

Investor Relations

Supplementary information

Fourth Quarter 2012



**SpareBank 1 SMN
7467 Trondheim**

Chief Executive, CEO

Finn Haugan

For further information, please contact

Kjell Fordal, Executive Director Finance Division tel +47 905 41 672
Switchboard tel +47 07300

Address

SpareBank 1 SMN, Postboks 4796 Sluppen, 7467 Trondheim
Visiting address: Søndre gate 4, 7011 Trondheim

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 2013

4 th quarter 2012	6 February	2013
1 st quarter 2013	25 April	2013
2 nd quarter 2013	14 August	2013
3 rd quarter 2013	31 October	2013

Contents

1. SpareBank 1 SMN overview	3
1.1. Financial highlights	3
1.2. Business description.....	4
1.3. Credit ratings	6
1.4. Equity capital certificate (MING)	7
2. Financial results	9
2.1. Main figures	10
2.2. Net interest income.....	11
2.3. Commission income	14
2.4. Operating expenses.....	16
3. Loans to customers	18
3.1. Distribution of loans by industry	17
3.2. Risk profile and write-downs.....	19
4. Capital Adequacy	23
5. Funding.....	25
6. Financial results	28
7. Segment information.....	30
7.1. Extract from income statement.....	30
7.2. Retail division	30
7.3. Corporate division	34
7.4. Markets....	34
7.5. Subsidiaries.....	37
8. Development last ten years	39

1. SpareBank 1 SMN overview

1.1. Financial highlights

January – December 2012

(Consolidated figures. Figures in parentheses refer to the same period of 2011 unless otherwise stated)

- Profit before tax: NOK 1,355m (1,236m)
- Profit: NOK 1,077m (1,024m)
- Return on equity: 11.7 % (12.8 %)
- Lending growth 10.2% (8.6%), deposit growth 9.2% (11.9%) over past 12 months
- Loan losses: NOK 58m (27m)
- Tier 1 capital adequacy: 11.3 % (10.4 %), Common equity Tier 1 ratio 10.0 % (8.9 %)
- Earnings per equity capital certificate (ECC): NOK 5.21 (6.06)

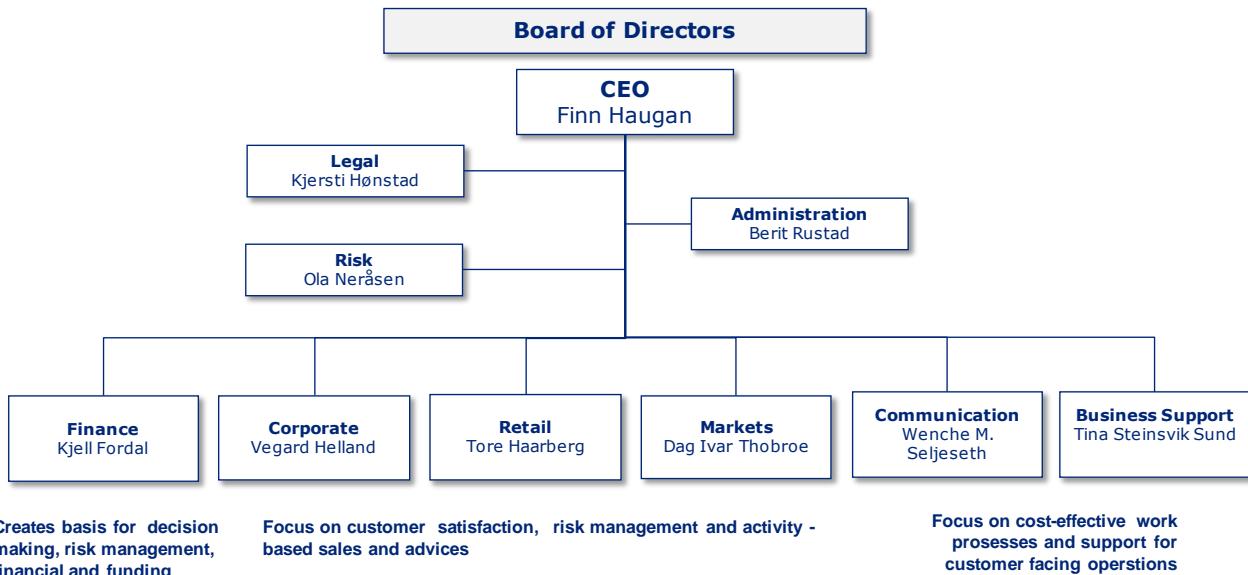
Accounts for fourth quarter 2012 in isolation

- Profit before tax: NOK 302m (285m)
- Profit: NOK 260m (279m)
- Return on equity: 10.5% (13.6%)
- Loan losses: NOK 17m (26m)
- Earnings per equity capital certificate (ECC): NOK 1.29 (1.65)

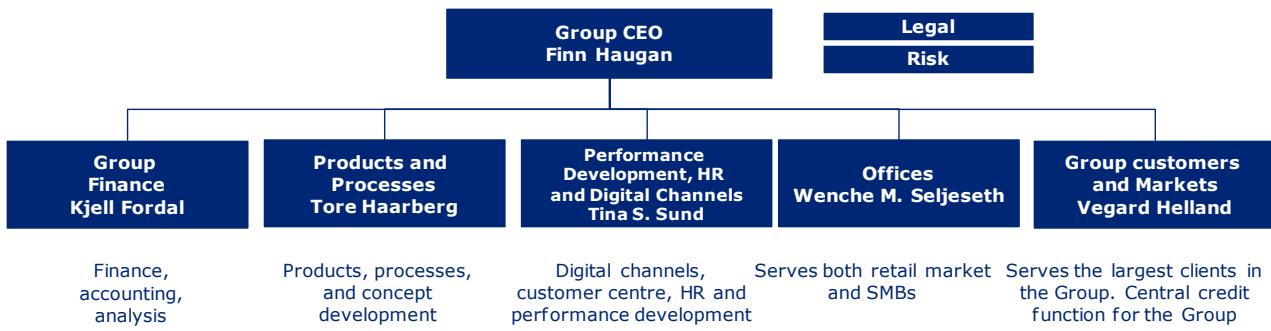
1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 107.9 billion at the end of 2012. Head office is in Trondheim and the Group employs about 1,135 staff.

SpareBank 1 SMN has the last years been organised in six divisions.

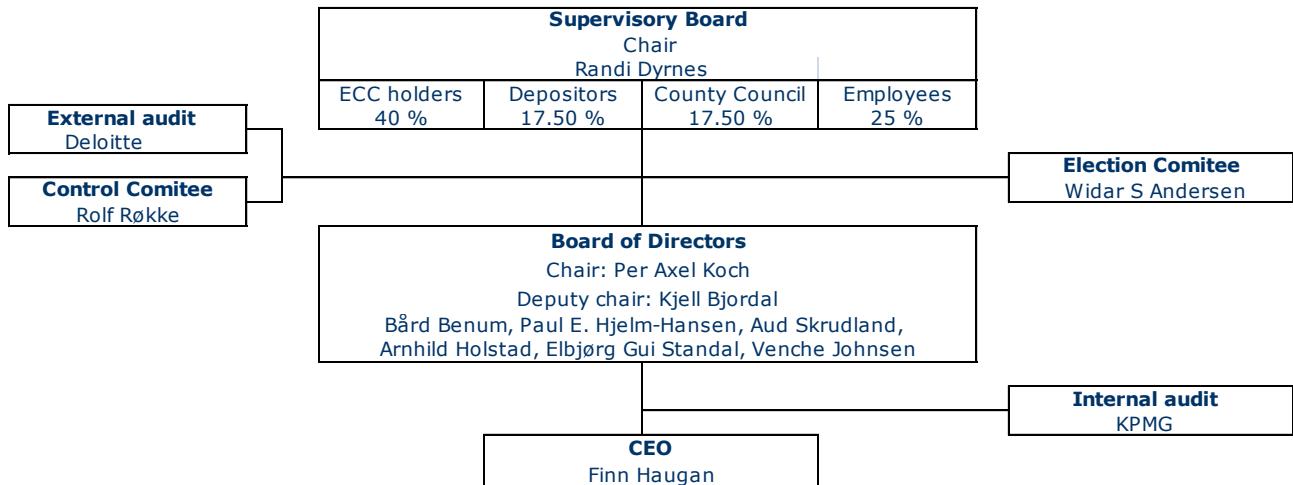


As from 1 January 2013 the bank has been reorganised to support change programmes.



The reorganization will contribute to short decision paths and greater local-level responsibility for customers, increased productivity and reduced relative operating expenses, better follow-up and control of performance and credit risk and substantial coordination gains.

Overall organisation



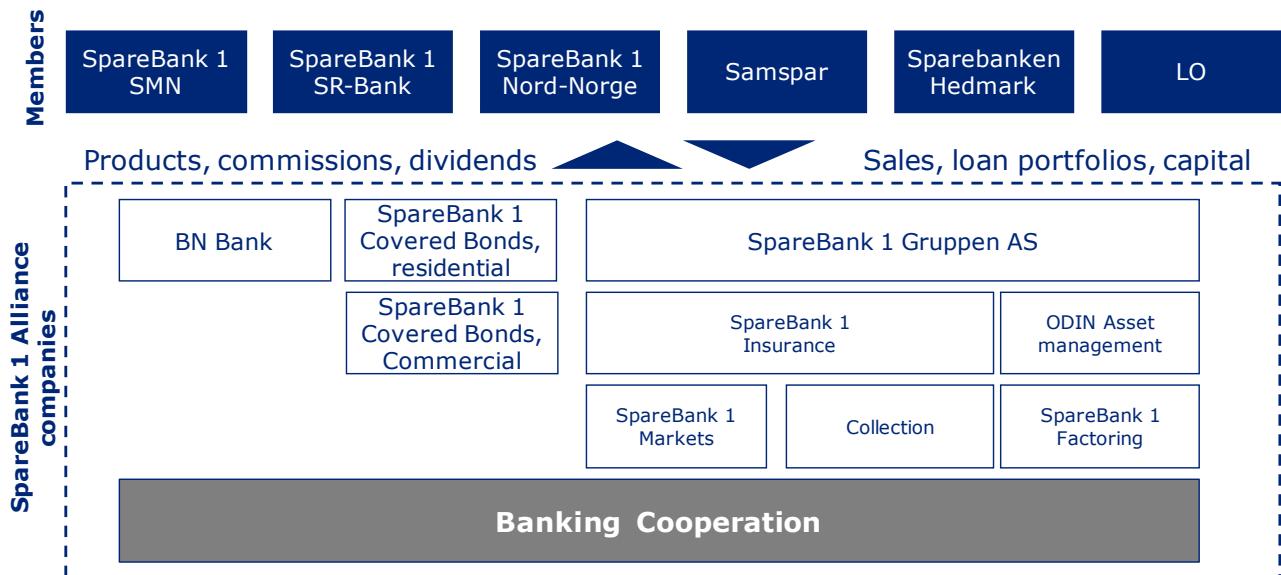
SpareBank 1 SMN: Subsidiaries



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.

SpareBank 1 Alliance Structure



1.3. Credit ratings

Moody's	Todays rating	Year end					
		2011	2010	2009	2008	2007	2006
Outlook	Rating(s) under review	Stable	Stable	Negative	Negative	Stable	Positive
Issuer Rating	A2	A1	A1	A1	A1	Aa3	A3
Bank Deposits	A2/P-1	A1/P-1	A1/P-1	A1/P-1	Aa3/P-1	Aa3/P-1	A3/P-2
Bank Financial Strength	C-	C-	C-	C-	C	C+	C
Senior Unsecured	A2	A1	A1	A1	Aa3	Aa3	A3
Subordinate	Baa3	A2	A2	A2	A1	A1	Baa1
Fitch	Todays rating	Year end					
		2011	2010	2009	2008	2007	2006
Outlook	Stable	Stable	Negative	Negative	Stable	Stable	Positive
Long-term IDR	A-	A-	A	A	A	A	A-
Short-term IDR	F2	F2	F1	F1	F1	F1	F2
Support rating	3	3	3	3	3	3	3
Individual rating	B/C	B/C	B/C	B/C	B	B	B/C

1.4. Equity capital certificate (MING)

The key figures are corrected for issues.

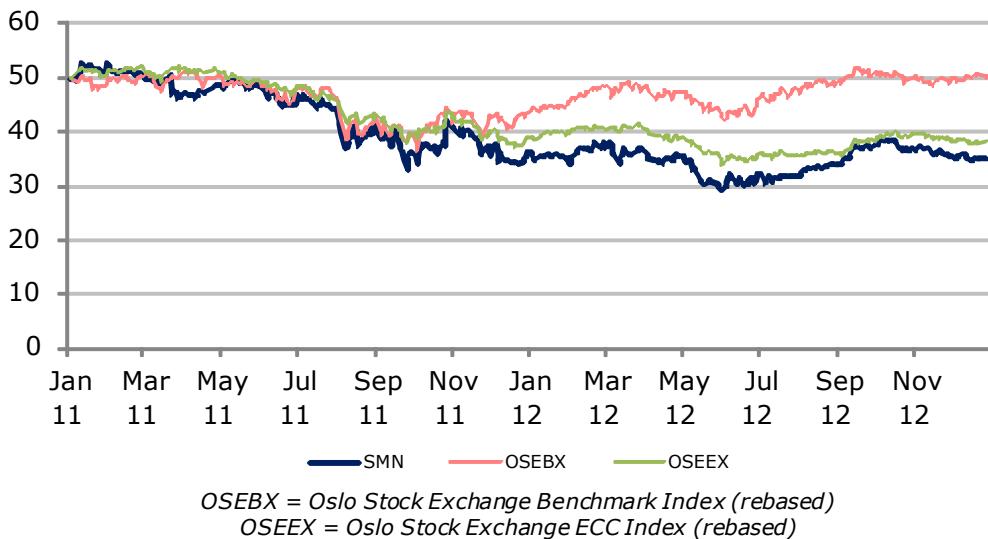
31 December 2012 the price of the Bank's ECC was NOK 34.80 (NOK 36.31). Earnings per ECC were NOK 5.21 (NOK 6.06). Book value per ECC was NOK 50.09 as of end 2012 (NOK 48.91).

Key figures

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2010
	2012	2012	2012	2012	2011	2012	2011	
ECC price	34.80	37.00	32.10	36.60	36.31	34.80	36.31	49.89
Number of certificates issued, millions	129.83	129.83	124.21	124.21	102.76	129.83	102.76	102.74
Booked equity capital per ECC (incl. dividend)	50.09	49.00	47.97	46.82	48.91	50.09	48.91	46.17
Adjusted profit per ECC	1.29	1.54	1.22	1.41	1.65	5.21	6.06	5.94
P/E per ECC	6.74	6.09	6.58	6.49	5.50	6.68	5.99	8.40
P/B equity capital	0.69	0.76	0.67	0.78	0.74	0.69	0.74	1.08

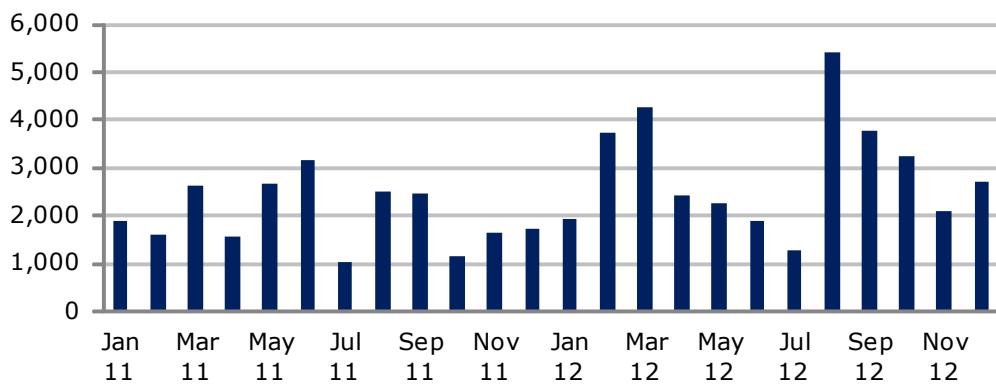
Stock price compared with OSEBX and OSEEX

1 January 2011 to 31 December 2012

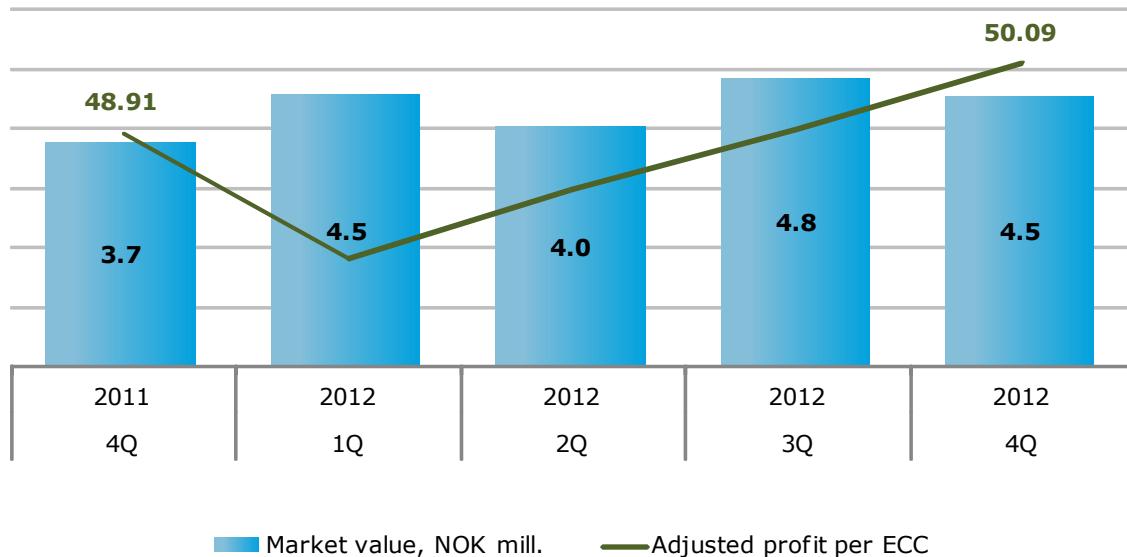


Trading statistics¹⁾

1 January 2011 to 31 December 2012



Market value and profit per ECC



Equity certificates ratio (parent bank)

	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
(in NOK million)						
ECC capital	2,597	2,597	2,484	2,373	2,373	2,372
Dividend equalisation reserve	1,889	1,457	1,457	1,457	1,457	1,160
Premium reserve	895	896	813	183	183	182
Unrealised gains reserve	69	46	45	43	43	28
A. The equity certificate owner's capital	5,449	4,995	4,799	4,055	4,055	3,742
Saving bank reserve	2,944	2,611	2,611	2,611	2,611	2,345
Unrealised gains reserve	38	24	25	28	28	17
B. The saving bank reserve	2,982	2,635	2,636	2,639	2,639	2,362
Provision for gifts	30	-	-	-	40	192
Recommended dividends	195	-	-	-	190	285
Equity ex. profit	8,656	7,631	7,435	6,694	6,924	6,581
Equity certificates ratio A/(A+B)	64.6 %	65.5 %	64.5 %	60.6 %	60.6 %	61.3 %
Equity certificates ratio for distribution	63.3 %				61.3 %	59.7 %

20 largest ECC holders

Owner	Number	Ownership	
			in %
Reitangruppen AS	9,019,108	6.95	%
Sparebankstiftelsen SpareBank 1 SMN	3,965,391	3.05	%
Aker ASA / The Resource Group TRG	3,719,255	2.86	%
Odin Norge	3,515,754	2.71	%
Morgan Stanley & Co.	3,043,342	2.34	%
Odin Norden	2,899,083	2.23	%
Frank Mohn AS	2,876,968	2.22	%
Vind LV AS	2,736,435	2.11	%
MP Pensjon PK	2,043,415	1.57	%
Citibank N.A New York Branch (nominee)	1,899,745	1.46	%
Verdipapirfondet Fondsinans Spar	1,670,000	1.29	%
Stenshagen Invest	1,477,361	1.14	%
State Street Bank & Trust Company (nominee)	1,251,305	0.96	%
Danske Invest Norske Aksjer Inst. II	1,215,581	0.94	%
Odin Europa SMB	1,206,937	0.93	%
I.K. Lykke, T.Lykke m.fl.	1,161,567	0.89	%
Tonsenhangen Forretningssentrum AS	1,135,193	0.87	%
Forsvarets personellservice	1,034,246	0.80	%
KLP Aksje Norden VPF	977,006	0.75	%
Danske Invest Norske Aksjer Inst. I	886,445	0.68	%
Total largest shareholders	47,734,137	36.76	%
Other	82,102,306	63.24	%
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

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 2011.

