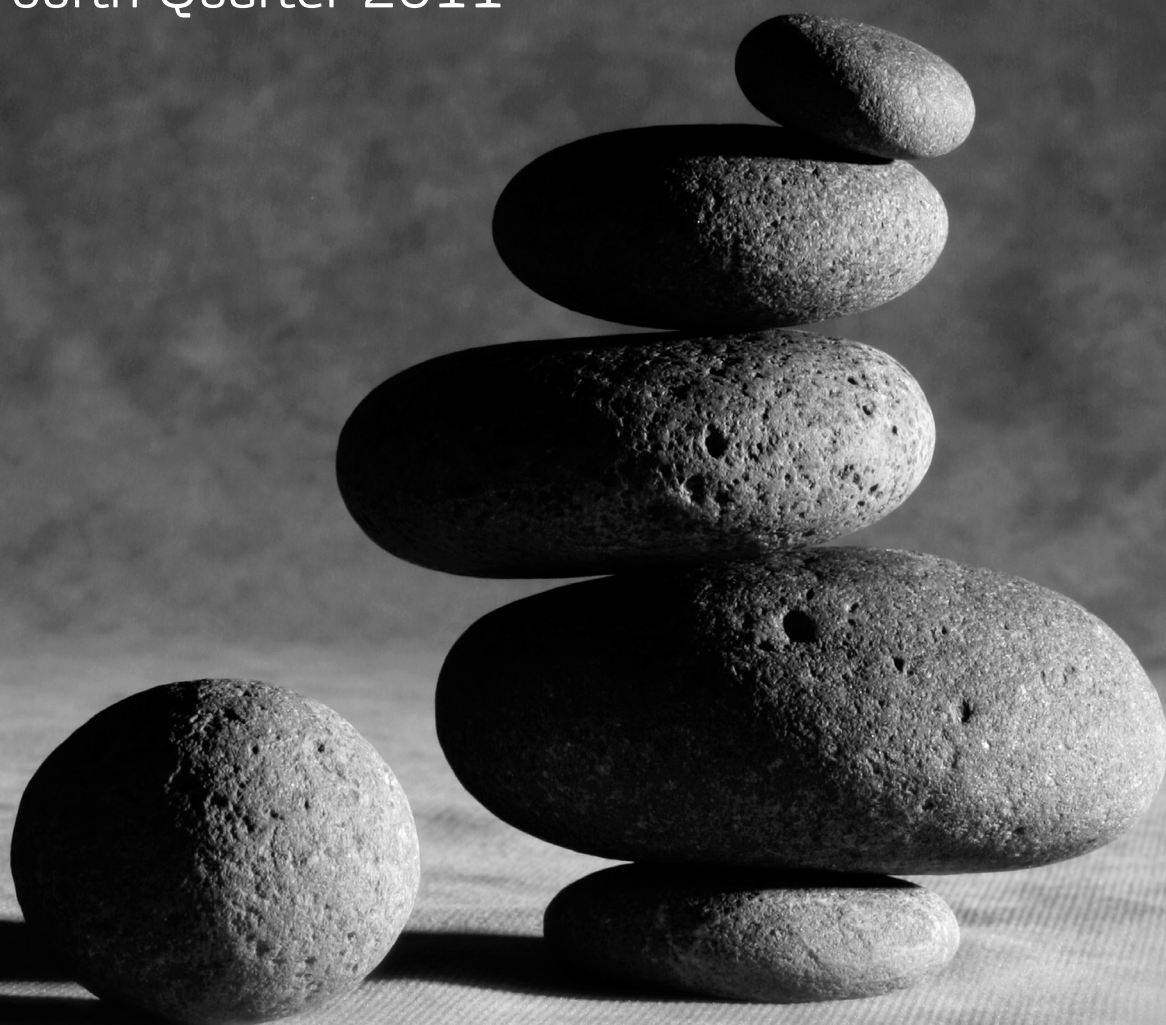


Investor Relations

Supplementary information
Fourth Quarter 2011



SpareBank 1 SMN

7467 Trondheim

Chief Executive, CEO

Finn Haugan

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Information on the Internet

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

Financial Calendar 2011

1 st quarter	06. May	2011
2 nd quarter	10. August	2011
3 rd quarter	27. October	2011
4 rd quarter	01. February	2012

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1. SpareBank 1 SMN overview

1.1. Financial highlights

January – December 2011

(Consolidated figures. Figures in parentheses refer to the same period of 2010 unless otherwise stated)

- Profit before tax: NOK 1,279m (1,282m)
- Profit: NOK 1,024m (1,022m)
- Return on equity: 12.8% (14.6%)
- Lending growth 8.6% (13.2%), deposit growth 11.9% (14.9%) over past 12 months
- Loan losses: NOK 27m (132m)
- Tier 1 capital adequacy: 10.4% (10.9%)
- Earnings per equity capital certificate (ECC): NOK 6.61 (6.43)

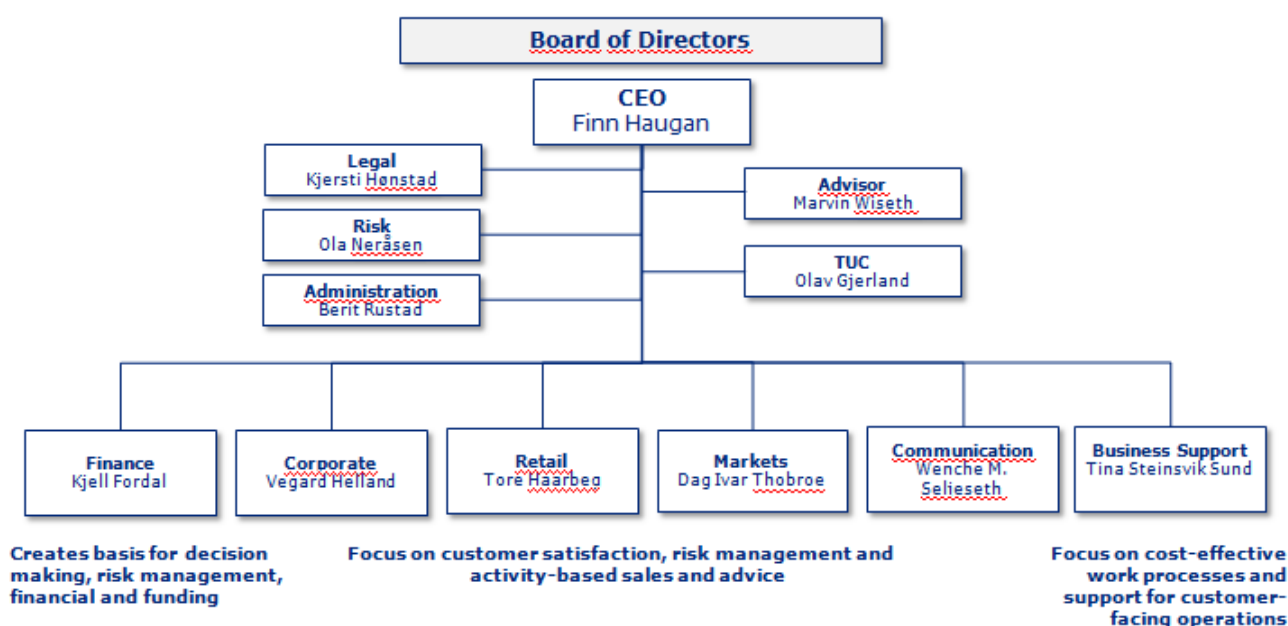
Accounts for fourth quarter 2011 in isolation

- Profit before tax: NOK 333m (377m)
- Profit: NOK 279m (318m)
- Return on equity: 13.6% (16.6%)
- Loan losses: NOK 26m (25m)
- Earnings per ECC: NOK 1.80 (2.05)

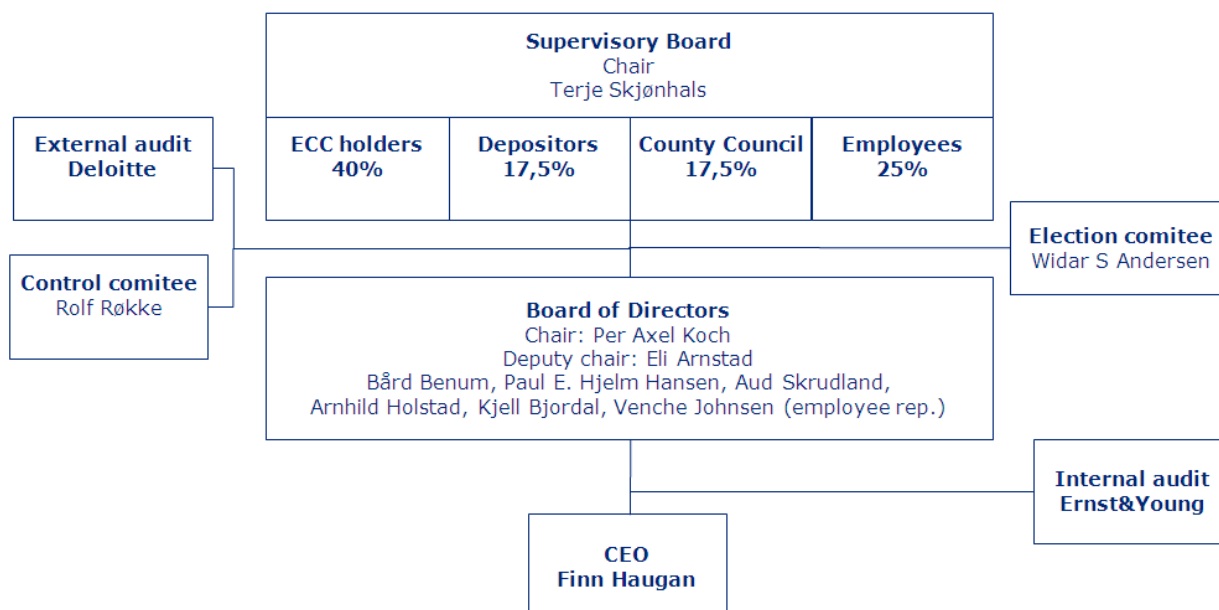
1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 102 billion at the end of fourth quarter 2011. Head office is in Trondheim and the Group employs about 1,109 staff.

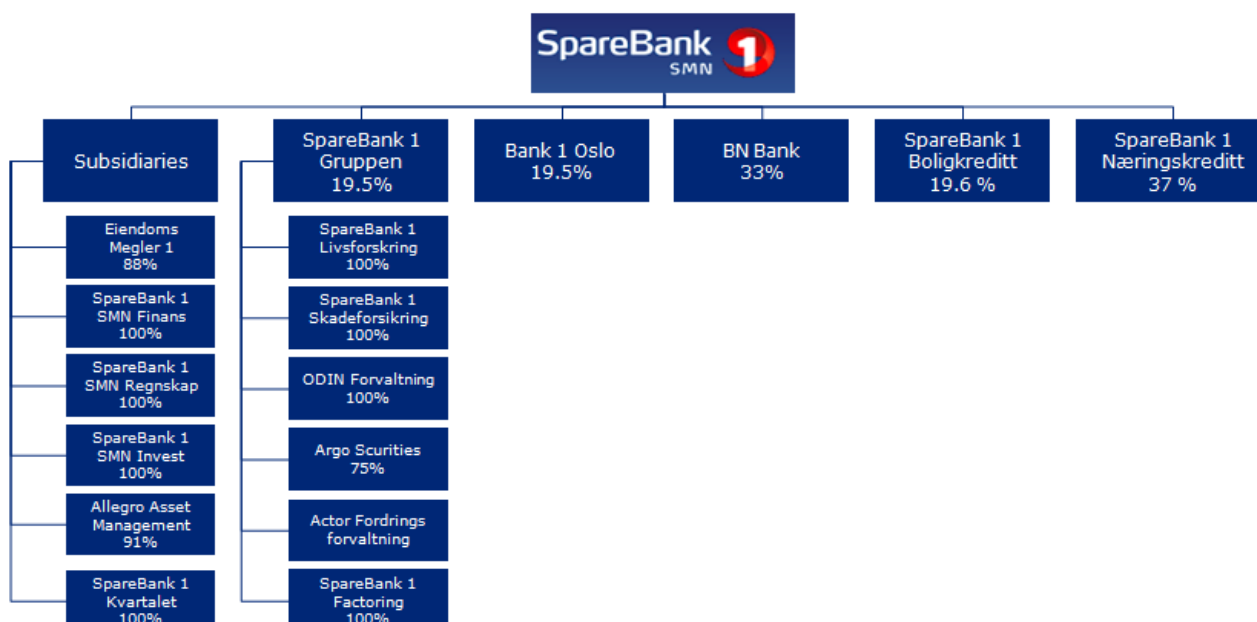
SpareBank 1 SMN is organised in five divisions to secure a customer-oriented and cost-effective organisation while respecting the differing competencies required by each division. The Retail, Corporate and Markets divisions focus on customer satisfaction, risk management and activity-based sales and counselling. Business Support focuses on cost-effective work processes and support to enable the customer-facing divisions to attain their goals, while the Finance Division provides an overall basis for decision making, risk management and financial and asset-liability management.



Overall organisation

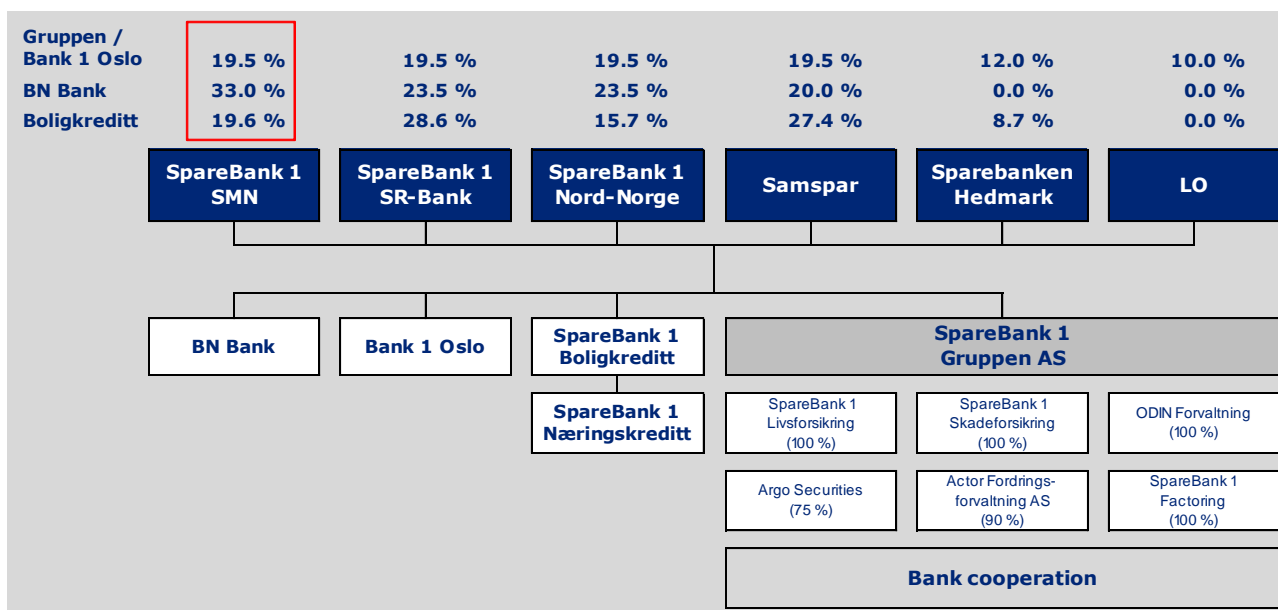


SpareBank 1 SMN: Overview of the Bank's activities



SpareBank 1 Group

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



1.3. Credit ratings

<i>Moody's</i>	Todays rating	Year end					
		2010	2009	2008	2007	2006	2005
Outlook	Stable	Stable	Negative	Negative	Stable	Positive	Positive
Issuer Rating	A1	A1	A1	A1	Aa3	A3	A3
Bank Deposits	A1/P-1	A1/P-1	A1/P-1	Aa3/P-1	Aa3/P-1	A3/P-2	A3/P-2
Bank Financial Strenght	C-	C-	C-	C	C+	C	C
Senior Unsecured	A1	A1	A1	Aa3	Aa3	A3	A3
Subordinate	A2	A2	A2	A1	A1	Baa1	Baa1

<i>Fitch</i>	Todays rating	Year end					
		2010	2009	2008	2007	2006	2005
Outlook	Stable	Negative	Negative	Stable	Stable	Positive	Stable
Long-term IDR	A-	A	A	A	A	A-	A-
Short-term IDR	F2	F1	F1	F1	F1	F2	F2
Support rating	3	3	3	3	3	3	4
Individual rating	B/C	B/C	B/C	B	B	B/C	B/C

1.4. Equity capital certificate (MING)

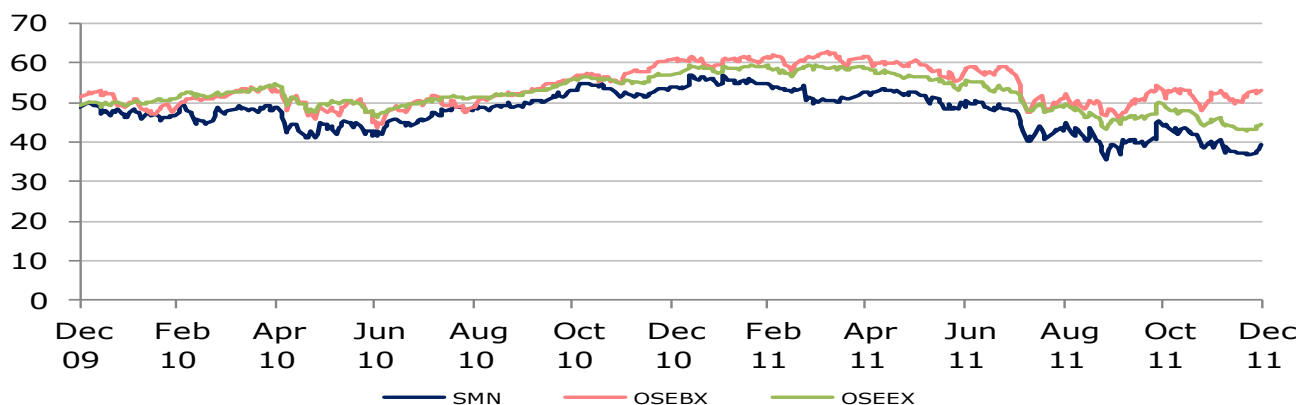
The key figures are corrected for issues. No change in the number of ECCs.

31. December 2011 the price of the Bank's ECC was NOK 39.30 (NOK 54.00). Earnings per ECC were NOK 6.61 (NOK 6.43). Book value per ECC was NOK 54.44 as of end fourth quarter 2011 (NOK 50.60).

