

Investor Relations

Supplementary information
First Quarter 2019



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Information on the Internet

SpareBank 1 SMN's home page www.smn.no

ECC information in general www.egenkapitalbevis.no

Financial Calendar 2019

1st quarter 2019 09 May 2019
2nd quarter 2019 08 August 2019
3rd quarter 2019 30 October 2019

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1. Major changes from 4Q18

DeBank

SpareBank 1 SMN acquired 100 per cent of the shares of DeBank in the first quarter of 2019. DeBank is a bank catering exclusively to small and medium-sized businesses that specialise in factoring. DeBank is headquartered in Trondheim.

Insurance merger

SpareBank 1 Gruppen AS and DNB ASA signed on 24 September 2018 an agreement to amalgamate their insurance businesses. The merger was approved by Finanstilsynet on 21 December and entered into force with effect from 1 January 2019. The merged entity's name is Fremtind Forsikring AS.

Group CEO

Jan-Frode Janson took up duties as Group CEO on 1 May. Finn Haugan stepped down on the same date after 28 years as Group CEO.

2. SpareBank 1 SMN

2.1. Financial highlights

January - March 2019

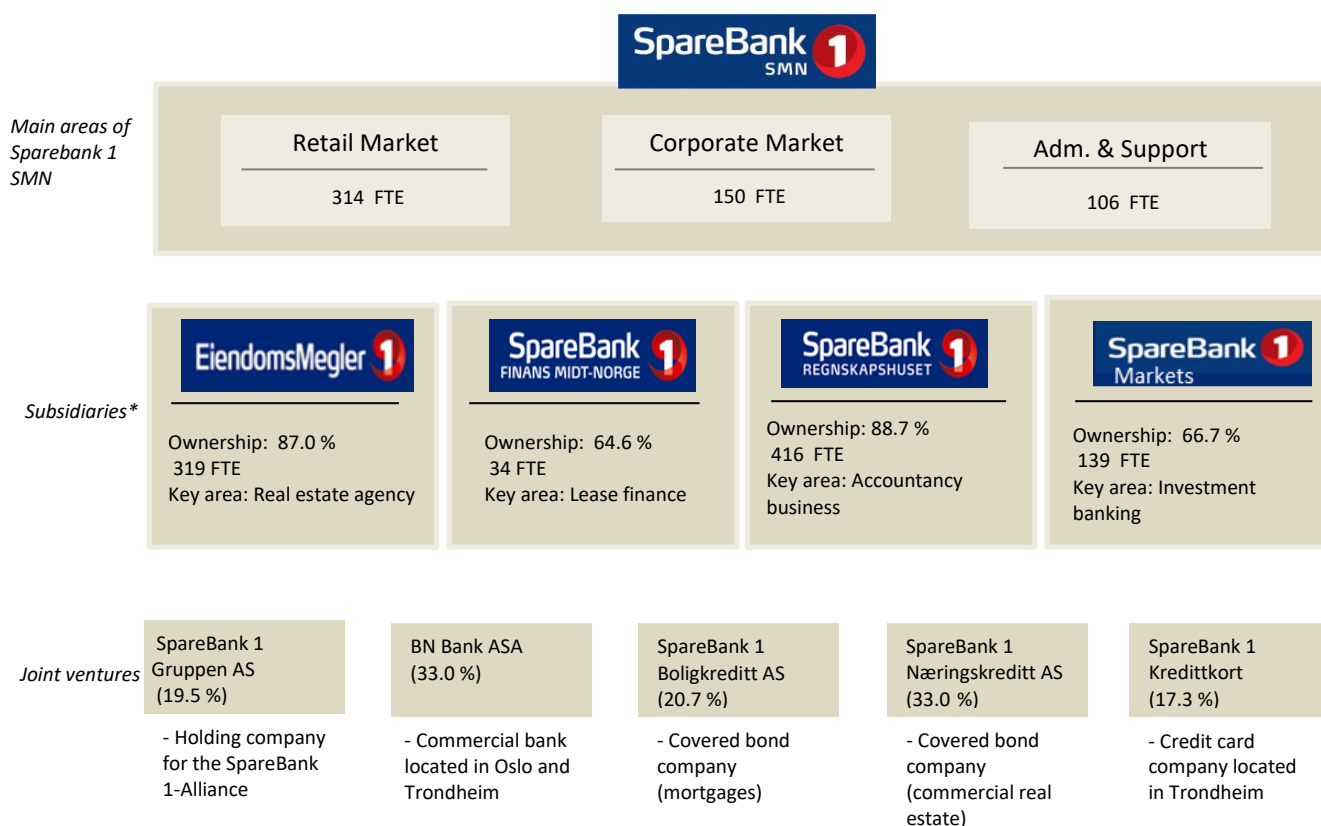
(Consolidated figures. Figures in parentheses refer to the same period of 2018 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 1,155 million (NOK 596 million)
- Net profit: NOK 1,046 million (NOK 466 million)
- Return on equity: 23.3 per cent (11.2 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 6.6 per cent (7.9 per cent)
- 12-month growth in deposits 6.8 per cent (8.2 per cent)
- Loan losses: NOK 67 million (NOK 48 million)
- Common equity tier 1 ratio: 14.8 per cent (14.6 per cent)
- Earnings per EC: NOK 5.02 (NOK 2.21)

2.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 165 billion at the end of March 2019. Head office is in Trondheim. SpareBank 1 SMN employs 1,524 FTEs (full time equivalents), including subsidiaries, and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance

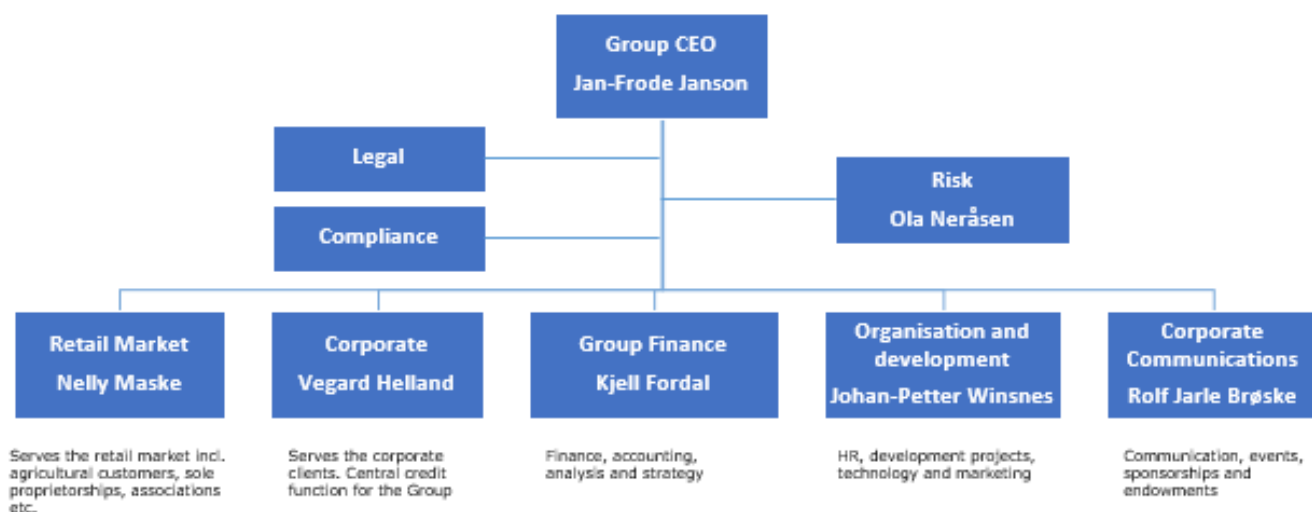
SpareBank 1 SMN's activities



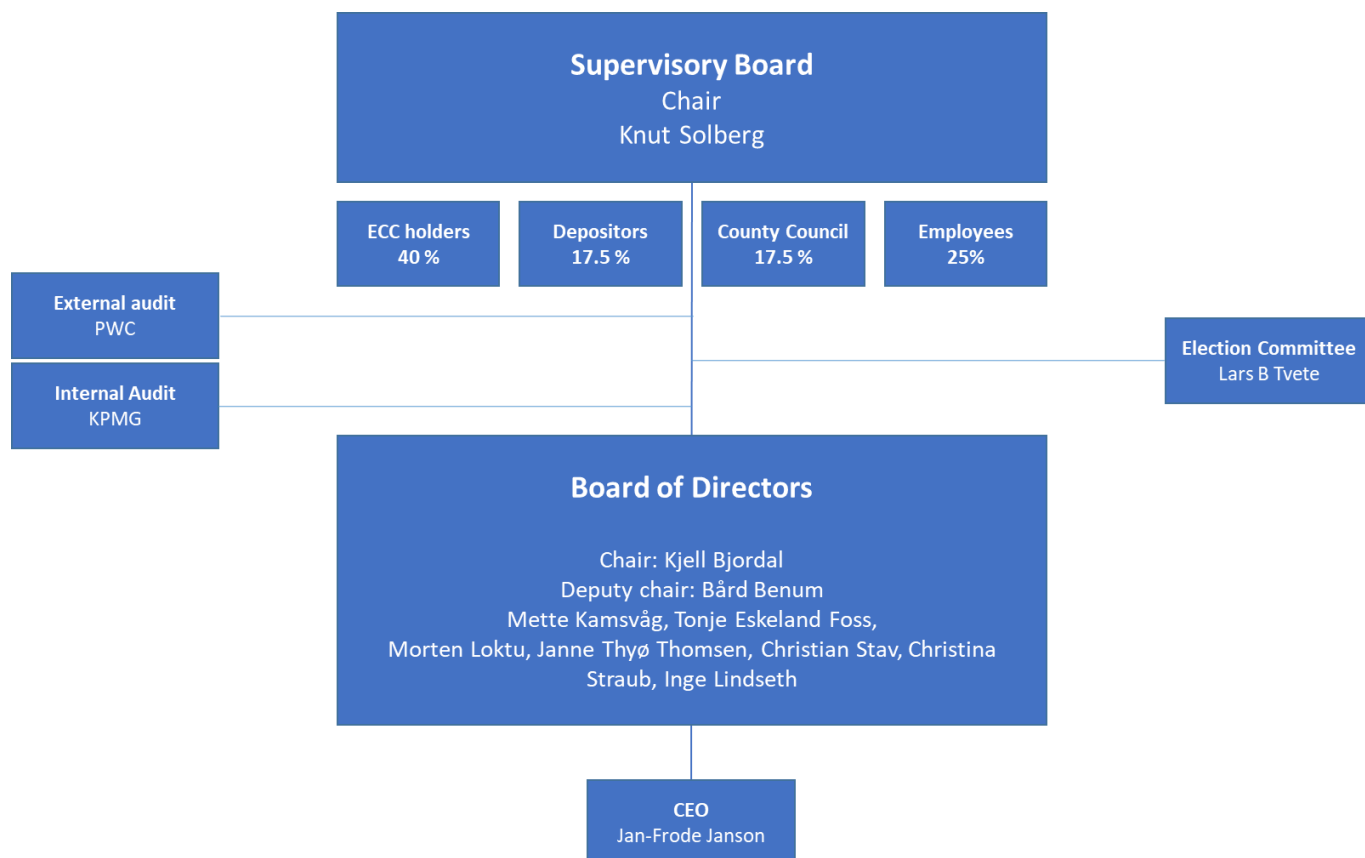
* In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional sees corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 46 FTEs, of witch DeBank constitutes 16 FTEs.

Organisation of SpareBank 1 SMN

The Bank's operational structure is illustrated in the figure below.

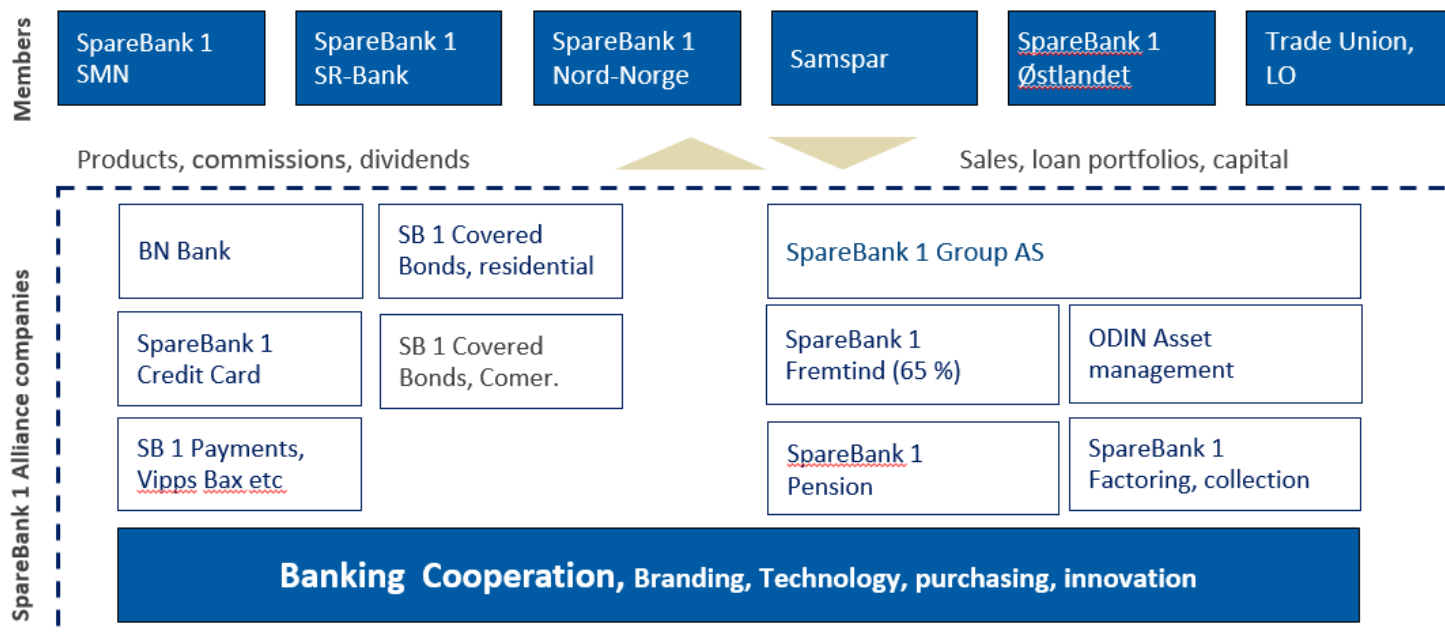


Overview of governing and control bodies

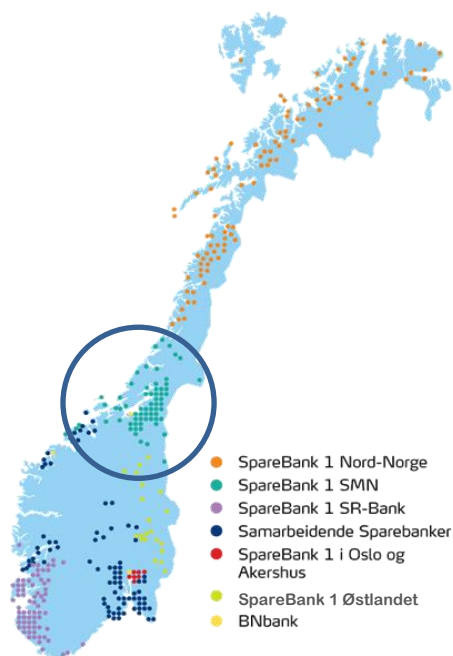


SpareBank 1 Alliance

SpareBank 1 SMN was one of the founding partners of the SpareBank 1 Alliance ("the Alliance") in 1996. The Alliance consists of closely cooperating savings banks, all of them being independent and locally anchored banks. The purpose of the SpareBank 1 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 SpareBank 1 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 a wide distribution all over Norway.



* LO: The Norwegian Confederation of Trade Unions



2.3. Credit ratings

<i>Moody's</i>	Current rating	2015	2014	Year end		2011	2010
				2013	2012		
					Rating(s) under review		
Outlook	Negative	Stable	Negative	Stable		Stable	Stable
Issuer Rating	A1	A1	A2	A2	A2	A1	A1
Bank Deposits	A1/P-1	A1/P-1	A2/P-1	A2/P-1	A2/P-1	A1/P-1	A1/P-1
Senior Unsecured	A1	A1	A2	A2	A2	A1	A1
Subordinate	Baa2	Baa2	Baa2	Baa3	Baa3	A2	A2

<i>Fitch</i>	Current rating	2015	2014	Year end		2011	2010
				2013	2012		
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Negative
Long-term IDR	A-	A-	A-	A-	A-	A-	A
Short-term IDR	F2	F2	F2	F2	F2	F2	F1
Support rating	5	3	3	3	3	3	3

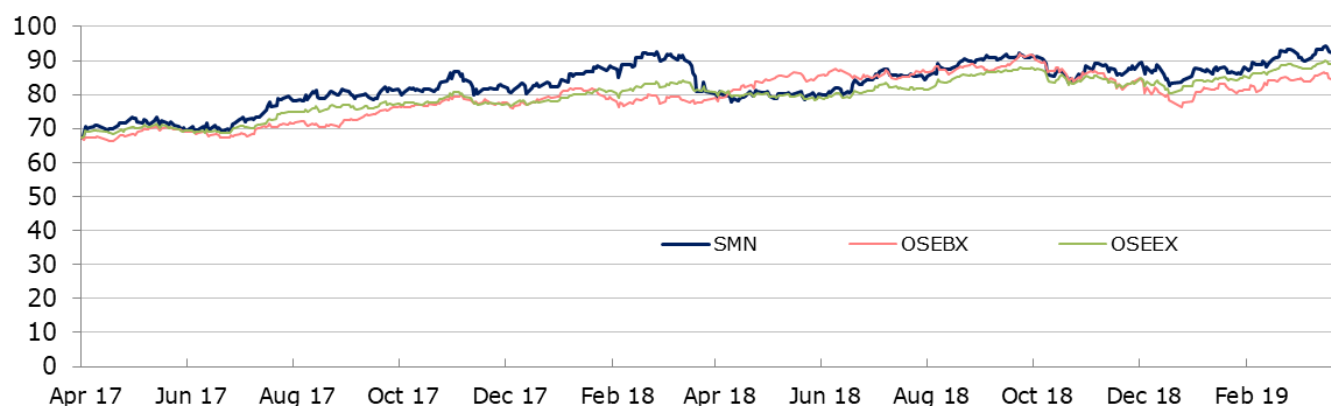
2.4. Equity capital certificate (MING)

The key figures are corrected for issues. 31 March 2019 the price of the Bank's ECC was NOK 87.40 (NOK 80.90). Earnings per ECC were NOK 5.02 (NOK 2.21). Book value per ECC was NOK 83.86 (NOK 76.53) as of 31 March 2019.

