

SpareBank 1 Nord-Norge

Presentation of 3rd Quarter
Report 2011

Oslo, 26 October 2011

SpareBank 
NORD-NORGE

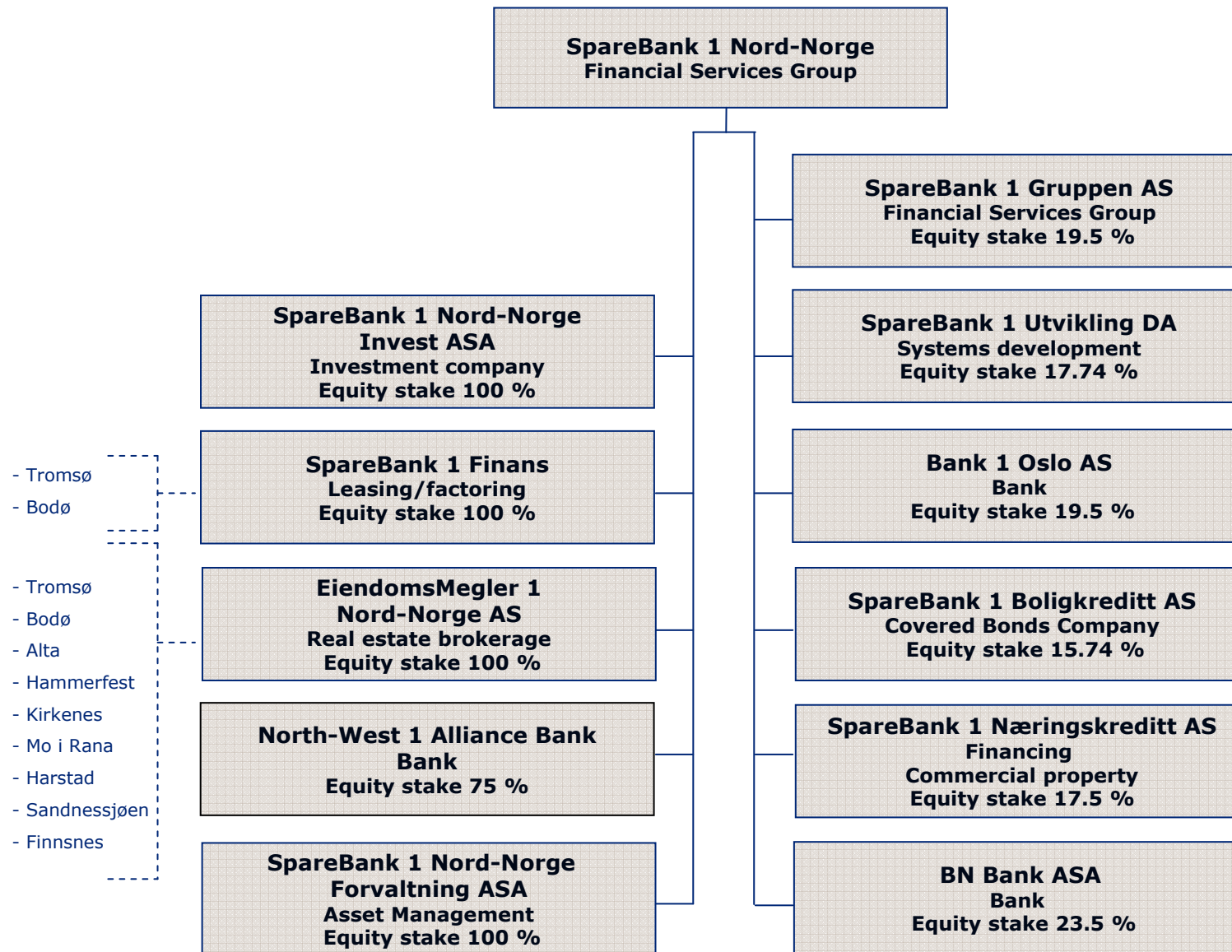
For Nord-Norge i 175 år

SpareBank 1 Nord-Norge Group



Headoffice:	Tromsø
Organization:	5 regions
Regional branches:	Hammerfest
	Tromsø
	Harstad
	Bodø
	Mo i Rana
Local branches:	76
Number of man-years	798
Group:	

