

Investor Relations

Supplementary information
Fourth Quarter 2013



SpareBank 1 SMN

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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 2014

1 st quarter 2014	7 May	2014
2 nd quarter 2014	13 August	2014
3 rd quarter 2014	30 October	2014

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1. SpareBank 1 SMN overview

1.1. Financial highlights

January - December 2013

(Consolidated figures. Figures in parentheses refer to the same period of 2012 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 1,758m (1,355m)
- Net profit: NOK 1,400m (1,077m)
- Return on equity: 13.3 per cent (11.7 per cent)
- 12-month growth in lending: 6.8 per cent (10.2 per cent)
- 12-month growth in deposits: 7.3 per cent (9.2 per cent)
- Common equity tier 1 ratio: 11.1 per cent (10.0 per cent)
- Earnings per EC: NOK 6.92 (5.21)

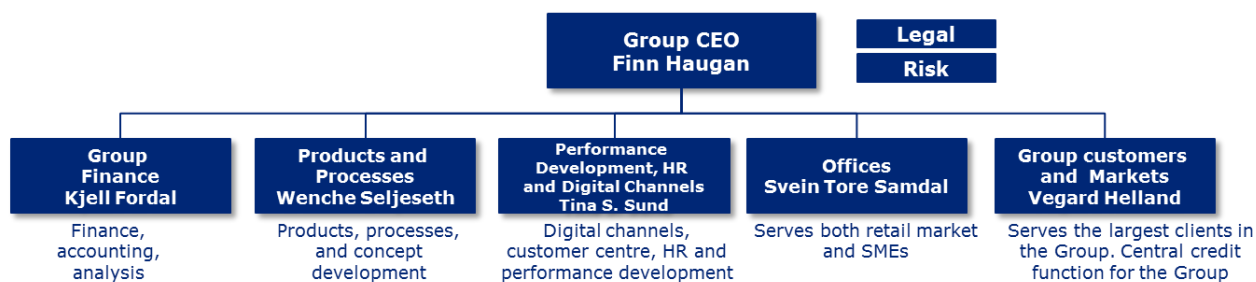
Accounts for fourth quarter 2013 in isolation

- Profit before tax and inv. held for sale: NOK 476m (302m)
- Net profit: NOK 361m (260m)
- Return on equity: 13.1 per cent (10.5 per cent)
- Earnings per EC: NOK 1.79 (1.29)

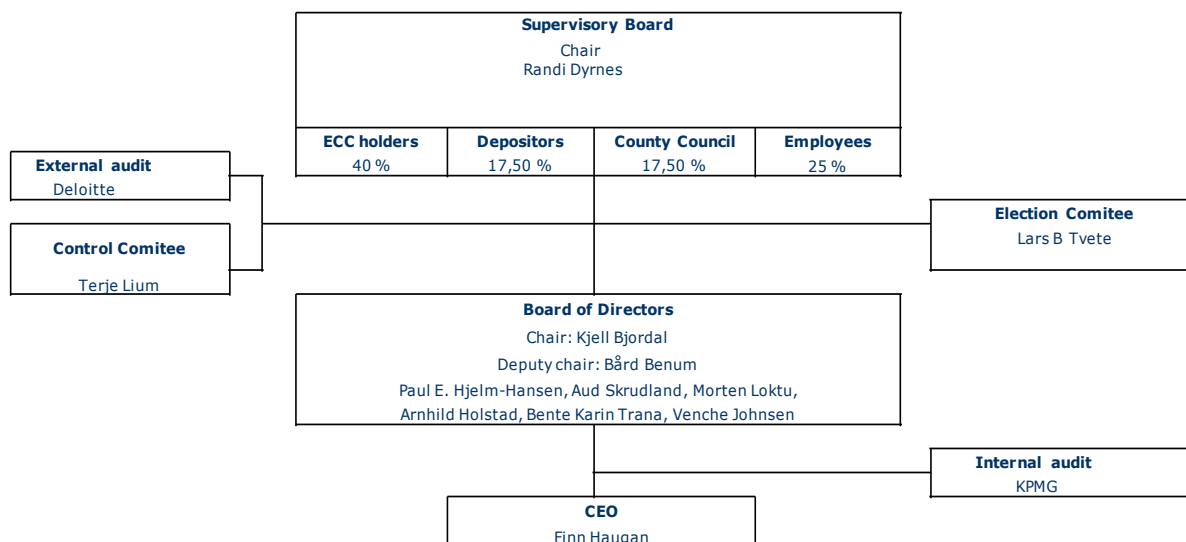
1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 115.4 billion at the end of 2013. Head office is in Trondheim and the Group employs about 1,159 FTEs.

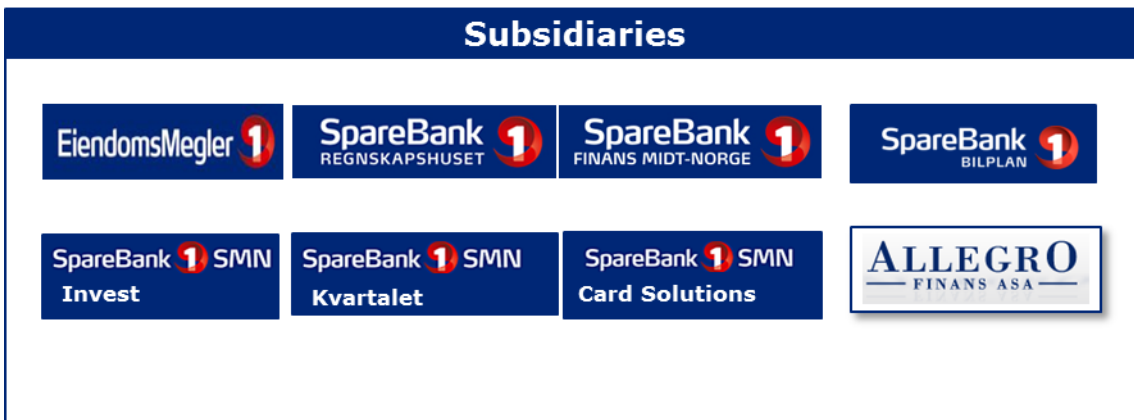
SpareBank 1 SMN has the last year been organized in five business areas:



Overall organization



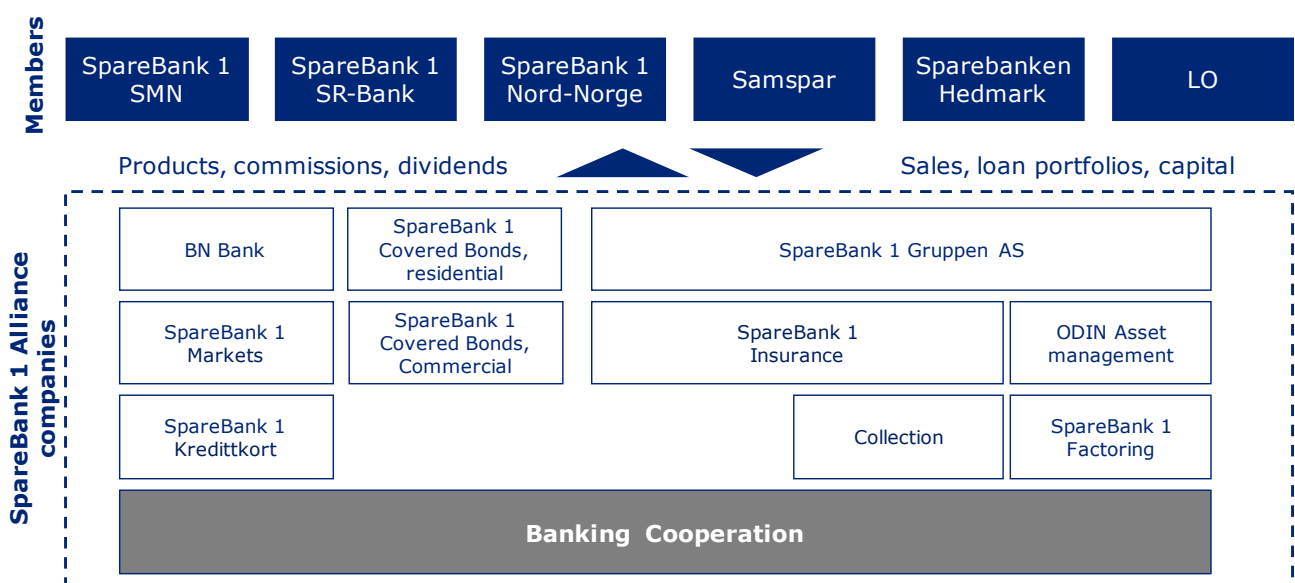
SpareBank 1 SMN: Subsidiaries



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.

SpareBank 1 Alliance Structure



1.3. Credit ratings

<i>Moody's</i>	Todays rating	Year end					
		2012	2011	2010	2009	2008	2007
		Rating(s) under review					
Outlook	Stable	Stable	Stable	Stable	Negative	Negative	Stable
Issuer Rating	A2	A2	A1	A1	A1	A1	Aa3
Bank Deposits	A2/P-1	A2/P-1	A1/P-1	A1/P-1	A1/P-1	Aa3/P-1	Aa3/P-1
Bank Financial Strenght	C-	C-	C-	C-	C-	C	C+
Senior Unsecured	A2	A2	A1	A1	A1	Aa3	Aa3
Subordinate	Baa3	Baa3	A2	A2	A2	A1	A1

<i>Fitch</i>	Todays rating	Year end					
		2012	2011	2010	2009	2008	2007
Outlook	Stable	Stable	Stable	Negative	Negative	Stable	Stable
Long-term IDR	A-	A-	A-	A	A	A	A
Short-term IDR	F2	F2	F2	F1	F1	F1	F1
Support rating	3	3	3	3	3	3	3
Individual rating	B/C	B/C	B/C	B/C	B/C	B	B

1.4. Equity capital certificate (MING)

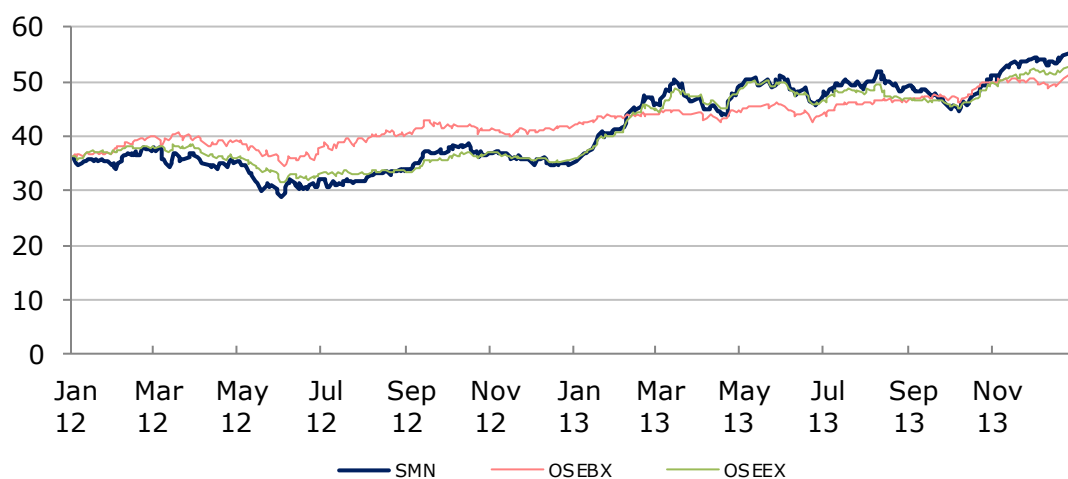
The key figures are corrected for issues.

31 December 2013 the price of the Bank's ECC was NOK 55.00 (NOK 34.80). Earnings per ECC were NOK 6.92 (NOK 5.21). Book value per ECC was NOK 55.69 (NOK 50.09) as of end fourth quarter 2013.

Key figures

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
ECC price	55.00	45.70	46.50	46.90	34.80	55.00	34.80	36.31
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	102.76
Booked equity capital per ECC (incl. dividend)	55.69	53.76	51.66	50.32	50.09	55.69	50.09	48.91
Adjusted profit per ECC	1.79	2.18	1.43	1.55	1.29	6.92	5.21	6.06
P/E per ECC	7.68	5.23	8.13	7.55	6.74	7.95	6.68	5.99
P/B equity capital	0.99	0.85	0.90	0.93	0.69	0.99	0.69	0.74

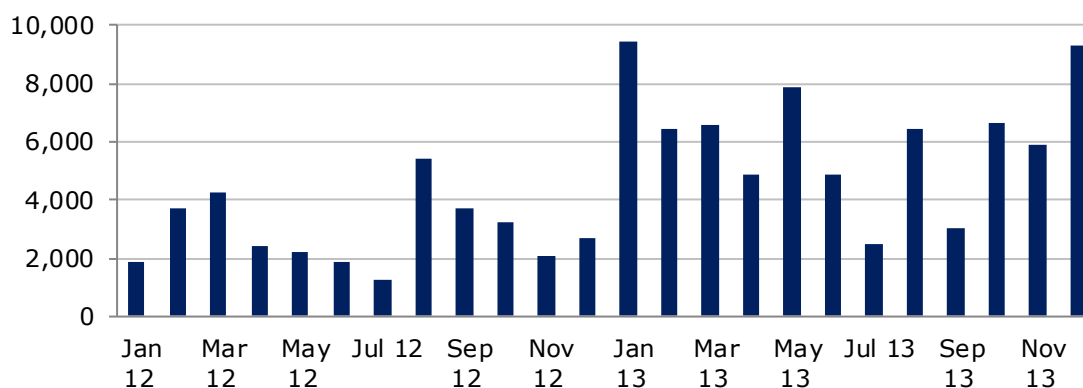
Stock price compared with OSEBX and OSEEX 1 Jan 2012 to 31 Dec 2013



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

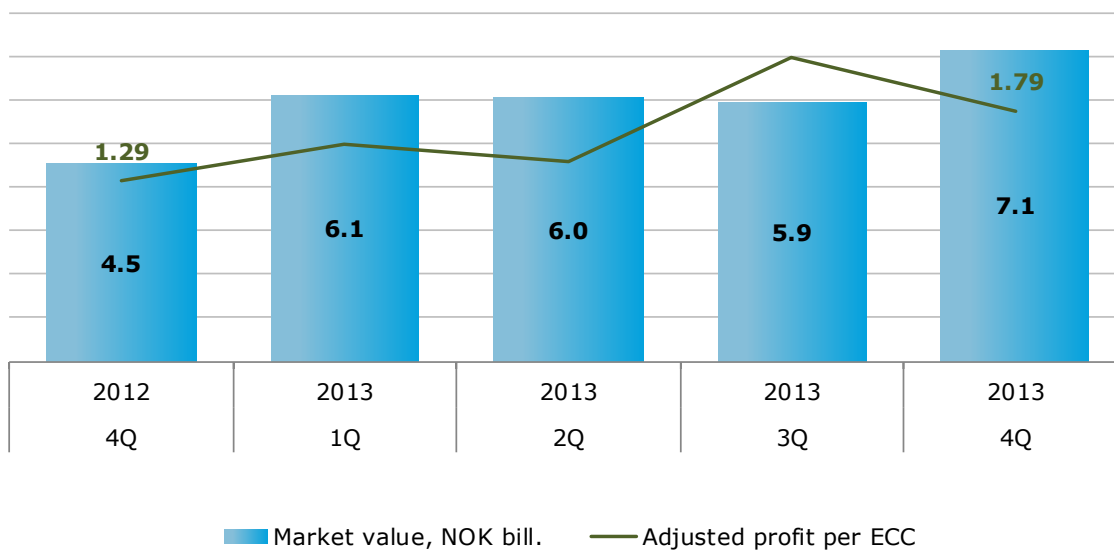
Trading statistics¹⁾

1 Jan 2012 to 31 Dec 2013



1) Total number of ECs traded (1,000)

Market value and profit per ECC



Equity certificates ratio (parent bank)

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
ECC capital	2,597	2,597	2,597	2,597	2,597	2,373
Dividend equalisation reserve	2,496	1,889	1,889	1,889	1,889	1,457
Premium reserve	895	895	895	895	895	183
Unrealised gains reserve	126	69	69	69	69	43
A. The equity certificate owner's capital	6,114	5,449	5,449	5,449	5,449	4,055
Saving bank reserve	3,276	2,944	2,944	2,944	2,944	2,611
Unrealised gains reserve	69	38	38	38	38	28
B. The saving bank reserve	3,345	2,982	2,982	2,982	2,982	2,639
Provision for gifts	124	-	-	-	30	40
Recommended dividends	227	-	-	-	195	190
Equity ex. profit	9,811	8,431	8,431	8,431	8,656	6,924
Equity certificates ratio A/(A+B)	64.64 %	64.64 %	64.64 %	64.64 %	64.64 %	60.58 %
Equity certificates ratio for distribution	64.64 %				63.33 %	61.25 %

20 largest ECC holders

Owner	Number	Ownership in %
Odin Norge	4,168,311	3.21 %
Sparebankstiftelsen SpareBank 1 SMN	3,965,391	3.05 %
Pareto Aksje Norge	3,382,000	2.60 %
Verdipapirfondet DNB Norge (IV)	2,936,033	2.26 %
Frank Mohn AS	2,876,968	2.22 %
Odin Norden	2,854,979	2.20 %
Vind LV AS	2,736,435	2.11 %
MP Pensjon PK	2,058,415	1.59 %
Danske Invest Norske Aksjer Inst. II	1,857,667	1.43 %
Stenshagen Invest	1,693,384	1.30 %
State Street Bank and Trust CO (nominee)	1,666,916	1.28 %
Verdipapirfondet Fondsfinans Spar	1,645,090	1.27 %
Pareto Aktiv	1,424,600	1.10 %
Forsvarets Personellservice	1,406,446	1.08 %
Odin Europa SMB	1,326,937	1.02 %
The Bank of New York Mellon (nominee)	1,326,445	1.02 %
VPF Nordea Norge Verdi	1,265,234	0.97 %
DNB Livsforsikring ASA	1,260,767	0.97 %
Citibank N.A New York Branch (nominee)	1,212,494	0.93 %
Danske Invest Norske Aksjer Instit. I	1,148,845	0.88 %
Total 20 largest shareholders	42,213,357	32.51 %
Others	87,623,086	67.49 %
Total	129,836,443	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	13	2,373	94,905,286
2011	Issue	1	2,373	94,930,286
2012	Placing	95	2,468	123,407,456
2012	Employee placing	16	2,484	124,218,466
2012	Private placement	112	2,597	129,836,443

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 mainly used the same accounting principles and calculation methods as in the latest annual report and accounts [Exceptions, see Note 1 – Accounting Principles in the Quarterly Report]. 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 2012.

As from the first quarter of 2012, return on treasury bills is to be presented as net interest income instead of, as previously, capital gains or losses. Historical data have been correspondingly restated.