Key figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.			
	2019	2018	2018	2018	2018	2019	2018	2018	2017
ECC price	87.40	84.20	90.90	84.50	80.90	87.40	80.90	84.20	82.25
Number of certificates issued, millions	129.41	129.62	129.44	129.31	129.38	129.41	129.38	129.62	129.38
Booked equity capital per ECC (incl. dividend)	83.86	83.87	82.57	80.21	76.53	83.86	76.53	83.87	78.81
Adjusted profit per ECC	5.02	1.90	2.32	3.54	2.21	5.02	2.21	9.97	8.71
P/E per ECC (annualised)	4.35	11.05	9.77	5.97	9.16	4.35	9.16	8.44	9.44
P/B equity capital	1.04	1.00	1.10	1.05	1.06	1.04	1.06	1.00	1.04

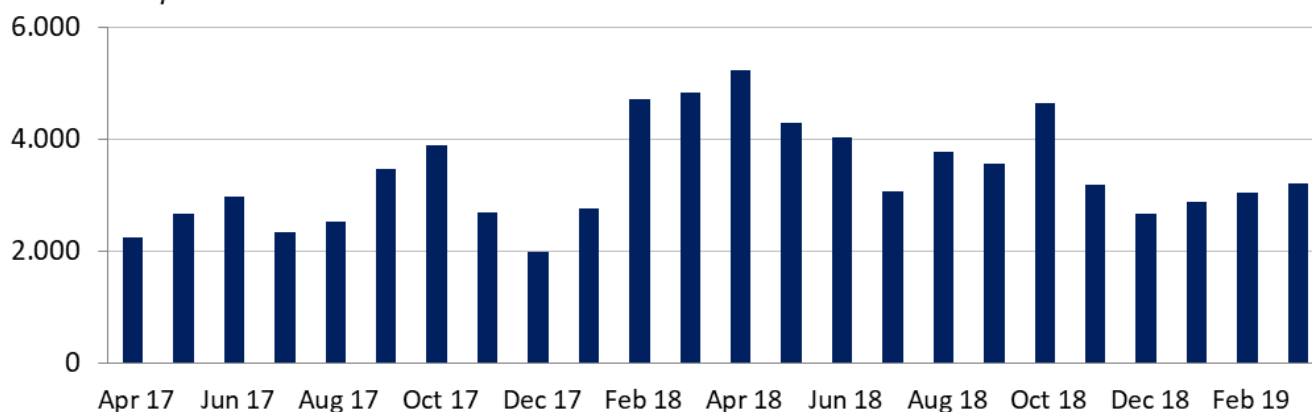
Stock price compared with OSEBX¹⁾ and OSEEX²⁾
1 Apr 2017 to 31 Mar 2019



1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)

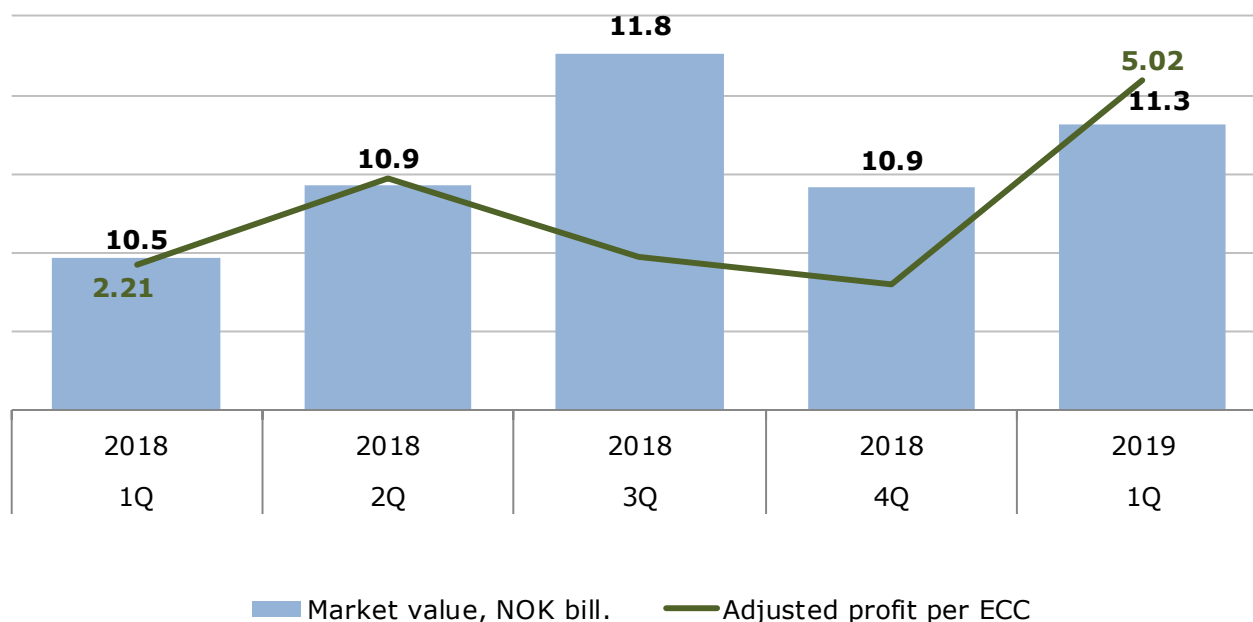
2) OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics¹⁾
1 Apr 2017 to 31 Mar 2019



1) Total number of ECCs traded (1,000)

Market value and profit per ECC



Equity certificates ratio (parent bank)

(in NOK million)	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
ECC capital	2,597	2,597	2,597	2,597	2,597	2,597
Dividend equalisation reserve	5,602	5,602	5,079	5,079	5,079	5,079
Premium reserve	895	895	895	895	895	895
Unrealised gains reserve	99	99	81	81	81	81
Other equity	0	0	-12	-8	-9	0
A. The equity certificate owner's capital	9,193	9,193	8,640	8,644	8,643	8,652
Saving bank reserve	5,126	5,126	4,831	4,831	4,831	4,831
Unrealised gains reserve	56	56	45	45	45	45
Other equity	0	0	-7	-4	-5	0
B. Ownerless capital	5,182	5,182	4,870	4,872	4,871	4,877
Provision for gifts	0	373	0	0	0	322
Recommended dividends	0	661	0	0	0	571
Equity ex. hybrid capital	14,375	15,409	13,510	13,517	13,514	14,422
Equity certificates ratio A/(A+B)	63.95%	63.95%	63.95%	63.95%	63.90%	63.95%

20 largest ECC holders

Owner	Number	Ownership in %
VGD Sicav Malta PLC	5,400,000	4.16%
VPF Nordea Norge Verdi	4,768,409	3.67%
Sparebankstiftelsen SMN	3,965,391	3.05%
VPF Odin Norge	3,542,919	2.73%
VPF Danske Invest Norske Aksjer Inst. II	3,324,149	2.56%
State Street Bank and Trust CO (nominee)	3,095,025	2.38%
VPF Pareto Aksje Norge	2,513,777	1.94%
VPF Alfred Berg Gambak	2,196,139	1.69%
State Street Bank and Trust CO (nominee)	1,960,450	1.51%
Deutsche Bank Aktiengesellschaft	1,828,681	1.41%
VPF Danske Invest Norske Aksjer Inst. I	1,744,292	1.34%
Forsvarets Personellservice	1,717,046	1.32%
Morgan Stanley & Co. International	1,708,518	1.32%
Handelsbanken Nordiska Småbolagsfond	1,701,137	1.31%
Pareto Invest AS	1,687,506	1.30%
JP Morgan Securities PLC	1,500,981	1.16%
VPF Nordea Kapital	1,379,688	1.06%
J.P. Morgan Bank Luxembourg S.A.	1,332,011	1.03%
VPF Nordea Avkastning	1,249,111	0.96%
MP Pensjon PK	1,232,771	0.95%
Total 20 largest shareholders	47,848,001	36.85%
Others	81,988,442	63.15%
Total	129,836,443	100.00%

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

3. Financial results

3.1. Main figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.			
(in NOK million)	2019	2018	2018	2018	2018	2019	2018	2018	2017
Net interest	649	644	610	581	568	649	568	2,403	2,225
Commission income and other income	551	543	486	607	542	551	542	2,177	2,005
Net return on financial investments	727	95	182	300	180	727	180	757	760
Total income	1,926	1,282	1,277	1,488	1,290	1,926	1,290	5,337	4,989
Total operating expenses	704	701	616	661	645	704	645	2,624	2,369
Result before losses	1,223	580	661	827	645	1,223	645	2,713	2,621
Loss on loans, guarantees etc.	67	67	69	78	48	67	48	263	341
Result before tax	1,155	513	592	748	596	1,155	596	2,450	2,279
Tax charge	109	104	119	156	131	109	131	509	450
Results investments held for sale, after tax	0	-8	6	150	1	0	1	149	-1
Net profit	1,046	401	480	743	466	1,046	466	2,090	1,828

Balance sheet - condensed

	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.
Balance (in NOK million)	2019	2018	2018	2018	2018	2017
Total assets	164,641	160,704	159,337	159,584	152,083	153,254
Average total assets (quarterly)	162,673	160,021	159,460	155,833	152,668	150,083
Gross loans to customers *	161,091	160,317	157,825	154,790	151,065	148,784
Deposits from customers	81,111	80,615	77,529	80,343	75,937	76,476
Total equity capital	18,673	18,686	18,650	17,984	17,365	17,510

* Loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Key figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.			
	2019	2018	2018	2018	2018	2019	2018	2018	2017
Return on equity	23.3 %	9.0 %	11.1 %	17.9 %	11.2 %	23.3 %	11.2 %	12.2 %	11.5 %
Common Equity Tier 1 ratio	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.8 %	14.6 %	14.6 %	14.6 %
Cost/income ratio group	37%	55%	48%	44%	50%	37%	50%	49%	47%
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	6.6 %	7.8 %	7.3 %	7.6 %	7.9 %	6.6 %	7.9 %	7.8 %	8.2 %
Growth in deposits last 12 months	6.8 %	5.4 %	6.1 %	6.3 %	8.2 %	6.8 %	8.2 %	5.4 %	13.9 %
Deposits-to-loan ratio incl Boligkreditt and Næringskreditt last 12 months	50%	50%	49%	52%	50%	50%	50%	50%	51%
Impairment losses ratio	0.17%	0.17%	0.18%	0.20%	0.13%	0.17%	0.13%	0.17%	0.24%
Non-performing commitm. as % of gross loans	0.18%	0.19%	0.18%	0.18%	0.19%	0.18%	0.19%	0.19%	0.19%
ECC price	87.40	84.20	90.90	84.50	80.90	87.40	80.90	84.20	82.25
Booked equity capital per ECC (incl. dividend)	83.86	83.87	82.57	80.21	76.53	83.86	76.53	83.87	78.81
Adjusted profit per ECC	5.02	1.90	2.32	3.54	2.21	5.02	2.21	9.97	8.71

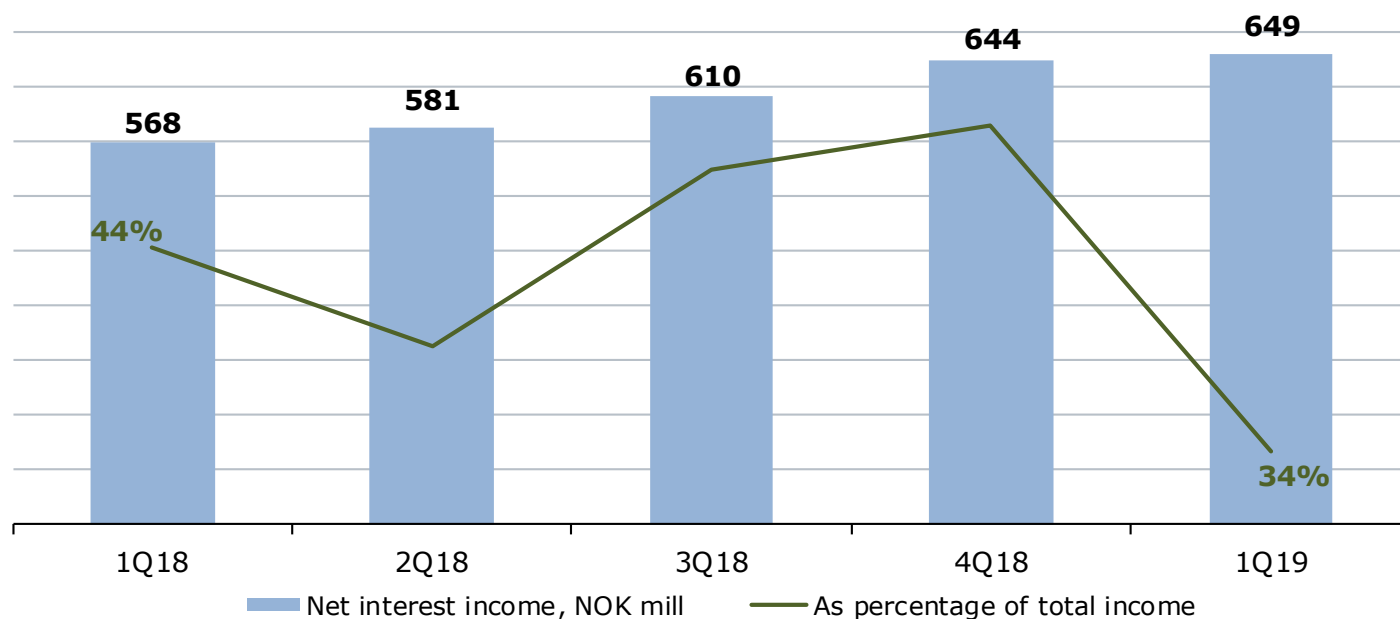
3.2. Net interest income

Net interest income

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Interest income	1,075	1,082	1,025	989	962	1,075	962	4,057	3,825
Interest expenses	426	438	414	408	394	426	394	1,655	1,600
Net interest income	649	644	610	581	568	649	568	2,403	2,225
As percentage of total income	34%	50%	48%	39%	44%	34%	44%	45%	45%

Margins on loans sold to Sparebank 1 Boligkreditt and Sparebank 1 Næringskreditt are recorded as commission income. See part 2.3. Commission Income

Development in net interest income



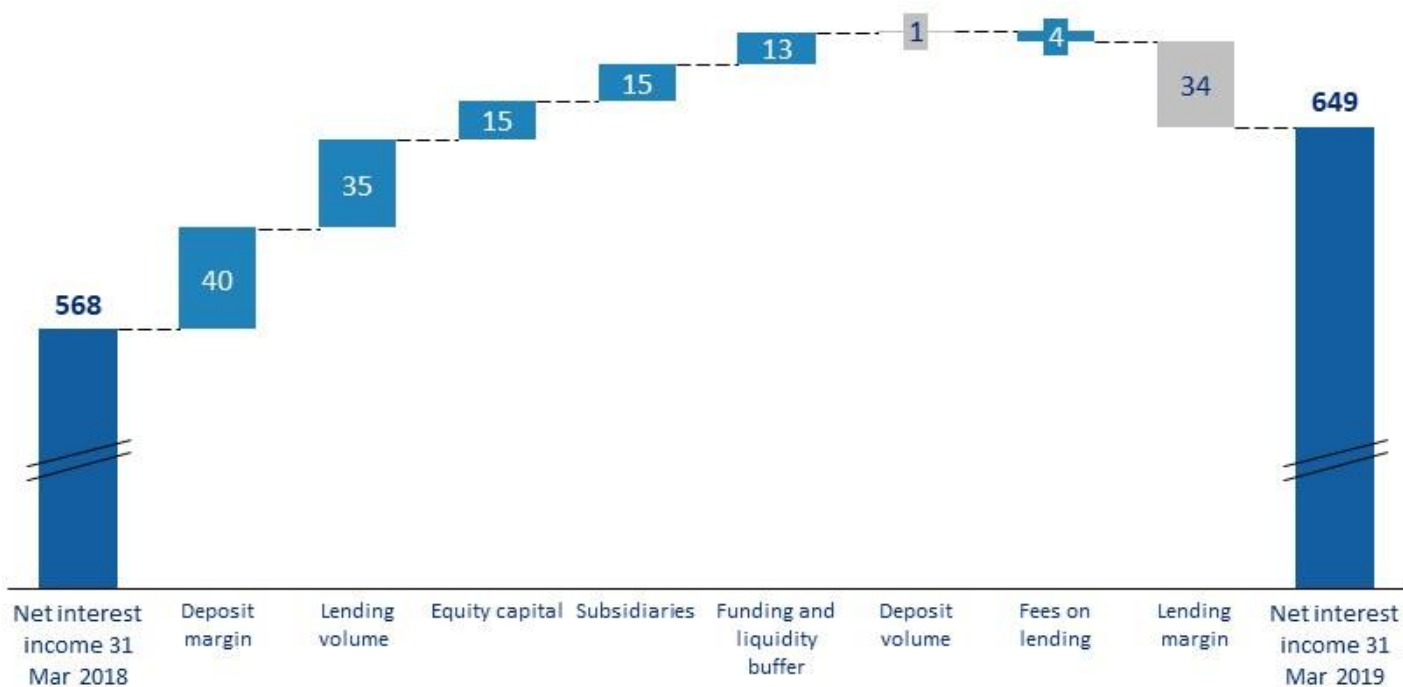
Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	35	-34	1
Deposits	1	40	41
Total	36	6	42

Changes in net interest income

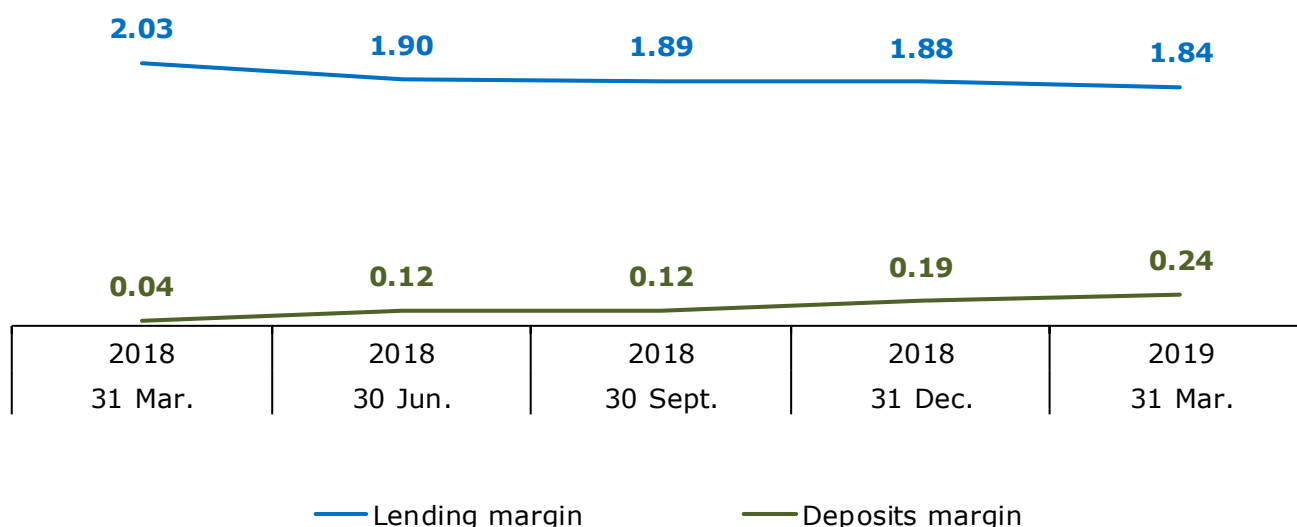
(in NOK million)

	2019	31 Mar. Change	2018
Net interest income	649	81	568
Equity capital		15	
Lending volume		35	
Fees on lending		-4	
Deposit margin		40	
Subsidiaries		15	
Deposit volume		1	
Lending margin		-34	
Funding and liquidity buffer		13	

