



SpareBank
SMN



1st half 2019
Second quarter 2019

8. August 2019

Very good profits 1st half 2019

Net profit

NOK 1.729m (1.209m)

ROE

19.0 % (14.4)

CET1

15.0 % (15.0)

Pre loss result of core business NOK 1.066m (991m)
Loan losses NOK 126 m (127m)

ROE ex gain Fremtind 13.8 %

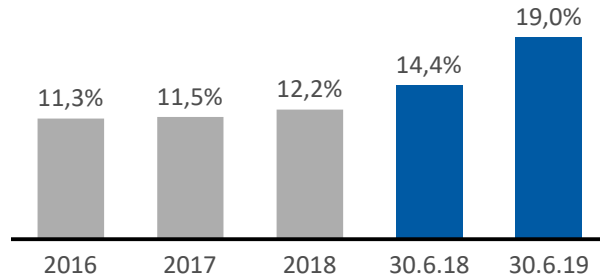
Leverage ratio 7.5 % (7.4)

Growth in lending RM 6.7 % (10.6) and CM 3.6% (2.0)
Growth in deposits 7.7 % (6.3)

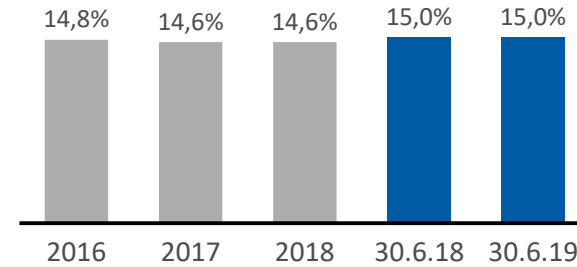
Booked equity capital per ECC NOK 87.04 (NOK 80.21)
Profit per ECC NOK 8.23 (NOK 5.75)

Good profits and strong capitalization

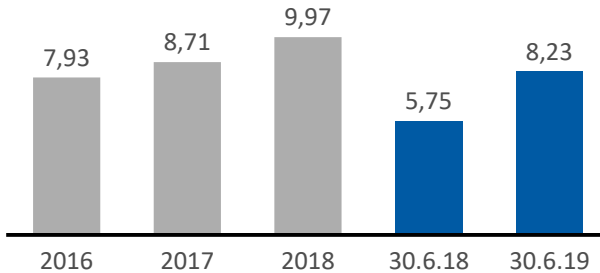
Return on equity



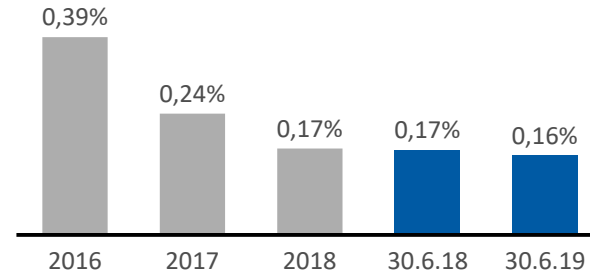
CET1



Earnings per ECC



Loan losses as a percentage of total lending



Industry indicator: Position and prospects unchanged from previous quarter



Fisheries



Aquaculture



Agriculture



Retail trade



Construction



Commercial property



Maritime industry

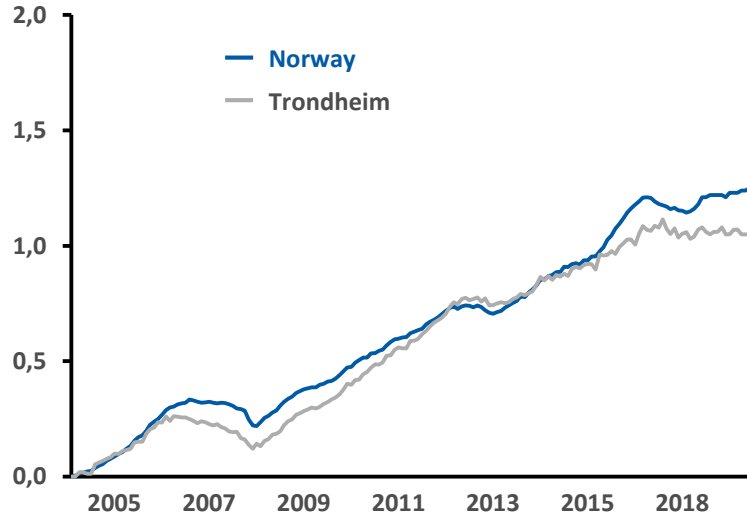


Offshore services



House prices levelling out at a high level

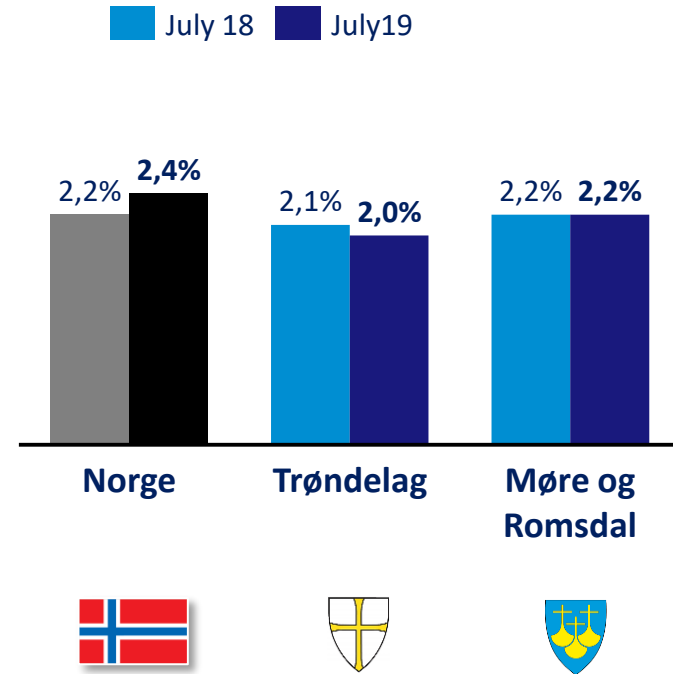
House prices 2005 – Q2 2019



1st half 2019

Low unemployment

Monthly figures July 2018 and July 2019



Sources: Statistics Norway for house prices, unemployment from NAV



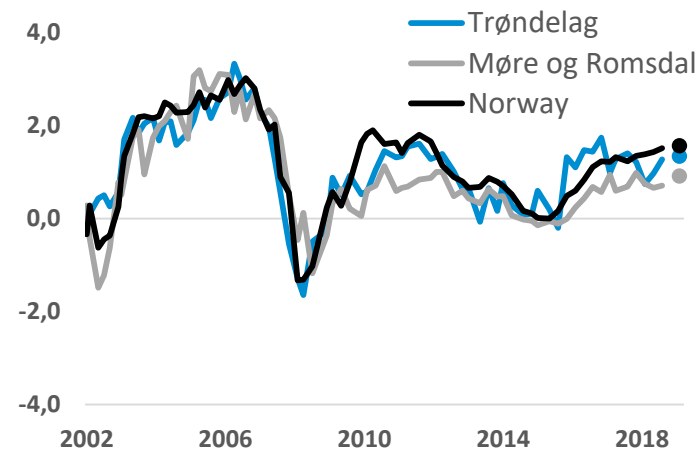
Expectations indicator
Labor shortage for submarine contract

A good development in the region with good growth and high activity, but a growing labour shortage



Mid-Norway
Accelerating growth in Mid-Norway

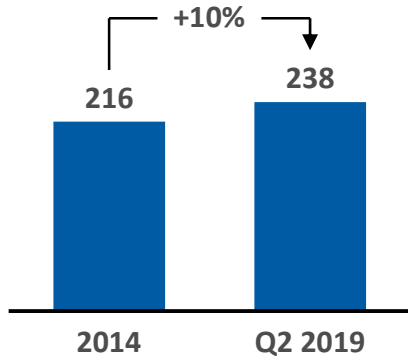
Output growth by region, last three months and next six months



Maritime Industry
Big contracts but small margins

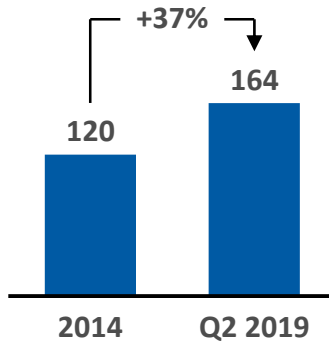
Increased revenues, number of customers and volumes

Number of customers



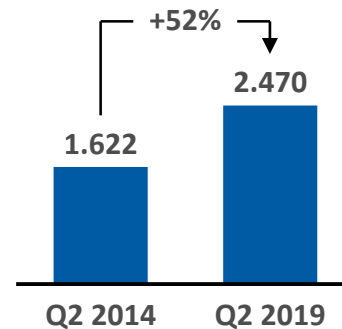
Stronger customer growth than population growth

Total loan volume



Stronger lending growth than credit growth

Operating income



Strengthening incomes on a diversified platform

Strong market position for subsidiaries



SpareBank 1 Finans Midt-Norge

NOK 74m (72m)

Solid market position. Leasing / corporates NOK 3.7bn and car loans 4.7 bn. Strong growth in car loans



SpareBank 1 Regnskapshuset SMN

NOK 62m (44m)

Turnover NOK 292m 1st half 19 (NOK 253m). Consolidating and digitalizing the industry. Market share 25 %



EiendomsMegler 1 Midt-Norge

NOK 14m (18m)

including BN Bolig

Profit EM1 NOK 30m (NOK 34m), 37 % marketshare. Strong synergy with the bank
Profit BN Bolig –NOK 16M (-NOK 12m)



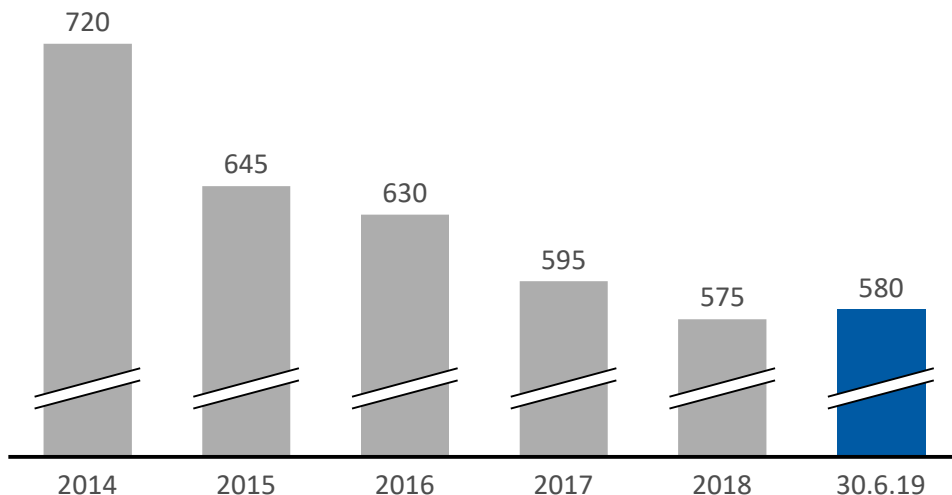
SpareBank 1 Markets

NOK 29m (36m)

Complete range of capital market services in cooperation with the owner banks. High growth in income, turnover NOK 313m (NOK 296m)

Improving efficiency and effectiveness reduces number of FTEs in parent bank

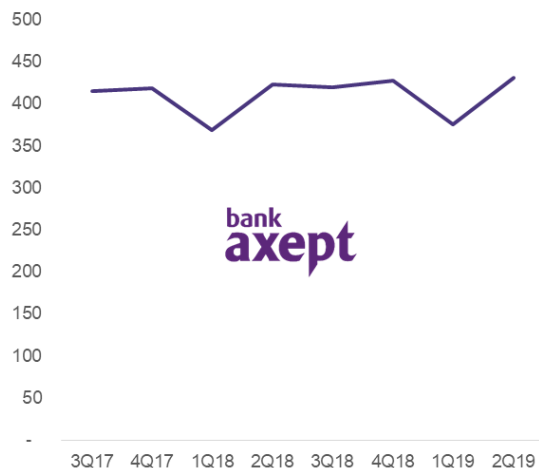
FTEs at parent bank



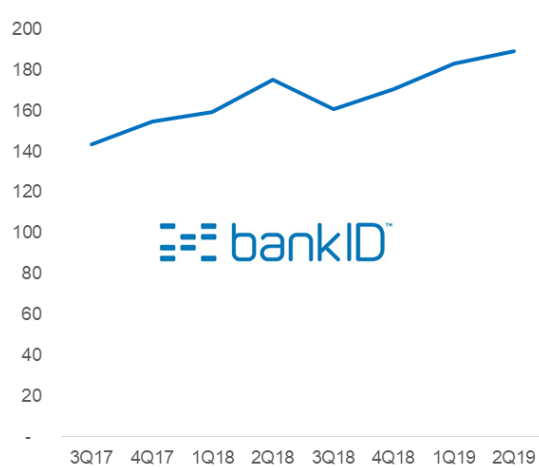
- No. of FTEs at the parent bank reduced substantially in recent years
- In the same period 100 new staff members have been recruited, in particular in the areas of digital development and control tasks
- Both distribution and internal processes have gained efficiency
- At the same time the bank has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

Active role in the development of joint companies and solutions in Norway's banking market

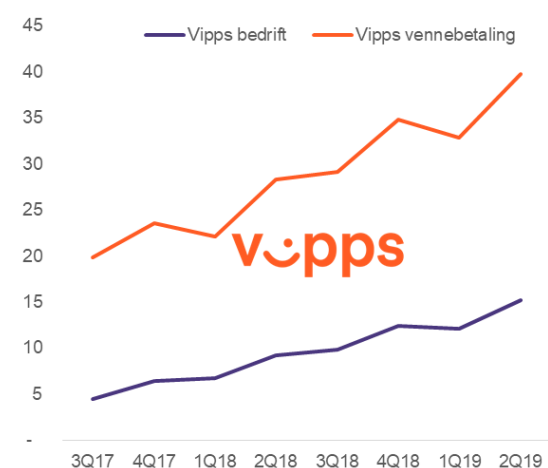
Millions of transactions per quarter, 3Q17 – 2Q19



- Growth last 12 months BankAxept = 2%
- Share NFC/Tap June 2019 = 12%
- No. of BAX cards (dual application) = 7.2m



- Growth last 12 months BankID = 11%
- No. of personal customers = 4.1 million



- Growth last 12 months Vipps P2P 45%
- Growth last 12 months Vipps corp. 84%
- No. of users = 3.3 million

Ny lov øker presset på bankene:

Dobler inn- satsen mot hvitvasking



– Vi er i samme båt. En bot går ut over omdømmet enten banken er stor eller liten, sier **Ragnhild Georgsen** i Fana Sparbank. Samtidig viser ny studie at bankansatte har for stor tro på egen evne til å avsløre hvitvasking. → 5.4–7

50 staff members at SMN dedicated to anti-money laundering

- The authorities want the banks to intensify their efforts to combat money laundering and terrorist financing
- SMN has strengthened this effort through a clearer-cut organisational set-up and increased resource use
- We have no evidence to suggest that the bank has been exploited for criminal ends of this nature

100 days 'learning the ropes'

- Proud organisation, strong market position and known for «icy nerves strategy»
- Good, diversified customer portfolio. Revenue and expense potential between the group entities
- Digital distribution to be taken forward, combined with a local presence
- Increased focus on profitable growth in central Norwegian business and industry
- Further develop the group's role as a driving force for development of joint companies and solutions in Norway's banking market
- Exploring national niches
- Strengthening the brand through social dividend and sustainability



FAKTA

- Sparebank 1 SMN er lokalisert 46 steder i 42 kommuner i Trøndelag og på Nordvestlandet.
- Hovedkontoret ligger i Trondheim og konsernet har, med sine datterselskaper, rundt 1.500 ansatte.
- Fikk et årsresultat på 2.090 millioner kroner i 2018.
- Ny konsernsjef er Jan Frode Janson (49).

