

2019

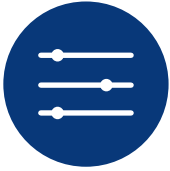
INTERIM REPORT FOR THE 3RD QUARTER

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.

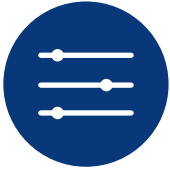
Our values

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 5.0% over the last 12 months, while overall market growth was 5.1% 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.

As at 30.09.2019, Eiendomsmegler 1 BV and Z-eiendom AS had a total housing turnover of NOK 5.9 billion spread across approx. 2,000 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.

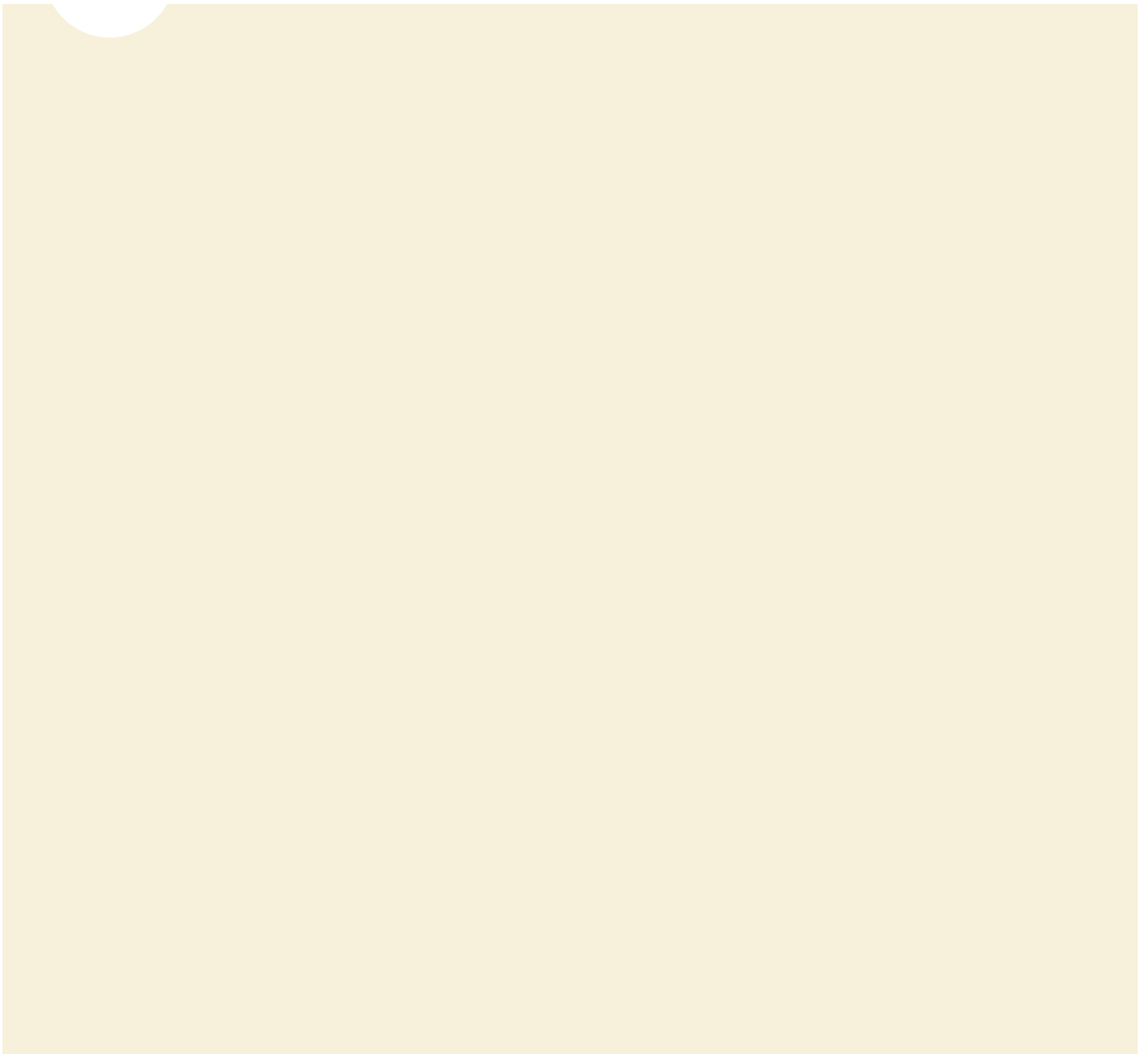
SpareBank 1 BV is a supplier of package solutions for financial services to businesses. Work is ongoing to put in place more digital sales and self-service packaged solutions for corporate customers.

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 Q3



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 3rd quarter

- Earnings after tax: NOK 111.6 million (126.6 million).
- Annualised return on equity: 9.3% (-11.3%).
- Net interest income: NOK 172.2 million (150.6 million).
- Net commission and other income: NOK 109.8 million (102.9 million).
- Net income from financial assets: NOK 2.6 million (28.9 million).
- Operating costs: NOK 134.8 million (131.8 million).
- Net losses on loans and guarantees: NOK 2.1 million (-8.1 million).

Highlights January – September

- Earnings after tax: NOK 426.2 million (511.5 million). See following items related to one-time effects.
- Annualised return on equity: 12.1% (15.8%).
- Net interest income: NOK 469.2 million (437.0 million).
- Net commission and other income: NOK 322.5 million (403.4 million).
 - The previous year included gains from sales of own office buildings for NOK 90.7 million.
- Net income from financial assets: NOK 156.0 million (109.6 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 421.2 million (316.9 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 5.8 million (10.0 million).
- Total growth in lending for last 12 months, including portfolio transferred to SpareBank 1 Boligkreditt/ Næringskreditt: 4.3% (9.6%).
- Deposit growth last 12 months: 12.3% (3.1%).
- Tier 1 capital ratio, proportional consolidation: 18.5% (18.1%).
- Common equity tier 1 capital, proportional consolidation: 16.9% (16.6%).
- Leverage ratio, proportional consolidation: 8.4% (8.1%).

Financial performance

Cumulative figures as at 30.09 unless explicitly stated otherwise.

Profit/loss

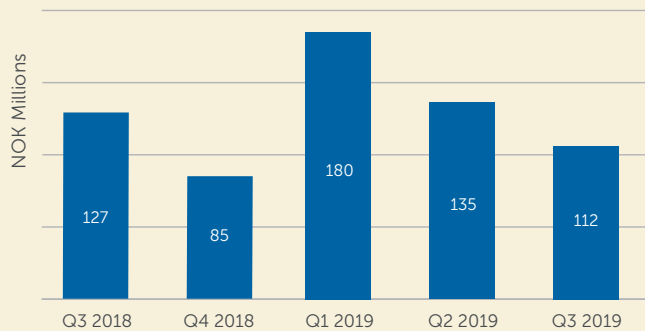
The SpareBank 1 BV Group had a net profit from ordinary operations before losses of NOK 526.5 million (633.1 million). Earnings after tax were NOK 426.2 million (511.5 million), which represents 1.50% (1.94%) of average total assets. The Group's annualised return on equity was 12.1% (15.8%).

The Group's annualised return on equity as at 30.09.2019 was heavily affected 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 10.0% (10.9%).

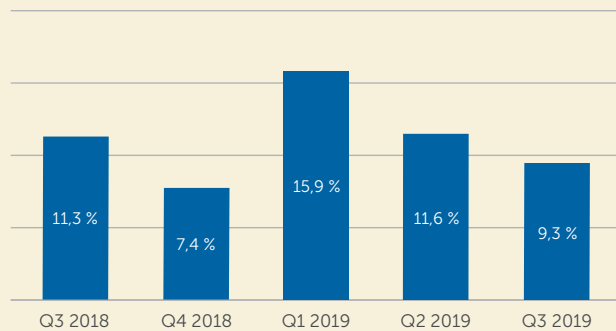
Earnings per equity certificate in the parent bank were NOK 3.46 (4.24).

Quarterly change in income after tax and return on equity:

Profit/loss after tax

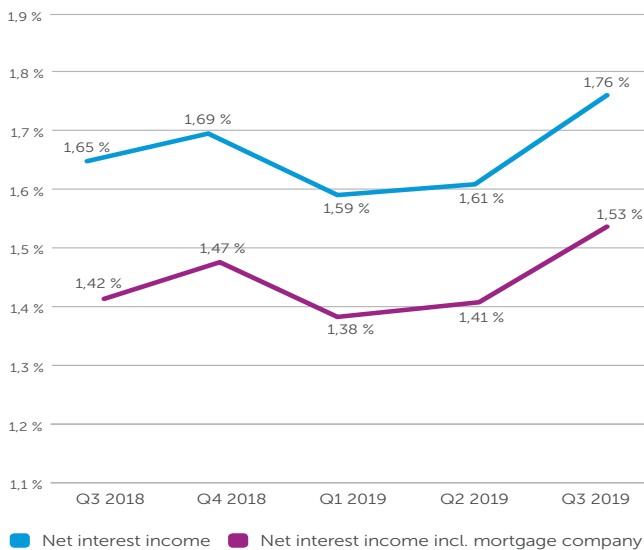


Return on equity



Net interest income

Quarterly change in net interest income:



Net interest income amounted to NOK 469.2 million (437.0 million). Net interest income as a percentage of average total assets was 1.65% (1.65%).

At the end of the quarter, the Bank had transferred mortgages worth NOK 12,009 million (11,742 million) to SpareBank 1 Boligkreditt AS, and NOK 549 million (98 million) to SpareBank 1 Næringskreditt AS. Earnings from these loan portfolios are shown under net commission income and amounted to NOK 74.3 million (70.9 million).

Lending rates increased by up to 0.25 percentage points in the third quarter. The interest rate change took full effect from September. Compared to the second quarter of 2019, net interest income (excluding

mortgage companies) increased by NOK 20.4 million (+0.15% 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 19 September, the bank has decided to increase deposit and lending rates by up to 0.25 percentage points from 14 November.

Net commission and other income

Net commission and other income totalled NOK 322.5 million (403.4 million).

Net commission income

Net commission income amounted to NOK 207.3 million (197.3 million).

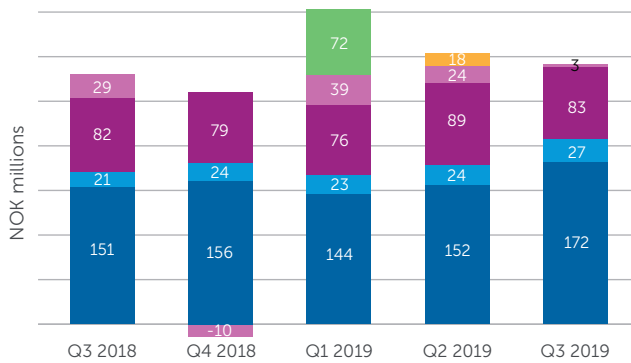
Other operating income

Other operating income amounted to NOK 115.2 million (206.0 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 156.0 million (109.6 million). The key items in 2019 are made up of dividends received totalling NOK 18.7 million (32.0 million) and net income from ownership interests of NOK 121.9 million (38.7 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 15.5 million (38.9 million). The Bank implemented a write-down totalling NOK 9.6 million during Q3 on a financial investment.

