

2019

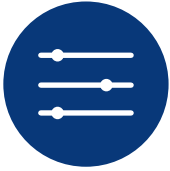
INTERIM REPORT FOR THE 2ND QUARTER

We are together



Together we create value

Learning – Engaged – Close



Business idea, vision/values and goals

Business idea

Business areas

SpareBank 1 BV aims to contribute to value creation in the local communities by providing a wide range of financial services, as well as relevant advice to individuals and businesses.

In all the business areas, we aim to offer a product range that is competitive in breadth, quality and timeliness. Operations within all business areas should be characterised by good advice and an active focus on sales. Sales and consultancy should be based on competence, good quality and ethical norms in line with the traditions in the savings banking industry.

Market area

SpareBank 1 BV's geographical market area covers Buskerud, centred around Kongsberg and Drammen, and Vestfold, where the bank's geographical area extends from Holmestrand in the north to Larvik in the south.

The SpareBank 1 BV Group has a business address in Tønsberg, and branches in Drammen, Mjøndalen, Lier, Kongsberg, Holmestrand, Horten, Tønsberg, Nøtterøy, Sandefjord and Larvik.

Resource management

Within the priority areas described in the business idea, the resources should be used in the way that yields the best return on capital, in the best interests of equity certificate holders, customers, employees and the district.

Vision, values and goals

Vision

Together we create value

Our core values

Customer first – Together we are best.

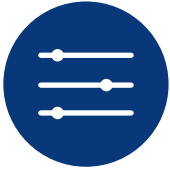
Our values

Learning – engaged – close

Main strategic objective

The Group's main strategic objective is to create value for its customers and the region in which the Group is a part. We want to promote local initiatives, companies and people living in the region so that together we can contribute to growth and development. This will also create value for the owners and employees of the business.

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Business areas

Retail market

SpareBank 1 BV has a solid position in the retail market. Knowledge of the Bank is on the increase throughout the market area. 1 in 4 private customers in the market area has a customer relationship with the Bank, and approximately 16% use the Bank as their main bank. Lending growth has been 7.1% over the last 12 months, while overall market growth was 5.6% in the same period.

The Bank has almost 75,000 active customers in the retail market.

A combined offer of good digital services, a modern customer service centre and a well-developed branch network provides the customer with quick and easy access to financial services and competence in all channels.

Customers are pleased with the Group's services, and customer satisfaction is high. The Group uses customer data in a way that makes it easy to be a customer and for us to take relevant initiatives in relation to the customer. This is about both simplifying customers' everyday lives and improving the efficiency of the Bank's processes; in both cases with digitalisation as a clear driver. Building strong customer relationships is about combining the best of two worlds; artificial intelligence through smart technology and robotics, and emotional intelligence through personal contact with highly qualified employees.

In the first half of 2019, Eiendomsmegler 1 BV and Z-Eiendom AS had a total housing turnover of NOK 3.8 billion, spread across approx. 1,250 units.

Corporate market

The corporate market customer portfolio consists of about 8,000 active SME customers. The major part of the lending portfolio is within the real estate industry. A great focus on interaction between the business areas means that the customer can be offered an integrated product range.

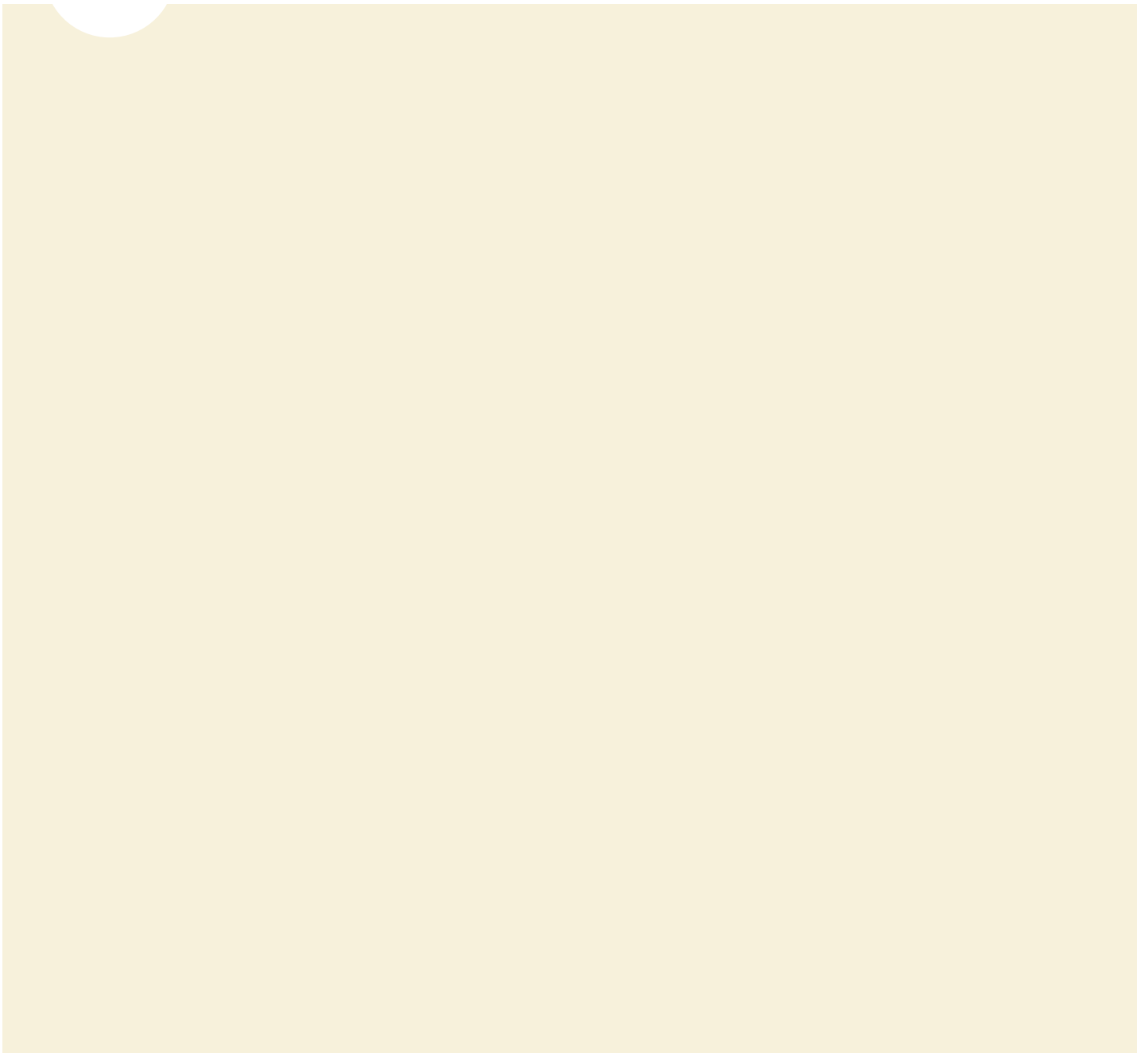
SpareBank 1 BV is a supplier of package solutions for financial services to businesses. Work is ongoing to put in place more digital sales and self-service solutions for corporate customers.

1 of 4 corporate customers (SMEs) in the market area has a customer relationship with the Bank.

The Bank has a solid market position in Kongsberg, Sandefjord and in Færder municipality, and has a challenger position in the other market areas. The corporate market aims to be perceived by customers as: Easy to deal with, accessible, important contributors and socially involved.



Interim report from the Board of Directors for Q2



The SpareBank 1 BV Group

The SpareBank 1 BV Group is a regional business with its market area in Nedre Buskerud and Vestfold.

The Group's main activity consists of the parent bank, as well as the wholly-owned subsidiaries EiendomsMegler 1 BV AS and SpareBank 1 Regnskapshuset BV AS. It also owns 60% of Z-Eiendom AS. The companies are located in Kongsberg, Mjøndalen, Drammen, Lier, Norway, Horten, Tønsberg, Vestfold, Sandefjord and Larvik.

The quarterly accounts have been prepared in accordance with IAS 34 on Interim reporting.

The comments and figures below refer to the Group unless explicitly stated otherwise. Figures in brackets relate to the corresponding period last year.

Highlights of the 2nd quarter

- Earnings after tax: NOK 134.6 million (220.5 million). See following items related to one-time effects.
- Annualised return on equity: 11.6% (20.7%).
- Net interest income: NOK 151.7 million (146.1 million).
- Net commission and other income: NOK 113.4 million (127.8 million).
 - The previous year included gains from sales of own office buildings for NOK 18.1 million.
- Net income from financial assets: NOK 42.5 million (51.6 million).
 - Including one-time effect from revaluation of properties in the SpareBank 1 Group's life company of NOK 18.1 million
 - Previous year included positive value adjustment from Vipps merger of NOK 24.6 million.
- Operating costs: NOK 141.6 million (43.0 million).
 - The previous year included a one-time effect from winding up defined-benefit pension schemes of NOK -92.2 million.
- Net losses on loans and guarantees: NOK -2.1 million (11.3 million).

Highlights January – June

- Earnings after tax: NOK 314.7 million (385.0 million).
- Annualised return on equity: 13.6% (18.2%).
- Net interest income: NOK 297.0 million (286.5 million).
- Net commission and other income: NOK 212.7 million (300.4 million).
 - The previous year included gains from sales of own office buildings for NOK 90.7 million.

- Net income from financial assets: NOK 153.4 million (80.7 million).
 - Including gains from insurance merger (Fremtind) of NOK 71.9 million
 - Including one-time effect from revaluation of properties in the SpareBank 1 Group's life company of NOK 18.1 million
 - Previous year included positive value adjustment from Vipps merger of NOK 24.6 million.
- Operating costs: NOK 286.4 million (185.0 million).
 - The previous year included a one-time effect from winding up defined-benefit pension schemes of NOK -92.2 million.
- Net losses on loans and guarantees: NOK 3.7 million (18.1 million).
- Total growth in lending for last 12 months, including portfolio transferred to SpareBank 1 Boligkreditt/ Næringskreditt: 5.1% (8.8%).
- Deposit growth last 12 months: 12.6% (-0.1%).
- Tier 1 capital ratio, proportional consolidation: 18.2% (17.7%).
- Common equity tier 1 capital, proportional consolidation: 16.5% (16.2%).
- Leverage ratio, proportional consolidation: 8.2% (8.2%).

Financial performance

Cumulative figures as at 30.06 unless explicitly stated otherwise.

Profit/loss

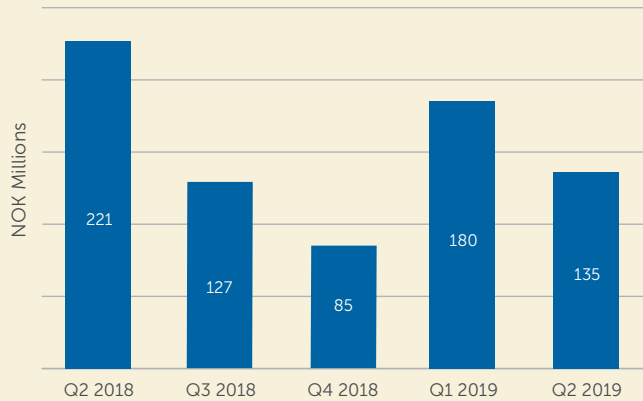
The SpareBank 1 BV Group had a net profit from ordinary operations before losses of NOK 376.8 million (482.6 million). Earnings after tax were NOK 314.7 million (385.0 million), which represents 1.69% (2.22%) of average total assets. The Group's annualised return on equity was 13.6% (18.2%).

The Group's annualised return on equity was heavily affected in the first half of 2019 by gains from the insurance merger (Fremtind) of NOK 71.9 million, while the corresponding period last year was affected by the sale of own commercial buildings for NOK 90.7 million and a one-time effect from winding up defined-benefit pension schemes of NOK 92.2 million. Without these items, the Group's annualised return on equity was 10.5% (10.6%).

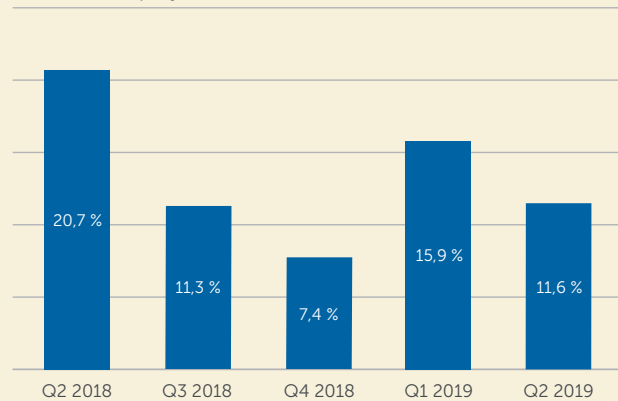
Earnings per equity certificate in the parent bank were NOK 2.63 (3.25).

Quarterly change in income after tax and return on equity:

Profit/loss after tax

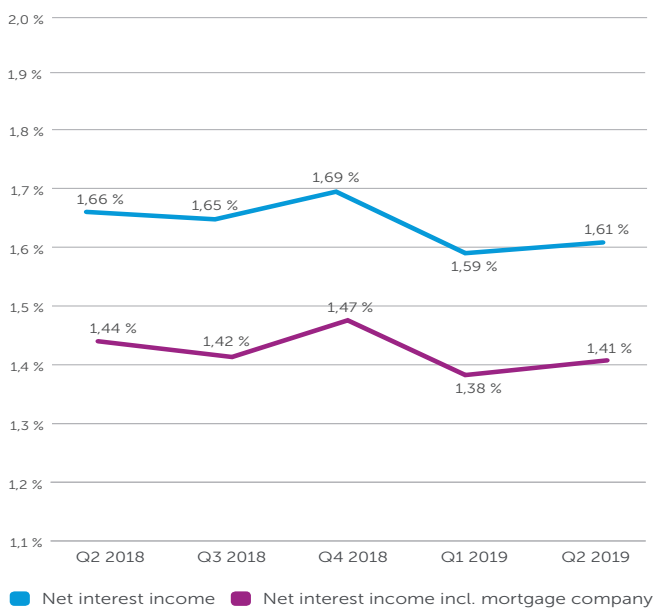


Return on equity



Net interest income

Quarterly change in net interest income:



Net interest income amounted to NOK 297.0 million (286.5 million). Net interest income as a percentage of average total assets was 1.60% (1.65%).

