

# Investor Relations

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Supplementary information  
Third Quarter 2015



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**Information on the Internet**

SpareBank 1 SMN's home page [www.smn.no](http://www.smn.no)

ECC information in general [www.egenkapitalbevis.no](http://www.egenkapitalbevis.no)

**Financial Calendar 2015**

3rd quarter 2015 30 October 2015

## Table of Contents

1. SpareBank 1 SMN .....	3
1.1. Financial highlights .....	3
1.2. Business description .....	4
1.3. Credit ratings .....	8
1.4. Equity capital certificate (MING) .....	8
2. Financial results .....	13
2.1. Main figures** .....	13
2.2. Net interest income*) .....	15
2.3. Commission income .....	18
2.4. Operating expenses.....	20
3. Loans to customers .....	23
3.1. Distribution of loans by industry.....	23
3.2. Risk profile and write-downs .....	25
4. Capital adequacy.....	30
5. Funding.....	35
6. Financial results .....	37
7. Segment Information .....	40
7.1. Extract from income statement.....	40
7.2. Retail Market.....	43
7.3. SME.....	45
7.4. Corporate.....	47
7.5. Subsidiaries .....	49
8. Development last ten years.....	54

# 1. SpareBank 1 SMN

## 1.1. Financial highlights

### Accounts for the nine months ended 30 September 2015

(Consolidated figures. Figures in parentheses refer to the same period of 2014 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 1,389 million (NOK 1,709 million)
- Net profit: NOK 1,119 million (NOK 1,407 million)
- Return on equity: 11.5 per cent (16.1 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 8.3 per cent (5.4 per cent)
- 12-month growth in deposits: 9.5 per cent (8.5 per cent)
- Loan losses: NOK 112 million (NOK 55 million)
- Common equity tier 1 ratio: 13.2 per cent (11.5 per cent)
- Earnings per EC: NOK 5.57 (6.97)

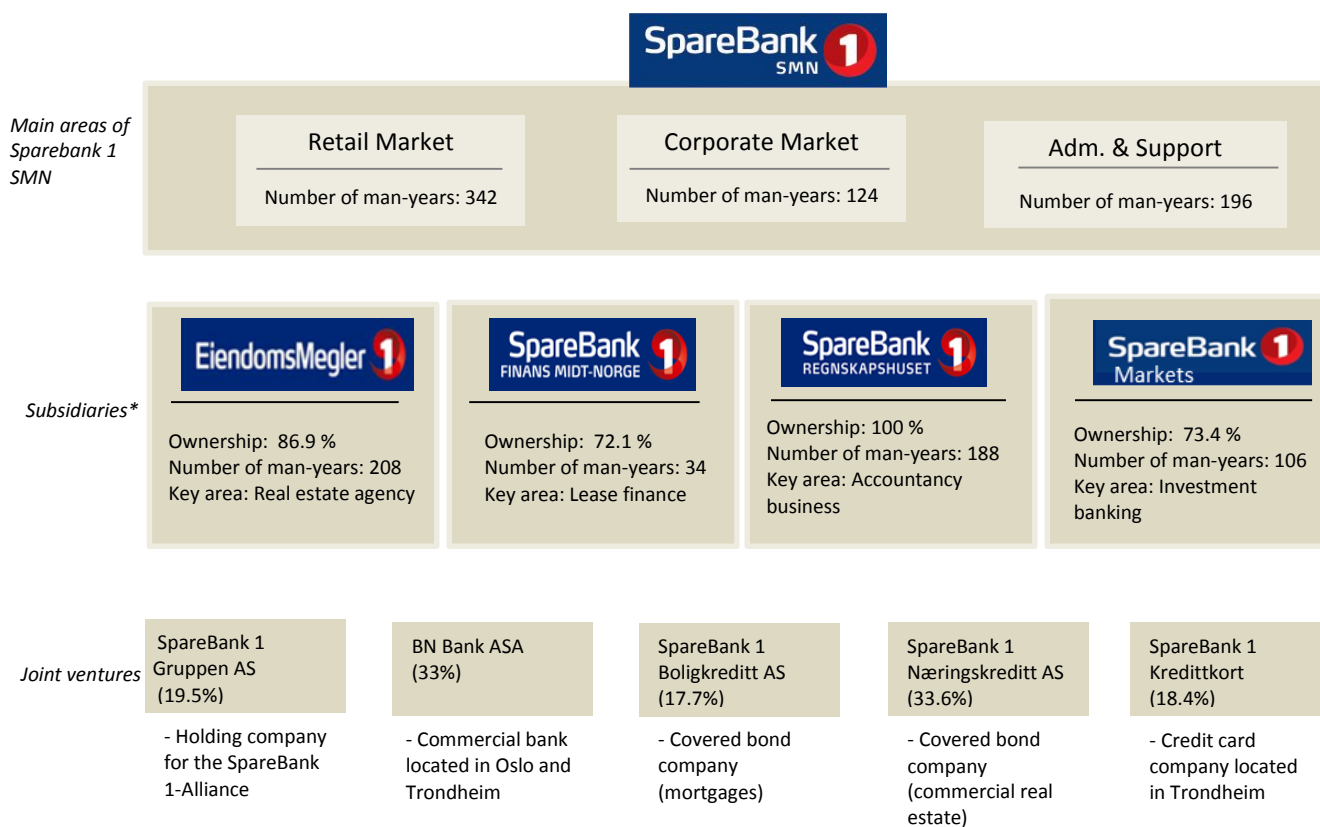
### Third quarter 2015

- Profit before tax and inv. held for sale: NOK 309 million (NOK 545 million)
- Net profit: NOK 248 million (NOK 443 million)
- Return on equity: 7.4 per cent (14.8 per cent)
- Loan losses: NOK 56 million (NOK 24 million), including collective write downs of NOK 30 million
- Earnings per EC: NOK 1.26 (NOK 2.19)

## 1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 129 billion at the end of September 2015. Head office is in Trondheim. SpareBank 1 SMN employs 1,228 FTE, including subsidiaries, and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

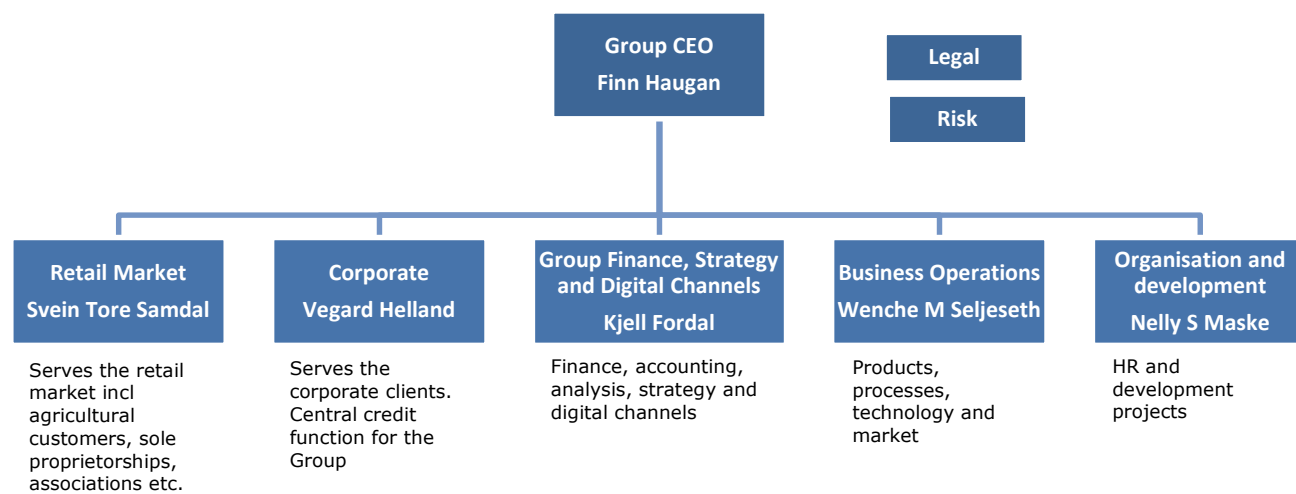
### SpareBank 1 SMN's activities



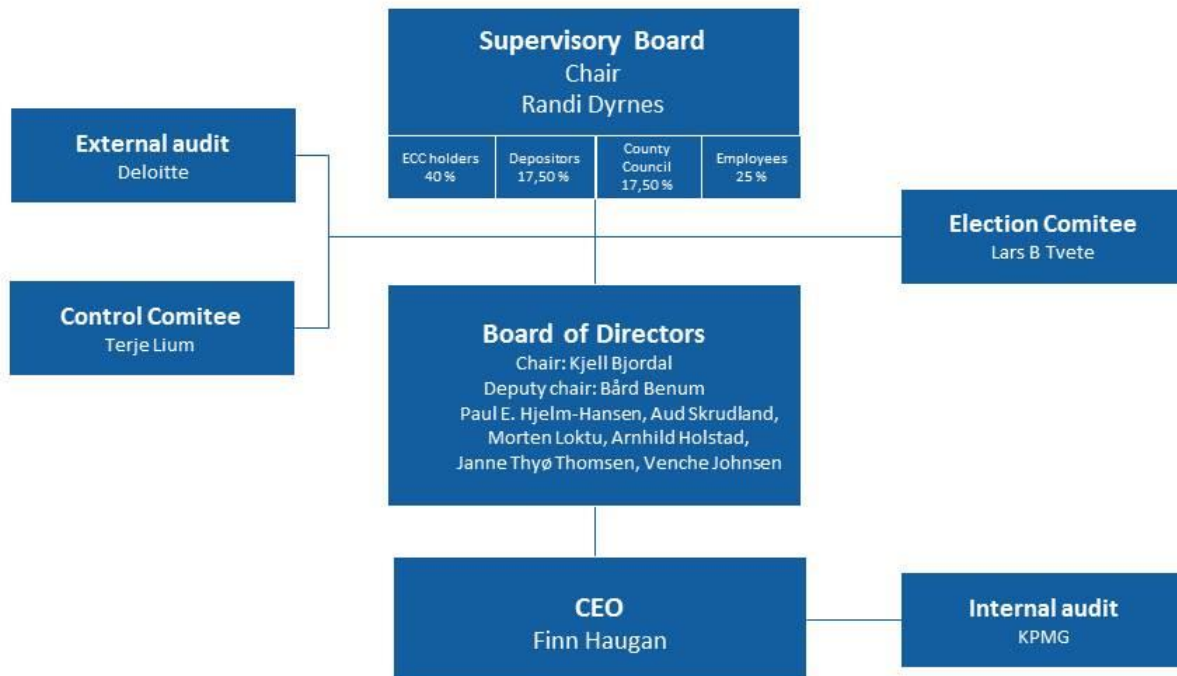
\*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 28 man-years

## Organisation of SpareBank 1 SMN

The Bank's operational structure is illustrated in the figure below

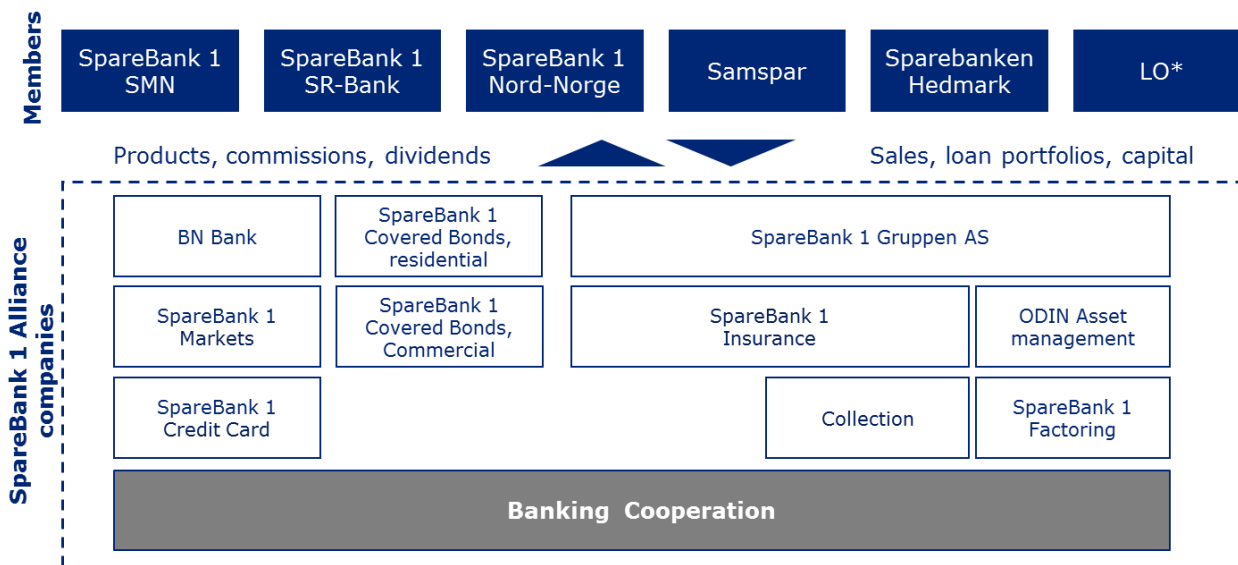


Overview of governing and control bodies

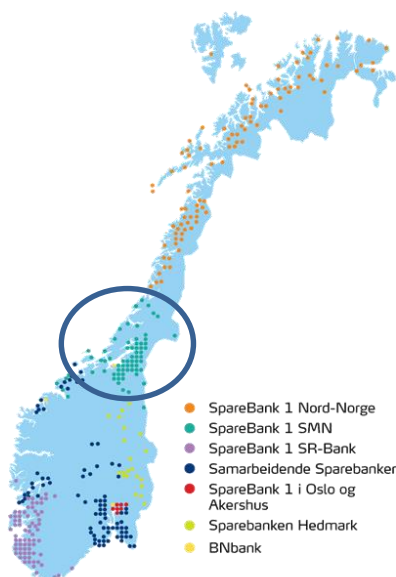


### SpareBank 1 Alliance

SpareBank 1 SMN was one of the founding partners of the SpareBank 1 Alliance ("the Alliance") in 1996. The Alliance consists of closely cooperating savings banks, all of them being independent and locally anchored banks. The purpose of the SpareBank 1 Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale. The Alliance canalize a lot of its mutual interests through SpareBank 1 Gruppen AS, a holding company of life and non-life insurance, mutual funds, a broker-dealer and other companies. The Alliance is the 2<sup>nd</sup> largest Norwegian financial group with a wide distribution all over Norway.



\*) LO: The Norwegian Confederation of Trade Unions





### 1.3. Credit ratings

<i>Moody's</i>	Today's rating	2014	2013	Year end			
				2012	2011	2010	2009
Outlook	Stable	Negative	Stable	Rating(s) under review	Stable	Stable	Negative
Issuer Rating	A1	A2	A2	A2	A1	A1	A1
Bank Deposits	A1/P-1	A2/P-1	A2/P-1	A2/P-1	A1/P-1	A1/P-1	A1/P-1
Senior Unsecured	A1	A2	A2	A2	A1	A1	A1
Subordinate	Baa2	Baa2	Baa3	Baa3	A2	A2	A2

<i>Fitch</i>	Today's rating	2014	2013	Year end			
				2012	2011	2010	2009
Outlook	Stable	Stable	Stable	Stable	Stable	Negative	Negative
Long-term IDR	A-	A-	A-	A-	A-	A	A
Short-term IDR	F2	F2	F2	F2	F2	F1	F1
Support rating	3	3	3	3	3	3	3

### 1.4. Equity capital certificate (MING)

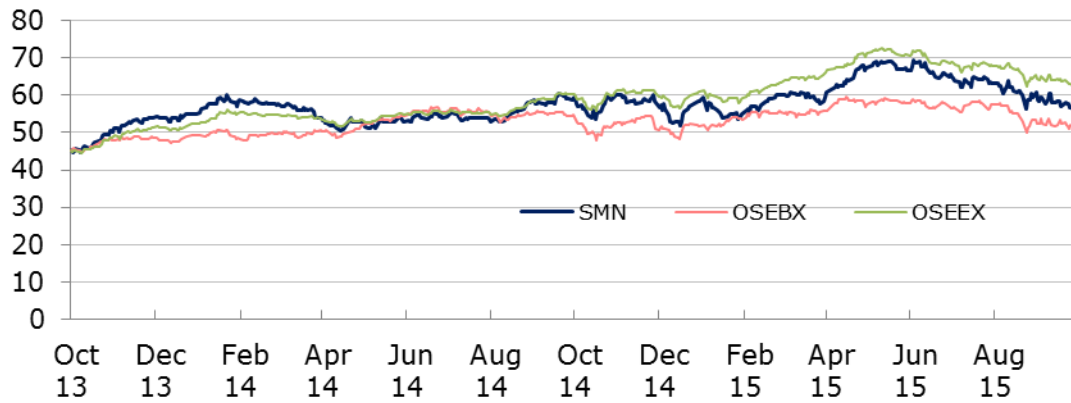
The key figures are corrected for issues.

30 September 2015 the price of the Bank's ECC was NOK 54.00 (NOK 59.25). Earnings per ECC were NOK 5.57 (NOK 6.97). Book value per ECC was NOK 65.52 (NOK 60.53) as of 30 September 2015.

#### Key figures

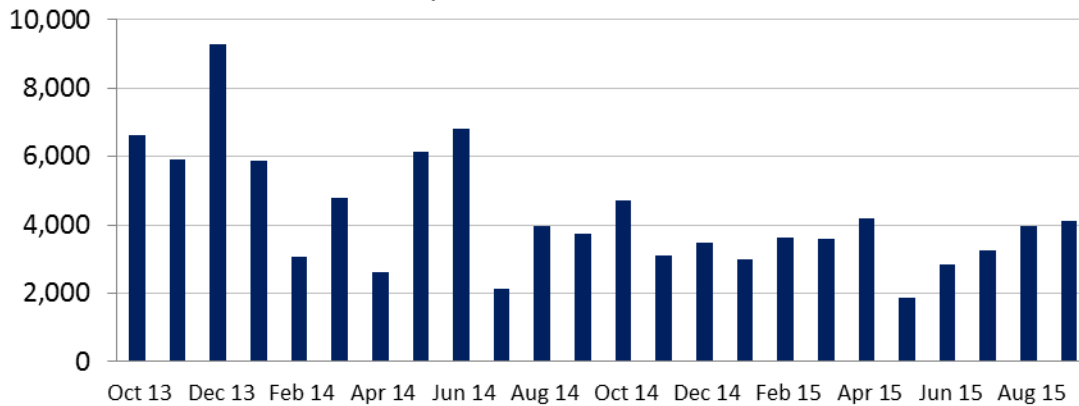
(in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
ECC price	54.00	65.50	59.50	58.50	59.25	54.00	59.25	58.50	55.00
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	65.52	64.18	61.95	62.04	60.53	65.52	60.53	62.04	55.69
Adjusted profit per ECC	1.26	2.13	2.18	1.85	2.19	5.57	6.97	8.82	6.92
P/E per ECC	10.72	7.70	6.81	7.89	6.75	7.27	6.38	6.63	7.95
P/B equity capital	0.82	1.02	0.96	0.94	0.98	0.82	0.98	0.94	0.99

Stock price compared with OSEBX<sup>1)</sup> and OSEEX<sup>2)</sup>  
1 Oct 2013 to 30 Sep 2015

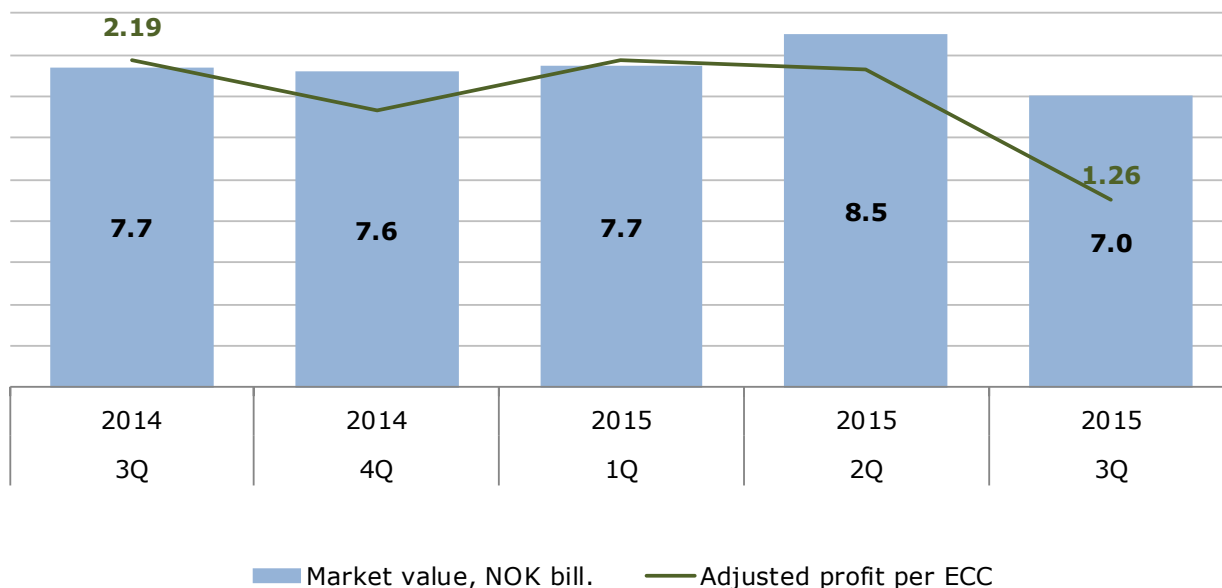


1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)  
2) OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics<sup>1)</sup>  
1 Oct 2013 to 30 Sep 2015



### Market value and profit per ECC



### Equity certificates ratio (parent bank)

(in NOK million)	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	31 Dec. 2013
ECC capital	2,597	2,597	2,597	2,597	2,597	2,597
Dividend equalisation reserve	3,122	3,122	3,122	3,122	2,496	2,496
Premium reserve	895	895	895	895	895	895
Unrealised gains reserve	90	90	90	90	126	126
<b>A. The equity certificate owner's capital</b>	<b>6,704</b>	<b>6,704</b>	<b>6,704</b>	<b>6,704</b>	<b>6,114</b>	<b>6,114</b>
Saving bank reserve	3,619	3,619	3,619	3,619	3,276	3,276
Unrealised gains reserve	49	49	49	49	69	69
<b>B. The saving bank reserve</b>	<b>3,668</b>	<b>3,668</b>	<b>3,668</b>	<b>3,668</b>	<b>3,345</b>	<b>3,345</b>
Provision for gifts	-	-	-	160	-	124
Recommended dividends	-	-	-	292	-	227
<b>Equity ex. profit</b>	<b>10,372</b>	<b>10,372</b>	<b>10,372</b>	<b>10,824</b>	<b>9,459</b>	<b>9,811</b>
Equity certificates ratio A/(A+B)	64.64%	64.64%	64.64%	64.64%	64.64%	64.64%
Equity certificates ratio for distribution	64.64%	64.64%	64.64%	64.64%	64.64%	64.64%

*20 largest ECC holders*

<b>Owner</b>	<b>Number</b>	<b>Ownership in %</b>
Verdipapirfondet DNB Norge (IV)	4,785,751	3.69%
VPF Nordea Norge Verdi	4,123,757	3.18%
Sparebankstiftelsen SMN	3,965,391	3.05%
VPF Odin Norge	3,718,725	2.86%
State Street Bank and Trust CO (nominee)	3,576,792	2.75%
VPF Pareto Aksje Norge	3,383,638	2.61%
VPF Odin Norden	3,363,290	2.59%
Vind LV AS	2,736,435	2.11%
Wimoh Invest AS	2,359,388	1.82%
VPF Danske Invest Norske Aksjer Inst. II	2,245,967	1.73%
The Bank of New York Mellon (nominee)	2,040,776	1.57%
MP Pensjon PK	1,992,160	1.53%
Pareto AS	1,821,202	1.40%
JP Morgan Chase Bank (Nominee)	1,761,137	1.36%
Forsvarets Personellservice	1,539,046	1.19%
VPF Nordea Kapital	1,383,148	1.07%
Verdipapirfondet DNB Norge Selektiv (III)	1,283,225	0.99%
State Street Bank and Trust CO (nominee)	1,256,502	0.97%
DNB Livsforsikring AS	1,215,751	0.94%
VPF Danske Invest Norske Aksjer Inst. I	1,207,123	0.93%
<b>Total 20 largest shareholders</b>	<b>49,759,204</b>	<b>38.32%</b>
Others	80,077,239	61.68%
<b>Total</b>	<b>129,836,443</b>	<b>100.00%</b>

## *ECC capital history*

<b>Year</b>	<b>Change</b>	<b>Change in ECC capital</b>	<b>Total ECC capital</b>	<b>No. of ECC's</b>
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 2014.