As from the first quarter of 2012, return on treasury bills is to be presented as net interest income instead of, as previously, capital gains or losses. Historical data have been correspondingly restated.

2.1. Main figures

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2010
	2012	2012	2012	2012	2011	2012	2011	
Net interest	399	358	369	351	338	1,477	1,392	1,317
Commission income and other income	321	294	288	235	232	1,139	919	855
Net return on financial investments	37	177	85	153	153	451	434	410
Total income	756	829	742	739	723	3,067	2,745	2,581
Total operating expenses	437	421	398	398	412	1,654	1,482	1,140
Result before losses	319	408	345	342	311	1,414	1,263	1,441
Loss on loans, guarantees etc.	17	16	17	8	26	58	27	132
Result before tax	302	392	328	333	285	1,355	1,236	1,308
Tax charge	69	77	81	68	54	295	255	260
Results investments held for sale, after tax	27	-9	-9	7	49	16	43	-27
Net profit	260	306	238	272	279	1,077	1,024	1,022

Balance sheet - condensed

Balance (in NOK million)	31 Dec.	30 Sept.	30 Jun.	31 Mar.	31 Dec.	31 Dec.
	2012	2012	2012	2012	2011	2010
Total assets	107,919	110,640	107,815	99,030	101,455	97,997
Average total assets (quarterly)	109,279	109,227	103,422	100,242	100,732	96,632
Gross loans to customers *	104,909	103,274	100,552	97,387	95,232	87,665
Deposits from customers	52,252	50,836	51,504	48,974	47,871	42,786
Total equity capital	10,042	9,765	9,365	8,393	8,348	7,846

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

Key figures

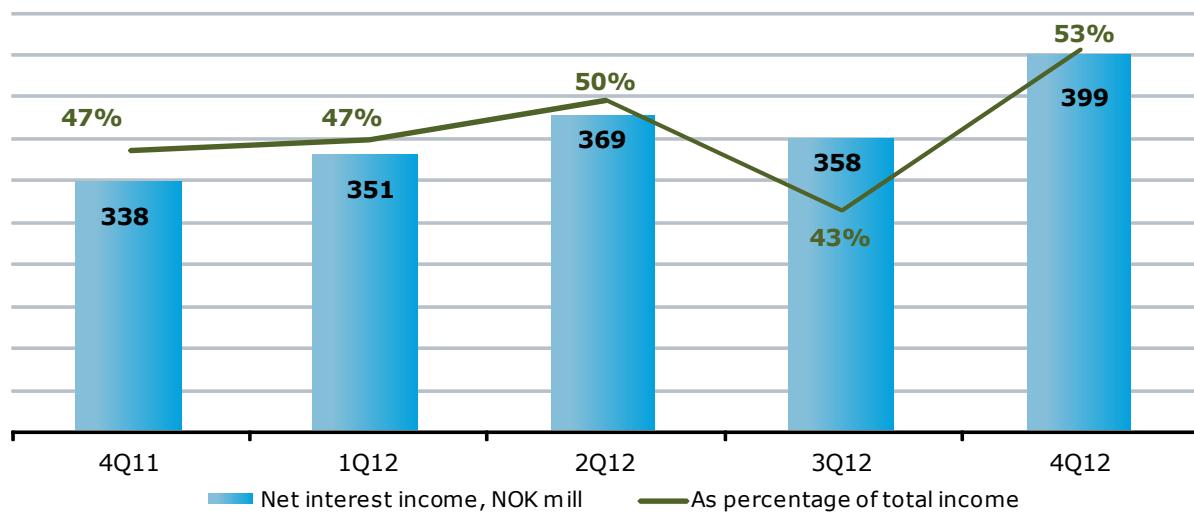
	4Q	3Q	2Q	1Q	4Q	31 Dec.		
	2012	2012	2012	2012	2011	2012	2011	2010
Return on equity	10.5 %	12.8 %	10.7 %	13.0 %	13.6 %	11.7 %	12.8 %	14.6 %
Core capital ratio	11.3 %	10.6 %	11.0 %	10.3 %	10.4 %	11.3 %	10.4 %	10.9 %
Cost/income ratio group	58 %	51 %	54 %	54 %	57 %	54 %	54 %	44 %
Growth in loans incl Boligkreditt last 12 months	10.2 %	11.4 %	10.6 %	9.9 %	8.6 %	10.2 %	8.6 %	13.2 %
Growth in deposits last 12 months	9.2 %	10.5 %	12.0 %	14.2 %	11.9 %	9.2 %	11.9 %	14.9 %
Deposits-to-loan ratio	69.7 %	67.5 %	70.0 %	68.3 %	65.5 %	69.7 %	65.5 %	61.3 %
Impairment losses ratio	0.06 %	0.06 %	0.07 %	0.04 %	0.11 %	0.06 %	0.03 %	0.16 %
Non-performing commitm. as % of gross loans	0.36 %	0.39 %	0.34 %	0.33 %	0.36 %	0.36 %	0.36 %	0.57 %
ECC price	34.80	37.00	32.10	36.60	36.31	34.80	36.31	49.89
Booked equity capital per ECC (incl. dividend)	50.09	49.00	47.97	46.82	48.91	50.09	48.91	46.17
Adjusted profit per ECC	1.29	1.54	1.22	1.41	1.65	5.21	6.06	5.94

2.2. Net interest income

Net interest income

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Interest income	941	989	989	1,009	1,029	3,928	3,891	3,422
Interest expences	543	630	619	659	691	2,451	2,499	2,105
Net interest income	399	358	369	351	338	1,477	1,392	1,317
As percentage of total income	53 %	43 %	50 %	47 %	47 %	48 %	51 %	51 %

Development in net interest income

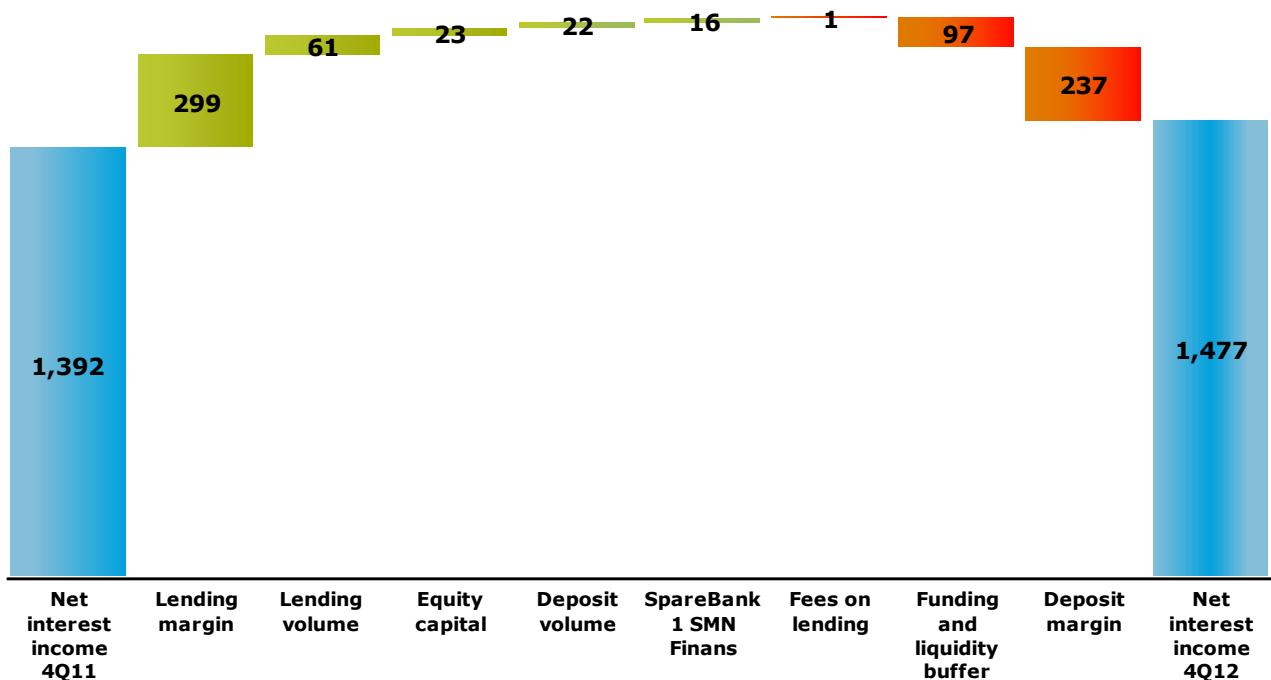


Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	61	299	360
Deposits	22	-237	-215
Total	83	62	145

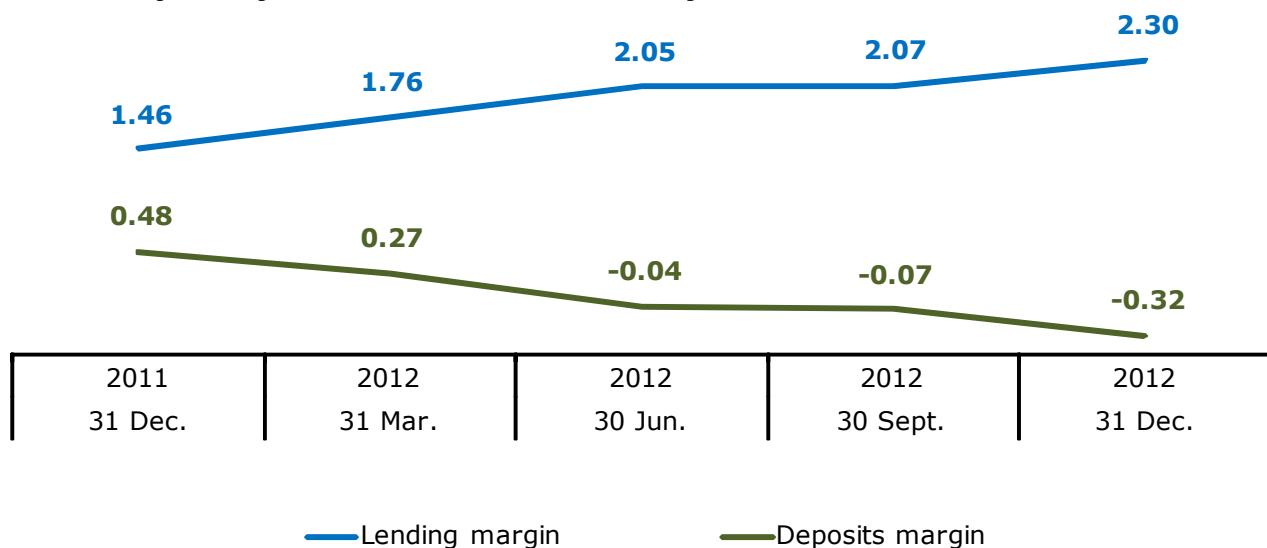
Changes in net interest income

(in NOK million)	31 Dec.	Change	2011
	2012		2011
Net interest income	1,477	86	1,392
Equity capital		23	
Lending volume		61	
SpareBank 1 SMN Finans		16	
Fees on lending		-1	
Deposit margin		-237	
Deposit volume		22	
Lending margin		299	
Funding and liquidity buffer		-97	
Change	86		

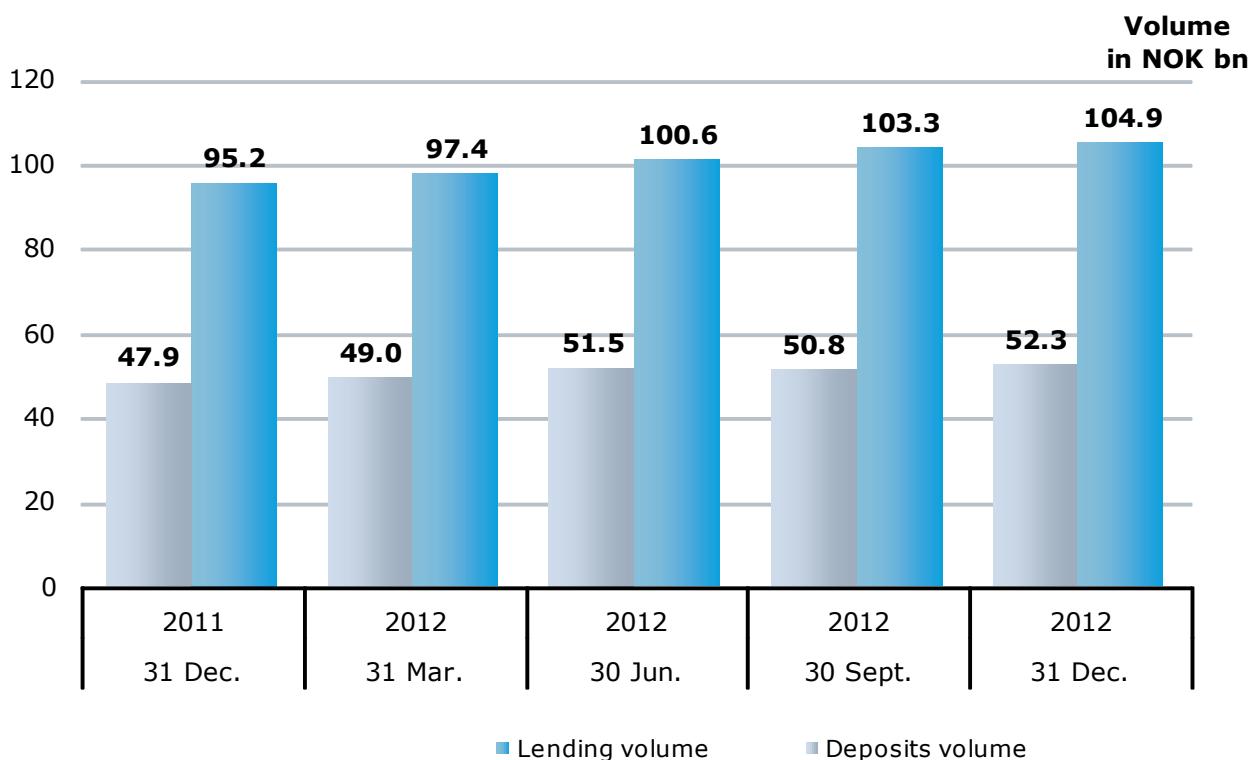


Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

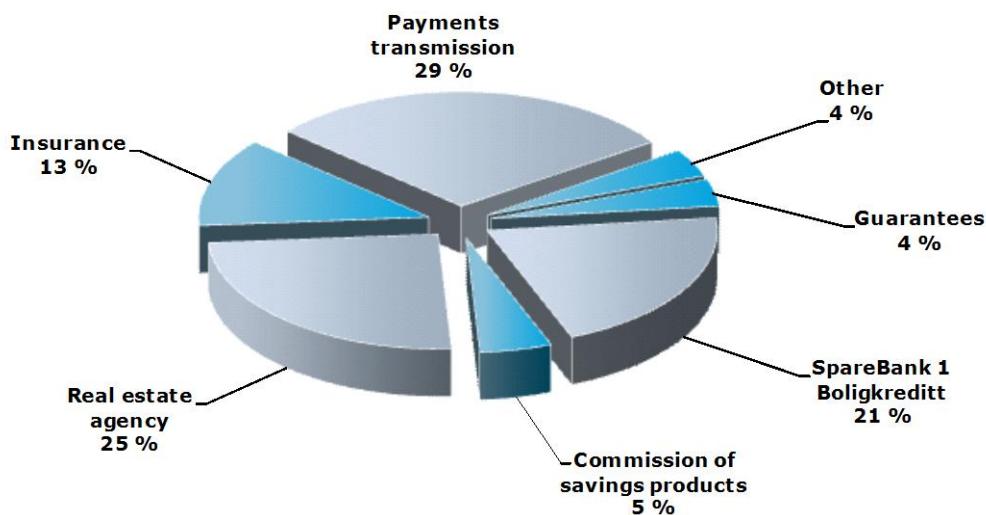


2.3. Commission income

Total commission and other income

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Guarantees	10	12	6	9	7	37	28	29
SpareBank 1 Boligkreditt	74	53	49	25	9	201	71	107
Commission of savings products	14	12	11	11	11	49	45	43
Real estate agency	60	62	66	52	62	239	221	170
Insurance	35	28	28	31	29	121	105	96
Payments transmission	74	76	69	64	70	282	275	279
Other	12	10	11	6	0	38	31	43
Total commissions income	280	252	240	196	188	968	778	766
Operating- and sales income real estate	19	25	27	20	18	91	82	73
Accounting services	21	27	25	26	25	99	78	50
Other operating income	28	16	18	15	27	77	64	47
Total other operating income	69	68	71	60	69	267	224	170
Commission expenses	28	25	22	21	25	96	83	81
Total commissions and other income	321	294	288	235	232	1,139	919	855
As percentage of total income	42 %	35 %	39 %	32 %	32 %	37 %	33 %	33 %

Distribution of commission income



Change in commission and other income

(in NOK million)	2012	31 Dec. Change	2011
Total	1,139	220	919
Real estate agency		18	
Other operating income		13	
Operating- and sales income real estate		9	
Accounting services		21	
Insurance		16	
Commission of savings products		4	
Commission expenses		-13	
Other		6	
Payments transmission		7	
Guarantees		9	
SpareBank 1 Boligkreditt		129	

Net return on financial investments, incl results from investments held for sale

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Income from investment in related companies								
incl inv held for sale	30	85	50	99	119	264	290	249
of which SpareBank 1 Gruppen AS	-10	44	13	47	46	94	96	164
BN Bank ASA	31	14	12	15	16	72	89	59
Bank 1 Oslo Akershus AS	-8	15	8	11	1	26	15	37
SpareBank 1 Boligkreditt AS	7	12	11	14	2	44	16	16
SpareBank 1 Næringskreditt AS	0	3	2	3	3	8	9	2
Polaris Media AS	-32	3	13	2	1	-14	23	0
Other ¹⁾	42	-7	-9	7	49	33	41	-28
Capital gains/dividends, shares and ECCs ²⁾	2	27	-10	3	35	21	101	121
of which dividends	2	0	9	0	2	12	36	43
capital gains on shares	-1	26	-16	1	38	10	79	78
capital gains on ECCs	1	0	-3	1	-5	-1	-13	0
Capital gains, bonds and derivatives	0	18	4	34	7	56	-10	-27
Net gain on trading and derivatives Markets	31	39	33	23	40	126	96	39
Net return on financial investments	63	168	76	160	202	467	478	383
As percentage of total income	8 %	20 %	10 %	22 %	28 %	15 %	17 %	15 %