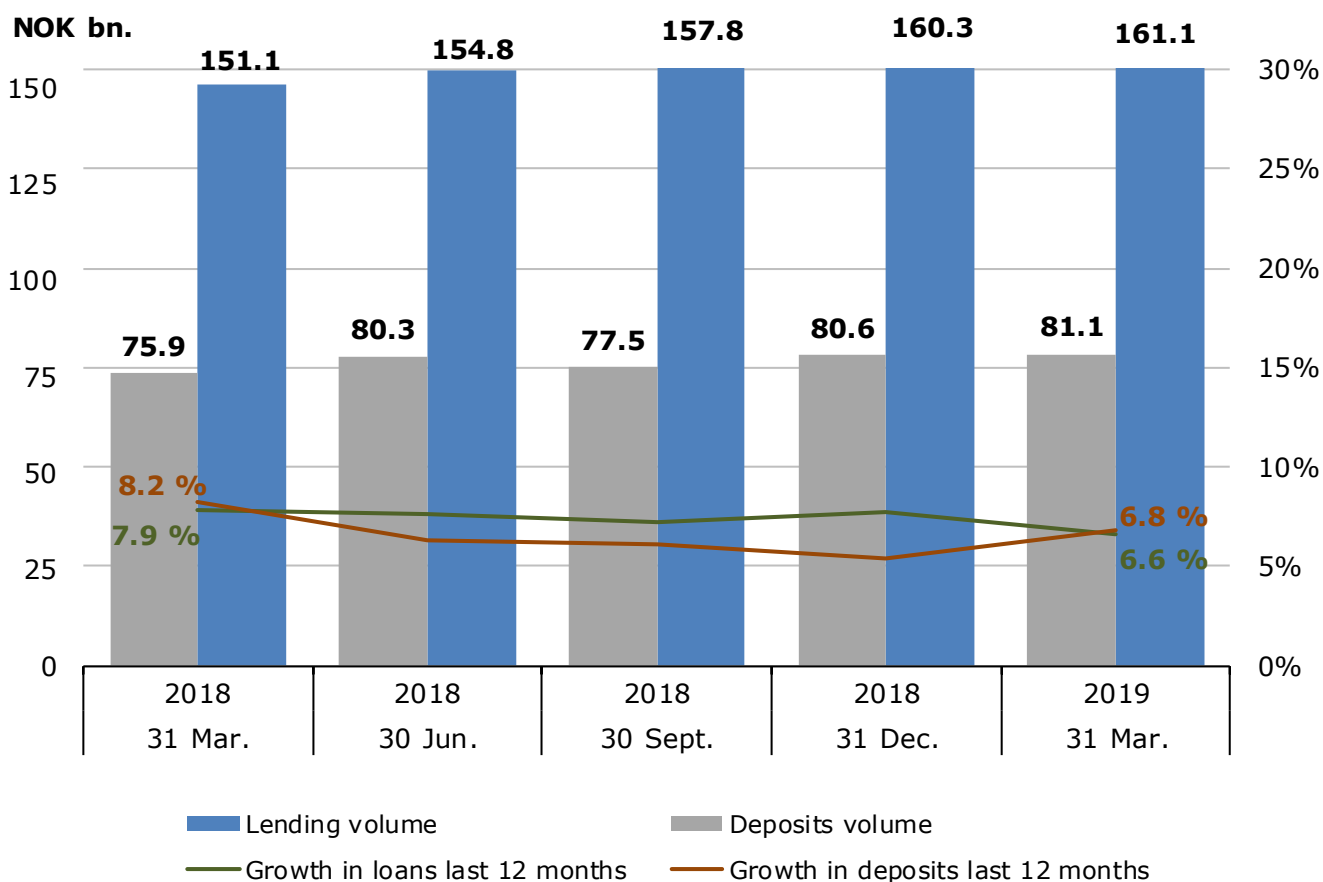


Margin development

Definition margin: Average customer interest minus 3 months nibor



Volume development

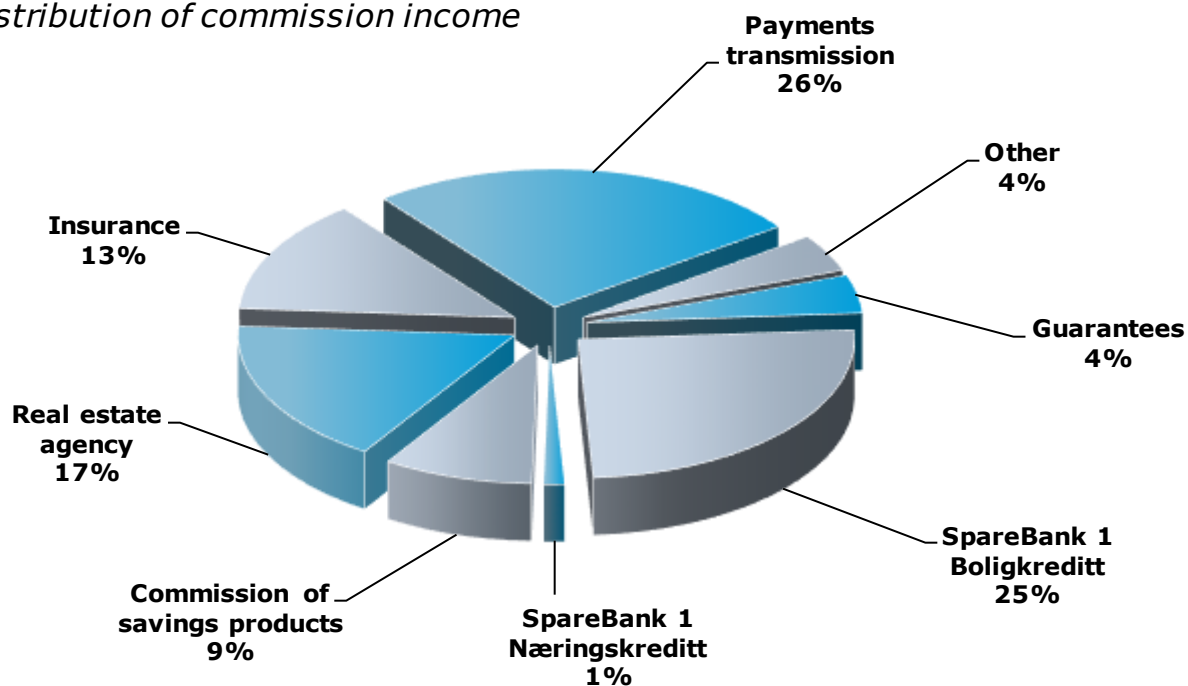


3.3. Commission income

Total commission and other income

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	31 Mar. 2018	2018	2017
Guarantees	15	16	19	17	20	15	20	72	80
SpareBank 1 Boligkreditt	83	87	77	86	99	83	99	350	353
SpareBank 1 Næringskreditt	4	5	4	4	3	4	3	16	17
Commission of savings products	29	30	28	28	27	29	27	113	115
Real estate agency	56	48	58	71	49	56	49	225	223
Insurance	44	44	43	44	43	44	43	174	172
Payments transmission	85	95	94	89	82	85	82	360	362
Other	14	19	21	23	15	14	15	78	67
Total commissions income	329	343	344	361	339	329	339	1,387	1,390
Operating- and sales income real estate	29	24	31	41	29	29	29	124	118
Accounting services	131	93	78	126	114	131	114	411	342
Other operating income	103	125	77	125	96	103	96	423	323
Total other operating income	262	242	186	291	239	262	239	958	783
Commission expenses	40	42	45	45	36	40	36	168	168
Total commissions and other income	551	543	486	607	542	551	542	2,177	2,005
As percentage of total income	29%	42%	38%	41%	42%	29%	42%	41%	40%

Distribution of commission income



Change in commission and other income

(in NOK million)	2019	31 Mar. Change	2018
Total	551	9	542
Real estate agency		7	
Other operating income		6	
Operating- and sales income real estate		0	
Accounting services		17	
Insurance		0	
Commission of savings products		2	
Commission expenses		-4	
Other		-1	
Payments transmission		2	
Guarantees		-5	
SpareBank 1 Boligkreditt		-16	
SpareBank 1 Næringskreditt		1	

Net return on financial investments

incl investments held for sale

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	31 Mar. 2018	2018	2017
Dividends	2	2	0	4	2	2	2	8	6
SpareBank 1 Gruppen	38	99	72	81	36	38	36	289	349
Gevinst Fremtind	460					460			
SpareBank 1 Boligkreditt	14	-9	7	-8	3	14	3	-7	-41
SpareBank 1 Næringskreditt	8	4	2	4	4	8	4	15	19
BN Bank	24	24	20	23	30	24	30	97	98
SpareBank 1 Kredittkort	3	6	5	6	5	3	5	23	15
SpareBank 1 Mobilbetaling	12	-3	-3	-3	-3	12	-3	-12	-14
Other companies	-4	-149	6	148	4	-4	4	12	12
Income from investment in associates and joint ventures	555	-27	111	251	79	555	79	416	437
Capital gains shares	84	-48	26	113	5	84	5	96	62
Gain on derivatives	23	-5	50	23	119	23	119	187	148
Gain on other financial instruments at fair value (FVO)	10	-13	11	8	4	10	4	10	7
Foreign exchange gain	9	16	21	15	11	9	11	63	45
Gain on certificates and bonds	32	5	-45	23	-59	32	-59	-77	58
Gain on shares and derivatives in SB1 Markets	15	7	14	20	17	15	17	58	43
Gain on financial instruments related to hedging	-4	1	1	-7	1	-4	1	-4	-46
Net return on financial investments*	169	-37	77	195	99	169	99	334	317
Total net return on financial investments	727	-62	187	451	180	727	180	757	760
As percentage of total income	38%	-5%	15%	30%	14%	38%	14%	14%	15%

*New specification of net return on financial investments as of June 2017, historical figures have not been prepared

Change in net return on financial investments

(in NOK million)	2019	31 Mar. Change	2018
Total	727	547	180
Dividends		1	
Income from investment in related companies, incl. inv. held for sale		476	
Capital gains shares		79	
Gain on derivatives		-95	
Gain on other financial instruments at fair value (FVO)		6	
Foreign exchange gain		-2	
Gain on certificates and bonds		91	
Gain on shares and derivatives in SB1 Markets		-2	
Gain on financial instruments related to hedging		-5	

3.4. Operating expenses

Operating expenses

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Salary	348	311	289	325	303	348	303	1228	1107
Pension costs (defined benefit plan)	27	12	24	30	29	27	29	96	85
Employer's insurance contributions	3	-4	4	5	5	3	5	10	12
Other personnel expenses	69	72	58	54	65	69	65	249	223
Total personnel expenses	447	391	376	413	403	447	403	1.584	1.426
EDP and telecommunication expenses	81	78	69	75	71	81	71	293	266
Postage and transportation services	5	5	4	5	4	5	4	17	22
Marketing	26	30	26	24	26	26	26	106	104
Depr./write-downs of fixed & intangible assets	46	32	23	14	29	46	29	99	102
Operating exp. on properties and premises	13	41	35	40	37	13	37	153	118
Other external services	36	50	36	38	28	36	28	151	139
Other operating expenses	50	74	47	53	47	50	47	221	192
Other expenses	257	311	240	248	241	257	241	1040	943
Total operating expenses	704	701	616	661	645	704	645	2.624	2.369

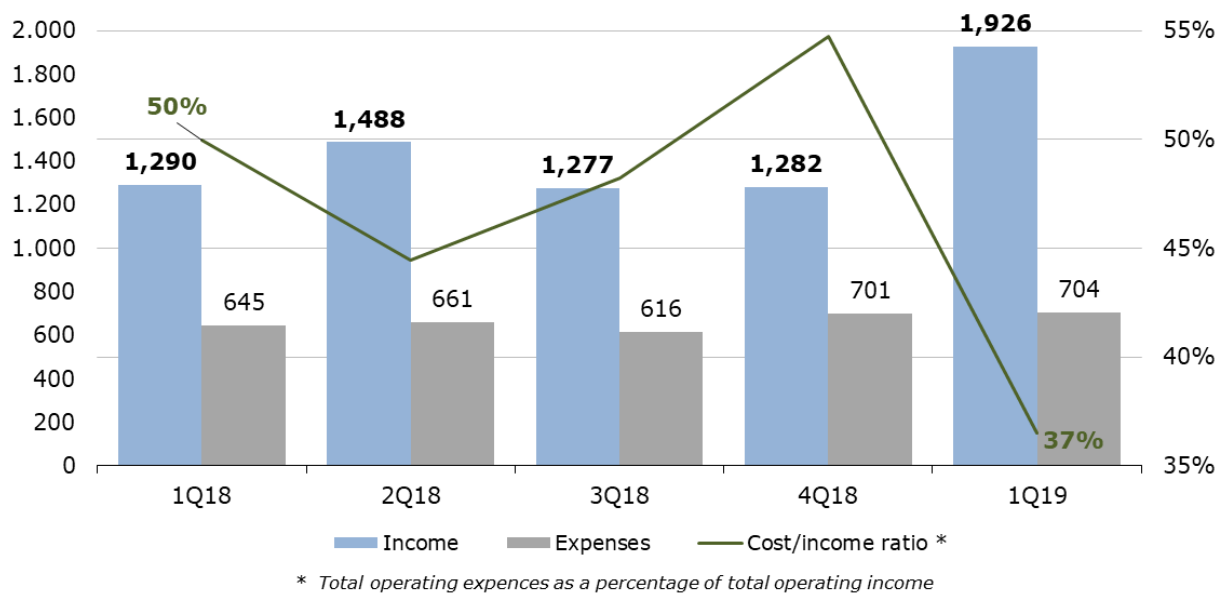
Cost/income ratio	37%	55%	48%	44%	50%	37%	50%	49%	47%
Cost/income ratio ex financial inv.	59%	59%	56%	56%	58%	59%	58%	57%	56%
12-month cost growth*	9.1 %	13.6 %	5.9 %	10.7 %	12.9 %	9.1 %	12.9 %	10.8 %	18.3 %

* 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

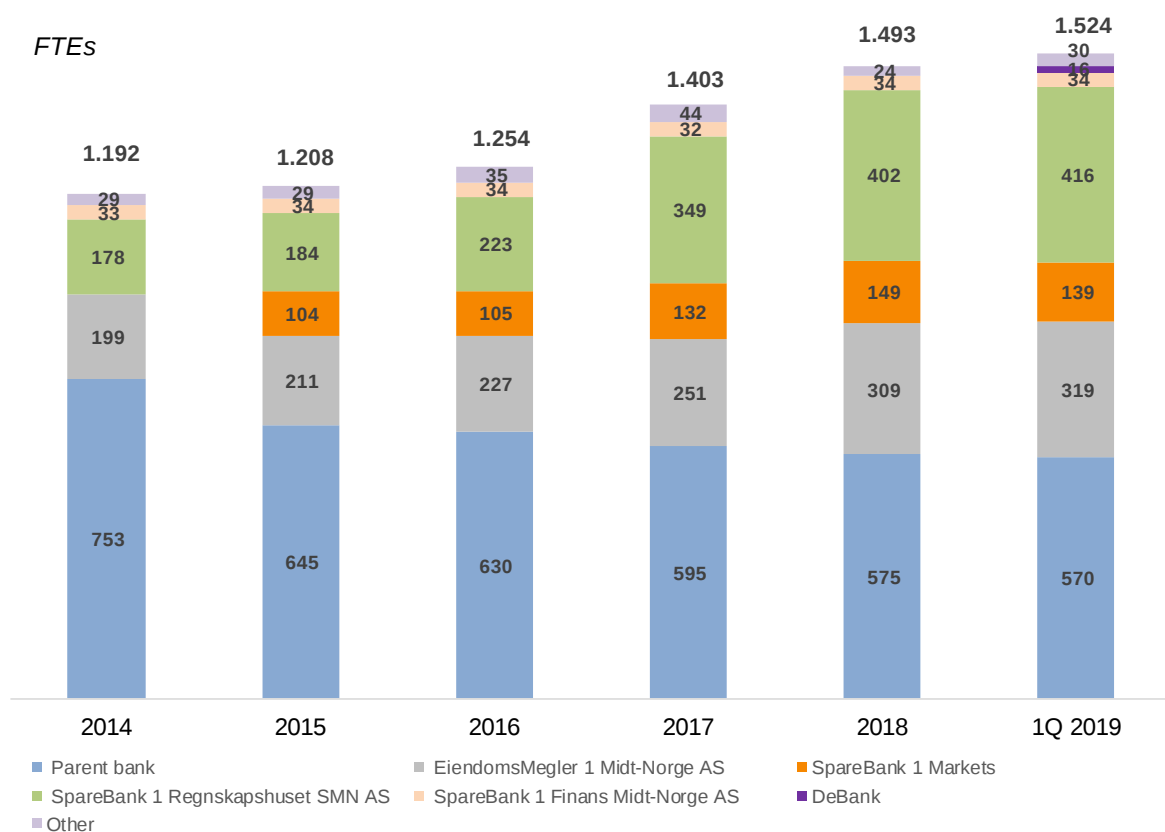
Change in operating expenses

(in NOK million)	2019	31 Mar. Change	2018
Total	704	60	645
Total personnel expenses		44	
Other operating expenses		2	
EDP and telecommunication expenses		11	
Other external services		8	
Depr./write-downs of fixed & intangible assets		18	
Operating exp. on properties and premises		-24	
Marketing		1	
Postage and transportation services		1	

Cost/income ratio



FTEs



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.

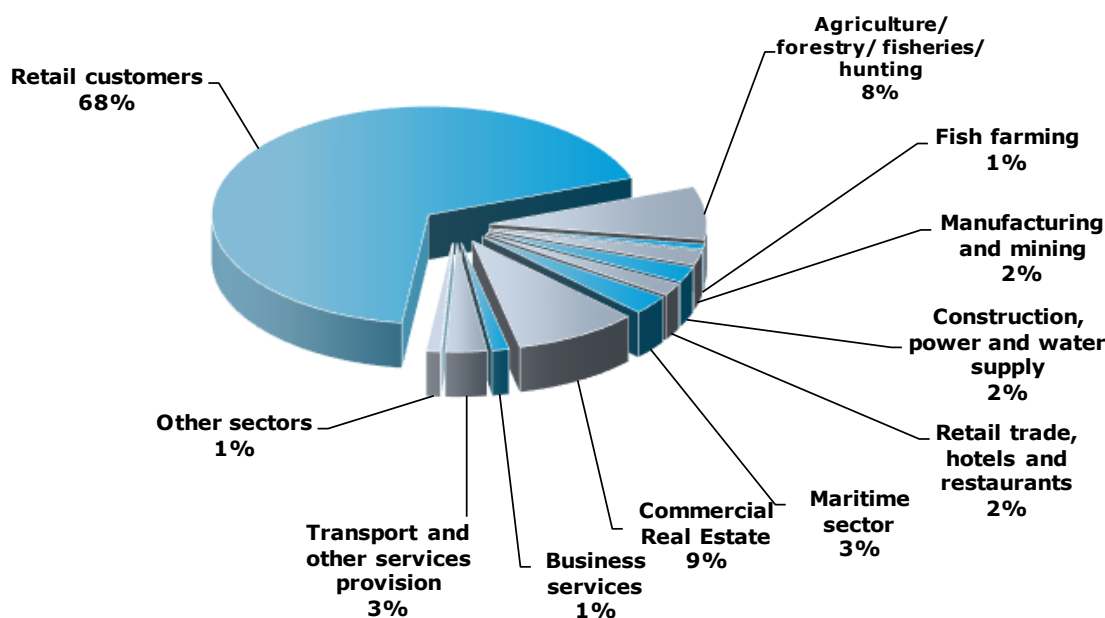
4. Loans to customers

4.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
Agriculture/ forestry/ fisheries/ hunting	12,658	12,686	12,346	12,137	11,816	11,606
Fish farming	1,176	1,180	1,317	1,556	1,697	1,697
Manufacturing and mining	3,507	3,787	3,158	2,794	3,129	3,157
Construction, power and water supply	3,703	3,661	3,536	3,349	3,622	3,419
Retail trade, hotels and restaurants	3,014	2,621	2,410	2,902	2,825	2,700
Maritime sector	4,609	4,227	4,372	4,706	4,533	4,639
Commercial Real Estate	14,915	15,168	14,737	14,623	14,366	14,348
Business services	2,060	2,162	2,463	2,195	2,203	2,260
Transport and other services provision	4,977	4,961	4,876	4,545	4,370	4,322
Public administration	15	55	23	19	243	240
Other sectors	1,720	1,679	1,955	1,852	1,823	1,699
Gross loans in corporate market	52,354	52,186	51,195	50,676	50,629	50,087
Retail customers	108,738	108,131	106,631	104,114	100,436	98,697
Gross loans incl. Boligkr. and Næringskr.	161,091	160,317	157,825	154,790	151,065	148,784
- Adv. of this Boligkreditt	39,220	38,062	37,669	37,172	36,374	34,885
- Adv. of this Næringskreditt	1,771	1,782	2,112	1,831	1,518	1,828
Gross loans in balance sheet	120,100	120,473	118,044	115,787	113,174	112,071
Share of loans, corporate market	32%	33%	32%	33%	34%	34%
Share of loans, retail market	68%	67%	68%	67%	66%	66%