KILDE: SPAREBANK 1 SMN

LYTTET TIL DE ANSATTE: Konsernsjef Jan Frode Janson fikk onsdag møte de i underkant av 50 ansatte i Sparebank 1 SMN-konsernet i Namsos.

FOTO: BUNN TORRE NERØ

Konsernsjef på Namsos-besøk

- Reiser med L på ryggen

Jan Frode Janson leder et konsern som gikk med over to milliarder i overskudd i fjor, men omtaler seg inntil videre som læregutt.

dag. Dette inkluderer både bankvirksomhet, eidsoms-mekling og regnskap.

- Masse læring

- *Hvittet forhold har du til Namsos?*

- Det er godt. Jobbet som visesadministrerende direktør i Fokus Bank/Danske Bank mens de hadde virksomhet her. Nå dreier det seg om en annen bankmodell, en sparebank som er lettere på og engasjert på en annen måte. Jeg har allerede fått masse innspill og masse læring.

Konsernsjefen kom til Namsos mandag, og omtaler det som stor stas å ta tårn på rockehotellet.

- Jeg er vokst opp med trønderrock og er blodfan av Åge- og Kjerringa blir jo starstrukt av Bjarne Brøndbo. Jeg tok på meg Jeggskoen og løp gjennom byen på kryss og tvers og opp på klompen og så ned - da så det meg at det har skjedd utrolig mye siden jeg var her sist for rundt ti år siden. Når du ser hele sjøsida - du føler du kommer til en helt ny by, sier Janson.

- *Hvite ambisjoner har du for banken i Namsdal?*

- Jeg er sparebanker og skal utvikle lokalsamfunn samtidig som virksomheten. Konsernets mål henger sammen med regionens mål, og det er ofte en bank med når ting skal realiseres.

Haugan som mentor

- *Hvordan blir det å hoppe etter Finn Haugan?*

- Vi har jobbet tett sammen de siste sju årene mens jeg var konsernsjef i SpareBank 1 Nord-Norge, og jeg har kjempere-

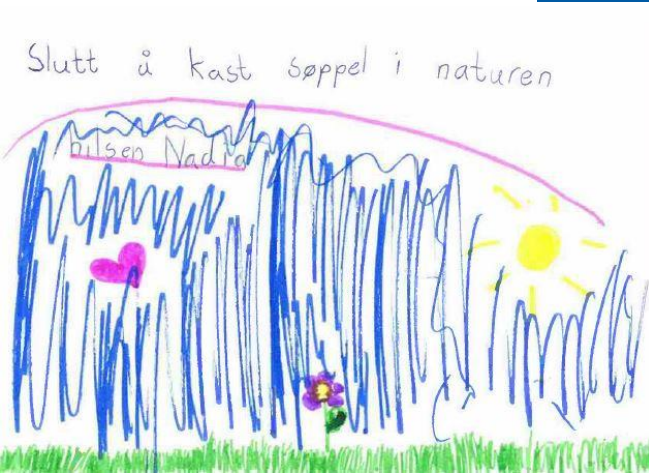
spelt for ham. Haugan er både en inspirator, mentor og et forbilde. Mens han hadde en gull L på ryggen da han forlot sjefsjobben som banklegende, har jeg en rød L på ryggen under opplæring som varer fram til sommeren, sier Janson og smiler.

PS! Jan Frode Janson er den sjette banksjefen i rekka siden 1912.

MATS IVAR SANDMO
mats.ivar.sandmo@nordnorge.no
820 94 236



«caring adds competitive power, especially in a digital world»





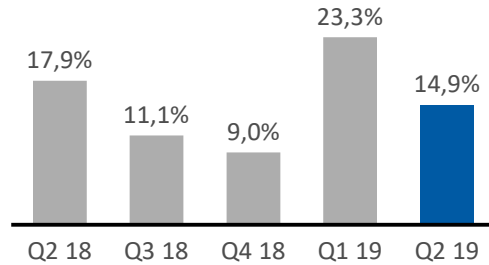
SpareBank
SMN 

Financial information

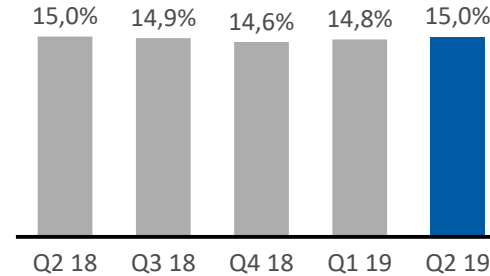
Kjell Fordal, CFO

Good profits and strong capitalization. Lower loan losses

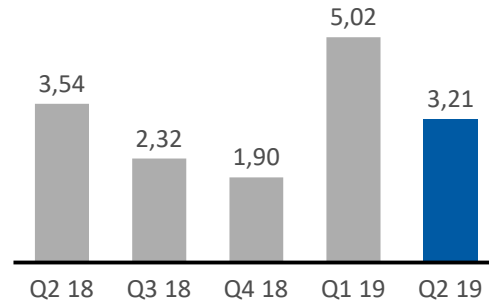
Return on equity



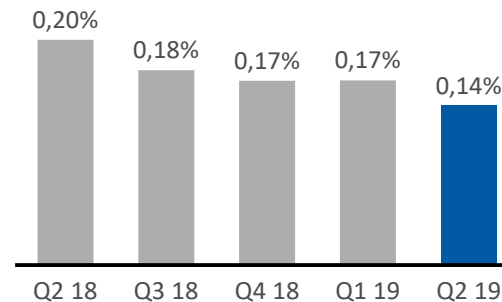
CET 1



Earnings per ECC



Loan losses as a percentage of total loans

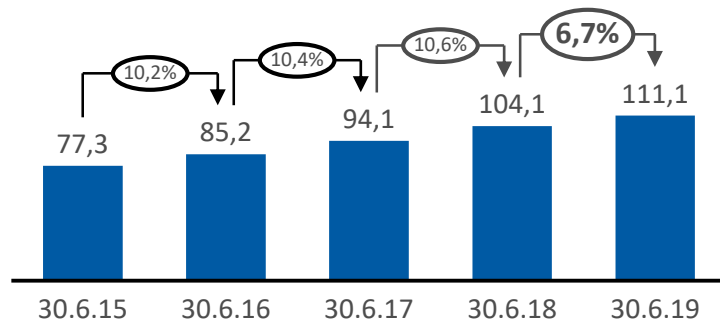


Strengthened profits

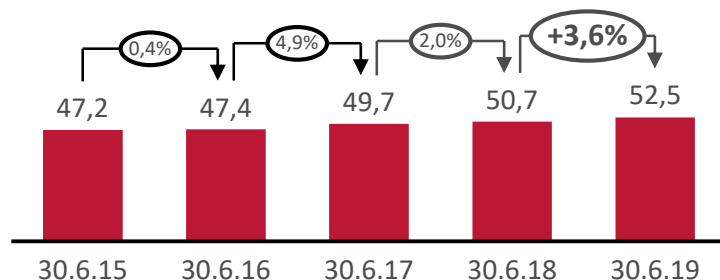
NOK mill	2019	2018	Change	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18
Net interest	1.313	1.149	164	664	649	644	610	581
Commission income and other income	1.157	1.149	9	606	551	543	486	607
Operating income	2.470	2.297	173	1.271	1.200	1.187	1.096	1.188
Total operating expenses	1.404	1.306	98	701	704	701	616	661
Pre-loss result of core business	1.066	991	75	570	496	486	479	526
Losses on loans and guarantees	126	127	0	59	67	67	69	78
Post-loss result of core business	940	864	75	511	428	418	410	448
Related companies	326	181	145	231	95	130	105	102
Gain Fremtind	460		460		460			
Securities, foreign currency and derivatives	277	299	-22	105	172	-35	77	199
Result before tax	2.003	1.345	658	848	1.155	513	592	748
Tax	274	287	-13	165	109	104	119	156
Result investment held for sale	0	151	-151	0	0	-8	6	150
Net profit	1.729	1.209	520	683	1.046	401	480	743
Return on equity	19,0 %	14,4 %		14,9 %	23,3 %	9,0 %	11,1 %	17,9 %