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

2) Including net gain/losses from SpareBank 1 SMN Invest AS, which manages parts of the Bank's share portfolio

Change in net return on financial investments

(in NOK million)	2012	31 Dec. Change	2011
Total	467	-11	478
Capital gains from bonds and derivatives		65	
Capital gain, SMN Markets		30	
Capital gains/dividends on shares and ECC's		-80	
Income from investment in related companies, incl inv held for sale		-26	

2.4. Operating expenses

Operating expenses

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Salary	213	215	204	207	194	838	752	656
Pension costs (defined benefit plan)	16	13	13	12	-2	54	28	-100
Employer's insurance contributions	1	4	4	3	1	11	11	10
Other personnel expenses	4	4	3	10	3	20	18	17
Total personnel expenses	234	235	223	232	196	924	810	583
EDP and telecommunication expenses	42	53	45	46	53	187	185	156
Postage and transportation services	8	6	7	7	7	28	27	27
Marketing	13	13	11	12	16	49	50	43
Operating exp. on properties and premises	28	25	27	21	26	101	95	94
Other external services	22	20	13	10	19	66	55	52
Other operating expenses	63	43	47	46	69	199	172	138
Depr./write-downs of fixed & intangible assets	28	26	24	23	25	102	87	48
Other expenses	203	186	174	166	216	730	672	557
Total operating expenses	437	421	398	398	412	1,654	1,482	1,140

Cost/income ratio	0.58	0.51	0.54	0.54	0.57	0.54	0.54	0.44
Cost/income ratio ex financial inv.	0.61	0.65	0.60	0.68	0.72	0.63	0.64	0.53
12-month cost growth*	11.6 %	13.7 %	12.4 %	14.4 %	30.0 %	11.6 %	30.0 %	-9.0 %

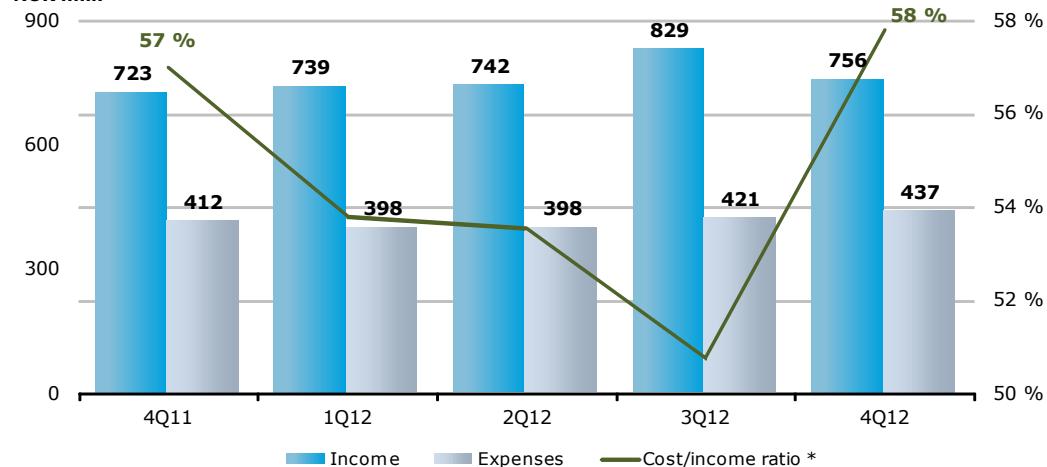
* Year to date. Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth 2011

Change in operating expenses

(in NOK million)	31 Dec. 2012	Change	2011
Total	1,654	171	1,482
Total personnel expenses		114	
Depr./write-downs of fixed & intangible assets		14	
EDP and telecommunication expenses		2	
Other operating expenses		26	
Operating exp. on properties and premises		6	
Other external services		10	
Marketing		- 1	
Postage and transportation services		1	

Cost/income ratio

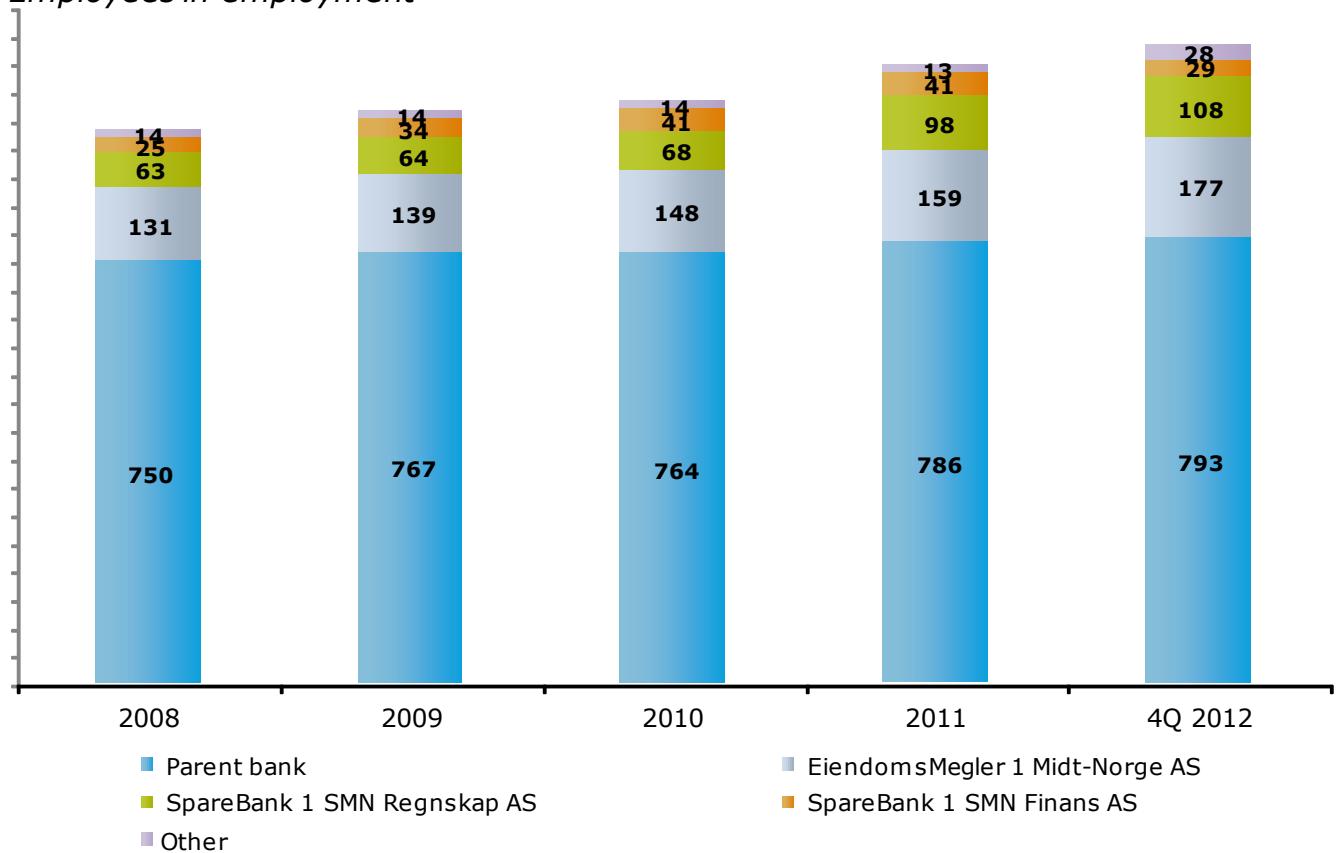
NOK mill.



Development of employees

<i>Employees in employment</i>	4Q 2012	2011	2010	2009	2008
Retail market division	374	392	378	367	381
Corporate market	199	187	172	155	155
SpareBank 1 SMN Markets	42	40	33	32	21
Business operations	120	112	128	134	137
Management and staff	59	55	53	79	57
Parent bank	793	786	764	767	750
EiendomsMegler 1 Midt-Norge AS	177	159	148	139	131
Allegro Finans AS	10	9	10	10	10
SpareBank 1 SMN Finans AS	29	41	41	34	25
SpareBank 1 SMN Regnskap AS	108	98	68	64	63
SpareBank 1 Kvartalet and other	18	4	4	4	4
Total	1,135	1,098	1,035	1,017	982

Employees in employment



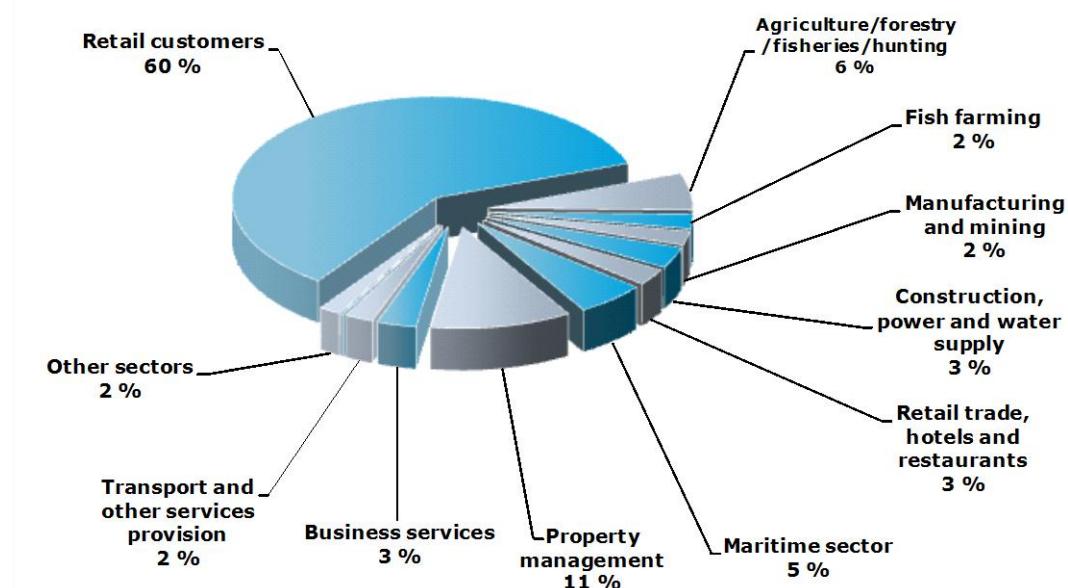
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
Agriculture/forestry/fisheries/hunting	6,129	6,035	5,652	5,568	5,217	4,892
Fish farming	2,447	2,378	2,096	1,654	2,026	1,906
Manufacturing and mining	2,349	3,426	3,329	2,574	2,881	2,775
Construction, power and water supply	3,504	3,121	3,063	3,856	2,572	2,511
Retail trade, hotels and restaurants	2,804	2,340	2,324	2,206	2,337	2,503
Maritime sector	5,739	5,554	5,946	5,744	5,978	5,242
Property management	11,710	11,769	11,877	11,272	12,179	13,013
Business services	3,258	3,809	3,678	3,584	3,867	3,134
Transport and other services provision	2,364	2,423	2,164	2,620	2,078	1,628
Public administration	215	156	32	64	92	101
Other sectors	1,801	1,785	2,646	1,428	971	339
Gross loans in corporate market	42,322	42,795	42,807	40,571	40,198	38,046
Retail customers	62,587	60,479	57,746	56,816	55,034	49,619
Gross loans incl. Boligkr. and Næringskr.	104,909	103,274	100,552	97,387	95,232	87,665
- Adv. of this Boligkreditt	29,348	27,294	26,208	25,433	22,126	17,818
- Adv. of this Næringskreditt	618	623	749	273		
Gross loans in balance sheet	74,943	75,357	73,595	71,681	73,105	69,847
Share of loans, corporate market	40.3 %	41.4 %	42.6 %	41.7 %	42.2 %	43.4 %
Share of loans, retail market	59.7 %	58.6 %	57.4 %	58.3 %	57.8 %	56.6 %

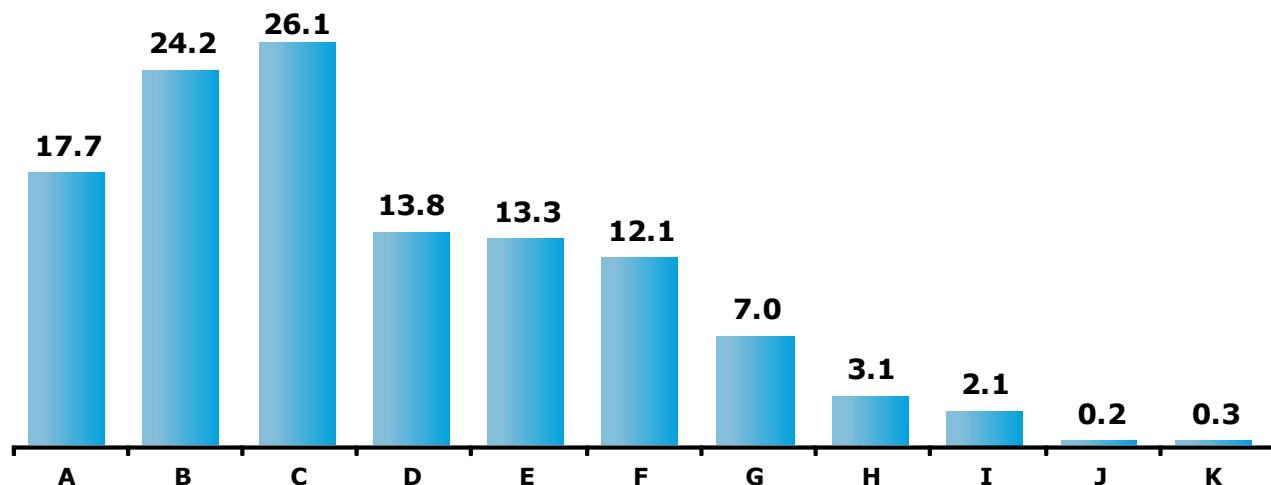
Distribution of loans by industry



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 rating class 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.

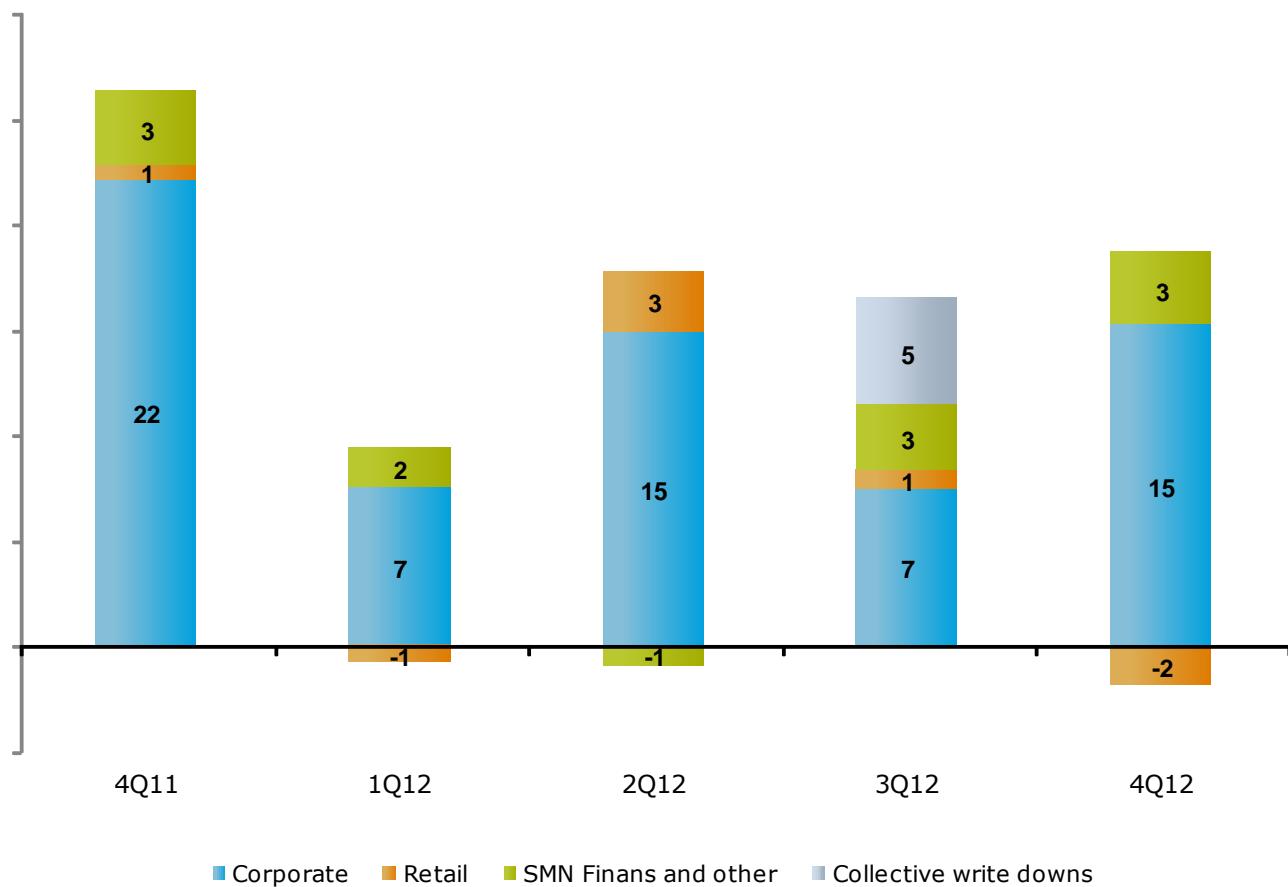
* Probability of default

Write-downs on loans and guarantees

(in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.		2010
	2012	2012	2012	2012	2011	2012	2011	
Increase in and new individual write-downs	-4	-18	2	-8	13	-28	-50	3
Reassessments and recoveries	-21	-29	-15	-17	-13	-81	-77	-128
Total individual write-downs	17	11	17	8	26	53	27	131
Change in group write-downs on loans	0	5	0	0	0	5	0	1
Write-downs on loans and guarantees	17	16	17	8	26	58	27	132
As % of gross loans incl. Boligkreditt	0.06 %	0.06 %	0.07 %	0.04 %	0.11 %	0.06 %	0.03 %	0.16 %

Loss on loans by segment

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Corporate	15	7	15	7	22	45	5	104
Retail	-2	1	3	-1	1	1	7	4
SMN Finans and other	3	3	-1	2	3	7	15	23
Collective write downs	0	5	0	0	0	5	0	1
Total loss on loans	17	16	17	8	26	58	27	132



Individual and collective write-downs

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Individual write-downs to cover loss on loans, guarantees at start of period	148	166	164	172	159	173	222	219
Confirmed losses in the period on loans, guarantees etc., not prev. subject to ind. write down	-4	-17	1	24	2	4	10	34
Reversal of previous years' write downs	-5	-1	-2	-4	0	-13	-28	-22
Increase in write downs of commitments not previously subject to individual write down	14	5	17	7	15	43	59	38
Write downs of loans not previously subject to individual write down	-9	-5	-14	-35	-4	-63	-91	-46
Individual write downs to cover loss	144	148	166	164	172	144	172	222
Collective write downs to cover loss on loans, guarantees at start of period	295	290	290	290	290	290	290	289
Period's collective write down to cover loss on loans, guarantees etc.	0	5	0	0	0	5	0	1
Collective write downs to cover loss on loans, guarantees	295	295	290	290	290	295	290	290

