

Investor Relations

Supplementary information
Third Quarter 2016



Chief Executive, CEO

Finn Haugan

For further information, please contact

Kjell Fordal, Executive Director Finance kjell.fordal@smn.no +47 905 41 672

Address

SpareBank 1 SMN, Postboks 4796 Sluppen, 7467 Trondheim

Visiting address: Søndre gate 4, 7011 Trondheim

Sparebank 1 SMN Switchboard: +47 07300

Information on the Internet

SpareBank 1 SMN's home page www.smn.no

ECC information in general www.egenkapitalbevis.no

Financial Calendar 2016

3rd quarter 2016 24 October 2016

Table of Contents

1. SpareBank 1 SMN	3
1.1. Financial highlights	3
1.2. Business description	4
1.3. Credit ratings	7
1.4. Equity capital certificate (MING)	8
2. Financial results	12
2.1. Main figures	12
2.2. Net interest income	13
2.3. Commission income	16
2.4. Operating expenses	18
3. Loans to customers	21
3.1. Distribution of loans by industry	21
3.2. Risk profile and write-downs	23
4. Capital adequacy	28
5. Funding	33
6. Financial results	35
7. Segment Information	38
7.1. Extract from income statement	38
7.2. Retail Market	41
7.3. Corporate	43
7.4. Subsidiaries	45
8. Development last ten years	50

1. SpareBank 1 SMN

1.1. Financial highlights

Accounts for the nine months ended 30 September 2016

(Consolidated figures. Figures in parentheses refer to the same period of 2015 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 1,430 million (NOK 1,389 million)
- Net profit: NOK 1,185 million (NOK 1,119 million)
- Return on equity: 11.0 per cent (11.5 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 6.6 per cent (8.3 per cent)
- 12-month growth in deposits: 4.2 per cent (9.5 per cent)
- Loan losses: NOK 417 million (NOK 112 million)
- Common equity tier 1 ratio: 14.3 per cent (13.2 per cent)
- Earnings per EC: NOK 5.70 (5.57)

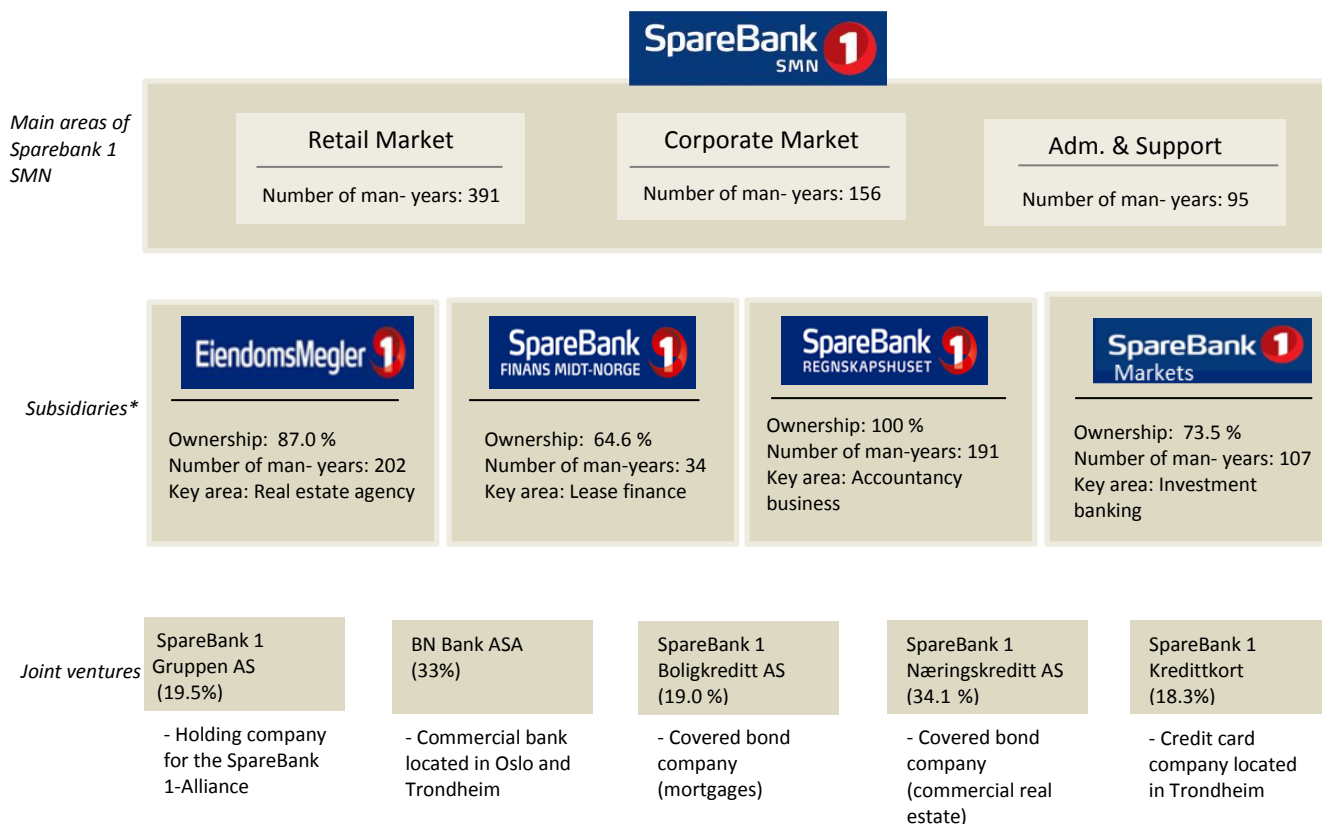
Third quarter 2016

- Profit before tax and inv. held for sale: NOK 500 million (NOK 309 million)
- Net profit: NOK 414 million (NOK 248 million)
- Return on equity: 11.3 per cent (7.4 per cent)
- Loan losses: NOK 130 million (NOK 56 million)
- Earnings per EC: NOK 2.00 (NOK 1.26)

1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 140 billion at the end of September 2016. Head office is in Trondheim. SpareBank 1 SMN employs 1,205 FTE, including subsidiaries, and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

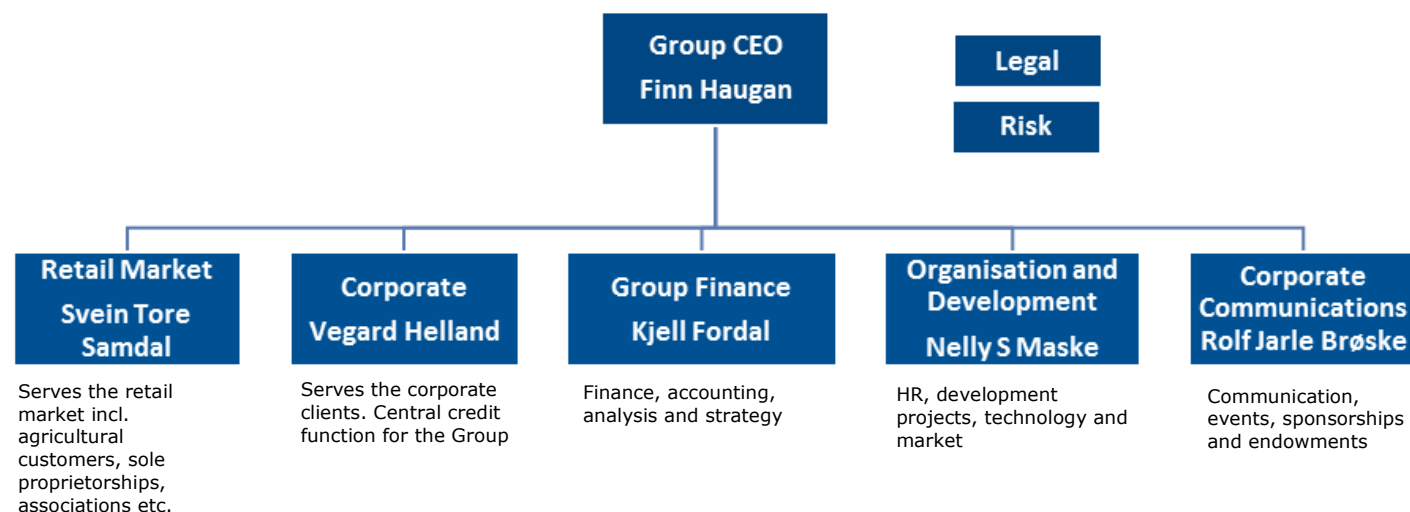
SpareBank 1 SMN's activities



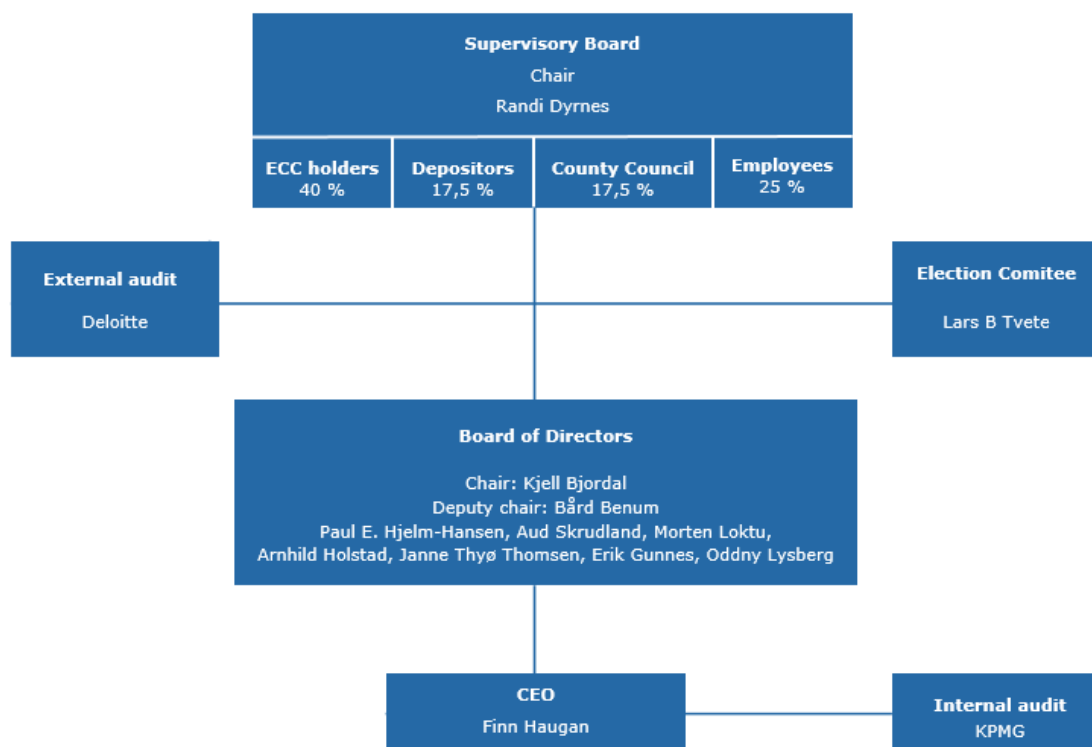
*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 33 man- years.

Organisation of SpareBank 1 SMN

The Bank's operational structure is illustrated in the figure below

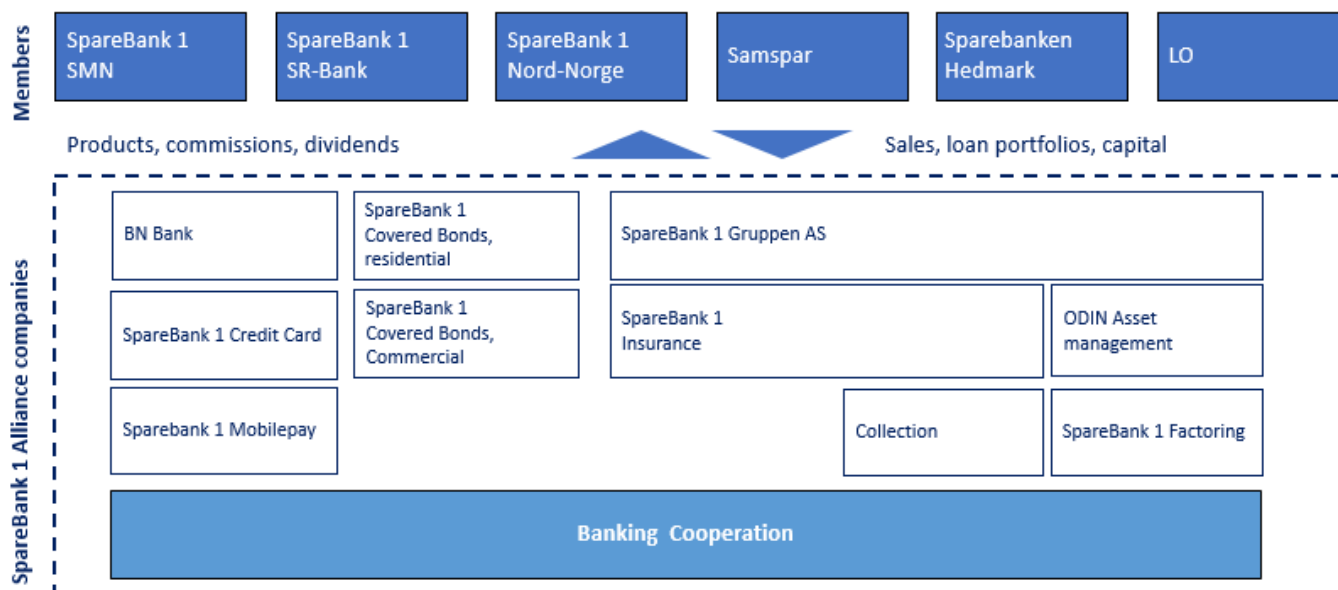


Overview of governing and control bodies

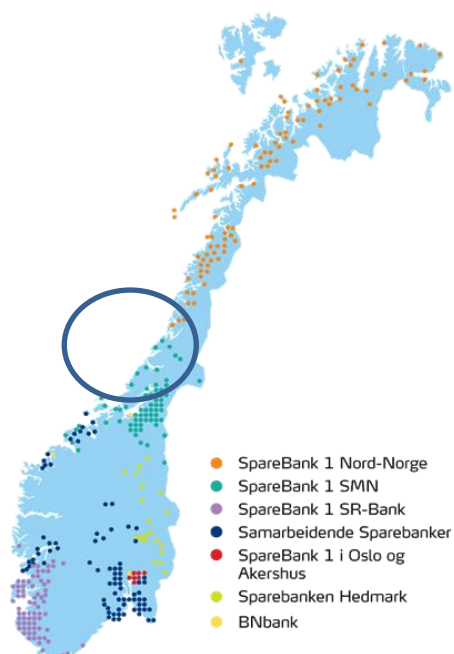


SpareBank 1 Alliance

SpareBank 1 SMN was one of the founding partners of the SpareBank 1 Alliance ("the Alliance") in 1996. The Alliance consists of closely cooperating savings banks, all of them being independent and locally anchored banks. The purpose of the SpareBank 1 Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale. The Alliance canalize a lot of its mutual interests through SpareBank 1 Gruppen AS, a holding company of life and non-life insurance, mutual funds, a broker-dealer and other companies. The Alliance is the 2nd largest Norwegian financial group with a wide distribution all over Norway.



*) LO: The Norwegian Confederation of Trade Unions



1.3. Credit ratings

<i>Moody's</i>	Todays rating	2015	2014	Year end		2011	2010
				2013	2012		
					Rating(s) under review		
Outlook	Stable	Stable	Negative	Stable		Stable	Stable
Issuer Rating	A1	A1	A2	A2	A2	A1	A1
Bank Deposits	A1/P-1	A1/P-1	A2/P-1	A2/P-1	A2/P-1	A1/P-1	A1/P-1
Senior Unsecured	A1	A1	A2	A2	A2	A1	A1
Subordinate	Baa2	Baa2	Baa2	Baa3	Baa3	A2	A2

<i>Fitch</i>	Todays rating	2015	2014	Year end		2011	2010
				2013	2012		
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Negative
Long-term IDR	A-	A-	A-	A-	A-	A-	A
Short-term IDR	F2	F2	F2	F2	F2	F2	F1
Support rating	3	3	3	3	3	3	3

1.4. Equity capital certificate (MING)

The key figures are corrected for issues.

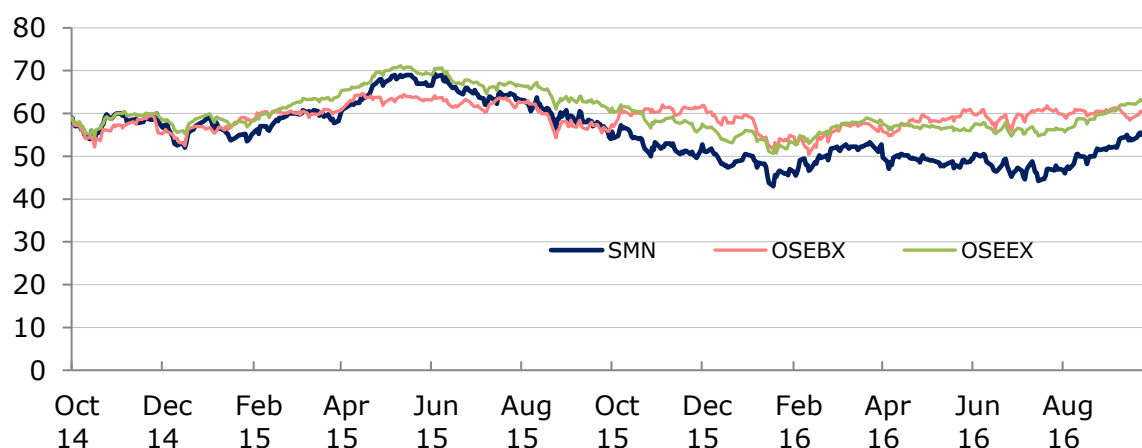
30 September 2016 the price of the Bank's ECC was NOK 55.75 (NOK 54.00). Earnings per ECC were NOK 5.70 (NOK 5.57). Book value per ECC was NOK 71.17 (NOK 65.52) as of end of third quarter 2016.

Key figures

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
(in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
ECC price	55.75	46.70	52.75	50.50	54.00	55.75	54.00	50.50	58.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	71.17	69.18	67.37	67.65	65.52	71.17	65.52	67.65	62.04
Adjusted profit per ECC	2.00	2.21	1.49	1.45	1.26	5.70	5.57	7.02	8.82
P/E per ECC	6.98	5.27	8.83	8.71	10.72	7.33	7.27	7.19	6.63
P/B equity capital	0.78	0.68	0.78	0.75	0.82	0.78	0.82	0.75	0.94

Stock price compared with OSEBX¹⁾ and OSEEX²⁾

1 Oct 2014 to 30 Sep 2016

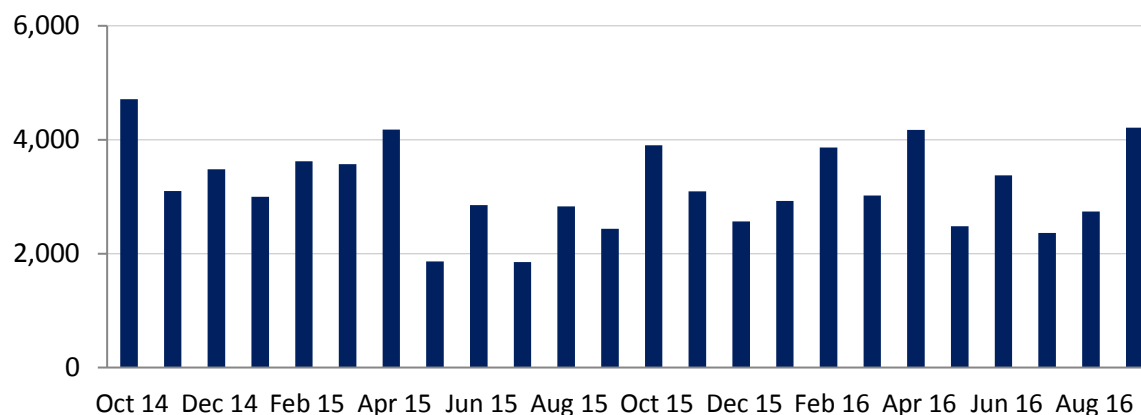


1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)

2) OSEEX = Oslo Stock Exchange ECC Index (rebased)

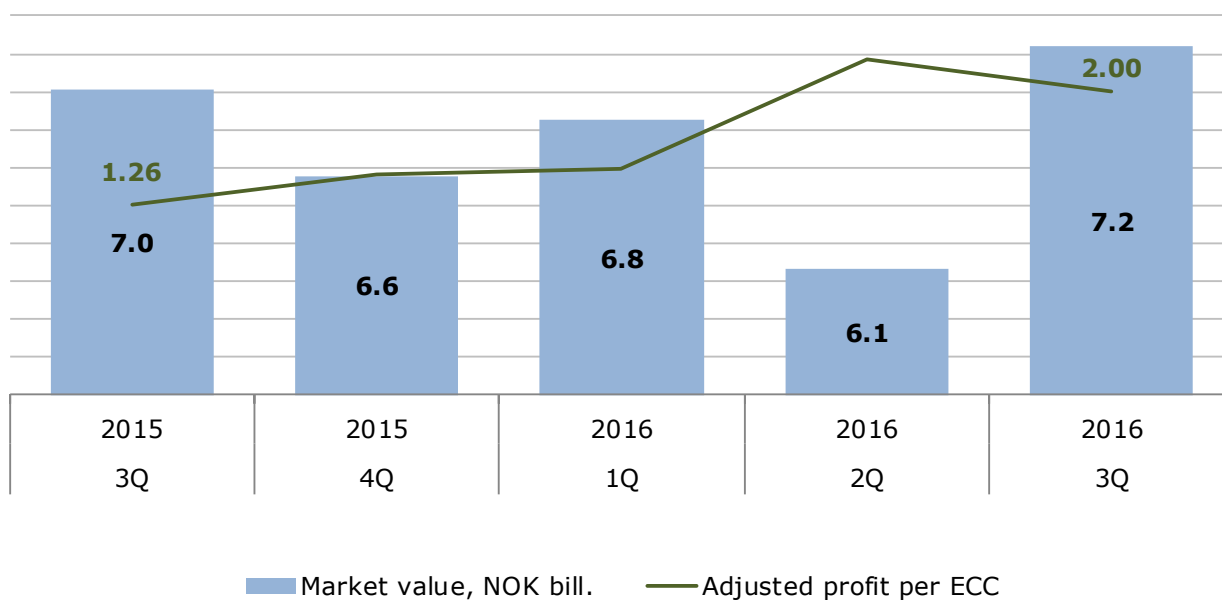
Trading statistics¹⁾

1 Oct 2014 to 30 Sep 2016



1) Total number of ECCs traded (1,000)

