

# Investor Relations

## Supplementary Information

2019

Q3



## Contact information

CEO Jan-Frode Janson

### For further information, please contact

CFO Kjell Fordal  
kjell.fordal@smn.no  
+47 905 41 672

### Address

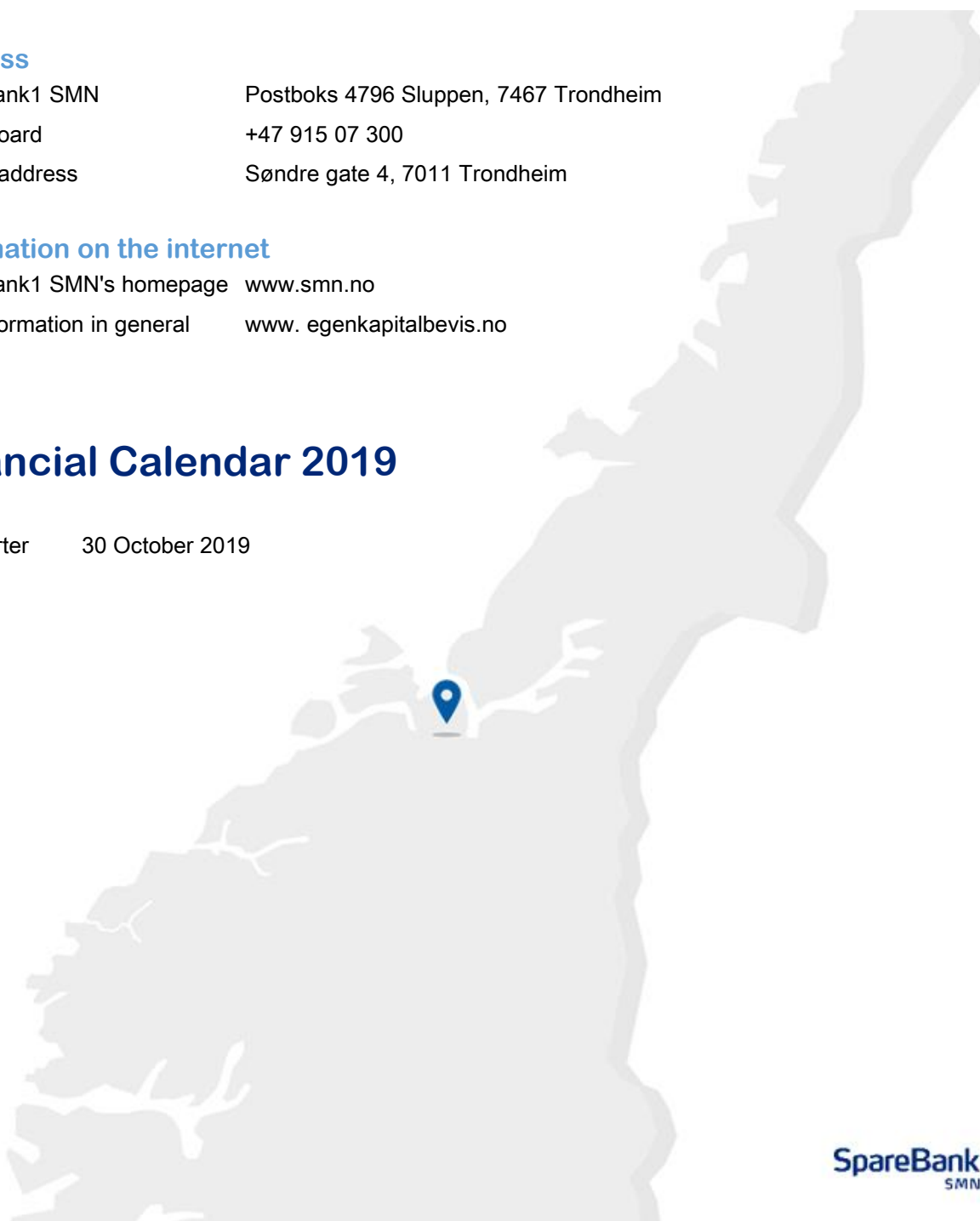
SpareBank1 SMN Postboks 4796 Sluppen, 7467 Trondheim  
Switchboard +47 915 07 300  
Visiting address Søndre gate 4, 7011 Trondheim

### Information on the internet

SpareBank1 SMN's homepage [www.smn.no](http://www.smn.no)  
ECC information in general [www.egenkapitalbevis.no](http://www.egenkapitalbevis.no)

## Financial Calendar 2019

3rd quarter 30 October 2019



# Major changes from Q2 2019

## **LO**

LO (Norwegian Confederation of Trade Unions) has entered a three-year agreement with two preferred banking partners: SpareBank 1 SMN and SpareBank 1 Østlandet. LO is the largest employee organisation in Norway and the bank expects many new customers and higher activity linked to this agreement, in particular in the bank's own market area.

## **Green bond**

SpareBank 1 SMN has issued its first senior green bond in the euro market under the bank's "green bond framework". The bond is linked to certified loans in the bank's corporate banking portfolio in the fishery, aquaculture and commercial real estate sectors.

## **UNs Principles for Responsible Banking**

SpareBank 1 SMN is one of five Norwegian banks that has endorsed UNs Principle for Responsible Banking. The principles are designed to guide banks to align their business strategy with the UN's sustainability goals as well as the Paris Agreement.

# Table of Contents



## 1 SpareBank 1 SMN

<b>1.1 Financial highlights</b>	5	<b>1.6 Operating expenses</b>	21
Main figures	5	Operating expenses	21
Balance sheet - condensed	6	Change in operating expenses	22
Equity capital certificate (MING)	7	Employees- full time equivalents	22
<b>1.2 Credit ratings</b>	8	<b>1.7 Loans to customers</b>	23
Moody's	8	Distribution of loans by industry	23
Fitch	8	Credit risk classification in SpareBank 1 SMN	24
<b>1.3 Financial results and key figures</b>	9	Risk profile - Exposure At Default	24
Financial results	9	Loans and guarantees by industry	25
Balance sheet	11	Write-downs on loans and guarantees	25
Key figures	13	Loss on loans by segment	26
<b>1.4 Net interest income</b>	15	Write-down ratio	26
Net interest income	15	<b>1.8 Funding and liquidity</b>	27
Change in interest income from lending and deposits	15	Securities liabilities	27
Change in net interest income	15	Funding maturity dates	27
Margin development	16	<b>1.9 Capital adequacy</b>	28
Volume development	16	Capital adequacy ratios	28
<b>1.5 Other income</b>	17	Leverage ratio	28
Commision and other income	17	Spesification of capital requirements	29
Change in commision and other income	18		
Net return on financial investments	19		
Change in net return on financial investments	20		

## 2 Segment information

<b>2.1 Extract from income statement</b>	33
<b>2.2 Retail market</b>	35
<b>2.3 Corporate market</b>	37
<b>2.4 Subsidiaries</b>	39
EiendomsMegler 1 Midt-Norge AS	39
SpareBank 1 Finans Midt-Norge AS	40
SpareBank 1 Regnskapshuset AS	41
SpareBank 1 Markets AS	42
Other subsidiaries	43

## 3 Appendix

<b>A1 Business description</b>	44
<b>A2 20 largest stakeholders</b>	47
<b>A3 ECC capital history</b>	48
<b>A4 CAD</b>	48

## 1.1 Financial highlights



### January - September 2019

YTD 2018

Profit before tax and inv. held for sale	2,612	NOK million	1,937
Net profit	2,217	NOK million	1,689
Return on equity	16.0	per cent	13.3
Annual lending growth	4.8	per cent	7.3
Annual deposits growth	7.9	per cent	6.1
Loan losses	198	NOK million	196
CET1 ratio	15.1	per cent	14.9
Earnings per EC	10.54	NOK	8.07

### Q3 2019

Q3 2018

Profit before tax and inv. held for sale	609	NOK million	592
Net profit	488	NOK million	480
Return on equity	10.2	per cent	11.1
Loan losses	71	NOK million	69
Earnings per EC	2.30	NOK	2.32



## Main figures

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest	678	664	649	644	610	581	568	589	570
Commission income and other income	554	606	551	543	486	607	542	529	482
Net return on financial investments	121	336	727	95	182	300	180	256	235
<b>Total income</b>	<b>1,353</b>	<b>1,607</b>	<b>1,926</b>	<b>1,282</b>	<b>1,277</b>	<b>1,488</b>	<b>1,290</b>	<b>1,374</b>	<b>1,287</b>
<b>Total operating expenses</b>	<b>673</b>	<b>701</b>	<b>704</b>	<b>701</b>	<b>616</b>	<b>661</b>	<b>645</b>	<b>618</b>	<b>582</b>
<b>Result before losses</b>	<b>680</b>	<b>907</b>	<b>1,223</b>	<b>580</b>	<b>661</b>	<b>827</b>	<b>645</b>	<b>756</b>	<b>705</b>
Loss on loans, guarantees etc.	71	59	67	67	69	78	48	78	88
<b>Result before tax</b>	<b>609</b>	<b>848</b>	<b>1,155</b>	<b>513</b>	<b>592</b>	<b>748</b>	<b>596</b>	<b>678</b>	<b>617</b>
Tax charge	121	165	109	104	119	156	131	122	118
Results investments held for sale, after tax	0	0	0	-8	6	150	1	-4	0
<b>Net profit</b>	<b>488</b>	<b>683</b>	<b>1,046</b>	<b>401</b>	<b>480</b>	<b>743</b>	<b>466</b>	<b>553</b>	<b>500</b>

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Net interest	1,991	2,403	2,225	1,929	1,920
Commission income and other income	1,711	2,177	2,005	1,674	1,545
Net return on financial investments	1,185	757	760	944	459
<b>Total income</b>	<b>4,886</b>	<b>5,337</b>	<b>4,989</b>	<b>4,547</b>	<b>3,924</b>
<b>Total operating expenses</b>	<b>2,077</b>	<b>2,624</b>	<b>2,369</b>	<b>2,003</b>	<b>1,931</b>
<b>Result before losses</b>	<b>2,809</b>	<b>2,713</b>	<b>2,621</b>	<b>2,544</b>	<b>1,993</b>
Loss on loans, guarantees etc.	198	263	341	516	169
<b>Result before tax</b>	<b>2,612</b>	<b>2,450</b>	<b>2,279</b>	<b>2,029</b>	<b>1,824</b>
Tax charge	395	509	450	352	383
Results investments held for sale, after tax	0	149	-1	4	-1
<b>Net profit</b>	<b>2,217</b>	<b>2,090</b>	<b>1,828</b>	<b>1,681</b>	<b>1,441</b>

## Balance sheet - condensed

Quarterly figures [NOK million]	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017
Total assets	166,475	167,289	164,641	160,704	159,337	159,584	152,083	153,254	146,913
Average total assets (quarterly)	166,882	165,965	162,673	160,021	159,460	155,833	152,668	150,083	148,181
Gross loans to customers <sup>1</sup>	165,380	163,627	161,091	160,317	157,825	154,790	151,065	148,784	147,146
Deposits from customers	83,641	86,553	81,111	80,615	77,529	80,343	75,937	76,476	73,086
Total equity capital	19,904	19,450	18,673	18,686	18,650	17,984	17,365	17,510	17,208

<sup>1</sup> Loans to customers includes loans sold to SpareBank1 Boligkreditt and SpareBank1 Næringskreditt.

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Total assets	166,475	160,704	153,254	138,080	131,914
Average total assets (quarterly)	164,777	160,021	150,083	138,948	130,575
Gross loans to customers <sup>1</sup>	165,380	160,317	148,784	137,535	127,378
Deposits from customers	83,641	80,615	76,476	67,168	64,090
Total equity capital	19,904	18,686	17,510	16,253	14,857

## Equity capital certificate (MING)

Quarterly figures	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
ECC price	98.50	97.70	87.40	84.20	90.90	84.50	80.90	82.25	81.25
Number of certificates issued, millions	129.48	129.66	129.41	129.62	129.44	129.31	129.38	129.38	129.40
Booked equity capital per ECC (incl. dividend)	89.36	87.04	83.86	83.87	82.57	80.21	76.53	78.81	79.18
Adjusted profit per ECC	2.30	3.21	5.02	1.90	2.32	3.54	2.21	2.63	2.42
P/E per ECC (annualised)	10.69	7.61	4.35	11.05	9.77	5.97	9.16	7.81	8.40
P/B equity capital	1.10	1.12	1.04	1.00	1.10	1.05	1.06	1.04	1.03

Five years	YTD 19	2018	2017	2016	2015
ECC price	98.50	84.20	82.25	64.75	50.50
Number of certificates issued, millions	129.48	129.62	129.38	129.64	129.43
Booked equity capital per ECC (incl. dividend)	89.36	83.87	78.81	73.35	67.39
Adjusted profit per ECC	10.54	9.97	8.71	7.93	6.96
P/E per ECC (annualised)	7.01	8.44	9.44	8.17	7.26
P/B equity capital	1.10	1.00	1.04	0.88	0.75

## 1.2 Credit Ratings

### Moody's

[year end]	Current rating	2018	2017	2016	2015	2014	2013
Outlook	Stable	Negative	Negative	Stable	Stable	Negative	Stable
Issuer Rating	A1	A1	A1	A1	A1	A2	A2
Bank Deposits	A1/P-1	A1/ P-1	A1/ P-1	A1/ P-1	A1/ P-1	A2/ P-1	A2/ P-1
Senior Unsecured	A1	A1	A1	A1	A1	A2	A2
Subordinate	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3

### Fitch

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



## 1.3 Financial results and key figures

### Financial results

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Interest income	1,190	1,127	1,075	1,082	1,025	989	962	989	959
Interest expenses	512	463	426	438	414	408	394	400	389
<b>Net interest income</b>	<b>678</b>	<b>664</b>	<b>649</b>	<b>644</b>	<b>610</b>	<b>581</b>	<b>568</b>	<b>589</b>	<b>570</b>
Commission income	374	363	329	343	344	361	339	372	360
Commission expenses	55	51	40	42	45	45	36	49	46
Other operating income	235	294	262	242	186	291	239	206	168
<b>Commission income and other income</b>	<b>554</b>	<b>606</b>	<b>551</b>	<b>543</b>	<b>486</b>	<b>607</b>	<b>542</b>	<b>529</b>	<b>482</b>
Dividends	1	11	2	2	0	4	2	0	1
Income from investment in related companies	85	231	555	130	105	102	79	147	126
Net return on financial investments	35	95	169	-37	77	195	99	108	108
<b>Net return on financial investments</b>	<b>121</b>	<b>336</b>	<b>727</b>	<b>95</b>	<b>182</b>	<b>300</b>	<b>180</b>	<b>256</b>	<b>235</b>
<b>Total income</b>	<b>1,353</b>	<b>1,607</b>	<b>1,926</b>	<b>1,282</b>	<b>1,277</b>	<b>1,488</b>	<b>1,290</b>	<b>1,374</b>	<b>1,287</b>
Staff costs	404	438	447	391	376	413	403	362	357
Other operating expenses	269	263	257	311	240	248	241	255	225
<b>Total operating expenses</b>	<b>673</b>	<b>701</b>	<b>704</b>	<b>701</b>	<b>616</b>	<b>661</b>	<b>645</b>	<b>618</b>	<b>582</b>
<b>Result before losses</b>	<b>680</b>	<b>907</b>	<b>1,223</b>	<b>580</b>	<b>661</b>	<b>827</b>	<b>645</b>	<b>756</b>	<b>705</b>
Loss on loans, guarantees etc.	71	59	67	67	69	78	48	78	88
<b>Result before tax</b>	<b>609</b>	<b>848</b>	<b>1,155</b>	<b>513</b>	<b>592</b>	<b>748</b>	<b>596</b>	<b>678</b>	<b>617</b>
Tax charge	121	165	109	104	119	156	131	122	118
Results investments held for sale, after tax	0	0	0	-8	6	150	1	-4	0
<b>Net profit</b>	<b>488</b>	<b>683</b>	<b>1,046</b>	<b>401</b>	<b>480</b>	<b>743</b>	<b>466</b>	<b>553</b>	<b>500</b>
Majority share	467	650	1,017	386	470	716	447	533	490
Minority interest	11	22	10	6	2	19	8	12	2

