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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 percent and 60 percent of the pension paid from age 65 to age 67. Admission of new retirees ceased with effect from 31 December 2010.

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 percent 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 year end 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 percent 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 percent of the shares of Polaris Media ASA, with voting rights up to 20 percent. 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.

SpareBank 1 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 commercial 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.

Note 3 - Account by business line

	Group 31 Dec 2011								
Profit and loss account (NOK million)	**RM**	**CM**	**Markets**	**EM 1**	**SMN Finans**	**Allegro**	**SMN Regnskap**	**Uncollated**	**Total**
Net interest	521	783	10	5	94	1	0	-132	1,281
Allocated	29	117	3	-	-	-	-	-150	-
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 return on financial investments **)	6	36	64	0	-1	-	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	-	-	15	-	-	0	27
Result before tax	**273**	**712**	**2**	**76**	**27**	**-5**	**5**	**189**	**1,279**
Post-tax return on equity	**21.3 %**	**13.8 %**							**12.8 %**
Balance (NOK million)									
Loans and advances to customers	52,055	38,655	-	-	2,941	-	0	1,580	95,232
Adv. of this to SpareBank 1 Boligkreditt	-21,079	-257	-	-	-	-	-	-790	-22,126
Individual allowance for impairment on loan	-31	-120	-	-	-22	-	-	0	-172
Group allowance for impairment on loan	-	-	-	-	-16	-	-	-273	-290
Other assets	265	609	-	146	-2,461	17	18	30,216	28,812
Total assets	**31,210**	**38,888**	**-**	**146**	**443**	**17**	**19**	**30,732**	**101,455**
Deposits to customers	21,185	25,345	-	-	-	-	-	1,340	47,871
Other liabilities and equity	10,025	13,543	-	146	443	17	18	29,392	53,584
Total liabilites	**31,210**	**38,888**	**-**	**146**	**443**	**17**	**19**	**30,732**	**101,455**

Profit and loss account (NOK million)	RM	CM	Markets	EM 1	SMN Finans	Allegro	SMN Regnskap	Uncollated	Total
					Group 31 Dec 2010				
Net interest	579	714	18	4	93	1	0	-198	1,210
Allocated	13	56	1	-	-	-	-	-70	-
Total interest income	**592**	**770**	**19**	**4**	**93**	**1**	**0**	**-269**	**1,210**
Commission income and other income	319	135	30	245	5	19	51	51	855
Net return on financial investments **)	2	16	19	0	1	-	0	452	490
Total income *)	**913**	**921**	**68**	**249**	**99**	**20**	**51**	**235**	**2,555**
Total operating expenses	**468**	**278**	**67**	**198**	**39**	**18**	**40**	**32**	**1,140**
Ordinary operating profit	**445**	**642**	**1**	**51**	**60**	**2**	**11**	**203**	**1,414**
Loss on loans, guarantees etc.	4	104	-	-	24	-	-	0	132
Result before tax	**441**	**539**	**1**	**51**	**35**	**2**	**11**	**203**	**1,282**
Post-tax return on equity	**25.5 %**	**12.0 %**							**14.6 %**
Balance (NOK million)									
Loans and advances to customers	46,932	36,379	-	-	2,965	-	-	1,389	87,665
Adv. of this to SpareBank 1 Boligkreditt	-16,906	-239	-	-	-	-	-	-672	-17,818
Individual allowance for impairment on loan	-32	-155	-	-	-	-	-	-36	-222
Group allowance for impairment on loan	-	-	-	-	-	-	-	-290	-290
Other assets	249	160	-	97	-2,458	3	13	30,598	28,662
Total assets	**30,243**	**36,145**	**-**	**97**	**507**	**3**	**13**	**30,989**	**97,997**
Deposits to customers	19,098	22,709	-	-	-	-	-	979	42,786
Other liabilities and equity	11,145	13,437	-	97	507	3	13	30,010	55,212
Total liabilites	**30,243**	**36,145**	**-**	**97**	**507**	**3**	**13**	**30,989**	**97,997**

