

# Investor Relations

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Supplementary information  
Second Quarter 2015



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**Information on the Internet**

SpareBank 1 SMN's home page [www.smn.no](http://www.smn.no)

ECC information in general [www.egenkapitalbevis.no](http://www.egenkapitalbevis.no)

**Financial Calendar 2015**

2nd quarter 2015 12 August 2015

3rd quarter 2015 30 October 2015

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# 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)

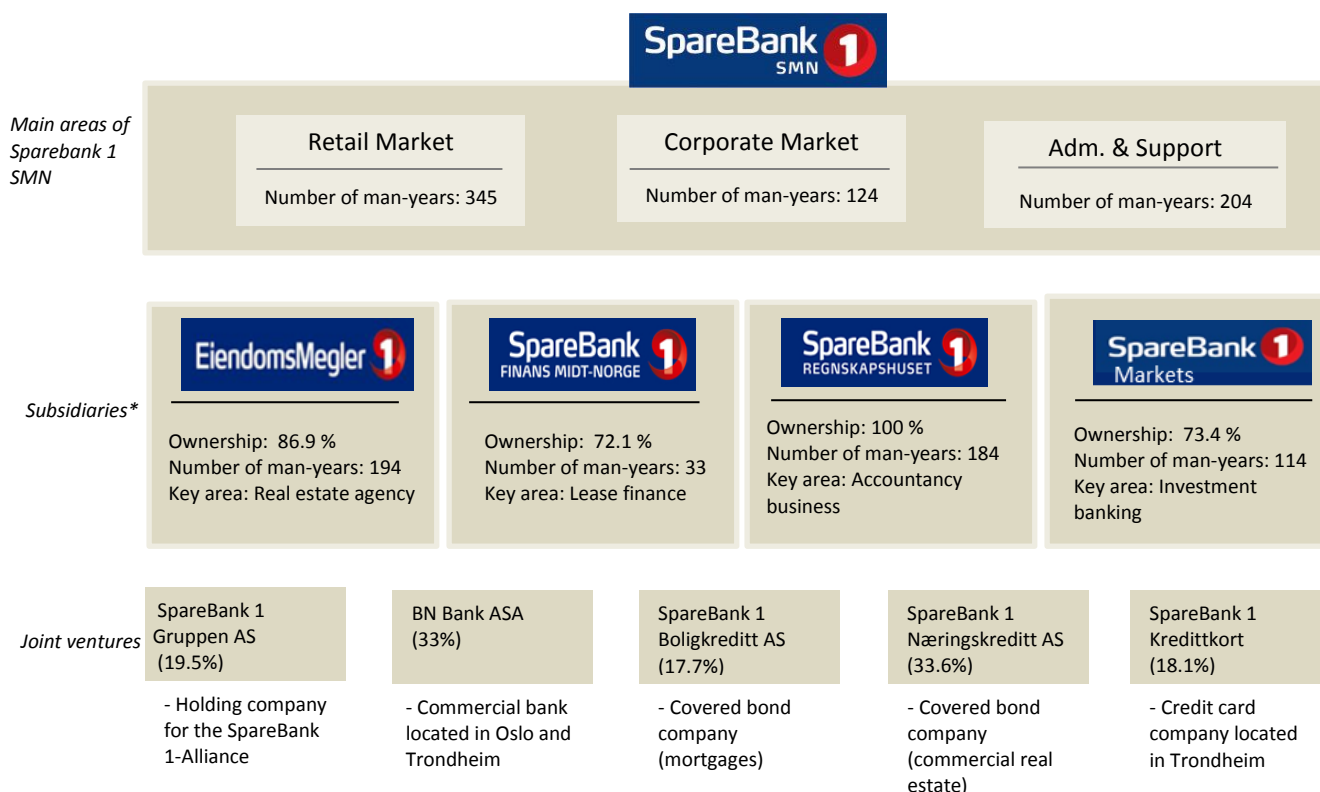
### Second quarter 2015

- 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.

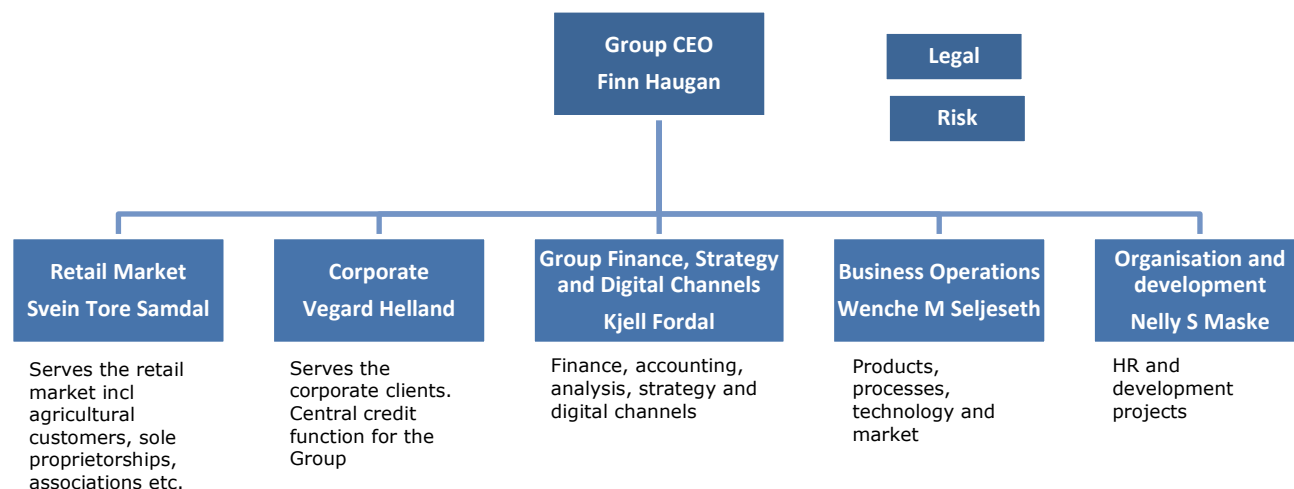
### SpareBank 1 SMN's activities



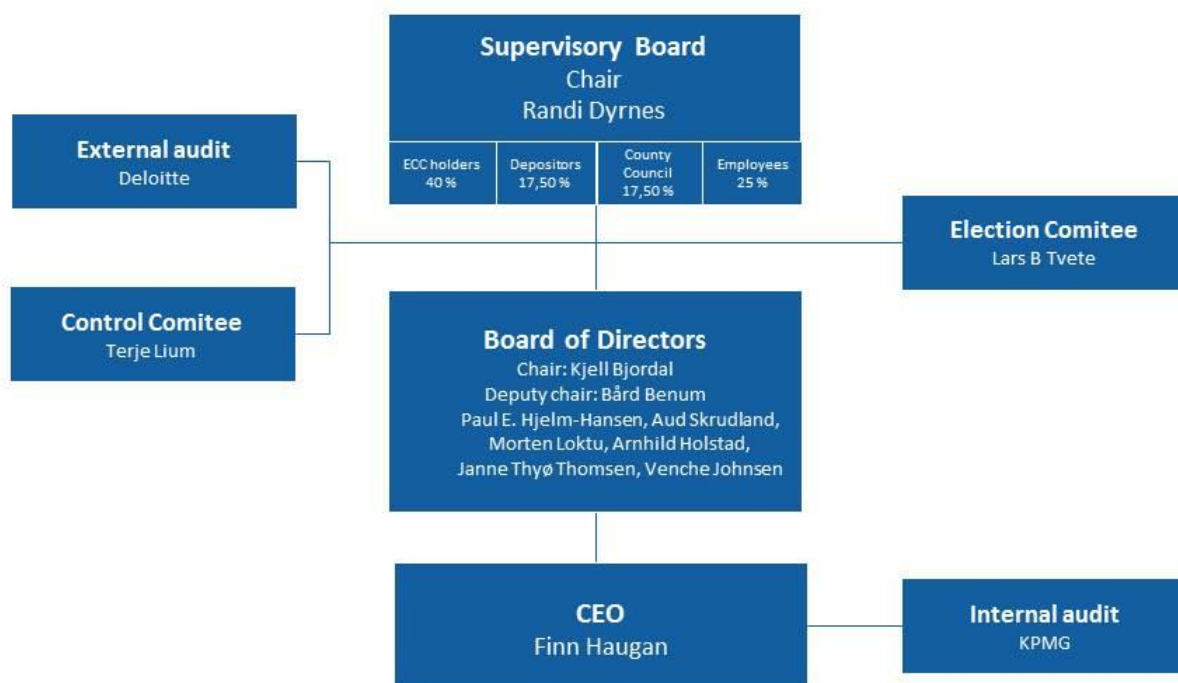
\*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 29 man-years

## Organisation of SpareBank 1 SMN

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

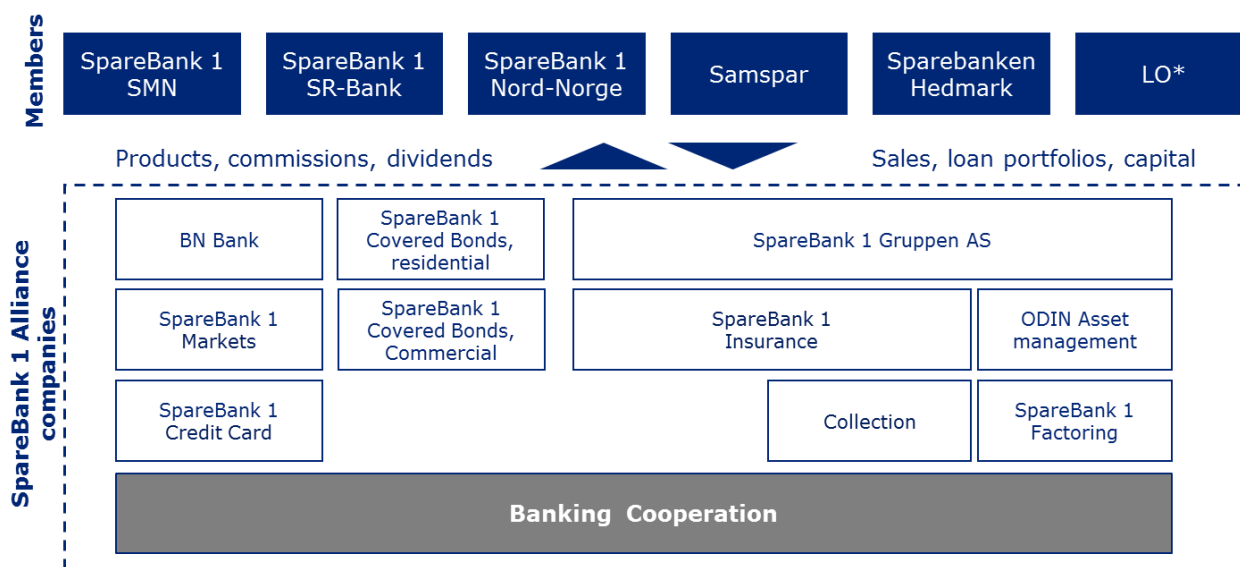


## Overview of governing and control bodies

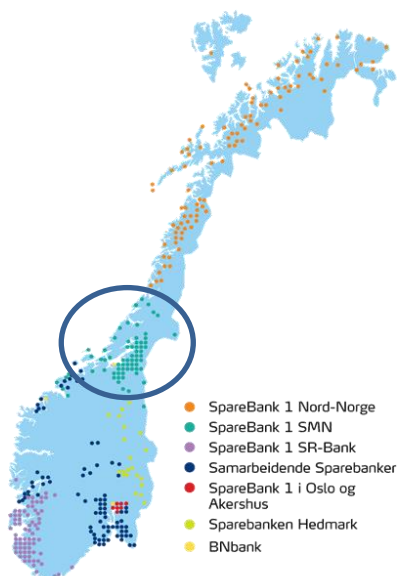


### SpareBank 1 Alliance

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 2<sup>nd</sup> 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>   | Today's rating | Year end |        |                        |        |        |          |
|------------------|----------------|----------|--------|------------------------|--------|--------|----------|
|                  |                | 2014     | 2013   | 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       |

| <i>Fitch</i>   | Today's rating | Year end |        |        |        |          |          |
|----------------|----------------|----------|--------|--------|--------|----------|----------|
|                |                | 2014     | 2013   | 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)

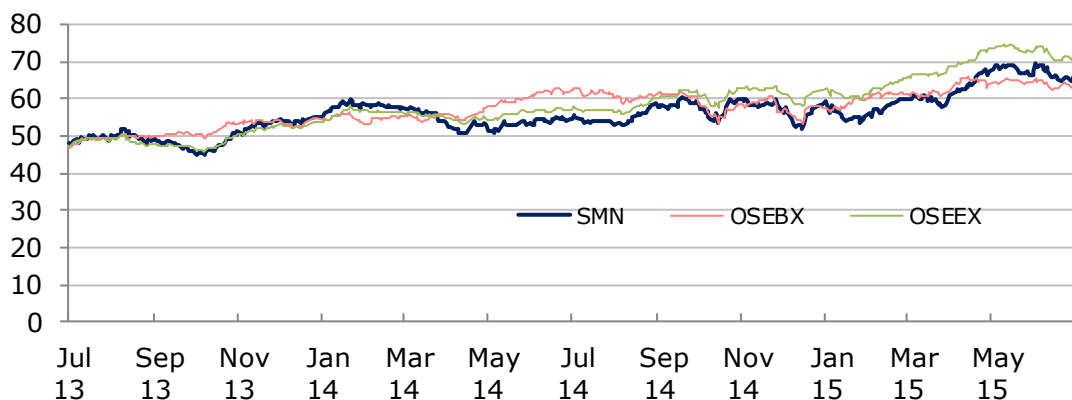
The key figures are corrected for issues.

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     | 1Q     | 4Q     | 3Q     | 2Q     | 30 Jun. |        | 2014   | 2013   |
|--|--------|--------|--------|--------|--------|---------|--------|--------|--------|
|  | 2015   | 2015   | 2014   | 2014   | 2014   | 2015    | 2014   |        |        |
| 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<sup>1)</sup> and OSEEX<sup>2)</sup>  
1 Jul 2013 to 30 Jun 2015

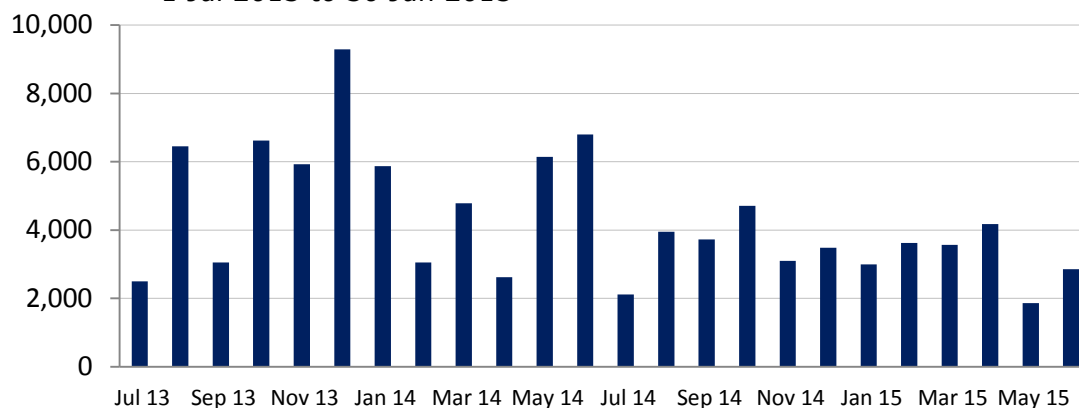


1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)

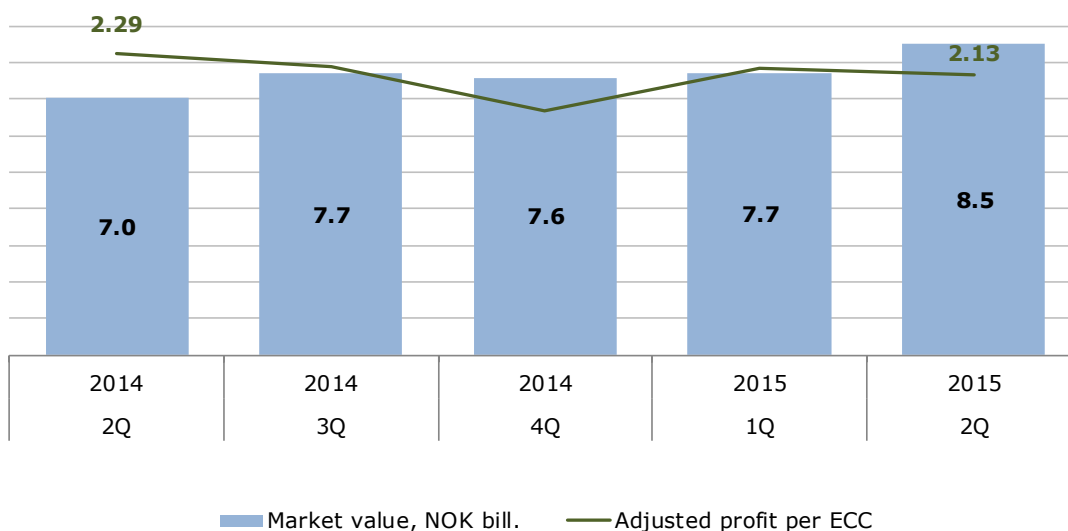
2) OSEEX = Oslo Stock Exchange ECC Index (rebased)



Trading statistics<sup>1)</sup>  
1 Jul 2013 to 30 Jun 2015



Market value and profit per ECC



## Equity certificates ratio (parent bank)

|  | 30 Jun.<br>2015 | 31 Mar.<br>2015 | 31 Dec.<br>2014 | 30 Sept.<br>2014 | 30 Jun.<br>2014 | 31 Dec.<br>2013 |
|--|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| (in NOK million)                                 |                 |                 |                 |                  |                 |                 |
| 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             |
| <b>A. The equity certificate owner's capital</b> | <b>6,704</b>    | <b>6,704</b>    | <b>6,704</b>    | <b>6,114</b>     | <b>6,114</b>    | <b>6,114</b>    |
| 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>B. The saving bank reserve</b>                | <b>3,668</b>    | <b>3,668</b>    | <b>3,668</b>    | <b>3,345</b>     | <b>3,345</b>    | <b>3,345</b>    |
| Provision for gifts                              | -               | -               | 160             | -                | -               | 124             |
| Recommended dividends                            | -               | -               | 292             | -                | -               | 227             |
| <b>Equity ex. profit</b>                         | <b>10,372</b>   | <b>10,372</b>   | <b>10,824</b>   | <b>9,459</b>     | <b>9,459</b>    | <b>9,811</b>    |
| 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%          |
| <b>Total 20 largest shareholders</b>      | <b>47,149,615</b>  | <b>36.31%</b>  |
| Others                                    | 82,686,828         | 63.69%         |
| <b>Total</b>                              | <b>129,836,443</b> | <b>100.00%</b> |

