Investor Relations

Supplementary information
Second Quarter 2015

SpareBank 1 SMN

Chief Executive, CEO

Finn Haugan

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Information on the Internet

SpareBank 1 SMN's home page	www.smn.no
ECC information in general	www.egenkapitalbevis.no

Financial Calendar 2015

2nd quarter 2015 12 August 2015
3rd quarter 2015 30 October 2015

Table of Contents

1. SpareBank 1 SMN

1.1. Financial highlights

First half 2015

(Consolidated figures. Figures in parentheses refer to the same period of 2014 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 1,080 million (1,165 million)
- Net profit: NOK 871 million (963 million)
- Return on equity: 13.7 per cent (16.8 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 8.4 per cent (5.1 per cent)
- 12-month growth in deposits: 11.4 per cent (8.5 per cent)
- Loan losses: NOK 56 million (32 million)
- Common equity tier 1 ratio: 12.7 per cent (11.4 per cent)
- Earnings per EC: NOK 4.31 (4.77)

Second quarter 2015

- Profit before tax and inv. held for sale: NOK 513 million (568 million)
- Net profit: NOK 430 m (464 m)
- Return on equity:13.4 per cent (16.0 per cent)
- Loan losses: NOK 35 million (15 million)
- Earnings per EC: NOK 2.13 (2.29)

1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 131 billion at the end of June 2015. Head office is in Trondheim. SpareBank 1 SMN employs 1,227 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

SpareBank 1 SMN

Main areas of Sparebank 1 SMN

Retail Market	Corporate Market	Adm. & Support
Number of man-years: 345	Number of man-years: 124	Number of man-years: 204

*Subsidiaries**

EiendomsMegler 1	SpareBank 1 Finans Midt-Norge	SpareBank 1 Regnskapshuset	SpareBank 1 Markets
Ownership: 86.9 % Number of man-years: 194 Key area: Real estate agency	Ownership: 72.1 % Number of man-years: 33 Key area: Lease finance	Ownership: 100 % Number of man-years: 184 Key area: Accountancy business	Ownership: 73.4 % Number of man-years: 114 Key area: Investment banking

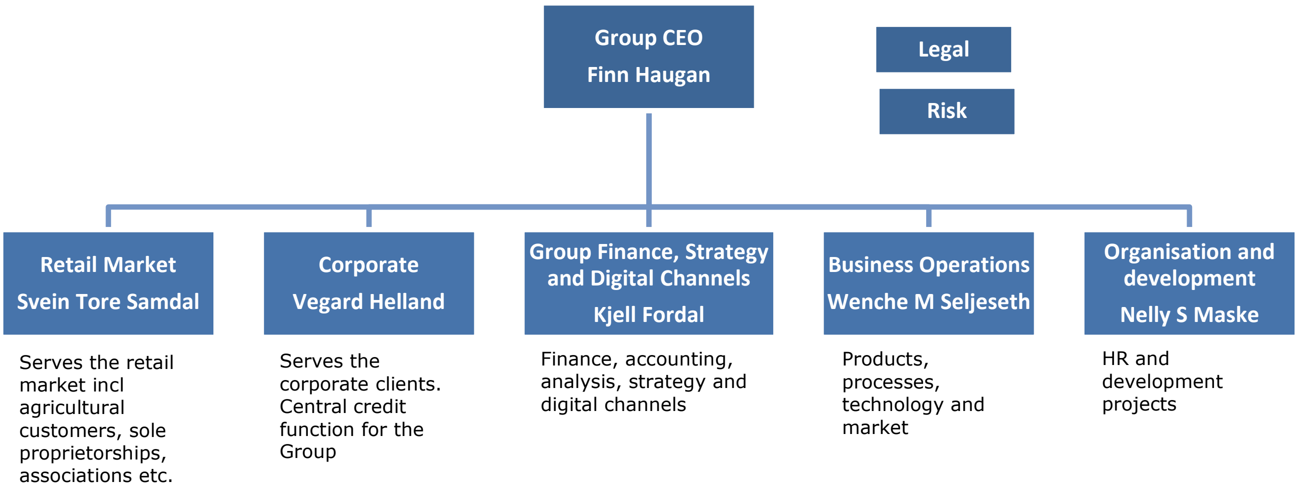
Joint ventures

SpareBank 1 Gruppen AS (19.5%)	BN Bank ASA (33%)	SpareBank 1 Boligkreditt AS (17.7%)	SpareBank 1 Næringskreditt AS (33.6%)	SpareBank 1 Kredittkort (18.1%)
- Holding company for the SpareBank 1-Alliance	- Commercial bank located in Oslo and Trondheim	- Covered bond company (mortgages)	- Covered bond company (commercial real estate)	- Credit card company located in Trondheim

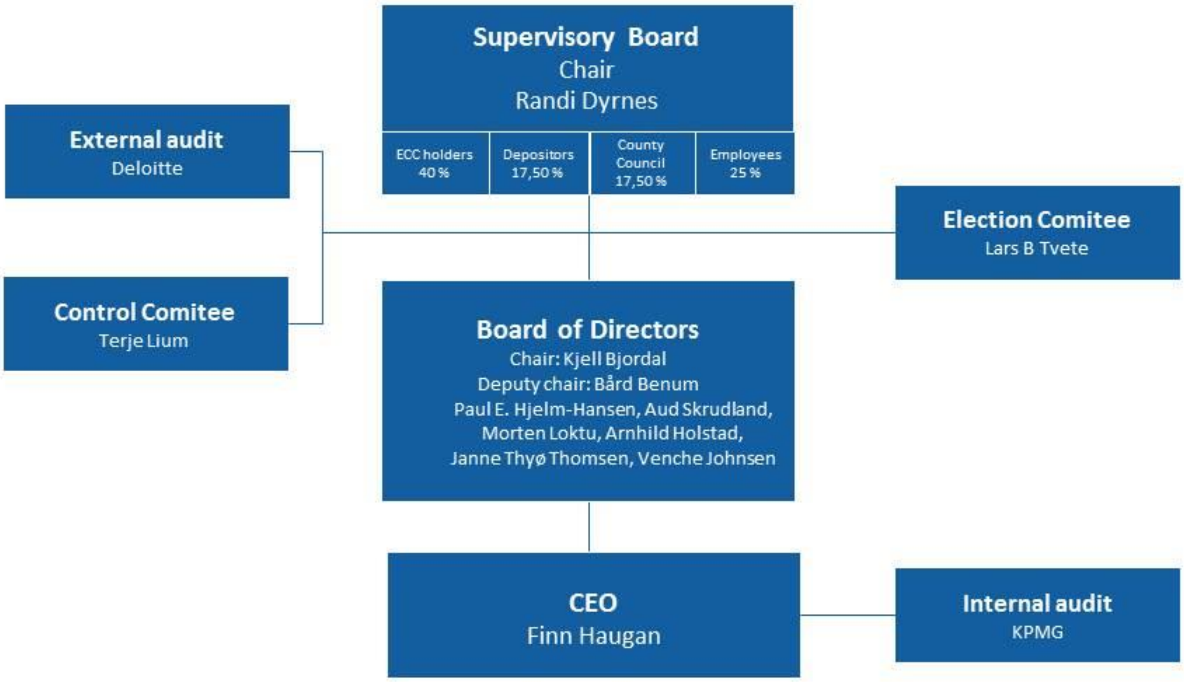
*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 29 man-years

Organisation of SpareBank 1 SMN

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

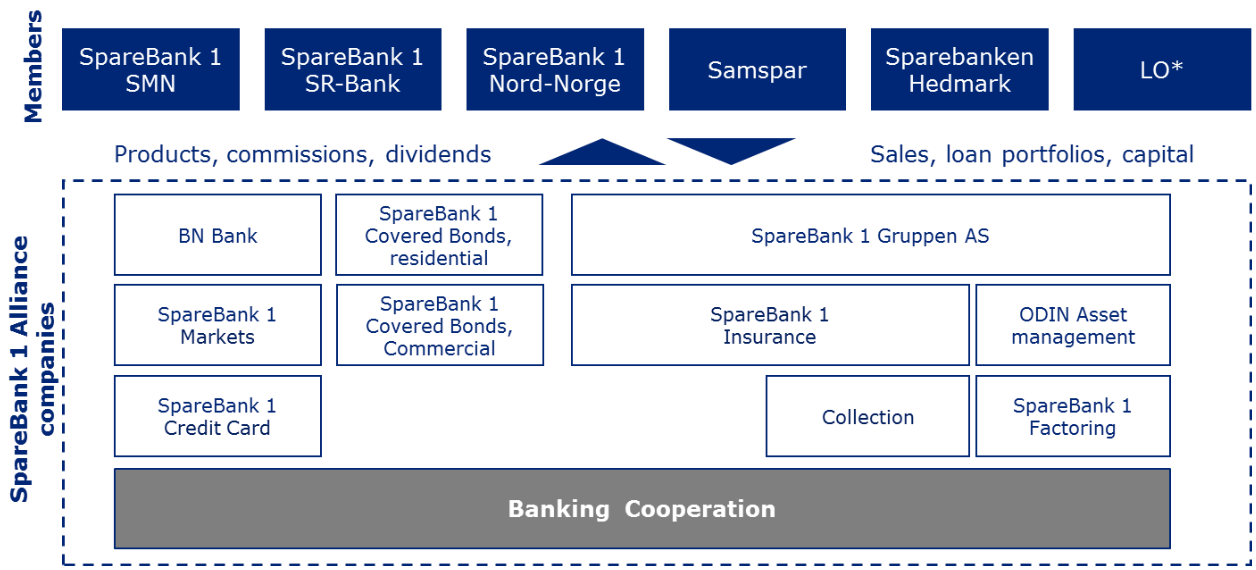


Overview of governing and control bodies

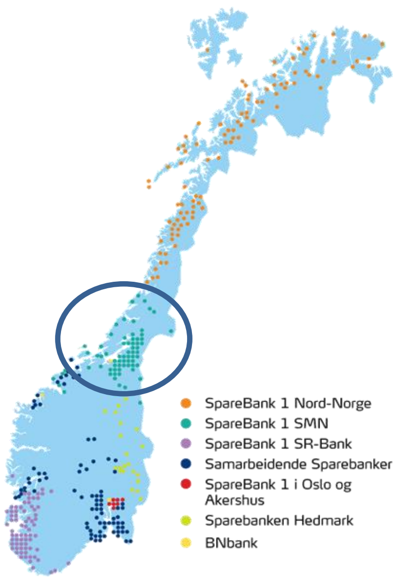


SpareBank 1 Alliance

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

Moody's	Todays rating	2014	2013	Year end 2012	2011	2010	2009
Outlook	Stable	Negative	Stable	Rating(s) under review	Stable	Stable	Negative
Issuer Rating	A1	A2	A2	A2	A1	A1	A1
Bank Deposits	A1/P-1	A2/P-1	A2/P-1	A2/P-1	A1/P-1	A1/P-1	A1/P-1
Senior Unsecured	A1	A2	A2	A2	A1	A1	A1
Subordinate	Baa2	Baa2	Baa3	Baa3	A2	A2	A2

Fitch	Todays rating	2014	2013	Year end 2012	2011	2010	2009
Outlook	Stable	Stable	Stable	Stable	Stable	Negative	Negative
Long-term IDR	A-	A-	A-	A-	A-	A	A
Short-term IDR	F2	F2	F2	F2	F2	F1	F1
Support rating	3	3	3	3	3	3	3

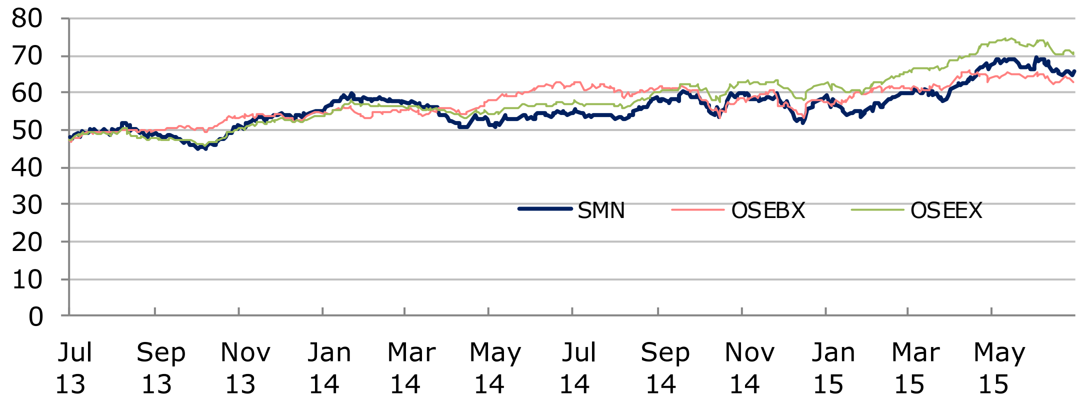
1.4. Equity capital certificate (MING)

The key figures are corrected for issues.
30 June 2015 the price of the Bank's ECC was NOK 65.50 (NOK 54.25). Earnings per ECC were NOK 4.31 (NOK 4.77). Book value per ECC was NOK 64.18 (NOK 58.32) as of end second quarter 2015.

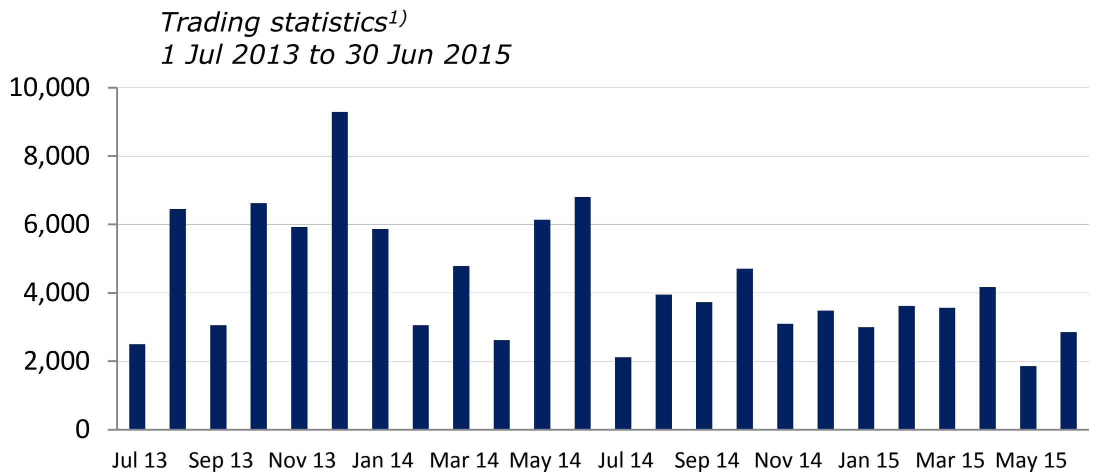
Key figures

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
ECC price	65.50	59.50	58.50	59.25	54.25	65.50	54.25	58.50	55.00
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)	64.18	61.95	62.04	60.53	58.32	64.18	58.32	62.04	55.69
Adjusted profit per ECC	2.13	2.18	1.85	2.19	2.29	4.31	4.77	8.82	6.92
P/E per ECC	7.70	6.81	7.89	6.75	5.91	7.60	5.68	6.63	7.95
P/B equity capital	1.02	0.96	0.94	0.98	0.93	1.02	0.93	0.94	0.99

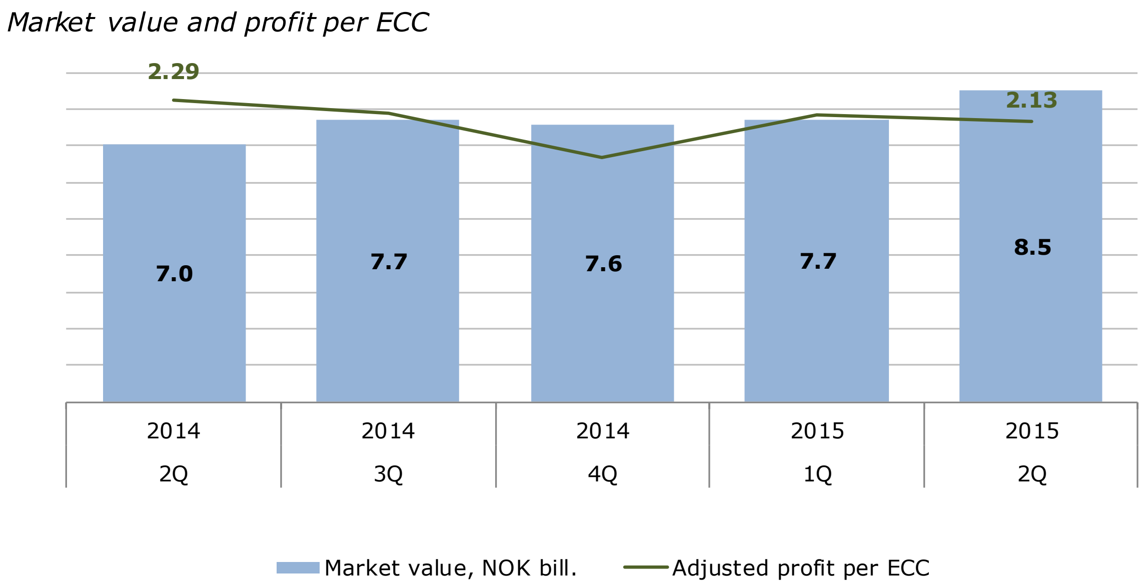
Stock price compared with OSEBX[1)] and OSEEX[2)]
1 Jul 2013 to 30 Jun 2015



1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)
2) *OSEEX = Oslo Stock Exchange ECC Index (rebased)*



Trading statistics1)
1 Jul 2013 to 30 Jun 2015
10,000
8,000
6,000
4,000
2,000
0
Jul 13
Sep 13
Nov 13
Jan 14
Mar 14
May 14
Jul 14
Sep 14
Nov 14
Jan 15
Mar 15
May 15



Market value and profit per ECC
2.29
2.13
7.0
7.7
7.6
7.7
8.5
2014 2Q
2014 3Q
2014 4Q
2015 1Q
2015 2Q
Market value, NOK bill.
Adjusted profit per ECC

Equity certificates ratio (parent bank)

(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
ECC capital	2,597	2,597	2,597	2,597	2,597	2,597
Dividend equalisation reserve	3,122	3,122	3,122	2,496	2,496	2,496
Premium reserve	895	895	895	895	895	895
Unrealised gains reserve	90	90	90	126	126	126
A. The equity certificate owner's capital	**6,704**	**6,704**	**6,704**	**6,114**	**6,114**	**6,114**
Saving bank reserve	3,619	3,619	3,619	3,276	3,276	3,276
Unrealised gains reserve	49	49	49	69	69	69
B. The saving bank reserve	**3,668**	**3,668**	**3,668**	**3,345**	**3,345**	**3,345**
Provision for gifts	-	-	160	-	-	124
Recommended dividends	-	-	292	-	-	227
Equity ex. profit	**10,372**	**10,372**	**10,824**	**9,459**	**9,459**	**9,811**
Equity certificates ratio A/(A+B)	64.64%	64.64%	64.64%	64.64%	64.64%	64.64%
Equity certificates ratio for distribution	64.64%	64.64%	64.64%	64.64%	64.64%	64.64%

20 largest ECC holders

Owner	**Number**	**Ownership in %**
Verdipapirfondet DNB Norge (IV)	4,798,552	3.70%
Sparebankstiftelsen SMN	3,965,391	3.05%
VPF Nordea Norge Verdi	3,873,007	2.98%
VPF Odin Norge	3,718,725	2.86%
State Street Bank and Trust CO (nominee)	3,256,131	2.51%
VPF Odin Norden	2,848,326	2.19%
Vind LV AS	2,736,435	2.11%
Wimoh Invest AS	2,359,388	1.82%
The Bank of New York Mellon (nominee)	2,283,708	1.76%
VPF Danske Invest Norske Aksjer Inst. II	2,170,967	1.67%
MP Pensjon PK	1,992,160	1.53%
Pareto AS	1,821,202	1.40%
VPF Pareto Aksje Norge	1,750,890	1.35%
Forsvarets Personellservice	1,491,146	1.15%
JP Morgan Chase Bank (Nominee)	1,471,137	1.13%
DNB Livsforsikring AS	1,414,056	1.09%
VPF Nordea Kapital	1,383,148	1.07%
Verdipapirfondet DNB Norge Selektiv (III)	1,308,123	1.01%
Aksjefondet Handelsbanken Norge	1,300,000	1.00%
VPF Danske Invest Norske Aksjer Inst. I	1,207,123	0.93%
Total 20 largest shareholders	**47,149,615**	**36.31%**
Others	82,686,828	63.69%
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 accounts [Exceptions, see Note 1 – Accounting Principles in the Quarterly Report]. 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 2014.