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

**) Specification of net return on financial investments (NOKm)	31.12.11	31.12.10
Income from investment in related companies	290	249
adv. of this from SpareBank1 Gruppen	96	164
adv. of this from BN Bank ASA	89	59
adv. of this from Bank 1 Oslo Akershus AS	15	37
adv. of this SpareBank 1 Boligkreditt	16	16
adv. of this SpareBank 1 Næringskreditt	9	2
adv. of this Polaris Media	23	0
Net gain and dividends on securities	101	121
adv. of this from SpareBank 1 SMN Invest	92	-19
Net gain on bonds	100	80
Net gain on trading and derivatives SMN Markets	96	39
Net return on financial investments	588	490

Note 4 - Other operating expenses

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
143	493	528	Personnel expenses	810	711	158
25	140	167	IT costs	185	156	28
31	24	23	Postage and transport of valuables	27	27	38
536	36	38	Marketing	50	43	725
45	31	38	Ordinary depreciation	87	48	51
67	78	119	Operating expenses, real properties	95	94	80
31	42	47	Purchased services	55	52	39
111	99	129	Other operating expense	173	138	135
988	**942**	**1,089**	**Total other operating expenses before write-back of early retirement liabilities (AFP) in 2010**	**1,482**	**1,268**	**1,253**
-	-117	-	Write-back of early retirement liabilities (AFP) in 2010	-	-128	-
988	**825**	**1,089**	**Total other operating expenses**	**1,482**	**1,140**	**1,253**

Note 5 - Distribution of loans by sector/industry

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
4,304	4,640	5,027	Agriculture/forestry/fisheries/hunting	5,217	4,892	4,611
1,232	1,793	1,883	Sea farming industries	2,026	1,906	1,325
2,080	2,507	2,644	Manufacturing	2,881	2,775	2,324
1,761	2,028	2,113	Construction, power and water supply	2,572	2,511	2,257
2,132	2,287	2,147	Retail trade, hotels and restaurants	2,337	2,503	2,460
2,205	5,240	5,974	Maritime sector	5,978	5,242	2,209
11,634	13,474	12,662	Property management	12,179	13,013	11,328
2,971	2,808	3,573	Business services	3,867	3,134	3,279
1,875	1,300	1,808	Transport and other services provision	2,078	1,628	2,217
28	61	63	Public administration	92	101	64
198	337	969	Other sectors	971	339	199
30,421	**36,475**	**38,861**	**Gross loans in retail market**	**40,198**	**38,046**	**32,272**
44,530	48,786	54,058	Wage earners	55,034	49,619	45,157
74,950	**85,260**	**92,919**	**Gross loans incl. SpareBank 1 Boligkreditt**	**95,232**	**87,665**	**77,429**
15,647	17,818	22,126	SpareBank 1 Boligkreditt	22,126	17,818	15,647
59,304	**67,443**	**70,793**	**Gross loans in balance sheet**	**73,105**	**69,847**	**61,782**

Note 6 - Losses on loans and guarantees

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
0	-7	-36	Change in individual impairment losses provisions for the period	-50	3	3
41	0	0	Change in collective impairment losses provisions for the period	0	1	44
81	39	75	Actual loan losses on comm. for which provisions have been made	91	46	89
152	84	9	Actual loan losses on commitments for which no provision has been made	26	92	161
-20	-8	-37	Recoveries on commitments previously written-off	-39	-10	-21
254	**108**	**12**	**Losses of the year on loans and guarantees**	**27**	**132**	**277**

Note 7 - Losses

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
193	193	186	Individual write-downs to cover loss on loans at 01.01	222	219	215
4	24	9	+Increase in provisions for individual impairment losses	10	34	9
8	21	26	- Reversal of provisions from previous periods	28	22	10
85	29	57	+Impairment losses have been made previously	59	38	94
81	39	75	- Actual losses during the period for which provisions for individual impairment losses have been made previously	91	46	89
193	**186**	**151**	**Specification of loss provisions at end of period**	**172**	**222**	**219**
233	123	85	Actual losses	117	138	250

Note 8 - Defaults

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
			Total defaults			
298	397	272	Loans in default for more than 90 days *)	338	499	379
62	72	73	- Specified loss provision	89	100	76
236	325	199	Net defaults	249	399	302
21 %	18 %	27 %	Provision rate	26 %	20 %	20 %
			Problem Loans			
412	198	191	Problem loans (not in default)	204	211	442
130	114	77	- Specified loss provision	83	122	142
281	84	113	Net problem loans	121	89	300
32 %	58 %	41 %	Provision rate	41 %	58 %	32 %

*) Of which NOK 31 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 1 July 2008 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 September - 31 December 2011, NOK 0.7 million has been amortised, and total this year NOK 3.8 million. At the end of the fourth quarter of 2011 the average residual maturity is 0.9 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 0.5 million in unrealised captail losses related to this bond portfolio in the fourth quarter 2011, and total this year NOK 0.9 million in unrealised capital losses.

