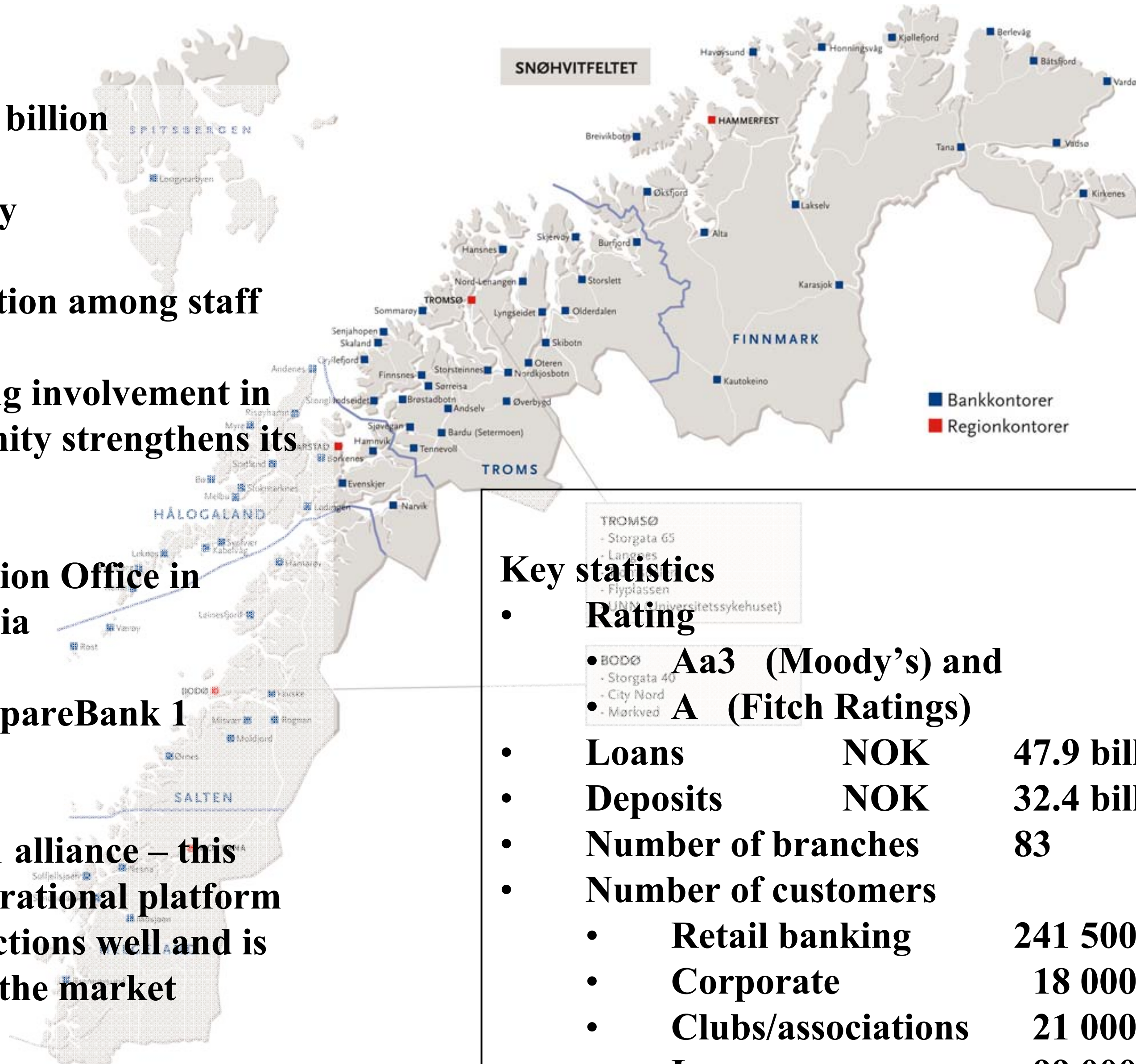
Presentation of 2nd Quarter Report 2007

Tromsø/Oslo 7. august 2007

SpareBank 1 Nord-Norge

The region's leading bank



- Assets NOK 58.5 billion
- Good profitability
- High job satisfaction among staff
- The Bank's strong involvement in the local community strengthens its market position.
- New Representation Office in Murmansk, Russia
- Good results in SpareBank 1 Gruppen AS
- The SpareBank 1 alliance – this strategic and operational platform for the Bank functions well and is well accepted by the market

Key statistics

- Rating
  - Aa3 (Moody's) and
  - A (Fitch Ratings)
- Loans NOK 47.9 billion
- Deposits NOK 32.4 billion
- Number of branches 83
- Number of customers
  - Retail banking 241 500
  - Corporate 18 000
  - Clubs/associations 21 000
  - Insurance 99 000

SpareBank 1 Nord-Norge

Organisation of the financial services group

Group

Parent Bank

SpareBank 1 Nord-Norge Invest ASA
Investment company
Equity stake 100 %

Eiendomsdrift AS
Real estate management
Equity stake 100 %

SpareBank 1 Gruppen
Fin.Services Group
Equity stake 19.5%

SpareBank 1 Nord-Norge Securities ASA
Securities firm
Equity stake 54 %

SpareBank 1 Finans Nord- Norge AS
•Leasing/factoring
•Equity stake 100%

- **Tromsø**
- **Bodø**
- **Sandnessjøen**

EiendomsMegler 1 Nord-Norge AS
Real estate brokerage
Equity stake 100 %

- **Tromsø**
- **Bodø**
- **Alta**
- **Hammerfest**
- **Kirkenes**
- **Svolvær**
- **Mo i Rana**

SpareBank 1 Nord-Norge

SpareBank 1 Nord-Norge

• **Head Office:**	**Tromsø**
• **Organisation:**	**5 regions**
• **Region Offices:**	**Hammerfest**
	Tromsø
	Harstad
	Bodø
	Mo i Rana
• **Location:**	**83 branches**
• **Man years, Group:**	**780**

Financial targets: Capital adequacy ratio

SpareBank 1 Nord-Norge shall be a financially strong bank with a capital adequacy ratio which reflects the risks involved within the Bank's market area.

- Capital adequacy ratio of 12 % and a core capital coverage of 9 % minimum.
- The confidence level shall be 99.9%.

Group capital adequacy ratio

(Amounts in NOK million)

	30.06.07	30.06.06	31.12.06
Core capital	**3.442**	2.934	3.014
Supplementary capital in addition to the core capital	**600**	927	611
Deduction items:			
Subord. loan-and equity cap. participations in other		0	0
Capital adequacy reserves		473	0
Net equity and related capital resources	**4.042**	3.388	3.625
Total risk-weighted assets base - 100 %	**39.096**	33.042	36.736
Total risk-weighted assets base IRB - 95 %	**37.141**		
Core capital adequacy ratio*	**9,27 %**	8,88 %	8,20 %
Capital adequacy ratio*	**10,88 %**	10,25 %	9,87 %

* Figures for 2nd quarter 2007 are calculated in accordance with IRB

Figures for 2006 are calculated in accordance with NGAAP, not restated in accordance with IFRS

Including 50 per cent of the result for 2nd quarter 2007, the capital adequacy ratio will be 11.36 %.

SpareBank 1 Nord-Norge

Financial targets: Profitability and effectiveness

Profitability

- SpareBank 1 Nord-Norge’s return on equity shall reflect the risk pertaining to the Bank’s business operations and the general level of interest rates
- The targeted after-tax return is minimum 6 percentage points above the yield on long-term government bonds
- The profitability shall be comparable to the performance of competing banks in Norway.

Strong economic expansion in the region allocates very good results for the bank

Main features (same period in 2006):

- Pre-tax operating result totalled NOK 459 million (NOK 377 million)
- After-tax return on equity capital amounted to 19.9 per cent (18.3%)
- Earnings per Primary Capital Certificate (PCC) totalled NOK 11,93 (NOK 8.46)
- A very good result for SpareBank 1 Gruppen AS, the Bank's share of which amounted to NOK 116 million (NOK 69 million)
- The overall cost ratio ended up at 50.1 per cent (54.8%)
- Low losses on loans: Net losses of NOK 7 million (a NOK 5 million income at the end of the second quarter of 2006)
- Aggregate revenue generation from financial investments amounted to NOK 139 million (NOK 61 million)
- Lending growth during the last 12 months (including loans transferred to SpareBank 1 Boligkreditt): 13.0% (10.3%)
- The accounts show 9.3 per cent lending growth for the last 12 months
- Deposit growth during the last 12 months amounted to 14.4 per cent (11.2%).

Group profit and loss account - IFRS

(Amounts in NOK million)	30.06.07	30.06.06	Change	30.06.07	30.06.06
Net interest income	**575**	532	43	**2,04 %**	2,15 %
Net fee- and commission income	**186**	183	3	**0,66 %**	0,74 %
Income from financial investments	**139**	61	78	**0,49 %**	0,25 %
Other income	**34**	47	-13	**0,12 %**	0,19 %
Total net income	**934**	823	111	**3,31 %**	3,32 %
Total costs	**468**	451	17	**1,66 %**	1,82 %
Result before losses and write-downs	**466**	372	94	**1,65 %**	1,50 %
			0		
Net losses and write-downs	**7**	-5	12	**0,02 %**	-0,02 %
Result before tax	**459**	377	82	**1,63 %**	1,52 %
			0		
Tax	**99**	105	-6	**0,35 %**	0,42 %
Period result	**360**	272	88	**1,28 %**	1,10 %

SpareBank 1 Nord-Norge

Group Companies

Profit before tax

	30.06.07	30.06.06
SpareBank 1 Finans Nord-Norge AS	**11.937**	8.841
SpareBank 1 Nord-Norge Invest AS	**10.999**	226
Eiendomsdrift AS	**782**	9.130
Eiendomsmegler 1 Nord-Norge AS	**3.413**	6.369
SpareBank 1 NN Securities ASA (54%)	**3.047**	7.425
TOTAL	**30.178**	31.991

Quarterly Summary – Profit and loss account figures

(Amounts in NOK million)

