

Preliminary figures Q4 2011

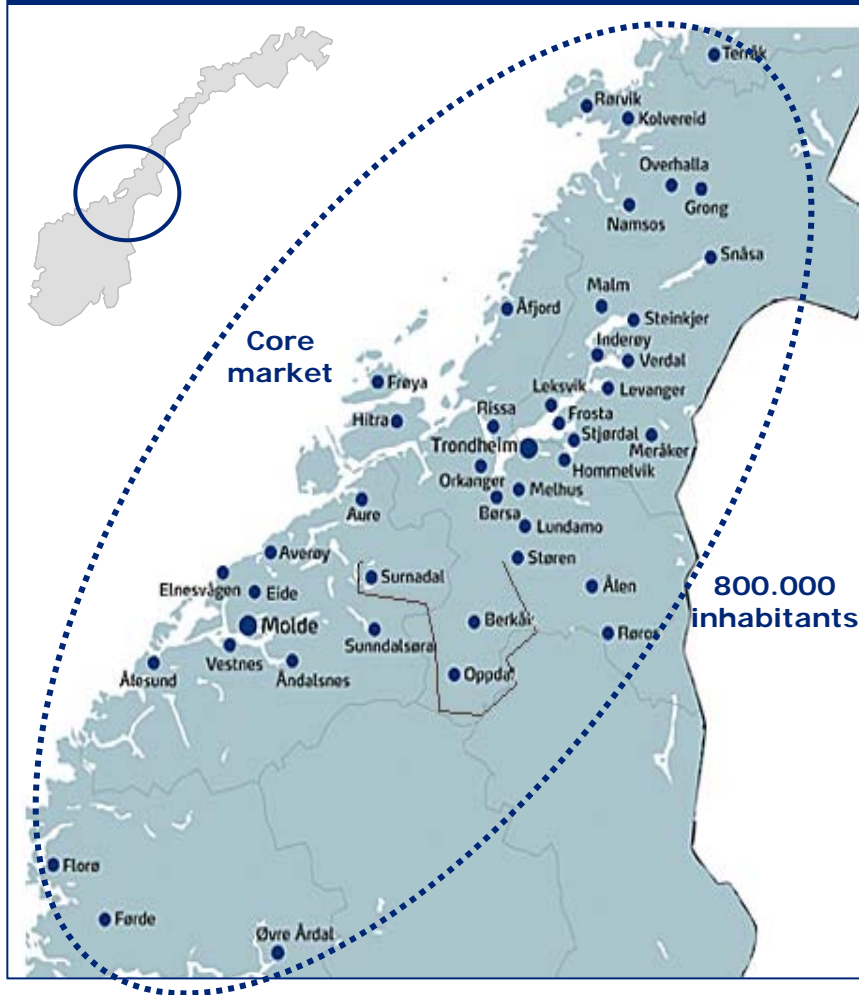
# Summary

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- Good result in a demanding market. Return on equity 12.8 %
- Guaranteed rights issue of up to NOK 750 million, an employee offering of up to NOK 60 million and a private placement, primarily towards Sparebankstiftelsen SpareBank 1 SMN of NOK 200 million. Given full subscription, the bank's tier 1 ratio will be 11.6 %, of which the common equity Tier 1 capital will be 10.1 % after the completion of all offerings
- Market position further strengthened both in the Retail and Corporate market
- Strong income growth strengthens the Bank's funding
- Lending margins under pressure from higher funding costs. Interest rate increase carried out from mid-November
- High activity in the bank and in estate agency and accountancy services brings a rise in costs
- Positive trend in losses and defaults, reflecting both the region's economy and the Bank's portfolio quality

# Introduction to SpareBank 1 SMN

## Core market



## Overview

- Independent savings bank
- Head office in Trondheim
- 54 branches in Nord- and Sør-Trøndelag, Møre and Romsdal and Sogn and Fjordane
- NOK 101 bn in total assets and 200,000 customers
- Participant in the SpareBank 1 Alliance (second largest banking group in Norway) and 19.5 % ownership in the SpareBank 1 Group AS

## History

- Established in 1823
- Listed on the Oslo Stock Exchange since 1994
- Expansion to the Møre and Romsdal county in 2004 through takeover of Romsdals Fellesbank
- Expansion to Ålesund in 2009 through acquisition of BN Bank's Ålesund operation
- Expansion to Sogn and Fjordane in 2009

# Diversified business structure in the region

**Construction**



**Marine construction**



**Retail**



**Agricultural**



**Fisheries**



**Over 50.000 Students**



**Offshore services**



**Salmon farming**



**Technology**



# Excellent Customer Experience, a companywide strategic focus

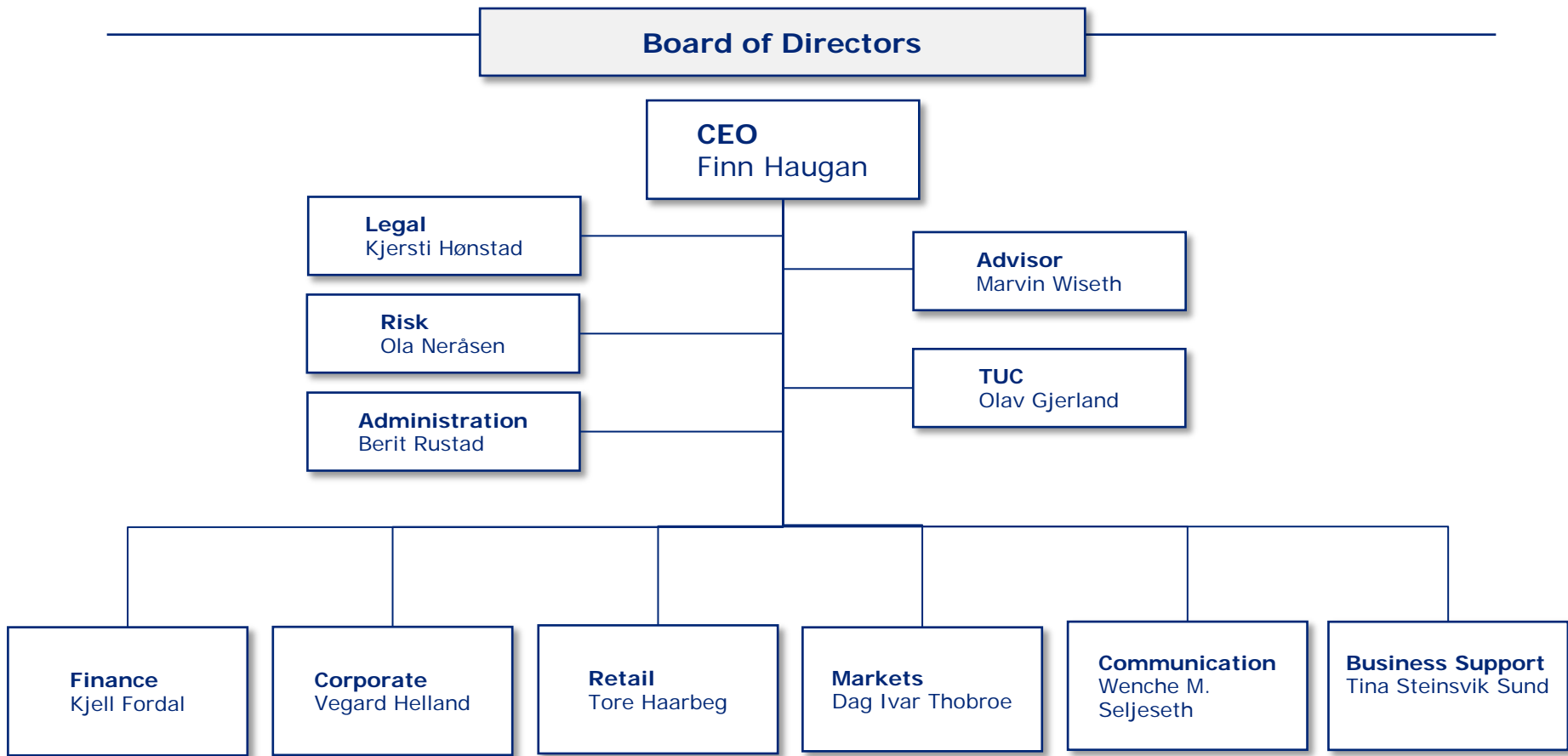
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- SpareBank 1 SMN has 200,000 retail customers and 15,000 SME's, which give potential for growth in both the number of products and the depth of products sold. With a market share of 1 of 3 there is still potential among the 2 of 3 that are not customers
- We aim to deliver customer experience at a level that increases the number of satisfied customers and makes the customer an ambassador for the bank
- Grow market share and expand share of wallet through increased product coverage and optimal product mix

# SpareBank 1 SMN's organisation

organisational set-up ensures a customer-focused and cost-effective business



Creates basis for decision making, risk management, financial and funding

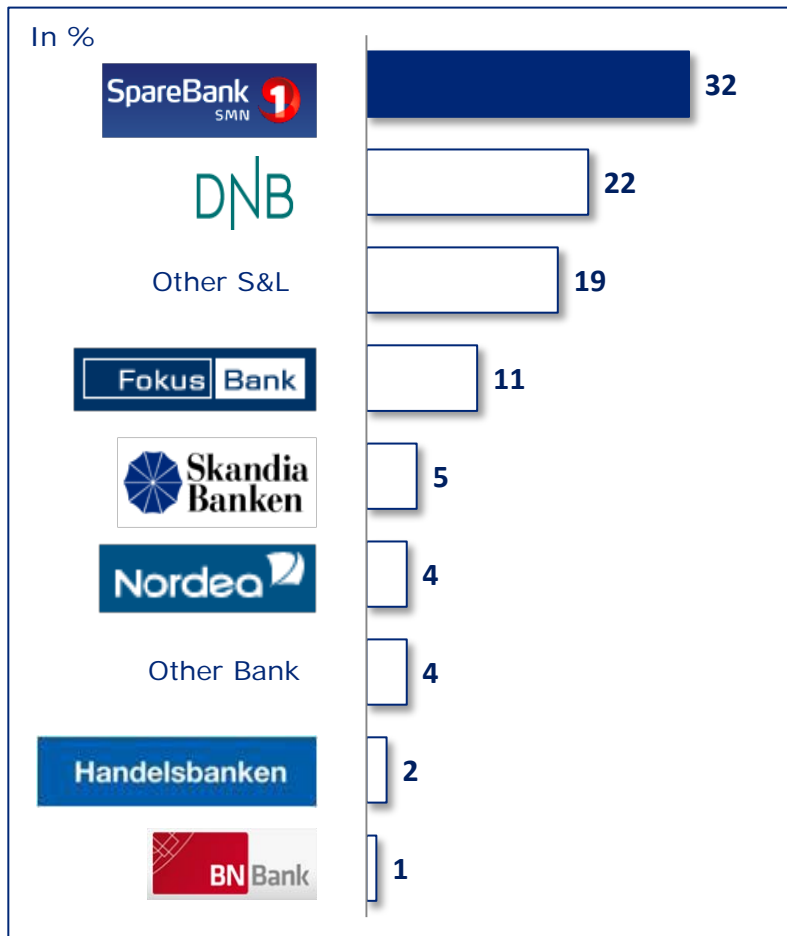
Focus on customer satisfaction, risk management and activity-based sales and advice

Focus on cost-effective work processes and support for customer-facing operations