### 2.1. Main figures\*\*

(in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Net interest	466	467	467	485	463	1,399	1,305	1,790	1,616
Commission income and other income	378	413	377	371	361	1,168	1,140	1,512	1,463
Net return on financial investments	-13	165	198	91	170	350	629	720	502
<b>Total income</b>	<b>831</b>	<b>1,044</b>	<b>1,042</b>	<b>947</b>	<b>993</b>	<b>2,917</b>	<b>3,074</b>	<b>4,021</b>	<b>3,580</b>
<b>Total operating expenses</b>	<b>466</b>	<b>496</b>	<b>454</b>	<b>479</b>	<b>425</b>	<b>1,416</b>	<b>1,310</b>	<b>1,789</b>	<b>1,722</b>
<b>Result before losses</b>	<b>364</b>	<b>548</b>	<b>588</b>	<b>467</b>	<b>568</b>	<b>1,501</b>	<b>1,765</b>	<b>2,232</b>	<b>1,859</b>
Loss on loans, guarantees etc.	56	35	22	34	24	112	55	89	101
<b>Result before tax</b>	<b>309</b>	<b>513</b>	<b>567</b>	<b>434</b>	<b>545</b>	<b>1,389</b>	<b>1,709</b>	<b>2,143</b>	<b>1,758</b>
Tax charge	61	83	126	60	101	270	302	362	388
Results investments held for sale, after tax	0	0	0	0	-1	-1	0	0	30
<b>Net profit</b>	<b>248</b>	<b>430</b>	<b>441</b>	<b>375</b>	<b>443</b>	<b>1,119</b>	<b>1,407</b>	<b>1,782</b>	<b>1,400</b>

### Balance sheet - condensed

Balance (in NOK million)	30 Sept.	30 Jun.	31 Mar.	31 Dec.	30 Sept.	31 Dec.
	2015	2015	2015	2014	2014	2013
Total assets	129,237	130,888	123,687	126,047	117,194	115,360
Average total assets (quarterly)	130,063	127,288	124,867	121,620	117,976	113,668
Gross loans to customers *	126,180	124,519	122,933	120,435	116,479	112,283
Deposits from customers	63,620	66,186	60,589	60,680	58,091	55,927
Total equity capital	13,455	13,191	12,521	12,524	12,228	11,242

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

\*\*As from the second quarter of 2015 SpareBank 1 Markets is consolidated as a subsidiary of SpareBank 1 SMN, bringing an increase in the Group's gross incomes and expenses.

### Key figures

	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Return on equity	7.4 %	13.4 %	14.1 %	12.1 %	14.8 %	11.5 %	16.1 %	15.1 %	13.3 %
Common Equity Tier 1 ratio	13.2 %	12.7 %	12.3 %	11.2 %	11.5 %	13.2 %	11.5 %	11.2 %	11.1 %
Cost/income ratio group	56%	47%	44%	51%	43%	49%	43%	44%	48%
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	8.3 %	8.4 %	10.0 %	7.3 %	5.4 %	8.3 %	5.4 %	7.3 %	6.8 %
Growth in deposits last 12 months	9.5 %	11.4 %	10.9 %	8.5 %	8.5 %	9.5 %	8.5 %	8.5 %	7.3 %
Deposits-to-loan ratio	67%	70%	66%	67%	67%	67%	67%	67%	69%
Impairment losses ratio	0.18%	0.11%	0.07%	0.11%	0.08%	0.12%	0.06%	0.08%	0.09%
Non-performing commitm. as % of gross loans	0.17%	0.23%	0.19%	0.22%	0.29%	0.17%	0.29%	0.22%	0.34%
ECC price	54.00	65.50	59.50	58.50	59.25	54.00	59.25	58.50	55.00
Booked equity capital per ECC (incl. dividend)	65.52	64.18	61.95	62.04	60.53	65.52	60.53	62.04	55.69
Adjusted profit per ECC	1.26	2.13	2.18	1.85	2.19	5.57	6.97	8.82	6.92

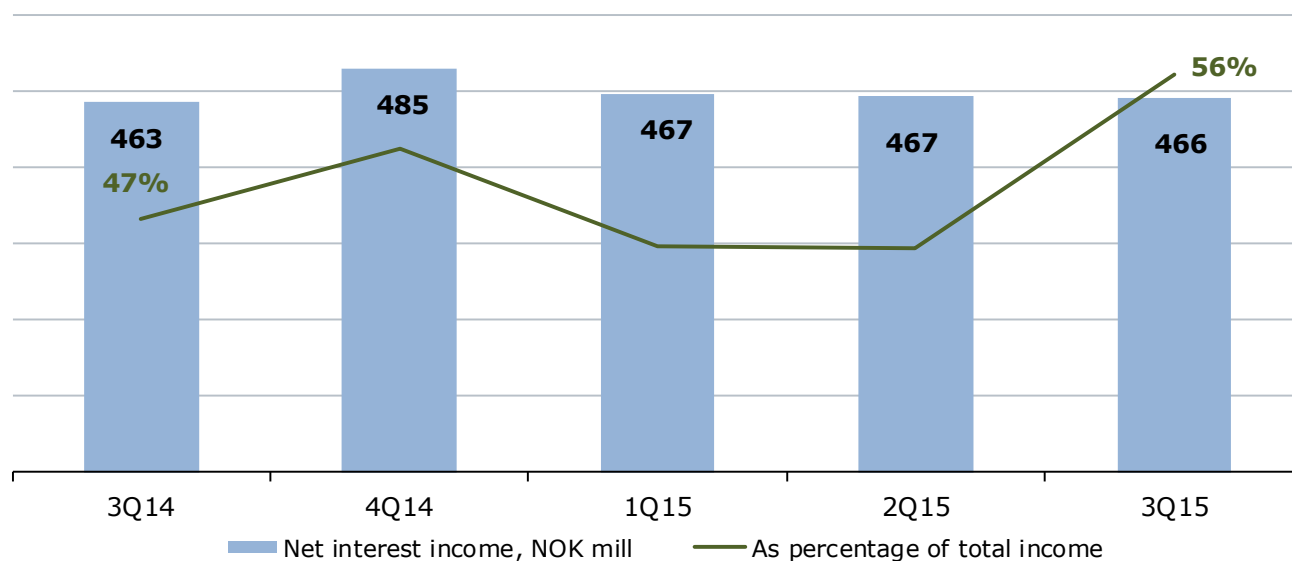
## 2.2. Net interest income\*)

### Net interest income

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Interest income	1,058	992	1,019	1,103	1,080	3,069	3,162	4,265	4,118
Interest expenses	593	525	552	618	617	1,670	1,857	2,475	2,502
<b>Net interest income</b>	<b>466</b>	<b>467</b>	<b>467</b>	<b>485</b>	<b>463</b>	<b>1,399</b>	<b>1,305</b>	<b>1,790</b>	<b>1,616</b>
<b>As percentage of total income</b>	<b>56%</b>	<b>45%</b>	<b>45%</b>	<b>51%</b>	<b>47%</b>	<b>48%</b>	<b>42%</b>	<b>45%</b>	<b>45%</b>

\*) Margins on loans sold to Sparebank 1 Boligkreditt and Sparebank 1 Næringskreditt are recorded as commission income. See part 2.3. Commission Income

### Development in net interest income



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

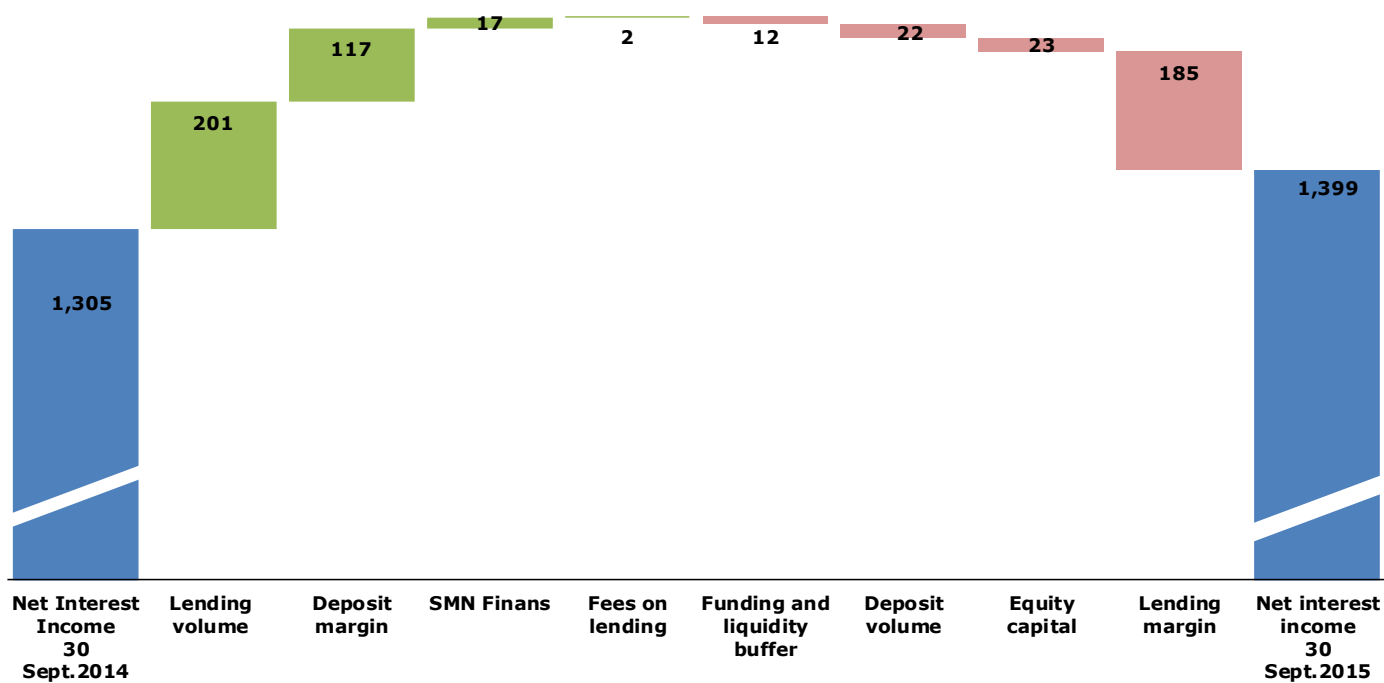
(in NOK million)	Volume	Margin	Total
Lending	201	-185	15
Deposits	-22	117	95
<b>Total</b>	<b>179</b>	<b>-69</b>	<b>110</b>



### Changes in net interest income

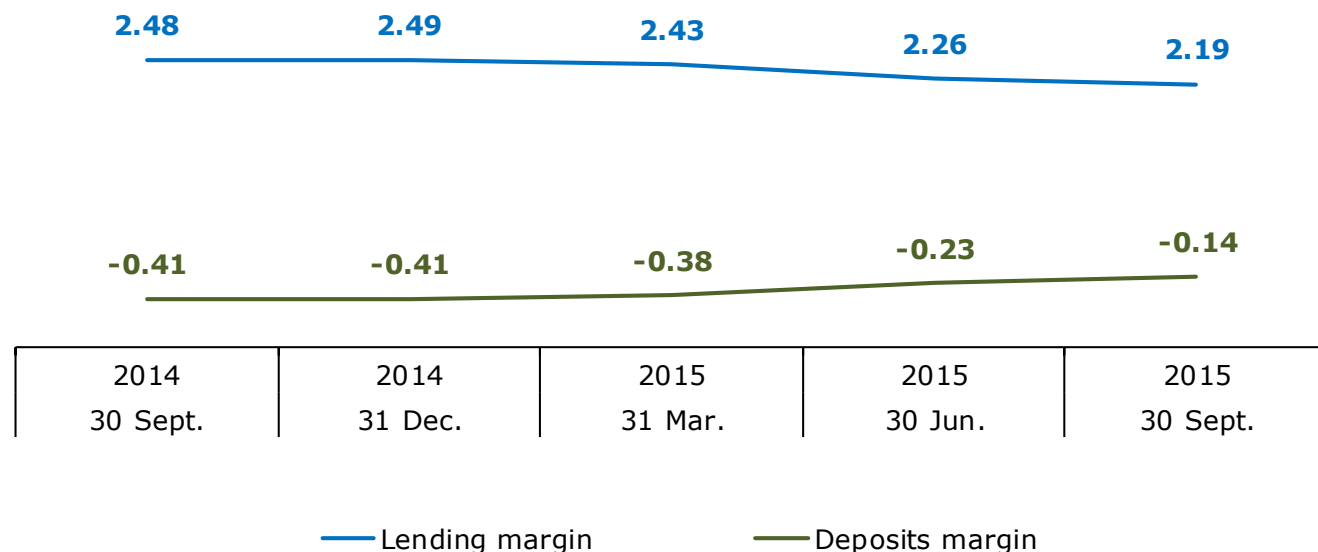
(in NOK million)

	2015	30 Sept. Change	2014
<b>Net interest income</b>	<b>1,399</b>	<b>94</b>	<b>1,305</b>
Equity capital		-23	
Lending volume		201	
Fees on lending		2	
Deposit margin		117	
SMN Finans		17	
Deposit volume		-22	
Lending margin		-185	
Funding and liquidity buffer		-12	
<b>Change</b>		<b>94</b>	

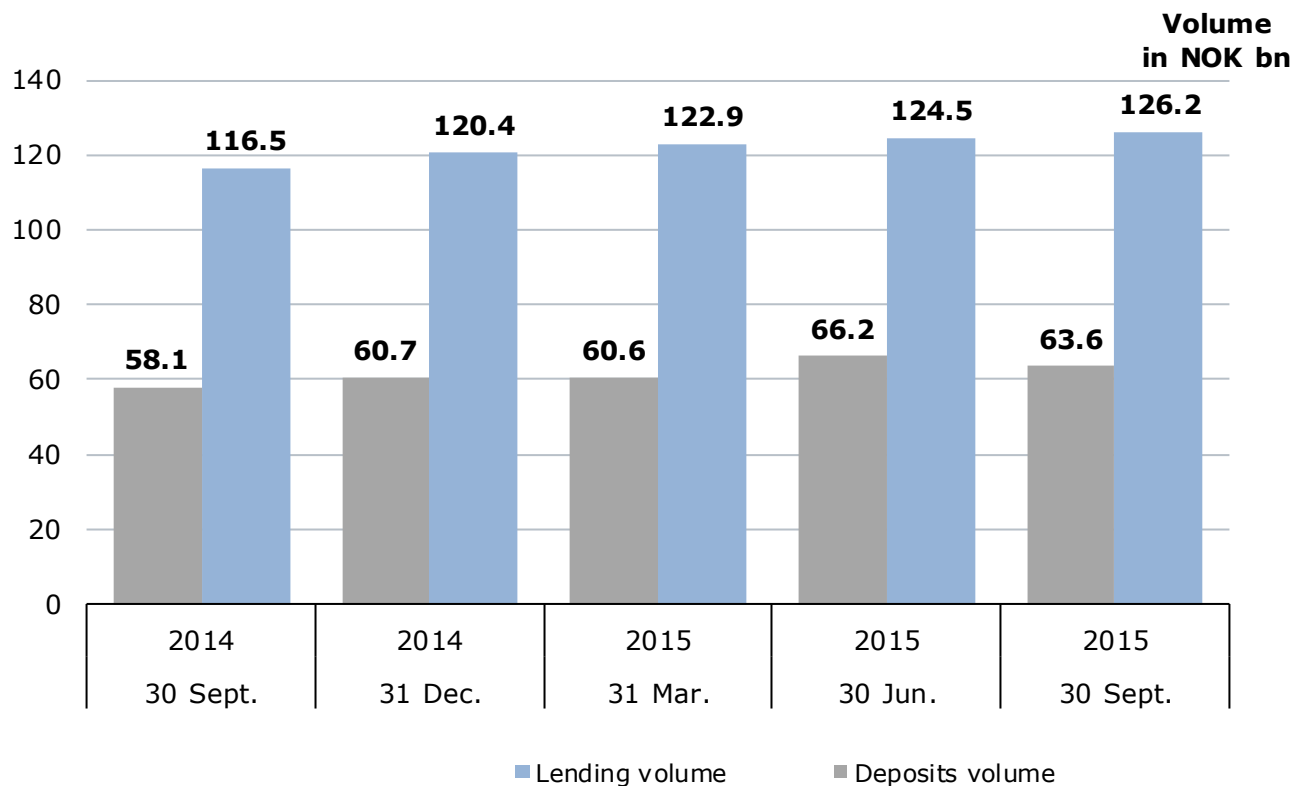


### Margin development

Definition margin: Average customer interest minus 3 months average nibor



### Volume development

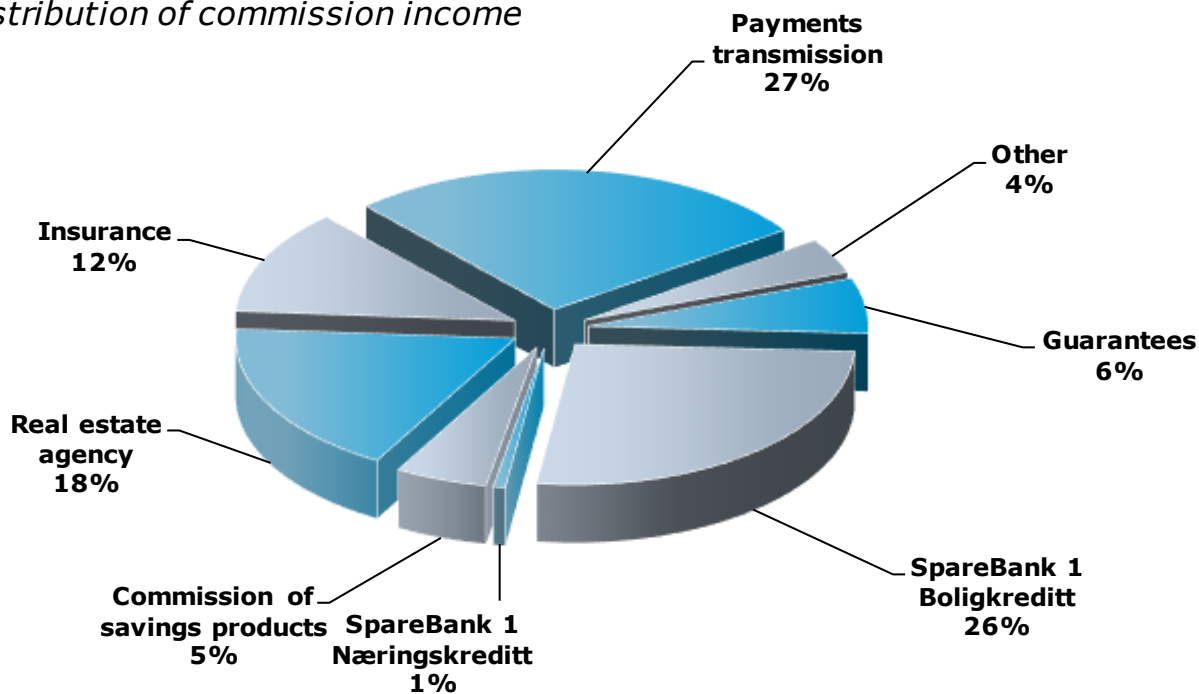


## 2.3. Commission income

### Total commission and other income

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept. 2015 2014		2014	2013
Guarantees	22	18	20	16	17	60	57	73	67
SpareBank 1 Boligkreditt	77	81	89	96	94	247	321	417	414
SpareBank 1 Næringskreditt	2	2	2	2	2	7	8	10	8
Commission of savings products	18	17	15	13	12	50	37	50	57
Real estate agency	52	60	55	57	58	167	166	223	224
Insurance	39	38	37	37	35	114	101	138	124
Payments transmission	93	82	80	91	85	254	237	328	300
Other	14	15	10	10	10	38	31	41	37
<b>Total commissions income</b>	<b>317</b>	<b>313</b>	<b>306</b>	<b>323</b>	<b>314</b>	<b>936</b>	<b>958</b>	<b>1,281</b>	<b>1,230</b>
Operating- and sales income real estate	27	33	26	17	23	86	66	82	88
Accounting services	33	57	53	37	34	143	134	171	122
Other operating income	39	43	18	27	17	100	63	91	118
<b>Total other operating income</b>	<b>99</b>	<b>132</b>	<b>97</b>	<b>81</b>	<b>74</b>	<b>329</b>	<b>263</b>	<b>344</b>	<b>327</b>
Commission expenses	38	32	27	33	28	97	81	113	94
<b>Total commissions and other income</b>	<b>378</b>	<b>413</b>	<b>377</b>	<b>371</b>	<b>361</b>	<b>1,168</b>	<b>1,140</b>	<b>1,512</b>	<b>1,463</b>
<b>As percentage of total income</b>	<b>45%</b>	<b>40%</b>	<b>36%</b>	<b>39%</b>	<b>36%</b>	<b>40%</b>	<b>37%</b>	<b>38%</b>	<b>41%</b>

### Distribution of commission income



### Change in commission and other income

(in NOK million)	2014	30 Sept. Change	2013
<b>Total</b>	<b>1,168</b>	<b>27</b>	<b>1,140</b>
Real estate agency		1	
Other operating income		36	
Operating- and sales income real estate		20	
Accounting services		9	
Insurance		13	
Commission of savings products		13	
Commission expenses		-16	
Other		7	
Payments transmission		17	
Guarantees		3	
SpareBank 1 Boligkreditt		-74	
SpareBank 1 Næringskreditt		-1	

### Net return on financial investments

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept. 2015	30 Sept. 2014	2014	2013
Income from investment in related companies	<b>78</b>	<b>120</b>	<b>129</b>	<b>144</b>	<b>170</b>	<b>327</b>	<b>383</b>	<b>527.0</b>	<b>355</b>
<i>of which SpareBank 1 Gruppen AS</i>	56	68	59	99	109	183	259	358.0	210
<i>BN Bank ASA</i>	-4	17	18	15	23	31	78	92.6	91
<i>SpareBank 1 Boligkreditt AS</i>	15	9	41	15	10	65	23	37.5	40
<i>SpareBank 1 Næringskreditt AS</i>	7	7	8	10	10	22	30	40.5	8
<i>Sparebank 1 Kredittkort</i>	6	6	4	2,2	4	15	0	2.2	
<i>Comp. owned by Sparebank 1 SMN Invest</i>	0	13	0	13	10	13	18	30.5	14
<i>Other <sup>1) 2)</sup></i>	0	0	-2	-10	3	-2	-25	-34.4	-8
Capital gains/dividends, shares and ECCs <sup>2)</sup>	<b>8</b>	<b>61</b>	<b>10</b>	<b>-15</b>	<b>2</b>	<b>79</b>	<b>216</b>	<b>202</b>	<b>114</b>
<i>of which dividends</i>	0	22	0	5	0	23	60	65	41
<i>capital gains on shares</i>	8	39	9	-20	2	56	156	137	64
<i>capital gains on ECCs</i>	0	0	0	0	0	0	0	0	9
Capital gains, bonds and derivatives	<b>-116</b>	<b>32</b>	<b>11</b>	<b>-48</b>	<b>-15</b>	<b>-73</b>	<b>-18</b>	<b>-66</b>	<b>-40</b>
Forex and fixed income business, Markets	<b>18</b>	<b>16</b>	<b>48</b>	<b>11</b>	<b>12</b>	<b>82</b>	<b>46</b>	<b>57</b>	<b>73</b>
Change in discount factor in fair value model for fixed interest loans		<b>-64</b>				<b>-64</b>			
<b>Net return on financial investments</b>	<b>-13</b>	<b>165</b>	<b>198</b>	<b>91</b>	<b>168</b>	<b>350</b>	<b>629</b>	<b>720.0</b>	<b>502</b>
<b>As percentage of total income</b>	<b>-2%</b>	<b>16%</b>	<b>19%</b>	<b>10%</b>	<b>17%</b>	<b>12%</b>	<b>20%</b>	<b>18%</b>	<b>14%</b>