	Q2-07	Q1-07	Q4-06	Q3-06	Q2-06
Interest income	**291**	284	282	283	270
Net fee- and commission income	**99**	87	92	87	99
Income from financial investments	**72**	67	184	23	-4
Other operating income	**19**	15	19	14	22
Total income	**481**	453	577	407	387
Total costs	**246**	222	238	189	236
Profit before losses	**235**	231	339	218	151
Losses	**5**	2	-32	-6	1
Profit before tax	**230**	229	371	224	150
Tax	**43**	56	47	53	43
Minority interest	**1**	1	1	2	1
Profit for the period	**186**	172	323	169	106

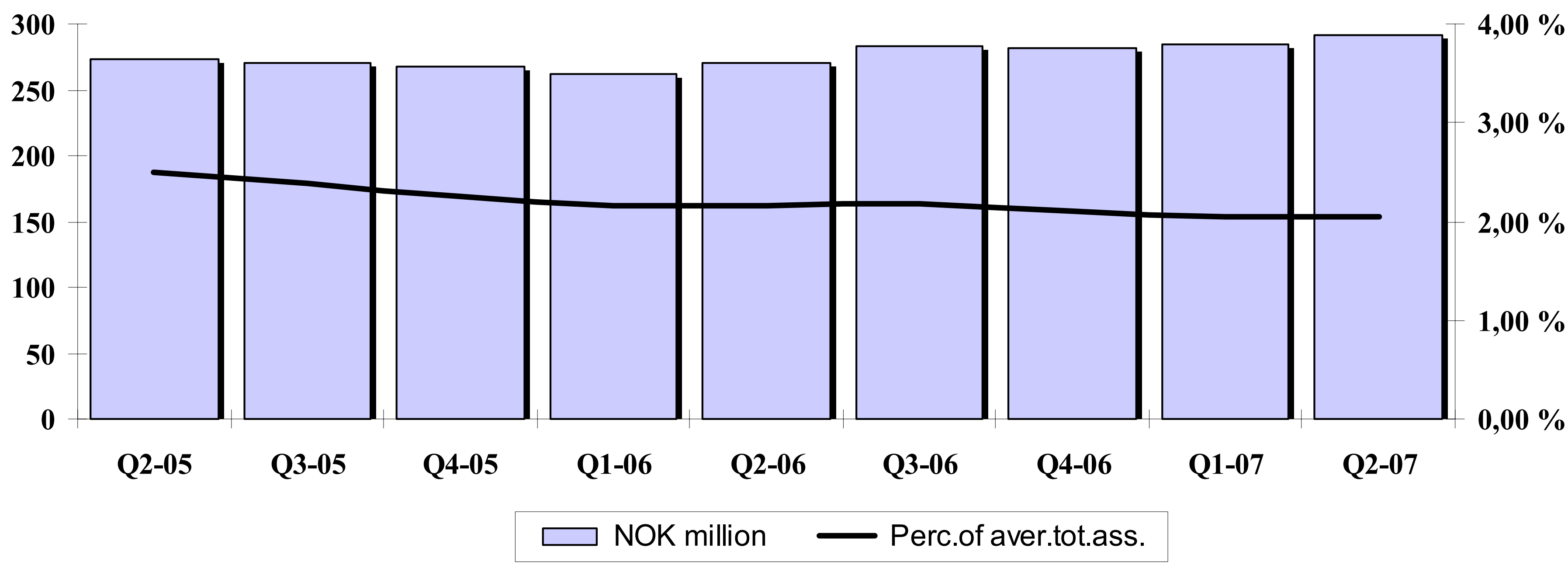
SpareBank 1 Nord-Norge

Group operating income

In comparison with 2006, the changed result is primarily ascribable to the following factors:

• Increase in net interest income	+ NOK	43 million
• Increase in net fee- and commission income	+ NOK	3 million
• Reduction in net income from financial investments	+ NOK	78 million
• Increase in other (non-interest) income	- NOK	13 million
• Increase in costs	- NOK	17 million
• Increase in net loan losses	- NOK	12 million
• TOTAL	+ NOK	82 million

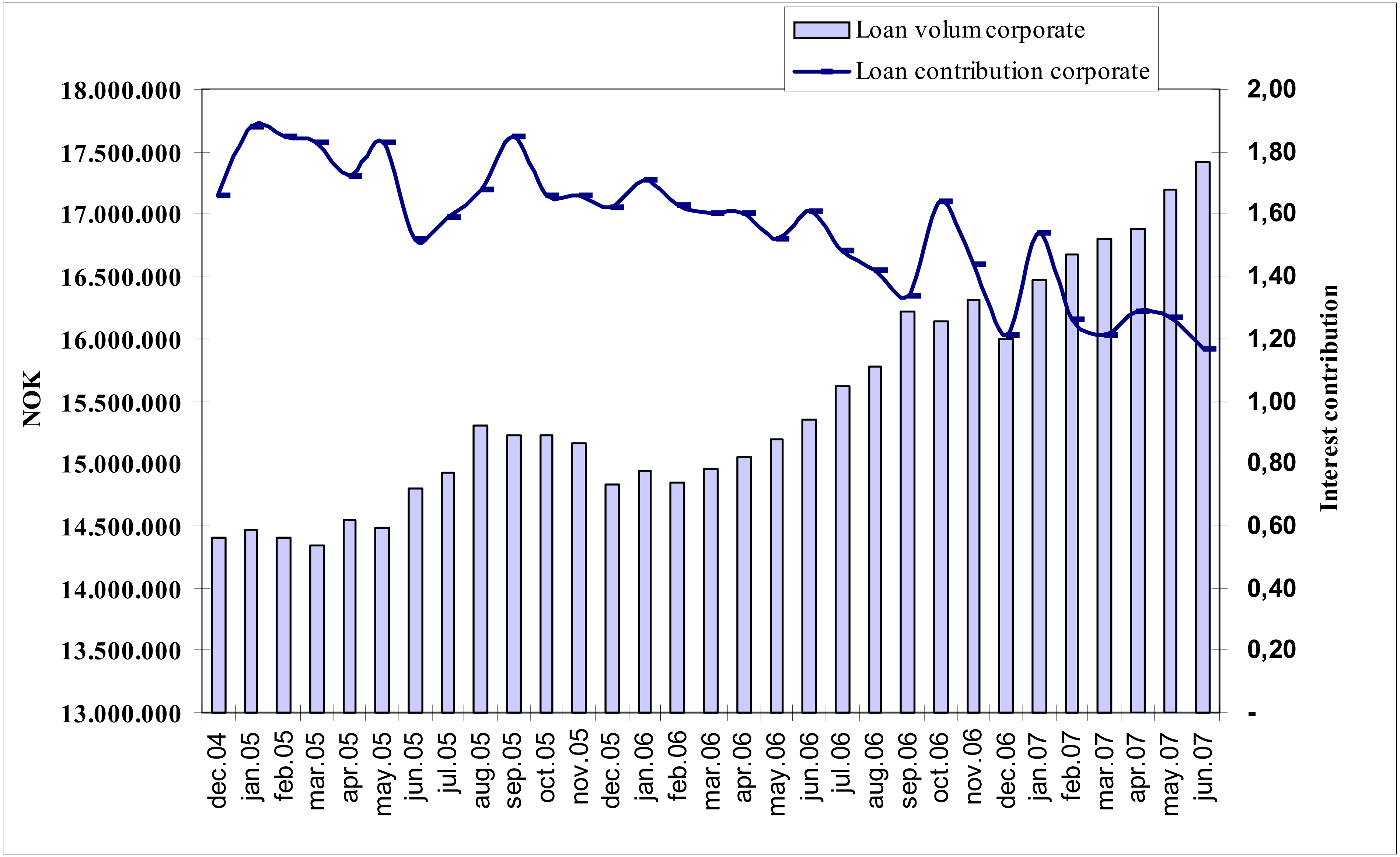
Net interest – and credit commission income - Group



	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07
NOK million	273	271	268	262	270	283	282	284	**291**
Perc.of aver.tot.ass.	2,50 %	2,38 %	2,26 %	2,16 %	2,16 %	2,18 %	2,10 %	2,05 %	**2,04 %**

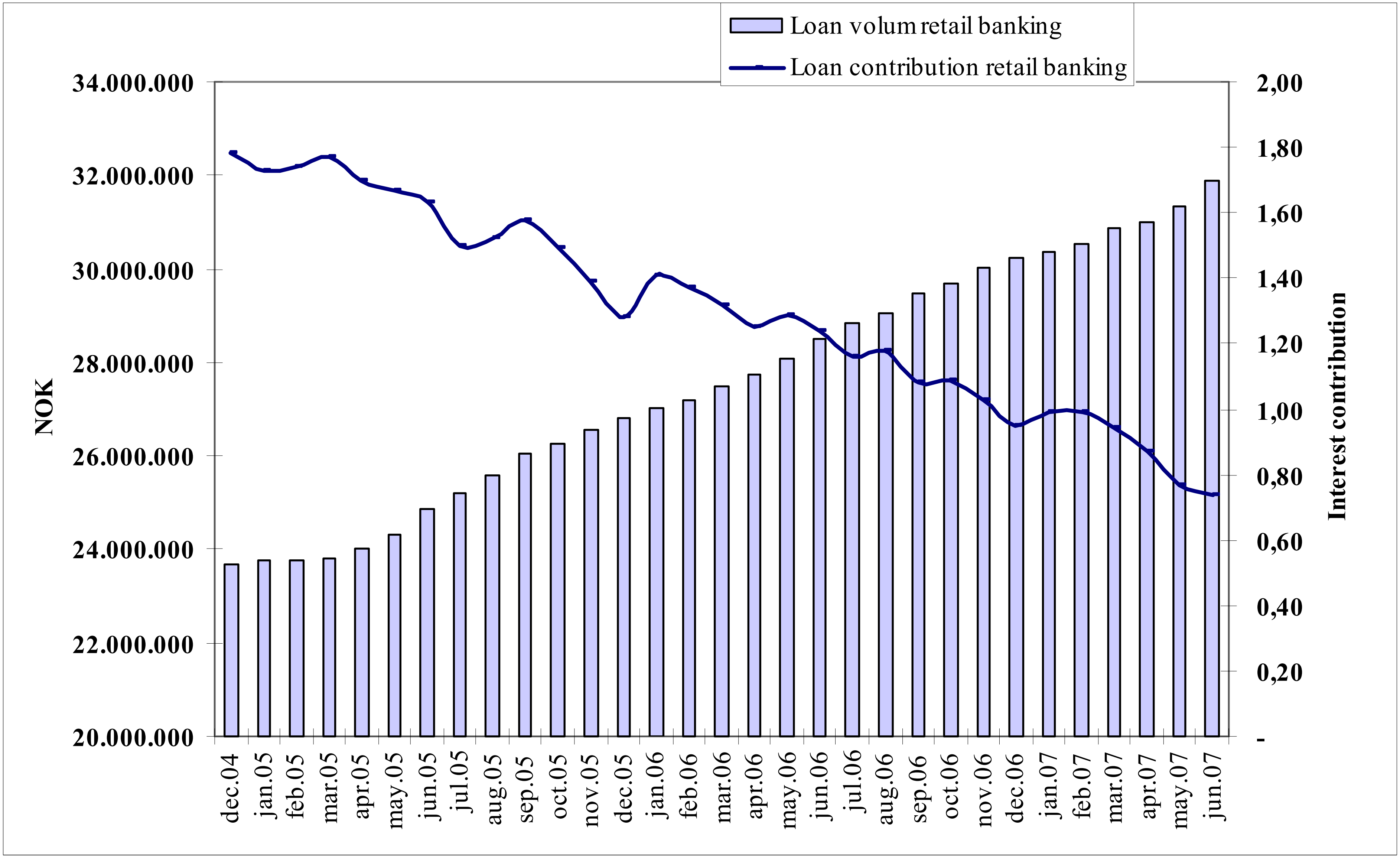
SpareBank 1 Nord-Norge

Lending, Parent bank – corporate market



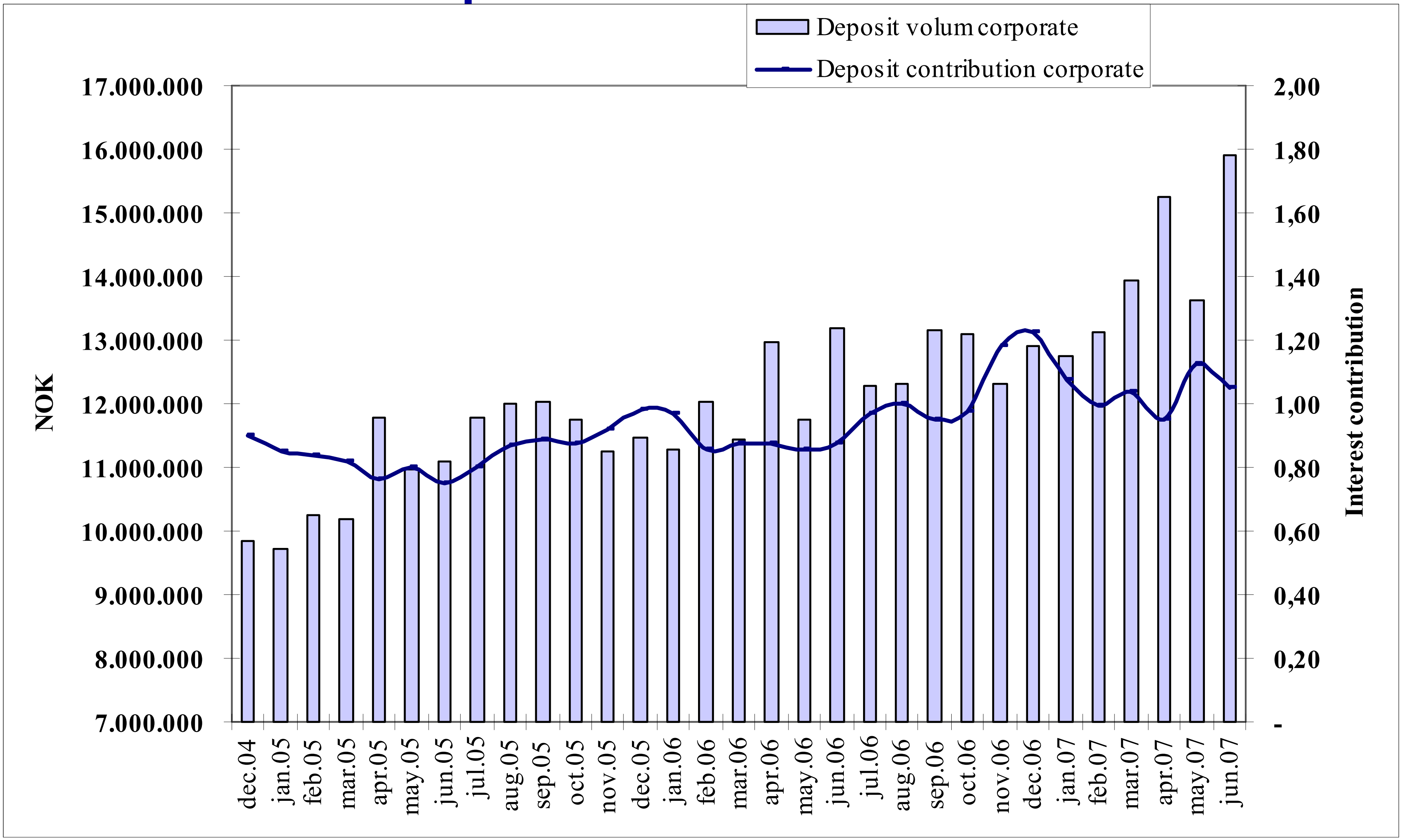
SpareBank 1 Nord-Norge

Lending, Parent bank – retail market

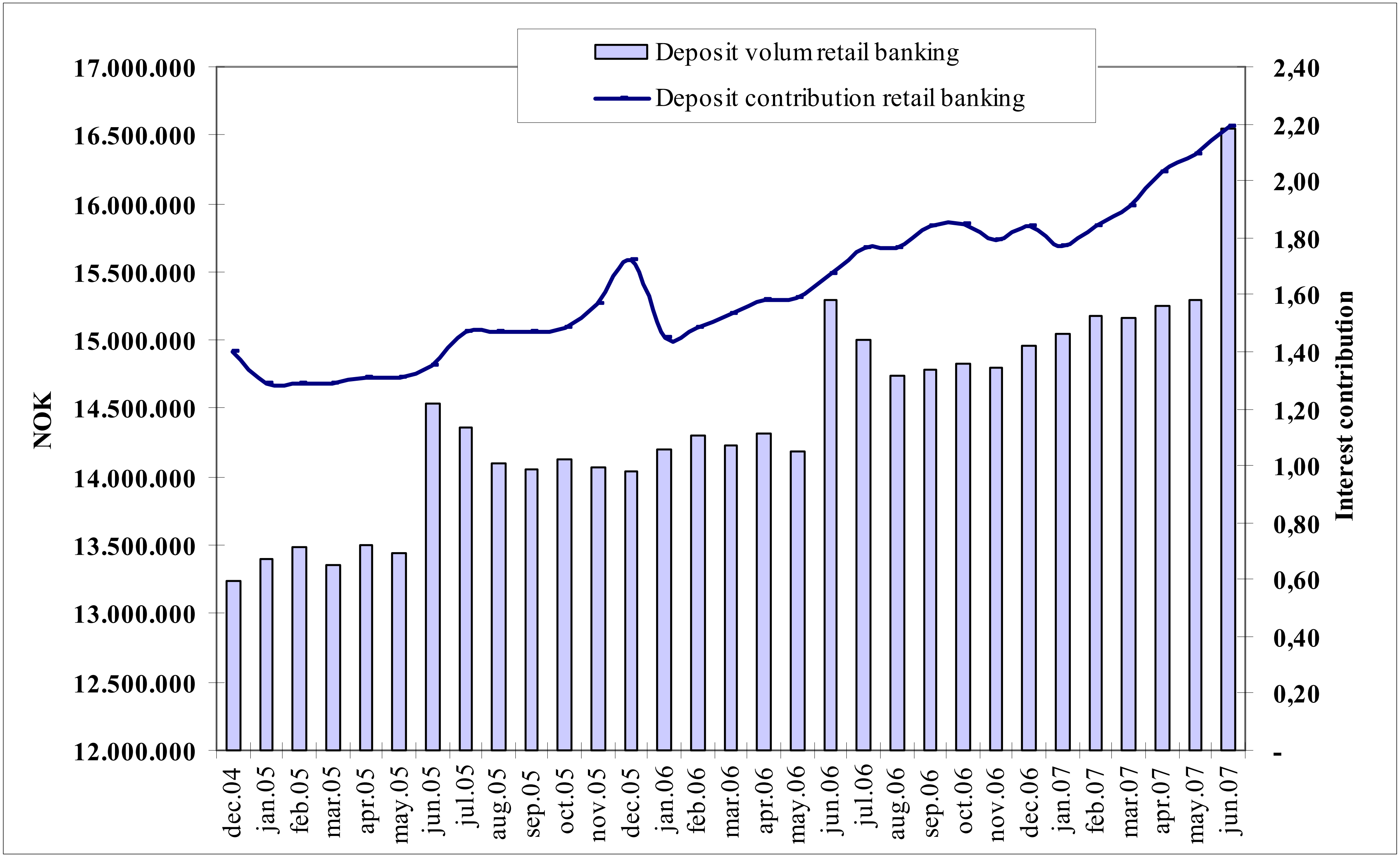


SpareBank 1 Nord-Norge

Customer deposits, Parent bank – corporate market



Customer deposits, Parent bank – retail market



SpareBank 1 Nord-Norge

Income from financial investments

(Amounts in NOK million)

