

Quarterly Report



Financial statement Q1 2015

Interim report for the first quarter of 2015 – Group

(Figures in brackets are for the same period in 2014)

Highlights:

- Profit before tax: NOK 356 million (NOK 473 million after recognition of sale of Nets as income: NOK 148 million).
- Profit after tax of NOK 290 million (NOK 401 million).
- Return on equity after tax: 12.5% (18.6%).
 - Earnings per equity certificate: NOK 1.38 (NOK 1.89).
- Continued extremely good underlying banking operations.
- Net income from financial assets of NOK 118 million (NOK 243 million).
- Cost/income ratio: 46.6% (38.8%).
- Loan losses: NOK 32 million (NOK 25 million).
- Lending growth in the last 12 months: 4.4% (7.3%).
 - Retail market: 5.5% (8.0%).
 - Corporate market: 1.9% (5.8%).
- Growth in deposits in last 12 months: 5.9% (0.9%).
 - Retail market: 8.2% (5.5%).
 - Corporate market: 5.9% (-6.8%).
 - Public sector market: -4.3% (0.8%).
- Deposit coverage ratio: 75.7% (75.7%).
- Common equity tier 1 capital ratio, Group: 13.1% (12.9%).
- Very good liquidity.

Macroeconomic trends

The Norwegian economy is expected to slowdown in 2015 due to low oil prices and the consequent lower level of oil investments. GDP growth could drop towards 1% and the unemployment rate could rise to 4%. Norges Bank has warned of a lower key interest rate to keep the NOK exchange rate low and thus make it easier for the business sector to adjust. A low wages settlement in 2015 will have a similar effect.

The northern Norwegian economy has so far showed few signs of weakening. The regional network Nords' report to Norges Bank from March 2015 confirms the impression that the growth in Northern Norway is stronger than in the rest of the country. The business sector expects quite pronounced growth in the next six months. One in three companies says they will experience capacity problems. The unemployment rate remains stably low, with 2.7% completely without work as of March. The activity in the housing market is good with continued rising prices and low turnover times in the largest cities. The strong growth in house prices in the largest cities - especially Tromsø - has nonetheless slowed somewhat.

One important reason for the better outlook for the northern Norwegian macro-economy compared with the country as a whole is the fact that the northern Norwegian economy is less dependent on the oil and gas sector. The commissioning of Goliath in 2015 and the construction of Aasta Hansteen and Polarled in the next few years will make a positive contribution to the northern Norwegian economy. Another important reason is the fact that the weaker NOK exchange rate will strengthen export industries. The seafood industry is on course to replicate last year's record exports in terms of value. While salmon prices are somewhat weaker for higher volumes, the price of cod has increased for smaller quantities. Tourism is reporting a good winter season. Building and construction reports stable orders on hand, including because house building remains at a stable, high level.

Northern Norwegian household finances are solid. Lasting low unemployment, growth in real wages and low interest rates have resulted in good growth in personal savings. The growth in private consumption has increased and turnover in the retail trade rose by 3% in 2014.

The macroeconomic outlook for Northern Norway still appears stable, positive and better than for the rest of the country. Nonetheless, the Bank is prepared for a slowdown in the Norwegian economy having an impact on Northern Norway, partly through households becoming more cautious and partly through lower domestic demand. Developments in the international economy could also have a noticeable impact on the region's business sector, especially through commodity prices, as has already been seen in the mining sector.

Overall, the Bank believes the outlook for the northern Norwegian economy is good. The current forecasts indicate growth in regional GDP of 3% in 2015. A new forecast will be published in the Business Barometer for Northern Norway in May 2015.

Financial performance

The financial statements as of the first quarter of 2015 show an operating profit before tax of NOK 356 million (NOK 473 million). Underlying banking operations before losses remain good with a profit of NOK 270 million, compared with NOK 255 million for the same period last year. The result for the first quarter last year was boosted by the recognition as income of a gain of NOK 148 million after the agreed sale of Nets.

The Group's return on equity after tax as of 31 March 2015 was 12.5% (18.6%). Its earnings per equity certificate were NOK 1.38 (NOK 1.89).

Net interest income

Net interest income as of 31 March 2015 was NOK 369 million (NOK 328 million).

Net interest income represented 1.79% (1.69%) of average total assets.

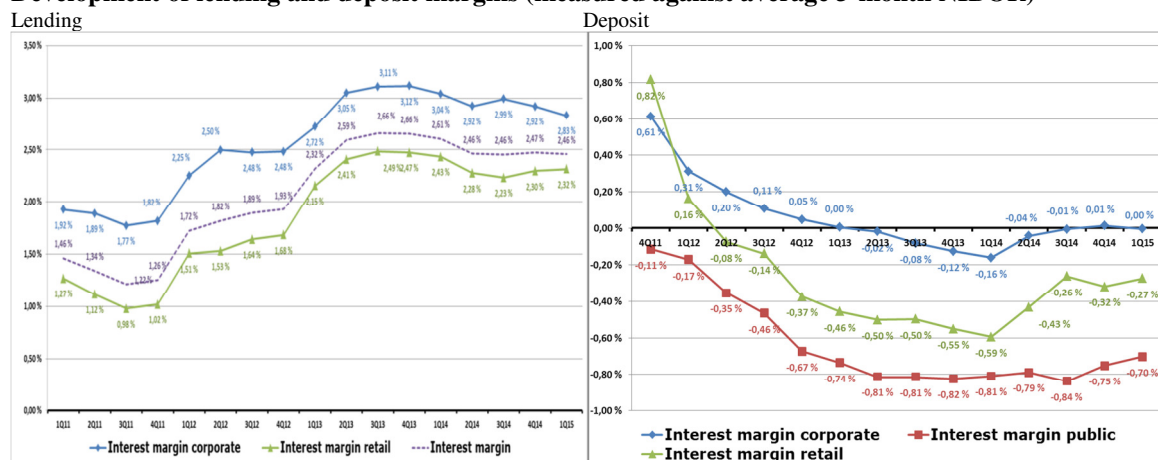
Income from the loans portfolio transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt is recognised as commissions. Commissions totalled NOK 77 million at the end of the first quarter of 2015. The corresponding figure for the same period in 2014 was NOK 95 million. Net interest income including the above commissions shows an increase of NOK 23 million compared with the first quarter of 2014.

At the end of the first quarter of 2015, home mortgages worth NOK 24 billion (NOK 24 billion) had been transferred to SpareBank 1 Boligkreditt. As of 31 March 2015, no loans (NOK 303 million) had been transferred to SpareBank 1 Næringskreditt.

Compared with the fourth quarter of 2014, net interest income, including commissions from the transferred loan portfolios but excluding charges for the Guarantee Fund, developed as follows:

<i>Figures in NOK million</i>	Q1 2015	change	Q4 2014
Net interest income incl. commissions from intermediary loans	446	-14	460
Lending and deposit volume		+5	
Lending and deposit margins		+2	
Effect of 2 fewer days		-9	
Other effects		-12	

Development of lending and deposit margins (measured against average 3-month NIBOR)



In 2012 and 2013, Norwegian banks experienced a period of significantly higher interest margins and net interest income. In 2014, this trend changed and net interest margins weakened somewhat during the year, after a

number of interest rate reductions. At the start of January, the Bank announced further reductions to deposit and loan rates with effect from the start of March 2015. Greater competition has meant that, seen in isolation, the changes in rates have had some negative effects on net interest income.

The Bank believes that, seen in isolation, the introduction of higher capital and liquidity requirements indicates a need to maintain the focus on lending and deposit margins.

Norges Bank's key interest rate has remained unchanged at 1.25% so far in 2015. This was not in line with market expectations and has resulted in higher money market rates, which in turn have a negative effect on banks' borrowing costs. Compared with the first quarter of 2015 and assuming conditions in the capital market remain unchanged, the Bank's average borrowing costs in the capital market are expected to drop slightly in the second quarter. In the third quarter, average borrowing costs are expected to rise slightly due to the effect of the higher NIBOR, before dropping again slightly in the fourth quarter. Notwithstanding this, the development of the Bank's overall margin will primarily depend on the competitive situation.

The Bank believes that, seen in isolation, the introduction of higher capital requirements indicates a need for further focus on lending and deposit margins.

Net commissions and other operating income

Net commissions and other operating income totalled NOK 239 million as of the first quarter of 2015 (NOK 243 million).

<i>Figures in NOK million</i>	Q1 2015	Change	Q1 2014
Net commissions and other operating income	239	-4	243
Increased commissions from SpareBank 1 Boligkreditt	77	-19	95
Increased commissions from EiendomsMegler 1 Nord-Norge	33	+7	26
Increased income from accountancy firm SNN Regnskapshuset	26	+2	24
Increase in other commissions and other operating income	103	+6	98

Income from financial investments

Total net income from financial investments as of the first quarter of 2015 amounted to NOK 118 million (NOK 243 million).

These have developed as follows:

<i>Figures in NOK million</i>	Q1 2015	Change	Q1 2014
Net income from financial investments	118	-125	243
Result from SpareBank 1 Gruppen	59	10	49
Result from SpareBank 1 Boligkreditt	34	29	5
Result from BN Bank	13	-5	18
Result from SpareBank 1 Næringskreditt	5	-1	6
Result from SpareBank 1 Kredittkort	4	7	-3
Result from SpareBank 1 Markets	-3	1	-4
Share dividends	0	-11	11
Net change in value of equities	5	-139	144
Net change in value of bonds, incl. hedging	-24	-44	20
Net change in value of currency and financial derivatives	27	21	6
Net change in value of loans at fair value, incl. hedging	-2	7	-9

Profit contributions from joint ventures

SpareBank 1 Gruppen

SpareBank 1 Gruppen's profit after tax as of the first quarter of 2015 totalled NOK 303 million (NOK 249 million). The SpareBank 1 Nord-Norge Group's 19.5% share of the result, amounting to NOK 59 million (NOK 49 million), has been incorporated into the financial statements. SpareBank 1 Livsforsikring and SpareBank 1 Skadeforsikring made the greatest contributions to SpareBank 1 Gruppen's profit.

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt were set up by the banks in the SpareBank 1 Alliance to benefit from capital market funding through the use of covered bonds. The banks transfer loans with very good security to this company. This reduces funding costs and increases the competitiveness of the SpareBank 1 banks.

The Bank currently owns a 14.71% stake in SpareBank 1 Boligkreditt and the share of its profit as of the first quarter of 2015 was NOK 34 million (NOK 5 million). The result for the first quarter of 2015 was affected by the recognition as income of changes in the value of basis swaps (the Bank's share: NOK 31 million). However, these are accounting effects that will be offset over time.

SpareBank 1 Nord-Norge's stake in SpareBank 1 Næringskreditt is 20.83%, and the share of its profit as of the first quarter of 2015 was NOK 5 million (NOK 6 million).

BN Bank

SpareBank 1 Nord-Norge had a 23.5% stake in BN Bank as of 1 January 2015. The share of the profit as of the first quarter of 2015 amounted to NOK 13 million (NOK 18 million).

Other companies

In addition to the above, the shares of the results for the first quarter of 2015 of NOK 4 million (NOK -4 million) from the 17.80% stake in SpareBank 1 Kredittkort and NOK -4 million (NOK -3 million) from the 27.03% stake in SpareBank 1 Markets have also been incorporated.

The Group's equities portfolio

The Group's equities portfolio as of 31 March 2015 amounted to NOK 457 million (NOK 856 million). Net gains/increases in value of NOK 5 million were recognised as income in this portfolio in the first quarter of 2015 (NOK 144 million). This came from a positive change in value in the Bank's portfolio amounting to NOK 10 million, while the subsidiary SpareBank 1 Nord-Norge Portefølje experienced a negative change in value amounting to NOK 5 million in the Nord II equity fund.

