

177th year

QUARTERLY REPORT

Q1 2019



Interim report, Q1 2019

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Key figures - Group

	Q1 2019	Q1 2018	Full-year 2018
Net interest income	146,8	143,3	565,1
Net commission income	9,7	13,3	45,9
Net result from financial assets	5,3	2,2	119,3
Other operating income	4,5	17,1	27,3
Total net income	166,2	175,9	757,6
Total operating costs	78,3	70,9	289,1
Profit/loss before losses	87,9	105,0	468,5
Losses on loans, unused credit and guarantees	4,2	2,1	17,6
Profit/loss before tax costs	83,7	102,9	450,9
Tax costs	19,1	22,2	76,7
Profit/loss after tax	64,5	80,7	374,2

Key figures

	Q1 2019	Q1 2018	Full-year 2018
Profitability			
Return on equity*	7,01	9,67	10,81
Net interest income as a % of average total assets	1,41	1,55	1,45
Profit/loss after tax as a % of average total assets	0,62	0,87	0,96
Costs as a % of average total assets	0,75	0,77	0,74
Costs as a % of income (before losses on loans/guarantees)*	47,11	40,31	38,16
Costs as a % of income (excl. return on financial investments)*	48,65	40,82	45,29
Balance sheet figures			
Net lending to customers	35.625,1	31.371,6	35.147,4
Lending growth (12 months)	13,56	5,45	13,48
Deposits	14.856,5	13.940,9	14.899,7
Deposit growth (12 months)	6,57	3,06	6,64
Average equity	3.504,8	3.274,3	3.354,9
Average total assets	42.231,4	37.411,9	38.986,6
Loss provisions on impaired and non-performing loans			
Losses as a % of net lending to customers (OB)*	0,05	0,03	0,06
Loss provisions as a % of gross lending to customers*	0,28	0,30	0,29
Net impaired and non-performing commitments as a % of net lending*	0,32	0,37	0,36
Financial strength			
CET1 capital ratio (%)	16,22	17,25	16,39
Tier 1 capital ratio (%)	17,96	19,16	18,15
Capital adequacy ratio (%)	19,66	21,62	19,87
Risk-weighted volume (calculation basis)	20.165,2	18.294,3	19.959,5
Tier 1 leverage ratio (%)	8,39	9,07	8,48
Liquidity			
Deposit coverage ratio	41,70	44,44	42,39
LCR (%)	207,87	217,55	224,93
Branches and full-time equivalents			
No. of branches	27	27	27
Full-time equivalents	197	194	199
Equity certificates			
Ownership fraction (parent bank) (%)**	32,45	34,40	34,40
No. of equity certificates	20.731.183	20.731.183	20.731.183
Book equity per equity certificate*	55,33	54,98	58,98
Earnings per equity certificate*	0,95	1,30	6,01
Dividend per equity certificate	0,00	0,00	4,60
Turnover rate	18,97	46,24	28,16
Price	54,60	57,00	55,60

* Defined as alternate performance target

** For ownership fraction at 1 January 2019, see Note 19

For definition of key figures and a review of alternative performance targets, see p. 42.

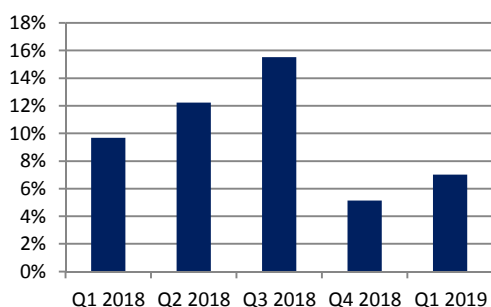
Board of Directors' Report

Sparebanken Øst achieved a profit after tax of NOK 64.5 million in the first quarter of 2019, which represents a return on equity of 7.01 per cent. Earnings per equity certificate in the quarter were NOK 0.95. Net interest income increased by NOK 3.5 million from the same period last year. The portfolio of net impaired and non-performing commitments remains very low and at the end of the quarter amounted to 0.32 per cent of net lending. Losses on loans to customers are modest and amounted to NOK 4.2 million for the quarter. Lending growth over the last 12 months is high, at 13.56 per cent, while deposits from customers increased by 6.57 per cent in the same period.

Results for the quarter

The Sparebanken Øst Group posted a profit after tax for the first quarter of 2019 of NOK 64.5 million. The profit after tax for the first quarter of 2018 was NOK 80.7 million.

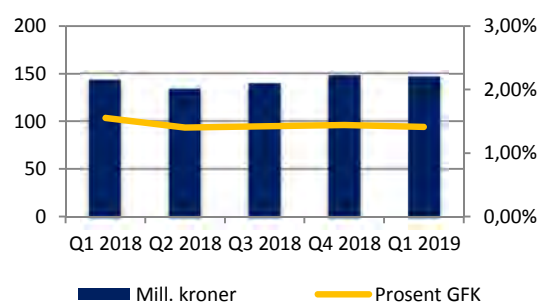
The return on equity in the quarter was 7.01 per cent, compared with 9.67 per cent for the same quarter in 2018. The table below presents the return on equity in the last five quarters.



Net interest income

Net interest income increased by NOK 3.5 million to NOK 146.8 million in Q1 2019, compared to NOK 143.3 million in the same quarter of 2018. Net interest income amounted to 1.41 per cent of average total assets in the first quarter of 2019. The equivalent figure for the same quarter of 2018 was 1.55 per cent. Increased money market rates and strong competition contributed to lower net interest income as a percentage of average total assets.

The figure below shows net interest income in per cent and NOK in the last five quarters.



Net other operating income

Net operating income comprises commission income and costs, dividends, net changes in value and gains/losses on financial instruments and other operating income. Net other operating income amounted to NOK 19.4 million in the first quarter of 2019, compared with NOK 32.6 million in the same quarter in 2018.

- Net commission income amounted to NOK 9.7 million, a decrease of NOK 3.6 million compared with the same quarter last year. The decrease is mainly explained by the reduction in the profitability bonus from insurance.

No dividends were recognised as income in the first quarter of 2019 or the first quarter of 2018.

- Net value changes and gains/losses from financial instruments amounted to NOK 5.2 million, an increase of NOK 3.0 million compared with the same period last year. The value of the liquidity portfolio rose by NOK 4.8 million in the first quarter of

2019, compared with an increase of NOK 1.3 million in the same quarter in 2018. Positive value changes related to shares and equity rights in Visa Inc. total NOK 6.3 million in the quarter, compared to a decrease of NOK 0.5 million in the same quarter of 2018. In the first quarter, a loss of NOK 5.8 million was recognised, related to the repurchase of the company's own bonds. The corresponding figure for the same quarter last year was a loss of NOK 1.6 million.

- Other operating income amounted to NOK 4.5 million in the first quarter of 2019, compared with NOK 17.1 million in the same quarter of 2018. Proceeds from the sale of property in the first quarter of 2018 produced a profit of NOK 11.9 million.

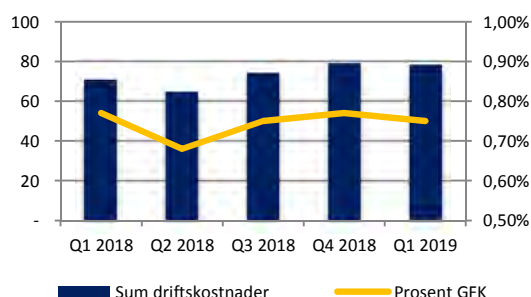
Operating costs

Total operating costs were NOK 78.3 million in the first quarter of 2019, equivalent to 0.75 per cent of average total assets. In the first quarter of 2018, total operating expenses amounted to NOK 70.9 million, or 0.77 per cent. The changes concern the following:

- Payroll costs amounted to NOK 47.0 million, compared with NOK 42.1 million in the same quarter last year. Payroll costs increased mainly as a result of new hires in 2018.
- Administrative costs amounted to NOK 13.4 million in the first quarter of 2019, compared with NOK 13.1 million in the same quarter in 2018.
- Depreciation amounted to NOK 6.2 million compared with NOK 3.3 million in the first quarter of 2018. Requirements for capitalisation of leases from 01.01.2019 (IFRS 16) increased depreciation by NOK 2.4 million. Similarly, costs for the rental of premises, under other operating costs, decreased by NOK 2.5 million.

- Other operating costs amounted to NOK 11.7 million in the first quarter of 2019, compared with NOK 12.4 million in the same quarter in 2018.

The figure below shows total operating costs as a percentage of average total assets, and costs as a percentage of income before losses on loans, unused credit and guarantees, in the last five quarters.



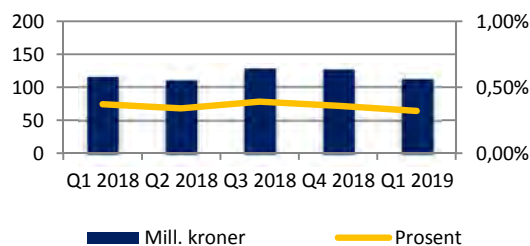
Impaired and non-performing commitments

Net impaired and non-performing commitments are very low and amounted to 0.32 per cent of net lending at the end of the first quarter of 2019, compared with 0.37 per cent for the first quarter of 2018.

Losses on loans to customers amounted to NOK 4.2 million in the first quarter of 2019. For comparison, losses on loans amounted to NOK 2.1 million in the first quarter of 2018.

At the end of the quarter, total loss provisions amounted to NOK 101.3 million, corresponding to 0.28 per cent of lending to customers. Individual write-downs amounted to NOK 72.4 million at the end of the first quarter of 2019, compared with NOK 65.4 million at the end of the first quarter of 2018.

The figure below shows net non-performing and impaired commitments in NOK millions and as a percentage of net lending in the last five quarters.



Balance sheet as at 31.03.2019

Total assets increased by NOK 4,650.6 million compared with 31.03.2018 and amounted to NOK 42,480.3 million at the end of the first quarter of 2019.

Assets

- Cash and receivables at central banks amounted to NOK 244.9 million as at 31.03.2019, compared with NOK 285.1 million as at 31.03.2018.
- Net lending to financial institutions amounted to NOK 10.2 million as at 31.03.2019, compared with NOK 7.2 million as at 31.03.2018.
- Net lending to customers amounted to NOK 35,625.1 million as at 31.03.2019, compared with NOK 31,371.6 million as at 31.03.2018. This represents an increase of NOK 4,253.5 million in the last 12 months, or 13.56 per cent. Net lending to retail customers increased by 14.56 per cent, while net lending to business customers increased by 7.53 per cent. Gross lending to retail customers accounted for 86.6 per cent of the total lending to customers.
- Holdings of certificates and bonds amounted to NOK 5,481.4 million as at 31.03.2019, compared with NOK 5,070.9 million as at 31.03.2018.
- Shares and units amounted to NOK 613.1 million as at 31.03.2019, compared with NOK 483.4 million as at 31.03.2018.

At 31.03.2019, the bank's shares in Frende Holding AS were valued at NOK 318.3

million and its shares in Eksportfinans ASA were valued at NOK 195.0 million.

Balder Betaling AS is owned by several independent bank, and its main purpose is to hold these banks' shares in Vipps AS. The bank's stake in Vipps AS is 0.67 per cent. The bank's shares in Balder Betaling AS were valued at NOK 27.7 million at 31.03.2019. The valuation is based on the underlying share value in Vipps AS.

The bank owns 6.8 per cent of the shares in Kraft Bank ASA. The stake was valued at NOK 23.0 million at 31.03.2019.

The bank owns 'C' shares in Visa Inc. The stake was valued at NOK 25.5 million at 31.03.2019. The bank also has rights to shares in Visa Inc., owned via Visa Norge Holding 1 AS and VN Norge AS. The rights are valued at NOK 21.1 million as at 31.03.2019.

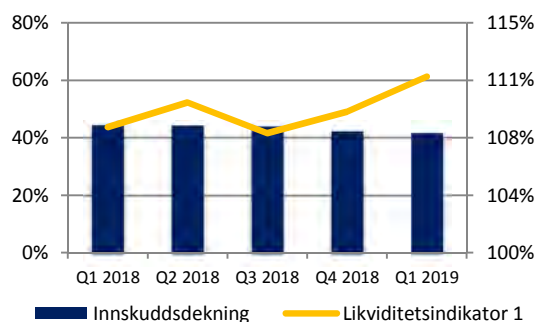
Liabilities

- Deposits from customers amounted to NOK 14,856.5 million at 31.03.2019, compared with NOK 13,940.9 million as at 31.03.2018. This is an increase of NOK 915.6 million, or 6.57 per cent, in the last 12 months. The deposit coverage ratio in the Group at the end of the first quarter of 2019 was 41.70 per cent, compared with 44.44 per cent at the end of the first quarter of 2018.
- Securities issued amounted to NOK 22,438.0 million as at 31.03.2019, compared with NOK 18,943.4 million at 31.03.2018. The liquidity situation measured as long-term funding as a percentage of liquid assets (Liquidity Indicator 1) amounted to 111.5 per cent at 31.03.2019, compared with 108.2 per cent at 31.03.2018. LCR amounted to 207.9 per cent as at 31.03.2019, compared with 217.6 per cent as at 31.03.2018. The bank's liquidity strategy involves a high proportion of securities that count

towards the LCR calculation. The maturity structure significantly affects LCR.

- Other long-term borrowing amounted to NOK 301.8 million as at 31.03.2019, compared with NOK 331.2 million as at 31.03.2018.
- Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 1,708.0 million as at 31.03.2019.