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	67,137	53,127	9,210	3,186	729	663	222
Public administration	709	709	-	-	-	-	-
Agriculture and forestry	6,963	3,618	1,513	1,238	263	323	9
Sea farming industries	3,159	1,386	1,456	287	13	0	17
Manufacturing	3,108	854	728	1,019	195	295	18
Construction, power and water supply	4,717	1,194	766	2,042	402	219	93
Retail trade, hotels and restaurants	3,698	898	1,596	922	97	173	13
Maritime sector	508	17	204	231	1	53	2
Property management	14,337	2,244	5,022	6,113	767	123	68
Business services	4,351	1,190	1,377	1,435	100	238	10
Transport and other services provision	10,063	2,386	4,688	2,352	571	38	28
Finance	0	0	-	-	-	-	0
Other sectors	1,259	398	572	289	-	-	-
4Q12	120,010	68,021	27,132	19,114	3,139	2,125	479
2011	109,621	60,977	22,594	21,498	2,199	1,884	468
2010	98,801	52,410	20,338	20,439	2,451	2,311	852

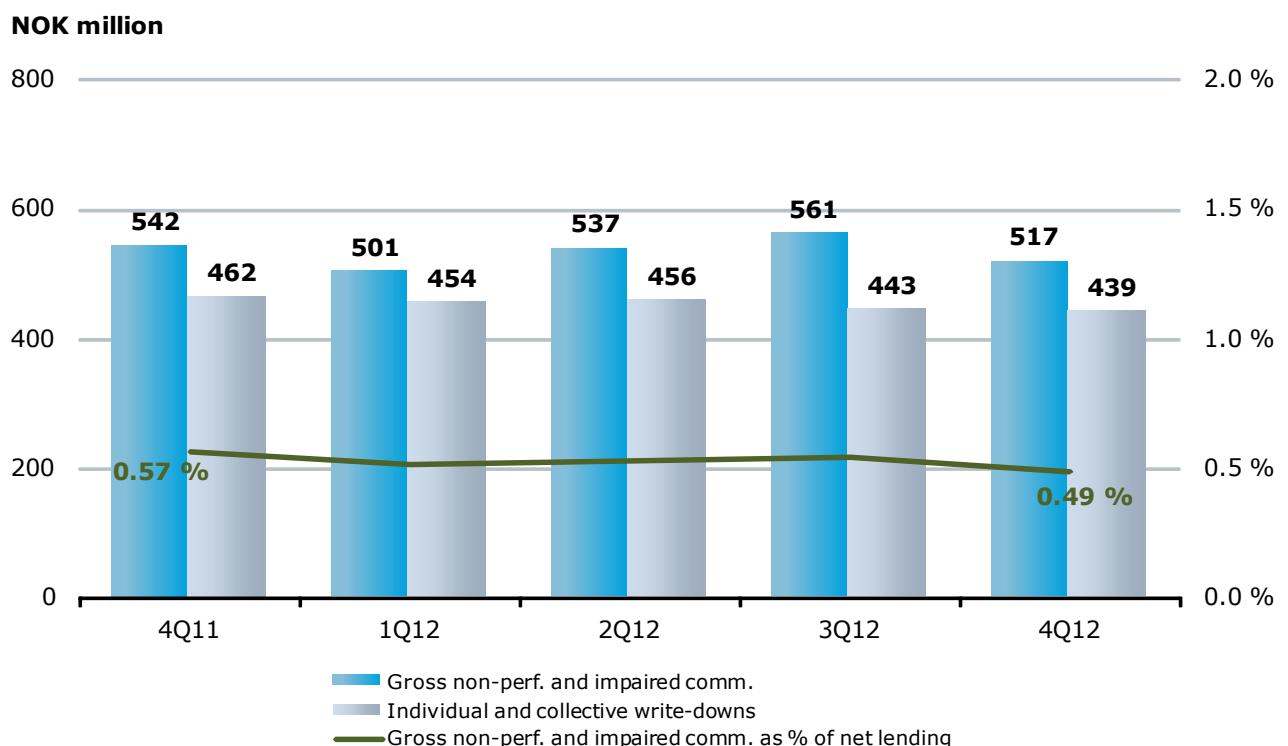
Write-down ratio

(in NOK million)	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
Non-performing commitments (gross)	374	398	338	318	338	499
Impaired commitments (gross)	143	163	199	183	204	211
Gross non-performing and impaired commitments	517	561	537	501	542	710
Individual write-downs	145	148	166	164	172	222
Collective write-downs	295	295	290	290	290	290
Write-down ratio (%)	84.9 %	79.0 %	84.9 %	90.5 %	85.2 %	72.1 %

Default in excess of 90 days
NOK million



Net non-performing and impaired commitments



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.

Subordinated debt and hybrid capital

Subordinated debt ranks behind all other liabilities. Dated subordinated loans cannot constitute more than 50 per cent of tier 1 capital for capital adequacy purposes, while perpetual subordinated loans cannot constitute more than 100 per cent of tier 1 capital. Subordinated loans are classified as a liability in the balance sheet and are measured at amortised 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 per cent 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 per cent or total capital adequacy falls below 6 per cent. 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 regarding subordinated debt and hybrid capital, see note 34 in the Bank's annual report

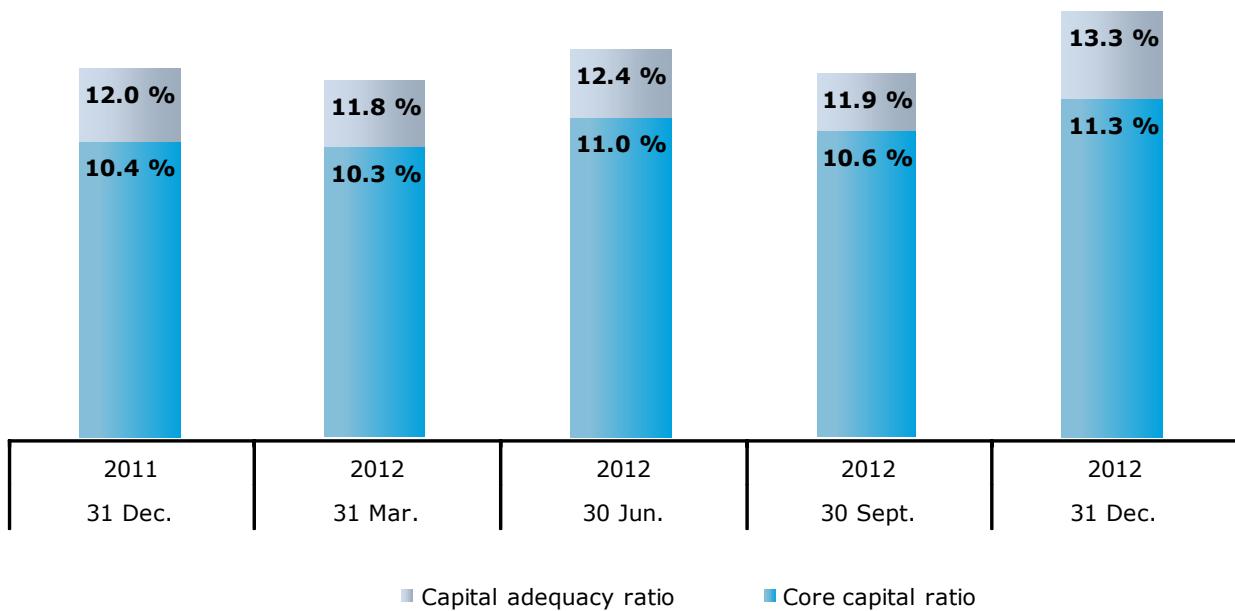
Capital Adequacy

(in NOK million)	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
Equity certificates capital	2,597	2,597	2,484	2,373	2,373	2,373
- Own equity certificates capital	0	0	0	0	0	0
Premium reserve	895	896	813	183	183	182
Equalisation reserve	1,889	1,457	1,457	1,457	1,457	1,159
Savings bank's reserve	2,944	2,611	2,611	2,611	2,611	2,345
Recommended dividends	195	0	0	0	190	285
Provision for gifts	30	0	0	0	40	192
Reserve for unrealised gains	123	94	90	92	85	66
Other equity and minority interest	1,370	1,295	1,400	1,404	1,409	1,244
Net profit	0	816	510	272	0	0
Total book equity	10,042	9,765	9,365	8,393	8,348	7,846
Deferred tax, goodwill and other intangible assets	-674	-701	-670	-678	-692	-466
Share of reserve for unrealised gains in associates	57	64	64	64	64	65
Deduction for allocated dividends	-238	0	0	0	-230	-477
50 % deduction for subordinated capital in other financial institutions	-2	-2	-2	0	0	0
50 % deduction for expected losses on IRB, net of write-downs	-179	-211	-153	-158	-147	-216
50 % capital adequacy reserve	-703	-714	-682	-651	-656	-571
Share of non-performing, non-amortized estimate deviations	-49	-74	-74	-74	0	0
Net profit	0	-816	-510	-272	0	0
Year-to-date profit included in core capital (50%)	0	408	255	136	0	0
Fund bonds, hybrid capital	1,103	1,108	1,130	1,143	1,170	1,106
Total core capital	9,357	8,826	8,722	7,902	7,856	7,283
Supplementary capital in excess of core capital						
Fund bonds, hybrid capital in excess of 15 %	31	37	37	0	0	0
Perpetual subordinated capital	312	323	325	318	328	466
Dated subordinated capital	2,127	1,633	1,653	1,598	1,674	1,680
50 % deduction for subordinated capital in other financial institutions	-2	-2	-2	0	0	0
50 % deduction for expected losses on IRB, net of write-downs	-179	-211	-153	-158	-147	-216
50 % capital adequacy reserve	-703	-714	-682	-651	-656	-571
Total supplementary capital	1,586	1,066	1,178	1,107	1,199	1,360
Net subordinated capital	10,943	9,891	9,900	9,008	9,055	8,643

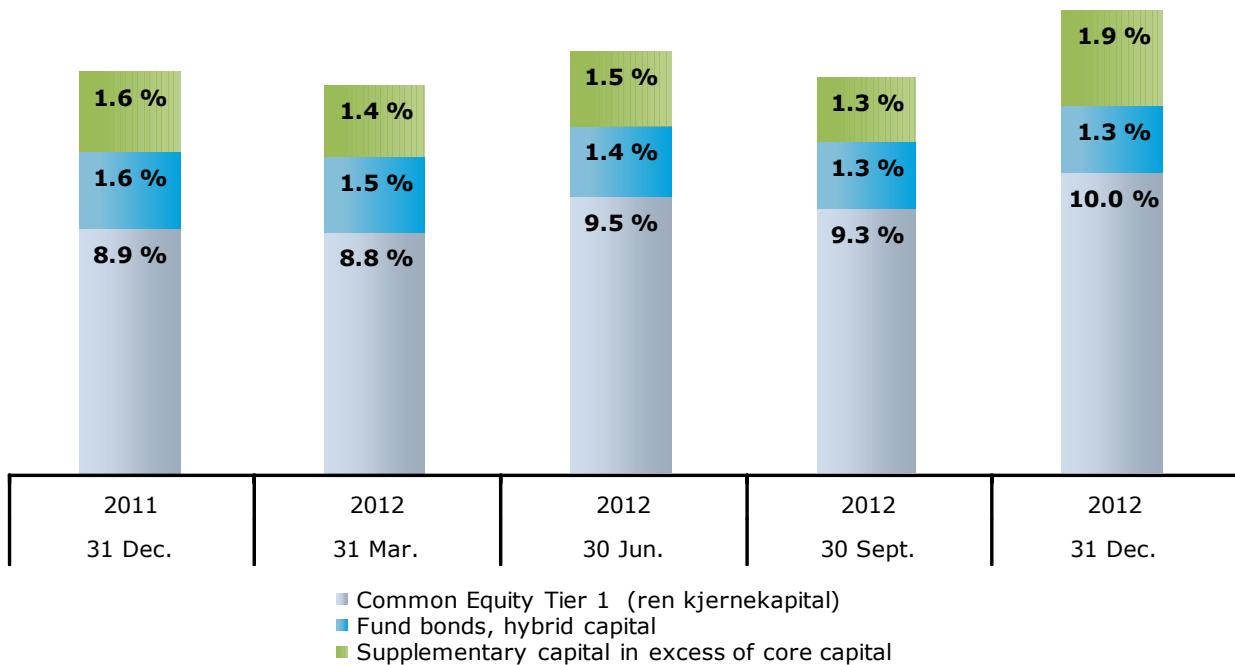
Minimum requirements subordinated capital

(in NOK million)	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
Involvement with specialised enterprises	1,654	1,647	1,584	1,466	1,456	1,386
Other corporations exposure	1,470	1,686	1,511	1,519	1,313	1,120
SME exposure	42	41	41	43	42	68
Retail mortgage exposure	560	532	541	518	513	451
Other retail exposure	30	30	30	32	33	34
Equity investments	0	0	0	0	0	0
Total credit risk IRB	3,756	3,937	3,707	3,578	3,358	3,058
Debt risk	205	209	223	206	182	165
Equity risk	15	15	15	16	16	15
Currency risk	0	0	0	0	0	0
Operational risk	420	420	420	420	400	331
Exposures calculated using the standardised approach	2,074	2,178	2,121	2,018	2,184	1,864
Deductions	-120	-121	-115	-110	-111	-98
Transitional arrangements	246	0	0	0	0	0
Minimum requirements subordinated capital	6,596	6,638	6,371	6,127	6,027	5,335
Risk Weighted Assets (RWA)	82,446	82,976	79,635	76,590	75,338	66,682
Common equity Tier 1	10.0 %	9.3 %	9.5 %	8.8 %	8.9 %	9.3 %
Core capital ratio	11.3 %	10.6 %	11.0 %	10.3 %	10.4 %	10.9 %
Capital adequacy ratio	13.3 %	11.9 %	12.4 %	11.8 %	12.0 %	13.0 %

Capital Adequacy

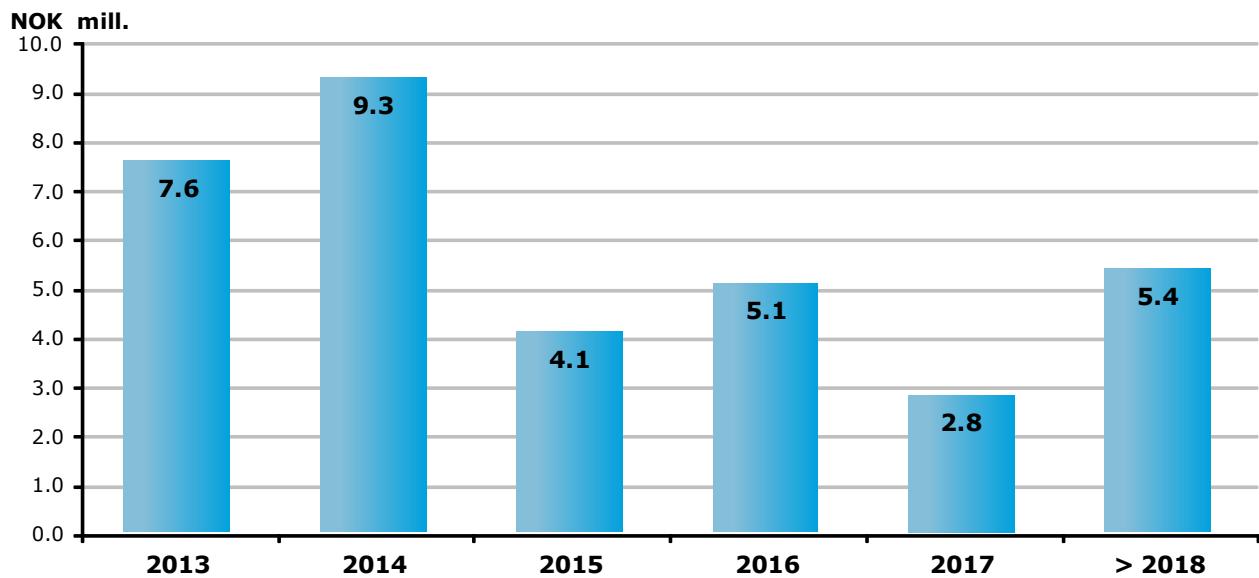


Capital Adequacy

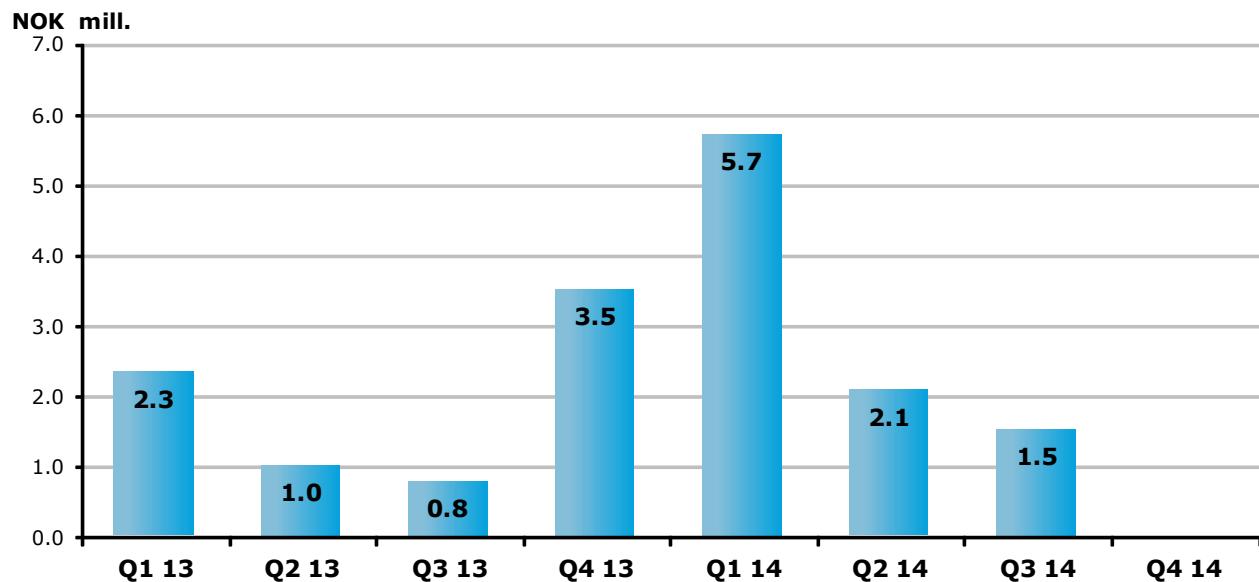


5. Funding

Funding maturity dates

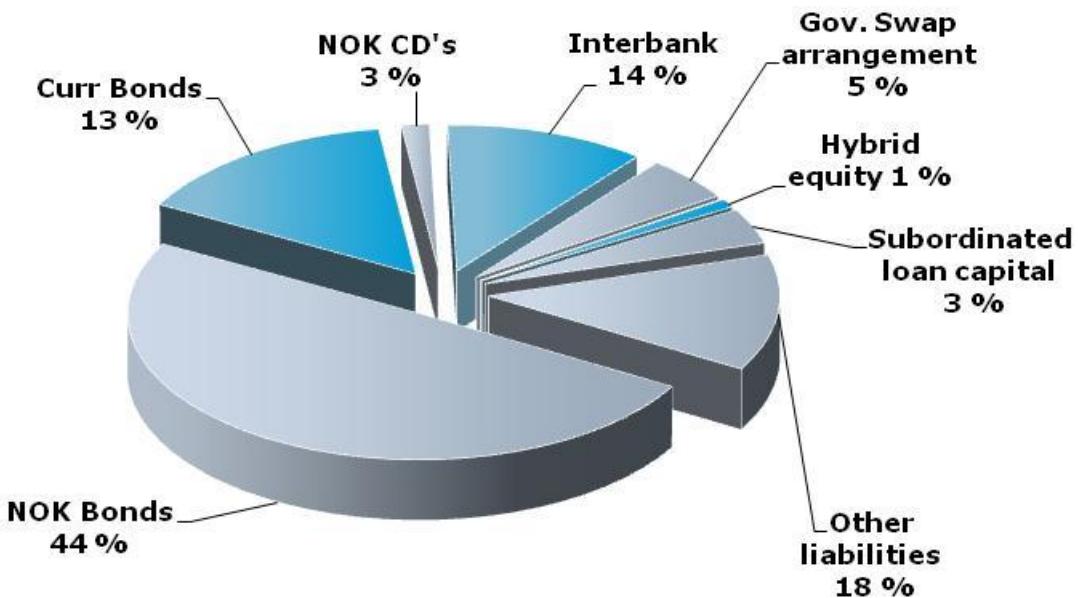


Funding maturity dates over the next eight quarters



Capital markets funding

(in NOK million)	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
NOK Bonds	22,858	22,678	21,380	19,139	19,224	16,531
Curr Bonds	6,944	6,806	6,257	6,298	8,803	11,176
NOK CD's	706	942	1,236	232	220	235
Interbank	5,137	6,383	6,968	5,189	5,232	7,743
Loans from central bank	-	-	-	-	1,000	1,000
Gov. Swap arrangement	2,273	2,553	2,553	2,553	2,886	4,318
Perp. Sub. Loan capital	12	21	24	16	26	164
Hybrid equity	432	446	471	453	481	936
Subordinated loan capital	1,810	1,368	1,388	1,333	1,409	1,358
Other liabilities	5,938	7,417	8,558	5,249	4,655	3,058
Total	46,110	48,614	48,834	40,462	43,936	46,519