Quarterly change in income (NOK million);



- Net interest income
- Commission income from SB 1 Boligkreditt/Næringskreditt
- Net commission and other income
- Net income from financial assets
- Revaluation Eiendom SB1 Forsikring
- Profit in the future

Operating costs

Total operating costs were NOK 421.2 million (316.9 million). Operating costs as a percentage of total operating income for the Group came to 44.4% (33.4%). The corresponding cost ratio for the parent bank was 39.3% (27.1%).

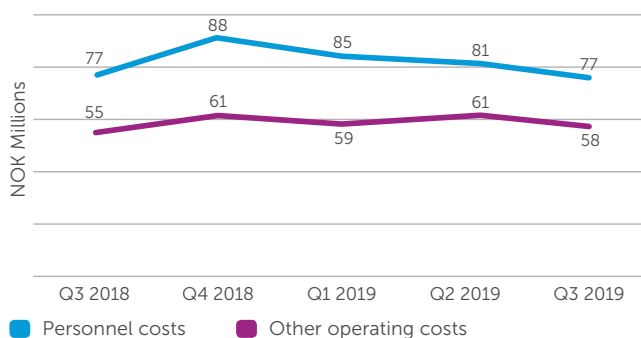
Personnel costs

Personnel costs amounted to NOK 243.5 million (149.2 million). The previous year includes a one-time effect from winding up defined-benefit pension schemes of NOK 92.2 million. Corrected for the positive one-off effect in 2018, the Group's personnel costs have increased by NOK 2.1 million or approx. 1% compared with the same period last year.

Other operating costs

Other operating costs amounted to NOK 177.6 million (167.7 million). The increase from last year is mainly related to innovation projects, as well as development/IT costs in the SpareBank 1 Alliance.

Quarterly change in operating costs (*):

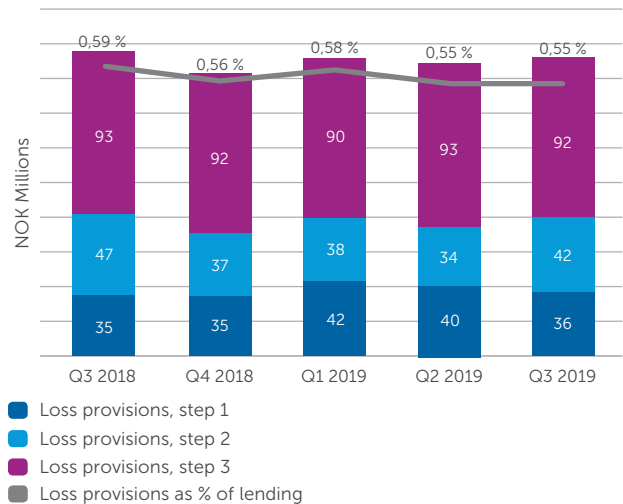


Losses and loss provisions

The bank has reported low net losses over a longer period of time. This is due to the good quality and stable development of the bank's lending portfolios in both the retail and corporate markets. Step three lending constitutes 0.60% (0.62%) of gross lending including loans transferred to SpareBank 1 Bolig og Næringskreditt.

Net losses on loans and guarantees amounted to NOK 5.8 million (10.0 million) as at 30 September. Net losses as a percentage of average gross lending amounted to 0.02% (0.04%).

Quarterly change in loss provisions (*);



(*). Loss provisions, step 1 are presented here prior to being reversed to fair value over extended profit/loss.

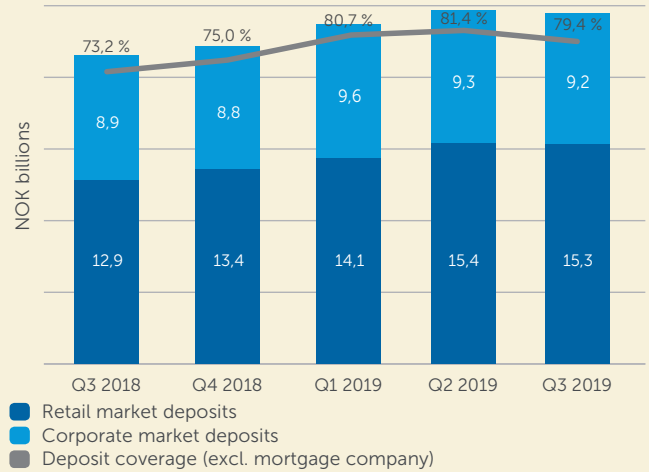
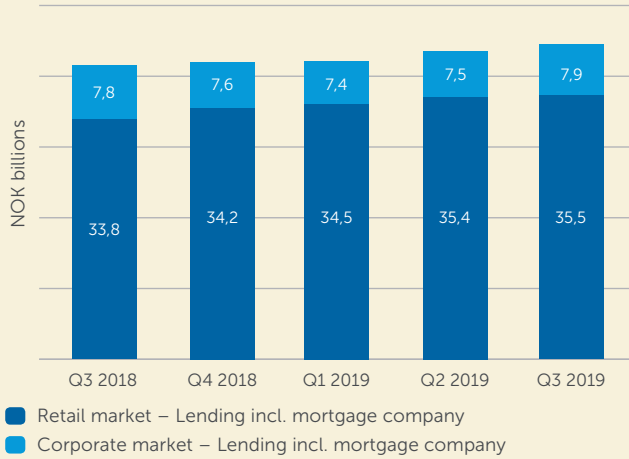
Balance sheet performance

The Group's total assets amounted to NOK 38,724 million. This represents an increase of NOK 2,240 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 51,283 million (48,324 million).

Lending and deposit performance

Gross lending (including volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS) amounted to NOK 43,373 million. In the last 12 months there has been an increase of NOK 1,782, equivalent to 4.3%. The growth was made up of NOK 1,692 million, or 5.0%, in the retail market and NOK 90 million, or 1.1%, in the corporate market. The retail market share of lending (including SpareBank 1 Boligkreditt) at the end of the quarter was 82% (81%).

Quarterly change in loans and deposits:



In September 2018, the bank launched new deposit products that have contributed to a positive growth in deposits. At the end of the quarter, the Group had a deposit volume of NOK 24,481 million (21,793 million) with deposit growth of 12.3% in the last 12 months. The growth was made up of NOK 2,404 million, or 18.6%, in the retail market and NOK 284 million, or 3.2%, in the corporate market. The Group had deposit coverage of 79.4%, compared with 73.2% at the same time last year. Including the volume transferred to SpareBank 1 Boligkreditt AS/SpareBank 1 Næringskreditt AS, deposit coverage amounts to 56.4% (52.4%). The retail market share of deposits at the end of the quarter was 63% (59%).

operations for a minimum of 12 months without access to external financing. As at 30 September, the Bank is well above this target. The bank can report a LCR of 199% (157%) as at 30 September.

At the end of the quarter, mortgage loans totalling NOK 12,009 million had been transferred to SpareBank 1 Boligkreditt AS, an increase of NOK 269 million from the start of year. As at 30 September, the Bank has a portfolio of loans approved for transfer to SpareBank 1 Boligkreditt AS worth NOK 10,000 million.

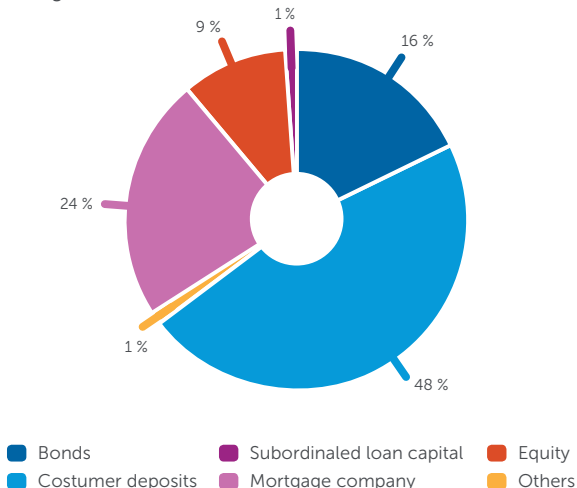
In 2019, the Group's target is to increase the average time to maturity of its bond debt to 3.0 years. At the end of the third quarter, the average term to maturity is 3.1 years.

Liquidity

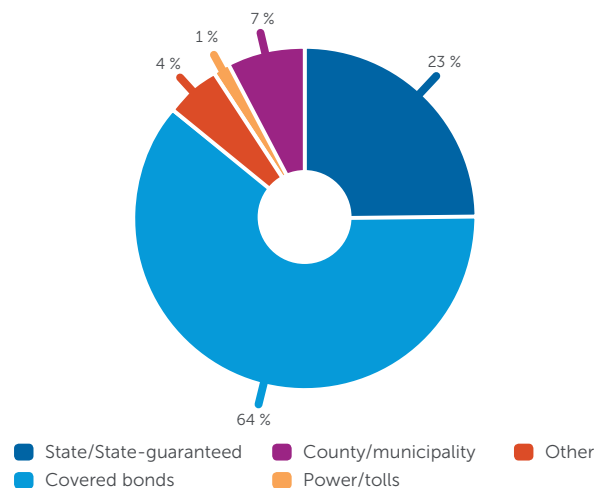
The Bank's liquidity situation at the end of the quarter is very good. The Bank has a liquidity portfolio of NOK 4,640 million as at 30 September. The Bank aims to keep the liquidity risk at a low level. In a normal market, SpareBank 1 BV's goal is to be able to maintain ordinary

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 third 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, which will rise by 0.5 percentage points to 2.5% as of 31 December 2019.

At the end of the quarter, the common equity tier 1 capital ratio was 16.9% (16.6%). The profit/loss for the period, assuming a dividend level of 50%, is included in the capital adequacy calculation as at 30 September. Unweighted tier 1 capital coverage (the leverage ratio) amounted to 8.4% (8.1%) at the end of the quarter. The regulatory requirement for unweighted tier 1 capital is 5.0%.

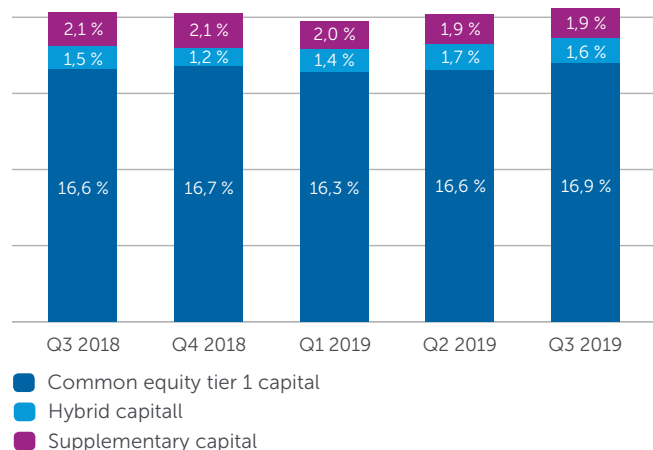
In its consultation note on changes in capital requirements for the banks, dated 25 June, the Ministry of Finance warned that the standard banks could be required to increase their systemic risk buffer by 1.5%, phased in at a rate of 0.5 percentage points per annum effective 31.12.2019. Additionally, the introduction of SME discounts for commitments of less than EUR 1.5 million and the removal of the Basel 1 floor for IRB banks is proposed as of 2020. The consultation

deadline expired on 30 September. The final decision on adopting amended capital requirements for IRB and standard banks is expected to be made during Q4 of 2019.

With regard to the preliminary estimated impact of the proposed capital requirement changes for SpareBank 1 BV, please refer to the separate statement from the Board during Q2 of 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.

