

Second Quarter Report 2024



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Main figures

From the income statement (NOKm)	Second quarter		First half		
	2024	2023	2024	2023	2023
Net interest	1,310	1,110	2,646	2,160	4,732
Net commission income and other income	698	561	1,270	1,102	2,084
Net return on financial investments	153	86	404	99	699
Total income	2,161	1,757	4,320	3,361	7,515
Total operating expenses	818	683	1,600	1,411	3,017
Results before losses	1,343	1,074	2,720	1,950	4,498
Loss on loans, guarantees etc	47	29	70	-42	14
Results before tax	1,296	1,045	2,649	1,991	4,484
Tax charge	276	159	549	365	904
Result investment held for sale, after tax	-5	37	-2	74	108
Net profit	1,015	923	2,098	1,701	3,688
Interest Tier 1 Capital	29	26	70	60	125
Net profit excl. Interest Tier 1 Capital	986	897	2,028	1,641	3,563

Balance sheet figures	30 Jun 2024	30 Jun 2023	31 Dec 2023
Gross loans to customers	173,440	166,819	169,862
Gross loans to customers incl. SB1 Boligkreditt and SB1 Næringskreditt	241,832	232,100	236,329
Deposits from customers	139,661	140,164	132,889
Average total assets	237,267	233,442	235,303
Total assets	243,363	248,806	232,717

Key figures	Second quarter		First half		
	2024	2023	2024	2023	2023
Profitability ¹⁾					
Return on equity	15.4 %	15.1 %	15.6 %	13.9 %	14.4 %
Cost-income ratio	41 %	41 %	41 %	43 %	45 %
Deposit-to-loan ratio excl. SB1 Boligkreditt and SB1 Næringskreditt	81 %	84 %	81 %	84 %	78 %
Deposit-to-loan ratio incl. SB1 Boligkreditt and SB1 Næringskreditt	58 %	60 %	58 %	60 %	56 %
Growth in loans (gross) last 12 months (incl. SB1 Boligkreditt and SB1 Næringskreditt)	1.5 %	8.5 %	4.2 %	12.9 %	11.9 %
Growth in deposits last 12 months	3.9 %	13.5 %	-0.4 %	13.2 %	8.9 %
Losses in % of gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt ¹⁾					
Impairment losses ratio	0.08 %	0.05 %	0.06 %	-0.04 %	0.01 %
Stage 3 as a percentage of gross loans	0.78 %	0.99 %	0.78 %	0.99 %	0.88 %

Solidity	30 Jun 2024	30 Jun 2023	31 Dec 2023
Capital ratio	23.1 %	23.5 %	23.0 %
Tier 1 capital ratio	20.4 %	21.0 %	20.8 %
Common equity Tier 1 capital ratio	18.5 %	19.1 %	18.8 %
Tier 1 capital	24,216	24,192	23,793
Total eligible capital	27,474	27,106	26,399
Liquidity Coverage Ratio (LCR)	188 %	188 %	175 %
Leverage Ratio	7.1 %	7.2 %	7.2 %
MREL	58.6 %	64.6 %	67.8 %
MREL, substituted	36.4 %	31.0 %	35.9 %
NSFR	132.0 %	126.0 %	127.0 %

Branches and staff	30 Jun 2024	30 Jun 2023	31 Dec 2023
Number of branches	47	46	46
No. Of full-time positions	1,671	1,497	1,545

Key figures ECC	30 Jun 24	30 Jun 23	31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20
ECC ratio	67 %	67 %	67 %	64 %	64 %	64 %
Number of certificates issued, millions ¹⁾	144.19	143.80	144.20	129.29	129.39	129.39
ECC share price at end of period (NOK)	151.12	141.00	141.80	127.40	149.00	97.60
Stock value (NOKM)	21,790	20,275	20,448	16,471	19,279	12,629
Booked equity capital per ECC (including dividend) ¹⁾	117.31	112.81	120.48	109.86	103.48	94.71
Profit per ECC, majority ¹⁾	9.14	7.82	16.88	12.82	13.31	8.87
Dividend per ECC			12.00	6.50	7.50	4.40
Price-Earnings Ratio ¹⁾	8.26	9.01	8.40	9.94	11.19	11.01
Price-Book Value Ratio ¹⁾	1.29	1.25	1.18	1.16	1.44	1.03

¹⁾ Defined as alternative performance measures, see attachment to quarterly report

Report of the Board of Directors

Second quarter 2024

(Consolidated figures. Figures for the former SpareBank 1 Søre Sunnmøre are included as from the second quarter of 2023. Figures in parenthesis refer to the same period of 2023 unless otherwise stated)

- Pre-tax profit NOK 1,296m (1,045m)
- Net profit NOK 1,015m (923m)
- Return on equity 15.4 per cent (15.1 per cent)
- CET1 ratio 18.5 per cent (19.1 per cent)
- Growth in group lending 1.5 per cent (8.5 per cent) in the second quarter
- Lending to the bank's retail customers rose 1.6 per cent in the quarter (9.8 per cent), 1.0 percentage point higher growth than in the previous quarter. Lending to the bank's corporate clients rose 1.6 per cent (6.8 per cent) which was 0.1 percentage point higher growth than in the previous quarter
- Growth in deposits was 3.9 per cent (13.5 per cent) in the second quarter
- Deposits from retail customers rose 5.4 per cent (15.1 per cent), 3.8 percentage points higher growth than in the first quarter. Deposits from corporate clients climbed 6.3 per cent (13.4 per cent), 3.8 percentage points higher growth than in the previous quarter
- The net result of ownership interests was NOK 148m (85m)
- The net result of financial instruments (incl. dividends) was NOK 5m (2m)
- Losses on loans and guarantees: NOK 47m (29m)
- Earnings per equity certificate (EC): NOK 4.43 (4.21)
- Book value per EC was NOK 117.31 (112.81) and the price of the bank's EC (MING) was NOK 151.12 (141.00)

First half 2024

- Pre-tax profit NOK 2,469m (1,991m)
- Net profit NOK 2,098m (1,701m)
- Return on equity 15.6 per cent (13.9 per cent)
- CET1 ratio 18.5 per cent (19.1 per cent)
- Growth in lending 4.2 per cent (12.9 per cent), and in deposits minus 0.4 per cent (13.2 per cent) in the last 12 months
- Lending to the bank's retail customers rose 4.6 per cent in the last 12 months (13.4 per cent). Lending to the bank's corporate customers rose 3.4 per cent (11.5 per cent) in the same period
- Deposits from retail customers rose 7.4 per cent (15.4 per cent) and deposits from corporate customers were reduced by 5.0 per cent (12.1 per cent increase) in the last 12 months
- The net result of ownership interests was NOK 342m (209m)
- The net result of financial instruments (incl. dividends) was NOK 62m (minus 110m)
- Losses on loans and guarantees: NOK 70m (net recovery of 42m)
- Earnings per equity certificate (EC): NOK 9.14 (7.82)

Events in the quarter

Merger of the insurance arms of Fremtind and Eika approved by the Financial Supervisory Authority (Finanstilsynet)

Finanstilsynet approved the merger between Fremtind Forsikring AS and Eika Forsikring AS on 27 June 2024. The transaction was carried through on 1 July, and the two companies will be sister companies in Fremtind Holding up to the planned merger resolution and subsequent completion of the merger on 1 October 2024.

Based on figures as at 31 December 2023 and pro forma consolidated accounts, the transaction will entail an increase of about NOK 7bn in the SpareBank 1 Gruppen's equity capital. The majority's (i.e. the SpareBank 1 banks' and LO Norway's) share of this increase is NOK 2.6bn. SpareBank 1 SMN's share of this increase is about NOK 510m.

SpareBank 1 SMN owns 19.5 per cent of the shares of the SpareBank 1 Gruppen, which upon completion of the transaction will hold 51.44 per cent of the shares of Fremtind Holding.

Change in Kredinor's ownership structure

The SpareBank 1 Gruppen became the controlling interest in Kredinor in April 2024 with an equity interest of 68.6 per cent. The background to the change in equity interest is the increase of capital resulting from the conversion of a convertible loan. Kredinor's equity capital after the conversion was valued at NOK 1,913m. In light of this, the SpareBank 1 Gruppen has written down its shareholding in Kredinor by NOK 234m in the second quarter of 2024.

Car subscription company Fleks AS bankrupt

The board of directors of Fleks filed for bankruptcy on 13 May 2024. SpareBank 1 Finans Midt-Norge and other SpareBank 1 banks owned, through SpareBank 1 Mobilitet Holding, 47.2 per cent of the company. With a view to ensuring a controlled disposal of the business, SpareBank 1 Finans Midt-Norge took over Fleks Green Fleet 01 AS (hereafter termed Fleks GF), which was previously a subsidiary of Fleks. In connection with bankruptcy, loss provisions were taken which are considered sufficient given the market conditions. As from the second quarter of 2024 this company has been consolidated into SpareBank 1 SMN's group accounts.

Historic collaboration on artificial intelligence (AI)

In June 2024 SpareBank 1 SMN and the Norwegian University of Science and Technology, Trondheim (NTNU) initiated a collaboration to strengthen the university's work on artificial intelligence. SpareBank 1 SMN is to be a full partner in the AI Lab, and over the next five years NOK 40m of the bank's community dividend will be allocated to research in this field. The collaboration with the NTNU will support innovation in AI systems and enhance AI competencies through education, research and public relations activities.

Macroeconomic developments

Norges Bank kept the base rate unchanged at 4.50 per cent in June and reiterated in June's monetary policy report its signal that the base rate would remain at its current level for some time ahead.

The 12-month rate of growth in the consumer price index (CPI) fell further in the quarter and was 2.6 per cent at the end of the second quarter of 2024. Underlying inflation in the same period in terms of the consumer price index adjusted for changes in indirect taxes and excluding energy products (CPI-ATE), was 3.4 per cent. The unemployment rate remains at a very low level. In Trøndelag and in Møre og Romsdal the wholly unemployed share is 1.6 and 1.7 per cent respectively. For Norway as a whole the share is 1.9 per cent.

Growth in credit to households and non-financial undertakings fell further in the second quarter of 2024. Growth in credit to household picked up somewhat compared to the previous quarter, but is still at a low level. As at June the national twelve-month rate of growth in credit to households and non-financial undertakings was 2.3 and 3.3 per cent respectively.

The regional indicator in Norges Bank's regional network survey continues to show improvement for Mid Norway, but remains on a slightly negative trend as at June 2024. For North West Norway the indicator is positive. The negative trend in the building and construction industry and the positive trend in segments exposed to energy production are highlighted as the main explanations for the regional differences in SpareBank 1 SMN's catchment area.

Results for the second quarter

All business lines in the group have delivered solid performances in the second quarter. High net interest income, increased commission income from the subsidiaries and strong profit contributions from ownership interests make for an overall net profit of NOK 1,015m and a return on equity of 15.4 per cent.

After a long period of interest rate hikes from the central bank, all announced rate hikes have now been implemented and had full effect in the second quarter. Dampened credit growth and growing competition in the personal market continue to impact lending growth, but implemented interest rate changes and stable market interest rates continue to make for strong net interest income.

Seasonal variations and expanded market shares at SpareBank 1 Regnskapshuset SMN and EiendomsMegler 1 Midt-Norge provided very strong commission income in the second quarter. Higher lending rates and a higher average lending volume have brought a further increase in commission income from the captive residential mortgage company.

The result from related companies is down compared to the first quarter due to a lower profit share from the SpareBank 1 Gruppen resulting from the write-down at Kreditor. Good results by other companies made a positive contribution in the quarter.

When adjusted for the first quarter's insurance settlement, the group's operating expenses were stable measured against the first quarter. The bank has reduced its expenses at the same time as a high activity among the subsidiaries contributed to increased expenses in the quarter.

Loan losses in the second quarter rose compared with the first quarter, driven mainly by increased write-downs in stage 3.

The CET1 ratio is 18.5 per cent at quarter-end, which is well above the group's own target and regulatory requirements.

Net interest income

Market interest rates in terms of NIBOR were stable through the quarter, with three-month NIBOR averaging 4.72 per cent. Net interest income totalled NOK 1,310m (1,110m) compared with NOK 1,336m in the first quarter.

A general interest rate increase was carried out in the first quarter which gained full effect in the second quarter of 2024. This brought wider lending margins and narrower deposit margins in the quarter. The weighted lending and deposit margin, the total margin, at the bank is reduced due to lower deposit margins. Net interest income is further reduced as a result an increase in issued debt.

Net interest income and commission from the captive mortgage companies as a whole were reduced by NOK 8m from the first quarter of 2024, corresponding to a decline of 0.5 per cent.

Commission income and other operating income

SpareBank 1 SMN's strategy of exploiting the breadth present in the group and expanding interaction across the respective business lines stands firm. This is done in part by co-locating multiple entities in finance centres. A high proportion of multi-product customers contributes to a capital-efficient, diversified income flow and high customer satisfaction.

Commission income (NOKm)	2Q 24	1Q 24	2Q 23
Payment transfers	91	77	77
Creditcard	17	18	15
Saving products	12	11	12
Insurance	65	63	65
Guarantee commission	17	15	13
Real estate agency	151	115	119
Accountancy services	228	200	182
Other commissions	37	11	22
Commissions ex SB1 Boligkreditt and SB1 Næringskreditt	617	510	504
Commissions SB1 Boligkreditt	78	59	53
Commissions SB1 Næringskreditt	4	4	4
Total commissions	698	572	561

Compared with the first quarter, commission income excluding captive mortgage companies showed an increase of NOK 107m, corresponding to 21 per cent. Commission income in the second quarter reflects both EiendomsMegler 1 Midt-Norge's and SpareBank 1 Regnskapshuset SMN's acquisition of market shares in a quarter of high activity and a seasonally strong quarter for payments income. SpareBank 1 Finans Midt-Norge's takeover of Fleks GF brings an increase in other commission income.

Measured against the same quarter of last year, commission income excluding mortgage companies rose by NOK 113m. The fine development is driven in particular by income from estate agency and accounting services. EiendomsMegler 1 Midt-Norge has increased its market share from 36.9 per cent in the first half of 2023 to 37.5 per cent thus far in the current year. At the same time activity levels in the housing market have picked up compared with the same quarter of last year. SpareBank 1 Regnskapshuset SMN has strengthened its advisory capacity and its focus on digitalisation to good effect. This has increased organic growth and reinforced customer loyalty. At the same time acquisitions are helping to boost commission income.

In the case of loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, the bank receives a commission corresponding to the loan interest less the funding and operating expenses of those companies. The increased commission income from SpareBank 1 Boligkreditt in the first quarter is mainly down to increased volume and higher lending rates resulting from the full effect of interest rate changes carried out in the first quarter.

Return on financial investments

Return on financial investments in the first quarter was minus NOK 1m (minus 16m).

Financial instruments, including bonds and CDs, showed a capital loss of NOK 17m (capital loss of 46m) while income from foreign exchange transactions came to NOK 11m (NOK 38m).

Return on financial investments (NOKm)	2Q 24	1Q 24	2Q 23
Capital gains/losses shares	4	42	-7
Gain/(loss) on financial instruments	-17	-11	-46
Foreign exchange gain/(loss)	11	22	38
Net return on financial instruments	-1	54	-16

Related companies

SpareBank 1 SMN has a broad and well-diversified income platform. The group offers its customers a broad product range through product companies, both directly owned companies and companies in SpareBank 1 Gruppen, which provide commission income along with return on invested capital.

The overall profit share from the product companies and other related companies was NOK 148m (85m) in the quarter. In the first quarter of 2024 the corresponding figure was NOK 194m.

Income from investment in associated companies (NOKm)	2Q 24	1Q 24	2Q 23
SpareBank 1 Gruppen (19.5 %)	1	40	-5
SpareBank 1 Boligkreditt (23.7 %)	35	33	29
SpareBank 1 Næringskreditt (14.8 %)	3	4	3
BN Bank (35.0 %)	73	84	58
SpareBank 1 Markets (39.9 %)	26	25	0
SpareBank 1 Kreditt (18.6 %)	1	-4	-2
SpareBank 1 Betaling (21.9 %)	-2	-12	-11
SpareBank 1 Forvaltning (21.5 %)	13	10	8
Other companies	-3	13	5
Income from investment in associated companies	148	194	85

SpareBank 1 Alliance

The SpareBank 1 Alliance is Norway's second largest financial grouping. The collaboration, on banking and products, is designed to provide the Alliance banks with economies of scale and access to competitive financial services and products. The Alliance collaboration is driven through its ownership of SpareBank 1 Gruppen which owns and manages several of the product companies, and its participation in SpareBank 1 Utvikling which develops and delivers joint products and services.

