



# Quarterly presentation Q2 2016

Tromsø/Oslo 11. August 2016

**SpareBank**  
NORD-NORGE 

# Interim report for Q2 - Group

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**PROFIT BEFORE TAX:**

NOK 768 mill (NOK 684 mill)

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**RETURN ON EQUITY:**

12.4 % (11.7 %)

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**REDUCED COSTS:**

(- 3.8 %) compared with first half of 2015 (excl. restructuring costs)

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**MODERATE LOAN  
LOSSES:**

NOK 88 mill (NOK 68 mill)

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**CET-1 RATIO:**

14.2 % (13.4 %)

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**CORE BUSINESS**

Cultivation of core business almost complete

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**MACRO:**

Still few signs of weakening in northern Norwegian economy

# Few signs of weakening in northern Norwegian economy

## **GROWTH**

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Continued export growth in the north

## **SEAFOOD**

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Seafood exports grew by 27% in the first half of the year. Increase for both salmon and white fish.

## **TOURISM**

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Growth continues, 25% growth in foreign overnight stays increased earnings

## **OIL**

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Relatively small oil sector (around 2% of the economy), and a new field opened

## **HOUSING**

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Housing and civil engineering investments at record high levels

## **EMPLOYMENT**

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Stable, low unemployment rate – 2.4% as per May 2016. Healthy personal finances – both savings and consumption increasing.

## **GOING FORWARD**

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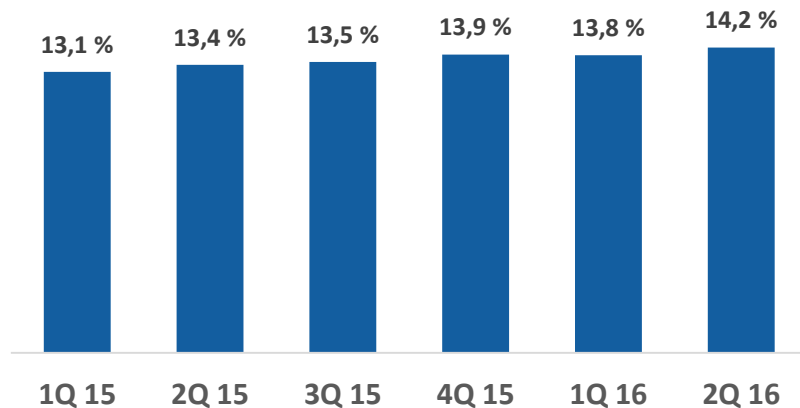
Prospect of moderate growth in 2016: Norway's downturn could have a stronger impact, continued weak NOK exchange rate is important for northern Norwegian business

# Strategy: Significant measures implemented

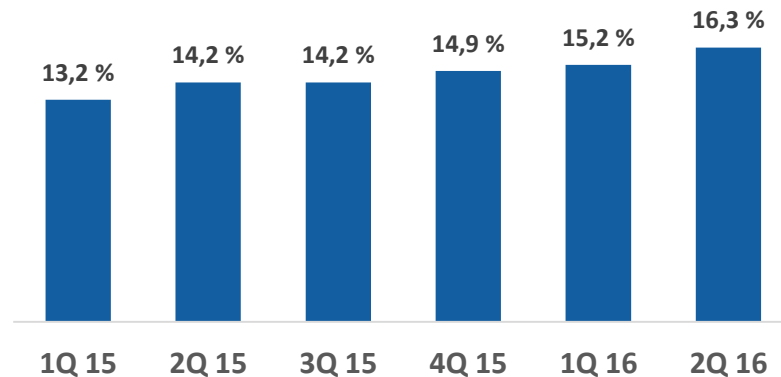
- Near doubled equity during last 6 years
  - Capital ratio well above regulatory minimum requirement
  - No need for equity issue
- Cultivation of core business almost complete:
  - SNN Invest wound up
  - Nord II investment fund sold
  - Phasing out of business market activities in BN Bank
  - Venture in Russia sold
  - Bank's share in Bank 1 Oslo sold
- Physical presence adjusted to customers' use of banking services:
  - Concentration on 16 financial centres
  - 21 branches closed
- Cost reducing measures implemented
  - Including significant voluntary downsizing (net 100 FTEs)

# Common Equity Tier 1 capital adequacy ratio\*

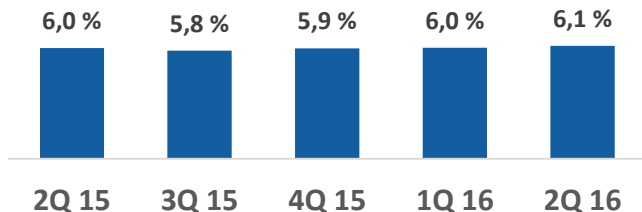
CET 1 incl floor



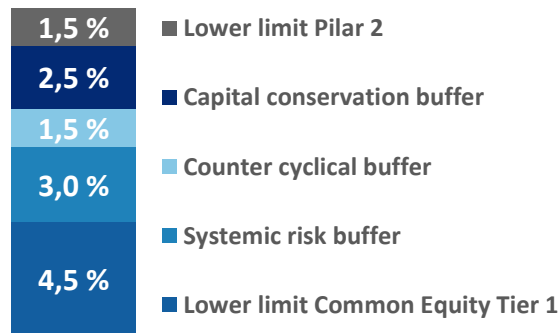
CET 1 excl floor



Leverage ratio - LR



Expected minimum regulatory CET 1 level 31.12.16  
13,0 %

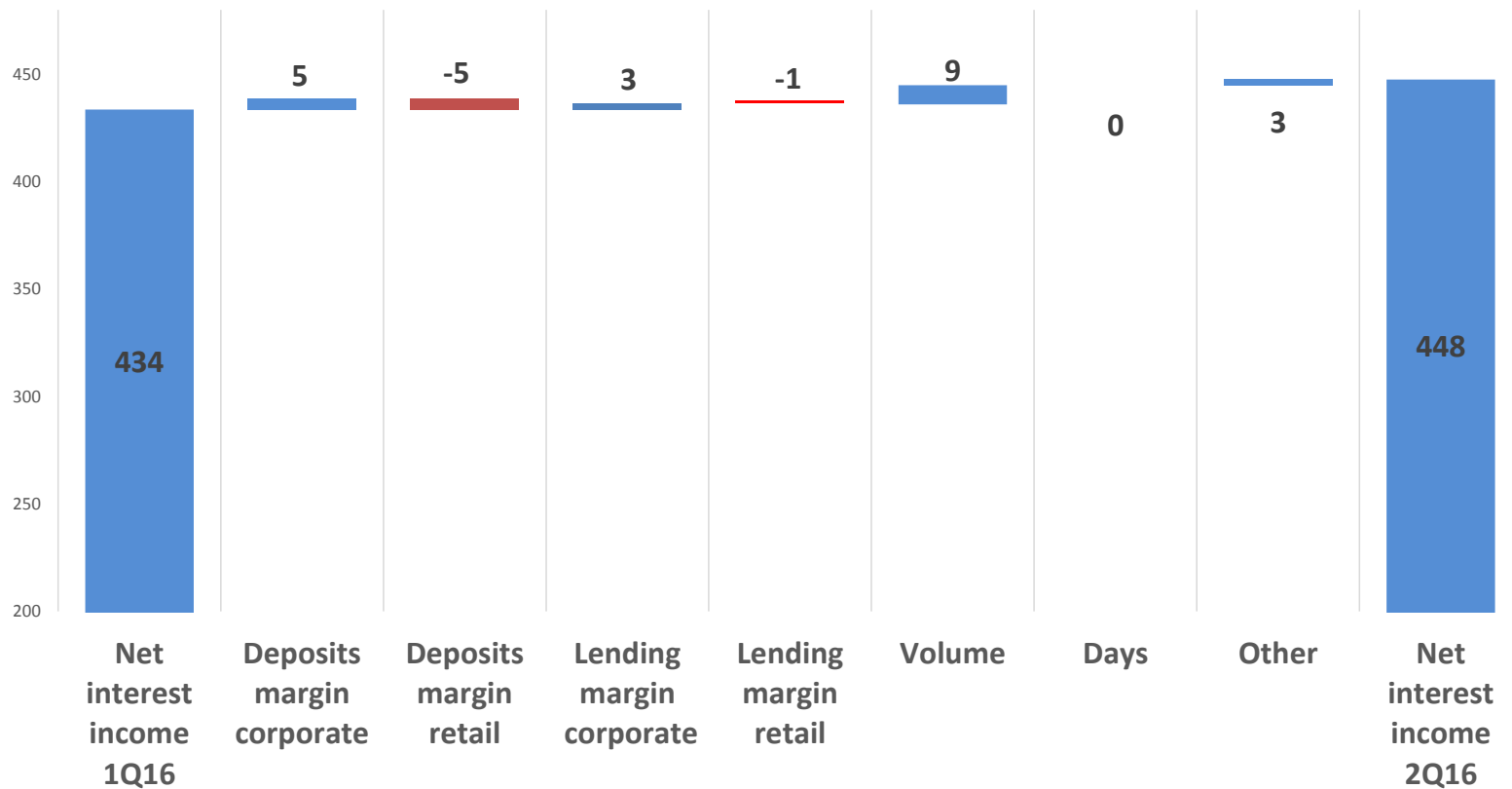


\* Included 50 % of result. Q4 after dividend payout

# Quarterly summary – Profit and loss account figures

(Amounts in NOK million)	<b>2Q16</b>	1Q16	4Q15	3Q15	2Q15
Net interest income	<b>401</b>	386	390	385	368
Net fee-, commission and other operating income	<b>249</b>	213	222	233	239
Net income from financial investments	<b>156</b>	80	46	-8	93
Total net income	<b>806</b>	679	658	610	700
Total costs	<b>318</b>	311	451	336	336
Result before losses and write-downs	<b>488</b>	368	207	274	364
Net losses and write-downs	<b>64</b>	24	92	40	36
<b>Result before tax</b>	<b>424</b>	344	115	234	328
Return on equity capital	<b>13,8 %</b>	11,0 %	5,2 %	7,8 %	11,1 %
Cost/income	<b>39,5 %</b>	45,8 %	68,5 %	55,1 %	48,0 %

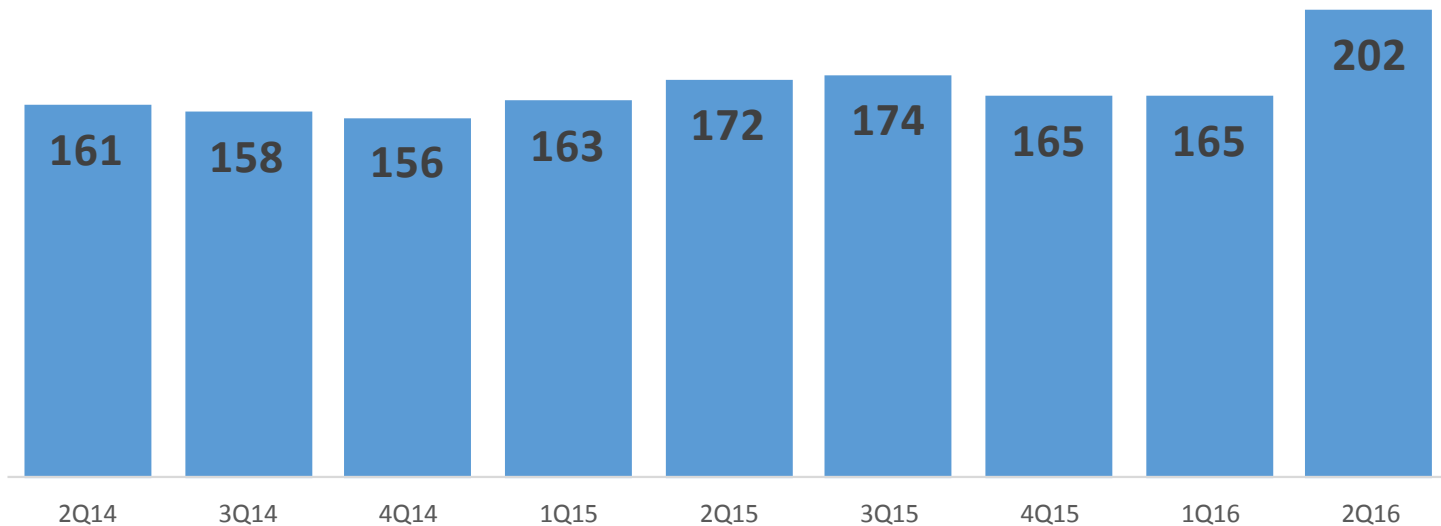
# Changes in net interest income



Including commissions from Boligkreditt. Measured against average funding cost

# Net fee-, commission- and other operating income

Mill NOK



■ Net fee-, commission and other operating income excl commission from Boligkreditt



# Income from financial investments

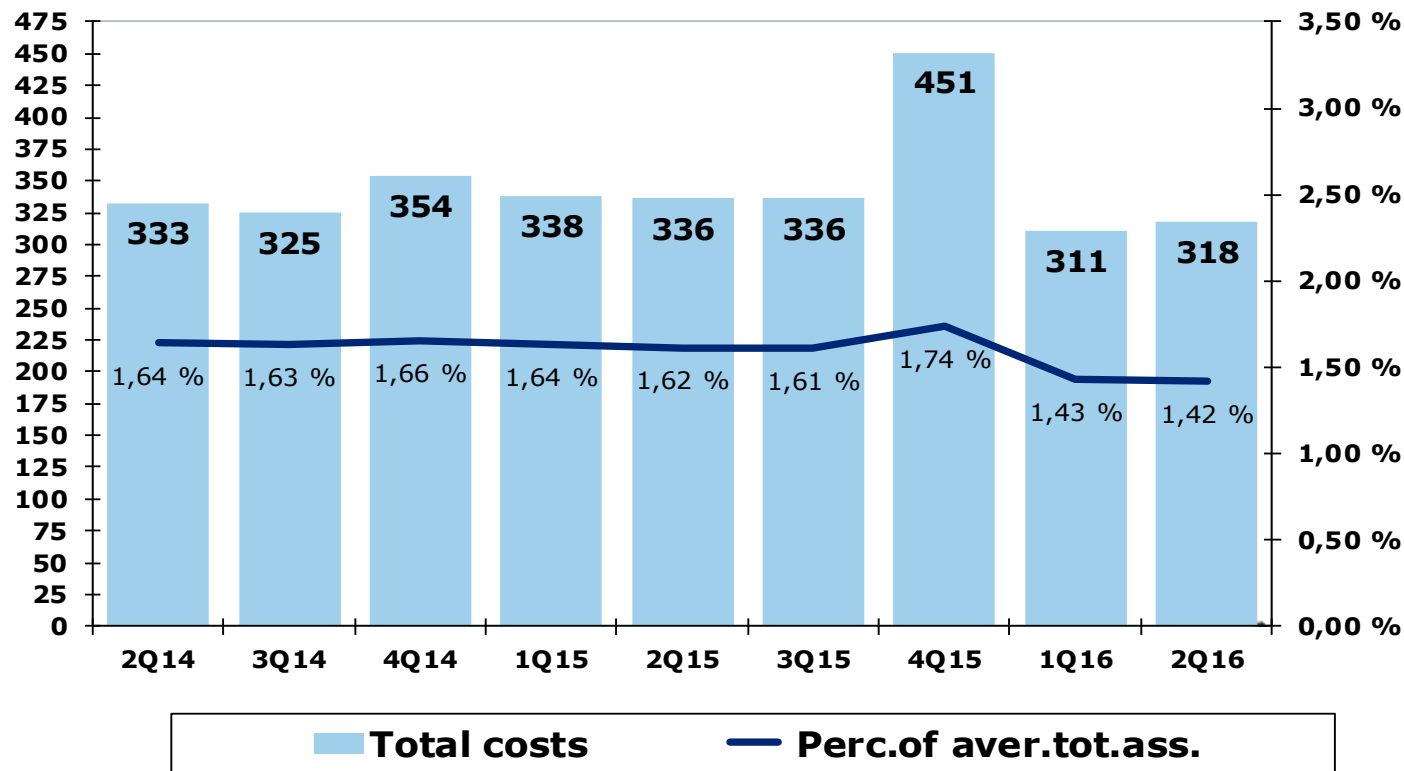
## Group

(Amounts in NOK million)

	2Q16	1Q16	4Q15	3Q15	30.06.16
Dividends	73	0	0	1	73
Income from joint ventures	109	87	98	75	196
Gains/losses and net value changes on shares	-41	-14	-16	-6	-55
Net value changes on bonds, foreign exchange and fin.derivatives	18	6	-35	-79	24
Gains/losses and net value changes on loans	-3	1	-1	1	-2
<b>Income from financial investments</b>	<b>156</b>	<b>80</b>	<b>46</b>	<b>-8</b>	<b>236</b>

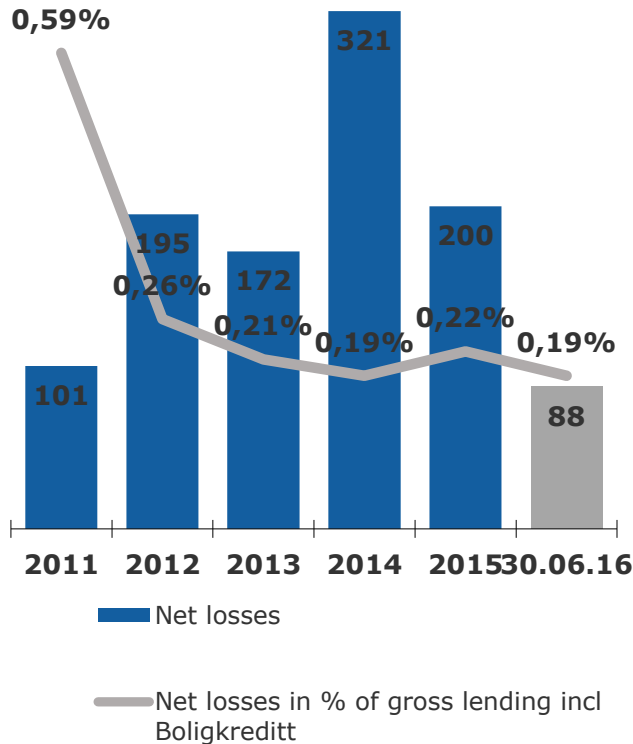
# Group operating costs

NOK mill.

