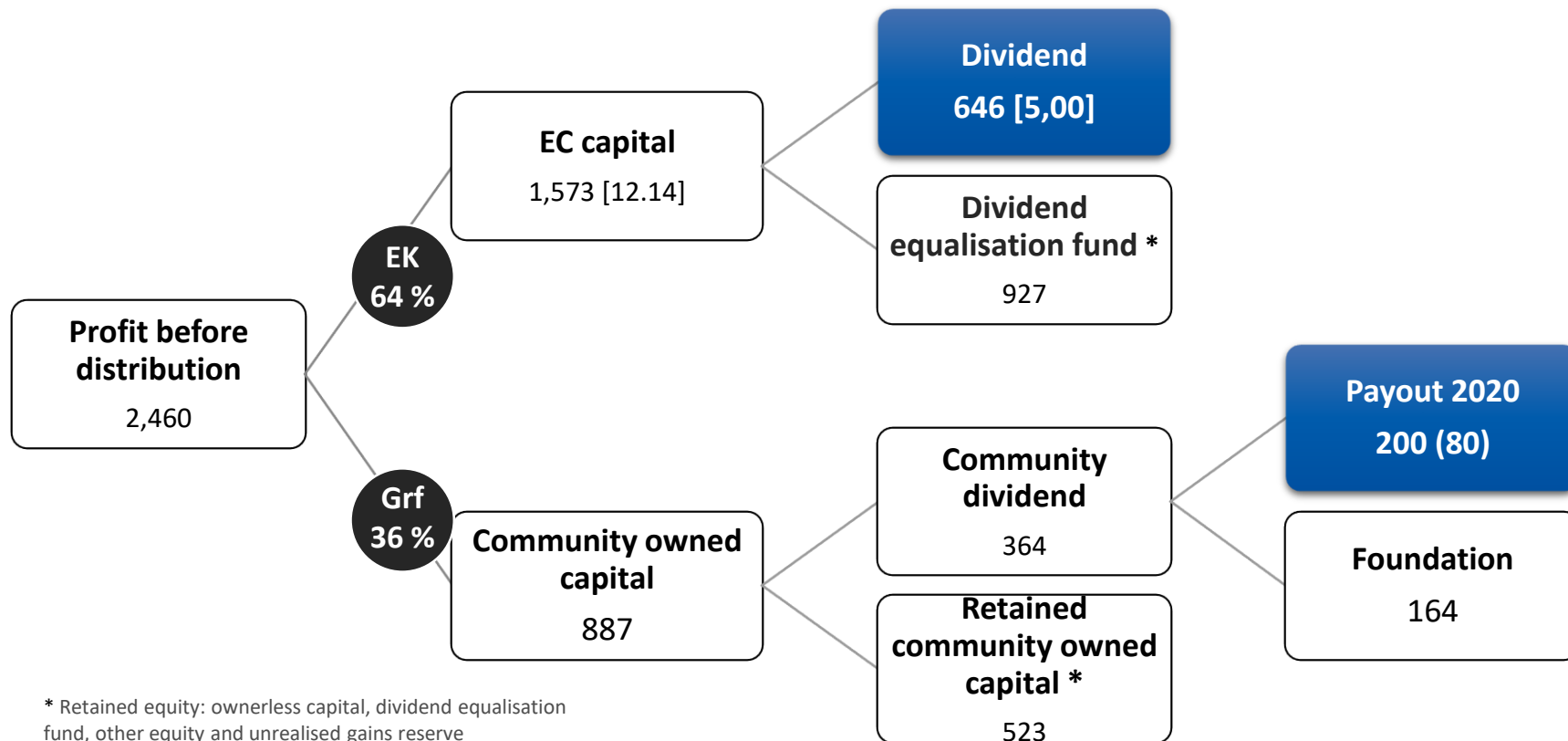
1st quarter 2020

40

Changed distribution of profit for 2019

- The board of directors of SpareBank 1 SMN has in light of the economic prospects decided to change the distribution of the net profit for 2019, and is reducing the payout ratio from 53.5% to 41.2%.
- The new dividend payout is NOK 5.00 per equity certificate, down from NOK 6.50 in the original recommendation
- The distribution of social capital is reduced correspondingly from NOK 474m to NOK 364m, while the share going to payment of social dividend is retained at NOK 200m.
- SpareBank 1 SMN is indisputably solid. The revised distribution reflects a good balance between the need for stability and predictability for the bank's shareholders and investors, and the corporate social responsibility that the bank has towards its customers and local communities.

Change in payout ratio



* Retained equity: ownerless capital, dividend equalisation fund, other equity and unrealised gains reserve

Why invest in SpareBank 1 SMN (MING)

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

SpareBank 1 SMN

7467 TRONDHEIM



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Tel +47 905 41 672

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SpareBank 1 SMN

Tel +47 915 07 300



Internet addresses:

SMN homepage and internet bank:

www.smn.no



Financial calendar 2020

Q1 20 8. May 2020

Q2 20 11. August 2020

Q3 20 30. October 2020

Appendix

1st quarter 2020





Finance house offering a wide range of products

Retail customers
227 900

Corporate customers
15 800

Loan volume
171 bn

Norway's largest equity-certificate-issuing bank

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



History through almost 200 years Strong financial results over time

1823 Established

1985 Sparebanken Midt-Norge

1994 Listed on Oslo Børs

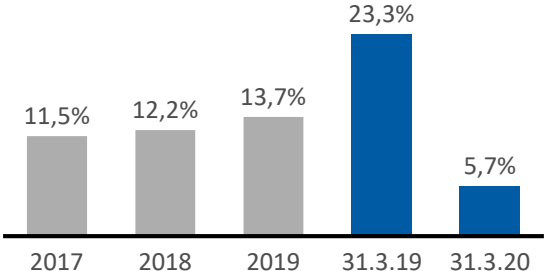
1996 SpareBank 1 Alliance

2005 Acquired Romsdals Fellesbank

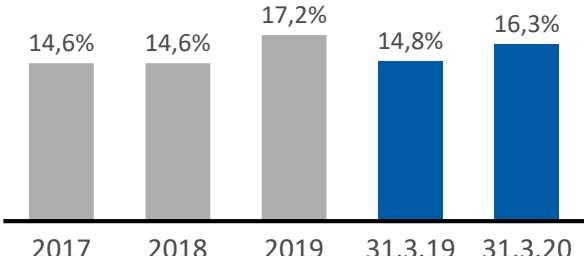
2009 Acquired BN Bank/Sunnmøre

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

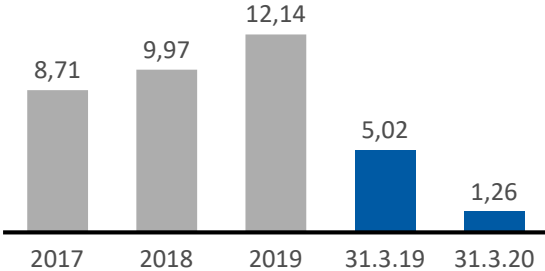
ROE



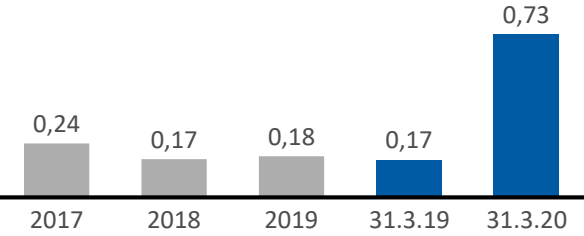
CET1



Earnings per ECC

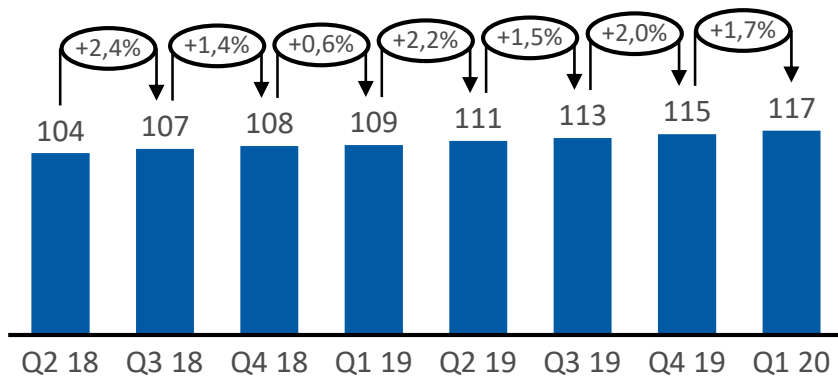


Loan losses as a percentage of total loans



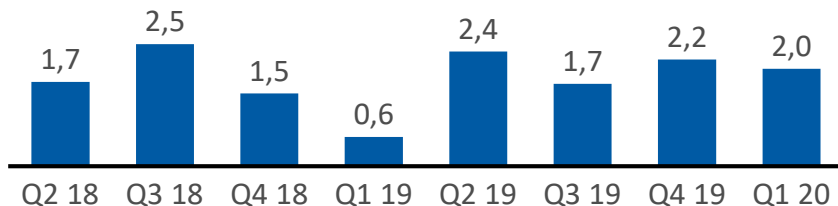
Development in lending, Retail Market

Lending NOKbn and growth per cent per quarter



- The bank's retail market growth has been high for a long period
- As from Q3 19 the growth has been at a high degree to LO members (the LO is Norway's largest labour union)

Growth NOKbn per quarter



Subsidiaries

Pre tax profit subsidiaries

mNOK, SMN's share in parentheses	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19
EiendomsMegler 1 Midt-Norge (87 %)	0	0	0	31	0
