

First quarter 2002

First quarter 2002

Pre-tax profit NOK 127 million, up NOK 38 million from the same period last year
 Net interest income NOK 213 million, up NOK 19 million from the same period of 2001
 ROE 16.4%, up from 12.0% in last year's first quarter
 Lending growth 0.6% in 1st quarter, 8.8% over last 12 months
 Deposit growth 3.2% in 1st quarter, 6.7% over last 12 months
 Capital gains and dividend on short-term investments, NOK 23 million
 Net gain on disposal of long-term shareholdings, NOK 29 million
 Continued weak growth in SpareBank 1 Group, though higher than in 1st quarter 2001

Main figures SpareBank 1 Midt-Norge, the group

Result	31.03.2002 mill NOK	%	31.03.01 mill kr	%	2001 mill kr	%
Net interest and credit commission income	213	0,64	194	2,54	827	2,61
Total other operating income	89	0,27	58	0,76	273	0,86
Total income	302	0,91	252	3,29	1.101	3,47
Salaries, fees and other personnel costs	86	0,26	80	1,05	334	1,05
Total other operating expenses	94	0,28	74	0,97	332	1,05
Total operating expenses	180	0,54	154	2,02	667	2,10
Operating profit before losses, gains and write-downs	121	0,37	97	1,27	434	1,37
Losses on loans and guarantees	-24	-0,07	-21	-0,27	-138	-0,44
Gains and write-downs on disposals of fixed assets	29	0,12	12	0,16	23	0,10
Operating profit	127	0,38	89	1,16	319	1,00
Taxes	37	0,11	29	0,38	106	0,33
Profit	90	0,27	60	0,79	213	0,67

Key figures and ratios	31.03.2002	31.03.01	2001
Average total assets	33.153	30.583	31.763
Core capital	8,7 %	8,2 %	8,8 %
Capital adequacy ratio	12,0 %	10,5 %	12,1 %
Loans to customers (net)	28.673	26.276	28.474
Customer deposits	18.442	17.282	17.871
Capital base	2.853	2.474	2.842
Post-tax return on equity	16,4 %	12,0 %	10,1 %
Cost/income ratio	0,60	0,61	0,61
Loan-to-deposit ratio	64,3 %	65,8 %	62,8 %
No. of branches	64	68	64

Key figures PCC	31.03.2002	2001	2000	1999	1998	1997
PCC ratio	54,2 %	54,2 %	56,2 %	58,1 %	58,1 %	58,1 %
Total issued PCCs (mill)	6,10	6,10	6,05	6,00	6,00	6,00
PCC price	222	199	187	228	179	248
Stock value (mNOK)	1.354	1.214	1.131	1.368	1.074	1.488
Post-tax earnings per PCC, in NO	31,9	19,6	23,9	33,3	25,5	29,3
Dividend per PCC		18	17	17	16	16
P/E	7,0	10,1	7,8	6,8	7,0	8,5
Dividend per PCC / PCC price		9,0 %	9,1 %	7,5 %	8,9 %	6,5 %
Booked equity capital per PCC (including dividend)	194	212	208	200	176	163
Price / Booked equity capital	1,14	0,94	0,90	1,14	1,02	1,52