At the end of the quarter, the Bank had transferred mortgages worth NOK 11,980 million (11,575 million) to SpareBank 1 Boligkreditt AS, and NOK 542 million (93 million) to SpareBank 1 Næringskreditt AS. Earnings from these loan portfolios are shown under net commission income and amounted to NOK 47.6 million (49.6 million).

Lending rates increased by up to 0.25 percentage points in the second quarter. The interest rate change

took full effect from June. Compared to the first quarter of 2019, net interest income (excluding mortgage companies) increased by NOK 6.4 million (+0.02% of average total assets).

Based on the continued increase in money market rates, and the rise in the key interest rate from Norges Bank on 20 June, the bank has decided to increase lending rates by up to 0.25 percentage points from 9 August.

Net commission and other income

Net commission and other income totalled NOK 212.7 million (300.4 million).

Net commission income

Net commission income amounted to NOK 132.8 million (131.8 million).

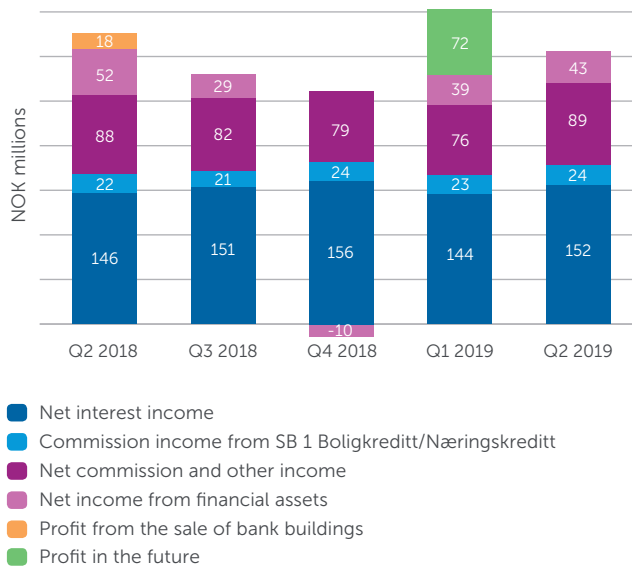
Other operating income

Other operating income amounted to NOK 79.9 million (168.6 million). Last year's figure included gains of NOK 90.7 million from the sale of own commercial buildings.

Net income from financial assets

Net income from financial assets amounted to NOK 153.4 million (80.7 million). The key items in 2019 are made up of dividends received totalling NOK 18.6 million (27.6 million) and net income from ownership interests of NOK 111.3 million (25.5 million). The last item includes gains from the Insurance merger (Fremtind) of NOK 71.9 million, and approx. NOK 18 million related to our share of extraordinary revaluation of properties in the SpareBank 1 Group's life companies. Net income from other financial assets also amounted to NOK 23.5 million (27.5 million).

Quarterly change in income (NOK million);



Operating costs

Total operating costs were NOK 286.4 million (185.0 million). Operating costs as a percentage of total operating income for the Group came to 43.2% (27.7%). The corresponding cost ratio for the parent bank was 37.6% (20.8%).

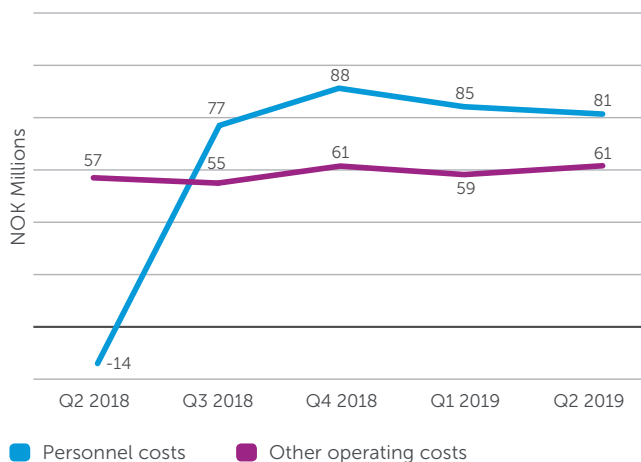
Personnel costs

Personnel costs amounted to NOK 166.6 million (72.5 million). The previous year includes a one-time effect from winding up defined-benefit pension schemes of NOK 92.2 million.

Other operating costs

Other operating costs amounted to NOK 119.7 million (112.5 million). The increase from last year is mainly related to development/IT costs in the SpareBank 1 Alliance.

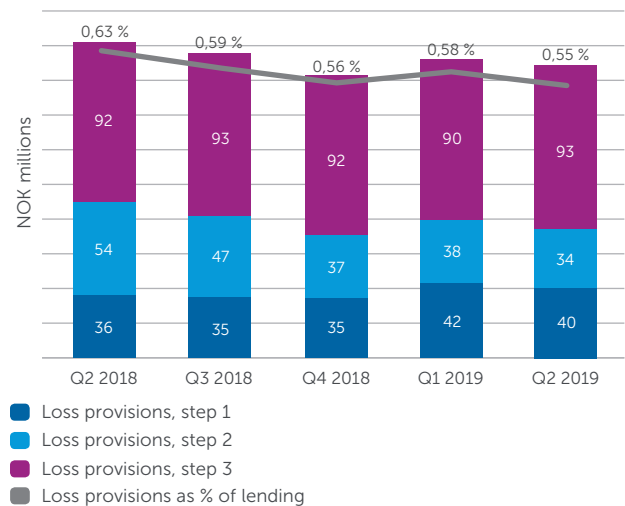
Quarterly change in operating costs (*):



Losses and loss provisions

Net losses on loans and guarantees amounted to NOK 3.7 million (18.1 million) as at 30 June. Net losses as a percentage of average gross lending amounted to 0.01% (0.06%).

Quarterly change in loss provisions;



Balance sheet performance

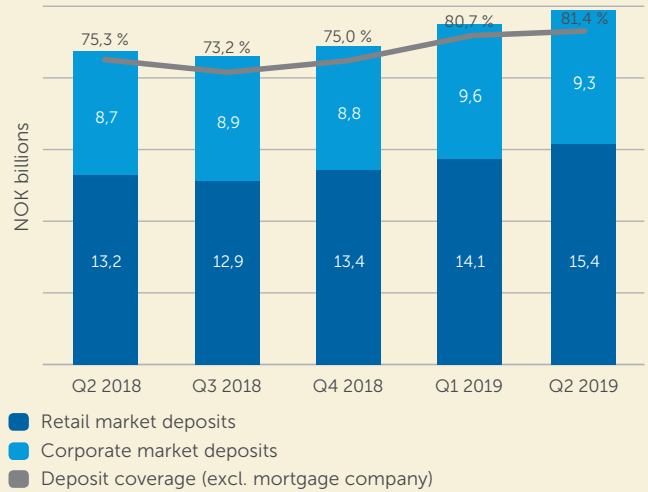
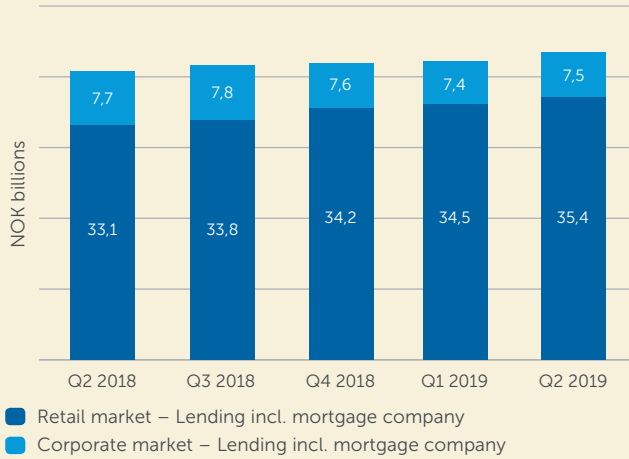
The Group's total assets amounted to NOK 38,848 million. This represents an increase of NOK 2,769 million over the last 12 months. The Group's business capital (total assets including loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS) amounted to NOK 51,370 million (47,746 million).

Lending and deposit performance

Gross lending (including volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS) amounted to NOK 42,868 million. In the last 12 months there has been an increase of NOK 2,087, equivalent to 5.1%. The growth was made up of NOK 2,337 million, or 7.1%, in the retail market and NOK 250 million, or 3.2%, in the corporate market. The reduction in the corporate market is mainly due to the repayment of some property loans. The retail market share of lending (including SpareBank 1 Boligkreditt) at the end of the quarter was 83% (81%).

In September 2018, the bank launched new depositing products that have contributed to a positive growth in deposits. At the end of the quarter, the Group had a deposit volume of NOK 24,689 million (21,933 million) with deposit growth of 12.6% in the last 12 months. The growth was made up of NOK 2,221 million, or 16.8%, in the retail market and NOK 535 million, or 6.1%, in the corporate market. The Group had deposit coverage

Quarterly change in loans and deposits:



of 81.4%, compared with 75.3% at the same time last year. Including the volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS, deposit coverage amounts to 57.6% (53.8%). The retail market share of deposits at the end of the quarter was 63% (60%).

At the end of the quarter, mortgage loans totalling NOK 11,980 million had been transferred to SpareBank 1 Boligkreditt AS, an increase of NOK 240 million from the start of year. As at 30 June, the Bank has a portfolio of loans approved for transfer to SpareBank 1 Boligkreditt AS worth NOK 10,200 million.

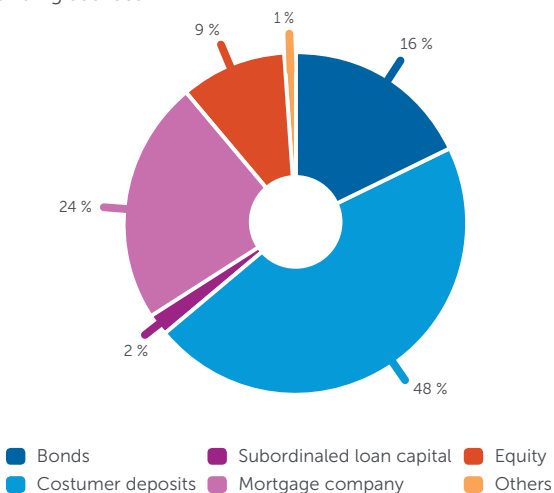
Liquidity

The Bank's liquidity situation at the end of the quarter is very good. The Bank has a liquidity portfolio of NOK 4,599 million as at 30 June. The Bank aims to keep the liquidity risk at a low level. In a normal market, SpareBank 1 BV's goal is to be able to maintain ordinary operations for a minimum of 12 months without access to external financing. As at 30 June, the Bank is well above this target.

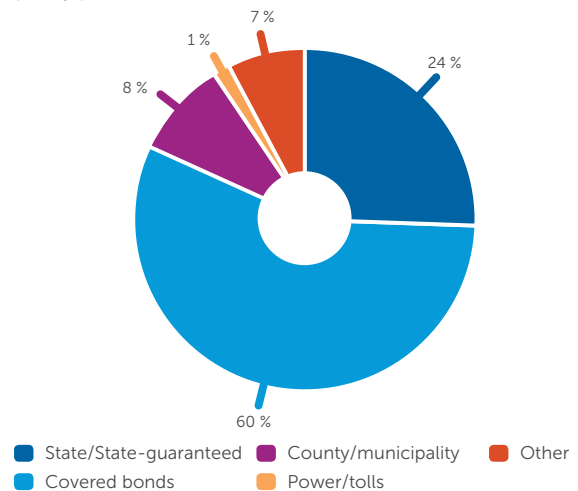
In 2019, the Group's target is to increase the average time to maturity of its bond debt to 3.0 years. At the end of the second quarter, the average term to maturity is 3.0 years.

SpareBank 1 BV has an issuer rating from Moody's of A2 with a stable outlook; see Moody's latest credit analysis dated 10 July 2019.

Funding sources



Liquidity portfolio



Equity

Capital adequacy

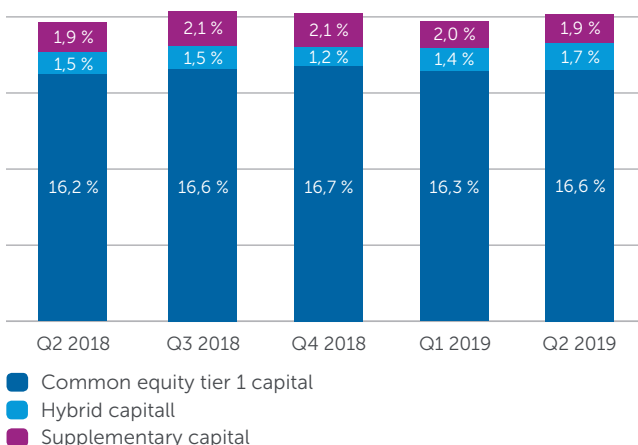
SpareBank 1 BV uses the standard method for calculating credit risk and the basic method for operational risk.

At the end of the second quarter, the regulatory requirement for common equity tier 1 capital is a minimum of 12,0%. In September 2018, the Financial Supervisory Authority of Norway set new Pillar 2 requirements for SpareBank 1 BV of 1.9% from 31 December 2018, but at least NOK 457 million above the minimum requirement and buffer requirements in Pillar 1. The current total requirement for common equity tier 1 capital is thus 13.9%. The Group's target common equity tier 1 capital ratio is a minimum of 15.5% at the end of 2019, taking account of increased regulatory requirements for the countercyclical buffer from 31 December 2019. In its consultation note on changes in capital requirements for the banks, dated 25 June, the Ministry of Finance warned that the standard banks could be required to increase their systemic risk buffer by 0.5% from 31.12.2019. See further discussion below.

At the end of the quarter, the common equity tier 1 capital ratio was 16.6%. The profit/loss for the period, assuming a dividend level of 50%, is included in the capital adequacy calculation as at 30 June. Unweighted tier 1 capital coverage (the leverage ratio) amounted to 8.2% at the end of the quarter. The regulatory requirement for unweighted tier 1 capital is 5.0%.

The bank issued subordinated bonds for NOK 150 million in June to coincide with the maturity of similar instruments in the third quarter of 2019.

Quarterly change in capital adequacy (proportional consolidation);



Changes in capital adequacy rules

There is currently some uncertainty related to the general conditions and capital requirements for Norwegian standard banks.

During the second half of 2019, the Capital Requirements Directive (CRR/CRD IV) is expected to be introduced in Norway. This means that the Basel 1 floor will be lifted for the IRB banks while an SME discount is introduced for loans to small and medium-sized enterprises with engagements up to EUR 1.5 million.

The estimated positive effect of the SME discount for SpareBank 1 BV on common equity tier 1 capital is currently put at approx. 0.4 percentage points for engagements under EUR 1.5 million (based on the consolidated basis for calculation at 30.06.2019). A positive effect of approx. 1.3 percentage points on common equity tier 1 capital is also expected when the Basel 1 floor within SpareBank 1 Boligkreditt AS and BN Bank ASA is superseded by proportional consolidation.

In this connection, the Ministry of Finance sent draft amendments to the requirements out for consultation at the end of June. These suggest that the systemic risk buffer should be increased from 3.0 to 4.5 per cent. The systemic risk buffer has to be covered by common equity tier 1 capital. For standard banks, it is proposed to phase out the increased buffer over 3 years, decreasing by 0.5% per year from 31.12.2019. The proposal implies equal treatment of IRB and standard banks in terms of the level of the systemic risk buffer at 4.5%. SpareBank 1 BV will not have any difficulties with the proposed increase in the systemic risk buffer, but over time, the tighter capital requirements for standard banks will cause some distortion of competition for the lending business in favour of Norwegian and Nordic banks with IRB approval.

The countercyclical buffer has to be covered by common equity tier 1 capital, and it has been decided to increase it from 2.0% to 2.5% from 31.12.2019.

SpareBank 1 BV is expected to receive requirements for primary capital and eligible liabilities during the second half of 2020. This capital can be written down or converted to equity (MREL). This will produce a need to issue subordinated debt (tier 3). The tier 3 capital will replace portions of today's unsecured senior debt when this falls due. SpareBank 1 BV does not expect the effect of new Tier 3 capital to increase the bank's financing costs substantially.

Subsidiaries

Excluding parent bank eliminations NOK millions	EiendomsMegler 1 BV AS		Z-Eiendom AS		Imingen Holding group		SB 1 Regnskapshuset BV AS		Larvik Marina AS		Total subsidiaries	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.09.2018	30.09.2017
Operating income	41.0	39.8	16.6	15.9	21.4	20.6	0.1	37.9	79.1	114.2	151.2	115.4
Operating costs	(35.7)	(34.4)	(14.2)	(13.4)	(17.8)	(17.3)	(0.5)	(1.3)	(68.2)	(66.4)	(99.6)	(100.9)
Financial items	(0.1)	(0.4)	(0.1)	(0.0)	-	-	(0.3)	(0.3)	(0.4)	(0.0)	(0.8)	0.7
Earnings before tax:	0.0	(0.0)	(0.0)	(0.1)	(0.2)	(0.2)	(0.0)	(0.3)	(0.2)	(0.6)	50.8	13.9

Apart from Z-Eiendom AS, the Bank has a 100% ownership interest in all of its subsidiaries and subsidiaries of these. The bank's stake in Z-Eiendom AS is 60%.

EiendomsMegler 1 BV AS includes the joint venture EiendomsMegler 1 Næringsmegling AS (the brokerage business is owned 50/50 with SpareBank 1 Telemark). EiendomsMegler 1 BV AS has a good position in the Group's market area, and is part of the national EiendomsMegler 1 chain, which has been the market leader in Norway for ten years in a row. The business activities consist of commercial real estate brokerage, property settlement, purchase and sale of holiday homes, new construction and resale homes.

Z-Eiendom AS has a solid market share in the Tønsberg region. The business activities consist of brokerage of resale homes, new construction and holiday homes.

SpareBank 1 Regnskapshuset BV AS has accounting offices in Larvik, Sandefjord, Vestfold, Drammen and Kongsberg. The company offers a broad range of services, including accounting, payroll, annual reports and accounts and advisory services. The company focuses on good customer experiences from simplifying and digitalising accounting services, and offers several different systems adapted to different industry needs.

The decrease in operating income for other subsidiaries is due to gains from the sale of the Bank's properties in the first half of 2018.

Transactions with related parties

Apart from the insurance merger discussed in the section below, the Group has not carried out any transactions with related parties that had a significant impact on the company's position or results during the reporting period.

Insurance merger

SpareBank 1 Skadeforsikring AS and DNB Skadeforsikring AS merged with effect from 1 January 2019. The merged company also changed its name to Fremtind Forsikring AS.

The transaction agreement assumed an 80 per cent share for SpareBank 1 Skadeforsikring AS and 20 per cent for DNB Skadeforsikring AS. In January 2019, DNB ASA increased its holding to a 35 per cent equity interest in the company. DNB ASA has a further option to buy up to a 40 per cent interest. The option expires on 31 March 2020.

DNB ASA's acquisition from of shares from a 20 per cent to a 35 per cent stake in Fremtind Forsikring AS brought SpareBank 1 Gruppen AS (the parent company) a tax-free gain of approx. NOK 1.7 billion. This was distributed as an extraordinary dividend to the owners on 29 March 2019. SpareBank 1 BV's share amounted to NOK 51.6 million, which was paid out as an extraordinary dividend from the owner company Samarbeidende Sparebanker AS in May 2019.

Overall, the transaction resulted in increased equity for the SpareBank 1 Group of approximately NOK 4.7 billion. The majority share (the SpareBank 1 banks and LO) of this increase was approx. NOK 2.4 billion. SpareBank 1 BV's share of this increase amounted to NOK 71.9 million and was recognised in the Group in the first quarter of 2019.

Fremtind Forsikring AS has not yet been authorised to transfer the personal insurance products from SpareBank 1 Forsikring AS and DNB livsforsikring AS. These products are expected to be transferred to the new subsidiary Fremtind Livsforsikring AS during 2019, after final approval from the Financial Supervisory Authority of Norway.

Outlook for the future

The Board is satisfied with the performance in the second quarter of 2019. The core business is still characterised by margin pressure due to strong competition and increased money market rates in the first half-year. A change in interest rates has been decided from the beginning of August, which will have a positive effect on interest margins in the third quarter of 2019.

The Group is solvent and has very good liquidity.

The EU's PSD2 Directive will be implemented in Norway from 14 September 2019. This could affect the competitive situation in the financial markets. Subject to customer consent, new entrants will be given access to customer information and allowed to provide payment services. SpareBank 1 BV and the SpareBank 1 Alliance are well positioned to handle changed conditions.

The proposal for amended capital requirements from the Ministry of Finance entails equal treatment of IRB and standard banks in terms of the increase in the systemic risk buffer by 1.5 percentage points. SpareBank 1 BV will not have any difficulties with the proposed increase in the systemic risk buffer, but over time, the tighter capital requirements for standard banks will cause some distortion of competition for the lending business in favour of Norwegian and Nordic banks with IRB approval.

There is currently good growth in the Norwegian economy and continued positive development is expected in 2019. Oil investment in Norway has increased considerably in the last year. The labour market has improved and the registered unemployment rate has fallen. The growth in house prices has been moderate so far this year. The growth in household debt is stable, but still above wage growth.

It is assumed that higher interest rates, price rises, a gradual strengthening of the dollar rate and relatively weak GDP growth in many of Norway's trading partners over a slightly longer time horizon could combine to slow the growth in the Norwegian economy.

There are good prospects in the Group's market areas with low unemployment, a stable housing market and good conditions for local business. Lending growth in the retail market is expected to remain in line with market growth nationally, while moderate growth in the corporate market is expected.

Continued low losses are expected in 2019.

SpareBank 1 BV expects good profits in 2019 and maintains its long-term goal of a minimum 10% return on equity.

Tønsberg, 12 August 2019
The Board of Directors of SpareBank 1 BV

Finn Haugan
Chair of the Board

Heine Wang
Deputy Chair

Elisabeth Haug

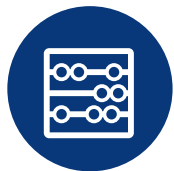
Janne Sølvi Weseth

Gisle Dahn

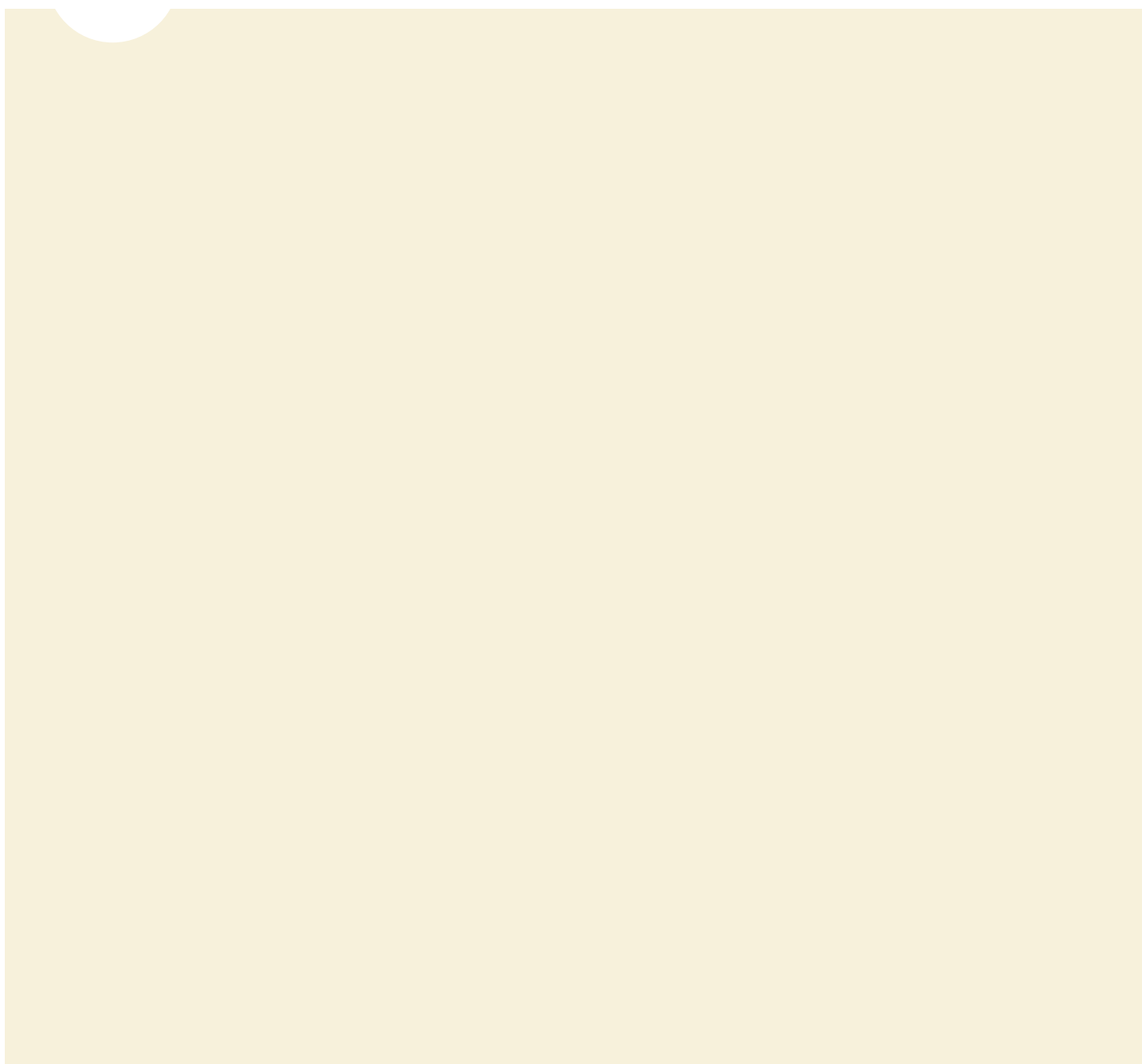
Hanne Myhre Gravdal
(Employee representative)

Geir A. Vestre
(Employee representative)

Rune Fjeldstad
Managing Director



Interim financial statements



Summary of results and key figures (Group)

(NOK thousands)	30.06.2019	%	30.06.2018	%	31.12.2018	%
Net interest income	297.023	1,60	286.503	1,65	592.916	1,67
Net commission and other income	212.698	1,14	300.443	1,73	506.706	1,42
Net income from financial assets	153.406	0,82	80.664	0,47	99.208	0,28
Total net income	663.126	3,56	667.610	3,85	1.198.830	3,37
Total operating costs	286.351	1,54	185.045	1,07	466.182	1,31
Earnings before losses/profit before losses and tax	376.775	2,02	482.565	2,79	732.648	2,06
Losses on loans and guarantees	3.700	0,02	18.098	0,10	650	0,00
Earnings before tax	373.075	2,00	464.467	2,68	731.998	2,06
Tax costs	58.384	0,31	79.507	0,46	135.912	0,38
Earnings after tax	314.692	1,69	384.960	2,22	596.086	1,67
Total other profit/loss items recognised in equity	-	0,00	(10.017)	(0,06)	3.404	0,01
Total profit/loss	314.692	1,69	374.942	2,16	599.490	1,68
	30.06.2019		30.06.2018		31.12.2018	
Profitability						
Return on equity, profit/loss before other earnings ¹	13,6 %		18,2 %		13,6 %	
Return on equity, comprehensive income	13,6 %		17,7 %		13,7 %	
Cost-income ratio ²	43,2 %		27,7 %		38,9 %	
Cost-income ratio excl. financial investments	56,2 %		31,5 %		42,4 %	
Balance sheet figures						
Gross lending to customers	30.346.185		29.113.752		29.531.949	
Gross lending to customers incl. SpareBank 1 Boligkreditt/Næringskreditt	42.868.495		40.781.566		41.854.035	
Deposits from customers	24.689.449		21.932.887		22.138.580	
Deposit coverage	81,4 %		75,3 %		75,0 %	
LCR (liquidity coverage ratio), liquidity reserve	276,0 %		165,0 %		206,0 %	
Loan growth incl. SpareBank 1 Boligkreditt/Næringskreditt last 12 months	5,1 %		8,8 %		8,2 %	
Deposit growth last 12 months	12,6 %		(0,1 %)		5,4 %	
Total assets	38.847.703		36.078.602		36.580.907	
Business capital (incl. Sparebank 1 Boligkreditt/Næringskreditt)	51.370.013		47.746.416		48.902.992	