Organisation of the financial services Group



Macro economy in North Norway: Status and possibilities



Weaker than expected growth in the Norwegian economy

- The Norwegian economy is growing at a slower rate than expected
 - Weak growth in private consumption
 - The industry is experiencing a decline in production
- Stable low unemployment
 - The decrease in the number of people totally unemployed is compensated by the increase in the number covered by labour market schemes
 - The decrease in the number of vacancies indicates lower production
- Higher money market rates despite unchanged policy rate. Increased credit spreads
- Brisk sales in the housing market
 - House prices are increasing
 - Better profitability in housing construction
 - The demand for housing is increasing faster than the supply
- High degree of uncertainty in the international economy
 - Considerably weaker outlook for the world economy



Photo: Vegard Eggen

Northern Norwegian economy is still good

- Considerable potential in northern Norwegian trade and industry
 - Development towards a powerful petrochemical industry with new promising discoveries and more year-round operations
 - Price increase and increased quotas for white fish
 - Major increase in number of foreign tourists – winter tourism increasing
- Large investment plans ensure future growth
 - Further development of oil and gas exploration and production
 - Land-based development provides opportunities for the supplier industry
 - Investment plans in electricity supply
 - This year's National Budget permits further investment in the north
- Low interest rates and low unemployment are fuelling expectations of increased private consumption
- Continued low unemployment: 2.5 % completely unemployed in September



Goliat. Photo: Sevan

Low unemployment in Northern Norway

Low unemployment – a challenge to the region

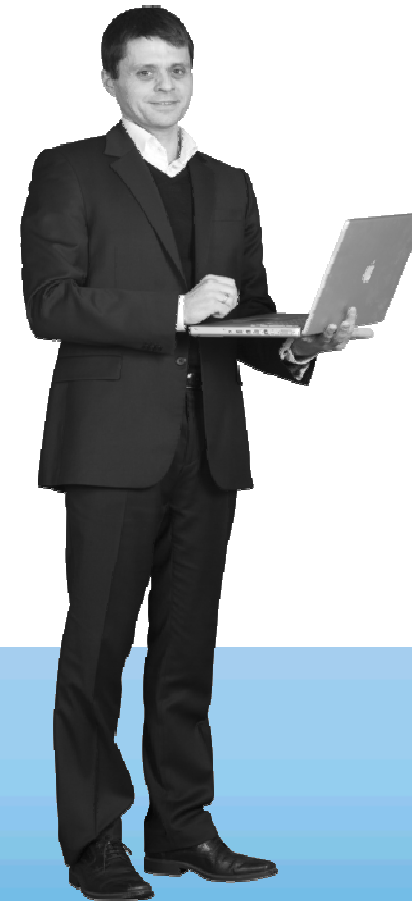
- Tight labour market
 - Companies need more employees
 - Not all jobs are advertised - the need for labour is higher than the statistics show
- The decline in the number of vacancies indicates lower demand for labour
- Unemployment in northern Norway lower than the country average
- Aging population reduces the working population
- Unemployment in Northern Norway lower than the country average
- Immigrants and guest workers are crucial
 - Russia is the largest ahead of Sweden and Poland
- The lack of skilled labour is hampering growth and development

	Northern Norway		Norway	
	Number	%	Number	%
Completely unemployed	6,238	2.5	65,254	2.5
In schemes	955	0.4	15,095	0.6
Gross unemployed	7,173	2.9	80,349	3.1
Available jobs	2,055		17,530	
Job offers ratio (Gross unemployed/available jobs)	3.5		4.6	

Source: NAV, 1 October 2011

Financial goals

- Solidity
- Profitability
- Top line growth
- Effectiveness
- Market shares



Financial targets

- **Capital adequacy ratio**

- Core-capital coverage: 11 % or higher

- **Profitability**

- ROE shall be comparable to the performance of competing banks in Norway. The targeted after-tax return is minimum 6 percentage points above the yield on long-term government bonds

- **Effectiveness**

- The targeted cost ratio is maximum 50 % of income and shall be comparable to the level of competing banks in Norway

- **Top-line growth**

- The growth in interest contribution and provisions is targeted to be 2 percentage points above the growth in operating costs

Financial goals: Goal for capital adequacy ratio

- Core capital ratio: 11 per cent or higher
- SpareBank 1 Nord-Norge aims to emerge as an undisputedly solid bank.
- The capital adequacy goal is based on the Group's internal capital adequacy assessment process (ICAAP). The capital goal is expressed based on the current statutory regulation of capital adequacy.
- The Group's capital adequacy in a projected crisis scenario must have adequate buffers so that the core capital adequacy does not fall below 8 per cent.