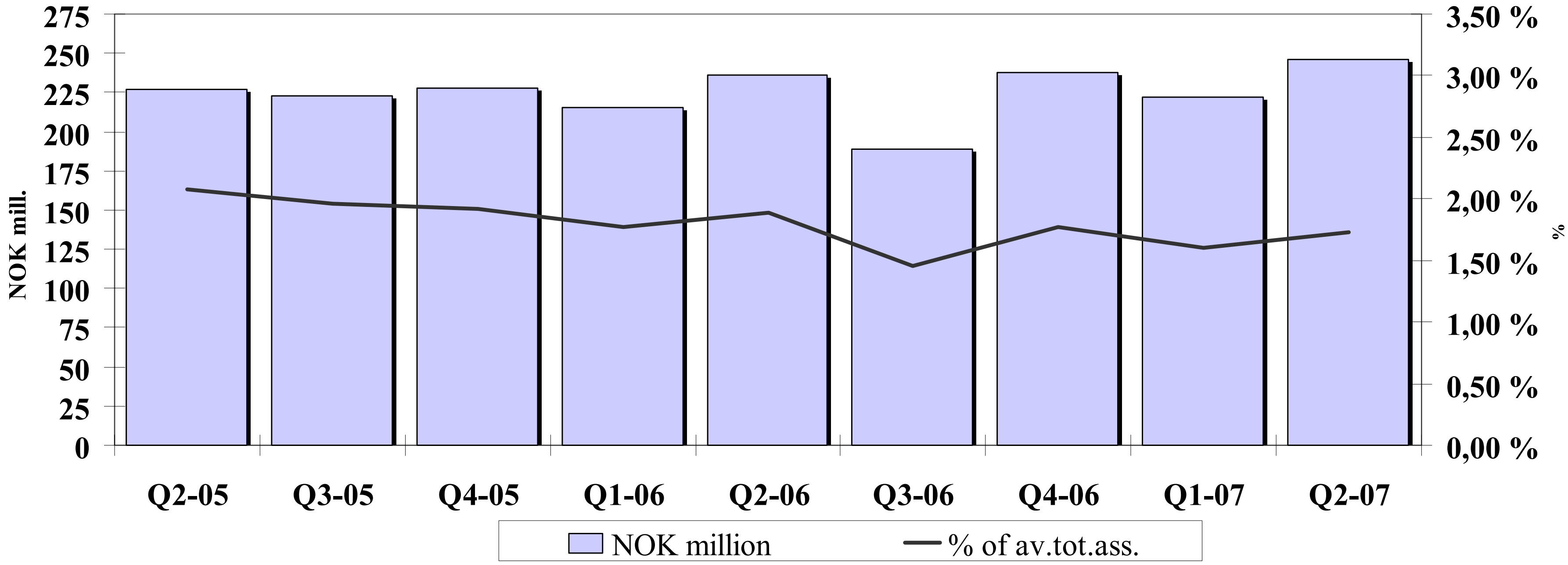
	Group - IFRS		
	30.06.07	30.06.06	Change
Dividends	**10**	14	-4
Income from joint ventures	**116**	69	47
Gains/losses and net value changes on certificates and bonds	**-6**	1	-7
Gains/losses and net value changes on shares	**-1**	-55	54
Gains/losses and net value changes on foreign exchange and fin. derivatives	**20**	22	-2
Gains/losses and net value changes on other financial assets	**0**	10	-10
Value changes on hedged objects in portfolio hedge of interest rate risk	**0**	0	0
Income from financial investments	**139**	61	78

Financial targets: Profitability and effectiveness

Effectiveness

- SpareBank 1 Nord-Norge’s target is a cost-income ratio of 50%.
- **The effectiveness shall be comparable to the level of competing banks in Norway.**

Group operating costs



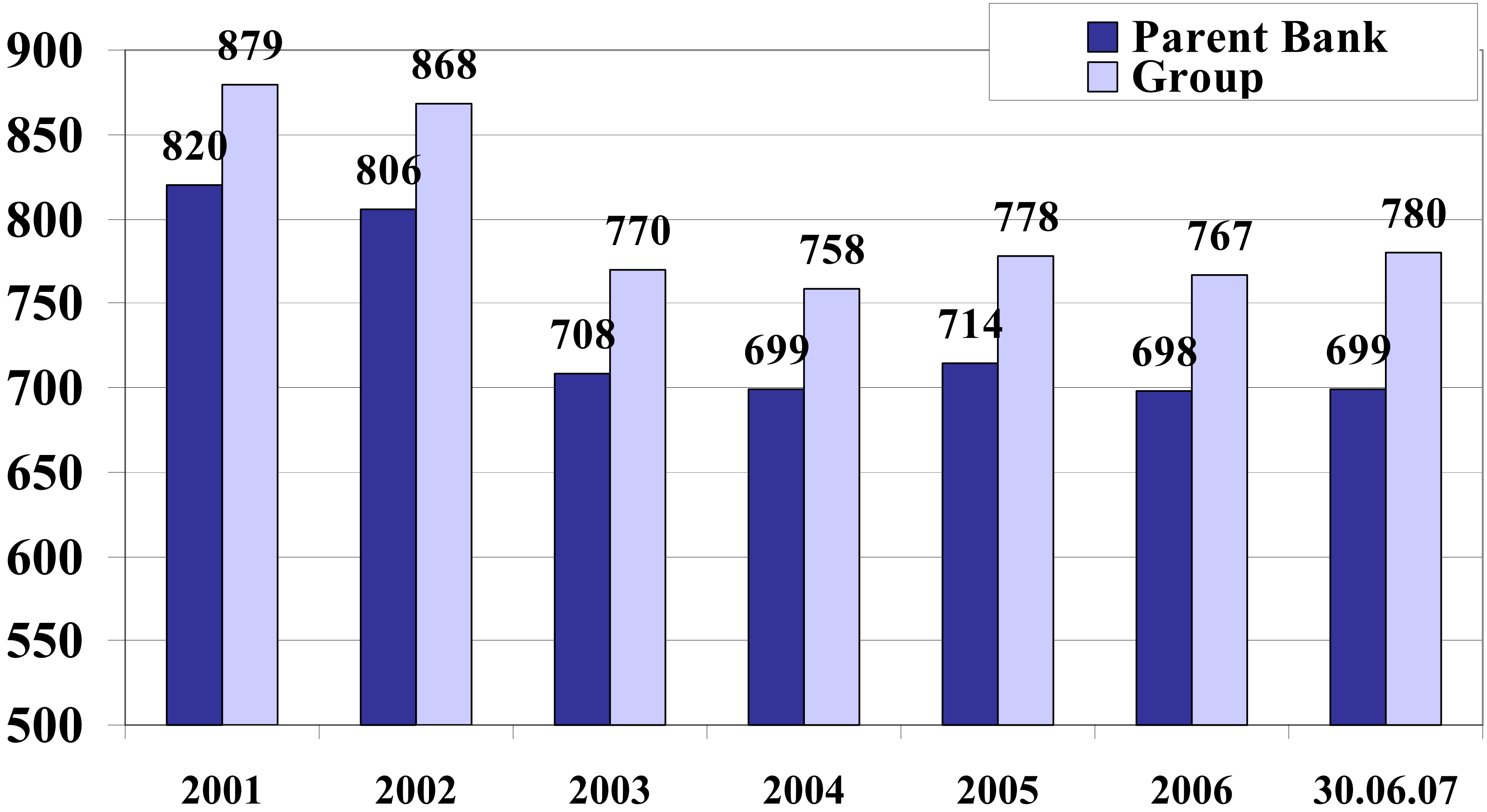
	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07
NOK million	227	223	228	215	236	189	238	222	**246**
% of av.tot.ass.	2,08 %	1,96 %	1,92 %	1,77 %	1,89 %	1,45 %	1,77 %	1,60 %	**1,72 %**

Group operating costs

(Amounts in NOK million)

	30.06.07	30.06.06	Change
Wages and salaries	**181**	183	-2
Pension costs	**30**	24	6
Social costs	**19**	22	-3
Administration costs	**148**	138	10
Total personnel- and general administration costs	**378**	367	11
Depreciation and write-downs of fixed assets	**25**	23	2
Operating costs buildings	**10**	8	2
Other operating costs	**55**	53	2
Total operating costs	**65**	61	4
Total costs	**468**	451	17

Group development man-years



SpareBank 1 Nord-Norge

Financial targets:
Market areas and customer groups

Market areas

- Nord-Norge represents SpareBank 1 Nord-Norge's primary market area. In particular, marketing efforts will be focused on Nordland (Helgeland).
- Customers who move away from the region will be actively followed up by the Bank.

Customer groups

- Retail banking customers represent SpareBank 1 Nord-Norge's most important customer group – SNN shall be the Bank for these people during all phases of their lives.
- SpareBank 1 Nord-Norge also targets small and medium-sized businesses, the public sector, clubs and associations.

SpareBank 1 Nord-Norge

Financial targets:
Market share and income targets

Market shares

SpareBank 1 Nord-Norge’s target is to achieve market shares of minimum 30% in Nord-Norge within all product areas

Business areas

SpareBank 1 Nord-Norge offers a broad range of products and services within the areas of financing, saving and placement, insurance, and payments transmission services. The Bank makes every effort to further develop a diversified product range as well as new business areas.