	30.06.2019	30.06.2018	31.12.2018	
Loss and defaults				
Loss rate on lending ³	0,01 %	0,06 %	0,00 %	
Loans in step 3 as % of gross lending	0,87 %	0,90 %	1,08 %	
Loss and defaults (incl. Sparebank 1 Boligkreditt/ Næringskreditt)				
Loss rate on lending ³ (incl. Sparebank 1 Boligkreditt/ Næringskreditt)	0,01 %	0,05 %	0,00 %	
Loans in group 3 as % of gross lending (incl. Sparebank 1 Boligkreditt/Næringskreditt)	0,62 %	0,64 %	0,76 %	
Solvency with proportional consolidation				
Capital adequacy ratio	20,2 %	19,6 %	20,0 %	
Tier 1 capital ratio	18,2 %	17,7 %	17,9 %	
Common equity tier 1 capital ratio	16,6 %	16,2 %	16,7 %	
Tier 1 capital	4.829.062	4.407.080	4.470.112	
Net primary capital	4.345.857	4.883.882	4.988.542	
Basis for calculation	26.472.532	24.917.350	24.917.577	
Leverage ratio, proportional consolidation	8,2 %	8,2 %	8,2 %	
Offices and staffing				
Number of bank branches	10	10	10	
Number of brokerage offices	12	12	12	
Number of accounting offices	5	5	5	
Number of FTEs, parent bank (avg. YTD)	227	230	227	
Number of FTEs, Group (avg. YTD)	334	340	335	
Equity certificates				
Equity certificate fractions	56,15 %	57,99 %	57,99 %	59,45 %
Market price	38,00	34,50	35,60	33,90
Market value (NOK thousands)	2.397.851	2.176.997	2.246.408	2.139.136
Recognised equity per certificate (parent bank)	40,42	38,94	40,73	38,11
Recognised equity per certificate (Group)	41,87	40,07	42,06	39,15
Earnings per equity certificate (parent bank) ⁴	2,63	3,25	4,98	4,03
Earnings per equity certificate (Group) ⁴	2,72	3,45	5,40	3,84
Dividend per equity certificate	-	-	2,95	2,40
Price/earnings per equity certificate (parent bank)	14,43	10,60	7,15	8,41
Price/earnings per equity certificate (Group)	13,98	9,99	6,59	8,83
Price/recognised equity (parent bank)	0,94	0,89	0,87	0,89
Price/recognised equity (Group)	0,91	0,86	0,85	0,87

1. Surplus as a percentage of average equity (OB+CB)/2, excl. hybrid capital

2. Total operating costs as % of total operating income

3. Net loss as a percentage of average gross lending so far this year

4. Adjusted profit/loss for the year (see section on 'The bank's equity certificates') multiplied by equity certificate ratio and divided by the average number of outstanding equity certificates.

Profit/loss

Parent bank					Group						
31.12. 2018	Q2/2018	Q2/2019	30.06. 2018	30.06. 2019	(NOK thousands)	Note	30.06. 2019	30.06. 2018	Q2/2019	Q2/2018	31.12. 2018
124.073	29.944	38.766	55.827	74.810	Interest income measured at fair value		74.810	55.827	38.766	29.944	124.073
819.505	202.910	228.256	396.080	440.932	Interest income measured at amortised cost		441.268	395.870	228.416	202.782	819.349
-	-	-	-	-	Interest income		-	-	-	-	-
349.855	86.572	115.188	165.202	218.520	Interest costs		219.056	165.194	115.442	86.595	350.506
593.723	146.281	151.834	286.705	297.222	Net interest income		297.023	286.503	151.740	146.131	592.916
281.605	67.963	72.771	139.525	141.340	Commission income		141.340	139.525	72.771	67.963	281.605
15.372	4.249	4.331	7.681	8.515	Commission costs		8.515	7.681	4.331	4.249	15.372
18.789	1.676	1.638	16.180	3.337	Other operating income		79.874	168.598	44.993	64.061	240.473
285.022	65.390	70.079	148.025	136.162	Net commission and other income		212.698	300.443	113.434	127.775	506.706
76.586	53.653	105.541	72.235	121.911	Dividends		18.640	27.637	2.270	9.055	31.988
42.571	40.967	-	42.571	7.536	Net income from ownership interests	18	111.305	25.505	31.680	15.291	47.816
21.136	28.804	8.567	29.071	23.461	Net income from other financial investments	11	23.461	27.522	8.567	27.255	19.405
140.293	123.424	114.108	143.877	152.907	Net income from financial assets		153.406	80.664	42.516	51.600	99.208
1.019.039	335.094	336.021	578.606	586.291	Total net income		663.126	667.610	307.690	325.506	1.198.830
132.153	(41.810)	52.251	20.879	112.500	Personnel costs		166.628	72.504	81.144	(14.432)	237.426
204.310	49.649	54.502	99.440	108.109	Other operating costs		119.723	112.541	60.503	57.421	228.756
336.463	7.839	106.753	120.319	220.609	Total operating costs		286.351	185.045	141.647	42.989	466.182
682.576	327.255	229.268	458.287	365.682	Earnings before losses and tax		376.775	482.565	166.043	282.517	732.648
1.250	11.694	(2.108)	18.498	3.900	Losses on loans and guarantees	2	3.700	18.098	(2.108)	11.294	650
681.326	315.561	231.376	439.790	361.783	Earnings before tax		373.075	464.467	168.151	271.223	731.998
132.750	48.844	31.600	77.244	57.264	Tax costs		58.384	79.507	33.502	50.689	135.912
548.576	266.717	199.776	362.546	304.518	Earnings before other profit/loss items		314.692	384.960	134.649	220.534	596.086
					Majority share of profit		313.960	384.185	134.166	219.978	594.891
					Minority share of profit		732	775	483	556	1.195
					Items reversed through profit/loss						
					<i>Change in carrying value JVs/ associates/subsidiaries</i>			(10.017)		(3.124)	
					Items not reversed through profit/loss						
					<i>Estimation difference, IAS 19 Pensions</i>						3.404
3.458					Total other profit/loss items recognised in equity *			(10.017)		(3.124)	3.404
552.034	266.717	199.776	362.546	304.518	Total profit/loss		314.692	374.942	134.649	217.410	599.490
					Majority share of profit		313.960	374.167			598.295
					Minority share of profit		732	775			1.195
4,98	2,42	1,76	3,25	2,63	Earnings before other profit/loss items per equity certificate		2,72	3,45	1,17	1,99	5,40

Balance sheet

Parent bank					Group		
31.12.2018	30.06.2018	30.06.2019	(NOK thousands)	Note	30.06.2019	30.06.2018	31.12.2018
98.026	97.896	98.139	Cash and receivables from central banks		98.139	97.896	98.026
992.490	1.051.789	1.437.707	Loans to and receivables from credit institutions		1.493.148	1.078.297	1.024.799
27.032.045	27.139.810	27.957.530	<i>Gross lending to customers measured at amortised cost</i>		27.929.328	27.110.932	27.003.852
2.528.098	2.002.820	2.416.857	<i>Gross lending to customers measured at fair value</i>		2.416.857	2.002.820	2.528.098
29.560.142	29.142.630	30.374.387	Total gross lending to customers	3, 4, 8	30.346.185	29.113.752	29.531.949
(162.041)	(175.608)	(164.762)	- Loss provisions on loans	3	(159.987)	(171.233)	(157.466)
29.398.101	28.967.022	30.209.625	Net lending to customers		30.186.198	28.942.519	29.374.483
4.033.240	4.048.132	4.805.316	Certificates, bonds and other securities at fair value		4.805.316	4.048.132	4.033.240
1.320.974	1.197.069	1.403.506	Stocks, shares and other equity interests		1.403.506	1.197.069	1.320.974
36.682	36.682	36.682	Ownership interests in Group companies		-	-	-
391.414	391.414	454.943	Ownership interests in joint ventures and associated companies		600.254	500.010	530.270
24.841	26.077	104.641	Tangible assets	18	132.242	36.467	34.919
-	-	-	Goodwill		24.654	24.654	24.654
11.911	16.836	11.911	Deferred tax assets		12.585	18.102	12.633
109.904	101.428	76.258	Other assets	5, 10	91.660	135.456	126.910
36.417.583	35.934.345	38.638.729	Total assets		38.847.703	36.078.602	36.580.907
-	112.334	-	Deposits from credit institutions		-	112.334	-
22.162.337	21.947.661	24.699.595	Deposits from customers	7	24.689.449	21.932.887	22.138.580
8.756.890	8.617.583	8.190.220	Debt from the issuance of securities	12	8.190.220	8.617.583	8.756.890
115.816	76.679	82.935	Tax payable		84.568	78.880	118.418
245.410	279.326	321.216	Other liabilities	6, 3, 10	374.600	312.599	273.328
445.258	393.942	443.059	Subordinated loan capital	12	443.059	393.942	445.258
31.725.711	31.427.525	33.737.024	Total debt		33.781.895	31.448.224	31.732.473
946.516	946.194	946.516	Equity share capital		946.516	946.194	946.516
1.026.427	1.025.989	1.026.427	Share premium fund		1.026.427	1.025.989	1.026.427
411.299	281.336	411.299	Risk equalisation fund		411.299	281.336	411.299
6.540	6.540	6.540	Endowment fund		6.540	6.540	6.540
1.855.062	1.626.054	1.855.062	Sparebanken fund		1.855.062	1.626.054	1.855.062
9.879	16.870	9.879	Fund for unrealised gains		9.879	16.870	9.879
250.000	250.000	347.500	Hybrid capital		347.500	250.000	250.000
186.149	(28)	-	Other equity		153.389	100.782	341.129
-	353.864	298.481	Unallocated		307.923	375.503	-
-	-	-	Minority share		1.273	1.109	1.581
4.691.873	4.506.820	4.901.705	Total equity		5.065.808	4.630.378	4.848.433
36.417.583	35.934.345	38.638.729	Debt and equity		38.847.703	36.078.602	36.580.907

Results from quarterly financial statements

Group

(NOK thousands)	Q2/2019	Q1/2019	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	Q3/2017	Q2/2017
Interest income	267.182	248.896	252.456	239.268	232.726	218.971	220.189	216.640	217.566
Interest costs	115.442	103.614	96.554	88.758	86.595	78.599	76.007	74.469	76.636
Net interest income	151.740	145.283	155.903	150.510	146.131	140.372	144.182	142.171	140.930
Commission income	72.771	68.569	72.889	69.192	67.963	71.562	72.900	73.777	67.375
Commission costs	4.331	4.185	3.988	3.703	4.249	3.431	4.031	3.660	3.429
Other operating income	44.993	34.880	34.447	37.427	64.061	104.537	32.845	31.644	42.276
Net commission and other income	113.434	99.265	103.348	102.916	127.775	172.668	101.714	101.761	106.222
Dividends	2.270	16.370	-	4.351	9.055	18.582	6.474	(385)	10.516
Net income from ownership interests	31.680	79.626	9.154	13.157	15.291	10.215	24.252	14.776	11.390
Net income from other financial investments	8.567	14.894	(19.542)	11.424	27.255	267	14.464	26.385	10.752
Net income from financial assets	42.516	110.889	(10.388)	28.932	51.600	29.063	45.191	40.776	32.659
Total net income	307.690	355.436	248.862	282.358	325.506	342.104	291.087	284.709	279.810
Personnel costs	81.144	85.485	88.248	76.674	(14.432)	86.936	96.464	89.499	80.802
Other operating costs	60.503	59.220	61.061	55.154	57.421	55.120	62.626	52.750	73.465
Total operating costs	141.647	144.704	149.310	131.827	42.989	142.056	159.091	142.249	154.267
Earnings before losses and tax	166.043	210.732	99.553	150.531	282.517	200.048	131.996	142.459	125.544
Losses on loans and guarantees	(2.108)	5.808	(9.374)	(8.074)	11.294	6.804	(7.377)	1.849	1.602
Earnings before tax	168.151	204.924	108.927	158.604	271.223	193.244	139.374	140.611	123.942
Tax costs	33.502	24.882	24.387	32.017	50.689	28.818	21.211	25.560	31.353
Earnings before other profit/loss items	134.649	180.042	84.540	126.587	220.534	164.426	118.163	115.051	92.589
Parent bank									
Earnings per equity certificate (quarter in isolation)	1.76	0.87	0.73	0.99	2.42	0.83	0.91	0.90	1.54
Diluted earnings per equity certificate (quarter in isolation)	1.76	0.87	0.73	0.99	2.42	0.83	0.91	0.90	1.54

Change in equity as at Q2/2019

Group											
(NOK thousands)	Ownership interest ¹	Share premium reserve	Equalisation fund	Endowment fund	Sparebanken fund	Fund for unrealised gains	Hybrid capital	Other equity	Unallocated	Minority share	Total equity
Equity at 31.12.2017	946.194	1.025.989	281.336	6.540	1.626.054	16.870	350.000	261.184	-	1.393	4.515.560
Implementation effect of IFRS 9	-	-	-	-	-	-	-	(2.361)	-	-	(2.361)
Interest costs on subordinated bonds reclassified as equity	-	-	-	-	-	-	-	(11.543)	-	-	(11.543)
Subordinated bond maturity	-	-	-	-	-	-	(100.000)	-	-	-	(100.000)
Dividends from 2017, for payment 2018	-	-	-	-	-	-	-	(151.443)	-	(1.043)	(152.486)
Employee equity certificate savings scheme	321	438	-	-	-	-	-	28	-	-	787
Change in carrying value JVs/ associates/subsidiaries	-	-	-	-	-	-	-	(1.050)	-	36	(1.014)
Earnings before other profit/loss items	-	-	127.958	-	227.555	(6.991)	-	246.369	-	1.195	596.086
<i>Items not reversed through profit/loss</i>											
Estimation difference, IAS 19 Pensions	-	-	2.005	-	1.453	-	-	(54)	-	-	3.404
Equity at 31.12.2018	946.516	1.026.427	411.299	6.540	1.855.062	9.879	250.000	341.129	-	1.581	4.848.433
Equity at 31.12.2018	946.516	1.026.427	411.299	6.540	1.855.062	9.879	250.000	341.129	-	1.581	4.848.433
Interest costs on subordinated bonds reclassified as equity	-	-	-	-	-	-	-	-	(6.037)	-	(6.037)
Subordinated bond issue	-	-	-	-	-	-	150.000	-	-	-	150.000
Subordinated bond buyback	-	-	-	-	-	-	(52.500)	-	-	-	(52.500)
Dividends from 2018, for payment 2019	-	-	-	-	-	-	-	(186.149)	-	(1.040)	(187.189)
Change in carrying value JVs/ associates/subsidiaries	-	-	-	-	-	-	-	(1.591)	-	-	(1.591)
Earnings before other profit/loss items	-	-	-	-	-	-	-	-	313.960	732	314.692
Equity at 30.06.2019	946.516	1.026.427	411.299	6.540	1.855.062	9.879	347.500	153.389	307.923	1.273	5.065.808

