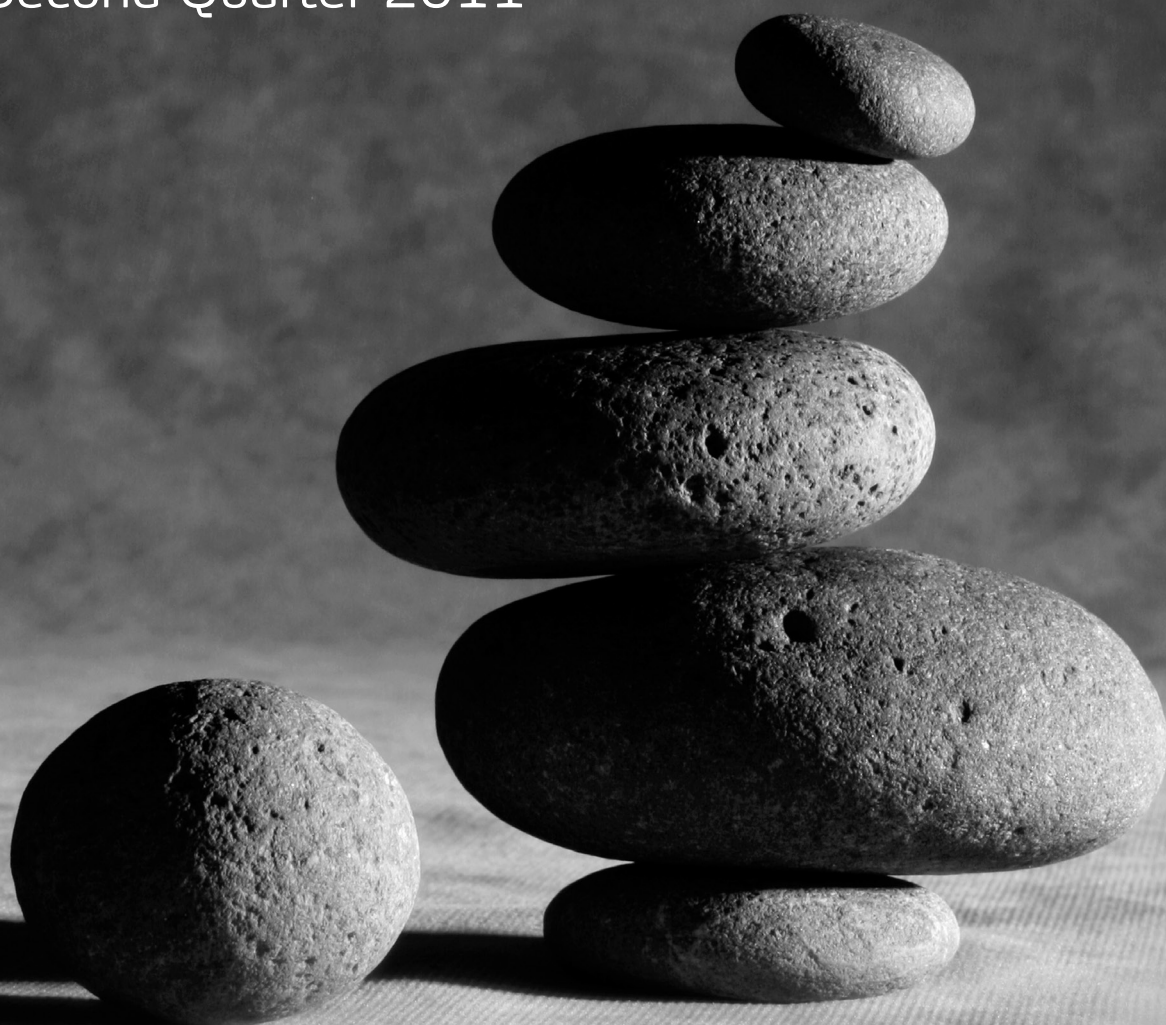


Investor Relations

Supplementary information
Second Quarter 2011



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Information on the Internet

SpareBank 1 SMN's home page

www.smn.no

Hugin-Online

www.huginonline.no

ECC information in general

www.egenkapitalbevis.no

Financial Calendar 2011

1st quarter

06. May 2011

2nd quarter

10. August 2011

3rd quarter

27. October 2011

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1. SpareBank 1 SMN overview

1.1. Financial highlights

First half 2011

(Consolidated figures. Figures in parentheses refer to the same period of 2010 unless otherwise stated)

- Profit before tax: NOK 640m (582m)
- Profit: NOK 505m (449m)
- Return on equity: 13.0 % (13.7%)
- Lending growth 8.6% (12.6%), deposit growth 11.4% (7.8%) over past 12 months
- NOK 7m taken to income on reversal of loan losses (loss of 96m)
- Tier 1 capital adequacy: 10.7 % (10.8 %)
- Earnings per equity capital certificate (ECC): NOK 3.26 (2.82)

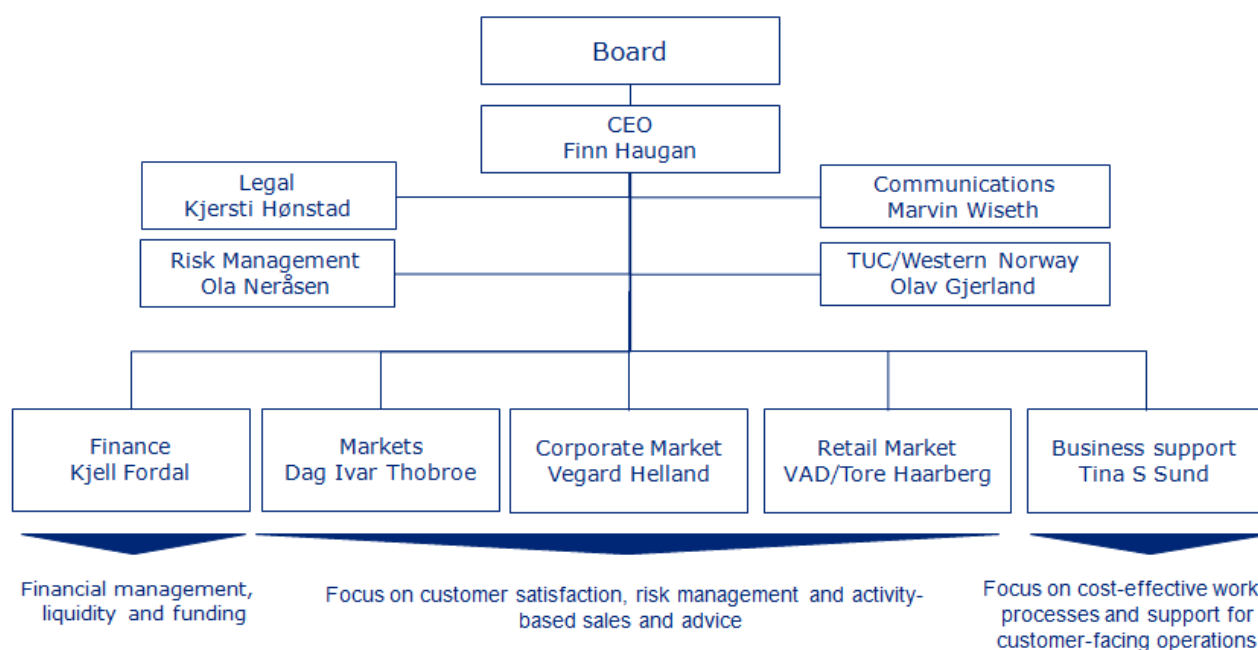
Second quarter 2011

- Profit before tax: NOK 315m (327m)
- Profit: NOK 250m (260m)
- Return on equity: 12.9 % (15.5%)
- NOK 1m taken to income on reversal of loan losses (loss of 28m)
- Earnings per equity ECC: NOK 1.62 (1.68)

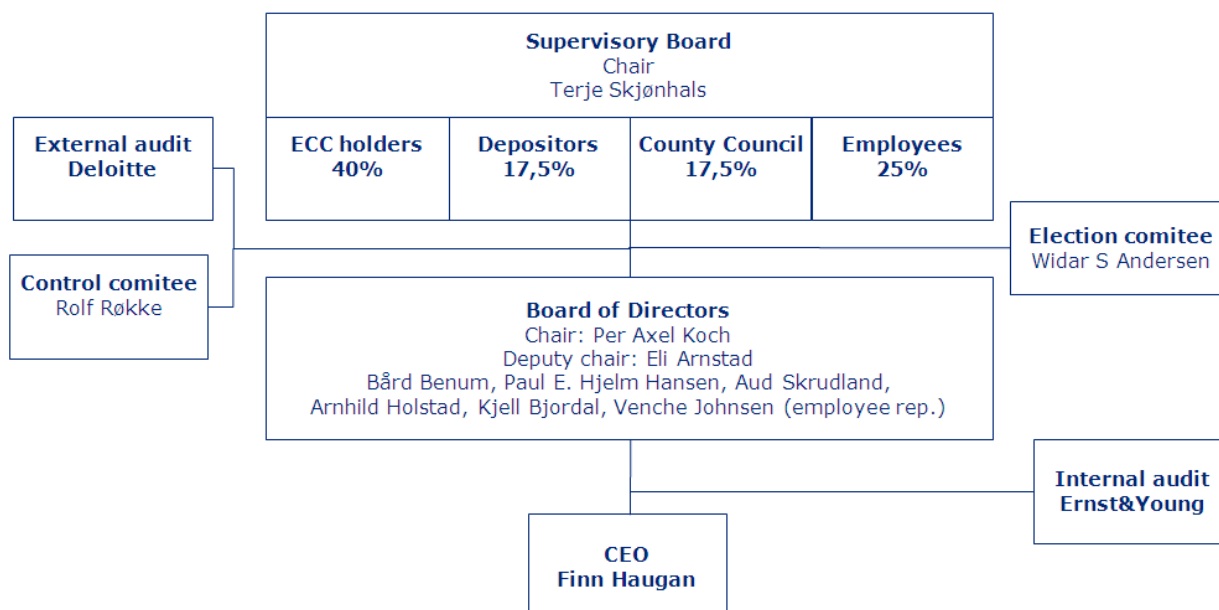
1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 98.4 billion at the end of second quarter 2011. Head office is in Trondheim and the Group employs about 1,050 staff.

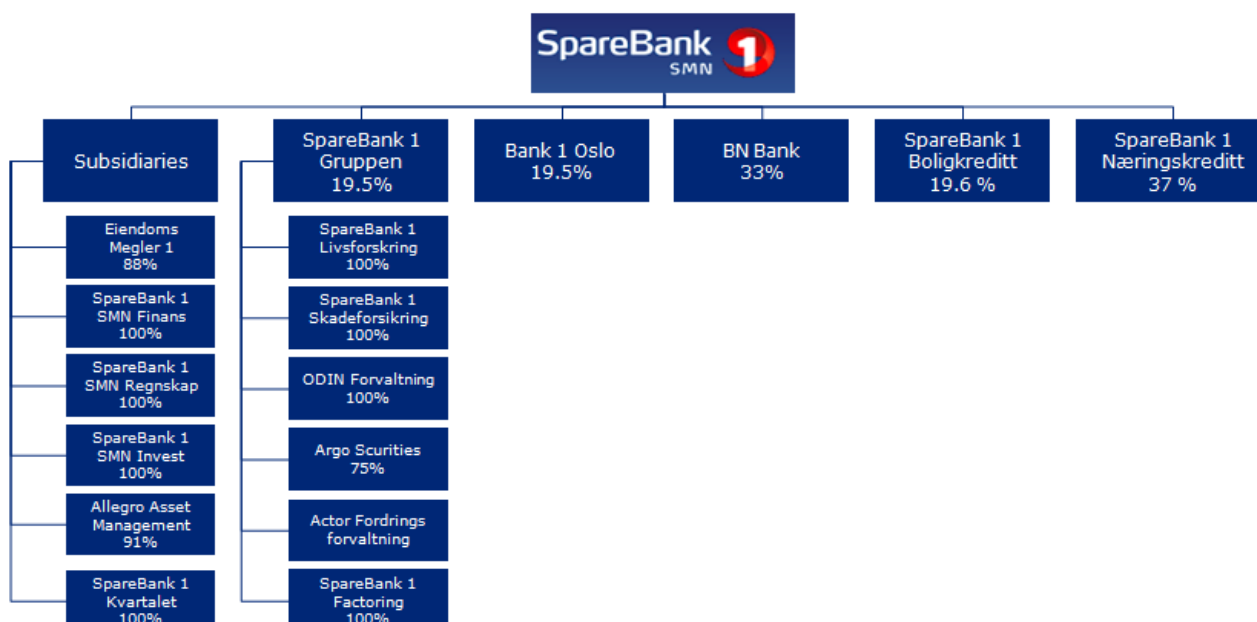
SpareBank 1 SMN is organised in five divisions to secure a customer-oriented and cost-effective organisation while respecting the differing competencies required by each division. The Retail, Corporate and Markets divisions focus on customer satisfaction, risk management and activity-based sales and counselling. Business Support focuses on cost-effective work processes and support to enable the customer-facing divisions to attain their goals, while the Finance Division provides an overall basis for decision making, risk management and financial and asset-liability management.



Overall organisation

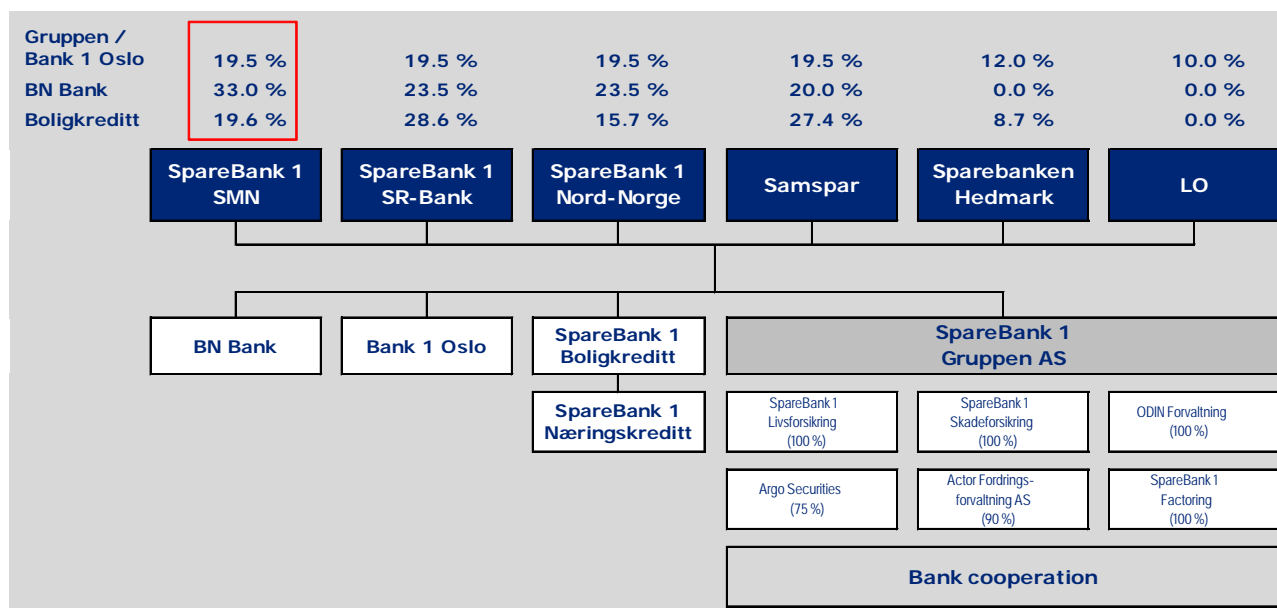


SpareBank 1 SMN: Overview of the Bank's activities



SpareBank 1 Group

The SpareBank 1 banks operate an alliance and develop product companies through the jointly owned holding company SpareBank 1 Gruppen. The paramount objective of the SpareBank 1 Alliance is to assure the individual bank's independence and regional identity through strong competitiveness, profitability and financial soundness. The Alliance is among the largest providers of financial services in Norway and a full-fledged alternative to traditional financial groups.



1.3. Credit ratings

	Todays rating	Year end					
<i>Moody's</i>		2010	2009	2008	2007	2006	2005
Outlook	Stable	Stable	Negative	Negative	Stable	Positive	Positive
Issuer Rating	A1	A1	A1	A1	Aa3	A3	A3
Bank Deposits	A1/P-1	A1/P-1	A1/P-1	Aa3/P-1	Aa3/P-1	A3/P-2	A3/P-2
Bank Financial Strenght	C-	C-	C-	C	C+	C	C
Senior Unsecured	A1	A1	A1	Aa3	Aa3	A3	A3
Subordinate	A2	A2	A2	A1	A1	Baa1	Baa1

	Todays rating	Year end					
<i>Fitch</i>		2010	2009	2008	2007	2006	2005
Outlook	Stable	Negative	Negative	Stable	Stable	Positive	Stable
Long-term IDR	A-	A	A	A	A	A-	A-
Short-term IDR	F2	F1	F1	F1	F1	F2	F2
Support rating	3	3	3	3	3	3	4
Individual rating	B/C	B/C	B/C	B	B	B/C	B/C

1.4. Equity capital certificate (MING)

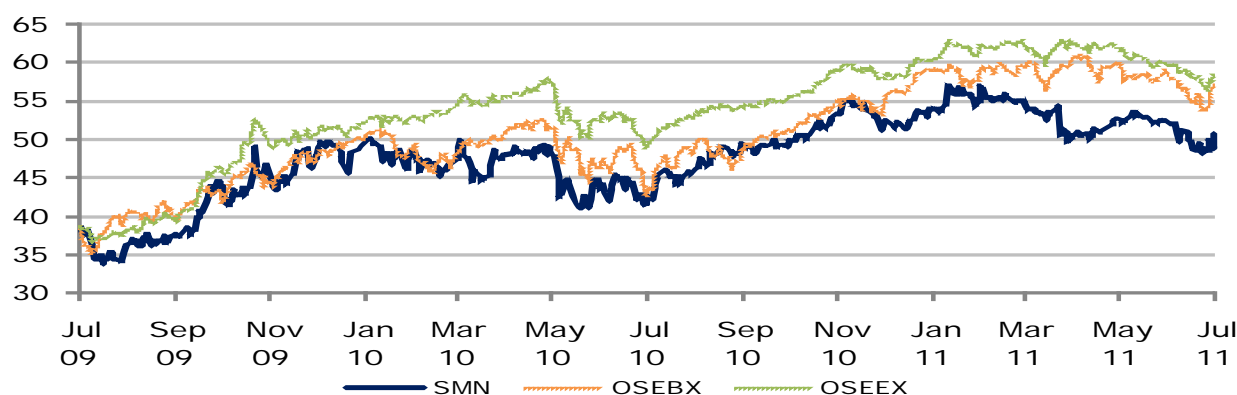
The key figures are corrected for issues. No change in the number of ECCs.

30. June 2011 the price of the Bank's ECC was NOK 48.90 (NOK 42.30). Earnings per ECC were NOK 7.50 (NOK 7.49). Book value per ECC was NOK 51.05 as of end second quarter 2011 (NOK 46.65).