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Interest income	3,392	4,057	3,825	3,597	4,031
Interest expenses	1,401	1,655	1,600	1,668	2,111
<b>Net interest</b>	<b>1,991</b>	<b>2,403</b>	<b>2,225</b>	<b>1,929</b>	<b>1,920</b>
Commission income	1,066	1,387	1,390	1,251	1,245
Commission expenses	146	168	168	133	135
Other operating income	791	958	783	556	435
<b>Commission income and other income</b>	<b>1,711</b>	<b>2,177</b>	<b>2,005</b>	<b>1,674</b>	<b>1,545</b>
Dividends	14	8	6	88	25
Income from investment in related companies	871	416	437	423	448
Net return on financial investments	300	334	317	434	-14
<b>Net return on financial investments</b>	<b>1,185</b>	<b>757</b>	<b>760</b>	<b>944</b>	<b>459</b>
<b>Total income</b>	<b>4,886</b>	<b>5,337</b>	<b>4,989</b>	<b>4,547</b>	<b>3,924</b>
Staff costs	1,288	1,584	1,426	1,159	1,093
Other operating expenses	789	1,040	943	844	838
<b>Total operating expenses</b>	<b>2,077</b>	<b>2,624</b>	<b>2,369</b>	<b>2,003</b>	<b>1,931</b>
<b>Result before losses</b>	<b>2,809</b>	<b>2,713</b>	<b>2,621</b>	<b>2,544</b>	<b>1,993</b>
Loss on loans, guarantees etc.	198	263	341	516	169
<b>Result before tax</b>	<b>2,612</b>	<b>2,450</b>	<b>2,279</b>	<b>2,029</b>	<b>1,824</b>
Tax charge	395	509	450	352	383
Results investments held for sale, after tax	0	149	-1	4	-1
<b>Net profit</b>	<b>2,217</b>	<b>2,090</b>	<b>1,828</b>	<b>1,681</b>	<b>1,441</b>
Majority share	2,134	2,018	1,763	1,606	1,410
Minority interest	44	34	32	41	-4

## Balance sheet

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2019	2019	2019	2018	2018	2018	2018	2017	2017
Cash and receivables from central banks	1,279	1,278	647	883	1,129	1,403	635	3,313	1,351
Deposits with and loans to credit institutions	4,432	8,612	8,387	5,074	6,828	5,078	6,113	4,214	2,310
Net loans to and receivables from customers	123,037	121,025	119,285	119,728	117,153	114,683	112,119	110,959	109,649
Fixed-income CDs and bonds at fair value	21,125	19,870	20,806	20,348	19,721	18,640	18,797	19,736	17,908
Derivatives	4,052	3,767	3,181	4,119	2,686	2,910	3,278	4,351	4,262
Shares, units and other equity interests	2,386	2,202	2,015	1,873	2,662	2,540	2,164	1,825	1,607
Investment in related companies	6,487	6,406	6,386	6,098	5,865	5,748	5,879	5,760	5,820
Investments held for sale	41	41	42	43	44	48	639	649	30
Intangible assets	876	878	846	851	849	842	819	793	720
Other assets	2,760	3,210	3,047	1,687	2,401	7,692	1,641	1,654	3,256
<b>Assets</b>	<b>166,475</b>	<b>167,289</b>	<b>164,641</b>	<b>160,704</b>	<b>159,337</b>	<b>159,584</b>	<b>152,083</b>	<b>153,254</b>	<b>146,913</b>
Deposits from credit institutions	8,942	11,793	11,601	9,214	10,106	9,889	8,374	9,607	9,484
Deposits from and debt to customers	83,641	86,553	81,111	80,615	77,529	80,343	75,937	76,476	73,086
Debt created by issue of securities	44,889	39,578	43,172	44,269	44,113	43,234	41,410	42,194	38,091
Derivatives	3,505	3,479	3,178	2,982	3,005	2,974	2,970	3,343	3,679
Other liabilities	3,339	4,172	4,632	2,670	3,264	2,962	3,832	1,923	2,816
Investments held for sale	0	0	0	1	0	8	0	1	0
Subordinated loan capital	2,254	2,263	2,273	2,268	2,668	2,189	2,195	2,201	2,549
<b>Total liabilities</b>	<b>146,571</b>	<b>147,839</b>	<b>145,968</b>	<b>142,018</b>	<b>140,687</b>	<b>141,600</b>	<b>134,718</b>	<b>135,744</b>	<b>129,705</b>
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597
Own holdings of ECCs	-7	-3	-9	-4	-5	-11	-10	-8	-8
Premium fund	895	895	895	895	895	895	895	895	895
Dividend equalisation fund	5,581	5,591	5,580	5,594	5,075	5,075	5,066	5,072	4,477
Recommended dividends	0	0	0	661	0	0	0	571	0
Provision for gifts	0	0	0	373	0	0	0	322	0
Ownerless capital	5,126	5,126	5,126	5,126	4,831	4,831	4,831	4,831	4,498
Unrealised gains reserve	155	155	155	155	126	126	126	126	139
Other equity capital	1,544	1,566	1,595	1,608	1,509	1,503	1,515	1,547	1,895
Hybrid capital	1,004	1,013	1,023	1,043	1,310	1,136	1,306	993	925
Result of the period	2,217	1,729	1,046	0	1,689	1,209	466	0	1,275
Minority interests	792	781	665	637	623	621	572	565	516
<b>Total equity capital</b>	<b>19,904</b>	<b>19,450</b>	<b>18,673</b>	<b>18,686</b>	<b>18,650</b>	<b>17,984</b>	<b>17,365</b>	<b>17,510</b>	<b>17,208</b>
<b>Total liabilities and equity</b>	<b>166,475</b>	<b>167,289</b>	<b>164,641</b>	<b>160,704</b>	<b>159,337</b>	<b>159,584</b>	<b>152,083</b>	<b>153,254</b>	<b>146,913</b>

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Cash and receivables from central banks	1,279	883	3,313	315	3,270
Deposits with and loans to credit institutions	4,432	5,074	4,214	3,892	2,407
Net loans to and receivables from customers	123,037	119,728	110,959	101,354	93,415
Fixed-income CDs and bonds at fair value	21,125	20,348	19,736	17,557	15,752
Derivatives	4,052	4,119	4,351	4,752	7,524
Shares, units and other equity interests	2,386	1,873	1,825	1,542	1,485
Investment in related companies	6,487	6,098	5,760	5,638	5,522
Investments held for sale	41	43	649	15	16
Intangible assets	876	851	793	639	562
Other assets	2,760	1,687	1,654	2,376	1,962
<b>Assets</b>	<b>166,475</b>	<b>160,704</b>	<b>153,254</b>	<b>138,080</b>	<b>131,914</b>
Deposits from credit institutions	8,942	9,214	9,607	10,509	8,155
Deposits from and debt to customers	83,641	80,615	76,476	67,168	64,090
Debt created by issue of securities	44,889	44,269	42,194	36,317	35,154
Derivatives	3,505	2,982	3,343	4,074	5,414
Other liabilities	3,339	2,670	1,923	1,531	1,734
Investments held for sale	0	1	1	0	0
Subordinated loan capital	2,254	2,268	2,201	2,228	2,509
<b>Total liabilities</b>	<b>146,571</b>	<b>142,018</b>	<b>135,744</b>	<b>121,827</b>	<b>117,056</b>
Equity capital certificate	2,597	2,597	2,597	2,597	2,597
Own holdings of ECCs	-7	-4	-8	-4	-21
Premium fund	895	895	895	895	895
Dividend equalisation fund	5,581	5,594	5,072	4,487	3,790
Recommended dividends	0	661	571	389	292
Provision for gifts	0	373	322	220	40
Ownerless capital	5,126	5,126	4,831	4,499	4,106
Unrealised gains reserve	155	155	126	139	292
Other equity capital	1,544	1,608	1,547	1,656	1,597
Hybrid capital	1,004	1,043	993	950	950
Result of the period	2,217	0	0	0	0
Minority interests	792	637	565	425	318
<b>Total equity capital</b>	<b>19,904</b>	<b>18,686</b>	<b>17,510</b>	<b>16,253</b>	<b>14,857</b>
<b>Total liabilities and equity</b>	<b>166,475</b>	<b>160,704</b>	<b>153,254</b>	<b>138,080</b>	<b>131,914</b>

## Key figures

Quarterly figures	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Return on equity	10.2 %	14.9 %	23.3 %	9.0 %	11.1 %	17.9 %	11.2 %	13.4 %	12.5 %
Cost/income ratio group	50%	44%	37%	55%	48%	44%	50%	45%	45%
Cost/income ratio group, ex. financial inv.	55%	55%	59%	59%	56%	56%	58%	55%	56%
12-month cost growth	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %	10.7 %	12.9 %	28.1 %	15.4 %
Gross loans to customers <sup>1</sup>	165,380	163,627	161,091	160,317	157,825	154,790	151,065	148,784	147,146
Growth in loans last 12 months <sup>1</sup>	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %	7.6 %	7.9 %	8.2 %	9.4 %
Growth in loans this period <sup>1</sup>	1.1 %	1.6 %	0.5 %	1.6 %	2.0 %	2.5 %	1.5 %	1.1 %	2.3 %
Deposits from customers	83,641	86,553	81,111	80,615	77,529	80,343	75,937	76,476	73,086
Growth in deposits last 12 months	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %	6.3 %	8.2 %	13.9 %	10.3 %
Growth in deposits this period	-3.4 %	6.7 %	0.6 %	4.0 %	-3.5 %	5.8 %	-0.7 %	4.6 %	-3.3 %
Deposit-to-loan ratio <sup>1</sup>	51%	53%	50%	50%	49%	52%	50%	51%	50%
Total assets	166,475	167,289	164,641	160,704	159,337	159,584	152,083	153,254	146,913
Average total assets (quarterly)	166,882	165,965	162,673	160,021	159,460	155,833	152,668	150,083	148,181
FTEs, group	1,639	1,556	1,524	1,493	1,467	1,439	1,393	1,403	1,415
FTEs, parent bank	614	580	570	575	589	588	581	595	617
FTEs, subsidiaries	1,024	976	953	918	878	851	812	808	798
Number of branches	46	48	48	48	48	48	48	48	48
Lending margin	1.71	1.73	1.84	1.88	1.89	1.90	2.03	2.14	2.18
Deposit margin	0.36	0.29	0.24	0.19	0.12	0.12	0.04	-0.05	-0.05
Net other operating income of total income	41%	38%	29%	42%	38%	41%	42%	39%	38%
Common Equity Tier 1 ratio	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.6 %	14.6 %
Core capital ratio	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.6 %	16.6 %
Capital adequacy ratio	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %	19.0 %
Total core capital	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707	15,718
Net subordinated capital	19,765	19,634	19,115	18,743	18,969	18,418	17,518	17,629	18,004
Liquidity Coverage Ratio (LCR) (%)	181%	165%	180%	183%	150%	150%	162%	164%	124%
Leverage ratio	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.2 %	7.4 %
Impairment losses ratio	0.17%	0.14%	0.17%	0.17%	0.18%	0.20%	0.13%	0.22%	0.24%
Non-performing commitm. as % of gross loans	0.26%	0.22%	0.18%	0.19%	0.18%	0.18%	0.19%	0.19%	0.18%
Other doubtful commitm. as % of gross loans	1.03%	1.00%	0.99%	0.86%	0.86%	0.95%	0.90%	0.80%	0.83%
ECC price	98.50	97.70	87.40	84.20	90.90	84.50	80.90	82.25	81.25
Number of certificates issued, millions	129.48	129.66	129.41	129.62	129.44	129.31	129.38	129.38	129.40
Booked equity capital per ECC (incl. dividend)	89.36	87.04	83.86	83.87	82.57	80.21	76.53	78.81	79.18
Adjusted profit per ECC	2.30	3.21	5.02	1.90	2.32	3.54	2.21	2.63	2.42
P/E per ECC	10.69	7.61	4.35	11.05	9.77	5.97	9.16	7.81	8.40
P/B equity capital	1.10	1.12	1.04	1.00	1.10	1.05	1.06	1.04	1.03

<sup>1</sup> Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

Five years	YTD 19	2018	2017	2016	2015
Return on equity	16.0 %	12.2 %	11.5 %	11.3 %	10.7 %
Cost/income ratio group	43%	49%	47%	44%	50%
Cost/income ratio group, ex. financial inv.	56%	57%	56%	56%	57%
12-month cost growth	8.1 %	10.8 %	18.3 %	3.7 %	7.9 %
Gross loans to customers <sup>1</sup>	165,380	160,317	148,784	137,535	127,378
Growth in loans last 12 months <sup>1</sup>	4.8 %	7.8 %	8.2 %	8.0 %	5.8 %
Growth in loans this period <sup>1</sup>	3.2 %	7.8 %	8.2 %	8.0 %	5.8 %
Deposits from customers	83,641	80,615	76,476	67,168	64,090
Growth in deposits last 12 months	7.9 %	5.4 %	13.9 %	4.8 %	5.6 %
Growth in deposits this period	3.8 %	5.4 %	13.9 %	4.8 %	5.6 %
Deposit-to-loan ratio <sup>1</sup>	51%	50%	51%	49%	50%
Total assets	166,475	160,704	153,254	138,080	131,914
Average total assets (quarterly)	164,777	156,992	145,948	137,060	128,355
FTEs, group	1,639	1,493	1,403	1,254	1,208
FTEs, parent bank	614	575	595	630	645
FTEs, subsidiaries	1,024	918	808	624	563
Number of branches	46	48	48	49	49
Lending margin	1.76	1.92	2.13	1.97	2.26
Deposit margin	0.30	0.12	0.00	0.09	-0.21
Net other operating income of total income	35%	41%	40%	37%	40%
Common Equity Tier 1 ratio	15.1 %	14.6 %	14.6 %	14.8 %	13.6 %
Core capital ratio	16.7 %	16.3 %	16.6 %	16.8 %	15.6 %
Capital adequacy ratio	18.9 %	18.5 %	18.6 %	19.2 %	18.3 %
Total core capital	17,417	16,472	15,707	15,073	13,992
Net subordinated capital	19,765	18,743	17,629	17,189	16,381
Liquidity Coverage Ratio (LCR) (%)	181%	183%	164%	129%	118%
Leverage ratio	7.4 %	7.4 %	7.2 %	7.4 %	6.7 %
Impairment losses ratio	0.16%	0.17%	0.24%	0.39%	0.14%
Non-performing commitm. as % of gross loans	0.26%	0.19%	0.19%	0.16%	0.16%
Other doubtful commitm. as % of gross loans	1.03%	0.86%	0.80%	1.07%	0.31%
ECC price	98.50	84.20	82.25	64.75	50.50
Number of certificates issued, millions	129.48	129.62	129.38	129.64	129.43
Booked equity capital per ECC (incl. dividend)	89.36	83.87	78.81	73.35	67.39
Adjusted profit per ECC	10.54	9.97	8.71	7.93	6.96
P/E per ECC	7.01	8.44	9.44	8.17	7.26
P/B equity capital	1.10	1.00	1.04	0.88	0.75

<sup>1</sup> Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt.