2.1. Main figures

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
Net interest	436	434	403	343	399	1,616	1,477	1,392
Commission income and other income	382	367	396	317	321	1,463	1,139	919
Net return on financial investments	156	135	49	162	37	502	451	434
Total income	974	937	849	822	756	3,580	3,067	2,745
Total operating expenses	465	406	436	414	437	1,722	1,654	1,482
Result before losses	508	530	413	407	319	1,859	1,414	1,263
Loss on loans, guarantees etc.	32	30	21	17	17	101	58	27
Result before tax	476	501	391	390	302	1,758	1,355	1,236
Tax charge	110	98	102	77	69	388	295	255
Results investments held for sale, after tax	-4	31	-4	7	27	30	16	43
Net profit	361	433	285	321	260	1,400	1,077	1,024

Balance sheet - condensed

Balance (in NOK million)	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.	31 Dec.
	2013	2013	2013	2013	2012	2011
Total assets	115,360	111,977	113,190	110,769	107,919	102,479
Average total assets (quarterly)	113,668	112,583	111,979	109,344	109,279	100,732
Gross loans to customers *	112,038	110,237	108,968	106,830	104,909	95,232
Deposits from customers	56,074	53,423	55,268	52,603	52,252	47,871
Total equity capital	11,242	10,863	10,439	10,170	10,082	8,348

* Loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Key figures

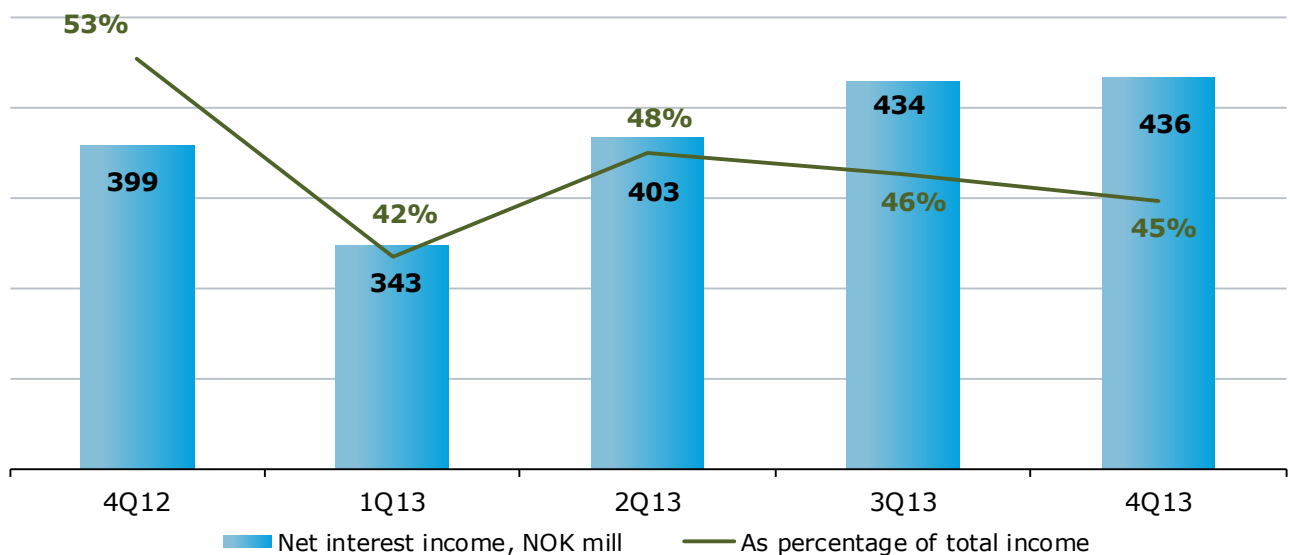
	4Q	3Q	2Q	1Q	4Q	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
Return on equity	13.1 %	16.3 %	11.1 %	12.7 %	10.5 %	13.3 %	11.7 %	12.8 %
Common Equity Tier 1 ratio	11.1 %	10.7 %	10.3 %	10.4 %	10.0 %	11.1 %	10.0 %	8.9 %
Cost/income ratio group	48 %	43 %	51 %	50 %	58 %	48 %	54 %	54 %
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	6.8 %	6.7 %	8.4 %	9.7 %	10.2 %	6.8 %	10.2 %	8.6 %
Growth in deposits last 12 months	7.3 %	5.1 %	7.3 %	7.4 %	9.2 %	7.3 %	9.2 %	11.9 %
Deposits-to-loan ratio	70 %	67 %	70 %	69 %	70 %	70 %	70 %	65 %
Impairment losses ratio	0.12 %	0.11 %	0.08 %	0.06 %	0.06 %	0.09 %	0.06 %	0.03 %
Non-performing commitm. as % of gross loans	0.34 %	0.35 %	0.38 %	0.36 %	0.36 %	0.34 %	0.36 %	0.36 %
ECC price	55.00	45.70	46.50	46.90	34.80	55.00	34.80	36.31
Booked equity capital per ECC (incl. dividend)	55.69	53.76	51.66	50.32	50.09	55.69	50.09	48.91
Adjusted profit per ECC	1.79	2.18	1.43	1.55	1.29	6.92	5.21	6.06

2.2. Net interest income

Net interest income

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
Interest income	1,059	1,068	1,036	954	941	4,118	3,928	3,891
Interest expenses	624	634	633	611	543	2,502	2,451	2,499
Net interest income	436	434	403	343	399	1,616	1,477	1,392
As percentage of total income	45 %	46 %	48 %	42 %	53 %	45 %	48 %	51 %

Development in net interest income



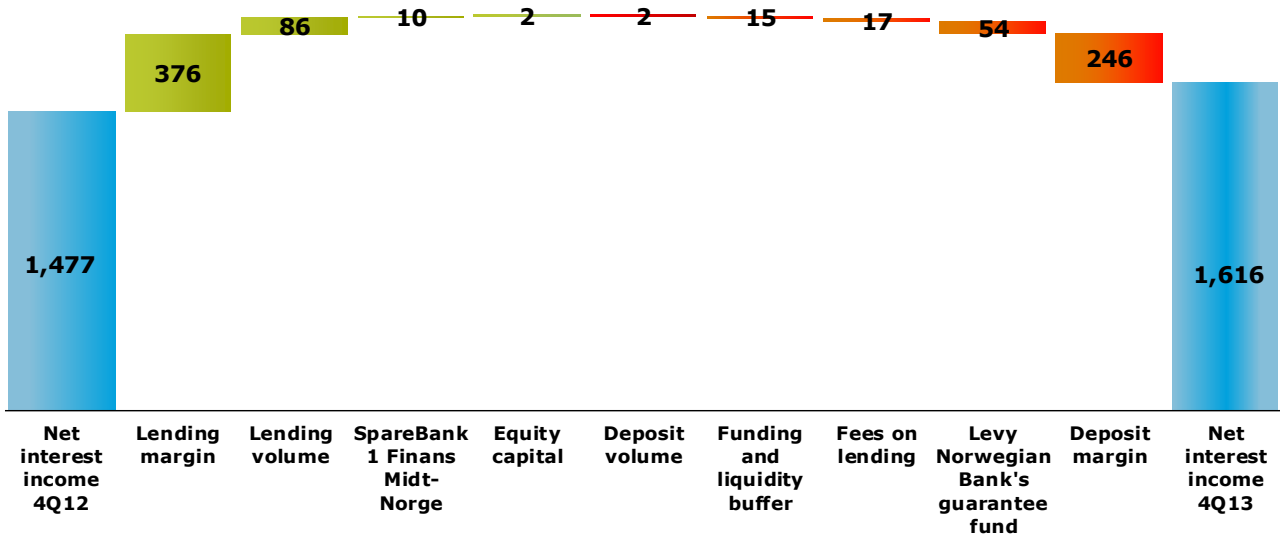
Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	86	376	462
Deposits	-2	-246	-248
Total	84	130	214

Changes in net interest income

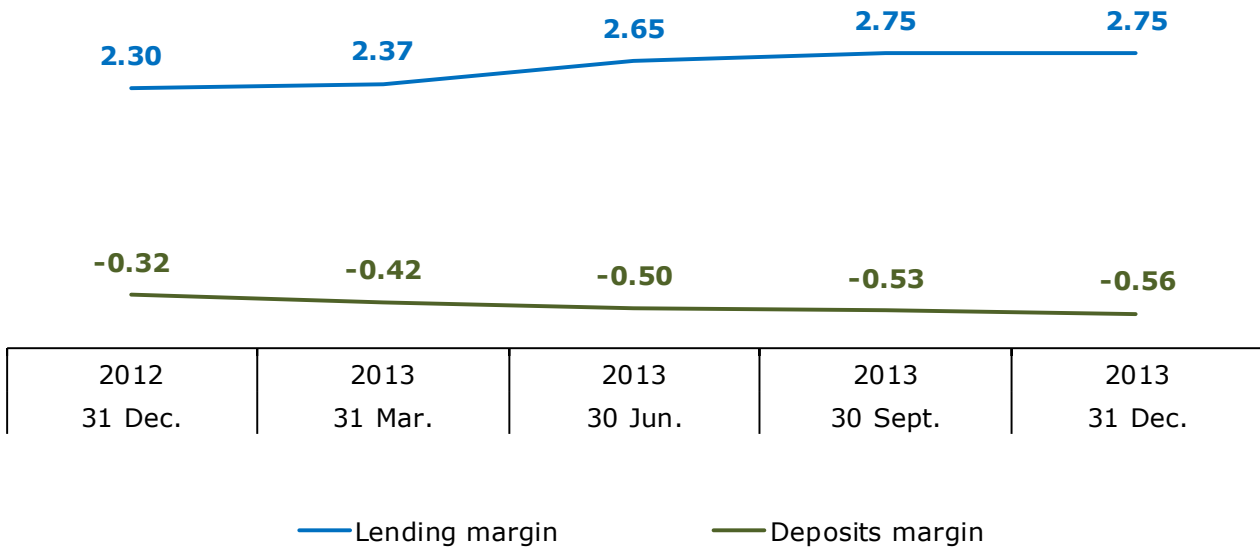
(in NOK million)

	2013	31 Dec. Change	2012
Net interest income	1,616	139	1,477
Equity capital		2	
Lending volume		86	
Levy Norwegian Bank's guarantee fund		-54	
Fees on lending		-17	
Deposit margin		-246	
SpareBank 1 Finans Midt-Norge		10	
Deposit volume		-2	
Lending margin		376	
Funding and liquidity buffer		-15	
Change		139	

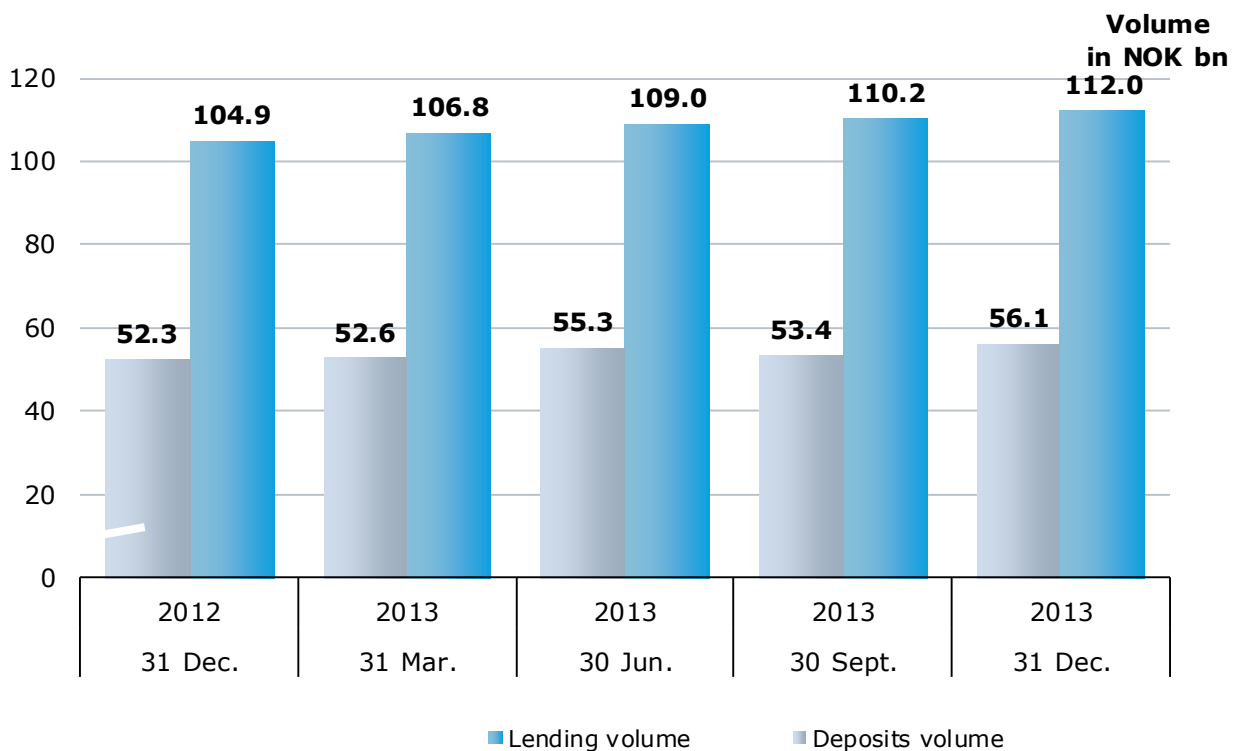


Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

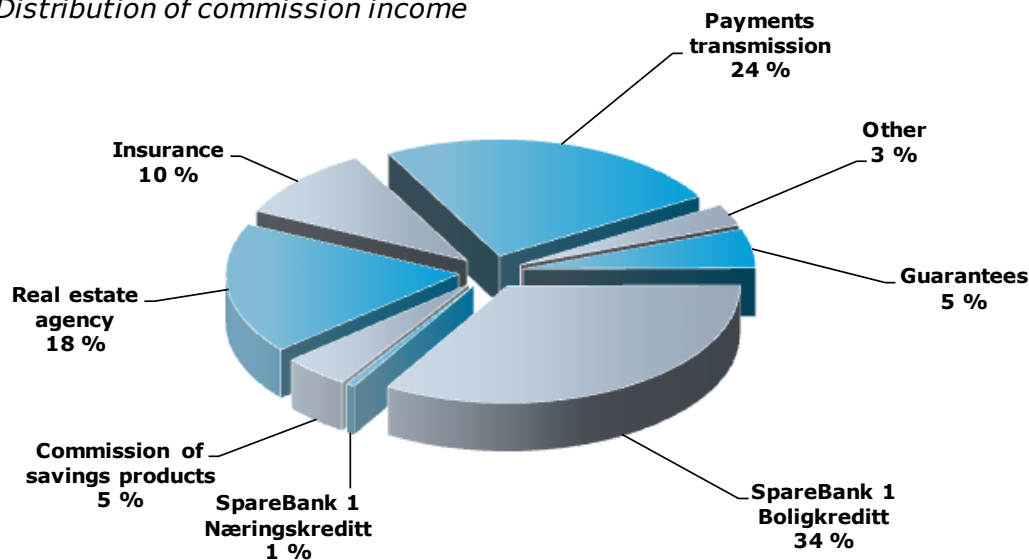


2.3. Commission income

Total commission and other income

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
Guarantees	18	15	20	14	10	67	37	28
SpareBank 1 Boligkreditt	117	112	102	84	74	414	201	71
SpareBank 1 Næringskreditt	3	2	2	1	1	8	4	-
Commission of savings products	15	16	14	12	14	57	49	45
Real estate agency	46	55	71	51	60	224	239	221
Insurance	32	32	31	29	35	124	122	105
Payments transmission	83	81	71	64	74	300	282	275
Other	9	11	12	8	10	37	31	31
Total commissions income	323	324	323	262	280	1,230	966	778
Operating- and sales income real estate	17	24	27	20	19	88	91	82
Accounting services	26	23	40	32	21	122	99	78
Other operating income	41	25	27	22	28	118	79	64
Total other operating income	84	71	95	75	69	327	269	224
Commission expenses	25	28	21	20	28	94	96	83
Total commissions and other income	382	367	396	317	321	1,463	1,139	919
As percentage of total income	39 %	39 %	47 %	39 %	42 %	41 %	37 %	33 %

Distribution of commission income



Change in commission and other income

(in NOK million)	2013	31 Dec. Change	2012
Total	1,463	324	1,139
Real estate agency		-16	
Other operating income		39	
Operating- and sales income real estate		-3	
Accounting services		23	
Insurance		2	
Commission of savings products		8	
Commission expenses		1	
Other		6	
Payments transmission		17	
Guarantees		30	
SpareBank 1 Boligkreditt		213	
SpareBank 1 Næringskreditt		4	

Net return on financial investments, incl results from investments held for sale

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Income from investment in related companies incl inv held for sale	94	150	33	108	30	384	260	290
<i>of which SpareBank 1 Gruppen AS</i>	56	74	18	61	-10	210	94	96
<i>BN Bank ASA</i>	16	32	16	26	31	91	72	89
<i>SpareBank 1 Boligkreditt AS</i>	15	12	1	12	7	40	44	16
<i>SpareBank 1 Næringskreditt AS</i>	3	2	1	2	0	8	8	9
<i>Other ¹⁾</i>	3	30	-3	6	2	36	42	79
Capital gains/dividends, shares and ECCs ²⁾	69	19	2	25	2	114	24	101
<i>of which dividends</i>	0	11	30	1	2	41	12	36
<i>capital gains on shares</i>	65	7	-25	17	-1	64	13	79
<i>capital gains on ECCs</i>	4	1	-3	8	1	9	-1	-13
Capital gains, bonds and derivatives	-26	-19	-14	20	0	-40	57	-10
Net gain on trading and derivatives Markets	15	16	25	17	31	73	126	96
Net return on financial investments	151	166	45	169	63	531	467	478
As percentage of total income	16 %	17 %	5 %	20 %	8 %	15 %	15 %	17 %

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

2) Including net gain/losses from SpareBank 1 SMN Invest AS, which manages parts of the Bank's share portfolio

Change in net return on financial investments

(in NOK million)	2013	31 Dec. Change	2012
Total	531	64	467
Capital gains from bonds and derivatives		-97	
Capital gain, SMN Markets		-53	
Capital gains/dividends on shares and ECC's		90	
Income from investment in related companies, incl inv held for sale		124	

2.4. Operating expenses

Operating expenses

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
Salary	214	199	210	215	213	838	838	752
Pension costs (defined benefit plan)	3	14	14	13	16	45	54	28
Employer's insurance contributions	0	4	6	4	1	14	11	11
Other personnel expenses	7	3	5	3	4	18	20	18
Total personnel expenses	224	220	234	236	234	914	924	810
EDP and telecommunication expenses	57	46	53	50	42	206	187	185
Postage and transportation services	8	7	7	7	8	29	28	27
Marketing	20	12	15	11	13	58	49	50
Operating exp. on properties and premises	45	24	25	24	28	118	101	95
Other external services	25	15	19	11	22	70	66	55
Other operating expenses	54	53	55	46	63	207	199	172
Depr./write-downs of fixed & intangible assets	33	28	28	30	28	118	102	87
Other expenses	241	186	201	179	203	807	730	672
Total operating expenses	465	406	436	414	437	1,721	1,654	1,482
Cost/income ratio	0.48	0.43	0.51	0.50	0.58	0.48	0.54	0.54
Cost/income ratio ex financial inv.	0.57	0.51	0.54	0.63	0.61	0.56	0.63	0.64
12-month cost growth*	4.1 %	3.3 %	6.9 %	4.2 %	11.6 %	4.1 %	11.6 %	30.0 %

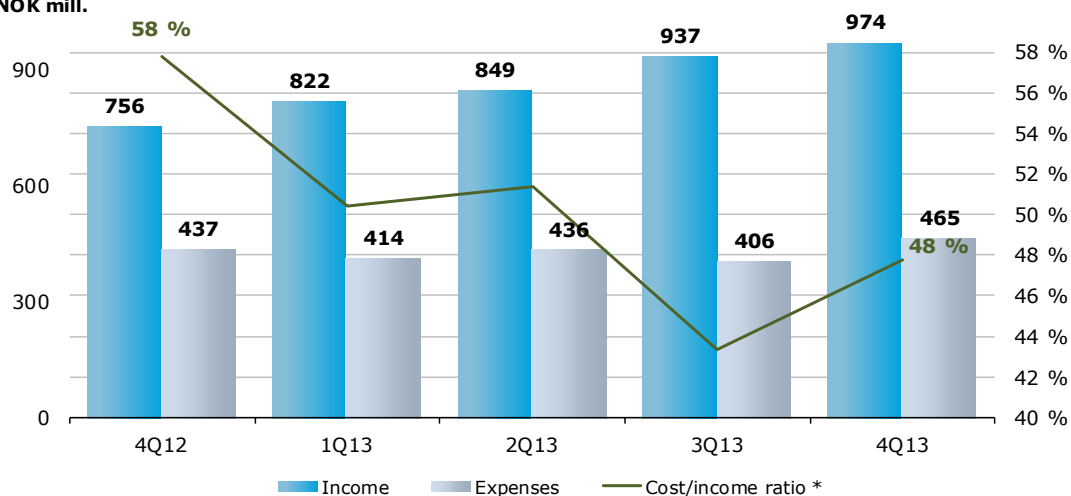
* Year to date.