Certificates and bonds

The Group's holdings of certificates and bonds as of 31 March 2015 amounted to NOK 11,097 million (NOK 11,183 million).

The total net change in value in the first quarter of 2015 in this portfolio amounted to NOK -24 million (NOK 21 million).

Risk premiums rose in the Norwegian securities market, especially for covered bonds, in the first quarter of 2015. The higher risk premiums resulted in unrealised, accounting, capital losses on the Bank's interest-bearing portfolio.

Currency and derivatives

The net change in value for currency and financial derivatives as of the first quarter of 2015 amounted to NOK 28 million (NOK 6 million). This amount consists of parts of the income from SNN Markets, as well as changes in the value of the Bank's own positions in currency and financial derivatives.

Subsidiaries

(Amounts in whole NOK 1,000s)	Stake in %	Profit before tax	
		31.03.15	31.03.14
SpareBank 1 Finans Nord-Norge AS	100	29,506	28,930
SpareBank 1 Nord-Norge Portefølje AS	100	-5,914	15,903
EiendomsMegler 1 Nord-Norge AS	100	4,864	1,124
EiendomsMegler 1 Lofoten AS	60	53	-198
SpareBank 1 Forvaltning AS	100	682	621
SpareBank 1 Regnskapshuset AS	100	3,359	2,793
North-West 1 Alliance Bank	75	-7,668	1,041
Nord-Norge Eiendom IV AS	100	-222	-413
Alsgården AS	100	141	478
Fredrik Langesgt 20 AS	100	488	296

The Group's subsidiaries had a combined profit before tax as of the first quarter of 2015 of NOK 25 million (NOK 50 million), which has been fully consolidated in the consolidated financial statements.

SpareBank 1 Finans Nord-Norge's pre-tax profit as of the first quarter of 2015 was NOK 29 million (NOK 29 million). The company has a good earnings base and total earnings for the year-to-date amount to NOK 67 million (NOK 62 million). Losses on leasing and loan commitments at the end of the first quarter of 2015 amounted to NOK 2 million (NOK 1 million). At the end of the quarter, the company managed leasing, consumer loan and vendor's security agreements with a total value of NOK 4,029 million (NOK 3,628 million), of which leasing agreements represented NOK 2,206 million (NOK 1,905 million).

North-West 1 Alliance Bank in St. Petersburg, Russia (75% stake) had a result before tax for the first quarter of 2015 of NOK -8 million (NOK 1.3 million).

SpareBank 1 Nord-Norge Portefølje has a portfolio of unlisted equities and investments in funds. The company's result before tax as of the first quarter of 2015 was NOK -6 million (NOK 16 million). The changes in value of the company's equities portfolio are commented on above in the section "The Group's equities portfolio".

EiendomsMegler 1 Nord-Norge had a profit before tax as of the first quarter of 2015 of NOK 4.9 million (NOK 1.1 million). The number of units sold to date in 2015 is 555 (433), representing a total sales value of NOK 32 million, an increase of 32% compared with the same period in 2014. EiendomsMegler 1 Nord-Norge owned 60% of the company EiendomsMegler 1 Lofoten AS as of 31 March 2015. The share of the profit during the ownership period of NOK 0.05 million (NOK -0.2 million) has been incorporated.

SpareBank 1 Nord-Norge Forvaltning's profit before tax as of the first quarter of 2015 was NOK 0.7 million (NOK 0.6 million).

SpareBank 1 Regnskapshuset Nord-Norge's profit contribution before tax as of the first quarter of 2015 was NOK 3.4 million (NOK 2.8 million). Additional a NOK 10 million write down on goodwill from adjusted annual report 2014 have been accounted to Group equity as of 31 March 2015.

Operating costs

Ordinary operating costs at the end of the first quarter of 2015 totalled NOK 338 million. Compared with the same period in 2014, this represents an increase of NOK 22 million.

The changes in costs were distributed as follows:

<i>Figures in NOK million</i>	Q1 2015	Change	Q1 2014
Operating costs	338	+22	316
Payroll costs	189	+27	162
Admin. costs	90	+1	89
Depreciation	14	0	14
Other costs	45	-6	51

In relation to the average total assets, the costs amounted to 1.64% at the end of the first quarter of 2015, an increase of 0.01 percentage points compared with the same period in 2014.

The Group's cost/income ratio was 46.6% as of the first quarter of 2015, compared with 44.4% as of the fourth quarter of 2014 and 38.8% as of the first quarter of 2014.

The higher costs compared with the same period in 2014 were mainly attributable to higher payroll costs, including general pay increases, a higher employers' National Insurance contribution rate in Northern Norway, and greater provisions for restructuring costs (see below). At the end of the first quarter of 2015, the number of full time equivalents was 5 fewer than at the same time last year: there were 7 fewer in subsidiaries and 2 more in the parent bank.

Operating costs for the first quarter of 2015 were NOK 16 million lower than for the fourth quarter of 2014.

The parent bank's goal is to keep average annual cost increases to a maximum of 1%. A profitability project has been started in 2015, which also includes cost reduction measures. This includes rationalisation measures within both staffing and other cost areas.

A provision totalling NOK 20 million was been made in the income statement for 2014 for future restructuring costs. An equivalent further provision of NOK 10 million was made in the first quarter of 2015.

The parent bank's costs amounted to NOK 268 million as of the first quarter of 2015, an increase of NOK 254 million compared with the same period last year.

The Group had 918 full time equivalents at the end of the first quarter of 2015, 636 of whom were accounted for by the parent bank. The corresponding figures for last year were 923 and 642, respectively.

Net losses and commitments in default

The Group's net loan losses as of the first quarter of 2015 amounted to NOK 32 million (NOK 25 million): NOK 30 million from the corporate market and NOK 2 million from the retail market.

Net non-performing and doubtful commitments as of 31 March 2015 totalled NOK 358 million (NOK 443 million), which represents 0.4% of gross lending, including intermediary loans. This is 0.1 percentage points lower than as of 31 March 2014.

The Group's total individual loss write-downs as of 31 March 2015 were NOK 194 million (NOK 235 million), NOK 144 million of which involved financial institutions. The provisions were increased by a net NOK 10 million in the last quarter.

Collective write-downs as of 31 March 2015 amounted to NOK 233 million (NOK 201 million) and have increased by NOK 3 million compared with the previous quarter. Collective write-downs totalled 0.38% of the Group's combined gross lending as of 31 March 2015 (0.35%), 0.27% of gross lending, including intermediary loans.

No new commitments exposed to a significant risk of losses were uncovered in the first quarter of 2015. In the opinion of the Main Board of Directors, the quality of the Bank's loan portfolio remains good and the Bank is doing high quality work in connection with commitments in default and doubtful commitments in the Group.

There will continue to be a strong focus on this work in the coming months. The general level of losses is expected to be moderate for the immediate future.

The Group's venture in Russia - loss provisions

SpareBank 1 Nord-Norge is involved in banking operations in Russia through Tavrichesky Bank (TB) and North-West 1 Alliance Bank (NW1). Work on winding up the Group's engagement in Russia is currently ongoing.

The Group's total exposure in Russia at the start of the year was NOK 615 mill kroner, including equity exposure of NOK 183 million: NOK 93 million in TB (approx. 10% stake) and NOK 90 million in NW1 (75% stake). Loss provisions of NOK 300 million were made in the 2014 financial statements to cover the Group's exposure in Russia.

As of 31 March 2015, the Group's total exposure in Russia was NOK 589 million. No further provisions were made for this exposure in the first quarter of 2015.

Taxes

The Group's tax cost was estimated at NOK 66 million as of the first quarter of 2015. In the parent bank's accounts, the basis for tax has been reduced by permanent differences coupled with effects of the exemption model.

Total assets

The Group's total assets amounted to NOK 82,128 million as of 31 March 2015. Total assets have increased by NOK 4,486 million, or 5.8%, in the last 12 months.

Lending

As of 31 March 2015, loans totalling NOK 24 billion (NOK 23 billion) had been transferred to SpareBank 1 Boligkreditt. As of 31 March 2015, no loans (NOK 303 million) had been transferred to SpareBank 1 Næringskreditt. These loans do not appear as lending on the Bank's balance sheet. Comments regarding increases in lending include loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

The Group's gross lending to customers including intermediary loans totalled NOK 85,113 million as of 31 March 2015. Compared with 31 March 2014, this amounts to an increase of 4.4%. Retail loans grew by 5.5%, while corporate and public sector loans grew by 1.9%. Gross lending grew by 0.2% in the last quarter, which represents annualised 12-month growth of 0.6%. The percentage of lending to the retail market constitutes 71% of the total lending as of 31 March 2015.

In the case of new loans, particular emphasis is placed on customers' ability to service and repay their outstanding loans, and on a satisfactory level of collateral and other security to ensure that the credit risk is maintained at an acceptable level.

Net loans to customers are presented inclusive of accrued interest in the balance sheet as of 31 March 2015.

Liquidity

Deposits from customers represent the Bank's main source of funding. At the end of the first quarter of 2015, the deposit coverage ratio (excluding intermediary loans) was 76% (76%). The Bank's remaining funding, apart from equity and subordinated capital and deposits from customers, is mainly long-term funding from the capital markets. The Bank's liquidity situation and access to liquidity is very good. The Bank's strategic aim is to maintain the overall funding risk at a low level.

The Group's deposits from customers totalled NOK 46,211 million as of 31 March 2015. The increase over the past 12 months was NOK 2,576 million, or 5.9%. Retail deposits grew by 8.3%, corporate deposits grew by 5.9% and public sector deposits fell by 4.3%. Treasury bills are not taken into account in the calculations. Deposits from customers are presented inclusive of accrued interest in the balance sheet as of 31 March 2015.

The Board of SpareBank 1 Nord-Norge has decided to apply for a licence for a wholly owned home mortgage company. This company will be a supplement to SpareBank 1 Boligkreditt, which will remain the Alliance banks' main tool for raising loans through covered bonds. The Bank will be able to sell loans to the new home mortgage company that meet the criteria for sales of loans to SpareBank 1 Boligkreditt, including fixed-rate loans. The establishment of a wholly owned home mortgage company will also eliminate problems associated

with the regulations that apply to large commitments that regulate the maximum outstanding account between SpareBank 1 Nord-Norge and SpareBank 1 Boligkreditt.

On 17 March 2015, the ratings agency Moody's changed SpareBank 1 Nord-Norge's rating from A2 Negative Outlook to A2 Review for Upgrade.

However, SpareBank 1 Nord-Norge continues to maintain a solid position in the Norwegian capital market with a good rating, also in relation to comparable financial institutions. The Bank's liquidity situation and access to liquidity is very good.

Financial strength and capital adequacy

The Group's common equity tier 1 capital ratio at the end of the first quarter of 2015 was 12.8% (12.5%). The tier 1 capital ratio was 14.0% (13.6%) and the total capital adequacy ratio was 13.1% (14.3%). Included period result (50%) the common equity tier 1 capital as of 31 March 2015 was 13.1%.

Leverage Ratio was 6.0% as of 31 March 2015.

The Group uses proportional consolidation for its capital adequacy reporting for the stakes in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt, BN Bank and SpareBank 1 Markets.

On 24 February 2015, the Financial Supervisory Authority of Norway informed SpareBank 1 Nord-Norge that it can use Advanced IRB to calculate regulatory capital requirements for credit risk for the corporate market. This permission means that SpareBank 1 Nord-Norge can use internal models for calculating the necessary requirements for compulsory savings. This in turn means that the regulatory capital requirements will better suit the actual credit risk the Bank is bearing in its overall loan portfolio. The permission results in a positive effect on common equity tier 1 capital ratio of around 0.9 percentage points as of 31 March 2015.

