

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 sold its stake in Nets Holding AS in July 2014. The stake was 2.2 per cent, corresponding to 4,028,773 shares. The shares were recognised at fair value through profit and loss. The realised capital gain including agio was NOK 155.6m. In addition, received dividends worth NOK 8.8m were taken to income.

Pensions

A new calculation has been done of the group's pension liabilities as at 31 December 2014. For a further description of the various pension schemes, see note 25 in the 2013 annual report. The group's pension liabilities are accounted for under IAS 19R. Estimate variances are therefore directly reflected in equity capital and are presented under other incomes and expenses.

	31 Dec 2013	1 January 2014	31 Dec 2014
Actuarial assumptions			
Discount rate	4.00 %	4.00 %	2.30 %
Expected rate of return on plan assets	4.00 %	4.00 %	2.30 %
Expected future wage and salary growth	3.50 %	3.50 %	2.50 %
Expected adjustment on basic amount (G)	3.50 %	3.50 %	2.50 %
Expected increase in current pension	0.60 %	0.60 %	0.00 %
Employers contribution	14.10 %	14.10 %	14.10 %

Demographic assumptions:

Mortality base table	K2013 BE
Disability	IR73
Voluntary exit	2 % til 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	117	1	118
Net defined-benefit costs in profit and loss account	25	2	27
Paid in pension premium, defined-benefit schemes	-30	-	-30
Paid in pension premium, defined-benefit plan	-	-5	-5
Net pension liability in the balance sheet 31 December 2014	1	25	26

	31 Dec 2014	31 Dec 2013
Net pension liability in the balance sheet Group (NOKm)		
Net present value of pension liabilities in funded schemes	768	638
Estimated value of pension assets	-746	-721
Net pension liability in the balance sheet before employer's contribution	22	-83
Employers contribution	4	4
Net pension liability in the balance sheet	26	-79

	31 Dec 2014	31 Dec 2013
Pension cost 30 December 2014 Group (NOKm)		
Present value of pension accumulated in the year	26	22
Net interest income	-2	-4
Net pension cost related to defined plans, incl unfunded pension commitment	23	18
Employer's contribution subject to accrual accounting	4	4
Cost of defined contribution pension and early retirement pension scheme, new arrangement	35	30
Total pension cost	62	52