Key figures

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec.		2009
	2011	2011	2011	2011	2010	2011	2010	
ECC price	39.30	39.30	48.90	50.00	54.00	39.30	54.00	22.85
Number of certificates issued, millions	94.92	94.92	94.90	94.90	94.90	94.92	94.90	57.86
Booked equity capital per ECC (incl. dividend)	54.44	52.49	51.05	49.34	50.60	54.44	50.60	40.03
Adjusted profit per ECC	1.80	1.55	1.62	1.65	2.05	6.61	6.43	4.49
P/E per ECC	5.44	6.33	7.55	7.59	6.57	5.94	8.40	5.09
P/B equity capital	0.72	0.75	0.96	1.01	1.07	0.72	1.07	0.57

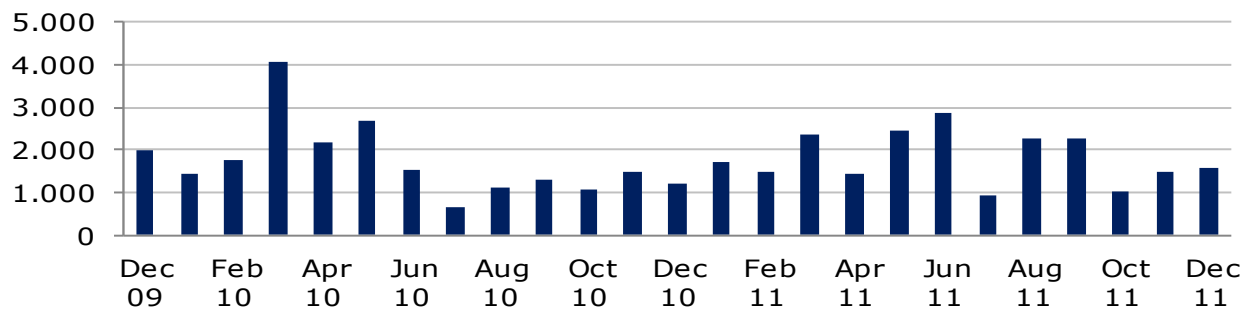
Stock price compared with OSEBX and OSEEX
31 December 2009 to 31 December 2011



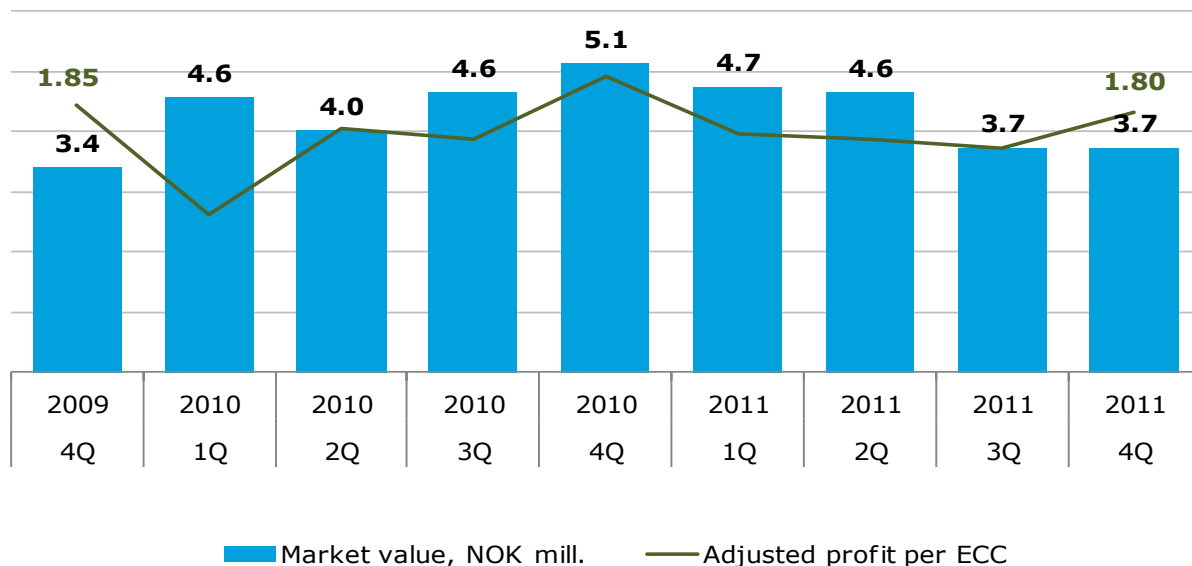
OSEBX = Oslo Stock Exchange Benchmark Index (rebased)
OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics

31 December 2009 to 31 December 2011



Market value and profit per ECC



Equity certificates ratio (parent bank)

	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
(in NOK million)						
ECC capital	2,373	2,373	2,372	2,372	2,372	1,734
Dividen equalisation reserve	1,457	1,160	1,160	1,160	1,159	876
Premium reserve	183	182	182	182	182	-
Unrealised gains reserve	43	28	28	28	28	62
Other equity	-	-	-	-	-	-
A. The equity certificate owner's capital	4,056	3,743	3,742	3,742	3,742	2,671
Saving bank reserve	2,611	2,345	2,345	2,345	2,345	2,155
Unrealised gains reserve	27	17	17	17	17	48
Other equity	-	-	-	-	-	-
B. The saving bank reserve	2,638	2,362	2,362	2,362	2,362	2,203
Provision for gifts	40	-	-	-	192	27
Recommended dividends	190	-	-	-	285	174
Equity ex. profit	6,924	6,105	6,104	6,104	6,581	5,076
Equity certificates ratio A/(A+B)	60.6 %	61.3 %	61.3 %	61.3 %	61.3 %	54.8 %

20 largest ECC holders

Owner	Number	Ownership in %
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%
I.K. Lykke, T.Lykke m.fl.	891,567	0.94%
Stiftelsen Uni	879,552	0.93%
Tonsenhagen Forretningssentrum AS	865,013	0.91%
Forsvarets personellservice	788,092	0.83%
The Northern Trust Co. (nominee)	767,163	0.81%
Nordea Bank Norge ASA	759,915	0.80%
KLP Aksje Norden VPF	744,475	0.78%
VPF Nordea Norge Verdi	674,523	0.71%
State Street Bank & Trust Company (nominee)	638,395	0.67%
Odin Europa SMB	633,251	0.67%
Total largest shareholders	31,724,945	33.42%
Other	63,205,341	66.58%
Total	94,930,286	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	12.6	2,373	94,905,286
2011	Issue	1	2,373	94,923,880

2. Financial results

Accounting principles

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

Further, the Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts. The quarterly accounts do not include all the information required in a complete set of annual financial statements and should be read in conjunction with the annual accounts for 2010.

As from January 2011 the Group has implemented new requirements in IAS 34 Interim Financial Reporting as regards changes in business or financial factors that affect fair value measurement of an entity's financial assets and liabilities, and as regards transfer between levels in the fair value hierarchy used to measure the fair value of financial instruments. In addition there is the possible reclassification of financial assets resulting from a change in the purpose or application of these assets. The Group has also implemented IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, and the new IAS 24 Related Party Disclosures. None of these standards has entailed any essential change in Group reporting.

2.1. Main figures

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Net interest	316	320	318	327	293	1,281	1,210	1,279
Commission income and other income	232	234	232	221	222	919	855	756
Net return on financial investments	224	122	125	118	198	588	490	642
Total income	772	676	675	666	713	2,789	2,555	2,677
Total operating expenses	412	361	361	348	311	1,482	1,140	1,253
Result before losses	360	315	314	318	402	1,306	1,414	1,424
Loss on loans, guarantees etc.	26	8	-1	-6	25	27	132	277
Result before tax	333	306	315	325	377	1,279	1,282	1,147
Tax charge	54	66	65	70	60	255	260	210
Net profit	279	240	250	255	318	1,024	1,022	937

Balance sheet - condensed

Balance (in NOK million)	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
Total assets	101,455	100,009	98,415	94,455	97,997	84,509
Average total assets	98,465	96,954	96,224	91,317	89,648	86,679
Gross loans to customers *	95,232	92,671	90,939	88,606	87,665	77,429
Deposits from customers	47,871	46,024	45,990	42,900	42,786	37,227
Total equity capital	8,348	8,126	7,902	7,639	7,846	6,183

* Loans to customers includes SpareBank 1 Boligkreditt

Key figures

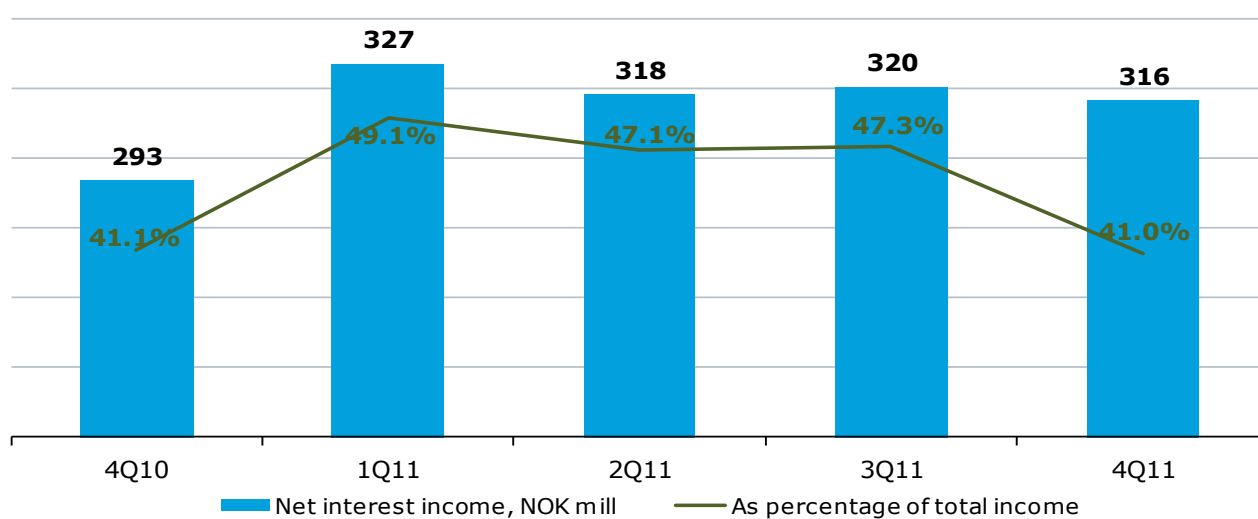
	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Return on equity	13.6 %	12.0 %	12.9 %	13.2 %	16.6 %	12.8 %	14.6 %	16.2 %
Core capital ratio	10.4 %	10.4 %	10.7 %	10.6 %	10.9 %	10.4 %	10.9 %	10.4 %
Cost/income ratio group	53.4 %	53.5 %	53.4 %	52.2 %	43.7 %	53.2 %	44.6 %	46.8 %
Growth in loans incl Boligkreditt last 12 months	8.6 %	7.7 %	8.6 %	11.4 %	13.2 %	8.6 %	13.2 %	8.6 %
Growth in deposits last 12 months	11.9 %	19.1 %	11.4 %	14.1 %	14.9 %	11.9 %	14.9 %	5.5 %
Deposits-to-loan ratio	65.5 %	64.3 %	67.1 %	62.6 %	61.3 %	65.5 %	61.3 %	60.3 %
Impairment losses ratio	0.11%	0.03%	-0.01%	-0.03%	0.11%	0.03%	0.16%	0.31%
Non-performing commitm. as % of gross loans	0.36%	0.36%	0.40%	0.54%	0.57%	0.36%	0.57%	0.49%
ECC price	39.30	39.30	48.90	50.00	54.00	39.30	54.00	22.85
Booked equity capital per ECC (incl. dividend)	54.44	52.49	51.05	49.34	50.60	54.44	50.60	40.03
Adjusted profit per ECC	1.80	1.55	1.62	1.65	2.05	6.61	6.43	4.49

2.2. Net interest income

Net interest income

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec.		2009
						2011	2010	
Interest income	1,007	978	910	886	894	3,780	3,315	3,416
Interest expenses	691	657	592	559	601	2,499	2,105	2,137
Net interest income	316	320	318	327	293	1,281	1,210	1,279
As percentage of total income	41%	47%	47%	49%	41%	46%	47%	48%

Development in net interest income



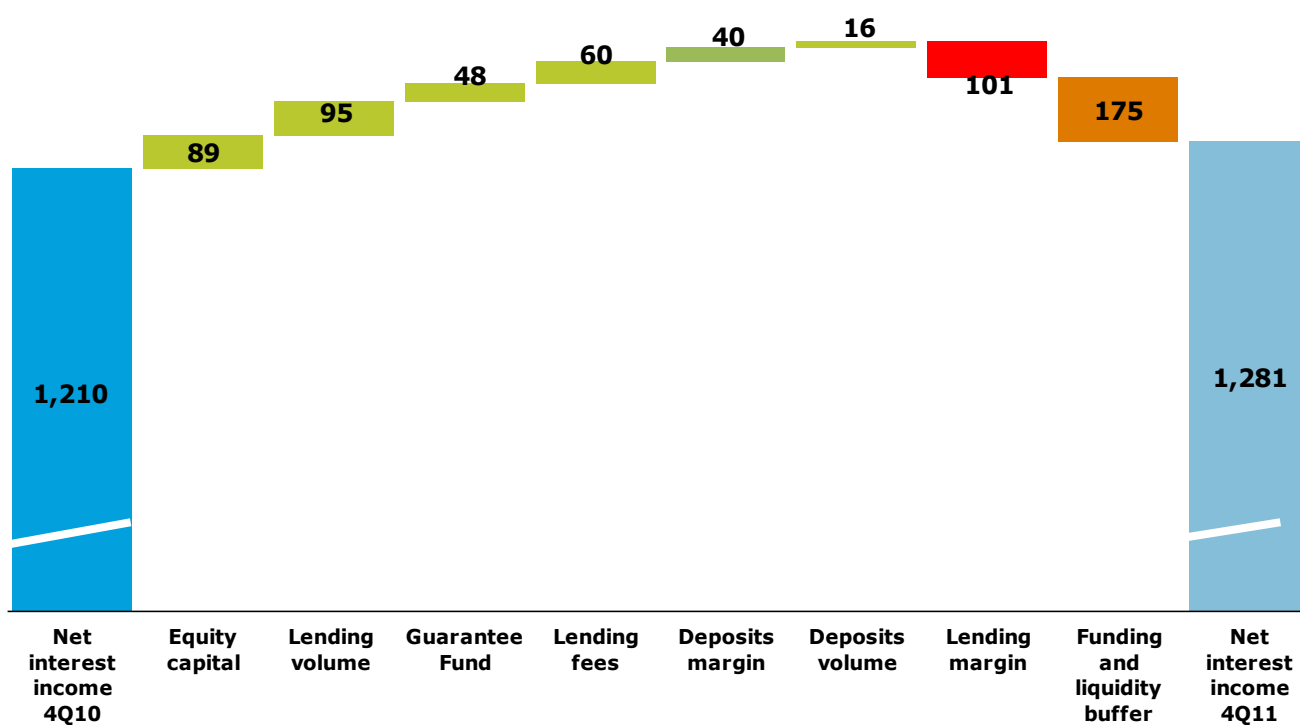
Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	95	-101	-7
Deposits	16	40	56
Total	111	-62	49

Changes in net interest income

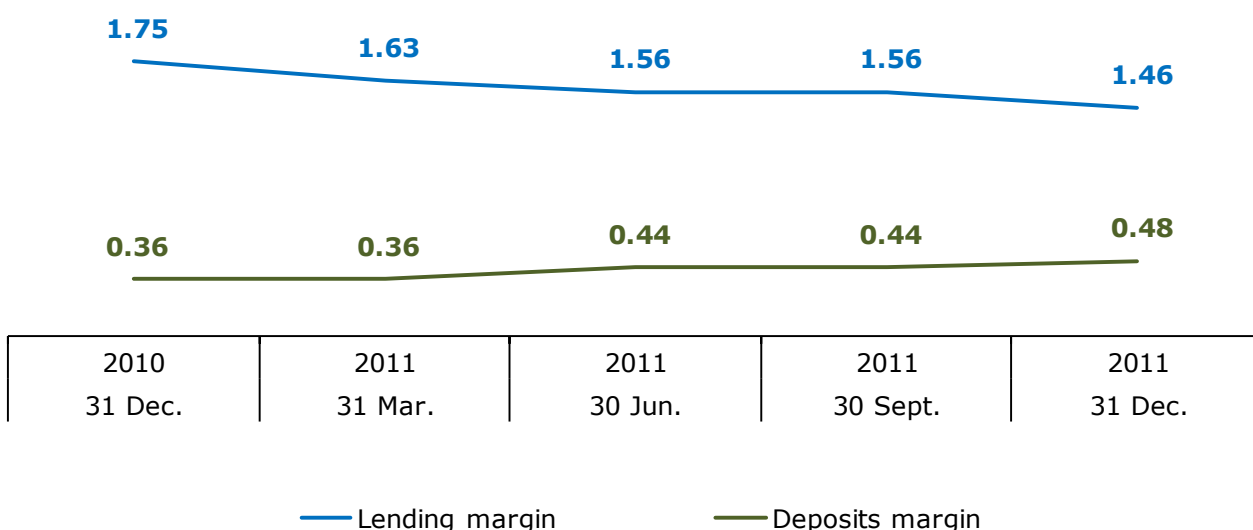
(in NOK million)

	2011	31 Dec. Change	2010
Net interest income	1,281	71	1,210
Equity capital		89	
Lending volume		95	
Levy Norwegian Bank's Guarantee Fund		48	
Fees on lending		60	
Deposit margin		40	
Deposit volume		16	
Lending margin		-101	
Funding and liquidity buffer		-175	
Change		71	



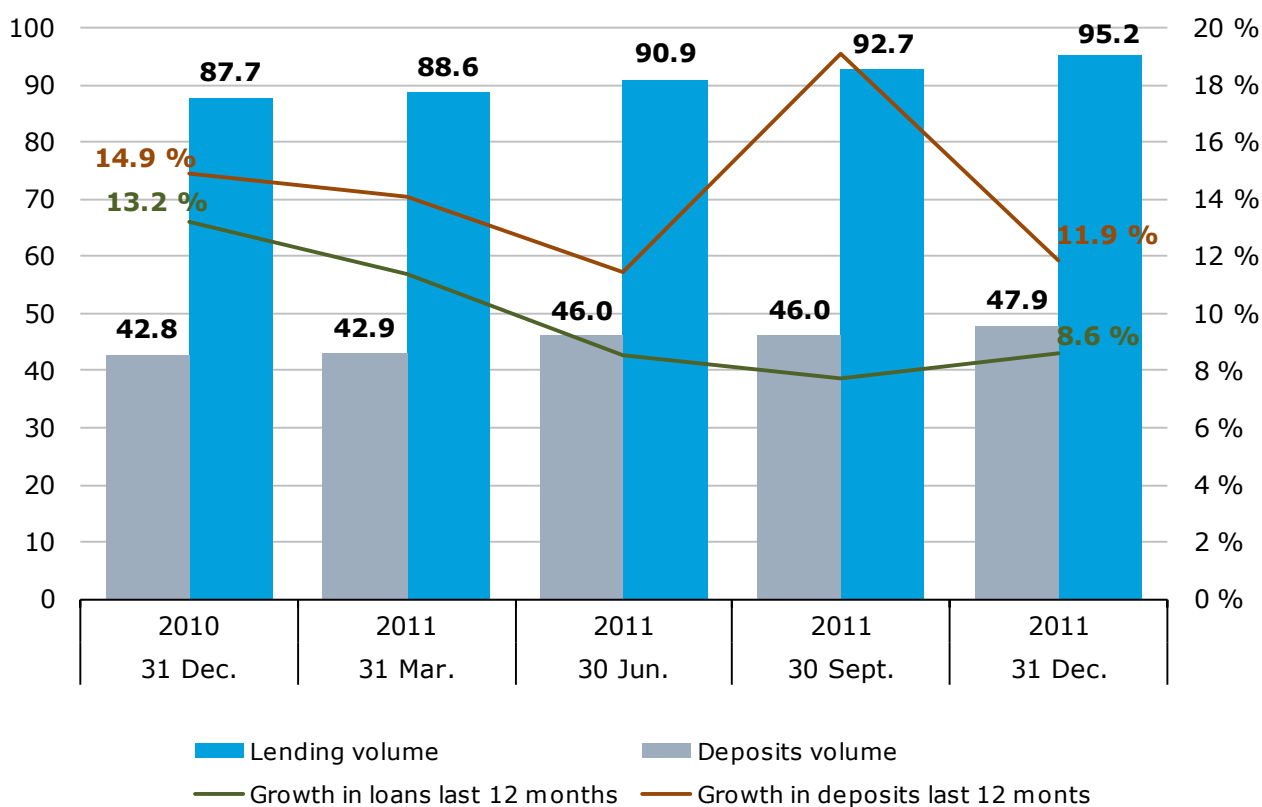
Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

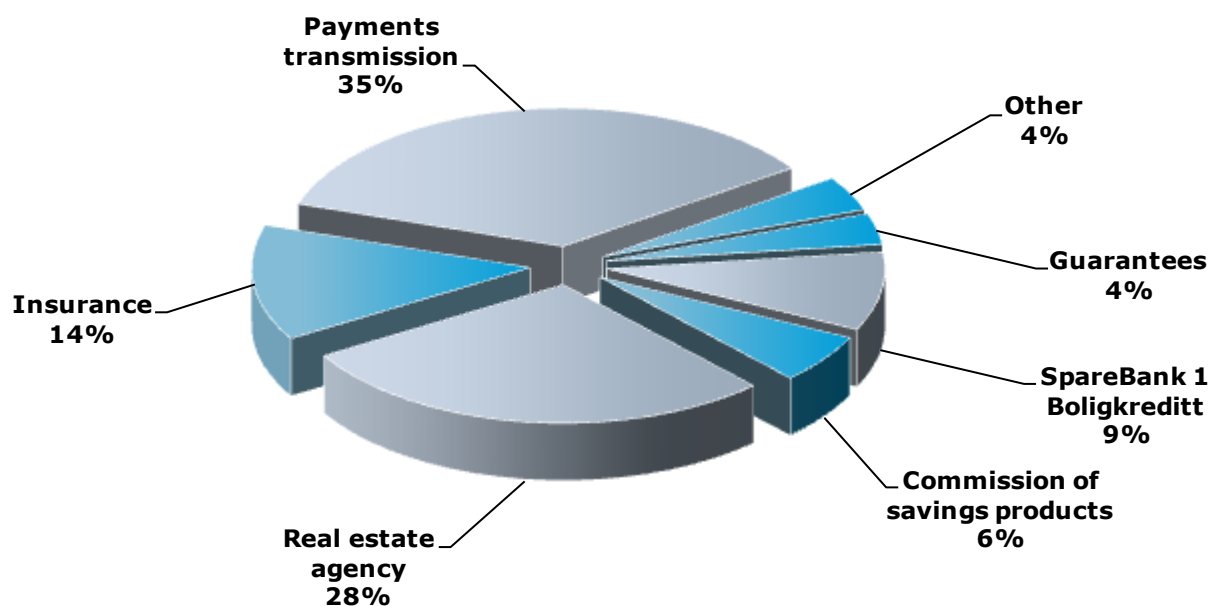
NOK bn.



