SpareBank 1 SMN

Bank
Realtor
Accounting

Fourth quarter 2024
Preliminary annual accounts

February 12th 2025

Trond Søraas
CFO

Q4 2024
Profitable and solid

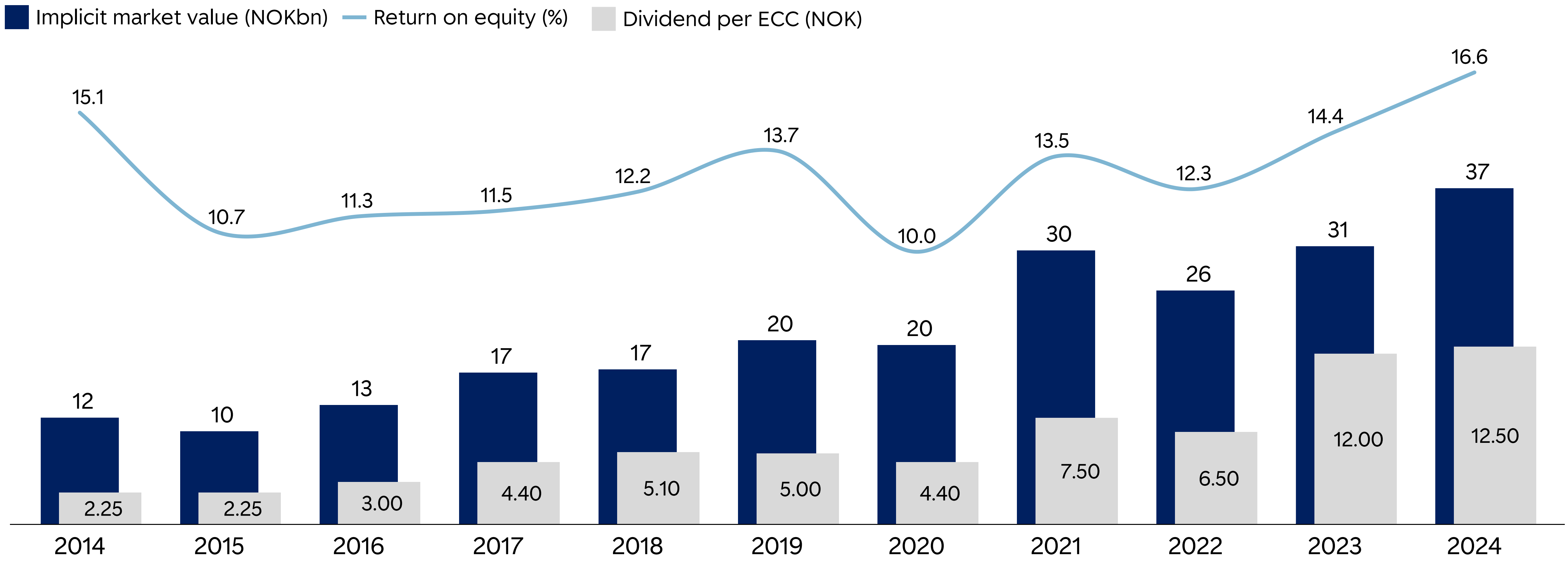
- **Return on equity of 14.4% in Q4 and 16.6% in 2024**
  High revenues, solid contributions from most business areas, and gains from the merger between Fremtind and Eika Insurance

- **The leading finance group in Mid-Norway**
  Strengthened market position with new initiatives, an innovative financial house concept, and the foremost digital solutions as a foundation

- **Moderate loan losses and well-capitalised**
  Diversified loan portfolio with good credit quality, prospects for further growth, and dividend capacity

- **Record-high dividend**
  The Board proposes a dividend of NOK 12.50 per equity certificate and the allocation of NOK 896 million as community dividend

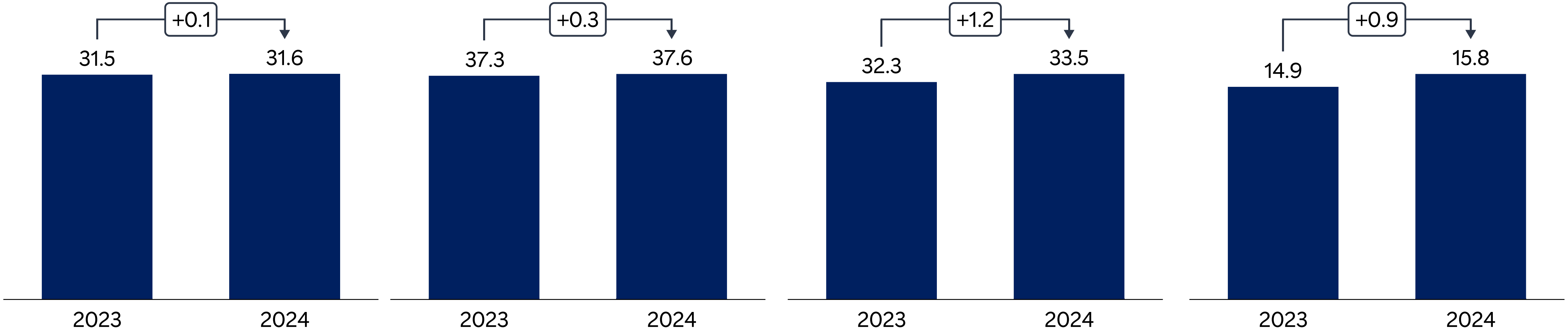
High value creation over time



SpareBank 1 SMN | Bank Eiendom Regnskap

Realised effects from «One SMN» in 2024

Strengthened market position across all business areas*



Retail banking
Market share mortgages

EM1 Midt-Norge
Market share house sales

Corporate banking
Market share corporate loans

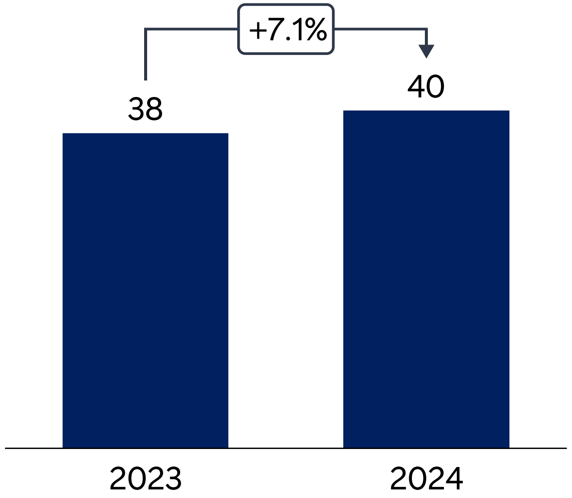
SpareBank 1 Regnskapshuset SMN
Market share businesses

** Market shares in Central Norway. Retail banking: share of mortgages (number). Development from march to december 2024 due to noise in the data set. EM1: share of sold used homes (number), Corporate banking: share of commercial loans (number), SpareBank 1 Regnskapshuset SMN: Share of businesses (number)*

SpareBank 1 SMN | Bank Eiendom Regnskap

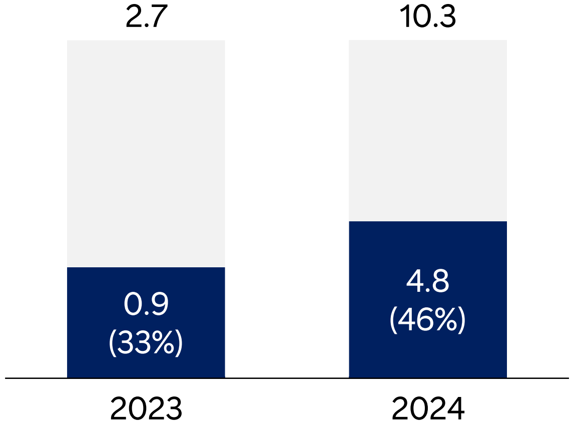
Growth from synergies and strategic initiatives

Growth in 2024



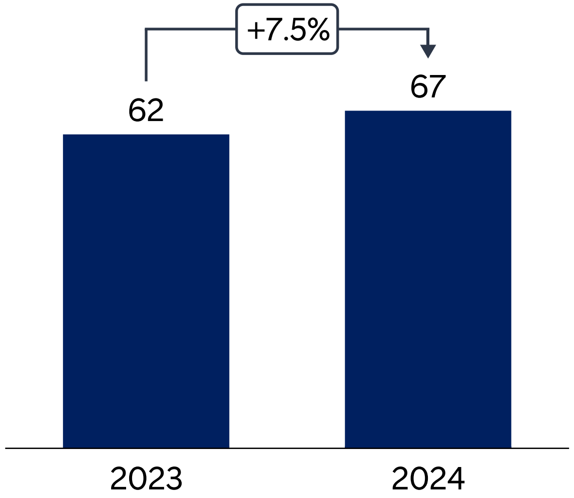
Merger with SB1 Søre Sunnmøre

Total lending growth in Sunnmøre and Fjordane (NOKbn)



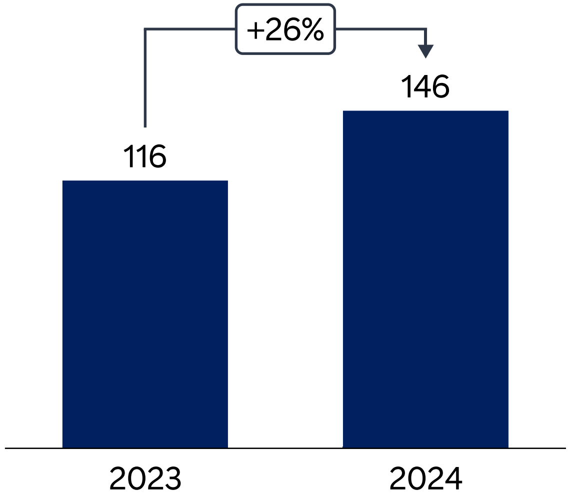
Private Banking

Net subscription for funds and asset management (NOKbn) and share of SB1Forvaltning (%)



Deposits

Deposit growth retail banking (NOKbn)



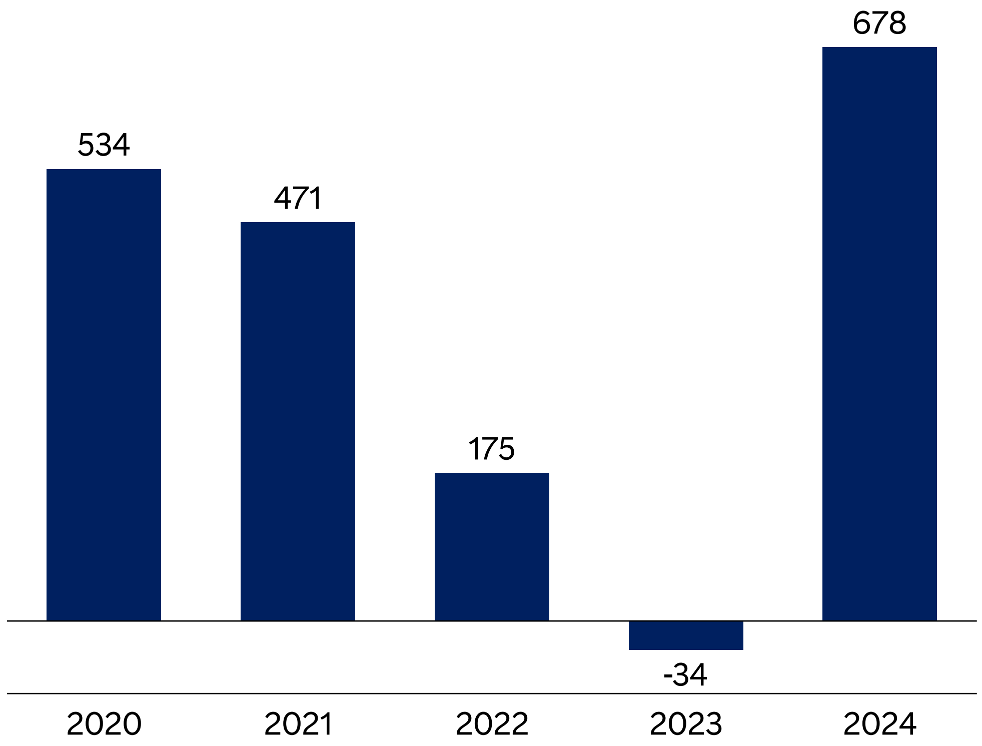
Advisory services

Revenue growth advisory services (NOKm)

SpareBank SMN | Bank Eiendom Regnskap

Valuable ownership and collaboration in the SpareBank 1 Alliance

SpareBank 1 Gruppen
Results from ownership (NOKm)



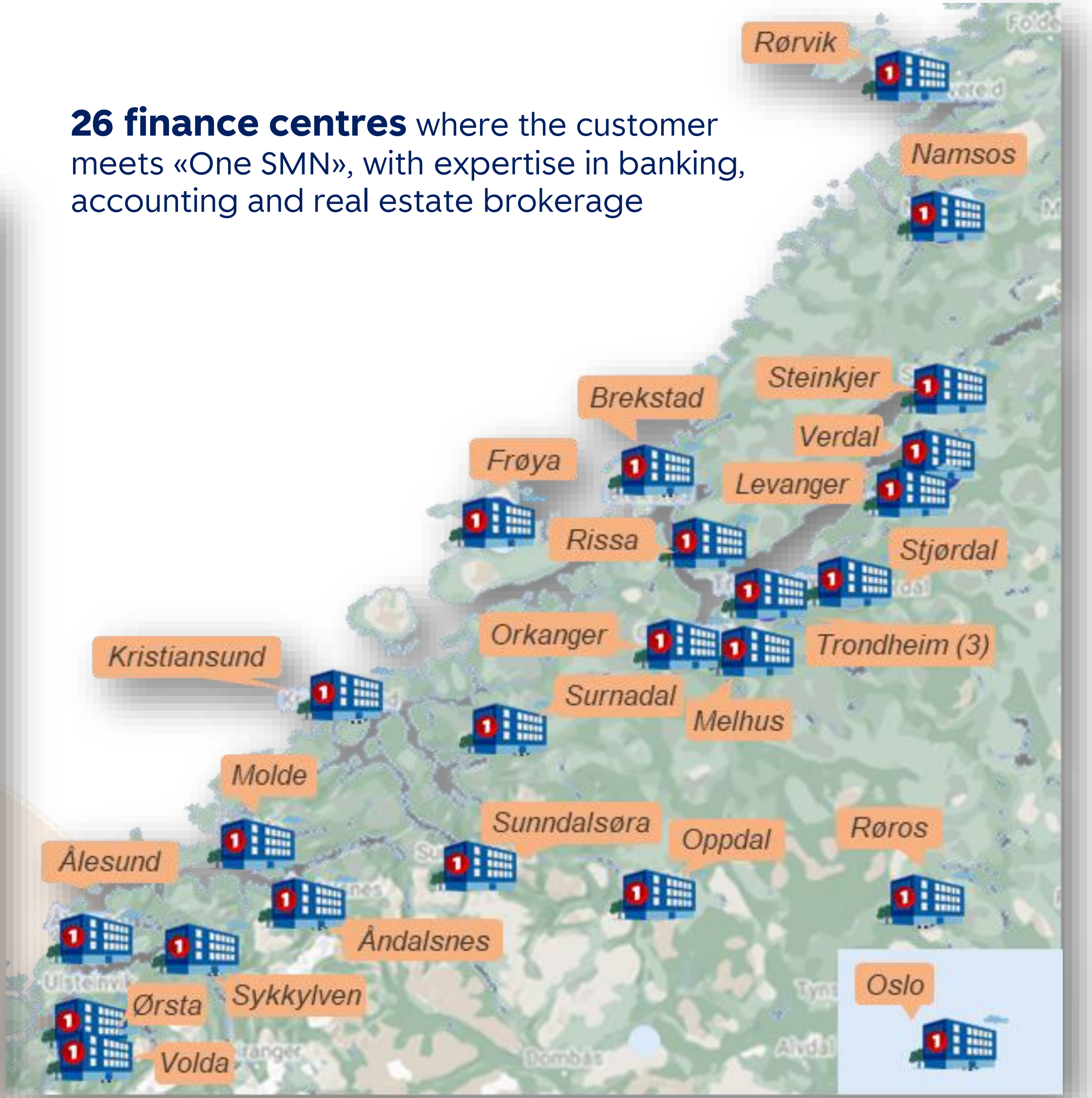
Norway's second largest financial group

- Robust professional communities with effective knowledge sharing
- Innovative strength and economies of scale
- Strong product companies
- Leading digital solutions
- Joint effort against financial crime
- Strong and visible brand

The finance centre is the core of our local presence

World class customer experiences

26 finance centres where the customer meets «One SMN», with expertise in banking, accounting and real estate brokerage



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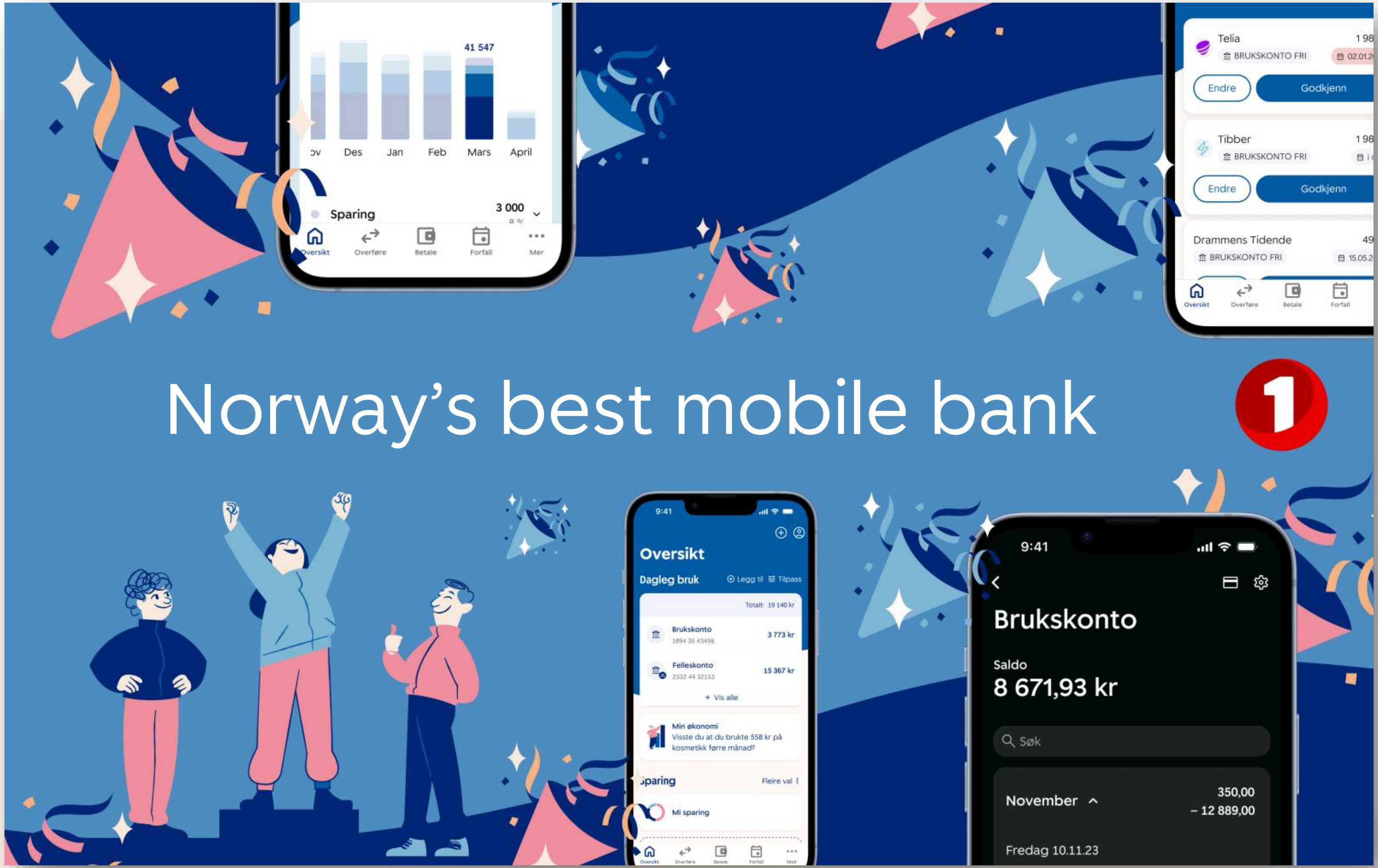
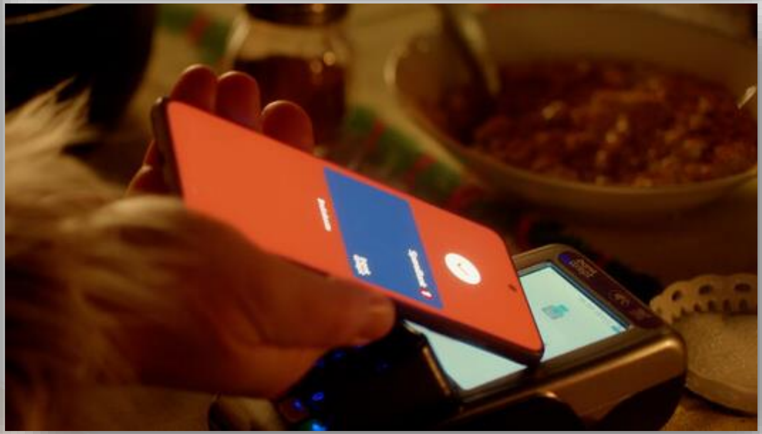
Eiendom
Regnskap

Digital leader through SpareBank 1 and associated companies



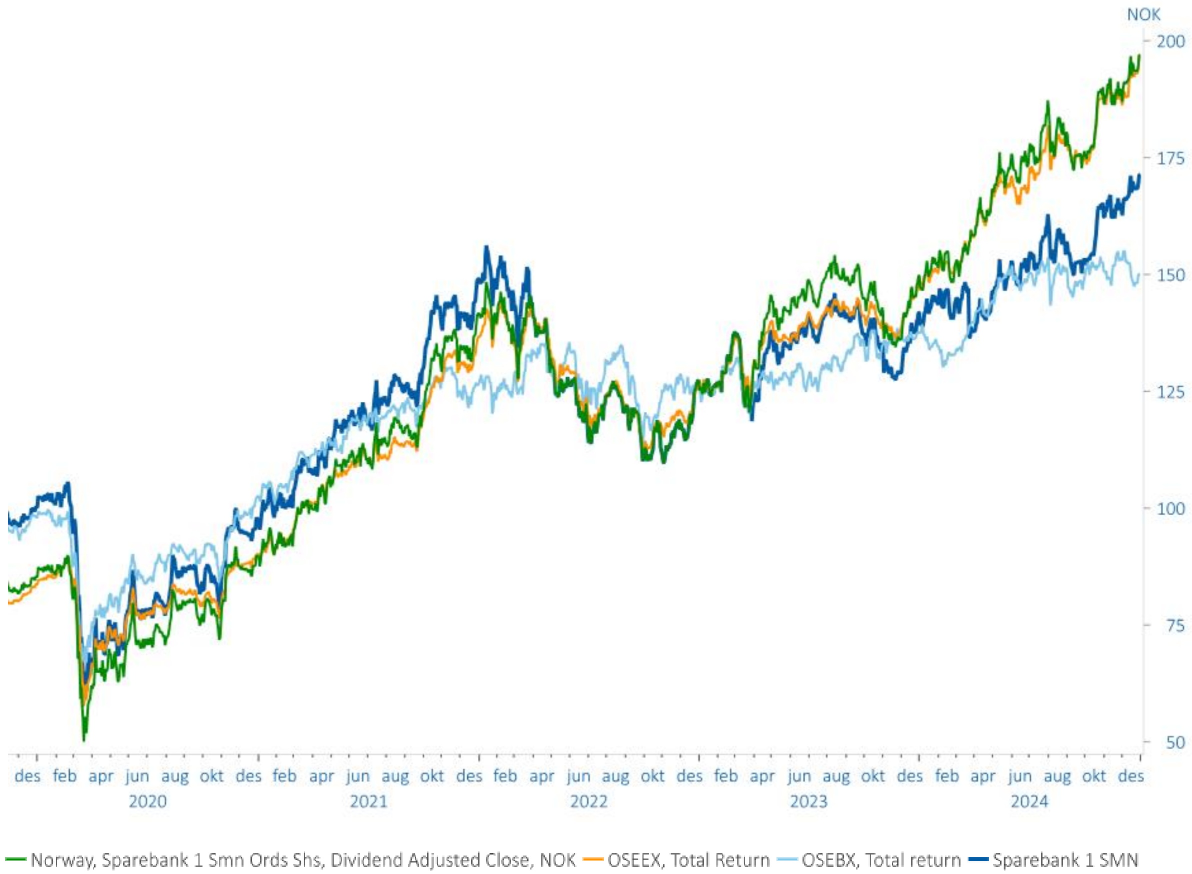


Mobilbankrapporten 2024, Cicero

SpareBank 1 SMN | Bank Eiendom Regnskap

Well-equipped to handle periods with market volatility

MING – a robust investment



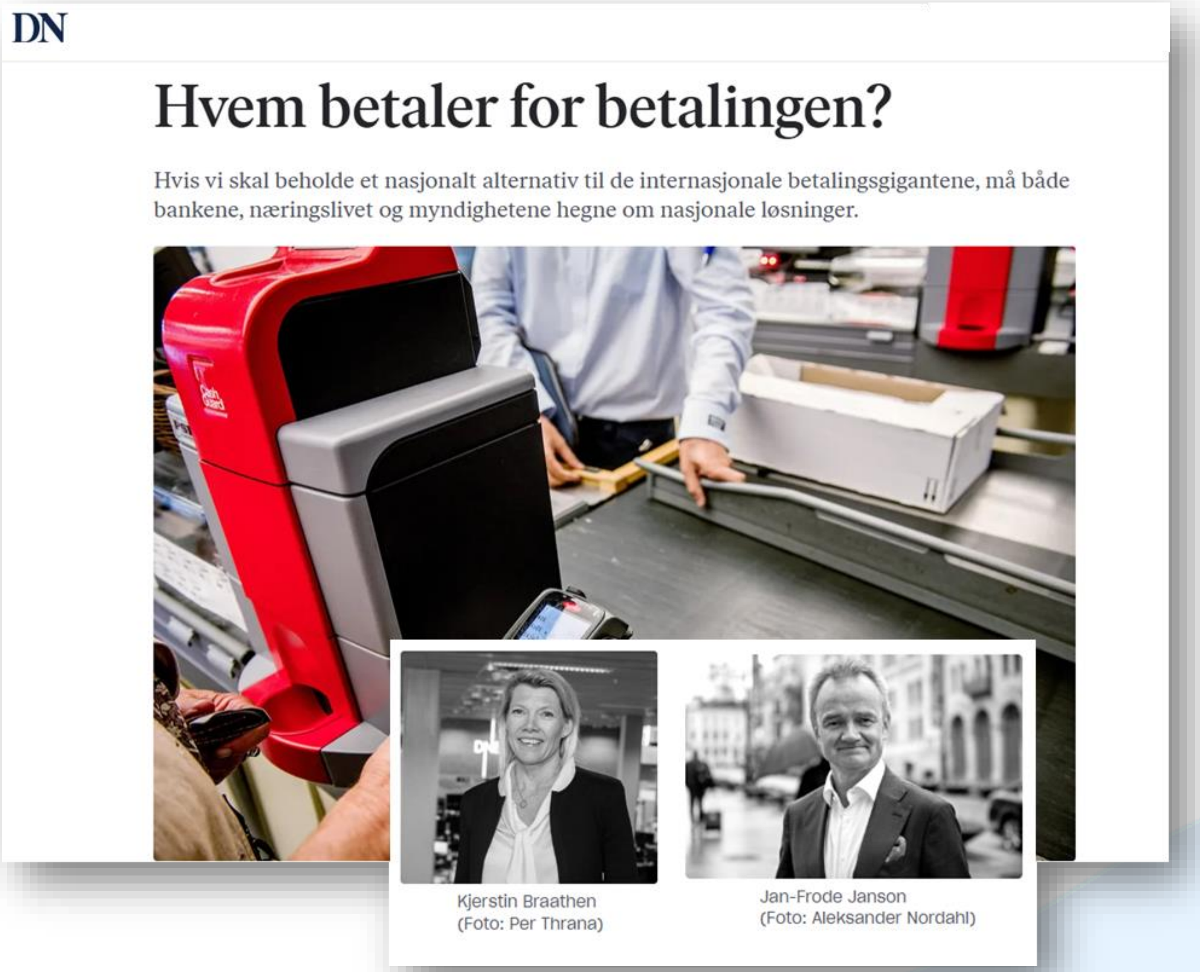
- Home market with low unemployment, moderate housing price development, and diversified business sector
- Robust loan portfolio with a high share of mortgages
- Conservative loan provisions
- Strong solidity
- Local presence and industry knowledge

Source: Oslo Børs og Macrobond

SpareBank 1 SMN | Bank Eiendom Regnskap

Savings banks contribute to stability, safety and active local communities

With a commitment to our societal mission


DN

Hvem betaler for betalingen?

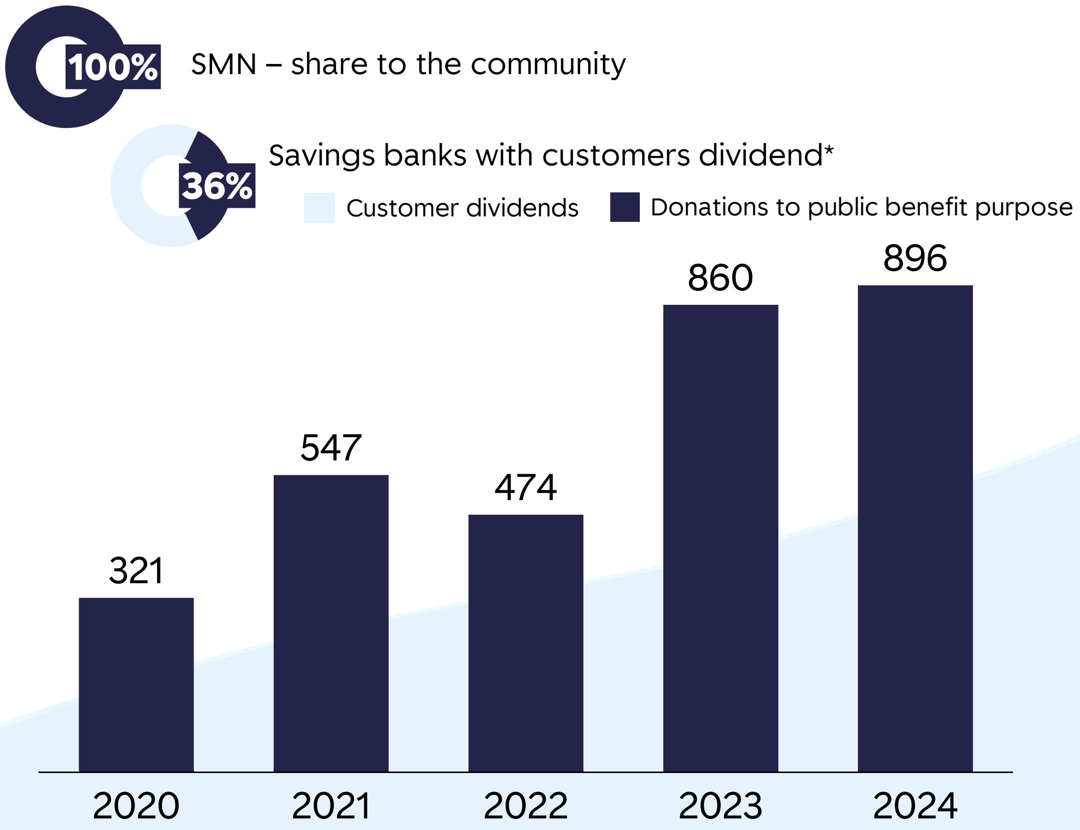
Hvis vi skal beholde et nasjonalt alternativ til de internasjonale betalingsgigantene, må både bankene, næringslivet og myndighetene hegne om nasjonale løsninger.

