

# Investor Relations

Supplementary information

First Quarter 2013



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**Information on the Internet**

SpareBank 1 SMN's home page	<a href="http://www.smn.no">www.smn.no</a>
Hugin-Online	<a href="http://www.huginonline.no">www.huginonline.no</a>
ECC information in general	<a href="http://www.egenkapitalbevis.no">www.egenkapitalbevis.no</a>

**Financial Calendar 2013**

1 <sup>st</sup> quarter 2013	25 April	2013
2 <sup>nd</sup> quarter 2013	14 August	2013
3 <sup>rd</sup> quarter 2013	31 October	2013

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## 1. SpareBank 1 SMN overview

### 1.1. Financial highlights

#### First quarter 2013

(Consolidated figures. Figures in parentheses refer to the same period of 2012 unless otherwise stated).

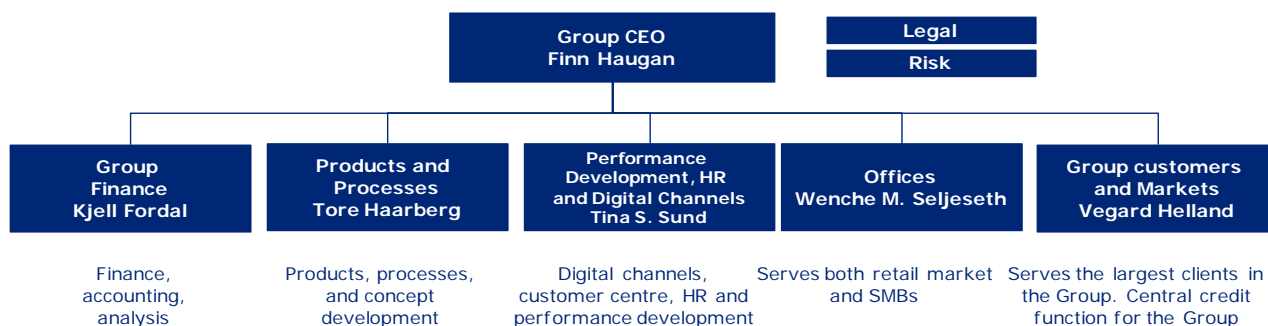
- Profit before tax: NOK 390m (333m)
- Net profit first quarter: NOK 321m (272m)
- Return on equity: 12.7 per cent (13.0 per cent)
- 12-month growth in lending: 9.7 per cent (9.9 per cent)
- 12-month growth in deposits: 7.4 per cent (14.2 per cent)
- Common equity tier 1 ratio: 10.4 per cent (8.8 per cent)
- Earnings per EC: NOK 1.55 (1.41)

## 1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 110.7 billion at first quarter end 2013. Head office is in Trondheim and the Group employs about 1,171 staff.

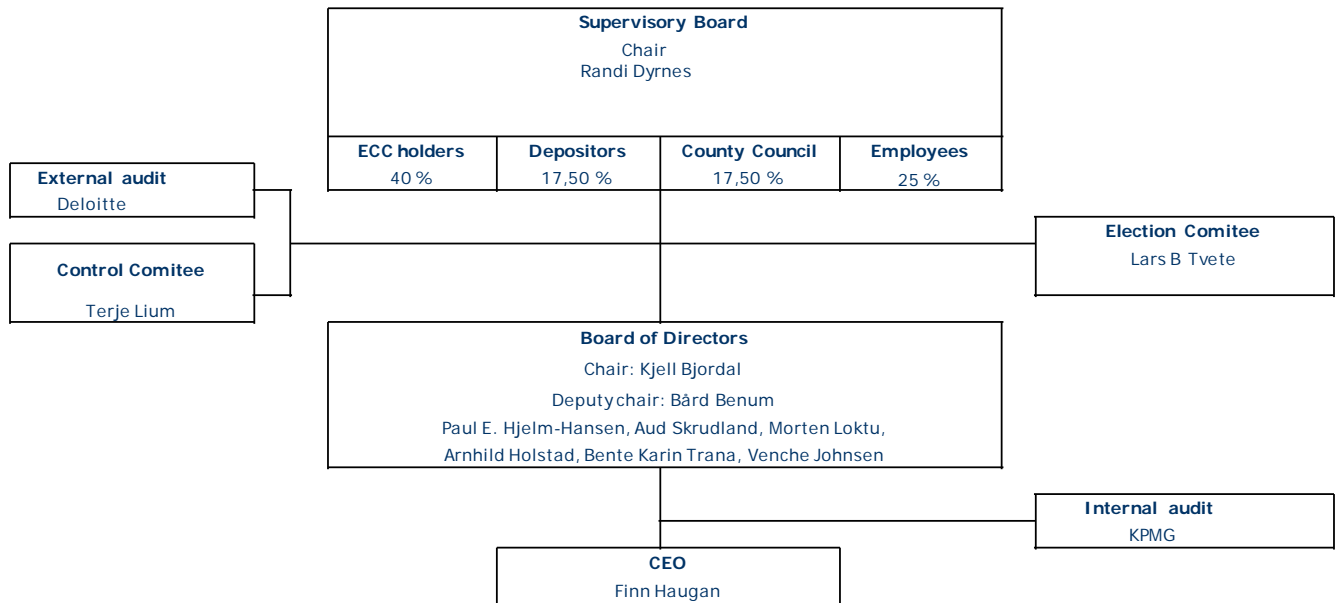
SpareBank 1 SMN has the last years been organized in six divisions.

As from 1 January 2013 the bank has been reorganised to support change programmes. The Bank is now organised in five business areas:



The reorganization will contribute to short decision paths and greater local-level responsibility for customers, increased productivity and reduced relative operating expenses, better follow-up and control of performance and credit risk and substantial coordination gains.

## Overall organisation



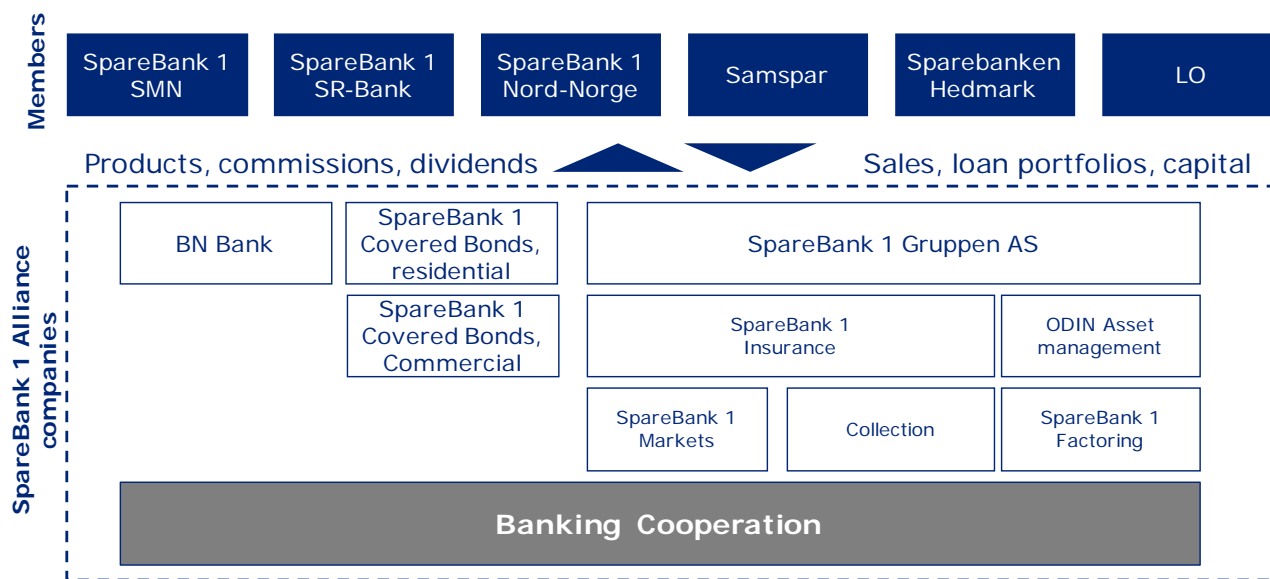
## SpareBank 1 SMN: Subsidiaries



### SpareBank 1 Group

The SpareBank 1 banks operate an alliance and develop product companies through the jointly owned holding company SpareBank 1 Gruppen. The paramount objective of the SpareBank 1 Alliance is to assure the individual bank's independence and regional identity through strong competitiveness, profitability and financial soundness. The Alliance is among the largest providers of financial services in Norway and a full-fledged alternative to traditional financial groups.

### SpareBank 1 Alliance Structure





### 1.3. Credit ratings

<i>Moody's</i>	Today's rating	Year end					
		2012	2011	2010	2009	2008	2007
		Rating(s) under review					
Outlook	Stable		Stable	Stable	Negative	Negative	Stable
Issuer Rating	A2	A2	A1	A1	A1	A1	Aa3
Bank Deposits	A2/P-1	A2/P-1	A1/P-1	A1/P-1	A1/P-1	Aa3/P-1	Aa3/P-1
Bank Financial Strenght	C-	C-	C-	C-	C-	C	C+
Senior Unsecured	A2	A2	A1	A1	A1	Aa3	Aa3
Subordinate	Baa3	Baa3	A2	A2	A2	A1	A1

<i>Fitch</i>	Today's rating	Year end					
		2012	2011	2010	2009	2008	2007
Outlook	Stable	Stable	Stable	Negative	Negative	Stable	Stable
Long-term IDR	A-	A-	A-	A	A	A	A
Short-term IDR	F2	F2	F2	F1	F1	F1	F1
Support rating	3	3	3	3	3	3	3
Individual rating		B/C	B/C	B/C	B/C	B	B



## 1.4. Equity capital certificate (MING)

The key figures are corrected for issues.

31 March 2013 the price of the Bank's ECC was NOK 46.90 (NOK 36.60). Earnings per ECC were NOK 1.55 (NOK 1.41). Book value per ECC was NOK 51.90 at first quarter end (NOK 46.82).

### Key figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.			
(in NOK million)	2013	2012	2012	2012	2012	2013	2012	2012	2011
ECC price	46.90	34.80	37.00	32.10	36.60	46.90	36.60	34.80	36.31
Number of certificates issued, millions	129.83	129.83	129.83	124.21	124.21	129.83	124.21	129.83	102.76
Booked equity capital per ECC (incl. dividend)	51.90	50.09	49.00	47.97	46.82	51.90	46.82	50.09	48.91
Adjusted profit per ECC	1.55	1.29	1.54	1.22	1.41	1.55	1.41	5.21	6.06
P/E per ECC	7.55	6.74	6.09	6.58	6.49	7.55	6.49	6.68	5.99
P/B equity capital	0.90	0.69	0.76	0.67	0.78	0.90	0.78	0.69	0.74

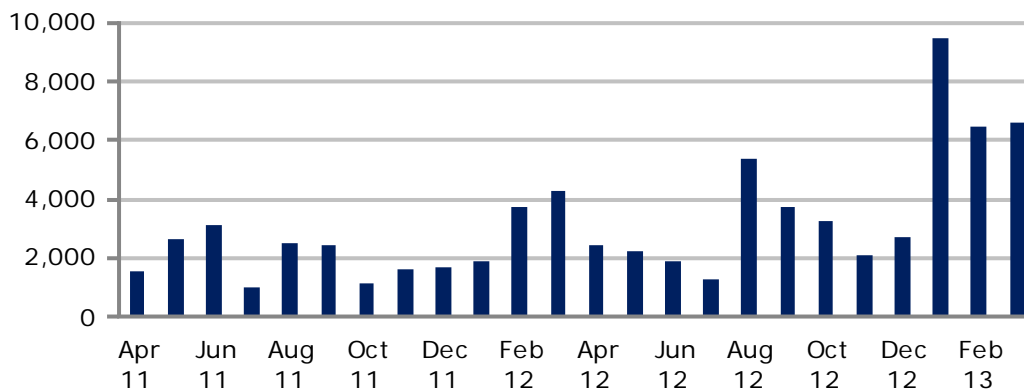
### Stock price compared with OSEBX and OSEEX 1 April 2011 to 31 March 2013



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

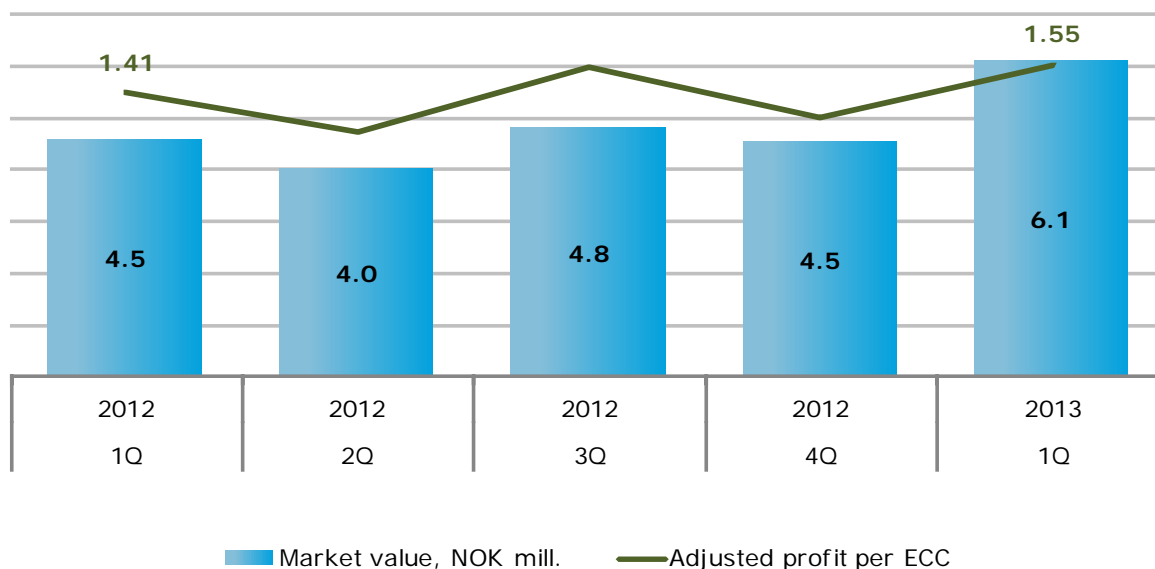
### Trading statistics<sup>1)</sup>

1 April 2011 to 31 March 2013



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

### Market value and profit per ECC



### Equity certificates ratio (parent bank)

(in NOK million)	31 Mar. 2013	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011
ECC capital	2,597	2,597	2,597	2,484	2,373	2,373
Dividend equalisation reserve	1,889	1,889	1,457	1,457	1,457	1,457
Premium reserve	895	895	896	813	183	183
Unrealised gains reserve	69	69	46	45	43	43
<b>A. The equity certificate owner's capital</b>	<b>5,449</b>	<b>5,449</b>	<b>4,995</b>	<b>4,799</b>	<b>4,055</b>	<b>4,055</b>
Saving bank reserve	2,944	2,944	2,611	2,611	2,611	2,611
Unrealised gains reserve	38	38	24	25	28	28
<b>B. The saving bank reserve</b>	<b>2,982</b>	<b>2,982</b>	<b>2,635</b>	<b>2,636</b>	<b>2,639</b>	<b>2,639</b>
Provision for gifts	-	30	-	-	-	40
Recommended dividends	-	195	-	-	-	190
<b>Equity ex. profit</b>	<b>8,431</b>	<b>8,656</b>	<b>7,631</b>	<b>7,435</b>	<b>6,694</b>	<b>6,924</b>
Equity certificates ratio A/(A+B)	64.6 %	64.6 %	65.5 %	64.5 %	60.6 %	60.6 %
Equity certificates ratio for distribution		63.3 %				61.3 %

## 20 largest ECC holders

Owner	Number	Ownership in %
Reitangruppen AS	9,019,108	6.95 %
J.P. Morgan Securities PLC	4,311,810	3.32 %
Odin Norge	4,168,311	3.21 %
Sparebankstiftelsen SpareBank 1 SMN	3,965,391	3.05 %
Aker ASA / The Resource Group TRG	3,018,153	2.32 %
Odin Norden	2,899,083	2.23 %
Frank Mohn AS	2,876,968	2.22 %
Vind LV AS	2,736,435	2.11 %
MP Pensjon PK	2,043,415	1.57 %
Verdipapirfondet Fondsfinans Spar	1,800,000	1.39 %
Odin Europa SMB	1,326,937	1.02 %
Danske Invest Norske Aksjer Inst. II	1,291,623	0.99 %
Forsvarets personellservice	1,189,246	0.92 %
I.K. Lykke, T.Lykke m.fl.	1,161,567	0.89 %
Tonsenhagen Forretningssentrum AS	1,135,193	0.87 %
State Street Bank & Trust Company (nominee)	1,111,278	0.86 %
Stenshagen Invest	1,106,000	0.85 %
KLP Aksje Norden VPF	977,006	0.75 %
Skandinaviska Enskilda Banken AB	950,755	0.73 %
Danske Invest Norske Aksjer Inst. I	930,245	0.72 %
<b>Total largest shareholders</b>	<b>48,018,524</b>	<b>36.98 %</b>
Other	81,817,919	63.02 %
<b>Total</b>	<b>129,836,443</b>	<b>100.00 %</b>

## ECC capital history

Year	Change	Change in ECC capital	Total ECC capital	No. of ECC's
1991	Placing	525	525	5,250,000
1992	Placing	75	600	6,000,000
2000	Employee placing	5	605	6,053,099
2001	Employee placing	5	610	6,099,432
2002	Employee placing	5	614	6,148,060
2004	Bonus Issue	154	768	7,685,075
2005	Placing	217	986	9,859,317
2005	Employee placing	24	1,009	10,097,817
2005	Split	-	1,009	40,391,268
2005	Bonus Issue	253	1,262	50,489,085
2007	Dividend Issue	82	1,344	53,752,203
2007	Employee placing	5	1,349	53,976,003
2008	Dividend Issue	91	1,440	57,603,748
2008	Employee placing	6	1,447	57,861,806
2009	Bonus Issue	289	1,736	69,434,167
2010	Placing	624	2,360	94,397,474
2010	Employee placing	13	2,373	94,905,286
2011	Issue	1	2,373	94,930,286
2012	Placing	95	2,468	123,407,456
2012	Employee placing	16	2,484	124,218,466
2012	Private placement	112	2,597	129,836,443

## 2. Financial results

### Accounting principles

SpareBank 1 SMN prepares and presents its quarterly accounts in compliance with the Stock Exchange Regulations, Stock Exchange Rules and International Financial Reporting Standards (IFRS), including IAS 34, Interim Financial Reporting. As from 2007 the company accounts are also prepared and presented under IFRS. This entails that investments in associates and subsidiaries are recognised using the cost method. For this reason results recorded by associates and subsidiaries are not included in the parent bank's accounts. Further, the Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts. 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 2012.

As from the first quarter of 2012, return on treasury bills is to be presented as net interest income instead of, as previously, capital gains or losses. Historical data have been correspondingly restated.

### 2.1. Main figures

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Net interest	343	399	358	369	351	343	351	1,477	1,392
Commission income and other income	317	321	294	288	235	317	235	1,139	919
Net return on financial investments	162	37	177	85	153	162	153	451	434
<b>Total income</b>	<b>822</b>	<b>756</b>	<b>829</b>	<b>742</b>	<b>739</b>	<b>822</b>	<b>739</b>	<b>3,067</b>	<b>2,745</b>
<b>Total operating expenses</b>	<b>414</b>	<b>437</b>	<b>421</b>	<b>398</b>	<b>398</b>	<b>414</b>	<b>398</b>	<b>1,654</b>	<b>1,482</b>
<b>Result before losses</b>	<b>407</b>	<b>319</b>	<b>408</b>	<b>345</b>	<b>342</b>	<b>407</b>	<b>342</b>	<b>1,414</b>	<b>1,263</b>
Loss on loans, guarantees etc.	17	17	16	17	8	17	8	58	27
<b>Result before tax</b>	<b>390</b>	<b>302</b>	<b>392</b>	<b>328</b>	<b>333</b>	<b>390</b>	<b>333</b>	<b>1,355</b>	<b>1,236</b>
Tax charge	77	69	77	81	68	77	68	295	255
Results investments held for sale, after tax	7	27	-9	-9	7	7	7	16	43
<b>Net profit</b>	<b>321</b>	<b>260</b>	<b>306</b>	<b>238</b>	<b>272</b>	<b>321</b>	<b>272</b>	<b>1,077</b>	<b>1,024</b>

### Balance sheet - condensed

Balance (in NOK million)	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.
	2013	2012	2012	2012	2012	2011
Total assets	110,769	107,975	110,640	107,815	98,996	101,455
Average total assets (quarterly)	109,344	109,279	109,227	103,422	100,242	98,465
Gross loans to customers *	106,830	104,909	103,274	100,552	97,387	95,232
Deposits from customers	52,603	52,252	50,836	51,504	48,974	47,871
Total equity capital	10,170	10,082	9,765	9,365	8,312	8,348

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

### Key figures

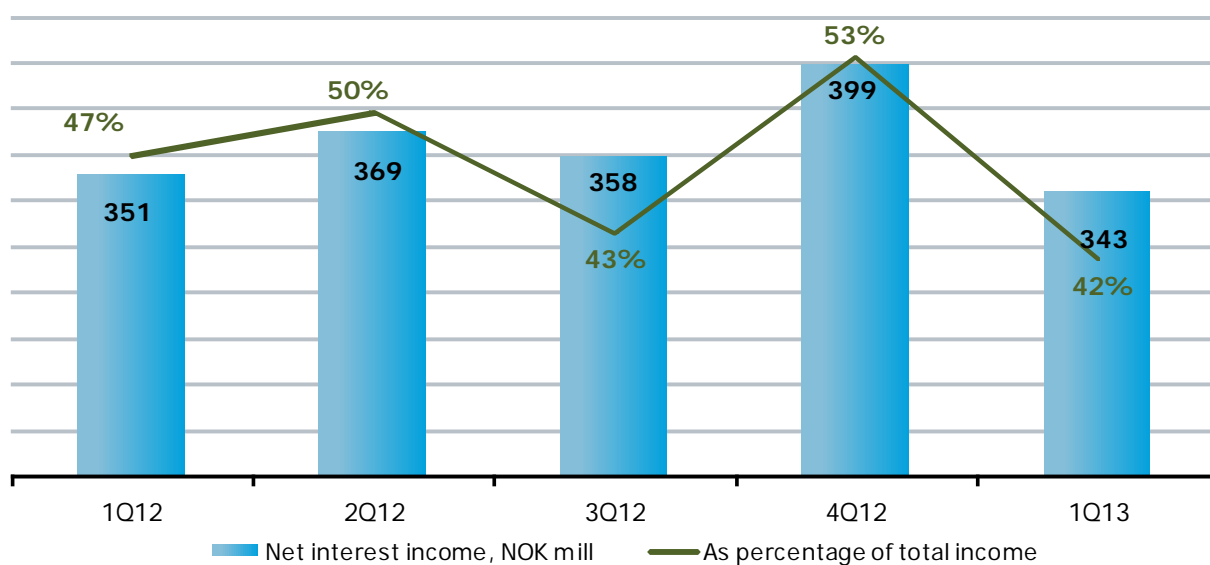
	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Return on equity	12.7 %	10.5 %	12.8 %	10.7 %	13.0 %	12.7 %	13.0 %	11.7 %	12.8 %
Core capital ratio	11.7 %	11.3 %	10.6 %	11.0 %	10.3 %	11.7 %	10.3 %	11.3 %	10.4 %
Cost/income ratio group	50 %	58 %	51 %	54 %	54 %	50 %	54 %	54 %	54 %
Growth in loans incl Boligkreditt last 12 months	9.7 %	10.2 %	11.4 %	10.6 %	9.9 %	9.7 %	9.9 %	10.2 %	8.6 %
Growth in deposits last 12 months	7.4 %	9.2 %	10.5 %	12.0 %	14.2 %	7.4 %	14.2 %	9.2 %	11.9 %
Deposits-to-loan ratio	68.8 %	69.7 %	67.5 %	70.0 %	68.3 %	68.8 %	68.3 %	69.7 %	65.5 %
Impairment losses ratio	0.06 %	0.06 %	0.06 %	0.07 %	0.04 %	0.06 %	0.04 %	0.06 %	0.03 %
Non-performing commitm. as % of gross loans	0.36 %	0.36 %	0.39 %	0.34 %	0.33 %	0.36 %	0.33 %	0.36 %	0.36 %
ECC price	46.90	34.80	37.00	32.10	36.60	46.90	36.60	34.80	36.31
Booked equity capital per ECC (incl. dividend)	51.90	50.09	49.00	47.97	46.82	51.90	46.82	50.09	48.91
Adjusted profit per ECC	1.55	1.29	1.54	1.22	1.41	1.55	1.41	5.21	6.06

