

Investor Relations

Supplementary information

First Quarter 2017



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Information on the Internet

SpareBank 1 SMN's home page www.smn.no

ECC information in general www.egenkapitalbevis.no

Financial Calendar 2017

2nd quarter 2017 8 August 2017
3rd quarter 2017 26 October 2017

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1. SpareBank 1 SMN

1.1. Financial highlights

January- March 2017

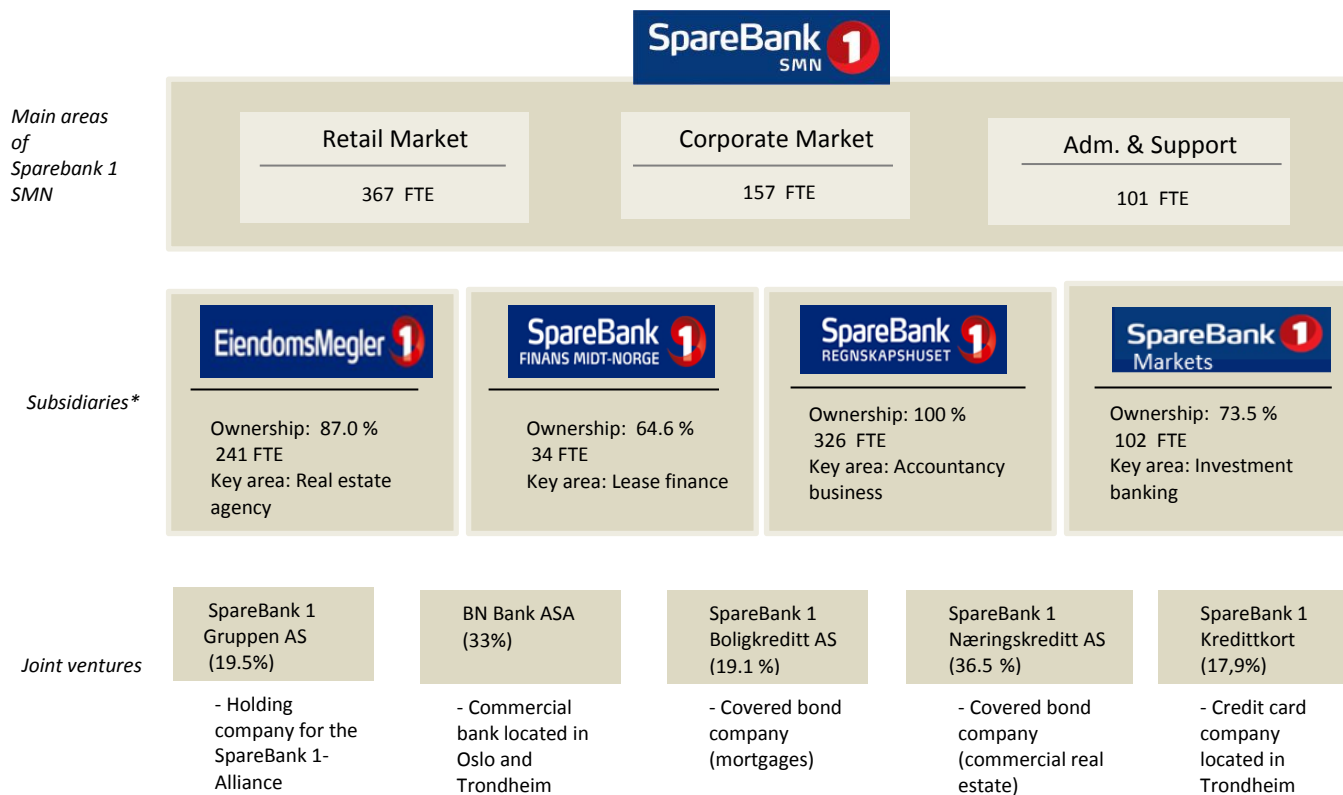
(Consolidated figures. Figures in parentheses refer to the same period of 2016 unless otherwise stated).

- Profit before tax and inv. held for sale: NOK 454 million (NOK 383 million)
- Net profit: NOK 358 million (NOK 311 million)
- Return on equity: 9.4 per cent (8.9 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 8.1 per cent (5.4 per cent)
- 12-month growth in deposits: 9.9 per cent (5.4 per cent)
- Loan losses: NOK 89 million (NOK 170 million)
- Common equity tier 1 ratio: 14.8 per cent (13.6 per cent)
- Earnings per EC: NOK 1.73 (1.49)

1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 142 billion at the end of March 2016. Head office is in Trondheim. SpareBank 1 SMN employs 1,362 FTEs (full time equivalents), 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.

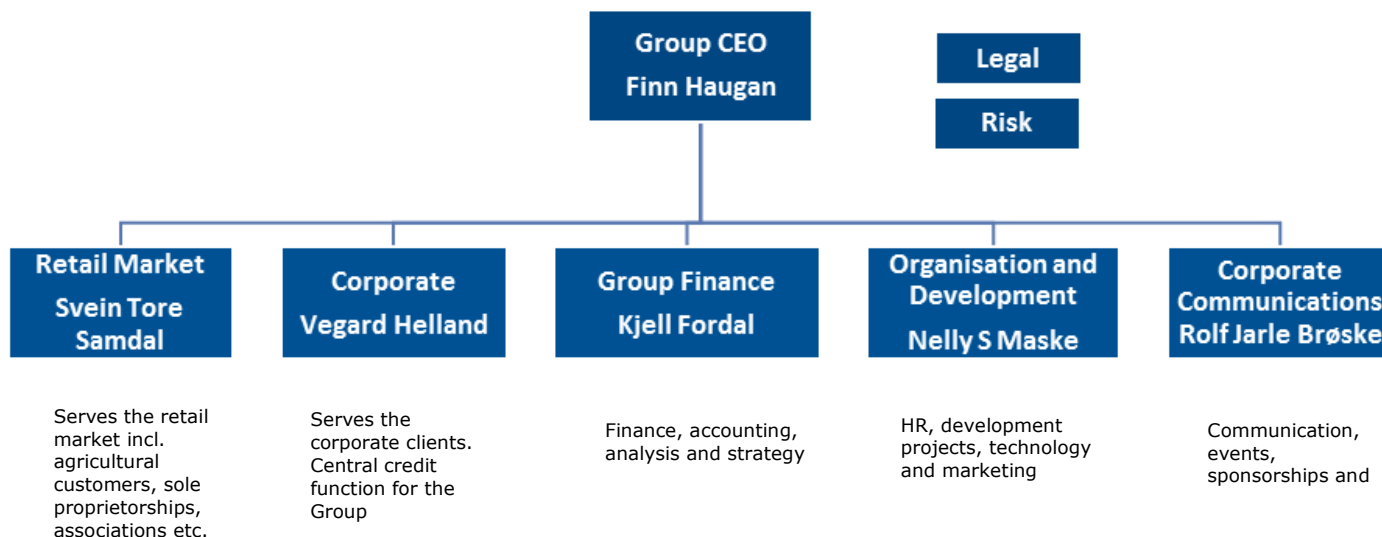
SpareBank 1 SMN's activities



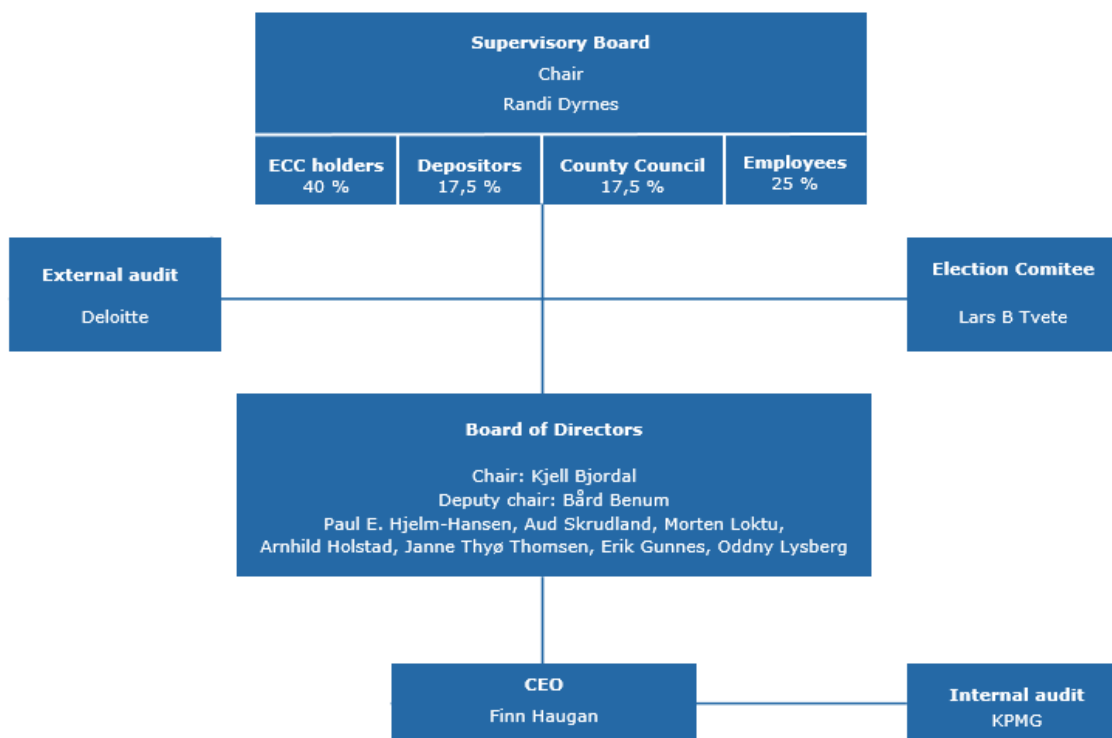
*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 35 FTEs

Organisation of SpareBank 1 SMN

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

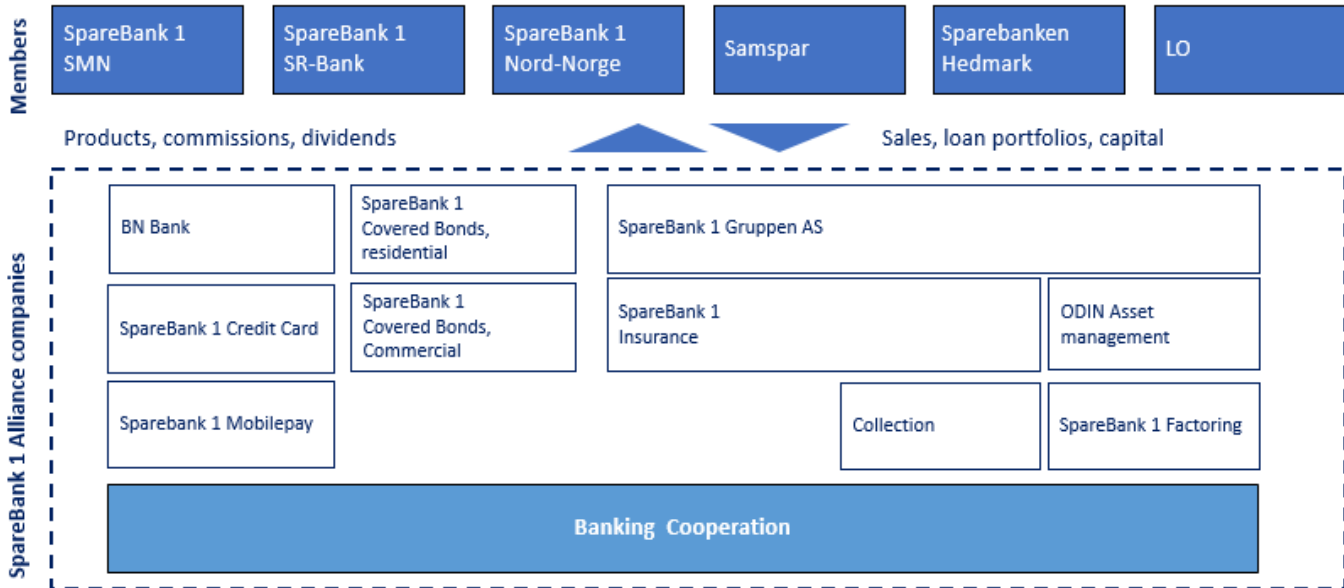


Overview of governing and control bodies

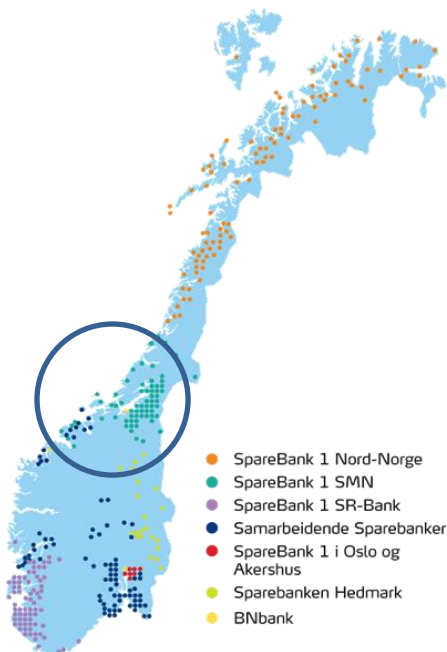


SpareBank 1 Alliance

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 2nd 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>	Current rating	2015	2014	Year end		2011	2010
				2013	2012		
Outlook	Stable	Stable	Negative	Stable	Rating(s) under review	Stable	Stable
Issuer Rating	A1	A1	A2	A2	A2	A1	A1
Bank Deposits	A1/P-1	A1/P-1	A2/P-1	A2/P-1	A2/P-1	A1/P-1	A1/P-1
Senior Unsecured	A1	A1	A2	A2	A2	A1	A1
Subordinate	Baa2	Baa2	Baa2	Baa3	Baa3	A2	A2

<i>Fitch</i>	Current rating	2015	2014	Year end		2011	2010
				2013	2012		
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Negative
Long-term IDR	A-	A-	A-	A-	A-	A-	A
Short-term IDR	F2	F2	F2	F2	F2	F2	F1
Support rating	3	3	3	3	3	3	3

1.4. Equity capital certificate (MING)

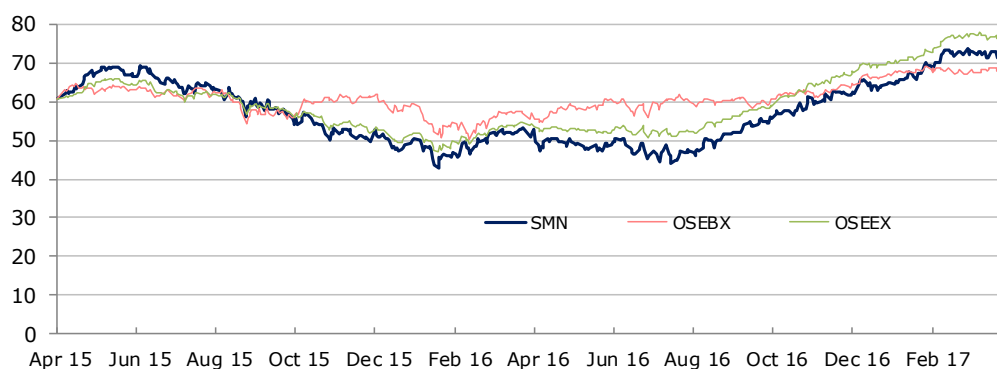
The key figures are corrected for issues.

31 March 2017 the price of the Bank's ECC was NOK 66.50 (NOK 52.75). Earnings per ECC were NOK 1.73 (NOK 1.49). Book value per ECC was NOK 72.03 (NOK 67.37) as of 31 March 2016.

Key figures

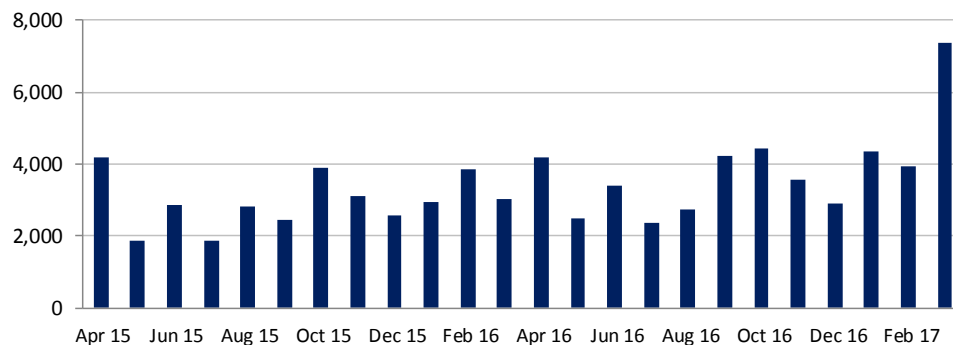
(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
ECC price	66.50	64.75	55.75	46.70	52.75	66.50	52.75	64.75	50.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	72.03	73.26	71.17	69.18	67.37	72.03	67.37	73.26	67.65
Adjusted profit per ECC	1.73	2.21	2.00	2.21	1.49	1.73	1.49	7.91	7.02
P/E per ECC (annualised)	9.59	7.34	6.98	5.27	8.83	9.59	8.83	8.19	7.19
P/B equity capital	0.92	0.88	0.78	0.68	0.78	0.92	0.78	0.88	0.75

Stock price compared with OSEBX¹⁾ and OSEEX²⁾
1 Apr 2015 to 31 Mar 2017



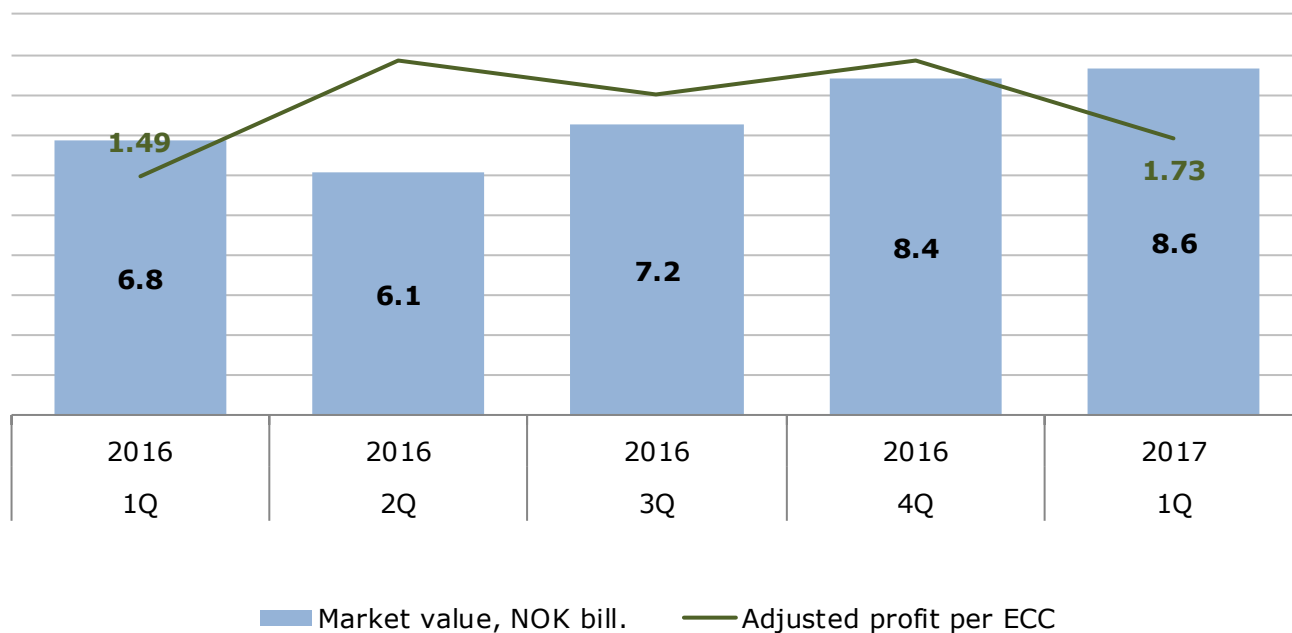
1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)
2) OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics¹⁾
1 Apr 2015 to 31 Mar 2017