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

2) 1Q 2015 and earlier: Income from SpareBank 1 Markets (as related company) is included in Other

3) 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)	2015	30 Sept. Change	2014
<b>Total</b>	<b>350</b>	<b>-279</b>	<b>629</b>
Capital gains from bonds and derivatives		-55	
Forex and fixed income business, Markets		36	
Capital gains/dividends on shares and ECC's		-137	
Change in discount factor in fair value model for fixed interest loans		-64	
Income from investment in related companies, incl inv held for sale		-57	

## 2.4. Operating expenses

### Operating expenses

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Salary	202	222	206	206	187	630	580	786	737
Pension costs (defined benefit plan)	19	19	17	20	14	55	41	61	45
Employer's insurance contributions	4	4	3	0	2	11	14	14	14
Other personnel expenses	38	38	42	42	32	118	99	141	128
<b>Total personnel expenses</b>	<b>264</b>	<b>283</b>	<b>267</b>	<b>267</b>	<b>235</b>	<b>814</b>	<b>735</b>	<b>1002</b>	<b>923</b>
EDP and telecommunication expenses	64	68	62	46	58	193	177	223	206
Postage and transportation services	5	5	6	6	6	16	19	25	29
Marketing	20	22	23	22	18	65	59	81	58
Operating exp. on properties and premises	26	26	23	24	23	75	68	93	118
Other external services	25	28	15	27	20	68	51	78	71
Other operating expenses	34	38	33	56	40	106	122	178	199
Depr./write-downs of fixed & intangible assets	28	25	25	29	25	79	80	109	118
<b>Other expenses</b>	<b>203</b>	<b>213</b>	<b>186</b>	<b>212</b>	<b>190</b>	<b>602</b>	<b>575</b>	<b>787</b>	<b>799</b>
<b>Total operating expenses</b>	<b>466</b>	<b>496</b>	<b>454</b>	<b>479</b>	<b>425</b>	<b>1,416</b>	<b>1,310</b>	<b>1,789</b>	<b>1,722</b>
Cost/income ratio	56%	47%	44%	51%	43%	49%	43%	44%	48%
Cost/income ratio ex financial inv.	55%	56%	54%	56%	52%	55%	54%	54%	56%
12-month cost growth*	9.6 %	11.9 %	2.8 %	3.9 %	4.2 %	8.1 %	4.2 %	3.9 %	4.1 %

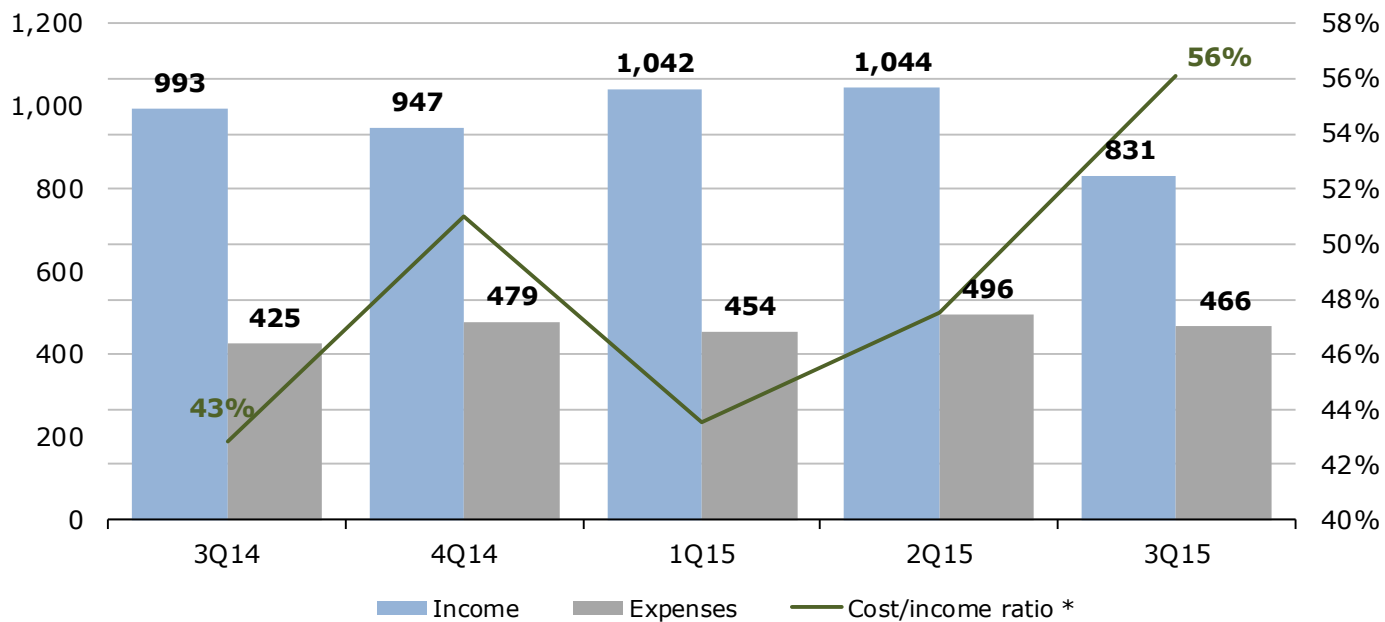
\* The increase in 12 month cost growth is effected by the consolidation of SpareBank 1 Markets as a subsidiary

### Change in operating expenses

(in NOK million)	2015	30 Sept. Change	2014
<b>Total</b>	<b>1,416</b>	<b>106</b>	<b>1,310</b>
Total personnel expenses		79	
Depr./write-downs of fixed & intangible assets		- 1	
EDP and telecommunication expenses		16	
Other operating expenses		- 16	
Operating exp. on properties and premises		7	
Other external services		17	
Marketing		6	
Postage and transportation services		- 2	

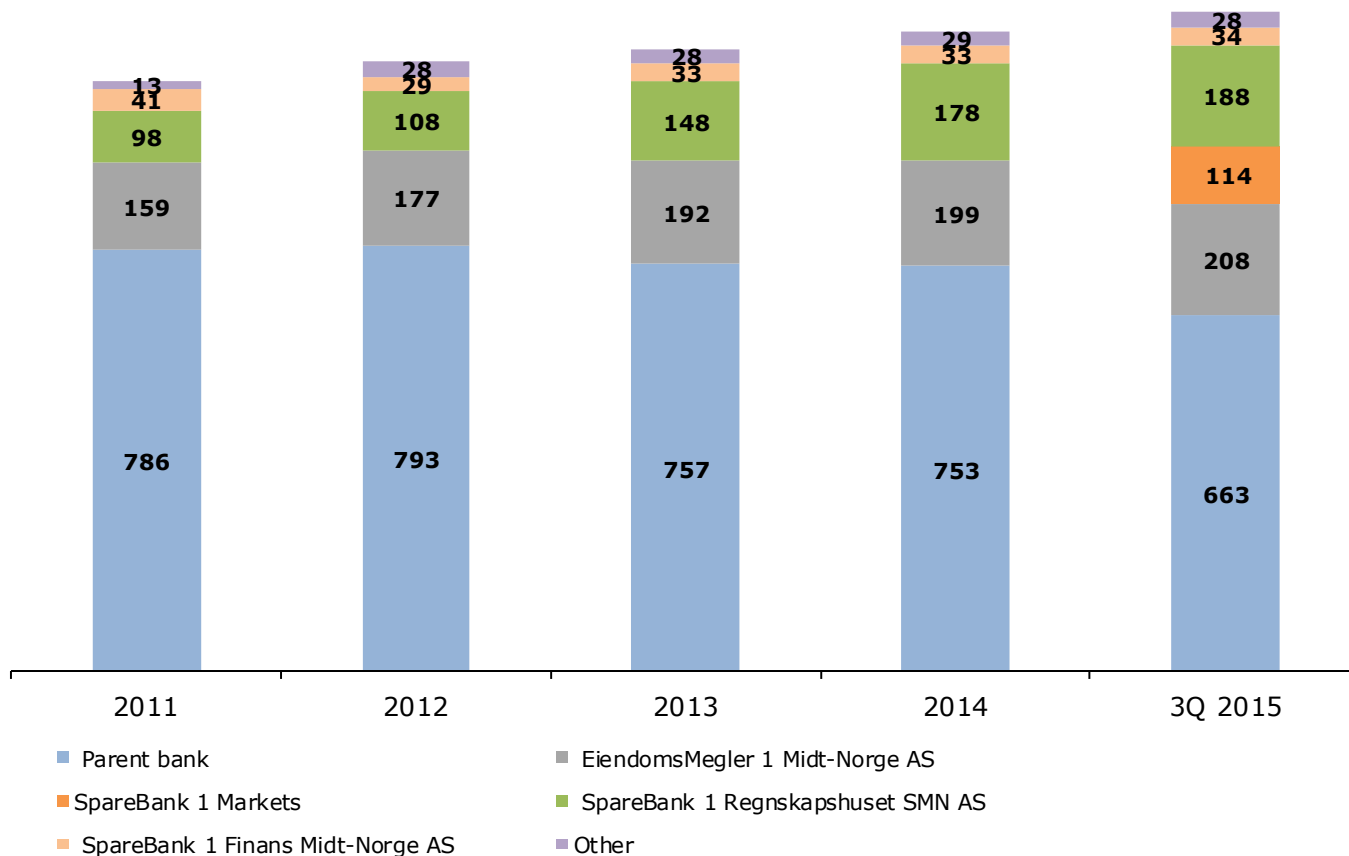
### Cost/income ratio

NOK mill.



\* Total operating expences as a percentage of total operating income

Employees in employment



SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015. SpareBank 1 SMN's capital market activities, including 32 FTEs, were transferred to SpareBank 1 Markets as part of the transaction.

The bank is reorganised as from 1 January 2013. Further adjustments are made in 2014. Figures for person-years worked in 2013 and 2014 in the parent bank are therefore not comparable with historical figures.

### 3. Loans to customers

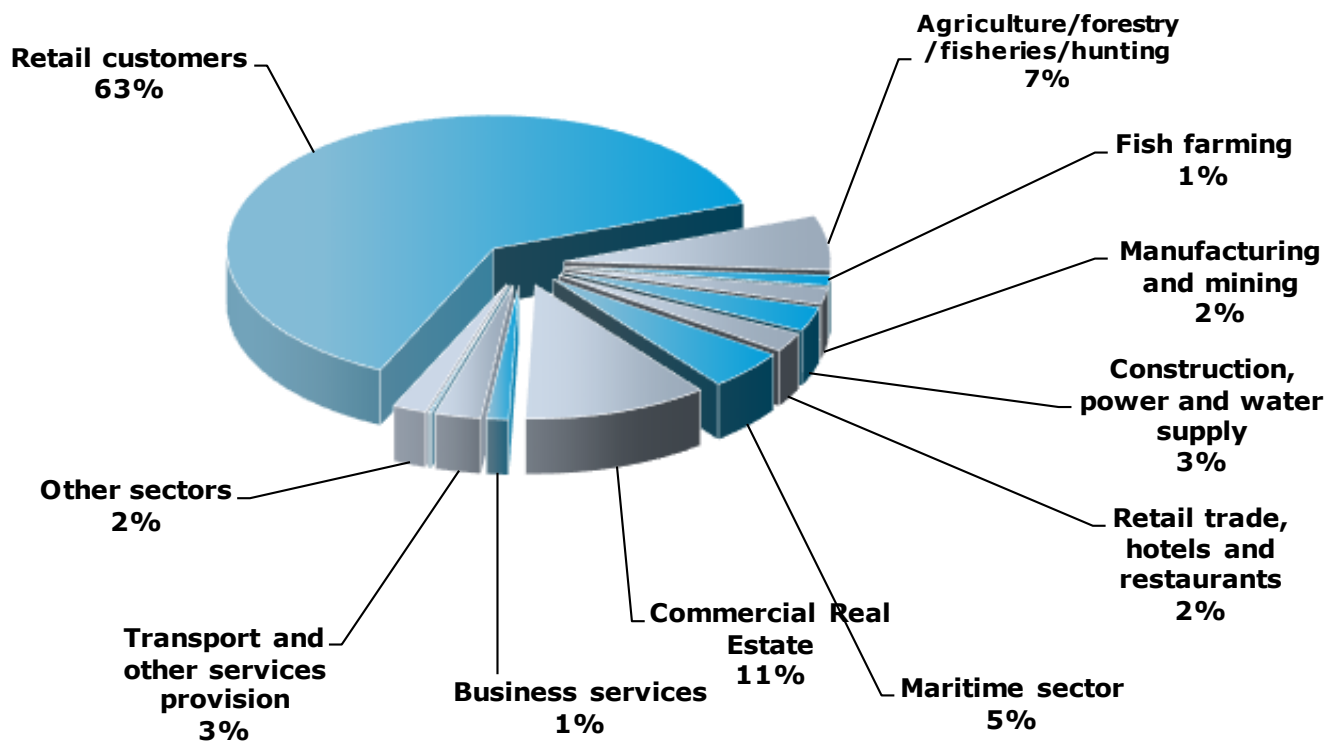
#### 3.1. Distribution of loans by industry

##### *Distribution of loans by industry*

(in NOK million)	<b>30 Sept. 2015</b>	<b>30 Jun. 2015</b>	<b>31 Mar. 2015</b>	<b>31 Dec. 2014</b>	<b>30 Sept. 2014</b>	<b>31 Dec. 2013</b>
Agriculture/forestry/fisheries/hunting	8,313	8,152	7,694	7,158	6,788	6,380
Fish farming	1,581	1,798	1,322	1,367	1,387	2,468
Manufacturing and mining	2,517	2,333	2,190	2,330	2,315	2,152
Construction, power and water supply	3,707	4,247	4,048	3,717	3,251	3,217
Retail trade, hotels and restaurants	2,940	2,856	2,937	2,671	2,867	2,447
Maritime sector	6,097	6,024	6,017	5,638	4,778	5,403
Commercial Real Estate	14,142	14,167	14,375	14,075	12,769	12,152
Business services	1,698	1,681	3,594	3,681	3,581	3,878
Transport and other services provision	3,509	3,408	3,344	3,141	3,038	2,750
Public administration	225	208	286	300	273	424
Other sectors	2,587	2,342	1,969	2,270	2,861	2,421
<b>Gross loans in corporate market</b>	<b>47,315</b>	<b>47,215</b>	<b>47,776</b>	<b>46,348</b>	<b>43,907</b>	<b>43,692</b>
<b>Retail customers</b>	<b>78,864</b>	<b>77,304</b>	<b>75,157</b>	<b>74,087</b>	<b>72,556</b>	<b>68,591</b>
<b>Gross loans incl. Boligkr. and Næringskr.</b>	<b>126,180</b>	<b>124,519</b>	<b>122,933</b>	<b>120,435</b>	<b>116,464</b>	<b>112,283</b>
- Adv. of this Boligkreditt	29,894	28,965	29,165	28,393	28,518	30,514
- Adv. of this Næringskreditt	1,369	1,375	1,457	1,463	1,222	1,221
<b>Gross loans in balance sheet</b>	<b>94,917</b>	<b>94,179</b>	<b>92,311</b>	<b>90,578</b>	<b>86,724</b>	<b>80,548</b>
<b>Share of loans, corporate market</b>	<b>37%</b>	<b>38%</b>	<b>39%</b>	<b>38%</b>	<b>38%</b>	<b>39%</b>
<b>Share of loans, retail market</b>	<b>63%</b>	<b>62%</b>	<b>61%</b>	<b>62%</b>	<b>62%</b>	<b>61%</b>



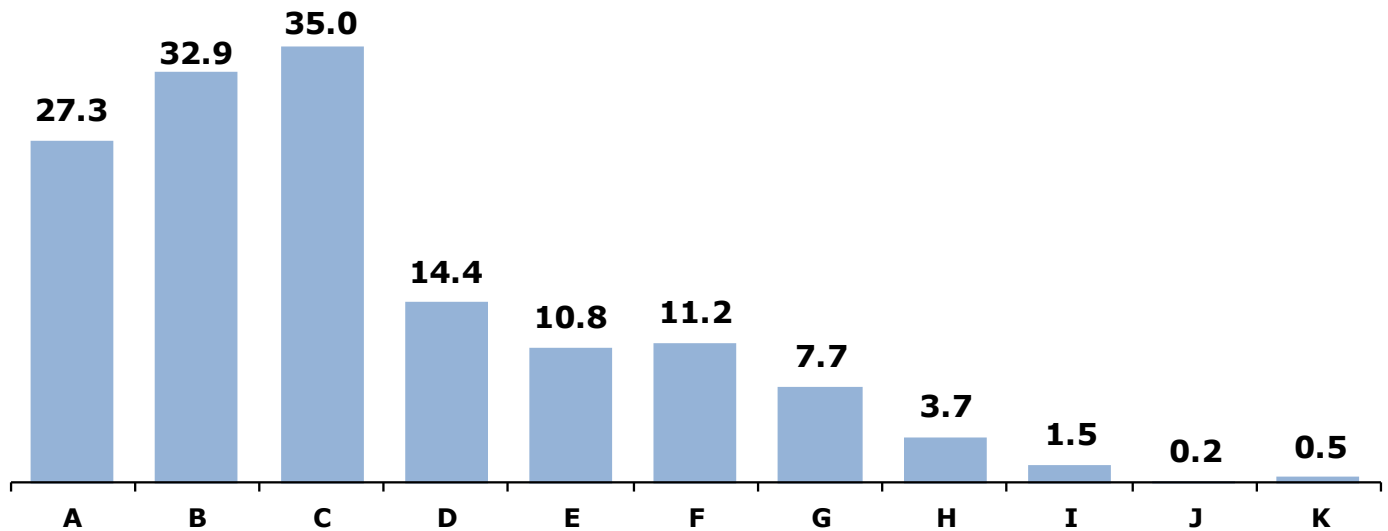
*Distribution of loans by industry*



### 3.2. Risk profile and write-downs

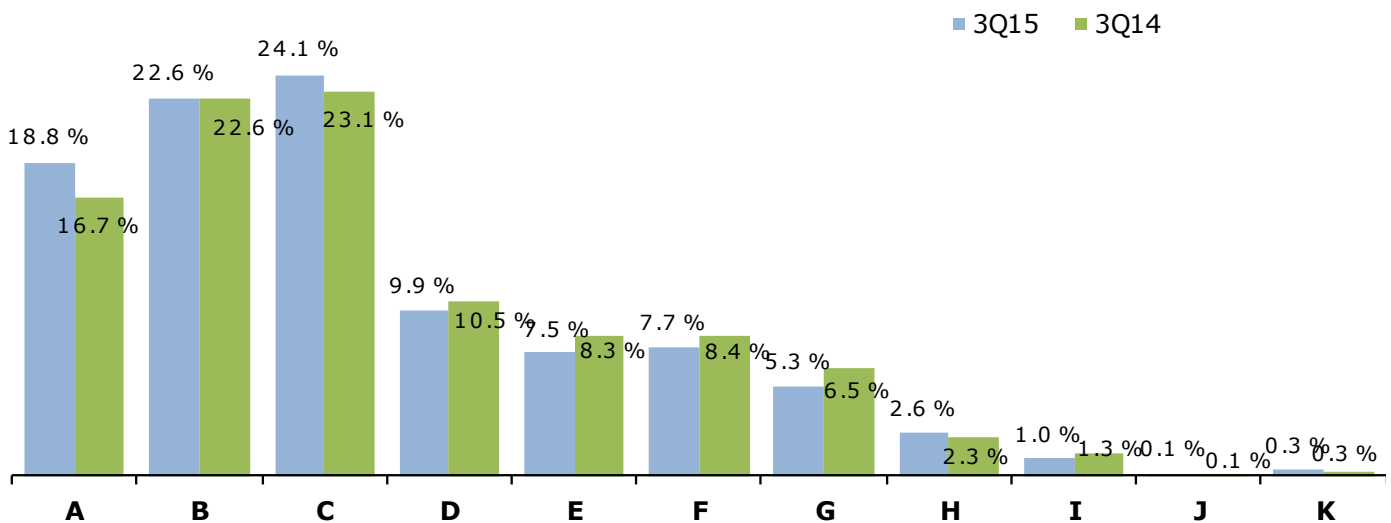
#### Actual risk profile, Exposure At Default

NOK billion



#### Actual risk profile, Exposure At Default

Per cent



## 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)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Increase in and new individual write-downs	23	9	-13	-10	6	19	9	-1	29
Reassessments and recoveries	-3	-24	-35	-44	-18	-62	-46	-90	-71
Total individual write-downs	26	33	22	34	24	82	55	89	101
Change in group write-downs on loans	30	1	0	0	0	31	0	0	0
<b>Write-downs on loans and guarantees</b>	<b>56</b>	<b>34</b>	<b>22</b>	<b>34</b>	<b>24</b>	<b>112</b>	<b>55</b>	<b>89</b>	<b>101</b>
<b>As % of gross loans incl. Boligkreditt</b>	0.18%	0.11%	0.07%	0.11%	0.08%	0.12%	0.06%	0.08%	0.09%

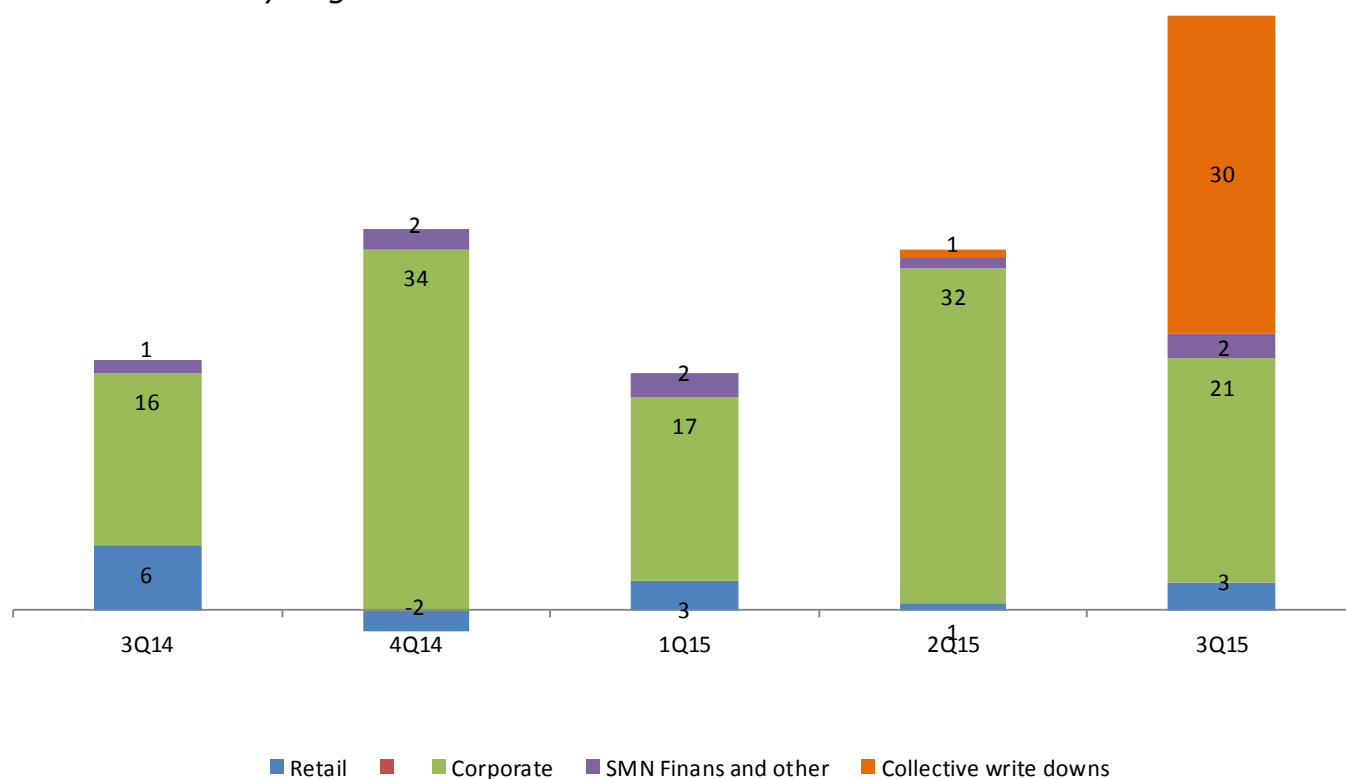
## Loss on loans by segment

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Retail	3	1	3	-2	6	6	7	6	6
SME *									5
Corporate**	21	32	17	34	16	70	44	77	71
SMN Finans and other	2	1	2	2	1	6	4	6	19
Collective write downs	30	1	0	0	0	31	0	0	0
<b>Total loss on loans</b>	<b>56</b>	<b>34</b>	<b>22</b>	<b>34</b>	<b>24</b>	<b>112</b>	<b>55</b>	<b>89</b>	<b>101</b>