Kjerstin Braathen
(Foto: Per Thrana)

Jan-Frode Janson
(Foto: Aleksander Nordahl)

Community dividends contribute to vibrant local communities

Over 3,000 NOKm for public benefit purposes in the last five years



* *Average share of customer dividends and donations to public benefit purposes for 2022-2023, for the largest Norwegian savings banks with customer dividends*

SpareBank 1 SMN | Bank Eiendom Regnskap

Leading in Central Norway
Among the top performers in the Nordic region

29.3 %
MING total return including dividend 2024

41.1 %
Owned by the society (incl. ECC owned by the savings banks foundations)

Norway's best mobile bank
«A good and user-friendly mobile bank that takes care of everyone»
Cicero report 2024

95 %
Of loans to businesses scored on ESG criteria (loans > 10 NOKm)

332
NOKm to over 2,000 good causes in the region in 2024

375,000
Daily logins to the mobile bank

26
Finance centres with complete service offering

> 800
Suspicious transactions reported to Økokrim in 2024

Økokrim: *National Authority for Investigation and Prosecution of Economic and Environmental Crime*

SpareBank 1 SMN | Bank Eiendom Regnskap


VM PÅ SKI
TRONDHEIM
2025
HEIA
HEIA HEIA!
NORGE
SpareBank 1
SMN
Bank
Eiendom
Regnskap
Heeeiiiiiiiaaaaaa!

SpareBank 1 SMN | Bank Realtor Accounting

Financial Information

Q4 2024

14.4 %
Return on equity

1,052 mill
Profit after tax

18.3 %
CET1-ratio

2024

16.6 %
Return on equity

4,591 mill
Profit after tax

176 mill
Loan losses

Lending growth	**5.5 %**
Retail banking	5.0 %
Corporate banking	7.5 %

Deposit growth	**6.0 %**
Retail banking	7.5 %
Corporate banking	10.7 %

Operating margin subsidiaries	
Regnskapshuset SMN	9.7 %
Eiendomsmegler 1 Midt-Norge	13.8 %
SB1 Finans Midt-Norge	13.7 % (ROE)

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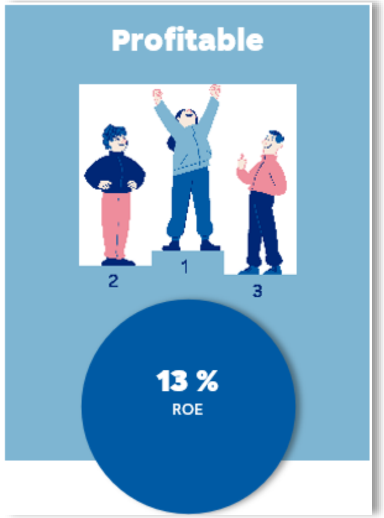
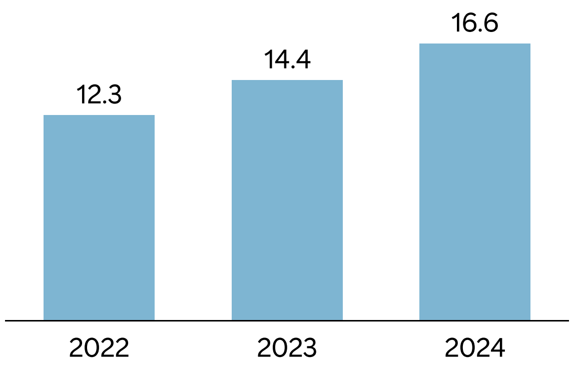
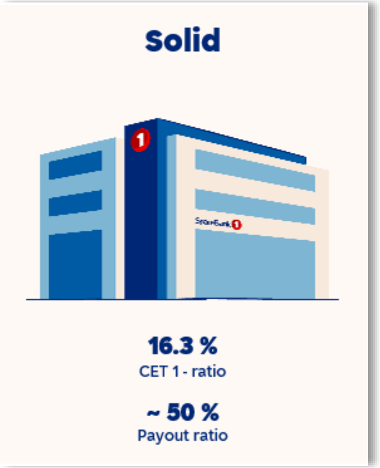
Achieving financial targets

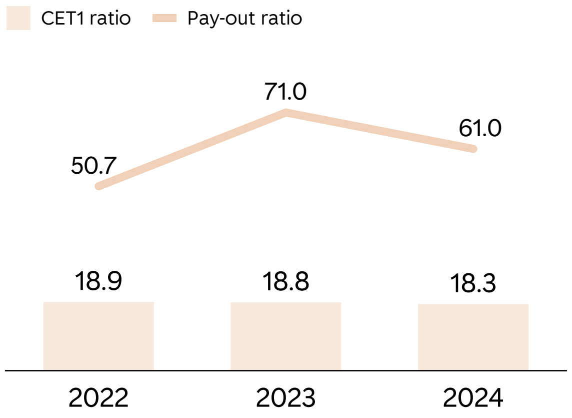


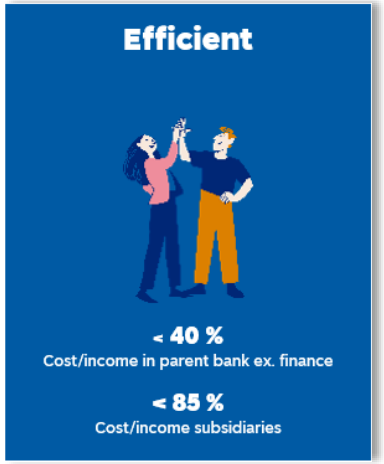
Return on equity (per cent)



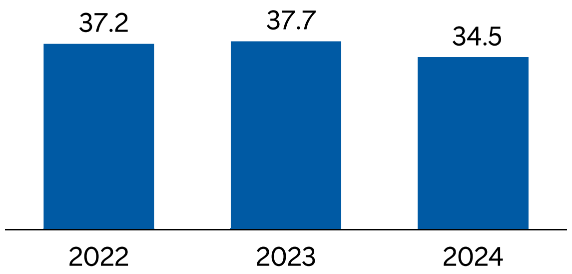


Solidity (per cent)

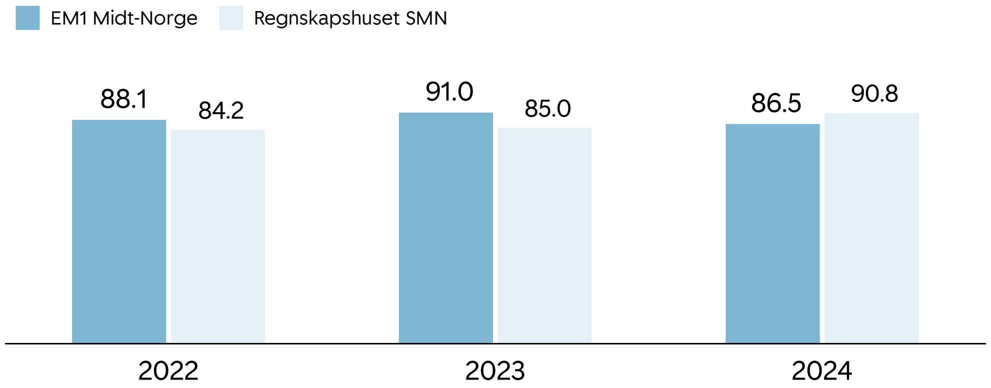




Cost/income bank ex. finance (per cent)



Cost/income subsidiaries ex. finance (per cent)



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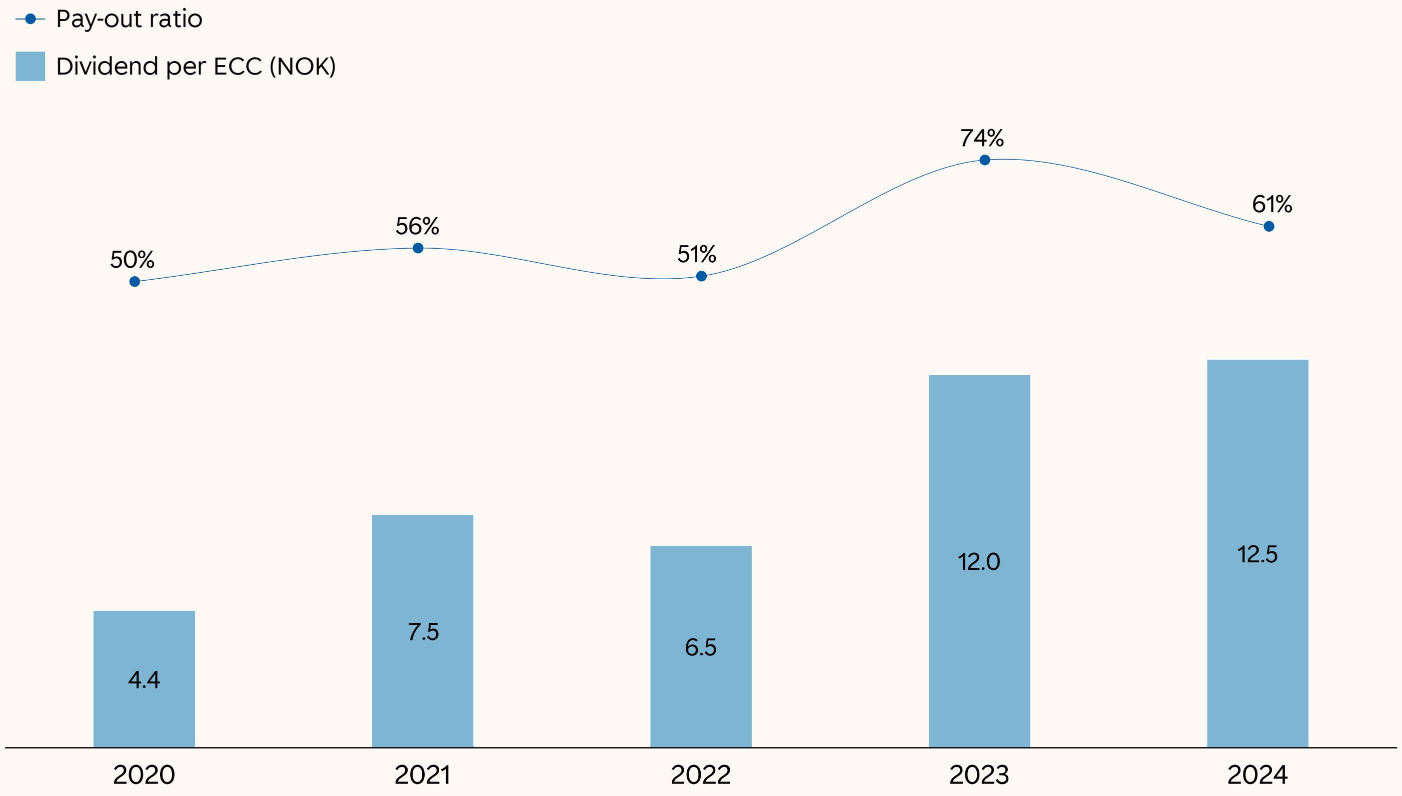
High value creation over time allows for record-high dividends



12.50 NOK dividend per ECC

61 % pay-out ratio

896 NOKm community dividends

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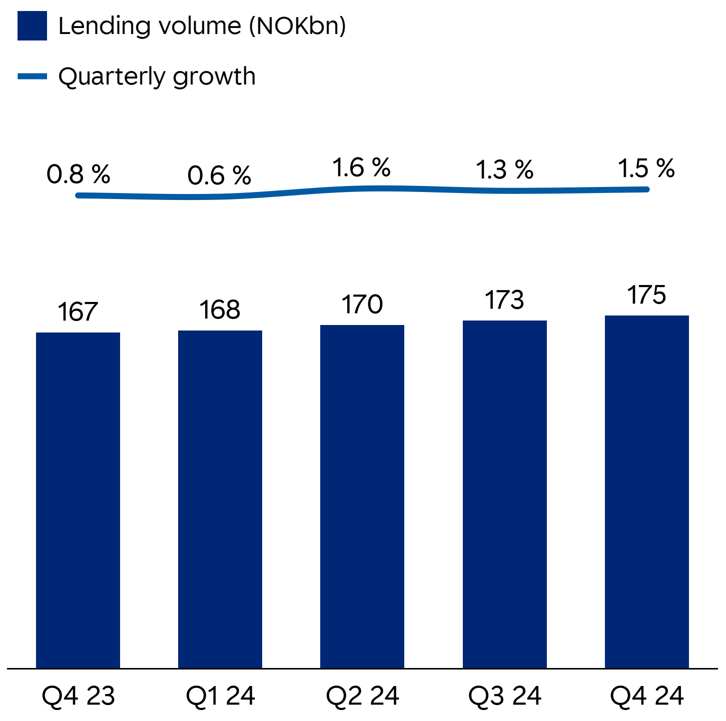
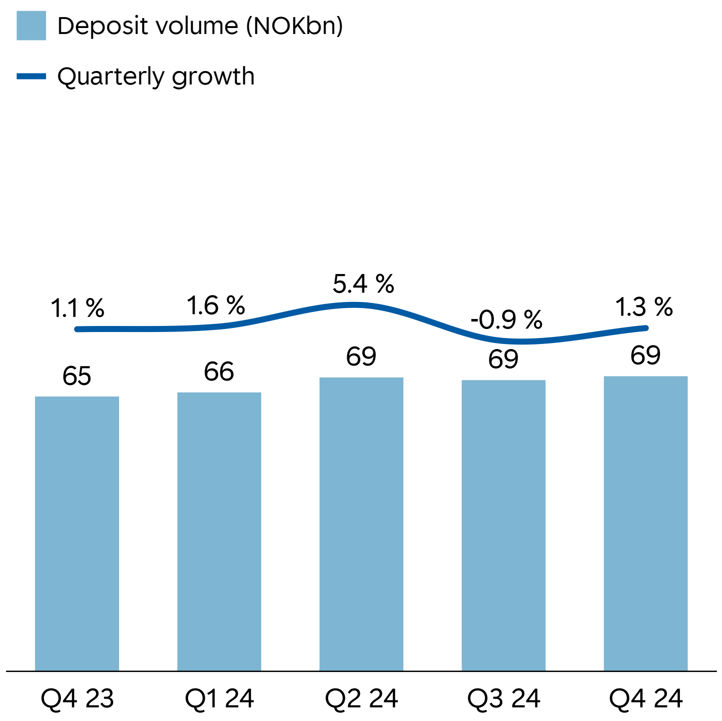
Growth and margins in Retail Banking - quarterly

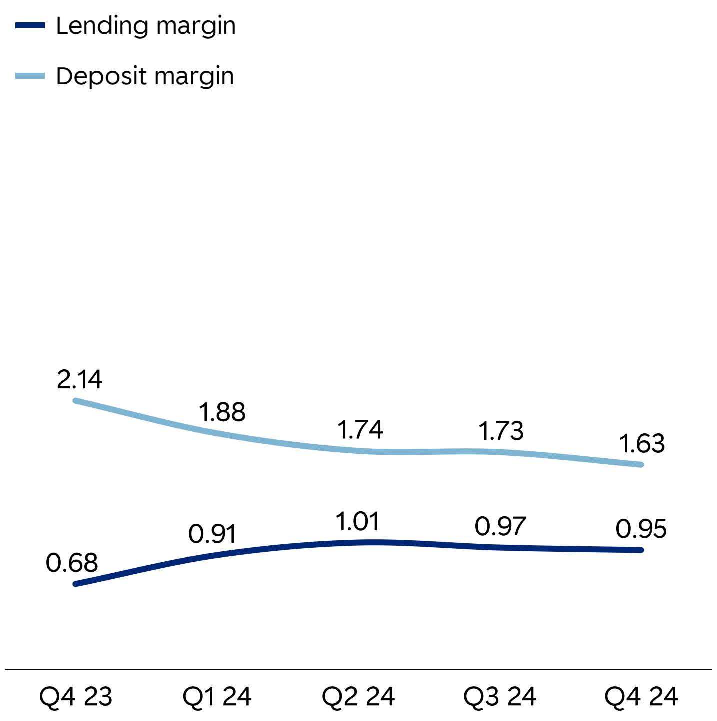
Lending volume (NOKbn)