The Financial Supervisory Authority of Norway's further tightening of the requirements for IRB models for home mortgages that follow from circular 8/2014 apply from the first quarter of 2015. The stricter rules have been taken account of in the capital requirements calculations as of 31 March 2015, and contain assumptions that are intended to help produce more secure estimates for probability of default (PD) and loss given default (LGD). For SpareBank 1 Nord-Norge, the changes entail the average risk weighting for home mortgages, including home mortgage portfolios in Boligkreditt, increasing to 23.2%. This reduces the common equity tier 1 capital ratio by around 0.4 percentage points as of 31 March 2015.

Permission to use Advanced IRB confirms that both the Bank's internal processes and risk management expertise are of a good, high quality.

SpareBank 1 Nord-Norge's goal is to maintain unquestionable financial strength and satisfy the statutory minimum equity requirements for capital adequacy. The Group's goal is to have an internal capital buffer of at least 1 percentage point above the statutory minimum requirement. The Group's long-term goal for common equity tier 1 capital ratio is currently 14.5%.

The Bank's financial strength is considered good in relation to the current regulatory requirements.

The Bank's equity certificate holders

As of 31 March 2015, the parent bank's equity certificate capital was NOK 1,807 million. The number of equity certificates as of 31 March 2015 was 100,398,016 each with a nominal value of NOK 18, fully paid-up.

The equity certificate ratio as of 1 January 2015 was 47.33%. The number of equity certificate holders as of 31 March 2015 was 7,745 (7,730).

The percentage of equity certificate holders from Northern Norway was 19% (21%). A summary of the Bank's 20 largest equity certificate holders is provided in the notes to the interim report.

The market price for the Bank's equity certificates was NOK 40.80 as of 31 March 2015 (NOK 34.60). Based on this price, the market value of the Bank's equity was NOK 8,655 million (NOK 7,339 million). The earnings per equity certificate (Group) amounted to NOK 1.38 (NOK 1.89). Price/Earnings was 7.4 (4.6) and Price/Book 0.94 (0.84) as at 31.03.15 (both figures for the Group).

Concluding remarks and future prospects

The Group's earnings are still good, including in the Bank's core activities.

While the Norwegian economy is expected to slowdown in 2015 due to low oil prices and the consequent lower level of oil investments, the economy in Northern Norway has so far shown few signs of weakening. One important reason for the better outlook for the northern Norwegian macro-economy compared with the country as a whole is the fact that the northern Norwegian economy is less dependent on the oil and gas sector. At the same time, a weaker NOK exchange rate is strengthening export industries. Building and construction also reports stable orders on hand, including because house building remains at a stable, high level.

Although the macroeconomic outlook for Northern Norway still appears stable, positive and better than for the rest of the country, the Bank is still prepared for a slowdown in the Norwegian economy having an impact on Northern Norway. This could come about due to households becoming more cautious and lower domestic demand, or developments in the international economy having an impact on the region's business sector.

Overall, the Board believes the outlook for Northern Norway's economy is good. The demand for loans is expected to remain relatively high in the immediate future, but because of the stricter regulatory requirements concerning banks' tier 1 capital, lending growth in the corporate market will nonetheless be kept at a moderate level. It is the Bank's ambition to maintain a strong position in the public sector.

A number of measures have been initiated to ensure future profitability in line with the Group's profitability targets. These will be continue and reinforced, and are expected to produce effects during 2015 and in 2016.

Tromsø, 28 April 2015

The Board of Directors of SpareBank 1 Nord-Norge

Karl Eirik Schjøtt-Pedersen
(Chairman of the Board)

Pål Andreas Pedersen
(Deputy Chairman)

Sonja Djønne

Hans Tore Bjerkås

Greger Mannsverk

Ingvild Myhre

Anita Persen

Vivi-Ann Pedersen
(Employee-elected)

Jan-Frode Janson
(CEO)

Key figures group

<i>Amounts in NOK million and in % of average assets</i>		31.03.15	%	31.03.14	%	31.12.14	%
From the profit and loss account							
Net interest income		369	1.79 %	328	1.69 %	1 426	1.78 %
Net fee-, commission and other operating income		239	1.16 %	243	1.25 %	966	1.20 %
Net income from financial investments		118	0.57 %	243	1.25 %	602	0.75 %
Total income		726	3.51 %	814	4.20 %	2 994	3.73 %
Total costs		338	1.64 %	316	1.63 %	1 328	1.66 %
Result before losses		388	1.88 %	498	2.57 %	1 666	2.08 %
Losses		32	0.15 %	25	0.13 %	321	0.40 %
Result before tax		356	1.72 %	473	2.44 %	1 345	1.68 %
Tax		66	0.32 %	72	0.37 %	223	0.28 %
Result non-current assets held for sale		0	0.00 %	0	0.00 %	27	0.03 %
Minority interests		- 2	-0.01 %	0	0.00 %	- 1	0.00 %
Result after tax		292	1.41 %	401	2.07 %	1 096	1.37 %
Profitability							
Return on equity capital	1	12.5 %		18.6 %		12.2 %	
Interest margin	2	1.79 %		1.69 %		1.78 %	
Cost/income	3	46.6 %		38.8 %		44.4 %	
Balance sheet figures and liquidity *)							
Gross lending		61 060		57 638		61 249	
Gross lending and advances to customers incl SpareBank 1 Boligkreditt and Næringskreditt		85 113		81 511		84 980	
Growth in loans and advances to customers past 12 months		5.9 %		7.9 %		6.9 %	
Growth in loans and advances to cust. incl. SpareBank 1 Boligkreditt and Næringskreditt past 12 months		4.4 %		7.3 %		5.5 %	
Share total lending transferred to Sp1 Boligkreditt of total retail loans		40.0 %		41.4 %		39.7 %	
Share total lending transferred to Sp1 Boligkreditt of total loans		28.3 %		28.9 %		27.9 %	
Deposits from customers		46 211		43 635		45 761	
Growth in deposits from customers past 12 months		5.9 %		0.9 %		1.8 %	
Deposits as a percentage of gross lending	4	75.7 %		75.7 %		74.7 %	
Deposits as a percentage of gross lending including SpareBank 1 Boligkreditt and Næringskreditt		54.3 %		53.5 %		53.8 %	
Average assets	5	82 658		77 581		80 191	
Total assets		82 128		77 642		83 188	
Leverage Ratio		6.0 %				5.9 %	
Losses on loans and commitments in default *)							
Losses on loans to customers as a percentage of gross loans incl.SpareBank 1 Boligkreditt and Næringskreditt		0.15 %		0.12 %		0.19 %	
Commitments in default as a percentage of gross loans incl.SpareBank 1 Boligkreditt and Næringskreditt		0.39 %		0.36 %		0.34 %	
Commitments at risk of loss as a percentage of gross loans incl.SpareBank 1 Boligkreditt and Næringskreditt		0.25 %		0.31 %		0.27 %	
Net comm. in default and at risk of loss as a per. of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt		0.42 %		0.54 %		0.41 %	
Loan loss provision ratio		35.14 %		42.50 %		32.82 %	
Solidity							
Total regulatory Capital %	6	16.1 %		14.3 %		15.6 %	
Tier I Capital %	7	14.0 %		13.6 %		13.6 %	
Common Equity Tier I - incl share of period result		13.1 %		12.9 %		12.5 %	
Tier I capital		8 344		7 741		8 439	
Equity and related capital resources		9 610		8 158		9 680	
Adjusted risk-weighted assets base		59 722		57 135		60 580	
Liquidity Coverage Ratio (LCR)		163 %					
Branches and full-time employees							
Branches		66		74		66	
Manyear		918		923		927	

Key figures ECC

	2006	2007	2008	2009	2010	2011	2012	2013	2014	1Q15 *
Quoted/market price as at 31.12 (adjusted) 1)	47.05	39.97	13.85	34.62	37.76	28.90	24.70	35.50	39.90	40.80
Number of Equity Certificates (EC) issued (mill) (2)	50.31	53.43	56.92	56.92	56.92	74.00	74.40	100.40	100.40	100.40
Quoted/market price EC issued (mill) (3)	2 367	2 135	788	1 970	2 149	2 139	1 837	3 564	4 006	4 096
Quoted/market price total equity (4)	7 283	6 494	2 282	5 704	6 223	5 083	4 418	7 530	8 464	8 655
Allocatde dividend per EC (5)	3.15	2.99	0.94	2.12	1.81	1.25	1.02	1.10	1.90	
Paid-out dividend per EC	3.15	3.15	2.99	0.94	2.12	5.14	1.25	1.15	1.10	1.90
Direct return (6)	6.7 %	7.5 %	6.8 %	6.1 %	4.8 %	4.3 %	4.1 %	3.1 %	4.8 %	
Return efficiency (7)	1.6 %	-8.4 %	-57.9 %	156.8 %	15.2 %	-9.8 %	-10.2 %	48.4 %	15.5 %	7.0 %
Total equity capital Parent bank	3 185	3 566	3 656	4 247	4 547	5 264	5 589	7 200	7 735	7 585
Total equity capital Group, NOK mill	3 524	4 104	4 458	5 160	5 670	6 408	6 832	8 502	9 343	9 227
Equity capital per EC Parent bank (8)	27.13	29.43	27.87	31.09	34.59	29.93	31.24	33.94	36.46	35.76
Equity capital per EC Group (9)	22.76	25.26	27.05	31.31	34.41	36.43	38.19	40.08	44.05	43.50
Result per EC Parent bank (10)	5.15	4.39	2.08	5.41	4.93	2.28	2.91	3.91	3.50	4.73
Result per EC Group (11)	5.43	4.50	2.09	5.21	4.95	2.75	3.36	4.13	5.16	5.47
P/E (Price/Earnings per certificate Group)(12)	8.67	8.88	6.62	6.64	7.63	10.51	7.34	8.59	7.73	7.46
P/V (Price/Book Value per certificate Group)(13)	2.07	1.58	0.51	1.11	1.10	0.79	0.65	0.89	0.9	0.9
Pay-out ratio Group (14)	61.1 %	68.1 %	45.4 %	39.3 %	36.7 %	54.9 %	35.1 %	26.6 %	36.8 %	0.0 %
EC ratio overall as at 31.12 (15)	32.5 %	32.9 %	34.5 %	34.5 %	34.5 %	42.1 %	41.6 %	47.3 %	47.3 %	47.3 %
EC ratio overall as at 01.01 used for allocaton of result	35.6 %	34.2 %	34.2 %	34.5 %	34.5 %	38.7 %	42.1 %	42.9 %	47.3 %	47.3 %

* Calculation as of end of quarter

Comments/ definitions:

1) Quoted/market price	Quoted/market price adjusted for equity issues, fund issues, dividend issues and splits
2) Number of Equity Certificates (EC) issued (mill)	All key figures are adjusted with the same factor as the quoted/market price
3) Quoted/market price EC issued (mill)	Number of certificates issued as of 31.12. adjusted as 1)
4) Quoted/market price total equity	Market price * number of ECs
5) Allocated dividend per EC	Market price * number of ECs/ EC ratio overall
6) Direct return	Allocated dividend adjusted as 1)
7) Return efficiency	Allocated dividend/Market price EC as at 31.12
8) Equity capital per EC Parent bank	(Market price EC 31.12 - market price 1.1 previous year + paid dividend)/Market price EC 1.1
9) Equity capital per EC Group	Book equity Parent bank*EC ratio overall/Number of EC 31.12
10) Result per EC Parent bank	Book equity Group*EC ratio overall/Number of EC 31.12
11) Result per EC Group	Result after tax Parent bank*EC ratio overall 1.1/Number of EC 31.12
12) P/E (Price/Earnings per certificate Group)	Result after tax Consern*EC ratio overall 1.1/Number of EC 31.12
13) P/V (Price/Book Value per certificate Group)	Marked price 31.12/Result per EC Group
14) Pay-out ratio per EC Group	Marked price 31.12/Book value per EC Group
15) EC ratio overall as at 31.12	Dividend per EC/Result per EC Group
16) EC ratio overall as at 01.01	EC-owners share of equity capital (Parent bank), calculated at year end
	EC-owners share of equity capital (Parent bank), used for allocation of result of the year