\* As from 1 January 2014 the bank's SME portfolio is split up and assigned to Retail Banking and Corporate Banking respectively

\*\* The increase in collective write downs in 3Q 2015 is related to the Corporate portfolio

### Loss on loans by segment



### Individual and collective write-downs

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept. 2015	30 Sept. 2014	2014	2013
Individual write-downs to cover loss on loans, guarantees at start of period	168	160	172	182	176	172	173	173	144
Write downs of loans previously subject to individual write down	0	0	4	-5	-3	5	6	2	15
Reversal of previous years' write downs	-15	-14	-3	1	-5	-32	-23	-22	-18
Increase in write downs of commitments not previously subject to individual write down	41	46	20	25	25	106	59	84	72
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-3	-24	-33	-32	-10	-60	-34	-66	-40
<b>Individual write downs to cover loss</b>	<b>191</b>	<b>168</b>	<b>160</b>	<b>172</b>	<b>182</b>	<b>191</b>	<b>182</b>	<b>172</b>	<b>173</b>
Collective write downs to cover loss on loans, guarantees at start of period	296	295	295	295	295	295	295	295	295
Period's collective write down to cover loss on loans, guarantees etc.	30	1	0	0	0	31	0	0	0
<b>Collective write downs to cover loss on loans, guarantees</b>	<b>326</b>	<b>296</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>326</b>	<b>295</b>	<b>295</b>	<b>295</b>

## Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	83,836	67,679	10,667	3,598	778	897	218
Public administration	1,016	1,016	-	-	-	-	-
Agriculture and forestry	8,945	4,692	2,120	1,671	292	139	30
Sea farming industries	2,350	1,048	1,266	36	0	-	-
Manufacturing	4,274	1,275	635	2,164	148	45	5
Construction, power and water supply	5,063	1,552	888	2,037	487	35	65
Retail trade, hotels and restaurants	3,853	510	1,370	1,764	91	42	76
Maritime sector	828	64	394	283	33	54	-
Property management	15,394	6,128	4,242	3,967	783	197	76
Business services	3,547	681	930	1,487	405	39	5
Transport and other services provision	11,121	5,799	2,709	1,882	512	27	192
Finance	-	-	-	-	-	-	-
Other sectors	5,161	4,844	50	63	203	-	-
<b>3Q15</b>	<b>145,390</b>	<b>95,290</b>	<b>25,272</b>	<b>18,952</b>	<b>3,733</b>	<b>1,476</b>	<b>667</b>
<b>2014</b>	<b>134,884</b>	<b>81,769</b>	<b>28,051</b>	<b>18,857</b>	<b>4,165</b>	<b>1,574</b>	<b>469</b>
<b>2013</b>	<b>126,767</b>	<b>77,571</b>	<b>26,590</b>	<b>16,001</b>	<b>3,976</b>	<b>2,108</b>	<b>521</b>

## Write-down ratio

(in NOK million)	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	31 Dec. 2013
Non-performing commitments (gross)	218	287	237	270	338	386
Impaired commitments (gross)	448	368	226	216	206	157
Gross non-performing and impaired commitments	667	655	463	486	544	543
Individual write-downs	190	168	160	172	182	173
Collective write-downs	326	296	295	295	295	295
Write-down ratio (%)	77.3 %	70.7 %	98.2 %	96.0 %	87.6 %	86.0 %

Default in excess of 90 days

NOK million

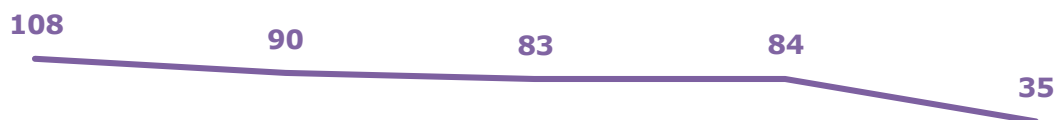


2014	2014	2015	2015	2015
3Q	4Q	1Q	2Q	3Q

— Retail > 90 d

Default in excess of 90 days

NOK million



2014	2014	2015	2015	2015
3Q	4Q	1Q	2Q	3Q

— Corporates\* > 90 d

## 4. Capital adequacy

The Ministry of Finance adopted on 22 August 2014 amendments to regulations on capital requirements taking effect on 30 September 2014. The amendments bring Norwegian legislation into line with the EU's new capital requirements framework (CRR/CRD IV). This framework is for the present not incorporated into the EEA agreement, although its most important provisions have been incorporated in the Financial Institutions Act and the Securities Trading Act. The adjusted legislation entered into force on 1 July 2013, and requires a gradual increase in minimum requirements on Common Equity Tier 1 (CET1) capital in the period to 1 July 2016.

As of 30 September 2015 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3 per cent and countercyclical buffer is 1 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital, so that the overall minimum requirement on CET1 capital is 11 per cent. The countercyclical buffer is announced to increase to 1.5 per cent with effect from 30 June 2016.

SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Use of IRB imposes wide-ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems. As from 31 March 2015 the bank has received permission to apply the Advanced IRB Approach to those corporate portfolios that were previously reported under the Basic Indicator Approach.

SpareBank 1 SMN has reviewed the intention for the bond portfolios and on that basis reclassified certain portfolios from trading to banking in the first quarter of 2015. This is reflected in reduced debt risk and increased credit risk under the standardised approach.

In connection with changed requirements on conditions governing hybrid capital, hybrid capital not meeting the new requirements over time will not be eligible as other core capital. The bonds will subject to a stepwise reduction of 30 per cent in 2015 and 10 per cent thereafter. As at 30 September 2015 SpareBank 1 SMN held hybrid capital worth NOK 450m that will be subject to stepwise reduction. Finanstilsynet may require the hybrid capital to be written down in proportion to equity capital if the bank's CET1 capital ratio falls below 5.125 per cent.

The parent bank calculates capital charges against operational risk using the standardised approach. In the case of subsidiaries, the basic indicator approach is applied.

Capital adequacy figures are stated in accordance with the new reporting requirements as from 30 September 2014. Comparatives have not been restated.

SpareBank 1 SMN's methods for calculating the minimum regulatory capital requirements are summarized below:

Type of risk	Portfolio	Regulatory method
Credit risk	States - parent bank	Standard method
	Institutions - parent bank	Standard method
	Housing cooperatives, clubs and associations - parent bank	Standard method
	Enterprises - parent bank	Advanced IRB approach
	Mass market - parent bank	IRB - mass market (advanced)
	Sparebank 1 Finans Midt-Norge AS	Standard method
	SpareBank 1 Invest	Standard method
	SpareBank 1 Allegro Kapitalforvaltning AS	Standard method
	Mass market - SpareBank 1 Boligkreditt AS	IRB- mass market (advanced)
	Enterprises - SpareBank 1 Næringskreditt AS	Standard method
Market risk	Enterprises - BN Bank AS	Advanced IRB approach
	Mass market - BN Bank AS	IRB - mass market (advanced)
	Equity risk - parent bank	Standard method
	Debt risk - parent bank	Standard method
Operational risk	Currency risk - parent bank	Standard method
	Subsidiaries and part-owned companies	Standard method
	SpareBank 1 SMN (parent bank)	Standardised approach
	Subsidiaries and part-owned companies	Basic Indicator Approach

## Capital Adequacy

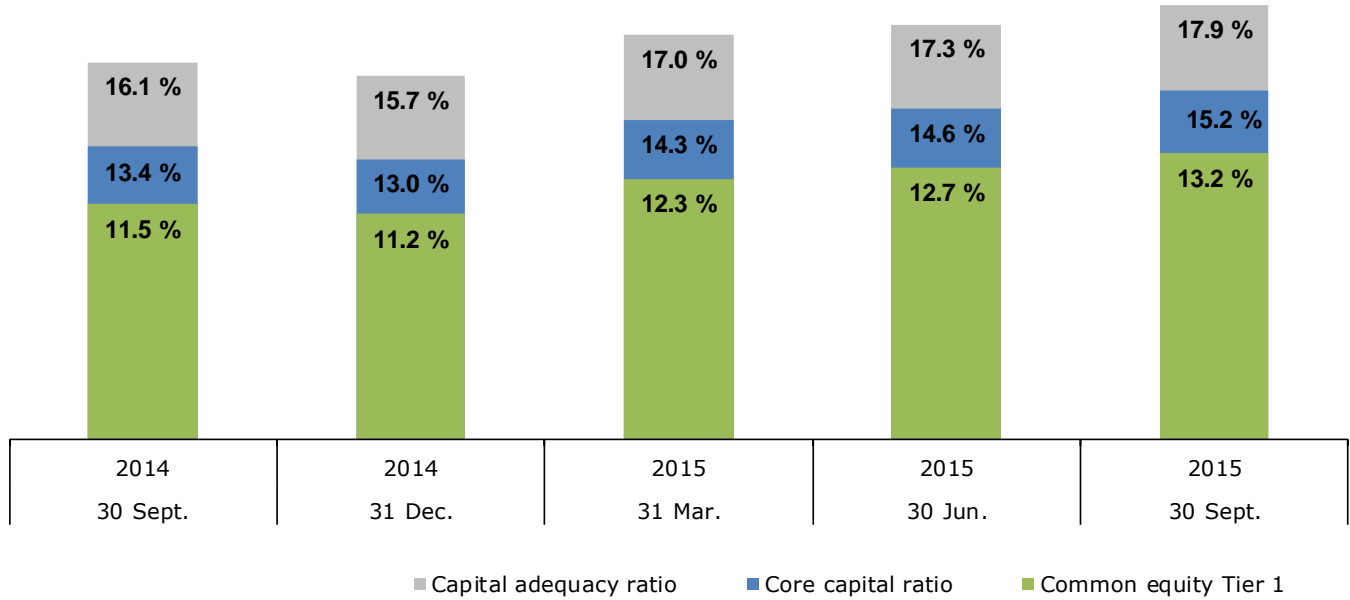
(in NOK million)	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	31 Dec. 2013
Equity capital certificates	2,597	2,597	2,597	2,597	2,597	2,597
- Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,122	3,122	3,122	3,122	2,496	2,496
Savings bank's reserve	3,619	3,619	3,619	3,619	3,276	3,276
Recommended dividends	0	0	0	292	0	227
Provision for gifts	0	0	0	160	0	124
Unrealised gains reserve	148	148	148	148	206	206
Other equity and minority interest	1,660	1,639	1,622	1,620	1,282	1,354
Minority interests	295	301	78	72	69	67
Net profit	1,119	871	441	0	1,407	0
<b>Total book equity</b>	<b>13,455</b>	<b>13,191</b>	<b>12,521</b>	<b>12,524</b>	<b>12,228</b>	<b>11,242</b>
Deferred taxes, goodwill and other intangible assets	-679	-664	-569	-566	-565	-582
Part of reserve for unrealised gains, associated companies	179	120	120	120	131	98
Deduction for allocated dividends and gifts	0	0	0	-452	0	-361
50 % deduction for subordinated capital in other financial institutions						-106
50 % deduction for expected losses on IRB, net of write-downs						-214
50 % capital adequacy reserve						-595
Minority interests recognised in other equity capital	-295	-301	-78	-72	-69	
Minority interests eligible for inclusion in CET1 capital	49	47	36	35	34	
Surplus financing of pension obligations	0	0	0	0	-21	-107
Net profit	-1,119	-871	-441	0	-1,407	0
Year-to-date profit included in core capital (73 per cent pre tax of group profit)	817	636	322	0	1,027	0
Value adjustments due to requirements for prudent valuation	-49	-43	-44	-45	-36	
Positive value of adjusted expected loss under IRB Approach	-277	-318	-381	-419	-367	
Direct, indirect and synthetic investments in financial sector companies	-428	-355	-477	-451	-349	
<b>Total common equity Tier one</b>	<b>11,652</b>	<b>11,443</b>	<b>11,008</b>	<b>10,674</b>	<b>10,605</b>	<b>9,374</b>
Hybrid capital, core capital	1,311	1,217	1,217	1,716	1,707	1,615
Hybrid capital covered by transitional provisions	496	491	497			
Direct, indirect and synthetic investments in financial sector companies	-9	-9	-9	-9	-9	
<b>Total core capital</b>	<b>13,451</b>	<b>13,142</b>	<b>12,713</b>	<b>12,382</b>	<b>12,302</b>	<b>10,989</b>
<b>Supplementary capital in excess of core capital</b>						31
Fund bonds, hybrid capital in excess of 15 %						
Subordinated capital	1,692	1,692	1,692	2,598	2,566	2,313
Subordinated capital covered by transitional provisions	786	786	786	0	0	
50 % deduction for subordinated capital in other financial institutions						-106
50 % deduction for expected losses on IRB, net of write-downs						-214
50 % capital adequacy reserve						-595
Direct, indirect and synthetic investments in financial sector companies	-43	-43	-43	-43	-43	
<b>Total supplementary capital</b>	<b>2,435</b>	<b>2,435</b>	<b>2,435</b>	<b>2,555</b>	<b>2,523</b>	<b>1,428</b>
<b>Net subordinated capital</b>	<b>15,886</b>	<b>15,577</b>	<b>15,147</b>	<b>14,937</b>	<b>14,826</b>	<b>12,417</b>



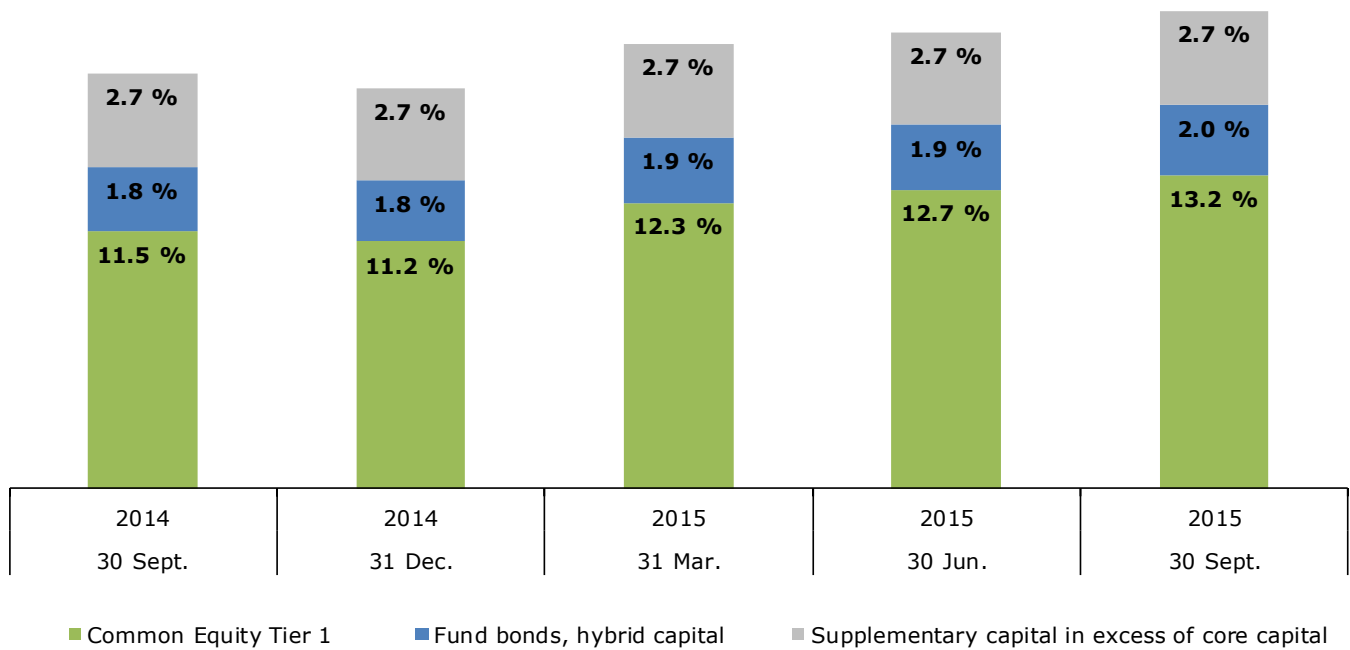
### Minimum requirements subordinated capital

(in NOK million)	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	31 Dec. 2013
Involvement with specialised enterprises	1,262	1,391	1,506	1,887	1,732	1,573
Other corporations exposure	1,058	965	1,038	1,371	1,375	1,479
Mass market exposure, SMBs	186	185	149	159	147	74
Mass market exposure, property	1,551	1,514	1,447	1,280	1,233	628
Other retail exposure	15	13	54	51	42	33
Equity investments, IRB	0	0	0	0	0	0
<b>Total credit risk IRB</b>	<b>4,073</b>	<b>4,068</b>	<b>4,194</b>	<b>4,748</b>	<b>4,529</b>	<b>3,787</b>
Debt risk	94	200	200	397	440	224
Equity risk	10	8	2	1	2	10
Currency risk	0	0	0	0	0	0
Operational risk	457	457	452	416	416	398
Exposures calculated using the standardised approach	1,827	1,926	2,025	1,971	1,860	2,151
Deductions			0	0	0	-119
CVA	92	71	97	92	116	
Transitional arrangements	533	471	163	0	0	316
<b>Minimum requirements subordinated capital</b>	<b>7,087</b>	<b>7,201</b>	<b>7,134</b>	<b>7,625</b>	<b>7,364</b>	<b>6,767</b>
<b>Risk Weighted Assets (RWA)</b>	<b>88,586</b>	<b>90,010</b>	<b>89,171</b>	<b>95,317</b>	<b>92,045</b>	<b>84,591</b>
Minimum requirement on CET1 capital, 4.5 per cent	3,986	4,050	4,013	4,289	4,142	
Capital conservation buffer, 2,5 per cent	2,215	2,250	2,229	2,383	2,301	
Systemic risk buffer, 3.0 per cent	2,658	2,700	2,675	2,860	2,761	
Countercyclical buffer, 1.0 per cent	886	900				
<b>Available CET1 capital after buffer requirements</b>	<b>1,908</b>	<b>1,542</b>	<b>2,091</b>	<b>1,143</b>		
Common equity Tier 1	13.2 %	12.7 %	12.3 %	11.2 %	11.5 %	11.1 %
Core capital ratio	15.2 %	14.6 %	14.3 %	13.0 %	13.4 %	13.0 %
Capital adequacy ratio	17.9 %	17.3 %	17.0 %	15.7 %	16.1 %	14.7 %