## 2.2. Net interest income

### Net interest income

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Interest income	954	941	989	989	1,009	954	1,009	3,928	3,891
Interest expenses	611	543	630	619	659	611	659	2,451	2,499
<b>Net interest income</b>	<b>343</b>	<b>399</b>	<b>358</b>	<b>369</b>	<b>351</b>	<b>343</b>	<b>351</b>	<b>1,477</b>	<b>1,392</b>
<b>As percentage of total income</b>	<b>42 %</b>	<b>53 %</b>	<b>43 %</b>	<b>50 %</b>	<b>47 %</b>	<b>42 %</b>	<b>47 %</b>	<b>48 %</b>	<b>51 %</b>

### Development in net interest income



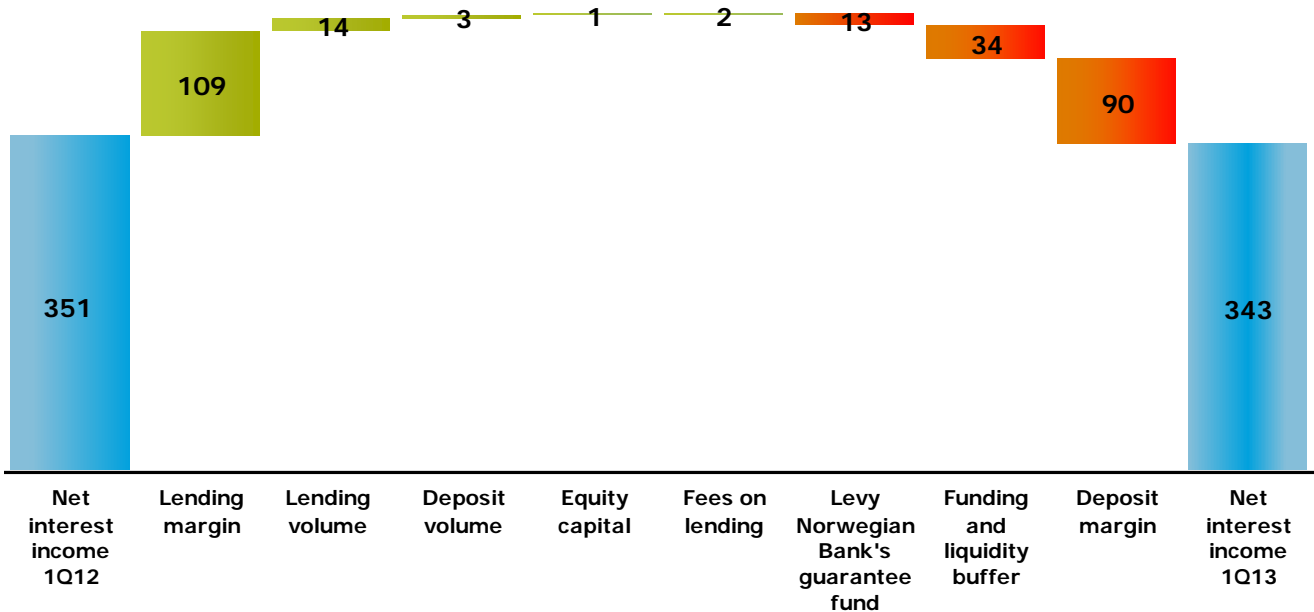
### Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	14	109	123
Deposits	3	-90	-87
<b>Total</b>	<b>17</b>	<b>19</b>	<b>36</b>

### Changes in net interest income

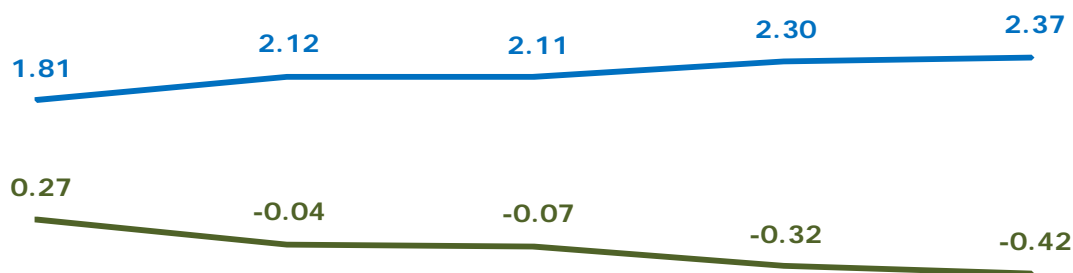
(in NOK million)

	2013	31 Mar. Change	2012
<b>Net interest income</b>	<b>343</b>	<b>-8</b>	<b>351</b>
Equity capital		1	
Lending volume		14	
Levy Norwegian Bank's guarantee fund		-13	
Fees on lending		2	
Deposit margin		-90	
Deposit volume		3	
Lending margin		109	
Funding and liquidity buffer		-34	
<b>Change</b>		<b>-8</b>	



### Margin development

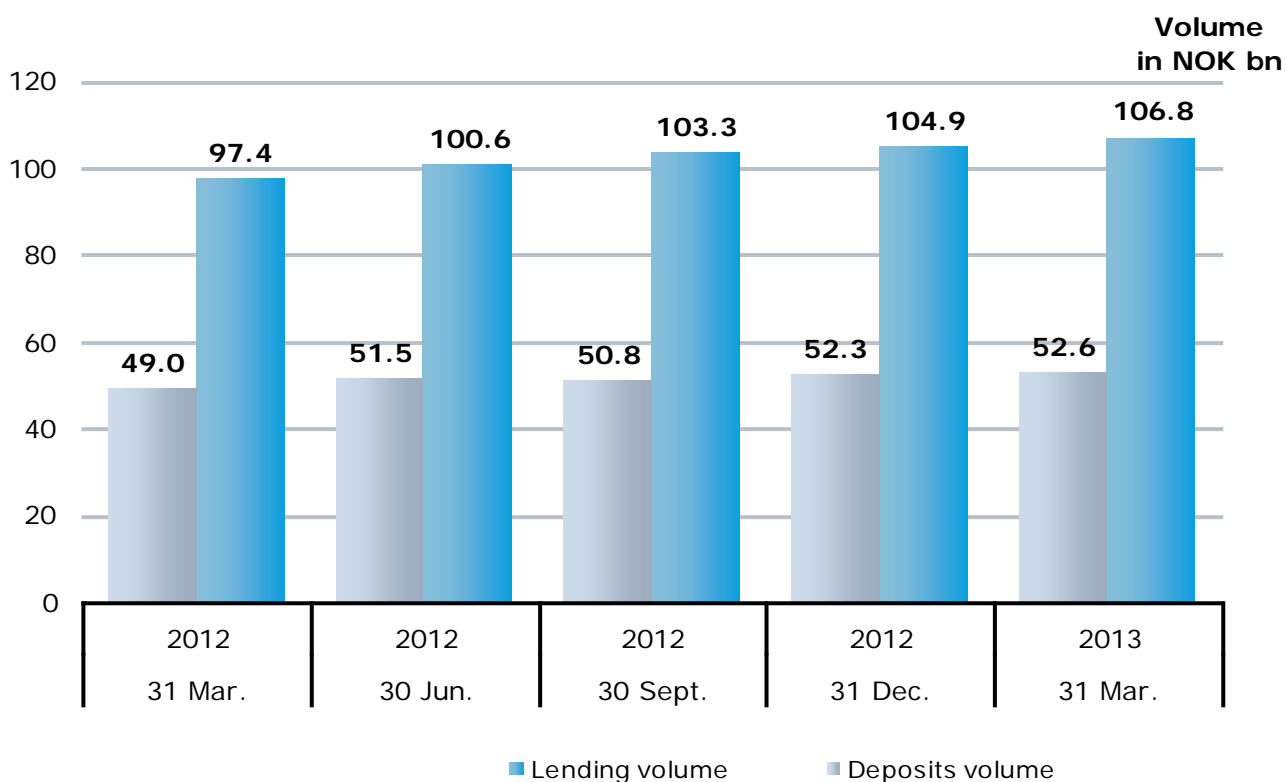
Definition margin: Average customer interest minus 3 months average nibor



2012 31 Mar.	2012 30 Jun.	2012 30 Sept.	2012 31 Dec.	2013 31 Mar.
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— Lending margin — Deposits margin

### Volume development



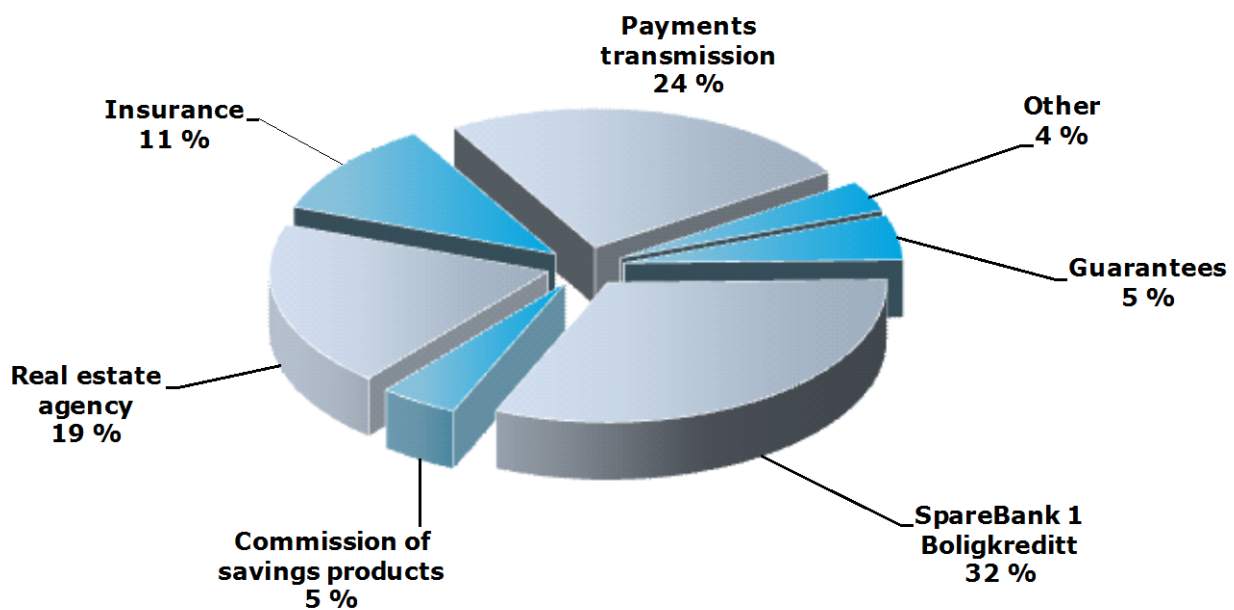
■ Lending volume ■ Deposits volume



## 2.3. Commission income

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Guarantees	14	10	12	6	9	14	9	37	28
SpareBank 1 Boligkreditt	84	74	53	49	25	84	25	201	71
Commission of savings products	12	14	12	11	11	12	11	49	45
Real estate agency	51	60	62	66	52	51	52	239	221
Insurance	29	35	28	28	31	29	31	121	105
Payments transmission	64	74	76	69	64	64	64	282	275
Other	9	12	10	11	6	9	6	38	31
<b>Total commissions income</b>	<b>262</b>	<b>280</b>	<b>252</b>	<b>240</b>	<b>196</b>	<b>262</b>	<b>196</b>	<b>968</b>	<b>778</b>
Operating- and sales income real estate	20	19	25	27	20	20	20	91	82
Accounting services	32	21	27	25	26	32	26	99	78
Other operating income	22	28	16	18	15	22	15	77	64
<b>Total other operating income</b>	<b>75</b>	<b>69</b>	<b>68</b>	<b>71</b>	<b>60</b>	<b>75</b>	<b>60</b>	<b>267</b>	<b>224</b>
Commission expenses	20	28	25	22	21	20	21	96	83
<b>Total commissions and other income</b>	<b>317</b>	<b>321</b>	<b>294</b>	<b>288</b>	<b>235</b>	<b>317</b>	<b>235</b>	<b>1,139</b>	<b>919</b>
<b>As percentage of total income</b>	<b>39 %</b>	<b>42 %</b>	<b>35 %</b>	<b>39 %</b>	<b>32 %</b>	<b>39 %</b>	<b>32 %</b>	<b>37 %</b>	<b>33 %</b>

### Distribution of commission income



## Change in commission and other income

(in NOK million)	2013	31 Mar. Change	2012
<b>Total</b>	<b>317</b>	<b>81</b>	<b>235</b>
Real estate agency		-1	
Other operating income		8	
Operating- and sales income real estate		1	
Accounting services		7	
Insurance		-2	
Commission of savings products		1	
Commission expenses		1	
Other		4	
Payments transmission		0	
Guarantees		5	
SpareBank 1 Boligkreditt		59	

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

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar. 2013	31 Mar. 2012	2012	2011
Income from investment in related companies incl inv held for sale	<b>108</b>	<b>30</b>	<b>85</b>	<b>50</b>	<b>99</b>	<b>108</b>	<b>99</b>	<b>264</b>	<b>290</b>
<i>of which SpareBank 1 Gruppen AS</i>	61	-10	44	13	47	61	47	94	96
<i>BN Bank ASA</i>	26	31	14	12	15	26	15	72	89
<i>Bank 1 Oslo Akershus AS</i>	0	-8	15	8	11	0	11	26	15
<i>SpareBank 1 Boligkreditt AS</i>	12	7	12	11	14	12	14	44	16
<i>SpareBank 1 Næringskreditt AS</i>	2	0	3	2	3	2	3	8	9
<i>Polaris Media AS</i>	0	-32	3	13	2	0	2	-14	23
<i>Other <sup>1)</sup></i>	6	42	-7	-9	7	6	7	33	41
Capital gains/dividends, shares and ECCs <sup>2)</sup>	<b>25</b>	<b>2</b>	<b>27</b>	<b>-10</b>	<b>3</b>	<b>25</b>	<b>3</b>	<b>21</b>	<b>101</b>
<i>of which dividends</i>	1	2	0	9	0	1	0	12	36
<i>capital gains on shares</i>	17	-1	26	-16	1	17	1	10	79
<i>capital gains on ECCs</i>	6	1	0	-3	1	6	1	-1	-13
Capital gains, bonds and derivatives	<b>20</b>	<b>0</b>	<b>18</b>	<b>4</b>	<b>34</b>	<b>20</b>	<b>34</b>	<b>56</b>	<b>-10</b>
Net gain on trading and derivatives Markets	<b>17</b>	<b>31</b>	<b>39</b>	<b>33</b>	<b>23</b>	<b>17</b>	<b>23</b>	<b>126</b>	<b>96</b>
<b>Net return on financial investments</b>	<b>169</b>	<b>63</b>	<b>168</b>	<b>76</b>	<b>160</b>	<b>169</b>	<b>160</b>	<b>467</b>	<b>478</b>
<b>As percentage of total income</b>	<b>20 %</b>	<b>8 %</b>	<b>22 %</b>	<b>9 %</b>	<b>21 %</b>	<b>20 %</b>	<b>21 %</b>	<b>15 %</b>	<b>17 %</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)	2013	31 Mar. Change	2012
<b>Total</b>	<b>169</b>	<b>9</b>	<b>160</b>
Capital gains from bonds and derivatives		-15	
Capital gain, SMN Markets		-6	
Capital gains/dividends on shares and ECC's		22	
Income from investment in related companies, incl inv held for sale		8	

## 2.4. Operating expenses

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Salary	215	213	215	204	207	215	207	838	752
Pension costs (defined benefit plan)	13	16	13	13	12	13	12	54	28
Employer's insurance contributions	4	1	4	4	3	4	3	11	11
Other personnel expenses	3	4	4	3	10	3	10	20	18
<b>Total personnel expenses</b>	<b>236</b>	<b>234</b>	<b>235</b>	<b>223</b>	<b>232</b>	<b>236</b>	<b>232</b>	<b>924</b>	<b>810</b>
EDP and telecommunication expenses	50	42	53	45	46	50	46	187	185
Postage and transportation services	7	8	6	7	7	7	7	28	27
Marketing	11	13	13	11	12	11	12	49	50
Operating exp. on properties and premises	24	28	25	27	21	24	21	101	95
Other external services	11	22	20	13	10	11	10	66	55
Other operating expenses	46	63	43	47	46	46	46	199	172
Depr./write-downs of fixed & intangible assets	30	28	26	24	23	30	23	102	87
<b>Other expenses</b>	<b>179</b>	<b>203</b>	<b>186</b>	<b>174</b>	<b>166</b>	<b>179</b>	<b>166</b>	<b>730</b>	<b>672</b>
<b>Total operating expenses</b>	<b>414</b>	<b>437</b>	<b>421</b>	<b>398</b>	<b>398</b>	<b>414</b>	<b>398</b>	<b>1,654</b>	<b>1,482</b>

Cost/income ratio	0.50	0.58	0.51	0.54	0.54	0.50	0.54	0.54	0.54
Cost/income ratio ex financial inv.	0.63	0.61	0.65	0.60	0.68	0.63	0.68	0.63	0.64
12-month cost growth*	4.2 %	11.6 %	13.7 %	12.4 %	14.4 %	4.2 %	14.4 %	11.6 %	30.0 %

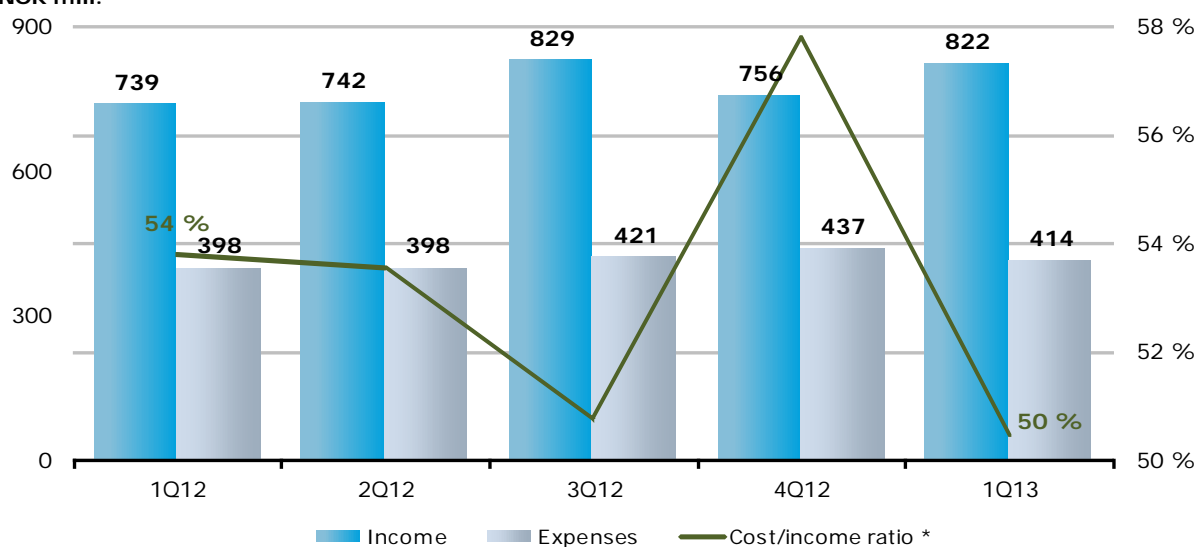
\* Year to date. Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth 2011

### Change in operating expenses

(in NOK million)	2013	31 Mar. Change	2012
<b>Total</b>	<b>414</b>	<b>17</b>	<b>398</b>
Total personnel expenses		4	
Depr./write-downs of fixed & intangible assets		6	
EDP and telecommunication expenses		4	
Other operating expenses		- 1	
Operating exp. on properties and premises		3	
Other external services		1	
Marketing		- 1	
Postage and transportation services		0	

### Cost/income ratio

NOK mill.



