Notes

Contents

Note 1 - 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.

Note 2 - Critical estimates and assessments concerning the use of accounting principles

When it prepares the consolidated accounts the management team makes estimates, discretionary assessments and assumptions which influence the application of accounting principles. This accordingly affects recognised amounts for assets, liabilities, revenues and expenses. Last year's annual accounts give a closer explanation of significant estimates and assumptions in Note 4 Critical estimates and assessments concerning the use of accounting principles.

Pensions

The banking and financial industry has established an agreement on contractual early retirement (AFP) for employees reaching the age of 62. The Bank's contribution comprises the National Insurance Scheme's accumulation of disbursed pension for employees availing themselves of AFP. From age 62 to 64 the Bank's liability is 100%.

The Act relating to state subsidies in respect of employees who take out contractual pension in the private sector (AFP Subsidies Act) entered into force on 19 February 2010. Employees who take out AFP with effect in 2011 or later will receive benefits under the new scheme. The new AFP scheme represents a lifelong add-on to National Insurance and can be taken out from age 62. Employees accumulate AFP entitlement at an annual rate of 0.314% of pensionable income capped at 7.1 G up to age 62. Accumulation under the new scheme is calculated with reference to the employee's lifetime income, such that all previous working years are included in the qualifying basis.

For accounting purposes the new AFP scheme is regarded as a defined benefit multi-employer scheme. This entails that each employer accounts for its pro rata share of the scheme's pension obligation, pension assets and pension cost. If no calculations of the individual components of the scheme and a consistent and reliable basis for allocation are available, the new AFP scheme will be accounted for as a defined-contribution scheme. At the present time no such basis exists, and the new AFP scheme is accordingly accounted for as a defined-contribution scheme. The new AFP scheme will only be accounted for as a defined-benefit scheme once reliable measurement and allocation can be undertaken. Under the new scheme, one-third of the pension expenses will be funded by the State, two-thirds by the employers. The employers' premium will be fixed as a percentage of salary payments between 1 G and 7.1 G.

At the end of first quarter no provision was made for the Group's de facto AFP (early retirment scheme) liability. The reason is that the Joint Office for the LO/NHO Schemes has not done the required calculations. Similarly, the year's AFP cost of the new scheme has not been booked. This is in keeping with the recommendation of the Norwegian Accounting Standards Board.

Takeover of shares in Polaris Media ASA

On 28 March 2011 SpareBank 1 SMN took over 18.81% of the shares of Polaris Media ASA. The shares, which had been posted as security for debt, were acquired by the Bank as a result of the debtor's bankruptcy. The SpareBank 1 SMN Group accordingly holds 23.45% of the shares of Polaris Media ASA, with voting rights up to 20%. The Group consequently classifies this ownership interest as an affiliate and accounts for the investment using the equity method.

The shares were taken over at a value of NOK 27 per share, plus dividend of NOK 1.50. Dividend payout is received in the second quarter.

A purchase analysis has been prepared in accordance with IFRS 3 in which identifiable assets and liabilities are measured at fair value at the time of acquisition. The difference between the Group's acquisition cost and the book value of net assets in Polaris Media ASA is allocated in the consolidated accounts to the shares of Finn.no AS, Avisa Nordland AS, business properties and future pension liabilities. The analysis builds on valuations conducted by external parties.

SpareBank1 SMN recognises its portion of the financial result of Polaris Media ASA with effect from the date of acquisition. Polaris Media ASA's quarterly financial statements have not been available to the Bank when preparing the accounts for SpareBank 1 SMN. The Bank's profit share is therefore estimated against the background of assessments made by external brokers and is consequently encumbered with uncertainty. In addition, amortisation effects from the purchase analysis are taken into account.

SpareBank 1 Næringskreditt AS

Together with the other owners of SpareBank 1 Næringskreditt, SpareBank 1 SMN has in the second quarter signed an agreement to establish a liquidity facility for Næringskreditt. Under this agreement the banks commit to purchasing residential mortgage bonds limited to the overall value of 12 month maturities at Næringskreditt. Each owner is principally liable for his share of the required amount, subsidiarily for twice the primary liability under the same agreement. The bonds may be deposited with Norges Bank and accordingly entail no significant risk for the bank.

Note 3 - Account by business line

	Group 30 June 2011								
Profit and loss account (NOK million)	**RM**	**CM**	**Markets**	**EM 1**	**SMN Finans**	**Allegro**	**SMN Regnskap**	**Uncollated**	**Total**
Net interest	261	378	6	2	48	0	0	-51	645
Allocated	17	56	2	-	-	-	-	-75	-
Total interest income	**278**	**434**	**8**	**2**	**48**	**0**	**0**	**-126**	**645**
Commission income and other income	179	70	9	144	-1	6	36	11	453
Net return on financial investments **)	1	11	25	-0	1	-	-	206	243
Total income *)	**458**	**514**	**42**	**146**	**48**	**7**	**36**	**91**	**1,341**
Total operating expenses	**303**	**174**	**39**	**113**	**23**	**8**	**31**	**18**	**708**
Ordinary operating profit	**156**	**340**	**2**	**33**	**25**	**-1**	**5**	**72**	**633**
Loss on loans, guarantees etc.	3	-19	-	-	8	-	-	-0	-7
Result before tax	**153**	**359**	**2**	**33**	**17**	**-1**	**5**	**72**	**640**
Post-tax return on equity	**24.7 %**	**18.0 %**							**13.0 %**
Balance (NOK million)									
Loans and advances to customers	49,317	37,245	-	-	2,940	-	-	1,438	90,939
adv. of this to Boligkreditt	-21,372	-249	-	-	-	-	-	-759	-22,379
Individual allowance for impairment on loan	-41	-100	-	-	-36	-	-	-	-177
Group allowance for impairment on loan	-	-	-	-	-16	-	-	-273	-290
Other assets	207	179	-	167	-2,479	16	24	32,209	30,323
Total assets	**28,111**	**37,074**	**-**	**167**	**408**	**16**	**24**	**32,615**	**98,415**
Deposits to customers	20,661	23,640	-	-	-	-	-	1,688	45,990
Other liabilities and equity	7,450	13,434	-	167	408	16	24	30,926	52,425
Total liabilites	**28,111**	**37,074**	**-**	**167**	**408**	**16**	**24**	**32,615**	**98,415**

					Group 30 June 2010				
Profit and loss account (NOK million)	**RM**	**CM**	**Markets**	**EM 1**	**SMN Finans**	**Allegro**	**SMN Regnskap**	**Uncollated**	**Total**
Net interest	257	346	9	1	50	1	0	-67	597
Allocated	6	18	1	-	-	-	-	-25	-
Total interest income	**264**	**364**	**10**	**1**	**50**	**1**	**0**	**-92**	**597**
Commission income and other income	183	66	17	121	3	6	28	-2	423
Net return on financial investments **)	1	8	13	-	0	-	-	145	167
Total income *)	**448**	**438**	**40**	**123**	**53**	**7**	**28**	**51**	**1,187**
Total operating expenses	**276**	**154**	**38**	**93**	**16**	**7**	**18**	**-92**	**509**
Ordinary operating profit	**172**	**284**	**2**	**30**	**37**	**-1**	**10**	**143**	**678**
Loss on loans, guarantees etc.	4	75	-	-	16	-	-	0	96
Result before tax	**168**	**209**	**2**	**30**	**21**	**-1**	**10**	**143**	**582**
Post-tax return on equity	**23.5 %**	**10.5 %**							**13.7 %**
Balance (NOK million)									
Loans and advances to customers	44,909	34,600	-	-	2,813	-	-	1,445	83,767
adv. of this to Boligkreditt	-18,437	-251	-	-	-	-	-	-688	-19,377
Individual allowance for impairment on loan	-38	-206	-	-	-30	-	-	-5	-279
Group allowance for impairment on loan	-108	-165	-	-	-18	-	-	3	-289
Other assets	210	156	-	100	44	14	12	29,465	30,002
Total assets	**26,536**	**34,132**	**-**	**100**	**2,808**	**14**	**12**	**30,220**	**93,823**
Deposits to customers	19,728	21,076	-	-	-	-	-	469	41,273
Other liabilities and equity	6,808	13,056	-	100	2,808	14	12	29,751	52,550
Total liabilites	**26,536**	**34,132**	**-**	**100**	**2,808**	**14**	**12**	**30,220**	**93,823**