The figure below shows the deposit coverage ratio (blue/left) and long-term liquidity as a percentage of illiquid assets (yellow/right) in the last five quarters.



Capital adequacy

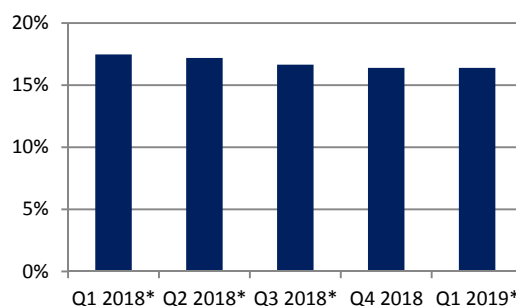
- The capital adequacy ratio measured as CET1 capital including 50 per cent of equity certificate holders' and primary capital share of profits amounted to 16.37 per cent at the end of the first quarter of 2019, down from 16.39 per cent at the end of 2018.
- The Group's Pillar 2 requirement is 2.3 per cent. Given the current level of the countercyclical buffer of 2.0 per cent, this entails a total CET1 capital ratio of at least 14.3 per cent. Sparebanken Øst's CET1 capital ratio target is a minimum of 14.75 per cent.

The Ministry of Finance has adopted an increase in the countercyclical buffer of 0.5 percentage points to 2.5 percent with effect from 31.12.2019. The Board of the Sparebanken Øst operates on the principle that all requirements and

guidance should be complied with at all times.

- Net primary capital at the end of the first quarter of 2019 amounted to NOK 3,964.0 million, of which NOK 3,620.8 million constituted the Group's CET1 capital. Given a basis for calculation of NOK 20,165.2 million, this corresponds to a capital adequacy ratio of 19.66 per cent, of which 17.96 per cent constitutes the CET1 capital ratio. The bank uses the standardised approach to calculate the minimum primary capital requirement for credit risk.
- The bank is financially very strong, with an unweighted tier 1 leverage ratio, including 50 per cent of equity certificate holders' and primary capital share of profits for the year to date, of 8.46 per cent at the end of Q1 2019, against 9.17 per cent at the end of Q1 2018. The unweighted requirement for CET1 capital is 5.0 per cent.

The figure below shows the development in CET1 capital over the last five quarters.



* 50 per cent of the share of profits accruing to equity certificate holders and primary capital is included in the quarterly figures.

Risk

Credit risk

Sparebanken Øst has a credit strategy that deals with various types of credit risk related to loans, credits and guarantees granted to

customers in the retail and business markets, as well as counterparty risk for securities.

The credit strategy is intended to help ensure that the bank's activities in the credit area are in line with the framework conditions and guidelines in the bank's overall business concept and strategic plans, including ensuring that the activities are prudent in relation to the bank's capacity and willingness to bear risk.

The bank has an established credit portfolio of a quality and composition that ensures the bank's profitability in the short and long term, and ensures that the bank's management of credit risk is in accordance with the requirements stipulated in acts, regulations, directives from the authorities and other regulatory conditions.

The credit strategy is implemented in the bank's credit manuals and in other instructions.

Within the retail and business markets, the capacity and willingness to pay are key aspects of credit assessment. The Mortgage Regulation provides essential guidance to the bank's lending business to private individuals. Measurement of risk on lending to customers is by classifying customers according to risk. Risk classification has been established as an integral element of the credit process, and the requirement for the annual reclassification of loan commitments is fulfilled. Credit risk trends are monitored continuously through reports to the bank's executive management and quarterly reports to the bank's Board of Directors.

The bank's geographical coverage provides access to a large market area with flexibility with regard to customers and segments. The bank's loan portfolio is primarily spread across the central Eastern Norway area.

The low proportion of lending to the business market contributes to a generally low concentration risk for the bank. Exposure to commercial property represents a relatively

large proportion of the business portfolio, but a limited proportion of the bank's total loan portfolio.

Loans and credits to the retail market are generally only granted against home mortgages. The bank's exposure to lending and credit without associated security is low.

The bank also takes credit risks in managing liquidity reserves and excess liquidity. The bank intends to retain interest-bearing securities with low credit risk for liquidity purposes (reserve for disposal when needed), or as a deposit basis for borrowing facilities at the central bank, or both.

The bank's credit risk is monitored continuously and updated overviews of the bank's total counterparty risk are available.

Market risk

Sparebanken Øst has a financial strategy that is intended to help to ensure that the bank's activities in the area of finance are in line with the framework conditions and guidelines in the bank's overall business concept, strategic plans and budgets, and also to ensure that the activities are prudent in relation to the bank's capacity and willingness to bear risk.

The financial strategy is also intended to ensure that the bank's management of financial risk complies with the requirements stipulated in acts, regulations, directives from the authorities, and other regulatory conditions. Sparebanken Øst has a liquidity portfolio comprising interest-bearing securities that are primarily issued by Nordic credit institutions, Norwegian banks, municipalities, the central government and government-guaranteed companies. Through this, the bank takes credit spread risk.

The interest rate risk is kept within fixed limits and is limited in that assets and liabilities mainly have variable interest rates or are swapped to variable interest rates. Currency risk is reduced by entering into forward contracts or basis swaps. The bank has very little interest rate and currency risk. Exposure

to equity instruments beyond the bank's subsidiaries and strategic investments is limited.

Liquidity risk

Sparebanken Øst takes a conservative approach to liquidity risk and manages it according to fixed limits. The Group will ensure appropriate liquidity management so that the company at all times has sufficient liquid assets to meet its obligations as they fall due, and illiquid assets are financed on a long term basis. Sparebanken Øst issues covered bonds through the bank's wholly owned mortgage credit company. Covered bonds with long maturities are generally issued, while senior hybrid tier 1 loans are issued with maturities that fit into the existing maturity profile at any time.

Operational risk

Operational risk is monitored through annual reviews of the bank's key processes, established internal controls with annual management confirmation of implemented internal controls, and quarterly reporting of events recorded and risk level assessments to the Board of Directors. The Group has not registered significant losses due to the failure of internal processes, systems, human error or unforeseen events in the first quarter of 2019.

Rating

Sparebanken Øst has had an A2 long-term deposit and issuer rating from Moody's Investors Service since October 2017. The bank's counterparty risk assessment (CRA) and long-term counterparty risk rating (CRR) are A1. The prospects for all of the bank's ratings are stable.

Subsidiaries

Sparebanken Øst Boligkreditt AS is a wholly-owned subsidiary of Sparebanken Øst and exists to grant or acquire residential mortgages, commercial mortgages, loans secured against other real estate assets, and public loans, and to finance lending operations primarily by issuing covered bonds. At the end of the first quarter of 2019, the loan-to-value ratio (LTV) of the security portfolio was 47.8

per cent, compared with 45.3 per cent at the end of the first quarter of 2018.

At 31.03.2019, the company's total assets amounted to NOK 16,492.0 million and mainly consist of first priority home mortgages, which are financed via covered bonds and drawing rights on the parent company. The company's deposited equity amounts to NOK 950.0 million, of which NOK 373.1 million constitutes share capital and NOK 576.9 million constitutes a share premium reserve. Profit after tax shows a profit of NOK 18.6 million at the end of the first quarter of 2019 compared with NOK 20.4 million for the same period last year. The company has no employees, but hires services from Sparebanken Øst. Covered bonds issued by Sparebanken Øst Boligkreditt AS have an AAA rating.

AS Financiering is a wholly owned subsidiary of Sparebanken Øst. Its main product is providing loans for second-hand cars that are secured by security in the purchased car. The company posted a profit after tax of NOK 9.7 million in the first quarter of 2019, compared with NOK 10.0 million in the same period last year. Total assets amounted to NOK 2,054.8 million. The company had 19 employees, corresponding to 19 full-time equivalents, at the end of first quarter of 2019.

Sparebanken Øst Eiendom AS is a wholly owned subsidiary of Sparebanken Øst and is tasked with managing properties owned by the Sparebanken Øst Group. Operating income amounted to NOK 2.8 million in the first quarter of 2019, compared with NOK 15.8 million for the same period last year. NOK 11.9 million in profit from the sale of property was recognised as income in the first quarter of 2018. The result after tax was a profit of NOK 0.1 million for the first quarter of 2019, compared with NOK 12.2 million for the same period last year. The company has 2 employees, corresponding to 2 full-time equivalents. The CEO is hired in from Sparebanken Øst.

Øst Prosjekt AS is a wholly owned subsidiary of Sparebanken Øst and its main object is to

take over projects and to undertake industrial and commercial activities to hedge and realise exposed positions in the parent bank. The company has no employees. The result after tax was a profit of NOK 0.2 million in the first quarter of 2019, compared with a loss of NOK 0.2 million in the first quarter of 2018. The company has no major ongoing projects.

Øst Inkasso AS is a wholly owned subsidiary of Sparebanken Øst. The company's object is to engage in debt collection operations and other activities naturally associated with this, including reminder services and long-term monitoring of debt collection portfolios. The company's operating costs amounted to NOK 2.1 million in the first quarter of 2019, compared with NOK 2.3 million in the first quarter of 2018. The result after tax was a loss of NOK 0.1 million in the first quarter of 2019 compared with a profit of NOK 0.2 million for the same period last year. The company has 4 employees, corresponding to 4 full-time equivalents. The company has also hired the managing director from Sparebanken Øst and an employee from AS Financiering.

Frende Forsikring

Frende Holding AS owns Frende Skade AS and Frende Liv AS (Frende Forsikring). The bank has a 13.19 per cent stake in the holding company. Frende is owned by 15 savings banks. Sparebanken Vest is the largest shareholder and Sparebanken Øst is the third largest. The company offers P&C and life insurance products to business and retail customers and has more than 250,000 customers. Frende Forsikring's head office is in Bergen. In Q1 2019 Frende Holding AS returned a profit after tax of NOK 42.4 million, against a loss of NOK 39.5 million in the same period last year.

Frende Holding AS amended the annual result for 2018 from what is stated in the bank's annual accounts for 2018. The final result after tax was NOK 24.9 million, compared to the previously published

figure of NOK 53.1 million. The reduction due to write-downs of systems under development, equivalent to NOK 40 million before tax.

Frende Skade had a profit after tax of NOK 19.5 million in the first quarter of 2019, compared to loss of NOK 52.2 million for the same period last year. The quarter was characterized by many major fires, while the claim frequency and average claim showed a positive trend compared to the same period last year. The company has a total premium stock of NOK 2.0 billion, up from NOK 1.8 billion at the same time last year. The premium stock price is distributed across 165,000 customers, and has grown by about 11.4 per cent. The market share continues to grow and was 3.5 per cent at the end of 2018. The claims rate in the first quarter of 2019 was 91.1 per cent, against 96.8 per cent in the same period last year, and the company's combined ratio was 109.7 per cent, against 116.7 per cent in the same period last year.

Frende Liv had a profit after tax of NOK 26.3 million in the first quarter of 2019, compared to loss of NOK 12.9 million for the same period last year. The quarter as a whole produced risk results more or less as expected but somewhat lower than in the same period last year. A good financial result contributed to a quarterly result significantly better than the same period last year.

Accounting Policies

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting (IFRS). The interim financial statements have not been audited. In the first quarter, changes were made to accounting policies for the implementation of IFRS 16. Refer to note 1 for more details.

Dividend policy

Sparebanken Øst's financial targets for its operations are to achieve results that provide a good and stable return on the bank's equity, and create value for equity certificate holders as competitive returns in the form of dividends and equity certificate appreciation. The profit for the year will be divided between equity certificate holders and social capital in accordance with their respective shares of the bank's equity.

Sparebanken Øst will endeavour to pay 50 to 75 per cent of the profit allocated to equity certificate holders as dividends. Sparebanken Øst also aims to distribute an amount equivalent to 50 to 75 per cent of the dividend paid to equity certificate holders as dividend to social capital in the form of gifts to charitable causes. On determining dividends and donations, due consideration will be made of the bank's financial performance, market situation, dividend stability, and need for Tier 1 capital.

Macroeconomic development

There has been good growth in the Norwegian economy, while economic growth has slowed for Norway's most important trading partners. Higher oil prices have driven oil investments up, and interest rates have remained low. The labour market has improved further, and unemployment is approaching a normal level. A tighter labour market is also confirmed by Norges Bank's regional network surveys. The pay settlement in the private sector for 2019 was negotiated at 3.2 per cent.

Consumer prices have increased, mainly because of higher electricity and food prices. The CPI was 2.9 per cent higher in March compared to the year before. The Norwegian krone is still weaker than expected. Housing price growth varies widely between different regions and cities, but after falling in the previous quarter, prices increased by 4.0 per cent in the first quarter of this year.

Household debt growth has been stable and is still higher than wage growth.

On 22 March 2019, Norges Bank increased the key rate by 0.25 percentage points to 1.0 per

cent. Money market rates have increased significantly from the year-end, and three-month NIBOR stood at 1.40 per cent at the end of April.

Outlook

Sparebanken Øst does most of its business in the East of Norway. The upturn in the Norwegian economy is still strong and forecasts from Norges Bank for the key rate point to a slightly faster rise in interest rates in 2019 than previously estimated. The economic prospects are still good and we may expect continued low unemployment and stable housing prices going forward.