Parent bank			Profit and loss account (in NOKm)	Group		
31.12.2001	31.03.2001	31.03.2002		31.03.2002	31.03.2001	31.12.2001
2.604	613	627	Interest income	630	614	2.617
1.797	421	419	Interest expenses	418	420	1.790
807	192	208	Net interest and credit commission income	213	194	827
23	6	8	Dividend on securities with variable return	8	4	19
-58	-15	-5	Dividends and profit from associated companies	-6	-15	-58
233	60	56	Commission income	69	70	285
-70	-16	-17	Commission expenses	-17	-16	-70
14	5	17	Net gain/loss on securities	17	5	13
27	5	3	Net gain/loss on currency	3	5	27
24	0	1	Other operating income	14	4	57
193	45	62	Total other operating income	89	58	273
1.000	237	271	Total income	302	252	1.101
280	70	72	Salaries, fees and other personnel costs	86	80	334
190	46	53	Administrative expenses	63	49	211
32	8	8	Depreciation etc., of fixed assets etc.	10	9	41
70	16	18	Other operating expenses	21	17	80
572	140	151	Total operating expenses	180	154	667
428	97	119	Operating profit before losses, gains and write-downs	121	97	434
131	21	23	Losses on loans and guarantees	24	21	138
23	12	29	Gains and write-downs on disposals of fixed assets	29	12	23
320	88	126	Operating profit	127	89	319
105	28	37	Taxes	37	29	106
215	60	90	Profit	90	60	213
31.12.2001	31.03.2001	31.03.2002	Key figures	31.03.2002	31.03.2001	31.12.2001
			<u>Result as a percentage of average total assets:</u>			
2,54	2,50	2,51	Net interest and credit commission income	2,56	2,54	2,61
0,61	0,59	0,75	Total operating income	1,08	0,76	0,86
1,80	1,83	1,83	Total operating expenses	2,18	2,02	2,10
1,34	1,26	1,44	Operating profit before losses and write-downs	1,46	1,27	1,37
0,41	0,27	0,27	Losses on loans and guarantees	0,29	0,27	0,44
1,01	1,15	1,52	Operating profit	1,53	1,16	1,00
0,57	0,59	0,56	Cost/income ratio	0,60	0,61	0,61
62 %	67 %	64 %	Ordinary lending financed by ordinary deposits	63 %	66 %	61 %
10,2 %	12,3 %	16,4 %	Return on equity	16,4 %	12,0 %	10,1 %
31.12.2001	31.03.2001	31.03.2002	Balance sheet (in NOKm)	31.03.2002	31.03.2001	31.12.2001
243	245	456	Cash and claims on central banks	456	245	243
185	0	67	Loans that can be refinanced in central banks	67	0	185
1.190	679	1.026	Loans to and claims on credit institutions	376	256	593
28.757	26.735	28.850	Loans before loss provisions	29.464	27.071	29.278
-414	-441	-396	- Specified loan loss provisions	-398	-443	-417
-375	-346	-379	- Unspecified loan loss provisions	-393	-353	-388
27.967	25.949	28.076	Loans to and claims on customers	28.673	26.276	28.474
1.868	2.086	1.975	CDs, bonds and other interest-bearing instruments	1.975	2.086	1.868
1.859	1.634	1.397	Other assets	1.423	1.661	1.923
33.312	30.593	32.996	Total assets	32.970	30.524	33.286
2.077	1.090	1.406	Debt to credit institutions	1.406	1.094	2.093
17.913	17.386	18.465	Deposits from, and debt to, customers	18.442	17.282	17.871
9.185	7.763	8.670	Debt incurred by issue of securities	8.670	7.763	9.185
781	1.232	1.014	Other liabilities	1.006	1.250	777
96	108	93	Provisions for commitments and expenses	98	116	100
1.113	900	1.108	Subordinated loan capital	1.108	900	1.113
31.165	28.479	30.757	Total liabilities	30.731	28.405	31.138
			Minority interests	0	5	0
610	609	610	Primary capital	610	609	610
-5	0	-4	Holding of own primary capital certificates	-4	0	-5
6	0	6	Equity premium fund	6	0	6
54	124	54	Revaluation reserve	20	78	20
930	816	930	Permanent capital fund	930	816	930
6	6	6	Gift fund	6	6	6
489	443	491	Equalisation fund	491	443	489
57	57	57	Other equity	91	90	91
0	60	90	Retained profits after losses	90	71	0
2.147	2.115	2.239	Total equity	2.239	2.114	2.147
33.312	30.593	32.996	Total liabilities and equity	32.970	30.524	33.286

First quarter 2002

Unless otherwise stated, the comments and the figures in this report refer to the Sparebanken Midt-Norge Group.

Unless otherwise stated, figures in parenthesis refer to year 2000.

Results

SpareBank 1 Midt-Norge achieved an ordinary operating profit of NOK 127 million in the first quarter, an increase of NOK 38 million on the same period of 2001.

The improved profit performance is ascribable to sound ordinary operations, good return on the securities portfolio and gains on disposals of long-term shareholdings.

First quarter profit measured 1.53% (1.16%) of average total assets.

Post-tax profit came to NOK 90 million (60 million). The tax charge is estimated at NOK 37 million.

Return on equity for the first quarter was 16.4% (12.0%).

Net interest income

Net interest and credit commission income totalled NOK 213 million, up NOK 19 million on the same period of 2001. Like last year, savings banks are in 2002 debited with a levy to the Savings Banks' Guarantee Fund at the full rate, which for SpareBank 1 Midt-Norge amounts to NOK 29 million (NOK 24 million) for 2002.

The interest margin was 2.56% in the first quarter of 2002 (2.54%). The margin for the full year 2001 was 2.61%.

Interest rates on customer loans and deposits was lowered as from February after the fall in market rates.