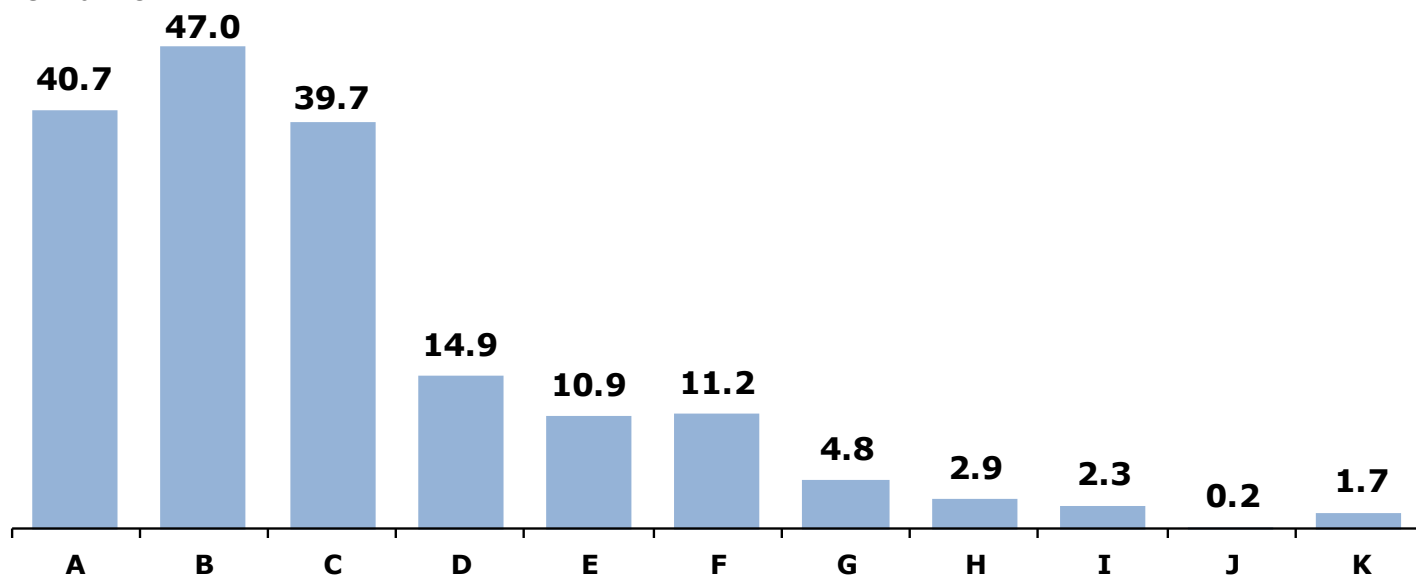
Distribution of loans by industry



4.2. Risk profile and write-downs

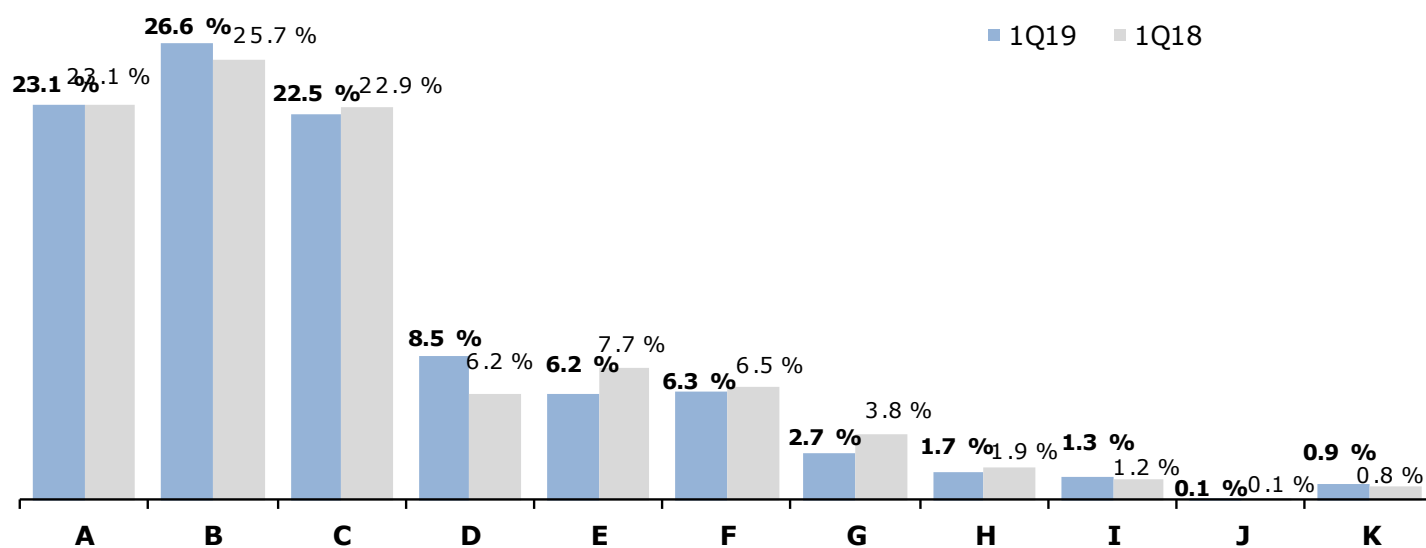
Actual risk profile, Exposure At Default

NOK billion



Actual risk profile, Exposure At Default

Per cent



Risk classification in SpareBank 1 SMN

Risk class	PD* in percent		Corresponding ratingclass at 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		

Risk class A represents the lowest risk and class K the highest risk.

* Probability of default

Write-downs on loans and guarantees

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018
Change in provision for expected credit losses for the period	61	22	58	61	9	61	9	150
Actual loan losses on commitments exceeding provisions made	8	46	15	24	42	8	42	127
Recoveries on commitments previously written-off	-2	-1	-4	-7	-2	-2	-2	-15
Write-downs on loans and guarantees	67	67	69	78	48	67	48	263
As % of gross loans incl. Boligkreditt	0.17%	0.17%	0.18%	0.20%	0.13%	0.17%	0.13%	0.17%

Write-downs on loans and guarantees to the end of 2017

(in NOK million)	2017
Increase in and new individual write-downs	127
Reassessments and recoveries	206
Total individual write-downs	332
Change in group write-downs on loans	9
Write-downs on loans and guarantees	341
As % of gross loans incl. Boligkreditt	0.23%

Provision for expected credit losses on loans and guarantees are presented after implementation of IFRS 9 from January 1, 2018. See note 2 and 45 in the annual report for 2017 for detailed information about the implementation effect and transition. Comparative figures have not been restated, and the information regarding periods before Q1 2018 has been presented above in accordance with previous rules in IAS 32.

Loss on loans by segment

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	31 Mar. 2018	2018	2017
Retail	6	-1	9	13	-3	6	-3	17	5
Corporate *	53	59	51	54	48	53	48	212	318
SMN Finans and other	8	10	10	11	3	8	3	34	18
Total loss on loans	67	67	69	78	48	67	48	263	341

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	108,231	91,861	10,933	3,262	942	1,012	221
Public administration	612	612	-	-	-	-	-
Agriculture and forestry	13,943	9,143	3,233	1,216	169	163	20
Sea farming industries	1,657	1,232	115	301	-	9	-
Manufacturing	3,585	295	1,013	1,380	501	391	6
Construction, power and water supply	4,807	1,245	1,137	2,053	236	86	50
Retail trade, hotels and restaurants	3,669	812	1,059	1,409	312	55	22
Maritime sector	753	155	183	200	-	215	-
Property management	15,544	9,161	2,724	3,002	363	222	72
Business services	4,264	1,036	1,211	1,603	297	46	71
Transport and other services provision	9,969	3,645	3,253	1,497	82	45	1,447
Other sectors	9,187	8,014	996	67	36	75	-
1Q19	176,341	127,330	25,856	15,989	2,938	2,318	1,909
2018	176,188	127,106	24,974	16,833	3,379	2,189	1,707
2017	164,510	116,961	23,842	16,258	3,394	2,480	1,575

Write-down ratio

(in NOK million)	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
Non-performing commitments (gross)	288	310	284	275	289	284
Impaired commitments (gross)	1,591	1,372	1,365	1,477	1,358	1,184
Gross non-performing and impaired commitments	1,880	1,682	1,649	1,752	1,647	1,468
Individual write-downs						769
Collective write-downs						347
Write-down ratio (%)						76.1 %

3.3 Capital adequacy

SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Use of IRB imposes wide-ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems. As from 31 March 2015 the bank has received permission to apply the Advanced IRB Approach to those corporate portfolios that were previously reported under the Basic Indicator Approach.

As of 31 March 2019 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3.0 per cent and the Norwegian countercyclical buffer is 2.0 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital, so that the overall minimum requirement on CET1 capital is 12.0 per cent. In addition the financial supervisory authority has set a Pillar 2 requirement of 1.9 per cent for SpareBank 1 SMN. The total minimum requirement on CET1 capital is accordingly 13.9 per cent.

Countercyclical buffer is calculated using differentiated rates. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. For the first quarter of 2019 both the parent bank and the group is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures.

Parts of the group's hybrid capital and subordinated debt were issued under earlier rules. This will be subject to a write-down of 60 per cent in 2018 and 70 per cent in 2019. As at 31 March 2019 the bank held hybrid capital worth NOK 450 million subject to write-down.

SpareBank 1 SMN's methods for calculating the minimum regulatory capital requirements are summarized below.

Methods for calculating minimum requirements

Type of risk	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
	SpareBank 1 Allegro Kapitalforvaltning AS	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	Standardized approach
	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

Capital Adequacy

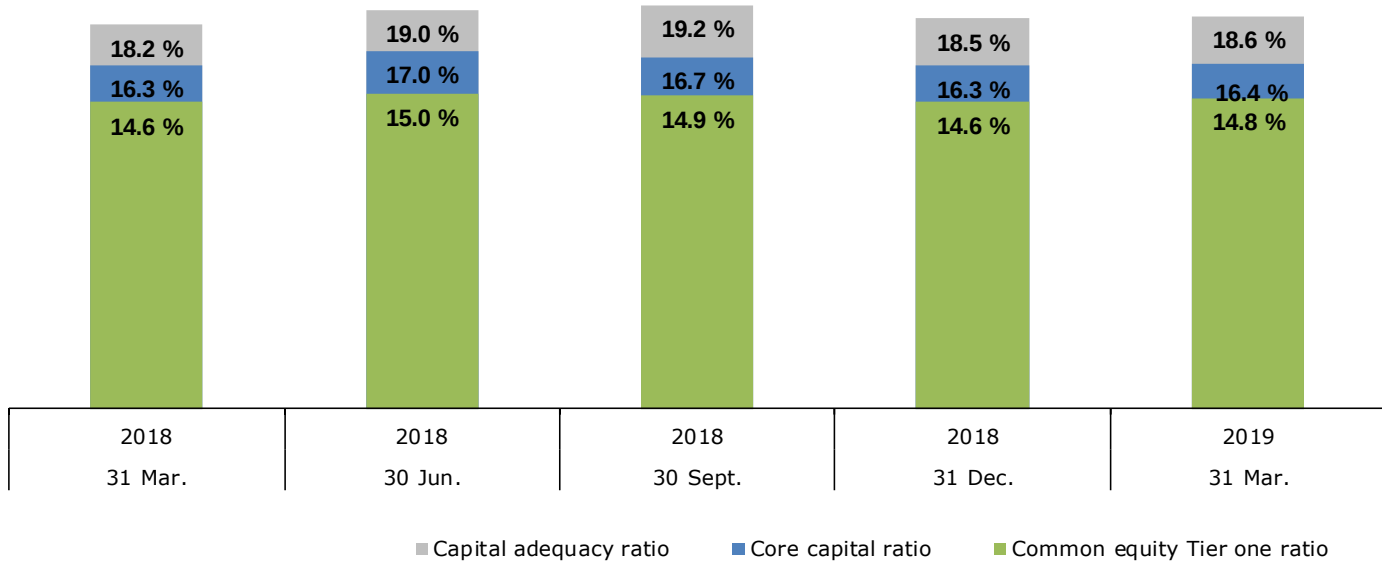
(in NOK million)

	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
Total book equity	18,673	18,686	18,650	17,984	17,365	17,510
Hybrid capital included in total equity	-1,023	-1,043	-1,310	-1,136	-1,306	-993
Deferred taxes, goodwill and other intangible assets	-1,073	-1,079	-1,059	-1,044	-1,040	-984
Deduction for allocated dividends and gifts	0	-1,034	0	0	0	-893
Non-controlling interests recognised in other equity capital	-665	-637	-623	-621	-572	-565
Non-controlling interests eligible for inclusion in CET1 capital	392	366	371	357	341	324
Net profit	-1,046	0	-1,689	-1,209	-466	0
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	537	0	864	614	233	0
Value adjustments due to requirements for prudent valuation	-43	-44	-47	-46	-45	-41
Positive value of adjusted expected loss under IRB Approach	-303	-286	-316	-299	-313	-333
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	5	5	2	4	3	7
Direct, indirect and synthetic investments in financial sector companies	-333	-206	-147	-74	-222	-212
Total common equity Tier one	15,122	14,727	14,697	14,528	13,976	13,820
Hybrid capital, core capital	1,377	1,378	1,478	1,592	1,353	1,427
Hybrid capital covered by transitional provisions	275	367	367	367	367	459
Total core capital	16,775	16,472	16,542	16,488	15,697	15,707
Supplementary capital in excess of core capital						
Subordinated capital	2,298	2,316	2,118	1,621	1,621	1,615
Subordinated capital covered by transitional provisions	184	96	449	449	449	561
Deduction for significant investments in financial institutions	-142	-140	-140	-141	-248	-254
Total supplementary capital	2,340	2,272	2,427	1,930	1,822	1,922
Net subordinated capital	19,115	18,743	18,969	18,418	17,518	17,629

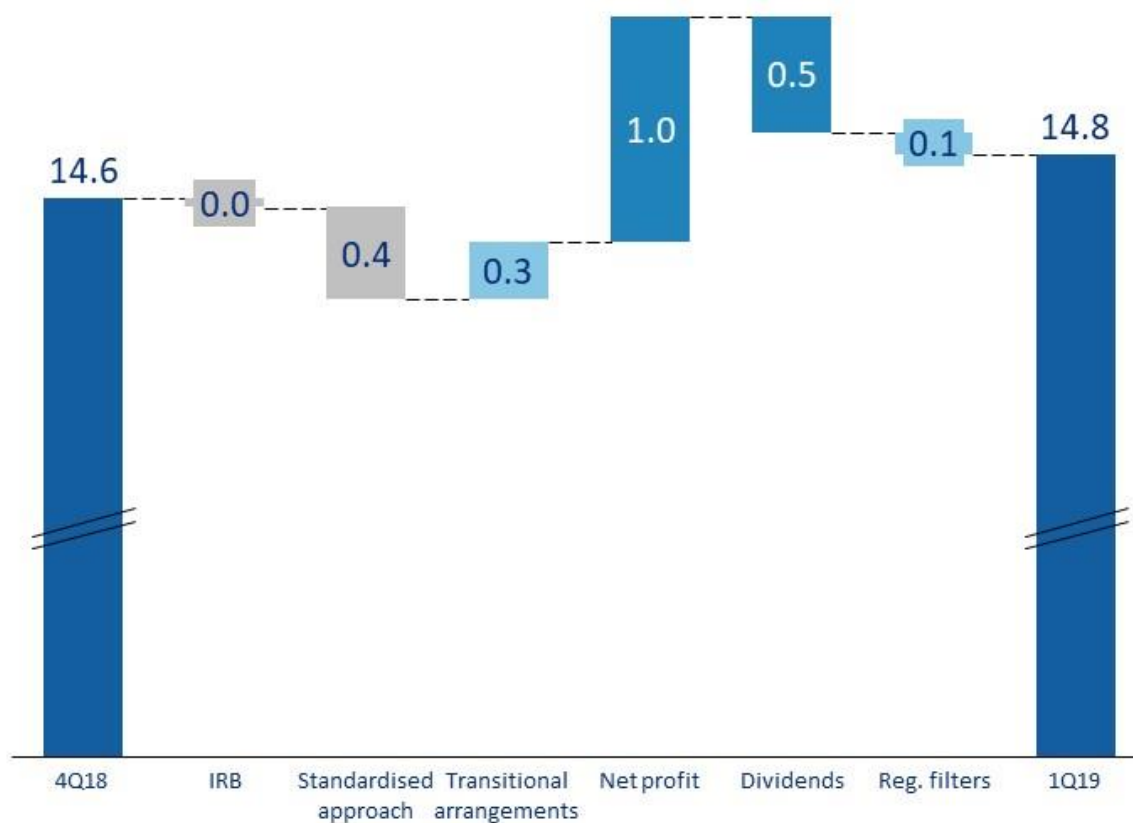
Minimum requirements subordinated capital

(in NOK million)	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
Specialised enterprises	1,106	1,116	1,107	1,072	1,200	1,107
Corporate	1,161	1,163	1,181	1,128	1,070	1,113
Mass market exposure, property	2,126	2,098	2,070	2,010	1,930	1,892
Other mass market	97	92	94	96	92	91
Equity investments, IRB	1	1	1	1	1	1
Total credit risk IRB	4,491	4,470	4,453	4,307	4,292	4,205
Central government	3	4	3	2	3	3
Covered bonds	135	124	145	146	142	146
Institutions	269	246	217	262	285	333
Local and regional authorities, state-owned enterprises	10	8	10	9	7	4
Corporate	251	221	241	255	236	226
Mass market	536	520	510	438	419	405
Exposures secured on real property	211	215	181	195	199	193
Equity positions	365	366	358	359	349	344
Other assets	169	107	109	128	150	166
Total credit risk standardised approach	1,949	1,810	1,774	1,796	1,791	1,820
Debt risk	45	31	33	23	25	18
Equity risk	12	7	24	11	14	22
Currency risk	3	3	3	4	4	1
Operational risk	654	575	575	575	575	510
Credit value adjustment risk (CVA)	118	122	80	110	119	117
Transitional arrangements	929	1,074	971	946	863	891
Minimum requirements subordinated capital	8,200	8,093	7,913	7,771	7,684	7,585
Risk Weighted Assets (RWA)	102,495	101,168	98,915	97,137	96,044	94,807
Minimum requirement on CET1 capital, 4.5 per cent	4,612	4,553	4,451	4,371	4,322	4,266
Capital conservation buffer, 2.5 per cent	2,562	2,529	2,473	2,428	2,401	2,370
Systemic risk buffer, 3.0 per cent	3,075	3,035	2,967	2,914	2,881	2,844
Countercyclical buffer, 2.0 per cent (1.5 per cent)	2,050	2,023	1,978	1,943	1,921	1,896
Available CET1 capital after buffer requirements	2,823	2,587	2,827	2,872	2,451	2,444
Common equity Tier one ratio	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.6 %
Core capital ratio	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.6 %
Capital adequacy ratio	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %
Leverage ratio						
Balance sheet items	221,200	216,240	213,761	216,406	207,831	210,764
Off-balance sheet items	8,262	9,086	9,595	9,345	9,530	9,295
Regulatory adjustments	-1,600	-1,474	-1,729	-1,480	-2,113	-1,580
Calculation basis for leverage ratio	227,862	223,853	221,628	224,271	215,248	218,479
Core capital	16,775	16,472	16,542	16,488	15,697	15,707
Leverage Ratio	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.2 %

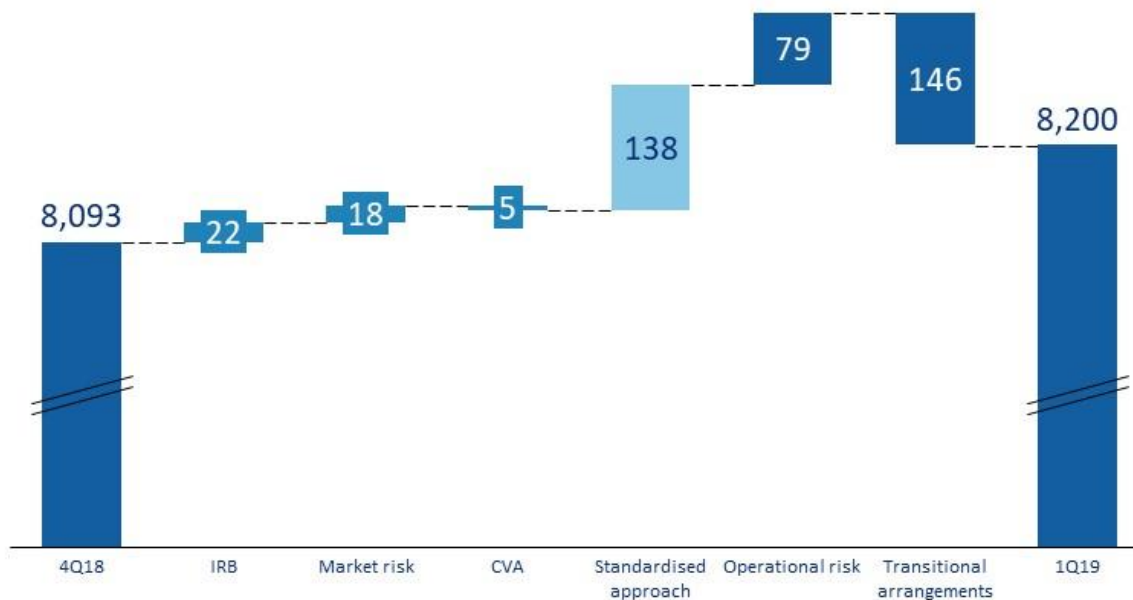
Capital Adequacy



Quarterly change in Common equity Tier 1 ratio



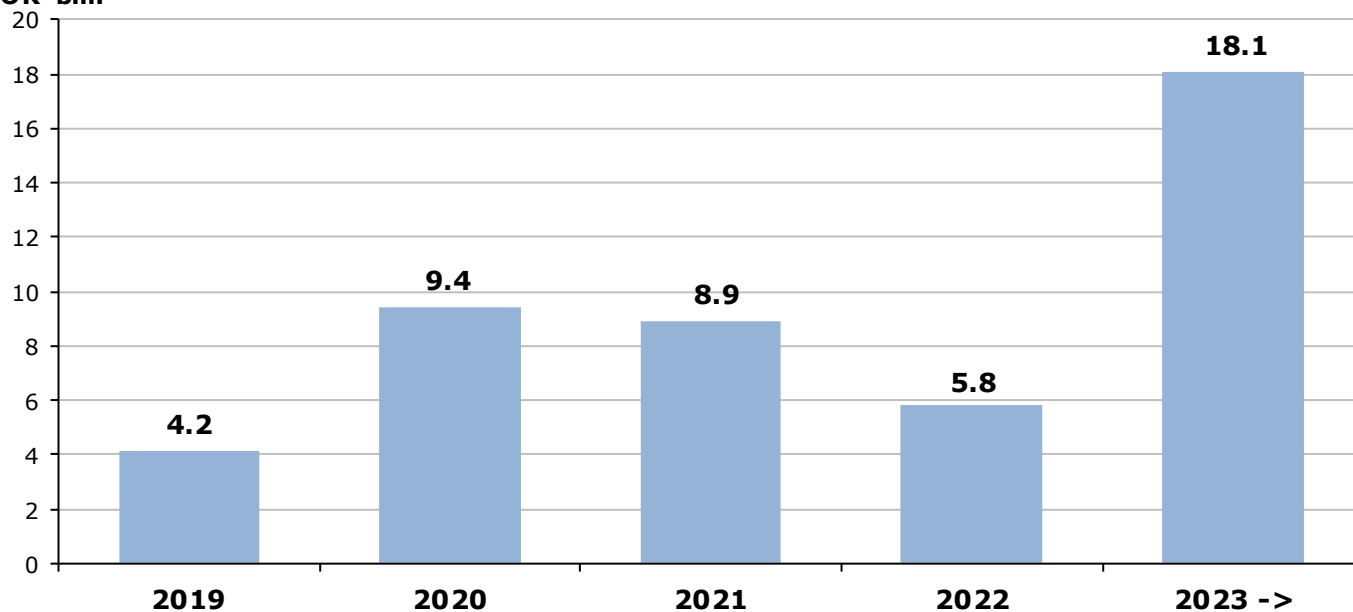
Quarterly change in Minimum requirements subordinated capital