Total growth lending 5.7 % last 12 months

Lending RM +9.5 % (CAGR)



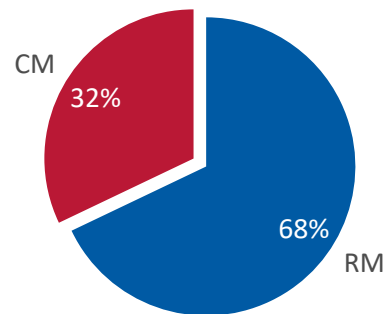
Lending CM + 2.7 % (CAGR)



High growth in home mortgage lending

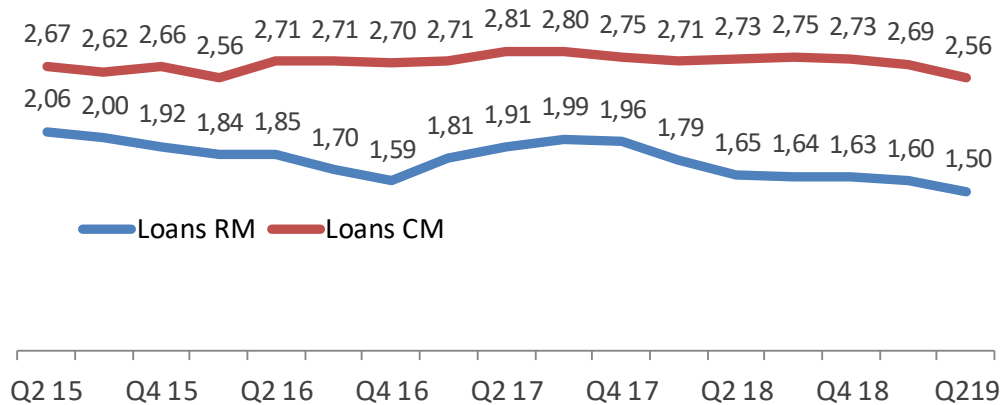
- Residential mortgage market growth of about 5.5 % (C2) last 12 months.
- Growth in retail lending quickened in the second quarter of 2019 after a weak first quarter
- Share of loans to personal borrowers up from 61 to 68 per cent in last three years
- Growth to corporates is mainly to small businesses

Share of lending



Lending margins

Increasing Nibor challenges the lending margins

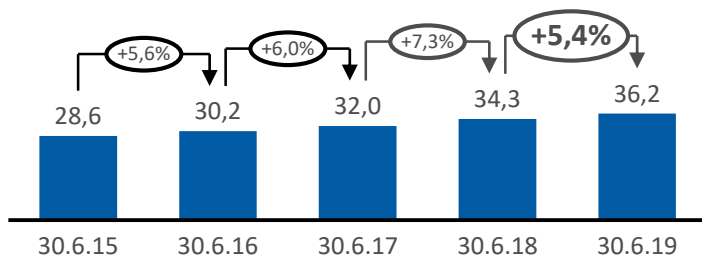


Comments

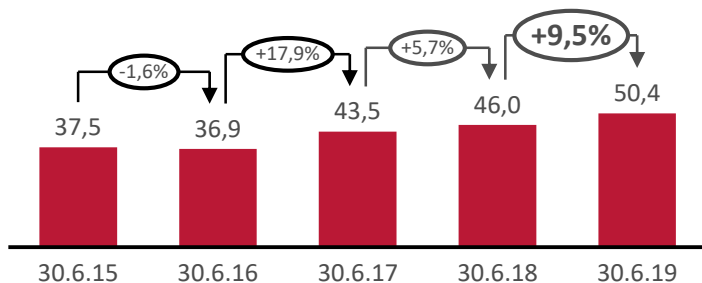
- Increased Nibor in 2018 and 2019, and mortgage margins have been under pressure
- Base rate increased by 0.75 percentage points since September 2018
- General increase in residential lending rates carried out in the fourth quarter 2018 and in May 2019
- Next general increase will be carried out from 15. august 2019

Total growth deposits 7.7 % last 12 months

Deposits RM + 6.1 % (CAGR)



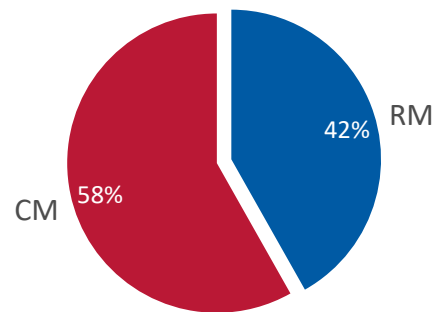
Deposits CM + 7.6 % (CAGR)



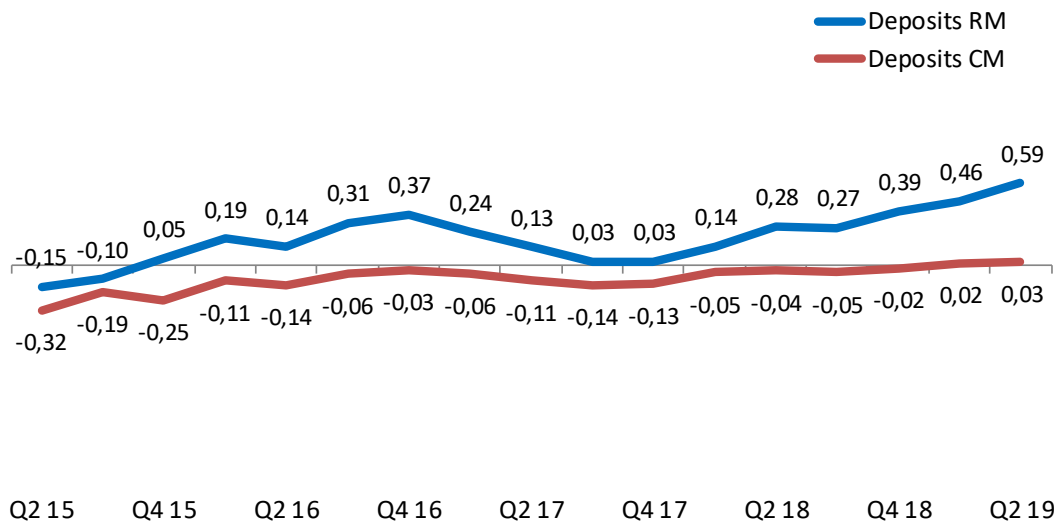
Good growth in deposits

- Stable and good growth in deposits from retail customers
- High growth in deposits from corporate customers 2019
- Deposit-to-loan ratio 71 % (69 %), including loans Bolig- and Næringskreditt 53 % (52 %)
- Of the Corporate Market deposits 25 % are from public sector

Share of deposits



Deposit margins Retail and Corporate

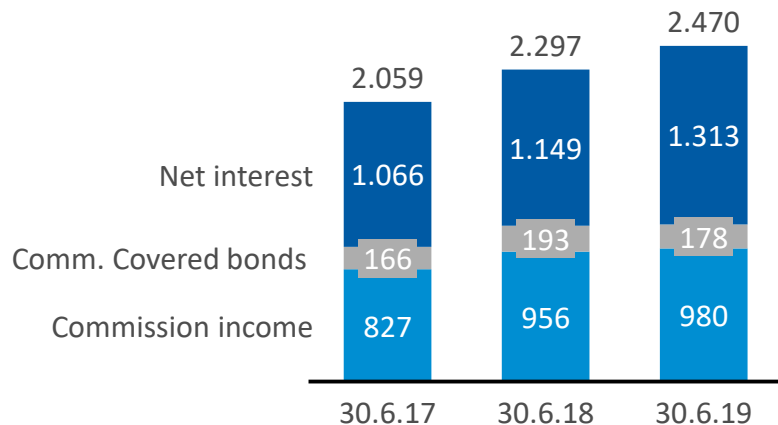


Comments

- Increased Nibor in 2018 and 2019 has strengthened the margins

Robust income platform and increased commission income

Net interest and other income



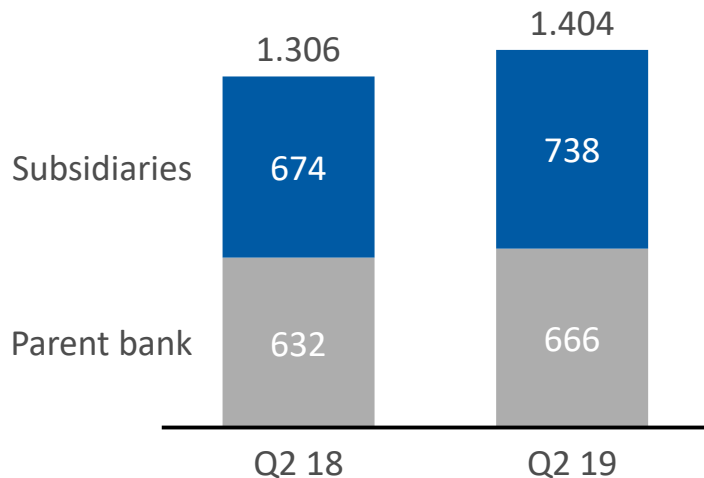
Commissions 1st half 2019 and 1st half 2018