Capital adequacy ratio - Group

Parent bank

Group

(Amounts in NOK million)

31.12.10	30.09.10	30.09.11		30.09.11	30.09.10	31.12.10
4 351	3 859	4 726	Core capital	5 805	4 595	5 334
549	545	522	Supplementary capital	493	572	515
4 900	4 404	5 248	Equity and related capital resources	6 298	5 167	5 849
Minimum requirements subordinated capital, Basel I I						
1 954	1 912	1 967	Total credit risk IRB	1 871	1 833	1 840
607	611	677	Credit risk standardised approach	1 612	1 485	1 492
130	176	172	Debt risk	176	157	126
19	17	16	Equity risk	64	41	46
17	12	27	Currency risk	27	12	17
242	242	258	Operational risk	273	284	284
0	0	0	Transitional arrangements	289	58	226
- 71	- 72	-75	Deductions	- 120	- 113	- 114
2 898	2 898	3 042	Minimum requirements subordinated capital	4 192	3 757	3 917
13.53 %	12.15 %	13.80 %	Capital adequacy ratio	12.02 %	11.00 %	11.95 %
12.01 %	10.65 %	12.43 %	Core capital ratio	11.08 %	9.78 %	10.90 %
1.52 %	1.50 %	1.37 %	Supplementary capital ratio	0.94 %	1.22 %	1.05 %
Capital adequacy - including 50 per cent of the result IRB/Basel II						
Core capital adequacy ratio				11.68 %	10.43 %	10.90 %

Financial targets

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Profit and loss account - Group

(Amounts in NOK million)	30.09.11	30.09.10
Net interest income	847	844
Net fee-, commision and other operating income	381	385
Net income from financial investments	346	256
Total net income	1 574	1 485
Total costs	759	681
Result before losses and write-downs	815	804
Net losses and write-downs	48	44
Result before tax	767	760
Tax	134	149
Minority interests	0	0
Result for the period	633	611

ROE
13.8 %

Quarterly Summary – Profit and loss account figures

(Amounts in NOK million)	3Q11	2Q11	1Q11	4Q10	3Q10
Net interest income	296	276	275	285	291
Net fee-, commision and other operating income	127	134	120	128	131
Net income from financial investments	46	58	242	148	76
Total net income	469	468	637	561	498
Total costs	252	261	246	276	237
Result before losses and write-downs	217	207	391	285	261
Net losses and write-downs	23	15	10	43	1
Result before tax	194	192	381	242	260
Return on equity capital	8.9 %	10.1 %	23.3 %	14.7 %	15.2 %
Cost/income	53.7 %	55.8 %	38.6 %	49.2 %	47.6 %

Quarterly Summary

– income from financial investments

(Amounts in NOK million)	3Q11	2Q11	1Q11	4Q10	3Q10
Dividends	7	9	1	0	1
Income from joint ventures	30	53	49	87	64
Gains/losses and net value changes on certificates and bonds	-6	-1	7	-5	9
Gains/losses and net value changes on shares	-4	-14	176	58	-1
Gains/losses and net value changes on foreign exchange	19	12	8	8	7
Gains/losses and net value changes on other financial derivatives	0	-1	1	0	-4
Income from financial investments	46	58	242	148	76

Group companies

Result before tax

	30.09.11	30.09.10
SpareBank 1 Finans Nord-Norge AS	50 966	50 473
SpareBank 1 Nord-Norge Invest AS	178 487	-7 448
Eiendomsdrift AS	0	3 343
EiendomsMegler 1 Nord-Norge AS	5 068	6 784
SpareBank 1 Nord-Norge Forvaltning ASA	907	3 753
North-West 1 Alliance Bank	691	- 820
Total	236 119	56 085

Core banking activities

(Amounts in NOK million)

	30.09.11	30.09.10	Change
Earnings before losses	469	548	-79
Net losses	48	44	-4
A non-recurring effect of recognising income from reduced pension commitments	0	60	60
<hr/> Core banking activities after losses	421	444	-23

Results – the Group

In comparison with 2010, the reasons for the change in the pre-tax result are as follows:

• Increase in net interest income	+ NOK 3 mill
• Reduction in net commission income	- NOK 12 mill
• Increase in income from financial investments	+ NOK 90 mill
• Increase other operating income	+ NOK 8 mill
• Increase in costs	- NOK 78 mill
• Increase in net losses	- NOK 4 mill
<hr/>	
Total	+ NOK 7 mill

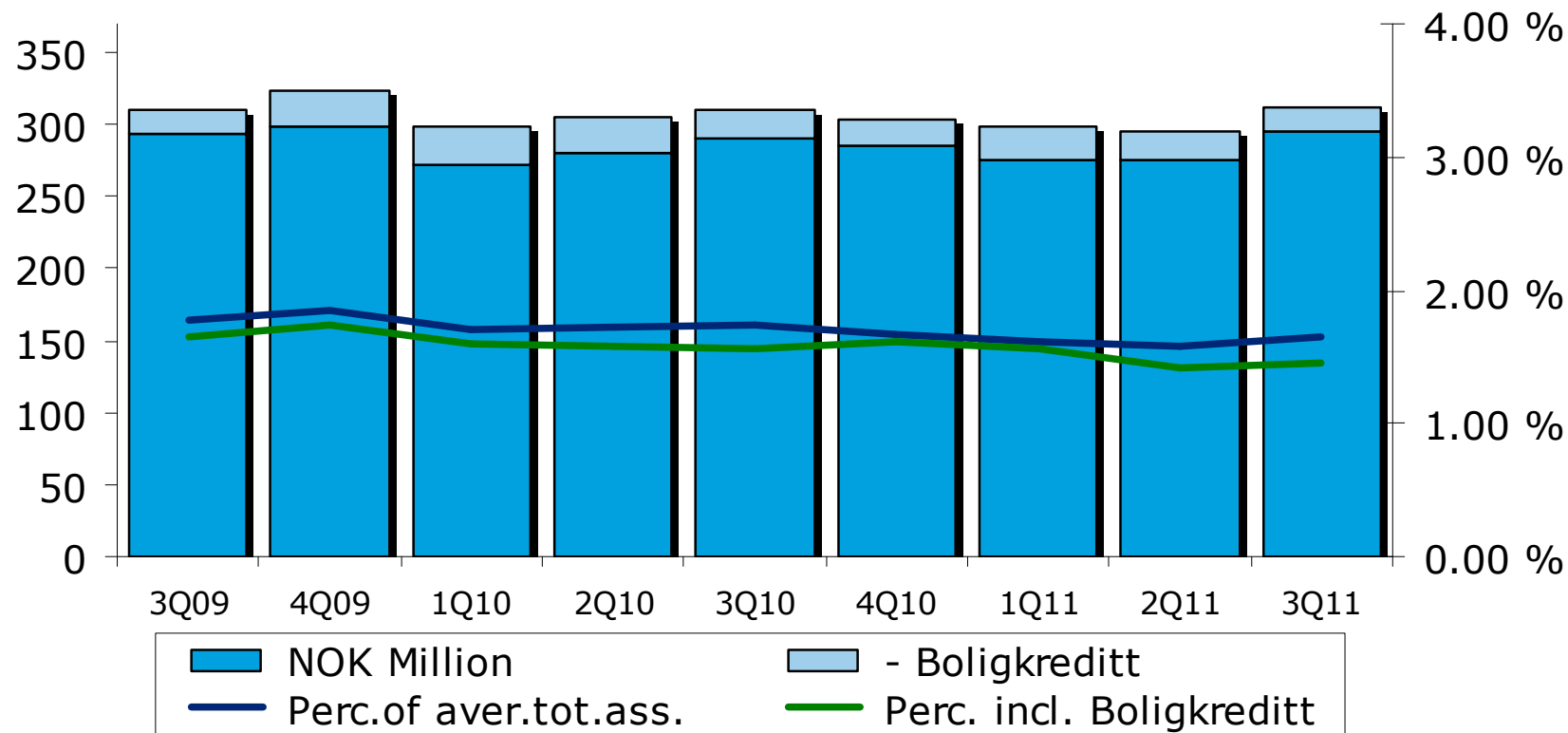
Very good underlying banking operations - (excl. income from financial investments)

Group

(Amounts in NOK million)