Change in operating expenses

(in NOK million)	2013	31 Dec. Change	2012
Total	1,721	68	1,654
Total personnel expenses		- 10	
Depr./write-downs of fixed & intangible assets		17	
EDP and telecommunication expenses		20	
Other operating expenses		9	
Operating exp. on properties and premises		17	
Other external services		5	
Marketing		9	
Postage and transportation services		1	

Cost/income ratio

NOK mill.



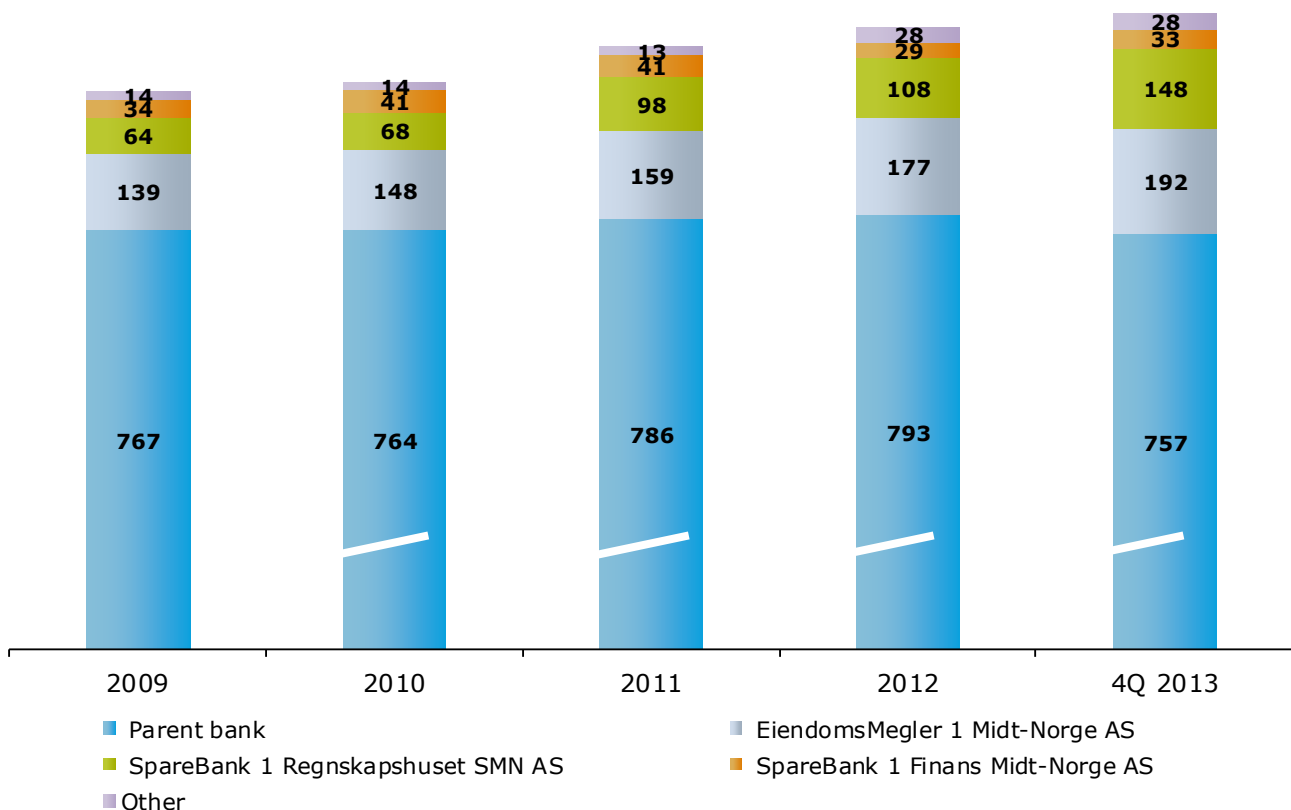
* Total operating expenses as a percentage of total operating income

Development of employees

<i>Employees in employment</i>	4Q 2013	2012	2011	2010	2009
Retail market incl. SME	358	374	392	378	367
Corporate market	87	199	187	172	155
SpareBank 1 SMN Markets	34	42	40	33	32
Products and processes	138	120	112	128	134
HR and digital channels	101				
Management and staff	39	59	55	53	79
Parent bank	757	793	786	764	767
EiendomsMegler 1 Midt-Norge AS	192	177	159	148	139
Allegro Finans AS	9	10	9	10	10
SpareBank 1 Finans Midt-Norge AS	33	29	41	41	34
SpareBank 1 Regnskapshuset SMN AS	148	108	98	68	64
SpareBank 1 Kvartalet and other	19	18	4	4	4
Total	1,159	1,135	1,098	1,035	1,017

The bank is reorganised as from 1 January 2013. Figures for person-years worked in 2013 are therefore not comparable with historical figures.

Employees in employment



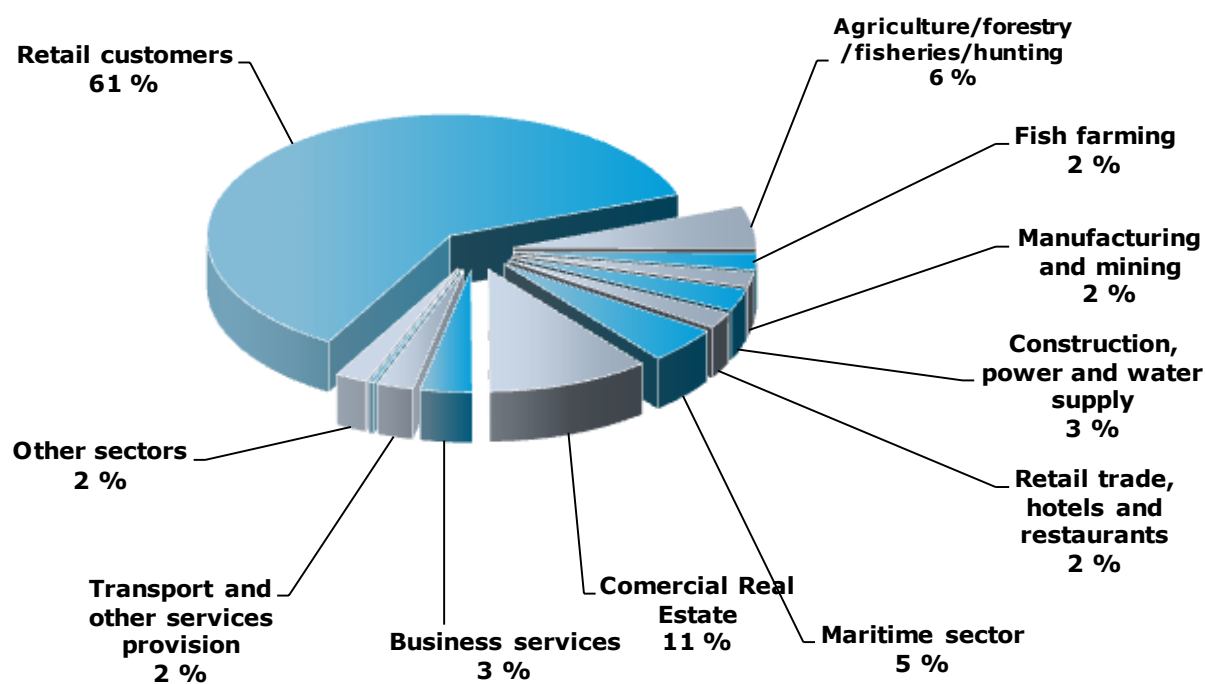
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
Agriculture/forestry/fisheries/hunting	6,359	6,210	6,025	6,031	6,129	5,217
Fish farming	2,463	2,479	2,175	2,226	2,447	2,026
Manufacturing and mining	2,142	2,145	2,435	2,396	2,349	2,881
Construction, power and water supply	3,207	3,525	3,571	3,446	3,504	2,572
Retail trade, hotels and restaurants	2,442	2,464	2,694	2,715	2,804	2,337
Maritime sector	5,402	5,347	5,561	5,774	5,739	5,978
Comercial Real Estate	12,118	11,978	12,052	12,056	11,710	12,179
Business services	3,867	3,636	3,687	3,776	3,258	3,867
Transport and other services provision	2,706	2,899	2,737	2,519	2,364	2,078
Public administration	423	252	195	230	215	92
Other sectors	2,395	1,952	1,989	1,763	1,801	971
Gross loans in corporate market	43,523	42,887	43,123	42,930	42,322	40,198
Retail customers	68,515	67,350	65,846	63,900	62,587	55,034
Gross loans incl. Boligkr. and Næringskr.	112,038	110,237	108,968	106,830	104,909	95,232
- Adv. of this Boligkreditt	30,514	29,502	29,382	29,789	29,348	22,126
- Adv. of this Næringskreditt	1,221	892	611	616	618	
Gross loans in balance sheet	80,303	79,842	78,976	76,425	74,943	73,105
Share of loans, corporate market	39 %	39 %	40 %	40 %	40 %	42 %
Share of loans, retail market	61 %	61 %	60 %	60 %	60 %	58 %

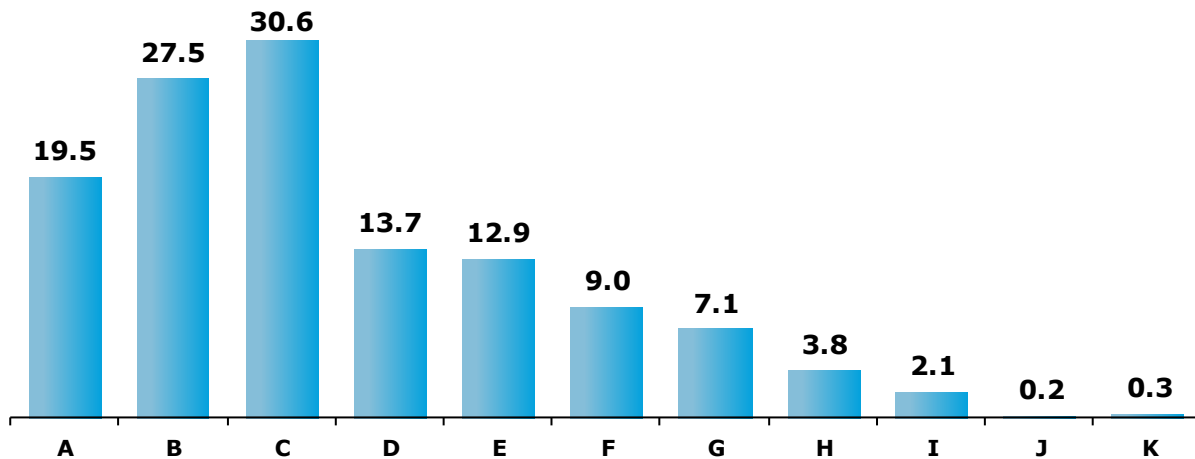
Distribution of loans by industry



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.

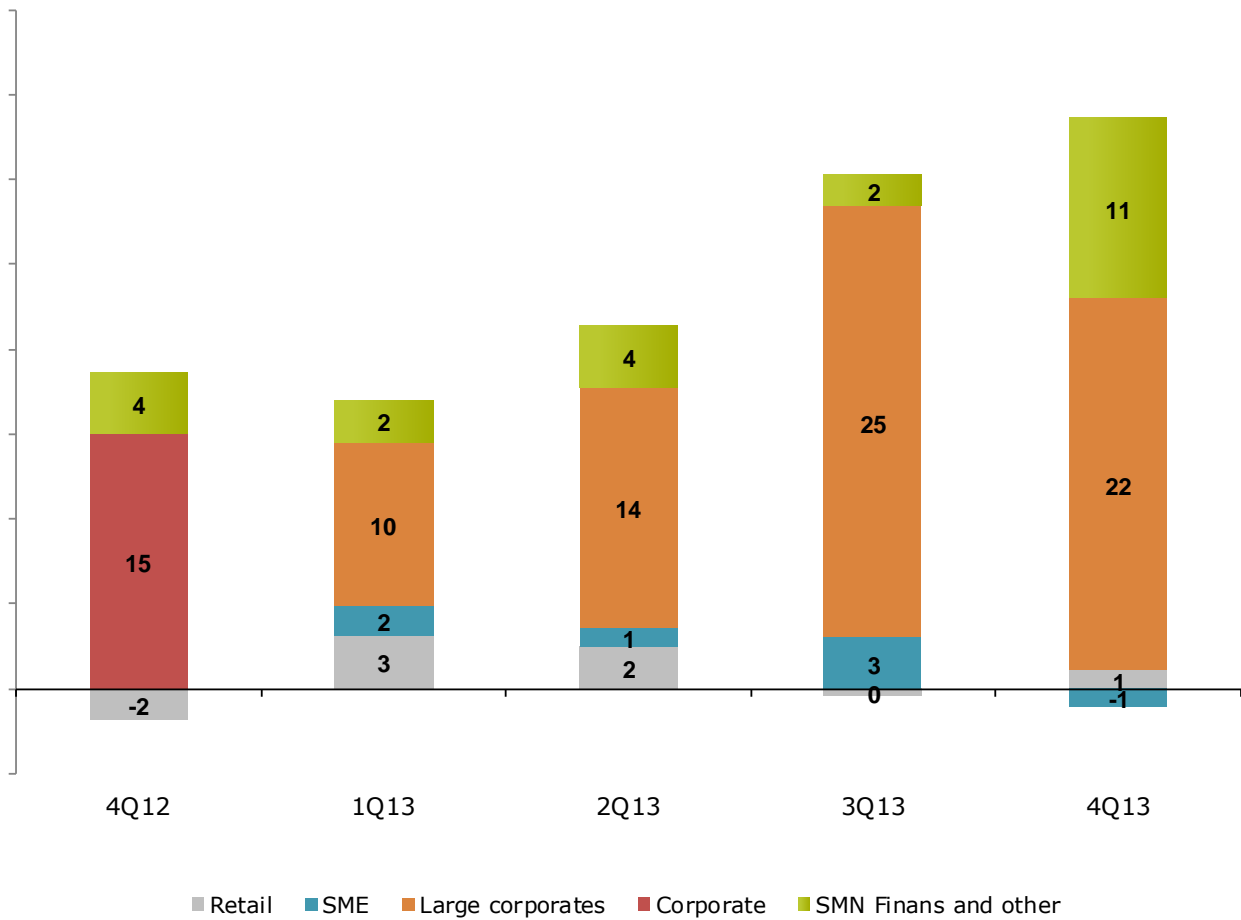
* Probability of default

Write-downs on loans and guarantees

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	2011
Increase in and new individual write-downs	5	15	11	-2	-4	29	-28	-50
Reassessments and recoveries	-28	-15	-10	-19	-21	-71	-81	-77
Total individual write-downs	32	30	21	17	17	101	53	27
Change in group write-downs on loans	0	0	0	0	0	0	5	0
Write-downs on loans and guarantees	32	30	21	17	17	101	58	27
As % of gross loans incl. Boligkredditt	0.12 %	0.11 %	0.08 %	0.06 %	0.06 %	0.09 %	0.06 %	0.03 %

Loss on loans by segment

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Retail	1	0	2	3	-2	6	1	7
SME	-1	3	1	2		5		
Large corporates	22	25	14	10		71		
Corporate					15		45	5
SMN Finans and other	11	2	4	2	4	19	7	15
Collective write downs	0	0	0	0	0	0	5	0
Total loss on loans	32	30	21	17	17	101	58	27



Individual and collective write-downs

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Individual write-downs to cover loss on loans, guarantees at start of period	168	153	143	144	148	144	172	222
Write downs of loans previously subject to individual write down	4	1	7	3	-4	15	4	10
Reversal of previous years' write downs	-7	-4	-3	-4	-5	-18	-13	-28
Increase in write downs of commitments not previously subject to individual write down	10	30	12	19	14	71	43	59
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-2	-12	-6	-21	-9	-40	-63	-91
Individual write downs to cover loss	173	168	153	143	144	173	144	172
Collective write downs to cover loss on loans, guarantees at start of period	295	295	295	295	295	295	290	290
Period's collective write down to cover loss on loans, guarantees etc.	0	0	0	0	0	0	5	0
Collective write downs to cover loss on loans, guarantees	295	295	295	295	295	295	295	290

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	73,629	57,750	10,047	3,928	813	879	211
Public administration	1,066	1,066	-	-	-	-	0
Agriculture and forestry	6,863	3,721	1,425	1,160	270	283	4
Sea farming industries	3,183	544	2,385	236	0	-	17
Manufacturing	2,778	751	901	701	139	271	15
Construction, power and water supply	4,393	1,373	734	1,651	290	215	130
Retail trade, hotels and restaurants	3,573	882	744	1,760	81	88	17
Maritime sector	518	176	224	19	99	-	-
Property management	13,579	4,481	4,396	3,522	911	211	59
Business services	5,369	1,567	1,047	1,936	683	99	38
Transport and other services provision	10,299	4,638	4,048	1,068	453	62	30
Finance	0	-	-	-	-	-	0
Other sectors	1,516	622	639	160	95	-	-
4Q13	126,767	77,571	26,590	16,143	3,834	2,108	521
2012	120,010	71,896	24,459	17,174	4,374	1,629	479
2011	109,621	63,414	24,724	16,231	3,045	1,738	468

Write-down ratio

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
Non-performing commitments (gross)	386	391	413	388	374	338
Impaired commitments (gross)	157	209	146	160	143	204
Gross non-performing and impaired commitments	543	600	559	548	517	542
Individual write-downs	173	168	153	143	145	172
Collective write-downs	295	295	295	295	295	290
Write-down ratio (%)	86.0 %	77.2 %	80.1 %	79.9 %	84.9 %	85.2 %

Default in excess of 90 days

NOK million



2012 4Q	2013 1Q	2013 2Q	2013 3Q	2013 4Q
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— Retail > 90 d

Default in excess of 90 days

NOK million

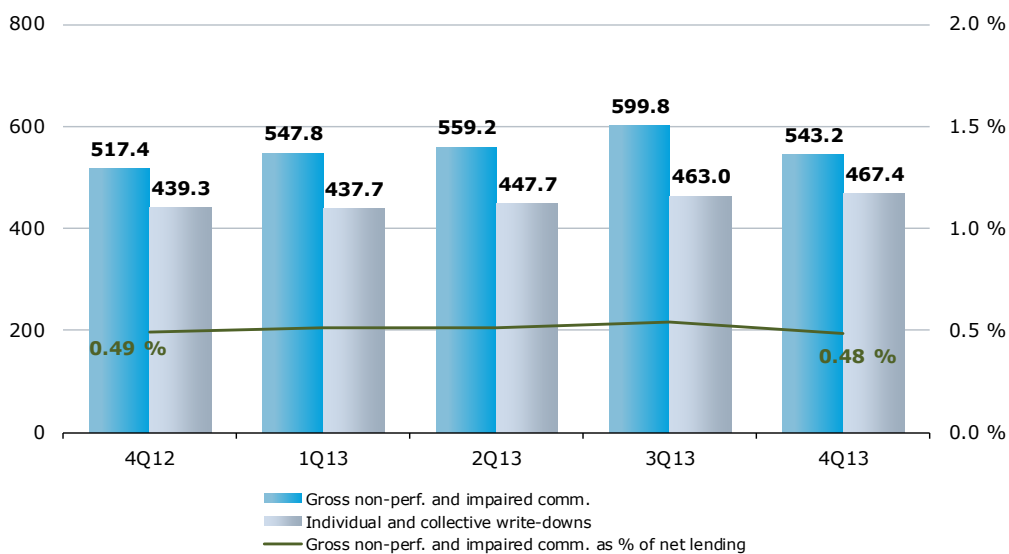


2013 1Q	2013 2Q	2013 3Q	2013 4Q
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— SME > 90 d — Large corporates > 90 d

Net non-performing and impaired commitments

NOK million



4. Capital Adequacy

SpareBank 1 SMN has used IRB (Internal Rating Approach – Foundation) to calculate charges for credit risk since January 2007. Using IRB imposes wide-ranging requirements on the bank's organisation, competence, risk models and risk management systems. In June 2013 the bank applied for permission to switch to Advanced IRB for enterprise portfolios currently reported using the foundation approach. The effect of the risk weights under IRB is limited due to transitional rules set out in regulations issued by Finanstilsynet.