Key figures

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
ECC price	48,90	50,00	54,00	49,00	42,30	48,90	42,30	54,00	49,02
Number of certificates issued, millions	94,90	94,90	94,90	94,90	94,90	94,90	94,90	94,90	69,43
Booked equity capital per ECC (incl. dividend)	51,05	49,34	50,60	48,13	46,65	51,05	46,65	50,60	44,89
Adjusted profit per ECC	1,62	1,64	2,05	1,65	1,68	3,26	2,82	6,43	6,73
P/E per ECC	7,55	7,60	6,57	7,41	6,28	7,50	7,49	8,40	7,29
P/B equity capital	0,96	1,01	1,07	1,02	0,91	0,96	0,91	1,07	1,09

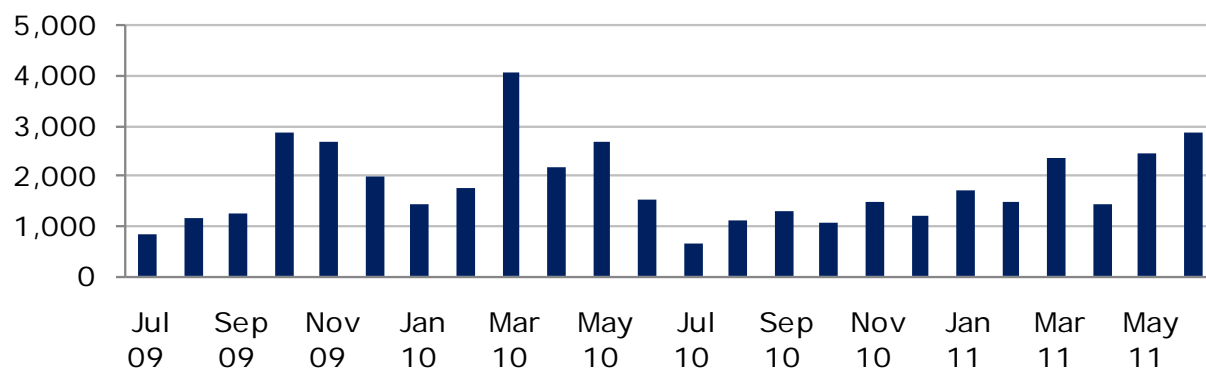
Stock price compared with OSEBX and OSEEX
1 July 2009 to 30 June 2011



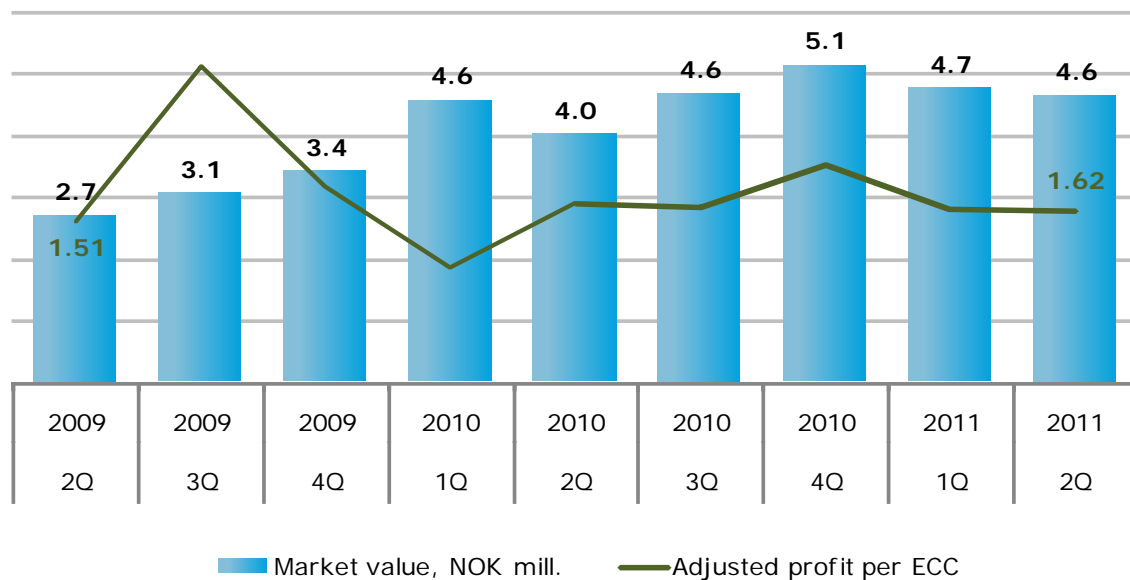
OSEBX = Oslo Stock Exchange Benchmark Index (rebased)
OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics

1 July 2009 to 30 June 2011



Market value and profit per ECC



Market value, NOK mill. Adjusted profit per ECC

Equity certificates ratio (parent bank)

(in NOK million)	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	30 Sept. 2010	30 Jun. 2010	31 Dec. 2009
ECC capital	2,372	2,372	2,372	2,372	2,372	1,734
Dividen equalisation reserve	1,160	1,160	1,159	878	879	876
Premium reserve	182	182	182	174	174	-0
Unrealised gains reserve	28	28	28	67	76	62
Other equity	-	-	-	-	628	-
A. The equity certificate owner's capital	3,742	3,742	3,742	3,492	4,129	2,671
Saving bank reserve	2,345	2,345	2,345	2,155	2,155	2,155
Unrealised gains reserve	17	17	17	42	48	48
Other equity	-	-	-	-	395	-
B. The saving bank reserve	2,362	2,362	2,362	2,197	2,598	2,203
Provision for gifts	0	0	192	-	-	27
Recommended dividends	-0	-	285	-	-	174
Equity ex. profit	6,104	6,104	6,581	5,690	6,727	5,076
Equity certificates ratio A/(A+B)	61.3 %	61.3 %	61.3 %	61.4 %	61.4 %	54.8 %

20 largest ECC holders

Owner	Number	Ownership in %
Reitangruppen AS	6,872,514	7.24%
Aker ASA / The Resource Group TRG	2,860,966	3.01%
Odin Norge	2,295,735	2.42%
Rasmussengruppen AS	2,190,000	2.31%
Odin Norden	2,122,749	2.24%
Vind LV AS	2,085,151	2.20%
Nordea Bank Norge AS	1,550,182	1.63%
Frank Mohn AS	1,442,236	1.52%
Citibank N.A New York Branch (nominee)	1,255,595	1.32%
MP Pensjon PK	1,142,774	1.20%
I.K. Lykke, T.Lykke m.fl.	891,567	0.94%
Tonsenhagen Forretningssentrum AS	865,013	0.91%
The Northern Trust Co. (nominee)	863,125	0.91%
Morgan Stanley & Co.	793,171	0.84%
Forsvarets personellservice	788,092	0.83%
KLP Aksje Norden VPF	744,475	0.78%
Stiftelsen Uni	743,658	0.78%
Odin Europa SMB	633,251	0.67%
Heglund Holding AS	629,357	0.66%
State Street Bank & Trust Company (nominee)	616,267	0.65%
Total largest shareholders	31,385,878	33.07%
Other	63,519,408	66.93%
Total	94,905,286	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

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 used the same accounting principles and calculation methods as in the latest annual report and accounts. 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 2010.

As from January 2011 the Group has implemented new requirements in IAS 34 Interim Financial Reporting as regards changes in business or financial factors that affect fair value measurement of an entity's financial assets and liabilities, and as regards transfer between levels in the fair value hierarchy used to measure the fair value of financial instruments. In addition there is the possible reclassification of financial assets resulting from a change in the purpose or application of these assets. The Group has also implemented IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, and the new IAS 24 Related Party Disclosures. None of these standards has entailed any essential change in Group reporting.

2.1. Main figures

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Net interest	318	327	293	320	297	645	597	1,210	1,279
Commission income and other income	232	221	222	210	229	453	423	855	756
Net return on financial investments	125	118	198	125	131	243	167	490	642
Total income	675	666	713	655	657	1,341	1,187	2,555	2,677
Total operating expenses	361	348	311	320	303	708	509	1,140	1,253
Result before losses	314	318	402	335	354	633	678	1,414	1,424
Loss on loans, guarantees etc.	-1	-6	25	12	28	-7	96	132	277
Result before tax	315	325	377	323	327	640	582	1,282	1,147
Tax charge	65	70	60	67	66	135	133	260	210
Net profit	250	255	318	256	260	505	449	1,022	937

Balance sheet - condensed

	30 Jun.	31 Mar.	31 Dec.	30 Sept.	30 Jun.		31 Dec.
Balance (in NOK million)	2011	2011	2010	2010	2010		2009
Total assets	98,415	94,455	97,992	95,271	93,823		84,541
Average total assets	96,954	96,224	91,317	89,648	87,774		86,679
Gross loans to customers *	90,939	88,606	87,665	86,046	83,767		77,429
Deposits from customers	45,990	42,900	42,786	38,643	41,273		37,227
Total equity capital	7,902	7,639	7,846	7,461	7,224		6,183

* Loans to customers includes SpareBank 1 Boligkreditt

Key figures

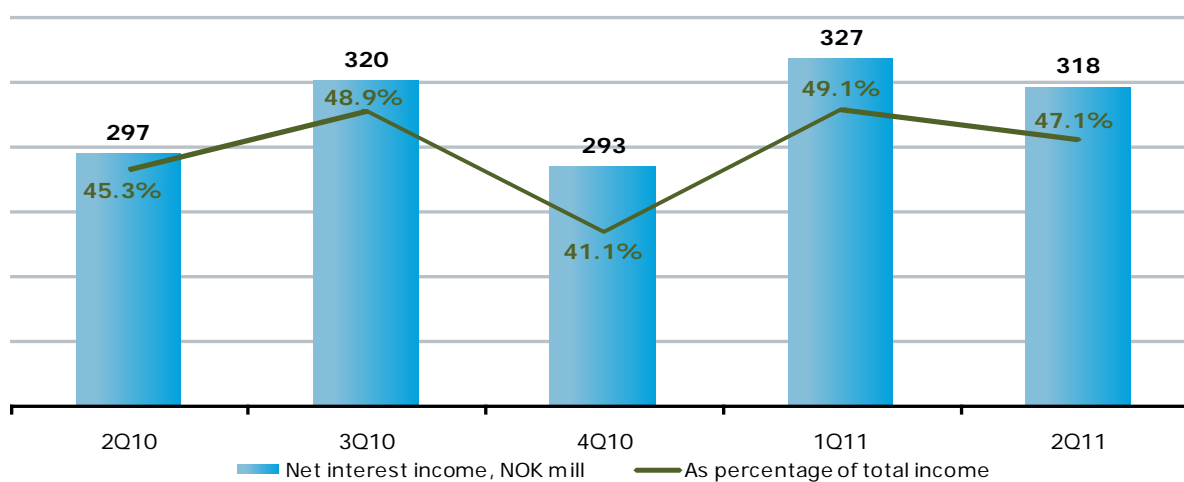
	2Q	1Q	4Q	3Q	2Q	30 Jun.			
	2011	2011	2010	2010	2010	2011	2010	2010	2009
Return on equity	12.9 %	13.2 %	16.6 %	13.9 %	15.5 %	13.0 %	13.7 %	14.6 %	16.2 %
Core capital ratio	10.7 %	10.6 %	10.9 %	10.6 %	10.8 %	10.7 %	10.8 %	10.9 %	10.4 %
Cost/income ratio group	53.4 %	52.2 %	43.7 %	48.9 %	46.1 %	52.8 %	42.9 %	44.6 %	46.8 %
Growth in loans incl Boligkreditt last 12 months	8.6 %	11.4 %	13.2 %	12.4 %	12.6 %	8.6 %	12.6 %	13.2 %	8.6 %
Growth in deposits last 12 months	11.4 %	14.1 %	14.9 %	2.8 %	7.8 %	11.4 %	7.8 %	14.9 %	5.5 %
Deposits-to-loan ratio	67.1 %	62.6 %	61.3 %	57.6 %	64.1 %	67.1 %	64.1 %	61.3 %	60.3 %
Impairment losses ratio	-0.01%	-0.03%	0.11%	0.05%	0.15%	-0.02%	0.24%	0.16%	0.31%
Non-performing commitm. as % of gross loans	0.40%	0.54%	0.57%	0.38%	0.41%	0.40%	0.41%	0.57%	0.49%
ECC price	48.90	50.00	54.00	49.00	42.30	48.90	42.30	54.00	49.02
Booked equity capital per ECC (incl. dividend)	51.05	49.34	50.60	48.13	46.65	51.05	46.65	50.60	44.89
Adjusted profit per ECC	1.62	1.64	2.05	1.65	1.68	3.26	2.82	6.43	6.73

2.2. Net interest income

Net interest income

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011	30 Jun. 2010	2010	2009
Interest income	910	886	894	869	804	1,796	1,552	3,315	3,416
Interest expenses	592	559	601	549	506	1,151	955	2,105	2,137
Net interest income	318	327	293	320	297	645	597	1,210	1,279
As percentage of total income	47%	49%	41%	49%	45%	48%	50%	47%	48%

Development in net interest income



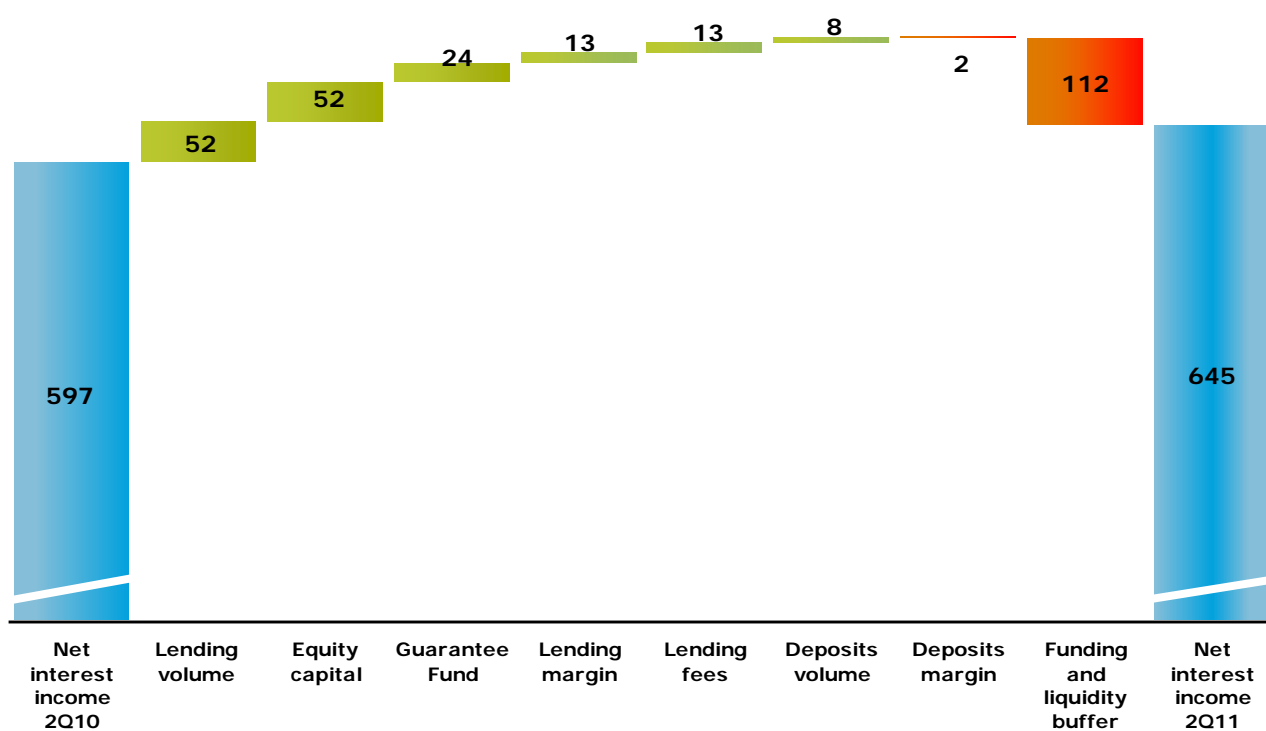
Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	52	13	66
Deposits	8	-2	6
Total	60	11	71

Changes in net interest income

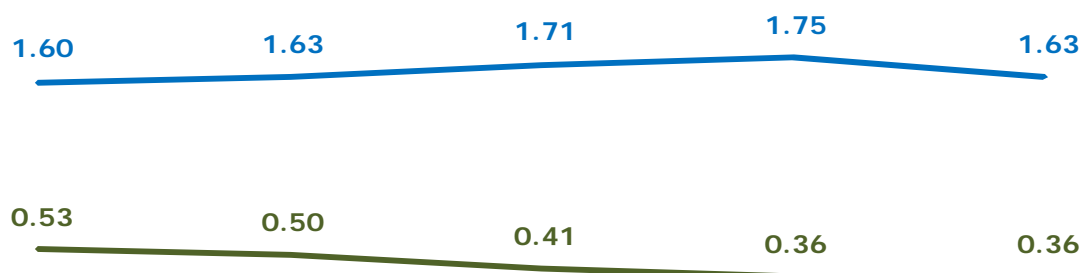
(in NOK million)

	2011	30 Jun. Change	2010
Net interest income	645	48	597
Lending volume		52	
Equity capital		52	
Levy Norwegian Bank's Guarantee Fund		24	
Lending margin		13	
Fees on lending		13	
Deposit volume		8	
Deposit margin		-2	
Funding and liquidity buffer		-112	
Change		48	



Margin development

Definition margin: Average customer interest minus 3 months average nibor



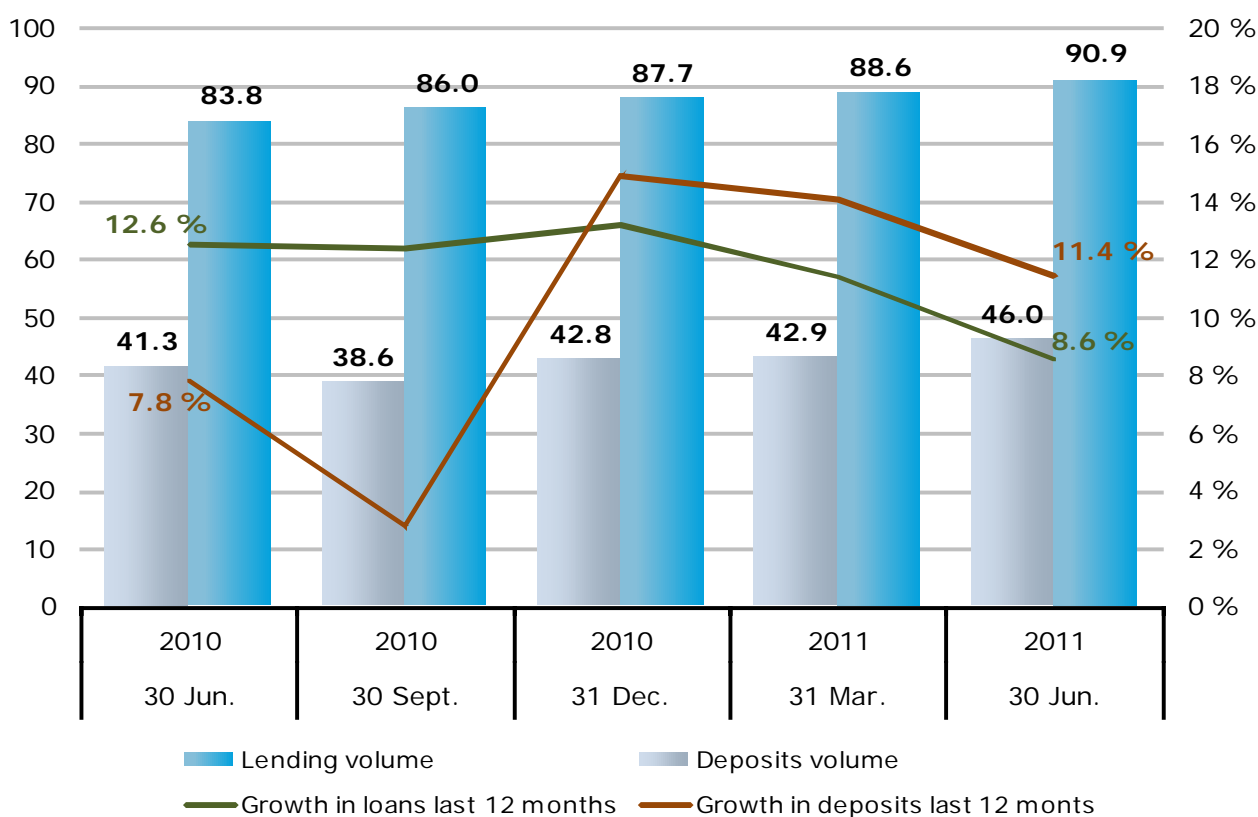
2010	2010	2010	2011	2011
30 Jun.	30 Sept.	31 Dec.	31 Mar.	30 Jun.

— Lending margin

— Deposits margin

Volume development

NOK bn.