2.3. Commission income

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Guarantees	7	7	7	8	7	28	29	29
SpareBank 1 Boligkreditt	9	15	22	26	24	71	107	82
Commission of savings products	11	14	11	8	16	45	43	83
Real estate agency	62	56	56	47	41	221	170	133
Insurance	29	26	26	24	26	105	96	82
Payments transmission	70	71	69	66	72	275	279	265
Other	0	10	8	13	13	31	43	31
Total commissions income	188	200	199	192	199	778	766	706
Operating- and sales income real estate	18	24	23	17	16	82	73	62
Other operating income	52	31	28	31	31	143	97	72
Total other operating income	69	56	52	47	47	224	170	134
Commission expenses	25	21	19	18	23	83	81	84
Total commissions and other income	232	234	232	221	222	919	855	756
As percentage of total income	30%	35%	34%	33%	31%	33%	33%	28%

Distribution of commission income



Change in commission income

(in NOK million)	2011	31 Dec. Change	2010
Total	919	65	855
Real estate agency		51	
Other operating income		46	
Operating- and sales income real estate		9	
Insurance		10	
Commission of savings products		2	
Commission expenses		-2	
Other		-12	
Payments transmission		-3	
Guarantees		-1	
SpareBank 1 Boligkreditt		-36	

Net return on financial investments

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011	31 Dec. 2010	2009
Income from investment in related companies	119	49	69	54	83	290	249	349
of which SpareBank 1 Gruppen AS	46	-1	19	31	61	96	164	161
BN Bank ASA	16	29	30	14	25	89	59	172
Bank 1 Oslo AS	1	5	6	4	5	15	37	0
SpareBank 1 Boligkreditt AS	2	4	5	6	6	16	16	17
SpareBank 1 Næringskreditt AS	3	2	3	1	0	9	2	1
Polaris Media AS	1	14	7	0	0	23	0	0
Other ¹⁾	28	10	7	-3	-14	41	-28	-1
Capital gains/dividends, shares and ECCs ²⁾	35	27	10	30	65	101	121	72
of which dividends	2	0	31	3	0	36	43	6
capital gains on shares	38	30	-17	28	63	79	78	63
capital gains on ECCs	-5	-4	-4	-1	3	-13	0	4
Capital gains, bonds and derivatives	29	15	31	25	42	100	80	135
Net gain on trading and derivatives Markets	40	31	16	10	8	96	39	86
Net return on financial investments	223	122	125	118	198	588	489	642
As percentage of total income	29%	18%	19%	18%	28%	21%	19%	24%

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

2) Included net gain of NOK 51m (loss NOK 22m) from SpareBank 1 SMN Invest AS, which manages

Change in net return on financial investments

(in NOK million)	2011	31 Dec. Change	2010
Total	588	98	489
Capital gains from bonds and derivatives		20	
Capital gain, SMN Markets		57	
Capital gains/dividends on shares and ECC's		-20	
Income from investment in related companies		40	

2.4. Operating expenses

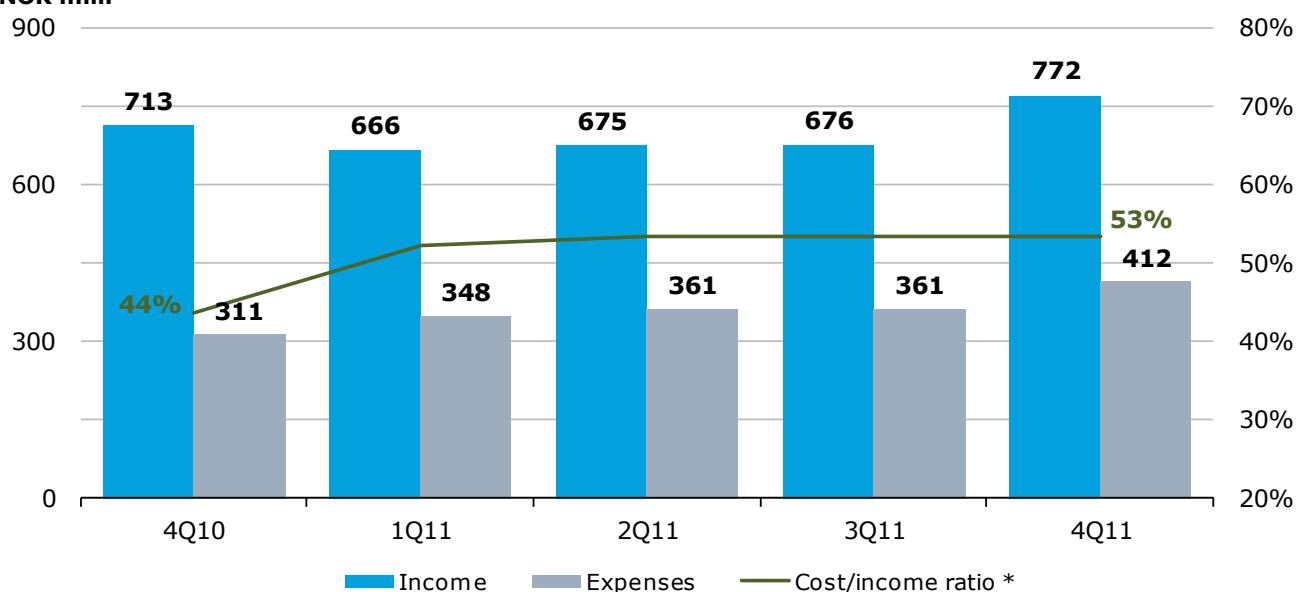
Operating expenses

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Salary	194	191	190	177	175	752	656	637
Pension costs (defined benefit plan)	-2	11	11	9	-46	28	-100	60
Employer's insurance contributions	1	3	3	3	1	11	10	14
Other personnel expenses	3	3	4	8	6	18	17	14
Total personnel expenses	196	209	208	198	137	810	583	725
EDP and telecommunication expenses	53	43	46	42	42	185	156	158
Postage and transportation services	7	6	7	7	7	27	27	28
Marketing	16	10	12	12	12	50	43	38
Operating exp. on properties and premises	26	24	24	21	30	95	94	80
Other external services	19	12	13	11	20	55	52	39
Other operating expenses	69	35	32	37	47	172	138	135
Depr./write-downs of fixed & intangible assets	25	23	19	21	17	87	48	51
Other expenses	216	153	153	150	175	673	557	528
Total operating expenses	412	361	361	348	311	1482	1140	1253
Cost/income ratio	0.53	0.53	0.53	0.52	0.44	0.53	0.45	0.47
Cost/income ratio ex financial inv.	0.75	0.65	0.66	0.63	0.60	0.67	0.55	0.62
12-month cost growth*	30.0 %	29.1 %	39.2 %	68.8 %	-9.0 %	30.0 %	-9.0 %	4.9 %

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

Cost/income ratio

NOK mill.



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

Change in operating expenses

(in NOK million)

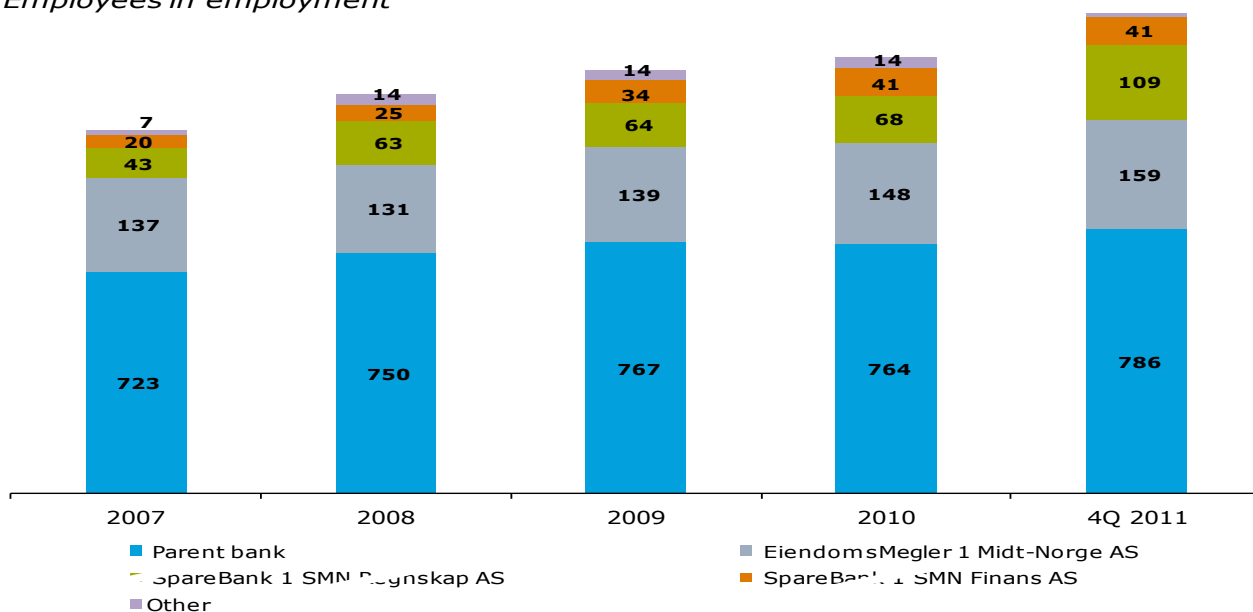
	2011	31 Dec. Change	2010
Total	1,482	342	1,140
Total personnel expenses*		226	
Depr./write-downs of fixed & intangible assets		40	
EDP and telecommunication expenses		29	
Other operating expenses		35	
Operating exp. on properties and premises		1	
Other external services		3	
Marketing		7	
Postage and transportation services		0	

*Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010

Development of employees

<i>Employees in employment</i>	4Q 2011	2010	2009	2008	2007
Retail market division	392	378	367	381	366
Corporate market	187	172	155	155	147
SpareBank 1 SMN Markets	40	33	32	21	15
Business operations	112	128	134	137	130
Management and staff	55	53	79	57	66
Parent bank	786	764	767	750	723
EiendomsMegler 1 Midt-Norge AS	159	148	139	131	137
Allegro Finans AS	9	10	10	10	7
SpareBank 1 SMN Finans AS	41	41	34	25	20
SpareBank 1 SMN Regnskap AS	109	68	64	63	43
SpareBank 1 Kvartalet and other	4	4	4	4	-
Total	1,109	1,035	1,016	982	931

Employees in employment



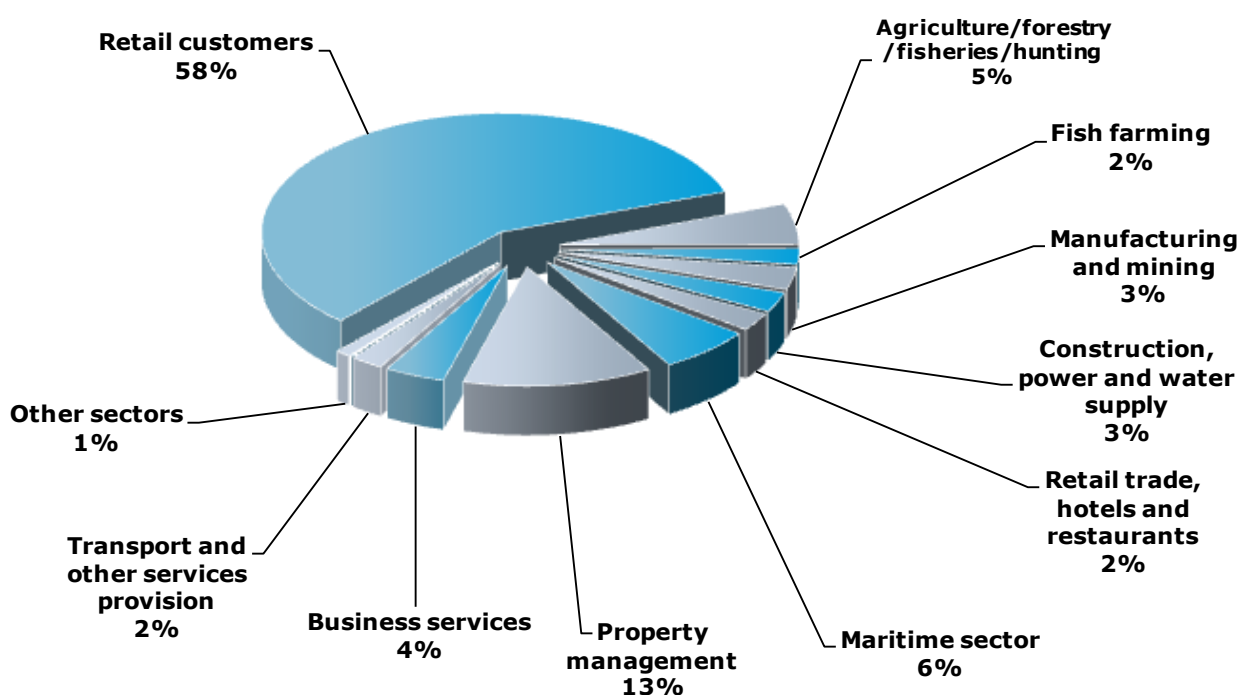
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
Agriculture/forestry/fisheries/hunting	5,217	4,619	4,525	4,601	4,892	4,611
Fish farming	2,026	2,013	2,426	2,010	1,906	1,325
Manufacturing and mining	2,881	3,026	2,805	2,714	2,775	2,324
Construction, power and water supply	2,572	2,480	2,825	2,574	2,511	2,257
Retail trade, hotels and restaurants	2,337	2,318	2,407	2,463	2,503	2,460
Maritime sector	5,978	5,558	5,389	5,624	5,242	2,209
Property management	12,179	12,236	12,314	12,754	13,013	11,328
Business services	3,867	3,608	3,334	3,131	3,134	3,279
Transport and other services provision	2,078	2,058	2,055	1,483	1,628	2,217
Public administration	92	54	58	72	101	64
Other sectors	971	1,052	694	610	339	199
Gross loans in corporate market	40,198	39,021	38,832	38,037	38,046	32,272
Retail customers	55,034	53,650	52,107	50,569	49,619	45,157
Gross loans incl. SpareBank 1 Boligkreditt	95,232	92,671	90,939	88,606	87,665	77,429
- Adv. of this SpareBank 1 Boligkreditt	22,126	21,101	22,379	20,054	17,818	15,647
Gross loans in balance sheet	73,105	71,570	68,559	68,553	69,847	61,782
Share of loans, corporate market	42.2 %	42.1 %	42.7 %	42.9 %	43.4 %	41.7 %
Share of loans, retail market	57.8 %	57.9 %	57.3 %	57.1 %	56.6 %	58.3 %