SpareBank 1 Gruppen

SpareBank 1 Gruppen posted a net profit of NOK 145m (minus 21m) in the second quarter. The controlling interest's share of the net profit was NOK 5m (minus 24m), heavily impacted by the write-down of the shareholding in Kreditor. SpareBank 1 SMN's share was NOK 1m (minus 5m).

The most important companies in SpareBank 1 Gruppen (SpareBank 1 Gruppen's holding):

- **Fremtind Forsikring (65 per cent)** offers non-life and personal insurance coverage and is headquartered in Oslo. The company posted a profit of NOK 388m (7m) after tax in the second quarter.
- **SpareBank 1 Forsikring (100 per cent)** is a pension company headquartered in Oslo. The company mainly offers contribution-based occupational pensions, collective disability insurance and private pension saving. SpareBank 1 Forsikring reported a profit of NOK 78m (35m) after tax in the second quarter.
- **SpareBank 1 Factoring (100 per cent)** offers financial and administrative factoring services. The company is headquartered in Ålesund. The company posted a net profit of NOK 23m (36m) in the second quarter.
- **Kreditor (69 per cent)** is Norway's largest debt collection company and has offices in Norway, Sweden, Denmark and Finland. The company posted a profit of NOK 1.7m in the second quarter.

SpareBank 1 Forvaltning delivers products and services to a broad range of clients in the field of capital management and securities services. SpareBank 1 SMN's profit share in the quarter was NOK 13m (8m).

SpareBank 1 Boligkreditt is a mortgage company that issues covered bonds secured by residential mortgages with a view to achieving stable financing and low financing costs. SpareBank 1 SMN's profit share was NOK 35m (29m) in the second quarter.

SpareBank 1 Næringskreditt is a mortgage company that issues covered bonds secured by commercial mortgages with a view to achieving stable financing and low financing costs. SpareBank 1 SMN's profit share was NOK 3m (3m) in the quarter.

SpareBank 1 Kreditt offers unsecured finance to retail customers. SpareBank 1 SMN's profit share in the second quarter of 2024 was NOK 1m (minus 2m).

BN Bank offers residential mortgages and loans to commercial property and its main market is south-eastern Norway. SpareBank 1 SMN's share of BN Bank's profit was NOK 73m (58m) in the quarter.

SpareBank 1 Markets is a leading Norwegian investment firm. The company offers services in the fields of equity and credit analysis, equity and bond trading and services in the corporate finance area. SpareBank 1 SMN's share of SpareBank 1 Markets' profit in the second quarter was NOK 26m.

SpareBank 1 Betaling is the SpareBank 1 banks' parent company in Vipps AS. SpareBank 1 SMN's profit share was minus NOK 2m (minus 11m) in the quarter. In July 2024 an agreement was entered into between the EU and Apple under which Apple facilitates third parties' use of NFC technology, which enables contactless payments from iPhones, free of charge. Vipps hopes to launch a solution enabling contactless payments in shops in the course of 2024.

Operating expenses

The group aims for a cost-income ratio below 40 per cent at the bank and below 85 per cent at EiendomsMegler 1 Midt-Norge and SpareBank 1 Regnskapshuset SMN. The cost-income ratio is defined as the ratio of operating expenses to net interest income and commission and other income.

The bank's cost-income ratio was 33.0 per cent in the quarter (34.0 per cent). The corresponding figures for EiendomsMegler 1 Midt-Norge and SpareBank 1 Regnskapshuset SMN were 71.8 (74.5) and 78.4 (77.5) per cent respectively.

Operating expenses (NOKm)	2Q 24	1Q 24	2Q 23
Staff costs	484	482	383
IT costs	109	110	92
Marketing	25	26	25
Ordinary depreciation	44	41	35
Operating expenses, real properties	12	13	14
Purchased services	66	74	57
Merger expenses	-	-	18
Other operating expense	79	36	59
Total operating expenses	818	782	683

Compared with the first quarter of 2024, group expenses increased by NOK 37m. Personnel expenses at the bank were NOK 20m lower than in the previous quarter, but seasonally high activity among the subsidiaries brings a NOK 2m increase for the group. Other operating expenses rose as a result of the consolidation of Fleks GF and an expense reduction of NOK 30m in the first quarter in connection with the insurance settlement. When adjusted for the insurance settlement, the bank's expenses are reduced and the group's expenses are increased by NOK 7m compared with the previous quarter.

Overall group expenses rose by NOK 136m from the second quarter of 2023. About half of the increase refers to the subsidiaries. Good market conditions and a higher market share make for higher variable remuneration at EiendomsMegler 1 Midt-Norge. SpareBank 1 Regnskapshuset SMN's expense growth is driven by the strengthening of advisory competencies, digitalisation and acquisitions.

The bank's expenses have risen by NOK 65m compared with the same quarter of 2023. Investments in technology development, competence and growth initiatives in selected geographical locations through 2023 are reflected in the bank's expense growth. The second quarter of 2023 included the former SpareBank 1 Søre Sunnmøre's expense base for two months.

Losses on loans and guarantees

The group's losses on loans and guarantees came to NOK 47m (29m) in the second quarter of 2024.

Impairment losses (NOKm)	2Q 24	1Q 24	2Q 23
RM	9	11	-14
CM	30	10	18
SpareBank 1 Finans Midt-Norge	7	3	25
Total impairment losses	47	24	29

Losses in the quarter break down to minus NOK 17m in stage 1 and 2 and NOK 65m in stage 3. Losses in the period measured 0.08 per cent of total outstanding loans (0.05 per cent). The parent bank's retail market losses refer primarily to the agriculture portfolio.

Overall impairment write-downs on loans and guarantees as at 30 June amount to NOK 1,034m (1,154m).

The bank's loan portfolio is of good credit quality. The portfolio comprises NOK 171,552m (164,528m) in stages 1 and 2 respectively, corresponding to 99.22 per cent. Problem loans (stage 3) total NOK 1,888m (2,291m), corresponding to 0.78 per cent (0.96 per cent) of gross outstanding loans, including loans sold to the captive mortgage companies.

Business lines

The business lines Retail Banking and Corporate Banking along with subsidiaries are highly important in the SpareBank 1 SMN Group. SpareBank 1 SMN's strategy of exploiting the breadth present in the group and expanding interaction across the respective business lines stands firm.

Retail Banking

The **Retail Banking Division** achieved a pre-tax profit of NOK 531m in the second quarter of 2024 (493m). Return on capital employed was 18.0 per cent (20.3 per cent). The retail banking portfolio consists of wage earners, agricultural customers and sole proprietorships.

Profit and loss account (NOKm)	2Q 24	1Q 24	2Q 23
Net interest	655	628	570
Comission income and other income	215	187	190
Total income	870	814	760
Total operating expenses	330	304	281
Ordinary operating profit	540	510	479
Loss on loans, guarantees etc.	9	11	-14
Result before tax including held for sale	531	499	493
Balance			
Loans and advances to customers	170,366	167,736	162,822
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-66,960	-67,418	-63,769
Deposits to customers	69,167	65,640	64,398
Key figures			
Return on equity per quarter ^{*)}	18.0 %	17.7 %	20.3 %
Lending margin	1.01 %	0.91 %	0.57 %
Deposit margin	1.74 %	1.88 %	2.20 %

^{*)} Regulatory capital with reference to the capital target underlies the calculation of capital employed in Retail Banking (RM) and Corporate Banking (CM)

Lending growth in the quarter was 1.6 per cent and deposit growth 5.4 per cent. Corresponding figures for the first quarter were 0.6 and 1.6 per cent respectively.

A general interest rate increase on loans and deposits was implemented in the course of the first quarter, gaining full effect in the second quarter. Increased income from the payments area along with a higher average volume and increased margins on loans sold to SpareBank 1 Boligkreditt provide higher net commission and other income measured against the previous quarter and the same period last year.

The loan portfolio is largely secured by residential property. Lending to personal customers consistently carries low risk, as reflected in continued low losses.

The Retail Banking Division prioritises balanced growth. A focus on deposits in advisory services to customers enables the bank to deliver robust earnings and heightens customers' financial security in the form of increased buffer capital.

The distribution model is enhanced by co-location of multiple entities in finance centres and a transition from personal advisers to customer teams. Increased use of data and insights enables a closer interplay between the physical and digital advisory channels, providing customers with improved and more efficient advice.

EiendomsMegler 1 Midt-Norge is the market leader in Trøndelag and in Møre og Romsdal. A pre-tax profit of NOK 43m (31m) was recorded in the second quarter.

EiendomsMegler 1 Midt-Norge (92.4%)	2Q 24	1Q 24	2Q 23
Total income	154	115	120
Total operating expenses	111	97	89
Result before tax (NOKm)	43	20	31
Operating margin	28 %	17 %	26 %

Activity in the housing market is good, and EiendomsMegler 1 Midt-Norge has created a unique position in the market. The number of new assignments in the market rose by 10 per cent compared with the same quarter last year. EiendomsMegler 1 Midt-Norge continues to gain market shares, at the same time as income per sale shows a positive development.

2,178 properties were sold in the second quarter (2,037), and new assignments totalled 2,402 (2,180). The company's market share at 30 June was 37.5 per cent, up from 36.9 per cent in the same period of last year.

Corporate Banking

The **Corporate Banking Division** achieved a pre-tax profit of NOK 493m (420m). Return on capital employed was 26.3 per cent (23.0 per cent) in the quarter.

CM, Profit and loss account (NOKm)	2Q 24	1Q 24	2Q 23
Net interest	580	570	483
Comission income and other income	86	72	57
Total income	666	642	540
Total operating expenses	143	150	125
Ordinary operating profit	523	493	415
Loss on loans, guarantees etc.	30	10	15
Result before tax including held for sale	493	483	400
Balance			
Loans and advances to customers	59,007	58,071	57,077
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	-1,432	-1,526	-1,512
Deposits to customers	68,580	64,532	72,180
Key figures			
Return on equity per quarter ^{*)}	26.3 %	26.3 %	22.0 %
Lending margin	2.67 %	2.69 %	2.40 %
Deposit margin	0.35 %	0.47 %	0.37 %

^{*)} Regulatory capital with reference to the capital underlies the calculation of capital employed in Retail Banking (RM) and Corporate Banking (CM)

The Corporate Banking Division's loan volume increased by 1.6 per cent in the quarter while the deposit volume rose by 6.3 per cent. In the first quarter the corresponding figures were 1.5 and 2.5 per cent respectively.

For customers with loan and deposit products not tied to interbank rates, a general interest rate increase was implemented in the first quarter which gained full effect in the second quarter. Despite this, both the lending margin and deposit margin narrowed compared with the previous quarter.

The credit quality of the loan portfolio is good. The bankruptcy rate in the region has risen, but so far with limited impact on the loan portfolio.

A strengthened input of resources in Trondheim and increased coordination with SpareBank 1 Regnskapshuset SMN contribute to Corporate Banking's acquisition of market shares in Mid Norway. The establishment of a presence in Oslo is expected to stimulate lending growth in selected segments where SpareBank 1 SMN offers competencies and experience.

SpareBank 1 Regnskapshuset SMN is the market leader in Trøndelag and in Møre og Romsdal. The company posted a pre-tax profit of NOK 54m (45m).

SpareBank 1 Regnskapshuset SMN (93.3%)	2Q 24	1Q 24	2Q 23
Total income	248	217	198
Total operating expenses	194	182	154
Result before tax (NOKm)	54	35	45
Operating margin	22 %	16 %	22 %

Operating income climbed NOK 49m from the second quarter of 2023, driven by increased income from advisory and accounting services. Two extra working days in the second quarter of 2024 compared with the same quarter last year made a positive contribution. The expense growth is largely driven by higher personnel costs due to competency enhancements, staff additions, wage growth and acquisitions.

SpareBank 1 Regnskapshuset SMN continues to invest in future competitive power in a segment marked by major changes. New cloud-based solutions, along with increased use of data, offer major opportunities for

SpareBank 1 Regnskapshuset SMN as the customer's closest sparring partner. For customers the upshot is greater insight and increased productivity in their administrative processes. Substantial resources have been expended on new technology in collaboration with customers and on developing advisory competencies. This has spurred a good customer growth rate and strengthened customer loyalty, contributing to an increase in market share from 15.0 to 16.1 per cent in the last 12 months.

SpareBank 1 Finans Midt-Norge's focal areas are leasing, vendor's liens, inventory financing and invoice purchasing services to businesses and vendor's liens to personal customers. SpareBank 1 Finans Midt-Norge posted a pre-tax profit of NOK 76m (43m).

SpareBank 1 Finans Midt-Norge (57.3%)	2Q 24	1Q 24	2Q 23
Total income	129	108	96
Total operating expenses	45	39	29
Loss on loans, guarantees etc.	7	3	25
Result before tax (NOKm)	76	66	43

The board of directors of Fleks AS filed for bankruptcy on 13 May 2024. SpareBank 1 Finans Midt-Norge and other SpareBank 1 banks owned, through SpareBank 1 Mobilitet Holding, 47.2 per cent of the company. To facilitate a controlled disposal of the business, SpareBank 1 Finans Midt-Norge took over Fleks Green Fleet 01 AS, which was previously a subsidiary of Fleks. As from the second quarter of 2024 this company has been consolidated into SpareBank 1 Finans Midt-Norge's group accounts.

In the first quarter of 2024 SpareBank 1 Finans Midt-Norge and Sparebanken Møre initiated a collaboration on the distribution of vendor's liens and leasing to retail customers. The collaboration between SpareBank 1 Finans Midt-Norge and Sparebanken Møre has proven highly successful, with substantial volume growth in the quarter. SpareBank 1 Finans Midt-Norge has a market share of about 10 per cent in vendor's liens in the counties where parent banks are represented.

SpareBank 1 SMN Invest

This company owns shares and units in regional growth companies and funds. The portfolio is managed together with other long-term shareholdings of the bank and will be scaled down over time. The company's securities portfolio is worth NOK 577m (464m) as at 30 June 2024. The increase of NOK 16m from the previous quarter refers to a stock issue in an investment company.

The company's pre-tax profit in the second quarter of 2024 was minus NOK 13m (minus 4m). While the value of the securities portfolio showed no change, a correction of the profit for 2023 at Grilstad Marina brings a negative result for SpareBank 1 SMN Invest in the second quarter.

First half 2024

SpareBank 1 SMN posted a net profit NOK 2,098m (1,701m), and a return on equity of 15.6 per cent (13.9 per cent) in the first half of 2024. Earnings per equity certificate (EC) were NOK 9.14 (7.82).

Net interest income came to NOK 2,645m (2,160m). Norges Bank raised its base rate to 4.50 per cent in December 2023, and kept it unchanged in the first half of 2024. At the end of first half of 2023 the base rate was 3.75 per cent. This has increased the bank's funding costs concurrently with an increase in return on the bank's equity. Margins on the bank's loans and deposits have in the first half of 2024 been impacted by interest rate changes made in response to base rate changes in the fourth quarter of 2023.

Net commission and other income was NOK 1,270m (1,102m). Income from accounting and estate agency services has risen by NOK 58m and 42m respectively measured against the first half of 2023. A higher transfer volume to the captive residential mortgage company SpareBank 1 Boligkreditt and higher margins on the appurtenant mortgages have raised commission from this mortgage company by NOK 27m compared with the first half of 2023.

The net result from related companies was NOK 342m (209m) in the first half-year. The profit growth from related companies is mainly attributable to stronger profit contributions from BN Bank and reclassification of SpareBank 1 Markets as a related company. The net result from financial instruments and dividends climbed from minus NOK 110m in the first half of 2023 to NOK 62m thus far in the current year. The increase is down to a positive trend in the securities portfolio of SpareBank 1 SMN Invest and lower losses on financial instruments than in the first half of 2023, which was impacted by increased credit margins and interest rate turbulence.

