

Investor Relations

Supplementary information
Second Quarter 2017



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Information on the Internet

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

ECC information in general www.egenkapitalbevis.no

Financial Calendar 2017

3rd quarter 2017 26 October 2017

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1. SpareBank 1 SMN

1.1. Financial highlights

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

January- June 2017

- Profit before tax and inv. held for sale: NOK 961 million (NOK 930 million)
- Net profit: NOK 759 million (NOK 771 million)
- Return on equity: 9.9 per cent (10.9 per cent)
- 12-month growth in lending (incl. SB1 Boligkreditt and SB1 Næringskreditt): 8.5 per cent (6.5 per cent)
- 12-month growth in deposits: 12.7 per cent (1.3 per cent)
- Loan losses: NOK 175 million (NOK 287 million)
- Common equity tier 1 ratio: 15.0 per cent (14.1 per cent)
- Earnings per EC: NOK 3.65 (3.71)

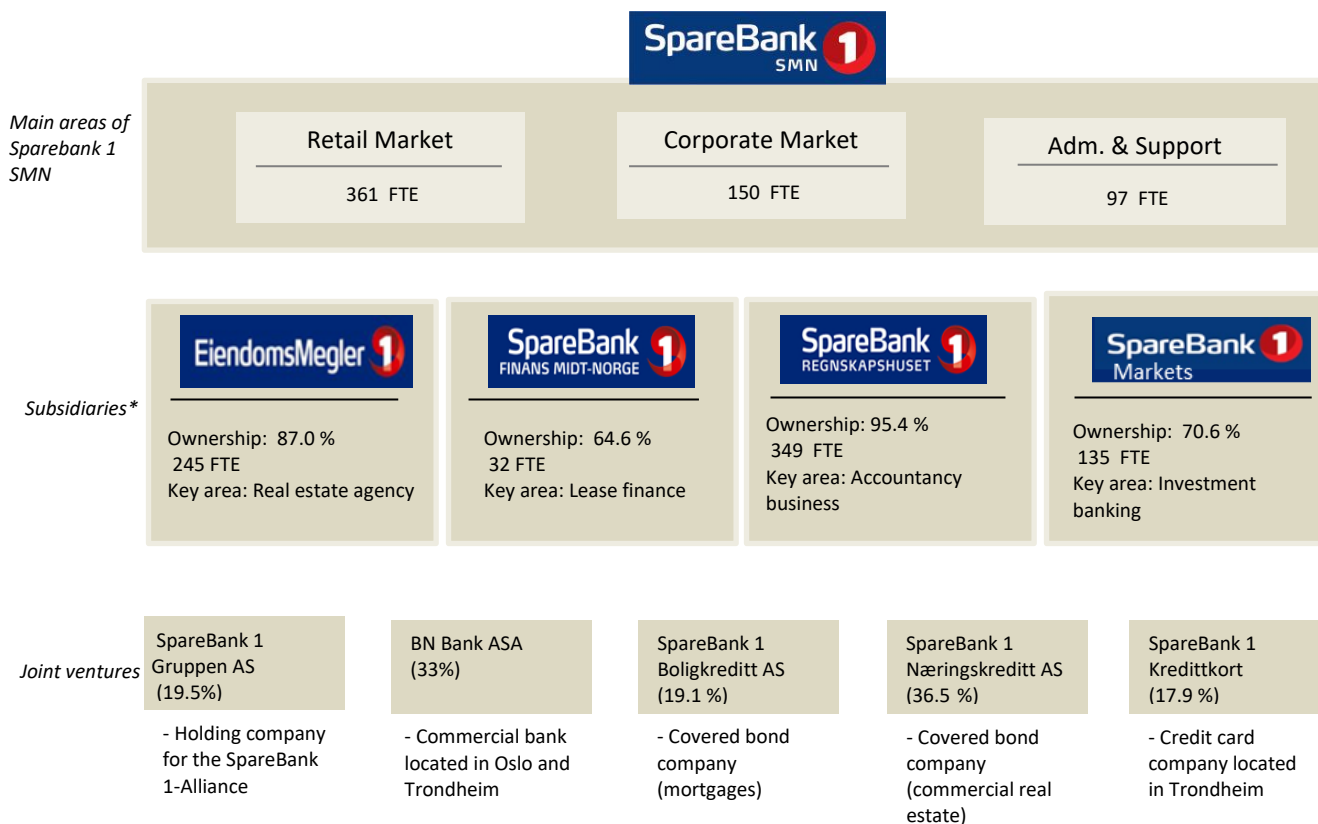
Second quarter 2017

- Profit before tax and inv. held for sale: NOK 507 million (NOK 546 million)
- Net profit: NOK 401 million (NOK 460 million)
- Return on equity: 10.5 % per cent (12.9 %per cent)
- Loan losses: NOK 86 million (NOK 118 million)
- Earnings per EC: NOK 1.92 (NOK 2.21)

1.2. Business description

SpareBank 1 SMN is Mid-Norway's largest bank with assets totalling NOK 149 billion at the end of June 2017. Head office is in Trondheim. SpareBank 1 SMN employs 1.408 FTEs (full time equivalents), including subsidiaries, and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

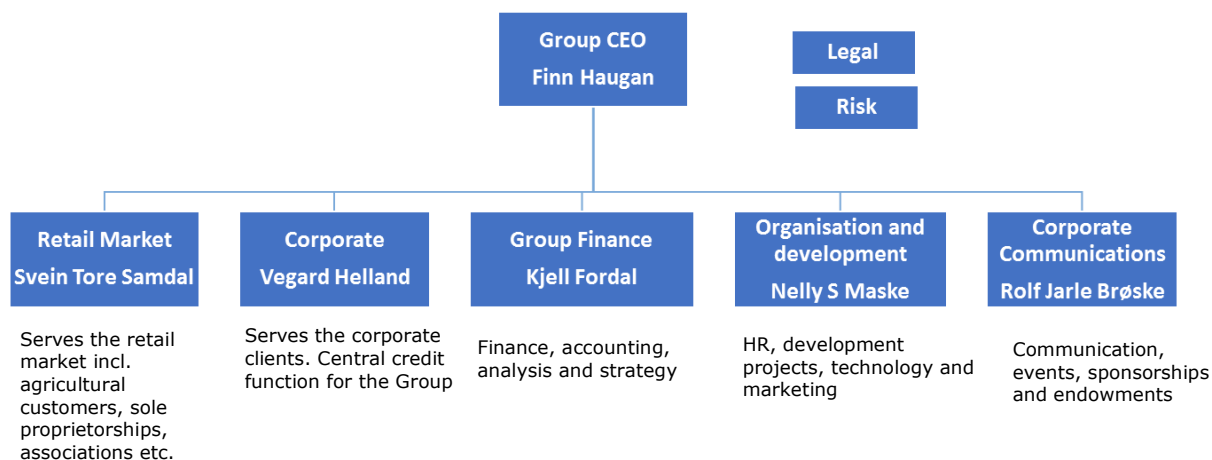
SpareBank 1 SMN's activities



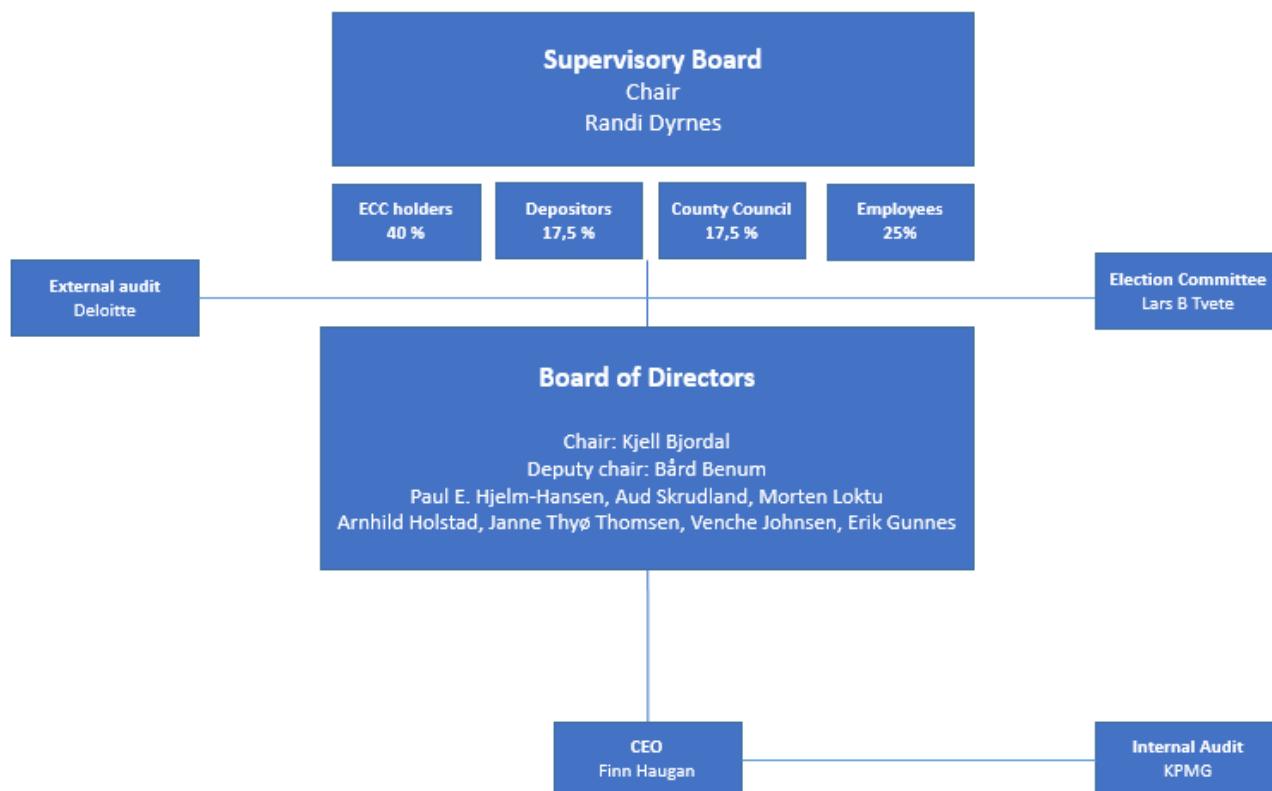
*In addition SpareBank 1 SMN has subsidiaries with activities covering asset management, investments in regional seed corn, venture and private equity funds, property companies and car fleet management. These subsidiaries account for 39 FTEs

Organisation of SpareBank 1 SMN

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

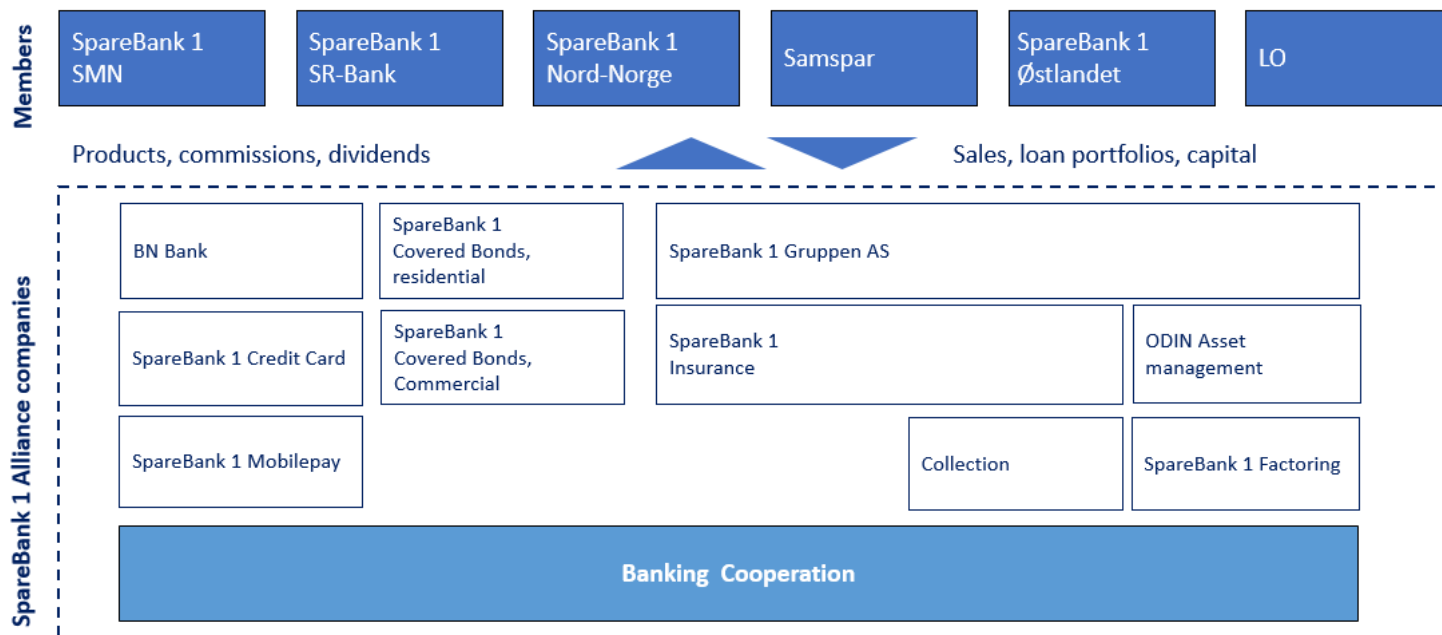


Overview of governing and control bodies

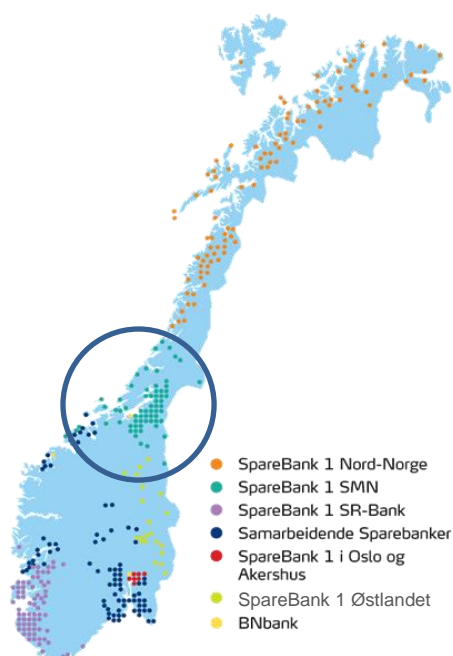


SpareBank 1 Alliance

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



*) LO: The Norwegian Confederation of Trade Unions



1.3. Credit ratings

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

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

1.4. Equity capital certificate (MING)

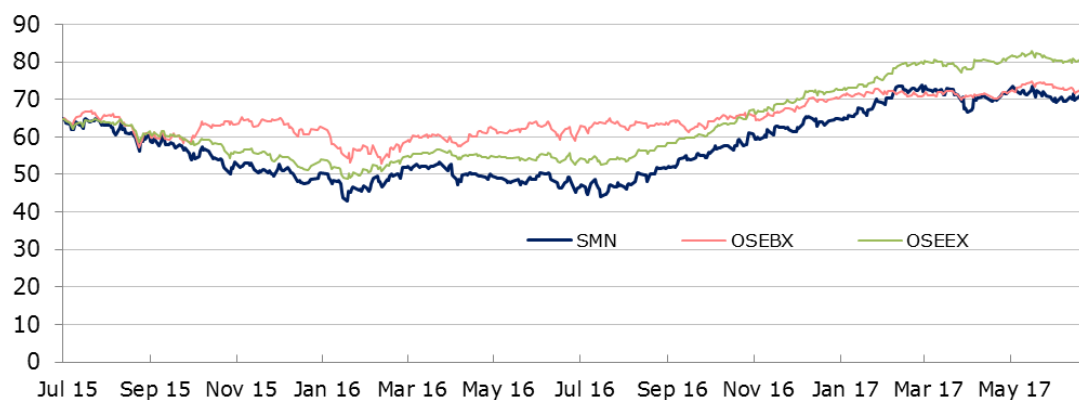
The key figures are corrected for issues.

30 June 2017 the price of the Bank's ECC was NOK 71.75 (NOK 46.70). Earnings per ECC were NOK 3.65 (NOK 3.71). Book value per ECC was NOK 73.85 (NOK 69.18) as of 30 June 2017.

Key figures

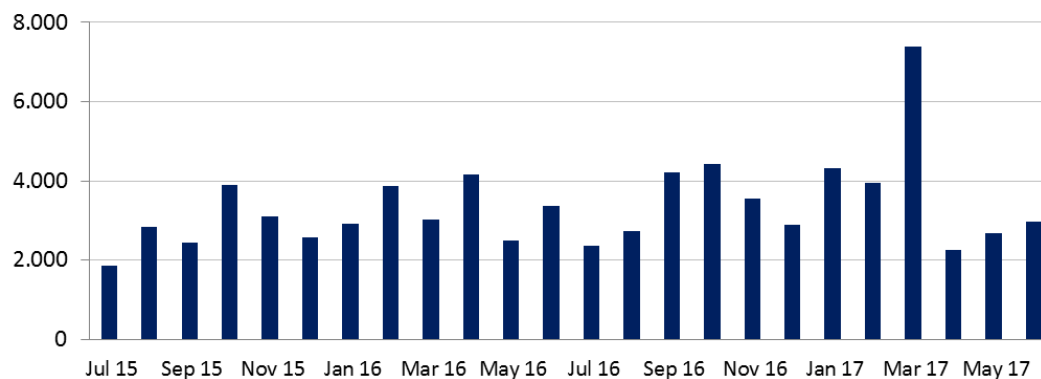
(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun.		2016	2015
ECC price	71.75	66.50	64.75	55.75	46.70	2017	2016	64.75	50.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	73.85	72.03	73.26	71.17	69.18	73.85	69.18	73.26	67.65
Adjusted profit per ECC	1.92	1.73	2.21	2.00	2.21	3.65	3.71	7.91	7.02
P/E per ECC (annualised)	9.34	9.59	7.34	6.98	5.27	9.82	6.30	8.19	7.19
P/B equity capital	0.97	0.92	0.88	0.78	0.68	0.97	0.68	0.88	0.75

Stock price compared with OSEBX¹⁾ and OSEEX²⁾
1 Jul 2015 to 30 Jun 2017



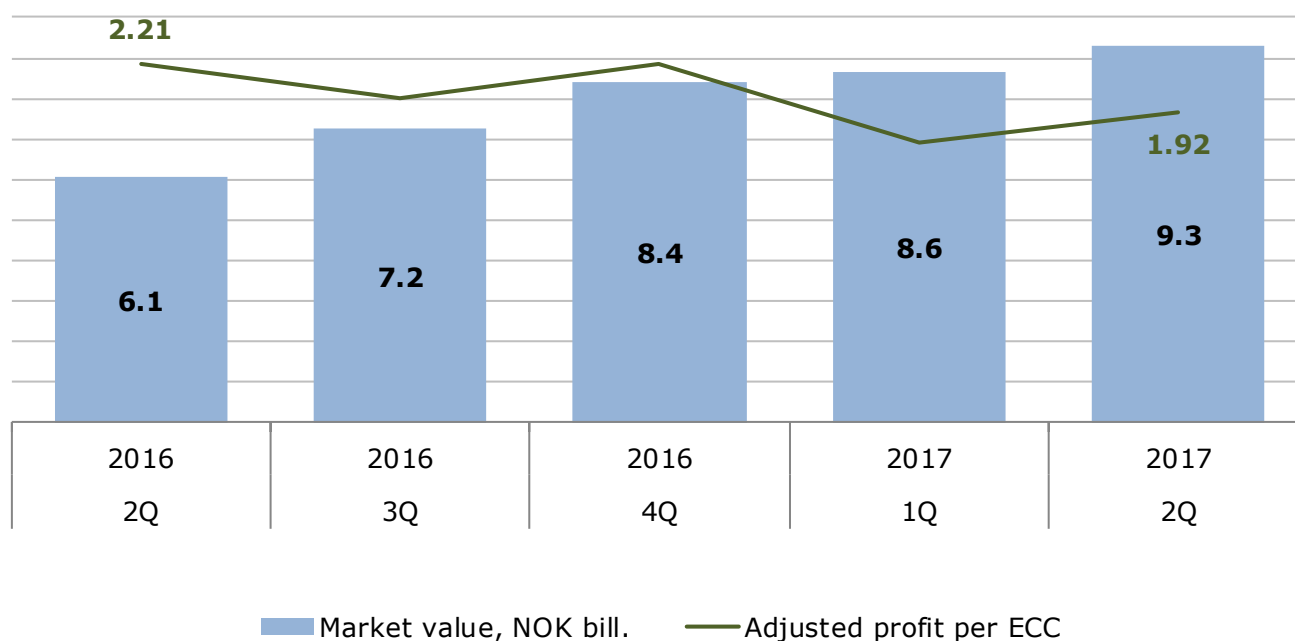
1) OSEBX = Oslo Stock Exchange Benchmark Index (rebased)
2) OSEEX = Oslo Stock Exchange ECC Index (rebased)

