

Investor Relations

Supplementary information

First Quarter 2016



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Information on the Internet

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

ECC information in general www.egenkapitalbevis.no

Financial Calendar 2016

1st quarter 2016 29 April 2016
2nd quarter 2016 11 August 2016
3rd quarter 2016 28 October 2016

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1. SpareBank 1 SMN

1.1. Financial highlights

January- March 2016

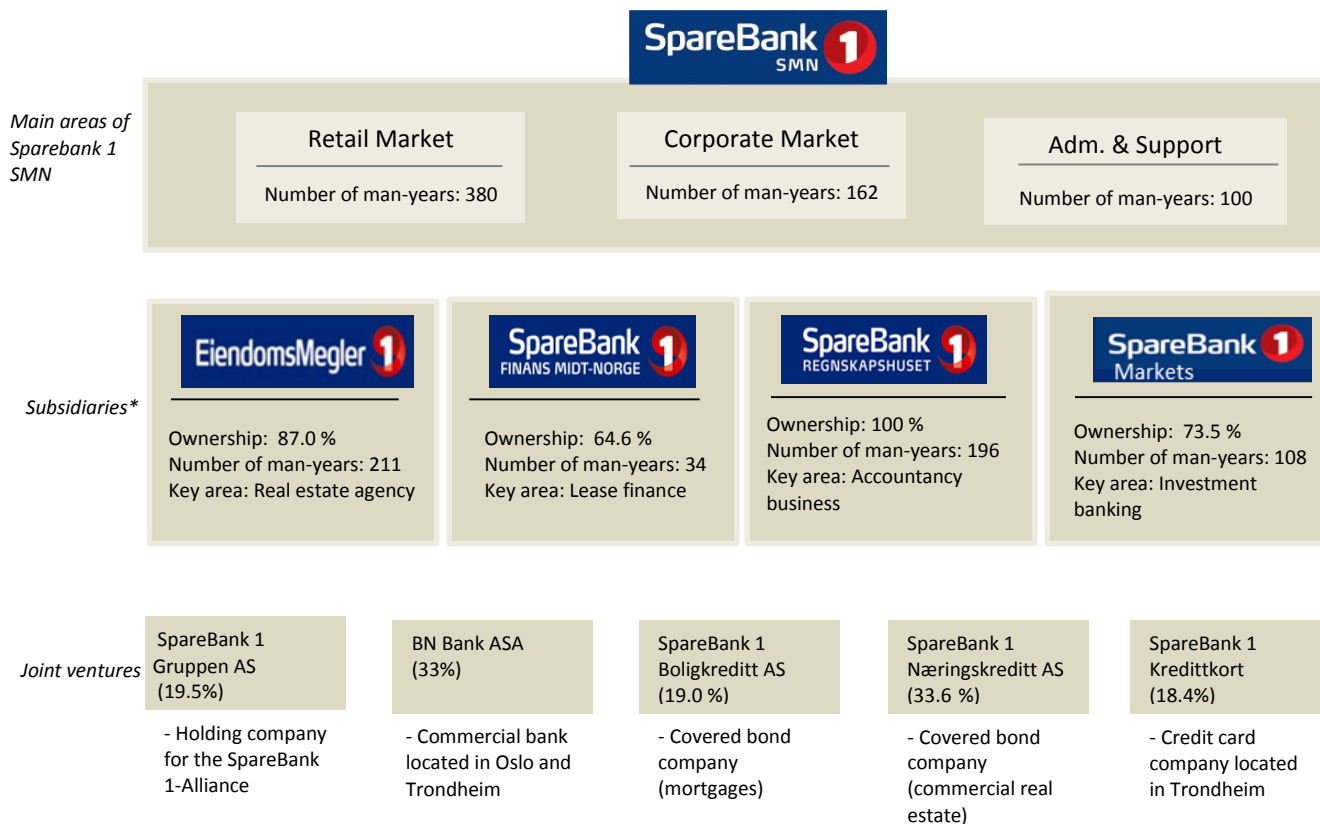
(Consolidated figures. Figures in parentheses refer to the same period of 2015 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 383 million (NOK 567 million)
- Net profit: NOK 311 million (NOK 441 million)
- Return on equity: 8.9 per cent (14.1 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 5.4 per cent (10.0 per cent)
- 12-month growth in deposits: 5.4 per cent (10.9 per cent)
- Loan losses: NOK 170 million (NOK 22 million), including collective write downs of NOK 150 million (0 million)
- Common equity tier 1 ratio: 13.6 per cent (12.3 per cent)
- Earnings per EC: NOK 1.49 (2.18)

1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 134 billion at the end of March 2016. Head office is in Trondheim. SpareBank 1 SMN employs 1,216 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.

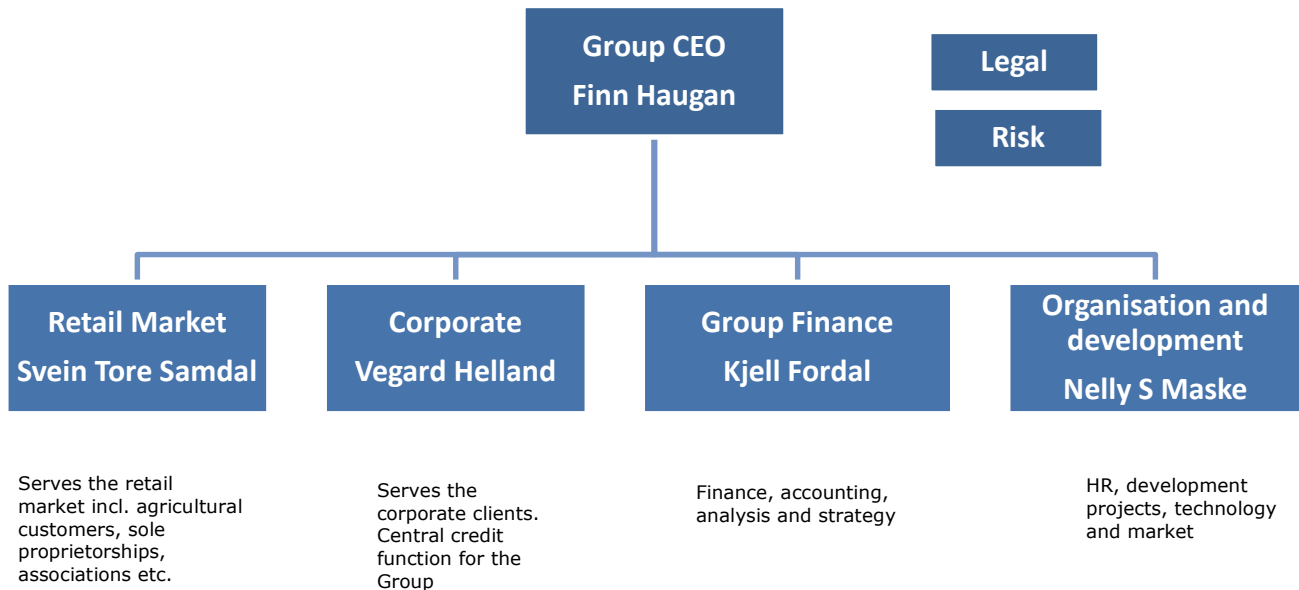
SpareBank 1 SMN's activities



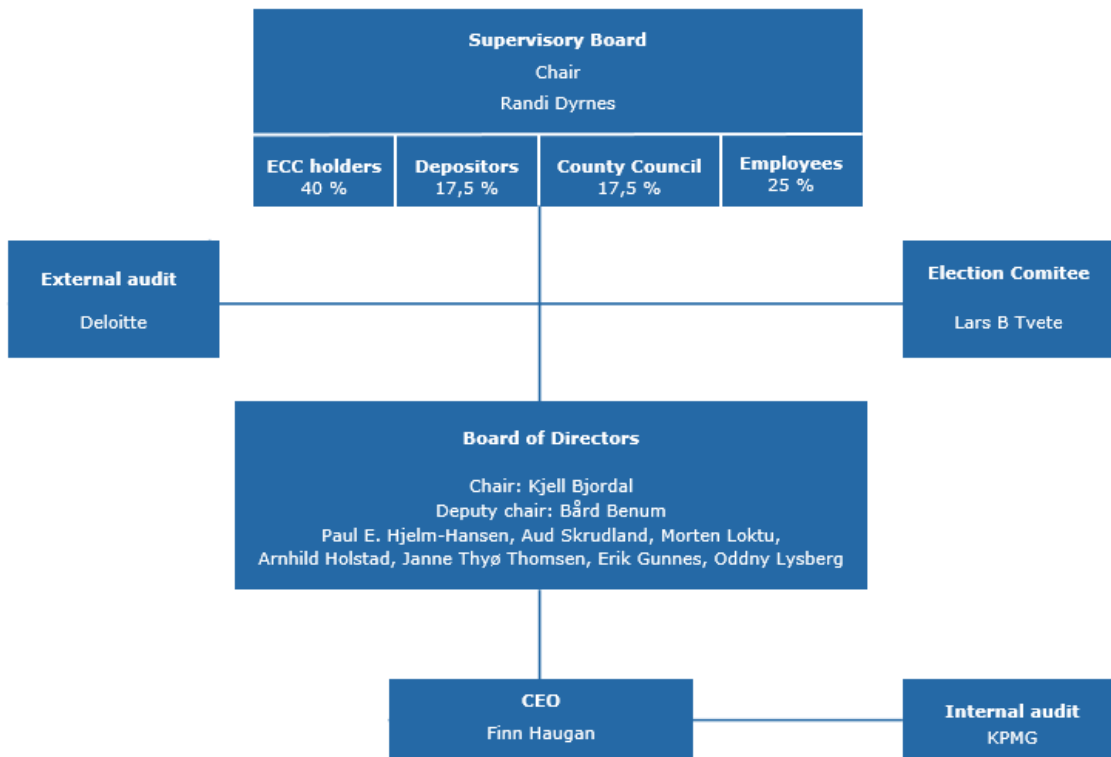
*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 25 man-years.

Organisation of SpareBank 1 SMN

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

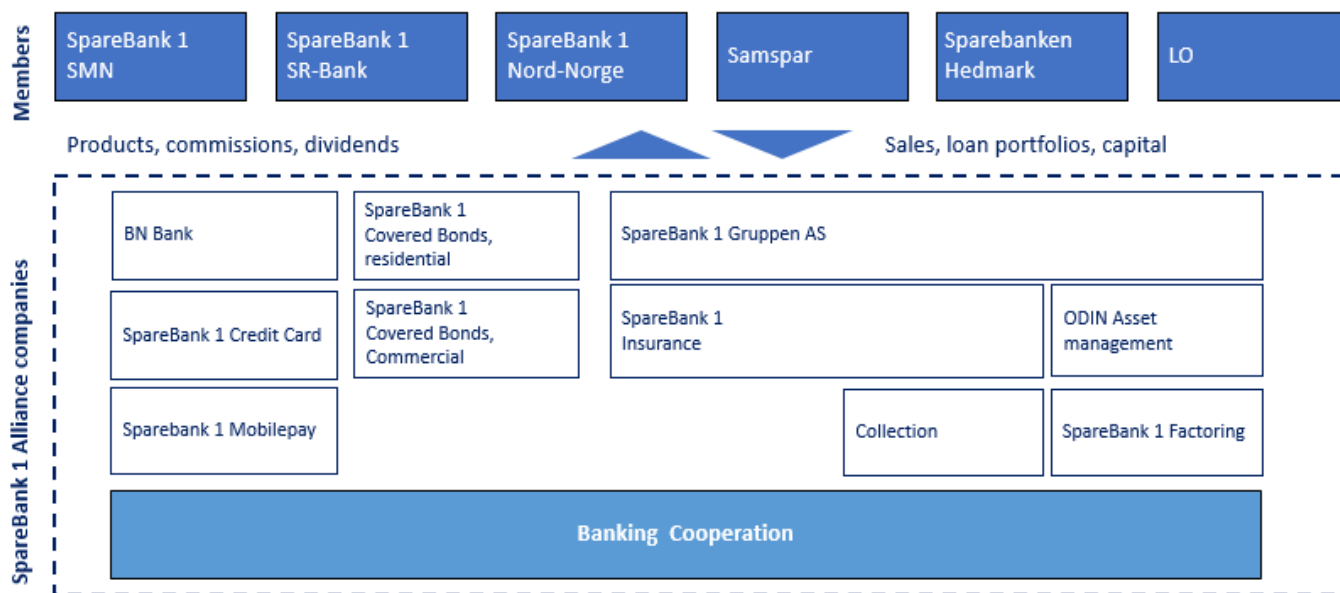


Overview of governing and control bodies

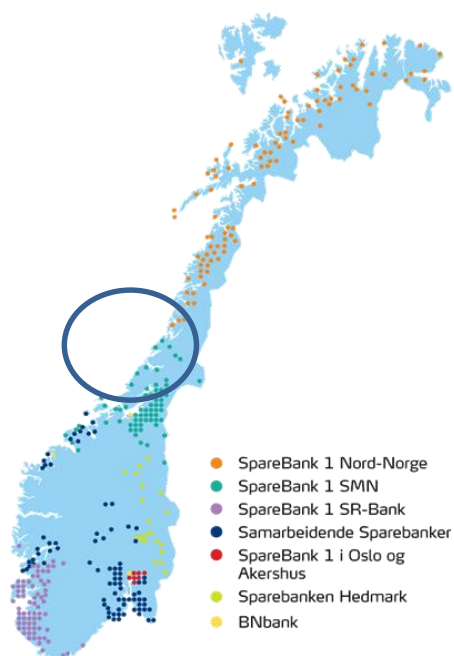


SpareBank 1 Alliance

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



*) LO: The Norwegian Confederation of Trade Unions



1.3. Credit ratings

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

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

1.4. Equity capital certificate (MING)

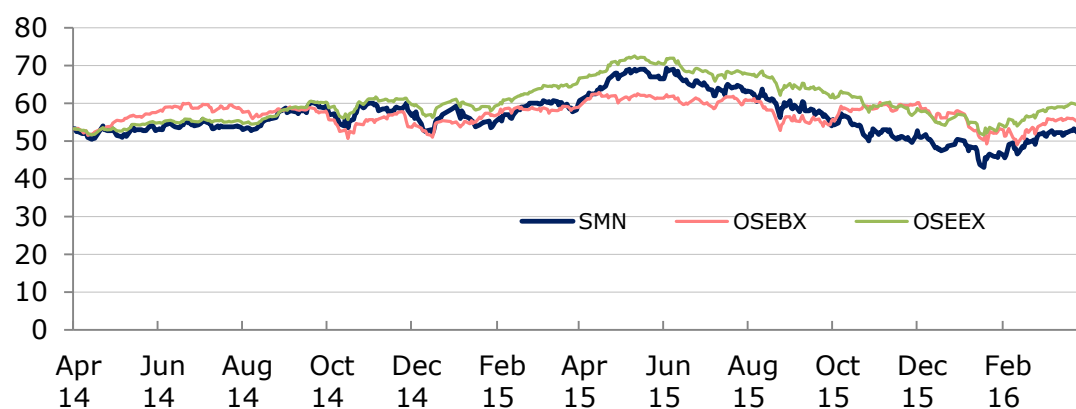
The key figures are corrected for issues.

31 March 2016 the price of the Bank's ECC was NOK 52.75 (NOK 59.50). Earnings per ECC were NOK 1.49 (NOK 2.18). Book value per ECC was NOK 67.37 (NOK 61.95) as of end of first quarter 2016.

Key figures

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
ECC price	52.75	50.50	54.00	65.50	59.50	52.75	59.50	50.50	58.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	67.37	67.65	65.52	64.18	61.95	67.37	61.95	67.65	62.04
Adjusted profit per ECC	1.49	1.45	1.26	2.13	2.18	1.49	2.18	7.02	8.82
P/E per ECC	8.83	8.71	10.72	7.70	6.81	8.83	6.81	7.19	6.63
P/B equity capital	0.78	0.75	0.82	1.02	0.96	0.78	0.96	0.75	0.94

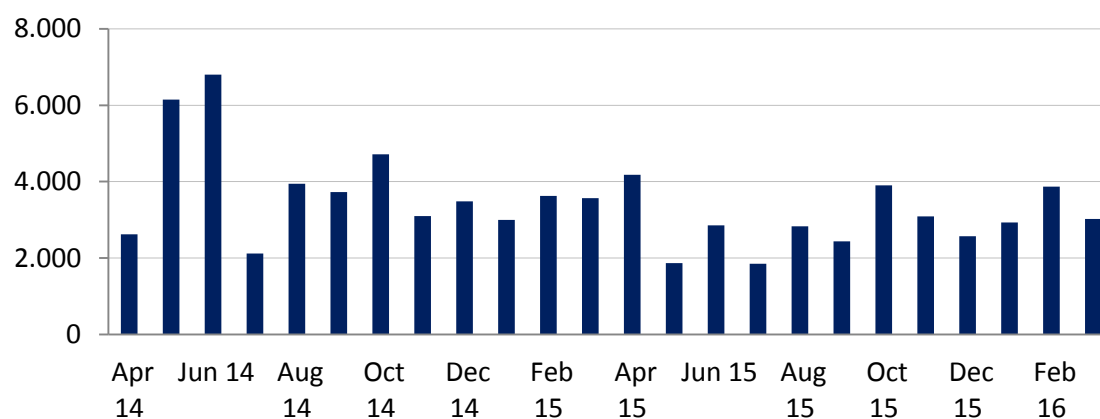
Stock price compared with OSEBX¹⁾ and OSEEX²⁾
1 Apr 2014 to 31 Mar 2016



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

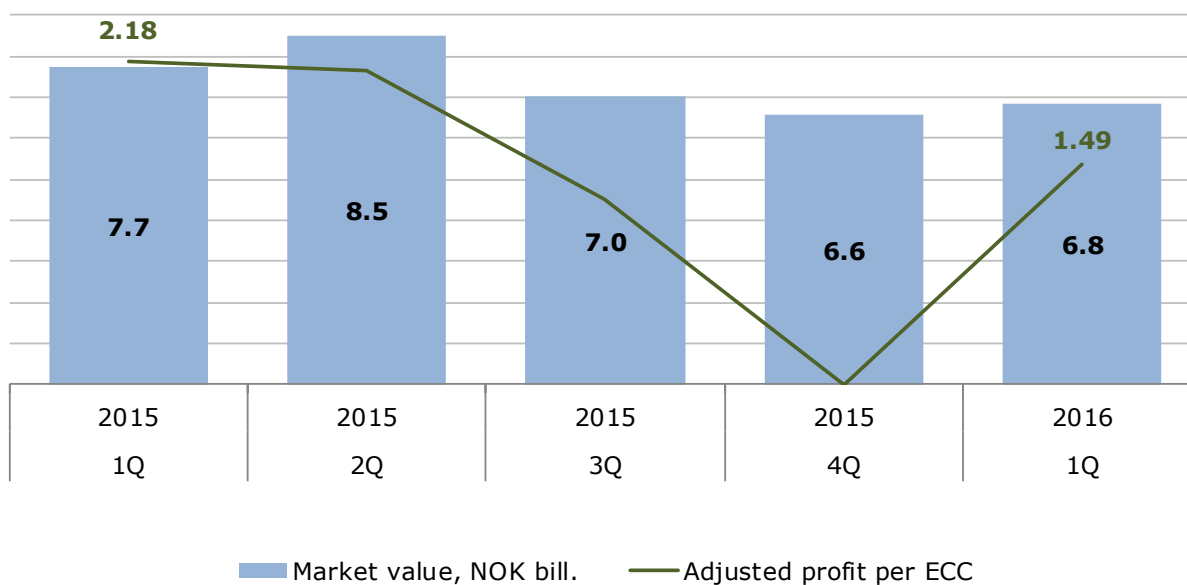
2) OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics¹⁾



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

Market value and profit per ECC



Equity certificates ratio (parent bank)

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

20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge Verdi	4,893,715	3.77 %
Verdipapirfondet DNB Norge (IV)	4,102,743	3.16 %
Sparebankstiftelsen SMN	3,965,391	3.05 %
VPF Odin Norge	3,826,686	2.95 %
State Street Bank and Trust CO (nominee)	3,386,341	2.61 %
VPF Pareto Aksje Norge	2,857,106	2.20 %
VPF Odin Norden	2,771,784	2.13 %
VPF Danske Invest Norske Aksjer Inst. II	2,467,267	1.90 %
Meteva AS	2,359,388	1.82 %
Vind LV AS	1,876,006	1.44 %
Pareto AS	1,821,202	1.40 %
MP Pensjon PK	1,792,160	1.38 %
Forsvarets Personellservice	1,717,046	1.32 %
The Bank of New York Mellon (nominee)	1,514,192	1.17 %
JP Morgan Chase Bank (nominee)	1,511,137	1.16 %
DNB Bank ASA	1,435,000	1.11 %
DNB Livsforsikring AS	1,433,340	1.10 %
VPF Nordea Kapital	1,383,148	1.07 %
State Street Bank and Trust CO (nominee)	1,328,788	1.02 %
JP Morgan Chase Bank (nominee)	1,316,527	1.01 %
Total 20 largest shareholders	47,758,967	36.78 %
Others	82,077,476	63.22 %
Total	129,836,443	100.00 %

ECC capital history

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

2. Financial results

Accounting principles

SpareBank 1 SMN prepares and presents its quarterly accounts in compliance with the Stock Exchange Regulations, Stock Exchange Rules and International Financial Reporting Standards (IFRS), including IAS 34, Interim Financial Reporting. As from 2007 the company accounts are also prepared and presented under IFRS. This entails that investments in associates and subsidiaries are recognised using the cost method. For this reason results recorded by associates and subsidiaries are not included in the parent bank's accounts. Further, the Group has in this quarterly report mainly used the same accounting principles and calculation methods as in the latest annual report and accounts [Exceptions, see Note 1 – Accounting Principles in the Quarterly Report]. The quarterly accounts do not include all the information required in a complete set of annual financial statements and should be read in conjunction with the annual accounts for 2014.