As from Q2 2013 the measurement method for operational risk was changed from the basic approach to the standardised approach at the parent bank. At the group level, subsidiaries are still measured using the basic approach.

As from 1 July 2013 new buffer requirements have been introduced; see the Financial Institutions Act section 2-9e. As of 31 December 2013 the capital conservation buffer requirement is 2.5 per cent and the systemic risk buffer requirement is 2 per cent. These requirements are in addition to the requirement that own funds should constitute at least 4.5 per cent common equity tier 1 (CET1) capital, bringing the overall minimum CET1 requirement to 9 per cent.

Over the course of 2014 the systemic risk buffer requirement will increase by a further 1 percentage point, bringing the overall CET1 requirement as of 1 July 2014 to 10 per cent. As of 30 June 2015, a countercyclical buffer requirement of 1 percentage point will be applicable.

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 characterised by moderate repayment incentives is approved as an element of tier 1 capital up to limit of 15 per cent of aggregate tier 1 capital. If, on the other hand, hybrid capital has no fixed term to maturity and has no repayment incentives, it may be included as an element of core capital up to limit of 15 per cent of aggregate core 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 8 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 recognised as other long-term debt at amortised cost.

In connection with change requirements regarding the conditions for hybrid capital, hybrid capital that does not satisfy the new requirements over time will not be eligible for inclusion in other core capital. Such hybrid capital will be reduced by 20 per cent in 2014 and 10 per cent thereafter. As of 31 December 2013, SpareBank 1 SMN held NOK 450m in hybrid capital which will be subject to reduction.

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.

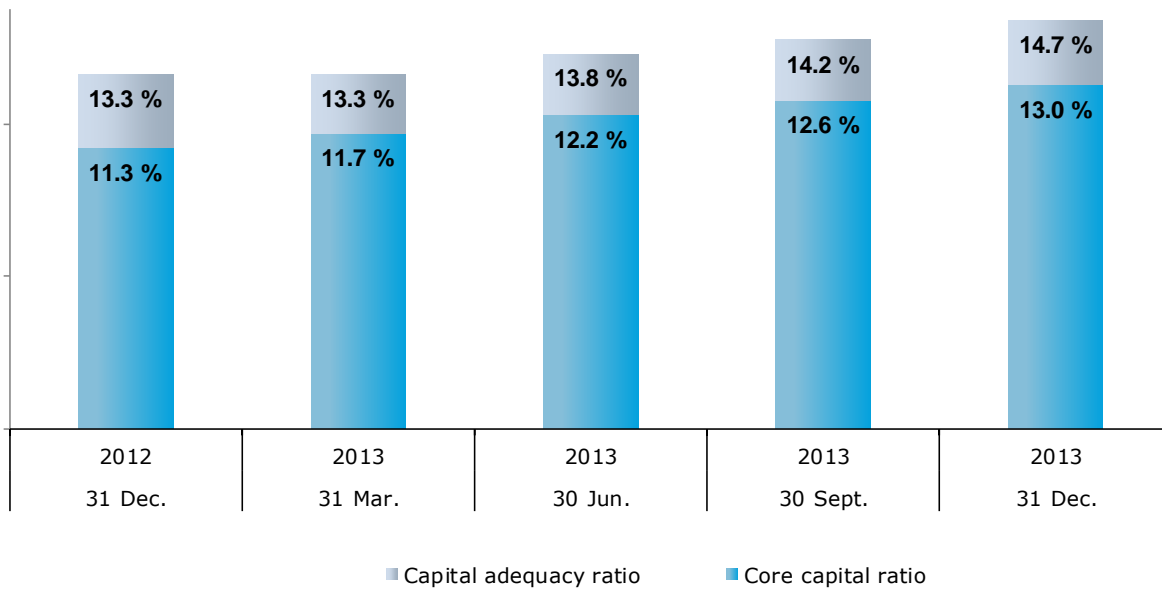
Capital Adequacy

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
Equity certificates capital	2,597	2,597	2,597	2,597	2,597	2,373
- Own equity certificates capital	0	0	0	0	0	0
Premium reserve	895	895	895	895	895	183
Equalisation reserve	2,496	1,889	1,889	1,889	1,889	1,457
Savings bank's reserve	3,276	2,944	2,944	2,944	2,944	2,611
Recommended dividends	227	0	0	0	195	190
Provision for gifts	124	0	0	0	30	40
Reserve for unrealised gains	206	123	123	123	123	85
Other equity and minority interest	1,421	1,377	1,386	1,402	1,370	1,409
Net profit	0	1,038	606	321	0	0
Total book equity	11,242	10,863	10,439	10,170	10,042	8,348
Deferred tax, goodwill and other intangible assets	-582	-589	-531	-531	-674	-692
Share of reserve for unrealised gains in associates	98	57	57	57	57	64
Deduction for allocated dividends	-361	0	0	-6	-238	-230
50 % deduction for subordinated capital in other financial institutio	-106	-90	-93	-2	-2	0
50 % deduction for expected losses on IRB, net of write-downs	-214	-210	-219	-193	-179	-147
50 % capital adequacy reserve	-595	-554	-500	-734	-703	-656
Share of non-performing, non-amortized estimate deviations	-107	-107	-107	-107	-49	0
Net profit	0	-1,038	-606	-321	0	0
Year-to-date profit included in core capital (50%)	0	758	442	234	0	0
Total common equity Tier one	9,374	9,089	8,882	8,568	8,254	6,687
Fund bonds, hybrid capital	1,615	1,619	1,625	1,118	1,103	1,170
Total core capital	10,989	10,707	10,508	9,686	9,357	7,856
Supplementary capital in excess of core capital						
Fund bonds, hybrid capital in excess of 15 %	31	28	31	31	31	0
Perpetual subordinated capital	363	307	307	308	312	328
Dated subordinated capital	1,950	1,866	1,861	1,875	2,127	1,674
50 % deduction for subordinated capital in other financial institutio	-106	-90	-93	-2	-2	0
50 % deduction for expected losses on IRB, net of write-downs	-214	-210	-219	-193	-179	-147
50 % capital adequacy reserve	-595	-554	-500	-734	-703	-656
Total supplementary capital	1,428	1,346	1,386	1,285	1,586	1,199
Net subordinated capital	12,417	12,053	11,894	10,971	10,943	9,055

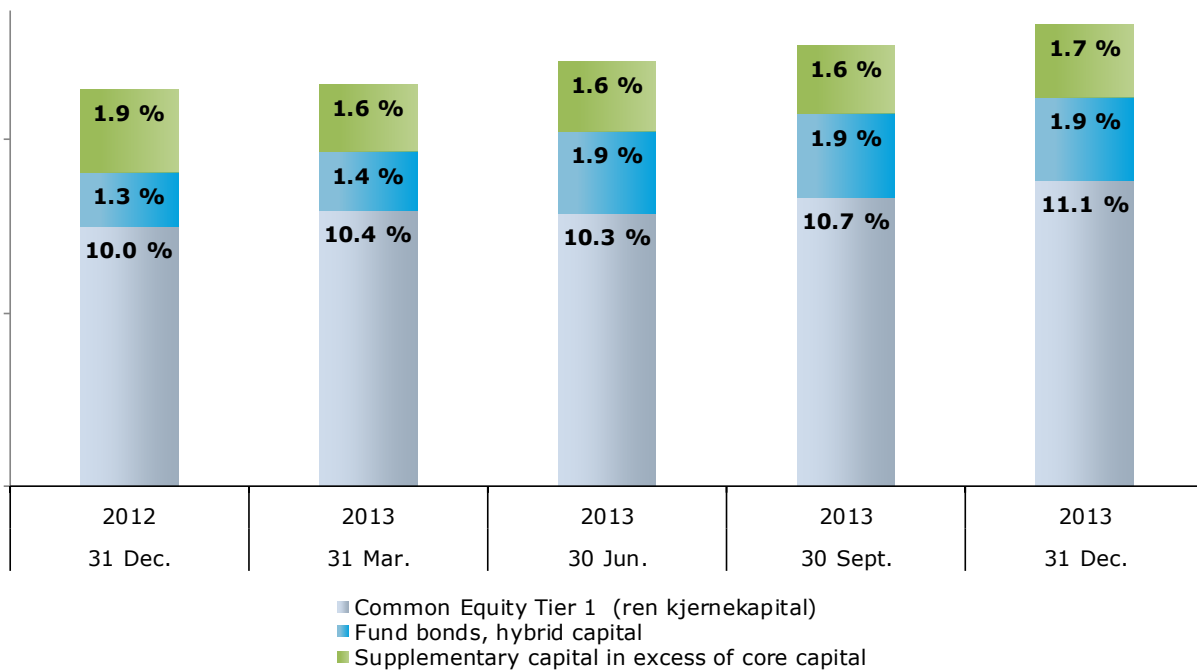
Minimum requirements subordinated capital

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
Involvement with specialised enterprises	1,573	1,592	1,672	1,661	1,654	1,456
Other corporations exposure	1,479	1,443	1,504	1,505	1,470	1,313
SME exposure	74	76	68	56	42	42
Retail mortgage exposure	628	591	613	583	560	513
Other retail exposure	33	35	37	28	30	33
Equity investments	0	0	0	0	0	0
Total credit risk IRB	3,787	3,736	3,895	3,833	3,756	3,358
Debt risk	224	225	255	257	205	182
Equity risk	10	13	13	15	15	16
Currency risk	0	0	0	0	0	0
Operational risk	398	398	398	438	420	400
Exposures calculated using the standardised approach	2,151	2,135	2,106	2,086	2,074	2,184
Deductions	-119	-110	-102	-125	-120	-111
Transitional arrangements	316	403	322	102	246	0
Minimum requirements subordinated capital	6,767	6,802	6,886	6,606	6,596	6,027
Risk Weighted Assets (RWA)	84,591	85,019	86,079	82,578	82,446	75,338
Common equity Tier 1	11.1 %	10.7 %	10.3 %	10.4 %	10.0 %	8.9 %
Core capital ratio	13.0 %	12.6 %	12.2 %	11.7 %	11.3 %	10.4 %
Capital adequacy ratio	14.7 %	14.2 %	13.8 %	13.3 %	13.3 %	12.0 %

Capital Adequacy

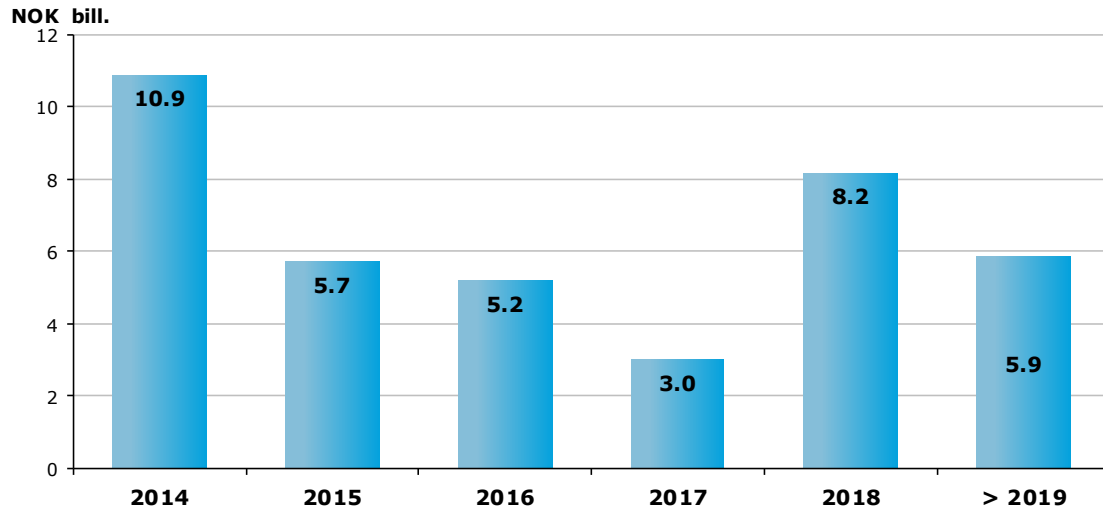


Capital Adequacy

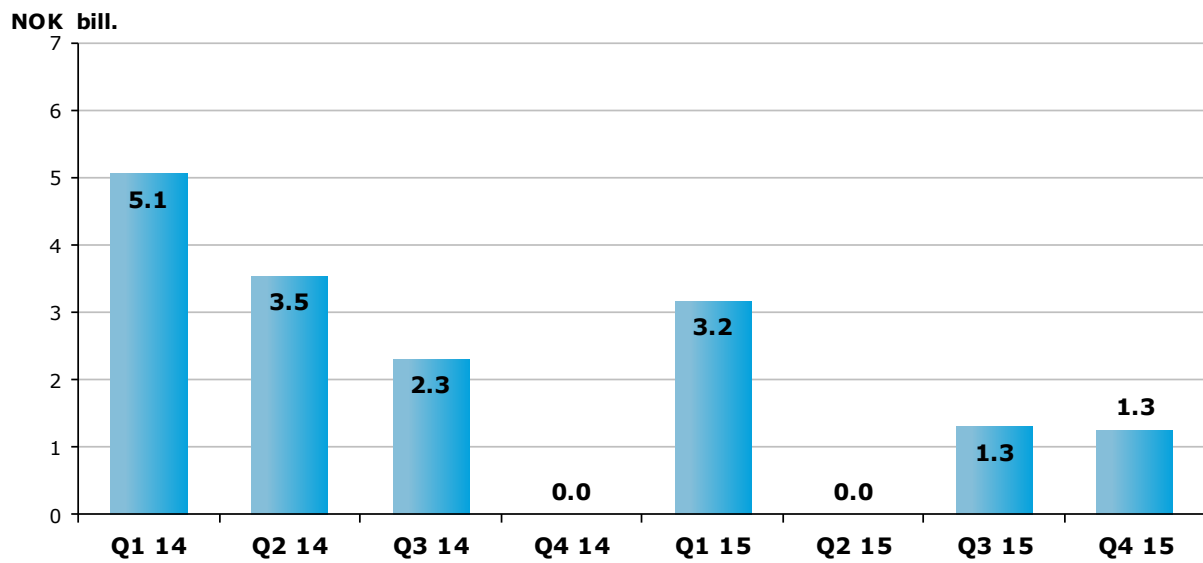


5. Funding

Funding maturity dates

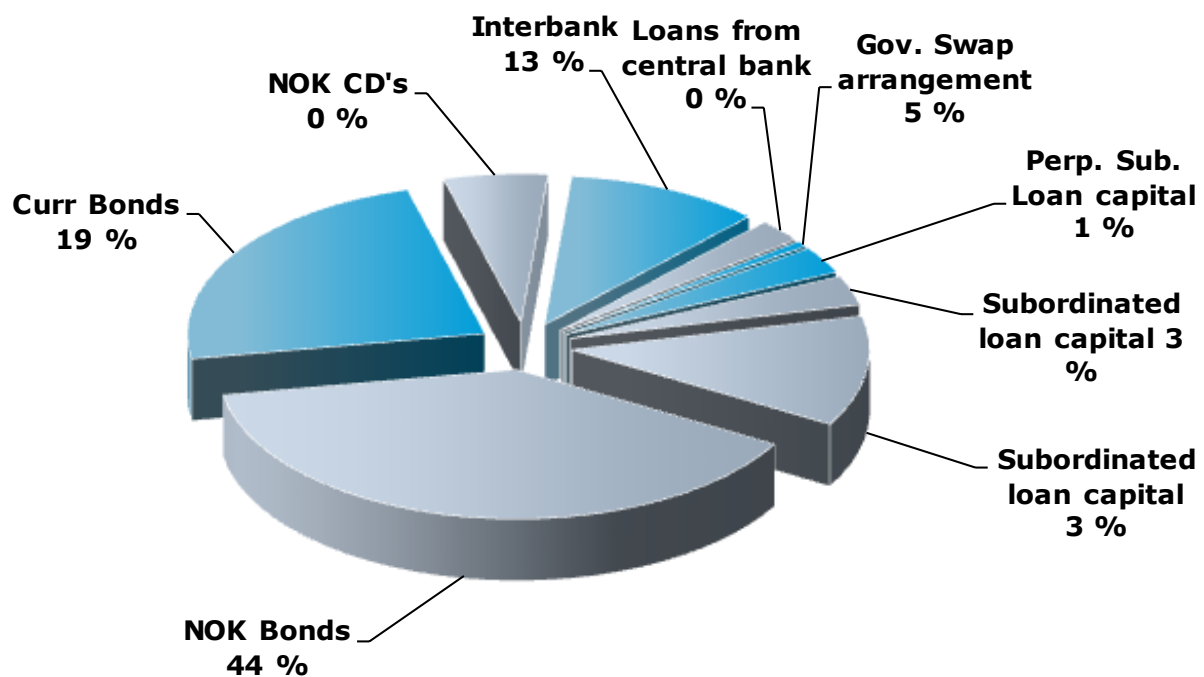


Funding maturity dates over the next eight quarters



Capital markets funding

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
NOK Bonds	18,953	19,686	21,336	22,474	22,858	19,224
Curr Bonds	11,451	9,832	9,550	9,344	6,944	8,803
NOK CD's	2,750	112	109	654	706	220
Interbank	5,159	5,615	6,372	4,416	5,137	5,232
Loans from central bank	-	-	-	500	-	1,000
Gov. Swap arrangement	1,220	2,273	2,273	2,273	2,273	2,886
Perp. Sub. Loan capital	304	307	307	308	12	26
Hybrid equity	1,431	1,431	1,441	932	432	481
Subordinated loan capital	1,569	1,602	1,598	1,610	1,810	1,409
Other liabilities	5,830	7,952	5,846	6,732	5,938	4,655
Total	48,667	48,812	48,830	49,244	46,110	43,936



6. Financial results

Financial results

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2011
	2013	2013	2013	2013	2012	2013	2012	
Interest income	1,059	1,068	1,036	954	941	4,118	3,928	3,891
Interest expenses	624	634	633	611	543	2,502	2,451	2,499
Net interest	436	434	403	343	399	1,616	1,477	1,392
Commission income	323	323	323	262	280	1,230	968	778
Commission expenses	25	28	21	20	28	94	96	83
Other operating income	84	72	95	75	69	327	267	224
Commission income and other income	382	367	396	317	321	1,463	1,139	919
Dividends	0	11	30	1	2	41	12	36
Income from investment in related companies	98	120	36	101	3	355	244	248
Net return on financial investments	58	5	-17	61	32	106	195	150
Net return on financial investments	156	135	49	162	37	502	451	434
Total income	974	937	849	822	756	3,580	3,067	2,745
Staff costs	224	220	234	236	234	914	924	810
Administration costs	134	103	120	99	113	456	419	381
Other operating expenses	107	84	82	79	90	352	311	291
Total operating expenses	465	406	436	414	437	1,722	1,654	1,482
Result before losses	508	530	413	407	319	1,859	1,414	1,263
Loss on loans, guarantees etc.	32	30	21	17	17	101	58	27
Result before tax	476	501	391	390	302	1,758	1,355	1,236
Tax charge	110	98	102	77	69	388	295	255
Results investments held for sale, after tax	-4	31	-4	7	27	30	16	43
Net profit	361	433	285	321	260	1,400	1,077	1,024
Majority share	359	431	281	319	257	1,390	1,068	1,016
Minority interest	2	2	4	2	4	10	9	8