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

Market value and profit per ECC



Equity certificates ratio (parent bank)

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
ECC capital	2,597	2,597	2,597	2,597	2,597	2,597
Dividend equalisation reserve	4,487	4,487	3,790	3,790	3,790	3,790
Premium reserve	895	895	895	895	895	895
Unrealised gains reserve	81	81	142	142	179	179
Other equity	-	-	3	3	-	-
A. The equity certificate owner's capital	8,060	8,060	7,428	7,428	7,461	7,461
Saving bank reserve	4,498	4,498	4,105	4,105	4,105	4,105
Unrealised gains reserve	45	45	79	79	100	100
Other equity	-	-	2	2	-	-
B. The saving bank reserve	4,543	4,543	4,186	4,186	4,205	4,205
Provision for gifts	-	220	-	-	-	40
Recommended dividends	-	389	-	-	-	292
Equity ex. profit	12,603	13,212	11,614	11,614	11,666	11,998
Equity certificates ratio A/(A+B)	63.95 %	63.95 %	63.96 %	63.96 %	63.96 %	63.96 %

20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge Verdi	6,290,216	4.84 %
Verdipapirfondet DNB Norge (IV)	4,715,345	3.63 %
Sparebankstiftelsen SMN	3,965,391	3.05 %
VPF Odin Norge	3,826,686	2.95 %
VPF Danske Invest Norske Aksjer Inst. II	3,369,028	2.59 %
State Street Bank and Trust CO (nominee)	2,936,737	2.26 %
VPF Pareto Aksje Norge	2,613,077	2.01 %
VPF Alfred Berg Gambak	2,024,604	1.56 %
Pareto AS	1,821,202	1.40 %
MSIP Equity	1,750,652	1.35 %
Forsvarets Personellservice	1,717,046	1.32 %
State Street Bank and Trust CO (nominee)	1,696,442	1.31 %
JP Morgan Chase Bank (nominee)	1,661,137	1.28 %
VPF Danske Invest Norske Aksjer Inst. I	1,657,323	1.28 %
MP Pensjon PK	1,568,771	1.21 %
VPF Nordea Kapital	1,523,643	1.17 %
VPF Nordea Avkastning	1,307,131	1.01 %
Verdipapirfondet Storebrand Norge I	1,074,495	0.83 %
State Street Bank and Trust CO (nominee)	993,832	0.77 %
Aksjefondet Handelsbanken Norge	975,000	0.75 %
Total 20 largest shareholders	47,487,758	36.58 %
Others	82,348,685	63.42 %
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

2.1. Main figures

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Net interest	522	493	449	472	469	522	469	1,883	1,872
Commission income and other income	455	414	412	448	401	455	401	1,674	1,545
Net return on financial investments	138	228	274	271	172	138	172	944	459
Total income	1,115	1,134	1,134	1,191	1,042	1,115	1,042	4,502	3,876
Total operating expenses	571	482	504	528	489	571	489	2,003	1,931
Result before losses	544	652	630	664	553	544	553	2,499	1,945
Loss on loans, guarantees etc.	89	99	130	118	170	89	170	516	169
Result before tax	454	553	500	546	383	454	383	1,983	1,776
Tax charge	96	99	85	85	72	96	72	341	370
Results investments held for sale, after tax	0	7	-1	-1	0	0	0	4	-1
Net profit	358	462	414	460	311	358	311	1,647	1,406

Balance sheet - condensed

Balance (in NOK million)	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.
	2017	2016	2016	2016	2016	2015
Total assets	142,042	138,080	139,815	141,145	134,345	131,914
Average total assets (quarterly)	140,061	138,948	140,480	137,745	133,129	130,575
Gross loans to customers *	140,038	137,535	134,462	132,583	129,520	127,378
Deposits from customers	70,176	67,168	66,290	67,031	63,851	64,090
Total equity capital	15,315	15,299	14,893	14,460	14,051	13,904

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

Key figures

	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Return on equity	9.4 %	12.2 %	11.3 %	12.9 %	8.9 %	9.4 %	8.9 %	11.3 %	10.7 %
Common Equity Tier 1 ratio	14.8 %	14.9 %	14.3 %	14.1 %	13.6 %	14.8 %	13.6 %	14.9 %	13.6 %
Cost/income ratio group	51 %	43 %	44 %	44 %	47 %	51 %	47 %	44 %	50 %
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	8.1 %	8.0 %	6.6 %	6.5 %	5.4 %	8.1 %	5.4 %	8.0 %	5.8 %
Growth in deposits last 12 months	9.9 %	4.8 %	4.2 %	1.3 %	5.4 %	9.9 %	5.4 %	4.8 %	5.6 %
Deposits-to-loan ratio incl Boligkreditt and Næringskreditt last 12 months	50 %	49 %	49 %	51 %	49 %	50 %	49 %	49 %	50 %
Impairment losses ratio	0.26 %	0.29 %	0.39 %	0.36 %	0.53 %	0.26 %	0.53 %	0.39 %	0.14 %
Non-performing commitm. as % of gross loans	0.15 %	0.16 %	0.16 %	0.19 %	0.16 %	0.15 %	0.16 %	0.16 %	0.16 %
ECC price	66.50	64.75	55.75	46.70	52.75	66.50	52.75	64.75	50.50
Booked equity capital per ECC (incl. dividend)	72.03	73.26	71.17	69.18	67.37	72.03	67.37	73.26	67.65
Adjusted profit per ECC	1.73	2.21	2.00	2.21	1.49	1.73	1.49	7.91	7.02

2.2. Net interest income

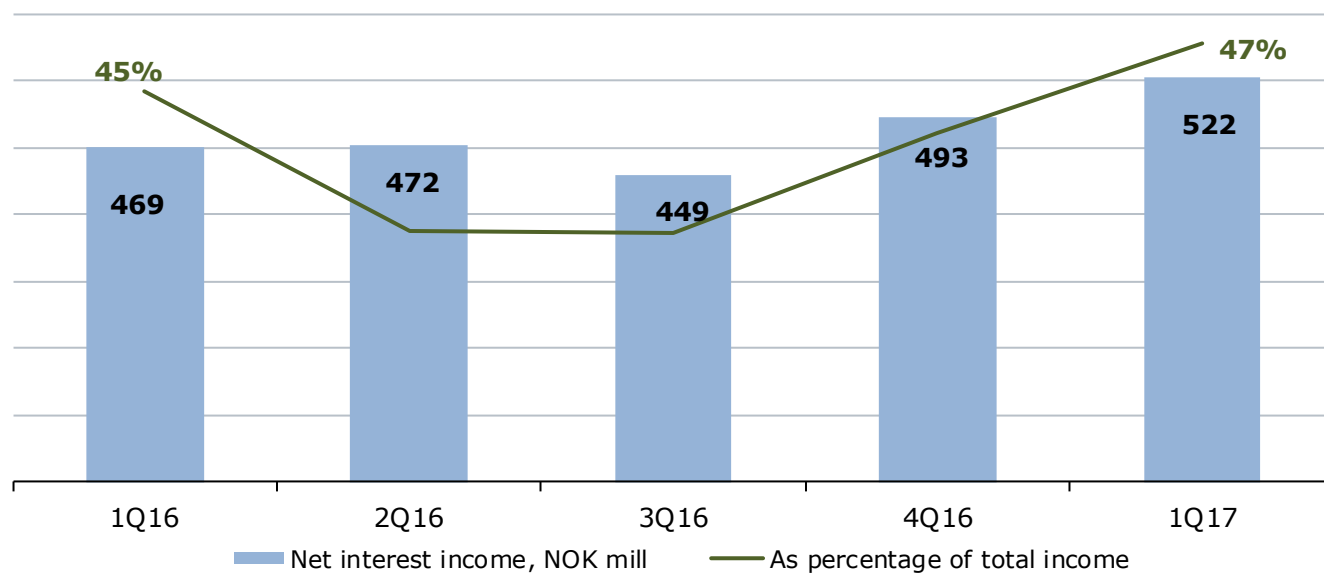
Net interest income

(in NOK million)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
Interest income	931	917	874	896	910	931	910	3,597	4,031
Interest expenses	409	424	425	424	441	409	441	1,714	2,159
Net interest income	522	493	449	472	469	522	469	1,883	1,872

As percentage of total income	47 %	43 %	40 %	40 %	45 %	47 %	45 %	42 %	48 %
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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



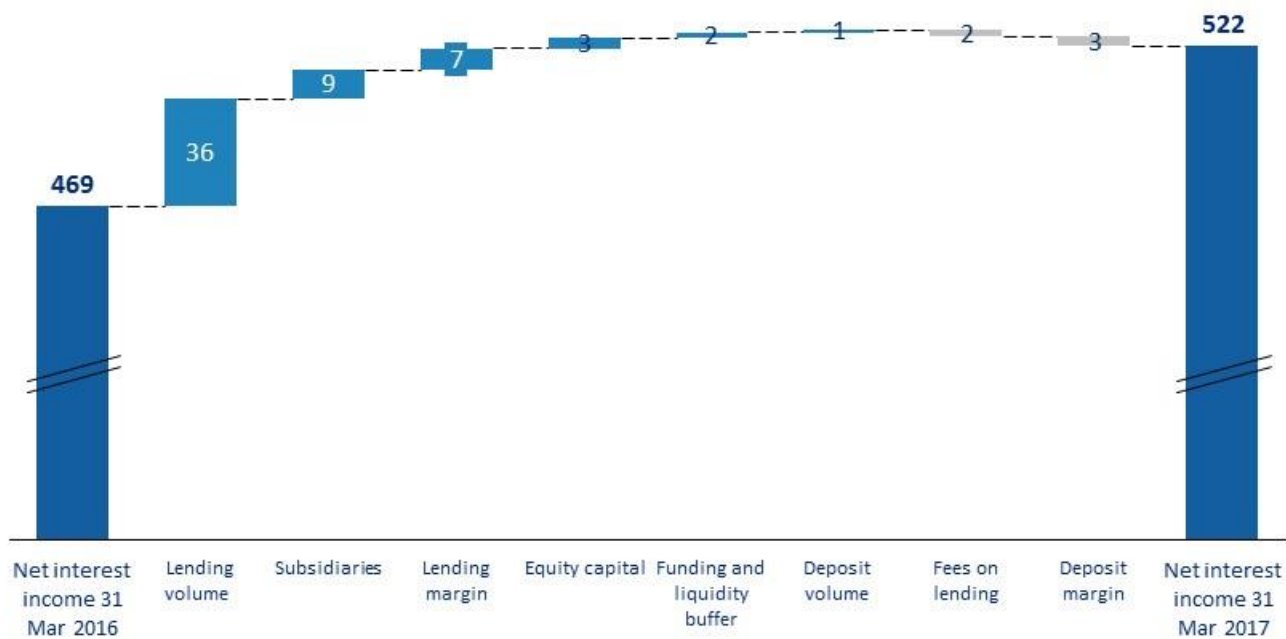
Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	36	7	43
Deposits	1	-3	-3
Total	37	4	41

Changes in net interest income

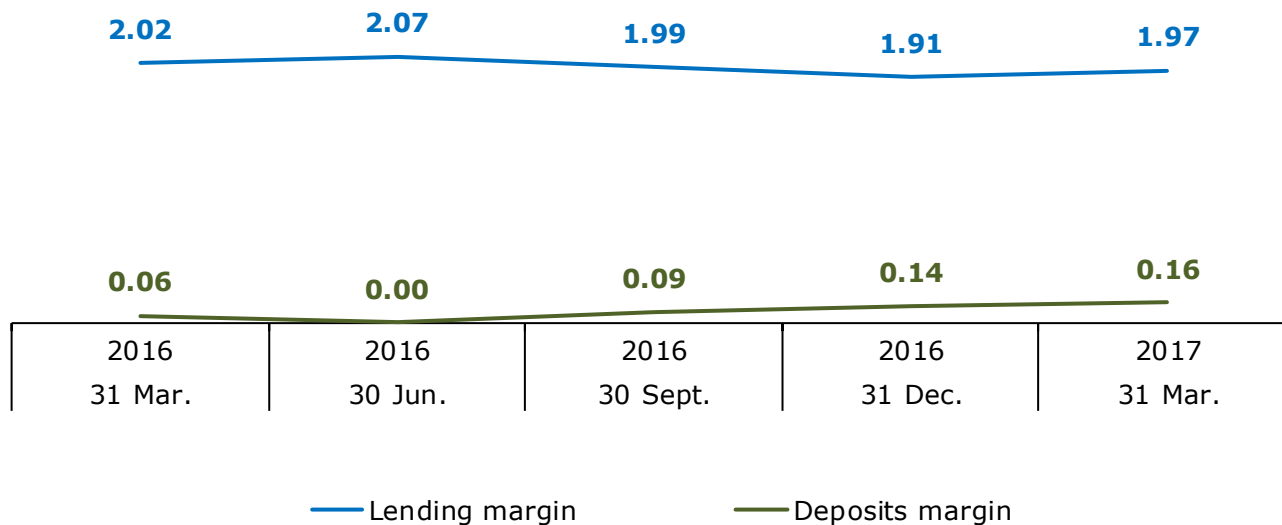
(in NOK million)

	2017	31 Mar. Change	2016
Net interest income	522	53	469
Equity capital		3	
Lending volume		36	
Fees on lending		-2	
Deposit margin		-3	
Subsidiaries		9	
Deposit volume		1	
Lending margin		7	
Funding and liquidity buffer		2	
Change		53	



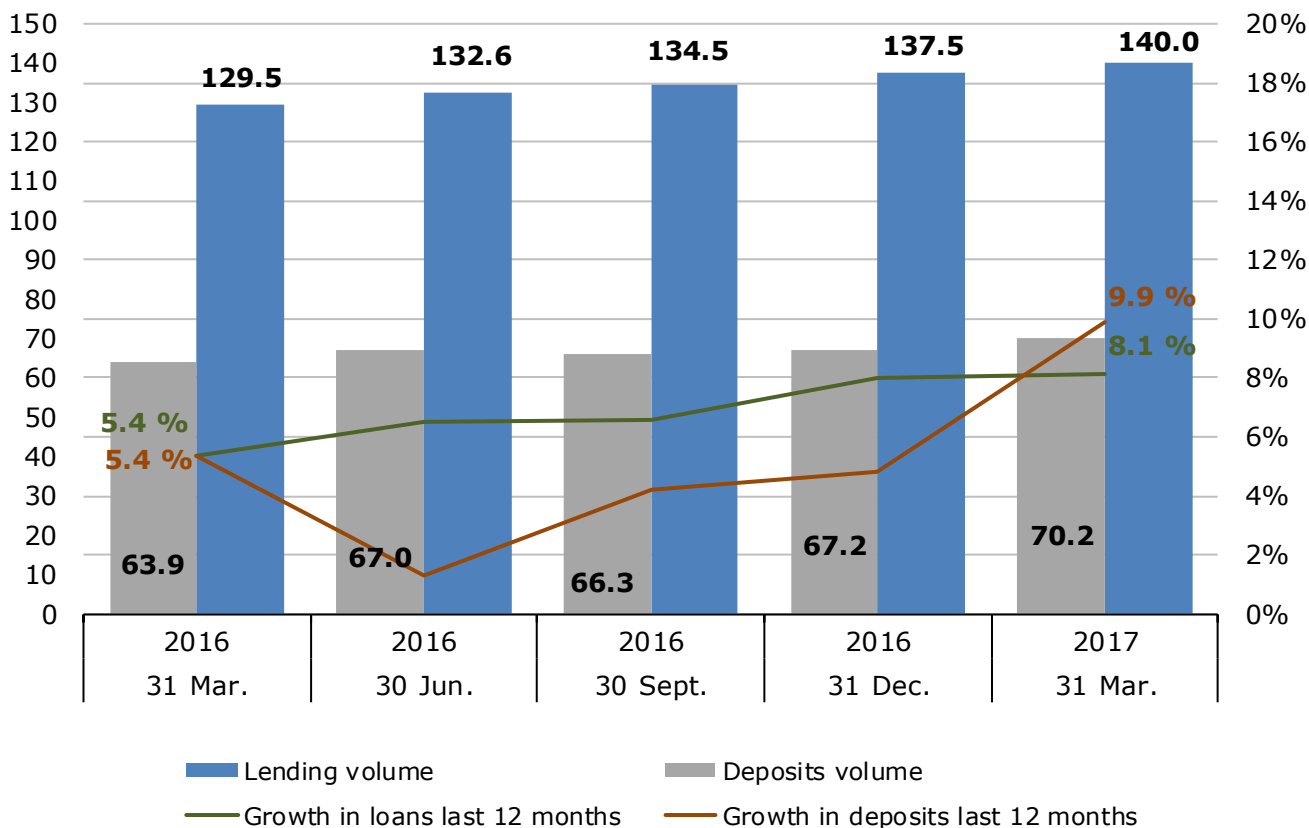
Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

NOK bn.