BN Bolig (subsidiary of EM1)	0	-7	-7	-8	-9
SpareBank 1 Regnskapshuset SMN (89 %)	27	27	20	41	21
SpareBank 1 Finans Midt-Norge (61 %)	47	35	41	35	40
SpareBank 1 Markets (67 %)	-15	4	11	26	2
SpareBank 1 SMN Invest (100%)	-19	4	-3	21	26
DeBank (100%)	-8	-6	-5	-3	-5
Other companies	3	4	3	4	5
Subsidiaries	36	62	59	147	79

The results refer to the respective company accounts

Associated companies

Profit shares after tax

mNOK, SMN's share in parentheses	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19
SpareBank 1 Gruppen (19,5 %)	-115	-12	40	186	38
Gain Fremtind	340	0	0	0	460
SpareBank 1 Boligkreditt (20,9 %)	-31	0	3	8	14
SpareBank 1 Næringskreditt (31,0 %)	2	6	5	2	8
BN Bank (35,0 %)	23	28	33	27	24
SpareBank 1 Kredittkort (17,3 %)	0	0	5	5	3
SpareBank 1 Betaling (19,5 %)	-2	-5	-2	-2	12
Other companies	0	-5	-4	5	0
Associated companies	217	12	81	231	560

Return on financial investments

NOKm	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19
Capital gains shares	-42	11	1	23	84
Gain/(Loss) on certificates and bonds	50	-42	-26	15	32
Gain/(loss) on derivatives	-148	40	29	40	23
Gain/(loss) on financial instruments related to hedging	-6	-8	4	-1	-4
Gain/(loss) on other financial instruments at fair value	-57	-2	4	-4	10
Foreign exchange gain / (loss)	65	-10	10	14	9
Gains/(Loss) on shares and share derivatives at SpareBank 1 Markets	14	17	13	8	15
Net return on financial instruments	-124	7	35	95	169