Deposit volume (NOKbn)



Margins vs NIBOR3M



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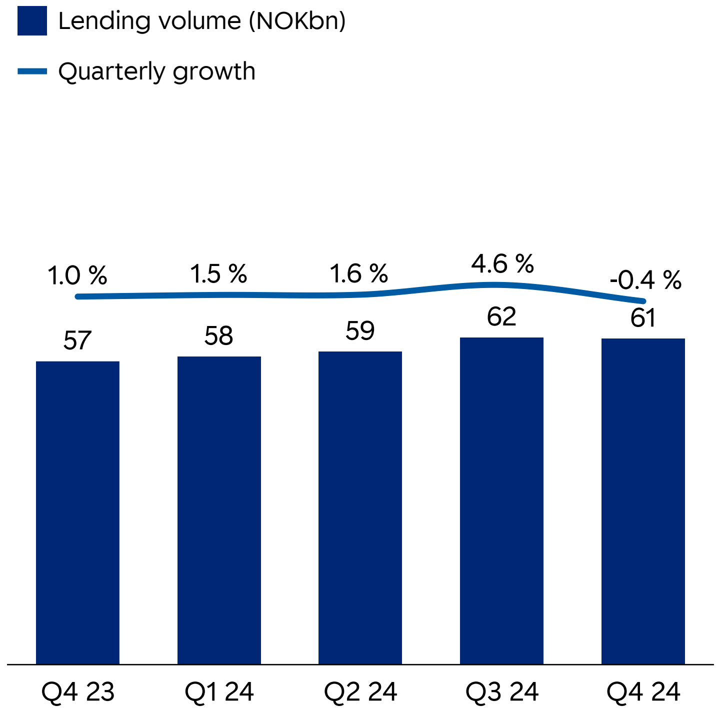
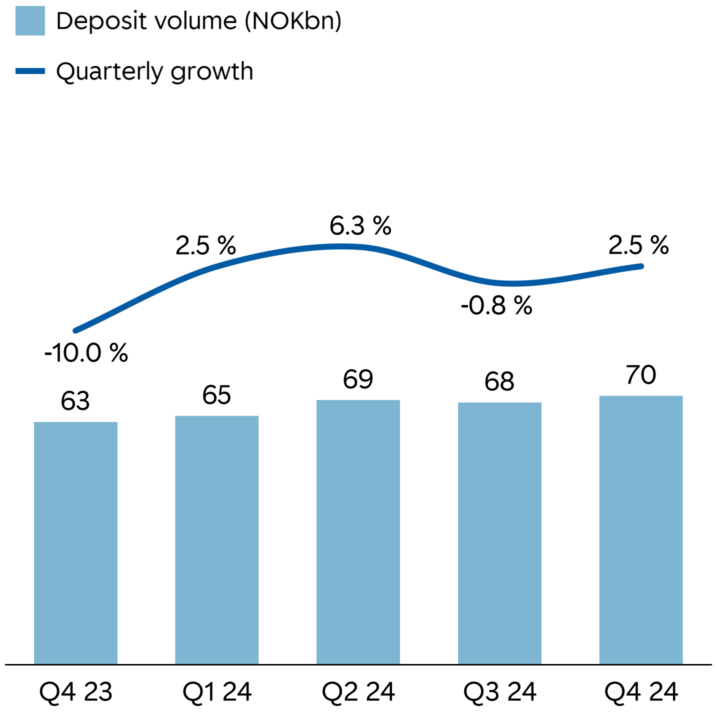
Growth and margins in Corporate Banking - quarterly

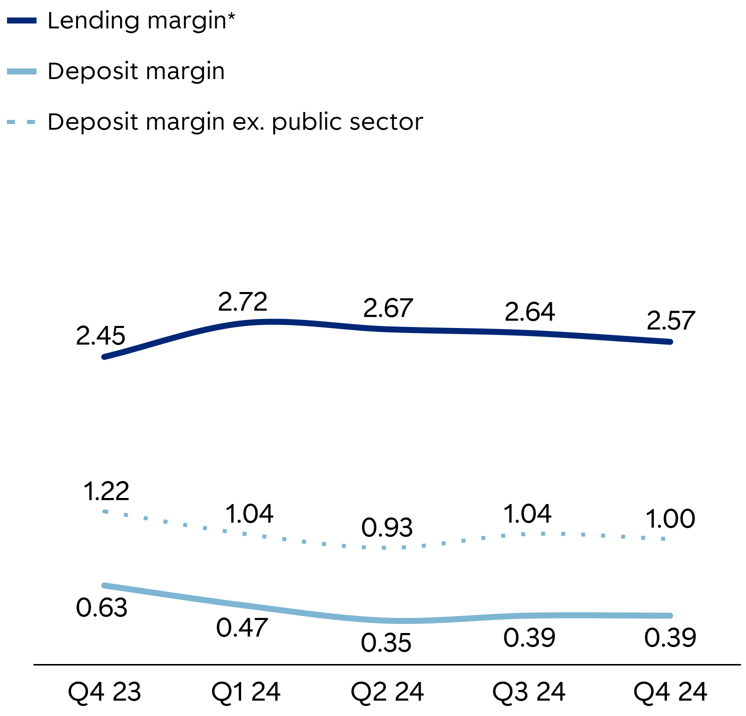
Lending volume (NOKbn)



Deposit volume (NOKbn)



Margins vs NIBOR3M



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

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Results

NOK mill	2024	2023	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Change from Q3 24	Change from Q4 23
Net interest income	5,373	4,732	1,372	1,355	1,310	1,336	1,345	17	27
Commission income and other income	2,392	2,085	580	553	680	579	498	27	82
Operating Income	**7,766**	**6,816**	**1,953**	**1,908**	**1,990**	**1,915**	**1,844**	**45**	**109**
Total operating expenses	3,300	3,018	901	810	801	789	866	91	35
Pre-loss result of core business	**4,466**	**3,799**	**1,052**	**1,098**	**1,190**	**1,126**	**978**	**-46**	**74**
Losses on loans and guarantees	176	14	30	75	47	24	20	-46	10
Post-loss result of core business	**4,290**	**3,785**	**1,022**	**1,023**	**1,143**	**1,103**	**958**	**-1**	**64**
Related companies	1,254	297	227	685	148	194	90	-457	137
Securities, foreign currency and derivates	103	402	56	-14	5	57	448	70	-392
Result before tax	**5,647**	**4,484**	**1,305**	**1,693**	**1,296**	**1,353**	**1,496**	**-388**	**-191**
Tax	1,054	904	253	252	276	273	262	1	-9
Result investment held for sale	-2	108	-1	0	-5	3	12	-1	-13
Net profit	**4,591**	**3,688**	**1,052**	**1,441**	**1,015**	**1,084**	**1,247**	**-390**	**-195**
Return on equity	**16.6 %**	**14.4 %**	**14.4 %**	**21.0 %**	**15.4 %**	**16.0 %**	**18.3 %**	**-6.6 %**	**-3.9 %**

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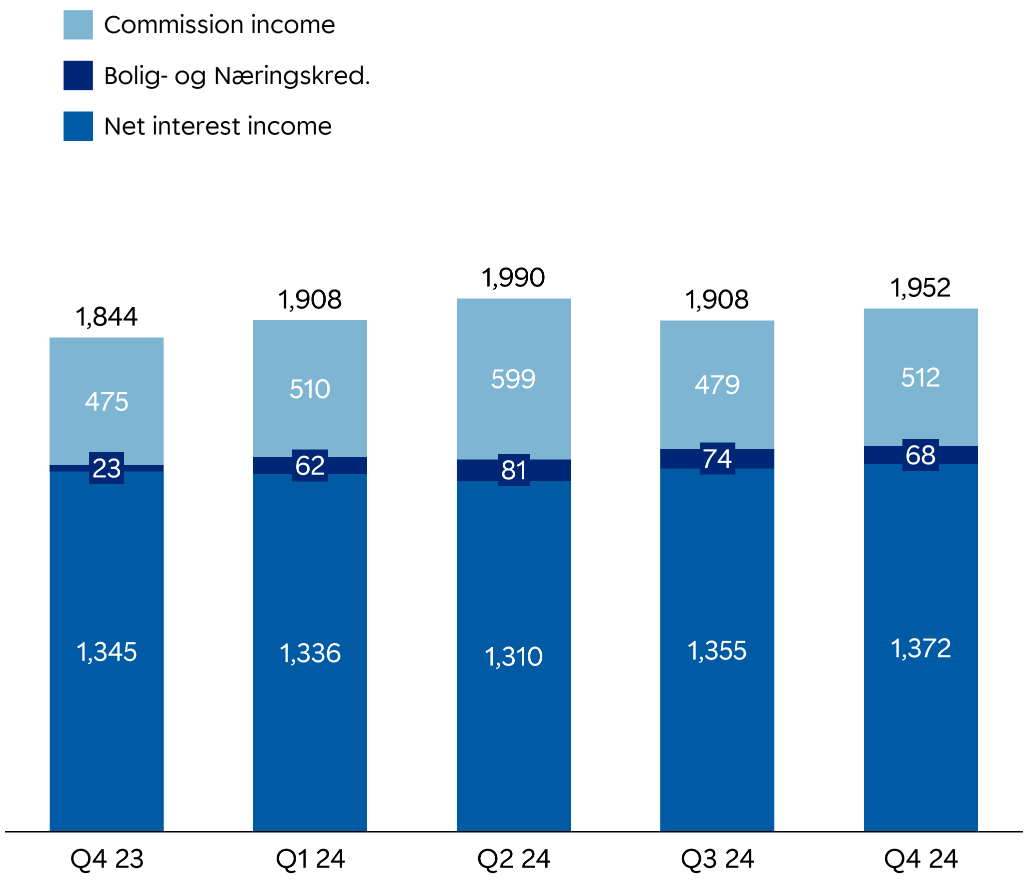
Income

Net interest income and other income (NOKm)



Commission income

NOK mill	2024	2023	Change	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23
Payment transmission income	354	330	24	107	79	91	77	101
Credit cards	71	61	10	18	18	17	18	14
Commissions savings and asset mgmt	49	43	6	13	13	12	11	11
Commissions insurance	263	253	10	69	67	65	63	61
Guarantee commissions	65	60	5	17	16	17	15	16
Estate agency	505	432	73	112	127	151	115	98
Accountancy services	733	661	72	160	145	228	200	152
Other commissions	66	76	-10	16	13	19	18	23
Commissions ex. Bolig/Næringskredit	**2,106**	**1,770**	**336**	**512**	**479**	**599**	**517**	**475**
Commissions Boligkreditt (cov. bonds)	272	155	117	65	71	78	59	19
Commissions Næringskred. (cov. bonds)	14	15	-1	3	3	4	4	4
Total commission income	**2,392**	**2,084**	**308**	**580**	**553**	**680**	**579**	**498**

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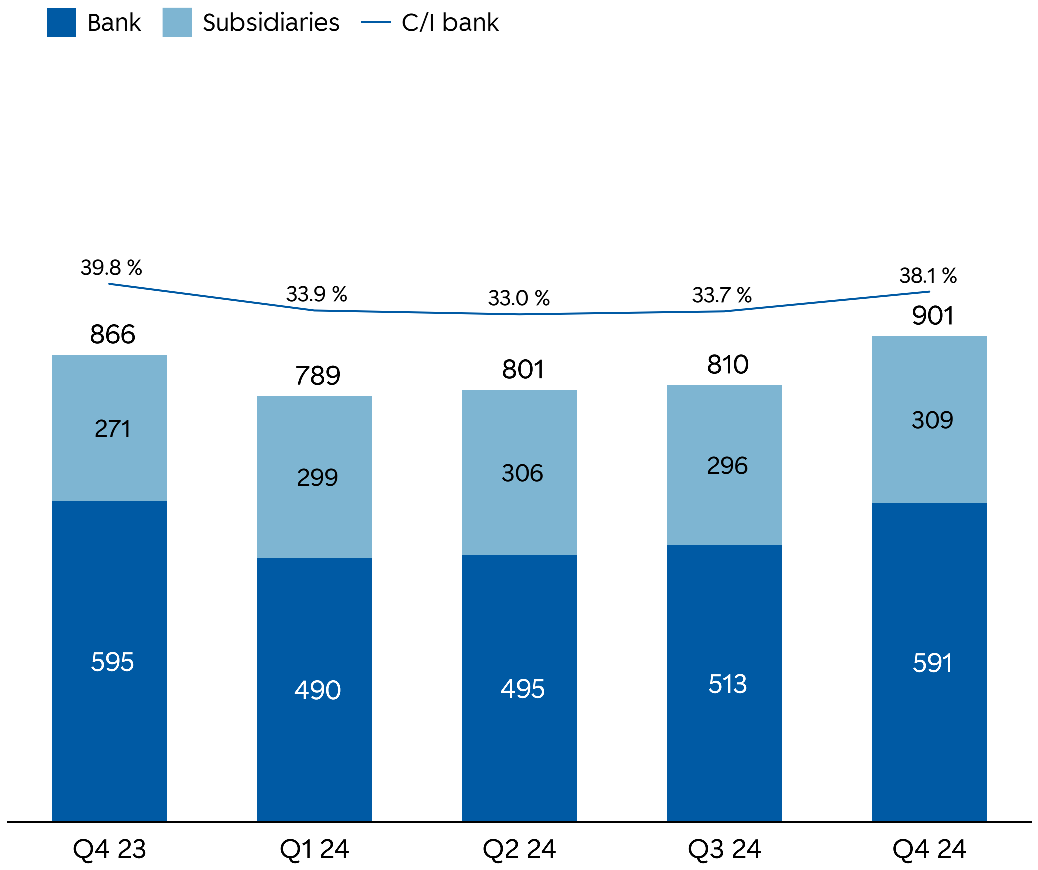
Costs

Total operating expenses per quarter (NOKm)



Costs per category

- Total costs increased by 91NOKm from the previous quarter
- Costs in the bank increased by 78NOKm of which capital tax and higher national insurance contributions account for 60NOKm
- When adjusted for higher capital tax and the one-time expense related to employer national insurance contributions mentioned above, cost growth in the bank comes to 4.5 per cent.