Trading statistics¹⁾
1 Jul 2015 to 30 Jun 2017



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

Market value and profit per ECC



Equity certificates ratio (parent bank)

(in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
ECC capital	2.597	2.597	2.597	2.597	2.597	2.597
Dividend equalisation reserve	4.487	4.487	4.487	3.790	3.790	3.790
Premium reserve	895	895	895	895	895	895
Unrealised gains reserve	81	81	81	142	142	179
Other equity	6	-	-	3	3	-
A. The equity certificate owner's capital	8.066	8.060	8.060	7.428	7.428	7.461
Saving bank reserve	4.498	4.498	4.498	4.105	4.105	4.105
Unrealised gains reserve	45	45	45	79	79	100
Other equity	3	-	-	2	2	-
B. The saving bank reserve	4.546	4.543	4.543	4.186	4.186	4.205
Provision for gifts	-	-	220	-	-	40
Recommended dividends	-	-	389	-	-	292
Equity ex. profit	12.612	12.603	13.212	11.614	11.614	11.998
Equity certificates ratio A/(A+B)	63.95%	63.95%	63.95%	63.96%	63.96%	63.96%

20 largest ECC holders

Owner	Number	Ownership in %
VPF Nordea Norge Verdi	6.641.381	5.12%
Verdipapirfondet DNB Norge (IV)	4.189.925	3.23%
Sparebankstiftelsen SMN	3.965.391	3.05%
VPF Odin Norge	3.826.686	2.95%
VPF Danske Invest Norske Aksjer Inst. II	3.369.028	2.59%
VPF Pareto Aksje Norge	2.620.377	2.02%
VPF Alfred Berg Gambak	2.024.604	1.56%
Pareto AS	1.821.202	1.40%
State Street Bank and Trust CO (nominee)	1.723.618	1.33%
Forsvarets Personellservice	1.717.046	1.32%
VPF Danske Invest Norske Aksjer Inst. I	1.697.323	1.31%
MSIP Equity	1.663.311	1.28%
JP Morgan Chase Bank (nominee)	1.661.137	1.28%
State Street Bank and Trust CO (nominee)	1.658.982	1.28%
MP Pensjon PK	1.568.771	1.21%
JP Morgan Chase Bank (nominee)	1.506.228	1.16%
VPF Nordea Kapital	1.474.454	1.14%
JP Morgan Chase Bank (nominee)	1.333.533	1.03%
VPF Nordea Avkastning	1.289.111	0.99%
State Street Bank and Trust CO (nominee)	1.235.165	0.95%
Total 20 largest shareholders	46.987.273	36.19%
Others	82.849.170	63.81%
Total	129.836.443	100.00%

ECC capital history

Year	Change	Change in ECC capital	Total ECC capital	No. of ECC's
1991	Placing	525	525	5.250.000
1992	Placing	75	600	6.000.000
2000	Employee placing	5	605	6.053.099
2001	Employee placing	5	610	6.099.432
2002	Employee placing	5	614	6.148.060
2004	Bonus Issue	154	768	7.685.075
2005	Placing	217	986	9.859.317
2005	Employee placing	24	1.009	10.097.817
2005	Split	-	1.009	40.391.268
2005	Bonus Issue	253	1.262	50.489.085
2007	Dividend Issue	82	1.344	53.752.203
2007	Employee placing	5	1.349	53.976.003
2008	Dividend Issue	91	1.440	57.603.748
2008	Employee placing	6	1.447	57.861.806
2009	Bonus Issue	289	1.736	69.434.167
2010	Placing	624	2.360	94.397.474
2010	Employee placing	13	2.373	94.905.286
2011	Issue	1	2.373	94.930.286
2012	Placing	95	2.468	123.407.456
2012	Employee placing	16	2.484	124.218.466
2012	Private placement	112	2.597	129.836.443

2. Financial results

2.1. Main figures

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	2016	2016	2015
Net interest	521	522	493	449	472	1.043	942	1.883	1.872
Commission income and other income	538	455	414	412	448	993	849	1.674	1.545
Net return on financial investments	131	138	228	274	271	269	443	944	459
Total income	1.191	1.115	1.134	1.134	1.191	2.306	2.234	4.502	3.876
Total operating expenses	598	571	482	504	528	1.169	1.016	2.003	1.931
Result before losses	593	544	652	630	664	1.137	1.217	2.499	1.945
Loss on loans, guarantees etc.	86	89	99	130	118	175	287	516	169
Result before tax	507	454	553	500	546	961	930	1.983	1.776
Tax charge	109	96	99	85	85	205	157	341	370
Results investments held for sale, after tax	3	0	7	-1	-1	2	-2	4	-1
Net profit	401	358	462	414	460	759	771	1.647	1.406

Balance sheet - condensed

Balance (in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
Total assets	149.449	142.042	138.080	139.815	141.145	131.914
Average total assets (quarterly)	145.746	140.061	138.948	140.480	137.745	130.575
Gross loans to customers *	143.800	140.038	137.535	134.462	132.583	127.378
Deposits from customers	75.559	70.176	67.168	66.290	67.031	64.090
Total equity capital	15.780	15.315	15.299	14.893	14.460	13.904

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

Key figures

	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	2016	2016	2015
Return on equity	10.5 %	9.4 %	12.2 %	11.3 %	12.9 %	9.9 %	10.9 %	11.3 %	10.7 %
Common Equity Tier 1 ratio	15.0 %	14.8 %	14.9 %	14.3 %	14.1 %	15.0 %	14.1 %	14.9 %	13.6 %
Cost/income ratio group	50%	51%	43%	44%	44%	51%	46%	44%	50%
Growth in loans incl Boligkreditt and Næringskreditt last 12 months	8.5 %	8.1 %	8.0 %	6.6 %	6.5 %	8.5 %	6.5 %	8.0 %	5.8 %
Growth in deposits last 12 months	12.7 %	9.9 %	4.8 %	4.2 %	1.3 %	12.7 %	1.3 %	4.8 %	5.6 %
Deposits-to-loan ratio incl Boligkreditt and Næringskreditt last 12 months	53%	50%	49%	49%	51%	53%	51%	49%	50%
Impairment losses ratio	0.24%	0.26%	0.29%	0.39%	0.36%	0.25%	0.44%	0.39%	0.14%
Non-performing commitm. as % of gross loans	0.18%	0.15%	0.16%	0.16%	0.19%	0.18%	0.19%	0.16%	0.16%
ECC price	71.75	66.50	64.75	55.75	46.70	71.75	46.70	64.75	50.50
Booked equity capital per ECC (incl. dividend)	73.85	72.03	73.26	71.17	69.18	73.85	69.18	73.26	67.65
Adjusted profit per ECC	1.92	1.73	2.21	2.00	2.21	3.65	3.71	7.91	7.02

2.2. Net interest income

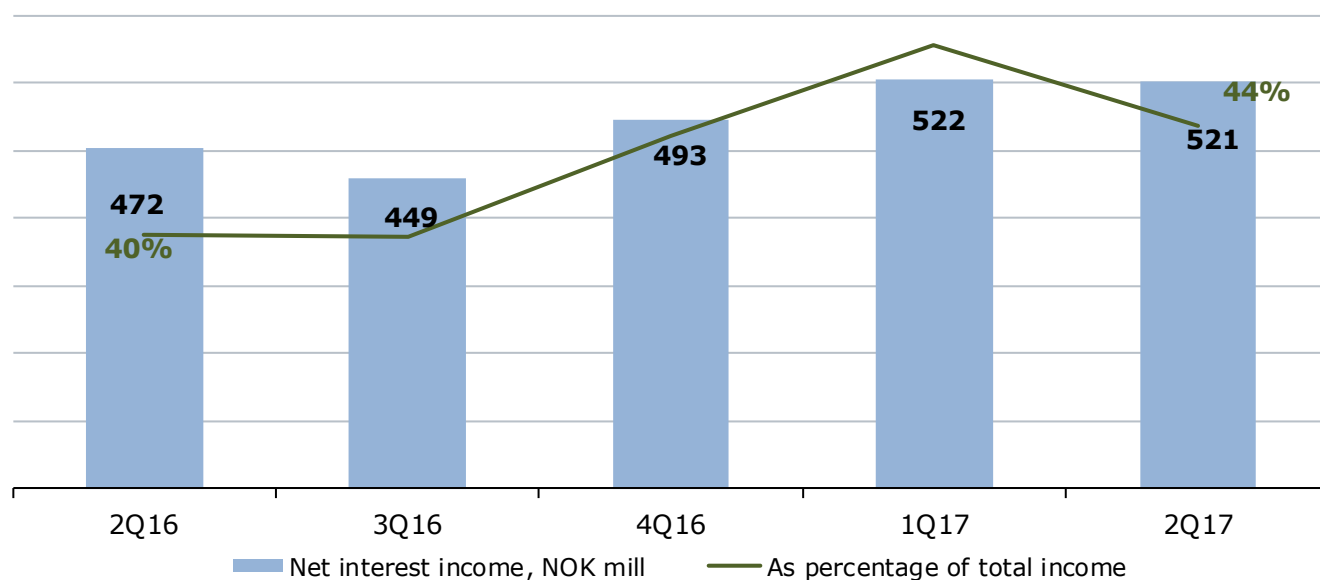
Net interest income

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	30 Jun. 2016	2016	2015
Interest income	945	931	917	874	896	1.877	1.806	3.597	4.031
Interest expenses	424	409	424	425	424	833	864	1.714	2.159
Net interest income	521	522	493	449	472	1.043	942	1.883	1.872

As percentage of total income	44%	47%	43%	40%	40%	45%	42%	42%	48%
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Margins on loans sold to Sparebank 1 Boligkreditt and Sparebank 1 Næringskreditt are recorded as commission income. See part 2.3. Commission Income

Development in net interest income



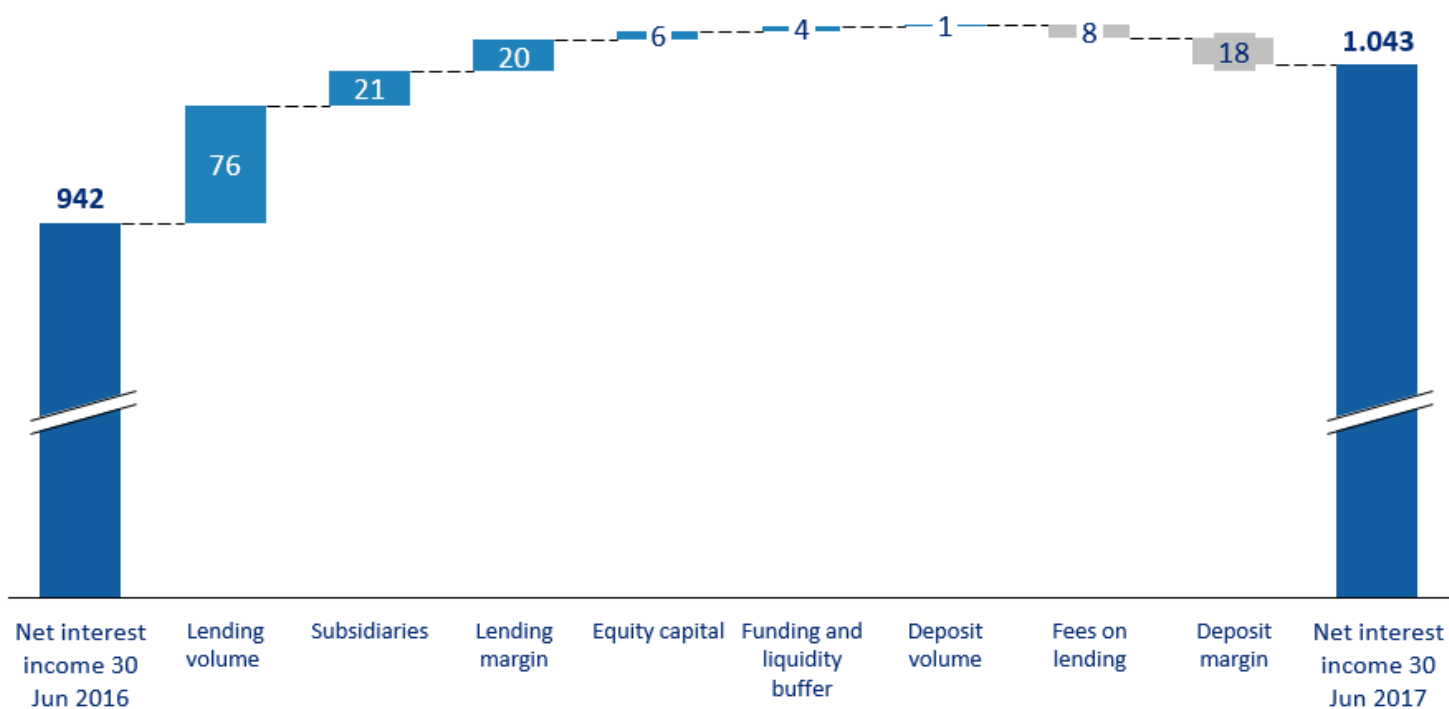
Changes in interest income from lending and deposits, last 12 months

(in NOK million)	Volume	Margin	Total
Lending	76	20	96
Deposits	1	-18	-17
Total	77	2	79

Changes in net interest income

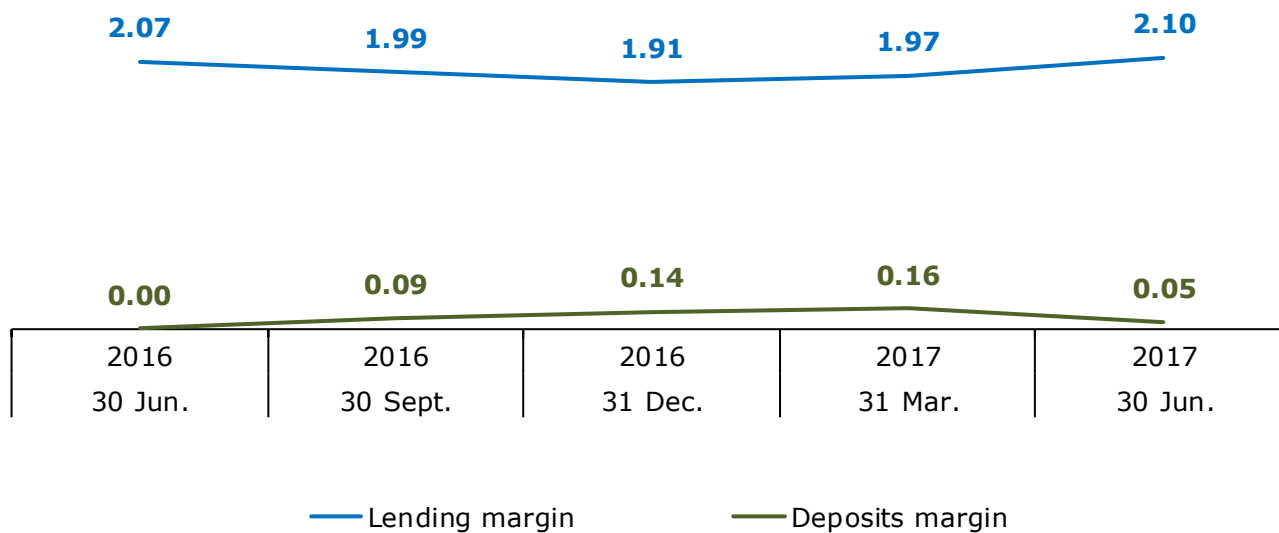
(in NOK million)

	2017	30 Jun. Change	2016
Net interest income	1.043	102	942
Equity capital		6	
Lending volume		76	
Fees on lending		-8	
Deposit margin		-18	
Subsidiaries		21	
Deposit volume		1	
Lending margin		20	
Funding and liquidity buffer		4	
Change		102	



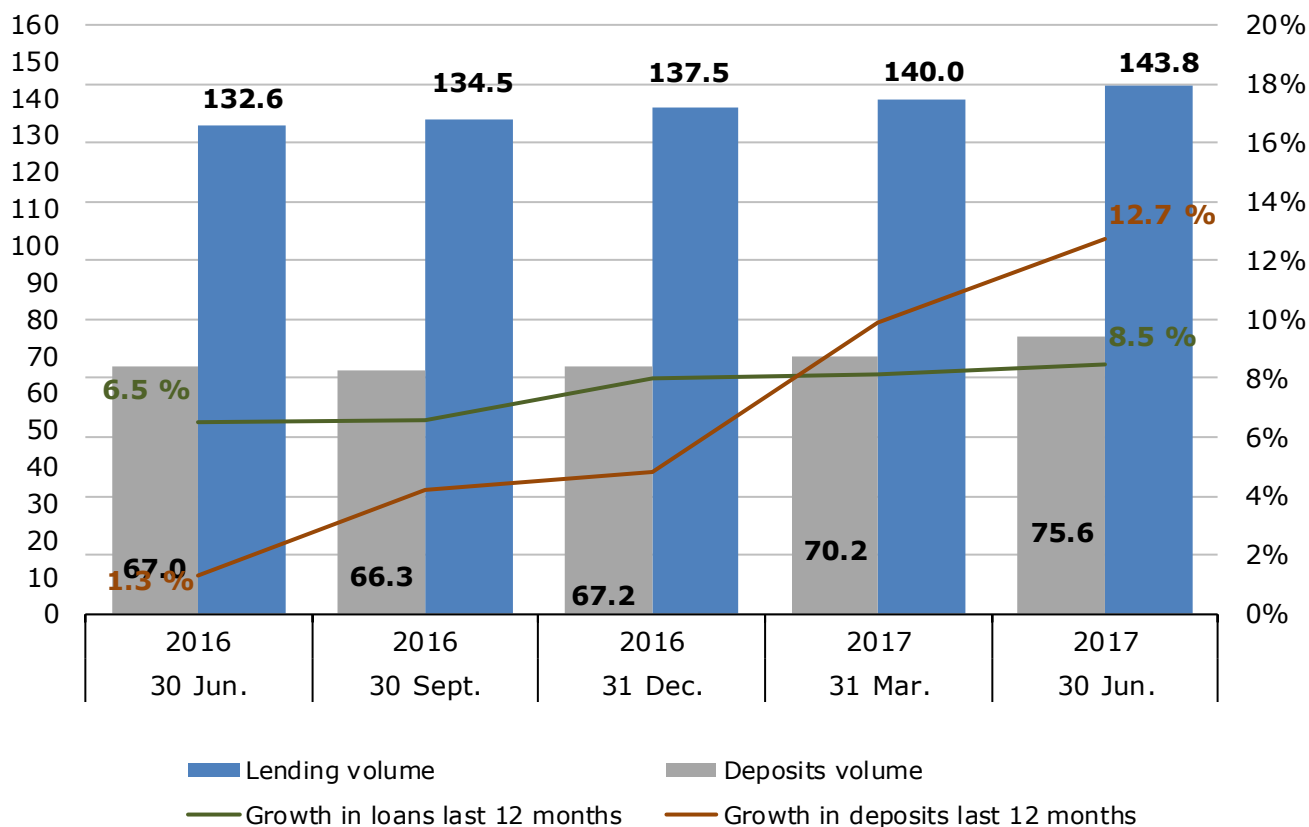
Margin development

Definition margin: Average customer interest minus 3 months average nibor



Volume development

NOK bn.