Key figures

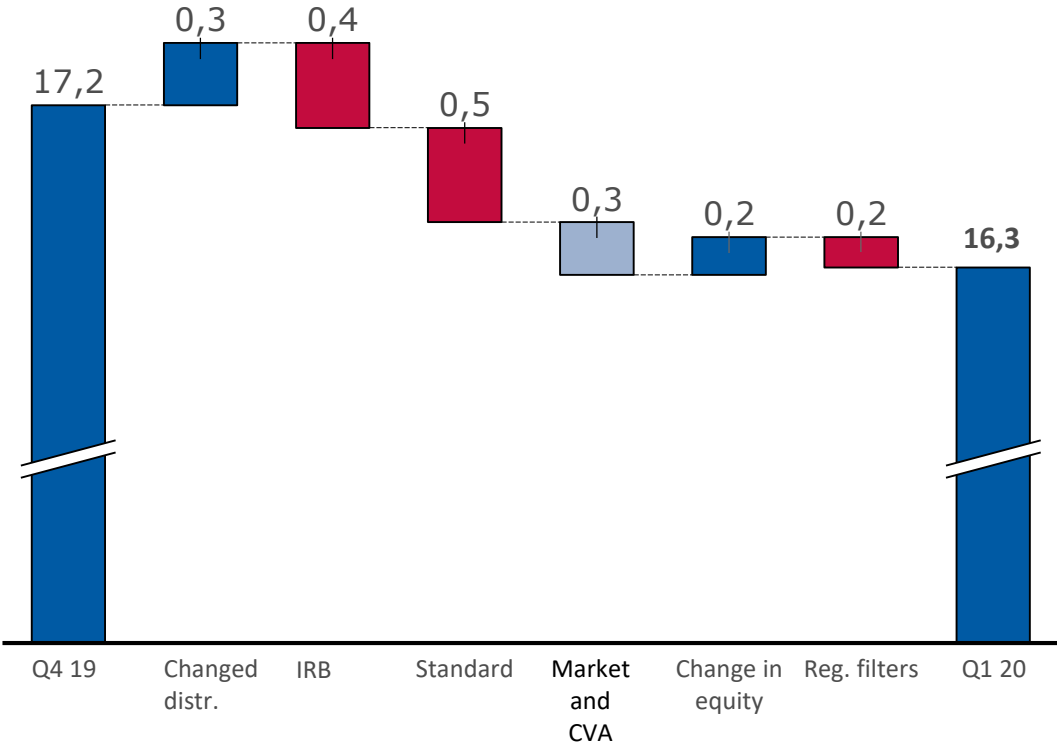
	31.3.20	31.3.19	31.3.18
CET 1 ratio	16,3 %	14,8 %	14,6 %
Core capital ratio	18,0 %	16,4 %	16,2 %
Capital adequacy	20,1 %	18,6 %	18,2 %
Leverage ratio	6,9 %	7,4 %	7,3 %
Growth in loans (incl.Boligkreditt and Næringskreditt)	6,0 %	6,6 %	7,9 %
Growth in deposits	8,7 %	6,8 %	8,2 %
Deposit-to-loan ratio	69,3 %	67,5 %	67,0 %
RM share loans	68,5 %	67,5 %	66,0 %
Cost-income ratio	51,9 %	36,5 %	50,0 %
Return of equity	5,7 %	23,3 %	11,2 %
Impairment losses ratio	0,73 %	0,17 %	0,13 %

Key figures ECC

	31.3.20	31.3.19	2019	2018	2017	2016
ECC ratio	64,0 %	64,0 %	64,0 %	64,0 %	64,0 %	64,0 %
Total issued ECCs (mill)	129,22	129,41	129,30	129,62	129,38	129,64
ECC price	67,60	87,40	100,20	84,20	82,25	64,75
Market value (NOKm)	8.735	11.310	12.956	10.914	10.679	8.407
Booked equity capital per ECC	86,85	83,86	90,75	83,87	78,81	73,35
Post-tax earnings per ECC, in NOK	1,26	5,02	12,14	9,97	8,71	7,93
Dividend per ECC			6,50	5,10	4,40	3,00
P/E	59,79	4,35	8,26	8,44	9,44	8,17
Price / Booked equity capital	0,78	1,04	1,10	1,00	1,04	0,88