Statement of income

Parent Bank

Group

(Amounts in NOK million)

31.12.14	1Q14	1Q15	31.03.14	31.03.15		31.03.15	31.03.14	1Q15	1Q14	31.12.14
2 820	706	662	706	662	Interest income	704	749	704	749	2 998
1 578	426	341	426	341	Interest costs	335	421	335	421	1 572
1 242	280	321	280	321	Net interest income	369	328	369	328	1 426
801	202	189	202	189	Fee- and commission income	227	230	227	230	940
72	16	17	16	17	Fee- and commission costs	17	16	17	16	74
21	4	3	4	3	Other operating income	29	29	29	29	100
750	190	175	190	175	Net fee-, commission and other operating income	239	243	239	243	966
16	11	0	11	0	Dividend	0	11	0	11	16
134	85	98	85	98	Income from investments	112	71	112	71	453
105	141	12	141	12	Net gain from investments in securities	6	161	6	161	133
255	237	110	237	110	Net income from financial investments	118	243	118	243	602
2 247	707	606	707	606	Total income	726	814	726	814	2 994
538	121	144	121	144	Personnel costs	189	162	189	162	704
311	79	79	79	79	Administration costs	90	89	90	89	349
50	12	12	12	12	Ordinary depreciation	14	14	14	14	97
140	42	33	42	33	Other operating costs	45	51	45	51	178
1 039	254	268	254	268	Total costs	338	316	338	316	1 328
1 208	453	338	453	338	Result before losses	388	498	388	498	1 666
290	20	33	20	33	Losses	32	25	32	25	321
918	433	305	433	305	Result before tax	356	473	356	473	1 345
175	63	54	63	54	Tax	66	72	66	72	223
0	0	0	0	0	Result non-current assets held for sale	0	0	0	0	27
743	370	251	370	251	Result after tax	290	401	290	401	1 095
					Majority interest	292	401	292	401	1 096
					Minority interests	- 2	0	- 2	0	- 1
					Result per Equity Certificate					
3.50	1.74	1.18	1.74	1.18	Result per Equity Certificate	1.38	1.89	1.38	1.89	5.17
3.50	1.74	1.18	1.74	1.18	Diluted result per Equity Certificate	1.38	1.89	1.38	1.89	5.17

Other comprehensive income

743	370	251	370	251	Result after tax	290	401	290	401	1 095
0	0	0	0	0	Recalculation differences	5	-11	5	-11	-35
0	0	0	0	0	Value adjustment of property, plant and equipment	-10	0	-10	0	0
4	2	2	2	2	Effective part of change in fair market value in cash flow hedging	2	2	2	2	4
0	0	0	0	0	Net change in fair market value of investment in joint ventures	0	0	0	0	-8
-80	0	0	0	0	Actuarial gains (losses) on benefit-based pension schemes	0	0	0	0	-85
21	-1	0	-1	0	Tax on other comprehensive income	0	-1	0	-1	22
-55	1	2	1	2	Other comprehensive income for the period	-3	-10	-3	-10	-102
688	371	253	371	253	Total comprehensive income for the period	287	391	287	391	993
					Majority interest	288	394	288	394	1 001
					Minority interests	-1	-3	-1	-3	-8
					Total result per Equity Certificate					
3.24	1.75	1.19	1.75	1.19	Total result per Equity Certificate	1.35	1.84	1.35	1.84	4.68
3.24	1.75	1.19	1.75	1.19	Diluted total result per Equity Certificate	1.35	1.84	1.35	1.84	4.68
					Tax on other comprehensive income:					
-1	-1	0	-1	0	Effective part of change in fair market value in cash flow hedging	0	-1	0	-1	-1
22	0	0	0	0	Actuarial gains (losses) on benefit-based pension schemes	0	0	0	0	23
21	-1	0	-1	0	Tax on other comprehensive income	0	-1	0	-1	22

Statement of financial position

Parent Bank
Group

(Amounts in NOK million)

31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
Assets						
631	179	308	Cash and balances with central banks	354	251	685
7 280	4 514	5 449	Loans and advances to credit institutions	1 889	1 306	3 720
57 000	53 589	56 971	Net loans and advances to customers	61 000	57 338	60 977
241	680	247	Shares	457	856	473
9 720	11 183	11 097	Certificates and bonds	11 097	11 183	9 720
2 121	1 250	1 754	Financial derivatives	1 754	1 245	2 121
558	584	559	Investments in Group Companies	0	0	0
2 750	2 469	2 747	Investments in associated companies and joint ventures	4 296	3 670	4 187
464	482	460	Property, plant and equipment	572	624	594
0	0	0	Non current assets held for sale	35	0	35
0	0	0	Deduction for ntangible assets	51	80	61
520	1 082	617	Other assets	623	1 089	615
81 285	76 012	80 209	Total assets	82 128	77 642	83 188
Liabilities						
2 764	3 271	1 911	Deposits from credit institutions	1 897	3 260	2 758
45 736	43 760	46 339	Deposits from customers	46 357	43 824	45 763
21 312	18 287	20 488	Debt securities in issue	20 488	18 287	21 314
1 493	678	1 289	Financial derivatives	1 289	678	1 493
710	963	1 062	Other liabilities	1 264	1 167	914
0	0	0	Non current assets held for sale	0	0	0
185	187	185	Deferred tax liabilities	256	239	253
1 350	1 450	1 350	Subordinated loan capital	1 350	1 450	1 350
73 550	68 596	72 624	Total liabilities	72 901	68 905	73 845
Equity						
1 807	1 807	1 807	Equity Certificate capital	1 807	1 807	1 807
843	843	843	Equity Certificate premium reserve	843	843	843
1 020	667	830	Dividend Equalisation Fund	830	667	1 020
3 745	3 565	3 746	The Savings Bank's Fund	3 746	3 565	3 745
332	118	120	Donations	120	118	332
0	0	0	Fair value reserve	- 26	- 10	- 30
- 12	46	- 12	Other equity capital	1 601	1 326	1 611
0	370	251	Result after tax	292	401	0
			Minority interests	14	20	15
7 735	7 416	7 585	Total equity	9 227	8 737	9 343
81 285	76 012	80 209	Total liabilities and equity	82 128	77 642	83 188

Changes in equity

(Amounts in NOK million)

	PCC capital	Premium Fund	Dividend Equalisation Fund	Savings Bank's Fund	Donations Fund	Fair value reserve	Other equity	Period result	Total Majority interests	Minority interests	Total equity
Group											
Equity at 01.01.14	1 807	843	776	3 565	163	- 2	1 327		8 479	23	8 502
Total comprehensive income for the period											
Period result			352	179	212		353		1 096	- 1	1 095
<i>Other comprehensive income:</i>											
Recalculation differences						- 28			- 28	- 7	- 35
Net change in fair market value of investment in joint ventures							- 8		- 8		- 8
Effective part of change in fair market value in cash flow hedging			2	2					4		4
Actuarial gains (losses) on benefit-based pension schemes							- 85		- 85		- 85
Tax on other comprehensive income				- 1			23		22		22
Total other comprehensive income			2	1		- 28	- 70		- 95	- 7	- 102
Total comprehensive income for the period			354	180	212	- 28	283		1 001	- 8	993
Transactions with owners											
Equity issue											
Set aside for dividend payments			- 191						- 191		- 191
Reversal of dividend payments			191						191		191
Dividend paid			- 110						- 110		- 110
Other transactions							1		1		1
Payments from Donations Fund					- 43				- 43		- 43
Total transactions with owners			- 110		- 43		1		- 152		- 152
Equity at 31.12.2013	1 807	843	1 020	3 745	332	- 30	1 611		9 328	15	9 343
Equity at 01.01.15	1 807	843	1 020	3 745	332	- 30	1 611		9 328	15	9 343
Total comprehensive income for the period											
Period result								292	292	- 2	290
<i>Other comprehensive income:</i>											
Recalculation differences						4			4	1	5
Value adjustment of property, plant and equipment							- 10		- 10		- 10
Effective part of change in fair market value in cash flow hedging			1	1					2		2
Actuarial gains (losses) on benefit-based pension schemes											
Tax on other comprehensive income											
Total other comprehensive income	0	0	1	1	0	4	- 10	0	- 4	1	- 3
Total comprehensive income for the period			1	1	0	4	- 10	292	288	- 1	287
Transactions with owners											
Equity issue											
Set aside for dividend payments											
Reversal of dividend payments											
Changes in minority interests											
Dividend paid			- 191						- 191		- 191
Other transactions											
Payments from Donations Fund					- 212				- 212		- 212
Total transactions with owners			- 191		- 212				- 403		- 403
Equity at 31.03.15	1 807	843	830	3 746	120	- 26	1 601	292	9 213	14	9 227

ECC ratio overall

Parent Bank

(Amounts in NOK million)

	31.12.09	(01.01.11) 31.12.10	(01.01.12) 31.12.11	(01.01.13) 31.12.12	(adjusted) 01.01.13	31.12.13	31.12.14
Equity Certificate capital	896	1 275	1 655	1 655	1 681	1 807	1 807
Equity Certificate premium reserve	123	184	245	245	344	843	843
Dividend Equalisation Fund	471	408	319	453	380	685	1 011
Set aside dividend	- 121	- 103	- 93	- 76	0	0	- 191
Share Fund Fair Value Options	- 30	- 3	- 14	- 33	- 33	0	0
A. Equity attributable to Equity Certificate holders o	1 339	1 761	2 112	2 244	2 372	3 335	3 470
The Savings Bank's Fund	2 623	2 811	2 902	3 107	3 081	3 593	3 954
Allocated dividends to ownerless capital	- 161	- 154	- 107	- 30	0	0	- 212
Donations	133	133	133	120	120	119	119
Share Fund Fair Value Options	- 57	- 5	- 20	- 45	- 45	0	0
B. Total ownerless capital	2 538	2 785	2 908	3 152	3 156	3 712	3 861
Equity Certificate Ratio overall (A/(A+B))	34,54 %	38,74 %	42,07 %	41,59 %	42,91 %	47,33 %	47,33 %

Statement of cash flows

Parent Bank

Group

(Amounts in NOK million)

31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
918	433	305	Result before tax	356	473	1 345
50	12	12	+ Ordinary depreciation	14	14	97
- 2	0	0	+ Write-downs, gains/losses fixed assets	0	0	- 2
290	20	33	+ Losses on loans and guarantees	32	25	321
175	63	54	- Tax/Result investment held for sale	66	72	250
156	156	403	- Dividends/donations	403	156	156
925	246	- 107	Provided from the year's operations	- 67	284	1 355
762	525	380	Change in sundry liabilities: + increase/ - decrease	376	535	754
- 357	- 50	43	Change in various claims: - increase/ + decrease	137	16	- 366
-3 956	- 273	223	Change in gross lending to and claims on customers: - increase/ + decrease	177	- 398	-4 334
1 802	- 100	-1 383	Change in short term-securities: - increase/ + decrease	-1 361	- 120	1 726
845	-1 318	459	Change in deposits from and debt owed to customers: + increase/ - decrease	450	-1 305	821
-1 528	-1 021	- 853	Change in debt owed to credit institutions: + increase/ - decrease	- 861	-1 024	-1 526
-1 507	-1 991	-1 238	A. Net liquidity change from operations	-1 149	-2 012	-1 570
- 25	- 5	- 8	- Investment in fixed assets (incl merger effects)	- 8	- 43	- 131
2	0	0	+ Sale of fixed assets	16	0	2
- 319	- 64	2	Change in holdings of long-term securities: - increase/ + decrease	- 109	- 106	- 623
- 342	- 69	- 6	B. Liquidity change from investments	- 101	- 149	- 752
4 778	1 671	- 910	Change in borrowings through the issuance of securities: + increase/ - decrease	- 912	1 671	4 780
- 100	0	0	Change in Equity Certificate/subordinated loan capital: + increase/ - decrease	0	0	- 100
4 678	1 671	- 910	C. Liquidity change from financing	- 912	1 671	4 680
2 829	- 389	-2 154	A + B + C. Total change in liquidity	-2 162	- 490	2 358
5 082	5 082	7 911	+ Liquid funds at the start of the period	4 405	2 047	2 047
7 911	4 693	5 757	= Liquid funds at the end of the period	2 243	1 557	4 405

Liquid funds are defined as cash-in-hand, claims on central banks, plus loans to and claims on credit institutions.