The group's expenses were NOK 1,600m (1,411m) in the first half of 2024. Of the increase in costs of NOK 189 million, NOK 85 million is in the Bank. The expenses in the first half of 2023 was impacted by merger costs and expensing of the embezzlement affair in the Bank. So far this year expenses have risen as a result of initiatives and investments made through 2023, but the insurance settlement in connection with the embezzlement affair reduces expenses by NOK 30m in the Bank. The expense level in the group is otherwise affected by acquisitions made in SpareBank 1 Regnskapshuset SMN, a high activity level and the consolidation of Fleks GF.

Losses on loans and guarantees remain at a moderate level of NOK 70m thus far in the current year (net recovery of NOK 42m). Losses on loans to the group's corporate customers came to NOK 35m (net recovery of NOK 54m) in the first half-year. Corresponding figures for retail customers are NOK 12m (12m), driven primarily by the bank's agriculture portfolio.

A tax charge NOK 71m below the correct level was calculated for the second quarter of 2023. This was corrected in the following quarter.

Lending growth in the group was 4.2 per cent (12.9 per cent) in the last 12 months. Growth in lending to the bank's retail segment was 4.6 per cent (13.4 per cent) in the last 12 months. Lending to corporate customers rose 3.4 per cent (11.5 per cent) in the same period.

Deposits were reduced by 0.4 per cent (increase of 13.2 per cent). Deposits from personal customers increased by 7.4 per cent (15.4 per cent). Deposits from corporate customers were reduced by 5.0 per cent (increase of 12.1 per cent).

Balance sheet, financing and liquidity

Total assets of NOK 243bn

The bank's total assets as at the second quarter of 2024 were NOK 243.4bn (248.8bn), having declined by NOK 5.4bn, or minus 2.2 per cent, over the last 12 months. Total assets are reduced as a result of increased transfers to SpareBank 1 Boligkreditt amounting to NOK 3.3bn in the last 12 months, and a lower holding of liquid funds at the end of the second quarter.

As at 30 June 2024 loans totalling NOK 68bn (65bn) had been sold from SpareBank 1 SMN to the captive mortgage companies SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. These loans do not figure as loans in the bank's balance sheet. The comments covering lending growth take into account loans sold to the two mortgage companies.

Loans

Total outstanding loans rose in the last 12 months by NOK 9.7bn (14.0bn), or 4.2 per cent (7.0 per cent), and stood at NOK 241.8bn (232.1bn) at the end of the second quarter. Lending growth in the quarter was 1.5 per cent.

Lending to the bank's retail customers increased by NOK 2.6bn in the quarter (14.5bn). This corresponds to a lending growth of 1.6 per cent (9.8 per cent). Lending growth in the last 12 months was 4.6 per cent (13.4 per cent). Total lending to the bank's retail customers came to NOK 170.3bn (162.8bn) at the end of the second quarter of 2024. Last year's total reflects the merger with the former SpareBank 1 Søre Sunnmøre.

Lending to the bank's corporate segment rose by NOK 0.9bn in the quarter (3.8bn), corresponding to 1.6 per cent (7.2 per cent). Growth in lending in the last 12 months was 3.4 per cent (11.5 per cent). Overall lending to the bank's corporate customers came to NOK 59.0bn (57.0bn) as at 30 June 2024. Last year's total reflects the merger with the former SpareBank 1 Søre Sunnmøre.

SpareBank 1 Finans Midt-Norge's gross loan volume was NOK 13.0bn (12.6bn) at the end of the second quarter of 2024. This corresponds to a growth of 3.2 per cent in the last 12 months.

(Distributed by sector – see note 5).

Deposits

Customer deposits totalled NOK 140bn (140bn) as at 30 June 2024. Deposit growth in the second quarter was 3.9 per cent.

Personal deposits rose NOK 3.5bn in the quarter (8.5bn), corresponding to deposit growth of 5.4 per cent (15.1 per cent). Deposit growth in the last 12 months was 7.4 per cent (15.4 per cent). Total deposits from personal customers came to NOK 69.1bn (64.4bn) at the end of the first quarter.

Deposits from the bank's corporate segment climbed NOK 4.0bn in the quarter (8.5bn), corresponding to deposit growth of 6.3 per cent (13.4 per cent). Deposit growth in the last 12 months was minus 5.0 per cent (12.1 per cent). The decline in the last 12 months is attributable to growing competition for public sector deposits towards the end of 2023. Total deposits from the bank's corporate segment were NOK 68.6bn (72.2bn) as at 30 June 2024. As part of the bank's liquidity management, deposits in the Treasury have been reduced during the quarter.

(Distributed by sector – see note 9).

Funding and liquidity

SpareBank 1 SMN has ample liquidity and access to funding. The bank follows a conservative liquidity strategy, with liquidity reserves that ensure the bank's survival for 12 months of ordinary operation without need of fresh external funding.

The bank is required to maintain sufficient liquidity buffers to withstand periods of limited access to market funding. The liquidity coverage ratio (LCR) measures the size of banks' liquid assets relative to net liquidity outflow 30 days ahead given a stressed situation. The LCR was calculated at 188 per cent as at 30 June 2024 (188 per cent). The Net Stable Funding Ratio (NSFR) at the end of the second quarter of 2024 was 132 per cent (130 per cent).

The group's deposit-to-loan ratio at 30 June 2024, including SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, was 57.8 per cent (60.4 per cent).

The bank's funding sources and products are amply diversified. The share of the bank's overall money market funding with a maturity above one year was 94 per cent (90 per cent) at the end of the second quarter.

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are important funding sources for the bank, and loans totalling NOK 67bn (64bn) had been sold to these captive mortgage companies as at 30 June 2024.

In the second quarter SpareBank 1 SMN issued EUR 500m in ordinary senior debt (SP) and NOK 300m in senior non-preferred debt (SNP). At the end of the quarter SpareBank 1 SMN held NOK 12.9bn in SNP debt instruments (MREL). SNP debt measured 36.4 per cent as at 30 June 2024, and SpareBank 1 SMN meets the MREL requirements by an ample margin.

The bank has a rating of Aa3 (stable outlook) with Moody's.

Financial soundness

The CET1 ratio at 30 June 2024 was 18.5 per cent (19.1 per cent) compared with 18.5 per cent as at 31 March 2024. In line with regulatory requirements, the calculation assumes that 27 per cent of the year's earnings is recognised in retained capital.

SpareBank 1 SMN received a new Pillar 2 requirement in the fourth quarter. The requirement was reduced to 1.7 percentage point and must be met with a minimum of 56.25 per cent CET1 capital. In view of this change the group's long-term CET1 target is revised to 16.3 per cent, including Pillar 2 guidance. The bank is subject to a provisional add-on of 0.7 per cent to its Pillar 2 requirement until its application for adjustment of IRB models has been processed. The provisional add-on of 0.7 per cent is not included in the bank's long-term capital target.

A leverage ratio of 7.1 per cent (7.2 per cent) shows the bank to be very solid. See note 4 for details.

The bank's equity certificate (MING)

The book value per equity certificate (EC) at 30 June 2024 was NOK 117.31 (112.81) and earnings per equity certificate in the second quarter of 2024 were NOK 4.43 (4.21).

The Price / Income ratio in the second quarter was 8.53 (8.38) and the Price / Book ratio was 1.29 (1.25) as at 30 June 2024.

At the end of the second quarter of 2024, holders of the bank's equity certificates total 18,050. 23 per cent of the bank's ECs are held by foreign investors. 27 per cent of the ECs are held by investors in Mid Norway.

Sustainability

SpareBank 1 SMN has over the course of the quarter completed its update of the group's dual materiality analysis, and has started the attestation process to meet requirements of the Corporate Sustainability Reporting Directive (CSRD).

Work on transition plans continues. In the latest quarter a transition plan for the shipping portfolio has been drawn up and published. The document describes how SpareBank 1 SMN performs its role as a driver of the green transition for the offshore, offshore wind, shipping and aquaculture-related shipping segments. This transition plan will contribute to lower greenhouse gas emissions and reduce customers' vulnerability to climate change in general and to the transition to a low-emissions society in particular.

The group has moreover quality assured and updated its statement on due diligence assessments in keeping with the requirements of the Transparency Act. This includes a thorough review of processes and practice for ensuring that fundamental human rights and decent working conditions are promoted and protected, both in the group's own activities and in the supplier chain.

The year's Sustainability Barometer shows that small and medium-sized enterprises (SMEs) are still struggling to get started on the green transition. SpareBank 1 SMN has therefore launched a support scheme to help SMEs in the region to qualify for Eco-Lighthouse certification through the Eco-Lighthouse Foundation. The object of the scheme is to make it simpler for SMEs to get started on the transition process and thereby strengthen their competitiveness in the period ahead.

Outlook

SpareBank 1 SMN posted a solid performance in the second quarter featuring strong profitability and financial soundness. Continued strong net interest income and a particularly fine trend in commission income show the breadth present in the group. SpareBank 1 SMN's ambition to expand market shares stands firm, and will be realised through initiatives taken in selected geographical locations and industries.

Norges Bank kept the base rate unchanged at 4.50 per cent in June and reiterated its signal that the earliest base rate reduction would be some time in coming. Since the base rate decision was announced, inflation figures have been lower than expected along with a volatile krone exchange rate, which increases the uncertainty surrounding the base rate's further path. SpareBank 1 SMN has raised lending rates and deposit rates in step with Norges Bank's rate hikes in recent years, and the changes have had full effect as from the second quarter of 2024.

The group saw expense growth through 2023 due to one-time effects and investments in technology development, growth initiatives and competencies. In 2024 the cost trend in the group is in particular focus, and the group's expense growth will be normalised.

The risk picture in SpareBank 1 SMN's loan portfolio is satisfactory, although higher interest rates, price growth and lower activity levels in the economy have prompted increased uncertainty. However, there are few indications of any deterioration in the credit quality of the bank's portfolio, as reflected in continued

moderate losses. The group’s liquidity and capital position is robust. At the end of the second quarter the group had a CET1 ratio of 18.5 per cent and is thus well positioned to fulfil its growth aspirations.

SpareBank 1 SMN aspires to be among the best-performing financial institutions in the Nordic region, and the group’s overriding financial goal is to deliver a return on equity of at least 13 per cent over time. The board of directors is pleased with results achieved thus far in 2024 and expects 2024 to be a good year for the group.

Trondheim, 7. august 2024
The Board of Directors of SpareBank 1 SMN

Kjell Bjordal (chair)	Christian Stav (deputy chair)	Mette Kamsvåg
Freddy Aursø	Nina Olufsen	Ingrid Finboe Svendsen
Kristian Sætre	Christina Straub (employee rep.)	Inge Lindseth (employee rep.)
		Jan-Frode Janson (Group CEO)

Income statement

Parent bank					Group						
	Second quarter		First half				First half		Second quarter		
2023	2023	2024	2023	2024	(NOKm)	Note	2024	2023	2024	2023	2023
9,219	2,117	2,742	4,006	5,435	Interest income effective interest method		5,712	4,263	2,881	2,249	9,721
1,647	407	447	776	901	Other interest income		897	773	444	406	1,642
6,622	1,542	2,014	2,873	3,957	Interest expenses		3,963	2,876	2,016	1,544	6,631
4,244	982	1,175	1,908	2,380	Net interest	10	2,646	2,160	1,310	1,110	4,732
1,117	292	336	573	634	Commission income		793	709	426	367	1,370
114	28	27	54	59	Commission expenses		103	101	51	51	199
73	19	17	35	29	Other operating income		580	494	323	245	913
1,076	283	325	554	604	Commission income and other income	11	1,270	1,102	698	561	2,084
711	585	141	589	256	Dividends		9	20	6	18	26
-	-	-	-	-	Income from investment in related companies	3	342	209	148	85	297
364	3	1	-78	24	Net return on financial investments	13	52	-130	-1	-16	376
1,076	588	142	511	280	Net return on financial investments		404	99	153	86	699
6,396	1,853	1,643	2,973	3,264	Total income		4,320	3,361	2,161	1,757	7,515
849	181	233	370	485	Staff costs		967	781	484	383	1,691
1,121	250	262	529	500	Other operating expenses	12	634	630	334	300	1,326
1,969	430	495	899	985	Total operating expenses		1,600	1,411	818	683	3,017
4,426	1,423	1,148	2,074	2,280	Result before losses		2,720	1,950	1,343	1,074	4,498
-72	4	40	-73	61	Loss on loans, guarantees etc.	6, 7	70	-42	47	29	14
4,498	1,419	1,108	2,147	2,219	Result before tax	3	2,649	1,991	1,296	1,045	4,484
820	129	235	305	477	Tax charge		549	365	276	159	904
-	-	-	-	-	Result investment held for sale, after tax	2, 3	-2	74	-5	37	108
3,678	1,290	873	1,843	1,742	Net profit		2,098	1,701	1,015	923	3,688
122	25	26	58	66	Attributable to additional Tier 1 Capital holders		70	60	29	26	125
2,376	809	566	1,141	1,120	Attributable to Equity capital certificate holders		1,318	1,049	639	575	2,331
1,181	456	281	643	557	Attributable to the saving bank reserve		655	522	317	286	1,159
-	-	-	-	-	Attributable to non-controlling interests		54	70	30	36	74
3,678	1,290	873	1,843	1,742	Net profit		2,098	1,701	1,015	923	3,688
					Profit/diluted profit per ECC	19	9.14	7.82	4.43	4.21	16.88

Total comprehensive income

Parent bank					(NOKm)	Group				
Second quarter		First half				First half		Second quarter		
2023	2023	2024	2023	2024		2024	2023	2024	2023	2023
3,678	1,290	873	1,843	1,742	Net profit	2,098	1,701	1,015	923	3,688
Items that will not be reclassified to profit/loss										
-27	-	-	-	-	Actuarial gains and losses pensions	-	-	-	-	-27
7	-	-	-	-	Tax	-	-	-	-	7
-	-	-	-	-	Share of other comprehensive income of associates and joint venture	3	1	2	1	6
-20	-	-	-	-	Total	3	1	2	1	-14
Items that will be reclassified to profit/loss										
-	-	-	-	-	Fair value change on financial assets through other comprehensive income	-	-	-	-	-
-5	-	-3	-1	-2	Value changes on loans measured at fair value	-2	-1	-3	-7	-5
-	-	-	-	-	Share of other comprehensive income of associates and joint venture	-62	-11	-29	5	-140
-	-	-	-	-	Tax	-	-	-	-	-
-5	-	-3	-1	-2	Total	-65	-12	-32	-1	-145
-25	-	-3	-1	-2	Net other comprehensive income	-62	-11	-30	-1	-158
3,653	1,290	871	1,841	1,740	Total comprehensive income	2,036	1,690	985	922	3,530
122	25	26	58	66	Attributable to additional Tier 1 Capital holders	70	60	29	26	125
2,359	845	564	1,191	1,118	Attributable to Equity capital certificate holders	1,277	1,042	619	574	2,225
1,173	420	280	592	556	Attributable to the saving bank reserve	635	518	308	286	1,106
-	-	-	-	-	Attributable to non-controlling interests	54	70	30	36	74
3,653	1,290	871	1,841	1,740	Total comprehensive Income	2,036	1,690	985	922	3,530

Balance sheet

Parent bank			Note	Group		
31 Dec 2023	30 Jun 2023	30 Jun 2024 (NOKm)		30 Jun 2024	30 Jun 2023	31 Dec 2023
1,172	619	1,468		1,468	619	1,172
19,241	31,005	22,905		11,958	20,402	8,746
156,464	153,407	159,950	5	172,518	165,767	168,955
34,163	38,129	36,247	17	36,248	38,130	34,163
6,659	9,255	6,056	17	6,056	9,255	6,659
731	683	670	17	1,122	1,062	1,137
6,270	5,397	6,548		9,042	8,048	8,695
2,090	2,032	2,187		-	-	-
98	554	98	2	196	2,484	112
812	850	803		1,228	1,053	1,228
1,321	1,382	2,394	14	3,527	1,987	1,849
229,020	243,314	239,327	Total assets	243,363	248,806	232,717
13,160	14,702	13,927		13,927	14,702	13,160
133,462	140,650	140,170	9	139,661	140,164	132,889
33,417	40,564	36,064	16	36,064	40,564	33,417
12,415	9,136	12,862	16	12,862	9,136	12,415
6,989	9,953	6,316	17	6,316	9,953	6,989
2,258	2,339	3,085	15	3,901	3,061	3,002
-	-	-	2	2	1,604	1
2,169	2,604	2,672	16	2,753	2,648	2,247
203,871	219,947	215,095	Total liabilities	215,484	221,832	204,120
2,884	2,884	2,884		2,884	2,884	2,884
-0	-0	-1		-1	-8	-0
2,422	2,422	2,422		2,422	2,422	2,422
8,482	7,879	8,480		8,480	7,843	8,482
1,730	(0)	-		-	(0)	1,730
860	-	-		-	-	860
6,865	6,566	6,865		6,865	6,566	6,865
106	70	106		106	70	106
0	-4	-2		2,480	2,847	2,677
1,800	1,708	1,734		1,825	1,744	1,903
-	1,843	1,742		2,098	1,701	-
-	-	-		718	906	666
25,150	23,367	24,232		27,879	26,975	28,597
229,020	243,314	239,327	Total liabilities and equity	243,363	248,806	232,717