■ Lending volume

■ Deposits volume

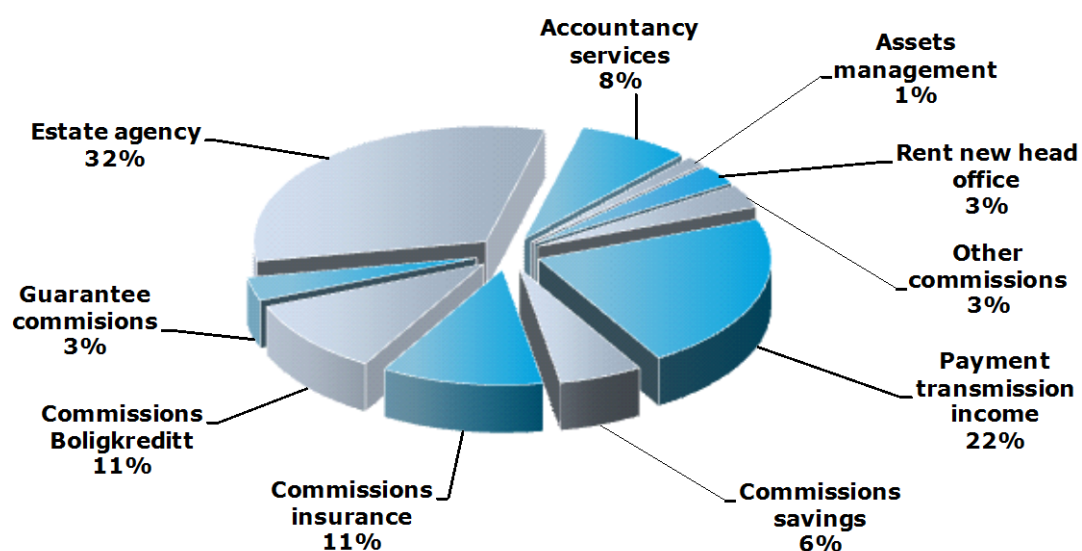
— Growth in loans last 12 months

— Growth in deposits last 12 months

2.3. Commission income

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Payment transmission income	51	49	48	53	51	100	97	198	179
Commissions savings	12	14	16	15	12	26	29	60	67
Commissions insurance	27	25	26	24	24	51	46	96	82
Commissions Boligkreditt	22	26	24	24	30	48	58	107	82
Guarantee commissions	7	8	7	7	8	15	15	29	29
Estate agency	80	64	58	66	69	144	121	245	197
Accountancy services	17	18	11	12	14	36	28	51	45
Assets management	3	3	12	0	3	6	6	19	45
Rent new head office	9	4	-	-	-	13	-	-	-
Other commissions	4	11	22	6	17	15	22	51	30
Total commission income	233	221	222	210	229	453	423	855	756
As percentage of total income	34%	33%	31%	32%	35%	34%	36%	33%	28%

Distribution of commission income



Change in commission income

(in NOK million)	2011	30 Jun. Change	2010
Total	453	30	423
Estate agency		23	
Rent new head office		13	
Accountancy services		7	
Commissions insurance		5	
Payment transmission income		2	
Guarantee commissions		0	
Assets management		0	
Commissions savings		-3	
Other commissions		-7	
Commissions Boligkreditt		-10	

Net return on financial investments

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Income from investment in related companies	69	54	83	69	57	122	98	249	349
of which SpareBank 1 Gruppen AS	19	31	61	50	30	50	52	164	161
BN Bank ASA	30	14	25	15	6	44	19	59	172
Bank 1 Oslo AS	6	4	5	8	17	9	24	37	-
SpareBank 1 Boligkreditt AS	5	6	6	0	4	10	9	16	17
SpareBank 1 Næringskreditt AS	3	1	0	0	2	4	2	2	1
Other ¹⁾	7	-3	-14	-4	-3	4	-10	-28	-1
Capital gains/dividends, shares and ECCs ²⁾	10	30	65	16	50	39	40	121	72
of which dividends	31	3	0	0	42	34	43	43	6
capital gains on shares	-17	28	63	14	11	11	1	78	63
capital gains on ECCs	-4	-1	3	1	-3	-5	-4	0	4
Capital gains, bonds and derivatives	31	25	42	25	16	56	13	80	135
Net gain on trading and derivatives Markets	16	10	8	15	8	25	16	39	86
Net return on financial investments	125	118	198	125	131	243	167	490	642
As percentage of total income	19%	18%	28%	19%	20%	18%	14%	19%	24%

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

The negative result refers mainly to reduced asset values in these companies.

2) Included net gain of NOK 30m (loss NOK 24m) from SpareBanken Midt-Norge Invest AS, which manages parts of the Bank's share portfolio

Change in net return on financial investments

(in NOK million)	2011	30 Jun. Change	2010
Total	243	76	167
Capital gains from bonds and derivatives		43	
Income from investment in related companies		25	
Capital gain, SMN Markets		9	
Capital gains/dividends on shares and ECC's		-1	

2.4. Operating expenses

Operating expenses

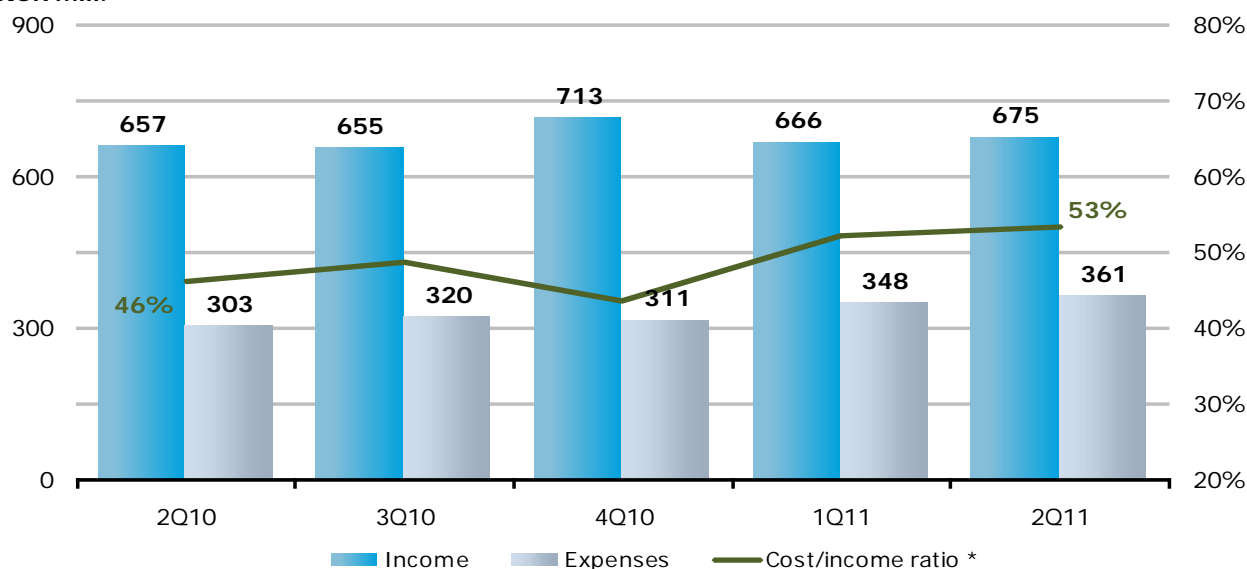
(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011	30 Jun. 2010	2010	2009
Salary	190	177	175	168	158	367	313	656	637
Pension costs (defined benefit plan)	11	9	-46	17	12	20	-71	-100	60
Employer's insurance contributions	3	3	1	3	3	7	6	10	14
Other personnel expenses	4	8	6	3	4	12	7	17	14
Total personnel expenses	208	198	137	191	177	405	255	583	725
EDP and telecommunication expenses	46	42	42	38	35	88	76	156	158
Postage and transportation services	7	7	7	6	7	14	14	27	28
Marketing	12	12	12	9	12	24	22	43	38
Operating exp. on properties and premises	24	21	30	22	20	45	42	94	80
Other external services	13	11	20	12	12	24	21	52	39
Other operating expenses	32	37	47	30	31	69	62	138	135
Depr./write-downs of fixed & intangible assets	19	21	17	13	9	40	18	48	51
Other expenses	153	150	175	129	126	303	254	557	528
Total operating expenses	361	348	311	320	303	708	509	1,140	1,253

Cost/income ratio	0.53	0.52	0.44	0.49	0.46	0.53	0.43	0.45	0.47
Cost/income ratio ex financial inv.	0.66	0.63	0.60	0.60	0.58	0.65	0.50	0.55	0.62
12-month cost growth*	39.2 %	68.8 %	-9.0 %	-10.8 %	-18.8 %	39.2 %	-18.8 %	-9.0 %	4.9 %

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

Cost/income ratio

NOK mill.



* Total operating expenses as a percentage of total operating income

Change in operating expenses

(in NOK million)

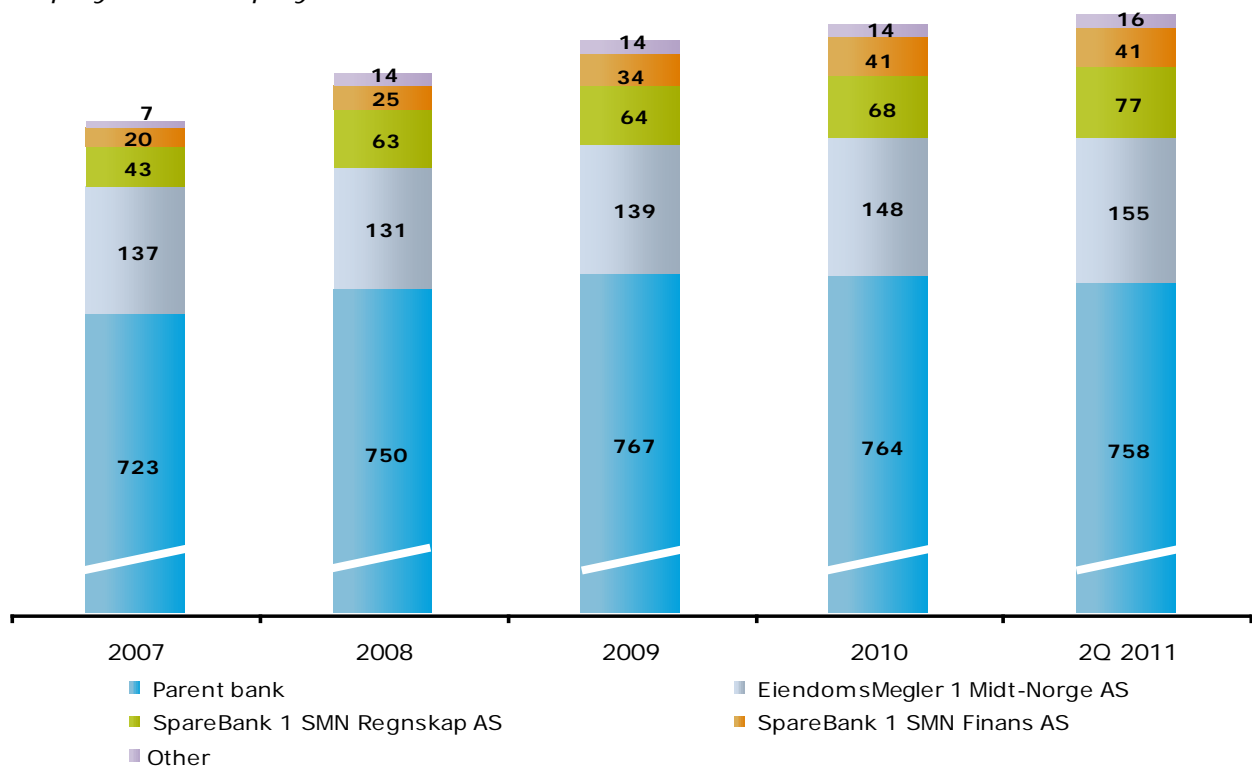
	2011	30 Jun. Change	2010
Total	708	199	509
Total personnel expenses*		150	
Depr./write-downs of fixed & intangible assets		22	
EDP and telecommunication expenses		13	
Other operating expenses		7	
Other external services		4	
Operating exp. on properties and premises		3	
Marketing		2	
Postage and transportation services		-0	

*Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010

Development of employees

<i>Employees in employment</i>	2Q 2011	2010	2009	2008	2007
Retail market division	377	378	367	381	366
Corporate market	177	172	155	155	147
SpareBank 1 SMN Markets	37	33	32	21	15
Business operations	124	128	134	137	130
Management and staff	42	53	79	57	66
Parent bank	758	764	767	750	723
EiendomsMegler 1 Midt-Norge AS	155	148	139	131	137
Allegro Finans AS	10	10	10	10	7
SpareBank 1 SMN Finans AS	41	41	34	25	20
SpareBank 1 SMN Regnskap AS	77	68	64	63	43
SpareBank 1 Kvartalet and other	6	4	4	4	-
Total	1,047	1,035	1,016	982	931

Employees in employment



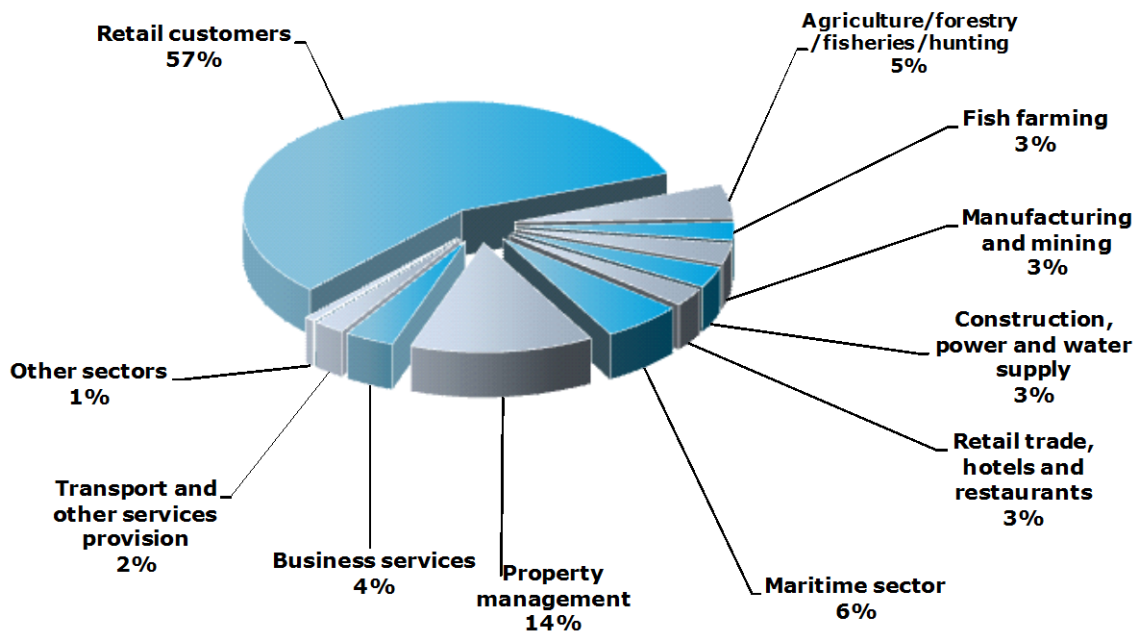
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	30 Sept. 2010	30 Jun. 2010	31 Dec. 2009
Agriculture/forestry/fisheries/hunting	4,525	4,601	4,892	4,673	4,734	4,611
Fish farming	2,426	2,010	1,906	1,661	1,658	1,325
Manufacturing and mining	2,805	2,714	2,775	3,305	3,021	2,324
Construction, power and water supply	2,825	2,574	2,511	2,599	2,539	2,257
Retail trade, hotels and restaurants	2,407	2,463	2,503	2,510	2,733	2,460
Maritime sector	5,389	5,624	5,242	4,397	4,113	2,209
Property management	12,314	12,754	13,013	12,739	12,041	11,328
Business services	3,334	3,131	3,134	3,054	3,052	3,279
Transport and other services provision	2,055	1,483	1,628	2,123	2,221	2,217
Public administration	58	72	101	64	61	64
Other sectors	694	610	339	257	203	199
Gross loans in corporate market	38,832	38,037	38,046	37,382	36,376	32,272
Retail customers	52,107	50,569	49,619	48,663	47,390	45,157
Gross loans incl. SpareBank 1 Boligkreditt	90,939	88,606	87,665	86,046	83,767	77,429
- Adv. of this SpareBank 1 Boligkreditt	22,379	20,054	17,818	18,977	19,377	15,647
Gross loans in balance sheet	68,559	68,553	69,847	67,069	64,390	61,782
Share of loans, corporate market	42.7 %	42.9 %	43.4 %	43.4 %	43.4 %	41.7 %
Share of loans, retail market	57.3 %	57.1 %	56.6 %	56.6 %	56.6 %	58.3 %

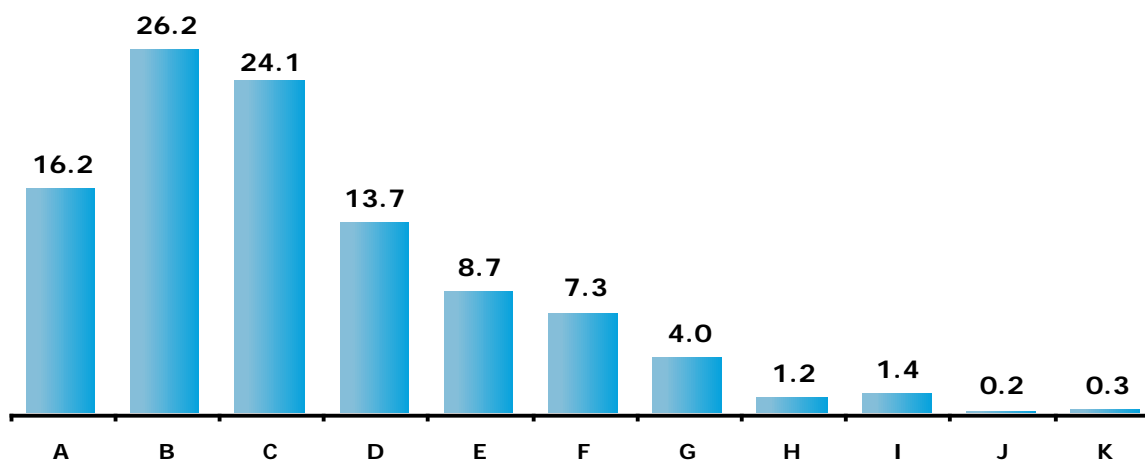
Distribution of loans by industry



3.2. Risk profile and write-downs

Actual risk profil, Exposure At Default

NOK billion



Risk classification in SpareBank 1 SMN

Risk class	PD* in percent		Corresponding ratingclass at Moody's
	Low	High	
A	0.01	0.10	AAA - A3
B	0.10	0.25	Baa1 - Baa2
C	0.25	0.50	Baa3
D	0.50	0.75	Ba1
E	0.75	1.25	Ba2
F	1.25	2.50	
G	2.50	5.00	Ba2 - B1
H	5.00	10.00	B1 - B2
I	10.00	99.99	B3 - caa3
J	Default		
K	Written down		

Risk class A represents the lowest risk and class K the highest risk.