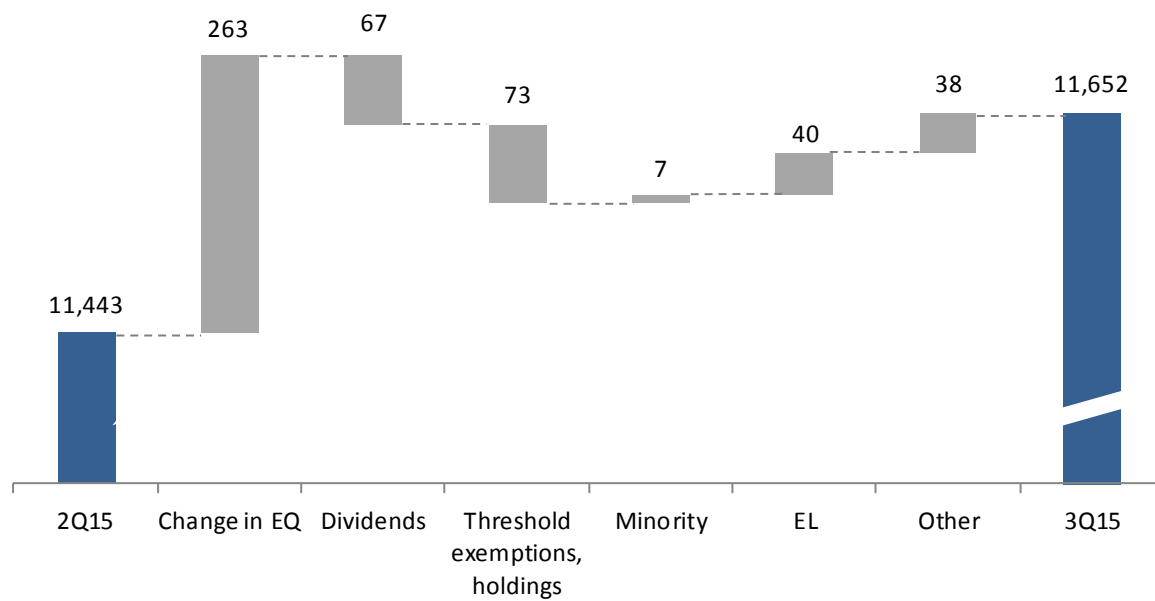
Capital Adequacy



Capital Adequacy



Quarterly changes in Common equity Tier 1

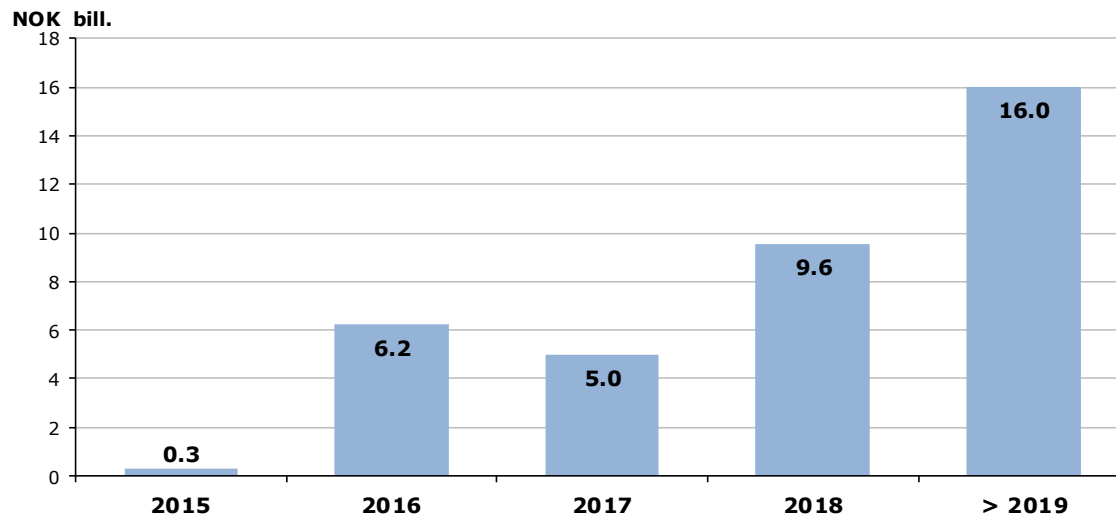


Quarterly changes in Minimum requirements subordinated capital

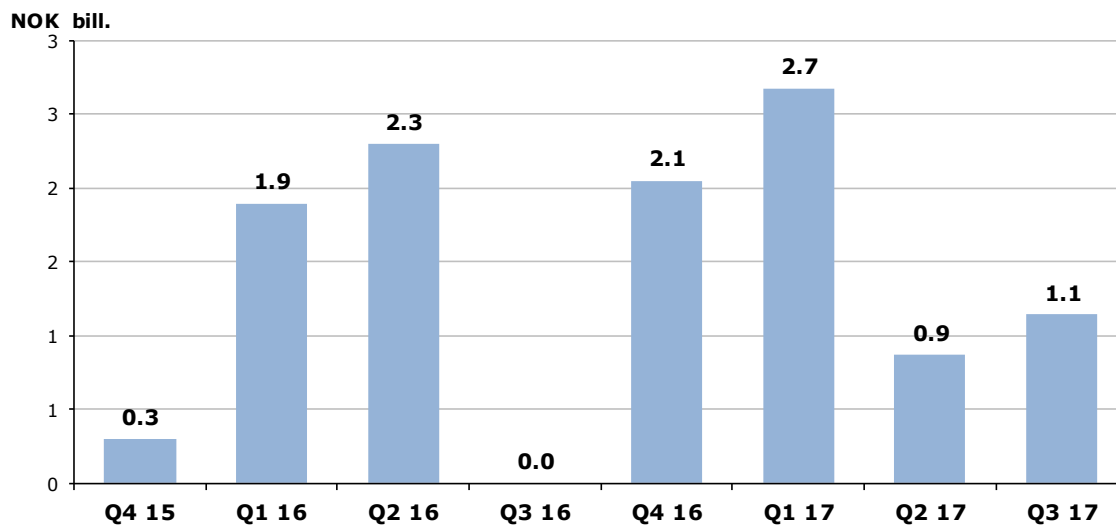


## 5. Funding

*Funding maturity dates*

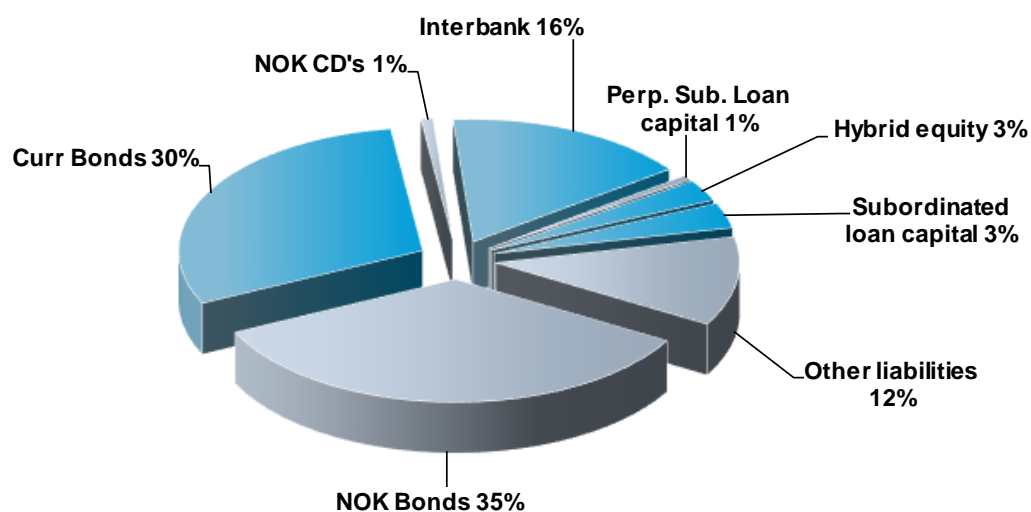


*Funding maturity dates over the next eight quarters*



### Capital markets funding

(in NOK million)	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	31 Dec. 2013
NOK Bonds	17,774	17,745	16,588	18,263	18,180	18,953
Curr Bonds	15,418	14,286	12,873	13,611	12,181	11,451
NOK CD's	403	1,155	2,305	820	300	2,750
Interbank	8,324	8,684	7,595	7,572	5,639	5,159
Gov. Swap arrangement	-	-	-	-	-	1,220
Perp. Sub. Loan capital	299	299	1,746	307	304	304
Hybrid equity	1,446	1,441	1,447	1,449	1,440	1,431
Subordinated loan capital	1,707	1,641	1,659	1,607	1,576	1,569
Other liabilities	6,034	5,199	6,716	7,512	7,236	5,830
<b>Total</b>	<b>51,406</b>	<b>50,449</b>	<b>50,929</b>	<b>51,141</b>	<b>46,856</b>	<b>48,667</b>



## 6. Financial results

### Financial results

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Interest income	1,058	992	1,019	1,103	1,080	3,069	3,162	4,265	4,118
Interest expenses	593	525	552	618	617	1,670	1,857	2,475	2,502
<b>Net interest</b>	<b>466</b>	<b>467</b>	<b>467</b>	<b>485</b>	<b>463</b>	<b>1,399</b>	<b>1,305</b>	<b>1,790</b>	<b>1,616</b>
Commission income	317	313	306	323	314	936	958	1,281	1,230
Commission expenses	38	32	27	33	28	97	81	113	94
Other operating income	99	132	97	81	74	329	263	344	327
<b>Commission income and other income</b>	<b>378</b>	<b>413</b>	<b>377</b>	<b>371</b>	<b>361</b>	<b>1,168</b>	<b>1,140</b>	<b>1,512</b>	<b>1,463</b>
Dividends	0	22	0	5	0	23	60	65	41
Income from investment in related companies	78	120	129	144	170	327	383	527	355
Net return on financial investments	-91	23	69	-58	1	1	185	128	106
<b>Net return on financial investments</b>	<b>-13</b>	<b>165</b>	<b>198</b>	<b>91</b>	<b>170</b>	<b>350</b>	<b>629</b>	<b>720</b>	<b>502</b>
<b>Total income</b>	<b>831</b>	<b>1,044</b>	<b>1,042</b>	<b>947</b>	<b>993</b>	<b>2,917</b>	<b>3,074</b>	<b>4,021</b>	<b>3,580</b>
Staff costs	264	283	267	267	235	814	735	1,002	923
Administration costs	137	147	126	129	122	411	371	500	447
Other operating expenses	65	66	61	83	68	192	204	287	352
<b>Total operating expenses</b>	<b>466</b>	<b>496</b>	<b>454</b>	<b>479</b>	<b>425</b>	<b>1,416</b>	<b>1,310</b>	<b>1,789</b>	<b>1,722</b>
<b>Result before losses</b>	<b>364</b>	<b>548</b>	<b>588</b>	<b>467</b>	<b>568</b>	<b>1,501</b>	<b>1,765</b>	<b>2,232</b>	<b>1,859</b>
Loss on loans, guarantees etc.	56	35	22	34	24	112	55	89	101
<b>Result before tax</b>	<b>309</b>	<b>513</b>	<b>567</b>	<b>434</b>	<b>545</b>	<b>1,389</b>	<b>1,709</b>	<b>2,143</b>	<b>1,758</b>
Tax charge	61	83	126	60	101	270	302	362	388
Results investments held for sale, after tax	0	0	0	0	-1	-1	0	0	30
<b>Net profit</b>	<b>248</b>	<b>430</b>	<b>441</b>	<b>375</b>	<b>443</b>	<b>1,119</b>	<b>1,407</b>	<b>1,782</b>	<b>1,400</b>
Majority share	253	427	439	372	441	1,119	1,399	1,772	1,390
Minority interest	-5	3	2	2	3	0	8	10	10

## Balance sheet

(in NOK million)	30 Sept. 2015	30 Jun. 2015	31 Mar. 2015	31 Dec. 2014	30 Sept. 2014	31 Dec. 2013
Cash and receivables from central banks	1,252	3,895	568	4,676	757	4,795
Deposits with and loans to credit institutions	2,807	2,520	1,952	1,289	1,144	1,189
Gross loans to customers before write-down	94,917	94,179	92,311	90,578	86,724	80,548
- Specified write-downs	-191	-168	-160	-172	-182	-173
- Write-downs by loan category	-326	-296	-295	-295	-295	-295
Net loans to and receivables from customers	94,400	93,715	91,855	90,112	86,247	80,080
Fixed-income CDs and bonds at fair value	14,430	15,082	13,954	14,177	15,393	16,937
Derivatives	7,513	5,851	7,340	7,877	5,052	3,780
Shares, units and other equity interests	1,221	1,346	700	708	695	1,016
Investment in related companies	5,189	5,024	5,185	5,129	5,008	4,624
Investments held for sale	15	15	16	45	61	113
Goodwill	528	529	529	526	522	495
Other assets	1,882	2,912	1,587	1,509	2,316	2,329
<b>Assets</b>	<b>129,237</b>	<b>130,888</b>	<b>123,687</b>	<b>126,047</b>	<b>117,194</b>	<b>115,360</b>
Deposits from credit institutions	8,324	8,684	7,598	9,123	5,827	6,581
Deposits from and debt to customers	63,620	66,186	60,589	60,680	58,092	55,927
Debt created by issue of securities	33,557	33,146	31,971	33,001	30,721	34,086
Derivatives	5,486	4,610	6,096	6,252	4,385	2,720
Other liabilities	1,342	1,690	1,495	1,095	2,616	1,485
Investments held for sale	0	0	0	0	0	0
Subordinated loan capital	3,453	3,380	3,415	3,371	3,325	3,319
<b>Total liabilities</b>	<b>115,782</b>	<b>117,697</b>	<b>111,165</b>	<b>113,523</b>	<b>104,966</b>	<b>104,118</b>
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597
Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	3,122	3,122	3,122	3,122	2,496	2,496
Recommended dividends	0	0	0	292	0	227
Provision for gifts	0	0	0	160	0	124
Savings bank's reserve	3,619	3,619	3,619	3,619	3,276	3,276
Unrealised gains reserve	148	148	148	148	206	206
Other equity capital	1,660	1,639	1,622	1,620	1,285	1,354
Result of the period	1,119	871	441	0	1,407	0
Minority interests	295	301	78	72	66	67
<b>Total equity capital</b>	<b>13,455</b>	<b>13,191</b>	<b>12,521</b>	<b>12,524</b>	<b>12,228</b>	<b>11,242</b>
<b>Total liabilities and equity</b>	<b>129,237</b>	<b>130,888</b>	<b>123,687</b>	<b>126,047</b>	<b>117,194</b>	<b>115,360</b>

The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 and 2013 are similarly restated.

### Key figures

	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Return on equity	7.4 %	13.4 %	14.1 %	12.1 %	14.8 %	11.5 %	16.1 %	15.1 %	13.3 %
Cost/income ratio group	56%	47%	44%	51%	43%	49%	43%	44%	48%
Cost/income ratio group, ex. financial inv.	55%	56%	54%	56%	52%	55%	54%	54%	56%
12-month cost growth	9.6 %	16.6 %	2.8 %	3.0 %	4.7 %	8.1 %	4.2 %	3.9 %	4.1 %
Gross loans to customers*	126,180	124,519	122,933	120,435	116,479	126,180	116,464	120,435	112,283
Growth in loans last 12 months*	8.3 %	8.4 %	10.0 %	7.3 %	5.4 %	8.3 %	5.4 %	7.3 %	6.8 %
Growth in loans this period*	1.3 %	1.3 %	2.1 %	3.4 %	1.4 %	4.8 %	3.7 %	7.3 %	6.8 %
Deposits from customers	63,620	66,186	60,589	60,680	58,091	63,620	58,091	60,680	55,927
Growth in deposits last 12 months	9.5 %	11.4 %	10.9 %	8.5 %	8.5 %	9.5 %	8.5 %	8.5 %	7.3 %
Growth in deposits this period	-3.9 %	9.2 %	-0.2 %	4.5 %	-2.2 %	4.8 %	3.9 %	8.5 %	7.3 %
Ordinary lending financed by ordinary deposits	67%	70%	66%	67%	67%	67%	67%	67%	69%
Total assets	129,237	130,888	123,687	126,047	117,194	129,237	117,194	126,047	115,360
Average total assets (quarterly)	130,063	127,288	124,867	121,620	117,976	127,465	115,730	117,794	111,843
Employees in employment group	1,228	1,227	1,157	1,192	1,186	1,228	1,186	1,192	1,159
Employees in employment parent bank	663	673	716	753	773	663	773	753	757
Employees in employment subsidiaries	565	554	441	439	413	565	413	439	402
Number of branches	49	49	49	49	49	49	49	49	50
Lending margin	2.19	2.26	2.43	2.49	2.48	2.29	2.57	2.56	2.58
Deposit margin	(0.14)	(0.23)	(0.38)	(0.41)	(0.41)	(0.25)	(0.50)	(0.49)	(0.51)
Net other operating income of total income	45%	40%	36%	36%	36%	40%	37%	38%	41%
Common Equity Tier 1 ratio	13.2 %	12.7 %	12.3 %	11.2 %	11.5 %	13.2 %	11.5 %	11.2 %	11.1 %
Core capital ratio	15.2 %	14.6 %	14.3 %	13.0 %	13.4 %	15.2 %	13.4 %	13.0 %	13.0 %
Capital adequacy ratio	17.9 %	17.3 %	17.0 %	15.7 %	16.1 %	17.9 %	16.1 %	15.7 %	14.7 %
Total core capital	13,451	13,142	12,713	12,382	12,302	13,451	12,302	12,382	10,989
Net subordinated capital	15,886	15,577	15,147	14,937	14,826	15,886	14,826	14,937	12,417
Impairment losses ratio	0.18%	0.11%	0.07%	0.11%	0.08%	0.12%	0.06%	0.08%	0.09%
Non-performing commitm. as % of gross loans	0.17%	0.23%	0.19%	0.22%	0.29%	0.17%	0.29%	0.22%	0.34%
Other doubtful commitm. as % of gross loans	0.36%	0.30%	0.18%	0.18%	0.18%	0.36%	0.18%	0.18%	0.14%
ECC price	54.00	65.50	59.50	58.50	59.25	54.00	59.25	58.50	55.00
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	65.52	64.18	61.95	62.04	60.53	65.52	60.53	62.04	55.69
Adjusted profit per ECC	1.26	2.13	2.18	1.85	2.19	5.57	6.97	8.82	6.92
P/E per ECC	10.72	7.70	6.81	7.89	6.75	7.27	6.38	6.63	7.95
P/B equity capital	0.82	1.02	0.96	0.94	0.98	0.82	0.98	0.94	0.99

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



## 7. Segment Information

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, after tax, as well as book value of the investment at group level.

The segment SB1 Markets comprises the subsidiary SpareBank 1 Markets as from the second quarter of 2015. SpareBank 1 Markets became a subsidiary on 1 April 2015 when SpareBank 1 SMN integrated its markets activity into SpareBank 1 Markets and at the same time increased its holding to 73.4 per cent. Consequently, the result as of 30 September 2015 is the result of second and third quarter.

In the reporting on the first quarter of 2015 and previously, the segment Markets comprised SpareBank 1 SMN's own markets activity in the parent bank. The result for the first quarter of 2015 is from the second quarter moved to the column "Uncollated".. For a further description of the transaction involving SpareBank 1 Markets, see note 2 - critical estimates and assessment concerning the use of accounting principles – in the Quarterly report.

The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 and 2013 are similarly restated.

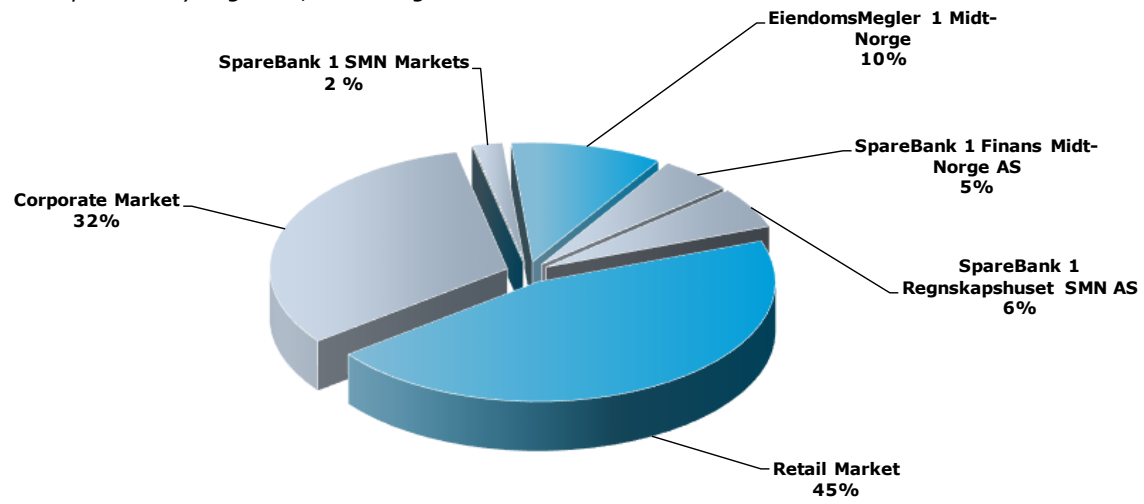
As of 1 January 2014 the bank's SME portfolio was split up and assigned to Retail Banking and Corporate Banking respectively. Limited companies are transferred to Corporate Banking. Sole proprietorships, agricultural customers and associations etc are transferred to Retail Banking. Historical data have not been reworked owing to the difficulty of reconstructing such data at a sufficiently precise level. In the segment information, data for Retail customers for 2013 are exclusive sole proprietorships, agricultural customers and associations. Historical data for Corporate customers are the former Large Corporates. The SME portfolio is treated as a separate business line in figures for 2013.

### 7.1. Extract from income statement

Group (in NOK million) 30 Sept.2015	Eiendoms										Total
	Retail Market	Corporate Market	SpareBank 1 Markets	Megler 1 Midt-Norge	SpareBank 1 Finans Norge AS	SpareBank 1 Midt-Regnskapshuset SMN AS	SpareBank 1 Gruppen	BN Bank	Uncollated		
Net interest	672	685	-2	2	112	-0	-	-	-70		1,399
Allocated	37	44	-	-	-	-	-	-	-81		-
<b>Total interest income</b>	<b>709</b>	<b>729</b>	<b>-2</b>	<b>2</b>	<b>112</b>	<b>-0</b>	<b>-</b>	<b>-</b>	<b>-151</b>		<b>1,399</b>
Commission income and other income	530	135	25	282	24	153	-	-	19		1,168
Net profit on financial investments	1	11	31	-	-	-	183	31	93		349
<b>Total income*</b>	<b>1,239</b>	<b>874</b>	<b>55</b>	<b>284</b>	<b>136</b>	<b>153</b>	<b>183</b>	<b>31</b>	<b>-39</b>		<b>2,917</b>
<b>Total operating expenses</b>	<b>565</b>	<b>258</b>	<b>118</b>	<b>244</b>	<b>68</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>36</b>		<b>1,416</b>
<b>Ordinary operating profit</b>	<b>674</b>	<b>617</b>	<b>-63</b>	<b>39</b>	<b>68</b>	<b>26</b>	<b>183</b>	<b>31</b>	<b>-74</b>		<b>1,501</b>
Loss on loans, guarantees etc.	6	100	-	-	5	-	-	-	1		112
<b>Result before tax incl investments held for sale</b>	<b>668</b>	<b>517</b>	<b>-63</b>	<b>39</b>	<b>63</b>	<b>26</b>	<b>183</b>	<b>31</b>	<b>-76</b>		<b>1,388</b>
<b>Post-tax return on equity**</b>	<b>16.2 %</b>	<b>12.9 %</b>									<b>11.5 %</b>
<b>Balance sheet</b>											
Loans and advances to customers	83,077	37,781	-	-	4,199	-	-	-	1,124		126,180
adv. of this to Boligkreditt and Næringskreditt	-29,993	-1,269	-	-	-	-	-	-	-1		-31,263
Individual allowance for impairment on loan	-24	-158	-	-	-7	-	-	-	-2		-191
Group allowance for impairment on loan	-90	-218	-	-	-17	-	-	-	-0		-326
Other assets	140	9	1,316	281	14	137	1,453	1,145	30,341		34,836
<b>Total assets</b>	<b>53,109</b>	<b>36,144</b>	<b>1,316</b>	<b>281</b>	<b>4,189</b>	<b>137</b>	<b>1,453</b>	<b>1,145</b>	<b>31,462</b>		<b>129,237</b>
Deposits to customers	33,449	29,567	-	-	-	-	-	-	604		63,620
Other liabilities and equity	19,660	6,578	1,316	281	4,189	137	1,453	1,145	30,858		65,617
<b>Total liabilities</b>	<b>53,109</b>	<b>36,144</b>	<b>1,316</b>	<b>281</b>	<b>4,189</b>	<b>137</b>	<b>1,453</b>	<b>1,145</b>	<b>31,462</b>		<b>129,237</b>

\*\*\*) As from the third quarter 2014, calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 13.5 percent to be in line with the capital plan

*Income specified by segment, excluding financial investments*



### Interest income, Retail Market, Corporate Market and SME

(in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Retail	230	221	221	244	224	672	629	873	630
Corporate	235	234	216	219	210	685	621	840	695
SME									213
<b>Net interest income</b>	<b>465</b>	<b>455</b>	<b>437</b>	<b>463</b>	<b>434</b>	<b>1,357</b>	<b>1,250</b>	<b>1,712</b>	<b>1,537</b>

### Development in margin, Retail Market and Corporate Market

<b>Lending</b> (in percentage)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Retail	2.00	2.06	2.28	2.33	2.31	2.11	2.41	2.41	2.35
Corporate	2.62	2.67	2.75	2.81	2.86	2.68	2.93	2.90	2.92
<b>Total</b>	<b>2.19</b>	<b>2.50</b>	<b>2.49</b>	<b>2.48</b>	<b>2.57</b>	<b>2.29</b>	<b>2.58</b>	<b>2.56</b>	<b>2.58</b>

<b>Deposits</b> (in percentage)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Retail	-0.10	-0.15	-0.35	-0.34	-0.33	-0.20	-0.44	-0.41	-0.38
Corporate	-0.19	-0.32	-0.41	-0.44	-0.48	-0.31	-0.58	-0.55	-0.52
<b>Total</b>	<b>-0.14</b>	<b>-0.38</b>	<b>-0.41</b>	<b>-0.41</b>	<b>-0.55</b>	<b>-0.25</b>	<b>-0.50</b>	<b>-0.49</b>	<b>-0.51</b>

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

### Development in volume, Retail Market, Corporate Market and SME

<b>Lending*</b> (in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Retail	83,077	81,352	79,184	78,407	76,834	83,077	76,834	78,407	64,297
Corporate	37,781	38,090	38,606	36,899	35,016	37,781	35,016	36,899	31,990
SME									9,075
<b>Total</b>	<b>120,857</b>	<b>119,441</b>	<b>117,790</b>	<b>115,306</b>	<b>111,849</b>	<b>120,857</b>	<b>111,849</b>	<b>115,306</b>	<b>105,362</b>

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

<b>Deposits</b> (in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Retail	33,449	33,915	31,782	31,589	31,829	33,449	31,829	31,589	24,480
Corporate	29,567	31,552	28,219	28,463	25,474	29,567	25,474	28,463	21,563
SME									8,742
<b>Total</b>	<b>63,016</b>	<b>65,467</b>	<b>60,000</b>	<b>60,052</b>	<b>57,302</b>	<b>63,016</b>	<b>57,302</b>	<b>60,052</b>	<b>54,784</b>

### Development in commission income, Retail Market, Corporate Market and SME

(in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Retail	182	175	173	194	185	531	568	763	705
Corporate	54	44	47	48	47	145	140	188	140
SME									80
<b>Total</b>	<b>237</b>	<b>220</b>	<b>219</b>	<b>243</b>	<b>232</b>	<b>676</b>	<b>708</b>	<b>951</b>	<b>925</b>

## 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. As from 1 January 2014 sole proprietorships, agricultural customers and associations are assigned to Retail Banking. Figures for 2014 are therefore not directly comparable with figures for 2013.