Market value and profit per ECC



Equity certificates ratio (parent bank)

(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
ECC capital	2,597	2,597	2,597	2,597	2,597	2,597
Dividend equalisation reserve	3,790	3,790	3,790	3,790	3,122	3,122
Premium reserve	895	895	895	895	895	895
Unrealised gains reserve	142	142	179	179	90	90
Other equity	3	3	-	-	-	-
A. The equity certificate owner's capital	7,428	7,428	7,461	7,461	6,704	6,704
Saving bank reserve	4,105	4,105	4,105	4,105	3,619	3,619
Unrealised gains reserve	79	79	100	100	49	49
Other equity	2	2	-	-	-	-
B. The saving bank reserve	4,186	4,186	4,205	4,205	3,668	3,668
Provision for gifts	-	-	-	40	-	160
Recommended dividends	-	-	-	292	-	292
Equity ex. profit	11,614	11,614	11,666	11,998	10,372	10,824
Equity certificates ratio A/(A+B)	63.96 %	63.96 %	63.96 %	63.96 %	64.64 %	64.64 %
Equity certificates ratio for distribution	63.96 %	63.96 %	63.96 %	63.96 %	64.64 %	64.64 %

20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge Verdi	5,222,288	4.02 %
Verdipapirfondet DNB Norge (IV)	4,102,874	3.16 %
Sparebankstiftelsen SMN	3,965,391	3.05 %
VPF Odin Norge	3,826,686	2.95 %
VPF Danske Invest Norske Aksjer Inst. II	3,209,467	2.47 %
State Street Bank and Trust CO (nominee)	2,900,083	2.23 %
VPF Pareto Aksje Norge	2,870,827	2.21 %
Meteva AS	2,359,388	1.82 %
Pareto AS	1,821,202	1.40 %
MP Pensjon PK	1,792,160	1.38 %
The Bank of New York Mellon (nominee)	1,736,232	1.34 %
Forsvarets Personellservice	1,717,046	1.32 %
VPF Danske Invest Norske Aksjer Inst. I	1,598,523	1.23 %
DNB Livsforsikring AS	1,480,544	1.14 %
JP Morgan Chase Bank (nominee)	1,404,888	1.08 %
State Street Bank and Trust CO (nominee)	1,400,186	1.08 %
VPF Nordea Kapital	1,383,148	1.07 %
JP Morgan Chase Bank (nominee)	1,311,137	1.01 %
VPF DNB Norge selektiv	1,247,000	0.96 %
Vind LV AS	1,115,600	0.86 %
Total 20 largest shareholders	46,464,670	35.79 %
Others	83,371,773	64.21 %
Total	129,836,443	100.00 %

ECC capital history

Year	Change	Change in ECC capital	Total ECC capital	No. of ECC's
1991	Placing	525	525	5.250.000
1992	Placing	75	600	6.000.000
2000	Employee placing	5	605	6.053.099
2001	Employee placing	5	610	6.099.432
2002	Employee placing	5	614	6.148.060
2004	Bonus Issue	154	768	7.685.075
2005	Placing	217	986	9.859.317
2005	Employee placing	24	1.009	10.097.817
2005	Split	-	1.009	40.391.268
2005	Bonus Issue	253	1.262	50.489.085
2007	Dividend Issue	82	1.344	53.752.203
2007	Employee placing	5	1.349	53.976.003
2008	Dividend Issue	91	1.440	57.603.748
2008	Employee placing	6	1.447	57.861.806
2009	Bonus Issue	289	1.736	69.434.167
2010	Placing	624	2.360	94.397.474
2010	Employee placing	13	2.373	94.905.286
2011	Issue	1	2.373	94.930.286
2012	Placing	95	2.468	123.407.456
2012	Employee placing	16	2.484	124.218.466
2012	Private placement	112	2.597	129.836.443

2. Financial results

Accounting principles

SpareBank 1 SMN prepares and presents its quarterly accounts in compliance with the Stock Exchange Regulations, Stock Exchange Rules and International Financial Reporting Standards (IFRS), including IAS 34, Interim Financial Reporting. As from 2007 the company accounts are also prepared and presented under IFRS. This entails that investments in associates and subsidiaries are recognised using the cost method. For this reason results recorded by associates and subsidiaries are not included in the parent bank's accounts. Further, the Group has in this quarterly report mainly used the same accounting principles and calculation methods as in the latest annual report and. The quarterly accounts do not include all the information required in a complete set of annual financial statements and should be read in conjunction with the annual accounts for 2015.

2.1. Main figures**

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
(in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Net interest	449	472	469	473	466	1,391	1,399	1,872	1,790
Commission income and other income	412	448	401	378	378	1,260	1,168	1,545	1,512
Net return on financial investments	274	271	172	109	-13	717	350	459	720
Total income	1,134	1,191	1,042	959	831	3,368	2,917	3,876	4,021
Total operating expenses	504	528	489	515	466	1,521	1,416	1,931	1,789
Result before losses	630	664	553	444	364	1,847	1,501	1,945	2,232
Loss on loans, guarantees etc.	130	118	170	56	56	417	112	169	89
Result before tax	500	546	383	388	309	1,430	1,389	1,776	2,143
Tax charge	85	85	72	100	61	242	270	370	362
Results investments held for sale, after tax	-1	-1	0	0	0	-3	-1	-1	0
Net profit	414	460	311	287	248	1,185	1,119	1,406	1,782

Balance sheet - condensed

	30 Sept.	30 Jun.	31 Mar.	31 Dec.	30 Sept.	31 Dec.
Balance (in NOK million)	2016	2016	2016	2015	2015	2014
Total assets	139,815	141,145	134,345	131,914	129,237	126,047
Average total assets (quarterly)	140,480	137,745	133,129	130,575	130,063	121,620
Gross loans to customers *	134,462	132,583	129,520	127,378	126,180	120,435
Deposits from customers	66,290	67,031	63,851	64,090	63,620	60,680
Total equity capital	14,893	14,460	14,051	13,904	13,455	12,524

* Loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

**As from the second quarter of 2015 SpareBank 1 Markets is consolidated as a subsidiary of SpareBank 1 SMN, bringing an increase in the Group's gross incomes and expenses

Key figures

	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Return on equity	11.3 %	12.9 %	8.9 %	8.4 %	7.4 %	11.0 %	11.5 %	10.7 %	15.1 %
Common Equity Tier 1 ratio	14.3 %	14.1 %	13.6 %	13.6 %	13.2 %	14.3 %	13.2 %	13.6 %	11.2 %
Cost/income ratio group	44 %	44 %	47 %	54 %	56 %	45 %	49 %	50 %	44 %
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	6.6 %	6.5 %	5.4 %	5.8 %	8.3 %	6.6 %	8.3 %	5.8 %	7.3 %
Growth in deposits last 12 months	4.2 %	1.3 %	5.4 %	5.6 %	9.5 %	4.2 %	9.5 %	5.6 %	8.5 %
Deposits-to-loan ratio incl Boligkreditt and Næringskreditt last 12 months	49 %	51 %	49 %	50 %	50 %	49 %	50 %	50 %	50 %
Impairment losses ratio	0.39 %	0.36 %	0.53 %	0.18 %	0.18 %	0.42 %	0.12 %	0.14 %	0.08 %
Non-performing commitm. as % of gross loans	0.16 %	0.19 %	0.16 %	0.16 %	0.17 %	0.16 %	0.17 %	0.16 %	0.22 %
ECC price	55.75	46.70	52.75	50.50	54.00	55.75	54.00	50.50	58.50
Booked equity capital per ECC (incl. dividend)	71.17	69.18	67.37	67.65	65.52	71.17	65.52	67.65	62.04
Adjusted profit per ECC	2.00	2.21	1.49	1.45	1.26	5.70	5.57	7.02	8.82

2.2. Net interest income*)

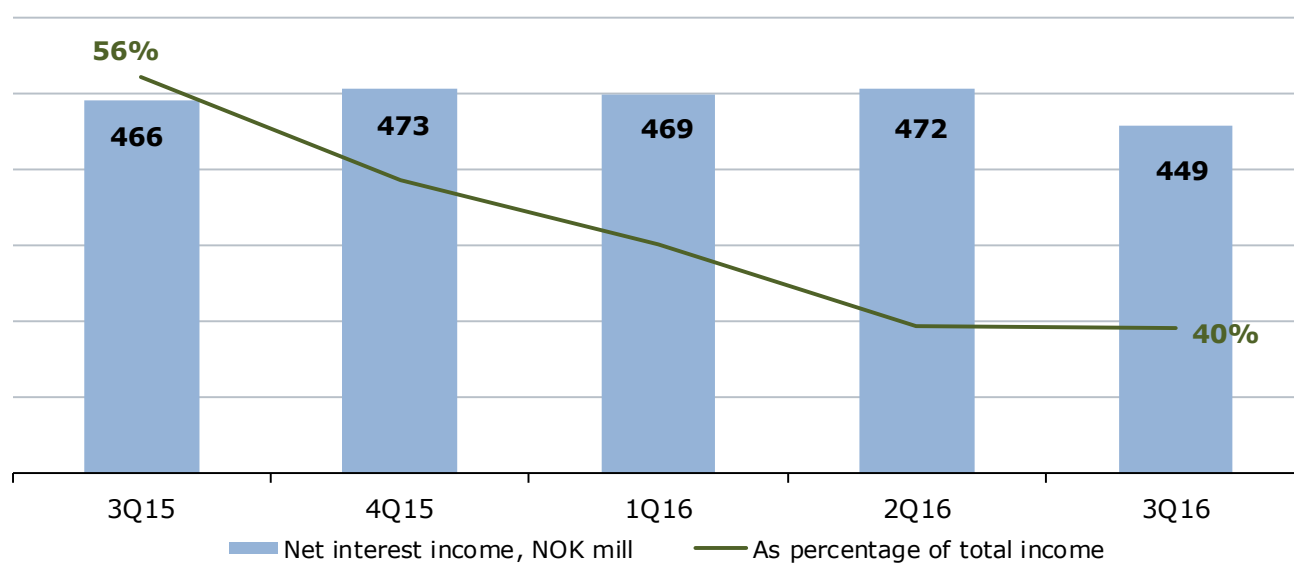
Net interest income

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Interest income	874	896	910	962	1,058	2,680	3,069	4,031	4,265
Interest expenses	425	424	441	489	593	1,289	1,670	2,159	2,475
Net interest income	449	472	469	473	466	1,391	1,399	1,872	1,790

As percentage of total income	40 %	40 %	45 %	49 %	56 %	41 %	48 %	48 %	45 %
--------------------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

*) Margins on loans sold to Sparebank 1 Boligkreditt and Sparebank 1 Næringskreditt are recorded as commission income. See part 2.3. Commission Income

Development in net interest income

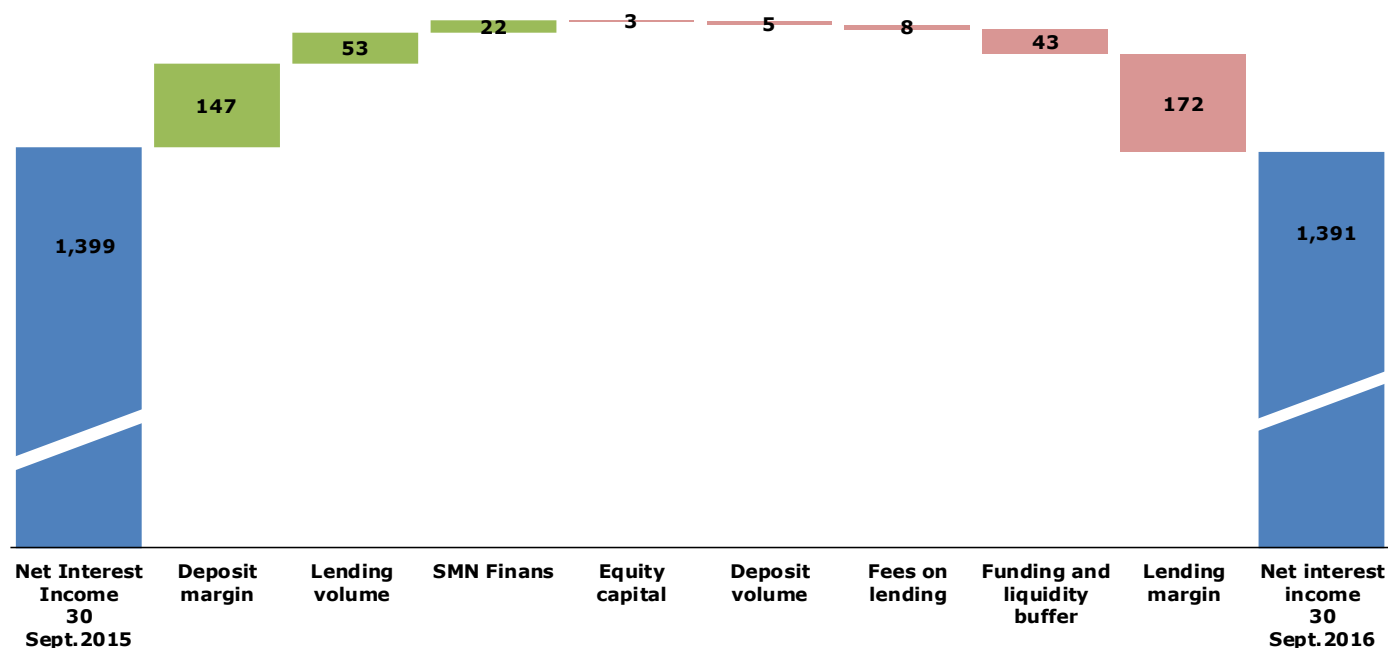


Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	53	-172	-119
Deposits	-5	147	142
Total	49	-25	23

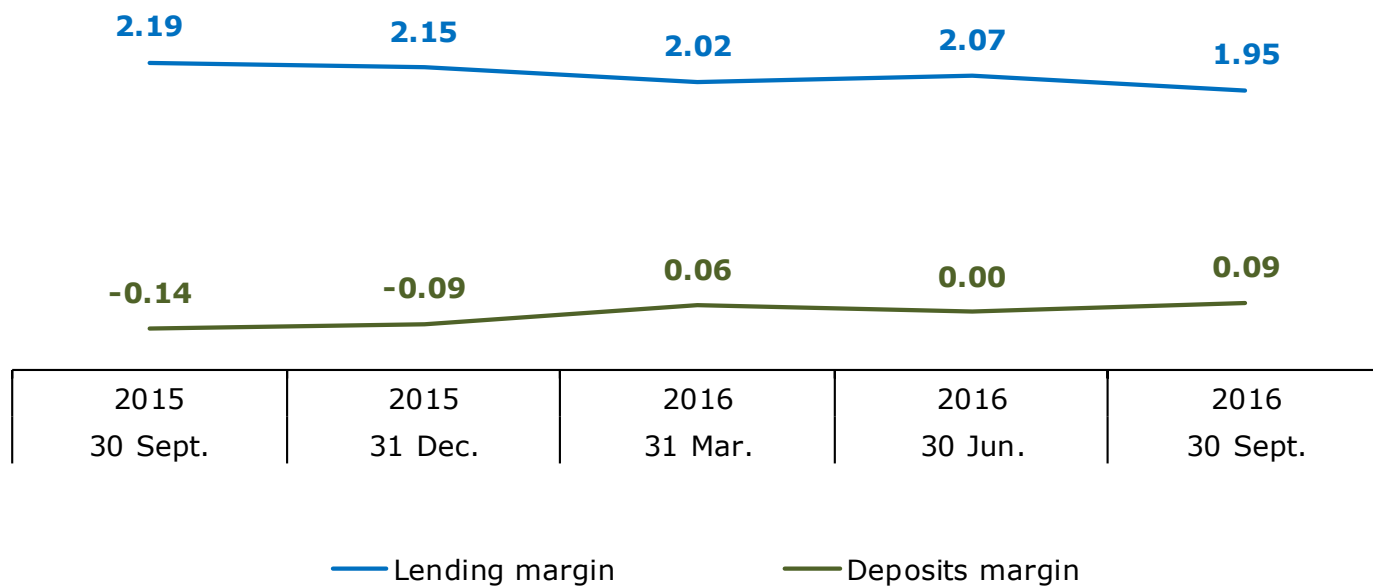
Changes in net interest income

(in NOK million)	2016	30 Sept. Change	2015
Net interest income	1,391	-9	1,399
Equity capital		-3	
Lending volume		53	
Fees on lending		-8	
Deposit margin		147	
SMN Finans		22	
Deposit volume		-5	
Lending margin		-172	
Funding and liquidity buffer		-43	
Change		-9	

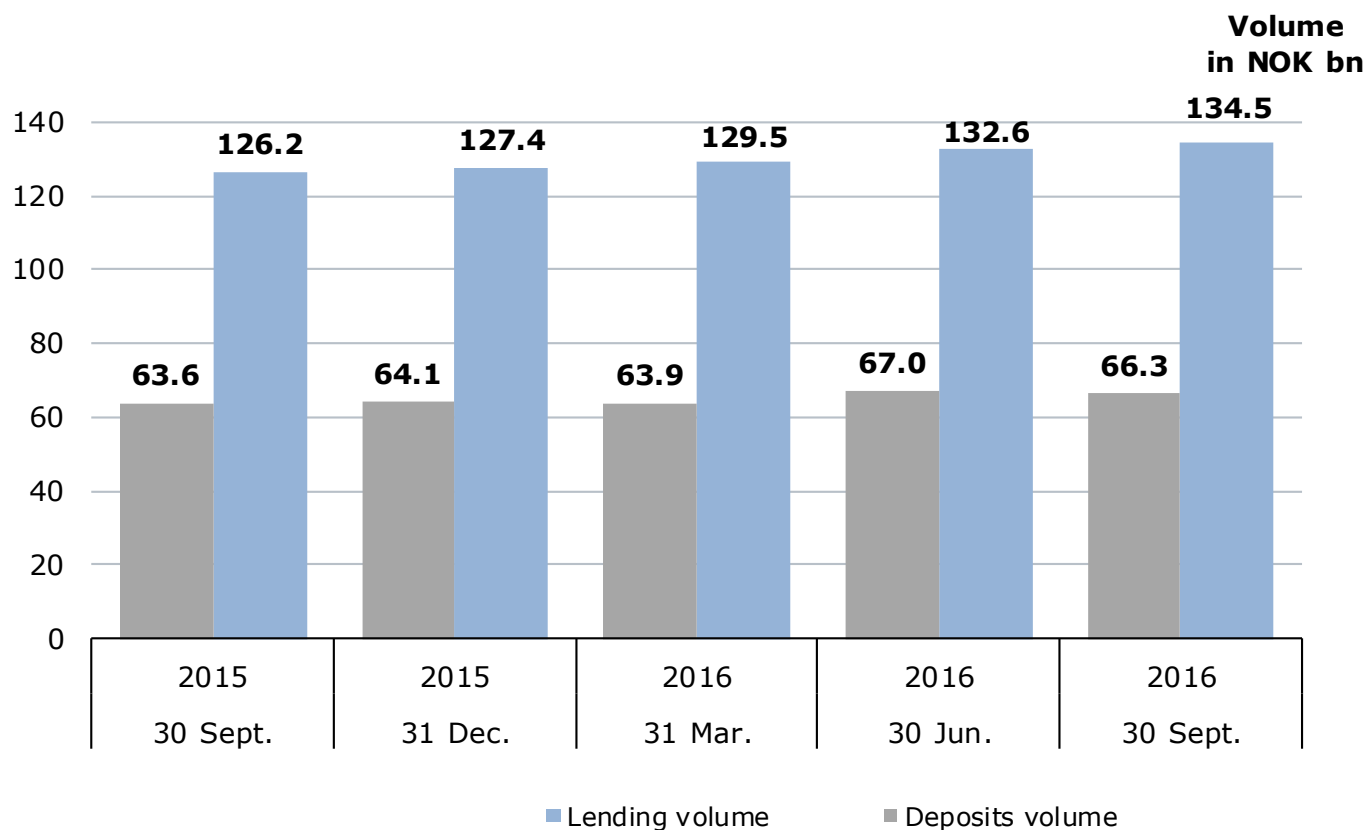


Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

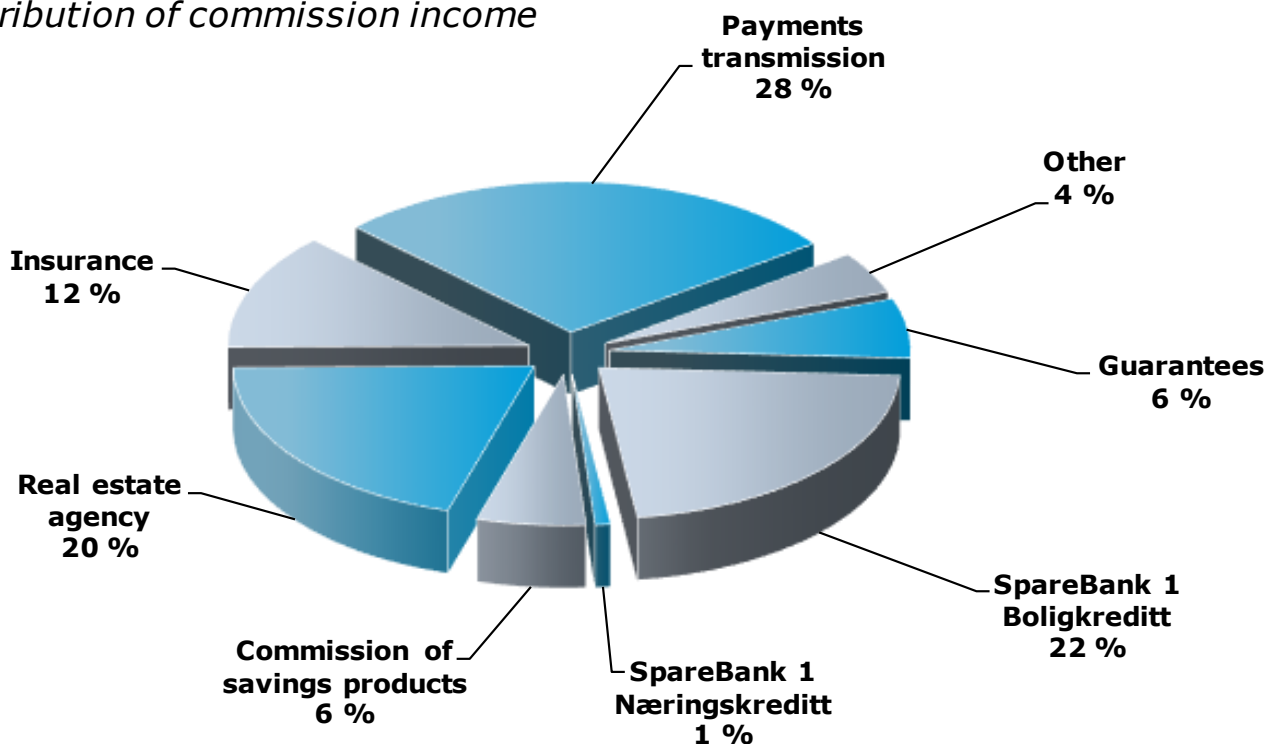


2.3. Commission income

Total commission and other income

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Guarantees	21	19	21	20	22	61	60	80	73
SpareBank 1 Boligkreditt	67	73	71	79	77	211	247	326	417
SpareBank 1 Næringskreditt	3	3	2	2	2	8	7	8	10
Commission of savings products	19	18	19	18	18	56	50	68	50
Real estate agency	65	74	53	45	52	192	167	212	223
Insurance	40	40	39	42	39	119	114	156	138
Payments transmission	97	88	78	90	93	263	254	344	328
Other	15	16	11	12	14	43	38	50	41
Total commissions income	326	331	295	309	317	952	936	1,245	1,281
Operating- and sales income real estate	35	38	25	22	27	99	86	108	82
Accounting services	38	69	50	39	33	156	143	182	171
Other operating income	47	47	59	46	39	152	100	145	91
Total other operating income	120	154	134	107	99	407	329	435	344
Commission expenses	34	36	28	38	38	99	97	135	113
Total commissions and other income	412	448	401	378	378	1,260	1,168	1,545	1,512
As percentage of total income	36 %	38 %	38 %	39 %	45 %	37 %	40 %	40 %	38 %