2.1. Main figures**

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Net interest	467	467	485	463	430	934	843	1,790	1,616
Commission income and other income	413	377	371	361	394	790	780	1,512	1,463
Net return on financial investments	165	198	91	170	201	362	459	720	502
Total income	**1,044**	**1,042**	**947**	**993**	**1,026**	**2,086**	**2,081**	**4,021**	**3,580**
Total operating expenses	**496**	**454**	**479**	**425**	**443**	**950**	**884**	**1,789**	**1,721**
Result before losses	**548**	**588**	**467**	**568**	**583**	**1,137**	**1,197**	**2,232**	**1,859**
Loss on loans, guarantees etc.	35	22	34	24	15	56	32	89	101
Result before tax	**513**	**567**	**434**	**545**	**568**	**1,080**	**1,165**	**2,143**	**1,758**
Tax charge	83	126	60	101	103	209	202	362	388
Results investments held for sale, after tax	0	0	0	-1	-1	-1	0	0	30
Net profit	**430**	**441**	**375**	**443**	**464**	**871**	**963**	**1,782**	**1,400**

Balance sheet - condensed

Balance (in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
Total assets	130,888	123,687	126,047	117,194	118,758	115,360
Average total assets (quarterly)	127,288	124,867	121,620	117,976	115,184	113,668
Gross loans to customers *	124,519	122,933	120,435	116,479	114,819	112,283
Deposits from customers	66,186	60,589	60,680	58,092	59,402	55,927
Total equity capital	13,191	12,521	12,524	12,228	11,780	11,242

** 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

	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Return on equity	13.4 %	14.1 %	12.1 %	14.8 %	16.0 %	13.7 %	16.8 %	15.1 %	13.3 %
Common Equity Tier 1 ratio	12.7 %	12.3 %	11.2 %	11.5 %	11.4 %	12.7 %	11.4 %	11.2 %	11.1 %
Cost/income ratio group	47%	44%	51%	43%	43%	46%	42%	44%	48%
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	8.4 %	10.0 %	7.3 %	5.4 %	5.1 %	8.4 %	5.1 %	7.3 %	6.8 %
Growth in deposits last 12 months	11.4 %	10.9 %	8.5 %	8.5 %	8.5 %	11.4 %	8.5 %	8.5 %	7.3 %
Deposits-to-loan ratio	70%	66%	67%	67%	70%	70%	70%	67%	69%
Impairment losses ratio	0.11%	0.07%	0.11%	0.08%	0.05%	0.09%	0.06%	0.08%	0.09%
Non-performing commitm. as % of gross loans	0.23%	0.19%	0.22%	0.29%	0.29%	0.23%	0.29%	0.22%	0.34%
ECC price	65.50	59.50	58.50	59.25	54.25	65.50	54.25	58.50	55.00
Booked equity capital per ECC (incl. dividend)	64.18	61.95	62.04	60.53	58.32	64.18	58.32	62.04	55.69
Adjusted profit per ECC	2.13	2.18	1.85	2.19	2.29	4.31	4.77	8.82	6.92

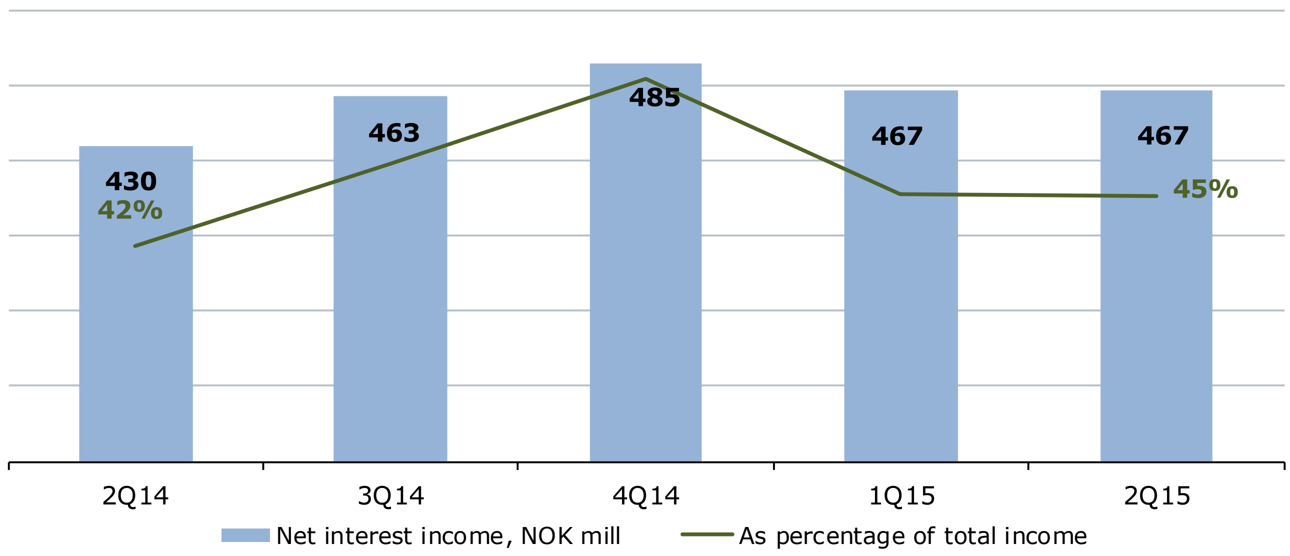
2.2. Net interest income*)

Net interest income

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Interest income	992	1,019	1,103	1,080	1,055	2,011	2,082	4,265	4,118
Interest expences	525	552	618	617	625	1,077	1,239	2,475	2,502
Net interest income	**467**	**467**	**485**	**463**	**430**	**934**	**843**	**1,790**	**1,616**
As percentage of total income	**45%**	**45%**	**51%**	**47%**	**42%**	**45%**	**40%**	**45%**	**45%**

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

Development in net interest income

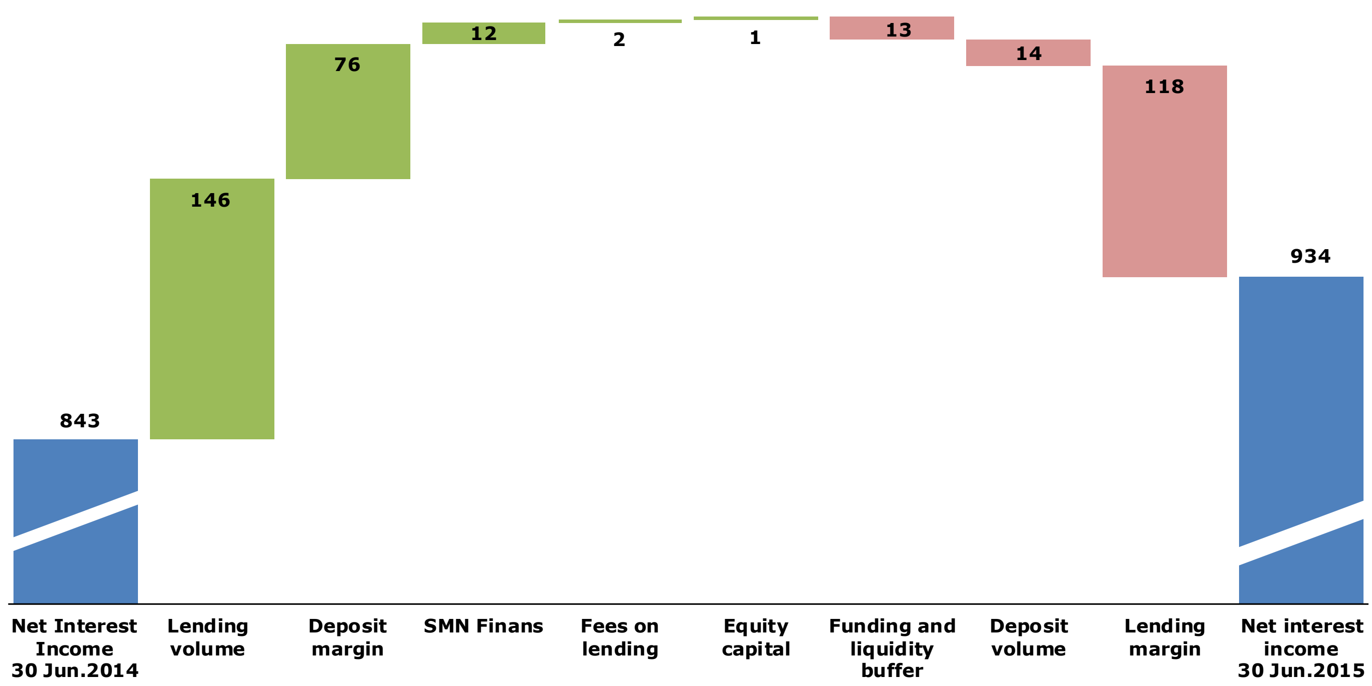


Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	146	-118	27
Deposits	-14	76	62
Total	**131**	**-42**	**89**

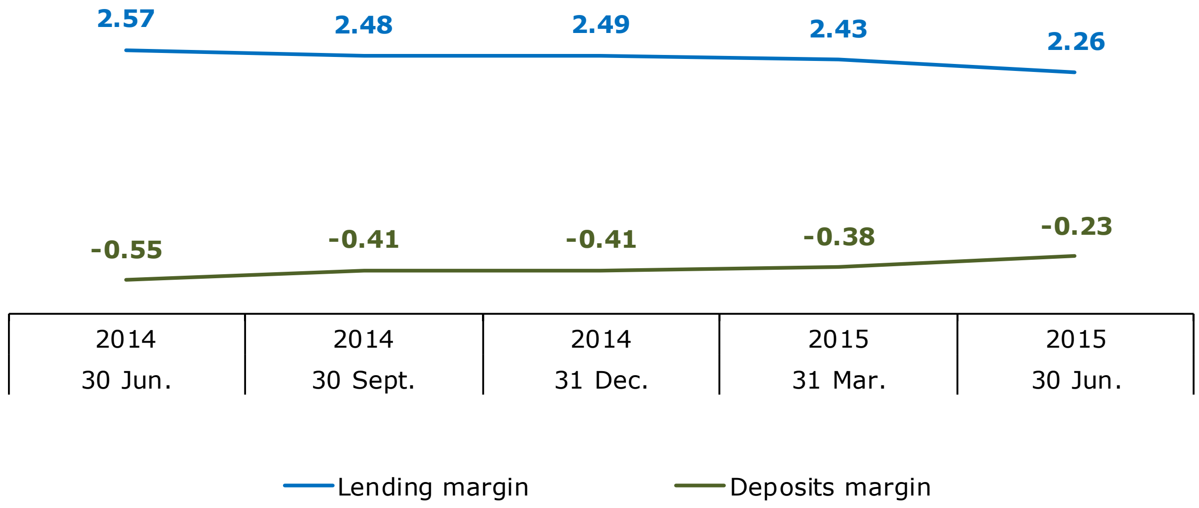
Changes in net interest income

(in NOK million)	2015	30 Jun. Change	2014
Net interest income	**934**	**91**	**843**
Equity capital		1	
Lending volume		146	
Fees on lending		2	
Deposit margin		76	
SMN Finans		12	
Deposit volume		-14	
Lending margin		-118	
Funding and liquidity buffer		-13	
Change		**91**	

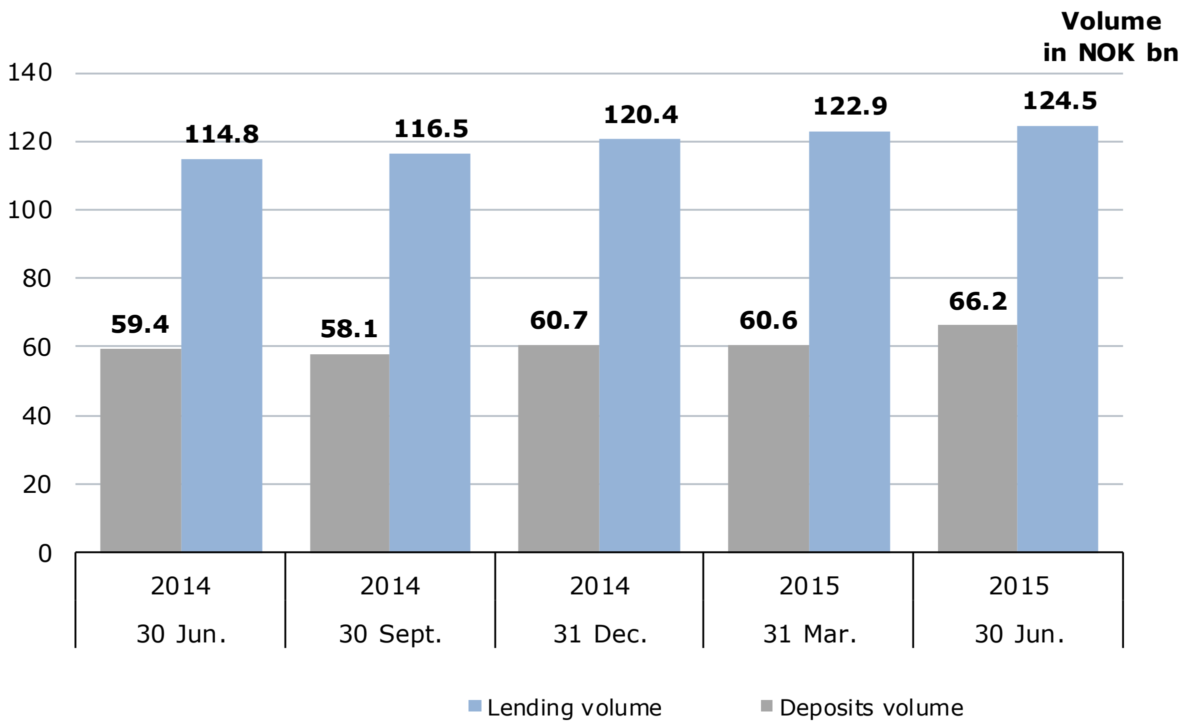


Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

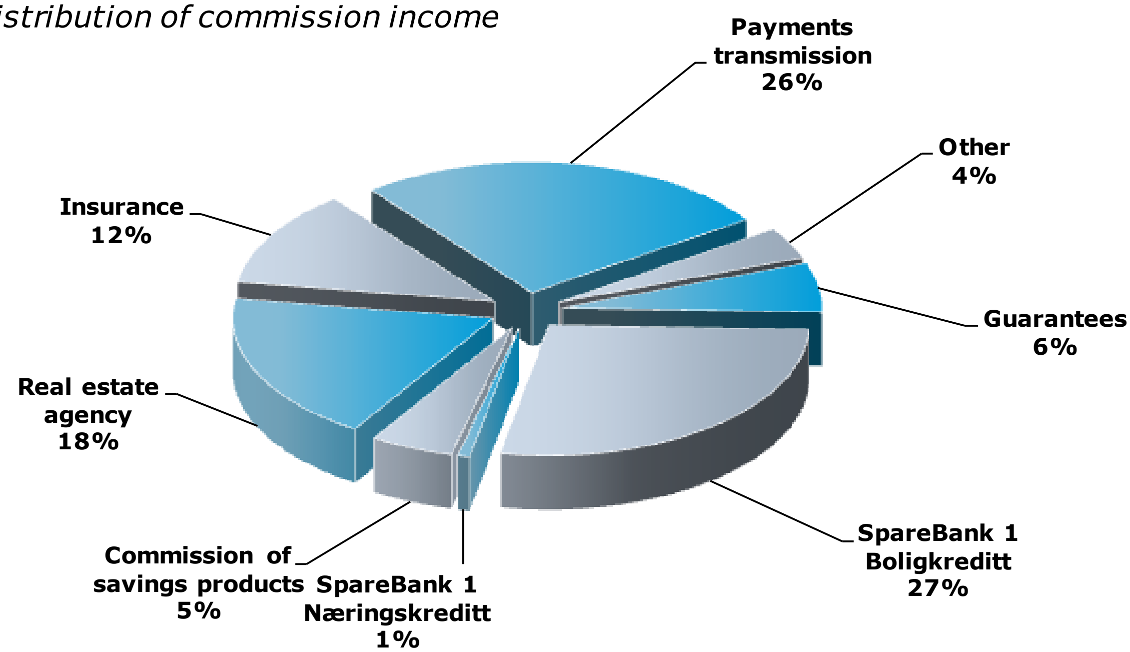


2.3. Commission income

Total commission and other income

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Guarantees	18	20	16	17	22	38	39	73	67
SpareBank 1 Boligkreditt	81	89	96	94	107	170	227	417	414
SpareBank 1 Næringskreditt	2	2	2	2	3	5	5	10	8
Commission of savings products	17	15	13	12	11	32	25	50	57
Real estate agency	60	55	57	58	60	114	108	223	224
Insurance	38	37	37	35	34	74	66	138	124
Payments transmission	82	80	91	85	79	161	152	328	300
Other	15	10	10	10	10	24	20	41	37
Total commissions income	**313**	**306**	**323**	**314**	**326**	**619**	**644**	**1,281**	**1,230**
Operating- and sales income real estate	33	26	17	23	22	59	43	82	88
Accounting services	57	53	37	34	54	110	99	171	122
Other operating income	43	18	27	17	19	61	47	91	118
Total other operating income	**132**	**97**	**81**	**74**	**96**	**230**	**189**	**344**	**327**
Commission expenses	32	27	33	28	28	59	53	113	94
Total commissions and other income	**413**	**377**	**371**	**361**	**394**	**790**	**780**	**1,512**	**1,463**
As percentage of total income	**40%**	**36%**	**39%**	**36%**	**38%**	**38%**	**37%**	**38%**	**41%**

Distribution of commission income



Change in commission and other income

(in NOK million)	2014	30 Jun. Change	2013
Total	**790**	**10**	**780**
Real estate agency		6	
Other operating income		14	
Operating- and sales income real estate		16	
Accounting services		11	
Insurance		9	
Commission of savings products		7	
Commission expenses		-6	
Other		4	
Payments transmission		9	
Guarantees		-1	
SpareBank 1 Boligkreditt		-57	
SpareBank 1 Næringskreditt		-1	

Net return on financial investments, incl results from investments held for sale

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Income from investment in related companies incl inv held for sale	**120**	**128**	**144**	**169**	**131**	**248**	**214**	**527**	**384**
of which SpareBank 1 Gruppen AS	68	59	99	109	105	128	150	358	210
BN Bank ASA	17	18	15	23	31	35	55	93	91
SpareBank 1 Boligkreditt AS	9	41	15	10	4	50	12	38	40
SpareBank 1 Næringskreditt AS	7	8	10	10	9	15	20	41	8
SpareBank 1 Markets		-2	-9	-5	-14	-2	-18	-32	-1
Sparebank 1 Kredittkort	6	4	2			10		2	
Comp. owned by Sparebank 1 SMN Invest	13	0	13	18	0	13	0	31	14
Other [1]	0	-1	0	3	-4	0	-6	-3	23
Capital gains/dividens, shares and ECCs [2]	**61**	**10**	**-15**	**2**	**58**	**70**	**214**	**202**	**114**
of which dividends	22	0	5	0	14	22	60	65	41
capital gains on shares	39	9	-20	2	44	48	154	137	64
capital gains on ECCs	0	0	0	0	0	0	0	0	9
Capital gains, bonds and derivatives	**-32**	**11**	**-48**	**-15**	**-2**	**-21**	**-3**	**-66**	**-40**
Net gain on trading and derivatives	**16**	**48**	**11**	**12**	**14**	**64**	**34**	**57**	**73**
Net return on financial investments	**165**	**197**	**92**	**168**	**201**	**362**	**459**	**720**	**531**
As percentage of total income	**16%**	**19%**	**10%**	**17%**	**20%**	**17%**	**22%**	**18%**	**15%**

1) These companies were essentially established to handle corporate exposures taken over from other entities.
2) 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)	2015	30 Jun. Change	2014
Total	**362**	**-97**	**459**
Capital gains from bonds and derivatives		-18	
Net gain on trading and derivatives		30	
Capital gains/dividends on shares and ECC's		-144	
Income from investment in related companies, incl inv held for sale		35	