The group's CET1 ratio ended up at 16.3%, the requirement at the end of Q1 is 12.9%

- Changed distribution strengthens CET1 by 0.3%
- Growth in risk weighted assets weakens CET1 by 1.2%
- Weak performance contributes to virtually no change in CET1



Important instruments for taking an even clearer position in the region among target groups: the family and small and medium businesses

Battle arena:
Prioritised target groups

Battle arena:
Geographical catchment area

Battle arena:
Channels

Battle arena:
Customer needs

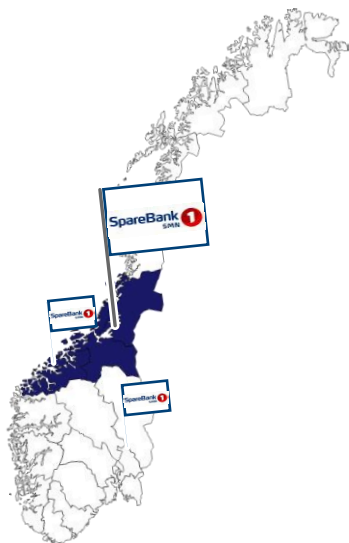
FAMILIES



YOUNG PEOPLE



SMBS



Kraftfull distribusjon

Serviced channel



Remote channel

Digital channel



Everyday

Payments, Digital Bank, Vipps

Business

Invoicing, accounts, financing

Owning

Loan, dwelling, car, credit card

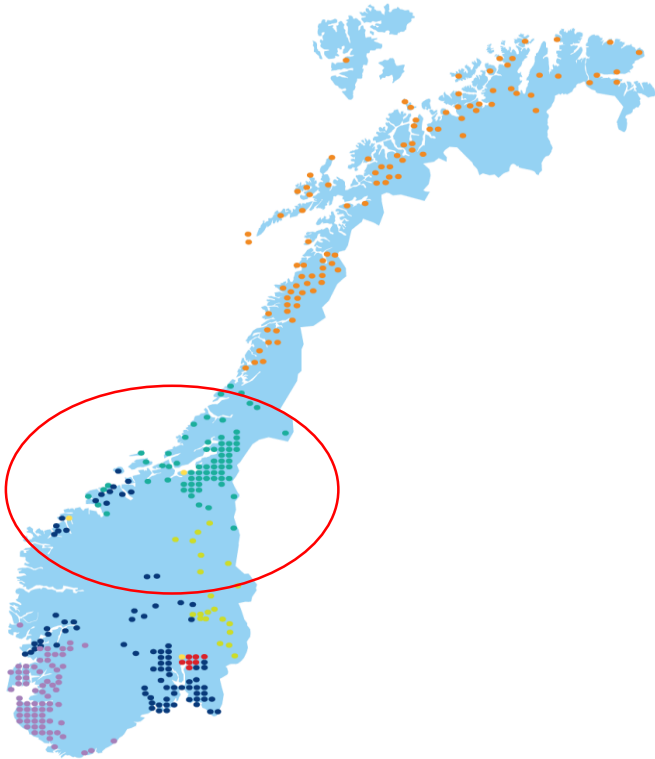
Security

Insurance

Future

Saving, pension, share savings account, mutual funds, deposits

SpareBank 1 Alliance: National champion, regional focus



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

Sr. Unsec. Ratings	Fitch	Moody’s
SpareBank 1 SMN	A- / F2	A1 / P-1
SpareBank 1 SR	A- / F2	A1 / P-1
SpareBank 1 SNN	A / F1	A1 / P-1
SpareBank 1 East	n/a	A1 / P-1

Spare Bank 1 Alliance