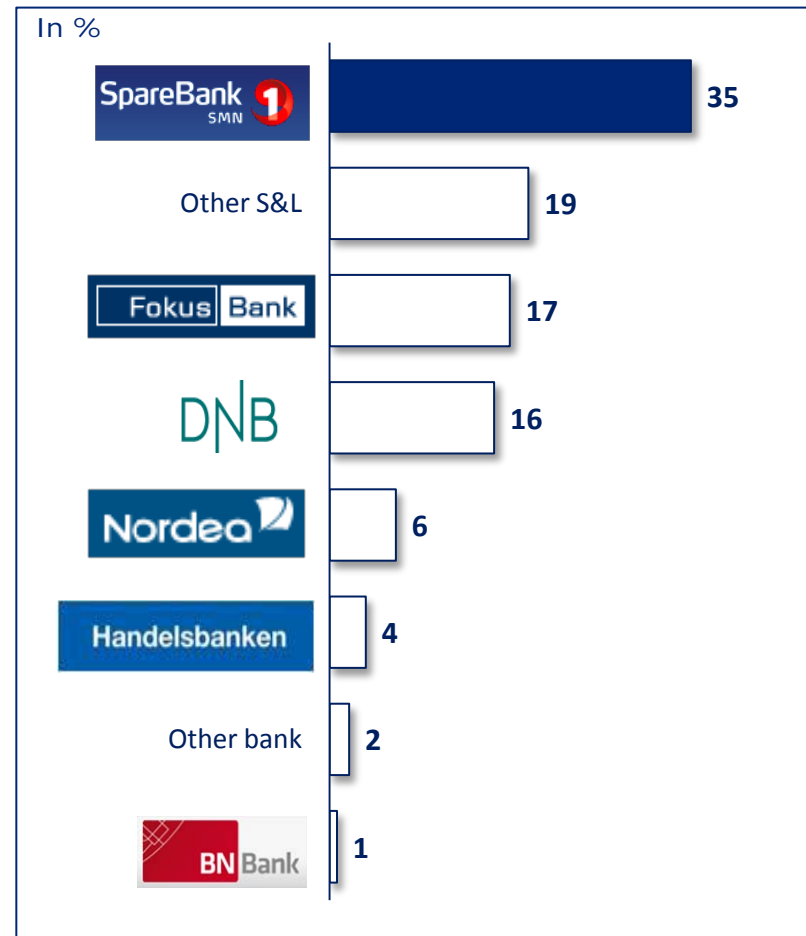


# Market position: Strong market share Retail market in Mid Norway 1 of 3 persons and 1 of 3 SMEs

## Strong market share – retail



## ..and in the SME market

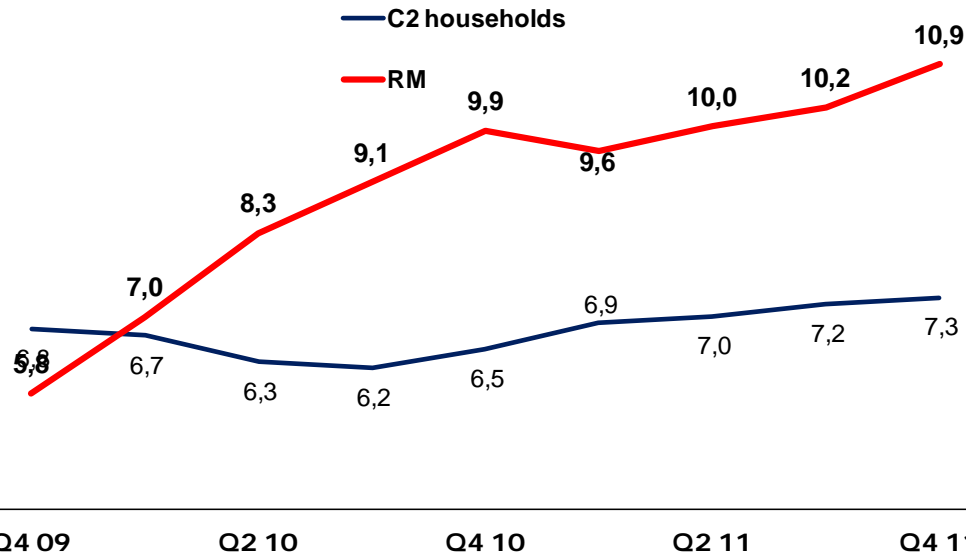


# Increasing lending to the Retail Market

Also when compared with total credit growth to households

## 12 months lending growth RM 4Q 09 – 4Q 11

Per cent



## Comments

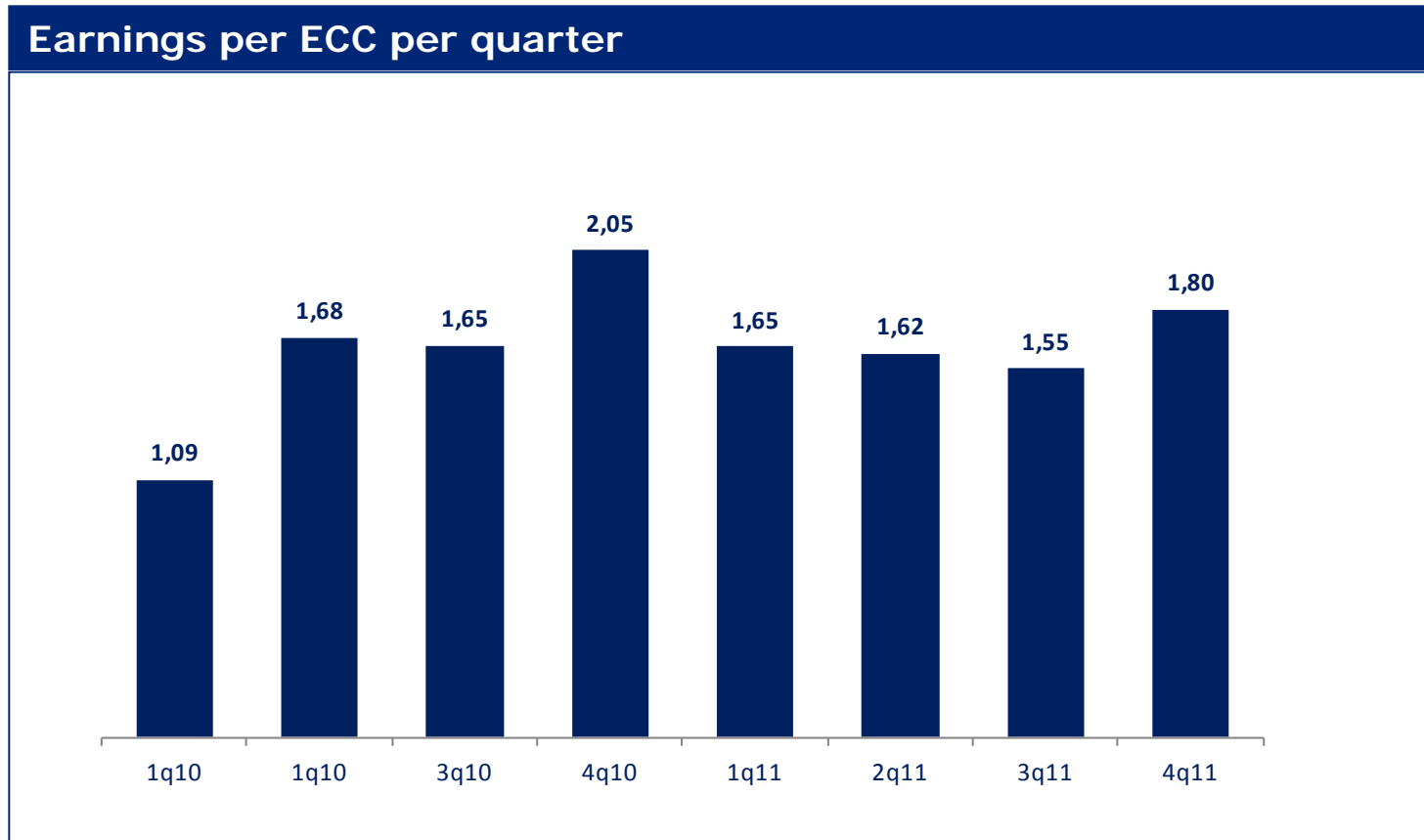
- Increased lending to mortgages
- The growth is higher than the total growth to the households, and SMN is taking market shares



## Positive development profits

Profit							
NOK mill.	31 Dec 2011	31 Dec 2010	4Q11	3Q11	2Q11	1Q11	4Q10
Net interest	1,281	1,210	316	320	318	327	293
Commission income and other income	919	855	232	234	232	221	222
<b>Operating income</b>	<b>2,201</b>	<b>2,065</b>	<b>548</b>	<b>554</b>	<b>550</b>	<b>548</b>	<b>515</b>
Total operating expenses	1,482	1,268	412	361	361	348	311
Write-back of early retirement liabilities (AFP)2010		-128					-11
<b>Pre-loss result of core business</b>	<b>718</b>	<b>925</b>	<b>136</b>	<b>193</b>	<b>189</b>	<b>200</b>	<b>215</b>
Losses on loans and guarantees	27	132	26	8	-1	-6	25
<b>Post-loss result of core business</b>	<b>691</b>	<b>792</b>	<b>110</b>	<b>185</b>	<b>190</b>	<b>207</b>	<b>190</b>
Income from investment in related companies	290	249	119	49	69	54	83
Securities, foreign currency and derivatives	298	240	104	73	56	65	115
<b>Result before tax</b>	<b>1,279</b>	<b>1,282</b>	<b>333</b>	<b>306</b>	<b>315</b>	<b>325</b>	<b>388</b>
<b>Return on equity</b>	<b>12.8 %</b>	<b>14.6 %</b>	<b>13.6 %</b>	<b>12.0 %</b>	<b>12.9 %</b>	<b>13.2 %</b>	<b>16.6 %</b>

## Earnings per ECC last two years (adjusted for stock issue)



# Proposed cash dividend NOK 2.00 per EC, earnings per EC NOK 6.61

Difference between Group - Parent Bank	2011	2010
<b>Profit for the year, Group</b>	<b>1.024</b>	<b>1.022</b>
Profit, subsidiaries	-144	-42
Dividend, subsidiaries	68	108
Profit, associated companies	-290	-249
Dividend, associated companies	162	44
<b>Profit for the year, Parent bank</b>	<b>820</b>	<b>883</b>

Distribution of profit	2011	2010
Profit for the year, Parent bank	820	882
Transferred to/from revaluation reserve	-25	65
<b>Profit for distribution</b>	<b>795</b>	<b>947</b>
Dividends	190	285
Equalisation fund	297	281
Saving Bank's fund	268	189
Gifts	40	192
<b>Total distributed</b>	<b>795</b>	<b>947</b>

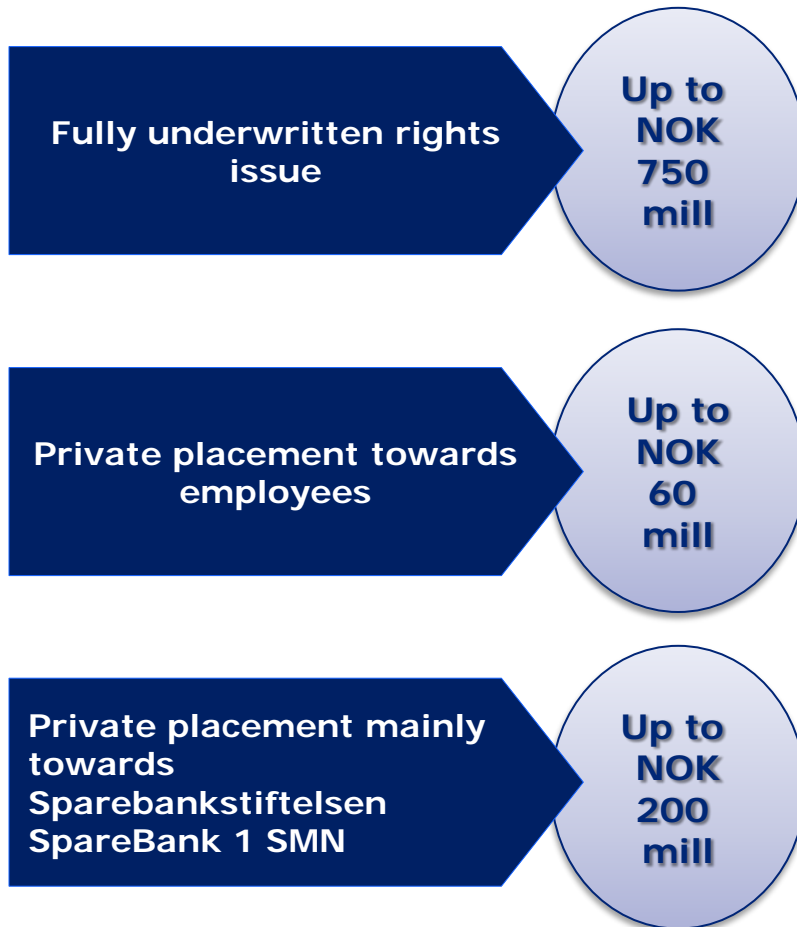
## Vedrørende utbytte:

- Distribution of the profit for the year is done on the basis of the Parent Bank's accounts. The Parent Bank's profit includes dividends from subsidiaries, affiliates and joint ventures.
- The Board of Directors recommends to set a cash dividend of NOK 2.00 per equity capital certificate, altogether totalling NOK 190m. This gives a payout ratio of 40%.
- The Board of Directors recommends further to allocate NOK 40m as gifts to non-profit causes, representing a payout ratio of 13 %
- In light of new regulatory capital requirements and the expectation of more demanding market conditions, the Board of Directors has this year chosen to recommend lower payout ratios than in previous years

# Fully underwritten rights issue and private placements

Total proceeds of up to NOK 1,010 million

Planned transaction structure:



- The objective of the planned capital increase is to further strengthen the bank's Tier 1 capital and financial platform for profitable growth
- The rights issue is fully underwritten
- Assuming total proceeds of NOK 1,010, SpareBank 1 SMN's tier 1 capital post the capital increase will amount to 11.6 %, whilst core tier 1 capital will amount to 10.1 %

# Fully underwritten rights offering of up to NOK 750 mill

<b>Transaction structure</b>	<ul style="list-style-type: none"> <li>• Rights offering of up to NOK 750 mill               <ul style="list-style-type: none"> <li>– Preferential rights for existing equity certificate owners</li> <li>– [•] new equity certificates</li> </ul> </li> </ul>
<b>Subscription rights</b>	<ul style="list-style-type: none"> <li>• 1 equity certificate held at [6<sup>th</sup> of March] gives right to [•] subscription rights               <ul style="list-style-type: none"> <li>– Subscription rights listed on Oslo Børs until end of trading 23 March 2012</li> </ul> </li> <li>• 1 subscription right entitles subscription and allocation of 1 new equity certificate               <ul style="list-style-type: none"> <li>– Oversubscription and subscription without subscription rights are allowed</li> </ul> </li> </ul>
<b>Subscription price</b>	<ul style="list-style-type: none"> <li>• NOK [•] per equity capital certificate</li> </ul>
<b>Subscription period</b>	<ul style="list-style-type: none"> <li>• 12 March – 23 March 2012 17:30 CET</li> </ul>
<b>Syndicate and arrangers</b>	<ul style="list-style-type: none"> <li>• Rights offering fully underwritten by:               <ul style="list-style-type: none"> <li>• SpareBank 1 Markets, SpareBank 1 SMN Markets, Swedbank First Securities, SpareBank 1 Alliance banks and other private investors</li> </ul> </li> <li>• Global Coordinator and Bookrunner: SpareBank 1 Markets</li> <li>• Joint Lead Manager: Swedbank First Securities and SpareBank 1 SMN Markets</li> </ul>