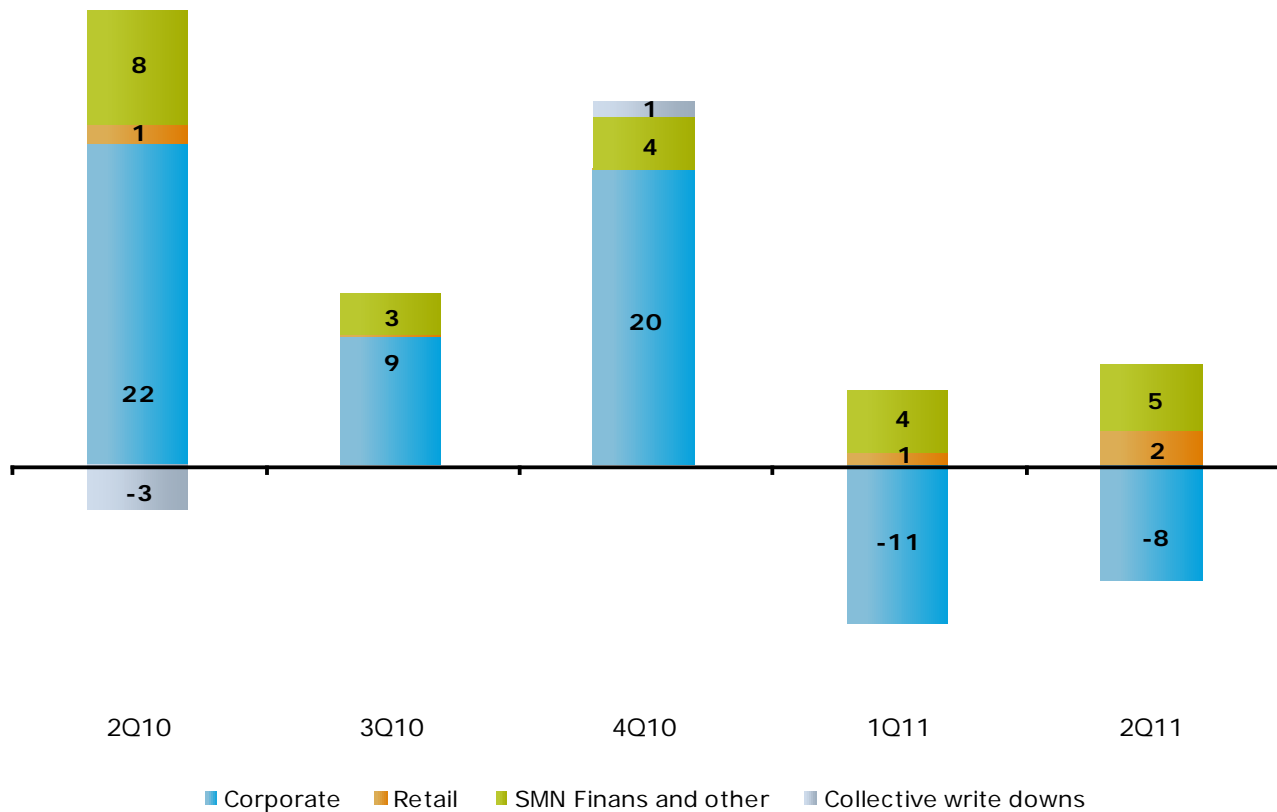
* Probability of default

Write-downs on loans and guarantees

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Increase in and new individual write-downs	-40	-5	-61	3	13	-44	61	3	3
Reassessments and recoveries	-39	1	-85	-8	-18	-38	-35	-128	-230
Total individual write-downs	-1	-6	24	12	31	-7	96	131	233
Change in group write-downs on loans	-	-	1	-	-3	-	-	1	44
Write-downs on loans and guarantees	-1	-6	25	12	28	-7	96	132	277
As % of gross loans incl. Boligkreditt	-0.01%	-0.03%	0.11%	0.05%	0.15%	-0.02%	0.24%	0.16%	0.31%

Loss on loans by segment

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Corporate	-8	-11	20	9	22	-19	75	104	202
Retail	2	1	0	0	1	3	4	4	15
SMN Finans and other	5	4	4	3	8	9	17	23	16
Collective write downs	-	-	1	-	-3	-	-	1	44
Total loss on loans	-1	-6	25	12	28	-7	96	132	277



Individual and collective write-downs

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Individual write-downs to cover loss on loans, guarantees at start of period	217	222	283	279	267	222	219	219	215
Confirmed losses in the period on loans, guarantees etc., not prev. subject to ind. write down	2	6	2	1	5	8	31	34	9
Reversal of previous years' write downs	-7	-15	-3	-4	-6	-22	-15	-22	-10
Increase in write downs of commitments not previously subject to individual write down	15	11	-59	12	35	26	85	38	94
Write downs of loans not previously subject to individual write down	-50	-6	-1	-4	-22	-57	-41	-46	-89
Individual write downs to cover loss	178	217	222	283	279	177	279	222	219
Collective write downs to cover loss on loans, guarantees at start of period	290	290	289	289	292	290	289	289	245
Period's collective write down to cover loss on loans, guarantees etc.	-	-	1	-	-3	-	-	1	44
Collective write downs to cover loss on loans, guarantees	290	290	290	289	289	290	289	290	289

Loans and guarantees by industry

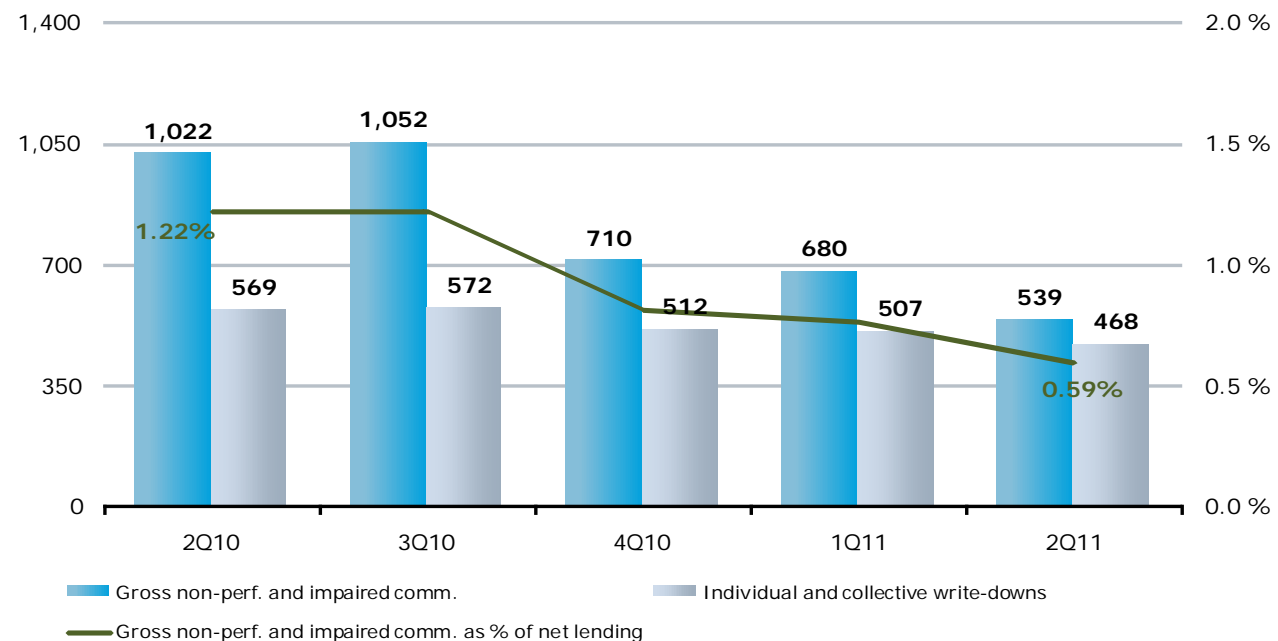
	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	56,239	44,032	7,975	2,820	680	538	193
Public administration	963	963	-	-	-	-	0
Agriculture and forestry	4,811	3,275	681	598	113	116	29
Sea farming industries	3,313	2,962	221	71	2	51	6
Manufacturing	3,910	1,029	1,715	778	3	316	70
Construction, power and water supply	3,382	1,382	896	945	61	57	42
Retail trade, hotels and restaurants	3,263	2,028	634	529	17	30	25
Maritime sector	802	287	225	277	11	-	2
Property management	13,886	6,011	4,500	3,057	154	117	47
Business services	4,201	1,798	1,918	303	90	62	31
Transport and other services provision	8,000	2,769	3,582	1,470	25	130	24
Finance	0	0	-	-	-	-	-
Other sectors	394	-	-	394	-	-	-
2Q11	103,165	66,537	22,347	11,242	1,155	1,416	468
2010	98,801	46,982	32,448	15,229	1,624	1,674	843
2009	85,920	41,079	27,611	13,774	1,315	1,334	806

Write-down ratio

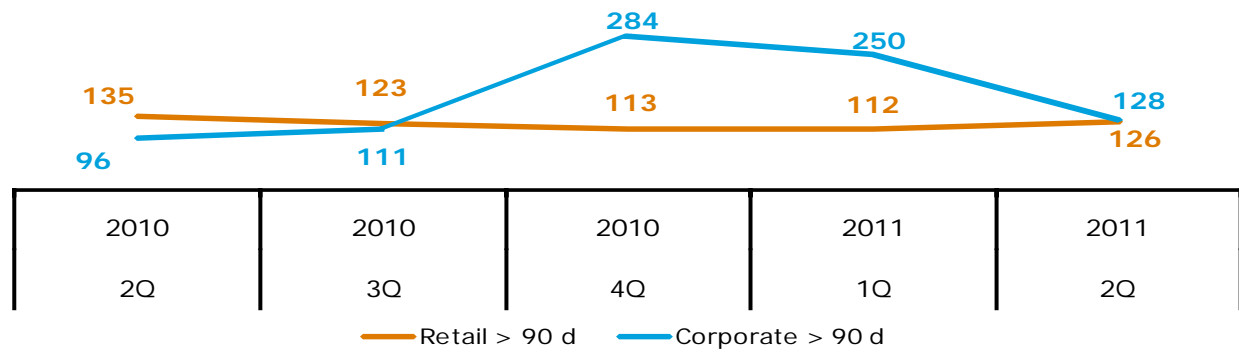
(in NOK million)	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	30 Sept. 2010	30 Jun. 2010	31 Dec. 2009
Non-performing commitments (gross)	361	477	499	326	342	379
Impaired commitments (gross)	178	202	211	726	680	442
Gross non-performing and impaired commitments	539	680	710	1,052	1,022	820
Individual write-downs	179	217	222	283	280	219
Collective write-downs	290	290	290	289	289	289
Write-down ratio (%)	86.8 %	74.6 %	72.1 %	54.3 %	55.6 %	61.8 %

Net non-performing and impaired commitments

NOK million



Default in excess of 90 days
NOK million



4. Capital Adequacy

New capital adequacy rules were introduced in Norway as from 1 January 2007 (Basel II - the EU's new directive on capital adequacy). SpareBank1 SMN applied to and received permission from Finanstilsynet (Financial Supervisory Authority of Norway) to use internal rating methods (Internal Rating Based Approach - Foundation) to calculate charges for credit risk from 1 January 2007 onwards. This will make the statutory minimum capital adequacy requirement more risk-sensitive, so that it better reflects the risk in the underlying portfolios. Using IRB demands high standards of the Bank's organisation, competence, risk models and risk management systems. Under interim regulations issued by Finanstilsynet, IRB banks are not yet seeing the full effect of the reduced capital requirements. As from 2009, a 20% reduction of the risk-weighted basis of calculation was allowed.

The Norwegian State Finance Fund has in a period to 30 September 2009 offered tier 1 capital to solid Norwegian banks to help them meet tighter capital adequacy requirements and improve their lending capacity. SMN applied for, and was granted, a capital infusion which was disbursed from the State Finance Fund in the form of hybrid equity worth NOK 1.25 billion as of 30.9.09. In March 2010, with Finanstilsynet's approval, this was partially redeemed in an amount of NOK 450 million, and the remainder was repaid in April 2010.

Subordinated debt ranks behind all other liabilities. Dated subordinated loans are eligible at a maximum of 50% of tier 1 capital for capital adequacy purposes, while perpetual subordinated loans are eligible at a maximum of 100% of tier 1 capital. Subordinated loans are classified as a liability in the balance sheet and are measured at amortized cost in the same way as other long-term loans.

Hybrid capital denotes bonds with a nominal interest rate, but the bank is not obliged to pay interest in a period where dividends are not paid, and neither is the investor subsequently entitled to interest that has not been paid, i.e. interest does not accumulate. Hybrid capital is approved as an element of tier 1 capital up to limit of 15% of aggregate tier 1 capital. Finanstilsynet (Norway's FSA) can require hybrid capital to be written down in proportion with equity capital should the bank's tier 1 capital adequacy fall below 5% or total capital adequacy falls below 6%. Written-down amounts on hybrid capital must be written up before dividends can be paid to shareholders or before equity capital is written up. Hybrid capital is shown as other long-term debt at amortised cost.

For detailed information about subordinated debt and hybrid capital, see note 34 in the Bank's annual report.

Capital Adequacy

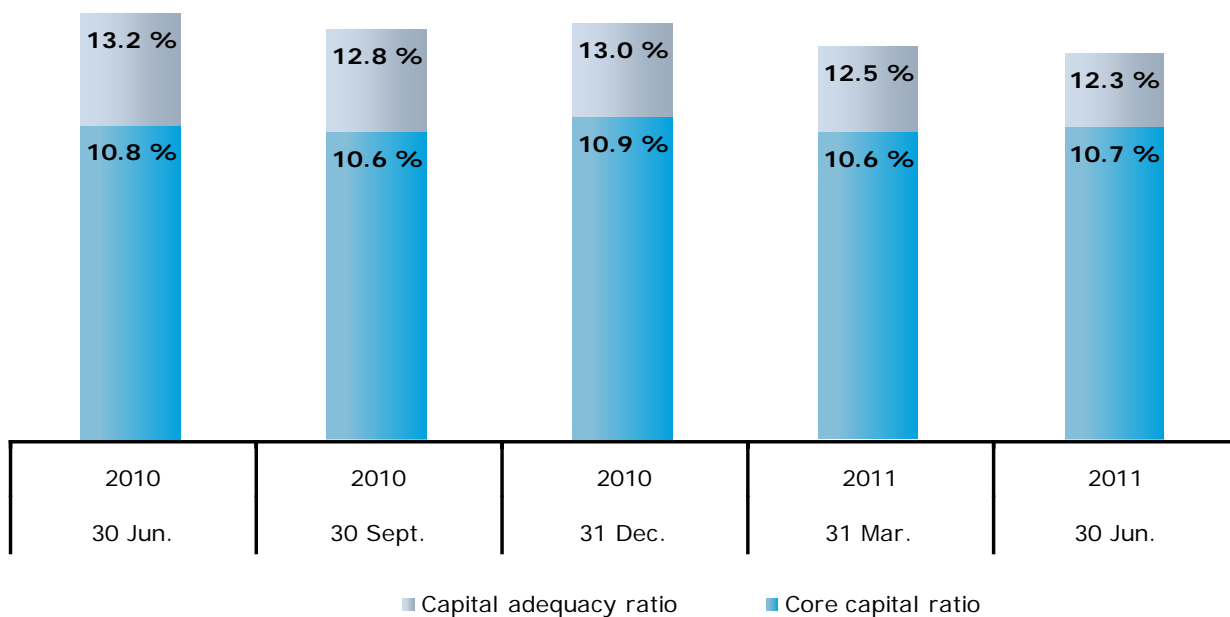
(in NOK million)	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	30 Sept. 2010	30 Jun. 2010	31 Dec. 2009
Equity certificates capital	2,373	2,373	2,373	2,373	2,373	1,736
- Own equity certificates capital	-0	-0	-0	-0	0	-2
Premium reserve	182	182	182	174	174	-
Equalisation reserve	1,160	1,160	1,159	878	878	876
Savings bank's reserve	2,345	2,345	2,345	2,155	2,155	2,155
Recommended dividends	-0	-	285	0	0	201
Provision for gifts	0	0	192	-	-	27
Reserve for unrealised gains	71	75	66	124	124	124
Other equity and minority interest	1,267	1,250	1,244	1,053	1,072	1,066
Net profit	505	255	-	704	449	-
Total book equity	7,902	7,639	7,846	7,461	7,224	6,183
Deferred tax, goodwill and other intangible assets	-643	-643	-466	-510	-481	-482
Share of reserve for unrealised gains in associates	65	65	65	53	-	-
Deduction for allocated dividends	-0	-0	-477	-0	-	-201
50 % deduction for expected losses on IRB, net of write-downs	-151	-90	-216	-232	-220	-189
50 % capital adequacy reserve	-636	-626	-571	-522	-488	-373
Share of non-performing, non-amortised estimate deviations	-	-	-0	-	-	-
Net profit	-505	-255	-0	-704	-449	-
Year-to-date profit included in core capital (50%)	252	126	-	452	291	-
Fund bonds	1,110	1,114	1,106	1,035	1,083	542
Hybrid equity State Finance Fund	-	-	-	-	-	1,250
Total core capital	7,394	7,330	7,286	7,033	6,960	6,730
Supplementary capital in excess of core capital						
Perpetual subordinated capital	315	452	466	464	481	450
Dated subordinated capital	1,574	1,571	1,680	1,750	1,804	2,112
financial institutions	-	-	-	-	-	-
50 % deduction for expected losses on IRB, net of write-downs	-151	-90	-216	-232	-220	-189
50 % capital adequacy reserve	-636	-626	-571	-522	-488	-373
Total supplementary capital	1,102	1,308	1,360	1,461	1,577	2,001
Net subordinated capital	8,496	8,638	8,646	8,493	8,537	8,730

Minimum requirements subordinated capital

(in NOK million)	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	30 Sept. 2010	30 Jun. 2010	31 Dec. 2009
Involvement with specialised enterprises	1,408	1,389	1,386	1,392	1,355	1,295
Other corporations exposure	1,203	1,168	1,120	1,031	1,078	1,000
SME exposure	59	64	68	67	62	57
Retail mortgage exposure	451	450	451	427	426	429
Other retail exposure	33	32	34	36	40	56
Equity investments	-	-	-	207	204	476
Total credit risk IRB	3,154	3,103	3,058	3,160	3,166	3,313
Debt risk	98	176	165	-	-	-
Equity risk	15	15	15	18	17	15
Operational risk	400	400	331	331	331	296
Exposures calculated using the standardised approach	1,962	1,949	1,864	1,824	1,746	1,594
Deductions	-107	-106	-98	-90	-85	-67
Transitional arrangements	-	-	-	53	-	-
Minimum requirements subordinated capital	5,522	5,537	5,335	5,296	5,175	5,152

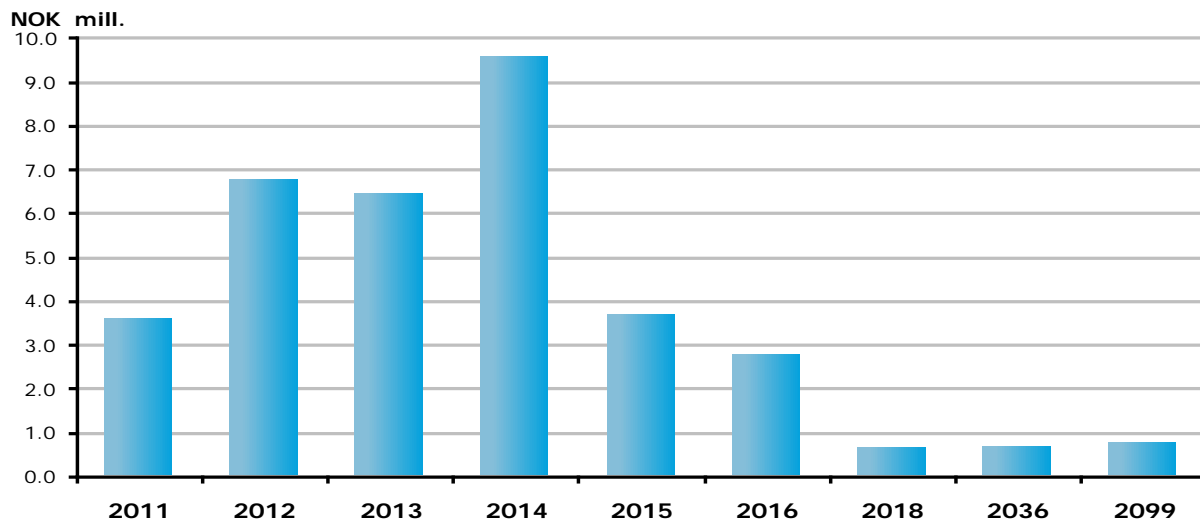
Core capital ratio	10.7 %	10.6 %	10.9 %	10.6 %	10.8 %	10.4 %
Capital adequacy ratio	12.3 %	12.5 %	13.0 %	12.8 %	13.2 %	13.6 %