2.1. Main figures**

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Net interest	469	473	466	467	467	469	467	1,872	1,790
Commission income and other income	401	378	378	413	377	401	377	1,545	1,512
Net return on financial investments	172	109	-13	165	198	172	198	459	720
Total income	1,042	959	831	1,044	1,042	1,042	1,042	3,876	4,021
Total operating expenses	489	515	466	496	454	489	454	1,931	1,789
Result before losses	553	444	364	548	588	553	588	1,945	2,232
Loss on loans, guarantees etc.	170	56	56	35	22	170	22	169	89
Result before tax	383	388	309	513	567	383	567	1,776	2,143
Tax charge	72	100	61	83	126	72	126	370	362
Results investments held for sale, after tax	0	0	0	0	0	0	0	-1	0
Net profit	311	287	248	430	441	311	441	1,406	1,782

Balance sheet - condensed

Balance (in NOK million)	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.
	2016	2015	2015	2015	2015	2014
Total assets	134,345	131,914	129,237	130,888	123,687	126,047
Average total assets (quarterly)	133,129	130,575	130,063	127,288	124,867	121,620
Gross loans to customers *	129,520	127,378	126,180	124,519	122,933	120,435
Deposits from customers	63,851	64,090	63,620	66,186	60,589	60,680
Total equity capital	14,051	13,904	13,455	13,191	12,521	12,524

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

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

Key figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Return on equity	8.9 %	8.4 %	7.4 %	13.4 %	14.1 %	8.9 %	14.1 %	10.7 %	15.1 %
Common Equity Tier 1 ratio	13.6 %	13.6 %	13.2 %	12.7 %	12.3 %	13.6 %	12.3 %	13.6 %	11.2 %
Cost/income ratio group	47 %	54 %	56 %	47 %	44 %	47 %	44 %	50 %	44 %
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	5.4 %	5.8 %	8.3 %	8.4 %	10.0 %	5.4 %	10.0 %	5.8 %	7.3 %
Growth in deposits last 12 months	5.4 %	5.6 %	9.5 %	11.4 %	10.9 %	5.4 %	10.9 %	5.6 %	8.5 %
Deposits-to-loan ratio incl Boligkreditt and Næringskreditt last 12 months	49 %	50 %	50 %	53 %	49 %	49 %	49 %	50 %	50 %
Impairment losses ratio	0.53 %	0.18 %	0.18 %	0.11 %	0.07 %	0.53 %	0.07 %	0.14 %	0.08 %
Non-performing commitm. as % of gross loans	0.13 %	0.13 %	0.17 %	0.23 %	0.19 %	0.13 %	0.19 %	0.13 %	0.22 %
ECC price	52.75	50.50	54.00	65.50	59.50	52.75	59.50	50.50	58.50
Booked equity capital per ECC (incl. dividend)	67.37	67.65	65.52	64.18	61.95	67.37	61.95	67.65	62.04
Adjusted profit per ECC	1.49	1.45	1.26	2.13	2.18	1.49	2.18	7.02	8.82

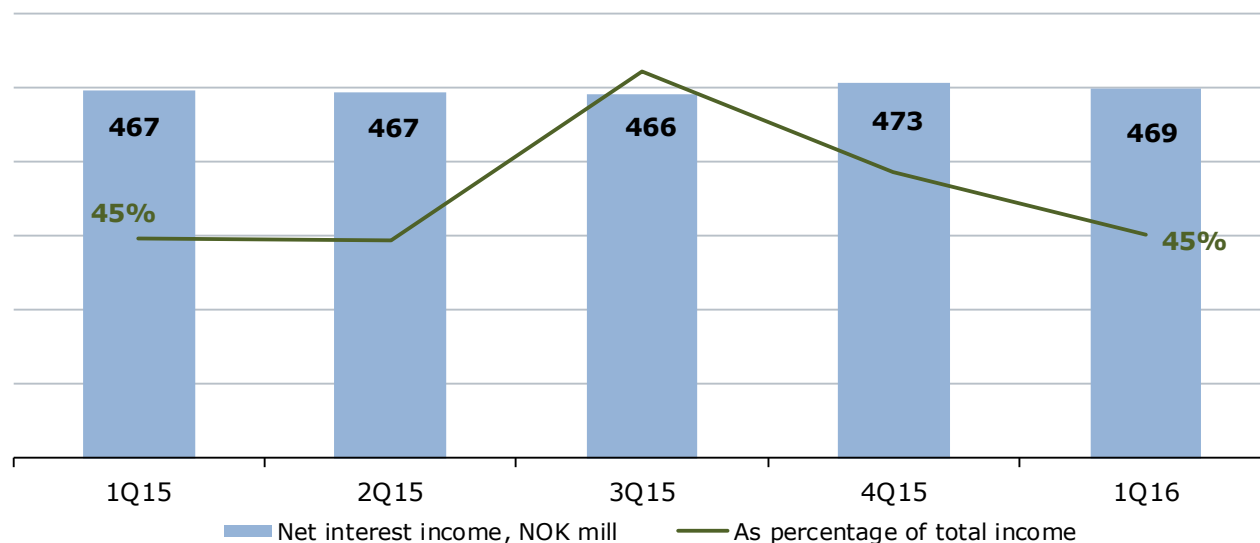
2.2. Net interest income*)

Net interest income

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Interest income	910	962	1,058	992	1,019	910	1,019	4,031	4,265
Interest expences	441	489	593	525	552	441	552	2,159	2,475
Net interest income	469	473	466	467	467	469	467	1,872	1,790
As percentage of total income	45 %	49 %	56 %	45 %	45 %	45 %	45 %	48 %	45 %

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

Development in net interest income

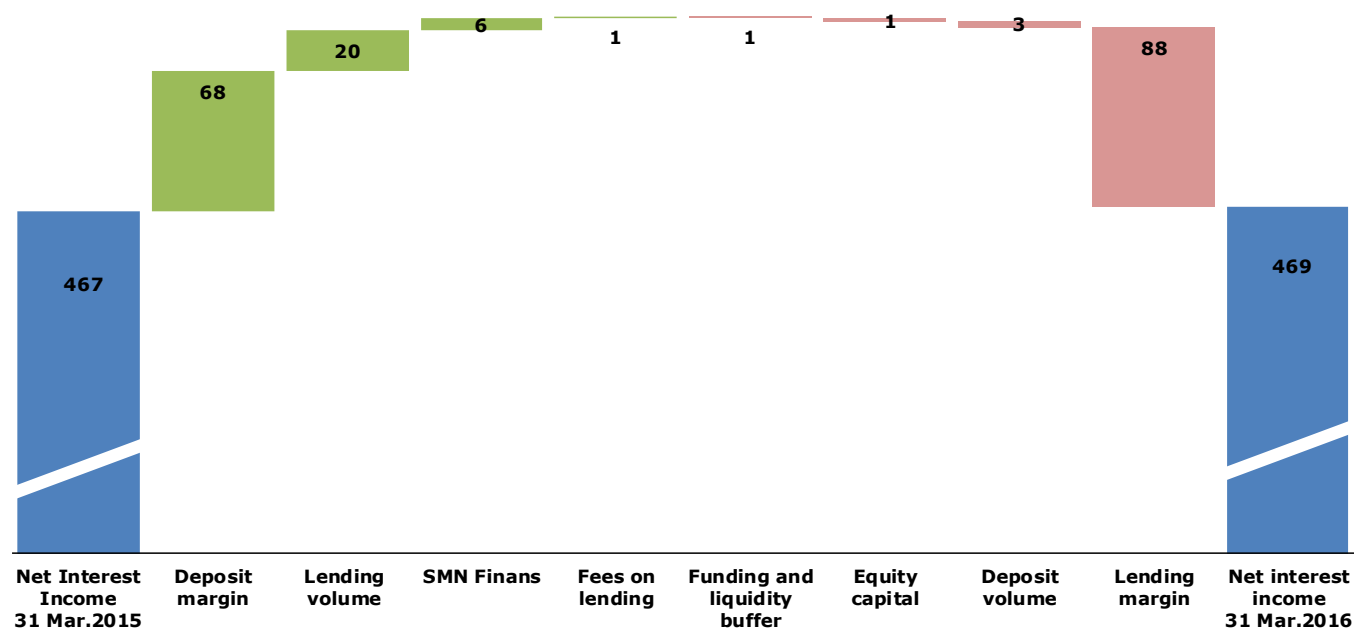


Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	20	-88	-68
Deposits	-3	68	65
Total	17	-19	-3

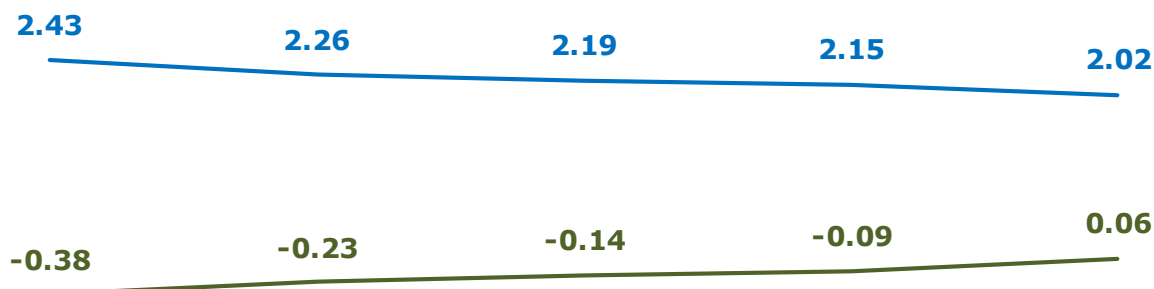
Changes in net interest income

(in NOK million)	2016	31 Mar. Change	2015
Net interest income	469	2	467
Equity capital		-1	
Lending volume		20	
Fees on lending		1	
Deposit margin		68	
SMN Finans		6	
Deposit volume		-3	
Lending margin		-88	
Funding and liquidity buffer		-1	
Change		2	



Margin development

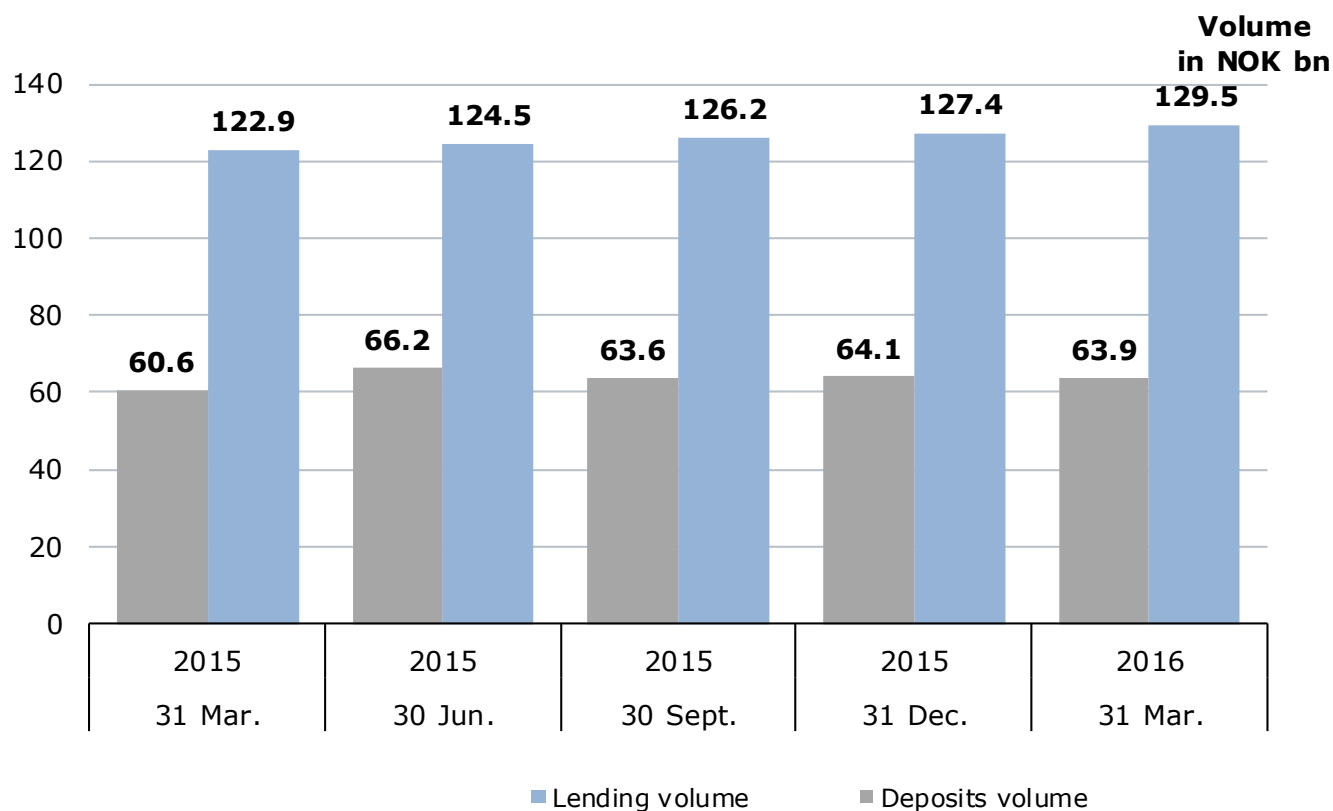
Definition margin: Average customer interest minus 3 months average nibor



2015 31 Mar.	2015 30 Jun.	2015 30 Sept.	2015 31 Dec.	2016 31 Mar.
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— Lending margin — Deposits margin

Volume development



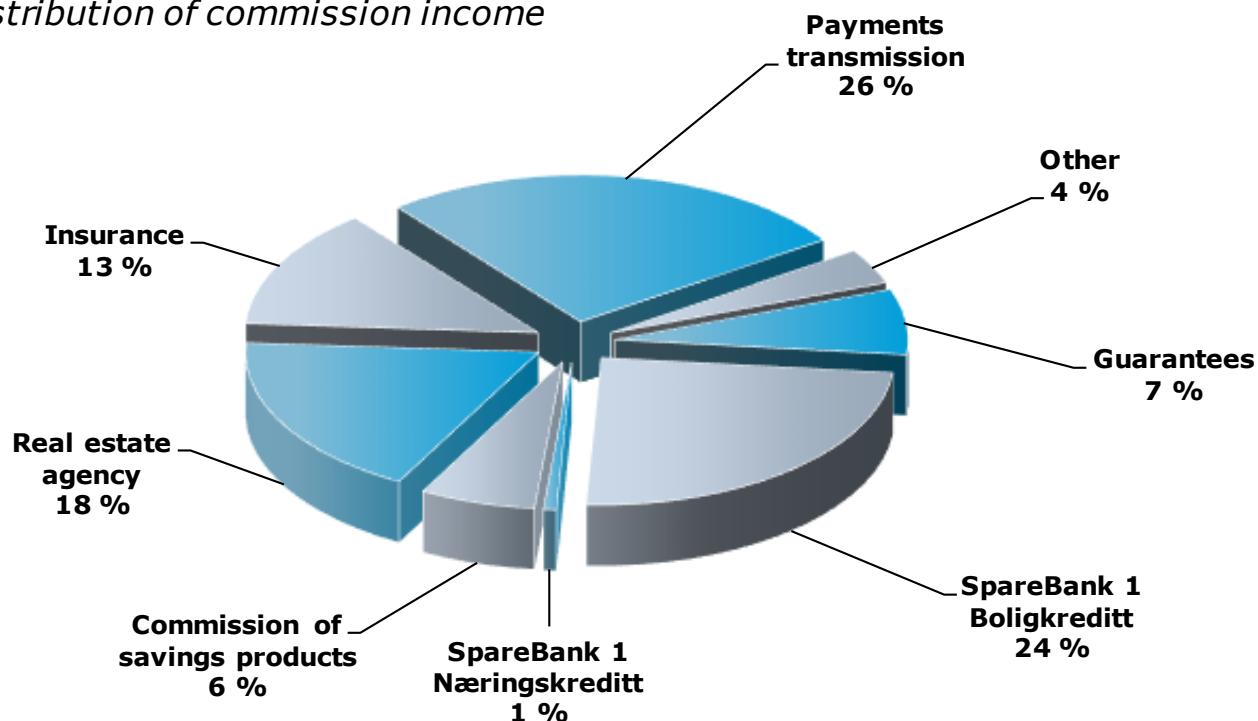
■ Lending volume ■ Deposits volume

2.3. Commission income

Total commission and other income

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar. 2016 2015		2015	2014
Guarantees	21	20	22	18	20	21	20	80	73
SpareBank 1 Boligkreditt	71	79	77	81	89	71	89	326	417
SpareBank 1 Næringskreditt	2	2	2	2	2	2	2	8	10
Commission of savings products	19	18	18	17	15	19	15	68	50
Real estate agency	53	45	52	60	55	53	55	212	223
Insurance	39	42	39	38	37	39	37	156	138
Payments transmission	78	90	93	82	80	78	80	344	328
Other	11	12	14	15	10	11	10	50	41
Total commissions income	295	309	317	313	306	295	306	1,245	1,281
Operating- and sales income real estate	25	22	27	33	26	25	26	108	82
Accounting services	50	39	33	57	53	50	53	182	171
Other operating income	59	46	39	43	18	59	18	145	91
Total other operating income	134	107	99	132	97	134	97	435	344
Commission expenses	28	38	38	32	27	28	27	135	113
Total commissions and other income	401	378	378	413	377	401	377	1,545	1,512
As percentage of total income	38 %	39 %	45 %	40 %	36 %	38 %	36 %	40 %	38 %

