



SpareBank
SMN



3rd quarter 2019

30. October 2019

Good profits as at 30. September 2019

Net profit

NOK 2.217m (1.689m)

ROE

16.0 % (13.3)

CET1

15.1 % (14.9)

Pre loss result of core business NOK 1.625m (1.471)
Loan losses NOK 198 m (196m)

ROE ex gain Fremtind 12.7 %

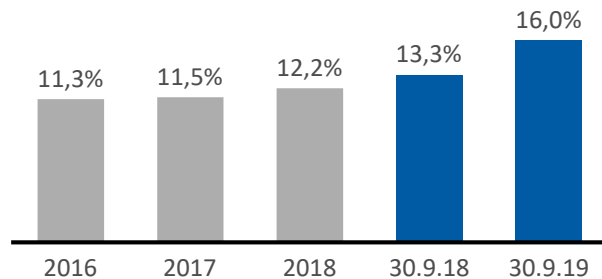
Leverage ratio 7.4 % (7.5)

Growth in lending RM 5.8 % (10.7) and CM 2.8% (0.8)
Growth in deposits 7.9 % (6.1)

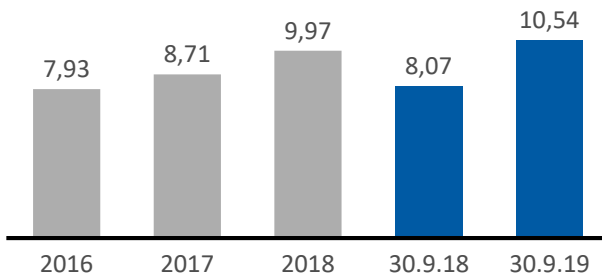
Booked equity capital per ECC NOK 89.36 (NOK 82.57)
Profit per ECC NOK 10.54 (NOK 8.07)

Good profits and strong capitalization

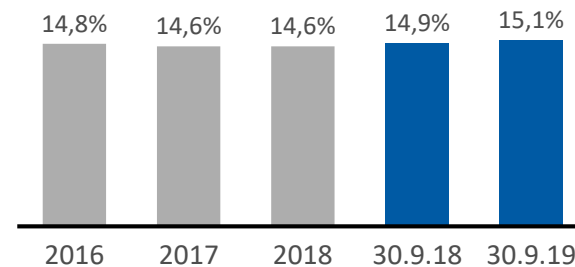
Return on equity



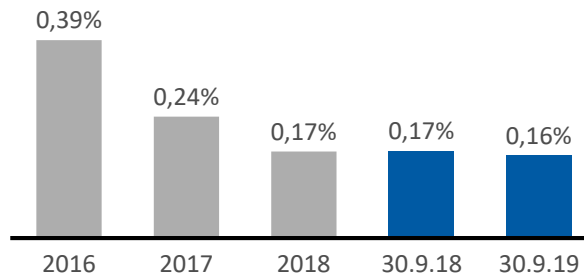
Earnings per ECC



CET1



Loan losses as a percentage of total lending

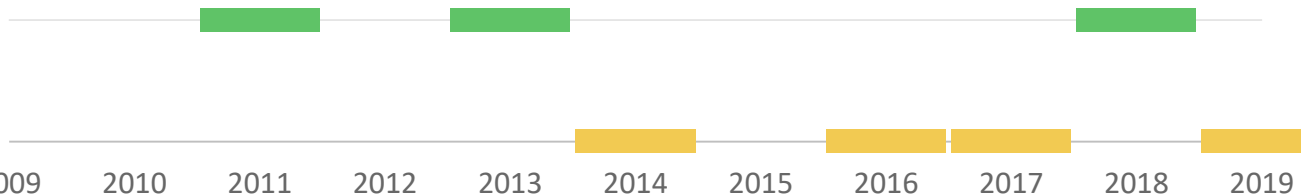


SpareBank 1 SMN's main outlook for the coming year: From positive to neutral – continuing high activity

Improvement



Neutral



Deterioration



Analysis of 41,000 annual accounts: Central Norway in 2018 (2017)

Businesses



35 823 (35 699)

Number of
businesses



2 894 (2 851)

Number of newly
established
Ltd. companies

Turnover



88.3 mrd (80,2)

Turnover ten
largest companies



4.9 % (2,5 %)

Growth in overall turnover

Operating margin



6.5 % (6,7%)

Weighted
Operating margin*



76.4 % (76,1 %)

Share with
positive
operating result*

Equity capital



88.9 % (88,8 %)

Share with
positive equity capital*



38.4 % (38,9 %)

Weighted
equity ratio*

Bankruptcies



606 (573)

Number of bankruptcies and
compulsory liquidations



1.7 % (1,6 %)

Share of bankruptcies and
compulsory liquidations

Source: Bisnode, SSB – New enterprises table: 08076, SpareBank1 SMN. bankruptcy statistics exc. housing associations, agriculture, unspecified

*Firms with turnover > NOK 1m.

SpareBank 1 SMN's industry indicator:

Stable, but downgraded outlook for maritime industry



Retail trade

Status ■ Outlook ↘



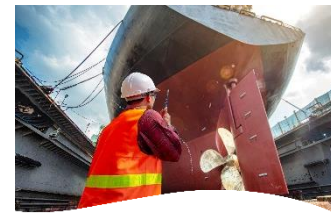
Construction

Status ■ Outlook →



Fisheries

Status ■ Outlook →



Maritime industry

Status ■ Outlook ↘



Offshore services

Status ■ Outlook →



Agriculture

Status ■ Outlook →



Aquaculture

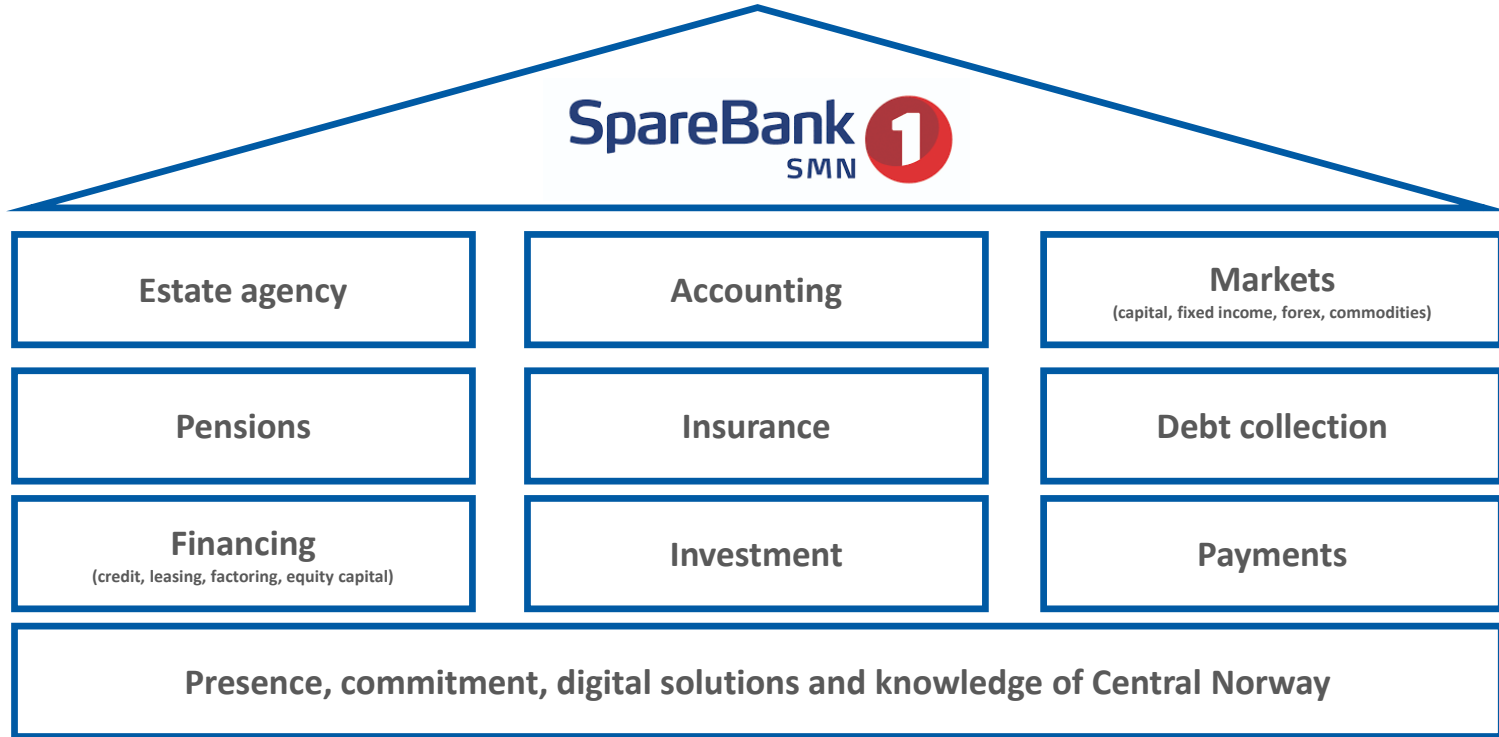
Status ■ Outlook →



Commercial property

Status ■ Outlook →

Finance house – physical and digital



Strong market position for subsidiaries



SpareBank 1 Finans Midt-Norge

NOK 115m (107m)