### Business description

<i>Facts about the business area</i>	<b>30 Sept. 2015</b>
Lending volume	83,077
Deposits volume	33,449
No. of active customers	206,500
FTEs	342

<i>Financial performance</i> (in NOK million)	<b>3Q 2015</b>	<b>2Q 2015</b>	<b>1Q 2015</b>	<b>4Q 2014</b>	<b>3Q 2014</b>	<b>30 Sept.</b>		<b>2014</b>	<b>2013</b>
Net interest income lending	154	154	165	183	163	473	465	648	431
Net interest income deposits	75	67	56	60	61	199	164	224	199
Net interest income allocated capital	6	13	18	8	12	37	33	40	11
<b>Total interest income</b>	<b>236</b>	<b>234</b>	<b>239</b>	<b>252</b>	<b>236</b>	<b>709</b>	<b>661</b>	<b>913</b>	<b>641</b>
Net guarantee commission, incl. Boligkredditt	86	90	97	108	101	273	337	445	426
Net commission of savings products	16	13	10	13	11	39	30	42	38
Net commission insurance services	34	33	30	32	28	96	81	113	99
Net commission payment trans. services	47	39	36	41	44	122	120	161	141
Other commission income	0	-0	-0	-0	-0	0	0	0	0
<b>Net fee and commission income</b>	<b>182</b>	<b>175</b>	<b>173</b>	<b>194</b>	<b>185</b>	<b>530</b>	<b>568</b>	<b>762</b>	<b>704</b>
Net profit on financial investments	0	0	0	0	0	1	1	1	1
<b>Total income</b>	<b>418</b>	<b>410</b>	<b>411</b>	<b>446</b>	<b>421</b>	<b>1,239</b>	<b>1,230</b>	<b>1,675</b>	<b>1,346</b>
<b>Total operating expenses*</b>	<b>195</b>	<b>171</b>	<b>199</b>	<b>213</b>	<b>216</b>	<b>565</b>	<b>596</b>	<b>809</b>	<b>641</b>
<b>Results</b>	<b>223</b>	<b>239</b>	<b>212</b>	<b>233</b>	<b>205</b>	<b>674</b>	<b>634</b>	<b>867</b>	<b>705</b>
Loss on loans, guarantees etc.	3	1	3	-2	6	6	7	6	6
<b>Results before tax</b>	<b>220</b>	<b>238</b>	<b>209</b>	<b>235</b>	<b>199</b>	<b>668</b>	<b>626</b>	<b>861</b>	<b>699</b>

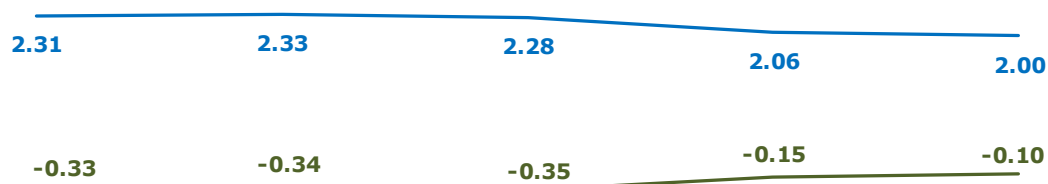
\*) Includes both direct and distributed expenses

**Post-tax return on equity (annualized)\*\*** **16.2 %** **19.8 %** **19.2 %** **31.6 %**

\*\*) As from the third quarter 2014, calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 13.5% to be in line with the capital plan. Figures for periods before third quarter 2014 are not adjusted as a result of this.

### Development in margin

Definition margin: Average customer interest minus 3 months average nibor

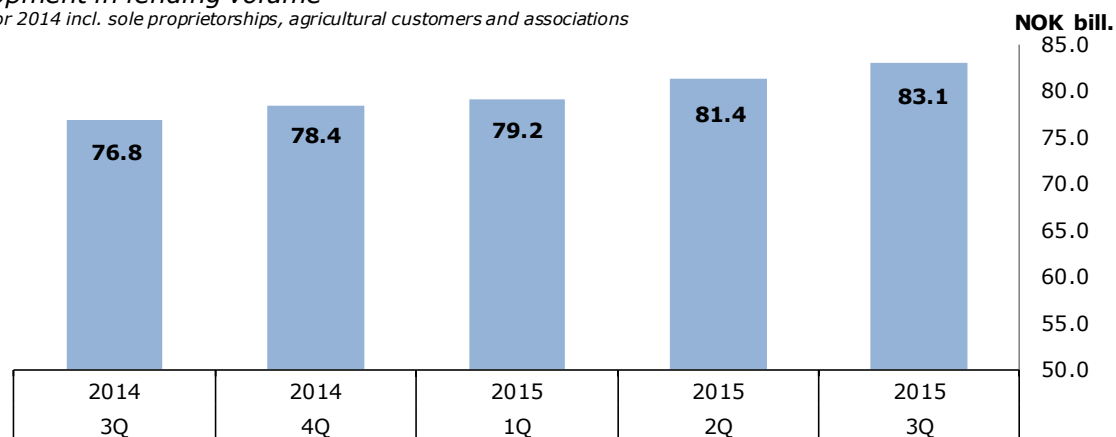


2014 3Q	2014 4Q	2015 1Q	2015 2Q	2015 3Q
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— Lending margin Retail      — Deposits margin Retail

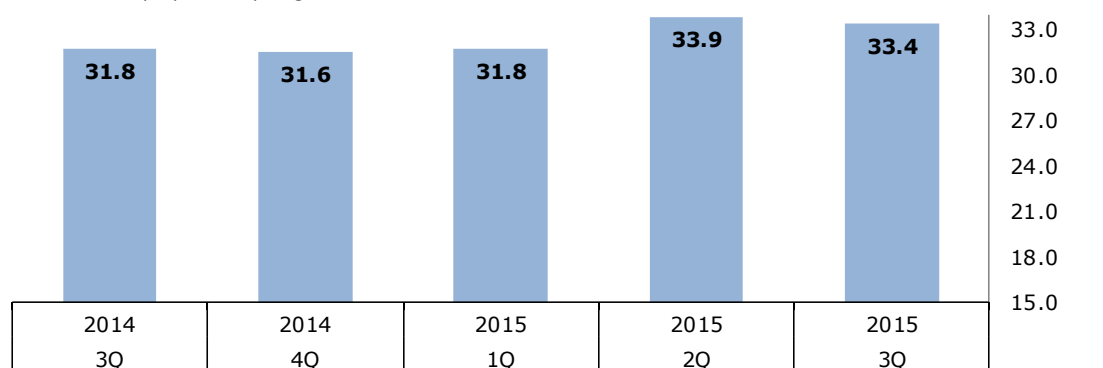
### Development in lending volume

Figures for 2014 incl. sole proprietorships, agricultural customers and associations



### Development in deposits volume

Figures for 2014 incl. sole proprietorships, agricultural customers and associations



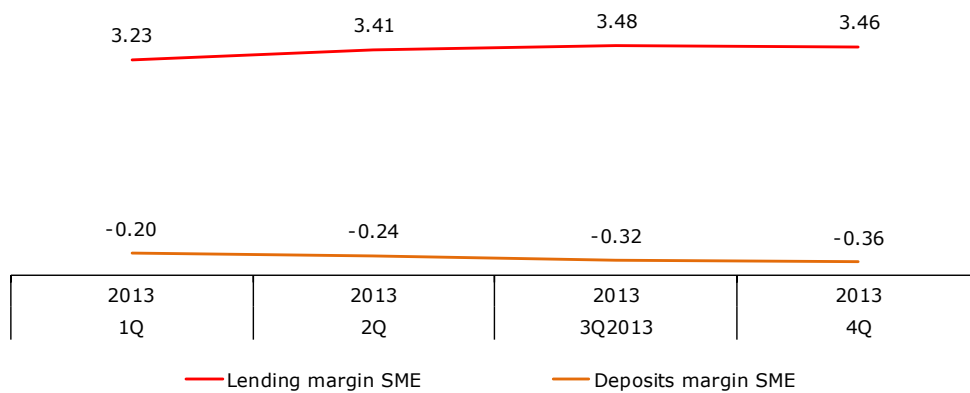
### 7.3. SME

The SME segment consists of costumers with an exposure size of +/- NOK 8m. As from 1 January 2014 the bank's SME portfolio is split up and assigned to Retail Banking and Corporate Banking respectively. This table shows historical data for the SME segment in 2013.

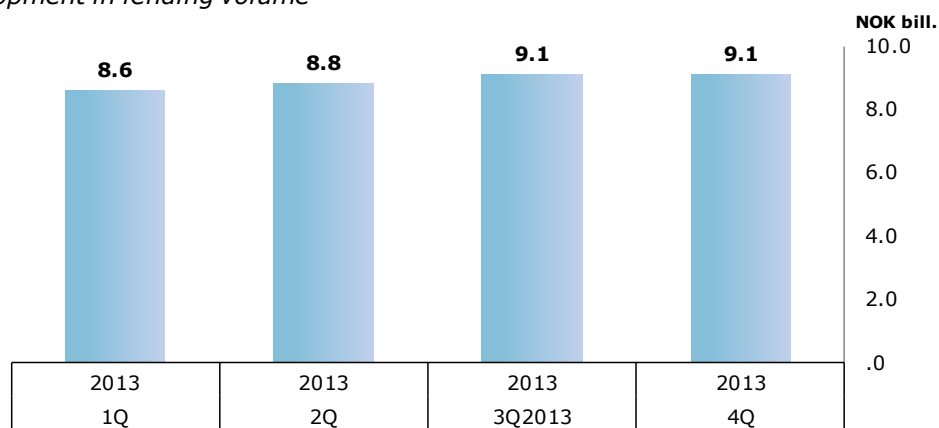
<i>Financial performance</i>	<b>4Q</b>	<b>3Q</b>	<b>2Q</b>	<b>1Q</b>	
(in NOK million)	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
Net interest income lending	51	53	49	47	200
Net interest income deposits	20	21	22	21	84
Net interest income allocated capital	1	1	1	0	3
<b>Total interest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

### Development in margin

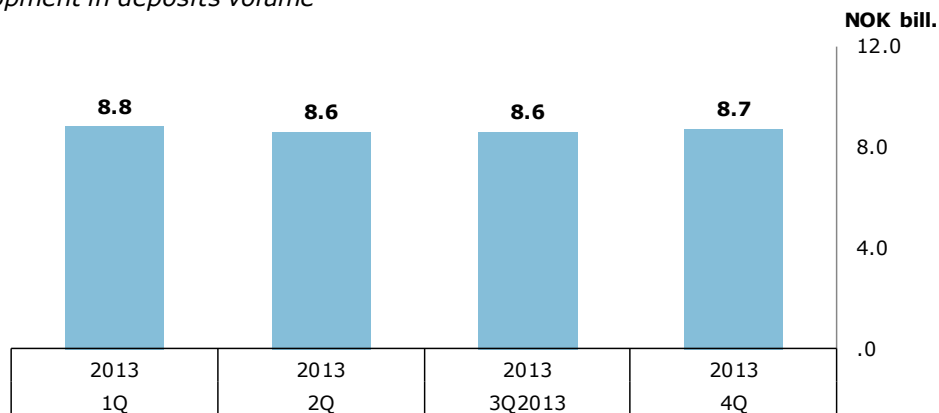
Definition margin: Average customer interest minus 3 months average nibor



### Development in lending volume



### Development in deposits volume



## 7.4. Corporate

The Corporate segment is responsible for activity regarding the banks's corporate customers. As from 1 January 2014 the bank's SME portfolio is split up, and limited companies are transferred to the Corporate Market (former Large Corporates). Figures for 2013 are the former Large Corporates.

### Business description

	<b>30 Sept. 2015</b>
<i>Facts about the business area</i>	
Lending volume	37,781
Deposits volume	29,567
No. of active customers	7,072
FTEs	124

<i>Financial performance</i> (in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Net interest income lending	171	183	171	174	171	525	513	687	583
Net interest income deposits	64	51	45	44	39	160	108	153	112
Net interest income allocated capital	7	18	19	15	18	44	51	67	34
<b>Total interest income</b>	<b>242</b>	<b>252</b>	<b>235</b>	<b>234</b>	<b>228</b>	<b>729</b>	<b>672</b>	<b>906</b>	<b>729</b>
Net guarantee commission, incl. Boligkreditt	23	17	18	15	18	57	52	67	53
Net commission of savings products	1	1	1	1	1	3	3	4	1
Net commission insurance services	5	5	6	6	6	16	16	21	4
Net commission payment trans. services	20	19	18	17	16	56	50	67	31
Other commission income	1	0	0	0	0	1	0	0	2
<b>Net fee and commission income</b>	<b>50</b>	<b>42</b>	<b>43</b>	<b>38</b>	<b>41</b>	<b>135</b>	<b>121</b>	<b>159</b>	<b>91</b>
Net profit on financial investments	4	3	4	10	7	11	20	29	49
<b>Total income</b>	<b>297</b>	<b>296</b>	<b>282</b>	<b>282</b>	<b>275</b>	<b>874</b>	<b>812</b>	<b>1,095</b>	<b>869</b>
<b>Total operating expenses*</b>	<b>82</b>	<b>76</b>	<b>99</b>	<b>92</b>	<b>76</b>	<b>258</b>	<b>226</b>	<b>318</b>	<b>257</b>
<b>Results</b>	<b>214</b>	<b>220</b>	<b>183</b>	<b>191</b>	<b>199</b>	<b>617</b>	<b>586</b>	<b>777</b>	<b>612</b>
Loss on loans, guarantees etc.**	51	32	17	34	16	100	44	77	71
<b>Results before tax</b>	<b>163</b>	<b>188</b>	<b>165</b>	<b>157</b>	<b>183</b>	<b>517</b>	<b>542</b>	<b>699</b>	<b>541</b>

\*) Includes both direct and distributed expenses

\*\*\*) Includes collective write downs in 3Q 2015 of NOK 30 million

**Post-tax return on equity (annualized)\*\*\***

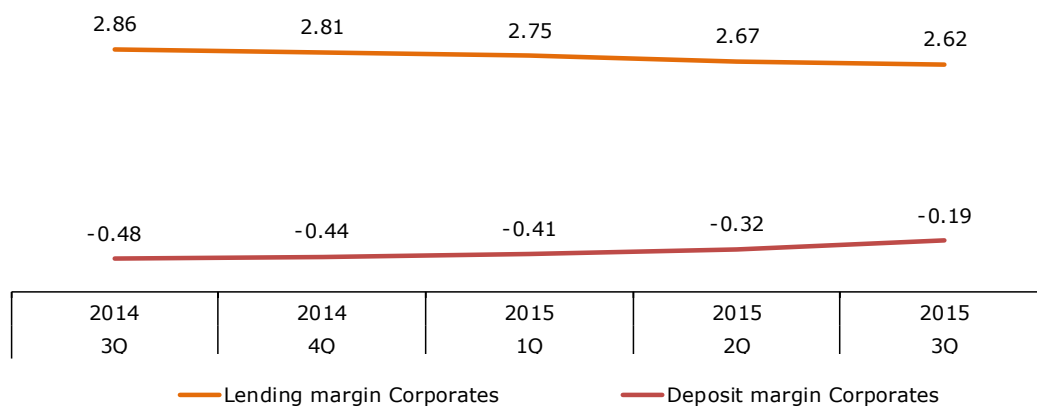
**12.9 % 10.7 % 10.0 % 10.5 %**

\*\*\*) As from the third quarter 2014, calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 13.5% to be in line with the capital plan. Figures for periods before third quarter 2014 are not adjusted as a result of this.



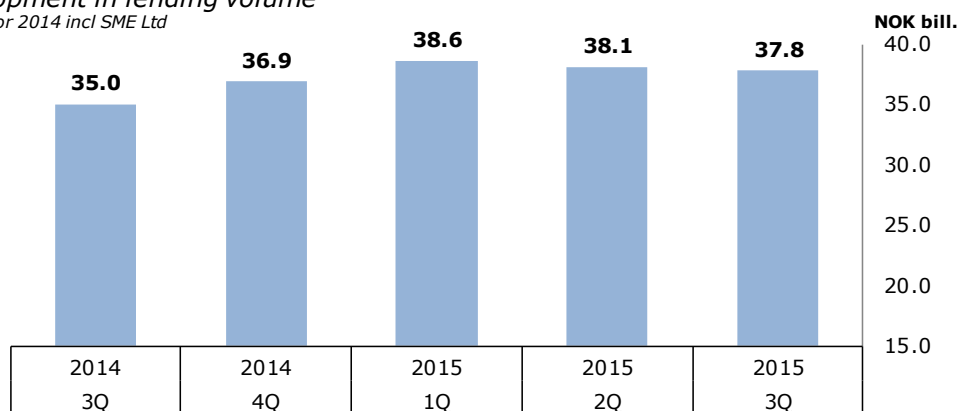
### Development in margin

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



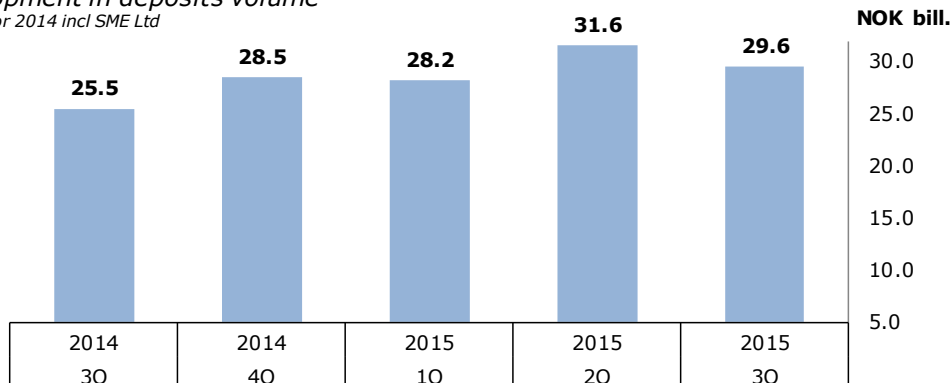
### Development in lending volume

Figures for 2014 incl SME Ltd



### Development in deposits volume

Figures for 2014 incl SME Ltd



## 7.5. Subsidiaries

### EiendomsMegler 1 Midt-Norge AS

EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre og Romsdal. The company has specialised operations which include separate units for project and commercial property broking. These operations complement its traditional residential agency business which to a greater degree will be a specialist function maintaining a local presence, co-located with banking, in various parts of Trondheim and the surrounding district.

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).

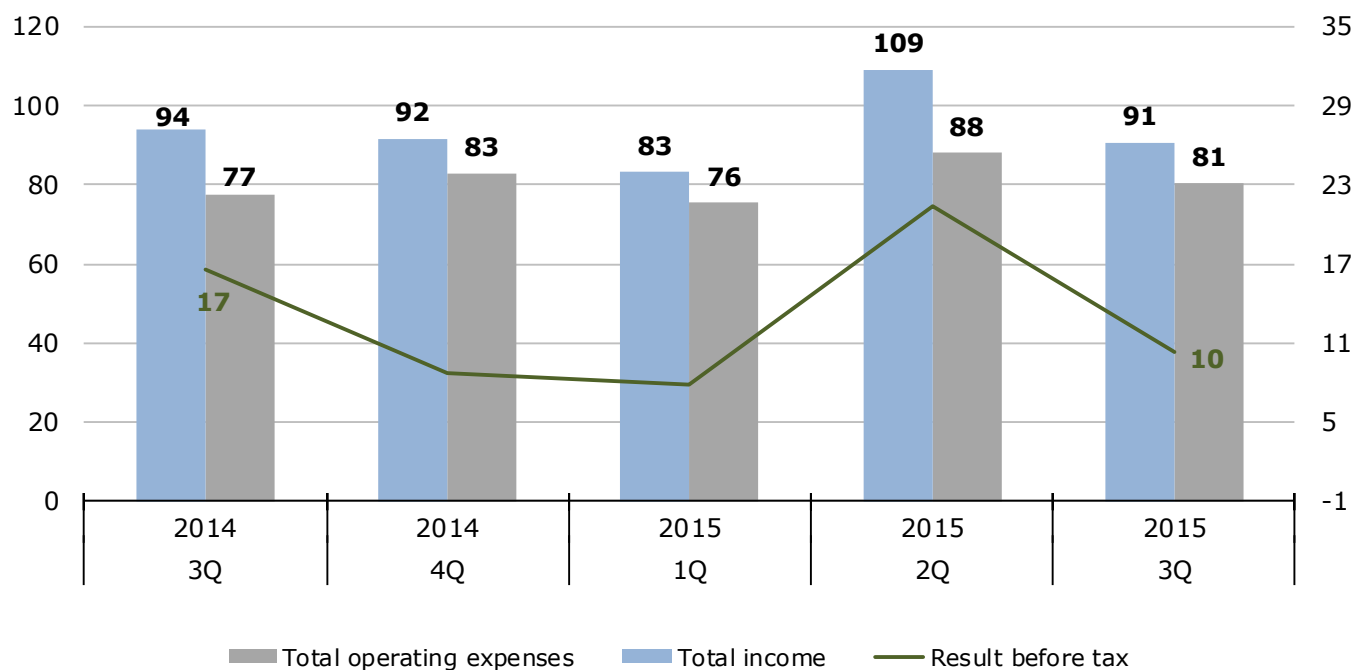
### Business description EiendomsMegler 1 Midt-Norge AS

#### Financial performance

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept.		2014	2013
						2015	2014		
Net interest	1	1	1	3	1	2	2	5	7
Commission income and other income	90	109	83	89	93	282	270	359	368
<b>Total income</b>	<b>91</b>	<b>109</b>	<b>83</b>	<b>92</b>	<b>94</b>	<b>284</b>	<b>272</b>	<b>364</b>	<b>375</b>
<b>Total operating expenses</b>	<b>81</b>	<b>88</b>	<b>76</b>	<b>83</b>	<b>77</b>	<b>244</b>	<b>230</b>	<b>313</b>	<b>314</b>
<b>Result before tax</b>	<b>10</b>	<b>21</b>	<b>8</b>	<b>9</b>	<b>17</b>	<b>39</b>	<b>42</b>	<b>51</b>	<b>61</b>

#### Cost and income (NOK mill.)

#### Result before tax (NOK mill.)



## SpareBank 1 Finans Midt-Norge AS

SpareBank 1 Finans Midt-Norge is the region's leading finance company and an active partner for businesses and private customers. SpareBank 1 Finans Midt-Norge offers car loans, boat loans, leasing and business loans to corporates and private individuals. The company services the market through its own sales operation and through the Bank's offices and other partners. The company's values are its easy access, prompt response, proactive stance, solution focus and probity.

As of June 2015 eight new SamSpar banks joined as new owners and partners, bringing the Samspar banks' stake in SpareBank 1 Finans Midt-Norge to 27.9 per cent. SpareBank 1 SMN reduced its holding in the company from 90.1 per cent to 72.1 per cent. With Samarbeidende Sparebanker on the owner side, the company has a presence in ten different counties dispersed across Mid- and South Norway, Nord and Sør Trøndelag, Møre og Romsdal, Sogn og Fjordane, Oppland, Buskerud, Telemark, Akershus, Vestfold and Østfold.