5. Funding

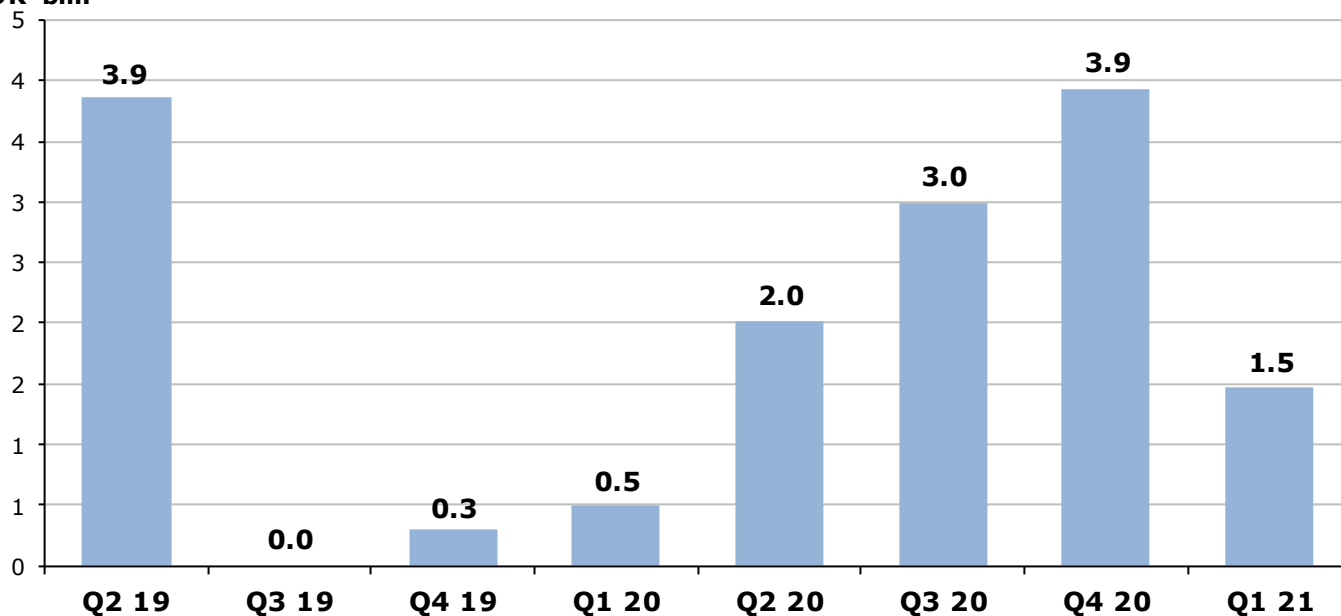
Funding maturity dates

NOK bill.



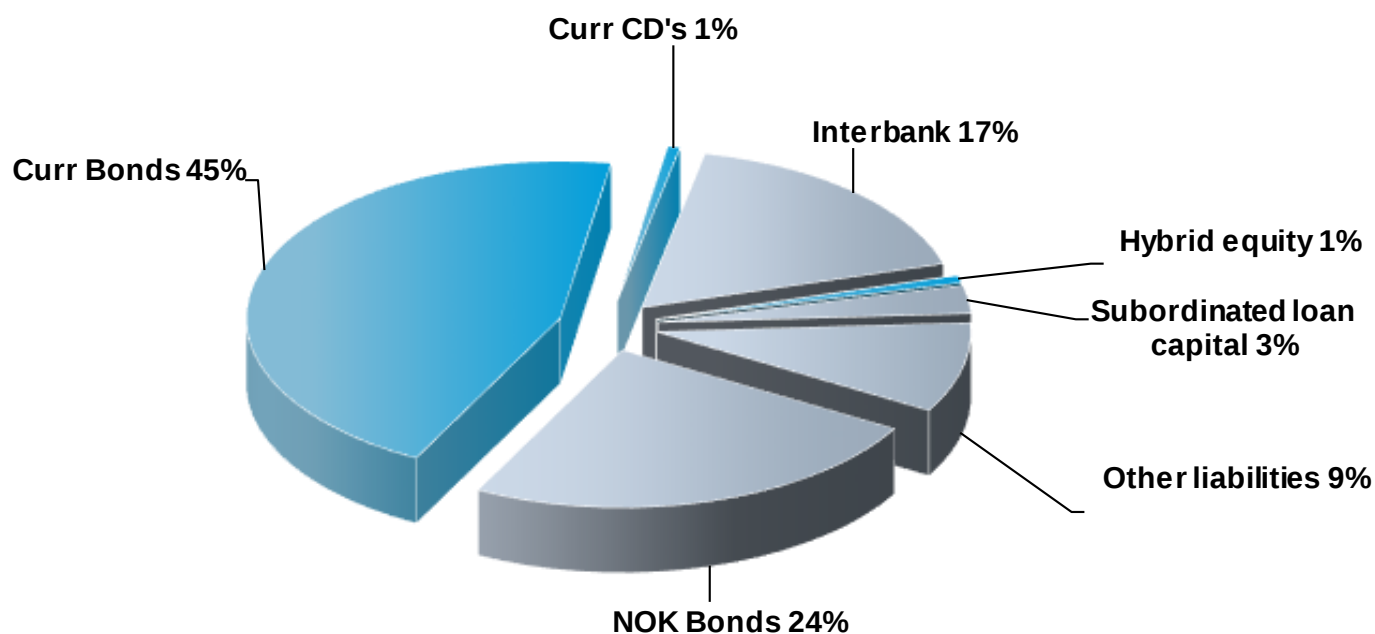
Funding maturity dates over the next eight quarters

NOK bill.



Capital markets funding

(in NOK million)	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
NOK Bonds	14,977	15,548	15,627	14,443	16,581	13,683
Curr Bonds	27,803	28,203	28,401	28,755	24,717	28,334
Curr CD's	392	518	85	36	112	177
Interbank	10,667	8,546	8,842	8,696	7,466	9,046
Hybrid equity	459	463	465	468	470	475
Subordinated loan capital	1,770	1,761	2,159	1,679	1,683	1,684
Other liabilities	5,709	4,377	4,754	4,603	4,833	3,997
Total	61,777	59,416	60,334	58,680	55,862	57,396



6. Financial results

Financial results

	1Q	4Q	3Q	2Q	1Q	31 Mar.			
(in NOK million)	2019	2018	2018	2018	2018	2019	2018	2018	2017
Interest income	1,075	1,082	1,025	989	962	1,075	962	4,057	3,825
Interest expenses	426	438	414	408	394	426	394	1,655	1,600
Net interest	649	644	610	581	568	649	568	2,403	2,225
Commission income	329	343	344	361	339	329	339	1,387	1,390
Commission expenses	40	42	45	45	36	40	36	168	168
Other operating income	262	242	186	291	239	262	239	958	783
Commission income and other income	551	543	486	607	542	551	542	2,177	2,005
Dividends	2	2	0	4	2	2	2	8	6
Income from investment in related companies	555	130	105	102	79	555	79	416	437
Net return on financial investments	169	-37	77	195	99	169	99	334	317
Net return on financial investments	727	95	182	300	180	727	180	757	760
Total income	1,926	1,282	1,277	1,488	1,290	1,926	1,290	5,337	4,989
Staff costs	447	391	376	413	403	447	403	1,584	1,426
Other operating expenses	257	311	240	248	241	257	241	1,040	943
Total operating expenses	704	701	616	661	645	704	645	2,624	2,369
Result before losses	1,223	580	661	827	645	1,223	645	2,713	2,621
Loss on loans, guarantees etc.	67	67	69	78	48	67	48	263	341
Result before tax	1,155	513	592	748	596	1,155	596	2,450	2,279
Tax charge	109	104	119	156	131	109	131	509	450
Results investments held for sale, after tax	0	-8	6	150	1	0	1	149	-1
Net profit	1,046	401	480	743	466	1,046	466	2,090	1,828
Majority share	1,017	386	470	716	447	1,017	447	2,018	1,763
Minority interest	10	6	2	19	8	10	8	34	32

Balance sheet

(in NOK million)	31 Mar. 2019	31 Dec. 2018	30 Sept. 2018	30 Jun. 2018	31 Mar. 2018	31 Dec. 2017
Cash and receivables from central banks	647	883	1,129	1,403	635	3,313
Deposits with and loans to credit institutions	8,387	5,074	6,828	5,078	6,113	4,214
Net loans to and receivables from customers	119,285	119,728	117,153	114,683	112,119	110,959
Fixed-income CDs and bonds at fair value	20,806	20,348	19,721	18,640	18,797	19,736
Derivatives	3,181	4,119	2,686	2,910	3,278	4,351
Shares, units and other equity interests	2,015	1,873	2,662	2,540	2,164	1,825
Investment in related companies	6,386	6,098	5,865	5,748	5,879	5,760
Investments held for sale	42	43	44	48	639	649
Intangible assets	846	851	849	842	819	793
Other assets	3,047	1,687	2,401	7,692	1,641	1,654
Assets	164,641	160,704	159,337	159,584	152,083	153,254
Deposits from credit institutions	11,601	9,214	10,106	9,889	8,374	9,607
Deposits from and debt to customers	81,111	80,615	77,529	80,343	75,937	76,476
Debt created by issue of securities	43,172	44,269	44,113	43,234	41,410	42,194
Derivatives	3,178	2,982	3,005	2,974	2,970	3,343
Other liabilities	4,632	2,670	3,264	2,962	3,832	1,923
Investments held for sale	0	1	0	8	0	1
Subordinated loan capital	2,273	2,268	2,668	2,189	2,195	2,201
Total liabilities	145,968	142,018	140,687	141,600	134,718	135,744
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597
Own holding of ECCs	-9	-4	-5	-11	-10	-8
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	5,580	5,594	5,075	5,075	5,066	5,072
Recommended dividends	0	661	0	0	0	571
Provision for gifts	0	373	0	0	0	322
Ownerless capital	5,126	5,126	4,831	4,831	4,831	4,831
Unrealised gains reserve	155	155	126	126	126	126
Other equity capital	1,595	1,608	1,509	1,503	1,515	1,547
Hybrid capital	1,023	1,043	1,310	1,136	1,306	993
Result of the period	1,046	0	1,689	1,209	466	0
Minority interests	665	637	623	621	572	565
Total equity capital	18,673	18,686	18,650	17,984	17,365	17,510
Total liabilities and equity	164,641	160,704	159,337	159,584	152,083	153,254

Key figures

	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	2018	2018	2017
Return on equity	23.3 %	9.0 %	11.1 %	17.9 %	11.2 %	23.3 %	11.2 %	12.2 %	11.5 %
Cost/income ratio group	37%	55%	48%	44%	50%	37%	50%	49%	47%
Cost/income ratio group, ex. financial inv.	59%	59%	56%	56%	58%	59%	58%	57%	56%
12-month cost growth	9.1 %	13.6 %	5.9 %	10.7 %	12.9 %	9.1 %	12.9 %	10.8 %	18.3 %
Gross loans to customers*	161,091	160,317	157,825	154,790	151,065	161,091	151,065	160,317	148,784
Growth in loans last 12 months*	6.6 %	7.8 %	7.3 %	7.6 %	7.9 %	6.6 %	7.9 %	7.8 %	8.2 %
Growth in loans this period*	0.5 %	1.6 %	2.0 %	2.5 %	1.5 %	0.5 %	1.5 %	7.8 %	8.2 %
Deposits from customers	81,111	80,615	77,529	80,343	75,937	81,111	75,937	80,615	76,476
Growth in deposits last 12 months	6.8 %	5.4 %	6.1 %	6.3 %	8.2 %	6.8 %	8.2 %	5.4 %	13.9 %
Growth in deposits this period	0.6 %	4.0 %	-3.5 %	5.8 %	-0.7 %	0.6 %	-0.7 %	5.4 %	13.9 %
Deposit-to-loan ratio*	50%	50%	49%	52%	50%	50%	50%	50%	51%
Total assets	164,641	160,704	159,337	159,584	152,083	164,641	152,083	160,704	153,254
Average total assets (quarterly)	162,673	160,021	159,460	155,833	152,668	162,673	152,668	156,992	145,948
Employees in employment group	1,524	1,493	1,467	1,439	1,393	1,524	1,393	1,493	1,403
Employees in employment parent bank	570	575	589	588	581	570	581	575	595
Employees in employment subsidiares	953	918	878	851	812	953	812	918	808
Number of branches	48	48	48	48	48	48	48	48	48
Lending margin	1.84	1.88	1.89	1.90	2.03	1.84	2.03	1.92	2.13
Deposit margin	0.24	0.19	0.12	0.12	0.04	0.24	0.04	0.12	0.00
Net other operating income of total income	29%	42%	38%	41%	42%	29%	42%	41%	40%
Common Equity Tier 1 ratio	14.8 %	14.6 %	14.9 %	15.0 %	14.6 %	14.8 %	14.6 %	14.6 %	14.6 %
Core capital ratio	16.4 %	16.3 %	16.7 %	17.0 %	16.3 %	16.4 %	16.3 %	16.3 %	16.6 %
Capital adequacy ratio	18.6 %	18.5 %	19.2 %	19.0 %	18.2 %	18.6 %	18.2 %	18.5 %	18.6 %
Total core capital	16,775	16,472	16,542	16,488	15,697	16,775	15,697	16,472	15,707
Net subordinated capital	19,115	18,743	18,969	18,418	17,518	19,115	17,518	18,743	17,629
Liquidity Coverage Ratio (LCR) (%)	180%	183%	150%	150%	162%	180%	162%	183%	164%
Leverage ratio	7.4 %	7.4 %	7.5 %	7.4 %	7.3 %	7.4 %	7.3 %	7.4 %	7.2 %
Impairment losses ratio	0.17%	0.17%	0.18%	0.20%	0.13%	0.17%	0.13%	0.17%	0.24%
Non-performing commitm. as % of gross loans	0.18%	0.19%	0.18%	0.18%	0.19%	0.18%	0.19%	0.19%	0.19%
Other doubtful commitm. as % of gross loans	0.99%	0.86%	0.86%	0.95%	0.90%	0.99%	0.90%	0.86%	0.80%
ECC price	87.40	84.20	90.90	84.50	80.90	87.40	80.90	84.20	82.25
Number of certificates issued, millions	129.41	129.62	129.44	129.31	129.38	129.41	129.38	129.62	129.38
Booked equity capital per ECC (incl. dividend)	83.86	83.87	82.57	80.21	76.53	83.86	76.53	83.87	78.81
Adjusted profit per ECC	5.02	1.90	2.32	3.54	2.21	5.02	2.21	9.97	8.71
P/E per ECC	4.35	11.05	9.77	5.97	9.16	4.35	9.16	8.44	9.44
P/B equity capital	1.04	1.00	1.10	1.05	1.06	1.04	1.06	1.00	1.04

* Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt

7. Segment Information

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.

7.1. Extract from income statement

Group (in NOK million) 31 Mar.2019	Retail Market	Corporate Market	SB 1 Markets	Eiendoms-Megler 1 Midt-Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps-huset SMN	SB 1 Gruppen	BN Bank	Un-collated *	Total
Net interest	278	247	-4	0	75	0	0	0	52	649
Allocated	52	36	0	0	0	0	0	0	-88	0
Total interest income	330	284	-4	0	75	0	0	0	-36	649
Commission income and other income	188	55	124	115	16	140	0	0	-85	551
Net profit on financial investments	0	2	21	0	0	0	38	23	643	727
Total income	518	340	140	114	92	140	38	23	522	1,926
Total operating expenses	217	104	138	123	44	119			-41	704
Ordinary operating profit	301	236	2	-9	47	21	38	23	564	1,223
Loss on loans, guarantees etc.	6	53	0	0	8	0	0	0	0	67
Result before tax incl investments held for sale	295	183	2	-9	40	21	38	23	564	1,155
Post-tax return on equity**	12.7 %	10.9 %								12.2 %

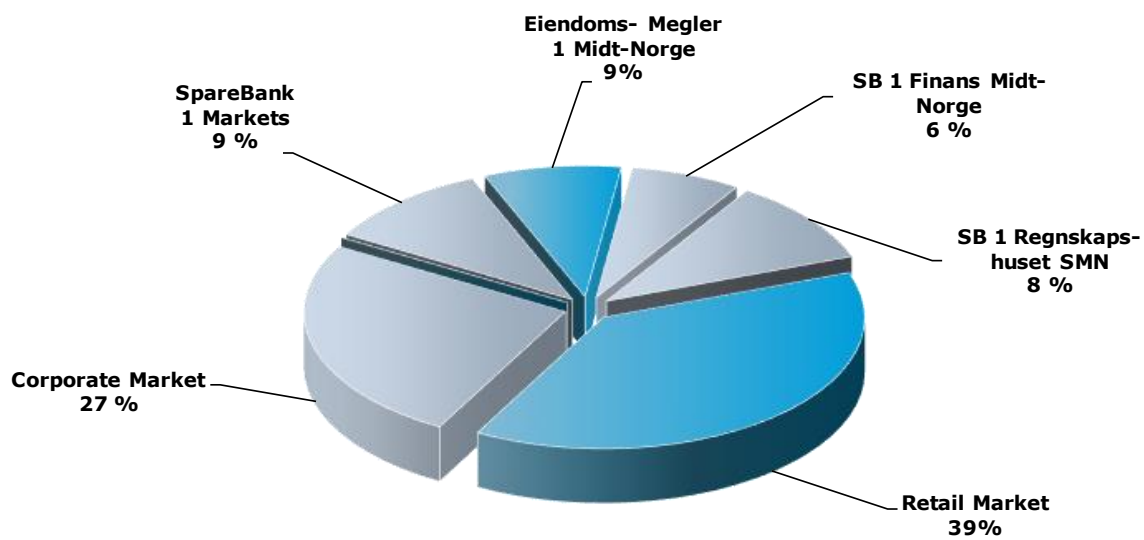
Balance sheet

Loans and advances to customers	113,040	38,881	-	-	7,980	-	-	-	1,190	161,091
adv. of this to Boligkreditt and Næringskreditt	-39,349	-1,642	-	-	-	-	-	-	-0	-40,991
Loss on loans	-109	-654	-	-	-48	-	-	-	-5	-815
Other assets	203	2,886	2,715	993	25	458	1,723	1,263	35,092	45,356
Total assets	73,785	39,471	2,715	993	7,957	458	1,723	1,263	36,277	164,641
Deposits to customers	40,734	39,471	-	-	-	-	-	-	906	81,111
Other liabilities and equity	33,051	-0	2,715	993	7,957	458	1,723	1,263	35,372	83,530
Total liabilities	73,785	39,471	2,715	993	7,957	458	1,723	1,263	36,277	164,641

* Uncollated consist of among other things return on financial investments in parent bank, net profit on the bank's funding activities and gain on sale of the head office building

** 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.

Income specified by segment, excluding financial investments



Interest income, Retail Market and Corporate Market

	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
(in NOK million)									
Retail	278	288	270	244	254	278	254	1,056	993
Corporate	247	251	253	245	232	247	232	981	977
Net interest income	526	540	523	489	486	526	486	2,038	1,971