## ECC capital history

| <b>Year</b> | <b>Change</b>     | <b>Change in ECC capital</b> | <b>Total ECC capital</b> | <b>No. of ECC's</b> |
|-------------|-------------------|------------------------------|--------------------------|---------------------|
| 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           | 1Q           | 4Q         | 3Q         | 2Q           | 30 Jun.      |              | 2014         | 2013         |
|--|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
|  | 2015         | 2015         | 2014       | 2014       | 2014         | 2015         | 2014         |              |              |
| 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          |
| <b>Total income</b>                          | <b>1,044</b> | <b>1,042</b> | <b>947</b> | <b>993</b> | <b>1,026</b> | <b>2,086</b> | <b>2,081</b> | <b>4,021</b> | <b>3,580</b> |
| <b>Total operating expenses</b>              | <b>496</b>   | <b>454</b>   | <b>479</b> | <b>425</b> | <b>443</b>   | <b>950</b>   | <b>884</b>   | <b>1,789</b> | <b>1,721</b> |
| <b>Result before losses</b>                  | <b>548</b>   | <b>588</b>   | <b>467</b> | <b>568</b> | <b>583</b>   | <b>1,137</b> | <b>1,197</b> | <b>2,232</b> | <b>1,859</b> |
| Loss on loans, guarantees etc.               | 35           | 22           | 34         | 24         | 15           | 56           | 32           | 89           | 101          |
| <b>Result before tax</b>                     | <b>513</b>   | <b>567</b>   | <b>434</b> | <b>545</b> | <b>568</b>   | <b>1,080</b> | <b>1,165</b> | <b>2,143</b> | <b>1,758</b> |
| 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           |
| <b>Net profit</b>                            | <b>430</b>   | <b>441</b>   | <b>375</b> | <b>443</b> | <b>464</b>   | <b>871</b>   | <b>963</b>   | <b>1,782</b> | <b>1,400</b> |

### Balance sheet - condensed

| Balance (in NOK million)         | 30 Jun. | 31 Mar. | 31 Dec. | 30 Sept. | 30 Jun. | 31 Dec. |
|----------------------------------|---------|---------|---------|----------|---------|---------|
|                                  | 2015    | 2015    | 2014    | 2014     | 2014    | 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     | 1Q     | 4Q     | 3Q     | 2Q     | 30 Jun. |        | 2014   | 2013   |
|---|--------|--------|--------|--------|--------|---------|--------|--------|--------|
|   | 2015   | 2015   | 2014   | 2014   | 2014   | 2015    | 2014   |        |        |
| 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   |

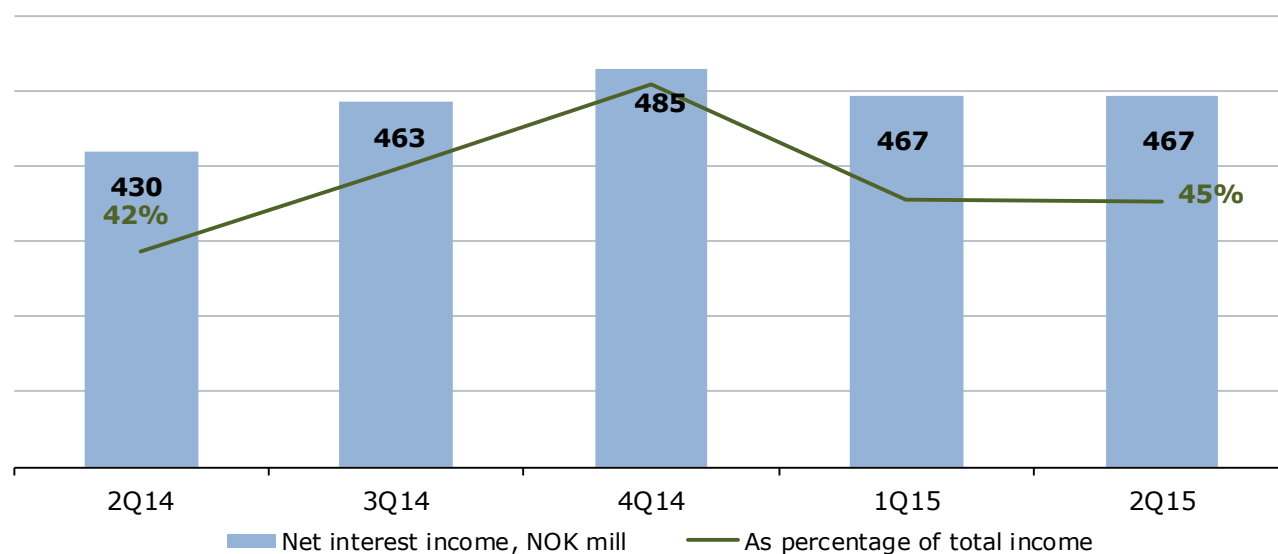
## 2.2. Net interest income\*)

### Net interest income

| (in NOK million)                     | 2Q<br>2015 | 1Q<br>2015 | 4Q<br>2014 | 3Q<br>2014 | 2Q<br>2014 | 30 Jun.    |            | 2014         | 2013         |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                                      |            |            |            |            |            | 2015       | 2014       |              |              |
| 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        |
| <b>Net interest income</b>           | <b>467</b> | <b>467</b> | <b>485</b> | <b>463</b> | <b>430</b> | <b>934</b> | <b>843</b> | <b>1,790</b> | <b>1,616</b> |
| <b>As percentage of total income</b> | <b>45%</b> | <b>45%</b> | <b>51%</b> | <b>47%</b> | <b>42%</b> | <b>45%</b> | <b>40%</b> | <b>45%</b>   | <b>45%</b>   |

\*) 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



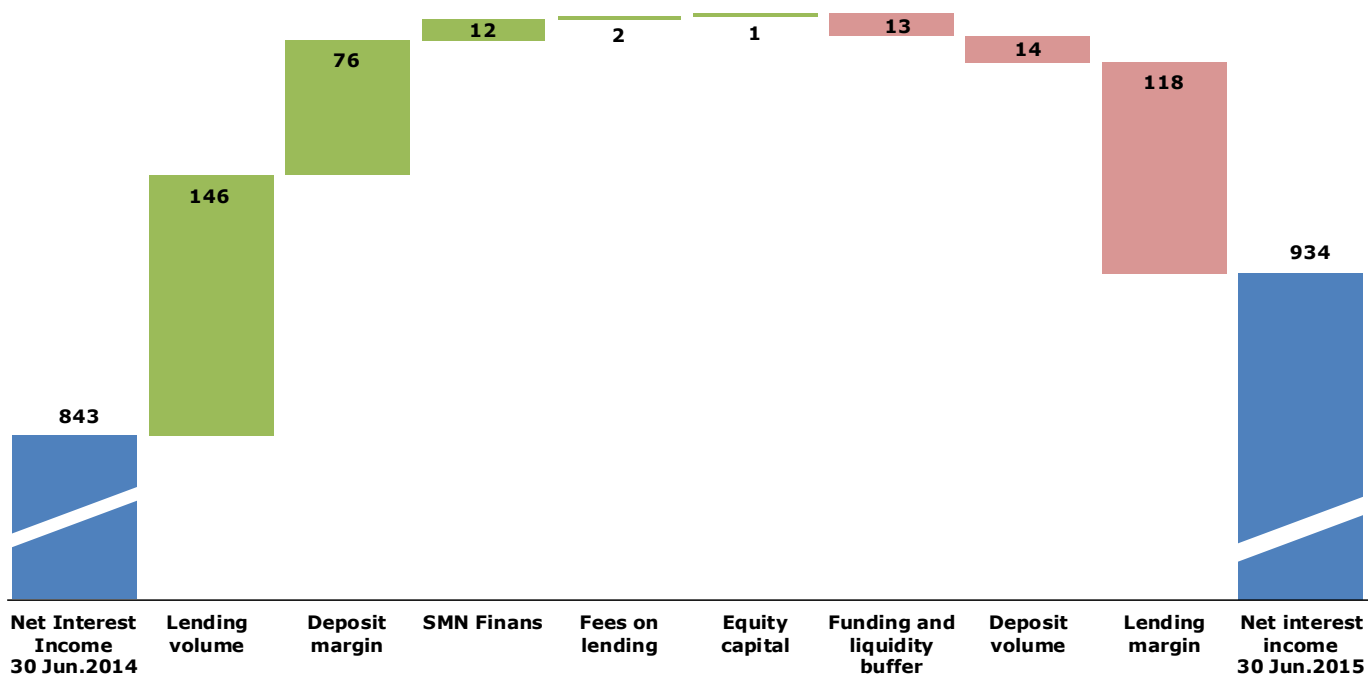
### Changes in interest income from lending and deposits, last 12 months

| (in NOK million) | Volume     | Margin     | Total     |
|------------------|------------|------------|-----------|
| Lending          | 146        | -118       | 27        |
| Deposits         | -14        | 76         | 62        |
| <b>Total</b>     | <b>131</b> | <b>-42</b> | <b>89</b> |

### Changes in net interest income

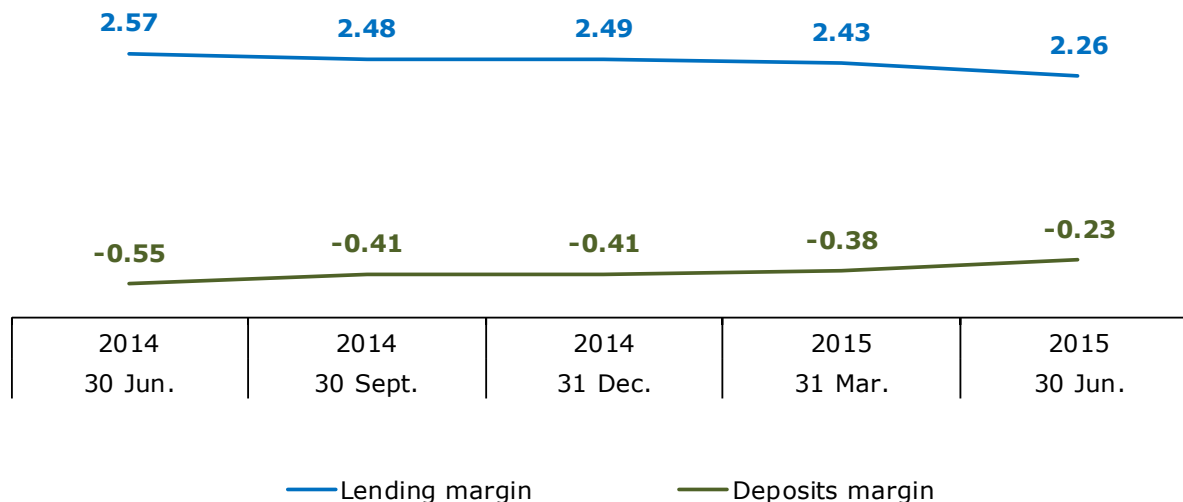
(in NOK million)

|                              | 2015       | 30 Jun.<br>Change | 2014       |
|------------------------------|------------|-------------------|------------|
| <b>Net interest income</b>   | <b>934</b> | <b>91</b>         | <b>843</b> |
| 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               |            |
| <b>Change</b>                |            | <b>91</b>         |            |

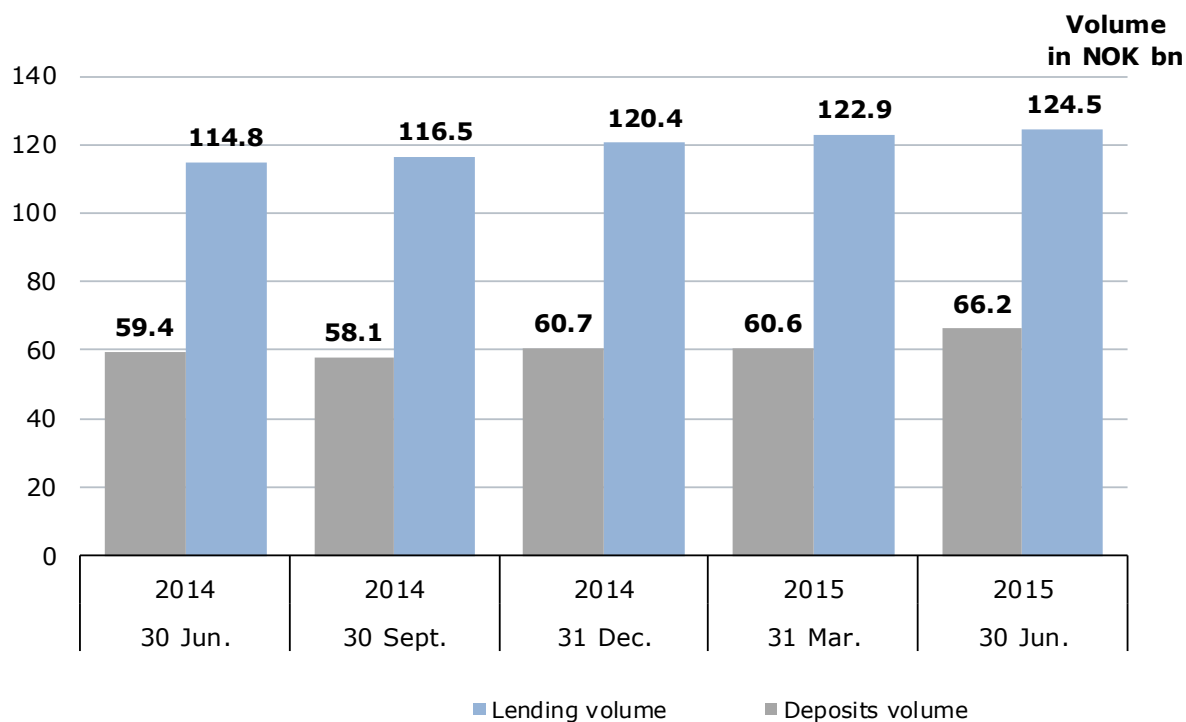


### Margin development

Definition margin: Average customer interest minus 3 months average nibor



### Volume development



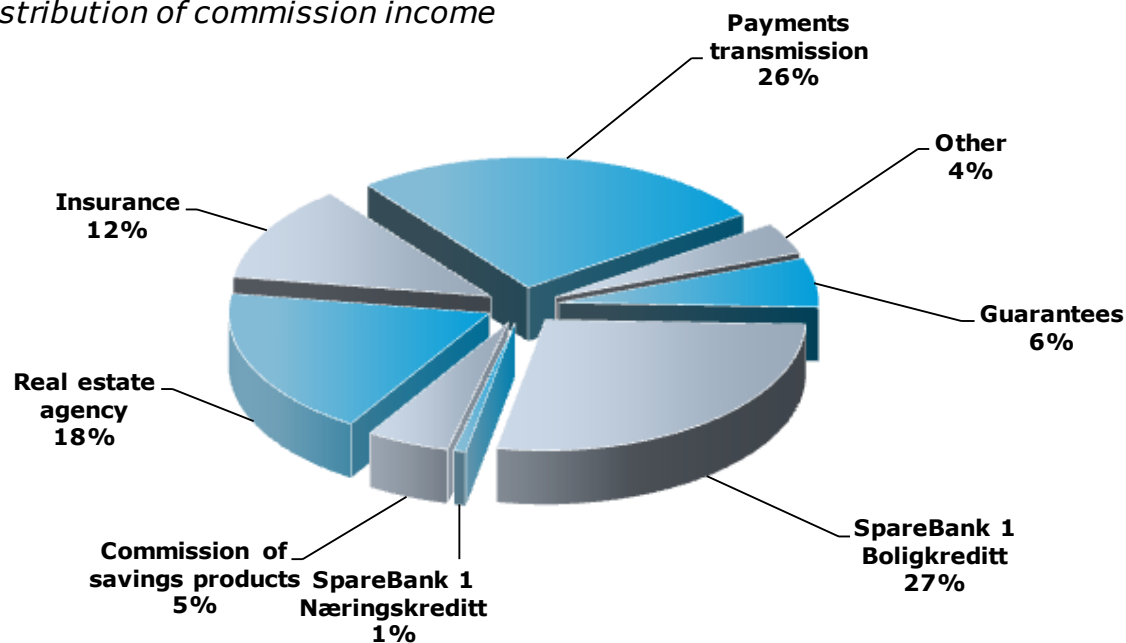


## 2.3. Commission income

### Total commission and other income

| (in NOK million)                          | 2Q         | 1Q         | 4Q         | 3Q         | 2Q         | 30 Jun.    |            | 2014         | 2013         |
|---|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|   | 2015       | 2015       | 2014       | 2014       | 2014       | 2015       | 2014       |              |              |
| 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           |
| <b>Total commissions income</b>           | <b>313</b> | <b>306</b> | <b>323</b> | <b>314</b> | <b>326</b> | <b>619</b> | <b>644</b> | <b>1,281</b> | <b>1,230</b> |
| 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          |
| <b>Total other operating income</b>       | <b>132</b> | <b>97</b>  | <b>81</b>  | <b>74</b>  | <b>96</b>  | <b>230</b> | <b>189</b> | <b>344</b>   | <b>327</b>   |
| Commission expenses                       | 32         | 27         | 33         | 28         | 28         | 59         | 53         | 113          | 94           |
| <b>Total commissions and other income</b> | <b>413</b> | <b>377</b> | <b>371</b> | <b>361</b> | <b>394</b> | <b>790</b> | <b>780</b> | <b>1,512</b> | <b>1,463</b> |
| <b>As percentage of total income</b>      | <b>40%</b> | <b>36%</b> | <b>39%</b> | <b>36%</b> | <b>38%</b> | <b>38%</b> | <b>37%</b> | <b>38%</b>   | <b>41%</b>   |