2.4. Operating expenses

Operating expenses

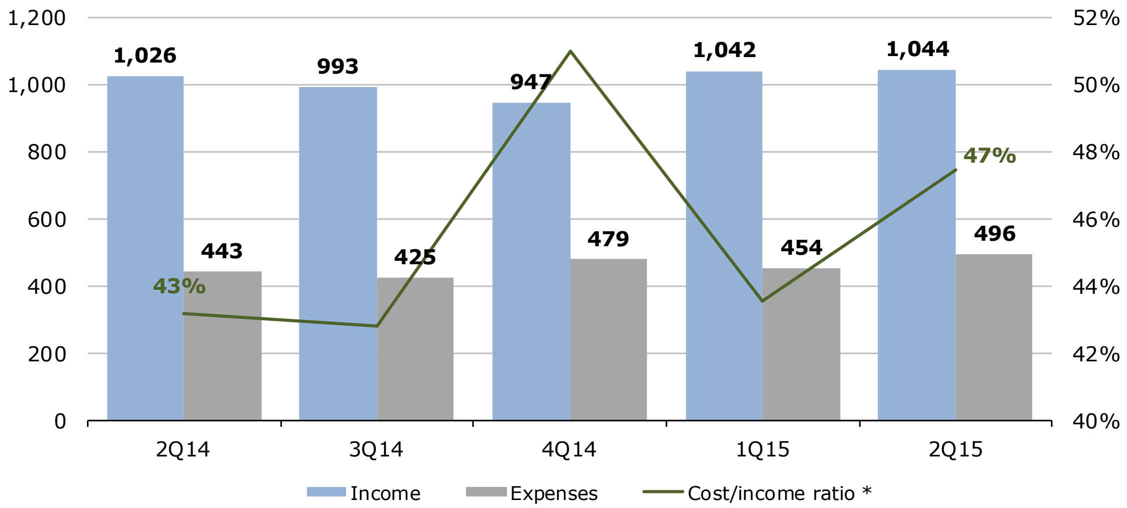
(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Salary	222	206	206	187	196	427	393	786	737
Pension costs (defined benefit plan)	19	17	20	14	12	36	27	61	45
Employer's insurance contributions	4	3	0	2	5	7	12	14	14
Other personnel expenses	38	42	42	32	32	80	68	141	128
Total personnel expenses	**283**	**267**	**267**	**235**	**245**	**550**	**500**	**1002**	**923**
EDP and telecommunication expenses	68	62	46	58	58	130	119	223	206
Postage and transportation services	5	6	6	6	6	11	13	25	29
Marketing	22	23	22	18	28	45	40	81	58
Operating exp. on properties and premises	26	23	24	23	23	50	45	93	118
Other external services	28	15	27	20	19	43	31	78	71
Other operating expenses	38	33	56	40	34	71	82	178	199
Depr./write-downs of fixed & intangible assets	25	25	29	25	29	51	55	109	118
Other expenses	**213**	**186**	**212**	**190**	**198**	**399**	**385**	**787**	**799**
Total operating expenses	**496**	**454**	**479**	**425**	**443**	**950**	**884**	**1,789**	**1,722**
Cost/income ratio	47%	44%	51%	43%	43%	46%	42%	44%	48%
Cost/income ratio ex financial inv.	56%	54%	56%	52%	54%	55%	55%	54%	56%
12-month cost growth*	11.9 %	2.8 %	3.9 %	4.2 %	4.0 %	7.4 %	4.0 %	3.9 %	4.1 %

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

Change in operating expenses

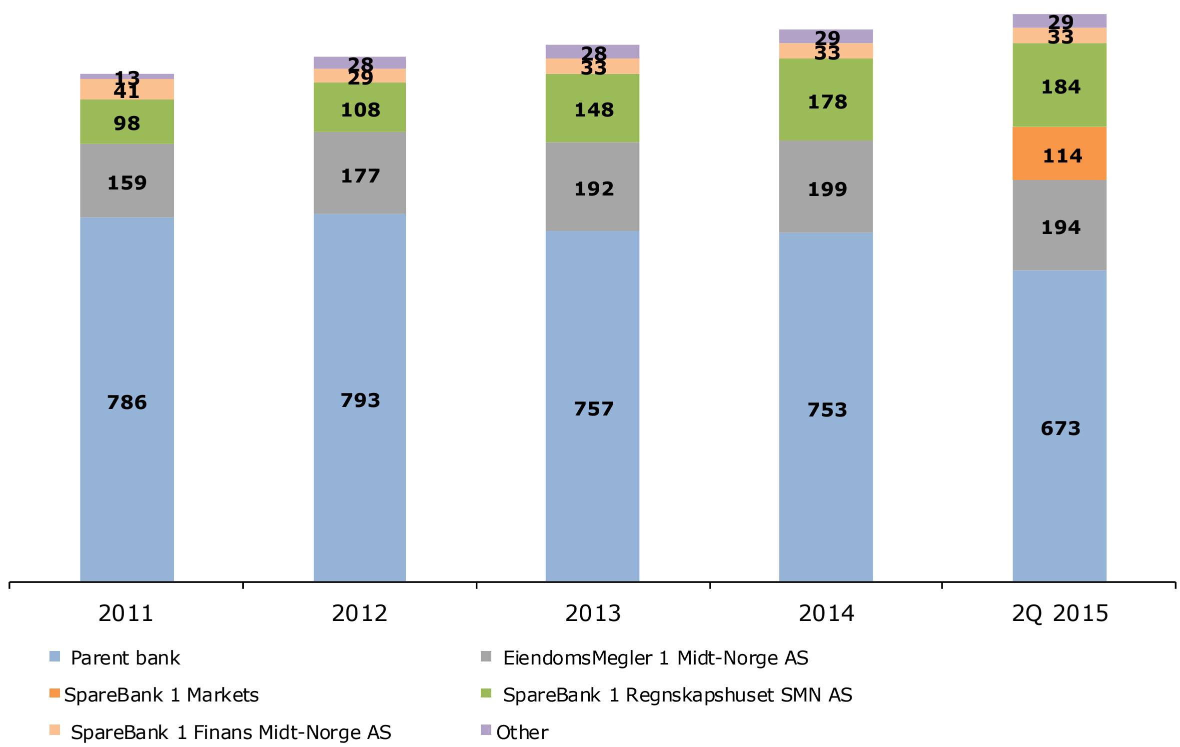
(in NOK million)	2015	30 Jun. Change	2014
Total	**950**	**65**	**884**
Total personnel expenses		51	
Depr./write-downs of fixed & intangible assets		- 4	
EDP and telecommunication expenses		11	
Other operating expenses		- 11	
Operating exp. on properties and premises		5	
Other external services		12	
Marketing		5	
Postage and transportation services		- 2	

Cost/income ratio



* *Total operating expences 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 are made in 2014. Figures for person-years worked in 2013 and 2014 in the parent bank are therefore not comparable with historical figures.

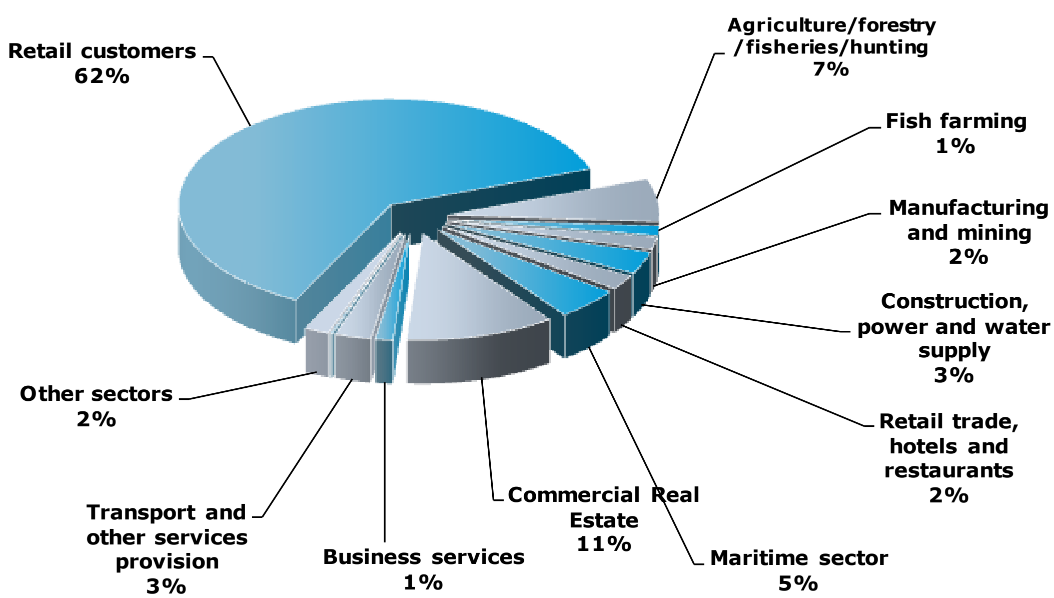
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

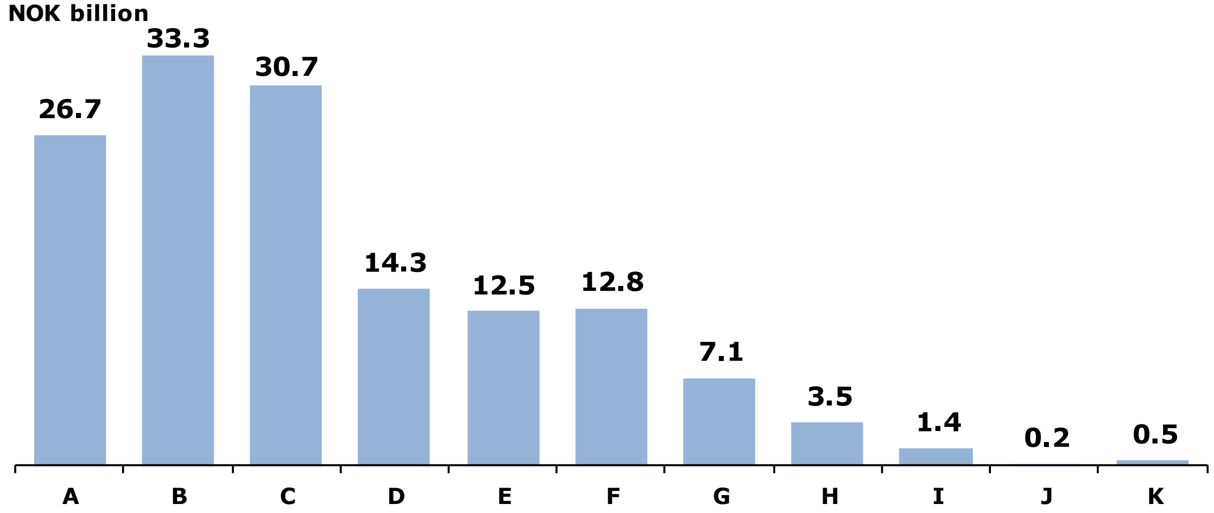
(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
Agriculture/forestry/fisheries/hunting	8,152	7,694	7,158	6,788	6,576	6,380
Fish farming	1,798	1,322	1,367	1,387	1,499	2,468
Manufacturing and mining	2,333	2,190	2,330	2,315	2,063	2,152
Construction, power and water supply	4,247	4,048	3,717	3,251	3,209	3,217
Retail trade, hotels and restaurants	2,856	2,937	2,671	2,867	2,478	2,447
Maritime sector	6,024	6,017	5,638	4,778	4,962	5,403
Commercial Real Estate	14,167	14,375	14,075	12,769	12,623	12,152
Business services	1,681	3,594	3,681	3,581	4,015	3,878
Transport and other services provision	3,408	3,344	3,141	3,038	2,743	2,750
Public administration	208	286	300	273	222	424
Other sectors	2,342	1,969	2,270	2,877	3,105	2,421
Gross loans in corporate market	**47,215**	**47,776**	**46,348**	**43,923**	**43,494**	**43,692**
Retail customers	**77,304**	**75,157**	**74,087**	**72,556**	**71,325**	**68,591**
Gross loans incl. Boligkr. and Næringskr.	**124,519**	**122,933**	**120,435**	**116,479**	**114,819**	**112,283**
- Adv. of this Boligkreditt	28,965	29,165	28,393	28,518	28,128	30,514
- Adv. of this Næringskreditt	1,375	1,457	1,463	1,222	1,227	1,221
Gross loans in balance sheet	**94,179**	**92,311**	**90,578**	**86,739**	**85,465**	**80,548**
Share of loans, corporate market	**38%**	**39%**	**38%**	**38%**	**38%**	**39%**
Share of loans, retail market	**62%**	**61%**	**62%**	**62%**	**62%**	**61%**

Distribution of loans by industry

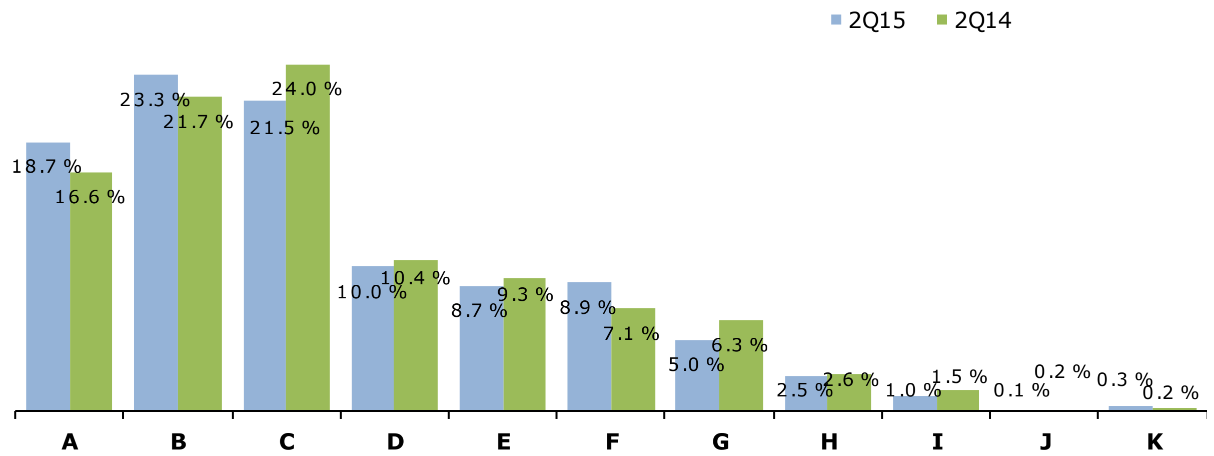


3.2. Risk profile and write-downs

Actual risk profile, Exposure At Default



Actual risk profile, Exposure At Default
Per cent



Risk classification in SpareBank 1 SMN

Risk class	PD* in percent Low	High	Corresponding ratingclass at Moody's
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

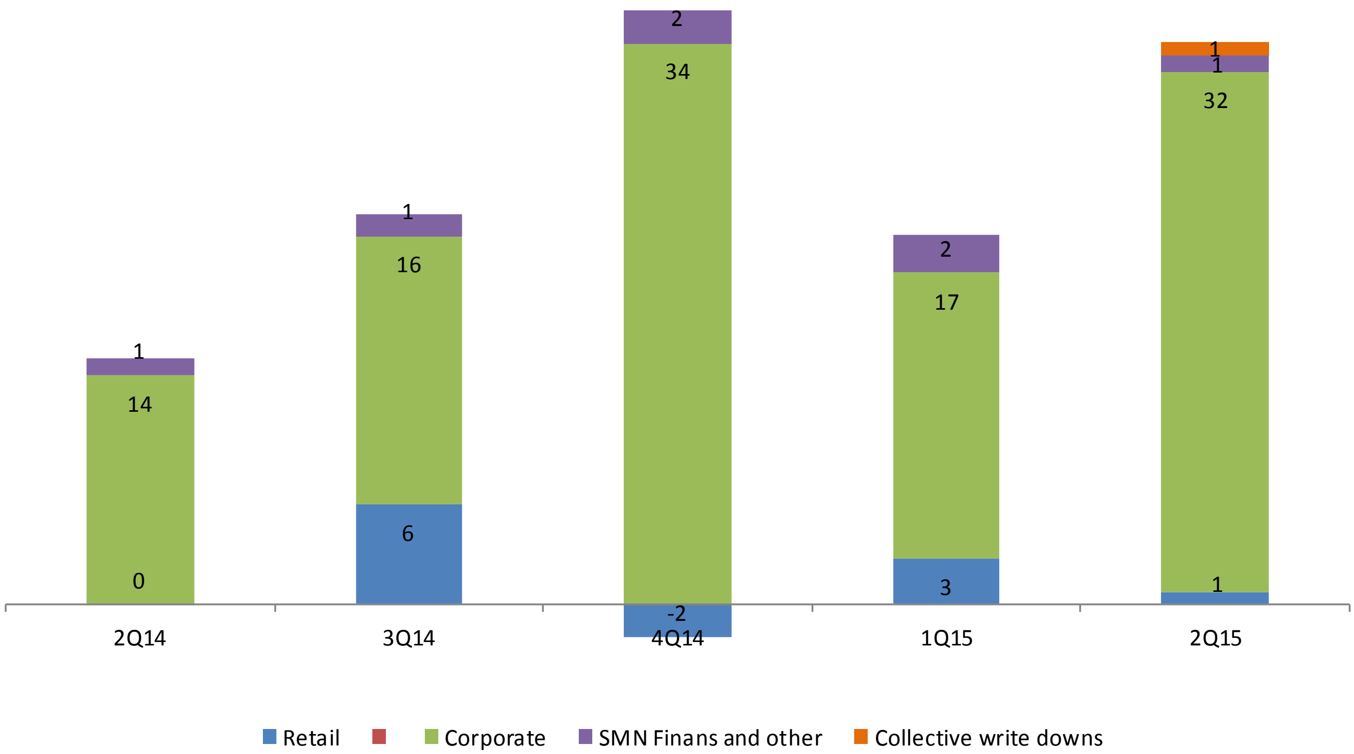
(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Increase in and new individual write-downs	9	-13	-10	6	3	-4	3	-1	29
Reassessments and recoveries	-24	-35	-44	-18	-12	-60	-29	-90	-71
Total individual write-downs	33	22	34	24	15	56	32	89	101
Change in group write-downs on loans	1	0	0	0	0	1	0	0	0
Write-downs on loans and guarantees	**34**	**22**	**34**	**24**	**15**	**56**	**32**	**89**	**101**
As % of gross loans incl. Boligkreditt	0.11%	0.07%	0.11%	0.08%	0.05%	0.09%	0.06%	0.08%	0.09%

Loss on loans by segment

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	1	3	-2	6	0	3	1	6	6
SME *									5
Corporate	32	17	34	16	14	49	28	77	71
SMN Finans and other	1	2	2	1	1	3	3	6	19
Collective write downs	1	0	0	0	0	1	0	0	0
Total loss on loans	**34**	**22**	**34**	**24**	**15**	**56**	**32**	**89**	**101**

* As from 1 January 2014 the bank's SME portfolio is split up and assigned to Retail Banking and Corporate Banking respectively

Loss on loans by segment



Individual and collective write-downs

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Individual write-downs to cover loss on loans, guarantees at start of period	160	172	182	176	173	172	173	173	144
Write downs of loans previously subject to individual write down	0	4	-5	-3	7	4	10	2	15
Reversal of previous years' write downs	-14	-3	1	-5	-16	-17	-18	-22	-18
Increase in write downs of commitments not previously subject to individual write down	46	20	25	25	19	65	35	84	72
Confirmed losses in the period on loans, guaran-tees etc., prev. subject to ind. write down	-24	-33	-32	-10	-7	-57	-23	-66	-40
Individual write downs to cover loss	168	160	172	182	176	168	176	172	173
Collective write downs to cover loss on loans, guarantees at start of period	295	295	295	295	295	295	295	295	295
Period's collective write down to cover loss on loans, guarantees etc.	1	0	0	0	0	1	0	0	0
Collective write downs to cover loss on loans, guarantees	296	295	295	295	295	296	295	295	295

Loans and guarantees by industry

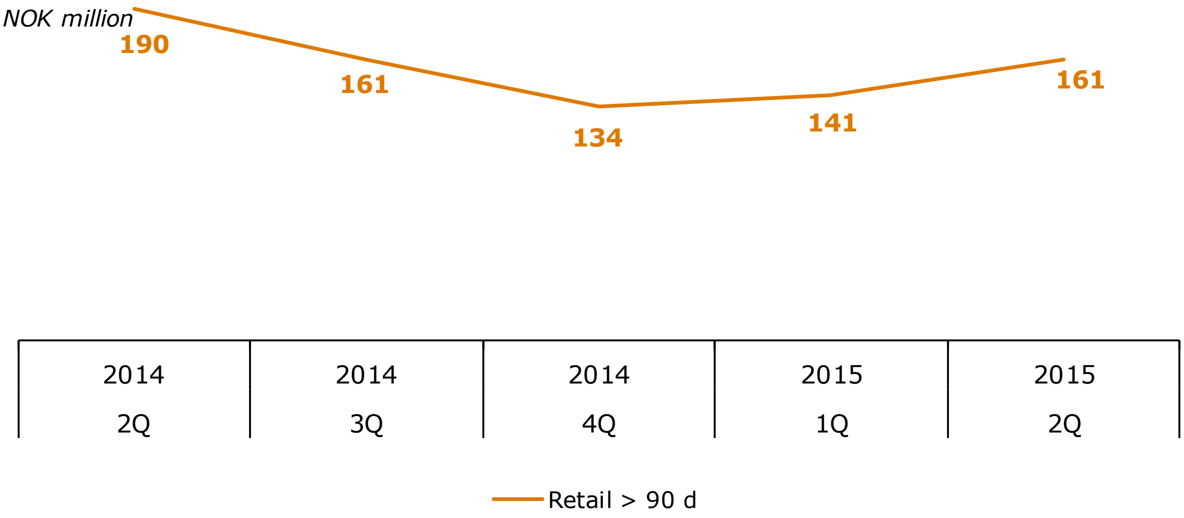
	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	82,193	66,274	10,385	3,701	770	841	222
Public administration	1,016	1,016	-	-	-	-	-
Agriculture and forestry	8,806	4,148	2,169	2,043	271	146	30
Sea farming industries	2,371	766	1,288	317	0	0	-
Manufacturing	3,646	758	1,260	1,502	76	43	6
Construction, power and water supply	5,376	1,006	1,015	2,573	677	41	64
Retail trade, hotels and restaurants	3,621	444	1,031	1,856	177	71	43
Maritime sector	809	64	401	197	97	50	-
Property management	15,415	5,788	4,586	3,896	888	175	81
Business services	3,490	784	1,211	1,263	190	36	5
Transport and other services provision	11,062	5,315	2,848	2,498	165	39	197
Finance	-	-	-	-	-	-	-
Other sectors	5,118	4,315	576	30	198	-	-
2Q15	142,921	90,677	26,770	19,875	3,509	1,443	648
2014	134,884	81,769	28,051	18,857	4,165	1,574	469
2013	126,767	77,571	26,590	16,001	3,976	2,108	521