Solid market position. Leasing / corporates NOK 3.5bn and car loans 4.9 bn. Strong growth in car loans



SpareBank 1 Regnskapshuset SMN

NOK 81m (57m)

Turnover NOK 390m as at 30. September 2019 (NOK 337m). Consolidating and digitalizing the industry. Market share 25 %



EiendomsMegler 1 Midt-Norge

NOK 8m (6m) *including BN Bolig*

Profit EM1 NOK 31m (NOK 34m), 37 % marketshare. Strong synergy with the bank
Profit BN Bolig –NOK 24M (-NOK 21m)

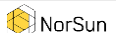


SpareBank 1 Markets

NOK 39m (21m)

Complete range of capital market services in cooperation with the owner banks. High growth in income, turnover NOK 465m (NOK 412m)

Good trend for SpareBank 1 Markets – especially in Investment Banking

IPO	 NORBIT - explore more - IPO June 2019 NOK 506,000,000	 OKEA IPO June 2019 NOK 362,000,000	 SpareBank 1 TELEMARK IPO October 2018 NOK 542,000,000	 SHELF DRILLING IPO June 2018 USD 225,000,000	 Fjordkraft IPO March 2018 NOK 1,400,000,000	 Crayon The Software Experts IPO November 2017 NOK 750,000,000	 WEBSTEP IPO October 2017 NOK 400,000,000
ECM (Listed)	 datarespons Private placement May 2019 NOK 324,000,000	 Questor Energy Private placement April 2019 NOK 93,000,000	 SeaBird Exploration Private placement April 2019 NOK 250,000,000	 RECSILICON Private placement April 2019 NOK 170,000,000	 nel Private placement January 2019 NOK 463,000,000	 GCRIEBER SHIPPING Rights issue December 2018 NOK 246,000,000	 SAS Private placement November 2017 SEK 1,270,000,000
ECM (Not listed)	 NorSun Private placement June 2019 NOK 230,000,000	 MARITIME & MERCHANT BANK ASA Private placement June 2019 NOK 102,000,000	 Christian Jakhelln Private placement May 2019 NOK 150,000,000	 QUANTAFUEL Private placement February 2019 NOK 150,000,000	 ARNARLAX Block sale of shares February 2019 NOK 180,000,000	 OTOVO Private placement October 2018 NOK 100,000,000	 OKEA Private placement September 2018 NOK 110,000,000
M&A	 Eidsiva Merger with Hafslund E-CO September 2019 NOK 100,000,000,000	 Lundin Petroleum Asset and cash swap for 16% own shares July 2019 SEK 14,500,000,000	 EURONEXT Acquisition of Oslo Børs VPS June 2019 NOK 6,790,000,000	 TrønderEnergi NTE M&A and project finance of 1.5 TWh wind portfolio January 2019 Undisclosed	 equinor Minority stake in Scatec Solar November 2018 NOK 700,000,000	 DNB SpareBank 1 Merger of non-life insurance September 2018 NOK 19,750,000,000	 GCRIEBER SHIPPING Acquisition of seismic fleet August 2018 USD 689,000,000
DCM	 Bonheur ASA Unsecured bond August 2019 NOK 800,000,000	 DNO Unsecured bond May 2019 USD 400,000,000	 EKORNES Ekornes QM Holding AS Secured bond March 2019 NOK 2,000,000,000	 SICCAR POINT ENERGY Tap issue March 2019 USD 100,000,000	 HKN ENERGY LTD. Unsecured bond February 2019 USD 100,000,000	 HAVILAFJORD Tap issue January 2019 NOK 250,000,000	 KONGSBERG Private debt December 2018 SEK 600,000,000
IG	 BRAGE Unsecured bond June 2019 NOK 400,000,000	 Ringerikskraft Unsecured bond May 2019 NOK 400,000,000	 OBOS Banken Unsecured bond May 2019 NOK 500,000,000	 DNB Unsecured bond April 2019 NOK 2,000,000,000	 Pareto bank Unsecured bond March 2019 NOK 400,000,000	 SpareBank 1 ØSTLANDET Unsecured bond February 2019 NOK 800,000,000	 Lyse Unsecured bond January 2019 NOK 400,000,000



Successful pairing of banking and insurance – and ambitions are high

Growth of 9.1%,
More and more bank customers
find it attractive to buy insurance
at their bank



5.9%



3.4%

Innovation will ensure bank customers
attractive insurance solutions for new times,
with mobility, home and health in focus



SpareBank 1 has satisfied
customers



2019

No. 1 on Norsk Customer Barometer 50 - 60%

Rising share of claims reported
digitally



We insure half of Norway's households country wide.
Extreme weather is increasingly frequent, in new locations,
in new forms. People are uneasy, damage prevention pays,
which is why we use our voice as an influencer.



*Debate theme: Local climate crisis –
finger pointing while the water rises*

SMN has cooperation as a competitive advantage

Group

SpareBank 1
MARKETS

SpareBank 1
FINANS MIDT-NORGE

SpareBank 1
REGNSKAPSHUSET

EiendomsMegler 1
MIDT-NORGE

SpareBank 1 Alliance

SpareBank 1



ODIN



Conecto

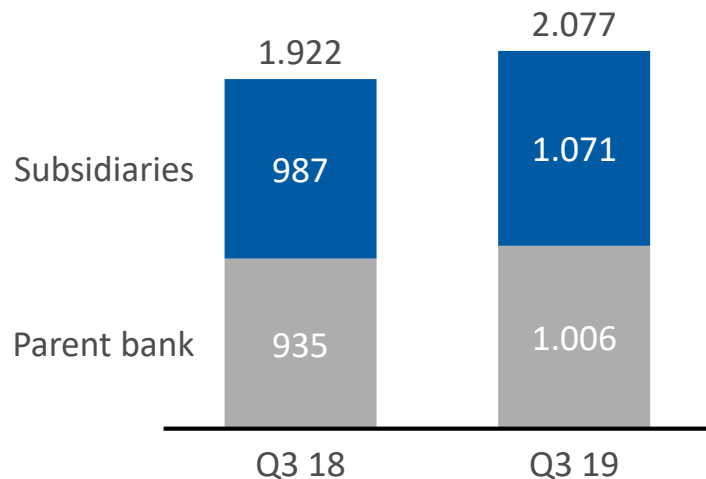
Jointly owned companies

Fremtind

vopps

Cost growth brought by initiatives both at the subsidiaries and the bank

Costs as at September 2018 and September 2019



- **Cost growth at the subsidiaries**
 - Acquisitions by SMN Regnskapshuset
 - Strengthened commitment at SpareBank 1 Markets
 - Acquisition of DeBank
- **Cost growth at the parent bank**
 - New self-service solutions and CRM system
 - Regulatory requirements bring a need for increased capacity and competence
 - Anti-money laundering has high priority and requires resources
- **New, tighter cost objectives for the group in progress. To be announced at the Q4 presentation**



3rd quarter 2019

Agreement with the Confederation of Norwegian Trade Unions (LO) gives SpareBank 1 SMN major growth opportunities

- Three-year agreement between the LO and SpareBank 1 SMN and SpareBank 1 Østlandet as preferred partner banks
- The LO is Norway's largest labour organisation with almost one million members in total, and about 175,000 in the bank's catchment area
- SpareBank 1 SMN aims for substantial customer growth among LO members, above all in the bank's own market area
- Digital solutions and high activity at the local level will generate many new customers

SpareBank1 SMN given a greatly improved ESG rating by Sustainalytics

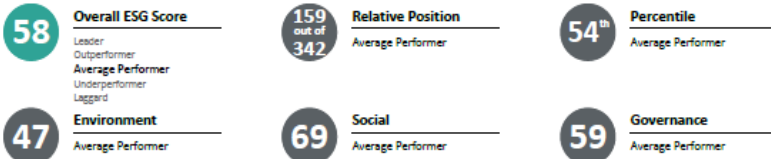
Leader



2018

ESG Summary

Overall Performance



Relative Performance

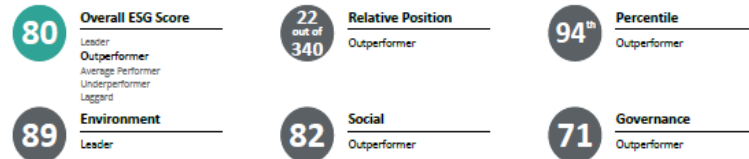
159 out of 342	Relative Position Average Performer				
Top 5 Companies		Score	Peers (Market cap \$1-\$2bn)	Score	
1.	KfW Bankengruppe (Hessen)	93	SpareBank 1 SMN	58	
2.	Coöperatieve Rabobank U.A.	89	Onesavings Bank PLC	58	
3.	DNB ASA	87	Laurentian Bank of Canada	55	
4.	ABN AMRO Group NV	86	Norwegian Finans Holding ASA	53	
5.	Nederlandse Financierings-Maatschappij	85	Alliance Bank Malaysia Berhad	45	