Distribution of commission income



Change in commission and other income

(in NOK million)	2016	30 Sept. Change	2015
Total	1,260	93	1,168
Real estate agency		25	
Other operating income		53	
Operating- and sales income real estate		12	
Accounting services		14	
Insurance		5	
Commission of savings products		6	
Commission expenses		-2	
Other		5	
Payments transmission		9	
Guarantees		1	
SpareBank 1 Boligkreditt		-36	
SpareBank 1 Næringskreditt		1	

Net return on financial investments

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Income from investment in related companies	103	127	119	121	78	346	326	448	527
of which SpareBank 1 Gruppen AS	79	80	61	68	56	220	183	251	358
BN Bank ASA	28	31	20	11	-4	79	31	41	93
SpareBank 1 Boligkreditt AS	-13	-2	24	15	15	9	65	80	38
SpareBank 1 Næringskreditt AS	5	7	8	8	7	20	22	30	41
Sparebank 1 Kredittkort	6	8	6	5	6	20	15	21	2
Comp. owned by Sparebank 1 SMN Invest	6	6	6	14	0	19	13	27	31
Other ^{1) 2)}	-9	-4	-6	0	0	-22	-3	-2	-34
Capital gains/dividends, shares and ECCs ²⁾	45	63	3	-17	8	110	79	62	202
of which dividends	13	73	0	3	0	87	23	25	65
capital gains on shares	32	-11	2	-20	8	23	56	37	137
Capital gains, bonds and derivatives	80	53	25	-16	-116	158	-73	-90	-66
Forex and fixed income business, Markets	45	28	26	20	18	99	82	102	57
Change in discount factor in fair value model for fixed interest loans							-64	-64	
Net return on financial investments	274	271	172	109	-13	713	350	459	720
As percentage of total income	24 %	23 %	17 %	11 %	-2 %	21 %	12 %	12 %	18 %

1) These companies were essentially established to handle corporate exposures taken over from other entities

2) 1Q 2015 and earlier: Income from SpareBank 1 Markets (as related company) is included in Other

3) Including net gain/losses from SpareBank 1 SMN Invest AS, which manages parts of the Bank's share portfolio

Change in net return on financial investments

(in NOK million)	2016	30 Sept. Change	2015
Total	713	364	350
Capital gains from bonds and derivatives		232	
Forex and fixed income business, Markets		17	
Capital gains/dividends on shares and ECC's		31	
Change in discount factor in fair value model for fixed interest loans		64	
Income from investment in related companies, incl. inv. held for sale		20	

2.4. Operating expenses

Operating expenses

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Salary	229	259	228	203	202	716	630	833	786
Pension costs (defined benefit plan)	19	19	18	16	19	56	55	71	61
Employer's insurance contributions	4	4	4	3	4	11	11	14	14
Other personnel expenses	43	37	45	58	38	124	118	176	141
Total personnel expenses	294	318	295	280	264	908	814	1093	1002
EDP and telecommunication expenses	65	66	64	47	64	195	193	240	223
Postage and transportation services	5	6	6	6	5	17	16	22	25
Marketing	23	25	20	31	20	68	65	96	81
Operating exp. on properties and premises	26	27	25	25	26	78	75	100	93
Other external services	29	26	21	37	25	75	68	105	78
Other operating expenses	38	36	34	65	34	107	105	171	178
Depr./write-downs of fixed & intangible assets	25	24	24	25	28	73	79	104	109
Other expenses	210	209	194	235	203	613	602	838	787
Total operating expenses	504	528	489	515	466	1,521	1,416	1,931	1,789

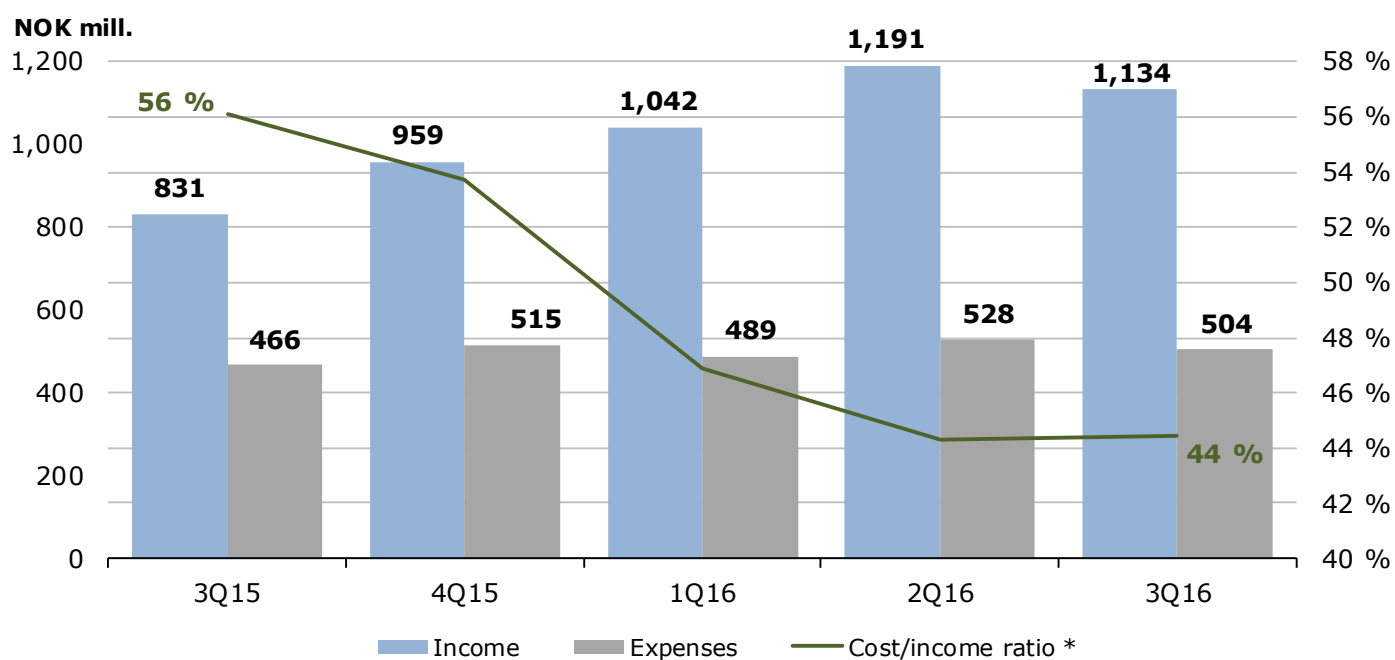
Cost/income ratio	44 %	44 %	47 %	54 %	56 %	45 %	49 %	50 %	44 %
Cost/income ratio ex financial inv.	59 %	57 %	56 %	61 %	55 %	57 %	55 %	57 %	54 %
12-month cost growth*	8.1 %	6.4 %	7.7 %	7.5 %	9.6 %	7.4 %	8.1 %	7.9 %	3.9 %

* The increase in 12 month cost growth is effected by the consolidation of SpareBank 1 Markets as a subsidiary

Change in operating expenses

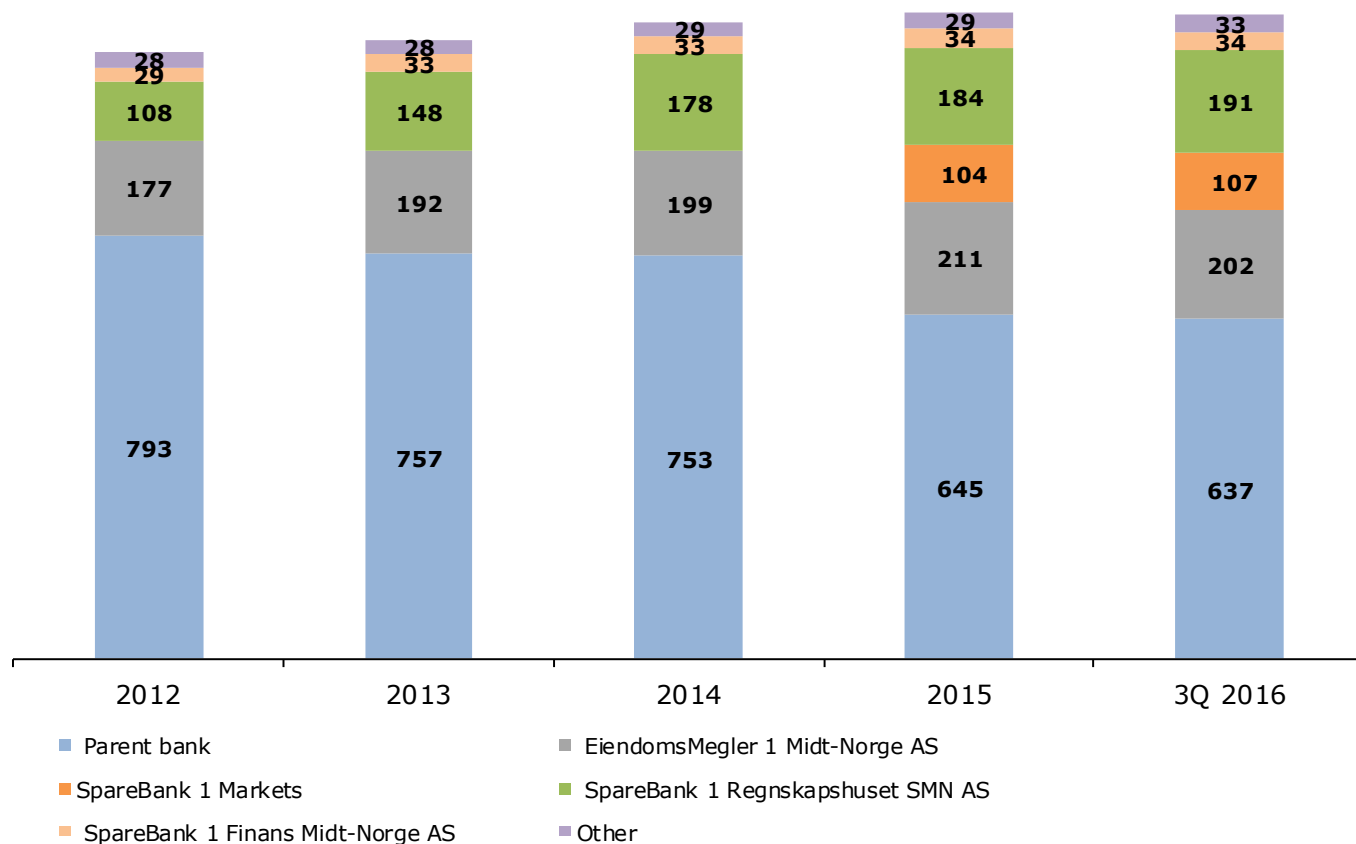
(in NOK million)	2016	30 Sept. Change	2015
Total	1,521	105	1,416
Total personnel expenses		94	
Depr./write-downs of fixed & intangible assets		-6	
EDP and telecommunication expenses		2	
Other operating expenses		2	
Operating exp. on properties and premises		2	
Other external services		7	
Marketing		3	
Postage and transportation services		0	

Cost/income ratio



* Total operating expenses as a percentage of total operating income

Employees in employment



SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015. SpareBank 1 SMN's capital market activities, including 32 FTEs, were transferred to SpareBank 1 Markets as part of the transaction.

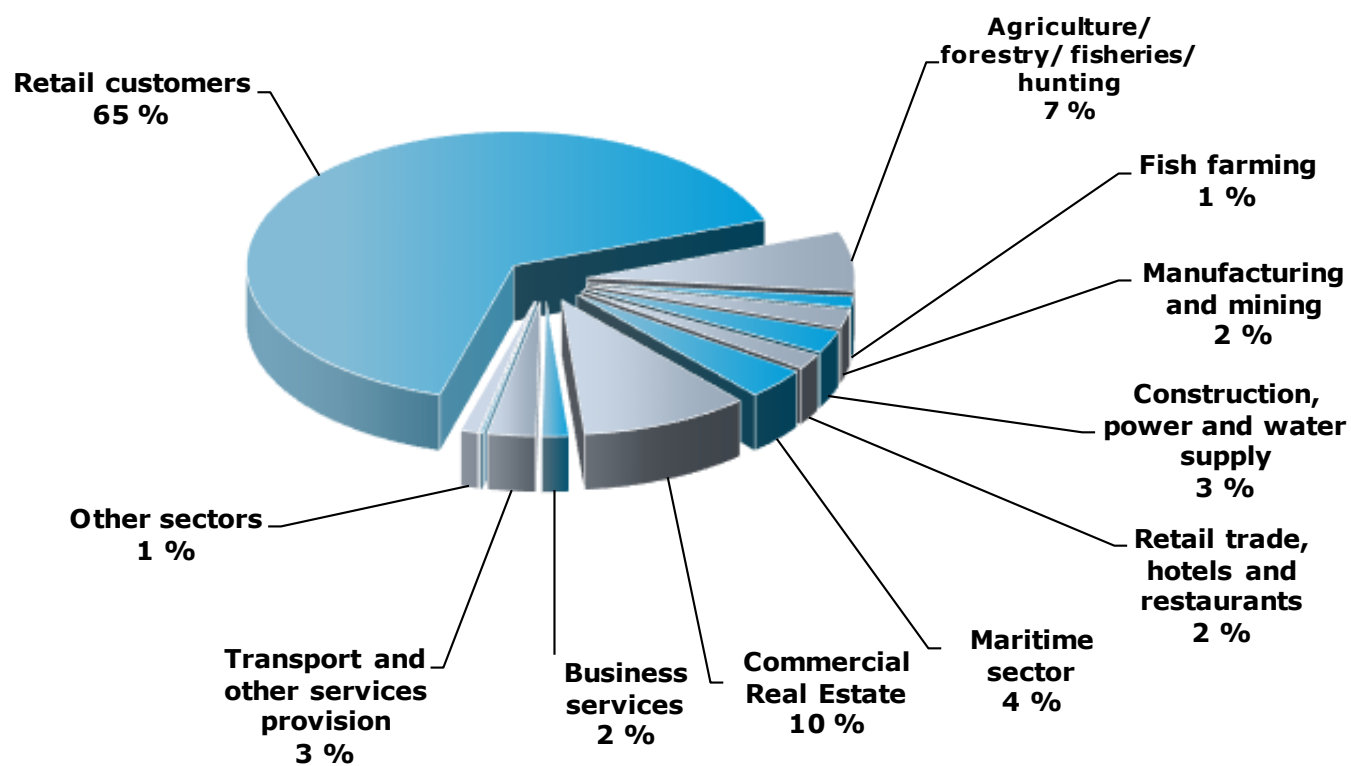
The bank is reorganised as from 1 January 2013. Further adjustments were made in 2014. Figures for person-years worked in 2013 and 2014 in the parent bank are therefore not comparable with historical figures.

3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

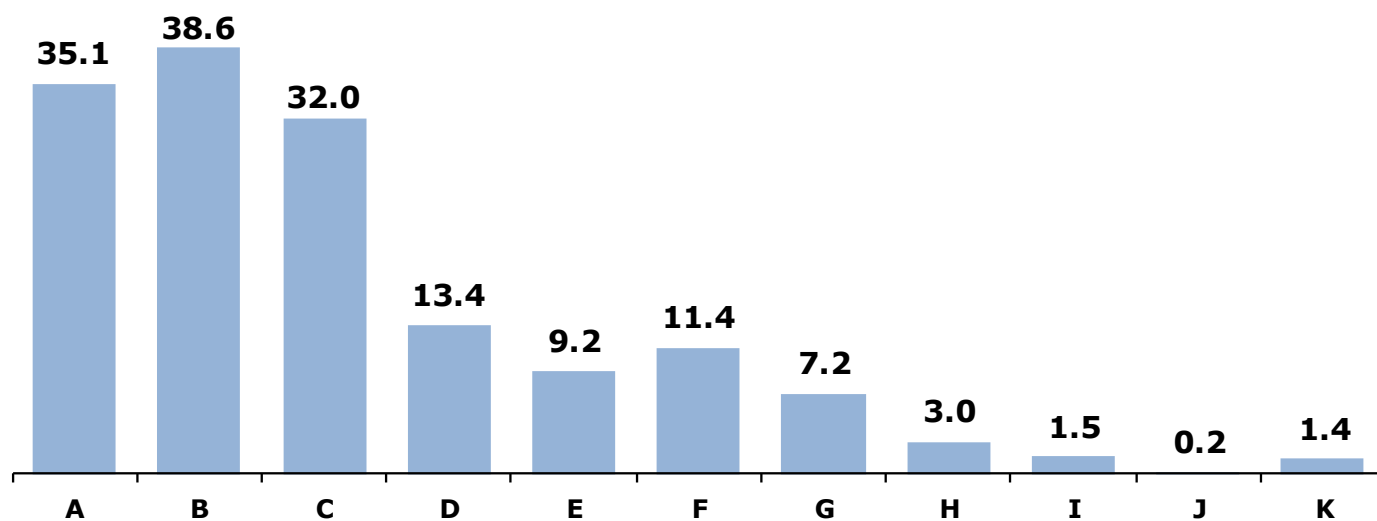
(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
Agriculture/ forestry/ fisheries/ hunting	9,607	9,357	9,222	8,674	8,313	7,158
Fish farming	1,738	2,044	1,715	1,807	1,581	1,367
Manufacturing and mining	2,977	2,823	2,806	2,675	2,517	2,330
Construction, power and water supply	3,684	3,432	3,391	3,598	3,707	3,717
Retail trade, hotels and restaurants	2,482	2,591	2,898	2,666	2,940	2,671
Maritime sector	5,027	5,407	5,631	6,066	6,097	5,638
Commercial Real Estate	13,761	14,110	14,390	14,346	14,142	14,075
Business services	2,174	2,119	1,822	1,777	1,698	3,681
Transport and other services provision	3,893	3,829	3,544	3,355	3,509	3,141
Public administration	269	186	212	211	225	300
Other sectors	1,463	1,512	1,583	1,477	2,587	2,270
Gross loans in corporate market	47,074	47,411	47,214	46,653	47,315	46,348
Retail customers	87,388	85,171	82,307	80,725	78,864	74,087
Gross loans incl. Boligkr. and Næringskr.	134,462	132,583	129,520	127,378	126,180	120,435
- Adv. of this Boligkreditt	32,930	32,952	32,676	31,944	29,894	28,393
- Adv. of this Næringskreditt	1,963	1,841	1,514	1,460	1,369	1,463
Gross loans in balance sheet	99,569	97,790	95,331	93,974	94,917	90,578
Share of loans, corporate market	35 %	36 %	36 %	37 %	37 %	38 %
Share of loans, retail market	65 %	64 %	64 %	63 %	63 %	62 %

Distribution of loans by industry

3.2. Risk profile and write-downs

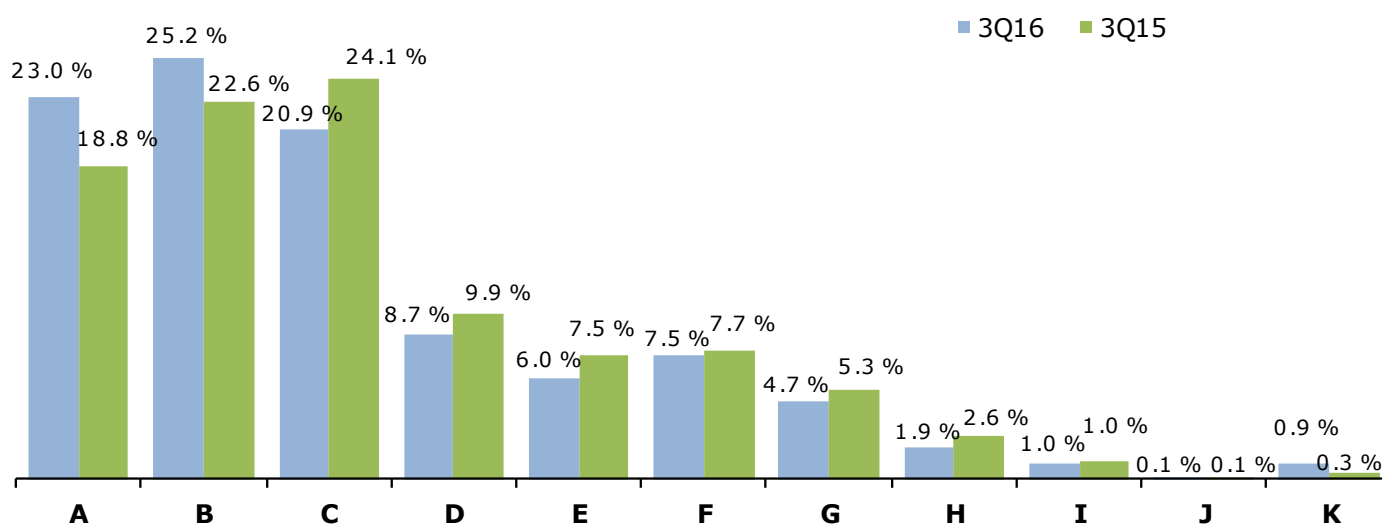
Actual risk profile, Exposure At Default

NOK billion



Actual risk profile, Exposure At Default

Per cent



Risk classification in SpareBank 1 SMN

Risk class	PD* in percent		Corresponding ratingclass at Moody's
	Low	High	
A	0.01	0.10	AAA - A3
B	0.10	0.25	Baa1 - Baa2
C	0.25	0.50	Baa3
D	0.50	0.75	Ba1
E	0.75	1.25	Ba2
F	1.25	2.50	
G	2.50	5.00	Ba2 - B1
H	5.00	10.00	B1 - B2
I	10.00	99.99	B3 - caa3
J	Default		
K	Written down		

Risk class A represents the lowest risk and class K the highest risk.