### Distribution of commission income



## Change in commission and other income

| (in NOK million)                        | 2014       | 30 Jun.<br>Change | 2013       |
|---|------------|-------------------|------------|
| <b>Total</b>                            | <b>790</b> | <b>10</b>         | <b>780</b> |
| 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<br>2015 | 1Q<br>2015 | 4Q<br>2014 | 3Q<br>2014 | 2Q<br>2014 | 30 Jun.<br>2015 | 2014       | 2014       | 2013       |
|--|------------|------------|------------|------------|------------|-----------------|------------|------------|------------|
| Income from investment in related companies incl inv held for sale | <b>120</b> | <b>128</b> | <b>144</b> | <b>169</b> | <b>131</b> | <b>248</b>      | <b>214</b> | <b>527</b> | <b>384</b> |
| <i>of which SpareBank 1 Gruppen AS</i>                             | 68         | 59         | 99         | 109        | 105        | 128             | 150        | 358        | 210        |
| <i>BN Bank ASA</i>   | 17         | 18         | 15         | 23         | 31         | 35              | 55         | 93         | 91         |
| <i>SpareBank 1 Boligkreditt AS</i>                                 | 9          | 41         | 15         | 10         | 4          | 50              | 12         | 38         | 40         |
| <i>SpareBank 1 Næringskreditt AS</i>                               | 7          | 8          | 10         | 10         | 9          | 15              | 20         | 41         | 8          |
| <i>SpareBank 1 Markets</i>   |            | -2         | -9         | -5         | -14        | -2              | -18        | -32        | -1         |
| <i>Sparebank 1 Kredittkort</i>                                     | 6          | 4          | 2          |            |            | 10              |            | 2          |            |
| <i>Comp. owned by Sparebank 1 SMN Invest</i>                       | 13         | 0          | 13         | 18         | 0          | 13              | 0          | 31         | 14         |
| <i>Other <sup>1)</sup></i>   | 0          | -1         | 0          | 3          | -4         | 0               | -6         | -3         | 23         |
| Capital gains/dividends, shares and ECCs <sup>2)</sup>             | <b>61</b>  | <b>10</b>  | <b>-15</b> | <b>2</b>   | <b>58</b>  | <b>70</b>       | <b>214</b> | <b>202</b> | <b>114</b> |
| <i>of which dividends</i>  | 22         | 0          | 5          | 0          | 14         | 22              | 60         | 65         | 41         |
| <i>capital gains on shares</i>                                     | 39         | 9          | -20        | 2          | 44         | 48              | 154        | 137        | 64         |
| <i>capital gains on ECCs</i>                                       | 0          | 0          | 0          | 0          | 0          | 0               | 0          | 0          | 9          |
| Capital gains, bonds and derivatives                               | <b>-32</b> | <b>11</b>  | <b>-48</b> | <b>-15</b> | <b>-2</b>  | <b>-21</b>      | <b>-3</b>  | <b>-66</b> | <b>-40</b> |
| Net gain on trading and derivatives                                | <b>16</b>  | <b>48</b>  | <b>11</b>  | <b>12</b>  | <b>14</b>  | <b>64</b>       | <b>34</b>  | <b>57</b>  | <b>73</b>  |
| <b>Net return on financial investments</b>                         | <b>165</b> | <b>197</b> | <b>92</b>  | <b>168</b> | <b>201</b> | <b>362</b>      | <b>459</b> | <b>720</b> | <b>531</b> |
| <b>As percentage of total income</b>                               | <b>16%</b> | <b>19%</b> | <b>10%</b> | <b>17%</b> | <b>20%</b> | <b>17%</b>      | <b>22%</b> | <b>18%</b> | <b>15%</b> |

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.<br>Change | 2014       |
|---|------------|-------------------|------------|
| <b>Total</b>  | <b>362</b> | <b>-97</b>        | <b>459</b> |
| 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*

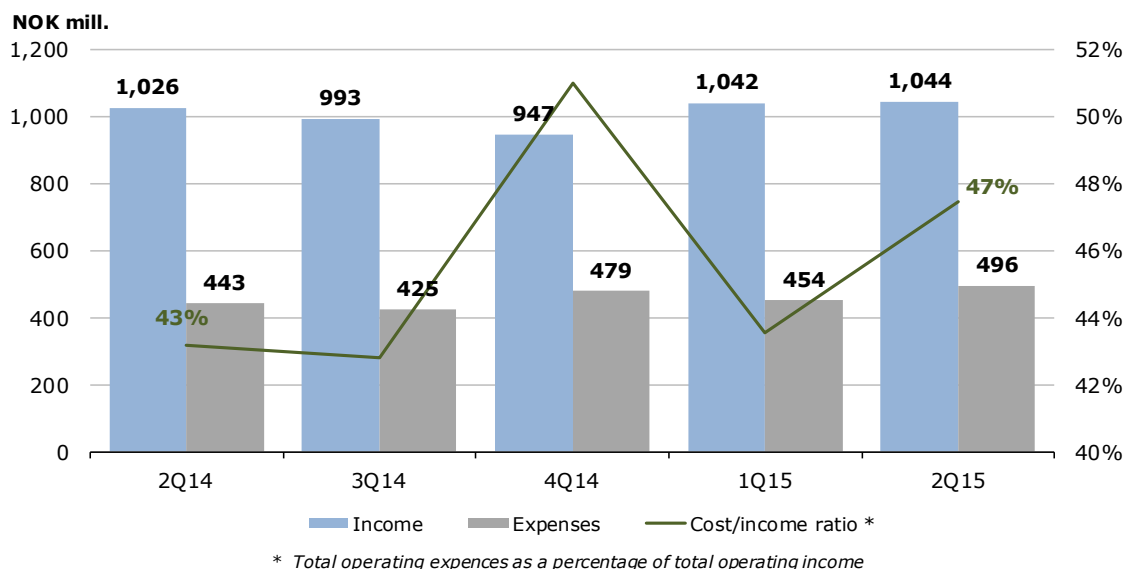
| (in NOK million)                               | 2Q         | 1Q         | 4Q         | 3Q         | 2Q         | 30 Jun.    |            | 2014         | 2013         |
|--|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|  | 2015       | 2015       | 2014       | 2014       | 2014       | 2015       | 2014       |              |              |
| 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          |
| <b>Total personnel expenses</b>                | <b>283</b> | <b>267</b> | <b>267</b> | <b>235</b> | <b>245</b> | <b>550</b> | <b>500</b> | <b>1002</b>  | <b>923</b>   |
| 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          |
| <b>Other expenses</b>                          | <b>213</b> | <b>186</b> | <b>212</b> | <b>190</b> | <b>198</b> | <b>399</b> | <b>385</b> | <b>787</b>   | <b>799</b>   |
| <b>Total operating expenses</b>                | <b>496</b> | <b>454</b> | <b>479</b> | <b>425</b> | <b>443</b> | <b>950</b> | <b>884</b> | <b>1,789</b> | <b>1,722</b> |
| 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

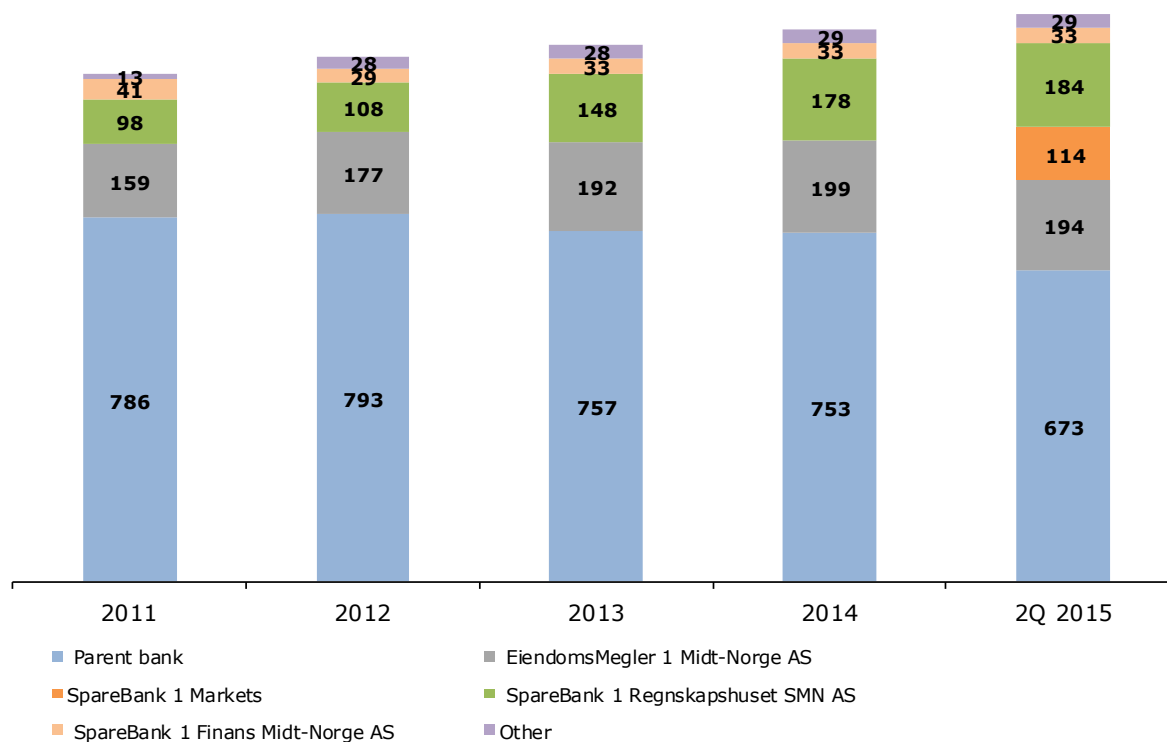
### *Change in operating expenses*

| (in NOK million)                               | 2015       | 30 Jun.<br>Change | 2014       |
|--|------------|-------------------|------------|
| <b>Total</b>                                   | <b>950</b> | <b>65</b>         | <b>884</b> |
| 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



### 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

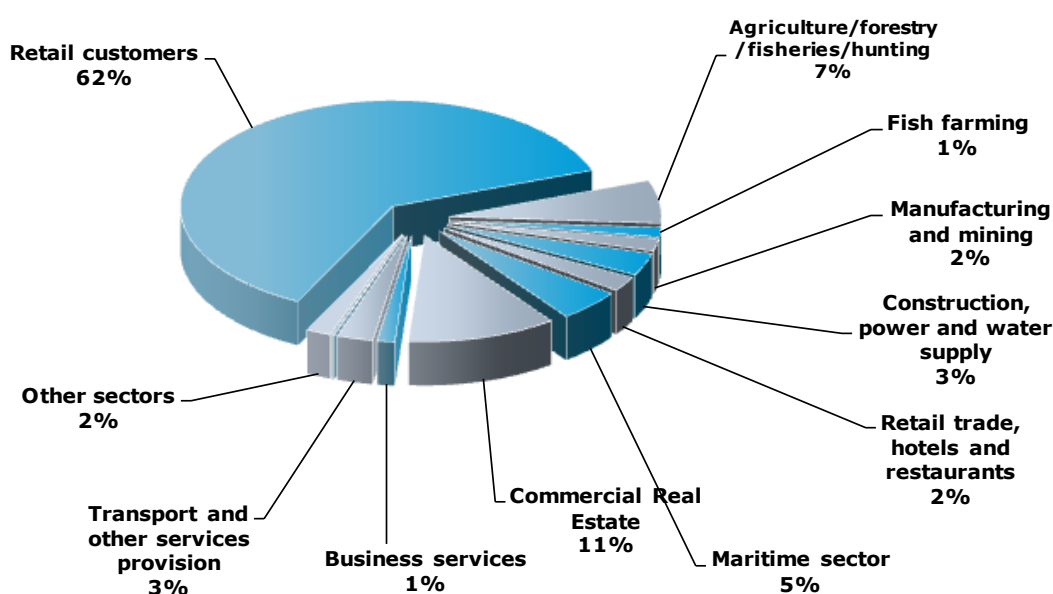
#### 3.1. Distribution of loans by industry

##### *Distribution of loans by industry*

| (in NOK million)                                 | 30 Jun.<br>2015 | 31 Mar.<br>2015 | 31 Dec.<br>2014 | 30 Sept.<br>2014 | 30 Jun.<br>2014 | 31 Dec.<br>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           |
| <b>Gross loans in corporate market</b>           | <b>47,215</b>   | <b>47,776</b>   | <b>46,348</b>   | <b>43,923</b>    | <b>43,494</b>   | <b>43,692</b>   |
| <b>Retail customers</b>                          | <b>77,304</b>   | <b>75,157</b>   | <b>74,087</b>   | <b>72,556</b>    | <b>71,325</b>   | <b>68,591</b>   |
| <b>Gross loans incl. Boligkr. and Næringskr.</b> | <b>124,519</b>  | <b>122,933</b>  | <b>120,435</b>  | <b>116,479</b>   | <b>114,819</b>  | <b>112,283</b>  |
| - Adv. of this Boligkredditt                     | 28,965          | 29,165          | 28,393          | 28,518           | 28,128          | 30,514          |
| - Adv. of this Næringskredditt                   | 1,375           | 1,457           | 1,463           | 1,222            | 1,227           | 1,221           |
| <b>Gross loans in balance sheet</b>              | <b>94,179</b>   | <b>92,311</b>   | <b>90,578</b>   | <b>86,739</b>    | <b>85,465</b>   | <b>80,548</b>   |

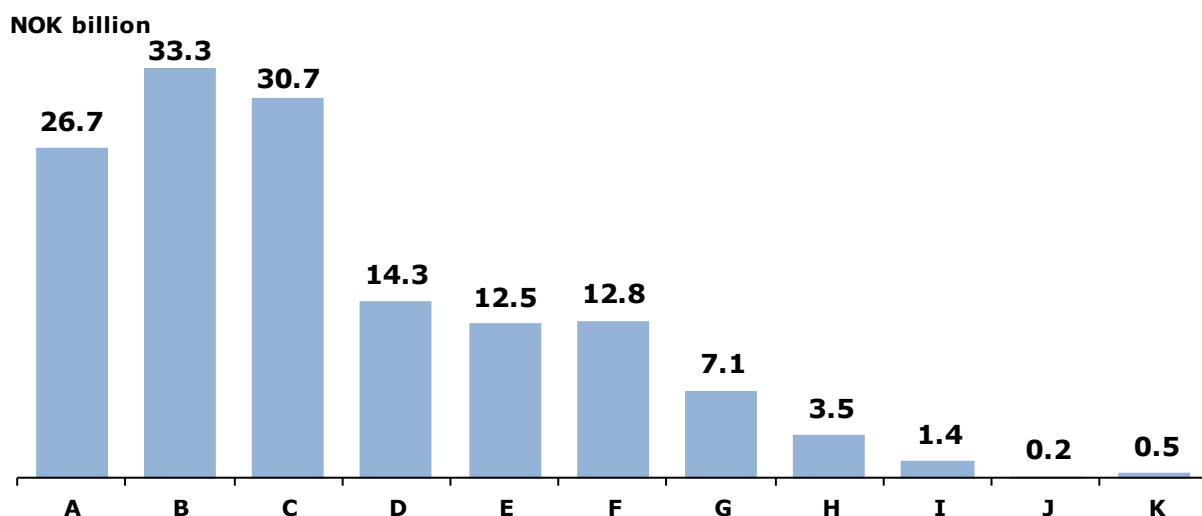
|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| <b>Share of loans, corporate market</b> | <b>38%</b> | <b>39%</b> | <b>38%</b> | <b>38%</b> | <b>38%</b> | <b>39%</b> |
| <b>Share of loans, retail market</b>    | <b>62%</b> | <b>61%</b> | <b>62%</b> | <b>62%</b> | <b>62%</b> | <b>61%</b> |

##### *Distribution of loans by industry*



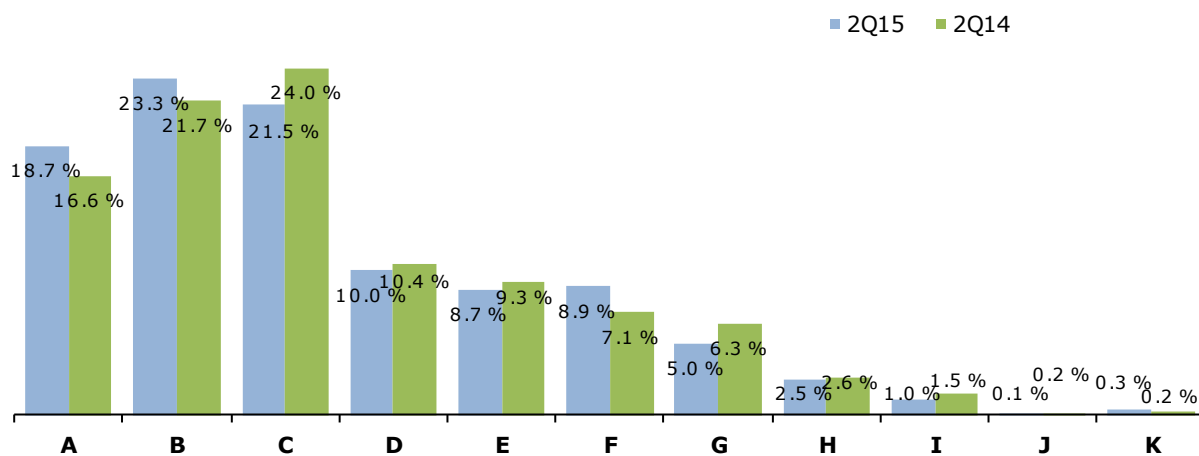
### 3.2. Risk profile and write-downs

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 |       | 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

