

APPLICABLE FINAL TERMS

13 January 2014

SpareBank 1 SMN

Issue of EUR 53,000,000 Callable Fixed Rate Notes due 2044

under the €7,500,000,000

Euro Medium Term Note Programme

Part A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 20 June 2013 and the supplement to it dated 20 August 2013, which together constitute a base prospectus for the purposes of the Prospectus Directive (the "Prospectus"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at, and copies may be obtained from, the specified office of each of the Paying Agents. The Prospectus and (in the case of Notes listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange) the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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|----|-------|--|---|
| 1. | (i) | Series Number: | 194 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Euro ("EUR") |
| 3. | | Aggregate Nominal Amount | |
| | (i) | Series: | EUR 53,000,000 |
| | (ii) | Tranche: | EUR 53,000,000 |
| 4. | | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 5. | (a) | Specified Denominations: | EUR 100,000 |

	(b)	Calculation Amount:	EUR 100,000
6.	(i)	Issue Date:	15 January 2014
	(ii)	Interest Commencement Date:	Issue Date
7.		Maturity Date:	15 January 2044
8.		Interest Basis:	3.70 per cent. Fixed Rate
9.		Redemption/Payment Basis:	Redemption at par. Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10.		Change of Interest Basis:	Not Applicable
11.		Put/Call Options:	Issuer Call
12.	(i)	Status of the Notes:	Unsubordinated
	(ii)	Date Board approval for issuance of Notes obtained:	05 February 2013

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.		Fixed Rate Note Provisions	Applicable
	(i)	Rate(s) of Interest:	3.70 per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	15 January in each year, from and including 15 January 2015 up to and including the Maturity Date, subject to adjustment as per the Following Business Day Convention. There shall be no adjustment to period end dates.
	(iii)	Fixed Coupon Amount(s): <i>(Applicable to Notes in definitive form.)</i>	EUR 3,700 per Calculation Amount
	(iv)	Broken Amount(s): <i>(Applicable to Notes in definitive form.)</i>	Not Applicable
	(v)	Day Count Fraction:	30/360
	(vi)	Determination Date(s):	Not Applicable

14. **Floating Rate Note Provisions** Not Applicable

15. **Zero Coupon Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

16. Notice periods for Condition 7 (b) (Redemption and Purchase – Redemption for taxation reasons): Minimum period: 15 days
Maximum period: 90 days

17. Issuer Call: Applicable

(i) Optional Redemption Date(s): 15 January 2024 and 15 January 2034, adjusted in accordance with the Following Business Day Convention.

(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): 100 per cent. per Calculation Amount

(iii) If redeemable in part: Not Applicable

(a) Minimum Redemption Amount: Not Applicable

(b) Maximum Redemption Amount: Not Applicable

(iv) Notice periods (for Condition 7 (c) (Redemption and Purchase – Redemption at the option of the Issuer)): 5 (five) business days prior to the Early Redemption Date

18. Investor Put: Not Applicable

19. Final Redemption Amount: 100 per cent. per Calculation Amount

20. Early Redemption Amount payable on redemption for taxation reasons or on event of default: 100 per cent. per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:

(a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event

(b) New Global Note: Yes

22. Additional Financial Centre(s): TARGET and Oslo
23. Talons for future Coupons to be attached to Definitive: No

THIRD PARTY INFORMATION

Not Applicable

Signed on behalf of the Issuer:

By: 
.....
PER EGIL AAM
Duly authorised

Part B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Bourse de Luxembourg and listing on the official list of the Luxembourg Stock Exchange with effect from 29 January 2014.
- (ii) Estimate of total expenses related to admission to trading: EUR 9,000.00

2. RATINGS

Ratings: The Notes to be issued have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

SAVE FOR ANY FEES PAYABLE TO THE DEALERS, SO FAR AS THE ISSUER IS AWARE, NO PERSON INVOLVED IN THE ISSUE OF THE NOTES HAS AN INTEREST MATERIAL TO THE OFFER. THE DEALERS AND THEIR AFFILIATES HAVE ENGAGED, AND MAY IN THE FUTURE ENGAGE, IN INVESTMENT BANKING AND/OR COMMERCIAL BANKING TRANSACTIONS WITH, AND MAY PERFORM OTHER SERVICES FOR, THE ISSUER AND ITS AFFILIATES IN THE ORDINARY COURSE OF BUSINESS.

4. YIELD

Indication of yield: 3.70 per cent. per annum

5. HISTORIC INTEREST RATES

NOT APPLICABLE

6. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1014871302
- (ii) Common Code: 101487130
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable

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| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of initial Paying Agent(s): | Not Applicable |
| (vi) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vii) | Deemed delivery of clearing system notices for the purposes of Condition 14 (<i>Notices</i>): | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes.

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

7. DISTRIBUTION

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| (i) | Method of distribution: | Non-syndicated |
| (ii) | If syndicated, names of Managers: | Not Applicable |
| (iii) | Date of Subscription Agreement: | Not Applicable |
| (iv) | Stabilising Manager(s) (if any): | Not Applicable |
| (v) | If non-syndicated, name of relevant Dealer: | UBS Limited |
| (vi) | U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |