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Note 1 - Accouting 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 SpareBank 1 Næringskreditt. Under this agreement the banks commit to purchasing residential mortgage bonds limited to the overall value of 12 month maturities at SpareBank 1 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.

SpareBank 1 SMN

Note 3 - Account by business line

Profit and loss account (NOK million)	RM	CM	Markets	EM 1	SMN Finans	Allegro	SMN Regnskap	Uncollated	Total
					Group 30 Sept 2011				
Net interest	385	584	9	4	71	1	0	-89	965
Allocated	22	91	2	-	-	-	-	-115	-
Total interest income	**408**	**675**	**12**	**4**	**71**	**1**	**0**	**-204**	**965**
Commission income and other income	264	100	16	226	-1	9	54	21	687
Net return on financial investments **)	3	26	41	0	0	-	0	295	365
Total income *)	**675**	**800**	**68**	**230**	**70**	**10**	**54**	**112**	**2,017**
Total operating expenses	**452**	**259**	**62**	**174**	**35**	**13**	**49**	**27**	**1,070**
Ordinary operating profit	**223**	**541**	**7**	**55**	**34**	**-3**	**5**	**85**	**948**
Loss on loans, guarantees etc.	7	-17	-	-	12	-	-	0	1
Result before tax	**217**	**559**	**7**	**55**	**23**	**-3**	**5**	**85**	**946**
Post-tax return on equity	**23.2 %**	**14.8 %**							**12.5 %**
Balance (NOK million)									
Loans and advances to customers	50,730	37,499	-	-	2,942	-	-3	1,505	92,671
Adv. of this to Boligkreditt	-20,132	-245	-	-	-	-	-	-725	-21,101
Individual allowance for impairment on loan	-31	-103	-	-	-24	-	-	0	-159
Group allowance for impairment on loan	0	0	-	-	-16	-	-	-273	-290
Other assets	184	202	-	151	-2,476	17	21	30,788	28,888
Total assets	**30,750**	**37,353**	**-**	**151**	**425**	**17**	**18**	**31,295**	**100,009**
Deposits to customers	20,519	23,932	-	-	-	-	-	1,573	46,024
Other liabilities and equity	10,231	13,422	-	151	425	17	21	29,718	53,985
Total liabilites	**30,750**	**37,353**	**-**	**151**	**425**	**17**	**18**	**31,295**	**100,009**

					Group 30 Sept 2010				
Profit and loss account (NOK million)	**RM**	**CM**	**Markets**	**EM 1**	**SMN Finans**	**Allegro**	**SMN Regnskap**	**Uncollated**	**Total**
Net interest	394	524	15	3	69	1	0	-88	917
Allocated	10	42	1	-	-	-	-	-53	-
Total interest income	**404**	**566**	**16**	**3**	**69**	**1**	**0**	**-141**	**917**
Commission income and other income	276	98	21	187	4	7	40	-1	632
Net return on financial investments **)	1	12	25	-	1	-	0	253	292
Total income *)	**682**	**675**	**62**	**190**	**74**	**7**	**40**	**111**	**1,841**
Total operating expenses	**414**	**232**	**60**	**145**	**26**	**12**	**29**	**-90**	**829**
Ordinary operating profit	**267**	**443**	**2**	**45**	**47**	**-5**	**11**	**201**	**1,012**
Loss on loans, guarantees etc.	4	84	-	-	20	-	-	0	108
Result before tax	**263**	**359**	**2**	**45**	**27**	**-5**	**11**	**201**	**904**
Post-tax return on equity	**28.1 %**	**9.7 %**							**13.9 %**
Balance (NOK million)									
Loans and advances to customers	46,035	35,632	-	-	2,991	-	-	1,387	86,046
Adv. of this to Boligkreditt	-18,020	-258	-	-	-	-	-	-699	-18,977
Individual allowance for impairment on loan	-34	-213	-	-	-36	-	-	-	-283
Group allowance for impairment on loan	0	0	-	-	-15	-	-	-273	-289
Other assets	207	170	-	115	16	-1	14	28,310	28,830
Total assets	**28,188**	**35,331**	**-**	**115**	**2,956**	**-1**	**14**	**28,724**	**95,327**
Deposits to customers	19,349	18,925	-	-	-	-	-	369	38,643
Other liabilities and equity	8,840	16,407	-	115	2,956	-1	14	28,355	56,684
Total liabilites	**28,188**	**35,331**	**-**	**115**	**2,956**	**-1**	**14**	**28,724**	**95,327**