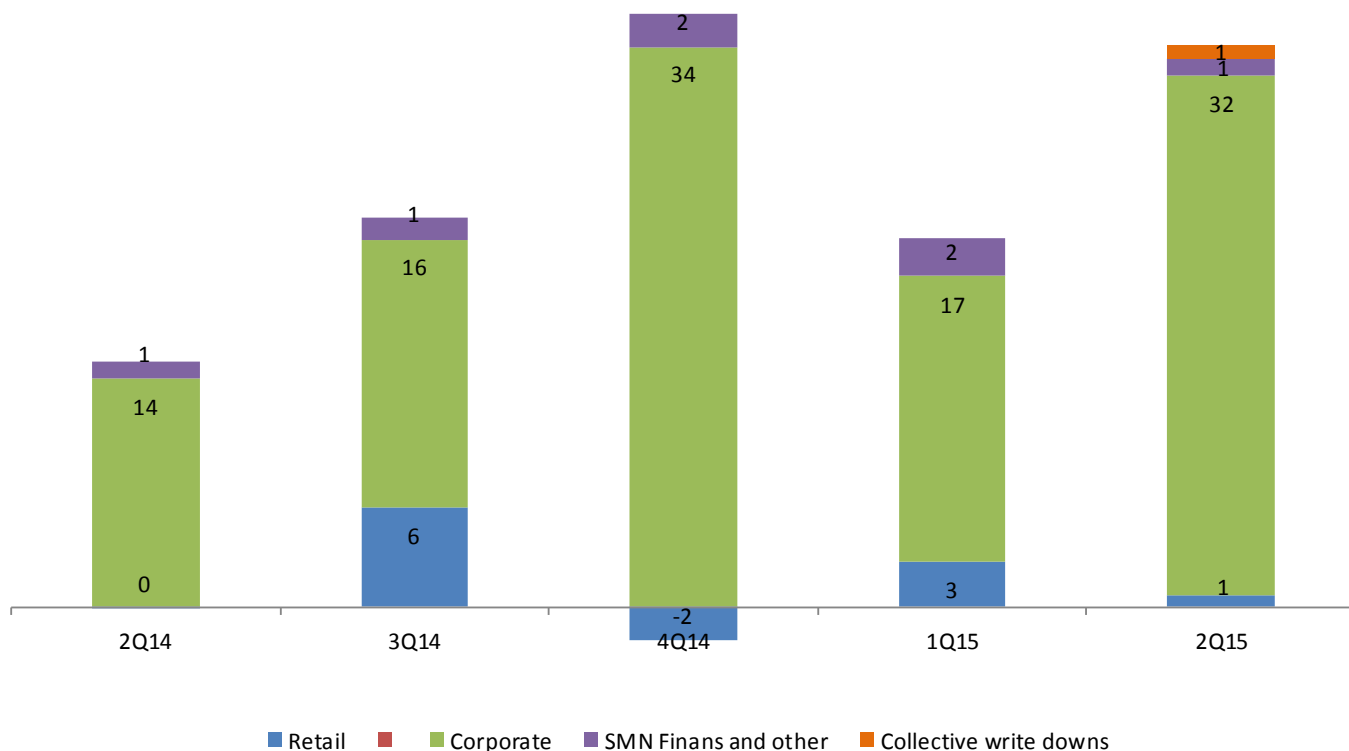
| (in NOK million)                              | 2Q<br>2015 | 1Q<br>2015 | 4Q<br>2014 | 3Q<br>2014 | 2Q<br>2014 | 30 Jun.   |           | 2014      | 2013       |
|---|------------|------------|------------|------------|------------|-----------|-----------|-----------|------------|
|   |            |            |            |            |            | 2015      | 2014      |           |            |
| 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          |
| <b>Write-downs on loans and guarantees</b>    | <b>34</b>  | <b>22</b>  | <b>34</b>  | <b>24</b>  | <b>15</b>  | <b>56</b> | <b>32</b> | <b>89</b> | <b>101</b> |
| <b>As % of gross loans incl. Boligkreditt</b> | 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<br>2015 | 1Q<br>2015 | 4Q<br>2014 | 3Q<br>2014 | 2Q<br>2014 | 30 Jun.   |           | 2014      | 2013       |
|----------------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|------------|
|                            |            |            |            |            |            | 2015      | 2014      |           |            |
| 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          |
| <b>Total loss on loans</b> | <b>34</b>  | <b>22</b>  | <b>34</b>  | <b>24</b>  | <b>15</b>  | <b>56</b> | <b>32</b> | <b>89</b> | <b>101</b> |

\* 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, guarantees etc., prev. subject to ind. write down | -24        | -33        | -32        | -10        | -7         | -57          | -23          | -66        | -40        |
| <b>Individual write downs to cover loss</b>  | <b>168</b> | <b>160</b> | <b>172</b> | <b>182</b> | <b>176</b> | <b>168</b>   | <b>176</b>   | <b>172</b> | <b>173</b> |
| 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          |
| <b>Collective write downs to cover loss on loans, guarantees</b>                           | <b>296</b> | <b>295</b> | <b>295</b> | <b>295</b> | <b>295</b> | <b>296</b>   | <b>295</b>   | <b>295</b> | <b>295</b> |



## Loans and guarantees by industry

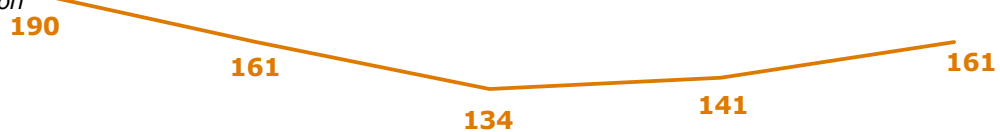
|  | Total          | Very low risk | Low risk      | Medium risk   | High risk    | Very high risk | Default and written down |
|--|----------------|---------------|---------------|---------------|--------------|----------------|--------------------------|
| Wage earners                           | 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          | -              | -                        |
| <b>2Q15</b>                            | <b>142,921</b> | <b>90,677</b> | <b>26,770</b> | <b>19,875</b> | <b>3,509</b> | <b>1,443</b>   | <b>648</b>               |
| <b>2014</b>                            | <b>134,884</b> | <b>81,769</b> | <b>28,051</b> | <b>18,857</b> | <b>4,165</b> | <b>1,574</b>   | <b>469</b>               |
| <b>2013</b>                            | <b>126,767</b> | <b>77,571</b> | <b>26,590</b> | <b>16,001</b> | <b>3,976</b> | <b>2,108</b>   | <b>521</b>               |

## 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



|      |      |      |      |      |
|------|------|------|------|------|
| 2014 | 2014 | 2014 | 2015 | 2015 |
| 2Q   | 3Q   | 4Q   | 1Q   | 2Q   |

— Retail > 90 d

Default in excess of 90 days

NOK million



|      |      |      |      |      |
|------|------|------|------|------|
| 2014 | 2014 | 2014 | 2015 | 2015 |
| 2Q   | 3Q   | 4Q   | 1Q   | 2Q   |

— Corporates\* > 90 d

## 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 September 2014. 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     |

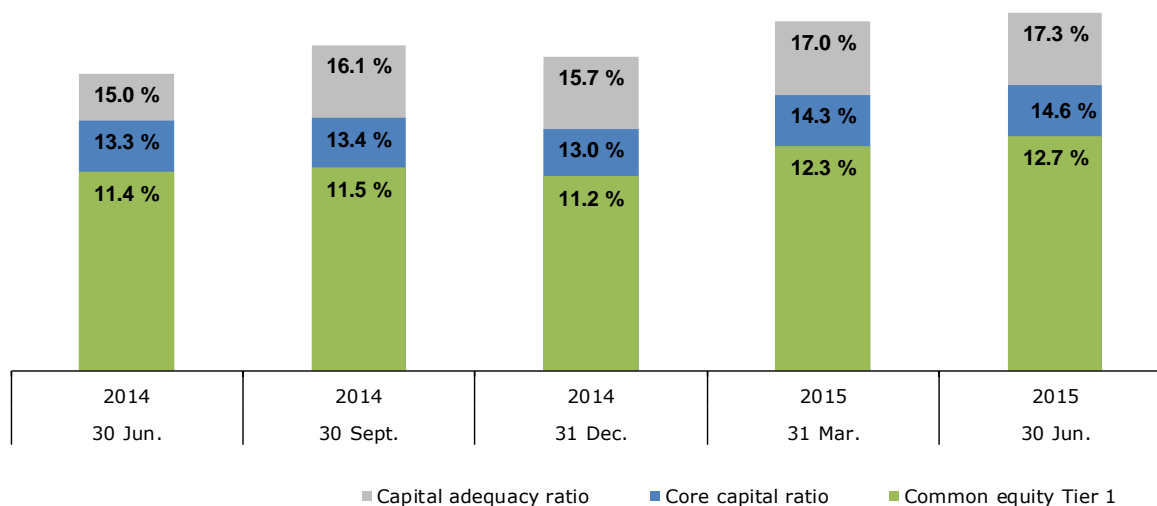
## Capital Adequacy

| (in NOK million)   | 30 Jun.<br>2015 | 31 Mar.<br>2015 | 31 Dec.<br>2014 | 30 Sept.<br>2014 | 30 Jun.<br>2014 | 31 Dec.<br>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               |
| <b>Total book equity</b>   | <b>13,191</b>   | <b>12,521</b>   | <b>12,524</b>   | <b>12,228</b>    | <b>11,780</b>   | <b>11,242</b>   |
| 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             |                 |                 |
| <b>Total common equity Tier one</b>  | <b>11,443</b>   | <b>11,008</b>   | <b>10,674</b>   | <b>10,605</b>    | <b>9,945</b>    | <b>9,374</b>    |
| 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               |                 |                 |
| <b>Total core capital</b>  | <b>13,142</b>   | <b>12,713</b>   | <b>12,382</b>   | <b>12,302</b>    | <b>11,635</b>   | <b>10,989</b>   |
| <b>Supplementary capital in excess of core capital</b>                             |                 |                 |                 |                  |                 |                 |
| 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              |                 |                 |
| <b>Total supplementary capital</b>   | <b>2,435</b>    | <b>2,435</b>    | <b>2,555</b>    | <b>2,523</b>     | <b>1,529</b>    | <b>1,428</b>    |
| <b>Net subordinated capital</b>  | <b>15,577</b>   | <b>15,147</b>   | <b>14,937</b>   | <b>14,826</b>    | <b>13,164</b>   | <b>12,417</b>   |

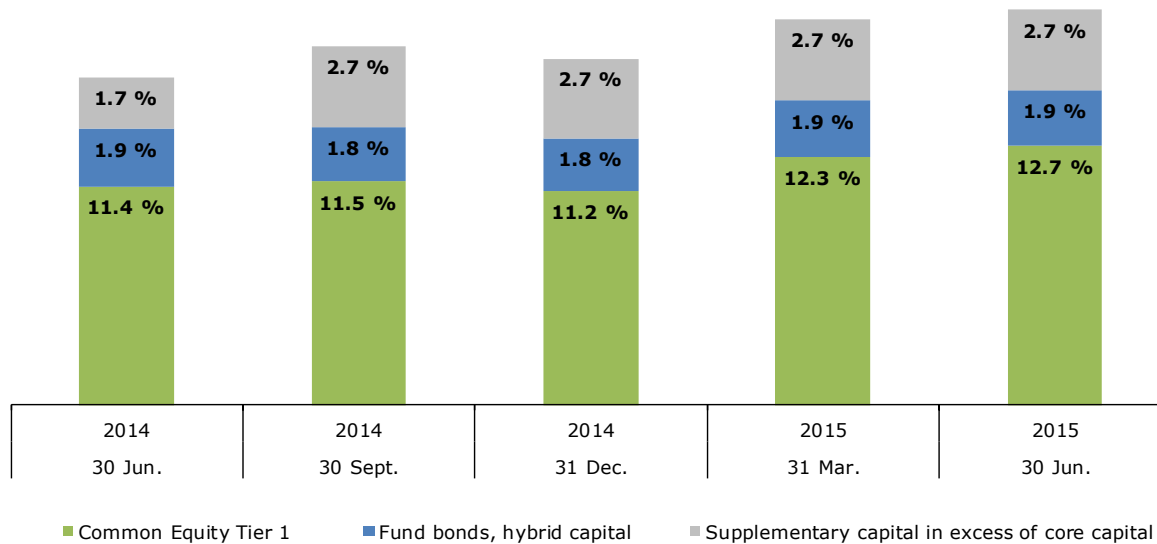
### Minimum requirements subordinated capital

| (in NOK million)  | 30 Jun.<br>2015 | 31 Mar.<br>2015 | 31 Dec.<br>2014 | 30 Sept.<br>2014 | 30 Jun.<br>2014 | 31 Dec.<br>2013 |
|---|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Involvement with specialised 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               |
| <b>Total credit risk IRB</b>                            | <b>4,068</b>    | <b>4,194</b>    | <b>4,748</b>    | <b>4,529</b>     | <b>4,722</b>    | <b>3,787</b>    |
| 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             |
| <b>Minimum requirements subordinated capital</b>        | <b>7,198</b>    | <b>7,134</b>    | <b>7,625</b>    | <b>7,364</b>     | <b>6,998</b>    | <b>6,767</b>    |
| <b>Risk Weighted Assets (RWA)</b>                       | <b>89,972</b>   | <b>89,171</b>   | <b>95,317</b>   | <b>92,045</b>    | <b>87,477</b>   | <b>84,591</b>   |
| Minimum requirement on CET1 capital, 4.5 per cent       | 4,049           | 4,013           | <b>4,289</b>    |                  |                 |                 |
| Capital conservation buffer, 2,5 per cent               | 2,249           | 2,229           | <b>2,383</b>    |                  |                 |                 |
| Systemic risk buffer, 3.0 per cent                      | 2,699           | 2,675           | <b>2,860</b>    |                  |                 |                 |
| Countercyclical buffer, 1.0 per cent                    | 900             |                 |                 |                  |                 |                 |
| <b>Available CET1 capital after buffer requirements</b> | <b>1,546</b>    | <b>2,091</b>    | <b>1,143</b>    |                  |                 |                 |
| 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 %          |