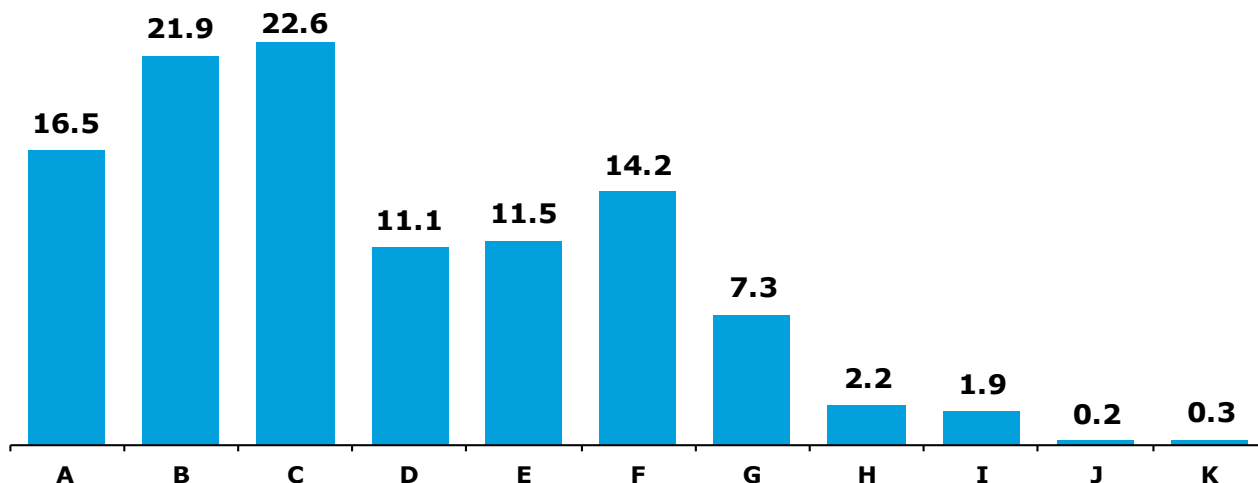
Distribution of loans by industry



3.2. Risk profile and write-downs

Actual risk profil, Exposure At Default

NOK billion



Risk classification in SpareBank 1 SMN

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

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

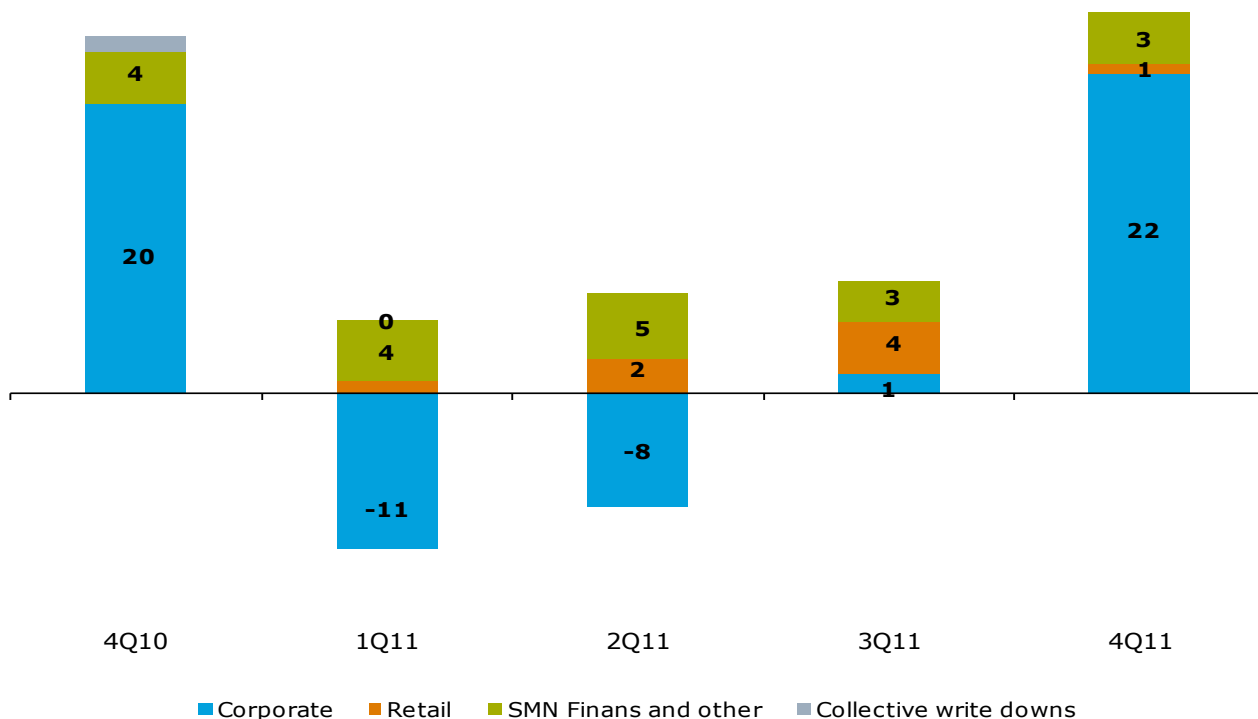
* Probability of default

Write-downs on loans and guarantees

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec.		2009
						2011	2010	
Increase in and new individual write-downs	13	-19	-40	-5	-61	-50	3	3
Reassessments and recoveries	-13	-27	-39	1	-85	-77	-128	-230
Total individual write-downs	26	8	-1	-6	24	27	131	233
Change in group write-downs on loans	0	0	0	0	1	0	1	44
Write-downs on loans and guarantees	26	8	-1	-6	25	27	132	277
As % of gross loans incl. Boligkreditt	0.11%	0.03%	-0.01%	-0.03%	0.11%	0.03%	0.16%	0.31%

Loss on loans by segment

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec.		2009
						2011	2010	
Corporate	22	1	-8	-11	20	5	104	202
Retail	1	4	2	1	0	7	4	15
SMN Finans and other	3	3	5	4	4	15	23	16
Collective write downs	0	0	0	0	1	0	1	44
Total loss on loans	26	8	-1	-6	25	27	132	277



Individual and collective write-downs

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec.		2009
						2011	2010	
Individual write-downs to cover loss on loans, guarantees at start of period	159	178	217	222	283	222	219	215
Confirmed losses in the period on loans, guarantees etc., not prev. subject to ind. write down	2	0	2	6	2	10	34	9
Reversal of previous years' write downs	0	-6	-7	-15	-3	-28	-22	-10
Increase in write downs of commitments not previously subject to individual write down	15	18	15	11	-59	59	38	94
Write downs of loans not previously subject to individual write down	-4	-30	-50	-6	-1	-91	-46	-89
Individual write downs to cover loss	173	159	178	217	222	172	222	219
Collective write downs to cover loss on loans, guarantees at start of period	290	290	290	290	289	290	289	245
Period's collective write down to cover loss on loans, guarantees etc.	0	0	0	0	1	0	1	44
Collective write downs to cover loss on loans, guarantees	290	290	290	290	290	290	290	289

Loans and guarantees by industry

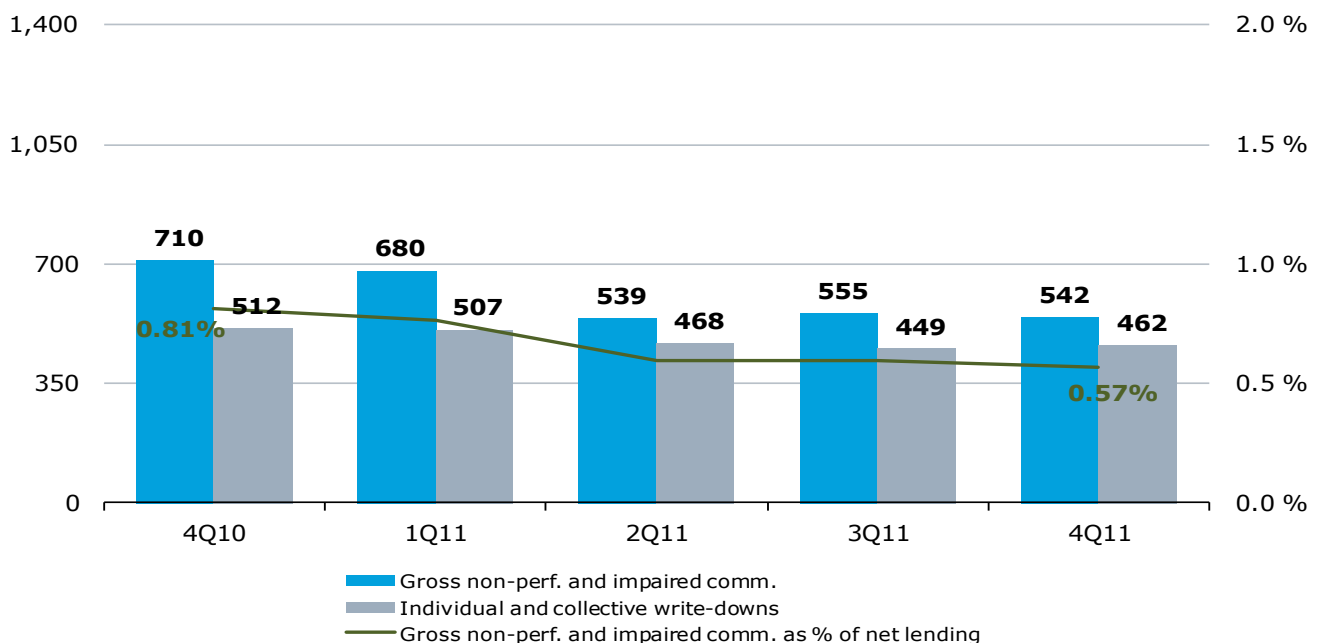
	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	59,479	47,251	7,993	2,861	598	587	191
Public administration	869	869	-	-	-	-	-
Agriculture and forestry	5,599	3,061	953	1,191	260	119	14
Sea farming industries	3,064	2,207	701	89	15	46	6
Manufacturing	4,864	1,334	1,740	1,404	36	310	40
Construction, power and water supply	3,177	702	856	1,130	185	258	46
Retail trade, hotels and restaurants	3,167	728	1,295	880	199	42	24
Maritime sector	731	78	283	345	24	-	2
Property management	14,410	2,523	3,916	6,912	768	200	91
Business services	4,770	736	1,178	2,589	88	143	36
Transport and other services provision	8,678	1,400	3,409	3,645	28	178	19
Finance	89	89	-	-	-	-	0
Other sectors	723	-	270	454	-	-	-
4Q11	109,621	60,977	22,594	21,498	2,199	1,884	468
2010	98,801	52,410	20,338	20,439	2,451	2,311	852
2009	85,920	44,795	19,940	14,433	4,260	1,654	838

Write-down ratio

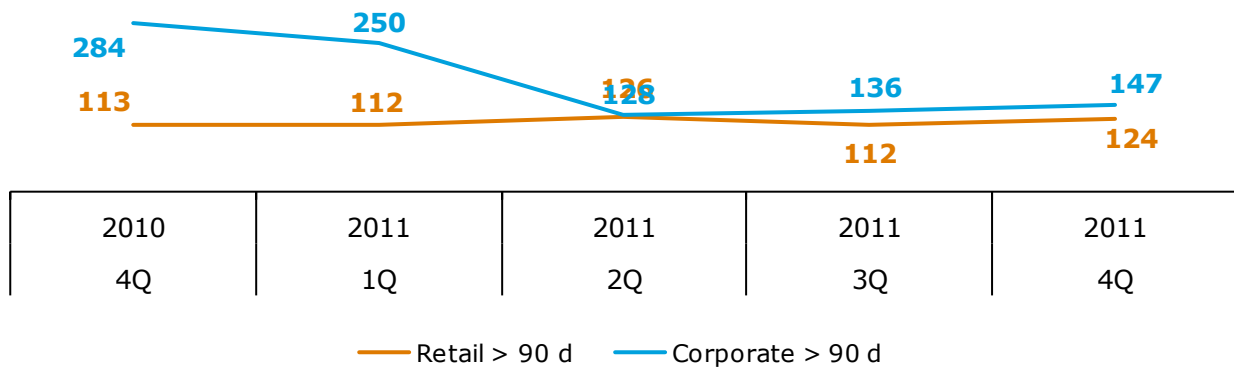
(in NOK million)	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
Non-performing commitments (gross)	338	332	361	477	499	379
Impaired commitments (gross)	204	223	178	202	211	442
Gross non-performing and impaired commitments	542	555	539	680	710	820
Individual write-downs	172	160	179	217	222	219
Collective write-downs	290	290	290	290	290	289
Write-down ratio (%)	85.2 %	81.0 %	86.8 %	74.6 %	72.1 %	61.8 %

Net non-performing and impaired commitments

NOK million



Default in excess of 90 days
NOK million



4. Capital Adequacy

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

The Norwegian State Finance Fund has in a period to 30 September 2009 offered tier 1 capital to solid Norwegian banks to help them meet tighter capital adequacy requirements and improve their lending capacity. SMN applied for, and was granted, a capital infusion which was disbursed from the State Finance Fund in the form of hybrid equity worth NOK 1.25 billion as of 30.9.09. In March 2010, with Finanstilsynet's approval, this was partially redeemed in an amount of NOK 450 million, and the remainder was repaid in April 2010.

Subordinated debt ranks behind all other liabilities. Dated subordinated loans are eligible at a maximum of 50% of tier 1 capital for capital adequacy purposes, while perpetual subordinated loans are eligible at a maximum of 100% of tier 1 capital. Subordinated loans are classified as a liability in the balance sheet and are measured at amortized cost in the same way as other long-term loans.

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

For detailed information about subordinated debt and hybrid capital, see note 34 in the Bank's annual report.

Capital Adequacy

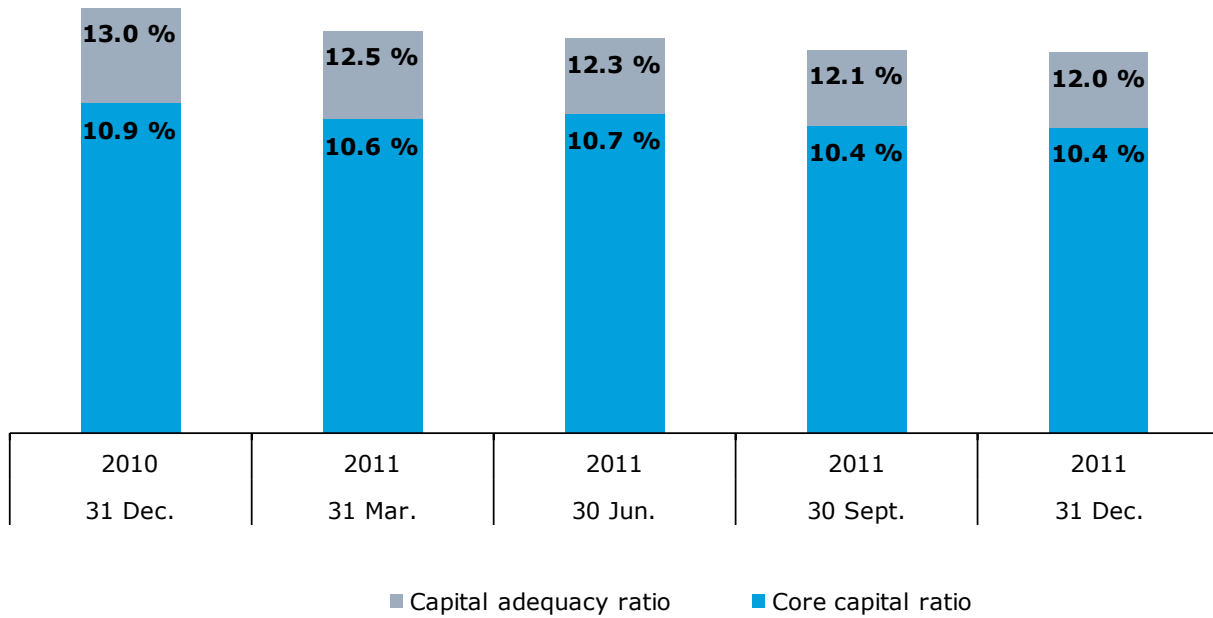
(in NOK million)	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
Equity certificates capital	2,373	2,373	2,373	2,373	2,373	1,736
- Own equity certificates capital	0	0	0	0	0	-2
Premium reserve	183	183	182	182	182	0
Equalisation reserve	1,457	1,160	1,160	1,160	1,159	876
Savings bank's reserve	2,611	2,344	2,345	2,345	2,345	2,155
Recommended dividends	190	0	0	0	285	201
Provision for gifts	40	0	0	0	192	27
Reserve for unrealised gains	85	60	71	75	66	124
Other equity and minority interest	1,409	1,261	1,267	1,250	1,244	1,066
Net profit	0	745	505	255	0	0
Total book equity	8,348	8,126	7,902	7,639	7,846	6,183
Deferred tax, goodwill and other intangible assets	-692	-658	-643	-643	-466	-482
Share of reserve for unrealised gains in associates	64	65	65	65	65	0
Deduction for allocated dividends	-230	0	0	0	-477	-201
50 % deduction for expected losses on IRB, net of write-downs	-147	-176	-151	-90	-216	-189
50 % capital adequacy reserve	-656	-638	-636	-626	-571	-373
Share of non-performing, non-amortised estimate deviations	0	0	0	0	0	0
Net profit	0	-745	-505	-255	0	0
Year-to-date profit included in core capital (50%)	0	373	252	126	0	0
Fund bonds	1,170	1,159	1,110	1,114	1,106	542
Hybrid equity State Finance Fund	0	0	0	0	0	1,250
Total core capital	7,856	7,504	7,394	7,330	7,286	6,730
Supplementary capital in excess of core capital						
Perpetual subordinated capital	328	326	315	452	466	450
Dated subordinated capital	1,674	1,659	1,574	1,571	1,680	2,112
financial institutions	0	0	0	0	0	0
50 % deduction for expected losses on IRB, net of write-downs	-147	-176	-151	-90	-216	-189
50 % capital adequacy reserve	-656	-638	-636	-626	-571	-373
Total supplementary capital	1,199	1,171	1,102	1,308	1,360	2,001
Net subordinated capital	9,055	8,675	8,496	8,638	8,646	8,730

Minimum requirements subordinated capital

(in NOK million)	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
Involvement with specialised enterprises	1,456	1,375	1,408	1,389	1,386	1,295
Other corporations exposure	1,313	1,240	1,203	1,168	1,120	1,000
SME exposure	42	58	59	64	68	57
Retail mortgage exposure	513	495	451	450	451	429
Other retail exposure	33	34	33	32	34	56
Equity investments	0	0	0	0	0	476
Total credit risk IRB	3,358	3,201	3,154	3,103	3,058	3,313
Debt risk	182	172	98	176	165	0
Equity risk	16	13	15	15	15	15
Operational risk	400	400	400	400	331	296
Exposures calculated using the standardised approach	2,184	2,068	1,962	1,949	1,864	1,594
Deductions	-111	-107	-107	-106	-98	-67
Transitional arrangements	0	0	0	0	0	0
Minimum requirements subordinated capital	6,027	5,748	5,522	5,537	5,335	5,152

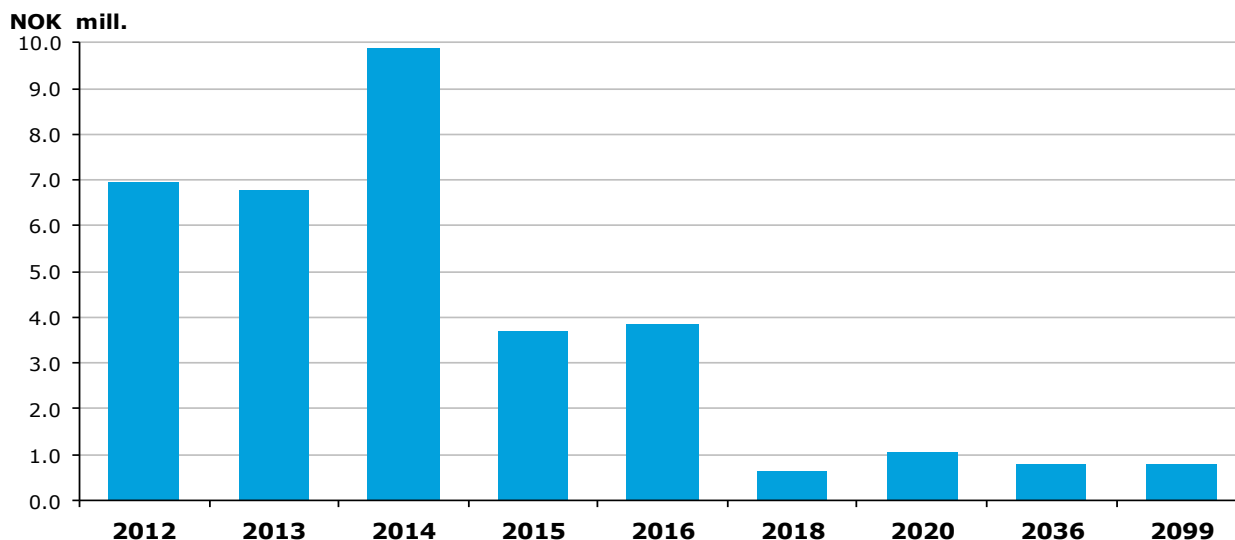
Core capital ratio	10.4 %	10.4 %	10.7 %	10.6 %	10.9 %	10.4 %
Capital adequacy ratio	12.0 %	12.1 %	12.3 %	12.5 %	13.0 %	13.6 %