# 1.4 Net interest income

## Net interest income

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Interest income	1,190	1,127	1,075	1,082	1,025	989	962	989	959
Interest expenses	512	463	426	438	414	408	394	400	389
<b>Net interest income</b>	<b>678</b>	<b>664</b>	<b>649</b>	<b>644</b>	<b>610</b>	<b>581</b>	<b>568</b>	<b>589</b>	<b>570</b>
As a percentage of total income	50%	41%	34%	50%	48%	39%	44%	43%	44%

Margins on loans sold to Sparebank 1 Boligkreditt and Sparebank 1 Næringskreditt are recorded as commission income. See part 1.5 Other income

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Interest income	3,392	4,057	3,825	3,597	4,031
Interest expenses	1,401	1,655	1,600	1,668	2,111
<b>Net interest income</b>	<b>1,991</b>	<b>2,403</b>	<b>2,225</b>	<b>1,929</b>	<b>1,920</b>
As a percentage of total income	41%	45%	45%	42%	48%

## Change in interest income from lending and deposits

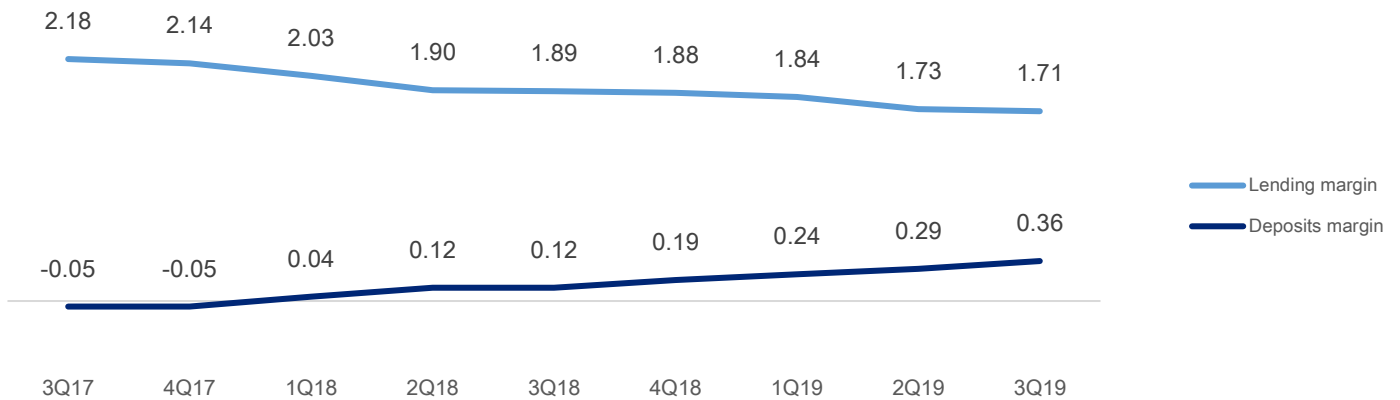
Last 12 months [NOK million]	Volume	Margin	Total
Lending	83	-136	-53
Deposits	4	131	135
<b>Total</b>	<b>87</b>	<b>-5</b>	<b>82</b>

## Change in net interest income

Last 12 months [NOK million]	3Q19	Change	3Q18
<b>Net interest income</b>	<b>1,991</b>	<b>232</b>	<b>1,759</b>
Lending volume		83	
Lending margin		-136	
Fees on lending		15	
Deposit volume		4	
Deposit margin		131	
Subsidiaries		47	
Equity capital		53	
Funding and liquidity buffer		35	

## Margin development

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



## Volume development

### Quarterly figures

	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Lending volume	165.4	163.6	161.1	160.3	157.8	154.8	151.1	148.8	147.1
Deposits volume	83.6	86.6	81.1	80.6	77.5	80.3	75.9	76.5	73.1
Growth in loans last 12 months	6.8 %	5.7 %	6.6 %	7.8 %	7.3 %	7.6 %	7.9 %	8.2 %	9.4 %
Growth in deposits last 12 months	4.1 %	7.7 %	6.8 %	5.4 %	6.1 %	6.3 %	8.2 %	13.9 %	10.3 %





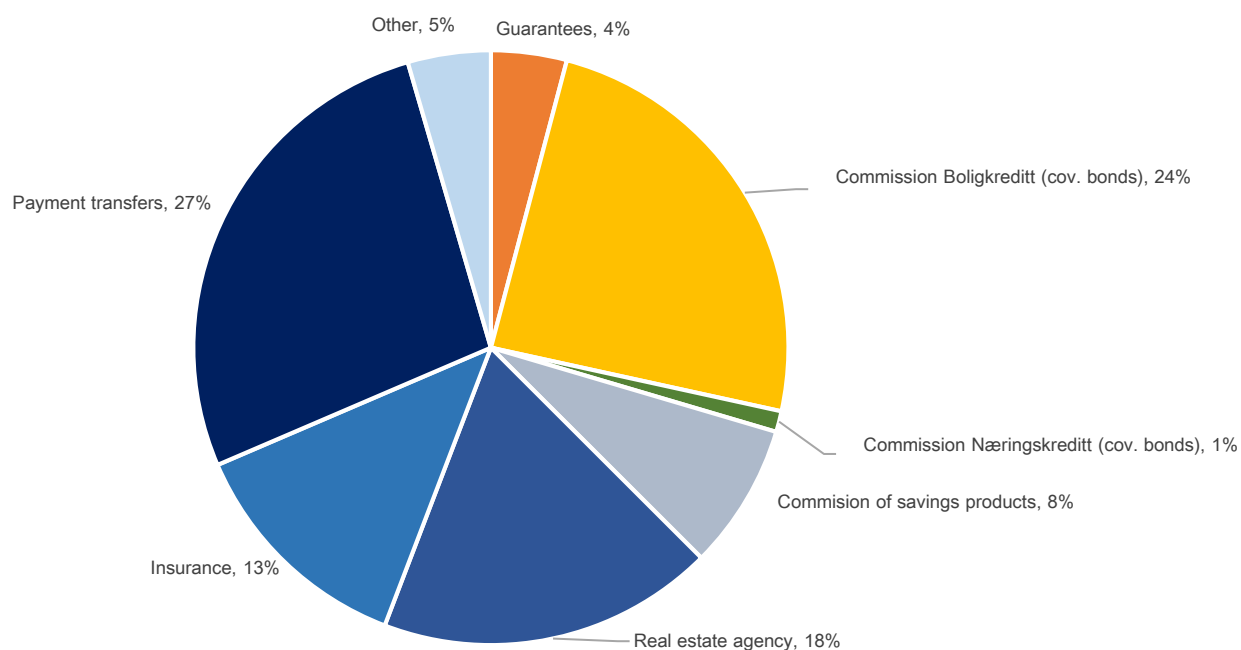
# 1.5 Other income

## Commission and other income

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Guarantees	15	15	15	16	19	17	20	19	25
Commission Boligkreditt (cov. bonds)	90	86	83	87	77	86	99	100	95
Commission Næringskreditt (cov. bonds)	4	4	4	5	4	4	3	4	4
Commission of savings products	28	28	29	30	28	28	27	48	23
Real estate agency	65	74	56	48	58	71	49	46	54
Insurance	47	45	44	44	43	44	43	44	44
Payment transfers	110	93	85	95	94	89	82	95	96
Other	16	18	14	19	21	23	15	16	18
<b>Total commissions income</b>	<b>374</b>	<b>363</b>	<b>329</b>	<b>343</b>	<b>344</b>	<b>361</b>	<b>339</b>	<b>372</b>	<b>360</b>
Operating- and sales income real estate	34	40	29	24	31	41	29	23	29
Accounting services	92	147	131	93	78	126	114	83	69
Other operating income	109	106	103	125	77	125	96	99	70
<b>Total other operating income</b>	<b>235</b>	<b>294</b>	<b>262</b>	<b>242</b>	<b>186</b>	<b>291</b>	<b>239</b>	<b>206</b>	<b>168</b>
Commission expenses	55	51	40	42	45	45	36	49	46
<b>Total commission and other income</b>	<b>554</b>	<b>606</b>	<b>551</b>	<b>543</b>	<b>486</b>	<b>607</b>	<b>542</b>	<b>529</b>	<b>482</b>
As a percentage of total income	41%	38%	29%	42%	38%	41%	42%	39%	38%

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Guarantees	44	72	80	76	80
Commission Boligkreditt (cov. bonds)	259	350	353	271	326
Commission Næringskreditt (cov. bonds)	12	16	17	12	8
Commission of savings products	84	113	115	74	68
Real estate agency	195	225	223	247	212
Insurance	136	174	172	159	156
Payment transfers	287	360	362	355	344
Other	48	78	67	57	50
<b>Total commissions income</b>	<b>1,066</b>	<b>1,387</b>	<b>1,390</b>	<b>1,251</b>	<b>1,245</b>
Operating- and sales income real estate	103	124	118	121	108
Accounting services	371	411	342	202	182
Other operating income	318	423	323	234	145
<b>Total other operating income</b>	<b>791</b>	<b>958</b>	<b>783</b>	<b>556</b>	<b>435</b>
Commission expenses	146	168	168	133	135
<b>Total commission and other income</b>	<b>1,711</b>	<b>2,177</b>	<b>2,005</b>	<b>1,674</b>	<b>1,545</b>
As a percentage of total income	35%	41%	40%	37%	40%

## Distribution of commission income



## Change in commission and other income

Last 12 months [NOK million]	3Q19	Change	3Q18
<b>Commission and other income</b>	<b>1,711</b>	<b>77</b>	<b>1,634</b>
Real estate agency		18	
Other operating income		20	
Operating- and sales income real estate		2	
Accounting services		53	
Insurance		6	
Commission of savings products		2	
Commission expenses		-20	
Other		-11	
Payments transfers		22	
Guarantees		-12	
Commission Boligkreditt (cov. bonds)		-3	
Commission Næringskreditt (cov. bonds)		1	

## Net return on financial investments

including investments held for sale

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
<b>Dividends</b>	<b>1</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>1</b>
SpareBank 1 Gruppen	40	186	38	99	72	81	36	134	80
Capital gain Fremtind Forsikring	0	0	460						0
SpareBank 1 Boligkreditt	3	8	14	-9	7	-8	3	-15	11
SpareBank 1 Næringskreditt	5	2	8	4	2	4	4	1	5
BN Bank	33	27	24	24	20	23	30	28	21
SpareBank 1 Kredittkort	5	5	3	6	5	6	5	5	3
SpareBank 1 Betaling	-2	-2	12	-3	-3	-3	-3	-7	0
Other companies	-4	5	0	-1	-4	1	3	1	5
<b>Income from inv. in associates and joint ventures</b>	<b>81</b>	<b>231</b>	<b>560</b>	<b>120</b>	<b>100</b>	<b>103</b>	<b>79</b>	<b>147</b>	<b>126</b>
Capital gains shares	1	23	84	-48	26	113	5		
Gain on certificates and bonds	-26	15	32	5	-45	23	-59		
Gain on derivatives	29	40	23	-5	50	23	119		
Gain on financial instruments related to hedging	4	-1	-4	1	1	-7	1		
Gain on other financial instruments at fair value (FVO)	4	-4	10	-13	11	8	4		
Foreign exchange gain	10	14	9	16	21	15	11		
Gain on shares and derivatives in SB1 Markets	13	8	15	7	14	20	17		
<b>Net return on financial investments<sup>1</sup></b>	<b>35</b>	<b>95</b>	<b>169</b>	<b>-37</b>	<b>77</b>	<b>195</b>	<b>99</b>	<b>108</b>	<b>108</b>
<b>Total net return on financial investments</b>	<b>117</b>	<b>336</b>	<b>732</b>	<b>85</b>	<b>177</b>	<b>301</b>	<b>180</b>	<b>256</b>	<b>235</b>
As percentage of total income	9%	21%	38%	7%	14%	20%	14%	19%	18%

Five years [NOK million]	YTD 19	2018	2017	2016	2015
<b>Dividends</b>	<b>14</b>	<b>8</b>	<b>6</b>	<b>88</b>	<b>25</b>
SpareBank 1 Gruppen	264	289	349	317	251
Capital gain Fremtind Forsikring	460	0	0	0	0
SpareBank 1 Boligkreditt	26	-7	-41	-17	80
SpareBank 1 Næringskreditt	15	15	19	29	30
BN Bank	84	97	98	86	41
SpareBank 1 Kredittkort	13	23	15	24	21
SpareBank 1 Betaling	7	-12	-14	-27	-2
Other companies	2	12	12	15	26
<b>Income from inv. in associates and joint ventures</b>	<b>871</b>	<b>416</b>	<b>437</b>	<b>427</b>	<b>447</b>
Capital gains shares	108	96	62	76	
Gain on certificates and bonds	22	-77	58	-2	
Gain on derivatives	92	187	148	280	
Gain on financial instruments related to hedging	-1	-4	-46	-21	
Gain on other financial instruments at fair value (FVO)	10	10	7	26	
Foreign exchange gain	32	63	45	51	
Gain on shares and derivatives in SB1 Markets	36	58	43	25	
<b>Net return on financial investments</b>	<b>300</b>	<b>334</b>	<b>317</b>	<b>434</b>	<b>-14</b>
<b>Total net return on financial investments</b>	<b>1,185</b>	<b>757</b>	<b>760</b>	<b>949</b>	<b>458</b>
As percentage of total income	24%	14%	15%	21%	12%

## Change in net return on financial investments

Last 12 months [NOK million]	3Q19	Change	3Q18
<b>Net return on financial investments</b>	<b>1,185</b>	<b>522</b>	<b>662</b>
Dividends		8	
Income from investment in related companies		585	
Capital gains shares		-35	
Gain on derivatives		-100	
Gain on other financial instruments at fair value (FVO)		-12	
Foreign exchange gain		-14	
Gain on certificates and bonds		103	
Gain on shares and derivatives in SB1 Markets		-15	
Gain on financial instruments related to hedging		4	

## 1.6. Operating expenses

### Operating expenses

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Salaries	320	354	348	311	289	325	303	293	274
Pension costs (defined benefit plan)	26	24	27	12	24	30	29	6	28
Employer's insurance contributions	3	5	3	-4	4	5	5	4	2
Other personnel expenses	54	55	69	72	58	54	65	60	53
<b>Total personnel expenses</b>	<b>404</b>	<b>438</b>	<b>447</b>	<b>391</b>	<b>376</b>	<b>413</b>	<b>403</b>	<b>362</b>	<b>357</b>
IT costs	83	87	81	78	69	75	71	61	67
Postage and transportation services	8	6	5	5	4	5	4	5	5
Marketing	27	25	26	30	26	24	26	31	26
Depr./write-downs of fixed & intangible assets	41	44	46	32	23	14	29	28	25
Operating exp. on properties and premises	13	14	13	41	35	40	37	35	29
Other external services	50	41	36	50	36	38	28	37	32
Other operating expenses	47	46	50	74	47	53	47	60	41
<b>Other expenses</b>	<b>269</b>	<b>263</b>	<b>257</b>	<b>311</b>	<b>240</b>	<b>248</b>	<b>241</b>	<b>255</b>	<b>225</b>
<b>Total operating expenses</b>	<b>673</b>	<b>701</b>	<b>704</b>	<b>701</b>	<b>616</b>	<b>661</b>	<b>645</b>	<b>618</b>	<b>582</b>
Cost/income ratio	50%	44%	37%	55%	48%	44%	50%	45%	45%
Cost/income ratio ex financial investments	55%	55%	59%	59%	56%	56%	58%	55%	56%
12-month cost growth <sup>1</sup>	9.2 %	5.9 %	9.1 %	13.6 %	5.9 %	10.7 %	12.9 %	28.1 %	15.4 %

<sup>1</sup> SpareBank 1 Regnskapshuset SMN's acquisition of a large accounting firm 1 January 2017 affects the 12 month cost growth in 2017. The 12 month cost growth in 2016 is affected by the consolidation of SpareBank 1 Markets as a subsidiary.