<i>mill kr</i>	2019	2018	Change
Payment transmission income	103	99	4
Creditcards	29	31	-1
Commissions savings and asset management	45	52	-7
Commissions insurance	89	87	2
Guarantee commissions	25	32	-8
Estate agency	199	203	-4
Accountancy services	278	241	38
Securities	187	178	10
Other commissions	24	34	-10
Commissions ex. Bolig/Næringskreditt	980	956	24
Commissions Boligkreditt (cov. bonds)	169	185	-16
Commissions Næringskreditt (cov. bonds)	8	7	1
Total commission income	1.157	1.149	9

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

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

Costs 1st half 2018 and 1st half 2019

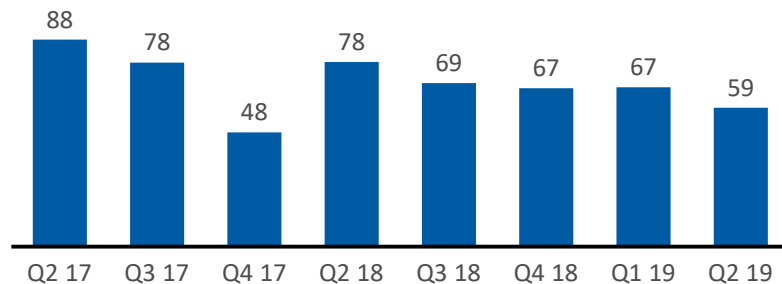


- **Cost growth at the subsidiaries**
 - Acquisitions by SMN Regnskapshuset
 - Strengthened commitment at SpareBank 1 Markets
 - Start-up costs BN bolig
 - Acquisition of DeBank
 - Determination to consolidate and develop the strong position of the subsidiaries
- **Cost growth at the parent bank**
 - 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
 - One-time costs of NOK 12 million upon allocation of equity certificates
- **The group is working to establish new, tighter cost objectives**

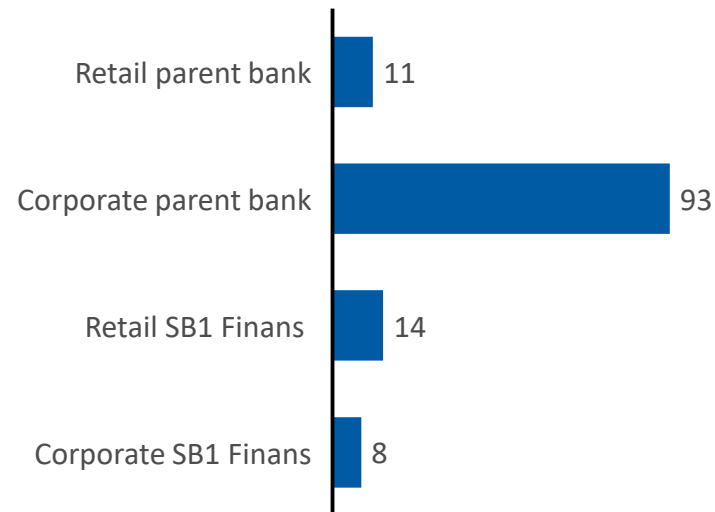
Lower loan losses

Losses mainly in the offshore industry

Losses per quarter, NOKm



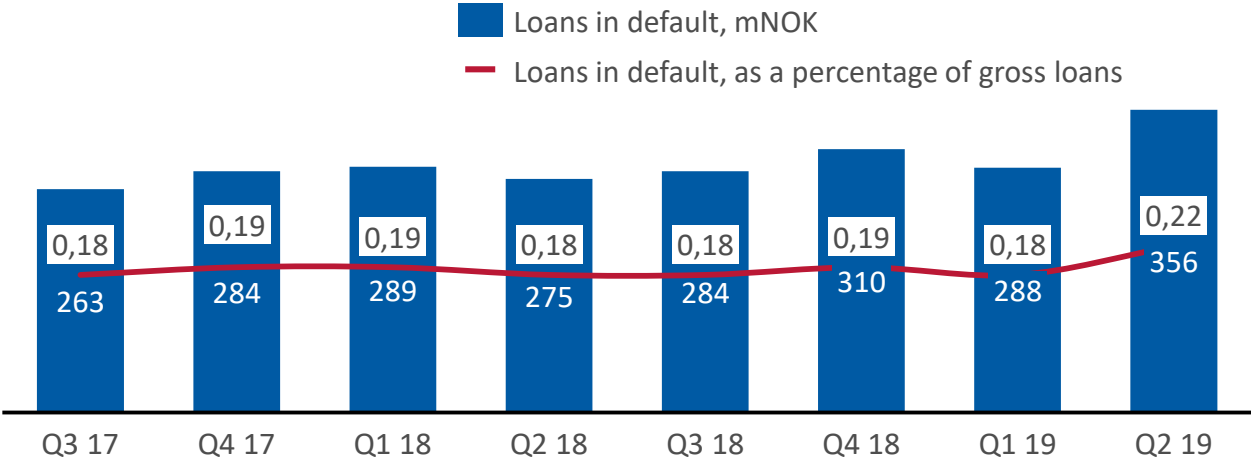
Distribution 1st half 2019



Loan losses including collective losses provisions 0.16 % (0.17 %) of gross lending as of 30.6.2019

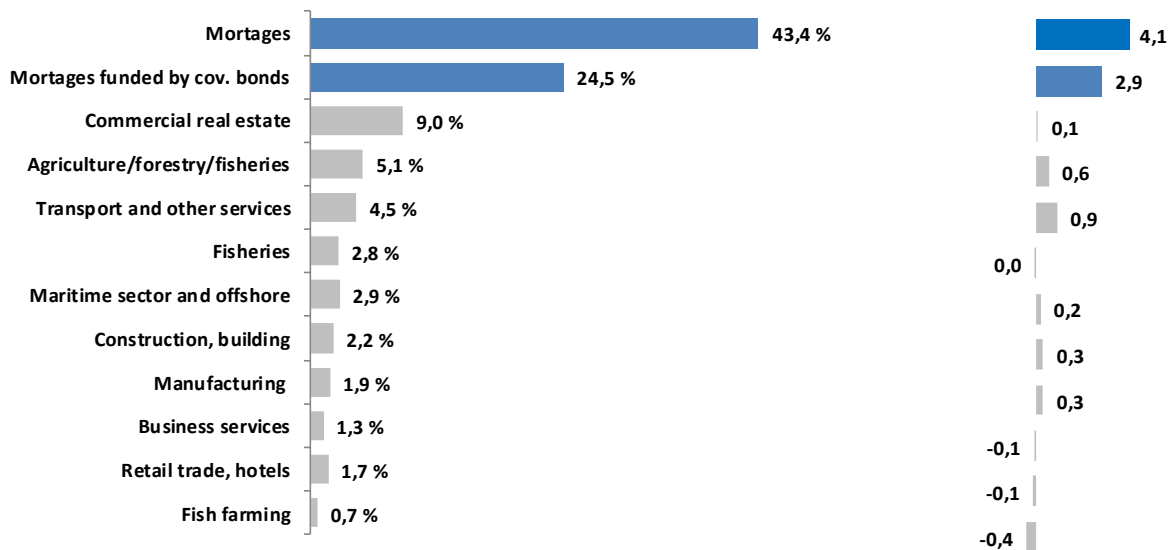
Low levels on loans in default (0,22 %)