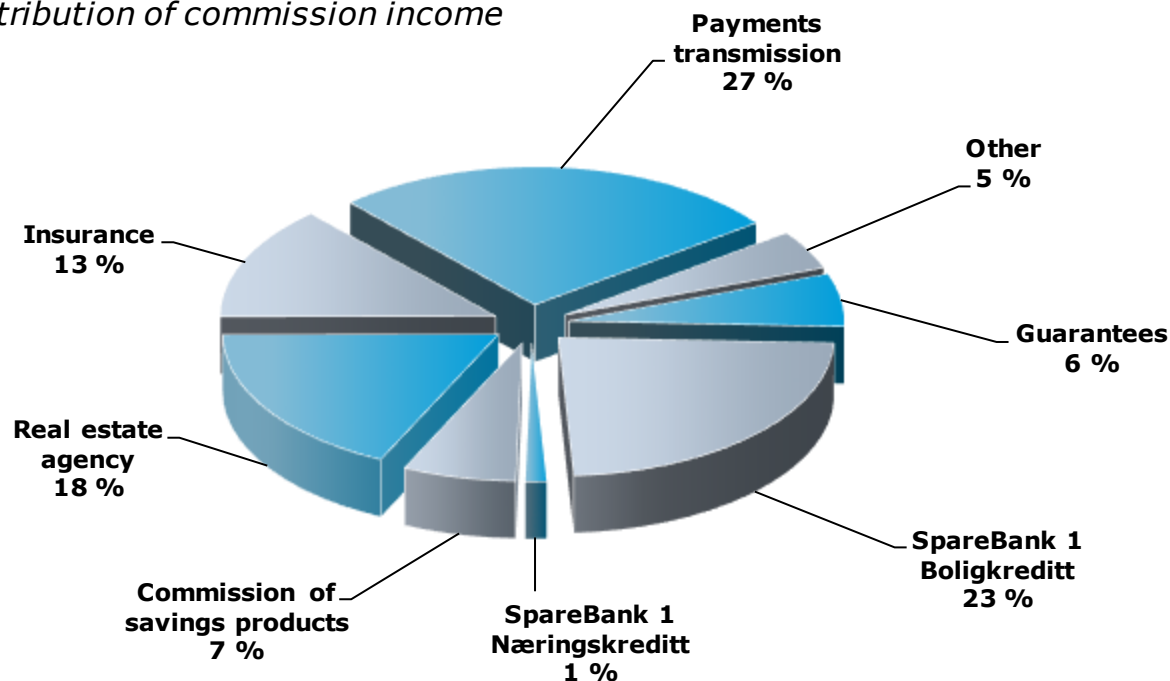


2.3. Commission income

Total commission and other income

(in NOK million)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
						2017	2016		
Guarantees	19	15	21	19	21	19	21	76	80
SpareBank 1 Boligkreditt	72	60	67	73	71	72	71	271	326
SpareBank 1 Næringskreditt	4	4	3	3	2	4	2	12	8
Commission of savings products	20	19	19	18	19	20	19	74	68
Real estate agency	55	55	65	74	53	55	53	247	212
Insurance	41	40	40	40	39	41	39	159	156
Payments transmission	82	92	97	88	78	82	78	355	344
Other	14	15	15	16	11	14	11	57	50
Total commissions income	308	300	326	331	295	308	295	1,251	1,245
Operating- and sales income real estate	31	22	35	38	25	31	25	121	108
Accounting services	93	45	38	69	50	93	50	202	182
Other operating income	58	81	47	47	59	58	59	234	145
Total other operating income	182	149	120	154	134	182	134	556	435
Commission expenses	35	35	34	36	28	35	28	133	135
Total commissions and other income	455	414	412	448	401	455	401	1,674	1,545
As percentage of total income	41 %	37 %	36 %	38 %	38 %	41 %	38 %	37 %	40 %

Distribution of commission income



Change in commission and other income

(in NOK million)	2017	31 Mar. Change	2016
Total	455	54	401
Real estate agency		2	
Other operating income		-1	
Operating- and sales income real estate		6	
Accounting services		43	
Insurance		2	
Commission of savings products		2	
Commission expenses		-7	
Other		3	
Payments transmission		4	
Guarantees		-2	
SpareBank 1 Boligkreditt		1	
SpareBank 1 Næringskreditt		2	

Net return on financial investments

(in NOK million)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
						2017	2016		
Income from investment in related companies incl inv held for sale	71	74	103	127	119	71	118	427	448
<i>of which SpareBank 1 Gruppen AS</i>	66	97	79	80	61	66	61	317	251
<i>BN Bank ASA</i>	29	7	28	31	20	29	20	86	41
<i>SpareBank 1 Boligkreditt AS</i>	-24	-26	-13	-2	24	-24	24	-17	80
<i>SpareBank 1 Næringskreditt AS</i>	8	8	5	7	8	8	8	29	30
<i>SpareBank 1 Kredittkort</i>	2	3	6	8	6	2	6	24	21
<i>SpareBank 1 Mobilbetaling</i>	-13	-9	-3	-6	0	-13	0	-27	-2
<i>Other ^{1) 2)}</i>	3	-6	0	9	0	3	0	15	27
Capital gains/dividends, shares and ECCs	2	39	45	63	3	2	3	149	62
<i>of which dividends</i>	1	1	13	73	0	1	0	88	25
<i>capital gains on shares</i>	1	38	32	-11	2	1	2	61	37
Capital gains, bonds and derivatives	34	78	80	53	25	34	25	236	-90
Forex and fixed income business, Markets	31	37	45	28	26	31	26	136	102
Change in discount factor in fair value model for fixed interest loans									-64
Net return on financial investments	138	228	274	271	172	138	172	949	458
As percentage of total income	12 %	20 %	24 %	23 %	17 %	12 %	16 %	21 %	12 %

1) Companies owned by SpareBank 1 SMN Invest and companies that were essentially established to handle corporate exposures taken over from other entities

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

Change in net return on financial investments

(in NOK million)	2017	31 Mar. Change	2016
Total	138	-34	172
Capital gains from bonds and derivatives		9	
Forex and fixed income business, Markets		5	
Capital gains/dividends on shares and ECC's		-1	
Income from investment in related companies, incl. inv. held for sale		-47	

2.4. Operating expenses

Operating expenses

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Salary	253	275	229	259	228	253	228	991	833
Pension costs (defined benefit plan)	28	-77	19	19	18	28	18	-20	71
Employer's insurance contributions	3	2	4	4	4	3	4	13	14
Other personnel expenses	60	50	43	37	45	60	45	175	176
Total personnel expenses	345	251	294	318	295	345	295	1159	1093
EDP and telecommunication expenses	69	57	65	66	64	69	64	252	240
Postage and transportation services	6	6	5	6	6	6	6	22	22
Marketing	24	30	23	25	20	24	20	98	96
Operating exp. on properties and premises	26	31	26	27	25	26	24	109	100
Other external services	27	33	29	26	21	27	25	108	105
Other operating expenses	30	49	38	36	34	30	21	156	171
Depr./write-downs of fixed & intangible assets	44	25	25	24	24	44	34	98	104
Other expenses	227	231	210	209	194	227	194	844	838
Total operating expenses	571	482	504	528	489	571	489	2,003	1,931

Cost/income ratio	51 %	43 %	44 %	44 %	47 %	51 %	47 %	44 %	50 %
Cost/income ratio ex financial inv.	58 %	53 %	59 %	57 %	56 %	58 %	56 %	56 %	57 %
12-month cost growth*	16.8 %	-6.4 %	8.1 %	6.4 %	7.7 %	16.8 %	8.1 %	3.7 %	8.1 %

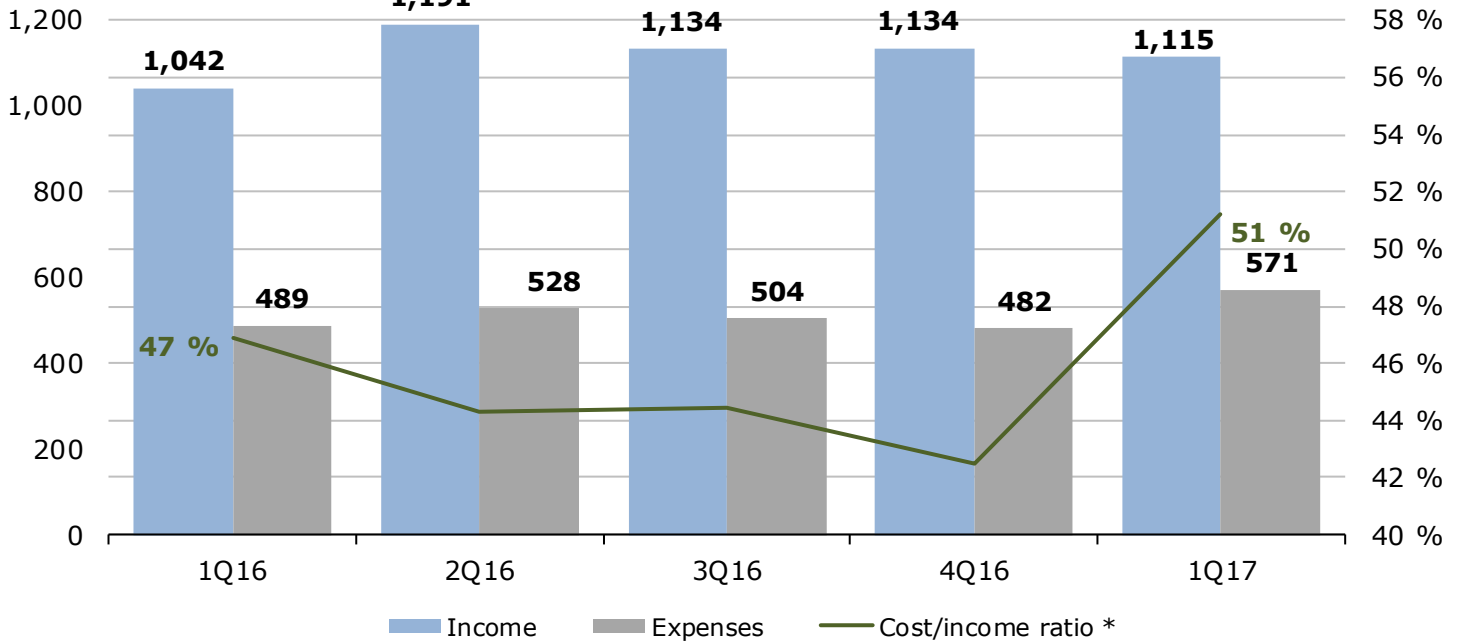
* SpareBank 1 Regnskapshuset SMN's acquisition of a large accounting firm 1 January 2017 affects the 12 month cost growth in 1Q 2017. The 12 month cost growth in 2016 is affected by the consolidation of SpareBank 1 Markets as a subsidiary

Change in operating expenses

(in NOK million)	2017	31 Mar. Change	2016
Total	571	82	489
Total personnel expenses		49	
Depr./write-downs of fixed & intangible assets		11	
EDP and telecommunication expenses		5	
Other operating expenses		9	
Operating exp. on properties and premises		2	
Other external services		2	
Marketing		4	
Postage and transportation services		0	

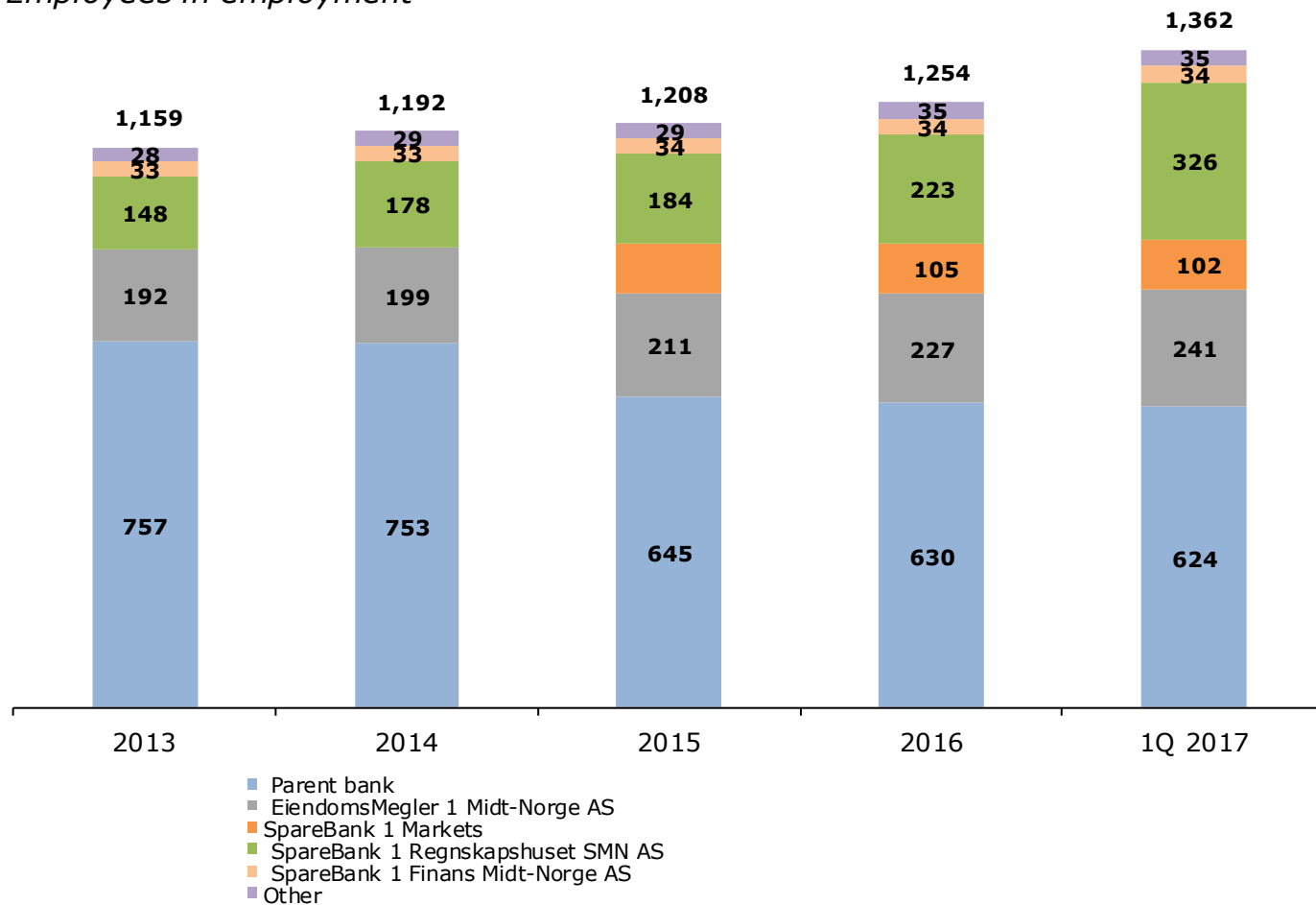
Cost/income ratio

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.

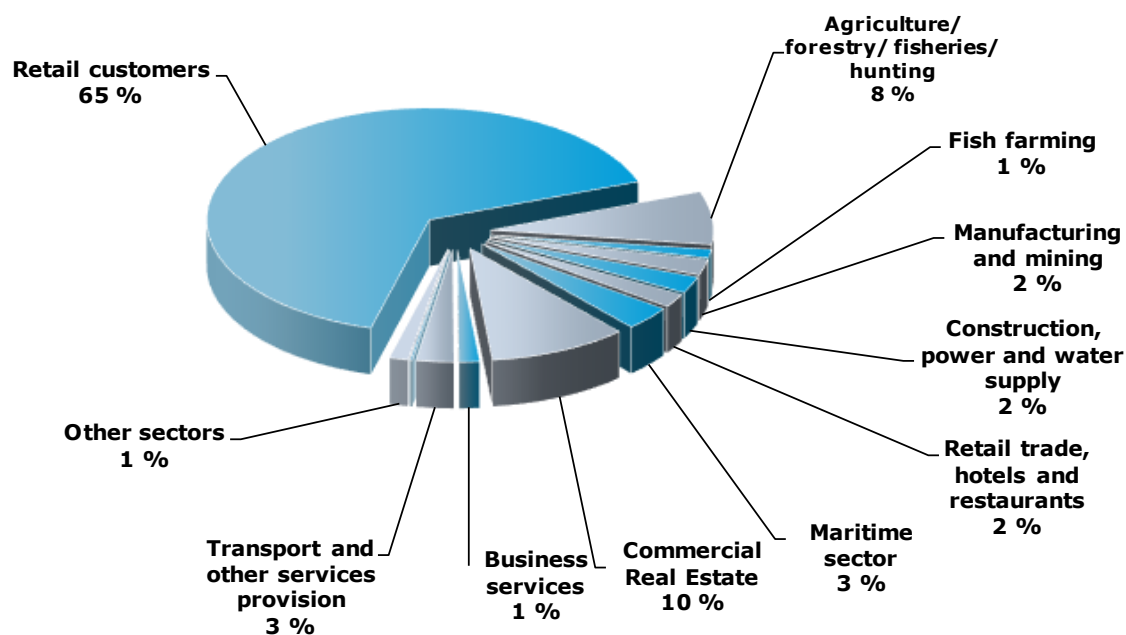
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
Agriculture/ forestry/ fisheries/ hunting	10,679	10,499	9,607	9,357	9,222	8,674
Fish farming	1,700	1,985	1,738	2,044	1,715	1,807
Manufacturing and mining	3,113	2,985	2,977	2,823	2,806	2,675
Construction, power and water supply	3,335	3,532	3,684	3,432	3,391	3,598
Retail trade, hotels and restaurants	2,735	2,510	2,482	2,591	2,898	2,666
Maritime sector	4,863	4,983	5,027	5,407	5,631	6,066
Commercial Real Estate	14,115	13,744	13,761	14,110	14,390	14,346
Business services	2,100	2,072	2,174	2,119	1,822	1,777
Transport and other services provision	3,840	3,836	3,893	3,829	3,544	3,355
Public administration	291	288	269	186	212	211
Other sectors	1,924	1,700	1,463	1,512	1,583	1,477
Gross loans in corporate market	48,696	48,133	47,074	47,411	47,214	46,653
Retail customers	91,343	89,402	87,388	85,171	82,307	80,725
Gross loans incl. Boligkr. and Næringskr.	140,038	137,535	134,462	132,583	129,520	127,378
- Adv. of this Boligkreditt	33,757	33,142	32,930	32,952	32,676	31,944
- Adv. of this Næringskreditt	2,164	2,069	1,963	1,841	1,514	1,460
Gross loans in balance sheet	104,117	102,325	99,569	97,790	95,331	93,974
Share of loans, corporate market	35 %	35 %	35 %	36 %	36 %	37 %
Share of loans, retail market	65 %	65 %	65 %	64 %	64 %	63 %

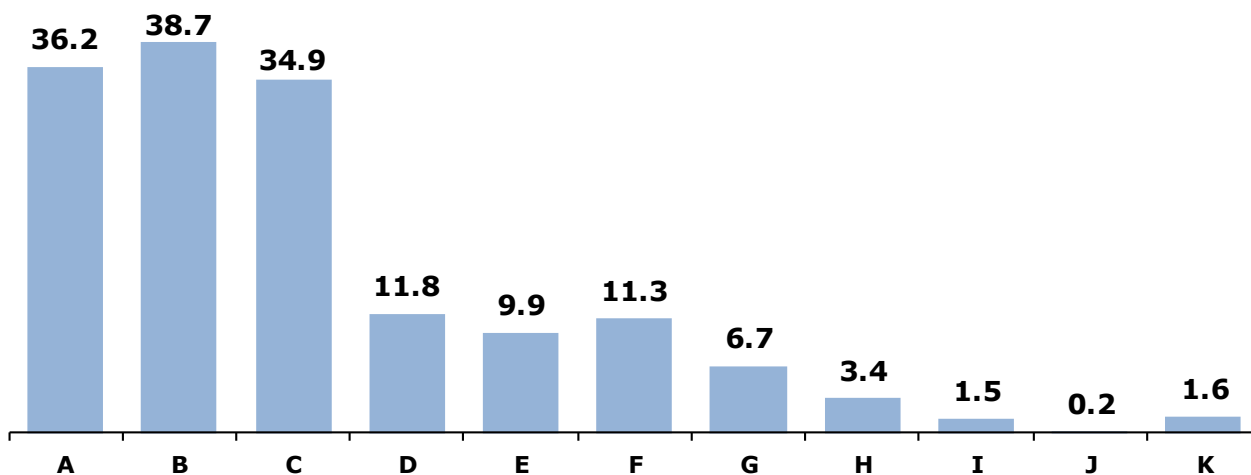
Distribution of loans by industry



3.2. Risk profile and write-downs

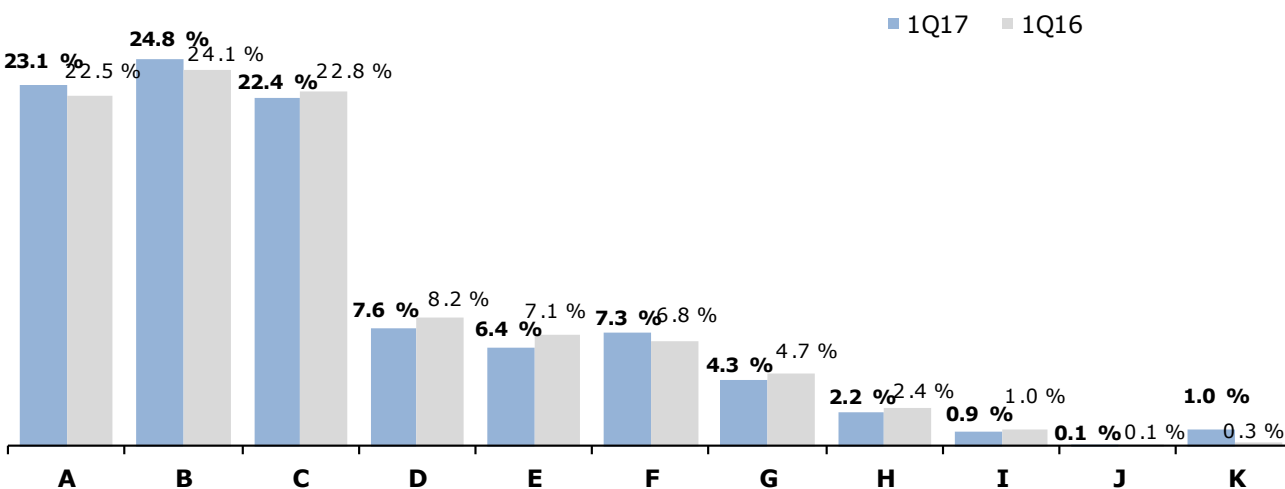
Actual risk profile, Exposure At Default