Result from the Group's quarterly accounts

(Amounts in NOK million)

	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12
Interest income	704	755	773	721	749	839	740	717	694	706	707	708
Interest costs	335	377	395	379	421	484	399	408	414	399	414	423
Net interest income	369	378	378	342	328	355	341	309	280	307	293	285
Fee- and commission income	227	232	238	240	230	233	238	230	191	197	179	169
Fee- and commission costs	17	20	19	19	16	23	19	23	10	15	19	19
Other operating income	29	25	19	27	29	52	14	31	17	20	12	6
Net fee-, commission and other operating income	239	237	238	248	243	262	233	238	198	202	172	156
Dividend	0	0	0	5	11	0	4	22	1	-1	1	15
Income from investments	112	121	142	119	71	78	109	27	89	14	76	39
Net gain from investments in securities	6	-70	-23	65	161	7	-7	15	1	17	2	-52
Net income from financial investments	118	51	119	189	243	85	106	64	91	30	79	2
Total income	726	666	735	779	814	702	680	611	569	539	544	443
Personnel costs	189	190	193	159	162	174	151	162	151	153	147	148
Administration costs	90	88	85	87	89	87	83	83	84	83	69	83
Ordinary depreciation	14	29	14	40	14	16	13	13	14	16	13	12
Other operating costs	45	47	33	47	51	50	39	44	45	43	37	34
Total costs	338	354	325	333	316	327	286	302	294	295	266	277
Result before losses	388	312	410	446	498	375	394	309	275	244	278	166
Losses	32	236	38	22	25	50	35	47	40	32	115	6
Result before tax	356	76	372	424	473	325	359	262	235	212	163	160
Tax	66	15	65	71	72	50	69	56	39	54	25	55
Result non-current assets held for sale	0	27	0	0	0	0	0	0	0	0	0	0
Minority interests	-2	0	-2	1	0	1	0	0	0	0	-1	1
Result after tax	292	34	309	352	401	274	290	206	196	158	139	104
Profitability												
Return on equity capital	12.49 %	1.46 %	13.37 %	15.89 %	18.61 %	13.77 %	15.83 %	11.62 %	11.29 %	9.35 %	8.40 %	6.40 %
Interest margin	1.79 %	1.85 %	1.86 %	1.71 %	1.69 %	1.85 %	1.79 %	1.63 %	1.50 %	1.64 %	1.58 %	1.58 %
Cost/income	46.56 %	53.15 %	44.22 %	42.75 %	38.82 %	46.58 %	42.06 %	49.43 %	51.67 %	54.73 %	48.90 %	62.53 %
Balance sheet figures												
Loans and advances to customers	61 060	61 249	60 363	58 791	57 638	57 282	56 605	54 561	53 441	54 551	53 493	52 792
Growth in loans and advances to cust. incl. SpareBank 1 Boligkreditt and Næringskreditt past 12 months	4.4 %	5.5 %	6.1 %	6.7 %	7.3 %	6.1 %	5.9 %	6.8 %	8.5 %	11.6 %	11.9 %	11.5 %
Deposits from customers	46 211	45 761	45 386	46 949	43 635	44 940	43 938	46 006	43 232	43 588	43 266	43 745
Growth in deposits from customers past 12 months	5.9 %	1.8 %	3.3 %	2.0 %	0.9 %	3.1 %	1.6 %	5.2 %	9.0 %	-1.3 %	-2.5 %	6.0 %
Deposits as a percentage of gross lending	75.7 %	74.7 %	75.2 %	79.9 %	75.7 %	78.5 %	77.6 %	84.3 %	80.9 %	75.6 %	76.5 %	82.9 %
Deposits as a percentage of gross lending including SpareBank 1 Boligkreditt and Næringskreditt	54.3 %	53.8 %	54.1 %	56.9 %	53.5 %	55.8 %	55.6 %	59.5 %	56.9 %	54.3 %	54.8 %	60.5 %
Average assets	82 658	80 191	79 442	79 048	77 581	75 952	75 561	75 524	74 907	72 921	72 336	71 696
Total assets	82 128	83 188	80 621	81 983	77 642	77 520	75 670	76 759	74 484	75 329	74 251	74 029
Losses on loans and commitments in default												
Losses on loans to customers as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.15 %	0.37 %	0.18 %	0.11 %	0.12 %	0.25 %	0.17 %	0.24 %	0.21 %	1.02 %	0.87 %	0.26 %
Commitments in default as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.39 %	0.34 %	0.49 %	0.55 %	0.36 %	0.60 %	0.70 %	0.76 %	0.78 %	0.52 %	0.65 %	0.71 %
Commitments at risk of loss as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.25 %	0.27 %	0.30 %	0.32 %	0.31 %	0.46 %	0.36 %	0.35 %	0.51 %	0.77 %	0.66 %	0.24 %
Net comm. in default and at risk of loss as a per. of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.42 %	0.41 %	0.50 %	0.61 %	0.54 %	0.75 %	0.72 %	0.78 %	0.87 %	0.89 %	0.93 %	0.70 %
Solidity												
Total regulatory Capital %	16.1 %	15.6 %	15.5 %	14.2 %	14.3 %	13.9 %	11.7 %	12.4 %	12.6 %	13.2 %	10.7 %	11.6 %
Tier I Capital %	14.0 %	13.6 %	13.2 %	13.3 %	13.5 %	13.4 %	11.1 %	11.4 %	11.9 %	12.1 %	10.1 %	10.9 %
Tier I capital	8 344	8 439	8 000	7 828	7 741	7 783	6 431	6 478	6 586	6 672	5 767	6 081
Equity and related capital resources	9 610	9 680	9 414	8 382	8 158	8 069	6 765	7 052	7 005	7 270	6 056	6 474
Adjusted risk-weighted assets base	59 722	60 580	60 783	58 830	57 135	57 989	57 704	57 053	55 450	55 098	56 849	55 882

Notes

Note 1 - Accounting policies

The Group's interim financial statements in 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by EU, including IAS 34 relating to interim reporting. The Group's accounting policies and calculation methods remain essentially unchanged from the accounting year 2014. The interim financial statements do not cover all the information required in complete financial statements and should be read in conjunction with the annual financial statements for 2014.

In accordance with the regulations laid down by the Ministry of Finance of 16 October 2008, permission was given to reclassify securities in the trading portfolio from the category "at fair value through profit or loss" to categories "held to maturity" and "loans and receivables". The Group decided to reclassify large parts of the interest-bearing portfolio "held for sale" on 1 July 2008. Future measurements in these categories will be calculated at amortised cost, which means that earlier write-downs and interest will be amortised and recognised as interest income over the remaining term to maturity. Please see the separate note.

The interim financial statements have not been audited.

There is an ongoing technical discussion regarding interpretation of IFRIC 21, according accrual of the guarantee fund fee. The dissension is related to whether this fee should be accrued during the year or taken to account in total in the beginning of the financial year.

Most banks, including SpareBank 1 Nord-Norge, choose to continue the established practice and trade knowledge, which means currently accrual accounting of the fee over the financial year.

Note 2 - Important accounting estimates and discretionary judgements

In preparing the consolidated financial statements the management makes estimates, discretionary judgements and assumptions that influence the application of the accounting policies. These could thus affect the stated amounts for assets, liabilities, income and costs. Note 3 to last year's annual financial statements provides a fuller explanation of the items subject to important estimates and judgements.

Note 3 - Changes in group structure

There has been no changes in group structure in 1st quarter 2015.

SNN Portefølje AS owns 100% of the shares in Bodø-Gruppen AS as a result of defaulted commitments. The investment is measured to fair value after IFRS 5 and presented as available for sale in the groups accounts as of 1.january 2014.

Changes in value during the year are presented on a separate line in the income statement and the tax effect is taken into account.

Note 4 - Business Areas

The management has made an assessment of which business areas are deemed reportable with respect to form of distribution, products and customers. The primary format of reporting takes as a starting point risk and yield profiles of various assets and reporting is divided into private customers (Retail Banking Market), Corporate / Public Market, leasing and Markets. Apart from what is included in this list, the Group does not have any companies or segments which are of significant importance. The Bank operates mainly in a limited geographical area and reporting along the lines of geographic segments provides little additional information.

Group

(Amounts in NOK million)

						31.03.15
	Retail Banking	Corporate Banking	Leasing	Markets	Unallocated	Total
Net interest income	192	127	44	2	4	369
Net fee- and commission income	102	72	0	18	18	210
Other operating income	0	0	0	0	147	147
Operating costs	162	104	14	9	49	338
Result before losses	132	95	30	11	120	388
Losses	2	30	0	0	0	32
Result before tax	130	65	30	11	120	356
Loans and advances to customers	35 886	21 145	4 029	0	367	61 427
Individual write-downs for impaired value on loans and advances to customers	- 24	- 261	- 12	0	103	- 194
Collective write-downs for impaired value on loans and advances to customers	- 38	- 176	- 11	0	- 8	- 233
Other assets	0	0	43	0	21 085	21 128
Total assets per business area	35 824	20 708	4 049	0	21 547	82 128
Deposits from customers	27 033	16 118	0	0	0	43 151
Other liabilities and equity capital	9 029	4 719	4 049	0	21 180	38 977
Total equity and liabilities per business area	36 062	20 837	4 049	0	21 180	82 128
						31.03.14
Net interest income	152	126	41	3	6	328
Net fee- and commission income	101	84	0	5	23	213
Other operating income	0	0	0	7	265	272
Operating costs	138	114	10	8	45	315
Result before losses	115	96	31	7	249	498
Losses	1	20	1	0	3	25
Result before tax	114	76	30	7	246	473
Loans and advances to customers	33 368	20 642	3 628	0	0	57 638
Individual write-downs for impaired value on loans and advances to customers	- 32	- 181	- 8	0	- 14	- 235
Collective write-downs for impaired value on loans and advances to customers	- 41	- 139	- 9	0	- 12	- 201
Other assets	0	0	0	0	20 440	20 440
Total assets per business area	33 295	20 322	3 611	0	20 414	77 642
Deposits from customers	24 972	18 663	0	0	0	43 635
Other liabilities and equity capital	8 323	1 659	3 611	0	20 414	34 007
Total equity and liabilities per business area	33 295	20 322	3 611	0	20 414	77 642

Note 5 - Capital Adequacy

In 2014, the Ministry of Finance stipulated amendments to the capital requirements regulations. The amendments are adjustments implemented to comply with the EU's new capital adequacy regulations for banks and securities undertakings (CRD IV/CRR) and entail the minimum requirement for common equity Tier 1 capital ratio gradually increasing in the run up to 1 July

From 2015, the Financial Supervisory Authority of Norway has given SpareBank 1 Nord-Norge permission to use Advanced IRB to calculate regulatory capital requirements for credit risk for the corporate market. This permission means that SpareBank 1 Nord-Norge can use internal models for calculating the necessary requirements for compulsory savings. This in turn means that the regulatory capital requirements will better suit the actual credit risk the Bank is bearing in its overall loan portfolio.