Write-down ratio

(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
Non-performing commitments (gross)	287	237	270	338	334	386
Impaired commitments (gross)	368	226	216	206	206	157
Gross non-performing and impaired commitments	655	463	486	544	540	543
Individual write-downs	168	160	172	182	176	173
Collective write-downs	296	295	295	295	295	295
Write-down ratio (%)	70.7 %	98.2 %	96.0 %	87.6 %	87.2 %	86.0 %

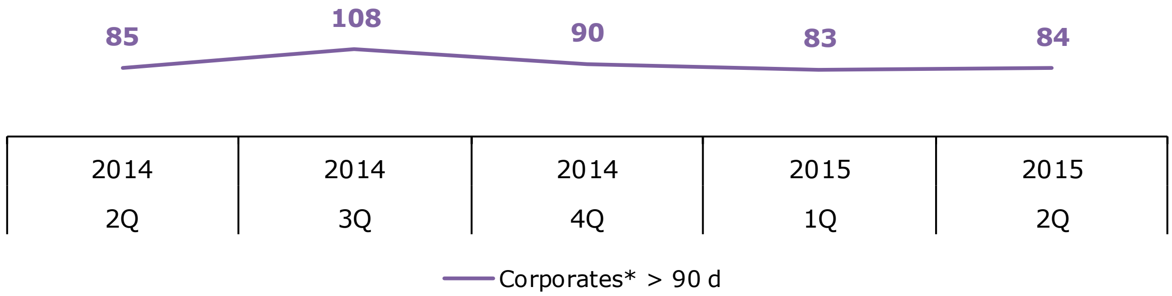
Default in excess of 90 days

NOK million



Default in excess of 90 days

NOK million



4. Capital adequacy

The Ministry of Finance adopted on 22 August 2014 amendments to regulations on capital requirements taking effect on 30 September 2014. The amendments bring Norwegian legislation into line with the EU's new capital requirements framework (CRR/CRD IV). This framework is for the present not incorporated into the EEA agreement, although its most important provisions have been incorporated in the Financial Institutions Act and the Securities Trading Act. The adjusted legislation entered into force on 1 July 2013, and requires a gradual increase in minimum requirements on Common Equity Tier 1 (CET1) capital in the period to 1 July 2016.

As of 30 June 2015 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3 per cent and countercyclical buffer is 1 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 per cent. The countercyclical buffer is announced to increase to 1.5 per cent with effect from 30 June 2016.

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.

SpareBank 1 SMN has reviewed the intention for the bond portfolios and on that basis reclassified certain portfolios from trading to banking in the first quarter of 2015. This is reflected in reduced debt risk and increased credit risk under the standardised approach.

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 subject to a stepwise reduction of 30 per cent in 2015 and 10 per cent thereafter. As at 30 June 2015 SpareBank 1 SMN held hybrid capital worth NOK 450m 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.

Capital adequacy figures are stated in accordance with the new reporting requirements as from 30 September2014. Comparatives have not been restated.

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

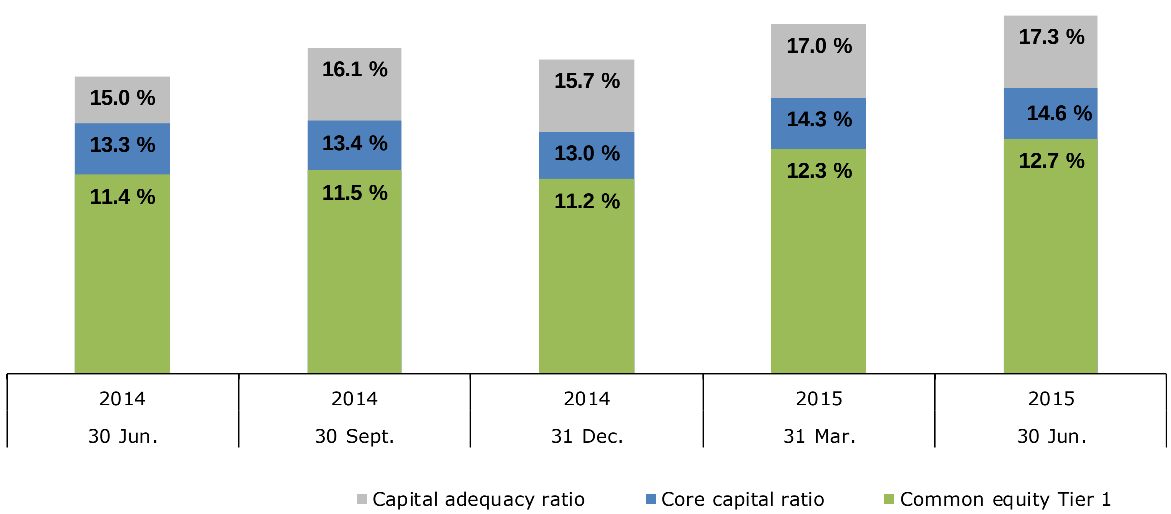
Capital Adequacy

(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
Equity capital certificates	2,597	2,597	2,597	2,597	2,597	2,597
- Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,122	3,122	3,122	2,496	2,496	2,496
Savings bank's reserve	3,619	3,619	3,619	3,276	3,276	3,276
Recommended dividends	0	0	292	0	0	227
Provision for gifts	0	0	160	0	0	124
Unrealised gains reserve	148	148	148	206	206	206
Other equity and minority interest	1,639	1,622	1,620	1,282	1,281	1,354
Minority interests	301	78	72	69	66	67
Net profit	871	441	0	1,407	963	0
Total book equity	**13,191**	**12,521**	**12,524**	**12,228**	**11,780**	**11,242**
Deferred taxes, goodwill and other intangible assets	-664	-569	-566	-565	-620	-582
Part of reserve for unrealised gains, associated companies	120	120	120	131	98	98
Deduction for allocated dividends and gifts	0	0	-452	0	0	-361
50 % deduction for subordinated capital in other financial institutions					-101	-106
50 % deduction for expected losses on IRB, net of write-downs					-246	-214
50 % capital adequacy reserve					-685	-595
Minority interests recognised in other equity capital	-301	-78	-72	-69		
Minority interests eligible for inclusion in CET1 capital	47	36	35	34		
Surplus financing of pension obligations	0	0	0	-21	-21	-107
Net profit	-871	-441	0	-1,407	-963	0
Year-to-date profit included in core capital (73 per cent pre tax of group profit)	636	322	0	1,027	703	0
Value adjustments due to requirements for prudent valuation	-43	-44	-45	-36		
Positive value of adjusted expected loss under IRB Approach	-318	-381	-419	-367		
Direct, indirect and synthetic investments in financial sector companies	-355	-477	-451	-349		
Total common equity Tier one	**11,443**	**11,008**	**10,674**	**10,605**	**9,945**	**9,374**
Hybrid capital, core capital	1,217	1,217	1,716	1,707	1,690	1,615
Hybrid capital covered by transitional provisions	491	497				
Direct, indirect and synthetic investments in financial sector companies	-9	-9	-9	-9		
Total core capital	**13,142**	**12,713**	**12,382**	**12,302**	**11,635**	**10,989**
Supplementary capital in excess of core capital						
Fund bonds, hybrid capital in excess of 15 %	0	0	0	0	0	31
Subordinated capital	1,692	1,692	2,598	2,566	2,561	2,313
Subordinated capital covered by transitional provisions	786	786				
50 % deduction for subordinated capital in other financial institutions	0	0			-101	-106
50 % deduction for expected losses on IRB, net of write-downs	0	0			-246	-214
50 % capital adequacy reserve	0	0			-685	-595
Direct, indirect and synthetic investments in financial sector companies	-43	-43	-43	-43		
Total supplementary capital	**2,435**	**2,435**	**2,555**	**2,523**	**1,529**	**1,428**
Net subordinated capital	**15,577**	**15,147**	**14,937**	**14,826**	**13,164**	**12,417**

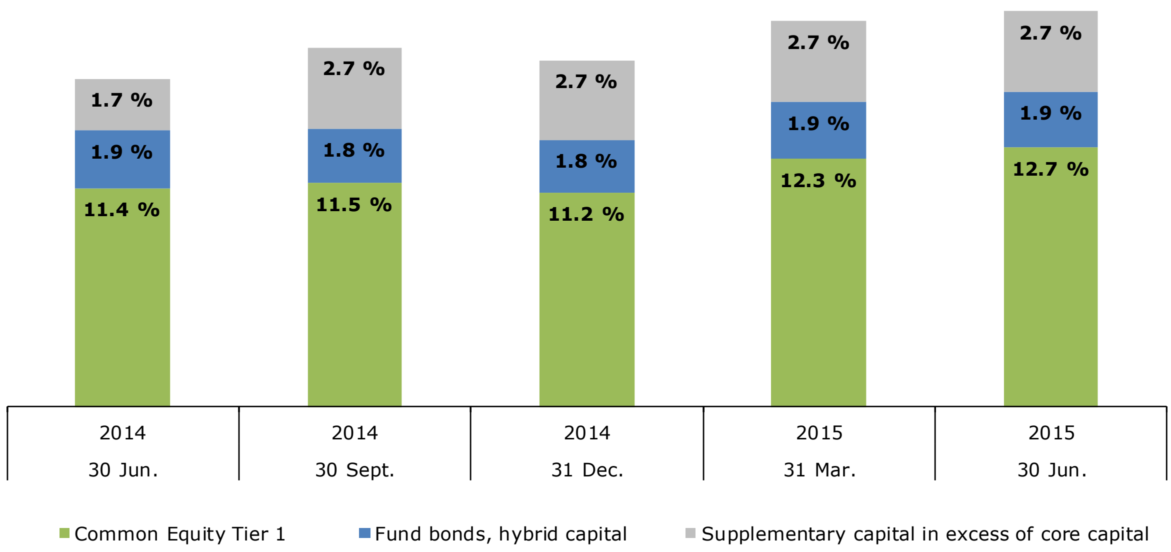
Minimum requirements subordinated capital

(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
Involvement with spesialised enterprises	1,391	1,506	1,887	1,732	1,863	1,573
Other corporations exposure	965	1,038	1,371	1,375	1,472	1,479
Mass market exposure, SMBs	185	149	159	147	146	74
Mass market exposure, property	1,514	1,447	1,280	1,233	1,170	628
Other retail exposure	13	54	51	42	43	33
Equity investments, IRB	0	0	0	0	27	0
Total credit risk IRB	**4,068**	**4,194**	**4,748**	**4,529**	**4,722**	**3,787**
Debt risk	202	200	397	440	308	224
Equity risk	8	2	1	2	1	10
Currency risk	0	0	0	0	0	0
Operational risk	452	452	416	416	416	398
Exposures calculated using the standardised approach	1,926	2,025	1,971	1,860	1,682	2,151
Deductions	0	0	0	0	-130	-119
CVA	71	97	92	116		
Transitional arrangements	471	163	0	0	0	316
Minimum requirements subordinated capital	**7,198**	**7,134**	**7,625**	**7,364**	**6,998**	**6,767**
Risk Weighted Assets (RWA)	**89,972**	**89,171**	**95,317**	**92,045**	**87,477**	**84,591**
Minimum requirement on CET1 capital, 4.5 per cent	4,049	4,013	**4,289**			
Capital conservation buffer, 2,5 per cent	2,249	2,229	**2,383**			
Systemic rick buffer, 3.0 per cent	2,699	2,675	**2,860**			
Countercyclical buffer, 1.0 per cent	900					
Available CET1 capital after buffer requirements	**1,546**	**2,091**	**1,143**			
Common equity Tier 1	12.7 %	12.3 %	11.2 %	11.5 %	11.4 %	11.1 %
Core capital ratio	14.6 %	14.3 %	13.0 %	13.4 %	13.3 %	13.0 %
Capital adequacy ratio	17.3 %	17.0 %	15.7 %	16.1 %	15.0 %	14.7 %