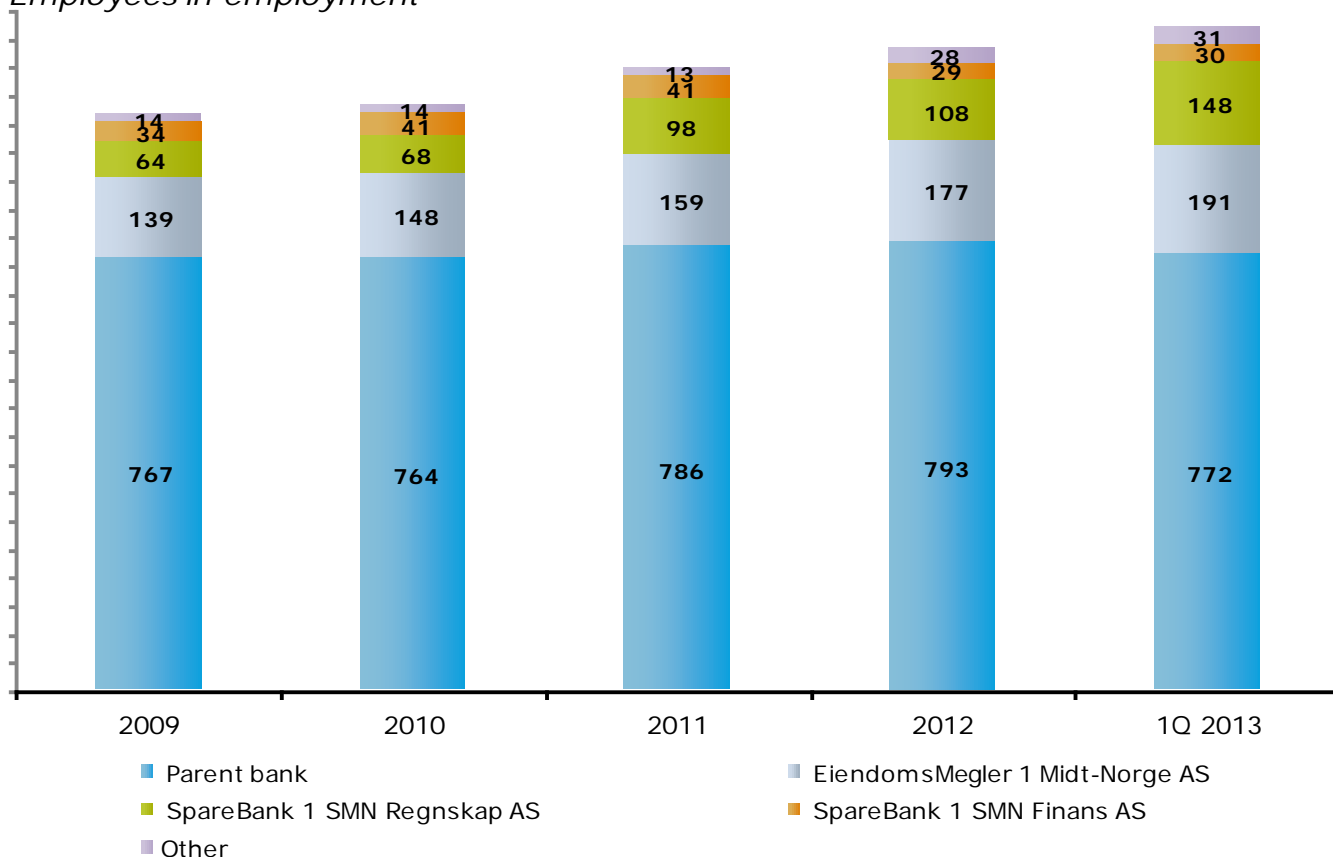
\* Total operating expenses as a percentage of total operating income

## Development of employees

<i>Employees in employment</i>	1Q 2013	2012	2011	2010	2009
Retail market incl. SME	358	374	392	378	367
Corporate market	95	199	187	172	155
SpareBank 1 SMN Markets	42	42	40	33	32
Products and processes	147	120	112	128	134
HR and digital channels	95				
Management and staff	36	59	55	53	79
<b>Parent bank</b>	<b>772</b>	<b>793</b>	<b>786</b>	<b>764</b>	<b>767</b>
EiendomsMegler 1 Midt-Norge AS	191	177	159	148	139
Allegro Finans AS	10	10	9	10	10
SpareBank 1 SMN Finans AS	30	29	41	41	34
SpareBank 1 SMN Regnskap AS	148	108	98	68	64
SpareBank 1 Kvartalet and other	21	18	4	4	4
<b>Total</b>	<b>1,171</b>	<b>1,135</b>	<b>1,098</b>	<b>1,035</b>	<b>1,017</b>

The bank is reorganised as from 1 January 2013. Figures for person-years worked in 2013 are therefore not comparable with historical figures.

## Employees in employment



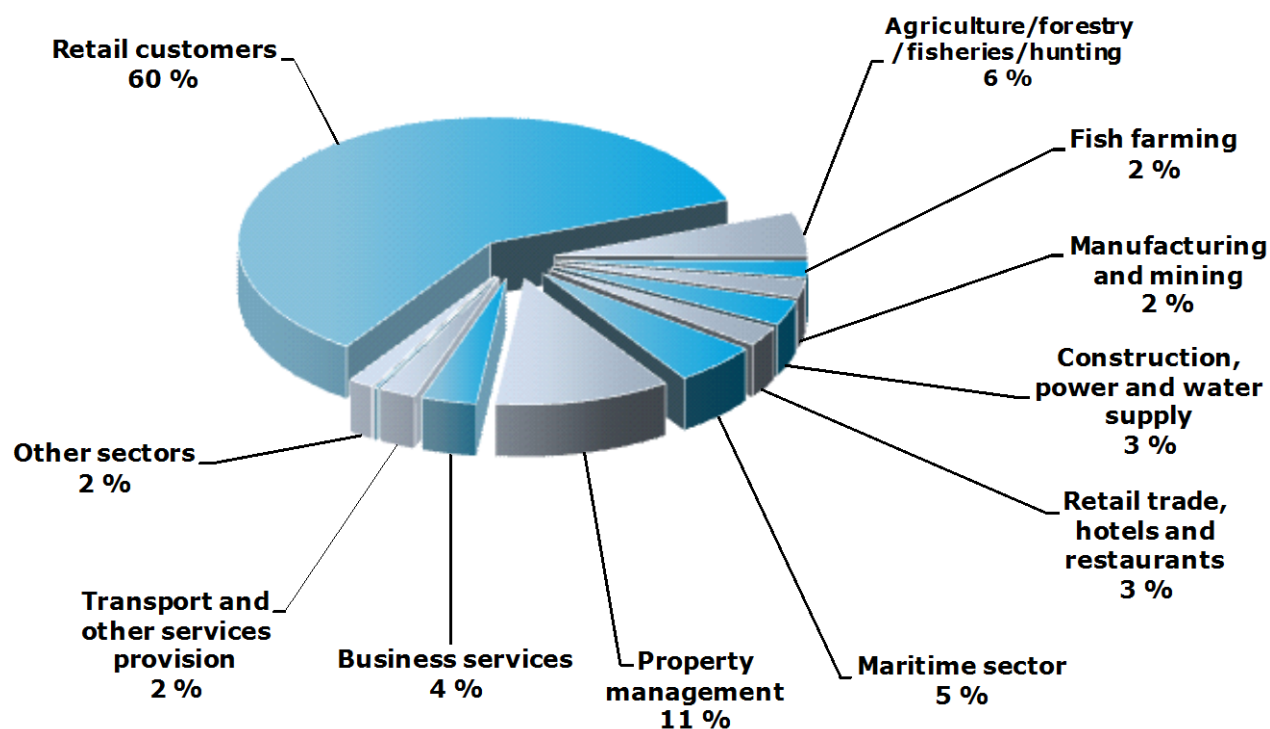
### 3. Loans to customers

#### 3.1. Distribution of loans by industry

*Distribution of loans by industry*

(in NOK million)	31 Mar. 2013	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011
Agriculture/forestry/fisheries/hunting	6,031	6,129	6,035	5,652	5,568	5,217
Fish farming	2,226	2,447	2,378	2,096	1,654	2,026
Manufacturing and mining	2,396	2,349	3,426	3,329	2,574	2,881
Construction, power and water supply	3,446	3,504	3,121	3,063	3,856	2,572
Retail trade, hotels and restaurants	2,715	2,804	2,340	2,324	2,206	2,337
Maritime sector	5,774	5,739	5,554	5,946	5,744	5,978
Property management	12,056	11,710	11,769	11,877	11,272	12,179
Business services	3,776	3,258	3,809	3,678	3,584	3,867
Transport and other services provision	2,519	2,364	2,423	2,164	2,620	2,078
Public administration	230	215	156	32	64	92
Other sectors	1,763	1,801	1,785	2,646	1,428	971
<b>Gross loans in corporate market</b>	<b>42,930</b>	<b>42,322</b>	<b>42,795</b>	<b>42,807</b>	<b>40,571</b>	<b>40,198</b>
Retail customers	63,900	62,587	60,479	57,746	56,816	55,034
<b>Gross loans incl. Boligkr. and Næringskr.</b>	<b>106,830</b>	<b>104,909</b>	<b>103,274</b>	<b>100,552</b>	<b>97,387</b>	<b>95,232</b>
- Adv. of this Boligkreditt	29,789	29,348	27,294	26,208	25,433	22,126
- Adv. of this Næringskreditt	616	618	623	749	273	
<b>Gross loans in balance sheet</b>	<b>76,425</b>	<b>74,943</b>	<b>75,357</b>	<b>73,595</b>	<b>71,681</b>	<b>73,105</b>
Share of loans, corporate market	40.2 %	40.3 %	41.4 %	42.6 %	41.7 %	42.2 %
Share of loans, retail market	59.8 %	59.7 %	58.6 %	57.4 %	58.3 %	57.8 %

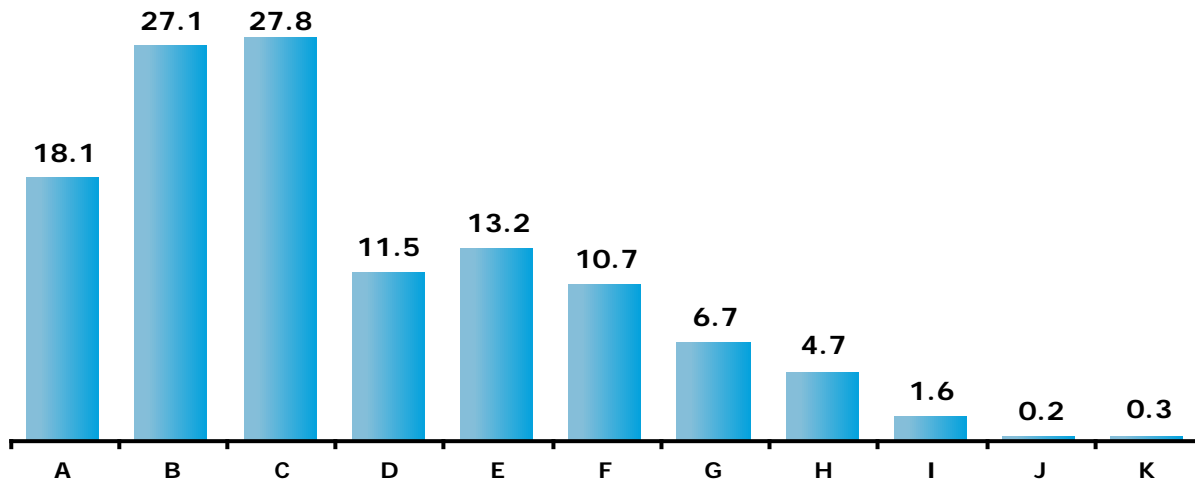
*Distribution of loans by industry*



### 3.2. Risk profile and write-downs

*Actual risk profil, Exposure At Default*

NOK billion



*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

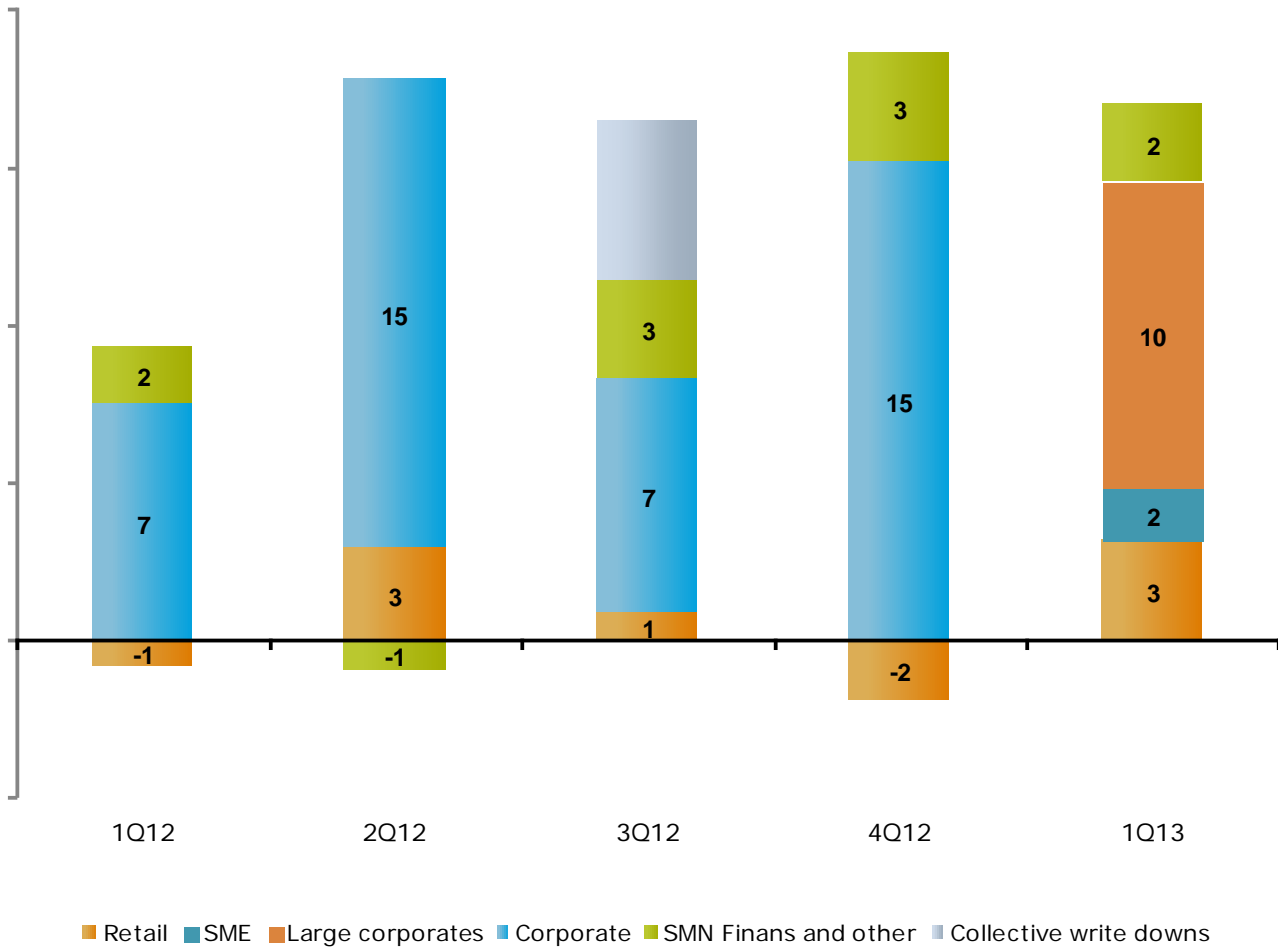
*Write-downs on loans and guarantees*

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Increase in and new individual write-downs	-2	-4	-18	2	-8	-2	-8	-28	-50
Reassessments and recoveries	-19	-21	-29	-15	-17	-19	-17	-81	-77
Total individual write-downs	17	17	11	17	8	17	8	53	27
Change in group write-downs on loans	0	0	5	0	0	0	0	5	0
<b>Write-downs on loans and guarantees</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>8</b>	<b>17</b>	<b>8</b>	<b>58</b>	<b>27</b>
<b>As % of gross loans incl. Boligkreditt</b>	0.06 %	0.06 %	0.06 %	0.07 %	0.04 %	0.06 %	0.04 %	0.06 %	0.03 %



Loss on loans by segment

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Retail	3	-2	1	3	-1	3	-1	1	7
SME	2					2			
Large corporates	10					10			
Corporate		15	7	15	7		7	45	5
SMN Finans and other	2	3	3	-1	2	2	2	7	15
Collective write downs	0	0	5	0	0	0	0	5	0
<b>Total loss on loans</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>8</b>	<b>17</b>	<b>8</b>	<b>58</b>	<b>27</b>





### Individual and collective write-downs

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Individual write-downs to cover loss on loans, guarantees at start of period	144	148	166	164	172	144	172	173	222
Write downs of loans previously subject to individual write down	3	-4	-17	1	24	3	24	4	10
Reversal of previous years' write downs	-4	-5	-1	-2	-4	-4	-4	-13	-28
Increase in write downs of commitments not previously subject to individual write down	19	14	5	17	7	19	7	43	59
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-21	-9	-5	-14	-35	-21	-35	-63	-91
<b>Individual write downs to cover loss</b>	<b>143</b>	<b>144</b>	<b>148</b>	<b>166</b>	<b>164</b>	<b>143</b>	<b>164</b>	<b>144</b>	<b>172</b>
Collective write downs to cover loss on loans, guarantees at start of period	295	295	290	290	290	295	295	290	290
Period's collective write down to cover loss on loans, guarantees etc.	0	0	5	0	0	0	0	5	0
<b>Collective write downs to cover loss on loans, guarantees</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>290</b>	<b>290</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>290</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	68,477	54,002	9,387	3,460	781	644	203
Public administration	635	635	-	-	-	-	-
Agriculture and forestry	6,687	3,580	1,453	1,015	359	271	9
Sea farming industries	3,138	1,409	1,272	437	-	0	20
Manufacturing	3,265	823	710	1,247	389	31	65
Construction, power and water supply	4,943	1,121	1,035	1,570	766	359	92
Retail trade, hotels and restaurants	3,716	777	1,240	1,345	236	107	12
Maritime sector	509	186	250	72	1	-	1
Property management	14,397	3,818	4,808	4,454	1,156	88	72
Business services	5,005	1,107	1,107	2,131	548	104	8
Transport and other services provision	10,038	4,922	3,113	1,465	480	42	16
Finance	0	0	-	-	-	-	0
Other sectors	1,233	595	368	270	-	0	-
<b>1Q13</b>	<b>122,044</b>	<b>72,976</b>	<b>24,742</b>	<b>17,467</b>	<b>4,715</b>	<b>1,645</b>	<b>500</b>
<b>2012</b>	<b>120,010</b>	<b>71,896</b>	<b>24,459</b>	<b>17,174</b>	<b>4,374</b>	<b>1,629</b>	<b>479</b>
<b>2011</b>	<b>109,621</b>	<b>63,414</b>	<b>24,724</b>	<b>16,231</b>	<b>3,045</b>	<b>1,738</b>	<b>468</b>

### Write-down ratio

(in NOK million)	31 Mar. 2013	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011
Non-performing commitments (gross)	388	374	398	338	318	338
Impaired commitments (gross)	160	143	163	199	183	204
Gross non-performing and impaired commitments	548	517	561	537	501	542
Individual write-downs	143	145	148	166	164	172
Collective write-downs	295	295	295	290	290	290
Write-down ratio (%)	79.9 %	84.9 %	79.0 %	84.9 %	90.5 %	85.2 %

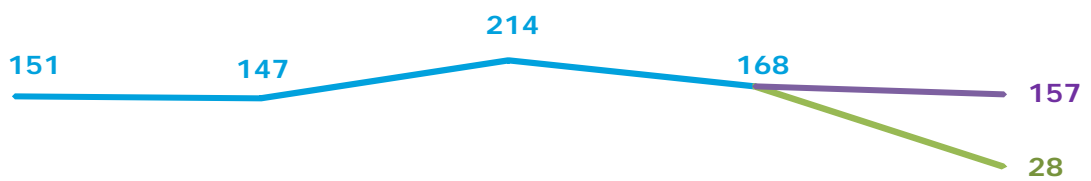
Default in excess of 90 days  
NOK million



2012 1Q	2012 2Q	2012 3Q	2012 4Q	2013 1Q
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— Retail > 90 d

Default in excess of 90 days  
NOK million

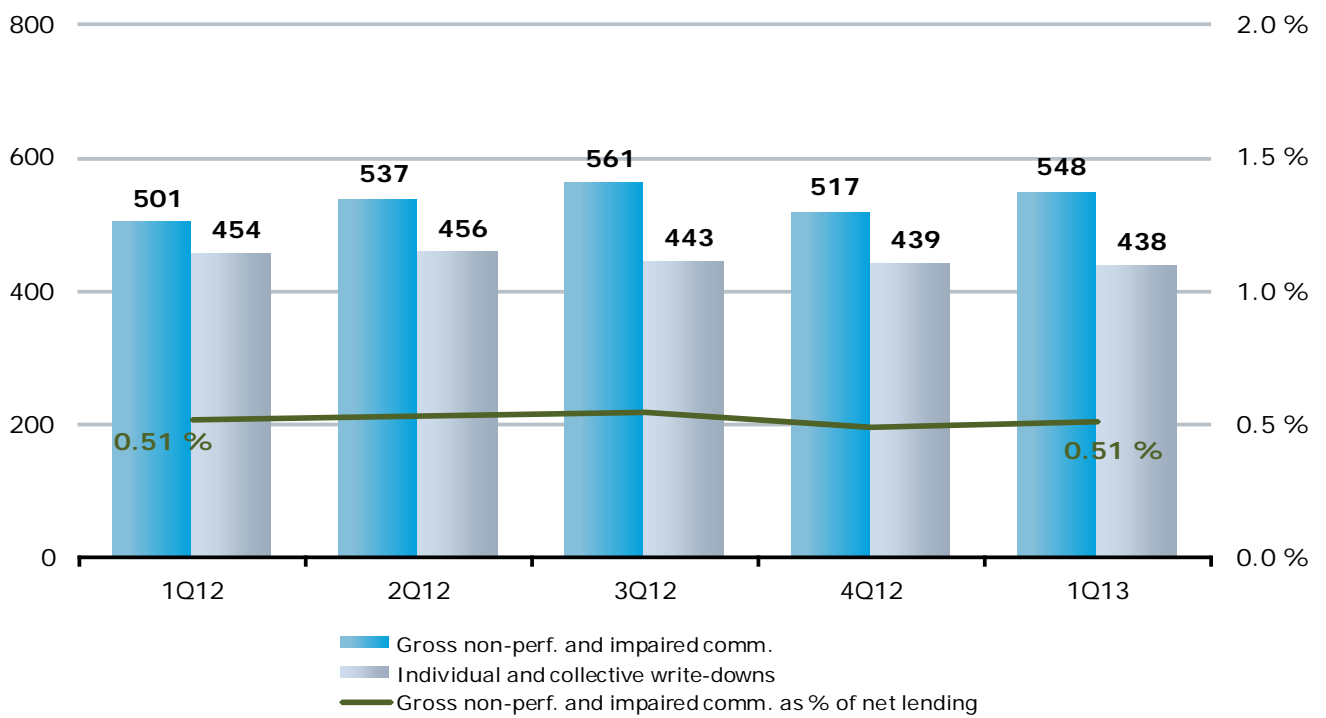


2012 1Q	2012 2Q	2012 3Q	2012 4Q	2013 1Q
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— Corporate > 90 d    — SME > 90 d    — Large corporates > 90 d

### Net non-performing and impaired commitments

NOK million



## 4. Capital Adequacy

New capital adequacy rules were introduced in Norway as from 1 January 2007 (Basel II - the EU's new directive on capital adequacy). SpareBank1 SMN applied to and received permission from Finanstilsynet (Financial Supervisory Authority of Norway) to use internal rating methods (Internal Rating Based Approach - Foundation) to calculate charges for credit risk from 1 January 2007 onwards. This will make the statutory minimum capital adequacy requirement more risk-sensitive, so that it better reflects the risk in the underlying portfolios. Using IRB demands high standards of the Bank's organization, competence, risk models and risk management systems. Under interim regulations issued by Finanstilsynet, IRB banks are not yet seeing the full effect of the reduced capital requirements. As from 2009, a 20% reduction of the risk-weighted basis of calculation was allowed.

### **Subordinated debt and hybrid capital**

Subordinated debt ranks behind all other liabilities. Dated subordinated loans cannot constitute more than 50 per cent of tier 1 capital for capital adequacy purposes, while perpetual subordinated loans cannot constitute more than 100 per cent of tier 1 capital. Subordinated loans are classified as a liability in the balance sheet and are measured at amortized cost in the same way as other long-term loans.

Hybrid capital denotes bonds with a nominal interest rate, but the bank is not obliged to pay interest in a period where dividends are not paid, and neither is the investor subsequently entitled to interest that has not been paid, i.e. interest does not accumulate. Hybrid capital is approved as an element of tier 1 capital up to limit of 15 per cent of aggregate tier 1 capital. Finanstilsynet (Norway's FSA) can require hybrid capital to be written down in proportion with equity capital should the bank's tier 1 capital adequacy fall below 5 per cent or total capital adequacy falls below 6 per cent. Written-down amounts on hybrid capital must be written up before dividends can be paid to shareholders or before equity capital is written up. Hybrid capital is shown as other long-term debt at amortized cost.

For detailed information regarding subordinated debt and hybrid capital, see note 5 in the Bank's annual report.