Distribution of commission income



Change in commission and other income

(in NOK million)	2016	31 Mar. Change	2015
Total	401	23	377
Real estate agency		-1	
Other operating income		41	
Operating- and sales income real estate		-1	
Accounting services		-3	
Insurance		3	
Commission of savings products		4	
Commission expenses		-2	
Other		2	
Payments transmission		-2	
Guarantees		1	
SpareBank 1 Boligkreditt		-18	
SpareBank 1 Næringskreditt		0	

Net return on financial investments

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Income from investment in related companies	119	121	78	120	129	119	129	448	527
<i>of which SpareBank 1 Gruppen AS</i>	61	68	56	68	59	61	59	251	358
<i>BN Bank ASA</i>	20	11	-4	17	18	20	18	41	93
<i>SpareBank 1 Boligkreditt AS</i>	24	15	15	9	41	24	41	80	38
<i>SpareBank 1 Næringskreditt AS</i>	8	8	7	7	8	8	8	30	41
<i>Sparebank 1 Kredittkort</i>	6	5	6	6	4	6	4	21	2
<i>Comp. owned by Sparebank 1 SMN Invest</i>	6	14	0	13	0	6	0	27	31
<i>Other ¹⁾²⁾</i>	-6	0	0	0	-2	-6	-2	-2	-34
Capital gains/dividends, shares and ECCs ²⁾	3	-17	8	61	10	3	10	62	202
<i>of which dividends</i>	0	3	0	22	0	0	0	25	65
<i>capital gains on shares</i>	2	-20	8	39	9	2	9	37	137
<i>capital gains on ECCs</i>	0	0	0	0	0	0	0	0	0
Capital gains, bonds and derivatives	25	-16	-116	32	11	25	11	-90	-66
Forex and fixed income business, Markets	26	20	18	16	48	26	48	102	57
Change in discount factor in fair value model for fixed interest loans				-64				-64	
Net return on financial investments	172	109	-13	165	198	172	198	459	720
As percentage of total income	17 %	11 %	-2 %	16 %	19 %	17 %	19 %	12 %	18 %

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

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

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

Change in net return on financial investments

(in NOK million)	2016	31 Mar. Change	2015
Total	172	-26	198
Capital gains from bonds and derivatives		13	
Forex and fixed income business, Markets		-22	
Capital gains/dividends on shares and ECC's		-7	
Change in discount factor in fair value model for fixed interest loans		0	
Income from investment in related companies, incl. inv. held for sale		-10	

2.4. Operating expenses

Operating expenses

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar. 2016 2015		2015	2014
Salary	228	203	202	222	206	228	206	833	786
Pension costs (defined benefit plan)	18	16	19	19	17	18	17	71	61
Employer's insurance contributions	4	3	4	4	3	4	3	14	14
Other personnel expenses	45	58	38	38	42	45	42	176	141
Total personnel expenses	295	280	264	283	267	295	267	1093	1002
EDP and telecommunication expenses	64	47	64	68	62	64	62	240	223
Postage and transportation services	6	6	5	5	6	6	6	22	25
Marketing	20	31	20	22	23	20	23	96	81
Operating exp. on properties and premises	25	25	26	26	23	25	23	100	93
Other external services	21	37	25	28	15	21	15	105	78
Other operating expenses	34	65	34	38	33	34	33	171	178
Depr./write-downs of fixed & intangible assets	24	25	28	25	25	24	25	104	109
Other expenses	194	235	203	213	186	194	186	838	787
Total operating expenses	489	515	466	496	454	489	454	1,931	1,789
Cost/income ratio	47 %	54 %	56 %	47 %	44 %	47 %	44 %	50 %	44 %
Cost/income ratio ex financial inv.	56 %	61 %	55 %	56 %	54 %	56 %	54 %	57 %	54 %
12-month cost growth*	7.7 %	7.5 %	9.6 %	11.9 %	2.8 %	7.7 %	2.8 %	7.9 %	3.9 %

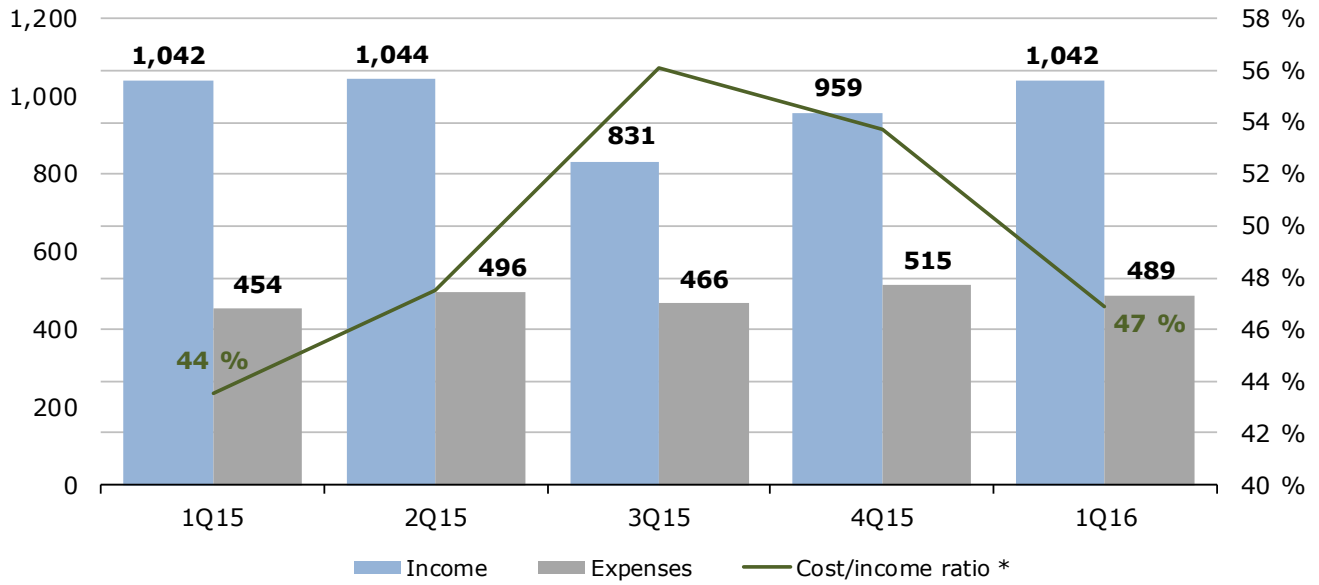
* The increase in 12 month cost growth is effected by the consolidation of SpareBank 1 Markets as a subsidiary

Change in operating expenses

(in NOK million)	2016	31 Mar. Change	2015
Total	489	35	454
Total personnel expenses		28	
Depr./write-downs of fixed & intangible assets		-1	
EDP and telecommunication expenses		2	
Other operating expenses		1	
Operating exp. on properties and premises		2	
Other external services		6	
Marketing		-2	
Postage and transportation services		-0	

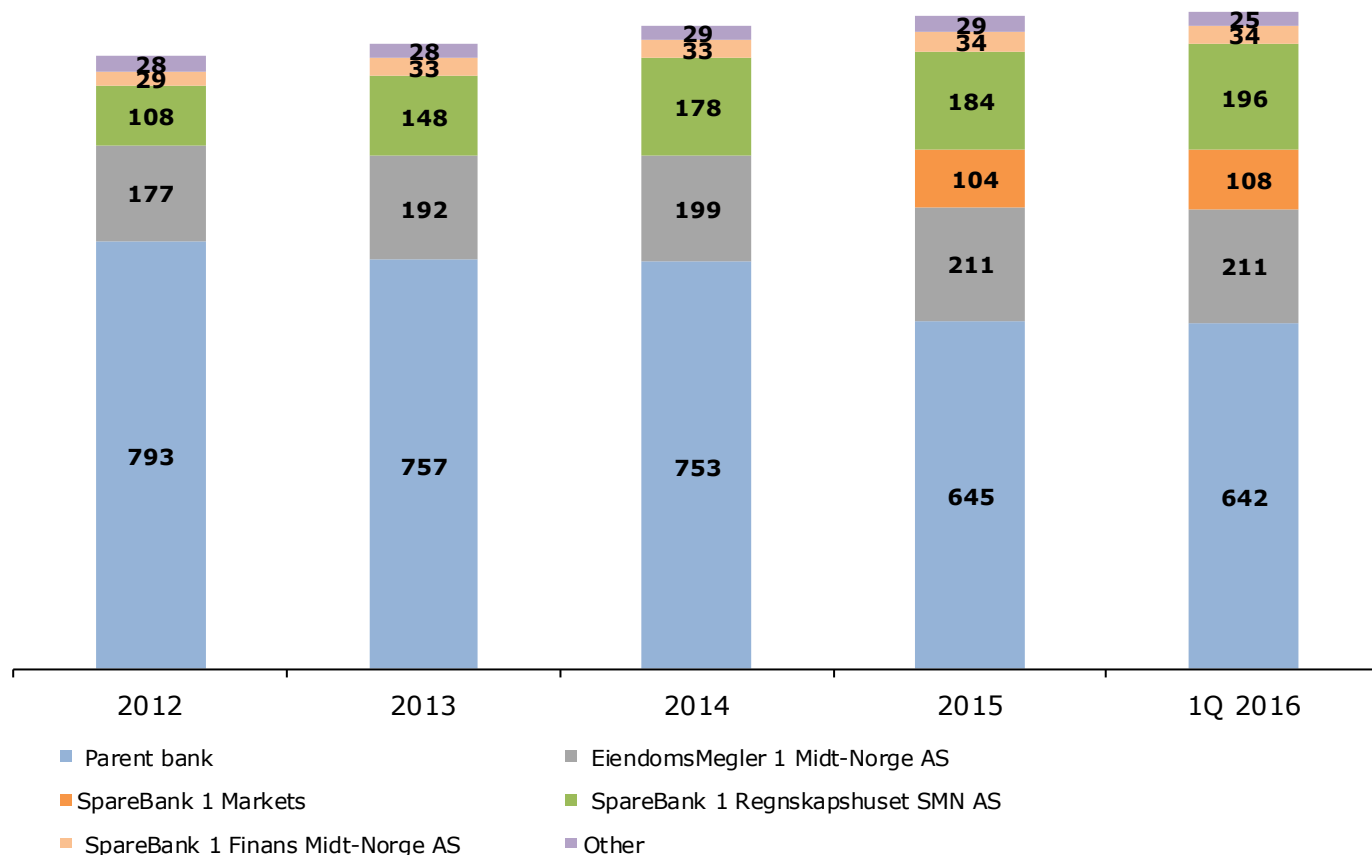
Cost/income ratio

NOK mill.



* Total operating expences as a percentage of total operating income

Employees in employment



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

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

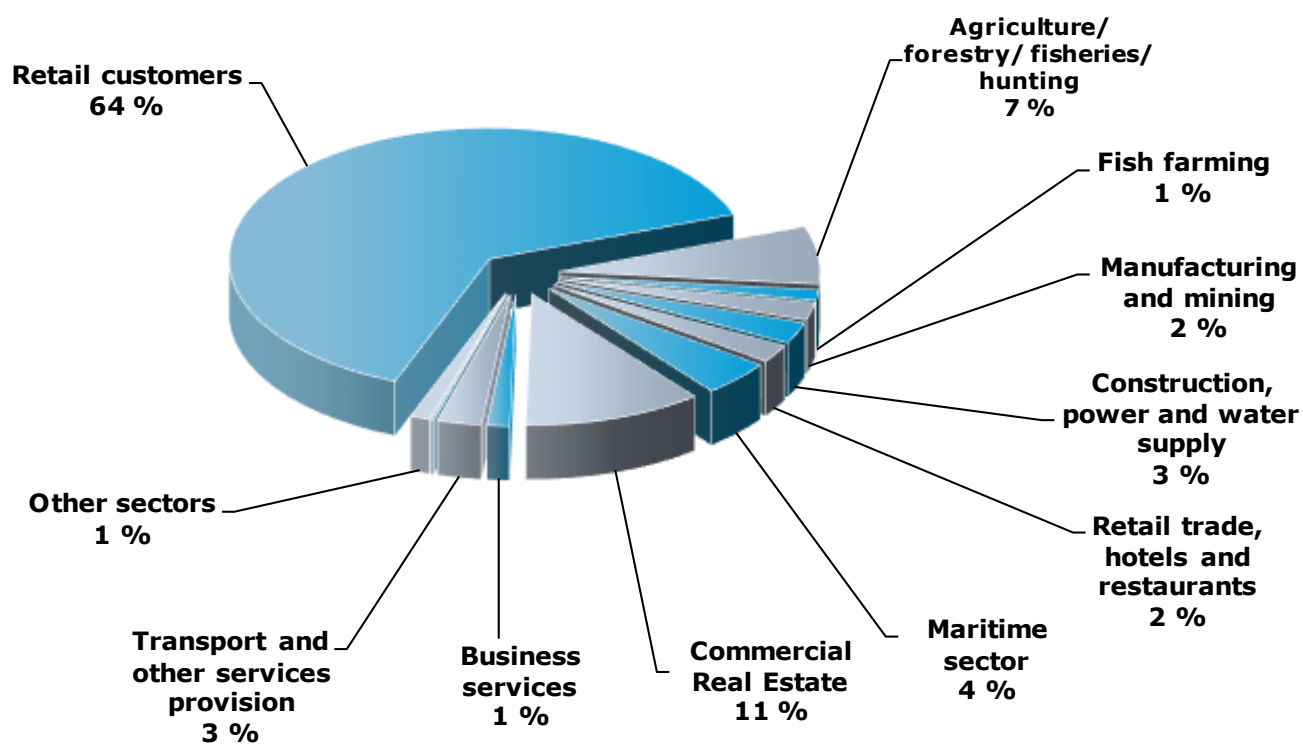
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.
(in NOK million)	2016	2015	2015	2015	2015	2014
Agriculture/ forestry/ fisheries/ hunting	9,222	8,674	8,313	8,152	7,694	7,158
Fish farming	1,715	1,807	1,581	1,798	1,322	1,367
Manufacturing and mining	2,806	2,675	2,517	2,333	2,190	2,330
Construction, power and water supply	3,391	3,598	3,707	4,247	4,048	3,717
Retail trade, hotels and restaurants	2,898	2,666	2,940	2,856	2,937	2,671
Maritime sector	5,631	6,066	6,097	6,024	6,017	5,638
Commercial Real Estate	14,390	14,346	14,142	14,167	14,375	14,075
Business services	1,822	1,777	1,698	1,681	3,594	3,681
Transport and other services provision	3,544	3,355	3,509	3,408	3,344	3,141
Public administration	212	211	225	208	286	300
Other sectors	1,583	1,477	2,587	2,342	1,969	2,270
Gross loans in corporate market	47,214	46,653	47,315	47,215	47,776	46,348
Retail customers	82,307	80,725	78,864	77,304	75,157	74,087
Gross loans incl. Boligkr. and Næringskr.	129,520	127,378	126,180	124,519	122,933	120,435
- Adv. of this Boligkreditt	32,676	31,944	29,894	28,965	29,165	28,393
- Adv. of this Næringskreditt	1,514	1,460	1,369	1,375	1,457	1,463
Gross loans in balance sheet	95,331	93,974	94,917	94,179	92,311	90,578
Share of loans, corporate market	36 %	37 %	37 %	38 %	39 %	38 %
Share of loans, retail market	64 %	63 %	63 %	62 %	61 %	62 %

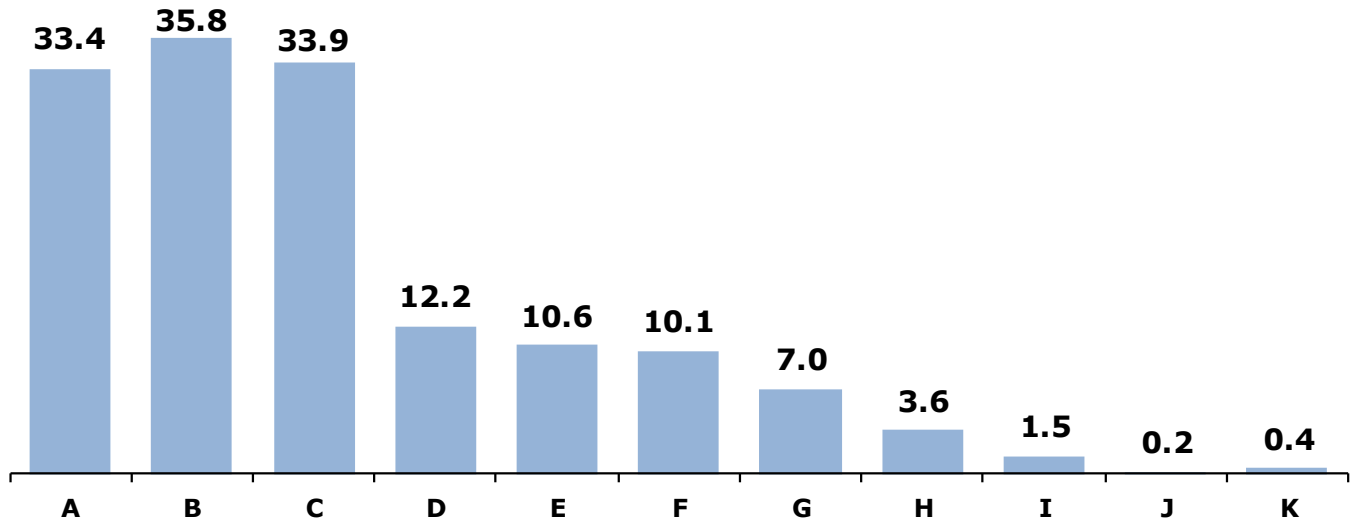
Distribution of loans by industry



3.2. Risk profile and write-downs

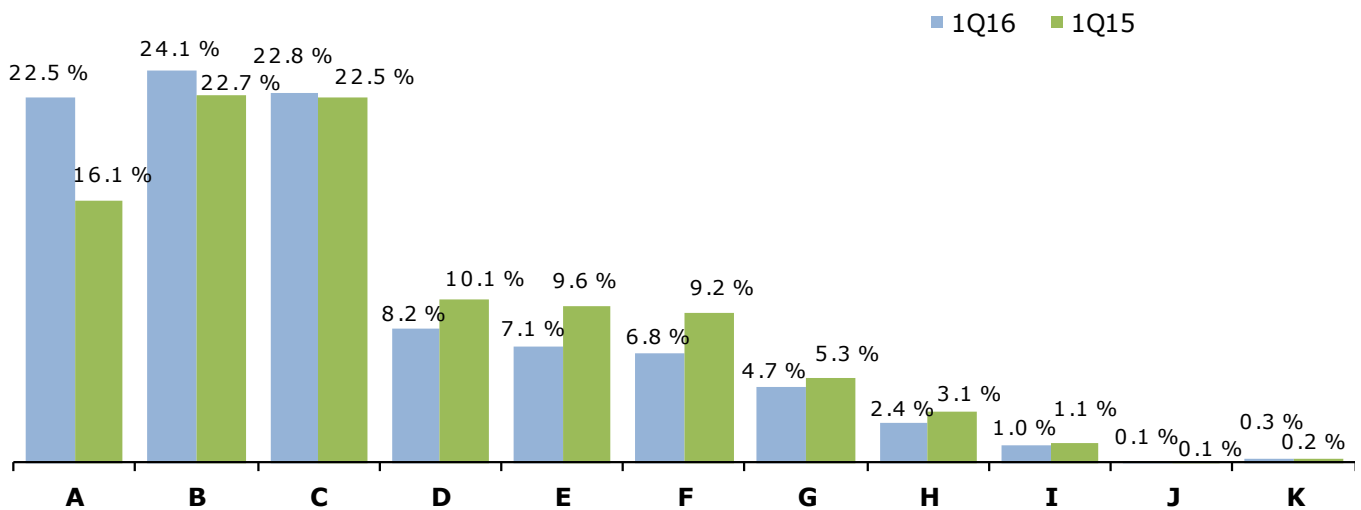
Actual risk profile, Exposure At Default