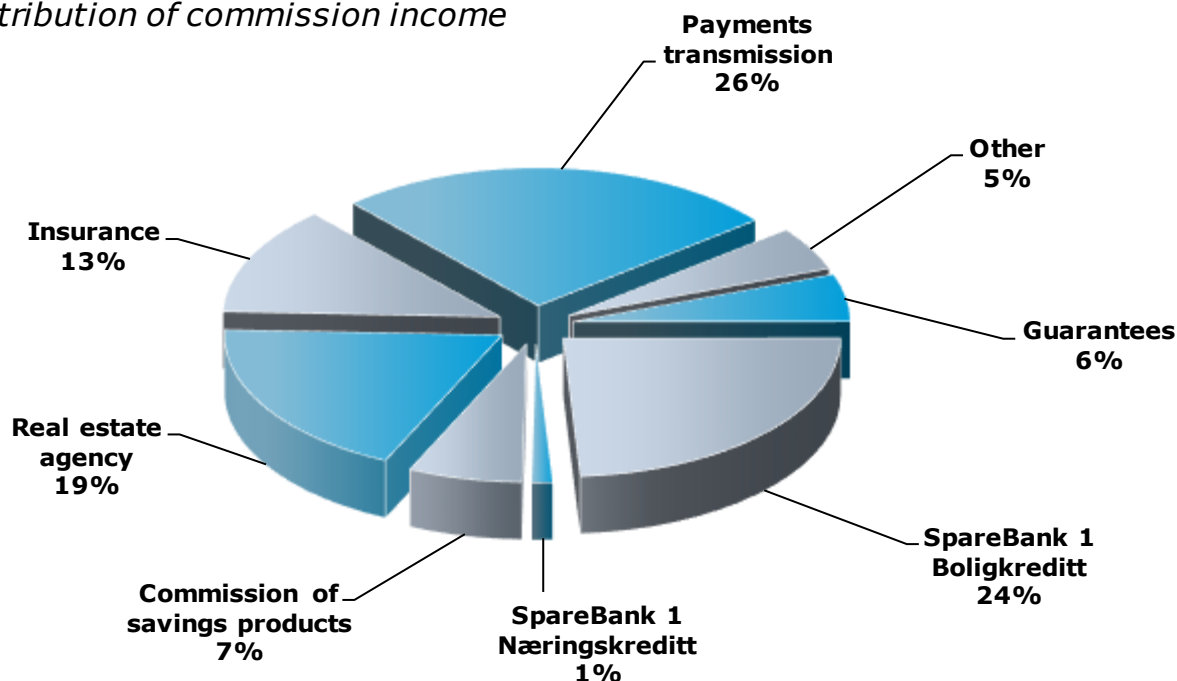


2.3. Commission income

Total commission and other income

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	2016	2016	2015
Guarantees	17	19	15	21	19	36	40	76	80
SpareBank 1 Boligkreditt	86	72	60	67	73	158	144	271	326
SpareBank 1 Næringskreditt	4	4	4	3	3	8	5	12	8
Commission of savings products	23	20	19	19	18	44	37	74	68
Real estate agency	68	55	55	65	74	123	127	247	212
Insurance	43	41	40	40	40	84	79	159	156
Payments transmission	89	82	92	97	88	171	166	355	344
Other	19	14	15	15	16	34	28	57	50
Total commissions income	349	308	300	326	331	658	626	1.251	1.245
Operating- and sales income real estate	35	31	22	35	38	66	63	121	108
Accounting services	97	93	45	38	69	190	119	202	182
Other operating income	95	58	81	47	47	153	105	234	145
Total other operating income	227	182	149	120	154	409	287	556	435
Commission expenses	38	35	35	34	36	74	64	133	135
Total commissions and other income	538	455	414	412	448	993	849	1.674	1.545
As percentage of total income	45%	41%	37%	36%	38%	43%	38%	37%	40%

Distribution of commission income



Change in commission and other income

(in NOK million)	2017	30 Jun. Change	2016
Total	993	144	849
Real estate agency		-4	
Other operating income		48	
Operating- and sales income real estate		2	
Accounting services		71	
Insurance		5	
Commission of savings products		7	
Commission expenses		-9	
Other		6	
Payments transmission		5	
Guarantees		-4	
SpareBank 1 Boligkreditt		14	
SpareBank 1 Næringskreditt		3	

Net return on financial investments

incl investments held for sale

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2017	2017	2016	2016	2016	2017	2016	2016	2015
Dividends	3	1	1	13	73	4	74	88	25
SpareBank 1 Gruppen	68	66	97	79	80	134	141	317	251
SpareBank 1 Boligkreditt	-13	-24	-26	-13	-2	-37	22	-17	80
SpareBank 1 Næringskreditt	5	8	8	5	7	13	15	29	30
BN Bank	20	29	7	28	31	50	51	86	41
SpareBank 1 Kredittkort	5	2	3	6	8	7	14	24	21
SpareBank 1 Mobilbetaling	-1	-13	-8	-9	-3	-14	-9	-27	-2
Other companies	12	3	0	5	5	14	11	15	26
Income from investment in associates and joint ventures	96	71	82	102	126	167	244	427	447
Capital gains shares						34	69		
Gain on derivatives						-3	21		
Gain on other financial instruments at fair value (FVO)						15	20		
Foreign exchange gain						19	28		
Gain on certificates and bonds						187	3		
Gain on financial instruments related to hedging						-152	-17		
Net return on financial investments*	35	66	153	157	71	100	124	434	-14
Total net return on financial investments	134	138	235	272	270	272	441	949	458
As percentage of total income	11%	12%	21%	24%	23%	12%	20%	21%	12%

*New specification of net return on financial investments as of June 2017, historical figures have not been prepared

Change in net return on financial investments

(in NOK million)	2017	30 Jun. Change	2016
Total	272	-170	441
Dividends		-69	
Income from investment in related companies, incl. inv. held for sale		-77	
Capital gains shares		-35	
Gain on derivatives		-24	
Gain on other financial instruments at fair value (FVO)		-4	
Foreign exchange gain		-9	
Gain on certificates and bonds		184	
Gain on financial instruments related to hedging		-135	

2.4. Operating expenses

Operating expenses

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Salary	286	253	275	229	259	539	488	991	833
Pension costs (defined benefit plan)	23	28	-77	19	19	52	37	-20	71
Employer's insurance contributions	3	3	2	4	4	5	7	13	14
Other personnel expenses	50	60	50	43	37	110	82	175	176
Total personnel expenses	362	345	251	294	318	706	613	1159	1093
EDP and telecommunication expenses	69	69	57	65	66	138	130	252	240
Postage and transportation services	6	6	6	5	6	12	12	22	22
Marketing	23	24	30	23	25	47	45	98	96
Operating exp. on properties and premises	23	26	31	26	27	49	48	109	100
Other external services	28	27	33	29	26	55	52	108	105
Other operating expenses	40	30	49	38	36	70	46	156	171
Depr./write-downs of fixed & intangible assets	47	44	25	25	24	92	70	98	104
Other expenses	236	227	231	210	209	463	403	844	838
Total operating expenses	598	571	482	504	528	1.169	1.016	2.003	1.931

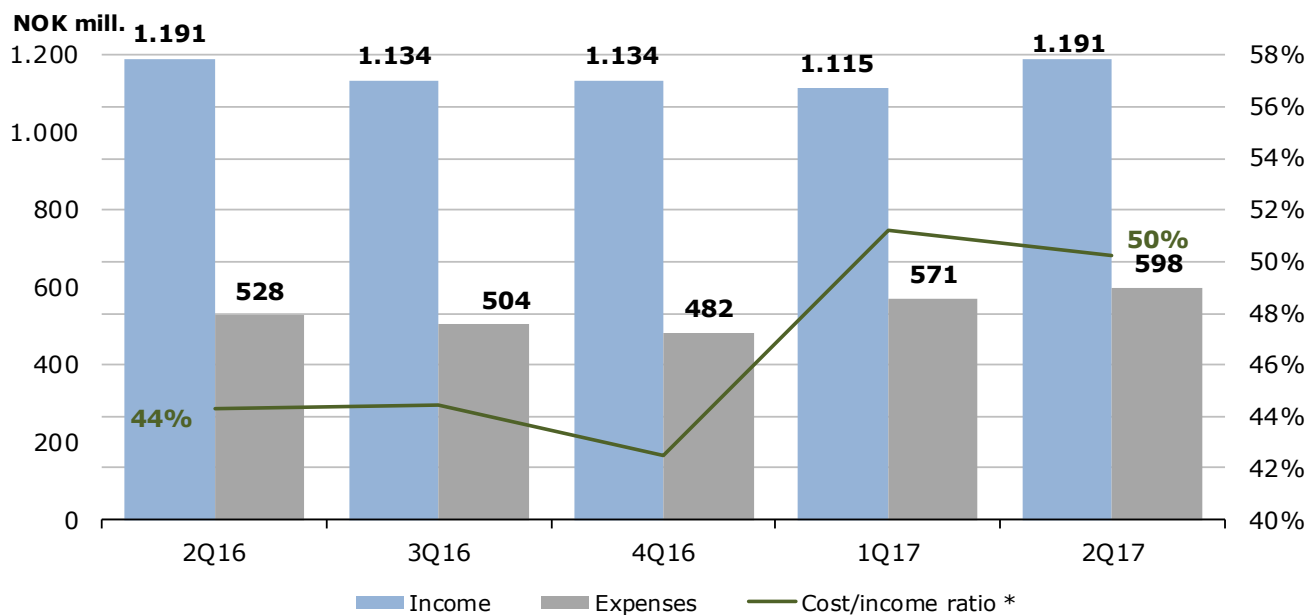
Cost/income ratio	50%	51%	43%	44%	44%	51%	46%	44%	50%
Cost/income ratio ex financial inv.	56%	58%	53%	59%	57%	57%	57%	56%	57%
12-month cost growth*	13.3 %	16.8 %	-6.4 %	8.1 %	6.4 %	15.0 %	6.9 %	3.7 %	8.1 %

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

Change in operating expenses

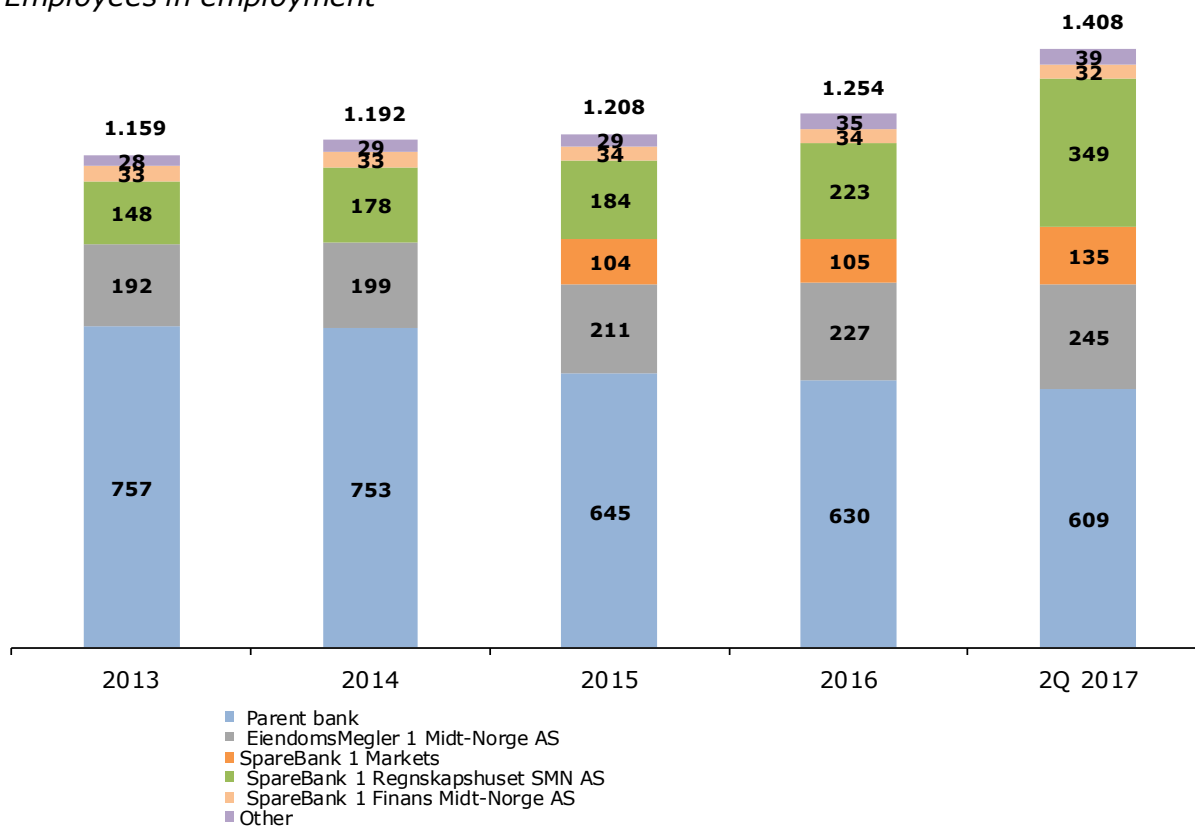
(in NOK million)	2017	30 Jun. Change	2016
Total	1.169	153	1.016
Total personnel expenses		93	
Depr./write-downs of fixed & intangible assets		22	
EDP and telecommunication expenses		8	
Other operating expenses		24	
Operating exp. on properties and premises		1	
Other external services		3	
Marketing		2	
Postage and transportation services		-0	

Cost/income ratio



* Total operating expenses as a percentage of total operating income

Employees in employment



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

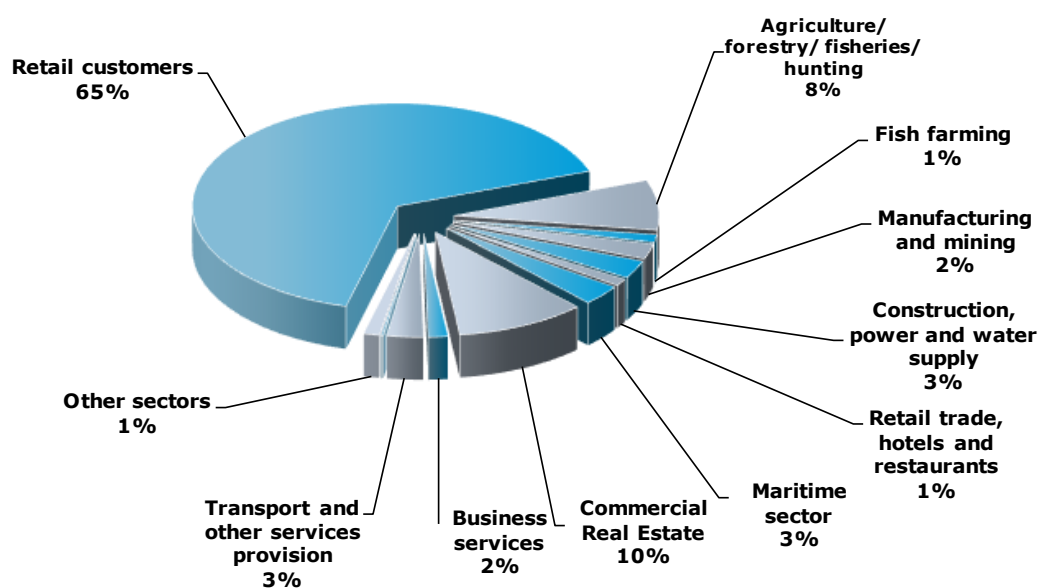
3. Loans to customers

3.1. Distribution of loans by industry

Distribution of loans by industry

(in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
Agriculture/ forestry/ fisheries/ hunting	11.213	10.679	10.499	9.607	9.357	8.674
Fish farming	1.708	1.700	1.985	1.738	2.044	1.807
Manufacturing and mining	3.415	3.113	2.985	2.977	2.823	2.675
Construction, power and water supply	4.018	3.335	3.532	3.684	3.432	3.598
Retail trade, hotels and restaurants	1.589	2.735	2.510	2.482	2.591	2.666
Maritime sector	4.532	4.863	4.983	5.027	5.407	6.066
Commercial Real Estate	14.749	14.115	13.744	13.761	14.110	14.346
Business services	2.230	2.100	2.072	2.174	2.119	1.777
Transport and other services provision	4.142	3.840	3.836	3.893	3.829	3.355
Public administration	282	291	288	269	186	211
Other sectors	1.819	1.924	1.700	1.463	1.512	1.477
Gross loans in corporate market	49.698	48.696	48.133	47.074	47.411	46.653
Retail customers	94.101	91.343	89.402	87.388	85.171	80.725
Gross loans incl. Boligkr. and Næringskr.	143.800	140.038	137.535	134.462	132.583	127.378
- Adv. of this Boligkreditt	34.181	33.757	33.142	32.930	32.952	31.944
- Adv. of this Næringskreditt	2.261	2.164	2.069	1.963	1.841	1.460
Gross loans in balance sheet	107.358	104.117	102.325	99.569	97.790	93.974
Share of loans, corporate market	35%	35%	35%	35%	36%	37%
Share of loans, retail market	65%	65%	65%	65%	64%	63%

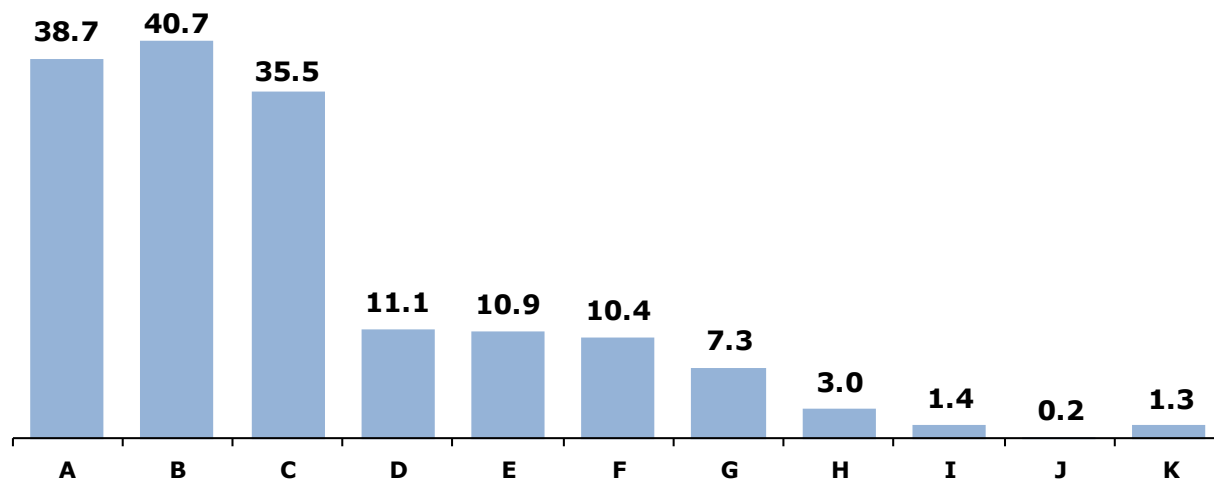
Distribution of loans by industry



3.2. Risk profile and write-downs

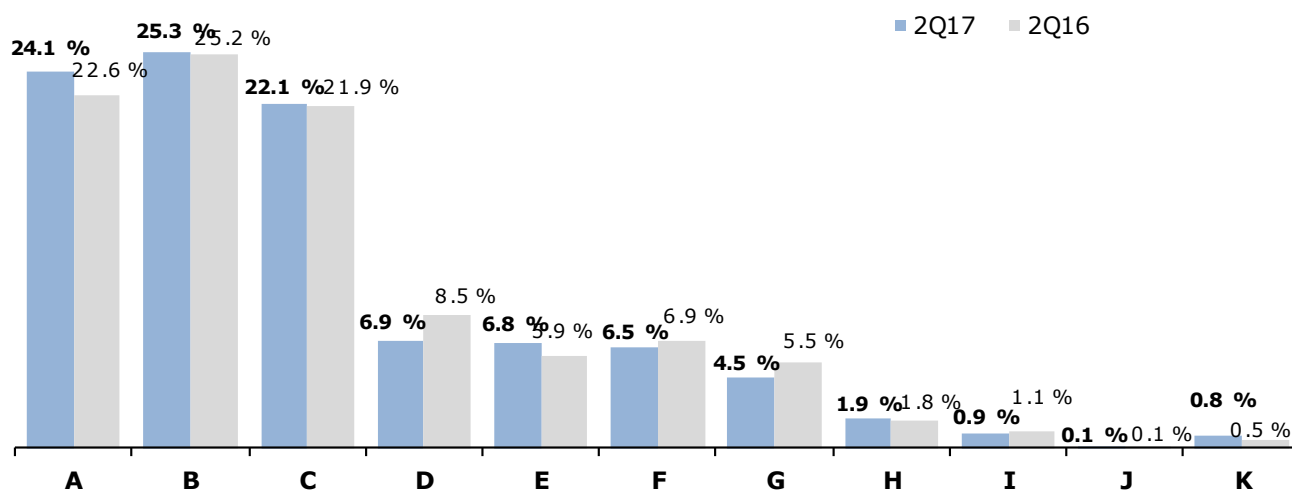
Actual risk profile, Exposure At Default