Historical Performance

2019

ESG Summary

Overall Performance



Relative Performance

22 out of 340	Relative Position Outperformer				
Top 5 Companies		Score	Peers (Market cap \$1-\$1bn)	Score	
1.	KfW Bankengruppe (Hessen)	93	SpareBank 1 SMN	80	
2.	Oesterreichische Kontrollbank	89	Türkiye Halk Bankası AS	62	
3.	Coöperatieve Rabobank U.A.	89	Laurentian Bank of Canada	57	
4.	De Volksbank NV	88	The Gunns Bank, Ltd.	49	
5.	DNB ASA	87	Federal Home Loan Mortgage Corp	49	

Historical Performance

Founding Signatory of:



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
**RESPONSIBLE
BANKING**

SpareBank1 SMN aims to be an instigator and facilitator for the transition to a low-emission society

That is why we signed, as one of five Norwegian banks, the UN's principles for responsible banking in September 2019

The principles are designed to guide the financial sector's alignment with the UN's sustainability goals and the Paris Agreement



In September 2019 SpareBank 1 SMN issued the first Norwegian green senior bond in the euro market

- The bond is worth EUR 500m and has a term of seven years
- The framework earmarks capital to green loan portfolios, incl. sustainable fisheries and fish farming



Social commitment as a competitive advantage



Why invest in SpareBank 1 SMN (MING)

- 1 High return over time and solid capitalisation. **Efficient** banking operations and unrealised income and cost synergies within the group. Shareholder-friendly dividend policy
- 2 Strong **position** and good **growth** in an attractive region and across all business lines. Diversified customer portfolio and income base
- 3 Good **brand** with development potential based on ownership model, local presence and sustainability
- 4 Substantial **underlying assets** through ownership in and outside the SB1 Alliance
- 5 Well positioned through **consolidation** of Norwegian savings banks

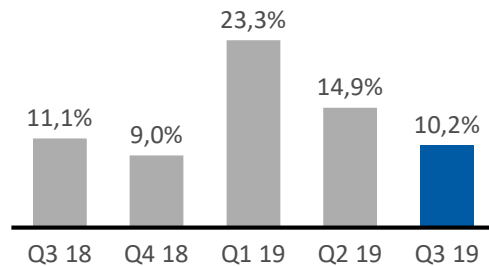


Financial information

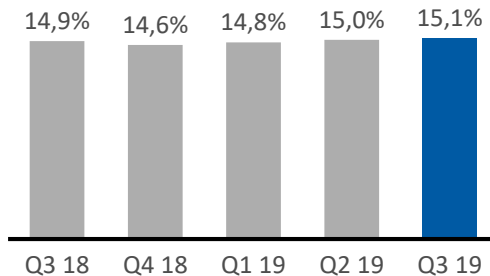
Kjell Fordal, CFO

Good profits and strong capitalization

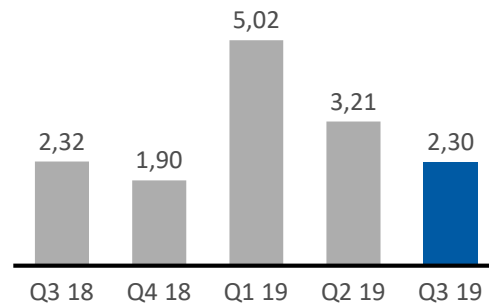
Return on equity



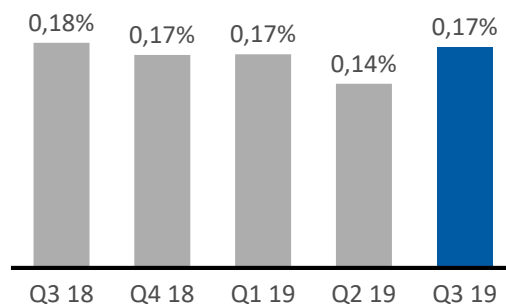
CET 1



Earnings per ECC



Loan losses as a percentage of total loans



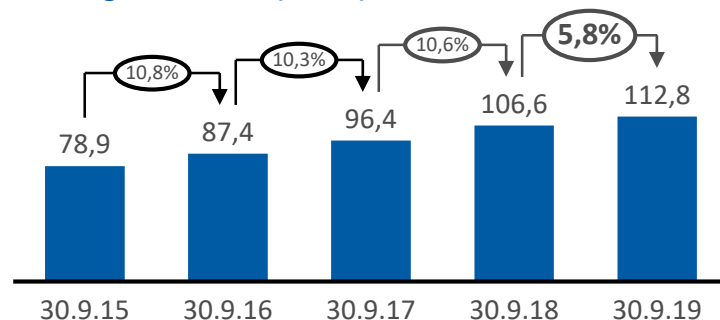
3rd quarter 2019

Profits

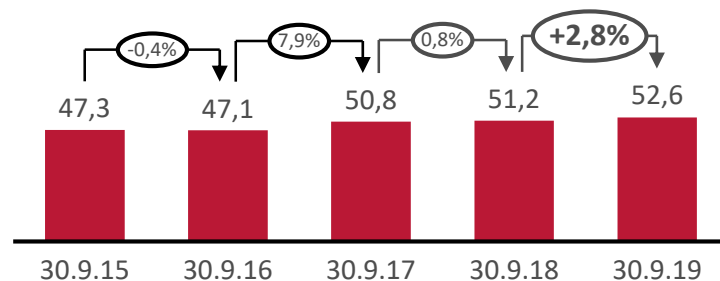
NOK mill	2019	2018	Change	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Net interest	1.991	1.759	232	678	664	649	644	610
Commission income and other income	1.711	1.634	77	554	606	551	543	486
Operating income	3.702	3.393	309	1.232	1.271	1.200	1.187	1.096
Total operating expenses	2.077	1.922	155	673	701	704	701	616
Pre-loss result of core business	1.625	1.471	154	559	570	496	486	479
Losses on loans and guarantees	198	196	2	71	59	67	67	69
Post-loss result of core business	1.427	1.274	153	487	511	428	418	410
Related companies	411	286	125	85	231	95	130	105
Gain Fremtind	460		460			460		
Securities, foreign currency and derivatives	313	376	-63	36	105	172	-35	77
Result before tax	2.612	1.937	675	609	848	1.155	513	592
Tax	395	405	-11	121	165	109	104	119
Result investment held for sale	0	157	-157	0	0	0	-8	6
Net profit	2.217	1.689	528	488	683	1.046	401	480
Return on equity	16,0 %	13,3 %		10,2 %	14,9 %	23,3 %	9,0 %	11,1 %

Total growth lending 4.8 % last 12 months

Lending RM +9.4 % (CAGR)



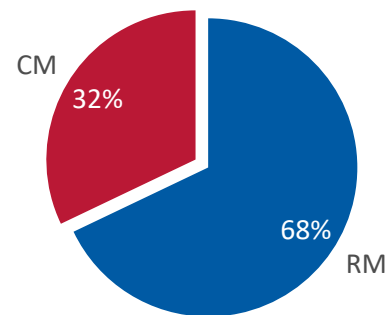
Lending CM + 2.7 % (CAGR)



High growth in home mortgage lending

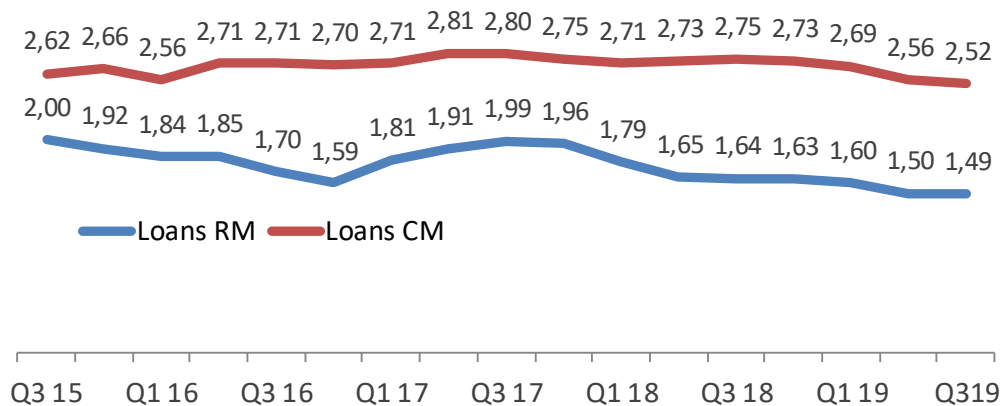
- Residential mortgage market growth of about 5.1 % (C2) last 12 months.
- Growth in retail lending quickened from the second quarter of 2019 after a weak first quarter
- Share of loans to personal borrowers up from 61 to 68 per cent in last four years
- Growth to corporates is mainly to small businesses