Development in margin, Retail Market and Corporate Market

	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Lending (in percentage)									
Retail	1.60	1.63	1.64	1.65	1.79	1.60	1.79	1.69	1.93
Corporate	2.69	2.73	2.75	2.73	2.71	2.69	2.71	2.73	2.79
Total	1.84	1.88	1.89	1.90	2.03	1.84	2.03	1.92	2.13
Deposits (in percentage)									
Retail	0.46	0.39	0.27	0.28	0.14	0.46	0.14	0.27	0.11
Corporate	0.02	-0.02	-0.05	-0.04	-0.05	0.02	-0.05	-0.04	-0.11
Total	0.24	0.19	0.12	0.12	0.04	0.24	0.04	0.12	0.00

*Definition margin: Average customer interest minus 3 months average nibor

Development in volume, Retail Market and Corporate Market

	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Lending* (in NOK million)									
Retail	113,040	112,723	111,207	108,702	104,999	113,040	104,999	112,723	103,131
Corporate	38,881	40,548	39,716	39,452	39,821	38,881	39,821	40,548	39,482
Total	151,921	153,271	150,923	148,154	144,821	151,921	144,821	153,271	142,613

* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Deposits (in NOK million)									
Retail	40,734	40,046	39,879	40,372	37,811	40,734	37,811	40,046	37,182
Corporate	39,471	39,236	37,201	38,390	37,358	39,471	37,358	39,236	38,719
Total	80,206	79,282	77,079	78,762	75,169	80,206	75,169	79,282	75,902

Development in commission income, Retail Market and Corporate Market

	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
(in NOK million)									
Retail	188	203	193	193	204	188	204	793	789
Corporate	56	54	63	51	51	56	51	219	207
Total	244	257	256	244	255	244	255	1,012	997

7.2. Retail Market

Business description

	31 Mar. 2019
<i>Facts about the business area</i>	
Lending volume	113,040
Deposits volume	40,734
No. of active customers	221,055
FTEs	314

Financial performance

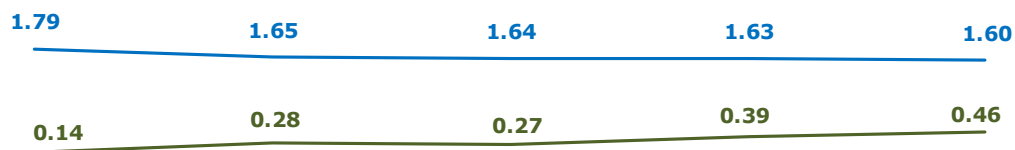
	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	2018	2017
(in NOK million)								
Net interest income lending	156	169	155	135	165	156	165	624
Net interest income deposits	123	113	111	107	89	123	89	419
Net interest income allocated capital	52	52	50	46	43	52	43	190
Total interest income	330	334	316	288	296	330	296	1,234
Net guarantee commission, incl. BK, NK	94	99	89	98	108	94	108	394
Net commission of savings products	14	22	21	17	15	14	15	75
Net commission insurance services	38	38	37	38	38	38	38	151
Net commission payment trans. services	42	45	45	39	43	42	43	172
Other commission income	0	0	0	1	-	0	0	1
Net fee and commission income	188	203	193	193	204	188	204	793
Net profit on financial investments	0	0	0	0	0	0	0	0
Total income	518	537	509	481	501	518	501	2,027
Total operating expenses*	217	207	199	200	199	217	199	804
Results	301	330	310	281	302	301	302	1,223
Loss on loans, guarantees etc.	6	-1	8	13	-3	6	-3	17
Results before tax	295	332	301	268	305	295	305	1,206
Post-tax return on equity (annualized)**						12.7 %	14.5 %	13.2 %

*) Includes both direct and distributed expenses

**) 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.

Development in margin

Definition margin: Average customer interest minus 3 months nior

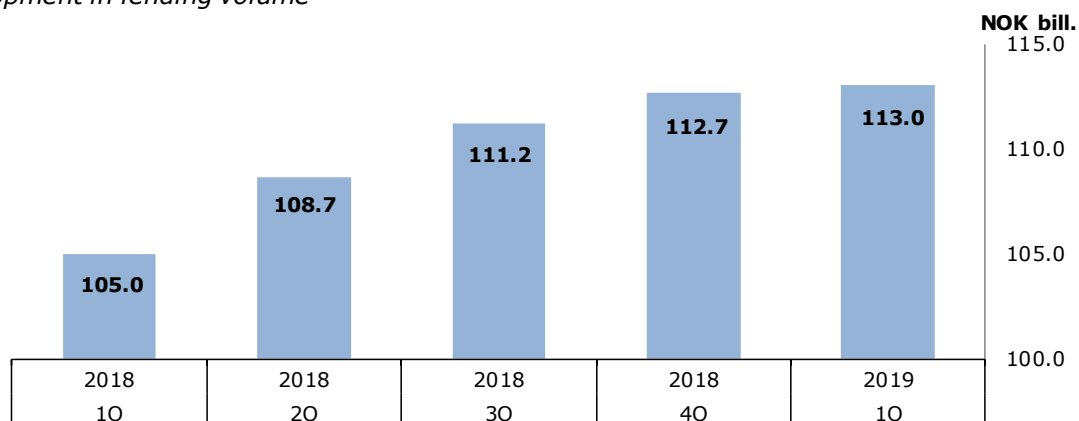


2018 1Q	2018 2Q	2018 3Q	2018 4Q	2019 1Q
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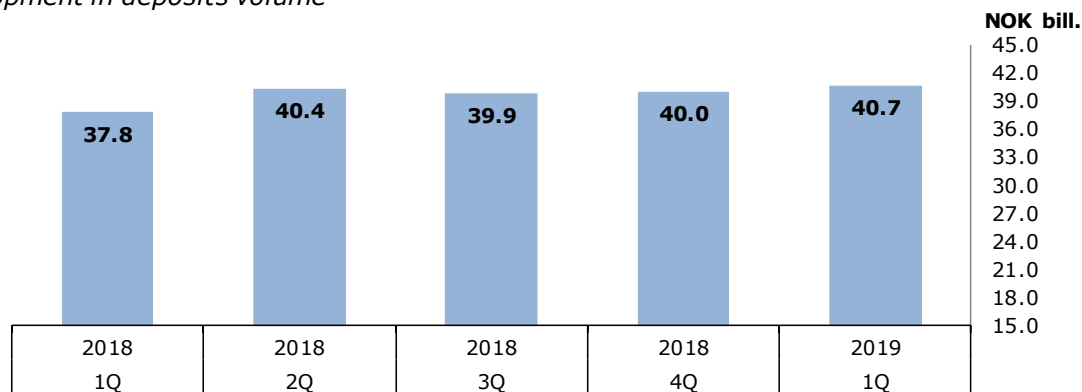
— Lending margin Retail

— Deposits margin Retail

Development in lending volume



Development in deposits volume



7.3. Corporate

Business description

	31 Mar. 2019
<i>Facts about the business area</i>	
Lending volume	38,881
Deposits volume	39,471
No. of active customers	14,561
FTEs	150

Financial performance

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	31 Mar. 2018	2018	2017
Net interest income lending	179	186	182	175	169	179	169	712	677
Net interest income deposits	62	56	63	64	58	62	58	241	274
Net interest income allocated capital	42	41	41	39	36	42	36	157	157
Total interest income	284	283	286	278	263	284	263	1,110	1,108
Net guarantee commission, incl. BK, NK	20	19	22	19	20	20	20	81	86
Net commission of savings products	2	0	1	1	1	2	1	2	2
Net commission insurance services	6	6	6	6	6	6	6	23	21
Net commission payment trans. services	25	25	23	22	22	25	22	92	86
Other commission income	2	1	2	0	1	2	1	4	3
Net fee and commission income	55	51	53	48	50	55	50	202	199
Net profit on financial investments	2	2	11	3	1	2	1	17	9
Total income	340	336	350	329	314	340	314	1,329	1,315
Total operating expenses*	104	94	91	92	95	104	95	373	365
Results	236	242	258	237	219	236	219	956	950
Loss on loans, guarantees etc.	53	59	50	54	48	53	48	212	318
Results before tax	183	183	208	183	171	183	171	744	632
Post-tax return on equity (annualized)**						10.9 %	10.1 %	11.3 %	10.5 %

*) Includes both direct and distributed expenses

**) 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.

Development in margin

Definition margin: Average customer interest minus 3 months nibor.

2.71 2.73 2.75 2.73 2.69

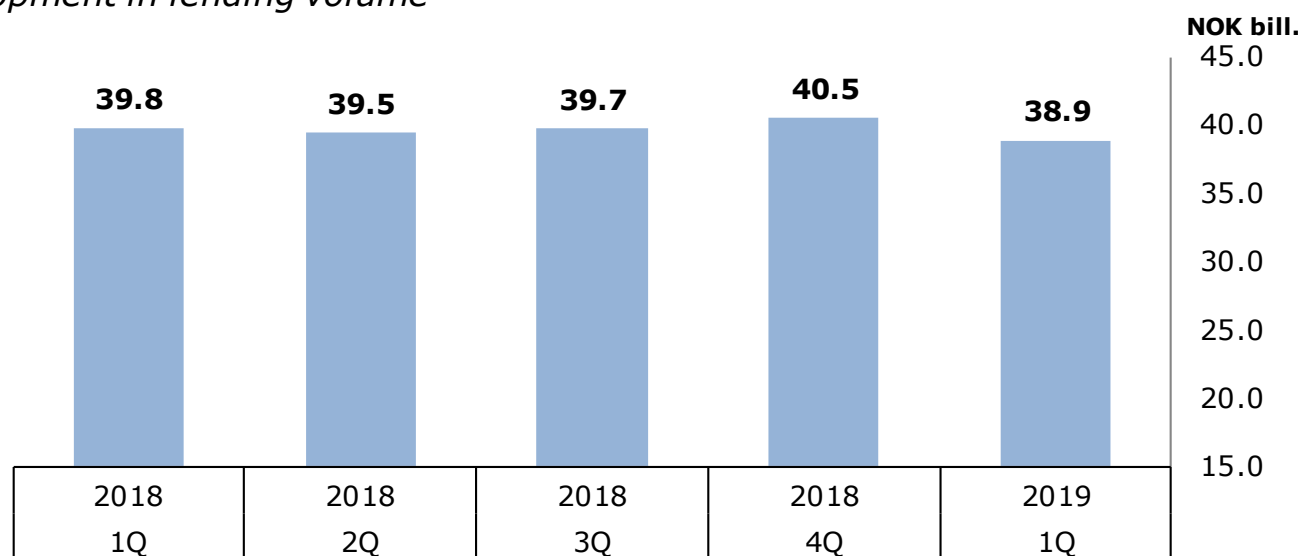
-0.05 -0.04 -0.05 -0.02 0.02

2018 1Q	2018 2Q	2018 3Q	2018 4Q	2019 1Q
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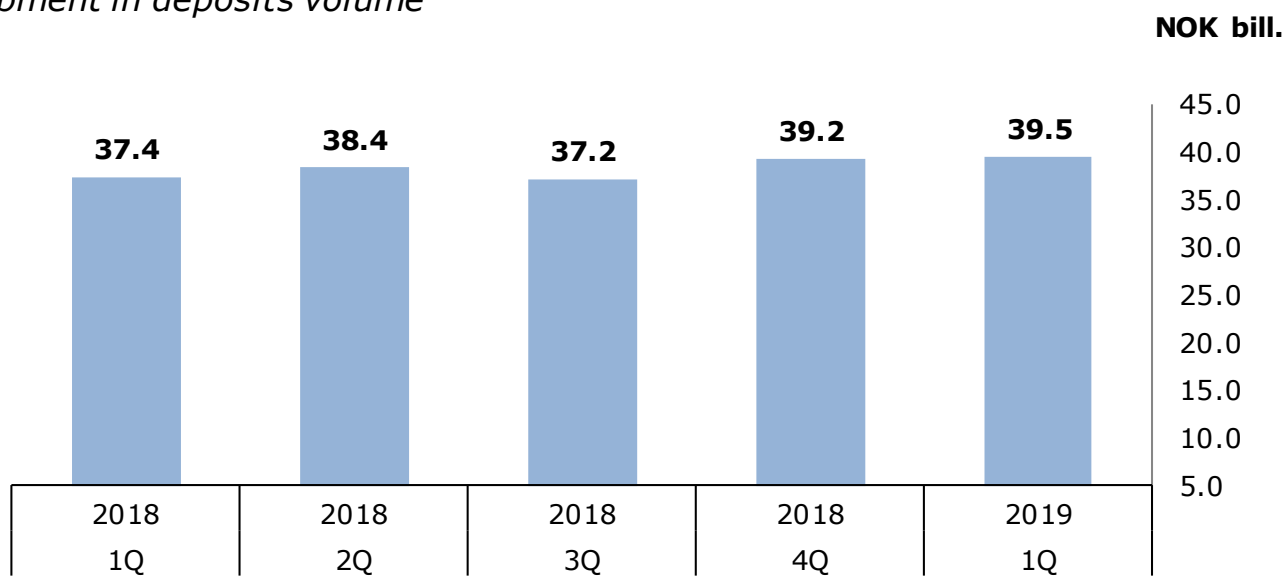
— Lending margin Corporates

— Deposit margin Corporates

Development in lending volume



Development in deposits volume



7.4. Subsidiaries

EiendomsMegler 1 Midt-Norge AS

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.

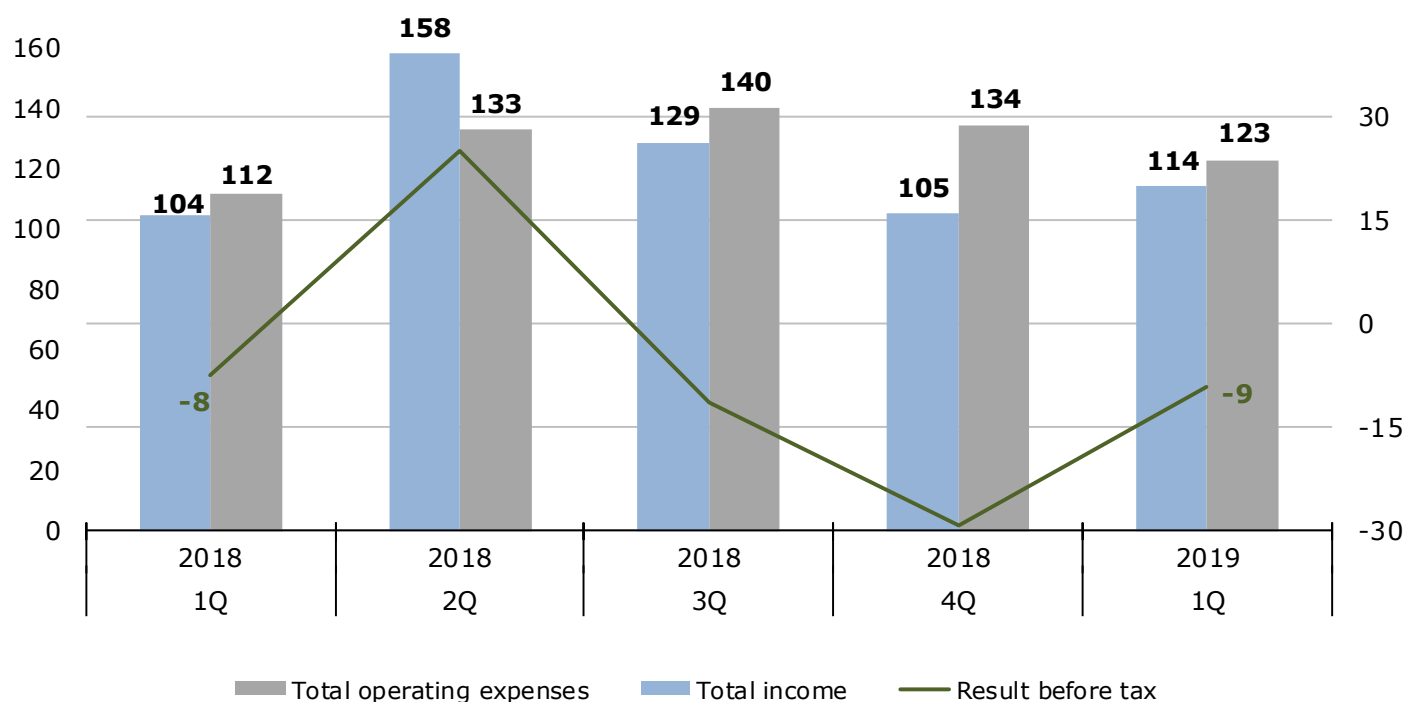
The company is owned by SpareBank 1 SMN (87 per cent), SpareBank 1 Nordvest (7.6 per cent) and SpareBank 1 Søre Sunnmøre (5.4 per cent).

Financial performance

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Net interest	0	-3	1	1	1	0	1	-1	3
Commission income and other income	115	108	128	157	104	115	104	497	473
Total income	114	105	129	158	104	114	104	496	477
Total operating expenses	123	134	140	133	112	123	112	519	474
Result before tax	-9	-29	-11	25	-8	-9	-8	-23	3

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



SpareBank 1 Finans Midt-Norge AS

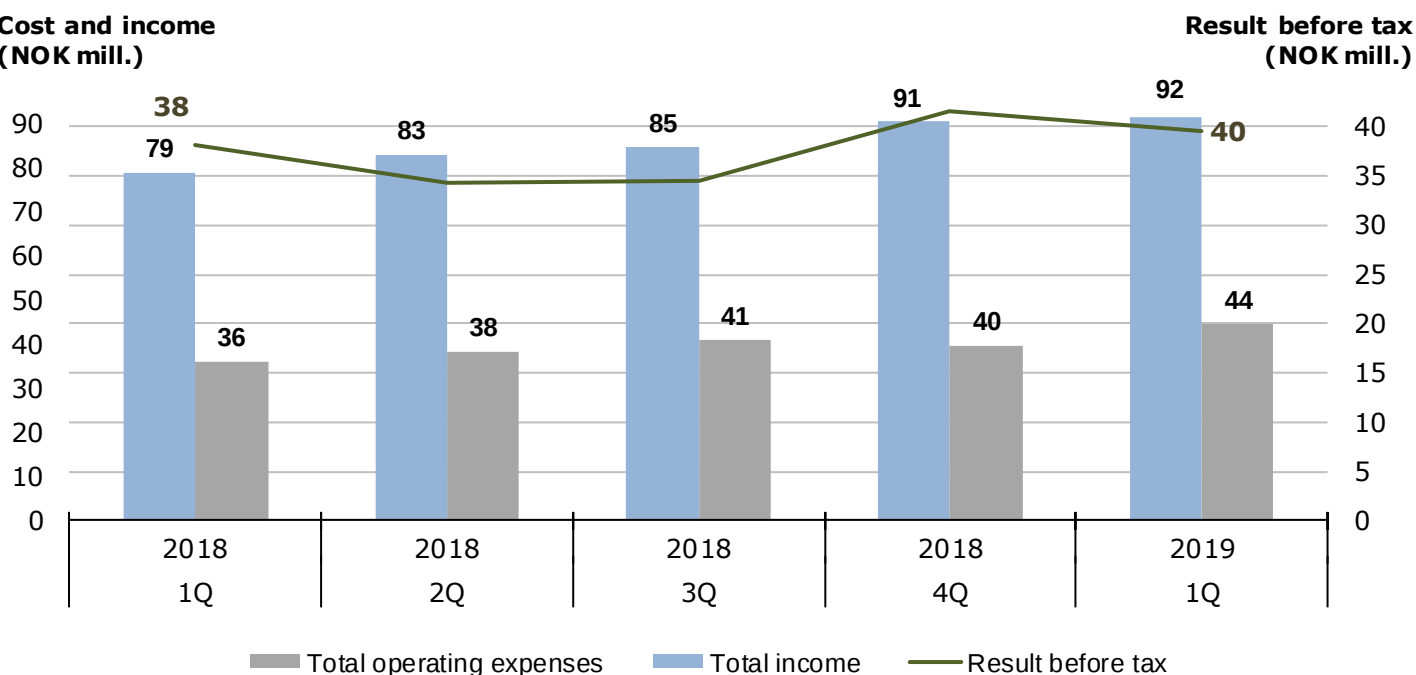
SpareBank 1 Finans Midt-Norge offers car loans and leasing to corporates and private individuals. The company services the market through its own sales operation and through the Bank's offices and other partners.

The company is owned by SpareBank 1 SMN (64.6 per cent), Samarbeidende Sparebanker (27.9 per cent) and SpareBanken Sogn og Fjordane (7.5 per cent). With Samarbeidende Sparebanker as a co-owner, the company has a presence in ten different counties dispersed across Mid- and South Norway.