Capital Adequacy



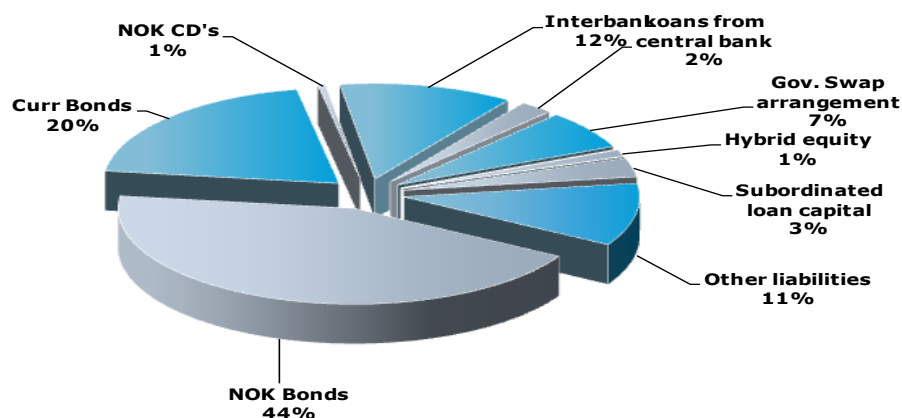
5. Funding

Funding maturity dates



Capital markets funding

(in NOK million)	31 Dec. 2011	30 Sept. 2011	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	31 Dec. 2009
NOK Bonds	19,224	16,780	16,872	15,987	16,531	12,120
Curr Bonds	8,803	8,898	9,187	8,824	11,176	11,051
NOK CD's	220	206	323	266	235	187
Interbank	5,232	5,348	6,635	7,302	7,743	5,492
Loans from central bank	1,000	1,000	1,000	1,000	1,000	1,500
Gov. Swap arrangement	2,886	4,318	4,318	4,318	4,318	4,318
Bond Index	-	-	-	-	-	-
Perp. Sub. Loan capital	26	24	13	150	164	441
Hybrid equity	481	945	893	898	936	462
The Norwegian State Finance Fund	-	-	-	-	-	1,250
Subordinated loan capital	1,409	1,394	1,310	1,306	1,358	1,716
Other liabilities	4,655	5,856	3,204	2,607	3,058	1,942
Total	43,936	44,769	43,756	42,660	46,519	40,479



6. Financial results

Financial results

	4Q	3Q	2Q	1Q	4Q	31 Dec.			
(in NOK million)	2011	2011	2011	2011	2010	2011	2010	2010	2009
Interest income	1,007	978	910	886	894	3,780	3,315	3,315	3,416
Interest expenses	691	657	592	559	601	2,499	2,105	2,105	2,137
Net interest	316	320	318	327	293	1,281	1,210	1,210	1,279
Commission income	188	159	199	192	199	778	766	766	706
Commission expenses	25	21	19	18	23	83	81	81	84
Other operating income	69	96	52	47	47	224	170	170	134
Commission income and other income	232	234	232	221	222	919	855	855	756
Dividends	2	0	31	3	0	36	43	43	6
Income from investment in related companies	119	49	69	54	83	290	249	249	349
Net return on financial investments	103	73	25	62	115	262	197	197	287
Net return on financial investments	224	122	125	118	198	588	490	490	642
Total income	772	676	675	666	713	2,789	2,555	2,555	2,677
Staff costs	196	209	208	198	137	810	583	583	725
Administration costs	114	86	96	86	98	381	339	339	320
Other operating expenses	103	66	57	65	76	291	218	218	208
Total operating expenses	412	361	361	348	311	1,482	1,140	1,140	1,253
Result before losses	360	315	314	318	402	1,306	1,414	1,414	1,424
Loss on loans, guarantees etc.	26	8 -	1 -	6	25	27	132	132	277
Result before tax	333	306	315	325	377	1,279	1,282	1,282	1,147
Tax charge	54	66	65	70	60	255	260	260	210
Net profit	279	240	250	255	318	1,024	1,022	1,022	937
Majority share	277	238	253	248	317	1,016	1,017	1,017	931
Minority interest	2	2 -	3	6	1	8	5	5	6

Balance sheet

	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.	31 Dec.
(in NOK million)	2011	2011	2011	2011	2010	2009
Cash and receivables from central banks	1,519	409	3,922	257	2,112	1,107
Deposits with and loans to credit institutions	2,557	1,142	1,459	946	420	153
Gross loans to customers before write-down	73,105	71,570	68,559	68,553	69,847	61,782
- Specified write-downs	-172	-159	-177	-217	-222	-219
- Write-downs by loan category	-290	-290	-290	-290	-290	-289
Net loans to and receivables from customers	72,643	71,121	68,092	68,046	69,336	61,275
Fixed-income CDs and bonds at fair value	12,918	15,424	14,988	15,579	16,980	14,727
Derivatives	3,697	3,316	1,619	1,411	1,825	1,149
Shares, units and other equity interests	611	588	578	572	618	505
Investment in related companies	4,259	4,258	4,215	4,119	3,526	2,921
Goodwill	492	471	460	460	460	460
Other assets	2,759	3,278	3,082	3,065	2,722	2,244
Assets	101,455	100,009	98,415	94,455	97,997	84,541
Deposits from credit institutions	9,118	10,666	11,953	12,621	13,062	11,310
Deposits from and debt to customers	47,871	46,024	45,990	42,900	42,786	37,227
Debt created by issue of securities	28,148	25,885	26,382	25,078	27,941	23,358
Derivatives	3,158	3,008	1,559	1,265	1,684	712
Other liabilities	2,122	3,638	2,113	2,298	1,922	1,876
Subordinated loan capital	2,690	2,663	2,516	2,655	2,758	3,875
Total liabilities	93,107	91,884	90,513	86,816	90,152	78,358
Equity capital certificate	2,373	2,373	2,373	2,373	2,373	1,736
Own holding of ECCs	0	0	0	0	0	-2
Premium fund	183	183	182	182	182	0
Dividend equalisation fund	1,457	1,160	1,160	1,160	1,159	877
Recommended dividends	190	0	0	0	285	174
Provision for gifts	40	0	0	0	192	27
Savings bank's reserve	2,611	2,344	2,345	2,345	2,345	2,155
Unrealised gains reserve	85	60	71	75	66	124
Other equity capital	1,274	1,127	1,138	1,152	1,147	1,052
Result of the period	0	745	505	255	0	0
Minority interests	135	134	129	98	97	42
Total equity capital	8,348	8,126	7,902	7,639	7,846	6,183
Total liabilities and equity	101,455	100,009	98,415	94,455	97,997	84,541

Key figures

	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011	2010	2009
Return on equity	13.6 %	12.0 %	12.9 %	13.2 %	16.6 %	12.8 %	14.6 %	16.2 %
Cost/income ratio group	53.4 %	53.5 %	53.4 %	52.2 %	43.7 %	53.2 %	44.6 %	46.8 %
Cost/income ratio group, ex. financial inv.	75.2 %	65.2 %	65.6 %	63.5 %	60.4 %	67.4 %	55.2 %	61.6 %
Cost/income ratio parent bank	61.4 %	54.8 %	37.9 %	53.7 %	41.4 %	50.5 %	40.2 %	47.2 %
Cost/income ratio parent, ex. financial inv.	71.0 %	61.2 %	62.1 %	59.4 %	52.8 %	63.3 %	50.3 %	60.4 %
12-month cost growth*	30.0 %	29.1 %	39.2 %	68.8 %	-9.0 %	30.0 %	-9.0 %	4.9 %
Gross loans to customers incl. Boligkreditt	95,232	92,671	90,939	88,606	87,665	95,232	87,665	77,429
Growth in loans incl Boligkreditt last 12 months	8.6 %	7.7 %	8.6 %	11.4 %	13.2 %	8.6 %	13.2 %	8.6 %
Growth in loans incl Boligkreditt this period	2.8 %	1.9 %	2.6 %	1.1 %	1.9 %	8.6 %	13.2 %	8.6 %
Deposits from customers	47,871	46,024	45,990	42,900	42,786	47,871	42,786	37,227
Growth in deposits last 12 months	11.9 %	19.1 %	11.4 %	14.1 %	14.9 %	11.9 %	14.9 %	5.5 %
Growth in deposits this period	4.0 %	0.1 %	7.2 %	0.3 %	10.7 %	11.9 %	14.9 %	5.5 %
Ordinary lending financed by ordinary deposits	65.5 %	64.3 %	67.1 %	62.6 %	61.3 %	65.5 %	61.3 %	60.3 %
Total assets	101,455	100,009	98,415	94,455	97,997	101,455	97,997	84,509
Average total assets	100,732	99,212	96,435	96,224	96,632	98,465	91,317	86,679
Employees in employment group	1,109	1,109	1,047	1,057	1,035	1,109	1,035	1,016
Employees in employment parent bank	786	786	758	771	764	786	764	767
Employees in employment subsidiaries	323	323	289	287	271	323	271	250
Number of branches	54	54	54	54	54	54	54	55
Lending margin	1.46	1.53	1.63	1.75	1.71	1.57	1.66	1.62
Deposit margin	0.48	0.47	0.36	0.36	0.41	0.44	0.41	0.41
Net other operating income of total income	30.0 %	34.6 %	34.4 %	33.2 %	31.2 %	33.0 %	33.5 %	28.2 %
Capital adequacy ratio	12.0 %	12.1 %	12.3 %	12.5 %	13.0 %	12.0 %	13.0 %	13.6 %
Core capital ratio	10.4 %	10.4 %	10.7 %	10.6 %	10.9 %	10.4 %	10.9 %	10.4 %
Total core capital	7,856	7,504	7,394	7,330	7,286	7,856	7,286	6,730
Net subordinated capital	9,055	8,675	8,496	8,638	8,646	9,055	8,646	8,730
Impairment losses ratio	0.11%	0.03%	-0.01%	-0.03%	0.11%	0.03%	0.16%	0.31%
Non-performing commitm. as % of gross loans	0.36%	0.36%	0.40%	0.54%	0.57%	0.36%	0.57%	0.49%
Other doubtful commitm. as % of gross loans	0.21%	0.24%	0.20%	0.23%	0.24%	0.21%	0.24%	0.57%
ECC price	39.30	39.30	48.90	50.00	54.00	39.30	54.00	22.85
Number of certificates issued, millions	94.92	94.92	94.90	94.90	94.90	94.92	94.90	57.86
Booked equity capital per ECC (incl. dividend)	54.44	52.49	51.05	49.34	50.60	54.44	50.60	40.03
Adjusted profit per ECC	1.80	1.55	1.62	1.65	2.05	6.61	6.43	4.49
P/E per ECC	5.44	6.33	7.55	7.59	6.57	5.94	8.40	5.09
P/B equity capital	0.72	0.75	0.96	1.01	1.07	0.72	1.07	0.57

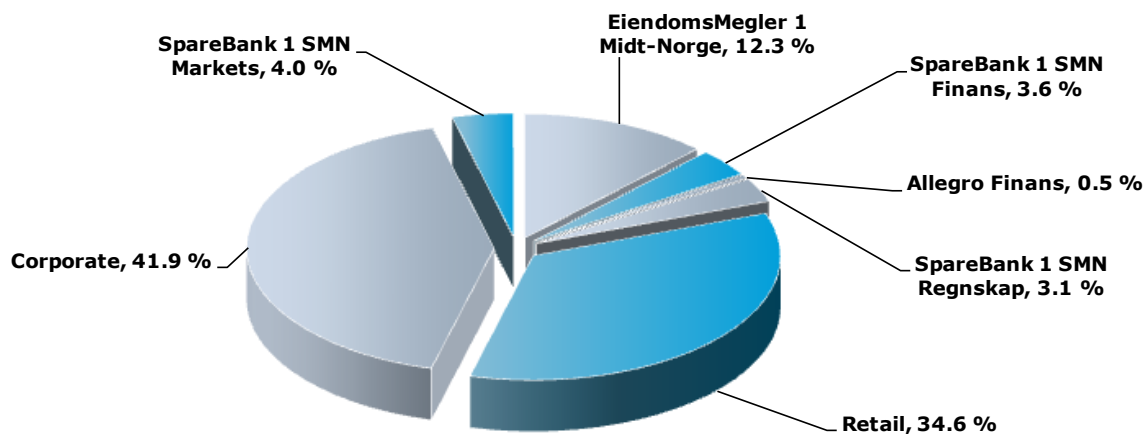
* Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth

7. Segment information

7.1. Extract from income statement

Group (in NOK million)	Retail	Corporate	SpareBank 1 SMN Markets	Eiendoms Megler 1 Midt-Norge	SpareBank 1 SMN Finans	Allegro Finans	SpareBank 1 SMN Regnskap	Uncollated	Total
Net interest	521	783	10	5	94	1	0	-132	1,281
Allocated	29	117	3	0	0	0	0	-150	0
Total interest income	551	900	13	5	94	1	0	-281	1,281
Commission income and other income	327	132	24	308	-1	12	79	38	919
Net profit on financial investments	6	36	64	0	-1	0	0	483	588
Total income	883	1,069	101	313	92	12	79	239	2,789
Total operating expenses	603	352	99	237	50	18	74	49	1,482
Ordinary operating profit	280	717	2	76	42	-5	5	189	1,306
Loss on loans, guarantees etc.	7	5	0	0	15	0	0	0	27
Result before tax	273	712	2	76	27	-5	5	189	1,279
Post-tax return on equity	0	0							0
Balance sheet									
Loans and advances to customers	52,055	38,655	0	0	2,941	0	0	1,580	95,232
adv. of this to Boligkreditt	-21,079	-257	0	0	0	0	0	-790	-22,126
Individual allowance for impairment on loan	-31	-120	0	0	-22	0	0	0	-172
Group allowance for impairment on loan	0	0	0	0	-16	0	0	-273	-290
Other assets	265	609	0	146	-2,461	17	18	30,216	28,812
Total assets	31,210	38,888	0	146	443	17	19	30,732	101,455
Deposits to customers	21,185	25,345	0	0	0	0	0	1,340	47,871
Other liabilities and equity	10,025	13,543	0	146	443	17	18	29,392	53,584
Total liabilities	31,210	38,888	0	146	443	17	19	30,732	101,455

Income specified by segment, excluding financial investments



Interest income, Retail and Corporate

	4Q	3Q	2Q	1Q	4Q	31 Dec.		
(in NOK million)	2011	2011	2011	2011	2010	2011	2010	2009
Retail	136	124	127	134	143	521	579	606
Corporate	199	206	187	191	189	783	714	596
Net interest income	335	330	314	325	331	1,304	1,293	1,202

Developement in margin, Retail and Corporate*

	4Q	3Q	2Q	1Q	4Q	31 Dec.		
Lending (in percentage)	2011	2011	2011	2011	2010	2011	2010	2009
Retail	1.07	1.18	1.32	1.40	1.47	1.22	1.42	1.55
Corporate	2.07	2.16	2.13	2.18	2.15	2.12	2.11	1.82
Total	1.46	1.56	1.56	1.63	1.75	1.57	1.66	1.62

	4Q	3Q	2Q	1Q	4Q	31 Dec.		
Deposits (in percentage)	2011	2011	2011	2011	2010	2011	2010	2009
Retail	0.83	0.84	0.64	0.57	0.57	0.73	0.53	0.47
Corporate	0.21	0.16	0.17	0.24	0.26	0.20	0.21	0.40
Total	0.48	0.44	0.44	0.36	0.36	0.44	0.41	0.41

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

Development in volume, Retail and Corporate

	4Q	3Q	2Q	1Q	4Q	31 Dec.		
Lending* (in NOK million)	2011	2011	2011	2011	2010	2011	2010	2009
Retail	52,055	50,730	49,317	47,919	46,932	52,055	46,932	43,166
Corporate	38,655	37,499	37,245	36,485	36,379	38,655	36,379	30,143
Total	90,711	88,228	86,561	84,404	83,311	90,711	83,311	73,309

* Gross loans to customers includes SpareBank 1 Boligkreditt

	4Q	3Q	2Q	1Q	4Q	31 Dec.		
Deposits (in NOK million)	2011	2011	2011	2011	2010	2011	2010	2009
Retail	21,185	20,519	20,661	19,317	19,098	21,185	19,098	18,307
Corporate	25,345	23,932	23,640	21,801	22,709	25,345	22,709	18,592
Total	46,531	44,451	44,302	41,118	41,806	46,531	41,806	36,899

Developement in commision income, Retail and Corporate

	4Q	3Q	2Q	1Q	4Q	31 Dec.		
(in NOK million)	2011	2011	2011	2011	2010	2011	2010	2009
Retail	66	87	91	89	86	333	321	323
Corporate	43	45	39	41	41	169	642	136
Total	109	133	130	130	126	501	963	459

7.2. Retail division

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

The write-back of accumulated pension liabilities in 2010 is not distributed on RM, CM and Markets.

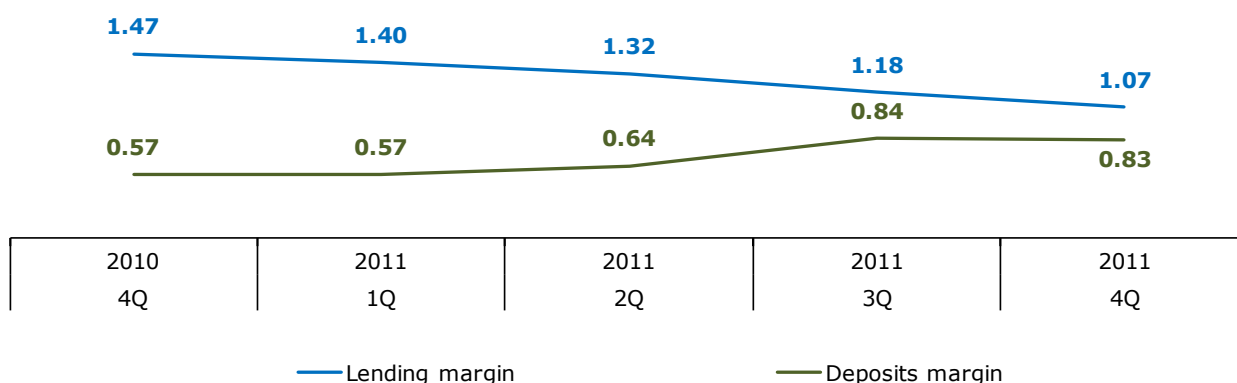
Business description

<i>Facts about the Division</i>	31 Dec. 2011	31 Dec. 2010
Lending volume	52,055	46,932
Deposits volume	21,185	19,098
No. of debit cards	144,174	138,143
No. of credit cards	87,347	74,115
No. of internet bank customers	133,632	125,132
No. of telephone bank customers	140,428	104,347
No. of active customers	184,825	182,279
FTEs	388	367