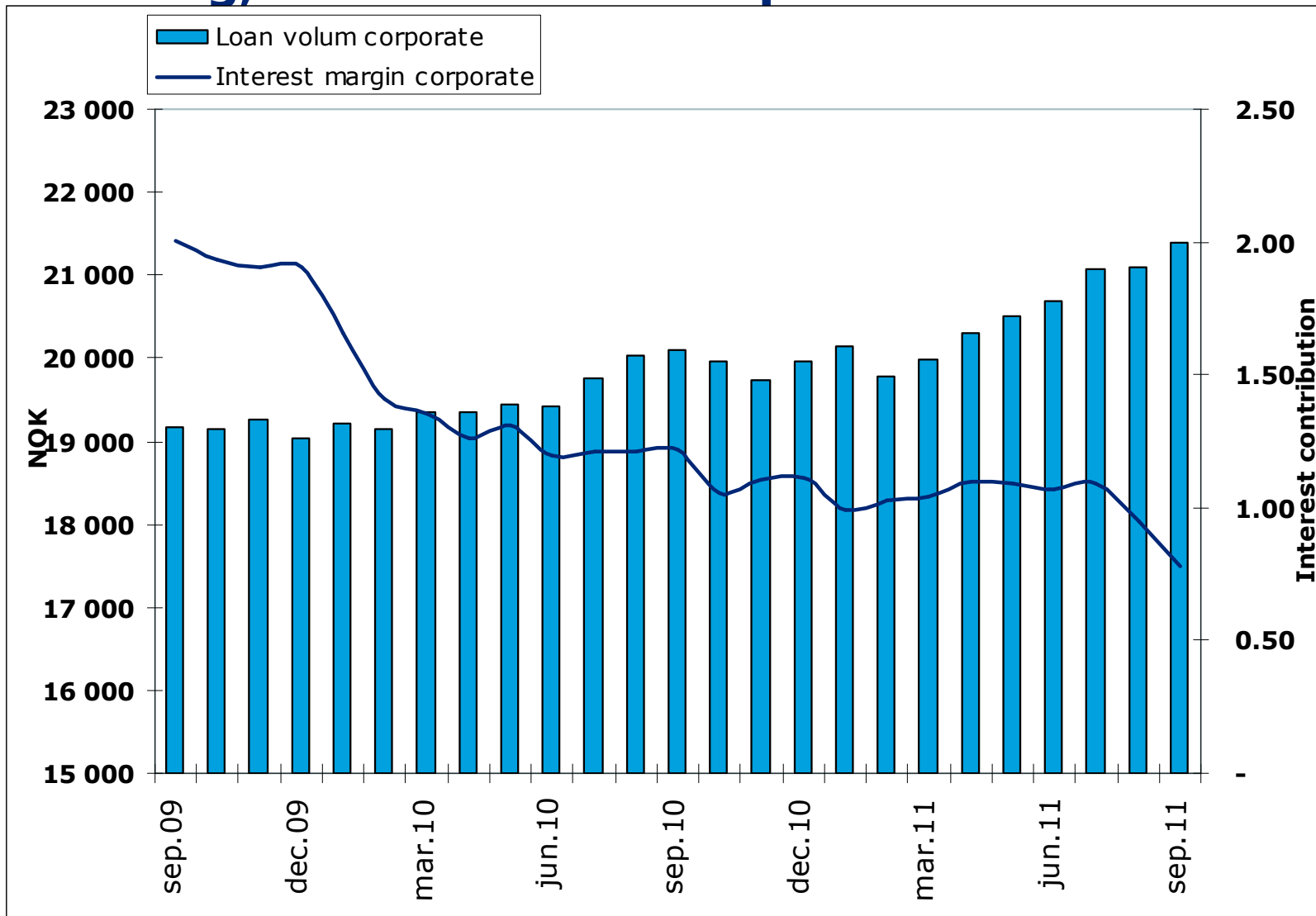
	3Q11	2Q11	1Q11	4Q10	3Q10
Net interest income	296	276	275	285	291
Net fee- and commission income	127	122	119	125	128
Other operating income	0	12	1	3	3
Total costs	252	261	246	276	237
Income, core banking	171	149	149	137	185
Net losses and write-downs	23	15	10	43	1
Income, core banking after losses and write-downs	148	134	139	94	184