Balance sheet

(in NOK million)	31 Dec. 2013	30 Sept. 2013	30 Jun. 2013	31 Mar. 2013	31 Dec. 2012	31 Dec. 2011
Cash and receivables from central banks	593	172	1,333	311	1,079	1,519
Deposits with and loans to credit institutions	5,389	988	2,140	1,854	3,012	2,557
Gross loans to customers before write-down	80,303	79,842	78,976	76,425	74,943	73,105
- Specified write-downs	-173	-168	-153	-143	-144	-172
- Write-downs by loan category	-295	-295	-295	-295	-295	-290
Net loans to and receivables from customers	79,836	79,379	78,528	75,988	74,504	72,643
Fixed-income CDs and bonds at fair value	16,887	19,192	19,402	20,318	17,164	12,918
Derivatives	3,050	2,609	2,784	3,113	3,100	3,697
Shares, units and other equity interests	1,030	995	981	761	777	611
Investment in related companies	4,624	4,440	4,294	4,518	4,573	4,259
Investments held for sale	113	118	145	474	486	481
Goodwill	495	491	491	490	482	471
Other assets	3,344	3,593	3,090	2,942	2,798	2,299
Assets	115,360	111,977	113,190	110,769	107,975	101,455
Deposits from credit institutions	6,379	7,888	8,644	7,188	7,410	9,118
Deposits from and debt to customers	56,074	53,423	55,268	52,603	52,252	47,871
Debt created by issue of securities	33,762	29,592	30,936	32,347	30,259	28,148
Derivatives	2,295	1,975	2,288	2,714	2,790	3,158
Other liabilities	2,303	4,862	2,236	2,865	2,070	1,971
Investments held for sale	0	32	31	31	72	151
Subordinated loan capital	3,304	3,341	3,345	2,850	3,040	2,690
Total liabilities	104,118	101,114	102,750	100,599	97,892	93,107
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,373
Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	895	895	895	895	183
Dividend equalisation fund	2,496	1,889	1,889	1,889	1,889	1,457
Recommended dividends	227	0	0	0	195	190
Provision for gifts	124	0	0	0	30	40
Savings bank's reserve	3,276	2,944	2,944	2,944	2,944	2,611
Unrealised gains reserve	206	123	123	123	123	85
Other equity capital	1,354	1,312	1,323	1,340	1,343	1,274
Result of the period	0	1,038	606	321	0	0
Minority interests	67	65	63	62	67	135
Total equity capital	11,242	10,863	10,439	10,170	10,082	8,348
Total liabilities and equity	115,360	111,977	113,190	110,769	107,975	101,455

Key figures

	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Return on equity	13.1 %	16.3 %	11.1 %	12.7 %	10.5 %	13.3 %	11.7 %	12.8 %
Cost/income ratio group	48 %	43 %	51 %	50 %	58 %	48 %	54 %	54 %
Cost/income ratio group, ex. financial inv.	57 %	51 %	54 %	63 %	61 %	56 %	63 %	64 %
12-month cost growth*	4.1 %	3.3 %	6.9 %	4.2 %	11.6 %	4.1 %	11.6 %	30.0 %
Gross loans to customers**	112,038	110,237	108,968	106,830	104,909	112,038	104,909	95,232
Growth in loans last 12 months**	6.8 %	6.7 %	8.4 %	9.7 %	10.2 %	6.8 %	10.2 %	8.6 %
Growth in loans this period**	1.6 %	1.2 %	2.0 %	1.8 %	1.6 %	6.8 %	10.2 %	8.6 %
Deposits from customers	56,074	53,423	55,268	52,603	52,252	56,074	52,252	47,871
Growth in deposits last 12 months	7.3 %	5.1 %	7.3 %	7.4 %	9.2 %	7.3 %	9.2 %	11.9 %
Growth in deposits this period	5.0 %	-3.3 %	5.1 %	0.7 %	2.8 %	7.3 %	9.2 %	11.9 %
Ordinary lending financed by ordinary deposits	70 %	67 %	70 %	69 %	70 %	70 %	70 %	65 %
Total assets	115,360	111,977	113,190	110,769	107,919	115,360	107,919	102,479
Average total assets (quarterly)	113,668	112,583	111,979	109,344	109,279	111,843	105,372	98,465
Employees in employment group	1,159	1,165	1,163	1,171	1,135	1,159	1,135	1,098
Employees in employment parent bank	757	772	764	772	793	757	793	786
Employees in employment subsidiaries	401	393	399	399	342	401	342	312
Number of branches	50	48	50	50	51	50	51	54
Lending margin	2.75	2.75	2.65	2.37	2.30	2.63	2.07	1.57
Deposit margin	(0.56)	(0.53)	(0.50)	(0.42)	(0.32)	(0.50)	(0.04)	0.44
Net other operating income of total income	39 %	39 %	47 %	39 %	42 %	41 %	37 %	33 %
Common Equity Tier 1 ratio	11.1 %	10.7 %	10.3 %	10.4 %	10.0 %	11.1 %	10.0 %	8.9 %
Capital adequacy ratio	14.7 %	14.2 %	13.8 %	13.3 %	13.3 %	14.7 %	13.3 %	12.0 %
Core capital ratio	13.0 %	12.6 %	12.2 %	11.7 %	11.3 %	13.0 %	11.3 %	10.4 %
Total core capital	10,989	10,707	10,508	9,686	9,357	10,989	9,357	7,856
Net subordinated capital	12,417	12,053	11,894	10,971	10,943	12,417	10,943	9,055
Impairment losses ratio	0.12 %	0.11 %	0.08 %	0.06 %	0.06 %	0.09 %	0.06 %	0.03 %
Non-performing commitm. as % of gross loans	0.34 %	0.35 %	0.38 %	0.36 %	0.36 %	0.34 %	0.36 %	0.36 %
Other doubtful commitm. as % of gross loans	0.14 %	0.19 %	0.13 %	0.15 %	0.14 %	0.14 %	0.14 %	0.21 %
ECC price	55.00	45.70	46.50	46.90	34.80	55.00	34.80	36.31
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	102.76
Booked equity capital per ECC (incl. dividend)	55.69	53.76	51.66	50.32	50.09	55.69	50.09	48.91
Adjusted profit per ECC	1.79	2.18	1.43	1.55	1.29	6.92	5.21	6.06
P/E per ECC	7.68	5.23	8.13	7.55	6.74	7.95	6.68	5.99
P/B equity capital	0.99	0.85	0.90	0.93	0.69	0.99	0.69	0.74

* Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth in 2011

** Gross loans to customers includes Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt

7. Segment information

The Bank was reorganised as from 1 January 2013. It was therefore natural to revise the segment structure.

As from 1 January 2013 the corporate market segment is split up and reports as two separate segments: Group Customers and Small and Mid-size Businesses. Historical data have not been reworked since these are difficult to reconstruct at a sufficiently precise level. Thus, for comparison purposes, Group Customers and SMBs must be viewed collectively in relation to 2012. This will apply to each quarter of 2013. In organisation terms, SMBs are a part of Offices which also handles Retail Customers.

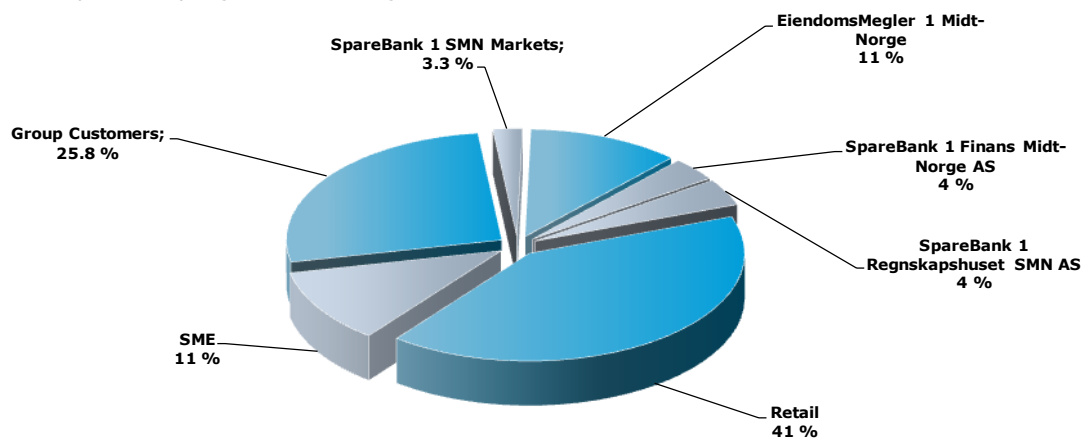
Since Allegro accounts for a limited part of the Group's profits, it is no longer reported on as a separate segment that is added in the column for "others". As from Q2 2013 the joint ventures SpareBank 1 Gruppen and BN Bank are being treated as separate segments. The rationale is that each of these entities accounts for a substantial portion of the consolidated profit while at the same time being of significance in the capital requirement context. Consequently the companies receive much focus in the Group's internal corporate governance.

As from the third quarter of 2013 companies held for sale are reported under the Corporate customer segment. For the subsidiaries the figures refer to the respective company accounts, while for joint ventures incorporated by the equity method the group's profit share is stated as well as book value of the investment at group level.

7.1. Extract from income statement

Group (in NOK million)	SpareBank 1 SMN										Total
	Retail	SME	Group Customers	SpareBank 1 SMN Markets	Eiendoms Megler 1 Midt-Norge	SpareBank 1 Finans Midt-Norge AS	SpareBank 1 Regnskaps huset SMN AS	SpareBank 1 Gruppen	BN Bank	Uncollated	
Net interest	630	284	695	5	7	118	-0	-	-	-122	1,616
Allocated	11	3	34	-1	-	-	-	-	-	-47	-
Total interest income	641	286	729	4	7	118	-0	-	-	-170	1,616
Commission income and other income	704	79	91	29	368	-3	133	-	-	62	1,463
Net profit on financial investments	1	1	49	40	-	0	-0	210	91	141	531
Total income	1,346	366	869	73	375	116	132	210	91	33	3,610
Total operating expenses	641	156	257	85	314	45	118	-	-	103	1,722
Ordinary operating profit	705	210	612	-13	61	70	14	210	91	-71	1,888
Loss on loans, guarantees etc.	6	5	71	-	-	20	-	-	-	-1	101
Result before tax incl investments held for sale	699	205	541	-13	61	51	14	210	91	-70	1,788
Post-tax return on equity	38.7 %	29.4 %	12.8 %								13.3 %
Balance sheet											
Loans and advances to customers	63,518	9,055	31,920	-	-	3,291	-	-	-	4,255	112,038
adv. of this to Boligkreditt and Næringskreditt	-30,204	-421	-1,110	-	-	-	-	-	-	-	-31,735
Individual allowance for impairment on loan	-28	-15	-122	-	-	-23	-	-	-	15	-173
Group allowance for impairment on loan	-73	-30	-175	-	-	-16	-	-	-	-0	-295
Other assets	501	35	306	-	291	12	105	1,113	1,188	31,975	35,525
Total assets	33,713	8,623	30,818	-	291	3,264	105	1,113	1,188	36,245	115,360
Deposits to customers	24,185	8,734	21,544	-	-	-	-	-	-	1,611	56,074
Other liabilities and equity	9,528	-111	9,274	-	291	3,264	105	1,113	1,188	34,634	59,286
Total liabilities	33,713	8,623	30,818	-	291	3,264	105	1,113	1,188	36,245	115,360

Income specified by segment, excluding financial investments



Interest income, Retail, SME and Large corporates

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Retail	172	172	151	134	142	630	540	511
SME	71	74	70	69		284		
Large corporates	186	185	177	148		695		
Corporate (Large corporates and SME)					252		905	782
Net interest income	429	430	399	350	394	1,608	1,445	1,293

Development in margin, Retail, SME and Large corporates*

Lending (in percentage)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Retail	2.62	2.63	2.49	2.24	2.14	2.51	1.86	1.22
SME	3.46	3.48	3.41	3.23		3.40		
Large corporates	2.93	2.93	2.90	2.53		2.83		
Corporate (Large corporates and SME)					2.65		2.45	2.12
Total	2.75	2.75	2.65	2.37	2.30	2.63	2.07	1.57

Deposits (in percentage)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Retail	-0.46	-0.39	-0.33	-0.29	-0.19	-0.37	0.10	0.73
SME	-0.36	-0.32	-0.24	-0.20		-0.29		
Large corporates	-0.68	-0.67	-0.69	-0.55		-0.66		
Corporate (Large corporates and SME)					-0.35		-0.10	0.20
Total	-0.56	-0.53	-0.50	-0.42	-0.32	-0.50	-0.04	0.44

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

Development in volume, Retail, SME and Large corporates

Lending* (in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Retail	63,518	62,233	60,832	59,155	57,994	63,518	57,994	53,538
SME	9,055	9,124	8,827	8,602		9,055		
Large corporates	31,920	31,775	32,420	32,569		31,920		
Corporate (Large corporates and SME)					40,671		40,671	39,295
Total	104,492	103,131	102,079	100,326	99,563	104,492	98,665	92,833

* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Deposits (in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Retail	24,185	23,880	24,186	22,799	22,440	24,185	22,440	21,386
SME	8,734	8,641	8,640	8,768		8,734		
Large corporates	21,544	19,330	20,201	18,901		21,544		
Corporate (Large corporates and SME)					27,064		27,064	25,458
Total	54,463	51,852	53,427	50,557	49,504	54,463	49,504	46,844

Development in commission income, Retail, SME and Large corporates

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013 2012		2011
Retail	200	194	173	138	153	705	486	345
SME	21	19	20	20		80		
Large corporates	35	52	29	24		140		
Corporate (Large corporates and SME)					49		204	169
Total	256	266	222	182	202	925	690	514

7.2. Retail Market

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

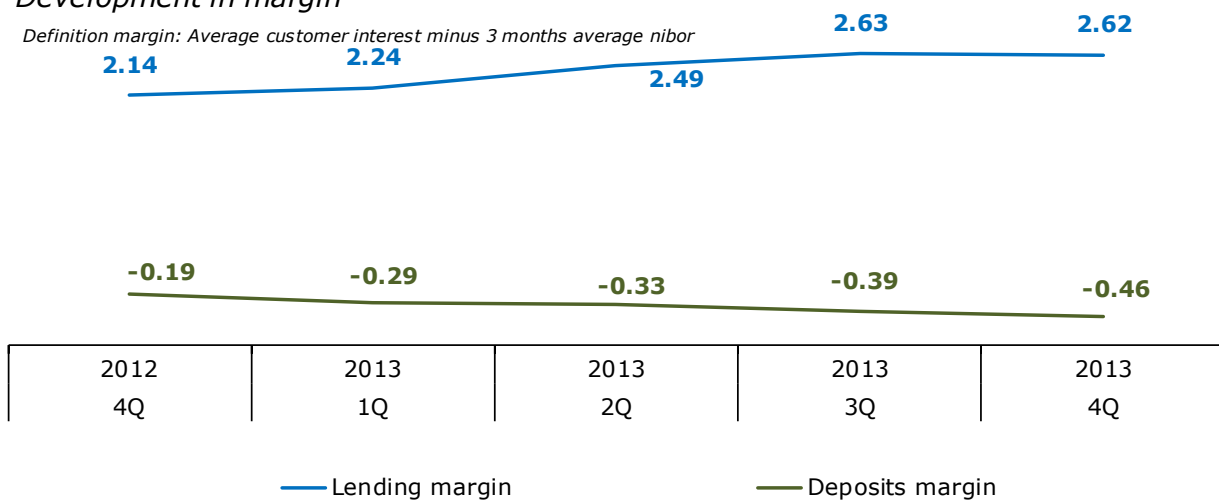
Business description

<i>Facts about the business area</i>	31 Dec. 2013	31 Dec. 2012
Lending volume	63,518	57,994
Deposits volume	24,185	22,440
No. of debit cards	163,829	143,489
No. of credit cards	89,158	78,442
No. of internet bank customers	160,938	137,190
No. of mobil phone bank customers	34,774	27,107
No. of active customers	188,871	185,478
FTEs (2012 and 2013 is not comparable)	304	374

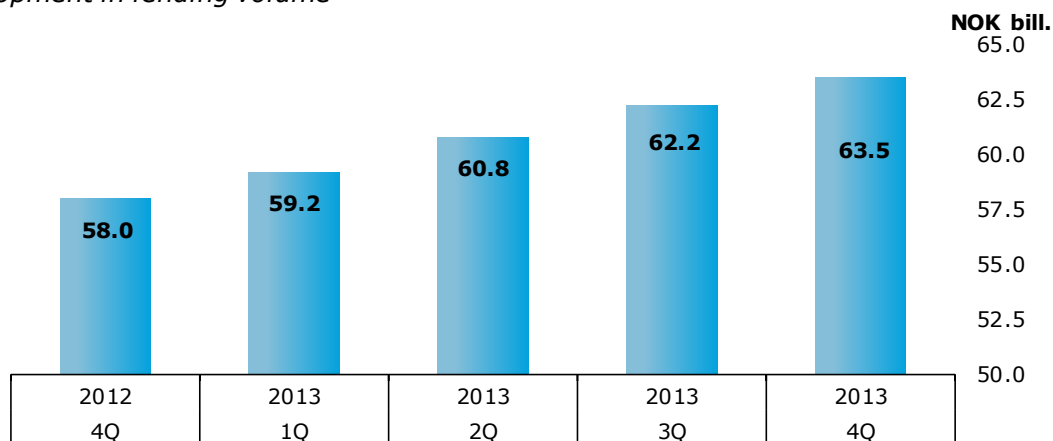
<i>Financial performance</i> (in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Net interest income lending	126	121	99	86	91	431	297	215
Net interest income deposits	47	51	53	48	51	199	243	296
Net interest income allocated capital	4	2	2	3	2	11	11	16
Total interest income	177	174	154	137	144	641	552	527
Net guarantee commission, incl. Boligkreditt	128	112	102	84	80	426	222	80
Net commission of savings products	10	12	10	7	13	38	44	52
Net commission insurance services	25	25	33	15	31	99	101	81
Net commission payment trans. services	36	45	28	32	29	141	118	123
Other commission income	0	0	0	0	0	0	0	1
Net fee and commission income	200	194	173	137	152	704	484	337
Net profit on financial investments	0	0	0	0	0	1	1	8
Total income	377	368	327	274	297	1,346	1,037	872
Total operating expenses*	168	149	161	164	165	641	653	608
Results	209	219	166	110	132	705	384	264
Loss on loans, guarantees etc.	1	0	2	3	-2	6	1	7
Results before tax	208	220	164	107	134	699	383	256
*) Includes both direct and distributed expenses								
Post-tax return on equity (annualized)						38.7 %	22.6 %	16.8 %

Development in margin

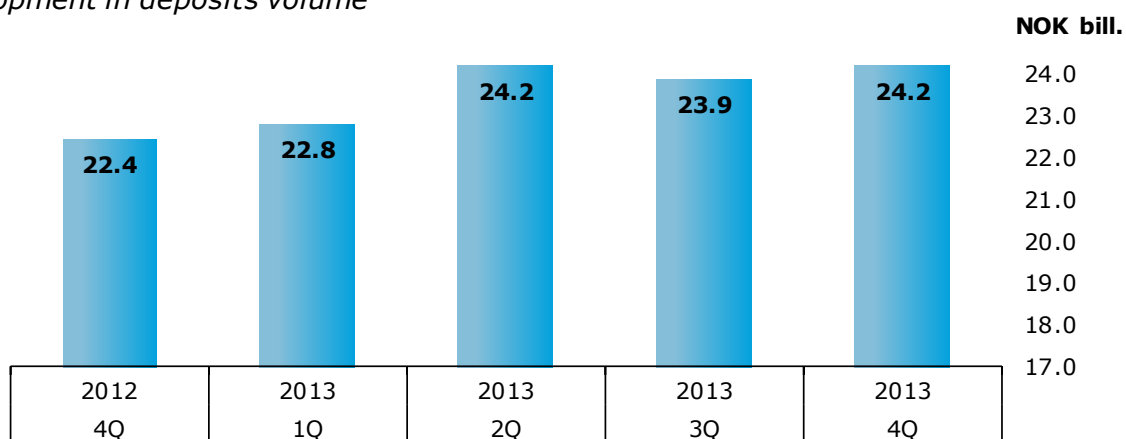
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.3. SME

The SME segment consists of costumers with an exposure size of +/- NOK 8m and agricultural customers. Historical data for the SME segment are incomplete and no comparison is made with last year figures.