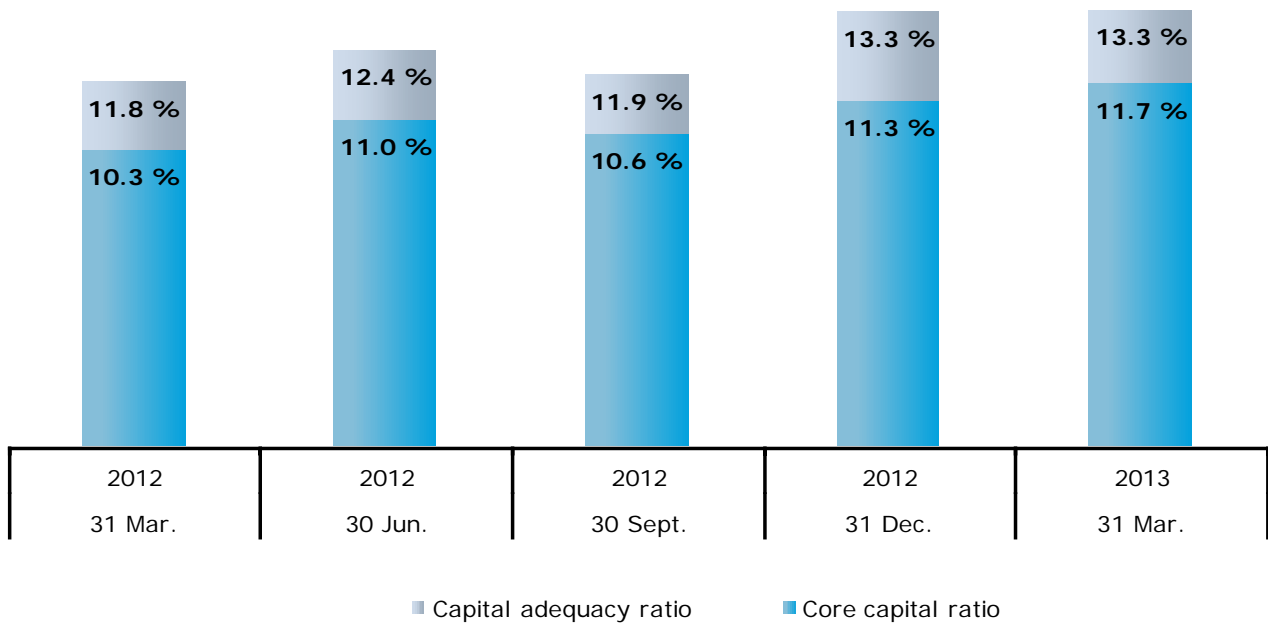
## Capital Adequacy

(in NOK million)	31 Mar. 2013	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011
Equity certificates capital	2,597	2,597	2,597	2,484	2,373	2,373
- Own equity certificates capital	0	0	0	0	0	0
Premium reserve	895	895	896	813	183	183
Equalisation reserve	1,889	1,889	1,457	1,457	1,457	1,457
Savings bank's reserve	2,944	2,944	2,611	2,611	2,611	2,611
Recommended dividends	0	195	0	0	0	190
Provision for gifts	0	30	0	0	0	40
Reserve for unrealised gains	123	123	94	90	92	85
Other equity and minority interest	1,402	1,370	1,295	1,400	1,404	1,409
Net profit	321	0	816	510	272	0
<b>Total book equity</b>	<b>10,170</b>	<b>10,042</b>	<b>9,765</b>	<b>9,365</b>	<b>8,393</b>	<b>8,348</b>
Deferred tax, goodwill and other intangible assets	-531	-674	-701	-670	-678	-692
Share of reserve for unrealised gains in associates	57	57	64	64	64	64
Deduction for allocated dividends	-6	-238	0	0	0	-230
50 % deduction for subordinated capital in other financial institutions	-2	-2	-2	-2	0	0
50 % deduction for expected losses on IRB, net of write-downs	-193	-179	-211	-153	-158	-147
50 % capital adequacy reserve	-734	-703	-714	-682	-651	-656
Share of non-performing, non-amortised estimate deviations	-107	-49	-74	-74	-74	0
Net profit	-321	0	-816	-510	-272	0
Year-to-date profit included in core capital (50%)	234	0	408	255	136	0
<b>Total common equity Tier one</b>	<b>8,568</b>	<b>8,254</b>	<b>7,717</b>	<b>7,592</b>	<b>6,759</b>	<b>6,687</b>
Fund bonds, hybrid capital	1,118	1,103	1,108	1,130	1,143	1,170
<b>Total core capital</b>	<b>9,686</b>	<b>9,357</b>	<b>8,826</b>	<b>8,722</b>	<b>7,902</b>	<b>7,856</b>
<b>Supplementary capital in excess of core capital</b>						
Fund bonds, hybrid capital in excess of 15 %	31	31	37	37	0	0
Perpetual subordinated capital	308	312	323	325	318	328
Dated subordinated capital	1,875	2,127	1,633	1,653	1,598	1,674
50 % deduction for subordinated capital in other financial institutions	-2	-2	-2	-2	0	0
50 % deduction for expected losses on IRB, net of write-downs	-193	-179	-211	-153	-158	-147
50 % capital adequacy reserve	-734	-703	-714	-682	-651	-656
<b>Total supplementary capital</b>	<b>1,285</b>	<b>1,586</b>	<b>1,066</b>	<b>1,178</b>	<b>1,107</b>	<b>1,199</b>
<b>Net subordinated capital</b>	<b>10,971</b>	<b>10,943</b>	<b>9,891</b>	<b>9,900</b>	<b>9,008</b>	<b>9,055</b>

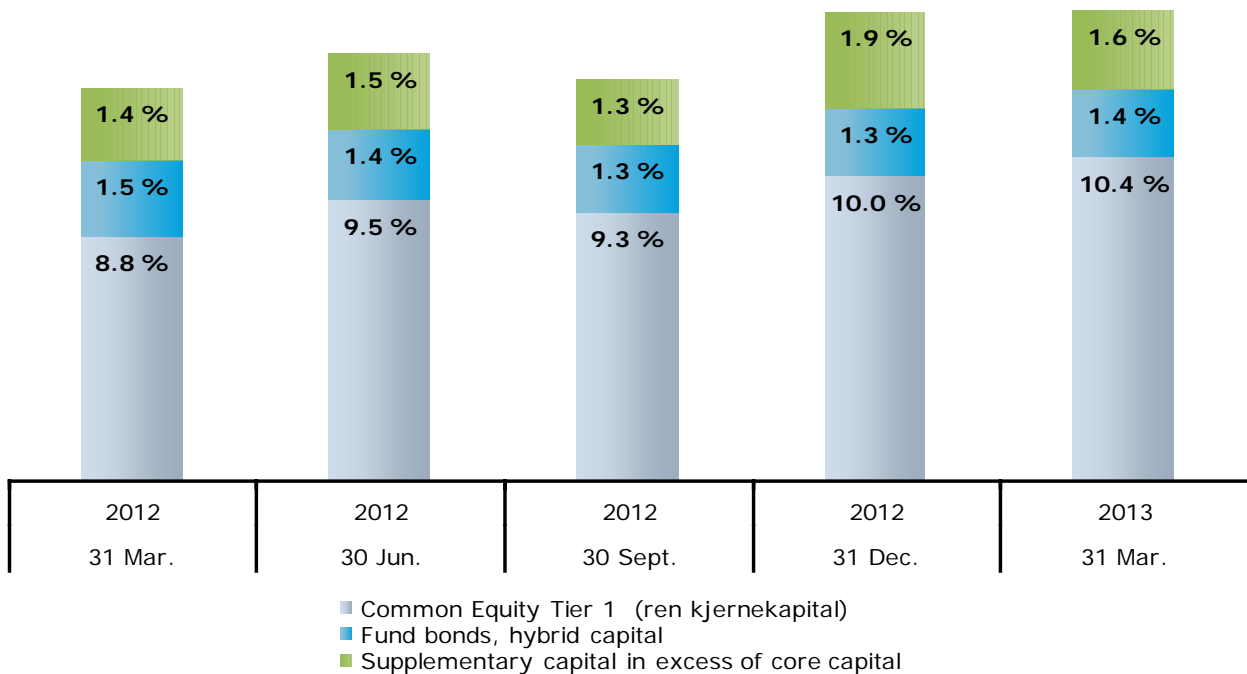
## Minimum requirements subordinated capital

(in NOK million)	31 Mar. 2013	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011
Involvement with specialised enterprises	1,661	1,654	1,647	1,584	1,466	1,456
Other corporations exposure	1,505	1,470	1,686	1,511	1,519	1,313
SME exposure	56	42	41	41	43	42
Retail mortgage exposure	583	560	532	541	518	513
Other retail exposure	28	30	30	30	32	33
Equity investments	0	0	0	0	0	0
<b>Total credit risk IRB</b>	<b>3,833</b>	<b>3,756</b>	<b>3,937</b>	<b>3,707</b>	<b>3,578</b>	<b>3,358</b>
Debt risk	257	205	209	223	206	182
Equity risk	15	15	15	15	16	16
Currency risk	0	0	0	0	0	0
Operational risk	438	420	420	420	420	400
Exposures calculated using the standardised approach	2,086	2,074	2,178	2,121	2,018	2,184
Deductions	-125	-120	-121	-115	-110	-111
Transitional arrangements	102	246	0	0	0	0
<b>Minimum requirements subordinated capital</b>	<b>6,606</b>	<b>6,596</b>	<b>6,638</b>	<b>6,371</b>	<b>6,127</b>	<b>6,027</b>
<b>Risk Weighted Assets (RWA)</b>	<b>82,578</b>	<b>82,446</b>	<b>82,976</b>	<b>79,635</b>	<b>76,590</b>	<b>75,338</b>
Common equity Tier 1	10.4 %	10.0 %	9.9 %	9.7 %	9.9 %	9.0 %
Core capital ratio	11.7 %	11.3 %	10.6 %	11.0 %	10.3 %	10.4 %
Capital adequacy ratio	13.3 %	13.3 %	11.9 %	12.4 %	11.8 %	12.0 %

Capital Adequacy

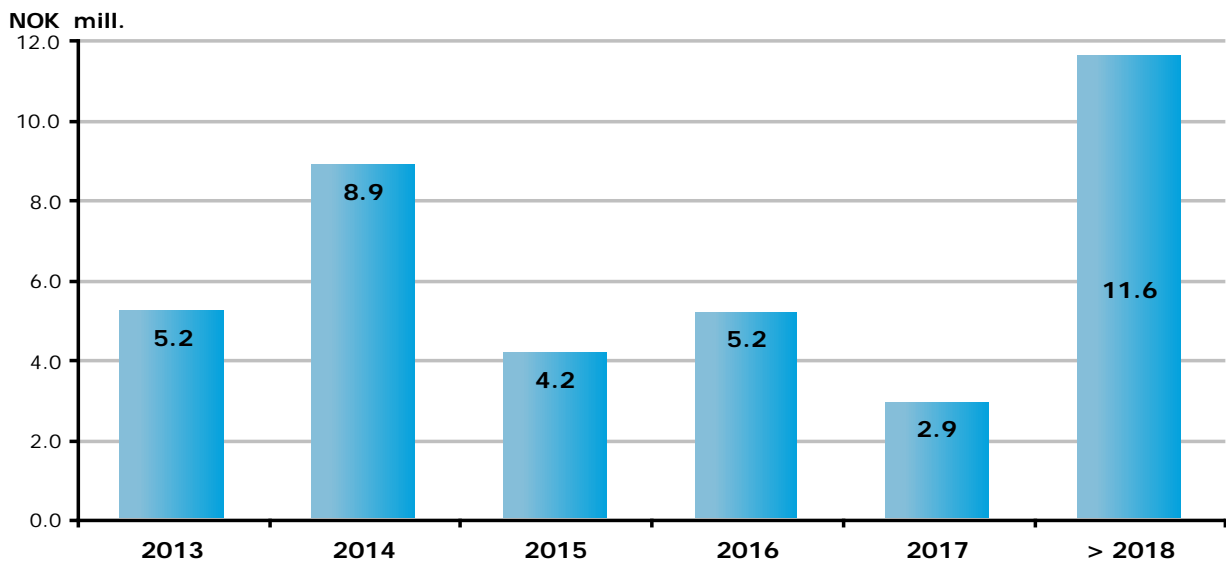


Capital Adequacy

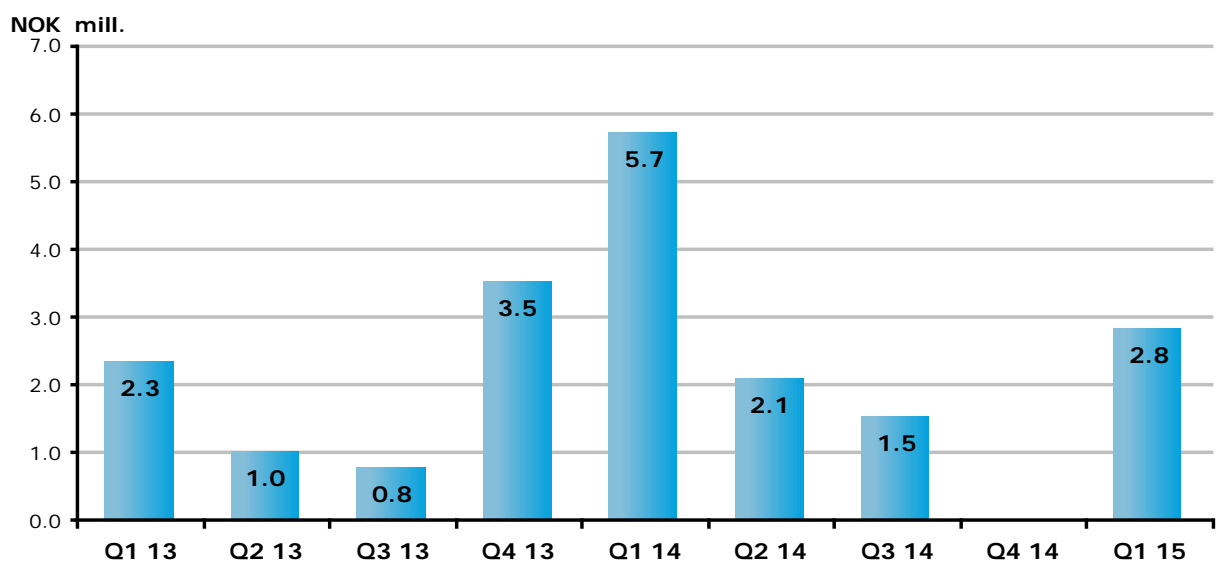


## 5. Funding

### *Funding maturity dates*



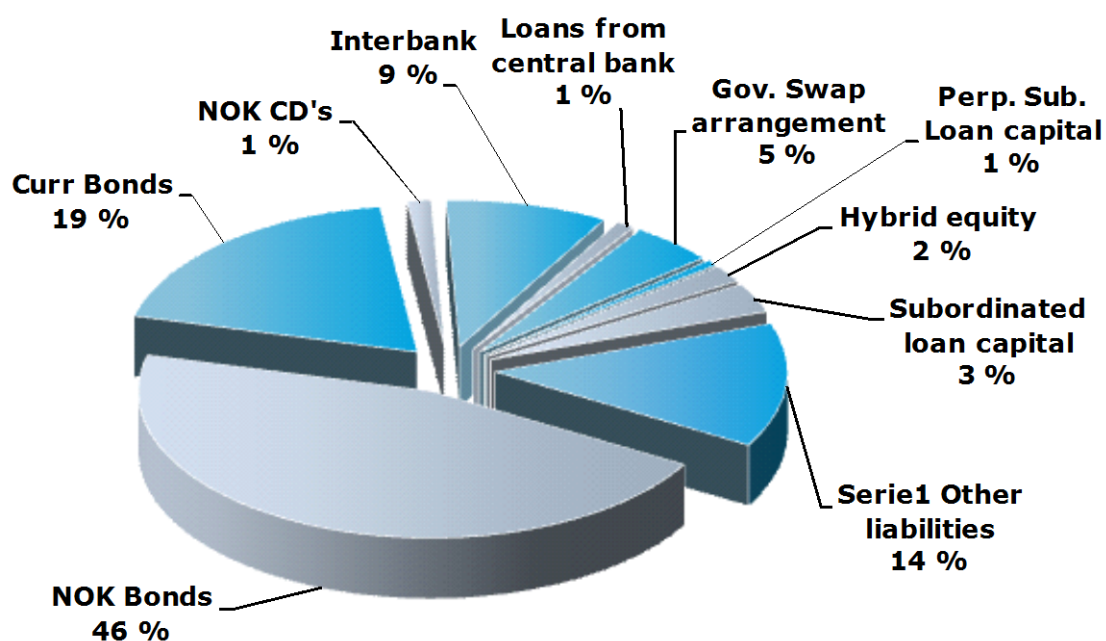
### *Funding maturity dates over the next eight quarters*





Capital markets funding

(in NOK million)	31 Mar. 2013	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011
NOK Bonds	22,474	22,858	22,678	21,380	19,139	19,224
Curr Bonds	9,344	6,944	6,806	6,257	6,298	8,803
NOK CD's	654	706	942	1,236	232	220
Interbank	4,416	5,137	6,383	6,968	5,189	5,232
Loans from central bank	500	-	-	-	-	1,000
Gov. Swap arrangement	2,273	2,273	2,553	2,553	2,553	2,886
Perp. Sub. Loan capital	308	12	21	24	16	26
Hybrid equity	932	432	446	471	453	481
Subordinated loan capital	1,610	1,810	1,368	1,388	1,333	1,409
Other liabilities	6,732	5,938	7,417	8,558	5,249	4,655
<b>Total</b>	<b>49,244</b>	<b>46,110</b>	<b>48,614</b>	<b>48,834</b>	<b>40,462</b>	<b>43,936</b>



## 6. Financial results

### Financial results

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Interest income	954	941	989	989	1,009	954	1,009	3,928	3,891
Interest expenses	611	543	630	619	659	611	659	2,451	2,499
<b>Net interest</b>	<b>343</b>	<b>399</b>	<b>358</b>	<b>369</b>	<b>351</b>	<b>343</b>	<b>351</b>	<b>1,477</b>	<b>1,392</b>
Commission income	262	280	252	240	196	262	196	968	778
Commission expenses	20	28	25	22	21	20	21	96	83
Other operating income	75	69	68	71	60	75	60	267	224
<b>Commission income and other income</b>	<b>317</b>	<b>321</b>	<b>294</b>	<b>288</b>	<b>235</b>	<b>317</b>	<b>235</b>	<b>1,139</b>	<b>919</b>
Dividends	1	2	0	9	0	1	0	12	36
Income from investment in related companies	101	3	91	59	92	101	92	244	248
Net return on financial investments	61	32	86	17	60	61	60	195	150
<b>Net return on financial investments</b>	<b>162</b>	<b>37</b>	<b>177</b>	<b>85</b>	<b>153</b>	<b>162</b>	<b>153</b>	<b>451</b>	<b>434</b>
<b>Total income</b>	<b>822</b>	<b>756</b>	<b>829</b>	<b>742</b>	<b>739</b>	<b>822</b>	<b>739</b>	<b>3,067</b>	<b>2,745</b>
Staff costs	236	234	235	223	232	236	232	924	810
Administration costs	99	113	112	98	97	99	97	419	381
Other operating expenses	79	90	75	76	69	79	69	311	291
<b>Total operating expenses</b>	<b>414</b>	<b>437</b>	<b>421</b>	<b>398</b>	<b>398</b>	<b>414</b>	<b>398</b>	<b>1,654</b>	<b>1,482</b>
<b>Result before losses</b>	<b>407</b>	<b>319</b>	<b>408</b>	<b>345</b>	<b>342</b>	<b>407</b>	<b>342</b>	<b>1,414</b>	<b>1,263</b>
Loss on loans, guarantees etc.	17	17	16	17	8	17	8	58	27
<b>Result before tax</b>	<b>390</b>	<b>302</b>	<b>392</b>	<b>328</b>	<b>333</b>	<b>390</b>	<b>333</b>	<b>1,355</b>	<b>1,236</b>
Tax charge	77	69	77	81	68	77	68	295	255
Results investments held for sale, after tax	7	27	-	9	7	7	7	16	43
<b>Net profit</b>	<b>321</b>	<b>260</b>	<b>306</b>	<b>238</b>	<b>272</b>	<b>321</b>	<b>272</b>	<b>1,077</b>	<b>1,024</b>
Majority share	319	257	305	235	271	319	271	1,068	1,016
Minority interest	2	4	1	3	1	2	1	9	8

### Balance sheet

(in NOK million)	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.
	2013	2012	2012	2012	2012	2011
Cash and receivables from central banks	311	1,079	156	1,152	650	1,519
Deposits with and loans to credit institutions	1,854	3,012	1,932	2,623	1,576	2,557
Gross loans to customers before write-down	76,425	74,943	75,357	73,595	71,681	73,105
- Specified write-downs	-143	-144	-148	-166	-164	-172
- Write-downs by loan category	-295	-295	-295	-290	-290	-290
Net loans to and receivables from customers	75,988	74,504	74,914	73,139	71,227	72,643
Fixed-income CDs and bonds at fair value	20,318	17,164	19,126	16,955	13,278	12,918
Derivatives	3,113	3,100	4,872	4,243	3,645	3,697
Shares, units and other equity interests	761	777	746	605	624	611
Investment in related companies	4,518	4,573	4,799	4,628	4,582	4,259
Investments held for sale	474	486	204	560	621	481
Goodwill	490	482	481	471	471	471
Other assets	2,942	2,798	3,411	3,439	2,320	2,299
<b>Assets</b>	<b>110,769</b>	<b>107,975</b>	<b>110,640</b>	<b>107,815</b>	<b>98,996</b>	<b>101,455</b>
Deposits from credit institutions	7,188	7,410	8,936	9,520	7,742	9,118
Deposits from and debt to customers	52,603	52,252	50,836	51,504	48,974	47,871
Debt created by issue of securities	32,347	30,259	30,085	28,341	25,569	28,148
Derivatives	2,714	2,790	4,538	4,097	3,120	3,158
Other liabilities	2,865	2,070	3,807	2,246	2,572	1,971
Investments held for sale	31	72	54	79	131	151
Subordinated loan capital	2,850	3,040	2,620	2,662	2,576	2,690
<b>Total liabilities</b>	<b>100,599</b>	<b>97,892</b>	<b>100,875</b>	<b>98,450</b>	<b>90,685</b>	<b>93,107</b>
Equity capital certificate	2,597	2,597	2,597	2,484	2,373	2,373
Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	895	896	813	183	183
Dividend equalisation fund	1,889	1,889	1,457	1,457	1,457	1,457
Recommended dividends	0	195	0	0	0	190
Provision for gifts	0	30	0	0	0	40
Savings bank's reserve	2,944	2,944	2,611	2,611	2,611	2,611
Unrealised gains reserve	123	123	94	90	92	85
Other equity capital	1,340	1,343	1,269	1,264	1,187	1,274
Result of the period	321	0	816	510	272	0
Minority interests	62	67	26	136	136	135
<b>Total equity capital</b>	<b>10,170</b>	<b>10,082</b>	<b>9,765</b>	<b>9,365</b>	<b>8,312</b>	<b>8,348</b>
<b>Total liabilities and equity</b>	<b>110,769</b>	<b>107,975</b>	<b>110,640</b>	<b>107,815</b>	<b>98,996</b>	<b>101,455</b>