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Salaries	1,023	1,228	1,107	991	833
Pension costs (defined benefit plan)	77	96	85	-20	71
Employer's insurance contributions	11	10	12	13	14
Other personnel expenses	177	249	223	175	176
<b>Total personnel expenses</b>	<b>1,288</b>	<b>1,584</b>	<b>1,426</b>	<b>1,159</b>	<b>1,093</b>
IT costs	251	293	266	252	240
Postage and transportation services	19	17	22	22	22
Marketing	78	106	104	98	96
Depr./write-downs of fixed & intangible assets	130	99	102	98	100
Operating exp. on properties and premises	40	153	118	109	105
Other external services	127	151	139	108	171
Other operating expenses	143	221	192	156	104
<b>Other expenses</b>	<b>789</b>	<b>1,040</b>	<b>943</b>	<b>844</b>	<b>838</b>
<b>Total operating expenses</b>	<b>2,077</b>	<b>2,624</b>	<b>2,369</b>	<b>2,003</b>	<b>1,931</b>
Cost/income ratio	42.5 %	49.2 %	47.5 %	44.0 %	50%
Cost/income ratio ex financial investments	56.1 %	57.3 %	56.0 %	55.6 %	57%
12-month cost growth	8.1 %	10.8 %	18.3 %	3.7 %	8%

## Change in operating expenses

Last 12 months [NOK million]	3Q19	Change	3Q18
<b>Operating expenses</b>	<b>2,077</b>	<b>155</b>	<b>1,922</b>
Total personnel expenses		95	
EDP and telecommunication expenses		37	
Postage and transportation services		6	
Marketing		3	
Depr./write-downs of fixed & intangible assets		64	
Operating exp. on properties and premises		-72	
Other external services		26	
Other operating expenses		-4	

## Employees- full time equivalents

FTE's	3Q19	2018	2017	2016	2015
Parent bank	614	575	595	630	645
EiendomsMegler 1 Midt-Norge AS	280	309	251	227	211
SpareBank 1 Markets <sup>1</sup>	161	149	132	105	104
SpareBank 1 Regnskapshuset SMN AS	521	402	349	223	184
SpareBank 1 Finans Midt-Norge AS	35	34	32	34	34
DeBank	19				
Other	8	24	44	35	29
<b>Total number of FTE's</b>	<b>1,639</b>	<b>1,493</b>	<b>1,403</b>	<b>1,254</b>	<b>1,208</b>

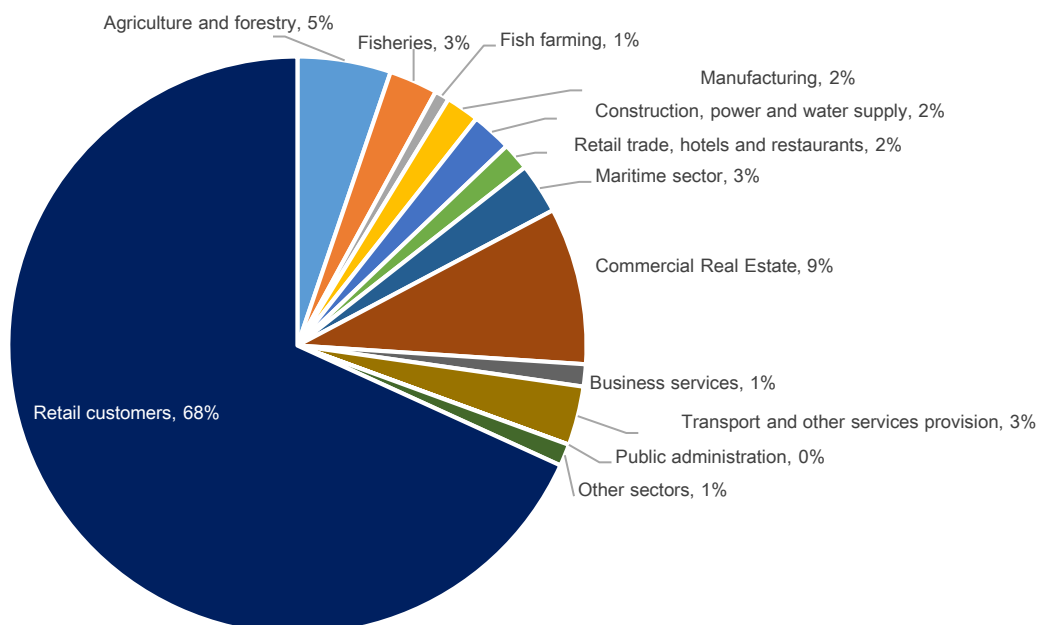
<sup>1</sup> SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015. SpareBank 1 SMN's capital market activities, including 32 FTEs, were transferred to SpareBank 1 Markets as part of the transaction.

# 1.7 Loans to customers

## Distribution of loans by industry

Quarterly figures [NOK million]	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
	2019	2019	2019	2018	2018	2018	2018	2017	2017
Agriculture and forestry	8,640	8,471	8,244	8,284	8,105	7,915	7,604	7,579	7,234
Fisheries	4,490	4,431	4,414	4,402	4,241	4,222	4,212	4,027	4,252
Fish farming	1,348	1,160	1,176	1,180	1,317	1,556	1,697	1,697	1,745
Manufacturing	3,097	3,118	3,507	3,787	3,158	2,794	3,129	3,157	3,560
Construction, power and water supply	3,719	3,678	3,703	3,661	3,536	3,349	3,622	3,419	3,341
Retail trade, hotels and restaurants	2,555	2,826	3,014	2,621	2,410	2,902	2,825	2,700	2,546
Maritime sector	4,678	4,667	4,609	4,227	4,372	4,706	4,533	4,639	4,678
Commercial Real Estate	14,530	14,726	14,915	15,168	14,737	14,623	14,366	14,348	14,867
Business services	2,053	2,088	2,060	2,162	2,463	2,195	2,203	2,260	2,216
Transport and other services provision	5,459	5,285	4,977	4,961	4,876	4,545	4,370	4,322	4,332
Public administration	14	15	15	55	23	19	243	240	226
Other sectors	2,026	2,036	1,720	1,679	1,955	1,852	1,823	1,699	1,796
<b>Gross loans in corporate market</b>	<b>52,609</b>	<b>52,499</b>	<b>52,354</b>	<b>52,186</b>	<b>51,195</b>	<b>50,676</b>	<b>50,629</b>	<b>50,087</b>	<b>50,794</b>
<b>Retail customers</b>	<b>112,772</b>	<b>111,128</b>	<b>108,738</b>	<b>108,131</b>	<b>106,631</b>	<b>104,114</b>	<b>100,436</b>	<b>98,697</b>	<b>96,352</b>
<b>Gross loans incl. Boligkreditt and Næringskreditt</b>	<b>165,380</b>	<b>163,627</b>	<b>161,091</b>	<b>160,317</b>	<b>157,825</b>	<b>154,790</b>	<b>151,065</b>	<b>148,784</b>	<b>147,146</b>
of which Boligkreditt	39,713	40,064	39,220	38,062	37,669	37,172	36,374	34,885	34,196
of which Næringskreditt	1,701	1,668	1,771	1,782	2,112	1,831	1,518	1,828	2,255
<b>Gross loans in balance sheet</b>	<b>123,967</b>	<b>121,895</b>	<b>120,100</b>	<b>120,473</b>	<b>118,044</b>	<b>115,787</b>	<b>113,174</b>	<b>112,071</b>	<b>110,695</b>
Share of volume, corporate market	32%	32%	32%	33%	32%	33%	34%	34%	35%
Share of volume, retail market	68%	68%	68%	67%	68%	67%	66%	66%	65%

## Distribution of loans by industry



## Credit risk classification in SpareBank 1 SMN

Risk class	Probability of default (%)		Corresponding rating class Moody's
	Low	High	
A	0.01	0.10	AAA - A3
B	0.10	0.25	Baa1 - Baa2
C	0.25	0.50	Baa3
D	0.50	0.75	Ba1
E	0.75	1.25	Ba2
F	1.25	2.50	
G	2.50	5.00	Ba2 - B1
H	5.00	10.00	B1 - B2
I	10.00	99.99	B3 - caa3
J	Default		
K	Written down		

SB 1 SMN's risk classification system, where A represents the lowest risk and K the highest risk

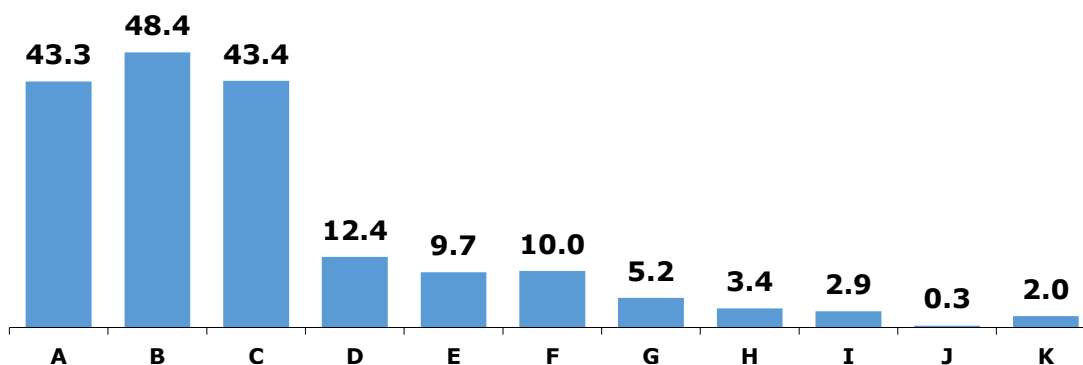
## Risk profile - Exposure at default

As of	EAD	
	NOK billion	%
30 September 2019		
A	43.3	23.9 %
B	48.4	26.8 %
C	43.4	24.0 %
D	12.4	6.9 %
E	9.7	5.4 %
F	10.0	5.5 %
G	5.2	2.9 %
H	3.4	1.9 %
I	2.9	1.6 %
J	0.3	0.2 %
K	2.0	1.1 %

Exposure at default, EAD, is the share of the approved credit that is expected to be drawn at the time of any future default at the same time as there is a downturn in the market.

### Risk profile, Exposure at default

NOK billion





## Loans and guarantees by industry

As of 30 September 2019	Total	Very low	Low	Medium	High	Very high	Default and
		risk	risk	risk	risk	risk	written down
Personal customers	111,625	95,179	10,985	3,273	702	1,174	313
Public administration	582	582	0	0	0	0	0
Agriculture and forestry	13,960	9,279	2,969	1,152	252	278	30
Fish farming industries	1,618	1,211	313	83	0	9	0
Manufacturing	3,352	361	467	1,453	406	663	2
Construction, power and water supply	4,976	1,172	845	2,186	516	208	49
Retail trade, hotels and restaurants	3,258	807	836	1,175	318	58	64
Maritime sector	1,010	401	256	0	353	0	0
Property management	14,815	9,615	2,098	2,344	360	329	69
Business services	4,315	977	1,156	1,945	120	34	82
Transport and other services	10,907	5,107	2,166	1,533	268	123	1,710
Finance	150	150	0	0	0	0	0
Other sectors	10,382	10,260	20	45	58	0	0
<b>3Q19</b>	<b>180,949</b>	<b>135,101</b>	<b>22,111</b>	<b>15,190</b>	<b>3,352</b>	<b>2,876</b>	<b>2,320</b>

Five years [NOK million]	Total	Very low	Low	Medium	High	Very high	Default and
		risk	risk	risk	risk	risk	written down
YTD 19	<b>180,949</b>	135,101	22,111	15,190	3,352	2,876	2,320
2018	<b>176,188</b>	127,106	24,974	16,833	3,379	2,189	1,707
2017	<b>164,510</b>	116,961	23,842	16,258	3,394	2,480	1,575
2016	<b>155,065</b>	108,123	21,643	18,875	2,766	1,702	1,956
2015	<b>148,680</b>	97,588	25,632	19,231	3,838	1,746	645

## Write-downs on loans and guarantees

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

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Change in provision for expected credit losses for the period	165	150			
Actual loan losses on commitments exceeding provisions made	39	127			
Recoveries on commitments previously written-off	-6	-15			
<b>Write-downs on loans and guarantees<sup>1</sup></b>	<b>198</b>	<b>263</b>			
As % of gross loans incl. Boligkreditt	0.16%	0.17%			

<sup>1</sup>Provisions for expected credit losses on loans and guarantees are presented after implementation of IFRS 9 from January 1, 2018, comparative figures for periods before Q1 2018 have not been restated.