NOK billion



Actual risk profile, Exposure At Default

Per cent



Risk classification in SpareBank 1 SMN

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

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

* Probability of default

Write-downs on loans and guarantees

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Increase in and new individual write-downs	55	-73	77	147	215	-18	230	454	11
Reassessments and recoveries	29	152	74	9	12	181	16	99	76
Total individual write-downs	84	79	152	156	226	163	246	554	87
Change in group write-downs on loans	2	11	-53	-26	-109	12	42	-38	82
Write-downs on loans and guarantees	86	89	99	130	118	175	287	516	169
As % of gross loans incl. Boligkreditt	0.24%	0.26%	0.29%	0.39%	0.36%	0.25%	0.44%	0.39%	0.14%

Loss on loans by segment

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	1	0	3	3	-2	1	7	13	11
Corporate*	80	76	146	149	226	156	234	530	71
SMN Finans and other	4	2	2	4	3	6	5	11	6
Collective write downs*	2	11	-53	-26	-109	12	42	-38	82
Total loss on loans	86	89	99	130	118	175	287	516	169

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

Individual and collective write-downs

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	2016	2016	2015
Individual write-downs to cover loss on loans, guarantees at start of period	570	638	562	415	200	638	184	184	173
Write downs of loans previously subject to individual write down	23	79	1	-1	-3	103	8	8	22
Reversal of previous years' write downs	-2	-8	-14	-14	-5	-10	-10	-39	-46
Increase in write downs of commitments not previously subject to individual write down	56	8	118	167	229	64	243	528	102
Confirmed losses in the period on loans, guarantees etc., prev. subject to ind. write down	-23	-148	-29	-5	-6	-170	-10	-44	-67
Individual write downs to cover loss	625	570	638	562	415	625	415	638	184
Collective write downs to cover loss on loans, guarantees at start of period	349	339	391	418	527	339	376	376	295
Period's collective write down to cover loss on loans, guarantees etc.	2	11	-53	-26	-109	12	42	-38	82
Collective write downs to cover loss on loans, guarantees	351	349	339	391	418	351	418	339	376

Loans and guarantees by industry

	Total	Very low risk	Low risk	Medium risk	High risk	Very high risk	Default and written down
Wage earners	95.486	81.938	8.885	3.068	696	694	205
Public administration	1.212	1.212	-	-	-	-	0
Agriculture and forestry	11.945	7.616	2.457	1.558	162	112	40
Sea farming industries	2.281	1.649	362	269	2	-	-
Manufacturing	3.935	440	1.071	2.009	336	52	27
Construction, power and water supply	4.628	909	1.330	2.013	249	88	40
Retail trade, hotels and restaurants	3.503	582	1.103	1.549	190	36	44
Maritime sector	628	39	208	331	0	50	-
Property management	15.623	9.191	2.629	2.744	725	300	34
Business services	3.954	896	879	1.825	280	30	44
Transport and other services provision	9.487	3.723	2.155	2.157	352	34	1.066
Finance	-	-	-	-	-	-	-
Other sectors	7.729	6.664	948	117	0	-	-
2Q17	160.411	114.858	22.026	17.639	2.992	1.396	1.499
2016	155.065	108.123	21.643	18.875	2.766	1.702	1.956
2015	148.680	97.588	25.632	19.231	3.838	1.746	645

Write-down ratio

(in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
Non-performing commitments (gross)	258	211	214	221	255	205
Impaired commitments (gross)	1.151	1.078	1.474	1.360	1.198	399
Gross non-performing and impaired commitments	1.409	1.289	1.688	1.581	1.453	604
Individual write-downs	625	570	638	562	415	184
Collective write-downs	351	349	339	391	418	376
Write-down ratio (%)	69.3 %	71.3 %	57.9 %	60.3 %	57.3 %	92.5 %

Default in excess of 90 days

NOK million



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

— Retail > 90 d

Default in excess of 90 days

NOK million



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

— Corporates* > 90 d

3.3. Capital adequacy

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

As of 30 June 2017 the capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement is 3.0 per cent and the Norwegian countercyclical buffer is 1.5 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital, so that the overall minimum requirement on CET1 capital is 11.5 per cent. In addition the financial supervisory authority has set a Pillar 2 requirement of 2.1 per cent for SpareBank 1 SMN, effective as from the fourth quarter of 2016. The total minimum requirement on CET1 capital is accordingly 13.6 per cent.

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

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

Parts of the group's hybrid capital and subordinated debt were issued under earlier rules. This will be subject to a write-down of 40 per cent in 2016 and 50 per cent in 2017. The write-down will increase by another 10 per cent per year thereafter. As at 30 June 2017 the bank held hybrid capital worth NOK 450 million subject to write-down. For subordinated debt the figure NOK 675 million. The financial supervisory authority may require the hybrid capital to be written down in proportion to equity capital if the bank's CET1 capital ratio falls below 5.125 per cent.

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

Methods for calculating minimum requirements

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

Capital Adequacy

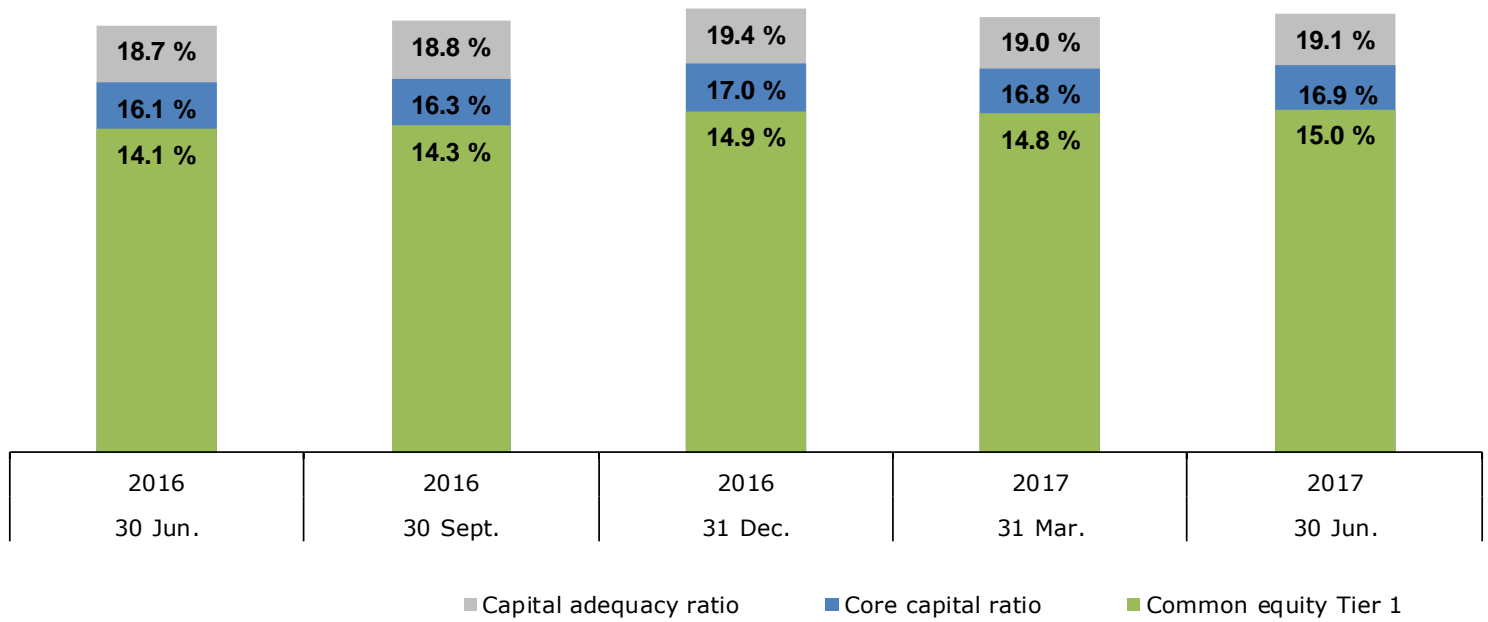
(in NOK million)

	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
Total book equity	15.780	15.315	15.299	14.893	14.460	13.904
Hybrid capital included in total equity	-264	-267				
Deferred taxes, goodwill and other intangible assets	-872	-853	-741	-758	-715	-662
Part of reserve for unrealised gains, associated companies	117	117	117	119	169	264
Deduction for allocated dividends and gifts	0	0	-609	0	0	-332
Non-controlling interests recognised in other equity capital	-514	-443	-425	-411	-403	-318
Non-controlling interests eligible for inclusion in CET1 capital	241	223	220	211	203	132
Surplus financing of pension obligations	0	0	0	-94	-94	-43
Net profit	-759	-358	0	-1.185	-771	0
Year-to-date profit included in core capital (50 per cent pre tax of group profit in 2017)	380	179	0	830	540	0
Value adjustments due to requirements for prudent valuation	-50	-48	-48	-51	-58	-55
Positive value of adjusted expected loss under IRB Approach	-257	-247	-248	-205	-187	-239
Adjustments for unrealised losses (gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	7	8				
Direct, indirect and synthetic investments in financial sector companies	-3	-188	-337	-453	-389	-458
Total common equity Tier one	13.806	13.437	13.229	12.895	12.757	12.192
Hybrid capital, core capital	1.358	1.358	1.358	1.354	1.353	1.301
Hybrid capital covered by transitional provisions	459	459	483	487	493	495
Total core capital	15.622	15.254	15.069	14.736	14.604	13.988
Supplementary capital in excess of core capital						
Subordinated capital	1.710	1.710	1.698	1.644	1.647	1.647
Subordinated capital covered by transitional provisions	561	561	673	673	673	786
Deduction for significant investments in financial institutions	-245	-237	-256	-43	-43	-43
Total supplementary capital	2.026	2.034	2.116	2.275	2.278	2.390
Net subordinated capital	17.649	17.288	17.185	17.011	16.882	16.378

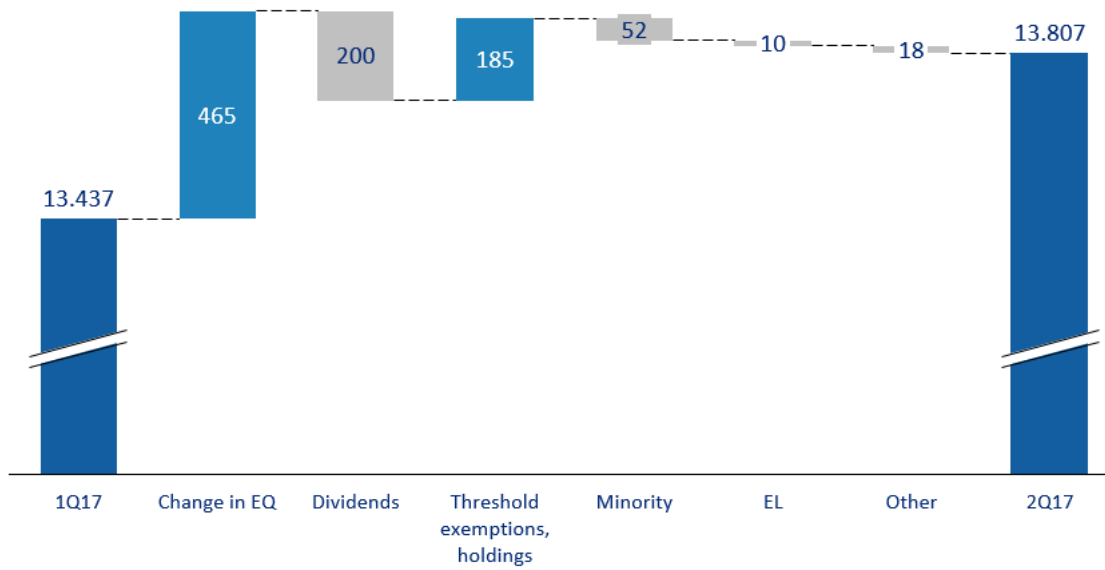
Minimum requirements subordinated capital

(in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
Specialised enterprises	1.232	1.186	1.206	1.166	1.169	1.213
Corporate	1.045	1.126	1.102	1.107	1.143	1.105
Mass market exposure, property	1.759	1.769	1.753	1.752	1.752	1.709
Other mass market	94	91	88	52	55	55
Equity investments, IRB	1	1	3	3	3	0
Total credit risk IRB	4.131	4.173	4.153	4.080	4.123	4.082
Central government	5	5	5	5	3	5
Covered bonds	131	134	130	129	118	62
Institutions	425	375	340	457	540	480
Local and regional authorities, state-owned enterprises	9	10	7	10	10	13
Corporate	161	149	253	260	259	262
Mass market	401	380	179	169	160	136
Exposures secured on real property	306	328	342	332	364	416
Equity positions	339	348	338	333	329	322
Other assets	164	163	178	135	147	108
Total credit risk standardised approach	1.942	1.891	1.772	1.828	1.931	1.805
Debt risk	29	35	36	19	19	64
Equity risk	6	15	5	10	10	10
Currency risk	1	1	1	1	1	0
Operational risk	510	510	479	479	479	457
Credit value adjustment risk (CVA)	123	119	84	88	90	106
Transitional arrangements	634	523	574	723	585	634
Minimum requirements subordinated capital	7.376	7.268	7.103	7.228	7.237	7.157
Risk Weighted Assets (RWA)	92.202	90.845	88.786	90.351	90.464	89.465
Minimum requirement on CET1 capital, 4.5 per cent	4.149	4.088	3.995	4.066	4.071	4.026
Capital conservation buffer, 2,5 per cent	2.305	2.271	2.220	2.259	2.262	2.237
Systemic risk buffer, 3.0 per cent	2.766	2.725	2.664	2.711	2.714	2.684
Countercyclical buffer, 1.5per cent (1.0 per cent)	1.383	1.363	1.332	1.355	1.357	895
Available CET1 capital after buffer requirements	3.203	2.990	3.018	2.505	2.354	2.351
Common equity Tier one ratio	15.0 %	14.8 %	14.9 %	14.3 %	14.1 %	13.6 %
Core capital ratio	16.9 %	16.8 %	17.0 %	16.3 %	16.1 %	15.6 %
Capital adequacy ratio	19.1 %	19.0 %	19.4 %	18.8 %	18.7 %	18.3 %
Leverage ratio						
Balance sheet items	207.760	199.551	194.324	197.689	206.172	198.616
Off-balance sheet items	9.400	9.292	10.068	10.266	10.174	12.017
Regulatory adjustments	-1.190	-1.346	-1.388	-1.572	-1.457	-1.487
Calculation basis for leverage ratio	215.969	207.497	203.005	206.383	214.888	209.145
Core capital	15.622	15.254	15.069	14.736	14.604	13.986
Leverage Ratio	7.2 %	7.4 %	7.4 %	7.1 %	6.8 %	6.7 %

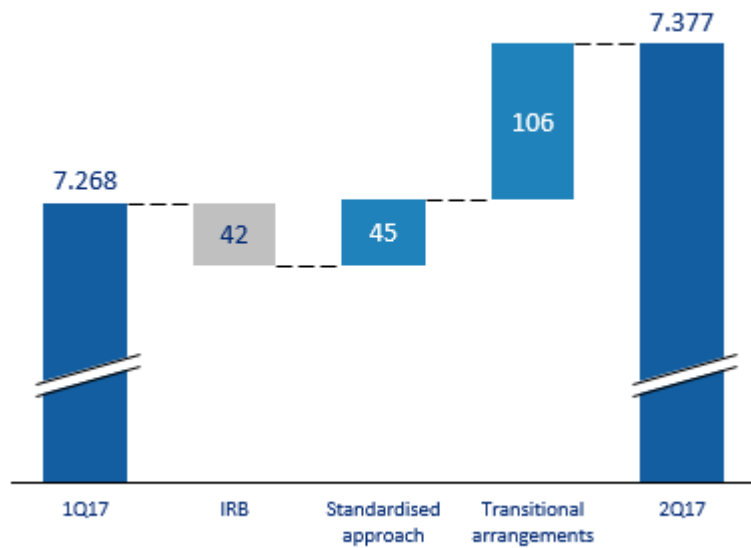
Capital Adequacy



Quarterly change in Common equity Tier 1



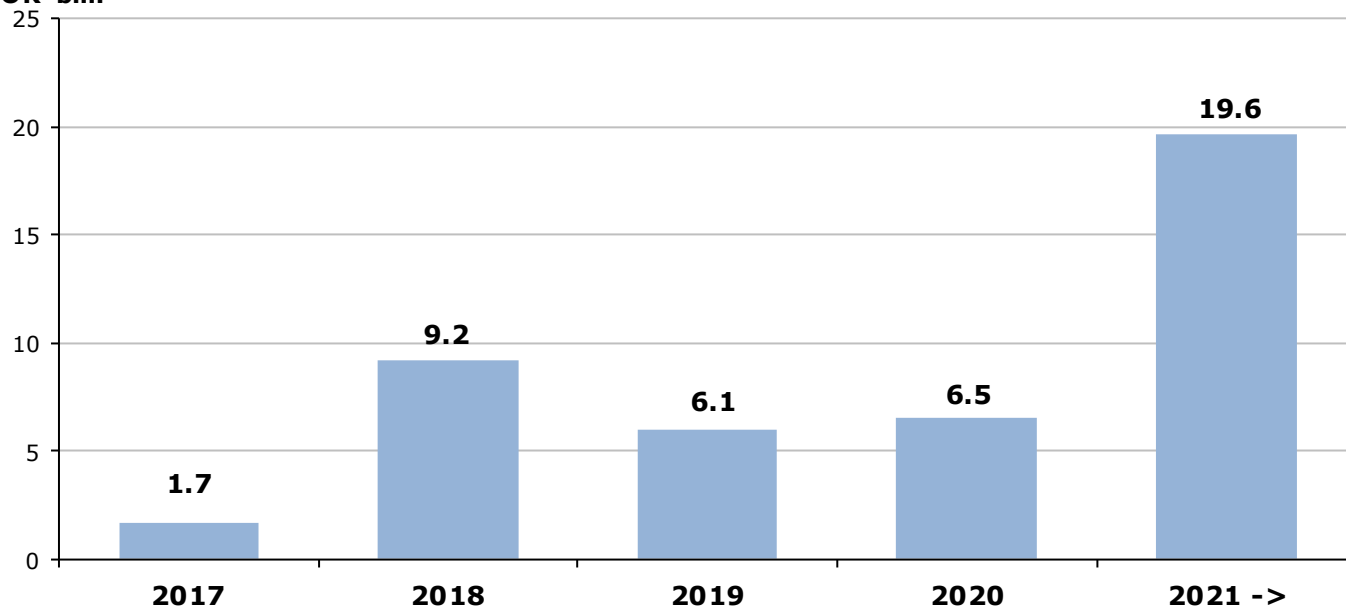
Quarterly change in Minimum requirements subordinated capital