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)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
						2017	2016		
Increase in and new individual write-downs	-73	77	147	215	16	-73	16	454	11
Reassessments and recoveries	-152	-74	-9	-12	-4	-152	-4	-99	-76
Total individual write-downs	79	152	156	226	19	79	19	554	87
Change in group write-downs on loans	11	-53	-26	-109	150	11	150	-38	82
Write-downs on loans and guarantees	89	99	130	118	170	89	170	516	169
As % of gross loans incl. Boligkreditt	0.26 %	0.29 %	0.39 %	0.36 %	0.53 %	0.26 %	0.53 %	0.39 %	0.14 %

Loss on loans by segment

(in NOK million)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
						2017	2016		
Retail	0	3	3	-2	9	0	9	13	11
Corporate*	76	146	149	226	8	87	8	530	71
SMN Finans and other	2	2	4	3	2	-8	2	11	6
Collective write downs*	11	-53	-26	-109	150	11	150	-38	82
Total loss on loans	89	99	130	118	170	89	170	516	169

* The change in collective write downs related to the Corporate portfolio includes NOK 10m i 1Q 2017, NOK -55m in 4Q 2016, NOK -25m in 3Q 2016, NOK -110m in 2Q 2016, NOK 150m in 1Q 2016

Individual and collective write-downs

(in NOK million)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
						2017	2016		
Individual write-downs to cover loss on loans, guarantees at start of period	638	562	415	200	184	638	184	184	173
Write downs of loans previously subject to individual write down	79	1	-1	-3	11	79	11	8	22
Reversal of previous years' write downs	-8	-14	-14	-5	-5	-8	-5	-39	-46
Increase in write downs of commitments not previously subject to individual write down	8	118	167	229	14	8	14	528	102
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-148	-29	-5	-6	-4	-148	-4	-44	-67
Individual write downs to cover loss	570	638	562	415	200	570	200	638	184
Collective write downs to cover loss on loans, guarantees at start of period	339	391	418	527	376	339	376	376	295
Period's collective write down to cover loss on loans, guarantees etc.	11	-53	-26	-109	150	11	150	-38	82
Collective write downs to cover loss on loans, guarantees	349	339	391	418	527	349	527	339	376

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	92,883	78,904	8,985	3,321	719	744	211
Public administration	1,200	1,199	-	-	-	-	0
Agriculture and forestry	11,576	7,291	2,615	1,321	225	100	24
Sea farming industries	2,309	1,091	938	278	2	-	-
Manufacturing	3,765	354	886	2,135	319	35	37
Construction, power and water supply	4,730	1,234	929	1,667	821	43	35
Retail trade, hotels and restaurants	3,545	567	1,414	1,260	223	43	39
Maritime sector	635	44	210	333	0	48	-
Property management	15,057	8,447	2,692	2,811	705	369	34
Business services	3,894	1,088	592	1,958	196	37	23
Transport and other services provision	9,829	4,032	1,525	2,818	70	36	1,347
Finance	-	-	-	-	-	-	-
Other sectors	6,810	5,560	970	121	160	-	-
1Q17	156,234	109,811	21,757	18,024	3,438	1,455	1,749
2016	155,065	108,123	21,643	18,875	2,766	1,702	1,956
2015	148,680	97,588	25,632	19,231	3,838	1,746	645

Write-down ratio

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
Non-performing commitments (gross)	211	214	221	255	205	205
Impaired commitments (gross)	1,078	1,474	1,360	1,198	411	399
Gross non-performing and impaired commitments	1,289	1,688	1,581	1,453	616	604
Individual write-downs	570	638	562	415	200	184
Collective write-downs	349	339	391	418	527	376
Write-down ratio (%)	71.3 %	57.9 %	60.3 %	57.3 %	117.9 %	92.5 %

Default in excess of 90 days

NOK million



2016 1Q	2016 2Q	2016 3Q	2016 4Q	2017 1Q

— Retail > 90 d

Default in excess of 90 days

NOK million



2016 1Q	2016 2Q	2016 3Q	2016 4Q	2017 1Q

— Corporates* > 90 d

3.3. Capital adequacy

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.

As of 31 March 2017 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3.0 per cent and the Norwegian countercyclical buffer is 1.5 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 11.5 per cent. In addition the financial supervisory authority has set a Pillar 2 requirement of 2.1 per cent for SpareBank 1 SMN, effective as from the fourth quarter of 2016. The total minimum requirement on CET1 capital is accordingly 13.6 per cent.

The countercyclical buffer increased to 1.5 per cent from 1.0 per cent with effect from 30 June 2016. The Ministry of Finance has decided to increase the buffer by 0.5 per cent to 2.0 per cent with effect from 31 December 2017.

As from the fourth quarter of 2016 differentiated rates came into force for the countercyclical buffer. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. For the first quarter of 2017 the parent bank is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures. For groups, the risk-weighted countercyclical capital buffer is 1.5 per cent.

Parts of the group's hybrid capital and subordinated debt were issued under earlier rules. This will be subject to a write-down of 40 per cent in 2016 and 50 per cent in 2017. The write-down will increase by another 10 per cent per year thereafter. As at 31 March 2017 the bank held hybrid capital worth NOK 450 million subject to write-down. For subordinated debt the figure is NOK 690 million. The financial supervisory authority 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.

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

Methods for calculating minimum requirements

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

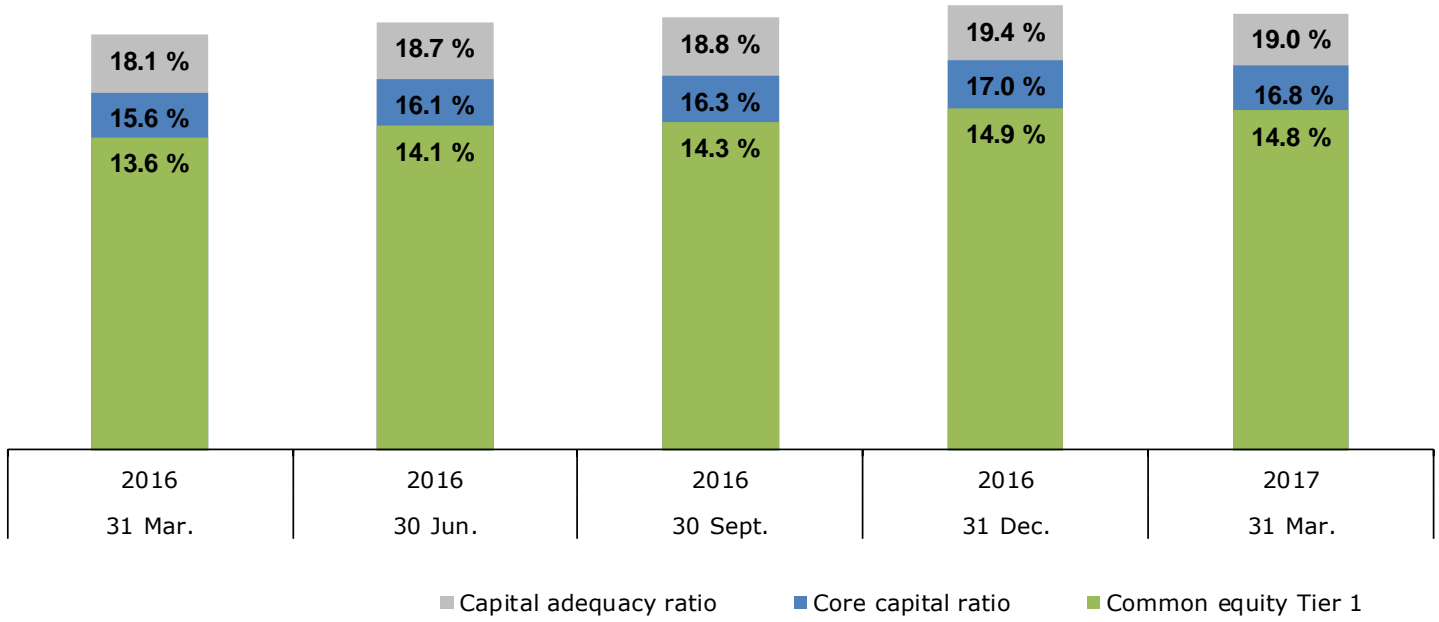
Capital Adequacy

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
Equity capital certificates	2,597	2,597	2,597	2,597	2,597	2,597
- Own holding of ECCs	-7	-4	-2	-7	-6	-21
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	4,470	4,484	3,791	3,783	3,782	3,790
Savings bank's reserve	4,498	4,498	4,105	4,105	4,105	4,105
Recommended dividends	0	389	0	0	0	292
Provision for gifts	0	220	0	0	0	40
Unrealised gains reserve	139	139	233	233	290	290
Other equity and minority interest	1,921	1,656	1,679	1,681	1,705	1,597
Minority interests	443	425	411	403	372	318
Net profit	358	0	1,185	771	311	0
Total book equity	15,315	15,299	14,893	14,460	14,051	13,904
Hybrid capital included in total equity	-267					
Deferred taxes, goodwill and other intangible assets	-853	-741	-758	-715	-668	-662
Part of reserve for unrealised gains, associated companies	117	117	119	169	119	264
Deduction for allocated dividends and gifts	0	-609	0	0	0	-332
Minority interests recognised in other equity capital	-443	-425	-411	-403	-372	-318
Minority interests eligible for inclusion in CET1 capital	223	220	211	203	184	132
Surplus financing of pension obligations	0	0	-94	-94	-43	-43
Net profit	-358	0	-1,185	-771	-311	0
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	179	0	830	540	218	0
Value adjustments due to requirements for prudent valuation	-48	-48	-51	-58	-57	-55
Positive value of adjusted expected loss under IRB Approach	-247	-248	-205	-187	-104	-239
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	8					
Direct, indirect and synthetic investments in financial sector companies	-188	-337	-453	-389	-576	-458
Total common equity Tier one	13,437	13,229	12,895	12,757	12,440	12,192
Hybrid capital, core capital	1,358	1,358	1,354	1,353	1,301	1,301
Hybrid capital covered by transitional provisions	459	483	487	493	496	495
Total core capital	15,254	15,069	14,736	14,604	14,237	13,988
Supplementary capital in excess of core capital						
Subordinated capital	1,710	1,698	1,644	1,647	1,648	1,647
Subordinated capital covered by transitional provisions	561	673	673	673	673	786
Direct, indirect and synthetic investments in financial sector companies	-237	-256	-43	-43	-43	-43
Total supplementary capital	2,034	2,116	2,275	2,278	2,279	2,390
Net subordinated capital	17,288	17,185	17,011	16,882	16,516	16,378

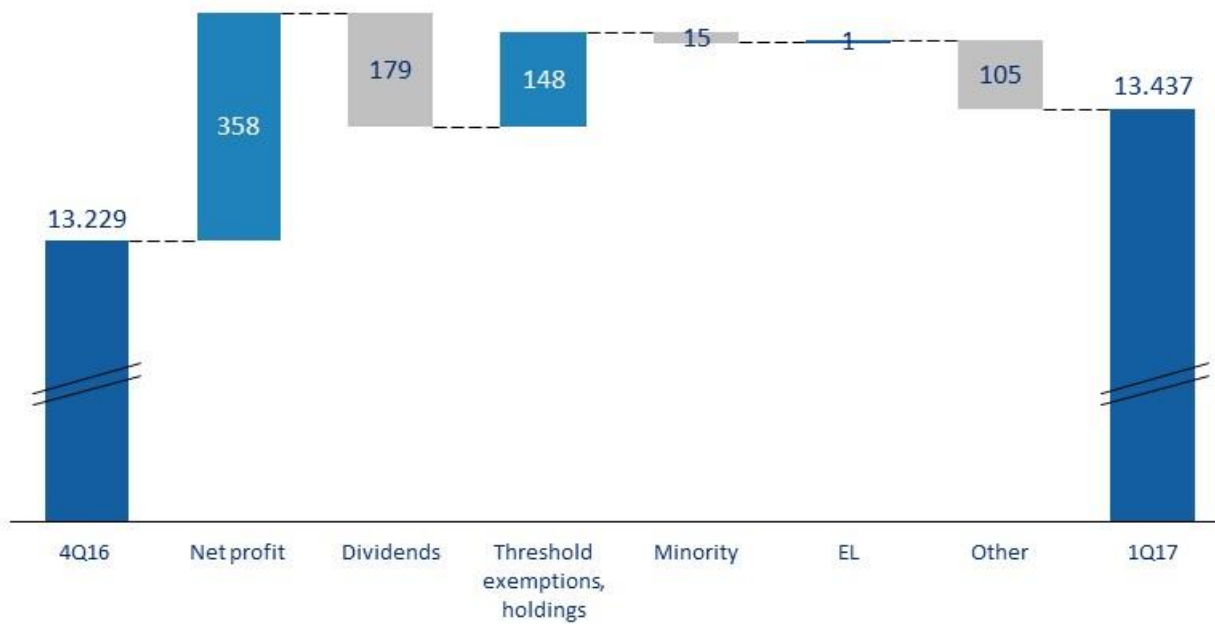
Minimum requirements subordinated capital

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
Involvement with specialised enterprises	1,186	1,206	1,166	1,169	1,232	1,213
Other corporations exposure	1,126	1,102	1,107	1,143	1,086	1,105
Mass market exposure, SMBs	168	166	164	170	171	167
Mass market exposure, property	1,615	1,602	1,602	1,596	1,606	1,557
Other retail exposure	77	74	38	43	39	40
Equity investments, IRB	1	3	3	3	1	0
Total credit risk IRB	4,173	4,153	4,080	4,123	4,135	4,082
Debt risk	35	36	19	19	29	64
Equity risk	15	5	10	10	10	10
Currency risk	1	1	1	1	0	0
Operational risk	510	479	479	479	479	457
Exposures calculated using the standardised approach	1,891	1,772	1,828	1,931	1,893	1,805
CVA	119	84	88	90	91	106
Transitional arrangements	523	574	723	585	666	634
Minimum requirements subordinated capital	7,268	7,103	7,228	7,237	7,303	7,157
Risk Weighted Assets (RWA)	90,846	88,788	90,353	90,464	91,286	89,465
Minimum requirement on CET1 capital, 4.5 per cent	4,088	3,995	4,066	4,071	4,108	4,026
Capital conservation buffer, 2,5 per cent	2,271	2,220	2,259	2,262	2,282	2,237
Systemic risk buffer, 3.0 per cent	2,725	2,664	2,711	2,714	2,739	2,684
Countercyclical buffer, 1.5per cent (1.0 per cent)	1,363	1,332	1,355	1,357	913	895
Available CET1 capital after buffer requirements	2,990	3,018	2,505	2,354	2,399	2,351
Common equity Tier 1	14.8 %	14.9 %	14.3 %	14.1 %	13.6 %	13.6 %
Core capital ratio	16.8 %	17.0 %	16.3 %	16.1 %	15.6 %	15.6 %
Capital adequacy ratio	19.0 %	19.4 %	18.8 %	18.7 %	18.1 %	18.3 %
Leverage ratio	7.4 %	7.4 %	7.1 %	6.8 %	6.8 %	6.7 %

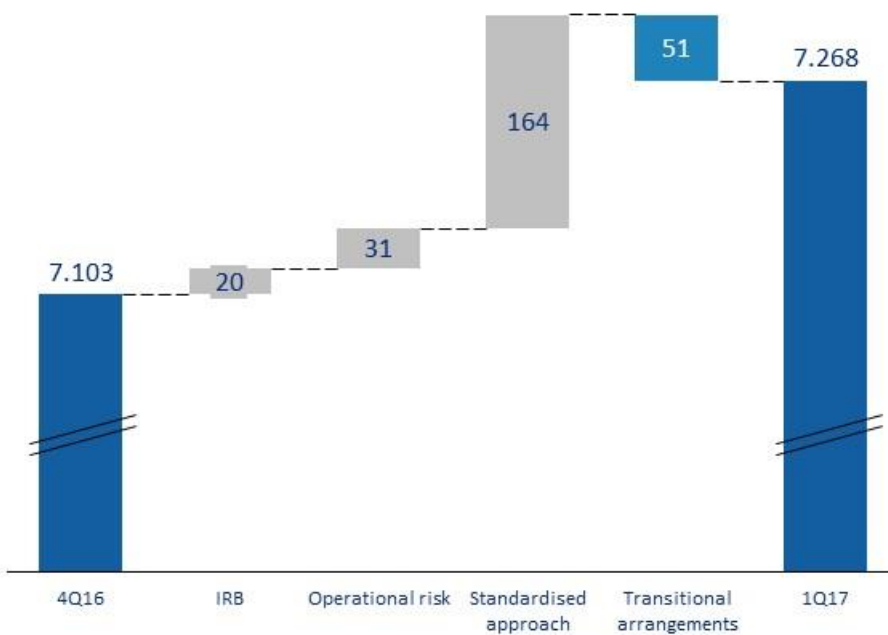
Capital Adequacy



Quarterly change in Common equity Tier 1



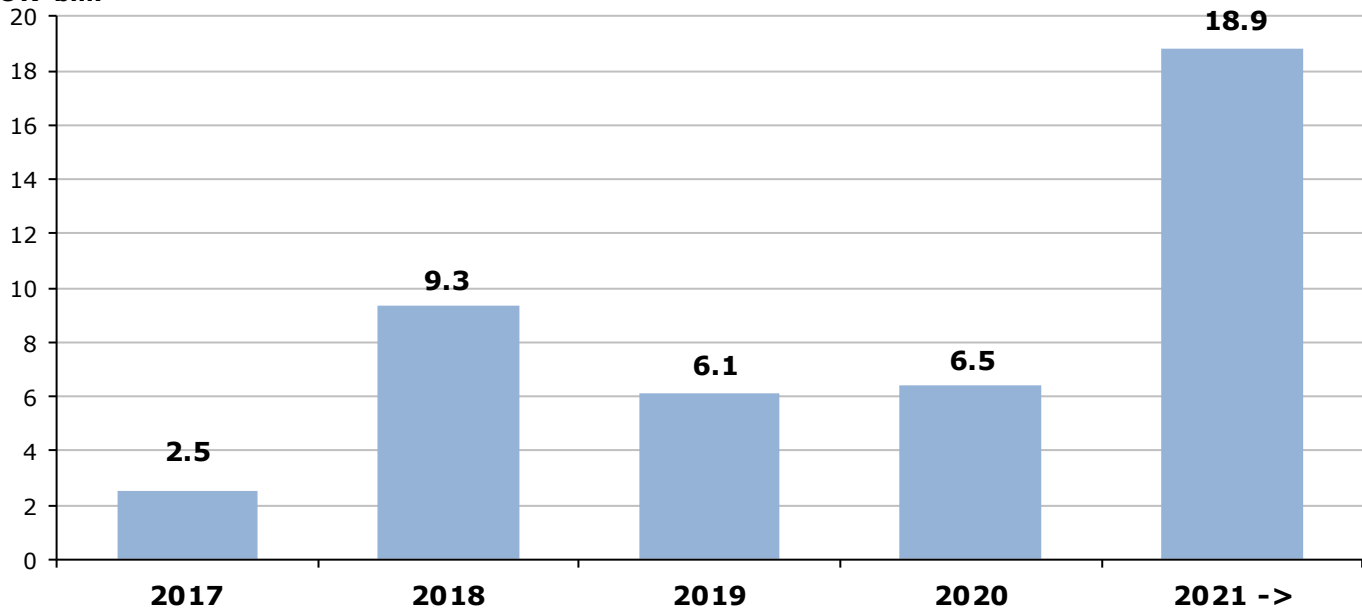
Quarterly change in Minimum requirements subordinated capital



4. Funding

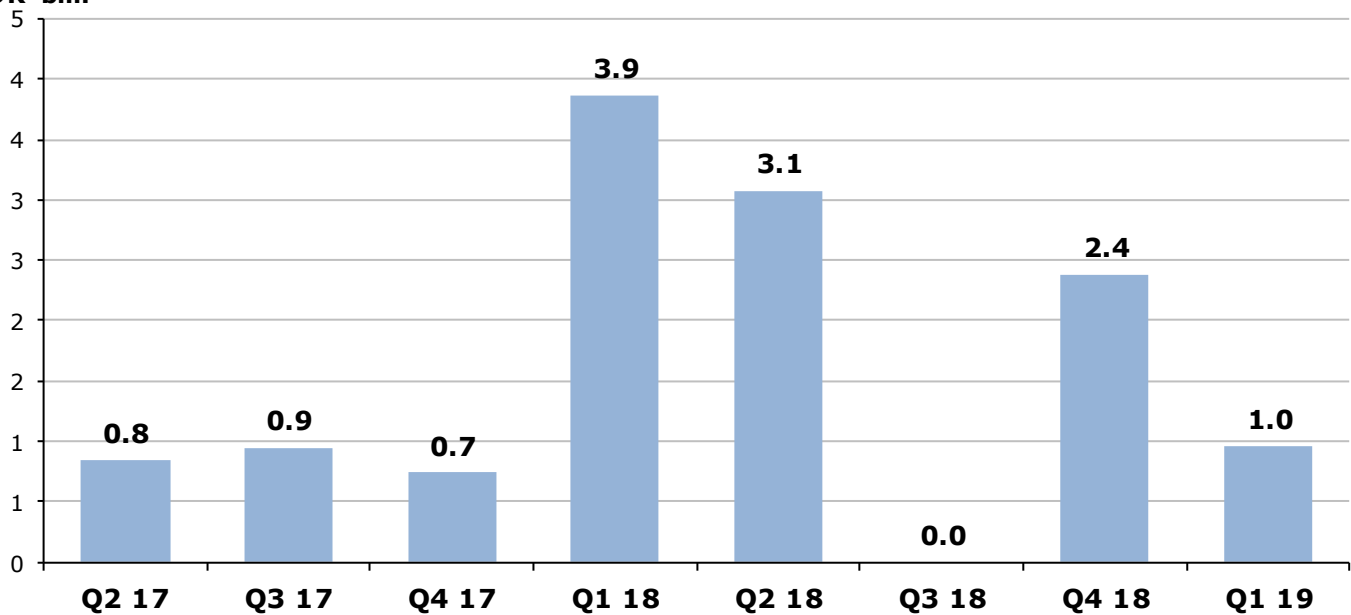
Funding maturity dates

NOK bill.