## Loss on loans by segment

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Retail Market	12	5	6	-1	9	13	-3	2	2
Corporate Market	47	39	53	59	51	54	48	70	83
SMN Finans and other	13	15	8	10	10	11	4	6	4
<b>Total loss on loans</b>	<b>71</b>	<b>59</b>	<b>67</b>	<b>67</b>	<b>69</b>	<b>78</b>	<b>48</b>	<b>78</b>	<b>88</b>

Five years [NOK million]	YTD 19	2018	2017	2016	2015
Retail Market	23	17	5	13	11
Corporate Market	140	212	318	490	151
SMN Finans and other	35	34	18	14	6
<b>Total loss on loans</b>	<b>198</b>	<b>263</b>	<b>341</b>	<b>516</b>	<b>169</b>

## Write-down ratio

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Non-performing commitments (gross)	424	356	288	310	284	275	289	284	263
Impaired commitments (gross)	1,700	1,641	1,591	1,372	1,365	1,477	1,358	1,184	1,215
<b>Gross non-performing and impaired commitments</b>	<b>2,123</b>	<b>1,998</b>	<b>1,880</b>	<b>1,682</b>	<b>1,649</b>	<b>1,752</b>	<b>1,647</b>	<b>1,468</b>	<b>1,478</b>

# 1.8 Funding and liquidity

## Securities liabilities

### Parent bank

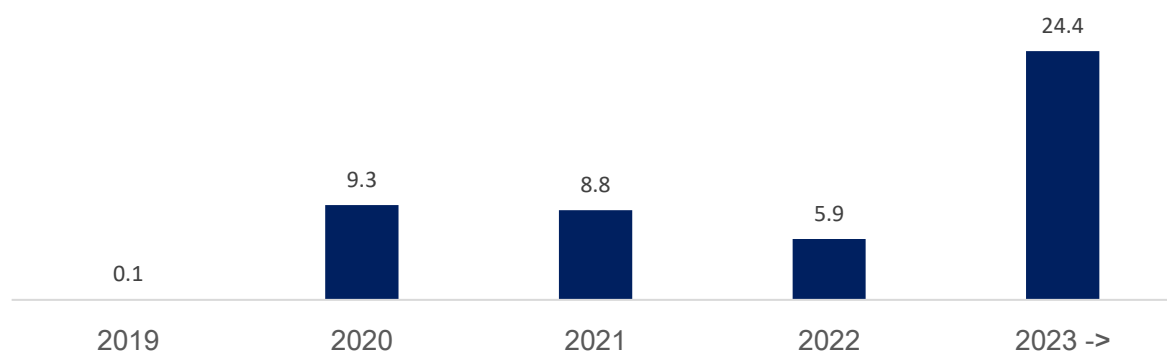
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2019	2019	2019	2018	2018	2018	2018	2017	2017
NOK bonds	14,772	15,024	14,977	15,548	15,627	14,443	16,581	13,683	13,178
Curr bonds	30,055	24,491	27,803	28,203	28,401	28,755	24,717	28,334	24,793
Curr CD's	63	63	392	518	85	36	112	177	120
Interbank	7,862	10,753	10,667	8,546	8,842	8,696	7,466	9,046	8,663
Hybrid equity	454	457	459	463	465	468	470	475	1,428
Subordinated loan capital	1,753	1,762	1,770	1,761	2,159	1,679	1,683	1,684	2,033
<b>Total capital markets funding</b>	<b>54,959</b>	<b>52,550</b>	<b>56,069</b>	<b>55,039</b>	<b>55,580</b>	<b>54,077</b>	<b>51,029</b>	<b>53,399</b>	<b>50,215</b>

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
NOK bonds	14,772	15,548	13,683	14,237	17,139
Curr bonds	30,055	28,203	28,334	21,908	17,898
Curr CD's	63	518	177	172	155
Interbank	7,862	8,546	9,046	10,299	8,155
Perp. Sub. Loan capital					299
Hybrid equity	454	463	475	1,433	1,445
Subordinated loan capital	1,753	1,761	1,684	1,707	1,719
<b>Total capital markets funding</b>	<b>54,959</b>	<b>55,039</b>	<b>53,399</b>	<b>49,755</b>	<b>46,811</b>

## Funding maturity dates

[NOK billion]	2019	2020	2021	2022	2023 ->
Funding maturity	0.1	9.3	8.8	5.9	24.4

Next eight quarters [NOK billion]	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Funding maturity	0.1	0.5	1.8	3.0	4.0	1.2	5.0	0.7



# 1.9 Capital adequacy

## Capital adequacy ratios

	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017
Quarterly figures [NOK million]									
Common equity Tier one capital	15,758	15,625	15,122	14,727	14,697	14,528	13,976	13,820	13,901
Total core capital	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707	15,718
Net subordinated capital	19,765	19,634	19,115	18,743	18,969	18,418	17,518	17,629	18,004
Risk Weighted Assets (RWA)	104,464	104,240	102,495	101,168	98,915	97,137	96,044	94,807	94,938
<b>Common equity Tier one ratio</b>	<b>15.1 %</b>	<b>15.0 %</b>	<b>14.8 %</b>	<b>14.6 %</b>	<b>14.9 %</b>	<b>15.0 %</b>	<b>14.6 %</b>	<b>14.6 %</b>	<b>14.6 %</b>
<b>Core capital ratio</b>	<b>16.7 %</b>	<b>16.6 %</b>	<b>16.4 %</b>	<b>16.3 %</b>	<b>16.7 %</b>	<b>17.0 %</b>	<b>16.3 %</b>	<b>16.6 %</b>	<b>16.6 %</b>
<b>Capital adequacy ratio</b>	<b>18.9 %</b>	<b>18.8 %</b>	<b>18.6 %</b>	<b>18.5 %</b>	<b>19.2 %</b>	<b>19.0 %</b>	<b>18.2 %</b>	<b>18.6 %</b>	<b>19.0 %</b>

	YTD 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Five years [NOK million]					
Common equity Tier one capital	15,758	14,727	13,820	13,233	12,196
Total core capital	17,417	16,472	15,707	15,073	13,992
Net subordinated capital	19,765	18,743	17,629	17,189	16,381
Risk Weighted Assets (RWA)	104,464	101,168	94,807	88,786	89,465
<b>Common equity Tier one ratio</b>	<b>15.1 %</b>	<b>14.6 %</b>	<b>14.6 %</b>	<b>14.8 %</b>	<b>13.6 %</b>
<b>Core capital ratio</b>	<b>16.7 %</b>	<b>16.3 %</b>	<b>16.6 %</b>	<b>16.8 %</b>	<b>15.6 %</b>
<b>Capital adequacy ratio</b>	<b>18.9 %</b>	<b>18.5 %</b>	<b>18.6 %</b>	<b>19.2 %</b>	<b>18.3 %</b>

## Leverage ratio

	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017
Quarterly figures [NOK million]									
Calculation basis for leverage ratio	234,678	230,667	227,862	223,853	221,628	224,271	215,248	218,479	211,361
Core capital	17,417	17,284	16,775	16,472	16,542	16,488	15,697	15,707	15,718
<b>Leverage ratio</b>	<b>7.4 %</b>	<b>7.5 %</b>	<b>7.4 %</b>	<b>7.4 %</b>	<b>7.5 %</b>	<b>7.4 %</b>	<b>7.3 %</b>	<b>7.2 %</b>	<b>7.4 %</b>

	YTD 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Five years [NOK million]					
Calculation basis for leverage ratio	234,678	223,853	218,479	203,005	209,145
Core capital	17,417	16,472	15,707	15,073	13,992
<b>Leverage ratio</b>	<b>7.4 %</b>	<b>7.4 %</b>	<b>7.2 %</b>	<b>7.4 %</b>	<b>6.7 %</b>

## Spesification of capital requirements

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2019	2019	2019	2018	2018	2018	2018	2017	2017
<b>Capital adequacy</b>									
<b>Total book equity</b>	<b>19,904</b>	<b>19,450</b>	<b>18,673</b>	<b>18,686</b>	<b>18,650</b>	<b>17,984</b>	<b>17,365</b>	<b>17,510</b>	<b>17,208</b>
Hybrid capital included in total equity	-1,004	-1,013	-1,023	-1,043	-1,310	-1,136	-1,306	-993	-1,187
Deferred taxes, goodwill and other intangible assets	-1,106	-1,105	-1,073	-1,079	-1,059	-1,044	-1,040	-984	-888
Deduction for allocated dividends and gifts	0	0	0	-1,034	0	0	0	-893	0
Non-controlling interests recognised in other equity capital	-792	-781	-665	-637	-623	-621	-572	-565	-516
Non-controlling interests eligible for incl. in CET1 capital	450	447	392	366	371	357	341	324	303
Net profit	-2,217	-1,729	-1,046	0	-1,689	-1,209	-466	0	-1,250
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	1,128	879	537	0	864	614	233	0	625
Value adjustments due to requirements for prudent valuation	-44	-44	-43	-44	-47	-46	-45	-41	-46
Positive value of adj. expected loss under IRB Approach	-383	-309	-303	-286	-316	-299	-313	-333	-264
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	5	5	5	5	2	4	3	7	8
Direct, indirect and synthetic investments in financial sector companies	-183	-175	-333	-206	-147	-74	-222	-212	-92
<b>Total common equity Tier one</b>	<b>15,758</b>	<b>15,625</b>	<b>15,122</b>	<b>14,727</b>	<b>14,697</b>	<b>14,528</b>	<b>13,976</b>	<b>13,820</b>	<b>13,901</b>
Hybrid capital, core capital	1,384	1,384	1,377	1,378	1,478	1,592	1,353	1,427	1,358
Hybrid capital covered by transitional provisions	275	275	275	367	367	367	367	459	459
<b>Total core capital</b>	<b>17,417</b>	<b>17,284</b>	<b>16,775</b>	<b>16,472</b>	<b>16,542</b>	<b>16,488</b>	<b>15,697</b>	<b>15,707</b>	<b>15,718</b>
Subordinated capital	2,310	2,310	2,298	2,316	2,118	1,621	1,621	1,615	1,979
Subordinated capital covered by transitional provisions	179	182	184	96	449	449	449	561	561
Deduction for significant investments in financial institutions	-141	-141	-142	-140	-140	-141	-248	-254	-254
<b>Total supplementary capital</b>	<b>2,348</b>	<b>2,351</b>	<b>2,340</b>	<b>2,272</b>	<b>2,427</b>	<b>1,930</b>	<b>1,822</b>	<b>1,922</b>	<b>2,286</b>
<b>Net subordinated capital</b>	<b>19,765</b>	<b>19,634</b>	<b>19,115</b>	<b>18,743</b>	<b>18,969</b>	<b>18,418</b>	<b>17,518</b>	<b>17,629</b>	<b>18,004</b>

	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Quarterly figures [NOK million]	2019	2019	2019	2018	2018	2018	2018	2017	2017
<b>Minimum requirements subordinated capital</b>									
Specialised enterprises	1,128	1,094	1,106	1,116	1,107	1,072	1,200	1,107	1,177
Corporate	1,194	1,163	1,161	1,163	1,181	1,128	1,070	1,113	1,054
Mass market exposure, mortgages	2,169	2,166	2,126	2,098	2,070	2,010	1,930	1,892	1,763
Other mass market	106	102	97	92	94	96	92	91	89
Equity investments, IRB	1	1	1	1	1	1	1	1	1
<b>Total credit risk IRB</b>	<b>4,597</b>	<b>4,525</b>	<b>4,491</b>	<b>4,470</b>	<b>4,453</b>	<b>4,307</b>	<b>4,292</b>	<b>4,205</b>	<b>4,084</b>
Central government	2	3	3	4	3	2	3	3	4
Covered bonds	149	136	135	124	145	146	142	146	136
Institutions	301	300	269	246	217	262	285	333	377
Local and regional authorities, state-owned enterprises	5	8	10	8	10	9	7	4	11
Corporate	237	237	251	221	241	255	236	226	254
Mass market	532	525	536	520	510	438	419	405	376
Exposures secured on real property	200	207	211	215	181	195	199	193	198
Equity positions	371	369	365	366	358	359	349	344	342
Other assets	157	167	169	107	109	128	150	166	172
<b>Total credit risk standardised approach</b>	<b>1,955</b>	<b>1,952</b>	<b>1,949</b>	<b>1,810</b>	<b>1,774</b>	<b>1,796</b>	<b>1,791</b>	<b>1,820</b>	<b>1,870</b>
Debt risk	27	35	45	31	33	23	25	18	24
Equity risk	6	14	12	7	24	11	14	22	18
Currency risk	3	3	3	3	3	4	4	1	0
Operational risk	656	656	654	575	575	575	575	510	510
Credit value adjustment risk (CVA)	130	122	118	122	80	110	119	117	134
Transitional arrangements	983	1,032	929	1,074	971	946	863	891	956
<b>Minimum requirements subordinated capital</b>	<b>8,357</b>	<b>8,339</b>	<b>8,200</b>	<b>8,093</b>	<b>7,913</b>	<b>7,771</b>	<b>7,684</b>	<b>7,585</b>	<b>7,595</b>
<b>Risk Weighted Assets (RWA)</b>	<b>104,464</b>	<b>104,240</b>	<b>102,495</b>	<b>101,168</b>	<b>98,915</b>	<b>97,137</b>	<b>96,044</b>	<b>94,807</b>	<b>94,938</b>
Minimum requirement on CET1 capital, 4.5 per cent	4,701	4,691	4,612	4,553	4,451	4,371	4,322	4,266	4,272
Capital conservation buffer, 2.5 per cent	2,612	2,606	2,562	2,529	2,473	2,428	2,401	2,370	2,373
Systemic risk buffer, 3.0 per cent	3,134	3,127	3,075	3,035	2,967	2,914	2,881	2,844	2,848
Countercyclical buffer, 2.0 per cent (1.5 per cent)	2,089	2,085	2,050	2,023	1,978	1,943	1,921	1,896	1,424
<b>Available CET1 capital after buffer requirements</b>	<b>3,222</b>	<b>3,116</b>	<b>2,823</b>	<b>2,587</b>	<b>2,827</b>	<b>2,872</b>	<b>2,451</b>	<b>2,444</b>	<b>2,983</b>
Common equity Tier one ratio	15.1 %	15.0 %	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.6 %	14.6 %
Core capital ratio	16.7 %	16.6 %	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.6 %	16.6 %
Capital adequacy ratio	18.9 %	18.8 %	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %	19.0 %
<b>Leverage ratio</b>									
Balance sheet items	228,285	223,781	221,200	216,240	213,761	216,406	207,831	210,764	203,155
Off-balance sheet items	7,939	8,343	8,262	9,086	9,595	9,345	9,530	9,295	9,506
Regulatory adjustments	-1,546	-1,458	-1,600	-1,474	-1,729	-1,480	-2,113	-1,580	-1,301
<b>Calculation basis for leverage ratio</b>	<b>234,678</b>	<b>230,667</b>	<b>227,862</b>	<b>223,853</b>	<b>221,628</b>	<b>224,271</b>	<b>215,248</b>	<b>218,479</b>	<b>211,361</b>
<b>Core capital</b>	<b>17,417</b>	<b>17,284</b>	<b>16,775</b>	<b>16,472</b>	<b>16,542</b>	<b>16,488</b>	<b>15,697</b>	<b>15,707</b>	<b>15,718</b>
Leverage Ratio	7.4 %	7.5 %	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.2 %	7.4 %

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
<b>Capital adequacy</b>					
<b>Total book equity</b>	<b>19,904</b>	<b>18,686</b>	<b>17,510</b>	<b>16,253</b>	<b>14,857</b>
Hybrid capital included in total equity	-1,004	-1,043	-993	-950	-950
Deferred taxes, goodwill and other intangible assets	-1,106	-1,079	-984	-741	-662
Part of reserve for unrealised gains, associated companies	0	0	0	117	264
Deduction for allocated dividends and gifts	0	-1,034	-893	-609	-332
Non-controlling interests recognised in other equity capital	-792	-637	-565	-425	-318
Non-controlling interests eligible for inclusion in CET1 capital	450	366	324	220	132
Net profit	-2,217	0	0	0	-43
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	1,128	0	0	0	0
Value adjustments due to requirements for prudent valuation	-44	-44	-41	-48	0
Positive value of adjusted expected loss under IRB Approach	-383	-286	-333	-248	-55
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	5	5	7	0	-239
Direct, indirect and synthetic investments in financial sector companies	-183	-206	-212	-337	-458
<b>Total common equity Tier one</b>	<b>15,758</b>	<b>14,727</b>	<b>13,820</b>	<b>13,233</b>	<b>12,196</b>
Hybrid capital, core capital	1,384	1,378	1,427	1,358	1,301
Hybrid capital covered by transitional provisions	275	367	459	483	495
<b>Total core capital</b>	<b>17,417</b>	<b>16,472</b>	<b>15,707</b>	<b>15,073</b>	<b>13,992</b>
Subordinated capital	2,310	2,316	1,615	1,698	1,647
Subordinated capital covered by transitional provisions	179	96	561	673	786
Deduction for significant investments in financial institutions	-141	-140	-254	-256	-43
<b>Total supplementary capital</b>	<b>2,348</b>	<b>2,272</b>	<b>1,922</b>	<b>2,116</b>	<b>2,390</b>
<b>Net subordinated capital</b>	<b>19,765</b>	<b>18,743</b>	<b>17,629</b>	<b>17,189</b>	<b>16,381</b>