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

**) Specification of net return on financial investments (NOKm)	30 Sept 2011	30 Sept 2010
Income from investment in related companies	171	167
adv. of this from SpareBank1 Gruppen	50	103
adv. of this from BN Bank ASA	73	34
adv. of this from Bank 1 Oslo	14	32
Net gain and dividends on securities	66	56
adv. of this from SpareBank 1 SMN Invest	51	-22
Net gain on bonds	71	38
Net gain on trading and derivatives SMN Markets	56	31
Net return on financial investments	365	292

Note 4 - Other operating expenses

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
493	403	414	Personnel expenses	614	564	711
140	103	119	IT costs	131	113	156
24	18	17	Postage and transport of valuables	19	20	27
36	25	25	Marketing	34	31	43
31	26	27	Ordinary depreciation	63	31	48
78	54	89	Operating expenses, real properties	69	64	94
42	25	29	Purchased services	36	32	52
99	66	74	Other operating expense	103	91	138
942	**720**	**794**	**Total other operating expenses before write-back of early retirement liabilities (AFP) in 2010**	**1,070**	**946**	**1,268**
-117	-106	-	Write-back of early retirement liabilities (AFP) in 2010	-	-117	-128
825	**614**	**794**	**Total other operating expenses**	**1,070**	**829**	**1,140**

Note 5 - Distribution of loans by sector/industry

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
4,640	4,379	4,430	Agriculture/forestry/fisheries/hunting	4,619	4,673	4,892
1,793	1,535	1,867	Sea farming industries	2,013	1,661	1,906
2,507	3,046	2,784	Manufacturing	3,026	3,305	2,775
2,028	2,117	2,012	Construction, power and water supply	2,480	2,599	2,511
2,287	2,259	2,122	Retail trade, hotels and restaurants	2,318	2,510	2,503
5,240	4,394	5,553	Maritime sector	5,558	4,397	5,242
13,474	13,222	12,674	Property management	12,236	12,739	13,013
2,808	2,742	3,306	Business services	3,608	3,054	3,134
1,300	1,777	1,816	Transport and other services provision	2,058	2,123	1,628
61	27	24	Public administration	54	64	101
337	257	1,050	Other sectors	1,052	257	339
36,475	**35,753**	**37,639**	**Gross loans in retail market**	**39,021**	**37,382**	**38,046**
48,786	47,841	52,699	Wage earners	53,650	48,663	49,619
85,260	**83,594**	**90,338**	**Gross loans incl. SpareBank 1 Boligkreditt**	**92,671**	**86,046**	**87,665**
17,818	18,977	21,101	SpareBank 1 Boligkreditt	21,101	18,977	17,818
67,443	**64,617**	**69,237**	**Gross loans in balance sheet**	**71,570**	**67,069**	**69,847**

Note 6 - Losses on loans and guarantees

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
-7	54	-52	Change in individual impairment losses provisions for the period	-63	64	3
0	0	0	Change in collective impairment losses provisions for the period	0	0	1
39	39	74	Actual loan losses on comm. for which provisions have been made	87	45	46
84	2	3	Actual loan losses on commitments for which no provision has been made	14	7	92
-8	-7	-35	Recoveries on commitments previously written-off	-37	-8	-10
108	**88**	**-10**	**Losses of the year on loans and guarantees**	**1**	**108**	**132**

Note 7 - Losses

Parent bank				Group		
31 Dec 2010	**30 Sept 2010**	**30 Sept 2011**		**30 Sept 2011**	**30 Sept 2010**	**31 Dec 2010**
193	193	186	Individual write-downs to cover loss on loans at 01.01	222	219	219
24	23	7	+Increase in provisions for individual impairment losses	8	32	34
21	18	26	- Reversal of provisions from previous periods	28	19	22
29	88	41	+Impairment losses have been made previously	44	96	38
39	39	74	- Actual losses during the period for which provisions for individual impairment losses have been made previously	87	45	46
186	**247**	**135**	**Specification of loss provisions at end of period**	**159**	**283**	**222**
123	41	77	Actual losses	101	52	138

Note 8 - Defaults

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
			Total defaults			
397	234	248	Loans in default for more than 90 days *)	332	326	499
72	47	60	- Specified loss provision	79	76	100
325	187	188	Net defaults	253	250	399
18 %	20 %	24 %	Provision rate	24 %	23 %	20 %
			Problem Loans			
198	709	216	Problem loans (not in default)	223	726	211
114	200	75	- Specified loss provision	81	207	122
84	509	140	Net problem loans	142	519	89
58 %	28 %	35 %	Provision rate	36 %	29 %	58 %

*) Of which NOK 19 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 30 June - 30 Sept 2011, NOK 0.7 million has been amortised, and total this year NOK 3.1 million. At the end of the third 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 0.2 million in unrealised captail losses related to this bond portfolio in the third quarter 2011, and total this year NOK 0.4 million in unrealised capital losses.