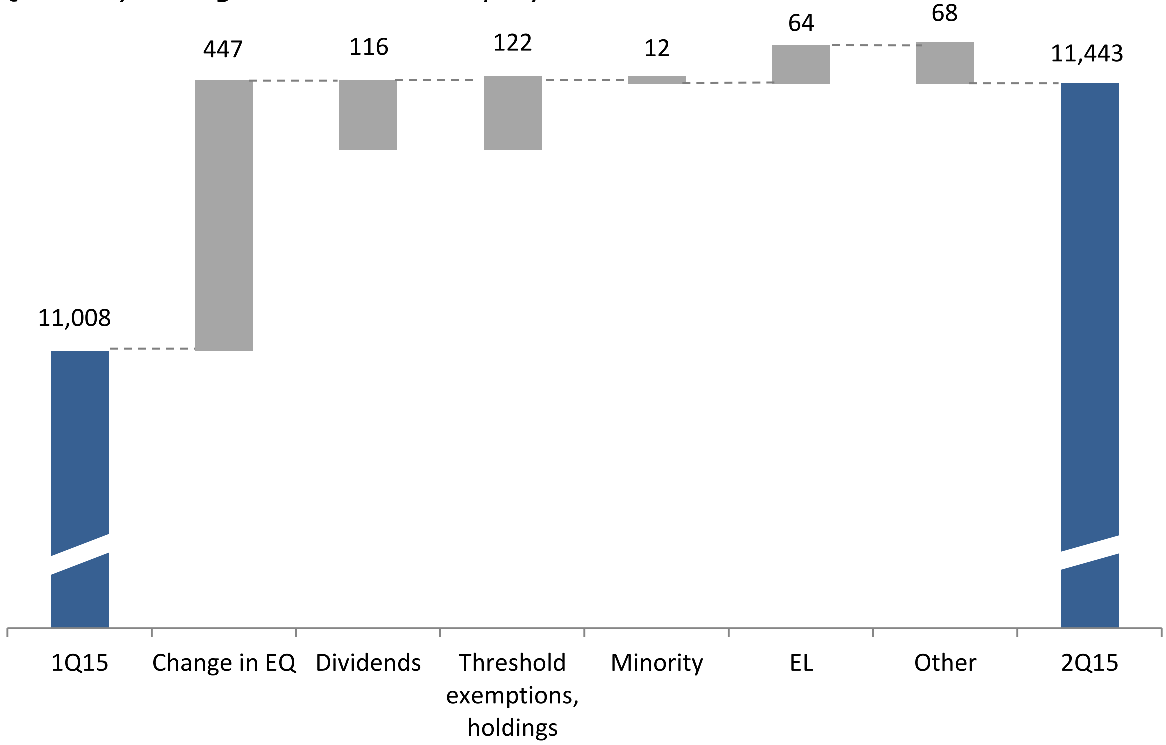
Capital Adequacy



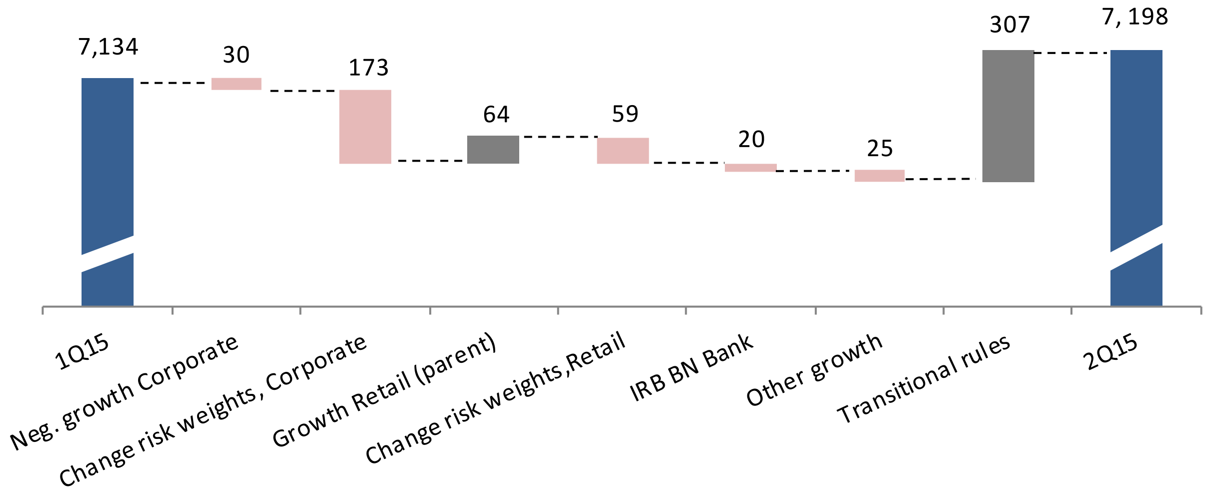
Capital Adequacy



Quarterly changes in Common equity Tier 1

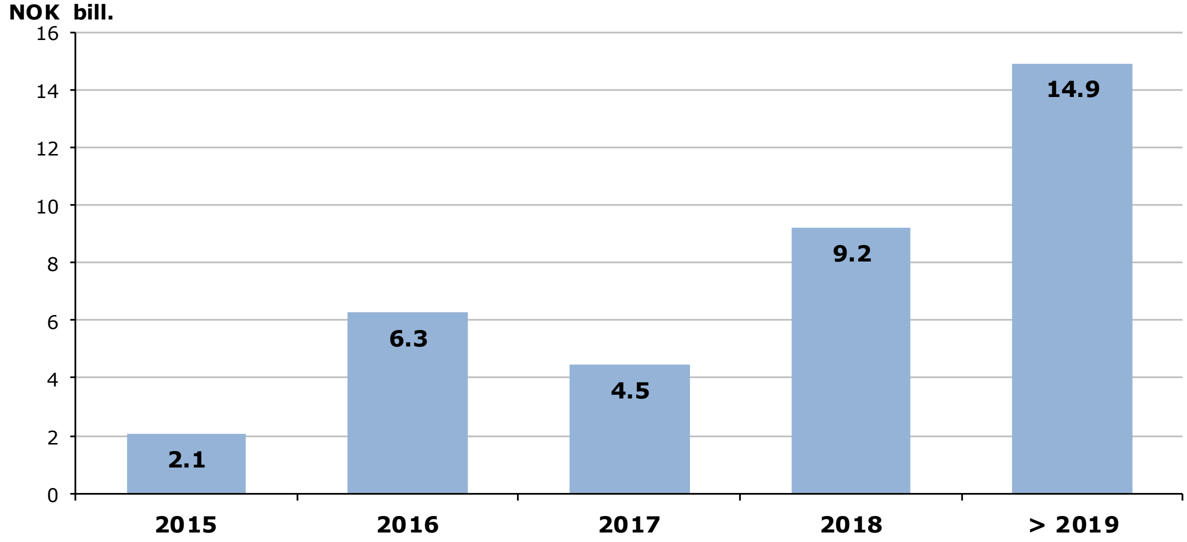


Quarterly changes in Minimum requirements subordinated capital

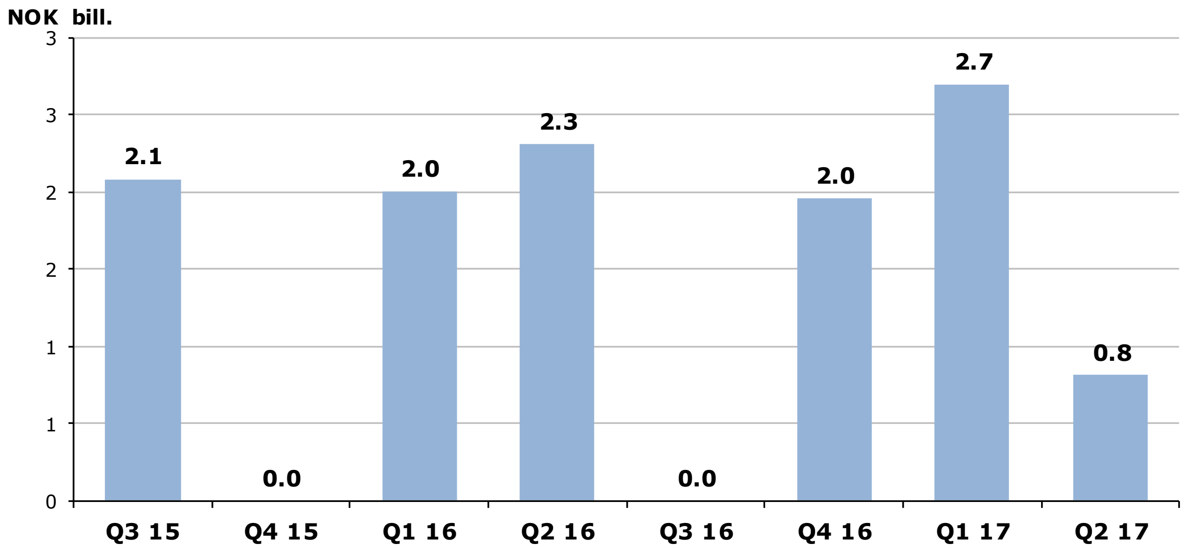


5. Funding

Funding maturity dates

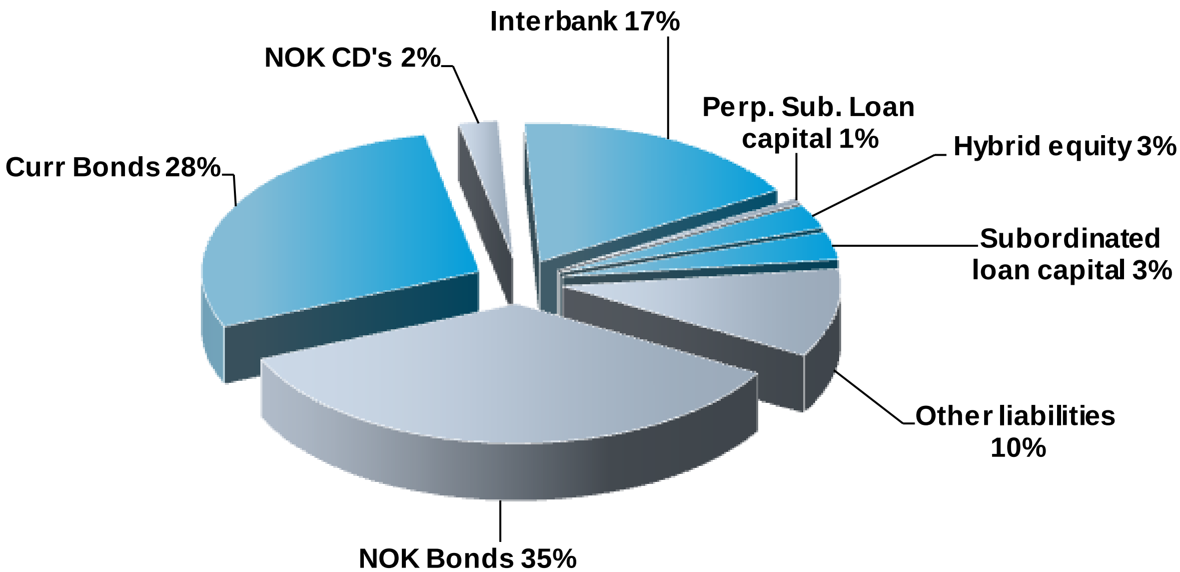


Funding maturity dates over the next eight quarters



Capital markets funding

(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
NOK Bonds	17,745	16,588	18,263	18,180	18,753	18,953
Curr Bonds	14,286	12,873	13,611	12,181	12,403	11,451
NOK CD's	1,155	2,305	820	300	775	2,750
Interbank	8,684	7,595	7,572	5,639	6,777	5,159
Gov. Swap arrangement	-	-	-	-	-	1,220
Perp. Sub. Loan capital	299	1,746	307	304	306	304
Hybrid equity	1,441	1,447	1,449	1,440	1,400	1,431
Subordinated loan capital	1,641	1,659	1,607	1,576	1,600	1,569
Other liabilities	5,199	6,716	7,512	7,236	7,754	5,830
Total	**50,449**	**50,929**	**51,141**	**46,856**	**49,769**	**48,667**



6. Financial results

Financial results

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Interest income	992	1,019	1,103	1,080	1,055	2,011	2,082	4,265	4,118
Interest expenses	525	552	618	617	625	1,077	1,239	2,475	2,502
Net interest	**467**	**467**	**485**	**463**	**430**	**934**	**843**	**1,790**	**1,616**
Commission income	313	306	323	314	326	619	644	1,281	1,230
Commission expenses	32	27	33	28	28	59	53	113	94
Other operating income	132	97	81	74	96	230	189	344	327
Commission income and other income	**413**	**377**	**371**	**361**	**394**	**790**	**780**	**1,512**	**1,463**
Dividends	22	0	5	0	14	22	60	65	41
Income from investment in related companies	120	129	144	170	131	248	214	527	355
Net return on financial investments	23	69	-58	1	56	92	185	128	106
Net return on financial investments	**165**	**198**	**91**	**170**	**201**	**362**	**459**	**720**	**502**
Total income	**1,044**	**1,042**	**947**	**993**	**1,026**	**2,086**	**2,081**	**4,021**	**3,580**
Staff costs	283	267	267	235	245	550	500	1,002	923
Administration costs	147	126	129	122	126	273	248	500	447
Other operating expenses	66	61	83	68	72	126	136	287	352
Total operating expenses	**496**	**454**	**479**	**425**	**443**	**950**	**884**	**1,789**	**1,722**
Result before losses	**548**	**588**	**467**	**568**	**583**	**1,137**	**1,197**	**2,232**	**1,859**
Loss on loans, guarantees etc.	35	22	34	24	15	56	32	89	101
Result before tax	**513**	**567**	**434**	**545**	**568**	**1,080**	**1,165**	**2,143**	**1,758**
Tax charge	83	126	60	101	103	209	202	362	388
Results investments held for sale, after tax	0	0	0	-1	-1	-1	0	0	30
Net profit	**430**	**441**	**375**	**443**	**464**	**871**	**963**	**1,782**	**1,400**
Majority share	427	439	372	441	461	866	959	1,772	1,390
Minority interest	3	2	2	3	3	5	5	10	10

Balance sheet

(in NOK million)	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	30 Jun. 2014	31 Dec. 2013
Cash and receivables from central banks	3,895	568	4,676	757	2,940	4,795
Deposits with and loans to credit institutions	2,520	1,952	1,289	1,144	1,090	1,189
Gross loans to customers before write-down	94,179	92,311	90,578	86,739	85,465	80,548
- Specified write-downs	-168	-160	-172	-182	-176	-173
- Write-downs by loan category	-296	-295	-295	-295	-295	-295
Net loans to and receivables from customers	93,715	91,855	90,112	86,262	84,993	80,080
Fixed-income CDs and bonds at fair value	15,082	13,954	14,177	15,393	15,799	16,937
Derivatives	5,851	7,340	7,877	5,052	5,184	3,780
Shares, units and other equity interests	1,346	700	708	680	1,124	1,016
Investment in related companies	5,024	5,185	5,129	5,008	4,783	4,624
Investments held for sale	15	16	45	61	62	113
Goodwill	529	529	526	522	522	495
Other assets	2,912	1,587	1,509	2,316	2,261	2,329
Assets	**130,888**	**123,687**	**126,047**	**117,194**	**118,758**	**115,360**
Deposits from credit institutions	8,684	7,598	9,123	5,827	6,970	6,581
Deposits from and debt to customers	66,186	60,589	60,680	58,092	59,402	55,927
Debt created by issue of securities	33,146	31,971	33,001	30,721	31,923	34,086
Derivatives	4,610	6,096	6,252	4,385	4,126	2,720
Other liabilities	1,690	1,495	1,095	2,616	1,203	1,485
Investments held for sale	0	0	0	0	0	0
Subordinated loan capital	3,380	3,415	3,371	3,325	3,353	3,319
Total liabilities	**117,697**	**111,165**	**113,523**	**104,966**	**106,978**	**104,118**
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597
Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,122	3,122	3,122	2,496	2,496	2,496
Recommended dividends	0	0	292	0	0	227
Provision for gifts	0	0	160	0	0	124
Savings bank’s reserve	3,619	3,619	3,619	3,276	3,276	3,276
Unrealised gains reserve	148	148	148	206	206	206
Other equity capital	1,639	1,622	1,620	1,282	1,280	1,354
Result of the period	871	441	0	1,407	963	0
Minority interests	301	78	72	69	66	67
Total equity capital	**13,191**	**12,521**	**12,524**	**12,228**	**11,780**	**11,242**
Total liabilities and equity	**130,888**	**123,687**	**126,047**	**117,194**	**118,758**	**115,360**

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.

Key figures

	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Return on equity	13.4 %	14.1 %	12.1 %	14.8 %	16.0 %	13.7 %	16.8 %	15.1 %	13.3 %
Cost/income ratio group	47%	44%	51%	43%	43%	46%	42%	44%	48%
Cost/income ratio group, ex. financial inv.	56%	54%	56%	52%	54%	55%	55%	54%	56%
12-month cost growth	11.9 %	2.8 %	3.0 %	4.7 %	1.8 %	7.4 %	4.0 %	3.9 %	4.1 %
Gross loans to customers*	124,519	122,933	120,435	116,479	114,819	124,519	114,819	120,435	112,283
Growth in loans last 12 months*	8.4 %	10.0 %	7.3 %	5.4 %	5.1 %	8.4 %	5.1 %	7.3 %	6.8 %
Growth in loans this period*	1.3 %	2.1 %	3.4 %	1.4 %	2.7 %	3.4 %	2.3 %	7.3 %	6.8 %
Deposits from customers	66,186	60,589	60,680	58,092	59,402	66,186	59,402	60,680	55,927
Growth in deposits last 12 months	11.4 %	10.9 %	8.5 %	8.5 %	8.5 %	11.4 %	8.5 %	8.5 %	7.3 %
Growth in deposits this period	9.2 %	-0.2 %	4.5 %	-2.2 %	8.7 %	9.1 %	6.2 %	8.5 %	7.3 %
Ordinary lending financed by ordinary deposits	70%	66%	67%	67%	70%	70%	70%	67%	69%
Total assets	130,888	123,687	126,047	117,194	118,758	130,888	118,758	126,047	115,360
Average total assets (quarterly)	127,288	124,867	121,620	117,976	115,184	126,874	115,243	117,794	111,843
Employees in employment group	1,227	1,157	1,192	1,186	1,167	1,227	1,167	1,192	1,159
Employees in employment parent bank	673	716	753	773	761	673	761	753	757
Employees in employment subsidiares	554	441	439	413	405	554	405	439	402
Number of branches	49	49	49	49	49	49	49	49	50
Lending margin	2.26	2.43	2.49	2.48	2.57	2.35	2.62	2.56	2.58
Deposit margin	(0.23)	(0.38)	(0.41)	(0.41)	(0.55)	(0.30)	(0.57)	(0.49)	(0.51)
Net other operating income of total income	40%	36%	36%	36%	38%	38%	37%	38%	41%
Common Equity Tier 1 ratio	12.7 %	12.3 %	11.2 %	11.5 %	11.4 %	12.7 %	11.4 %	11.2 %	11.1 %
Core capital ratio	14.6 %	14.3 %	13.0 %	13.4 %	13.3 %	14.6 %	13.3 %	13.0 %	13.0 %
Capital adequacy ratio	17.3 %	17.0 %	15.7 %	16.1 %	15.0 %	17.3 %	15.0 %	15.7 %	14.7 %
Total core capital	13,142	12,713	12,382	12,302	11,635	13,142	11,635	12,382	10,989
Net subordinated capital	15,577	15,147	14,937	14,826	13,164	15,577	13,164	14,937	12,417
Impairment losses ratio	0.11%	0.07%	0.11%	0.08%	0.05%	0.09%	0.06%	0.08%	0.09%
Non-performing commitm. as % of gross loans	0.23%	0.19%	0.22%	0.29%	0.29%	0.23%	0.29%	0.22%	0.34%
Other doubtfull commitm. as % of gross loans	0.30%	0.18%	0.18%	0.18%	0.18%	0.30%	0.18%	0.18%	0.14%
ECC price	65.50	59.50	58.50	59.25	54.25	65.50	54.25	58.50	55.00
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)	64.18	61.95	62.04	60.53	58.32	64.18	58.32	62.04	55.69
Adjusted profit per ECC	2.13	2.18	1.85	2.19	2.29	4.31	4.77	8.82	6.92
P/E per ECC	7.70	6.81	7.89	6.75	5.91	7.60	5.68	6.63	7.95
P/B equity capital	1.02	0.96	0.94	0.98	0.93	1.02	0.93	0.94	0.99

* Gross loans to customers includes 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 73.4 per cent. As a consequence, the result as of 30 June 2015 is solely the result for the second quarter.

In the reporting on 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 now, in the second quarter, moved to the column 'other/eliminations'. For 2014 the segment Markets continues to comprise the bank's own markets activity. For a further description of the transaction involving SpareBank 1 Markets, see note 2 - critical estimates and assessment concerning the use of accounting principles – in the Quarterly report.

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.

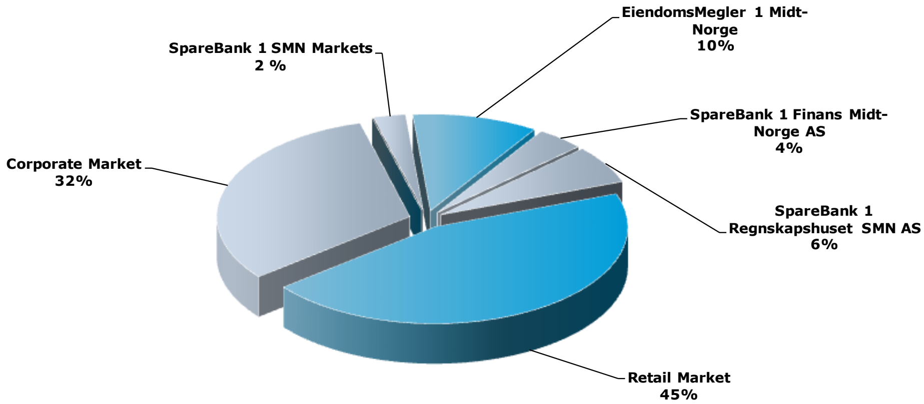
As of 1 January 2014 the bank's SME portfolio was split up and assigned to Retail Banking and Corporate Banking respectively. Limited companies are transferred to Corporate Banking. Sole proprietorships, agricultural customers and associations etc are transferred to Retail Banking. Historical data have not been reworked owing to the difficulty of reconstructing such data at a sufficiently precise level. In the segment information, data for Retail customers for 2013 are exclusive sole proprietorships, agricultural customers and associations. Historical data for Corporate customers are the former Large Corporates. The SME portfolio is treated as a separate business line in figures for 2013.

7.1. Extract from income statement

Group (in NOK million)	Retail Market	Corporate Market	SpareBank 1 Markets	Eiendoms Megler 1 Midt-Norge	SpareBank 1 Finans Midt-Norge AS	SpareBank 1 Regnskapshuset SMN AS	SpareBank 1 Gruppen	BN Bank	Uncollated	Total
Net interest	442	450	-1	1	73	-0	-	-	-32	934
Allocated	31	37	-	-	-	-	-	-	-68	-
Total interest income	**473**	**487**	**-1**	**1**	**73**	**-0**	**-**	**-**	**-100**	**934**
Commission income and other income	348	84	23	191	0	117	-	-	26	790
Net profit on financial investments	0	7	26	-	-	-	128	35	166	362
Total income*	**821**	**578**	**49**	**193**	**73**	**117**	**128**	**35**	**93**	**2,086**
Total operating expenses	**370**	**175**	**59**	**164**	**27**	**97**			**58**	**950**
Ordinary operating profit	**451**	**403**	**-10**	**29**	**46**	**20**	**128**	**35**	**35**	**1,137**
Loss on loans, guarantees etc.	3	49	-	-	3	-	-	-	1	56
Result before tax incl investments held for sale	**448**	**354**	**-10**	**29**	**43**	**20**	**128**	**35**	**33**	**1,080**
Post-tax return on equity**	**17.0 %**	**13.0 %**								**13.7 %**
Balance sheet										
Loans and advances to customers	81,352	38,090	-	-	3,937	-	-	-	1,140	124,519
adv. of this to Boligkreditt and Næringskreditt	-29,057	-1,283	-	-	-	-	-	-	-1	-30,340
Individual allowance for impairment on loan	-22	-136	-	-	-8	-	-	-	-2	-168
Group allowance for impairment on loan	-90	-188	-	-	-17	-	-	-	-0	-296
Other assets	171	8	1,471	264	18	144	1,381	1,149	32,570	37,174
Total assets	**52,353**	**36,490**	**1,471**	**264**	**3,930**	**144**	**1,381**	**1,149**	**33,707**	**130,888**
Deposits to customers	33,915	31,552	-	-	-	-	-	-	719	66,186
Other liabilities and equity	18,438	4,939	1,471	264	3,930	144	1,381	1,149	32,988	64,702
Total liabilites	**52,353**	**36,490**	**1,471**	**264**	**3,930**	**144**	**1,381**	**1,149**	**33,707**	**130,888**

**) 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 13.5 percent to be in line with the capital plan

Income specified by segment, excluding financial investments



Interest income, Retail Market, Corporate Market and SME

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	221	221	244	224	207	442	404	873	630
Corporate	234	216	219	210	205	450	411	840	695
SME									213
Net interest income	**455**	**437**	**463**	**434**	**412**	**892**	**815**	**1,712**	**1,537**

Developement in margin, Retail Market and Corporate Market

Lending (in percentage)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	2.06	2.28	2.33	2.31	2.40	2.17	2.46	2.41	2.35
Corporate	2.67	2.75	2.81	2.86	2.93	2.71	2.97	2.90	2.92
Total	**2.26**	**2.50**	**2.49**	**2.48**	**2.57**	**2.35**	**2.58**	**2.56**	**2.58**

Deposits (in percentage)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	-0.15	-0.35	-0.34	-0.33	-0.46	-0.25	-0.50	-0.41	-0.38
Corporate	-0.32	-0.41	-0.44	-0.48	-0.63	-0.37	-0.64	-0.55	-0.52
Total	**-0.23**	**-0.38**	**-0.41**	**-0.41**	**-0.55**	**-0.30**	**-0.57**	**-0.49**	**-0.51**

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

Development in volume, Retail Market, Corporate Market and SME

Lending* (in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	81,352	79,184	78,407	76,854	75,564	81,352	75,564	78,407	64,297
Corporate	38,090	38,606	36,899	35,042	34,812	38,090	34,812	36,899	31,990
SME									9,075
Total	**119,441**	**117,790**	**115,306**	**111,896**	**110,376**	**119,441**	**110,376**	**115,306**	**105,362**

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

Deposits (in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	33,915	31,782	31,589	31,829	32,150	33,915	32,150	31,589	24,480
Corporate	31,552	28,219	28,463	25,474	25,867	31,552	25,867	28,463	21,563
SME									8,742
Total	**65,467**	**60,000**	**60,052**	**57,302**	**58,017**	**65,467**	**58,017**	**60,052**	**54,784**

Developement in commision income, Retail Market, Corporate Market and SME

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Retail	175	173	194	185	190	348	384	763	705
Corporate	44	47	48	47	46	91	93	188	140
SME									80
Total	**220**	**219**	**243**	**232**	**236**	**439**	**476**	**951**	**925**

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. As from 1 January 2014 sole proprietorships, agricultural customers and associations are assigned to Retail Banking. Figures for 2014 are therefore not directly comparable with figures for 2013.