Quarterly change in capital adequacy (proportional consolidation);



Subsidiaries

Excluding parent bank eliminations NOK millions	EiendomsMegler 1 BV AS		Z-Eiendom AS		SpareBank 1 Regnskapshuset BV AS		Other subsidiaries		Total subsidiaries	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Operating income	60.4	61.8	24.1	23.6	29.6	28.0	0.2	37.9	114.4	151.2
Operating costs	(53.9)	(53.8)	(20.4)	(19.7)	(25.3)	(24.6)	(0.7)	(1.5)	(100.3)	(99.6)
Financial items	0.0	(0.1)	0.0	(0.1)	(0.3)	(0.3)	(0.1)	(0.4)	(0.3)	(0.8)
Earnings before tax	6.6	7.9	3.7	3.8	4.0	3.1	(0.6)	36.1	13.7	50.8

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 during 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

The merger between SpareBank 1 Skadeforsikring and DNB Forsikring AS took effect on 1 January 2019, with SpareBank 1 Skadeforsikring the acquiring company. SpareBank 1 Gruppen AS has a stake of 65% and DNB ASA has a stake of 35% in Fremtind Forsikring AS. Please refer to our Q1 and Q2 reports in 2019 for details of the accountancy- and liquidity-related consequences of this transaction.

On 2 January 2019, Fremtind Forsikring AS was granted permission by the Financial Supervisory Authority of

Norway to operate a life insurance business through its wholly-owned subsidiary company Fremtind Livsforsikring AS. This means that individual personal risk insurance policies issued by SpareBank 1 Forsikring and DNB Livsforsikring, as well as company-paid personal risk insurance policies issued by SpareBank 1 Forsikring, will be transferred to Fremtind Livsforsikring. This merger will take effect on 1 January 2020.

It is based on a total value of the personal risk area of approx. NOK 6.25 billion. The merger will result in an increased stake for the SpareBank 1 Gruppen at group level. The majority share (the SpareBank 1 banks and LO) of this increase was approx. NOK 1.7 billion. SpareBank 1 BV's stake (3.04 %) in this increase constitutes approx. NOK 52 million and will be recognised during Q1 of 2020.

SpareBank 1 Gruppen AS (the parent company) will receive a tax-free gain of approximately NOK 950 million as a result of this transaction. SpareBank 1 Gruppen AS has increased its dividend base to match this gain. SpareBank 1 BV's share (3.04%) of a dividend on the approx. NOK 950 million will be approx. NOK 29 million.

DNB has an option to increase its stake in Fremtind Forsikring from 35% to 40% prior to 31 March 2020. If DNB exercises this option, SpareBank 1 Gruppen AS (the parent company) will make a gain of approx. NOK 850 million. SpareBank 1 Gruppen AS' dividend base will increase to match this gain.

Any extraordinary or ordinary dividend from SpareBank 1 Gruppen AS will be contingent upon the capital situation, decisions in the Company's governing bodies and the regulations for extraordinary dividends from financial services companies at the time in question.

Exercising this option will also result in increased equity for SpareBank 1 Gruppen at a group level. The majority share (the SpareBank 1 banks and LO) of this increase will be approx. NOK 570 million. SpareBank 1 BV's stake (3.04 %) in this increase constitutes approx. NOK 17 million and will be recognised during 2020.

It is noted that the calculations are based on estimated numbers at the present time.

Outlook for the future

The Board is satisfied with the profits recorded for the core business during Q3 of 2019. The changes in rates of interest adopted in August will take full effect during Q4. In addition, the adopted change in interest rates that will take effect from mid-November will have a positive effect on interest margins in the fourth quarter of 2019.

The Group is financially strong and has very good liquidity.

The EU's PSD2 Directive was implemented in Norway effective 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. SpareBank 1 banks currently offer Norway's best mobile banking services, which provides a good starting point for developing further and winning the battle for customers.

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. The Board believes that tighter capital requirements for standard banks in parallel with the removal of the Basel 1 floor for IRBA banks will cause some distortion of competition for the lending business in favour of Norwegian and Nordic banks with IRB approval.

The Financial Supervisory Authority of Norway has proposed substantial changes to the Mortgage

Regulation from 2020. The Board is of the view that the current Mortgage Regulation has worked as intended and that current developments do not necessitate any significant changes.

There remains good growth in the Norwegian economy and continued positive development is expected in 2019. Exports are currently benefitting exponentially from the very weak NOK at present. 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. Continued sluggish development of the NOK may result in increases to the Norges Bank key interest rate, but it is likely that the peak has been reached for interest rates in the medium-term.

It is assumed that higher interest rates, ongoing international unrest 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, 7 November 2019
The Board of Directors of SpareBank 1 BV

Finn Haugan
Chair of the Board

Heine Wang
Deputy Chair

Elisabeth Haug

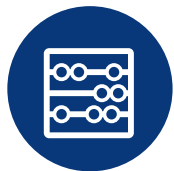
Janne Sølvi Weseth

Gisle Dahn

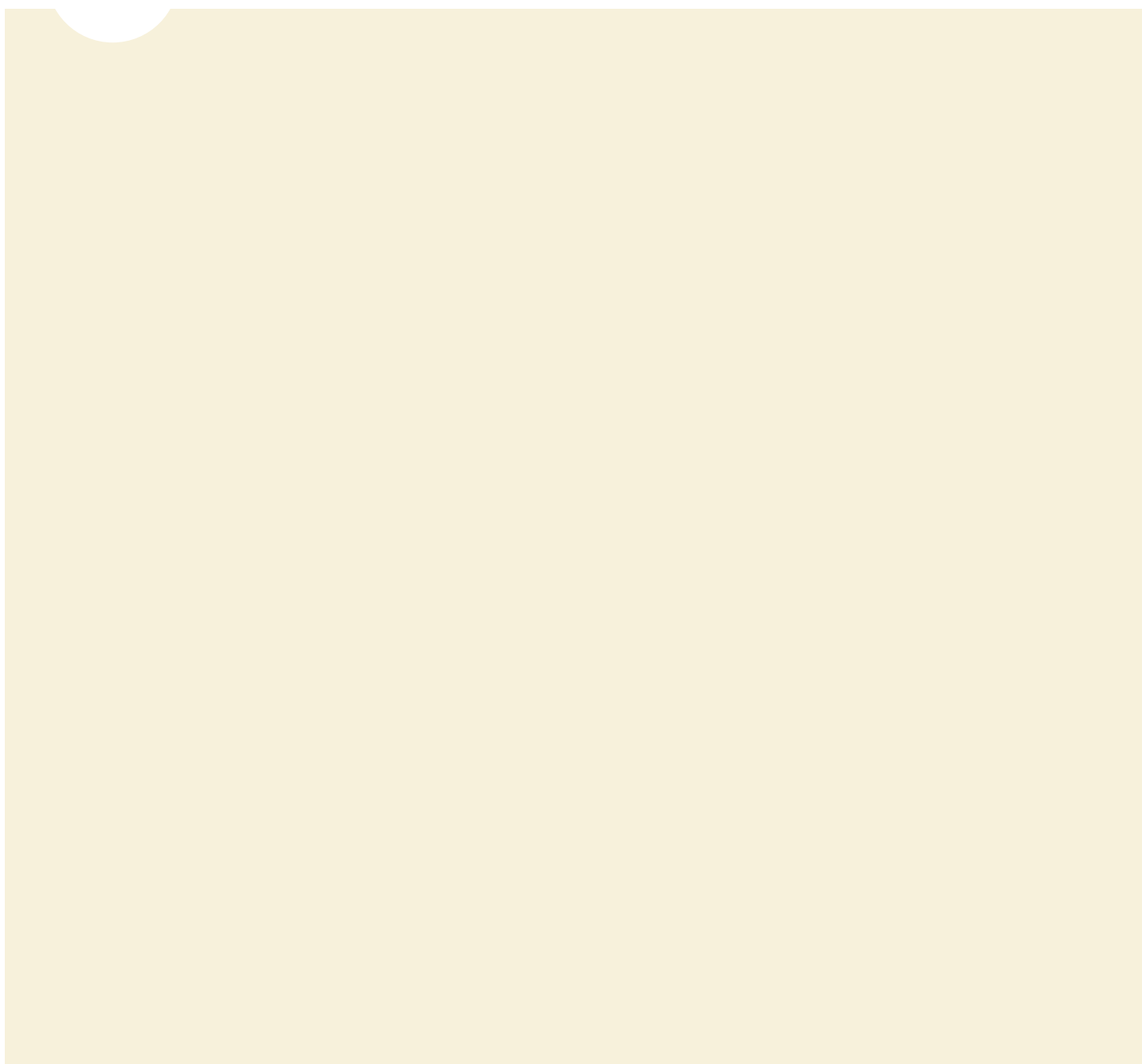
Hanne Myhre Gravdal
(Employee representative)

Geir A. Vestre
(Employee representative)

Rune Fjeldstad
Managing Director



Interim financial statements



Summary of results and key figures (Group)

(NOK thousands)	30.09.2019	%	30.09.2018	%	31.12.2018	%
Net interest income	469,179	1.65	437,013	1.65	592,916	1.67
Net commission and other income	322,527	1.14	403,358	1.53	506,706	1.42
Net income from financial assets	156,012	0.55	109,596	0.41	99,208	0.28
Total net income	947,717	3.34	949,968	3.60	1,198,830	3.37
Total operating costs	421,170	1.49	316,873	1.20	466,182	1.31
Earnings before losses/profit before losses and tax	526,548	1.86	633,095	2.40	732,648	2.06
Losses on loans and guarantees	5,838	0.02	10,024	0.04	650	0.00
Earnings before tax	520,709	1.84	623,071	2.36	731,998	2.06
Tax costs	94,465	0.33	111,524	0.42	135,912	0.38
Earnings after tax	426,245	1.50	511,546	1.94	596,086	1.67
Total other profit/loss items recognised in equity	7,787	0.03	(9,995)	-0.04	3,404	0.01
Total profit/loss	434,031	1.53	501,551	1.90	599,490	1.68
	30.09.2019		30.09.2018		31.12.2018	
Profitability						
Return on equity, profit/loss before other earnings ¹	12.1%		15.8%		13.6%	
Return on equity, comprehensive income	12.3%		15.5%		13.7%	
Cost-income ratio ²	44.4%		33.4%		38.9%	
Cost-income ratio excl. financial investments	53.2%		37.7%		42.4%	
Balance sheet figures						
Gross lending to customers	30,814,164		29,751,161		29,531,949	
Gross lending to customers incl. SpareBank 1 Boligkreditt/Næringskreditt	43,372,938		41,591,292		41,854,035	
Deposits from customers	24,480,954		21,792,564		22,138,580	
Deposit coverage	79.4%		73.2%		75.0%	
LCR (liquidity coverage ratio), liquidity reserve	199.0%		157.0%		206.0%	
Loan growth incl. SpareBank 1 Boligkreditt/Næringskreditt last 12 months	4.3%		9.6%		8.2%	
Deposit growth last 12 months	12.3%		3.1%		5.4%	
Total assets	38,723,976		36,484,227		36,580,907	
Business capital (incl. Sparebank 1 Boligkreditt/Næringskreditt)	51,282,751		48,324,358		48,902,992	
	30.09.2019		30.09.2018		31.12.2018	