Capital Adequacy



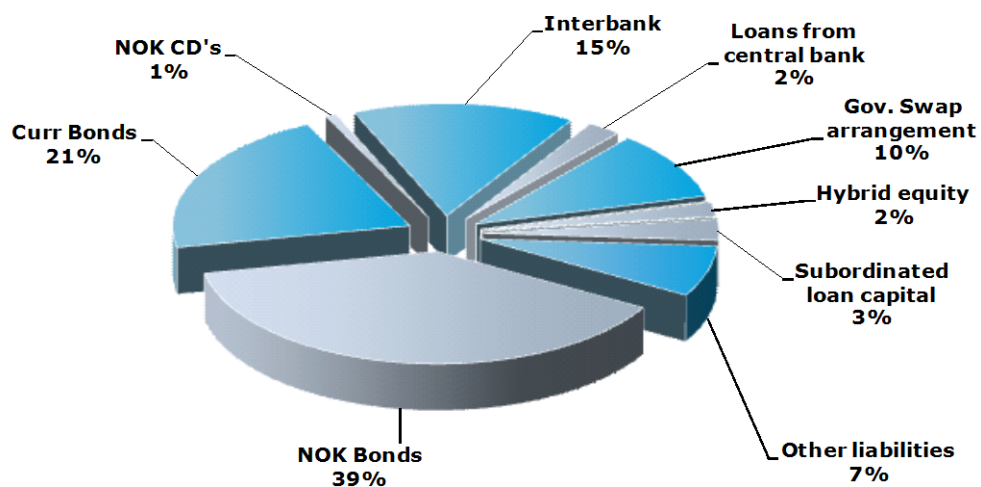
5. Funding

Funding maturity dates



Capital markets funding

(in NOK million)	30 Jun. 2011	31 Mar. 2011	31 Dec. 2010	30 Sept. 2010	30 Jun. 2010	31 Dec. 2009
NOK Bonds	16,872	15,987	16,531	17,332	15,588	12,120
Curr Bonds	9,187	8,824	11,176	11,843	8,033	11,051
NOK CD's	323	266	235	247	198	187
Interbank	6,635	7,302	7,743	7,440	9,027	5,492
Loans from central bank	1,000	1,000	1,000	1,500	1,500	1,500
Gov. Swap arrangement	4,318	4,318	4,318	4,318	4,318	4,318
Bond Index	-	-	-	-	-	-
Perp. Sub. Loan capital	13	150	164	162	178	441
Hybrid equity	893	898	936	952	998	462
The Norwegian State Finance Fund	-	-	-	-	-	1,250
Subordinated loan capital	1,310	1,306	1,358	1,352	1,374	1,716
Other liabilities	3,204	2,607	3,058	3,211	2,920	1,942
Total	43,756	42,660	46,519	48,356	44,133	40,479



6. Financial results

Financial results

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Interest income	910	886	894	869	804	1,796	1,552	3,315	3,416
Interest expenses	592	559	601	549	506	1,151	955	2,105	2,137
Net interest	318	327	293	320	297	645	597	1,210	1,279
Commission income	199	192	199	197	193	391	371	766	706
Commission expenses	19	18	23	21	19	37	37	81	84
Other operating income	52	47	47	34	54	99	89	170	134
Commission income and other income	232	221	222	210	229	453	423	855	756
Dividends	31	3	0	0	42	34	43	43	6
Income from investment in related companies	69	54	83	69	57	122	98	249	349
Net return on financial investments	25	62	115	55	32	87	27	197	287
Net return on financial investments	125	118	198	125	131	243	167	490	642
Total income	675	666	713	655	657	1,341	1,187	2,555	2,677
Staff costs	208	198	137	191	177	405	255	583	725
Administration costs	96	86	98	76	81	181	164	339	320
Other operating expenses	57	65	76	52	45	122	90	218	208
Total operating expenses	361	348	311	320	303	708	509	1,140	1,253
Result before losses	314	318	402	335	354	633	678	1,414	1,424
Loss on loans, guarantees etc.	-1	-6	25	12	28	-7	96	132	277
Result before tax	315	325	377	323	327	640	582	1,282	1,147
Tax charge	65	70	60	67	66	135	133	260	210
Net profit	250	255	318	256	260	505	449	1,022	937
Majority share	253	248	317	254	258	501	446	1,017	931
Minority interest	-3	6	1	1	3	4	3	5	6

Balance sheet

	30 Jun.	31 Mar.	31 Dec.	30 Sept.	30 Jun.	31 Dec.
(in NOK million)	2011	2011	2010	2010	2010	2009
Cash and receivables from central banks	3,922	257	2,112	3,962	5,800	1,107
Deposits with and loans to credit institutions	1,459	946	420	895	278	153
Gross loans to customers before write-down	68,559	68,553	69,847	67,069	64,390	61,782
- Specified write-downs	-177	-217	-222	-283	-279	-219
- Write-downs by loan category	-290	-290	-290	-289	-289	-289
Net loans to and receivables from customers	68,092	68,046	69,336	66,497	63,822	61,275
Fixed-income CDs and bonds at fair value	14,988	15,579	16,980	14,831	14,883	14,727
Derivatives	1,619	1,411	1,825	1,988	1,880	1,149
Shares, units and other equity interests	578	572	618	560	556	505
Investment in related companies	4,215	4,119	3,526	3,453	3,391	2,921
Goodwill	460	460	460	460	460	460
Other assets	3,082	3,065	2,717	2,626	2,755	2,244
Assets	98,415	94,455	97,992	95,271	93,823	84,541
Deposits from credit institutions	11,953	12,621	13,062	13,258	15,145	11,310
Deposits from and debt to customers	45,990	42,900	42,786	38,643	41,273	37,227
Debt created by issue of securities	26,382	25,078	27,941	29,421	23,818	23,358
Derivatives	1,559	1,265	1,684	1,601	1,562	712
Other liabilities	2,113	2,298	1,917	2,121	1,951	1,876
Subordinated loan capital	2,516	2,655	2,758	2,766	2,850	3,875
Total liabilities	90,513	86,816	90,147	87,810	86,599	78,358
Equity capital certificate	2,373	2,373	2,373	2,373	2,373	1,736
Own holding of ECCs	-0	-0	-0	-0	0	-2
Premium fund	182	182	182	174	174	-
Dividend equalisation fund	1,160	1,160	1,159	878	878	877
Recommended dividends	-0	-	285	0	0	174
Provision for gifts	0	0	192	-	-	27
Savings bank's reserve	2,345	2,345	2,345	2,155	2,155	2,155
Unrealised gains reserve	71	75	66	124	124	124
Other equity capital	1,138	1,152	1,147	1,003	1,024	1,052
Result of the period	505	255	-	704	449	0
Minority interests	129	98	97	50	48	42
Total equity capital	7,902	7,639	7,846	7,461	7,224	6,183
Total liabilities and equity	98,415	94,455	97,992	95,271	93,823	84,541

Key figures

	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011	30 Jun. 2010	2010	2009
Return on equity	12,9 %	13,2 %	16,6 %	13,9 %	15,5 %	13,0 %	13,7 %	14,6 %	16,2 %
Cost/income ratio group	53,4 %	52,2 %	43,7 %	48,9 %	46,1 %	52,8 %	42,9 %	44,6 %	46,8 %
Cost/income ratio group, ex. financial inv.	65,6 %	63,5 %	60,4 %	60,4 %	57,6 %	64,5 %	49,9 %	55,2 %	61,6 %
Cost/income ratio parent bank	37,9 %	53,7 %	41,4 %	49,7 %	37,4 %	44,4 %	35,4 %	40,2 %	47,2 %
Cost/income ratio parent, ex. financial inv.	62,1 %	59,4 %	52,8 %	56,2 %	55,9 %	60,7 %	46,0 %	50,3 %	60,4 %
12-month cost growth*	39,2 %	68,8 %	-9,0 %	-10,8 %	-18,8 %	39,2 %	-18,8 %	-9,0 %	4,9 %
Gross loans to customers incl. Boligkreditt	90.939	88.606	87.665	86.046	83.767	90.939	83.767	87.665	77.429
Growth in loans incl Boligkreditt last 12 months	8,6 %	11,4 %	13,2 %	12,4 %	12,6 %	8,6 %	12,6 %	13,2 %	8,6 %
Growth in loans incl Boligkreditt this period	2,6 %	1,1 %	1,9 %	2,7 %	5,3 %	3,7 %	8,2 %	13,2 %	8,6 %
Deposits from customers	45.990	42.900	42.786	38.643	41.273	45.990	41.273	42.786	37.227
Growth in deposits last 12 months	11,4 %	14,1 %	14,9 %	2,8 %	7,8 %	11,4 %	7,8 %	14,9 %	5,5 %
Growth in deposits this period	7,2 %	0,3 %	10,7 %	-6,4 %	9,8 %	7,5 %	10,9 %	14,9 %	5,5 %
Ordinary lending financed by ordinary deposits	67,1 %	62,6 %	61,3 %	57,6 %	64,1 %	67,1 %	64,1 %	61,3 %	60,3 %
Total assets	98.415	94.455	97.992	95.271	93.823	98.415	93.823	97.992	84.541
Average total assets	96.435	96.224	96.632	94.547	89.390	96.954	87.774	91.317	86.679
Employees in employment group	1.047	1.057	1.035	1.050	1.019	1.047	1.019	1.035	1.016
Employees in employment parent bank	758	771	764	787	761	758	761	764	767
Employees in employment subsidiaries	289	287	271	264	258	289	258	271	250
Number of branches	54	54	54	55	55	54	55	54	55
Lending margin	1,63	1,75	1,71	1,63	1,60	1,69	1,68	1,67	1,62
Deposit margin	0,36	0,36	0,41	0,50	0,53	0,36	0,34	0,40	0,41
Net other operating income of total income	34,4 %	33,2 %	31,2 %	32,0 %	34,8 %	33,8 %	35,6 %	33,5 %	28,2 %
Capital adequacy ratio	12,3 %	12,5 %	13,0 %	12,8 %	13,2 %	12,3 %	13,2 %	13,0 %	13,6 %
Core capital ratio	10,7 %	10,6 %	10,9 %	10,6 %	10,8 %	10,7 %	10,8 %	10,9 %	10,4 %
Total core capital	7.394	7.330	7.286	7.033	6.960	7.394	6.960	7.286	6.730
Net subordinated capital	8.496	8.638	8.646	8.493	8.537	8.496	8.537	8.646	8.730
Impairment losses ratio	-0,01 %	-0,03 %	0,11 %	0,05 %	0,15 %	-0,02 %	0,24 %	0,16 %	0,31 %
Non-performing commitm. as % of gross loans	0,40 %	0,54 %	0,57 %	0,38 %	0,41 %	0,40 %	0,41 %	0,57 %	0,49 %
Other doubtful commitm. as % of gross loans	0,20 %	0,23 %	0,24 %	0,84 %	0,81 %	0,20 %	0,81 %	0,24 %	0,57 %
ECC price	48,90	50,00	54,00	49,00	42,30	48,90	42,30	54,00	49,02
Number of certificates issued, millions	94,90	94,90	94,90	94,90	94,90	94,90	94,90	94,90	69,43
Booked equity capital per ECC (incl. dividend)	51,05	49,34	50,60	48,13	46,65	51,05	46,65	50,60	44,89
Adjusted profit per ECC	1,62	1,64	2,05	1,65	1,68	3,26	2,82	6,43	6,73
P/E per ECC	7,55	7,60	6,57	7,41	6,28	7,50	7,49	8,40	7,29
P/B equity capital	0,96	1,01	1,07	1,02	0,91	0,96	0,91	1,07	1,09

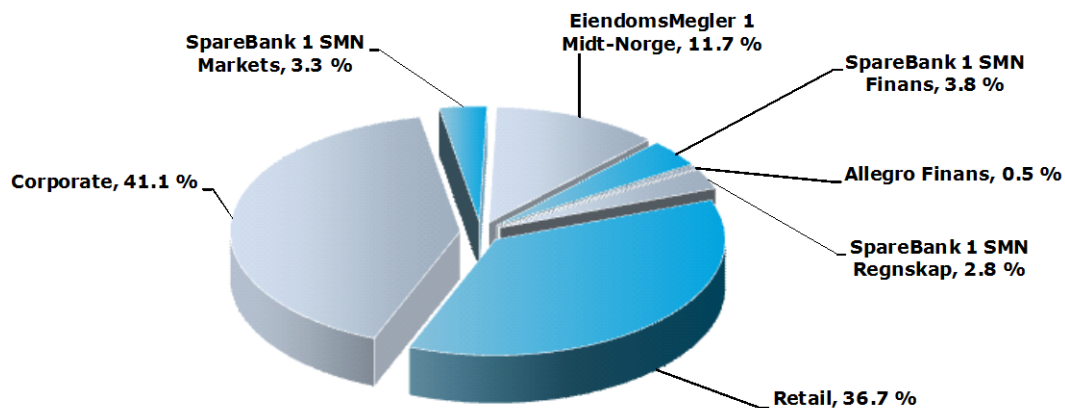
* Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth

7. Segment information

7.1. Extract from income statement

Group (in NOK million)	Retail	Corporate	SpareBank 1 SMN Markets	EiendomsMegler 1 Midt-Norge	SpareBank 1 SMN Finans	Allegro Finans	SpareBank 1 SMN Regnskap	Uncollated	Total
Net interest	261	378	6	2	48	0	0	-51	645
Allocated	17	56	2	-	-	-	-	-75	-
Total interest income	278	434	8	2	48	0	0	-126	645
Commission income and other income	179	70	9	144	-1	6	36	11	453
Net profit on financial investments	1	11	25	-0	1	-	-	206	243
Total income	458	514	42	146	48	7	36	91	1,341
Total operating expenses	303	174	39	113	23	8	31	18	708
Ordinary operating profit	156	340	2	33	25	-1	5	72	633
Loss on loans, guarantees etc.	3	-19	-	-	8	-	-	-0	-7
Result before tax	153	359	2	33	17	-1	5	72	640
Post-tax return on equity	24.7 %	18.0 %							13.0 %
Balance sheet									
Loans and advances to customers	49,317	37,245	-	-	2,940	-	-	1,438	90,939
adv. of this to Boligkreditt	-21,372	-249	-	-	-	-	-	-759	-22,379
Individual allowance for impairment on loan	-41	-100	-	-	-36	-	-	-	-177
Group allowance for impairment on loan	-	-	-	-	-16	-	-	-273	-290
Other assets	207	179	-	167	-2,479	16	24	32,209	30,323
Total assets	28,111	37,074	-	167	408	16	24	32,615	98,415
Deposits to customers	20,661	23,640	-	-	-	-	-	1,688	45,990
Other liabilities and equity	7,450	13,434	-	167	408	16	24	30,926	52,425
Total liabilities	28,111	37,074	-	167	408	16	24	32,615	98,415

Income specified by segment, excluding financial investments



Interest income, Retail and Corporate

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Retail	127	134	143	137	129	261	257	537	606
Corporate	187	191	189	178	172	378	346	713	596
Net interest income	314	325	331	314	300	639	604	1,249	1,202

Developement in margin, Retail and Corporate*

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
Lending (in percentage)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Retail	1,32	1,40	1,47	1,33	1,43	1,39	1,46	1,43	1,55
Corporate	2,13	2,18	2,15	2,16	2,09	2,16	2,11	2,14	1,82
Total	1,63	1,75	1,71	1,63	1,60	1,69	1,68	1,67	1,62

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
Deposits (in percentage)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Retail	0,59	0,55	0,57	0,68	0,48	0,54	0,46	0,54	0,47
Corporate	0,17	0,24	0,26	0,34	0,21	0,20	0,22	0,26	0,40
Total	0,36	0,36	0,41	0,50	0,53	0,36	0,34	0,40	0,41

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

Development in volume, Retail and Corporate

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
Lending* (in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Retail	49,317	47,919	46,932	46,035	44,909	49,317	44,909	46,932	43,166
Corporate	37,245	36,485	36,379	35,632	34,600	37,245	34,600	36,379	30,143
Total	86,561	84,404	83,311	81,668	79,509	86,561	79,509	83,311	73,309

* Gross loans to customers includes SpareBank 1 Boligkreditt

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
Deposits (in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Retail	20,661	19,317	19,098	19,349	19,728	20,661	19,728	19,098	18,307
Corporate	23,640	21,801	22,709	18,925	21,076	23,640	21,076	22,709	18,592
Total	44,302	41,118	41,806	38,274	40,804	44,302	40,804	41,806	36,899

Developement in commision income, Retail and Corporate

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Retail	91	89	86	93	96	180	184	363	323
Corporate	39	41	41	36	42	80	74	150	136
Total	130	130	126	129	138	260	258	513	459

7.2. Retail division

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

The write-back of accumulated pension liabilities in 2010 is not distributed on RM, CM and Markets.

Business description

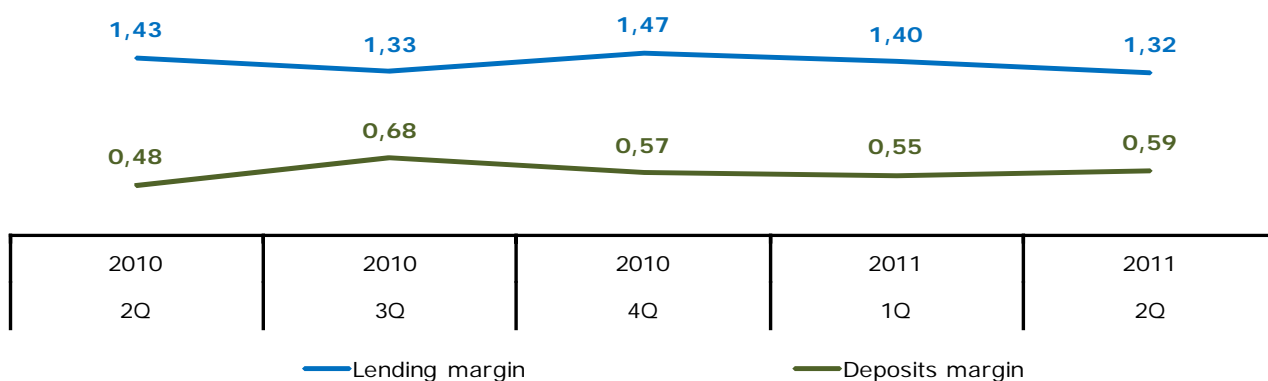
<i>Facts about the Division</i>	30 Jun. 2011	30 Jun. 2010
Lending volume	49,317	44,909
Deposits volume	20,661	19,728
No. of debit cards	141,772	143,773
No. of credit cards	85,025	71,420
No. of internet bank customers	126,598	119,045
No. of telephone bank customers	136,335	101,037
No. of active customers	184,116	181,455
FTEs	377	367

Financial performance

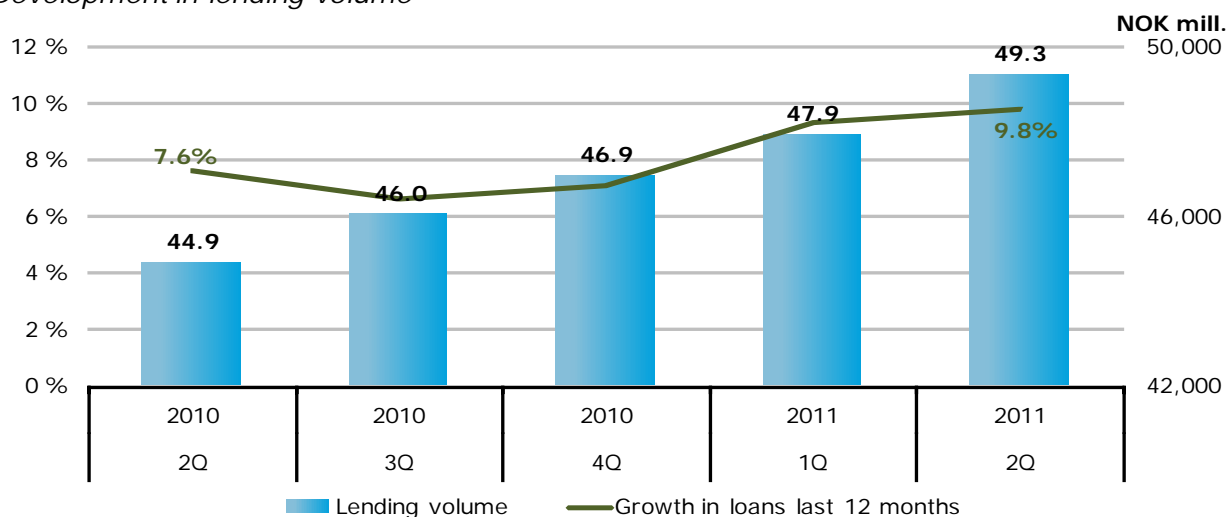
(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011	30 Jun. 2010	2010	2009
Net interest income lending	64	78	81	73	81	142	167	321	448
Net interest income deposits	63	57	62	63	49	119	91	216	158
Net interest income allocated capital	7	10	2	3	3	17	6	11	15
Total interest income	134	144	145	139	132	278	264	548	621
Net guarantee commission, incl. Boligkreditt	25	27	25	26	30	51	59	109	82
Net commission of savings products	15	10	12	12	13	25	25	49	51
Net commission insurance services	20	19	19	19	18	39	35	73	65
Net commission payment trans. services	30	33	28	37	34	63	65	130	123
Other commission income	0	0	0	0	-	0	0	0	1
Net fee and commission income	90	89	85	94	95	179	183	361	321
Net profit on financial investments	1	1	1	0	0	1	1	2	2
Total income	225	234	230	234	228	458	448	911	944
Total operating expenses*	153	150	117	141	137	303	276	533	586
Results	72	84	113	92	90	156	172	378	357
Loss on loans, guarantees etc.	2	1	0	0	1	3	4	4	15
Results before tax	70	83	113	92	89	153	168	374	342
*) Includes both direct and distributed expenses									
Post-tax return on equity (annualized)						24.7 %	23.5 %	25.5 %	25.2 %