### Key figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Return on equity	12.7 %	10.5 %	12.8 %	10.7 %	13.0 %	12.7 %	13.0 %	11.7 %	12.8 %
Cost/income ratio group	50 %	58 %	51 %	54 %	54 %	50 %	54 %	54 %	54 %
Cost/income ratio group, ex. financial inv.	63 %	61 %	65 %	60 %	68 %	63 %	68 %	63 %	64 %
12-month cost growth*	4.2 %	11.6 %	13.7 %	12.4 %	14.4 %	4.2 %	14.4 %	11.6 %	30.0 %
Gross loans to customers**	106,830	104,909	103,274	100,552	97,387	106,830	97,387	104,909	95,232
Growth in loans last 12 months**	9.7 %	10.2 %	11.4 %	10.6 %	9.9 %	9.7 %	9.9 %	10.2 %	8.6 %
Growth in loans this period**	1.8 %	1.6 %	2.7 %	3.2 %	2.3 %	1.8 %	2.3 %	10.2 %	8.6 %
Deposits from customers	52,603	52,252	50,836	51,504	48,974	52,603	48,974	52,252	47,871
Growth in deposits last 12 months	7.4 %	9.2 %	10.5 %	12.0 %	14.2 %	7.4 %	14.2 %	9.2 %	11.9 %
Growth in deposits this period	0.7 %	2.8 %	-1.3 %	5.2 %	2.3 %	0.7 %	2.3 %	9.2 %	11.9 %
Ordinary lending financed by ordinary deposits	68.8 %	69.7 %	67.5 %	70.0 %	68.3 %	68.8 %	68.3 %	69.7 %	65.5 %
Total assets	110,769	107,975	110,640	107,815	98,996	110,769	98,996	107,919	101,455
Average total assets (quarterly)	109,344	109,279	109,227	103,422	100,242	109,344	100,242	105,372	98,465
Employees in employment group	1,171	1,135	1,148	1,144	1,097	1,171	1,097	1,135	1,098
Employees in employment parent bank	772	793	791	806	785	772	785	793	786
Employees in employment subsidiaries	399	342	357	338	313	399	313	342	312
Number of branches	50	51	51	52	54	50	54	51	54
Lending margin	2.37	2.30	2.07	2.05	1.76	2.37	1.81	2.07	1.57
Deposit margin	(0.42)	(0.32)	(0.07)	(0.04)	0.27	(0.42)	0.27	(0.04)	0.44
Net other operating income of total income	38.6 %	42.4 %	35.5 %	38.8 %	31.8 %	38.6 %	31.8 %	37.1 %	33.5 %
Common Equity Tier 1 ratio	10.4 %	10.0 %	9.3 %	9.5 %	8.8 %	10.4 %	8.8 %	10.0 %	8.9 %
Capital adequacy ratio	13.3 %	13.3 %	11.9 %	12.4 %	11.8 %	13.3 %	11.8 %	13.3 %	12.0 %
Core capital ratio	11.7 %	11.3 %	10.6 %	11.0 %	10.3 %	11.7 %	10.3 %	11.3 %	10.4 %
Total core capital	9,686	9,357	8,826	8,722	7,902	9,686	7,902	9,357	7,856
Net subordinated capital	10,971	10,943	9,891	9,900	9,008	10,971	9,008	10,943	9,055
Impairment losses ratio	0.06 %	0.06 %	0.06 %	0.07 %	0.04 %	0.06 %	0.04 %	0.06 %	0.03 %
Non-performing commitm. as % of gross loans	0.36 %	0.36 %	0.39 %	0.34 %	0.33 %	0.36 %	0.33 %	0.36 %	0.36 %
Other doubtful commitm. as % of gross loans	0.15 %	0.14 %	0.16 %	0.20 %	0.19 %	0.15 %	0.19 %	0.14 %	0.21 %
ECC price	46.90	34.80	37.00	32.10	36.60	46.90	36.60	34.80	36.31
Number of certificates issued, millions	129.83	129.83	129.83	124.21	124.21	129.83	124.21	129.83	102.76
Booked equity capital per ECC (incl. dividend)	51.90	50.09	49.00	47.97	46.82	51.90	46.82	50.09	48.91
Adjusted profit per ECC	1.55	1.29	1.54	1.22	1.41	1.55	1.41	5.21	6.06
P/E per ECC	7.55	6.74	6.09	6.58	6.49	7.55	6.49	6.68	5.99
P/B equity capital	0.90	0.69	0.76	0.67	0.78	0.90	0.78	0.69	0.74

\* Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth in 2011

\*\* Gross loans to customers includes Sparebank1 Boligkreditt og Sparebank 1 Næringskreditt

## 7. Segment information

The Bank was reorganised as from 1 January 2013. It was therefore natural to revise the segment structure.

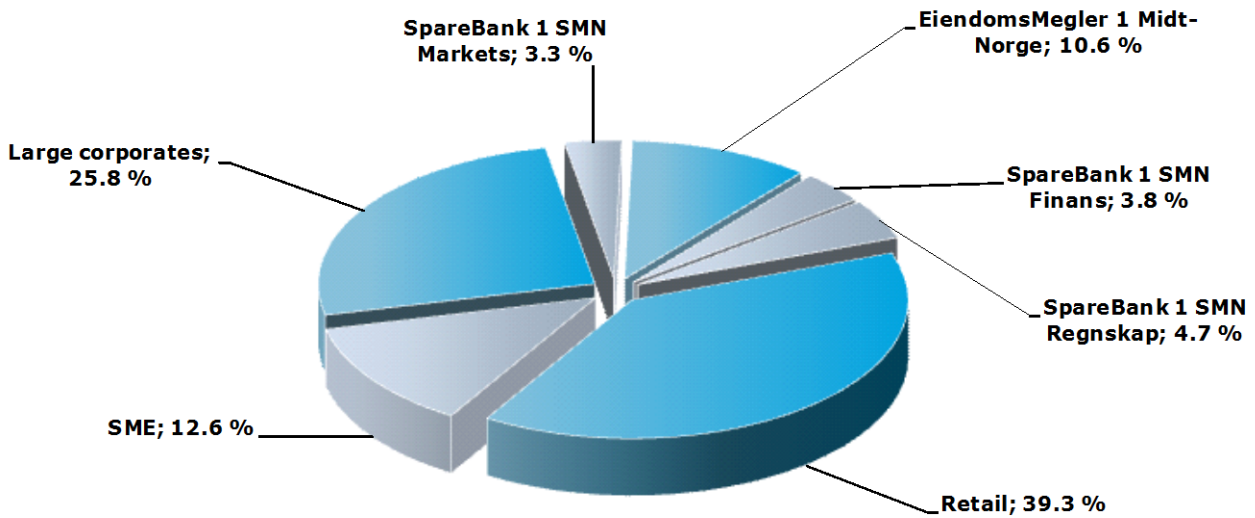
As from 1 January 2013 the corporate market segment is split up and reports as two separate segments: Large corporate and SME. Historical data have not been reworked since these are difficult to reconstruct at a sufficiently precise level. Thus, for comparison purposes, Large corporates and SMEs must be viewed collectively in relation to 2012. This will apply to each quarter of 2013. In organisation terms, SMBs are a part of Offices which also handles Retail Customers.

Since Allegro accounts for a minimal part of the Group's profits, it is no longer reported on as a separate segment that is added in the column for "others".

### 7.1. Extract from income statement

Group (in NOK million)	Eiendoms								Uncollated	Total
	Retail	SME	Large corporates	SpareBank 1 SMN Markets	Megler 1 Midt-Norge	SpareBank 1 SMN Finans	SpareBank 1 SMN Regnskap			
Net interest	134	69	148	-5	1	30	0	-33	343	
Allocated	3	-	8	-	-	-	-	-11	-	
<b>Total interest income</b>	<b>137</b>	<b>69</b>	<b>156</b>	<b>-5</b>	<b>1</b>	<b>30</b>	<b>0</b>	<b>-44</b>	<b>343</b>	
Commission income and other income	137	19	20	7	73	-3	33	31	317	
Net profit on financial investments	0	1	4	21	-	-	-	143	169	
<b>Total income</b>	<b>274</b>	<b>88</b>	<b>180</b>	<b>23</b>	<b>74</b>	<b>26</b>	<b>33</b>	<b>130</b>	<b>829</b>	
<b>Total operating expenses</b>	<b>164</b>	<b>34</b>	<b>61</b>	<b>21</b>	<b>63</b>	<b>10</b>	<b>29</b>	<b>31</b>	<b>414</b>	
<b>Ordinary operating profit</b>	<b>110</b>	<b>54</b>	<b>119</b>	<b>2</b>	<b>11</b>	<b>16</b>	<b>3</b>	<b>100</b>	<b>414</b>	
Loss on loans, guarantees etc.	3	2	10	-	-	2	-	1	17	
<b>Result before tax incl investments held for sale</b>	<b>107</b>	<b>53</b>	<b>109</b>	<b>2</b>	<b>11</b>	<b>14</b>	<b>3</b>	<b>99</b>	<b>398</b>	
<b>Post-tax return on equity</b>	<b>25.2 %</b>	<b>33.8 %</b>	<b>10.1 %</b>	<b>3.0 %</b>					<b>12.7 %</b>	
<b>Balance sheet</b>										
Loans and advances to customers	59,155	8,602	32,569	-	-	3,170	-	-27,071	76,425	
adv. of this to Boligkreditt and Næringskreditt	-29,441	-386	-578	-	-	-	-	-	-30,405	
Individual allowance for impairment on loan	-25	-18	-85	-	-	-15	-	0	-143	
Group allowance for impairment on loan	-73	-30	-175	-	-	-16	-	-0	-295	
Other assets	89	318	46	-	89	-2,921	37	67,528	65,187	
<b>Total assets</b>	<b>29,705</b>	<b>8,486</b>	<b>31,777</b>	<b>-</b>	<b>89</b>	<b>218</b>	<b>37</b>	<b>40,456</b>	<b>110,769</b>	
Deposits to customers	22,799	8,768	18,990	-	-	-	0	2,045	52,603	
Other liabilities and equity	6,906	-282	12,788	-	89	218	37	38,411	58,166	
<b>Total liabilities</b>	<b>29,705</b>	<b>8,486</b>	<b>31,777</b>	<b>-</b>	<b>89</b>	<b>218</b>	<b>37</b>	<b>40,456</b>	<b>110,769</b>	

Income specified by segment, excluding financial investments



Interest income, Retail, SME and Large corporates

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012	2012	2011
Retail	134	142	148	126	125	134	125	540	511
SME	69					69			
Large corporates	148					148			
Corporate (Large corporates and SME)		252	219	220	214		214	905	782
<b>Net interest income</b>	<b>350</b>	<b>394</b>	<b>367</b>	<b>346</b>	<b>338</b>	<b>350</b>	<b>338</b>	<b>1,445</b>	<b>1,293</b>

Development in margin, Retail, SME and Large corporates\*

<b>Lending</b> (in percentage)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012	2012	2011
Retail	2.24	2.14	1.93	1.90	1.50	2.24	1.50	1.86	1.22
SME	3.23					3.23			
Large corporates	2.53					2.53			
Corporate (Large corporates and SME)		2.64	2.44	2.47	2.27		2.27	2.45	2.12
<b>Total</b>	<b>2.37</b>	<b>2.30</b>	<b>2.11</b>	<b>2.12</b>	<b>1.81</b>	<b>2.37</b>	<b>1.81</b>	<b>2.07</b>	<b>1.57</b>

<b>Deposits</b> (in percentage)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012	2012	2011
Retail	-0.29	-0.19	0.11	0.08	0.41	-0.29	0.41	0.10	0.73
SME	-0.20					-0.20			
Large corporates	-0.55					-0.55			
Corporate (Large corporates and SME)		-0.35	-0.13	-0.08	0.18		0.18	-0.10	0.20
<b>Total</b>	<b>-0.42</b>	<b>-0.32</b>	<b>-0.07</b>	<b>-0.04</b>	<b>0.27</b>	<b>-0.42</b>	<b>0.27</b>	<b>-0.04</b>	<b>0.44</b>

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

*Development in volume, Retail, SME and Large corporates*

<i>Lending*</i> (in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Retail	59,155	58,892	56,916	55,338	53,538	59,155	53,538	58,892	53,538
SME	8,602					8,602			
Large corporates	32,569					32,569			
Corporate (Large corporates and SME)		40,671	41,080	40,163	39,295		39,295	40,671	39,295
<b>Total</b>	<b>100,326</b>	<b>99,563</b>	<b>97,995</b>	<b>95,501</b>	<b>92,833</b>	<b>100,326</b>	<b>92,833</b>	<b>99,563</b>	<b>92,833</b>

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

<i>Deposits</i> (in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Retail	22,799	22,440	22,335	22,644	21,386	22,799	21,386	22,440	21,386
SME	8,768					8,768			
Large corporates	18,990					18,990			
Corporate (Large corporates and SME)		27,064	24,910	25,871	25,458		25,458	27,064	25,458
<b>Total</b>	<b>50,557</b>	<b>49,504</b>	<b>47,245</b>	<b>48,514</b>	<b>46,844</b>	<b>50,557</b>	<b>46,844</b>	<b>49,504</b>	<b>46,844</b>

*Development in commission income, Retail, SME and Large corporates*

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Retail	138	153	128	116	89	138	89	486	345
SME	20					20			
Large corporates	24					24			
Corporate (Large corporates and SME)		49	41	42	39		39	171	169
<b>Total</b>	<b>182</b>	<b>202</b>	<b>169</b>	<b>157</b>	<b>128</b>	<b>182</b>	<b>128</b>	<b>656</b>	<b>514</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.

### Business description

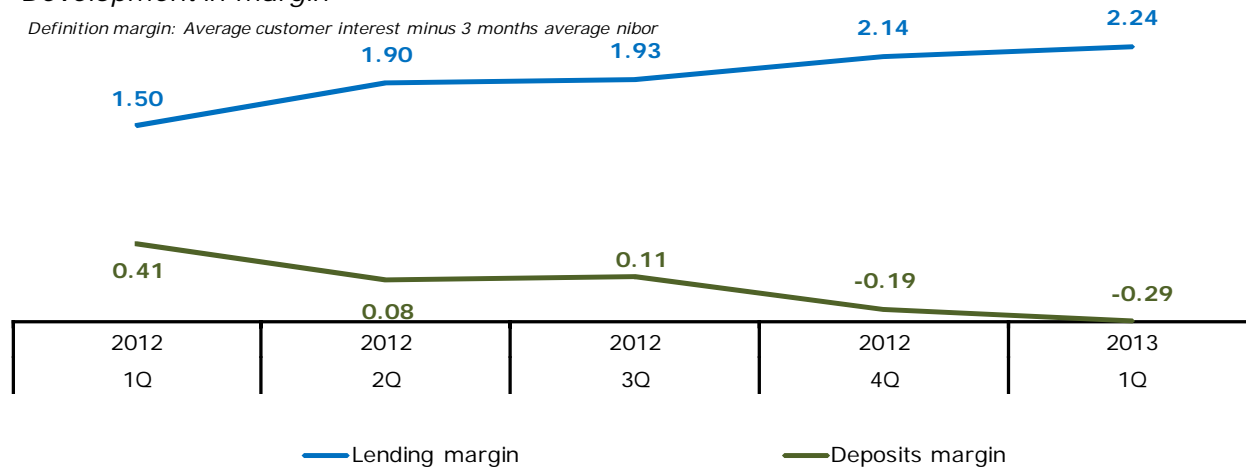
<i>Facts about the Division</i>	31 Mar. 2013	31 Mar. 2012
Lending volume	59,155	53,538
Deposits volume	22,799	21,386
No. of debit cards	181,022	145,459
No. of credit cards	89,272	84,495
No. of internet bank customers	182,730	131,056
No. of telephone bank customers	170,046	138,375
No. of active customers	186,196	183,127
FTEs (2012 and 2013 is not comparable)	304	392

### Financial performance

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Net interest income lending	86	91	83	68	55	86	55	297	215
Net interest income deposits	48	51	64	58	70	48	70	243	296
Net interest income allocated capital	3	2	1	6	1	3	1	11	16
<b>Total interest income</b>	<b>137</b>	<b>144</b>	<b>149</b>	<b>132</b>	<b>126</b>	<b>137</b>	<b>126</b>	<b>552</b>	<b>527</b>
Net guarantee commission, incl. Boligkreditt	84	80	59	55	29	84	29	222	80
Net commission of savings products	7	13	14	8	9	7	9	44	52
Net commission insurance services	15	31	22	22	25	15	25	101	81
Net commission payment trans. services	32	29	33	30	25	32	25	118	123
Other commission income	0	0	0	0	0	0	0	0	1
<b>Net fee and commission income</b>	<b>137</b>	<b>152</b>	<b>128</b>	<b>115</b>	<b>89</b>	<b>137</b>	<b>89</b>	<b>484</b>	<b>337</b>
Net profit on financial investments	0	0	0	0	0	0	0	1	8
<b>Total income</b>	<b>274</b>	<b>297</b>	<b>277</b>	<b>247</b>	<b>215</b>	<b>274</b>	<b>215</b>	<b>1,037</b>	<b>872</b>
<b>Total operating expenses*</b>	<b>164</b>	<b>165</b>	<b>166</b>	<b>159</b>	<b>163</b>	<b>164</b>	<b>163</b>	<b>653</b>	<b>608</b>
<b>Results</b>	<b>110</b>	<b>132</b>	<b>111</b>	<b>88</b>	<b>52</b>	<b>110</b>	<b>52</b>	<b>384</b>	<b>264</b>
Loss on loans, guarantees etc.	3	-2	1	3	-1	3	-1	1	7
<b>Results before tax</b>	<b>107</b>	<b>134</b>	<b>110</b>	<b>85</b>	<b>53</b>	<b>107</b>	<b>53</b>	<b>383</b>	<b>256</b>
*) Includes both direct and distributed expenses									
<b>Post-tax return on equity (annualized)</b>						<b>25.2 %</b>	<b>16.4 %</b>	<b>22.6 %</b>	<b>16.8 %</b>

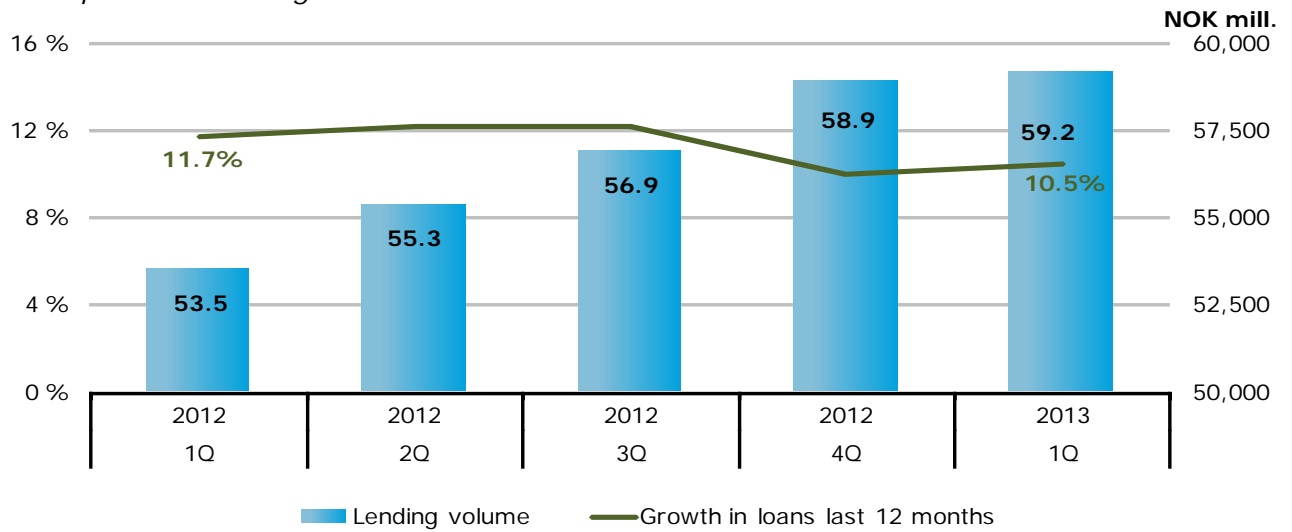
### Development in margin

Definition margin: Average customer interest minus 3 months average nibor





Development in lending volume



Development in deposits volume



### 7.3. SME

The SME segment consists of costumers with an exposure size of +/- NOK 8m and agricultural customers. Historical data for the SME segment are incomplete and no comparison is made with last year figures.

Figures for 2011 and 2012 are the former Corporate division (Large corporate and SME).