Norges Bank is expected to raise the key interest rate further over the next half-year, and as a result, borrowing costs are expected to rise. Large portions of the lending portfolios have been repriced with effect from mid-May 2019, which will contribute to higher interest income. There are opportunities to increase interest margins going forward, but strong competition is putting pressure on net interest income and we may expect lower net interest income as a percentage of the average total assets in the future.

Sparebanken Øst is a cost-efficient bank with a strong focus and a belief that low costs represent a competitive advantage. The cost level is expected to remain stable.

Banking involves risk, and non-performance and losses on loans and guarantees to customers therefore cannot be excluded. A continuing low level of non-performing and impaired commitments, and low loan losses, are expected in the future.

The market values of securities such as bonds and equities will fluctuate over time, and losses on shares may occur. The Group's bond portfolio is held for liquidity purposes, with a low risk of losses.

The Group has great financial strength, which provides scope for growth and high dividend payments. The CET1 capital ratio target is 14.75 per cent. The Group also has a sound liquidity buffer that will provide security if the

banks' access to funding is challenged in the future. The bank's long-term funding target is 106 per cent of illiquid assets. The Group expects to be able to obtain new funding with margins at the level of those of the major regional banks. Sparebanken Øst believes that it holds a good position in the equity certificate market and aims to ensure simple, open communication with its investors. The bank's target for its return on equity has been set at 10 per cent over time. With strong competition and pressure on net interest income, the return on equity for 2019 is expected to be slightly lower than the target of 10 per cent over time.

Growth in lending to and deposits from customers will depend on the general competition in the banking market, as well as the access to long-term funding. It is expected that lending growth in 2019 to both retail and business customers will be on a par with general credit growth over time and lower than in 2018. This growth is expected to be distributed relatively evenly across the various distribution channels. Growth in lending to retail customers will primarily come from home mortgages and providing loans for second-hand cars that are secured by security in the purchased car. Growth in lending to business customers will be seen in the Group's defined market areas, of which the main product is repayment loans against mortgages in real estate.

Sparebanken Øst expects to be set requirements for primary capital and qualifying liabilities that can be written down

or converted to equity (MREL) at the end of 2019 or no later than 2020. This requirement is expected to create a need to issue senior subordinated debt (Tier 3). The anticipated need to issue subordinated debt could replace parts of existing senior unsecured bonds when these fall due and before the requirement is expected to come into force.

Incorporation of the Capital Requirements Directive (CRD IV) into Norwegian law could impact the competitive situation between banks with operations in Norway. However, the Financial Supervisory Authority says that solvency in Norwegian banking industry must be maintained and that available instruments should be used when CRR/CRD IV are introduced. Various capital requirements between banks domiciled in Norway and other countries affect the terms of competition, and thereby the profitability associated with lending for Sparebanken Øst.

Continued tough competition is expected in the banking market, which for Sparebanken Øst

Includes products related to lending, savings, payment processing and insurance. Implementation of the European Union's PSD2 directive in Norwegian law could affect the competition situation among the players in the financial markets, not least because third parties may be granted access to customer data, subject to customer consent.

Hokksund, 31 March 2019

Drammen, 7 May 2019

Øivind Andersson
Chairman

Cecilie Hagby
Board member

Ole-Martin Solberg
Employee representative

Morten André Yttreide
Deputy Chairman

Jorund Rønning Indrelid
Board member

Sissel Album Fjeld
Employee representative

Elly Therese Thoresen
Board member

Arne K. Stokke
Board member

Pål Strand
CEO

Income Statement – Group

(Amounts in NOK million)	Note	Q1 2019	Q1 2018	Full-year 2018
Interest income from assets valued at amortised cost		268,8	232,4	967,4
Interest income from assets valued at fair value		25,6	17,7	81,6
Interest costs		147,7	106,8	483,9
Net interest income	15	146,8	143,3	565,1
Commission income and income from banking services		21,0	22,7	88,8
Commission costs and costs for banking services		11,3	9,4	42,9
Dividend		0,0	0,0	33,0
Net value changes and gains/losses on financial instruments	16	5,2	2,2	86,3
Other operating income		4,5	17,1	27,3
Net other operating income		19,4	32,6	192,5
Payroll, etc.		47,0	42,1	172,0
Administration costs		13,4	13,1	53,1
Depreciation/write-downs/changes in value for non-financial assets		6,2	3,3	13,7
Other operating costs		11,7	12,4	50,3
Total operating costs	17	78,3	70,9	289,1
Profit/loss before losses		87,9	105,0	468,5
Losses on loans, unused credit and guarantees	4	4,2	2,1	17,6
Profit/loss before tax costs		83,7	102,9	450,9
Tax costs		19,1	22,2	76,7
Profit/loss after tax		64,5	80,7	374,2
Hybrid capital owners' share of the result		3,9	2,6	11,7
Equity certificate holders' and primary capital share of profits		60,6	78,1	362,5
Profit/loss after tax		64,5	80,7	374,2
Earnings per equity certificate		0,95	1,30	6,01
Diluted earnings per equity certificate		0,95	1,30	6,01

Total income - Group

(Amounts in NOK million)	Note	Q1 2019	Q1 2018	Full-year 2018
Profit/loss after tax		64,5	80,7	374,2
Items that will not be reclassified to the income statement				
Actuarial gains and losses on defined-benefit plans		0,0	0,0	-5,3
Tax related to items that cannot be reclassified		0,0	0,0	1,3
Comprehensive income		64,5	80,7	370,2

Balance Sheet – Group

(Amounts in NOK million)	Note	31.03.2019	31.03.2018	31.12.2018
Assets				
Cash and receivables from central banks	10,11	244,9	285,1	603,1
Lending to and receivables from financial institutions	10,11	10,2	7,2	9,5
Loans to and receivables from customers	4,7,8,10,11	35.625,1	31.371,6	35.147,4
Certificates and bonds	10,11	5.481,4	5.070,9	5.173,1
Shares and units	10,11	613,1	483,4	606,8
Financial derivatives	10,11,13,14	223,6	231,1	222,0
Ownership interests in Group companies		0,0	0,0	0,0
Deferred tax asset		0,0	0,0	0,0
Investment properties		59,7	134,0	59,9
Tangible fixed assets		135,8	126,8	134,2
Lease rights		55,2	0,0	0,0
Other assets		15,0	100,8	19,6
Prepaid non-accrued costs and income earned, but not received		16,3	18,8	6,9
Total assets		42.480,3	37.829,7	41.982,5
Liabilities and equity				
Liabilities to financial institutions	10,11	301,8	331,2	300,4
Deposits from and liabilities to customers	6,10,11	14.856,5	13.940,9	14.899,7
Liabilities to the state, swap of covered bonds		0,0	0,0	0,0
Financial derivatives	10,11,13,14	12,9	49,1	30,7
Securities issued	10,11,12	22.438,0	18.943,4	21.970,8
Other liabilities		401,7	327,8	313,4
Accruals and deferred income		47,5	41,3	41,2
Provisions for accrued costs and liabilities		78,4	69,2	78,4
Deferred tax liability		2,6	10,4	3,7
Commitments related to leases		55,3	0,0	0,0
Subordinated loan capital	10,11,12	400,1	451,4	400,0
Total liabilities		38.594,7	34.164,7	38.038,3
Paid-up equity		595,1	595,1	595,1
Hybrid capital		350,5	351,7	350,5
Retained earnings		2.940,1	2.718,2	2.998,6
Retained ordinary earnings		0,0		0,0
Total equity		3.885,7	3.665,0	3.944,2
Total liabilities and equity		42.480,3	37.829,7	41.982,5

Changes in Equity - Group

	Paid-up equity			Hybrid capital	Retained earnings					
	Total equity	Equity certificates	Share premium reserve	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Retained profit
(Amounts in NOK million)										
31.03.2019										
Equity at 31.12.2018	3.944,2	207,3	387,8	350,5	404,1	1.867,5	38,1	283,6	405,3	0,0
Ordinary result	64,5	0,0	0,0	3,9	0,0	0,0	0,0	0,0	0,0	60,6
Changes in fair value of shares through comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	64,5	0,0	0,0	3,9	0,0	0,0	0,0	0,0	0,0	60,6
Dividend to equity certificate holders 2018 - adopted	-95,4	0,0	0,0	0,0	-95,4	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2018 - adopted	-23,8	0,0	0,0	0,0	0,0	-23,8	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-3,9	0,0	0,0	-3,9	0,0	0,0	0,0	0,0	0,0	0,0
Redemption of hybrid capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue of hybrid capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.03.2019	3.885,7	207,3	387,8	350,5	308,7	1.843,7	38,1	283,6	405,3	60,6

	Paid-up equity			Hybrid capital	Retained earnings					
	Total equity	Equity certificates	Share premium reserve	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Retained profit
31.03.2018										
Equity at 31.12.2017	3.384,3	207,3	387,8	0,0	409,3	1.731,6	38,1	197,6	412,6	0,0
Implementation effect of IFRS 9	6,6	0,0	0,0	0,0	5,1	9,5	0,0	0,0	-8,1	0,0
Reclassification of hybrid tier 1 capital	351,7	0,0	0,0	351,7	0,0	0,0	0,0	0,0	0,0	0,0
Restated equity as at 01.01.2018	3.742,5	207,3	387,8	351,7	414,4	1.741,1	38,1	197,6	404,5	0,0
Ordinary result	80,7	0,0	0,0	2,6	0,0	0,0	0,0	0,0	0,0	78,1
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	80,7	0,0	0,0	2,6	0,0	0,0	0,0	0,0	0,0	78,1
Dividend to equity certificate holders 2017 - adopted	-103,7	0,0	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2017 - adopted	-51,9	0,0	0,0	0,0	0,0	-51,9	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-3,5	0,0	0,0	-3,5	0,0	0,0	0,0	0,0	0,0	0,0
Tax effect on hybrid capital taken directly to equity	0,9	0,0	0,0	0,9	0,0	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.03.2018	3.665,0	207,3	387,8	351,7	310,7	1.689,2	38,1	197,6	404,5	78,1

	Paid-up equity			Hybrid capital	Retained earnings					
	Total equity	Equity certificates	Share premium reserve	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Retained profit
(Amounts in NOK million)										
2018										
Equity at 31.12.2017	3.384,3	207,3	387,8	0,0	409,3	1.731,6	38,1	197,6	412,6	0,0
Implementation effect of IFRS 9	6,6	0,0	0,0	0,0	5,1	9,5	0,0	0,0	-8,1	0,0
Reclassification of hybrid tier 1 capital	351,7	0,0	0,0	351,7	0,0	0,0	0,0	0,0	0,0	0,0
Restated equity as at 01.01.2018	3.742,5	207,3	387,8	351,7	414,4	1.741,1	38,1	197,6	404,5	0,0
Ordinary result	374,2	0,0	0,0	11,7	95,0	181,2	0,0	86,0	0,3	0,0
Changes in fair value of shares through comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	-4,0	0,0	0,0	0,0	-1,6	-2,9	0,0	0,0	0,5	0,0
Other comprehensive income	370,2	0,0	0,0	11,7	93,4	178,3	0,0	86,0	0,8	0,0
Dividend to equity certificate holders 2017 - adopted	-103,7	0,0	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2017 - adopted	-51,9	0,0	0,0	0,0	0,0	-51,9	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-16,8	0,0	0,0	-16,8	0,0	0,0	0,0	0,0	0,0	0,0
Tax effect on hybrid capital taken directly to equity	3,9	0,0	0,0	3,9	0,0	0,0	0,0	0,0	0,0	0,0
Redemption of hybrid capital	-200,0	0,0	0,0	-200,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue of hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.12.2018	3.944,2	207,3	387,8	350,5	404,1	1.867,5	38,1	283,6	405,3	0,0

Cash Flow Statement - Group

(Amounts in NOK million)	31.03.2019	31.03.2018	31.12.2018
Operating activities			
Profit/loss before tax costs	83,7	102,9	450,9
Adjusted for:			
Change in net interest income earned and accrued interest costs	13,3	12,4	1,3
Net payment/disbursement of loans to financial institutions			0,0
Net receipts/payments of loans to customers	-472,7	-389,4	-4.172,7
Change in certificates and bonds	-310,1	-559,4	-655,2
Changes in value of equities and units	-6,3	0,0	-98,6
Change in other assets in connection with operations	-6,1	-16,2	76,3
Net receipts/disbursement of deposits from customers	-64,5	-46,8	926,9
Change in other operating liabilities	8,7	-39,2	63,5
Non-cash items included in profit before tax costs	2,8	5,0	27,3
Net gain/loss from investing activities	-0,1	-13,1	-12,6
Net gain/loss from financing activities	5,8	1,6	4,1
Net change in relation to investing activities	0,0	-0,1	0,0
Other changes	0,0	0,0	-0,8
Taxes paid for the period	-53,6	-41,8	-107,6
Net cash flow from operating activities	A	-799,1	-984,1
Investing activities			
Payments on purchases of fixed assets	-5,4	-2,7	-20,0
Proceeds from sale of fixed assets	0,3	19,0	92,1
Net proceeds/costs on the sale/purchase of financial investments	0,0	1,2	-23,1
Net payment/disbursement concerning investments in subsidiaries			0,0
Net cash flow from investing activities	B	-5,1	17,5
Financing activities			
Net incoming/outgoing payments for loans to/from financial institutions	0,0	0,0	-30,0
Payments on repayment of securities	-2.051,5	-1.085,4	-2.638,0
Proceeds on issuance of securities	2.502,1	2.000,9	6.502,4
Payment of dividend	0,0	0,0	-103,7
Net payments on repayment of hybrid capital	0,0	0,0	-200,0
Net receipts on issue of hybrid capital	0,0	0,0	200,0
Interest paid on hybrid capital	-3,9	-3,5	-16,8
Net cash flow from financing activities	C	446,7	912,0
Net change in cash and cash equivalents	A+B+C	-357,5	265,7
Cash and cash equivalents at 01.01		612,6	346,9
Holding of cash and cash equivalents at the end of the period		255,1	612,6

Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are investment placements.