Loss				
Loss rate on lending ³	0.02%	0.04%	0.00%	
Loans in step 3 as % of gross lending	0.84%	0.87%	1.08%	
Loss (incl. Sparebank 1 Boligkreditt/Næringskreditt)				
Loss rate on lending ³ (incl. Sparebank 1 Boligkreditt/Næringskreditt)	0.01%	0.02%	0.00%	
Loans in group 3 as % of gross lending (incl. Sparebank 1 Boligkreditt/Næringskreditt)	0.60%	0.62%	0.76%	
Financial strength in terms of proportional consolidation				
Capital adequacy ratio	20.4%	20.2%	20.0%	
Tier 1 capital ratio	18.5%	18.1%	17.9%	
Common equity tier 1 capital ratio	16.9%	16.6%	16.7%	
Net primary capital	5,405,384	4,995,803	4,988,542	
Tier 1 capital	4,887,853	4,468,227	4,470,112	
Common equity tier 1 capital ratio	4,471,327	4,096,702	4,160,617	
Basis for calculation	26,468,663	24,742,333	24,917,577	
Leverage ratio, proportional consolidation	8.4%	8.1%	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)	228	229	227	
Number of FTEs, Group (avg. YTD)	336	340	335	
Equity certificates	30.09.2019	30.09.2018	31.12.2018	31.12.2017
Equity certificate fractions	56.15%	57.99%	57.99%	59.45%
Market price	37.40	36.10	35.60	33.90
Market value (NOK thousands)	2,359,991	2,277,959	2,246,408	2,139,136
Recognised equity per certificate (parent bank)	41.24	39.96	40.73	38.11
Recognised equity per certificate (Group)	42.80	41.23	42.06	39.15
Earnings per equity certificate (parent bank) ⁴	3.46	4.24	4.98	4.03
Earnings per equity certificate (Group) ⁴	3.65	4.59	5.40	3.84
Dividend per equity certificate	-	-	2.95	2.40
Price/earnings per equity certificate (parent bank)	10.82	8.51	7.15	8.41
Price/earnings per equity certificate (Group)	10.24	7.87	6.59	8.83
Price/recognised equity (parent bank)	0.91	0.90	0.87	0.89
Price/recognised equity (Group)	0.87	0.88%	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.

Income Statement IFRS

Parent bank					Group						
31.12.18	Q3/2018	Q3/2019	30.09.18	30.09.19	(NOK thousands)	Note	30.09.19	30.09.18	Q3/2019	Q3/2018	31.12.18
124,073	31,618	38,256	87,445	113,066	Interest income measured at fair value		113,066	87,445	38,256	31,618	124,073
819,505	207,451	255,379	603,531	696,311	Interest income measured at amortised cost		696,894	603,520	255,626	207,650	819,349
-	-	-	-	-	Interest income						
349,855	88,528	121,442	253,730	339,962	Interest costs		340,781	253,952	121,725	88,758	350,506
593,723	150,541	172,193	437,246	469,415	Net interest income		469,179	437,013	172,156	150,510	592,916
281,605	69,192	78,654	208,717	219,994	Commission income		219,994	208,717	78,654	69,192	281,605
15,372	3,703	4,177	11,384	12,693	Commission costs		12,693	11,384	4,177	3,703	15,372
18,789	1,299	1,178	17,479	4,515	Other operating income		115,226	206,026	35,353	37,427	240,473
285,022	66,787	75,654	214,812	211,816	Net commission and other income		322,527	403,358	109,829	102,916	506,706
76,586	4,351	14	76,586	121,925	Dividends		18,654	31,988	14	4,351	31,988
42,571	-	-	42,571	7,536	Net income from ownership interests	18	121,894	38,662	10,588	13,157	47,816
21,136	11,424	(7,996)	40,495	15,464	Net income from other financial investments	11	15,464	38,946	(7,996)	11,424	19,405
140,293	15,775	(7,982)	159,652	144,925	Net income from financial assets		156,012	109,596	2,606	28,932	99,208
1,019,039	233,103	239,865	811,710	826,156	Total net income		947,717	949,968	284,591	282,358	1,198,830
132,153	49,755	51,055	70,634	163,554	Personnel costs		243,540	149,178	76,912	76,674	237,426
204,310	49,757	52,612	149,197	160,721	Other operating costs		177,630	167,695	57,907	55,154	228,756
336,463	99,512	103,667	219,831	324,276	Total operating costs		421,170	316,873	134,818	131,827	466,182
682,576	133,592	136,198	591,879	501,881	Earnings before losses and tax		526,548	633,095	149,773	150,531	732,648
1,250	(8,074)	2,339	10,424	6,238	Losses on loans and guarantees	2	5,838	10,024	2,139	(8,074)	650
681,326	141,665	133,860	581,455	495,642	Earnings before tax		520,709	623,071	147,634	158,604	731,998
132,750	31,100	35,350	108,344	92,614	Tax costs		94,465	111,524	36,081	32,017	135,912
548,576	110,565	98,510	473,111	403,028	Earnings before other profit/loss items		426,245	511,546	111,553	126,587	596,086
					Majority share of profit		425,090	510,379	111,130	126,195	594,891
					Minority share of profit		1,155	1,167	423	392	1,195
					Items reversed through profit/loss						
-	-	-	-	-	Change in carrying value JVs/associates/subsidiaries		-	(9,995)	-	22	-
-	-	7,787	-	7,787	Value changes on lending classified at fair value		7,787	-	7,787		
					Items not reversed through profit/loss						
3,458	-	-	-	-	Estimation difference, IAS 19 Pensions		-	-	-	-	3,404
3,458	-	7,787	-	7,787	Total other profit/loss items recognised in equity *		7,787	(9,995)	7,787	22	3,404
552,034	110,565	106,297	473,111	410,815	Total profit/loss		434,031	501,551	119,340	126,609	599,490
					Majority share of profit		432,877	500,384	-	-	598,295
					Minority share of profit		1,155	1,167	-	-	1,195
4.98	0.99	0.82	4.24	3.46	Earnings before other profit/loss items per equity certificate		3.65	4.59	0.94	1.13	5.40

Balance sheet

Parent bank			Group				
31.12.2018	30.09.2018	30.09.2019	(NOK thousands)	Note	30.09.2019	30.09.2018	31.12.2018
98,026	95,654	101,035	Cash and receivables from central banks		101,035	95,654	98,026
992,490	687,294	861,185	Loans to and receivables from credit institutions		911,256	712,503	1,024,799
29,398,101	29,609,303	30,685,832	Net lending to customers	3, 4, 8	30,663,108	29,583,908	29,374,483
			Certificates, bonds and other securities at fair value		4,819,790	4,167,438	4,033,240
4,033,240	4,167,438	4,819,790	Stocks, shares and other equity interests		1,392,364	1,213,424	1,320,974
1,320,974	1,213,424	1,392,364	Ownership interests in Group companies		-	-	-
36,682	36,682	36,682	Ownership interests in joint ventures and associated companies		610,909	513,306	530,270
391,414	391,414	454,943	Tangible assets	18	126,961	35,572	34,919
24,841	25,329	100,769	Goodwill		24,654	24,654	24,654
-	-	-	Deferred tax assets		9,989	18,102	12,633
11,911	16,836	9,316	Other assets	5, 10	63,909	119,664	126,910
109,904	84,564	50,481					
36,417,583	36,327,939	38,512,399	Total assets		38,723,976	36,484,227	36,580,907
-	112,333	-	Deposits from credit institutions		-	112,333	-
22,162,337	21,809,790	24,495,069	Deposits from customers	7	24,480,954	21,792,564	22,138,580
8,756,890	8,991,797	8,090,005	Debt from the issuance of securities	12	8,090,005	8,991,797	8,756,890
115,816	109,029	119,317	Tax payable		121,681	112,147	118,418
245,410	245,583	392,099	Other liabilities	6, 3, 10	438,215	276,378	273,328
445,258	444,618	443,692	Subordinated loan capital	12	443,692	444,618	445,258
31,725,711	31,713,151	33,540,182	Total debt		33,574,547	31,729,838	31,732,473
946,516	946,194	946,501	Equity share capital		946,501	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	316,000	Hybrid capital		316,000	250,000	250,000
186,149	(28)	-	Other equity		153,455	100,804	341,129
-	461,832	400,508	Unallocated		422,570	499,100	-
-	-	-	Minority share		1,696	1,501	1,581
4,691,873	4,614,788	4,972,217	Total equity		5,149,430	4,754,389	4,848,433
36,417,583	36,327,939	38,512,399	Debt and equity		38,723,976	36,484,227	36,580,907

Results from quarterly financial statements

Group

(NOK thousands)	Q3/2019	Q2/2019	Q1/2019	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	Q3/2017
Interest income	293,881	267,182	248,896	252,456	239,268	232,726	218,971	220,189	216,640
Interest costs	121,725	115,442	103,614	96,554	88,758	86,595	78,599	76,007	74,469
Net interest income	172,156	151,740	145,283	155,903	150,510	146,131	140,372	144,182	142,171
Commission income	78,654	72,771	68,569	72,889	69,192	67,963	71,562	72,900	73,777
Commission costs	4,177	4,331	4,185	3,988	3,703	4,249	3,431	4,031	3,660
Other operating income	35,353	44,993	34,880	34,447	37,427	64,061	104,537	32,845	31,644
Net commission and other income	109,829	113,434	99,265	103,348	102,916	127,775	172,668	101,714	101,761
Dividends	14	2,270	16,370	-	4,351	9,055	18,582	6,474	(385)
Net income from ownership interests	10,588	31,680	79,626	9,154	13,157	15,291	10,215	24,252	14,776
Net income from other financial investments	(7,996)	8,567	14,894	(19,542)	11,424	27,255	267	14,464	26,385
Net income from financial assets	2,606	42,516	110,889	(10,388)	28,932	51,600	29,063	45,191	40,776
Total net income	284,591	307,690	355,436	248,862	282,358	325,506	342,104	291,087	284,709
Personnel costs	76,912	81,144	85,485	88,248	76,674	(14,432)	86,936	96,464	89,499
Other operating costs	57,907	60,503	59,220	61,061	55,154	57,421	55,120	62,626	52,750
Total operating costs	134,818	141,647	144,704	149,310	131,827	42,989	142,056	159,091	142,249
Earnings before losses and tax	149,773	166,043	210,732	99,553	150,531	282,517	200,048	131,996	142,459
Losses on loans and guarantees	2,139	(2,108)	5,808	(9,374)	(8,074)	11,294	6,804	(7,377)	1,849
Earnings before tax	147,634	168,151	204,924	108,927	158,604	271,223	193,244	139,374	140,611
Tax costs	36,081	33,502	24,882	24,387	32,017	50,689	28,818	21,211	25,560
Earnings before other profit/loss items	111,553	134,649	180,042	84,540	126,587	220,534	164,426	118,163	115,051
Parent bank									
Earnings per equity certificate (quarter in isolation)	0.82	1.76	0.87	0.73	0.99	2.42	0.83	0.91	0.90
Diluted earnings per equity certificate (quarter in isolation)	0.82	1.76	0.87	0.73	0.99	2.42	0.83	0.91	0.90

Change in equity as at Q3/2019

Group											
(NOK thousands)	Ownership interest ¹	Share premium fund	Risk 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
Employee equity certificate savings scheme	(15)	-	-	-	-	-	-	-	-	-	(15)
Interest costs on subordinated bonds reclassified as equity	-	-	-	-	-	-	-	-	(10,306)	-	(10,306)
Issued subordinated bond	-	-	-	-	-	-	150,000	-	-	-	150,000
Buy-back and subordinated bond maturity	-	-	-	-	-	-	(84,000)	-	-	-	(84,000)
Dividends from 2018, for payment 2019	-	-	-	-	-	-	-	(186,149)	-	(1,040)	(187,189)
Change in carrying value JVs/ associates/subsidiaries	-	-	-	-	-	-	-	(1,524)	-	-	(1,524)
Earnings before other profit/loss items	-	-	-	-	-	-	-	-	425,090	1,155	426,245
<i>Items not reversed through profit/loss</i>											
Value changes on lending classified at fair value	-	-	-	-	-	-	-	-	7,787	-	7,787
Equity at 30.09.19	946,501	1,026,427	411,299	6,540	1,855,062	9,879	316,000	153,455	422,570	1,696	5,149,430