* Probability of default

Write-downs on loans and guarantees

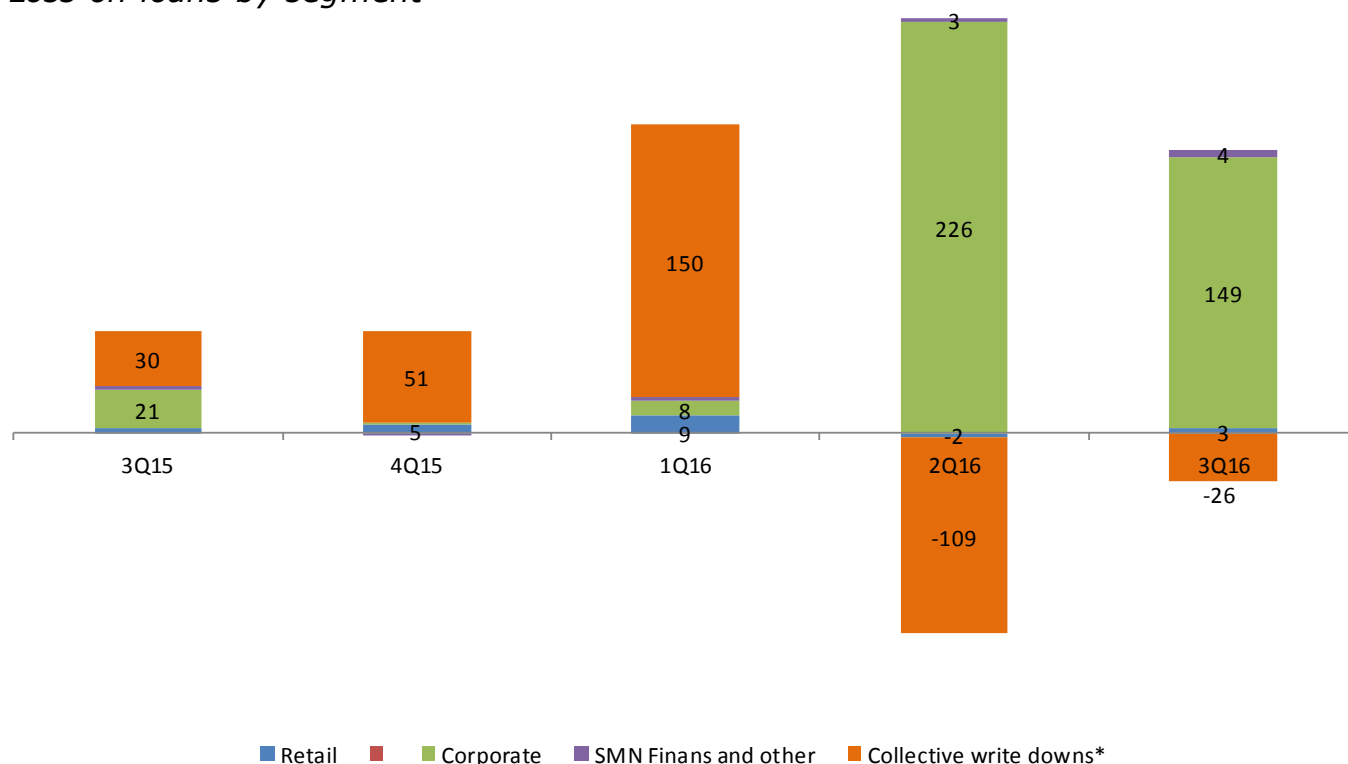
(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016 2015		2015	2014
Increase in and new individual write-downs	147	215	16	-8	23	377	19	11	-1
Reassessments and recoveries	-9	-12	-4	-14	-3	-25	-62	-76	-90
Total individual write-downs	156	226	19	6	26	402	82	87	89
Change in group write-downs on loans	-26	-109	150	51	30	15	31	82	0
Write-downs on loans and guarantees	130	118	170	56	56	417	112	169	89
As % of gross loans incl. Boligkreditt	0.39 %	0.36 %	0.53 %	0.18 %	0.18 %	0.42 %	0.12 %	0.14 %	0.08 %

Loss on loans by segment

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016 2015		2015	2014
Retail	3	-2	9	5	3	10	6	11	6
Corporate	149	226	8	1	21	383	70	71	77
SMN Finans and other	4	3	2	0	2	9	6	6	6
Collective write downs*	-26	-109	150	51	30	15	31	82	0
Total loss on loans	130	118	170	56	56	417	112	169	89

* The change in collective write downs related to the Corporate portfolio includes NOK -25 million in 3Q 2016, NOK - 110 million in 2Q 2016, NOK 150 million in 1Q 2016, NOK 50 million i 4Q 2015 and NOK 30 million in 3Q 2015

Loss on loans by segment



Individual and collective write-downs

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Individual write-downs to cover loss on loans, guarantees at start of period	415	200	184	192	169	184	173	173	174
Write downs of loans previously subject to individual write down	-1	-3	11	17	0	7	5	22	2
Reversal of previous years' write downs	-14	-5	-5	-14	-15	-25	-32	-46	-22
Increase in write downs of commitments not previously subject to individual write down	167	229	14	-5	41	410	106	102	84
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-5	-6	-4	-7	-3	-15	-60	-67	-66
Individual write downs to cover loss	562	415	200	184	192	562	192	184	173
Collective write downs to cover loss on loans, guarantees at start of period	418	527	376	326	296	376	295	295	295
Period's collective write down to cover loss on loans, guarantees etc.	-26	-109	150	51	30	15	31	82	0
Collective write downs to cover loss on loans, guarantees	391	418	527	376	326	391	326	376	295

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	89,504	76,137	8,520	3,156	692	787	212
Public administration	1,212	1,212	-	-	-	-	-
Agriculture and forestry	10,835	6,946	1,989	1,575	154	142	31
Sea farming industries	2,236	895	1,056	285	0	-	-
Manufacturing	3,893	347	1,093	2,312	126	6	10
Construction, power and water supply	5,486	1,219	1,176	2,473	522	38	58
Retail trade, hotels and restaurants	3,588	529	1,612	1,120	218	38	71
Maritime sector	578	45	181	276	29	47	-
Property management	14,856	7,895	3,263	2,745	516	390	48
Business services	3,991	1,021	439	2,237	230	31	33
Transport and other services provision	10,285	4,000	2,477	2,355	341	39	1,073
Finance	-	-	-	-	-	-	-
Other sectors	6,513	5,485	758	140	130	-	-
3Q16	152,977	105,730	22,562	18,674	2,958	1,517	1,535
2015	148,680	97,588	25,632	19,231	3,838	1,746	645
2014	134,884	81,769	28,051	18,857	4,165	1,574	469

Write-down ratio

(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
Non-performing commitments (gross)	221	255	205	205	218	270
Impaired commitments (gross)	1,360	1,198	411	399	448	216
Gross non-performing and impaired commitments	1,581	1,453	616	604	667	486
Individual write-downs	562	415	200	184	192	173
Collective write-downs	391	418	527	376	326	295
Write-down ratio (%)	60.3 %	57.3 %	117.9 %	92.5 %	77.3 %	96.0 %

Default in excess of 90 days

NOK million



2015 3Q	2015 4Q	2016 1Q	2016 2Q	2016 3Q
------------	------------	------------	------------	------------

— Retail > 90 d

Default in excess of 90 days

NOK million



2015 3Q	2015 4Q	2016 1Q	2016 2Q	2016 3Q
------------	------------	------------	------------	------------

— Corporates* > 90 d

4. Capital adequacy

SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Use of IRB imposes wide- ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems. As from 31 March 2015 the bank has received permission to apply the Advanced IRB Approach to those corporate portfolios that were previously reported under the Basic Indicator Approach.

As of 30 September 2016 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3.0 per cent and countercyclical buffer is 1.5 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital, so that the overall minimum requirement on CET1 capital is 11.5 per cent. The countercyclical buffer increased to 1.5 per cent from 1.0 per cent with effect from 30 June 2016.

As from 1 October 2016, differentiated rates become effective for the countercyclical buffer with 1.5 per cent being maintained for exposures in Norway. For exposures in other countries the countercyclical capital buffer rate set by the authorities in the country concerned is used. If the country concerned has not established a rate, the same rate as for exposures in Norway is to be used unless the Ministry of Finance sets another rate.

In connection with changed requirements on conditions governing hybrid capital, hybrid capital not meeting the new requirements over time will not be eligible as other core capital. The bonds will be subject to a stepwise reduction of 40 per cent in 2016 and 10 per cent thereafter. As at 30 September 2016 SpareBank 1 SMN held hybrid capital worth NOK 450 m that will be subject to stepwise reduction. Finanstilsynet may require the hybrid capital to be written down in proportion to equity capital if the bank's CET1 capital ratio falls below 5.125 per cent.

The parent bank calculates capital charges against operational risk using the standardised approach. In the case of subsidiaries, the basic indicator approach is applied.

SpareBank 1 SMN's methods for calculating the minimum regulatory capital requirements are summarized below:

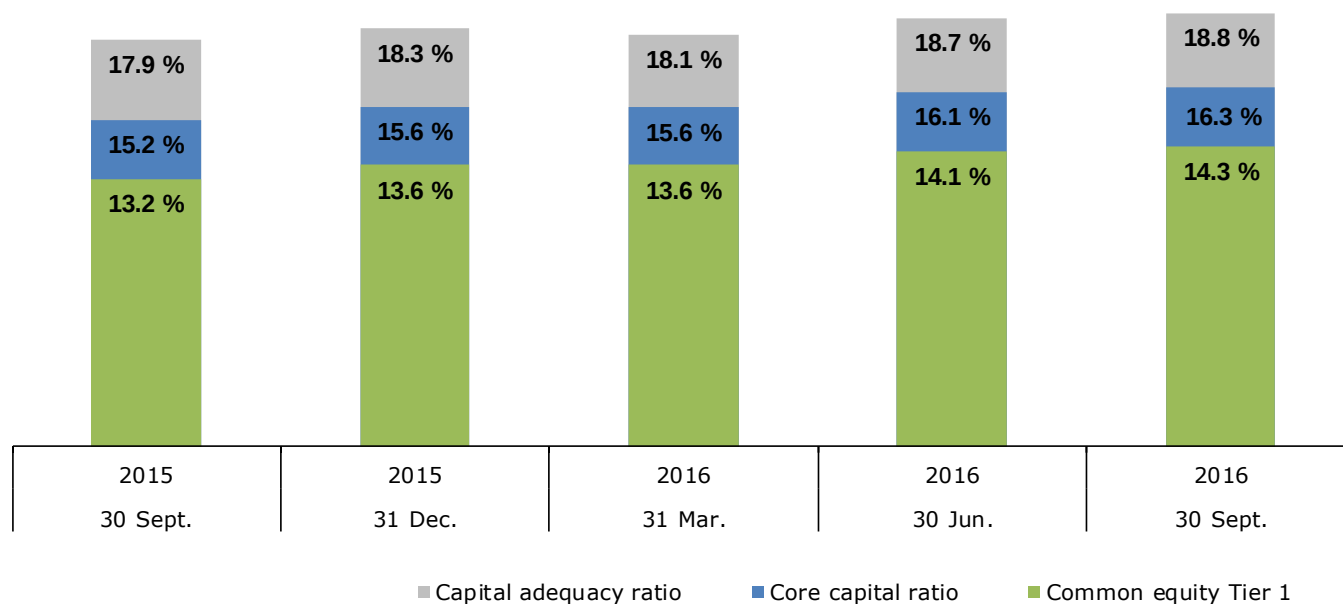
Type of risk	Portfolio	Regulatory method
Credit risk	States - parent bank	Standard method
	Institutions - parent bank	Standard method
	Housing cooperatives, clubs and associations - parent bank	Standard method
	Enterprises - parent bank	Advanced IRB approach
	Mass market - parent bank	IRB - mass market (advanced)
	Sparebank 1 Finans Midt-Norge AS	Standard method
	SpareBank 1 Invest	Standard method
	SpareBank 1 Allegro Kapitalforvaltning AS	Standard method
	Mass market - SpareBank 1 Boligkreditt AS	IRB- mass market (advanced)
	Enterprises - SpareBank 1 Næringskreditt AS	Standard method
	Enterprises - BN Bank AS	Advanced IRB approach
	Mass market - BN Bank AS	IRB - mass market (advanced)
Market risk	Equity risk - parent bank	Standard method
	Debt risk - parent bank	Standard method
	Currency risk - parent bank	Standard method
	Subsidiaries and part-owned companies	Standard method
Operational risk	SpareBank 1 SMN (parent bank)	Standardised approach
	Subsidiaries and part-owned companies	Basic Indicator Approach

Capital Adequacy

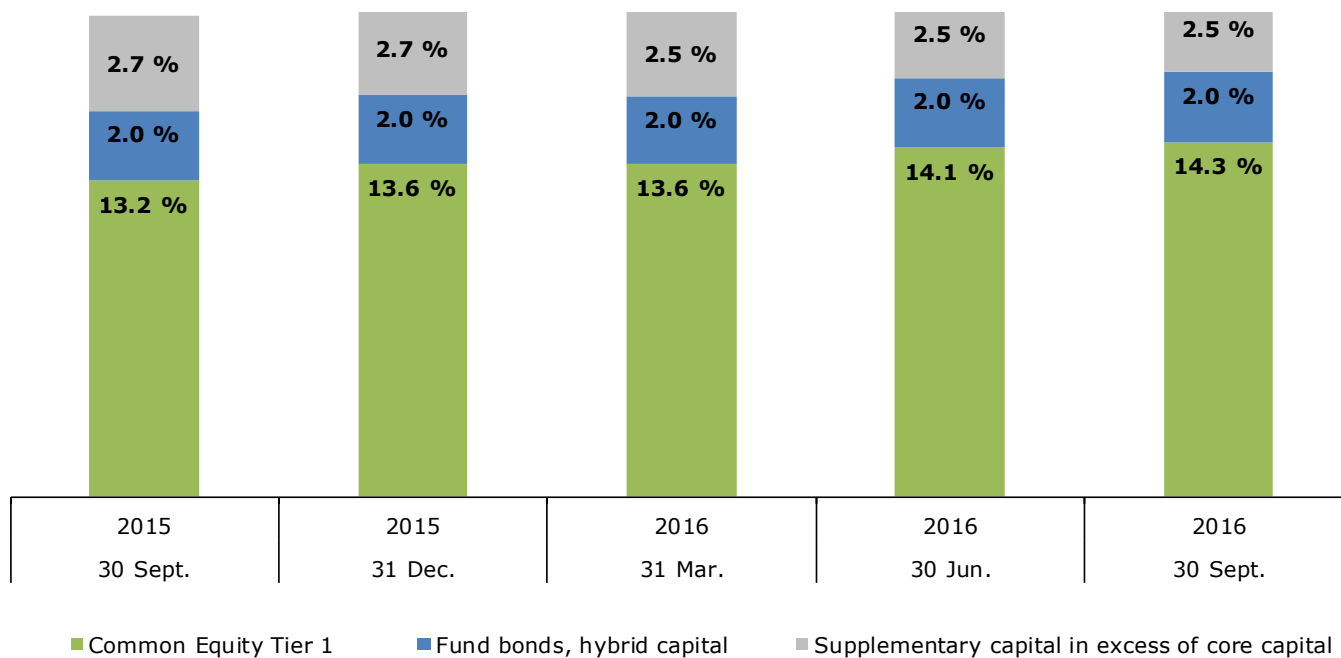
(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
Equity capital certificates	2,597	2,597	2,597	2,597	2,597	2,597
- Own holding of ECCs	-2	-7	-6	-21	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,791	3,783	3,782	3,790	3,122	3,122
Savings bank's reserve	4,105	4,105	4,105	4,105	3,619	3,619
Recommended dividends	0	0	0	292	0	292
Provision for gifts	0	0	0	40	0	160
Unrealised gains reserve	233	233	290	290	148	148
Other equity and minority interest	1,679	1,681	1,705	1,597	1,660	1,620
Minority interests	411	403	372	318	295	72
Net profit	1,185	771	311	0	1,119	0
Total book equity	14,893	14,460	14,051	13,904	13,455	12,524
Deferred taxes, goodwill and other intangible assets	-758	-715	-668	-662	-679	-566
Part of reserve for unrealised gains, associated companies	119	169	119	264	179	120
Deduction for allocated dividends and gifts	0	0	0	-332	0	-452
Minority interests recognised in other equity capital	-411	-403	-372	-318	-295	-72
Minority interests eligible for inclusion in CET1 capital	211	203	184	132	49	35
Surplus financing of pension obligations	-94	-94	-43	-43	0	0
Net profit	-1,185	-771	-311	0	-1,119	0
Year-to-date profit included in core capital (73 per cent pre tax of group profit)	830	540	218	0	817	0
Value adjustments due to requirements for prudent valuation	-51	-58	-57	-55	-49	-45
Positive value of adjusted expected loss under IRB Approach	-205	-187	-104	-239	-277	-419
Direct, indirect and synthetic investments in financial sector companies	-453	-389	-576	-458	-428	-451
Total common equity Tier one	12,895	12,757	12,440	12,192	11,652	10,674
Hybrid capital, core capital	1,363	1,362	1,310	1,310	1,311	1,716
Hybrid capital covered by transitional provisions	487	493	496	495	496	
Direct, indirect and synthetic investments in financial sector companies	-9	-9	-9	-9	-9	-9
Total core capital	14,736	14,604	14,237	13,988	13,451	12,382
Supplementary capital in excess of core capital						
Fund bonds, hybrid capital in excess of 15 %						
Subordinated capital	1,644	1,647	1,648	1,647	1,692	2,598
Subordinated capital covered by transitional provisions	673	673	673	786	786	0
Direct, indirect and synthetic investments in financial sector companies	-43	-43	-43	-43	-43	-43
Total supplementary capital	2,275	2,278	2,279	2,390	2,435	2,555
Net subordinated capital	17,011	16,882	16,516	16,378	15,886	14,937

(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
Involvement with specialised enterprises	1,166	1,169	1,232	1,213	1,262	1,887
Other corporations exposure	1,107	1,143	1,086	1,105	1,058	1,371
Mass market exposure, SMBs	164	170	171	167	186	159
Mass market exposure, property	1,602	1,596	1,606	1,557	1,551	1,280
Other retail exposure	38	43	39	40	15	51
Equity investments, IRB	3	3	1	0	0	0
Total credit risk IRB	4,080	4,123	4,135	4,082	4,073	4,748
Debt risk	19	19	29	64	94	397
Equity risk	10	10	10	10	10	1
Currency risk	1	1	0	0	0	0
Operational risk	479	479	479	457	457	416
Exposures calculated using the standardised approach	1,828	1,931	1,893	1,805	1,827	1,971
CVA	88	90	91	106	92	92
Transitional arrangements	723	585	666	634	533	0
Minimum requirements subordinated capital	7,228	7,237	7,303	7,157	7,087	7,625
Risk Weighted Assets (RWA)	90,353	90,464	91,286	89,465	88,586	95,317
Minimum requirement on CET1 capital, 4.5 per cent	4,066	4,071	4,108	4,026	3,986	4,289
Capital conservation buffer, 2.5 per cent	2,259	2,262	2,282	2,237	2,215	2,383
Systemic risk buffer, 3.0 per cent	2,711	2,714	2,739	2,684	2,658	2,860
Countercyclical buffer, 1.5 per cent (1.0 per cent)	1,355	1,357	913	895	886	
Available CET1 capital after buffer requirements	2,505	2,354	2,399	2,351	1,908	1,143
Common equity Tier 1	14.3 %	14.1 %	13.6 %	13.6 %	13.2 %	11.2 %
Core capital ratio	16.3 %	16.1 %	15.6 %	15.6 %	15.2 %	13.0 %
Capital adequacy ratio	18.8 %	18.7 %	18.1 %	18.3 %	17.9 %	15.7 %
Leverage ratio	7.1 %	6.8 %	6.8 %	6.7 %	6.7 %	6.0 %