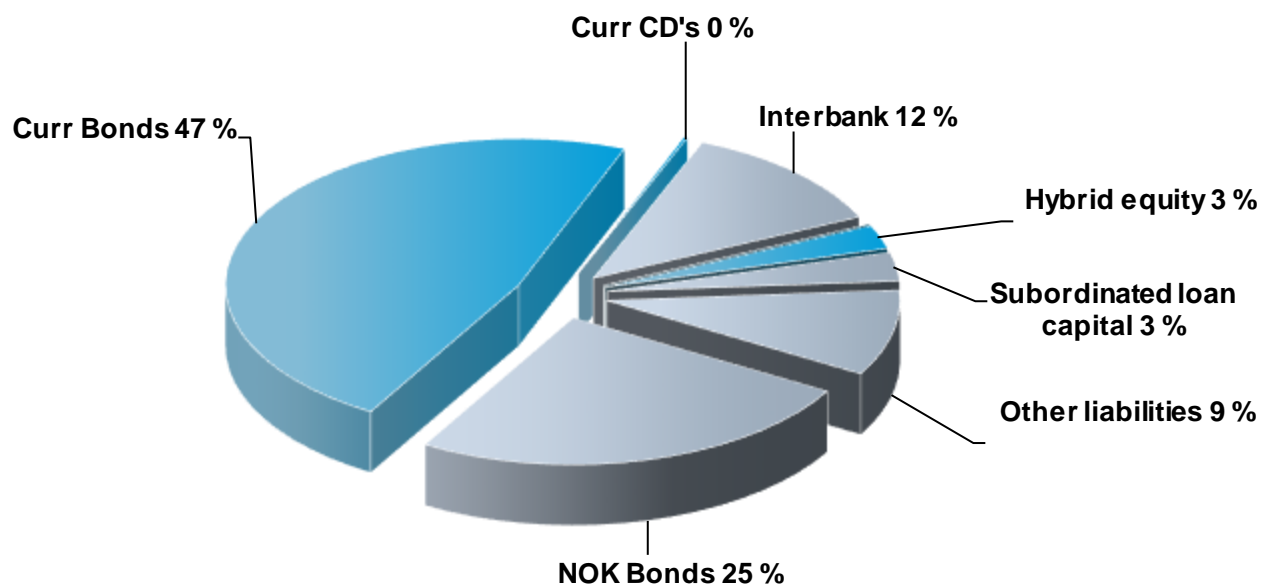
Funding maturity dates over the next eight quarters

NOK bill.



Capital markets funding

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
NOK Bonds	13,753	14,237	14,452	14,645	16,505	17,139
Curr Bonds	26,037	21,908	22,554	23,429	19,302	17,898
NOK CD's	-	-	-	-	-	-
Curr CD's	111	172	118	62	82	155
Interbank	6,598	10,299	10,491	10,212	8,549	8,155
Perp. Sub. Loan capital	-	-	300	300	299	299
Hybrid equity	1,431	1,433	1,437	1,443	1,446	1,445
Subordinated loan capital	1,729	1,707	1,770	1,793	1,740	1,719
Other liabilities	5,193	4,487	6,231	6,556	7,003	5,996
Total	54,852	54,242	57,353	58,441	54,925	52,807



5. Financial results

Financial results

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Interest income	931	917	874	896	910	931	910	3,597	4,031
Interest expenses	409	424	425	424	441	409	441	1,714	2,159
Net interest	522	493	449	472	469	522	469	1,883	1,872
Commission income	308	300	326	331	295	308	295	1,251	1,245
Commission expenses	35	35	34	36	28	35	28	133	135
Other operating income	182	149	120	154	134	182	134	556	435
Commission income and other income	455	414	412	448	401	455	401	1,674	1,545
Dividends	1	1	13	73	0	1	0	88	25
Income from investment in related companies	71	74	103	127	119	71	119	423	448
Net return on financial investments	66	153	157	71	53	66	53	434	-14
Net return on financial investments	138	228	274	271	172	138	172	944	459
Total income	1,115	1,134	1,134	1,191	1,042	1,115	1,042	4,502	3,876
Staff costs	345	251	294	318	295	345	295	1,159	1,093
Other operating expenses	227	231	210	209	194	227	194	844	838
Total operating expenses	571	482	504	528	489	571	489	2,003	1,931
Result before losses	544	652	630	664	553	544	553	2,499	1,945
Loss on loans, guarantees etc.	89	99	130	118	170	89	170	516	169
Result before tax	454	553	500	546	383	454	383	1,983	1,776
Tax charge	96	99	85	85	72	96	72	341	370
Results investments held for sale, after tax	0	7	-1	-1	0	0	0	4	-1
Net profit	358	462	414	460	311	358	311	1,647	1,406
Majority share	352	448	405	449	303	352	303	1,606	1,410
Minority interest	6	14	9	11	8	6	8	41	-4

Balance sheet

(in NOK million)	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Mar. 2016	31 Dec. 2015
Cash and receivables from central banks	1,171	315	1,080	1,200	1,241	3,270
Deposits with and loans to credit institutions	3,008	3,892	6,652	6,013	2,324	2,407
Net loans to and receivables from customers	103,204	101,354	98,619	96,960	94,606	93,415
Fixed-income CDs and bonds at fair value	18,704	17,557	16,898	19,862	15,956	15,752
Derivatives	4,701	4,752	5,489	6,927	8,093	7,524
Shares, units and other equity interests	1,676	1,542	1,253	1,464	1,644	1,485
Investment in related companies	5,974	5,638	5,649	5,524	5,759	5,522
Investments held for sale	15	15	217	217	214	16
Intangible assets	686	639	628	583	566	562
Other assets	2,903	2,376	3,331	2,395	3,941	1,962
Assets	142,042	138,080	139,815	141,145	134,345	131,914
Deposits from credit institutions	6,959	10,509	10,591	10,227	8,549	8,155
Deposits from and debt to customers	70,176	67,168	66,290	67,031	63,851	64,090
Debt created by issue of securities	39,901	36,317	37,124	38,137	35,888	35,154
Derivatives	3,509	4,074	5,004	5,924	6,237	5,414
Other liabilities	2,979	1,531	2,353	1,772	2,279	1,734
Investments held for sale	0	0	11	16	5	0
Subordinated loan capital	3,203	3,182	3,550	3,579	3,485	3,463
Total liabilities	126,727	122,781	124,922	126,685	120,294	118,010
Equity capital certificate	2,597	2,597	2,597	2,597	2,597	2,597
Own holding of ECCs	-7	-4	-2	-7	-6	-21
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	4,470	4,484	3,791	3,783	3,782	3,790
Recommended dividends	0	389	0	0	0	292
Provision for gifts	0	220	0	0	0	40
Savings bank's reserve	4,498	4,498	4,105	4,105	4,105	4,105
Unrealised gains reserve	139	139	233	233	290	290
Other equity capital	1,921	1,656	1,679	1,681	1,705	1,597
Result of the period	358	0	1,185	771	311	0
Minority interests	443	425	411	403	372	318
Total equity capital	15,315	15,299	14,893	14,460	14,051	13,904
Total liabilities and equity	142,042	138,080	139,815	141,145	134,345	131,914

Key figures	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Return on equity	9.4 %	12.2 %	11.3 %	12.9 %	8.9 %	9.4 %	8.9 %	11.3 %	10.7 %
Cost/income ratio group	51 %	43 %	44 %	44 %	47 %	51 %	47 %	44 %	50 %
Cost/income ratio group, ex. financial inv.	58 %	53 %	59 %	57 %	56 %	58 %	56 %	56 %	57 %
12-month cost growth	16.8 %	-1.4 %	8.1 %	6.4 %	7.7 %	16.8 %	7.7 %	3.7 %	7.9 %
Gross loans to customers*	140,038	137,535	134,462	132,583	129,520	140,038	129,520	137,535	127,378
Growth in loans last 12 months*	8.1 %	8.0 %	6.6 %	6.5 %	5.4 %	8.1 %	5.4 %	8.0 %	5.8 %
Growth in loans this period*	1.8 %	2.3 %	1.4 %	2.4 %	1.7 %	1.8 %	1.7 %	8.0 %	5.8 %
Deposits from customers	70,176	67,168	66,290	67,031	63,851	70,176	63,851	67,168	64,090
Growth in deposits last 12 months	9.9 %	4.8 %	4.2 %	1.3 %	5.4 %	9.9 %	5.4 %	4.8 %	5.6 %
Growth in deposits this period	4.5 %	1.3 %	-1.1 %	5.0 %	-0.4 %	4.5 %	-0.4 %	4.8 %	5.6 %
Deposit-to-loan ratio*	50 %	49 %	49 %	51 %	49 %	50 %	49 %	49 %	50 %
Total assets	142,042	138,080	139,815	141,145	134,345	142,042	134,345	138,080	131,914
Average total assets (quarterly)	140,061	138,948	140,480	137,745	133,129	140,061	133,129	137,060	128,355
Employees in employment group	1,362	1,254	1,205	1,252	1,216	1,362	1,216	1,254	1,208
Employees in employment parent bank	624	630	637	632	642	624	642	630	645
Employees in employment subsidiaries	737	624	567	620	574	737	574	624	563
Number of branches	48	49	49	49	49	48	49	49	49
Lending margin	1.97	1.91	1.95	2.07	2.02	1.97	2.02	1.99	2.26
Deposit margin	0.16	0.14	0.09	0.00	0.06	0.16	0.06	0.07	-0.21
Net other operating income of total income	41 %	37 %	36 %	38 %	38 %	41 %	38 %	37 %	40 %
Common Equity Tier 1 ratio	14.8 %	14.9 %	14.3 %	14.1 %	13.6 %	14.8 %	13.6 %	14.9 %	13.6 %
Core capital ratio	16.8 %	17.0 %	16.3 %	16.1 %	15.6 %	16.8 %	15.6 %	17.0 %	15.6 %
Capital adequacy ratio	19.0 %	19.4 %	18.8 %	18.7 %	18.1 %	19.0 %	18.1 %	19.4 %	18.3 %
Total core capital	15,254	15,069	14,736	14,604	14,237	15,254	14,237	15,069	13,988
Net subordinated capital	17,288	17,185	17,011	16,882	16,516	17,288	16,516	17,185	16,378
Liquidity Coverage Ratio (LCR) (%)	136 %	129 %	138 %	149 %	110 %	136 %	110 %	129 %	118 %
Leverage ratio	7.4 %	7.4 %	7.1 %	6.8 %	6.8 %	7.4 %	6.8 %	7.4 %	6.7 %
Impairment losses ratio	0.26 %	0.29 %	0.39 %	0.36 %	0.53 %	0.26 %	0.53 %	0.39 %	0.14 %
Non-performing commitm. as % of gross loans	0.15 %	0.16 %	0.16 %	0.19 %	0.16 %	0.15 %	0.16 %	0.16 %	0.16 %
Other doubtful commitm. as % of gross loans	0.77 %	1.07 %	1.01 %	0.90 %	0.32 %	0.77 %	0.32 %	1.07 %	0.31 %
ECC price	66.50	64.75	55.75	46.70	52.75	66.50	52.75	64.75	50.50
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)	72.03	73.26	71.17	69.18	67.37	72.03	67.37	73.26	67.65
Adjusted profit per ECC	1.73	2.21	2.00	2.21	1.49	1.73	1.49	7.91	7.02
P/E per ECC	9.59	7.34	6.98	5.27	8.83	9.59	8.83	8.19	7.19
P/B equity capital	0.92	0.88	0.78	0.68	0.78	0.92	0.78	0.88	0.75

* Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt

6. Segment Information

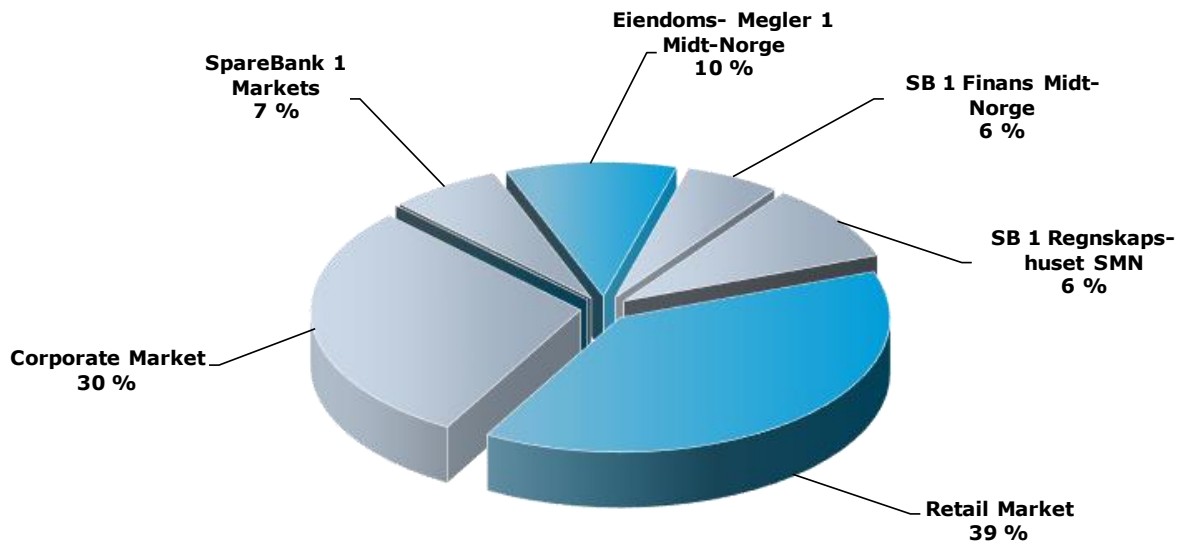
For the subsidiaries the figures refer to the respective company accounts, while for joint ventures incorporated by the equity method the Group's profit share is stated, after tax, as well as book value of the investment at group level.

6.1. Extract from income statement

Group (in NOK million) 31 Mar.2017	Retail Market	Corporate Market	SB 1 Markets	Eiendoms- Megler 1 Midt-Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps- huset SMN	SB 1 Gruppen	BN Bank	Un- collated	Total
Net interest	228	246	(2)	1	51	-1	-	-	-1	522
Allocated	31	30	-	-	-	-	-	-	-60	-
Total interest income	259	276	(2)	1	51	-1	-	-	-61	522
Commission income and other income	173	47	59	113	12	105	-	-	-55	455
Net profit on financial investments	0	2	18	-	-	-	66	29	22	138
Total income	432	325	75	114	63	104	66	29	-94	1,115
Total operating expenses	201	89	72	110	33	89			-23	571
Ordinary operating profit	230	237	2	4	30	15	66	29	-71	544
Loss on loans, guarantees etc.	0	87	-	-	2.38	-	-	-	-0	89
Result before tax incl investments held for sale	230	150	2	4	28	15	66	29	-71	454
Post-tax return on equity*	14.9 %	9.6 %								9.4 %
Balance sheet										
Loans and advances to customers adv. of this to Boligkreditt and Næringskreditt	95,482	39,421	-	-	5,746	-	-	-	-611	140,038
Individual allowance for impairment on loan	-23	-528	-	-	-11	-	-	-	-2	-564
Group allowance for impairment on loan	-90	-218	-	-	-21	-	-	-	-20	-349
Other assets	167	192	1,867	1,002	10	288	1,543	1,217	32,552	38,838
Total assets	61,618	36,863	1,867	1,002	5,725	288	1,543	1,217	31,919	142,042
Deposits to customers	34,943	35,778	-	-	-	-	-	-	-545	70,176
Other liabilities and equity	26,675	1,086	1,867	1,002	5,725	288	1,543	1,217	32,464	71,866
Total liabilities	61,618	36,863	1,867	1,002	5,725	288	1,543	1,217	31,919	142,042

*) Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 percent to be in line with the capital plan.