1. The equity share capital has been deducted 20' in own holdings

Parent bank

(NOK thousands)	Ownership interest ¹	Share premium fund	Risk 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
Employee equity certificate savings scheme	(15)	-	-	-	-	-	-	-	-	(15)
Interest costs on subordinated bonds reclassified as equity	-	-	-	-	-	-	-	-	(10,306)	(10,306)
Issued subordinated bond	-	-	-	-	-	-	150,000	-	-	150,000
Buy-back and subordinated bond maturity	-	-	-	-	-	-	(84,000)	-	-	(84,000)
Dividends from 2018, for payment 2019	-	-	-	-	-	-	-	(186,149)	-	(186,149)
Earnings before other profit/loss items	-	-	-	-	-	-	-	-	403,028	403,028
<i>Items reversed through profit/loss:</i>										
Value changes on lending classified at fair value	-	-	-	-	-	-	-	-	7,787	7,787
Equity at 30.09.2019	946,501	1,026,427	411,299	6,540	1,855,062	9,879	316,000	-	400,508	4,972,217

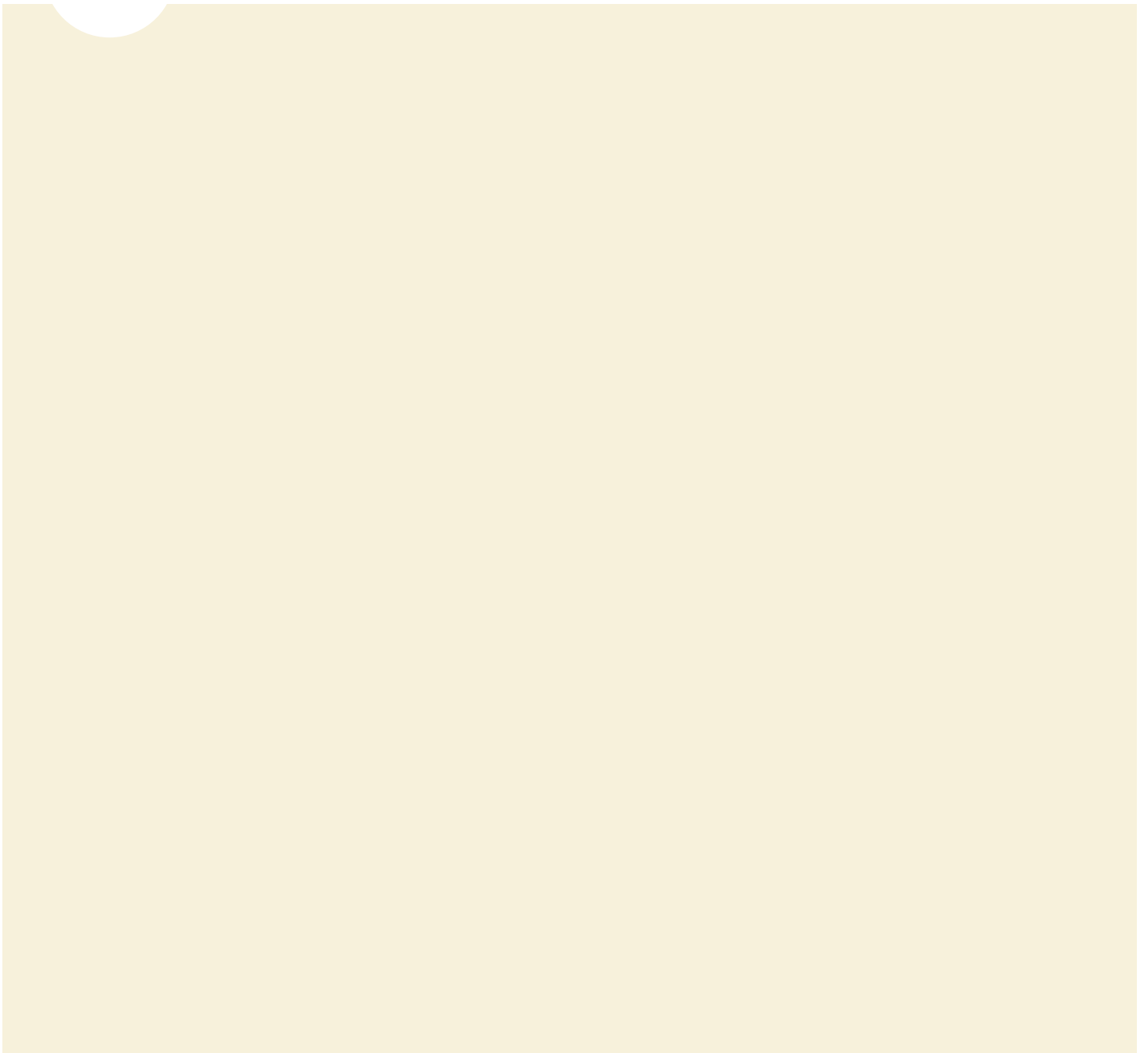
1. The equity share capital has been deducted 20' in own holdings

Cash flow statement

Parent bank				Group		
31.12.2018	30.09.2018	30.09.2019	(NOK thousands)	30.09.2019	30.09.2018	31.12.2018
681,326	581,455	495,642	Profit/loss for the year before tax	520,709	623,071	731,998
(158,056)	(156,132)	(187,950)	Dividends/endowments paid	(188,470)	(156,132)	(159,661)
29,094	8,639	(26,424)	Value changes to financial assets measured at fair value	(26,424)	8,639	29,094
6,516	5,051	16,209	Depreciation and impairments	20,608	6,324	8,192
1,250	10,424	6,238	Losses on loans	5,838	10,024	650
(103,547)	(86,241)	(103,757)	Taxes payable	(105,104)	(98,351)	(115,657)
456,583	375,934	199,957	Cash flow from operations before change in current assets and current liabilities	227,157	406,314	494,616
(2,076,709)	(2,287,349)	(1,278,439)	Change in lending/and other assets	(1,279,333)	(2,283,044)	(2,074,180)
1,123,353	862,268	2,467,209	Change in deposits from customers	2,476,851	882,599	1,137,153
(111,984)	349	-	Change in debt to credit institutions	-	349	(111,984)
(237,037)	(365,649)	(783,832)	Change in certificates and bonds	(783,832)	(365,649)	(237,037)
(26,207)	(866)	59,423	Change in other receivables	63,001	(18,344)	(25,590)
(114,404)	(217,093)	32,148	Change in other current liabilities	48,009	(219,571)	(110,022)
(986,405)	(1,632,406)	696,467	A Net cash flow from operations	751,854	(1,597,346)	(927,044)
			Cash flow from investment activities			
54,899	43,138	(92,137)	Change in tangible assets	(112,650)	109,729	121,253
(101,430)	17,750	(121,742)	Change in shares and ownership interests	(138,852)	(76,454)	(212,599)
(46,531)	60,888	(213,879)	B Net cash flow from investment activities	(251,502)	33,275	(91,346)
			Cash flow from financing activities			
922,081	1,152,032	(664,355)	Change in borrowing, securities	(664,355)	1,152,032	922,081
(51,555)	(53,118)	(2,223)	Change in borrowing, subordinated loans	(2,223)	(53,118)	(51,555)
(111,543)	(108,918)	55,694	Change in hybrid capital over equity	55,694	(108,918)	(111,543)
758,983	989,996	(610,884)	C Net cash flow from financing activities	(610,884)	989,996	758,983
(273,954)	(581,522)	(128,296)	A + B + C Net change in cash and cash equivalents for the year	(110,533)	(574,075)	(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	782,948	962,220	Cash balance on end of period	1,012,292	808,157	1,122,825
(273,954)	(581,522)	(128,296)	Net change in cash and cash equivalents for the year	(110,533)	(574,075)	(259,407)



Notes to the financial statements



Note 1

Accounting policies

The interim report for SpareBank 1 BV covers the period 1 January 2019 - 30 September 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.

Reassessment/change in measurement method IFRS9/IFRS13

Upon implementation of IFRS 9, the bank classified and measured mortgages that were not to be transferred to the Boligkreditt company at amortised cost in accordance with IFRS 9.4.1.2. In the case of mortgages to be transferred to the Boligkreditt company, these were classified and measured at fair value over the profit/loss in accordance with IFRS 9.4.1.4. As of Q3 in 2019, lending to and receivables from customers with floating rates of interest secured on residential property

were measured and classified at fair value with value changes over other income and costs (OCI). This is because the business model's purpose is considered to be to receive contractual cash flows and sales of loans (transfer of mortgages to SB1 Boligkreditt AS).

The fair value of such mortgages is understood to be:

- Loans in loss category 1 - the loan's nominal value (not equal to amortised cost)
- Loan in loss category 2, and 3J - the loan's nominal value decreases by the expected losses (= amortised cost)
- Loans in loss category 3K - the loan's nominal value decreases by individual loss provisions (= amortised cost)

The effect of this reassessment (not the change in principle) as at 30.09.2019 amounts to NOK 10.4 million before tax and has been adjusted in its entirety to the fair value over OCI in the accounts for Q3/2019.

The aforementioned reassessment takes effect in the presentation of Notes 3, 8 and 17 in the interim financial statements.

Note 2

Losses on loans and guarantees

Parent bank				Group		
31.12.2018	30.09.2018	30.09.2019	(NOK thousands)	30.09.2019	30.09.2018	31.12.2018
596	(73)	795	Change in the period in loss provisions, group 1	795	(73)	596
(13,198)	(3,093)	4,334	Change in the period in loss provisions, group 2	4,334	(3,093)	(13,198)
10,593	11,023	(13)	Change in the period in loss provisions, group 3	(413)	10,623	9,993
4,469	4,469	-	Losses for the period with previous write-downs	-	4,469	4,469
(199)	(409)	1,815	Losses for the period with previous write-downs	1,815	(409)	(199)
(183)	(168)	394	Previously recognised write-downs at start of period.	394	(168)	(183)
(828)	(1,324)	(1,088)	Other corrections/amortisation of write-downs	(1,088)	(1,324)	(828)
1,250	10,424	6,238	Losses for the period on loans and guarantees	5,838	10,024	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	9,526	(6,926)	(2,600)	-
Loss provisions transferred to group 2	(2,936)	5,709	(2,773)	-
Loss provisions transferred to group 3	(171)	(2,104)	2,275	-
New issued or purchased financial assets	16,853	4,530	2,609	23,991
Increase in drawing on existing loans	3,820	18,360	15,950	38,130
Reduction in drawing on existing loans	(15,365)	(7,009)	(10,543)	(32,917)
Financial assets that have been deducted	(10,931)	(8,225)	(4,931)	(24,087)
30.09.2019	36,059	41,535	96,497	174,092
(*) reversal of loss provisions related to fair value over extended profit/loss *	-10,383	-	-	-10,383
Loss provisions recognised as at 30.09.2019	25,676	41,535	96,497	163,709
Of which: loss provisions on capitalised loans	20,307	40,147	95,576	156,031
Of which: loss provisions on unused credits and guarantees	5,369	1,389	921	7,679
Of which: loss provisions, retail market - Amortised cost	1,096	16,718	19,503	37,318
Of which: loss provisions, corporate market - Amortised cost	24,580	24,817	76,994	126,392

*) Please refer to Note 1 for comments regarding reassessment/changes in measurement method as at 30.09.2019.