4. Funding

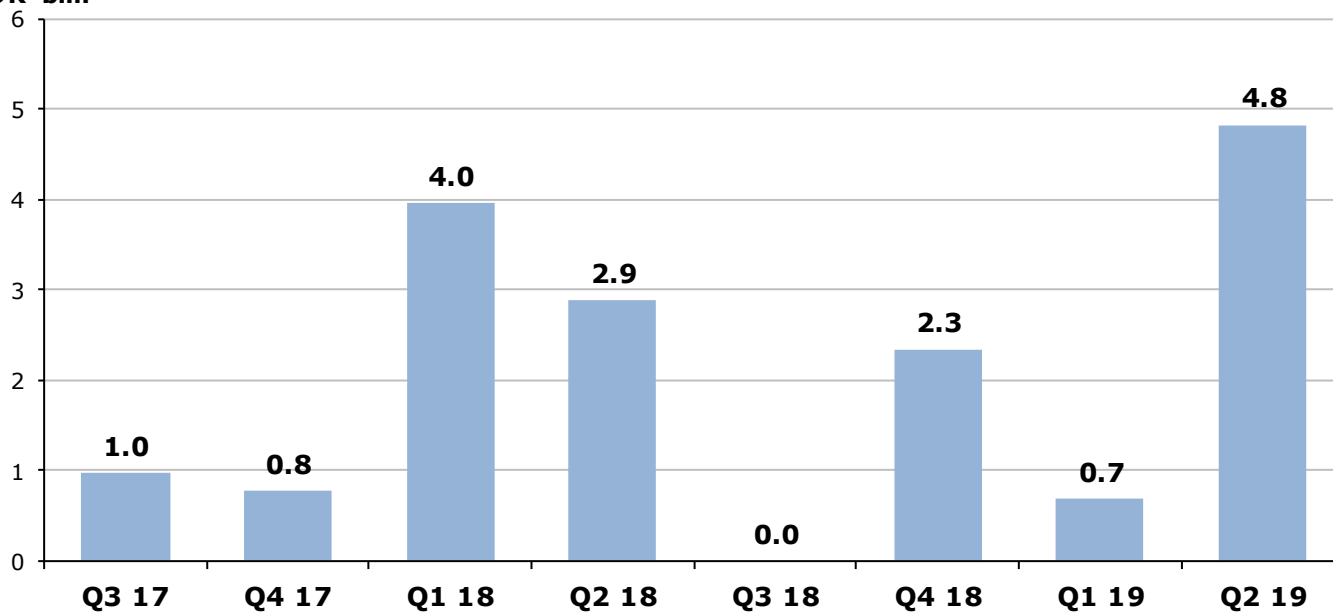
Funding maturity dates

NOK bill.



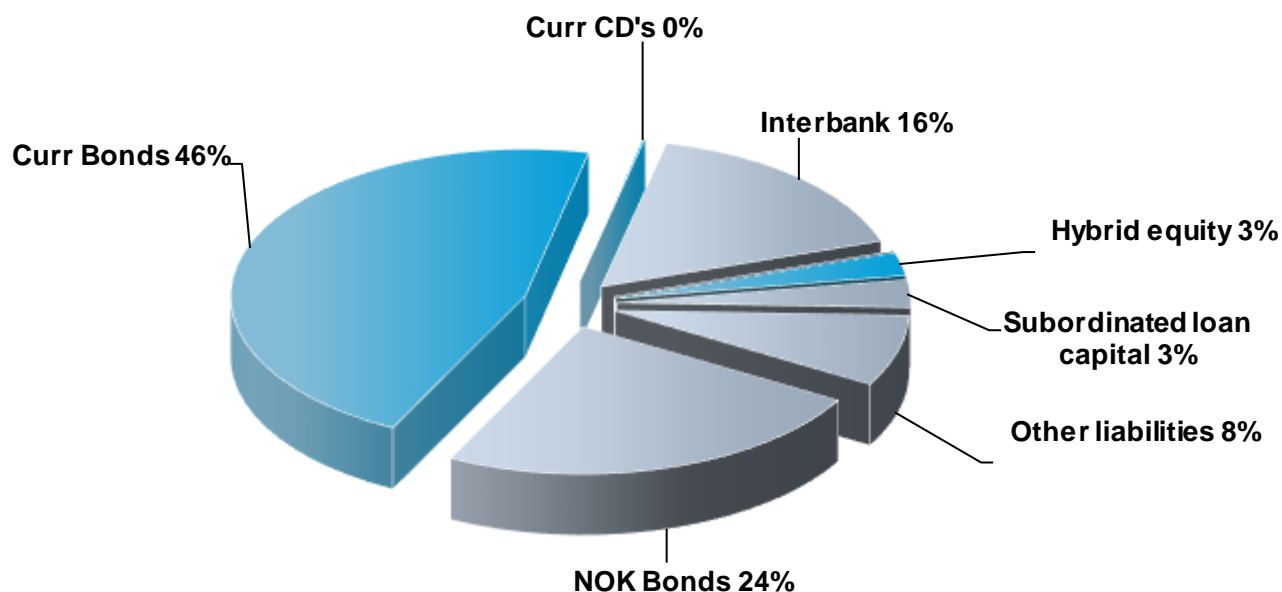
Funding maturity dates over the next eight quarters

NOK bill.



Capital markets funding

(in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
NOK Bonds	13.601	13.753	14.237	14.452	14.645	17.139
Curr Bonds	26.011	26.037	21.908	22.554	23.429	17.898
NOK CD's	-	-	-	-	-	-
Curr CD's	62	111	172	118	62	155
Interbank	9.261	6.598	10.299	10.491	10.212	8.155
Perp. Sub. Loan capital	-	-	-	300	300	299
Hybrid equity	1.429	1.431	1.433	1.437	1.443	1.445
Subordinated loan capital	1.712	1.729	1.707	1.770	1.793	1.719
Other liabilities	4.410	5.193	4.487	6.231	6.556	5.996
Total	56.487	54.852	54.242	57.353	58.441	52.807



5. Financial results

Financial results

	2Q	1Q	4Q	3Q	2Q	30 Jun.			
(in NOK million)	2017	2017	2016	2016	2016	2017	2016	2016	2015
Interest income	945	931	917	874	896	1.877	1.806	3.597	4.031
Interest expenses	424	409	424	425	424	833	864	1.714	2.159
Net interest	521	522	493	449	472	1.043	942	1.883	1.872
Commission income	349	308	300	326	331	658	626	1.251	1.245
Commission expenses	38	35	35	34	36	74	64	133	135
Other operating income	227	182	149	120	154	409	287	556	435
Commission income and other income	538	455	414	412	448	993	849	1.674	1.545
Dividends	3	1	1	13	73	4	74	88	25
Income from investment in related companies	94	71	74	103	127	165	246	423	448
Net return on financial investments	35	66	153	157	71	100	124	434	-14
Net return on financial investments	131	138	228	274	271	269	443	944	459
Total income	1.191	1.115	1.134	1.134	1.191	2.306	2.234	4.502	3.876
Staff costs	362	345	251	294	318	706	613	1.159	1.093
Other operating expenses	236	227	231	210	209	463	403	844	838
Total operating expenses	598	571	482	504	528	1.169	1.016	2.003	1.931
Result before losses	593	544	652	630	664	1.137	1.217	2.499	1.945
Loss on loans, guarantees etc.	86	89	99	130	118	175	287	516	169
Result before tax	507	454	553	500	546	961	930	1.983	1.776
Tax charge	109	96	99	85	85	205	157	341	370
Results investments held for sale, after tax	3	0	7	-1	-1	2	-2	4	-1
Net profit	401	358	462	414	460	759	771	1.647	1.406
Majority share	390	352	448	405	449	742	752	1.606	1.410
Minority interest	11	6	14	9	11	17	19	41	-4

Balance sheet

(in NOK million)	30 Jun. 2017	31 Mar. 2017	31 Dec. 2016	30 Sept. 2016	30 Jun. 2016	31 Dec. 2015
Cash and receivables from central banks	2.448	1.171	315	1.080	1.200	3.270
Deposits with and loans to credit institutions	4.997	3.008	3.892	6.652	6.013	2.407
Net loans to and receivables from customers	106.388	103.204	101.354	98.619	96.960	93.415
Fixed-income CDs and bonds at fair value	20.312	18.704	17.557	16.898	19.862	15.752
Derivatives	4.673	4.701	4.752	5.489	6.927	7.524
Shares, units and other equity interests	1.475	1.676	1.542	1.253	1.464	1.485
Investment in related companies	5.633	5.974	5.638	5.649	5.524	5.522
Investments held for sale	32	15	15	217	217	16
Intangible assets	709	686	639	628	583	562
Other assets	2.780	2.903	2.376	3.331	2.395	1.962
Assets	149.449	142.042	138.080	139.815	141.145	131.914
Deposits from credit institutions	9.521	6.959	10.509	10.591	10.227	8.155
Deposits from and debt to customers	75.559	70.176	67.168	66.290	67.031	64.090
Debt created by issue of securities	39.674	39.901	36.317	37.124	38.137	35.154
Derivatives	3.761	3.509	4.074	5.004	5.924	5.414
Other liabilities	1.970	2.979	1.531	2.353	1.772	1.734
Investments held for sale	0	0	0	11	16	0
Subordinated loan capital	3.184	3.203	3.182	3.550	3.579	3.463
Total liabilities	133.670	126.727	122.781	124.922	126.685	118.010
Equity capital certificate	2.597	2.597	2.597	2.597	2.597	2.597
Own holding of ECCs	-6	-7	-4	-2	-7	-21
Premium fund	895	895	895	895	895	895
Dividend equalisation fund	4.482	4.470	4.484	3.791	3.783	3.790
Recommended dividends	0	0	389	0	0	292
Provision for gifts	0	0	220	0	0	40
Savings bank's reserve	4.498	4.498	4.498	4.105	4.105	4.105
Unrealised gains reserve	139	139	139	233	233	290
Other equity capital	1.902	1.921	1.656	1.679	1.681	1.597
Result of the period	759	358	0	1.185	771	0
Minority interests	514	443	425	411	403	318
Total equity capital	15.780	15.315	15.299	14.893	14.460	13.904
Total liabilities and equity	149.449	142.042	138.080	139.815	141.145	131.914

Key figures

	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	2016	2016	2015
Return on equity	10.5 %	9.4 %	12.2 %	11.3 %	12.9 %	9.9 %	10.9 %	11.3 %	10.7 %
Cost/income ratio group	50%	51%	43%	44%	44%	51%	46%	44%	50%
Cost/income ratio group, ex. financial inv.	56%	58%	53%	59%	57%	57%	57%	56%	57%
12-month cost growth	13.3 %	16.8 %	-1.4 %	8.1 %	6.4 %	15.0 %	6.4 %	3.7 %	7.9 %
Gross loans to customers*	143.800	140.038	137.535	134.462	132.583	143.800	132.583	137.535	127.378
Growth in loans last 12 months*	8.5 %	8.1 %	8.0 %	6.6 %	6.5 %	8.5 %	6.5 %	8.0 %	5.8 %
Growth in loans this period*	2.7 %	1.8 %	2.3 %	1.4 %	2.4 %	4.6 %	4.1 %	8.0 %	5.8 %
Deposits from customers	75.559	70.176	67.168	66.290	67.031	75.559	67.031	67.168	64.090
Growth in deposits last 12 months	12.7 %	9.9 %	4.8 %	4.2 %	1.3 %	12.7 %	1.3 %	4.8 %	5.6 %
Growth in deposits this period	7.7 %	4.5 %	1.3 %	-1.1 %	5.0 %	12.5 %	4.6 %	4.8 %	5.6 %
Deposit-to-loan ratio*	53%	50%	49%	49%	51%	53%	51%	49%	50%
Total assets	149.449	142.042	138.080	139.815	141.145	149.449	141.145	138.080	131.914
Average total assets (quarterly)	145.746	140.061	138.948	140.480	137.745	143.190	135.801	137.060	128.355
Employees in employment group	1.408	1.362	1.254	1.205	1.252	1.408	1.252	1.254	1.208
Employees in employment parent bank	609	624	630	637	632	609	632	630	645
Employees in employment subsidiaries	799	737	624	567	620	799	620	624	563
Number of branches	48	48	49	49	49	48	49	49	49
Lending margin	2.10	1.97	1.91	1.95	2.07	2.01	1.99	1.99	2.26
Deposit margin	0.05	0.16	0.14	0.09	0.00	0.14	0.04	0.07	-0.21
Net other operating income of total income	45%	41%	37%	36%	38%	43%	38%	37%	40%
Common Equity Tier 1 ratio	15.0 %	14.8 %	14.9 %	14.3 %	14.1 %	15.0 %	14.1 %	14.9 %	13.6 %
Core capital ratio	16.9 %	16.8 %	17.0 %	16.3 %	16.1 %	16.9 %	16.1 %	17.0 %	15.6 %
Capital adequacy ratio	19.1 %	19.0 %	19.4 %	18.8 %	18.7 %	19.1 %	18.7 %	19.4 %	18.3 %
Total core capital	15.622	15.254	15.069	14.736	14.604	15.622	14.604	15.069	13.988
Net subordinated capital	17.649	17.288	17.185	17.011	16.882	17.649	16.882	17.185	16.378
Liquidity Coverage Ratio (LCR) (%)	160%	136%	129%	138%	149%	160%	149%	136%	118%
Leverage ratio	7.2 %	7.4 %	7.4 %	7.1 %	6.8 %	7.2 %	6.8 %	7.4 %	6.7 %
Impairment losses ratio	0.24%	0.26%	0.29%	0.39%	0.36%	0.25%	0.44%	0.39%	0.14%
Non-performing commitm. as % of gross loans	0.18%	0.15%	0.16%	0.16%	0.19%	0.18%	0.19%	0.16%	0.16%
Other doubtful commitm. as % of gross loans	0.80%	0.77%	1.07%	1.01%	0.90%	0.80%	0.90%	1.07%	0.31%
ECC price	71.75	66.50	64.75	55.75	46.70	71.75	46.70	64.75	50.50
Number of certificates issued, millions	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83	129.83
Booked equity capital per ECC (incl. dividend)	73.85	72.03	73.26	71.17	69.18	73.85	69.18	73.26	67.65
Adjusted profit per ECC	1.92	1.73	2.21	2.00	2.21	3.65	3.71	7.91	7.02
P/E per ECC	9.34	9.59	7.34	6.98	5.27	9.82	6.30	8.19	7.19
P/B equity capital	0.97	0.92	0.88	0.78	0.68	0.97	0.68	0.88	0.75

* Including Sparebank1 Boligkreditt and Sparebank 1 Næringskreditt

6. Segment Information

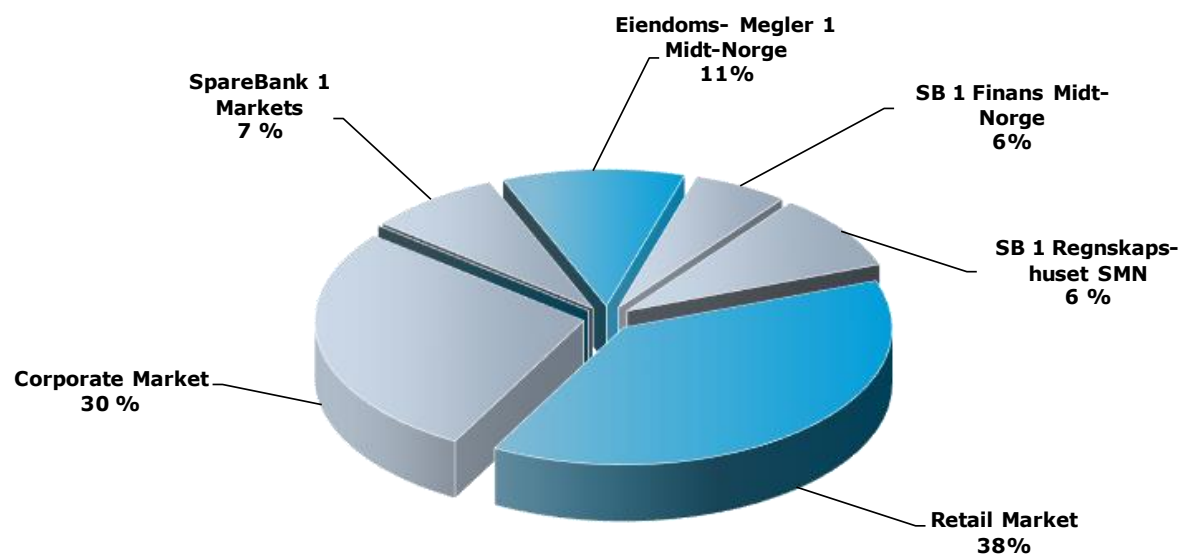
For the subsidiaries the figures refer to the respective company accounts, while for joint ventures incorporated by the equity method the Group's profit share is stated, after tax, as well as book value of the investment at group level.

