

Alternative Performance Measures (APM)

SpareBank 1 SMN hereby presents alternative performance measures (APMs) providing useful information as a supplement to financial statements. The measures are not defined under IFRS and may not be directly comparable with other companies' alternate performance measures. APMs are not intended to replace or overshadow accounting data. They are included in our reports to provide an insight into, and understanding of, results achieved by SpareBank 1 SMN, and are important measures of the management's governance of the group companies and of the Group as a whole.

Key figures and ratios regulated under IFRS or other legislation are not regarded as APMs. The same is true of non-financial information. SpareBank 1 SMN's alternative performance measures are presented in the Overview of Main Figures, and in the Report of the Board of Directors. All APMs are presented with comparatives. All APMs referred to below have been applied consistently over time.

Alternative performance measures at SpareBank 1 SMN with definitions:	Justification and definition
Return on equity	Return on equity (ROE) provides relevant information about SpareBank 1 SMN's profitability by measuring its ability to generate profit from the shareholder's investment. ROE is one of SpareBank 1 SMN's most important APMs, and is calculated as the shareholder's portion of the profit for the period divided by average equity capital, less hybrid capital (debt-equity hybrids classified as equity capital).
Book equity per ECC (including dividend)	This key figure provides information on the value of book per equity capital certificate (ECC). This enables the reader to assess the reasonableness of the market price of the ECC. Book equity per ECC is calculated as the ECCs' share of equity capital at period-end divided by the number of ECCs.
Price / earnings per ECC	This key figure provides information on the earning per equity capital certificate relative to the market price at a given point in time, which provide a possibility to assess the reasonability of the market price for the ECC. Calculated as stock price per ECC divided by annualised earning per ECC.
Price / book equity	This key figure provides information on the value of book equity per ECC against the market price at a given point in time, enabling an assessment of the reasonableness of the market price of the ECC. It is calculated as market price per ECC divided by book equity per ECC (see the definition of this key figure above).
Cost ratio	Cost ratio is included to provide information on the correlation between incomes and costs, and is considered to be one of SpareBank 1 SMN's most important performance measures. It is calculated as the total operating costs divided by the total income (excluding net result from financial instruments).
Deposit-to-loan ratio incl. SB1 Boligkreditt and SB1 Næringskreditt	This ratio provides relevant information on SpareBank 1 SMN's liquidity position. It is calculated as customer deposits divided by total loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at period-end.
12 month deposit growth	Provides information about the activity and growth in the deposits for the Group. The performance measure has been calculated as deposits from customers at the end of the period, deducted deposits from customers at the start of the period, divided by deposits from customers at the start of the period.
Lending growth (gross) in last 12 months (incl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt)	Growth in lending over the last 12 months is a performance measure that provides relevant information on the level of activity of and growth in the bank's lending business. The bank uses mortgage companies as a source of funding, and this key figure includes loans sold to the mortgage companies since this better reflects the level of activity and growth in lending than if these loans were excluded. Lending growth is calculated as gross loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at period-end minus gross loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at period-start divided by gross loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at the start of the period.
Lending margin Corporate and Retail market, including loans sold to SpareBank 1 Boligkreditt (SB1 BK) and SpareBank 1 Næringskreditt (SB1 NK)	Lending margin provide information about the group net interest income, by measuring the interest margin relative to the 3 month money market rate. The group utilises SpareBank1 Boligkreditt and SpareBank1 Næringskreditt as a funding source, og the lending margins therefore include interest income on loans sold to these companies as this better reflects the Group revenue on total loans. The lending margin has been calculated as net interest income on loans including interest income from SB1 BK and SB1 NK, deducted interest cost equivalent to 3 month money market rate, divided by average loans for the period including loans sold to SB1 BK and SB1 NK.
Losses in % of gross loans incl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	
Loan-loss ratio	This key figure indicates recognised impairment cost as a function of gross loans incl. loans transferred to mortgage companies. The figure is calculated as loss recognised in the period divided by gross loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at period-end. Where information is disclosed on loan-loss ratios for periods shorter than one year, the ratios are annualised for recognition purposes.
Stage 2 in % of gross loans	This ratio is presented because it provides relevant information on the bank's credit exposure. It is calculated as Stage 2 exposures divided by total loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at period-end.
Stage 3 in % of gross loans	This ratio is presented because it provides relevant information on the bank's credit exposure. It is calculated as Stage 3 exposures divided by total loans incl. loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt at period-end.

GROUP	YTD 01.01.2024	10 24	YTD 01.01.2023	09 23	YTD 01.01.2022	08 22	YTD 01.01.2021	10 21	YTD 01.01.2020	09 20	YTD 01.01.2019	10 19	YTD 01.01.2018	10 18				
Profit for the period	1,084	1,084	3,688	2,247	2,441	740	1,701	923	778	778	2,785	798	2,027	617	1,400	702	698	698
Deduct interest hybrid capital	48	48	125	50	86	27	60	26	100	100	63	37	45	17	33	12	21	21
Profit for the period excl. interest hybrid capital	1,035	1,035	3,563	2,207	2,355	714	1,641	897	678	678	2,722	761	1,972	604	1,367	690	677	677
Total Equity	27,004	27,004	28,307	28,307	27,471	27,471	26,975	26,975	24,002	24,002	25,000	25,000	25,000	25,000	23,863	23,863	22,961	22,439
Deduct hybrid capital	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852
Equity excl. hybrid capital	25,142	25,142	26,455	26,455	25,619	25,619	25,123	25,123	22,150	22,150	23,148	23,148	23,148	23,148	22,011	22,011	21,109	20,587
Average equity excl. hybrid capital	25,118	25,118	24,723	24,723	24,231	24,231	23,635	23,635	20,677	20,677	21,675	21,675	21,675	21,675	20,517	20,517	19,615	19,093
4.142	4.142	3.563	3.563	3.240	3.240	2.854	2.854	2.854	2.722	2.722	3.003	2.629	2.418	2.734	2.760	2.707	2.707	2.558
Deduct by average equity excl. hybrid capital	25,118	25,118	24,723	24,723	24,231	24,231	23,635	23,635	20,677	20,677	21,675	21,675	21,675	21,675	20,517	20,517	19,615	19,093
Return on Equity	39.2%	39.2%	34.4%	34.4%	33.1%	33.1%	33.9%	33.9%	32.8%	32.8%	34.1%	34.1%	34.1%	34.1%	32.6%	32.6%	32.6%	32.6%
Equity Capital Certificate Ratio	66.7%	66.7%	66.8%	66.8%	66.8%	66.8%	66.8%	66.8%	63.9%	63.9%	63.9%	63.9%	63.9%	63.9%	63.9%	63.9%	63.9%	63.9%
Unrealized gains reserve	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106
Total other equity	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702	9,702
Owned equity Certificates	144,129,710	144,129,710	144,203,845	144,203,845	143,817,998	143,817,998	143,795,583	143,795,583	129,428,573	129,428,573	129,285,658	129,285,658	129,285,658	129,285,658	129,285,658	129,285,658	129,305,485	129,387,942
Own certificates SBI 300s	85,880	85,880	131,765	131,765	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321	131,321
Own certificates SBI Markets	144,105,778	144,105,778	138,205,331	138,205,331	138,586,714	138,586,714	138,586,714	138,586,714	129,357,252	129,357,252	129,154,337	129,154,337	129,154,337	129,154,337	129,154,337	129,154,337	129,346,714	129,387,942
Equity Certificates, average	25,142	25,142	26,455	26,455	25,619	25,619	25,123	25,123	22,150	22,150	23,148	23,148	23,148	23,148	22,011	22,011	21,109	20,587
Equity excl. hybrid capital	25,142	25,142	26,455	26,455	25,619	25,619	25,123	25,123	22,150	22,150	23,148	23,148	23,148	23,148	22,011	22,011	21,109	20,587
Deduct non-controlling interests	693	693	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696
Deduct gifts	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800
Deduct Savings Bank's reserve	6,865	6,865	6,865	6,865	6,865	6,865	6,865	6,865	6,408	6,408	6,408	6,408	6,408	6,408	6,408	6,408	6,408	6,408
Deduct Savings Bank's reserve share of Unrealized gains reserve (Total multiplied by ECC factor)	35	35	35	35	35	35	35	35	25	25	25	25	25	25	25	25	25	25
Deduct Savings Bank's reserve share of Other Equity (Total multiplied by ECC factor)	1,236	1,236	993	993	1,722	1,722	1,564	1,564	1,290	1,290	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136
Equity Capital Certificate holder's share of Equity	144,129,710	144,129,710	138,105,331	138,105,331	143,099,724	143,099,724	143,099,724	143,099,724	129,357,252	129,357,252	129,154,337	129,154,337	129,154,337	129,154,337	129,154,337	129,154,337	129,346,714	129,387,942
Deduct by number of Equity Certificates issued	144,129,710	144,129,710	144,203,845	144,203,845	143,817,998	143,817,998	143,795,583	143,795,583	129,428,573	129,428,573	129,285,658	129,285,658	129,285,658	129,285,658	129,285,658	129,285,658	129,305,485	129,387,942
Weighted equity capital per ECC	133.24	133.24	136.474995	136.47	133.81	133.81	133.81	133.81	126.48	126.48	130.23	130.23	130.23	130.23	127.85	127.85	127.85	127.85