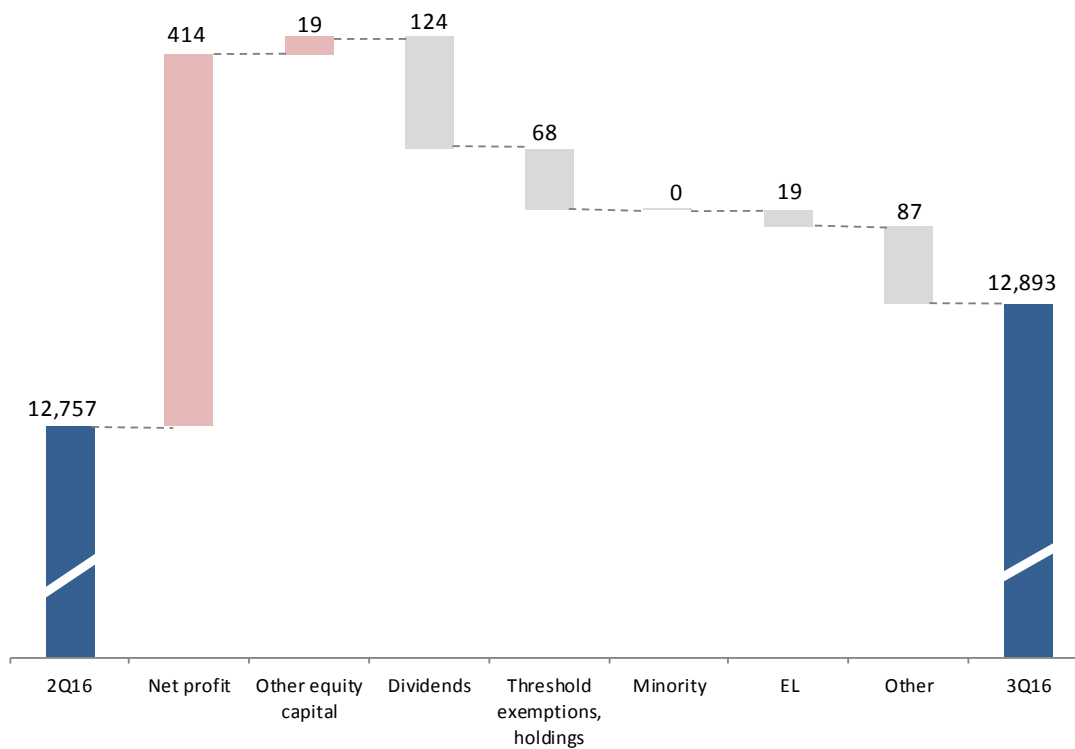
Capital Adequacy



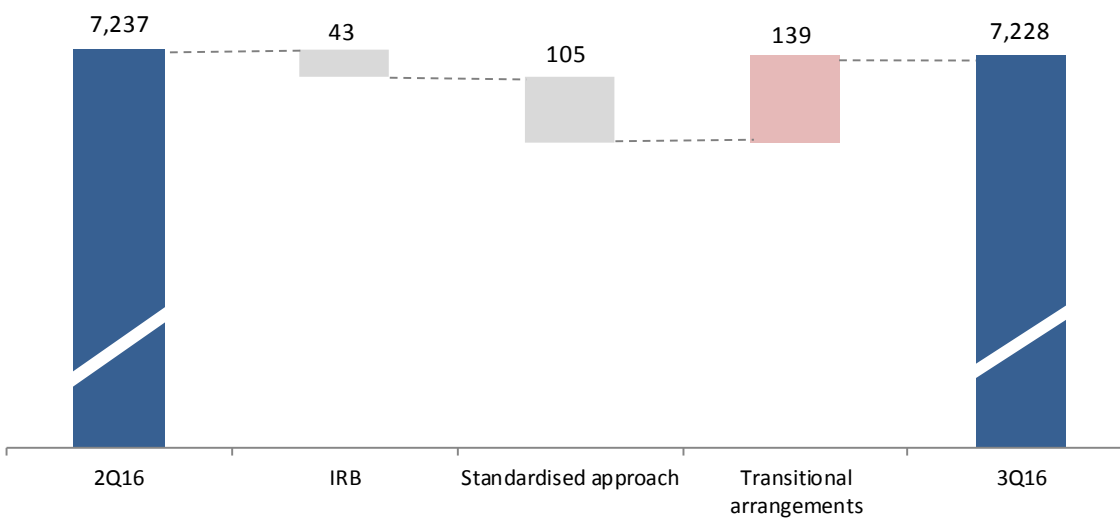
Capital Adequacy



Quarterly changes in Common equity Tier 1

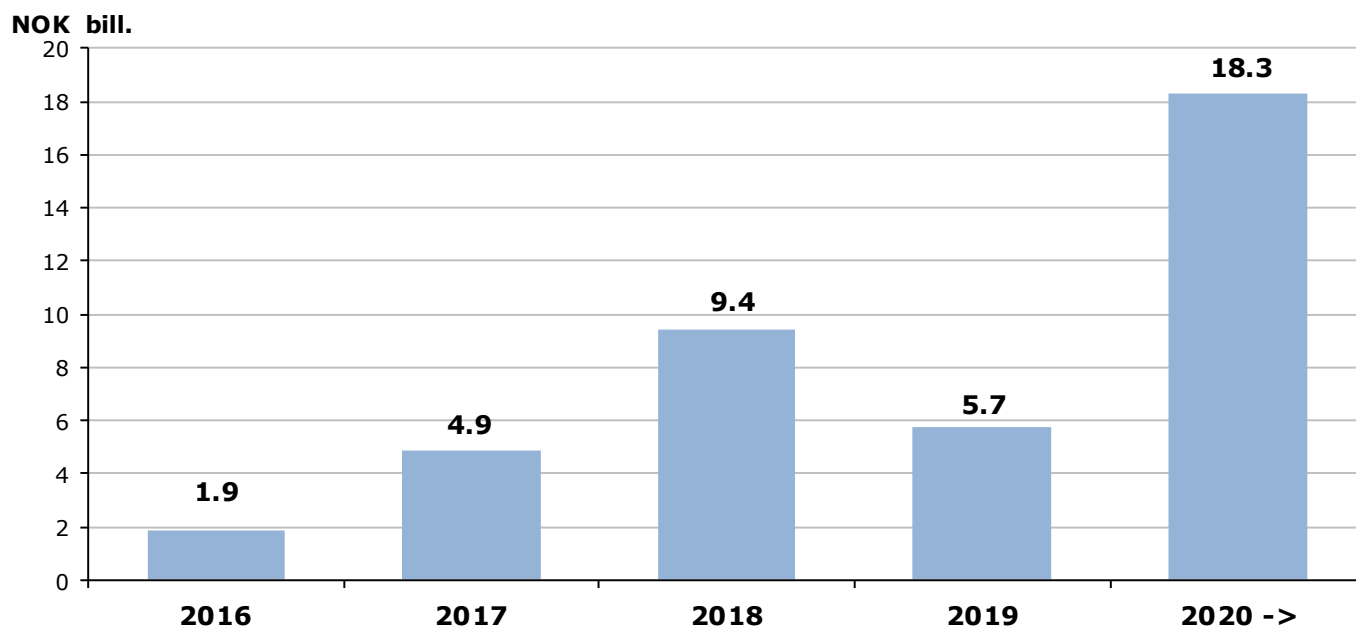


Quarterly changes in Minimum requirements subordinated capital

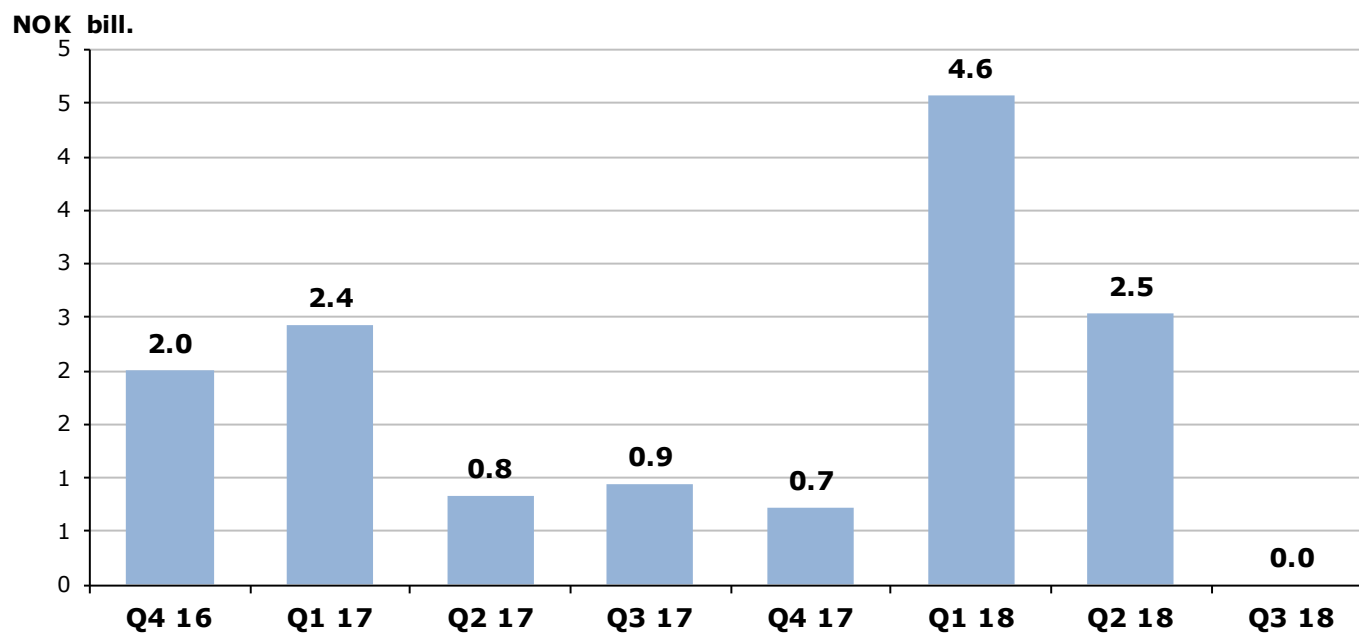


5. Funding

Funding maturity dates

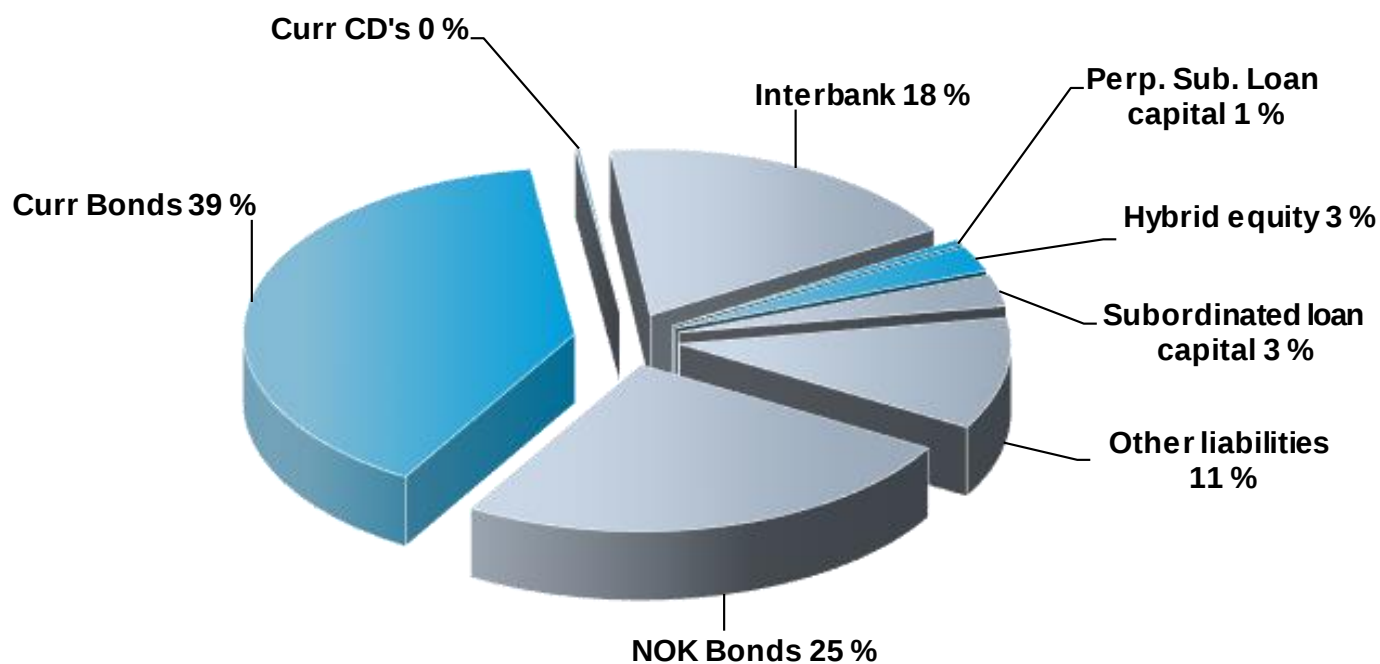


Funding maturity dates over the next eight quarters



Capital markets funding

(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
NOK Bonds	14,452	14,645	16,505	17,139	17,774	18,263
Curr Bonds	22,554	23,429	19,302	17,898	15,418	13,611
NOK CD's	-	-	-	-	403	820
Curr CD's	118	62	82	155	-	-
Interbank	10,491	10,212	8,549	8,155	8,324	7,572
Perp. Sub. Loan capital	300	300	299	299	299	307
Hybrid equity	1,437	1,443	1,446	1,445	1,446	1,449
Subordinated loan capital	1,770	1,793	1,740	1,719	1,707	1,607
Other liabilities	6,231	6,556	7,003	5,996	6,034	7,512
Total	57,353	58,441	54,925	52,807	51,406	51,141



6. Financial results

Financial results

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
(in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Interest income	874	896	910	962	1,058	2,680	3,069	4,031	4,265
Interest expenses	425	424	441	489	593	1,289	1,670	2,159	2,475
Net interest	449	472	469	473	466	1,391	1,399	1,872	1,790
Commission income	326	331	295	309	317	952	936	1,245	1,281
Commission expenses	34	36	28	38	38	99	97	135	113
Other operating income	120	154	134	107	99	407	329	435	344
Commission income and other income	412	448	401	378	378	1,260	1,168	1,545	1,512
Dividends	13	73	0	3	0	87	23	25	65
Income from investment in related companies	103	127	119	121	78	349	327	448	527
Net return on financial investments	157	71	53	-15	-91	281	1	-14	128
Net return on financial investments	274	271	172	109	-13	717	350	459	720
Total income	1,134	1,191	1,042	959	831	3,368	2,917	3,876	4,021
Staff costs	294	318	295	280	264	908	814	1,093	1,002
Other operating expenses	210	209	194	235	203	613	602	838	787
Total operating expenses	504	528	489	515	466	1,521	1,416	1,931	1,789
Result before losses	630	664	553	444	364	1,847	1,501	1,945	2,232
Loss on loans, guarantees etc.	130	118	170	56	56	417	112	169	89
Result before tax	500	546	383	388	309	1,430	1,389	1,776	2,143
Tax charge	85	85	72	100	61	242	270	370	362
Results investments held for sale, after tax	-1	-1	0	0	0	-3	-1	-1	0
Net profit	414	460	311	287	248	1,185	1,119	1,406	1,782
Majority share	405	449	303	291	253	1,158	1,119	1,410	1,772
Minority interest	9	11	8	-4	-5	27	0	-4	10

Balance sheet

(in NOK million)	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	31 Dec. 2014
Cash and receivables from central banks	1,080	1,200	1,241	3,270	1,252	4,676
Deposits with and loans to credit institutions	6,652	6,013	2,324	2,407	2,807	1,289
Net loans to and receivables from customers	98,619	96,960	94,606	93,415	94,400	90,112
Fixed-income CDs and bonds at fair value	16,898	19,862	15,956	15,752	14,430	14,177
Derivatives	5,489	6,927	8,091	7,524	7,513	7,877
Shares, units and other equity interests	1,253	1,464	1,644	1,485	1,221	708
Investment in related companies	5,649	5,524	5,759	5,522	5,189	5,129
Investments held for sale	217	217	214	16	15	45
Intangible assets	628	583	566	562	552	548
Other assets	3,331	2,395	3,944	1,962	1,859	1,487
Assets	139,815	141,145	134,345	131,914	129,237	126,047
Deposits from credit institutions	10,591	10,227	8,549	8,155	8,324	9,123
Deposits from and debt to customers	66,290	67,031	63,851	64,090	63,620	60,680
Debt created by issue of securities	37,124	38,137	35,888	35,154	33,557	33,001
Derivatives	5,004	5,924	6,237	5,414	5,486	6,252
Other liabilities	2,353	1,772	2,279	1,734	1,342	1,095
Investments held for sale	11	16	5	0	0	0
Subordinated loan capital	3,550	3,579	3,485	3,463	3,453	3,371
Total liabilities	124,922	126,685	120,294	118,010	115,782	113,523
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597
Own holding of ECCs	-2	-7	-6	-21	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,791	3,783	3,782	3,790	3,122	3,122
Recommended dividends	0	0	0	292	0	292
Provision for gifts	0	0	0	40	0	160
Savings bank's reserve	4,105	4,105	4,105	4,105	3,619	3,619
Unrealised gains reserve	233	233	290	290	148	148
Other equity capital	1,679	1,681	1,705	1,597	1,660	1,620
Result of the period	1,185	771	311	0	1,119	0
Minority interests	411	403	372	318	295	72
Total equity capital	14,893	14,460	14,051	13,904	13,455	12,524
Total liabilities and equity	139,815	141,145	134,345	131,914	129,237	126,047

The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 are similarly restated.

Key figures

	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Return on equity	11.3 %	12.9 %	8.9 %	8.4 %	7.4 %	11.0 %	11.5 %	10.7 %	15.1 %
Cost/income ratio group	44 %	44 %	47 %	54 %	56 %	45 %	49 %	50 %	44 %
Cost/income ratio group, ex. financial inv.	59 %	57 %	56 %	61 %	55 %	57 %	55 %	57 %	54 %
12-month cost growth	8.1 %	6.4 %	7.7 %	7.5 %	9.6 %	7.4 %	8.1 %	7.9 %	3.9 %
Gross loans to customers*	134,462	132,583	129,520	127,378	126,180	134,462	126,180	127,378	120,435
Growth in loans last 12 months*	6.6 %	6.5 %	5.4 %	5.8 %	8.3 %	6.6 %	8.3 %	5.8 %	7.3 %
Growth in loans this period*	1.4 %	2.4 %	1.7 %	0.9 %	1.3 %	5.6 %	4.8 %	5.8 %	7.3 %
Deposits from customers	66,290	67,031	63,851	64,090	63,620	66,290	63,620	64,090	60,680
Growth in deposits last 12 months	4.2 %	1.3 %	5.4 %	5.6 %	9.5 %	4.2 %	9.5 %	5.6 %	8.5 %
Growth in deposits this period	-1.1 %	5.0 %	-0.4 %	0.7 %	-3.9 %	3.4 %	4.8 %	5.6 %	8.5 %
Deposit-to-loan ratio*	49 %	51 %	49 %	50 %	50 %	49 %	50 %	50 %	50 %
Total assets	139,815	141,145	134,345	131,914	129,237	139,815	129,237	131,914	126,047
Average total assets (quarterly)	140,480	137,745	133,129	130,575	130,063	136,805	127,465	128,355	117,794
Employees in employment group	1,205	1,252	1,216	1,208	1,228	1,205	1,228	1,208	1,192
Employees in employment parent bank	637	632	642	645	663	637	663	645	753
Employees in employment subsidiaries	567	620	574	563	565	567	565	563	439
Number of branches	49	49	49	49	49	49	49	49	49
Lending margin	1.95	2.07	2.02	2.15	2.19	2.01	2.29	2.26	2.57
Deposit margin	0.09	0.00	0.06	(0.09)	(0.14)	0.05	(0.25)	(0.21)	(0.47)
Net other operating income of total income	36 %	38 %	38 %	39 %	45 %	37 %	40 %	40 %	38 %
Common Equity Tier 1 ratio	14.3 %	14.1 %	13.6 %	13.6 %	13.2 %	14.3 %	13.2 %	13.6 %	11.2 %
Core capital ratio	16.3 %	16.1 %	15.6 %	15.6 %	15.2 %	16.3 %	15.2 %	15.6 %	13.0 %
Capital adequacy ratio	18.8 %	18.7 %	18.1 %	18.3 %	17.9 %	18.8 %	17.9 %	18.3 %	15.7 %
Total core capital	14,736	14,604	14,237	13,988	13,451	14,736	13,451	13,988	12,382
Net subordinated capital	17,011	16,882	16,516	16,378	15,886	17,011	15,886	16,378	14,937
Impairment losses ratio	0.39 %	0.36 %	0.53 %	0.18 %	0.18 %	0.42 %	0.12 %	0.14 %	0.08 %
Non-performing commitm. as % of gross loans	0.16 %	0.19 %	0.16 %	0.16 %	0.17 %	0.16 %	0.17 %	0.16 %	0.22 %
Other doubtful commitm. as % of gross loans	1.01 %	0.90 %	0.32 %	0.31 %	0.36 %	1.01 %	0.36 %	0.31 %	0.18 %
ECC price	55.75	46.70	52.75	50.50	54.00	55.75	54.00	50.50	58.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	71.17	69.18	67.37	67.65	65.52	71.17	65.52	67.65	62.04
Adjusted profit per ECC	2.00	2.21	1.49	1.45	1.26	5.70	5.57	7.02	8.82
P/E per ECC	6.98	5.27	8.83	8.71	10.72	7.33	7.27	7.19	6.63
P/B equity capital	0.78	0.68	0.78	0.75	0.82	0.78	0.82	0.75	0.94

* Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt

7. Segment Information

For the subsidiaries, the figures refer to the respective company accounts, while for joint ventures incorporated by the equity method the Group's profit share is stated, after tax, as well as book value of the investment at group level.

The segment SB1 Markets comprises the subsidiary SpareBank 1 Markets as from the second quarter of 2015. SpareBank 1 Markets became a subsidiary on 1 April 2015 when SpareBank 1 SMN integrated its markets activity into SpareBank 1 Markets and at the same time increased its holding to 73.3 per cent. The stake was increased to 73.5 per cent in fourth quarter 2015 as a result of a stock issue.

In the reporting of the first quarter of 2015 and previously, the segment Markets comprised SpareBank 1 SMN's own markets activity in the parent bank. The result for the first quarter of 2015 is from the second quarter moved to the column "Uncollated".