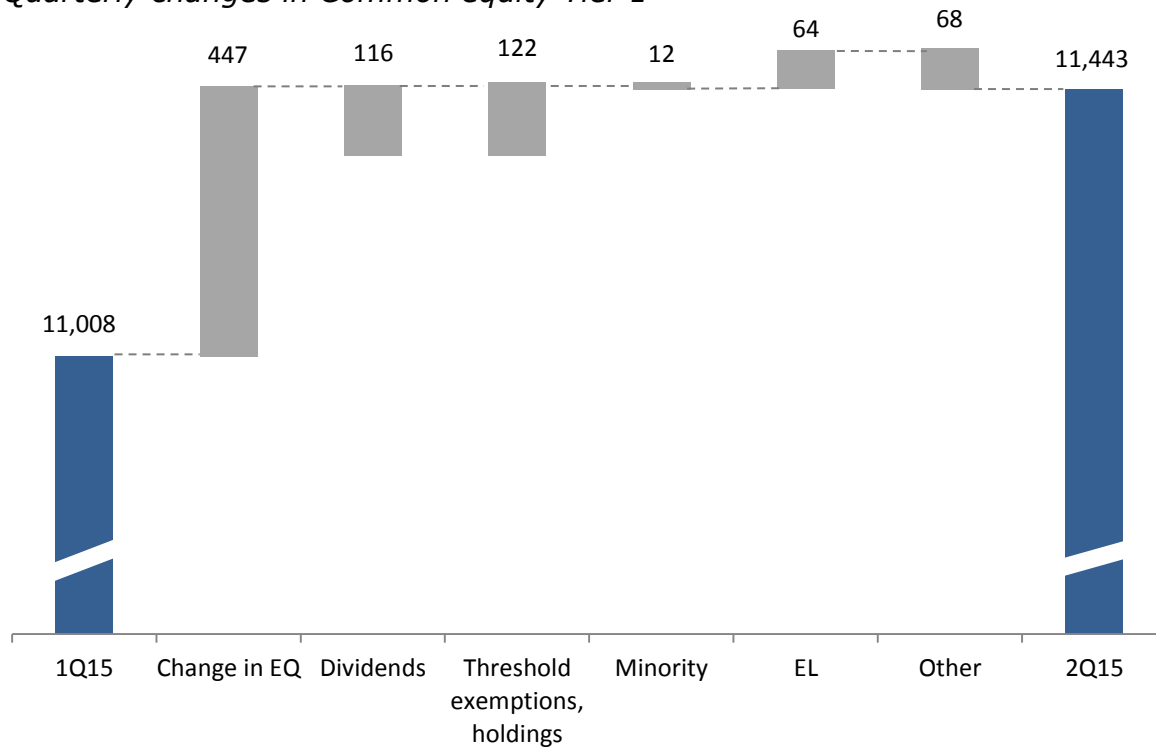
### Capital Adequacy



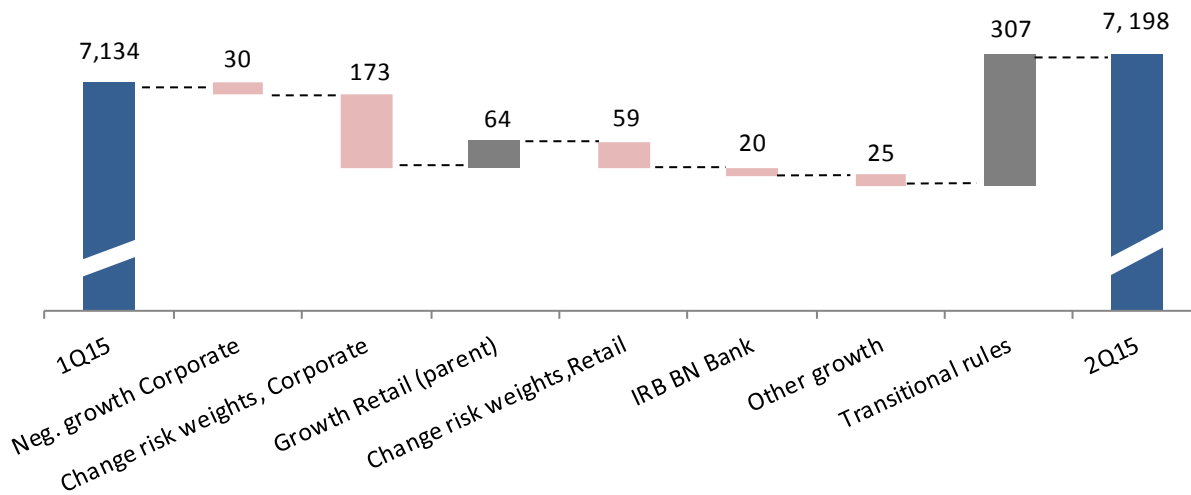
Capital Adequacy



Quarterly changes in Common equity Tier 1

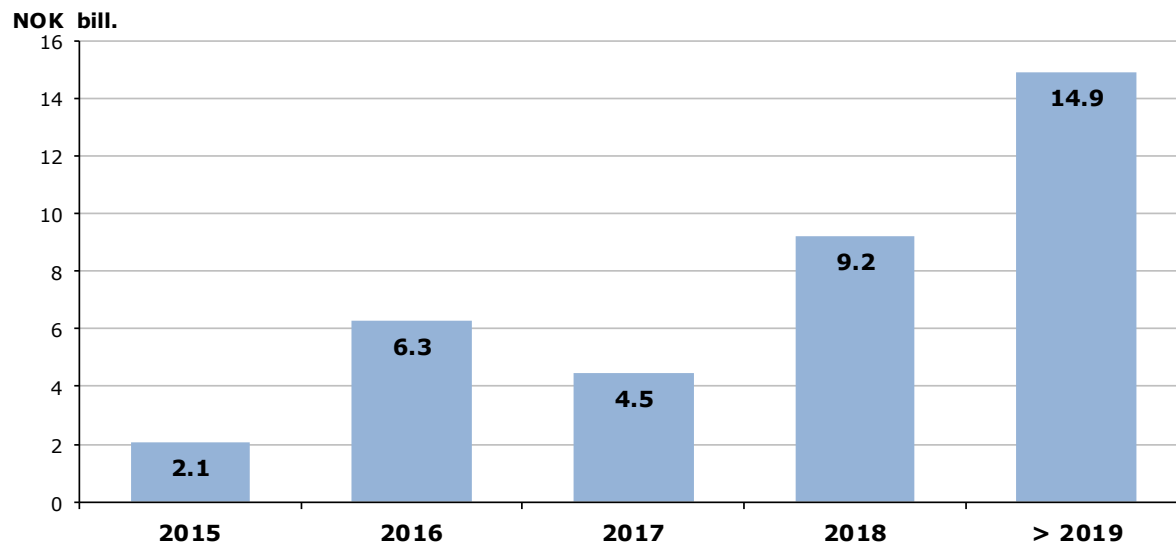


Quarterly changes in Minimum requirements subordinated capital

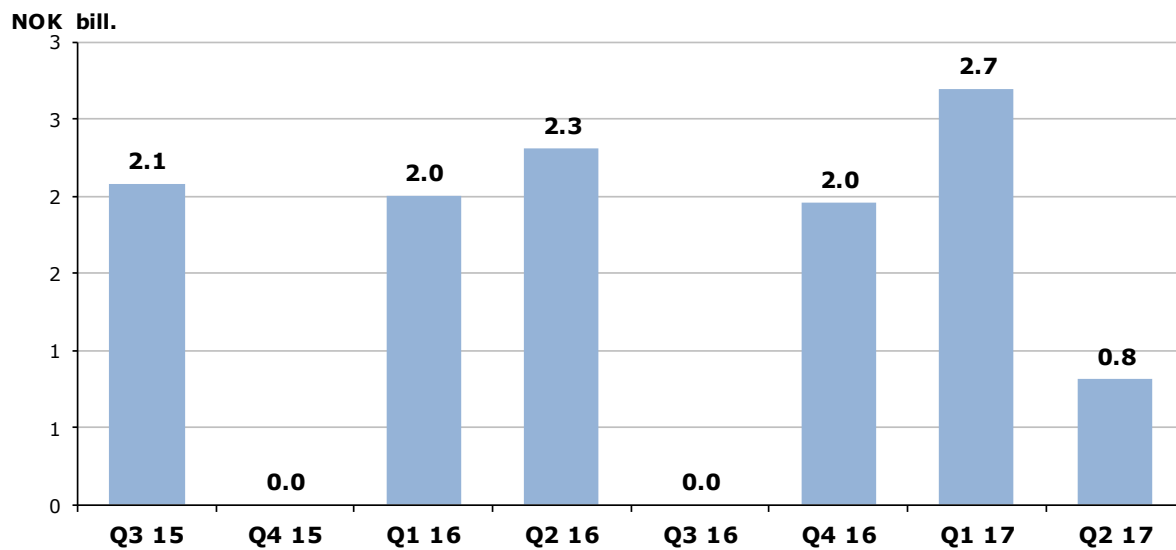


## 5. Funding

### Funding maturity dates



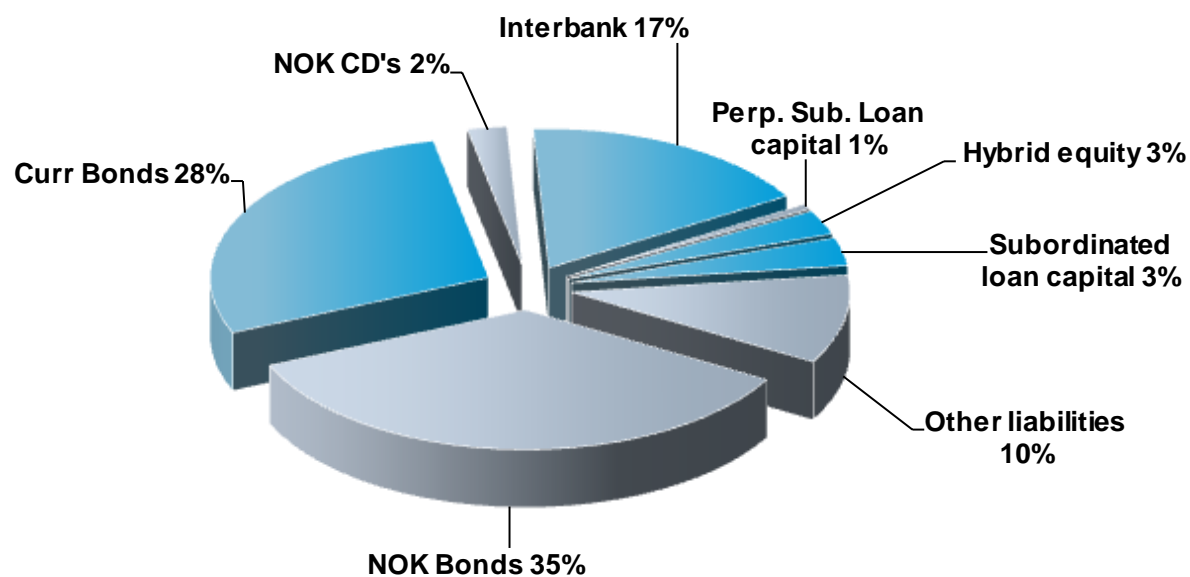
### Funding maturity dates over the next eight quarters





### Capital markets funding

| (in NOK million)          | 30 Jun.<br>2015 | 31 Mar.<br>2015 | 31 Dec.<br>2014 | 30 Sept.<br>2014 | 30 Jun.<br>2014 | 31 Dec.<br>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           |
| <b>Total</b>              | <b>50,449</b>   | <b>50,929</b>   | <b>51,141</b>   | <b>46,856</b>    | <b>49,769</b>   | <b>48,667</b>   |



## 6. Financial results

### Financial results

| (in NOK million)                             | 2Q           | 1Q           | 4Q         | 3Q         | 2Q           | 30 Jun.      |              | 2014         | 2013         |
|--|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
|  | 2015         | 2015         | 2014       | 2014       | 2014         | 2015         | 2014         |              |              |
| 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        |
| <b>Net interest</b>                          | <b>467</b>   | <b>467</b>   | <b>485</b> | <b>463</b> | <b>430</b>   | <b>934</b>   | <b>843</b>   | <b>1,790</b> | <b>1,616</b> |
| 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          |
| <b>Commission income and other income</b>    | <b>413</b>   | <b>377</b>   | <b>371</b> | <b>361</b> | <b>394</b>   | <b>790</b>   | <b>780</b>   | <b>1,512</b> | <b>1,463</b> |
| 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          |
| <b>Net return on financial investments</b>   | <b>165</b>   | <b>198</b>   | <b>91</b>  | <b>170</b> | <b>201</b>   | <b>362</b>   | <b>459</b>   | <b>720</b>   | <b>502</b>   |
| <b>Total income</b>                          | <b>1,044</b> | <b>1,042</b> | <b>947</b> | <b>993</b> | <b>1,026</b> | <b>2,086</b> | <b>2,081</b> | <b>4,021</b> | <b>3,580</b> |
| 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          |
| <b>Total operating expenses</b>              | <b>496</b>   | <b>454</b>   | <b>479</b> | <b>425</b> | <b>443</b>   | <b>950</b>   | <b>884</b>   | <b>1,789</b> | <b>1,722</b> |
| <b>Result before losses</b>                  | <b>548</b>   | <b>588</b>   | <b>467</b> | <b>568</b> | <b>583</b>   | <b>1,137</b> | <b>1,197</b> | <b>2,232</b> | <b>1,859</b> |
| Loss on loans, guarantees etc.               | 35           | 22           | 34         | 24         | 15           | 56           | 32           | 89           | 101          |
| <b>Result before tax</b>                     | <b>513</b>   | <b>567</b>   | <b>434</b> | <b>545</b> | <b>568</b>   | <b>1,080</b> | <b>1,165</b> | <b>2,143</b> | <b>1,758</b> |
| 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           |
| <b>Net profit</b>                            | <b>430</b>   | <b>441</b>   | <b>375</b> | <b>443</b> | <b>464</b>   | <b>871</b>   | <b>963</b>   | <b>1,782</b> | <b>1,400</b> |
| 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.<br>2015 | 31 Mar.<br>2015 | 31 Dec.<br>2014 | 30 Sept.<br>2014 | 30 Jun.<br>2014 | 31 Dec.<br>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           |
| <b>Assets</b>                                  | <b>130,888</b>  | <b>123,687</b>  | <b>126,047</b>  | <b>117,194</b>   | <b>118,758</b>  | <b>115,360</b>  |
| 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           |
| <b>Total liabilities</b>                       | <b>117,697</b>  | <b>111,165</b>  | <b>113,523</b>  | <b>104,966</b>   | <b>106,978</b>  | <b>104,118</b>  |
| 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              |
| <b>Total equity capital</b>                    | <b>13,191</b>   | <b>12,521</b>   | <b>12,524</b>   | <b>12,228</b>    | <b>11,780</b>   | <b>11,242</b>   |
| <b>Total liabilities and equity</b>            | <b>130,888</b>  | <b>123,687</b>  | <b>126,047</b>  | <b>117,194</b>   | <b>118,758</b>  | <b>115,360</b>  |

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      | 1Q      | 4Q      | 3Q      | 2Q      | 30 Jun. |         | 2014    | 2013    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2015    | 2015    | 2014    | 2014    | 2014    | 2015    | 2014    |         |         |
| 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 subsidiaries           | 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 doubtful 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 Sparebank 1 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.

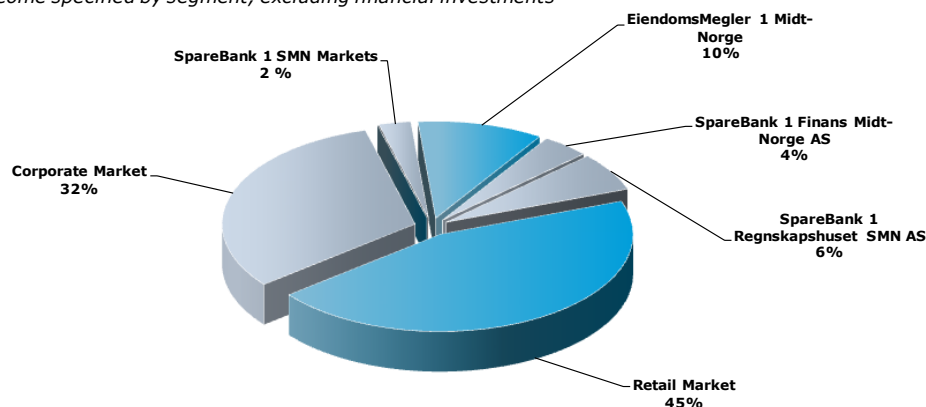
As of 1 January 2014 the bank's SME portfolio was split up and assigned to Retail Banking and Corporate Banking respectively. Limited companies are transferred to Corporate Banking. Sole proprietorships, agricultural customers and associations etc are transferred to Retail Banking. Historical data have 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)                                  | Eiendoms      |                  |                     |                     |                             |                                   |                     |              |               | Total          |
|---|---------------|------------------|---------------------|---------------------|-----------------------------|-----------------------------------|---------------------|--------------|---------------|----------------|
|   | Retail Market | Corporate Market | SpareBank 1 Markets | Megler 1 Midt-Norge | SpareBank 1 Finans Norge AS | SpareBank 1 Regnskapshuset SMN AS | SpareBank 1 Gruppen | BN Bank      | Uncollated    |                |
| Net interest  | 442           | 450              | -1                  | 1                   | 73                          | -0                                | -                   | -            | -32           | 934            |
| Allocated   | 31            | 37               | -                   | -                   | -                           | -                                 | -                   | -            | -68           | -              |
| <b>Total interest income</b>                            | <b>473</b>    | <b>487</b>       | <b>-1</b>           | <b>1</b>            | <b>73</b>                   | <b>-0</b>                         | <b>-</b>            | <b>-</b>     | <b>-100</b>   | <b>934</b>     |
| 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            |
| <b>Total income*</b>                                    | <b>821</b>    | <b>578</b>       | <b>49</b>           | <b>193</b>          | <b>73</b>                   | <b>117</b>                        | <b>128</b>          | <b>35</b>    | <b>93</b>     | <b>2,086</b>   |
| <b>Total operating expenses</b>                         | <b>370</b>    | <b>175</b>       | <b>59</b>           | <b>164</b>          | <b>27</b>                   | <b>97</b>                         | <b>-</b>            | <b>-</b>     | <b>58</b>     | <b>950</b>     |
| <b>Ordinary operating profit</b>                        | <b>451</b>    | <b>403</b>       | <b>-10</b>          | <b>29</b>           | <b>46</b>                   | <b>20</b>                         | <b>128</b>          | <b>35</b>    | <b>35</b>     | <b>1,137</b>   |
| Loss on loans, guarantees etc.                          | 3             | 49               | -                   | -                   | 3                           | -                                 | -                   | -            | 1             | 56             |
| <b>Result before tax incl investments held for sale</b> | <b>448</b>    | <b>354</b>       | <b>-10</b>          | <b>29</b>           | <b>43</b>                   | <b>20</b>                         | <b>128</b>          | <b>35</b>    | <b>33</b>     | <b>1,080</b>   |
| <b>Post-tax return on equity**</b>                      | <b>17.0 %</b> | <b>13.0 %</b>    |                     |                     |                             |                                   |                     |              |               | <b>13.7 %</b>  |
| <b>Balance sheet</b>                                    |               |                  |                     |                     |                             |                                   |                     |              |               |                |
| 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         |
| <b>Total assets</b>                                     | <b>52,353</b> | <b>36,490</b>    | <b>1,471</b>        | <b>264</b>          | <b>3,930</b>                | <b>144</b>                        | <b>1,381</b>        | <b>1,149</b> | <b>33,707</b> | <b>130,888</b> |
| 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         |
| <b>Total liabilities</b>                                | <b>52,353</b> | <b>36,490</b>    | <b>1,471</b>        | <b>264</b>          | <b>3,930</b>                | <b>144</b>                        | <b>1,381</b>        | <b>1,149</b> | <b>33,707</b> | <b>130,888</b> |

\*\*\*) 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.    |            | 2014         | 2013         |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                            |            |            |            |            |            | 2015       | 2014       |              |              |
| Retail                     | 221        | 221        | 244        | 224        | 207        | 442        | 404        | 873          | 630          |
| Corporate                  | 234        | 216        | 219        | 210        | 205        | 450        | 411        | 840          | 695          |
| SME                        |            |            |            |            |            |            |            |              | 213          |
| <b>Net interest income</b> | <b>455</b> | <b>437</b> | <b>463</b> | <b>434</b> | <b>412</b> | <b>892</b> | <b>815</b> | <b>1,712</b> | <b>1,537</b> |

Development in margin, Retail Market and Corporate Market

| <i>Lending</i> (in percentage) | 2Q 2015     | 1Q 2015     | 4Q 2014     | 3Q 2014     | 2Q 2014     | 30 Jun.     |             | 2014        | 2013        |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                |             |             |             |             |             | 2015        | 2014        |             |             |
| 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        |
| <b>Total</b>                   | <b>2.26</b> | <b>2.50</b> | <b>2.49</b> | <b>2.48</b> | <b>2.57</b> | <b>2.35</b> | <b>2.58</b> | <b>2.56</b> | <b>2.58</b> |

| <i>Deposits</i> (in percentage) | 2Q 2015      | 1Q 2015      | 4Q 2014      | 3Q 2014      | 2Q 2014      | 30 Jun.      |              | 2014         | 2013         |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                 |              |              |              |              |              | 2015         | 2014         |              |              |
| 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        |
| <b>Total</b>                    | <b>-0.23</b> | <b>-0.38</b> | <b>-0.41</b> | <b>-0.41</b> | <b>-0.55</b> | <b>-0.30</b> | <b>-0.57</b> | <b>-0.49</b> | <b>-0.51</b> |

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

Development in volume, Retail Market, Corporate Market and SME

| <i>Lending*</i> (in NOK million) | 2Q 2015        | 1Q 2015        | 4Q 2014        | 3Q 2014        | 2Q 2014        | 30 Jun.        |                | 2014           | 2013           |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                  |                |                |                |                |                | 2015           | 2014           |                |                |
| 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          |
| <b>Total</b>                     | <b>119,441</b> | <b>117,790</b> | <b>115,306</b> | <b>111,896</b> | <b>110,376</b> | <b>119,441</b> | <b>110,376</b> | <b>115,306</b> | <b>105,362</b> |

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

| <i>Deposits</i> (in NOK million) | 2Q 2015       | 1Q 2015       | 4Q 2014       | 3Q 2014       | 2Q 2014       | 30 Jun.       |               | 2014          | 2013          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                  |               |               |               |               |               | 2015          | 2014          |               |               |
| 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         |
| <b>Total</b>                     | <b>65,467</b> | <b>60,000</b> | <b>60,052</b> | <b>57,302</b> | <b>58,017</b> | <b>65,467</b> | <b>58,017</b> | <b>60,052</b> | <b>54,784</b> |

Development in commission income, Retail Market, Corporate Market and SME

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

## 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

| <i>Facts about the business area</i> | <b>30 Jun.<br/>2015</b> |
|--------------------------------------|-------------------------|
| Lending volume                       | 81,352                  |
| Deposits volume                      | 33,915                  |
| No. of active customers              | 205,479                 |
| FTEs                                 | 345                     |

| <i>Financial performance</i><br>(in NOK million) | <b>2Q<br/>2015</b> | <b>1Q<br/>2015</b> | <b>4Q<br/>2014</b> | <b>3Q<br/>2014</b> | <b>2Q<br/>2014</b> | <b>30 Jun.<br/>2015 2014</b> |            | <b>2014</b>  | <b>2013</b>  |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|------------|--------------|--------------|
| 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           |
| <b>Total interest income</b>                     | <b>234</b>         | <b>239</b>         | <b>252</b>         | <b>236</b>         | <b>219</b>         | <b>473</b>                   | <b>425</b> | <b>913</b>   | <b>641</b>   |
| Net guarantee commission, incl. Boligkreditt     | 90                 | 97                 | 108                | 101                | 112                | 187                          | 237        | 445          | 426          |
| Net commission of savings products               | 13                 | 10                 | 13                 | 11                 | 10                 | 23                           | 18         | 42           | 38           |
| Net commission insurance services                | 33                 | 30                 | 32                 | 28                 | 28                 | 63                           | 52         | 113          | 99           |
| Net commission payment trans. services           | 39                 | 36                 | 41                 | 44                 | 39                 | 75                           | 76         | 161          | 141          |
| Other commission income                          | 0                  | -0                 | -0                 | -0                 | -0                 | 0                            | 0          | 0            | 0            |
| <b>Net fee and commission income</b>             | <b>175</b>         | <b>173</b>         | <b>194</b>         | <b>185</b>         | <b>190</b>         | <b>348</b>                   | <b>383</b> | <b>762</b>   | <b>704</b>   |
| Net profit on financial investments              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                            | 0          | 1            | 1            |
| <b>Total income</b>                              | <b>410</b>         | <b>411</b>         | <b>446</b>         | <b>421</b>         | <b>408</b>         | <b>821</b>                   | <b>809</b> | <b>1,675</b> | <b>1,346</b> |
| <b>Total operating expenses*</b>                 | <b>171</b>         | <b>199</b>         | <b>213</b>         | <b>216</b>         | <b>176</b>         | <b>370</b>                   | <b>380</b> | <b>809</b>   | <b>641</b>   |
| <b>Results</b>                                   | <b>239</b>         | <b>212</b>         | <b>233</b>         | <b>205</b>         | <b>232</b>         | <b>451</b>                   | <b>428</b> | <b>867</b>   | <b>705</b>   |
| Loss on loans, guarantees etc.                   | 1                  | 3                  | -2                 | 6                  | -0                 | 3                            | 1          | 6            | 6            |
| <b>Results before tax</b>                        | <b>238</b>         | <b>209</b>         | <b>235</b>         | <b>199</b>         | <b>232</b>         | <b>448</b>                   | <b>427</b> | <b>861</b>   | <b>699</b>   |