Note 2 - Operating segments

Segment reporting is based on the bank's internal reporting format, in which the parent bank and the mortgage credit company are split into the retail market, the business market and the financial market. There are also other subsidiaries, as well as a non-reportable segment with items that are not allocated to other segments.

Profit/loss

31.03.2019	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Net interest and commission income	76,9	31,9	-6,7	30,2	-0,5	15,7	-0,7	146,8
Other operating income	15,0	2,0	4,2	-5,9	2,8	9,1	-7,8	19,4
Operating costs	15,3	5,2	0,0	8,4	2,2	48,7	-1,5	78,3
Profit/loss before losses	76,6	28,8	-2,5	15,8	0,1	-23,8	-7,0	87,9
Losses on loans, unused credit and guarantees	0,3	1,1	0,0	2,8	0,0	0,0	0,0	4,2
Profit/loss before tax costs	76,3	27,6	-2,5	13,0	0,1	-23,8	-7,0	83,7
Tax costs	0,0	0,0	0,0	3,2	0,0	17,3	-1,4	19,1
Profit/loss after tax	76,3	27,6	-2,5	9,7	0,1	-41,1	-5,7	64,5

31.03.2018	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Net interest and commission income	82,8	26,8	-7,0	29,8	-0,8	11,3	0,4	143,3
Other operating income	17,9	2,1	5,2	-5,1	15,7	0,9	-4,1	32,6
Operating costs	13,8	4,6	0,0	8,2	2,6	42,8	-1,1	70,9
Profit/loss before losses	86,9	24,3	-1,8	16,5	12,3	-30,6	-2,6	105,0
Losses on loans, unused credit and guarantees	-0,5	-0,6	0,0	3,2	0,0	0,0	0,0	2,1
Profit/loss before tax costs	87,4	24,9	-1,8	13,3	12,3	-30,6	-2,6	102,9
Tax costs	0,0	0,0	0,0	3,3	0,1	19,5	-0,7	22,2
Profit/loss after tax	87,4	24,9	-1,8	10,0	12,2	-50,1	-1,9	80,7

31.12.2018	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Net interest and commission income	311,8	114,2	-25,8	118,4	-2,3	47,1	1,7	565,1
Other operating income	66,0	8,7	-11,4	-23,8	22,4	137,8	-7,2	192,5
Operating costs	60,4	16,8	0,0	33,3	7,4	175,3	-4,1	289,1
Profit/loss before losses	317,4	106,1	-37,2	61,3	12,7	9,6	-1,4	468,5
Losses on loans, unused credit and guarantees	-1,2	4,4	0,0	14,4	0,0	0,0	0,0	17,6
Profit/loss before tax costs	318,6	101,7	-37,2	46,9	12,7	9,6	-1,4	450,9
Tax costs	0,0	0,0	0,0	11,9	-0,6	65,8	-0,4	76,7
Profit/loss after tax	318,6	101,7	-37,2	35,0	13,3	-56,2	-1,0	374,2

Balance sheet

31.03.2019	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	28.417,8	4.770,2	2,4	2.013,7	0,0	484,8	-63,7	35.625,1
Other assets	5,1	0,0	6.694,0	41,1	174,3	3.131,2	-3.190,5	6.855,2
Total assets	28.422,9	4.770,2	6.696,4	2.054,8	174,3	3.616,1	-3.254,3	42.480,3
Deposits from and liabilities to customers	9.536,5	3.298,1	1.928,8	8,3	0,0	150,4	-65,7	14.856,5
Other liabilities/offsetting	18.886,4	1.472,1	4.767,5	1.751,2	89,3	-281,1	-2.947,2	23.738,2
Equity	0,0	0,0	0,0	295,2	85,0	3.746,7	-241,3	3.885,7
Total liabilities and equity	28.422,9	4.770,2	6.696,4	2.054,8	174,3	3.616,1	-3.254,3	42.480,3

31.03.2018	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	24.745,3	4.338,6	0,0	1.904,9	0,0	484,1	-101,3	31.371,6
Other assets	5,2	0,0	5.392,7	30,8	232,5	2.900,8	-2.103,9	6.458,1
Total assets	24.750,5	4.338,6	5.392,7	1.935,7	232,5	3.384,9	-2.205,2	37.829,7
Deposits from and liabilities to customers	9.271,4	3.001,4	1.579,9	12,1	0,0	122,8	-46,7	13.940,9
Other liabilities/offsetting	15.479,1	1.337,2	3.812,8	1.677,3	137,1	-250,4	-1.969,3	20.223,8
Equity	0,0	0,0	0,0	246,3	95,4	3.512,5	-189,2	3.665,0
Total liabilities and equity	24.750,5	4.338,6	5.392,7	1.935,7	232,5	3.384,9	-2.205,2	37.829,7

31.12.2018	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	27.963,6	4.795,0	0,0	1.987,7	0,0	464,9	-63,8	35.147,4
Other assets	6,4	0,0	5.630,9	32,8	176,8	3.008,4	-2.020,2	6.835,1
Total assets	27.970,0	4.795,0	5.630,9	2.020,5	176,8	3.473,3	-2.084,0	41.982,5
Deposits from and liabilities to customers	9.633,5	3.298,0	1.875,3	11,5	0,0	150,0	-68,6	14.899,7
Other liabilities/offsetting	18.336,5	1.497,0	3.755,6	1.723,5	91,9	-488,9	-1.777,0	23.138,6
Equity	0,0	0,0	0,0	285,5	84,9	3.812,2	-238,4	3.944,2
Total liabilities and equity	27.970,0	4.795,0	5.630,9	2.020,5	176,8	3.473,3	-2.084,0	41.982,5

31.12.2015	Retail market	Corporate market	Finance	AS Financing	Sparebanken Øst Elendom AS	Unallocated	Eliminations	Group
Loans to and receivables from customers	21.914,9	3.906,6	0,0	1.674,3	0,0	666,2	-186,2	27.975,8
Other assets	14,7	0,0	5.145,7	18,3	342,0	2.677,8	-1.665,2	6.533,3
Total assets	21.929,6	3.906,6	5.145,7	1.692,6	342,0	3.344,0	-1.851,4	34.509,1
Deposits from and liabilities to customers	9.354,1	2.445,2	1.258,7	18,2	0,0	118,2	-35,1	13.159,3
Other liabilities/offsetting	12.575,5	1.461,4	3.887,0	1.456,7	228,1	429,9	-1.639,9	18.398,7
Equity	0,0	0,0	0,0	217,7	113,9	2.795,9	-176,4	2.951,1
Total liabilities and equity	21.929,6	3.906,6	5.145,7	1.692,6	342,0	3.344,0	-1.851,4	34.509,1

Note 3 - Capital adequacy

The Group uses the standardised approach when calculating minimum requirements for primary capital for credit risk. The calculation related to operational risk is performed according to the basis method. The capital charge for credit valuation adjustment (CVA) is calculated using the standardised approach. Exposure amounts for derivatives are calculated using the market value method.

The Group's primary capital must satisfy the minimum capital adequacy ratio requirements at all times, with the addition of a buffer equivalent to the company's accepted risk tolerance. See also the Group's Pillar III document, which is available from Sparebanken Øst's website.

	31.03.2019	31.03.2018	31.12.2017
CET1 capital			
Book equity	3.474,6	3.235,2	3.511,1
Deduction items in CET1 capital			
Additional value adjustments (prudent valuation requirement) (AVA)	-6,7	-6,0	-
Dividends	0,0	0,0	-1
Goodwill included in the valuation of significant investments	-148,7	-63,8	-1
Intangible assets	-20,7	-10,4	-
Deferred tax		0,0	
CET1 capital instruments in other financial institutions (not significant)	0,0	0,0	
CET1 capital instruments in other financial institutions (significant)	0,0	0,0	
Other deductions from CET1 capital	-27,7	0,0	-
Total CET1 capital	3.270,8	3.155,0	3.2
Other tier 1 capital			
Hybrid tier 1 capital	350,0	350,0	3
Deductions from other tier 1 capital			
Other tier 1 capital instruments in other financial institutions (not significant)	0,0	0,0	
Other tier 1 capital instruments in other financial institutions (significant)	0,0	0,0	
Total other tier 1 capital	350,0	350,0	3
Total tier 1 capital	3.620,8	3.505,0	3.6
Tier 2 capital			
Subordinated loans	400,0	449,5	4
Deductions from tier 2 capital			
Tier 2 capital instruments in other financial institutions (not significant)	0,0	0,0	
Tier 2 capital instruments in other financial institutions (significant)	-56,8	0,0	-
Total tier 2 capital	343,2	449,5	3
Net primary capital	3.964,0	3.954,5	3.9

Note 3 - Capital adequacy (contd.)

	31.03.2019	31.03.2018	31.12.17
Governments and central banks	0,0	0,0	-
Local and regional authorities	117,8	95,5	-
Publicly owned companies	0,0	20,0	-
Multilateral development banks	0,0	0,0	-
Institutions	83,5	168,0	-
Companies	561,0	465,6	5
Mass market accounts	1.672,9	1.560,0	1.6
Accounts secured against property	14.856,5	13.166,7	14.6
Accounts due	137,9	114,9	1
Covered bonds	391,8	355,0	3
Shares in securities fund	0,0	0,0	-
Equity positions	653,0	631,2	6
Other exposures	272,1	282,1	2
Securitisation	0,0	0,0	-
Calculation basis for credit and counterparty risk	18.746,7	16.858,8	18.4
Calculation basis for currency risk	0,0	0,0	-
Calculation basis for operational risk	1.356,4	1.294,6	1.2
Calculation basis for impaired counterparty credit valuation adjustment (CVA)	62,1	140,9	1
Deductions from calculation basis	-	0,0	-
Total calculation basis	20.165,2	18.294,3	19.9
CET1 capital ratio	16,22 %	17,25 %	16,3
Tier 1 capital ratio	17,96 %	19,16 %	18,1
Capital adequacy	19,66 %	21,62 %	19,8
Buffers			
Capital conservation buffer	504,1	457,4	4
Countercyclical buffer	403,3	365,9	3
Systemic risk buffer	605,0	548,8	5
Buffer for systemically important banks	0,0	0,0	-
Total buffer requirements	1.512,4	1.372,1	1.4
Available buffer capital	2.350,8	2.331,8	2.3
Tier 1 leverage ratio	8,39 %	9,07 %	8,4

Note 4 - Losses on loans, unused credit and guarantees

Loss costs

	Q1 2019	Q1 2018	31.12.2018
Change in model-based provisions, group 1	0,4	-0,6	-0,3
Change in model-based provisions, group 2	-0,1	-0,3	-0,5
Change in model-based provisions, group 3	-0,5	0,6	0,9
Increase in existing individual write-downs	3,3	2,8	8,1
New individual write-downs	4,8	3,6	15,5
Established losses covered by previous individual write-downs	5,2	0,2	5,2
Reversals of previous individual write-downs	-8,7	-4,4	-13,7
Actual losses where no provision for individual write-downs has previously been made	1,1	2,7	10,0
Recovery of previously identified losses	-1,3	-2,8	-8,3
Amortisation costs for the period	0,2	0,2	0,8
Losses on loans, unused credit and guarantees	4,2	2,1	17,7
- of which losses on unused credit and guarantees	-0,1	0,0	0,2

Changes in losses and gross exposure

	Expected loss	Expected loss	Expected loss	
	Stage 1	Stage 2	Stage 3	Total
Change in loss provisions				
Opening balance at 01.01.19	18,9	8,0	75,3	102,1
Transferred to group 1	2,0	-1,2	-0,8	0,0
Transferred to group 2	-0,6	1,6	-1,0	0,0
Transferred to group 3	0,0	-0,5	0,5	0,0
Net change	-2,1	0,3	1,8	0,0
New losses	3,9	0,0	0,3	4,2
Deducted losses	-2,8	-0,3	-2,0	-5,1
Closing balance at 31.03.19	19,3	7,9	74,1	101,3
- of which losses on unused credit and guarantees	0,4	0,0	0,2	0,7
Model-calculated loss provisions	19,3	7,9	1,7	28,9
Individual loss provisions	0,0	0,0	72,4	72,4

	Expected loss	Expected loss	Expected loss	
	Stage 1	Stage 2	Stage 3	Total
Change in gross lending, broken down by group				
Opening balance at 01.01.19	33.933,1	688,2	260,5	34.881,8
Transferred to group 1	136,5	-122,4	-14,0	0,0
Transferred to group 2	-261,2	279,9	-18,7	0,0
Transferred to group 3	-13,2	-35,6	48,8	0,0
Net change	116,7	-16,9	-7,3	92,5
New loans	9.635,9	20,5	8,8	9.665,2
Deducted lending	-9.183,9	-67,5	-35,2	-9.286,6
Closing balance at 31.03.19	34.364,0	746,1	242,8	35.352,9

The table above does not include fixed interest lending at fair value.