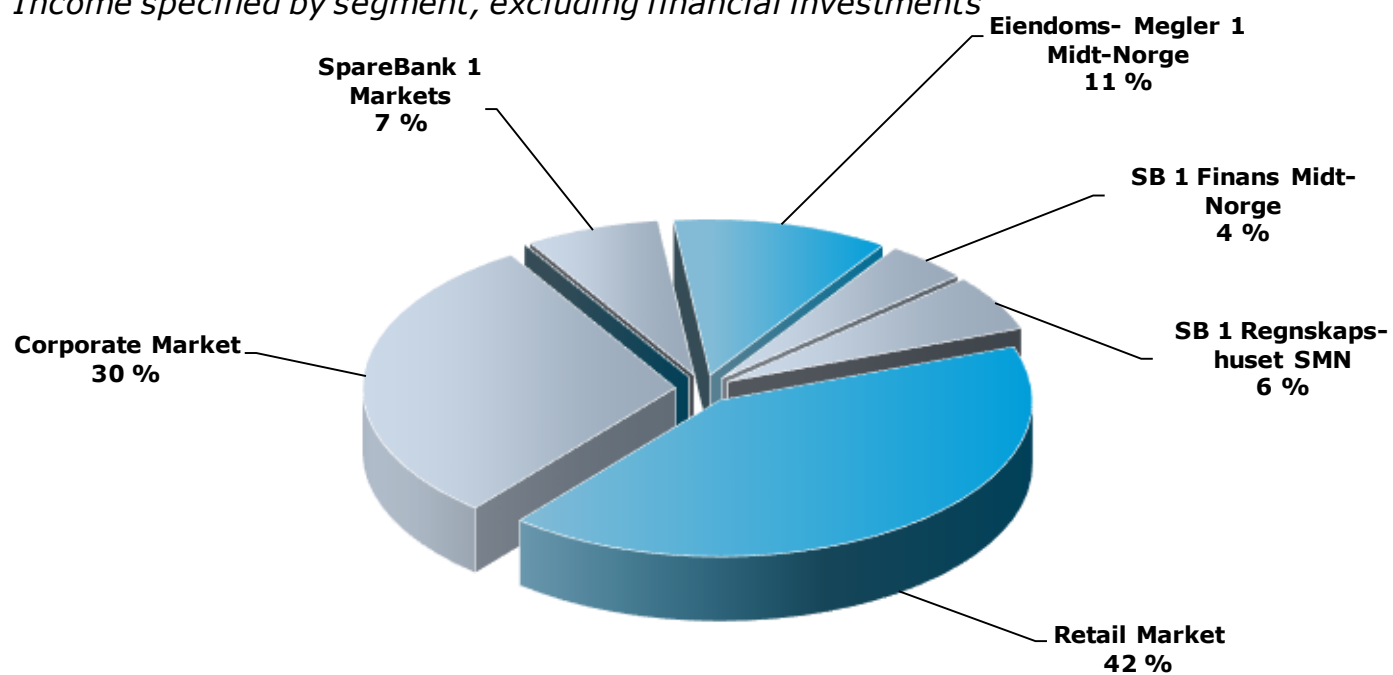
The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 are similarly restated.

7.1. Extract from income statement

Group (in NOK million) 30 Sept.2016	Retail Market	Corporate Market	SB 1 Markets	Eiendoms- Megler 1 Midt-Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps- huset SMN	SB 1 Gruppen	BN Bank	Un- collated	Total
Net interest	679	703	-7	3	135	0	-	-	-123	1,391
Allocated	34	28	-	-	-	-	-	-	-61	-
Total interest income	713	731	-7	3	135	0	-	-	-184	1,391
Commission income and other income	513	148	153	327	-9	172	-	-	-45	1,260
Net profit on financial investments	0	10	59	-	-	-	220	79	346	713
Total income	1,227	889	205	330	126	172	220	79	117	3,365
Total operating expenses	602	264	195	271	43	139			7	1,521
Ordinary operating profit	625	625	10	59	83	33	220	79	109	1,844
Loss on loans, guarantees etc.	10	398	4	-	9	-	-	-	-3	417
Result before tax incl investments held for sale	615	227	6	59	75	33	220	79	113	1,427
Post-tax return on equity*	13.5 %	4.1 %								11.0 %
Balance sheet										
Loans and advances to customers	91,655	38,312	-	-	5,170	-	-	-	-676	134,462
adv. of this to Boligkreditt and Næringskreditt	-33,021	-1,872	-	-	-	-	-	-	0	-34,893
Individual allowance for impairment on loan	-24	-522	-	-	-10	-	-	-	-2	-558
Group allowance for impairment on loan	-95	-279	-	-	-18	-	-	-	1	-391
Other assets	203	47	1,636	323	9	213	1,590	1,181	35,995	41,196
Total assets	58,718	35,686	1,636	323	5,151	213	1,590	1,181	35,317	139,815
Deposits to customers	34,911	31,441	-	-	-	-	-	-	-63	66,290
Other liabilities and equity	23,807	4,245	1,636	323	5,151	213	1,590	1,181	35,380	73,526
Total liabilities	58,718	35,686	1,636	323	5,151	213	1,590	1,181	35,317	139,815

*) As from the third quarter 2014, calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 14.5 percent.

Income specified by segment, excluding financial investments



Interest income, Retail Market and Corporate Market

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
(in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Retail	230	227	222	236	230	679	672	907	873
Corporate	232	239	232	237	235	703	685	922	840
Net interest income	462	466	454	473	465	1,382	1,357	1,829	1,712

Development in margin, Retail Market and Corporate Market

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
Lending (in percentage)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Retail	1.70	1.81	1.78	1.92	2.00	1.76	2.11	2.07	2.39
Corporate	2.69	2.68	2.57	2.66	2.62	2.60	2.68	2.68	2.90
Total	1.95	2.07	2.02	2.15	2.19	2.01	2.29	2.26	2.57

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
Deposits (in percentage)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Retail	0.30	0.17	0.24	0.05	-0.10	0.24	-0.20	-0.14	-0.42
Corporate	-0.14	-0.18	-0.15	-0.25	-0.19	-0.16	-0.31	-0.29	-0.55
Total	0.09	0.00	0.06	-0.09	-0.14	0.05	-0.25	-0.21	-0.48

*Definition margin: Average customer interest minus 3 months average nibor

Development in volume, Retail Market and Corporate Market

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
Lending* (in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Retail	91,655	89,299	86,451	84,981	83,077	91,655	83,077	84,981	78,388
Corporate	38,312	37,454	37,479	37,226	37,781	38,312	37,781	37,226	36,872
Total	129,968	126,753	123,930	122,206	120,857	129,968	120,857	122,206	115,260

* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
Deposits (in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Retail	34,911	35,457	33,671	33,534	33,449	34,911	33,449	33,534	31,589
Corporate	31,441	31,511	29,655	30,367	29,567	31,441	29,567	30,367	28,463
Total	66,352	66,968	63,325	63,902	63,016	66,352	63,016	63,902	60,052

Development in commission income, Retail Market and Corporate Market

	3Q	2Q	1Q	4Q	3Q	30 Sept.			
(in NOK million)	2016	2016	2016	2015	2015	2016	2015	2015	2014
Retail	176	172	166	185	182	514	531	715	763
Corporate	56	52	51	48	54	158	145	193	188
Total	232	224	217	232	237	672	676	908	951

7.2. Retail Market

The Retail Market is responsible for all activity directed at the region's retail customers. The Retail Market provides personal financial advice. The Retail Market aims to attract and retain customers by developing a strong product range, first class advisers, unique accessibility and excellent customer handling.

Business description

	30 Sept.
<i>Facts about the business area</i>	2,016
Lending volume	91,655
Deposits volume	34,911
No. of active customers	205,393
FTEs	391

Financial performance

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Net interest income lending	114	129	119	148	154	363	473	621	648
Net interest income deposits	116	98	103	88	75	317	199	286	224
Net interest income allocated capital	8	11	14	3	6	34	37	41	40
Total interest income	238	238	236	239	236	713	709	948	913
Net guarantee commission, incl. Boligkreditt	76	81	80	87	86	236	273	360	445
Net commission of savings products	17	16	12	16	16	45	39	55	42
Net commission insurance services	35	35	33	39	34	103	96	135	113
Net commission payment trans. services	48	40	40	43	47	128	122	165	161
Other commission income	1	0	0	-0	-0	1	530	0	0
Net fee and commission income	176	172	166	185	182	513	530	715	762
Net profit on financial investments	0	0	0	0	0	0	1	1	1
Total income	414	410	402	424	418	1,227	1,239	1,663	1,675
Total operating expenses*	201	202	198	214	195	602	565	779	809
Results	213	207	204	210	223	625	674	884	867
Loss on loans, guarantees etc.	3	-2	9	5	3	10	6	11	6
Results before tax	210	210	195	205	220	615	668	873	861
*) Includes both direct and distributed expenses									
Post-tax return on equity (annualized)**						13.5 %	16.2 %	15.8 %	19.2 %

**) As from the third quarter 2014, calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 14.5 %.

Development in margin

Definition margin: Average customer interest minus 3 months average nibor



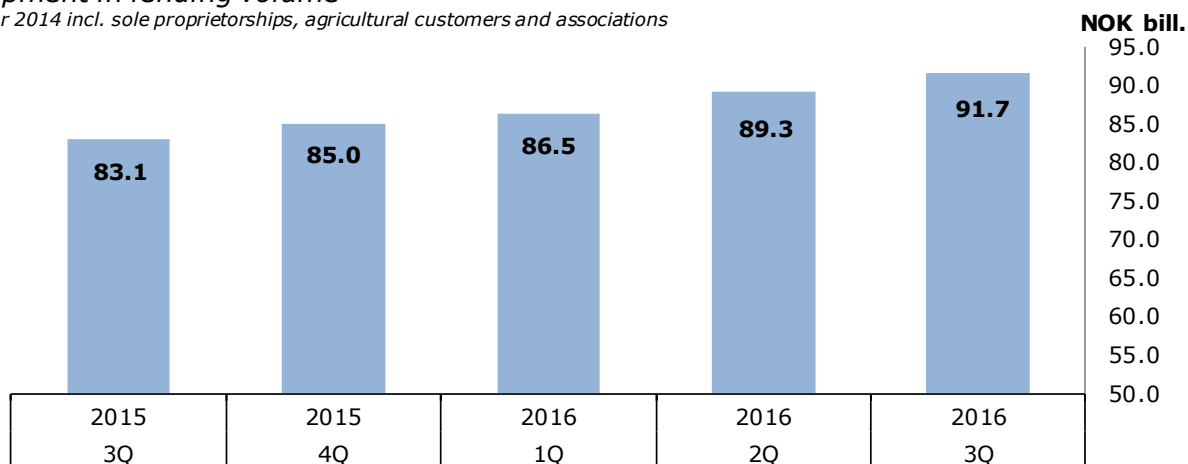
2015	2015	2016	2016	2016
3Q	4Q	1Q	2Q	3Q

— Lending margin Retail

— Deposits margin Retail

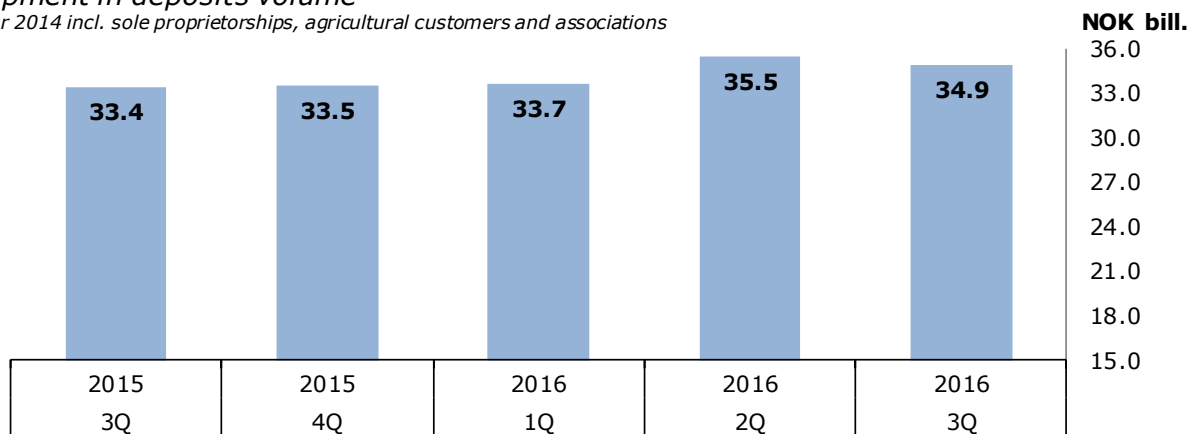
Development in lending volume

Figures for 2014 incl. sole proprietorships, agricultural customers and associations



Development in deposits volume

Figures for 2014 incl. sole proprietorships, agricultural customers and associations



7.3. Corporate

The Corporate segment is responsible for activity regarding the bank's corporate customers.

Business description

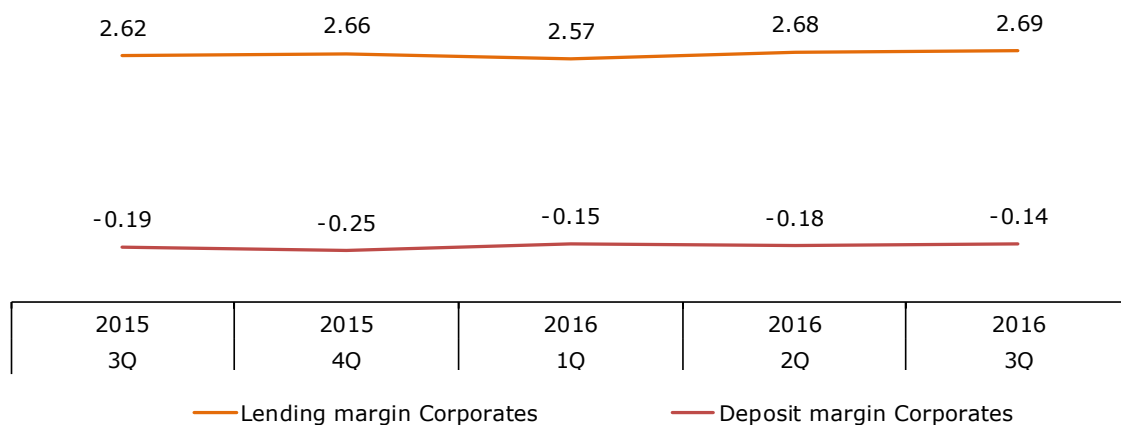
<i>Facts about the business area</i>	30 Sept. 2016
Lending volume	38,312
Deposits volume	31,441
No. of active customers	7,518
FTEs	156

<i>Financial performance</i> (in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016 2015		2015	2014
Net interest income lending	163	178	169	179	171	509	525	704	687
Net interest income deposits	70	62	63	58	64	194	160	218	153
Net interest income allocated capital	7	9	12	5	7	28	44	48	67
Total interest income	239	248	243	242	242	731	729	971	906
Net guarantee commission, incl. Boligkreditt	24	22	22	22	23	68	57	79	67
Net commission of savings products	2	-1	0	2	1	1	3	5	4
Net commission insurance services	5	5	6	4	5	16	16	20	21
Net commission payment trans. services	21	22	20	19	20	63	56	75	67
Other commission income	1	0	0	0	1	1	1	1	0
Net fee and commission income	52	48	49	45	50	148	135	180	159
Net profit on financial investments	4	4	2	2	4	10	11	13	29
Total income	295	300	294	289	297	889	874	1,164	1,095
Total operating expenses*	82	90	93	96	82	264	258	353	318
Results	212	211	202	194	214	625	617	810	777
Loss on loans, guarantees etc.**	124	115	158	51	51	398	100	151	77
Results before tax	89	95	44	142	163	227	517	659	699
*) Includes both direct and distributed expenses									
**) Includes collective write downs of NOK -25 million in 3Q 2016, NOK - 110 million in 2Q 2016, NOK 150 million in 1Q 2016, NOK 51 million in 4Q 2015 and NOK 30 million in 3Q 2015									
Post-tax return on equity (annualized)***						4.1 %	12.9 %	12.4 %	10.0 %

***) As from the third quarter 2014, calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 14.5 %.

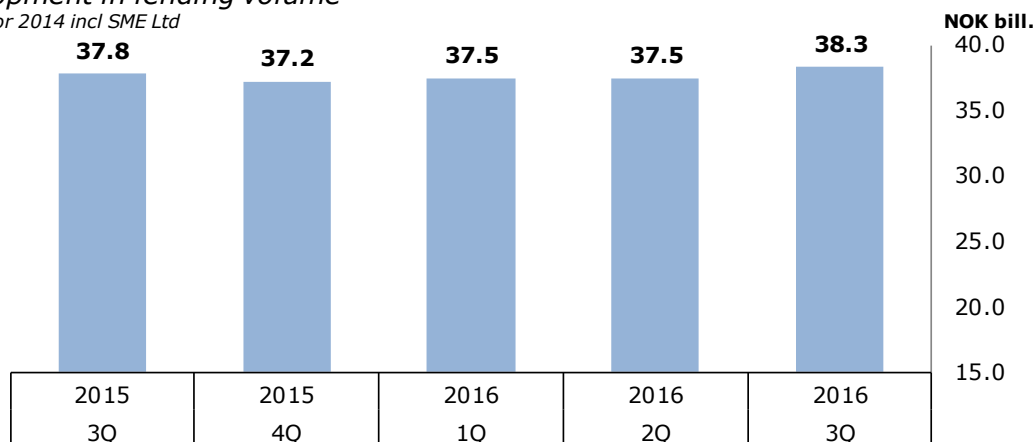
Development in margin

Definition margin: Average customer interest minus 3 months average nibor.



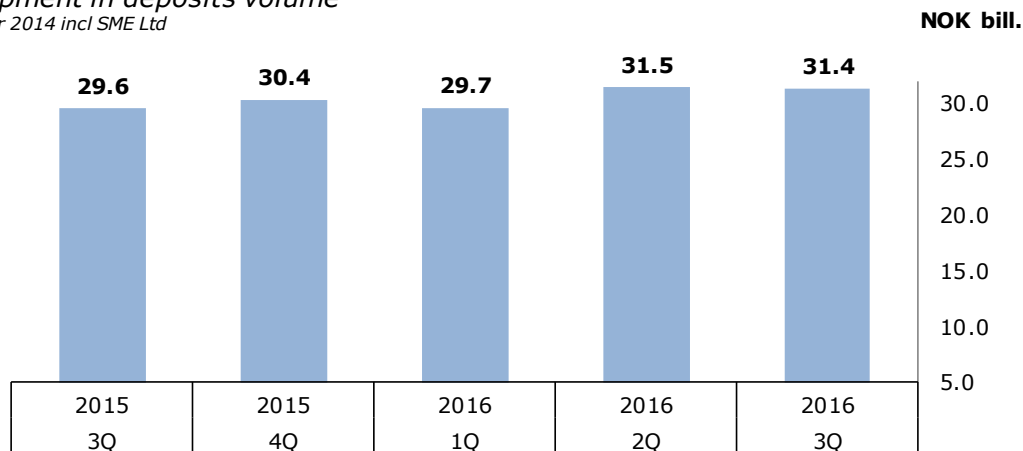
Development in lending volume

Figures for 2014 incl SME Ltd



Development in deposits volume

Figures for 2014 incl SME Ltd



7.4. Subsidiaries

EiendomsMegler 1 Midt-Norge AS

EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market- leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre og Romsdal. The company has specialized operations, which include separate units for project and commercial property broking. These operations complement its traditional residential agency business which to a greater degree will be a specialist function maintaining a local presence, co- located with banking, in various parts of Trondheim and the surrounding district.

The company is owned by SpareBank 1 SMN (87 per cent), SpareBank 1 Nordvest (7.6 per cent) and SpareBank 1 Søre Sunnmøre (5.4 per cent).

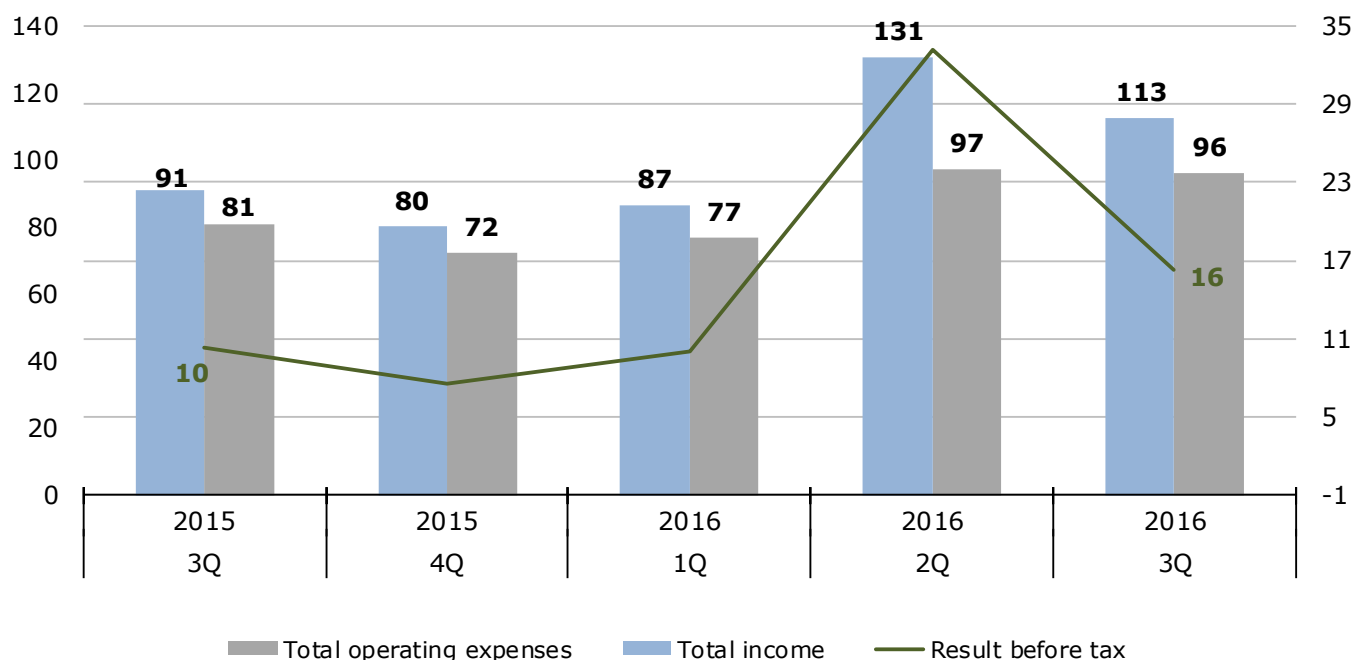
Business description EiendomsMegler 1 Midt-Norge AS

Financial performance

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	2015	2015	2014
Net interest	1	1	1	2	1	3	2	4	5
Commission income and other income	112	130	86	78	90	327	282	360	359
Total income	113	131	87	80	91	330	284	364	364
Total operating expenses	96	97	77	72	81	271	244	317	313
Result before tax	16	33	10	8	10	59	39	47	51

**Cost and income
(NOK mill.)**

**Result before tax
(NOK mill.)**



SpareBank 1 Finans Midt-Norge AS

SpareBank 1 Finans Midt- Norge is the region's leading finance company and an active partner for businesses and private customers. SpareBank 1 Finans Midt- Norge offers car loans, boat loans, leasing and business loans to corporates and private individuals. The company services the market through its own sales operation and through the Bank's offices and other partners. The company's values are its easy access, prompt response, proactive stance, solution focus and probity.