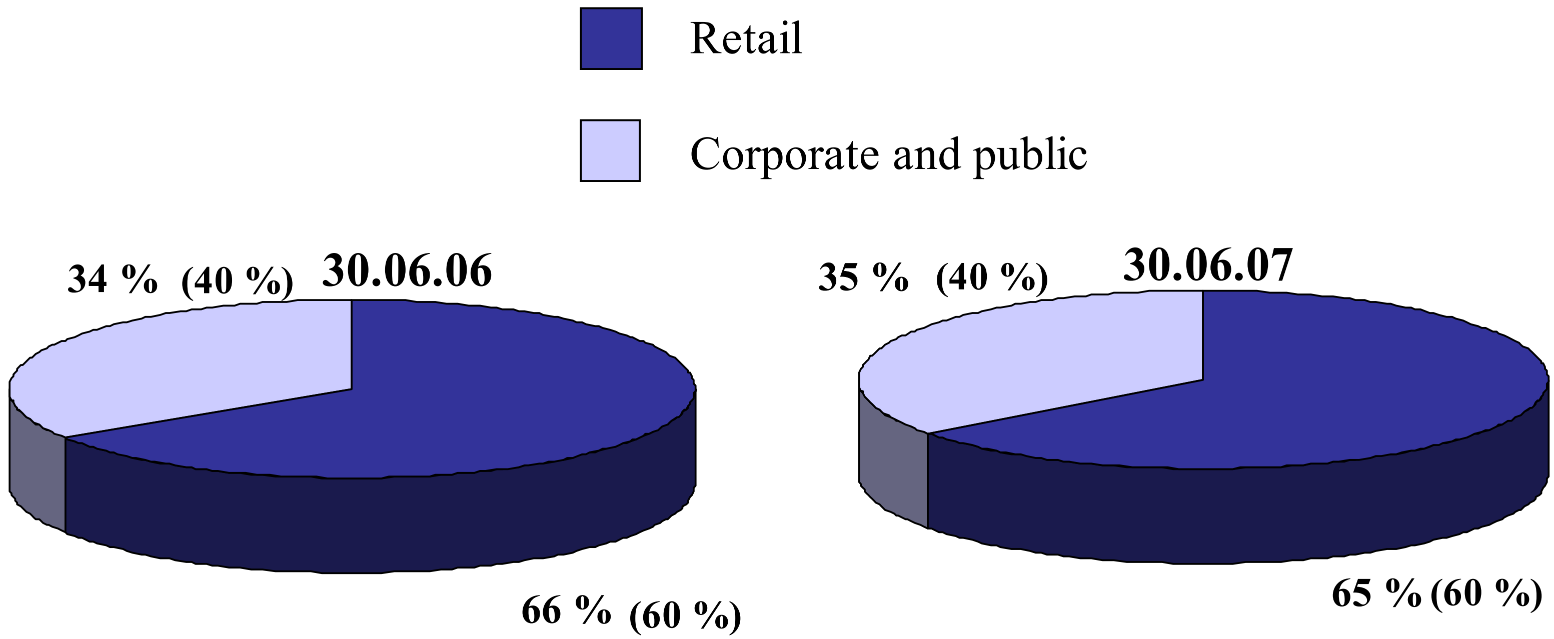
SpareBank 1 Nord-Norge

Key figures balance sheet

(Amounts in NOK million) **BALANCE SHEET**	**30.06.07**	30.06.06	Change	Change %
Total assets	**58.460**	51.496	6.964	13,5%
Gross lending	**47.852**	43.765	4.087	9,3%
Gross lending included Boligkreditt	**49.449**	43.765	5.684	13,0%
Deposits	**32.390**	28.324	4.066	14,4%

SpareBank 1 Nord-Norge

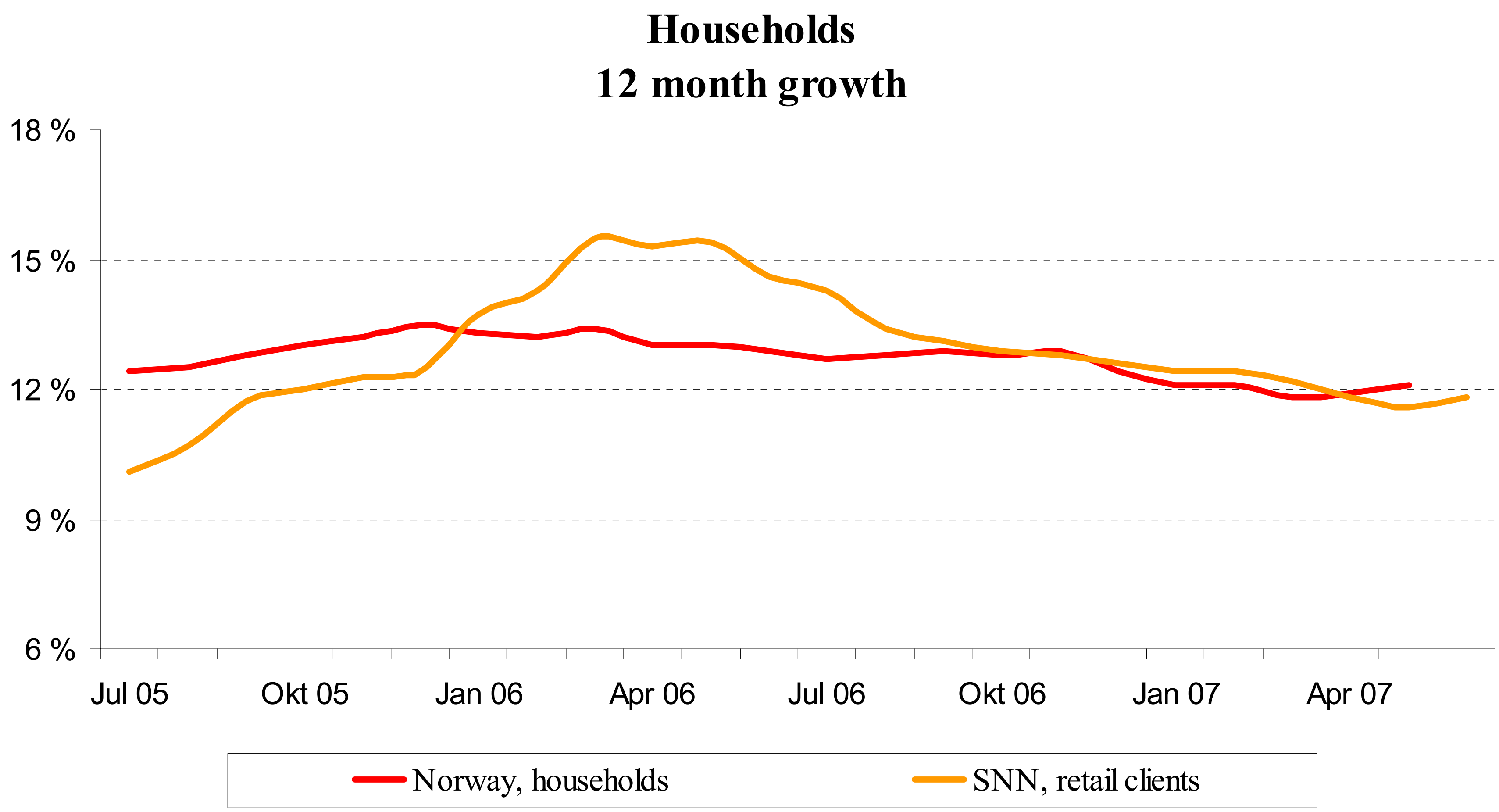
Group lending portfolio according to markets



(NOK Million)	**30.06.07**	30.06.06	Change	Change %
Retail	**30.985**	28.820	2.165	7,5 %
Corporate and public	**16.867**	14.945	1.922	12,9 %
TOTAL	**47.852**	43.765	4.087	9,3 %