Development in margin

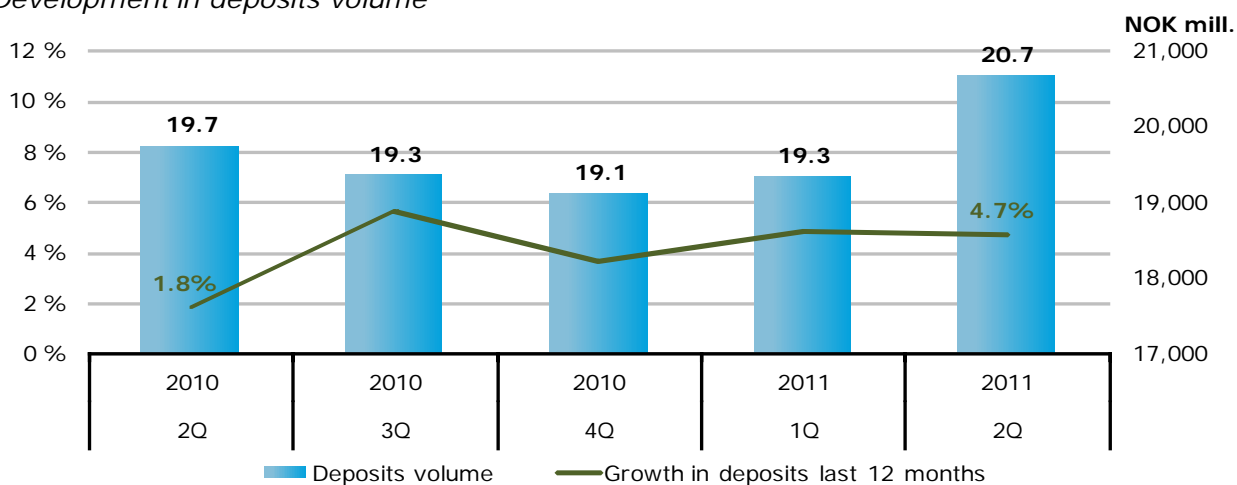
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.3. Corporate division

The Corporate Market Division focuses on financial counselling in investment and operations financing, insurance of individuals and buildings/operating equipment, investment of surplus liquidity and electronic and manual money transfers, domestic and foreign. The business is physically located across the entire market area in order to secure proximity to customers, while bearing in mind the need to ensure that competence units are of sufficient size. The business is highly skills-intensive, and requires a continuous focus on the competence of the individual staff member. To this end the Bank has established an educational facility offering module-based training for all staff.

The write-back of accumulated pension liabilities in 2010 is not distributed on RM, CM and Markets.

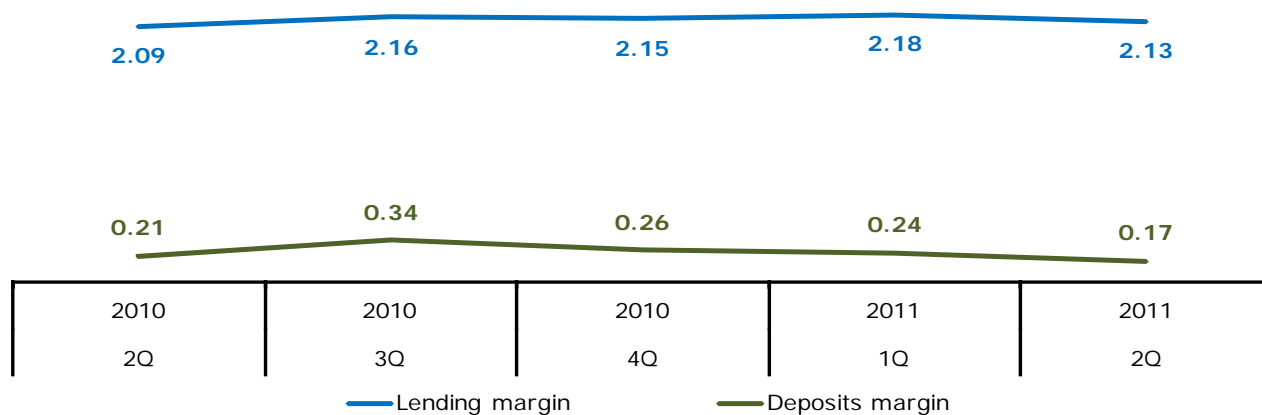
Business description

	30 Jun. 2011	30 Jun. 2010
<i>Facts about the Division</i>		
Lending volume	37,245	34,600
Deposits volume	23,640	21,076
No. of active customers	13,103	13,029
FTEs	177	155

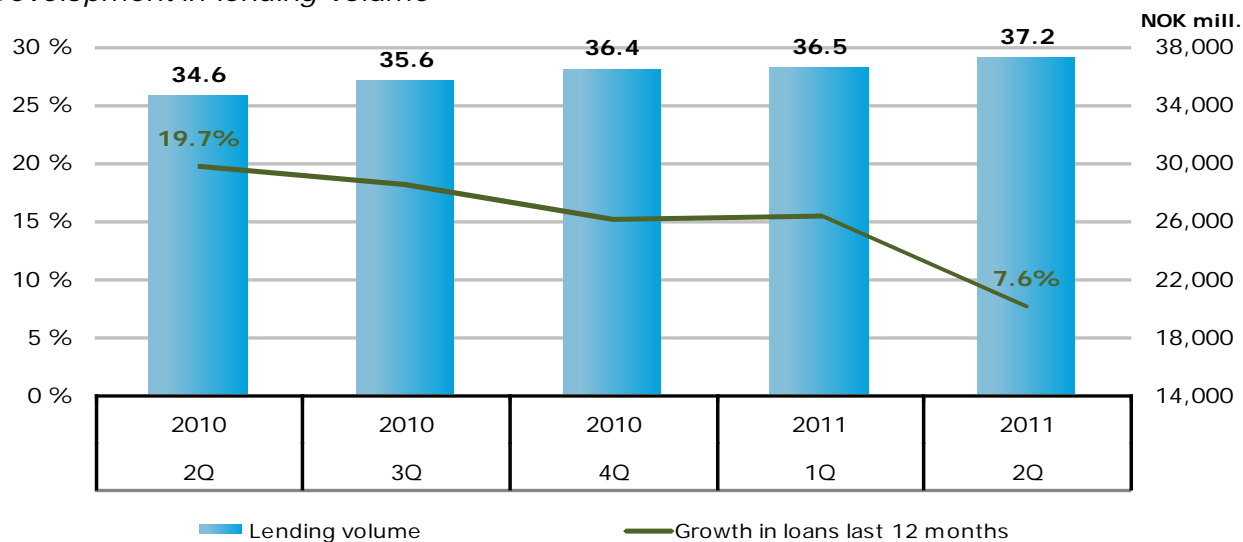
<i>Financial performance</i>	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2011	2011	2010	2010	2010	2011	2010	2010	2009
Net interest income lending	137	140	138	129	132	277	274	542	446
Net interest income deposits	50	51	50	48	39	101	72	171	150
Net interest income allocated capital	29	27	5	8	7	56	18	31	43
Total interest income	216	218	194	186	179	434	364	744	639
Net guarantee commission, incl. Boligkreditt	9	10	10	9	10	19	17	35	32
Net commission of savings products	-1	2	2	2	3	1	5	9	7
Net commission insurance services	6	5	6	5	6	12	11	22	16
Net commission payment trans. services	19	18	19	16	17	37	33	67	56
Other commission income	-0	1	0	0	1	1	1	1	0
Net fee and commission income	34	36	37	31	36	70	66	134	111
Net profit on financial investments	5	5	4	4	6	11	8	16	25
Total income	255	259	235	222	221	514	438	894	775
Total operating expenses*	88	86	75	71	75	174	154	300	312
Results	167	173	160	151	146	340	284	594	464
Loss on loans, guarantees etc.	-8	-11	20	9	22	-19	75	104	202
Results before tax	175	183	140	142	124	359	209	490	262
*) Includes both direct and distributed expenses									
Post-tax return on equity (annualized)						18.0 %	10.5 %	12.0 %	6.7 %

Development in margin

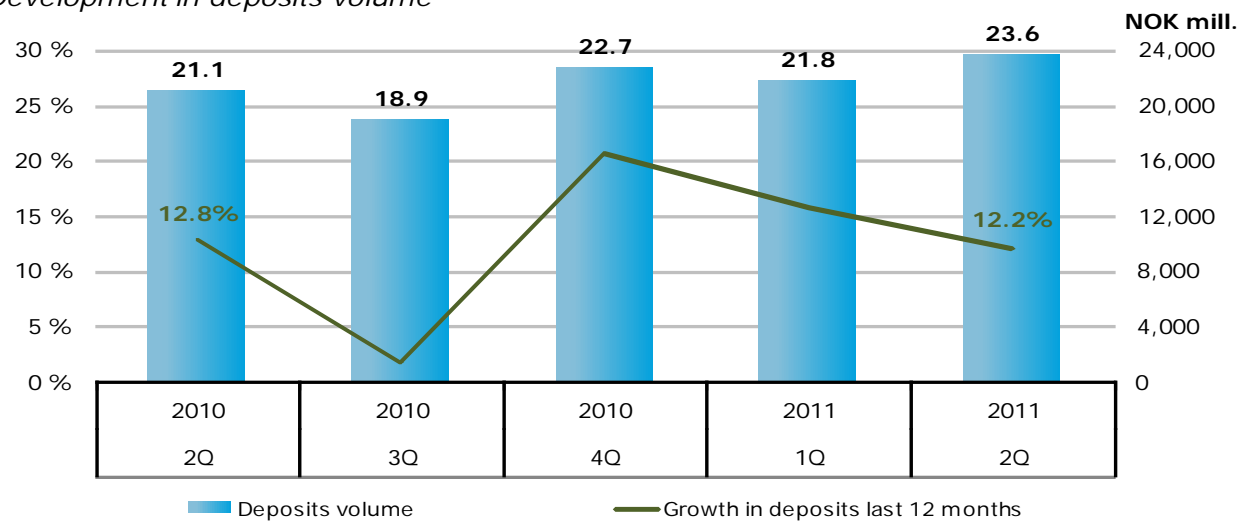
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.4. Markets

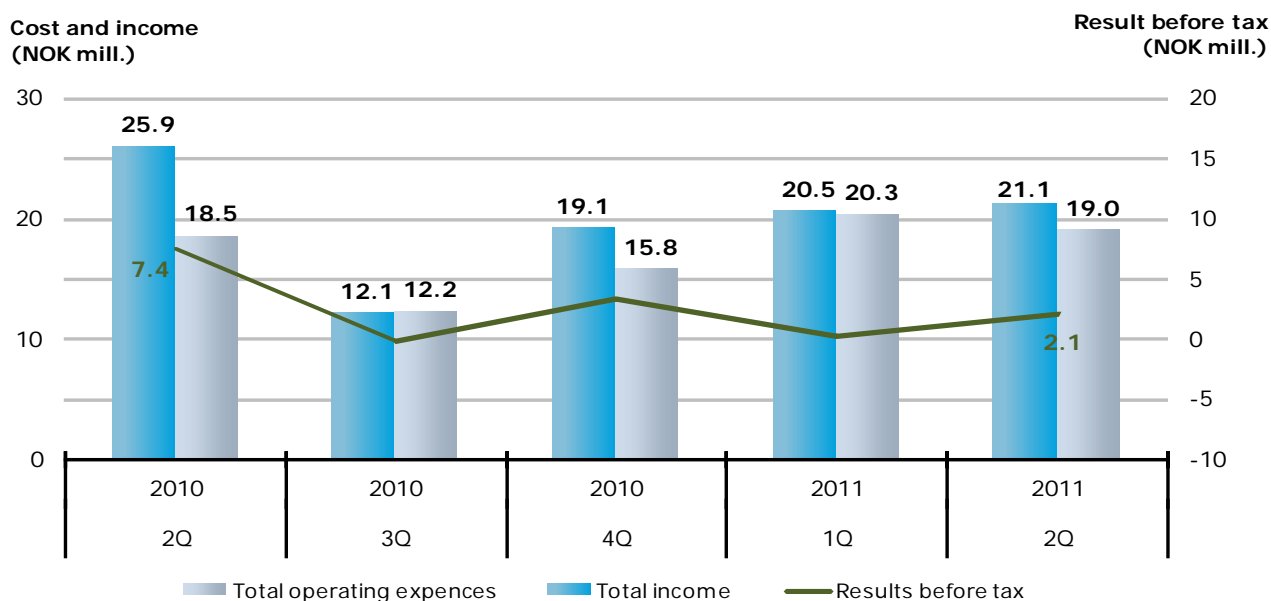
SpareBank 1 Markets is a fully fledged investment firm organised as a division in its own right within the Bank. It comprises three income generating units: Fixed Income/Foreign Exchange, Securities and Corporate Finance along with Back Office and Mid Office. The division has risk operations in the fixed income and securities area. All risk business is done from Head Office in Trondheim, while activity in Molde and Ålesund is in the hands of customer brokers who primarily provide services in the fixed income and foreign exchange area.

SpareBank 1 SMN Markets' ambition is to be the leading capital market operation in Trøndelag and in Nordvestlandet. This ambition will be achieved through a continuous focus on specialist competence and market knowledge. The division collaborates closely with Argo Securities on delivery of analysis and settlement services in the securities field. We expect the business collaboration, primarily in the securities area, to expand in the years ahead.

The write-back of accumulated pension liabilities in 2010 is not distributed on RM, CM and Markets.

SpareBank 1 SMN Markets

<i>Financial performance</i> (in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Net interest income	2.7	3.5	5.2	5.5	6.1	6.2	9.1	19.7	34.2
Net interest income allocated capital	0.9	0.9	-0.4	0.4	0.7	1.7	0.6	1.0	1.2
Total interest income	3.5	4.4	4.8	5.9	6.7	7.9	9.7	20.7	35.4
Net fee and commission income	4.5	4.5	8.8	3.6	13.7	9.0	17.3	29.8	9.9
Capital gain/Agio Securities	13.0	11.7	5.5	2.6	5.5	24.7	12.7	20.8	55.4
Total income	21.1	20.5	19.1	12.1	25.9	41.6	39.7	71.2	100.7
Total operating expenses	19.0	20.3	15.8	12.2	18.5	39.3	37.8	65.8	75.0
Results	2.1	0.3	3.3	-0.1	7.4	2.4	1.9	5.4	25.7
Loss on loans, guarantees etc.	-	-	-	-	-	-	-	-	-4.2
Results before tax	2.1	0.3	3.3	-0.1	7.4	2.4	1.9	5.4	29.9



7.5. Subsidiaries

EiendomsMegler 1 Midt-Norge AS

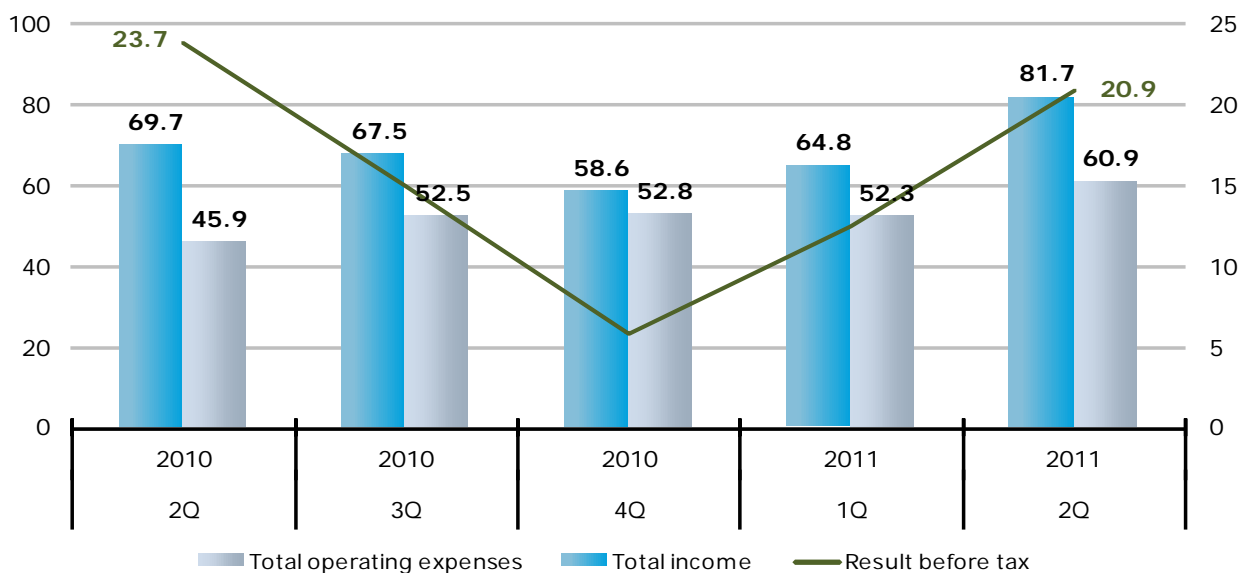
EiendomsMegler 1 Midt-Norge has a solid market-leader position in Nord-Trøndelag and Sør-Trøndelag as well as Møre and Romsdal. The company is owned by SpareBank 1 SMN (87 per cent), SpareBank 1 Nordvest (7.6 per cent) and SpareBank 1 Søre Sunnmøre (5.4 per cent).

Financial performance

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Total interest income	1.3	1.0	0.9	1.4	1.0	2.2	1.5	3.8	2.5
Commission income and other income	80.5	63.8	57.7	66.0	68.7	144.2	121.0	244.8	196.7
Total income	81.7	64.8	58.6	67.5	69.7	146.5	122.5	248.6	199.3
Staff costs	48.8	34.6	36.9	41.4	32.2	83.4	61.5	139.8	105.9
Administration costs	10.5	11.7	9.7	6.7	9.6	22.2	22.6	38.9	32.3
Other operating expenses	1.6	6.0	6.3	4.4	4.2	7.6	8.4	19.0	15.5
Total operating expenses	60.9	52.3	52.8	52.5	45.9	113.2	92.5	197.8	153.6
Result before tax	20.9	12.4	5.8	15.0	23.7	33.3	30.0	50.8	45.6

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



SpareBank SMN 1 Finans AS

SpareBank 1 SMN Finans is the region's leading finance company and an active partner for businesses. SpareBank 1 SMN Finans emphasises local competence, and works for greater value creation in Trøndelag and Nordvestlandet. The company services the market through its own sales operation and through the Bank's offices and suppliers.