6.1. Extract from income statement

Group (in NOK million) 30 Jun.2017	Retail Market	Corporate Market	SB 1 Markets	Eiendoms-Megler 1 Midt-Norge	SB 1 Finans Midt-Norge	SB 1 Regnskaps- huset SMN	SB 1 Gruppen	BN Bank	Un-collated	Total
Net interest	470	488	(4)	1	106	-1	-	-	-16	1.043
Allocated	59	56	-	-	-	-	-	-	-115	-
Total interest income	529	544	(4)	1	106	-1	-	-	-131	1.043
Commission income and other income	364	96	156	254	27	210	-	-	-115	993
Net profit on financial investments	0	5	35	-	-	-	134	48	50	272
Total income	894	645	186	255	133	210	134	48	-196	2.308
Total operating expenses	391	194	170	235	67	174	-	-	-61	1.169
Ordinary operating profit	503	451	16	20	66	36	134	48	-135	1.139
Loss on loans, guarantees etc.	1	166	-	-	8	-	-	-	-0	175
Result before tax incl investments held for sale	501	286	16	20	58	36	134	48	-135	964
Post-tax return on equity*	16.2 %	9.5 %								9.9 %
Balance sheet										
Loans and advances to customers	98.262	39.895	-	-	6.207	-	-	-	-564	143.800
adv. of this to Boligkreditt and Næringskreditt	-34.345	-2.097	-	-	-	-	-	-	-0	-36.442
Individual allowance for impairment on loan	-20	-584	-	-	-13	-	-	-	-2	-619
Group allowance for impairment on loan	-90	-218	-	-	-23	-	-	-	-20	-351
Other assets	177	2.486	1.915	1.509	31	323	1.379	1.103	34.137	43.061
Total assets	63.984	39.483	1.915	1.509	6.202	323	1.379	1.103	33.550	149.449
Deposits to customers	37.437	37.669	-	-	-	-	-	-	453	75.559
Other liabilities and equity	26.547	1.814	1.915	1.509	6.202	323	1.379	1.103	33.097	73.891
Total liabilities	63.984	39.483	1.915	1.509	6.202	323	1.379	1.103	33.550	149.449

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

Income specified by segment, excluding financial investments



Interest income, Retail Market and Corporate Market

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	242	228	227	230	227	470	449	906	907
Corporate	242	246	257	232	239	488	471	960	922
Net interest income	483	474	484	462	466	958	920	1.866	1.829

Developement in margin, Retail Market and Corporate Market

Lending (in percentage)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	1.84	1.71	1.59	1.70	1.81	1.78	1.79	1.72	2.07
Corporate	2.75	2.62	2.71	2.69	2.68	2.69	2.63	2.66	2.68
Total	2.10	1.97	1.91	1.99	2.07	2.01	1.99	1.99	2.26

Deposits (in percentage)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	0.19	0.33	0.36	0.30	0.17	0.26	0.21	0.27	-0.14
Corporate	-0.09	-0.03	-0.10	-0.14	-0.18	-0.06	-0.17	-0.14	-0.29
Total	0.05	0.16	0.14	0.09	0.00	0.14	0.04	0.07	-0.21

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

Development in volume, Retail Market and Corporate Market

Lending* (in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	98.262	95.482	93.757	91.655	89.299	98.262	89.299	93.757	84.981
Corporate	39.895	39.421	38.938	38.312	37.454	39.895	37.454	38.938	37.226
Total	138.157	134.903	132.695	129.968	126.753	138.157	126.753	132.695	122.206

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

Deposits (in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	37.437	34.943	34.856	34.911	35.457	37.437	35.457	34.856	33.534
Corporate	37.669	35.778	32.401	31.441	31.511	37.669	31.511	32.401	30.367
Total	75.106	70.721	67.257	66.352	66.968	75.106	66.968	67.257	63.902

Developement in commision income, Retail Market and Corporate Market

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Retail	192	173	166	176	172	365	338	680	715
Corporate	51	50	47	56	52	101	103	205	193
Total	243	223	213	232	224	466	440	885	908

6.2. Retail Market

Business description

<i>Facts about the business area</i>	30 Jun. 2017
Lending volume	98.262
Deposits volume	37.437
No. of active customers	217.816
FTEs	361

Financial performance

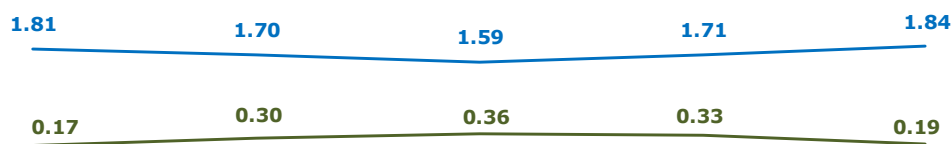
(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Net interest income lending	136	117	95	114	129	253	246	457	621
Net interest income deposits	104	111	122	116	98	215	201	438	286
Net interest income allocated capital	30	31	24	8	11	61	28	57	41
Total interest income	270	259	240	238	238	529	474	953	948
Net guarantee commission, incl. BK, NK	96	82	69	76	81	177	161	306	360
Net commission of savings products	17	14	18	17	16	30	29	63	55
Net commission insurance services	37	36	36	35	35	73	68	139	135
Net commission payment trans. services	42	41	43	48	40	83	80	171	165
Other commission income	0	0	0	1	0	0	0	1	0
Net fee and commission income	192	173	166	176	172	364	338	679	715
Net profit on financial investments	0	0	0	0	0	0	0	1	1
Total income	462	432	406	414	410	894	812	1.633	1.663
Total operating expenses*	190	201	168	201	202	391	401	770	779
Results	272	230	238	213	207	503	412	863	884
Loss on loans, guarantees etc.	1	0	3	3	-2	1	7	13	11
Results before tax	271	230	235	210	210	501	405	850	873
Post-tax return on equity (annualized)**						16.2 %	13.3 %	13.8 %	15.8 %

*) Includes both direct and distributed expenses

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

Development in margin

Definition margin: Average customer interest minus 3 months average nibor

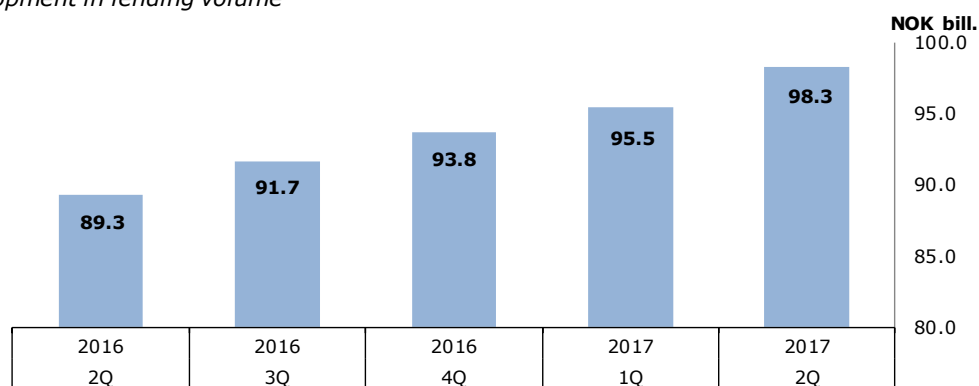


2016 2Q	2016 3Q	2016 4Q	2017 1Q	2017 2Q
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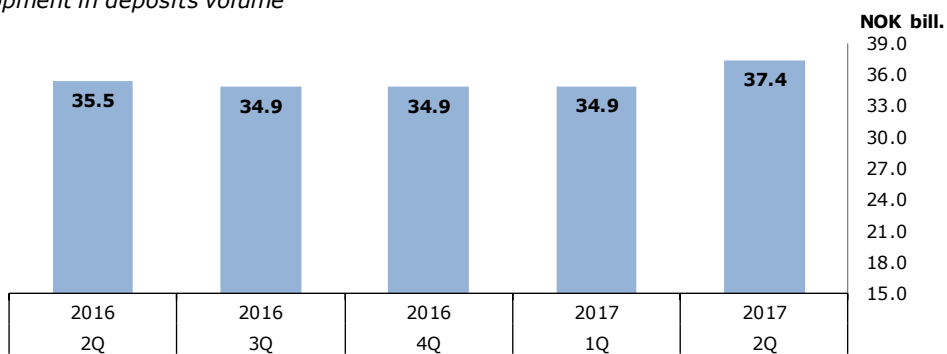
— Lending margin Retail

— Deposits margin Retail

Development in lending volume



Development in deposits volume



6.3. Corporate

Business description

	30 Jun. 2017
<i>Facts about the business area</i>	
Lending volume	39.895
Deposits volume	37.669
No. of active customers	12.777
FTEs	150

Financial performance

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Net interest income lending	167	171	140	163	178	338	330	649	704
Net interest income deposits	71	67	79	70	62	137	124	272	218
Net interest income allocated capital	31	38	51	7	9	69	37	78	48
Total interest income	268	276	269	239	248	544	492	1.000	971
Net guarantee commission, incl. BK, NK	19	20	21	24	22	39	44	89	79
Net commission of savings products	0	0	0	2	-1	1	-1	2	5
Net commission insurance services	5	5	5	5	5	10	11	20	20
Net commission payment trans. services	24	21	21	21	22	45	42	84	75
Other commission income	0	0	0	1	0	1	0	2	1
Net fee and commission income	49	47	48	52	48	96	97	196	180
Net profit on financial investments	3	2	0	4	4	5	6	9	13
Total income	320	325	316	295	300	645	594	1.205	1.164
Total operating expenses*	105	89	68	82	90	194	182	332	353
Results	215	237	248	212	211	451	412	873	810
Loss on loans, guarantees etc.**	79	87	91	124	115	166	274	490	151
Results before tax	135	150	157	89	95	286	138	384	659
Post-tax return on equity (annualized)***						9.5 %	4.9 %	6.9 %	12.4 %

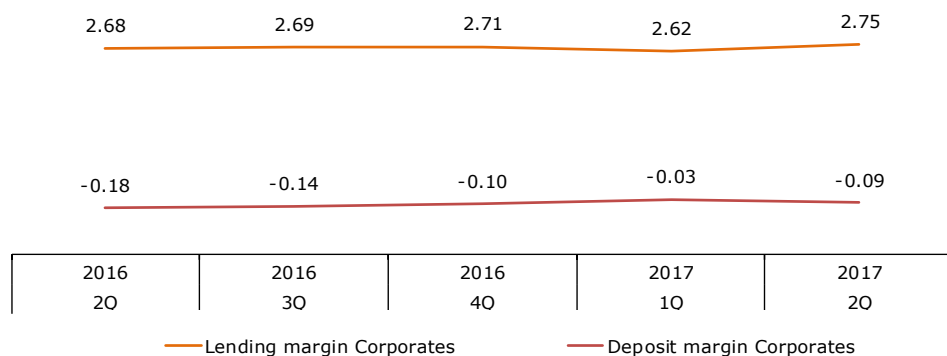
*) Includes both direct and distributed expenses

**) Includes collective write downs of NOK 10m in 1Q 2017, NOK -55m in 4Q 2016, NOK- 25m

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

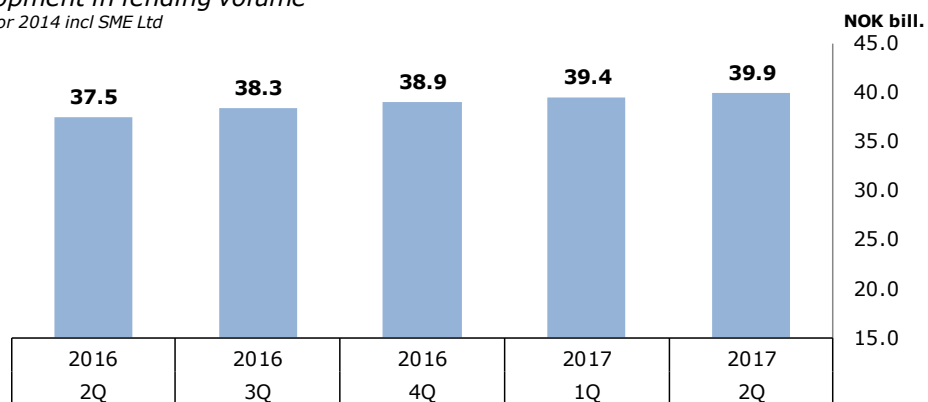
Development in margin

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



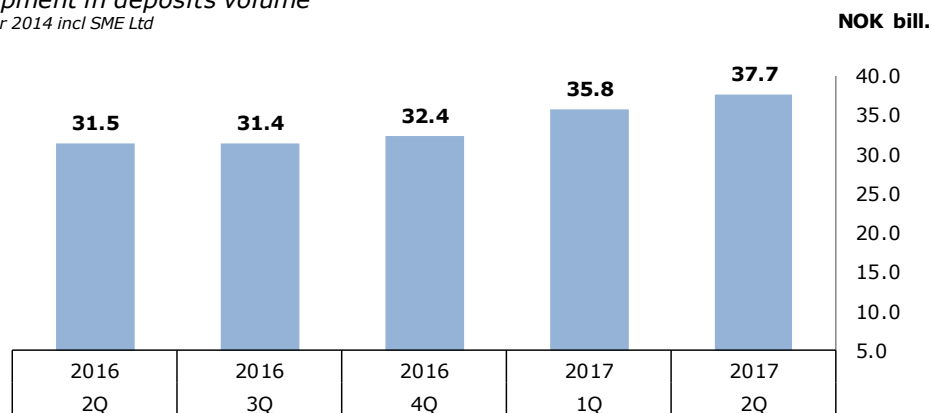
Development in lending volume

Figures for 2014 incl SME Ltd



Development in deposits volume

Figures for 2014 incl SME Ltd



6.4. Subsidiaries

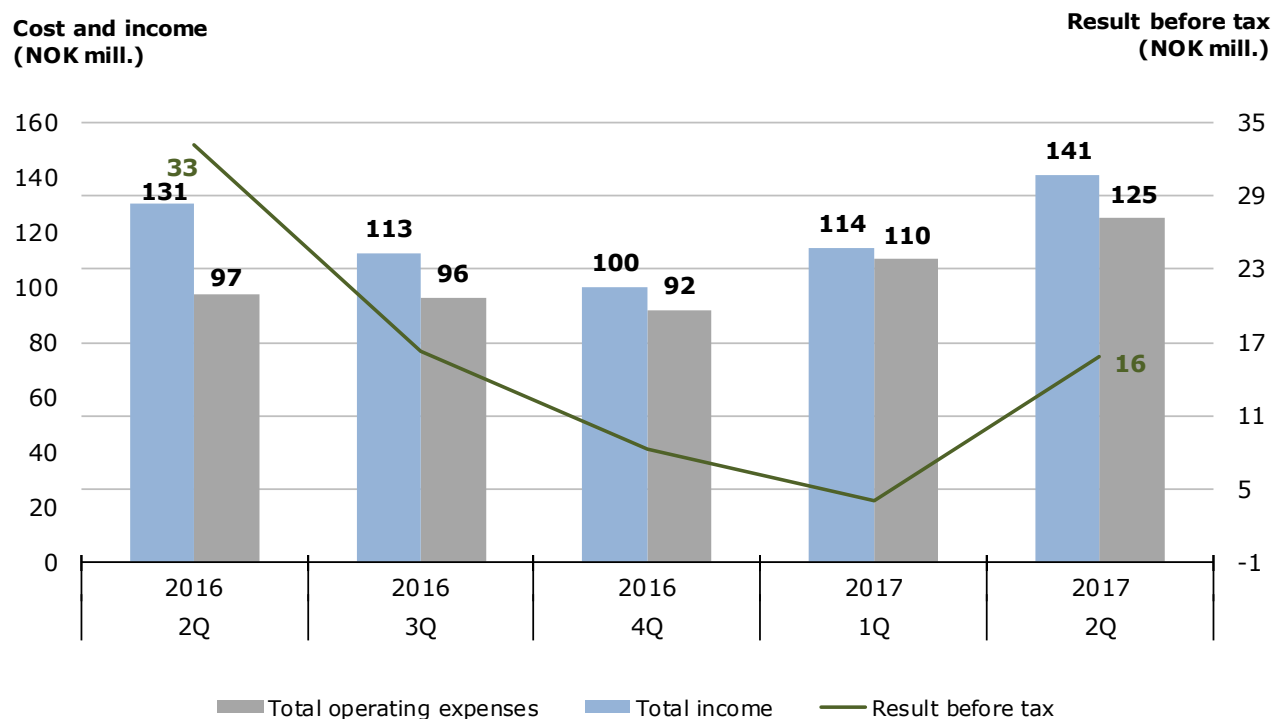
EiendomsMegler 1 Midt-Norge AS

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

The company is owned by SpareBank 1 SMN (87 per cent), SpareBank 1 Nordvest (7.6 per cent) and SpareBank 1 Søre Sunnmøre (5.4 per cent).

Financial performance

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	30 Jun. 2016	2016	2015
Net interest	0	1	2	1	1	1	2	4	4
Commission income and other income	141	113	99	112	130	254	216	426	360
Total income	141	114	100	113	131	255	217	430	364
Total operating expenses	125	110	92	96	97	235	174	363	317
Result before tax	16	4	8	16	33	20	43	68	47



SpareBank 1 Finans Midt-Norge AS

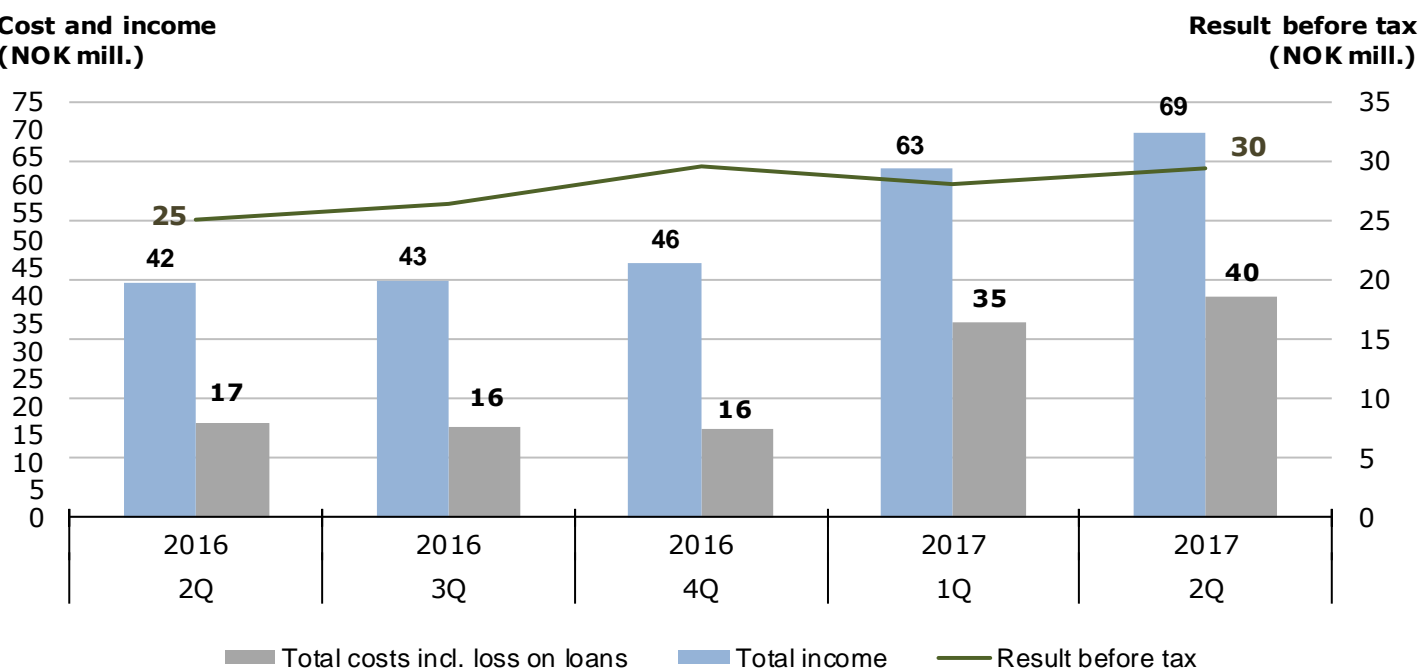
SpareBank 1 Finans Midt- Norge offers car loans and leasing to corporates and private individuals. The company services the market through its own sales operation and through the Bank's offices and other partners.

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

Financial performance

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017 2016		2016	2015
Total interest income	55	51	48	46	45	106	88	183	154
Commission income and other income	14	12	-3	-4	-3	27	-5	-11	33
Total income	69	63	46	43	42	133	83	172	187
Total operating expenses	34	33	12	14	14	67	29	55	97
Ordinary operating profit	36	30	34	29	29	66	54	117	91
Loss on loans, guarantees etc.	6	2	4	3	4	8	6	13	8
Result before tax	30	28	30	26	25	58	48	104	83

Cost and income (NOK mill.)