*) A portion of capital market income (Markets) is distributed on RM and CM

**) Specification of net return on financial investments (NOKm)	30 June 2011	30 June 2010
Income from investment in related companies	122	98
adv. of this from SpareBank1 Gruppen	50	52
adv. of this from BN Bank	44	19
adv. of this from Bank 1 Oslo Akershus	9	24
Net gain and dividends on securities	39	40
adv. of this from Midt-Norge Invest	30	-24
Net gain on bonds	56	13
Net gain on trading and derivatives SMN Markets	25	16
Net return on financial investments	243	167

Note 4 - Other operating expenses

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
493	272	277	Personnel expenses	405	372	711
140	68	80	IT costs	88	76	156
24	12	12	Postage and transport of valuables	14	14	27
36	18	18	Marketing	24	22	43
31	15	18	Ordinary depreciation	40	18	48
78	35	57	Operating expenses, real properties	45	42	94
42	15	19	Purchased services	24	21	52
99	43	49	Other operating expense	69	62	138
942	**479**	**530**	**Total other operating expenses before write-back of early retirement liabilities (AFP) in 2010**	**708**	**626**	**1,268**
-117	-106	-	Write-back of early retirement liabilities (AFP) in 2010	-	-117	-128
825	**373**	**530**	**Total other operating expenses**	**708**	**509**	**1,140**

Note 5 - Distribution of loans by sector/industry

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
4,640	4,437	4,332	Agriculture/forestry/fisheries/hunting	4,525	4,734	4,892
1,793	1,558	2,287	Sea farming industries	2,426	1,658	1,906
2,507	2,779	2,543	Manufacturing	2,805	3,021	2,775
2,028	2,056	2,345	Construction, power and water supply	2,825	2,539	2,511
2,287	2,470	2,178	Retail trade, hotels and restaurants	2,407	2,733	2,503
5,240	4,110	5,384	Maritime sector	5,389	4,113	5,242
13,474	12,500	12,781	Property management	12,314	12,041	13,013
2,808	2,740	3,051	Business services	3,334	3,052	3,134
1,300	1,874	1,794	Transport and other services provision	2,055	2,221	1,628
61	24	23	Public administration	58	61	101
337	203	692	Other sectors	694	203	339
36,475	**34,751**	**37,411**	**Gross loans in retail market**	**38,832**	**36,376**	**38,046**
48,786	46,648	51,209	Wage earners	52,107	47,390	49,619
85,260	**81,400**	**88,620**	**Gross loans incl. SpareBank 1 Boligkreditt**	**90,939**	**83,767**	**87,665**
17,818	19,377	22,379	SpareBank 1 Boligkreditt	22,379	19,377	17,818
67,443	**62,023**	**66,241**	**Gross loans in balance sheet**	**68,559**	**64,390**	**69,847**

Note 6 - Losses on loans and guarantees

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
-7	52	-45	Change in individual impairment losses provisions for the period	-44	61	3
0	0	0	Change in collective impairment losses provisions for the period	0	0	1
39	35	55	Actual loan losses on comm. for which provisions have been made	57	41	46
84	-2	7	Actual loan losses on commitments for which no provision has been made	15	1	92
-8	-5	-33	Recoveries on commitments previously written-off	-34	-6	-10
108	**79**	**-15**	**Losses of the year on loans and guarantees**	**-7**	**96**	**132**

Note 7 - Losses

Parent bank				Group		
31 Dec 2010	30 June 2010	30 June 2011		30 June 2011	30 June 2010	31 Dec 2010
193	193	186	Individual write-downs to cover loss on loans at 01.01	222	219	219
24	23	8	+Increase in provisions for individual impairment losses	8	31	34
21	14	20	- Reversal of provisions from previous periods	22	15	22
29	78	23	+Impairment losses have been made previously	26	85	38
39	35	55	- Actual losses during the period for which provisions for individual impairment losses have been made previously	57	41	46
186	**244**	**141**	**Specification of loss provisions at end of period**	**177**	**279**	**222**
123	33	63	Actual losses	71	42	138

Note 8 - Defaults

Parent bank				Group		
31 Dec 2010	30 June 2010	30 June 2011		30 June 2011	30 June 2010	31 Dec 2010
			Total defaults			
397	231	254	Loans in default for more than 90 days *)	361	342	499
72	46	58	- Specified loss provision	88	73	100
325	185	196	Net defaults	273	269	399
18 %	20 %	23 %	Provision rate	24 %	21 %	20 %
			Problem Loans			
198	665	161	Problem loans (not in default)	178	680	211
114	198	84	- Specified loss provision	90	207	122
84	466	77	Net problem loans	88	473	89
58 %	30 %	52 %	Provision rate	51 %	30 %	58 %

*) Of which NOK 17 million relates to loans in the guarantee portfolio taken over from BN Bank ASA. These will not entail loss for SpareBank 1 SMN.

Note 9 - Investments in bonds

Due to extraordinary market conditions in autumn 2008, parts of the bank's portfolio of current assets became illiquid. After changes made in international accounting standards in October 2008, the Group opted to reclassify parts of the bond portfolio as of 01.07.08 from the category "Fair value with a value changes reflected in profit/loss" to the category "Held to maturity". We no longer have trading as a goal and these securities are not expected to be sold before maturity.

The “Held to maturity” portfolio comprises quoted bonds and is valued at amortised cost using the effective interest rate method. Previously carried out write-downs will, after reclassification, be reversed over the portfolio’s residual maturity. This will be recognised under net interest income in addition to current coupon interest. In the period 31 March - 30 June 2011, NOK 1.0 million has been amortised, and total this year NOK 2.4 million. At the end of the second quarter of 2011 the average residual maturity is 1.0 years.

Had reclassification not been carried out, the Group would have expensed NOK 42 million in the second half of 2008 as unrealised losses owing to increased credit spreads. In the absence of reclassification the Group have expensed NOK 0,7 million in unrealised captail losses related to this bond portfolio in the second quarter 2011, and total this year NOk 0,2 million in unrealised capital losses.

Unrealised agio losses related to this portfolio have been taken to expence in an amount of NOK 1.4 million in the second quarter 2011, and total this year NOK 0.1 million.

No write-downs have been carried out on the basis of lasting portfolio value falls as of 30 June 2011.

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
1,562	1,809	924	Booked value	924	1,809	1,562
1,568	1,822	928	Nominal value	928	1,822	1,568
1,570	1,823	929	Calculated value incl. Exchange rate adjustments	929	1,823	1,570

Note 10 - Measurement of fair value of financial instruments

Pursuant to IAS 34 Interim Financial Reporting, paragraph 15 B, a disclosure obligation applies in respect of changes between levels in the fair value hierarchy. In Q1 2011 the shares of Norway Royal Salmon ASA were transferred from level 3 to level 1 due to stock exchange listing. The overview below shows changes in the values presented in the note as of 31 December 2010, and the market value recorded in the consolidated accounts as of 30.06.2011. In the annual accounts for 2010 this is presented in note 22 Measurement of fair value of financial instruments.