NOK billion



Actual risk profile, Exposure At Default

Per cent



Risk classification in SpareBank 1 SMN

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

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

* Probability of default

Write-downs on loans and guarantees

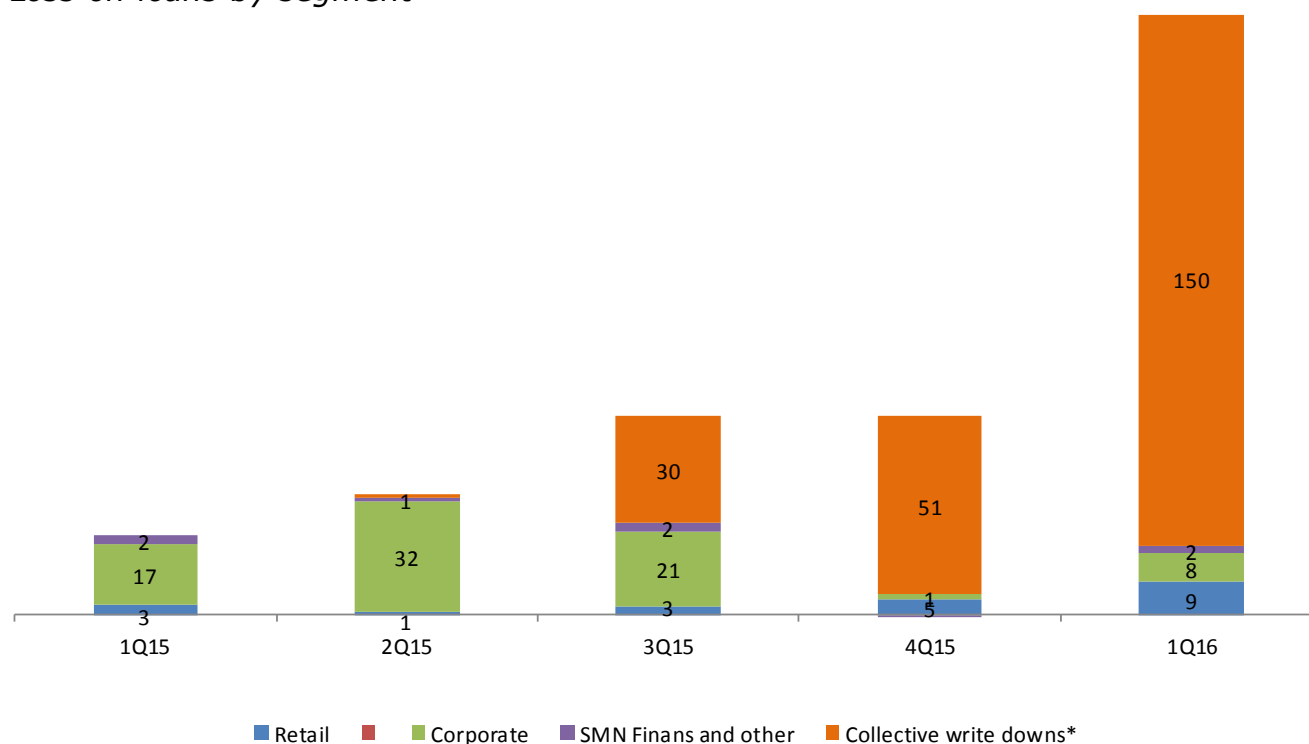
(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Increase in and new individual write-downs	16	-8	23	9	-13	16	-13	11	-1
Reassessments and recoveries	-4	-14	-3	-24	-35	-4	-35	-76	-90
Total individual write-downs	19	6	26	33	22	19	22	87	89
Change in group write-downs on loans	150	51	30	1	0	150	0	82	0
Write-downs on loans and guarantees	170	56	56	34	22	170	22	169	89
As % of gross loans incl. Boligkreditt	0.53 %	0.18 %	0.18 %	0.11 %	0.07 %	0.53 %	0.07 %	0.14 %	0.08 %

Loss on loans by segment

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Retail	9	5	3	1	3	9	3	11	6
Corporate	8	1	21	32	17	8	17	71	77
SMN Finans and other	2	0	2	1	2	2	2	6	6
Collective write downs*	150	51	30	1	0	150	0	82	0
Total loss on loans	170	56	56	34	22	170	22	169	89

* The increase in collective write downs related to the Corporate portfolio includes NOK 150 million in 1Q 2016, NOK 50 million in 4Q 2015 and NOK 30 million in 3Q 2015

Loss on loans by segment



Individual and collective write-downs

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Individual write-downs to cover loss on loans, guarantees at start of period	184	192	169	161	173	184	173	173	174
Write downs of loans previously subject to individual write down	11	17	0	0	4	11	4	22	2
Reversal of previous years' write downs	-5	-14	-15	-14	-3	-5	-3	-46	-22
Increase in write downs of commitments not previously subject to individual write down	14	-5	41	46	20	14	20	102	84
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-4	-7	-3	-24	-33	-4	-33	-67	-66
Individual write downs to cover loss	200	184	192	169	161	200	161	184	173
Collective write downs to cover loss on loans, guarantees at start of period	376	326	296	295	295	376	295	295	295
Period's collective write down to cover loss on loans, guarantees etc.	150	51	30	1	0	150	0	82	0
Collective write downs to cover loss on loans, guarantees	527	376	326	296	295	527	295	376	295

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	86,736	73,504	8,259	3,177	758	825	214
Public administration	1,037	1,037	-	-	-	-	-
Agriculture and forestry	9,914	5,305	3,032	1,276	146	106	50
Sea farming industries	2,360	1,070	1,200	41	50	-	-
Manufacturing	4,075	1,206	557	2,036	194	78	4
Construction, power and water supply	4,392	1,626	773	1,761	146	42	43
Retail trade, hotels and restaurants	3,713	580	1,084	1,509	414	51	76
Maritime sector	698	55	267	309	67	-	-
Property management	15,718	6,781	4,352	3,381	832	324	49
Business services	3,927	852	1,035	1,531	470	34	5
Transport and other services provision	10,488	5,801	2,144	1,983	321	48	192
Finance	-	-	-	-	-	-	-
Other sectors	5,591	5,267	45	122	158	-	-
1Q16	148,649	103,082	22,746	17,126	3,557	1,507	632
2015	148,680	97,588	25,632	19,231	3,838	1,746	645
2014	134,884	81,769	28,051	18,857	4,165	1,574	469

Write-down ratio

(in NOK million)	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014
Non-performing commitments (gross)	205	205	218	287	262	270
Impaired commitments (gross)	411	399	448	368	234	216
Gross non-performing and impaired commitments	616	604	667	655	496	486
Individual write-downs	200	184	192	169	161	173
Collective write-downs	527	376	326	296	295	295
Write-down ratio (%)	117.9 %	92.5 %	77.3 %	70.7 %	92.0 %	96.0 %

Default in excess of 90 days

NOK million

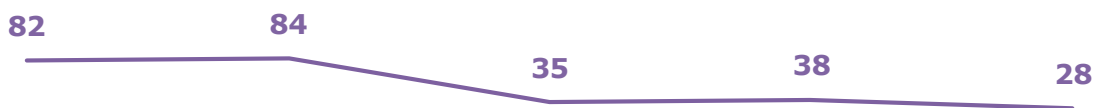


2015 1Q	2015 2Q	2015 3Q	2015 4Q	2016 1Q
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— Retail > 90 d

Default in excess of 90 days

NOK million



2015 1Q	2015 2Q	2015 3Q	2015 4Q	2016 1Q
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— Corporates* > 90 d

4. Capital adequacy

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

As of 31 March 2016 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3.0 per cent and countercyclical buffer is 1.0 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 11.0 per cent. The countercyclical buffer is announced to increase to 1.5 per cent with effect from 30 June 2016.

In connection with changed requirements on conditions governing hybrid capital, hybrid capital not meeting the new requirements over time will not be eligible as other core capital. The bonds will be subject to a stepwise reduction of 40 per cent in 2016 and 10 per cent thereafter. As at 31 March 2016 SpareBank 1 SMN held hybrid capital worth NOK 450 m that will be subject to stepwise reduction. Finanstilsynet may require the hybrid capital to be written down in proportion to equity capital if the bank's CET1 capital ratio falls below 5.125 per cent.

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

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

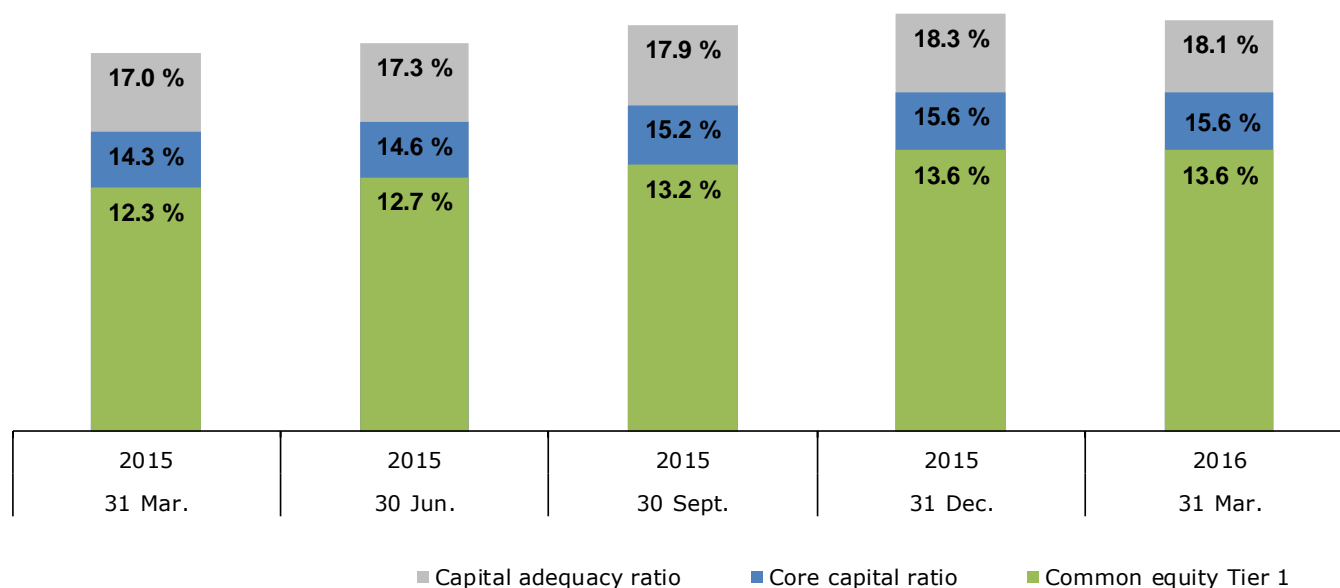
Type of risk	Portfolio	Regulatory method
Credit risk	States - parent bank	Standard method
	Institutions - parent bank	Standard method
	Housing cooperatives, clubs and associations - parent bank	Standard method
	Enterprises - parent bank	Advanced IRB approach
	Mass market - parent bank	IRB - mass market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

Capital Adequacy

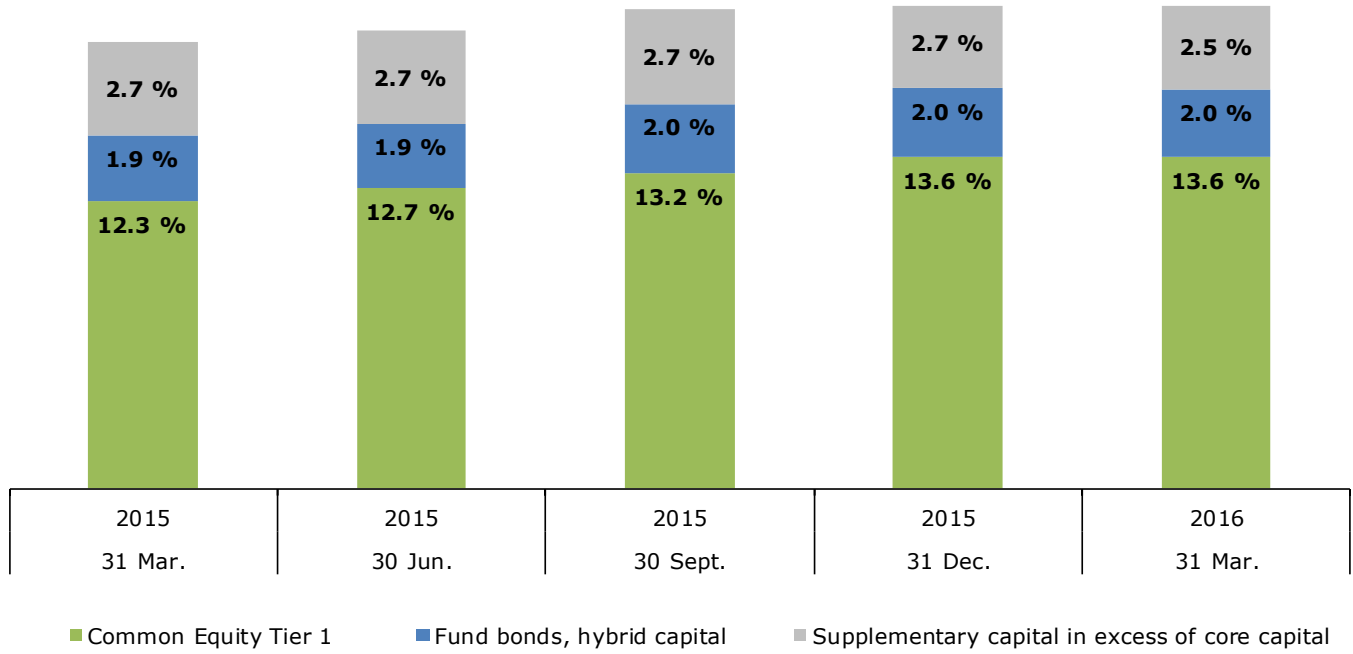
(in NOK million)	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014
Equity capital certificates	2,597	2,597	2,597	2,597	2,597	2,597
- Own holding of ECCs	-6	-21	0	0	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,782	3,790	3,122	3,122	3,122	3,122
Savings bank's reserve	4,105	4,105	3,619	3,619	3,619	3,619
Recommended dividends	0	292	0	0	0	292
Provision for gifts	0	40	0	0	0	160
Unrealised gains reserve	290	290	148	148	148	148
Other equity and minority interest	1,705	1,597	1,660	1,639	1,622	1,620
Minority interests	372	318	295	301	78	72
Net profit	311	0	1,119	871	441	0
Total book equity	14,051	13,904	13,455	13,191	12,521	12,524
Deferred taxes, goodwill and other intangible assets	-668	-662	-679	-664	-569	-566
Part of reserve for unrealised gains, associated companies	119	264	179	120	120	120
Deduction for allocated dividends and gifts	0	-332	0	0	0	-452
Minority interests recognised in other equity capital	-372	-318	-295	-301	-78	-72
Minority interests eligible for inclusion in CET1 capital	184	132	49	47	36	35
Surplus financing of pension obligations	-43	-43	0	0	0	0
Net profit	-311	0	-1,119	-871	-441	0
Year-to-date profit included in core capital (73 per cent pre tax of group profit)	218	0	817	636	322	0
Value adjustments due to requirements for prudent valuation	-57	-55	-49	-43	-44	-45
Positive value of adjusted expected loss under IRB Approach	-104	-239	-277	-318	-381	-419
Direct, indirect and synthetic investments in financial sector companies	-576	-458	-428	-355	-477	-451
Total common equity Tier one	12,440	12,192	11,652	11,443	11,008	10,674
Hybrid capital, core capital	1,310	1,310	1,311	1,217	1,217	1,716
Hybrid capital covered by transitional provisions	496	495	496	491	497	
Direct, indirect and synthetic investments in financial sector companies	-9	-9	-9	-9	-9	-9
Total core capital	14,237	13,988	13,451	13,142	12,713	12,382
Supplementary capital in excess of core capital						
Fund bonds, hybrid capital in excess of 15 %						
Subordinated capital	1,648	1,647	1,692	1,692	1,692	2,598
Subordinated capital covered by transitional provisions	673	786	786	786	786	0
Direct, indirect and synthetic investments in financial sector companies	-43	-43	-43	-43	-43	-43
Total supplementary capital	2,279	2,390	2,435	2,435	2,435	2,555
Net subordinated capital	16,516	16,378	15,886	15,577	15,147	14,937

(in NOK million)	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014
Involvement with specialised enterprises	1,232	1,213	1,262	1,391	1,506	1,887
Other corporations exposure	1,086	1,105	1,058	965	1,038	1,371
Mass market exposure, SMBs	171	167	186	185	149	159
Mass market exposure, property	1,606	1,557	1,551	1,514	1,447	1,280
Other retail exposure	39	40	15	13	54	51
Equity investments, IRB	1	0	0	0	0	0
Total credit risk IRB	4,135	4,082	4,073	4,068	4,194	4,748
Debt risk	29	64	94	200	200	397
Equity risk	10	10	10	8	2	1
Currency risk	0	0	0	0	0	0
Operational risk	479	457	457	457	452	416
Exposures calculated using the standardised approach	1,893	1,805	1,827	1,926	2,025	1,971
CVA	91	106	92	71	97	92
Transitional arrangements	666	634	533	471	163	0
Minimum requirements subordinated capital	7,303	7,157	7,087	7,201	7,134	7,625
Risk Weighted Assets (RWA)	91,286	89,465	88,586	90,010	89,171	95,317
Minimum requirement on CET1 capital, 4.5 per cent	4,108	4,026	3,986	4,050	4,013	4,289
Capital conservation buffer, 2.5 per cent	2,282	2,237	2,215	2,250	2,229	2,383
Systemic risk buffer, 3.0 per cent	2,739	2,684	2,658	2,700	2,675	2,860
Countercyclical buffer, 1.0 per cent	913	895	886	900		
Available CET1 capital after buffer requirements	2,399	2,351	1,908	1,542	2,091	1,143
Common equity Tier 1	13.6 %	13.6 %	13.2 %	12.7 %	12.3 %	11.2 %
Core capital ratio	15.6 %	15.6 %	15.2 %	14.6 %	14.3 %	13.0 %
Capital adequacy ratio	18.1 %	18.3 %	17.9 %	17.3 %	17.0 %	15.7 %
Leverage ratio	6.8 %	6.7 %	6.7 %	6.5 %	6.3 %	6.0 %