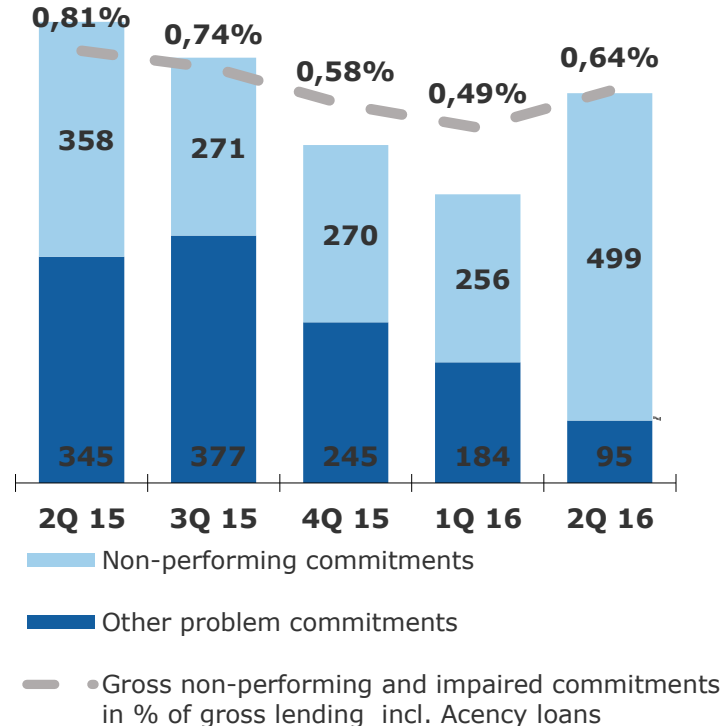


# Losses and non-performing commitments

Net losses on loans and guarantees



Non-performing- and other problem commitments

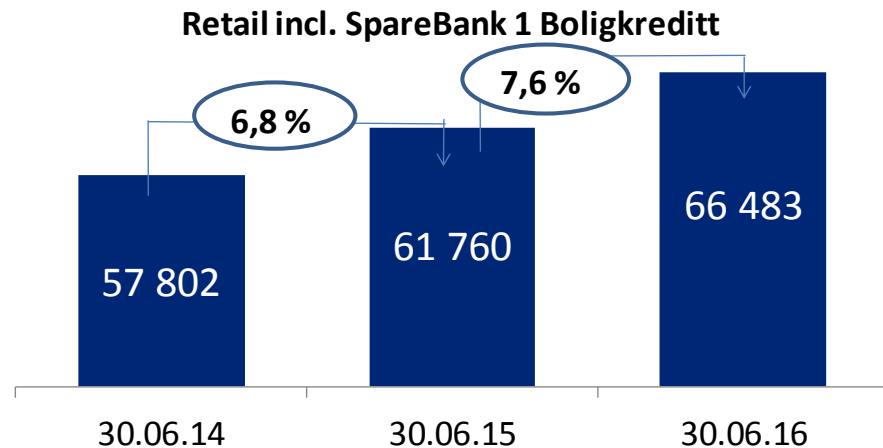
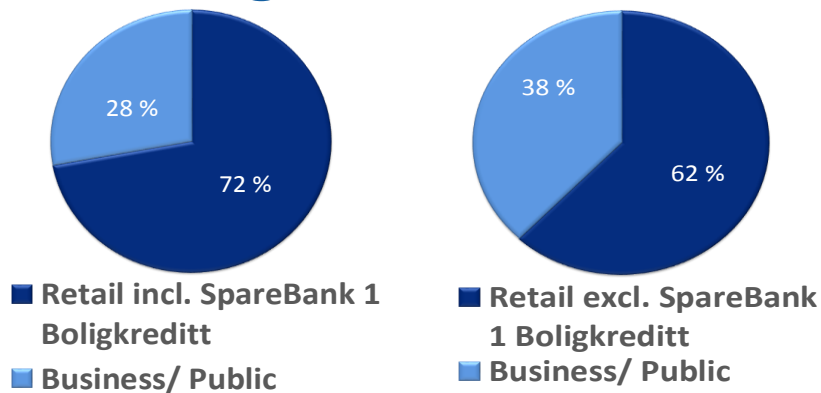


# Group companies result before tax

(Amounts in NOK 1000)

	<b>30.06.16</b>	30.06.15
SpareBank 1 Finans Nord-Norge AS	<b>39 369</b>	60 428
SpareBank 1 Regnskapshuset Nord-Norge AS	<b>9 834</b>	7 143
EiendomsMegler 1 Nord-Norge AS	<b>16 502</b>	18 249
<hr/> Subsidiaries core operations	<hr/> <b>65 705</b>	<hr/> 85 820
 Other subsidiaries	 <b>-42 082</b>	 -50 974
<hr/> <b>Total</b>	<hr/> <b>23 623</b>	<hr/> <b>34 846</b>

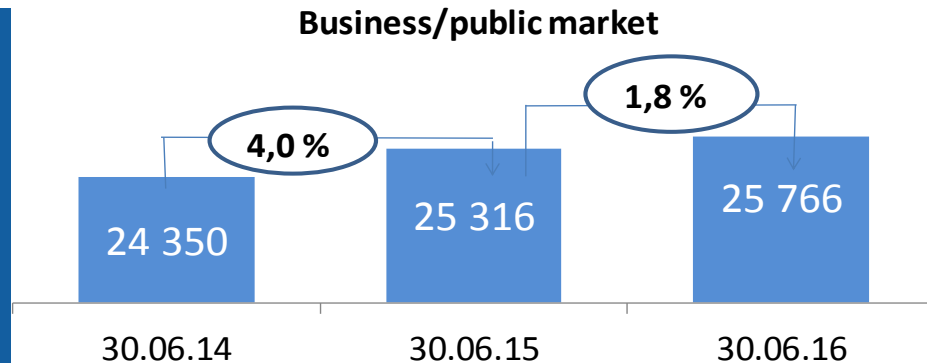
# Lending volume



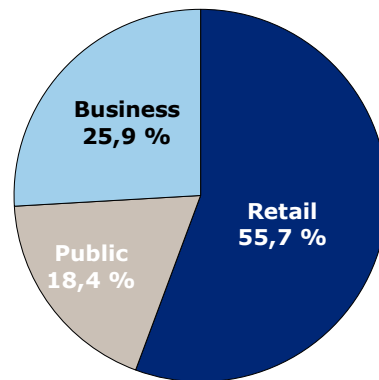
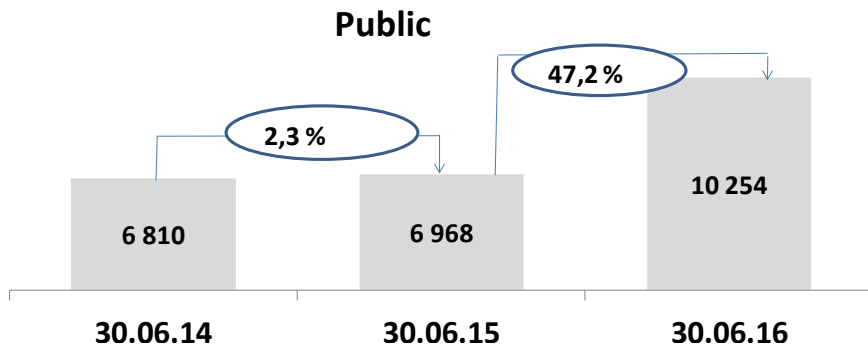
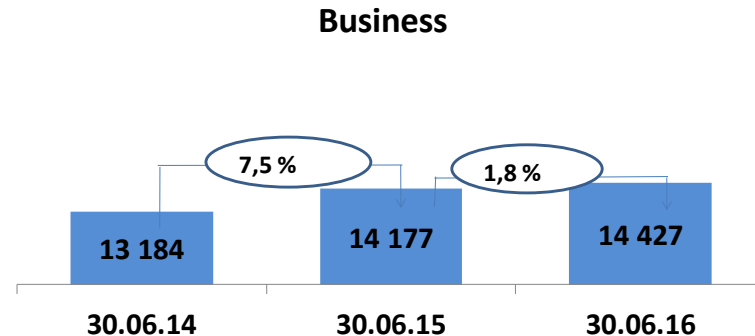
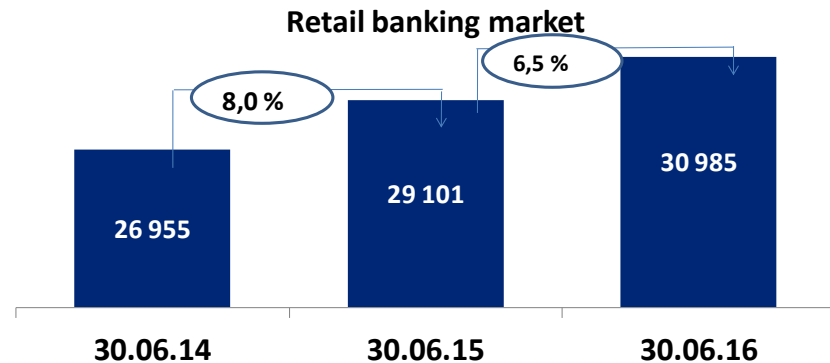
Annualised lending growth first half: 9.3 %:  
retail 8,7 %, business market 10,9 %

Considerable SME lending growth

Reduced lending growth is expected



# Deposit volume



# Future outlook

<b>NRI</b>	Continued strong competition. Slightly higher funding costs in Q3 and Q4 (assuming constant conditions in the capital market)
<b>COSTS</b>	Average targeted cost increase 0 %. Reduced costs compared with 2015 expected in 2016 and 2017 (excl. restructuring costs)
<b>LOSSES</b>	Lending losses expected to remain moderate
<b>FINANCIAL STRENGTH</b>	Target of 14.5 % CET-1 ratio expected to be achieved in 2016
<b>DIVIDEND</b>	Adjustment to dividend payout ratio of 50 % continues. A higher dividend payout ratio for equity certificate holders compared with the community-owned capital will be considered if $P/B < 1$
<b>STRATEGY</b>	Phasing out of non-core business activities will be completed
<b>MACRO</b>	Still few signs of weakening in northern Norwegian economy

# Why invest in SpareBank 1 Nord-Norge?

- The northern Norwegian macroeconomy is showing few signs of weakening
- Focus on core business is reducing volatility in the results
- Strong regional base and community part-ownership providing a very good competitive position
- The SpareBank 1 Alliance is contributing to modernisation and higher income. Significant underlying value of ownership.
- Good financial strength - owner-friendly dividend policy



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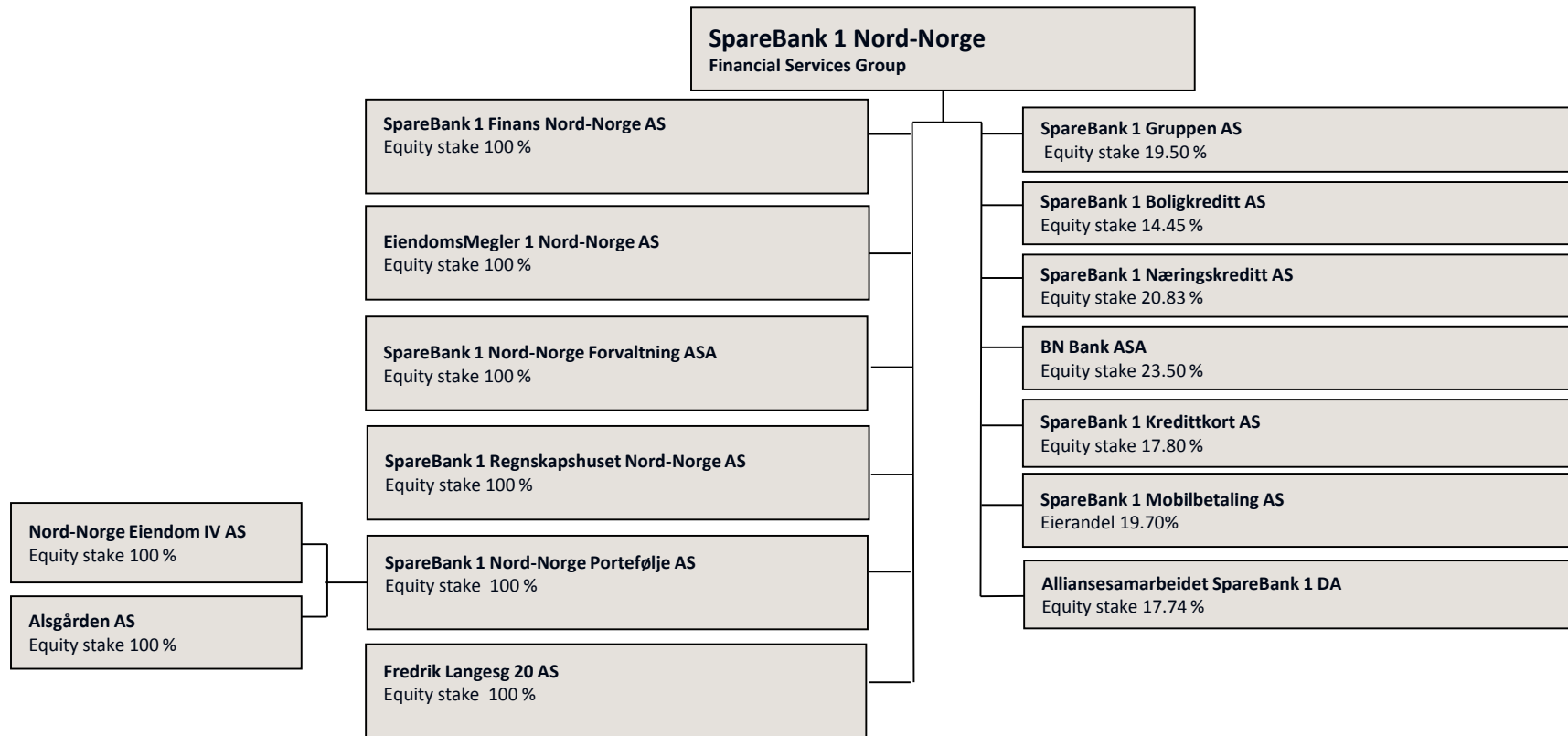
Homepage and internet bank: [www.snn.no](http://www.snn.no)

Equity capital certificates in general: [www.egenkapitalbevis.no](http://www.egenkapitalbevis.no)



# Enclosures

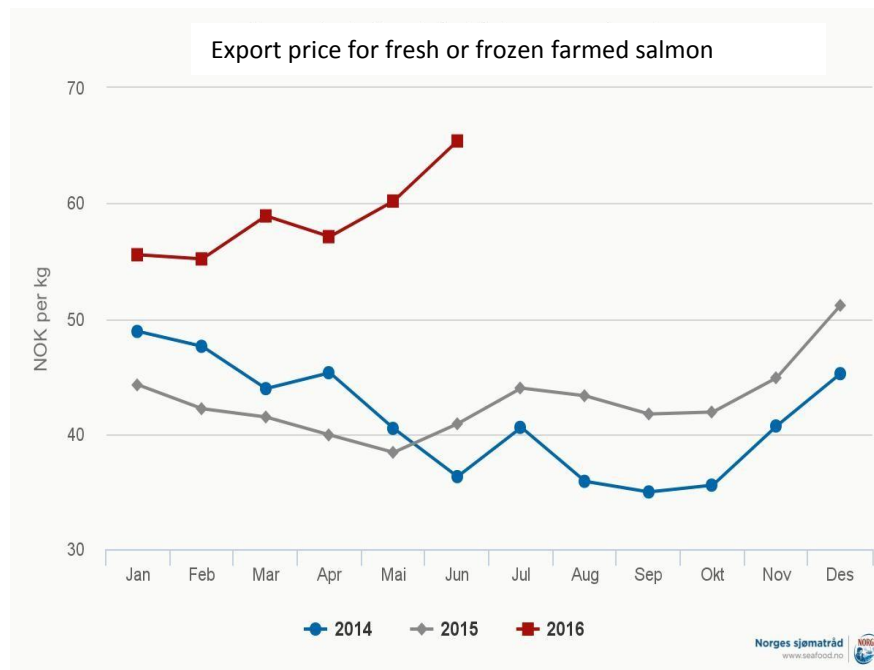
# Organisation of the financial services Group