Unrealised agio gains related to this portfolio have been taken to income in an amount of NOK 2.2 million in the third quarter 2011, and total this year NOK 2.1 million.

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

Parent bank				Group		
31 Dec 2010	**30 Sept 2010**	**30 Sept 2011**		**30 Sept 2011**	**30 Sept 2010**	**31 Dec 2010**
1,562	1,761	624	Booked value	624	1,761	1,562
1,568	1,769	627	Nominal value	627	1,769	1,568
1,570	1,822	625	Calculated value incl. Exchange rate adjustments	625	1,822	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 30.09.2011. 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	-	-	-	-5
Q3 2011	Equity instruments available for sale	-	-	-	-11
Total		**23**	**-**	**-23**	**17**

Note 11 - Other assets

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
-	29	-	Deferred tax benefit	8	50	7
131	156	147	Fixed assets	1,107	981	1,027
-	-	-	Assets held for sale	412	405	406
959	923	1,137	Earned income not yet received	1,135	911	967
54	14	45	Accounts receivable, securities	45	14	54
200	217	392	Other assets	570	321	261
1,343	**1,338**	**1,721**	**Total other assets**	**3,278**	**2,682**	**2,722**

Note 12 - Distribution of customer deposits by sector/industry

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
1,572	1,571	1,732	Agriculture/forestry/fisheries/hunting	1,732	1,571	1,572
404	189	327	Sea farming industries	327	189	404
1,113	1,236	1,378	Manufacturing	1,378	1,236	1,113
1,213	1,055	1,298	Construction, power and water supply	1,298	1,055	1,213
3,337	2,202	2,693	Retail trade, hotels and restaurants	2,693	2,202	3,337
447	331	782	Maritime sector	782	331	447
2,600	2,813	3,586	Property management	3,579	2,806	2,533
4,044	3,986	4,836	Business services	4,836	3,986	4,044
3,037	2,913	3,204	Transport and other services provision	3,080	2,769	2,886
4,401	3,059	3,892	Public administration	3,892	3,059	4,401
1,809	479	1,929	Other sectors	1,908	454	1,784
23,976	**19,834**	**25,656**	**Total**	**25,505**	**19,658**	**23,734**
19,052	18,985	20,519	Wage earners	20,519	18,985	19,052
43,028	**38,819**	**46,176**	**Total deposits**	**46,024**	**38,643**	**42,786**

Note 13 - Debt created by issue of securities

Parent bank				Group		
31 Dec 2010	**30 Sept 2010**	**30 Sept 2011**		**30 Sept 2011**	**30 Sept 2010**	**31 Dec 2010**
235	247	199	Short-term debt instruments, nominal value	199	247	235
27,581	28,982	25,429	Bond debt, nominal value	25,429	28,982	27,581
126	192	257	Value adjustments	257	192	126
27,941	**29,421**	**25,885**	**Total**	**25,885**	**29,421**	**27,941**

Change in securities debt, subordinated debt and hybrid equity

	30 Sept 2011	Issued	Fallen due / Redeemed	Other changes	**31 Dec 2010**
Short-term debt instruments, nominal value	199	-	36	-	235
Bond debt, nominal value	25,429	3,402	5,731	177	27,581
Value adjustments	257	-	-	132	126
Total	25,885	3,402	5,766	308	27,941

	30 Sept 2011	Issued	Fallen due / Redeemed	Other changes	**31 Dec 2010**
Ordinary subordinated loan capital, nominal value	1,333	-	-	34	1,299
Perpetual subordinated loan capital, nominal value	300	-	224	77	447
Hybrid equity, nominal value	888	-	-	-2	890
Value adjustments	142	-	-	19	123
Total	2,663	-	224	129	2,758

Note 14 - Other liabilities

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 2010	31 Dec 2010
21	-	21	Deferred tax	27	0	31
178	221	187	Payable tax	205	244	196
676	956	1,129	Accrued expenses and received, non-accrued income	1,408	1,337	1,057
182	195	116	Provision for accrued expenses and commitments	117	195	182
0	0	0	Pension liabilities	6	7	6
73	33	80	Drawing debt	80	33	73
11	5	3	Creditors	39	36	26
82	40	1,198	Debt from securities	1,198	40	82
-	-	-	Debt available for sale	137	110	110
114	171	386	Other liabilities	421	175	159
1,337	**1,621**	**3,119**	**Total other liabilites**	**3,638**	**2,177**	**1,922**

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 is repaid in April 2010.