6. Financial results

Financial results

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Interest income	941	989	989	1,009	1,029	3,928	3,891	3,422
Interest expenses	543	630	619	659	691	2,451	2,499	2,105
Net interest	399	358	369	351	338	1,477	1,392	1,317
Commission income	280	252	240	196	188	968	778	766
Commission expenses	28	25	22	21	25	96	83	81
Other operating income	69	68	71	60	69	267	224	170
Commission income and other income	321	294	288	235	232	1,139	919	855
Dividends	2	0	9	0	2	12	36	43
Income from investment in related companies	3	91	59	92	71	244	248	279
Net return on financial investments	32	86	17	60	81	195	150	88
Net return on financial investments	37	177	85	153	153	451	434	410
Total income	756	829	742	739	723	3,067	2,745	2,581
Staff costs	234	235	223	232	196	924	810	583
Administration costs	113	112	98	97	114	419	381	339
Other operating expenses	90	75	76	69	103	311	291	218
Total operating expenses	437	421	398	398	412	1,654	1,482	1,140
Result before losses	319	408	345	342	311	1,414	1,263	1,441
Loss on loans, guarantees etc.	17	16	17	8	26	58	27	132
Result before tax	302	392	328	333	285	1,355	1,236	1,308
Tax charge	69	77	81	68	54	295	255	260
Results investments held for sale, after tax	27	-	9	9	7	49	16	43
Net profit	260	306	238	272	279	1,077	1,024	1,022
Majority share	257	305	235	271	277	1,068	1,016	1,017
Minority interest	4	1	3	1	2	9	8	5

Balance sheet

(in NOK million)	31 Dec. 2012	30 Sept. 2012	30 Jun. 2012	31 Mar. 2012	31 Dec. 2011	31 Dec. 2010
Cash and receivables from central banks	1,079	156	1,152	650	1,519	2,112
Deposits with and loans to credit institutions	3,012	1,932	2,623	1,576	2,557	420
Gross loans to customers before write-down	74,943	75,357	73,595	71,681	73,105	69,847
- Specified write-downs	-144	-148	-166	-164	-172	-222
- Write-downs by loan category	-295	-295	-290	-290	-290	-290
Net loans to and receivables from customers	74,504	74,914	73,139	71,227	72,643	69,336
Fixed-income CDs and bonds at fair value	17,164	19,126	16,955	13,278	12,918	16,980
Derivatives	3,100	4,872	4,243	3,645	3,697	1,825
Shares, units and other equity interests	777	746	605	624	611	618
Investment in related companies	4,573	4,799	4,628	4,582	4,259	3,526
Investments held for sale	486	204	560	291	481	415
Goodwill	482	481	471	471	471	460
Other assets	2,742	3,411	3,439	2,684	2,299	2,307
Assets	107,919	110,640	107,815	99,030	101,455	97,997
Deposits from credit institutions	7,410	8,936	9,520	7,742	9,118	13,062
Deposits from and debt to customers	52,252	50,836	51,504	48,974	47,871	42,786
Debt created by issue of securities	30,259	30,085	28,341	25,569	28,148	27,941
Derivatives	2,790	4,538	4,097	3,120	3,158	1,684
Other liabilities	2,054	3,807	2,246	2,525	1,971	1,788
Investments held for sale	72	54	79	131	151	134
Subordinated loan capital	3,040	2,620	2,662	2,576	2,690	2,758
Total liabilities	97,876	100,875	98,450	90,637	93,107	90,152
Equity capital certificate	2,597	2,597	2,484	2,373	2,373	2,373
Own holding of ECCs	0	0	0	0	0	0
Premium fund	895	896	813	183	183	182
Dividend equalisation fund	1,889	1,457	1,457	1,457	1,457	1,159
Recommended dividends	195	0	0	0	190	285
Provision for gifts	30	0	0	0	40	192
Savings bank's reserve	2,944	2,611	2,611	2,611	2,611	2,345
Unrealised gains reserve	123	94	90	92	85	66
Other equity capital	1,303	1,269	1,264	1,268	1,274	1,147
Result of the period	0	816	510	272	0	0
Minority interests	67	26	136	136	135	97
Total equity capital	10,042	9,765	9,365	8,393	8,348	7,846
Total liabilities and equity	107,919	110,640	107,815	99,030	101,455	97,997

Key figures	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec.		
						2012	2011	2010
Return on equity	10.5 %	12.8 %	10.7 %	13.0 %	13.6 %	11.7 %	12.8 %	14.6 %
Cost/income ratio group	58 %	51 %	54 %	54 %	57 %	54 %	54 %	44 %
Cost/income ratio group, ex. financial inv.	61 %	65 %	60 %	68 %	72 %	63 %	64 %	53 %
12-month cost growth*	11.6 %	13.7 %	12.4 %	14.4 %	30.0 %	11.6 %	30.0 %	-9.0 %
Gross loans to customers**	104,909	103,274	100,552	97,387	95,232	104,909	95,232	87,665
Growth in loans last 12 months**	10.2 %	11.4 %	10.6 %	9.9 %	8.6 %	10.2 %	8.6 %	13.2 %
Growth in loans this period**	1.6 %	2.7 %	3.2 %	2.3 %	2.8 %	10.2 %	8.6 %	13.2 %
Deposits from customers	52,252	50,836	51,504	48,974	47,871	52,252	47,871	42,786
Growth in deposits last 12 months	9.2 %	10.5 %	12.0 %	14.2 %	11.9 %	9.2 %	11.9 %	14.9 %
Growth in deposits this period	2.8 %	-1.3 %	5.2 %	2.3 %	4.0 %	9.2 %	11.9 %	14.9 %
Ordinary lending financed by ordinary deposits	69.7 %	67.5 %	70.0 %	68.3 %	65.5 %	69.7 %	65.5 %	61.3 %
Total assets	107,919	110,640	107,815	99,030	101,455	107,919	101,455	97,997
Average total assets (quarterly)	109,279	109,227	103,422	100,242	100,732	105,372	98,465	91,317
Employees in employment group	1,135	1,148	1,144	1,097	1,098	1,135	1,098	1,035
Employees in employment parent bank	793	791	806	785	786	793	786	764
Employees in employment subsidiaries	342	357	338	313	312	342	312	271
Number of branches	51	51	52	54	54	51	54	54
Lending margin	2.30	2.07	2.05	1.76	1.46	2.07	1.57	1.66
Deposit margin	(0.32)	(0.07)	(0.04)	0.27	0.48	(0.04)	0.44	0.41
Net other operating income of total income	42.4 %	35.5 %	38.8 %	31.8 %	32.1 %	37.1 %	33.5 %	33.1 %
Common Equity Tier 1 ratio	10.0 %	9.3 %	9.5 %	8.8 %	8.9 %	10.0 %	8.9 %	9.3 %
Capital adequacy ratio	13.3 %	11.9 %	12.4 %	11.8 %	12.0 %	13.3 %	12.0 %	13.0 %
Core capital ratio	11.3 %	10.6 %	11.0 %	10.3 %	10.4 %	11.3 %	10.4 %	10.9 %
Total core capital	9,357	8,826	8,722	7,902	7,856	9,357	7,856	7,283
Net subordinated capital	10,943	9,891	9,900	9,008	9,055	10,943	9,055	8,643
Impairment losses ratio	0.06 %	0.06 %	0.07 %	0.04 %	0.11 %	0.06 %	0.03 %	0.16 %
Non-performing commitm. as % of gross loans	0.36 %	0.39 %	0.34 %	0.33 %	0.36 %	0.36 %	0.36 %	0.57 %
Other doubtfull commitm. as % of gross loans	0.14 %	0.16 %	0.20 %	0.19 %	0.21 %	0.14 %	0.21 %	0.24 %
ECC price	34.80	37.00	32.10	36.60	36.31	34.80	36.31	49.89
Number of certificates issued, millions	129.83	129.83	124.21	124.21	102.76	129.83	102.76	102.74
Booked equity capital per ECC (incl. dividend)	50.09	49.00	47.97	46.82	48.91	50.09	48.91	46.17
Adjusted profit per ECC	1.29	1.54	1.22	1.41	1.65	5.21	6.06	5.94
P/E per ECC	6.74	6.09	6.58	6.49	5.50	6.68	5.99	8.40
P/B equity capital	0.69	0.76	0.67	0.78	0.74	0.69	0.74	1.08

* Write-back of early retirement liabilities (AFP), NOK 117 mill, in 1st quarter 2010, hence the high cost growth in 2011

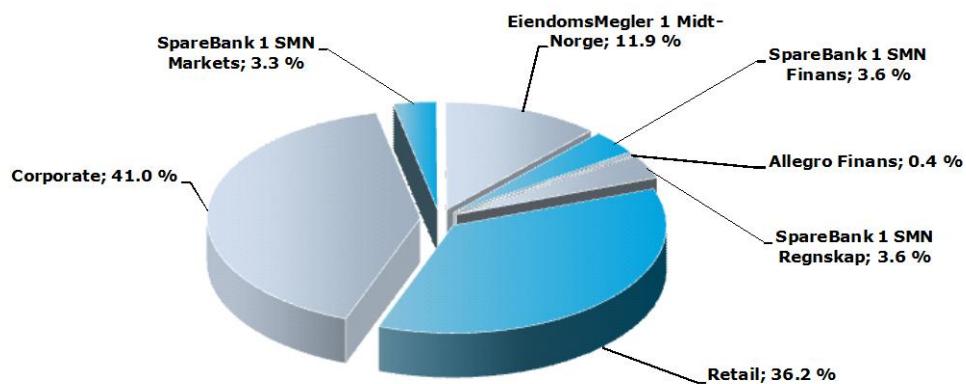
** Gross loans to customers includes Sparebank1 Boligkreditt og Sparebank 1 Næringskreditt

7. Segment information

7.1. Extract from income statement

Group (in NOK million)			SpareBank 1 SMN Markets		Eiendoms Megler 1 Midt- Norge		SpareBank 1 SMN Finans		Allegro Finans		SpareBank 1 SMN Regnskap		Uncollated		Total
	Retail	Corporate													
Net interest	540	905	-21		5	118	1	0	0	0	0	0	-70	1,477	
Allocated	11	98	4	0	0	0	0	0	0	0	0	0	-113	0	
Total interest income	552	1,003	-18	5	118	1	0	0	0	0	0	0	-183	1,477	
Commission income and other income	484	137	24	336	-14	11	100	61	61	100	61	61	1,139		
Net profit on financial investments	1	34	87	0	0	0	0	2	342	0	2	342	467		
Total income	1,037	1,174	93	341	104	12	102	220	3,083						
Total operating expenses	653	399	94	265	40	15	88	98	1,654						
Ordinary operating profit	384	775	-1	76	64	-4	14	122	1,430						
Loss on loans, guarantees etc.	1	45	0	0	7	0	0	0	5	0	0	0	58		
Result before tax incl investments held for sale	383	731	-1	76	56	-4	14	117	1,371						
Post-tax return on equity			22.6 %		13.8 %								12.1 %		
Balance sheet															
Loans and advances to customers	58,892	40,671	0	0	3,145	0	0	2,201	104,909						
adv. of this to Boligkreditt and Næringskredi	-28,029	-976	0	0	0	0	0	0	-29,966						
Individual allowance for impairment on loan	-28	-101	0	0	-15	0	0	0	-144						
Group allowance for impairment on loan	-	-	0	0	-16	0	0	0	-295						
Other assets	391	873	0	70	-2,905	6	20	34,961	33,415						
Total assets	31,225	40,467	0	70	208	6	20	35,924	107,919						
Deposits to customers	22,440	27,064	0	0	0	29	14	2,705	52,252						
Other liabilities and equity	8,784	13,403	0	70	208	-23	6	33,218	55,667						
Total liabilities	31,225	40,467	0	70	208	6	20	35,924	107,919						

Income specified by segment, excluding financial investments



Interest income, Retail and Corporate

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Retail	142	148	126	125	125	540	511	579
Corporate	252	219	220	214	199	905	782	714
Net interest income	394	367	346	338	335	1,445	1,293	1,293

Development in margin, Retail and Corporate*

Lending (in percentage)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec.		
	2012	2012	2012	2012	2011	2012	2011	2010
Retail	2.14	1.88	1.82	1.45	1.07	1.86	1.22	1.42
Corporate	2.64	2.44	2.47	2.27	2.07	2.45	2.12	2.12
Total	2.30	2.07	2.05	1.76	1.46	2.07	1.57	1.66
Deposits (in percentage)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec.		
	2012	2012	2012	2012	2011	2012	2011	2010
Retail	-0.18	0.11	0.09	0.41	0.83	0.10	0.73	0.56
Corporate	-0.35	-0.13	-0.08	0.18	0.21	-0.10	0.20	0.28
Total	-0.32	-0.07	-0.04	0.27	0.48	-0.04	0.44	0.41

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

Development in volume, Retail and Corporate

Lending* (in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec.		
	2012	2012	2012	2012	2011	2012	2011	2010
Retail	58,892	56,916	55,338	53,538	52,055	58,892	52,055	46,932
Corporate	40,671	41,080	40,163	39,295	38,655	40,671	38,655	36,379
Total	99,563	97,995	95,501	92,833	90,711	99,563	90,711	83,311

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

Deposits (in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec.		
	2012	2012	2012	2012	2011	2012	2011	2010
Retail	22,440	22,335	22,644	21,386	21,185	22,440	21,185	19,098
Corporate	27,064	24,910	25,871	25,458	25,345	27,064	25,345	22,709
Total	49,504	47,245	48,514	46,844	46,531	49,504	46,531	41,807

Development in commission income, Retail and Corporate

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec.		
	2012	2012	2012	2012	2011	2012	2011	2010
Retail	153	128	116	89	77	486	345	321
Corporate	49	41	42	39	43	171	169	151
Total	202	169	157	128	120	656	514	472

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.

Business description

Facts about the Division	31 Dec. 2012	31 Dec. 2011
Lending volume	58,892	52,055
Deposits volume	22,440	21,185
No. of debit cards	150,760	144,174
No. of credit cards	88,223	87,347
No. of internet bank customers	140,999	131,056
No. of telephone bank customers	143,466	138,375
No. of active customers	188,011	184,825
FTEs	374	392

Financial performance (in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Net interest income lending	91	83	68	55	40	297	215	368
Net interest income deposits	51	64	58	70	86	243	296	211
Net interest income allocated capital	2	1	6	3	2	11	16	13
Total interest income	144	149	132	127	128	552	527	592
Net guarantee commision, incl. Boligkreditt	80	59	55	29	11	222	80	67
Net commision of savings products	13	14	8	9	14	44	52	49
Net commision insurance services	31	22	22	25	21	101	81	73
Net commision payment trans. services	29	33	30	25	27	118	123	130
Other commision income	-	0	0	0	0	0	1	0
Net fee and commission income	152	128	115	89	73	484	337	319
Net profit on financial investments	0	0	0	0	3	1	8	2
Total income	297	277	247	216	204	1,037	872	913
Total operating expences*	165	166	159	163	152	653	608	468
Results	132	111	88	54	52	384	264	445
Loss on loans, guarantees etc.	-	2	1	3	1	1	7	4
Results before tax	134	110	85	55	52	383	256	441

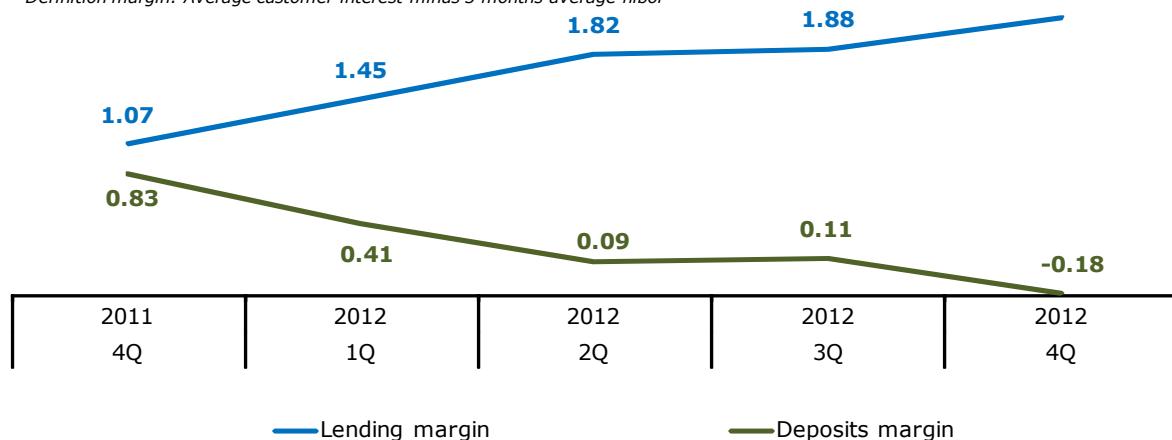
*) Includes both direct and distributed expences

Post-tax return on equity (annualized)