# Macro and Economic trends

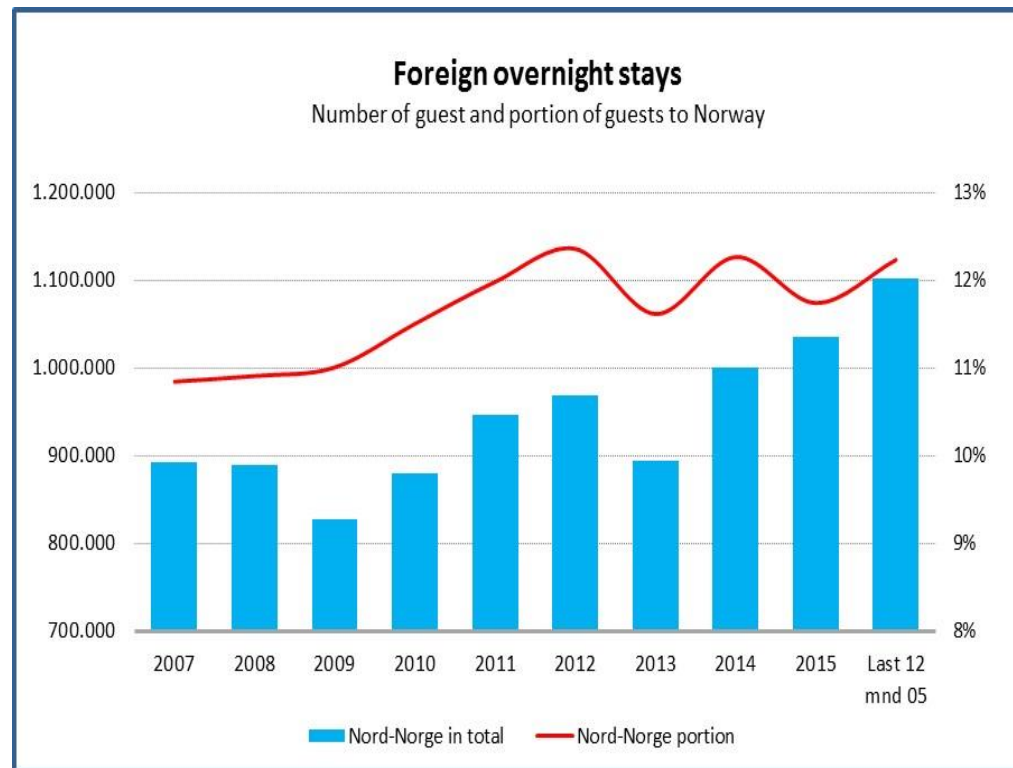
# Seafood – strong export growth

- 27% growth in seafood export from Northern Norway, 1. quarter 2016 vs. 1. quarter 2015
- Seafood export from Northern Norway is more than 2 billion per month
- Salmon prices are peaking in 2016
- Good development for white fish
- 2/3 of sale is to EU



# Tourism – strong growth for foreign overnight stays

- Foreign overnight stays takes an increasing portion of the tourism industry in Northern Norway
- Strong contribution from winter tourism
- Weak norwegian kroner is positive for the tourism industry



# Oil and gas – new fields increase demand

- Norne, Snøhvit and Skarv in production
  - 10% of Norwegian gas production
  - 7% of Norwegian oil production
  - Goliat, first oil field in the Barents Sea had production start-up March 2016
- Aasta Hansteen og Polarled
  - Polarled – pipeline completed in 2015
  - Production start-up in 2018
- Several promising oil discoveries in the Barents Sea:
  - Johan Castberg – investment decision in 2017
  - Alta/Gotha
  - Wisting

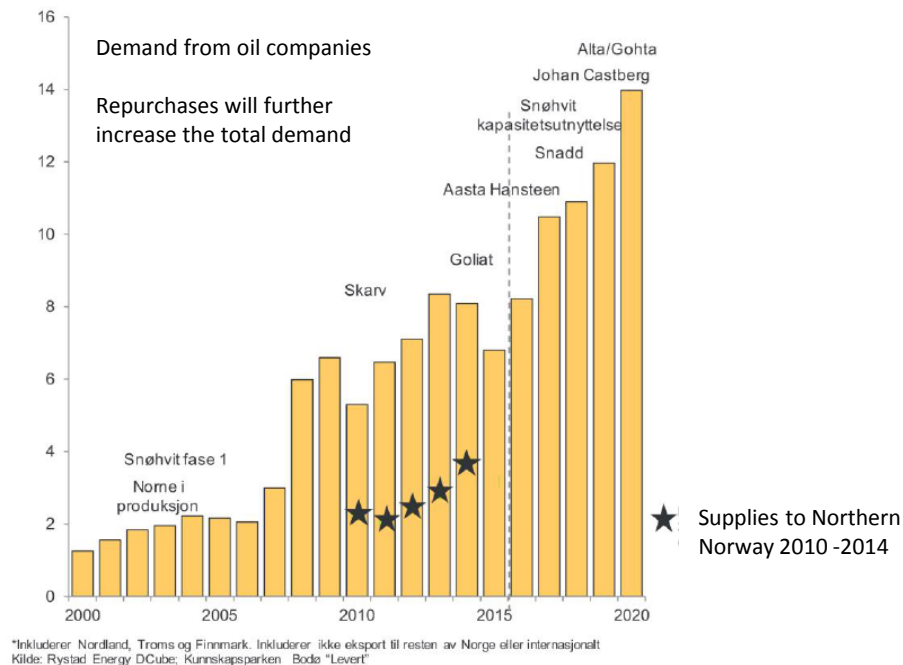
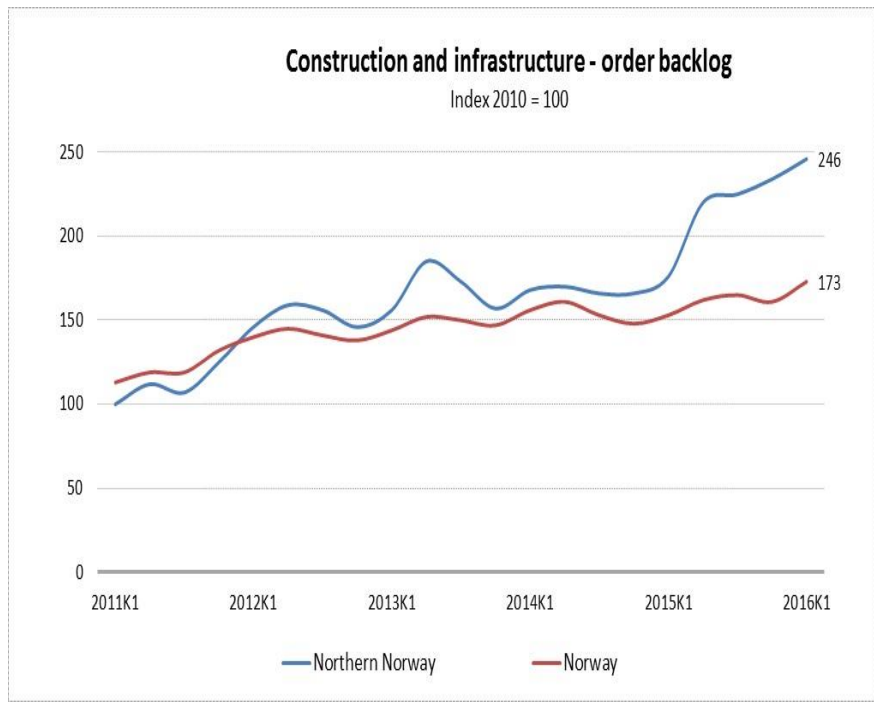
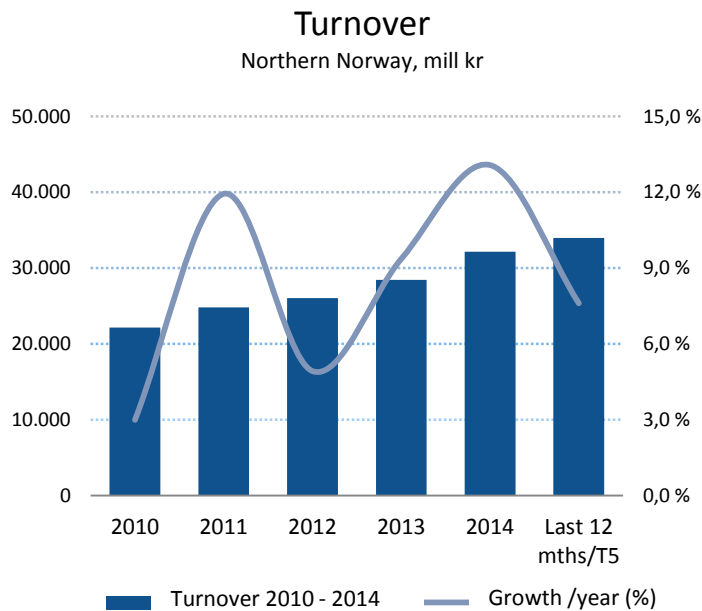


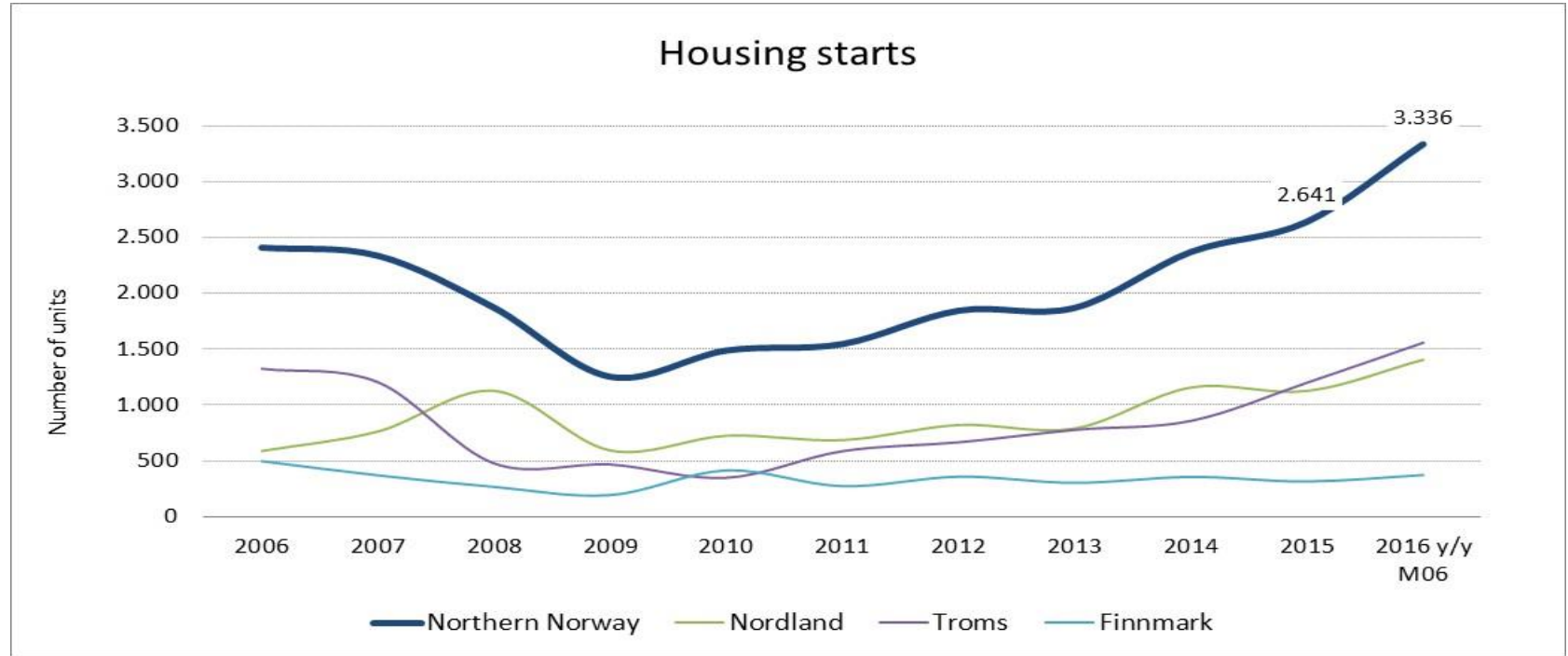
Figure: Petro Foresight 2030, February 2016