## Indicative timeline for the rights issue

Date(s)	Event
6 March	Terms of the rights offering announced (subscription price and ratio)
6 March	Supervisory Board meeting
7 March	Equity certificate trading exclusive right to participate in the rights offering
12 March – 23 March	Subscription period Trading of subscription rights on Oslo Børs
29 March	Allocation letters distributed to subscribers
On or about 3 April	Payment for new equity certificates allocated
On or about 11 April	New equity certificates listed

## The private placements

### Summary of the transaction details

#### Private placement of up to NOK 60 million towards employees and board of directors

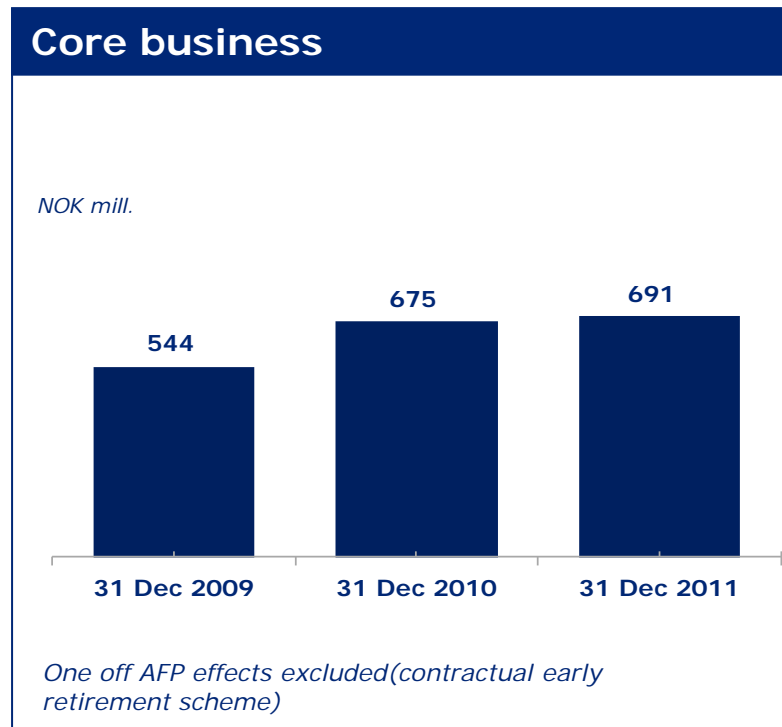
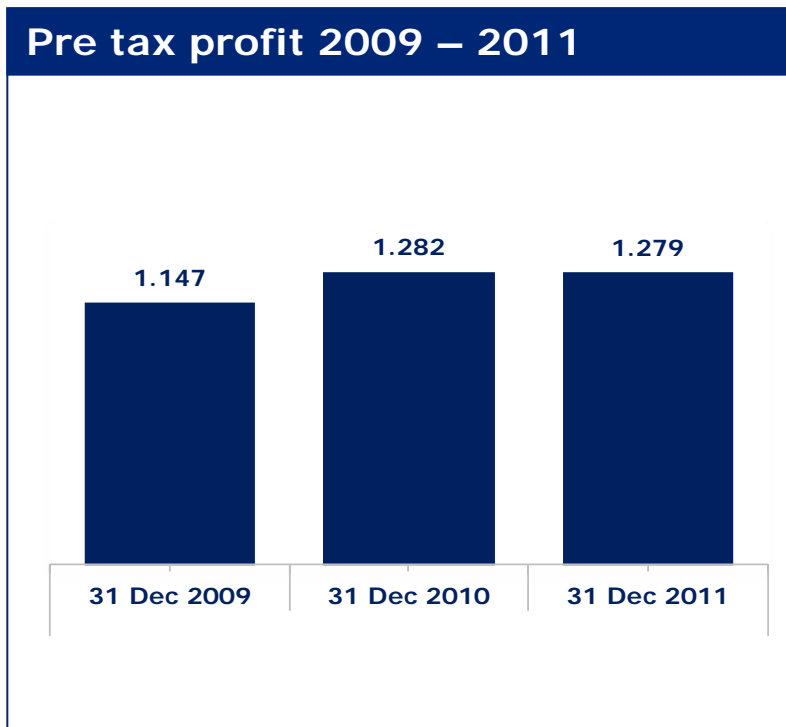
- The option of subscribing up to 3,000 equity certificates per employee with a 1 year lock-up period
- Subscription price equal to the subscription price in the rights issue
- Subscription period: 12 March - 23 March

#### Private placement of up to NOK 200 million towards mainly the savings bank foundation

- Sparebankstiftelsen SpareBank 1 SMN, the savings bank foundation, was founded in May 2011
- The principal purpose of the foundation is to exercise long-term stable ownership of SpareBank 1 SMN, including participation in future new issues by the bank
- The savings bank foundation is capitalised to approximately NOK 200 million, after allocations of NOK 96 million for 2010, in addition to the Supervisory Board's proposed reallocation of NOK 110 million of earlier provisions for gifts for non-profit causes
- The private placement will be at market terms after the completion of the rights issue



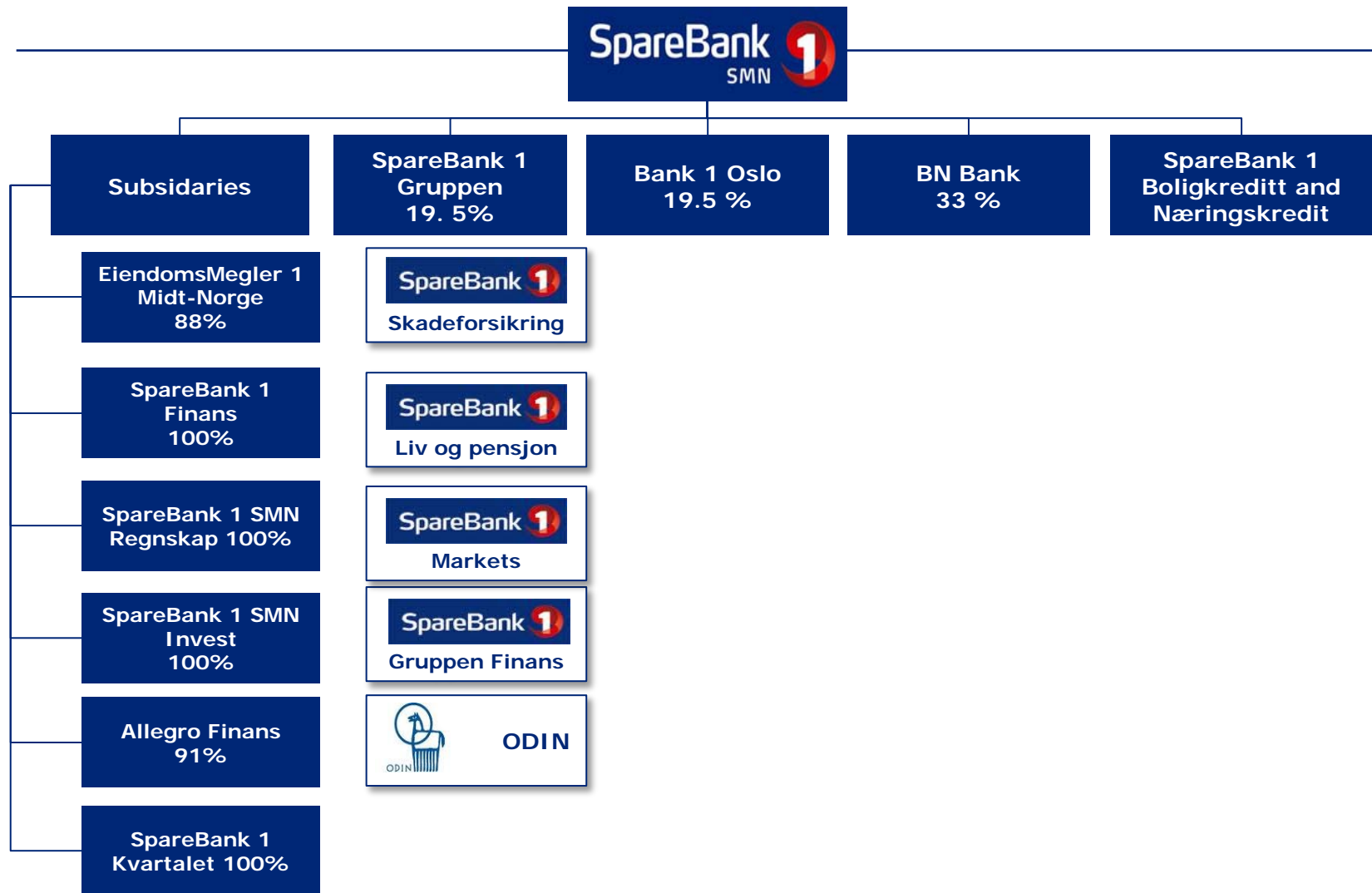
## Positive profit trend, both overall and in core business



- Positive profit performance
- Increased operating income and reduced losses
- Return on equity 12.8 % on a high equity base

# SpareBank 1 SMN's structure

## Overview of the bank's activities



## Good results for subsidiaries

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### Eiendoms- Megler 1 MN

- Most profitable real estate agency in Norway
- Strong pre-tax profit of NOK 76m (NOK 51m)
- 40% markets share in its market area

### SpareBank 1 SMN Finans

- Pre-tax profit: NOK 26m (35m)
- Total portfolio NOK 2.9bn; leasing accounts for NOK 1.9bn

### SpareBank 1 SMN Regnskap

- Pre-tax profit: NOK 5m (10m *write back pension liabilities 2010*).
- Raise in income and good influx of new customers
- Structural steps taken in the accountancy industry, in 2011 seven accountancy firms in Trøndelag acquired

### Allegro Finans

- Pre-tax profit of NOK -5m (- 1m)
- NOK 2bn under management

# Profitable and solid

Tier 1 capital adequacy minimum 11 %, total capital adequacy minimum 12%

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	Target	31.12.11	31.12.10
Return on equity*	15 %	12.8 %	14.6 %
Core capital ratio**	11 %	10.4 %	10.9 %
Capital ratio	12 %	12.0 %	13.0 %
Cost-income ratio	50 %	53 %	45 %

\* Return on equity among the three best performing comparable banks

\*\* Target raised from 9 % to 11 % in Q4-2011

# Outlook

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- Prospects for the international economy are demanding. The consequences for business in the Bank's market area have thus far been limited. This is reflected by low levels of defaults and losses in the Bank's portfolio.
- The Board of Directors is prepared possible changes in the situation. Unemployment is however low and there are few signs in the region's macroeconomy in isolation of any change in the risk picture for 2012.
- The bank's objective with the proposed capital increase is to further strengthen the bank's core capital and thus be positioned for capitalising on business opportunities. The bank is also very well funded.
- The Bank has a very strong market position. To reinforce this position the Board of Directors has resolved to launch a programme with the aim of further strengthening the Group's customer orientation.
- The Board of Directors is satisfied with the Group's profit for 2011. The Board considers that SpareBank 1 SMN has a sound basis for achieving a good profit performance in 2012 as previously.

# Financial information

Kjell Fordal, CFO

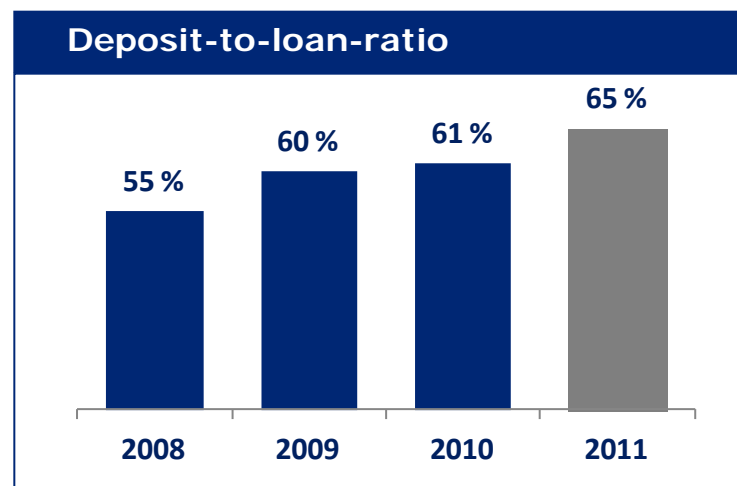
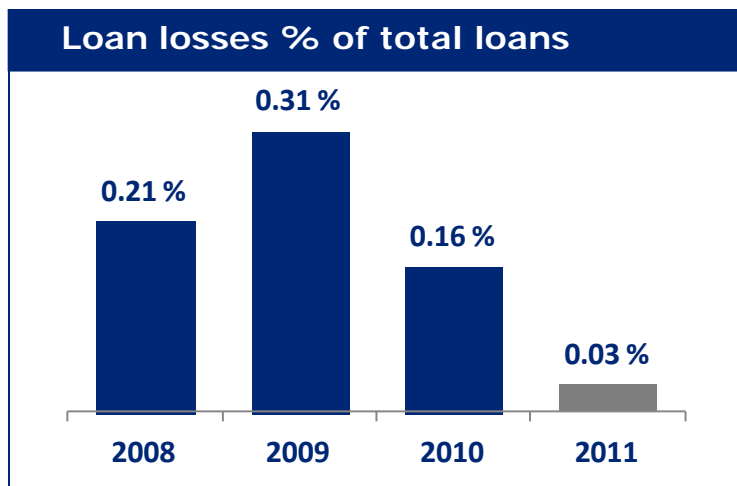
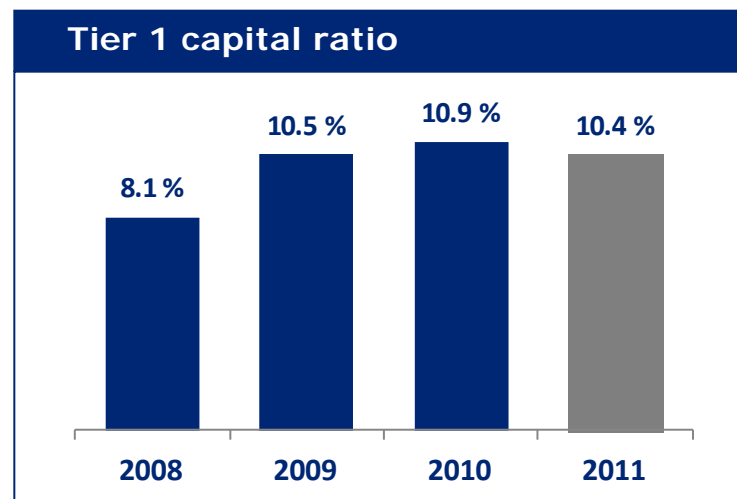
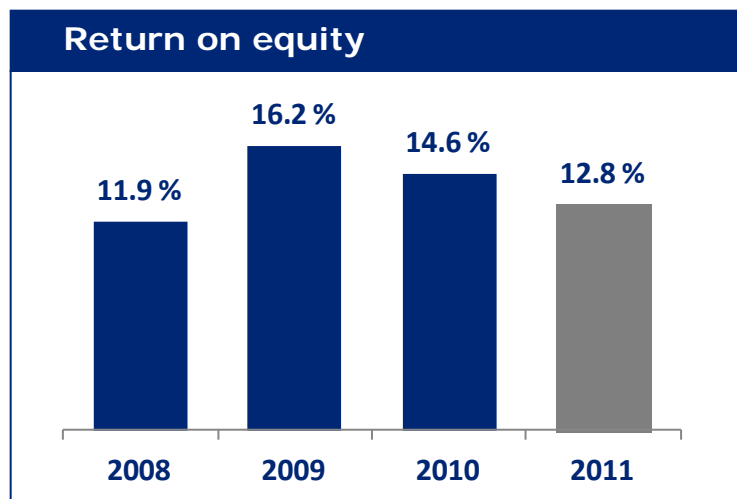
## Positive profit trend and sound underlying operations