- Expecting a further reduction in the bank's cost growth in 2025

Mill kr	2024	2023	Change	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23
Staff costs	1,981	1,691	290	516	498	484	482	476
IT costs	410	413	-3	83	108	109	110	132
Marketing	104	93	11	30	23	25	26	21
Ordinary depreciation	176	153	23	48	44	44	41	47
Op.ex., real estate properties	49	57	-8	10	14	12	13	11
Purchased services	298	238	60	98	61	66	74	71
Merger expenses	0	64	-64	0	0	0	0	18
Other operating expense	283	309	-26	116	62	62	43	90
Total operating expenses	**3,300**	**3,018**	**282**	**901**	**810**	**801**	**789**	**866**

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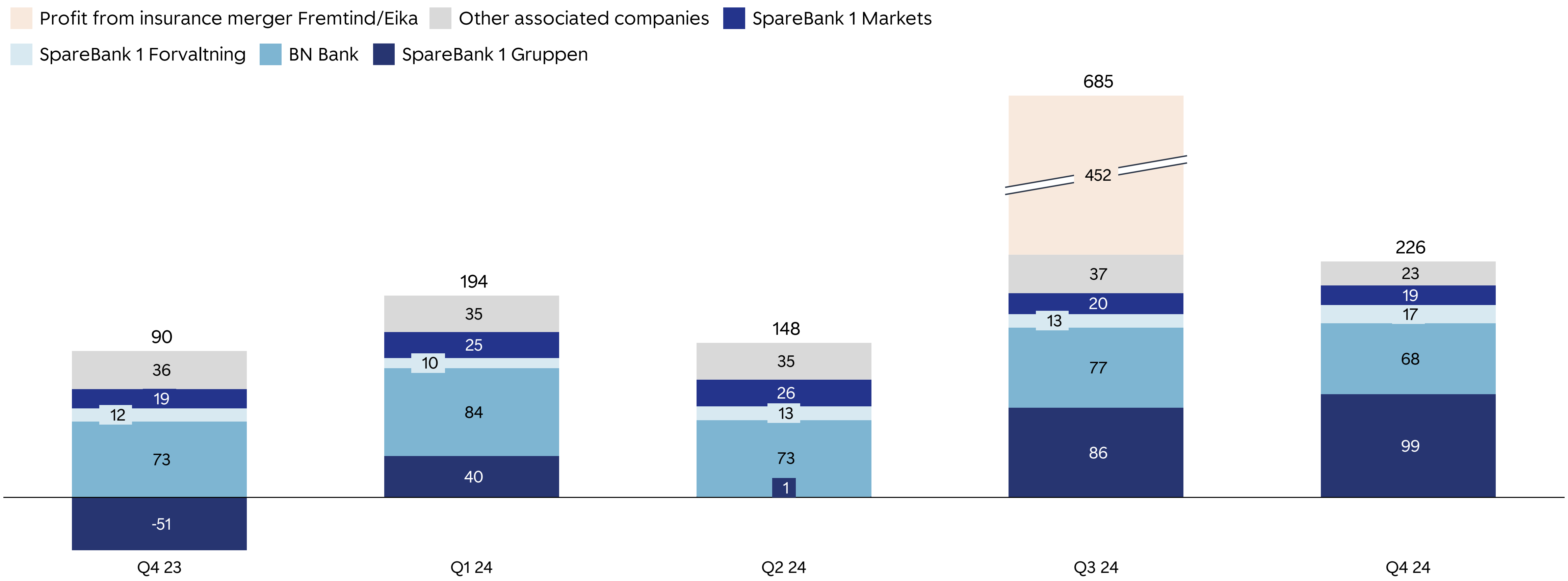
Broad product range and a diversified income platform

Ownership interests

Profit after tax (NOKm)



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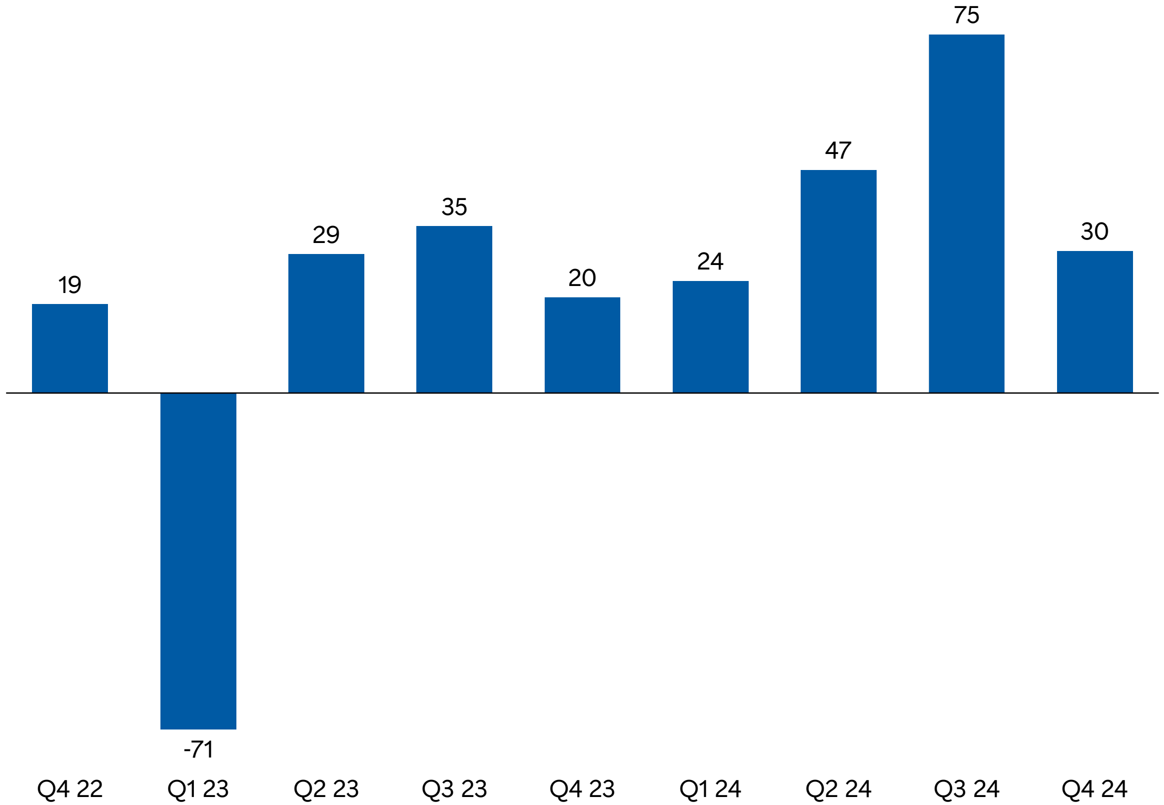
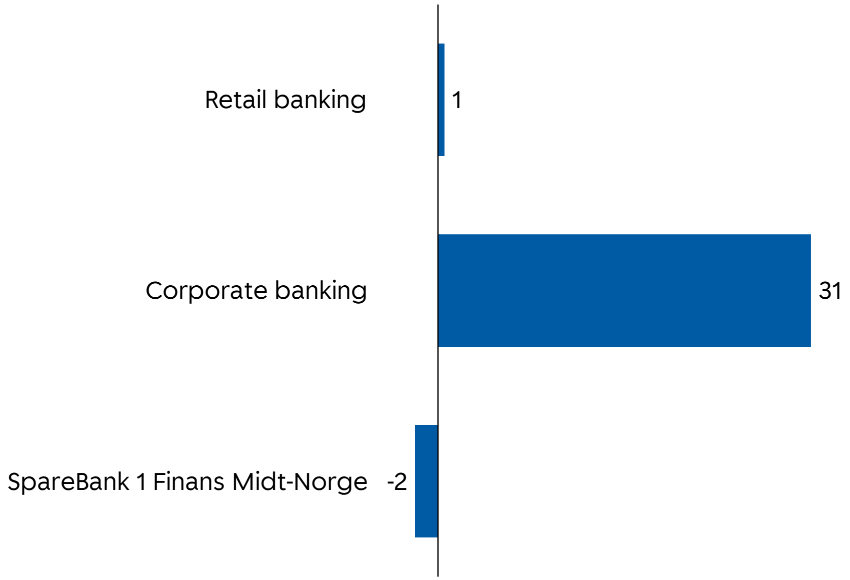
Losses

Loan losses (NOKm)



Distribution of losses in the quarter (NOKm)



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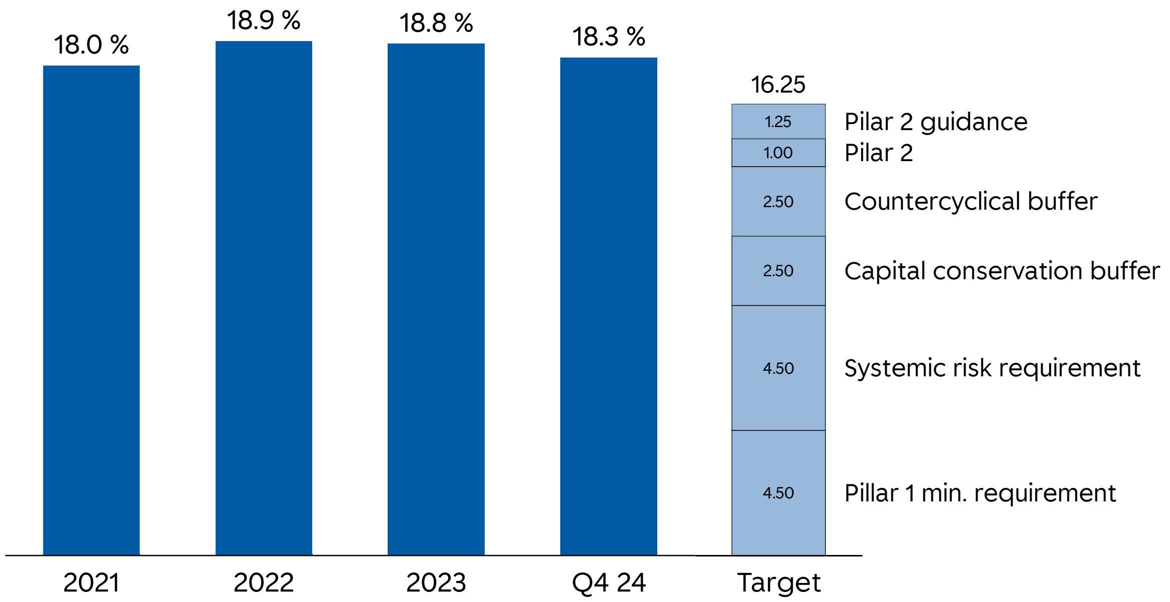
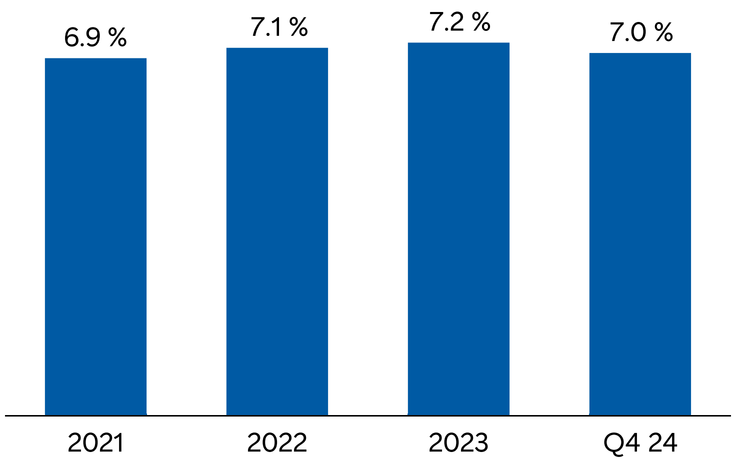
Solidity

CET 1



Leverage ratio



The groups' pillar 2 requirement is 1,7 percentage points, whereby 1,0 pp. must be covered by CET1-capital. The bank is subject to a provisional add-on of 0.7 per cent to its Pillar 2 requirement. Until the application for adjustment of IRB models has been processed the CET1 requirement is 16.95%

MING – an attractive investment

Profitable, solid and with a shareholder-friendly dividend policy

Market leader in Central Norway

High share of commission income from subsidiaries and product companies

Significant value from ownership within and outside the SpareBank 1 Alliance

Well-positioned for structural changes

Visible and engaged community builder with a strong brand

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Disclaimer

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

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

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

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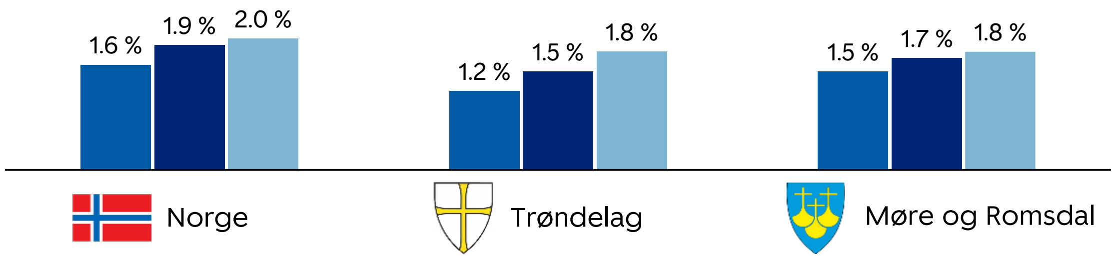
Appendix

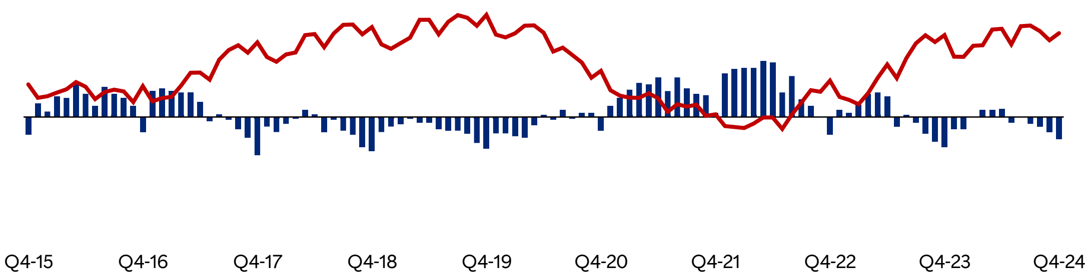
Macro in Mid-Norway

Unemployment

Wholly unemployed as a percentage of the labor force

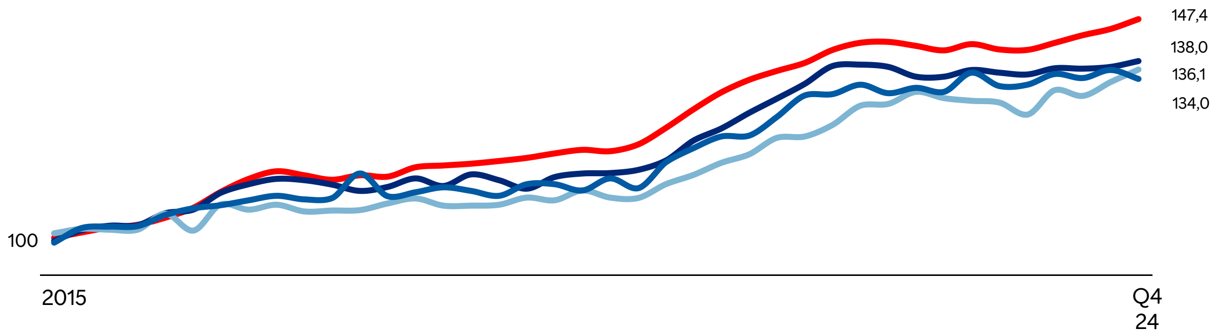


Housing market dynamics Mid-Norway

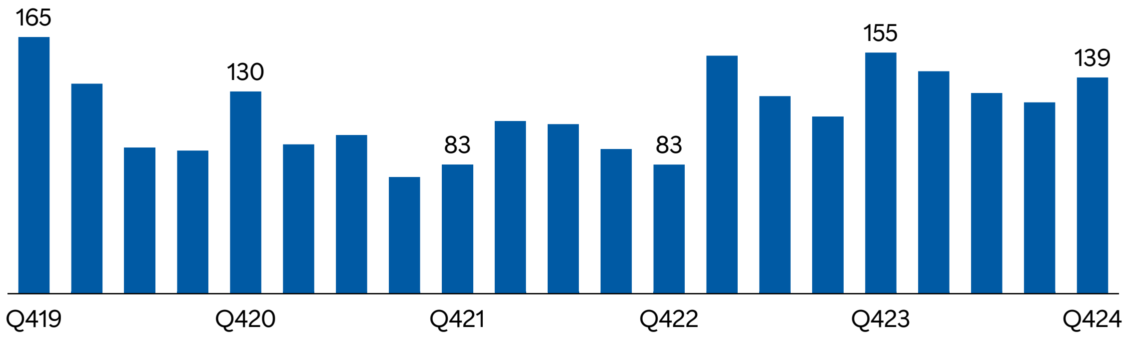


Development in housing prices

Seasonally adjusted prices



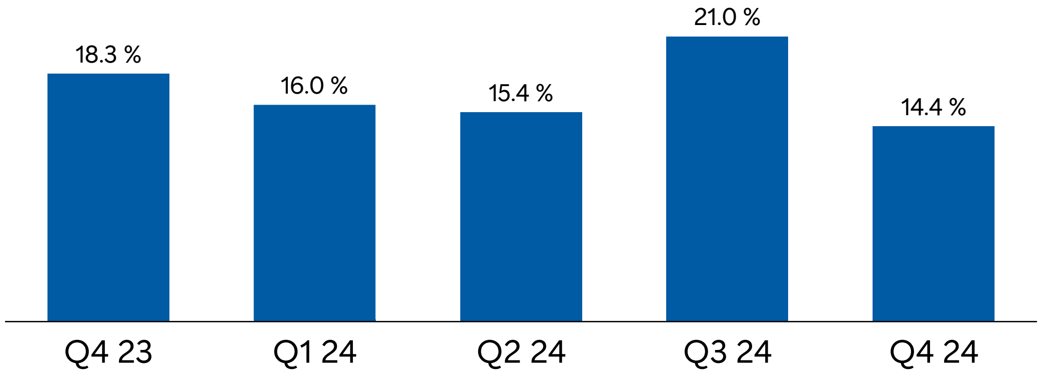
Number of bankruptcies in Trøndelag, Møre & Romsdal