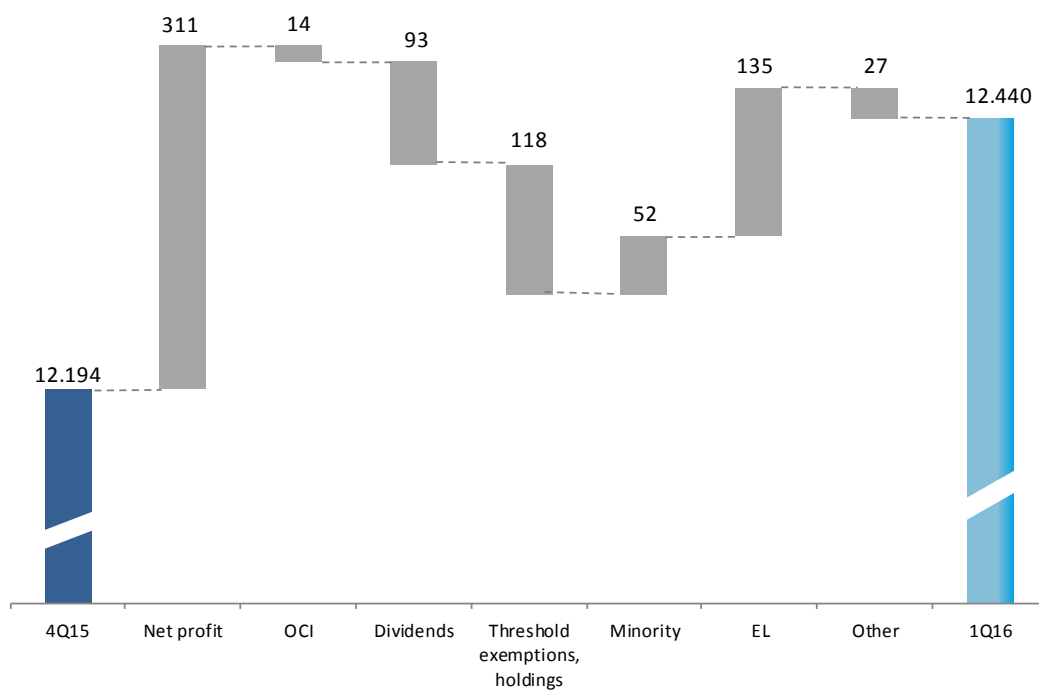
Capital Adequacy



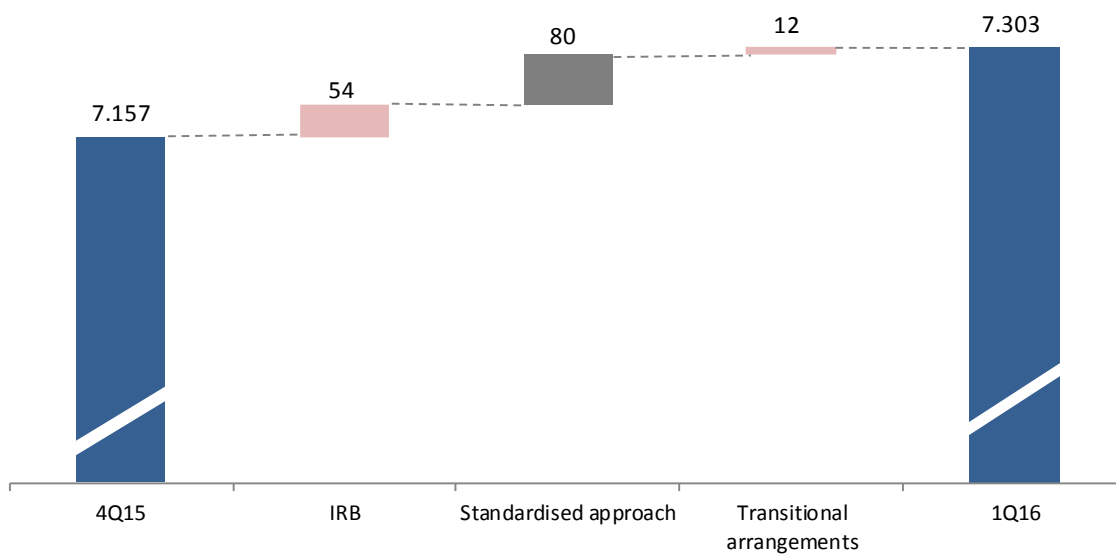
Capital Adequacy



Quarterly changes in Common equity Tier 1



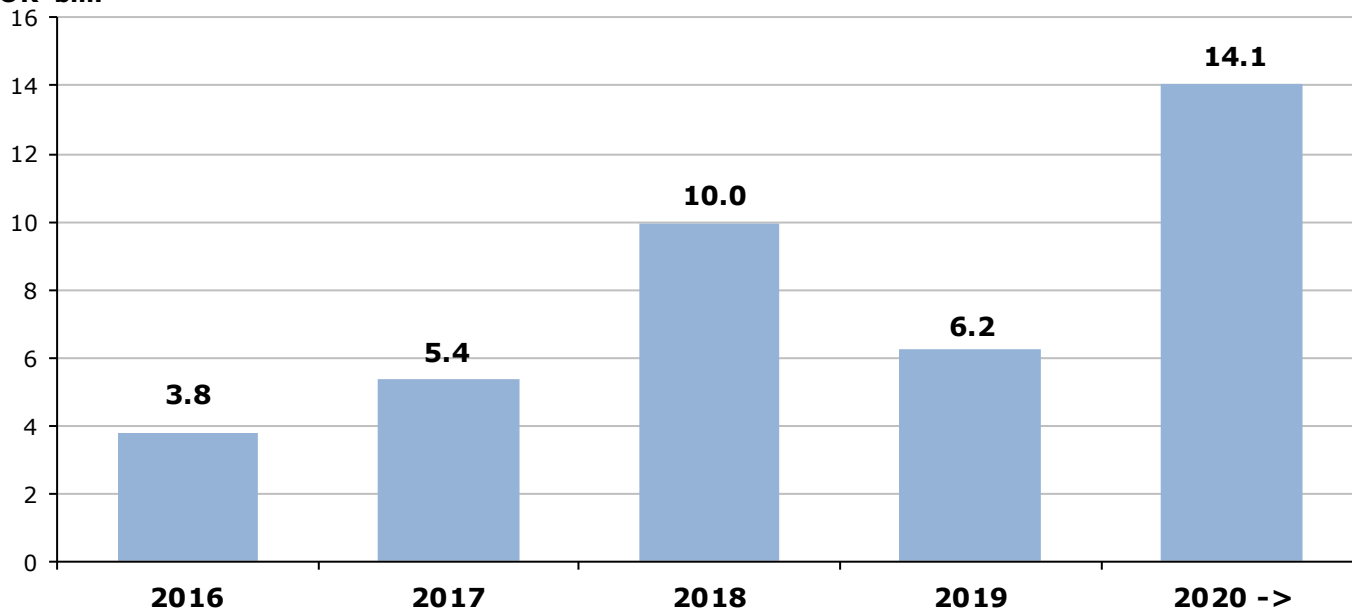
Quarterly changes in Minimum requirements subordinated capital



5. Funding

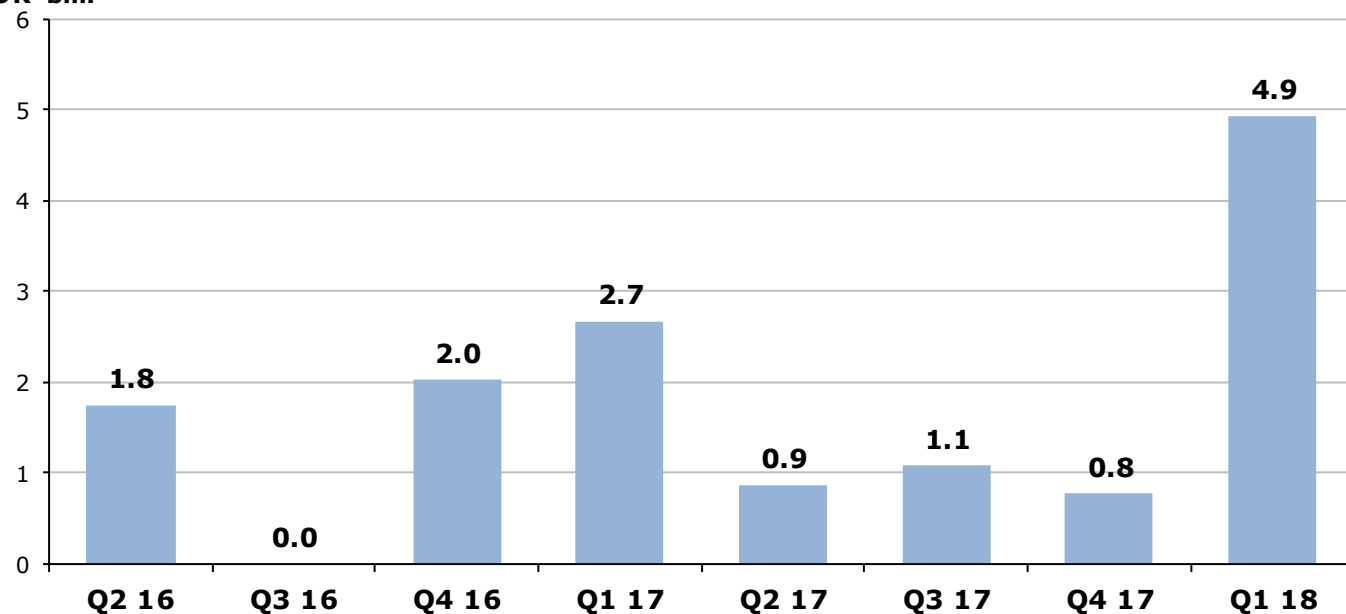
Funding maturity dates

NOK bill.



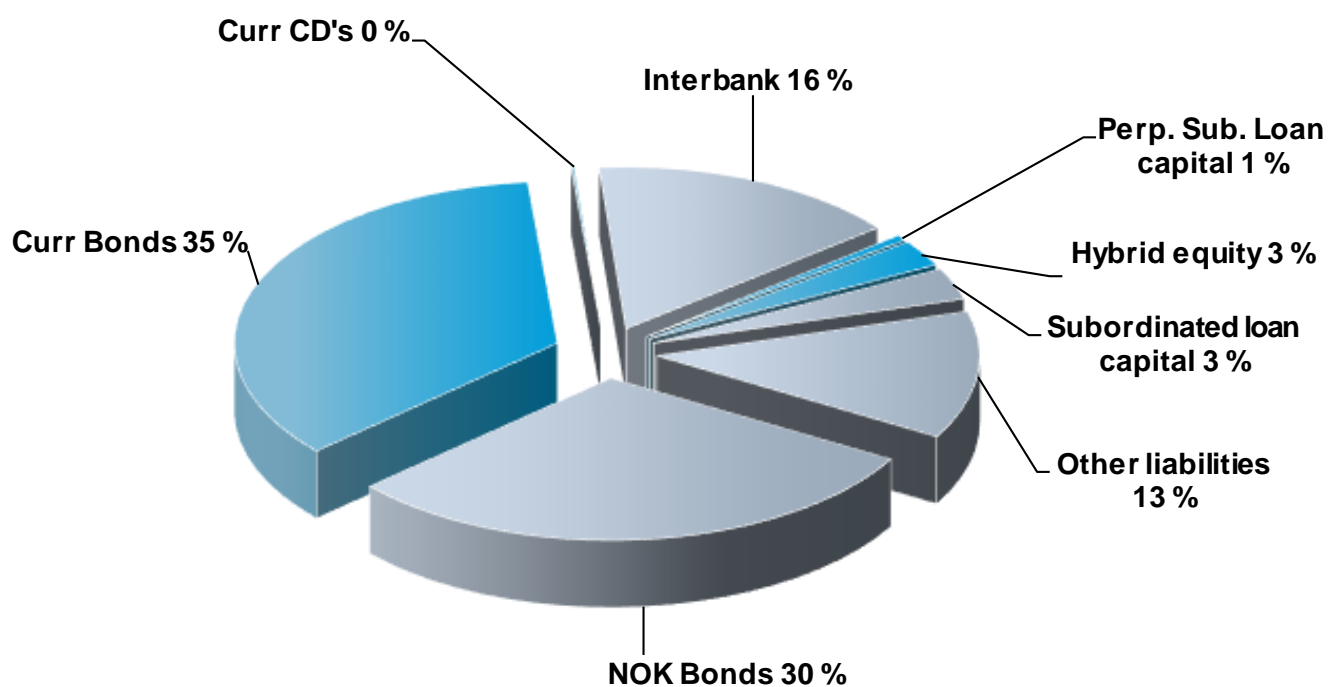
Funding maturity dates over the next eight quarters

NOK bill.



Capital markets funding

(in NOK million)	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014
NOK Bonds	16,505	17,139	17,774	17,745	16,588	18,263
Curr Bonds	19,302	17,898	15,418	14,286	12,873	13,611
NOK CD's	-	-	403	1,155	2,305	820
Curr CD's	82	155	-	-	-	-
Interbank	8,549	8,155	8,324	8,684	7,595	7,572
Perp. Sub. Loan capital	299	299	299	299	1,746	307
Hybrid equity	1,446	1,445	1,446	1,441	1,447	1,449
Subordinated loan capital	1,740	1,719	1,707	1,641	1,659	1,607
Other liabilities	7,003	5,996	6,034	5,199	6,716	7,512
Total	54,925	52,807	51,406	50,449	50,929	51,141



6. Financial results

Financial results

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Interest income	910	962	1,058	992	1,019	910	1,019	4,031	4,265
Interest expenses	441	489	593	525	552	441	552	2,159	2,475
Net interest	469	473	466	467	467	469	467	1,872	1,790
Commission income	295	309	317	313	306	295	306	1,245	1,281
Commission expenses	28	38	38	32	27	28	27	135	113
Other operating income	134	107	99	132	97	134	97	435	344
Commission income and other income	401	378	378	413	377	401	377	1,545	1,512
Dividends	0	3	0	22	0	0	0	25	65
Income from investment in related companies	119	121	78	120	129	119	129	448	527
Net return on financial investments	53	-15	-91	23	69	53	69	-14	128
Net return on financial investments	172	109	-13	165	198	172	198	459	720
Total income	1,042	959	831	1,044	1,042	1,042	1,042	3,876	4,021
Staff costs	295	280	264	283	267	295	267	1,093	1,002
Other operating expenses	194	235	203	213	186	194	186	838	787
Total operating expenses	489	515	466	496	454	489	454	1,931	1,789
Result before losses	553	444	364	548	588	553	588	1,945	2,232
Loss on loans, guarantees etc.	170	56	56	35	22	170	22	169	89
Result before tax	383	388	309	513	567	383	567	1,776	2,143
Tax charge	72	100	61	83	126	72	126	370	362
Results investments held for sale, after tax	0	0	0	0	0	0	0	-1	0
Net profit	311	287	248	430	441	311	441	1,406	1,782
Majority share	303	291	253	427	439	303	439	1,410	1,772
Minority interest	8	-4	-5	3	2	8	2	-4	10

Balance sheet

(in NOK million)	31 Mar. 2016	31 Dec. 2015	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014
Cash and receivables from central banks	1,241	3,270	1,252	3,895	568	4,676
Deposits with and loans to credit institutions	2,324	2,407	2,807	2,520	1,952	1,289
Net loans to and receivables from customers	94,606	93,415	94,400	93,715	91,855	90,112
Fixed-income CDs and bonds at fair value	15,956	15,752	14,430	15,082	13,954	14,177
Derivatives	8,091	7,524	7,513	5,851	7,340	7,877
Shares, units and other equity interests	1,644	1,485	1,221	1,346	700	708
Investment in related companies	5,759	5,522	5,189	5,024	5,185	5,129
Investments held for sale	214	16	15	15	16	45
Goodwill	528	528	528	529	529	526
Other assets	3,982	1,996	1,882	2,912	1,587	1,509
Assets	134,345	131,914	129,237	130,888	123,687	126,047
Deposits from credit institutions	8,549	8,155	8,324	8,684	7,598	9,123
Deposits from and debt to customers	63,851	64,090	63,620	66,186	60,589	60,680
Debt created by issue of securities	35,888	35,154	33,557	33,146	31,971	33,001
Derivatives	6,237	5,414	5,486	4,610	6,096	6,252
Other liabilities	2,279	1,734	1,342	1,690	1,495	1,095
Investments held for sale	5	0	0	0	0	0
Subordinated loan capital	3,485	3,463	3,453	3,380	3,415	3,371
Total liabilities	120,294	118,010	115,782	117,697	111,165	113,523
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597
Own holding of ECCs	-6	-21	0	0	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,782	3,790	3,122	3,122	3,122	3,122
Recommended dividends	0	292	0	0	0	292
Provision for gifts	0	40	0	0	0	160
Savings bank's reserve	4,105	4,105	3,619	3,619	3,619	3,619
Unrealised gains reserve	290	290	148	148	148	148
Other equity capital	1,705	1,597	1,660	1,639	1,622	1,620
Result of the period	311	0	1,119	871	441	0
Minority interests	372	318	295	301	78	72
Total equity capital	14,051	13,904	13,455	13,191	12,521	12,524
Total liabilities and equity	134,345	131,914	129,237	130,888	123,687	126,047

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

Key figures

	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Return on equity	8.9 %	8.4 %	7.4 %	13.4 %	14.1 %	8.9 %	14.1 %	10.7 %	15.1 %
Cost/income ratio group	47 %	54 %	56 %	47 %	44 %	47 %	44 %	50 %	44 %
Cost/income ratio group, ex. financial inv.	56 %	61 %	55 %	56 %	54 %	56 %	54 %	57 %	54 %
12-month cost growth	7.7 %	7.5 %	9.6 %	11.9 %	2.8 %	7.7 %	2.8 %	7.9 %	3.9 %
Gross loans to customers*	129,520	127,378	126,180	124,519	122,933	129,520	122,933	127,378	120,435
Growth in loans last 12 months*	5.4 %	5.8 %	8.3 %	8.4 %	10.0 %	5.4 %	10.0 %	5.8 %	7.3 %
Growth in loans this period*	1.7 %	0.9 %	1.3 %	1.3 %	2.1 %	1.7 %	2.1 %	5.8 %	7.3 %
Deposits from customers	63,851	64,090	63,620	66,186	60,589	63,851	60,589	64,090	60,680
Growth in deposits last 12 months	5.4 %	5.6 %	9.5 %	11.4 %	10.9 %	5.4 %	10.9 %	5.6 %	8.5 %
Growth in deposits this period	-0.4 %	0.7 %	-3.9 %	9.2 %	-0.2 %	-0.4 %	-0.2 %	5.6 %	8.5 %
Deposit-to-loan ratio*	49 %	50 %	50 %	53 %	49 %	49 %	49 %	50 %	50 %
Total assets	134,345	131,914	129,237	130,888	123,687	134,345	123,687	131,914	126,047
Average total assets (quarterly)	133,129	130,575	130,063	127,288	124,867	133,129	124,867	128,355	117,794
Employees in employment group	1,216	1,208	1,228	1,227	1,157	1,216	1,157	1,208	1,192
Employees in employment parent bank	638	645	663	673	716	638	716	645	753
Employees in employment subsidiaries	578	563	565	554	441	578	441	563	439
Number of branches	49	49	49	49	49	49	49	49	49
Lending margin	2.02	2.15	2.19	2.26	2.43	2.02	2.43	2.26	2.57
Deposit margin	0.06	(0.09)	(0.14)	(0.23)	(0.38)	0.06	(0.38)	(0.21)	(0.47)
Net other operating income of total income	38 %	39 %	45 %	40 %	36 %	38 %	36 %	40 %	38 %
Common Equity Tier 1 ratio	13.6 %	13.6 %	13.2 %	12.7 %	12.3 %	13.6 %	12.3 %	13.6 %	11.2 %
Core capital ratio	15.6 %	15.6 %	15.2 %	14.6 %	14.3 %	15.6 %	14.3 %	15.6 %	13.0 %
Capital adequacy ratio	18.1 %	18.3 %	17.9 %	17.3 %	17.0 %	18.1 %	17.0 %	18.3 %	15.7 %
Total core capital	14,237	13,988	13,451	13,142	12,713	14,237	12,713	13,988	12,382
Net subordinated capital	16,516	16,378	15,886	15,577	15,147	16,516	15,147	16,378	14,937
Impairment losses ratio	0.53 %	0.18 %	0.18 %	0.11 %	0.07 %	0.53 %	0.07 %	0.14 %	0.08 %
Non-performing commitm. as % of gross loans	0.13 %	0.13 %	0.17 %	0.23 %	0.19 %	0.13 %	0.19 %	0.13 %	0.22 %
Other doubtfull commitm. as % of gross loans	0.31 %	0.30 %	0.36 %	0.30 %	0.18 %	0.31 %	0.18 %	0.30 %	0.18 %
ECC price	52.75	50.50	54.00	65.50	59.50	52.75	59.50	50.50	58.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	67.37	67.65	65.52	64.18	61.95	67.37	61.95	67.65	62.04
Adjusted profit per ECC	1.49	1.45	1.26	2.13	2.18	1.49	2.18	7.02	8.82
P/E per ECC	8.83	8.71	10.72	7.70	6.81	8.83	6.81	7.19	6.63
P/B equity capital	0.78	0.75	0.82	1.02	0.96	0.78	0.96	0.75	0.94

* Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt

7. Segment Information

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

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

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

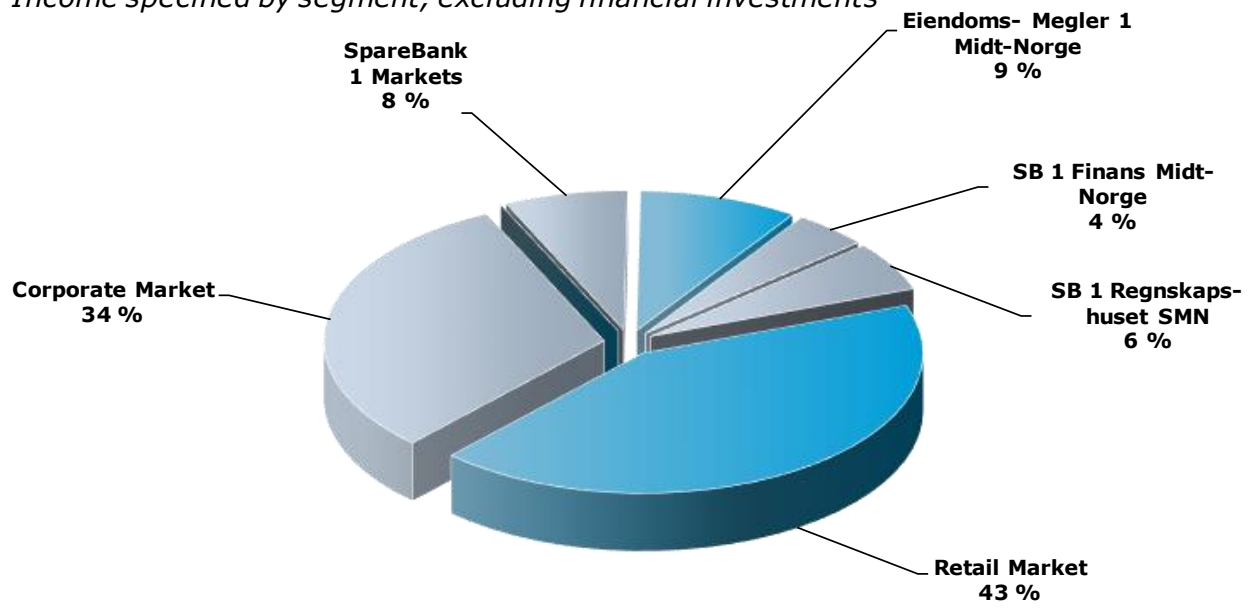
The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 are similarly restated.

7.1. Extract from income statement

Group (in NOK million) 31 Mar.2016	Retail Market	Corporate Market	SB 1 Markets	Eiendoms- Megler 1 Midt-Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps- huset SMN	SB 1 Gruppen	BN Bank	Un- collated	Total
Net interest	222	232	-2	1	43	-0	-	-	-26	469
Allocated	14	12	-	-	-	-	-	-	-26	-
Total interest income	236	243	-2	1	43	-0	-	-	-52	469
Commission income and other income	166	49	59	86	-2	54	-	-	-11	401
Net profit on financial investments	0	2	10	-	-	-	61	20	79	172
Total income	402	294	67	87	41	54	61	20	15	1,042
Total operating expenses	198	93	63	77	15	50			-6	489
Ordinary operating profit	204	202	5	10	26	4	61	20	22	553
Loss on loans, guarantees etc.	9	158	2	-	3	-	-	-	-2	170
Result before tax incl investments held for sale	195	44	3	10	23	4	61	20	23	383
Post-tax return on equity*	12.9 %	3.1 %								8.9 %
Balance sheet										
Loans and advances to customers	86,451	37,479	-	-	4,603	-	-	-	987	129,520
adv. of this to Boligkreditt and Næringskreditt	-32,769	-1,421	-	-	-	-	-	-	0	-34,190
Individual allowance for impairment on loan	-34	-155	-	-	-8	-	-	-	-2	-198
Group allowance for impairment on loan	-95	-414	-	-	-18	-	-	-	1	-527
Other assets	213	8	1,669	283	8	145	1,705	1,180	34,528	39,739
Total assets	53,767	35,497	1,669	283	4,585	145	1,705	1,180	35,515	134,345
Deposits to customers	33,671	29,655	-	-	-	-	-	-	525	63,851
Other liabilities and equity	20,096	5,842	1,669	283	4,585	145	1,705	1,180	34,989	70,494
Total liabilities	53,767	35,497	1,669	283	4,585	145	1,705	1,180	35,515	134,345

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

Income specified by segment, excluding financial investments



Interest income, Retail Market and Corporate Market

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Retail	222	236	230	221	221	222	221	907	873
Corporate	232	237	235	234	216	232	216	922	840
Net interest income	454	473	465	455	437	454	437	1,829	1,712

Development in margin, Retail Market and Corporate Market

Lending (in percentage)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Retail	1.78	1.92	2.00	2.06	2.28	1.78	2.28	2.07	2.39
Corporate	2.57	2.66	2.62	2.67	2.75	2.57	2.75	2.68	2.90
Total	2.02	2.15	2.19	2.26	2.43	2.02	2.43	2.26	2.57

Deposits (in percentage)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Retail	0.24	0.05	-0.10	-0.15	-0.35	0.24	-0.35	-0.14	-0.42
Corporate	-0.15	-0.25	-0.19	-0.32	-0.41	-0.15	-0.41	-0.29	-0.55
Total	0.06	-0.09	-0.14	-0.23	-0.38	0.06	-0.38	-0.21	-0.48

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

Development in volume, Retail Market and Corporate Market

Lending* (in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Retail	86,451	84,981	83,077	81,352	79,184	86,451	79,184	84,981	78,388
Corporate	37,479	37,226	37,781	38,090	38,606	37,479	38,606	37,226	36,872
Total	123,930	122,206	120,857	119,441	117,790	123,930	117,790	122,206	115,260

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

Deposits (in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Retail	33,671	33,534	33,449	33,915	31,782	33,671	31,782	33,534	31,589
Corporate	29,655	30,367	29,567	31,552	28,219	29,655	28,219	30,367	28,463
Total	63,325	63,902	63,016	65,467	60,000	63,325	60,000	63,902	60,052

Development in commission income, Retail Market and Corporate Market

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2015	2014
	2016	2015	2015	2015	2015	2016	2015		
Retail	166	185	182	175	173	166	173	715	763
Corporate	51	48	54	44	47	51	47	193	188
Total	217	232	237	220	219	217	219	908	951

7.2. Retail Market

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

Business description

<i>Facts about the business area</i>	31 Mar. 2016
Lending volume	86,451
Deposits volume	33,671
No. of active customers	208,789
FTEs	380

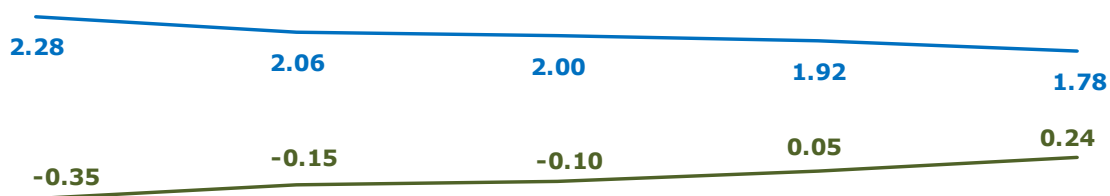
Financial performance

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
Net interest income lending	119	148	154	154	165	119	165	621	648
Net interest income deposits	103	88	75	67	56	103	56	286	224
Net interest income allocated capital	14	3	6	13	18	14	18	41	40
Total interest income	236	239	236	234	239	236	239	948	913
Net guarantee commission, incl. Boligkreditt	80	87	86	90	97	80	97	360	445
Net commission of savings products	12	16	16	13	10	12	10	55	42
Net commission insurance services	33	39	34	33	30	33	30	135	113
Net commission payment trans. services	40	43	47	39	36	40	36	165	161
Other commission income	0	-0	-0	-0	-0	0	0	0	0
Net fee and commission income	166	185	182	175	173	166	173	715	762
Net profit on financial investments	0	0	0	0	0	0	0	1	1
Total income	402	424	418	410	411	402	411	1,663	1,675
Total operating expenses*	198	214	195	171	199	198	199	779	809
Results	204	210	223	239	212	204	212	884	867
Loss on loans, guarantees etc.	9	5	3	1	3	9	3	11	6
Results before tax	195	205	220	238	209	195	209	873	861
*) Includes both direct and distributed expenses									
Post-tax return on equity (annualized)**						12.9 %	15.5 %	15.8 %	19.2 %

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

Development in margin

Definition margin: Average customer interest minus 3 months average nibor

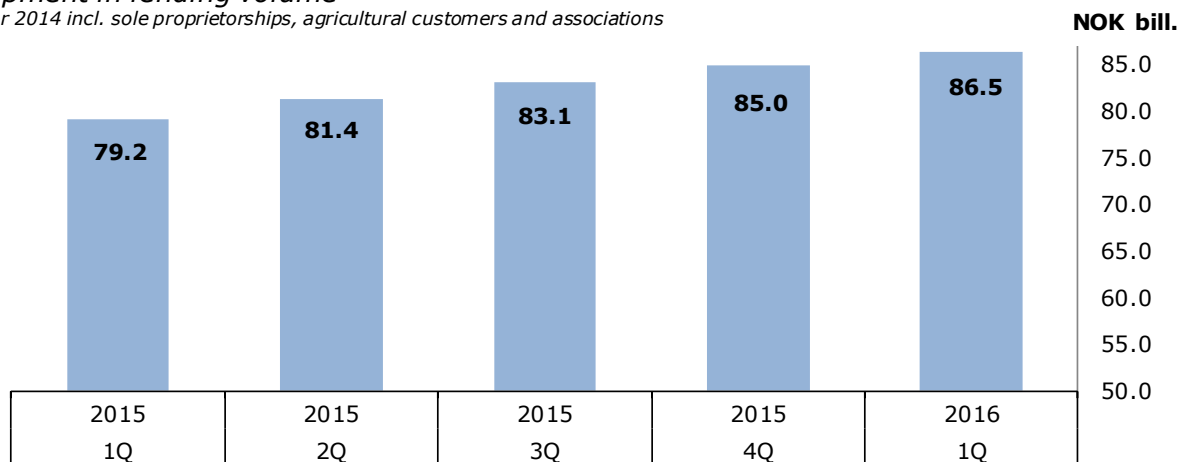


2015 1Q	2015 2Q	2015 3Q	2015 4Q	2016 1Q
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— Lending margin Retail — Deposits margin Retail

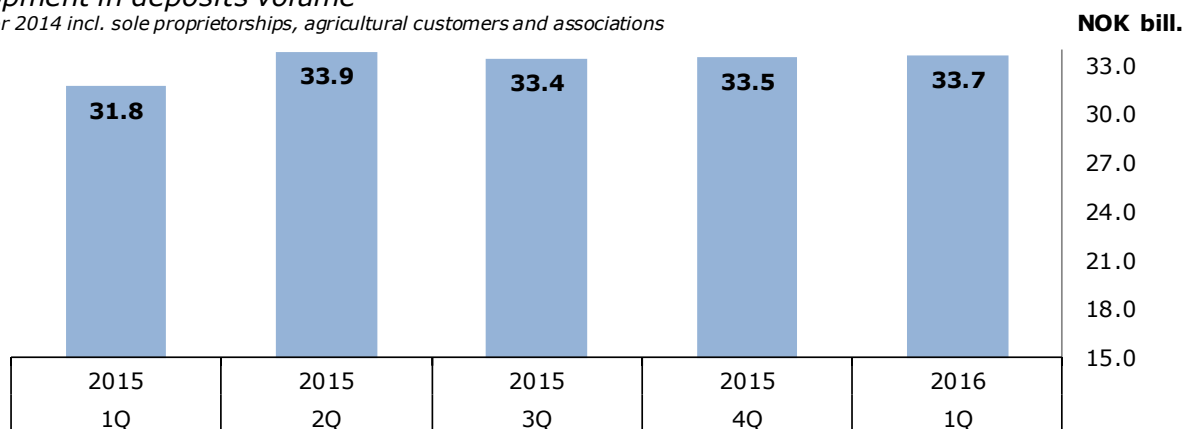
Development in lending volume

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



Development in deposits volume

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



7.3. Corporate

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

Business description

	31 Mar. 2016
<i>Facts about the business area</i>	
Lending volume	37,479
Deposits volume	29,655
No. of active customers	7,270
FTEs	162

<i>Financial performance</i> (in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
Net interest income lending	169	179	171	183	171	169	171	704	687
Net interest income deposits	63	58	64	51	45	63	45	218	153
Net interest income allocated capital	12	5	7	18	19	12	19	48	67
Total interest income	243	242	242	252	235	243	235	971	906
Net guarantee commission, incl. Boligkreditt	22	22	23	17	18	22	18	79	67
Net commission of savings products	0	2	1	1	1	0	1	5	4
Net commission insurance services	6	4	5	5	6	6	6	20	21
Net commission payment trans. services	20	19	20	19	18	20	18	75	67
Other commission income	0	0	1	0	0	0	0	1	0
Net fee and commission income	49	45	50	42	43	49	43	180	159
Net profit on financial investments	2	2	4	3	4	2	4	13	29
Total income	294	289	297	296	282	294	282	1,164	1,095
Total operating expenses*	93	96	82	76	99	93	99	353	318
Results	202	194	214	220	183	202	183	810	777
Loss on loans, guarantees etc.**	158	51	51	32	17	158	17	151	77
Results before tax	44	142	163	188	165	44	165	659	699

*) Includes both direct and distributed expenses

**) Includes collective write downs of NOK 150 million in 1Q 2016, NOK 51 million in 4Q 2015 and NOK 30 million in 3Q 2015

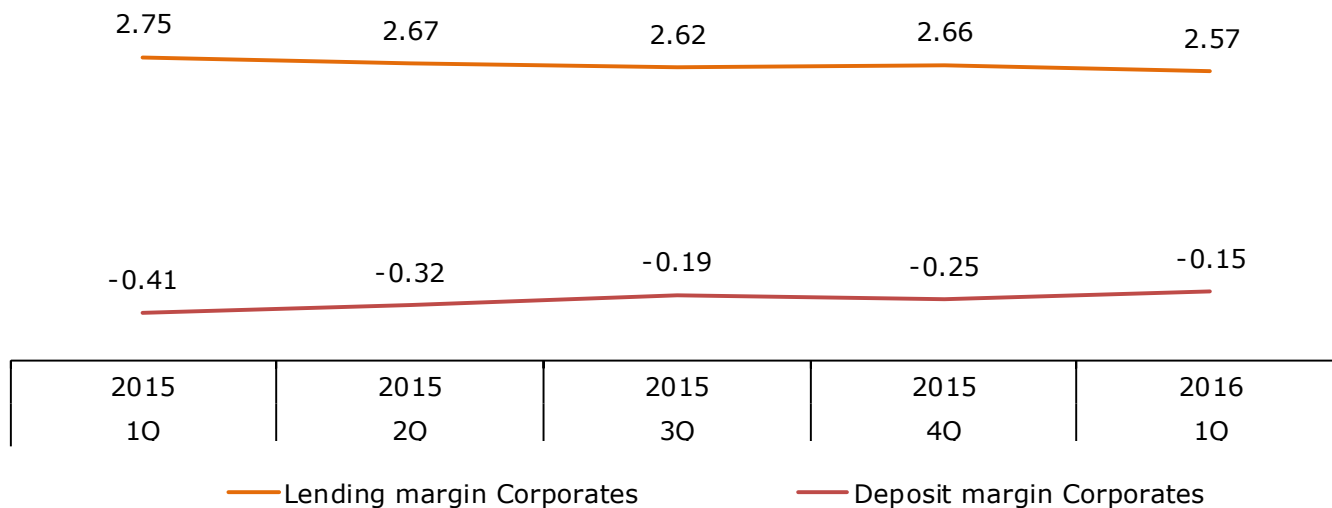
Post-tax return on equity (annualized)***

3.1 % 11.9 % 12.4 % 10.0 %

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

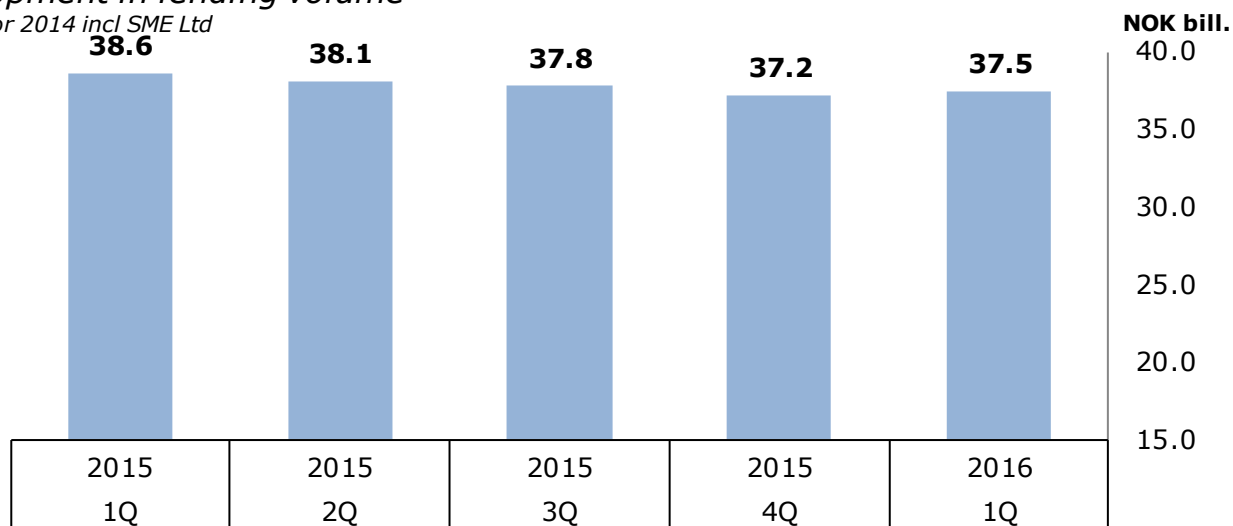
Development in margin

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



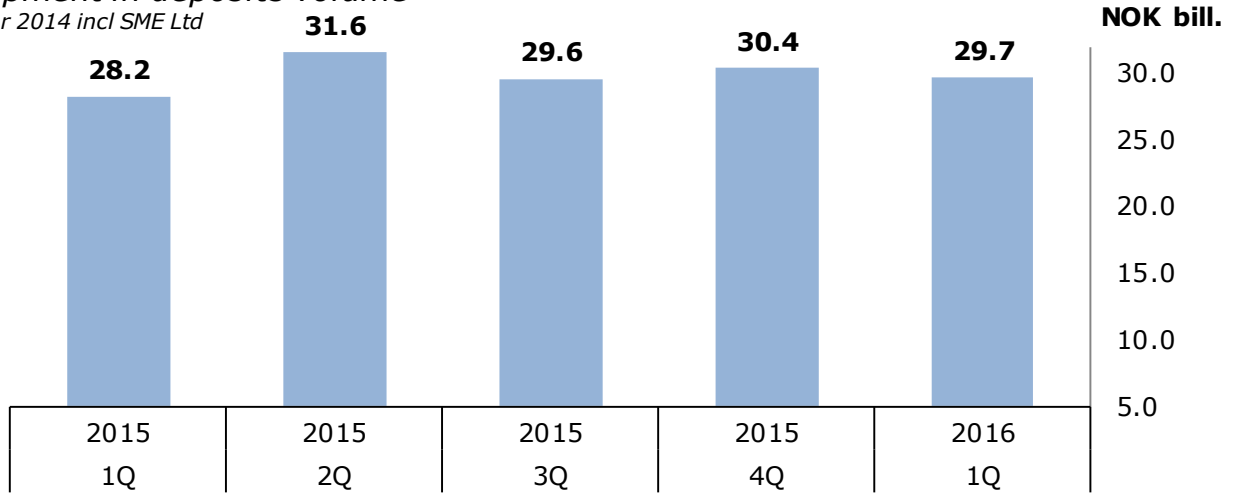
Development in lending volume

Figures for 2014 incl SME Ltd



Development in deposits volume

Figures for 2014 incl SME Ltd



7.4. Subsidiaries

EiendomsMegler 1 Midt-Norge AS

EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre og Romsdal. The company has 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).