Share of lending



Lending margins

Increasing Nibor challenges the lending margins



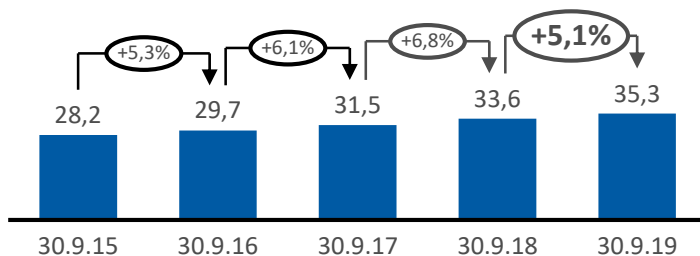
3rd quarter 2019

Comments

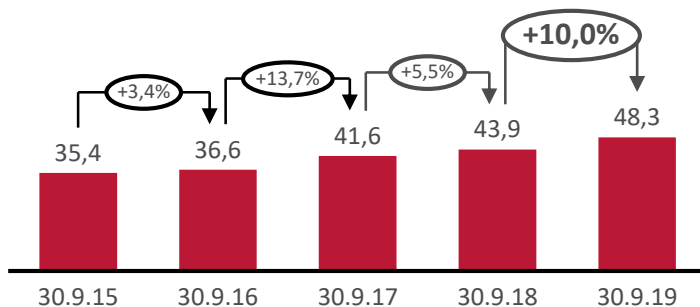
- Increased Nibor in 2018 and 2019,
- Base rate increased by 1.00 percentage points since September 2018
- General increase in residential lending rates carried out in the fourth quarter 2018, in May 2019 and in August 2019
- Next general increase will be carried out from 7. November 2019

Total growth deposits 7.9 % last 12 months

Deposits RM + 5.8 % (CAGR)



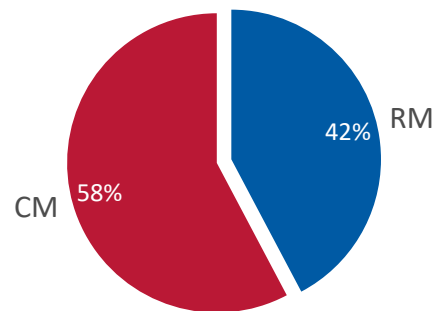
Deposits CM + 8.1 % (CAGR)



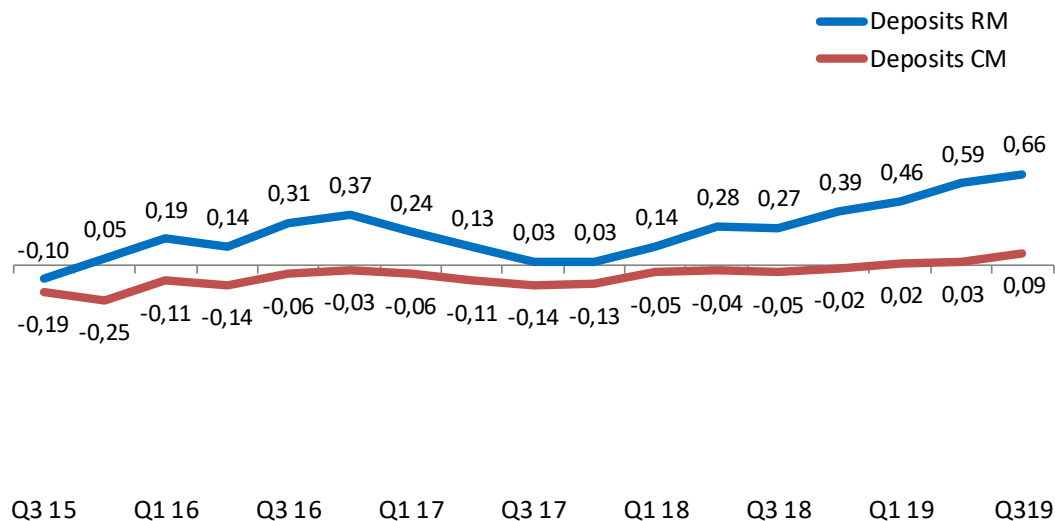
Good growth in deposits

- Stable and good growth in deposits from reatail customers
- High growth in deposits from corporate customers 2019
- Deposit-to-loan ratio 67 % (66 %), including loans sold to Bolig- and Næringskreditt 51 % (49 %)
- Of the Corporate Market deposits 25 % are from public sector

Share of deposits



Deposit margins Retail and Corporate

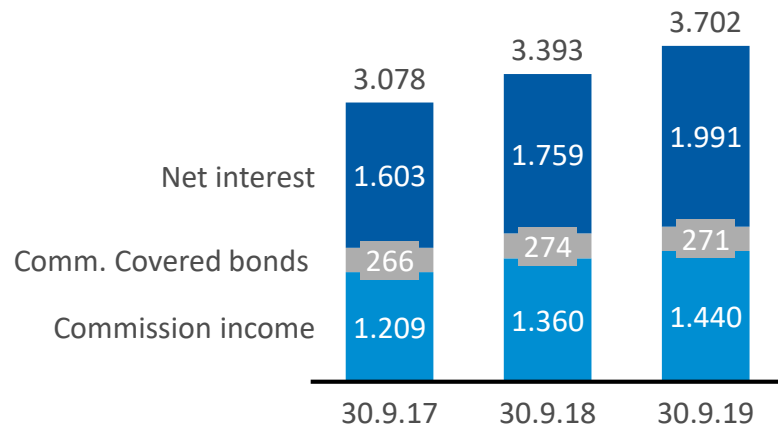


Comments

- Increased Nibor in 2018 and 2019 has strengthened the margins

Robust income platform and increased commission income

Net interest and other income



Commissions as at 30 September 2019 and 30. September 2018

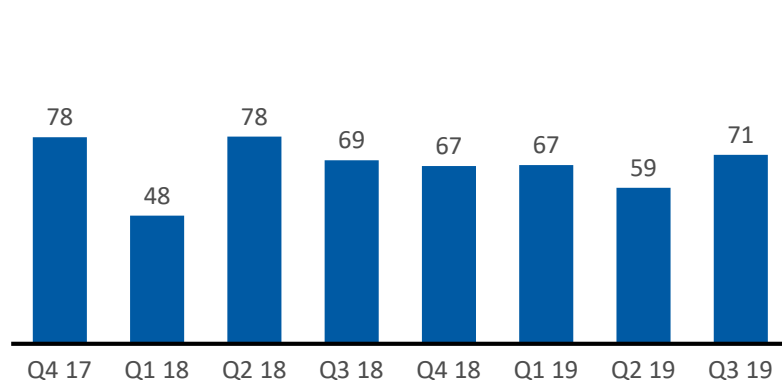
<i>mill kr</i>	2019	2018	Change
Payment transmission income	167	152	16
Creditcards	44	45	-1
Commissions savings and asset management	69	87	-18
Commissions insurance	136	130	6
Guarantee commissions	37	48	-12
Estate agency	298	298	0
Accountancy services	371	320	51
Securities	285	238	47
Other commissions	33	42	-8
Commissions ex. Bolig/Næringskreditt	1.440	1.360	79
Commissions Boligkreditt (cov. bonds)	259	263	-3
Commissions Næringskreditt (cov. bonds)	12	11	1
Total commission income	1.711	1.634	77

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

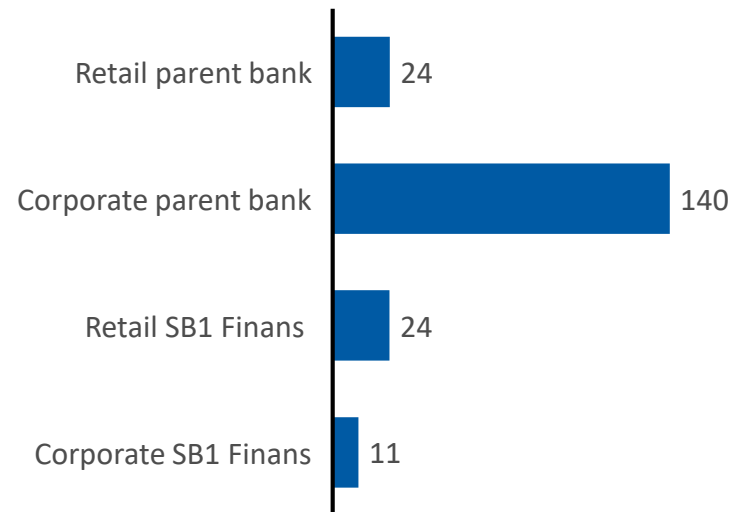
Loan losses

Losses mainly in the offshore industry

Losses per quarter, NOKm



Distribution as at 3rd quarter 2019

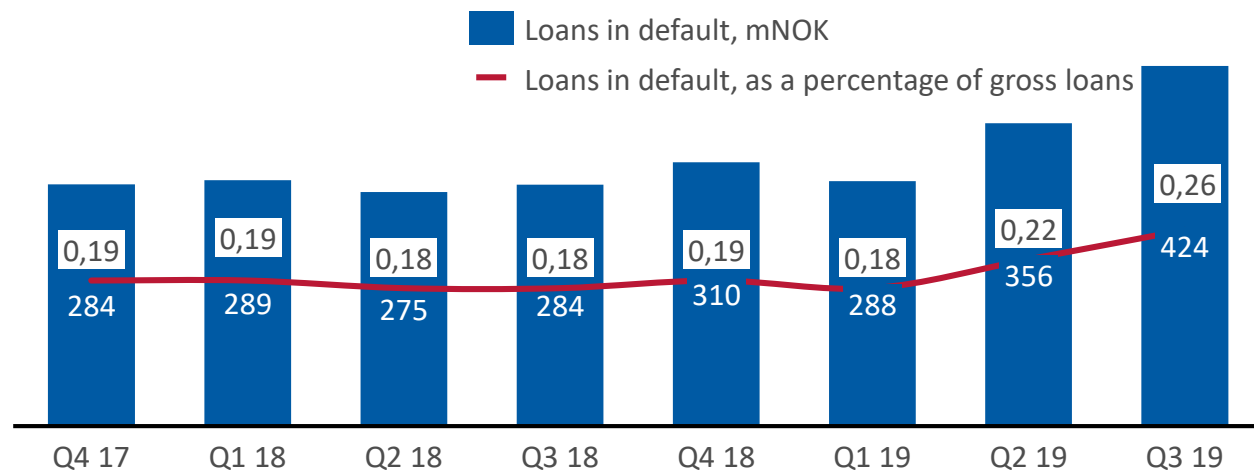


Loan losses including collective losses provisions 0.16 % (0.17 %) of gross lending as of 30.9.2019