#### Business description

Facts about the Divisjon	31 Mar. 2013	31 Mar. 2012
Lending volume	8,602	
Deposits volume	8,768	
No. of active customers	10,478	
FTEs (2012 and 2013 is not comparable)	54	

#### Financial performance

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Net interest income lending	47	201	162	161	146	47	146	670	561
Net interest income deposits	21	50	59	58	68	21	68	235	221
Net interest income allocated capital	0	24	18	33	23	0	23	98	128
<b>Total interest income</b>	<b>69</b>	<b>275</b>	<b>239</b>	<b>253</b>	<b>236</b>	<b>69</b>	<b>236</b>	<b>1,003</b>	<b>910</b>
Net guarantee commision, incl. Boligkreditt	4	11	11	9	9	4	9	40	36
Net commision of savings products	1	1	-1	2	0	1	0	2	2
Net commision insurance services	4	5	5	5	6	4	6	21	25
Net commision payment trans. services	9	16	18	15	18	9	18	67	69
Other commision income	0	6	0	1	0	0	0	7	1
<b>Net fee and commision income</b>	<b>19</b>	<b>39</b>	<b>34</b>	<b>31</b>	<b>32</b>	<b>19</b>	<b>32</b>	<b>137</b>	<b>133</b>
Net profit on financial investments	1	9	7	10	7	1	7	34	36
<b>Total income</b>	<b>88</b>	<b>324</b>	<b>280</b>	<b>295</b>	<b>275</b>	<b>88</b>	<b>275</b>	<b>1,174</b>	<b>1,079</b>
<b>Total operating expences*</b>	<b>34</b>	<b>108</b>	<b>97</b>	<b>94</b>	<b>99</b>	<b>34</b>	<b>99</b>	<b>399</b>	<b>351</b>
<b>Results</b>	<b>54</b>	<b>216</b>	<b>183</b>	<b>200</b>	<b>176</b>	<b>54</b>	<b>176</b>	<b>775</b>	<b>728</b>
Loss on loans, guarantees etc.	2	15	7	15	7	2	7	45	5
<b>Results before tax</b>	<b>53</b>	<b>201</b>	<b>176</b>	<b>186</b>	<b>169</b>	<b>53</b>	<b>169</b>	<b>731</b>	<b>724</b>

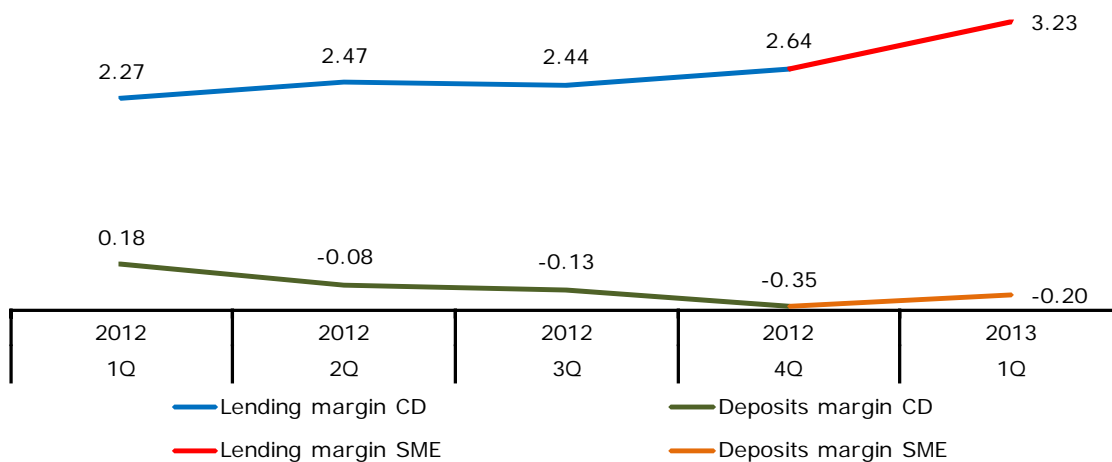
\*) Includes both direct and distributed expences

Post-tax return on equity (annualized)

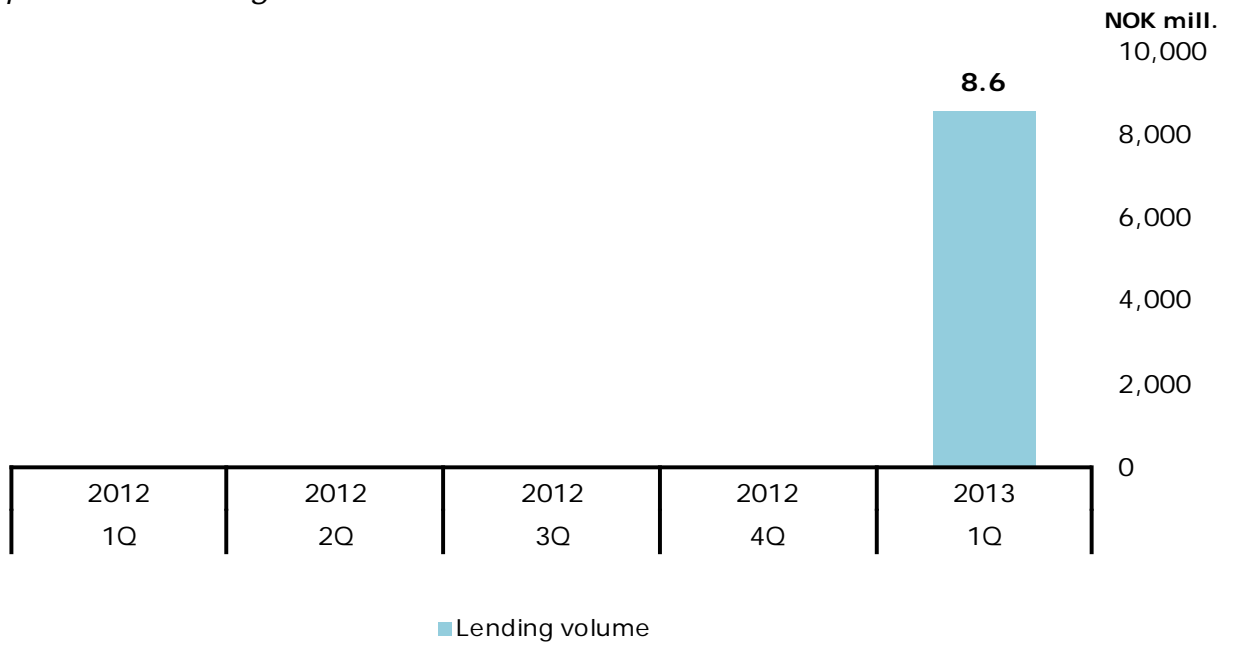
33.8 % 13.8 % 13.9 %

#### Development in margin

Definition margin: Average customer interest minus 3 months average nibor



*Development in lending volume*



*Development in deposits volume*



### 7.3. Large corporates

In connection with the reorganization of the Bank as from 2013, SME customers are no part of the same business area as the retail market business. Large corporates are mainly customers with exposure sizes in excess of NOK 8m. Given the organization changes, historical data on Large corporates are incomplete.

Figures for 2011 and 2012 are the former Corporate division (Large corporate and SME).

#### Business description

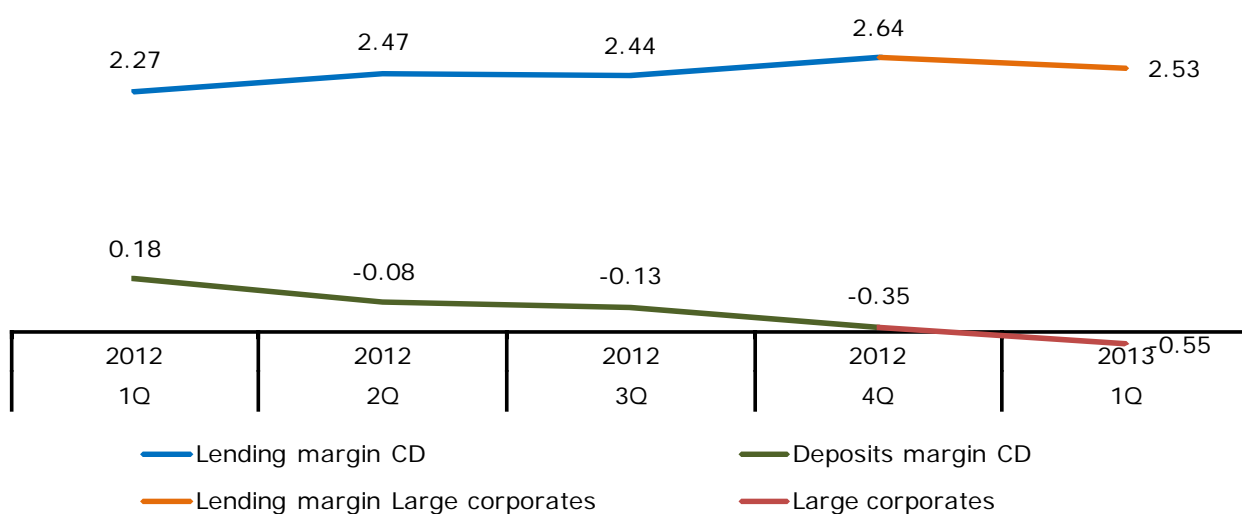
<i>Facts about the Division</i>	31 Mar. 2013	31 Mar. 2012
Lending volume	32,569	
Deposits volume	18,990	
No. of active customers	2,796	
FTEs (2012 and 2013 is not comparable)	95	

#### Financial performance

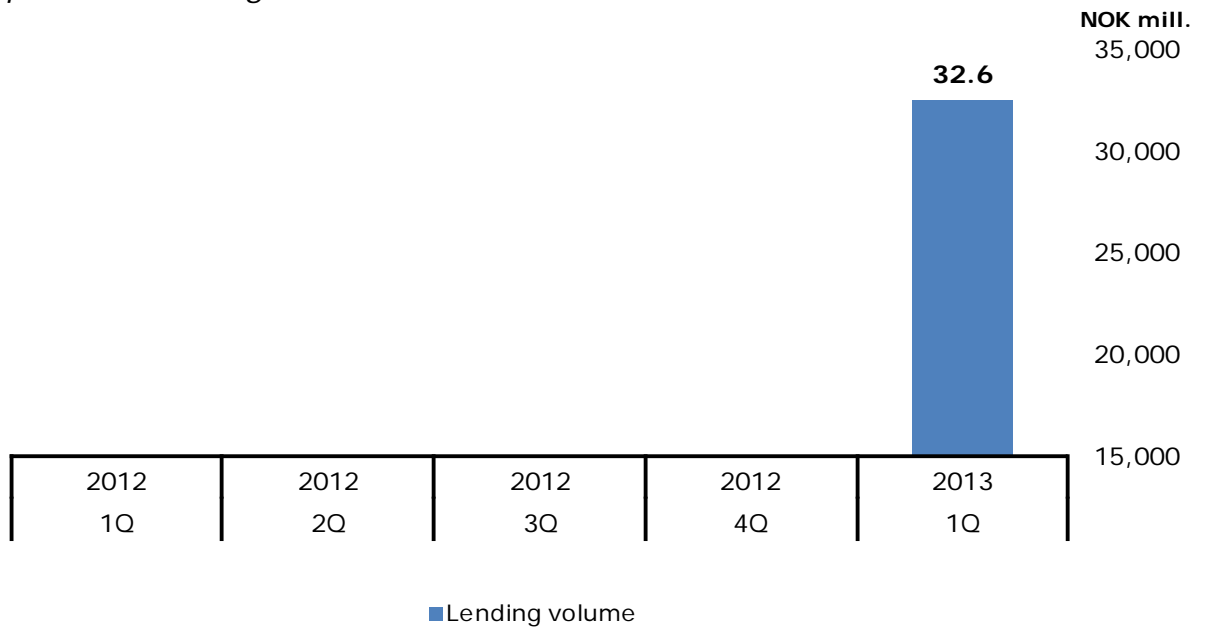
(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Net interest income lending	121	201	162	161	146	121	146	670	561
Net interest income deposits	27	50	59	58	68	27	68	235	221
Net interest income allocated capital	8	24	18	33	23	8	23	98	128
<b>Total interest income</b>	<b>156</b>	<b>275</b>	<b>239</b>	<b>253</b>	<b>236</b>	<b>156</b>	<b>236</b>	<b>1,003</b>	<b>910</b>
Net guarantee commission, incl. Boligkreditt	10	11	11	9	9	40	9	40	36
Net commission of savings products	0	1	-1	2	0	2	0	2	2
Net commission insurance services	1	5	5	5	6	21	6	21	25
Net commission payment trans. services	9	16	18	15	18	67	18	67	69
Other commission income	0	6	0	1	0	7	0	7	1
<b>Net fee and commission income</b>	<b>20</b>	<b>39</b>	<b>34</b>	<b>31</b>	<b>32</b>	<b>20</b>	<b>32</b>	<b>137</b>	<b>133</b>
Net profit on financial investments	4	9	7	10	7	4	7	34	36
<b>Total income</b>	<b>180</b>	<b>324</b>	<b>280</b>	<b>295</b>	<b>275</b>	<b>180</b>	<b>275</b>	<b>1,174</b>	<b>1,079</b>
<b>Total operating expenses*</b>	<b>61</b>	<b>108</b>	<b>97</b>	<b>94</b>	<b>99</b>	<b>61</b>	<b>99</b>	<b>399</b>	<b>351</b>
<b>Results</b>	<b>119</b>	<b>216</b>	<b>183</b>	<b>200</b>	<b>176</b>	<b>119</b>	<b>176</b>	<b>775</b>	<b>728</b>
Loss on loans, guarantees etc.	10	15	7	15	7	10	7	45	5
<b>Results before tax</b>	<b>109</b>	<b>201</b>	<b>176</b>	<b>186</b>	<b>169</b>	<b>109</b>	<b>169</b>	<b>731</b>	<b>724</b>
*) Includes both direct and distributed expenses									
<b>Post-tax return on equity (annualized)</b>						<b>10.1 %</b>		<b>13.8 %</b>	<b>13.9 %</b>

#### Development in margin

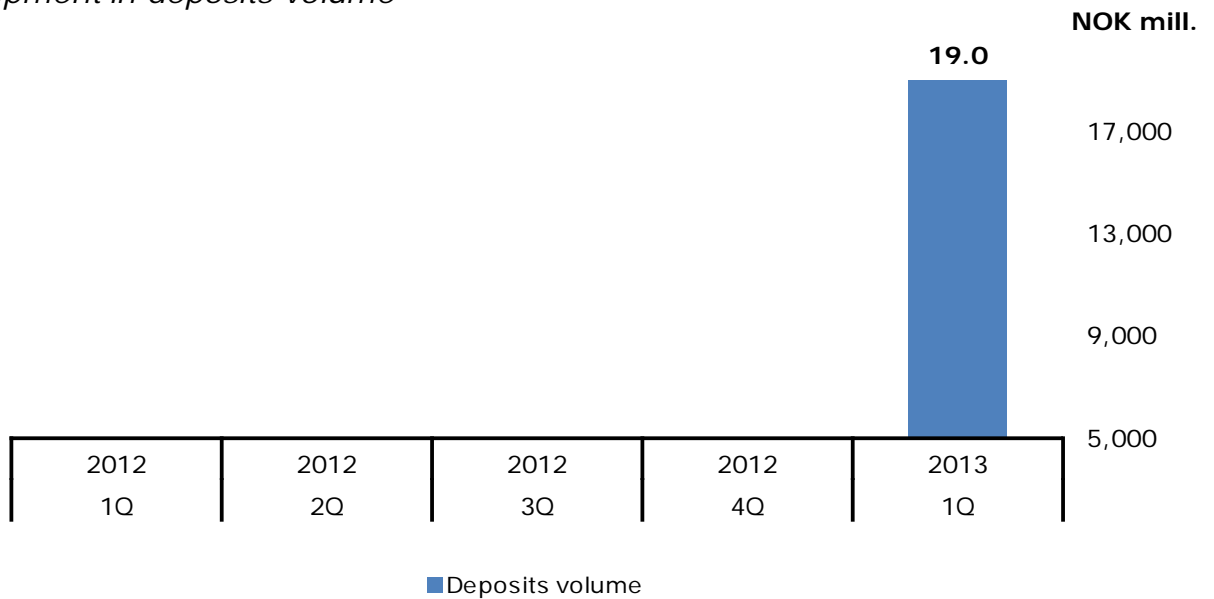
Definition margin: Average customer interest minus 3 months average nibor



*Development in lending volume*



*Development in deposits volume*



## 7.5. Corporate division

The Bank's Corporate division included until the end of 2012 Large corporate and SMEs. In connection with the reorganization of the Bank as from 2013, SME customers are now part of the same business area as the retail market business. Group customers are mainly customers with exposure sizes in excess of NOK 8m. Given the organization changes, historical data on Group customers are incomplete.

The information in the tables in this chapter deals with the corporate division until the end of 2012. The graphs containing margins and volumes are a total of Large corporate and SME.

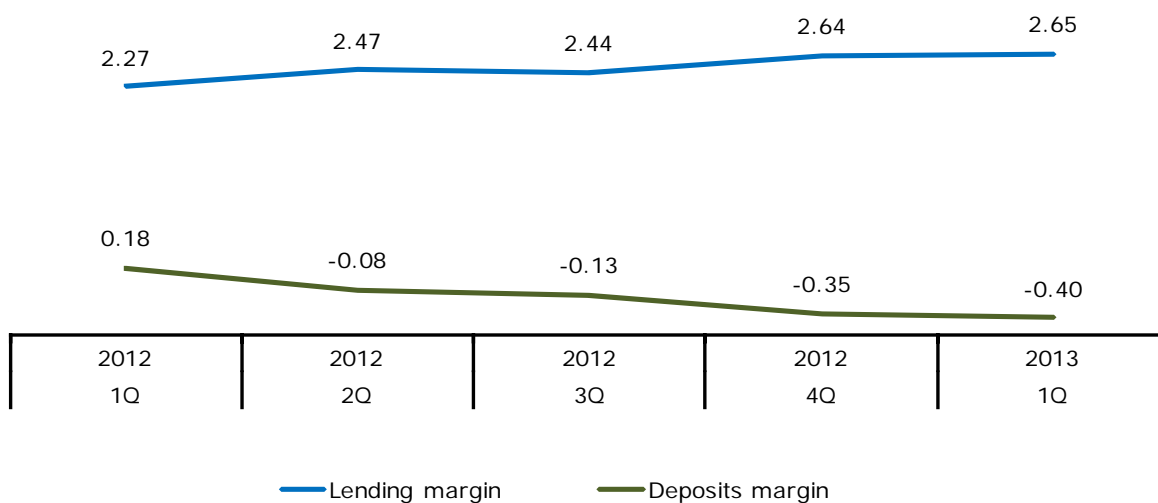
### Business description

<i>Facts about the Division</i>	31 Dec. 2012
Lending volume	40,671
Deposits volume	27,064
No. of active customers	12,977
FTEs	199

<i>Financial performance</i>	4Q	3Q	2Q	1Q		
(in NOK million)	2012	2012	2012	2012	2012	2011
Net interest income lending	201	162	161	146	670	561
Net interest income deposits	50	59	58	68	235	221
Net interest income allocated capital	24	18	33	23	98	128
<b>Total interest income</b>	<b>275</b>	<b>239</b>	<b>253</b>	<b>236</b>	<b>1,003</b>	<b>910</b>
Net guarantee commission, incl. Boligkreditt	11	11	9	9	40	36
Net commission of savings products	1	-1	2	0	2	2
Net commission insurance services	5	5	5	6	21	25
Net commission payment trans. services	16	18	15	18	67	69
Other commission income	6	0	1	0	7	1
<b>Net fee and commission income</b>	<b>39</b>	<b>34</b>	<b>31</b>	<b>32</b>	<b>137</b>	<b>133</b>
Net profit on financial investments	9	7	10	7	34	36
<b>Total income</b>	<b>324</b>	<b>280</b>	<b>295</b>	<b>275</b>	<b>1,174</b>	<b>1,079</b>
<b>Total operating expenses*</b>	<b>108</b>	<b>97</b>	<b>94</b>	<b>99</b>	<b>399</b>	<b>351</b>
<b>Results</b>	<b>216</b>	<b>183</b>	<b>200</b>	<b>176</b>	<b>775</b>	<b>728</b>
Loss on loans, guarantees etc.	15	7	15	7	45	5
<b>Results before tax</b>	<b>201</b>	<b>176</b>	<b>186</b>	<b>169</b>	<b>731</b>	<b>724</b>
*) Includes both direct and distributed expenses						
<b>Post-tax return on equity (annualized)</b>					<b>13.8 %</b>	<b>13.9 %</b>

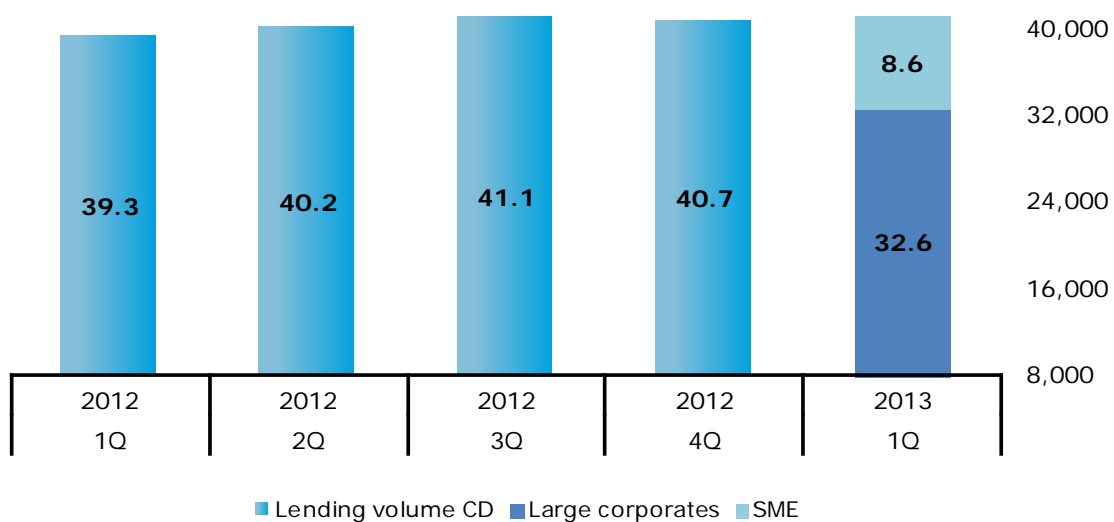
### Development in margin

Definition margin: Average customer interest minus 3 months average nibor



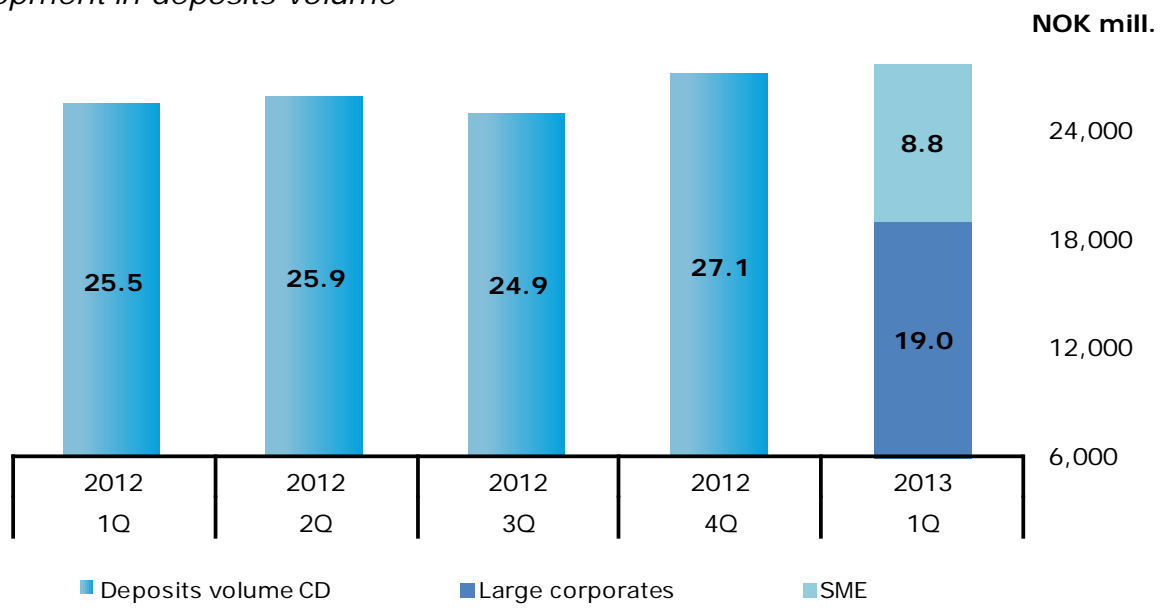
### Development in lending volume

NOK mill.