# Good growth for construction and infrastructure investments

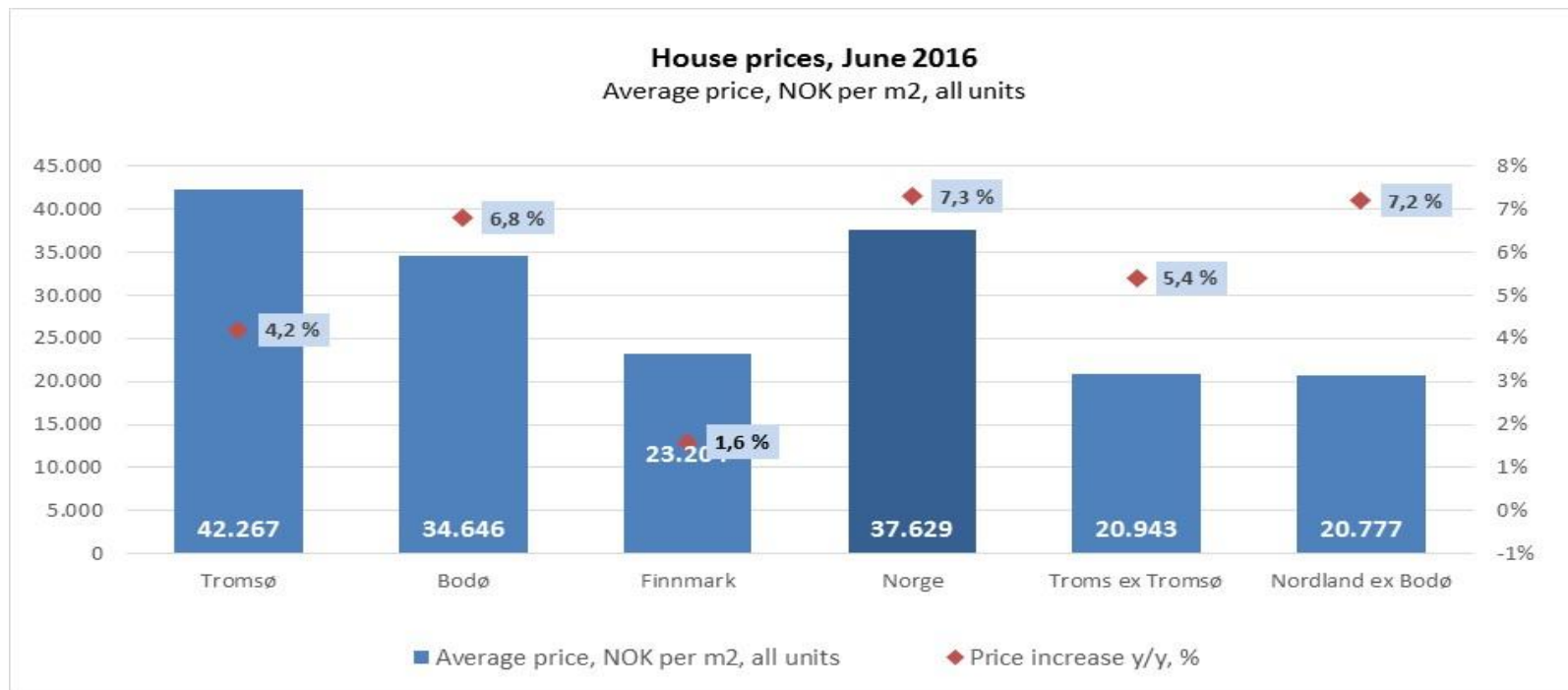




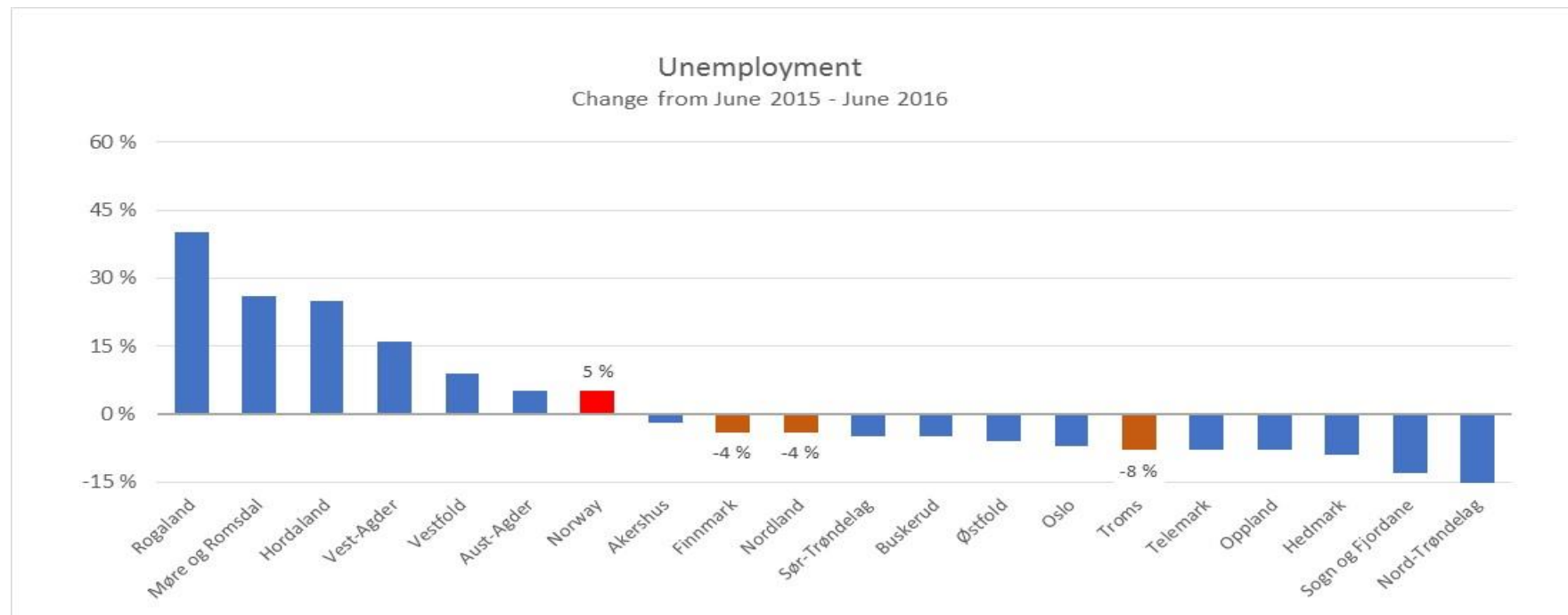
# Residential construction is peaking



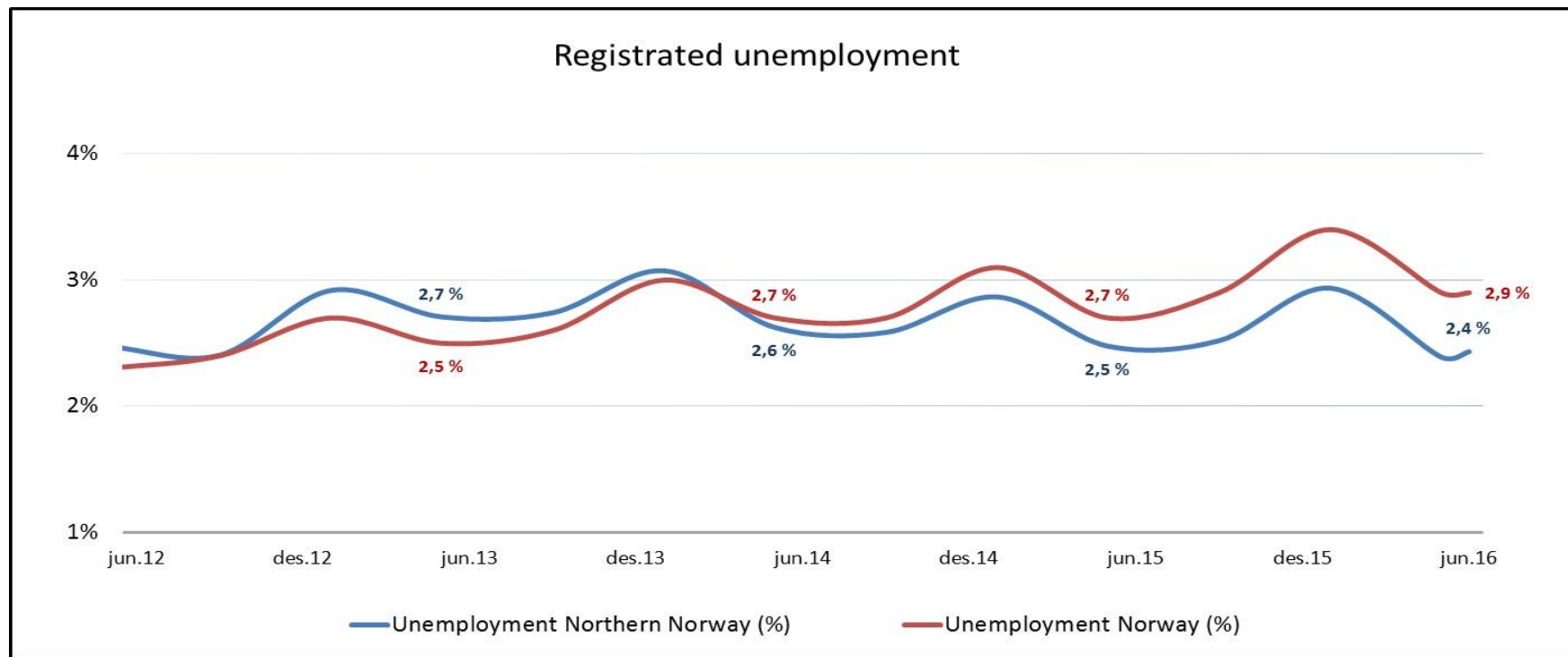
# Regional house prices lower than the Norwegian average



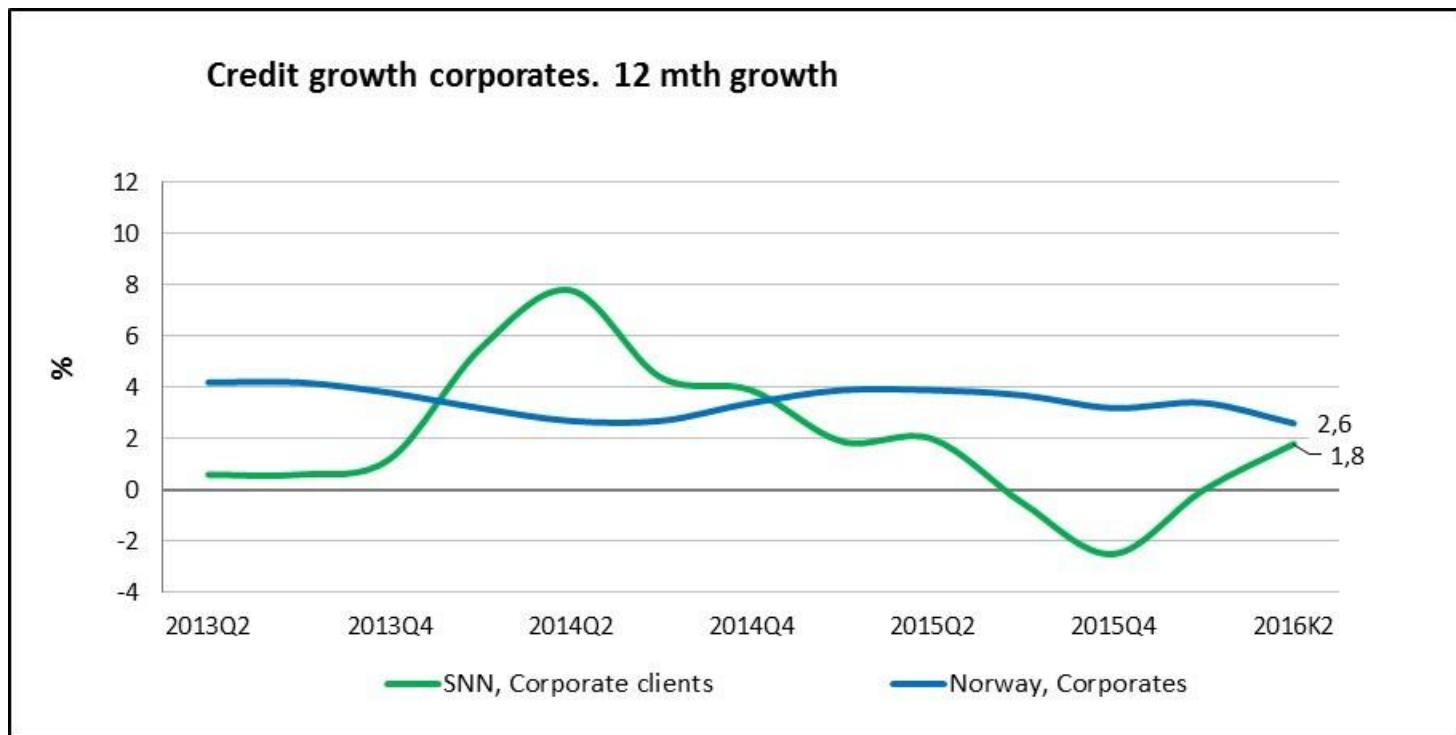
# Considerable regional differences in unemployment change



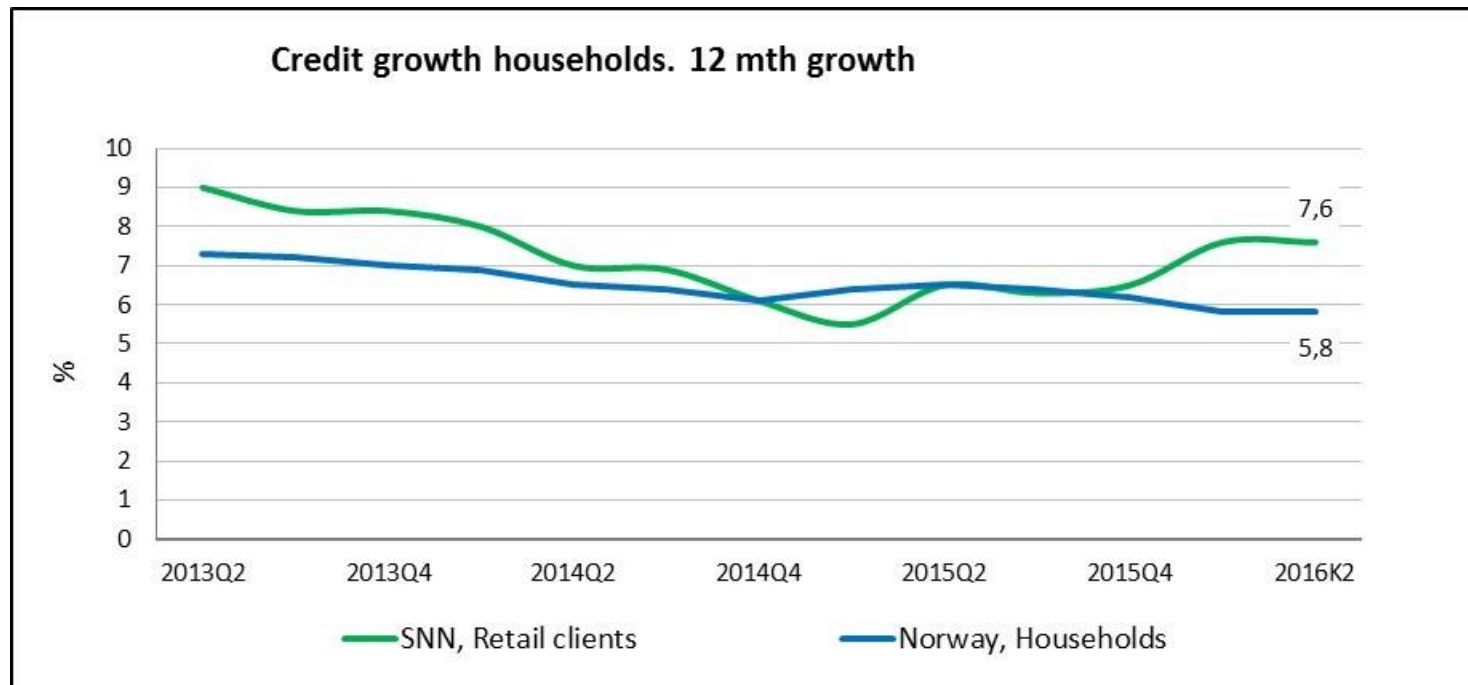
# Stable, low unemployment



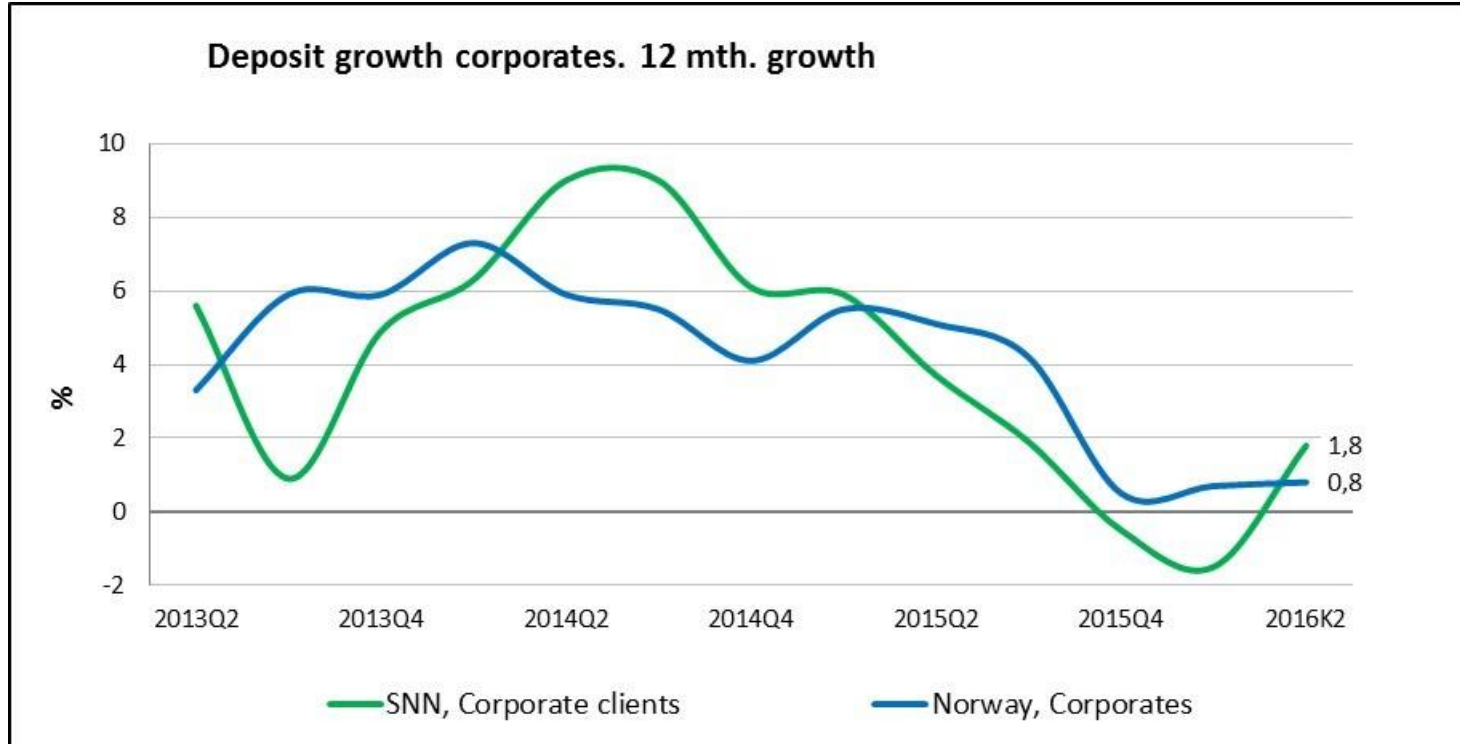
# Credit growth corporates



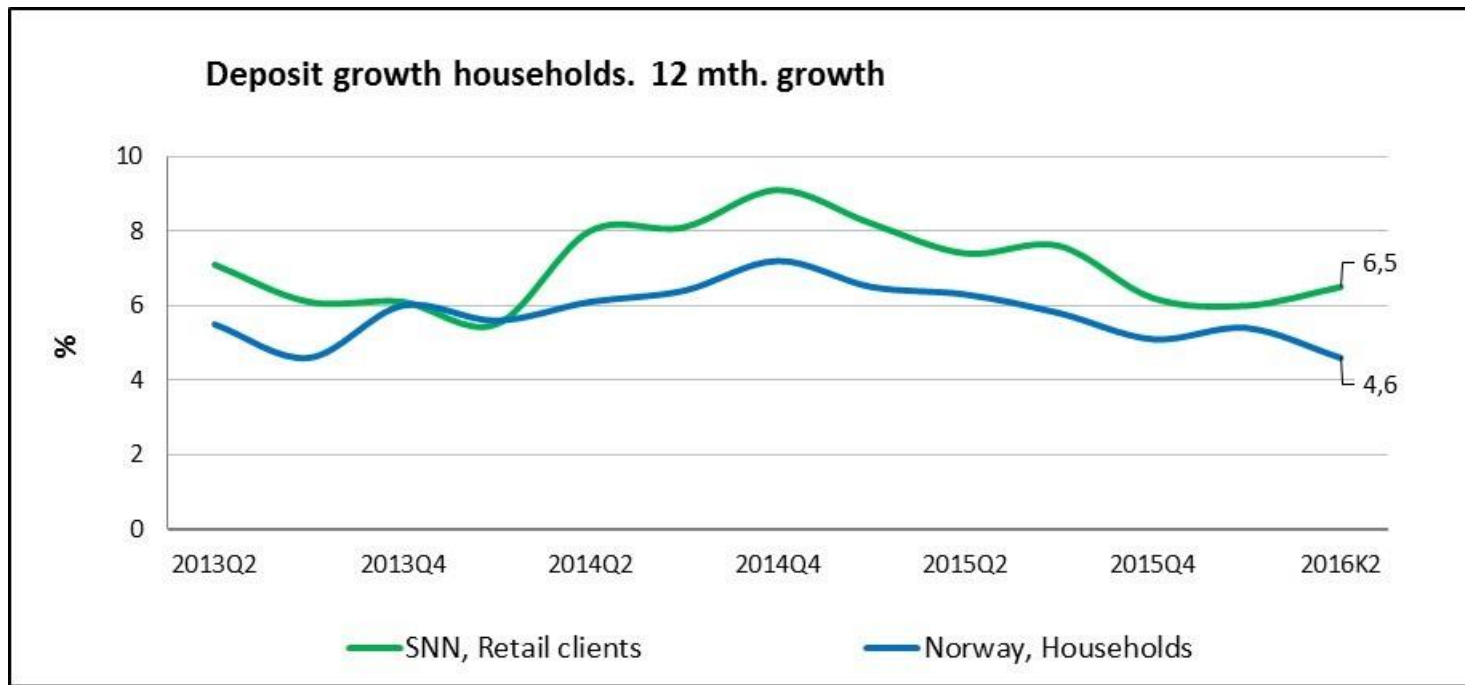
# Credit growth households



# Deposit growth corporates



# Deposit growth households

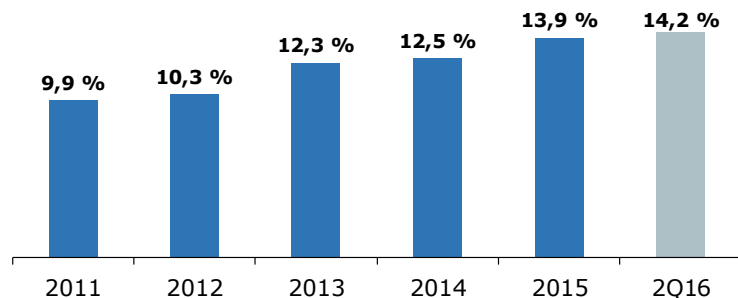




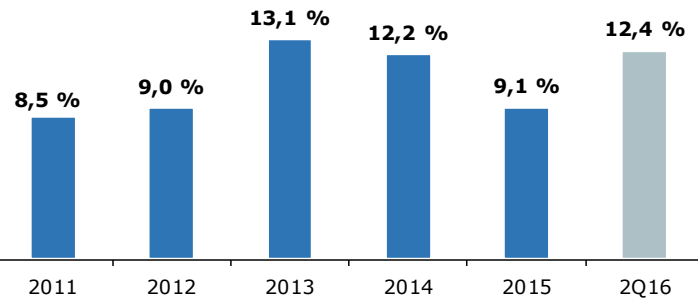
# Main financial figures

# Key figures

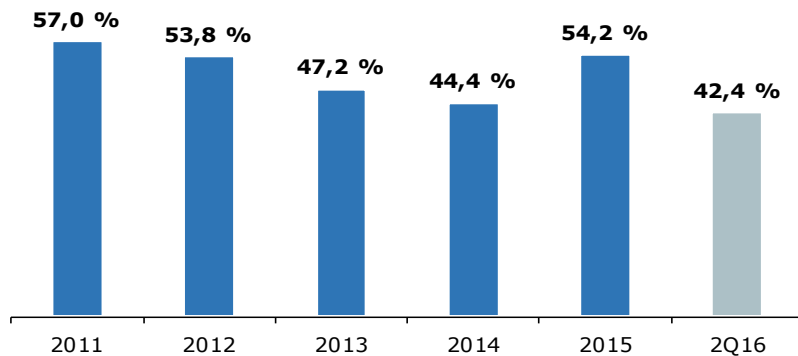
Common Equity Tier I % incl share of result