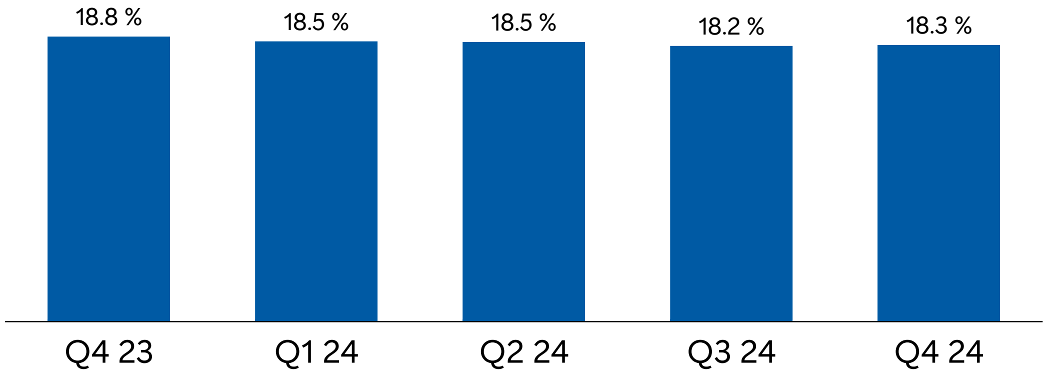
Source: NAV, SSB Boligpriser, Brønnøysundregisteret og Eiendomsverdi

Profitable and solid

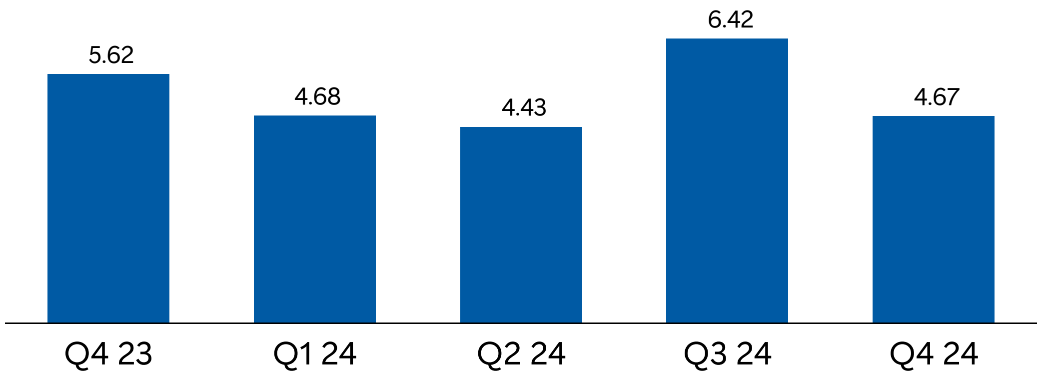
Return on equity



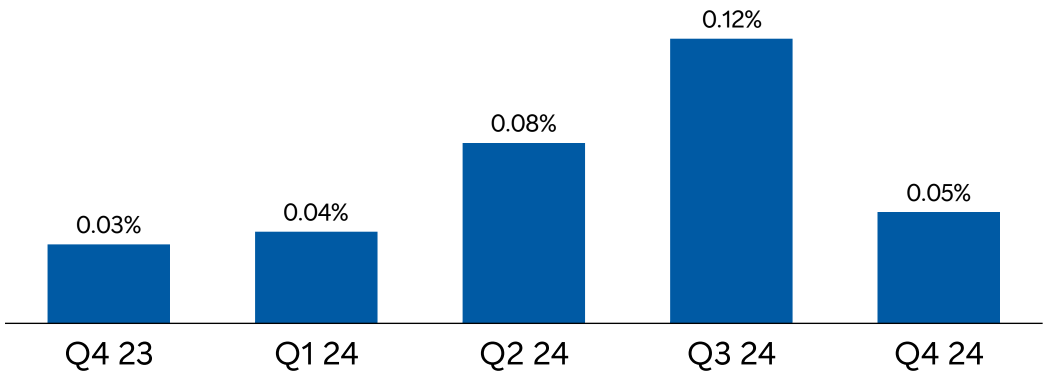
CET1 ratio



Result per ECC



Loan losses in per cent of total lending



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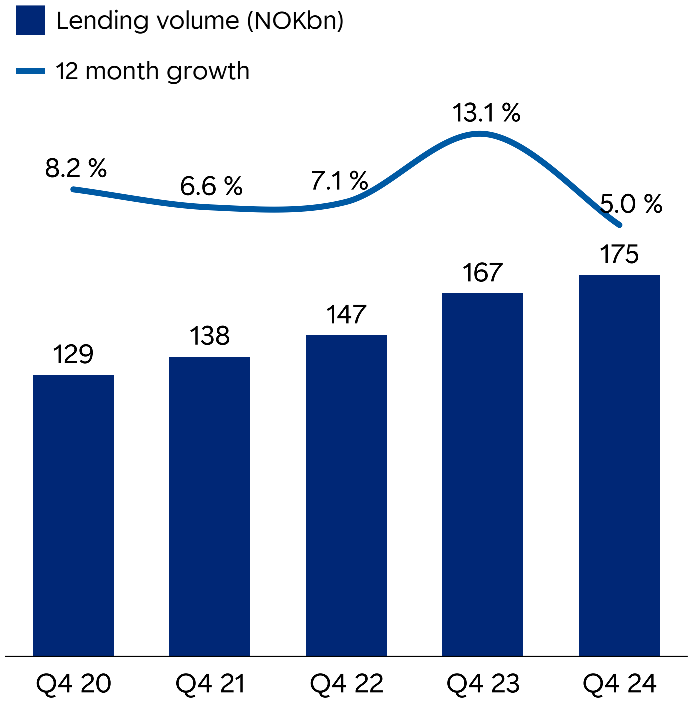
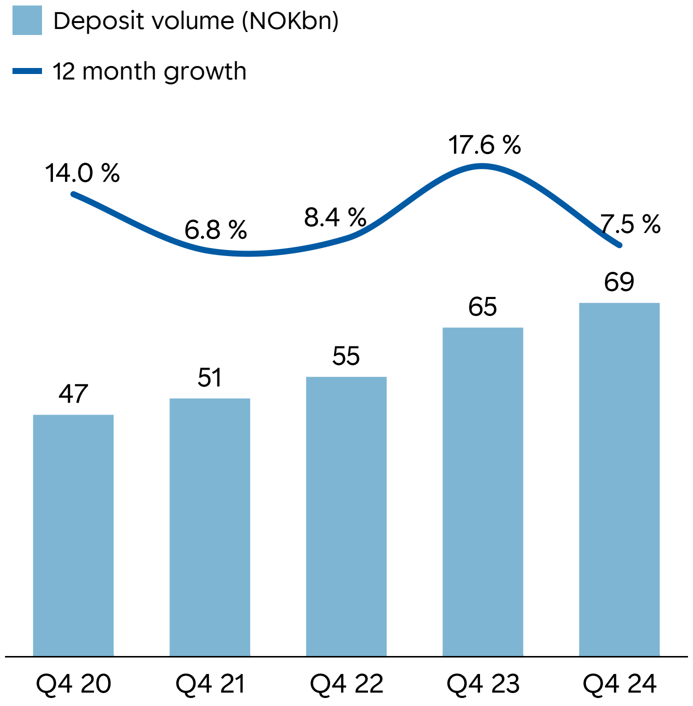
Growth and margins in Retail Banking - Yearly

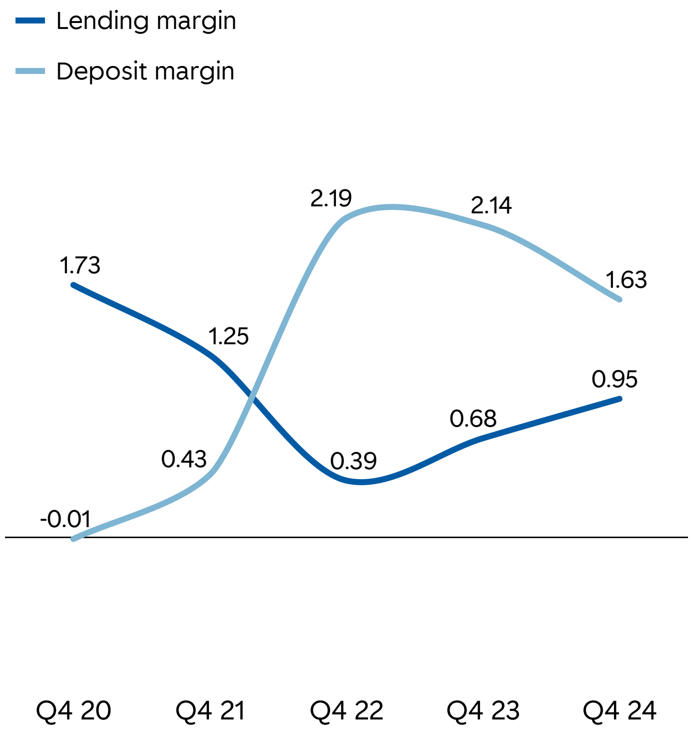
Lending volume (NOKbn)



Deposit volume (NOKbn)

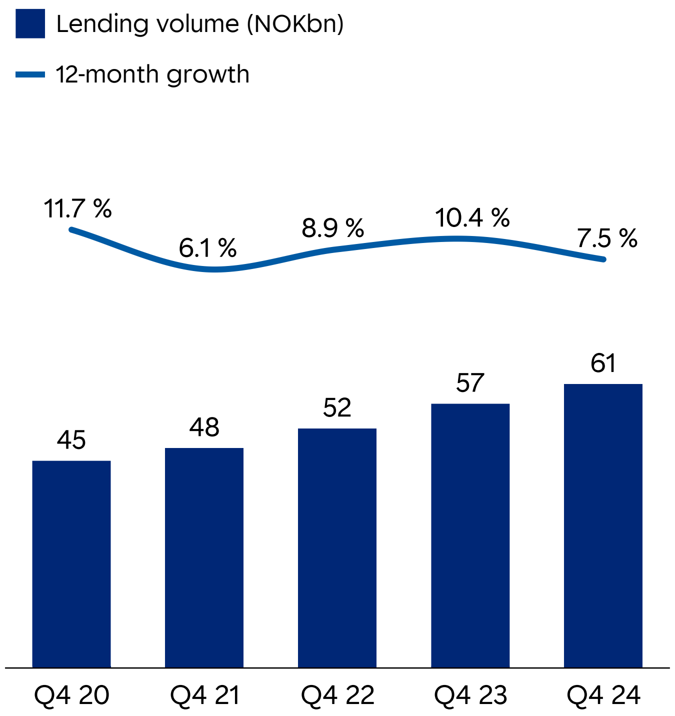


Margins vs NIBOR3M

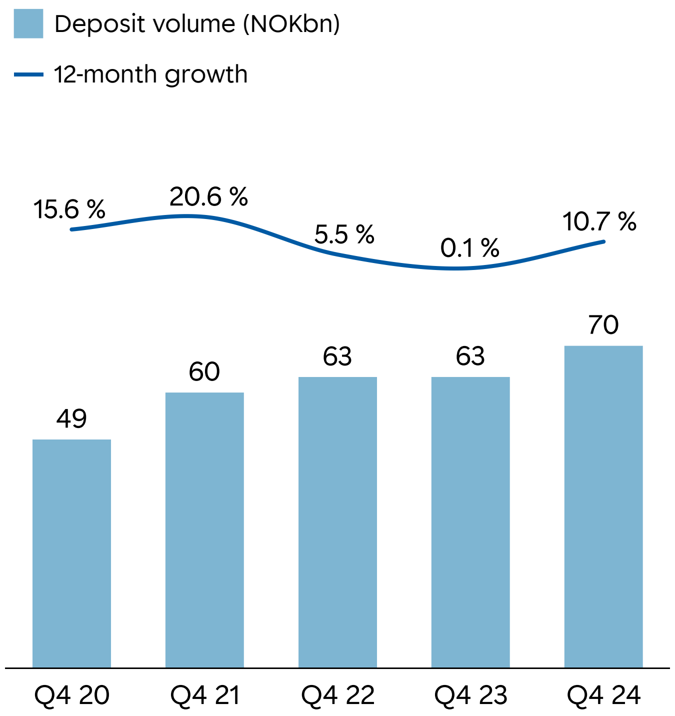


Growth and margins in Corporate Banking - Yearly

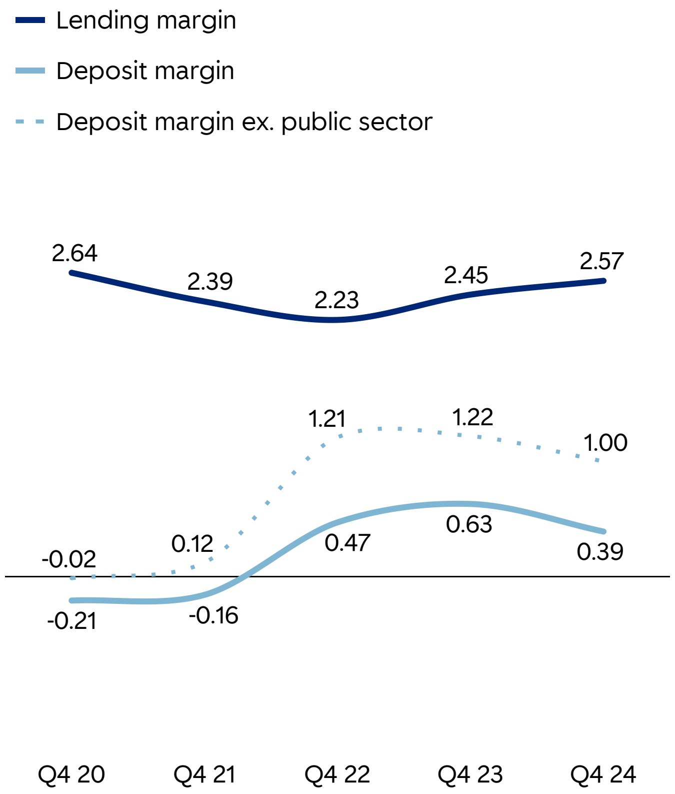
Lending volume (NOKbn)



Deposit volume (NOKbn)