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
<b>Minimum requirements subordinated capital</b>					
Specialised enterprises	1,128	1,116	1,107	1,206	1,213
Corporate	1,194	1,163	1,113	1,102	1,105
Mass market exposure, mortgages	2,169	2,098	1,892	1,753	1,709
Other mass market	106	92	91	88	55
Equity investments, IRB	1	1	1	3	0
<b>Total credit risk IRB</b>	<b>4,597</b>	<b>4,470</b>	<b>4,205</b>	<b>4,153</b>	<b>4,082</b>
Central government	2	4	3	5	5
Covered bonds	149	124	146	130	62
Institutions	301	246	333	340	480
Local and regional authorities, state-owned enterprises	5	8	4	7	13
Corporate	237	221	226	253	262
Mass market	532	520	405	179	136
Exposures secured on real property	200	215	193	342	416
Equity positions	371	366	344	338	322
Other assets	157	107	166	178	108
<b>Total credit risk standardised approach</b>	<b>1,955</b>	<b>1,810</b>	<b>1,820</b>	<b>1,772</b>	<b>1,805</b>
Debt risk	27	31	18	36	64
Equity risk	6	7	22	5	10
Currency risk	3	3	1	1	0
Operational risk	656	575	510	479	457
Credit value adjustment risk (CVA)	130	122	117	84	106
Transitional arrangements	983	1,074	891	574	634
<b>Minimum requirements subordinated capital</b>	<b>8,357</b>	<b>8,093</b>	<b>7,585</b>	<b>7,103</b>	<b>7,157</b>
<b>Risk Weighted Assets (RWA)</b>	<b>104,464</b>	<b>101,168</b>	<b>94,807</b>	<b>88,786</b>	<b>89,465</b>
Minimum requirement on CET1 capital, 4.5 per cent	4,701	4,553	4,266	3,995	4,026
Capital conservation buffer, 2.5 per cent	2,612	2,529	2,370	2,220	2,237
Systemic risk buffer, 3.0 per cent	3,134	3,035	2,844	2,664	2,684
Countercyclical buffer, 2.0 per cent (1.5 per cent)	2,089	2,023	1,896	1,332	895
<b>Available CET1 capital after buffer requirements</b>	<b>3,222</b>	<b>2,587</b>	<b>2,444</b>	<b>3,022</b>	<b>2,355</b>
Common equity Tier 1 ratio	15.1 %	14.6 %	14.6 %	14.8 %	13.6 %
Tier 1 capital ratio	16.7 %	16.3 %	16.6 %	16.8 %	15.6 %
Capital ratio	18.9 %	18.5 %	18.6 %	19.2 %	18.3 %
<b>Leverage ratio</b>					
Balance sheet items	228,285	216,240	210,764	194,324	198,616
Off-balance sheet items	7,939	9,086	9,295	10,068	12,017
Regulatory adjustments	-1,546	-1,474	-1,580	-1,388	-1,487
<b>Calculation basis for leverage ratio</b>	<b>234,678</b>	<b>223,853</b>	<b>218,479</b>	<b>203,005</b>	<b>209,145</b>
<b>Core capital</b>	<b>17,417</b>	<b>16,472</b>	<b>15,707</b>	<b>15,073</b>	<b>13,992</b>
Leverage Ratio	7.4 %	7.4 %	7.2 %	7.4 %	6.7 %



## 2.1 Extract from income statement<sup>1</sup>

Group [in NOK million] as of	30 September 2019	SB 1									Total
		Retail Market	Corporate Market	SB1 Markets	Eiendoms- megler 1 Midt- Norge	Finans Midt- Norge	SB 1 Regnskaps- huset SMN	SB 1 Gruppen	BN Bank	Un- collated <sup>2</sup>	
Net interest		862	757	-13	-1	231	-1	0	0	156	1,991
Allocated		153	107	0	0	0	0	0	0	-260	0
<b>Total interest income</b>		<b>1,015</b>	<b>864</b>	<b>-13</b>	<b>-1</b>	<b>231</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-104</b>	<b>1,991</b>
Commission income and other income		597	148	376	418	54	391	0	0	-273	1,711
Net profit on financial investments		0	9	89	0	0	0	264	79	744	1,185
<b>Total income</b>		<b>1,612</b>	<b>1,021</b>	<b>452</b>	<b>418</b>	<b>285</b>	<b>390</b>	<b>264</b>	<b>79</b>	<b>367</b>	<b>4,886</b>
<b>Total operating expenses</b>		<b>654</b>	<b>307</b>	<b>412</b>	<b>410</b>	<b>137</b>	<b>309</b>	<b>0</b>	<b>0</b>	<b>-151</b>	<b>2,077</b>
<b>Ordinary operating profit</b>		<b>958</b>	<b>714</b>	<b>39</b>	<b>8</b>	<b>148</b>	<b>81</b>	<b>264</b>	<b>79</b>	<b>518</b>	<b>2,809</b>
Loss on loans, guarantees etc.		23	140	0	0	33	0	0	0	3	198
<b>Result before tax</b>		<b>936</b>	<b>575</b>	<b>39</b>	<b>8</b>	<b>115</b>	<b>81</b>	<b>264</b>	<b>79</b>	<b>516</b>	<b>2,612</b>
Post- tax return on equity <sup>3</sup>		<b>13.7 %</b>	<b>11.8 %</b>								<b>16.0 %</b>

### Main balance sheet items

Loans and advances to customers adv. of this to Boligkreditt and Næringskreditt	116,882	40,502	0	0	8,710	0	0	0	0	-714	165,380
Loss on loans	-117	-756	0	0	-52	0	0	0	0	-5	-930
Other assets	214	5,876	3,145	446	22	519	1,603	1,397	30,215		43,438
<b>Total assets</b>	<b>76,974</b>	<b>44,214</b>	<b>3,145</b>	<b>446</b>	<b>8,680</b>	<b>519</b>	<b>1,603</b>	<b>1,397</b>	<b>29,496</b>		<b>166,475</b>
Deposits to customers	41,674	40,542	0	0	0	0	0	0	1,424		83,641
Other liabilities and equity	35,300	3,671	3,145	446	8,680	519	1,603	1,397	28,072		82,834
<b>Total liabilities</b>	<b>76,974</b>	<b>44,214</b>	<b>3,145</b>	<b>446</b>	<b>8,680</b>	<b>519</b>	<b>1,603</b>	<b>1,397</b>	<b>29,496</b>		<b>166,475</b>

<sup>1</sup>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.

<sup>2</sup>Uncollated consist of, among other things, return on financial investments in parent bank, net profit on the bank's funding activities and gain on the establishment of Fremtind.

<sup>3</sup>Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 percent to be in line with the capital plan.

### Development in interest income, Retail Market and Corporate Market

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Retail	301	283	278	288	270	244	254	266	258
Corporate	253	256	247	251	253	245	232	247	242
<b>Net interest income</b>	<b>554</b>	<b>539</b>	<b>526</b>	<b>540</b>	<b>523</b>	<b>489</b>	<b>486</b>	<b>512</b>	<b>501</b>

## Development in margin<sup>1</sup>, Retail Market and Corporate Market

Quarterly figures [percentage]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
<b>Lending</b>									
Retail	1.49	1.50	1.60	1.63	1.64	1.65	1.79	1.96	1.99
Corporate	2.52	2.56	2.69	2.73	2.75	2.73	2.71	2.75	2.80
<b>Total</b>	<b>1.71</b>	<b>1.73</b>	<b>1.84</b>	<b>1.88</b>	<b>1.89</b>	<b>1.90</b>	<b>2.03</b>	<b>2.14</b>	<b>2.18</b>

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

<sup>1</sup>Definition margin: Average customer interest minus 3 months average Nibor

## Development in volume, Retail Market and Corporate Market

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
<b>Lending<sup>2</sup></b>									
Retail	116,882	115,289	113,040	112,723	111,207	108,702	104,999	103,131	100,745
Corporate	40,502	38,422	38,881	40,548	39,716	39,452	39,821	39,482	40,419
<b>Total</b>	<b>157,384</b>	<b>153,711</b>	<b>151,921</b>	<b>153,271</b>	<b>150,923</b>	<b>148,154</b>	<b>144,821</b>	<b>142,613</b>	<b>141,164</b>

<sup>2</sup>Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
<b>Deposits</b>									
Retail	41,674	42,795	40,734	40,046	39,879	40,372	37,811	37,182	36,974
Corporate	40,542	42,374	39,471	39,236	37,201	38,390	37,358	38,719	36,275
<b>Total</b>	<b>82,216</b>	<b>85,169</b>	<b>80,206</b>	<b>79,282</b>	<b>77,079</b>	<b>78,762</b>	<b>75,169</b>	<b>75,902</b>	<b>73,249</b>

## Development in commission income, Retail Market and Corporate Market

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Retail	212	197	188	203	193	193	204	213	212
Corporate	52	49	56	54	63	51	51	47	59
<b>Total</b>	<b>263</b>	<b>246</b>	<b>244</b>	<b>257</b>	<b>256</b>	<b>244</b>	<b>255</b>	<b>260</b>	<b>271</b>

## 2.2 Retail market

### Business description

	30 Sep
<b>Facts about the business area</b>	<b>2019</b>
Lending volume	116,882
Deposits volume	41,674
No. of active customers	224,281
FTEs	348

### Financial performance

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest income lending	150	147	156	169	155	135	165	164	155
Net interest income deposits	148	134	123	113	111	107	89	96	100
Net interest income allocated capital	53	53	52	52	50	46	43	58	36
<b>Total interest income</b>	<b>351</b>	<b>334</b>	<b>330</b>	<b>334</b>	<b>316</b>	<b>288</b>	<b>296</b>	<b>318</b>	<b>290</b>
Net guarantee commission, incl BK, NK	102	99	94	99	89	98	108	109	106
Net commission of savings products	21	14	14	22	21	17	15	21	19
Net commission insurance services	40	39	38	38	37	38	38	39	39
Net commission payment trans. services	48	45	42	45	45	39	43	44	48
Other commission income	1	0	0	0	0	1	0	1	0
<b>Net fee and commission income</b>	<b>212</b>	<b>197</b>	<b>188</b>	<b>203</b>	<b>193</b>	<b>193</b>	<b>204</b>	<b>214</b>	<b>211</b>
Net profit on financial investments	0	0	0	0	0	0	0	0	0
<b>Total income</b>	<b>563</b>	<b>532</b>	<b>518</b>	<b>537</b>	<b>509</b>	<b>481</b>	<b>501</b>	<b>531</b>	<b>502</b>
<b>Total operating expenses<sup>1</sup></b>	<b>222</b>	<b>215</b>	<b>217</b>	<b>207</b>	<b>199</b>	<b>200</b>	<b>199</b>	<b>197</b>	<b>207</b>
<b>Result before losses</b>	<b>341</b>	<b>317</b>	<b>301</b>	<b>330</b>	<b>310</b>	<b>281</b>	<b>302</b>	<b>335</b>	<b>295</b>
Loss on loans, guarantees etc.	11	6	6	-1	8	13	-3	2	2
<b>Result before tax</b>	<b>330</b>	<b>311</b>	<b>295</b>	<b>332</b>	<b>301</b>	<b>268</b>	<b>305</b>	<b>332</b>	<b>293</b>

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
Net interest income lending	453	624	572	457	621
Net interest income deposits	404	419	411	438	286
Net interest income allocated capital	157	190	154	57	41
<b>Total interest income</b>	<b>1,015</b>	<b>1,234</b>	<b>1,137</b>	<b>953</b>	<b>948</b>
Net guarantee commission, incl BK, NK	295	394	392	306	360
Net commission of savings products	49	75	70	63	55
Net commission insurance services	117	151	151	139	135
Net commission payment trans. services	135	172	175	171	165
Other commission income	1	1	1	1	0
<b>Net fee and commission income</b>	<b>597</b>	<b>793</b>	<b>789</b>	<b>679</b>	<b>715</b>
Net profit on financial investments	0	0	0	-1	1
<b>Total income</b>	<b>1,612</b>	<b>2,027</b>	<b>1,926</b>	<b>1,631</b>	<b>1,663</b>
<b>Total operating expenses<sup>1</sup></b>	<b>654</b>	<b>804</b>	<b>794</b>	<b>770</b>	<b>779</b>
<b>Result before losses</b>	<b>958</b>	<b>1,223</b>	<b>1,132</b>	<b>861</b>	<b>884</b>
Loss on loans, guarantees etc.	23	17	5	13	11
<b>Result before tax</b>	<b>936</b>	<b>1,206</b>	<b>1,127</b>	<b>849</b>	<b>873</b>
<b>Post- tax return on equity (annualized)<sup>2</sup></b>	<b>13.7 %</b>	<b>13.2 %</b>	<b>16.6 %</b>	<b>13.8 %</b>	<b>15.8 %</b>

<sup>1</sup> Includes both direct and distributed expenses

<sup>2</sup> Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 (14.5) percent to be in line with the capital plan.

## Margin development

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



## 2.3 Corporate market

### Business description

	30 Sep
<b>Facts about the business area</b>	2019
Lending volume	40,502
Deposits volume	40,542
No. of active cutomers	14,701
FTEs	154

### Financial performance

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest income lending	174	185	179	186	182	175	169	172	168
Net interest income deposits	70	64	62	56	63	64	58	68	69
Net interest income allocated capital	44	44	42	41	41	39	36	54	34
<b>Total interest income</b>	<b>288</b>	<b>293</b>	<b>284</b>	<b>283</b>	<b>286</b>	<b>278</b>	<b>263</b>	<b>294</b>	<b>270</b>
Net guarantee commission, incl BK, NK	18	17	20	19	22	19	20	20	28
Net commission of savings products	-2	2	2	0	1	1	1	1	1
Net commission insurance services	6	6	6	6	6	6	6	5	5
Net commission payment trans. services	24	20	25	25	23	22	22	21	20
Other commision income	2	0	2	1	2	0	1	1	2
<b>Net fee and commission income</b>	<b>48</b>	<b>45</b>	<b>55</b>	<b>51</b>	<b>53</b>	<b>48</b>	<b>50</b>	<b>48</b>	<b>55</b>
Net profit on financial investments	3	4	2	2	11	3	1	-1	5
<b>Total income</b>	<b>340</b>	<b>341</b>	<b>340</b>	<b>336</b>	<b>350</b>	<b>329</b>	<b>314</b>	<b>341</b>	<b>329</b>
<b>Total operating expenses<sup>1</sup></b>	<b>100</b>	<b>103</b>	<b>104</b>	<b>94</b>	<b>91</b>	<b>92</b>	<b>95</b>	<b>89</b>	<b>82</b>
<b>Result before losses</b>	<b>239</b>	<b>239</b>	<b>236</b>	<b>242</b>	<b>258</b>	<b>237</b>	<b>219</b>	<b>252</b>	<b>247</b>
Loss on loans, guarantees etc.	46	40	53	59	50	54	48	70	83
<b>Result before tax</b>	<b>193</b>	<b>199</b>	<b>183</b>	<b>183</b>	<b>208</b>	<b>183</b>	<b>171</b>	<b>182</b>	<b>164</b>

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income lending	539	712	677	649	704
Net interest income deposits	196	241	274	272	218
Net interest income allocated capital	130	157	157	78	48
<b>Total interest income</b>	<b>864</b>	<b>1,110</b>	<b>1,108</b>	<b>1,000</b>	<b>971</b>
Net guarantee commission, incl BK, NK	55	81	86	89	79
Net commission of savings products	2	2	2	2	5
Net commission insurance services	19	23	21	20	20
Net commission payment trans. services	69	92	86	84	75
Other commission income	4	4	3	2	1
<b>Net fee and commission income</b>	<b>148</b>	<b>202</b>	<b>199</b>	<b>196</b>	<b>180</b>
Net profit on financial investments	9	17	9	9	13
<b>Total income</b>	<b>1,021</b>	<b>1,329</b>	<b>1,315</b>	<b>1,205</b>	<b>1,164</b>
<b>Total operating expenses<sup>1</sup></b>	<b>307</b>	<b>373</b>	<b>365</b>	<b>332</b>	<b>353</b>
<b>Result before losses</b>	<b>714</b>	<b>956</b>	<b>950</b>	<b>873</b>	<b>810</b>
Loss on loans, guarantees etc.	140	212	318	490	151
<b>Result before tax</b>	<b>575</b>	<b>744</b>	<b>632</b>	<b>384</b>	<b>659</b>
<b>Post-tax return on equity (annualized)<sup>2</sup></b>	<b>11.8 %</b>	<b>11.3 %</b>	<b>10.5 %</b>	<b>6.9 %</b>	<b>12.4 %</b>

<sup>1</sup> Includes both direct and distributed expenses

<sup>2</sup> Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 (14.5) percent to be in line with the capital plan.