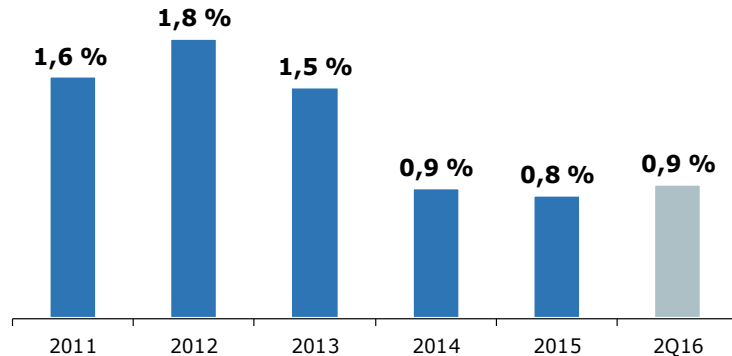
Return on equity



Cost/income ratio



Loans in default and other problem loans as a percentage of total loans



# Main financial targets as at 30.06.16

Return on equity at top international level, at present ROE 10 – 11 %

ROE 1H 2016: 12.4 %

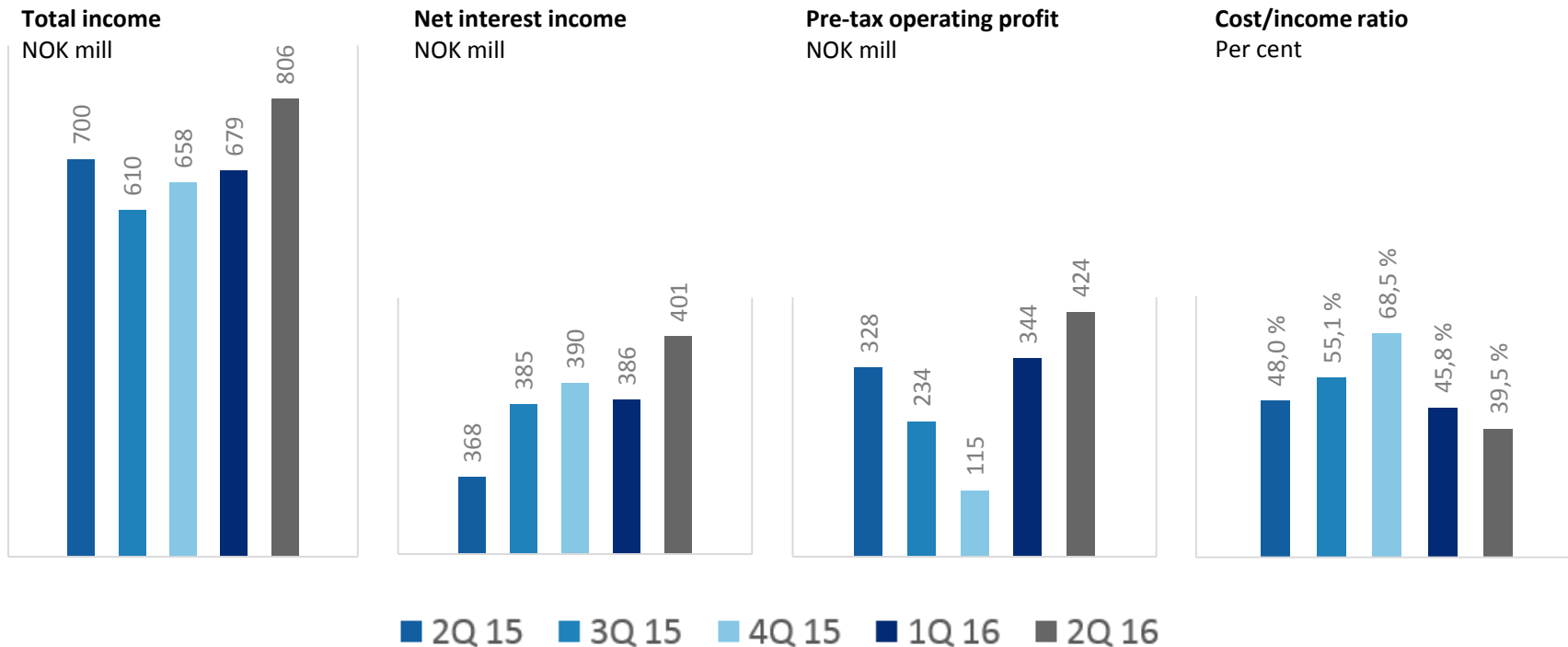
Solidity: CET-1 14.5 %

As at 30.06.16: 14.2 %

Yearly cost growth:  
Maximum 0 %

1H 2016 vs 1H 2015: - 3.9 %

# Profit development



# Profit and loss account - Group

(Amounts in NOK million)

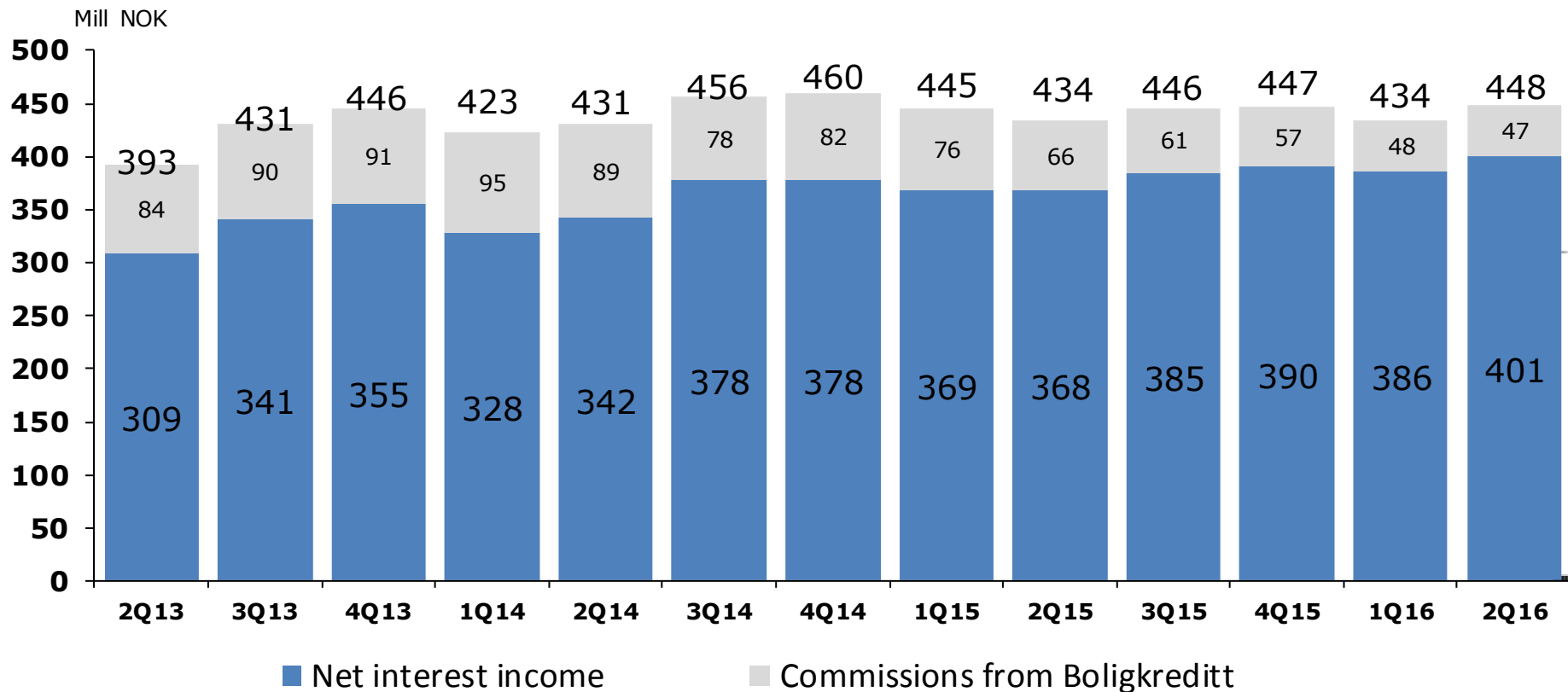
	<b>30.06.16</b>	30.06.15	31.12.15
Net interest income	<b>787</b>	737	1 512
Net fee-, commission and other operating income	<b>462</b>	478	933
Net income from financial investments	<b>236</b>	211	249
<b>Total net income</b>	<b>1 485</b>	1 426	2 694
Total costs	<b>629</b>	674	1 461
<b>Result before losses and write-downs</b>	<b>856</b>	752	1 233
Net losses and write-downs	<b>88</b>	68	200
<b>Result before tax</b>	<b>768</b>	684	1 033
Tax	<b>140</b>	134	163
Result non-current assets held for sale	<b>0</b>	0	5
Minority interests	<b>0</b>	- 3	- 7
<b>Result for the period</b>	<b>628</b>	553	872
Return on equity capital	<b>12,4 %</b>	11,7 %	9,1 %

# Quarterly results – net interest income

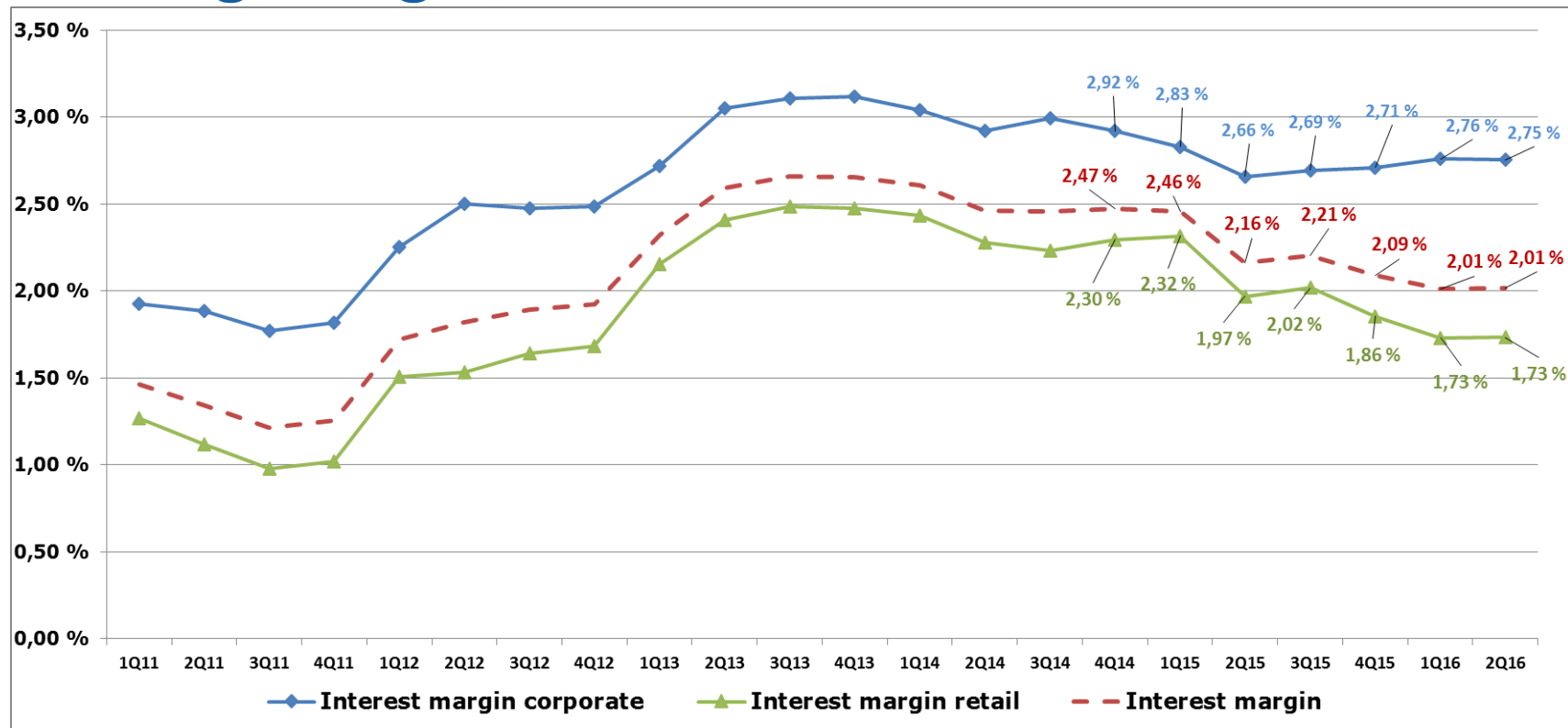
(Amounts in NOK million)

	2Q16	1Q16	4Q15	3Q15	2Q15
Interest and similar income from loans to and claims on credit institutions	2	2	6	6	5
Interest and similar income from loans to and claims on customers	584	578	597	618	630
Interest and similar income from certificates, bonds and other interest-bearing securities	45	43	41	48	47
Interest and similiar income	631	623	644	672	682
Interest and similar costs on liabilities to credit institutions	14	12	11	10	15
Interest and similar costs relating to deposits from and liabilities to customers	100	105	119	149	169
Interest and similar costs related to the issuance of securities	92	96	100	105	107
Interest and similar costs on subordinated loan capital	14	15	15	15	15
Payments made to The Norwegian Banks' Guarantee Fund	10	9	9	8	8
Total interest costs	230	237	254	287	314
<b>Net interest income</b>	<b>401</b>	<b>386</b>	<b>390</b>	<b>385</b>	<b>368</b>

# Net interest income - Group



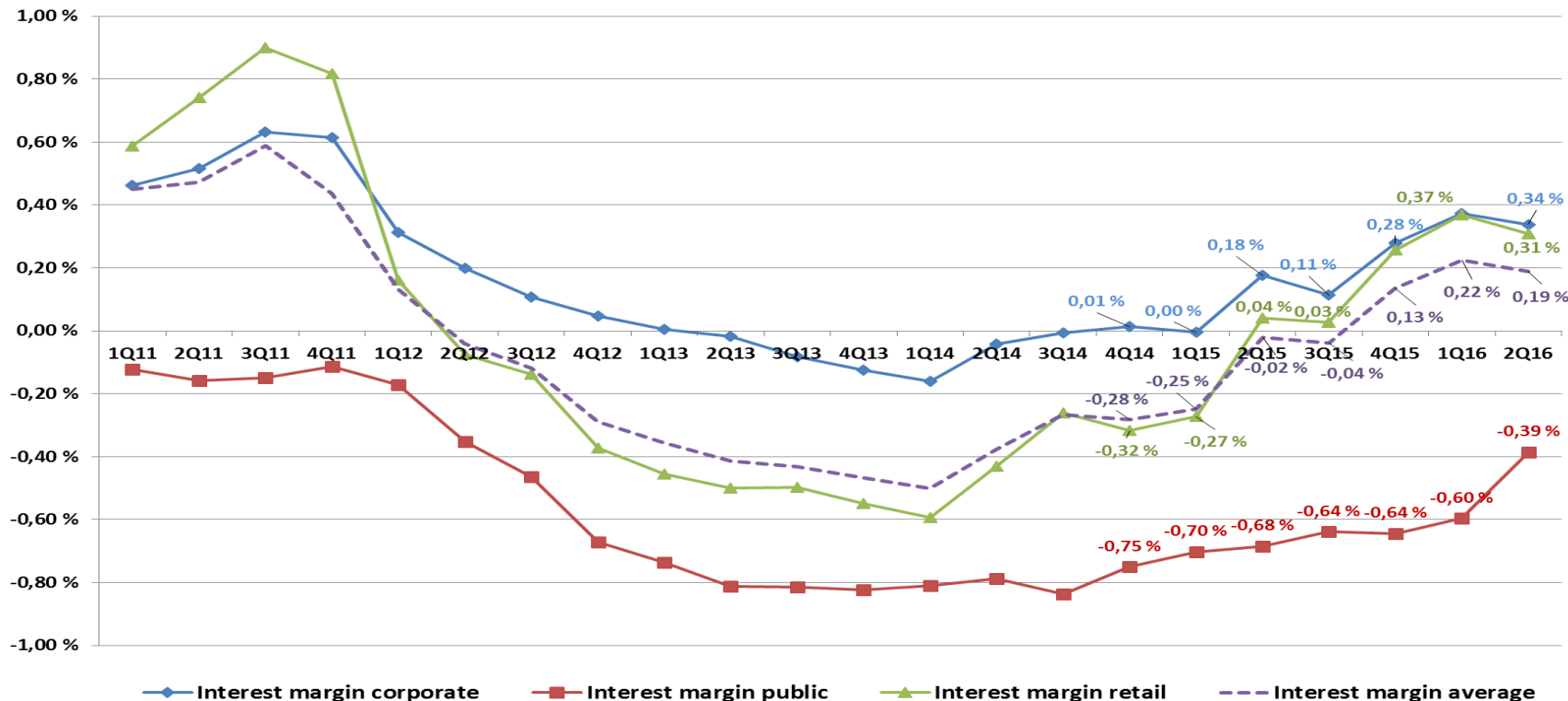
# Lending margin, Parent bank



The interest margin is defined as the difference between the customer lending interest rate and average 3 month NIBOR