Capital gains

The bank's portfolio of short-term investments and primary capital certificates produced return and dividend of NOK 23 million (1 million) in the first quarter of 2002. March was especially positive after

a good month on Oslo Børs.

Currency gains came to NOK 3 million (5 million) and return on fixed income funds to NOK 2 million (8 million).

Commission income and other operating income

Net commission income and other operating income came to NOK 67 million (59 million). The increase derives from the subsidiaries.

Subsidiaries

Overall profit at the bank's subsidiaries was NOK 0.5 million (1.5 million) after tax. Eiendomsmegler 1 achieved a profit of NOK 0.5 million (1.3 million), SpareBank 1 Finans NOK 1.9 million (1.4 million) and Midt-Norge Regnskap NOK 0.7 million (0.1 million). Allegro Finans ASA report a loss of NOK 0.4 million (1.0 million) and the bank's property company a loss of NOK 2.2 million (0.3 million).

SpareBank 1 Group

The bank's ownership interest in the SpareBank 1 Group is regarded as participation in a joint venture, and is accounted for by the equity method. SpareBank 1 Midt-Norge's stake is 13%. SpareBank 1 Group's first quarter result was a negative NOK 44.6 million (-110.0 million), and SpareBank 1 Midt-Norge's share of this is NOK -5.8 million (-14.5 million).

Operating expenses

The group's overall operating expenses totalled NOK 180 million in the first quarter (NOK 154 million).

Personnel expenses came to NOK 86 million (NOK 80 million). The increase is essentially due to salary growth.

Other first quarter operating expenses came to NOK 95 million (NOK 74 million). The introduction of VAT on services and higher administration costs at the parent bank (NOK 9 million), along with higher activity levels at subsidiaries (NOK 12 million) explain the

growth.

At the end of the quarter the parent bank employed 638 staff (569 Full Time Equivalents, or FTEs), the same as at the start of the year. The group employed a total of 771 staff (673 FTEs) at end-quarter. The subsidiaries had 133 employees (104 FTEs), also the same as at the start of the year.

Relative operating expenses measured 2.18% of average total assets (2.02%). Group expenses measured 60% (61%) of income and parent bank expenses 56% (59%).

Write down of long-term shareholdings and gain on disposal of fixed assets

Net write downs and gain on disposal of long-term shareholdings totalled NOK 29 million (12 million) in the first quarter. Disposal gains totalled NOK 32 million, write down of long-term shareholdings NOK 3 million. Of the gain, disposal of shares of Mid-nor AS accounted for NOK 30 million.

Loan losses and defaults

First quarter loan losses totalled NOK 24 million (21 million).

Of the losses, NOK 18 are specified losses referring to corporate customer and NOK 1 million specified losses on retail customers. A provision of NOK 5 million has been made for unspecified losses.

Specified loss provisions as at 31 March 2001 totalled NOK 398 million, NOK 19 million less than at year-end. Unspecified loss provisions came to NOK 393 million, 1.3% of total outstanding loans.

Loans in default for more than 90 days were reduced by NOK 37 million to NOK 595 million in the first quarter. Loans in default between 30 and 90 days rose by NOK 18 million and now total NOK 291 million. This brings overall defaults in excess of 30 days to NOK 886 million, NOK 19 million less than at the start of 2002.

Balance sheet

The bank's assets totalled NOK 33 billion as of 31 March, NOK 0.3 billion (0.9%) less than at the end of 2001.

Loans

Total lending rose by NOK 0.2 billion (0.6%) to reach NOK 29.5 billion at end-quarter. Lending to the retail market rose by 1.1%, while lending to the corporate market showed zero growth.

Lending to customers grew by NOK 2.4 billion (8.8%) in the 12 months to end-March.

Loans to the retail market accounted for 57% of total loans to customers as at 31 March 2002.

Deposits

Customer deposits rose by NOK 0.6 billion (3.2%) in the first quarter to reach NOK 18.4 billion as at 31 March.

Retail customer deposits rose by NOK 0.5 billion (4.6%) in the first quarter and corporate customer deposits by NOK 0.2 billion (2.6%).

Deposits rose by NOK 1.2 billion (6.7%) in the 12 months to end-March.

Financial strength

Risk-weighted volume is higher due to growth in lending in the first quarter. At end-quarter the capital adequacy ratio was 12.0% and

core capital adequacy 8.7%.