Low levels on loans in default (0,26 %)

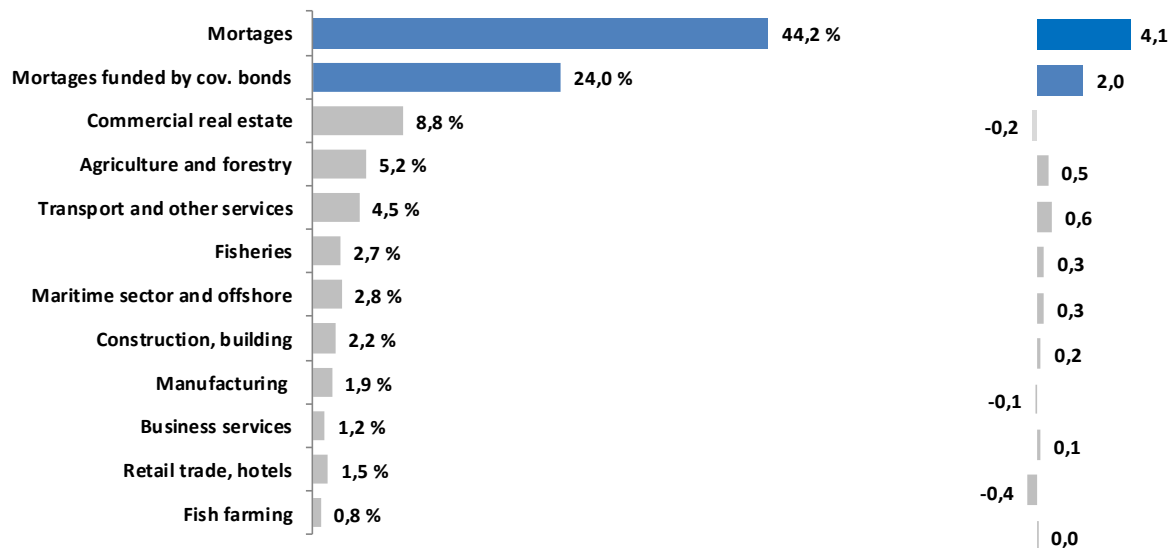
Some increase in default from retail customers in the second and third quarter 2019

Last two years, per quarter



High share mortgages of 68 % and diversified portfolio SMEs. Total lending NOK 165bn

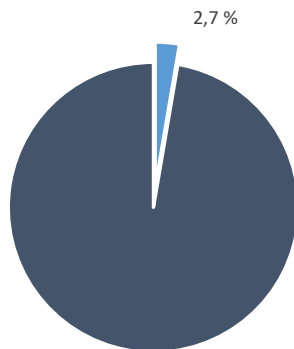
Lending by sector as a share of total lending and change last 12 months, NOKbn



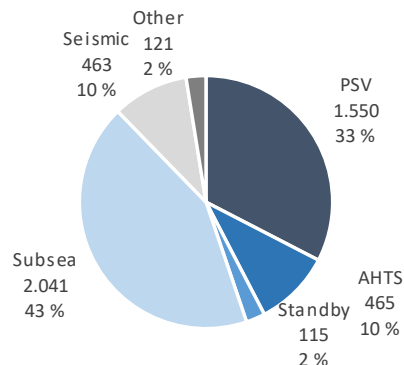
Offshore exposure less than 3 % of total credit risk

Impairment level corresponds to 12.8 per cent of the offshore portfolio

Offshore : 2,7 % of total EAD



Subsea and PSV largest segments (EAD mNOK)



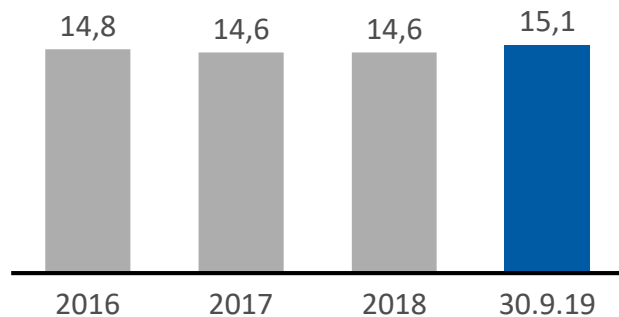
share mill kr	EAD	Loans	Indivi- dual	IFRS 9	Total impair- ments	Share of EAD
6 % Low risk	306	192	0	2	1,5	0,5 %
57 % Medium risk	2.717	2.151	0	80	80	3,0 %
0 % High risk	21	21	0	1	1	3,7 %
36 % Obligors with impairments / defaulted	1.712	1.240	528	0	528	30,8 %
100 % Total	4.755	3.604	528	82	610	12,8 %

Balance sheet

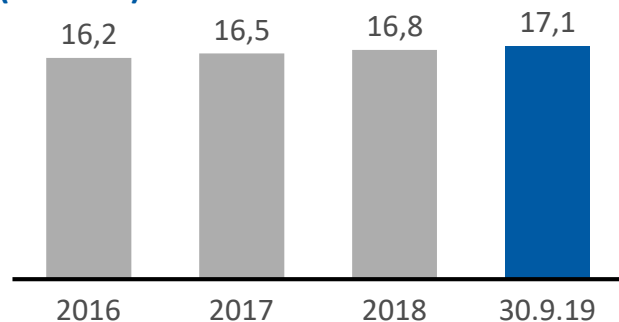
	30.9.19	30.9.18	30.9.17
Funds available	26,8	27,7	21,6
Net loans	123,0	117,2	109,6
Securities	2,4	2,7	1,6
Investment in related companies	6,5	5,9	5,9
Goodwill	0,9	0,8	0,7
Other assets	6,8	5,1	7,5
Total Assets	166,5	159,3	146,9
Capital market funding	53,8	54,2	47,6
Deposits	83,6	77,5	73,1
Other liabilities	6,8	6,3	6,5
Subordinated debt	2,3	2,7	3,5
Equity ex hybrid bonds	18,9	17,3	15,4
Hybrid bonds	1,0	1,3	0,9
Total liabilities and equity	166,5	159,3	146,9
in addition loans sold to Boligkreditt and Næringskreditt	41,4	39,8	36,5

Strong capitalization

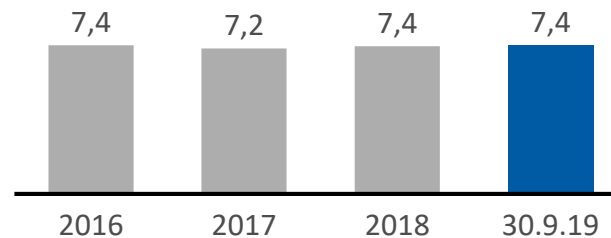
CET1



CET 1 without transitional arrangements (Basel III)



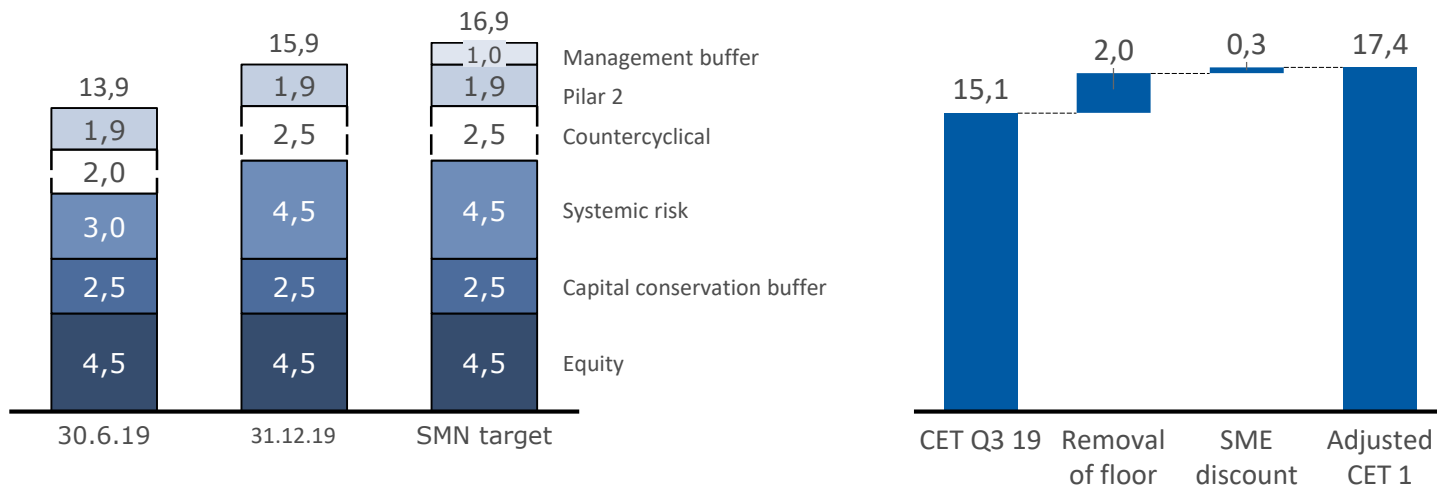
Leverage ratio



CRR/CRD IV implementation

The Ministry of Finance published a consultation document on 25.6.2019

- The ministry proposes to increase the systemic risk buffer by 1.5% til 4.5% in order to maintain the aggregate level of capital in Norwegian banks upon the removal of the Basel 1 floor and introduction of the SME discount
- Removal of the Basel I floor will improve the linkage between risk management and deployment of capital in the bank's loan portfolio