Note 5 - Non-performing and impaired commitments, customers

	31.03.2019	31.03.2018	31.12.2018
Non-performing commitments (over 90 days)			
Business	6,7	14,8	11,7
+ Retail	33,2	36,4	48,1
+ AS Financiering	145,3	130,2	140,7
= Gross non-performing commitments	185,2	181,4	200,5
- Loss provisions	72,8	65,4	73,6
= Net non-performing commitments	112,4	116,0	126,9
Impaired (not non-performing) commitments			
Business	0,0	0,0	0,0
+ Retail	0,0	0,0	0,0
+ AS Financiering	0,0	0,0	0,0
= Gross impaired commitments	0,0	0,0	0,0
- Loss provisions	0,0	0,0	0,0
= Net impaired commitments	0,0	0,0	0,0
Non-performing and impaired commitments			
Business	6,7	14,8	11,7
+ Retail	33,2	36,5	48,1
+ AS Financiering	145,3	130,2	140,7
= Gross non-performing and impaired commitments	185,2	181,5	200,5
- Loss provisions	72,8	65,4	73,6
= Net non-performing and impaired commitments	112,4	116,0	126,9

Note 6 - Deposits from customers by sector and industry

	31.03.2019	31.03.2018	31.12.2018
Salaried employees	8.515,3	8.254,6	8.580,4
Public administration	512,1	441,3	518,1
Agriculture, forestry and fishing, etc.	112,0	134,1	116,9
Industry and mining, power and water supply	1.257,3	1.135,9	1.259,5
Building and construction	584,8	481,0	570,2
Wholesale and retail trade, hotels and restaurants	396,5	410,1	448,4
Transport and communications	242,2	202,4	223,8
Business financial services	1.378,3	1.087,1	1.306,9
Other service industries	800,7	754,6	826,1
Real estate sales and operation	917,7	944,9	915,3
Abroad	139,6	94,9	134,1
Total customer deposits	14.856,5	13.940,9	14.899,7

Note 7 - Loans to customers by sector and industry

	31.03.2019	31.03.2018	31.12.2018
Salaried employees	30.887,4	26.971,6	30.337,9
Agriculture, forestry and fishing, etc.	102,5	98,1	108,2
Industry and mining, power and water supply	60,5	78,7	69,2
Building and construction	467,5	372,2	417,1
Wholesale and retail trade, hotels and restaurants	152,7	143,5	135,6
Transport and communications	32,6	48,0	46,7
Business financial services	208,8	194,8	192,3
Other service industries	816,5	769,2	788,2
Real estate sales and operation	2.961,9	2.762,4	3.117,0
Abroad	35,3	26,5	36,6
Gross lending to customers	35.725,7	31.465,0	35.248,8
Loss provisions on loans	-100,6	-93,4	-101,4
Net lending to customers	35.625,1	31.371,6	35.147,4

Note 8 - Geographical distribution of lending, customers

	31.03.2019	31.03.2018	31.12.2018
Drammen	5.067,9	4.847,8	5.127,3
Nedre Eiker	2.527,1	2.420,0	2.458,4
Øvre Eiker	2.188,5	1.988,0	2.171,0
Rest of Buskerud	4.182,6	3.264,8	4.006,0
Oslo	7.223,3	6.063,6	7.087,6
Akershus	6.367,3	5.745,2	6.292,0
Vestfold	2.823,5	2.546,3	2.836,9
Østfold	1.728,0	1.578,2	1.698,0
Rest of Norway	3.582,2	2.984,6	3.535,0
Abroad	35,3	26,5	36,6
Gross lending to customers	35.725,7	31.465,0	35.248,8
Loss provisions on loans	-100,6	-93,4	-101,4
Net lending to customers	35.625,1	31.371,6	35.147,4

Note 9 - Credit risk

The risk classification systems are used for decision-making support, monitoring and reporting. The risk parameters from the classification systems form an integral part of the credit process and follow-up of the business and retail market customer portfolios. The risk classification is based on a weighted calculation of various parameters linked to capacity to service debt, payment history and information from an external credit information provider.

The parent bank and Sparebanken Øst Boligkreditt AS's portfolios are based on a risk classification consisting of 11 categories from A to K. Risk class A represents the lowest risk and risk class K represents the highest risk. In the Group, risk classes J and K consist of commitments where there is objective evidence of impairment and the commitments are being specifically monitored.

31.03.2019	Gross lending	Guarantee liabilities	Overdraft facilities	Total commitments	%	Total commitment per group		
						Stage 1	Stage 2	Stage 3*
A	13.931,0	9,0	1.144,9	15.084,9	40,3	15.059,5	25,4	0,0
B	6.519,1	16,2	254,4	6.789,7	18,1	6.770,0	19,7	0,0
C	5.976,3	14,1	154,2	6.144,6	16,4	6.130,0	14,6	0,0
D	5.596,2	48,6	135,6	5.780,4	15,4	5.754,9	25,5	0,0
E	956,8	8,2	20,5	985,5	2,6	832,2	153,3	0,0
F	1.043,5	0,2	2,2	1.045,9	2,8	932,0	113,9	0,0
G	1.139,2	0,0	0,9	1.140,1	3,0	916,0	224,1	0,0
H	279,9	0,0	0,1	280,0	0,7	105,6	174,4	0,0
I	23,1	0,0	0,1	23,2	0,1	20,2	3,0	0,0
J	84,2	0,5	0,0	84,7	0,2	0,3	0,0	84,4
K	159,8	2,2	0,0	162,0	0,4	4,6	0,0	157,4
Unallocated	16,6	0,0	0,0	16,6	0,0	16,6	0,0	0,0
Total	35.725,7	99,0	1.712,9	37.537,6	100,0	36.541,9	753,9	241,8
Loss provisions				101,3		19,3	7,9	74,1

* Group 3 provisions include individually assessed loss write-downs of NOK 72.4 million.

IAS 39 up to 31.12.2017

30.09.2017	Gross lending	Guarantee liabilities	Overdraft facilities	Commitments	%	Individual write-downs
A	11.278,8	7,2	1.027,4	12.313,9	38,3	0,0
B	5.216,9	10,8	187,1	5.414,8	16,8	0,0
C	5.607,2	33,1	125,0	5.765,3	17,9	0,0
D	3.505,2	41,8	103,4	3.650,4	11,3	0,0
E	2.901,1	17,3	49,4	2.967,8	9,2	0,0
F	908,5	4,2	19,9	932,6	2,9	0,0
G	333,3	0,7	4,8	338,8	1,1	0,0
H	215,5	0,8	2,2	218,5	0,7	0,0
I	117,4	0,0	0,5	117,9	0,4	0,0
J	147,7	1,3	0,0	149,0	0,5	29,3
K	105,9	1,5	0,0	107,4	0,3	33,1
Unallocated	188,8	1,4	8,5	198,7	0,6	0,0
Total	30.526,3	120,1	1.528,2	32.175,1	100,0	62,4

31.03.2018	Gross lending	Guarantee liabilities	Overdraft facilities	Total commitments	%	Total commitment by group		
						Stage 1	Stage 2	Stage 3*
A	11.705,5	5,2	1.037,3	12.748,0	38,5	12.748,2	0,0	0,0
B	5.360,4	27,6	200,7	5.588,7	16,9	5.588,7	0,0	0,0
C	5.238,4	41,7	118,7	5.398,8	16,3	5.398,8	0,0	0,0
D	5.469,8	33,3	110,9	5.614,0	17,0	5.614,0	0,0	0,0
E	890,4	3,6	20,6	914,6	2,8	803,4	109,8	1,4
F	966,5	2,8	5,4	974,7	2,9	885,6	88,3	0,8
G	1.163,8	0,0	3,5	1.167,3	3,5	929,3	236,9	1,1
H	221,7	2,0	1,5	225,2	0,7	129,2	96,0	0,0
I	55,2	0,0	0,2	55,4	0,2	50,5	4,9	0,0
J	220,9	1,1	0,1	222,1	0,7	16,4	28,9	176,8
K	169,2	1,5	0,0	170,7	0,5	17,7	53,2	99,8
Unallocated	3,2	0,0	0,0	3,2	0,0	2,0	0,7	0,5
Total	31.465,0	118,8	1.498,9	33.082,7	100,0	32.183,8	618,7	280,4
Loss provisions				94,0		18,6	8,2	67,2

* Group 3 provisions include individually valued loss write-downs of NOK 65.1 million.

Note 9 - Credit risk (cont.)

31.12.2018	Gross lending	Guarantee liabilities	Overdraft facilities	Total commitments	%	Total commitment by group		
						Stage 1	Stage 2	Stage 3*
A	13.636,3	9,4	1.115,9	14.761,6	39,9	14.751,9	9,7	0,0
B	6.428,3	24,9	223,1	6.676,3	18,0	6.667,6	8,7	0,0
C	6.160,6	17,9	158,9	6.337,4	17,1	6.308,2	29,2	0,0
D	5.434,9	44,5	145,8	5.625,2	15,2	5.611,0	14,2	0,0
E	837,2	5,4	33,5	876,1	2,4	763,4	112,7	0,0
F	1.040,7	1,1	2,9	1.044,7	2,8	927,1	117,6	0,0
G	1.140,8	0,0	0,7	1.141,5	3,1	912,4	229,1	0,0
H	273,6	0,0	0,1	273,7	0,7	100,1	173,6	0,0
I	27,0	0,0	0,0	27,0	0,1	23,3	3,7	0,0
J	101,9	0,9	0,0	102,8	0,3	1,5	0,0	101,3
K	159,0	2,2	0,0	161,2	0,4	2,6	0,0	158,6
Unallocated	8,5	0,0	0,0	8,5	0,0	8,5	0,0	0,0
Total	35.248,8	106,3	1.680,9	37.036,0	100,0	36.077,6	698,5	259,9
Loss provisions				102,2		19,0	8,0	75,2

* Group 3 provisions include individually assessed loss write-downs of NOK 73.1 million.

Note 10 - Classification of financial instruments

31.03.2019	Fair value through profit or loss		Measured at amortised cost*	Total
	Held for trading	Measured at fair value		
Cash and receivables from central banks	0,0	0,0	244,9	244,9
Net loans to and receivables from financial institutions	0,0	0,0	10,2	10,2
Net loans to and receivables from customers	0,0	372,6	35.252,5	35.625,1
Certificates and bonds	0,0	5.481,4	0,0	5.481,4
Shares and units	0,0	613,1	0,0	613,1
Financial derivatives**	223,6	0,0	0,0	223,6
Certificates and bonds, held to maturity	0,0	0,0	0,0	0,0
Total financial assets	223,6	6.467,1	35.507,6	42.198,3
Liabilities to financial institutions	0,0	0,0	301,8	301,8
Deposits from and liabilities to customers	0,0	0,0	14.856,5	14.856,5
Financial derivatives**	12,9	0,0	0,0	12,9
Securities issued	0,0	0,0	22.438,0	22.438,0
Subordinated loan capital	0,0	0,0	400,1	400,1
Total financial liabilities	12,9	0,0	37.996,4	38.009,3

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

31.03.2018	Fair value through profit or loss		Measured at amortised cost*	Total
	Held for trading	Measured at fair value		
Cash and receivables from central banks	0,0	0,0	285,1	285,1
Net loans to and receivables from financial institutions	0,0	0,0	7,2	7,2
Net loans to and receivables from customers	0,0	202,4	31.169,2	31.371,6
Certificates and bonds	0,0	5.070,9	0,0	5.070,9
Shares and units	0,0	483,4	0,0	483,4
Financial derivatives**	231,1	0,0	0,0	231,1
Certificates and bonds, held to maturity	0,0	0,0	0,0	0,0
Total financial assets	231,1	5.756,7	31.461,5	37.449,3
Liabilities to financial institutions	0,0	0,0	331,2	331,2
Deposits from and liabilities to customers	0,0	0,0	13.940,9	13.940,9
Financial derivatives**	49,1	0,0	0,0	49,1
Securities issued	0,0	0,0	18.943,4	18.943,4
Subordinated loan capital	0,0	0,0	451,4	451,4
Total financial liabilities	49,1	0,0	33.666,9	33.716,0

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

Note 10 - Classification of financial instruments (cont.)

31.12.2018	Fair value through profit or loss		Measured at amortised cost*	Total
	Held for trading	Measured at fair value		
Cash and receivables from central banks	0,0	0,0	603,1	603,1
Net loans to and receivables from financial institutions	0,0	0,0	9,5	9,5
Net loans to and receivables from customers	0,0	367,0	34.780,4	35.147,4
Certificates and bonds	0,0	5.173,1	0,0	5.173,1
Shares and units	0,0	606,8	0,0	606,8
Financial derivatives**	222,0	0,0	0,0	222,0
Certificates and bonds, held to maturity	0,0	0,0	0,0	0,0
Total financial assets	222,0	6.146,9	35.393,0	41.761,9
Liabilities to financial institutions	0,0	0,0	300,4	300,4
Deposits from and liabilities to customers	0,0	0,0	14.899,7	14.899,7
Financial derivatives**	30,7	0,0	0,0	30,7
Securities issued	0,0	0,0	21.970,8	21.970,8
Subordinated loan capital	0,0	0,0	400,0	400,0
Total financial liabilities	30,7	0,0	37.570,9	37.601,6

* Includes hedged debt

** Includes derivatives for which hedge accounting is used

Note 11 - Financial instruments at fair value

The bank classifies fair value measurements by using a hierarchy with the following levels:

Level 1: Observable market prices in active markets.