SpareBank 1 Regnskapshuset SMN AS

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

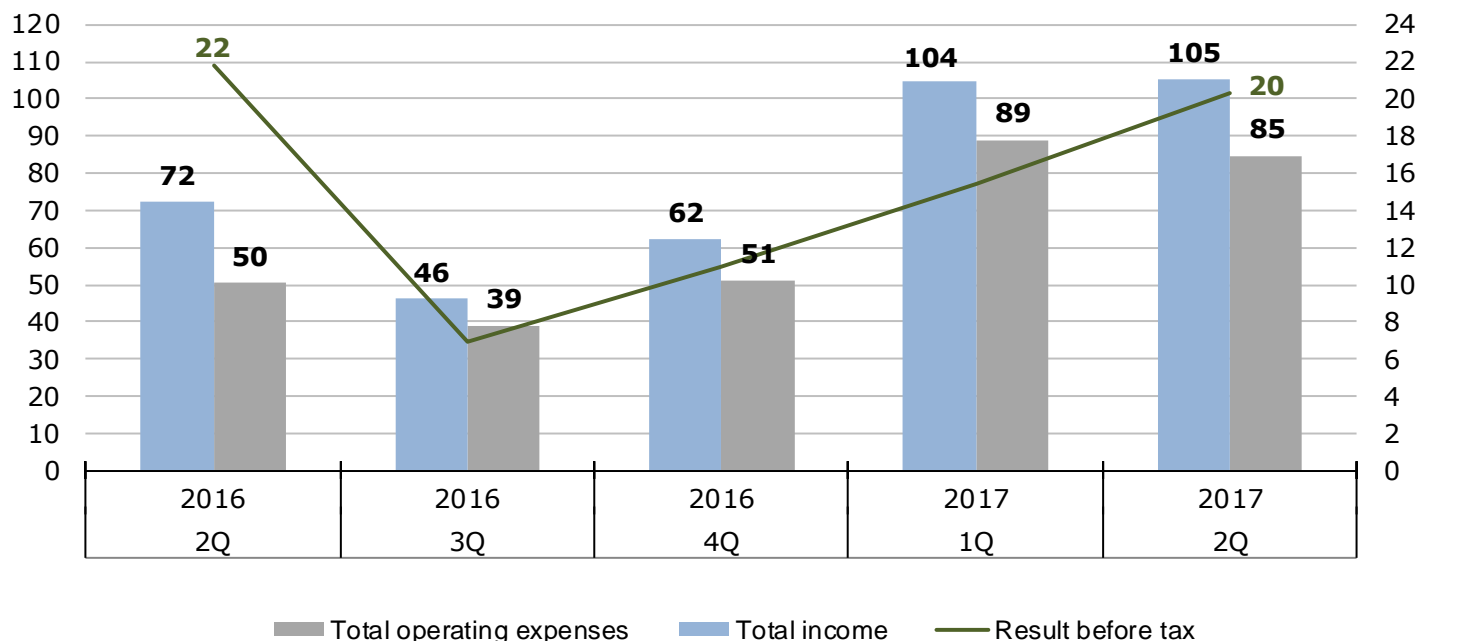
The strategy of growth through acquisitions represents a consolidation of a fragmented accounting industry. SpareBank 1 Regnskapshuset SMN acquired all shares of one large accounting firm with effect from 1 January 2017, leading to a substantial increase in both income and costs. In 2016 three accounting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

Financial performance

(in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	30 Jun. 2016	2016	2015
Total interest income	-0	-1	0	0	0	-1	-0	0	-0
Commission income and other income	105	105	62	46	72	210	126	234	197
Total income	105	104	62	46	72	210	126	235	197
Total operating expenses	85	89	51	39	50	174	100	191	162
Result before tax	20	15	11	7	22	36	26	44	35

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



SpareBank 1 Markets

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

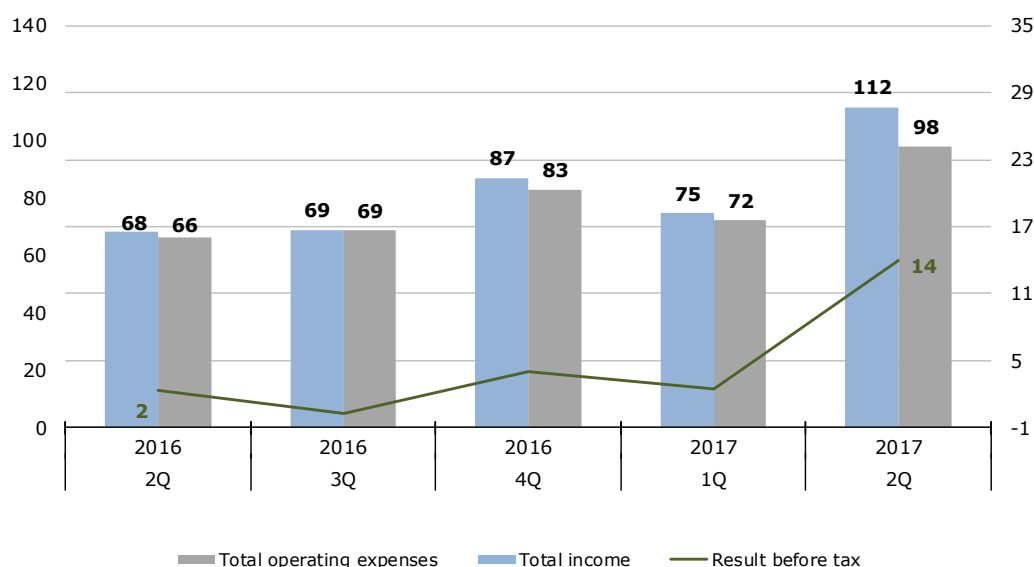
SpareBank 1 Markets acquired Allegro Kapitalforvaltning in Trondheim and SpareBank 1 Nord-Norge Forvaltning in Tromsø from SpareBank 1 SMN and SpareBank 1 Nord-Norge respectively in 2nd quarter 2017. The acquired companies will be merged and will spearhead SpareBank 1 Markets' asset management business. The new business unit will have combined AUM of approximately 10 NOK billion.

SpareBank 1 Markets is owned by SpareBank 1 SMN (70.6 per cent), SpareBank 1 Nord-Norge (12.9 per cent), SamSpar (10.0 per cent), SpareBank 1 Østlandet (6.2 per cent) and others (0.3 per cent)

<i>Financial performance</i> (in NOK million)	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	30 Jun. 2017	2016	2016	2015
Net interest	-2	-2	-2	-2	-3	-4	-4	-8	-3
Equities / High Yield	47	28	22	30	22	75	44	97	69
Fixed Income	11	15	10	2	6	27	8	20	-25
Corporate	34	12	25	11	19	45	51	87	35
Foreign exchange/ interest rate deriv	17	18	29	26	22	35	33	88	50
Asset Management	3					3			
Other commission income	2	4	2	2	2	6	4	8	6
Total income	112	75	87	69	68	186	136	292	132
Total operating expenses	98	72	83	69	66	170	129	282	235
Result	14	2	4	0	2	16	7	10	-103
Loss on loans, guarantees etc.	-	-	-	-	-	-	2	-	0
Result before tax	14	2	4	0	2	16	5	10	-103

Cost and income
(NOK mill.)

Result before tax
(NOK mill.)



Other subsidiaries

Allegro Kapitalforvaltning: The company is licensed to carry on active asset management. It manages assets for external public, private and institutional clients. The company's services are sold exclusively through external distributors that are licensed to engage in such activity. The company has distribution agreements with a number of banks in the SpareBank 1 Alliance. SpareBank 1 Markets acquired all shares in Allegro Kapitalforvaltning as of May 2017.

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

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

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

7. Development last ten years

Financial results

(in NOK million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net interest	1.139	1.350	1.325	1.317	1.392	1.477	1.616	1.790	1.872	1.883
Commission income and other income	671	610	756	855	919	1.139	1.463	1.512	1.545	1.674
Net return on financial investments	332	207	596	410	434	451	502	720	459	944
Total income	2.142	2.167	2.677	2.582	2.746	3.067	3.580	4.021	3.876	4.502
Staff costs	583	623	725	583	810	942	923	1.002	1.093	1.159
Other operating expenses	519	571	528	557	672	712	799	787	838	844
Total operating expenses	1.102	1.194	1.253	1.140	1.482	1.654	1.722	1.789	1.931	2.003
Result before losses	1.039	975	1.424	1.441	1.264	1.414	1.859	2.232	1.945	2.499
Loss on loans, guarantees etc.	-6	202	277	132	27	58	101	89	169	516
Result before tax	1.045	773	1.147	1.309	1.236	1.355	1.758	2.143	1.776	1.983
Tax charge	200	156	210	260	255	295	388	362	370	341
Results investments held for sale, after tax				-27	43	16	30	0	(1)	4
Net profit	846	617	937	1.022	1.024	1.077	1.400	1.782	1.406	1.647

Balance sheet

(in NOK million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash and loans to and claims on credit institutions	3.878	4.548	1.260	2.532	4.075	4.091	5.984	5.965	5.677	4.207
CDs, bonds and other interest-bearing securities	7.246	12.036	19.302	22.948	21.485	25.614	26.358	27.891	30.282	29.489
Gross loans to customers before write-downs	59.178	64.016	61.782	69.847	73.105	74.943	80.548	90.578	93.974	102.325
- Specified write-downs	-116	-215	-219	-222	-172	-144	-173	-172	-183	-632
- Write-downs by loan category	-185	-245	-289	-290	-290	-295	-295	-295	-376	-339
Other assets	1.502	4.540	2.704	3.182	3.252	3.766	2.938	2.080	2.540	3.030
Assets	71.503	84.679	84.541	97.997	101.455	107.975	115.360	126.047	131.914	138.080
Deposits from credit institutions	5.346	9.000	11.310	13.062	9.118	7.410	6.581	9.123	8.155	10.509
Deposits from and debt to customers	32.434	35.280	37.227	42.786	47.871	52.252	55.927	60.680	64.090	67.168
Debt created by issue of securities	23.950	29.680	24.070	29.625	31.306	33.121	36.806	39.254	40.569	40.390
Other liabilities	2.265	2.045	1.876	1.922	2.122	2.070	1.485	1.095	1.734	1.532
Subordinated loan capital	2.648	3.156	3.875	2.758	2.690	3.040	3.319	3.371	3.463	3.182
Total equity capital	4.860	5.518	6.183	7.846	8.348	10.082	11.242	12.524	13.904	15.299
Total liabilities and equity	71.503	84.679	84.541	97.997	101.455	107.975	115.360	126.047	131.914	138.080

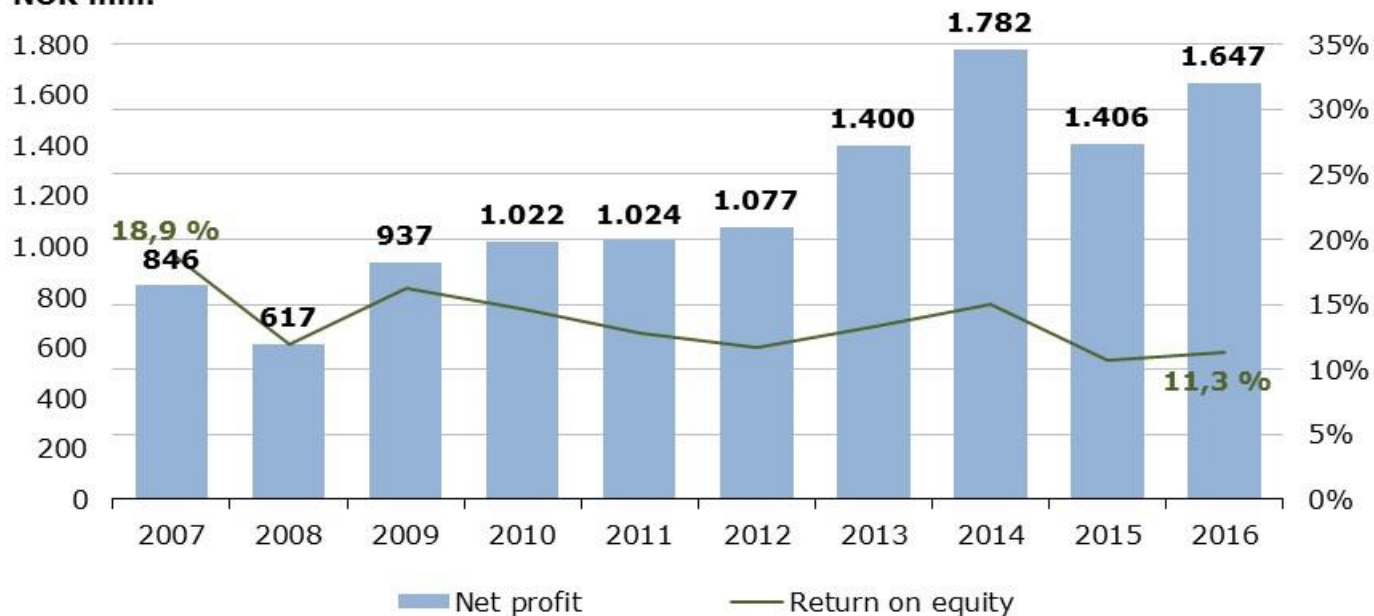
Key figures

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return on equity	18.9 %	11.9 %	16.2 %	14.6 %	12.8 %	11.7 %	13.3 %	15.1 %	10.7 %	11.3 %
Cost/income ratio group	51.7 %	55.0 %	46.8 %	44.2 %	54.0 %	53.9 %	48.1 %	44.5 %	49.8 %	44.5 %
Cost/income ratio group, ex. financial inv.	60.8 %	60.2 %	52.5 %	52.5 %	64.1 %	63.2 %	55.9 %	54.2 %	56.5 %	56.3 %
Cost/income ratio parent bank	52.4 %	55.3 %	47.2 %	40.2 %	50.5 %	47.5 %	40.2 %	40.5 %	38.0 %	31.9 %
12-month cost growth	11.8 %	7.9 %	4.9 %	-9.0 %	30.0 %	11.6 %	4.1 %	3.9 %	7.9 %	3.7 %
Gross loans to customers*	61.910	71.317	77.429	87.665	95.232	104.925	112.283	120.435	127.378	137.535
Gross loans in retail market	38.872	42.679	45.157	49.619	55.034	62.587	68.591	74.087	80.725	89.402
Gross loans in corporate market	23.038	28.638	32.272	38.046	40.198	42.322	43.692	46.348	46.653	48.133
Growth in loans last 12 months*	17.2 %	15.2 %	8.6 %	13.2 %	8.6 %	10.2 %	6.8 %	7.3 %	5.8 %	8.0 %
Deposits from customers	32.434	35.280	37.227	42.786	47.871	52.252	55.927	60.680	64.090	67.168
Deposits from retail market	16.070	17.566	17.898	19.052	20.860	22.279	23.891	26.496	28.336	29.769
Deposits from corporate market	16.363	17.715	19.330	23.734	27.011	29.973	32.036	34.184	35.754	37.398
Growth in deposits last 12 months	7.6 %	8.8 %	5.5 %	14.9 %	11.9 %	9.2 %	7.3 %	8.5 %	5.6 %	4.8 %
Deposit-to-loan ratio*	52.4 %	49.5 %	48.1 %	48.8 %	50.3 %	49.8 %	49.8 %	50.4 %	50.3 %	48.8 %
Total assets	71.503	84.679	84.541	97.997	102.479	107.975	115.360	126.047	131.914	138.080
Average total assets	67.202	75.820	86.679	91.317	98.465	105.372	111.843	117.794	128.355	137.060
Employees in employment group	931	982	1.016	1.035	1.098	1.135	1.159	1.192	1.208	1.254
Employees in employment parent bank	723	750	767	764	786	793	757	753	645	630
Employees in employment subsidiaries	208	232	250	271	312	342	402	439	563	624
Net other operating income of total income	31.3 %	28.2 %	28.2 %	33.1 %	33.5 %	37.1 %	40.8 %	38.0 %	40%	37%
Common Equity Tier 1 ratio	7.4 %	7.1 %	7.7 %	9.3 %	8.9 %	10.0 %	11.1 %	11.2 %	13.6 %	14.9 %
Capital adequacy ratio	12.1 %	11.9 %	13.6 %	13.0 %	12.0 %	13.3 %	14.7 %	15.7 %	18.3 %	19.4 %
Core capital ratio	8.4 %	8.1 %	10.4 %	10.9 %	10.4 %	11.3 %	13.0 %	13.0 %	15.6 %	17.0 %
Total core capital	4.019	4.967	6.730	7.283	7.856	9.357	10.989	12.382	13.988	15.069
Net subordinated capital	5.762	7.312	8.730	8.646	9.055	10.943	12.417	14.937	16.378	17.185
Impairment losses ratio	-0.01%	0.21%	0.31%	0.16%	0.03%	0.06%	0.09%	0.08%	0.14%	0.39%
Non-perf. commitm. as % of gross loans	0.39%	0.46%	0.49%	0.57%	0.36%	0.36%	0.34%	0.22%	0.16%	0.16%
Other doubtful commitm. as % of gross loans	0.37%	1.33%	0.57%	0.24%	0.21%	0.14%	0.14%	0.18%	0.31%	1.07%

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

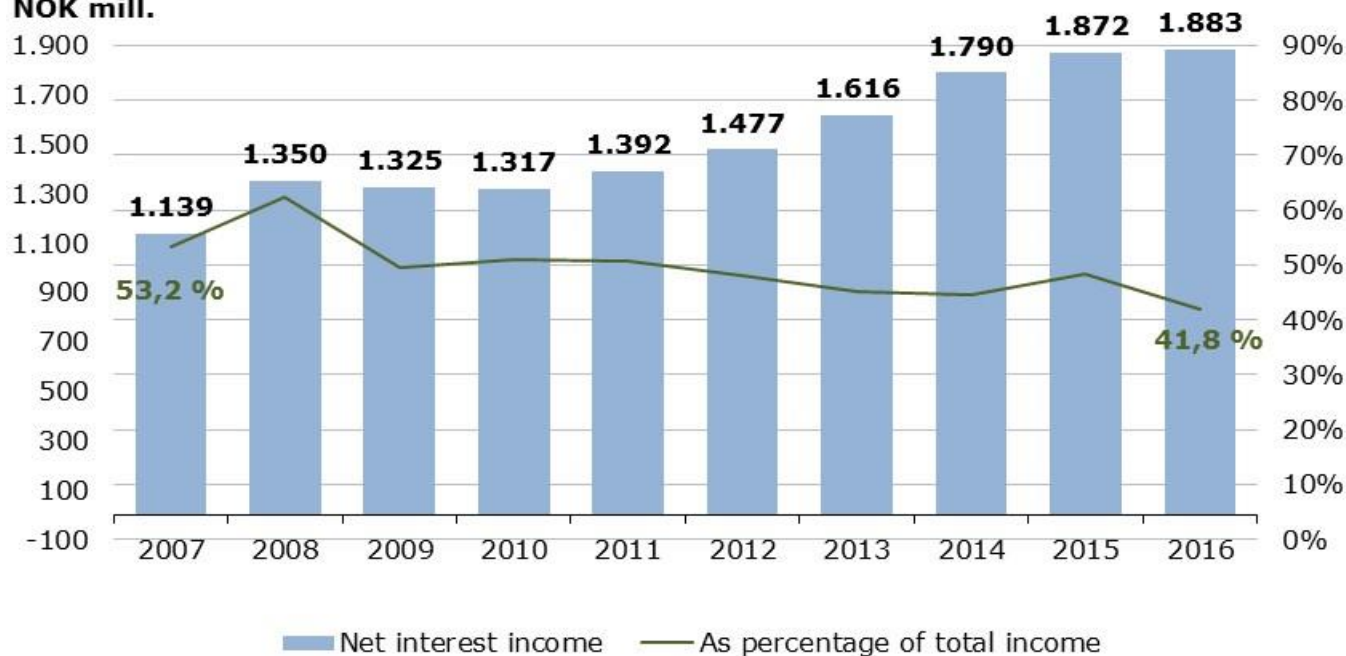
Net profit and return on equity

NOK mill.