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	9,526	(6,926)	(2,600)	-
Loss provisions transferred to group 2	(2,936)	5,709	(2,773)	-
Loss provisions transferred to group 3	(171)	(2,104)	2,275	-
New issued or purchased financial assets	16,853	4,530	2,609	23,991
Increase in drawing on existing loans	3,820	18,360	15,550	37,730
Reduction in drawing on existing loans	(15,365)	(7,009)	(10,543)	(32,917)
Financial assets that have been deducted	(10,931)	(8,225)	(4,931)	(24,087)
30.09.2019	36,059	41,535	91,522	169,117
- reversal of loss provisions related to fair value over extended profit/loss *	-10,383	-	-	-10,383
Loss provisions recognised as at 30.09.2019	25,676	41,535	91,522	158,734
Of which: loss provisions on capitalised loans	20,307	40,147	90,601	151,056
Of which: loss provisions on unused credits and guarantees	5,369	1,389	921	7,679
Of which: loss provisions, retail market - Amortised cost	1,096	16,718	19,503	37,318
Of which: loss provisions, corporate market - Amortised cost	24,580	24,817	72,019	121,417

*) Please refer to Note 1 for comments regarding reassessment/changes in measurement method as at 30.09.2019.

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	474,400	(467,683)	(6,717)	-
Loans transferred to group 2	(803,665)	813,849	(10,184)	-
Loans transferred to group 3	(18,119)	(43,755)	61,875	-
New issued or purchased financial assets	12,068,561	342,231	13,377	12,424,169
Increase in drawing on existing loans	286,619	58,867	7,957	353,443
Reduction in drawing on existing loans	(786,360)	(68,641)	(98,768)	(953,769)
Financial assets that have been deducted	(9,242,538)	(504,163)	(28,585)	(9,775,286)
30.09.2019	26,992,826	1,814,117	273,659	29,080,602
Loss provisions as % of gross lending	0.13%	2.29%	35.26%	0.60%

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	474,400	(467,683)	(6,717)	-
Loans transferred to group 2	(803,665)	813,849	(10,184)	-
Loans transferred to group 3	(18,119)	(43,755)	61,875	-
New issued or purchased financial assets	12,068,561	342,231	13,377	12,424,169
Increase in drawing on existing loans	286,774	58,867	7,698	353,339
Reduction in drawing on existing loans	(785,762)	(68,641)	(98,768)	(953,171)
Financial assets that have been deducted	(9,242,538)	(504,163)	(28,585)	(9,775,286)
30.09.2019	26,980,697	1,814,117	258,088	29,052,903
Loss provisions as % of gross lending	0.13%	2.29%	35.46%	0.58%

Note 5

Other assets

Parent bank				(NOK thousands)	Group		
31.12.2018	30.09.2018	30.09.2019			30.09.2019	30.09.2018	31.12.2018
15,173	16,429	14,562		Prepaid, unaccrued costs, and accrued income not yet received	25,822	37,825	30,884
46,061	20,894	4,094		Other assets	6,262	34,599	47,355
48,670	47,241	31,825		Derivatives and other financial instruments at fair value	31,825	47,241	48,670
109,904	84,564	50,481		Total other assets	63,909	119,664	126,910

Note 6

Other liabilities

Parent bank			(NOK thousands)	Group		
31.12.2018	30.09.2018	30.09.2019		30.09.2019	30.09.2018	31.12.2018
55,481	39,961	42,264	Accrued expenses and unaccrued income received	53,455	39,872	55,175
56,779	55,570	61,377	Provision for accrued expenses and liabilities	60,635	54,920	56,037
94,070	87,443	248,894	Other liabilities	284,560	118,977	123,035
39,080	62,610	39,565	Derivatives and other financial instruments at fair value	39,565	62,610	39,080
245,410	245,583	392,099	Total other debt	438,215	276,378	273,328

Note 7

Deposits from customers broken down by sector and industry

Parent bank			(NOK thousands)	Group		
31.12.2018	30.09.2018	30.09.2019		30.09.2019	30.09.2018	31.12.2018
13,350,242	12,908,484	15,312,530	Salaried staff, etc.	15,312,530	12,908,484	13,350,242
2,822,879	3,133,206	3,102,206	Property management/business services, etc.	3,088,090	3,115,980	2,799,122
750,927	733,457	742,784	Merchandising/hotels and restaurants	742,784	733,457	750,927
180,879	175,662	205,126	Agriculture/forestry	205,126	175,662	180,879
593,131	436,234	559,893	Building and construction	559,893	436,234	593,131
1,201,043	1,399,856	1,352,291	Transport and service Industries	1,352,291	1,399,856	1,201,043
197,312	153,686	281,425	Production (manufacturing)	281,425	153,686	197,312
1,930,624	2,114,442	2,500,858	Public administration	2,500,858	2,114,442	1,930,624
1,135,300	754,763	437,956	Abroad and others	437,956	754,763	1,135,300
22,162,337	21,809,790	24,495,069	Total deposits	24,480,954	21,792,564	22,138,580

Note 8

Lending to customers broken down by sector and industry

Parent bank			(NOK thousands)	Group		
31.12.2018	30.09.2018	30.09.2019		30.09.2019	30.09.2018	31.12.2018
22,496,782	22,034,383	23,458,951	Salaried staff, etc.	23,458,951	22,034,383	22,496,782
5,394,522	6,127,686	5,568,364	Property management/business services, etc.	5,540,665	6,097,915	5,366,328
320,710	309,602	356,389	Merchandising/hotels and restaurants	356,389	309,602	320,710
271,589	259,027	262,259	Agriculture/forestry	262,259	259,027	271,589
303,591	293,623	311,623	Building and construction	311,623	293,623	303,591
324,053	317,413	359,782	Transport and service Industries	359,782	317,413	324,053
248,317	248,114	259,292	Production (manufacturing)	259,292	248,114	248,317
2,355	2,232	1,972	Public administration	1,972	2,232	2,355
198,223	188,850	263,231	Abroad and others	263,231	188,850	198,223
29,560,142	29,780,930	30,841,863	Gross lending	30,814,164	29,751,161	29,531,949
27,032,045	27,513,152	8,453,757	- Of which: valued at amortised cost *	8,426,058	27,483,383	27,003,852
-	-	20,626,845	- Of which assessed at fair value over extended profit/loss *	20,626,845	-	-
2,528,098	2,267,778	1,761,261	- Of which: valued at fair value	1,761,261	2,267,778	2,528,098
(162,041)	(171,628)	(156,031)	- Loss provisions on loans	(151,056)	(167,253)	(157,466)
29,398,101	29,609,303	30,685,832	Net lending	30,663,108	29,583,908	29,374,483
29,560,142	29,780,930	30,841,863	Gross lending	30,814,164	29,751,161	29,531,949
11,740,255	11,741,825	12,009,402	Gross lending transferred to SB1 Boligkreditt	12,009,402	11,741,825	11,740,255
581,830	98,306	549,373	Gross lending transferred to SB1 Næringskreditt	549,373	98,306	581,830
41,882,228	41,621,061	43,400,638	Gross lending including SB1 Boligkreditt and Næringskreditt	43,372,938	41,591,292	41,854,035

*) Please refer to Note 1 for comments regarding reassessment/changes in measurement method as at 30.09.2019.

Note 9

Capital adequacy

SpareBank 1 BV uses the standard method for credit risk and the basic method for operational risk. As at 30 September 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 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. The targets for the tier 1 capital ratio and total capital ratio 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 finance companies engaging in the activities to which the cooperation relates; see Financial Institution Act, Section 17-13. From 2018, the Bank is applying the rule on proportional consolidation of ownership interests in the Samarbeidende Sparebanker grouping.

	30.09.2019	30.09.2018	31.12.2018
Primary capital			
Common equity tier 1 capital	4,471,327	4,096,702	4,160,617
Tier 1 capital	4,887,853	4,468,227	4,470,112
Primary capital	5,405,384	4,995,803	4,988,542
Basis for calculation	26,468,663	24,742,333	24,917,577
Capital adequacy			
Common equity tier 1 capital ratio	16.89%	16.56%	16.70%
Tier 1 capital ratio	18.47%	18.06%	17.94%
Capital adequacy	20.42%	20.19%	20.02%
Unweighted tier 1 capital ratio (leverage ratio)	8.38%	8.12%	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

	30.09.2019	30.09.2018	31.12.2018
Primary capital			
Equity share capital	946,501	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)	(2,519)	(28)	3,458
Profit/loss for the period	403,028	461,832	534,671
Total capitalised equity (excluding hybrid capital)	4,656,217	4,364,788	4,441,873

Value adjustments on stocks and bonds measured at fair value (AVA)	(6,946)	(7,758)	(7,950)
Allowance for non-material interests in the financial sector	(1,168,414)	(1,054,570)	(1,149,921)
Dividends allocated for distribution, classified as equity	-	-	-
Profit/loss for the period	(403,028)	(461,832)	(534,671)
Interim profit/loss included in tier 1 capital	289,868	324,652	348,523
Total common equity tier 1 capital	3,367,698	3,165,280	3,097,853
Hybrid capital	316,000	250,000	250,000
Subordinated bond	24,000	32,000	32,000
Allowance for non-material interests in the financial sector	(49,329)	(31,725)	(39,074)
Total tier 1 capital	3,658,369	3,415,555	3,340,779
Supplementary capital in excess of tier 1 capital			
Time-limited primary capital	400,000	400,000	400,000
Allowance for non-material interests in the financial sector	(27,386)	(30,711)	(31,262)
Net primary capital	4,030,983	3,784,844	3,709,517
Risk-weighted basis for calculation			
Assets not included in the trading portfolio	16,918,576	16,685,724	16,105,698
Operational risk	1,931,036	1,758,783	1,758,783
Position risk in the trading portfolio	-	-	-
CVA surcharge (counterparty risk derivatives)	27,101	27,677	27,459
Total basis for calculation	18,876,714	18,472,184	17,891,940
Common equity tier 1 capital ratio	17.84%	17.14%	17.31%
Tier 1 capital ratio	19.38%	18.49%	18.67%
Capital adequacy	21.35%	20.49%	20.73%
Unweighted tier 1 capital ratio (leverage ratio)	9.32%	9.07%	9.14%
Buffer requirements			
Capital conservation buffer (2.50%)	471,918	461,805	447,299
Countercyclical buffer (2.0%/1.5%)	377,534	369,444	357,839
Systemic risk buffer (3.00%)	566,301	554,166	536,758
Total buffer requirement for common equity tier 1 capital	1,415,754	1,385,414	1,341,896
Minimum requirement for common equity tier 1 capital (4.50%)	849,452	831,248	805,137
Available common equity tier 1 capital beyond minimum requirement	1,102,492	948,618	950,820
	30.09.2019	30.09.2018	31.12.2018
Local and regional authorities	73,926	54,117	44,838
Publicly owned companies	10,122	18,220	18,171
Institutions	107,870	102,544	106,207
Companies	2,272,942	1,896,207	1,997,340
Mass market	2,450,254	2,589,530	2,581,078
Mortgaged against residential and holiday property	8,514,308	7,904,793	8,009,171
Mortgaged against commercial property	2,117,301	2,915,662	2,230,810
Overdue commitment	117,229	53,158	82,578
High-risk commitments	-	-	-
Bonds with preferential rights	355,680	264,898	255,003
Receivables on institutions and companies with short-term ratings	111,237	76,457	137,498
Shares in mutual funds	54,873	51,191	47,698
Equity items	595,091	660,591	528,815
Other commitments	137,743	98,356	66,491
Total credit risk	16,918,576	16,685,724	16,105,698