- ➔ Profit before tax: NOK 1,279m (NOK 1,282m)
- ➔ Profit: NOK 1,024m (NOK 1,022m)
- ➔ Return on equity 12.8 % (14.6 %)
- ➔ Income growth in core operations to NOK 2,200m (NOK 2,065m)
- ➔ Profit from related companies NOK 290m (NOK 249m), return on financial investments NOK 297m (NOK 240m)
- ➔ Loan losses: NOK 27m (losses NOK 132m), 0,03 % of total loans (0.16 %). Defaults at a very low level
- ➔ Strong financial position with capital adequacy at 10.4% (10.9)
- ➔ Profit per ECC: NOK 6.61 (NOK 6.43)



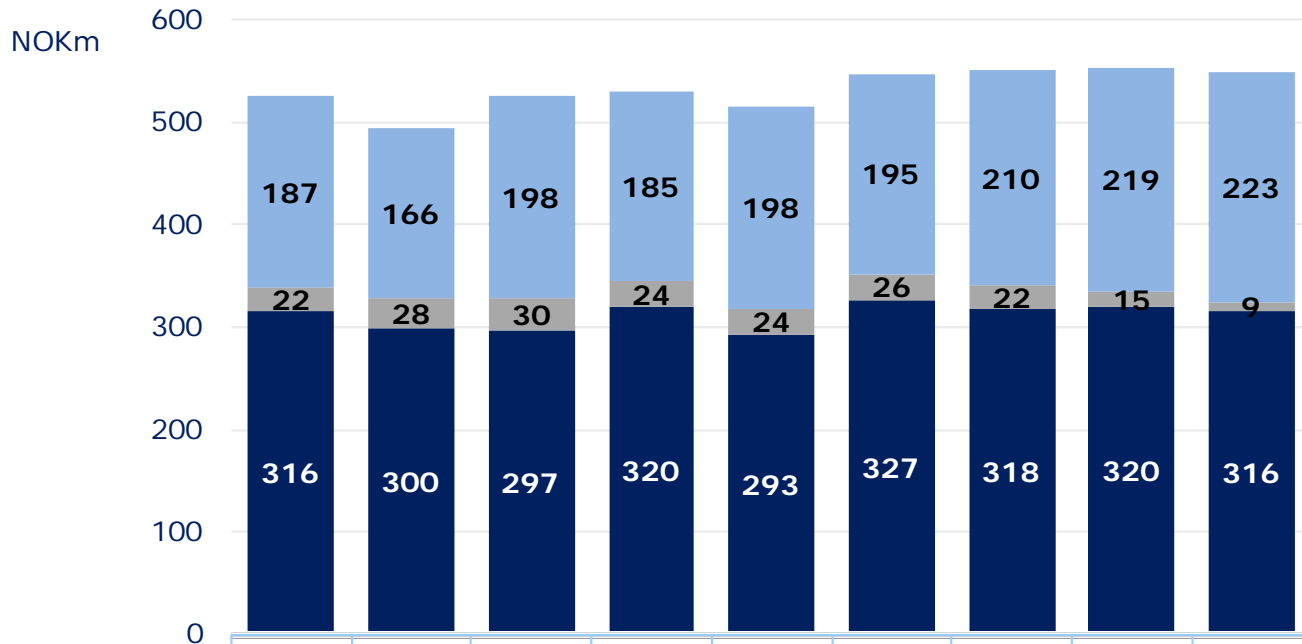
# Good profitability

## Strong financial position, no losses and strengthened deposit-to-loan-ratio



# Operating income

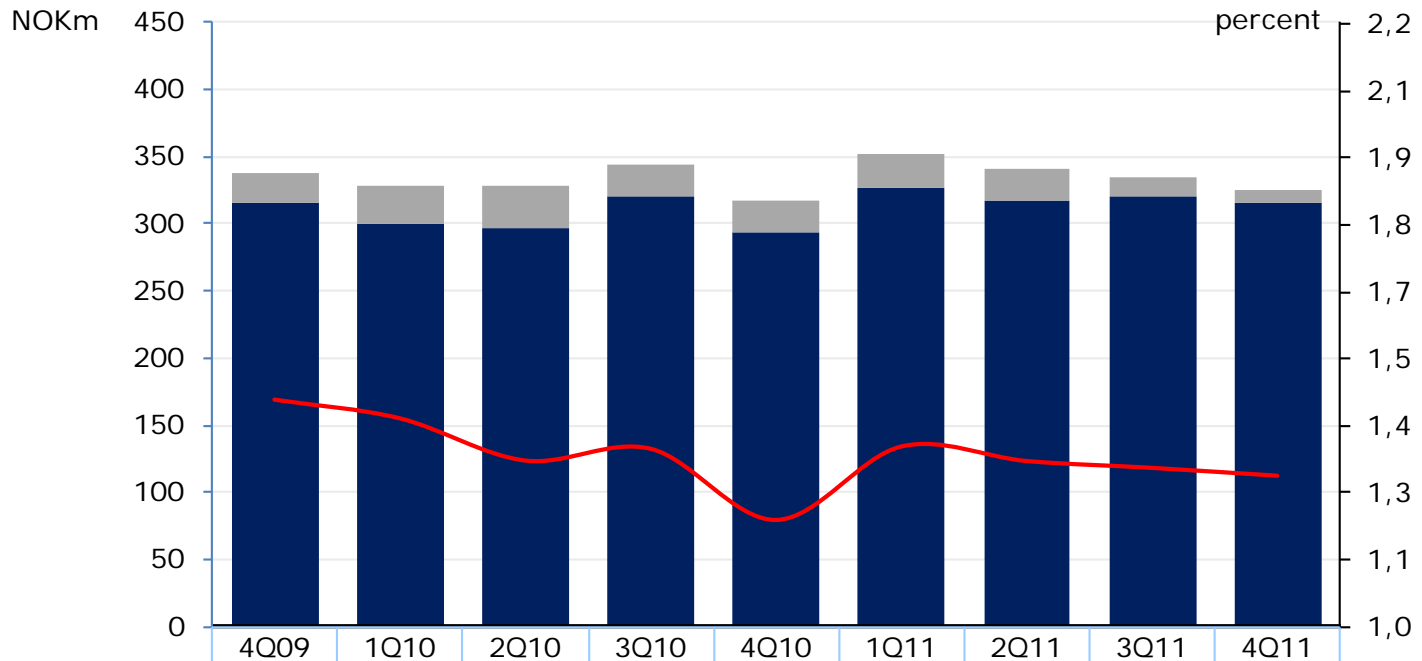
## Positive development operating income Q4 09 – Q4 11



Commission income	187	166	198	185	198	195	210	219	223
Boligkreditt	22	28	30	24	24	26	22	15	9
Net interest	316	300	297	320	293	327	318	320	316

# Net interest income

## Net interest income incl. Boligkreditt in NOK million and in per cent

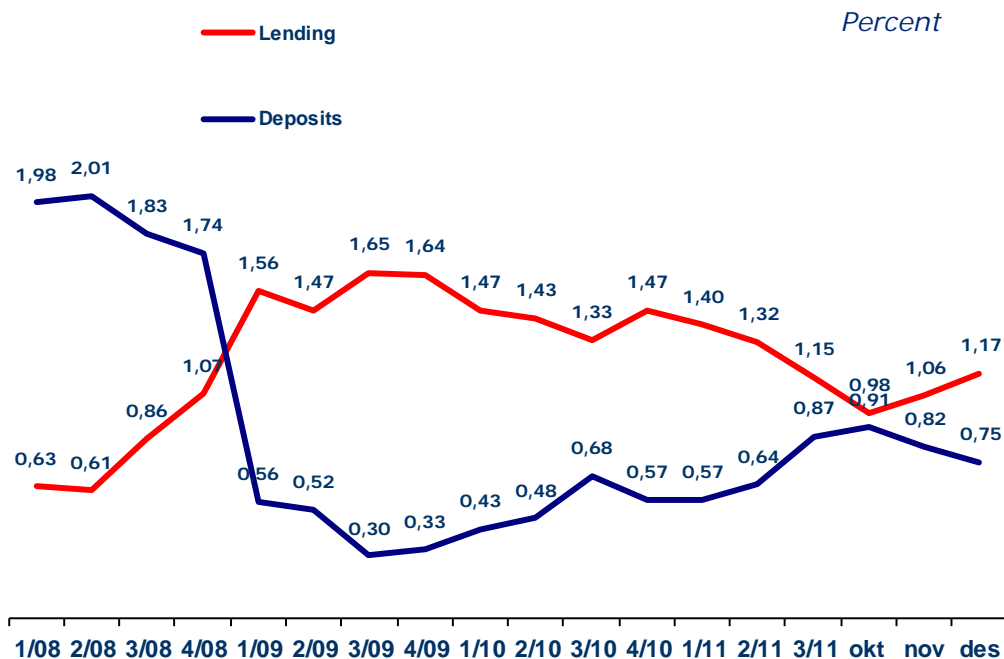


	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Boligkreditt	22	28	30	24	24	26	22	15	9
Net interest	316	300	297	320	293	327	318	320	316
Margin	1,45	1,41	1,33	1,35	1,21	1,36	1,33	1,32	1,30

# Retail Division: Good lending margin, but under pressure

## margins 4Q 2009 – 4Q 2011

### Retail Division margins: lending and deposits



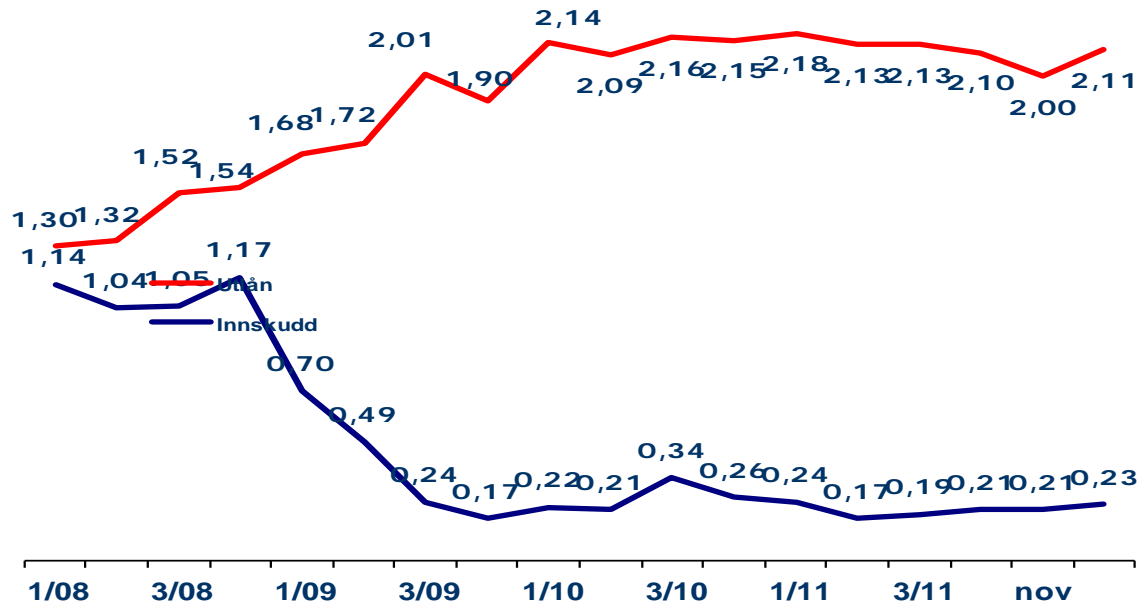
### Comments

- Interest rate level remains low
- To retain lending margins with a stable low interest rate level is challenging
- Increasing pressure on lending margins in 2011, but general raise in interest rate implemented in November
- Deposit margins remain low