The company is owned by SpareBank 1 SMN (64.6 per cent), Samarbeidende Sparebanker (27.9 per cent) and SpareBanken Sogn og Fjordane (7.5 per cent). With Samarbeidende Sparebanker on the owner side, the company has a presence in ten different counties dispersed across Mid- and South Norway, Nord- and Sør-Trøndelag, Møre og Romsdal, Sogn og Fjordane, Oppland, Buskerud, Telemark, Akershus, Vestfold and Østfold.

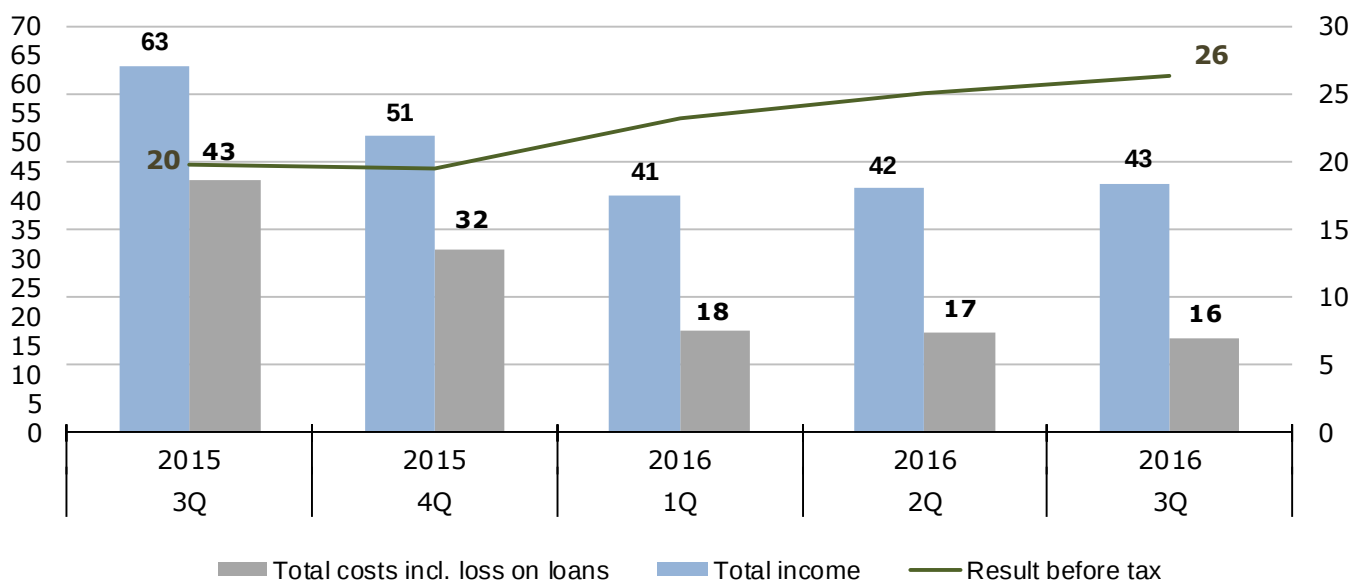
Business description SpareBank1 Finans Midt-Norge AS

Financial performance

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Total interest income	46	45	43	42	39	135	112	154	130
Commission income and other income	-4	-3	-2	9	24	-9	24	33	-4
Total income	43	42	41	51	63	126	136	187	126
Total operating expenses	14	14	15	29	41	43	68	97	50
Ordinary operating profit	29	29	26	23	22	83	68	91	75
Loss on loans, guarantees etc.	3	4	3	3	2	9	5	8	8
Total costs incl. loss on loans	16	17	18	32	43	51	73	105	58
Result before tax	26	25	23	19	20	75	63	83	68

Cost and income (NOK mill.)

Result before tax (NOK mill.)



SpareBank 1 Regnskapshuset SMN AS

SpareBank 1 Regnskapshuset SMN is an accountancy business, which has also built up a dedicated advisory/ technical department, comprising experts in tax, accountancy and governance. In collaboration with other SpareBank 1 banks, SpareBank 1 Regnskapshuset SMN has launched a nationwide drive in the accounting business through SpareBank 1 Regnskapshuset. SpareBank 1 Regnskapshuset intends to be one of Norway's leading actors in the accounting industry by building up a national accounting enterprise based on regional ownership, strong links to the owner banks and closeness to the market.

SpareBank 1 Regnskapshuset SMN took over six accounting firms in 2013. Four further accounting firms have been acquired in 2014, one in 2015 and three in 2016. The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry.

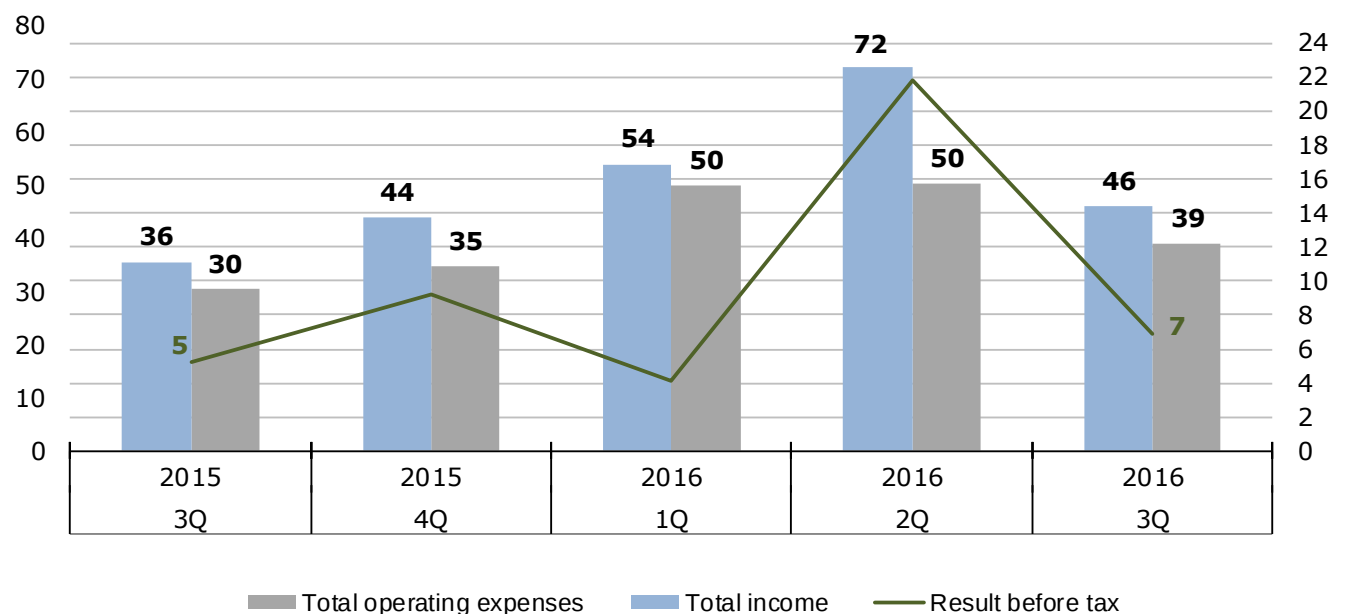
Business description Regnskapshuset SMN AS

Financial performance

(in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	2015	2014
Total interest income	0	0	-0	-	-0	0	-0	-0	6
Commission income and other income	46	72	54	44	36	172	153	197	182
Total income	46	72	54	44	36	172	153	197	188
Total operating expenses	39	50	50	35	30	139	127	162	148
Result before tax	7	22	4	9	5	33	26	35	40

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



SpareBank 1 Markets

SpareBank 1 Markets AS is a Norwegian investment bank within the SpareBank 1 Alliance. The company provides research, financial advice, capital raising and stockbroking services, debt and fixed income products. Through the collaboration with the SpareBank 1 Alliance, SpareBank 1 Markets can offer a complete national capital structure service, and cover all customer segments, from retail clients and small and medium-sized businesses to large listed companies and institutional investors. The company has offices in Trondheim and Oslo.

SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015 and is consolidated in the Group accounts on a par with the other subsidiaries as from the same date. SpareBank 1 SMN's capital market activities were transferred to SpareBank 1 Markets as part of the transaction. Following the merger the company is owned by SpareBank 1 SMN (73.5 per cent), SpareBank 1 Nord-Norge (10.0 per cent), SamSpar (10.0 per cent), Sparebanken Hedmark (6.2 per cent) and others (0.4 per cent)

The table below shows the pro forma accounts for SpareBank 1 Markets, including numbers from SpareBank 1 SMN Markets. The numbers for 4Q, 3Q and 2Q 2015 show the financial performance of the restructured company, while the numbers referring to 30 June 2016 pro forma include the first quarter result of both SpareBank 1 Markets and the former capital market operations in SpareBank 1 SMN. Figures for SpareBank 1 Markets refer to the company accounts.

SpareBank 1 Markets

<i>Financial performance</i> (in NOK million)	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	30 Sept. 2016	30 Sept. 2015	SMN Markets 1Q 2015	30 Sept. 2015 proforma
Net interest	-2	-3	-2	-1	-1	-7	-2	-15	-17
Equities / High Yield	30	22	23	21	13	74	48	2	50
Fixed Income	2	6	2	-0	-23	10	-25	-	-25
Corporate	11	19	32	8	10	63	27	-	27
Foreign exchange/ interest rate derivatives	26	22	10	19	5	59	31	43	75
Other commission income	2	2	2	1	2	6	5	1	6
Total income	69	68	68	49	6	205	83	32	115
Total operating expenses	66	66	63	70	59	195	164	10	174
Results	3	2	5	-21	-53	10	-80	21	-59
Loss on loans, guarantees etc.	2	-	2	-	-	4	0	-	0
Results before tax	0	2	3	-21	-53	6	-80	21	-60

The table below shows the financial performance as of March 31st 2015 for the former business line SpareBank 1 SMN Markets

SpareBank 1 SMN Markets

<i>Financial performance</i> (in NOK million)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014	31 Mar. 2015	31 Mar. 2014	2014
Net interest income	-15	-7	2	-1	-3	-15	-3	-9
Net interest income allocated capital	0	-1	0	0	0	0	0	-
Total interest income	-15	-8	2	-1	-2	-15	-2	-9
Net fee and commission income	3	4	3	4	8	3	8	19
Capital gain/Agio Securities	43	1	6	9	11	43	11	27
Total income	32	-3	11	13	17	32	17	37
Total operating expenses	10	9	18	16	16	10	16	58
Results	21	-12	-7	-3	1	21	1	-21
Loss on loans, guarantees etc.	-	-	-0	0	-	-	-	-
Results before tax	21	-12	-7	-3	1	21	1	-21

Other subsidiaries

Allegro Kapitalforvaltning: The company is licensed to carry on active asset management. It manages assets for external public, private and institutional clients. The company's services are sold exclusively through external distributors that are licensed to engage in such activity. The company has distribution agreements with a number of banks in the SpareBank 1 Alliance.

SpareBank 1 Bilplan: The company delivers car fleet management solutions to the public and private sectors nationwide. The company services the market through its own sales operation and through cooperation with SpareBank 1 Finans Midt-Norge, SpareBank 1 SR-Finans, SpareBank 1 Finans Nord-Norge and through the Bank's office network.

SpareBank 1 Invest: The company's strategy is to carry out investments in regional seedcorn, venture and private equity funds and to invest directly in growth companies with national/ international market potential in the same market area.

Property companies: Their mission is to own, operate and develop property. Property companies: SpareBank 1 SMN Kvartalet, SpareBank 1 Bygget Steinkjer, Brannstasjonen SMN, St Olavs Plass 1 SMN, Jernbanegata 19 SMN, SpareBank 1 Bygget Trondheim, Bjerkeløkkja.

8. Development last ten years

Financial results

(in NOK million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net interest	1,024	1,139	1,350	1,325	1,317	1,392	1,477	1,616	1,790	1,872
Commission income and other income	580	671	610	756	855	919	1,139	1,463	1,512	1,545
Net return on financial investments	419	332	207	596	410	434	451	502	720	459
Total income	2,022	2,142	2,167	2,677	2,582	2,746	3,067	3,580	4,021	3,876
Staff costs	512	583	623	725	583	810	942	923	1,002	1,093
Other operating expenses	478	519	571	528	557	672	712	799	787	838
Total operating expenses	990	1,102	1,194	1,253	1,140	1,482	1,654	1,722	1,789	1,931
Result before losses	1,032	1,039	975	1,424	1,441	1,264	1,414	1,859	2,232	1,945
Loss on loans, guarantees etc.	-84	-6	202	277	132	27	58	101	89	169
Result before tax	1,116	1,045	773	1,147	1,309	1,236	1,355	1,758	2,143	1,776
Tax charge	219	200	156	210	260	255	295	388	362	370
Results investments held for sale, after tax					-27	43	16	30	0	(1)
Net profit	898	846	617	937	1,022	1,024	1,077	1,400	1,782	1,406

Balance sheet*

(in NOK million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cash and loans to and claims on credit institutions	2,323	3,878	4,548	1,260	2,532	4,075	4,091	5,984	5,965	5,677
CDs, bonds and other interest-bearing securities	5,602	7,246	12,036	19,302	22,948	21,485	25,614	26,358	27,891	30,282
Gross loans to customers before write-downs	52,819	59,178	64,016	61,782	69,847	73,105	74,943	80,548	90,578	93,974
- Specified write-downs	-147	-116	-215	-219	-222	-172	-144	-173	-172	-183
- Write-downs by loan category	-184	-185	-245	-289	-290	-290	-295	-295	-295	-376
Other assets	2,765	1,502	4,540	2,704	3,182	3,252	3,766	2,938	2,080	2,540
Assets	63,178	71,503	84,679	84,541	97,997	101,455	107,975	115,360	126,047	131,914
Deposits from credit institutions	2,766	5,346	9,000	11,310	13,062	9,118	7,410	6,581	9,123	8,155
Deposits from and debt to customers	30,136	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680	64,090
Debt created by issue of securities	21,911	23,950	29,680	24,070	29,625	31,306	33,121	36,806	39,254	40,569
Other liabilities	1,799	2,265	2,045	1,876	1,922	2,122	2,070	1,485	1,095	1,734
Subordinated loan capital	2,383	2,648	3,156	3,875	2,758	2,690	3,040	3,319	3,371	3,463
Total equity capital	4,183	4,860	5,518	6,183	7,846	8,348	10,082	11,242	12,524	13,904
Total liabilities and equity	63,178	71,503	84,679	84,541	97,997	101,455	107,975	115,360	126,047	131,914

*) The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 and 2013 are similarly restated, but earlier years have not been restated due to small changes

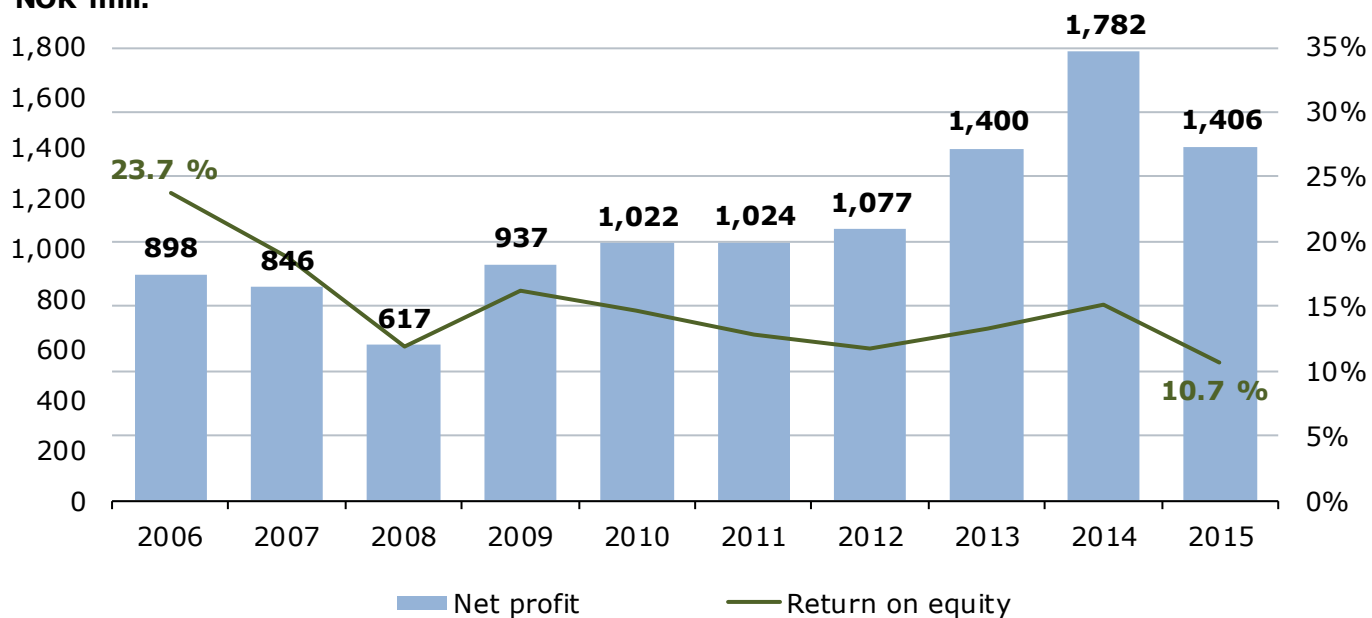
Key figures

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Return on equity	23.7 %	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %	10.7 %
Cost/income ratio group	49.0 %	51.7 %	55.0 %	46.8 %	44.2 %	54.0 %	53.9 %	48.1 %	44.5 %	49.8 %
Cost/income ratio group, ex. financial inv.	61.1 %	60.8 %	60.2 %	52.5 %	52.5 %	64.1 %	63.2 %	55.9 %	54.2 %	56.5 %
Cost/income ratio parent bank	47.6 %	52.4 %	55.3 %	47.2 %	40.2 %	50.5 %	47.5 %	40.2 %	40.5 %	38.0 %
12-month cost growth	9.3 %	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %	11.6 %	4.1 %	3.9 %	7.9 %
Gross loans to customers*	52,819	61,910	71,317	77,429	87,665	95,232	104,925	112,283	120,435	127,378
Gross loans in retail market	33,808	38,872	42,679	45,157	49,619	55,034	62,587	68,591	74,087	80,725
Gross loans in corporate market	19,011	23,038	28,638	32,272	38,046	40,198	42,322	43,692	46,348	46,653
Growth in loans last 12 months*	16.6 %	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %	10.2 %	6.8 %	7.3 %	5.8 %
Deposits from customers	30,136	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680	64,090
Deposits from retail market	14,707	16,070	17,566	17,898	19,052	20,860	22,279	23,891	26,496	28,336
Deposits from corporate market	15,429	16,363	17,715	19,330	23,734	27,011	29,973	32,036	34,184	35,754
Growth in deposits last 12 months	11.4 %	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %	9.2 %	7.3 %	8.5 %	5.6 %
Deposit-to-loan ratio*	57.1 %	52.4 %	49.5 %	48.1 %	48.8 %	50.3 %	49.8 %	49.8 %	50.4 %	50.3 %
Total assets	63,178	71,503	84,679	84,541	97,997	102,479	107,975	115,360	126,047	131,914
Average total assets	56,434	67,202	75,820	86,679	91,317	98,465	105,372	111,843	117,794	128,355
Employees in employment group	841	931	982	1,016	1,035	1,098	1,135	1,159	1,192	1,208
Employees in employment parent bank	661	723	750	767	764	786	793	757	753	645
Employees in employment subsidiaries	180	208	232	250	271	312	342	402	439	563
Net other operating income of total income	28.7 %	31.3 %	28.2 %	28.2 %	33.1 %	33.5 %	37.1 %	40.8 %	38.0 %	40 %
Common Equity Tier 1 ratio	7.5 %	7.4 %	7.1 %	7.7 %	9.3 %	8.9 %	10.0 %	11.1 %	11.2 %	13.6 %
Capital adequacy ratio	11.9 %	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %	13.3 %	14.7 %	15.7 %	18.3 %
Core capital ratio	8.6 %	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %	11.3 %	13.0 %	13.0 %	15.6 %
Total core capital	3,614	4,019	4,967	6,730	7,283	7,856	9,357	10,989	12,382	13,988
Net subordinated capital	5,229	5,762	7,312	8,730	8,646	9,055	10,943	12,417	14,937	16,378
Impairment losses ratio	-0.03 %	-0.01 %	0.21 %	0.31 %	0.16 %	0.03 %	0.06 %	0.09 %	0.08 %	0.14 %
Non-perf. commitm. as % of gross loans	0.41 %	0.39 %	0.46 %	0.49 %	0.57 %	0.36 %	0.36 %	0.34 %	0.22 %	0.13 %
Other doubtful commitm. as % of gross loans	0.51 %	0.37 %	1.33 %	0.57 %	0.24 %	0.21 %	0.14 %	0.14 %	0.18 %	0.30 %

* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

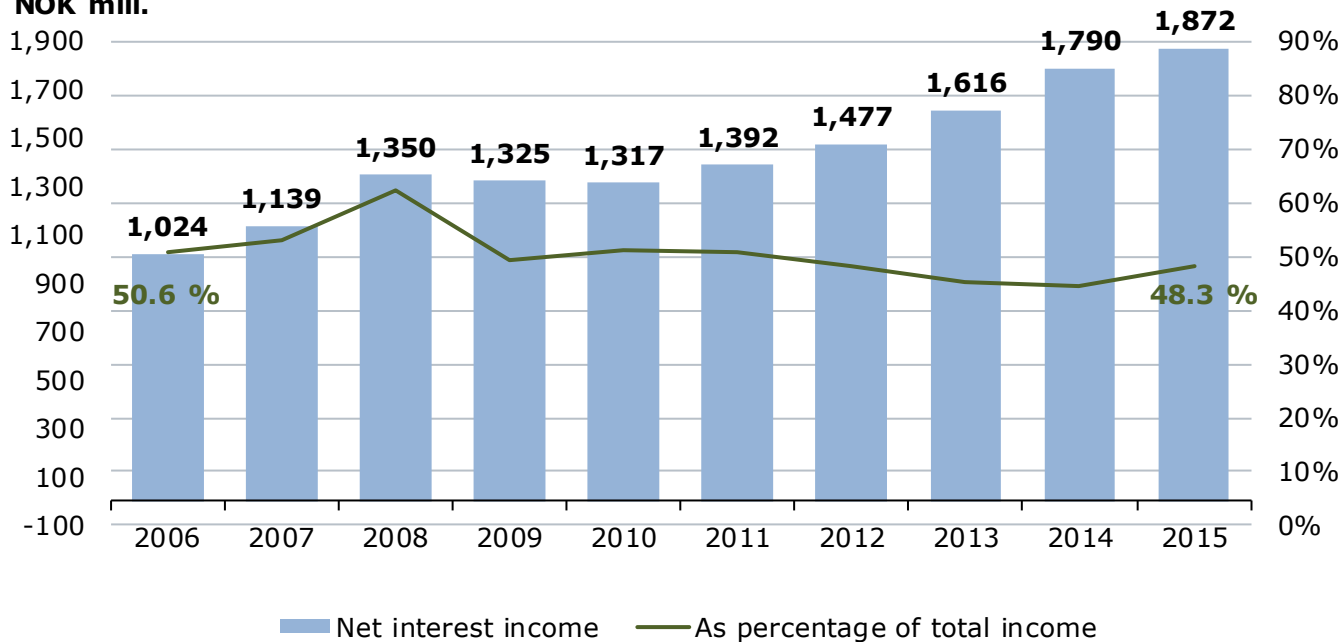
Net profit and return on equity

NOK mill.