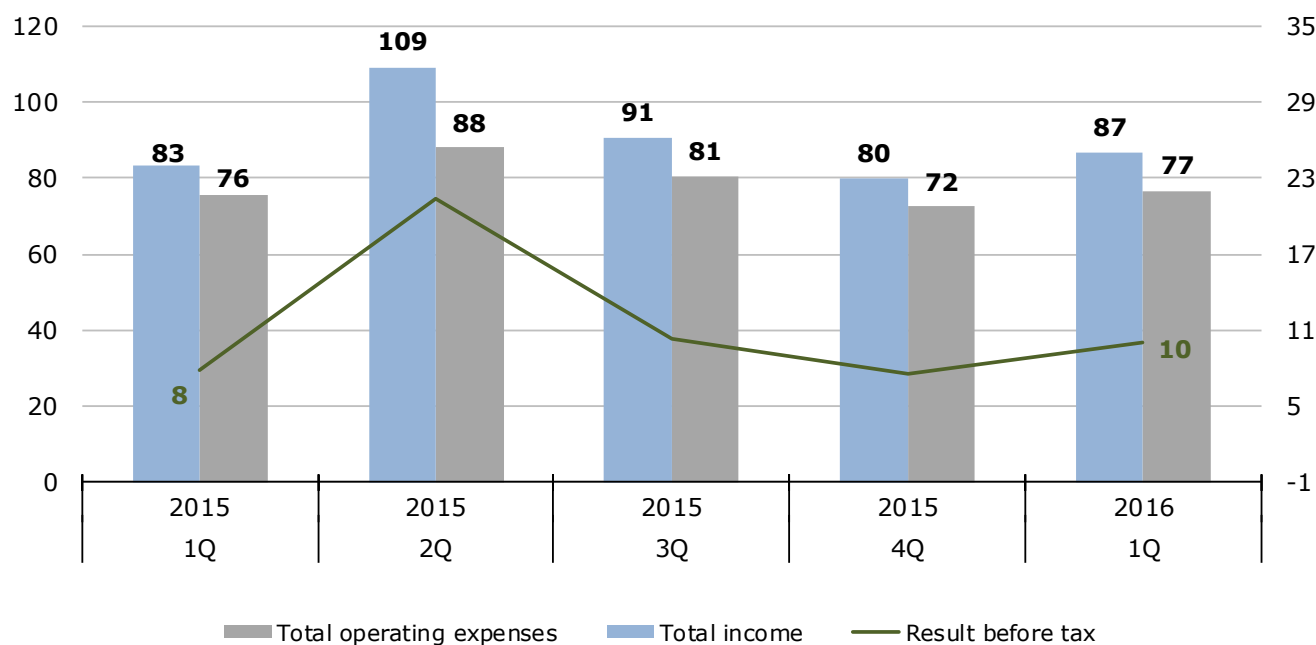
Business description EiendomsMegler 1 Midt-Norge AS

Financial performance

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Net interest	1	2	1	1	1	1	1	4	5
Commission income and other income	86	78	90	109	83	86	83	360	359
Total income	87	80	91	109	83	87	83	364	364
Total operating expenses	77	72	81	88	76	77	76	317	313
Result before tax	10	8	10	21	8	10	8	47	51

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

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



SpareBank 1 Finans Midt-Norge AS

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

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

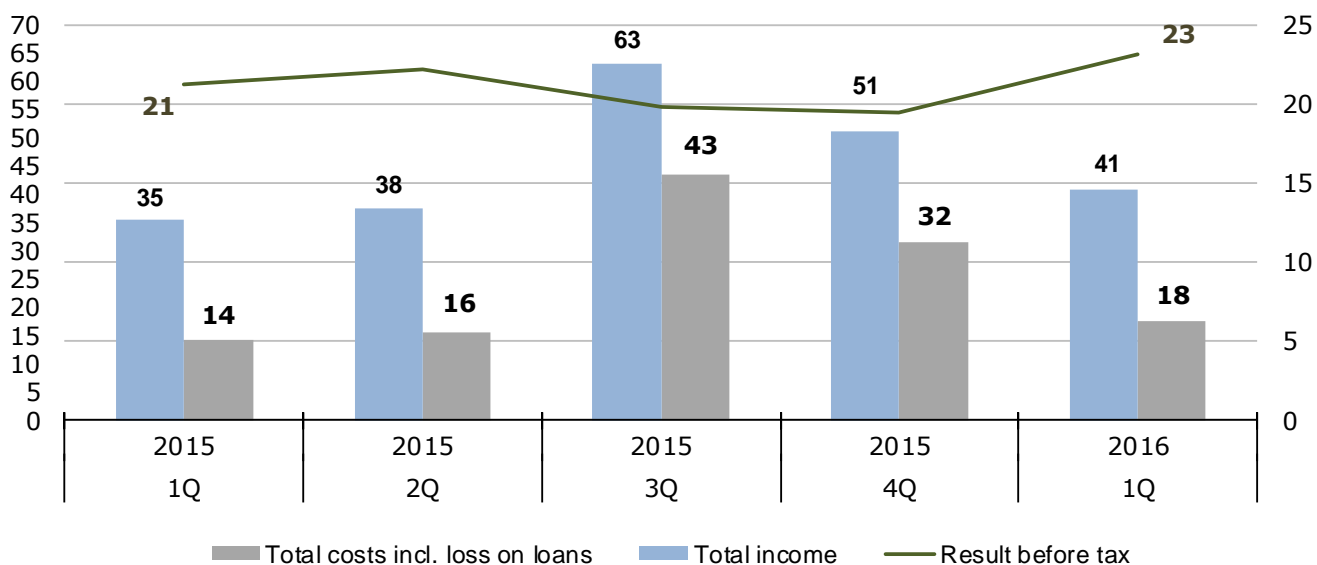
Business description SpareBank1 Finans Midt-Norge AS

Financial performance

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Total interest income	43	42	39	33	40	43	40	154	130
Commission income and other income	-2	9	24	5	-5	-2	-5	33	-4
Total income	41	51	63	38	35	41	35	187	126
Total operating expenses	15	29	41	14	13	15	13	97	50
Ordinary operating profit	26	23	22	23	23	26	23	91	75
Loss on loans, guarantees etc.	3	3	2	1	2	3	2	8	8
Total costs incl. loss on loans	18	32	43	16	14	18	14	105	58
Result before tax	23	19	20	22	21	23	21	83	68

Cost and income (NOK mill.)

Result before tax (NOK mill.)



SpareBank 1 Regnskapshuset SMN AS

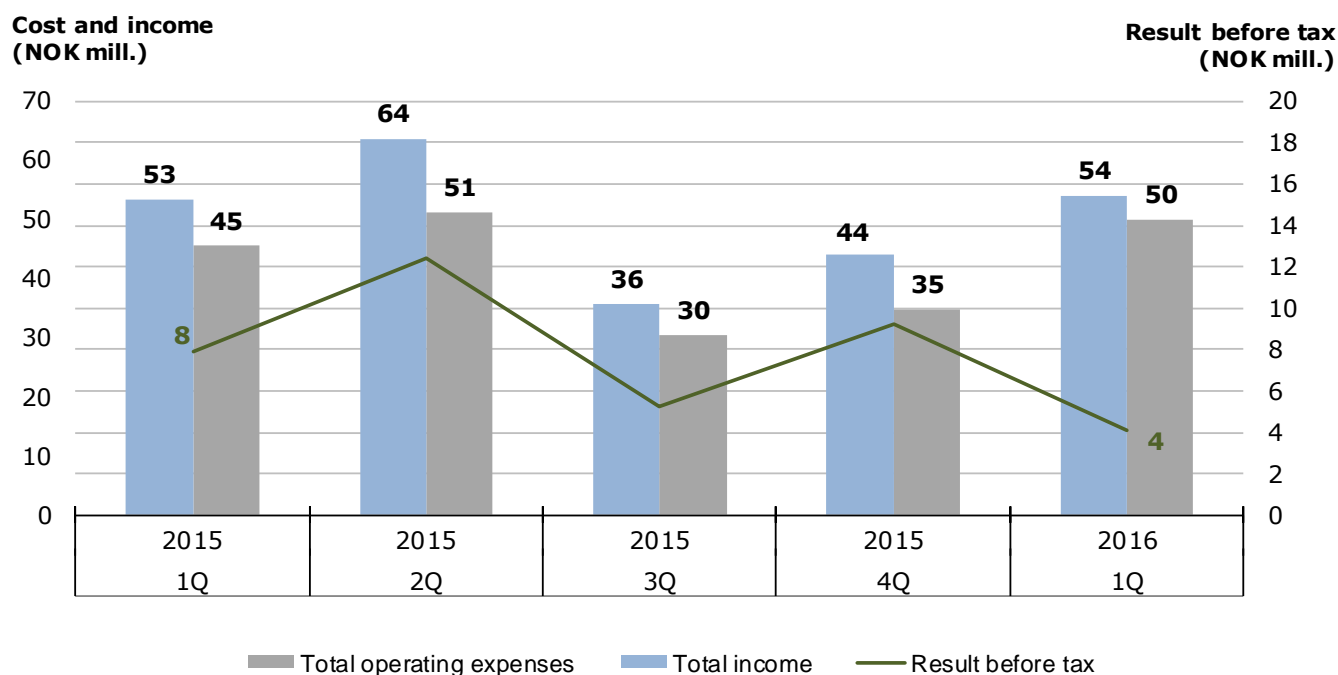
SpareBank 1 Regnskapshuset SMN is an accountancy business, which has also built up a dedicated advisory/ technical department, comprising experts in tax, accountancy and governance. In collaboration with other SpareBank 1 banks, SpareBank 1 Regnskapshuset SMN has launched a nationwide drive in the accounting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

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

Business description Regnskapshuset SMN AS

Financial performance

(in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar.		2015	2014
						2016	2015		
Total interest income	-0	-	-0	-0	0	-0	0	-0	6
Commission income and other income	54	44	36	64	53	54	53	197	182
Total income	54	44	36	64	53	54	53	197	188
Total operating expenses	50	35	30	51	45	50	45	162	148
Result before tax	4	9	5	12	8	4	8	35	40



SpareBank 1 Markets

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

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

The table below shows the pro forma accounts for SpareBank 1 Markets, including numbers from SpareBank 1 SMN Markets. The numbers for 4Q, 3Q and 2Q 2015 show the financial performance of the restructured company, while the numbers referring to 31 December 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> (in NOK million)	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	31 Mar. 2016 2015		SMN Markets 1Q 2015	31 Mar.2015 proforma
Equities / High Yield	23	21	13	17	18	23	18	2	20
Fixed Income	2	-0	-23	-3	2	2	2	-	2
Corporate	32	8	10	8	9	32	9	-	9
Foreign exchange/interest rate derivatives	10	19	5	27	-	10	-	29	29
Other commission income	2	1	2	2	-	2	-	1	1
Total income	67	49	6	49	28	67	28	32	60
Total operating expenses	63	70	59	59	46	63	46	10	57
Results	5	-21	-53	-10	-18	5	-18	21	4
Loss on loans, guarantees etc.	2	-	-	-	-	2	-	-	-
Results before tax	3	-21	-53	-10	-18	3	-18	21	4

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

SpareBank 1 SMN Markets

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

Other subsidiaries

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

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

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

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

8. Development last ten years

Financial results

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

Balance sheet*

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

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

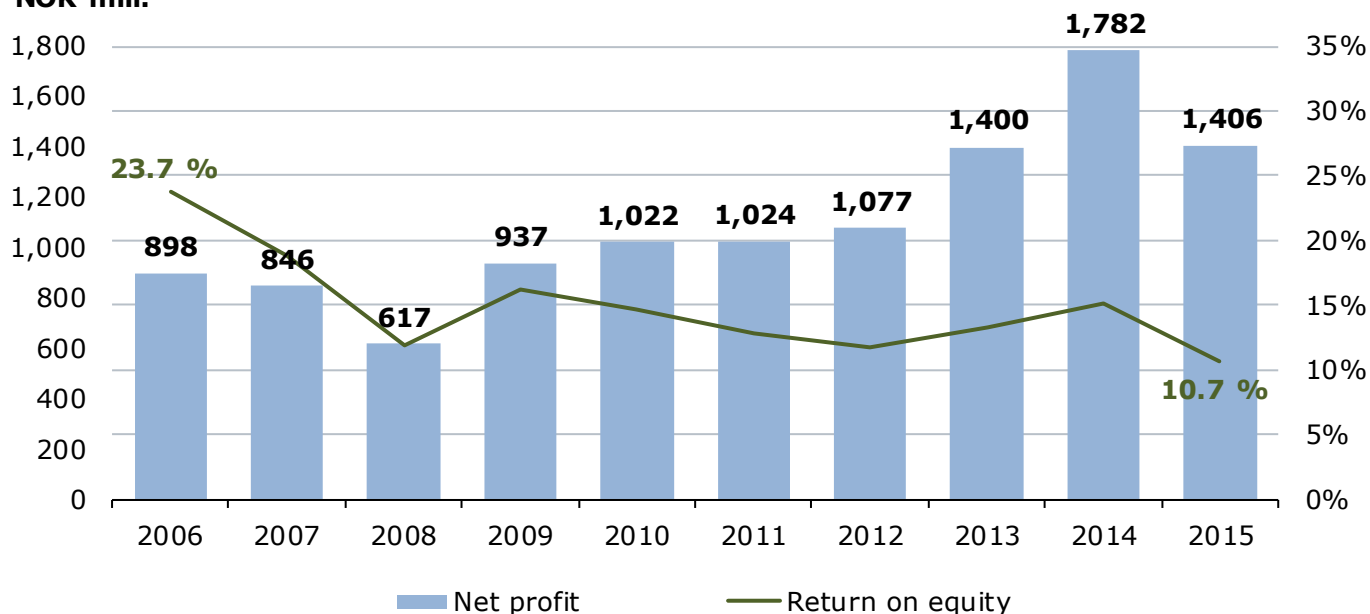
Key figures

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

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

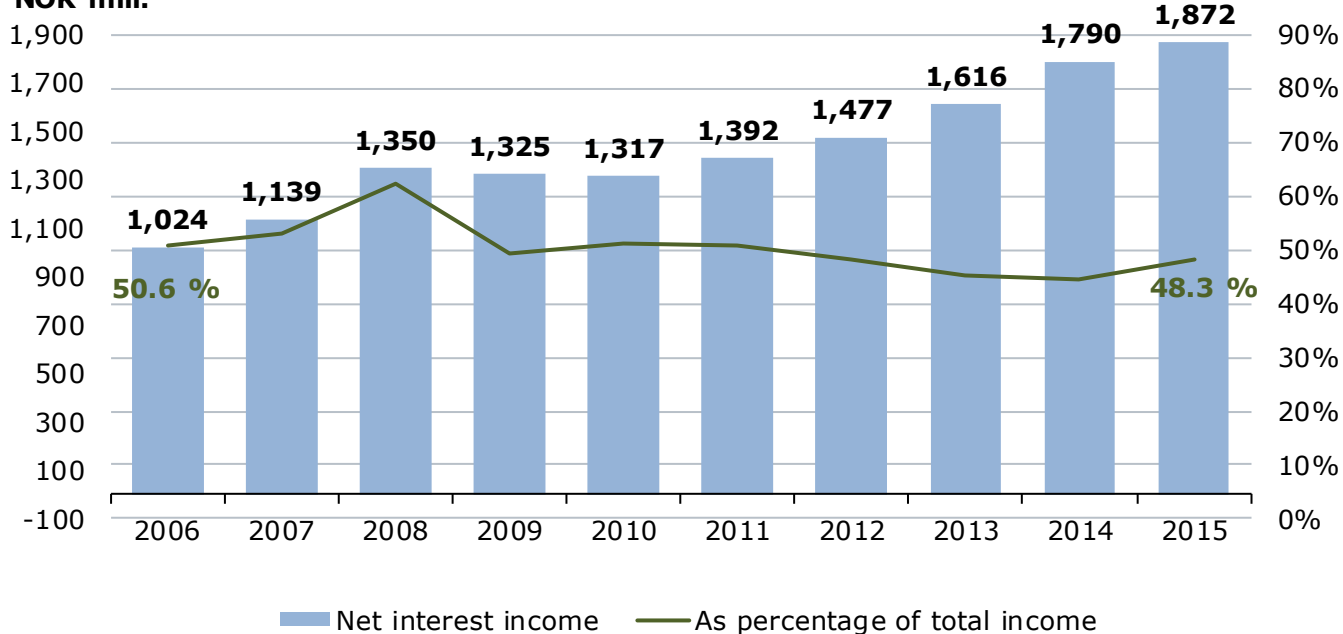
Net profit and return on equity

NOK mill.