# Corporate Division: improved risk pricing margins 4Q 2009 – 4Q 2011

## Corporate margins: lending and deposits

Per cent

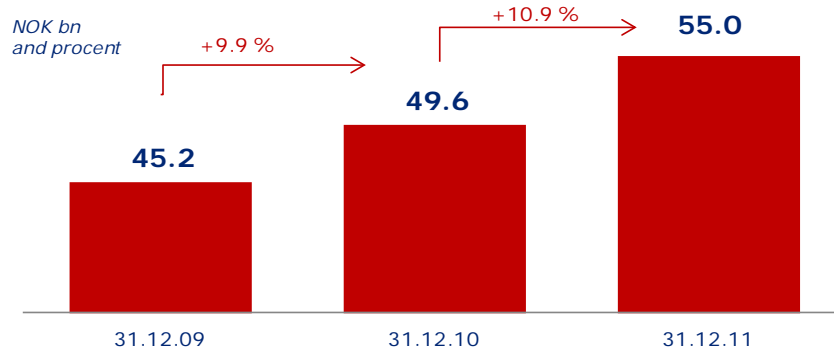


## Comments

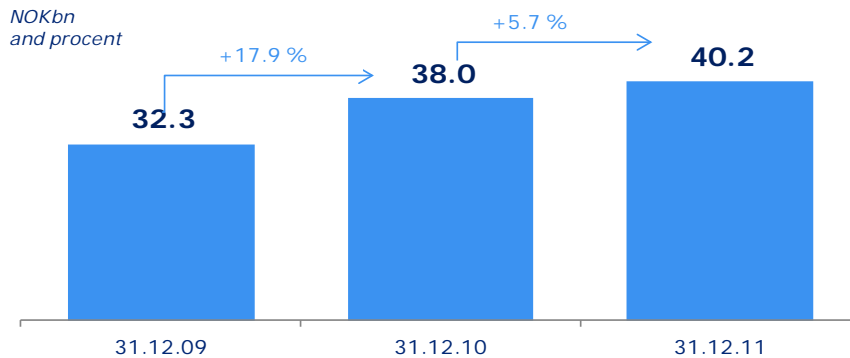
- Satisfactory risk pricing maintained
- Stable high lending margin
- Reduced deposit margin due to low interest rate level

# Good lending growth at Retail market (RM)

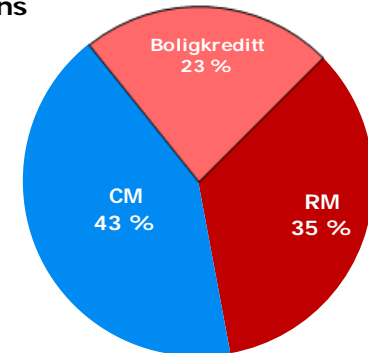
## Lending RM +10.9 % from 2010 to 2011



## Lending CM +5.7 % from 2010 to 2011

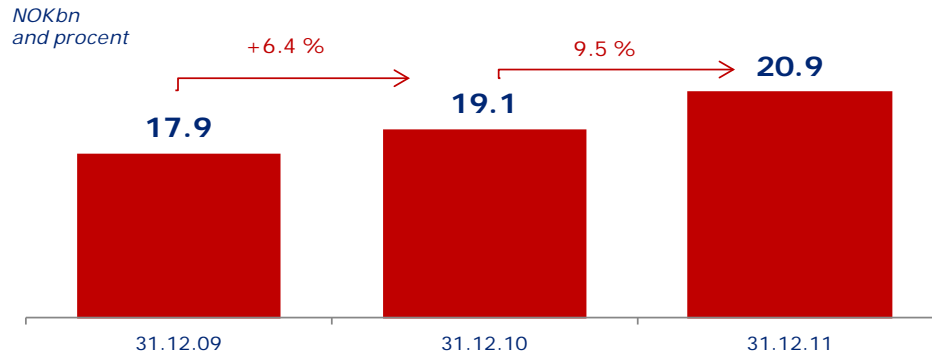


Loans

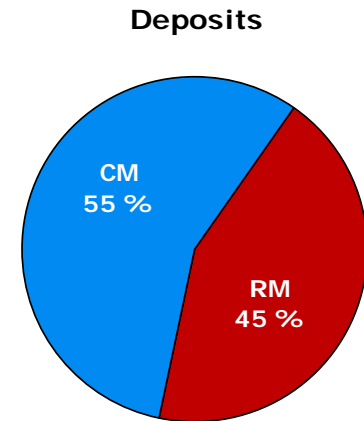
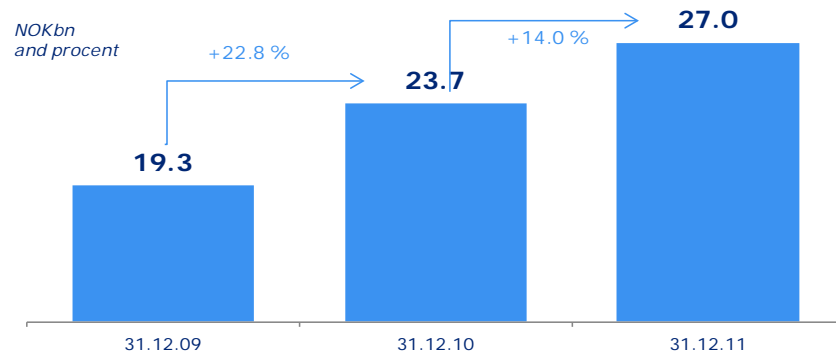


# High deposits growth last 12 months, RM and CM

## Deposits RM + 9.5 % from 2010 to 2011



## Deposits CM + 14.0 % from 2010 to 2011





# Change net interest income

## Change net interest income

Net interest income at 31 December 10	1,210
Net interest income at 31 December 11	1,281
<b>Change</b>	<b>71</b>

### Obtained as follows:

Fees on lending	60
Lending volume	95
Deposit volume	16
Lending margin	-101
Deposit margin	40
Equity capital	89
Funding and liquidity buffer	-175
Levy Norwegian Bank's Guarantee Fund	48
<b>Change</b>	<b>71</b>

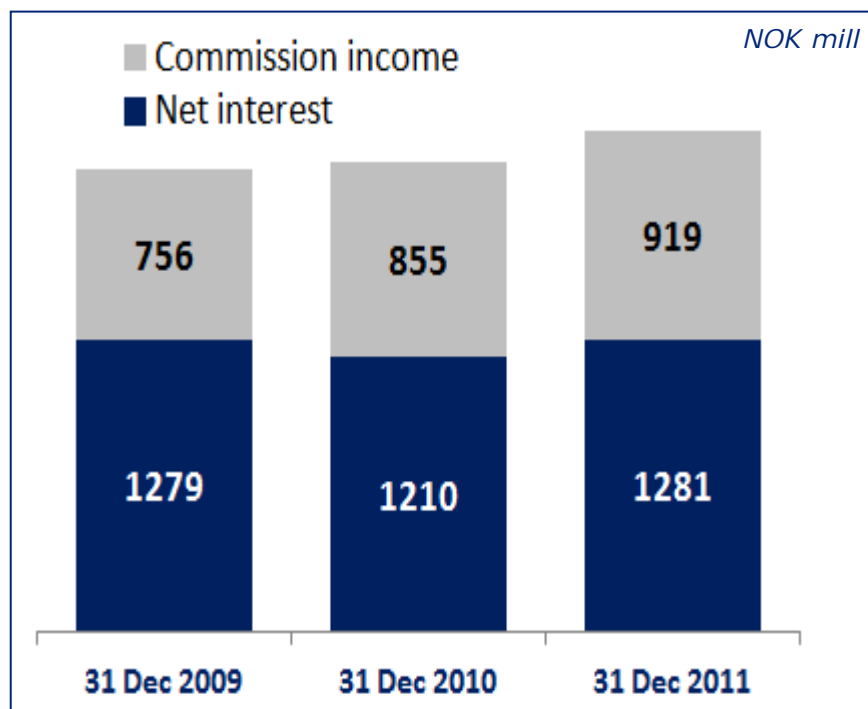
## Comments

- Increased volume strengthens net interest income
- Lending margin under pressure
- Expanded equity capital base and higher market interest rate bring higher return in terms of NOK
- Costs of external funding and liquidity holding have risen substantially
- From 2011 banks are exempt from payment of levy to the Norwegian Banks' Guarantee Fund

# Net interest, provision commission and other income

The Group's income has become more diversified and sustainable

## Net interest and other income



## Commission income 2010 and 2011

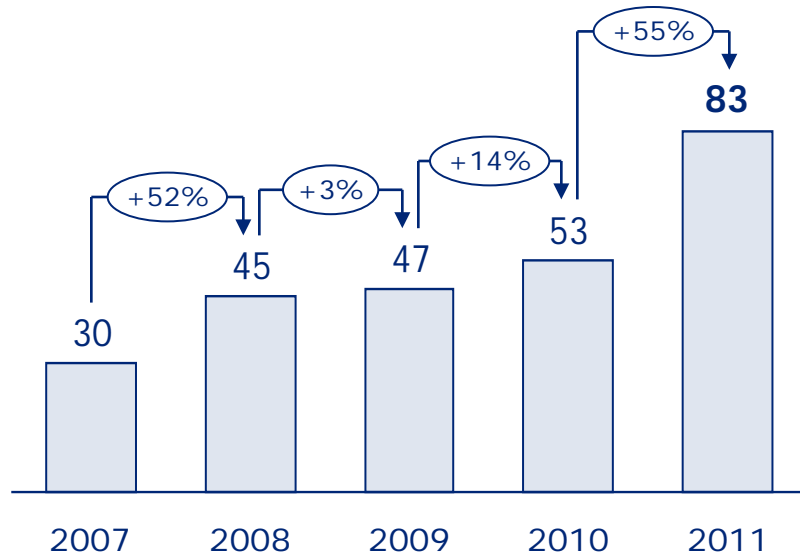
	2011	2010
Payment income	195	198
Commissions savings	54	61
Commissions insurance	107	96
Commissions Boligkreditt	71	107
Guarantee commissions	28	29
Estate agency	308	245
Accountancy services	79	51
Asset management	12	19
Rent new head office	34	13
Other commissions	32	38
<b>Total commission income</b>	<b>919</b>	<b>855</b>

- The Group's income platform more robust
- Incomes derive from a wide range of products both from the parent bank, the subsidiaries, and the SpareBank 1 Group

# Strong growth in subsidiaries, SpareBank 1 SMN Regnskap and EiendomsMegler 1 Midt-Norge

## SpareBank 1 SMN Regnskap – operating income

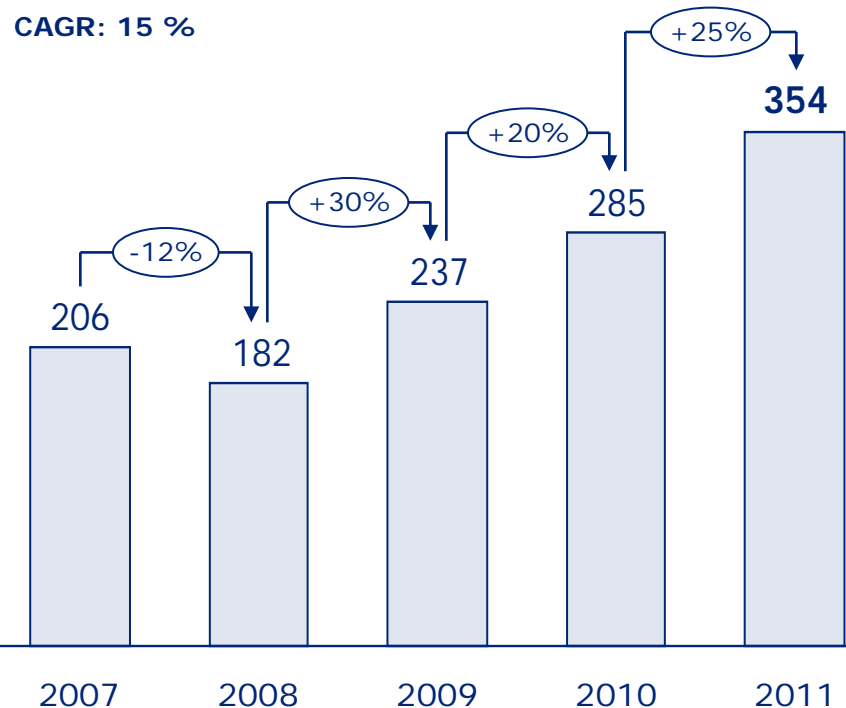
In NOK mill  
CAGR: 29 %



Market leader in accounting in Mid Norway with approx 25 % to 30 % market share

## EiendomsMegler 1 Midt Norge – operating income

In NOK mill  
CAGR: 15 %



Market leader in Real Estate in Mid Norway with approx 35 % to 40 % market share

# Return on financial investment

## Satisfactory return

	31 Dec 2011	31 Dec 2010	4Q11	3Q11	2Q11	1Q11	4Q10
Share of profit in related companies	290	249	119	49	69	54	84
Net gain and dividends on securities	101	121	35	27	10	30	66
Net gain on bonds	100	80	29	15	31	25	41
Net gain on trading and derivatives Markets	96	39	40	31	16	10	8
<b>Return on financial investments</b>	<b>588</b>	<b>490</b>	<b>223</b>	<b>122</b>	<b>125</b>	<b>118</b>	<b>198</b>