Last two years, per quarter



High share mortgages of 68 % and diversified portfolio SMEs. Total lending NOK 164bn

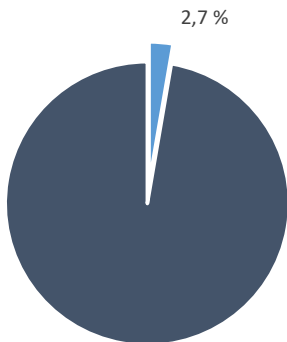
Lending by sector as a share of total lending and change last 12 months, NOKbn



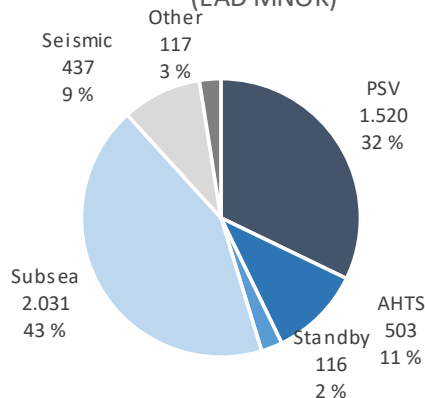
Offshore exposure less than 3 % of total credit risk

Impairment level corresponds to 12.1 per cent of the offshore portfolio

Offshore constitutes a small share of the total credit risk (EAD share)



Subsea and PSV largest segments (EAD MNOK)



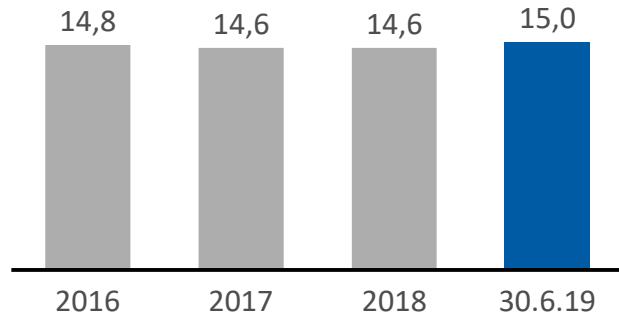
mill kr	EAD	Indiv- duelle	IFRS 9	Sum nedskr	Andel av EAD
9 % Low risk	435	0	2	1,7	0,4 %
54 % Medium risk	2.571	0	64	64	2,5 %
0 % High risk	19	0	0	0	2,5 %
36 % Obligors with impairments / defaulted	1.698	507	0	507	29,9 %
100 % Total	4.724	507	66	573	12,1 %

Balance sheet

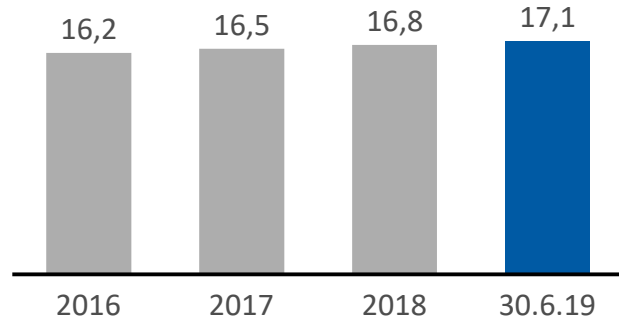
	30.6.19	30.6.18	30.6.17
Funds available	29,8	25,1	27,8
Net loans	121,0	114,7	106,4
Securities	2,2	2,5	1,5
Investment in related companies	6,4	5,8	5,7
Goodwill	0,9	0,8	0,7
Other assets	7,0	10,6	7,5
Total Assets	167,3	159,6	149,4
Capital market funding	51,4	53,1	49,2
Deposits	86,6	80,3	75,6
Other liabilities	7,7	5,9	5,7
Subordinated debt	2,3	2,2	2,2
Equity ex hybrid bonds	18,4	16,8	15,8
Hybrid bonds	1,0	1,1	0,9
Total liabilities and equity	167,3	159,6	149,4
in addition loans sold to Boligkreditt and Næringskreditt	41,7	39,0	35,9

Strong capitalization

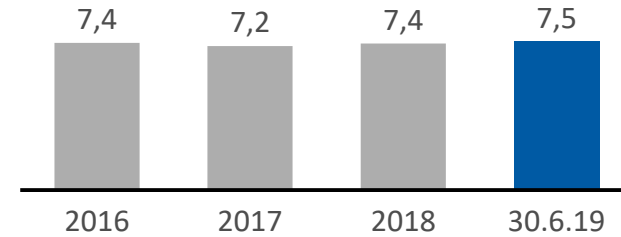
CET1



CET 1 without transitional arrangements (Basel III)



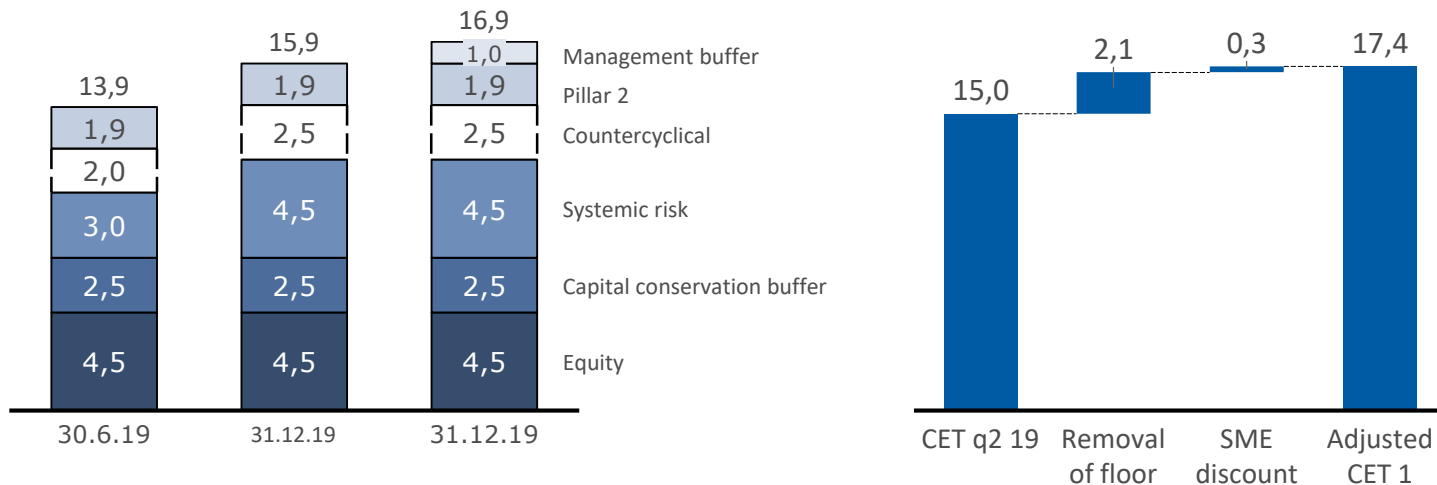
Leverage ratio



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



CEO Jan-Frode Janson

Tel +47 909 75 183
E-mail jan-frode.janson@smn.no

CFO Kjell Fordal

Tel +47 905 41 672
E-mail kjell.fordal@smn.no

Switchboard

Tel +47 915 07 300



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

Q2: 8. august 2019
Q3: 30. oktober 2019

Appendix

1st half 2019





Norway's largest equity-certificate-issuing bank

1st half 2019

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

Retail customers
224 thousand

Corporate customers
15 thousand

Loan volume
164 bn

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



1st half 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




Profitable and sustainable

As a regional bank, sustainability and social responsibility are important focal areas for SpareBank 1 SMN

SpareBank 1 played its part in preparing the roadmap for green competitiveness in the Norwegian financial sector