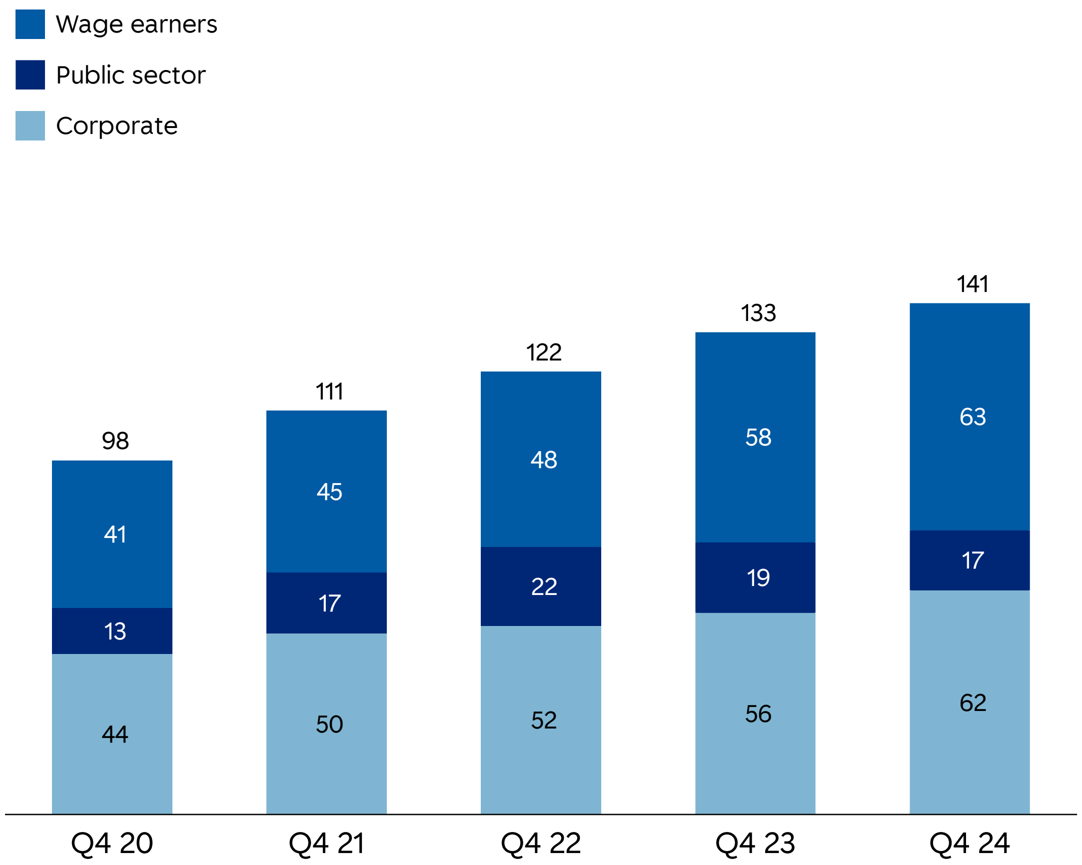


Margins vs NIBOR3M

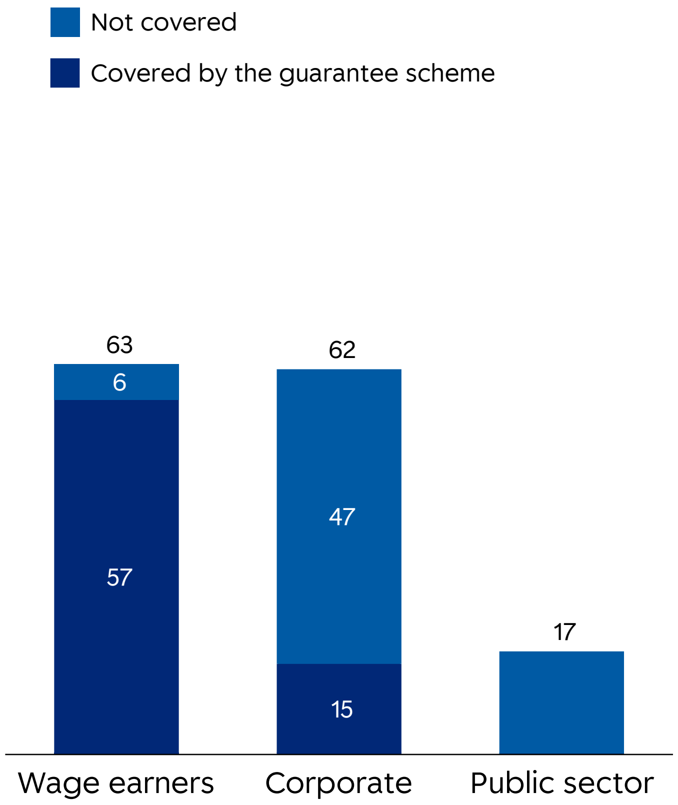


Diversified deposit portfolio

Deposits by sector (NOKbn)

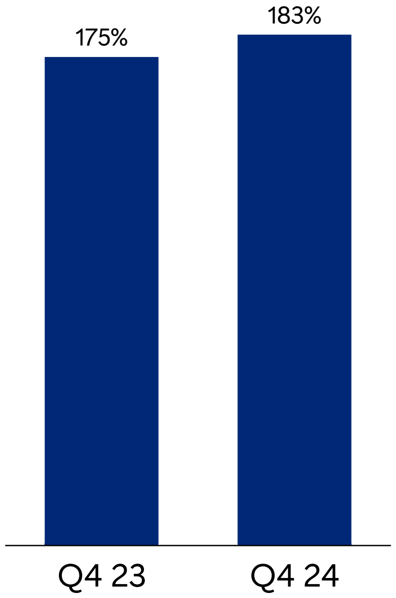


Deposits covered by the deposit guarantee scheme (NOKbn)



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

Liquidity Coverage Ratio (LCR)



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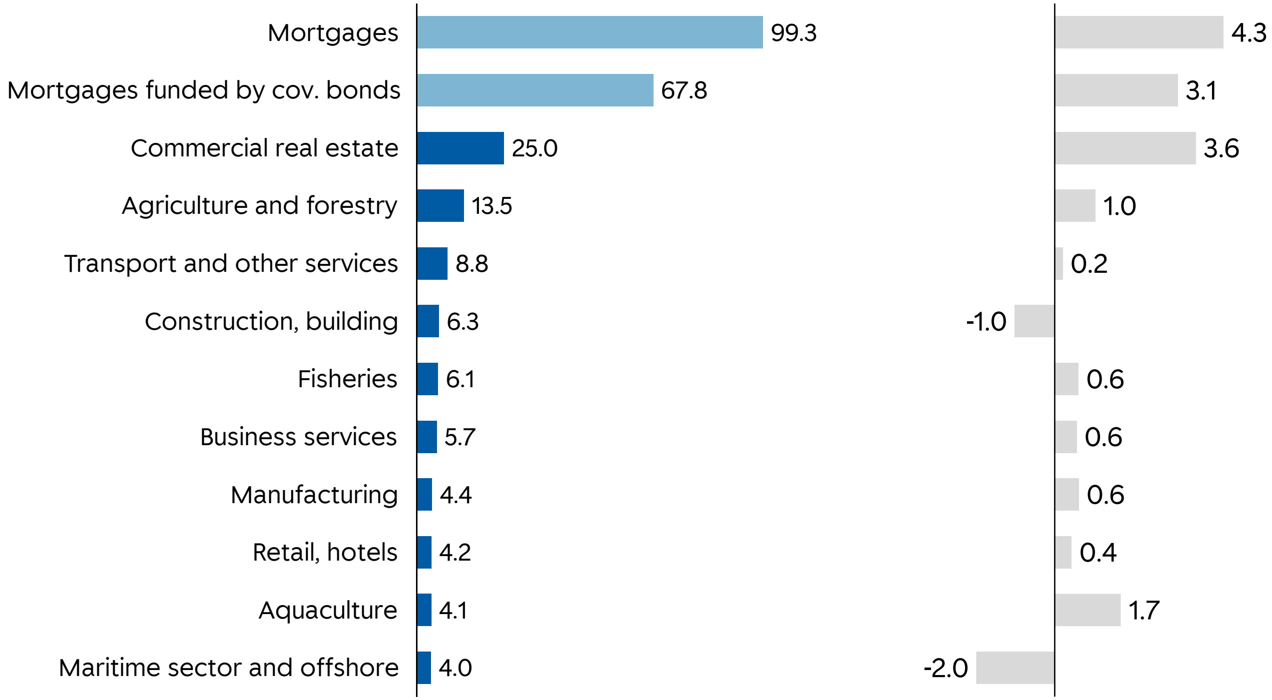
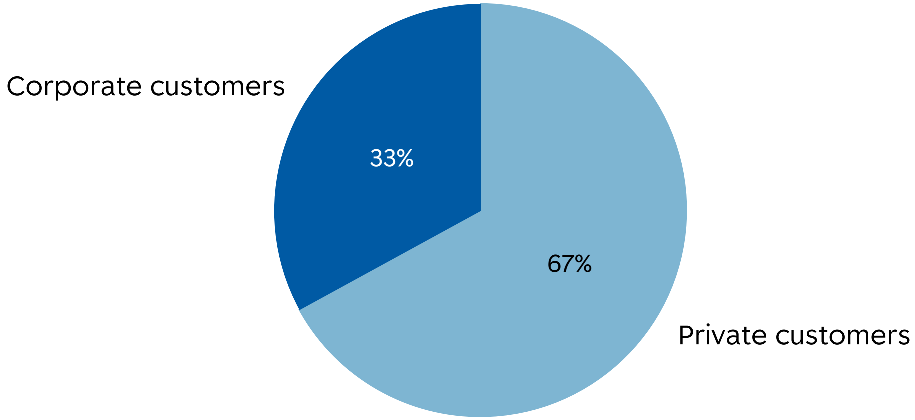
Well diversified lending portfolio dominated by mortgages

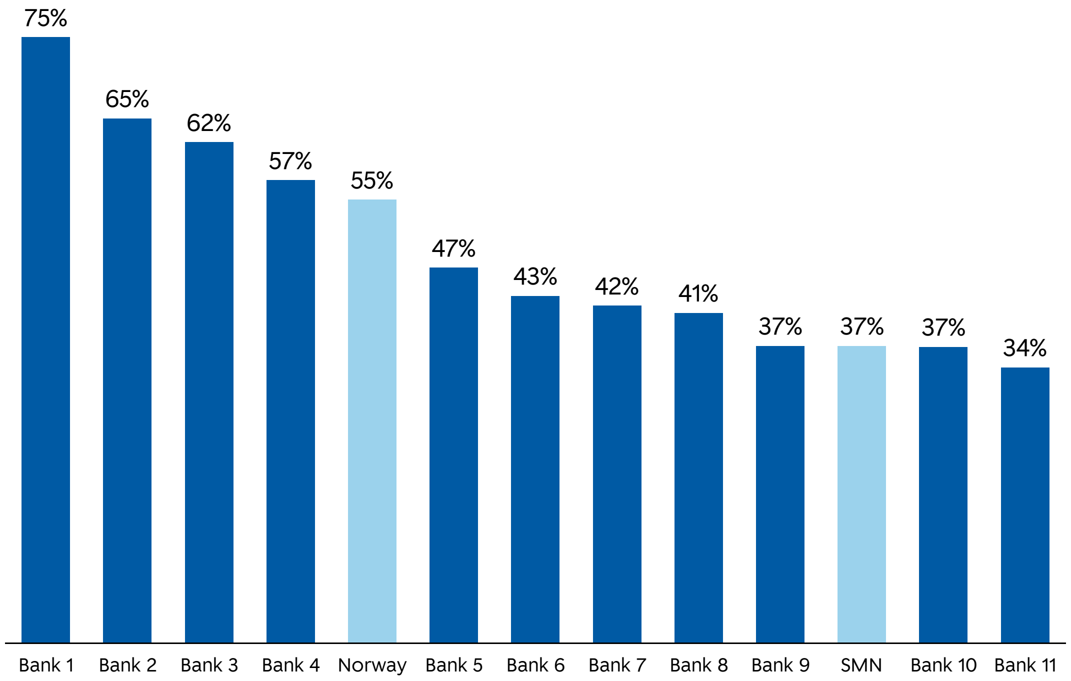
Loans per sector
as at 31st of December 2024 and change last 12 months (NOKbn)





Commercial property, construction, building

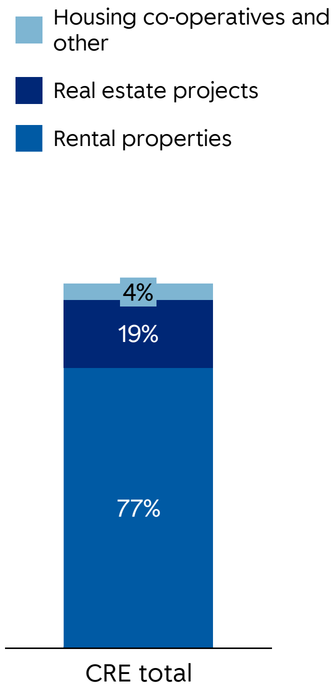
Share of commercial real estate exposure in the corporate lending book*



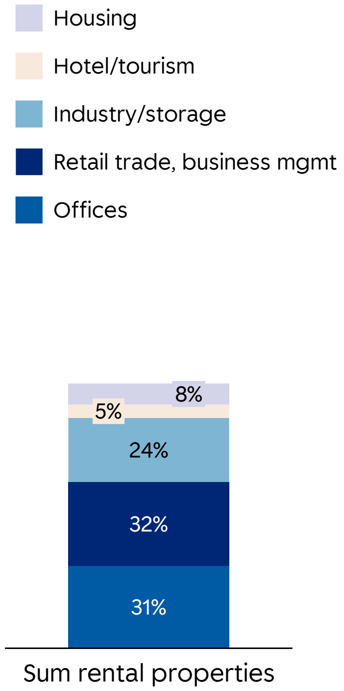
*Gross lending to commercial real estate as a share of corporate lending.. National data from SSB. Data for individual banks are based on reported numbers as at Q3 2024

Rental properties make up 77 % of the banks CRE exposure, mainly to retail trade, industry/storage and offices