1. The equity share capital has been deducted 5 in own holdings

Parent bank

(NOK thousands)	Ownership interest ¹	Share premium reserve	Equalisation fund	Endowment fund	Sparebanken fund	Fund for unrealised gains	Hybrid capital	Other equity	Unallocated	Total equity
Equity at 31.12.2017	946,194	1,025,989	281,336	6,540	1,626,054	16,870	350,000	151,415	-	4,404,399
Implementation effect of IFRS 9	-	-	-	-	-	-	-	(2,361)	-	(2,361)
Interest costs on subordinated bonds reclassified as equity	-	-	-	-	-	-	-	(11,543)	-	(11,543)
Subordinated bond maturity	-	-	-	-	-	-	(100,000)	-	-	(100,000)
Dividends from 2017, for payment 2018	-	-	-	-	-	-	-	(151,443)	-	(151,443)
Employee equity certificate savings scheme	321	438	-	-	-	-	-	28	-	787
Earnings before other profit/loss items	-	-	127,958	-	227,555	-6,991	-	200,053	-	548,576
<i>Items reversed through profit/loss:</i>										
Estimation difference, IAS 19	-	-	2,005	-	1,453	-	-	-	-	3,458
Equity at 31.12.2018	946,516	1,026,427	411,299	6,540	1,855,062	9,879	250,000	186,149	-	4,691,873
Equity at 31.12.2018	946,516	1,026,427	411,299	6,540	1,855,062	9,879	250,000	186,149	-	4,691,873
Interest costs on subordinated bonds reclassified as equity	-	-	-	-	-	-	-	-	(6,037)	(6,037)
Subordinated bond issue	-	-	-	-	-	-	150,000	-	-	150,000
Subordinated bond buyback	-	-	-	-	-	-	(52,500)	-	-	(52,500)
Dividends from 2018, for payment 2019	-	-	-	-	-	-	-	(186,149)	-	(186,149)
Earnings before other profit/loss items	-	-	-	-	-	-	-	-	304,518	304,518
Equity at 30.06.2019	946,516	1,026,427	411,299	6,540	1,855,062	9,879	347,500	-	298,481	4,901,705

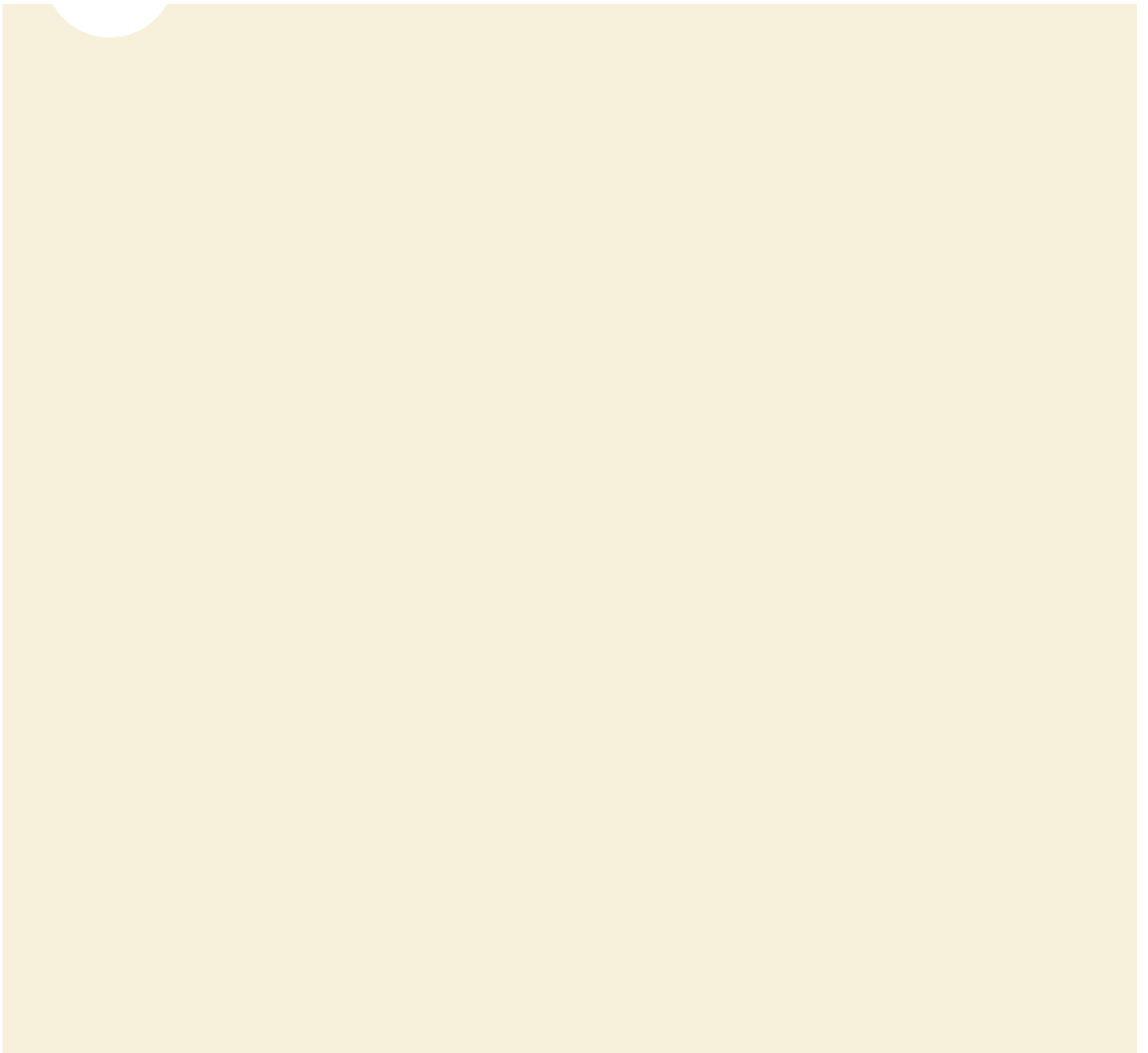
1. The equity share capital has been deducted 5 in own holdings

Cash flow statement

Parent bank				Group		
31.12.2018	30.06.2018	30.06.2019	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
681.326	439.790	361.783	Profit/loss for the year before tax	373.075	464.467	731.998
(158.056)	(155.512)	(187.735)	Dividends/endowments paid	(189.295)	(155.512)	(159.661)
29.094	1.944	(21.331)	Value changes to financial assets measured at fair value	(21.331)	1.944	29.094
6.516	3.477	10.794	Depreciation and impairments	13.651	4.450	8.192
1.250	18.498	3.900	Losses on loans	3.700	18.098	650
(103.547)	(83.104)	(80.803)	Taxes payable	(82.150)	(95.214)	(115.657)
456.583	225.093	86.607	Cash flow from operations before change in current assets and current liabilities	97.650	238.234	494.616
(2.076.709)	(1.656.307)	(802.228)	Change in lending/and other assets	(802.420)	(1.652.893)	(2.074.180)
1.123.353	974.550	2.624.718	Change in deposits from customers	2.638.329	997.333	1.137.153
(111.984)	350	-	Change in debt to credit institutions	-	350	(111.984)
(237.037)	(239.049)	(767.868)	Change in certificates and bonds	(767.868)	(239.049)	(237.037)
(26.207)	(17.730)	33.647	Change in other receivables	32.250	(34.136)	(25.590)
(114.404)	(159.872)	(15.628)	Change in other current liabilities	8.275	(159.893)	(110.022)
(986.405)	(872.966)	1.159.248	A Net cash flow from operations	1.206.216	(850.054)	(927.044)
			Cash flow from investment activities			
54.899	56.702	(90.594)	Change in tangible assets	(110.974)	123.446	121.253
(101.430)	36.402	(133.589)	Change in shares and ownership interests	(140.044)	(44.507)	(212.599)
(46.531)	93.104	(224.183)	B Net cash flow from investment activities	(251.018)	78.939	(91.346)
			Cash flow from financing activities			
922.081	776.153	(577.432)	Change in borrowing, securities	(577.432)	776.153	922.081
(51.555)	(104.758)	(3.766)	Change in borrowing, subordinated loans	(3.766)	(104.758)	(51.555)
(111.543)	(106.320)	91.463	Change in hybrid capital over equity	91.463	(106.320)	(111.543)
758.983	565.076	(489.735)	C Net cash flow from financing activities	(489.735)	565.076	758.983
(273.954)	(214.785)	445.330	A + B + C Net change in cash and cash equivalents for the year	465.462	(206.039)	(259.407)
1.364.470	1.364.470	1.090.516	Cash balance at start of period	1.122.825	1.382.232	1.382.232
1.090.516	1.149.685	1.535.846	Cash balance on end of period	1.591.287	1.176.193	1.122.825
(273.954)	(214.785)	445.330	Net change in cash and cash equivalents for the year	468.462	(206.039)	(259.407)



Notes to the financial statements



Note 1

Accounting policies

The interim report for SpareBank 1 BV covers the period 1 January - 30 June 2019. The interim financial statements have been prepared in accordance with IFRS and IAS 34 Interim Financial Reporting, and according to the same principles used in the annual financial statements for 2018, but including the policy changes mentioned in the annual report for 2018 as being planned for implementation in 2019.

For a more detailed description of the accounting principles used, refer to Note 2 and Note 39 (Implementation of IFRS 16) to the Bank's official accounts for 2018.

Note 2

Losses on loans and guarantees

Parent bank				Group		
31.12.2018	30.06.2018	30.06.2019	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
596	1.224	5.117	Change in the period in loss provisions, group 1	5.117	1.224	596
(13.198)	3.800	(3.303)	Change in the period in loss provisions, group 2	(3.303)	3.800	(13.198)
10.593	10.930	1.701	Change in the period in loss provisions, group 3	1.501	10.530	9.993
4.469	2.375	-	Losses for the period with previous write-downs	-	2.375	4.469
(199)	1.313	1.327	Losses for the period with previous write-downs	1.327	1.313	(199)
(183)	(82)	286	Previously recognised write-downs at start of period.	286	(82)	(183)
(828)	(1.062)	(1.230)	Other corrections/amortisation of write-downs	(1.230)	(1.062)	(828)
1.250	18.498	3.900	Losses for the period on loans and guarantees	3.700	18.098	650

Note 3

Loss provisions on loans and guarantees

Loan provisions on loans and guarantees	Parent bank			Total
	Group 1	Group 2	Group 3	
01.01.2019	35,263	37,201	96,510	168,975
Loss provisions transferred to group 1	4,749	(4,711)	(38)	-
Loss provisions transferred to group 2	(1,343)	1,888	(545)	-
Loss provisions transferred to group 3	(29)	(1,852)	1,881	-
New issued or purchased financial assets	13,700	1,609	8,571	23,881
Increase in drawing on existing loans	2,938	11,184	8,670	22,792
Reduction in drawing on existing loans	(7,797)	(5,106)	(12,775)	(25,678)
Financial assets that have been deducted	(7,101)	(6,315)	(4,063)	(17,479)
30.06.2019	40,381	33,899	98,211	172,491
Of which: loss provisions on capitalised loans	35,224	32,638	96,900	164,762
Of which: loss provisions on unused credits and guarantees	5,156	1,260	1,312	7,728
Of which: loss provisions, retail market	11,213	16,769	19,950	47,932
Of which: loss provisions, corporate market	29,167	17,130	78,262	124,559

Loss provisions on loans and guarantees	Group			Total
	Group 1	Group 2	Group 3	
01.01.2019	35,263	37,201	91,935	164,400
Loss provisions transferred to group 1	4,749	(4,711)	(38)	-
Loss provisions transferred to group 2	(1,343)	1,888	(545)	-
Loss provisions transferred to group 3	(29)	(1,852)	1,881	-
New issued or purchased financial assets	13,700	1,609	8,571	23,881
Increase in drawing on existing loans	2,938	11,184	8,670	22,792
Reduction in drawing on existing loans	(7,797)	(5,106)	(12,775)	(25,678)
Financial assets that have been deducted	(7,101)	(6,315)	(4,063)	(17,479)
30.06.2019	40,381	33,899	93,436	167,716
Of which: loss provisions on loans	35,224	32,638	92,125	159,987
Of which: loss provisions on guarantees	5,156	1,260	1,312	7,728
Of which: loss provisions, retail market	11,213	16,769	19,950	47,932
Of which: loss provisions, corporate market	29,167	17,130	73,487	119,784

Note 4

Loans to customers broken down into groups 1, 2 and 3

Loans to customers broken down into groups 1, 2 and 3	Parent bank			Total
	Group 1	Group 2	Group 3	
01.01.2019	25.013.929	1.683.413	334.703	27.032.045
Loans transferred to group 1	329.654	(328.772)	(882)	-
Loans transferred to group 2	(617.487)	622.669	(5.181)	-
Loans transferred to group 3	(9.954)	(39.884)	49.837	-
New issued or purchased financial assets	8.769.314	148.888	15.135	8.933.337
Increase in drawing on existing loans	303.174	34.006	1.641	338.821
Reduction in drawing on existing loans	(627.946)	(53.563)	(92.722)	(774.231)
Financial assets that have been deducted	(7.160.780)	(389.351)	(22.312)	(7.572.443)
30.06.2019	25.999.904	1.677.407	280.218	27.957.530
Loss provisions as % of gross lending	0,16 %	2,02 %	35,05 %	0,62 %

Loans to customers broken down into groups 1, 2 and 3	Group			Total
	Group 1	Group 2	Group 3	
01.01.2019	25.001.046	1.683.413	319.392	27.003.852
Loans transferred to group 1	329.654	(328.772)	(882)	-
Loans transferred to group 2	(617.487)	622.669	(5.181)	-
Loans transferred to group 3	(9.954)	(39.884)	49.837	-
New issued or purchased financial assets	8.769.314	148.888	15.135	8.933.337
Increase in drawing on existing loans	302.675	34.006	1.533	338.214
Reduction in drawing on existing loans	(627.348)	(53.563)	(92.722)	(773.632)
Financial assets that have been deducted	(7.160.780)	(389.351)	(22.312)	(7.572.443)
30.06.2019	25.987.121	1.677.407	264.800	27.929.328
Loss provisions as % of gross lending	0,16 %	2,02 %	35,29 %	0,60 %