Level 2: Observable market prices in less active markets, or the use of inputs which are either directly or indirectly observable

Level 3: Valuation techniques not based on observable market data.

See Note 22 in the Annual Report for 2018 for further details of individual accounting items

31.03.2019	Level 1	Level 2	Level 3	Fair value	Book value
Fair value					
Loans to and receivables from customers	0,0	0,0	372,6	372,6	372,6
Certificates and bonds	0,0	5.481,4	0,0	5.481,4	5.481,4
Shares and units	25,5	23,0	564,6	613,1	613,1
Financial derivatives	0,0	223,6	0,0	223,6	223,6
Total assets at fair value	25,5	5.728,0	937,2	6.690,7	6.690,7
Financial derivatives	0,0	12,9	0,0	12,9	12,9
Total liabilities at fair value	0,0	12,9	0,0	12,9	12,9

	Fixed interest loans	Shares through profit or loss	Total
Movements in level 3 for items valued at fair value			
Balance sheet as at 01.01.19	367,0	562,2	929,2
Net realised gains	0,0	0,0	0,0
Additions	11,1	0,0	11,1
Disposals	4,7	0,0	4,7
Changes in value	-0,8	2,4	1,6
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	372,6	564,6	937,2

31.03.2018	Level 1	Level 2	Level 3	Fair value	Book value
Fair value					
Loans to and receivables from customers	0,0	0,0	202,4	202,4	202,4
Certificates and bonds	0,0	5.070,9	0,0	5.070,9	5.070,9
Shares and units	17,3	0,0	466,0	483,4	483,4
- at fair value through profit or loss	0,0	0,0	0,0	0,0	0,0
- recognised at fair value through comprehensive income	0,0	0,0	0,0	0,0	0,0
Financial derivatives	0,0	231,1	0,0	231,1	231,1
Total assets at fair value	17,3	5.302,0	668,4	5.987,8	5.987,8
Financial derivatives	0,0	49,1	0,0	49,1	49,1
Total liabilities at fair value	0,0	49,1	0,0	49,1	49,1

	Fixed interest loans	Shares through profit or loss	Total
Movements in level 3 for items valued at fair value			
Balance sheet as at 01.01.2018	255,7	466,0	721,7
Net realised gains	0,0	0,0	0,0
Additions	1,2	0,0	1,2
Disposals	55,8	0,0	55,8
Changes in value	1,3	0,0	1,3
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	202,4	466,0	668,4

Note 11 - Financial instruments at fair value (cont.)

31.12.2018	Level 1	Level 2	Level 3	Fair value	Book value
Fair value					
Loans to and receivables from customers	0,0	0,0	367,0	367,0	367,0
Certificates and bonds	0,0	5.173,1	0,0	5.173,1	5.173,1
Shares and units	21,6	23,0	562,2	606,8	606,8
- at fair value through profit or loss	0,0	0,0	0,0	0,0	0,0
- recognised at fair value through comprehensive income	0,0	0,0	0,0	0,0	0,0
Financial derivatives	0,0	222,0	0,0	222,0	222,0
Total assets at fair value	21,6	5.418,1	929,2	6.368,9	6.368,9
Financial derivatives	0,0	30,7	0,0	30,7	30,7
Total liabilities at fair value	0,0	30,7	0,0	30,7	30,7

Movements in level 3 for items valued at fair value	Fixed interest loans	Shares through profit or loss	Total
Balance sheet as at 01.01.2018	255,7	466,1	721,8
Net realised gains	0,0	10,7	10,7
Additions	221,2	12,8	234,0
Disposals	112,8	11,4	124,2
Changes in value	2,9	84,0	86,9
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	367,0	562,2	929,2

Note 12 - Securities issued and subordinated loan capital

Securities issued	31.03.2019	31.03.2018	31.12.2018
Bonds, nominal value	22.173,0	18.697,4	21.705,8
Value adjustments (incl. excess/deficit value)	176,4	147,6	170,9
Accrued interest	88,6	98,4	94,1
Total securities issued	22.438,0	18.943,4	21.970,8

Change for securities issued	31.03.2019	Issued	Due/ redeemed	Change in own holdings	Other changes incl. currency	31.12.2018
Bonds, nominal value	9.015,0	0,0	642,0	0,0	0,0	9.657,0
Covered bonds, nominal value in NOK	13.158,0	2.500,0	0,0	1.100,0	0,0	11.758,0
Covered bonds, nominal value in SEK (converted to NOK)	0,0	0,0	276,8	0,0	-14,0	290,8
Value adjustments (incl. excess/deficit value)	176,4	0,0	0,0	0,0	5,5	170,9
Accrued interest	88,6	0,0	0,0	0,0	-5,5	94,1
Total securities issued	22.438,0	2.500,0	918,8	1.100,0	-14,0	21.970,8

Change in subordinated loan capital	31.03.2019	Issued	Due/ redeemed	Change in own holdings	Other changes incl. currency	31.12.2018
Ordinary subordinated loan capital, nominal value	400,0	0,0	0,0	0,0	0,0	400,0
Value adjustments (incl. excess/deficit value)	-0,6	0,0	0,0	0,0	0,1	-0,7
Accrued interest	0,7	0,0	0,0	0,0	0,0	0,7
Total subordinated loan capital	400,1	0,0	0,0	0,0	0,1	400,0

Note 13 - Financial derivatives

31.03.2019	Fair value of hedging instruments		Value adjustment of hedging object	
	Contract sum	Assets	Liabilities	Liabilities
Fair value through profit or loss				
Currency instruments				
Forward exchange contracts	16,9	0,0	0,5	
Interest rate instruments				
Interest rate swaps (IRS)	675,0	0,9	2,9	
Total instruments recognised at fair value through profit or loss		0,9	3,4	
Used for hedge accounting	Contract sum	Assets	Liabilities	Liabilities
Currency instruments				
Currency swap agreements	0,0	0,0	0,0	0,0
Interest rate instruments				
Interest rate swaps (IRS)	7.015,0	222,7	9,5	163,4
Total instruments used for hedge accounting		222,7	9,5	163,4
Total derivatives		223,6	12,9	163,4

31.03.2018	Fair value of hedging instruments		Value adjustment of hedging object	
	Contract sum	Assets	Liabilities	Liabilities
Fair value through profit or loss				
Currency instruments				
Forward exchange contracts	12,4	0,8	0,0	
Interest rate instruments				
Interest rate swaps (IRS)	535,0	1,8	6,6	
Total instruments recognised at fair value through profit or loss		2,6	6,6	
Used for hedge accounting	Contract sum	Assets	Liabilities	Liabilities
Currency instruments				
Currency swap agreements	304,9	0,0	23,9	-23,4
Interest rate instruments				
Interest rate swaps (IRS)	5.615,0	228,5	18,6	143,9
Total instruments used for hedge accounting		228,5	42,5	120,5
Total derivatives		231,1	49,1	120,5

31.12.2018	Fair value of hedging instruments		Value adjustment of hedging object	
	Contract sum	Assets	Liabilities	Liabilities
Fair value through profit or loss				
Currency instruments				
Forward exchange contracts	16,9	0,0	0,5	
Interest rate instruments				
Interest rate swaps (IRS)	765,0	0,9	8,8	
Total instruments recognised at fair value through profit or loss		0,9	9,3	
Used for hedge accounting	Contract sum	Assets	Liabilities	Liabilities
Currency instruments				
Currency swap agreements	304,9	0,0	14,6	-14,0
Interest rate instruments				
Interest rate swaps (IRS)	7.315,0	221,1	6,8	160,7
Total instruments used for hedge accounting		221,1	21,4	146,7
Total derivatives		222,0	30,7	146,7

Note 14 - Financial derivatives - offsetting

The Group's netting rights comply with the general rules in Norwegian law. Standardised and primarily bilateral ISDA agreements have been entered into with financial institutions that give the parties the right to offset in the event of non-performance. Additional agreements have also been entered into concerning the provision of security (CSA). In accordance with the offsetting disclosure requirements, there has been no offsetting of amounts recognised on the balance sheet.

Exposure as at 31.03.2019	Gross amount	Offset	Recognised amount	Amount subject to net settlement	Exchanged collateral security	Amount in accordance with any net settlement
Financial derivatives, assets	175,3	0,0	175,3	-8,9	-109,9	56,5
Financial derivatives, liabilities	9,3	0,0	9,3	-8,9	0,0	0,4
Exposure as at 31.03.2018						
Financial derivatives, assets	137,3	0,0	137,3	-30,3	0,8	107,8
Financial derivatives, liabilities	33,8	0,0	33,8	-30,3	-3,5	0,0
Exposure as at 31.12.2018						
Financial derivatives, assets	175,6	0,0	175,6	-17,1	-101,8	56,7
Financial derivatives, liabilities	17,6	0,0	17,6	-17,1	0,0	0,5

Note 15 - Net interest income

	Q1 2019	Q1 2018	Full-year 2018
Interest income from loans to and receivables from financial institutions	0,7	0,5	2,2
Interest income from loans to customers	270,6	233,7	973,2
Interest income from certificates and bonds	23,1	15,9	73,6
Total interest income	294,4	250,1	1.049,0
Interest costs on liabilities to financial institutions	1,8	1,6	6,6
Interest on deposits from customers	34,7	28,6	122,8
Interest on securities issued	105,1	71,0	332,7
Interest on subordinated loan capital	2,7	2,8	10,3
Norwegian Banks Guarantee Fund levy	3,4	2,8	11,5
Total interest costs	147,7	106,8	483,9
Net interest income	146,8	143,3	565,1

*The Norwegian Banks Guarantee Fund levy was accrued on a monthly basis in 2017. In 2016, the levy was charged in its entirety in Q1.

Note 16 - Net changes in value and gains/losses on financial instruments

	Q1 2019	Q1 2018	Full-year 2018
Net changes in value and gains/losses on certificates and bonds	3,6	-2,5	-17,8
Net changes in value and gains/losses on shares and equity derivatives	6,3	0,7	99,6
Net changes in value and gains/losses on fixed-interest loans	-0,7	-1,7	-0,1
Net changes in value and gains/losses on other financial instruments	-3,9	5,7	4,6
Net changes in value and gains/losses on financial instruments at fair value	5,2	2,2	86,3

Note 17 - Operating costs

	Q1 2019	Q1 2018	Full-year 2018
Payroll costs incl. AGA and Financial Activity Tax	41,5	35,5	149,3
Pension costs	3,1	3,1	12,7
Other personnel-related costs	2,4	3,5	10,0
IT costs	9,6	8,4	35,1
Other administrative costs	3,8	4,7	18,0
Depreciation/write-downs/changes in value for non-financial assets	6,2	3,3	13,7
Operating costs, properties and premises	2,9	5,1	21,1
Other operating costs	8,8	7,3	29,2
Total operating costs	78,3	70,9	289,1

Note 18 - Guarantee liability and other off-balance sheet items

Guarantee liability	31.03.2019	31.03.2018	31.12.18
Payment guarantees	18,5	29,7	
Contract guarantees	51,1	55,9	
Loan guarantees	16,7	18,3	
Other guarantee liabilities	12,7	14,9	
Total guarantees to customers	99,0	118,8	100,0

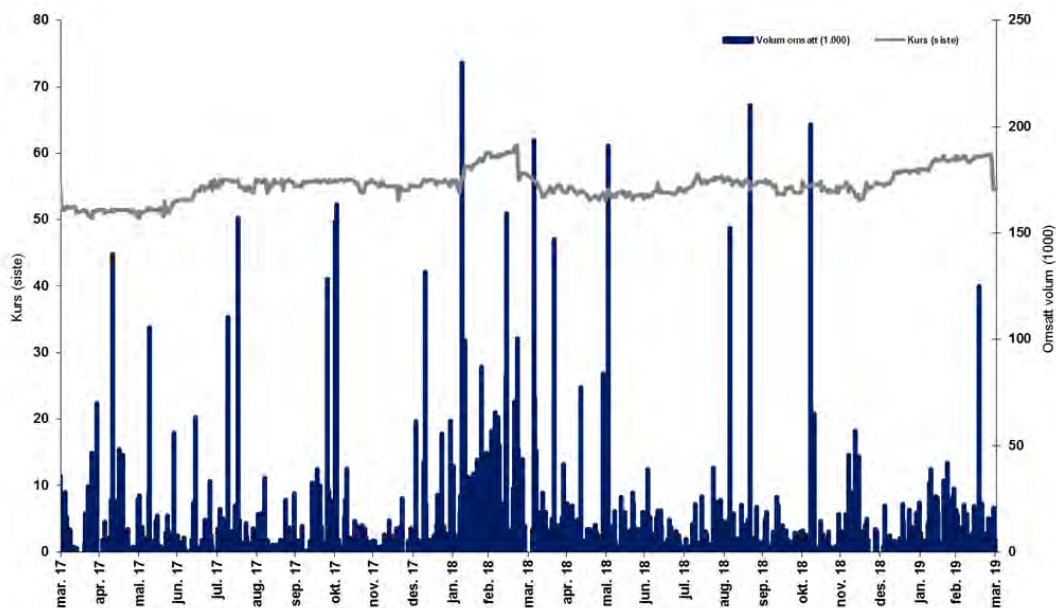
Pledges of security	31.03.2019	31.03.2018	31.12.18
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	400,0	561,0	7
Total pledges of security	400,0	561,0	71

The parent bank has issued a liquidity facility (revolving credit facility) to Sparebanken Øst Boligkreditt AS which guarantees timely payment of outstanding covered bonds (OMF) maturing in the next 12 months, including the coupon rate, principal and derivative contracts taken to hedge covered bonds. In addition to the liquidity facility, Sparebanken Øst Boligkreditt AS has a NOK 2.0 billion credit line from the parent bank. The parent bank's holdings of covered bonds had a face value of NOK 1,100.0 at 31.03.19, NOK 200.0 million at 31.03.18 and NOK 0.0 at 31.12.18 and are not included in the table below.