The sector's vision is for the « financial sector of 2030 to be profitable and sustainable. We lend, manage and insure with the climate in mind, so creating value and contributing to green competitiveness »



The local aspect is especially important, but we also think nationally and globally

Strategy for sustainability and corporate social responsibility

This strategy builds on the bank's vision and values, with *responsible* as the most important underlying precept. SMN is working to concretise the strategy in terms of sustainability, and in so doing is further strengthening its effort as a driving force for sustainable development

SpareBank 1 SMN has established a green bond framework

SpareBank 1 SMN publicised its green bond framework in February this year. NOK 8.6bn of the bank's loan portfolio qualifies as green. The framework has been developed under the ICMA Green Bond Principles, and approved by Sustainalytics

SpareBank 1 selected as the most sustainable brand

Of all the brands in Norway's banking and finance industry, SpareBank 1 is viewed as the most sustainable by consumers. This is the verdict of the 2019 edition of Europe's og Norway's largest brand study on sustainability, Sustainable Brand Index

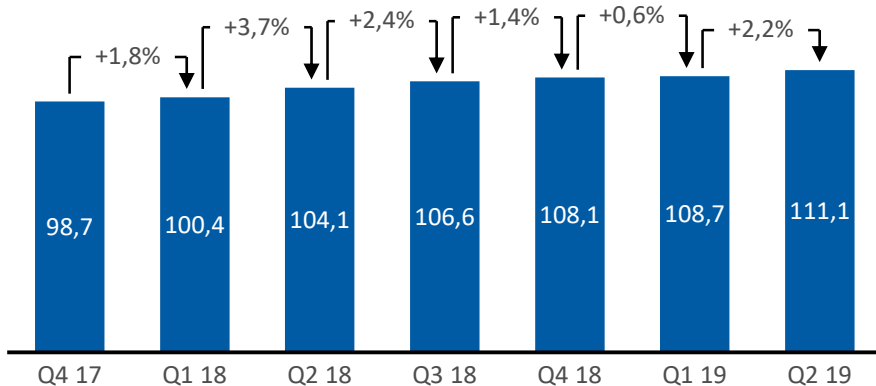
See our sustainability library at smn.no

for more information about our sustainability effort



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 in the second quarter of 2019 after a weak first quarter

Change in net interest income

1st half 2019 compared with 1st half 2018

Net interest 1st half 19	1.313
Net interest 1st half 18	1.149
Change	164

Obtained as follows:

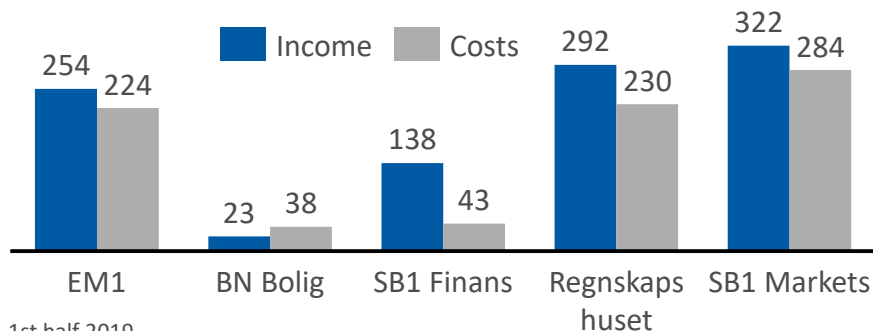
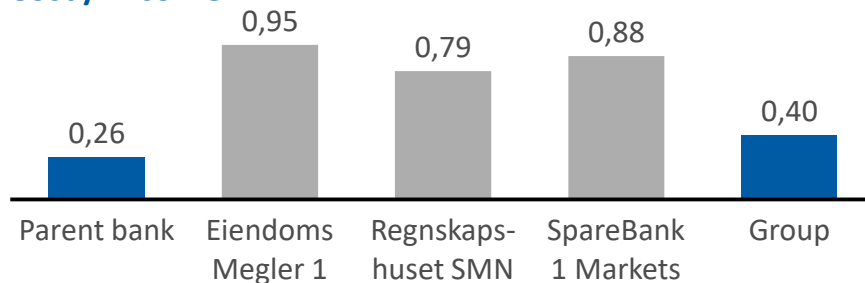
Fees on lending	17
Lending volume	62
Deposit volume	2
Lending margin	-79
Deposit margin	78
Equity capital	30
Funding and liquidity buffer	22
Subsidiaries	31
Change	164

Net interest income strengthened by growth and increased deposit margin; lending margin on residential mortgages under pressure

- 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 quarter 2019, new increase to be carried out in august 2019
- Net interest income strengthened by reduced credit spread and higher interest on equity

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

Cost / Income



1st half 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	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18
EiendomsMegler 1 Midt-Norge (87 %)	14	18	-3	23	-9	-29	-11	25
SpareBank 1 Regnskapshuset SMN (89 %)	62	44	18	41	21	14	13	27
SpareBank 1 Finans Midt-Norge (61 %)	74	72	2	35	40	42	35	34
SpareBank 1 Markets (67 %)	29	36	-7	26	2	-6	-15	29
SpareBank 1 SMN Invest (100%)	47	23	24	21	26	-20	4	19
DeBank (100%)	-8	0	-8	-3	-5	0	0	0
Other companies	8	5	3	4	5	-1	2	0
Subsidiaries	226	199	28	147	79	1	27	134

The results refer to the respective company accounts

Associated companies

Profit shares after tax

mNOK, SMN's share in parentheses	2019	2018	Change	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18
SpareBank 1 Gruppen (19,5 %)	224	117	106	186	38	99	72	81
Gain Fremtind	460	0	460	0	460	0	0	0
SpareBank 1 Boligkreditt (20,7 %)	22	-5	28	8	14	-9	7	-8
SpareBank 1 Næringskreditt (33,8 %)	10	8	2	2	8	4	2	4
BN Bank (35,0 %)	51	53	-2	27	24	24	20	23
SpareBank 1 Kredittkort (17,3 %)	8	11	-4	5	3	6	5	6
SpareBank 1 Betaling (19,5 %)	10	-6	16	-2	12	-3	-3	-3
Other companies	6	5	1	5	0	-1	-4	1
Associated companies	790	183	607	231	560	120	100	103

Return on financial investments

NOKm	2019	2018	Change	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18
Capital gains shares	107	117	-10	23	84	-48	26	113
Gain/(loss) on derivatives	47	-36	83	24	23	-5	50	23
Gain/(loss) on other financial instruments at fair value	63	142	-79	53	10	-13	11	8
Foreign exchange gain / (loss)	-5	-6	1	-14	9	16	21	15
Gain/(Loss) on certificates and bonds	6	12	-6	-26	32	5	-45	23
Gains/(Loss) on shares and share derivatives at SpareBank 1 Markets	23	26	-3	8	15	7	14	20
Gain/(loss) on financial instruments related to hedging	23	37	-14	27	-4	1	1	-7
Net return on financial instruments	264	294	-27	95	169	-37	77	195

Including result investment held for sale

Key figures

Last three years

	30.6.19	30.6.18	30.6.17
CET 1 ratio	15,0 %	15,0 %	14,9 %
Core capital ratio	16,6 %	17,0 %	16,8 %
Capital adequacy	18,8 %	19,0 %	19,0 %
Leverage ratio	7,5 %	7,4 %	7,2 %
Growth in loans (incl.Boligkreditt and Næringskreditt)	5,7 %	7,6 %	8,5 %
Growth in deposits	7,7 %	6,3 %	12,7 %
Deposit-to-loan ratio	71,0 %	69,4 %	70,0 %
RM share loans	67,9 %	67,3 %	65,0 %
Cost-income ratio	39,7 %	47,0 %	50,0 %
Return of equity	19,0 %	14,4 %	9,9 %
Impairment losses ratio	0,16 %	0,17 %	0,25 %