Note 5

Other assets

Parent bank				(NOK thousands)	Group		
31.12.2018	30.06.2018	30.06.2019	30.06.2019		30.06.2018	31.12.2018	
15.173	22.988	14.386	28.673	Prepaid, unaccrued costs, and accrued income not yet received	45.855	30.884	
46.061	14.163	21.236	22.352	Other assets	25.324	47.355	
48.670	64.277	40.635	40.635	Derivatives and other financial instruments at fair value	64.277	48.670	
109.904	101.428	76.258	91.660	Total other assets	135.456	126.910	

Note 6

Other liabilities

Parent bank				Group		
31.12.2018	30.06.2018	30.06.2019	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
55.481	52.425	49.320	Accrued expenses and unaccrued income received	63.626	52.285	55.175
56.779	59.688	59.988	Provision for accrued expenses and liabilities	59.246	59.038	56.037
94.070	101.423	173.976	Other liabilities	213.796	135.485	123.035
39.080	65.791	37.931	Derivatives and other financial instruments at fair value	37.931	65.791	39.080
245.410	279.326	321.216	Total other debt	374.600	312.599	273.328

Note 7

Deposits from customers broken down by sector and industry

Parent bank				Group		
31.12.2018	30.06.2018	30.06.2019	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
13.350.242	13.147.522	15.422.796	Salaried staff, etc.	15.422.796	13.147.522	13.350.242
2.822.879	2.901.744	3.189.182	Property management/business services, etc.	3.179.035	2.886.970	2.799.122
750.927	702.919	709.228	Merchandising/hotels and restaurants	709.228	702.919	750.927
180.879	162.081	226.571	Agriculture/forestry	226.571	162.081	180.879
593.131	446.399	551.092	Building and construction	551.092	446.399	593.131
1.201.043	1.441.192	1.343.129	Transport and service Industries	1.343.129	1.441.192	1.201.043
197.312	163.499	272.075	Production (manufacturing)	272.075	163.499	197.312
1.930.624	2.204.664	2.326.388	Public administration	2.326.388	2.204.664	1.930.624
1.135.300	777.641	659.134	Abroad and others	659.134	777.641	1.135.300
22.162.337	21.947.661	24.699.595	Total deposits	24.689.449	21.932.887	22.138.580

Note 8

Lending to customers broken down by sector and industry

Parent bank				Group		
31.12.2018	30.06.2018	30.06.2019	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
22.496.782	21.495.049	23.427.051	Salaried staff, etc.	23.427.051	21.495.049	22.496.782
5.394.522	6.089.119	5.084.619	Property management/business services, etc.	5.056.416	6.060.240	5.366.328
320.710	328.503	373.956	Merchandising/hotels and restaurants	373.956	328.503	320.710
271.589	234.509	302.872	Agriculture/forestry	302.872	234.509	271.589
303.591	252.569	300.072	Building and construction	300.072	252.569	303.591
324.053	325.157	370.040	Transport and service Industries	370.040	325.157	324.053
248.317	236.227	259.206	Production (manufacturing)	259.206	236.227	248.317
200.578	181.497	256.571	Abroad and others	256.571	181.497	200.578
29.560.142	29.142.630	30.374.387	Gross lending	30.346.185	29.113.752	29.531.949
27.032.045	27.139.810	27.957.530	- Of which: valued at amortised cost	27.929.328	27.110.932	27.003.852
2.528.098	2.002.820	2.416.857	- Of which: valued at fair value	2.416.857	2.002.820	2.528.098
(162.041)	(175.608)	(164.762)	- Loss provisions on loans	(159.987)	(171.233)	(157.466)
-	-	-	- Individual write-downs	-	-	-
-	-	-	- Write-downs on groups of loans	-	-	-
29.398.101	28.967.022	30.209.625	Net lending	30.186.198	28.942.519	29.374.483

Note 9

Capital adequacy

SpareBank 1 BV uses the standard method for credit risk and the basic method for operational risk. As at 30 June 2019, the requirement for the capital conservation buffer is 2.5%, for the systemic risk buffer 3.0%, and for the countercyclical capital buffer 2.0%.

These requirements are in addition to the common equity tier 1 capital requirement of 4.5%, meaning that the overall minimum requirement for common equity tier 1 capital is 12.0%. The Financial Supervisory Authority of Norway has also established a Pillar 2 requirement for SpareBank 1 BV of 1.9%. The total minimum requirement for common equity tier 1 capital, including the Pillar 2 requirement, is thus 13.9%.

The Group's target common equity tier 1 ratio is a minimum of 15.5% at the end of 2019, taking account of increased regulatory requirements for the countercyclical buffer from 31.12.2019. The targets for tier 1 capital and overall capital adequacy are 16.5% and 18.5% respectively.

Extended consolidation for owner companies in the Samarbeidende Sparebanker grouping

Under the CRD IV rules, SpareBank 1 BV is currently below the materiality threshold for reporting fully consolidated capital adequacy. Consequently, capital adequacy is not worked out at a consolidated level.

However, on the basis of the Financial Supervision Act, Section 4(3), the Financial Supervisory Authority of Norway has placed an extended consolidation requirement on the banks for owner companies in the Samarbeidende Sparebanker grouping for holdings below 10%. The requirement came into force on 1 January 2018. The provision applies to ownership interests in other financial institutions engaging in the activities to which the cooperation relates; cf. Financial Institutions Act, Section 17-13. From 2018, the Bank is applying the rule on proportional consolidation of ownership interests in the Samarbeidende Sparebanker grouping.

	30.06.2019	30.06.2018	31.12.2018
Primary capital			
Common equity tier 1 capital	4.383.846	4.038.076	4.160.617
Tier 1 capital	4.829.062	4.407.080	4.470.112
Primary capital	4.345.857	4.883.882	4.988.542
Basis for calculation	26.472.532	24.917.350	24.917.577
Capital adequacy			
Common equity tier 1 capital ratio	16,56 %	16,21 %	16,70 %
Tier 1 capital ratio	18,24 %	17,69 %	17,94 %
Capital adequacy	20,19 %	19,60 %	20,02 %
Unweighted tier 1 capital ratio (leverage ratio)	8,20 %	8,22 %	8,24 %

The following companies are included in proportional consolidation:

- SpareBank 1 Boligkreditt
- SpareBank 1 Næringskreditt
- SpareBank 1 Kredittkort AS
- SpareBank 1 SMN Finans AS
- BN Bank

Parent bank

	30.06.2019	30.06.2018	31.12.2018
Primary capital			
Equity share capital	946.516	946.194	946.516
Share premium fund	1.026.427	1.025.989	1.026.427
Risk equalisation fund	411.299	281.336	281.336
Sparebankens fund	1.855.062	1.626.054	1.626.054
Fund for unrealised gains/losses	9.879	16.870	16.870
Endowment fund	6.540	6.540	6.540
Allocated dividend classified as equity	-	-	-
Other equity (IAS pensions and interest paid on hybrid capital)	(6.037)	(28)	3.458
Profit/loss for the period	304.518	353.864	534.671
Total capitalised equity (excluding hybrid capital)	4.554.205	4.256.820	4.441.873

Value adjustments on stocks and bonds measured at fair value (AVA)	(7.442)	(7.336)	(7.950)
Allowance for non-material interests in the financial sector	(1.177.476)	(1.053.974)	(1.149.921)
Dividends allocated for distribution, classified as equity	-	-	-
Profit/loss for the period	(304.518)	(353.864)	(534.671)
Interim profit/loss included in tier 1 capital	219.018	271.141	348.523
Total common equity tier 1 capital	3.283.786	3.112.786	3.097.853
Hybrid capital	347.500	250.000	250.000
Subordinated bond	24.000	32.000	32.000
Allowance for non-material interests in the financial sector	(57.400)	(32.393)	(39.074)
Total tier 1 capital	3.597.886	3.362.392	3.340.779
Supplementary capital in excess of tier 1 capital			
Time-limited primary capital	400.000	350.859	400.000
Allowance for non-material interests in the financial sector	(27.582)	(31.084)	(31.262)
Net primary capital	3.970.304	3.682.167	3.709.517
Risk-weighted basis for calculation			
Assets not included in the trading portfolio	16.977.286	16.886.572	16.105.698
Operational risk	1.931.036	1.758.783	1.758.783
Position risk in the trading portfolio	-	-	-
CVA surcharge (counterparty risk on derivatives)	26.850	2.890	27.459
Total basis for calculation	18.935.173	18.648.245	17.891.940
Common equity tier 1 capital ratio	17,34 %	16,69 %	17,31 %
Tier 1 capital ratio	19,00 %	18,03 %	18,67 %
Capital adequacy	20,97 %	19,75 %	20,73 %
Unweighted tier 1 capital ratio (leverage ratio)	8,98 %	9,12 %	9,14 %
Buffer requirements			
Capital conservation buffer (2.50%)	473.379	466.206	447.299
Countercyclical buffer (2.0%/1.5%)	378.703	372.965	357.839
Systemic risk buffer (3.00%)	568.055	559.447	536.758
Total buffer requirement for common equity tier 1 capital	1.420.138	1.398.618	1.341.896
Minimum requirement for common equity tier 1 capital (4.50%)	852.083	839.171	805.137
Available common equity tier 1 capital beyond minimum requirement	1.011.565	874.996	950.820
	30.06.2019	30.06.2018	31.12.2018
Local and regional authorities	76.938	58.277	44.838
Publicly owned companies	10.091	20.262	18.171
Institutions	110.908	363.706	106.207
Companies	2.283.731	2.099.267	1.997.340
Mass market	2.522.369	2.584.526	2.581.078
Mortgaged against residential and holiday property	8.396.844	7.646.529	8.009.171
Mortgaged against commercial property	2.051.089	2.993.150	2.230.810
Overdue commitment	52.543	80.704	82.578
High-risk commitments	-	-	-
Bonds with preferential rights	406.664	246.498	255.003
Receivables on institutions and companies with short-term ratings	226.541	149.358	137.498
Shares in mutual funds	54.539	37.663	47.698
Equity items	604.845	501.462	528.815
Other commitments	180.184	105.170	66.491
Total credit risk	16.977.286	16.886.572	16.105.698

Note 10

Derivatives

2019			(NOK thousands)	2018		
Contract sum	Fair value at 30.06.2019			Contract sum	Fair value at 30.06.2019	
30.06.2019	Assets	Liabilities		30.06.2018	Assets	Liabilities
4.835.000	40.635	37.931	Derivatives – hedging	4.028.500	64.277	65.791
			Derivatives at fair value			
4.835.000	40.635	37.931	Total derivatives for fair value hedging	4.028.500	64.277	65.791

Note 11

Net income from other financial investments

Parent bank			(NOK thousands)	Group		
31.12.2018	30.06.2018	30.06.2019		30.06.2019	30.06.2018	31.12.2018
21.596	22.685	15.658	Net change in value of stocks, shares etc. measured at fair value	15.658	21.136	19.865
(16.704)	(2.908)	3.579	Net change in value of bonds/certificates measured at fair value	3.579	(2.908)	(16.704)
9.021	5.698	1.684	Net change in value of financial derivatives measured at fair value	1.684	5.698	9.021
7.223	3.596	2.540	Exchange rate gains/losses on currency	2.540	3.596	7.223
21.136	29.071	23.461	Net income from other financial investments	23.461	27.522	19.405

Note 12

Securities debt and subordinated loan capital

SpareBank 1 BV issues and redeems securities debt as part of its liquidity management. The refinancing requirement has also been partly funded by the transfer of the loan portfolio to SpareBank 1 Boligkreditt AS. The breakdown is the same for the parent bank and the Group.

Securities debt	Parent bank/Group			
	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
Certificate debt, nominal value		-	-	-
Bond debt, nominal value		8.183.000	8.600.500	8.742.000
Value adjustments and accrued interest		7.220	17.083	14.890
Total securities debt		8.190.220	8.617.583	8.756.890

Change in securities debt	Parent bank/Group				
	(NOK thousands)	30.06.2019	Issued 2019	Redeemed 2019	31.12.2018
Certificate debt, nominal value		-	-	-	-
Bond debt, nominal value		8.183.000	500.000	(1.059.000)	8.742.000
Value adjustments and accrued interest		7.220	-	-	14.890
Total securities debt		8.190.220	500.000	(1.059.000)	8.756.890

Subordinated loan capital	Parent bank/Group			
	(NOK thousands)	30.06.2019	30.06.2018	31.12.2018
Subordinated loan capital		440.000	390.000	440.000
Value adjustments and accrued interest		3.059	3.942	5.258
Total subordinated loan capital		443.059	393.942	445.258

Change in subordinated loan capital	Parent bank/Group				
	(NOK thousands)	30.06.2019	Issued 2019	Redeemed 2019	31.12.2018
Subordinated loan capital		440.000	-	-	440.000
Value adjustments and accrued interest		3.059	-	-	5.258
Total subordinated loan capital		443.059	-	-	445.258

Note 13

Segment Information

The segment information is related to the way in which the Group is managed and followed up internally by the business through performance and capital reporting, proxies and procedures. The reporting of segments is divided into the following areas: Retail market (RM) and corporate market (CM) customers,

which include the parent bank and subsidiaries related to real estate and accounting services. Other subsidiaries include subsidiary companies that manage property. Group eliminations are shown together with undivided operations in a separate column (non-reportable segments).