Numbers in brackets include credit lines, not drawn

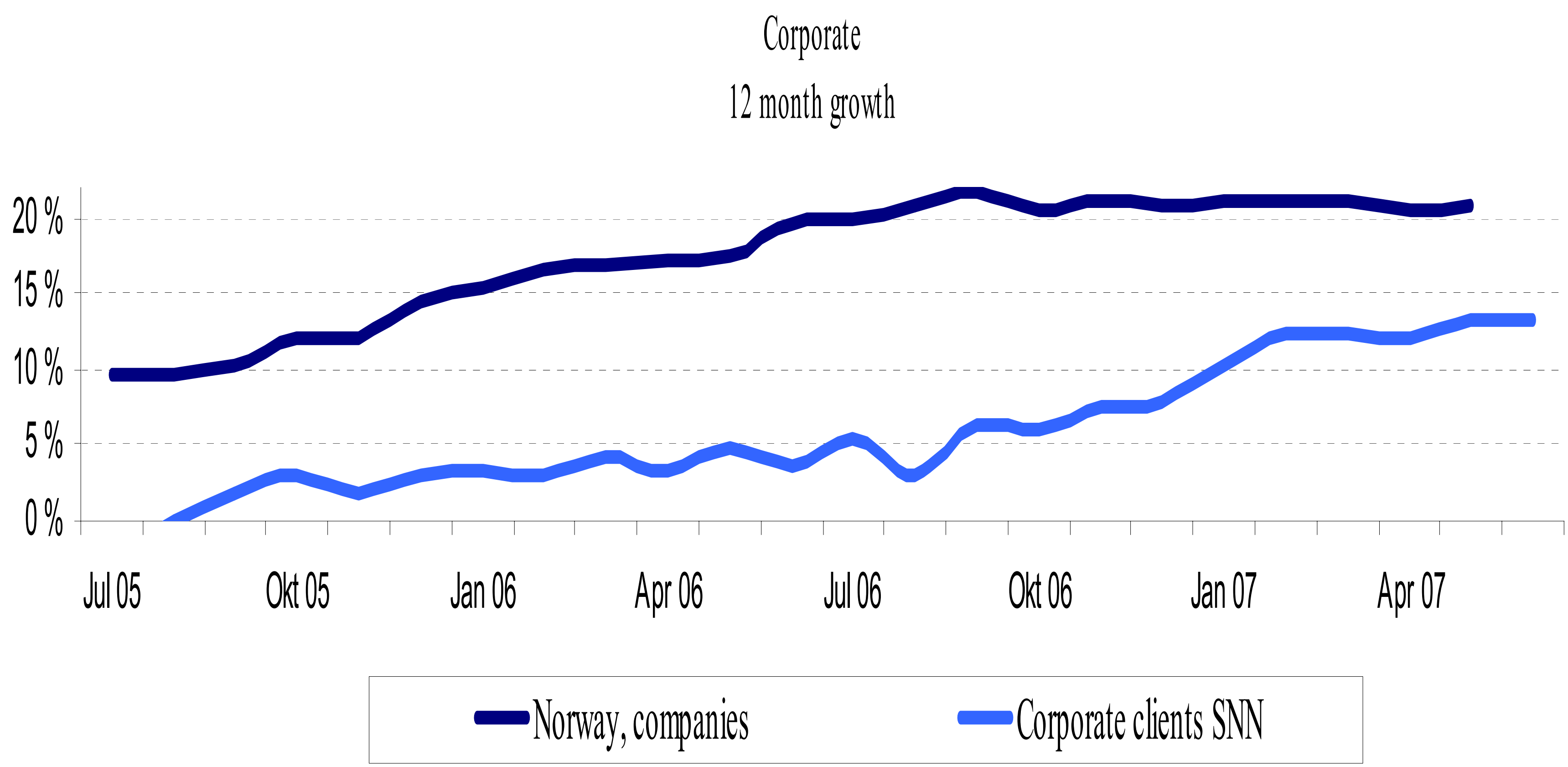
Credit growth 2005-2007 households



Sources: SSB, Kredittindikatoren, 2. July 2007 and SNN, Bare 2. July 2007

SpareBank 1 Nord-Norge

Credit growth 2005-2007 corporate market

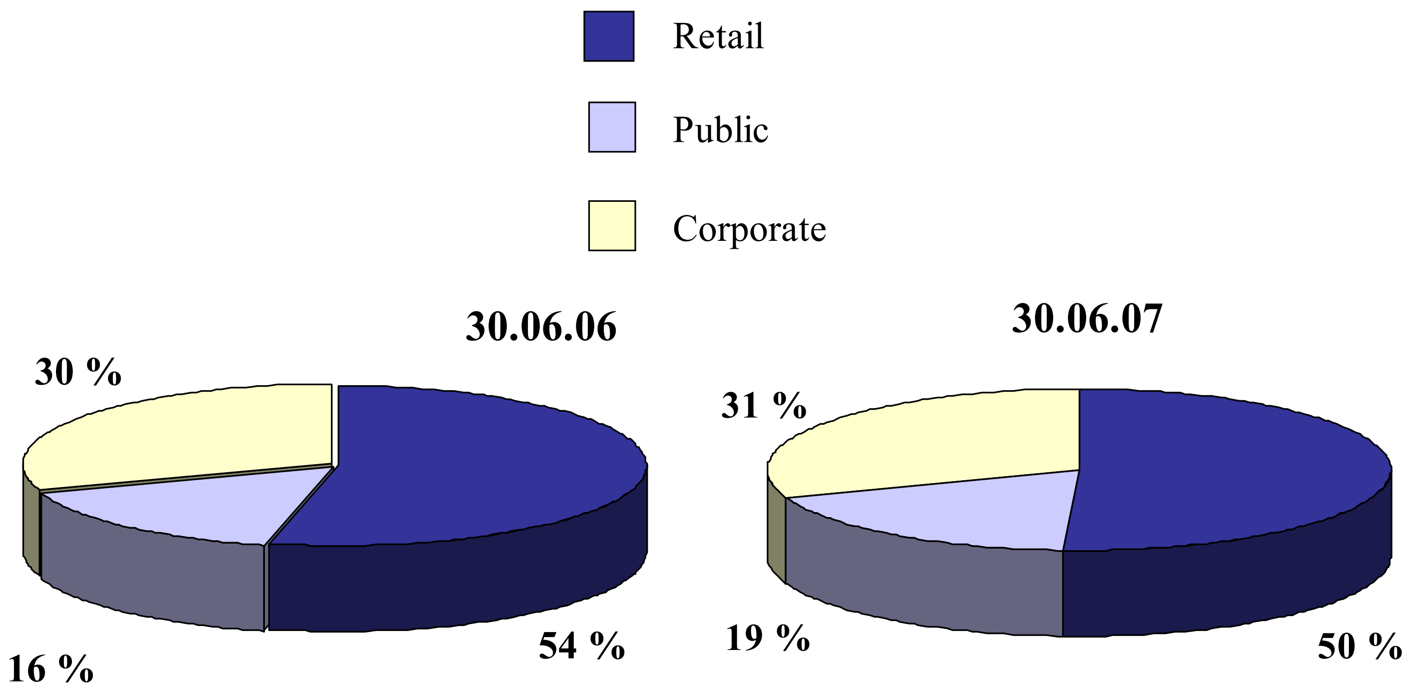


Sources: SSB, Kredittindikatoren, 2. July 2007 and SNN, Bare 2. July 2007

Group corporate lending by sector

(NOK million)	**30.06.2007**	**Share**	30.06.2006	Share	Change
Agriculture and forestry	**642**	**4 %**	598	4 %	44
Fishing vessels	**1.597**	**10 %**	1.027	7 %	570
Fish farming	**711**	**4 %**	723	5 %	-12
Extraction of crude oil and natural gas	**28**	**0 %**	-	0 %	28
Mining	**68**	**0 %**	39	0 %	29
Fishing industry	**704**	**4 %**	634	4 %	70
Other industries	**752**	**5 %**	740	5 %	12
Power and water supply	**423**	**3 %**	376	3 %	47
Building and construction	**786**	**5 %**	783	5 %	3
Retail trade	**964**	**6 %**	964	7 %	0
Wholesale trade	**381**	**2 %**	337	2 %	44
Hotel and restaurant	**328**	**2 %**	355	2 %	-27
Intern. shipping and pipeline transport	**2**	**0 %**	1	0 %	1
Transport and communication	**1.233**	**7 %**	1.297	9 %	-64
Finance and insurance	**268**	**2 %**	33	0 %	235
Property					
Housing cooperatives	**784**	**5 %**	687	5 %	97
Property project	**1.398**	**8 %**	1.310	9 %	88
Property hiring out	**3.195**	**19 %**	2.699	18 %	496
Real estate business	**566**	**3 %**	278	2 %	288
Business services	**1.013**	**6 %**	1.079	7 %	-66
Other sectors	**782**	**5 %**	707	5 %	75
Insurance, fund management and financial service:	**31**	**0 %**	103	1 %	-72
TOTAL	**16.656**	**100 %**	14.770	100 %	1.886

Group deposits according to markets



(NOK Million)	**30.06.07**	30.06.06	Change	Change %
Retail	**16.472**	15.163	1.309	8,6 %
Public	**6.039**	4.605	1.434	31,1 %
Corporate	**9.879**	8.556	1.323	15,5 %
TOTAL	**32.390**	28.324	4.066	14,4 %

The credit area

The Credit area

Management targets have been made within the following areas;

- Risk-adjusted return in the retail banking- and corporate banking market
- Concentration risk
  - Breakdown between retail banking- and corporate banking market commitments
  - Largest individual commitment
  - Maximum exposure involving the Bank’s 20 largest customers
  - Proportion of risk-adjusted capital per sector
- Operational targets
  - Proportion of high-risk commitments
  - Probability of default
  - Maximum expected losses
  - Maximum unexpected losses

Kredittpolicy

- Special handling routines (powers of attorney) for:
    - Marine sector
    - Financing of intangible rights
    - Commercial property
    - Project financing

- Upper limit of exposure for the marine sector – NOK 3.5 billion

The credit area: Strategy

<u>Growth – with appropriate risk:</u>

- Retail banking market – a two-part strategy:
  - Maintain current business and develop more business from existing customers
  - Capture new market shares, especially where the Bank’s market share is low

- Corporate customers
  - Strong emphasis on SMB segments
  - Cultivate and develop existing customer base (’across-the-board’ sales)
  - New larger corporate customers providing risk is low

- General points relating to both markets:
  - Correct pricing in relation to risk
  - Avoid detrimental concentration within certain sectors and areas

SpareBank 1 Nord-Norge

Favourable risk development in the Bank’s lending portfolio

This is due to:

1. Good development within Nord-Norge’s economy and within our customers’ financial position

2. Systematic work on the high-risk part of the portfolio
   - individual commitments have been terminated
   - individual commitments have been identified as losses and specific write-downs have been made

3. New corporate customers have largely been low-risk customers.

4. Enhanced quality in the use of the Bank’s portfolio management system (Porto)

Portfolio migration 30.06.06-30.06.07

Risk change **SNN total**

Risk change		New loan committ-ments 1)	Red. due to loss of customers 2)	Change in score and exposure 3)	Net change Q2/06 - Q2/07	Total exposure 30.06.07	
Low risk	A	740	-358	553	934	5.929	Risk change 7.533
	B	2.920	-2.170	3.260	4.009	24.672	
	C	977	-750	1.615	1.841	10.779	
	D	932	-566	384	749	6.572	
Medium risk	E	346	-183	-247	-84	1.930	Risk change -214
	F	1.233	-433	-929	-129	2.779	
High risk	G	172	-63	-120	-10	725	Risk change -445
	H	85	-33	-80	-27	299	
	I	128	-130	-52	-53	955	
Doubtful loans	J	10	-97	-81	-168	165	
Bad loans	K	10	-146	-50	-187	457	
	Total	7.553	-4.931	4.252	6.874	55.262	

1. Customers to whom loans have been granted during the period, but who did not have loans outstanding as at 30.06.06.
2. Customers who had loans outstanding as at 30.06.06, but not as at 30.06.07.
3. Change in volume and/or score for the rest of the customers in the portfolio

SpareBank 1 Nord-Norge

Portfolio migration 30.06.06-30.06.07

Risk change Corporate market

Risk class		New loan committ-ments 1)	Red. due to loss of customers 2)	Change in score and exposure 3)	Net change Q2/06 - Q2/07	Total exposure 30.06.07	
Low risk	A	350	-136	316	530	2.649	Risk change 2.864
	B	1.292	-1.275	775	791	7.568	
	C	214	-273	980	921	3.224	
	D	272	-174	525	622	2.094	
Medium risk	E	80	-75	-191	-186	873	Risk change -440
	F	746	-274	-725	-254	1.712	
High risk	G	14	-23	12	3	341	Risk change -486
	H	7	-9	-75	-77	54	
	I	25	-50	-55	-81	338	
Doubtful loans	J	5	-72	-84	-151	80	
Bad loans	K	4	-131	-53	-180	349	
	Total	3.008	-2.493	1.423	1.938	19.283	