Business description

Facts about the business area	31 Dec. 2013
Lending volume	9,055
Deposits volume	8,734
No. of active customers	9,681
FTEs	54

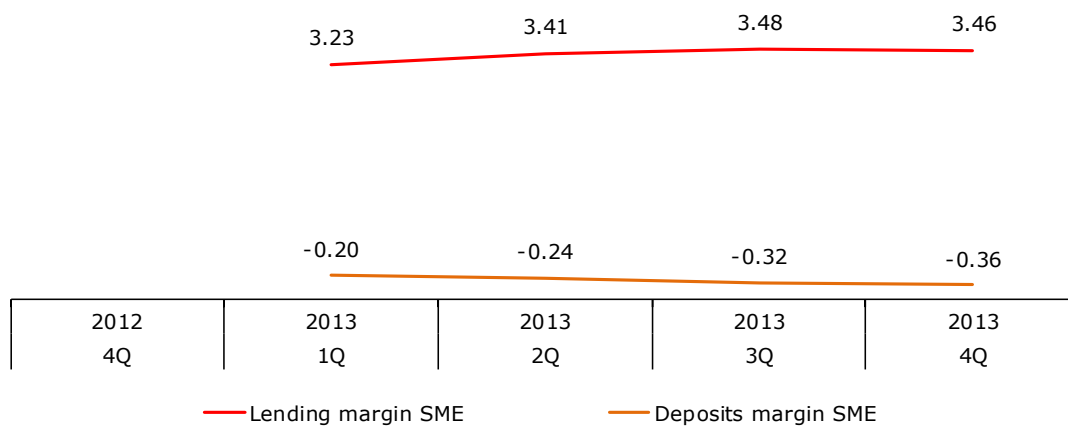
Financial performance

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	31 Dec. 2013	2012
Net interest income lending	51	53	49	47	200	200
Net interest income deposits	20	21	22	21	84	120
Net interest income allocated capital	1	1	1	0	3	50
Total interest income	72	74	72	69	286	400
Net guarantee commision, incl. Boligkreditt	4	5	5	4	18	17
Net commision of savings products	4	2	1	1	8	2
Net commision insurance services	4	5	5	4	18	10
Net commision payment trans. services	9	8	8	9	35	31
Net fee and commission income	21	20	19	19	79	60
Net profit on financial investments	-	0	0	1	1	17
Total income	93	94	91	88	366	570
Total operating expences*	58	31	34	34	156	190
Results	35	63	58	54	209	374
Loss on loans, guarantees etc.	-1	3	1	2	5	21
Results before tax	36	60	57	53	205	353
Post-tax return on equity (annualized)					29.4 %	

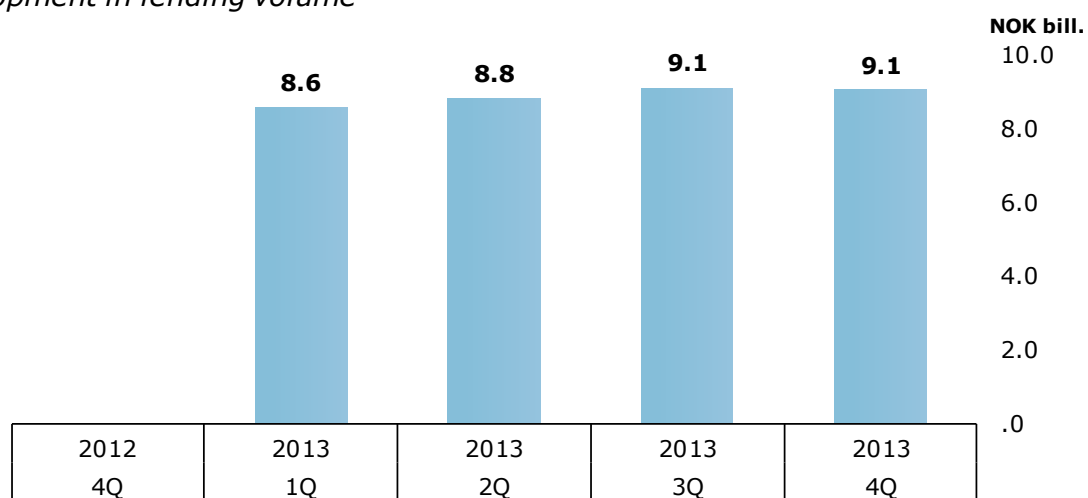
*) Includes both direct and distributed expences

Development in margin

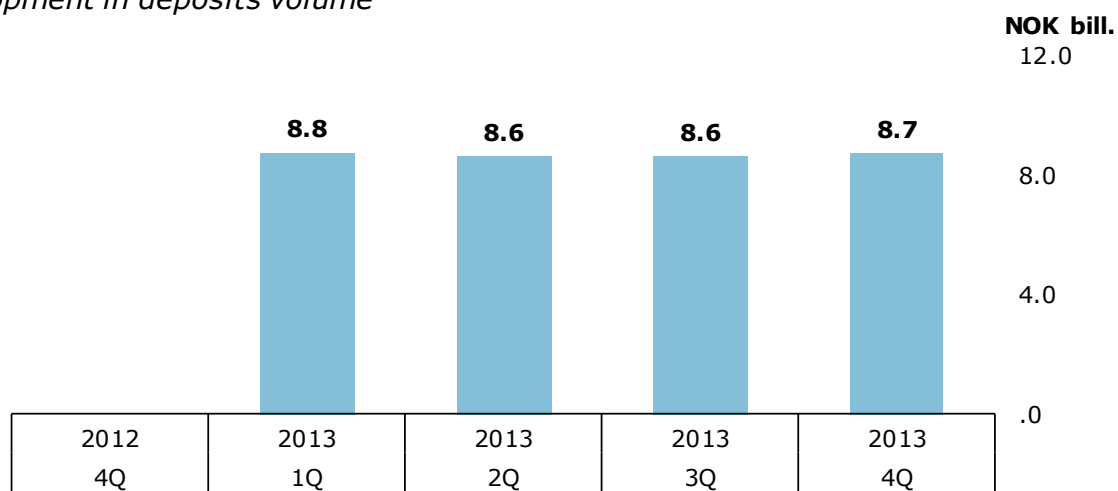
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.4. Large Corporates

In connection with the reorganization of the Bank as from 2013, SME customers are now part of the same business area as the retail market business. Large Corporates are mainly customers with exposure sizes in excess of NOK 8m. Given the organization changes, historical data on Large Corporates are incomplete.

Figures for 2011 and 2012 are the former Corporate division (Large Corporates and SME).

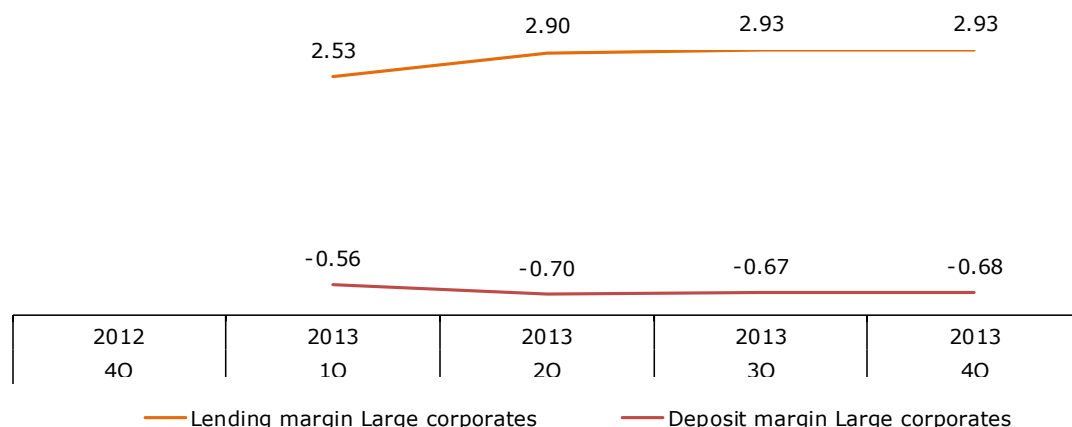
Business description

Facts about the business area	31 Dec. 2013
Lending volume	31,920
Deposits volume	21,544
No. of active customers	2,918
FTEs	87

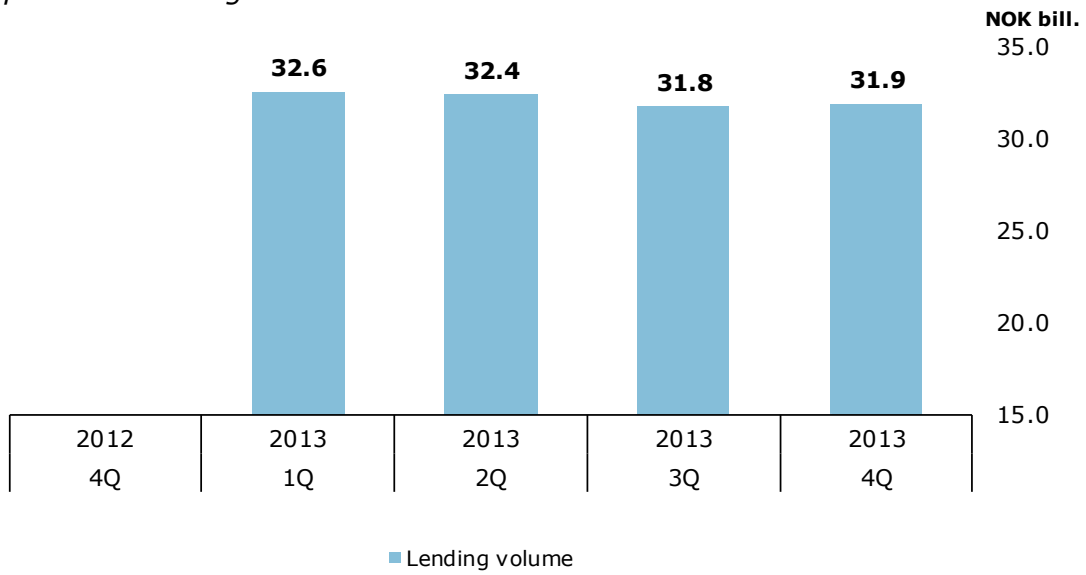
Financial performance (in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec. 2013	31 Dec. 2012	2012	2011
Net interest income lending	158	155	150	121	201	583	529	670	561
Net interest income deposits	27	30	27	27	50	112	125	235	221
Net interest income allocated capital	15	1	11	8	24	34	55	98	128
Total interest income	200	185	188	156	275	729	709	1,003	910
Net guarantee commission, incl. Boligkreditt	16	10	18	10	11	53	37	40	36
Net commission of savings products	0	0	0	0	1	1	2	2	2
Net commission insurance services	1	1	1	1	5	4	10	21	25
Net commission payment trans. services	15	4	3	9	16	31	31	67	69
Other commission income	1	1	0	0	6	2	1	7	1
Net fee and commission income	33	16	22	20	39	91	51	137	133
Net profit on financial investments	2	38	3	6	9	49	37	68	36
Total income	235	239	213	182	324	869	870	1,208	1,079
Total operating expenses*	72	47	77	61	108	257	188	399	351
Results	163	193	136	120	216	612	682	809	728
Loss on loans, guarantees etc.	22	25	14	10	15	71	33	45	5
Results before tax	141	167	122	111	201	541	649	764	724
*) Includes both direct and distributed expenses									
Post-tax return on equity (annualized)						12.8 %		14.4 %	13.9 %

Development in margin

Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.6. Markets

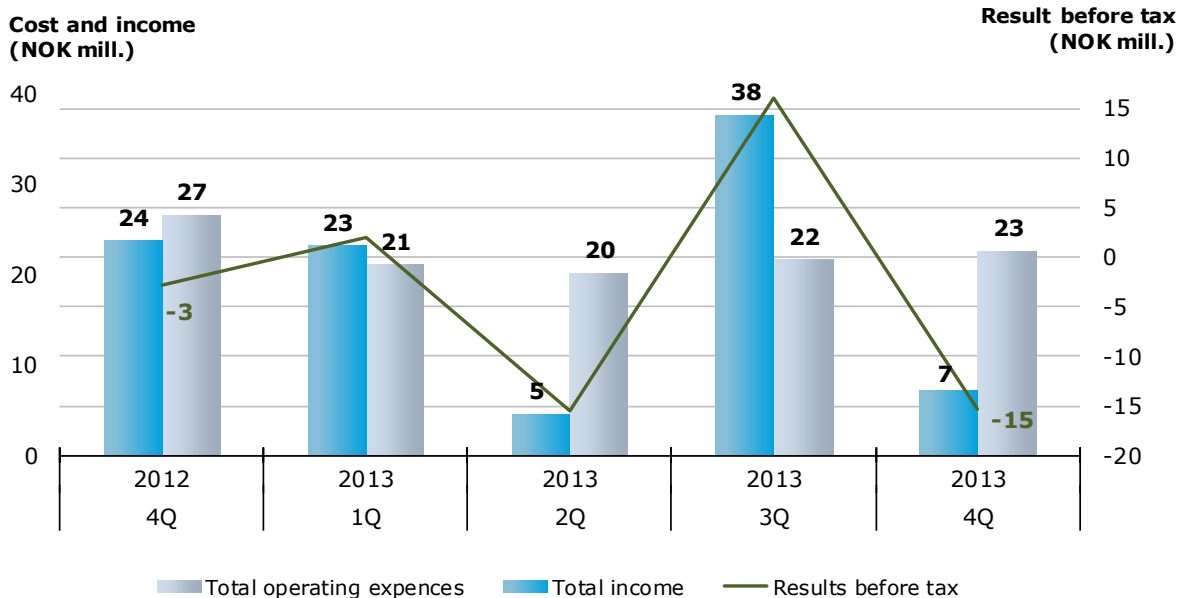
SpareBank 1 SMN Markets is organized as a division in its own right within the Bank. It comprises three income generating units: Fixed Income/Foreign Exchange, Securities and Corporate Finance along with Back Office and Mid Office. The division has risk operations in the fixed income and securities area. 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. As from the fourth quarter 2013, SpareBank 1 SMN's corporate business was transferred to SpareBank 1 Markets.

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.

SpareBank 1 SMN established an active asset management agreement with SpareBank 1 Markets in the second quarter of 2012. The agreement puts SpareBank 1 Markets in a stronger position to deliver forex and fixed income products in the primary and secondary market. The business volume is regulated through clear-cut limits on exposure in relation to products and counterparties and brings a significant change in the Bank's risk exposure. Incomes and expenses are distributed between the parties based on an established distribution formula.

SpareBank 1 SMN Markets

<i>Financial performance</i> (in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Net interest income	-5	12	3	-5	-11	5	-21	10
Net interest income allocated capital	-0	-0	-0	-	1	-1	4	5
Total interest income	-5	12	3	-5	-10	4	-18	15
Net fee and commission income	3	6	12	7	10	29	24	24
Capital gain/Agio Securities	9	20	-10	21	24	40	87	64
Total income	7	38	5	23	24	73	93	103
Total operating expenses	23	22	20	21	27	85	94	94
Results	-15	16	-16	2	-3	-13	-1	9
Loss on loans, guarantees etc.	-	-	-	-	-	-	-	-
Results before tax	-15	16	-16	2	-3	-13	-1	9



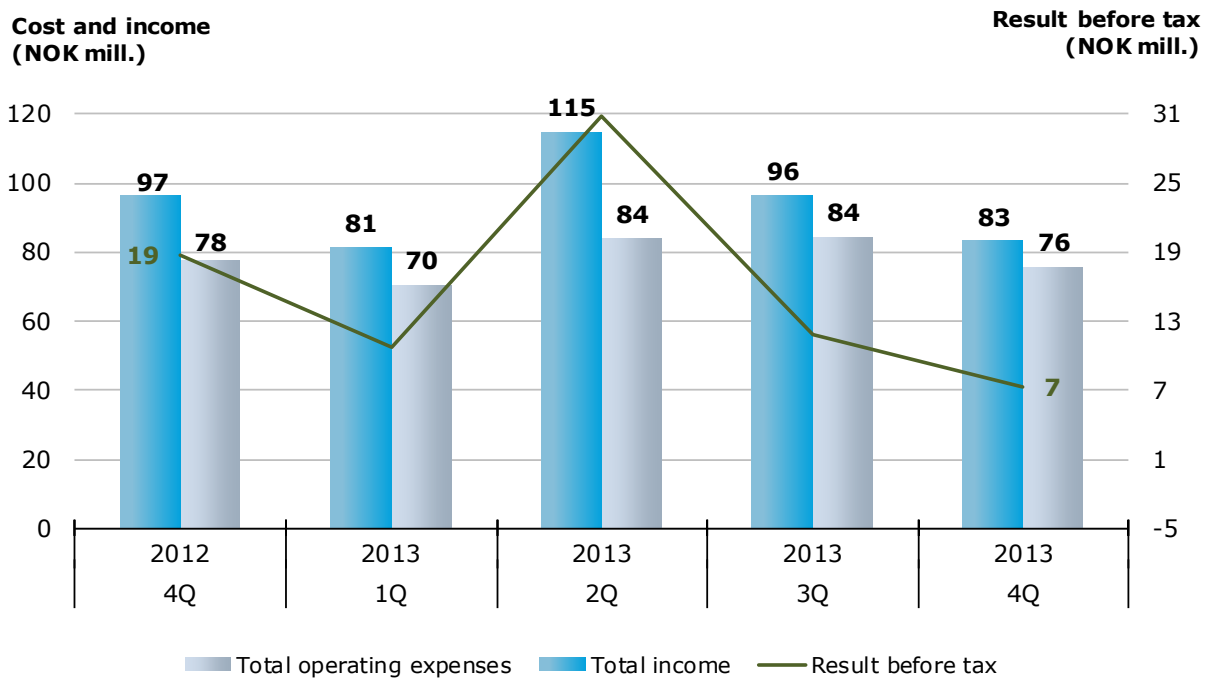
7.7. Subsidiaries

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 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Net interest	4	1	1	1	3	7	5	5
Commission income and other income	79	95	114	80	94	368	380	354
Total income	83	96	115	81	97	375	385	364
Staff costs	43	54	48	44	53	189	198	181
Administration costs	14	12	16	12	8	54	45	39
Other operating expenses	19	18	20	14	17	71	66	63
Total operating expenses	76	84	84	70	78	314	309	283
Result before tax	7	12	31	11	19	61	76	80



SpareBank 1 Finans Midt-Norge AS

SpareBank 1 Finans Midt-Norge is the region's leading finance company and an active partner for businesses. SpareBank 1 Finans Midt-Norge 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 Nordvest and SpareBank 1 Søre Sunnmøre have by agreement acquired 9.9% of the shares of SpareBank 1 Finans Midt-Norge. The transaction was carried through as a placing that reflects the fair value of SpareBank 1 Finans Midt-Norge.