The proposal for minimum weights for residential mortgages (20%) and commercial mortgages (35%) will have no impact on the bank's risk weighted assets, but is expected to have implications for foreign IRB banks' exposure in Norway

**An independent, regional
and profitable bank that
contributes to the region's
development and value
creation**

Ambitious goals



Profitable

12 % ROE



Financially solid

CET1 ratio of 15 %

Pay out ratio of about 50 %



Increased number of satisfied customers

35 % market share and 250 000 customers



Increased incomes

Increased volume, increased share of wallet,
develop new income flows



Increased efficiency

SpareBank 1 SMN

7467 TRONDHEIM



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Internet addresses:

SMN homepage og internet bank:

HuginOnline:

Equity capital certificates in general:

www.smn.no

www.huginonline.no

www.grunnfondsbevis.no



Financial calendar 2019

Q3: 30. oktober 2019



Appendix

3rd quarter 2019





Norway's largest equity-certificate-issuing bank

3rd quarter 2019

**Finance house offering
a wide range of products**

Retail customers
224 thousand

Corporate customers
15 thousand

Loan volume
165 bn

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



3rd quarter 2019

History through almost 200 years Strong financial results over time

1823 Established

1985 Sparebanken Midt-Norge

1994 Listed on Oslo Børs

1996 SpareBank 1 Alliance

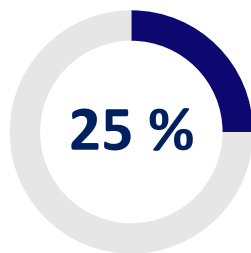
2005 Acquired Romsdals Fellesbank

2009 Acquired BN Bank/Sunnmøre

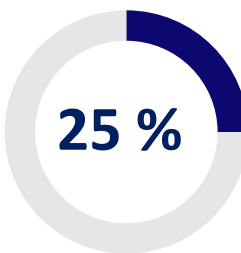
Strong market position in financial services in Central Norway

Market shares

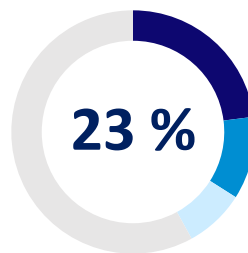
Parent bank retail



Parent bank SMB

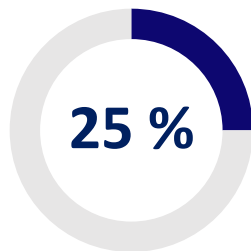


Collateral, residential mortgages

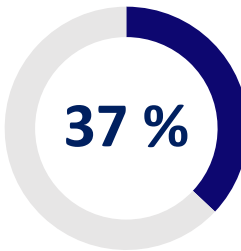


DNB 11 %
Nordea 8 %

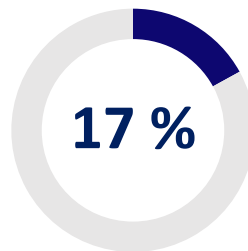
Accounts



Estate agency

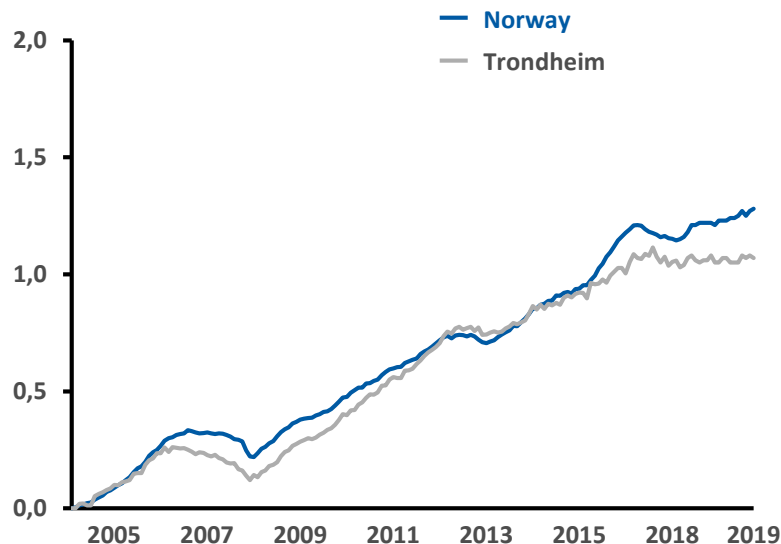


Vendor's liens



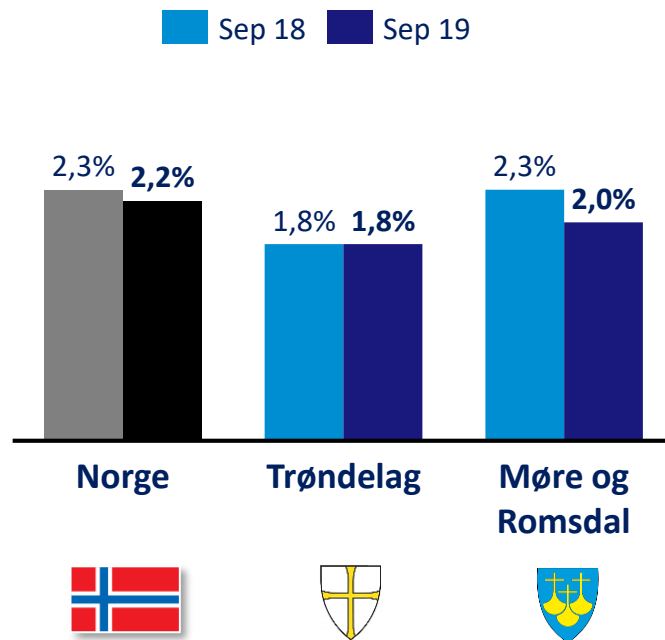
House prices levelling out at a high level

House prices 2005 – Q3 2019



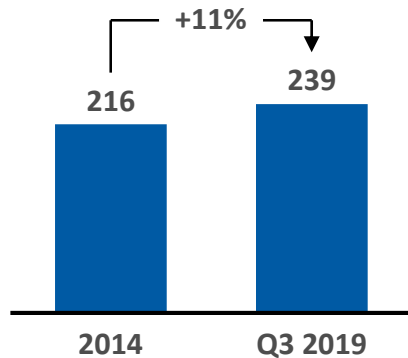
Low unemployment

Monthly figures September 2018 and September 2019



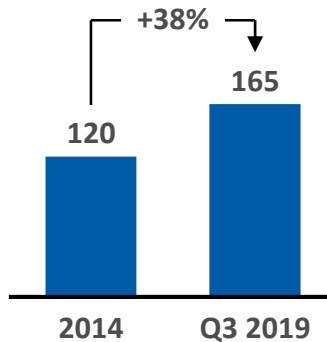
Increased revenues, number of customers and volumes

Number of customers



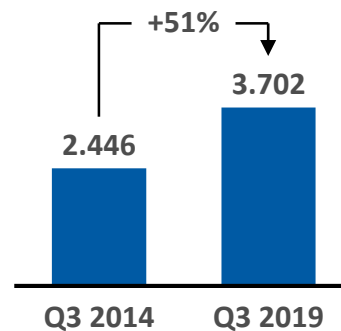
Stronger customer growth
than population growth