Income specified by segment, excluding financial investments



Interest income, Retail Market and Corporate Market

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Retail	228	227	230	227	222	228	222	906	907
Corporate	246	257	232	239	232	246	232	960	922
Net interest income	474	484	462	466	454	474	454	1,866	1,829

Development in margin, Retail Market and Corporate Market

Lending (in percentage)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Retail	1.71	1.59	1.70	1.81	1.78	1.71	1.78	1.72	2.07
Corporate	2.62	2.71	2.69	2.68	2.57	2.62	2.57	2.66	2.68
Total	1.97	1.91	1.99	2.07	2.02	1.97	2.02	1.99	2.26

Deposits (in percentage)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Retail	0.33	0.36	0.30	0.17	0.24	0.33	0.24	0.27	-0.14
Corporate	-0.03	-0.10	-0.14	-0.18	-0.15	-0.03	-0.15	-0.14	-0.29
Total	0.16	0.14	0.09	0.00	0.06	0.16	0.06	0.07	-0.21

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

Development in volume, Retail Market and Corporate Market

Lending* (in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Retail	95,482	93,757	91,655	89,299	86,451	95,482	86,451	93,757	84,981
Corporate	39,421	38,938	38,312	37,454	37,479	39,421	37,479	38,938	37,226
Total	134,903	132,695	129,968	126,753	123,930	134,903	123,930	132,695	122,206

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

Deposits (in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Retail	34,943	34,856	34,911	35,457	33,671	34,943	33,671	34,856	33,534
Corporate	35,778	32,401	31,441	31,511	29,655	35,778	29,655	32,401	30,367
Total	70,721	67,257	66,352	66,968	63,325	70,721	63,325	67,257	63,902

Development in commission income, Retail Market and Corporate Market

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Retail	173	166	176	172	166	173	166	680	715
Corporate	50	47	56	52	51	50	51	205	193
Total	223	213	232	224	217	223	217	885	908

6.2. Retail Market

Business description

	31 Mar. 2017
<i>Facts about the business area</i>	
Lending volume	95,482
Deposits volume	34,943
No. of active customers	216,474
FTEs	367

Financial performance

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Net interest income lending	117	95	114	129	119	117	119	457	621
Net interest income deposits	111	122	116	98	103	111	103	438	286
Net interest income allocated capital	31	24	8	11	14	31	14	57	41
Total interest income	259	240	238	238	236	259	236	953	948
Net guarantee commission, incl. BK, NK	82	69	76	81	80	82	80	306	360
Net commission of savings products	14	18	17	16	12	14	12	63	55
Net commission insurance services	36	36	35	35	33	36	33	139	135
Net commission payment trans. services	41	43	48	40	40	41	40	171	165
Other commission income	0	0	1	0	0	0	0	1	0
Net fee and commission income	173	166	176	172	166	173	166	679	715
Net profit on financial investments	0	0	0	0	0	0	0	1	1
Total income	432	406	414	410	402	432	402	1,633	1,663
Total operating expenses*	201	168	201	202	198	201	198	770	779
Results	230	238	213	207	204	230	204	863	884
Loss on loans, guarantees etc.	0	3	3	-2	9	0	9	13	11
Results before tax	230	235	210	210	195	230	195	850	873

*) Includes both direct and distributed expenses

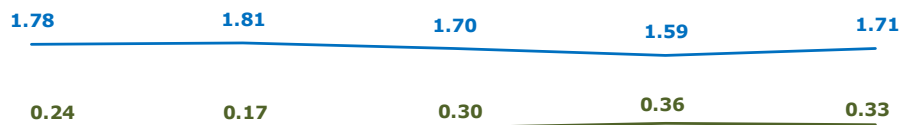
Post-tax return on equity (annualized)**

14.9 % 12.9 % 13.8 % 15.8 %

***) Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 (14.5) percent to be in line with the capital plan.

Development in margin

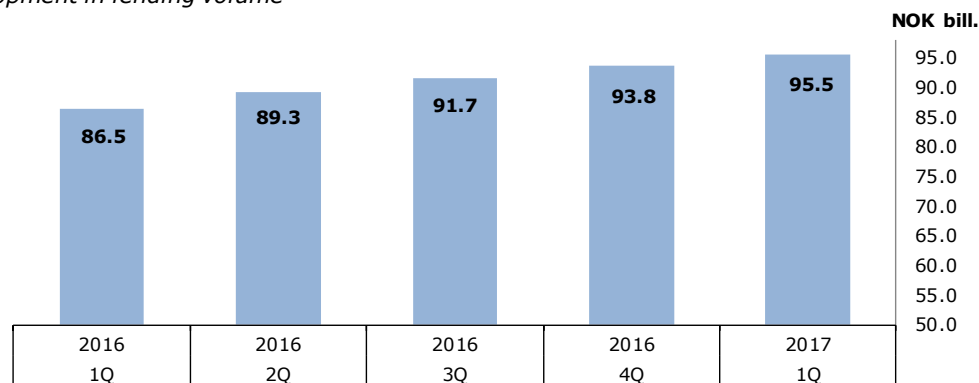
Definition margin: Average customer interest minus 3 months average nibor



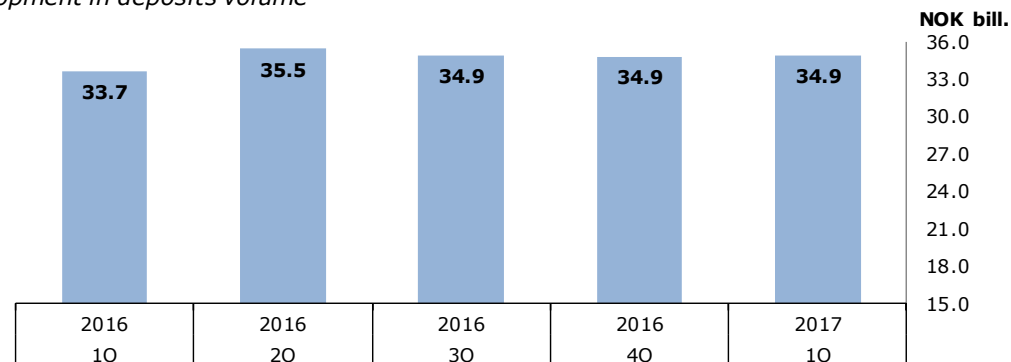
2016 1Q	2016 2Q	2016 3Q	2016 4Q	2017 1Q
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— Lending margin Retail — Deposits margin Retail

Development in lending volume



Development in deposits volume



6.3. Corporate

Business description

	31 Mar. 2017
<i>Facts about the business area</i>	
Lending volume	39,421
Deposits volume	35,778
No. of active customers	12,644
FTEs	157

Financial performance

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Net interest income lending	171	140	163	178	169	171	169	649	704
Net interest income deposits	67	79	70	62	63	67	63	272	218
Net interest income allocated capital	38	51	7	9	12	38	12	78	48
Total interest income	276	269	239	248	243	276	243	1,000	971
Net guarantee commission, incl. BK, NK	20	21	24	22	22	20	22	89	79
Net commission of savings products	0	0	2	-1	0	0	0	2	5
Net commission insurance services	5	5	5	5	6	5	6	20	20
Net commission payment trans. services	21	21	21	22	20	21	20	84	75
Other commission income	0	0	1	0	0	0	0	2	1
Net fee and commission income	47	48	52	48	49	47	49	196	180
Net profit on financial investments	2	0	4	4	2	2	2	9	13
Total income	325	316	295	300	294	325	294	1,205	1,164
Total operating expenses*	89	68	82	90	93	89	93	332	353
Results	237	248	212	211	202	237	202	873	810
Loss on loans, guarantees etc.**	87	91	124	115	158	87	158	490	151
Results before tax	150	157	89	95	44	150	44	384	659

*) Includes both direct and distributed expenses

**) Includes collective write downs of NOK 10m in 1Q 2017, NOK -55m in 4Q 2016, NOK- 25m in 3Q 2016, NOK- 110m in 2Q 2016, NOK 150m in 1Q 2016. 2015 was NOK 80m

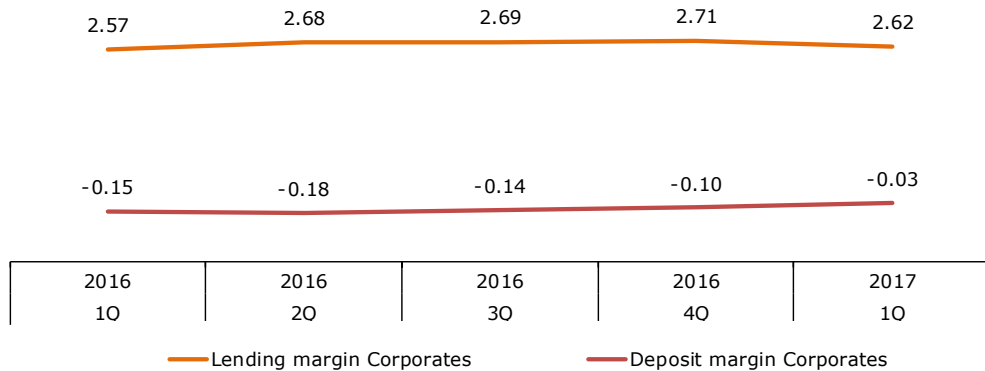
Post-tax return on equity (annualized)***

9.6 % 3.1 % 6.9 % 12.4 %

***) Calculation of capital employed in Retail Banking and Corporate Banking is based on regulatory capital. This capital is grossed up to 15.0 (14.5) percent to be in line with the capital plan.

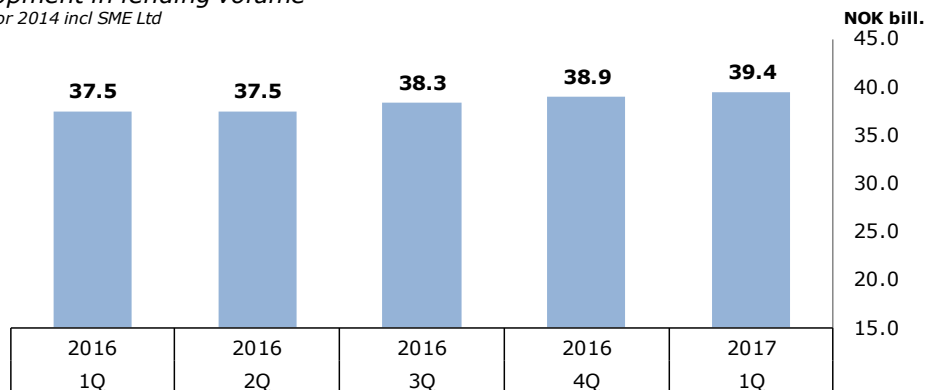
Development in margin

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



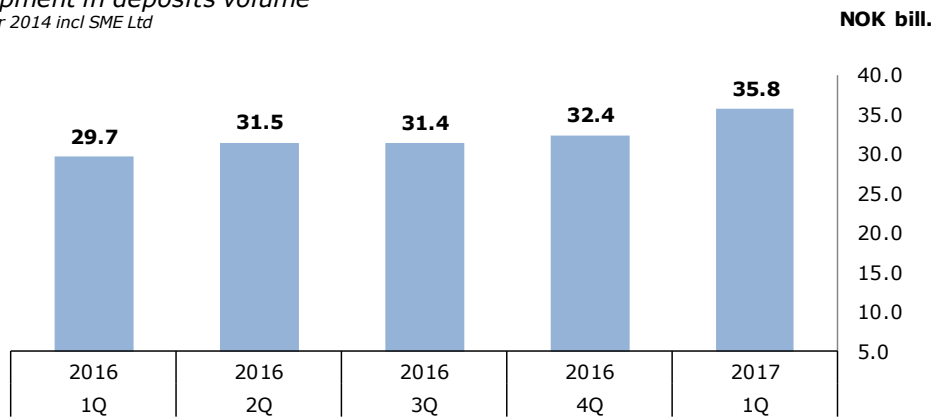
Development in lending volume

Figures for 2014 incl SME Ltd



Development in deposits volume

Figures for 2014 incl SME Ltd



6.4. Subsidiaries

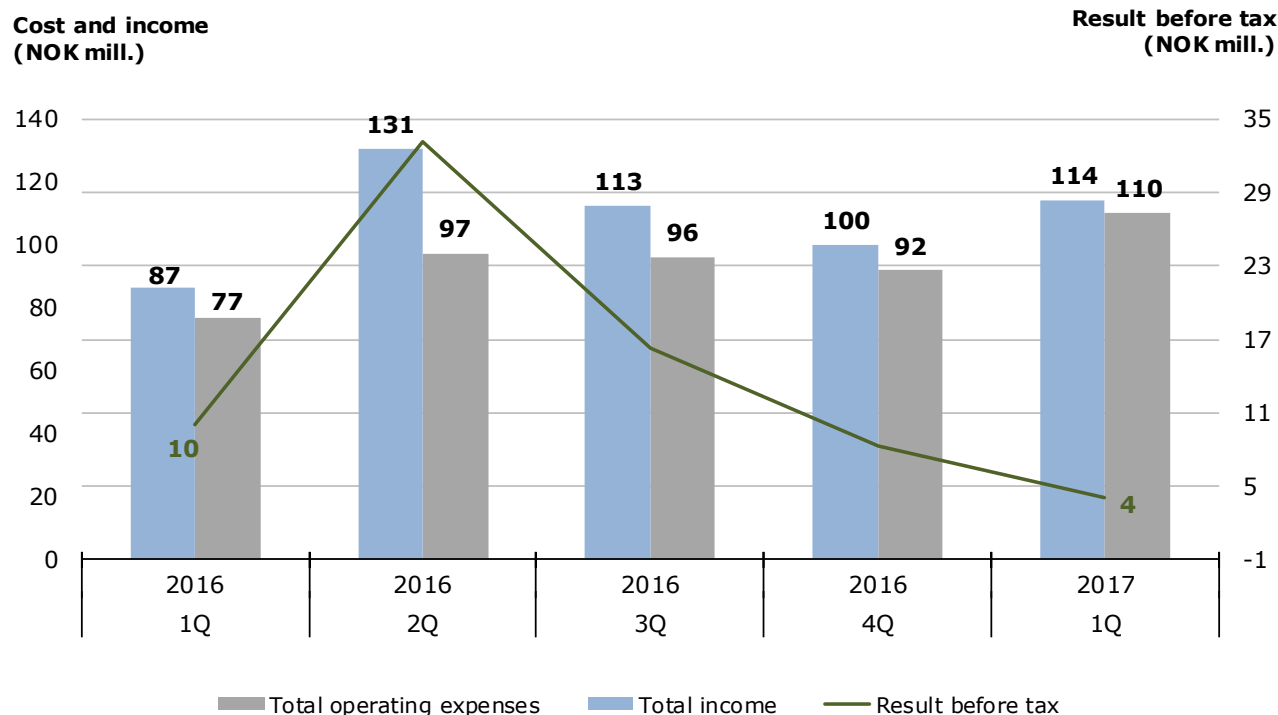
EiendomsMegler 1 Midt-Norge AS

EiendomsMegler 1 Midt-Norge is a real estate agency, and has a solid market-leader position in the region. The company has specialized operations, which include separate units for project and commercial real estate broking. In addition, the company, in cooperation with BN Bank, has established BN Bolig in which EiendomsMegler 1 Midt-Norge and BN Bank each hold a 50 per cent stake. As of 1Q 2017 EiendomsMegler 1 Midt-Norge fully consolidates BN Bolig's results as a subsidiary.

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)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar.		2016	2015
						2017	2016		
Net interest	1	2	1	1	1	1	1	4	4
Commission income and other income	113	99	112	130	86	113	86	426	360
Total income	114	100	113	131	87	114	87	430	364
Total operating expenses	110	92	96	97	77	110	77	363	317
Result before tax	4	8	16	33	10	4	10	68	47



SpareBank 1 Finans Midt-Norge AS

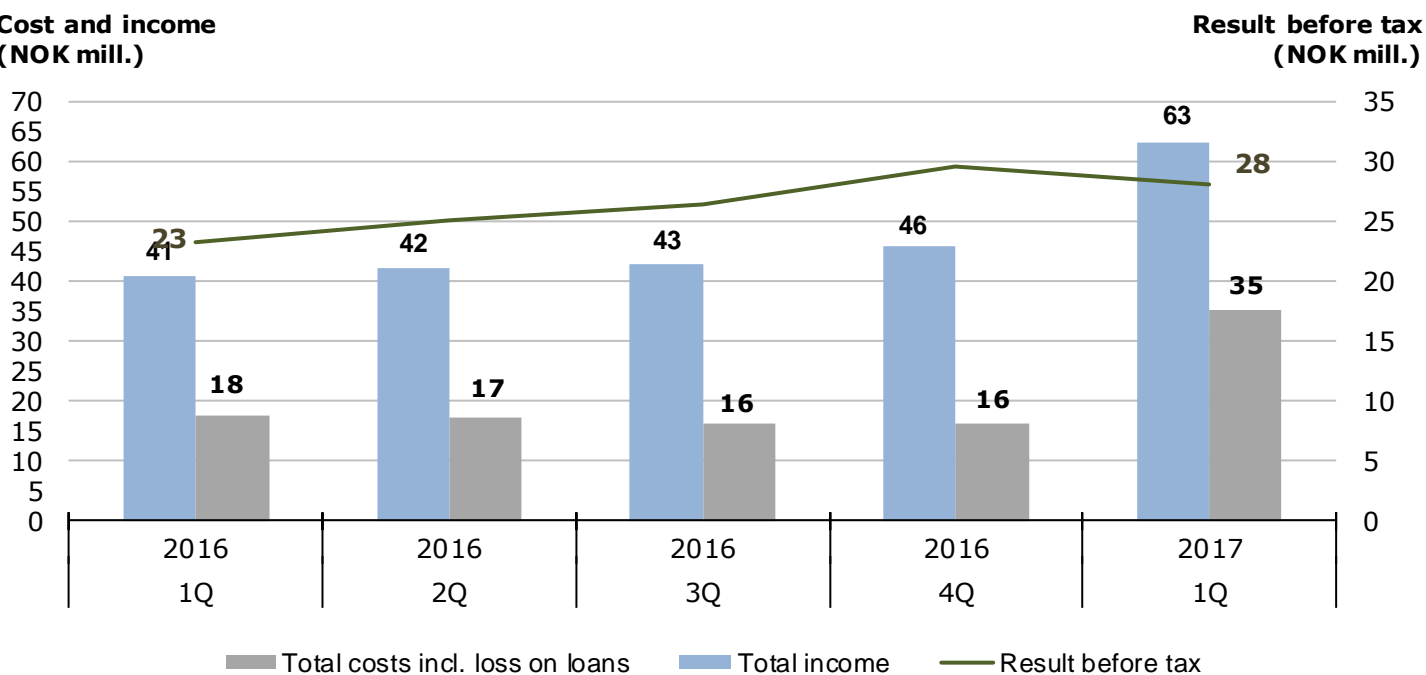
SpareBank 1 Finans Midt-Norge offers car loans and leasing to corporates and private individuals. The company services the market through its own sales operation and through the Bank's offices and other partners.

The company is owned by SpareBank 1 SMN (64.6 per cent), Samarbeidende Sparebanker (27.9 per cent) and SpareBanken Sogn og Fjordane (7.5 per cent). With Samarbeidende Sparebanker as a co-owner, the company has a presence in ten different counties dispersed across Mid- and South Norway.

Financial performance

(in NOK million)	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016	31 Mar. 2017 2016		2016	2015
Total interest income	51	48	46	45	43	51	43	183	154
Commission income and other income	12	-3	-4	-3	-2	12	-2	-11	33
Total income	63	46	43	42	41	63	41	172	187
Total operating expenses	33	12	14	14	15	33	15	55	97
Ordinary operating profit	30	34	29	29	26	30	26	117	91
Loss on loans, guarantees etc.	2	4	3	4	3	2	3	13	8
Total costs incl. loss on loans	35	16	16	17	18	35	18	67	105
Result before tax	28	30	26	25	23	28	23	104	83

Cost and income (NOK mill.)