# Subsidiaries and related companies

## Profit subsidiaries and related companies

	31 Dec 2011	31 Dec 2010	31 Dec 2009
<b>Subsidiaries (pre tax)</b>			
EiendomsMegler 1 Midt-Norge AS (87%)	75.6 *)	50.8	39.9
SpareBank 1 SMN Regnskap AS	5.0	11.4	3.0
Sparebank 1 SMN Finans AS	26.3	35.1	42.5
Allegro Finans ASA (90,1%)	-5.4 *)	2.2	20.7
Sparebanken Midt-Norge Invest AS	87.5	-21.6	5.9
<b>Associates companies (after tax)</b>			
Share of SpareBank 1 Group as (19,5 %)	95.8	167.5	157.6
Share of SpareBank 1 Boligkreditt as (19,6 %)	16.3	15.9	17.6
Share of SpareBank 1 Næringskreditt as (37 %)	8.9	2.4	0.0
Share of BN Bank (33 %)	89.4	58.7	171.5
Share of Bank 1 Oslo (19,5 %)	15.2	36.9	
Share of Polaris Media asa (23,5 %)	22.9		

\*) The company's total profit

# Cost development

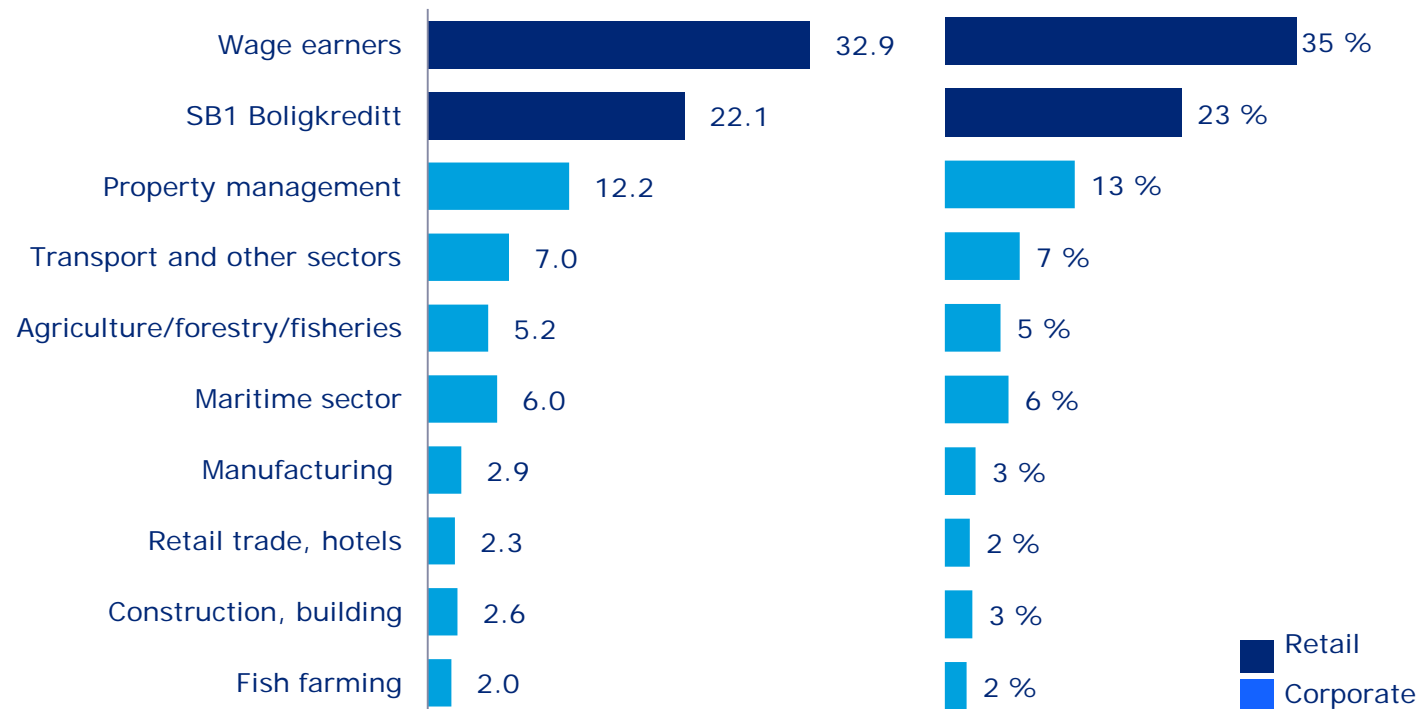
## Change in operating expenses

<i>NOK mill</i>	
Expenses 31 December 2011	1,482
Expenses 31 December 2010	1,140
<b>Change</b>	<b>-342</b>
<b>Obtained as follows:</b>	
Dissolution of AFP (Group)	-128
<b>Parent bank:</b>	
Personell costs	-35
IT and telephony	-31
Premises, mainly new HQ	-27
Other expences parent bank	-34
Operational loss	-20
EiendomsMegler 1, increased activity	-30
SpareBank 1 SMN Regnskap, purchases	-27
Other expences subsidiaries	-10
<b>Change</b>	<b>-342</b>

- Trend in ordinary costs is in line with expectations, among others related to
  - Developing and administration of IT-systems
  - New head office
  - High activity in retail and corporate division and in EiendomsMegler 1
  - Purchases of accountancy offices have caused "new" costs
  - Operational loss in the group's capital market business

## Loans by sector and industry

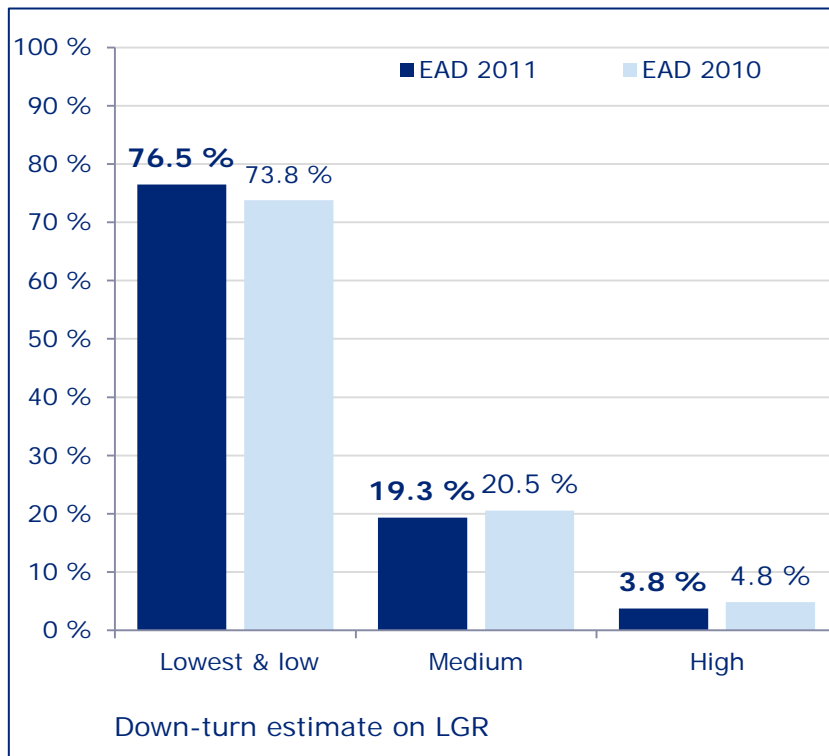
### Lending by sector in NOK bn and in per cent of total



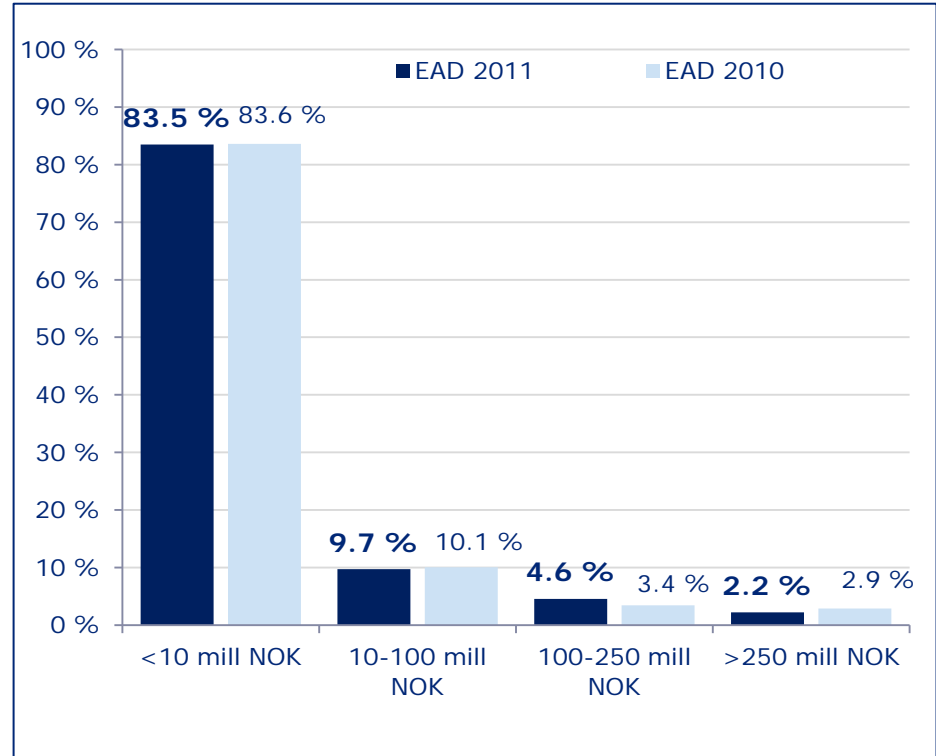
- Large portions of the retail market and primary industries are risk-dampening
- The Group has a well diversified corporate market portfolio
- No specific concerns related to the bank's loans to commercial property. Low interest rates and stable high occupancy rates in the bank's market area

# Low and stable risk in the loan portfolio

SpareBank 1 SMN's loans distributed on risk class and share of Exposure At Default



SpareBank 1 SMN's loans distributed on Loss Given Realization and Exposure At Default