Subordinated debt and hybrid capital

Subordinated debt ranks behind all other liabilities. Dated subordinated loans cannot constitute more than 50 per cent of tier 1 capital for capital adequacy purposes, while perpetual subordinated loans cannot constitute more than 100 per cent of tier 1 capital. Subordinated loans are classified as a liability in the balance sheet and are measured at 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 per cent of aggregate tier 1 capital. Finanstilsynet (Norway's FSA) can require hybrid capital to be written down in proportion with equity capital should the bank's tier 1 capital adequacy fall below 5 per cent or total capital adequacy falls below 6 per cent. Written-down amounts on hybrid capital must be written up before dividends can be paid to shareholders or before equity capital is written up. Hybrid capital is shown as other long-term debt at amortised cost.

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

Parent bank				Group		
31 Dec 2010	30 Sept 2010	30 Sept 2011		30 Sept 2011	30 Sept 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	183	Premium fund	183	174	182
1,159	878	1,160	Dividend equalisation fund	1,160	878	1,159
2,345	2,155	2,344	Savings bank's reserve	2,344	2,155	2,345
285	0	0	Recommended dividends	0	0	285
192	-	-	Provision for gifts	-	-	192
45	110	45	Unrealised gains reserve	60	124	66
-	-	-	Other equity and minority interest	1,261	1,053	1,244
0	659	709	Net profit	745	704	0
6,581	**6,349**	**6,813**	**Total book equity**	**8,126**	**7,461**	**7,846**
-447	-475	-447	Deferred taxes, goodwill and other intangible assets	-658	-510	-466
-	-	-	Part of reserve for unrealised gains, associated companies	65	53	65
-477	0	0	Deduction for allocated dividends and gifts	0	0	-477
-348	-353	-386	50 % deduction for subordinated capital in other financial institutions	-	-	-
-208	-224	-165	50 % deduction for expected losses on IRB, net of write-downs	-176	-232	-216
-	-	-	50 % capital adequacy reserve	-638	-522	-571
-	-	-	Share of non-performing, non-amortizsed estimate deviations	-	-	-
-	-659	-709	Net profit	-745	-704	0
-	419	355	Year-to-date profit included in core capital (50% pre tax)	373	452	-
936	952	945	Hybrid capital, core capital	1,159	1,035	1,106
6,037	**6,008**	**6,406**	**Total core capital**	**7,504**	**7,033**	**7,283**
			Supplementary capital in excess of core capital			
466	464	326	Perpetual subordinated capital	326	464	466
1,358	1,352	1,394	Non-perpetual subordinated capital	1,659	1,750	1,680
-348	-353	-386	50 % deduction for subordinated capital in other financial institutions	-	-	-
-208	-224	-165	50 % deduction for expected losses on IRB, net of write-downs	-176	-232	-216
-	-	-	50 % capital adequacy reserve	-638	-522	-571
1,268	**1,240**	**1,168**	**Total supplementary capital**	**1,171**	**1,461**	**1,360**
7,305	**7,247**	**7,574**	**Net subordinated capital**	**8,675**	**8,493**	**8,643**
			Minimum requirements subordinated capital, Basel II			
1,386	1,392	1,375	Involvement with spesialised enerprises	1,375	1,392	1,386
1,115	1,028	1,232	Other corporations exposure	1,240	1,031	1,120
66	65	55	SME exposure	58	67	68
311	287	314	Retail morgage exposure	495	427	451
33	35	32	Other retail exposure	34	36	34
496	495	645	Equity investments	-	207	-
3,406	**3,302**	**3,652**	**Total credit risk IRB**	**3,201**	**3,160**	**3,058**
165	-	172	Debt risk	172	-	165
46	53	38	Equity risk	13	18	15
-	-	-	Currency risk	-	-	-
275	275	293	Operational risk	400	331	331
537	530	593	Exposures calculated using the standardised approach	2,068	1,824	1,864
-59	-59	-65	Deductions	-107	-90	-98
-	-	-	Transitional arrangements	-	53	-
4,371	**4,101**	**4,684**	**Minimum requirements subordinated capital**	**5,748**	**5,296**	**5,335**
			Capital adequacy			
11.05 %	11.72 %	10.94 %	Core capital ratio	10.45 %	10.62 %	10.93 %
13.37 %	14.14 %	12.94 %	Capital adequacy ratio	12.07 %	12.83 %	12.97 %