The adjustment of risk-adjusted calculation basis in relation to the old calculation (Basel I) continue to 2017. The calculation basis from 2009 therefore amounts to 80 per cent of the calculated basis according to the Basel I rules and regulations.

SpareBank 1 Nord-Norge's goal is to maintain unquestionable financial strength and satisfy the statutory minimum equity requirements for capital adequacy. The Group's goal is to have an internal capital buffer of at least 1 percentage point above the statutory minimum requirement. The Group's long-term goal for Core Tier 1 capital ratio is currently 14.5%.

(Amounts in NOK million)

31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
1 807	1 807	1 807	Equity certificates	1 807	1 807	1 807
0	0	0	- Own equity certificates	0	0	0
843	843	843	Premium reserve	843	843	843
1 020	667	830	Equalisation reserve	830	667	1 020
3 745	3 565	3 746	Savings bank's reserve	3 746	3 565	3 745
332	118	120	Endowment fund	120	118	332
0	0	0	Deduction Fund for unrealised gains available for sale	- 26	- 10	- 30
- 12	46	- 12	Other equity	1 601	1 326	1 611
0	370	251	Period result	292	401	0
0	0	0	Minority interests	14	20	15
7 735	7 416	7 585	Total equity	9 227	8 737	9 343
0	- 370	- 251	Period result	- 290	- 401	0
			Additional Tier 1 Capital (AT 1 Capital)			
- 405			Deduction for allocated dividends			- 522
	- 72		Adjusted Tier 1 Capital from consolidated financial institutions	- 27	- 174	75
- 20		- 20	Deduction for ntangible assets	- 86	- 83	- 82
- 50	- 60	- 50	Adjustments to CET 1 due to prudential filters	- 31		- 30
- 150		- 167	Deduction defined benefit pension fund assets gross amounts	- 50	- 60	- 50
			IRB shortfall of credit risk adjustments to expected losses	- 372		- 385
	- 134		50% deduction for expected losses on IRB, net of writedowns		- 124	
	- 468		50 % deduction for subordinated capital in other financial institutions		- 177	
			50 % Total regulatory capital reserve significant investment	- 708	- 630	- 591
		- 5	Deduction for CET 1 instruments of financial sector institutions with a significant investment over 10 % treshold limit			
7 110	6 312	7 092	Common equity Tier 1 Capital (CET 1 Capital)	7 663	7 088	7 758
500	500	500	Hybrid Tier 1 bonds	687	653	687
			Own Hybrid Tier 1 bonds	- 6		- 6
7 610	6 812	7 592	Additional Tier 1 Capital (AT 1 Capital)	8 344	7 741	8 439
			Tier 2 Capital (T2 Capital)			
850	950	850	Nonperpetual subordinated capital	1 309	1 348	1 284
	- 134		50% deduction for expected losses on IRB, net of writedowns		- 124	
- 43		- 43	Deduction for subordinated capital in other financial institutions with a significant investment	- 43		- 43
	- 468		50% deduction for subordinated capital in other financial institutions		- 177	
			50% Total regulatory capital reserve		- 630	
807	348	807	Tier 2 Capital (T2 Capital)	1 266	417	1 241
8 417	7 160	8 399	Equity and related capital resources	9 610	8 158	9 680
			Minimum requirements subordinated capital, Basel I I			
1 101	952	862	Specialised lending exposure	1 040	952	1 283
135	623	89	Other corporations exposure	125	624	163
420	37	381	SME exposure	386	44	469
674	599	862	Property retail mortgage exposure	1 132	937	976
30	33	44	Other retail exposure	44	37	28
364	452	365	Equity investments	12		12
2 724	2 696	2 603	Total credit risk	2 739	2 594	2 931
			Credit risk standardised approach			
722	649	754	Credit risk standardised approach	1 618	1 727	1 644
19	27	19	Debt risk	19	23	19
9	12	3	Equity risk	22	41	40
11	49	6	Currency risk	6	49	11
250	250	273	Operational risk	283	246	254
19		19	Credit Value Adjustment	59		55
			Transitional arrangements	32	24	
	- 75		Deductions		- 133	
3 754	3 608	3 677	Minimum requirements subordinated capital	4 778	4 571	4 954
			Total regulatory Capital			
17.9 %	15.9 %	18.3 %	Total regulatory Capital	16.1 %	14.3 %	15.6 %
16.2 %	15.1 %	16.5 %	Tier 1 Capital	14.0 %	13.6 %	13.6 %
1.7 %	0.8 %	1.8 %	Tier 2 Capital	2.1 %	0.7 %	2.0 %
15.2 %	14.5 %	15.7 %	Common Equity Tier I - incl share of period result	13.1 %	12.9 %	12.6 %
8.2 %		8.5 %	Leverage Ratio	6.0 %		5.9 %

Note 6 - Net bad and doubtful commitments

(Amounts in NOK million)

Parent Bank				Group		
31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
403	435	449	Non-performing commitments	336	297	290
356	345	305	+ Other doubtful commitments	216	256	231
759	780	754	+ Total commitments in default and doubtful commitments	552	553	521
198	173	200	- Individual write-downs in default	98	80	96
75	40	85	- Other doubtful individual write-downs	96	30	75
273	213	285	+ Total individual write-downs *	194	110	171
486	567	469	= Net commitments in default and doubtful commitments	358	443	350

*Individual write-downs for impaired value on guarantees are not included here, but as liabilities under 'Other liabilities'.

Note 7 - Losses incorporated in the accounts

31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
52	- 8	12	+ Period's change in individual write-down for impaired value	23	- 5	30
28	- 5	- 1	+ Period's change in collective write-down for impaired value	- 3	- 4	30
92	33	20	+ Period's confirmed losses against which individual write-downs were previously made	10	35	109
5	1	4	+ Period's confirmed losses against which individual write-downs were previously not made	4	1	5
7	1	2	- Recoveries in respect of previously confirmed losses	2	2	10
170	20	33	= Total losses on loans	32	25	164
120			+ Other losses			157
290	20	33	= Total losses	32	25	321

Note 8 - Losses broken down by sector and industry
(Amounts in NOK million)

Parent Bank				Group		
31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
0	0	0	Mining and quarrying	0	0	0
1	- 1	2	Construction	2	- 1	2
0	0	0	Building of ships and boats	0	0	2
0	- 4	0	Electricity, gas, steam an air conditioning supply	0	- 4	0
13	8	- 2	Professional, scientific and technical activities	- 2	8	13
0	0	0	Financial and insurance activities	0	0	0
0	1	1	Fishing	1	1	0
2	1	2	Marine aquaculture	2	1	2
4	1	- 2	Other business support activities	- 2	2	4
0	0	0	Activities auxiliary to financial services and insurance activities	0	0	0
0	0	0	County municipalities and municipalities	0	0	0
3	- 2	- 1	Manufacturing	- 1	- 1	3
0	0	1	Information and communication	1	0	0
6	0	5	Crop and animal production	6	0	5
0	0	0	Foreign industrial	0	0	27
58	36	7	Real estate activities	4	37	9
0	1	0	Accommodation and food service activities	0	1	0
0	0	0	Forestry and logging	0	0	0
0	0	0	Central government and social security funds	0	0	0
0	0	0	Support activities for petroleum and natural gas extraction	0	0	0
11	0	8	Other service industries	8	1	11
8	1	- 1	Transportation and storage	0	1	8
36	0	6	International shipping and pipeline transport	6	0	37
- 20	- 25	2	Development of building projects	2	- 25	- 20
0	0	0	Extraction of crude oil and natural gas	0	0	0
30	0	0	Unspecified	0	0	31
0	0	2	Water supply; sewerage, waste management and remediation activities	2	0	0
0	0	0	Wholesale and retail trade; repair of motor vehicles and motorcycles	0	0	0
25	2	6	Retail banking market - domestic	7	4	40
177	21	35	Losses on loans to customers	34	27	174
7	1	2	Recoveries from previously written off losses	2	2	10
170	20	33	Net losses	32	25	164
120	0	0	Other losses	0	0	157
290	20	33	Total losses	32	25	321

Note 9 - Loans broken down by sector and industry
(Amounts in NOK million)

Parent Bank				Group		
31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
36	47	36	Mining and quarrying	70	75	72
606	518	673	Construction	1 055	839	972
115	7	1	Building of ships and boats	2	9	117
695	742	702	Electricity, gas, steam an air conditioning supply	705	746	698
635	568	597	Professional, scientific and technical activities	792	678	840
0	0	0	Financial and insurance activities	2	0	0
2 405	1 816	2 443	Fishing	2 459	1 831	2 421
343	347	339	Marine aquaculture	631	509	611
253	327	286	Other business support activities	628	659	603
733	1 052	717	Activities auxiliary to financial services and insurance activities	508	820	525
343	241	302	County municipalities and municipalities	318	262	359
1 541	1 556	1 726	Manufacturing	1 843	1 657	1 664
67	110	60	Information and communication	64	116	72
924	854	889	Crop and animal production	969	939	1 011
0	0	0	Foreign industrial	232	104	172
7 760	7 281	7 713	Real estate activities	7 566	7 320	7 614
396	342	399	Accommodation and food service activities	414	356	411
5	4	5	Forestry and logging	10	9	10
0	0	0	Central government and social security funds	0	0	0
0	0	0	Support activities for petroleum and natural gas extraction	17	20	18
701	671	707	Other service industries	784	747	701
2 827	3 084	2 488	Transportation and storage	3 072	3 647	3 427
758	633	751	International shipping and pipeline transport	751	632	758
793	873	884	Development of building projects	886	874	794
0	0	0	Extraction of crude oil and natural gas	0	0	0
0	0	0	Unspecified	0	0	0
200	209	201	Water supply; sewerage, waste management and remediation activities	271	284	270
807	850	780	Wholesale and retail trade; repair of motor vehicles and motorcycles	997	1 137	1 014
34 363	31 673	34 365	Retail banking market - domestic	35 862	33 030	35 830
50	43	47	Retail banking market - international	152	338	265
34 413	31 716	34 412	Total retail market	36 014	33 368	36 095
22 600	21 891	22 397	Total public market	24 728	24 008	24 795
343	241	302	Total government	318	262	359
57 356	53 848	57 111	Total gross lending to customers	61 060	57 638	61 249
273	213	285	Individual write-downs for impaired value	194	235	171
215	180	214	Collective write-downs for impaired value	233	201	236
56 868	53 455	56 612	Net loans to customers	60 633	57 202	60 842
132	134	359	Accrued interests	367	136	135
57 000	53 589	56 971	Net loans to customers	61 000	57 338	60 977

Note 10 - SpareBank 1 Boligkreditt

In the third quarter 2010, SpareBank 1 Nord-Norge agreed, together with the other shareholders of SpareBank 1 Boligkreditt, to provide a liquidity facility to SpareBank 1 Boligkreditt. This involves the banks committing themselves to buying residential mortgage bonds with a maximum net value of SpareBank 1 Boligkreditt's debt maturing over the next twelve months. The agreement means that each shareholder has principal responsibility for his share of the requirement, and secondary responsibility for double the value of his principal responsibility. The bonds can be deposited with Norges Bank, which means that they do not significantly increase the Bank's risk exposure.

The bank has concluded agreements concerning the sale of loans with good security and collateral in real estate to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. For more information about the accounting treatment of the agreements see note 2 and note 13 to the annual financial statements.