Business description

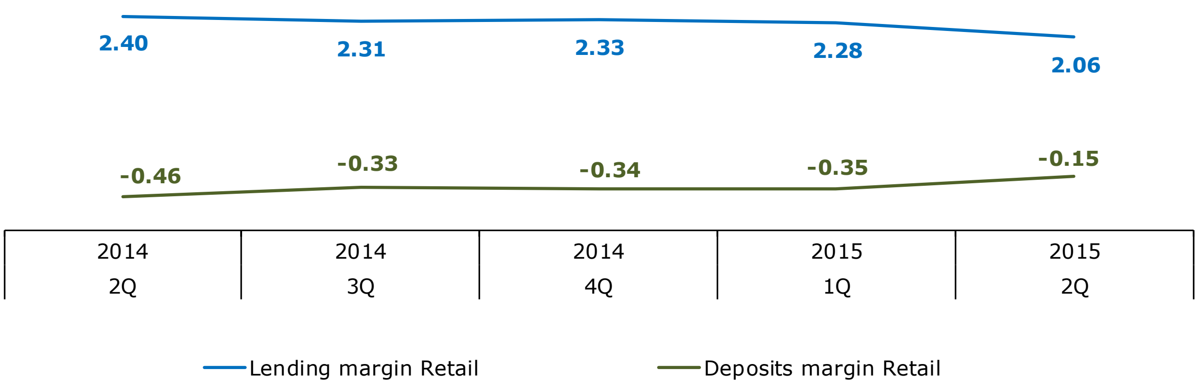
Facts about the business area	**30 Jun. 2015**
Lending volume	81,352
Deposits volume	33,915
No. of active customers	205,479
FTEs	345

Financial performance (in NOK million)	**2Q 2015**	**1Q 2015**	**4Q 2014**	**3Q 2014**	**2Q 2014**	**30 Jun. 2015**	**30 Jun. 2014**	**2014**	**2013**
Net interest income lending	154	165	183	163	154	318	302	648	431
Net interest income deposits	67	56	60	61	53	124	103	224	199
Net interest income allocated capital	13	18	8	12	12	31	21	40	11
Total interest income	**234**	**239**	**252**	**236**	**219**	**473**	**425**	**913**	**641**
Net guarantee commision, incl. Boligkreditt	90	97	108	101	112	187	237	445	426
Net commision of savings products	13	10	13	11	10	23	18	42	38
Net commision insurance services	33	30	32	28	28	63	52	113	99
Net commision payment trans. services	39	36	41	44	39	75	76	161	141
Other commision income	0	-0	-0	-0	-0	0	0	0	0
Net fee and commission income	**175**	**173**	**194**	**185**	**190**	**348**	**383**	**762**	**704**
Net profit on financial investments	0	0	0	0	0	0	0	1	1
Total income	**410**	**411**	**446**	**421**	**408**	**821**	**809**	**1,675**	**1,346**
Total operating expences*	**171**	**199**	**213**	**216**	**176**	**370**	**380**	**809**	**641**
Results	**239**	**212**	**233**	**205**	**232**	**451**	**428**	**867**	**705**
Loss on loans, guarantees etc.	1	3	-2	6	-0	3	1	6	6
Results before tax	**238**	**209**	**235**	**199**	**232**	**448**	**427**	**861**	**699**
*) Includes both direct and distributed expences									
Post-tax return on equity (annualized)**						**17.0 %**	**39.3 %**	**19.2 %**	**31.6 %**

**) 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 13.5% to be in line with the capital plan. Figures for periods before third quarter 2014 are not adjusted as a result of this.

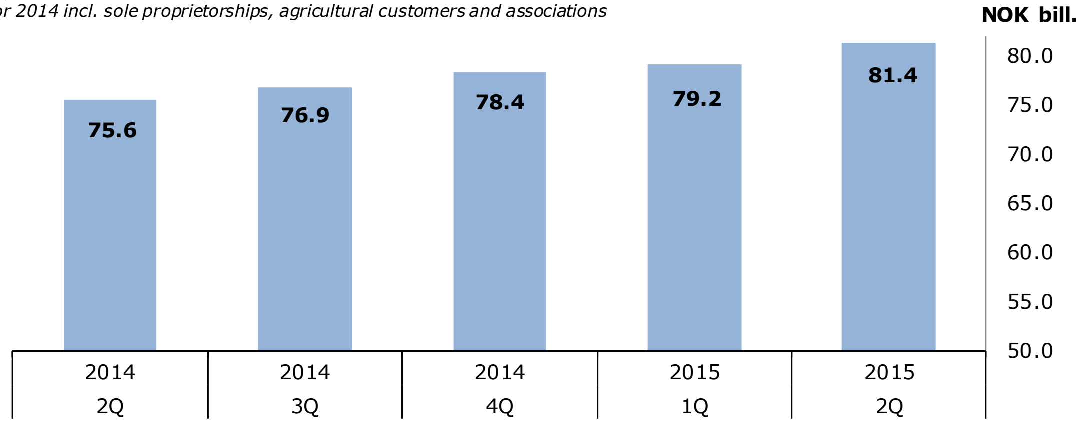
Development in margin

Definition margin: Average customer interest minus 3 months average nibor



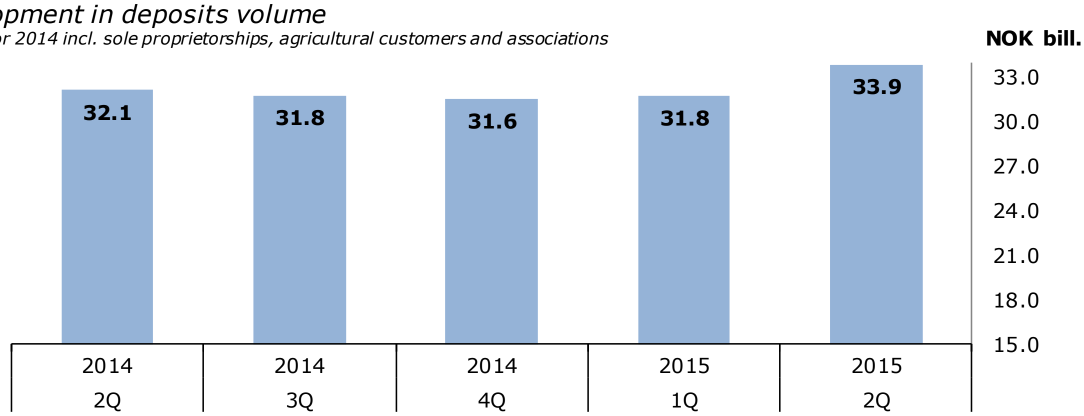
Development in lending volume

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



Development in deposits volume

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



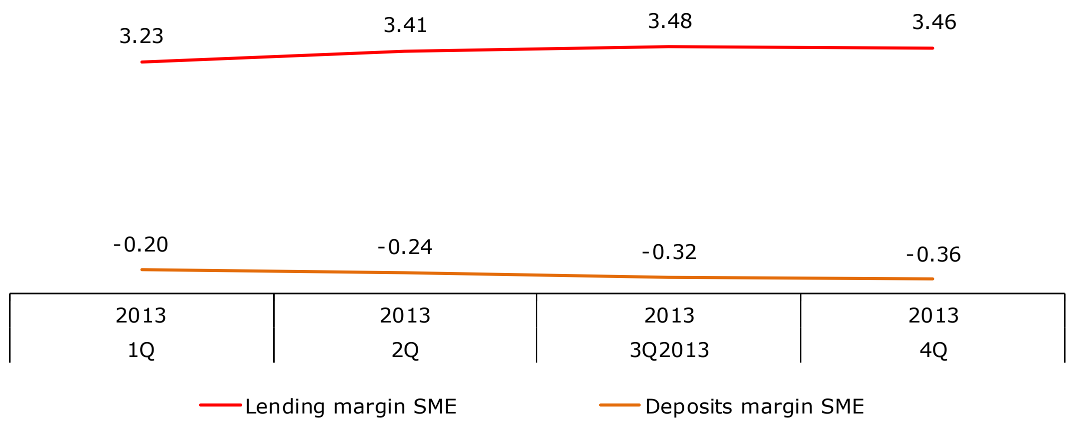
7.3. SME

The SME segment consists of costumers with an exposure size of +/- NOK 8m. As from 1 January 2014 the bank's SME portfolio is split up and assigned to Retail Banking and Corporate Banking respectively. This table shows historical data for the SME segment in 2013.

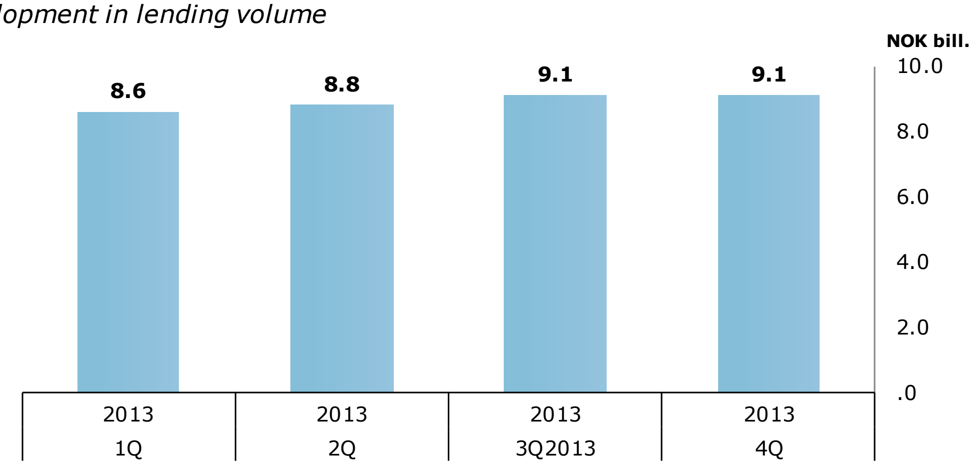
Financial performance (in NOK million)	**4Q 2013**	**3Q 2013**	**2Q 2013**	**1Q 2013**	**2013**
Net interest income lending	51	53	49	47	200
Net interest income deposits	20	21	22	21	84
Net interest income allocated capital	1	1	1	0	3
Total interest income	**72**	**74**	**72**	**69**	**286**
Net guarantee commision, incl. Boligkreditt	4	5	5	4	18
Net commision of savings products	4	2	1	1	8
Net commision insurance services	4	5	5	4	18
Net commision payment trans. services	9	8	8	9	35
Net fee and commission income	**21**	**20**	**19**	**19**	**79**
Net profit on financial investments	-	0	0	1	1
Total income	**93**	**94**	**91**	**88**	**366**
Total operating expences*	**58**	**31**	**34**	**34**	**156**
Results	**35**	**63**	**58**	**54**	**209**
Loss on loans, guarantees etc.	-1	3	1	2	5
Results before tax	**36**	**60**	**57**	**53**	**205**
*) Includes both direct and distributed expences					
Post-tax return on equity (annualized)					**29.4 %**

Development in margin

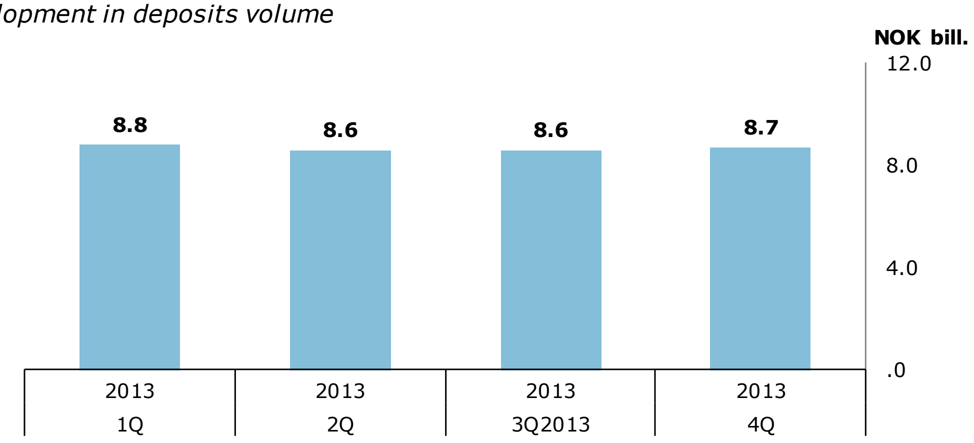
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.4. Corporate

The Corporate segment is responsible for activity regarding the banks's corporate customers. As from 1 January 2014 the bank's SME portfolio is split up, and limited companies are transferred to the Corporate Market (former Large Corporates). Figures for 2013 are the former Large Corporates.

Business description

Facts about the business area	**30 Jun. 2015**
Lending volume	38,090
Deposits volume	31,552
No. of active customers	6,966
FTEs	124

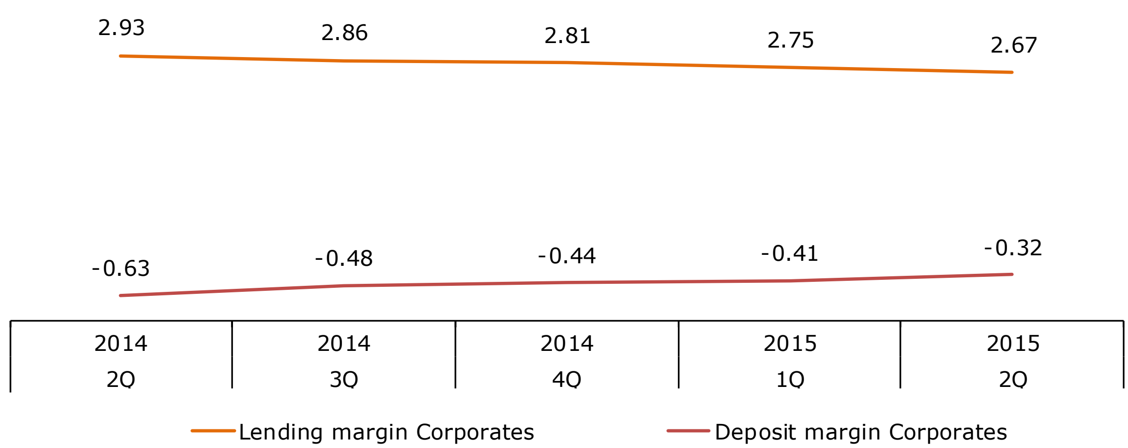
Financial performance

(in NOK million)	**2Q 2015**	**1Q 2015**	**4Q 2014**	**3Q 2014**	**2Q 2014**	**30 Jun. 2015**	**30 Jun. 2014**	**2014**	**2013**
Net interest income lending	183	171	174	171	172	354	342	687	583
Net interest income deposits	51	45	44	39	33	96	69	153	112
Net interest income allocated capital	18	19	15	18	19	37	33	67	34
Total interest income	**252**	**235**	**234**	**228**	**224**	**487**	**444**	**906**	**729**
Net guarantee commision, incl. Boligkreditt	17	18	15	18	19	35	34	67	53
Net commision of savings products	1	1	1	1	1	2	2	4	1
Net commision insurance services	5	6	6	6	5	11	10	21	4
Net commision payment trans. services	19	18	17	16	17	36	34	67	31
Other commision income	0	0	0	0	0	0	0	0	2
Net fee and commission income	**42**	**43**	**38**	**41**	**42**	**84**	**80**	**159**	**91**
Net profit on financial investments	3	4	10	7	4	7	13	29	49
Total income	**296**	**282**	**282**	**275**	**270**	**578**	**537**	**1,095**	**869**
Total operating expences*	**76**	**99**	**92**	**76**	**66**	**175**	**150**	**318**	**257**
Results	**220**	**183**	**191**	**199**	**204**	**403**	**387**	**777**	**612**
Loss on loans, guarantees etc.	32	17	34	16	14	49	28	77	71
Results before tax	**188**	**165**	**157**	**183**	**190**	**354**	**359**	**699**	**541**
*) Includes both direct and distributed expences									
Post-tax return on equity (annualized)**						**13.0 %**	**18.0 %**	**10.0 %**	**10.5 %**

**) 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 13.5% to be in line with the capital plan. Figures for periods before third quarter 2014 are not adjusted as a result of this.

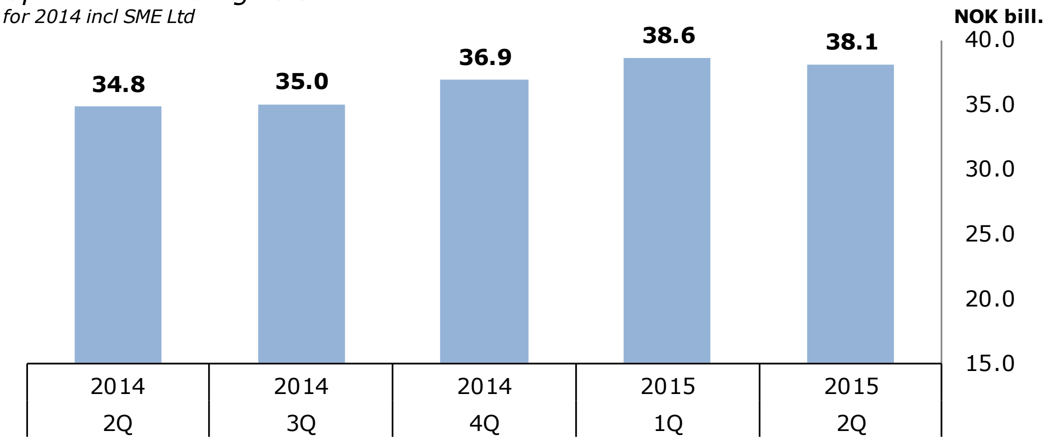
Development in margin

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



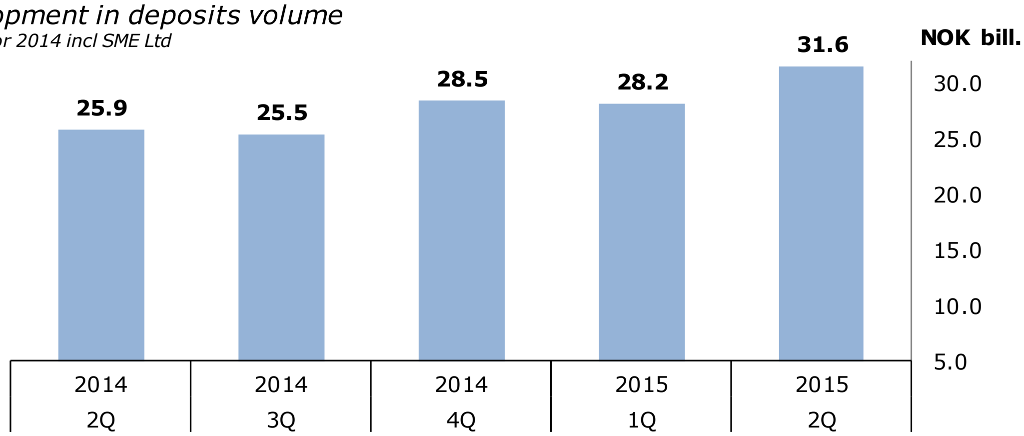
Development in lending volume

Figures for 2014 incl SME Ltd



Development in deposits volume

Figures for 2014 incl SME Ltd



7.5. Subsidiaries

EiendomsMegler 1 Midt-Norge AS

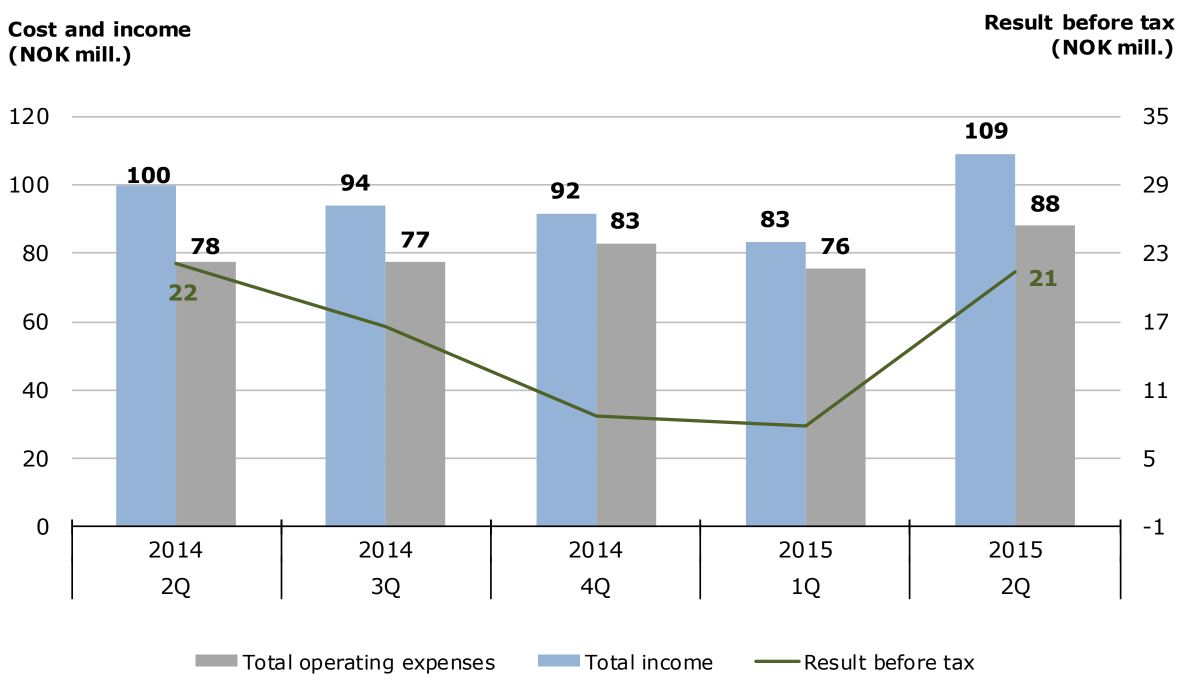
EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre og Romsdal. The company has specialised operations which include separate units for project and commercial property broking. These operations complement its 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)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Net interest	1	1	3	1	2	1	1	5	7
Commission income and other income	109	83	89	93	98	191	177	359	368
Total income	**109**	**83**	**92**	**94**	**100**	**193**	**178**	**364**	**375**
Total operating expenses	**88**	**76**	**83**	**77**	**78**	**164**	**152**	**313**	**314**
Result before tax	**21**	**8**	**9**	**17**	**22**	**29**	**26**	**51**	**61**



SpareBank 1 Finans Midt-Norge AS

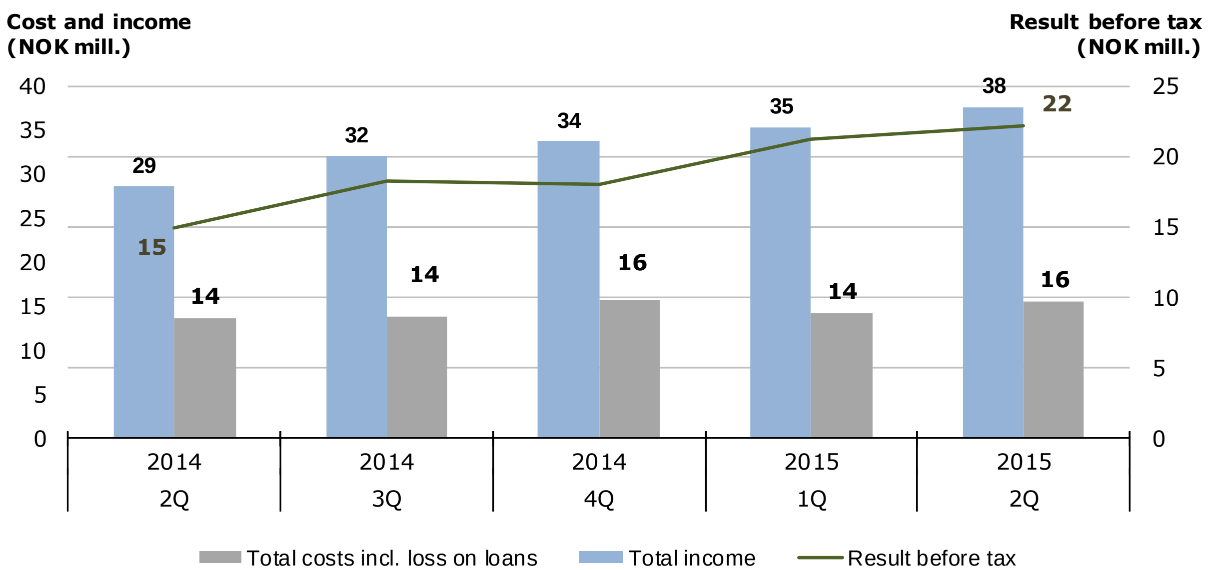
SpareBank 1 Finans Midt-Norge is the region's leading finance company and an active partner for businesses and private customers. SpareBank 1 Finans Midt-Norge offers car loans, boat loans, leasing and business loans to corporates and private individuals. The company services the market through its own 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.