Cash flow statement

Prant bank				Group		
First half				First half		
2023	2023	2024	(NOKm)	2024	2023	2023
-6,270	-3,350	-3,534	Decrease/(increase) loans to customers	-3,620	-3,740	-6,834
8,263	3,607	5,028	Interest receipts from loans to customers	5,343	3,863	8,805
4,331	-7,424	-3,657	Decrease/(increase) loans credit institutions	-3,204	-7,130	4,517
856	349	479	Interest receipts from loans to credit institutions	428	336	783
622	7,325	5,937	Increase/(decrease) deposits from customers	6,001	7,530	738
-3,632	-939	-1,618	Interest payment on deposits from customers	-1,599	-925	-3,600
-1,480	61	768	Increase/(decrease) debt to credit institutions	768	61	-1,472
-514	-233	-310	Interest payment on debt to credit institutions	-310	-233	-514
5,881	637	-1,913	Increase/(decrease) in short term investments	-1,842	2,265	5,881
1,288	649	774	Interest receipts from short term investments	708	647	1,282
221	1,456	-89	Increase/(decrease) in derivatives	-89	-171	221
-802	-473	-500	Interest receipts from derivatives	-500	-473	-802
2,084	1,455	-327	Increase/(decrease) in other claims	310	1,936	2,946
-2,822	-1,004	-687	Increase/(decrease) in other debts	-1,460	-1,543	-3,936
8,026	2,117	350	A) Net change in liquidity from operations	933	2,422	8,016
35	35	-	Increase of cash by merging	-	35	35
-125	-75	-132	Gross investment buildings/operating assets	-640	-115	-207
302	220	38	Dividends from subsidiaries	-	0	-0
-69	-	-97	Payment of capital due to increase in shareholding in subsidiaries	-	-	-
391	360	-	Dividends from associated companies and joint ventures	204	360	391
123	35	43	Proceeds from sale of shares of associated companies and joint ventures	42	30	142
-190	-98	-319	Payment for purchase of shares of associated companies and joint ventures	-319	-98	-198
-	0	-	Proceeds from shares held for sale	-85	0	163
18	9	14	Dividends from other businesses	8	20	26
1,590	1,100	929	Reduction/sale of shares and ownership interests	903	1,099	1,638
-1,487	-970	-843	Increase/purchase of shares and ownership interests	-843	-970	-1,509
589	615	-367	B) Net change in liquidity from investments	-729	362	482
5,280	2,160	6,814	Debt raised by issuance of covered bonds	6,814	2,160	5,280
-11,204	-3,998	-3,838	Repayment of issued covered bonds	-3,838	-3,998	-11,204
-1,207	-455	-628	Interest payment on covered bonds issued	-628	-454	-1,207
750	750	500	Debt raised by issuance of subordinated debt	502	750	826
-750	-313	-	Payments of issued subordinated debt	-	-313	-793
-125	-49	-81	Interest payment on subordinated debt	-84	-52	-128
2	2	-2	Proceeds from sale or issue of treasury shares	-2	18	153
-840	-840	-1,730	Dividends cleared	-1,730	-840	-840
-	-	204	Dividends paid to non-controlling interests	-4	-65	-121
-474	-474	-860	Disbursed from gift fund	-860	-474	-474
416	300	0	Additional Tier 1 Capital issued	0	300	519
-342	-310	-	Repayment of Additional Tier 1 Capital	-8	-310	-385
-122	-58	-66	Interest payments Additional Tier 1 capital	-70	-60	-125
-8,615	-3,285	313	C) Net change in liquidity from financial activities	92	-3,337	-8,498
1	-553	296	A) + B) + C) Net changes in cash and cash equivalents	296	-553	1
1,171	1,171	1,172	Cash and cash equivalents at 1.1	1,172	1,171	1,171
1,172	619	1,468	Cash and cash equivalents at end of the year	1,468	619	1,172
1	-553	296	Net changes in cash and cash equivalents	296	-553	1

Change in equity

Parent Bank (NOKm)	Issued equity		Earned equity						
	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Un-realised gains reserve	Other equity	Additional Tier 1 Capital	Total equity
Equity at 1 January 2023	2,597	895	6,408	7,877	1,314	70	0	1,726	20,887
Net profit	-	-	299	602	2,591	37	27	122	3,678
Other comprehensive income									
Financial assets through OCI	-	-	-	-	-	-	-5	-	-5
Actuarial gains (losses), pensions	-	-	-	-	-	-	-20	-	-20
Other comprehensive income	-	-	-	-	-	-	-25	-	-25
Total comprehensive income	-	-	299	602	2,591	37	3	122	3,653
Transactions with owners									
Dividend declared for 2022	-	-	-	-	-840	-	-	-	-840
To be disbursed from gift fund	-	-	-	-	-474	-	-	-	-474
Additional Tier 1 Capital	-	-	-	-	-	-	-	416	416
Buyback additional Tier 1 Capital issued	-	-	-	-	-	-	-	-342	-342
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-122	-122
Purchase and sale of own ECCs	-0	-	-	3	-	-	-	-	2
Merging with SpareBank 1 Søre Sunnmøre	288	1,526	158	-	-	-	-	-	1,972
Direct recognitions in equity	-	-	-	-	-	-	-3	-	-3
Total transactions with owners	287	1,526	158	3	-1,314	-	-3	-48	610
Equity at 31 December 2023	2,884	2,422	6,865	8,482	2,591	106	0	1,800	25,150
Equity at 1 January 2024	2,884	2,422	6,865	8,482	2,591	106	0	1,800	25,150
Net profit	-	-	-	-	-	-	1,742	-	1,742
Other comprehensive income									
Value changes on loans measured at fair value	-	-	-	-	-	-	-2	-	-2
Actuarial gains (losses), pensions	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-2	-	-2
Total comprehensive income	-	-	-	-	-	-	1,740	-	1,740
Transactions with owners									
Dividend declared for 2023	-	-	-	-	-1,730	-	-	-	-1,730
To be disbursed from gift fund	-	-	-	-	-860	-	-	-	-860
Additional Tier 1 Capital	-	-	-	-	-	-	-	-	-
Buyback Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-	-
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-66	-66
Purchase and sale of own ECCs	-0	-	-	-2	-	-	-	-	-2
Direct recognitions in equity	-	-	-	-	-	-	1	-	1
Total transactions with owners	-0	-	-	-2	-2,591	-	1	-66	-2,657
Equity at 30 June 2024	2,884	2,422	6,865	8,480	-	106	1,740	1,734	24,232

Group	Attributable to parent company equity holders									
	Issued equity		Earned equity							
(NOKm)	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Un-realised gains reserve	Other equity	Additional Tier 1 Capital	NCI	Total equity
Equity at 1 January 2023	2,586	895	6,408	7,828	1,314	70	2,940	1,769	997	24,807
Net Profit	-	-	299	602	2,591	37	-40	125	74	3,688
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-133	-	-	-133
Value changes on loans measured at fair value	-	-	-	-	-	-	-5	-	-	-5
Actuarial gains (losses), pensions	-	-	-	-	-	-	-20	-	-	-20
Other comprehensive income	-	-	-	-	-	-	-158	-	-	-158
Total comprehensive income	-	-	299	602	2,591	37	-198	125	74	3,530
Transactions with owners										
Dividend declared for 2022	-	-	-	-	-840	-	-	-	-	-840
To be disbursed from gift fund	-	-	-	-	-474	-	-	-	-	-474
Additional Tier 1 Capital issued	-	-	-	-	-	-	-	519	-	519
Buyback Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-385	-	-385
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-125	-	-125
Purchase and sale of own ECCs	-0	-	-	3	-	-	-	-	-	2
Own ECC held by SB1 Markets 1)	11	-	-	49	-	-	10	-	-	70
Merging with SpareBank 1 Søre Sunnmøre	288	1,526	158	-	-	-	-	-	-93	1,879
SB1 Markets from subsidiary to associated company	-	-	-	-	-	-	110	-	-	110
Direct recognitions in equity	-	-	-	-	-	-	-16	-	-	-16
Share of other transactions from associates and joint ventures	-	-	-	-	-	-	-169	-	-	-169
Change in non-controlling interests	-	-	-	-	-	-	-	-	-312	-312
Total transactions with owners	298	1,526	158	52	-1,314	-	-65	10	-405	260
Equity at 31 December 2023	2,884	2,422	6,865	8,482	2,591	106	2,677	1,903	666	28,597

1) Holding of own equity certificates as part of SpareBank 1 Markets' trading activity.

(NOKm)	Attributable to parent company equity holders									
	Issued equity		Earned equity							
	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Un-realised gains reserve	Other equity	Additional Tier 1 Capital	NCI	Total equity
Equity at 1 January 2024	2,884	2,422	6,865	8,482	2,591	106	2,677	1,903	666	28,597
Net profit	-	-	-	-	-	-	2,044	-	54	2,098
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-60	-	-	-60
Value changes on loans measured at fair value	-	-	-	-	-	-	-2	-	-	-2
Actuarial gains (losses), pensions	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-62	-	-	-62
Total comprehensive income	-	-	-	-	-	-	1,982	-	54	2,036
Transactions with owners										
Dividend declared for 2023	-	-	-	-	-1,730	-	-	-	-	-1,730
To be disbursed from gift fund	-	-	-	-	-860	-	-	-	-	-860
Additional Tier 1 capital issued	-	-	-	-	-	-	-	-	-	-
Buyback additional Tier 1 Capital issued	-	-	-	-	-	-	-	-8	-	-8
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-70	-	-70
Purchase and sale of own ECCs	-0	-	-	-2	-	-	-	-	-	-2
Direct recognitions in equity	-	-	-	-	-	-	-72	-	-	-72
Other transactions from associates and joint ventures	-	-	-	-	-	-	-9	-	-	-9
Change in non-controlling interests	-	-	-	-	-	-	-	-	-3	-3
Total transactions with owners	-0	-	-	-2	-2,591	-	-80	-78	-3	-2,754
Equity at 30 June 2024	2,884	2,422	6,865	8,480	-	106	4,579	1,825	718	27,879

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Note 1 - Accounting principles

Accounting principles

SpareBank 1 SMN prepares and presents its quarterly accounts in compliance with the Stock Exchange Regulations, Stock Exchange Rules and International Financial Reporting Standards (IFRS) approved by EU, including IAS 34, Interim Financial Reporting. The quarterly accounts do not include all the information required in a complete set of annual financial statements and should be read in conjunction with the annual accounts for 2023. The Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts.

Note 2 - Critical estimates and assessment concerning the use of accounting principles

When it prepares the consolidated accounts the management team makes estimates, discretionary assessments and assumptions which influence the application of accounting principles. This accordingly affects recognised amounts for assets, liabilities, revenues and expenses. Last year's annual accounts give a closer explanation of significant estimates and assumptions in Note 3 Critical estimates and assessments concerning the use of accounting principles.

Pensions

Sparebank 1 SMN Group has one pension arrangement; defined contribution plan. For a further description of the pension scheme, see note 22 in the 2023 annual report.

The group's pension liabilities are accounted for under IAS 19R. Estimate variances are therefore directly reflected in equity capital and are presented under other comprehensive income.

It was decided to terminate the defined benefit scheme at a board meeting on 21 October 2016. Employees on this scheme transferred to the defined contribution scheme from 1 January 2017, and received a paid-up policy showing rights accumulated under the defined benefit scheme. Paid-up policies are managed by the pension fund, which has been a paid-up pension fund as from 1 January 2017. A framework agreement has been established between SpareBank 1 SMN and the pension fund which covers funding, asset management etc. In view of the responsibility still held by SpareBank 1 SMN, future liabilities will need to be incorporated in the accounts. The board of the pension fund is required to be composed of representatives from the Group and participants in the pension schemes in accordance with the articles of association of the pension fund.

A new calculation of the Group's pension liabilities has not been carried out as per 30 June 2024.

Investment held for sale

SpareBank 1 SMN's strategy is that ownership due to defaulted exposures should at the outset be of brief duration, normally not longer than one year. Investments are recorded at fair value in the Parent Bank's accounts, and is classified as investment held for sale.

January - June 2024 (NOK Million)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	196	2	6	8	-2	100 %
Total Held for sale	196	2	6	8	-2	

Losses on loans and guarantees

For a detailed description of the Bank's model for expected credit losses, refer to note 10 in the annual accounts for 2023.

Measurement of expected credit loss for each stage requires both information on events and current conditions and information on expected events and future economic conditions. Estimation and use of forward-looking information requires a high degree of discretionary judgement. Each macroeconomic scenario that is utilised includes a projection for a five-year period. For credits where credit risk is assessed to have increased significantly since loan approval (stage 2), loss estimates for the period after year 5 are based on year 5 as regards level of PD and LGD.

Our estimate of expected credit loss at stage 1 and 2 is a probability-weighted average of three scenarios: Base Case, Best Case and Worst Case. The model that computes model write-downs is based on two macro variables – interest rate level (three-month NIBOR) and unemployment (Statistics Norway's Labour Force Survey, AKU). The assumptions in the baseline scenario are based on the assumptions in Norges Bank's Monetary Policy Report 2/24. The downside scenario features high interest rates and high unemployment, which are largely based on Finanstilsynet's stress test reported in Financial Outlook, June 2024. The upside scenario features low interest rates and low unemployment.

Calculation of the group's overall model write-downs is based on calculations of expected credit loss (ECL) for each of five portfolios below. For each portfolio, separate assumptions are defined with regard to how the macro variables 'interest rate' and 'unemployment' impact PD and LGD. The relationships between the macro variables are developed using of regression analysis and simulation, while the relationships between the macro variables and LGD are based largely on expert assessments and discretionary judgement. The five portfolios are:

- Residential mortgages
- Other retail loans
- Agriculture
- Industries with large balance sheets / high long-term debt ratios (real estate, shipping, offshore, aquaculture, fishery)
- Industries with smaller balance sheets / low long-term debt ratios (other industries)

The model relationships between the level of the macro variables and the level of PD are recalibrated annually based on updated default statistics from the previous calendar year. A recalibration up to and including 2023 was made this quarter and brought all else equal a lower write-down level for the corporate market and the agricultural portfolio and a higher write-down level for the mortgage portfolio in the retail market. The net effect was a somewhat lower write-down level overall. As in the previous quarter, the customers in building and construction industry and some fishery segments are generally considered to have acquired significantly increased credit risk since loan approval and customers in this industry are accordingly classified to stage 2 or 3. This quarter customers in industries closely linked to the building and construction sector have also been moved to stage 2.

ECL as at 30 June 2024 is calculated as a combination of 80 per cent expected scenario, 10 per cent downside scenario and 10 per cent upside scenario (80/10/10 pct).

The effect of the change of assumptions in 2024 is shown in the line "Effect of changed assumptions in the ECL model" in note 7. The model write-downs are reduced for the corporate portfolio due primarily to reduced volume in stage 2, and the recalibration of the calculation model contributes to the same. The model write downs in the retail market have changed little. Overall, this amounts to NOK 11 m for the bank and NOK 25 m for the group in terms of reduced write-downs.

Sensitivity

The first part of the table below show total calculated expected credit loss as of 30 June 2024 in each of the three scenarios, distributed in the portfolios Retail Market, Corporate Market and agriculture, which adds up to parent bank. In addition the subsidiary SpareBank 1 Finans Midt-Norge is included. ECL for the parent bank and the subsidiary is summed up in the column "Group".

The second part of the table show the ECL distributed by portfolio using the scenario weight applied, in addition to a alternative weighting where downside scenario weight has been doubled.

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of June 2024, this would have entailed an increase in loss provisions of NOK 115 million for the parent bank and NOK 134 million for the group.