Distribution of property per Q424



Distribution of area per Q4 24



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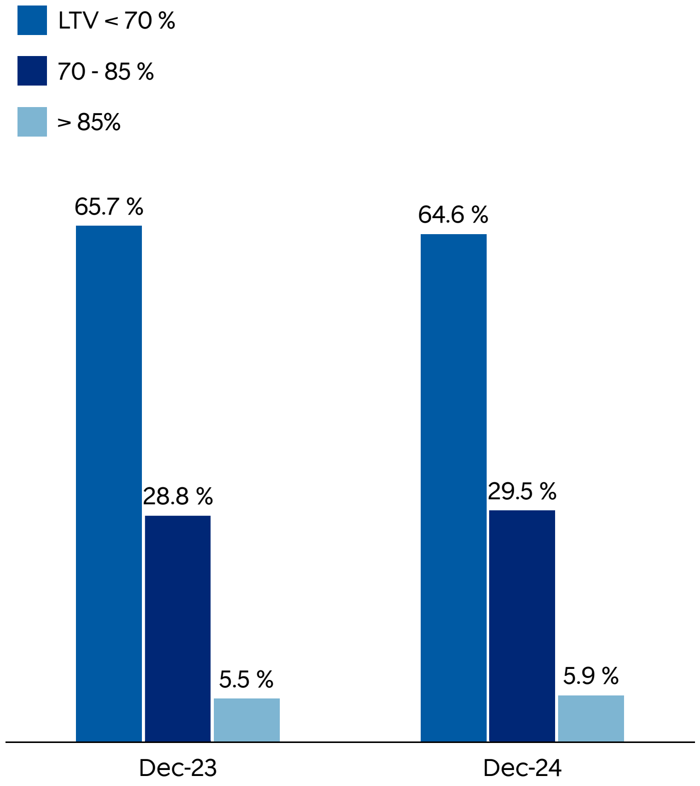
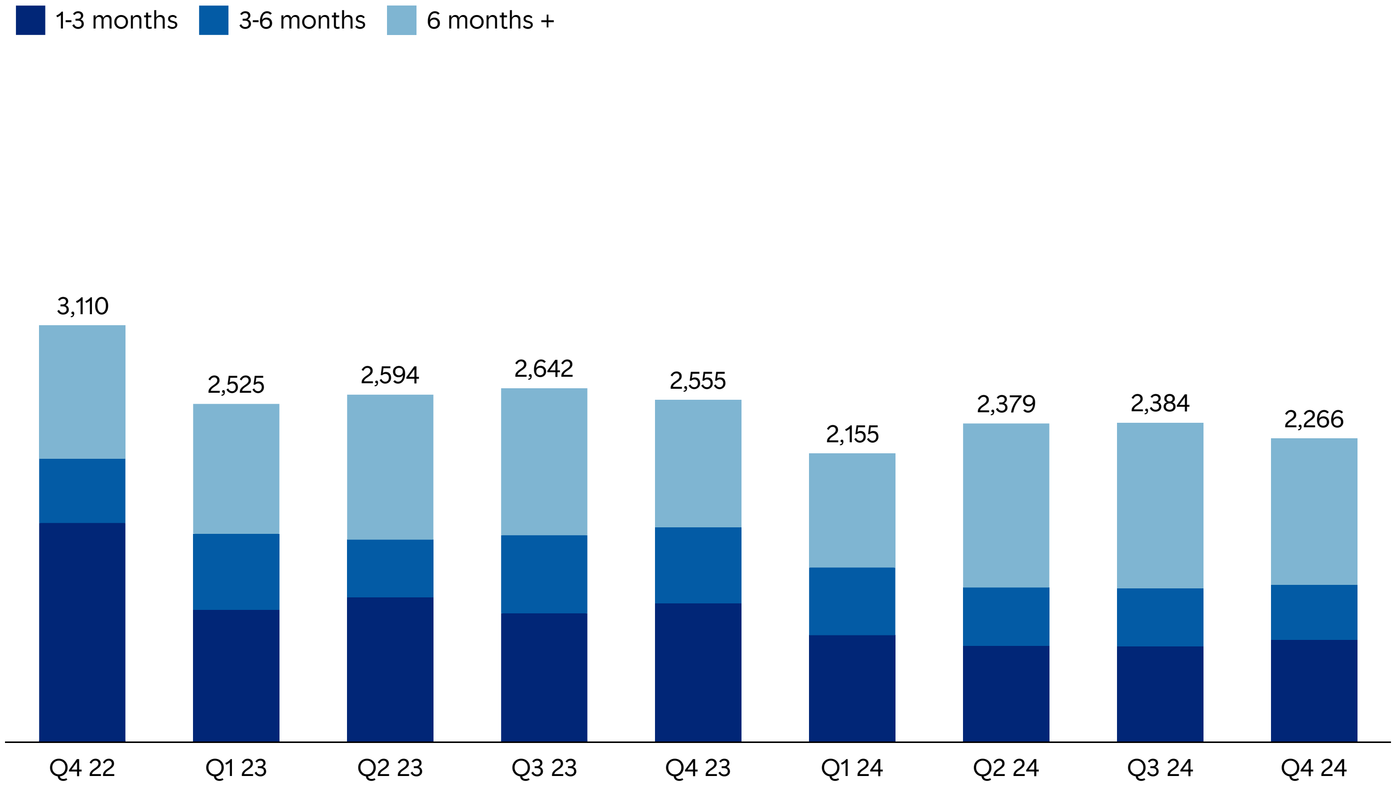
Robust mortgage portfolio

Loan-to-value ratio in the mortgage portfolio
Share of mortgages by LTV



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



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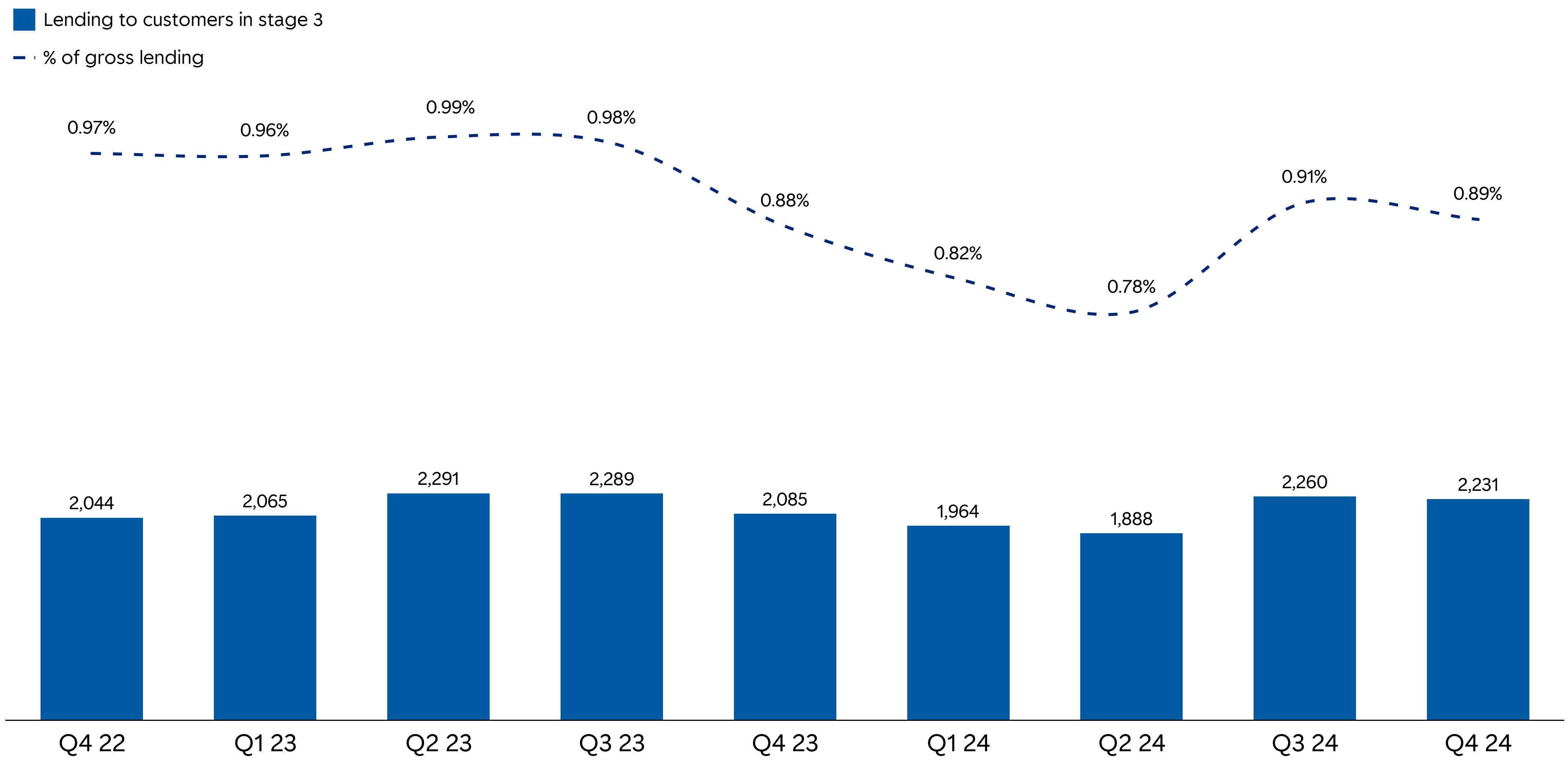
Problem loans



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Subsidiaries

NOK mill, SMN's share in parentheses	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Change from Q3 24	Change from Q4 23
EiendomsMegler 1 Midt-Norge (92.4%)	-1	8	43	20	-7	-9	6
SpareBank 1 Regnskapshuset SMN (93.3%)	-3	-7	54	35	8	4	-11
SpareBank 1 Finans Midt-Norge (56.5%)	87	68	76	66	12	19	76
SpareBank 1 SMN Invest (100%)	27	-12	-13	48	66	39	-39
Other companies	6	3	5	5	4	3	3
Sum subsidiaries	**117**	**60**	**165**	**174**	**83**	**57**	**33**

Product companies

NOK mill, SMN's share in parentheses	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Change from Q3 24	Change from Q4 23
SpareBank 1 Gruppen (19.5%)	99	86	1	40	-51	13	150
Gain from merger between Fremtind/Eika		452				-452	
SpareBank 1 Boligkreditt (23.7%)	23	37	35	33	30	-14	-7
SpareBank 1 Næringskreditt (14.8%)	4	3	3	4	1	1	3
BN Bank (35.0%)	68	77	73	84	73	-9	-5
SpareBank 1 Markets (39.9%)	19	20	26	25	19	-1	0
SpareBank 1 Kreditt (18.6%)	-5	-3	1	-4	-3	-2	-1
SpareBank 1 Betaling (21.9%)	-4	-1	-2	-12	-8	-3	3
SpareBank 1 Forvaltning (21.5%)	17	13	13	10	12	4	5
Other companies	4	1	-3	13	16	3	-12
Sum associated companies	**226**	**685**	**148**	**194**	**90**	**-459**	**137**

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Return on financial investments

NOK mill	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Change from Q3 24	Change from Q4 23
Net gain/(loss) on stocks	44	-1	4	42	472	45	-427
Net gain/(loss) on financial instruments	-47	-45	-17	-11	-41	-2	-6
Net gain/(loss) on forex	42	24	11	22	27	17	15
Net return on financial instruments	**40**	**-22**	**-1**	**54**	**458**	**62**	**-418**

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Equity certificate, key figures

Key figures	2024	2023	2022	2021	2020
ECC ratio	66.8 %	66.8 %	64.0 %	64.0 %	64.0 %
Total issued ECCs (mill)	144.21	144.20	129.29	129.39	129.39
ECC price	171.32	141.80	127.40	149.00	97.60
Market value (NOKm)	24,706	20,448	16,471	19,279	12,629
Booked equity capital per ECC	128.09	120.48	109.86	103.48	94.71
Post-tax earnings per ECC, in NOK	20.60	16.88	12.82	13.31	8.87
Dividend per ECC	12.50	12.00	6.50	7.50	4.40
P/E	8.32	8.40	9.94	11.19	11.01
Price / Booked equity capital	1.34	1.18	1.16	1.44	1.03

Balance sheet

NOKbn	31.12.24	31.12.23
Cash and receivables from central banks	0.7	1.2
Deposits with and loans to credit institutions	9.2	8.7
Net loans to and receivables from customers	179.3	169.0
Fixed-income CDs and bonds	36.7	34.2
Derivatives	7.2	6.7
Shares, units and other equity interests	1.0	1.1
Investment in related companies	10.1	8.7
Investment held for sale	0.2	0.1
Intangible assets	1.2	1.2
Other assets	2.2	1.8
Total assets	**247.7**	**232.7**
Deposits from credit institutions	13.9	13.2
Deposits from and debt to customers	140.9	132.9
Debt created by issue of securities	36.6	33.4
Subordinated debt (SNP)	13.4	12.4
Derivatives	6.2	7.0
Other debt	3.5	3.0
Investment held for sale	0.0	0.0
Subordinated loan capital	2.7	2.2
Total equity ex Tier 1 Capital	28.5	26.7
Additional Tier 1 Capital	2.0	1.9
Total liabilities and equity	**247.7**	**232.7**

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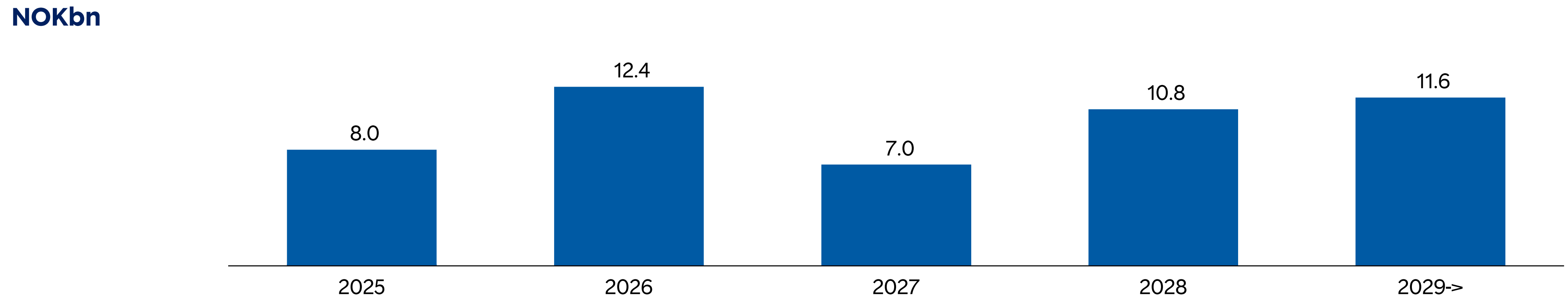
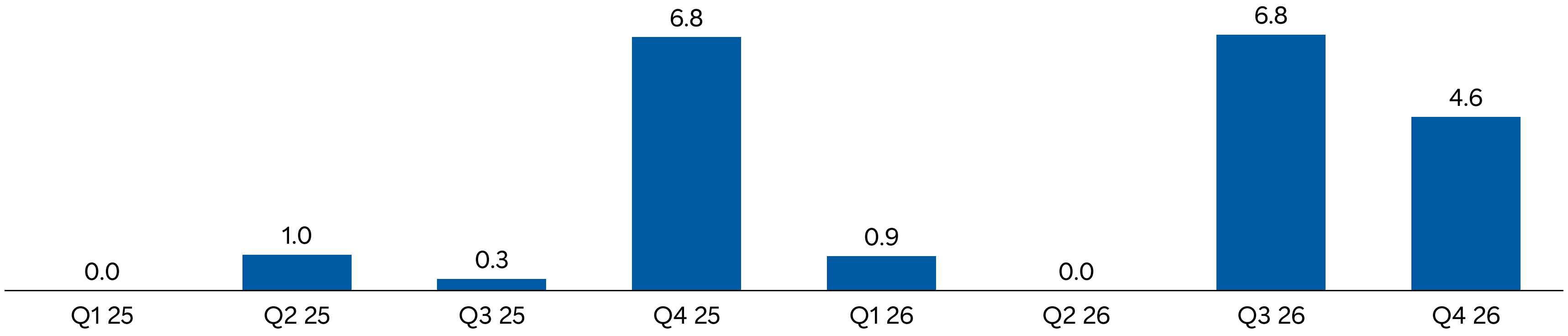
Maturity structure

SP, SNP. Final maturity





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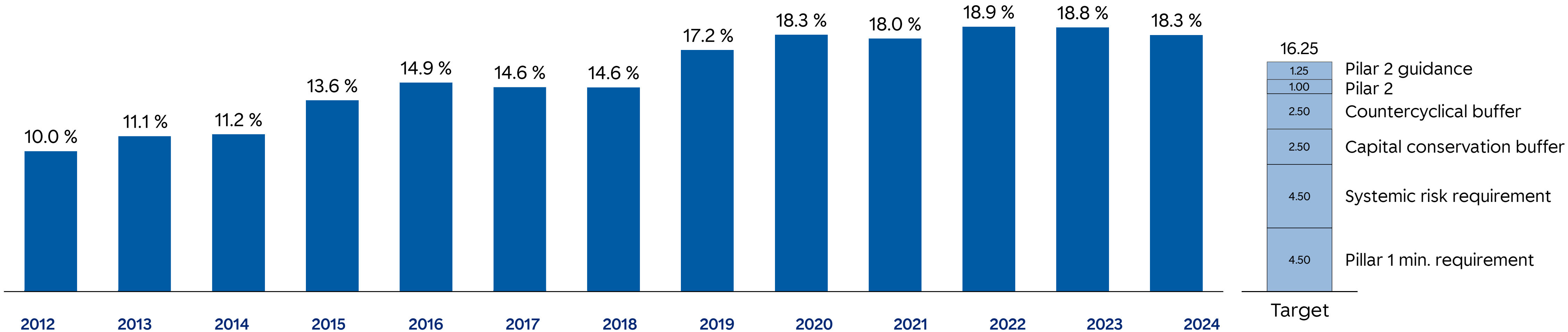
Development in CET1 capital and capital adequacy

CET1 ratio in per cent



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CET1	8.254	9.374	10.679	12.192	13.223	13.820	14.727	15.830	17.041	17.790	19.776	21.589	22.409
ROE	11.7%	13.3%	15.1%	10.7%	11.3%	11.5%	12.2%	13.7%	10.0%	13.5 %	12.3 %	14.4 %	16.6 %
RWA	82.450	84.591	95.322	89.465	88.786	94.807	101.168	91.956	93.096	98.664	104.716	114.633	122.622

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