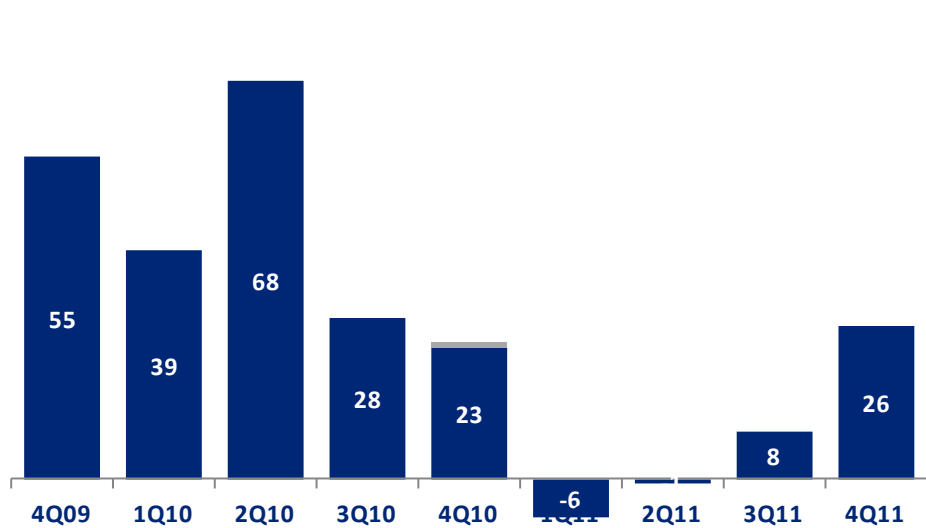




# Reduced loan losses

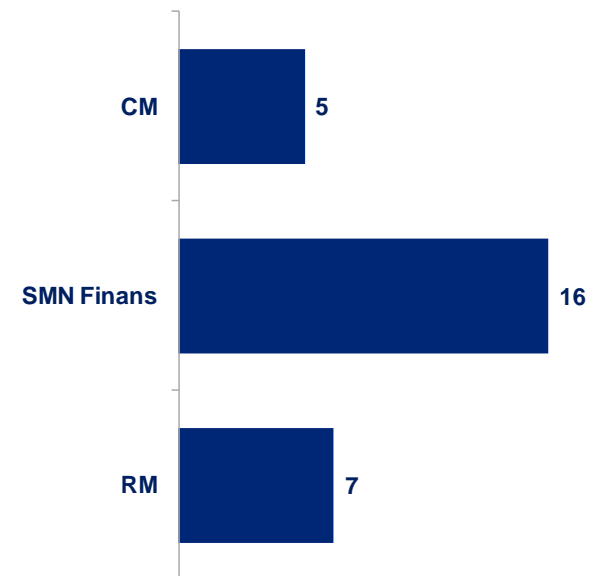
## Loan losses – quarterly trend

NOK mill



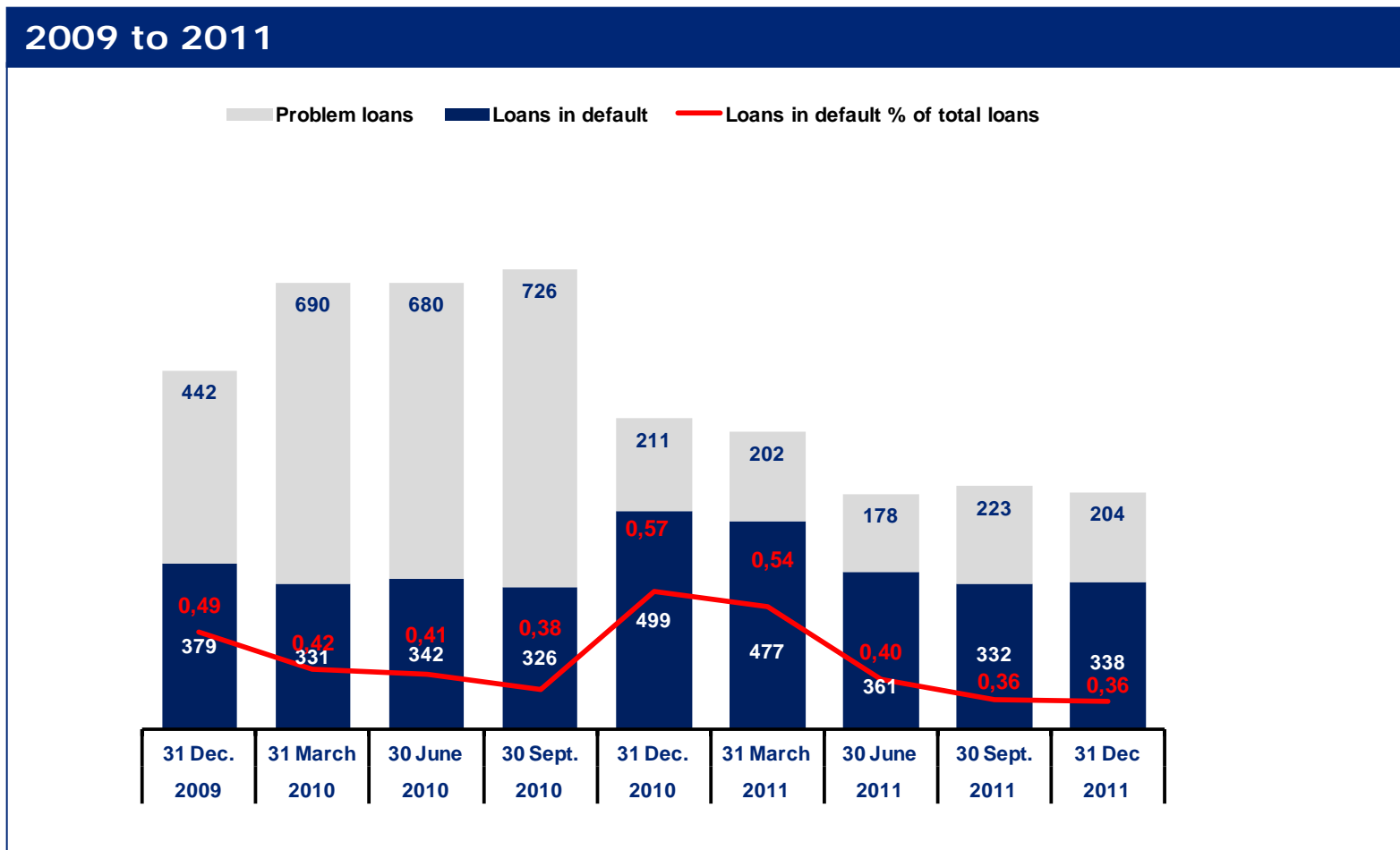
## Losses by business area:

NOK mill



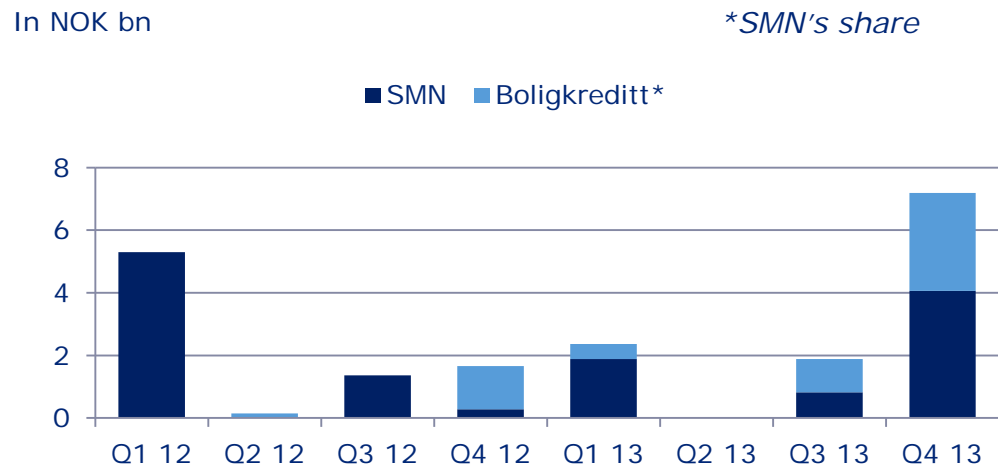
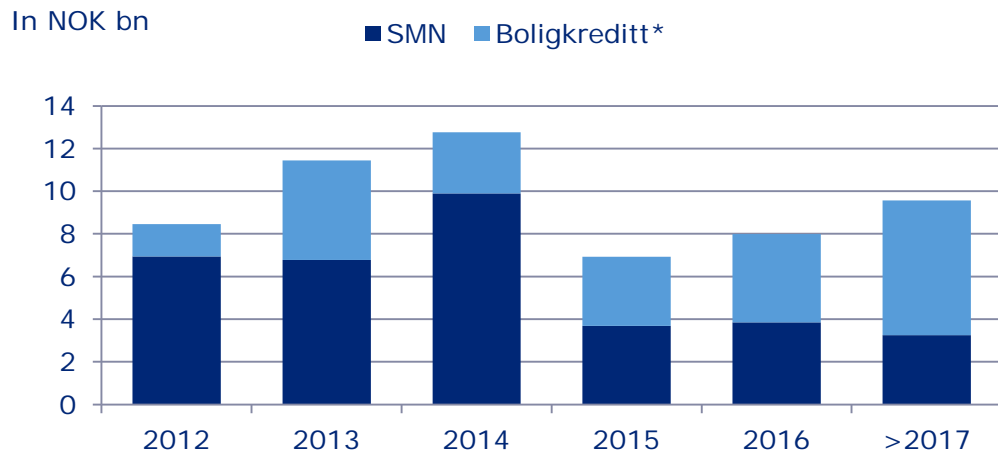
- Loan losses measure 0.03% (0.16%) of gross lending at 31 December 2011.

# Defaults and other problem loans



# Funding and liquidity

## Funding maturity 31.12.2011



## Comments

- Overall strategy of 12 month survival of normal operations with moderate growth, without external funding
- SpareBank 1 SMN is funded over 18 months
- Sparebank 1 Boligkredditt is the main funding source through covered bonds. NOK 22 billion transferred as of 31 December 2011
- Maturities in 2012 – 2013
  - NOK 13.7 bn:
    - NOK 6.9 bn in 2012
    - NOK 6.8 bn in 2013

## Good liquidity

### Liquidity reserves at 31 December 2011, NOKm

Type	Book value	Share
State enterprises	2,896	22%
Covered bonds	6,776	52%
Banks	853	7%
Bonds	2,127	16%
Perpetual subordinated debt	287	2%
<b>Total securities</b>	<b>12,938</b>	<b>100%</b>
Cash and deposits to credit institutions	4,056	
<b>Total liquidity buffer</b>	<b>16,994</b>	

### Comments

- Liquidity buffer of NOK 17.0 bn as at 31 December 2011
- SpareBank 1 SMN's relative share of Boligkreditt's liquidity portfolio is NOK 2.6 bn

# Balance sheet

## Balance sheet 2009 – 2011

	31 Dec 2011	31 Dec 2010	31 Dec 2009
Funds available	16,994	19,511	15,987
Gross loans *)	73,105	69,847	61,782
- spec provisions	-172	-222	-219
- write-downs by loan category	<u>-290</u>	<u>-290</u>	<u>-289</u>
Net loans	72,643	69,336	61,275
Securities	611	618	505
Investment in related companies	4,259	3,526	2,921
Goodwill	492	460	460
Other assets	6,456	4,547	3,360
<b>TOTAL ASSETS</b>	<b>101,455</b>	<b>97,997</b>	<b>84,509</b>
Money market funding	34,380	36,685	30,350
Deposits	47,871	42,786	37,227
Funding, "swap" arrangement with the government	2,886	4,318	4,318
Other liabilities	5,280	3,605	2,555
Subordinated debt	2,690	2,758	3,875
Equity	8,348	7,846	6,183
<b>TOTAL DEBT AND EQUITY</b>	<b>101,455</b>	<b>97,997</b>	<b>84,509</b>
*) in addition loans transfer SPB1 Boligkreditt	22,126	17,818	15,647

# Key figures

## Key figures 2009 – 2011

	31 Dec 2011	31 Dec 2010	31 Dec 2009
Net interest	1.30	1.33	1.48
Capital adequacy ratio	12.0 %	13.0 %	13.6 %
Core capital ratio	10.4 %	10.9 %	10.4 %
Growth in loans incl. Boligkreditt	8.6 %	13.2 %	8.6 %
Growth in deposits	11.9 %	14.9 %	5.5 %
Deposit-to-loan ratio	65%	61%	60%
RM share loans	58%	57%	58%
Cost-income ratio	53%	45%	47%
Return of equity	12.8 %	14.6 %	16.2 %
Impairment losses ratio	0.03%	0.16%	0.31%
ECC price	39.30	54.00	49.02
Adjusted profit per ECC	6.61	6.43	6.73

# Solid platform for further growth

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## Solid Balance sheet

- Tier 1 capital adequacy of 10.4%
- 68 % deposit-to-loan ratio
- 58 % retail share lending

## Good supply of capital

- Recommended rights issue and private placements will strengthen the bank's Tier 1 ratio
- SpareBank 1 SMN Stiftelsen extra capital buffer

## Long-term funding

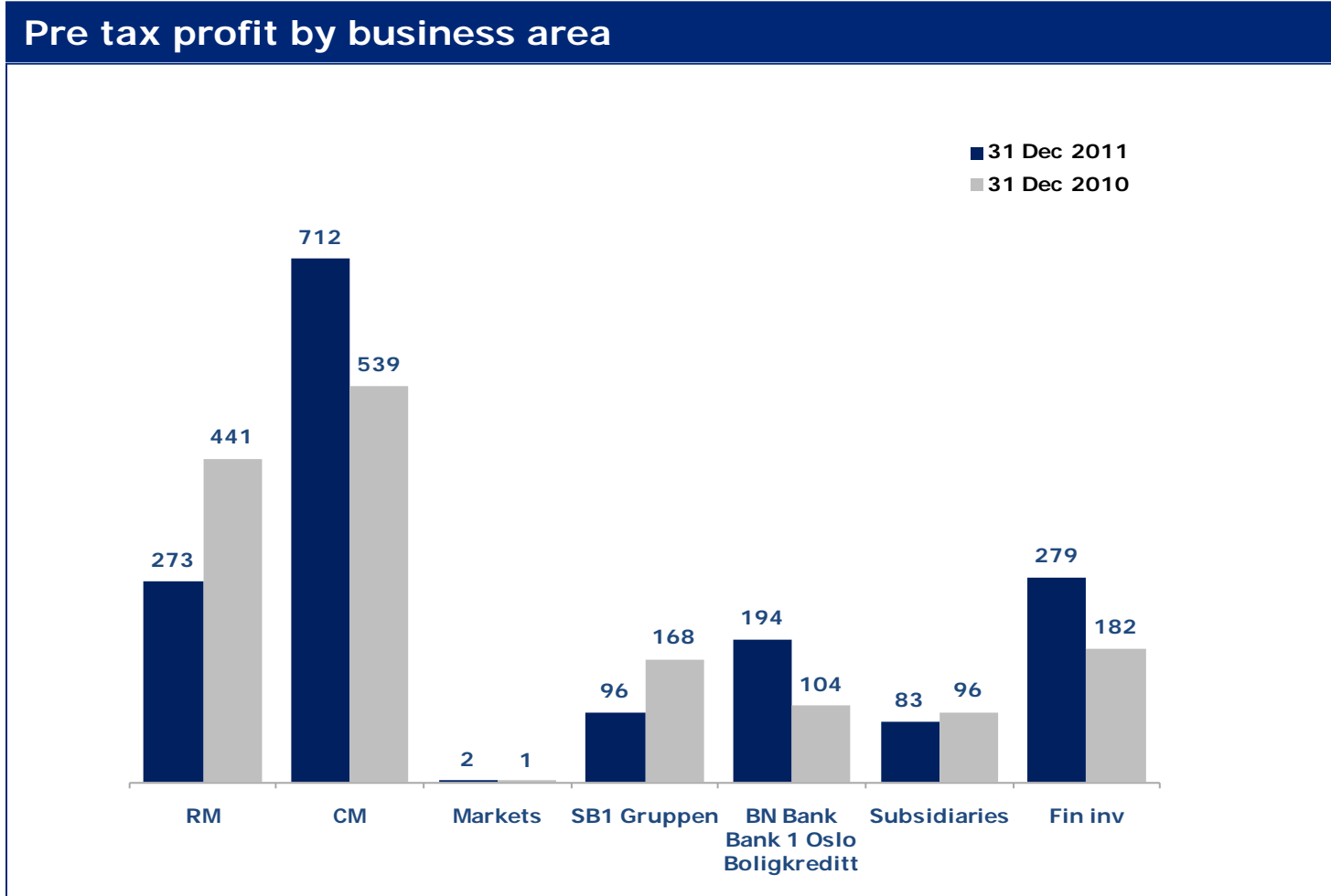
- Liquidity buffer of NOK 17.0bn
- Funded for 18 months without new external funding
- NOK 21bn transferred to SpareBank 1 Boligkreditt