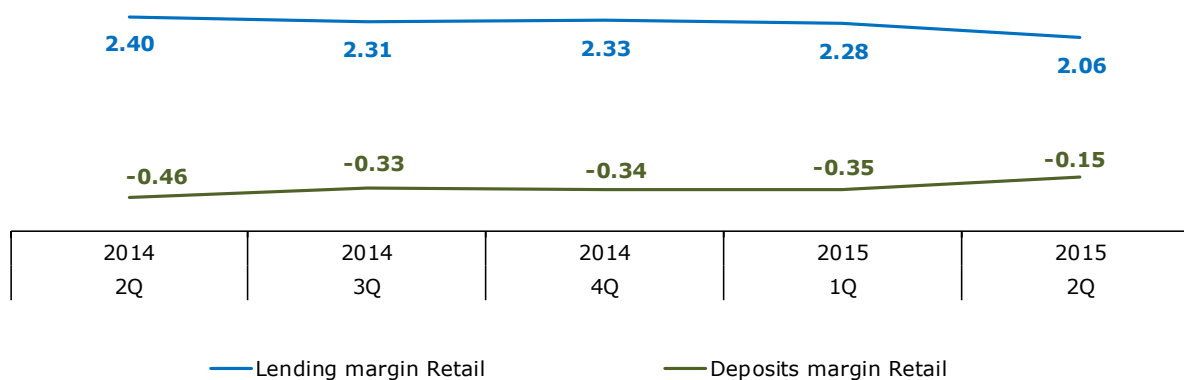
\*) Includes both direct and distributed expenses

**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.

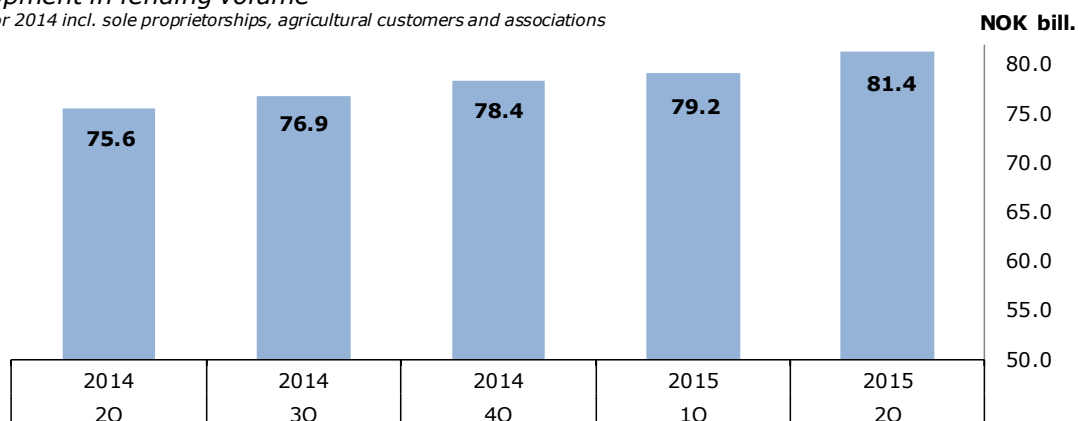
### Development in margin

Definition margin: Average customer interest minus 3 months average nibor



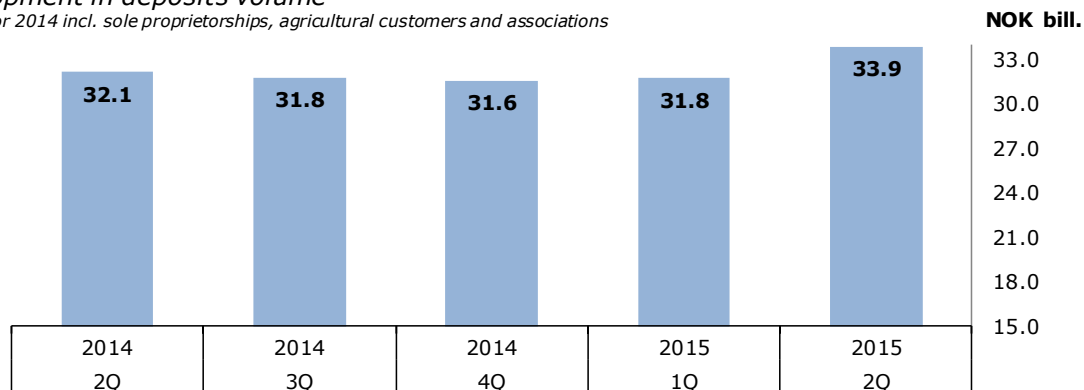
### Development in lending volume

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



### Development in deposits volume

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





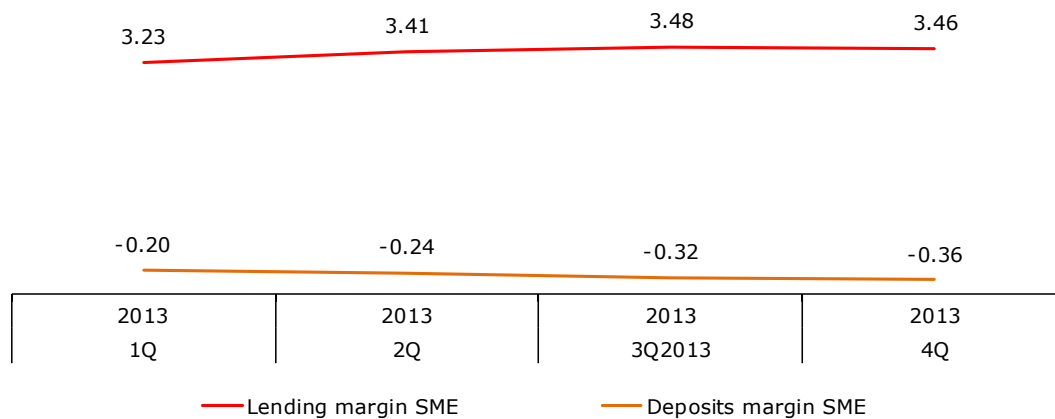
### 7.3. SME

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.

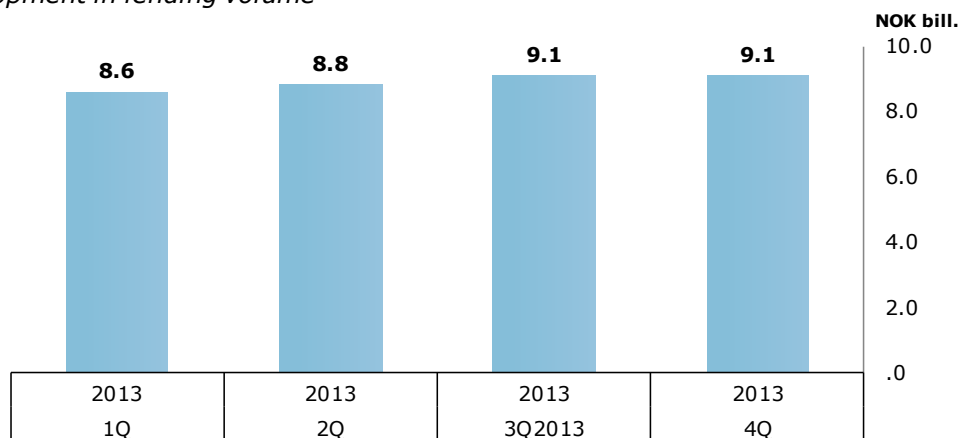
| <i>Financial performance</i>                     | <b>4Q</b>   | <b>3Q</b>   | <b>2Q</b>   | <b>1Q</b>   |               |
|--|-------------|-------------|-------------|-------------|---------------|
| (in NOK million)                                 | <b>2013</b> | <b>2013</b> | <b>2013</b> | <b>2013</b> | <b>2013</b>   |
| 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             |
| <b>Total interest income</b>                     | <b>72</b>   | <b>74</b>   | <b>72</b>   | <b>69</b>   | <b>286</b>    |
| Net guarantee commision, incl. Boligkredditt     | 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            |
| <b>Net fee and commission income</b>             | <b>21</b>   | <b>20</b>   | <b>19</b>   | <b>19</b>   | <b>79</b>     |
| Net profit on financial investments              | -           | 0           | 0           | 1           | 1             |
| <b>Total income</b>                              | <b>93</b>   | <b>94</b>   | <b>91</b>   | <b>88</b>   | <b>366</b>    |
| <b>Total operating expences*</b>                 | <b>58</b>   | <b>31</b>   | <b>34</b>   | <b>34</b>   | <b>156</b>    |
| <b>Results</b>                                   | <b>35</b>   | <b>63</b>   | <b>58</b>   | <b>54</b>   | <b>209</b>    |
| Loss on loans, guarantees etc.                   | -1          | 3           | 1           | 2           | 5             |
| <b>Results before tax</b>                        | <b>36</b>   | <b>60</b>   | <b>57</b>   | <b>53</b>   | <b>205</b>    |
| *) Includes both direct and distributed expences |             |             |             |             |               |
| <b>Post-tax return on equity (annualized)</b>    |             |             |             |             | <b>29.4 %</b> |

### Development in margin

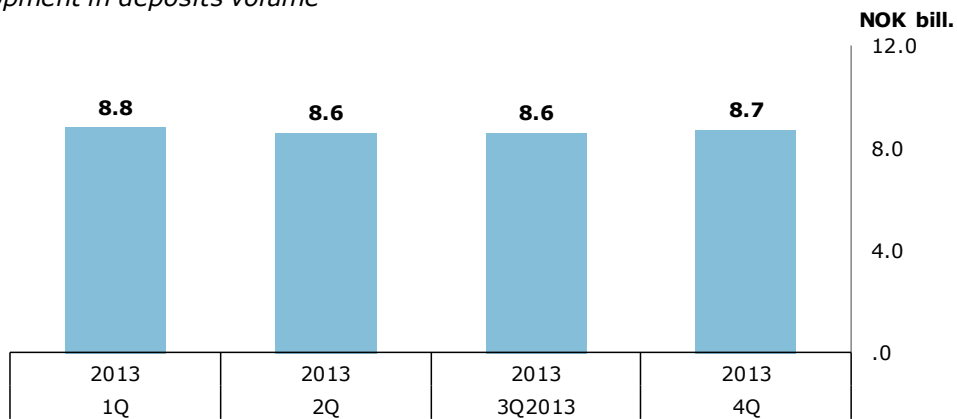
Definition margin: Average customer interest minus 3 months average nibor



### 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

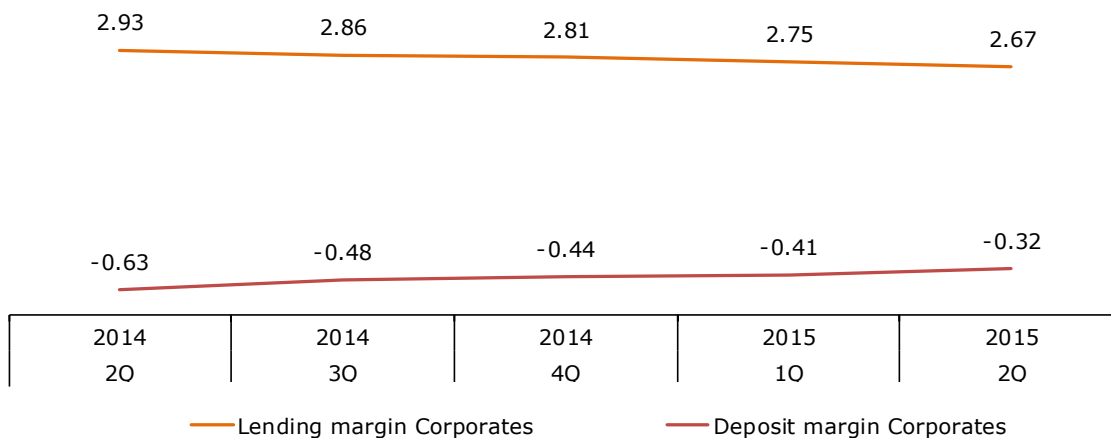
|                                      | <b>30 Jun.<br/>2015</b> |
|--------------------------------------|-------------------------|
| <i>Facts about the business area</i> |                         |
| Lending volume                       | 38,090                  |
| Deposits volume                      | 31,552                  |
| No. of active customers              | 6,966                   |
| FTEs                                 | 124                     |

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

\*\*) 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.

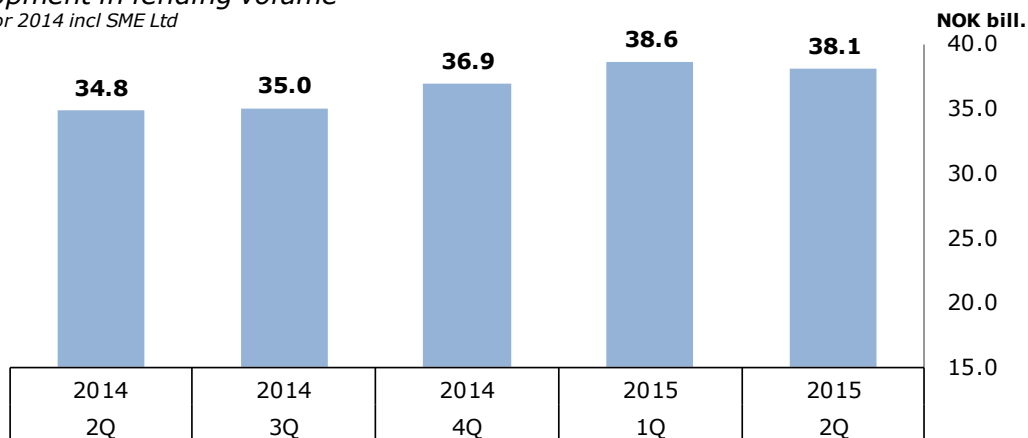
### Development in margin

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



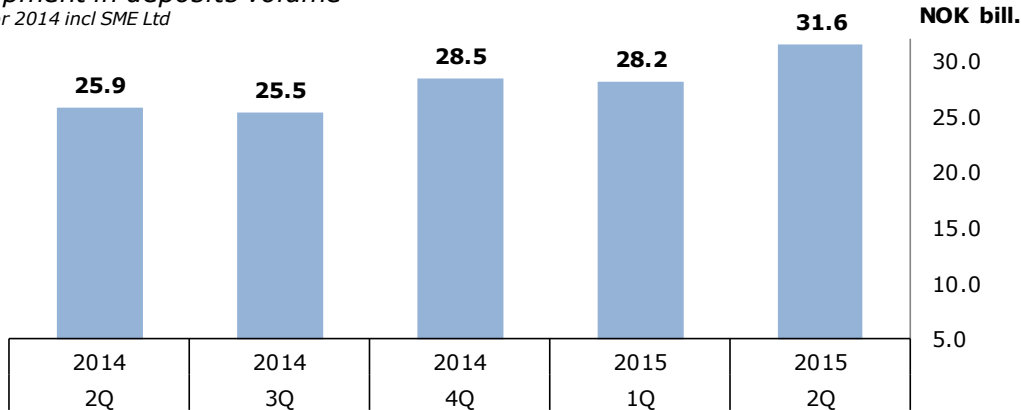
### Development in lending volume

Figures for 2014 incl SME Ltd



### Development in deposits volume

Figures for 2014 incl SME Ltd



## 7.5. Subsidiaries

### *EiendomsMegler 1 Midt-Norge AS*

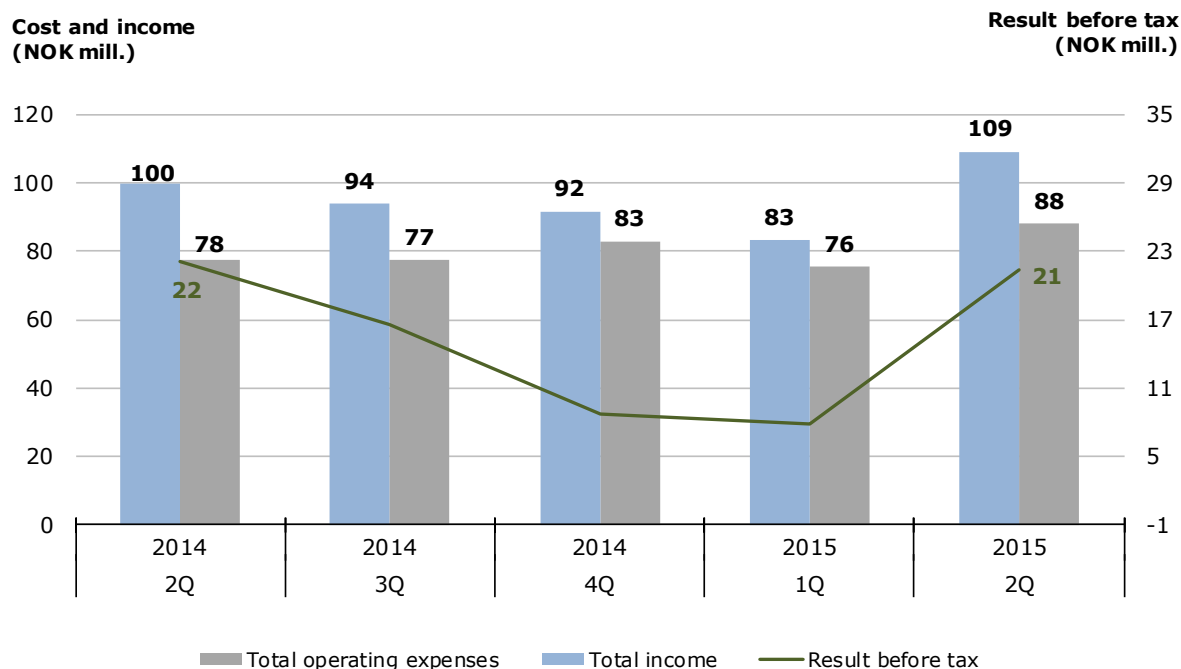
EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre og Romsdal. The company has specialised operations which include separate units for project and commercial property broking. These operations complement its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