Group 30.06.2019

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Profit/loss					
Net interest income	166.376	113.188	(35)	17.494	297.023
Net commission and other income	167.341	52.911	120	145.732	366.104
Operating costs	194.452	78.294	539	13.066	286.351
Earnings before losses	139.265	87.805	(454)	150.159	376.775
Losses on loans and guarantees	3.725	380	-	(405)	3.700
Earnings before tax	135.540	87.425	(454)	150.564	373.075

	RM	CM	Other subsidiaries	Non-reportable segments	Total
Balance sheet					
Lending to customers	22.628.781	6.781.932	-	935.473	30.346.185
Loss provisions on loans	(47.085)	(112.669)	-	(233)	(159.987)
Other assets	109.195	27.834	13.273	8.511.203	8.661.505
Total assets per segment	22.690.890	6.684.501	13.273	9.446.443	38.847.703
Deposits from and debt to customers	15.732.231	8.524.695	-	432.523	24.689.449
Other equity and liabilities	6.958.659	(1.840.194)	13.273	9.026.515	14.158.254
Total equity and debt per segment	22.690.890	6.684.501	13.273	9.459.038	38.847.703

Group 30.06.2018

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Profit/loss					
Net interest income	170.114	110.273	(300)	6.417	286.503
Net commission and other income	172.231	50.092	37.864	120.919	381.107
Operating costs	198.714	83.907	1.306	(98.882)	185.045
Earnings before losses	143.631	76.458	36.258	226.217	482.565
Losses on loans and guarantees	6.938	10.904	-	256	18.098
Earnings before tax	136.693	65.554	36.258	225.962	464.467

	RM	CM	Other subsidiaries	Non-reportable segments	Total
Balance sheet					
Lending to customers	20.839.418	7.470.303	-	804.030	29.113.752
Loss provisions on loans	(52.734)	(117.887)	-	(611)	(171.233)
Other assets	106.894	14.028	13.837	7.001.324	7.136.083
Total assets per segment	20.893.578	7.366.444	13.837	7.804.743	36.078.602
Deposits from and debt to customers	13.615.268	7.523.465	-	794.154	21.932.887
Other equity and liabilities	7.278.310	(157.021)	13.837	7.010.589	14.145.715
Total equity and debt per segment	20.893.578	7.366.444	13.837	7.804.743	36.078.602

Group 31.12.2018

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Profit/loss					
Net interest income	348.923	230.806	(638)	13.825	592.916
Net commission and other income	345.603	88.005	37.984	134.322	605.914
Operating costs	405.988	160.033	1.783	(101.622)	466.182
Earnings before losses	288.538	158.778	35.563	249.769	732.648
Losses on loans and guarantees	(1.317)	1.713	-	254	650
Earnings before tax	289.855	157.065	35.563	249.515	731.998

	RM	CM	Other subsidiaries	Non-reportable segments	Total
Balance sheet					
Lending to customers	21.858.901	6.830.304	-	842.744	29.531.949
Loss provisions on loans	(44.455)	(112.371)	-	(640)	(157.466)
Other assets	105.208	11.902	13.530	7.075.784	7.206.424
Total assets per segment	21.919.654	6.729.835	13.530	7.917.887	36.580.907
Deposits from and debt to customers	13.783.259	7.761.562	-	593.759	22.138.580
Other equity and liabilities	8.136.395	(1.031.727)	13.530	7.324.128	14.442.327
Total equity and debt per segment	21.919.654	6.729.835	13.530	7.917.887	36.580.907

Note 14

Critical accounting estimates and discretionary valuations

In preparing the consolidated accounts, the management makes estimates and discretionary assessments, as well as assumptions that affect the impact of applying the accounting principles. This will therefore affect the reported amounts for assets, liabilities, income and expenditure.

In the financial statements for 2018, Note 3 'Critical estimates and assessments regarding the use of accounting policies', gives more details of significant estimates and assumptions.

Note 15

Sale of loans

SpareBank 1 BV and other owners have agreed to establish a liquidity facility for SpareBank 1 Boligkreditt AS. This means that the banks commit to buy mortgage bonds issued by the company up to a total value of twelve months' term to maturity. Each owner is principally liable for its share of the requirement, and secondarily for twice the primary liability under the same agreement. The bonds can be deposited with Norges Bank, so carry no significant added risk for SpareBank 1 BV.

The Bank has signed an agreement for the legal sale of loans with high security and collateral in real estate to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS.

For more information on the accounting treatment of the agreements, see Note 2 and Note 9 to the financial statements for 2018.

Note 16

Liquidity risk

Liquidity risk is the risk that the Bank may be unable to meet its payment obligations, and/or the risk of not being able to finance the desired growth in assets. SpareBank 1 BV draws up an annual liquidity strategy which addresses the Bank's liquidity risk, among other things.

The Group's liquidity risk is covered by the Bank's liquidity reserve/buffer. The main objective of SpareBank 1 BV is to maintain the viability of the Bank in a normal situation, without external funding, for 12

months. The Bank should also survive a minimum of 120 days in a 'highly stressed' situation where there is no access to funding from the capital markets. The Bank exercises daily governance according to the above goals. A contingency plan for dealing with liquidity crises has also been established.

The average remaining term to maturity in the portfolio of senior bond loans was 3.0 years as at 30 June 2019. Overall LCR was 276% at the end of the second quarter and average total LCR was 267% in the quarter.

Note 17

Assessing fair value of financial instruments

Financial instruments at fair value are classified in different levels.

Level 1: Valuation based on quoted prices on an active market. The fair value of financial instruments traded on active markets is based on the market price at the balance sheet date. A market is considered to be active if the market prices are easily and regularly available from a stock exchange, dealer, broker, economic grouping, pricing service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. The category includes listed shares and units in mutual funds, treasury bills, government bonds and certificates that are traded in active markets.

Level 2 Valuation based on observable market data. Level 2 consists of instruments which are valued using information other than quoted prices, but where prices are directly or indirectly observable for the assets or liabilities, and also include listed prices in a non-active market.

- These valuation methods maximise the use of observable data where it is available and rely as little as possible on the Bank's own estimates.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on the observable rate curve.
- The fair value of bonds and certificates (assets and liabilities) is calculated as the present value of the estimated cash flow based on the observable yield curve, including an indicated credit spread on the issuer from a reputable brokerage firm or Reuters/Bloomberg pricing services.
- This category includes bonds, certificates, equity instruments, own securities debt at fair value, and derivatives.

Level 3: Valuation based on other than observable data. If no valuation is available in relation to level 1 and 2, valuation methods based on non-observable information are used.

- Fair value of fixed rate deposits and loans: The Bank uses the base rate/reference rate on the loans, and discounts using its own swap curve to calculate the funding margin. The Bank has no 'day 1 profit'. For valuations at later dates, the Bank reads in reads customer interest and adjusts for funding and customer margins. Swap interest will be charged on the discount date. This is then compared with the swap rate on the calculation date taking account of the remaining term to maturity. Changes to the customer margin (administrative markup, markup for anticipated losses and return on equity) in the term of the loan are not assessed/taken into account.
- Equity investments are valued at fair value under the following conditions:
 1. Price at the time of the last capital increase or last sale between independent parties, adjusted for changes in market conditions since the capital increase/sale.
 2. Fair value based on expected future cash flows for the investment.
- On the remaining financial instruments, fair value is determined on the basis of value estimates obtained from external parties. For those unlisted shares where it is not possible to make a sufficiently reliable measurement of fair value, acquisition cost or impaired book value is used.
- This category includes other equity instruments, housing loans and the Bank's own fixed rate loans.

The Group's assets and liabilities measured at fair value as at 30 June 2019

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Fixed rate loans	-	-	1.694	1.694
- Approved loans to Boligkreditt	-	-	685	685
- Bonds and certificates	205	4.587	-	4.792
- Equity Instruments	286	-	1.118	1.404
- Derivatives	-	41	-	41
Total assets	491	4.628	3.497	8.616

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
- Fixed rate deposits	-	-	-	-
- Securities at fair value	-	2.673	-	2.673
- Derivatives	-	38	-	38
Total liabilities	-	2.711	-	2.711

The Group's assets and liabilities measured at fair value at 30.06.2018

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Fixed rate loans	-	-	1.385	1.385
- Bonds and certificates	206	3.842	-	4.048
- Equity Instruments	267	-	930	1.197
- Derivatives	-	64	-	64
Total assets	473	3.906	2.315	6.694

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
- Fixed rate deposits	-	-	-	-
- Securities at fair value	-	2.216	-	2.216
- Derivatives	-	66	-	66
Total liabilities	-	2.282	-	2.282

The Group's assets and liabilities measured at fair value as at 31 December 2018

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Fixed rate loans	-	-	1.687	1.687
- Approved loans to Boligkreditt	-	-	821	821
- Bonds and certificates	205	3.814	-	4.019
- Equity Instruments	269	-	1.052	1.321
- Derivatives	-	49	-	49
Total assets	474	3.863	3.560	7.897

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
- Fixed rate deposits	-	-	-	-
- Securities at fair value	-	2.323	-	2.323
- Derivatives	-	39	-	39
Total liabilities	-	2.362	-	2.362

Changes in instruments classified under Level 3 as at 30.06.2019

	Fixed rate loans	Shares at fair value through profit/loss	Fixed-rate deposits	Cleared loans to Boligkredditt
Opening balance 01.01.2019	1.687	1.052	-	821
Increase	123	85	-	276
Decrease	(116)	(20)	-	(412)
Net gain/loss on financial instruments	-	1	-	-
Closing balance 30.06.2018	1.694	1.118	-	685

Changes in instruments classified under level 3 at 30.06.2018

	Fixed rate loans	Shares at fair value through profit/loss	Fixed-rate deposits	Cleared loans to Boligkredditt
Opening balance 01.01.2018	1.268	861	819	-
Change as a result of the transition to IFRS 9	-	-	(819)	-
Increase	208	70	-	-
Decrease	(91)	-	-	-
Net gain/loss on financial instruments	-	-1	-	-
Closing balance 30.06.2018	1.385	930	-	-

Changes in instruments classified under Level 3 as at 31.12.2018

	Fixed rate loans	Shares at fair value through profit/loss	Fixed-rate deposits	Cleared loans to Boligkredditt
Opening balance 01.01.2018	1.268	861	819	-
Added by a merger with SpareBank 1 NT	-	-	(819)	-
Increase	611	166	-	821
Decrease	(199)	(8)	-	-
Net gain/loss on financial instruments	7	33	-	-
Closing balance 31.12.2018	1.687	1.052	-	821

Note 18

Net income from ownership interests

Net income from ownership interests mainly comprises shares in the profit from Samarbeidende Sparebanker AS (indirect ownership interest within the Sparebank 1 Alliance) and Samarbeidende Sparebanker Bankinvest AS (indirect ownership interest of BN Bank ASA). From June 2019, Samarbeidende Sparebanker Bankinvest AS was wound up and replaced by direct ownership within BN Bank ASA.

The increase in net income from ownership interests in 2019 is mainly due to gains from the insurance merger (Fremtind) of NOK 71.9 million in the first quarter of 2019 and revaluation of properties in the Sparebank 1 Group's life company of NOK 18.0 million in the second quarter.

Note 19

Implementation IFRS 16

SpareBank 1 BV has implemented IFRS 16 Leases with effect from 1 January 2019. IFRS 16 primarily impacts the tenant's accounts and means that substantial leases for the Group are capitalised. The standard eliminates the current distinction between operational and financial leases and requires the calculation of a right-of-use

asset (the right to use the leased asset) and a financial obligation to pay rent for significant leases. Refer to Note 2 and Note 39 to the annual report for 2018 for more detail. The tables below show the accounting effects in 2019 for the parent bank and the Group as at 30.06.2019.

Parent bank		Balance sheet		Group	
01.01.2019	30.06.2019	(NOK thousands)		30.06.2019	01.01.2019
89.007	81.566	Lease liabilities		99.652	108.945
89.007	81.171	Right of use		99.169	108.945

Parent bank		Income Statement IFRS 16		Group	
30.06.2019	(NOK thousands)			30.06.2019	
7.952	Depreciation			9.892	
839	Interest			1.027	
8.791	Total			10.919	
Effect of IFRS 16 vs IAS 17					
8.396	Reduction in operating costs under IAS 17			10.436	
8.791	Increase in costs under IFRS 16			10.919	
(395)	Changes in pre-tax income in the period			(483)	

Note 20

Events after the balance sheet date

There have been no events with a material bearing on the accounts after the balance sheet day.



Declaration by the Board and Managing Director

We declare that, to the best of our knowledge and belief, the interim accounts for the period 1 January to 30 June 2019 have been prepared in accordance with IAS 34 'Interim reporting', and that the information in the financial statements gives a true picture of the Bank's and the Group's assets, liabilities, financial position and results as a whole.

We also declare that, to the best of our knowledge and belief, the interim report provides an accurate summary of key events in the accounting period and their influence on preliminary annual accounts, the major risk and uncertainty factors facing the business in the coming accounting period, and significant transactions with related parties.

Tønsberg, 12 August 2019
The Board of Directors of SpareBank 1 BV

Finn Haugan
Chair of the Board

Heine Wang
Deputy Chair

Elisabeth Haug

Janne Sølvi Weseth

Gisle Dahn

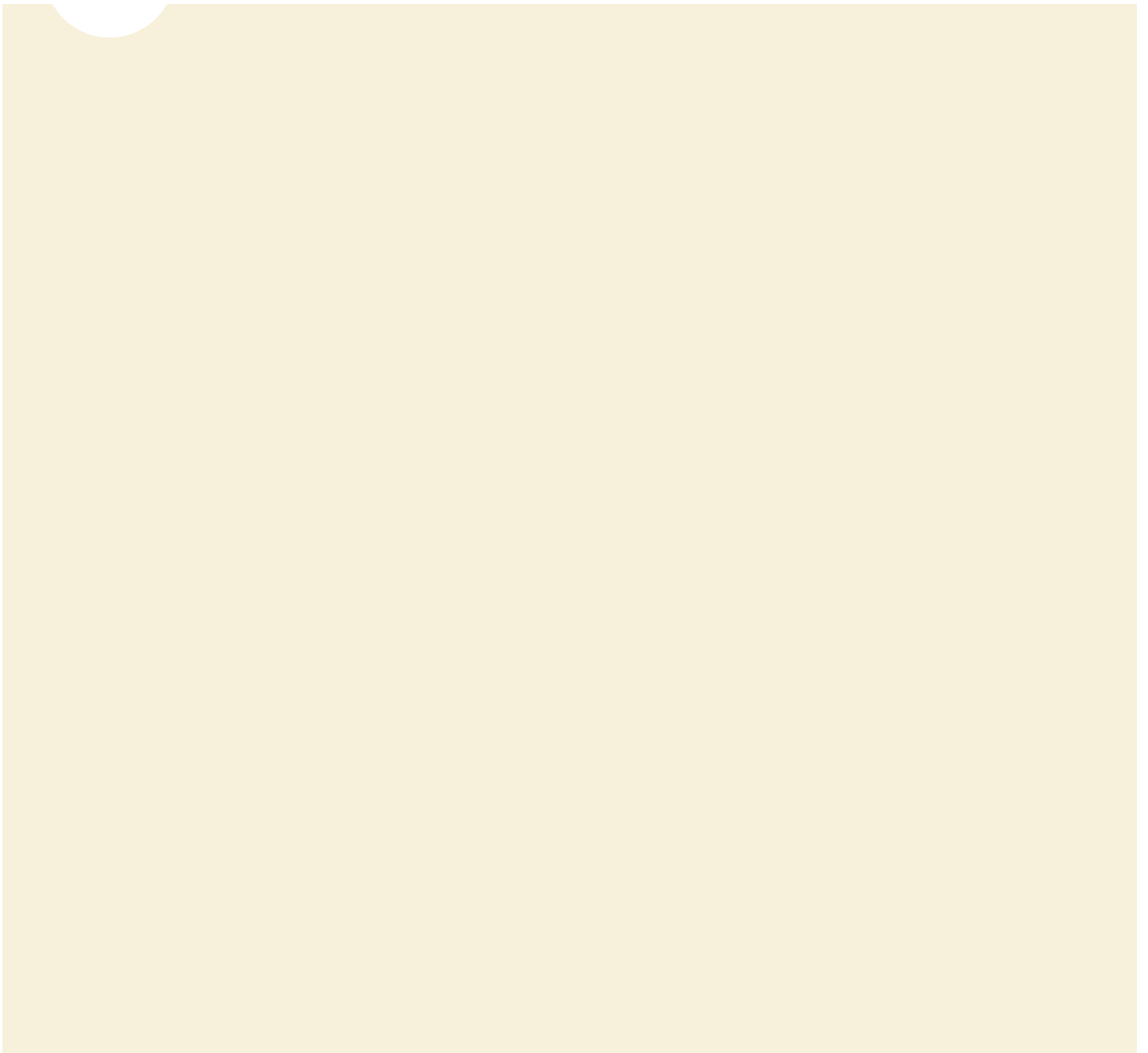
Hanne Myhre Gravdal
(Employee representative)

Geir A. Vestre
(Employee representative)

Rune Fjeldstad
Managing Director



The Bank's equity certificates



Earnings per equity certificate

Earnings per equity certificate are calculated by dividing the portion of the profit/loss for the year that is assigned to the company's equity certificate holders (minus own equity certificates) by a weighted average of the number of equity certificates over the year.