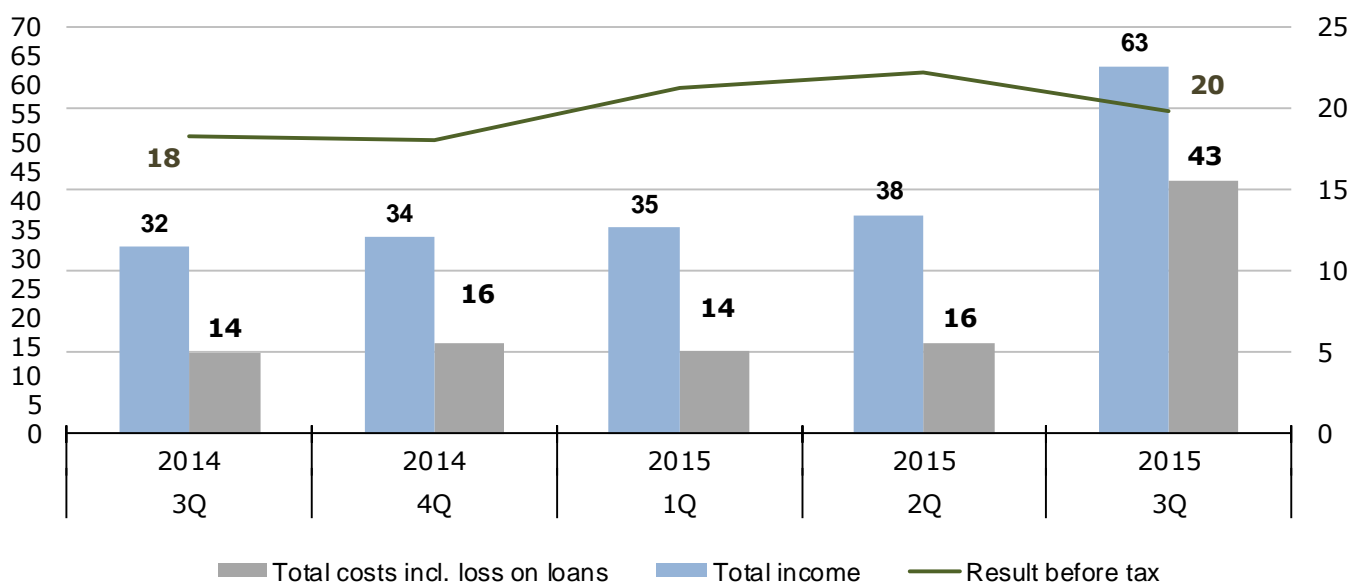
## Business description SpareBank1 Finans Midt-Norge AS

### Financial performance

(in NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	30 Sept. 2015 2014		2014	2013
<b>Total interest income</b>	<b>39</b>	<b>33</b>	<b>40</b>	<b>35</b>	<b>33</b>	<b>112</b>	<b>95</b>	<b>130</b>	<b>118</b>
Commission income and other income	24	5	-5	-1	-1	24	-3	-4	-3
Net profit on financial investments	0	0	0	0	0	0	0	0	-1
<b>Total income</b>	<b>63</b>	<b>38</b>	<b>35</b>	<b>34</b>	<b>32</b>	<b>136</b>	<b>92</b>	<b>126</b>	<b>116</b>
<b>Total operating expenses</b>	<b>41</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>68</b>	<b>37</b>	<b>50</b>	<b>45</b>
<b>Ordinary operating profit</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>20</b>	<b>21</b>	<b>68</b>	<b>55</b>	<b>75</b>	<b>70</b>
Loss on loans, guarantees etc.	2	1	2	2	2	5	5	8	20
Total costs incl. loss on loans	43	16	14	16	14	73	42	58	65
<b>Result before tax</b>	<b>20</b>	<b>22</b>	<b>21</b>	<b>18</b>	<b>18</b>	<b>63</b>	<b>50</b>	<b>68</b>	<b>51</b>

### Cost and income (NOK mill.)

### Result before tax (NOK mill.)



## SpareBank 1 Regnskapshuset SMN AS

SpareBank 1 Regnskapshuset SMN is an accountancy business, which has also built up a dedicated advisory/technical department, comprising experts in tax, accountancy and governance. 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.

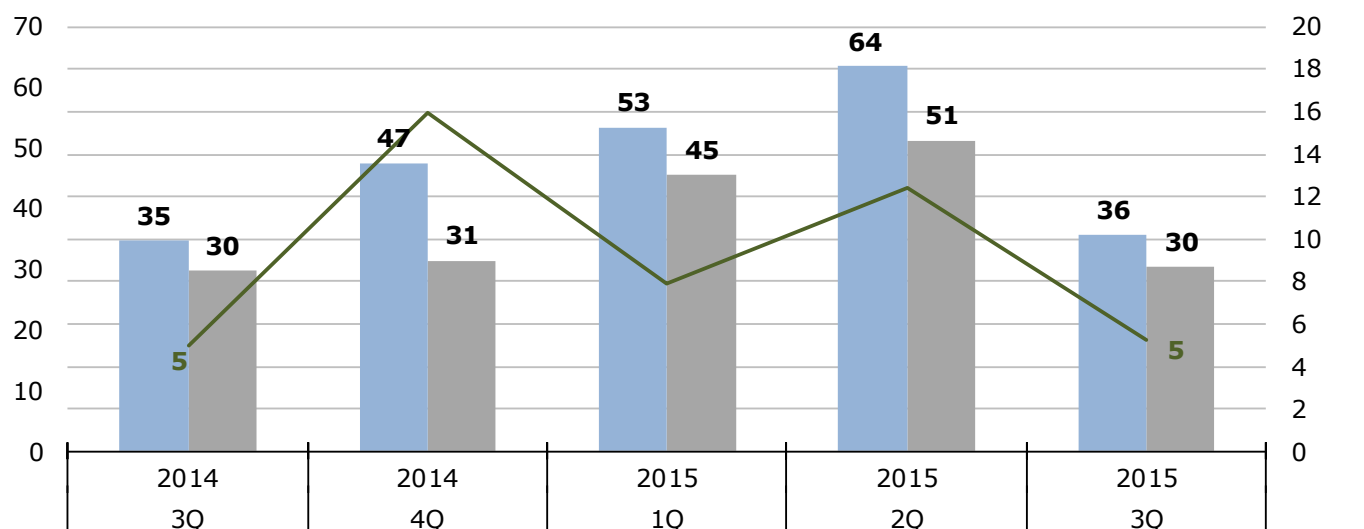
SpareBank 1 Regnskapshuset SMN took over six accounting firms in 2013. Four further accounting firms have been acquired in 2014 and one in 2015. The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry.

## Business description Regnskapshuset SMN AS

### Financial performance

(in NOK million)	3Q	2Q	1Q	4Q	3Q	30 Sept.		2014	2013
	2015	2015	2015	2014	2014	2015	2014		
Total interest income	-0	-0	0	7	-0	-0	-0	6	-0
Commission income and other income	36	64	53	41	35	153	141	182	133
<b>Total income</b>	<b>36</b>	<b>64</b>	<b>53</b>	<b>47</b>	<b>35</b>	<b>153</b>	<b>141</b>	<b>188</b>	<b>132</b>
<b>Total operating expenses</b>	<b>30</b>	<b>51</b>	<b>45</b>	<b>31</b>	<b>30</b>	<b>127</b>	<b>117</b>	<b>148</b>	<b>118</b>
<b>Result before tax</b>	<b>5</b>	<b>12</b>	<b>8</b>	<b>16</b>	<b>5</b>	<b>26</b>	<b>24</b>	<b>40</b>	<b>14</b>

### Cost and income (NOK mill.)



■ Total operating expenses   ■ Total income   — Result before tax

## SpareBank 1 Markets

SpareBank 1 Markets AS is a Norwegian investment bank within the SpareBank 1 Alliance. The company provides research, financial advice, capital raising and stockbroking services, debt and fixed income products. Through the collaboration with the SpareBank 1 Alliance, SpareBank 1 Markets can offer a complete national capital structure service, and cover all customer segments, from retail clients and small and medium-sized businesses to large listed companies and institutional investors. The company has offices in Trondheim and Oslo.

SpareBank 1 Markets has been a subsidiary of SpareBank 1 SMN since 1 April 2015 and is consolidated in the Group accounts on a par with the other subsidiaries as from the same date. SpareBank 1 SMN's capital market activities were transferred to SpareBank 1 Markets as part of the transaction. Following the merger the company is owned by SpareBank 1 SMN (73.4 per cent), SpareBank 1 Nord-Norge (10.0 per cent), SamSpar (10.0 per cent), Sparebanken Hedmark (6.1 per cent) and others (0.6 per cent)

The table below shows the pro forma accounts for SpareBank 1 Markets, including numbers from SpareBank 1 SMN Markets. The numbers for 3Q and 2Q 2015 show the financial performance of the restructured company, while the numbers referring to 30 Sept. 2015 pro forma include the first quarter result of both SpareBank 1 Markets and the former capital market operations in SpareBank 1 SMN. Figures for SpareBank 1 Markets refer to the company accounts.

## SpareBank 1 Markets

<i>Financial performance</i> (in NOK million)	3Q 2015	2Q 2015	1Q 2015	30 Sept. 2015	SMN Markets 1Q 2015	30 Sept. 2015 proforma
Equities / High Yield	13	17	18	48	2	50
Fixed Income	-23	-3	2	-25	-	-25
Corporate	10	8	9	27	-	27
Foreign exchange/interest rate derivatives	5	27	-	31	29	60
Other commission income	2	2	-	5	1	6
<b>Total income</b>	<b>6</b>	<b>49</b>	<b>28</b>	<b>83</b>	<b>32</b>	<b>114</b>
<b>Total operating expenses</b>	<b>59</b>	<b>59</b>	<b>46</b>	<b>164</b>	<b>10</b>	<b>175</b>
<b>Results before tax</b>	<b>-53</b>	<b>-10</b>	<b>-18</b>	<b>-81</b>	<b>21</b>	<b>-59</b>

The table below show the financial performance as of March 31<sup>st</sup> 2015 for the former business line SpareBank 1 SMN Markets

## SpareBank 1 SMN Markets

<i>Financial performance</i> (in NOK million)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014	31 Mar. 2015	2014	2014	2013
Net interest income	-15	-7	2	-1	-3	-15	-3	-9	5
Net interest income allocated capital	0	-1	0	0	0	0	0	-	-1
<b>Total interest income</b>	<b>-15</b>	<b>-8</b>	<b>2</b>	<b>-1</b>	<b>-2</b>	<b>-15</b>	<b>-2</b>	<b>-9</b>	<b>4</b>
Net fee and commission income	3	4	3	4	8	3	8	19	29
Capital gain/Agio Securities	43	1	6	9	11	43	11	27	40
<b>Total income</b>	<b>32</b>	<b>-3</b>	<b>11</b>	<b>13</b>	<b>17</b>	<b>32</b>	<b>17</b>	<b>37</b>	<b>73</b>
<b>Total operating expenses</b>	<b>10</b>	<b>9</b>	<b>18</b>	<b>16</b>	<b>16</b>	<b>10</b>	<b>16</b>	<b>58</b>	<b>85</b>
<b>Results</b>	<b>21</b>	<b>-12</b>	<b>-7</b>	<b>-3</b>	<b>1</b>	<b>21</b>	<b>1</b>	<b>-21</b>	<b>-13</b>
Loss on loans, guarantees etc.	-	-	-0	0	-	-	-	-	-
<b>Results before tax</b>	<b>21</b>	<b>-12</b>	<b>-7</b>	<b>-3</b>	<b>1</b>	<b>21</b>	<b>1</b>	<b>-21</b>	<b>-13</b>

### *Other subsidiaries*

**Allegro Kapitalforvaltning:** The company is licensed to carry on active asset management. It manages assets for external public, private and institutional clients. The company's services are sold exclusively through external distributors that are licensed to engage in such activity. The company has distribution agreements with a number of banks in the SpareBank 1 Alliance.

**SpareBank 1 Bilplan:** The company delivers car fleet management solutions to the public and private sectors nationwide. The company services the market through its own sales operation and through cooperation with SpareBank 1 Finans Midt-Norge, SpareBank 1 SR-Finans, SpareBank 1 Finans Nord-Norge and through the Bank's office network.

**SpareBank 1 Invest:** The company's strategy is to carry out investments in regional seedcorn, venture and private equity funds and to invest directly in growth companies with national/international market potential in the same market area.

**Property companies:** Their mission is to own, operate and develop property. Property companies: SpareBank 1 SMN Kvartalet, SpareBank 1 Bygget Steinkjer, Brannstasjonen SMN, St Olavs Plass 1 SMN, Jernbanegata 19 SMN, SpareBank 1 Bygget Trondheim, Bjerkeløkkja

## 8. Development last ten years

### Financial results

(in NOK million)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net interest	974	1,024	1,139	1,350	1,325	1,317	1,392	1,477	1,616	1,790
Commission income and other income	537	580	671	610	756	855	919	1,139	1,463	1,512
Net return on financial investments	276	419	332	207	596	410	434	451	502	720
<b>Total income</b>	<b>1,787</b>	<b>2,022</b>	<b>2,142</b>	<b>2,167</b>	<b>2,677</b>	<b>2,582</b>	<b>2,746</b>	<b>3,067</b>	<b>3,580</b>	<b>4,021</b>
Staff costs	485	512	583	623	725	583	810	942	923	1,002
Other operating expenses	421	478	519	571	528	557	672	712	799	787
<b>Total operating expenses</b>	<b>906</b>	<b>990</b>	<b>1,102</b>	<b>1,194</b>	<b>1,253</b>	<b>1,140</b>	<b>1,482</b>	<b>1,654</b>	<b>1,722</b>	<b>1,789</b>
<b>Result before losses</b>	<b>881</b>	<b>1,032</b>	<b>1,039</b>	<b>975</b>	<b>1,424</b>	<b>1,441</b>	<b>1,264</b>	<b>1,414</b>	<b>1,859</b>	<b>2,232</b>
Loss on loans, guarantees etc.	-38	-84	-6	202	277	132	27	58	101	89
<b>Result before tax</b>	<b>919</b>	<b>1,116</b>	<b>1,045</b>	<b>773</b>	<b>1,147</b>	<b>1,309</b>	<b>1,236</b>	<b>1,355</b>	<b>1,758</b>	<b>2,143</b>
Tax charge	199	219	200	156	210	260	255	295	388	362
Results investments held for sale, after tax						-27	43	16	30	0
<b>Net profit</b>	<b>720</b>	<b>898</b>	<b>846</b>	<b>617</b>	<b>937</b>	<b>1,022</b>	<b>1,024</b>	<b>1,077</b>	<b>1,400</b>	<b>1,782</b>

### Balance sheet\*

(in NOK million)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cash and loans to and claims on credit institutions	2,123	2,323	3,878	4,548	1,260	2,532	4,075	4,091	5,984	5,965
CDs, bonds and other interest-bearing securities	4,133	5,602	7,246	12,036	19,302	22,948	21,485	25,614	26,358	27,891
Gross loans to customers before write-downs	45,280	52,819	59,178	64,016	61,782	69,847	73,105	74,943	80,548	90,578
- Specified write-downs	-236	-147	-116	-215	-219	-222	-172	-144	-173	-172
- Write-downs by loan category	-278	-184	-185	-245	-289	-290	-290	-295	-295	-295
Other assets	3,304	2,765	1,502	4,540	2,704	3,182	3,252	3,766	2,938	2,080
<b>Assets</b>	<b>54,327</b>	<b>63,178</b>	<b>71,503</b>	<b>84,679</b>	<b>84,541</b>	<b>97,997</b>	<b>101,455</b>	<b>107,975</b>	<b>115,360</b>	<b>126,047</b>
Deposits from credit institutions	1,029	2,766	5,346	9,000	11,310	13,062	9,118	7,410	6,581	9,123
Deposits from and debt to customers	27,048	30,136	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680
Debt created by issue of securities	18,036	21,911	23,950	29,680	24,070	29,625	31,306	33,121	36,806	39,254
Other liabilities	2,876	1,799	2,265	2,045	1,876	1,922	2,122	2,070	1,485	1,095
Subordinated loan capital	1,667	2,383	2,648	3,156	3,875	2,758	2,690	3,040	3,319	3,371
Total equity capital	3,671	4,183	4,860	5,518	6,183	7,846	8,348	10,082	11,242	12,524
<b>Total liabilities and equity</b>	<b>54,327</b>	<b>63,178</b>	<b>71,503</b>	<b>84,679</b>	<b>84,541</b>	<b>97,997</b>	<b>101,455</b>	<b>107,975</b>	<b>115,360</b>	<b>126,047</b>

\*) The Group has changed its presentation of accrued interest as from the first quarter of 2015. Accrued interest is now presented together with the underlying financial instrument. It was previously presented as other assets and other liabilities. Historical figures for 2014 and 2013 are similarly restated, but earlier years have not been restated due to small changes

## Key figures

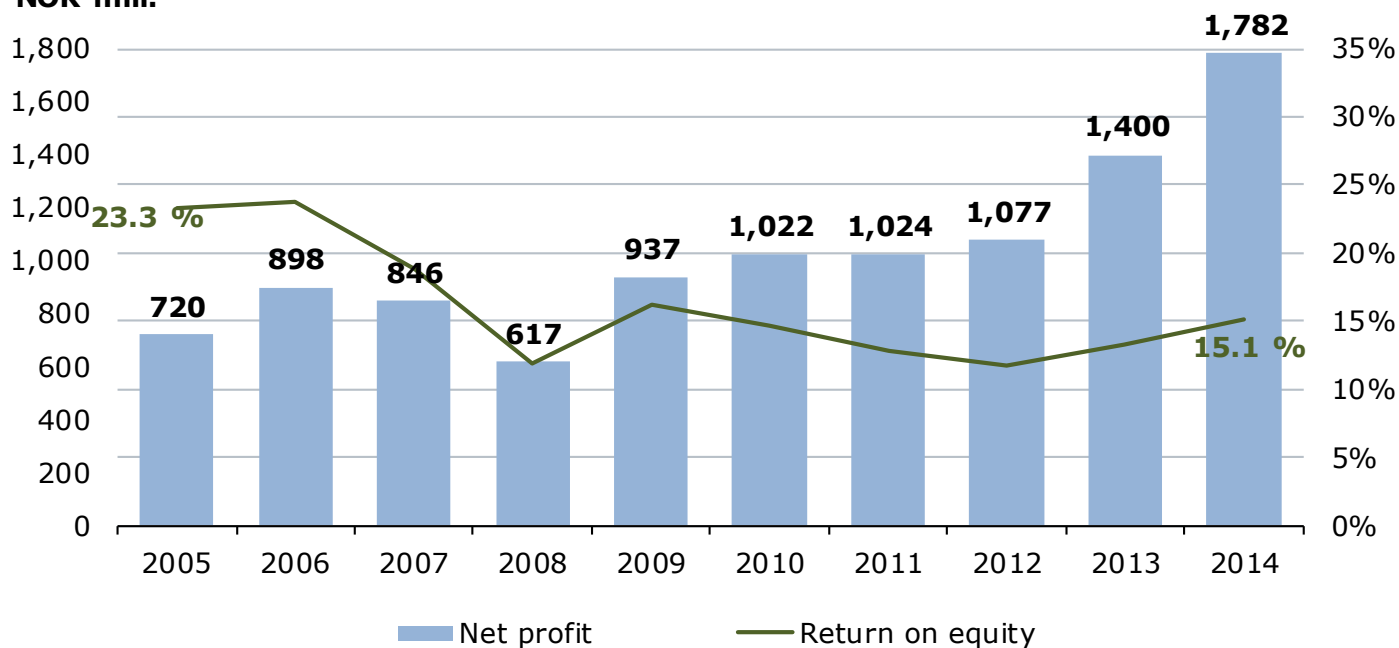
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Return on equity	23.3 %	23.7 %	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %
Cost/income ratio group	50.7 %	49.0 %	51.7 %	55.0 %	46.8 %	44.2 %	54.0 %	53.9 %	48.1 %	44.5 %
Cost/income ratio group, ex. financial inv.	61.7 %	61.1 %	60.8 %	60.2 %	52.5 %	52.5 %	64.1 %	63.2 %	55.9 %	54.2 %
Cost/income ratio parent bank	50.0 %	47.6 %	52.4 %	55.3 %	47.2 %	40.2 %	50.5 %	47.5 %	40.2 %	40.5 %
12-month cost growth	24.3 %	9.3 %	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %	11.6 %	4.1 %	3.9 %
Gross loans to customers*	45,280	52,819	61,910	71,317	77,429	87,665	95,232	104,925	112,283	120,435
Gross loans in retail market	29,032	33,808	38,872	42,679	45,157	49,619	55,034	62,587	68,591	74,087
Gross loans in corporate market	16,248	19,011	23,038	28,638	32,272	38,046	40,198	42,322	43,692	46,348
Growth in loans last 12 months*	32.3 %	16.6 %	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %	10.2 %	6.8 %	7.3 %
Deposits from customers	27,048	30,136	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680
Deposits from retail market	14,080	14,707	16,070	17,566	17,898	19,052	20,860	22,279	23,891	26,496
Deposits from corporate market	12,968	15,429	16,363	17,715	19,330	23,734	27,011	29,973	32,036	34,184
Growth in deposits last 12 months	30.5 %	11.4 %	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %	9.2 %	7.3 %	8.5 %
Ordinary lending financed by ordinary deposit	59.7 %	57.1 %	54.8 %	55.1 %	60.3 %	61.3 %	65.5 %	69.7 %	69.4 %	67.0 %
Total assets	54,327	63,178	71,503	84,679	84,541	97,997	102,479	107,975	115,360	126,047
Average total assets	47,753	56,434	67,202	75,820	86,679	91,317	98,465	105,372	111,843	117,794
Employees in employment group	806	841	931	982	1,016	1,035	1,098	1,135	1,159	1,192
Employees in employment parent bank	669	661	723	750	767	764	786	793	757	753
Employees in employment subsidiaries	137	180	208	232	250	271	312	342	402	439
Net other operating income of total income	30.1 %	28.7 %	31.3 %	28.2 %	28.2 %	33.1 %	33.5 %	37.1 %	40.8 %	38.0 %
Common Equity Tier 1 ratio	7.5 %	7.5 %	7.4 %	7.1 %	7.7 %	9.3 %	8.9 %	10.0 %	11.1 %	11.2 %
Capital adequacy ratio	10.9 %	11.9 %	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %	13.3 %	14.7 %	15.7 %
Core capital ratio	8.8 %	8.6 %	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %	11.3 %	13.0 %	13.0 %
Total core capital	3,073	3,614	4,019	4,967	6,730	7,283	7,856	9,357	10,989	12,382
Net subordinated capital	3,808	5,229	5,762	7,312	8,730	8,646	9,055	10,943	12,417	14,937
Impairment losses ratio	-0.09%	-0.03%	-0.01%	0.21%	0.31%	0.16%	0.03%	0.06%	0.09%	0.08%
Non-perf. commitm. as % of gross loans	0.78%	0.41%	0.39%	0.46%	0.49%	0.57%	0.36%	0.36%	0.34%	0.22%
Other doubtful commitm. as % of gross loans	0.60%	0.51%	0.37%	1.33%	0.57%	0.24%	0.21%	0.14%	0.14%	0.18%

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



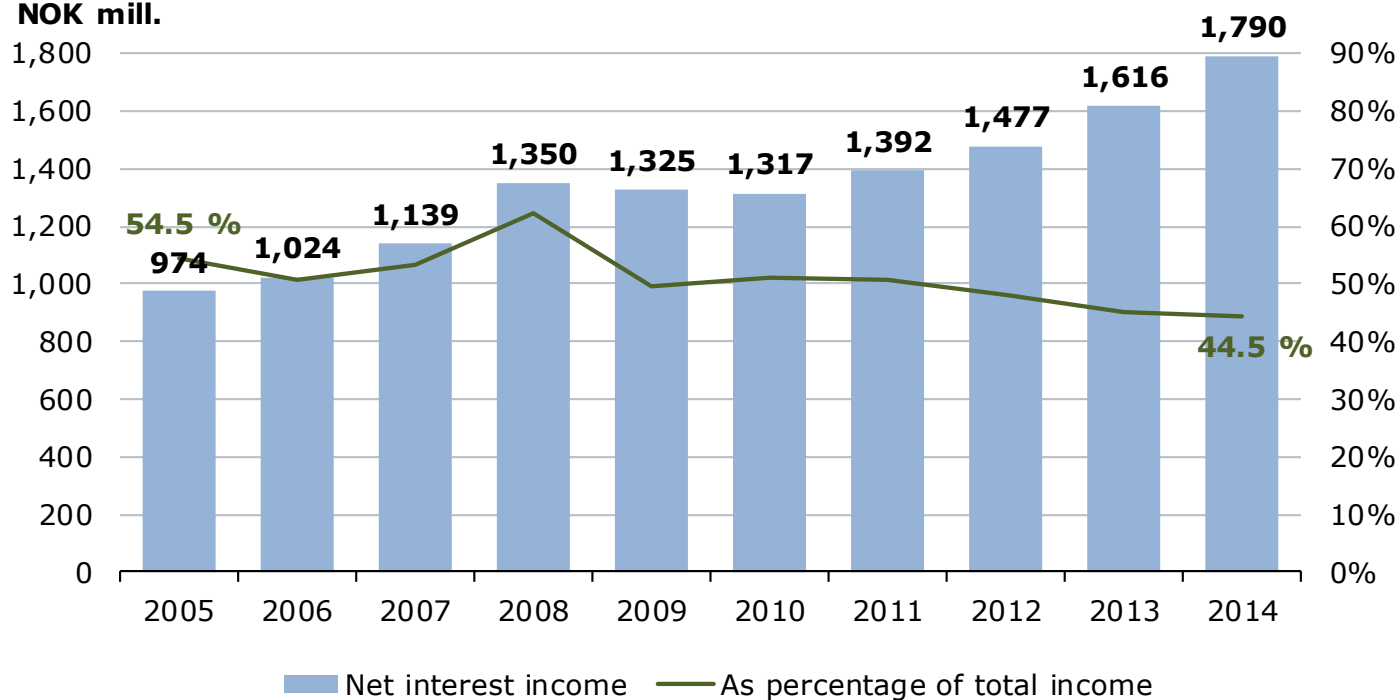
### Net profit and return on equity

NOK mill.