	CM	RM	Agriculture	Total parent	SB 1 Finans MN, CM	SB 1 Finans MN, RM	Total group
ECL base case	623	89	72	784	40	16	840
ECL worst case	1,378	279	277	1,934	173	75	2,182
ECL best case	410	54	46	509	20	9	539
ECL with scenario weights used 80/10/10	678	105	90	872	51	21	944
ECL alternative scenario weights 70/20/10	753	124	110	987	66	27	1,079
Change in ECL with alternative weights	75	19	21	115	13	6	134

The table reflects that there are some significant differences in underlying PD and LGD estimates in the different scenarios and that there are differentiated levels and level differences between the portfolios. At group level, the ECL in the upside scenario, which largely reflects the loss and default picture in recent years, is about 60 per cent of the ECL in the expected scenario. The downside scenario gives more than double the ECL than in the expected scenario. Applied scenario weighting gives about 12 percent higher ECL than in the expected scenario.

Note 3 - Account by business line

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

Group First Half 2024

Group First Half 2024

			Sunnmøre og CM Fjordane	EM 1	SB 1 Finans MN	SB 1 Regnskaps- huset SMN	Other	Uncollated	Total
Profit and loss account (NOKm)	RM								
Net interest	939	695	348	3	266	1	-	393	2,646
Interest from allocated capital	205	117	78	-	-	-	-	-401	-
Total interest income	1,144	812	426	3	266	1	-	-7	2,646
Comission income and other income	359	117	79	266	-30	463	-	16	1,270
Net return on financial investments **)	1	0	4	1	-	-	342	55	404
Total income	1,503	930	509	271	236	465	342	64	4,320
Total operating expenses	324	116	104	207	84	376	-	389	1,600
Ordinary operating profit	1,179	814	405	63	152	89	342	-325	2,720
Loss on loans, guarantees etc.	17	15	28	-	10	-	-	-0	70
Result before tax	1,162	798	377	63	143	89	342	-325	2,649
Return on equity *)	19.4 %	25.0 %	15.0 %						15.6 %

Group First Half 2023

Group First Half 2020									
		Sunnmøre og Fjordane			SB 1 Finans	SB 1 Regnskaps- huset SMN			
Profit and loss account (NOKm)	RM	CM		EM 1	MN		Other	Uncollated	Total
Net interest	863	622	246	1	252	2	-	174	2,160
Interest from allocated capital	143	84	44	-	-	-	-	-271	-
Total interest income	1,006	706	290	1	252	2	-	-97	2,160
Comission income and other income	348	120	45	224	-53	398	-	20	1,102
Net return on financial investments **)	3	-3	10	1	-13	-	223	-122	99
Total income	1,356	823	345	226	186	400	223	-198	3,361
Total operating expenses	510	185	106	178	59	312		61	1,411
Ordinary operating profit	846	638	239	48	127	89	223	-260	1,950
Loss on loans, guarantees etc.	-5	23	-91	-	32	-	-	-1	-42
Result before tax	851	615	329	48	95	89	223	-259	1,991
Return on equity *)	18.4 %	23.2 %	17.6 %						13.9 %

Group 2023

Group 2020

			Sunnmøre og CM	Fjordane	EM 1	SB 1 Finans MN	SB 1 Regnskaps- huset SMN	Other	Uncollated	Total
Profit and loss account (NOKm)	RM									
Net interest	1,824	1,335		598	2	490	4	-	379	4,632
Interest from allocated capital	328	195		112	-	-	-	-	-634	-
Total interest income	2,151	1,530		709	2	490	4	-	-255	4,632
Comission income and other income	652	234		110	432	-97	716	-	37	2,084
Net return on financial investments **)	1	6		7	1	-82	-	379	488	799
Total income	2,804	1,770		826	435	311	720	379	270	7,515
Total operating expenses	1,078	407		315	395	115	612	-	97	3,017
Ordinary operating profit	1,726	1,363		512	40	196	108	379	173	4,498
Loss on loans, guarantees etc.	1	45		-118	-	86	-	-	-0	14
Result before tax	1,725	1,318		629	40	111	108	379	173	4,484
Return on equityv *)	18,2 %	24,3 %		19,6 %						14,4 %

*) Regulatory capital is used as a basis for calculating capital used in the Private market and Business.

**) Specification of other (NOKm)	30 Jun 24	30 Jun 23	31 Dec 23
SpareBank 1 Gruppen	41	30	-34
SpareBank 1 Boligkreditt	68	63	98
SpareBank 1 Næringskreditt	7	5	10
BN Bank	157	119	257
SpareBank 1 Markets	51	-	19
SpareBank 1 Kreditt	-2	-6	-13
SpareBank 1 Betaling	-14	-20	-37
SpareBank 1 Forvaltning	23	16	35
Other companies	10	16	46
Income from investment in associates and joint ventures	342	223	379
SpareBank 1 Mobilitet Holding	-	-13	-82
Net income from investment in associates and joint ventures	342	209	297

Note 4 - Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD IV). SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Advanced IRB Approach is used for the corporate portfolios. Use of IRB imposes wide-ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems.

As of 30 June 2024 the overall minimum requirement on CET1 capital is 14.0 per cent. The capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement for Norwegian IRB-banks is 4.5 per cent and the Norwegian countercyclical buffer is 2.5 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital. In addition the financial supervisory authority has set a Pillar 2 requirement for SpareBank 1 SMN. From 31 December 2023, the requirement is 1.7 per cent and must be met with a minimum of 56.25 per cent. In addition the bank must have an additional 0.7 per cent in Pillar 2 requirements until the application for adjusting IRB-models has been processed.

Under the CRR/CRDIV regulations the average risk weighting of exposures secured on residential property in Norway cannot be lower than 20 per cent. As of 30 June 2024, the average risk weights are over 20 per cent.

The systemic risk buffer stands at 4.5 per cent for the Norwegian exposures. For exposures in other countries, the particular country's systemic buffer rate shall be employed. As of 30 June 2024 the effective rate for the group is 4.45 per cent.

The countercyclical buffer is calculated using differentiated rates. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. As of 30 June 2024 both the parent bank and the group is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures.

Parent Bank				Group		
31 Dec 2023	30 Jun 2023	30 Jun 2024	(NOKm)	30 Jun 2024	30 Jun 2023	31 Dec 2023
25,150	23,367	24,232	Total book equity	27,879	26,975	28,597
-1,800	-1,708	-1,734	Additional Tier 1 capital instruments included in total equity	-1,825	-1,744	-1,903
-812	-850	-803	Deferred taxes, goodwill and other intangible assets	-1,697	-1,414	-1,625
-2,591	0	-	Deduction for allocated dividends and gifts	-	0	-2,591
-	-	-	Non-controlling interests recognised in other equity capital	-718	-906	-666
-	-	-	Non-controlling interests eligible for inclusion in CET1 capital	700	769	679
-	-1,843	-1,742	Net profit	-2,098	-1,701	-
-	964	203	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of group profit)	555	821	-
-53	-79	-54	Value adjustments due to requirements for prudent valuation	-74	-95	-72
-412	-291	-277	Positive value of adjusted expected loss under IRB Approach	-500	-398	-546
-	-	-	Cash flow hedge reserve	-4	-5	-4
-350	-305	-350	Deduction for common equity Tier 1 capital in significant investments in financial institutions	-266	-257	-278
19,131	19,256	19,474	Common equity Tier 1 capital	21,951	22,044	21,589
1,800	1,766	1,800	Additional Tier 1 capital instruments	2,313	2,195	2,252
-48	-47	-48	Deduction for significant investments in financial institutions	-48	-47	-48
20,883	20,975	21,226	Tier 1 capital	24,216	24,192	23,793
-	-	-	Supplementary capital in excess of core capital	-	-	-
2,150	2,587	2,650	Subordinated capital	3,473	3,124	2,822
-216	-210	-216	Deduction for significant investments in financial institutions	-216	-210	-216
1,934	2,377	2,434	Additional Tier 2 capital instruments	3,257	2,913	2,606
22,817	23,351	23,660	Total eligible capital	27,474	27,106	26,399

			Risk weighted assets (RWA)			
15,701	16,213	17,581	Specialised enterprises	21,001	19,275	19,226
11,303	12,573	11,219	Corporate	11,483	12,882	11,634
19,617	19,145	20,177	Mass market exposure, property	37,820	35,352	36,333
1,545	1,451	1,563	Other mass market	1,615	1,486	1,577
18,558	16,965	19,137	Equity positions IRB	-	-	-
66,724	66,348	69,677	Total credit risk IRB	71,919	68,995	68,770
40	41	25	Central government	377	77	68
1,188	1,244	1,213	Covered bonds	2,000	1,679	1,908
4,659	5,428	4,358	Institutions	2,993	4,329	3,495
1,371	1,843	1,557	Local and regional authorities, state-owned enterprises	1,742	2,050	1,829
3,101	2,663	3,258	Corporate	6,460	5,599	6,325
49	328	258	Mass market	9,118	9,022	8,785
467	606	678	Exposures secured on real property	1,631	1,760	1,573
792	1,190	889	Equity positions	6,009	5,933	5,809
1,400	861	1,560	Other assets	3,195	1,879	2,224
13,069	14,202	13,798	Total credit risk standardised approach	33,525	32,327	32,016
279	425	587	Debt risk	588	446	279
-	-	-	Equity risk	111	187	82
-	-	-	Currency risk and risk exposure for settlement/delivery	42	47	21
6,810	6,195	6,810	Operational risk	11,273	11,376	11,548
472	441	380	Credit value adjustment risk (CVA)	1,383	1,836	1,918
87,354	87,611	91,252	Risk weighted assets (RWA)	118,842	115,215	114,633
6,988	7,009	7,300	Minimum requirements subordinated capital	9,507	9,217	9,171
3,931	3,942	4,106	Minimum requirement on CET1 capital, 4.5 per cent	5,348	5,185	5,159
			Capital Buffers			
2,184	2,190	2,281	Capital conservation buffer, 2.5 per cent	2,971	2,880	2,866
3,896	3,899	4,070	Systemic risk buffer, 4.5 per cent	5,268	5,104	5,081
2,184	2,190	2,281	Countercyclical buffer, 1.0 per cent	2,971	2,880	2,866
8,264	8,279	8,632	Total buffer requirements on CET1 capital	11,210	10,865	10,813
6,937	7,034	6,735	Available CET1 capital after buffer requirements	5,393	5,995	5,618
			Capital adequacy			
21.9 %	22.0 %	21.3 %	Common equity Tier 1 capital ratio	18.5 %	19.1 %	18.8 %
23.9 %	23.9 %	23.3 %	Tier 1 capital ratio	20.4 %	21.0 %	20.8 %
26.1 %	26.7 %	25.9 %	Capital ratio	23.1 %	23.5 %	23.0 %
			Leverage ratio			
221,334	216,517	228,597	Balance sheet items	333,472	325,004	323,929
7,559	6,724	8,313	Off-balance sheet items	9,939	9,525	8,984
-513	-382	-380	Regulatory adjustments	-622	-540	-666
228,380	222,858	236,530	Calculation basis for leverage ratio	342,789	333,990	332,247
20,883	18,519	21,226	Core capital	24,216	24,192	23,793
9.1 %	8.3 %	9.0 %	Leverage Ratio	7.1 %	7.2 %	7.2 %

Note 5 - Distribution of loans by sector/industry

Parent Bank			(NOKm)	Group		
31 Dec 2023	30 Jun 2023	30 Jun 2024		30 Jun 2024	30 Jun 2023	31 Dec 2023
12,021	11,339	12,270	Agriculture and forestry	12,756	11,791	12,489
5,459	6,367	5,626	Fisheries and hunting	5,655	6,397	5,488
2,218	2,039	2,346	Sea farming industries	2,650	2,315	2,473
3,170	3,092	3,328	Manufacturing	3,934	3,683	3,757
6,111	6,396	6,073	Construction, power and water supply	7,367	7,534	7,353
2,845	3,044	3,062	Retail trade, hotels and restaurants	3,993	3,786	3,777
6,030	5,944	4,850	Maritime sector	4,850	5,944	6,030
21,288	20,618	23,543	Property management	23,658	20,738	21,400
4,239	4,316	4,612	Business services	5,406	5,134	5,148
5,396	5,632	5,875	Transport and other services provision	7,044	6,712	6,459
2	1	10	Public administration	35	33	39
2,220	1,450	1,571	Other sectors	1,339	1,395	2,140
70,997	70,239	73,167	Gross loans in Corporate market	78,687	75,463	76,553
152,710	149,407	155,970	Wage earners	163,146	156,637	159,777
223,708	219,647	229,137	Gross loans incl. SB1 Boligkreditt /SB1 Næringskreditt	241,832	232,100	236,329
64,719	63,527	66,786	of which SpareBank 1 Boligkreditt	66,786	63,527	64,719
1,749	1,754	1,606	of which SpareBank 1 Næringskreditt	1,606	1,754	1,749
157,240	154,366	160,745	Total Gross loans to and receivables from customers	173,440	166,819	169,862
659	843	666	- Loan loss allowance on amortised cost loans	793	936	790
117	115	129	- Loan loss allowance on loans at FVOCI	129	115	117
156,464	153,407	159,950	Net loans to and receivables from customers	172,518	165,767	168,955

Note 6 - Losses on loans and guarantees

Parent Bank (NOKm)	First half						Second quarter						2023		
	2024			2023			2024			2023			2023		
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	21	33	54	12	-51	-39	11	22	33	7	41	48	4	-59	-55
Actual loan losses on commitments exceeding provisions made	2	11	13	8	7	15	0	9	9	3	0	4	11	146	157
Recoveries on commitments previously written-off	-3	-4	-6	-26	-24	-50	-2	-1	-2	-24	-23	-48	-21	-153	-174
Losses for the period on loans and guarantees	21	40	61	-5	-68	-73	9	30	40	-14	18	4	-6	-66	-72

Group (NOKm)	First half						Second quarter						2023		
	2024			2023			2024			2023			2023		
	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses	16	34	50	15	-43	-27	10	23	34	7	48	56	1	-7	-6
Actual loan losses on commitments exceeding provisions made	2	11	13	42	15	56	-1	4	2	37	6	42	47	168	215
Recoveries on commitments previously written-off	2	6	7	-45	-26	-71	3	9	11	-43	-25	-69	-40	-155	-195
Losses for the period on loans and guarantees	20	51	70	12	-54	-42	12	35	47	1	28	29	8	6	14

Note 7 - Losses

Parent Bank (NOKm)	1 Jan 24	Change in provision	Net write-offs /recoveries	Currency /Other movements	30 Jun 24
Loans as amortised cost- CM	671	30	-11	-	690
Loans as amortised cost- RM	43	15	-	-	58
Loans at fair value over OCI- RM	137	6	-	-	144
Loans at fair value over OCI- CM	13	3	-	-	16
Provision for expected credit losses on loans and guarantees	864	54	-11	-	908
Presented as					
Provision for loan losses	776	29	-11	-	795
Other debt- provisons	53	27	-	-	80
Other comprehensive income - fair value adjustment	36	-2	-	-	33

Parent Bank (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs /recoveries	30 Jun 23
Loans as amortised cost- CM	921	32	-92	-1	861
Loans as amortised cost- RM	35	11	7	-6	47
Loans at fair value over OCI- RM	147	0	-6	-	141
Loans at fair value over OCI- CM	2	0	8	-	11
Provision for expected credit losses on loans and guarantees	1,106	43	-82	-7	1,060
Presented as					
Provision for loan losses	999	41	-75	-7	958
Other debt- provisons	67	2	-6	-	63
Other comprehensive income - fair value adjustment	40	-	-1	-	39

Parent Bank (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs /recoveries	31 Dec 23
Loans as amortised cost- CM	921	32	-101	-181	671
Loans as amortised cost- RM	35	11	2	-5	43
Loans at fair value over OCI- RM	147	-	-10	-	137
Loans at fair value over OCI- CM	2	-	11	-	13
Provision for expected credit losses on loans and guarantees	1,106	43	-99	-186	864
Presented as					
Provision for loan losses	999	41	-77	-186	776
Other debt- provisons	67	2	-16	-	53
Other comprehensive income - fair value adjustment	40	-	-5	-	36