Outlook further ahead

Banking operations were on a satisfactory trend in the first quarter. SpareBank 1 Midt-Norge carried out a comprehensive review of its business in the period with a view to reinforcing the positive trend. The Directors' expect another good operating year for the bank in 2002.

Trondheim, 25. april 2002

The Board of Directors of Sparebanken Midt-Norge

Per Axel Koch (chair)

Eli Arnstad (dep.chair)

Terje Roll Danielsen

Grete Bakken Hoem

Anne-Brit Skjetne

Egill Vatne jr.

Kjell Eriksen

Frode Kalland

Finn Haugan (man.dir.)

Results from quarter accounts

	1. kv	4. kv	3. kv	2. kv	1. kv	4. kv	3. kv	2. kv	1. kv
(Group) Figures in millions of kroner	2002	2001	2001	2001	2001	2000	2000	2000	2000
Interest income	630	695	626	682	614	386	549	496	481
Interest expenses	<u>418</u>	<u>473</u>	<u>418</u>	<u>478</u>	<u>420</u>	<u>200</u>	<u>343</u>	<u>304</u>	<u>298</u>
Net interest and credit commission income	213	222	208	204	194	186	206	192	183
Capital gains and dividend	28	26	-4	23	14	-8	12	7	10
Income on ownership interests in associated comp;	-6	-16	-22	-5	-15	-7	-3	0	2
Commission income	69	79	73	74	67	69	63	66	63
Commission expenses	-17	-20	-18	-17	-16	-20	-19	-18	-18
Other operating income	<u>14</u>	<u>8</u>	<u>9</u>	<u>26</u>	<u>7</u>	<u>33</u>	<u>8</u>	<u>10</u>	<u>7</u>
Total other operating income	89	78	39	101	58	67	60	65	65
Total income	302	300	246	305	252	270	267	257	248
Personnel expenses	86	81	85	88	80	92	80	78	73
Admin. expenses	63	63	65	51	49	44	49	55	53
Ordinary depreciation	10	11	10	12	9	3	10	10	10
Other operating expenses	<u>21</u>	<u>16</u>	<u>13</u>	<u>19</u>	<u>17</u>	<u>31</u>	<u>20</u>	<u>15</u>	<u>12</u>
Operating expenses	180	172	172	170	154	170	159	158	148
Profit before losses/gains and write-downs	121	128	74	135	97	100	108	99	100
Loss on loans and guarantees	24	56	33	29	21	24	51	34	21
Write-downs and gain/loss on disposals	29	-13	26	-1	12	43	27	-1	0
Ordinary pre-tax profit	127	59	66	105	89	118	84	64	79
Tax charge	37	21	27	29	29	35	19	20	22
Ordinary post-tax profit	90	38	39	76	60	83	64	44	57

Balance sheet figures from quarterly accounts

Loans to customers (gross)	29.464	29.278	28.451	28.136	27.071	29.278	24.827	24.388	23.263
Customer deposits	18.442	17.871	17.019	18.002	17.282	17.287	15.633	16.149	15.172
Total assets	32.970	33.286	31.728	33.296	30.524	30.929	28.273	28.365	26.301
Average total assets in the quarter	33.153	32.539	32.271	31.884	30.653	27.258	27.258	26.958	26.449
Change in outstanding loans, last 12 months	8,8 %	10,0 %	14,6 %	15,4 %	16,4 %	16,0 %	17,0 %	19,0 %	15,3 %
Change in deposits, last 12 months	6,7 %	3,4 %	8,9 %	11,5 %	13,9 %	13,4 %	9,7 %	10,8 %	7,5 %

Defaulted commitments

Defaults more than 90 days	595	632	753	615	546	532	553	507	564
Defaults 30-90 days	<u>291</u>	<u>273</u>	<u>332</u>	<u>293</u>	<u>306</u>	<u>294</u>	<u>283</u>	<u>280</u>	<u>219</u>
Total defaults	886	905	1.085	908	852	826	836	787	783

Capital adequacy

Primary capital	606	605	615	609	609	609	605	600	600
Dividend adjustment fund	491	489	443	443	443	443	450	450	450
Other core capital	<u>983</u>	<u>984</u>	<u>867</u>	<u>867</u>	<u>867</u>	<u>868</u>	<u>814</u>	<u>802</u>	<u>817</u>
Core capital	2.080	2.079	1.926	1.920	1.920	1.920	1.869	1.852	1.863
Capital base	2.853	2.842	2.677	2.696	2.474	2.460	2.395	2.443	2.354
Risk weighted volume	23.810	23.554	23.608	24.416	23.495	23.019	21.761	21.545	20.489
Core capital ratio	8,73%	8,8%	8,2%	7,9%	8,2%	8,3%	8,6%	8,6%	9,1%
Overall capital ratio	11,98%	12,1%	11,3%	11,0%	10,5%	10,7%	11,0%	11,3%	11,5%