Period	Type of investment	Level 1 31.12.2010	Level 2 31.12.2010	Level 3 31.12.2010	Book value
Q1 2011	Equity instruments available for sale	23	-	-23	32
Q2 2011	Equity instruments available for sale	0	-	0	-5
Total		**23**	**0**	**-23**	**28**

Note 11 - Other assets

Parent bank				Group		
31 Dec 2010	30 June 2010	30 June 2011		30 June 2011	30 June 2010	31 Dec 2010
-	-	-	Deferred tax benefit	7	21	7
131	148	143	Fixed assets	1,074	950	1,027
-	-	-	Assets held for sale	407	416	406
959	760	1,037	Earned income not yet received	1,037	766	967
54	303	185	Accounts receivable, securities	185	303	54
195	172	198	Other assets	373	299	256
1,338	**1,383**	**1,563**	**Total other assets**	**3,082**	**2,755**	**2,717**

Note 12 - Distribution of customer deposits by sector/industry

Parent bank				Group		
31 Dec 2010	30 June 2010	30 June 2011		30 June 2011	30 June 2010	31 Dec 2010
1,572	1,633	1,805	Agriculture/forestry/fisheries/hunting	1,805	1,633	1,572
404	356	485	Sea farming industries	485	356	404
1,113	1,207	1,325	Manufacturing	1,325	1,207	1,113
1,213	1,132	1,145	Construction, power and water supply	1,145	1,132	1,213
3,337	2,783	2,717	Retail trade, hotels and restaurants	2,717	2,783	3,337
447	267	770	Maritime sector	770	267	447
2,600	2,622	2,847	Property management	2,802	2,615	2,533
4,044	3,397	4,544	Business services	4,544	3,397	4,044
3,037	3,163	3,034	Transport and other services provision	2,960	3,059	2,886
4,401	4,990	4,356	Public administration	4,356	4,990	4,401
1,809	520	2,443	Other sectors	2,419	475	1,784
23,976	**22,069**	**25,470**	**Total**	**25,327**	**21,914**	**23,734**
19,052	19,360	20,663	Wage earners	20,663	19,360	19,052
43,028	**41,429**	**46,133**	**Total deposits**	**45,990**	**41,273**	**42,786**

SpareBank 1 SMN

Note 13 - Debt created by issue of securities

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
235	198	319	Short-term debt instruments, nominal value	319	198	235
27,581	23,431	25,985	Bond debt, nominal value	25,985	23,431	27,581
126	189	78	Value adjustments	78	189	126
27,941	**23,818**	**26,382**	**Total**	**26,382**	**23,818**	**27,941**

Change in securities debt, subordinated debt and hybrid equity

	30 June 2011	Issued	Fallen due / Redeemed	Other changes	**31 Dec 2010**
Short-term debt instruments, nominal value	319	85	0	0	235
Bond debt, nominal value	25,985	3,102	4,509	-188	27,581
Value adjustments	78	0	0	-48	126
Total	26,382	3,186	4,509	-236	27,941

	30 June 2011	Issued	Fallen due / Redeemed	Other changes	**31 Dec 2010**
Ordinary subordinated loan capital, nominal value	1,253	0	0	-46	1,299
Perpetual subordinated loan capital, nominal value	300	0	224	77	447
Hybrid equity, nominal value	854	0	0	-37	890
Value adjustments	109	0	0	-13	123
Total	2,516	0	224	-18	2,758

Note 14 - Other liabilities

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
21	18	21	Deferred tax	21	18	31
178	113	127	Payable tax	139	130	196
676	784	821	Accrued expenses and received, non-accrued income	1,080	1,150	1,057
182	203	136	Provision for accrued expenses and commitments	136	203	182
0	0	0	Pension liabilities	6	7	6
73	37	68	Drawing debt	68	37	73
11	7	3	Creditors	46	39	26
82	0	162	Debt from securities	162	0	82
0	0	0	Debt available for sale	128	115	110
109	215	307	Other liabilities	326	252	154
1,332	**1,377**	**1,646**	**Total other liabilites**	**2,113**	**1,951**	**1,917**

Note 15 - 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 amortised 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.