Total loan volume



Stronger lending
growth than credit
growth

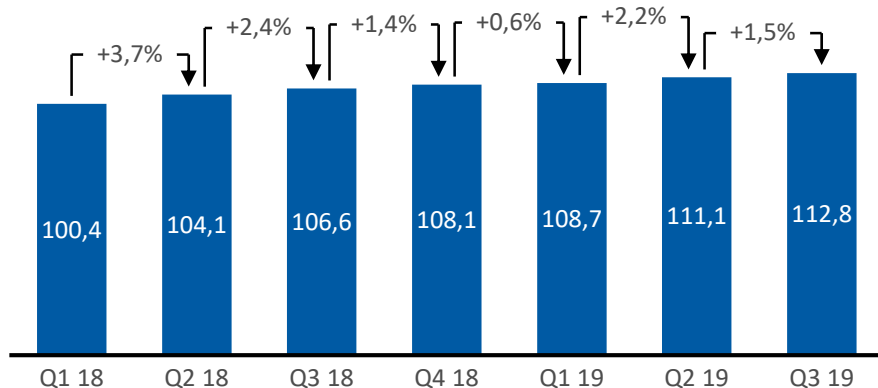
Operating income



Strengthening incomes
on a diversified platform

Development in lending, retail market

Per quarter 2018 and 2019



Slower growth

- The bank's retail market growth has been very high for a long period
- Decline in growth as from the fourth quarter of 2018 due to sharper competition
- But growth quickened from the second quarter of 2019 after a weak first quarter

Change in net interest income

30. September 2019 compared with 30. September 2018

Net interest 30. September 2019	1.991
Net interest 30. September 2018	1.759
Change	232

Obtained as follows:

Fees on lending	15
Lending volume	83
Deposit volume	4
Lending margin	-136
Deposit margin	131
Equity capital	53
Funding and liquidity buffer	35
Subsidiaries	47
Change	232

Net interest income strengthened by growth and increased deposit margin

- Net interest income strengthened by increased lending volume
- Margins on mortgages weakened by higher Nibor in 2018 and 2019 and strengthened deposit margins
- General increase in residential lending rates in the fourth quarter 2018 and in the second and third quarter 2019, new increase to be carried out in November 2019
- Net interest income strengthened by higher interest on equity

Change in net interest income

Change second quarter 2019 – third quarter 2019

Net interest this quarter	678
Net interest previous quarter	664
Change	14

Obtained as follows:

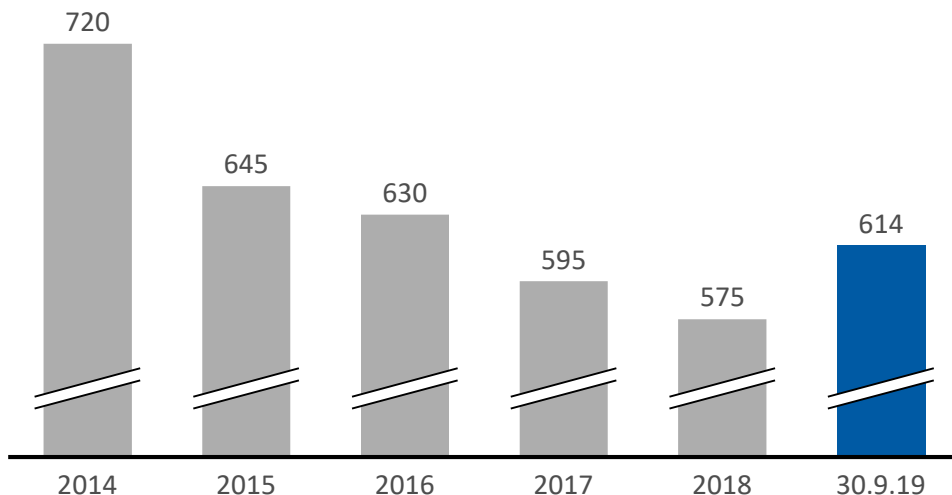
Fees on lending	-8
Lending volume	7
Deposit volume	1
Lending margin	-9
Deposit margin	15
Equity capital	0
Funding and liquidity buffer	3
Subsidiaries	3
Change	14

Net interest income strengthened by growth and increased deposit margin

- Net interest income strengthened by increased lending volume
- Margins on mortgages weakened by higher Nibor in third quarter 2019 and strengthened deposit margins

Improving efficiency and effectiveness reduces number of FTEs in parent bank

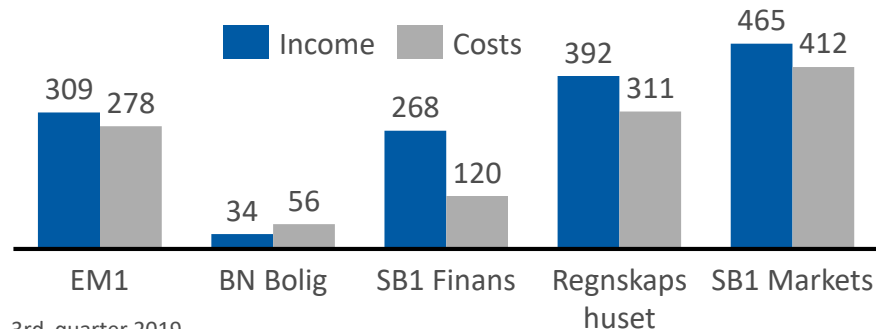
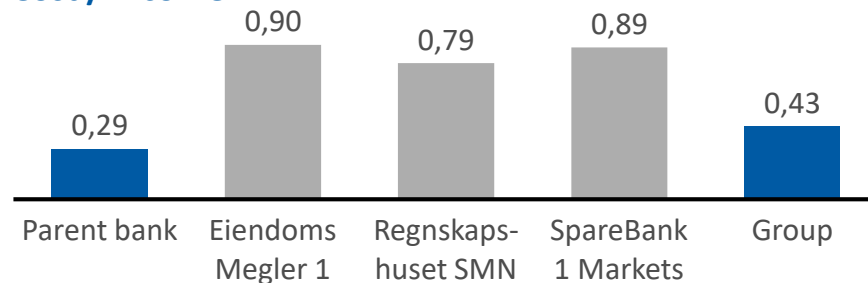
FTEs at parent bank



- No. of FTEs at the parent bank reduced substantially in recent years
- In the same period 100 new staff members have been recruited, in particular in the areas of digital development and control tasks
- Both distribution and internal processes have gained efficiency
- At the same time the bank has greatly increased its customer base and its business volume

SpareBank 1 SMN will come across as cost-efficient not just on an individual basis but also as a group

Cost / Income



3rd quarter 2019

Profitable and non-capital-intensive subsidiaries:

- The subsidiaries are making a sound profit – and requiring little equity capital compared with the group's other businesses
- In their respective segments they are cost-efficient
- But pose a challenge to the group's cost / income ratio

Subsidiaries

Pre tax profit subsidiaries

mNOK, SMN's share in parentheses	2019	2018	Change	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
EiendomsMegler 1 Midt-Norge (87 %)	8	6	1	-7	23	-9	-29	-11
SpareBank 1 Regnskapshuset SMN (89 %)	81	57	25	20	41	21	14	13
SpareBank 1 Finans Midt-Norge (61 %)	115	107	8	41	35	40	42	35
SpareBank 1 Markets (67 %)	39	21	18	11	26	2	-6	-15
SpareBank 1 SMN Invest (100%)	44	28	16	-3	21	26	-20	4
DeBank (100%)	-14	0	-14	-5	-3	-5	0	0
Other companies	12	7	5	3	4	5	-1	2
Subsidiaries	285	225	60	59	147	79	1	27

The results refer to the respective company accounts

Associated companies

Profit shares after tax

mNOK, SMN's share in parentheses	2019	2018	Change	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
SpareBank 1 Gruppen (19,5 %)	264	189	75	40	186	38	99	72
Gain Fremtind	460	0	460	0	0	460	0	0
SpareBank 1 Boligkreditt (20,7 %)	26	2	24	3	8	14	-9	7
SpareBank 1 Næringskreditt (33,8 %)	15	10	5	5	2	8	4	2
BN Bank (35,0 %)	84	73	11	33	27	24	24	20
SpareBank 1 Kredittkort (17,3 %)	13	17	-4	5	5	3	6	5
SpareBank 1 Betaling (19,5 %)	7	-9	16	-2	-2	12	-3	-3
Other companies	7	4	4	2	5	0	-1	-4
Associated companies	877	286	591	86	231	560	120	100

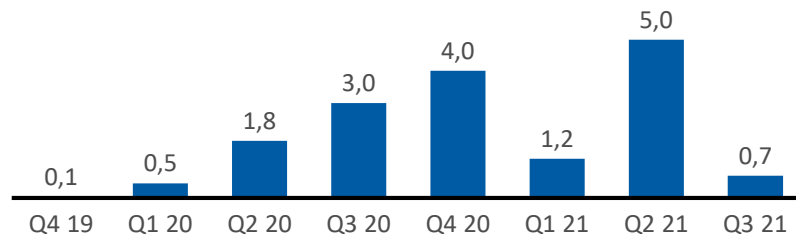
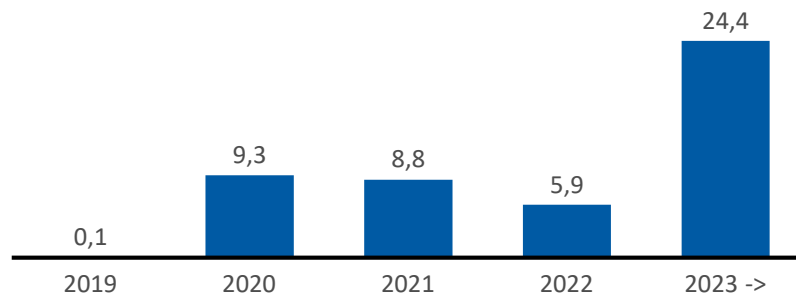
Return on financial investments