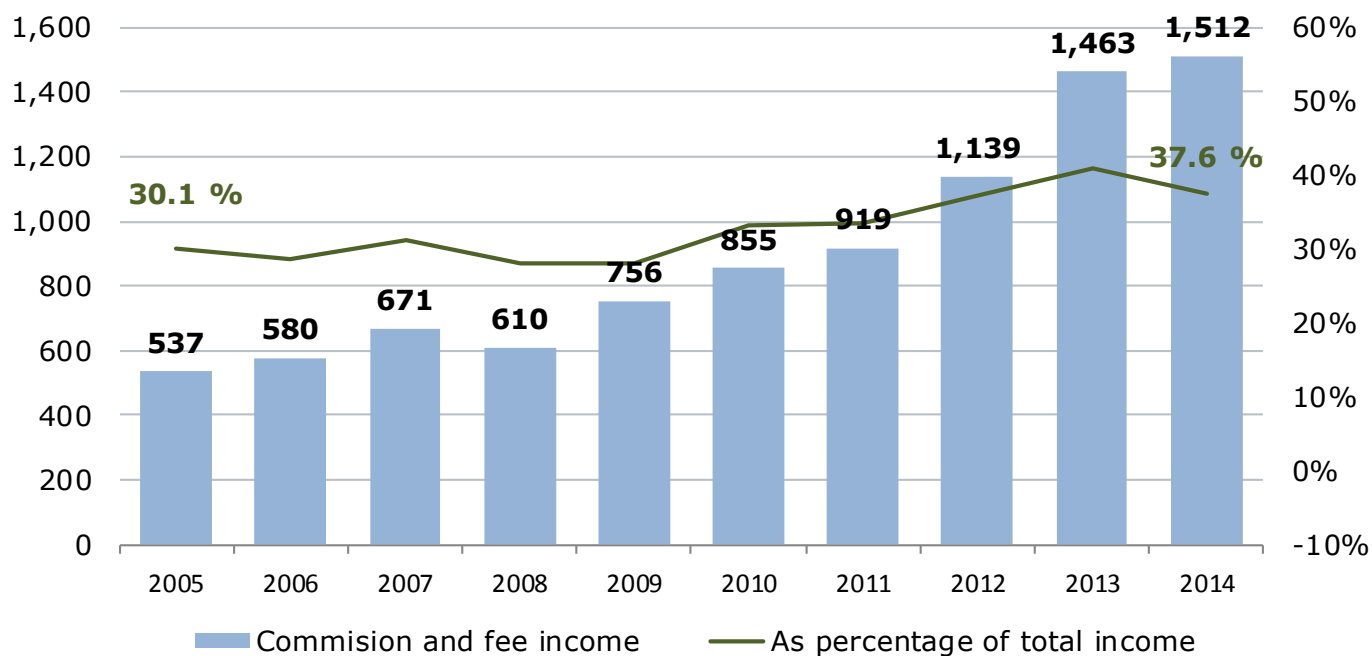


### Development in net interest income

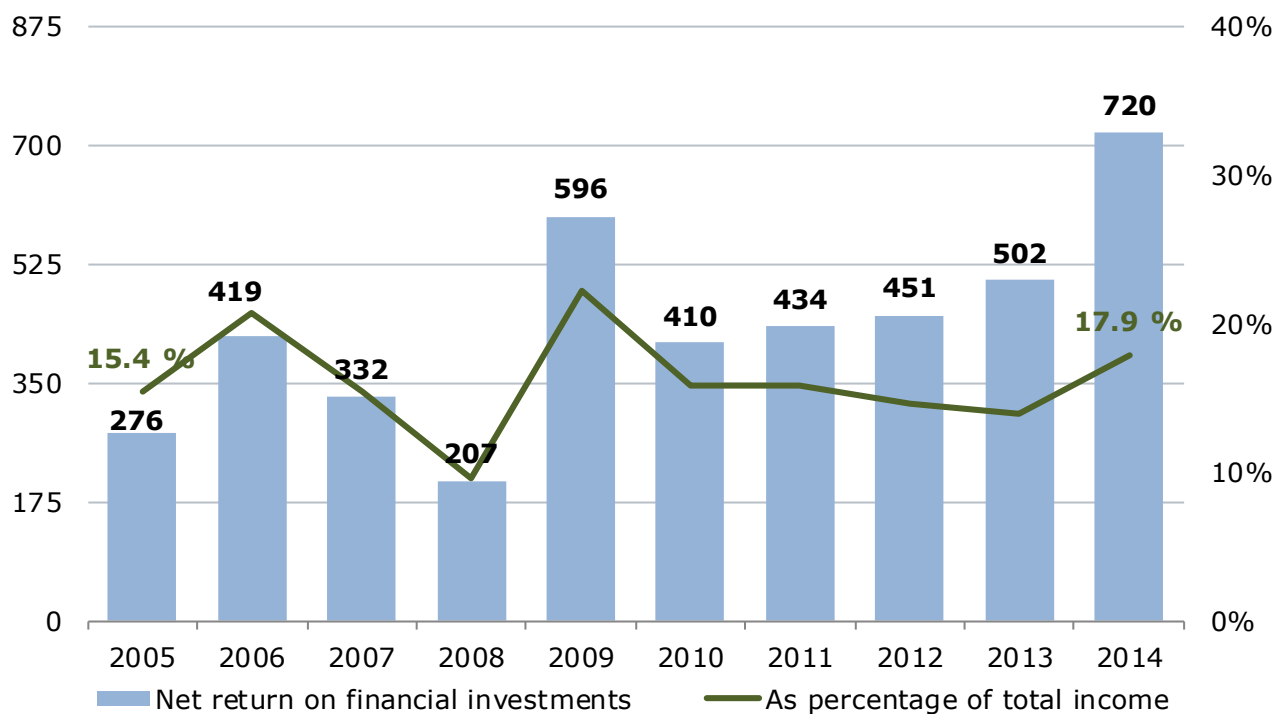
NOK mill.



*Development in commission income and other income*

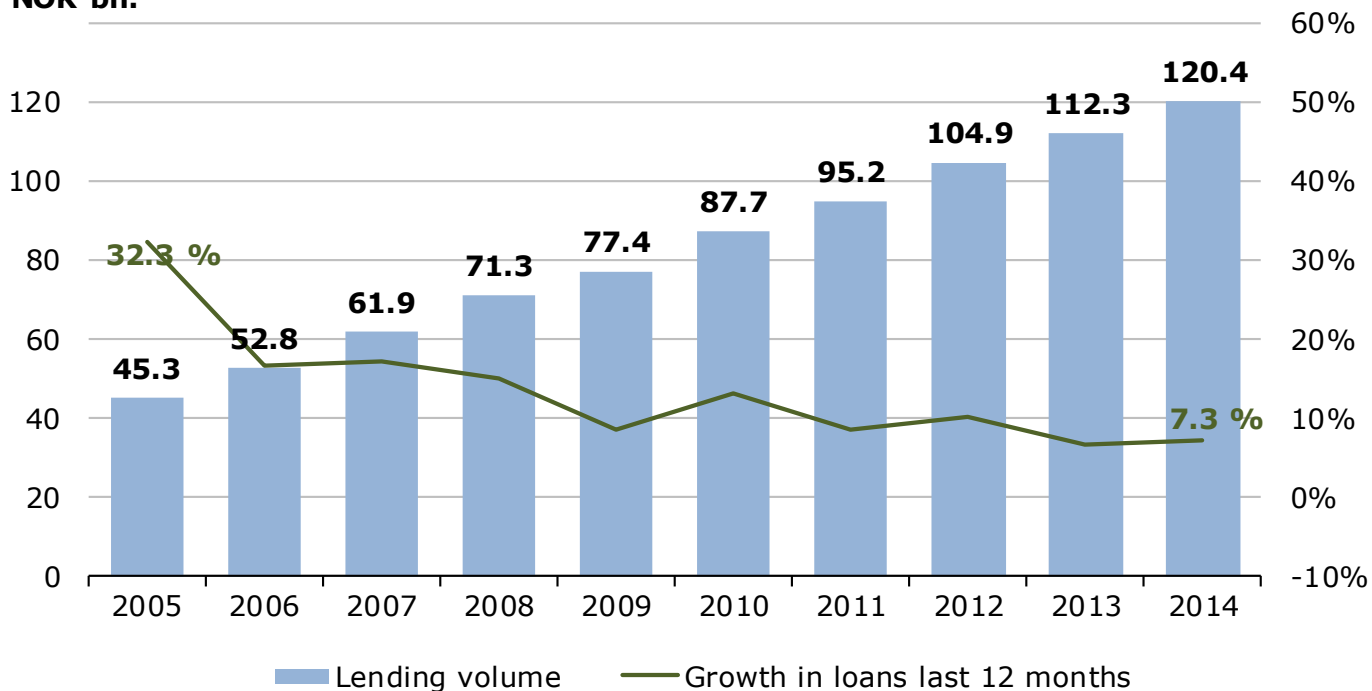


*Development in net return on financial investments*



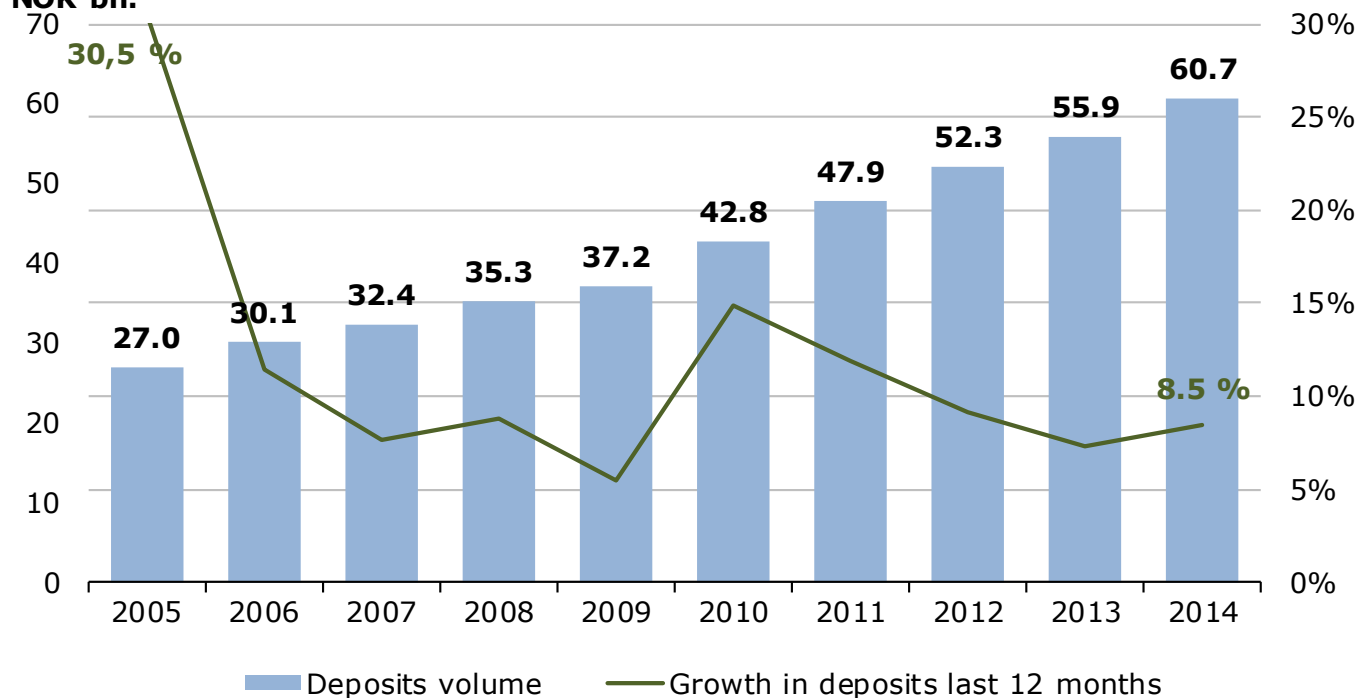
Volume development, Lending\*

NOK bn.



Volume development, Deposits\*

NOK bn.

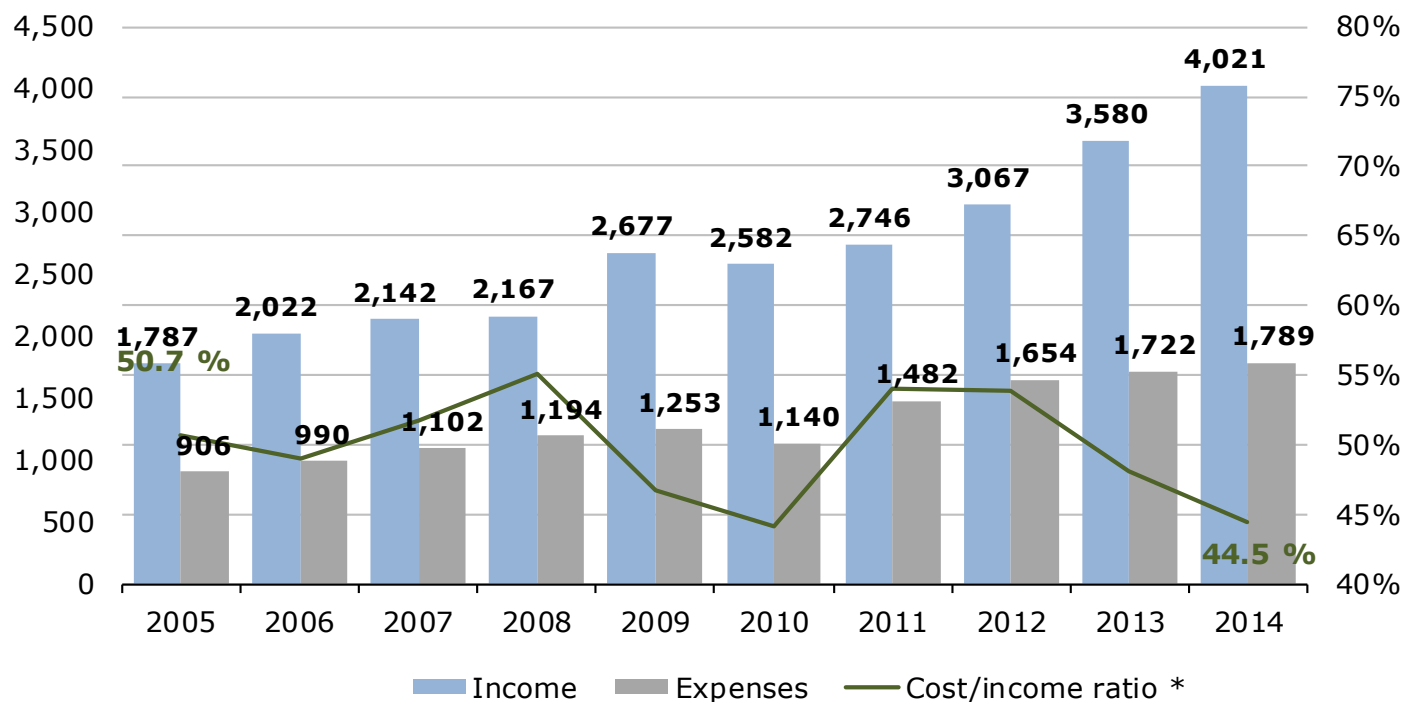


\*) The strong growth in lending and deposits in 2005 is related to the acquisition of 100 per

cent of Romsdals Fellesbank

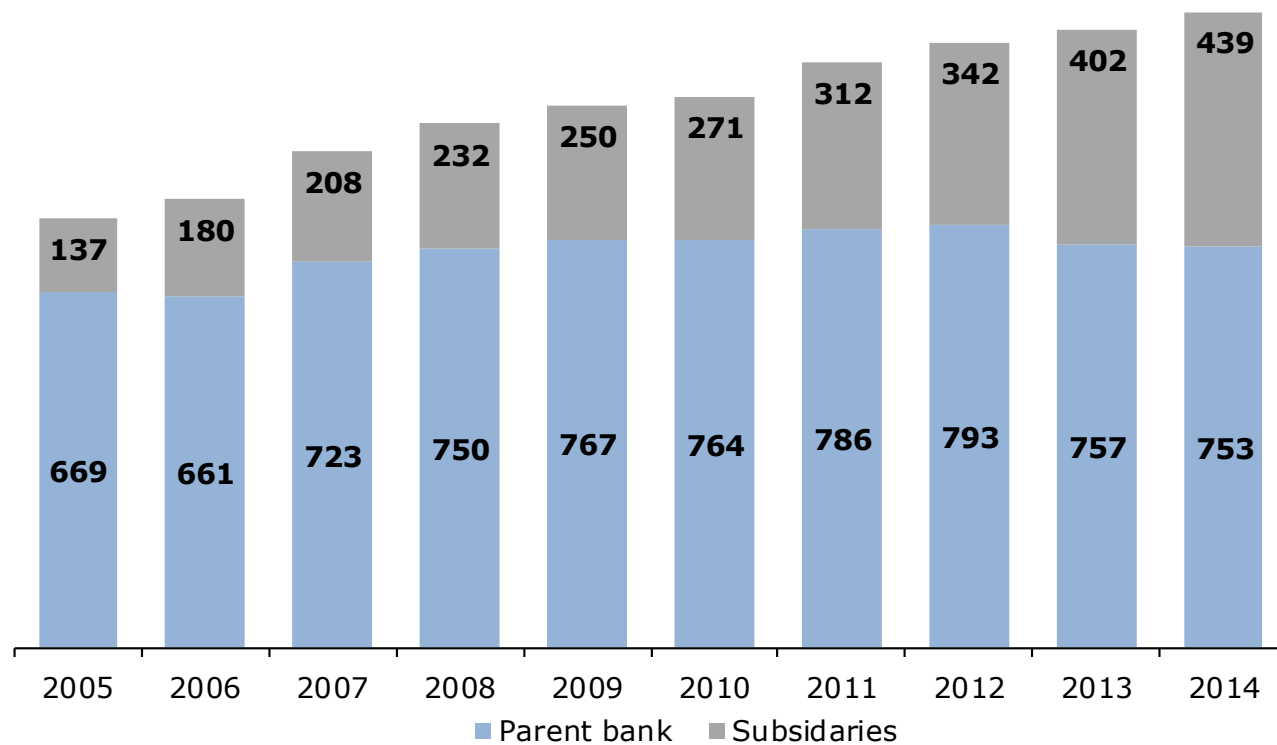
### Cost/income ratio

NOK mill.



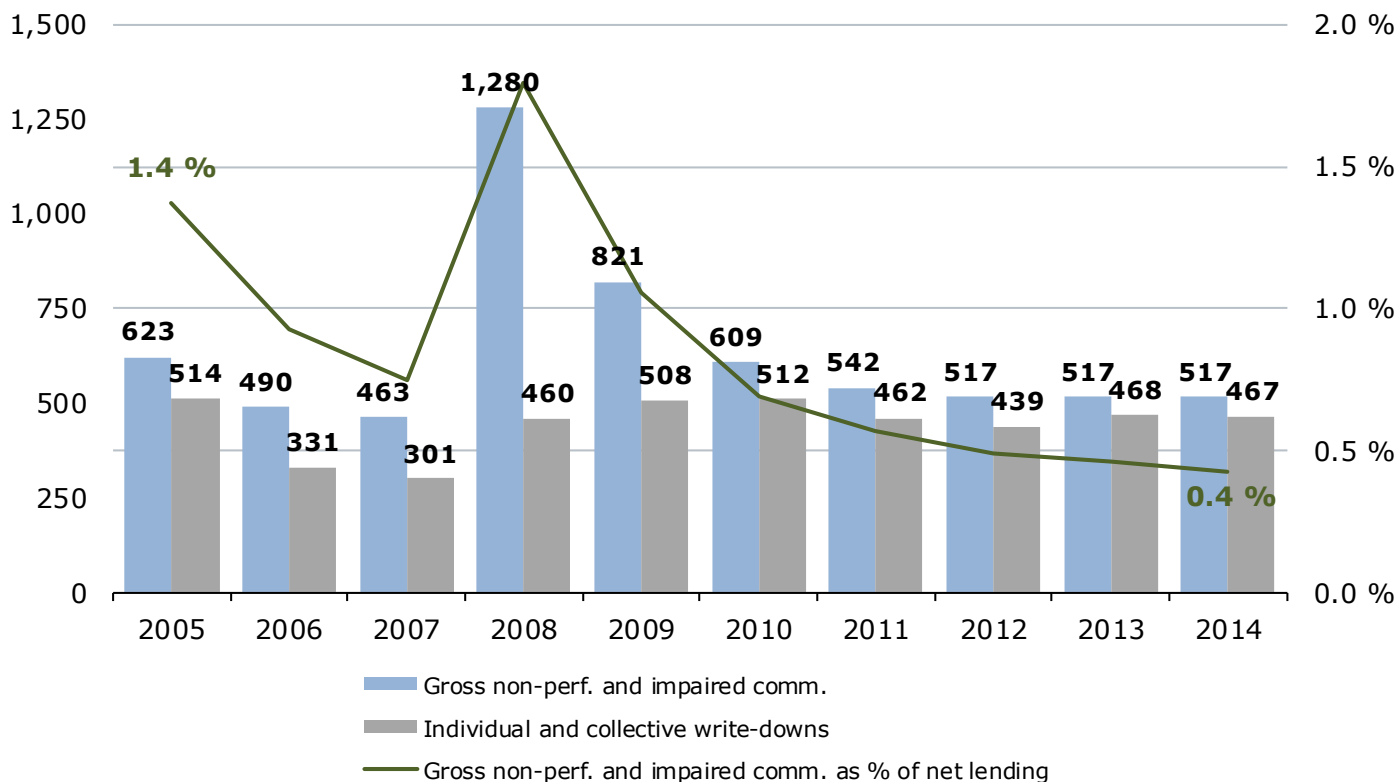
\* Total operating expenses as a percentage of total operating income

*Employees in employment*



### Net non-performing and impaired commitments

NOK million



Capital Adequacy