As of June 2015 the subsidiary SpareBank 1 Finans Midt-Norge acquired eight new SamSpar banks as partners and owners. Sparebank 1 Nordvest and Sparebank 1 Søre Sunnmøre were already on the owner side, so that Samarbeidende Sparebanker now has a stake of 27.9 per cent. SpareBank 1 SMN reduced its holding in the company from 90.1 per cent to 72.1 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 and Romsdal, Sogn and Fjordane, Oppland, Buskerud, Telemark, Akershus, Vestfold and Østfold.

Business description SpareBank1 Finans Midt-Norge AS

Financial performance

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Total interest income	**33**	**40**	**35**	**33**	**31**	**73**	**62**	**130**	**118**
Commission income and other income	5	-5	-1	-1	-2	0	-2	-4	-3
Net profit on financial investments	0	0	0	0	0	0	0	0	-1
Total income	**38**	**35**	**34**	**32**	**29**	**73**	**60**	**126**	**116**
Total operating expenses	**14**	**13**	**13**	**11**	**13**	**27**	**26**	**50**	**45**
Ordinary operating profit	**23**	**23**	**20**	**21**	**16**	**46**	**34**	**75**	**70**
Loss on loans, guarantees etc.	1	2	2	2	1	3	3	8	20
Total costs incl. loss on loans	16	14	16	14	14	30	28	58	65
Result before tax	**22**	**21**	**18**	**18**	**15**	**43**	**32**	**68**	**51**



SpareBank 1 Regnskapshuset SMN AS

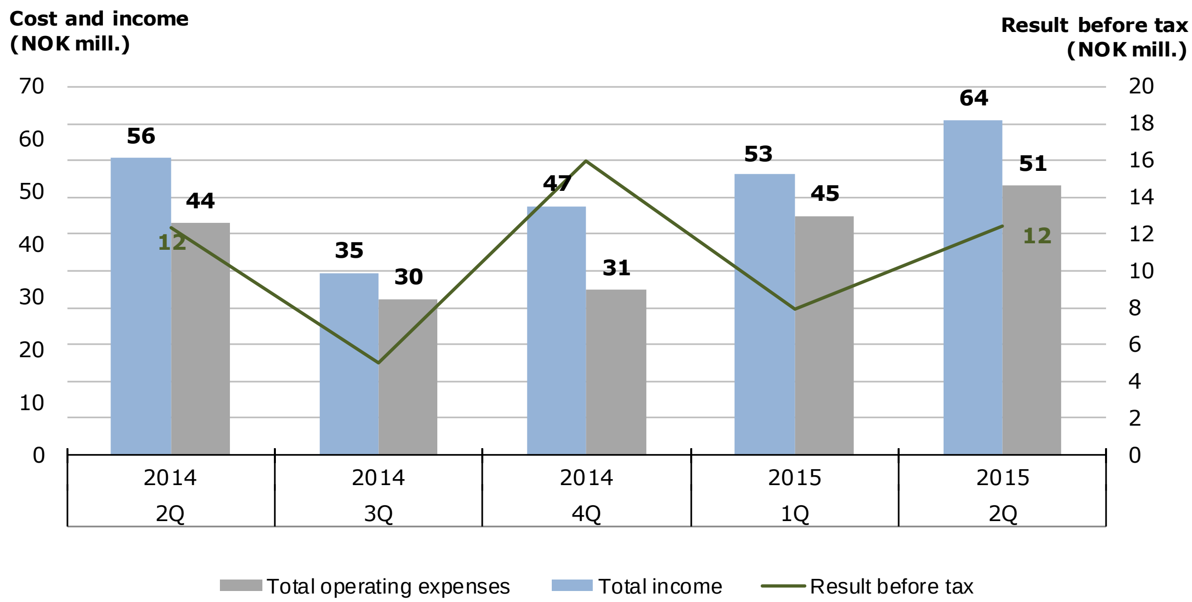
SpareBank 1 Regnskapshuset SMN is an accountancy business, which has also built up a dedicated advisory/technical department, comprising experts in tax, accountancy and governance. In collaboration with other SpareBank 1 banks, SpareBank 1 Regnskapshuset SMN has launched a nationwide drive in the accounting 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. The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry.

Business description Regnskapshuset SMN AS

Financial performance

(in NOK million)	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	30 Jun. 2015	30 Jun. 2014	2014	2013
Total interest income	-0	0	7	-0	-0	-0	-0	6	-0
Commission income and other income	64	53	41	35	57	117	106	182	133
Total income	**64**	**53**	**47**	**35**	**56**	**117**	**106**	**188**	**132**
Total operating expenses	**51**	**45**	**31**	**30**	**44**	**97**	**87**	**148**	**118**
Result before tax	**12**	**8**	**16**	**5**	**12**	**20**	**19**	**40**	**14**



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 (73.4 per cent), SpareBank 1 Nord-Norge (10.0 per cent), SamSpar (10.0 percent), Sparebanken Hedmark (6.1 percent) and others (0.6 percent)

The table below shows the pro forma accounts for SpareBank 1 Markets, including numbers from SpareBank 1 SMN Markets. The numbers for 2Q 2015 show the financial performance of the restructured company, while the numbers referring to 30 Jun. 2015 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

Financial performance (in NOK million)	2Q 2015	1Q 2015	30 Jun. 2015	SMN Markets 1Q 2015	30 Jun. 2015 proforma
Equities / High Yield	16	18	34	2	36
Fixed Income	-3	2	-2	-	-2
Corporate	8	9	16	-	16
Foreign exchange/interest rate derivatives	26	-	26	29	55
Other commission income	2	-	2	1	3
Total income	**49**	**28**	**77**	**32**	**109**
Total operating expences	**59**	**46**	**105**	**10**	**116**
Results before tax	**-10**	**-18**	**-28**	**21**	**-7**

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

SpareBank 1 SMN Markets

Financial performance (in NOK million)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014	31 Mar. 2015	31 Mar. 2014	2014	2013
Net interest income	-15	-7	2	-1	-3	-15	-3	-9	5
Net interest income allocated capital	0	-1	0	0	0	0	0	-	-1
Total interest income	**-15**	**-8**	**2**	**-1**	**-2**	**-15**	**-2**	**-9**	**4**
Net fee and commission income	3	4	3	4	8	3	8	19	29
Capital gain/Agio Securities	43	1	6	9	11	43	11	27	40
Total income	**32**	**-3**	**11**	**13**	**17**	**32**	**17**	**37**	**73**
Total operating expences	**10**	**9**	**18**	**16**	**16**	**10**	**16**	**58**	**85**
Results	**21**	**-12**	**-7**	**-3**	**1**	**21**	**1**	**-21**	**-13**
Loss on loans, guarantees etc.	-	-	-0	0	-	-	-	-	-
Results before tax	**21**	**-12**	**-7**	**-3**	**1**	**21**	**1**	**-21**	**-13**

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 companys' 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)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net interest	974	1,024	1,139	1,350	1,325	1,317	1,392	1,477	1,616	1,790
Commission income and other income	537	580	671	610	756	855	919	1,139	1,463	1,512
Net return on financial investments	276	419	332	207	596	410	434	451	502	720
Total income	**1,787**	**2,022**	**2,142**	**2,167**	**2,677**	**2,582**	**2,746**	**3,067**	**3,580**	**4,021**
Staff costs	485	512	583	623	725	583	810	942	923	1,002
Other operating expenses	421	478	519	571	528	557	672	712	799	787
Total operating expenses	**906**	**990**	**1,102**	**1,194**	**1,253**	**1,140**	**1,482**	**1,654**	**1,722**	**1,789**
Result before losses	**881**	**1,032**	**1,039**	**975**	**1,424**	**1,441**	**1,264**	**1,414**	**1,859**	**2,232**
Loss on loans, guarantees etc.	-38	-84	-6	202	277	132	27	58	101	89
Result before tax	**919**	**1,116**	**1,045**	**773**	**1,147**	**1,309**	**1,236**	**1,355**	**1,758**	**2,143**
Tax charge	199	219	200	156	210	260	255	295	388	362
Results investments held for sale, after tax						-27	43	16	30	0
Net profit	**720**	**898**	**846**	**617**	**937**	**1,022**	**1,024**	**1,077**	**1,400**	**1,782**

*Balance sheet**

(in NOK million)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cash and loans to and claims on credit institutions	2,123	2,323	3,878	4,548	1,260	2,532	4,075	4,091	5,984	5,965
CDs, bonds and other interest-bearing securities	4,133	5,602	7,246	12,036	19,302	22,948	21,485	25,614	26,358	27,891
Gross loans to customers before write-downs	45,280	52,819	59,178	64,016	61,782	69,847	73,105	74,943	80,548	90,578
- Specified write-downs	-236	-147	-116	-215	-219	-222	-172	-144	-173	-172
- Write-downs by loan category	-278	-184	-185	-245	-289	-290	-290	-295	-295	-295
Other assets	3,304	2,765	1,502	4,540	2,704	3,182	3,252	3,766	2,938	2,080
Assets	**54,327**	**63,178**	**71,503**	**84,679**	**84,541**	**97,997**	**101,455**	**107,975**	**115,360**	**126,047**
Deposits from credit institutions	1,029	2,766	5,346	9,000	11,310	13,062	9,118	7,410	6,581	9,123
Deposits from and debt to customers	27,048	30,136	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680
Debt created by issue of securities	18,036	21,911	23,950	29,680	24,070	29,625	31,306	33,121	36,806	39,254
Other liabilities	2,876	1,799	2,265	2,045	1,876	1,922	2,122	2,070	1,485	1,095
Subordinated loan capital	1,667	2,383	2,648	3,156	3,875	2,758	2,690	3,040	3,319	3,371
Total equity capital	3,671	4,183	4,860	5,518	6,183	7,846	8,348	10,082	11,242	12,524
Total liabilities and equity	**54,327**	**63,178**	**71,503**	**84,679**	**84,541**	**97,997**	**101,455**	**107,975**	**115,360**	**126,047**

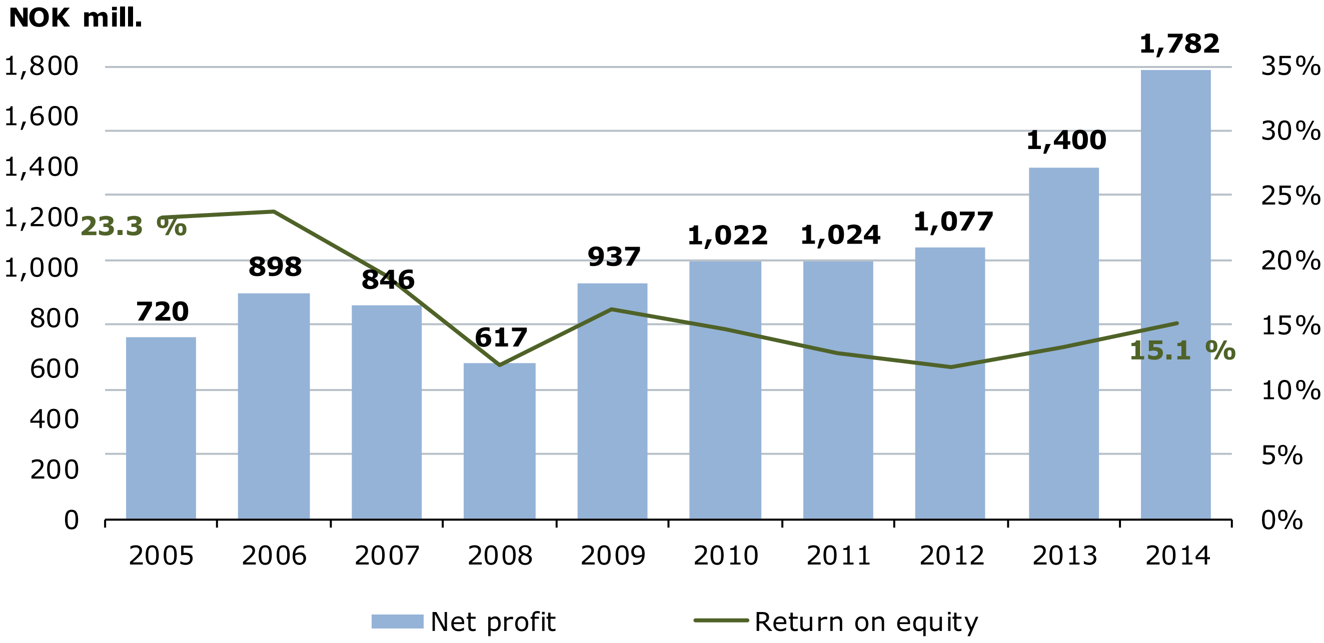
*) The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 and 2013 are similarly restated,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

Key figures

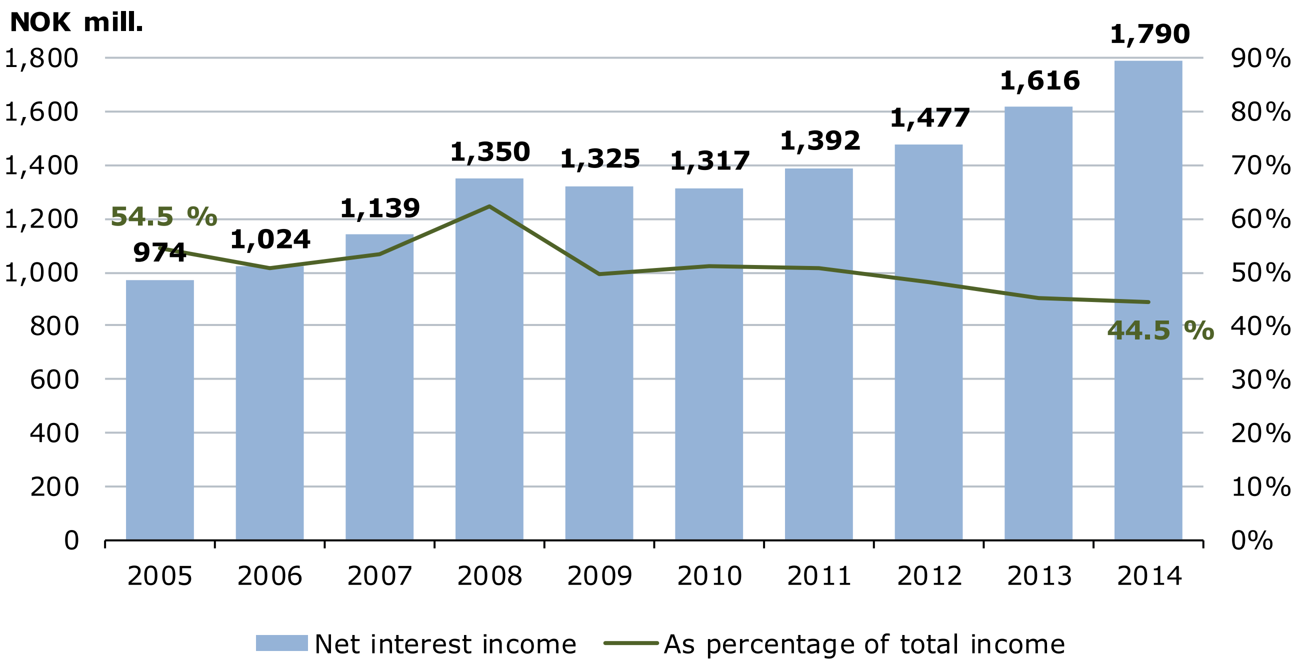
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Return on equity	23.3 %	23.7 %	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %
Cost/income ratio group	50.7 %	49.0 %	51.7 %	55.0 %	46.8 %	44.2 %	54.0 %	53.9 %	48.1 %	44.5 %
Cost/income ratio group, ex. financial inv.	61.7 %	61.1 %	60.8 %	60.2 %	52.5 %	52.5 %	64.1 %	63.2 %	55.9 %	54.2 %
Cost/income ratio parent bank	50.0 %	47.6 %	52.4 %	55.3 %	47.2 %	40.2 %	50.5 %	47.5 %	40.2 %	40.5 %
12-month cost growth	24.3 %	9.3 %	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %	11.6 %	4.1 %	3.9 %
Gross loans to customers*	45,280	52,819	61,910	71,317	77,429	87,665	95,232	104,925	112,283	120,435
Gross loans in retail market	29,032	33,808	38,872	42,679	45,157	49,619	55,034	62,587	68,591	74,087
Gross loans in corporate market	16,248	19,011	23,038	28,638	32,272	38,046	40,198	42,322	43,692	46,348
Growth in loans last 12 months*	32.3 %	16.6 %	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %	10.2 %	6.8 %	7.3 %
Deposits from customers	27,048	30,136	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680
Deposits from retail market	14,080	14,707	16,070	17,566	17,898	19,052	20,860	22,279	23,891	26,496
Deposits from corporate market	12,968	15,429	16,363	17,715	19,330	23,734	27,011	29,973	32,036	34,184
Growth in deposits last 12 months	30.5 %	11.4 %	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %	9.2 %	7.3 %	8.5 %
Ordinary lending financed by ordinary deposit	59.7 %	57.1 %	54.8 %	55.1 %	60.3 %	61.3 %	65.5 %	69.7 %	69.4 %	67.0 %
Total assets	54,327	63,178	71,503	84,679	84,541	97,997	102,479	107,975	115,360	126,047
Average total assets	47,753	56,434	67,202	75,820	86,679	91,317	98,465	105,372	111,843	117,794
Employees in employment group	806	841	931	982	1,016	1,035	1,098	1,135	1,159	1,192
Employees in employment parent bank	669	661	723	750	767	764	786	793	757	753
Employees in employment subsidiares	137	180	208	232	250	271	312	342	402	439
Net other operating income of total income	30.1 %	28.7 %	31.3 %	28.2 %	28.2 %	33.1 %	33.5 %	37.1 %	40.8 %	38.0 %
Common Equity Tier 1 ratio	7.5 %	7.5 %	7.4 %	7.1 %	7.7 %	9.3 %	8.9 %	10.0 %	11.1 %	11.2 %
Capital adequacy ratio	10.9 %	11.9 %	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %	13.3 %	14.7 %	15.7 %
Core capital ratio	8.8 %	8.6 %	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %	11.3 %	13.0 %	13.0 %
Total core capital	3,073	3,614	4,019	4,967	6,730	7,283	7,856	9,357	10,989	12,382
Net subordinated capital	3,808	5,229	5,762	7,312	8,730	8,646	9,055	10,943	12,417	14,937
Impairment losses ratio	-0.09%	-0.03%	-0.01%	0.21%	0.31%	0.16%	0.03%	0.06%	0.09%	0.08%
Non-perf. commitm. as % of gross loans	0.78%	0.41%	0.39%	0.46%	0.49%	0.57%	0.36%	0.36%	0.34%	0.22%
Other doubtfull commitm. as % of gross loans	0.60%	0.51%	0.37%	1.33%	0.57%	0.24%	0.21%	0.14%	0.14%	0.18%