Group (NOKm)	1 Jan 24	Change in provision	Net write-offs /recoveries	Currency /Other movements	30 Jun 24
Loans as amortised cost- CM	777	33	-12	-	798
Loans as amortised cost- RM	68	9	-	-	77
Loans at fair value over OCI- RM	137	6	-	-	144
Loans at fair value over OCI- CM	13	3	-	-	16
Provision for expected credit losses on loans and guarantees	995	52	-12	-	1,034
Presented as					
Provision for loan losses	907	27	-12	-2	922
Other debt- provisons	53	27	-	-	80
Other comprehensive income - fair value adjustment	36	-2	-	-	33

Group (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs /recoveries	30 Jun 23
Loans as amortised cost- CM	976	32	-83	-1	924
Loans as amortised cost- RM	63	11	10	-6	78
Loans at fair value over OCI- RM	147	0	-6	-	141
Loans at fair value over OCI- CM	2	-	8	-	11
Provision for expected credit losses on loans and guarantees	1,188	43	-71	-7	1,154
Presented as					
Provision for loan losses	1,081	41	-75	-7	1,052
Other debt- provisons	67	2	-6	-	63
Other comprehensive income - fair value adjustment	40	-	-1	-	39

Group (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs /recoveries	31 Dec 23
Loans as amortised cost- CM	976	32	-44	-186	777
Loans as amortised cost- RM	63	11	-1	-5	68
Loans at fair value over OCI- RM	147	-	-10	-	137
Loans at fair value over OCI- CM	2	-	11	-	13
Provision for expected credit losses on loans and guarantees	1,188	43	-44	-192	995
Presented as					
Provision for loan losses	1,081	41	-23	-192	907
Other debt- provisons	67	2	-16	-	53
Other comprehensive income - fair value adjustment	40	-	-5	-	36

Accrual for losses on loans

Parent Bank (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market												
Opening balance	38	95	45	179	46	93	42	181	46	93	42	181
Transfer to (from) stage 1	16	-16	-0	-	21	-20	-0	-	18	-18	-0	-
Transfer to (from) stage 2	-2	2	-1	-	-3	3	-0	-	-3	3	-0	-
Transfer to (from) stage 3	-1	-6	7	-	-0	-6	6	-	-0	-8	9	-
Net remeasurement of loss allowances	-17	32	20	35	-17	-13	-4	-34	-26	19	-5	-12
Originations or purchases	9	8	1	18	0	5	6	12	15	20	3	37
Derecognitions	-7	-15	-3	-25	-9	-17	-4	-30	-14	-31	-4	-49
Changes due to changed input assumptions	-1	-6	-0	-7	4	48	12	64	3	16	8	27
Actual loan losses	0	0	-	-	-	-	-6	-6	0	0	-5	-5
Closing balance	36	95	69	200	42	93	52	187	38	95	45	179
Corporate Market												
Opening balance	160	267	205	633	138	298	421	858	138	298	421	858
Transfer to (from) stage 1	35	-35	-0	-	42	-39	-3	-	59	-59	-0	-
Transfer to (from) stage 2	-6	8	-2	-	-14	21	-7	-	-14	24	-10	-
Transfer to (from) stage 3	-7	-2	8	-	-0	-3	3	-	-1	-5	6	-
Net remeasurement of loss allowances	-39	77	24	62	15	-22	11	4	-58	11	9	-38
Originations or purchases	41	17	6	64	6	6	18	30	90	35	37	163
Derecognitions	-22	-80	-13	-115	-27	-33	-6	-66	-52	-68	-15	-136
Changes due to changed input assumptions	-5	8	-8	-5	17	-3	-29	-14	-2	31	-62	-33
Actual loan losses	-	-	-11	-11	-	-	-1	-1	-	-	-181	-181
Closing balance	157	261	210	628	177	225	408	810	160	267	205	633
Total accrual for loan losses	193	356	279	828	219	318	460	997	198	363	251	812

Group (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market												
Opening balance	46	111	46	204	55	107	47	209	55	107	47	209
Transfer to (from) stage 1	21	-21	-0	-	22	-22	-0	-	21	-20	-1	-
Transfer to (from) stage 2	-2	3	-1	-	-4	4	-0	-	-4	5	-1	-
Transfer to (from) stage 3	-1	-7	9	-	-0	-7	8	-	-1	-10	11	-
Net remeasurement of loss allowances	-20	35	19	34	-18	-8	-1	-26	-28	25	-6	-9
Originations or purchases	11	9	1	21	3	7	6	16	19	25	3	47
Derecognitions	-8	-17	-3	-28	-10	-19	-7	-36	-17	-34	-7	-58
Changes due to changed input assumptions	-3	-9	-0	-12	3	46	12	60	-0	14	7	21
Actual loan losses	-	-	-	-	-	-	-6	-6	-	-	-5	-5
Closing balance	44	105	70	219	51	108	58	218	46	111	46	204
Corporate Market												
Opening balance	172	299	268	739	151	311	450	912	151	311	450	912
Transfer to (from) stage 1	37	-37	-0	-	44	-41	-3	-	63	-63	-0	-
Transfer to (from) stage 2	-7	9	-2	-	-15	22	-7	-	-18	28	-10	-
Transfer to (from) stage 3	-7	-3	10	-	-1	-3	4	-	-1	-6	7	-
Net remeasurement of loss allowances	-39	83	26	69	16	-16	13	13	-59	22	60	23
Originations or purchases	44	22	6	72	13	7	19	39	96	46	38	181
Derecognitions	-24	-82	-13	-119	-27	-34	-7	-68	-54	-70	-16	-140
Changes due to changed input assumptions	-6	2	-10	-14	16	-3	-35	-23	-5	29	-75	-51
Actual loan losses	-	-	-12	-12	-	-	-1	-1	-	-	-186	-186
Closing balance	170	293	272	735	197	243	433	873	172	299	268	739
Total accrual for loan losses	214	398	343	955	249	351	491	1,091	218	410	314	943

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	18	27	8	53	24	34	9	67	24	34	9	67
Transfer to (from) stage 1	11	-11	-0	-	3	-3	-0	-	6	-6	-0	-
Transfer to (from) stage 2	-0	1	-0	-	-2	2	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-0	1	-	-0	-0	0	-	-0	-1	1	-
Net remeasurement of loss allowances	-13	0	30	18	-0	-5	-2	-7	-13	-4	2	-15
Originations or purchases	11	3	0	14	2	1	-	2	9	4	0	13
Derecognitions	-3	-2	-0	-5	-3	-6	-0	-9	-6	-8	-1	-15
Changes due to changed input assumptions	-0	1	-0	1	0	7	3	10	0	5	-3	2
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	23	18	38	80	23	30	10	63	18	27	8	53
Of which												
Retail market				1				2				1
Corporate Market				78				61				51

Provision for credit losses specified by industry

Parent Bank (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	43	25	71	3	33	18	55	3	44	10	57
Fisheries and hunting	6	78	0	84	11	26	0	38	6	33	0	39
Sea farming industries	8	0	8	16	6	2	0	9	5	0	0	5
Manufacturing	13	33	25	71	15	27	2	44	15	31	13	59
Construction, power and water supply	26	25	29	80	47	25	18	90	46	25	28	99
Retail trade, hotels and restaurants	17	24	11	51	9	9	4	23	8	13	1	23
Maritime sector	7	11	101	119	10	39	160	209	7	54	103	164
Property management	39	58	19	116	55	73	21	149	44	92	22	159
Business services	23	24	5	51	12	16	187	215	17	16	24	57
Transport and other services	18	11	8	37	10	10	15	36	10	6	13	29
Public administration	0	-	-	0	0	-	-	0	0	-	-	0
Other sectors	1	1	0	2	1	0	0	1	1	0	-	1
Wage earners	1	48	48	97	1	56	34	91	1	47	35	83
Total provision for losses on loans	160	356	279	795	180	318	460	958	163	363	251	776
loan loss allowance on loans at FVOCI	33	-	-	33	39	-	-	39	36	-	-	36
Total loan loss allowance	193	356	279	828	219	318	460	997	198	363	251	812

Group (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	44	26	74	5	35	19	59	4	46	10	60
Fisheries and hunting	6	78	0	85	12	27	0	38	6	33	0	39
Sea farming industries	8	0	8	17	7	2	0	10	6	0	0	6
Manufacturing	16	36	28	80	18	31	2	51	18	36	13	68
Construction, power and water supply	27	45	31	103	51	29	30	110	46	42	33	121
Retail trade, hotels and restaurants	19	26	11	56	13	13	5	31	11	15	2	28
Maritime sector	7	11	101	119	10	39	160	209	7	54	103	164
Property management	39	58	19	117	56	73	21	150	45	93	22	160
Business services	25	25	60	111	16	18	194	228	19	18	78	114
Transport and other services	20	15	9	45	14	14	20	48	12	11	16	39
Public administration	0	0	-	0	0	-	-	0	0	-	-	0
Other sectors	1	1	0	2	1	0	0	1	1	0	-	1
Wage earners	8	58	49	115	9	69	39	117	8	62	36	106
Total provision for losses on loans	181	398	343	922	210	351	491	1,052	183	410	314	907
loan loss allowance on loans at FVOCI	33	-	-	33	39	-	-	39	36	-	-	36
Total loan loss allowance	214	398	343	955	249	351	491	1,091	218	410	314	943

Note 8 - Gross Loans

Parent Bank (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market												
Opening balance	90,901	4,553	725	96,178	80,994	3,962	527	85,484	80,994	3,962	527	85,484
Transfer to stage 1	1,024	-1,009	-15	-	1,128	-1,113	-15	-	895	-868	-27	-
Transfer to stage 2	-1,415	1,457	-41	-	-1,142	1,150	-9	-	-1,538	1,557	1	-
Transfer to stage 3	-51	-146	197	-	-33	-123	156	-	-38	-156	194	-
Net increase/decrease amount existing loans	-1,585	-34	-7	-1,626	-1,578	-46	-11	-1,636	-2,305	-95	-6	-2,406
New loans	27,414	609	183	28,206	28,123	778	174	29,075	42,690	1,549	222	44,460
Derecognitions	-24,225	-1,010	-171	-25,405	-18,713	-814	-116	-19,643	-29,797	-1,395	-149	-31,342
Financial assets with actual loan losses	0	0	-1	-1	-0	-0	-14	-14	0	0	-18	-18
Closing balance	92,063	4,419	870	97,351	88,779	3,794	693	93,266	90,901	4,553	725	96,178
Corporate Market												
Opening balance	47,327	6,988	1,165	55,480	43,127	5,883	1,346	50,356	43,127	5,883	1,346	50,356
Transfer to stage 1	1,208	-1,206	-2	-	952	-930	-21	-	1,026	-1,021	-5	-
Transfer to stage 2	-1,615	1,758	-143	-	-2,226	2,284	-58	-	-2,669	2,670	-1	-
Transfer to stage 3	-24	-27	51	-	-7	-58	65	-	-72	-44	116	-
Net increase/decrease amount existing loans	-622	-82	-23	-727	-132	156	15	39	-1,099	-485	-10	-1,594
New loans	11,581	642	182	12,405	10,729	425	139	11,294	17,922	816	351	19,089
Derecognitions	-7,465	-1,822	-446	-9,734	-5,713	-352	-68	-6,134	-10,901	-828	-335	-12,064
Financial assets with actual loan losses	0	0	-15	-15	0	0	-6	-6	-7	-2	-298	-307
Closing balance	50,391	6,249	770	57,410	46,729	7,407	1,413	55,549	47,327	6,988	1,165	55,480
Fixed interest loans at FV	5,984	-	-	5,984	5,550	-	-	5,550	5,582	-	-	5,582
Total gross loans at the end of the period	148,437	10,668	1,640	160,745	129,764	11,201	2,106	154,366	143,809	11,541	1,890	157,240

Group (NOKm)	30 Jun 2024				30 Jun 2023				31 Dec 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market												
Opening balance	96,963	5,474	825	103,263	86,972	4,901	635	92,508	86,972	4,901	635	92,508
Transfer to stage 1	1,387	-1,368	-18	-	1,305	-1,289	-15	-	1,138	-1,108	-30	-
Transfer to stage 2	-1,635	1,682	-47	-	-1,520	1,533	-12	-	-1,955	1,978	-23	-
Transfer to stage 3	-68	-197	264	-	-40	-173	213	-	-59	-219	277	-
Net increase/decrease amount existing loans	-1,558	-51	-12	-1,622	-1,459	-77	-17	-1,552	-2,272	-165	-20	-2,457
New loans	29,187	659	185	30,031	29,980	886	176	31,042	45,658	1,781	231	47,670
Derecognitions	-25,795	-1,137	-198	-27,130	-20,292	-994	-181	-21,467	-32,519	-1,694	-227	-34,440
Financial assets with actual loan losses	-	-0	-1	-1	-0	-0	-14	-14	-0	-0	-18	-18
Closing balance	98,480	5,062	997	104,540	94,946	4,786	785	100,517	96,963	5,474	825	103,263
Corporate Market												
Opening balance	51,327	8,533	1,259	61,119	47,621	6,460	1,410	55,491	47,621	6,460	1,410	55,491
Transfer to stage 1	1,317	-1,309	-7	-	1,041	-1,013	-28	-	1,207	-1,199	-8	-
Transfer to stage 2	-1,800	1,947	-148	-	-2,458	2,523	-64	-	-3,639	3,655	-17	-
Transfer to stage 3	-45	-66	111	-	-17	-92	109	-	-101	-80	180	-
Net increase/decrease amount existing loans	-659	-99	-28	-786	-145	129	11	-5	-1,103	-692	-23	-1,818
New loans	12,348	895	188	13,431	11,490	489	147	12,126	19,159	1,339	368	20,866
Derecognitions	-8,037	-2,074	-470	-10,581	-6,267	-436	-73	-6,777	-11,811	-949	-354	-13,114
Financial assets with actual loan losses	0	0	-15	-15	0	0	-5	-5	-7	-2	-297	-306
Balance at 31 December	54,451	7,827	891	63,169	51,264	8,059	1,506	60,829	51,327	8,533	1,259	61,119
Closing balance												
Fixed interest loans at FV	5,732	-	-	5,732	5,473	-	-	5,473	5,480	-	-	5,480
Total gross loans at the end of the period	158,663	12,889	1,888	173,440	151,682	12,846	2,291	166,819	153,770	14,007	2,085	169,862

Note 9 - Distribution of customer deposits by sector/industry

Parent Bank			(NOKm)	Group		
31 Dec 2023	30 Jun 2023	30 Jun 2024		30 Jun 2024	30 Jun 2023	31 Dec 2023
2,460	2,658	2,888	Agriculture and forestry	2,888	2,658	2,460
1,588	1,403	1,172	Fisheries and hunting	1,172	1,403	1,588
1,157	1,375	846	Sea farming industries	846	1,375	1,157
2,671	2,985	2,382	Manufacturing	2,382	2,985	2,671
5,251	3,922	3,846	Construction, power and water supply	3,846	3,922	5,251
5,996	4,964	5,000	Retail trade, hotels and restaurants	5,000	4,964	5,996
1,132	1,145	1,444	Maritime sector	1,444	1,145	1,132
5,867	6,597	7,296	Property management	7,209	6,523	5,787
13,413	12,544	12,504	Business services	12,504	12,544	13,413
11,164	11,553	12,885	Transport and other services provision	12,482	11,165	10,698
19,437	28,373	21,506	Public administration	21,506	28,373	19,437
5,452	5,768	6,243	Other sectors	6,224	5,744	5,425
75,588	83,287	78,013	Total	77,504	82,802	75,015
57,874	57,362	62,157	Wage earners	62,157	57,362	57,874
133,462	140,649	140,170	Total deposits	139,661	140,164	132,888

Note 10 - Net interest income

Parent bank						Group				
Second quarter			First half		(NOKm)	First half		Second quarter		
2023	2023	2024	2023	2024		2024	2023	2024	2023	
					Interest income					
887	197	260	380	496	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	199	158	108	81	380
4,716	1,091	1,370	2,072	2,731	Interest income from loans to and claims on customers (amortised cost)	3,293	2,540	1,655	1,333	5,701
3,616	828	1,112	1,554	2,209	Interest income from loans to and claims on customers (FVOCI)	2,209	1,554	1,112	828	3,616
165	39	54	72	104	Interest income from loans to and claims on customers (FVPL)	104	72	54	39	165
1,482	368	392	704	797	Interest income from money market instruments, bonds and other fixed income securities *	793	701	390	367	1,477
-	-	-	-	-	Other interest income	12	12	6	6	24
10,866	2,524	3,189	4,782	6,336	Total interest income	6,609	5,036	3,326	2,654	11,362
					Interest expense					
559	132	162	258	331	Interest expenses on liabilities to credit institutions	331	258	162	132	559
3,780	874	1,223	1,570	2,389	Interest expenses relating to deposits from and liabilities to customers	2,369	1,556	1,210	867	3,748
2,056	483	558	945	1,100	Interest expenses related to the issuance of securities	1,100	946	558	483	2,057
129	28	44	52	84	Interest expenses on subordinated debt	88	54	46	29	132
9	2	3	4	6	Other interest expenses	28	20	16	10	45
90	23	23	44	47	Guarantee fund levy	47	44	23	23	90
6,622	1,542	2,014	2,873	3,957	Total interest expense	3,963	2,876	2,016	1,544	6,631
4,244	982	1,175	1,908	2,380	Net interest income	2,646	2,160	1,310	1,110	4,732

* In the second quarter of 2024, a reclassification has been made of interest income from treasury bills which in previous periods had been presented as income from financial instruments. This has increased interest income by NOK 25 million in the second quarter, and NOK 55 million so far in 2024. Comparable figures have been restated.