# Customer deposit, Parent bank



The interest margin is defined as the difference between average 3 month NIBOR and the customer deposit interest rate

# Total commission and other income

	2Q16	1Q16	4Q15	3Q15	2Q15
(Amounts in NOK million)					
Payment transmission income	63	61	60	69	62
Commissions insurance	37	39	37	36	35
Guarantee commissions	5	5	5	5	5
Estate agency	39	26	27	29	36
Assets management	11	11	11	12	13
Other commissions	24	14	19	20	16
Commissions ex. Boligkreditt	179	156	159	171	167
Boligkreditt	47	48	57	61	66
<b>Total commision income</b>	<b>226</b>	204	216	232	233
Commission costs	22	19	18	21	18
Accountancy services	23	25	22	18	21
Other income	22	3	2	6	2
<b>Total other income</b>	<b>45</b>	28	24	24	23
<b>Total commission- and other income</b>	<b>249</b>	213	222	235	238

# Group operating costs

(Amounts in NOK million)

	<b>30.06.16</b>	30.06.15	Change
Wages and salaries	<b>265</b>	306	- 41
Pension costs	<b>17</b>	21	- 4
Social costs	<b>42</b>	44	- 2
Total personnel costs	<b>324</b>	371	- 47
Administration costs	<b>186</b>	180	6
Total personnel- and general administration costs	<b>510</b>	551	- 41
Depreciation and write-downs of fixed assets	<b>30</b>	28	2
Operating costs buildings	<b>13</b>	14	- 1
Other operating costs	<b>76</b>	81	- 5
Total operating costs	<b>119</b>	123	- 4
Total costs	<b>629</b>	674	- 45

# Operating expenses

(in NOK million)

	2Q16	1Q16	4Q15	3Q15	2Q15
Wages and salaries	133	132	249	158	147
Pension costs	9	8	4	11	12
Social costs	19	23	35	22	23
<b>Total personnel costs</b>	<b>161</b>	<b>163</b>	<b>289</b>	<b>190</b>	<b>182</b>
Development costs	28	30	34	28	28
Electronic data processing costs	19	18	16	14	18
Marketing costs	19	15	17	16	18
Travel - and training costs	9	9	11	9	7
Communications	2	1	3	1	3
Postage	3	3	2	3	3
Consultancy services	9	12	16	8	9
Cost involving the handling of cash	1	2	2	1	2
Office-related costs	2	2	2	3	1
Collection costs	1	1	1	1	1
Ordinary depreciation	16	14	14	14	14
Operating costs - premises/buildings	6	7	7	9	7
Other operating costs incl rent	42	34	37	39	43
<b>Other costs</b>	<b>157</b>	<b>148</b>	<b>162</b>	<b>146</b>	<b>154</b>
<b>Total operating expenses</b>	<b>318</b>	<b>311</b>	<b>451</b>	<b>336</b>	<b>336</b>

# Core banking operations- (excl. income from financial investments)

(Amounts in NOK million)

	2Q16	1Q16	4Q15	3Q15	2Q15
Net interest income	401	386	390	385	368
Net fee- and commission income	204	185	198	210	215
Other operating income	45	28	24	23	24
Total costs excl restructuring costs	318	311	346	326	326
<b>Underlying banking operations</b>	<b>332</b>	288	266	292	281
Restructuring costs	0	0	105	10	10
Net losses and write-downs	64	24	92	40	36
<b>Underlying banking operations after losses</b>	<b>268</b>	264	69	242	235

# Key figures balance sheet

	<b>30.06.16</b>	30.06.15	Change	Change %
Total assets	<b>92 038</b>	84 981	7 057	8,3%
Gross lending	<b>67 861</b>	63 073	4 788	7,6%
Loans and advances to customers incl SpareBank 1 Boligkreditt and Næringskreditt	<b>92 249</b>	87 076	5 173	5,9%
Deposits from customers	<b>55 666</b>	49 977	5 689	11,4%

# Credit area

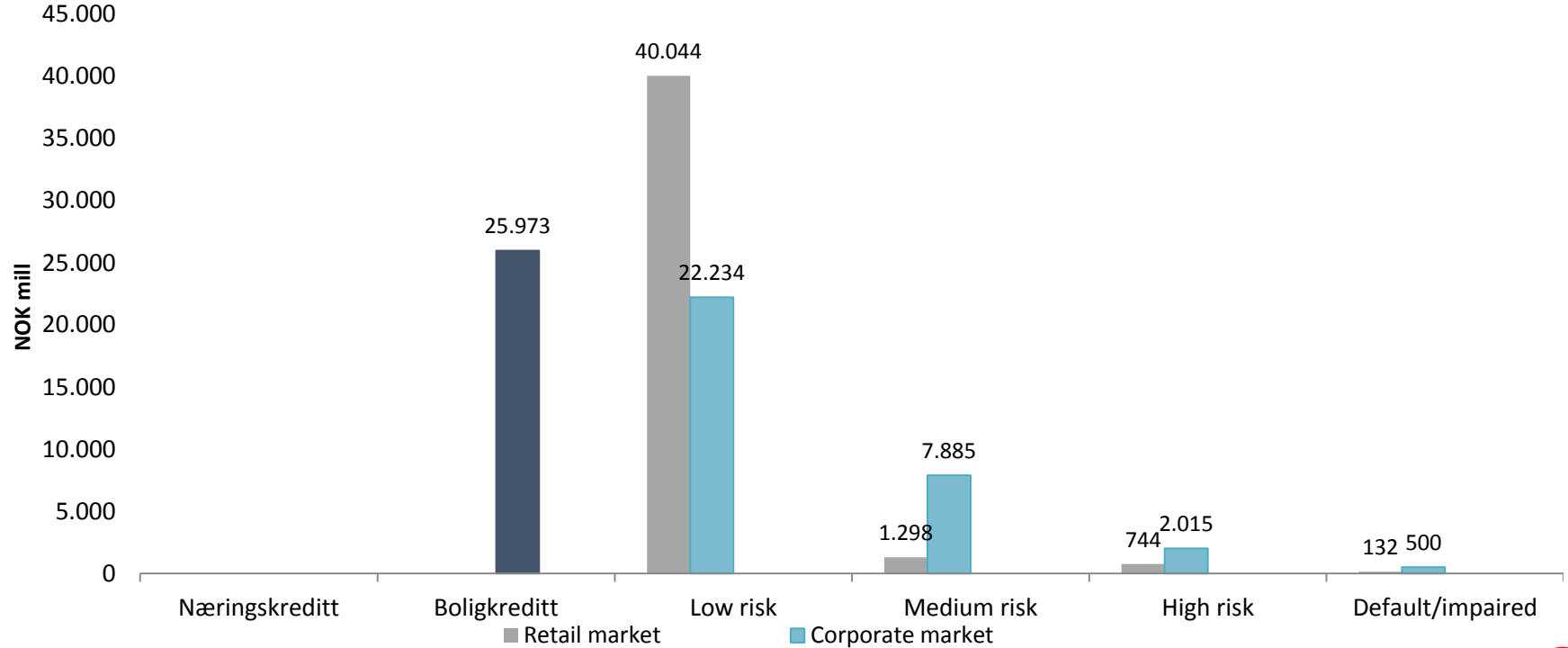
- Portfolio
- Commitments in default and losses

# Lending portfolio - comments

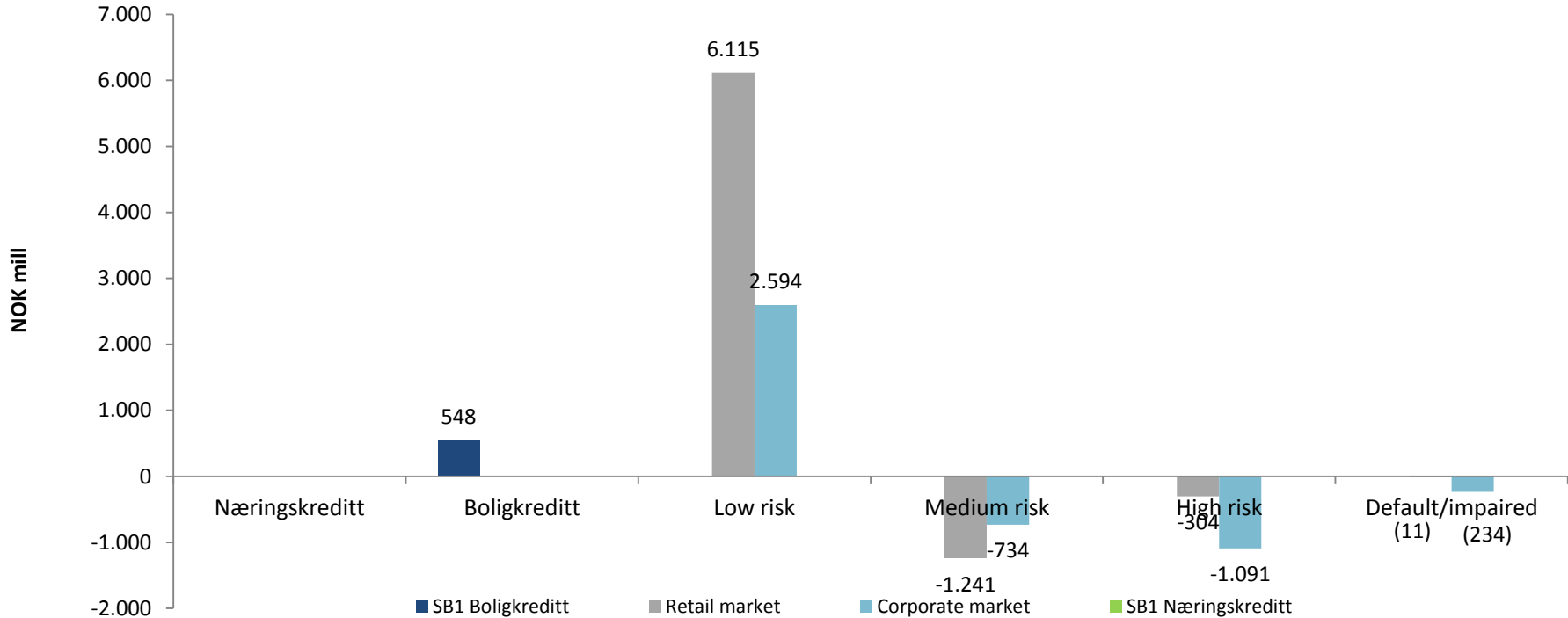
- Good increase in retail lending, with focus on commitments qualifying for SpareBank 1 Boligkreditt (covered bond company)
- Low growth in corporate market lending last 12 months, increased growth last 6 months
- The portfolio and new commitments in corporate sector lending are diversified
- Increase in non-performing/impaired commitments
- Increased collective write-downs based on macroeconomic outlook
- Moderate individual losses as of 1<sup>st</sup> half 2016



# Portfolio - exposure as of 30.06.16, parent bank

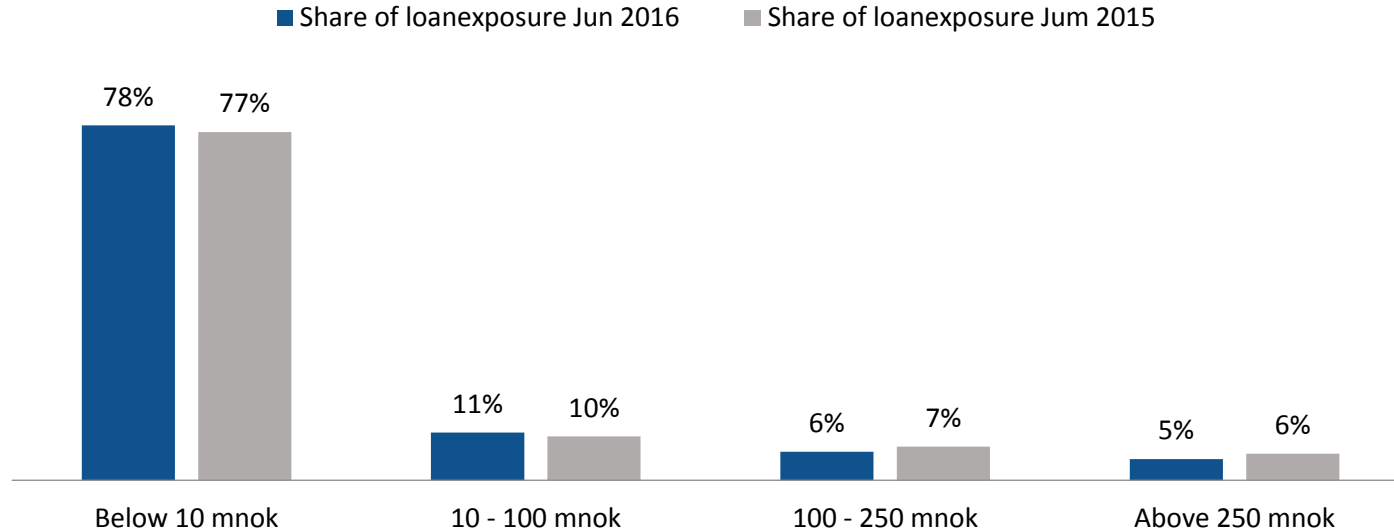


# Portfolio – changes last 12 months, parent bank



# Portfolio - exposure as of 30.06.16

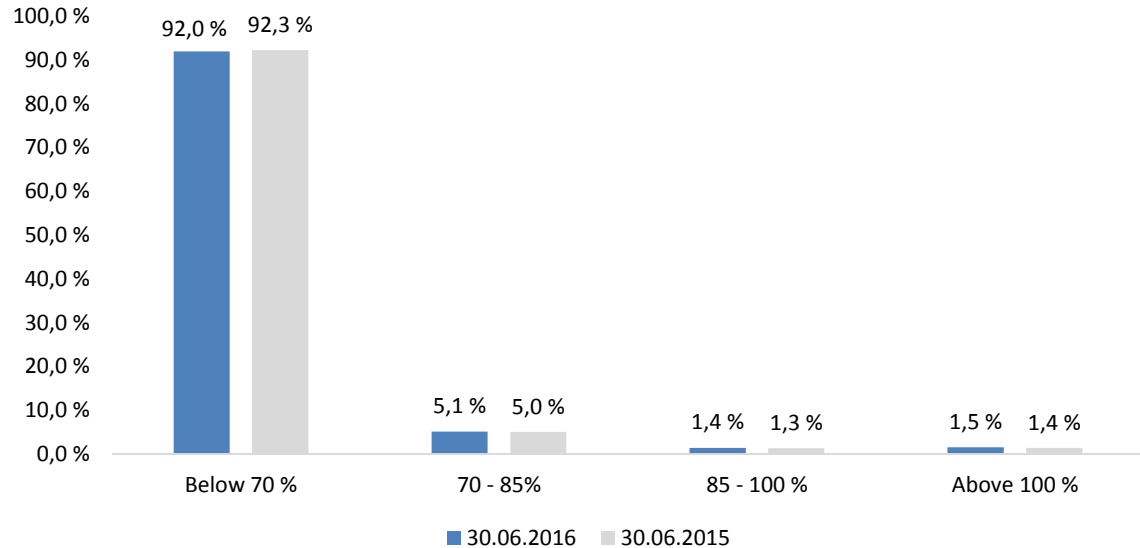
Loans distributed by size of exposure and share of total exposure



Numbers includes SB 1 Bolig- and Næringskreditt

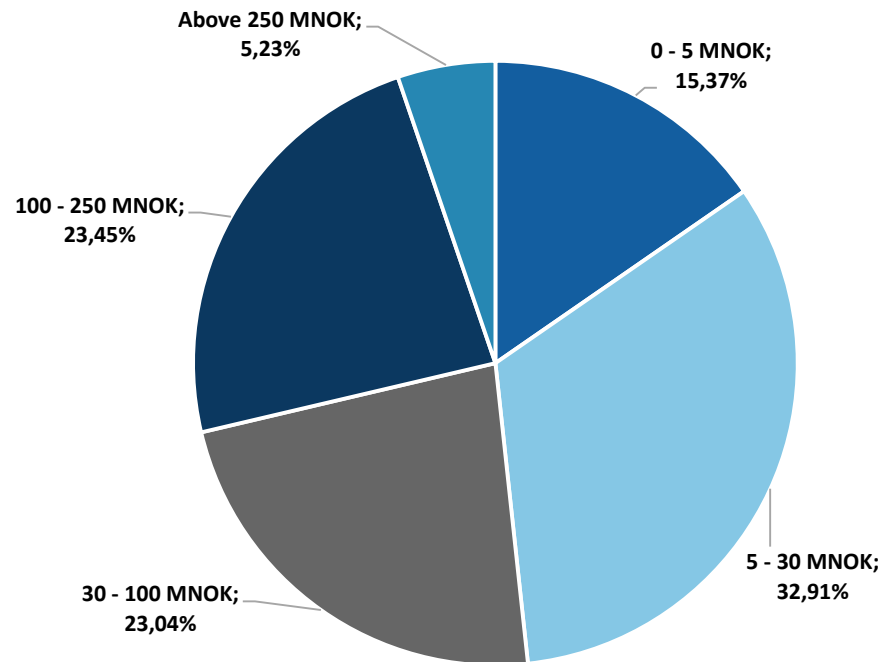
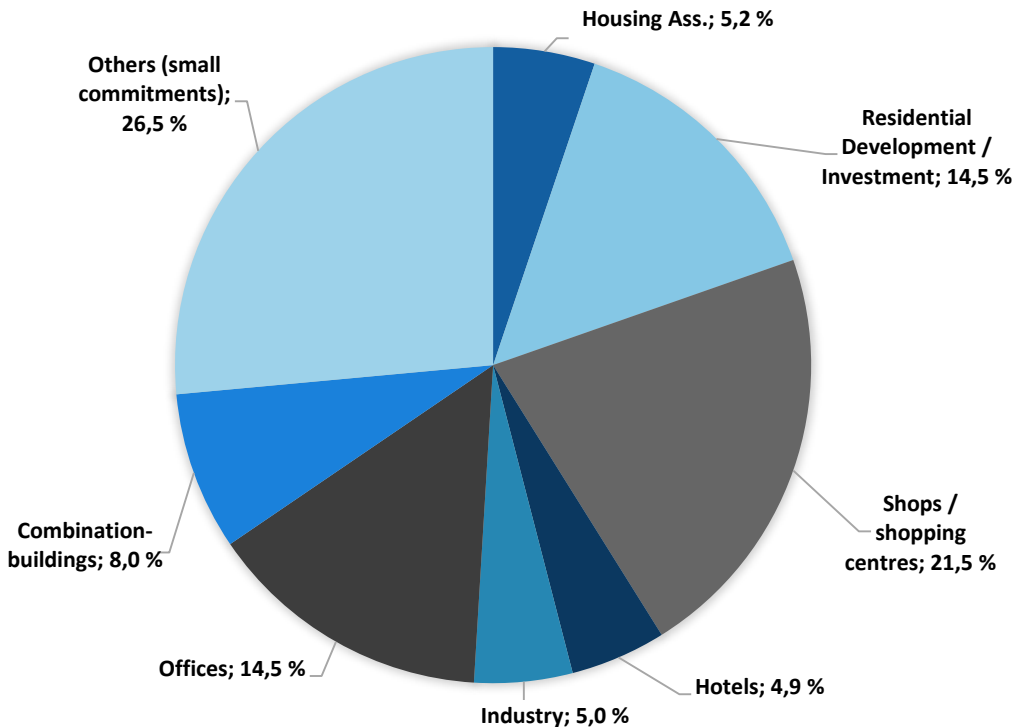
# Portfolio – LTV mortgage loans as of 30.06.16

- 97.1 % of exposures are within 85 % of the collaterals market value
- Exposures above 85 % are 2.9 %



Each loan is distributed in the different intervals. The numbers include the Group's share of SB1 Boligkreditt portfolio.