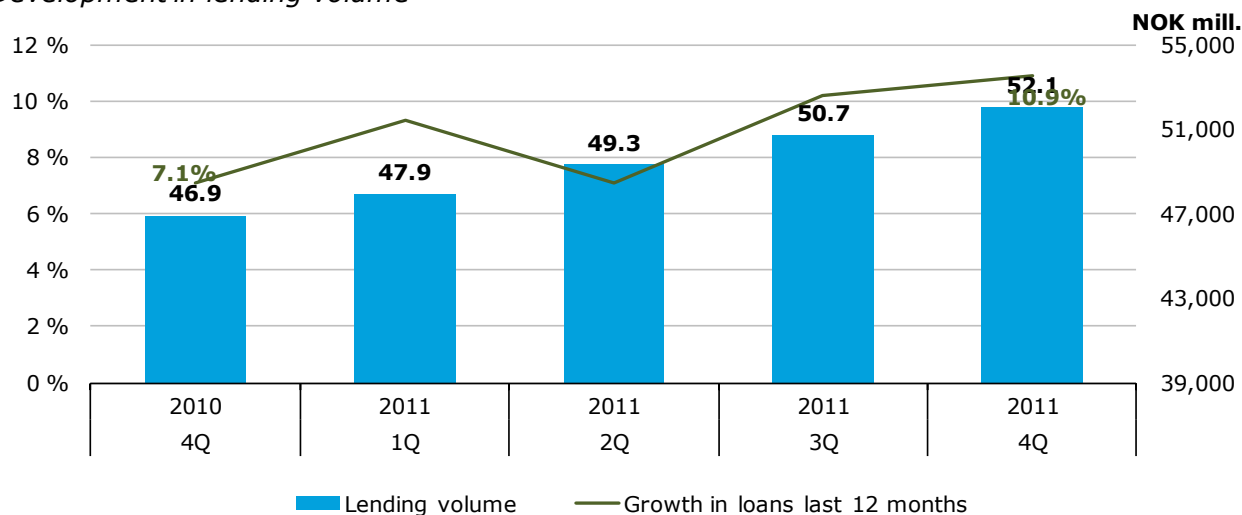
<i>Financial performance</i> (in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Net interest income lending	50	33	64	78	81	225	368	448
Net interest income deposits	86	91	63	57	62	296	211	158
Net interest income allocated capital	7	5	7	10	2	29	13	15
Total interest income	143	129	134	144	145	551	592	621
Net guarantee commission, incl. Boligkreditt	1	17	25	27	25	70	67	82
Net commission of savings products	14	13	15	10	12	52	49	51
Net commission insurance services	21	21	20	19	19	81	73	65
Net commission payment trans. services	27	34	30	33	28	123	130	123
Other commission income	0	0	0	0	0	1	0	1
Net fee and commission income	63	85	90	89	85	327	319	321
Net profit on financial investments	3	2	1	1	1	6	2	2
Total income	209	216	225	234	230	883	913	944
Total operating expenses*	152	149	153	150	117	603	468	586
Results	57	67	72	84	113	280	445	357
Loss on loans, guarantees etc.	1	4	2	1	0	7	4	15
Results before tax	56	64	70	83	113	273	441	342
*) Includes both direct and distributed expenses								
Post-tax return on equity (annualized)						21.3 %	25.5 %	25.2 %

Development in margin

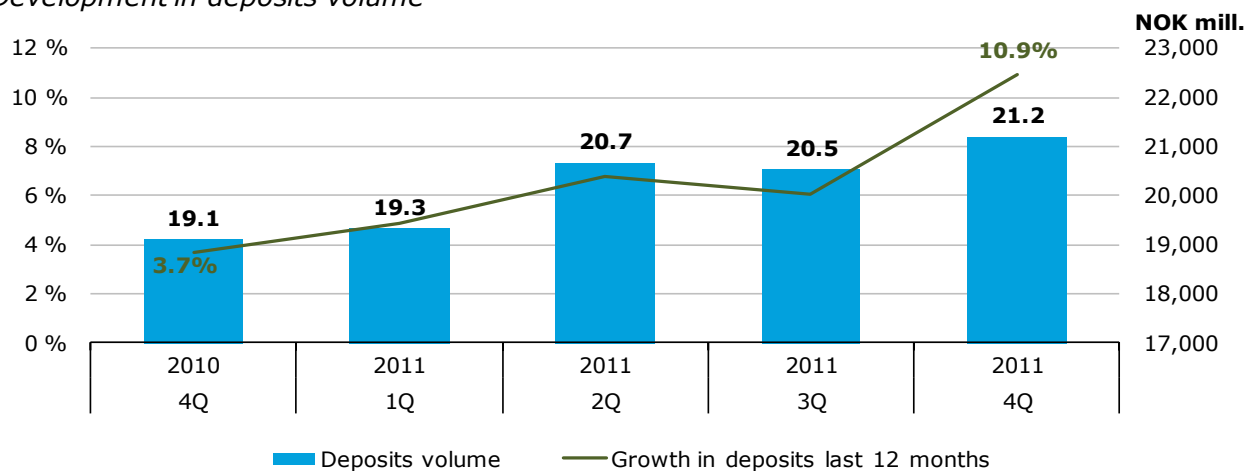
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.3. Corporate division

The Corporate Market Division focuses on financial counseling in investment and operations financing, insurance of individuals and buildings/operating equipment, investment of surplus liquidity and electronic and manual money transfers, domestic and foreign. The business is physically located across the entire market area in order to secure proximity to customers, while bearing in mind the need to ensure that competence units are of sufficient size. The business is highly skills-intensive, and requires a continuous focus on the competence of the individual staff member. To this end the Bank has established an educational facility offering module-based training for all staff.

The write-back of accumulated pension liabilities in 2010 is not distributed on RM, CM and Markets.

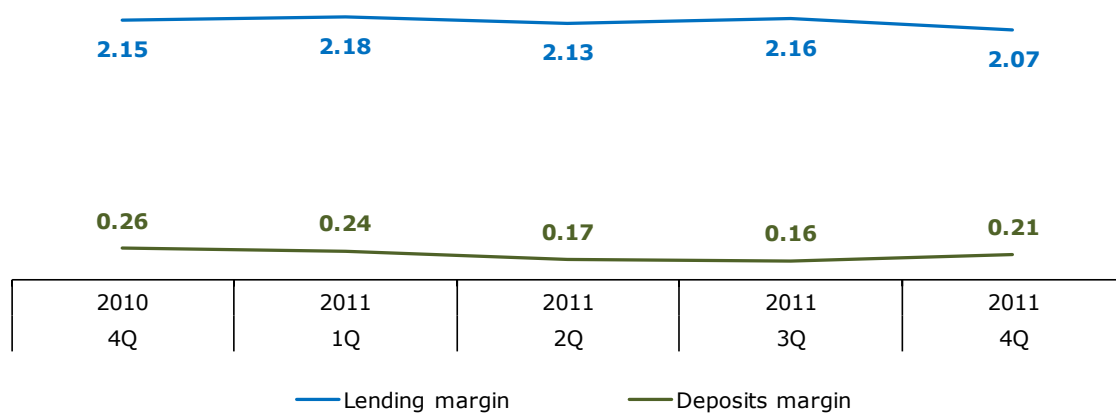
Business description

	31 Dec. 2011	31 Dec. 2010
<i>Facts about the Division</i>		
Lending volume	38,655	36,379
Deposits volume	25,345	22,709
No. of active customers	13,235	13,163
FTEs	187	155

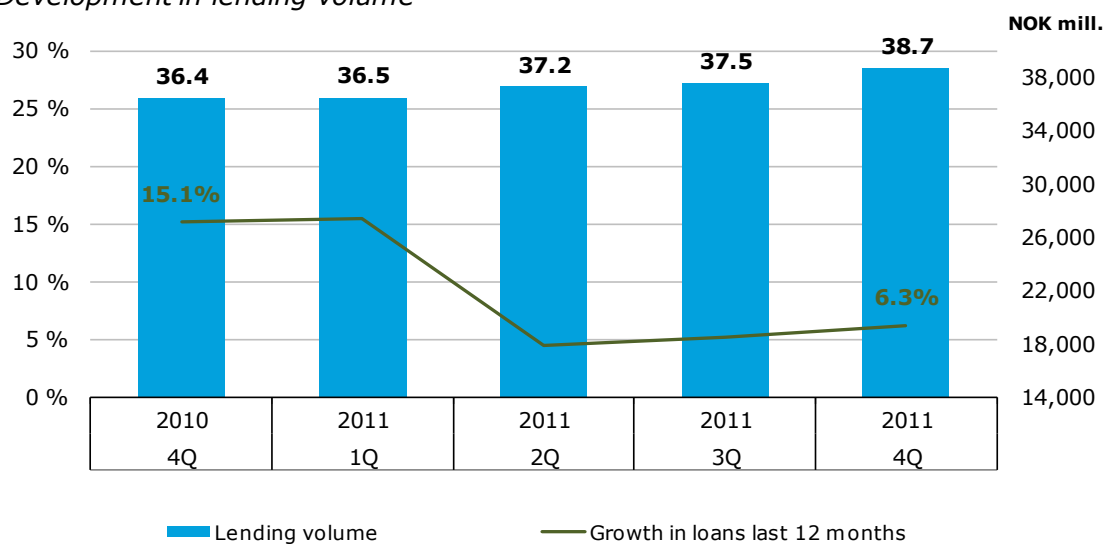
<i>Financial performance</i> (in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Net interest income lending	136	149	137	140	138	562	555	446
Net interest income deposits	63	57	50	51	50	221	158	150
Net interest income allocated capital	27	35	29	27	5	117	56	43
Total interest income	226	241	216	218	194	900	770	639
Net guarantee commission, incl. Boligkreditt	8	8	9	10	10	35	34	32
Net commission of savings products	1	0	-1	2	2	2	9	7
Net commission insurance services	8	5	6	5	6	25	24	16
Net commission payment trans. services	16	16	19	18	19	69	68	56
Other commission income	0	0	0	1	0	1	1	0
Net fee and commission income	33	30	34	36	37	132	135	111
Net profit on financial investments	10	16	5	5	4	36	16	25
Total income	269	286	255	259	235	1,069	921	775
Total operating expenses*	93	85	88	86	75	352	278	312
Results	176	201	167	173	160	717	642	464
Loss on loans, guarantees etc.	22	1	-8	-11	20	5	104	202
Results before tax	154	200	175	183	140	712	539	262
*) Includes both direct and distributed expenses								
Post-tax return on equity (annualized)						13.8 %	12.0 %	6.7 %

Development in margin

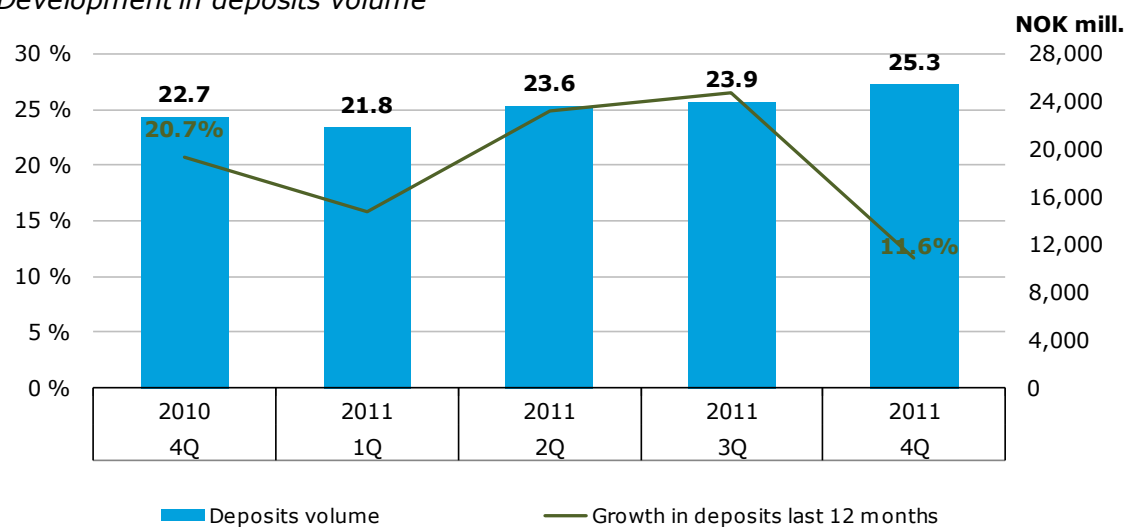
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



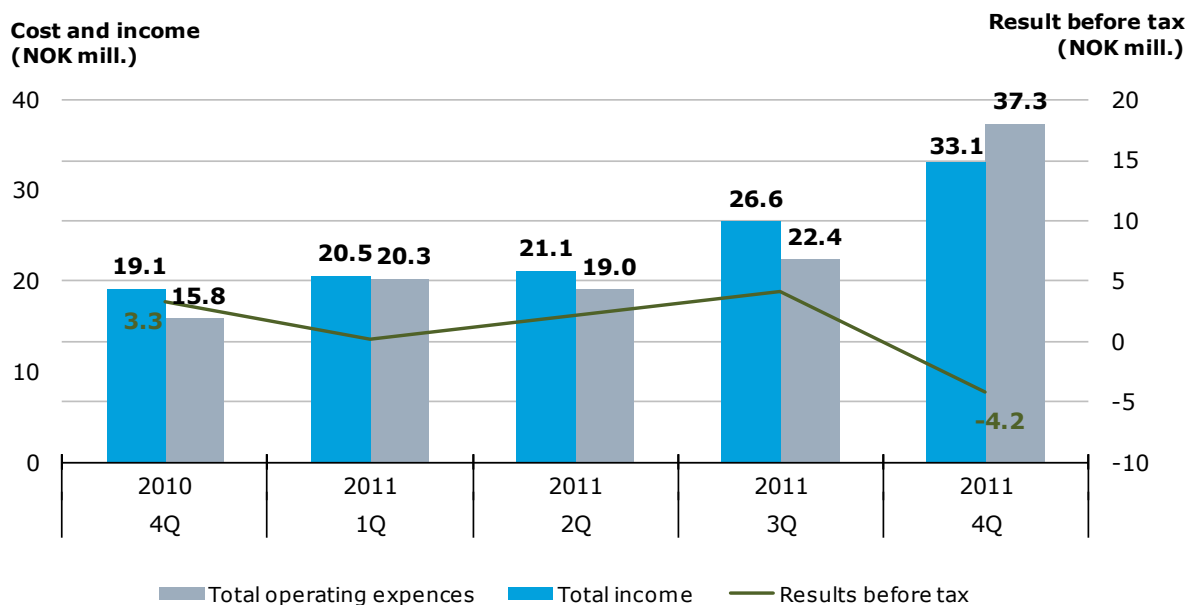
7.4. Markets

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

SpareBank 1 SMN Markets' ambition is to be the leading capital market operation in Trøndelag and in Nordvestlandet. This ambition will be achieved through a continuous focus on specialist competence and market knowledge. The division collaborates closely with Argo Securities on delivery of analysis and settlement services in the securities field. We expect the business collaboration, primarily in the securities area, to expand in the years ahead.

The write-back of accumulated pension liabilities in 2010 is not distributed on RM, CM and Markets.

<i>Financial performance</i> (in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Net interest income	0.4	3.2	2.7	3.5	5.2	9.8	18.0	34.2
Net interest income allocated capital	0.6	0.5	0.9	0.9	-0.4	2.8	0.9	1.2
Total interest income	1.0	3.7	3.5	4.4	4.8	12.7	18.9	35.4
Net fee and commission income	8.3	6.8	4.5	4.5	8.8	24.2	29.8	9.9
Capital gain/Agio Securities	23.8	16.0	13.0	11.7	5.5	64.4	19.2	55.4
Total income	33.1	26.6	21.1	20.5	19.1	101.3	67.9	100.7
Total operating expenses	37.3	22.4	19.0	20.3	15.8	98.9	67.1	75.0
Results	-4.2	4.2	2.1	0.3	3.3	2.4	0.8	25.7
Loss on loans, guarantees etc.	-	-	-	-	-	-	-	-4.2
Results before tax	-4.2	4.2	2.1	0.3	3.3	2.4	0.8	29.9



7.5. Subsidiaries

EiendomsMegler 1 Midt-Norge AS

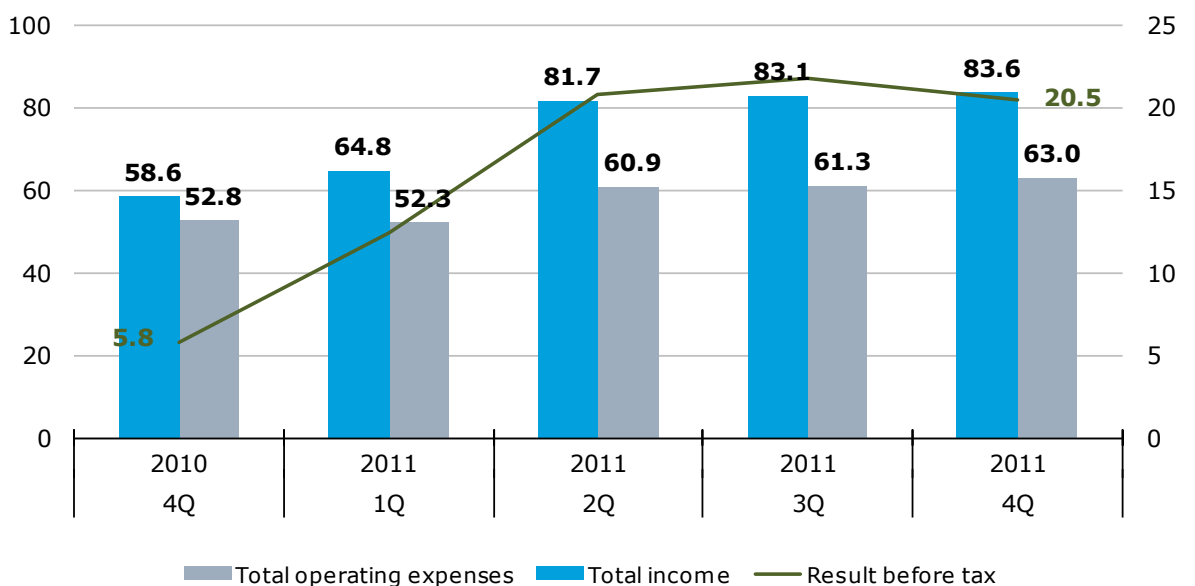
EiendomsMegler 1 Midt-Norge has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre and Romsdal. The company is owned by SpareBank 1 SMN (87 per cent), SpareBank 1 Nordvest (7.6 per cent) and SpareBank 1 Søre Sunnmøre (5.4 per cent).

Financial performance

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec.		2009
Total interest income	1.0	1.5	1.3	1.0	0.9	4.8	3.8	2.5
Commission income and other income	82.5	81.5	80.5	63.8	57.7	308.3	244.8	196.7
Total income	83.6	83.1	81.7	64.8	58.6	313.1	248.6	199.3
Staff costs	49.2	48.1	48.8	34.6	36.9	180.7	139.8	105.9
Administration costs	8.4	8.7	10.5	11.7	9.7	39.3	38.9	32.3
Other operating expenses	5.4	4.4	1.6	6.0	6.3	17.4	19.0	15.5
Total operating expenses	63.0	61.3	60.9	52.3	52.8	237.5	197.8	153.6
Result before tax	20.5	21.8	20.9	12.4	5.8	75.6	50.8	45.6

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



SpareBank SMN 1 Finans AS

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

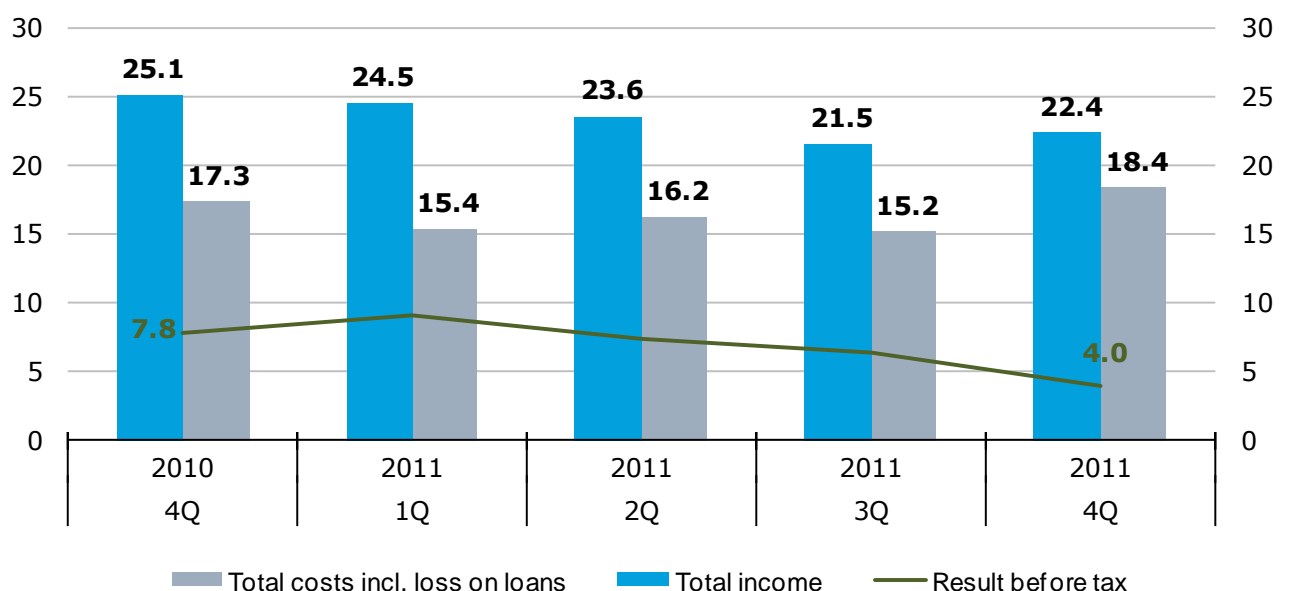
SpareBank 1 SMN Finans owns the subsidiary SpareBank 1 Bilplan which specialises in car fleet management and offers one-stop solutions for industry and the public sector nationwide. The company has a distribution agreement with SpareBank 1 Finans Nord-Norge and SpareBank 1 SR Finans.