Note 11 - Net commission income and other income

Parent bank						Group				
	Second quarter		First half			First half		Second quarter		
2023	2023	2024	2023	2024	(NOKm)	2024	2023	2024	2023	2023
					Commission income					
68	15	19	33	36	Guarantee commission	36	33	19	15	68
-	-	-	-	-	Broker commission	163	141	92	78	265
47	13	15	24	30	Portfolio commission, savings products	30	24	15	13	47
155	53	78	110	136	Commission from SpareBank 1 Boligkreditt	136	110	78	53	155
15	4	4	7	7	Commission from SpareBank 1 Næringskreditt	7	7	4	4	15
496	118	133	231	256	Payment transmission services	254	229	132	117	493
253	65	65	125	128	Commission from insurance services	128	125	65	65	253
83	25	24	43	41	Other commission income	38	39	23	23	74
1,117	292	336	573	634	Total commission income	793	709	426	367	1,370
					Commission expenses					
102	25	24	48	52	Payment transmission services	52	49	24	25	102
12	3	4	6	7	Other commission expenses	51	53	28	26	96
114	28	27	54	59	Total commission expenses	103	101	51	51	199
					Other operating income					
38	9	11	18	22	Operating income real property	20	19	10	9	41
-	-	-	-	-	Property administration and sale of property	103	83	59	41	166
-	-	-	-	-	Accountant's fees	428	370	228	182	661
34	10	6	17	7	Other operating income	30	22	26	13	45
73	19	17	35	29	Total other operating income	580	494	323	245	913
1,076	283	325	554	604	Total net commission income and other operating income	1,270	1,102	698	561	2,084

Note 12 - Operating expenses

Parent bank					(NOKm)	Group				
Second quarter		First half		First half		Second quarter				
2023	2023	2024	2023	2024		2024	2023		2024	2023
404	93	90	184	181	IT costs	219	211	109	105	461
12	3	4	6	7	Postage and transport of valuables	8	8	5	4	15
71	20	19	37	39	Marketing	51	48	25	25	93
111	25	33	47	63	Ordinary depreciation	84	63	44	35	153
50	12	12	24	24	Operating expenses, real properties	24	30	12	14	57
222	55	54	98	114	Purchased services	139	115	66	62	254
251	43	50	133	71	Other operating expense	107	155	75	55	294
1,121	250	262	529	500	Total other operating expenses	634	630	334	300	1,326

Note 13 - Net return on financial investments

Parent Bank					(NOKm)	Group				
Second quarter		First half		First half		Second quarter		2023		
2023	2023	2024	2023	2024		2024	2023		2024	2023
					Valued at fair value through profit/loss					
17	-215	-37	-263	-163	Value change in interest rate instruments **	-163	-263	-39	-215	17
2	-0	-2	9	4	Value change in derivatives/hedging Net value change in hedged bonds and derivatives*	4	9	-2	0	2
5	14	13	-10	25	Net value change in hedged fixed rate loans and derivatives	25	-10	13	14	5
-118	156	11	99	107	Other derivatives	107	99	11	156	-118
-	-	-	-	-	Income from equity instruments					
693	580	133	580	242	Income from owner interests	342	209	148	85	297
32	3	-	8	1	Dividend from owner instruments	-	-	-	0	-
18	5	8	9	14	Value change and gain/loss on owner instruments	1	4	-	3	-5
421	10	5	21	16	Dividend from equity instruments	8	20	6	18	26
					Value change and gain/loss on equity instruments	45	-28	4	-10	469
1,069	553	131	453	247	Total net income from financial assets and liabilities at fair value through profit/(loss)	369	40	141	50	692
					Valued at amortised cost					
-2	-0	-0	-1	0	Value change in interest rate instruments held to maturity	0	-1	-0	-0	-2
-2	-0	-0	-1	0	Total net income from financial assets and liabilities at amortised cost	0	-1	-0	-0	-2
108	35	11	59	34	Total net gain from currency trading	34	59	11	36	108
1,175	588	142	511	280	Total net return on financial investments	404	99	153	86	799
* Fair value hedging										
896	-282	1	-97	-184	Changes in fair value on hedging instrument	-184	-97	1	-282	896
-894	282	-4	106	187	Changes in fair value on hedging item	187	106	-4	282	-894
2	-0	-2	9	4	Net Gain or Loss from hedge accounting	4	9	-2	-0	2

** In the second quarter of 2024, a reclassification has been made of interest income from treasury bills which in previous periods had been presented as value change in interest rate instruments. This has increased interest income and reduced values change in interest rate instruments by NOK 25 million in the second quarter, and NOK 55 million so far in 2024. Comparable figures have been restated.

Note 14 - Other assets

Parent Bank			(NOKm)	Group		
31 Dec 2023	30 Jun 2023	30 Jun 2024		30 Jun 2024	30 Jun 2023	31 Dec 2023
-	2	-	Deferred tax asset	6	8	6
167	167	177	Fixed assets	749	280	276
251	266	318	Right to use assets	472	395	390
136	95	148	Earned income not yet received	191	122	153
66	479	1,020	Accounts receivable, securities	1,020	479	66
221	240	221	Pension assets	221	240	221
479	133	511	Other assets	869	463	737
1,320	1,382	2,394	Total other assets	3,527	1,987	1,848

Note 15 - Other liabilities

Parent Bank			(NOKm)	Group		
31 Dec 2023	30 Jun 2023	30 Jun 2024		30 Jun 2024	30 Jun 2023	31 Dec 2023
158	147	158	Deferred tax	216	202	216
813	414	476	Payable tax	546	504	900
22	13	22	Capital tax	22	13	22
137	90	150	Accrued expenses and received, non-accrued income	498	402	439
533	587	477	Provision for accrued expenses and commitments	477	587	533
52	63	79	Losses on guarantees and unutilised credits	79	63	52
9	11	9	Pension liabilities	9	11	9
260	276	326	Lease liabilities	483	406	403
9	90	4	Drawing debt	4	90	9
132	53	32	Creditors	87	94	191
-15	343	1,004	Debt from securities	1,004	343	-15
-	-	-	Equity instruments	-	-3	-
148	251	349	Other liabilities	476	347	243
2,258	2,339	3,085	Total other liabilities	3,901	3,061	3,002

Note 16 - Debt created by issue of securities and subordinated debt

Group

	01 Jan 2024	Issued	Fallen due/ Redeemed	Other changes	30 Jun 2024
Change in securities debt (NOKm)					
Bond debt, nominal value	34,767	6,163	-3,387	-141	37,402
Value adjustments	-1,588	-	-	-24	-1,612
Accrued interest	309	-	-	-35	274
Total	33,488	6,163	-3,387	-200	36,064

	01 Jan 2024	Issued	Fallen due/ Redeemed	Other changes	30 Jun 2024
Change in senior non-preferred debt (NOKm)					
Senior non preferred, nominal value	12,344	651	-	-74	12,921
Value adjustments	-65	-	-	-105	-171
Accrued interest	136	-	-	-26	111
Total	12,415	651	-	-205	12,862

	01 Jan 2024	Issued	Fallen due/ Redeemed	Other changes	30 Jun 2024
Change in subordinated debt (NOKm)					
Ordinary subordinated loan capital, nominal value	2,226	500	-	2	2,728
Value adjustments	-	-	-	-	-
Accrued interests	21	-	-	4	24
Total	2,247	500	-	6	2,753

Note 17 - Measurement of fair value of financial instruments

Financial instruments at fair value are classified at various levels.

Level 1: Valuation based on quoted prices in an active market

Fair value of financial instruments that are traded in the active markets is based on market price on the balance sheet date. A market is considered active if market prices are easily and regularly available from a stock exchange, dealer, broker, industry group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at an arm's length. This category also includes quoted shares and Treasury bills.

Level 2: Valuation based on observable market data

Level 2 consists of instruments that are valued by the use of information that does not consist in quoted prices, but where the prices are directly or indirectly observable for the assets or liabilities concerned, and which also include quoted prices in non-active markets.

Level 3: Valuation based on other than observable data

If valuation data are not available for level 1 and 2, valuation methods are applied that are based on non-observable information.

The following table presents the Group's assets and liabilities measured at fair value at 30 June 2024:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	6,056	-	6,056
- Bonds and money market certificates	2,706	33,542	-	36,248
- Equity instruments	378	74	671	1,122
- Fixed interest loans	-	-	5,881	5,881
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	93,793	93,793
Total assets	3,084	39,672	100,345	143,101
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	6,316	-	6,316
Total liabilities	-	6,316	-	6,316

The following table presents the Group's assets and liabilities measured at fair value at 30 June 2023:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	9,255	-	9,255
- Bonds and money market certificates	4,584	33,546	-	38,130
- Equity instruments	352	159	550	1,062
- Fixed interest loans	-	82	5,467	5,549
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	89,311	89,311
Total assets	4,936	43,043	95,328	143,307
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	9,953	-	9,953
- Equity instruments	-	-	-	-
Total liabilities	-	9,953	-	9,953

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2023:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	-	6,659	-	6,659
- Bonds and money market certificates	2,879	31,284	-	34,163
- Equity instruments	363	152	622	1,137
- Fixed interest loans	-	102	5,480	5,582
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	92,263	92,263
Total assets	3,242	38,197	98,365	139,804
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	-	6,989	-	6,989
Total liabilities	-	6,989	-	6,989

The following table presents the changes in the instruments classified in level 3 as at 30 June 2024:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	622	5,480	92,263	98,365
Investment in the period	21	987	26,047	27,054
Disposals in the period	-1	-574	-24,505	-25,080
Expected credit loss	-	-	-12	-12
Gain or loss on financial instruments	29	-11	0	18
Closing balance 30 June 2024	671	5,881	93,793	100,345

The following table presents the changes in the instruments classified in level 3 as at 30 June 2023:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	570	4,630	81,901	87,101
Investment in the period	24	1,368	26,333	27,725
Disposals in the period	-4	-397	-18,920	-19,320
Expected credit loss	-	-	-3	-3
Gain or loss on financial instruments	-40	-134	-1	-176
Closing balance 30 June 2023	550	5,468	89,311	95,328

The following table presents the changes in the instruments classified in level 3 as at 31 December 2023:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January	570	4,630	81,901	87,101
Investment in period	38	1,814	40,578	42,430
Disposals in the period	-25	-977	-30,210	-31,212
Expected credit loss	-	-	2	2
Gain or loss on financial instruments	38	14	-7	45
Closing balance 31 December	622	5,480	92,263	98,366

Valuation method

The valuation method applied is adapted to each financial instrument, and is intended to utilise as much of the information that is available in the market as possible. The method for valuation of financial instruments in level 2 and 3 is described in the following:

Fixed interest loans to customers (level 3)

The loans consist for the most part of fixed interest loans denominated in Norwegian kroner. The value of the fixed interest loans is determined such that agreed interest flows are discounted over the term of the loan by a discount factor that is adjusted for margin requirements. The discount factor is raised by 10 points when calculating sensitivity.

Loans at fair value through other comprehensive income (level 3)

Property Loans at floating interest classified at fair value over other comprehensive income is valued based on nominal amount reduced by expected credit loss. Loans with no significant credit risk deterioration since first recognition is assessed at nominal amount. For loans with a significant increase in credit risk since first recognition or objective evidence of loss, the calculation of expected credit losses over the life of the asset is in line with loan losses for loans at amortised cost. Estimated fair value is the nominal amount reduced by expected lifetime credit loss. If the likelihood of the worst case scenario in the model is doubled, fair value is reduced by NOK 2 million.

Short-term paper and bonds (level 2 and 3)

Valuation on level 2 is based for the most part on observable market information in the form of interest rate curves, exchange rates and credit margins for the individual credit and the bond's or certificate's characteristics. For paper valued under level 3 the valuation is based on indicative prices from a third party or comparable paper.

Equity instruments (level 3)

Shares that are classified to level 3 include essentially investments in unquoted shares. Among other a total of NOK 577 million in Private Equity investments, property funds, hedge funds and unquoted shares through the company SpareBank 1 SMN Invest. The valuations are in all essentials based on reporting from managers of the funds who utilise cash flow based models or multiples when determining fair value. The Group does not have full access to information on all the elements in these valuations and is therefore unable to determine alternative assumptions.

Financial derivatives (level 2)

Financial derivatives at level 2 include for the most part currency futures and interest rate and exchange rate swaps. Valuation is based on observable interest rate curves. In addition the item includes derivatives related to FRAs. These are valued with a basis in observable prices in the market. Derivatives classified to level 2 also include equity derivatives related to SpareBank 1 Markets' market-making activities. The bulk of these derivatives refer to the most sold shares on Oslo Børs, and the valuation is based on the price of the actual /underlying share and observable or calculated volatility.

Sensitivity analyses, level 3 as at 30 June 2024:

(NOKm)	Effect from change in reasonable possible alternative assumptions	
	Book value	
Fixed interest loans	5,881	-15
Equity instruments through profit/loss*	671	-
Loans at fair value through other comprehensive income	93,793	-2

* As described above, the information to perform alternative calculations are not available

Note 18 - Liquidity risk

Liquidity risk is the risk that the group will be unable to refinance its debt or to finance asset increases. Liquidity risk management starts out from the group's overall liquidity strategy which is reviewed and adopted by the board of directors at least once each year. The liquidity strategy reflects the group's moderate risk profile.

The group reduces its liquidity risk through guidelines and limits designed to achieve a diversified balance sheet, both on the asset and liability side. Preparedness plans have been drawn up both for the group and the SpareBank 1 Alliance to handle the liquidity situation in periods of turbulent capital markets. The bank's liquidity situation is stress tested on a monthly basis using various maturities and crisis scenarios: bank-specific, for the financial market in general or a combination of internal and external factors. The group's objective is to survive twelve months of ordinary operations without access to fresh external funding while housing prices fall 30 per cent. In the same period minimum requirements to LCR shall be fulfilled.

The average residual maturity on debt created by issue of securities at the end of the first half 2024 was 3.6 years. The overall LCR at the same point was 188 per cent and the average overall LCR in the first half was 186 per cent. The LCR in Norwegian kroner and euro at quarter-end was 183 and 231 per cent respectively.

Note 19 - Earnings per Equity Capital Certificate

ECC owners share of profit have been calculated based on net profit allocated in accordance to the average number of certificates outstanding in the period. There is no option agreements in relation to the Equity Capital Certificates, diluted net profit is therefore equivalent to Net profit per ECC.