## SpareBank 1 Finans Midt-Norge AS

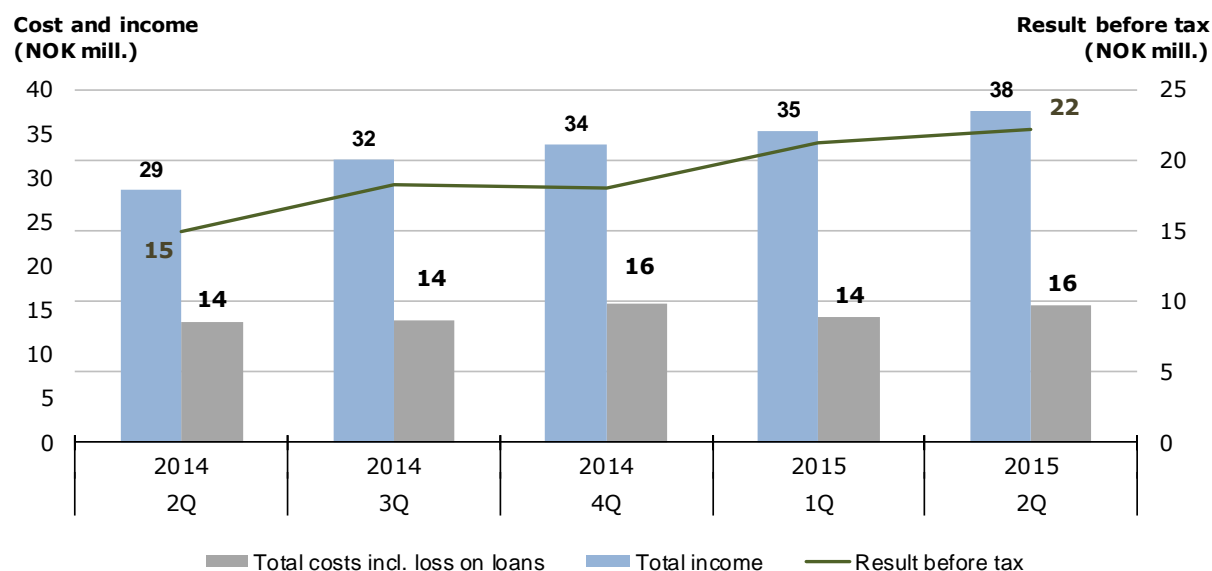
SpareBank 1 Finans Midt-Norge is the region's leading finance company and an active partner for businesses and private customers. SpareBank 1 Finans Midt-Norge offers car loans, boat loans, leasing and business loans to corporates and private individuals. The company services the market through its own 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        | 1Q        | 4Q        | 3Q        | 2Q        | 30 Jun.   |           | 2014       | 2013       |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
|                                     | 2015      | 2015      | 2014      | 2014      | 2014      | 2015      | 2014      |            |            |
| <b>Total interest income</b>        | <b>33</b> | <b>40</b> | <b>35</b> | <b>33</b> | <b>31</b> | <b>73</b> | <b>62</b> | <b>130</b> | <b>118</b> |
| 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         |
| <b>Total income</b>                 | <b>38</b> | <b>35</b> | <b>34</b> | <b>32</b> | <b>29</b> | <b>73</b> | <b>60</b> | <b>126</b> | <b>116</b> |
| <b>Total operating expenses</b>     | <b>14</b> | <b>13</b> | <b>13</b> | <b>11</b> | <b>13</b> | <b>27</b> | <b>26</b> | <b>50</b>  | <b>45</b>  |
| <b>Ordinary operating profit</b>    | <b>23</b> | <b>23</b> | <b>20</b> | <b>21</b> | <b>16</b> | <b>46</b> | <b>34</b> | <b>75</b>  | <b>70</b>  |
| 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         |
| <b>Result before tax</b>            | <b>22</b> | <b>21</b> | <b>18</b> | <b>18</b> | <b>15</b> | <b>43</b> | <b>32</b> | <b>68</b>  | <b>51</b>  |



## SpareBank 1 Regnskapshuset SMN AS

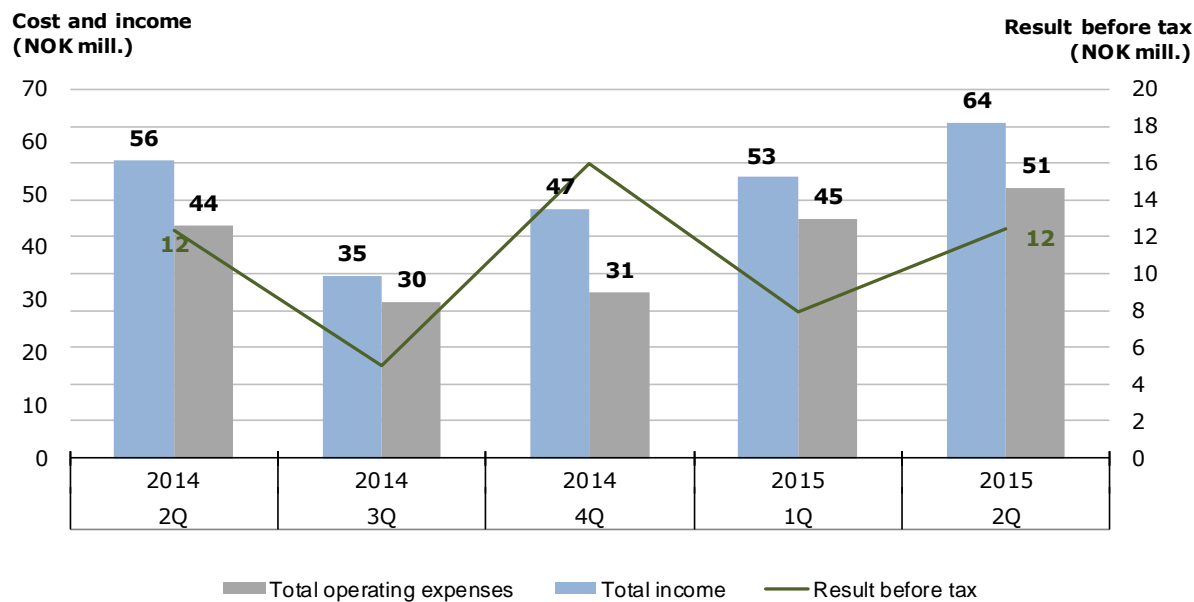
SpareBank 1 Regnskapshuset SMN is an accountancy business, which has also built up a dedicated advisory/technical department, comprising experts in tax, accountancy and governance. In collaboration with other SpareBank 1 banks, SpareBank 1 Regnskapshuset SMN has launched a nationwide drive in the accounting 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        | 1Q        | 4Q        | 3Q        | 2Q        | 30 Jun.    |            | 2014       | 2013       |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|
|                                    | 2015      | 2015      | 2014      | 2014      | 2014      | 2015       | 2014       |            |            |
| 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        |
| <b>Total income</b>                | <b>64</b> | <b>53</b> | <b>47</b> | <b>35</b> | <b>56</b> | <b>117</b> | <b>106</b> | <b>188</b> | <b>132</b> |
| <b>Total operating expenses</b>    | <b>51</b> | <b>45</b> | <b>31</b> | <b>30</b> | <b>44</b> | <b>97</b>  | <b>87</b>  | <b>148</b> | <b>118</b> |
| <b>Result before tax</b>           | <b>12</b> | <b>8</b>  | <b>16</b> | <b>5</b>  | <b>12</b> | <b>20</b>  | <b>19</b>  | <b>40</b>  | <b>14</b>  |



## 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 per cent), Sparebanken Hedmark (6.1 per cent) and others (0.6 per cent)

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

| <i>Financial performance</i><br>(in NOK million) | 2Q<br>2015 | 1Q<br>2015 | 30 Jun.<br>2015 | SMN Markets<br>1Q 2015 | 30 Jun. 2015<br>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                        |
| <b>Total income</b>                              | <b>49</b>  | <b>28</b>  | <b>77</b>       | <b>32</b>              | <b>109</b>               |
| <b>Total operating expenses</b>                  | <b>59</b>  | <b>46</b>  | <b>105</b>      | <b>10</b>              | <b>116</b>               |
| <b>Results before tax</b>                        | <b>-10</b> | <b>-18</b> | <b>-28</b>      | <b>21</b>              | <b>-7</b>                |

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

## SpareBank 1 SMN Markets

| <i>Financial performance</i><br>(in NOK million) | 1Q<br>2015 | 4Q<br>2014 | 3Q<br>2014 | 2Q<br>2014 | 1Q<br>2014 | 31 Mar.<br>2015 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         |
| <b>Total interest income</b>                     | <b>-15</b> | <b>-8</b>  | <b>2</b>   | <b>-1</b>  | <b>-2</b>  | <b>-15</b>           | <b>-2</b> | <b>-9</b>  | <b>4</b>   |
| 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         |
| <b>Total income</b>                              | <b>32</b>  | <b>-3</b>  | <b>11</b>  | <b>13</b>  | <b>17</b>  | <b>32</b>            | <b>17</b> | <b>37</b>  | <b>73</b>  |
| <b>Total operating expenses</b>                  | <b>10</b>  | <b>9</b>   | <b>18</b>  | <b>16</b>  | <b>16</b>  | <b>10</b>            | <b>16</b> | <b>58</b>  | <b>85</b>  |
| <b>Results</b>                                   | <b>21</b>  | <b>-12</b> | <b>-7</b>  | <b>-3</b>  | <b>1</b>   | <b>21</b>            | <b>1</b>  | <b>-21</b> | <b>-13</b> |
| Loss on loans, guarantees etc.                   | -          | -          | -0         | 0          | -          | -                    | -         | -          | -          |
| <b>Results before tax</b>                        | <b>21</b>  | <b>-12</b> | <b>-7</b>  | <b>-3</b>  | <b>1</b>   | <b>21</b>            | <b>1</b>  | <b>-21</b> | <b>-13</b> |



### *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)                             | 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          |
| <b>Total income</b>                          | <b>1,787</b> | <b>2,022</b> | <b>2,142</b> | <b>2,167</b> | <b>2,677</b> | <b>2,582</b> | <b>2,746</b> | <b>3,067</b> | <b>3,580</b> | <b>4,021</b> |
| 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          |
| <b>Total operating expenses</b>              | <b>906</b>   | <b>990</b>   | <b>1,102</b> | <b>1,194</b> | <b>1,253</b> | <b>1,140</b> | <b>1,482</b> | <b>1,654</b> | <b>1,722</b> | <b>1,789</b> |
| <b>Result before losses</b>                  | <b>881</b>   | <b>1,032</b> | <b>1,039</b> | <b>975</b>   | <b>1,424</b> | <b>1,441</b> | <b>1,264</b> | <b>1,414</b> | <b>1,859</b> | <b>2,232</b> |
| Loss on loans, guarantees etc.               | -38          | -84          | -6           | 202          | 277          | 132          | 27           | 58           | 101          | 89           |
| <b>Result before tax</b>                     | <b>919</b>   | <b>1,116</b> | <b>1,045</b> | <b>773</b>   | <b>1,147</b> | <b>1,309</b> | <b>1,236</b> | <b>1,355</b> | <b>1,758</b> | <b>2,143</b> |
| Tax charge                                   | 199          | 219          | 200          | 156          | 210          | 260          | 255          | 295          | 388          | 362          |
| Results investments held for sale, after tax |              |              |              |              |              | -27          | 43           | 16           | 30           | 0            |
| <b>Net profit</b>                            | <b>720</b>   | <b>898</b>   | <b>846</b>   | <b>617</b>   | <b>937</b>   | <b>1,022</b> | <b>1,024</b> | <b>1,077</b> | <b>1,400</b> | <b>1,782</b> |

### 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          |
| <b>Assets</b>                                       | <b>54,327</b> | <b>63,178</b> | <b>71,503</b> | <b>84,679</b> | <b>84,541</b> | <b>97,997</b> | <b>101,455</b> | <b>107,975</b> | <b>115,360</b> | <b>126,047</b> |
| 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         |
| <b>Total liabilities and equity</b>                 | <b>54,327</b> | <b>63,178</b> | <b>71,503</b> | <b>84,679</b> | <b>84,541</b> | <b>97,997</b> | <b>101,455</b> | <b>107,975</b> | <b>115,360</b> | <b>126,047</b> |

\*) 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

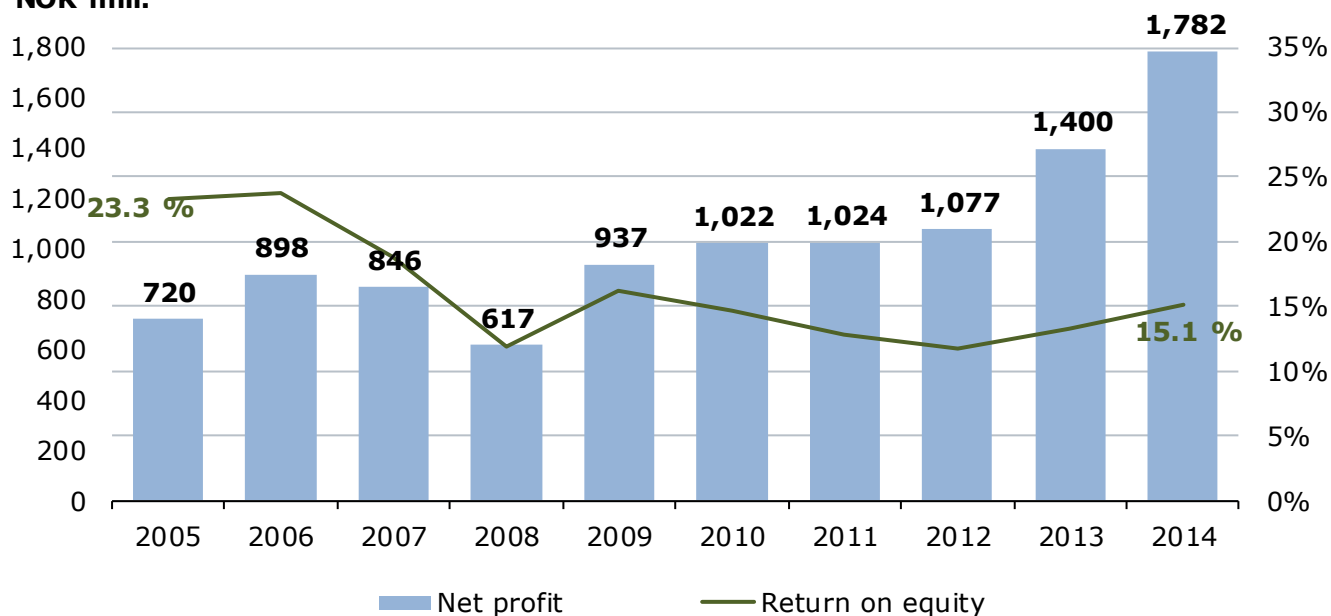
### Key figures

|   | 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 subsidiaries          | 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 doubtful 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

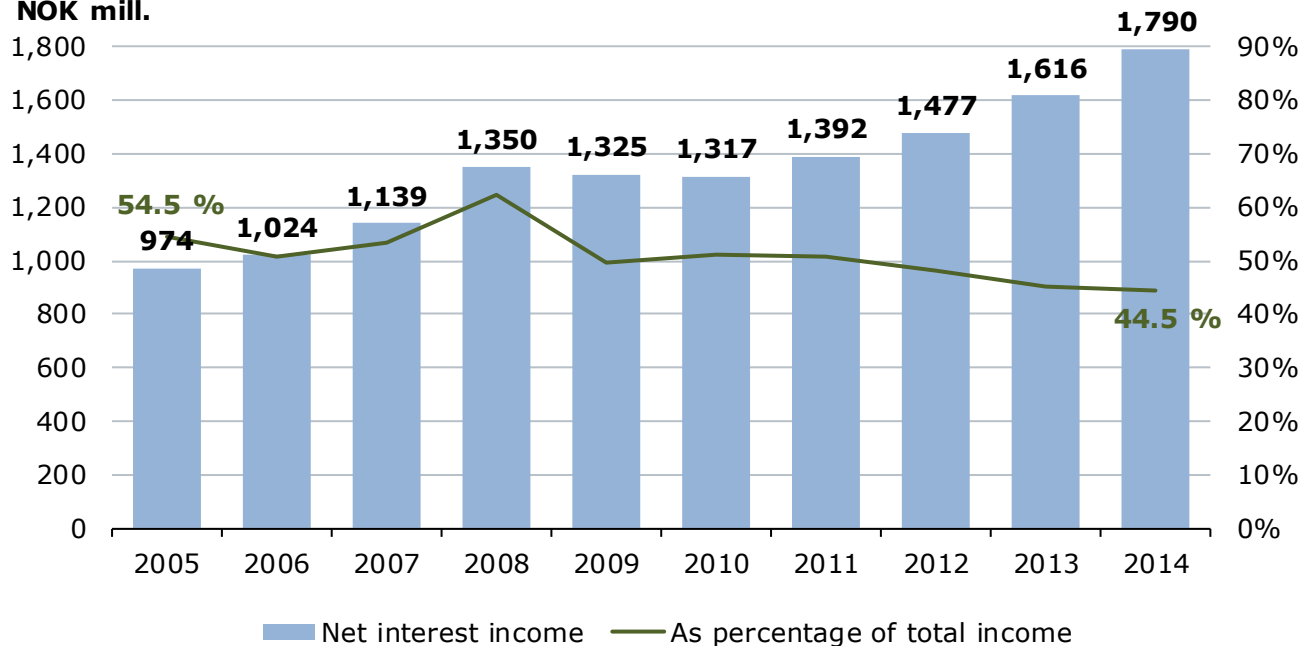
### Net profit and return on equity

NOK mill.