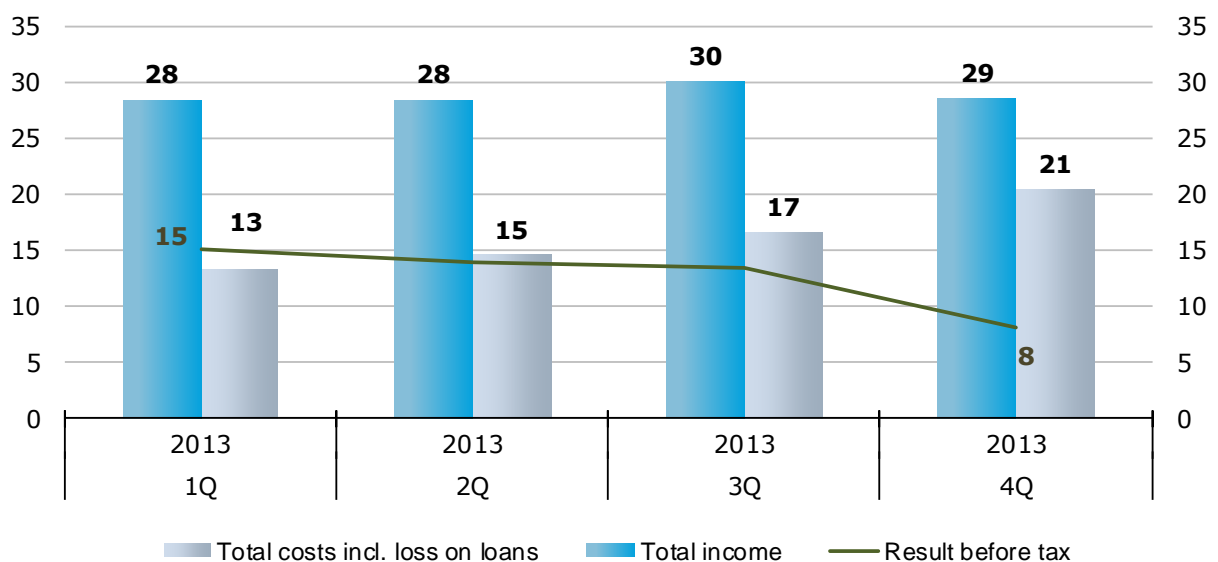
The former subsidiary Bilplan AS was taken over by the parent bank in the fourth quarter 2012. In the table below, Bilplan is not included in the numbers for 2012.

Financial performance

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Total interest income	29	31	29	29	28	118	108	80
Commission income and other income	-1	-1	-1	-0	-1	-3	-3	-2
Net profit on financial investments	0	-	0	0	-1	0	-1	0
Total income	29	30	28	28	27	116	104	77
Staff costs	7	7	5	6	6	26	24	18
Administration costs	2	2	2	2	2	9	8	6
Other operating expenses	3	2	3	2	2	11	7	5
Total operating expenses	12	11	11	11	10	45	40	29
Ordinary operating profit	16	19	18	18	17	70	65	48
Loss on loans, guarantees etc.	8	5	4	3	4	20	9	5
Total costs incl. loss on loans	21	17	15	13	14	65	49	34
Result before tax	8	14	14	15	13	51	56	43

Cost and income (NOK mill.)

Result before tax (NOK mill.)



SpareBank 1 Regnskapshuset SMN AS

SpareBank 1 Regnskapshuset SMN is a wholly-owned subsidiary of SpareBank 1 SMN. In collaboration with other SpareBank 1 banks, SpareBank 1 Regnskapshuset SMN has launched a nationwide drive in the accounting business through SpareBank 1 Regnskapshuset. SpareBank 1 Regnskapshuset intends to be one of Norway's leading actors in the accounting industry by building up a national accounting enterprise based on regional ownership, strong links to the owner banks and closeness to the market.

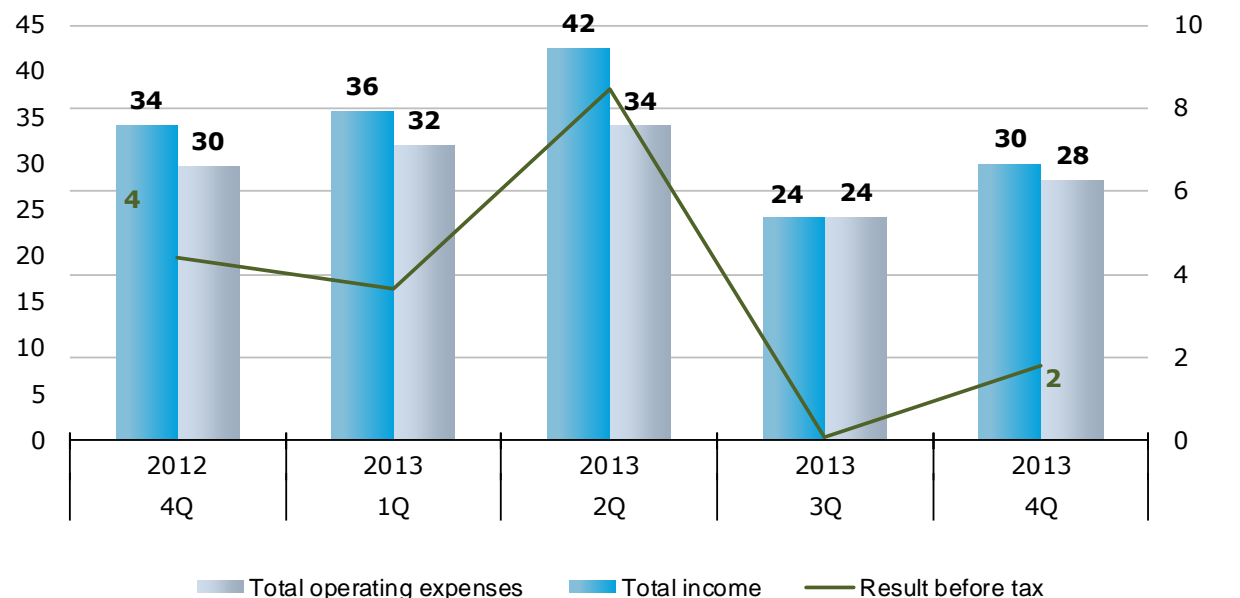
SpareBank 1 SMN Regnskap took over six accounting firms in 2013 and aspires to continued strong growth.

Financial performance

(in NOK million)	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	31 Dec.		2011
						2013	2012	
Total interest income	-0	-0	-0	0	-1	-0	1	-0
Commission income and other income	31	24	43	35	33	133	105	83
Net profit on financial investments	-1	-	-	1	2	-0	2	-
Total income	30	24	42	36	34	132	107	83
Staff costs	19	18	26	26	14	89	67	56
Administration costs	3	3	4	2	3	12	11	8
Other operating expenses	6	3	4	4	13	17	16	14
Total operating expenses	28	24	34	32	30	118	93	78
Result before tax	2	0	8	4	4	14	14	5

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



8. Development last ten years

Financial results

(in NOK million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net interest	871	877	974	1.024	1.139	1.350	1.325	1.317	1.392	1.477
Commission income and other income	332	443	537	580	671	610	756	855	919	1.139
Net return on financial investments	70	65	276	419	332	207	596	410	434	451
Total income	1.273	1.384	1.787	2.022	2.142	2.167	2.677	2.581	2.745	3.067
Staff costs	368	379	485	512	583	623	725	583	810	924
Other operating expenses	365	350	421	478	524	569	528	218	291	311
Total operating expenses	733	729	906	990	1.107	1.192	1.253	1.140	1.482	1.654
Result before losses	540	655	881	1.032	1.035	975	1.424	1.441	1.263	1.414
Loss on loans, guarantees etc.	229	81	-38	-84	-6	202	277	132	27	58
Result before tax	311	574	919	1.116	1.041	774	1.147	1.308	1.236	1.355
Tax charge	89	144	199	219	195	156	210	260	255	295
Results investments held for sale, after tax								-27	43	16
Net profit	222	430	720	897	846	617	937	1.022	1.024	1.077

Balance sheet

(in NOK million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cash and loans to and claims on credit institutions	1.417	1.541	2.123	2.323	3.878	4.548	1.260	2.531	4.075	4.091
CDs, bonds and other interest-bearing securities	2.481	2.566	4.133	5.602	7.246	12.036	19.302	22.948	21.485	25.614
Gross loans to customers before write-downs	32.553	34.226	45.280	52.819	59.178	64.016	61.782	69.847	73.105	74.943
- Specified write-downs	-380	-290	-236	-147	-116	-215	-219	-222	-172	-144
- Write-downs by loan category	-318	-314	-278	-184	-185	-244	-289	-290	-290	-295
Other assets	1.123	775	3.304	2.765	1.502	4.540	2.704	3.182	3.252	3.766
Assets	36.876	38.505	54.327	63.178	71.503	84.679	84.541	97.997	101.455	107.975
Deposits from credit institutions	1.114	48	1.029	2.766	5.346	9.000	11.310	13.062	9.118	7.410
Deposits from and debt to customers	19.876	20.725	27.048	30.136	32.434	35.280	37.227	42.786	47.871	52.252
Debt created by issue of securities	11.361	13.048	18.036	21.911	23.950	29.680	24.070	29.625	31.306	33.049
Other liabilities	769	822	2.876	1.799	2.265	2.045	1.876	1.922	2.122	2.070
Subordinated loan capital	1.560	1.347	1.667	2.383	2.648	3.156	3.875	2.758	2.690	3.040
Total equity capital	2.196	2.515	3.671	4.183	4.860	5.518	6.183	7.846	8.348	10.154
Total liabilities and equity	36.876	38.505	54.327	63.178	71.503	84.679	84.541	97.997	101.455	107.975

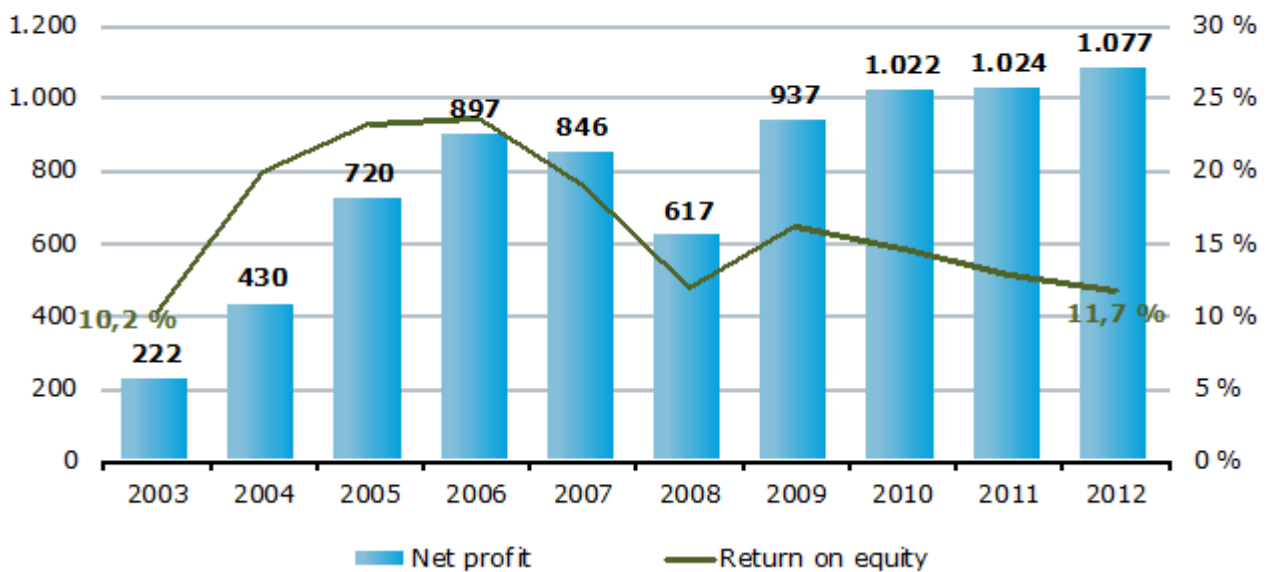
Key figures

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Return on equity	10,2 %	20,0 %	23,3 %	23,7 %	18,9 %	11,9 %	16,2 %	14,6 %	12,8 %	11,7 %
Cost/income ratio group	57,6 %	52,7 %	50,7 %	49,0 %	51,7 %	55,0 %	46,8 %	44,2 %	54,0 %	53,9 %
Cost/income ratio group, ex. financial inv.	55,3 %	60,0 %	61,7 %	61,1 %	60,8 %	60,2 %	52,5 %	52,5 %	64,1 %	63,2 %
Cost/income ratio parent bank	55,0 %	48,5 %	50,0 %	47,6 %	52,4 %	55,3 %	47,2 %	40,2 %	50,5 %	47,5 %
12-month cost growth	7,6 %	-0,5 %	24,3 %	9,3 %	11,8 %	7,9 %	4,9 %	-9,0 %	30,0 %	11,6 %
Gross loans to customers*	32.553	34.226	45.280	52.819	61.910	71.317	77.429	87.665	95.232	104.909
Gross loans in retail market	20.008	21.491	29.032	33.808	38.872	42.679	45.157	49.619	55.034	62.587
Gross loans in corporate market	12.545	12.735	16.248	19.011	23.038	28.638	32.272	38.046	40.198	42.322
Growth in loans last 12 months*	4,7 %	5,1 %	32,3 %	16,6 %	17,2 %	15,2 %	8,6 %	13,2 %	8,6 %	10,2 %
Deposits from customers	19.876	20.725	27.048	30.136	32.434	35.280	37.227	42.786	47.871	52.252
Deposits from retail market	11.252	11.256	14.080	15.408	16.070	17.566	17.898	19.052	20.850	22.279
Deposits from corporate market	8.624	9.469	12.968	13.967	16.363	17.715	19.330	23.734	27.011	29.973
Growth in deposits last 12 months	4,3 %	4,3 %	30,5 %	11,4 %	7,6 %	8,8 %	5,5 %	14,9 %	11,9 %	9,2 %
Ordinary lending financed by ordinary deposit	61,1 %	60,6 %	59,7 %	57,1 %	54,8 %	55,1 %	60,3 %	61,3 %	65,5 %	69,7 %
Total assets	36.876	38.505	54.327	63.178	71.503	84.679	84.541	97.997	102.479	107.975
Average total assets	36.862	36.965	47.753	56.434	67.202	75.820	86.679	91.317	98.465	105.372
Employees in employment group	713	637	806	841	931	982	1.016	1.035	1.098	1.135
Employees in employment parent bank	592	510	669	661	723	750	767	764	786	793
Employees in employment subsidiaries	121	127	137	180	208	232	250	271	312	342
Net other operating income of total income	25,1 %	32,0 %	30,1 %	28,7 %	31,3 %	28,2 %	28,2 %	33,1 %	33,5 %	37,1 %
Common Equity Tier 1 ratio	8,5 %	9,1 %	7,5 %	7,5 %	7,4 %	7,1 %	7,7 %	9,3 %	8,9 %	10,0 %
Capital adequacy ratio	13,9 %	12,7 %	10,9 %	11,9 %	12,1 %	11,9 %	13,6 %	13,0 %	12,0 %	13,3 %
Core capital ratio	10,1 %	10,9 %	8,8 %	8,6 %	8,4 %	8,1 %	10,4 %	10,9 %	10,4 %	11,3 %
Total core capital	2.474	2.773	3.073	3.614	4.019	4.967	6.730	7.283	7.856	9.357
Net subordinated capital	3.407	3.239	3.808	5.229	5.762	7.312	8.730	8.646	9.055	10.943
Impairment losses ratio	0,86 %	-0,01 %	-0,09 %	-0,03 %	-0,01 %	0,21 %	0,31 %	0,16 %	0,03 %	0,06 %
Non-perf. commitm. as % of gross loans	1,40 %	1,03 %	0,78 %	0,41 %	0,39 %	0,46 %	0,49 %	0,57 %	0,36 %	0,36 %
Other doubtful commitm. as % of gross loans	1,35 %	0,91 %	0,60 %	0,51 %	0,37 %	1,33 %	0,57 %	0,24 %	0,21 %	0,14 %

* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

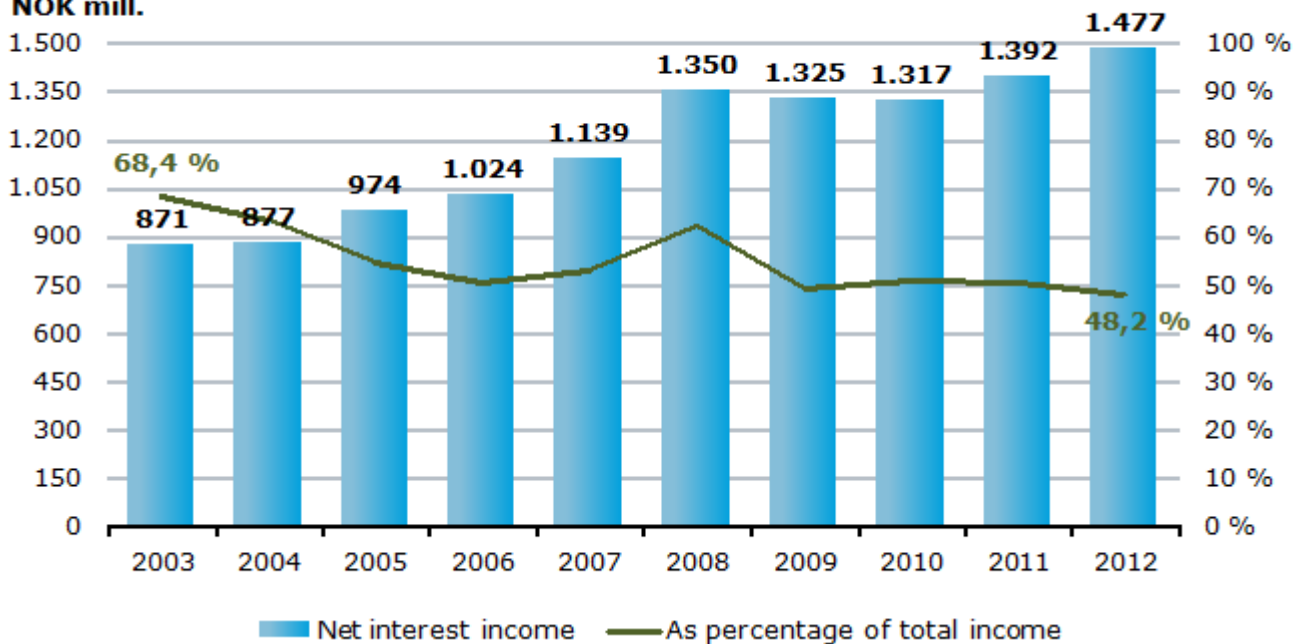
Net profit and return on equity

NOK mill.