(NOKm)	First half		2023
	2024	2023	
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve 1)	1,974	1,572	3,489
Allocated to ECC Owners 2)	1,318	1,050	2,331
Issues Equity Capital Certificates adjusted for own certificates	144,174,352	134,169,938	138,106,331
Earnings per Equity Capital Certificate	9.14	7.82	16.88

1) Adjusted Net Profit	First half		2023
	2024	2023	
Net Profit for the group	2,098	1,701	3,688
adjusted for non-controlling interests share of net profit	-54	-70	-74
Adjusted for Tier 1 capital holders share of net profit	-70	-60	-125
Adjusted Net Profit	1,974	1,572	3,489

2) Equity capital certificate ratio (parent bank) (NOKm)	30 Jun 2024	30 Jun 2023	31 Dec 2023
ECC capital	2,884	2,884	2,884
Dividend equalisation reserve	8,480	7,879	8,482
Premium reserve	2,422	2,422	2,422
Unrealised gains reserve	71	43	71
Other equity capital	-1	-	-
A. The equity capital certificate owners' capital	13,856	13,227	13,859
Ownerless capital	6,865	6,566	6,865
Unrealised gains reserve	35	23	35
Other equity capital	-1	-	0
B. The saving bank reserve	6,900	6,589	6,900
To be disbursed from gift fund	-	-	860
Dividend declared	-	-	1,730
Equity ex. profit	20,755	19,816	23,350
Equity capital certificate ratio A/(A+B)	66.8 %	66.8 %	66.8 %
Equity capital certificate ratio for distribution	66.8 %	66.8 %	66.8 %

Note 20 - Events after the reporting period

Merger of the insurance arms of Fremtind and Eika approved by the Financial Supervisory Authority (Finanstilsynet)

Finanstilsynet approved the merger between Fremtind Forsikring AS and Eika Forsikring AS on 27 June 2024. The transaction was carried through on 1 July, and the two companies will be sister companies in Fremtind Holding up to the planned merger resolution and subsequent completion of the merger on 1 October 2024.

Based on figures as at 31 December 2023 and pro forma consolidated accounts, the transaction will entail an increase of about NOK 7bn in the SpareBank 1 Group's equity capital. The majority's (i.e. the SpareBank 1 banks' and LO Norway's) share of this increase is NOK 2.6bn. SpareBank 1 SMN's share of this increase is about NOK 510m.

SpareBank 1 SMN owns 19.5 per cent of the shares of the SpareBank 1 Group, which upon completion of the transaction will hold 51.44 per cent of the shares of Fremtind Holding.

Results from quarterly accounts

Group (NOKm)	2Q 2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022
Interest income effective interest method	3,326	3,283	3,297	3,029	2,654	2,382	2,141	1,602	1,342
Interest expenses	2,016	1,947	1,951	1,803	1,544	1,332	1,175	791	543
Net interest	1,310	1,336	1,345	1,226	1,110	1,050	966	811	799
Commission income	426	367	325	336	367	341	340	370	378
Commission expenses	51	51	40	58	51	50	45	52	46
Other operating income	323	257	213	206	245	249	178	173	223
Commission income and other income	698	572	498	484	561	541	473	491	555
Dividends	6	3	-10	16	18	2	19	8	4
Income from investment in related companies	148	194	90	-2	85	125	195	108	77
Net return on financial investments	-1	54	458	48	-16	-114	-57	-27	-119
Net return on financial investments	153	251	538	62	86	13	158	89	-39
Total income	2,161	2,159	2,382	1,772	1,757	1,604	1,597	1,391	1,316
Staff costs	484	482	476	435	383	398	333	348	350
Other operating expenses	334	299	390	306	300	330	314	235	235
Total operating expenses	818	782	866	741	683	728	646	583	585
Result before losses	1,343	1,377	1,517	1,032	1,074	875	951	808	731
Loss on loans, guarantees etc.	47	24	20	35	29	-71	19	22	-48
Result before tax	1,296	1,353	1,496	996	1,045	946	932	785	779
Tax charge	276	273	262	278	159	206	210	179	164
Result investment held for sale, after tax	-5	3	12	22	37	38	46	10	87
Net profit	1,015	1,084	1,247	740	923	778	768	617	702

Key figures from quarterly accounts

Group (NOKm)	2Q 2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022
Profitability									
Return on equity per quarter ¹⁾	15.4%	16.0%	18.3%	11.1%	15.1%	13.0%	13.1%	10.9%	12.9%
Cost-income ratio ¹⁾	41 %	41 %	47 %	43 %	41 %	46 %	45 %	45 %	43 %
Balance sheet figures									
Gross loans to customers	173,440	169,326	169,862	168,940	166,819	153,181	152,629	150,247	148,681
Gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt	241,832	238,270	236,329	234,316	232,100	213,967	211,244	208,900	205,504
Deposit from customers	139,661	134,395	132,888	138,230	140,164	123,529	122,010	120,558	123,812
Total assets	243,363	235,721	232,717	243,472	248,806	228,207	223,312	218,918	217,458
Quarterly average total assets	239,542	234,219	238,095	246,139	238,507	225,759	221,115	218,188	212,243
Growth in loans incl. SB1 Boligkreditt and SB1 Næringskreditt last 12 months ¹⁾	1.5 %	0.8 %	0.9 %	1.0 %	8.5 %	1.3 %	1.1 %	1.7 %	2.8 %
Growth in deposits last 12 months	3.9 %	1.1 %	-3.9 %	-1.4 %	13.5 %	1.2 %	1.2 %	-2.6 %	8.6 %
Losses in % of gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt									
Impairment losses ratio ¹⁾	0.08 %	0.04 %	0.03 %	0.06 %	0.05 %	-0.13 %	0.04 %	0.04 %	-0.09 %
Stage 3 as a percentage of gross loans ¹⁾	0.78 %	0.82 %	0.88 %	0.98 %	0.99 %	0.96 %	0.97 %	1.02 %	1.08 %
Solidity									
Common equity Tier 1 capital ratio	18.5 %	18.5 %	18.8 %	19.7 %	19.1 %	18.2 %	18.9 %	19.2 %	18.8 %
Tier 1 capital ratio	20.4 %	20.4 %	20.8 %	21.3 %	21.0 %	20.1 %	20.9 %	20.8 %	20.4 %
Capital ratio	23.1 %	23.1 %	23.0 %	23.7 %	23.5 %	22.2 %	23.1 %	23.0 %	22.7 %
Tier 1 capital	24,216	24,073	23,793	24,283	24,192	21,985	21,835	21,252	20,547
Total eligible capital	27,474	27,250	26,399	26,950	27,106	24,298	24,147	23,546	22,910
Liquidity Coverage Ratio (LCR)	188 %	160 %	175 %	173 %	188 %	194 %	239 %	180 %	204 %
Leverage Ratio	7.1 %	7.1 %	7.2 %	7.3 %	7.2 %	6.9 %	7.1 %	7.3 %	6.9 %
Key figures ECC									
ECC share price at end of period (NOK)	151.12	137.80	141.80	137.20	141.00	123.60	127.40	111.40	115.80
Number of certificates issued, millions ¹⁾	144.19	144.13	144.20	143.82	143.80	129.43	129.29	129.29	129.31
Booked equity capital per ECC (NOK) ¹⁾	117.31	113.24	120.48	116.39	112.81	105.63	109.86	107.19	102.91
Profit per ECC, majority (NOK) ¹⁾	4.43	4.68	5.62	3.28	4.21	3.51	3.53	2.89	3.20
Price-Earnings Ratio (annualised) ¹⁾	8.53	7.36	6.31	10.47	8.38	8.79	9.02	9.62	9.06
Price-Book Value Ratio ¹⁾	1.29	1.22	1.18	1.18	1.25	1.17	1.16	1.04	1.13

¹⁾ Defined as alternative performance measures, see attachment to the quarterly report

Statement in compliance with the securities trading act, section 5-6

Statement by the Board of Directors and CEO

We hereby declare that to the best of our knowledge the half-yearly financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting, and that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the bank and the group taken as a whole.

We also declare that to the best of our knowledge the half-yearly management report gives a fair review of important events in the reporting period and their impact on the financial statements, the principal risks and uncertainties facing the business in the next reporting period, and significant transactions with related parties.

Trondheim, 7 August 2024
The Board of Directors of SpareBank 1 SMN

Kjell Bjordal
(chair)

Christian Stav
(deputy chair)

Mette Kamsvåg

Freddy Aursø

Nina Olufsen

Ingrid Finboe Svendsen

Kristian Sætre

Christina Straub
(employee rep.)

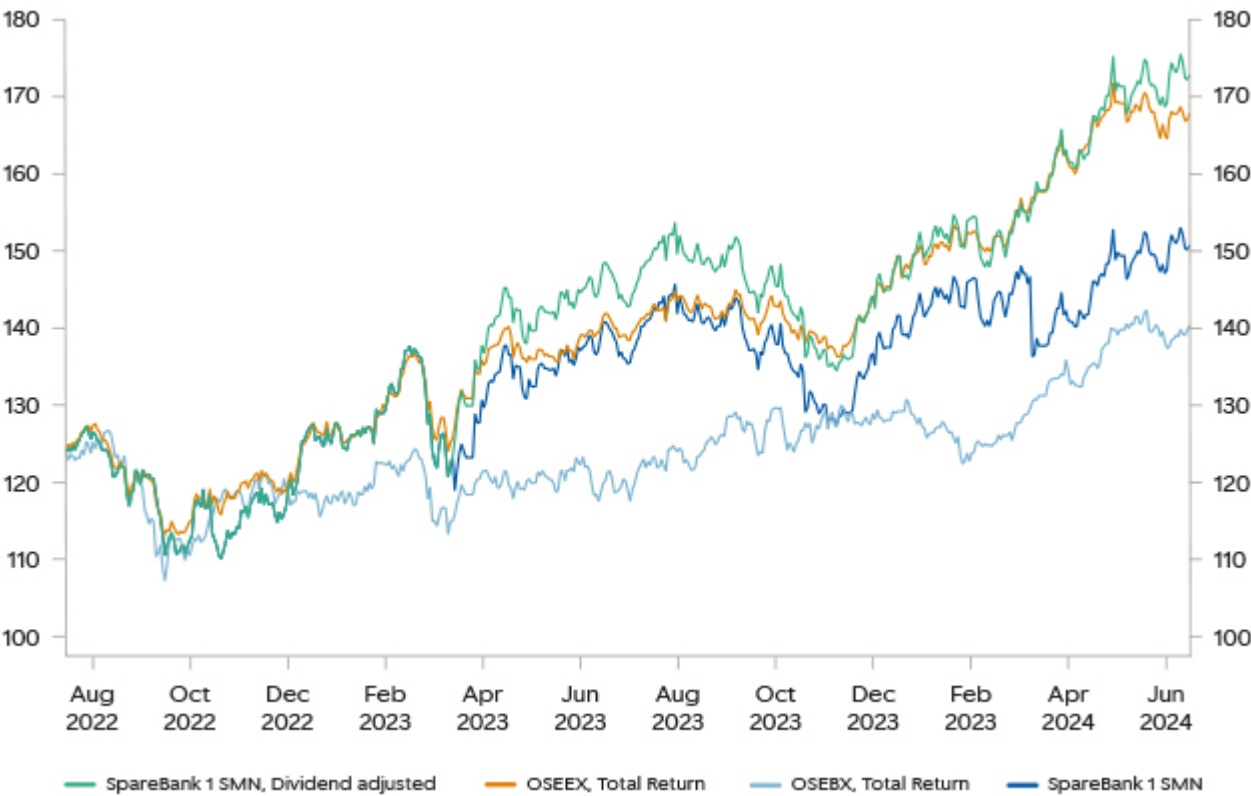
Inge Lindseth
(employee rep.)

Jan-Frode Janson
(Group CEO)

Equity capital certificates

Stock price compared with OSEBX and OSEEX

1 July 2022 to 30 June 2024

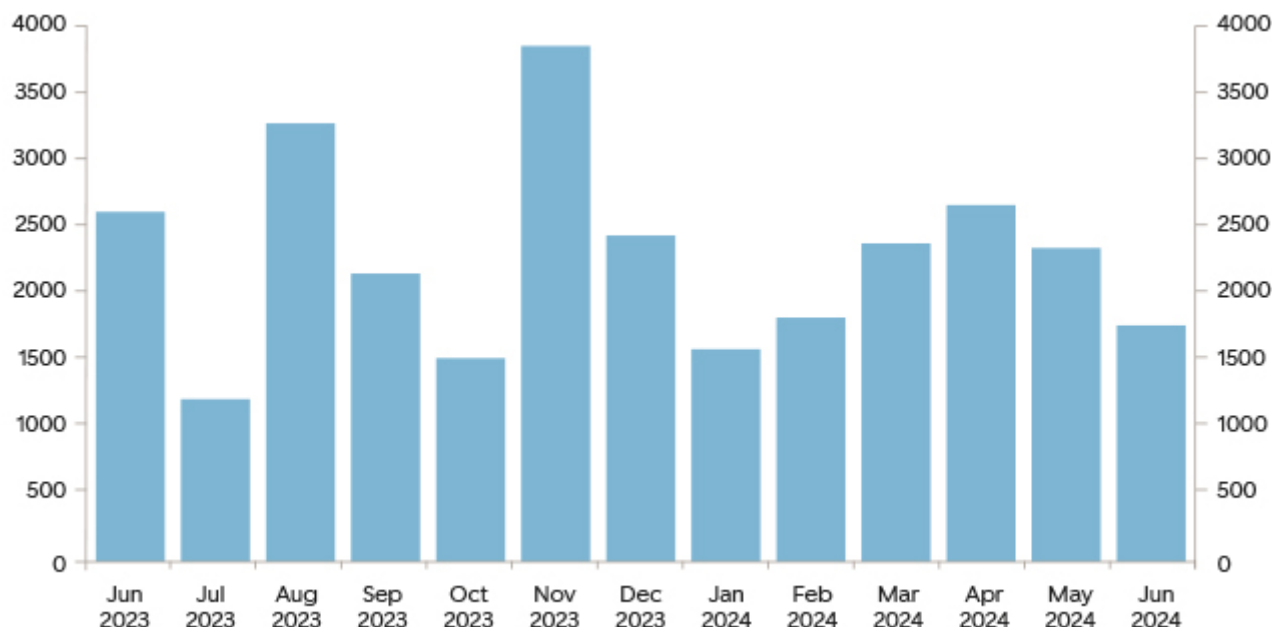


OSEBX = Oslo Stock Exchange Benchmark Index (rebased)

OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics

1 June 2023 to 30 June 2024



Total number of ECs traded (1000)

20 largest ECC holders	No. Of ECCs	Holding
Sparebankstiftinga Søre Sunnmøre	12,971,224	8.99 %
Sparebankstiftelsen SMN	5,865,799	4.07 %
KLP	4,375,996	3.03 %
Pareto Aksje Norge VPF	4,132,663	2.87 %
State Street Bank and Trust Comp	3,217,255	2.23 %
VPF Eika Egenkapitalbevis	2,995,272	2.08 %
Pareto Invest Norge AS	2,958,362	2.05 %
J. P. Morgan Chase Bank, N.A., London	2,769,580	1.92 %
VPF Alfred Berg Gamba	2,686,207	1.86 %
The Northern Trust Comp	2,429,700	1.68 %
VPF Holberg Norge	2,190,000	1.52 %
State Street Bank and Trust Comp	2,111,568	1.46 %
J. P. Morgan SE	2,070,630	1.44 %
Forsvarets personellservice	2,014,446	1.40 %
Danske Invest Norske Aksjer Institusjon II.	2,007,170	1.39 %
VPF Nordea Norge	1,847,635	1.28 %
RBC Investor Services Trust	1,809,207	1.25 %
VPF Odin Norge	1,797,177	1.25 %
Spesialfondet Borea Utbytte	1,465,469	1.02 %
MP Pensjon PK	1,352,771	0.94 %
The 20 largest ECC holders in total	63,068,131	43.73 %
Others	81,147,459	56.27 %
Total issued ECCs	144,215,590	100.00 %

Dividend policy

SpareBank 1 SMN aims to manage the Group's resources in such a way as to provide equity certificate holders with a good, stable and competitive return in the form of dividend and a rising value of the bank's equity certificate.

The net profit for the year will be distributed between the owner capital (the equity certificate holders) and the ownerless capital in accordance with their respective shares of the bank's total equity capital.

SpareBank 1 SMN's intention is that about one half of the owner capital's share of the net profit for the year should be disbursed in dividends and, similarly, that about one half of the owner capital's share of the net profit for the year should be disbursed as gifts or transferred to a foundation. This is on the assumption that capital adequacy is at a satisfactory level. When determining dividend payout, account will be taken of the profit trend expected in a normalised market situation, external framework conditions and the need for tier 1 capital.



To the Board of SpareBank 1 SMN

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated balance sheet of SpareBank 1 SMN as at 30 June 2024, and the related consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information that gives a true and fair view in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not, in all material respects, give a true and fair view of the financial position of the entity as at 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Trondheim, 7 August 2024

PricewaterhouseCoopers AS

Rune Kenneth S. Lædre
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.