Financial performance

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Total interest income	23.4	22.2	26.2	22.3	24.3	94.1	93.3	104.1
Commission income and other income	0.3	-0.4	-2.6	1.7	0.8	-1.0	4.9	6.2
Net profit on financial investments	-1.3	-0.3	0.1	0.5	0.1	-1.1	0.6	-3.2
Total income	22.4	21.5	23.6	24.5	25.1	92.0	98.8	107.1
Staff costs	9.8	7.5	6.9	7.3	7.2	31.4	24.9	28.8
Administration costs	1.6	3.2	3.0	3.5	4.3	11.3	10.4	7.6
Other operating expenses	2.9	1.4	1.3	1.3	1.4	6.9	4.0	5.1
Total operating expenses	14.6	12.1	11.4	11.8	12.8	49.9	39.2	41.4
Ordinary operating profit	7.7	9.4	12.2	12.7	12.3	42.1	59.6	65.6
Loss on loans, guarantees etc.	3.8	3.1	4.8	3.6	4.5	15.3	24.3	23.1
Total costs incl. loss on loans	18.4	15.2	16.2	15.4	17.3	65.1	63.6	64.5
Result before tax	4.0	6.4	7.4	9.1	7.8	26.9	35.2	42.5

Cost and income (NOK mill.)

Result before tax (NOK mill.)



SpareBank 1 SMN Regnskap AS

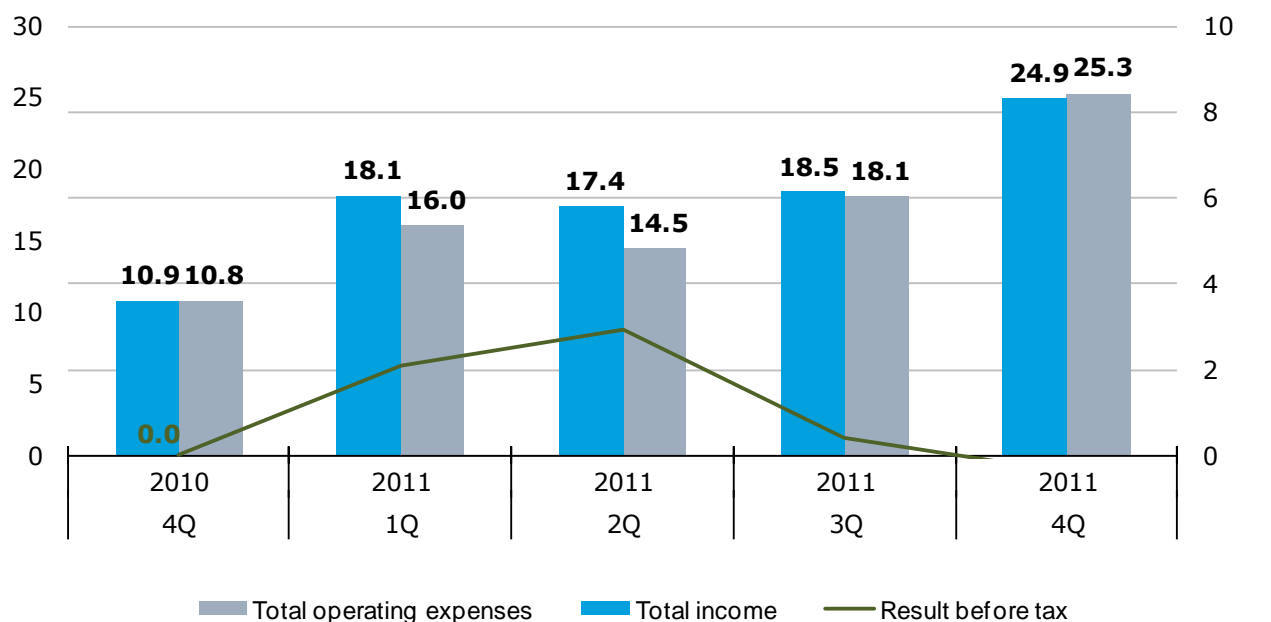
SpareBank 1 SMN Regnskap is a wholly-owned subsidiary of SpareBank 1 SMN. With it's head office in Trondheim and divisional offices in Stjørdal, Levanger, Verdal, Namsos and Rissa, the company has a strong local footing in Trøndelag. In the first quarter of 2011 SpareBank 1 SMN Regnskap AS acquired three accountancy firms in Namsos and Steinkjer and two in Trondheim. The company's turnover rose by an estimated NOK 25m as a result of these acquisitions.

Financial performance

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011 2010		2009
Total interest income	-0.4	-0.0	-0.0	0.0	0.1	-0.4	0.2	0.3
Commission income and other income	25.4	18.6	17.4	18.1	10.7	79.4	50.9	44.5
Total income	24.9	18.5	17.4	18.1	10.9	79.0	51.1	44.8
Staff costs	16.7	13.5	14.0	12.0	7.3	56.2	30.0	33.6
Administration costs	3.4	2.2	1.3	1.1	2.0	7.9	5.2	4.5
Other operating expenses	5.2	2.5	-0.8	2.9	1.5	9.8	4.6	3.7
Total operating expenses	25.3	18.1	14.5	16.0	10.8	73.9	39.7	41.8
Result before tax	-0.4	0.4	2.9	2.1	0.0	5.0	11.4	3.0

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



Allegro Finans AS

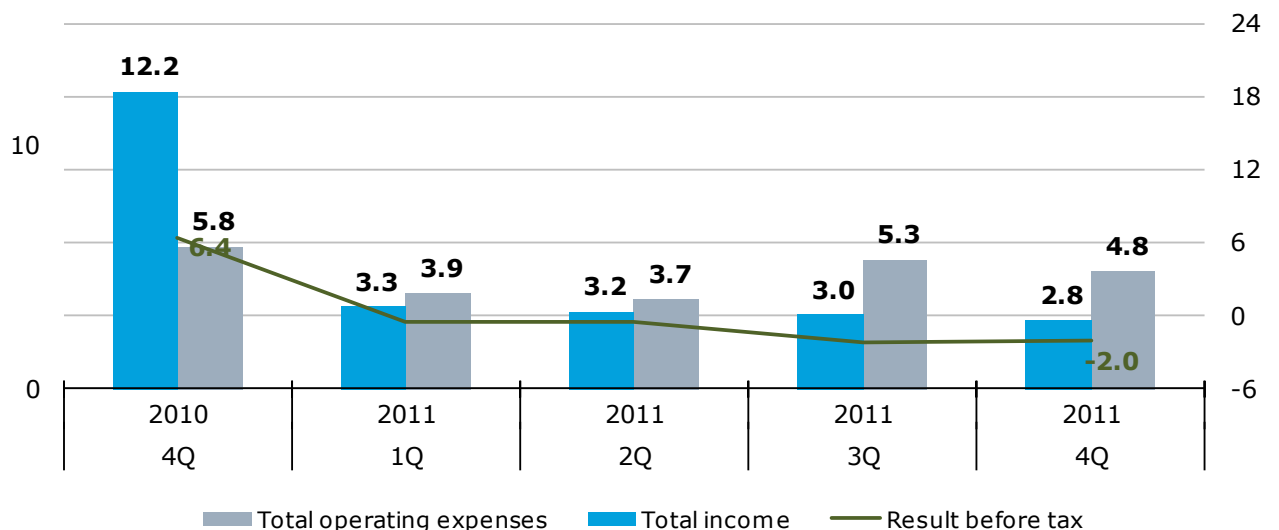
Allegro Finans, headquartered in Trondheim, is the largest management company in the region. The company is owned by SpareBank 1 SMN (90.1 per cent) and the Reitan Group (9.9 per cent). It is licensed to carry on active asset management. In addition to managing assets for its owners, it manages assets for private individuals and institutional clients. The company's services are sold exclusively through external distributors who are licensed to engage in such activity.

Financial performance

(in NOK million)	4Q 2011	3Q 2011	2Q 2011	1Q 2011	4Q 2010	31 Dec. 2011	31 Dec. 2010	2009
Total interest income	0.2	0.2	0.2	0.2	0.1	0.7	0.9	0.9
Commission income and other income	2.6	2.9	3.0	3.2	12.1	11.6	18.7	45.4
Net profit on financial investments	-	-	-	-	-	-	-	0.2
Total income	2.8	3.0	3.2	3.3	12.2	12.3	19.6	46.5
Staff costs	2.4	3.2	1.6	2.1	4.0	9.2	10.5	19.2
Administration costs	1.8	1.2	1.4	1.1	1.2	5.4	5.1	3.8
Other operating expenses	0.7	1.0	0.7	0.6	0.6	3.0	2.2	2.4
Total operating expenses	4.8	5.3	3.7	3.9	5.8	17.7	17.8	25.2
Result before tax	-2.0	-2.3	-0.5	-0.6	6.4	-5.3	1.8	21.2

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



8. Development last ten years

Financial results

(in NOK million)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net interest	896	864	864	961	1,008	1,125	1,345	1,279	1,210	1,281
Commission income and other income	282	332	443	537	580	671	610	756	855	919
Net return on financial investments	-191	76	78	289	435	346	212	642	490	588
Total income	987	1,273	1,384	1,787	2,022	2,142	2,167	2,677	2,555	2,789
Staff costs	331	368	379	485	512	583	623	725	583	810
Other operating expenses	350	365	350	421	478	524	569	528	557	291
Total operating expenses	681	733	729	906	990	1,107	1,192	1,253	1,140	1,482
Result before losses	306	540	655	881	1,032	1,035	975	1,424	1,414	1,306
Loss on loans, guarantees etc.	229	229	81	-38	-84	-6	202	277	132	27
Result before tax	77	311	574	919	1,116	1,041	774	1,147	1,282	1,279
Tax charge	70	89	144	199	219	195	156	210	260	255
Net profit	7	222	430	720	897	846	617	937	1,022	1,024

Balance sheet

(in NOK million)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cash and loans to and claims on credit institutions	2,033	1,417	1,541	2,123	2,323	3,878	4,548	1,260	2,531	4,075
CDs, bonds and other interest-bearing securities	2,342	2,481	2,566	4,133	5,602	7,246	12,036	19,302	22,948	21,485
Gross loans to customers before write-downs	31,089	32,553	34,226	45,280	52,819	59,178	64,016	61,782	69,847	73,105
- Specified write-downs	-531	-380	-290	-236	-147	-116	-215	-219	-222	-172
- Write-downs by loan category	-364	-318	-314	-278	-184	-185	-244	-289	-290	-290
Other assets	1,422	1,123	775	3,304	2,765	1,502	4,540	2,704	3,177	3,252
Assets	35,991	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,992	101,455
Deposits from credit institutions	2,131	1,114	48	1,029	2,766	5,346	9,000	11,310	13,062	9,118
Deposits from and debt to customers	19,049	19,876	20,725	27,048	30,136	32,434	35,280	37,227	42,786	47,871
Debt created by issue of securities	10,778	11,361	13,048	18,036	21,911	23,950	29,680	24,070	29,625	31,306
Other liabilities	863	769	822	2,876	1,799	2,265	2,045	1,876	1,917	2,122
Subordinated loan capital	1,064	1,560	1,347	1,667	2,383	2,648	3,156	3,875	2,758	2,690
Total equity capital	2,106	2,196	2,515	3,671	4,183	4,860	5,518	6,183	7,846	8,348
Total liabilities and equity	35,991	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,992	101,455

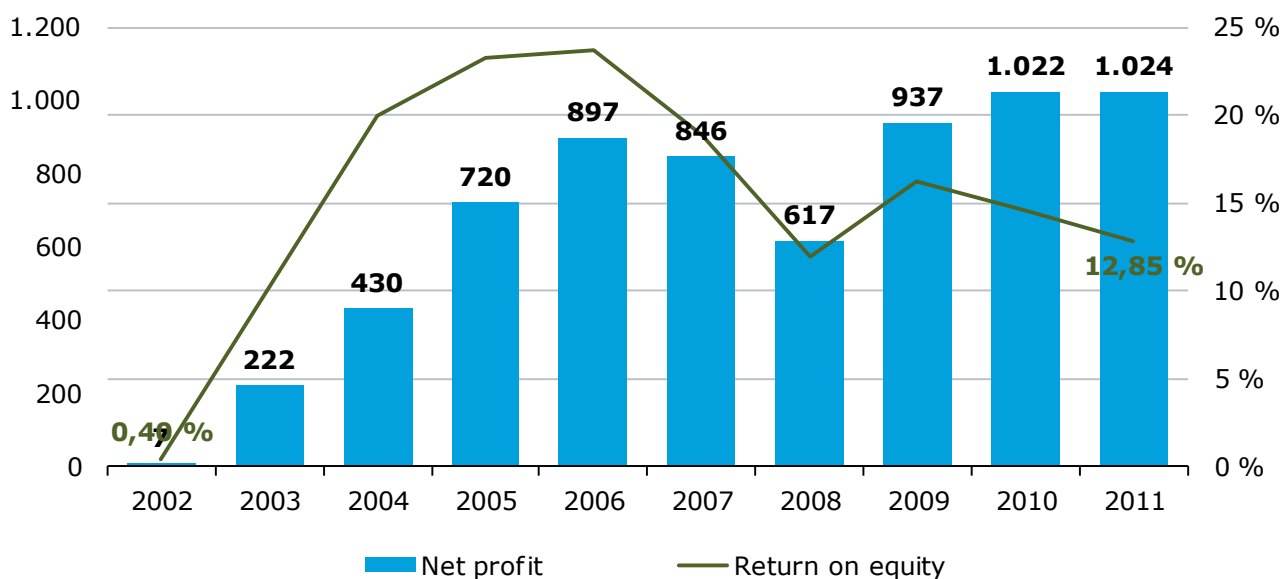
Key figures

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Return on equity	0.4 %	10.2 %	20.0 %	23.3 %	23.7 %	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %
Cost/income ratio group	69.0 %	57.6 %	52.7 %	50.7 %	49.0 %	51.7 %	55.0 %	46.8 %	44.6 %	53.2 %
Cost/income ratio group, ex. financial inv.	57.8 %	61.2 %	55.8 %	60.5 %	62.4 %	61.0 %	61.0 %	61.6 %	55.2 %	67.4 %
Cost/income ratio parent bank	0.69	0.55	0.49	0.50	0.48	0.52	0.55	47.2 %	40.2 %	50.5 %
Cost/income ratio parent, ex. financial inv.	0.55	0.60	0.55	0.61	0.59	0.58	0.57	60.4 %	50.3 %	63.3 %
12-month cost growth	2.1 %	7.6 %	-0.5 %	24.3 %	9.3 %	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %
Gross loans to customers*	31,089	32,553	34,226	45,280	52,819	61,910	71,317	77,429	87,665	95,232
Gross loans in retail market	17,961	20,008	21,491	29,032	33,808	38,872	42,679	45,157	49,619	55,034
Gross loans in corporate market	13,128	12,545	12,735	16,248	19,011	23,038	28,638	32,272	38,046	40,198
Growth in loans last 12 months*	6.2 %	4.7 %	5.1 %	32.3 %	16.6 %	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %
Deposits from customers	19,049	19,876	20,725	27,048	30,136	32,434	35,280	37,227	42,786	47,871
Deposits from retail market	10,981	11,252	11,256	14,080	15,408	16,070	17,566	17,898	19,052	20,860
Deposits from corporate market	8,068	8,624	9,469	12,968	13,967	16,363	17,715	19,330	23,734	27,011
Growth in deposits last 12 months	6.6 %	4.3 %	4.3 %	30.5 %	11.4 %	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %
Ordinary lending financed by ordinary deposit	61.3 %	61.1 %	60.6 %	59.7 %	57.1 %	54.8 %	55.1 %	60.3 %	61.3 %	65.5 %
Total assets	35,991	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,992	101,455
Average total assets	34,140	36,862	36,965	47,753	56,434	67,202	75,820	86,679	91,317	98,465
Employees in employment group	718	713	637	806	841	931	982	1,016	1,035	1,109
Employees in employment parent bank	594	592	510	669	661	723	750	767	764	786
Employees in employment subsidiaries	124	121	127	137	180	208	232	250	271	323
Net other operating income of total income	28.6 %	26.1 %	32.0 %	30.1 %	28.7 %	31.3 %	28.2 %	28.2 %	33.5 %	33.0 %
Capital adequacy ratio	11.1 %	13.9 %	12.7 %	10.9 %	11.9 %	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %
Core capital ratio	8.1 %	10.1 %	10.9 %	8.8 %	8.6 %	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %
Total core capital	2,049	2,474	2,773	3,073	3,614	4,019	4,967	6,730	7,286	7,856
Net subordinated capital	2,802	3,407	3,239	3,808	5,229	5,762	7,312	8,730	8,646	9,055
Risk weighted volume	25,223	24,483	25,562	34,873	40,473					
Impairment losses ratio	0.84%	0.86%	-0.01%	-0.09%	-0.03%	-0.01%	0.21%	0.31%	0.16%	0.03%
Non-perf. commitm. as % of gross loans	1.83%	1.40%	1.03%	0.78%	0.41%	0.39%	0.46%	0.49%	0.57%	0.36%
Other doubtful commitm. as % of gross loans	1.90%	1.35%	0.91%	0.60%	0.51%	0.37%	1.33%	0.57%	0.24%	0.21%

* Gross loans to customers includes SpareBank 1 Boligkreditt

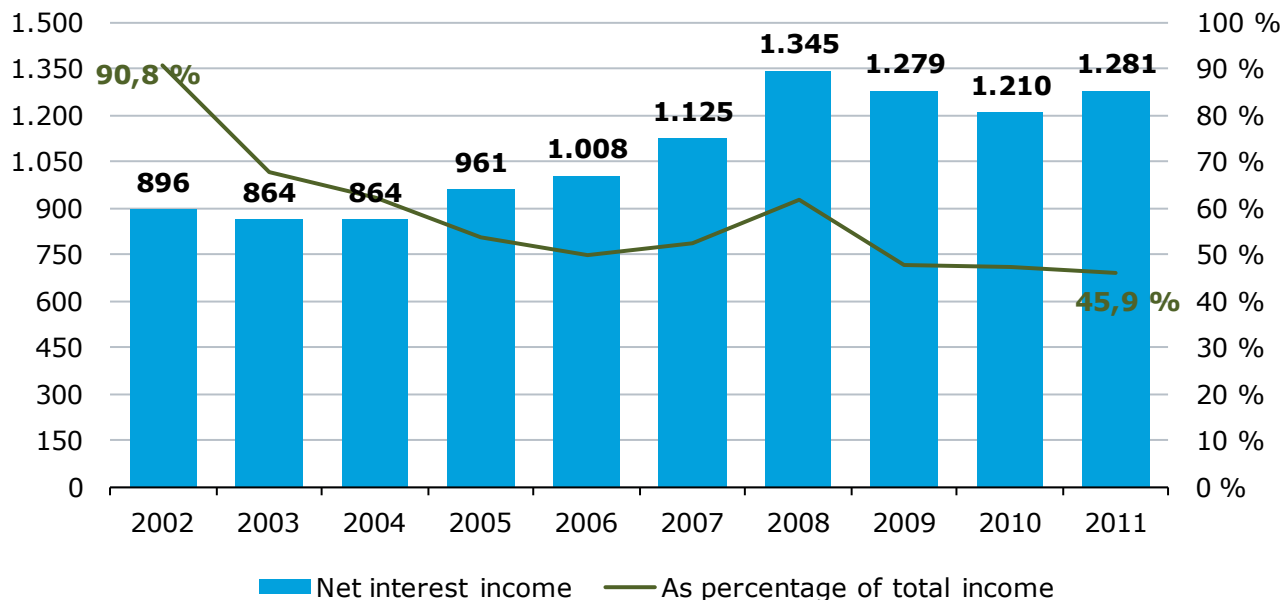
Net profit and return on equity

NOK mill.

