

## Note 2 - Critical estimates and assessment 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.

### Nets Holding AS

SpareBank 1 SMN has entered an agreement to sell its stake in Nets Holding AS. The stake is 2.2 per cent, corresponding to 4,028,773 shares. The sale requires the approval of the regulatory authorities. The shares are measured at fair value via profit/loss and are valued at the end of the second quarter at the agreed sale price in Danish kroner converted using the exchange rate in effect on the balance sheet date. Unrealised gain including agio is recognised in an amount of NOK 156.2m. In addition, received dividend is recognised in an amount of NOK 8.8m. The transaction is completed in July 2014.

### Pensions

The Group has obtained a new pension calculation as of 30 June 2014. For a description of the various pension schemes, see note 25 in annual report for 2013.

The Group's pension liabilities are accounted for under IAS 19R. Deviations from estimates are therefore reflected directly in equity capital and are presented under other income and expenses.

	31 Dec 2013	1 January 2014	30 June 2014
<b>Actuarial assumptions</b>			
Discount rate	4.00 %	4.00 %	3.25 %
Expected rate of return on plan assets	4.00 %	4.00 %	3.25 %
Expected future wage and salary growth	3.50 %	3.50 %	3.50 %
Expected adjustment on basic amount (G)	3.50 %	3.50 %	3.50 %
Expected increase in current pension	0.60 %	0.60 %	0.60 %
Employers contribution	14.10 %	14.10 %	14.10 %

### Demographic assumptions:

Mortality base table	K2013 BE
Disability	IR73
Voluntary exit	2 % up to 50 year, 0 % after 50 year

### Movement in net pension liability in the balance sheet Group (NOKm)

	Funded	Unfunded	Total
Net pension liability in the balance sheet 1.1	-107	27	-79
OCI accounting 1 Jan	-5	-	-5
OCI accounting 30 June	98	1	99
Net defined-benefit costs in profit and loss account	12	1	13
Paid in pension premium, defined-benefit schemes	-28	-	-28
Paid in pension premium, defined-benefit plan	-	-3	-3
<b>Net pension liability in the balance sheet 30 June 14</b>	<b>-29</b>	<b>27</b>	<b>-3</b>

	30 June 2014	31 Dec 2013
<b>Net pension liability in the balance sheet Group (NOKm)</b>		
Net present value of pension liabilities in funded schemes	729	638
Estimated value of pension assets	-736	-721
Net pension liability in the balance sheet before employer's contribution	-7	-83
Employers contribution	4	4
<b>Net pension liability in the balance sheet</b>	<b>-3</b>	<b>-79</b>

	30 June 2014	31 Dec 2013
<b>Pension cost 30 June 14 Group (NOKm)</b>		
Present value of pension accumulated in the year	12	22
Net interest income	-2	-4
Net pension cost related to defined plans, incl unfunded pension commitment	10	18
Employer's contribution subject to accrual accounting	4	4
Cost of defined contribution pension and early retirement pension scheme, new arrangement	14	30
<b>Total pension cost</b>	<b>27</b>	<b>52</b>