## Margin development

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



## 2.4 Subsidiaries

### EiendomsMegler 1 Midt-Norge AS

Ownership 87.0 %

EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market- leader position in the region. The company has specialized operations, which include separate units for project and commercial real estate broking. In addition, the company, in cooperation with BN Bank, has established BN Bolig in which EiendomsMegler 1 Midt-Norge and BN Bank each hold a 50 per cent stake. As of 1Q 2017 EiendomsMegler 1 Midt-Norge fully consolidates BN Bolig's results as a subsidiary.

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest income	0	0	0	-3	1	1	1	2	0
Commission income and other income	142	162	115	108	128	157	104	102	114
<b>Total income</b>	<b>141</b>	<b>162</b>	<b>114</b>	<b>105</b>	<b>129</b>	<b>158</b>	<b>104</b>	<b>104</b>	<b>114</b>
<b>Total operating expenses</b>	<b>148</b>	<b>139</b>	<b>123</b>	<b>134</b>	<b>140</b>	<b>133</b>	<b>112</b>	<b>114</b>	<b>125</b>
<b>Result before tax</b>	<b>-7</b>	<b>23</b>	<b>-9</b>	<b>-29</b>	<b>-11</b>	<b>25</b>	<b>-8</b>	<b>-10</b>	<b>-11</b>

Five years [NOK million]	YTD 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Net interest income	-1	-1	3	4	4
Commission income and other income	418	497	473	426	360
<b>Total income</b>	<b>418</b>	<b>496</b>	<b>477</b>	<b>430</b>	<b>364</b>
<b>Total operating expenses</b>	<b>410</b>	<b>519</b>	<b>474</b>	<b>363</b>	<b>317</b>
<b>Result before tax</b>	<b>8</b>	<b>-23</b>	<b>3</b>	<b>68</b>	<b>47</b>

## SpareBank 1 Finans Midt- Norge AS

Ownership 61.2 %

Bank's offices and other partners.

The company is owned by SpareBank 1 SMN, Samarbeidende Sparebanker and SpareBanken Sogn og Fjordane. With Samarbeidende Sparebanker as a co-owner, the company has a presence in ten different counties dispersed across Mid- and South Norway.

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest income	79	76	75	75	69	66	65	63	59
Commission income and other income	18	19	16	16	16	17	14	14	14
<b>Total income</b>	<b>98</b>	<b>96</b>	<b>92</b>	<b>91</b>	<b>85</b>	<b>83</b>	<b>79</b>	<b>77</b>	<b>73</b>
<b>Total operating expenses</b>	<b>45</b>	<b>48</b>	<b>44</b>	<b>40</b>	<b>41</b>	<b>38</b>	<b>36</b>	<b>36</b>	<b>34</b>
<b>Ordinary operating profit</b>	<b>53</b>	<b>48</b>	<b>47</b>	<b>51</b>	<b>44</b>	<b>45</b>	<b>42</b>	<b>41</b>	<b>39</b>
Loss on loans, guarantees etc.	12	13	8	10	9	11	4	6	3
<b>Result before tax</b>	<b>41</b>	<b>35</b>	<b>40</b>	<b>42</b>	<b>35</b>	<b>34</b>	<b>38</b>	<b>35</b>	<b>36</b>

Five years [NOK million]	YTD	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2017	2016	2015
Net interest income	231	275	228	183	154
Commission income and other income	54	62	55	30	33
<b>Total income</b>	<b>285</b>	<b>337</b>	<b>283</b>	<b>213</b>	<b>187</b>
<b>Total operating expenses</b>	<b>137</b>	<b>155</b>	<b>137</b>	<b>96</b>	<b>97</b>
<b>Ordinary operating profit</b>	<b>148</b>	<b>182</b>	<b>146</b>	<b>117</b>	<b>91</b>
Loss on loans, guarantees etc.	33	34	18	13	8
<b>Result before tax</b>	<b>115</b>	<b>149</b>	<b>128</b>	<b>104</b>	<b>83</b>



## SpareBank 1 Regnskapshuset SMN AS

Ownership 88.7 %

SpareBank 1 Regnskapshuset SMN is an accountancy business within the SMB segment. SpareBank 1 Regnskapshuset intends to be one of Norway's leading actors in the accounting industry by building up a national accounting enterprise based on regional ownership, strong links to the owner banks and closeness to the market.

The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry. SpareBank 1 Regnskapshuset SMN acquired all shares of one large accounting firm with effect from 1 January 2017, leading to a substantial increase in both income and costs.

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest income	0	0	0	0	0	0	0	0	0
Commission income and other income	100	151	140	107	84	132	121	91	75
<b>Total income</b>	<b>100</b>	<b>151</b>	<b>140</b>	<b>107</b>	<b>84</b>	<b>132</b>	<b>120</b>	<b>92</b>	<b>74</b>
<b>Total operating expenses</b>	<b>80</b>	<b>110</b>	<b>119</b>	<b>93</b>	<b>71</b>	<b>105</b>	<b>103</b>	<b>76</b>	<b>65</b>
<b>Result before tax</b>	<b>20</b>	<b>41</b>	<b>21</b>	<b>14</b>	<b>13</b>	<b>27</b>	<b>17</b>	<b>15</b>	<b>9</b>

Five years [NOK million]	YTD 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Net interest income	-1	0	-1	0	0
Commission income and other income	391	444	377	234	197
<b>Total income</b>	<b>390</b>	<b>444</b>	<b>376</b>	<b>235</b>	<b>197</b>
<b>Total operating expenses</b>	<b>309</b>	<b>373</b>	<b>315</b>	<b>191</b>	<b>162</b>
<b>Result before tax</b>	<b>81</b>	<b>71</b>	<b>61</b>	<b>44</b>	<b>35</b>

## SpareBank 1 Markets AS

Ownership 66.7 %

cover all customer segments, from retail clients and small and medium- sized businesses to large listed companies and institutional investors. The company is headquartered in Oslo and has offices in Trondheim and Ålesund.

SpareBank 1 Markets acquired Allegro Kapitalforvaltning in Trondheim and SpareBank 1 Nord-Norge Forvaltning in Tromsø from SpareBank 1 SMN and SpareBank 1 Nord-Norge respectively in second quarter 2017. The acquired companies are merged and will spearhead SpareBank 1 Markets' asset management business.

In the fourth quarter 2017 the company acquired the trading desk at SpareBank 1 SR-Bank Markets. SpareBank 1 SR-Bank became co- owner of the company as a result of the transaction.

Quarterly figures [NOK million]	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17
Net interest income	-4	-5	-4	-3	-4	-4	-3	-4	-6
Equities/ High Yield	27	49	51	39	40	60	56	47	30
Fixed Income	8	12	12	10	6	13	11	6	9
Corporate	61	64	43	74	32	57	21	41	26
Foreign exchange/ interest rate derivatives	31	37	21	30	17	24	34	32	16
Asset Management	12	12	11	0	11	11	10	33	18
Other commission income	3	2	6	0	4	2	3	3	2
<b>Total income</b>	<b>139</b>	<b>172</b>	<b>140</b>	<b>150</b>	<b>106</b>	<b>164</b>	<b>131</b>	<b>158</b>	<b>93</b>
<b>Total operating expenses</b>	<b>129</b>	<b>146</b>	<b>138</b>	<b>156</b>	<b>120</b>	<b>136</b>	<b>124</b>	<b>146</b>	<b>119</b>
<b>Ordinary operating profit</b>	<b>11</b>	<b>26</b>	<b>2</b>	<b>-6</b>	<b>-14</b>	<b>29</b>	<b>7</b>	<b>12</b>	<b>-26</b>
Loss on loans, guarantees etc.	0	0	0	0	0	0	0	0	0
<b>Result before tax</b>	<b>11</b>	<b>26</b>	<b>2</b>	<b>-6</b>	<b>-14</b>	<b>29</b>	<b>7</b>	<b>12</b>	<b>-26</b>

	YTD	31 Dec	31 Dec	31 Dec	31 Dec
Five years [NOK million]	2019	2018	2017	2016	2015
Net interest income	-13	-14	-15	-8	-3
Equities/ High Yield	128	195	152	97	69
Fixed Income	33	40	41	20	-25
Corporate	168	183	112	87	35
Foreign exchange/ interest rate derivatives	89	105	82	88	50
Asset Management	36	32	53	0	0
Other commission income	12	10	11	8	6
<b>Total income</b>	<b>452</b>	<b>551</b>	<b>437</b>	<b>292</b>	<b>132</b>
<b>Total operating expenses</b>	<b>412</b>	<b>536</b>	<b>435</b>	<b>282</b>	<b>235</b>
<b>Ordinary operating profit</b>	<b>39</b>	<b>15</b>	<b>2</b>	<b>10</b>	<b>-103</b>
Loss on loans, guarantees etc.	0	0	0	0	0
<b>Result before tax</b>	<b>39</b>	<b>15</b>	<b>2</b>	<b>10</b>	<b>-103</b>

## Other subsidiaries

---

### **DeBank**

A bank catering exclusively to small and medium-sized businesses that specialise in factoring. DeBank is headquartered in Trondheim. SpareBank 1 SMN is increasing its focus on small and medium-sized businesses and strengthening its offering in the factoring area through this acquisition.

### **Sparebank 1 Invest**

The company's strategy is to carry out investments in regional start-ups, venture and private equity funds and to invest directly in growth companies with national/ international market potential in the same market area.

### **Property companies**

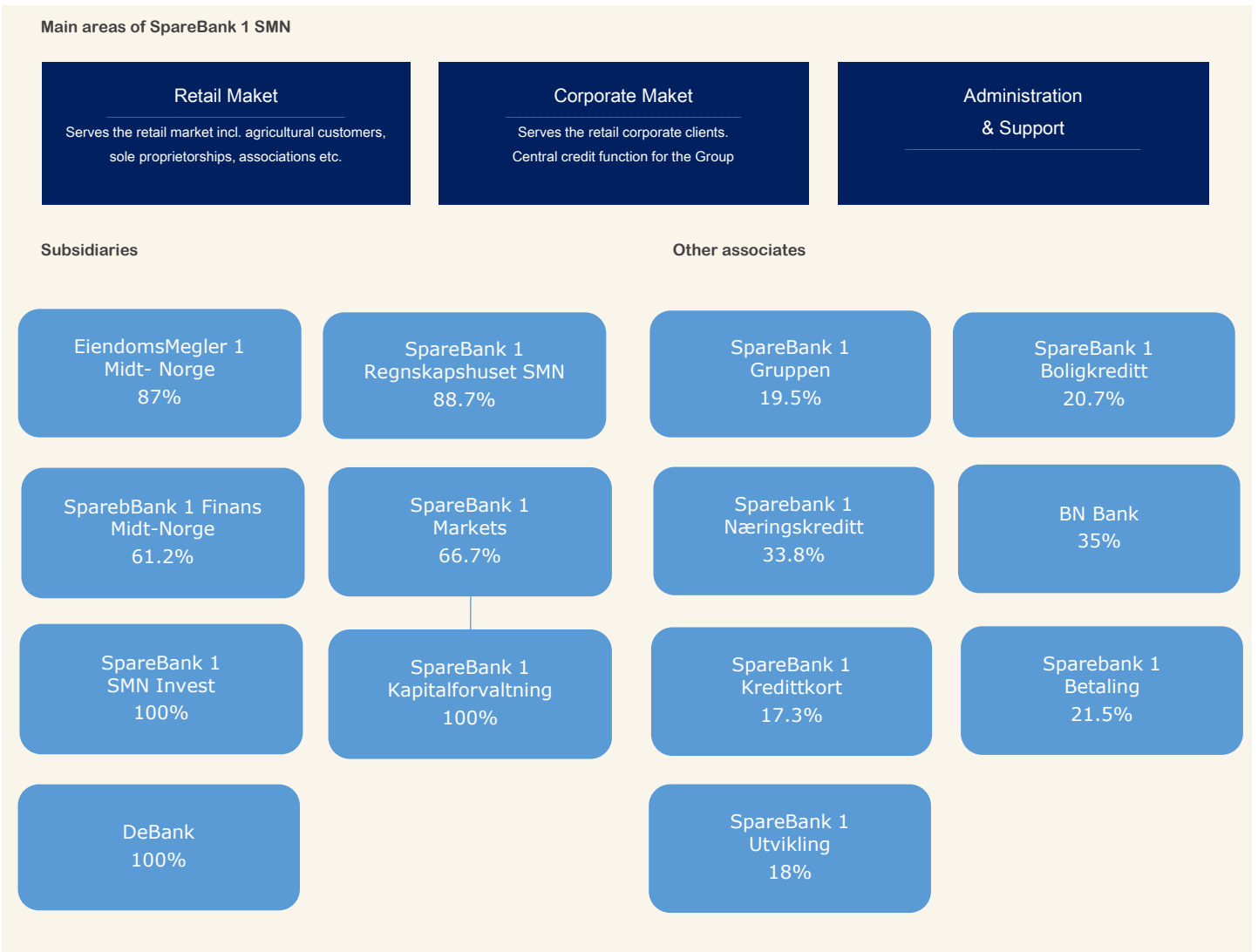
Their mission is to own, operate and develop property. Property companies: SpareBank 1 SMN Kvartalet, SpareBank 1 Bygget Steinkjer, St Olavs Plass 1 SMN, Jernbanegata 19 SMN, SpareBank 1 Bygget Trondheim, Bjerkeløkkja.