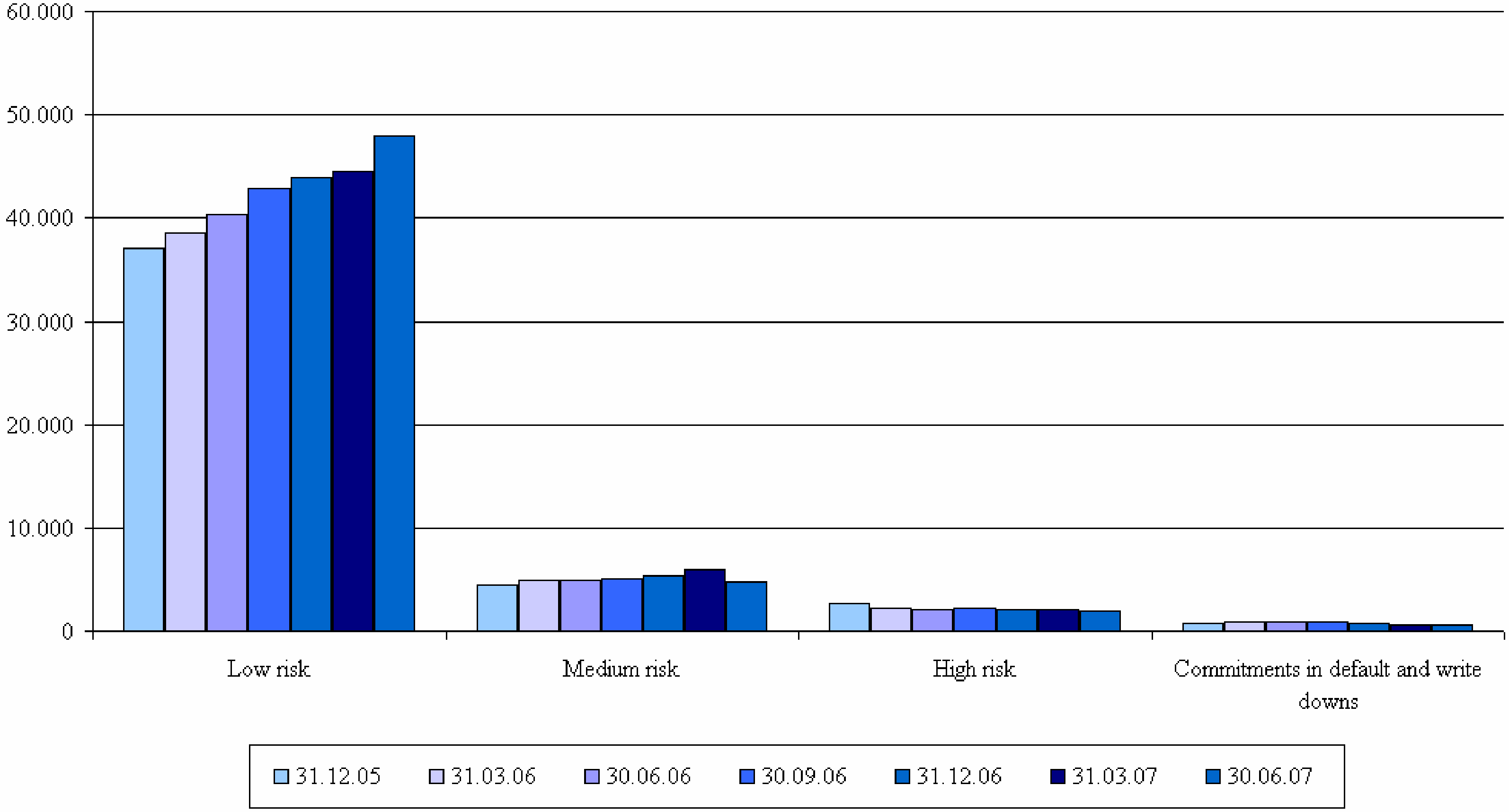
SpareBank 1 Nord-Norge

Portfolio migration 30.06.06-30.06.07

Risk change **Retail market**

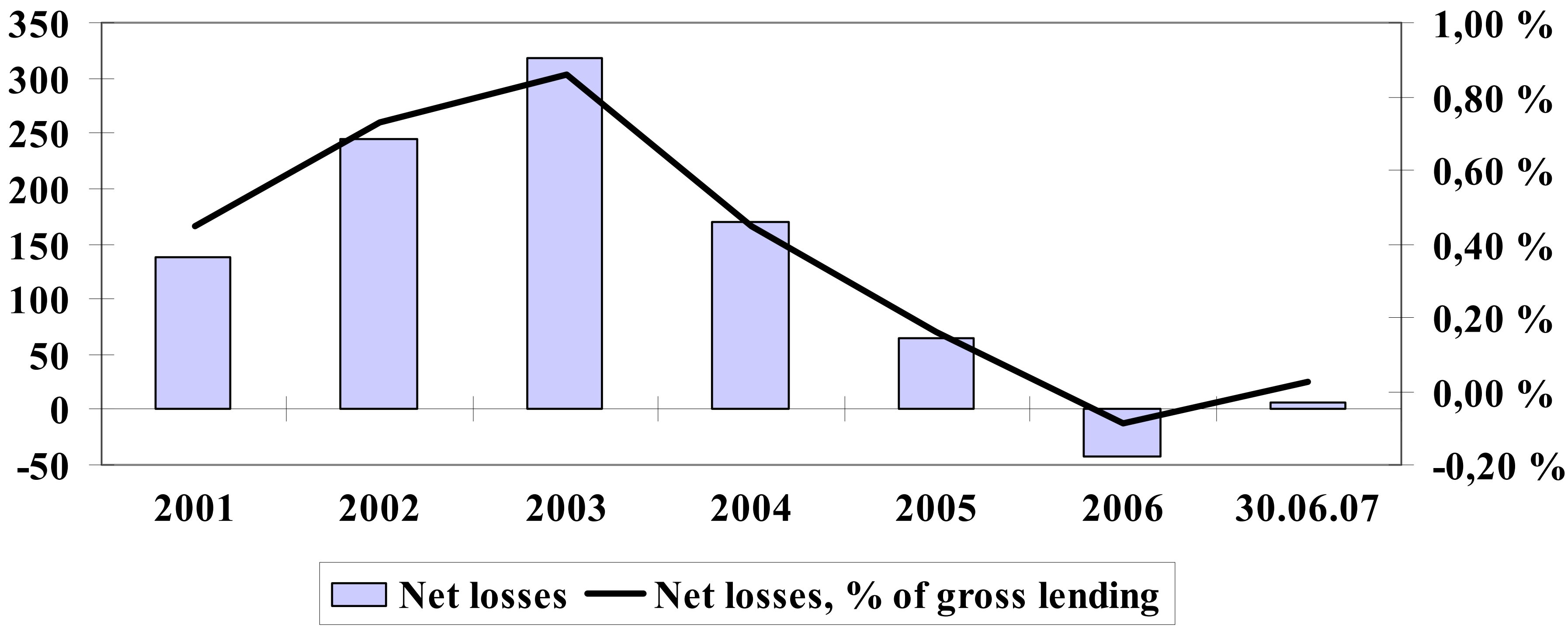
Risk change		New loan committ-ments 1)	Red. due to loss of customers 2)	Change in score and exposure 3)	Net change Q2/06 - Q2/07	Total exposure 30.06.07	
Low risk	A	390	-223	237	404	3.279	Risk change 4.669
	B	1.628	-896	2.485	3.218	17.105	
	C	763	-477	634	920	7.555	
	D	660	-392	-141	127	4.478	
Medium risk	E	266	-108	-56	102	1.057	Risk change 226
	F	487	-159	-204	124	1.066	
High risk	G	158	-40	-131	-13	384	Risk change 41
	H	78	-23	-5	49	246	
	I	103	-80	4	28	617	
Doubtful loans	J	5	-25	3	-17	85	
Bad loans	K	6	-15	3	-6	108	
	Total	4.544	-2.437	2.829	4.936	35.980	

Volume by risk class



	31.12.05	31.03.06	30.06.06	30.09.06	31.12.06	31.03.07	30.06.07
Low risk	37.140	38.504	40.419	42.849	43.864	44.537	47.952
Medium risk	4.460	4.873	4.922	5.004	5.315	5.896	4.709
High risk	2.669	2.192	2.071	2.219	2.037	2.153	1.980
Commitments in default and write downs	807	912	941	826	729	638	621
Total	*45.075*	*46.480*	*48.353*	*50.898*	*51.944*	*53.224*	*55.262*

Losses on loans and guarantees - Group



	2001	2002	2003	2004	2005	2006	30.06.07
Individual write-downs imp. value	123	233	345	206	109	20	**-27**
Collective write-downs imp. value	41	42	0	-1	-22	-36	**47**
Recoveries, previously confirmed losses	26	30	27	35	22	27	**13**
Net losses	138	245	318	170	65	-43	**7**
Net losses, % of gross lending	0,45 %	0,73 %	0,86 %	0,45 %	0,16 %	-0,09 %	**0,03 %**

SpareBank 1 Nord-Norge

Group – lending key figures – as a percentage of gross lending

	30.06.07	2006	2005	2004	2003	2002	2001
Net losses	**0.03 %**	-0.09 %	0.16 %	0.45 %	0.86 %	0.73 %	0.45 %
Write downs for imp. value	**0.72 %**	0.81 %	1.17 %	1.70 %	2.24 %	2.02 %	1.70 %
Individual write-downs	**0.36 %**	0.42 %	0.65 %	0.85 %	1.36 %	1.06 %	0.79 %
Collective write-downs	**0.36 %**	0.39 %	0.52 %	0.85 %	0.87 %	0.96 %	0.91 %
Total bad and doubtful comm.	**1.33 %**	1.64 %	2.31 %	2.65 %	3.11 %	3.20 %	2.11 %
Net bad and doubtful comm.	**0.97 %**	1.22 %	1.68 %	1.80 %	1.75 %	2.13 %	1.32 %