Financial performance

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019 2018		2018	2017
Total interest income	75	75	69	66	65	75	65	275	228
Commission income and other income	16	16	16	17	14	16	14	62	55
Total income	92	91	85	83	79	92	79	337	283
Total operating expenses	44	40	41	38	36	44	36	155	137
Ordinary operating profit	47	51	44	45	42	47	42	182	146
Loss on loans, guarantees etc.	8	10	9	11	4	8	4	34	18
Result before tax	40	42	35	34	38	40	38	149	128

Cost and income (NOK mill.)



SpareBank 1 Regnskapshuset SMN AS

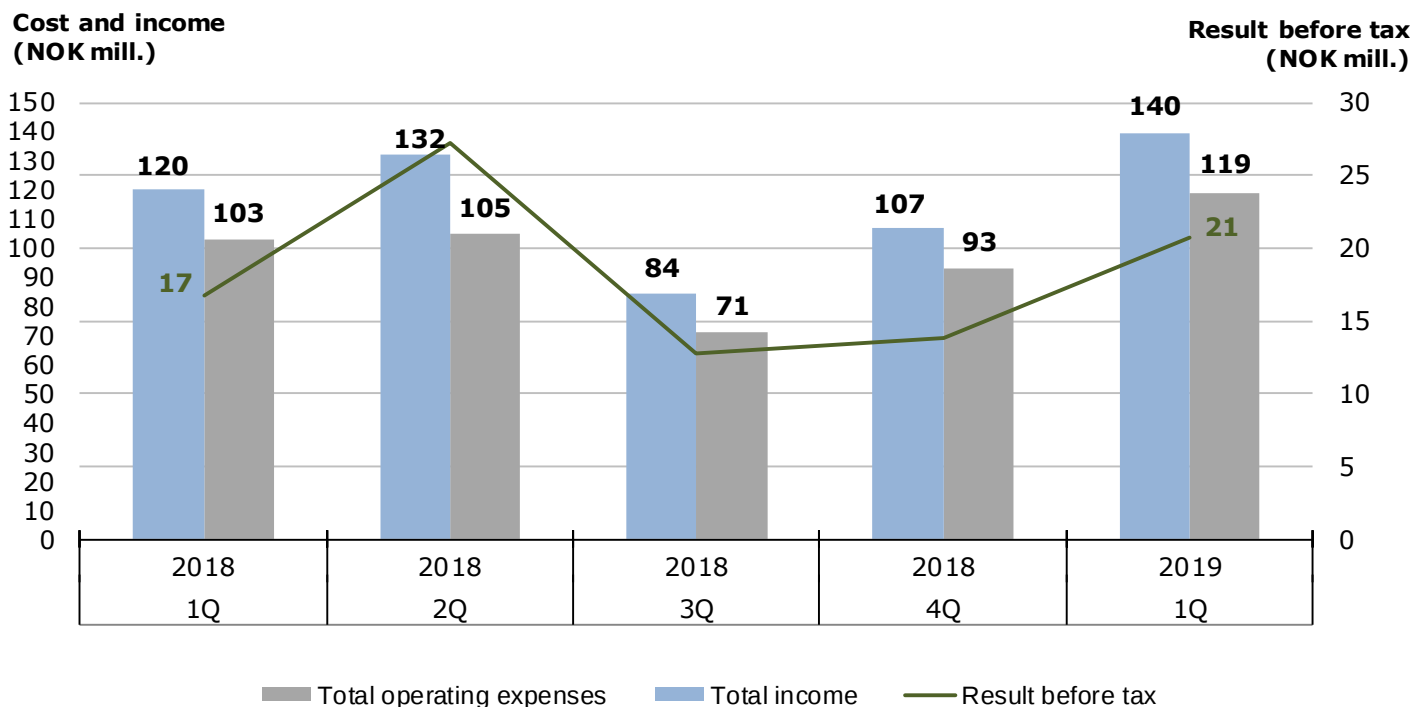
SpareBank 1 Regnskapshuset SMN is an accountancy business within the SMB segment. SpareBank 1 Regnskapshuset intends to be one of Norway's leading actors in the accounting industry by building up a national accounting enterprise based on regional ownership, strong links to the owner banks and closeness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

The company is owned by SpareBank 1 SMN (95.4 per cent) and SpareBank 1 Søre Sunnmøre (4.6 per cent).

Financial performance

(in NOK million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	31 Mar. 2019	31 Mar. 2018	2018	2017
Total interest income	-0	-0	-0	-0	-0	-0	-0	-0	-1
Commission income and other income	140	107	84	132	121	140	121	444	377
Total income	140	107	84	132	120	140	120	444	376
Total operating expenses	119	93	71	105	103	119	103	373	315
Result before tax	21	14	13	27	17	21	17	71	61



SpareBank 1 Markets

SpareBank 1 Markets AS is a Norwegian investment bank within the SpareBank 1 Alliance. The company provides research, financial advice, capital raising and stockbroking services, debt and fixed income products. Through the collaboration with the SpareBank 1 Alliance, SpareBank 1 Markets can offer a complete national capital structure service, and 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 2nd quarter 2017. The acquired companies are merged and will spearhead SpareBank 1 Markets' asset management business.

In the fourth quarter 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.

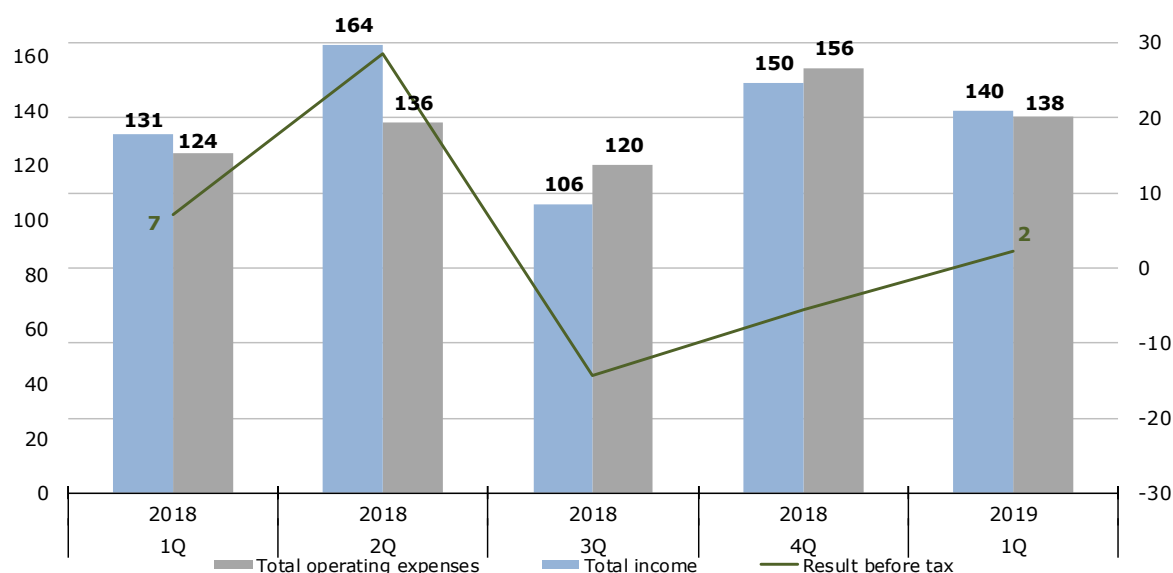
SpareBank 1 Markets is owned by SpareBank 1 SMN (66.7 per cent), SpareBank 1 Nord-Norge (12.2 per cent), SamSpar (9.4 per cent), SpareBank 1 Østlandet (5.8 per cent), SpareBank 1 SR-Bank (5.6 per cent) and others (0.3 per cent).

Financial performance

	1Q	4Q	3Q	2Q	1Q	31 Mar.			
(in NOK million)	2019	2018	2018	2018	2018	2019	2018	2018	2017
Net interest	-4	-3	-4	-4	-3	-4	-3	-14	-15
Equities / High Yield	51	39	40	60	56	51	56	195	152
Fixed Income	12	10	6	13	11	12	11	40	41
Corporate	43	74	32	57	21	43	21	183	112
Foreign exchange/ interest rate derivatives	21	30	17	24	34	21	34	105	82
Asset Management	11	-	11	11	10	11	10	32	53
Other commission income	6	0	4	2	3	6	3	10	11
Total income	140	150	106	164	131	140	131	551	437
Total operating expenses	138	156	120	136	124	138	124	536	435
Result	2	-6	-14	29	7	2	7	15	2
Loss on loans, guarantees etc.	-	-	-	-	-	-	-	-	-
Result before tax	2	-6	-14	29	7	2	7	15	2

Cost and income
(NOK mill.)

Result before tax (NOK
mill.)



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.

8. Development last ten years

Financial results

(in NOK million)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net interest	1,325	1,317	1,392	1,477	1,635	1,841	1,920	1,929	2,225	2,403
Commission income and other income	756	855	919	1,139	1,463	1,512	1,545	1,674	2,005	2,177
Net return on financial investments	596	410	434	451	502	720	459	944	760	757
Total income	2,677	2,582	2,746	3,067	3,599	4,073	3,924	4,547	4,989	5,337
Staff costs	725	583	810	942	923	1,002	1,093	1,159	1,426	1,584
Other operating expenses	528	557	672	712	799	787	838	844	943	1,040
Total operating expenses	1,253	1,140	1,482	1,654	1,722	1,789	1,931	2,003	2,369	2,624
Result before losses	1,424	1,441	1,264	1,414	1,877	2,284	1,993	2,544	2,621	2,713
Loss on loans, guarantees etc.	277	132	27	58	101	89	169	516	341	263
Result before tax	1,147	1,309	1,236	1,355	1,776	2,195	1,824	2,029	2,279	2,450
Tax charge	210	260	255	295	393	376	383	352	450	509
Results investments held for sale, after tax		-27	43	16	30	0	-1	4	-1	149
Net profit	937	1,022	1,024	1,077	1,414	1,819	1,441	1,681	1,828	2,090

Balance sheet

(in NOK million)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash and loans to and claims on credit institutions	1,260	2,532	4,075	4,091	5,984	5,965	5,677	4,207	7,527	5,957
CDs, bonds and other interest-bearing securities	19,302	22,948	21,485	25,614	26,358	27,891	30,282	29,489	31,672	32,438
Gross loans to customers before write-downs	61,782	69,847	73,105	74,943	80,548	90,578	93,974	102,325	112,071	120,473
- Specified write-downs	-219	-222	-172	-144	-173	-172	-183	-632	-765	-744
- Write-downs by loan category	-289	-290	-290	-295	-295	-295	-376	-339	-347	0
Other assets	2,704	3,182	3,252	3,766	2,938	2,080	2,540	3,030	3,096	2,581
Assets	84,541	97,997	101,455	107,975	115,360	126,047	131,914	138,080	153,254	160,704
Deposits from credit institutions	11,310	13,062	9,118	7,410	6,581	9,123	8,155	10,509	9,607	9,214
Deposits from and debt to customers	37,227	42,786	47,871	52,252	55,927	60,680	64,090	67,168	76,476	80,615
Debt created by issue of securities	24,070	29,625	31,306	33,121	36,806	39,254	40,569	40,390	45,537	47,251
Other liabilities	1,876	1,922	2,122	2,070	1,485	1,095	1,734	1,532	1,923	2,670
Subordinated loan capital	3,875	2,758	2,690	3,040	2,365	2,416	2,509	2,228	2,202	2,268
Total equity capital	6,183	7,846	8,348	10,082	12,197	13,478	14,857	16,253	17,510	18,686
Total liabilities and equity	84,541	97,997	101,455	107,975	115,360	126,047	131,914	138,080	153,254	160,704

Historical numbers are adjusted for the reclassification of hybrid capital

Key figures

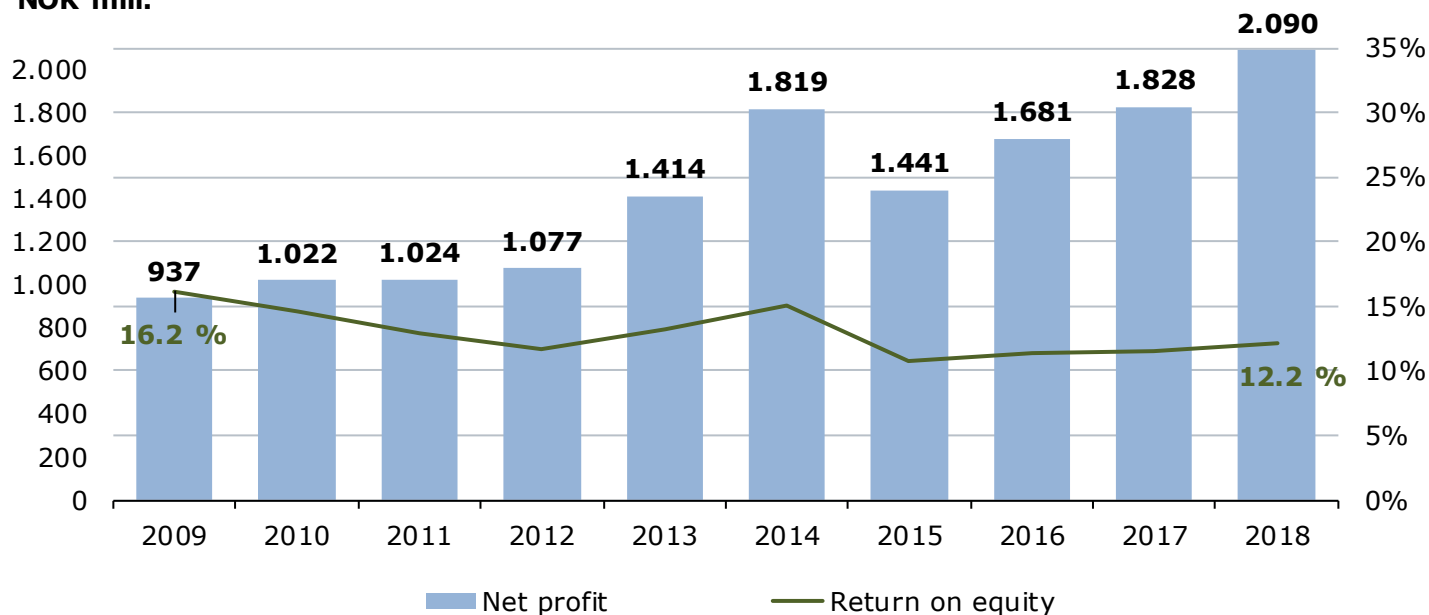
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Return on equity	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %	10.7 %	11.3 %	11.5 %	12.2 %
Cost/income ratio group	46.8 %	44.2 %	54.0 %	53.9 %	48.1 %	44.5 %	49.8 %	44.5 %	47.5 %	49.2 %
Cost/income ratio group, ex. financial inv.	52.5 %	52.5 %	64.1 %	63.2 %	55.9 %	54.2 %	56.5 %	56.3 %	56.0 %	57.3 %
Cost/income ratio parent bank	47.2 %	40.2 %	50.5 %	47.5 %	40.2 %	40.5 %	38.0 %	31.9 %	31.9 %	33.1 %
12-month cost growth	4.9 %	-9.0 %	30.0 %	11.6 %	4.1 %	3.9 %	7.9 %	3.7 %	18.3 %	10.8 %
Gross loans to customers*	77,429	87,665	95,232	104,925	112,283	120,435	127,378	137,535	148,784	160,317
Gross loans in retail market	45,157	49,619	55,034	62,587	68,591	74,087	80,725	89,402	98,697	108,131
Gross loans in corporate market	32,272	38,046	40,198	42,322	43,692	46,348	46,653	48,133	50,087	52,186
Growth in loans last 12 months*	8.6 %	13.2 %	8.6 %	10.2 %	6.8 %	7.3 %	5.8 %	8.0 %	8.2 %	7.8 %
Deposits from customers	37,227	42,786	47,871	52,252	55,927	60,680	64,090	67,168	76,476	80,615
Deposits from retail market	17,898	19,052	20,860	22,279	23,891	26,496	28,336	29,769	31,797	33,055
Deposits from corporate market	19,330	23,734	27,011	29,973	32,036	34,184	35,754	37,398	44,678	47,561
Growth in deposits last 12 months	5.5 %	14.9 %	11.9 %	9.2 %	7.3 %	8.5 %	5.6 %	4.8 %	13.9 %	5.4 %
Deposit-to-loan ratio*	48.1 %	48.8 %	50.3 %	49.8 %	49.8 %	50.4 %	50.3 %	48.8 %	51.4 %	50.3 %
Total assets	84,541	97,997	102,479	107,975	115,360	126,047	131,914	138,080	153,254	160,704
Average total assets	86,679	91,317	98,465	105,372	111,843	117,794	128,355	137,060	145,948	156,992
Employees in employment group	1,016	1,035	1,098	1,135	1,159	1,192	1,208	1,254	1,403	1,493
Employees in employment parent bank	767	764	786	793	757	753	645	630	595	575
Employees in employment subsidiaries	250	271	312	342	402	439	563	624	808	918
Net other operating income of total income	28.2 %	33.1 %	33.5 %	37.1 %	40.8 %	38.0 %	40%	37%	40.2 %	40.8 %
Common Equity Tier 1 ratio	7.7 %	9.3 %	8.9 %	10.0 %	11.1 %	11.2 %	13.3 %	14.8 %	14.6 %	14.6 %
Capital adequacy ratio	13.6 %	13.0 %	12.0 %	13.3 %	14.7 %	15.7 %	18.0 %	19.2 %	18.6 %	18.5 %
Core capital ratio	10.4 %	10.9 %	10.4 %	11.3 %	13.0 %	13.0 %	15.3 %	16.8 %	16.6 %	16.3 %
Total core capital	6,730	7,283	7,856	9,357	10,989	12,382	13,727	14,956	15,707	16,472
Net subordinated capital	8,730	8,646	9,055	10,943	12,417	14,937	16,117	17,072	17,629	18,743
Impairment losses ratio	0.31%	0.16%	0.03%	0.06%	0.09%	0.08%	0.14%	0.39%	0.23%	0.17%
Non-perf. commitm. as % of gross loans	0.49%	0.57%	0.36%	0.36%	0.34%	0.22%	0.16%	0.16%	0.19%	0.19%
Other doubtful commitm. as % of gross loans	0.57%	0.24%	0.21%	0.14%	0.14%	0.18%	0.31%	1.07%	0.80%	0.86%

* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Historical numbers are adjusted for the reclassification of hybrid capital

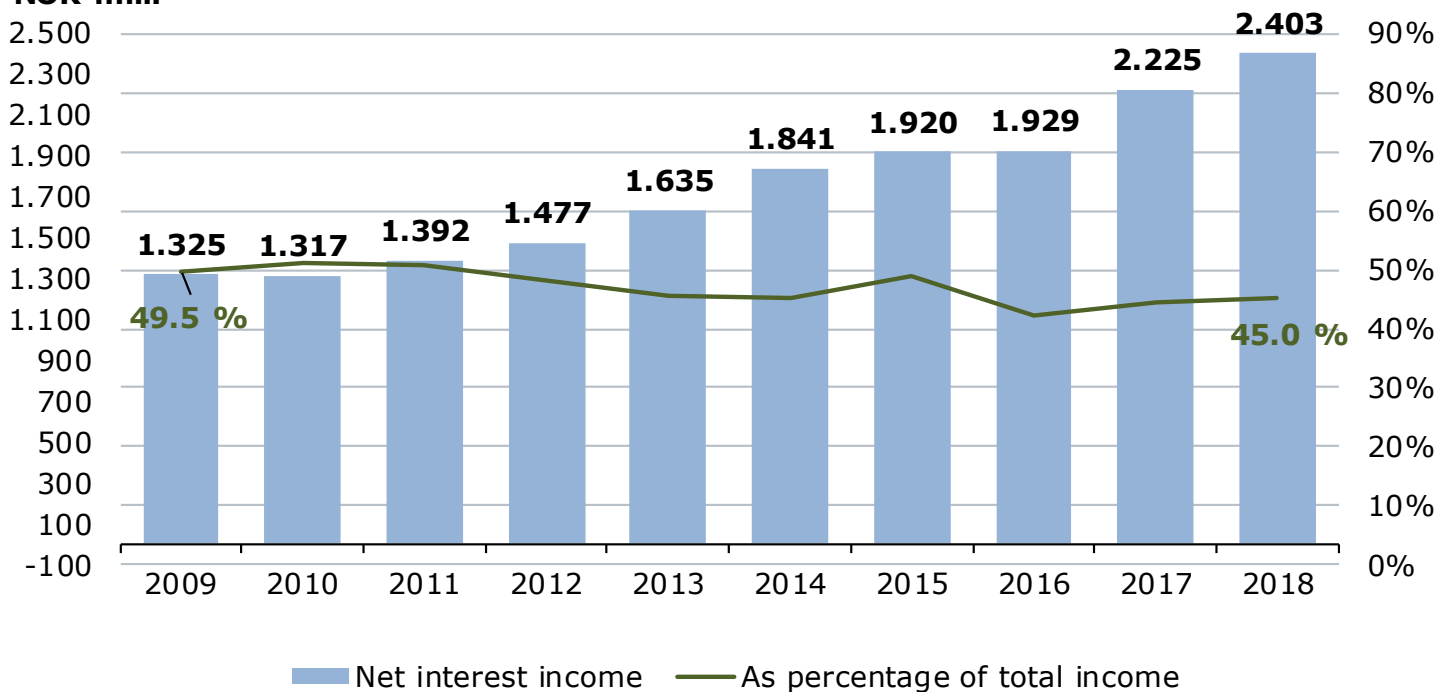
Net profit and return on equity

NOK mill.