Operations and profitability

Interest margin in % p.a.	2,56%	2,71%	2,64%	2,61%	2,54%	2,77%	3,03%	2,85%	2,77%
Expenses / income (exc. cap. gains/dividend)	0,65	0,57	0,65	0,59	0,61	0,61	0,62	0,63	0,62
Return on equity per quarter	16,4%	7,0%	7,8%	15,4%	12,0%	17,2%	13,5 %	9,3 %	12,1 %

Key figures, primary capital certificates (PCCs)

PCC price at end of quarter	222	199	177	176	174	187	204	207	209
Book equity per PCC, in NOK	190	190	190	190	190	190	184	181	181
Post-tax earnings per PCC for the year, in NO	32	20	22	26	23	24	21	20	17

No. of person-years worked

... of which at the parent bank	673	675	669	681	712	709	691	717	686
	569	570	563	573	614	619	598	620	589

Notes

1. Accounting principles

The accounts are set up in accordance with the same principles as the annual accounts for 2001.

2. Off-balance sheet items

Commitments	Morbank		Konsern	
	31.03.2002	31.12.2001	31.03.2002	31.12.2001
Sales agreements	12.996	12.199	12.996	12.199
Purchase agreements	13.149	12.449	13.149	12.449
Other commitments	3.950	4.270	3.950	4.270
<u>Conditional commitments</u>				
Guarantee liabilities	1.304	1.113	1.304	1.113

Figures in NOK 1,000

3. Loss expenses Q1 2002

Change in specified loss provisions in period	-18,727
Change in general loss provisions in period	5,190
Actual losses in period for which specified loss provisions previously made	36,495
Actual losses in period for which specified loss provisions not previously made	4,482
Incomings in period on previous periods' actual losses	3,567
<u>Loss expenses in period</u>	<u>23,873</u>

Figures in NOK 1,000

4. Losses

	31.03.2002	31.12.2001	31.12.00	31.12.99 *	31.12.98	31.12.97
Specification of loss provisions at start of period	417	434	448	508	541	633
+ Increase in spec. loss provisions in prev. periods	1	25	37	48	20	25
- Reduction in spec. loss provisions in prev. periods	3	42	53	53	60	59
+ New specified loss provisions during the period	19	84	101	61	62	32
- Actual losses previously provided for	36	89	99	117	57	91
+ Provision for non-acrued interest receivable	5	5	0	0	0	0
Specification of loss provisions at end of period	399	417	434	448	505	541
<u>Actual losses</u>	<u>41</u>	<u>140</u>	<u>106</u>	<u>127</u>	<u>56</u>	<u>73</u>

Figures in NOKm

* Specified loan loss provisions are NOK 3 million higher by start of period than by end of previous period due to changes in accounting principles.

5. Defaults

	31.03.2002	31.12.2001	31.12.2000	31.12.99	31.12.98	31.12.97
Defaults 90 - 180 days	222	227	136			
Defaults 180 - 360 days	134	168	79			
Defaults in excess of 360 days	239	237	317			
<u>Defaults over 90 days</u>	<u>595</u>	<u>632</u>	<u>532</u>	<u>583</u>	<u>643</u>	<u>741</u>
Defaults between 30 and 90 days	291	273	294	171	238	315
<u>Total defaults</u>	<u>886</u>	<u>905</u>	<u>826</u>	<u>754</u>	<u>881</u>	<u>1,056</u>
Specified loan loss provisions	399	417	434	448	505	541
Specified loss provisions in per cent of defaults	45%	46%	53%	59%	57%	51%

Figures in NOKm

6. Distribution of loans by sector/industry

	31.03.2002	31.12.2001	31.12.2000	31.12.99	31.12.98	31.12.97
Retail customers	16.469	16.286	15.407	13.041	11.536	10.812
Public sector	421	400	402	481	533	434
Wholesale and retail trade	1.588	1.450	1.188	967	892	853
Primary industries	2.958	3.059	2.980	2.684	2.603	2.403
Financing, real estate etc.	3.586	4.028	3.190	2.774	2.302	1.715
Building and construction	515	489	483	445	310	349
Manufacturing	1.051	1.000	864	767	670	648
Transportation and services	1.877	1.869	1.628	1.687	1.148	1.058
Other	993	757	469	108	150	285
	29.458	29.338	26.611	22.954	20.144	18.557