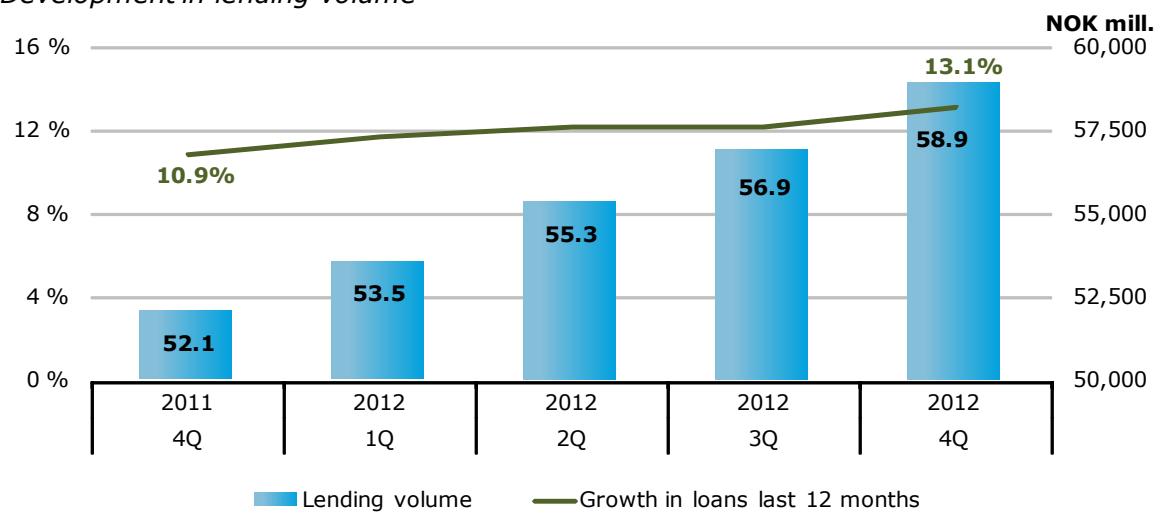
22.6 % 16.8 % 25.5 %

Development in margin

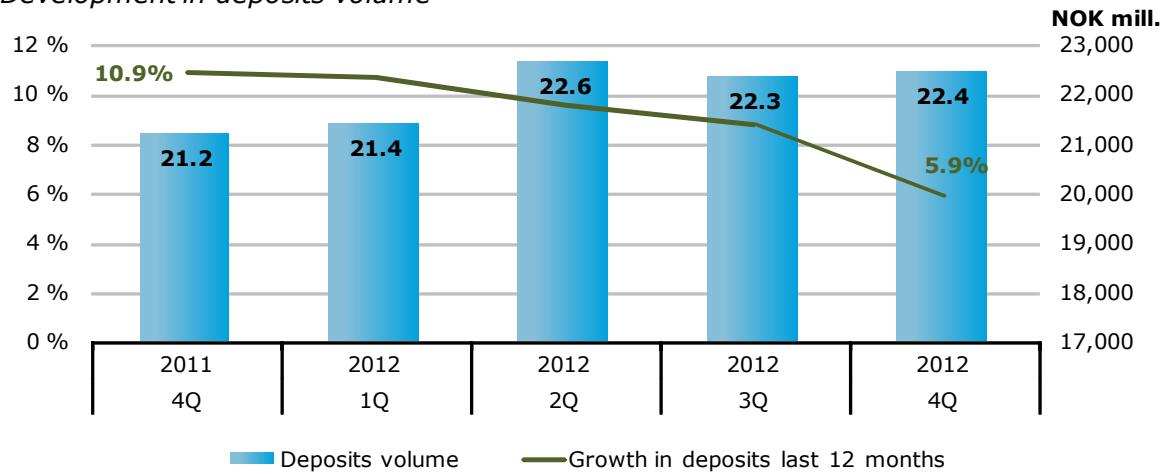
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.3. Corporate division

The Corporate Market Division focuses on financial counseling 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.

Business description

	31 Dec. 2012	31 Dec. 2011
<i>Facts about the Division</i>		
Lending volume	40,671	38,655
Deposits volume	27,064	25,345
No. of active customers	12,977	12,868
FTEs	199	187

Financial performance

	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
<i>(in NOK million)</i>								
Net interest income lending	201	162	161	146	135	670	561	555
Net interest income deposits	50	59	58	68	63	235	221	158
Net interest income allocated capital	24	18	33	23	31	98	128	56
Total interest income	275	239	253	236	230	1,003	910	770
Net guarantee commision, incl. Boligkreditt	11	11	9	9	8	40	36	34
Net commision of savings products	1	-1	2	0	1	2	2	9
Net commision insurance services	5	5	5	6	8	21	25	24
Net commision payment trans. services	16	18	15	18	16	67	69	68
Other commision income	6	0	1	0	0	7	1	1
Net fee and commission income	39	34	31	32	33	137	133	135
Net profit on financial investments	9	7	10	7	10	34	36	16
Total income	324	280	295	275	273	1,174	1,079	921
Total operating expences*	108	97	94	99	95	399	351	278
Results	216	183	200	176	179	775	728	642
Loss on loans, guarantees etc.	15	7	15	7	22	45	5	104
Results before tax	201	176	186	169	157	731	724	539

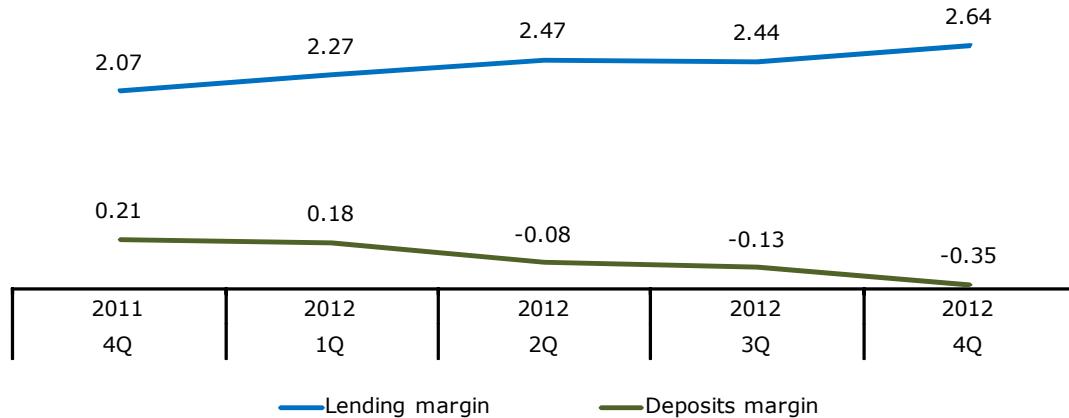
*) Includes both direct and distributed expences

Post-tax return on equity (annualized)

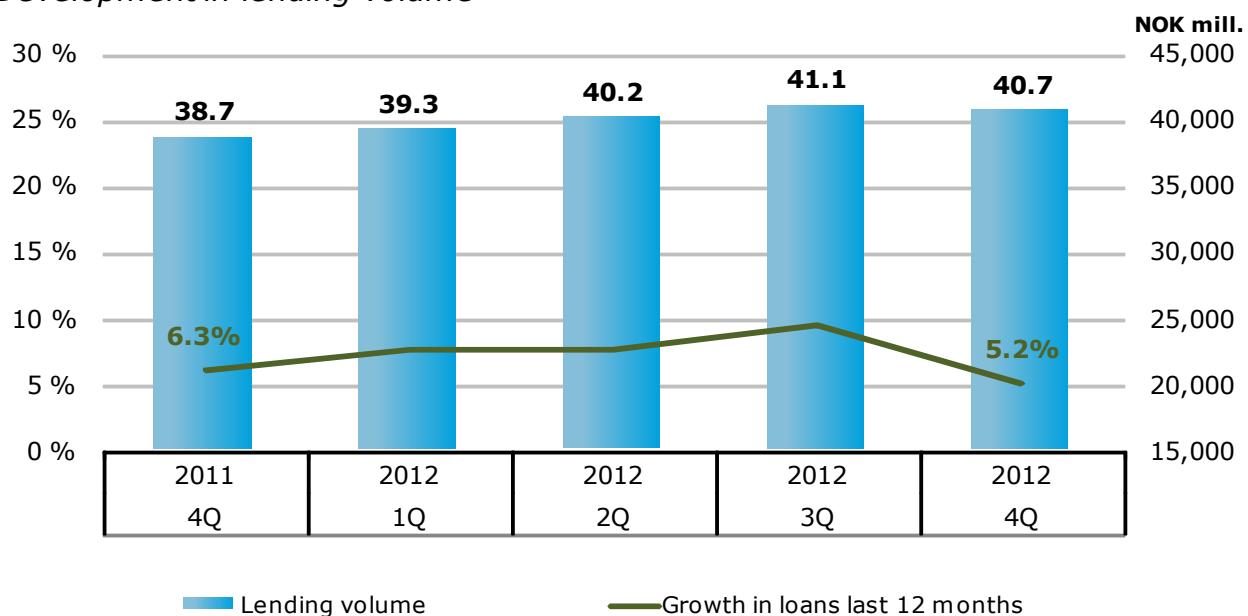
13.8 % 13.9 % 12.0 %

Development in margin

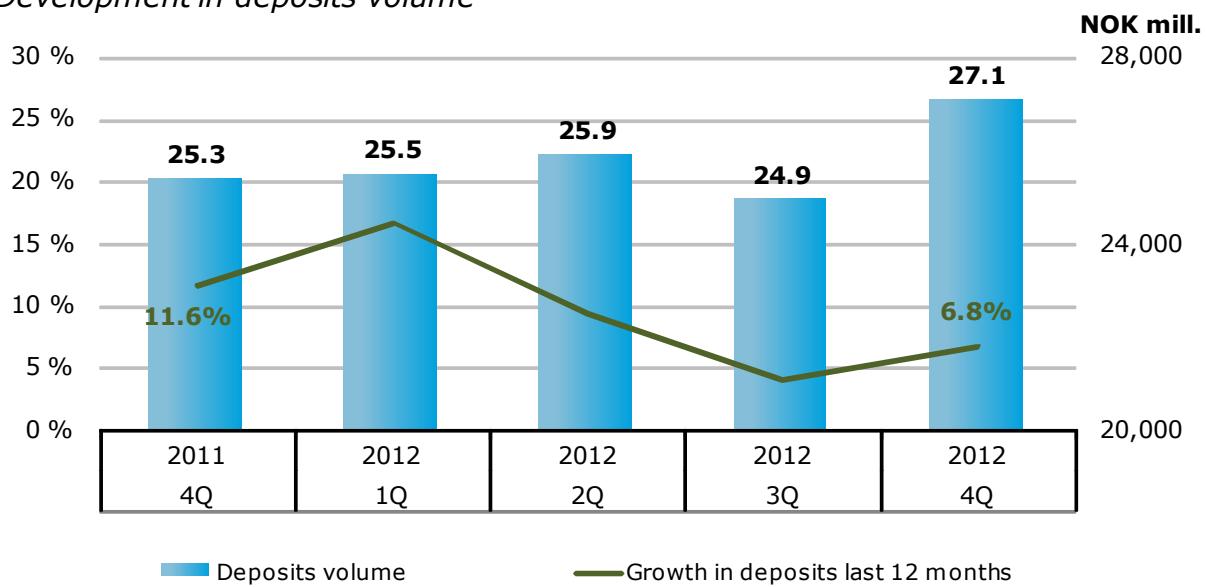
Definition margin: Average customer interest minus 3 months average nibor



Development in lending volume



Development in deposits volume



7.4. Markets

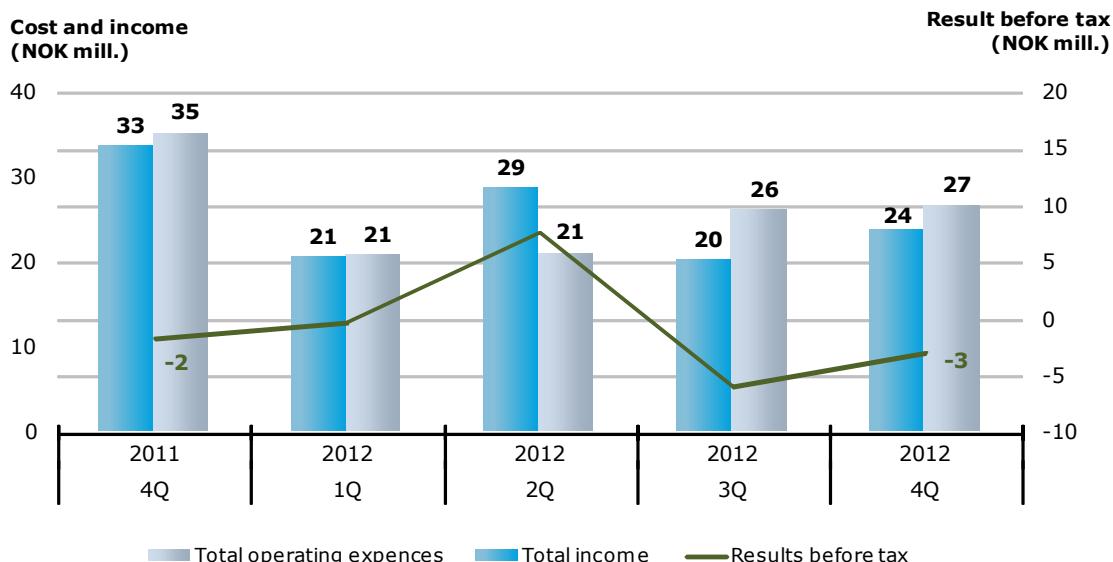
SpareBank 1 Markets is a fully fledged investment firm organised as a division in its own right within the Bank. It comprises three income generating units: Fixed Income/Foreign Exchange, Securities and Corporate Finance along with Back Office and Mid Office. The division has risk operations in the fixed 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.

SpareBank 1 SMN established an active asset management agreement with SpareBank 1 Markets in the second quarter of 2012. The agreement puts SpareBank 1 Markets in a stronger position to deliver forex and fixed income products in the primary and secondary market. The business volume is regulated through clear-cut limits on exposure in relation to products and counterparties and brings a significant change in the Bank's risk exposure. Incomes and expenses are distributed between the parties based on an established distribution formula.

SpareBank 1 SMN Markets

Financial performance (in NOK million)	4Q	3Q	2Q	1Q	4Q	31 Dec.	2010
	2012	2012	2012	2012	2011	2012	
Net interest income	-11	-10	-1	1	0	-21	18
Net interest income allocated capital	1	1	1	1	1	4	1
Total interest income	-10	-9	-0	2	1	-18	15
Net fee and commission income	10	3	7	3	8	24	30
Capital gain/Agio Securities	24	26	22	16	24	87	64
Total income	24	20	29	21	33	93	103
Total operating expences	27	26	21	21	35	94	94
Results	-3	-6	8	-0	-2	-1	1
Loss on loans, guarantees etc.	-	-	-	-	-	-	-
Results before tax	-3	-6	8	-0	-2	-1	1



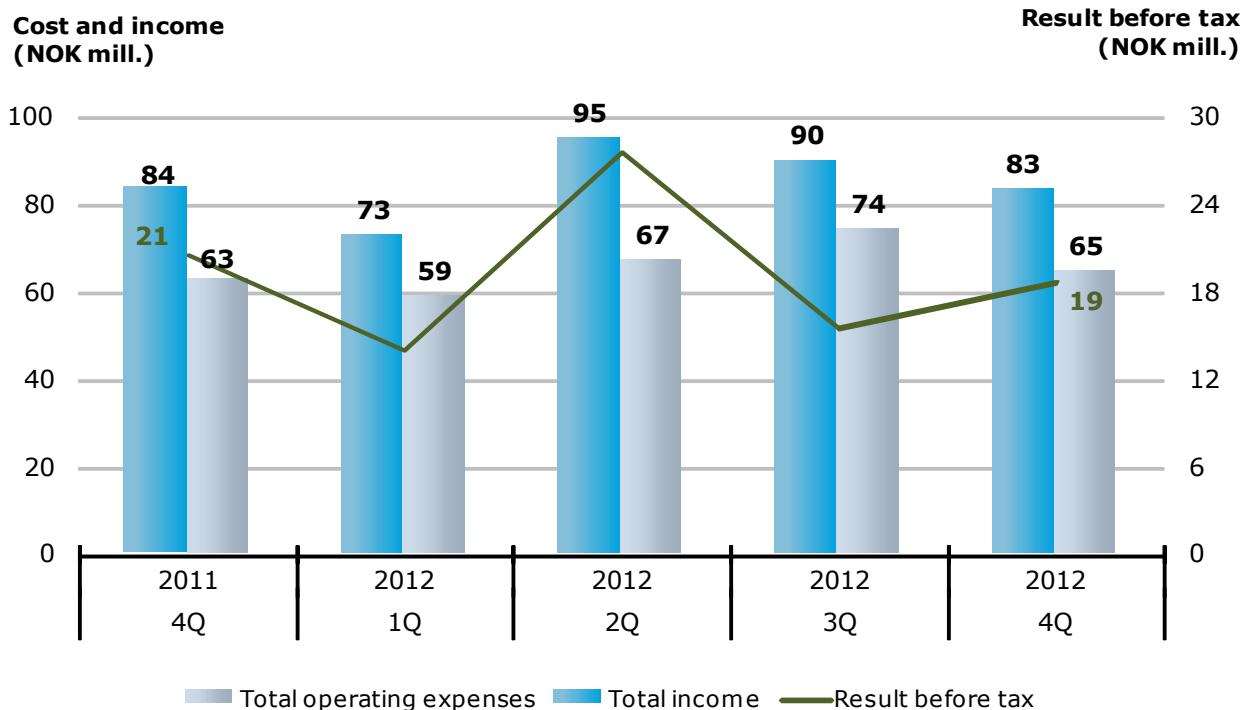
7.5. Subsidiaries

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)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Net interest	3	1	1	1	1	5	5	4
Total interest income	3	1	1	1	1	5	5	4
Commission income and other income	81	89	94	72	83	336	308	245
Total income	83	90	95	73	84	341	313	249
Staff costs	53	56	50	39	49	197	181	140
Administration costs	8	12	12	13	8	45	39	39
Other operating expenses	4	7	6	7	5	23	17	19
Total operating expenses	65	74	67	59	63	265	237	198
Result before tax	19	16	28	14	21	76	76	51



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 Nordvest and SpareBank 1 Søre Sunnmøre have by agreement acquired 9.9% of the shares of SpareBank 1 SMN Finans. The transaction was carried through as a placing that reflects the fair value of SpareBank 1 SMN Finans.

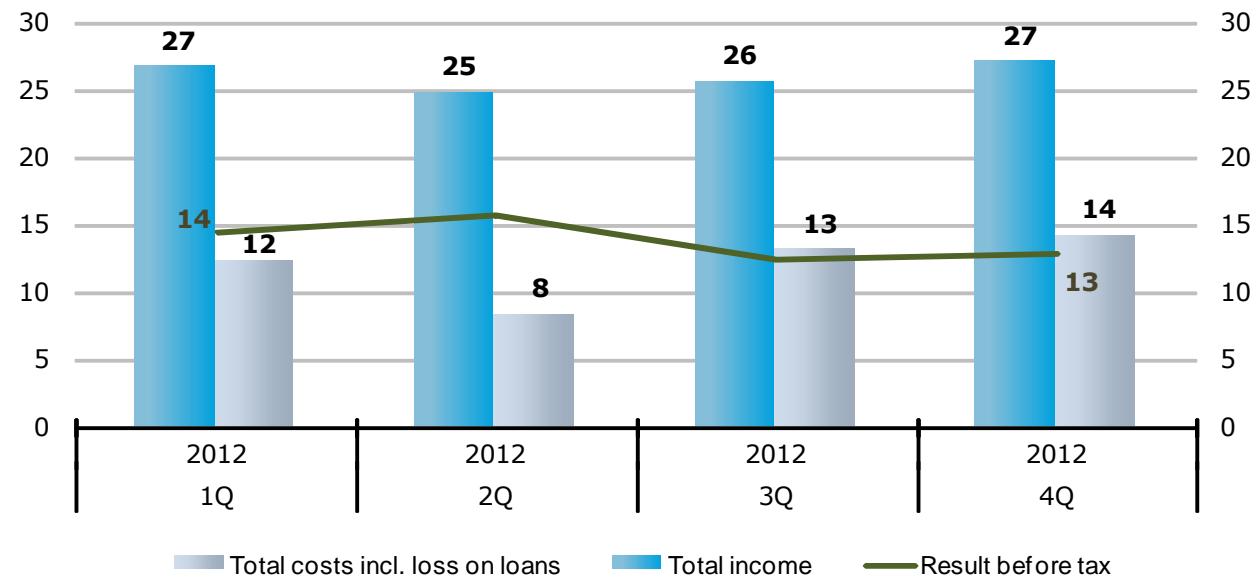
The subsidiary Bilplan AS was taken over by the parent bank in the fourth quarter. In the table below, Bilplan is not included in the numbers for 2012.