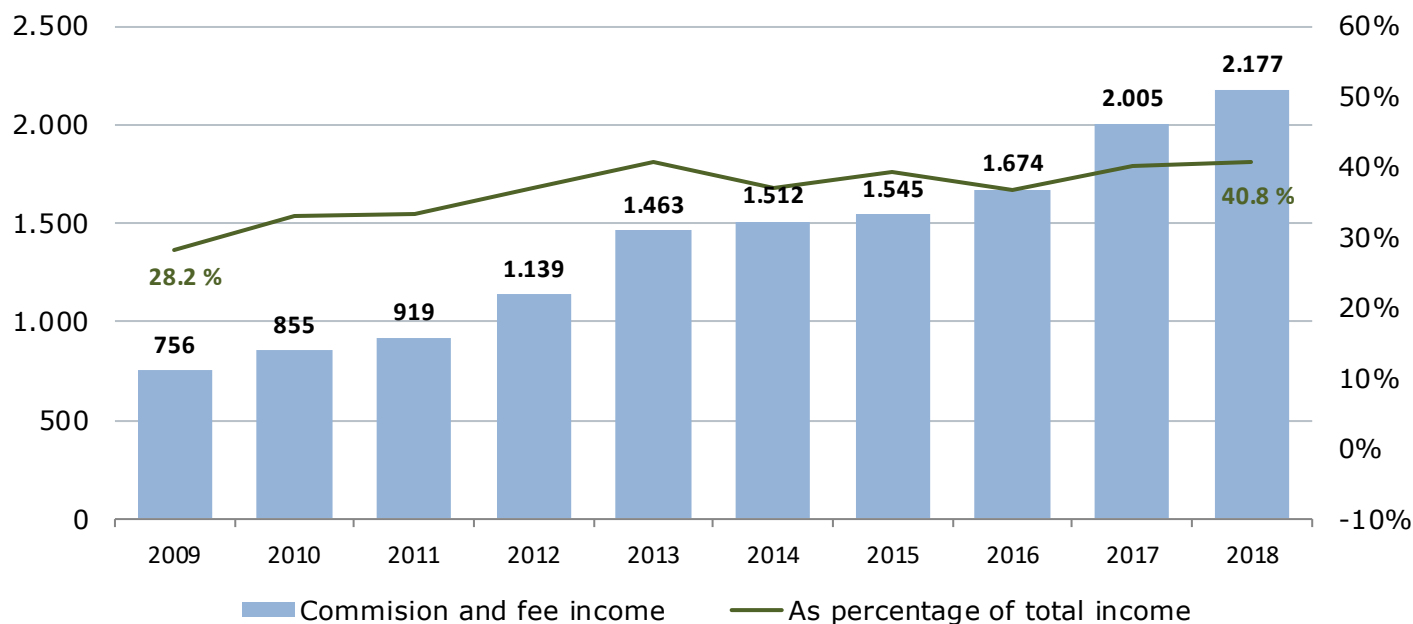
Development in net interest income

NOK mill.

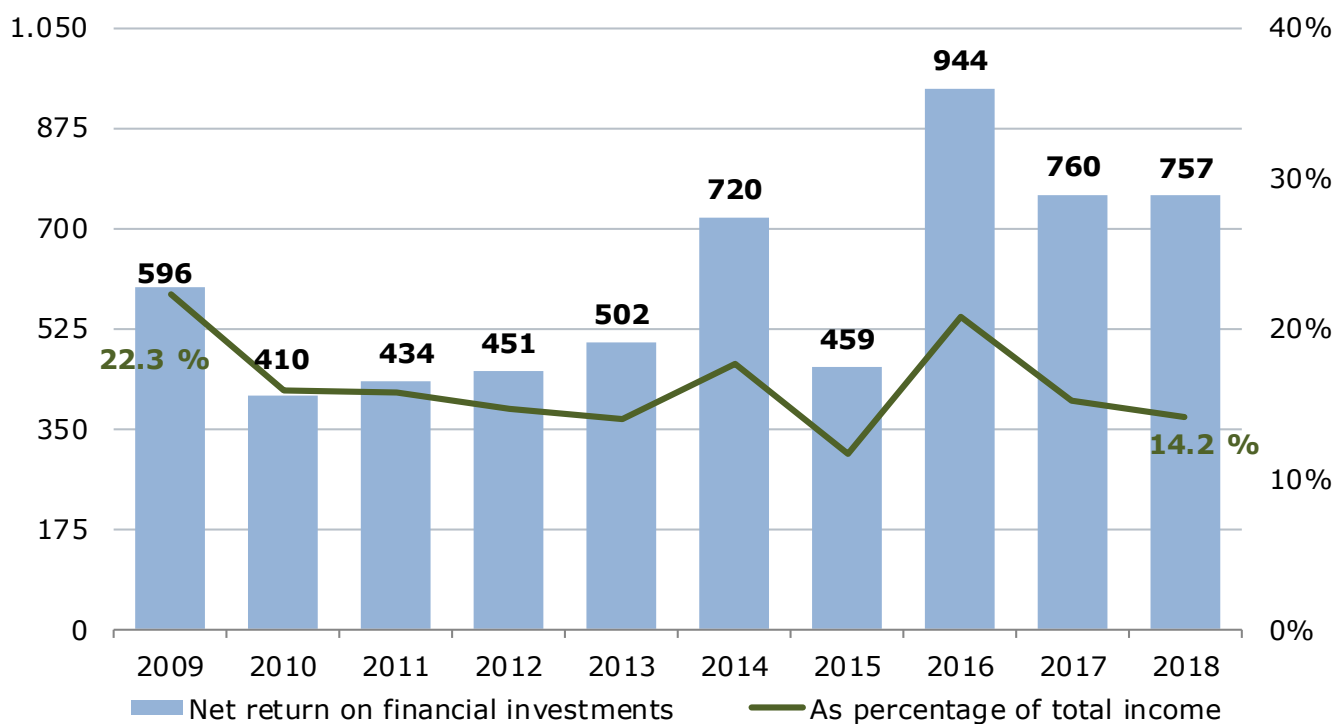


Historical numbers are adjusted for the reclassification of hybrid capital

Development in commission income and other income



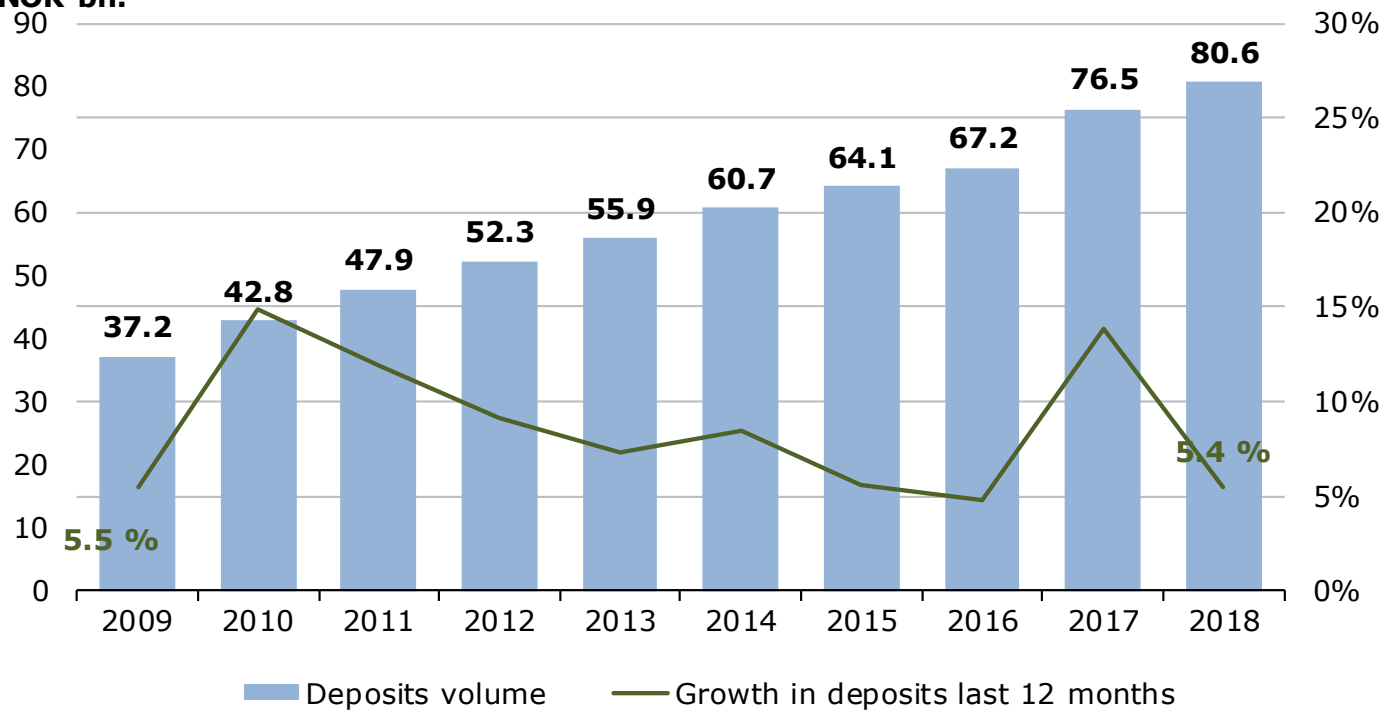
Development in net return on financial investments



Historical numbers are adjusted for the reclassification of hybrid capital

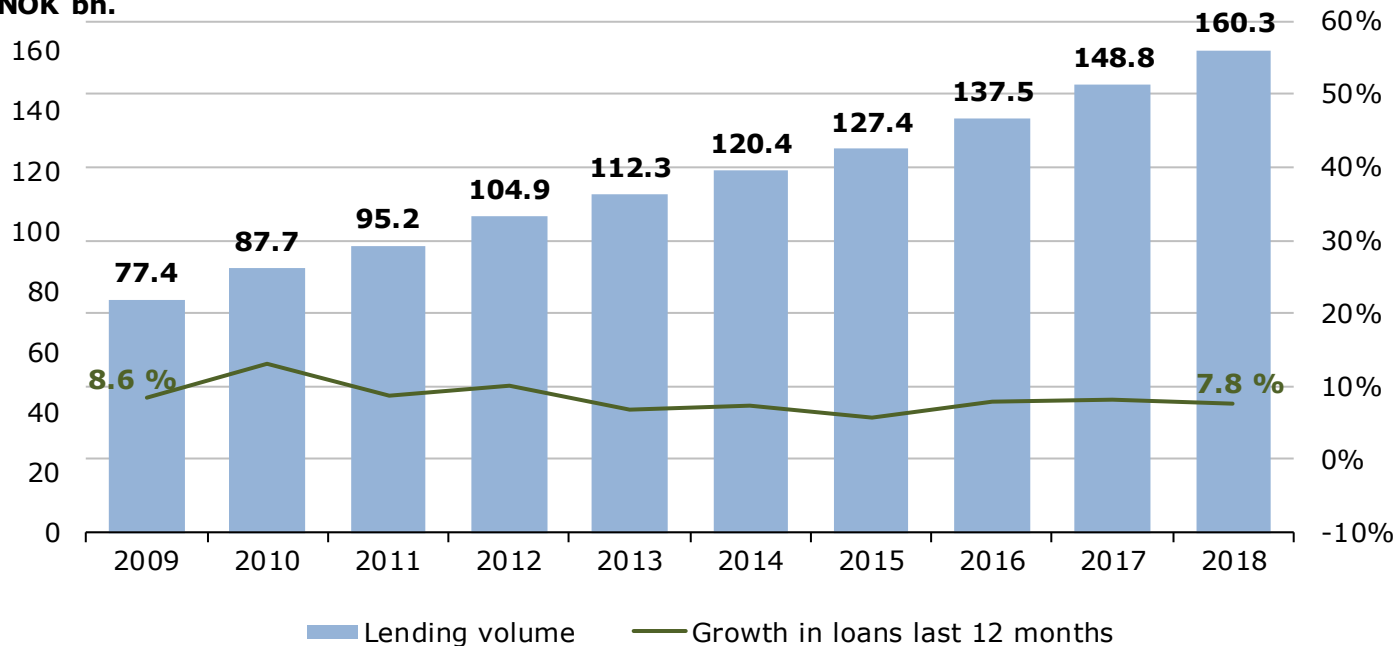
Volume development, Deposits

NOK bn.



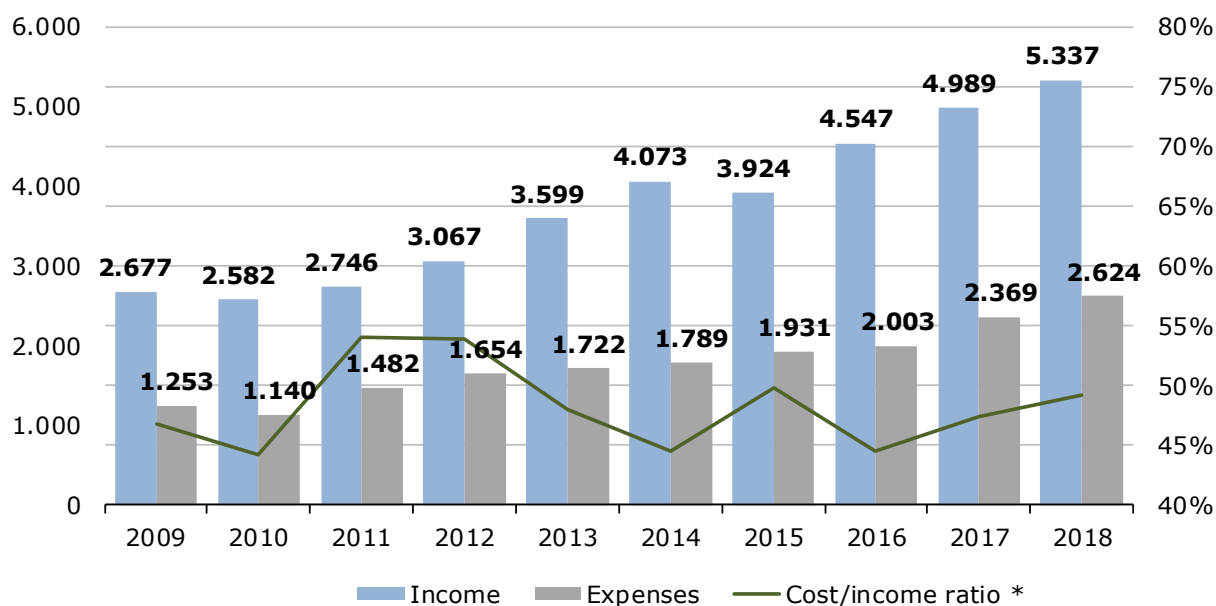
Volume development, Lending

NOK bn.



Cost/income ratio

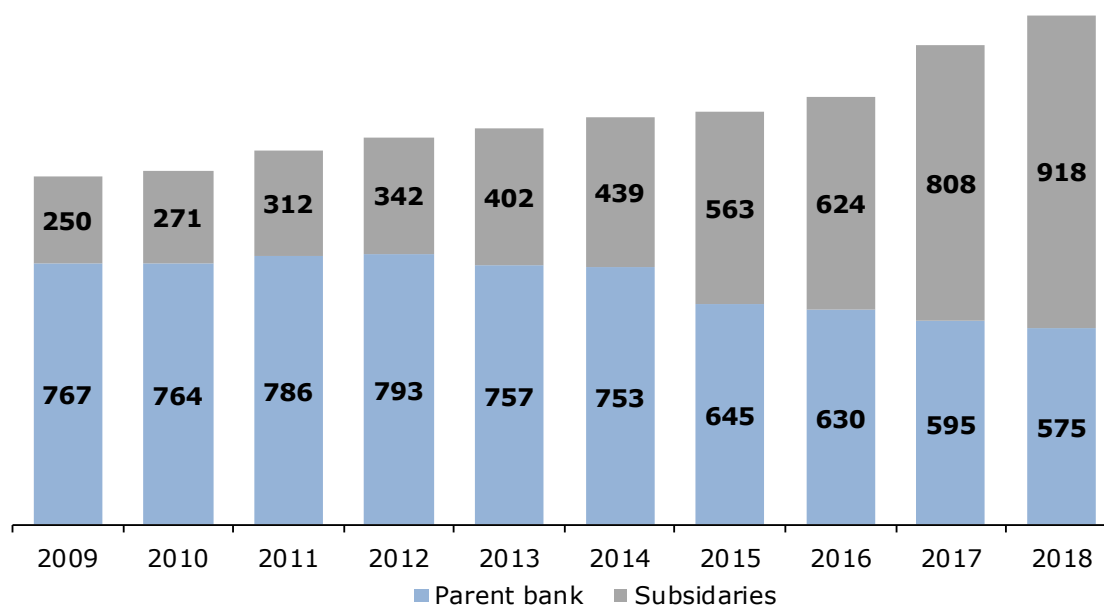
NOK mill.



* Total operating expenses as a percentage of total operating income

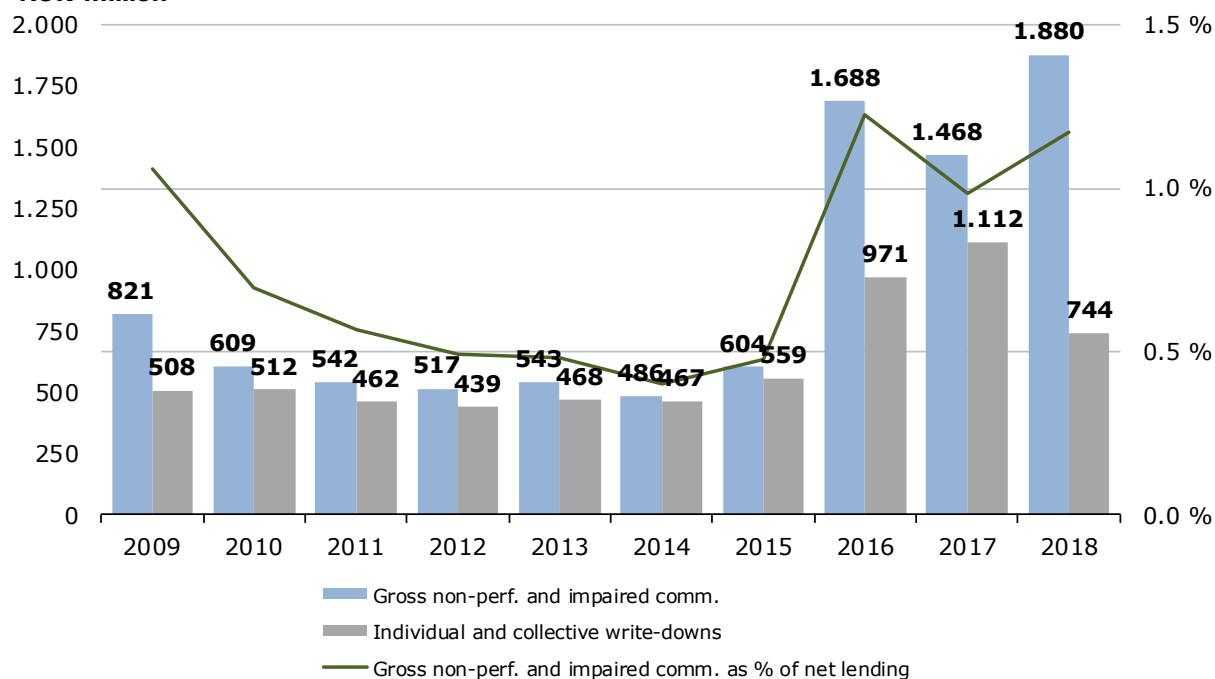
Historical numbers are adjusted for the reclassification of hybrid capital

Employees in employment



Net non-performing and impaired commitments

NOK million



Capital Adequacy