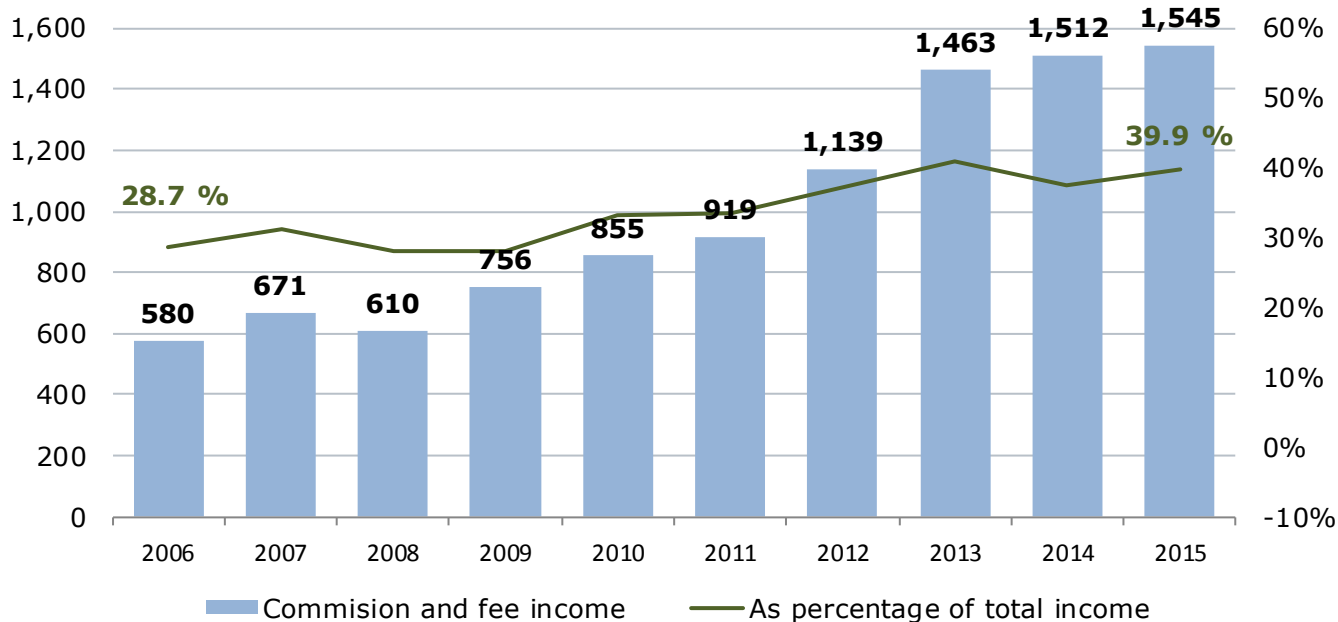


Development in net interest income

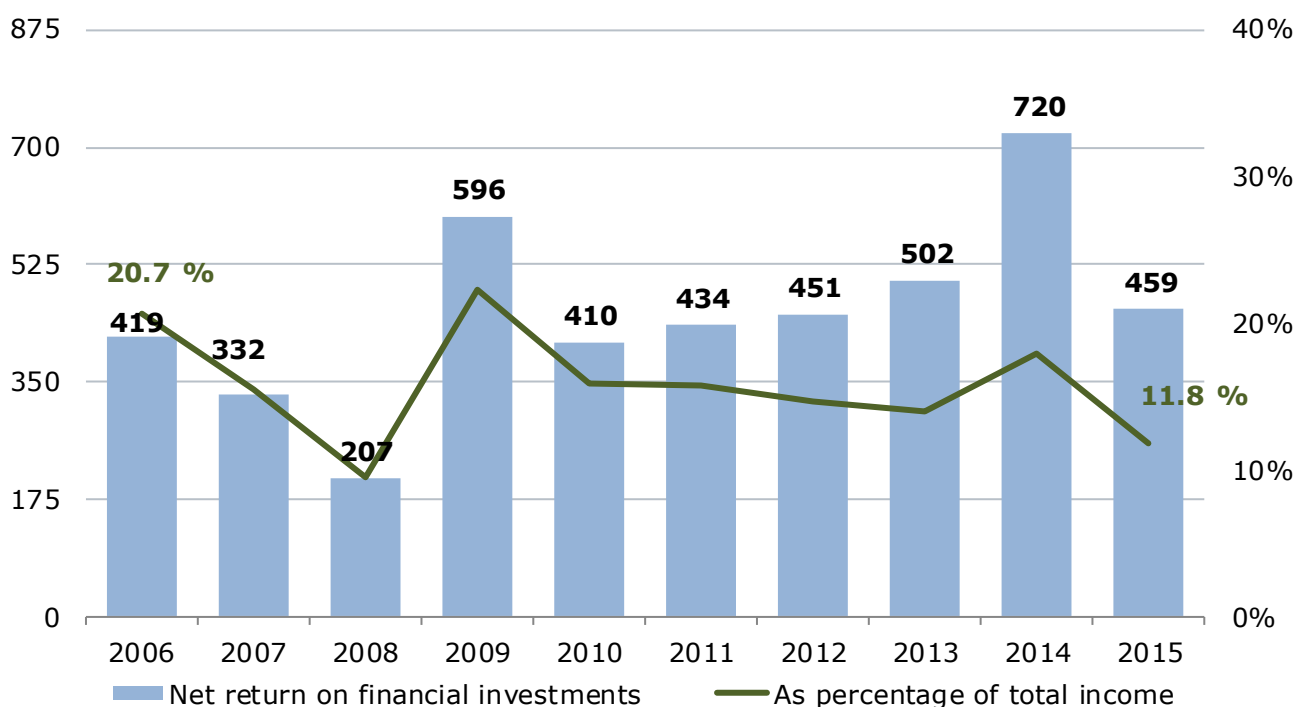
NOK mill.



Development in commission income and other income

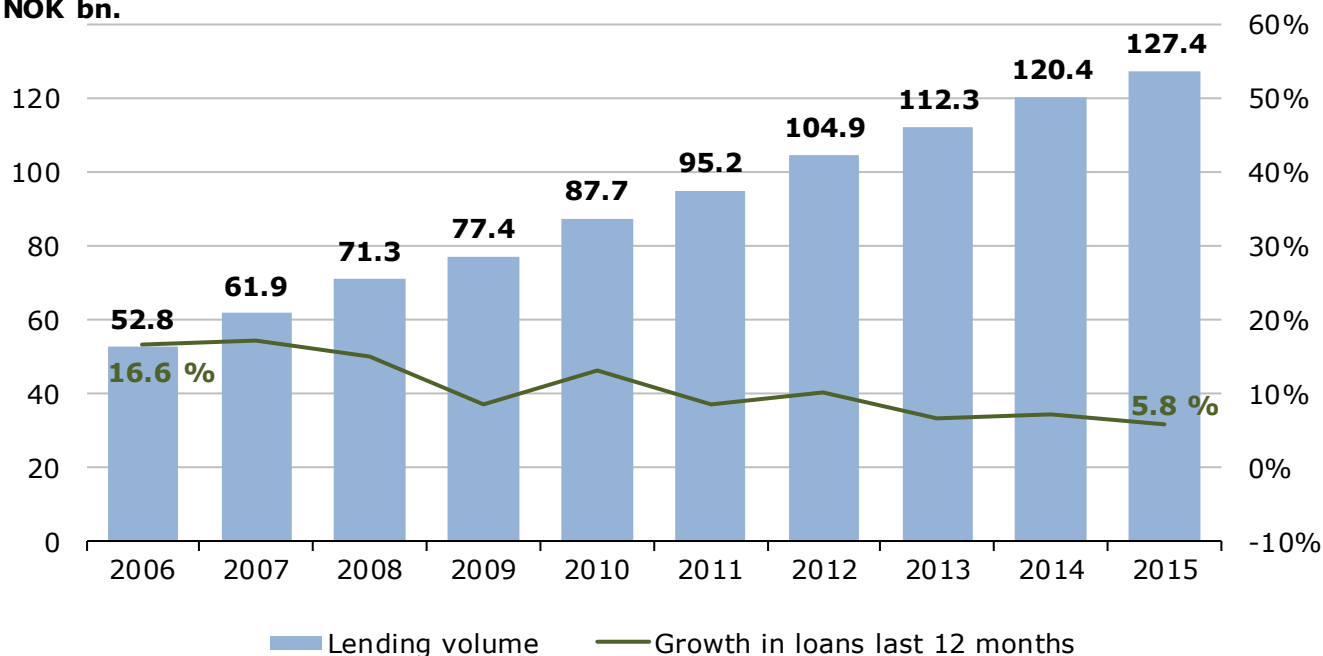


Development in net return on financial investments



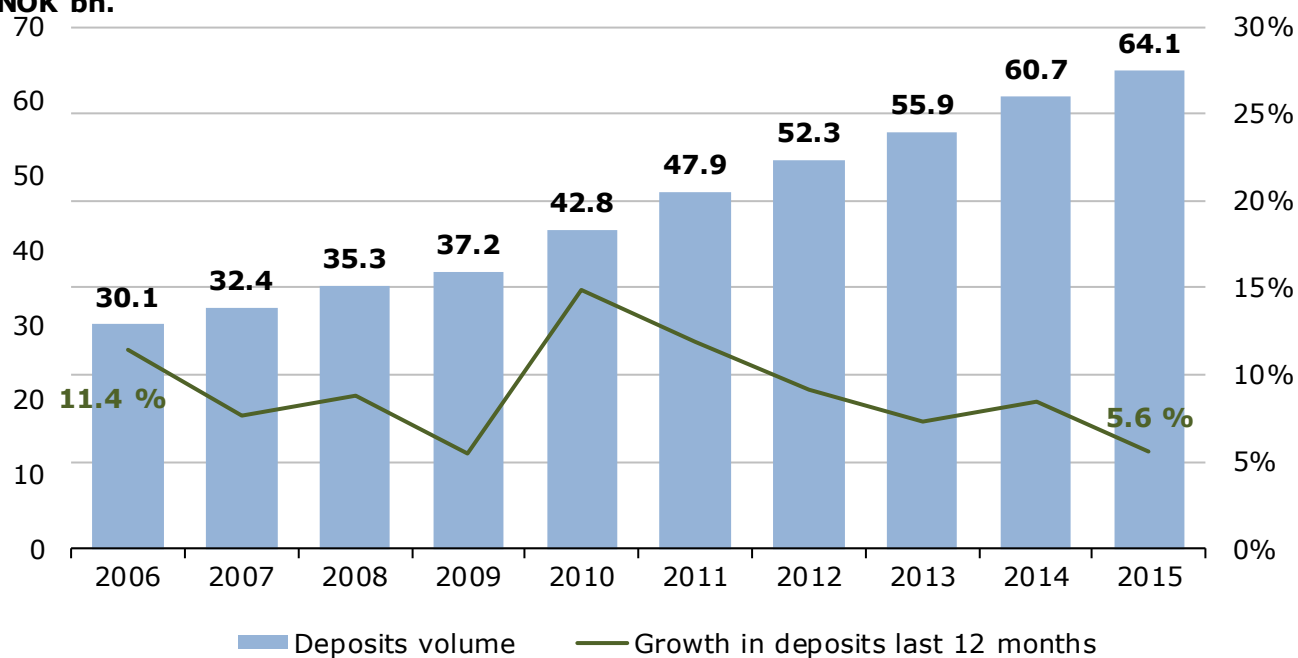
Volume development, Lending*

NOK bn.



Volume development, Deposits*

NOK bn.

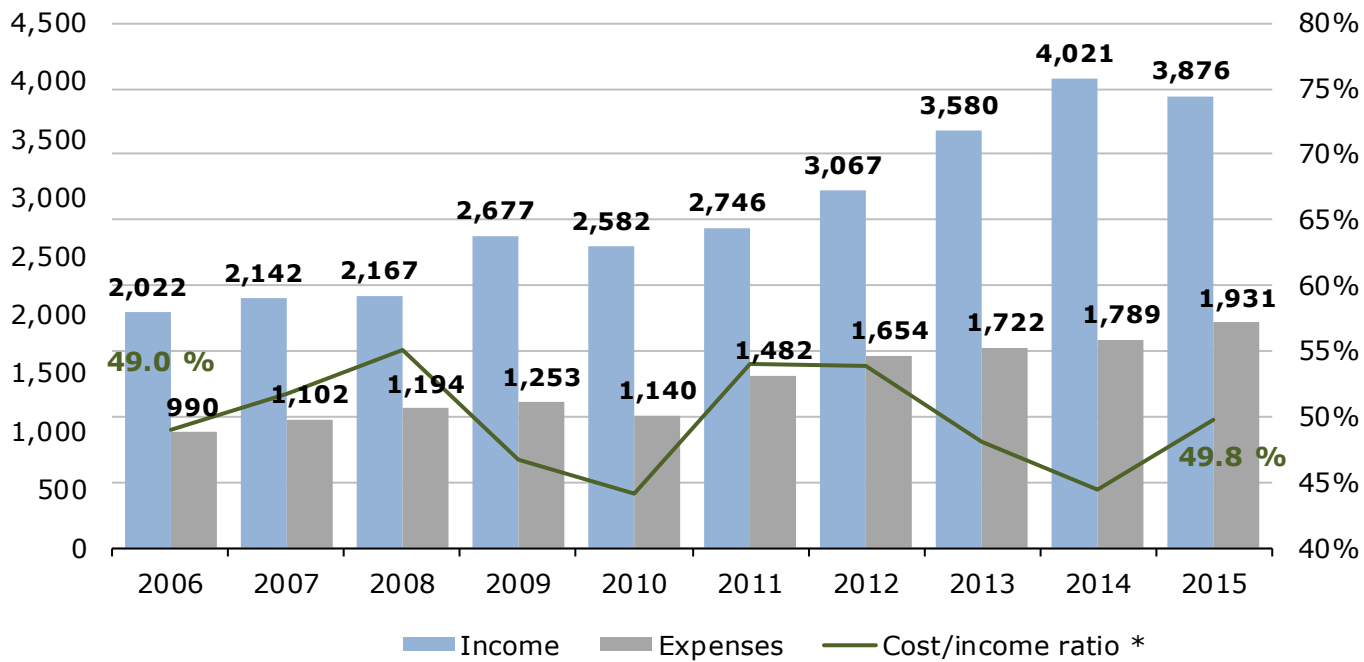


The strong growth in lending and deposits in 2005 is related to the acquisition of 100 per cent of Romsdals Fellesbank

*)

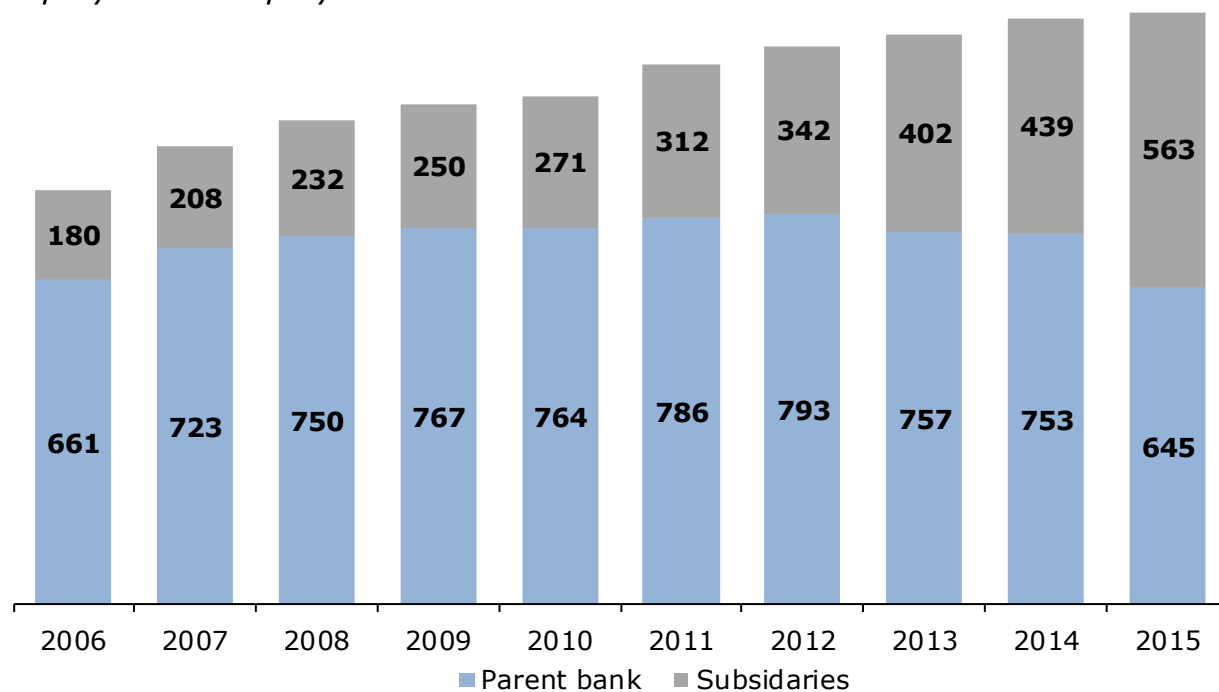
Cost/income ratio

NOK mill.

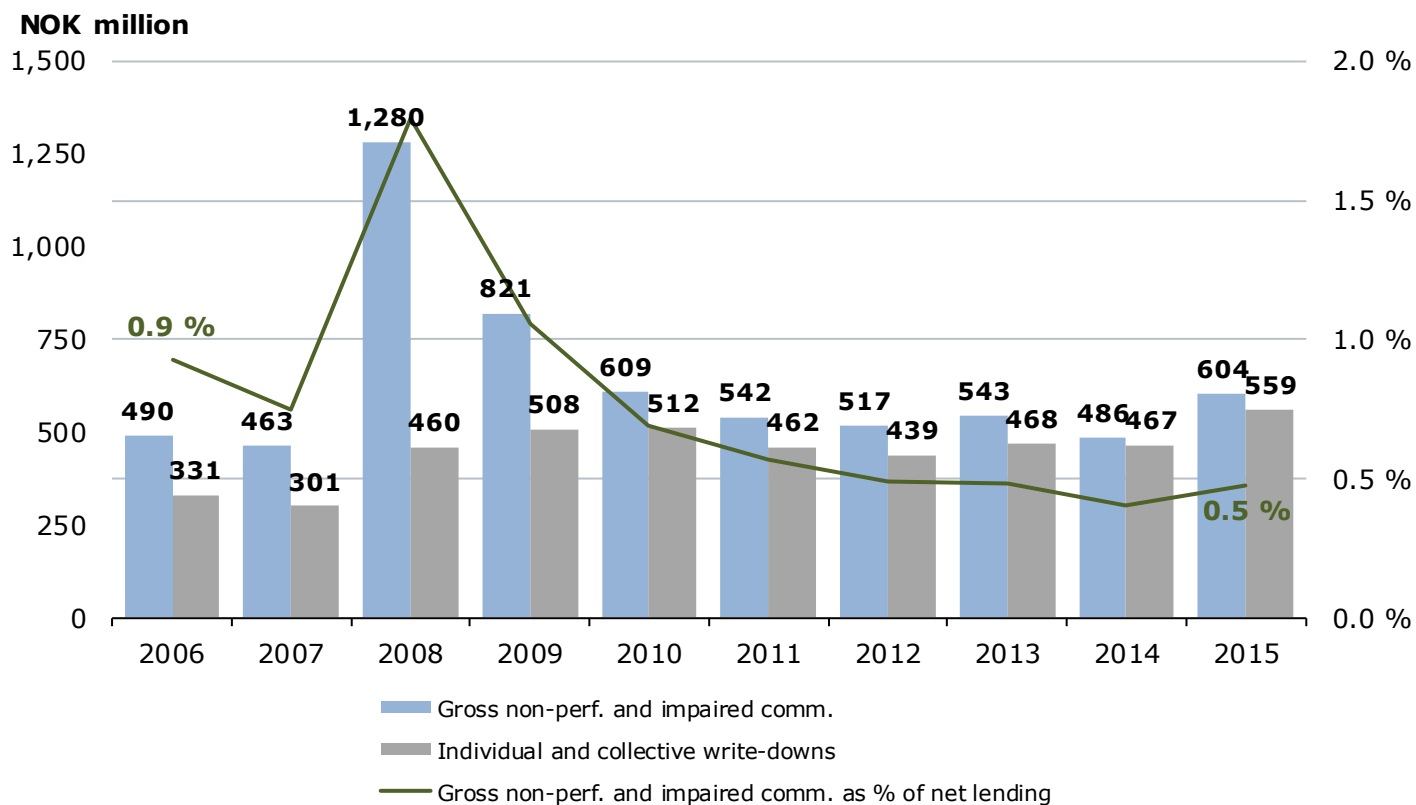


* Total operating expenses as a percentage of total operating income

Employees in employment



Net non-performing and impaired commitments



Capital Adequacy