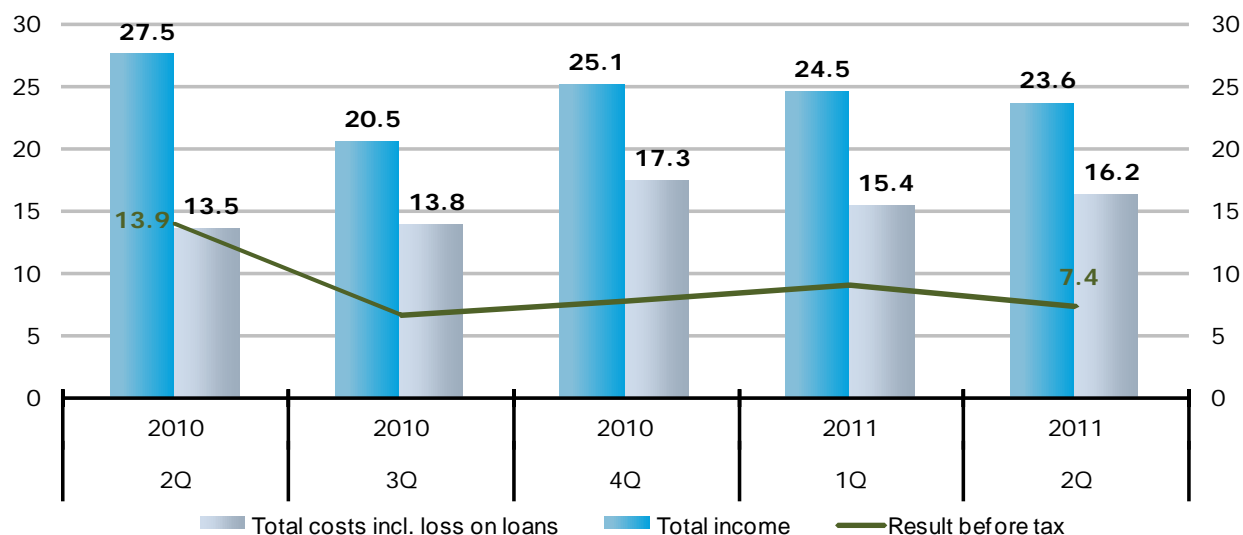
SpareBank 1 SMN Finans owns the subsidiary SpareBank 1 Bilplan which specialises in car fleet management and offers one-stop solutions for industry and the public sector nationwide. The company has a distribution agreement with SpareBank 1 Finans Nord-Norge and SpareBank 1 SR Finans.

Financial performance

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Total interest income	26.2	22.3	24.3	19.3	25.2	48.5	49.7	93.3	104.1
Commission income and other income	-2.6	1.7	0.8	1.0	2.2	-0.9	3.1	4.9	6.2
Net profit on financial investments	0.1	0.5	0.1	0.2	0.1	0.5	0.3	0.6	-3.2
Total income	23.6	24.5	25.1	20.5	27.5	48.1	53.2	98.8	107.1
Staff costs	6.9	7.3	7.2	7.6	6.0	14.1	10.1	24.9	28.8
Administration costs	3.0	3.5	4.3	1.9	2.2	6.5	4.3	10.4	7.6
Other operating expenses	1.3	1.3	1.4	1.0	0.8	2.5	1.6	4.0	5.1
Total operating expenses	11.4	11.8	12.8	10.5	9.0	23.1	16.0	39.2	41.4
Ordinary operating profit	12.2	12.7	12.3	10.0	18.5	24.9	37.2	59.6	65.6
Loss on loans, guarantees etc.	4.8	3.6	4.5	3.3	4.5	8.4	16.5	24.3	23.1
Total costs incl. loss on loans	16.2	15.4	17.3	13.8	13.5	31.6	32.5	63.6	64.5
Result before tax	7.4	9.1	7.8	6.7	13.9	16.5	20.7	35.2	42.5

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



SpareBank 1 SMN Regnskap AS

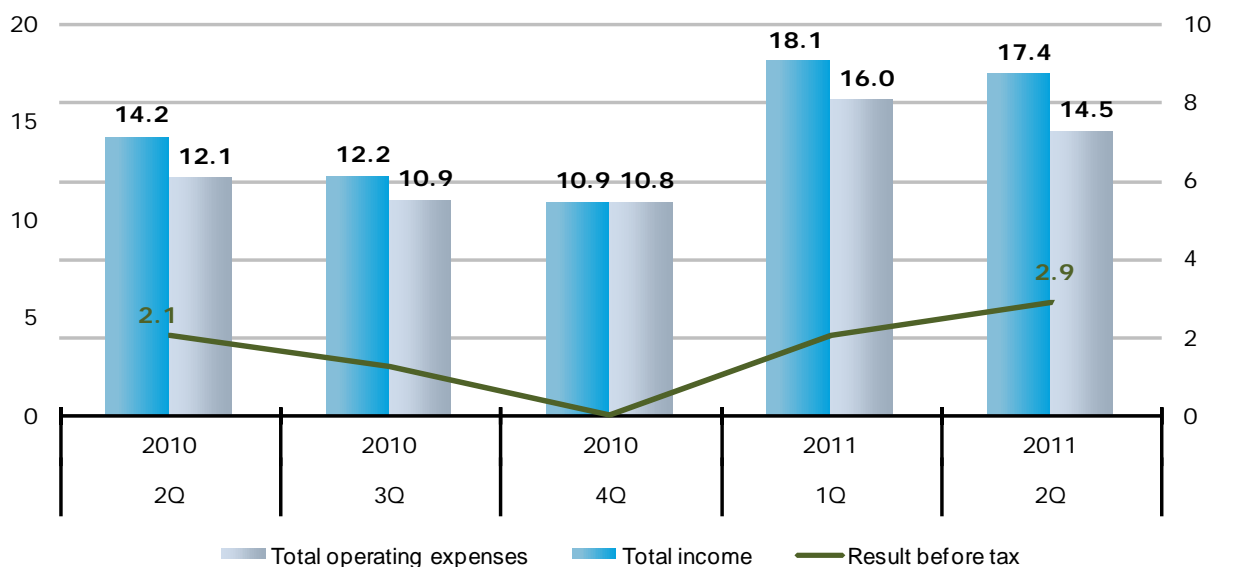
SpareBank 1 SMN Regnskap is a wholly-owned subsidiary of SpareBank 1 SMN. With its head office in Trondheim and divisional offices in Stjørdal, Levanger, Verdal, Namsos and Rissa, the company has a strong local footing in Trøndelag. In the first quarter of 2011 SpareBank 1 SMN Regnskap AS acquired three accountancy firms in Namsos and Steinkjer and two in Trondheim. The company's turnover rose by an estimated NOK 25m as a result of these acquisitions.

Financial performance

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011 2010		2010	2009
Total interest income	-0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.2	0.3
Commission income and other income	17.4	18.1	10.7	12.1	14.1	35.5	28.1	50.9	44.5
Total income	17.4	18.1	10.9	12.2	14.2	35.5	28.1	51.1	44.8
Staff costs	14.0	12.0	7.3	8.5	9.9	26.0	14.1	30.0	33.6
Administration costs	1.3	1.1	2.0	1.2	1.2	2.3	1.9	5.2	4.5
Other operating expenses	-0.8	2.9	1.5	1.2	0.9	2.2	1.9	4.6	3.7
Total operating expenses	14.5	16.0	10.8	10.9	12.1	30.5	18.0	39.7	41.8
Result before tax	2.9	2.1	0.0	1.3	2.1	5.0	10.1	11.4	3.0

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



Allegro Finans AS

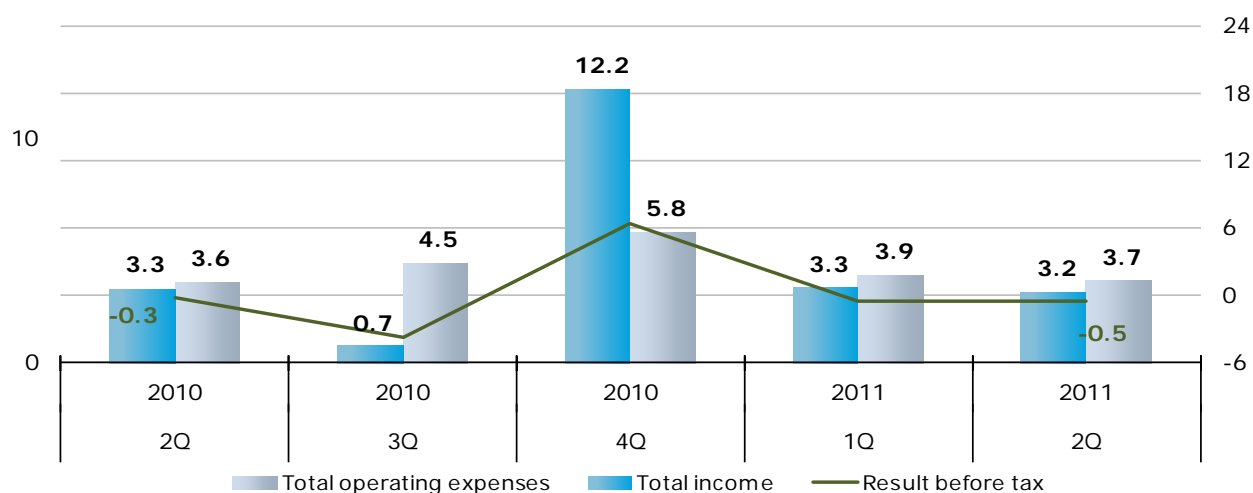
Allegro Finans, headquartered in Trondheim, is the largest management company in the region. The company is owned by SpareBank 1 SMN (90.1 per cent) and the Reitan Group (9.9 per cent). It is licensed to carry on active asset management. In addition to managing assets for its owners, it manages assets for private individuals and institutional clients. The company's services are sold exclusively through external distributors who are licensed to engage in such activity.

Financial performance

(in NOK million)	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	30 Jun. 2011	30 Jun. 2010	2010	2009
Total interest income	0.2	0.2	0.1	0.2	0.3	0.4	0.5	0.9	0.9
Commission income and other income	3.0	3.2	12.1	0.5	3.1	6.1	6.1	18.7	45.4
Net profit on financial investments	-	-	-	-	-	-	-	-	0.2
Total income	3.2	3.3	12.2	0.7	3.3	6.5	6.7	19.6	46.5
Staff costs	1.6	2.1	4.0	2.2	1.9	3.7	4.2	10.5	19.2
Administration costs	1.4	1.1	1.2	1.6	1.2	2.5	2.3	5.1	3.8
Other operating expenses	0.7	0.6	0.6	0.6	0.5	1.3	1.0	2.2	2.4
Total operating expenses	3.7	3.9	5.8	4.5	3.6	7.6	7.5	17.8	25.2
Result before tax	-0.5	-0.6	6.4	-3.8	-0.3	-1.1	-0.8	1.8	21.2

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



8. Development last ten years

Financial results

(in NOK million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net interest	827	896	864	864	961	1,008	1,125	1,345	1,279	1,210
Commission income and other income	272	282	332	443	537	580	671	610	756	855
Net return on financial investments	24	-191	76	78	289	435	346	212	642	490
Total income	1,123	987	1,273	1,384	1,787	2,022	2,142	2,167	2,677	2,555
Staff costs	334	331	368	379	485	512	583	623	725	583
Other operating expenses	333	350	365	350	421	478	524	569	528	557
Total operating expenses	667	681	733	729	906	990	1,107	1,192	1,253	1,140
Result before losses	456	306	540	655	881	1,032	1,035	975	1,424	1,414
Loss on loans, guarantees etc.	138	229	229	81	-38	-84	-6	202	277	132
Result before tax	318	77	311	574	919	1,116	1,041	774	1,147	1,282
Tax charge	106	70	89	144	199	219	195	156	210	260
Net profit	212	7	222	430	720	897	846	617	937	1,022

Balance sheet

(in NOK million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cash and loans to and claims on credit institutions	1,021	2,033	1,417	1,541	2,123	2,323	3,878	4,548	1,260	2,531
CDs, bonds and other interest-bearing securities	1,868	2,342	2,481	2,566	4,133	5,602	7,246	12,036	19,302	22,948
Gross loans to customers before write-downs	29,278	31,089	32,553	34,226	45,280	52,819	59,178	64,016	61,782	69,847
- Specified write-downs	-417	-531	-380	-290	-236	-147	-116	-215	-219	-222
- Write-downs by loan category	-388	-364	-318	-314	-278	-184	-185	-244	-289	-290
Other assets	1,923	1,422	1,123	775	3,304	2,765	1,502	4,540	2,704	3,177
Assets	33,286	35,991	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,992
Deposits from credit institutions	2,093	2,131	1,114	48	1,029	2,766	5,346	9,000	11,310	13,062
Deposits from and debt to customers	17,871	19,049	19,876	20,725	27,048	30,136	32,434	35,280	37,227	42,786
Debt created by issue of securities	9,185	10,778	11,361	13,048	18,036	21,911	23,950	29,680	24,070	29,625
Other liabilities	877	863	769	822	2,876	1,799	2,265	2,045	1,876	1,917
Subordinated loan capital	1,113	1,064	1,560	1,347	1,667	2,383	2,648	3,156	3,875	2,758
Total equity capital	2,147	2,106	2,196	2,515	3,671	4,183	4,860	5,518	6,183	7,846
Total liabilities and equity	33,286	35,991	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,992

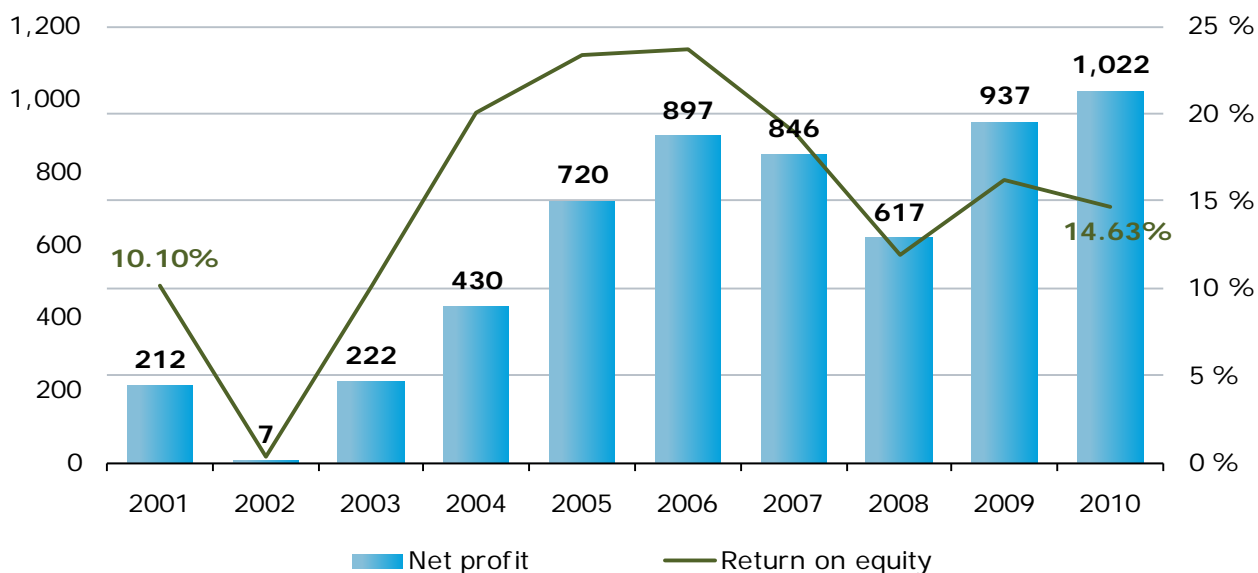
Key figures

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Return on equity	10.1 %	0.4 %	10.2 %	20.0 %	23.3 %	23.7 %	18.9 %	11.9 %	16.2 %	14.6 %
Cost/income ratio group	59.4 %	69.0 %	57.6 %	52.7 %	50.7 %	49.0 %	51.7 %	55.0 %	46.8 %	44.6 %
Cost/income ratio group, ex. financial inv.	60.7 %	57.8 %	61.2 %	55.8 %	60.5 %	62.4 %	61.6 %	61.0 %	61.6 %	55.2 %
Cost/income ratio parent bank	0.57	0.69	0.55	0.49	0.50	0.48	0.52	0.55	47.2 %	40.2 %
Cost/income ratio parent, ex. financial inv.	0.57	0.55	0.60	0.55	0.61	0.59	0.58	0.57	60.4 %	50.3 %
12-month cost growth	5.0 %	2.1 %	7.6 %	-0.5 %	24.3 %	9.3 %	11.8 %	7.9 %	4.9 %	-9.0 %
Gross loans to customers*	29,278	31,089	32,553	34,226	45,280	52,819	61,910	71,317	77,429	87,665
Gross loans in retail market	16,547	17,961	20,008	21,491	29,032	33,808	38,872	42,679	45,157	49,619
Gross loans in corporate market	12,731	13,128	12,545	12,735	16,248	19,011	23,038	28,638	32,272	38,046
Growth in loans last 12 months*	10.0 %	6.2 %	4.7 %	5.1 %	32.3 %	16.6 %	17.2 %	15.2 %	8.6 %	13.2 %
Deposits from customers	17,871	19,049	19,876	20,725	27,048	30,136	32,434	35,280	37,227	42,786
Deposits from retail market	10,146	10,981	11,252	11,256	14,080	15,408	16,070	17,566	17,898	19,052
Deposits from corporate market	7,725	8,068	8,624	9,469	12,968	13,967	16,363	17,715	19,330	23,734
Growth in deposits last 12 months	3.4 %	6.6 %	4.3 %	4.3 %	30.5 %	11.4 %	7.6 %	8.8 %	5.5 %	14.9 %
Ordinary lending financed by ordinary deposit	61.0 %	61.3 %	61.1 %	60.6 %	59.7 %	57.1 %	54.8 %	55.1 %	60.3 %	61.3 %
Total assets	33,286	35,991	36,876	38,505	54,327	63,178	71,503	84,679	84,541	97,992
Average total assets	31,763	34,140	36,862	36,965	47,753	56,434	67,202	75,820	86,679	91,317
Employees in employment group	675	718	713	637	806	841	931	982	1,016	1,035
Employees in employment parent bank	570	594	592	510	669	661	723	750	767	764
Employees in employment subsidiaries	105	124	121	127	137	180	208	232	250	271
Net other operating income of total income	24.2 %	28.6 %	26.1 %	32.0 %	30.1 %	28.7 %	31.3 %	28.2 %	28.2 %	33.5 %
Capital adequacy ratio	12.1 %	11.1 %	13.9 %	12.7 %	10.9 %	11.9 %	12.1 %	11.9 %	13.6 %	13.0 %
Core capital ratio	8.8 %	8.1 %	10.1 %	10.9 %	8.8 %	8.6 %	8.4 %	8.1 %	10.4 %	10.9 %
Total core capital	2,079	2,049	2,474	2,773	3,073	3,614	4,019	4,967	6,730	7,286
Net subordinated capital	2,842	2,802	3,407	3,239	3,808	5,229	5,762	7,312	8,730	8,646
Risk weighted volume	23,554	25,223	24,483	25,562	34,873	40,473				
Impairment losses ratio	0.37%	0.84%	0.86%	-0.01%	-0.09%	-0.03%	-0.01%	0.21%	0.31%	0.16%
Non-perf. commitm. as % of gross loans	2.16%	1.83%	1.40%	1.03%	0.78%	0.41%	0.39%	0.46%	0.49%	0.57%
Other doubtful commitm. as % of gross loans	1.65%	1.90%	1.35%	0.91%	0.60%	0.51%	0.37%	1.33%	0.57%	0.24%

* Gross loans to customers includes SpareBank 1 Boligkredit

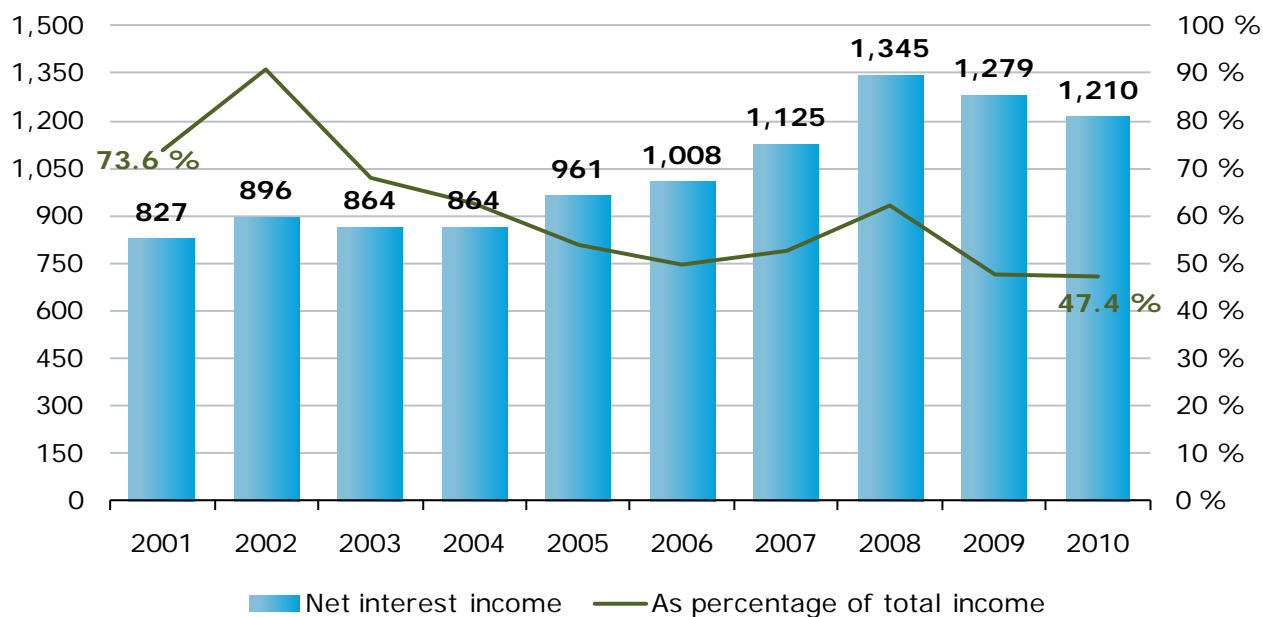
Net profit and return on equity

NOK mill.