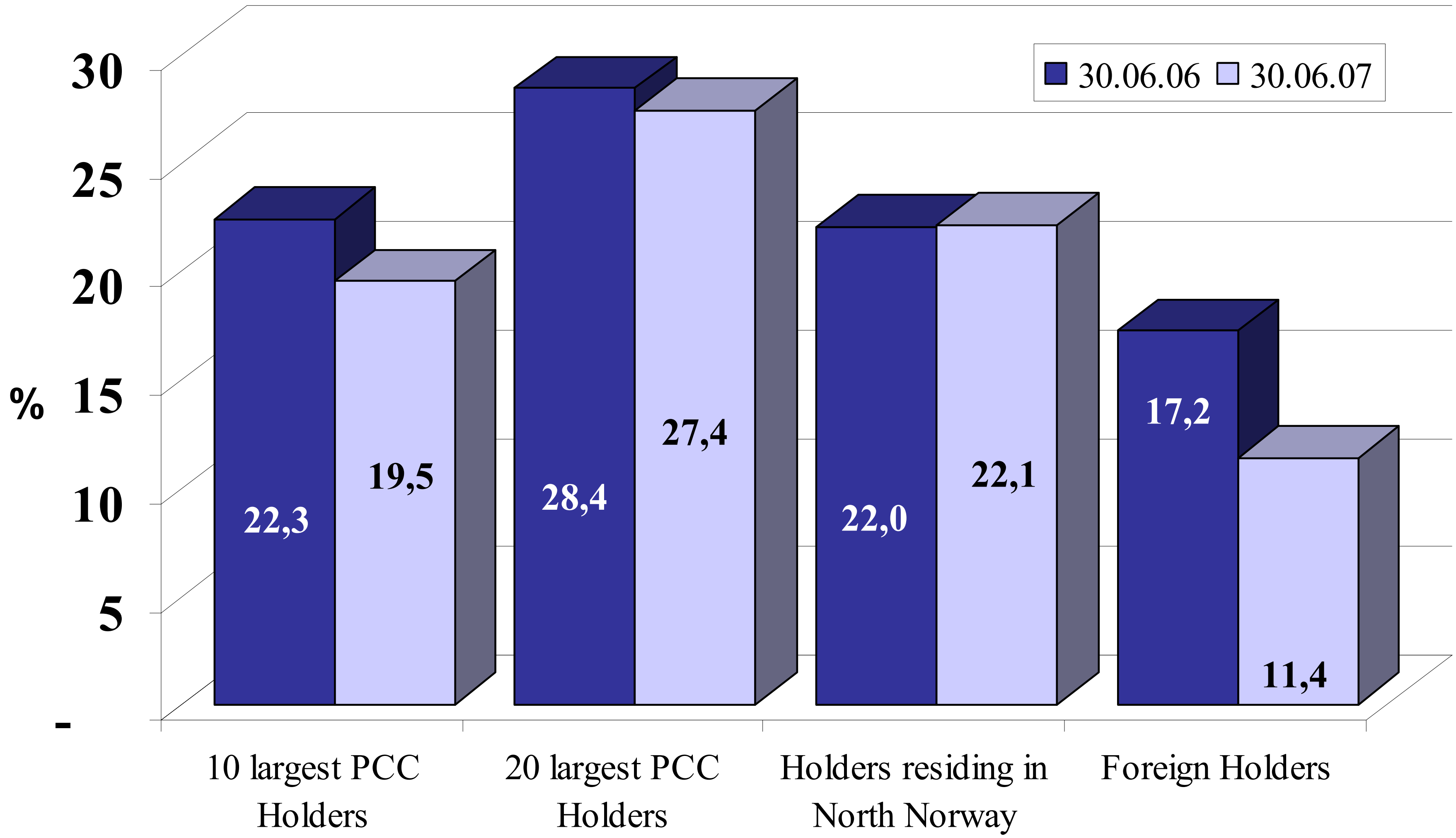
SpareBank 1 Nord-Norge

PCC*-holder policy

***Primary Capital Certificates**

SpareBank 1 Nord-Norge

PCC holder structure

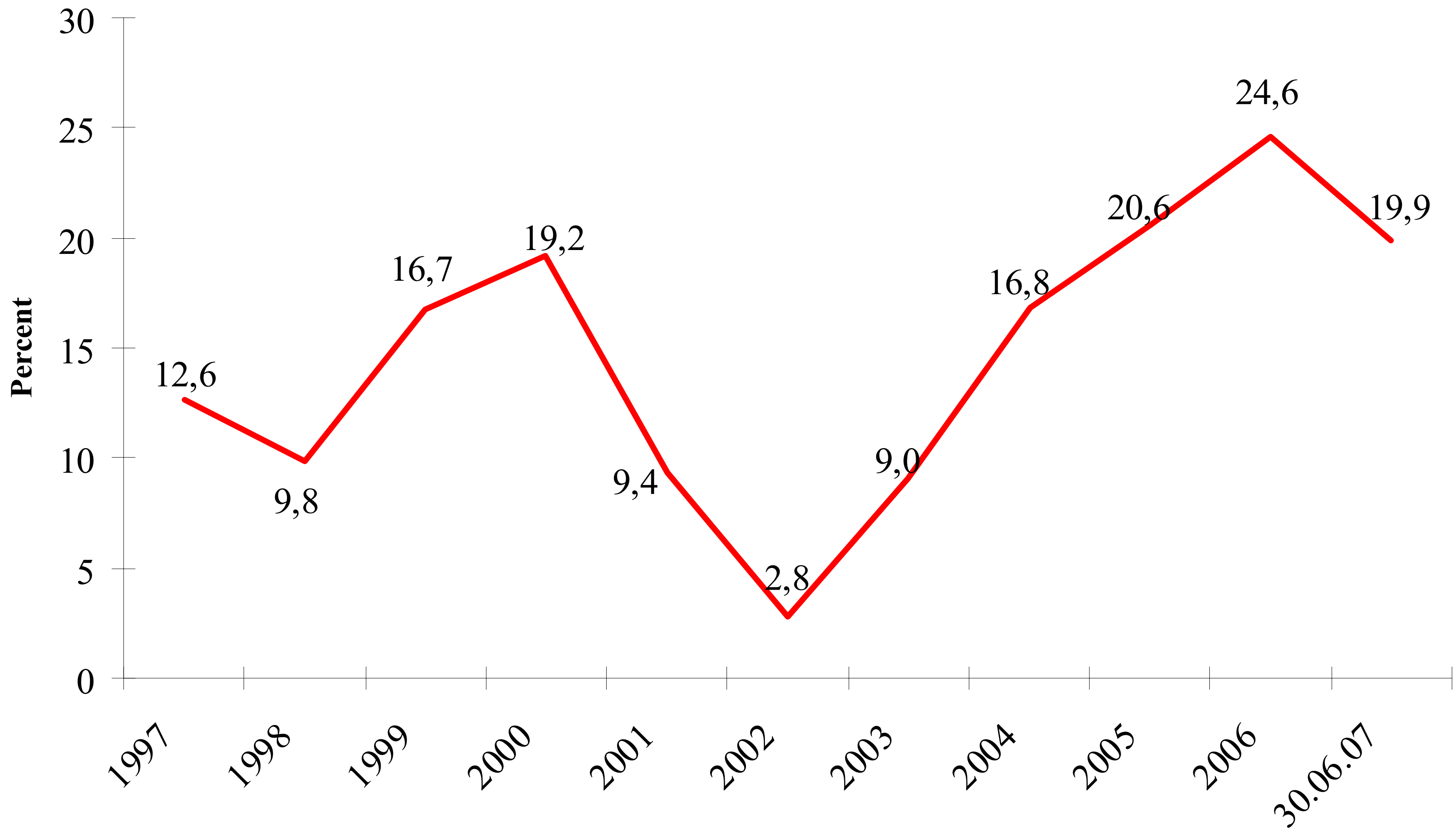


SpareBank 1 Nord-Norge

The 20 largest PCC holders 30.06.07

PCC Holders	Number of PCCs	Share of total PCC Capital
Pareto Aksjer Norge	679.800	4,29 %
Frank Mohn AS	431.383	2,72 %
Terra Utbytte	323.475	2,04 %
MP Pensjon	323.440	2,04 %
Pareto Aktiv	292.300	1,85 %
Tonsenhagen Forretningssentrum AS	264.550	1,67 %
Framo Development AS	216.666	1,37 %
Citibank International	200.625	1,27 %
JPMorgan Chase Bank - client account	180.276	1,14 %
Mellon Bank - client account	171.900	1,09 %
National Financial Services Citibank N.A.	158.254	1,00 %
Troms Kraft AS	157.450	0,99 %
Forsvarets Personellservice	138.720	0,88 %
Karl Ditlefsen	136.153	0,86 %
Trond Mohn	130.000	0,82 %
State Street Bank - client account	117.041	0,74 %
Fred Olsen & Co's Pensjonskasse	110.500	0,70 %
Sparebankstiftelsen DnB NOR	107.400	0,68 %
Stichting Shell Pensjon	98.100	0,62 %
Ringerikes Sparebank	93.320	0,59 %
TOTAL	4.331.353	27,36 %

Return on equity capital



SpareBank 1 Nord-Norge

Summary

Group:

NOK million	**30.06.07**	30.06.06	Change	Change %
PROFIT AND LOSS ACCOUNT				
Result from ordinary operations	**459**	377	82	21,8%
BALANCE SHEET				
Total assets	**58.460**	51.496	6.964	13,5%
Gross lending	**47.852**	43.765	4.087	9,3%
Deposits	**32.390**	28.324	4.066	14,4%

KEY FIGURES	**30.06.07**	30.06.06	Change	Change %
Capital adequacy ratio	**10,9%**	10,3%		0,6%
After-tax return on equity capital	**19,9%**	18,3%		1,6%
Cost as a perc.of overall contrib.margin	**50,1%**	54,8%		-4,7%
Man-years	**780**	760	20	
Parent bank:				
Earnings per PCC (NOK)	**11,93**	8,46	3,47	

SpareBank 1 Nord-Norge

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Financial Calendar 2007
2. quarter: 7. august 2007
3. quarter: 24. oktober 2007