Preferential rights	31.03.2019	31.03.2018	31.12.18
Preferential rights in accordance with Section 11-15 of the Norwegian Financial Institutions Act (nominal value)*	14.258,0	11.182,4	12.0
Total preferential rights	14.258,0	11.182,4	12.0

Note 19 - Equity certificates

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders at 31.03.2019

Name	Number	%	Name	Number	%
1 MP Pensjon	1.667.815	8,04 %	11 Profond AS	173.163	0,84 %
2 Cape Invest AS	1.420.000	6,85 %	12 Tindra Eiendom AS	169.663	0,82 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Johansen, Kjell Petter	152.000	0,73 %
4 Verdipapirfondet Eika dividend	811.943	3,92 %	14 Vibrant Absolutt	151.325	0,73 %
5 Hansen, Asbjørn Rudolf	500.000	2,41 %	15 DnB NOR Markets	150.000	0,72 %
6 Jag Holding AS	400.000	1,93 %	16 Løkke, Helge Arnfinn	148.433	0,72 %
7 Foretakskonsulenter AS	385.100	1,86 %	17 Morgan Stanley & Co. Intern.	134.700	0,65 %
8 Wenaasgruppen AS	273.000	1,32 %	18 Juel, Iver Albert	131.306	0,63 %
9 Storetind AS	268.293	1,29 %	19 Seriana AS	130.931	0,63 %
10 AS Andersen Eiendomselskap	238.900	1,15 %	20 Teigen, Hellig	120.400	0,58 %

Ownership fraction, parent bank

	01.01.2019	01.01.2018
Equity certificate capital	207,3	207,3
Share premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	308,8	310,7
Share of Fund for Unrealised Gains	92,1	68,3
Total numerator (A)	996,0	974,0
Total equity excl. hybrid capital (dividend provisions for the year excluded)	3.069,5	2.831,6
Total denominator (B)	3.069,5	2.831,6
Ownership fraction (A/B) in %	32,45	34,40

Income Statement - Parent Bank

(Amounts in NOK million)	Q1 2019	Q1 2018	Full-year 2018
Interest income	175,0	150,5	635,1
Interest costs	90,8	70,1	307,9
Net interest income	84,2	80,4	327,2
Commission income and income from banking services	26,2	26,7	106,1
Commission costs and costs for banking services	5,0	3,7	17,5
Dividend	0,0	0,0	152,4
Net changes in value and gains/losses on financial instruments	11,4	6,6	91,7
Other operating income	2,0	1,4	4,7
Net other operating income	34,7	31,0	337,4
Payroll, etc.	40,9	35,8	148,0
Administration costs	10,7	10,7	43,8
Depreciation/write-downs/changes in value for non-financial assets	6,0	1,9	9,5
Other operating costs	8,7	10,2	41,1
Total operating costs	66,2	58,6	242,4
Profit/loss before losses	52,7	52,8	422,2
Losses on loans, unused credit and guarantees	0,7	-1,3	2,9
Profit/loss before tax costs	52,0	54,1	419,3
Tax costs	12,0	13,5	45,4
Profit/loss after tax	40,0	40,6	373,9
Hybrid capital owners' share of the result	3,9	2,6	11,7
Equity certificate holders' and primary capital share of profits	36,1	38,0	362,2
Profit/loss after tax	40,0	40,6	373,9
Earnings per equity certificate	0,57	0,63	6,01
Diluted earnings per equity certificate	0,57	0,63	6,01

Other comprehensive income - Parent bank

(Amounts in NOK million)	Q1 2019	Q1 2018	Full-year 2018
Profit/loss after tax	40,0	40,6	373,9
Items that will not be reclassified to the income statement			
Actuarial gains and losses on defined-benefit plans	0,0	0,0	-5,9
Tax related to items that cannot be reclassified	0,0	0,0	1,4
Items that may later be reclassified to the income statement			
Lending at fair value	0,0	-0,7	-0,9
Tax related to items that can be reclassified	0,0	0,2	0,2
Comprehensive income	40,0	40,1	368,7

Balance Sheet - Parent Bank

(Amounts in NOK million)	31.03.2019	31.03.2018	31.12.2018
Assets			
Cash and receivables from central banks	244,9	285,1	603,1
Loans to and receivables from financial institutions	2.395,0	2.253,1	2.155,1
Loans to and receivables from customers	17.871,7	17.210,7	19.716,6
Certificates and bonds	6.428,6	5.115,4	5.012,1
Shares and units	613,1	483,4	606,8
Financial derivatives	77,4	101,1	80,1
Ownership interests in Group companies	1.241,0	890,9	1.240,9
Deferred tax asset	7,2	4,2	7,2
Investment properties	0,0		
Tangible fixed assets	86,7	76,8	84,4
Lease rights	92,7	0,0	0,0
Other assets	2,3	7,7	5,2
Prepaid non-accrued costs and income earned, but not received	17,6	19,8	8,4
Total assets	29.078,2	26.448,2	29.519,9
Liabilities and equity			
Liabilities to financial institutions	672,7	568,7	540,8
Deposits from and liabilities to customers	14.930,9	13.987,7	14.974,3
Liabilities to the state, swap of covered bonds	0,0	0,0	
Financial derivatives	12,9	25,2	16,1
Securities issued	9.103,1	7.807,8	9.750,8
Other liabilities	295,9	288,3	190,0
Accruals and deferred income	37,5	31,7	32,6
Provisions for accrued costs and liabilities	76,1	66,6	76,2
Deferred tax liability	0,0	0,0	0,0
Commitments related to leases	92,9	0,0	0,0
Subordinated loan capital	400,1	451,4	400,0
Total liabilities	25.622,1	23.227,4	25.980,8
Paid-up equity	595,1	595,1	595,1
Hybrid capital	350,5	351,7	350,5
Retained earnings	2.510,5	2.274,0	2.593,5
Retained ordinary earnings	0,0	0,0	0,0
Total equity	3.456,1	3.220,8	3.539,1
Total liabilities and equity	29.078,2	26.448,2	29.519,9

Changes in equity - parent bank

	Paid-up equity			Hybrid capital	Retained earnings						
(Amounts in NOK million)	Total equity	Equity certificates	Share premium services	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Change in value through comprehensive income as reclass.	Other equity	Retained profit
31.03.2019											
Equity at 31.12.2018	3.539,1	207,3	387,8	350,5	404,1	1.867,5	38,1	283,6	0,2	0,0	0,0
Ordinary result	40,0	0,0	0,0	3,9	0,0	0,0	0,0	0,0	0,0	0,0	36,1
Change in lending at fair value through comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Changes in fair value of shares through comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	40,0	0,0	0,0	3,9	0,0	0,0	0,0	0,0	0,0	0,0	36,1
Dividend to equity certificate holders 2018 - adopted	-95,4	0,0	0,0	0,0	-95,4	0,0	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2018 - adopted	-23,8	0,0	0,0	0,0	0,0	-23,8	0,0	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-3,9	0,0	0,0	-3,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Redemption of hybrid capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue of hybrid capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.03.2019	3.456,1	207,3	387,8	350,5	308,7	1.843,7	38,1	283,6	0,2	0,0	36,1

	Paid-up equity			Hybrid capital	Retained earnings						
(Amounts in NOK million)	Total equity	Equity certificates	Share premium services	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Change in value through comprehensive income as reclass.	Other equity	Retained profit
31.03.2018											
Equity at 31.12.2017	2.971,7	207,3	387,8	0,0	409,3	1.731,6	38,1	197,6	0,0	0,0	0,0
Implementation effect of IFRS 9	15,5	0,0	0,0	0,0	5,1	9,5	0,0	0,0	0,9	0,0	0,0
Reclassification of hybrid tier 1 capital	351,7	0,0	0,0	351,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Restated equity as at 01.01.2018	3.338,9	207,3	387,8	351,7	414,4	1.741,1	38,1	197,6	0,9	0,0	0,0
Ordinary result	40,6	0,0	0,0	2,6	0,0	0,0	0,0	0,0	0,0	0,0	38,0
Change in lending at fair value through comprehensive income	-0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,5	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	40,1	0,0	0,0	2,6	0,0	0,0	0,0	0,0	-0,5	0,0	38,0
Dividend to equity certificate holders 2017 - adopted	-103,7	0,0	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2017 - adopted	-51,9	0,0	0,0	0,0	0,0	-51,9	0,0	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-3,5	0,0	0,0	-3,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Tax effect on hybrid capital taken directly to equity	0,9	0,0	0,0	0,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.03.2018	3.220,8	207,3	387,8	351,7	310,7	1.689,2	38,1	197,6	0,4	0,0	38,0

	Paid-up equity			Hybrid capital	Retained earnings						
(Amounts in NOK million)	Total equity	Equity certificates	Share premium services	Hybrid tier 1 capital	Equalisation fund	Primary capital	Endowment fund	Fund for unrealised gains	Change in value through comprehensive income as reclass.	Other equity	Retained profit
2018											
Equity at 31.12.2017	2.971,7	207,3	387,8	0,0	409,3	1.731,6	38,1	197,6	0,0	0,0	0,0
Implementation effect of IFRS 9	15,5	0,0	0,0	0,0	5,1	9,5	0,0	0,0	0,9	0,0	0,0
Reclassification of hybrid tier 1 capital	351,7	0,0	0,0	351,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Restated equity as at 01.01.2018	3.338,9	207,3	387,8	351,7	414,4	1.741,1	38,1	197,6	0,9	0,0	0,0
Ordinary result	373,9	0,0	0,0	11,7	95,0	181,2	0,0	86,0	0,0	0,0	0,0
Change in lending at fair value through comprehensive income	-0,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,7	0,0	0,0
Changes in fair value of shares through comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	-4,5	0,0	0,0	0,0	-1,6	-2,9	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	368,7	0,0	0,0	11,7	93,4	178,3	0,0	86,0	-0,7	0,0	0,0
Dividend to equity certificate holders 2017 - adopted	-103,7	0,0	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2017 - adopted	-51,9	0,0	0,0	0,0	0,0	-51,9	0,0	0,0	0,0	0,0	0,0
Interest paid on hybrid capital	-16,8	0,0	0,0	-16,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Tax effect on hybrid capital taken directly to equity	3,9	0,0	0,0	3,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Redemption of hybrid capital	-200,0	0,0	0,0	-200,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue of hybrid capital	200,0	0,0	0,0	200,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity at 31.12.2018	3.539,1	207,3	387,8	350,5	404,1	1.867,5	38,1	283,6	0,2	0,0	0,0

Cash Flow Statement - Parent Bank

	30.09.2018	30.09.2017	31.03.2019	31.03.2018	31.12.2018
Operating activities					
Profit/loss before tax costs	268,5	182,9	52,0	54,1	419,3
Adjusted for:					
Change in net interest income earned and accrued interest costs	50,1	50,8	15,8	13,5	0,3
Net payment/disbursement of loans to financial institutions	-439,6	-190,7	-239,1	-322,5	-222,6
Net receipts/payments of loans to customers	372,3	1.078,1	1.848,9	1.464,5	-1.046,3
Change in certificates and bonds	-309,7	-290,9	-1.413,9	-760,1	-650,6
Changes in value of equities and units	-103,2		-6,3	0,5	-98,6
Change in other assets in connection with operations	-7,3	0,8	-7,7	-16,1	-2,3
Net receipts/disbursement of borrowing from financial institutions	36,4	32,9	129,6	5,1	8,5
Net receipts/disbursement of deposits from customers	653,9	24,5	-64,7	-29,3	972,3
Change in other operating liabilities	18,2	-25,1	10,6	-31,2	-7,9
Non-cash items included in profit before tax costs	8,1	4,5	2,3	1,6	17,4
Net gain/loss from investing activities	-1,3	-3,4	-0,1	-1,2	-1,5
Net gain/loss from financing activities	2,6	1,0	0,0	0,3	2,6
Net change in relation to investing activities	0,0	0,0	0,0	0,0	0,0
Taxes paid for the period	-68,0	-47,9	-34,0	-24,2	-68,0
Net cash f/c	A	481,0	817,5	293,4	355,0
Investing activities					
Payments on purchases of fixed assets	-14,6	-11,6	-5,1	-2,7	-17,9
Proceeds from sale of fixed assets	0,2	0,2	0,1	0,0	0,3
Net proceeds/costs on the sale/purchase of financial investments	-23,1	207,8	0,0	1,2	-23,1
Net payment/disbursement concerning investments in subsidiaries	-50,0	-2,4	0,0	0,0	-350,0
Net cash f/c	B	-87,5	194,0	-5,0	-390,7
Financing activities					
Net incoming/outgoing payments for loans to/from financial institutions	-30,0	-30,0	0,0	0,0	-30,0
Payments on repayment of securities	-2.048,6	-1.487,0	-642,0	-604,2	-2.114,4
Proceeds on issuance of securities	1.600,0	599,8	0,0	199,7	3.598,7
Payment of dividend	-103,7	-82,9	0,0	0,0	-103,7
Net payments on repayment of hybrid capital	-76,0		0,0	0,0	-200,0
Net receipts on issue of hybrid capital	200,0		0,0	0,0	200,0
Interest paid on hybrid capital	-11,6		-3,9	-3,5	-16,8
Net cash f/c	C	-469,9	-1.000,1	-408,0	1.333,8
Net change A+B+C	-76,4	11,4	-357,5	-54,5	265,7
Cash and cash equivalents at 01.01	346,8	321,4	612,6	346,8	346,9
Holding of cash and cash equivalents at the end of the period	270,4	332,8	255,1	292,3	612,6

Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are investment placements

Key Figures – Group

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Profitability					
1. Return on equity*	7,01	5,14	15,51	12,24	9,67
2. Net interest income as a % of average total assets	1,41	1,44	1,42	1,40	1,55
3. Profit/loss after tax as a % of average total assets	0,62	0,47	1,41	1,11	0,87
4. Costs as a % of average total assets	0,75	0,77	0,75	0,68	0,77
5. Costs as a % of income (before losses on loans/guarantees)*	47,11	52,21	31,89	32,86	40,31
6. Costs as a % of income (excl. return on financial investments)*	48,65	48,29	48,72	43,70	40,82
Balance sheet figures					
7. Net lending to customers	35.625,1	35.147,4	33.236,9	32.181,4	31.371,6
8. Lending growth (quarter)	1,36	5,75	3,28	2,58	1,29
9. Deposits	14.856,5	14.899,7	14.618,8	14.268,2	13.940,9
10. Deposit growth (quarter)	-0,29	1,92	2,46	2,35	-0,22
11. Average equity	3.504,8	3.513,4	3.484,1	3.364,7	3.274,3
12. Average total assets	42.231,4	40.688,6	39.063,3	38.280,8	37.411,9
Loss provisions on impaired and non-performing loans					
13. Losses as a % of net lending to customers (OB)*	0,05	0,09	0,02	0,08	0,03
14. Loss provisions as a % of gross lending to customers*	0,28	0,29	0,29	0,30	0,30
15. Net impaired and non-performing commitments as a % of net lending*	0,32	0,36	0,39	0,34	0,37
Financial strength					
16. CET1 capital ratio incl. 50% of retained earnings (%)	16,37	16,39	16,63	17,17	17,46
17. CET1 capital ratio (%)	16,22	16,39	15,80	16,69	17,25
18. Tier 1 capital ratio (%)	17,96	18,15	17,63	18,57	19,16
19. Capital adequacy ratio (%)	19,66	19,87	19,71	20,44	21,62
20. Risk-weighted volume (calculation basis)	20.165,2	19.959,5	19.160,2	18.640,8	18.294,3
21. Tier 1 leverage ratio incl. 50% of retained profit	8,46	8,48	8,79	8,97	9,17
22. Tier 1 leverage ratio (%)	8,39	8,48	8,39	8,75	9,07
Liquidity					
23. Deposit coverage ratio	41,70	42,39	43,98	44,34	44,44
24. LCR (%)	207,87	224,93	159,90	257,14	217,55
Branches and full-time equivalents					
25. No. of branches	27	27	27	27	27
26. Full-time equivalents	197	199	201	200	194
Equity certificates					
27. Ownership fraction (parent bank) (%)	32,45	34,40	34,40	34,40	34,40
28. No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
29. Book equity per equity certificate*	55,33	58,98	58,94	56,68	54,98
30. Earnings per equity certificate*	0,95	0,75	2,26	1,70	1,30
31. Dividend per equity certificate	0,00	4,60	0,00	0,00	0,00
32. Turnover rate	18,97	18,20	19,34	29,33	46,24
33. Price	54,60	55,60	55,80	53,20	57,00

* Defined as alternate performance target

Definition of key figures and alternative profit targets

1.	Profitability Return on equity*	The profit/loss that is attributable to equity certificates and primary capital as a % of average equity adjusted for hybrid capital. The key figure provides relevant information about the group's profitability by measuring its ability to generate profitability on equity. The return on equity is one of Sparebanken Øst's most important target figures.
2.	Net interest income as a % of average total assets	Net interest income as a % of average total assets
3.	Profit/loss after tax as a % of average total assets	Profit/loss after tax as a % of average total assets
4.	Costs as a % of average total assets	Payroll, etc., administrative costs, amortisation and other operating costs as a % of average total assets
5.	Costs as a % of income (before losses on loans/guarantees)*	Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, dividends, net commission income, net value changes and gains/losses on financial instruments and other operating income. The key figure is used to provide information about the ratio between income and costs.
6.	Costs as a % of income (excl. return on financial investments)*	Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, net commission income and other operating income. The key figure is used to provide information about the ratio between income and costs.
	Balance sheet figures	
7.	Net lending to customers	Gross lending minus loss provisions
8.	Lending growth (quarter/12 months)	Change in net lending as a % of OB net lending. Quarterly figures show growth in the quarter, while other figures show 12-month growth.
9.	Deposits	Customer deposits
10.	Deposit growth (quarter/12 months)	Change in deposits as a % of OB deposits. Quarterly figures show growth in the quarter, while other figures show 12-month growth.
11.	Average equity	(OB equity (adjusted for hybrid capital) less proposed dividends + CB equity (adjusted for hybrid capital) less proposed dividends) / 2
12.	Average total assets	Average total assets based on quarterly balance sheet figures
	Loss provisions on impaired and non-performing loans	
13.	Losses as a % of net lending to customers (OB)*	Losses as % of OB net loans to customers for the period. The key figure indicates the recognised loss in relation to net lending at the beginning of the fiscal period and provides relevant information on the extent of the losses incurred by the group in relation to loan volume.
14.	Loss provisions as a % of gross lending to customers*	Total loss provisions, groups 1, 2 and 3, as a % of gross lending. This key figure provides relevant information about credit risk and is deemed useful additional information in addition to that stated in the loss notes.
15.	Net impaired and non-performing commitments as a % of net lending*	Net impaired and non-performing commitments as a % of net loans to customers. This key figure provides relevant information about credit risk and is deemed useful additional information in addition to that stated in the loss notes.
	Financial strength	
16.	CET1 capital ratio incl. 50% of retained earnings (%)	CET1 capital incl. 50% of equity certificate holders' and primary capital share of the unallocated profit as a % of risk-weighted volume (basis for calculation)
17.	CET1 capital ratio (%)	CET1 capital as a % of the risk-weighted volume (calculation basis)
18.	Tier 1 capital ratio (%)	Tier 1 capital as a % of the risk-weighted volume (calculation basis)
19.	Capital adequacy ratio (%)	Total primary capital as a % of the risk-weighted volume (calculation basis)
20.	Risk-weighted volume (calculation basis)	Total credit and counterparty risk, currency risk, operational risk and calculation basis for impaired counterparty credit rating (CVA)
21.	Tier 1 leverage ratio incl. 50% retained earnings (%)	Tier 1 capital incl. 50% of equity certificate holders' and primary capital share of the unallocated profit as a % of the unweighted basis for calculation.
22.	Tier 1 leverage ratio (%)	Tier 1 capital as a % of unweighted calculation basis
	Liquidity	
23.	Deposit coverage ratio	Deposits as a % of net loans to customers
24.	LCR (%)	Liquid assets as a % of net payments in a stress scenario lasting 30 days
	Branches and full-time equivalents	
25.	No. of branches	
26.	Full-time equivalents	
	Equity certificates	
27.	Ownership fraction (parent bank) (%)	Equity certificate holders' share of total equity adjusted for hybrid capital (less proposed dividends) as a % (Basis at 01.01, time-weighted on issue).
28.	No. of equity certificates	Total no. of outstanding equity certificates
29.	Book equity per equity certificate*	Equity share capital divided by no. of equity certificates. The calculation includes the year's allocation for dividends. The key figure provides information about the value of the book equity per equity certificate. This allows the reader to assess the reasonableness of the market price in relation to the equity certificate.
30.	Earnings per equity certificate*	The equity share capital's share of the profit/loss after tax divided by time-weighted average number of equity certificates during the period.
31.	Dividend per equity certificate	Dividend in NOK per equity certificate
32.	Turnover rate	Annualised turnover rate (traded as a % of issued)
33.	Price	The most recently traded price on the Oslo Stock Exchange as at the balance sheet date.

* Defined as alternate performance target

Financial Performance - Group

(Amounts in NOK million)	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Interest income	294,4	281,9	263,0	254,0	250,1
Interest costs	0,0				
	147,7	133,9	123,1	120,1	106,8
Net interest income	146,8	148,0	139,9	133,9	143,3
Commission income and income from banking services	21,0	23,3	21,2	21,6	22,7
Commission costs and costs for banking services	11,3	12,0	11,5	10,0	9,4
Dividend	0,0	0,0	24,3	8,7	0,0
Net changes in value and gains/losses on financial instruments	5,2	-12,3	56,2	40,2	2,2
Other operating income	4,5	4,5	2,9	2,8	17,1
Net other operating income	19,4	3,5	93,1	63,3	32,6
Payroll, etc.	47,0	47,1	46,5	36,3	42,1
Administration costs	13,4	15,2	13,1	11,7	13,1
Depreciation/write-downs/changes in value for non-financial assets	6,2	3,7	3,6	3,1	3,3
Other operating costs	11,7	13,1	11,1	13,7	12,4
Total operating costs	78,3	79,1	74,3	64,8	70,9
Profit/loss before losses	87,9	72,4	158,7	132,4	105,0
Losses on loans, unused credit and guarantees	4,2	7,6	1,3	6,6	2,1
Profit/loss before tax costs	83,7	64,8	157,4	125,8	102,9
Tax costs	19,1	16,1	18,2	20,2	22,2
Profit/loss after tax	64,5	48,7	139,2	105,6	80,7
Hybrid capital owners' share of the result	3,9	3,2	3,0	2,9	2,6
Equity certificate holders' and primary capital share of profits	60,6	45,5	136,2	102,7	78,1
Profit/loss after tax	64,5	48,7	139,2	105,6	80,7
Earnings per equity certificate	0,95	0,75	2,26	1,70	1,30
Diluted earnings per equity certificate	0,95	0,75	2,26	1,70	1,30

Other comprehensive income performance - Group

(Amounts in NOK million)	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Profit/loss after tax	64,5	48,7	139,2	105,6	80,7
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit plans	0,0	-5,3	0,0	0,0	0,0
Tax related to items that cannot be reclassified	0,0	1,3	0,0	0,0	0,0
Comprehensive income	64,5	44,7	139,2	105,6	80,7

Balance sheet performance - Group

(Amounts in NOK million)	31.03.2019	31.12.2018	30.09.2018	30.06.2018	31.03.2018
Assets					
Cash and receivables from central banks	244,9	603,1	259,3	565,5	285,1
Loans to and receivables from financial institutions	10,2	9,5	11,1	60,9	7,2
Loans to and receivables from customers	35.625,1	35.147,4	33.236,9	32.181,4	31.371,6
Certificates and bonds	5.481,4	5.173,1	4.828,9	4.813,3	5.070,9
Shares and units	613,1	606,8	611,5	547,8	483,4
Financial derivatives	223,6	222,0	227,3	257,9	231,1
Ownership interests in Group companies	0,0	0,0	0,0	0,0	0,0
Deferred tax asset	0,0				
Investment properties	59,7	59,9	60,2	60,4	134,0
Tangible fixed assets	135,8	134,2	133,2	128,7	126,8
Lease rights	55,2	0,0	0,0	0,0	0,0
Other assets	15,0	19,6	15,8	91,7	100,8
Prepaid non-accrued costs and income earned, but not received	16,3	6,9	10,5	24,3	18,8
Total assets	42.480,3	41.982,5	39.394,7	38.731,9	37.829,7
Liabilities and equity					
Liabilities to financial institutions	301,8	300,4	301,6	300,3	331,2
Deposits from and liabilities to customers	14.856,5	14.899,7	14.618,8	14.268,2	13.940,9
Liabilities to the state, swap of covered bonds	0,0	0,0	0,0	0,0	0,0
Financial derivatives	12,9	30,7	48,4	46,6	49,1
Securities issued	22.438,0	21.970,8	19.590,5	19.684,0	18.943,4
Other liabilities	401,7	313,4	220,9	197,3	327,8
Accruals and deferred income	47,5	41,2	42,2	37,7	41,3
Provisions for accrued costs and liabilities	78,4	78,4	69,2	69,2	69,2
Deferred tax liability	2,6	3,7	10,1	9,8	10,4
Commitments related to leases	55,3	0,0	0,0	0,0	0,0
Subordinated loan capital	400,1	400,0	465,3	351,0	451,4
Total liabilities	38.594,7	38.038,3	35.367,0	34.964,1	34.164,7
Paid-up equity	595,1	595,1	595,1	595,1	595,1
Hybrid capital	350,5	350,5	475,5	351,8	351,7
Retained earnings	2.940,1	2.998,6	2.957,1	2.820,9	2.718,2
Retained ordinary earnings	0,0	0,0	0,0	0,0	0,0
Total equity	3.885,7	3.944,2	4.027,7	3.767,8	3.665,0
Total liabilities and equity	42.480,3	41.982,5	39.394,7	38.731,9	37.829,7