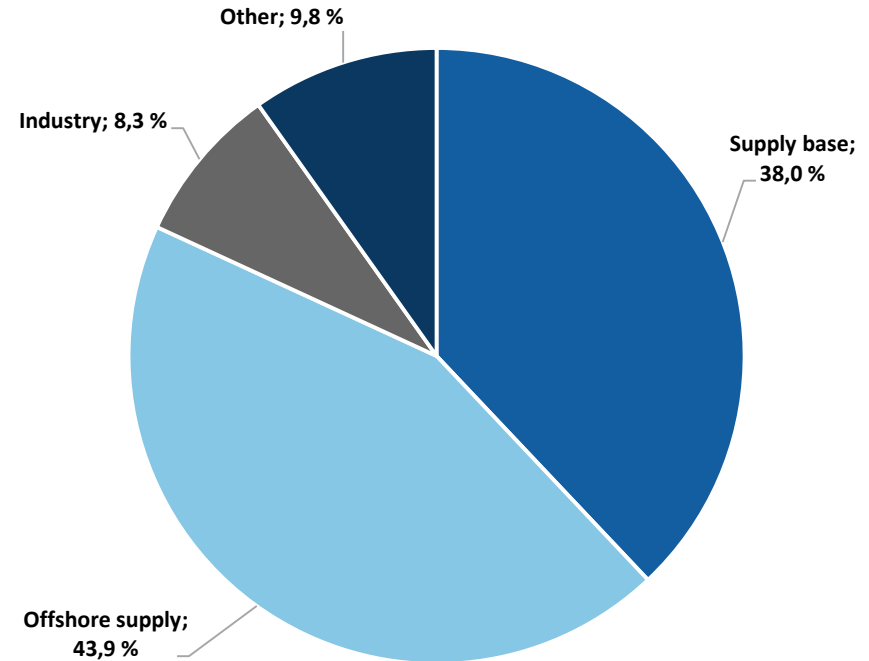
# Portfolio – Commercial Real Estate



- About 50 % of portfolio is rental involving own operations
- 71.3 % of the portfolio are commitments smaller than NOK 100 mill
- No significant commitments where tenants have significant oil related business

# Portfolio – Oil related exposure as of 30.06.16

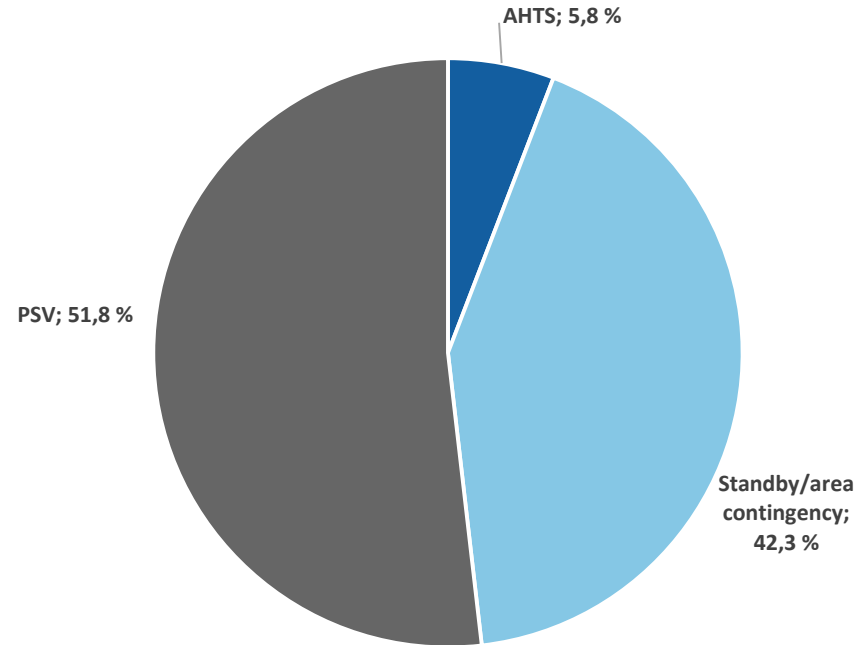
- Oil related exposure amounts to NOK 2,035 mill
- The exposure represents 2.2 % of total lending incl. Næring- and Boligkreditt
- Average weighted probability of default 1.07 %
- A total of NOK 201.7 mill are non-performing or impaired commitments
- The activity within oil and offshore consists of a small customer portfolio handled by a small group of advisors



# Portfolio – Offshore Supply Vessels (OSV)

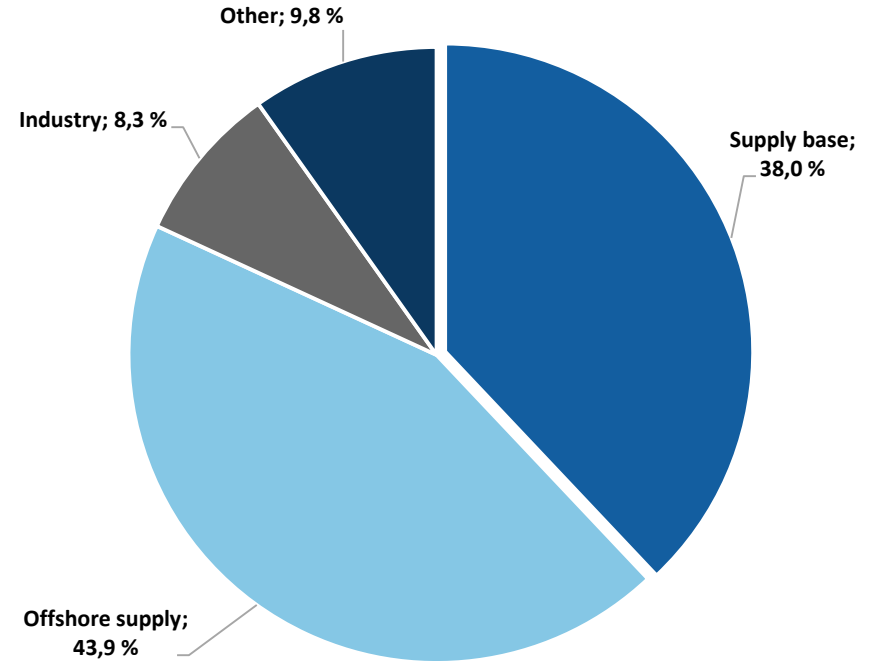
- OSV amounts to NOK 893 mill
- Average weighted probability of default 0.49 %
- Total amount of 8 vessels\*
- Weighted age 5.5 years\*
- Average weighted contract length 3.3 years\* incl. one vessel laid up
- SNN is participant in syndicates on 6 vessels\*

\*Exclusive of barges



# Portfolio – Supply bases

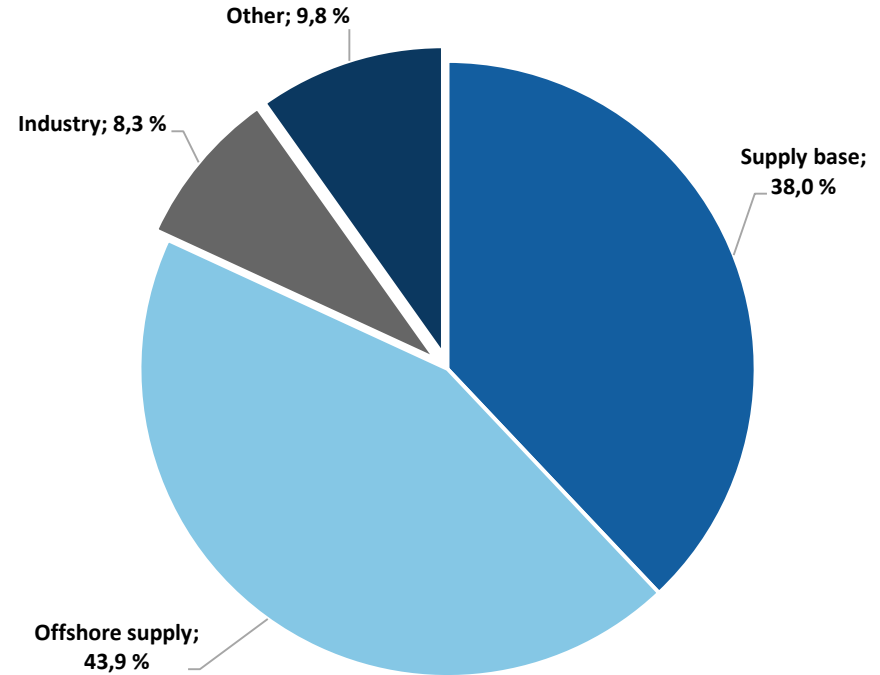
- Supply base exposure amounts to NOK 773 mill
- Average weighted probability of default 1.54 %
- Customers with long term contracts with solid and strong partners gives good cash flows in the short and long term





# Portfolio – Industry and Other

- The sector “Industry and Other” amounts to NOK 369 mill, divided into Industry NOK 169 mill and Other NOK 200 mill
- Average weighted probability of default: Industry 2.13 % and Other 0.59 %
- A total of NOK 201.7 mill non-performing or impaired commitments
- The exposure consists of financing of real estate, transport equipment and working capital

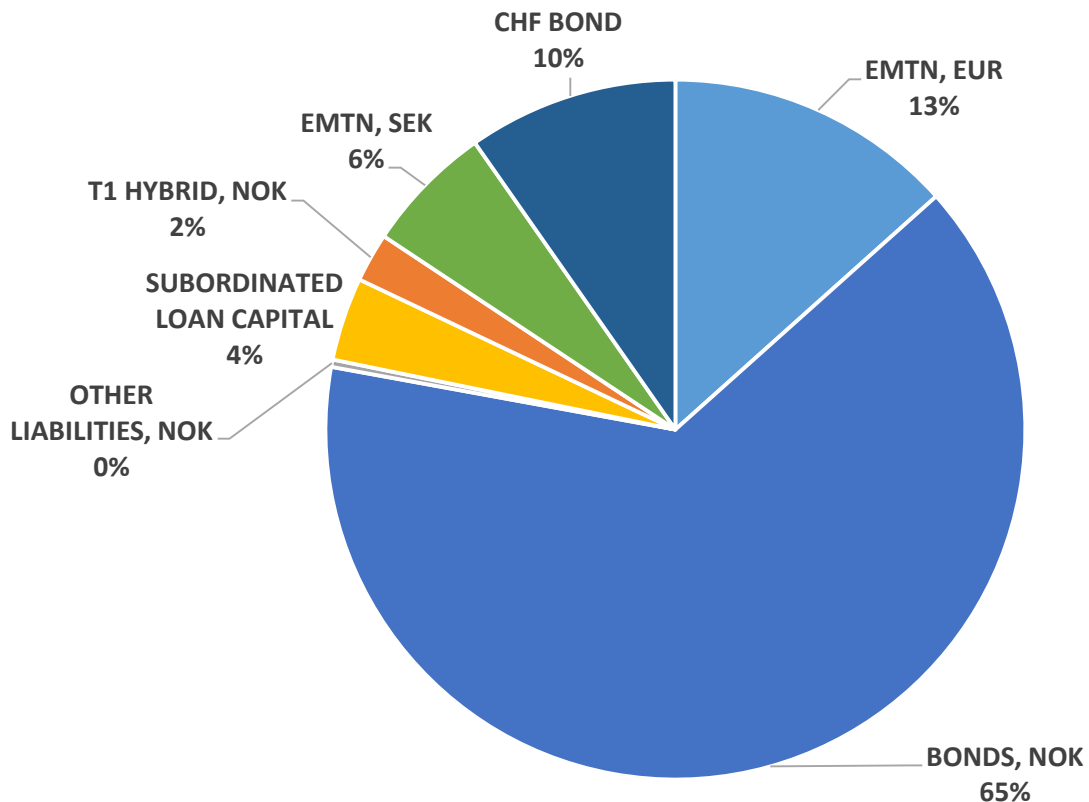


## Loan losses: The Group's write-downs as of Q2 2016

<b>Write-downs</b>	<b>1st half 2016</b>	<b>1st half 2015</b>	<b>2nd quarter 2015 (iso)</b>	<b>2015</b>
Individual write-downs				
<i>Retail market</i>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>
<i>Corporate market</i>	<b>13</b>	<b>63</b>	<b>13</b>	<b>165</b>
<i>SpareBank 1 Finans Nord-Norge</i>	<b>34</b>	<b>3</b>	<b>33</b>	<b>8</b>
<i>Other group units</i>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-19</b>
Total individual write-downs	<b>48</b>	<b>76</b>	<b>45</b>	<b>154</b>
Collective write downs and other value change items	<b>40</b>	<b>2</b>	<b>19</b>	<b>54</b>
Effects from consolidations	<b>0</b>	<b>-10</b>	<b>0</b>	<b>-8</b>
Total write-down on loans and guarantees	<b>88</b>	<b>68</b>	<b>64</b>	<b>200</b>