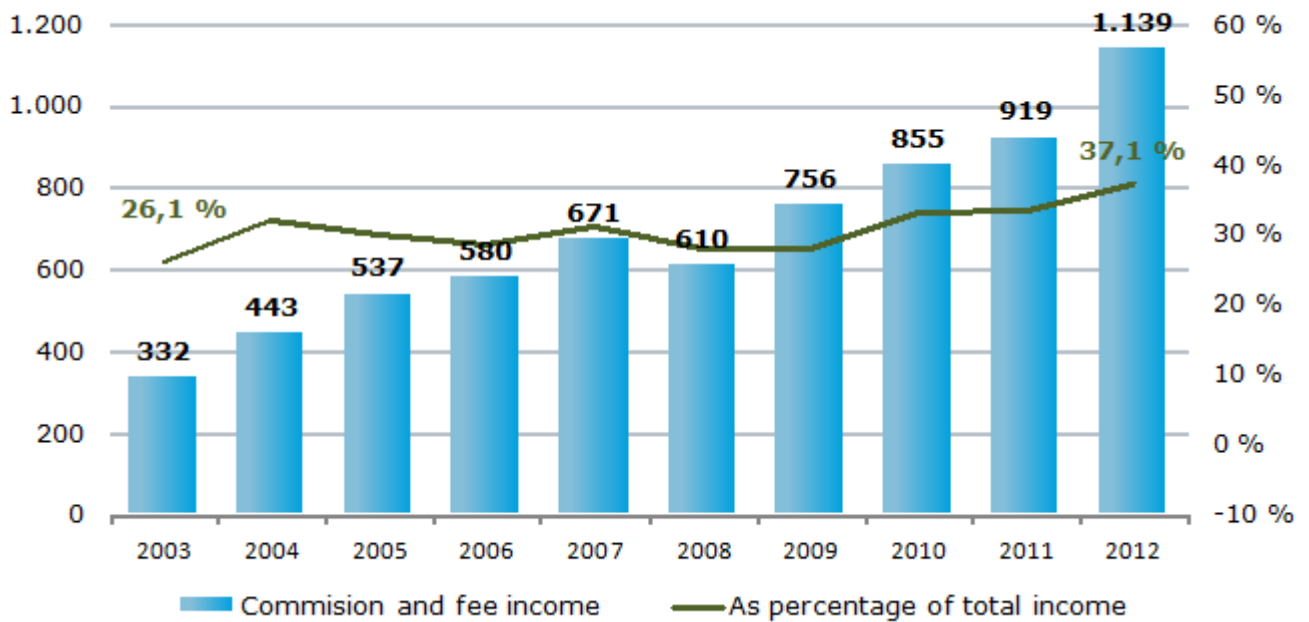


Development in net interest income

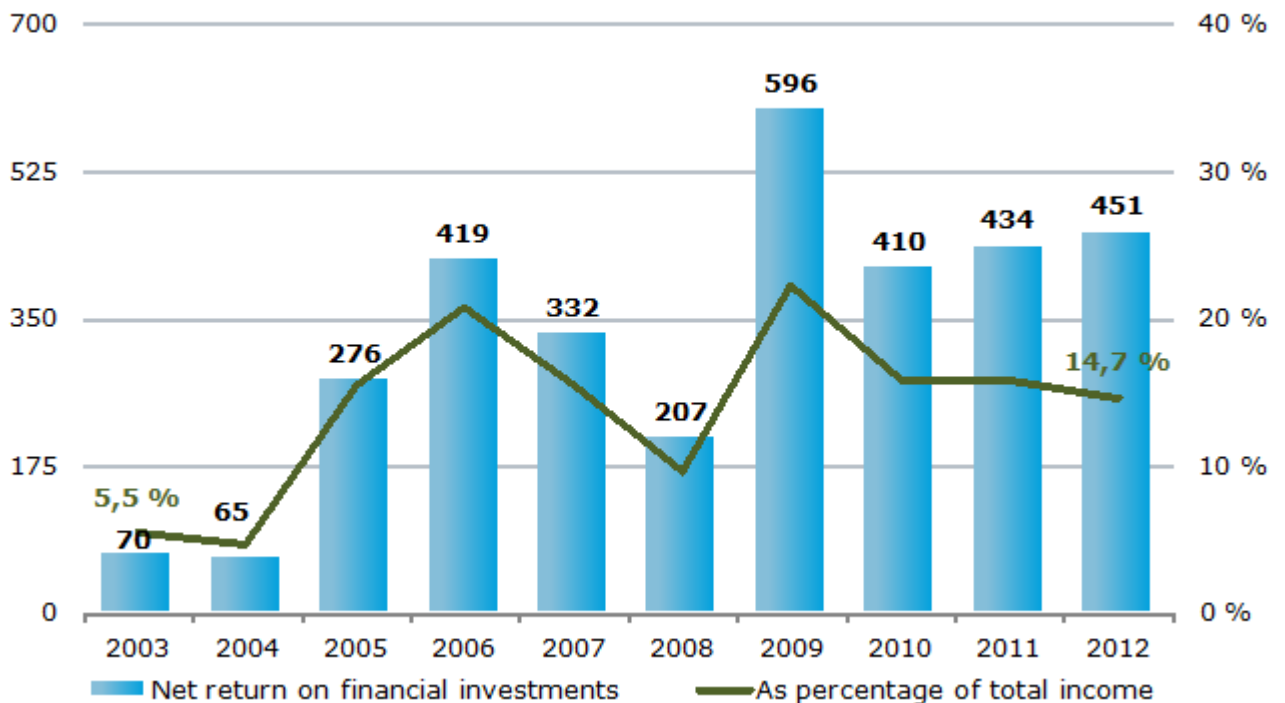
NOK mill.



Development in commission income and other income

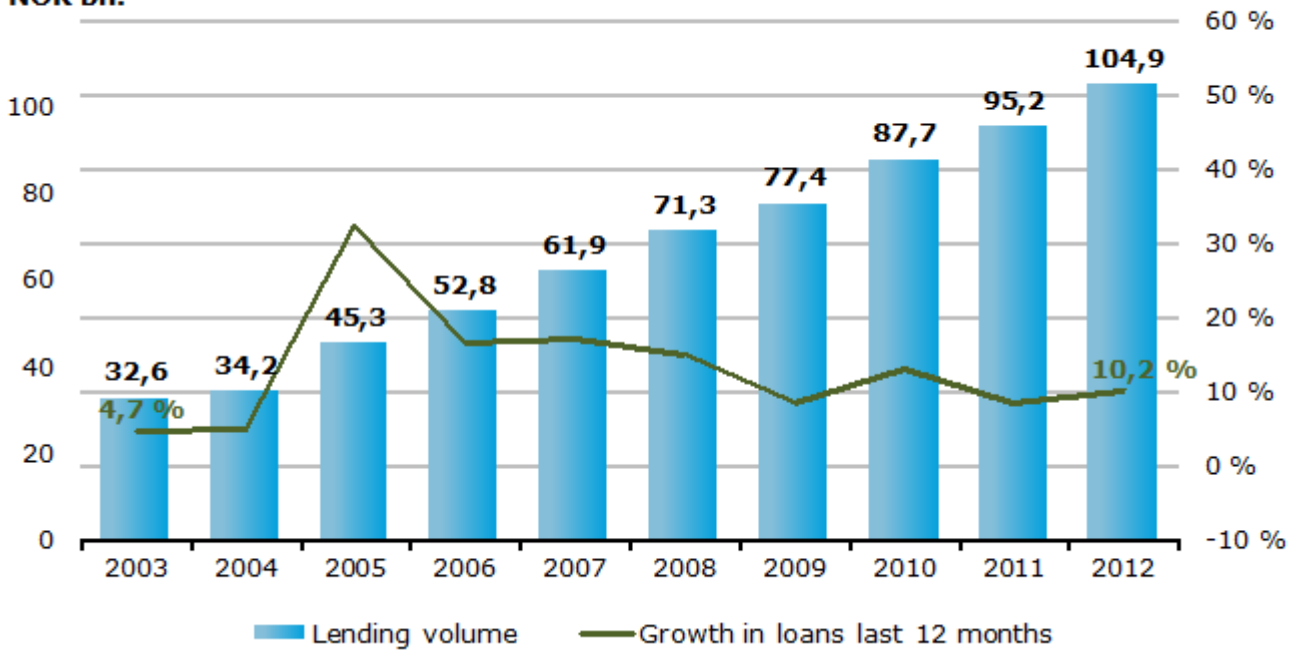


Development in net return on financial investments



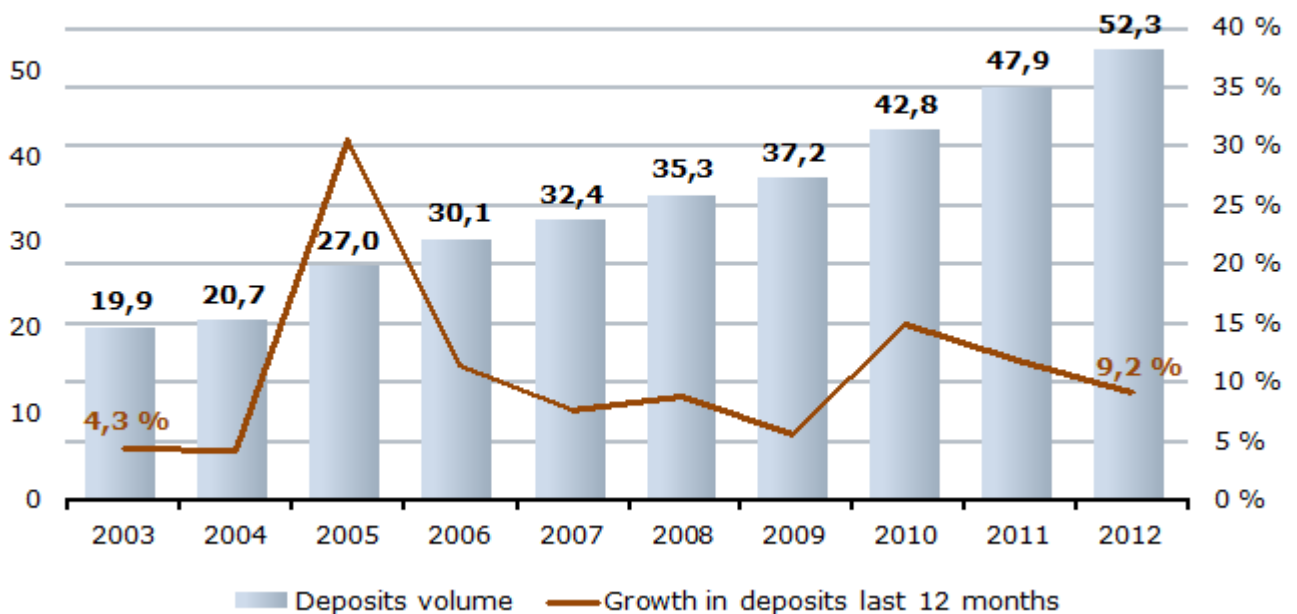
Volume development, Lending*

NOK bn.



Volume development, Deposits*

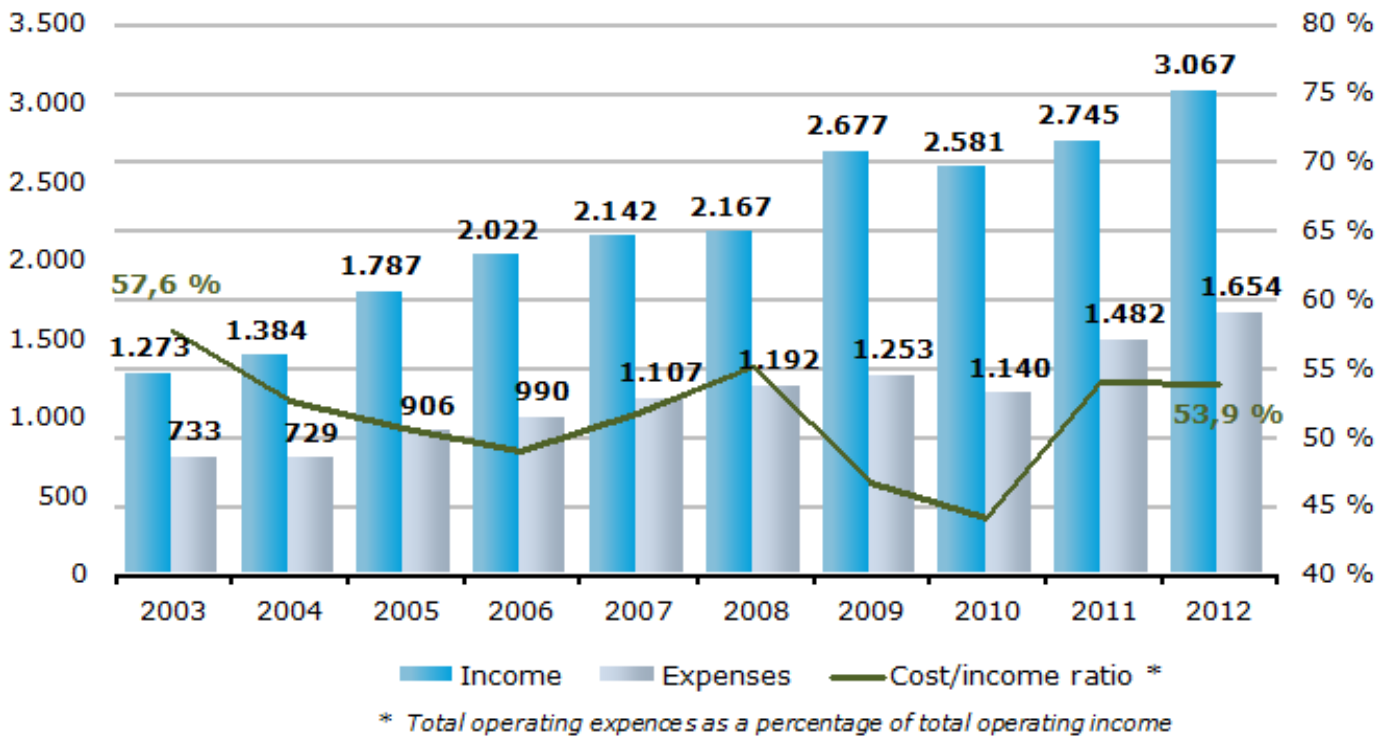
NOK bn.



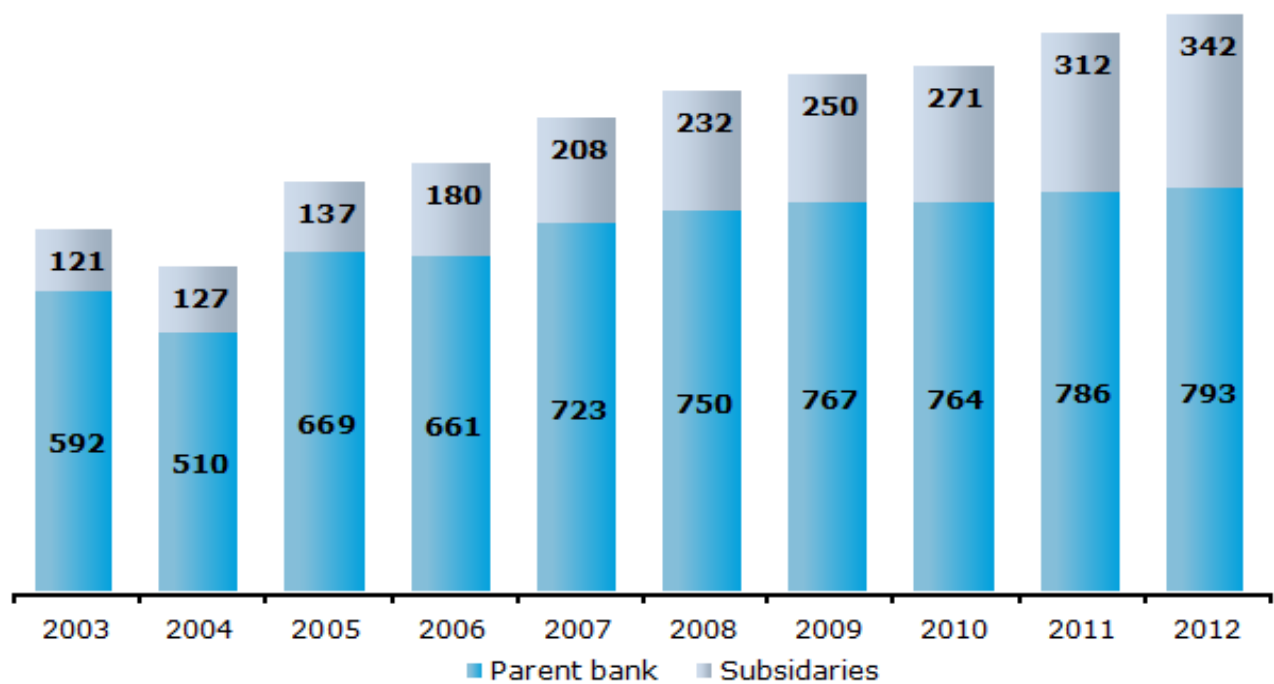
*) The strong growth in 2005 in lending and deposits is related to the acquisition of 100 per cent of Romsdals Fellesbank.

Cost/income ratio

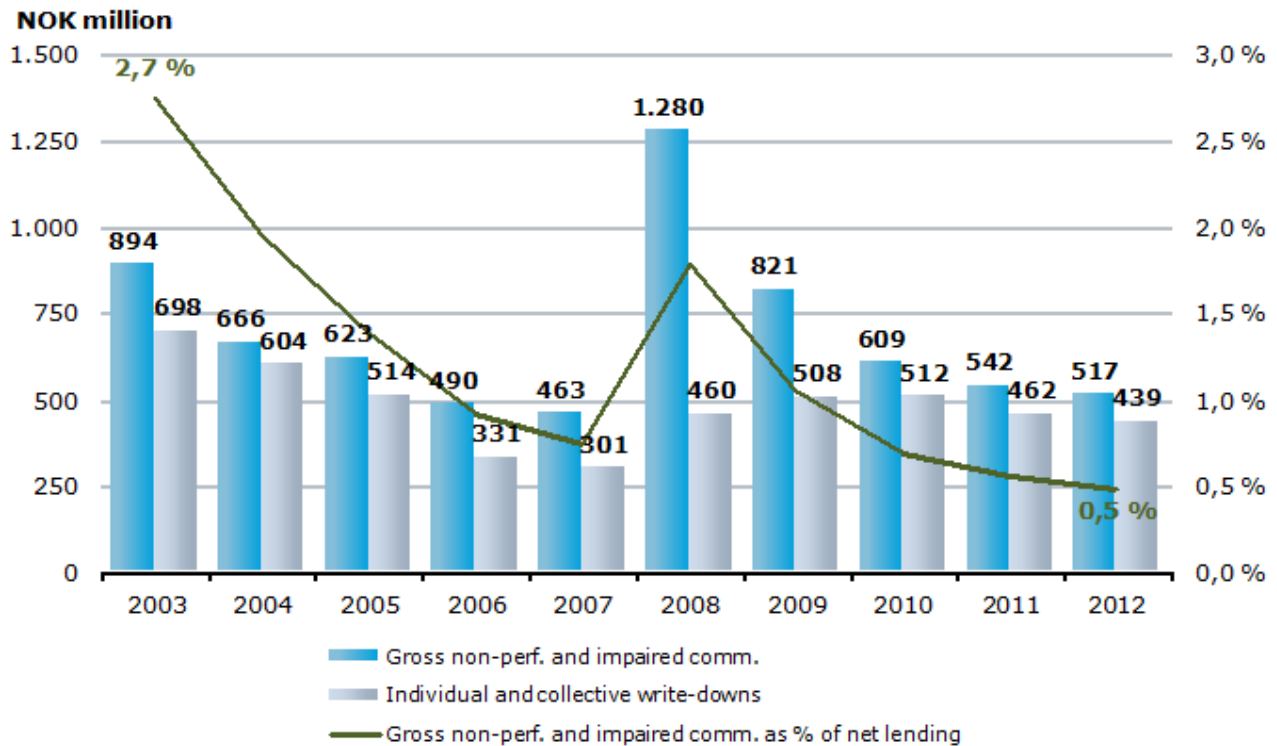
NOK mill.



Employees in employment



Net non-performing and impaired commitments



Capital Adequacy