*Development in deposits volume*



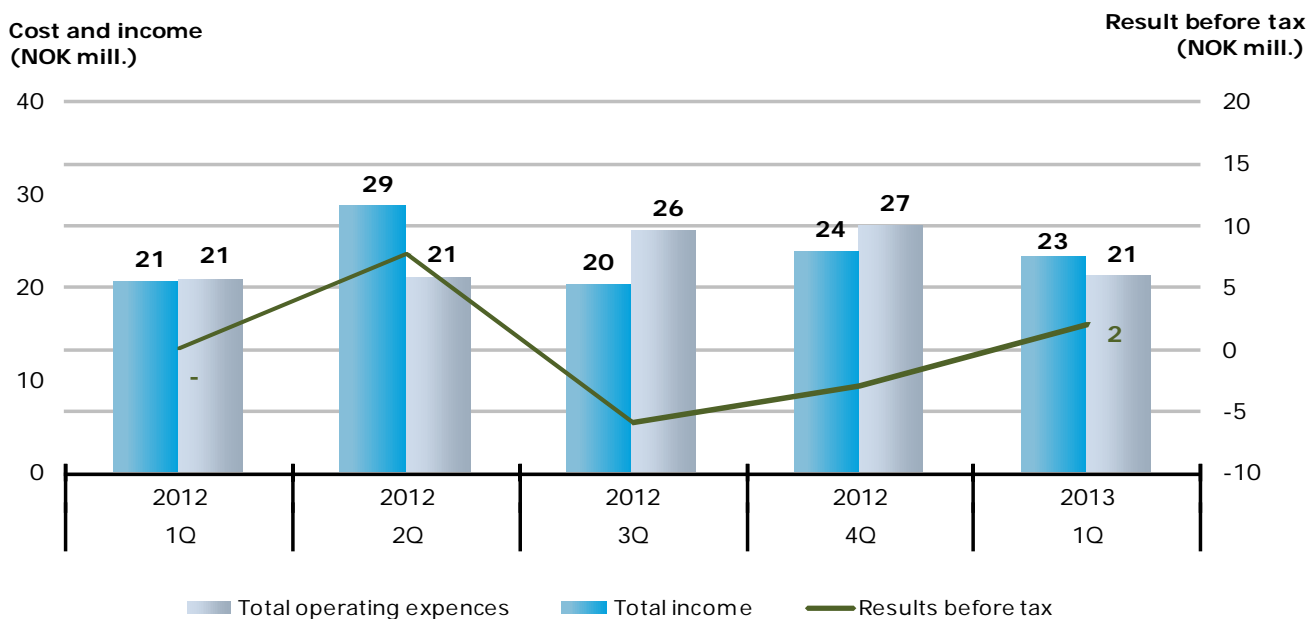
## 7.6. Markets

SpareBank 1 Markets is a fully fledged investment firm organized as a division in its own right within the Bank. It comprises three income generating units: Fixed Income/Foreign Exchange, Securities and Corporate Finance along with Back Office and Mid Office. The division has risk operations in the fixed income and securities area. All risk business is done from Head Office in Trondheim, while activity in Molde and Ålesund is in the hands of customer brokers who primarily provide services in the fixed income and foreign exchange area.

SpareBank 1 SMN Markets' ambition is to be the leading capital market operation in Trøndelag and in Nordvestlandet. This ambition will be achieved through a continuous focus on specialist competence and market knowledge.

SpareBank 1 SMN established an active asset management agreement with SpareBank 1 Markets in the second quarter of 2012. The agreement puts SpareBank 1 Markets in a stronger position to deliver forex and fixed income products in the primary and secondary market. The business volume is regulated through clear-cut limits on exposure in relation to products and counterparties and brings a significant change in the Bank's risk exposure. Incomes and expenses are distributed between the parties based on an established distribution formula.

<i>Financial performance</i> (in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Net interest income	-5	-11	-10	-1	1	-5	1	-21	10
Net interest income allocated capital	-	1	1	1	0	-	0	4	5
<b>Total interest income</b>	<b>-5</b>	<b>-10</b>	<b>-9</b>	<b>-0</b>	<b>1</b>	<b>-5</b>	<b>1</b>	<b>-18</b>	<b>15</b>
Net fee and commission income	7	10	3	9	2	7	2	24	24
Capital gain/Agio Securities	21	24	26	20	18	21	18	87	64
<b>Total income</b>	<b>23</b>	<b>24</b>	<b>20</b>	<b>29</b>	<b>21</b>	<b>23</b>	<b>21</b>	<b>93</b>	<b>103</b>
<b>Total operating expenses</b>	<b>21</b>	<b>27</b>	<b>26</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>94</b>	<b>94</b>
<b>Results</b>	<b>2</b>	<b>-3</b>	<b>-6</b>	<b>8</b>	<b>-0</b>	<b>2</b>	<b>-0</b>	<b>-1</b>	<b>9</b>
Loss on loans, guarantees etc.	-	-	-	-	-	-	-	-	-
<b>Results before tax</b>	<b>2</b>	<b>-3</b>	<b>-6</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-1</b>	<b>9</b>



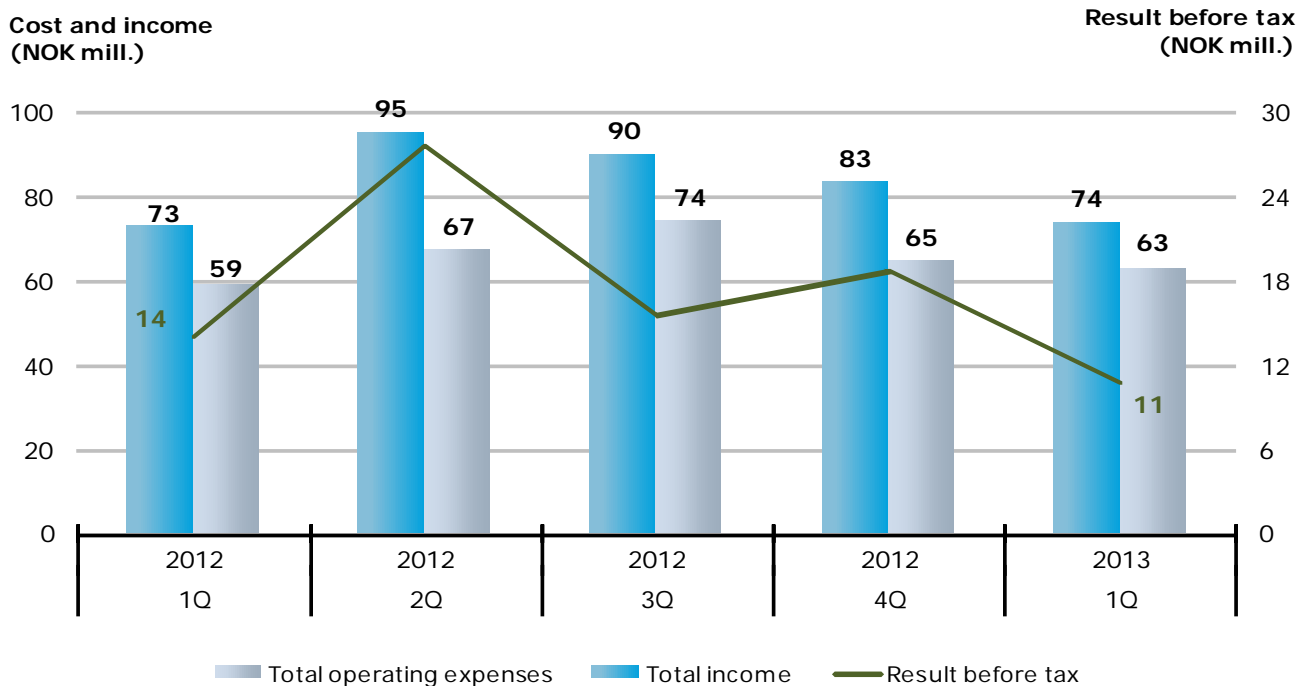
## 7.7. Subsidiaries

### EiendomsMegler 1 Midt-Norge AS

EiendomsMegler 1 Midt-Norge has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre and Romsdal. 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).

#### Financial performance

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2012	2011
	2013	2012	2012	2012	2012	2013	2012		
Net interest	1	3	1	1	1	1	1	5	5
Total interest income	1	3	1	1	1	1	1	5	5
Commission income and other income	73	81	89	94	72	73	72	336	308
<b>Total income</b>	<b>74</b>	<b>83</b>	<b>90</b>	<b>95</b>	<b>73</b>	<b>74</b>	<b>73</b>	<b>341</b>	<b>313</b>
Staff costs	44	53	56	50	39	44	39	197	181
Administration costs	12	8	12	12	13	12	13	45	39
Other operating expenses	7	4	7	6	7	7	7	23	17
<b>Total operating expenses</b>	<b>63</b>	<b>65</b>	<b>74</b>	<b>67</b>	<b>59</b>	<b>63</b>	<b>59</b>	<b>265</b>	<b>237</b>
<b>Result before tax</b>	<b>11</b>	<b>19</b>	<b>16</b>	<b>28</b>	<b>14</b>	<b>11</b>	<b>14</b>	<b>76</b>	<b>76</b>



## SpareBank SMN 1 Finans AS

SpareBank 1 SMN Finans is the region's leading finance company and an active partner for businesses. SpareBank 1 SMN Finans emphasises local competence, and works for greater value creation in Trøndelag and Nordvestlandet. The company services the market through its own sales operation and through the Bank's offices and suppliers.

SpareBank 1 Nordvest and SpareBank 1 Søre Sunnmøre have by agreement acquired 9.9% of the shares of SpareBank 1 SMN Finans. The transaction was carried through as a placing that reflects the fair value of SpareBank 1 SMN Finans.

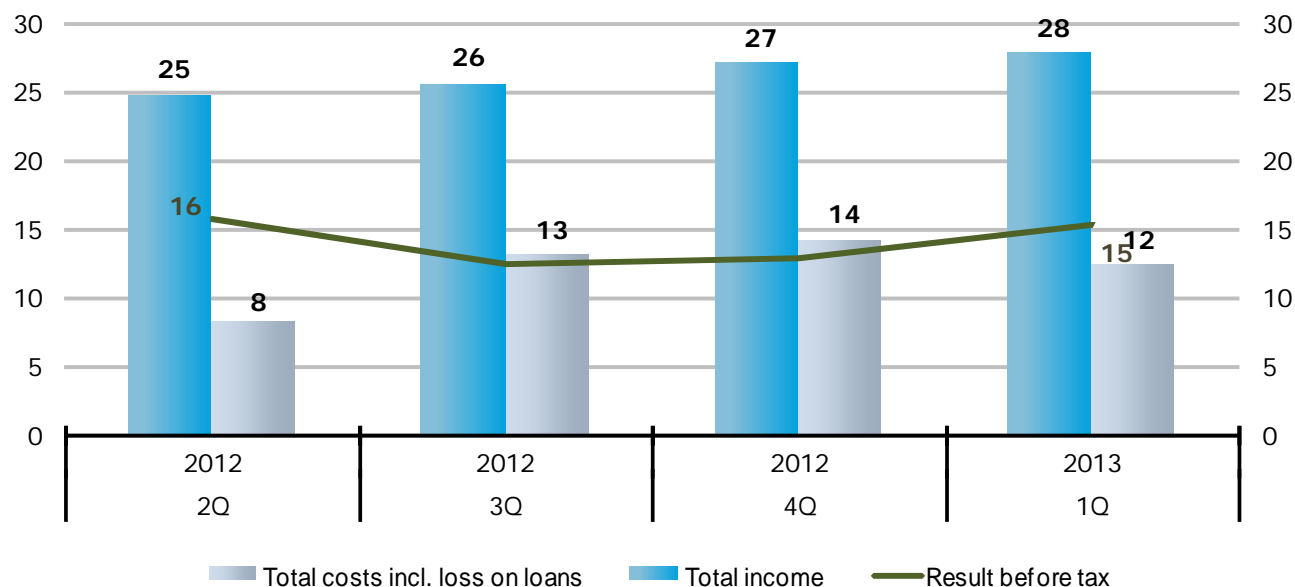
The subsidiary Bilplan AS was taken over by the parent bank in the fourth quarter. In the table below, Bilplan is not included in the numbers for 2012.

### Financial performance

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
<b>Total interest income</b>	<b>31</b>	<b>31</b>	<b>29</b>	<b>28</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>118</b>	<b>94</b>
Commission income and other income	-4	-4	-3	-3	-3	-3	-3	-14	-1
Net profit on financial investments	-	-	-0	0	0	-	0	-	-1
<b>Total income</b>	<b>28</b>	<b>27</b>	<b>26</b>	<b>25</b>	<b>27</b>	<b>26</b>	<b>27</b>	<b>104</b>	<b>92</b>
Staff costs	7	7	7	6	7	7	7	26	32
Administration costs	3	3	3	2	3	3	3	11	11
Other operating expenses	1	1	1	1	1	1	1	4	7
<b>Total operating expenses</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>40</b>	<b>50</b>
<b>Ordinary operating profit</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>64</b>	<b>42</b>
Loss on loans, guarantees etc.	2	4	3	-1	2	2	2	7	15
Total costs incl. loss on loans	12	14	13	8	12	12	12	48	65
<b>Result before tax</b>	<b>15</b>	<b>13</b>	<b>12</b>	<b>16</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>56</b>	<b>27</b>

### Cost and income (NOK mill.)

### Result before tax (NOK mill.)



## SpareBank 1 SMN Regnskap AS

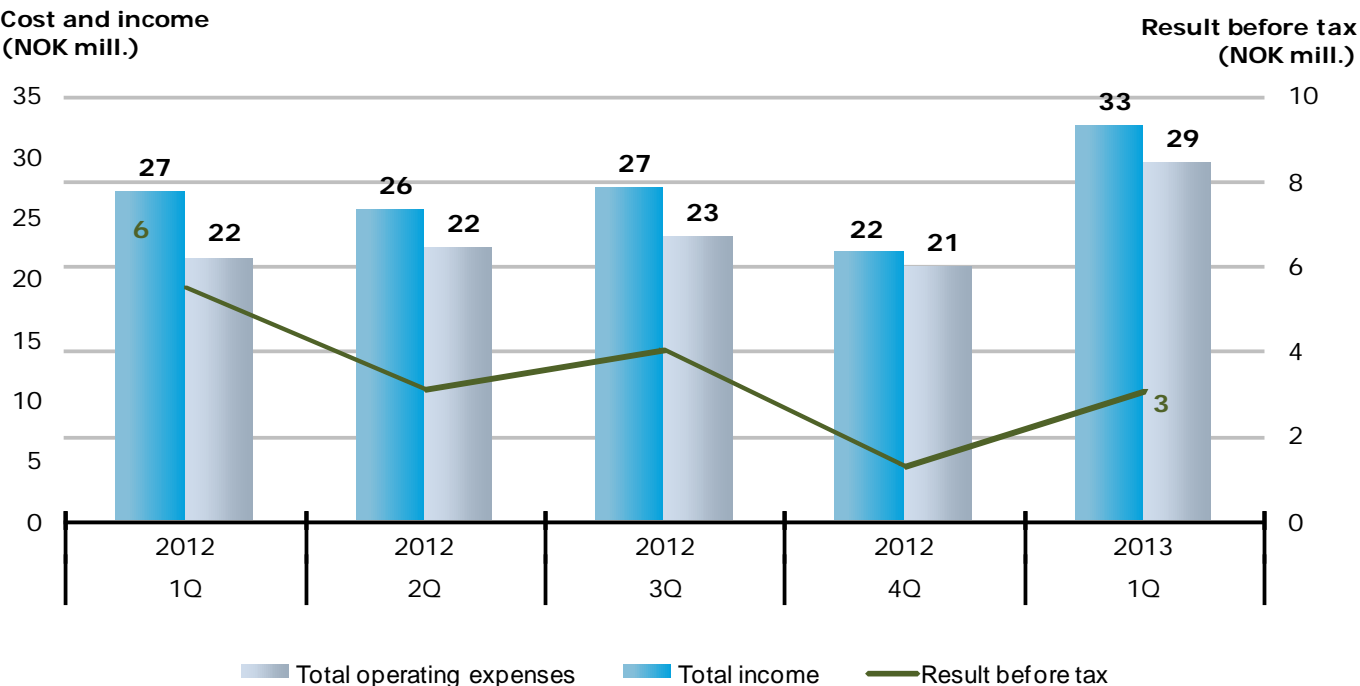
SpareBank 1 SMN Regnskap is a wholly-owned subsidiary of SpareBank 1 SMN. With its head office in Trondheim and divisional offices in Heimdal, Stjørdal, Levanger, Verdal, Namsos, Steinkjer, Røros, and Rissa, the company has a strong local footing in Trøndelag. SpareBank 1 SMN Regnskap has about 140 staff members and 4,000 customers.

SpareBank 1 SMN Regnskap took over five accounting firms in 2012 and aspires to continued strong growth. It has in addition acquired a strategic owner position of 40% in the accounting chain Consis. The company's alliance partner Sparebanken Hedmark owns the other 60 %.

### Financial performance

(in NOK million)	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012	31 Mar.		2012	2011
						2013	2012		
Total interest income	0	0	0	-0	-0	0	-0	0	-0
Commission income and other income	33	21	27	26	26	33	26	100	79
Net profit on financial investments	-	1	0	0	1	-	1	2	-
<b>Total income</b>	<b>33</b>	<b>22</b>	<b>27</b>	<b>26</b>	<b>27</b>	<b>33</b>	<b>27</b>	<b>102</b>	<b>79</b>
Staff costs	26	14	18	17	18	26	18	67	56
Administration costs	2	3	2	3	1	2	1	11	8
Other operating expenses	1	4	3	2	2	1	2	11	10
<b>Total operating expenses</b>	<b>29</b>	<b>21</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>29</b>	<b>22</b>	<b>88</b>	<b>74</b>
<b>Result before tax</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>6</b>	<b>14</b>	<b>5</b>

### Cost and income (NOK mill.)



## 8. Development last ten years

### Financial results

(in NOK million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net interest	871	877	974	1,024	1,139	1,350	1,325	1,317	1,392	1,477
Commission income and other income	332	443	537	580	671	610	756	855	919	1,139
Net return on financial investments	70	65	276	419	332	207	596	410	434	451
<b>Total income</b>	<b>1,273</b>	<b>1,384</b>	<b>1,787</b>	<b>2,022</b>	<b>2,142</b>	<b>2,167</b>	<b>2,677</b>	<b>2,581</b>	<b>2,745</b>	<b>3,067</b>
Staff costs	368	379	485	512	583	623	725	583	810	924
Other operating expenses	365	350	421	478	524	569	528	218	291	311
<b>Total operating expenses</b>	<b>733</b>	<b>729</b>	<b>906</b>	<b>990</b>	<b>1,107</b>	<b>1,192</b>	<b>1,253</b>	<b>1,140</b>	<b>1,482</b>	<b>1,654</b>
<b>Result before losses</b>	<b>540</b>	<b>655</b>	<b>881</b>	<b>1,032</b>	<b>1,035</b>	<b>975</b>	<b>1,424</b>	<b>1,441</b>	<b>1,263</b>	<b>1,414</b>
Loss on loans, guarantees etc.	229	81	-38	-84	-6	202	277	132	27	58
<b>Result before tax</b>	<b>311</b>	<b>574</b>	<b>919</b>	<b>1,116</b>	<b>1,041</b>	<b>774</b>	<b>1,147</b>	<b>1,308</b>	<b>1,236</b>	<b>1,355</b>
Tax charge	89	144	199	219	195	156	210	260	255	295
Results investments held for sale, after tax								-27	43	16
<b>Net profit</b>	<b>222</b>	<b>430</b>	<b>720</b>	<b>897</b>	<b>846</b>	<b>617</b>	<b>937</b>	<b>1,022</b>	<b>1,024</b>	<b>1,077</b>

### Balance sheet

(in NOK million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cash and loans to and claims on credit institutions	1,417	1,541	2,123	2,323	3,878	4,548	1,260	2,531	4,075	4,091
CDs, bonds and other interest-bearing securities	2,481	2,566	4,133	5,602	7,246	12,036	19,302	22,948	21,485	25,614
Gross loans to customers before write-downs	32,553	34,226	45,280	52,819	59,178	64,016	61,782	69,847	73,105	74,943
- Specified write-downs	-380	-290	-236	-147	-116	-215	-219	-222	-172	-144
- Write-downs by loan category	-318	-314	-278	-184	-185	-244	-289	-290	-290	-295
Other assets	1,123	775	3,304	2,765	1,502	4,540	2,704	3,182	3,252	3,766
<b>Assets</b>	<b>36,876</b>	<b>38,505</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>

Deposits from credit institutions	1,114	48	1,029	2,766	5,346	9,000	11,310	13,062	9,118	7,410
Deposits from and debt to customers	19,876	20,725	27,048	30,136	32,434	35,280	37,227	42,786	47,871	52,252
Debt created by issue of securities	11,361	13,048	18,036	21,911	23,950	29,680	24,070	29,625	31,306	33,049
Other liabilities	769	822	2,876	1,799	2,265	2,045	1,876	1,922	2,122	2,070
Subordinated loan capital	1,560	1,347	1,667	2,383	2,648	3,156	3,875	2,758	2,690	3,040
Total equity capital	2,196	2,515	3,671	4,183	4,860	5,518	6,183	7,846	8,348	10,154
<b>Total liabilities and equity</b>	<b>36,876</b>	<b>38,505</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>

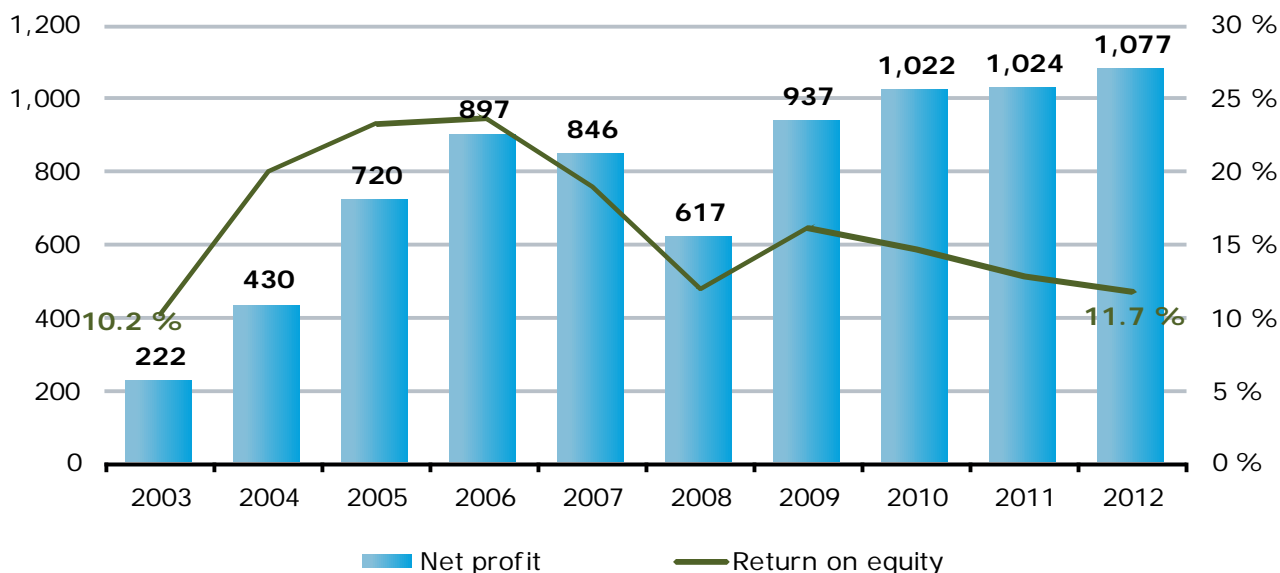
### Key figures

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Return on equity	10.2 %	20.0 %	23.3 %	23.7 %	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %	11.7 %
Cost/income ratio group	57.6 %	52.7 %	50.7 %	49.0 %	51.7 %	55.0 %	46.8 %	44.2 %	54.0 %	53.9 %
Cost/income ratio group, ex. financial inv.	55.3 %	60.0 %	61.7 %	61.1 %	60.8 %	60.2 %	52.5 %	52.5 %	64.1 %	63.2 %
Cost/income ratio parent bank	55.0 %	48.5 %	50.0 %	47.6 %	52.4 %	55.3 %	47.2 %	40.2 %	50.5 %	47.5 %
12-month cost growth	7.6 %	-0.5 %	24.3 %	9.3 %	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %	11.6 %
Gross loans to customers*	32,553	34,226	45,280	52,819	61,910	71,317	77,429	87,665	95,232	104,909
Gross loans in retail market	20,008	21,491	29,032	33,808	38,872	42,679	45,157	49,619	55,034	62,587
Gross loans in corporate market	12,545	12,735	16,248	19,011	23,038	28,638	32,272	38,046	40,198	42,322
Growth in loans last 12 months*	4.7 %	5.1 %	32.3 %	16.6 %	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %	10.2 %
Deposits from customers	19,876	20,725	27,048	30,136	32,434	35,280	37,227	42,786	47,871	52,252
Deposits from retail market	11,252	11,256	14,080	15,408	16,070	17,566	17,898	19,052	20,860	22,279
Deposits from corporate market	8,624	9,469	12,968	13,967	16,363	17,715	19,330	23,734	27,011	29,973
Growth in deposits last 12 months	4.3 %	4.3 %	30.5 %	11.4 %	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %	9.2 %
Ordinary lending financed by ordinary deposit	61.1 %	60.6 %	59.7 %	57.1 %	54.8 %	55.1 %	60.3 %	61.3 %	65.5 %	69.7 %
Total assets	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,997	101,455	107,919
Average total assets	36,862	36,965	47,753	56,434	67,202	75,820	86,679	91,317	98,465	105,372
Employees in employment group	713	637	806	841	931	982	1,016	1,035	1,098	1,135
Employees in employment parent bank	592	510	669	661	723	750	767	764	786	793
Employees in employment subsidiaries	121	127	137	180	208	232	250	271	312	342
Net other operating income of total income	26.1 %	32.0 %	30.1 %	28.7 %	31.3 %	28.2 %	28.2 %	33.1 %	33.5 %	37.1 %
Capital adequacy ratio	13.9 %	12.7 %	10.9 %	11.9 %	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %	13.3 %
Core capital ratio	10.1 %	10.9 %	8.8 %	8.6 %	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %	11.3 %
Total core capital	2,474	2,773	3,073	3,614	4,019	4,967	6,730	7,283	7,856	9,357
Net subordinated capital	3,407	3,239	3,808	5,229	5,762	7,312	8,730	8,646	9,055	10,943
Impairment losses ratio	0.86 %	-0.01 %	-0.09 %	-0.03 %	-0.01 %	0.21 %	0.31 %	0.16 %	0.03 %	0.06 %
Non-perf. commitm. as % of gross loans	1.40 %	1.03 %	0.78 %	0.41 %	0.39 %	0.46 %	0.49 %	0.57 %	0.36 %	0.36 %
Other doubtful commitm. as % of gross loans	1.35 %	0.91 %	0.60 %	0.51 %	0.37 %	1.33 %	0.57 %	0.24 %	0.21 %	0.14 %