Unrealised agio losses related to this portfolio have been taken to expence in an amount of NOK 2.8 million in the fourth quarter 2011, and total this year NOK 0.7 million.

No write-downs have been carried out on the basis of lasting portfolio value falls as of 31 December 2011.

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
2,409	1,562	583	Booked value	583	1,562	2,409
2,430	1,568	585	Nominal value	585	1,568	2,430
2,426	1,570	584	Calculated value incl. Exchange rate adjustments	584	1,570	2,426

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 31 December 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
Q4 2011	Equity instruments available for sale	-	-	-	-5
Total		**23**	**-**	**-23**	**11**

Note 11 - Other assets

Parent bank				Group		
31.12.09	31.12.10	31.12.11		31.12.11	31.12.10	31.12.09
-	-	-	Deferred tax benefit	19	7	21
136	131	151	Fixed assets	1,089	1,027	819
-	-	-	Assets held for sale	481	406	406
728	959	956	Earned income not yet received	948	967	731
75	54	4	Accounts receivable, securities	4	54	75
17	200	30	Other assets	218	261	159
956	**1,343**	**1,142**	**Total other assets**	**2,759**	**2,722**	**2,212**

Note 12 - Distribution of customer deposits by sector/industry

Parent bank				Group		
31.12.09	31.12.10	31.12.11		31.12.11	31.12.10	31.12.09
1,374	1,572	1,757	Agriculture/forestry/fisheries/hunting	1,757	1,572	1,374
189	404	402	Sea farming industries	402	404	189
1,425	1,113	1,079	Manufacturing	1,079	1,113	1,425
1,220	1,213	1,420	Construction, power and water supply	1,420	1,213	1,220
2,900	3,337	3,517	Retail trade, hotels and restaurants	3,517	3,337	2,900
73	447	1,103	Maritime sector	1,103	447	73
2,332	2,600	3,545	Property management	3,517	2,533	2,326
3,330	4,044	5,103	Business services	5,103	4,044	3,330
2,809	3,037	3,231	Transport and other services provision	3,036	2,886	2,684
3,545	4,401	3,920	Public administration	3,920	4,401	3,545
288	1,809	2,178	Other sectors	2,157	1,784	265
19,485	**23,976**	**27,254**	**Total**	**27,011**	**23,734**	**19,330**
17,898	19,052	20,860	Wage earners	20,860	19,052	17,898
37,382	**43,028**	**48,114**	**Total deposits**	**47,871**	**42,786**	**37,227**

Note 13 - Debt created by issue of securities

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
187	235	219	Short-term debt instruments, nominal value	219	235	187
23,070	27,581	27,681	Bond debt, nominal value	27,681	27,581	23,070
100	126	248	Value adjustments	248	126	100
23,358	**27,941**	**28,148**	**Total**	**28,148**	**27,941**	**23,358**

Change in securities debt, subordinated debt and hybrid equity:

	31.12.11	Issued	Fallen due / Redeemed	Other changes	**31.12.10**
Short-term debt instruments, nominal value	219	219	235	-	235
Bond debt, nominal value	27,681	5,827	5,809	81	27,581
Value adjustments	248	-	-	123	126
Total	28,148	6,046	6,044	204	27,941

	31.12.11	Issued	Fallen due / Redeemed	Other changes	**31.12.10**
Ordinary subordinated loan capital, nominal value	1,349	-	-	51	1,299
Perpetual subordinated loan capital, nominal value	300	-	224	77	447
Hybrid equity, nominal value	902	-	-	12	890
Value adjustments	139	-	-	16	123
Total	2,690	-	224	156	2,758

Note 14 - Other liabilities

Parent bank				Group		
31.12.09	**31.12.10**	**31.12.11**		**31.12.11**	**31.12.10**	**31.12.09**
18	21	40	Deferred tax	55	31	24
141	178	215	Payable tax	244	196	172
712	676	913	Accrued expenses and received, non-accrued income	1,213	1,057	969
199	182	101	Provision for accrued expenses and commitments	102	182	200
93	0	0	Pension liabilities	7	6	110
57	73	113	Drawing debt	113	73	57
10	11	10	Creditors	38	26	33
39	82	20	Debt from securities	20	82	39
0	0	0	Debt available for sale	151	110	94
77	114	130	Other liabilities	177	159	145
1,346	**1,337**	**1,544**	**Total other liabilites**	**2,122**	**1,922**	**1,843**

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. SpareBank 1 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 September 2009. 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 35 in the Bank's annual report.