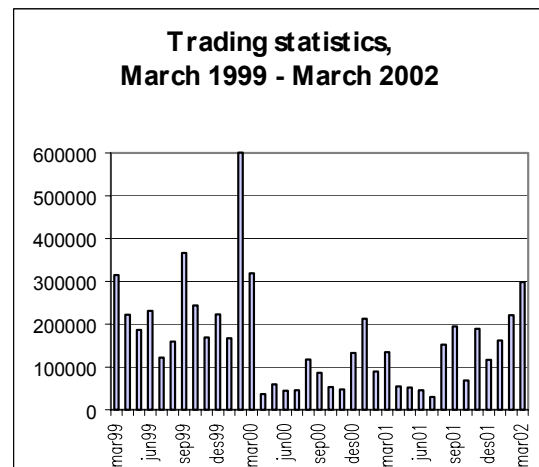
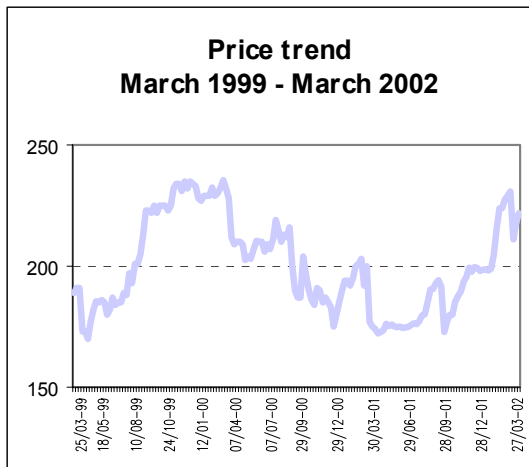
The group, figures are inclusive interests

7. Capital adequacy

	31.03.2002	31.12.2001	31.12.2000	31.12.99	31.12.98	31.12.97
Core capital	2,080	2,079	1,920	1,867	1,634	1,476
Qualifying subordinated loan capital	1,108	900	900	500	350	350
Qualifying unspecified loan loss provisions	0	0	0	0	0	0
- Cross-ownership items	345	350	417	224	15	22
Capital base	2,843	2,629	2,460	2,160	1,969	1,804
Risk-weighted asset base (basis of calculation)	23,810	23,554	23,019	19,736	17,482	15,223
Core capital ratio	8,74%	8,83%	8,34%	9,46%	9,35%	9,70%
Capital adequacy ratio	11,94%	11,16%	10,69%	10,94%	11,26%	11,85%

The group, figures in NOKm

Primary capital certificates (PCCs)



20 largest owners as at 31 March 2002

	<u>No. Of PCCs</u>	<u>Share</u>
FöreningsSparbanken	598.300	9,81 %
Frank Mohn AS	300.975	4,93 %
Folketrygdfondet	294.300	4,83 %
A/S Kristiansands Tankrederi II	203.100	3,33 %
Investors Bank & Trust	186.451	3,06 %
Sparebanken Rogaland	147.230	2,41 %
Tveteraas Invest as.m.fl.	124.583	2,04 %
Wenaas Holding AS	114.200	1,87 %
Gjensidige NOR	113.400	1,86 %
IK Lykke, T. Lykke, B. Finans, IK Lykk	112.100	1,84 %
Roll Severin AS	55.850	0,92 %
Tine Pensjonskasse	55.000	0,90 %
Ringerikes Sparebank	51.700	0,85 %
Otto B. Morcken	46.000	0,75 %
Haugaland Kraft AS	45.680	0,75 %
Sparebanken Midt-Norge Ansatte	45.450	0,75 %
Adresseavisens pensjonskasse	42.500	0,70 %
Bank of New York, Brussels Bran	41.976	0,69 %
Corneliussen Invest AS	40.000	0,66 %
Sparebanken Midt-Norge	36.750	0,60 %
Postfolkets Personellservice	35.000	0,57 %
	<u>2.690.545</u>	<u>43,54 %</u>

Dividend policy

The financial objective of Sparebanken Midt-Norge's operations is to achieve results that provide a sound return on the bank's overall core capital.

An aim is to distribute the annual profit between primary capital certificate holders and the savings bank's reserves so as to reflect their share of overall core capital.

Sparebanken Midt-Norge will attach importance to a competitive cash dividend.

Variations may occur in the relative distribution