SpareBank 1 Regnskapshuset SMN AS

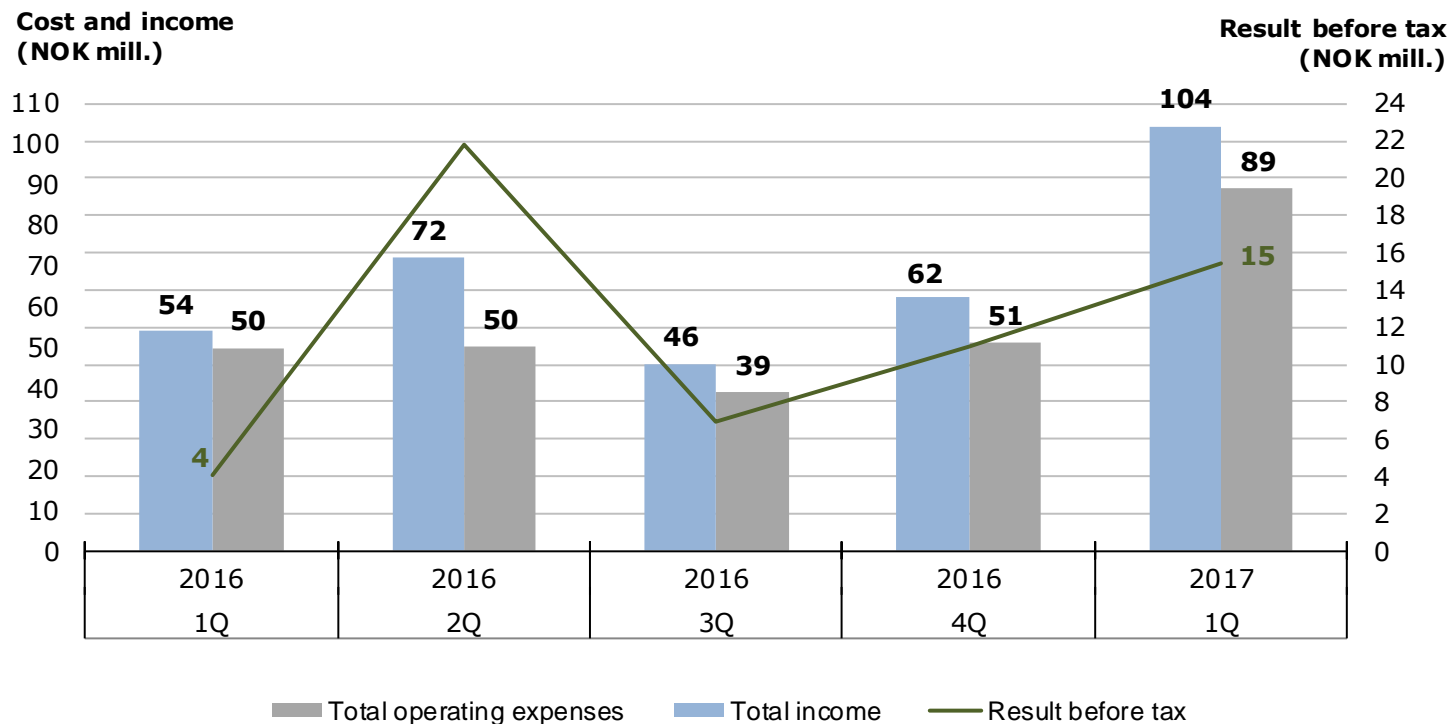
SpareBank 1 Regnskapshuset SMN is an accountancy business within the SMB segment. SpareBank 1 Regnskapshuset intends to be one of Norway's leading actors in the accounting industry by building up a national accounting enterprise based on regional ownership, strong links to the owner banks and closeness to the market.

The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry. SpareBank 1 Regnskapshuset SMN acquired all shares of one large accounting firm with effect from 1 January 2017, leading to a substantial increase in both income and costs. In 2016 three accounting firms and one IT company was acquired.

Financial performance

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Total interest income	-1	0	0	0	-0	-1	-0	0	-0
Commission income and other income	105	62	46	72	54	105	54	234	197
Total income	104	62	46	72	54	104	54	235	197
Total operating expenses	89	51	39	50	50	89	50	191	162
Result before tax	15	11	7	22	4	15	4	44	35

Cost and income (NOK mill.)



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 is headquartered in Oslo and has offices in Trondheim and Ålesund.

The company is owned by SpareBank 1 SMN (73.5 per cent), SpareBank 1 Nord-Norge (10.0 per cent), SamSpar (10.0 per cent), Sparebanken Hedmark (6.2 per cent) and others (0.4 per cent)

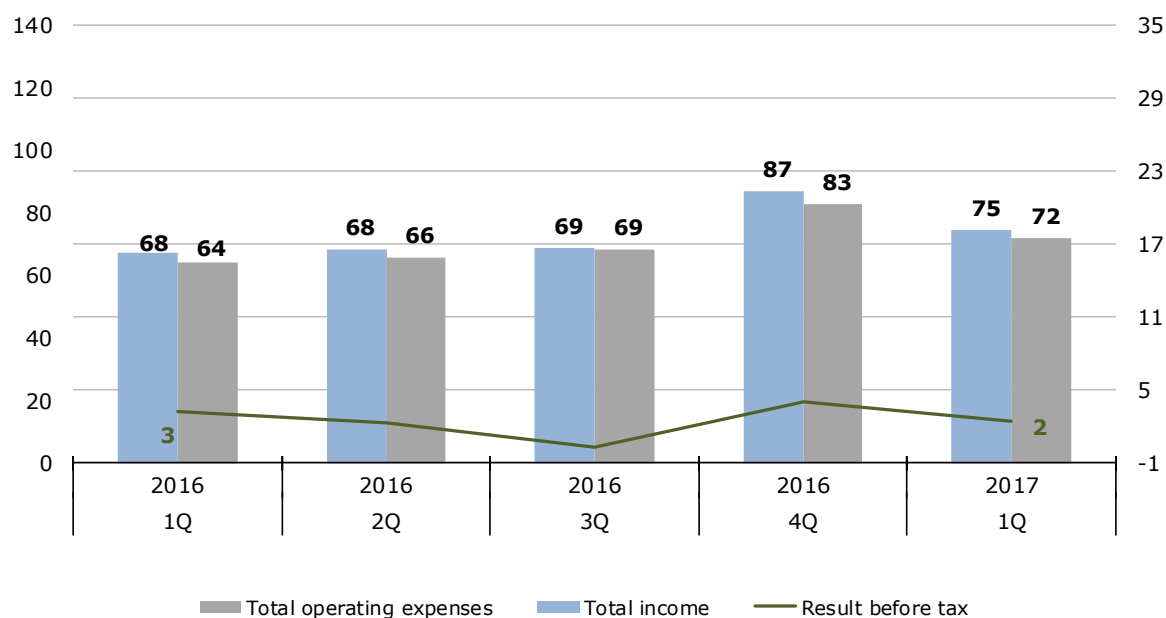
SpareBank 1 Markets

Financial performance

(in NOK million)	1Q	4Q	3Q	2Q	1Q	31 Mar.		2016	2015
	2017	2016	2016	2016	2016	2017	2016		
Net interest	-2	-2	-2	-3	-2	-2	-2	-8	-3
Equities / High Yield	28	22	30	22	23	28	23	97	69
Fixed Income	15	10	2	6	2	15	2	20	-25
Corporate	12	25	11	19	32	12	32	87	35
Foreign exchange/ interest rate derivatives	18	29	26	22	10	18	10	88	50
Other commission income	4	2	2	2	2	4	2	8	6
Total income	75	87	69	68	68	75	68	292	132
Total operating expenses	72	83	69	66	64	72	64	282	235
Result	2	4	0	2	3	2	3	10	-103
Loss on loans, guarantees etc.	-	-	-	-	-	-	-	-	0
Result before tax	2	4	0	2	3	2	3	10	-103

Cost and income (NOK mill.)

Result before tax (NOK mill.)



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 SMN Invest: The company's strategy is to carry out investments in regional start-ups, 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, St Olavs Plass 1 SMN, Jernbanegata 19 SMN, SpareBank 1 Bygget Trondheim, Bjerkeløkkja.

7. Development last ten years

Financial results

(in NOK million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net interest	1,139	1,350	1,325	1,317	1,392	1,477	1,616	1,790	1,872	1,883
Commission income and other income	671	610	756	855	919	1,139	1,463	1,512	1,545	1,674
Net return on financial investments	332	207	596	410	434	451	502	720	459	944
Total income	2,142	2,167	2,677	2,582	2,746	3,067	3,580	4,021	3,876	4,502
Staff costs	583	623	725	583	810	942	923	1,002	1,093	1,159
Other operating expenses	519	571	528	557	672	712	799	787	838	844
Total operating expenses	1,102	1,194	1,253	1,140	1,482	1,654	1,722	1,789	1,931	2,003
Result before losses	1,039	975	1,424	1,441	1,264	1,414	1,859	2,232	1,945	2,499
Loss on loans, guarantees etc.	-6	202	277	132	27	58	101	89	169	516
Result before tax	1,045	773	1,147	1,309	1,236	1,355	1,758	2,143	1,776	1,983
Tax charge	200	156	210	260	255	295	388	362	370	341
Results investments held for sale, after tax				-27	43	16	30	0	(1)	4
Net profit	846	617	937	1,022	1,024	1,077	1,400	1,782	1,406	1,647

Balance sheet

(in NOK million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash and loans to and claims on credit institutions	3,878	4,548	1,260	2,532	4,075	4,091	5,984	5,965	5,677	4,207
CDs, bonds and other interest-bearing securities	7,246	12,036	19,302	22,948	21,485	25,614	26,358	27,891	30,282	29,489
Gross loans to customers before write-downs	59,178	64,016	61,782	69,847	73,105	74,943	80,548	90,578	93,974	102,325
- Specified write-downs	-116	-215	-219	-222	-172	-144	-173	-172	-183	-632
- Write-downs by loan category	-185	-245	-289	-290	-290	-295	-295	-295	-376	-339
Other assets	1,502	4,540	2,704	3,182	3,252	3,766	2,938	2,080	2,540	3,030
Assets	71,503	84,679	84,541	97,997	101,455	107,975	115,360	126,047	131,914	138,080
Deposits from credit institutions	5,346	9,000	11,310	13,062	9,118	7,410	6,581	9,123	8,155	10,509
Deposits from and debt to customers	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680	64,090	67,168
Debt created by issue of securities	23,950	29,680	24,070	29,625	31,306	33,121	36,806	39,254	40,569	40,390
Other liabilities	2,265	2,045	1,876	1,922	2,122	2,070	1,485	1,095	1,734	1,532
Subordinated loan capital	2,648	3,156	3,875	2,758	2,690	3,040	3,319	3,371	3,463	3,182
Total equity capital	4,860	5,518	6,183	7,846	8,348	10,082	11,242	12,524	13,904	15,299
Total liabilities and equity	71,503	84,679	84,541	97,997	101,455	107,975	115,360	126,047	131,914	138,080

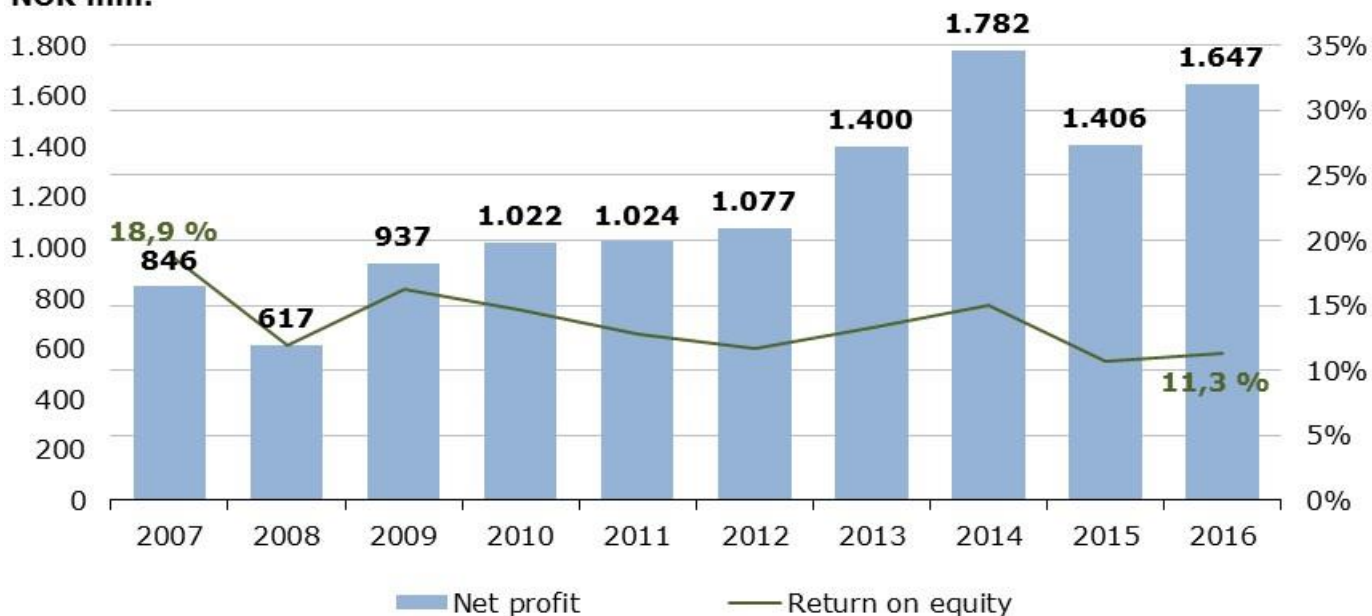
Key figures

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return on equity	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %	10.7 %	11.3 %
Cost/income ratio group	51.7 %	55.0 %	46.8 %	44.2 %	54.0 %	53.9 %	48.1 %	44.5 %	49.8 %	44.5 %
Cost/income ratio group, ex. financial inv.	60.8 %	60.2 %	52.5 %	52.5 %	64.1 %	63.2 %	55.9 %	54.2 %	56.5 %	56.3 %
Cost/income ratio parent bank	52.4 %	55.3 %	47.2 %	40.2 %	50.5 %	47.5 %	40.2 %	40.5 %	38.0 %	31.9 %
12-month cost growth	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %	11.6 %	4.1 %	3.9 %	7.9 %	3.7 %
Gross loans to customers*	61,910	71,317	77,429	87,665	95,232	104,925	112,283	120,435	127,378	137,535
Gross loans in retail market	38,872	42,679	45,157	49,619	55,034	62,587	68,591	74,087	80,725	89,402
Gross loans in corporate market	23,038	28,638	32,272	38,046	40,198	42,322	43,692	46,348	46,653	48,133
Growth in loans last 12 months*	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %	10.2 %	6.8 %	7.3 %	5.8 %	8.0 %
Deposits from customers	32,434	35,280	37,227	42,786	47,871	52,252	55,927	60,680	64,090	67,168
Deposits from retail market	16,070	17,566	17,898	19,052	20,860	22,279	23,891	26,496	28,336	29,769
Deposits from corporate market	16,363	17,715	19,330	23,734	27,011	29,973	32,036	34,184	35,754	37,398
Growth in deposits last 12 months	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %	9.2 %	7.3 %	8.5 %	5.6 %	4.8 %
Deposit-to-loan ratio*	52.4 %	49.5 %	48.1 %	48.8 %	50.3 %	49.8 %	49.8 %	50.4 %	50.3 %	48.8 %
Total assets	71,503	84,679	84,541	97,997	102,479	107,975	115,360	126,047	131,914	138,080
Average total assets	67,202	75,820	86,679	91,317	98,465	105,372	111,843	117,794	128,355	137,060
Employees in employment group	931	982	1,016	1,035	1,098	1,135	1,159	1,192	1,208	1,254
Employees in employment parent bank	723	750	767	764	786	793	757	753	645	630
Employees in employment subsidiaries	208	232	250	271	312	342	402	439	563	624
Net other operating income of total income	31.3 %	28.2 %	28.2 %	33.1 %	33.5 %	37.1 %	40.8 %	38.0 %	40 %	37 %
Common Equity Tier 1 ratio	7.4 %	7.1 %	7.7 %	9.3 %	8.9 %	10.0 %	11.1 %	11.2 %	13.6 %	14.9 %
Capital adequacy ratio	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %	13.3 %	14.7 %	15.7 %	18.3 %	19.4 %
Core capital ratio	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %	11.3 %	13.0 %	13.0 %	15.6 %	17.0 %
Total core capital	4,019	4,967	6,730	7,283	7,856	9,357	10,989	12,382	13,988	15,069
Net subordinated capital	5,762	7,312	8,730	8,646	9,055	10,943	12,417	14,937	16,378	17,185
Impairment losses ratio	-0.01 %	0.21 %	0.31 %	0.16 %	0.03 %	0.06 %	0.09 %	0.08 %	0.14 %	0.39 %
Non-perf. commitm. as % of gross loans	0.39 %	0.46 %	0.49 %	0.57 %	0.36 %	0.36 %	0.34 %	0.22 %	0.16 %	0.16 %
Other doubtful commitm. as % of gross loans	0.37 %	1.33 %	0.57 %	0.24 %	0.21 %	0.14 %	0.14 %	0.18 %	0.31 %	1.07 %

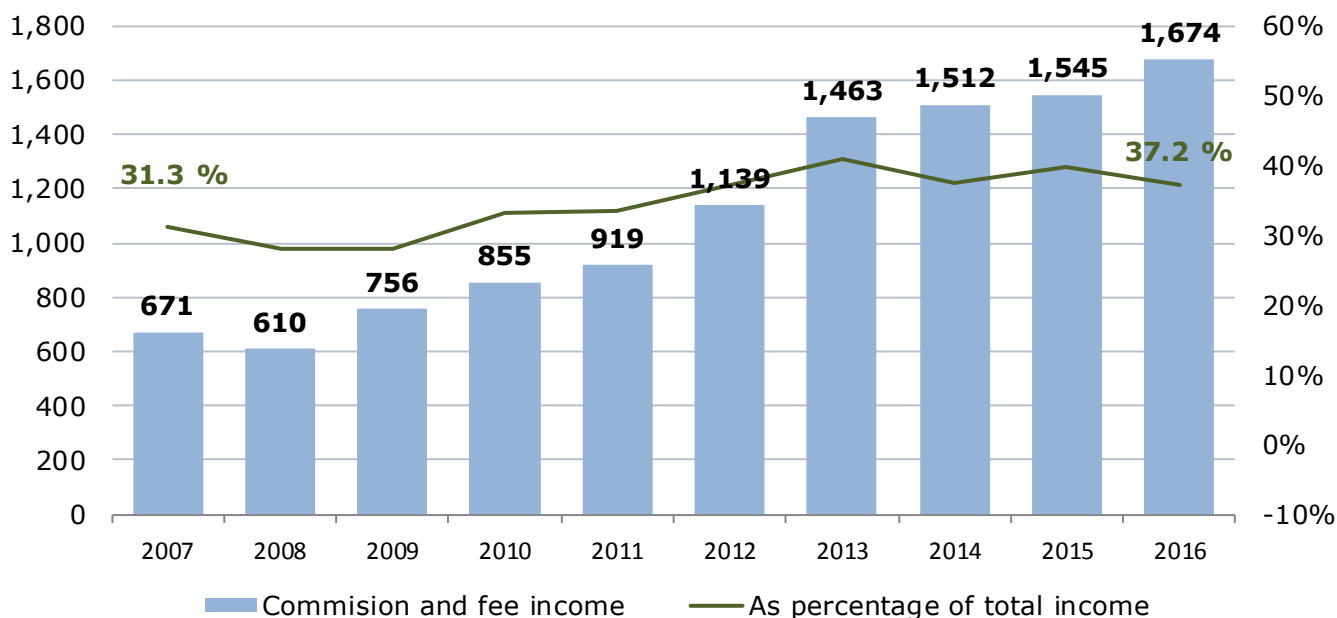
* Gross loans to customers includes SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

Net profit and return on equity

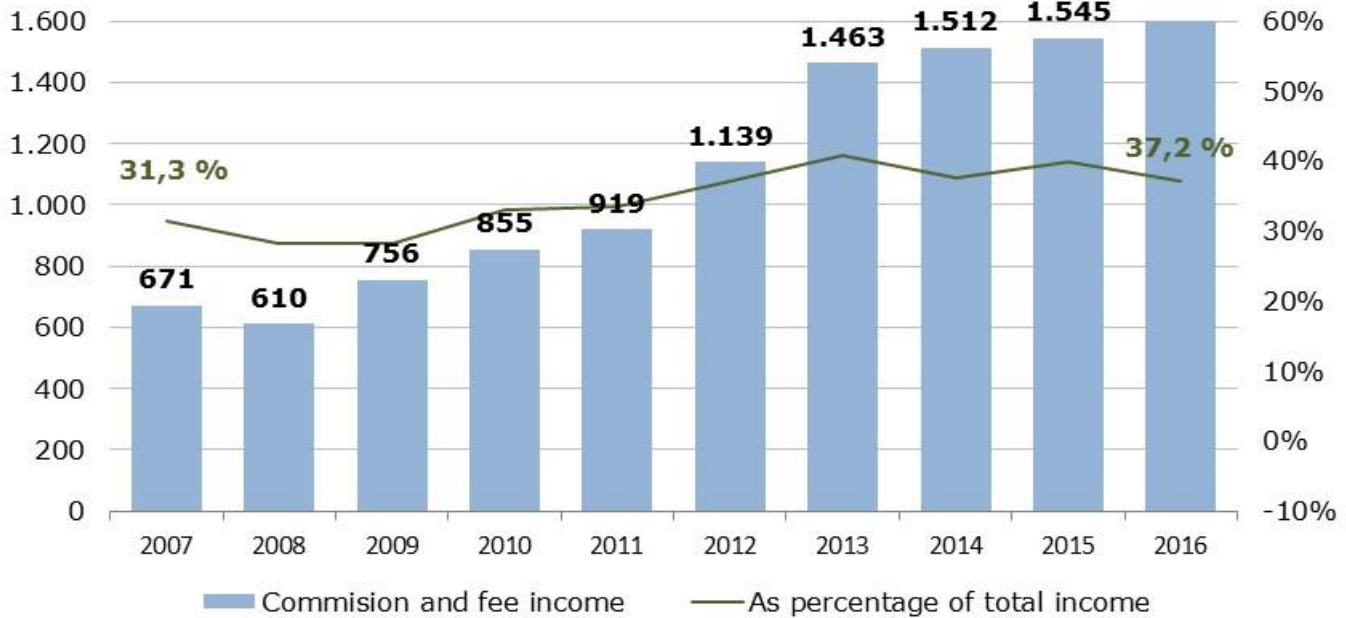
NOK mill.