Parent bank				Group		
31.12.09	31.12.10	31.12.11		31.12.11	31.12.10	31.12.09
1,736	2,373	2,373	Equity capital certificates	2,373	2,373	1,736
-2	0	0	- Own holding of ECCs	0	0	-2
0	182	183	Premium fund	183	182	0
889	1,159	1,457	Dividend equalisation fund	1,457	1,159	889
2,142	2,345	2,611	Savings bank's reserve	2,611	2,345	2,142
201	285	190	Recommended dividends	190	285	201
27	192	40	Provision for gifts	40	192	27
110	45	70	Unrealised gains reserve	85	66	124
-	-	-	Other equity and minority interest	1,409	1,244	1,052
5,075	**6,581**	**6,924**	**Total book equity**	**8,348**	**7,846**	**6,183**
-447	-447	-447	Deferred taxes, goodwill and other intangible assets	-692	-466	-482
-	-	-	Part of reserve for unrealised gains, associated companies	64	65	0
-201	-477	-230	Deduction for allocated dividends and gifts	-230	-477	-201
-373	-348	-387	50 % deduction for subordinated capital in other financial institutions	-	-	-
-182	-208	-137	50 % deduction for expected losses on IRB, net of write-downs	-147	-216	-189
-	-	-	50 % capital adequacy reserve	-656	-571	-373
-	-	-	Share of non-performing, non-amortizsed estimate deviations	-	-	-
462	936	956	Hybrid capital, core capital	1,170	1,106	542
1,130	0	0	State Finance Fund, core capital	0	0	1,250
5,465	**6,037**	**6,680**	**Total core capital**	**7,856**	**7,283**	**6,730**
			Supplementary capital in excess of core capital			
0	0	0	Hybrid capital, supplementary capital	0	0	0
120	-	-	State Finance Fund, supplementary capital	-	-	-
450	466	326	Perpetual subordinated capital	328	466	450
1,716	1,358	1,409	Non-perpetual subordinated capital	1,674	1,680	2,112
-373	-348	-387	50 % deduction for subordinated capital in other financial institutions	-	-	-
-182	-208	-137	50 % deduction for expected losses on IRB, net of write-downs	-147	-216	-189
-	-	-	50 % capital adequacy reserve	-656	-571	-373
1,731	**1,268**	**1,211**	**Total supplementary capital**	**1,199**	**1,360**	**2,001**
7,196	**7,305**	**7,891**	**Net subordinated capital**	**9,055**	**8,643**	**8,730**
			Minimum requirements subordinated capital, Basel II			
1,295	1,386	1,456	Involvement with spesialised enerprises	1,456	1,386	1,295
998	1,115	1,313	Other corporations exposure	1,313	1,120	1,000
55	66	40	SME exposure	42	68	57
311	311	324	Retail morgage exposure	513	451	429
51	33	31	Other retail exposure	33	34	56
644	496	653	Equity investments	-	-	476,00
3,356	**3,406**	**3,818**	**Total credit risk IRB**	**3,358**	**3,058**	**3,314**
-	165	182	Debt risk	182	165	-
50	46	49	Equity risk	16	15	15
-	-	-	Currency risk	-	-	-
256	275	293	Operational risk	400	331	296
348	537	653	Exposures calculated using the standardised approach	2,184	1,864	1,594
-62	-59	-65	Deductions	-111	-98	-67
-	-	-	Transitional arrangements	-	-	-
3,947	**4,371**	**4,930**	**Minimum requirements subordinated capital**	**6,027**	**5,335**	**5,152**
			Capital adequacy			
11,08 %	11,05 %	10,84 %	Core capital ratio	10,43 %	10,93 %	10,45 %
14,59 %	13,37 %	12,81 %	Capital adequacy ratio	12,02 %	12,97 %	13,56 %