Diluted earnings per equity certificate

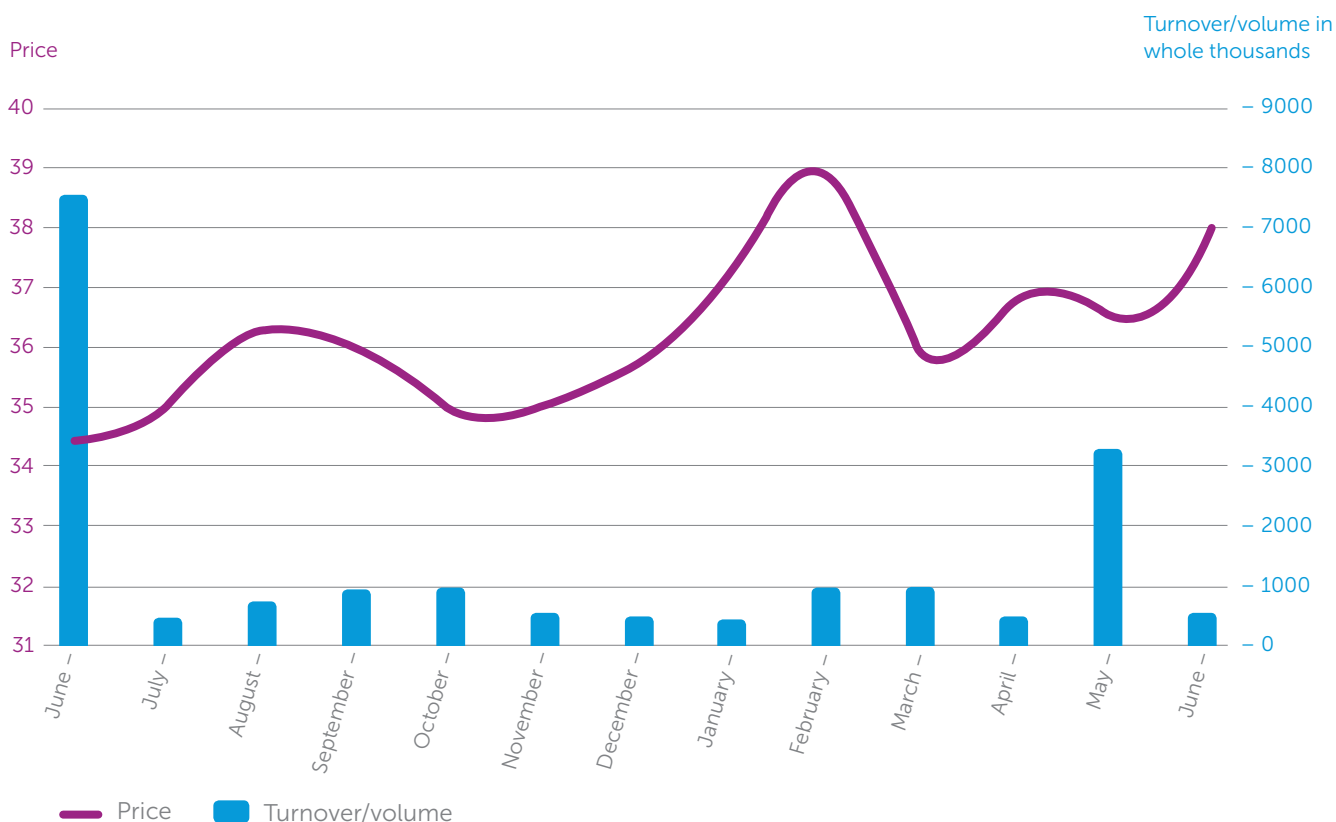
In the calculation of diluted earnings per equity certificate, the weighted average number of issued ordinary equity certificates in circulation is adjusted for the effect of converting potential equity certificates which could lead to dilution. The Bank has no potential equity certificates that could cause dilution at 30 June 2019. Diluted earnings per equity certificate are therefore equal to earnings per equity certificate.

	Parent bank
(NOK thousands)	30.06.2019
Based on profit/loss for the year divided between equity certificate holders and primary capital	295.930
Number of equity certificates issued	63.101
Earnings per equity certificate	2,63
Par value	15,00

Calculation of equity certificate fraction (based on OB 2019)

Adjusted primary capital	01.01.2019
Total equity	4.691.873
- fund for unrealised gains (FUG)	(9.879)
- subordinated bonds	(250.000)
- allocated dividends classified as equity	(186.149)
Total corrected primary capital	4.245.845
Equity certificate fraction	
Equity certificate capital	946.515
Share premium fund	1.026.427
Risk equalisation fund	411.299
Total equity certificate holders	2.384.241
Equity certificate fraction	56,15 %
Adjusted profit/loss for the year	30.06.2019
Profit/loss for the year	304.518
- corrected for interest on subordinated bonds posted directly to equity	(6.037)
- corrected for FUG	(2.551)
Adjusted profit/loss for the year	295.930

Change in price June 2018 – June 2019



20 largest shareholders

	Quantity	Share
SpareBank 1 Stiftelsen BV	13.642.787	21,62 %
Sparbankstiftelsen Nøtterøy-Tønsberg	10.925.503	17,31 %
Verdipapirfondet Eika	1.634.748	2,59 %
Pareto AS	1.532.868	2,43 %
Wenaasgruppen AS	920.000	1,46 %
Melesio Capital NYE AS	837.211	1,33 %
Bergen Kommunale Pensjonskasse	788.660	1,25 %
Catilina Invest AS	731.950	1,16 %
Landkreditt Utbytte	700.000	1,11 %
DNB Bank ASA	628.000	1,00 %
Sanden AS	588.000	0,93 %
JAG Holding AS	532.606	0,84 %
Salt Value AS	487.597	0,77 %
Foretaks konsulenter AS	411.230	0,65 %
Espedal & Co AS	393.357	0,62 %
Johansen Kjell Petter	362.000	0,57 %
Norgesinvestor Proto AS	332.500	0,53 %
Haugaland Kraft Pensjonskasse	332.367	0,53 %
Hausta Investor AS	330.000	0,52 %
Verdipapirfondet Nordea Norge	325.000	0,52 %
Total for 20 largest shareholders	36.436.384	57,74 %
Other owners	26.664.969	42,26 %
Equity certificates issued	63.101.353	100,00 %

Dividend policy

SpareBank 1 BV has the goal of achieving results that deliver a good return on the bank's equity. This will ensure its owners a competitive, stable, long-term return in terms of dividends and higher prices for its equity certificates.

Each year's profit will be distributed proportionately between the equity certificate capital and the primary capital fund based on their relative share of the bank's equity.

The bank's policy is that a minimum 50% of the equity certificate holders' share of each year's profit should be paid out as a cash dividend.

The following factors will be considered in determining the level of the total annual dividend from the Bank:

- The Bank's financial strength
- Financial performance
- External conditions
- Long-term goal of stable ownership fractions



Statements on future matters

The report contains statements about future conditions that reflect management's current view of certain future events and potential financial performance.

Although SpareBank 1 BV believes that the expectations expressed in such statements about the future are reasonable, there can be no guarantee that the expectation will prove to have been correct. Results could therefore vary greatly from those assumed in the statements regarding future conditions.

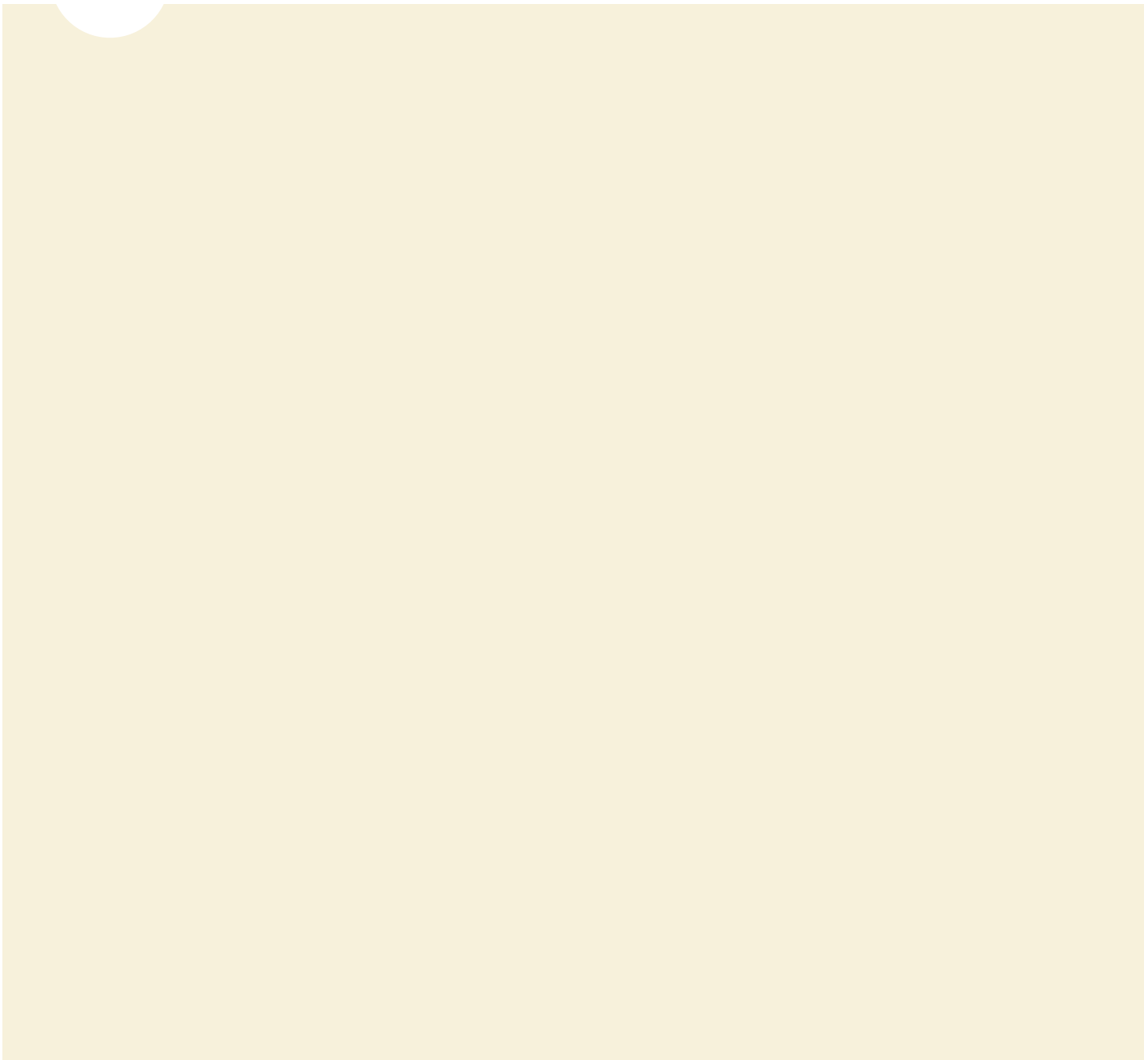
Important factors that can cause such differences for SpareBank 1 BV include, but are not limited to:

- (i) macroeconomic developments,
- (ii) changes in the market, and
- (iii) changes in interest rates.

This report does not mean that SpareBank 1 BV undertakes to revise these statements on future matters beyond that which is required by applicable law or applicable stock exchange rules if and when circumstances arise that will cause changes compared with the situation on the date when the statements were made.



Audit statement





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To the Board of Directors of SpareBank 1 BV

Report on Review of interim financial statement

We have reviewed the accompanying condensed balance sheet of SpareBank 1 BV as of 30 June 2019 which shows an equity of TNOK 4 901 705 for the parent company and TNOK 5 065 808 for the group, and the related condensed income statements for the six-month period of 1 January 2019 - 30 June 2019 which shows an interim result before tax of TNOK 361 783 for the parent company and TNOK 373 075 for the group, condensed statements of changes in equity, condensed statements of cash flows and explanatory notes (Interim Financial Statement). The Interim Financial Statement has been prepared by the management. The principles set out in the explanatory notes are used in the preparation of the interim financial statement. Our responsibility is to express a conclusion on this interim financial statement based on our review.

Responsibilities of the Board of Directors and the Managing Director for the Interim Financial Statement

The management is responsible for the preparation and fair presentation of the Interim Financial Statement in accordance with the principles set out in the explanatory notes.

Scope of Review

We conducted our review in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including the international standard 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*.

A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statement is not prepared, in all material respects, in accordance with the principles set out in the explanatory notes.

Oslo, 12 August 2019
KPMG

Svein Arthur Lyngroth
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

KONGSBERG · MJØNDALEN · LIER · DRAMMEN · HOLMESTRAND
HORTEN · TØNSBERG · NØTTERØY · SANDEFJORD · LARVIK