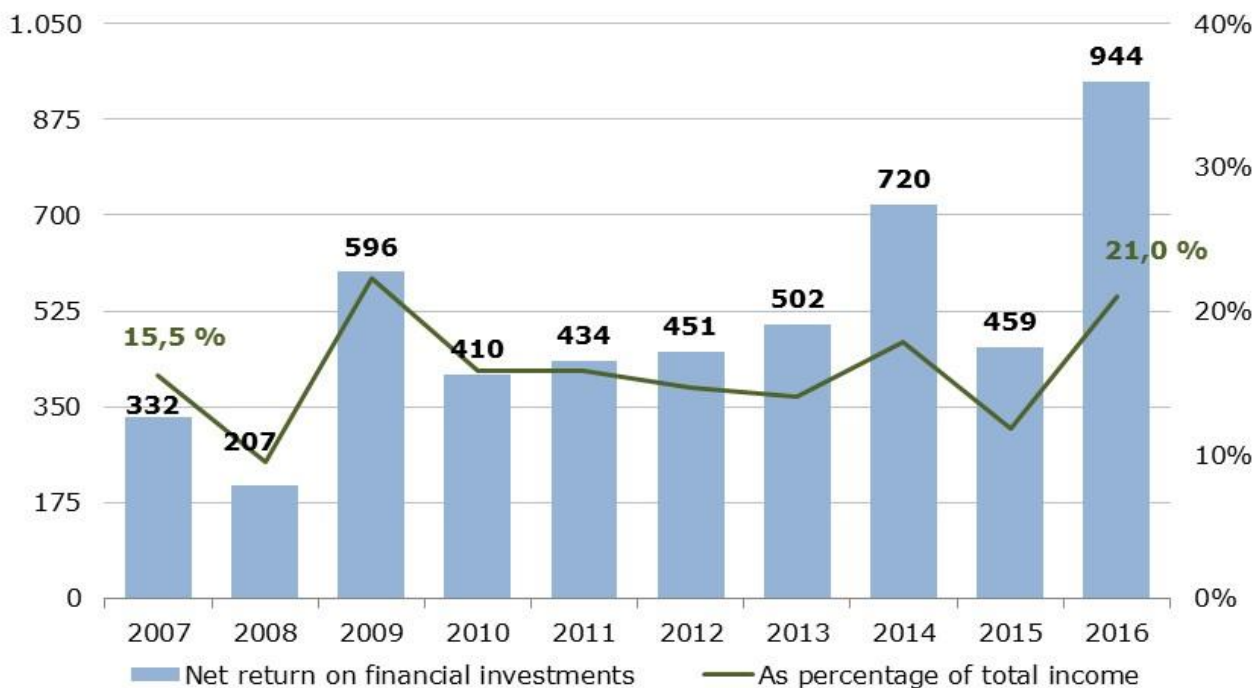
Development in commission income and other income



Development in commission income and other income

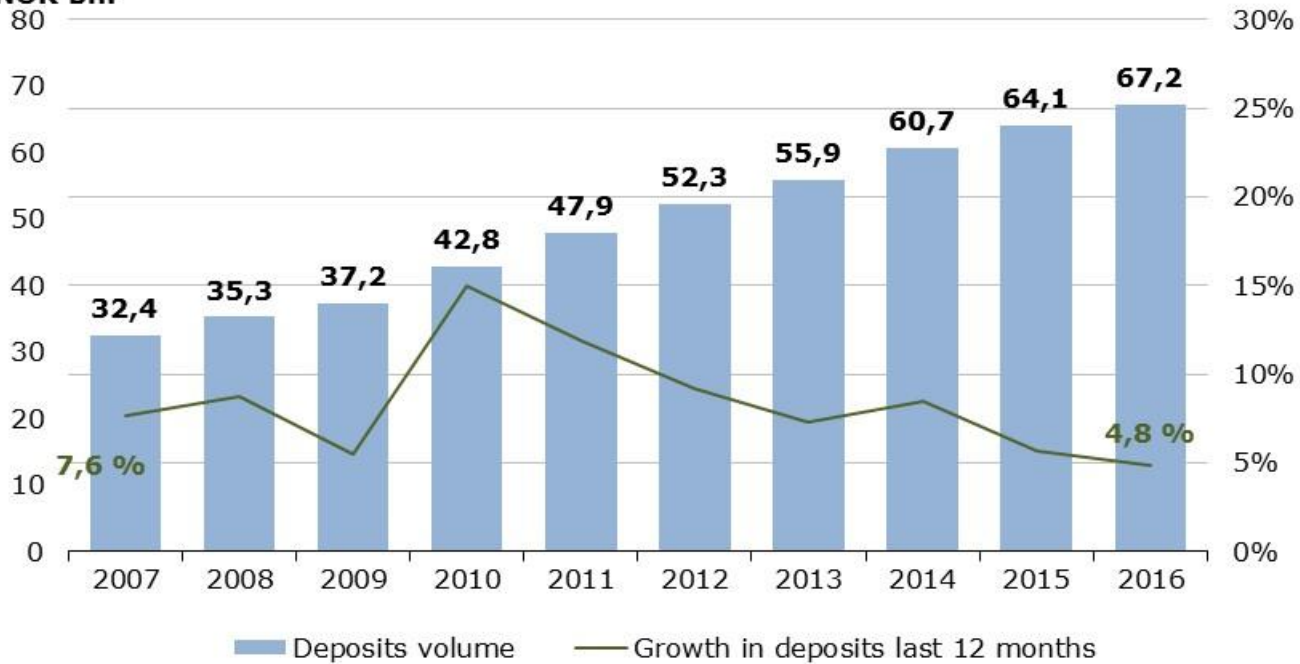


Development in net return on financial investments



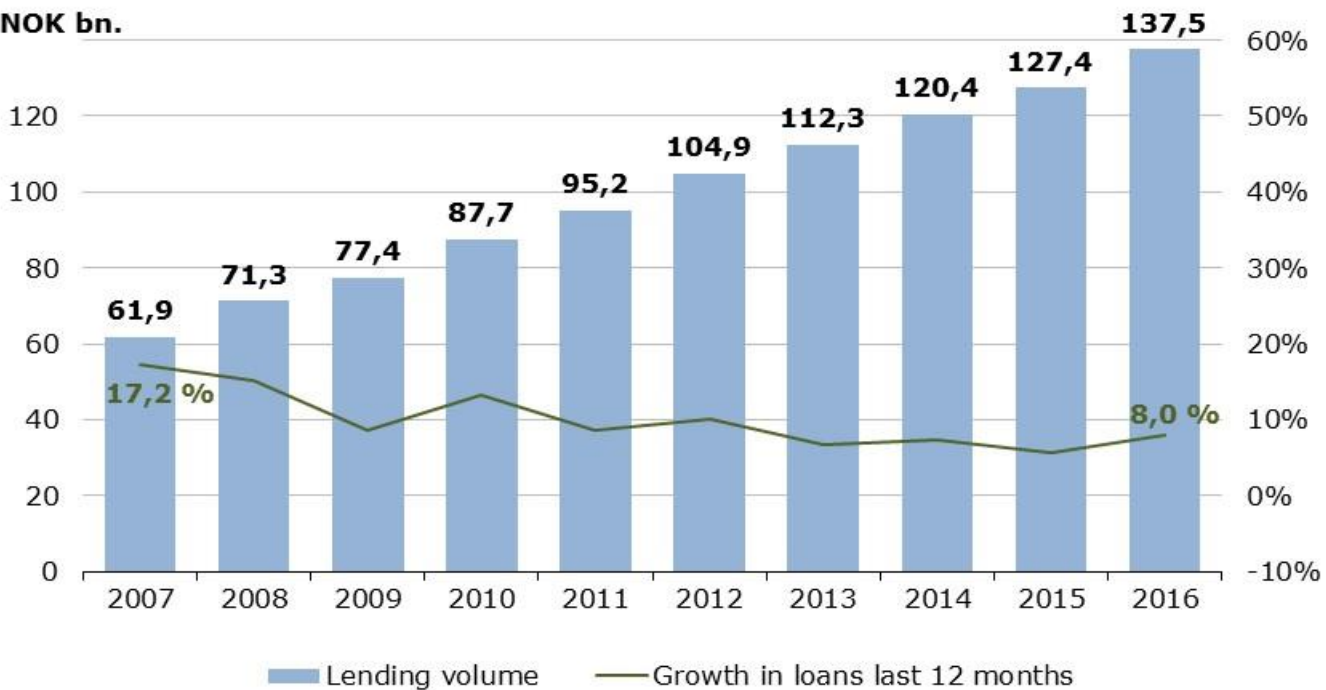
Volume development, Deposits

NOK bn.



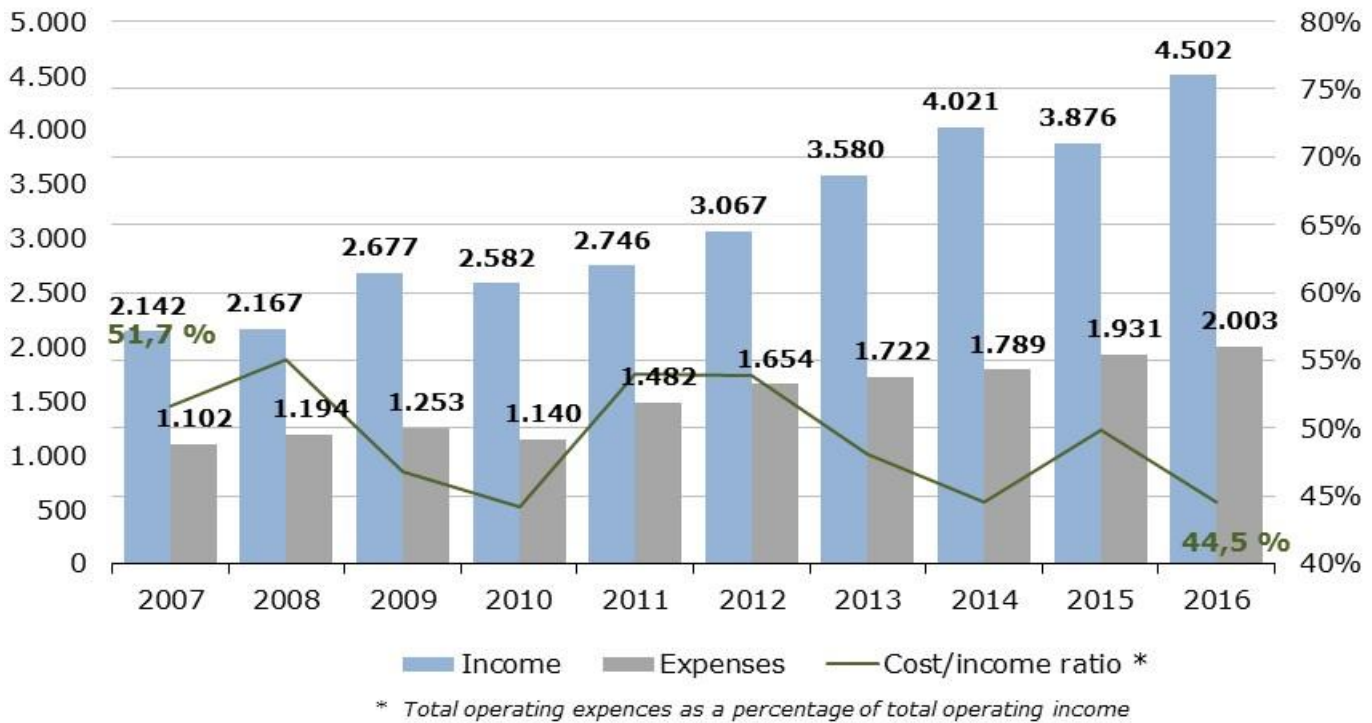
Volume development, Lending

NOK bn.

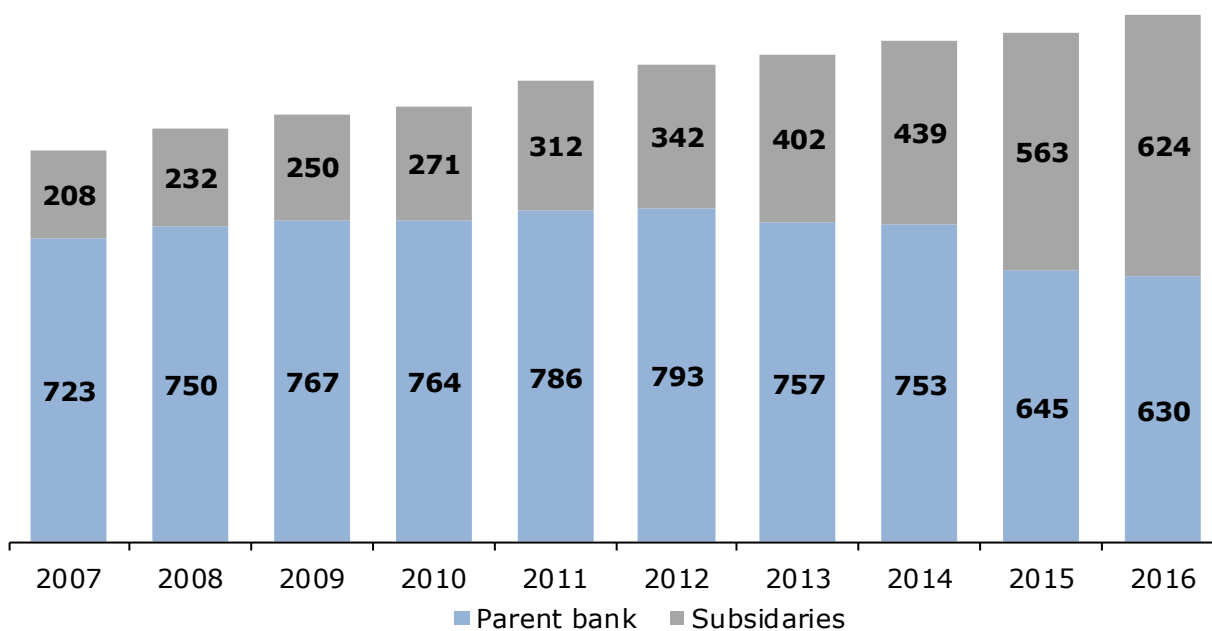


Cost/income ratio

NOK mill.

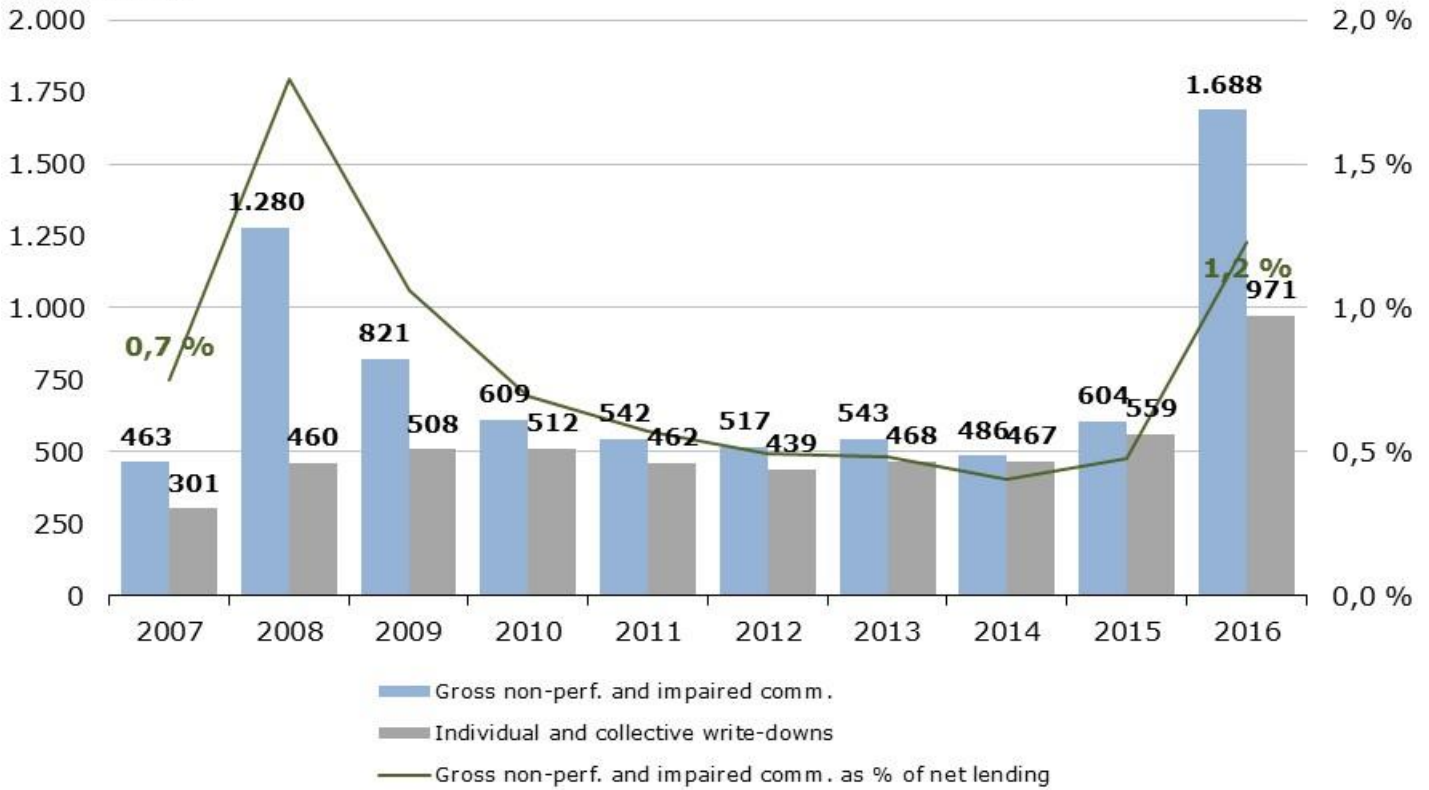


Employees in employment



Net non-performing and impaired commitments

NOK million



Capital Adequacy