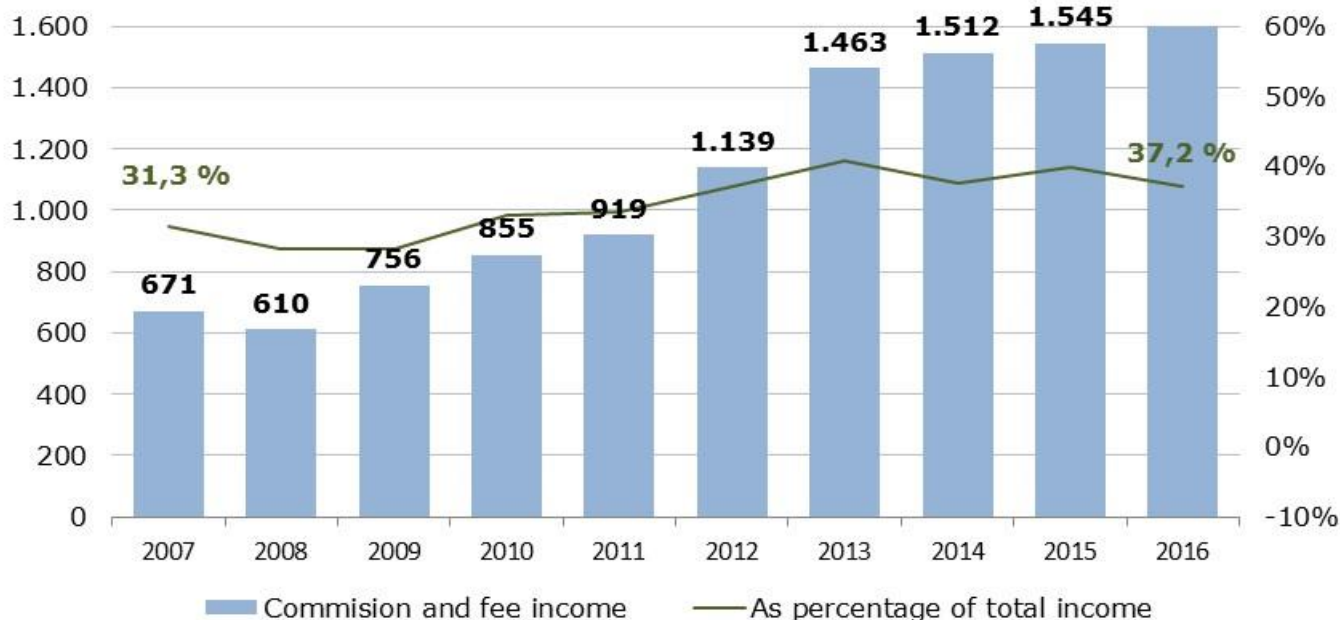


Development in net interest income

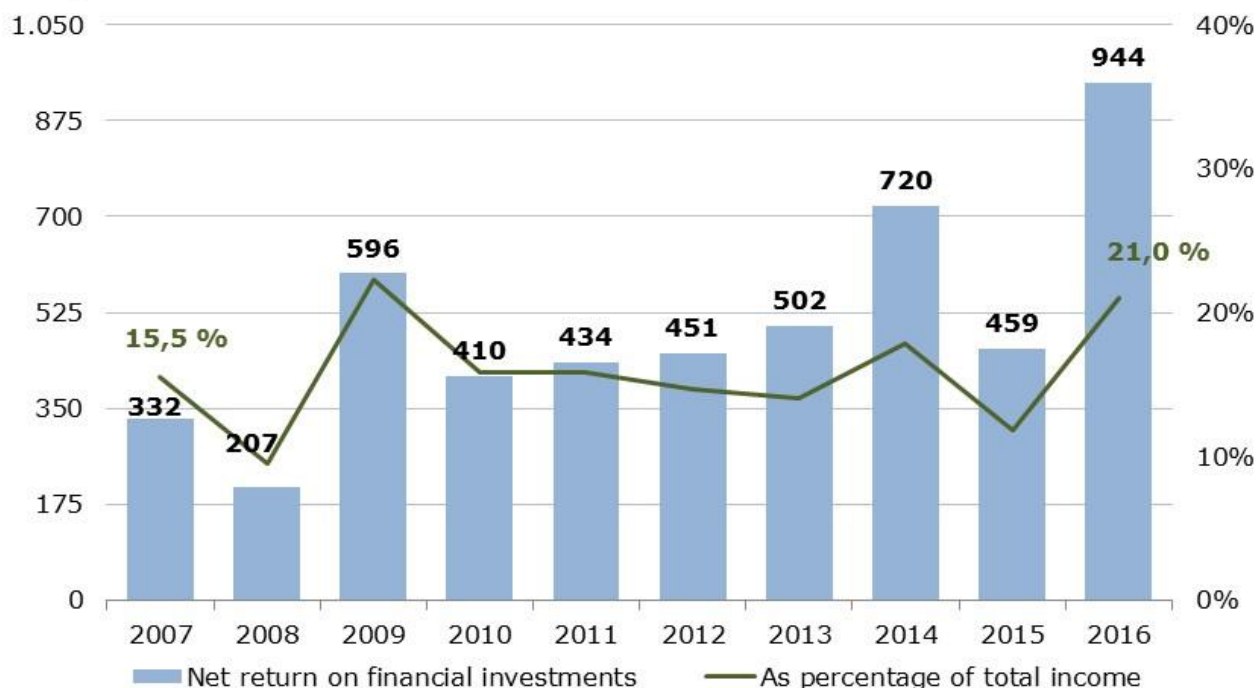
NOK mill.



Development in commission income and other income

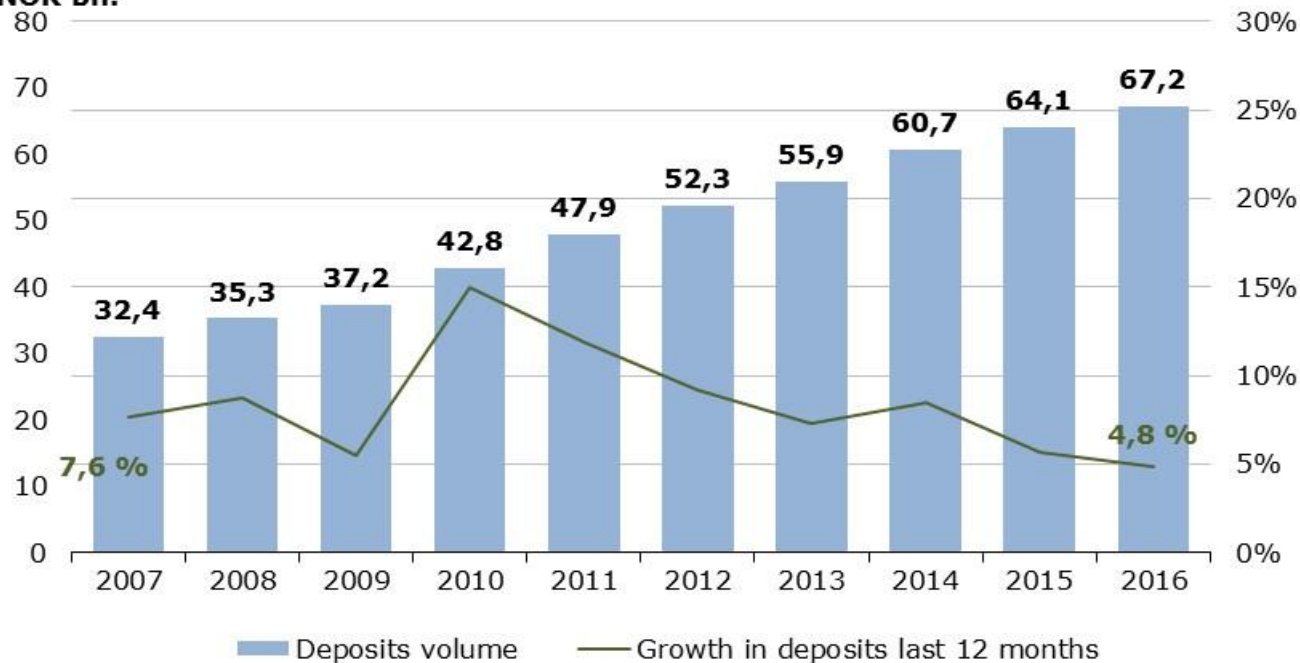


Development in net return on financial investments



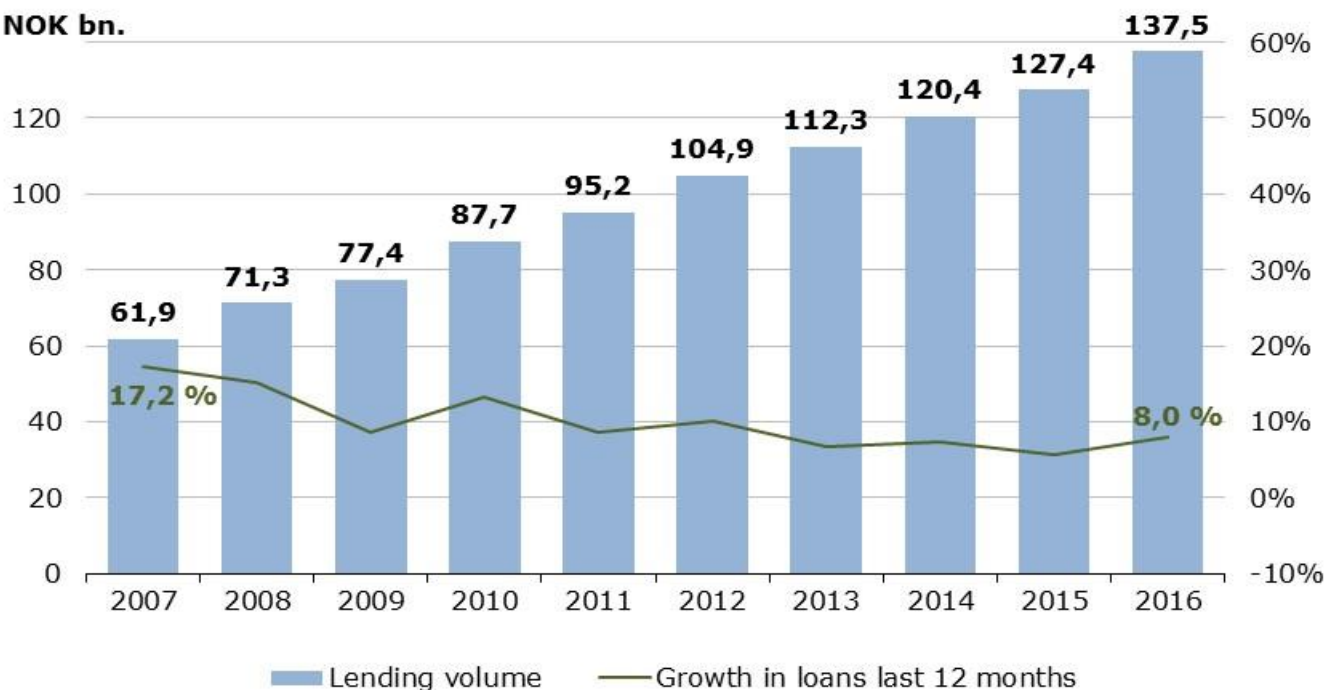
Volume development, Deposits

NOK bn.



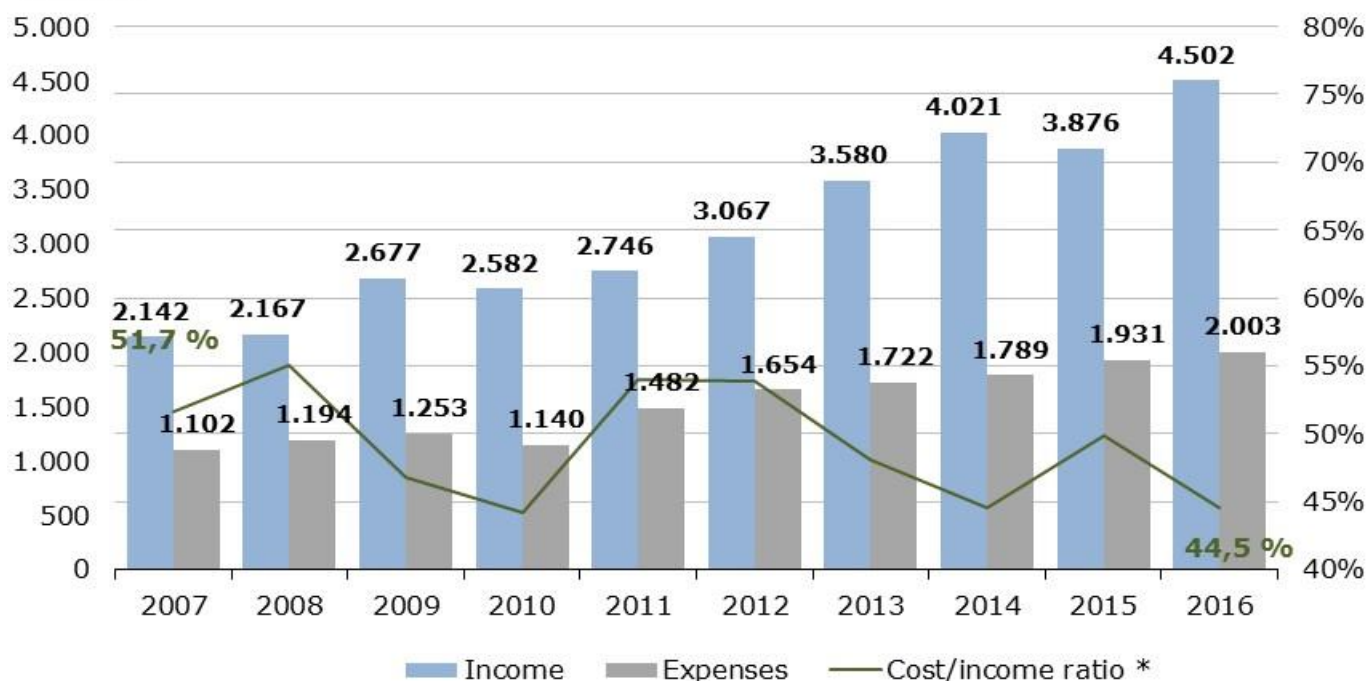
Volume development, Lending

NOK bn.

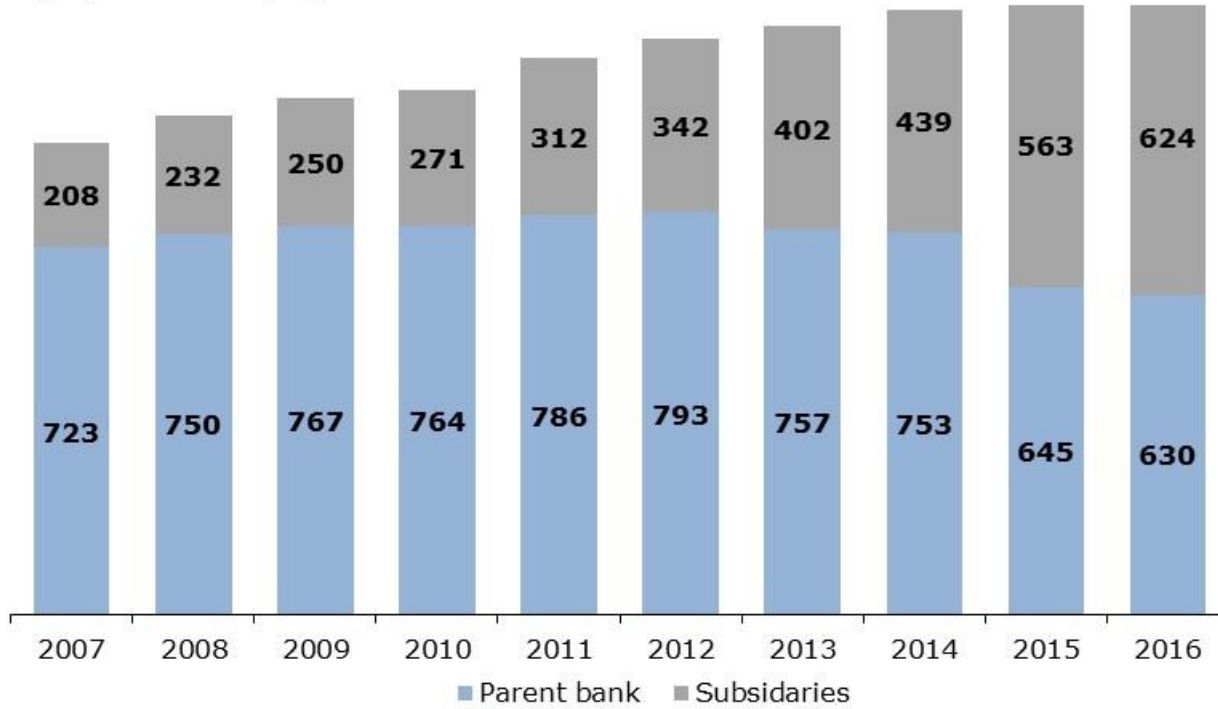


Cost/income ratio

NOK mill.

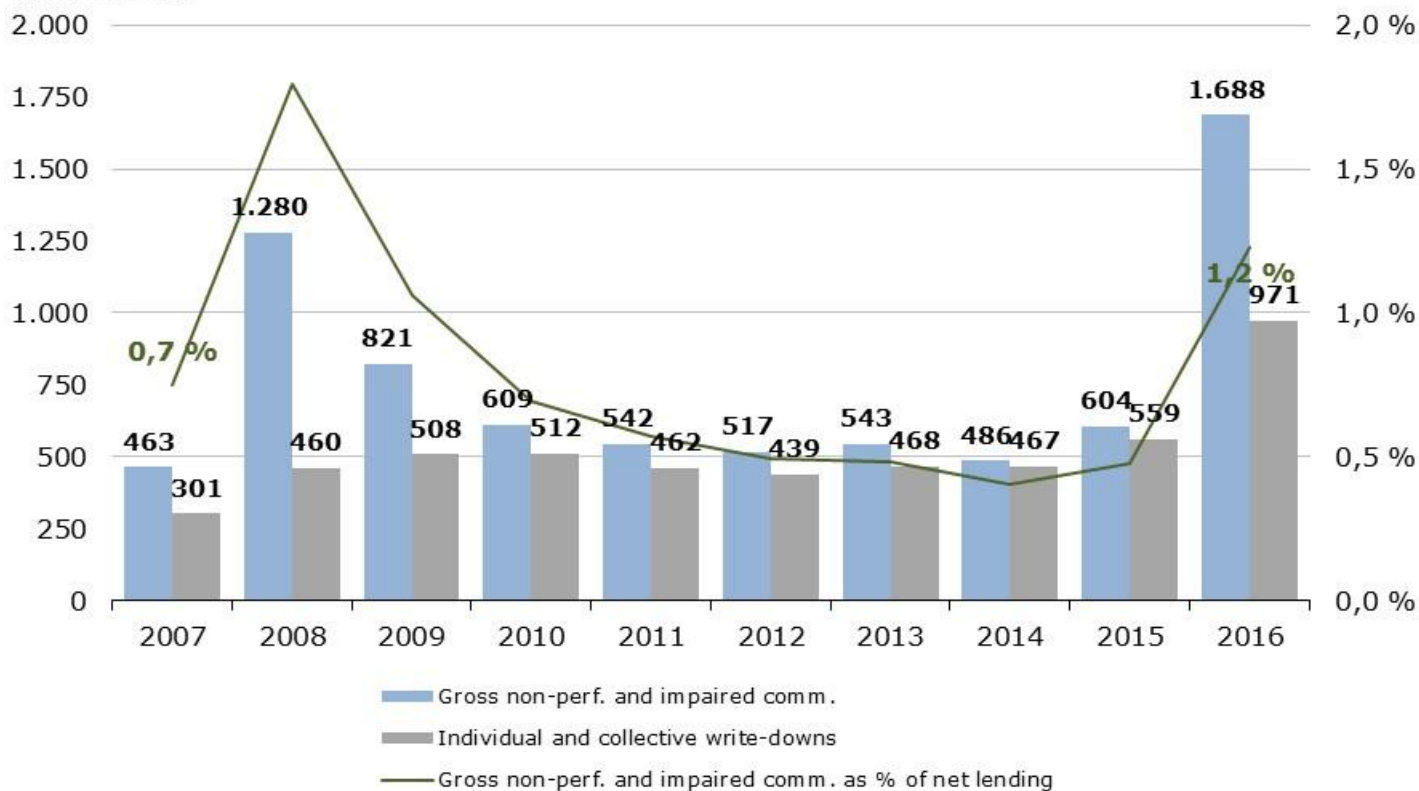


* Total operating expenses as a percentage of total operating income

Employees in employment

Net non-performing and impaired commitments

NOK million



Capital Adequacy