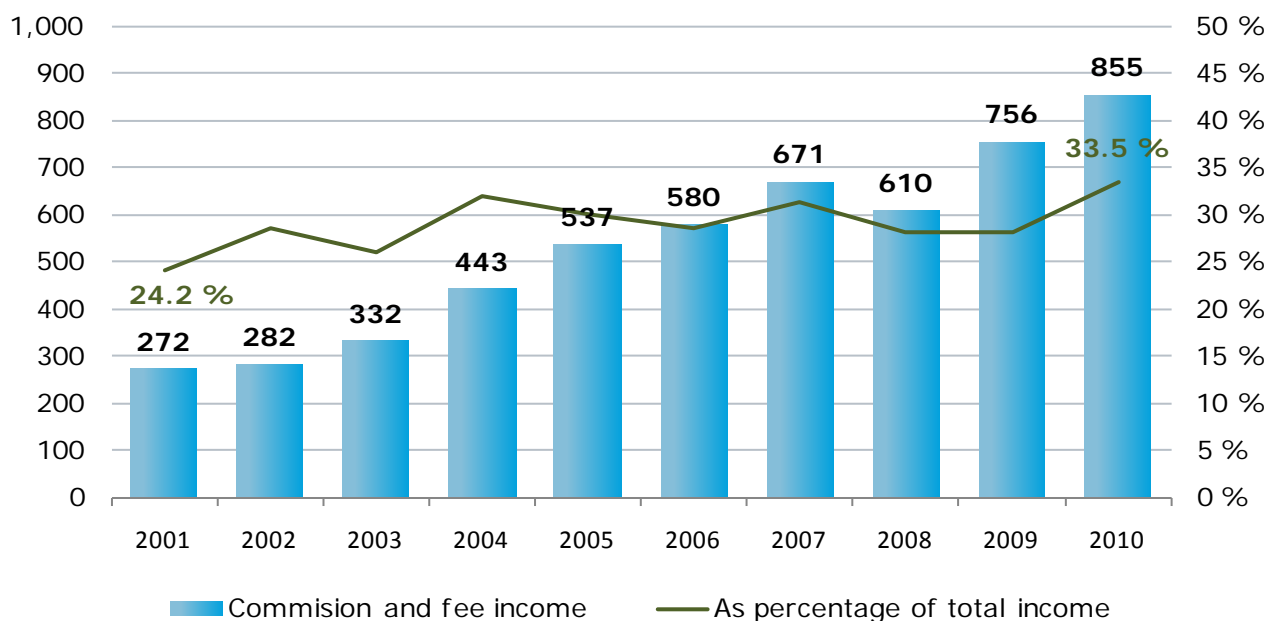


Development in net interest income

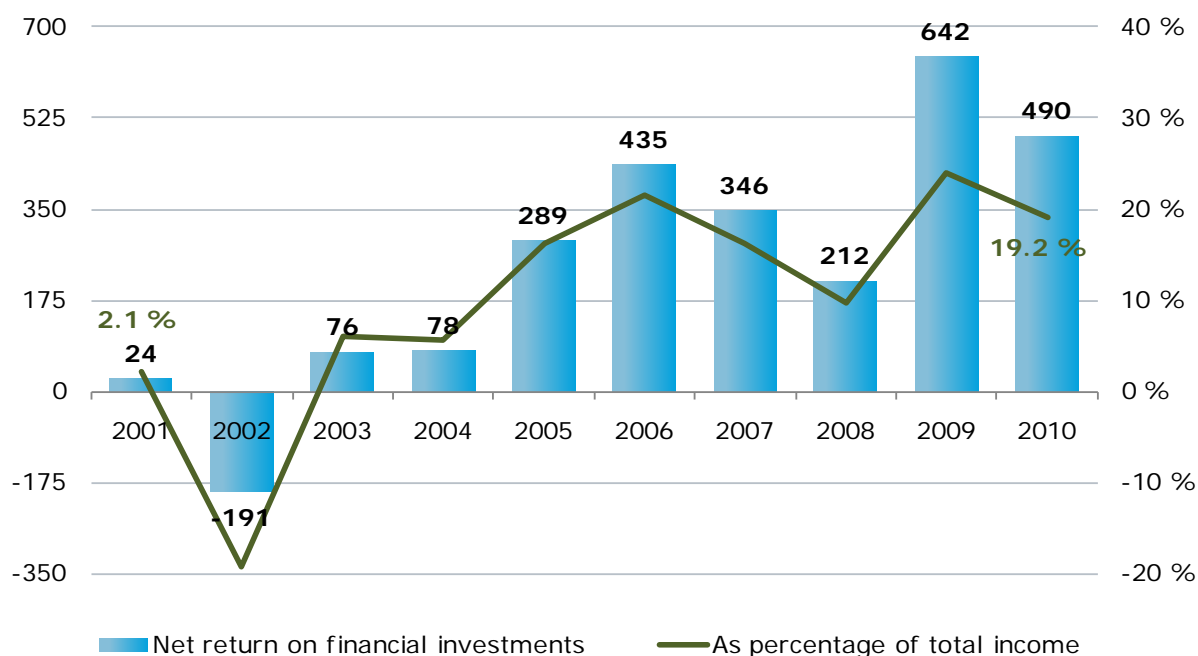
NOK mill.



Development in commission income and other income

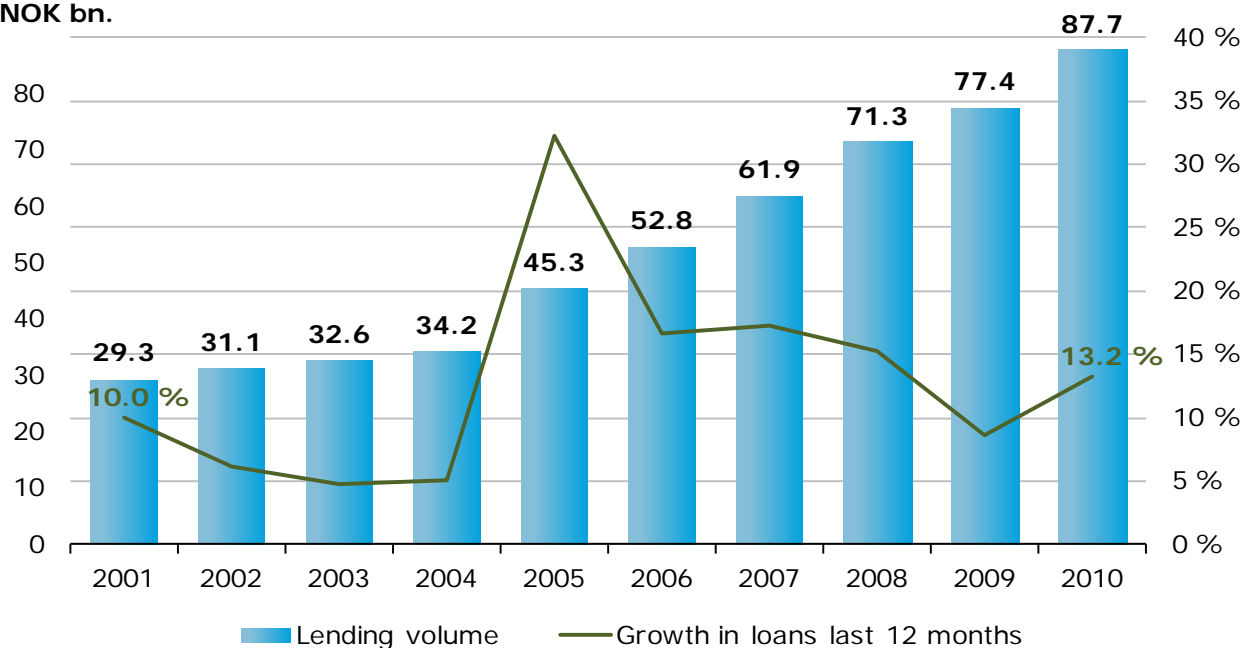


Development in net return on financial investments



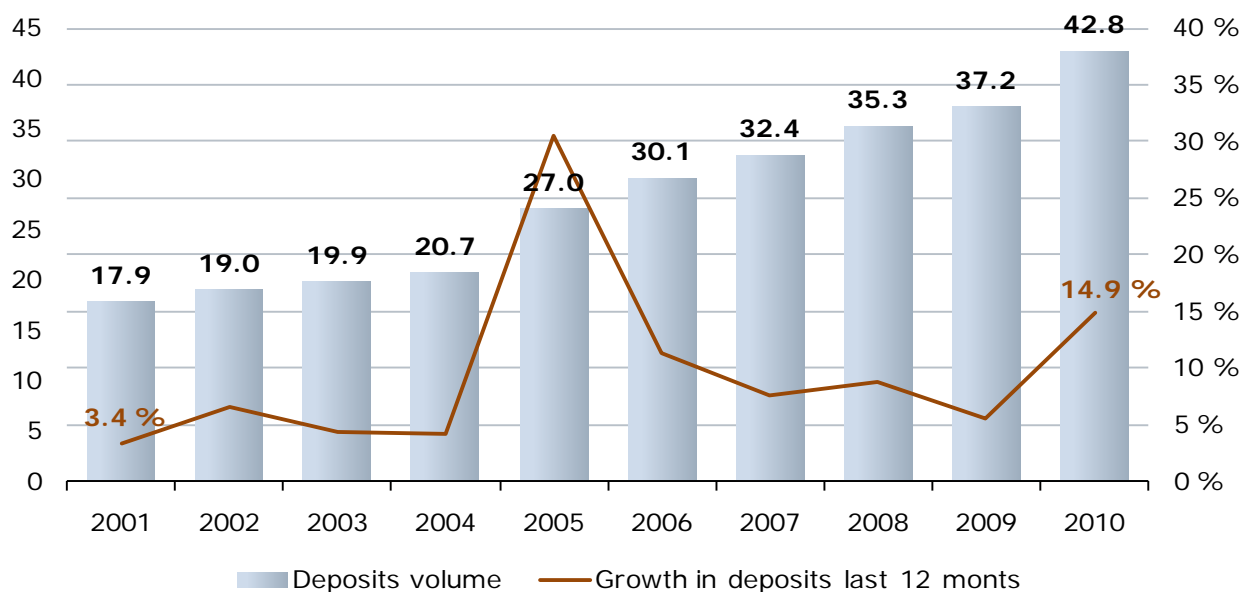
Volume development, Lending*

NOK bn.



Volume development, Deposits*

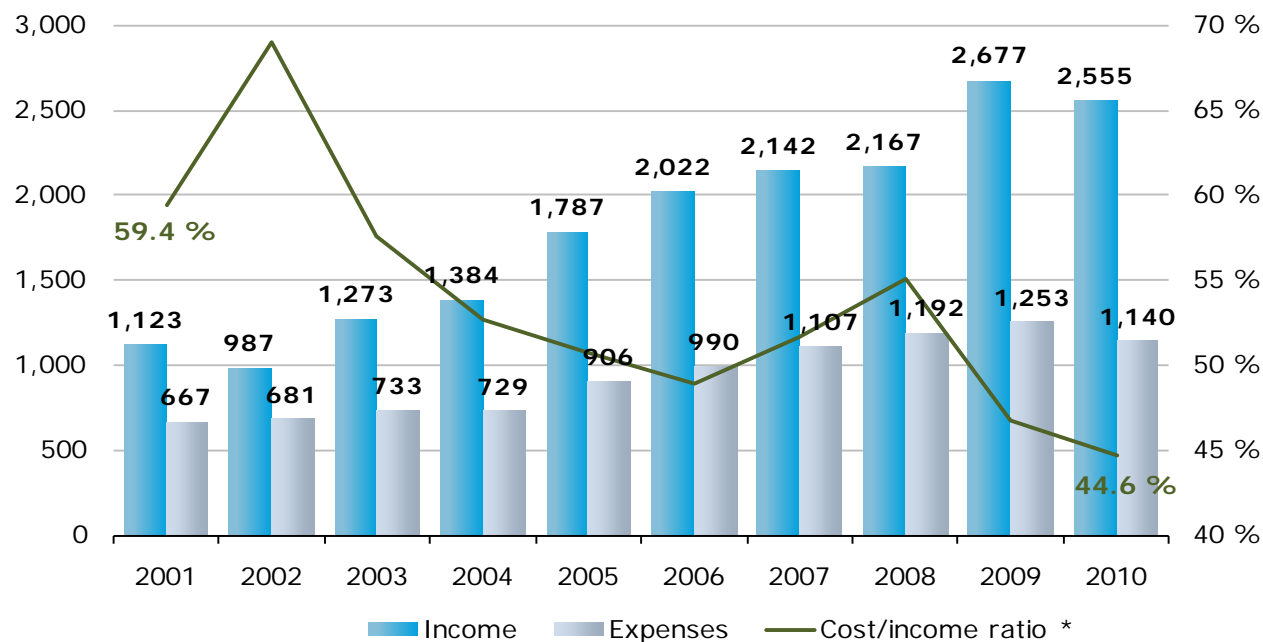
NOK bn.



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

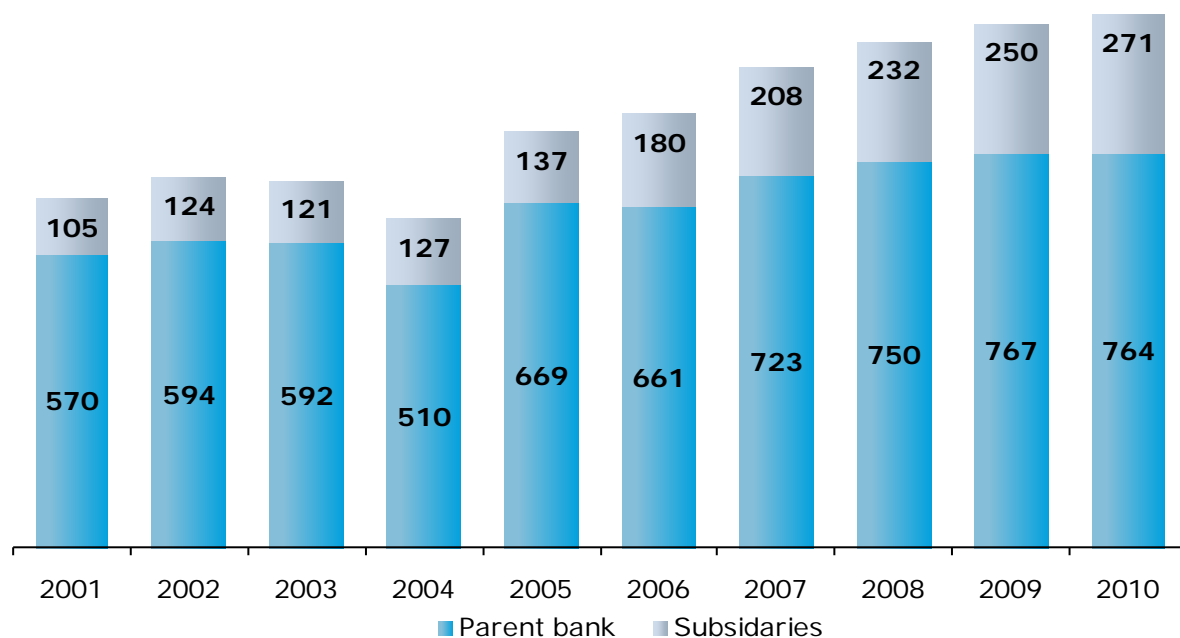
Cost/income ratio

NOK mill.



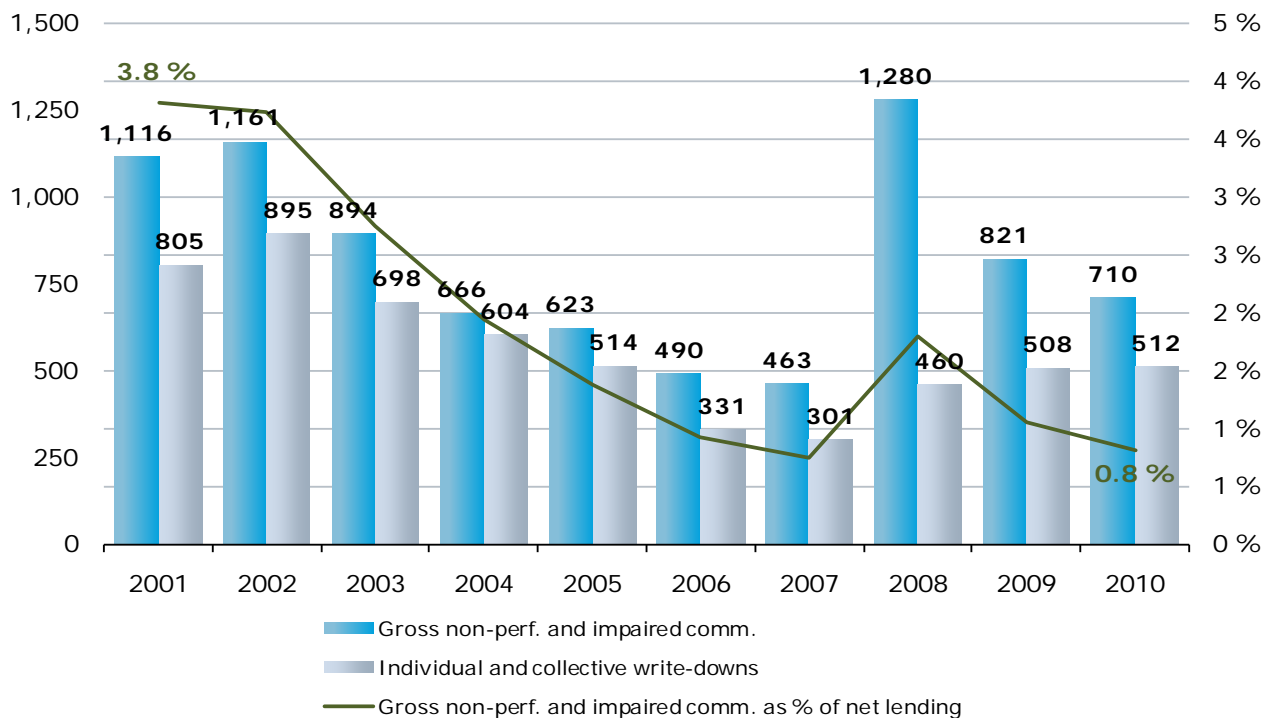
* Total operating expenses as a percentage of total operating income

Employees in employment



Net non-performing and impaired commitments

NOK million



Capital Adequacy