Note 11 - Investment in bonds

As a result of extraordinary market conditions, parts of the Bank's ordinary securities portfolio became illiquid in 2008. Following the changes in international accounting standards in October 2008, the SNN Group decided to reclassify parts of the Bank's bond portfolio as at 01.07.08 from the category 'Market value with inclusion of value changes over the profit and loss account' to the categories 'Hold until maturity' and 'Loans and claims' as the securities in question no longer was expected to be sold before maturity. In the category 'Hold until maturity' the Bank includes quoted securities, whereas unquoted securities has been put into the category of 'Loans and claims.'

In the categories 'Hold until maturity' and 'Loans and claims' the securities are assessed at amortized cost. After the reclassification, the writedowns made earlier will be reversed over the portfolio's remaining life, which on average is 1.65 year as at 31.03.15, and included in the profit and loss account as interest income. For the period 01.01.15-31.03.15 such reversed writedowns has been included in the profit and loss account with NOK 0.1 million. Total inclusion of income are NOK 78.6 million for the period 01.07.08-31.12.14. If this reclassification had not been made, the Group would have charged NOK 212 million to the profit and loss account in the third and fourth quarter of 2008 due to increased credit spreads. This would have been an unrealised gain NOK 5.5 million as at 31.03.15. It was necessary to apply a NOK 88 million write-down due to the permanent impairment of value in this portfolio as at 31.12.14. Further NOK 2.5 million writedowns has been made in 2015, and a NOK 2.6 million exchange loss are included to the profit and loss account.

<i>(Amounts in NOK million)</i>	01.07.08	31.12.11	31.12.12	31.12.13	31.12.14	31.03.15
Hold until maturity						
Book value	3 109	858	355	111	108	107
Nominal value (nominal amount)	3 182	869	366	115	111	110
Theoretical market value	3 109	842	355	114	111	109
Loans and claims						
Book value	698	262	142	75	28	25
Nominal value (nominal amount)	737	279	156	90	29	25
Theoretical market value	698	250	134	74	26	23
Total book value	3 807	1 120	497	186	136	132

Note 12 - Financial derivatives

Parent Bank and Group

(Amounts in NOK million)

Interest rate swaps:

Commitments to exchange one set of cash flow for another over an agreed period.

Foreign exchange derivatives:

Agreements to buy or sell a fixed amount of currency at an agreed future date at a rate of exchange which has been agreed in advance

Currency swaps:

Agreements relating to the swapping of currency- and interest rate terms and conditions, periods and amounts having been agreed in advance.

Interest rate- and currency swap agreements:

Agreements involving the swapping of currency- and interest rate terms and conditions, periods and amounts having been agreed in advance.

Options:

Agreements where the seller gives the buyer a right, but not an obligation to either sell or buy a financial instrument or currency at an agreed date or before, and at an agreed amount.

SpareBank 1 Nord-Norge enters into hedging contracts with respected Norwegian and foreign banks in order to reduce its own risk. Financial derivatives transactions are related to ordinary banking operations and are done in order to reduce the risk relating to the Bank's funding loans from the financial markets, and in order to cover and reduce risk relating to customer-related activities. Only hedging transactions relating to the Bank's funding loan operations are defined as 'fair value hedging' in accordance with IFRS standard IAS 39. Other hedging transactions are defined as ordinary accounts-related hedging. The Bank does not use cash flow hedging.

	31.03.15	31.03.14	31.12.14
Net loss charged to the statement of comprehensive income in respect of hedging instruments in connection with actual value	69	- 50	226
Total gain from hedging objects relating to the hedged risk	- 60	50	- 224
Total fair value hedging transactions	9		2

The Bank's main Board of Directors has determined limits for maximum risk for the Bank's interest rate positions. Routines have been established to ensure that positions are maintained within these limits.

(Amounts in NOK million)

Fair value through statement of comprehensive income	31.03.15 Fair value			31.03.14 Fair value			31.12.14 Fair value		
	Contract	Assets	Liabilities	Contract	Assets	Liabilities	Contract	Assets	Liabilities
Foreign currency instruments									
Foreign exchange financial derivatives (forwards)	2 964	42	48	1 713	16	21	4 198	113	87
Currency swaps	4 242	235	141	8 901	220	50	7 252	413	238
Currency options									
Total non-standardised contracts	7 206	277	189	10 614	236	71	11 450	526	325
Standardised foreign currency contracts (futures)									
Total foreign currency instruments	7 206	277	189	10 614	236	71	11 450	526	325
Interest rate instruments									
Interest rate swaps (including cross currency)	24 586	722	1 077	25 859	434	606	24 971	793	1 155
Short-term interest rate swaps (FRA)									
Other interest rate contracts	793	16	23	21		1	333	12	13
Total non-standardised contracts	25 379	738	1 100	25 880	434	607	25 304	805	1 168
Standardised interest rate contracts (futures)									
Total interest rate instruments	25 379	738	1 100	25 880	434	607	25 304	805	1 168
Hedging of funding loans									
Foreign currency instruments									
Foreign exchange financial derivatives (forwards)									
Currency swaps									
Total, non-standardised contracts									
Standardised foreign currency contracts (futures)									
Total foreign currency instruments									
Interest rate instruments									
Interest rate swaps (including cross currency)	10 564	739		10 869	575		10 752	790	
Short-term interest rate swaps (FRA)									
Other interest rate contracts									
Total, non-standardised contracts	10 564	739		10 869	575		10 752	790	
Standardised interest rate contracts (futures)									
Total interest rate instruments	10 564	739		10 869	575		10 752	790	
Total interest rate instruments	35 943	1 477	1 100	36 749	1 009	607	36 056	1 595	1 168
Total foreign currency instruments	7 206	277	189	10 614	236	71	11 450	526	325
Total	43 149	1 754	1 289	47 363	1 245	678	47 506	2 121	1 493

Note 13 - Net accounting of financial derivatives and related set-off agreements.

Financial derivatives are presented as gross on the balance sheet. As a result of ISDA agreements that have been entered into with contracting parties with regard to financial derivatives transactions, set-off rights are obtained if the contracting party defaults on the cash flow.

At 31.03.15 the net figures were:

Category/counterpart	Gross amount	Offset amount	Net amount	Net amount to be posted at bankruptcy or default	Net credit exposure
<i>(Amounts in NOK million)</i>	A	B	C=A+B	D	E=C-D
Financial derivatives - assets	12 373	11 979	394	0	394
Financial derivatives - liabilities	19 883	19 091	792	0	792

Note 14 - Liquidity risk

Liquidity risk is the risk that the bank will be unable to meet its payment obligations, and/or the risk of not being able to fund a desired growth in assets. SpareBank 1 Nord-Norge prepares an annual liquidity strategy that encompasses, for example, the bank's liquidity risk.

The Group's liquidity risk is revealed through the bank's liquidity reserve/buffer.

The principal objective for SpareBank 1 Nord-Norge is to maintain the bank's ability to survive in a normal situation without any external funding for a period of 12 months. In addition, the bank should be able to survive for a minimum of 90 days in a "major stress" situation, where no funding is available from the capital markets. The bank's day-to-day management is guided by the above goal.

The average remaining maturity of the bank's borrowings in senior unsecured bond issues and covered bonds was at 31.03.15 2,96 years .

The short-term liquidity risk measure, Liquidity Coverage Ratio (LCR) remained stable over 100 % during the quarter. At the end of the first quarter LCR was 163 % in Norwegian kroner (NOK).

Note 15 Pensions

The SpareBank 1 Nord-Norge Group has two types of pension agreements for its employees: defined benefit-based and defined contribution-based plans. The plans are described in more detail in the note 25 to the annual financial statements.

From 1 January 2013 IAS 10 "Employee Benefits" was revised with respect to the basis for calculating pension liabilities and pension costs.

The Group has previously used the corridor method for recognising unamortised estimate deviations.

The corridor method is no longer permitted and all estimate deviations must be recorded in the statement covering other operating income and costs under comprehensive income items, so-called OCI (Other Comprehensive Income). The corridor, which amounted to NOK 89 million for groups, was zeroed as of 1 January 2012.

The period's net interest cost is now calculated by applying the discount rate for the liabilities at the beginning of the period to the net liabilities.

Therefore, net interest costs consist of the interest on liabilities and the return on assets, both calculated using the discount rate. Changes in net pension liabilities due to premium payments and pension payments are taken into account. The difference between the actual return on pension assets and the recorded return is recognised immediately against OCI.

The following assumptions were made for defined benefit-based plans:

Assumptions	1Q15	1.KV.14	4Q14
Discount rate	2,30 %	4,00 %	2,30 %
Expected return on pension assets	2,30 %	4,00 %	2,30 %
Future salary growth rate	2,50 %	2,00 %	2,50 %
Adjustment of NI basic amount (G)	2,50 %	3,50 %	2,50 %
Pension adjustment	0,00 %	0,60 %	0,00 %
Employer's NI liability	14,10 %	6,00 %	14,10 %
Employer's NI cost	14,10 %	6,00 %	14,10 %
Voluntary leaving over 50 years old	0,00 %	0,00 %	0,00 %
Voluntary leaving up to 50 years old	2,00 %	2,00 %	2,00 %
Expected statutory early retirement pen	60,00 %	60,00 %	60,00 %
Mortality, marriage probability, etc.	K2013BE IR2003	K2013BE IR2003	K2013BE IR2003

Group

Amounts in NOK million

	31.03.15	31.03.14	31.12.14
Net pension liabilities in the balance sheet			
Present value of future pension liabilities	829	671	829
Estimated value of pension assets	880	808	880
Net pension liabilities in fund-based plans	-51	-137	-51
Unrecognised estimate deviations (possible actuarial gains and losses)	0	0	0
Employer's NI contributions	1	1	1
Net pension liabilities/assets in the balance sheet	- 50	- 136	- 50
Pension costs for the period	1.KV 15	1.KV 14	2014
Accrued defined benefit-based pensions	4	4	14
Interest costs on pension liabilities	7	5	26
Expected return on pension assets	-7	-7	-30
Estimate deviations recognised in the period			
Effect of changed pension plan			
Net defined benefit-based pension costs without employer's NI contributions	4	2	10
Accrued employer's NI contributions	1	1	1
Net defined benefit-based pension costs recognised through profit or loss	5	3	11
Curtailement/settlement			
Other pension costs	3	4	26
Total pension costs including employer's NI Insurance contribution	8	30	37
Movement in net pension liabilities from benefit-based plan recognised in balance sheet	31.03.15	31.03.14	31.12.14
Net pension liabilities in the balance sheet as of 01.01	-50	-136	-136
Correction against equity OB			-22
Correction against equity CB			119
Net defined benefit-based pension costs recognised through profit or loss		2	11
Curtailement/settlement			
Paid directly from operations	-3	-4	-2
Receipts - pension premiums defined benefit-based plans		-2	-20
Net pension liabilities/assets in the balance sheet	-53	-140	-50
Other pension liabilities (early retirement pensions)	45	52	56
Net total pension liabilities	-8	-88	6

Note 16 Classification of financial instruments stated at fair value

Financial instruments at fair value are classified at different levels:

Level 1 covers financial instruments that are valued using listed prices in active markets for identical assets and liabilities. This level includes listed equities, units, commercial paper and bonds that are traded in active markets.

Level 2 covers instruments that are valued using information that is not listed prices, but where prices are directly or indirectly observable for assets and liabilities, and which also include listed prices in inactive markets. This level includes instruments for which Reuters or Bloomberg publish prices.

Level 3 covers instruments that are valued in manner other than on the basis of observable market data. This includes instruments in which credit margins constitute a material part of the basis for adjusting market value.