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

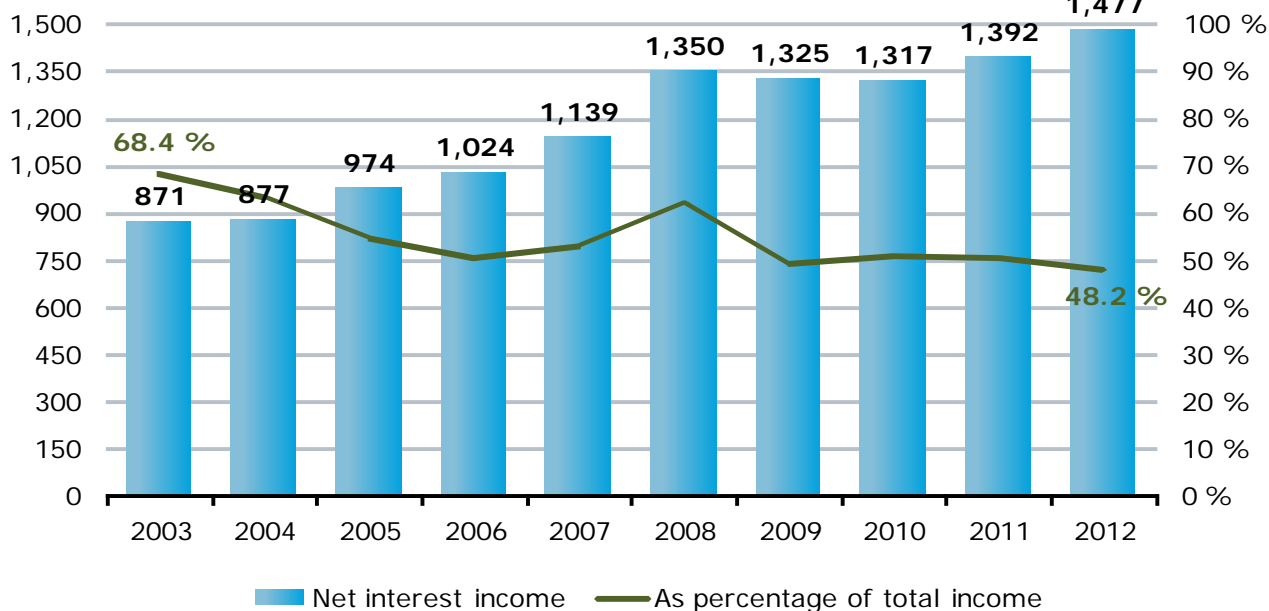
Net profit and return on equity

NOK mill.



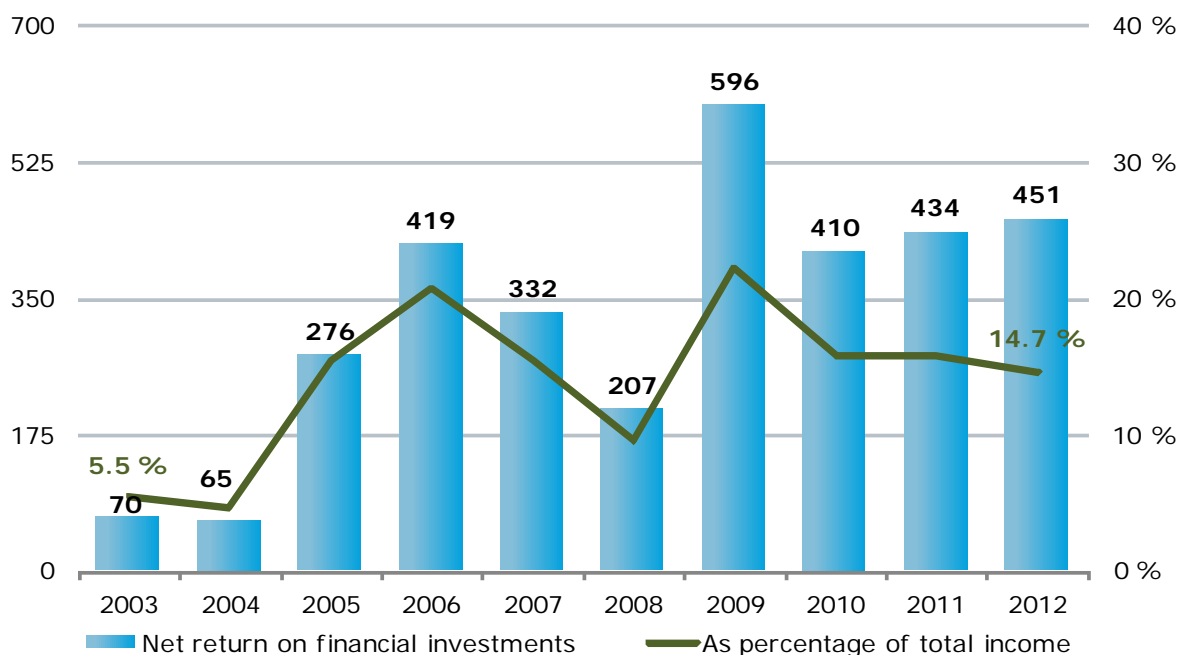
Development in net interest income

NOK mill.

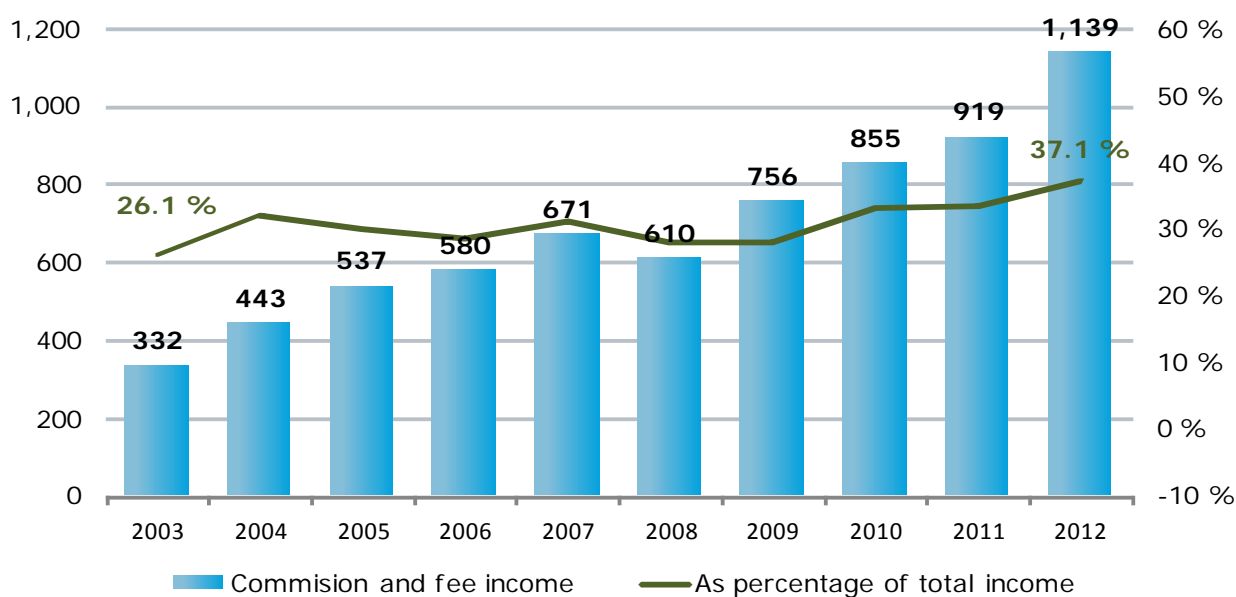




*Development in net return on financial investments*

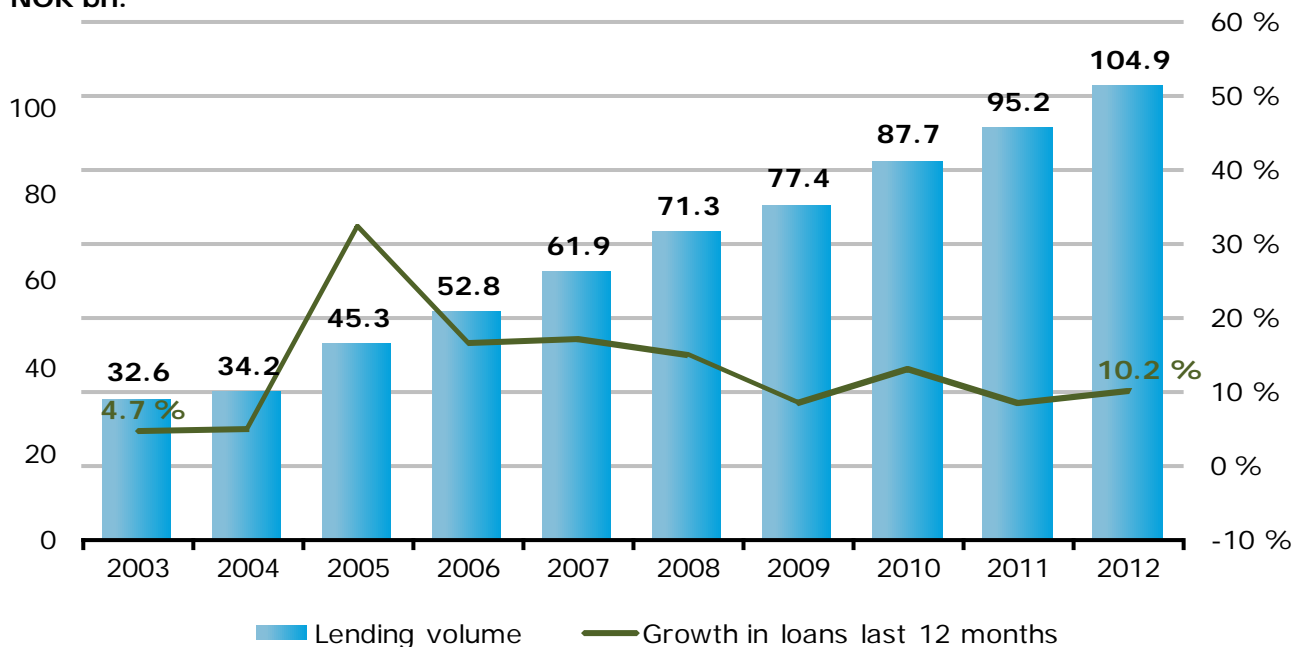


*Development in commission income and other income*



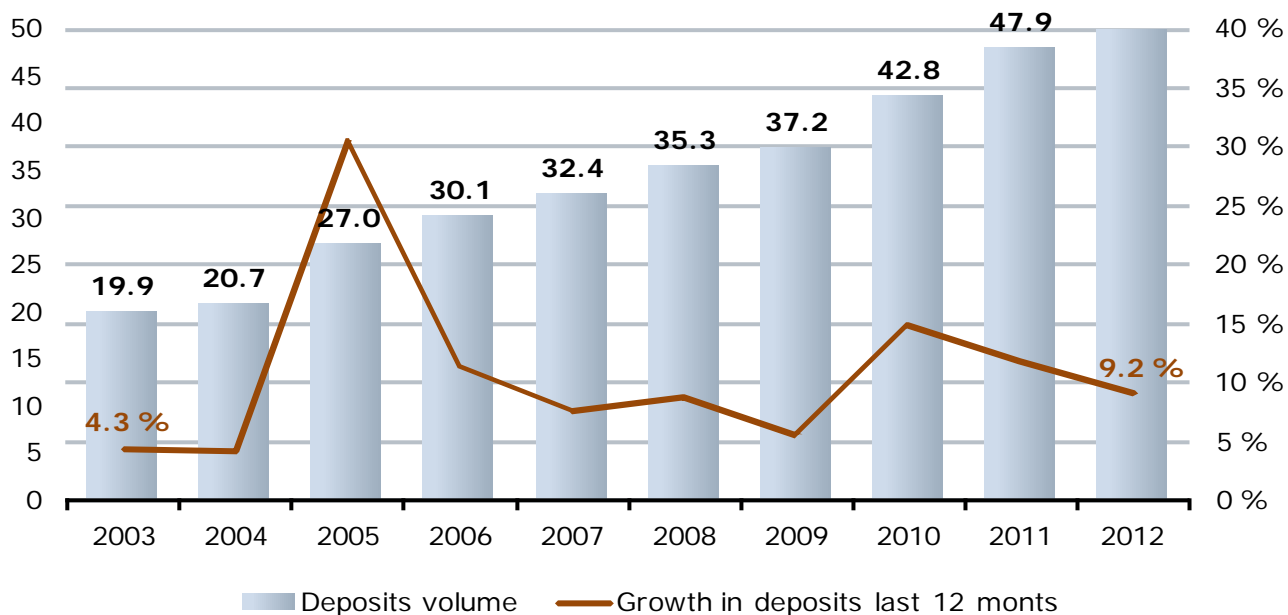
Volume development, Lending\*

NOK bn.



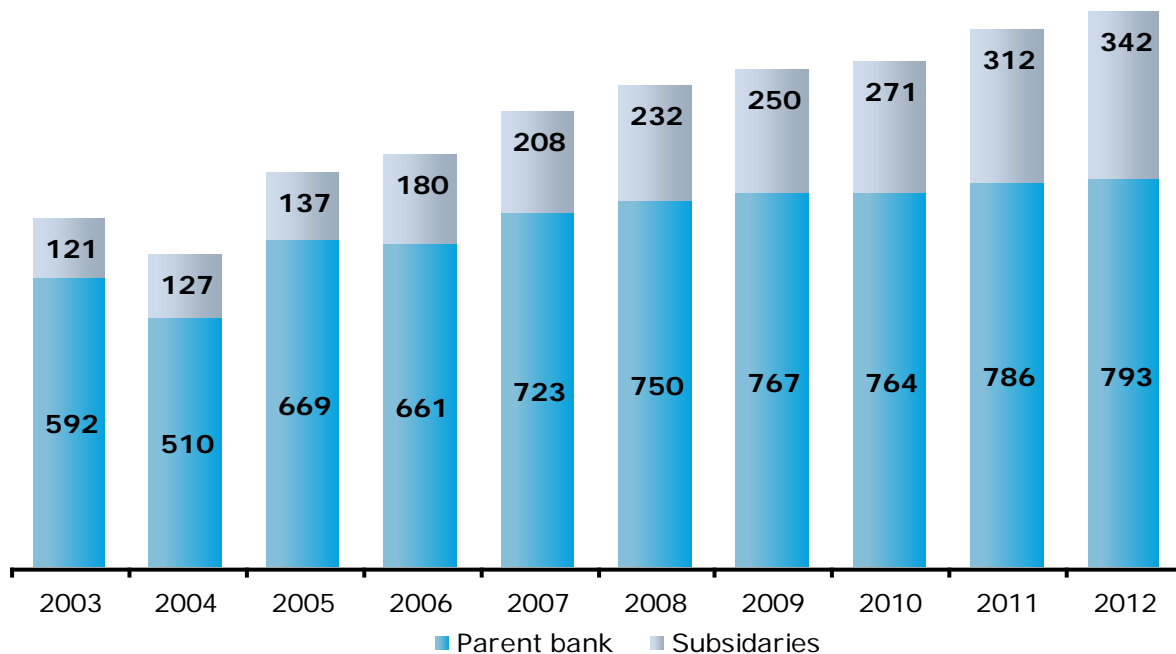
Volume development, Deposits\*

NOK bn.



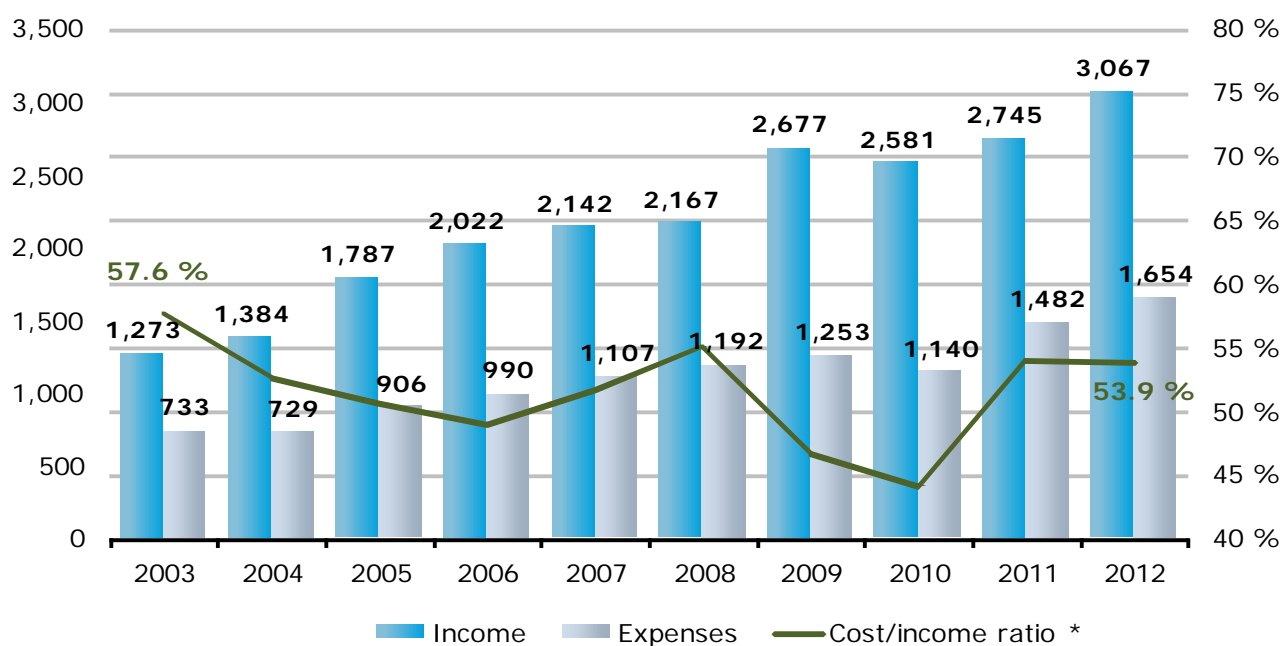
\*) The strong growth in 2005 in lending and deposits is related to the acquisition of 100 per cent of Romsdals Fellesbank.

Employees in employment



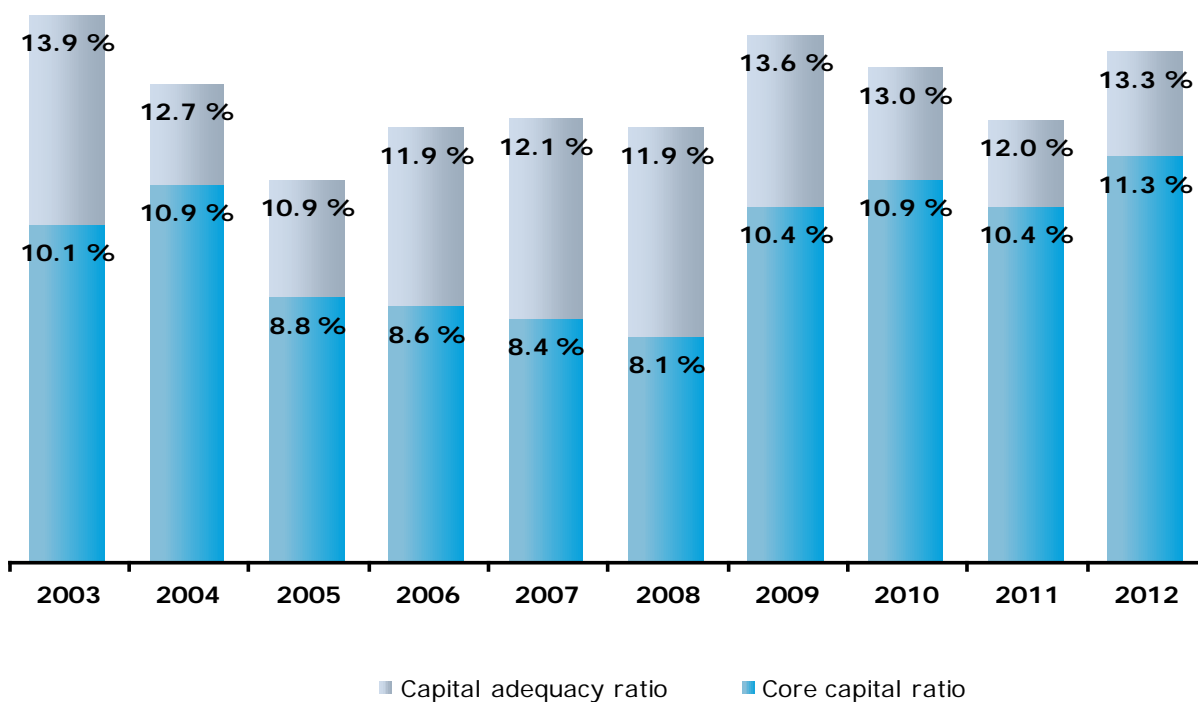
Cost/income ratio

NOK mill.



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

### Capital Adequacy



### Net non-performing and impaired commitments

NOK million