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

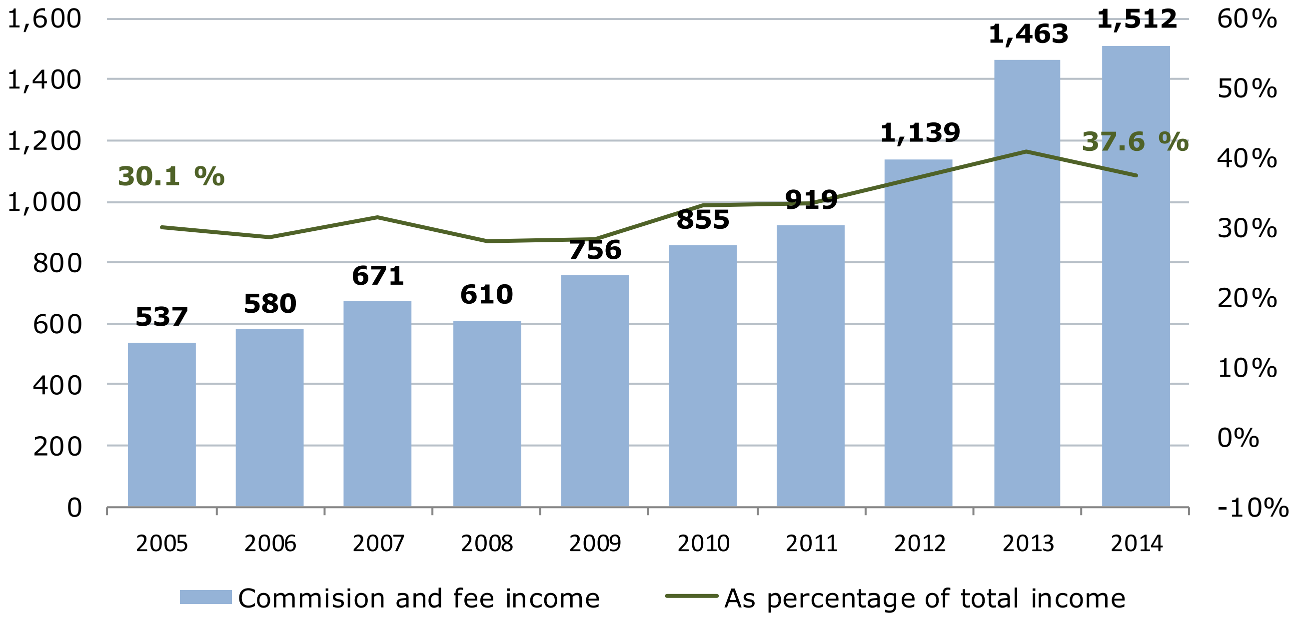
Net profit and return on equity



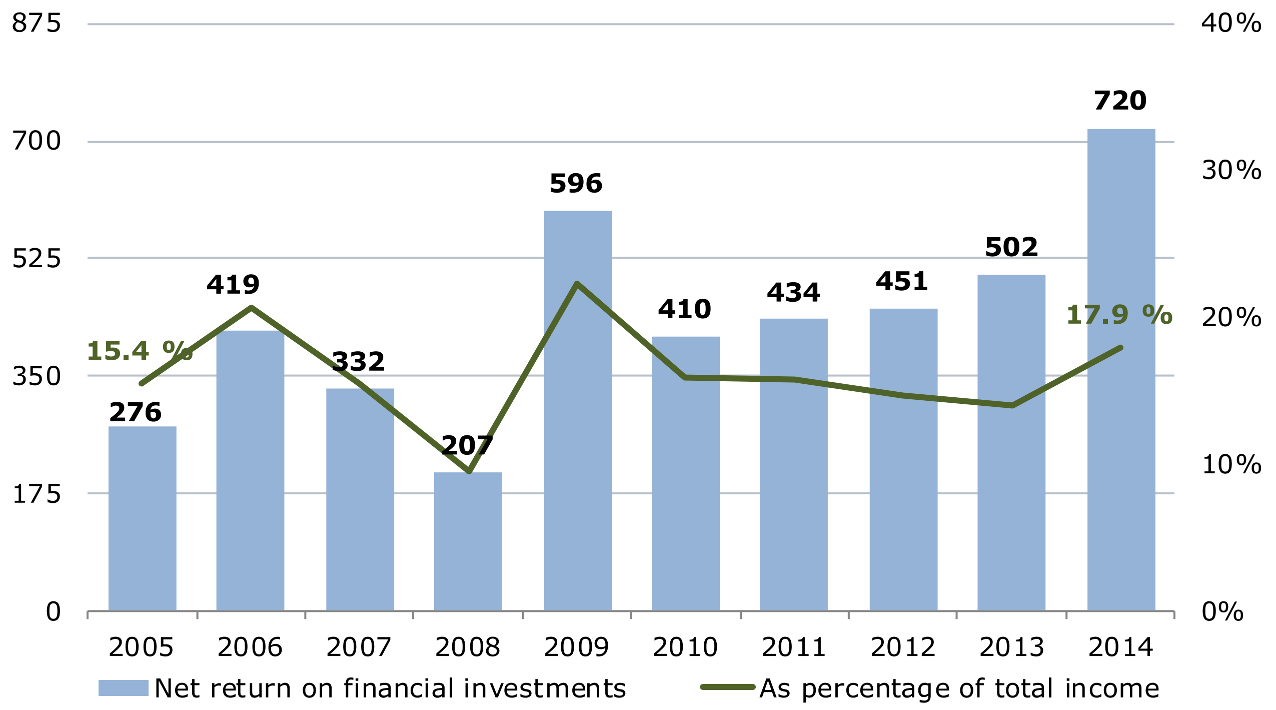
Development in net interest income



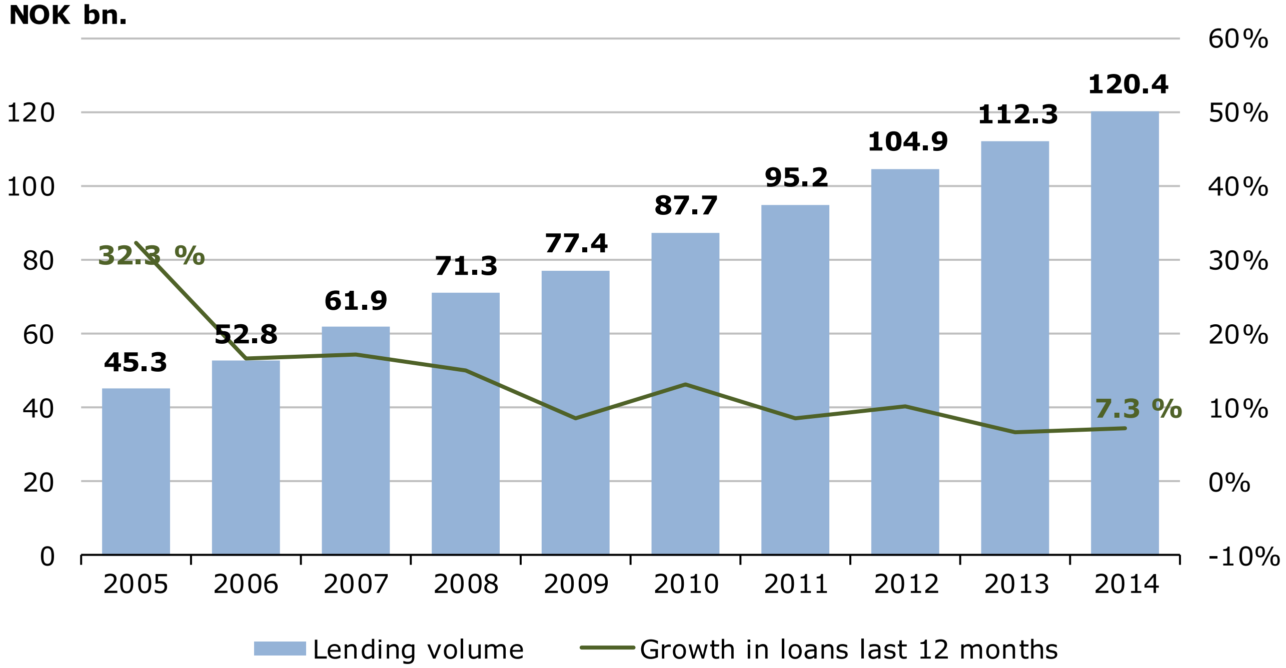
Development in commission income and other income



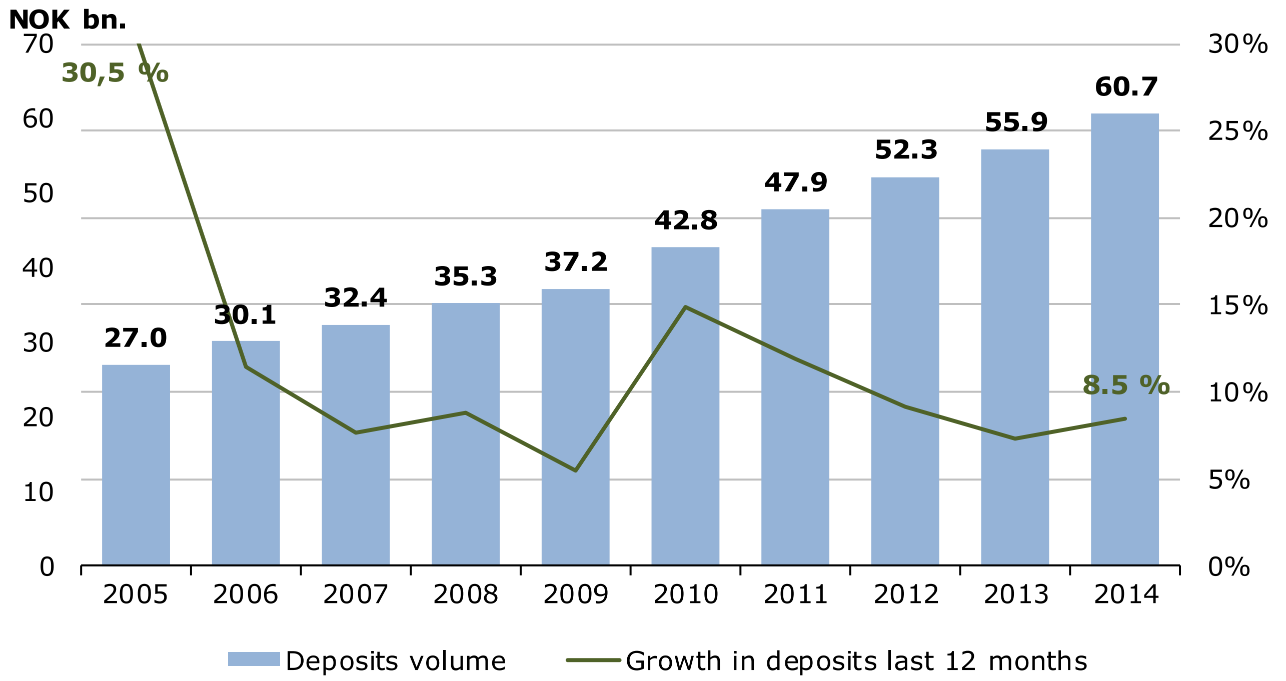
Development in net return on financial investments



*Volume development, Lending**

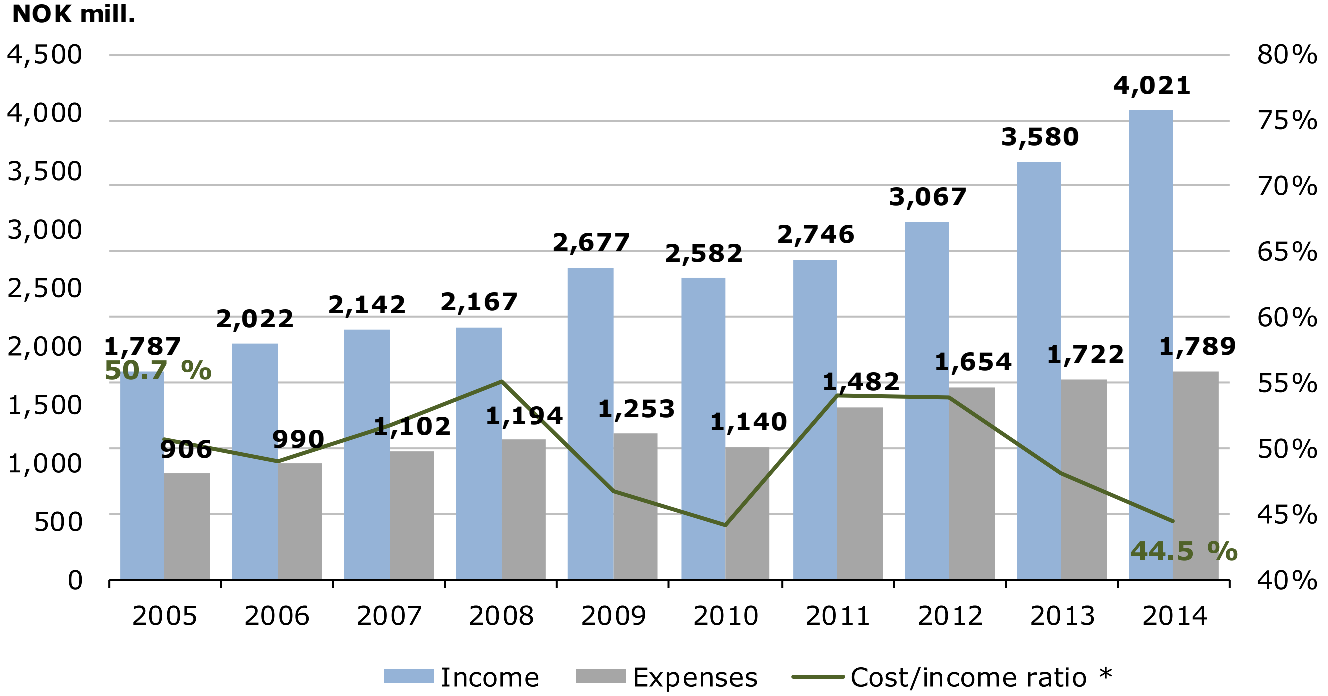


*Volume development, Deposits**



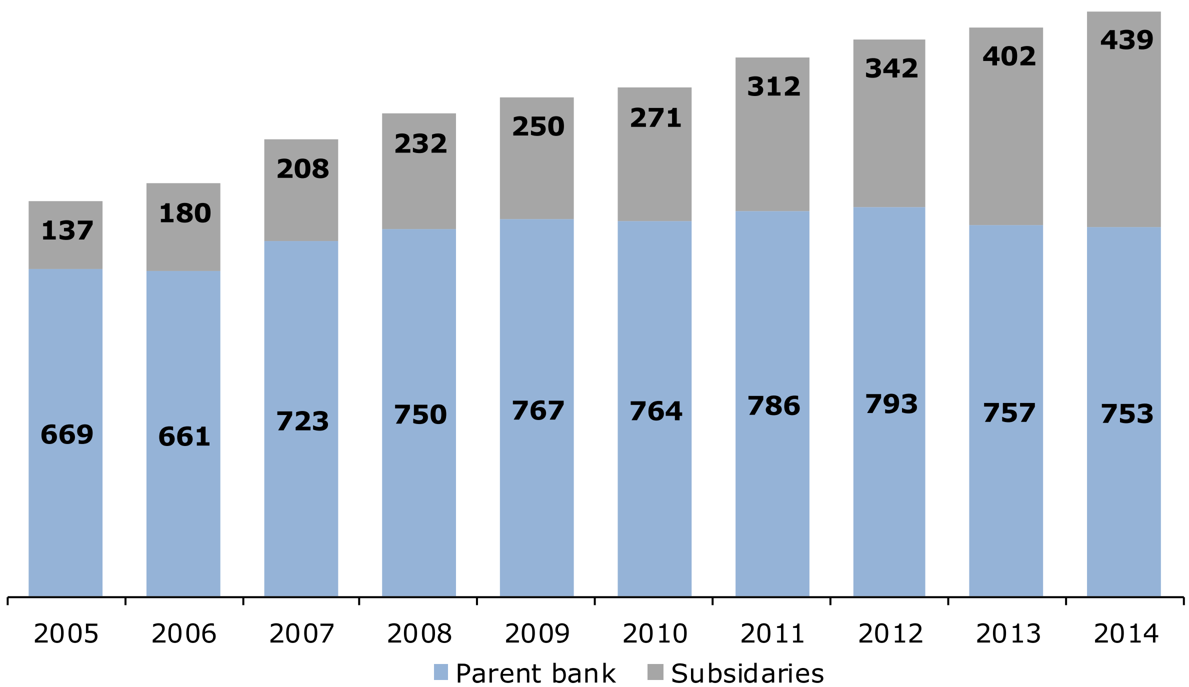
*) The strong growth in lending and deposits in 2005 is related to the acquisition of 100 per cent of Romsdals Fellesbank

Cost/income ratio

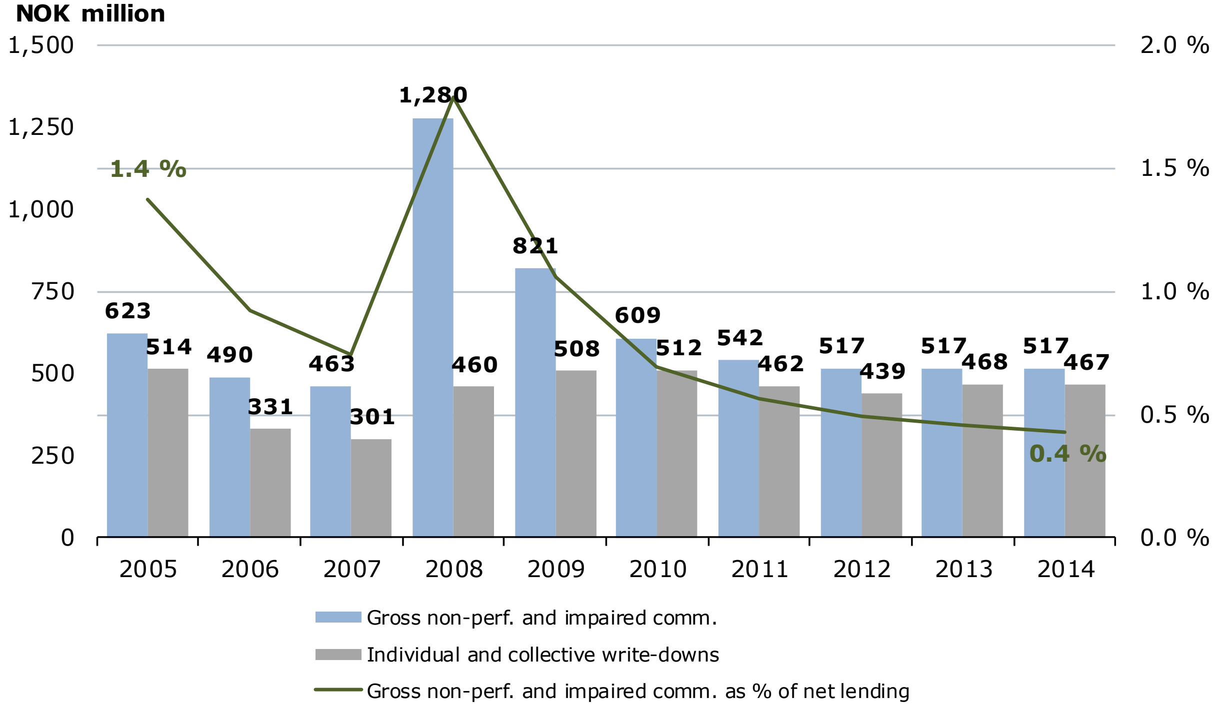


* *Total operating expences as a percentage of total operating income*

Employees in employment



Net non-performing and impaired commitments



Capital Adequacy