Profit attributable to Equity capital certificate holders	675	675	2,331	809	1,521	473	1,060	575	675	675	1,658	456	1,201	374	827	413	413	413
Profit by issued equity Certificates, average	144,166,778	144,166,778	138,105,331	138,105,331	143,099,724	143,099,724	143,099,724	143,099,724	129,357,252	129,357,252	129,154,337	129,154,337	129,154,337	129,154,337	129,154,337	129,154,337	129,346,714	129,387,942
Net Profit per Equity Certificate	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61
Stock Price	137.0	137.0	141.8	141.8	137.20	137.20	141	141	123.6	123.6	114.4	114.4	114.4	114.4	114.4	114.4	114.4	114.4
Deduct by Booked equity capital per ECC	113.24	113.24	107.474995	107.47	114.81	114.81	114.81	114.81	105.63	105.63	107.20	107.20	107.20	107.20	107.20	107.20	107.20	107.20
Price-Book Value Ratio	1.22	1.22	1.27700005	1.28	1.19	1.19	1.27	1.27	1.17	1.17	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16
Total operating expenses	782	782	3,017	866	2,152	741	1,413	683	728	728	2,443	646	1,797	583	1,234	585	629	629
Deduct by Total Revenues (excluding net result financial instruments)	1,878	1,878	6,716	1,811	4,905	1,675	3,230	1,684	1,576	1,576	5,380	1,434	3,845	1,503	2,640	1,359	1,281	1,281
Cost-income ratio	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
Loans from customers	134,395	134,395	132,888	132,888	138,230	138,230	140,364	140,364	123,529	123,529	122,030	122,030	120,558	120,558	123,812	123,812	114,053	114,053
Deduct by Gross loans to customers incl. SBI Boligkredit and SBI Næringskredit	134,395	134,395	132,888	132,888	138,230	138,230	140,364	140,364	123,529	123,529	122,030	122,030	120,558	120,558	123,812	123,812	114,053	114,053
Net Profit per Equity Certificate	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61
Stock Price	137.0	137.0	141.8	141.8	137.20	137.20	141	141	123.6	123.6	114.4	114.4	114.4	114.4	114.4	114.4	114.4	114.4
Deduct by Booked equity capital per ECC	113.24	113.24	107.474995	107.47	114.81	114.81	114.81	114.81	105.63	105.63	107.20	107.20	107.20	107.20	107.20	107.20	107.20	107.20
Price-Book Value Ratio	1.22	1.22	1.27700005	1.28	1.19	1.19	1.27	1.27	1.17	1.17	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16
Total operating expenses	782	782	3,017	866	2,152	741	1,413	683	728	728	2,443	646	1,797	583	1,234	585	629	629
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Cost-income ratio	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
Loans from customers	134,395	134,395	132,888	132,888	138,230	138,230	140,364	140,364	123,529	123,529	122,030	122,030	120,558	120,558	123,812	123,812	114,053	114,053
Deduct by Gross loans to customers incl. SBI Boligkredit and SBI Næringskredit	134,395	134,395	132,888	132,888	138,230	138,230	140,364	140,364	123,529	123,529	122,030	122,030	120,558	120,558	123,812	123,812	114,053	114,053
Net Profit per Equity Certificate	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61
Stock Price	137.0	137.0	141.8	141.8	137.20	137.20	141	141	123.6	123.6	114.4	114.4	114.4	114.4	114.4	114.4	114.4	114.4
Deduct by Booked equity capital per ECC	113.24	113.24	107.474995	107.47	114.81	114.81	114.81	114.81	105.63	105.63	107.20	107.20	107.20	107.20	107.20	107.20	107.20	107.20
Price-Book Value Ratio	1.22	1.22	1.27700005	1.28	1.19	1.19	1.27	1.27	1.17	1.17	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16
Total operating expenses	782	782	3,017	866	2,152	741	1,413	683	728	728	2,443	646	1,797	583	1,234	585	629	629
Deduct by Total Revenues (excluding net result financial instruments)	1,878	1,878	6,716	1,811	4,905	1,675	3,230	1,684	1,576	1,576	5,380	1,434	3,845	1,503	2,640	1,359	1,281	1,281
Cost-income ratio	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
Loans from customers	134,395	134,395	132,888	132,888	138,230	138,230	140,364	140,364	123,529	123,529	122,030	122,030	120,558	120,558	123,812	123,812	114,053	114,053
Deduct by Gross loans to customers incl. SBI Boligkredit and SBI Næringskredit	134,395	134,395	132,888	132,888														