NOKm	2019	2018	Change	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Capital gains shares	108	144	-35	1	23	84	-48	26
Gain/(Loss) on certificates and bonds	22	-81	103	-26	15	32	5	-45
Gain/(loss) on derivatives	92	192	-100	29	40	23	-5	50
Gain/(loss) on financial instruments related to hedging	-1	-5	4	4	-1	-4	1	1
Gain/(loss) on other financial instruments at fair value	10	23	-12	4	-4	10	-13	11
Foreign exchange gain / (loss)	32	47	-14	10	14	9	16	21
Gains/(Loss) on shares and share derivatives at SpareBank 1 Markets	36	52	-15	13	8	15	7	14
Net return on financial instruments	300	371	-70	35	95	169	-37	77

Including result investment held for sale

Satisfying access to capital market funding

Funding maturity 30. September 2019 (NOK bn)

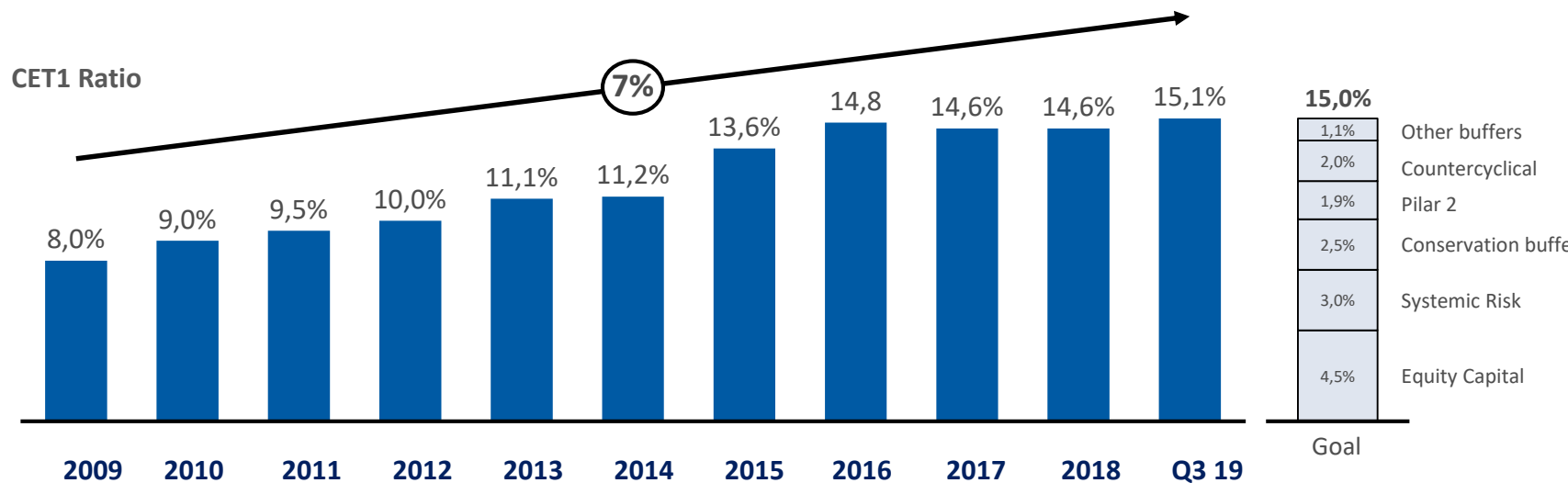


3rd quarter 2019

Comments

- SpareBank 1 Boligkreditt is the main funding source through covered bonds. NOK 40 billion transferred as of 30. September 2019
- Maturities next two years NOK 16.3 bn:
 - NOK 0.1 bn in Q4 2019
 - NOK 9.3 bn in 2020
 - NOK 6.9 bn in Q1, Q2 and Q3 2021
- LCR 181 % as at 30. September 2019
- MREL (minimum requirement for own funds and eligible liabilities) introduced as from 2019. The bank will fulfil the MREL requirement by 2022 within the framework of ordinary maturities
- Green Bond framework published

Strong development in CET 1 (capital and ratio)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Q3 19
CET1 Capital	4,938	6,177	6,687	8,254	9,374	10,679	12,192	13,115	13,820	14,727	15,758
ROE	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %	10.7 %	11.3 %	11.5 %	12.2 %	16.0 %
RWA	64,400	66,688	75,337	82,450	84,591	95,322	89,465	88,788	94,807	101,168	104,464

3rd quarter 2019

Key figures

Last three years

	30.9.19	30.9.18	30.9.17
CET 1 ratio	15,1 %	14,9 %	14,6 %
Core capital ratio	16,7 %	16,7 %	16,6 %
Capital adequacy	18,9 %	19,2 %	19,0 %
Leverage ratio	7,4 %	7,5 %	7,4 %
Growth in loans (incl.Boligkreditt and Næringskreditt)	4,8 %	7,3 %	9,4 %
Growth in deposits	7,9 %	6,1 %	10,3 %
Deposit-to-loan ratio	67,5 %	65,7 %	66,0 %
RM share loans	68,2 %	67,6 %	65,0 %
Cost-income ratio	42,5 %	47,0 %	48,0 %
Return of equity	16,0 %	13,3 %	10,8 %
Impairment losses ratio	0,16 %	0,17 %	0,25 %

Key figures ECC

Last five years

	30.9.19	30.9.18	2018	2017	2016	2015
ECC ratio	64,0 %	64,0 %	64,0 %	64,0 %	64,0 %	64,0 %
Total issued ECCs (mill)	129,48	129,44	129,62	129,38	129,64	129,43
ECC price	98,50	90,90	84,20	82,25	64,75	50,50
Market value (NOKm)	12.754	11.780	10.914	10.679	8.407	6.556
Booked equity capital per ECC	89,36	82,57	83,87	78,81	73,35	67,39
Post-tax earnings per ECC, in NOK	10,54	8,07	9,97	8,71	7,93	6,96
Dividend per ECC			5,10	4,40	3,00	2,25
P/E	7,01	8,45	8,44	9,44	8,17	7,26
Price / Booked equity capital	1,10	1,10	1,00	1,04	0,88	0,75

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

Battle arena:

Prioritised target groups

FAMILIES



YOUNG PEOPLE

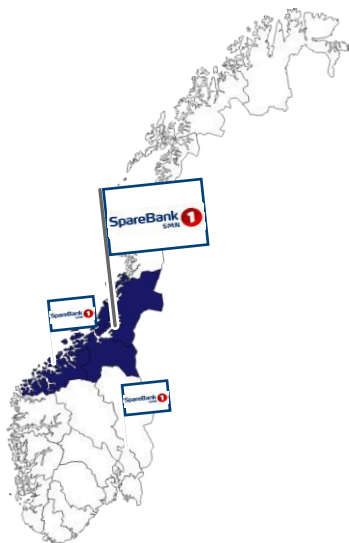


SMBS



Battle arena:

Geographical catchment area



Battle arena:

Channels

Kraftfull distribusjon

Serviced channel



Remote channel

Digital channel



Battle arena:

Customer needs

Everyday

Payments, Digital Bank, Vipps

Business

Invoicing, accounts, financing

Owning

Loan, dwelling, car, credit card

Security

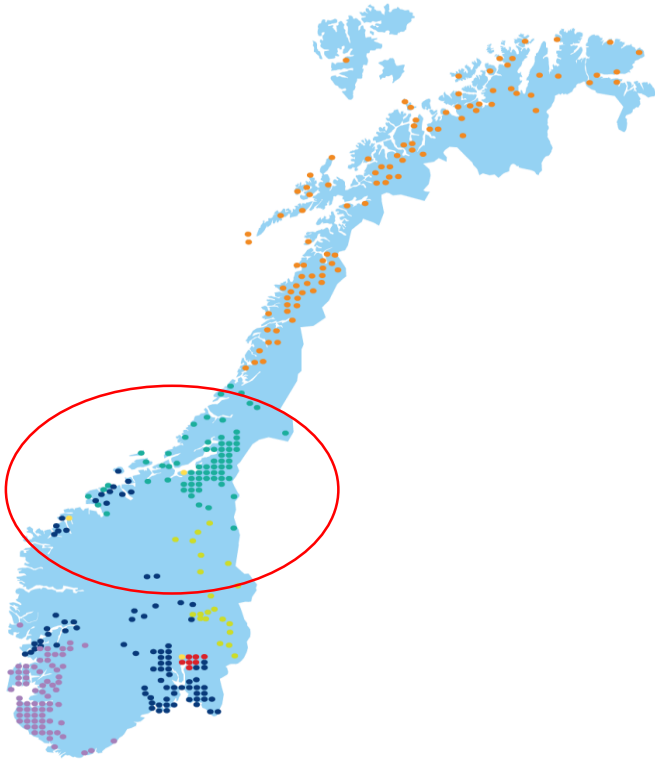
Insurance

Future

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

SpareBank 1 Alliance:

National champion, regional focus



3rd quarter 2019

55

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

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

Spare Bank 1 Alliance