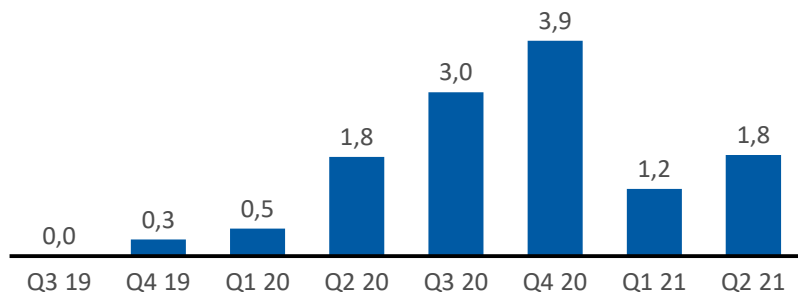
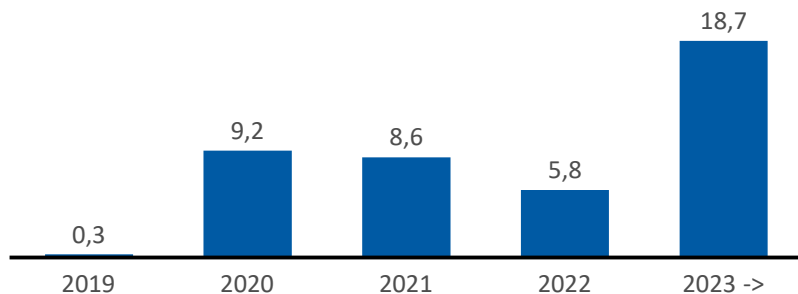
Key figures ECC

Last five years

	30.6.19	30.6.18	2018	2017	2016	2015
ECC ratio	64,0 %	63,9 %	64,0 %	64,0 %	64,0 %	64,0 %
Total issued ECCs (mill)	129,66	129,31	129,62	129,38	129,64	129,43
ECC price	97,70	84,50	84,20	82,25	64,75	50,50
Market value (NOKm)	12.668	10.926	10.914	10.679	8.407	6.556
Booked equity capital per ECC	87,04	80,21	83,87	78,81	73,35	67,39
Post-tax earnings per ECC, in NOK	8,23	5,75	9,97	8,71	7,93	6,96
Dividend per ECC			5,10	4,40	3,00	2,25
P/E	5,94	7,35	8,44	9,44	8,17	7,26
Price / Booked equity capital	1,12	1,05	1,00	1,04	0,88	0,75

Satisfying access to capital market funding

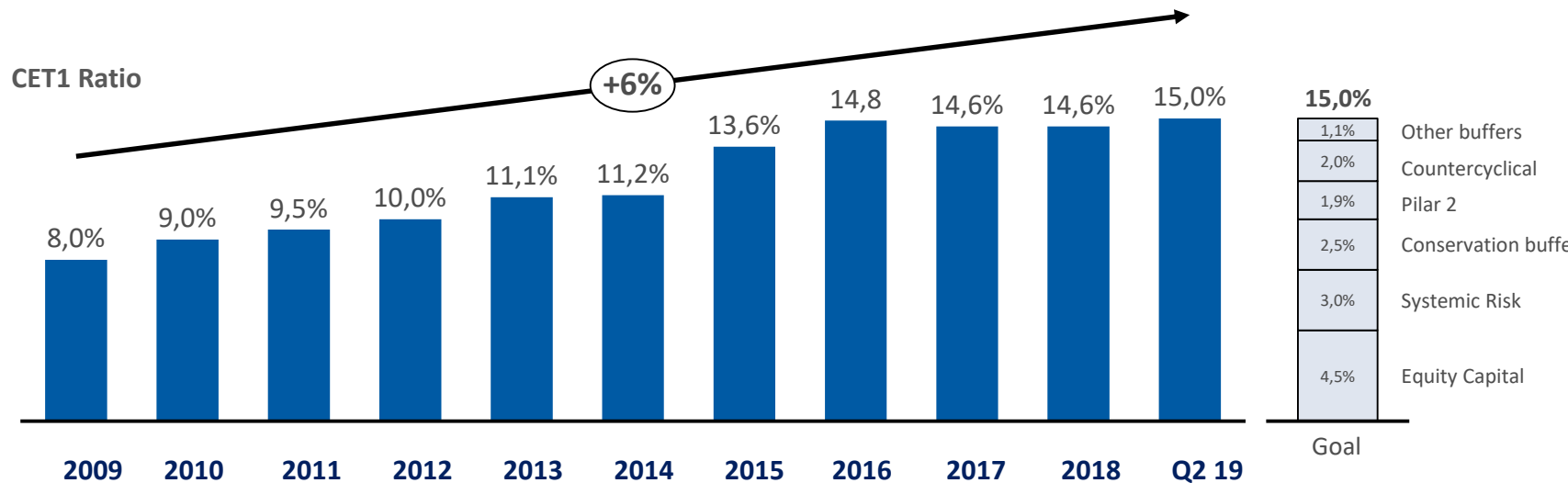
Funding maturity 30. June 2019 (NOK bn)



Comments

- SpareBank 1 Boligkreditt is the main funding source through covered bonds. NOK 40 billion transferred as of 30. June 2019
- Maturities next two years NOK 12.6 bn:
 - NOK 0.3 bn in 2019
 - NOK 9.2 bn in 2020
 - NOK 3.0 bn in Q1 and Q2 2021
- LCR 165 % as at 30. June 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	Q2 19
CET1 Capital	4,938	6,177	6,687	8,254	9,374	10,679	12,192	13,115	13,820	14,727	15,625
ROE	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %	10.7 %	11.3 %	11.5 %	12.2 %	19.0 %
RWA	64,400	66,688	75,337	82,450	84,591	95,322	89,465	88,788	94,807	101,168	104,240

1st half 2019

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



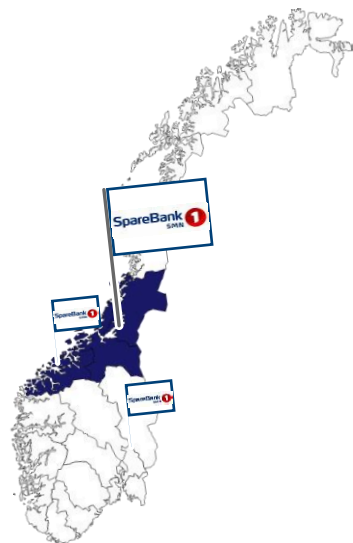
YOUNG PEOPLE



SMBS



Battle arena:
Geographical catchment area



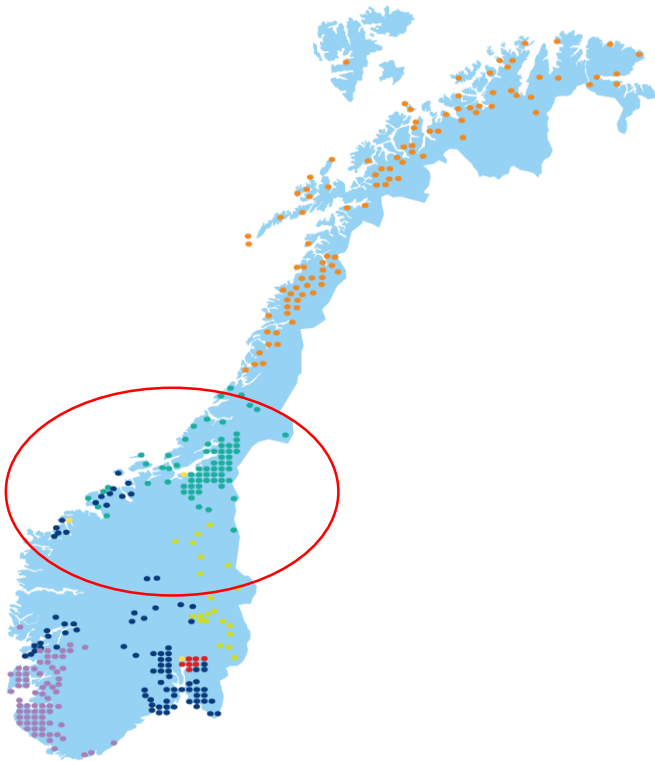
Battle arena:
Channels



Battle arena:
Customer needs



SpareBank 1 Alliance: National champion, regional focus



- 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