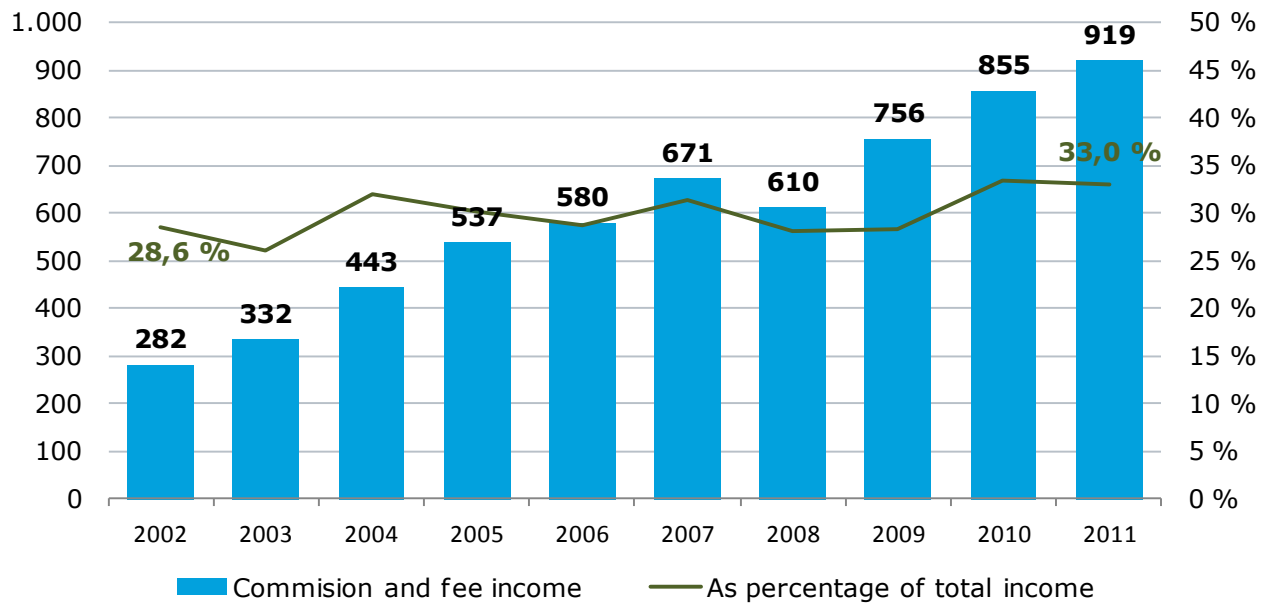


Development in net interest income

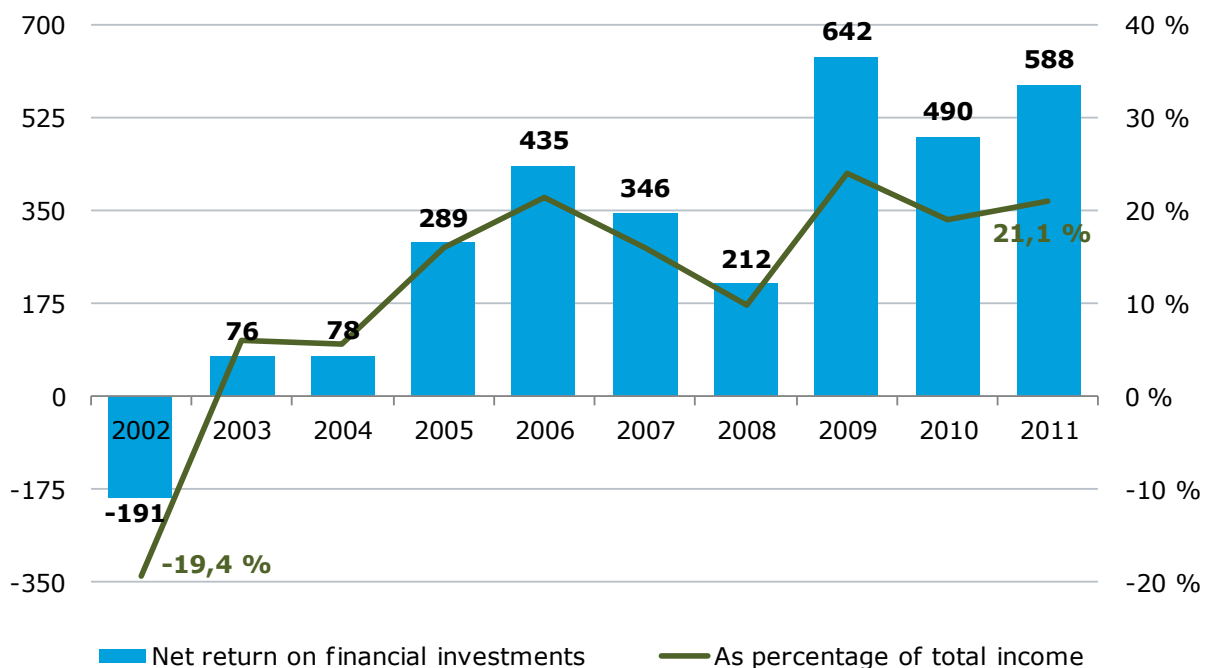
NOK mill.



Development in commission income and other income

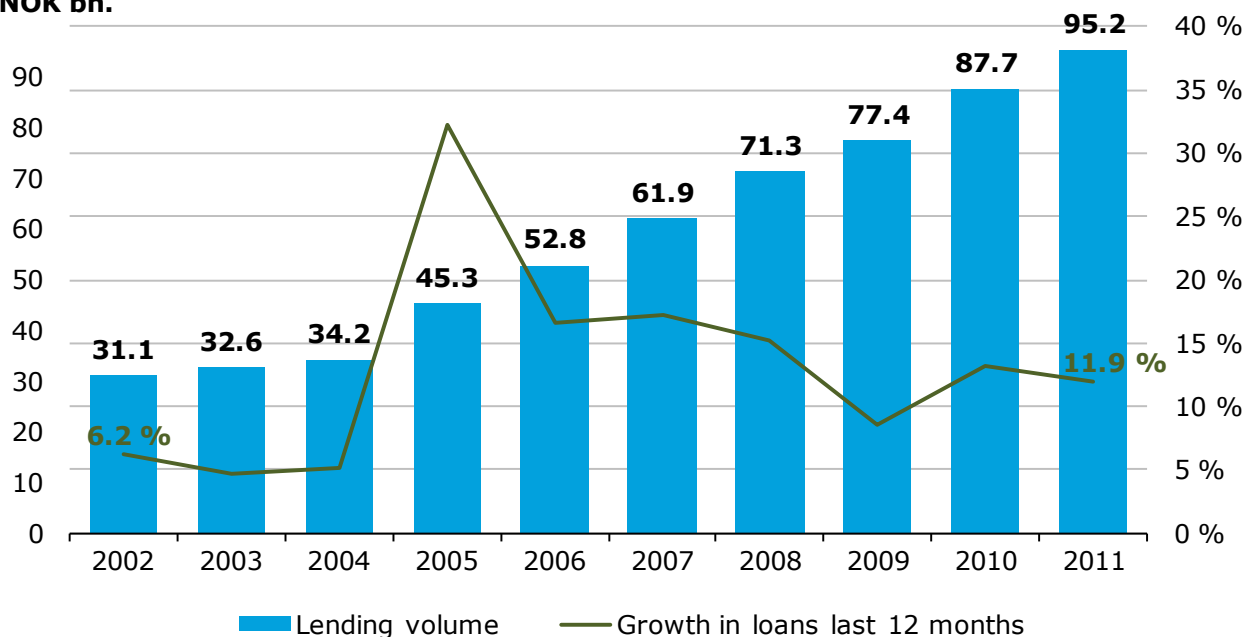


Development in net return on financial investments



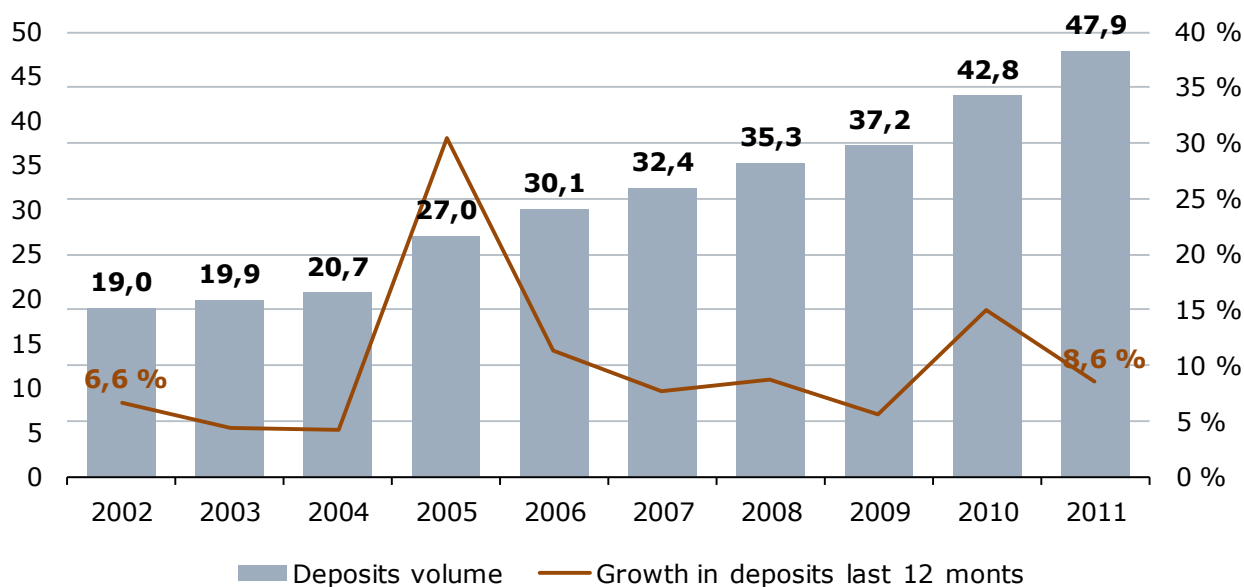
Volume development, Lending*

NOK bn.



Volume development, Deposits*

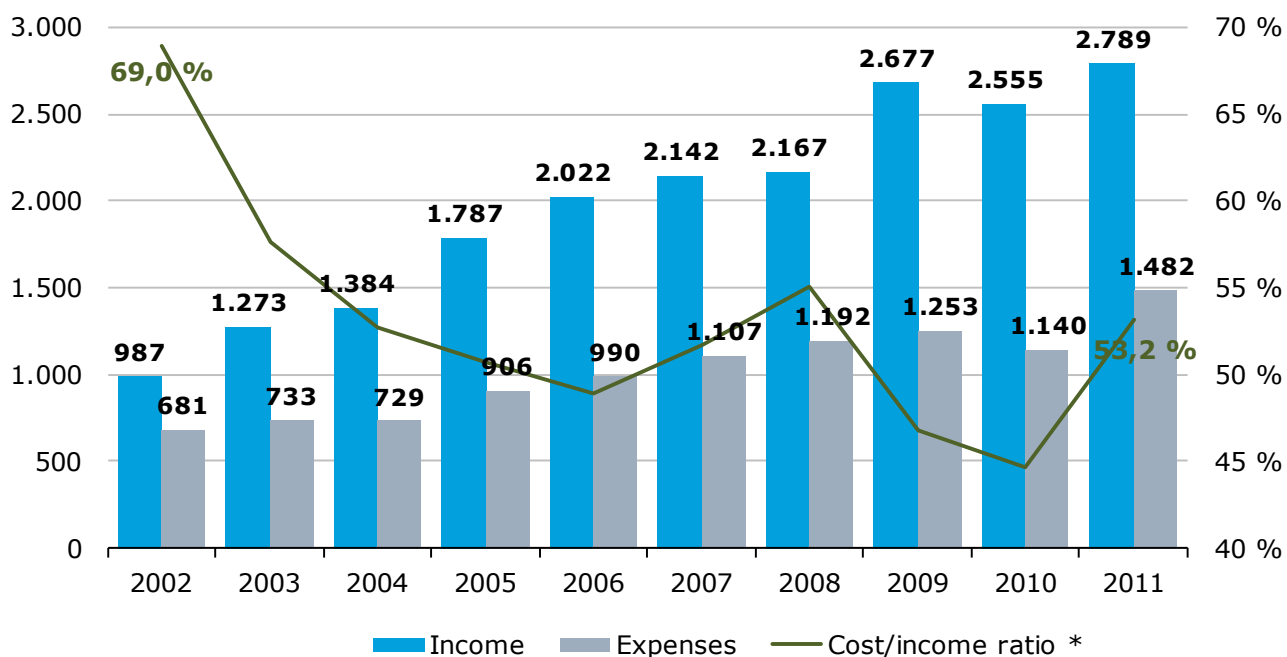
NOK bn.



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

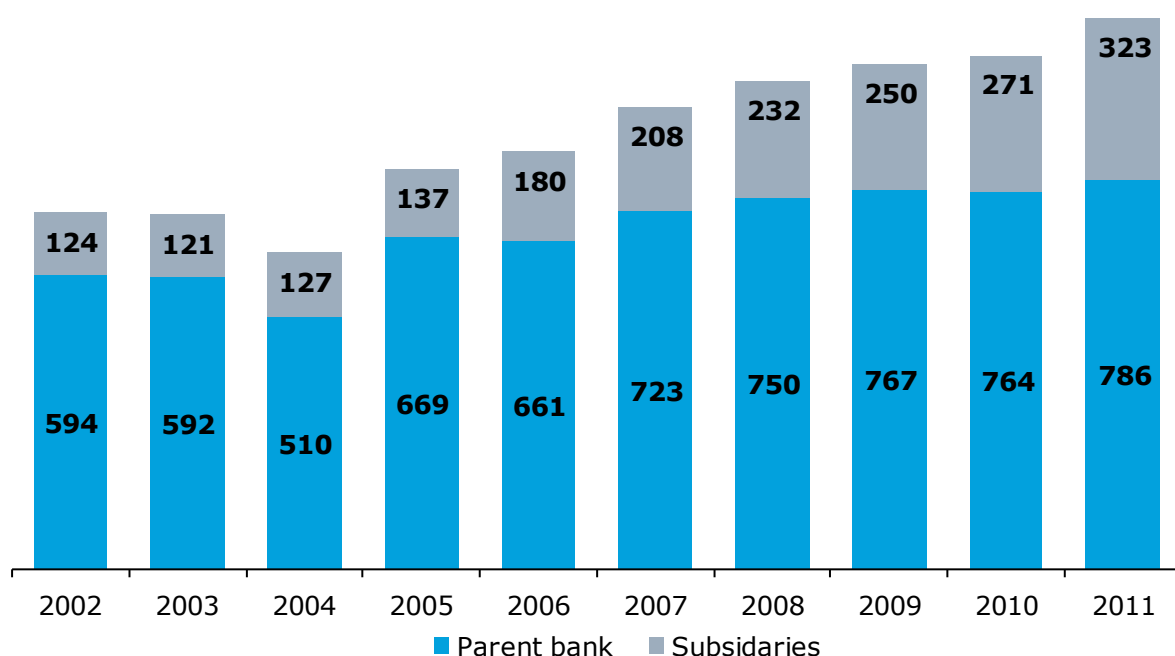
Cost/income ratio

NOK mill.



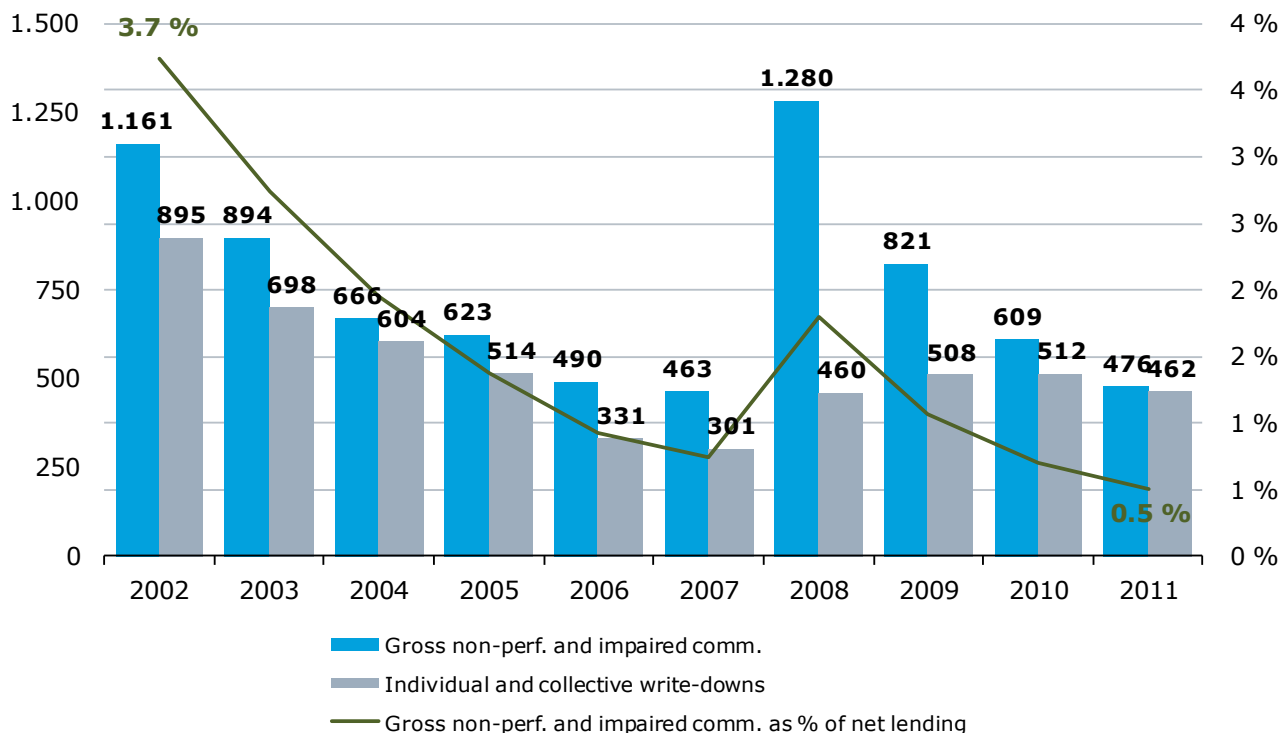
* Total operating expenses as a percentage of total operating income

Employees in employment



Net non-performing and impaired commitments

NOK million



Capital Adequacy