Note 10

Derivatives

2019			(NOK thousands)	2018		
Contract sum	Fair value 30.09.2019			Contract sum	Fair value 30.09.2018	
30.09.2019	Assets	Liabilities		30.09.2018	Assets	Liabilities
			Derivatives – hedging			
4,395,000	31,825	39,565	Derivatives at fair value	4,225,000	47,241	62,610
4,395,000	31,825	39,565	Total derivatives for fair value hedging	4,225,000	47,241	62,610

Note 11

Net income from other financial investments

Parent bank			(NOK thousands)	Group		
31.12.2018	30.09.2018	30.09.2019		30.09.2019	30.09.2018	31.12.2018
21,596	36,190	7,410	Net change in value of stocks, shares etc. measured at fair value	7,410	34,641	19,865
(16,704)	(10,740)	727	Net change in value of bonds/certificates measured at fair value	727	(10,740)	(16,704)
9,021	9,654	3,217	Net change in value of financial derivatives measured at fair value	3,217	9,654	9,021
7,223	5,391	4,110	Exchange rate gains/losses on currency	4,110	5,391	7,223
21,136	40,495	15,464	Net income from other financial investments	15,464	38,946	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 (NOK thousands)	Parent bank/Group		
	30.09.2019	30.09.2018	31.12.2018
Certificate debt, nominal value	-	-	-
Bond debt, nominal value	8,070,000	9,001,000	8,742,000
Value adjustments and accrued interest	20,005	(9,203)	14,890
Total securities debt	8,090,005	8,991,797	8,756,890

Change in securities debt (NOK thousands)	30.09.2019	Parent bank/Group		31.12.2018
		Issued 2019	Redeemed 2019	
Certificate debt, nominal value	-	-	-	-
Bond debt, nominal value	8,070,000	950,000	1,622,000)	8,742,000
Value adjustments and accrued interest	20,005	-	-	14,890
Total securities debt	8,090,005	950,000	1,622,000)	8,756,890

Subordinated loan capital (NOK thousands)	Parent bank/Group		
	30.09.2019	30.09.2018	31.12.2018
Subordinated loan capital	440,000	440,000	440,000
Value adjustments and accrued interest	3,692	4,618	5,258
Total subordinated loan capital	443,692	444,618	445,258

Change in subordinated loan capital	30.09.2019	Parent bank/Group		31.12.2018
		Issued 2019	Redeemed 2019	
Subordinated loan capital	440,000	-	-	440,000
Value adjustments and accrued interest	3,692	-	-	5,258
Total subordinated loan capital	443,692	-	-	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 30.09.2019

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Profit/loss					
Net interest income	264,047	177,615	(54)	27,571	469,179
Net commission and other income	257,051	77,468	180	143,840	478,539
Operating costs	286,023	113,977	680	20,490	421,170
Earnings before losses	235,075	141,106	(554)	150,921	526,548
Losses on loans and guarantees	3,541	2,717	-	(420)	5,838
Earnings before tax	231,534	138,389	(554)	151,341	520,709

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Balance sheet					
Net lending to customers	22,828,490	6,886,408	-	948,210	30,663,108
Other assets	107,139	26,449	13,174	7,914,106	8,060,868
Total assets per segment	22,935,629	6,900,262	13,174	8,862,316	38,723,976
Deposits from and debt to customers	15,536,916	8,542,347	-	401,691	24,480,954
Other equity and liabilities	7,398,713	(1,642,085)	13,174	8,473,220	14,243,023
Total equity and debt per segment	22,935,629	6,900,262	13,174	8,874,911	38,723,976

Group 30.09.2018

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Profit/loss					
Net interest income	259,488	168,623	(375)	9,278	437,013
Net commission and other income	259,911	70,550	37,924	144,569	512,954
Operating costs	297,657	120,613	1,497	(102,894)	316,873
Earnings before losses	221,742	118,560	36,052	256,741	633,095
Losses on loans and guarantees	-589	10,466	-	148	10,024
Earnings before tax	222,331	108,094	36,052	256,593	623,071

(NOK thousands)	RM	CM	Other subsidiaries	Non-reportable segments	Total
Balance sheet					
Lending to customers	21,390,864	7,554,948	-	805,348	29,751,161
Loss provisions on loans	(45,176)	(121,544)	-	(533)	(167,253)
Other assets	108,335	13,319	13,505	6,765,160	6,900,319
Total assets per segment	21,454,023	7,446,723	13,505	7,569,975	36,484,227
Deposits from and debt to customers	13,224,636	7,867,489	-	700,439	21,792,564
Other equity and liabilities	8,229,387	(420,766)	13,505	6,869,536	14,691,663
Total equity and debt per segment	21,454,023	7,446,723	13,505	7,569,975	36,484,227

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 policies. 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 3.1 years as at 30 September 2019. Overall LCR was 199% at the end of the third quarter and average total LCR was 221% 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 quoted prices on inactive markets.

- 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, loans at fair value over extended profit and the Bank's own fixed rate loans.
- The fair value of mortgages is understood to be: Loans in loss category 1 - the loan's nominal value (not equal to amortised cost). Loan in loss category 2, and 3 - the loan's nominal value decreases by the expected losses (= amortised cost). Loans in loss category 3K - the loan's nominal value decreases by individual loss provisions (= amortised cost)

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

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed rate loans	-	-	1,761	1,761
- Loans at fair value over extended profit/loss *	-	-	20,627	20,627
- Approved loans to Boligkredditt	-	-	-	-
- Bonds and certificates	205	4,601	-	4,806
- Equity Instruments	282	-	1,110	1,392
- Derivatives	-	32	-	32
Total assets	487	4,633	23,498	28,618

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value				
- Fixed rate deposits	-	-	-	-
- Securities at fair value	-	2,373	-	2,373
- Derivatives	-	40	-	40
Total liabilities	-	2,413	-	2,413

*) Please refer to Note 1 for comments regarding reassessment/changes in measurement method as at 30.09.2019.

The group's assets and liabilities measured at fair value at 30.09.2018

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
- Fixed rate loans	-	-	1,577	1,577
- Approved loans to Boligkredditt	-	-	689	689
- Bonds and certificates	204	3,963	-	4,167
- Equity Instruments	247	-	-	247
- Derivatives	-	47	-	47
Financial assets available for sale				
- Equity Instruments	20	-	931	951
Total assets	471	4,010	3,197	7,678

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value				
- Fixed rate deposits	-	-	-	-
- Securities at fair value	-	2,208	-	2,208
- Derivatives	-	63	-	63
Total liabilities	-	2,271	-	2,271

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 30.09.2019

	Fixed rate loans	Shares at fair value through profit/loss	Fixed rate deposits	Approved loans to Boligkreditt	Lending at fair value over extended profit/loss
Opening balance 01.01.2019	1,687	1,052	-	821	-
Change as a result of the reassessment retail market	-	-	-	-	20,627
Increase	238	85	-	276	-
Decrease	(164)	(20)	-	(1,097)	-
Net gain/loss on financial instruments	-	(7)	-	-	-
Closing balance 30.09.2019	1,761	1,110	-	-	20,627

*) Please refer to Note 1 for comments regarding reassessment/changes in measurement method as at 30.09.2019.

Changes in instruments classified under level 3 at 30.09.2018

	Fixed rate loans	Shares at fair value through profit/loss	Fixed rate deposits	Approved loans to Boligkreditt
Opening balance 01.01.2018	1,268	861	819	-
Change as a result of the transition to IFRS 9	-	-	(819)	-
Increase	464	70	-	689
Decrease	(155)	-	-	-
Net gain/loss on financial instruments	-	-	-	-
Closing balance 30.09.2018	1,577	931	-	689

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	Approved loans to Boligkreditt
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

The net profit/loss from ownership interests in the group is primarily included in the share of the profit/loss attributed to Samarbeidende Sparebanker AS (indirect stake in the Sparebank 1 Alliance) and Samarbeidende Sparebanker Bankinvest AS (indirect stake in BN Bank ASA). Effective June 2019, Samarbeidende Sparebanker Bankinvest AS was dissolved and replaced by direct ownership of BN Bank ASA.

The increase in net income share from ownership interests in 2019 is primarily due to gains from the insurance merger (Fremtind) totalling NOK 71.9 million during Q1/2019 and the revaluation of properties in SpareBank 1 Gruppen's life company totalling NOK 18.0 million during Q2/2019.

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 removes the current distinction between operational and financial leases and requires the calculation of a

right of use asset (right to use the leased asset) and a financial liability to pay rent for substantial 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 30.09.2019.

Parent bank		Balance sheet		Group	
01.01.2019	30.09.2019	(NOK thousands)		30.09.2019	01.01.2019
89,007	77,868	Lease liabilities		94,946	108,945
89,007	77,308	Right of use		94,262	108,945

Parent bank	Income Statement IFRS 16	Group
30.09.2019	(NOK thousands)	30.09.2019
11,948	Depreciation	14,848
1,231	Interest	1,506
13,179	Total	16,354
	Effect of IFRS 16 vs IAS 17	
12,615	Reduction in operating costs under IAS 17	15,664
13,179	Increase in costs under IFRS 16	16,354
(564)	Changes in pre-tax income in the period	(690)

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 September 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, 7 November 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