Financial performance

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Total interest income	31	29	28	30	23	118	94	93
Commission income and other income	-4	-3	-3	-3	0	-14	-1	5
Net profit on financial investments	-	-0	0	0	-1	-	-1	1
Total income	27	26	25	27	22	104	92	99
Staff costs	7	7	6	7	10	26	32	25
Administration costs	3	3	2	3	2	11	11	10
Other operating expenses	1	1	1	1	3	4	7	4
Total operating expenses	11	10	9	10	15	40	50	39
Ordinary operating profit	17	16	15	16	8	64	42	60
Loss on loans, guarantees etc.	4	3	-1	2	4	7	15	24
Total costs incl. loss on loans	14	13	8	12	18	48	65	64
Result before tax	13	12	16	14	4	56	27	35

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

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



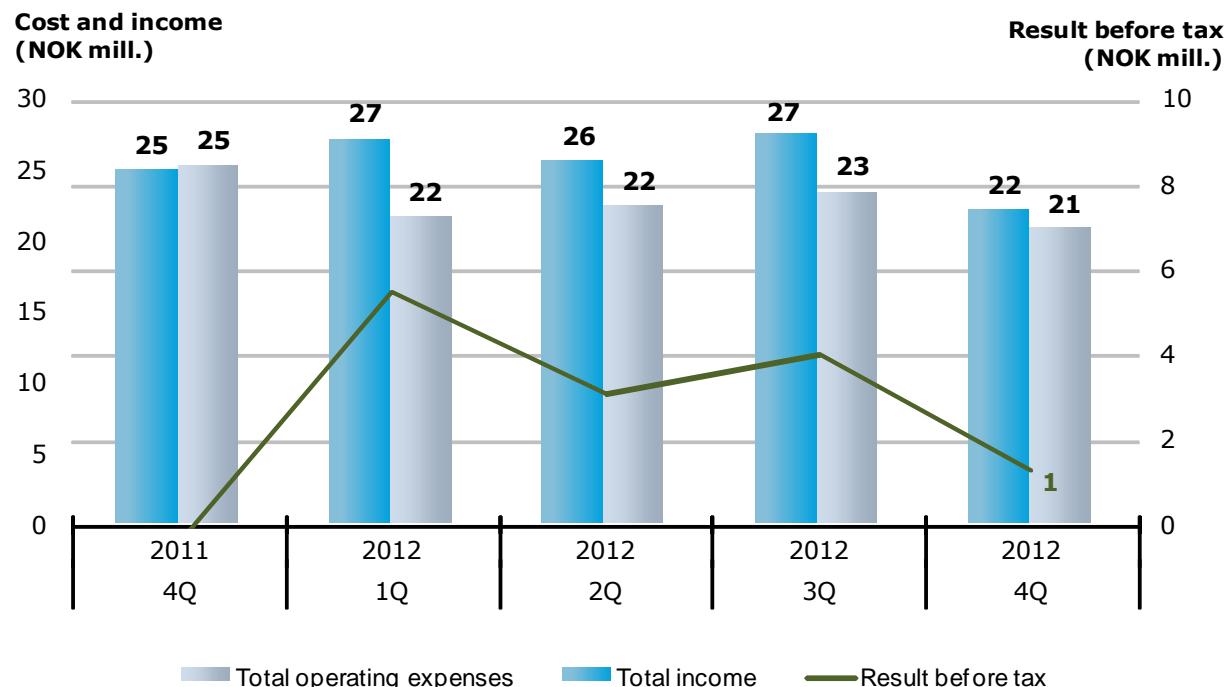
SpareBank 1 SMN Regnskap AS

SpareBank 1 SMN Regnskap is a wholly-owned subsidiary of SpareBank 1 SMN. With its head office in Trondheim and divisional offices in Heimdal, Stjørdal, Levanger, Verdal, Namsos, Steinkjer, Røros, and Rissa, the company has a strong local footing in Trøndelag. SpareBank 1 SMN Regnskap has about 140 staff members and 4,000 customers.

SpareBank 1 SMN Regnskap took over five accounting firms in 2012 and aspires to continued strong growth. It has in addition acquired a strategic owner position of 40% in the accounting chain Consis. The company's alliance partner Sparebanken Hedmark owns the other 60%.

Financial performance

(in NOK million)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Total interest income	0	0	-0	-0	-0	0	-0	0
Commission income and other income	21	27	26	26	25	100	79	51
Net profit on financial investments	1	0	0	1	-0	2	-	-0
Total income	22	27	26	27	25	102	79	51
Staff costs	14	18	17	18	17	67	56	30
Administration costs	3	2	3	1	3	11	8	5
Other operating expenses	4	3	2	2	5	11	10	5
Total operating expenses	21	23	22	22	25	88	74	40
Result before tax	1	4	3	6	-0	14	5	11



Allegro Finans AS

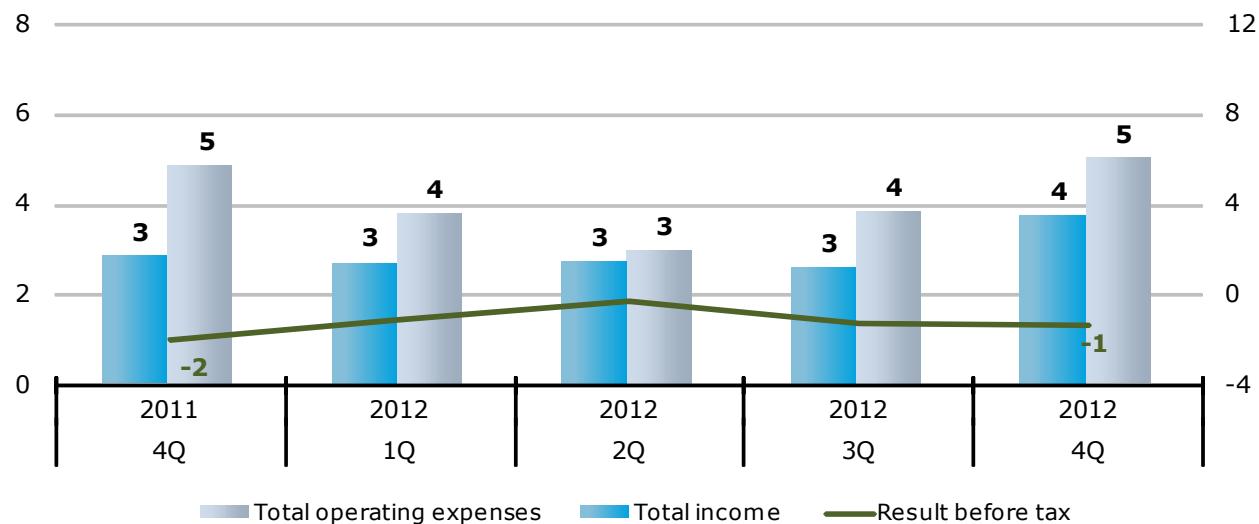
Allegro Finans, headquartered in Trondheim, is the largest management company in the region. The company is owned by SpareBank 1 SMN (90.1 per cent) and the Reitan Group (9.9 per cent). It is licensed to carry on active asset management. In addition to managing assets for its owners, it manages assets 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)	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011	31 Dec. 2012	2011	2010
Total interest income	0	0	0	0	0	1	1	1
Commission income and other income	3	2	3	3	3	11	12	19
Net profit on financial investments	-	-	-	-	-	-	-	-
Total income	4	3	3	3	3	12	12	20
Staff costs	2	2	1	2	2	8	9	10
Administration costs	2	1	1	1	2	5	5	5
Other operating expenses	1	1	1	1	1	3	3	2
Total operating expenses	5	4	3	4	5	15	18	18
Result before tax	-1	-1	-0	-1	-2	-4	-5	2

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

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



8. Development last ten years

Financial results

(in NOK million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net interest	871	877	974	1.024	1.139	1.350	1.325	1.317	1.392	1.477
Commission income and other income	332	443	537	580	671	610	756	855	919	1.139
Net return on financial investments	70	65	276	419	332	207	596	410	434	451
Total income	1.273	1.384	1.787	2.022	2.142	2.167	2.677	2.581	2.745	3.067
Staff costs	368	379	485	512	583	623	725	583	810	924
Other operating expenses	365	350	421	478	524	569	528	218	291	311
Total operating expenses	733	729	906	990	1.107	1.192	1.253	1.140	1.482	1.654
Result before losses	540	655	881	1.032	1.035	975	1.424	1.441	1.263	1.414
Loss on loans, guarantees etc.	229	81	-38	-84	-6	202	277	132	27	58
Result before tax	311	574	919	1.116	1.041	774	1.147	1.308	1.236	1.355
Tax charge	89	144	199	219	195	156	210	260	255	295
Net profit	222	430	720	897	846	617	937	1.022	1.024	1.077

Balance sheet

(in NOK million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cash and loans to and claims on credit institutions	1.417	1.541	2.123	2.323	3.878	4.548	1.260	2.531	4.075	4.091
CDs, bonds and other interest-bearing securities	2.481	2.566	4.133	5.602	7.246	12.036	19.302	22.948	21.485	25.614
Gross loans to customers before write-downs	32.553	34.226	45.280	52.819	59.178	64.016	61.782	69.847	73.105	74.943
- Specified write-downs	-380	-290	-236	-147	-116	-215	-219	-222	-172	-144
- Write-downs by loan category	-318	-314	-278	-184	-185	-244	-289	-290	-290	-295
Other assets	1.123	775	3.304	2.765	1.502	4.540	2.704	3.182	3.252	3.710
Assets	36.876	38.505	54.327	63.178	71.503	84.679	84.541	97.997	101.455	107.919
Deposits from credit institutions	1.114	48	1.029	2.766	5.346	9.000	11.310	13.062	9.118	7.410
Deposits from and debt to customers	19.876	20.725	27.048	30.136	32.434	35.280	37.227	42.786	47.871	52.252
Debt created by issue of securities	11.361	13.048	18.036	21.911	23.950	29.680	24.070	29.625	31.306	33.049
Other liabilities	769	822	2.876	1.799	2.265	2.045	1.876	1.922	2.122	2.054
Subordinated loan capital	1.560	1.347	1.667	2.383	2.648	3.156	3.875	2.758	2.690	3.040
Total equity capital	2.196	2.515	3.671	4.183	4.860	5.518	6.183	7.846	8.348	10.114
Total liabilities and equity	36.876	38.505	54.327	63.178	71.503	84.679	84.541	97.997	101.455	107.919

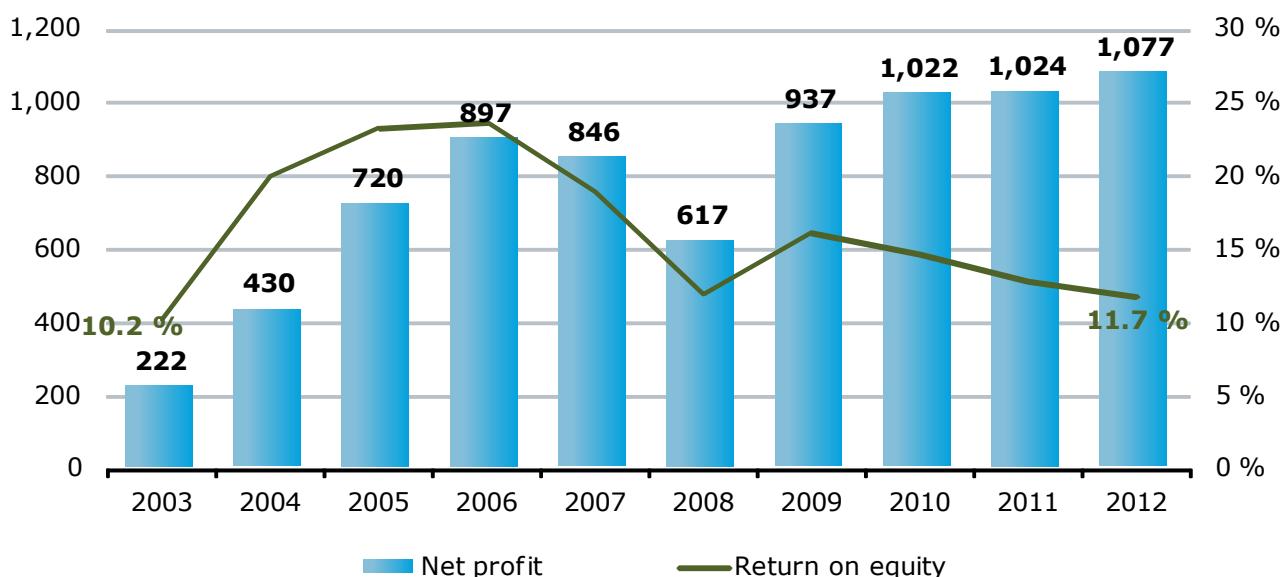
Key figures

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Return on equity	10,2 %	20,0 %	23,3 %	23,7 %	18,9 %	11,9 %	16,2 %	14,6 %	12,8 %	11,7 %
Cost/income ratio group	57,6 %	52,7 %	50,7 %	49,0 %	51,7 %	55,0 %	46,8 %	44,2 %	54,0 %	53,9 %
Cost/income ratio group, ex. financial inv.	55,3 %	60,0 %	61,7 %	61,1 %	60,8 %	60,2 %	52,5 %	52,5 %	64,1 %	63,2 %
Cost/income ratio parent bank	55,0 %	48,5 %	50,0 %	47,6 %	52,4 %	55,3 %	47,2 %	40,2 %	50,5 %	47,5 %
12-month cost growth	7,6 %	-0,5 %	24,3 %	9,3 %	11,8 %	7,9 %	4,9 %	-9,0 %	30,0 %	11,6 %
Gross loans to customers*	32.553	34.226	45.280	52.819	61.910	71.317	77.429	87.665	95.232	104.909
Gross loans in retail market	20.008	21.491	29.032	33.808	38.872	42.679	45.157	49.619	55.034	62.587
Gross loans in corporate market	12.545	12.735	16.248	19.011	23.038	28.638	32.272	38.046	40.198	42.322
Growth in loans last 12 months*	4,7 %	5,1 %	32,3 %	16,6 %	17,2 %	15,2 %	8,6 %	13,2 %	8,6 %	10,2 %
Deposits from customers	19.876	20.725	27.048	30.136	32.434	35.280	37.227	42.786	47.871	52.252
Deposits from retail market	11.252	11.256	14.080	15.408	16.070	17.566	17.898	19.052	20.860	22.279
Deposits from corporate market	8.624	9.469	12.968	13.967	16.363	17.715	19.330	23.734	27.011	29.973
Growth in deposits last 12 months	4,3 %	4,3 %	30,5 %	11,4 %	7,6 %	8,8 %	5,5 %	14,9 %	11,9 %	9,2 %
Ordinary lending financed by ordinary deposit	61,1 %	60,6 %	59,7 %	57,1 %	54,8 %	55,1 %	60,3 %	61,3 %	65,5 %	69,7 %
Total assets	36.876	38.505	54.327	63.178	71.503	84.679	84.541	97.997	101.455	107.919
Average total assets	36.862	36.965	47.753	56.434	67.202	75.820	86.679	91.317	98.465	105.372
Employees in employment group	713	637	806	841	931	982	1.016	1.035	1.098	1.135
Employees in employment parent bank	592	510	669	661	723	750	767	764	786	793
Employees in employment subsidiaries	121	127	137	180	208	232	250	271	312	342
Net other operating income of total income	26,1 %	32,0 %	30,1 %	28,7 %	31,3 %	28,2 %	28,2 %	33,1 %	33,5 %	37,1 %
Capital adequacy ratio	13,9 %	12,7 %	10,9 %	11,9 %	12,1 %	11,9 %	13,6 %	13,0 %	12,0 %	13,3 %
Core capital ratio	10,1 %	10,9 %	8,8 %	8,6 %	8,4 %	8,1 %	10,4 %	10,9 %	10,4 %	11,3 %
Total core capital	2.474	2.773	3.073	3.614	4.019	4.967	6.730	7.283	7.856	9.357
Net subordinated capital	3.407	3.239	3.808	5.229	5.762	7.312	8.730	8.646	9.055	10.943
Impairment losses ratio	0,86 %	-0,01 %	-0,09 %	-0,03 %	-0,01 %	0,21 %	0,31 %	0,16 %	0,03 %	0,06 %
Non-perf. commitm. as % of gross loans	1,40 %	1,03 %	0,78 %	0,41 %	0,39 %	0,46 %	0,49 %	0,57 %	0,36 %	0,36 %
Other doubtfull commitm. as % of gross loans	1,35 %	0,91 %	0,60 %	0,51 %	0,37 %	1,33 %	0,57 %	0,24 %	0,21 %	0,14 %

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

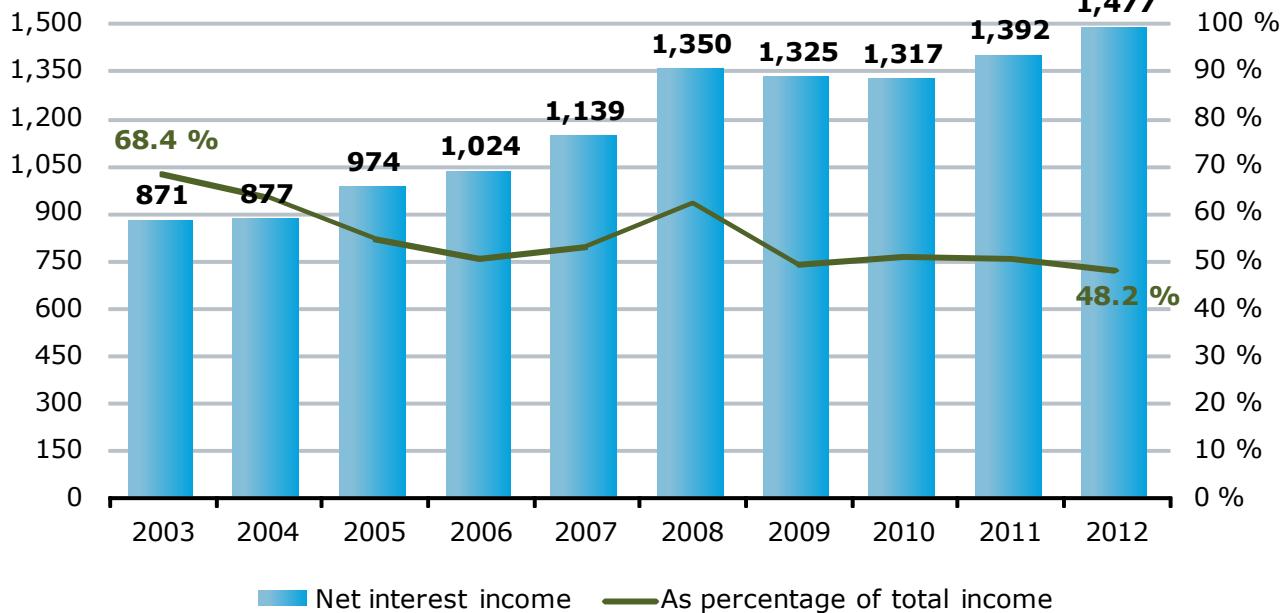
Net profit and return on equity

NOK mill.