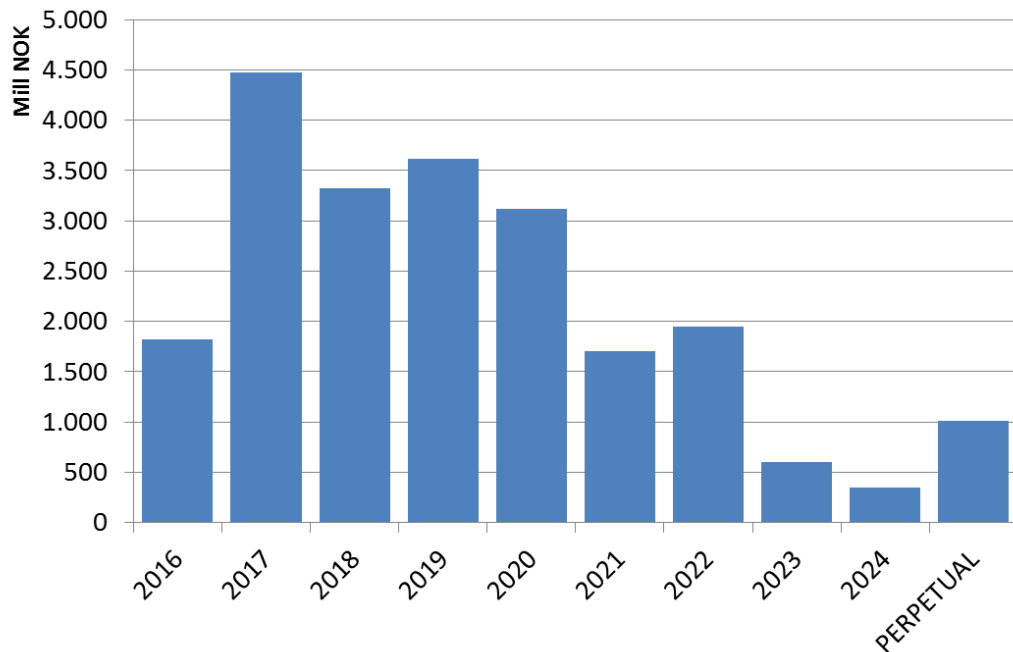
# Liquidity

# Funding instruments 30.06.2016



# Maturity profile 30.06.2016

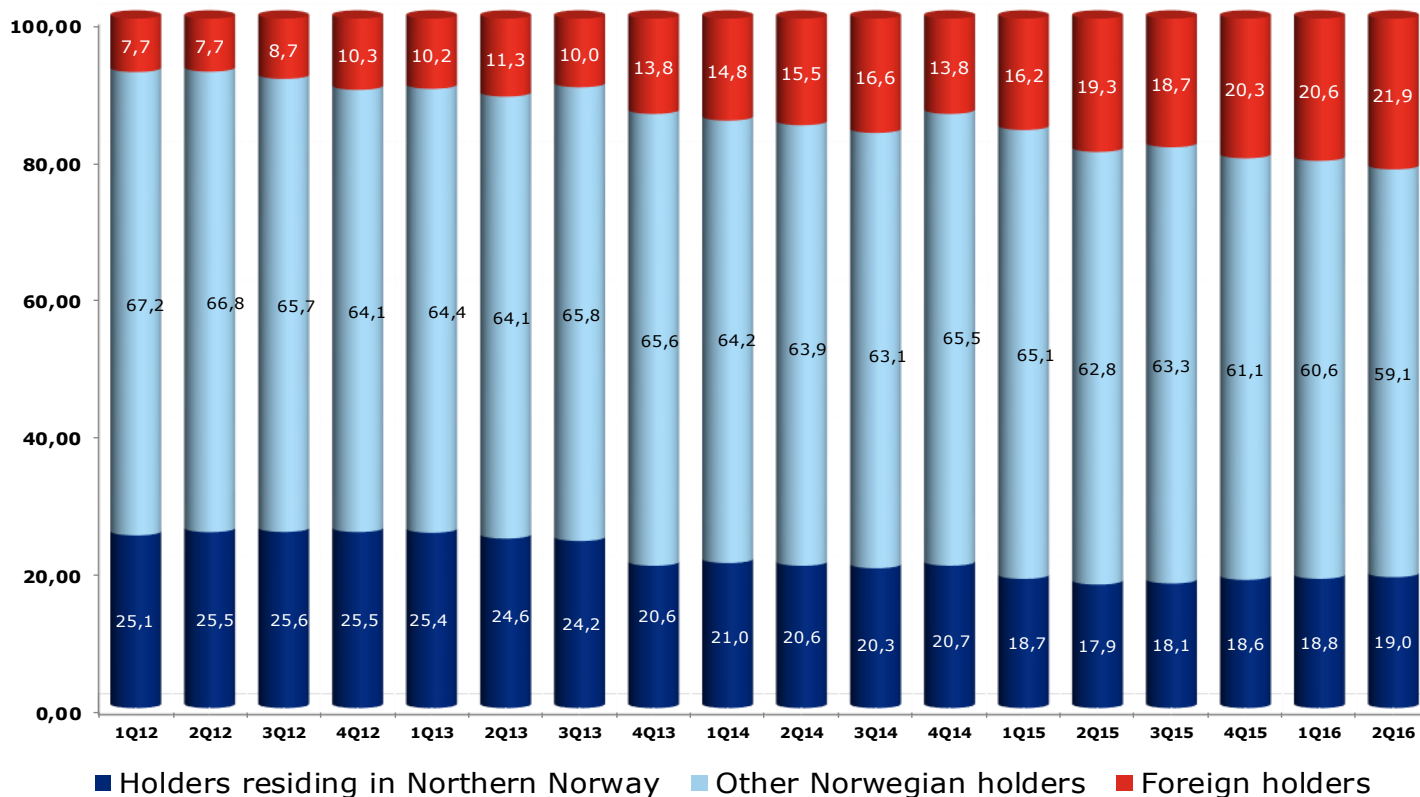
## Capital markets funding (excl. SPABOL)



- Good diversification in terms of maturities
- NOK 21.979 mill in capital market funding exclusive of SB1 Boligkreditt
- SpareBank 1 Boligkreditt is an important funding source. Mortgage loans of NOK 24.387 mill transferred as at 30.06.16
- Amount of gross maturities of capital market funding next 12 months is NOK 4.052 mill

# Ownership

# Equity Certificates (EC) - holder structure



# The 20 largest EC holders

<b>Equity Certificate holders</b>	<b>Number of Equity Certificates</b>	<b>Share of total capital</b>
PARETO AKSJE NORGE	3.648.290	3,63 %
VERDIPAPIRFONDET DNB NORGE (IV)	3.301.779	3,29 %
THE NORTHERN TRUST	3.036.406	3,02 %
MP PENSJON PK	2.720.503	2,71 %
FLPS - PRINC ALL SEC STOCK SUB	2.125.000	2,12 %
MERRILL LYNCH PROF. CLEARING CORP	1.914.360	1,91 %
POPE ASSET MANAGEMENT	1.691.266	1,68 %
METEVA AS	1.614.670	1,61 %
STATE STREET BANK AND TRUST CO.	1.567.624	1,56 %
FORSVARETS PERSONELLSERVICE	1.561.630	1,56 %
SPAREBANKSTIFTELSEN SPAREBANK 1 NORD-NORGE	1.411.606	1,41 %
DNB LIVSFORSIKRING ASA	1.218.181	1,21 %
PERESTROIKA AS	1.198.837	1,19 %
EIKA UTBYTTE	1.032.004	1,03 %
THE BANK OF NEW YORK MELLON	1.014.229	1,01 %
BERGEN KOMMUNALE PENSJONSKASSE	1.000.000	1,00 %
PARETO AS	970.659	0,97 %
SANLAM UNIVERSAL FUNDS PLC	872.877	0,87 %
STATE STREET BANK AND TRUST	747.617	0,74 %
NORDENFJELSKE BYKREDITTS STIFTELSE	651.954	0,65 %
<b>The 20 largest EC holders</b>	<b>33 299 492</b>	<b>33,17 %</b>



# The 20 largest EC holders residing in Northern Norway

<b>Equity Certificate holders</b>	<b>Number of Equity Certificates</b>	<b>Share of total Equity Certificate capital</b>
SPAREBANKSTIFTELSEN SPAREBANK 1 NORD-NORGE	<b>1.411.606</b>	<b>1,41 %</b>
KARL DITLEFSEN	<b>547.543</b>	<b>0,55 %</b>
NORGES RÅFISKLAG	<b>437.490</b>	<b>0,44 %</b>
HANSEN DAHL FISKERI AS	<b>374.883</b>	<b>0,37 %</b>
SPAREBANKSTIFTELSEN HELGELAND	<b>284.491</b>	<b>0,28 %</b>
ODD ERIK HANSEN INVEST AS	<b>281.502</b>	<b>0,28 %</b>
LARS WORKINN	<b>251.505</b>	<b>0,25 %</b>
TOR OVESEN	<b>206.556</b>	<b>0,21 %</b>
OLE ALFRED ROLF OVESEN	<b>205.554</b>	<b>0,20 %</b>
GADD HOLDING AS	<b>176.839</b>	<b>0,18 %</b>
TROMSØ SKOTØIMAGASIN A/S	<b>170.000</b>	<b>0,17 %</b>
ENTREPRENØRCOMPANIET NORD AS	<b>169.596</b>	<b>0,17 %</b>
AGNAR HOLDING AS	<b>158.917</b>	<b>0,16 %</b>
RIGAMONTI A/S	<b>156.005</b>	<b>0,16 %</b>
TROMSTRYGD	<b>150.000</b>	<b>0,15 %</b>
BRØDRENE KARLSEN HOLDING AS	<b>119.705</b>	<b>0,12 %</b>
HEMMING LEONHARTH ANDERSEN	<b>115.000</b>	<b>0,11 %</b>
GEIR ANDRE STEILAND	<b>110.000</b>	<b>0,11 %</b>
COOP NORD BA	<b>97.848</b>	<b>0,10 %</b>
AS FERDIGHUS	<b>95.765</b>	<b>0,10 %</b>

**The 20 largest EC holders residing in Northern Norway <sup>1)</sup>**

**5 520 805**

**5,50 %**

<sup>1)</sup> Postal code > 7999

# SpareBank 1 Group and Alliance

# The SpareBank 1 Alliance



**SpareBank 1 Mobilbetaling AS**  
(mCASH)

**SpareBank 1 Kredittkort AS**  
(Credit card)

**SpareBank 1 Boligkreditt AS**  
(Covered bond issuer)

**SpareBank 1 Næringskreditt AS**  
(Covered bond issuer)

**SpareBank 1 Markets AS**

**BN Bank ASA**

## **SpareBank 1 Gruppen AS (SB1G)**

**SpareBank 1 Forsikring AS**  
(Life insurance)

**SpareBank 1 Skadeforsikring AS**  
(Non-life insurance)

**ODIN Forvaltning AS**  
(Fund management)

**SpareBank 1 Medlemskort AS**  
(LOfavør)

**Conecto AS**  
(Debt collection)

**SpareBank 1 Gruppen Finans AS**  
(Factoring – Portfolio)

## **Banksamarbeidet DA (BS)**

**EiendomsMegler 1 Norge AS**

**SpareBank 1 Kundesenter AS**

**SpareBank 1 Verdipapirservice AS**

**SpareBank 1 ID AS**

**SpareBank 1 Asept AS**

# The idea behind the SpareBank 1 Alliance

## The banks in the alliance want to:



Achieve  
critical level  
of  
competence



Share  
development  
costs



Achieve  
economies  
of scale



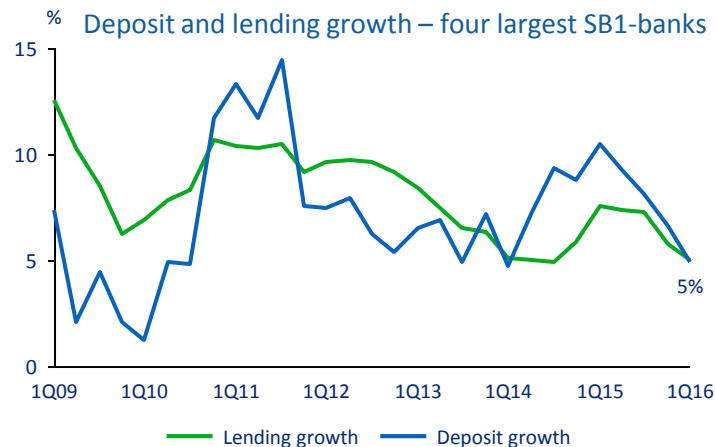
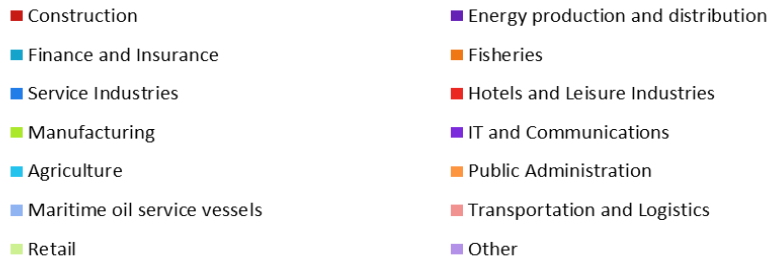
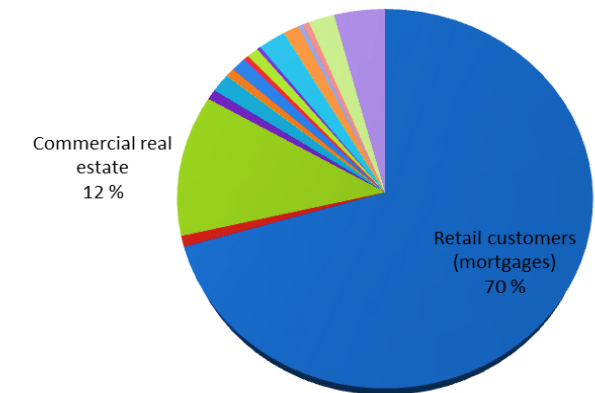
Retain their own  
name and continue  
as independent  
legal entities



Still be able to exploit  
each bank's proximity to  
their local market

# The SpareBank 1 Alliance – lending composition

## As per 1st quarter 2016

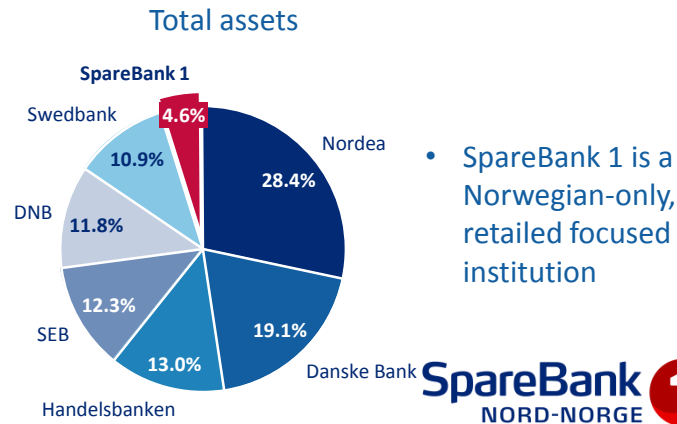
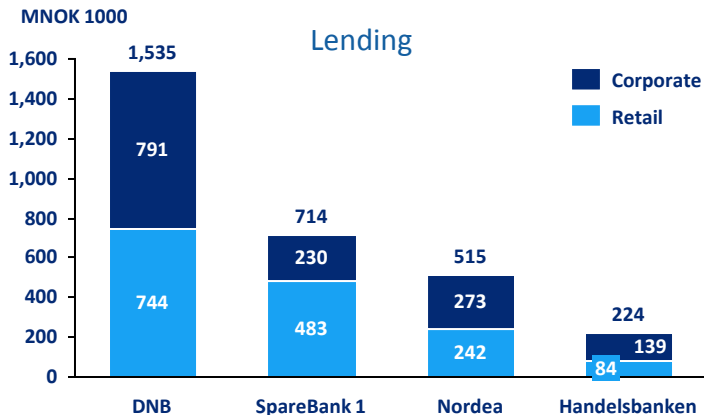
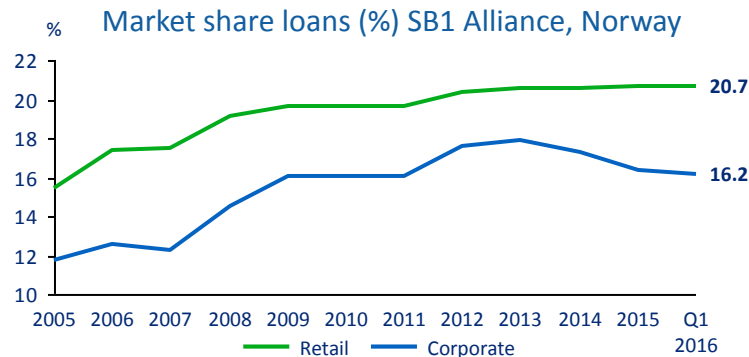


- Total lending: approx. NOK 715 bn.
- Mortgages: approx. NOK 480 bn.
- Share of mortgages bought by Boligkreditt (covered bond issuer): approx. 36 %

# The SpareBank 1 Alliance – market position

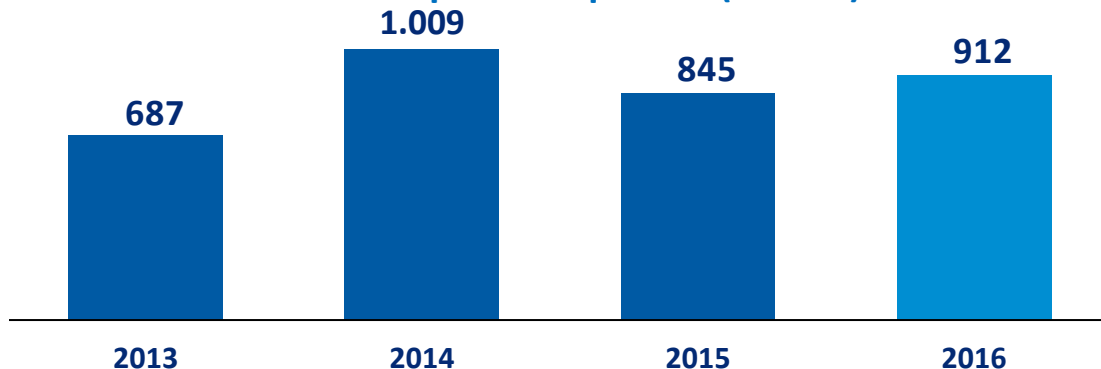
## As per 1st quarter 2016

- **2nd** largest banking group in the market
- More than **20 %** national market share in residential mortgages
- Regional market leader in large parts of the country: **30-50%** market shares



# Pre-tax operating profit. SpareBank 1 Gruppen

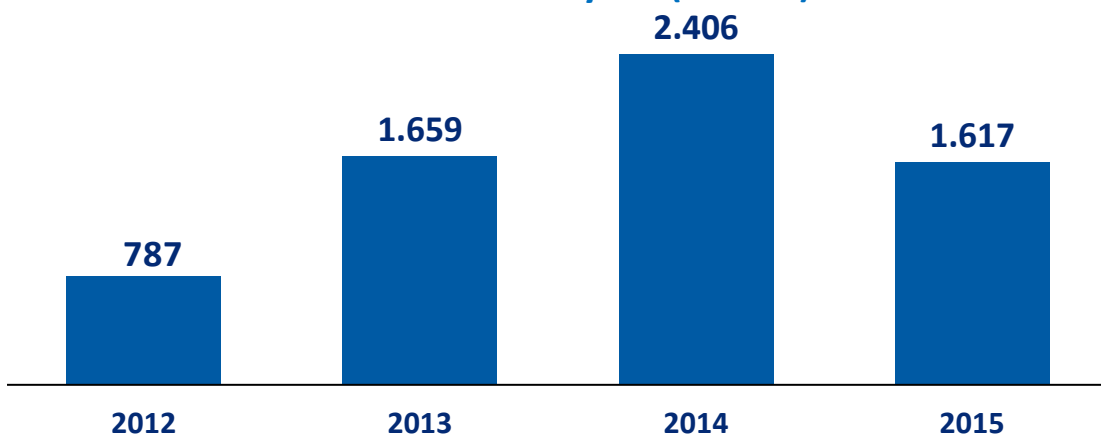
As per 2nd quarter (MNOK)



- Return on equity as per 2nd quarter:

2016	18.1 %
2015	17.6 %

For the full year (MNOK)



- Return on equity for the full year:

2015	17.2 %
2014	28.0 %
2013	20.3 %
2012	8.7 %