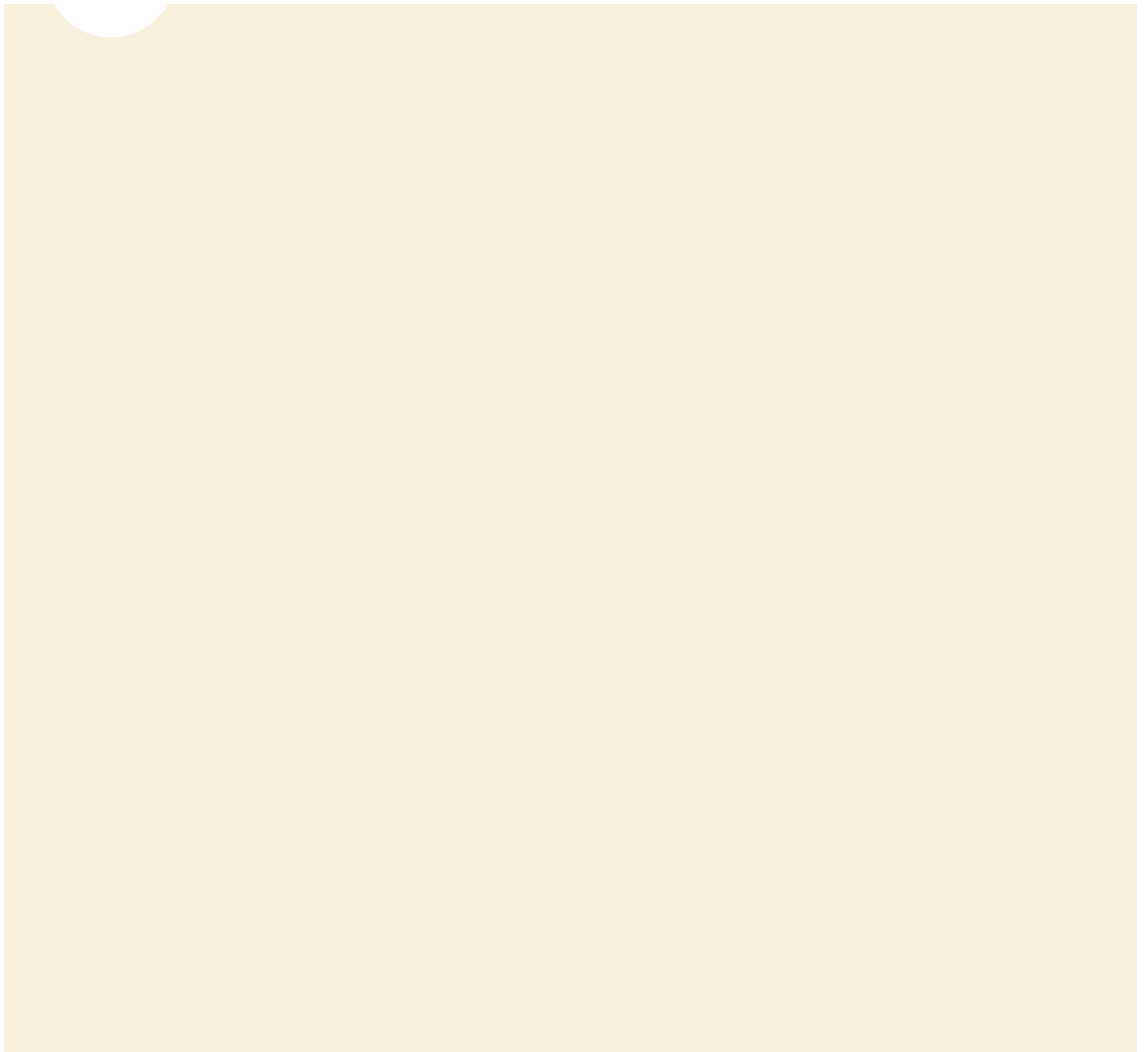
Hanne Myhre Gravdal
(Employee representative)

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

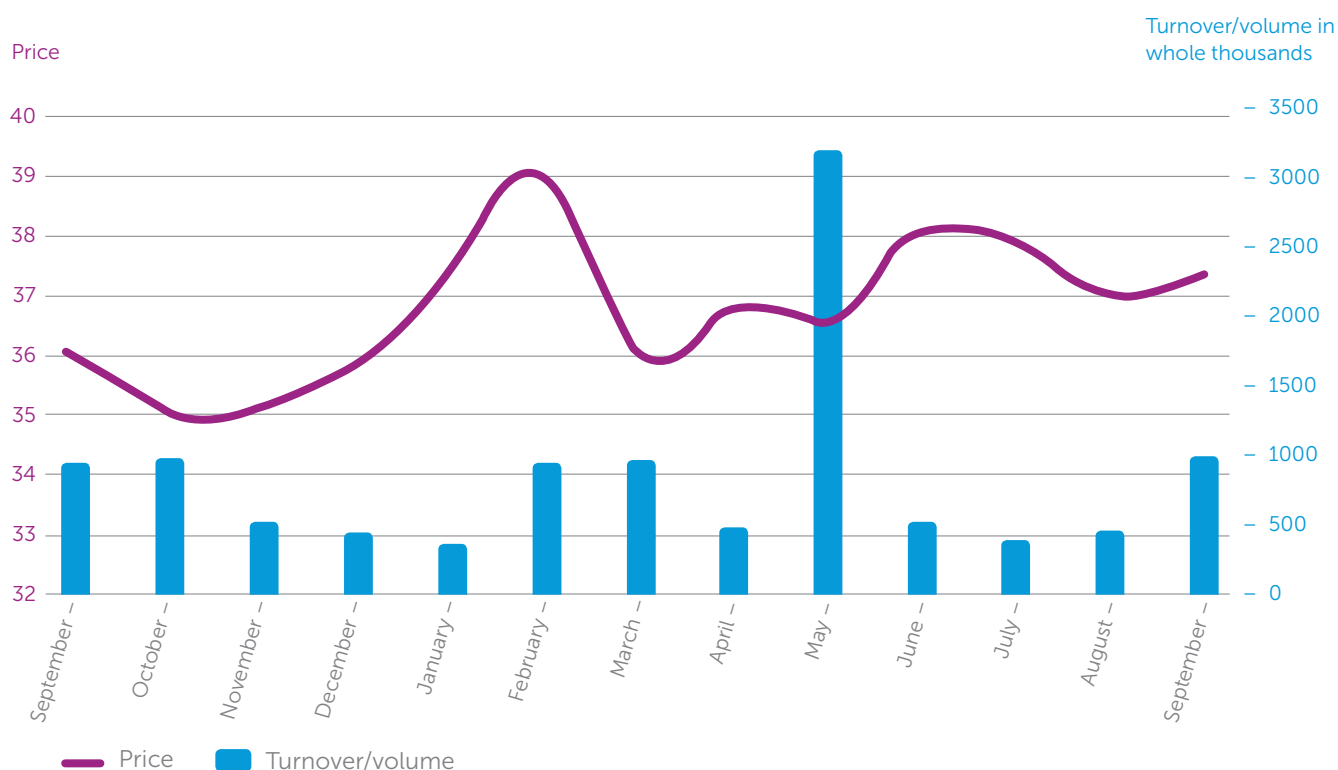
In the calculation of diluted earnings per equity certificate, the weighted average number of issued ordinary equity certificates in circulation is adjusted for the effect of converting potential equity certificates which could lead to dilution. The Bank has no potential equity certificates that could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

	Parent bank
(NOK thousands)	30.09.2019
Based on profit/loss for the year divided between equity certificate holders and primary capital	388,415
Number of equity certificates issued	63,101
Earnings per equity certificate	3.46
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	30.09.2019
Profit/loss for the year	403,028
- corrected for interest on subordinated bonds posted directly to equity	(10,306)
- corrected for FUG	(4,307)
Adjusted profit/loss for the year	388,415

Change in prices September 2018 - September 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	1,677,748	2.66%
Pareto AS	1,532,868	2.43%
Wenaasgruppen AS	920,000	1.46%
Melesio Capital NYE AS	837,211	1.33%
Catilina Invest AS	731,950	1.16%
Landkreditt Utbytte	670,000	1.06%
Sanden AS	588,000	0.93%
Bergen Kommunale Pensjonskasse	500,000	0.79%
Foretakskonsulenter AS	491,230	0.78%
Salt Value AS	477,633	0.76%
DNB Bank ASA	475,000	0.75%
JAG Holding AS	400,000	0.63%
Norgesinvestor Proto AS	400,000	0.63%
Øyhovden Invest AS	397,407	0.63%
Espedal & Co AS	385,321	0.61%
Johansen Kjell Petter	362,000	0.57%
Haugaland Kraft Pensjonskasse	332,367	0.53%
Hausta Investor AS	330,000	0.52%
Total for 20 largest shareholders	36,077,025	57.17%
Other owners	27,024,328	42.83%
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.

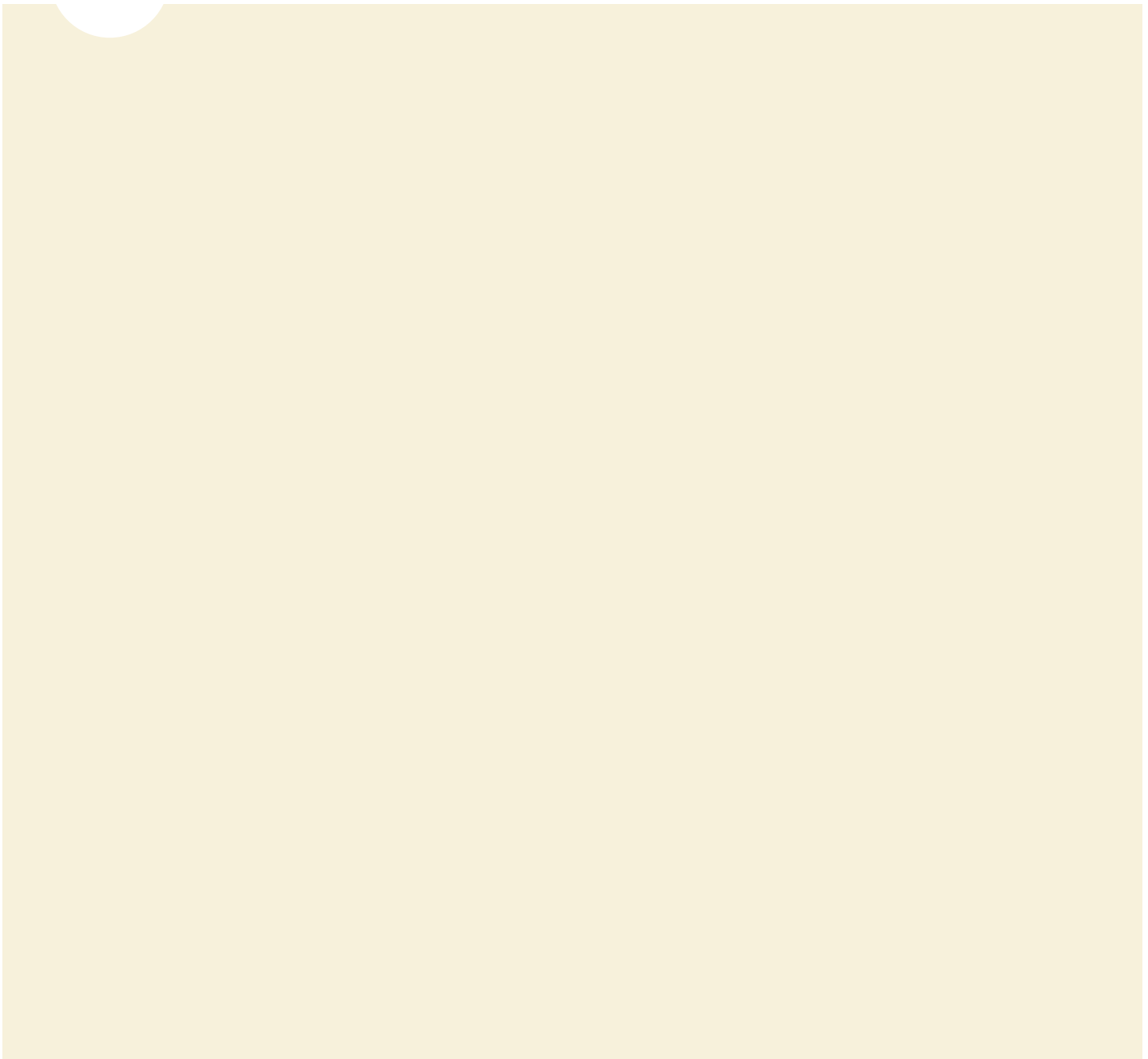
Important factors that can cause such differences for SpareBank 1 BV include, but are not limited to:

- (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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Internet www.kpmg.no
Enterprise 935 174 627 MVA

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 September 2019 which shows an equity of TNOK 4 972 217 for the parent company and TNOK 5 149 430 for the group, and the related condensed income statements for the nine-month period of 1 January 2019 - 30 September 2019 which shows an interim profit before tax of TNOK 495 642 for the parent company and TNOK 520 709 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, 7 November 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.

Statsautorisererte 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