Parent bank				Group		
31 Dec 2010	**30 June 2010**	**30 June 2011**		**30 June 2011**	**30 June 2010**	**31 Dec 2010**
2,373	2,373	2,373	Equity capital certificates	2,373	2,373	2,373
0	0	0	- Own holding of ECCs	0	0	0
182	174	182	Premium fund	182	174	182
1,159	878	1,160	Dividend equalisation fund	1,160	878	1,159
2,345	2,155	2,345	Savings bank's reserve	2,345	2,155	2,345
285	0	0	Recommended dividends	0	0	285
192	110	0	Provision for gifts	0	124	192
45	0	45	Unrealised gains reserve	71	1,072	66
0	0	0	Other equity and minority interest	1,267	0	1,244
0	485	556	Net profit	505	449	0
6,581	**6,175**	**6,660**	**Total book equity**	**7,902**	**7,224**	**7,846**
-447	-447	-447	Deferred taxes, goodwill and other intangible assets	-643	-481	-466
0	0	0	Part of reserve for unrealised gains, associated companies	65	0	65
-477	0	0	Deduction for allocated dividends and gifts	0	0	-477
-348	-381	-386	50 % deduction for subordinated capital in other financial institutions	0	0	0
-208	-222	-142	50 % deduction for expected losses on IRB, net of write-downs	-151	-220	-216
0	0	0	50 % capital adequacy reserve	-636	-488	-571
0	0	0	Share of non-performing, non-amortizsed estimate deviations	0	0	0
0	-485	-556	Net profit	-505	-449	0
0	301	278	Year-to-date profit included in core capital (50% pre tax)	252	291	0
936	998	893	Hybrid capital, core capital	1,110	1,083	1,106
6,037	**5,939**	**6,300**	**Total core capital**	**7,394**	**6,960**	**7,283**
			Supplementary capital in excess of core capital			
466	481	315	Perpetual subordinated capital	315	481	466
1,358	1,374	1,310	Non-perpetual subordinated capital	1,574	1,804	1,680
-348	-381	-386	50 % deduction for subordinated capital in other financial institutions	0	0	0
-208	-222	-142	50 % deduction for expected losses on IRB, net of write-downs	-151	-220	-216
0	0	0	50 % capital adequacy reserve	-636	-488	-571
1,268	**1,252**	**1,097**	**Total supplementary capital**	**1,102**	**1,577**	**1,360**
7,305	**7,191**	**7,397**	**Net subordinated capital**	**8,496**	**8,537**	**8,643**
	0					
			Minimum requirements subordinated capital, Basel II			
1,386	1,425	1,408	Involvement with spesialised enerprises	1,408	1,355	1,386
1,115	1,075	1,195	Other corporations exposure	1,203	1,078	1,120
66	60	56	SME exposure	59	62	68
311	282	292	Retail morgage exposure	451	426	451
33	39	31	Other retail exposure	33	40	34
496	487	634	Equity investments	0	204	0
3,406	**3,368**	**3,616**	**Total credit risk IRB**	**3,154**	**3,166**	**3,058**
165	0	98	Debt risk	98	0	165
46	52	41	Equity risk	15	17	15
0	0	0	Currency risk	0	0	0
275	275	293	Operational risk	400	331	331
537	507	528	Exposures calculated using the standardised approach	1,962	1,746	1,864
-59	-64	-65	Deductions	-107	-85	-98
0	0	0	Transitional arrangements	0	0	0
4,371	**4,139**	**4,512**	**Minimum requirements subordinated capital**	**5,522**	**5,175**	**5,335**
			Capital adequacy			
11.05 %	11.48 %	11.17 %	Core capital ratio	10.71 %	10.76 %	10.93 %
13.37 %	13.90 %	13.12 %	Capital adequacy ratio	12.31 %	13.20 %	12.97 %