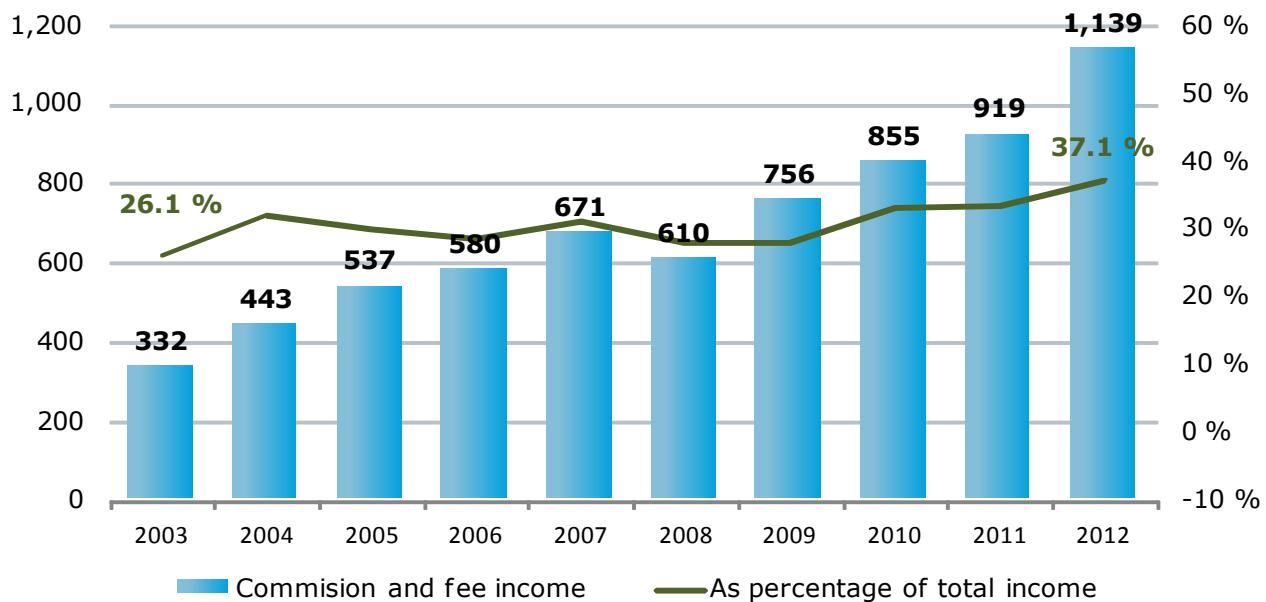


Development in net interest income

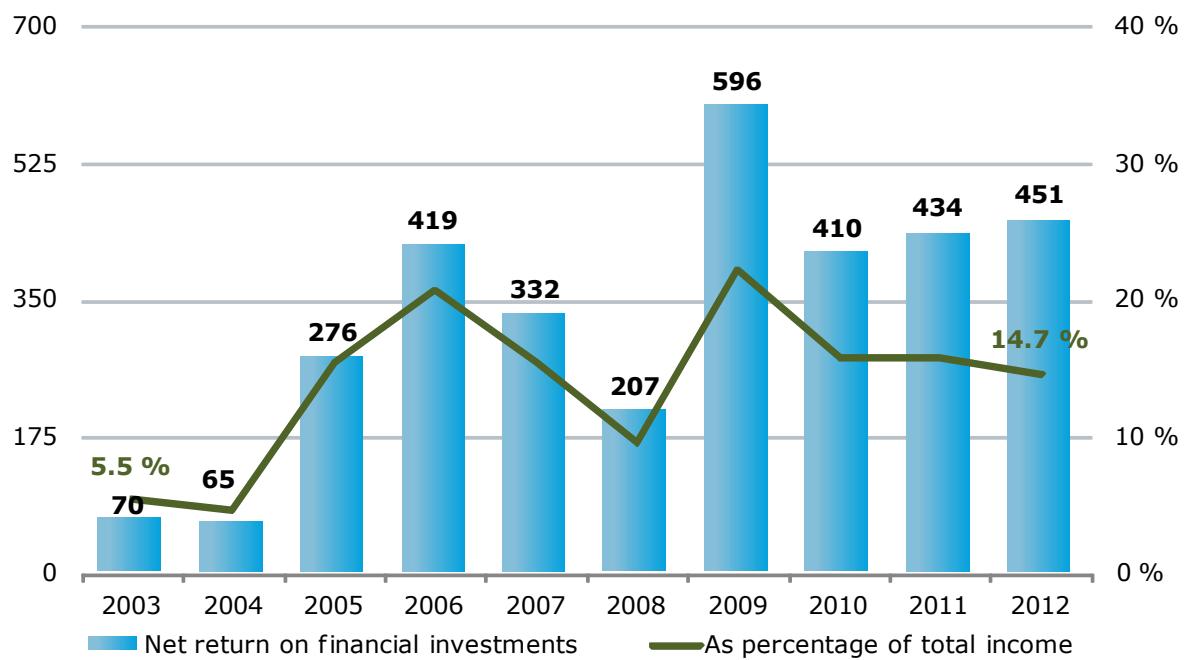
NOK mill.



Development in commission income and other income

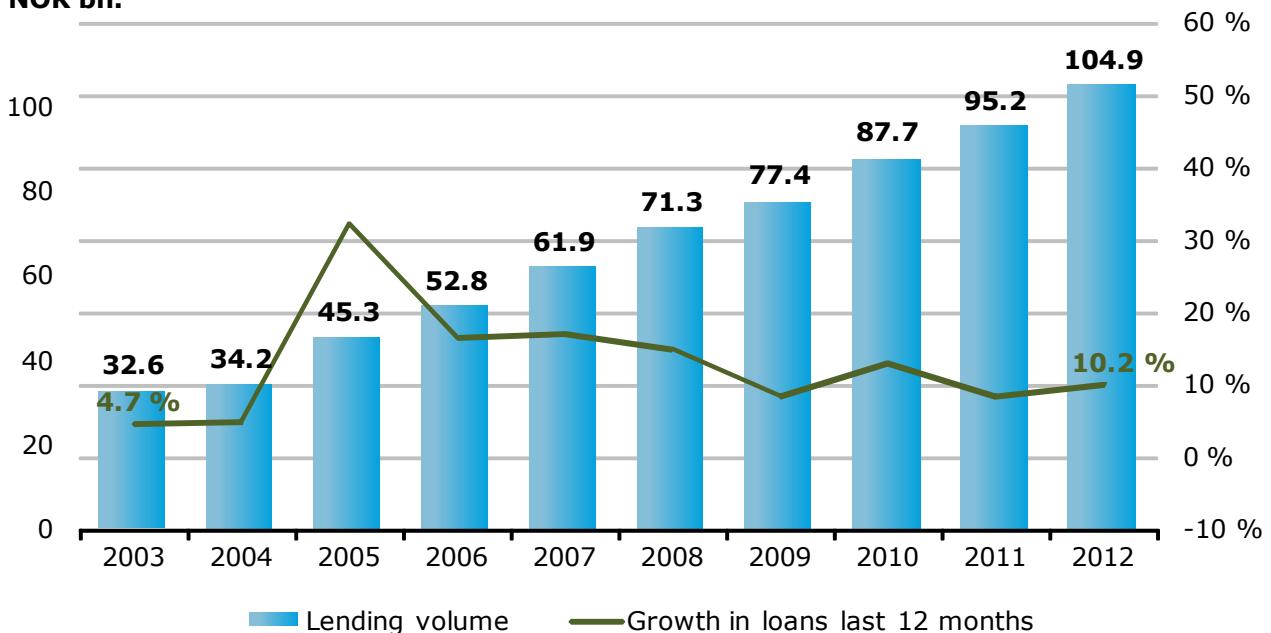


Development in net return on financial investments



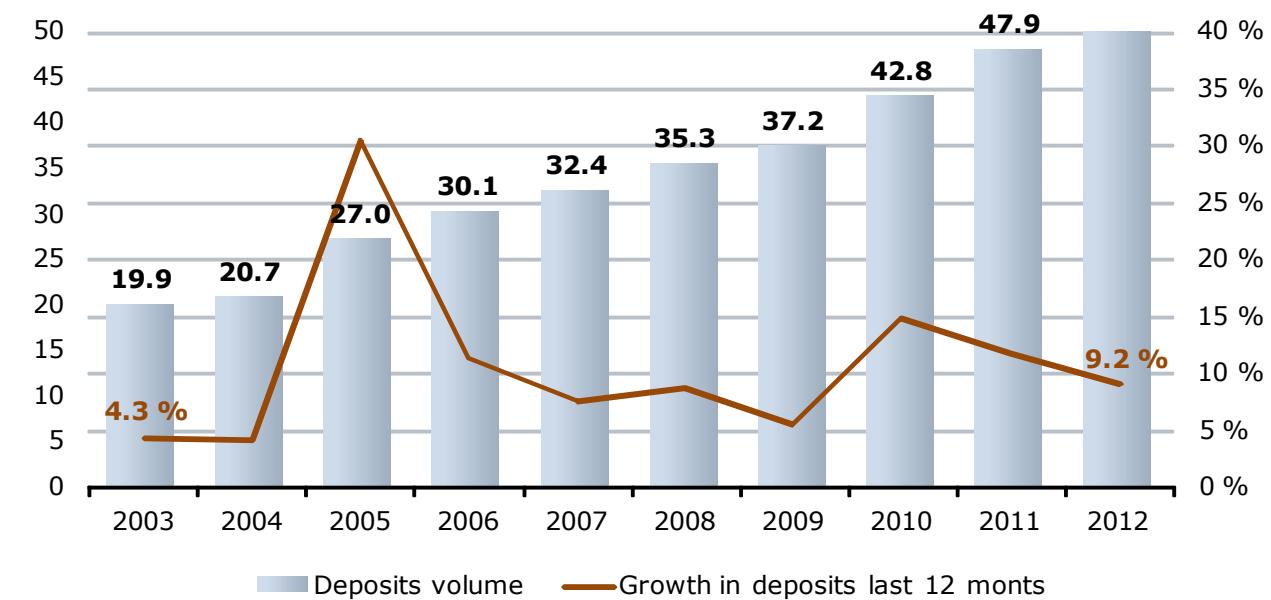
Volume development, Lending*

NOK bn.



Volume development, Deposits*

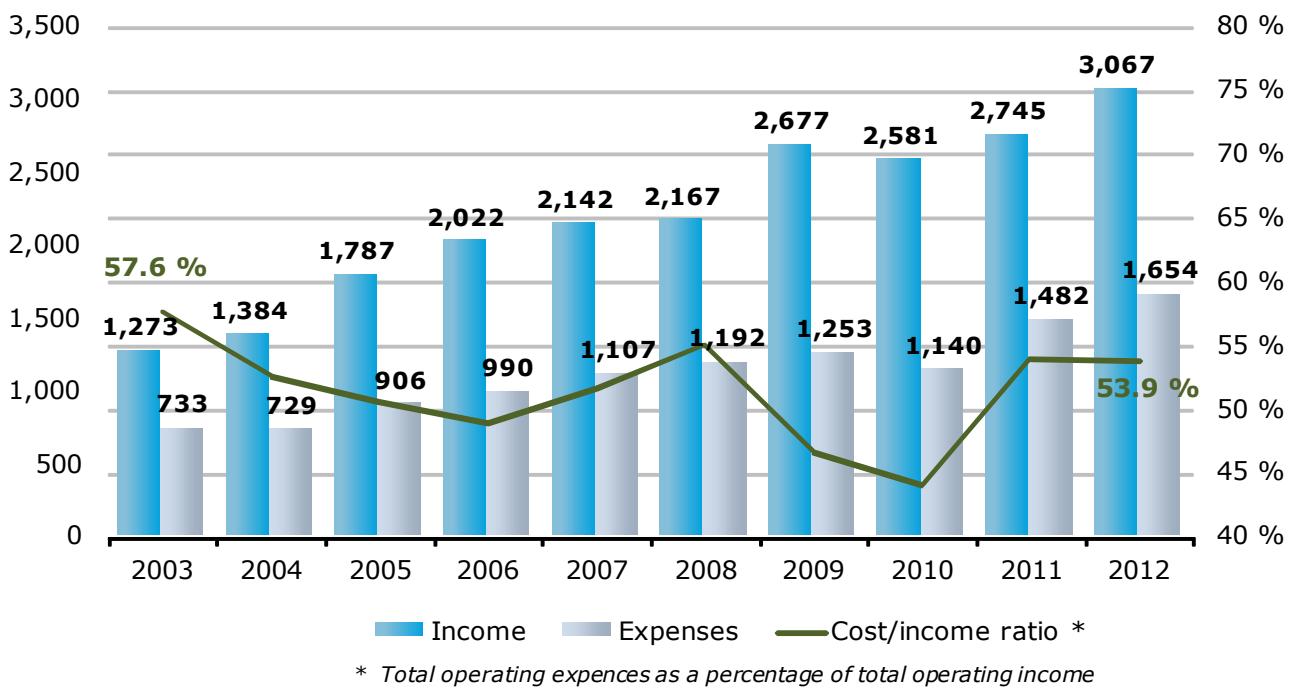
NOK bn.



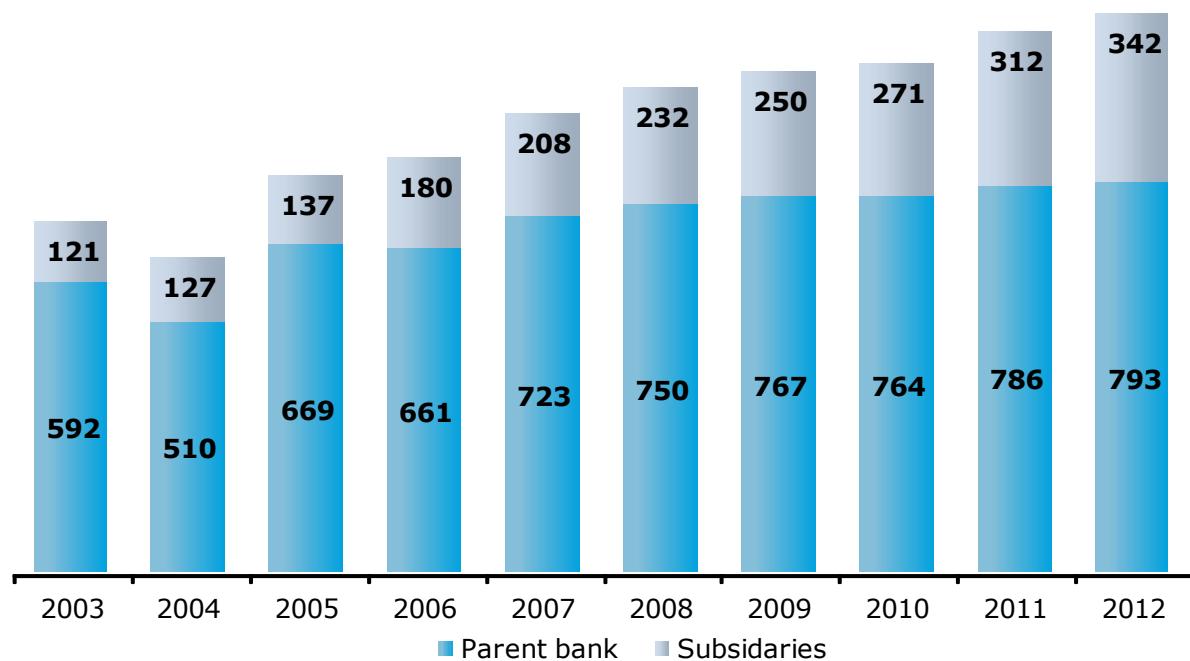
- *) The strong growth in 2005 in lending and deposits is related to the acquisition of 100 per cent of Romsdals Fellesbank.

Cost/income ratio

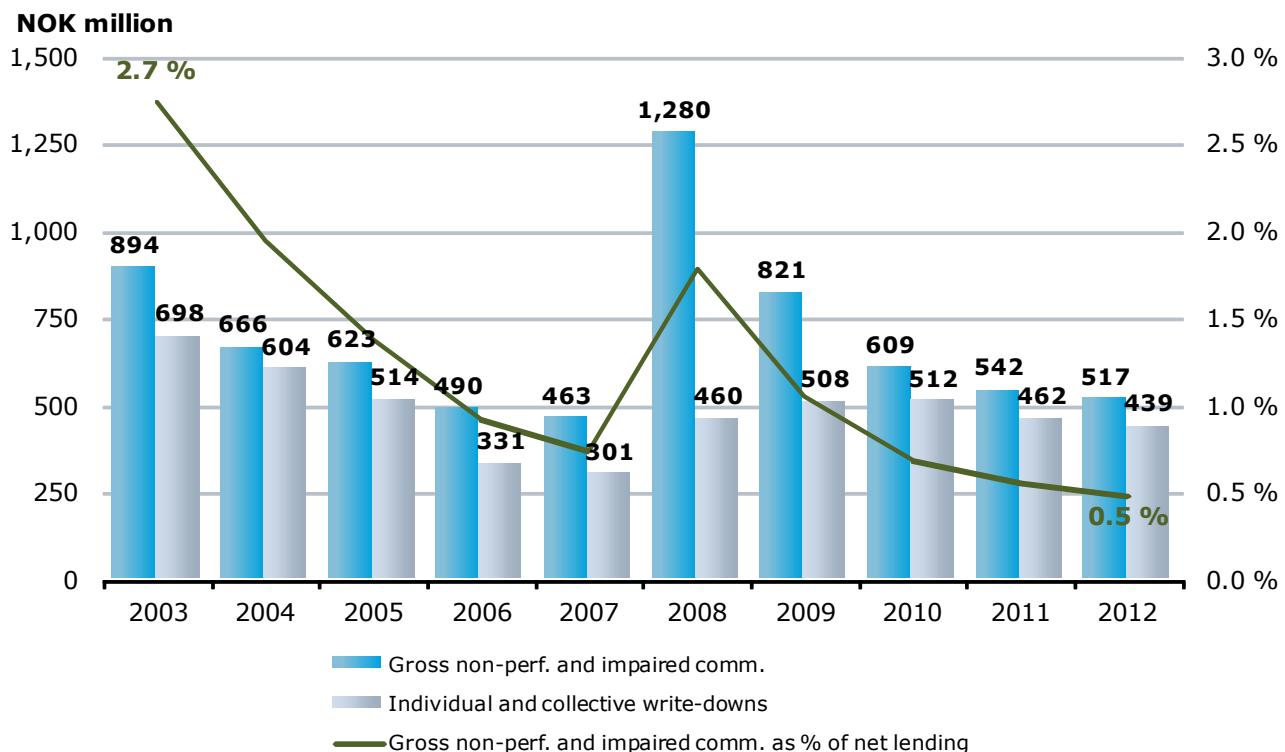
NOK mill.



Employees in employment



Net non-performing and impaired commitments



Capital Adequacy