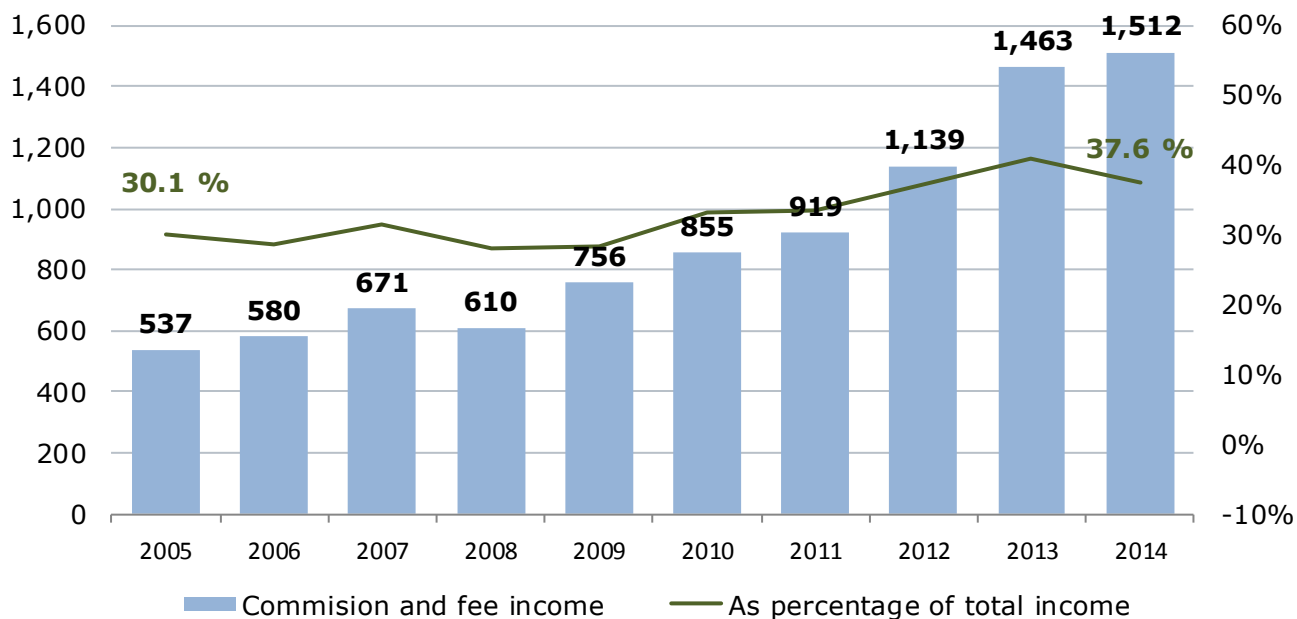


### Development in net interest income

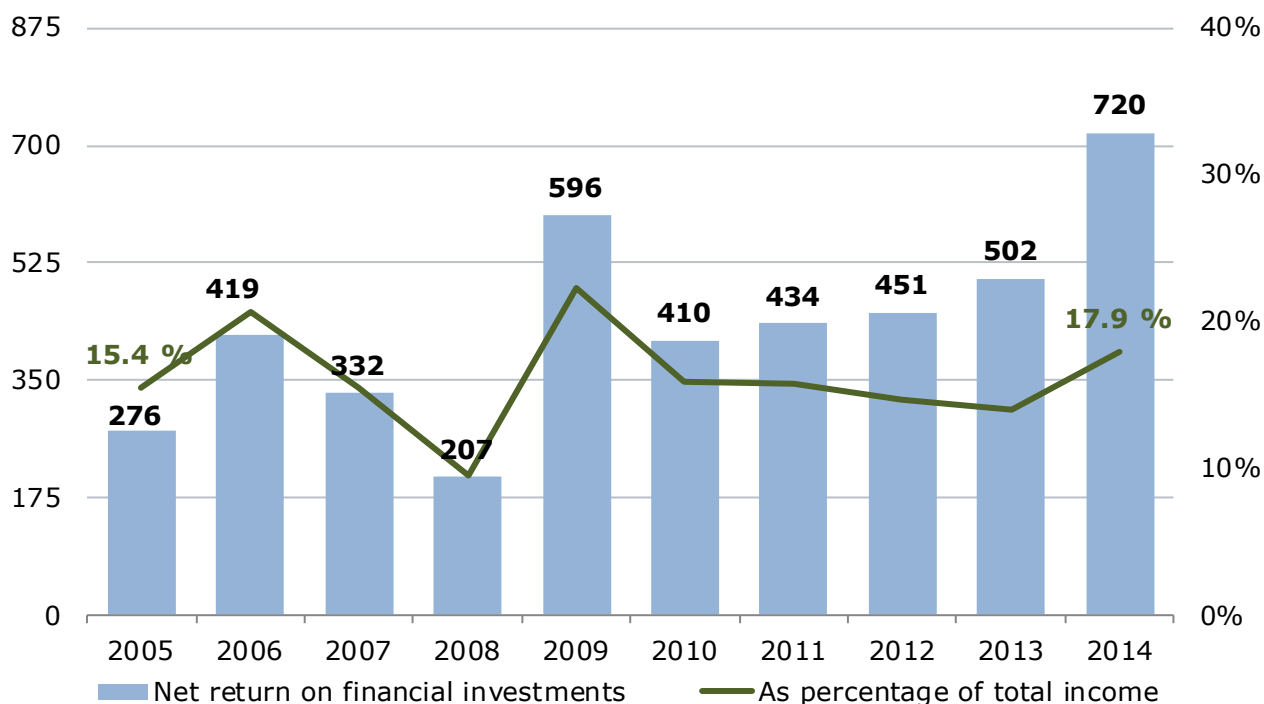
NOK mill.



*Development in commission income and other income*

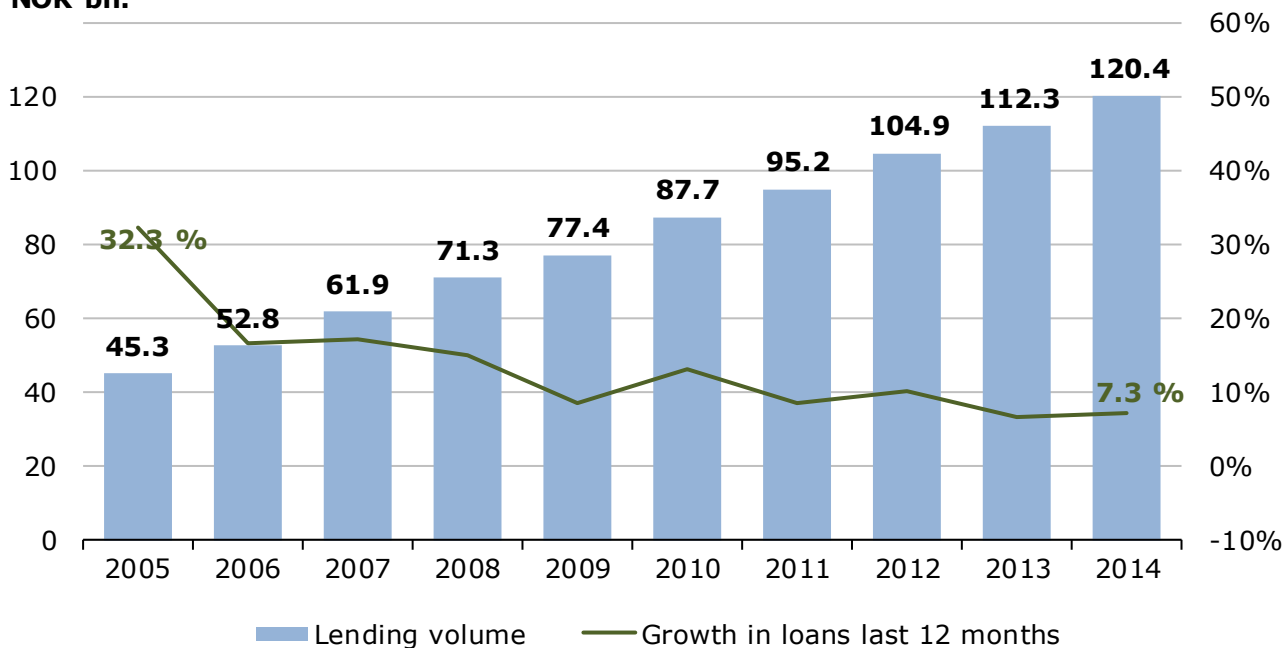


*Development in net return on financial investments*



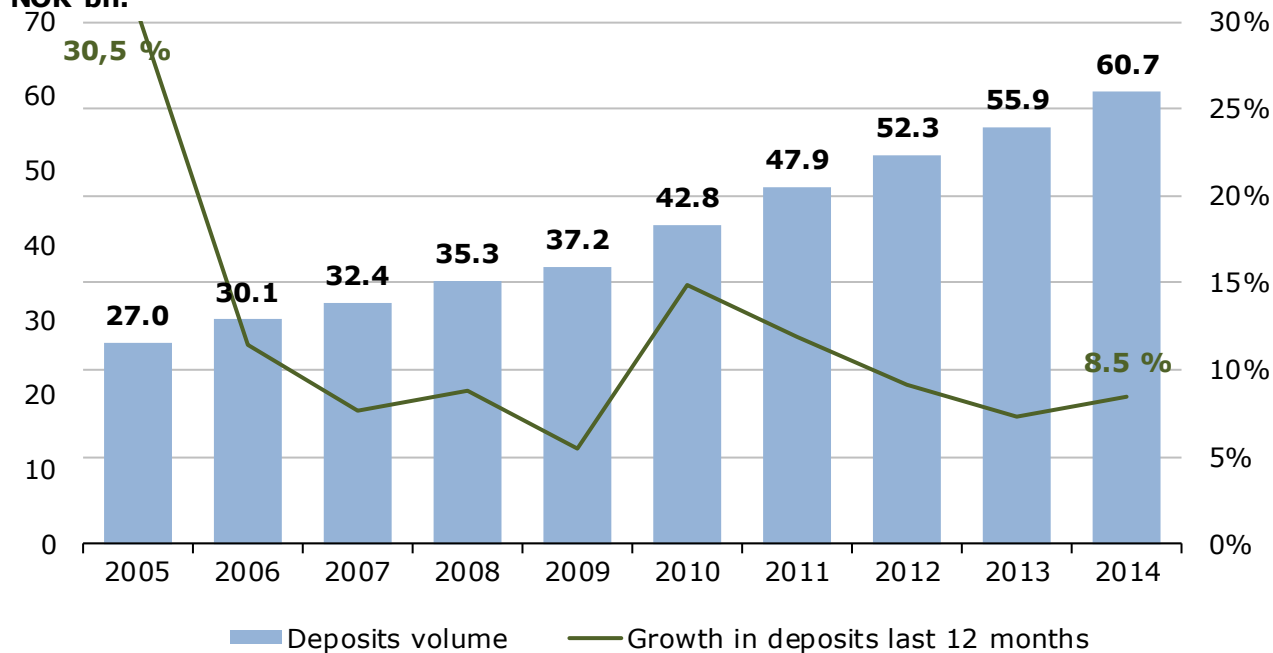
### Volume development, Lending\*

NOK bn.



### Volume development, Deposits\*

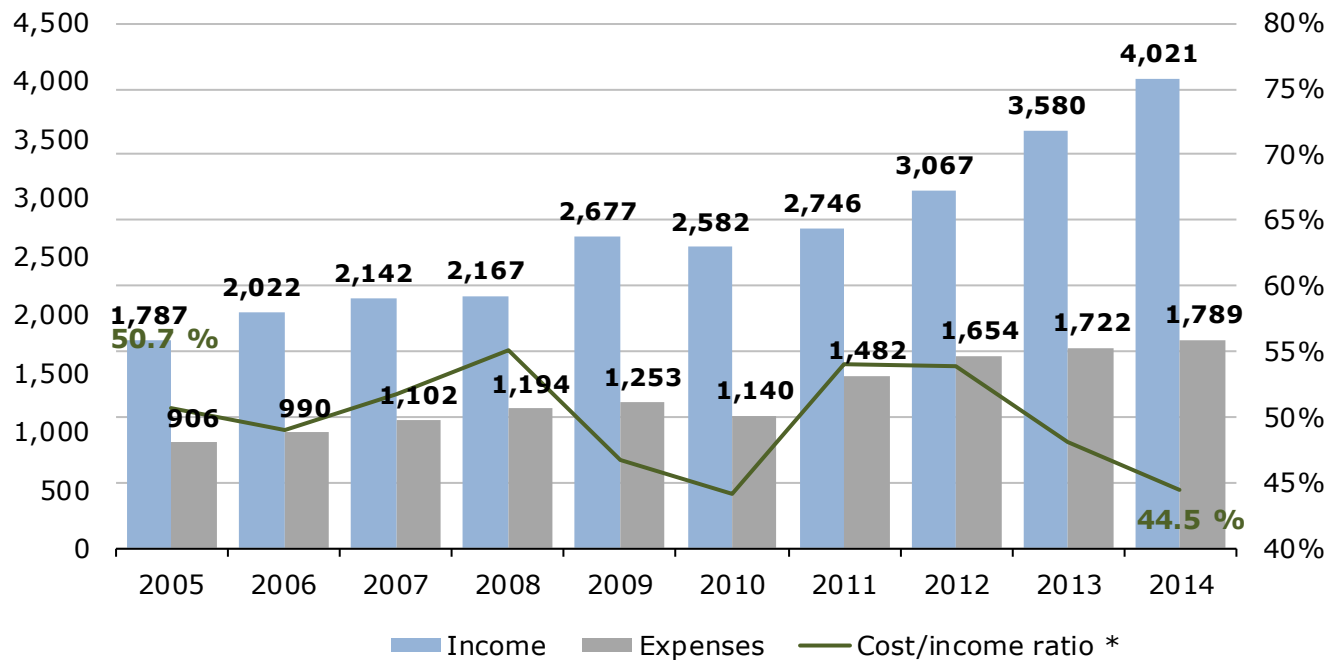
NOK bn.



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

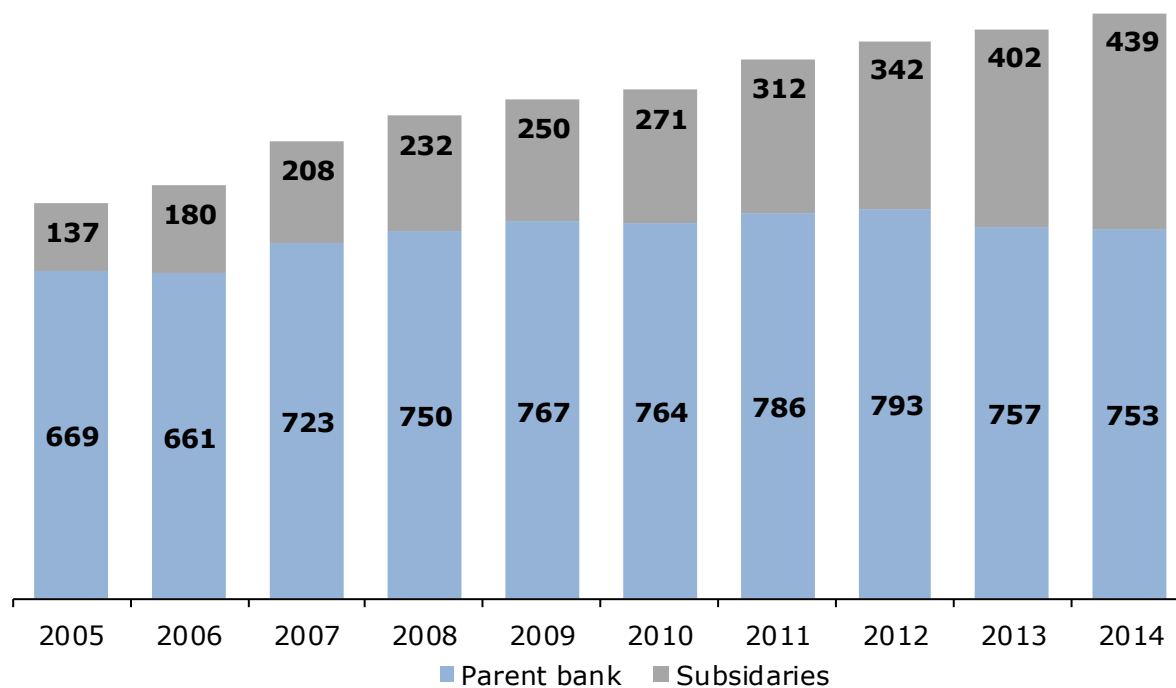
### Cost/income ratio

NOK mill.

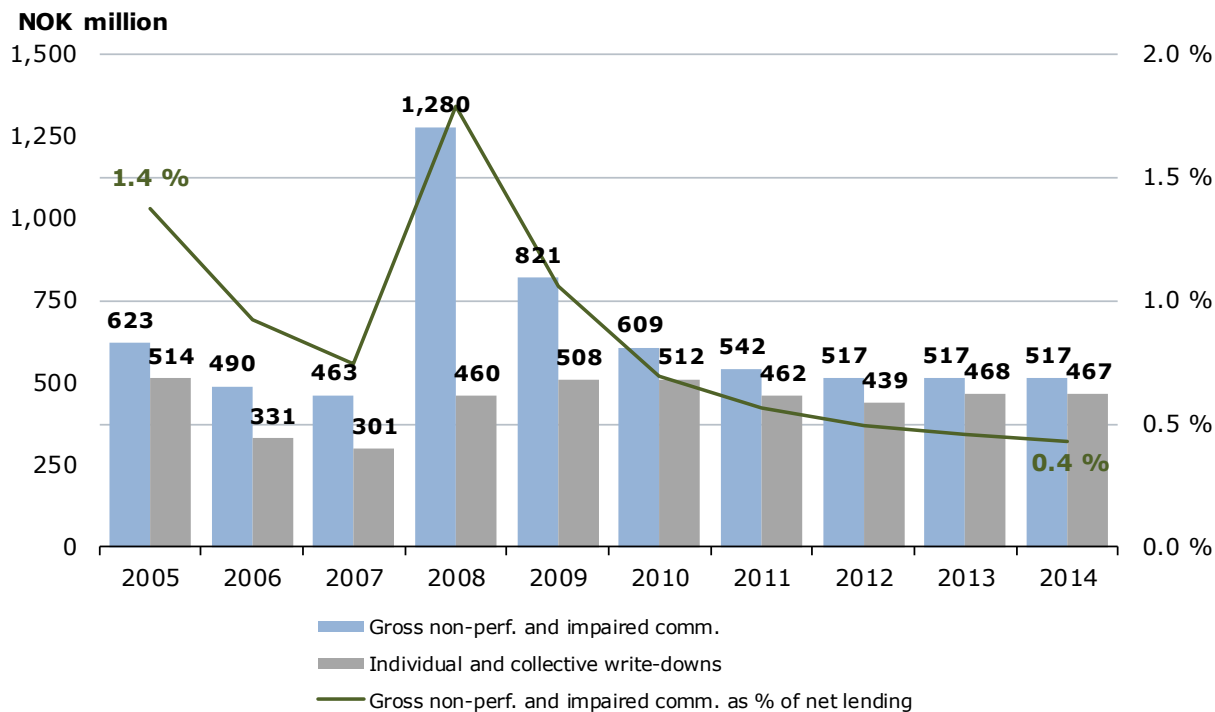


\* Total operating expenses as a percentage of total operating income

### Employees in employment



### Net non-performing and impaired commitments



### Capital Adequacy