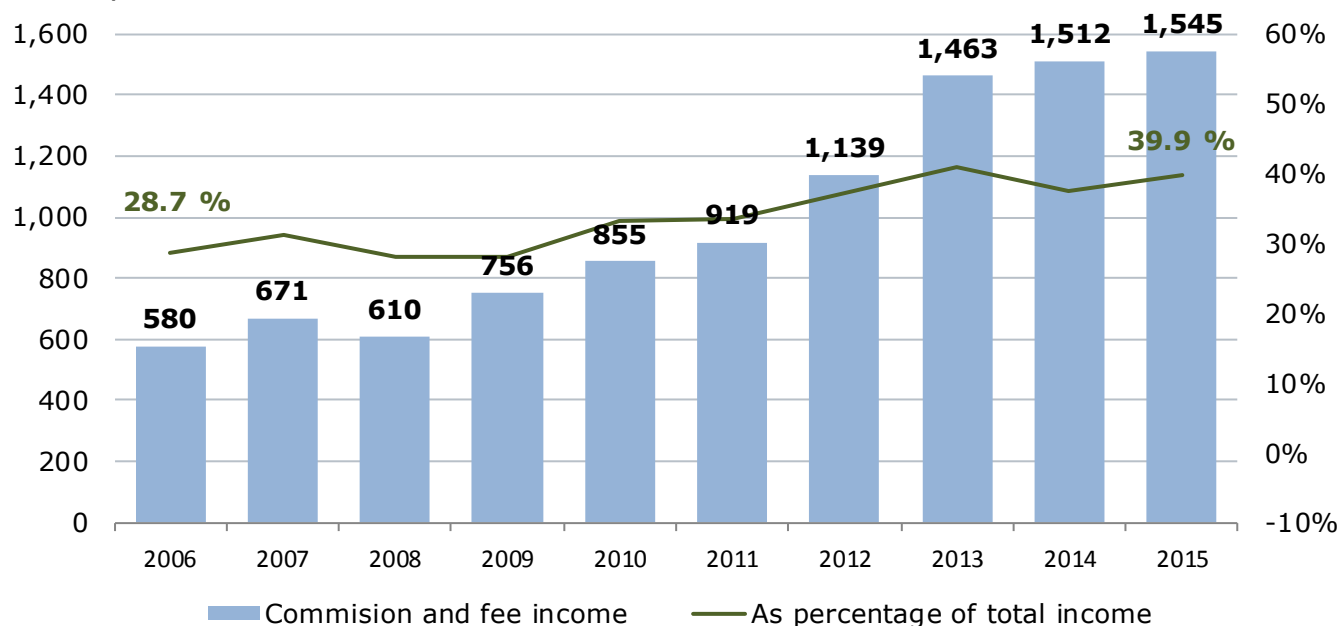


Development in net interest income

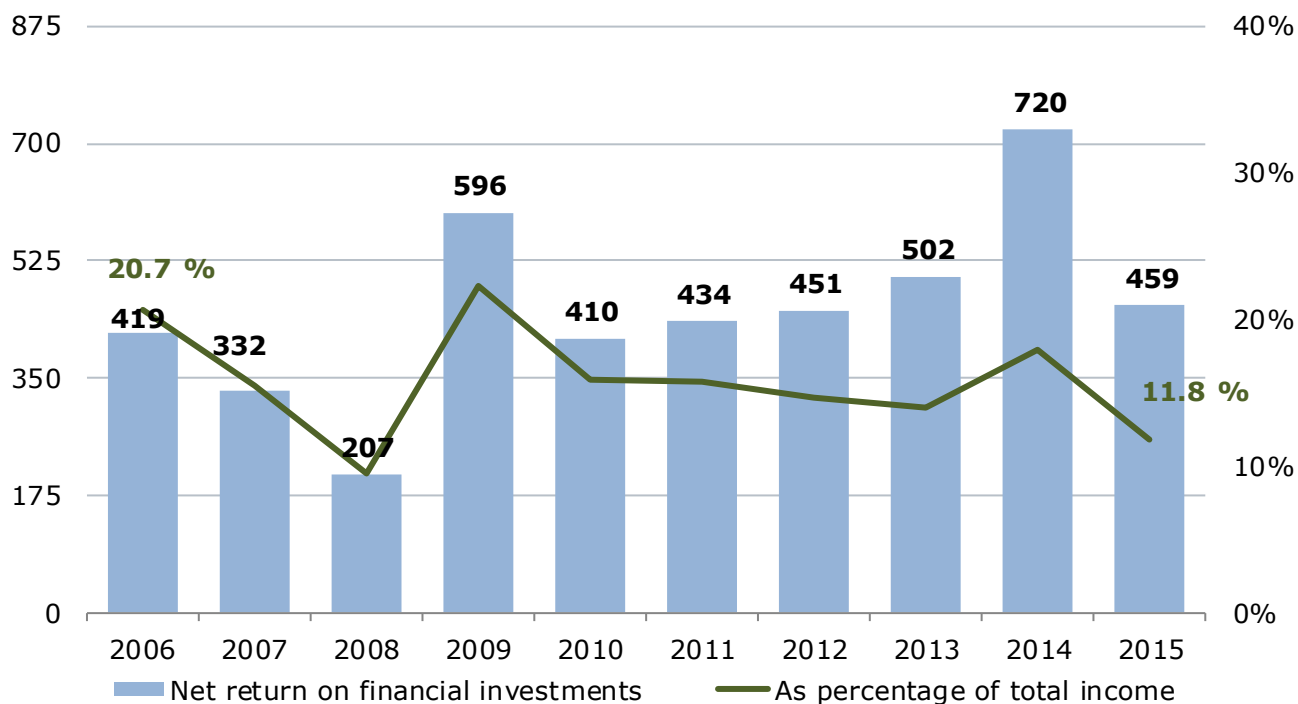
NOK mill.



Development in commission income and other income

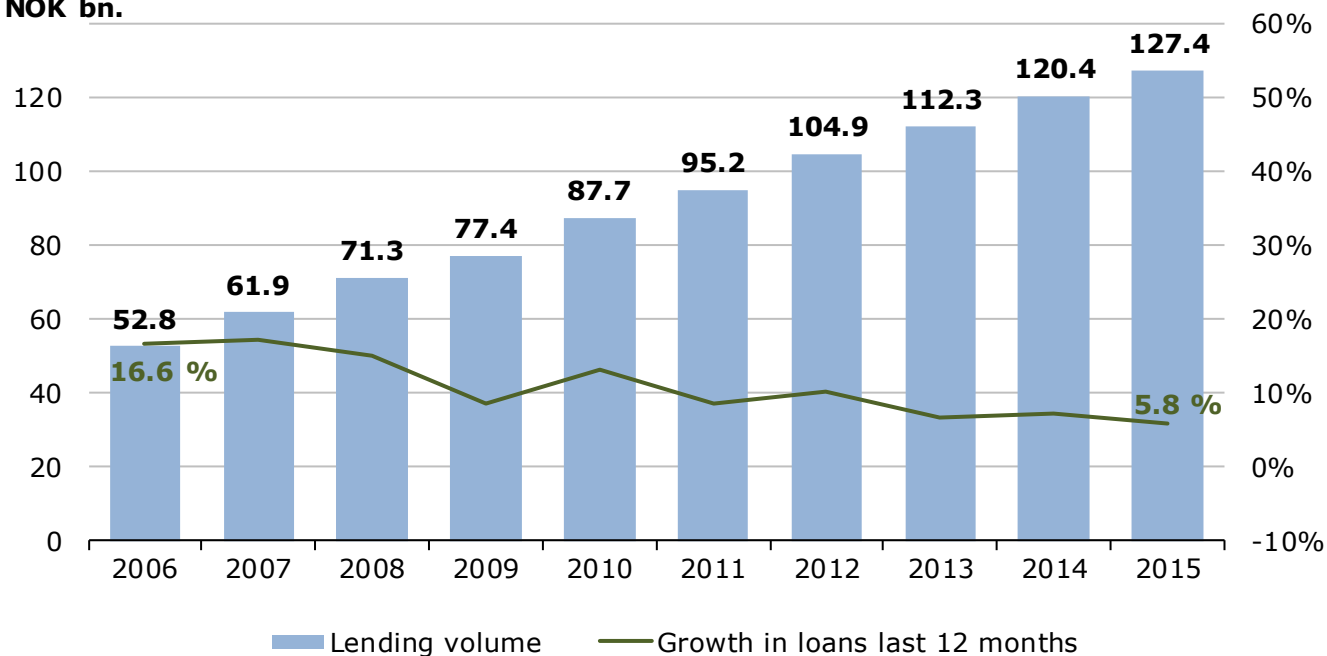


Development in net return on financial investments



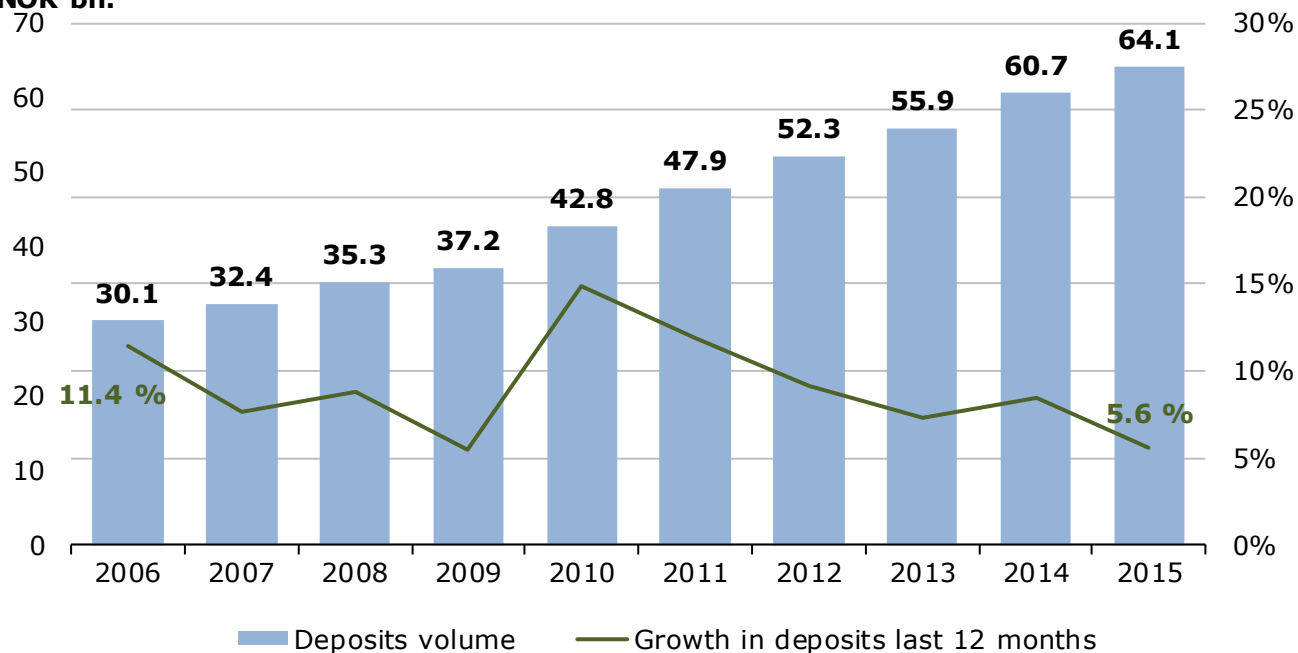
Volume development, Lending*

NOK bn.



Volume development, Deposits*

NOK bn.

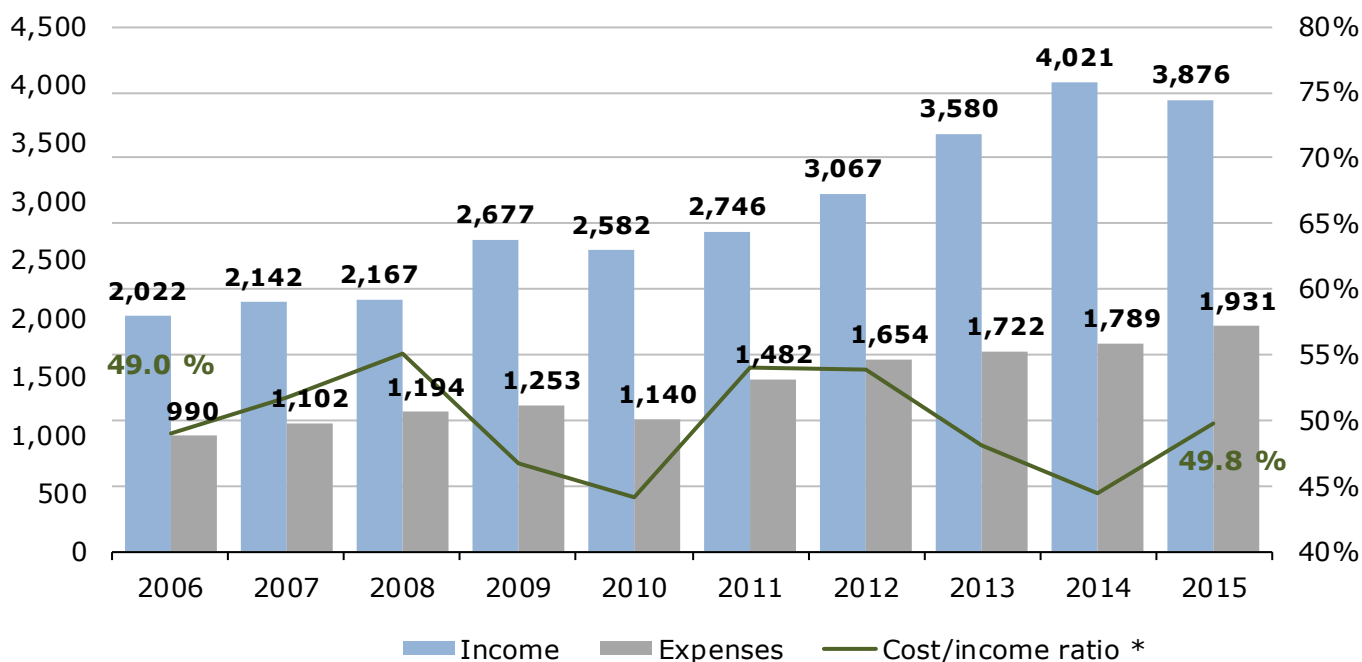


The strong growth in lending and deposits in 2005 is related to the acquisition of 100 per cent of Romsdals Fellesbank

*)

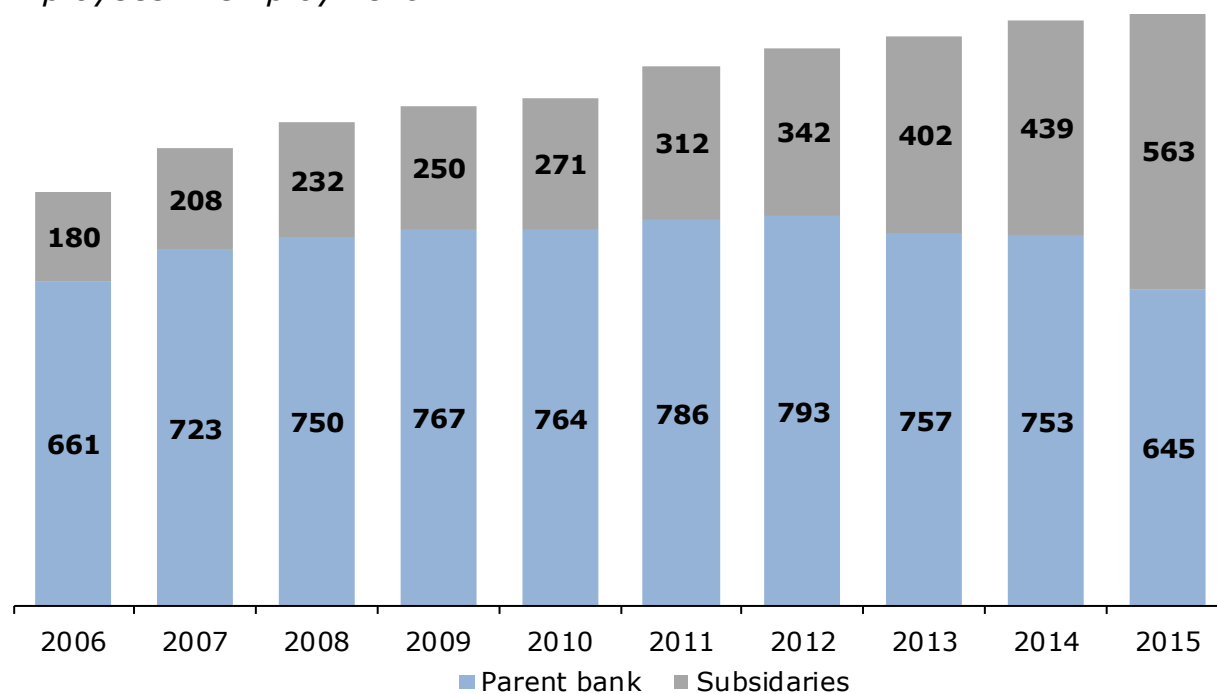
Cost/income ratio

NOK mill.



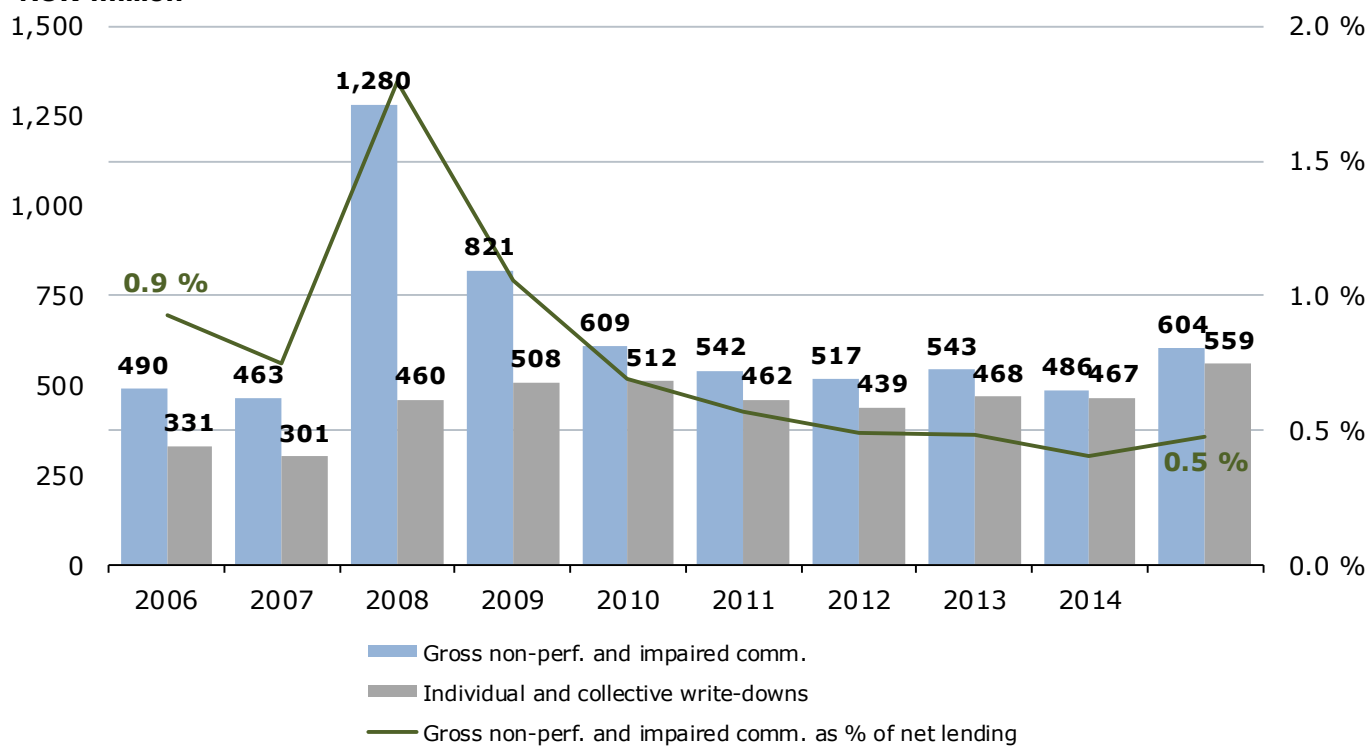
* Total operating expenses as a percentage of total operating income

Employees in employment



Net non-performing and impaired commitments

NOK million



Capital Adequacy