Group

<i>(Amounts in NOK million)</i>	Level 1	Level 2	Level 3	Total
Assets 31.03.15				
Loans to and receivables from customers at fair value (fixed-rate loans)			6 495	6 495
Shares	96		354	450
Bonds	3 947	7 019		10 966
Financial derivatives		1 754		1 754
Total assets	4 043	8 773	6 849	19 665

Liabilities as of 31.03.15				
Financial derivatives		1 289		1 289
Total liabilities		1 289		1 289

<i>Assets 31.03.14</i>				
Loans to and receivables from customers at fair value (fixed-rate loans)			7 350	7 350
Shares	80	372	396	848
Bonds	2 071	7 432		9 503
Financial derivatives		1 250		1 250
Total assets	2 151	9 054	7 746	18 951

<i>Liabilities as of 31.03.14</i>				
Financial derivatives		678		678
Total liabilities	0	678	0	678

Changes in instruments at fair value, level 3:

<i>(Amounts in NOK million)</i>	Financial assets				Financial liabilities Financial derivatives
	Fixed-rate loans	Shares	Bonds	Financial derivatives	
Carrying amount as of 31.03.14	7 350	396			0
Net gains on financial instruments	- 27	- 27			
Additions/acquisitions	1 285	2			
Disposals	-2 113	- 17			
Transferred from level 1 or level 2					
Carrying amount as of 31.03.15	6 495	354	0	0	0

Note 17 - Subsidiaries
 (Amounts in NOK 1 000)

	Share of Eq.%	Profit from ordinary operations before tax			Equity		
		31.03.15	31.03.14	31.12.14	31.03.15	31.03.14	31.12.14
SpareBank 1 Finans Nord-Norge AS	100	29 506	28 930	116 438	457 375	531 514	521 604
SpareBank 1 Nord-Norge Portefølje AS	100	-5 914	15 903	19 906	98 412	33 278	104 208
Eiendomsdrift AS	0	0	0	0	0	0	0
EiendomsMegler 1 Nord-Norge AS	100	4 864	1 124	15 208	29 488	27 473	36 761
SpareBank 1 Nord-Norge Forvaltning ASA	100	682	621	2 509	7 830	6 135	7 073
SpareBank 1 Regnskapshuset Nord-Norge AS	100	3 359	2 793	3 839	21 289	13 842	14 630
North-West 1 Alliance Bank	75	-7 668	1 041	-3 245	38 984	59 463	42 518
EiendomsMegler 1 Lofoten AS (owned by EM1 60%)	60	53	- 198	344	1 205	770	1 167
Nord-Norge Eiendom IV AS	100	- 222	- 413	1 230	-13 244	31 159	-2 022
Alsgården AS	100	141	478	- 335	9 826	13 005	8 827
Fr. Langes gate 20 AS	100	488	296	1 406	6 657	5 031	5 921
Total		25 289	50 575	157 300	657 822	721 670	740 687

Note 18 - Other assets

(Amounts in NOK million)

Parent Bank				Group		
31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
21	18	21	Reposessed assets	21	18	21
236	322	82	Accrued income	122	357	270
138	357	240	Prepayments	143	286	144
125	385	274	Other assets	337	428	180
520	1 082	617	Total other assets	623	1 089	615

Note 19 - Other liabilities

31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
310	370	288	Costs incurred	434	501	458
0	0	0	Provisioning against incurred liabilities and costs	19	20	13
400	593	774	Other liabilities	811	646	443
710	963	1 062	Total other liabilities	1 264	1 167	914

Note 20 - Deposits broken down by sector and industry
(Amounts in NOK million)

Parent Bank				Group		
31.12.14	31.03.14	31.03.15		31.03.15	31.03.14	31.12.14
32	31	26	Mining and quarrying	26	31	32
1 162	1 063	942	Construction	942	1 063	1 162
4	3	3	Building of ships and boats	3	3	4
823	839	1 069	Electricity, gas, steam an air conditioning supply	1 069	839	823
1 133	1 206	1 151	Professional, scientific and technical activities	1 149	1 201	1 130
0	0	0	Financial and insurance activities	0	0	0
746	776	828	Fishing	828	776	746
45	71	50	Marine aquaculture	50	71	45
420	428	449	Other business support activities	449	428	420
382	344	334	Activities auxiliary to financial services and insurance activities	324	344	372
5 058	5 410	5 163	County municipalities and municipalities	5 163	5 410	5 058
446	344	414	Manufacturing	414	344	446
244	280	282	Information and communication	282	280	244
368	408	399	Crop and animal production	399	408	368
6	27	6	Foreign industrial	28	67	26
1 847	1 427	1 863	Real estate activities	1 857	1 414	1 841
240	219	229	Accommodation and food service activities	229	219	240
14	12	12	Forestry and logging	12	12	14
314	727	314	Central government and social security funds	314	727	314
0	0	0	Support activities for petroleum and natural gas extraction	0	0	0
2 376	2 342	2 771	Other service industries	2 771	2 341	2 376
863	741	871	Transportation and storage	871	741	863
6	22	15	International shipping and pipeline transport	15	22	6
226	205	148	Development of building projects	148	205	226
459	452	461	Extraction of crude oil and natural gas	461	452	459
0	0	0	Unspecified	0	0	0
160	160	126	Water supply; sewerage, waste management and remediation activities	126	160	160
1 379	1 105	1 256	Wholesale and retail trade; repair of motor vehicles and motorcycles	1 256	1 105	1 379
26 621	24 582	26 642	Retail banking market - domestic	26 634	24 582	26 621
360	347	369	Retail banking market - international	391	390	386
26 981	24 929	27 011	Total retail market	27 025	24 972	27 007
13 381	12 505	13 705	Total public market	13 709	12 526	13 382
5 372	6 137	5 477	Total government	5 477	6 137	5 372
45 734	43 571	46 193	Total deposits	46 211	43 635	45 761
2	189	146	Accrued interests	146	189	2
45 736	43 760	46 339	Total deposits	46 357	43 824	45 763

Note 21 - Securities issued and subordinated loan capital ex. accrued interests.
Parent Bank and Group
(Amounts in NOK million)
Securities issued

	31.12.14	31.03.14	31.03.15
Certificates and other short-term borrowings			
Bond debt	21 116	18 007	20 204
Total debt securities in issue	21 116	18 007	20 204

	Statement of financial position 31.12.13	Issued 31.03.15	Matured/ redeemed 31.03.15	Exchange rate movements 31.03.15	Other adjustments 31.03.15	Statement of financial position 31.03.15
Changes in securities issued						
Certificates and other short-term borrowings						
Bond debt	21 116		- 825	- 18	- 69	20 204
Total debt securities issued	21 116		- 825	- 18	- 69	20 204

Subordinated loan capital and hybrid Tier 1 instruments

	31.12.14	31.03.14	31.03.15
Hybrid Tier 1 instruments			
2033 6 mnd Nibor + 2,30 (USD 60 mill.) (Call opsj 2013)			
2099 3 mnd Nibor + 4,75 (Call opsjon 2017)	500	500	500
Hybrid Tier 1 instruments - foreign currency			
Total hybrid Tier 1 instruments	500	500	500
Subordinated loan capital			
Subordinated loan capital with definite maturities	850	850	850
Total subordinated loan capital	850	850	850
Total subordinated loan capital and hybrid Tier 1 instruments	1 350	1 350	1 350

	Statement of financial position 31.12.13	Issued 31.03.15	Matured/ redeemed 31.03.15	Exchange rate movements 31.03.15	Other adjustments 31.03.15	Statement of financial position 31.03.15
Changes in subordinated loan capital and hybrid Tier 1 instruments						
Subordinated loan capital with definite maturities	850					850
Hybrid Tier 1 instruments	500					500
Total subordinated loan capital and hybrid Tier 1 instruments	1 350					1 350

Note 22 - Equity Certificates (ECs)

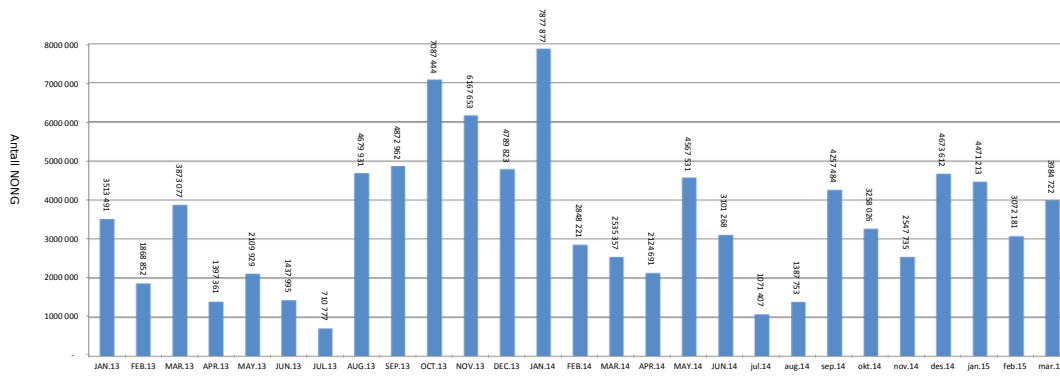
The 20 largest EC holders as at 31.03.15

EC Holders	Number of ECs	Share of EC Capital
Pareto Aksje Norge	3 394 281	3.38%
Verdipapirfondet Dnb Norge (IV)	2 952 344	2.94%
Mp Pensjon Pk	2 690 503	2.68%
Citibank, N.A. S/A National Financial Services	2 010 761	2.00%
Pareto Aktiv 2	1 964 503	1.96%
Wimoh Invest AS	1 614 670	1.61%
State Street Bank And Trust Co	1 557 762	1.55%
Goldman Sachs Int.	1 450 536	1.44%
Sparebankstiftelsen Sparebank 1 Nord-Norge	1 411 606	1.41%
Protector Forsikring ASA	1 353 600	1.35%
FLPS - Princ All Sec Stock Sub	1 345 700	1.34%
Forsvarets Personellservice	1 291 630	1.29%
Pareto AS	1 270 659	1.27%
Dnb Livsforsikring ASA	1 133 064	1.13%
Bergen Kommunale Pensjonskasse	950 000	0.95%
Pareto Verdi	933 623	0.93%
Verdipapirfondet Eika Utbytte	923 398	0.92%
Sanlam Universal Funds PIC	907 230	0.90%
Merrill Lynch Prof. Clearing Corp	898 438	0.89%
Larre Eiendom 2 AS	873 623	0.87%
TOTAL	30 927 931	30.81%

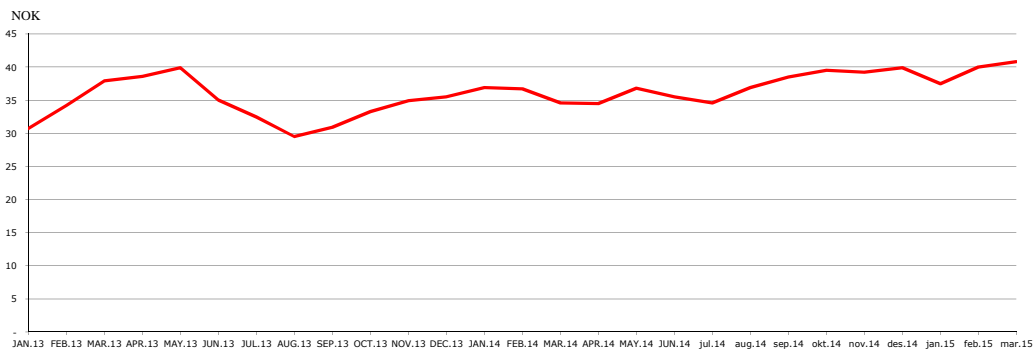
Dividend policy

In consideration of the Bank's solidity, the Bank anticipates that up to 50% of the profit for the year can be distributed as a dividend (cash dividends and donations to charitable causes). In years to come dividend most likely will be lower due to increased regulatory requirements.

Trading statistics



Price trend NONG



Note 23 - Events occurring after the end of the quarter

No information has come to light about important events that have occurred between the balance sheet date, 31 march 2015, and the Board's final consideration of the financial statements on 28 april 2015.