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# Appendix



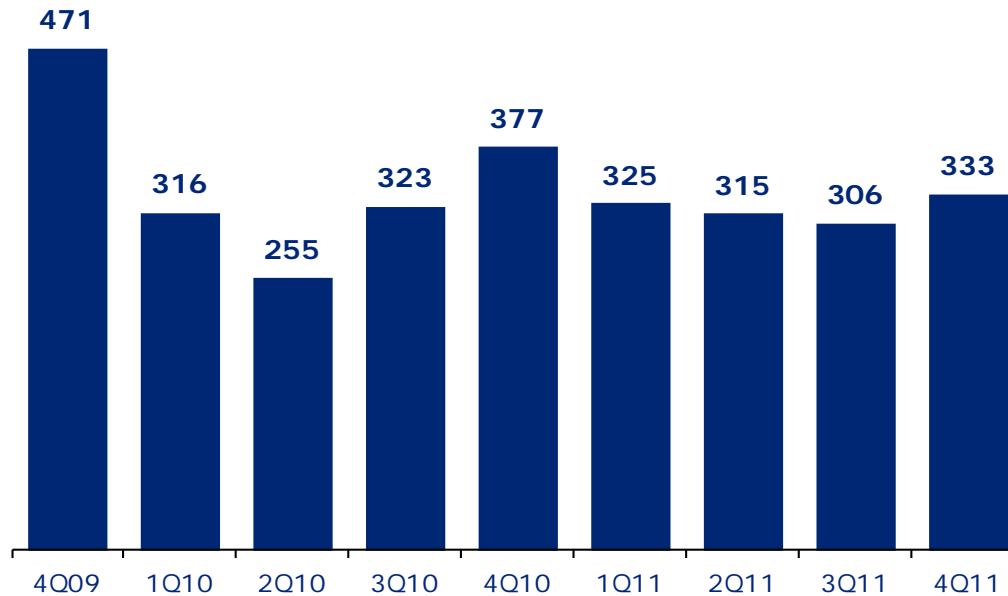
# Strong banking operations, diversified income platform



# Pre-tax profit

Pre-tax profit, quarterly 2009 – 2011

*NOK million*



# Capital adequacy

## Capital adequacy as at 4Q 2010 and 4Q 2011

NOKm	31 Dec 2011	31 Dec 2010
Core capital exclusive hybrid capital	6,687	6,177
Hybrid capital	1,170	1,106
<b>Core capital</b>	<b>7,856</b>	<b>7,283</b>
Supplementary capital	1,199	1,360
<b>Total capital</b>	<b>10,225</b>	<b>9,749</b>
Total credit risk IRB	3,358	3,058
Debt risk	182	165
Equity risk	16	15
Operational risk	400	331
Exposures calculated using the standardised approach	2,184	1,864
Deductions	-111	-98
<b>Minimum requirements total capital</b>	<b>6,027</b>	<b>5,335</b>
<b>Core capital ratio</b>	<b>10.4 %</b>	<b>10.9 %</b>
<b>Core capital ratio ex. hybrid capital</b>	<b>8.9 %</b>	<b>9.3 %</b>
<b>Capital adequacy ratio</b>	<b>12.0 %</b>	<b>13.0 %</b>

# Key figures ECC

## Including effects of issues carried out in 2010

### Key figures, equity capital certificates

	2011	2010	2009	2008	2007
ECC ratio	60.6 %	61.3 %	54.8 %	56.3 %	54.2 %
Total issued ECCs (mill)	94.92	94.90	69.43	57.86	53.98
ECC price	39.30	54.00	49.02	22.85	54.65
Market value (NOKm)	3,731	5,124	3,749	1,750	3,900
Booked equity capital per ECC	54.44	50.60	44.89	40.03	38.35
Post-tax earnings per ECC, in NOK	6.61	6.43	6.73	4.49	6.16
Dividend per ECC	2.00	3.00	2.27	1.51	4.24
P/E	5.94	8.40	7.29	5.09	8.87
Price / Booked equity capital	0.72	1.07	1.09	0.57	1.43

# Dividend policy

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- SpareBank 1 SMN aims to manage the Group's resources in such a way as to provide equity certificate holders with a good, stable and competitive return in the form of dividend and a rising value of the bank's equity certificate.
- The net profit for the year will be distributed between the owner capital (the equity certificate holders) and the ownerless capital in accordance with their respective shares of the bank's total equity capital.
- SpareBank 1 SMN's intention is that up to one half of the owner capital's share of the net profit for the year should be disbursed in dividends and, similarly, that up to one half of the owner capital's share of the net profit for the year should be disbursed as gifts or transferred to a foundation. This is on the assumption that capital adequacy is at a satisfactory level. When determining dividend payout, account will be taken of the profit trend expected in a normalised market situation, external framework conditions and the need for tier 1 capital.

## 10 largest ECC holders

### At 31 December 2011

<u>Owner</u>	<u>Number</u>	<u>Share</u>
Reitangruppen AS	6,872,514	7.24%
Aker ASA / The Resource Group TRG	2,860,966	3.01%
Odin Norge	2,648,658	2.79%
Odin Norden	2,145,049	2.26%
Rasmussengruppen AS	2,130,000	2.24%
Vind LV AS	2,085,151	2.20%
MP Pensjon PK	1,442,774	1.52%
Frank Mohn AS	1,442,236	1.52%
Citibank N.A New York Branch (nominee)	1,357,933	1.43%
Morgan Stanley & Co.	1,097,718	1.16%

# Rating

## Moody's and Fitch Ratings

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### Moody's

Issuer rating:

**A1**

Outlook: Stable

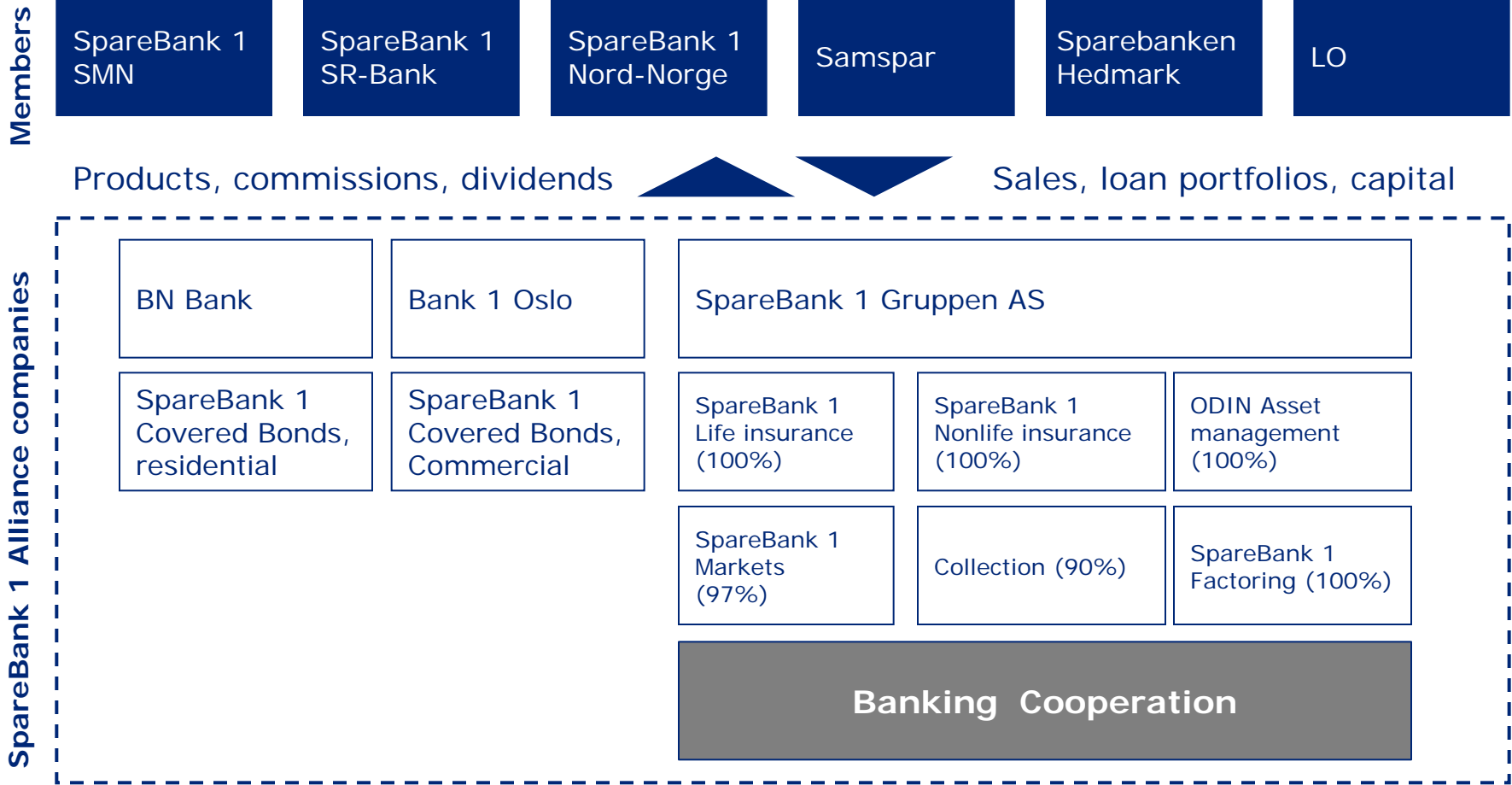
### Fitch Ratings

Long term Issuer Default  
Rating (IDR):

**A -**

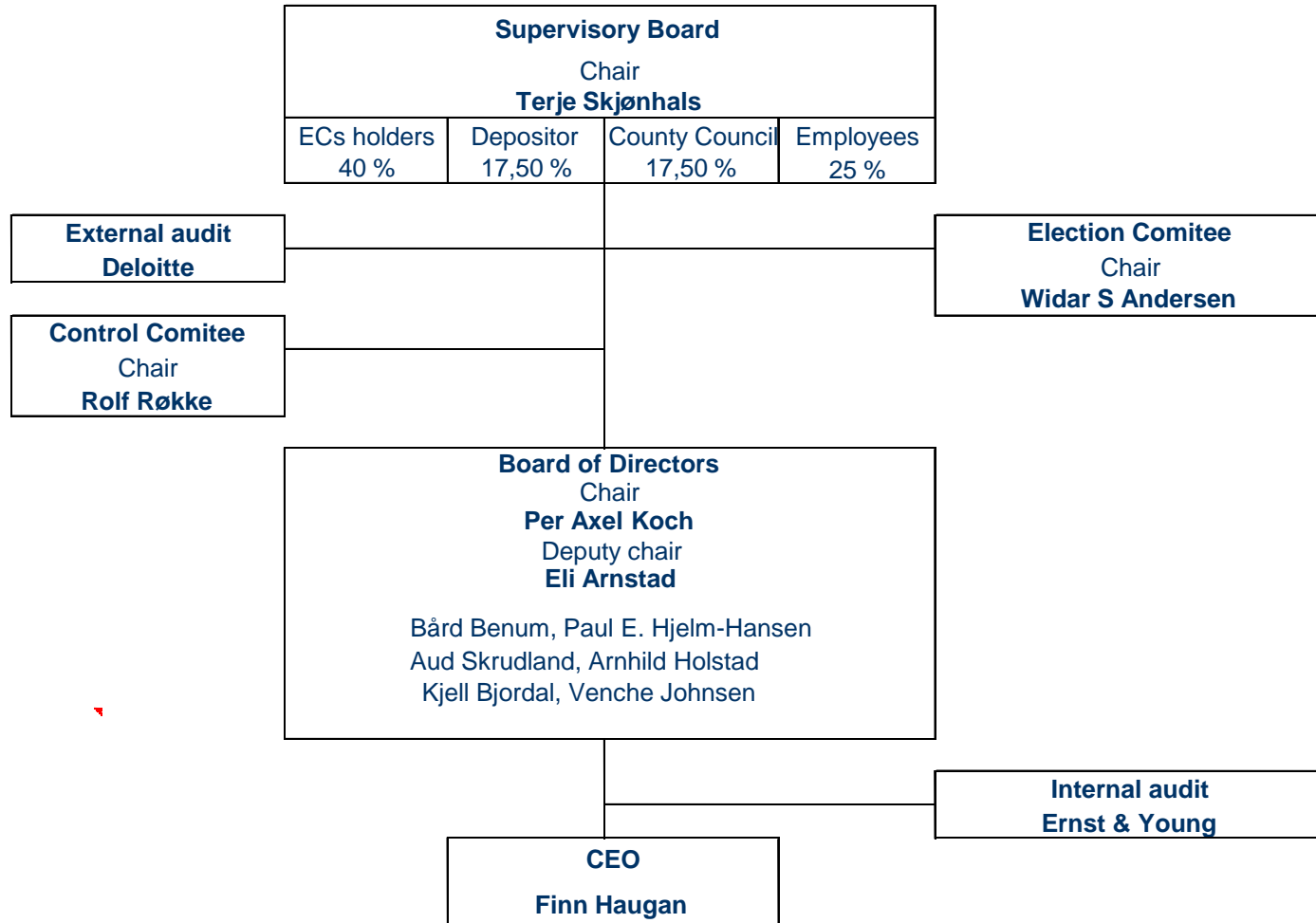
Outlook: Stable

# SpareBank 1 Alliance structure





# Overall organisation



# SpareBank 1 SMN

7467 TRONDHEIM

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Tel +47 905 41 672

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SMN home page and internet bank: [www.smn.no](http://www.smn.no)  
Hugin-Online: [www.huginonline.no](http://www.huginonline.no)  
Equity capital certificates in general:  
[www.grunnfondsbevis.no](http://www.grunnfondsbevis.no)

### Financial calendar 2011

Q1	6. May
Q2	10. August
Q3	27. October
Q4	