# 3 Appendix

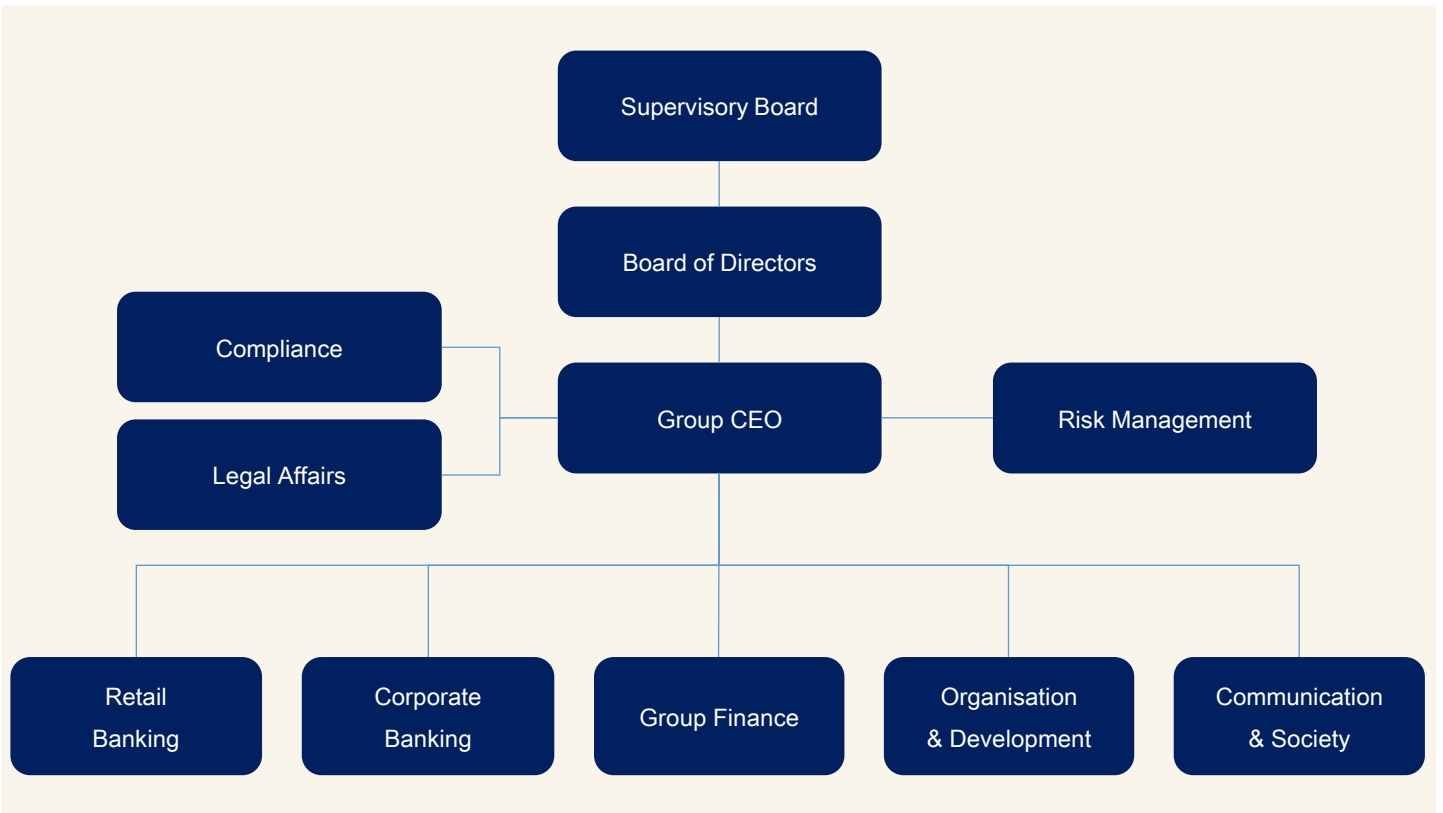
## A1 Business description

SpareBank 1 SMN is the region's leading financial services group and one of six owners of the SpareBank 1 Alliance. Its head office is in Trondheim. SpareBank 1 SMN is a regional independent savings bank with a local footing. Through the SpareBank 1 Alliance and its own subsidiaries, SpareBank 1 SMN has secured access to competitive products in the fields of financing, savings and investment, insurance and payment services. The bank is organised under the following structure:

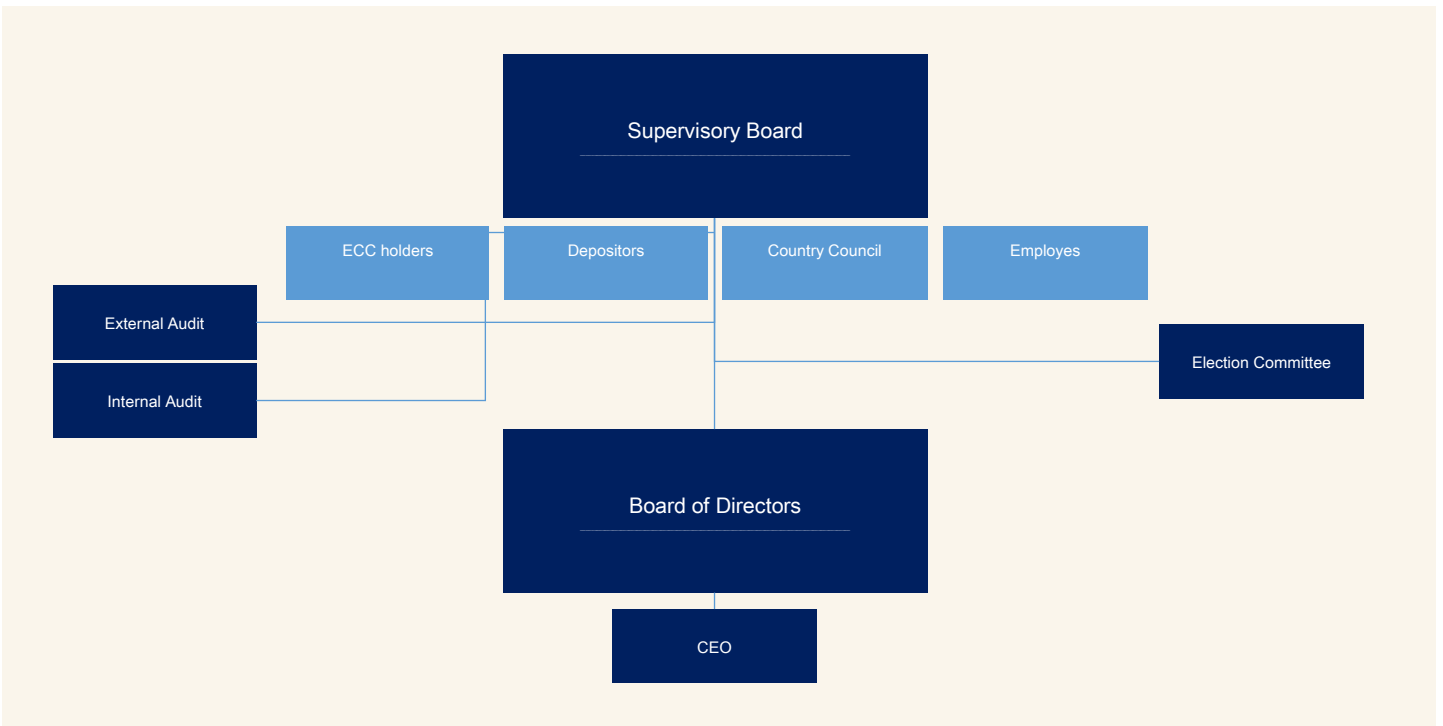
### Financial Group SpareBank 1 SMN



Organisation of SpareBank 1 SMN

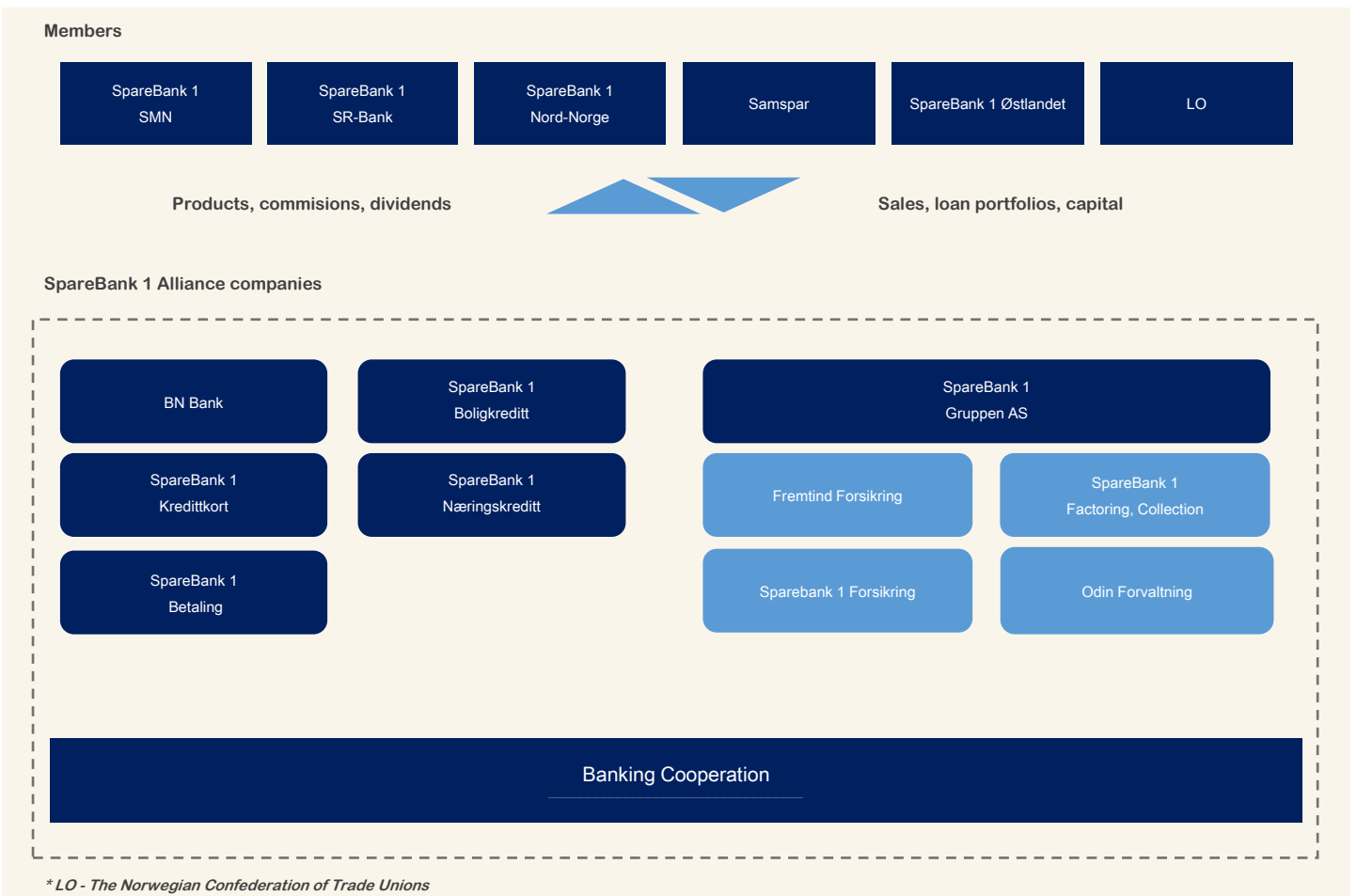


Overview of governing and control bodies



## SpareBank 1 Alliance

SpareBank 1 SMN was one of the founding partners of the SpareBank 1 Alliance in 1996. The Alliance consists of closely cooperating saving banks, all of them being independent and locally anchored banks. The purpose of the SpareBank1 Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale. The Alliance canalize a lot of its mutual interests through SpareBank1 Gruppen AS, a holding company of life and non-life insurance, mutual funds, a broker-dealer and other companies. The Alliance is the 2nd largest Norwegian financial group with wide distribution all over Norway.



## A2 20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge	4,760,884	3.67%
State Street Bank and Trust CO (nominee)	4,163,455	3.21%
Sparebankstiftelsen SMN	3,965,391	3.05%
Odin Norge	3,442,919	2.65%
Danske Invest Norske Aksjer Institusjon II	3,321,149	2.56%
VPF Alfred Berg Gambak	2,401,892	1.85%
VPF Pareto Aksje Norge	2,320,692	1.79%
JPMorgan Chase Bank, N.A., London (nominee)	2,023,423	1.56%
Morgan Stanley & Co. International	1,985,526	1.53%
State Street Bank and Trust Comp (nominee)	1,954,086	1.51%
Forsvarets Personellservice	1,779,246	1.37%
Pareto Invest AS	1,755,983	1.35%
Danske Invest Norske Aksjer Institusjon I	1,537,592	1.18%
VPF Nordea Kapital	1,449,741	1.12%
State Street Bank and Trust CO (nominee)	1,436,989	1.11%
J.P. Morgan Bank Luxembourg S.A. (nominee)	1,382,836	1.07%
MP Pensjon PK	1,352,771	1.04%
VPF Nordea Avkastning	1,249,111	0.96%
VPF Eika Egenkapitalbevis	1,245,315	0.96%
Handelsbanken Nordiska Småbolagsfond	1,241,359	0.96%
<b>Total 20 largest shareholders</b>	<b>44,770,360</b>	<b>34.48%</b>
<b>Others</b>	<b>85,066,083</b>	<b>65.52%</b>
<b>Total</b>	<b>129,836,443</b>	<b>100%</b>

## A3 ECC capital history

Year	Change	Change in ECC capital	Total ECC capital	No. of ECC's
1991	Placing	525	525	5,250,000
1992	Placing	75	600	6,000,000
2000	Employee placing	5	605	6,053,099
2001	Employee placing	5	610	6,099,432
2002	Employee placing	5	614	6,148,060
2004	Bonus Issue	154	768	7,685,075
2005	Placing	217	986	9,859,317
2005	Employee placing	24	1,009	10,097,817
2005	Split	-	1,009	40,391,268
2005	Bonus Issue	253	1,262	50,489,085
2007	Dividend Issue	82	1,344	53,752,203
2007	Employee placing	5	1,349	53,976,003
2008	Dividend Issue	91	1,440	57,603,748
2008	Employee placing	6	1,447	57,861,806
2009	Bonus Issue	289	1,736	69,434,167
2010	Placing	624	2,360	94,397,474
2010	Employee placing	13	2,373	94,905,286
2011	Issue	1	2,373	94,930,286
2012	Placing	95	2,468	123,407,456
2012	Employee placing	16	2,484	124,218,466
2012	Private placement	112	2,597	129,836,443

## A4 CAD - methods for calculating minimum requirements

	Portfolio	Regulatory method
Credit risk	States - parent bank	Standardized approach
	Institutions - parent bank	Standardized approach
	Housing cooperatives, clubs and associations - parent bank	Standardized approach
	Enterprises - parent bank	Advanced IRB approach
	Mass market - parent bank	IRB - mass market (advanced)
	SpareBank 1 Finans Midt-Norge AS	Standardized approach
	SpareBank 1 SMN Invest	Standardized approach
	Mass market - SpareBank 1 Boligkreditt AS	IRB - mass market (advanced)
	Enterprises - SpareBank 1 Næringskreditt AS	Standardized approach
	Enterprises - BN Bank AS	Advanced IRB approach
	Mass market - BN Bank AS	IRB - mass market (advanced)
	Market risk	Equity risk - parent bank
Debt risk - parent bank		Standardized approach
Currency risk - parent bank		Standardized approach
Subsidiaries and part-owned companies		Standardized approach
Operational risk	SpareBank 1 SMN (parent bank)	Standardized approach
	Subsidiaries and part-owned companies	Basic Indicator Approach