Net interest income - Group



	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
NOK Million	294	298	272	281	291	285	275	276	296
- Boligkreditt	17	26	27	24	19	19	24	20	16
Perc. of aver.tot.ass.	1.77 %	1.85 %	1.70 %	1.73 %	1.74 %	1.66 %	1.61 %	1.59 %	1.65 %
Perc. incl. Boligkreditt	1.65 %	1.74 %	1.59 %	1.58 %	1.56 %	1.61 %	1.56 %	1.42 %	1.46 %

Lending, Parent bank – corporate market



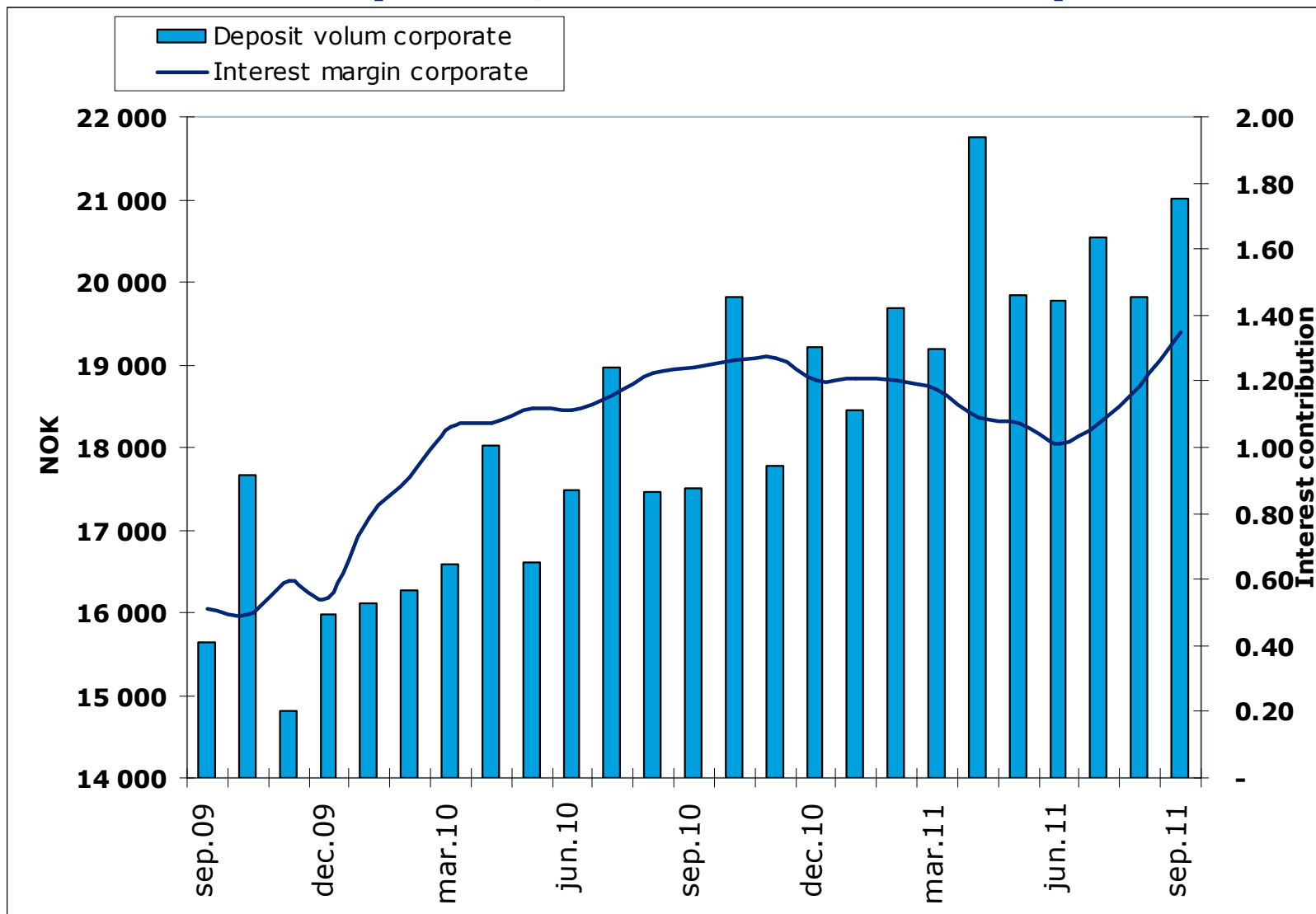
The interest margin is defined as the difference between the customer lending (deposit) interest rate and the Bank's average capital markets funding rate.

Lending, Parent bank – retail market



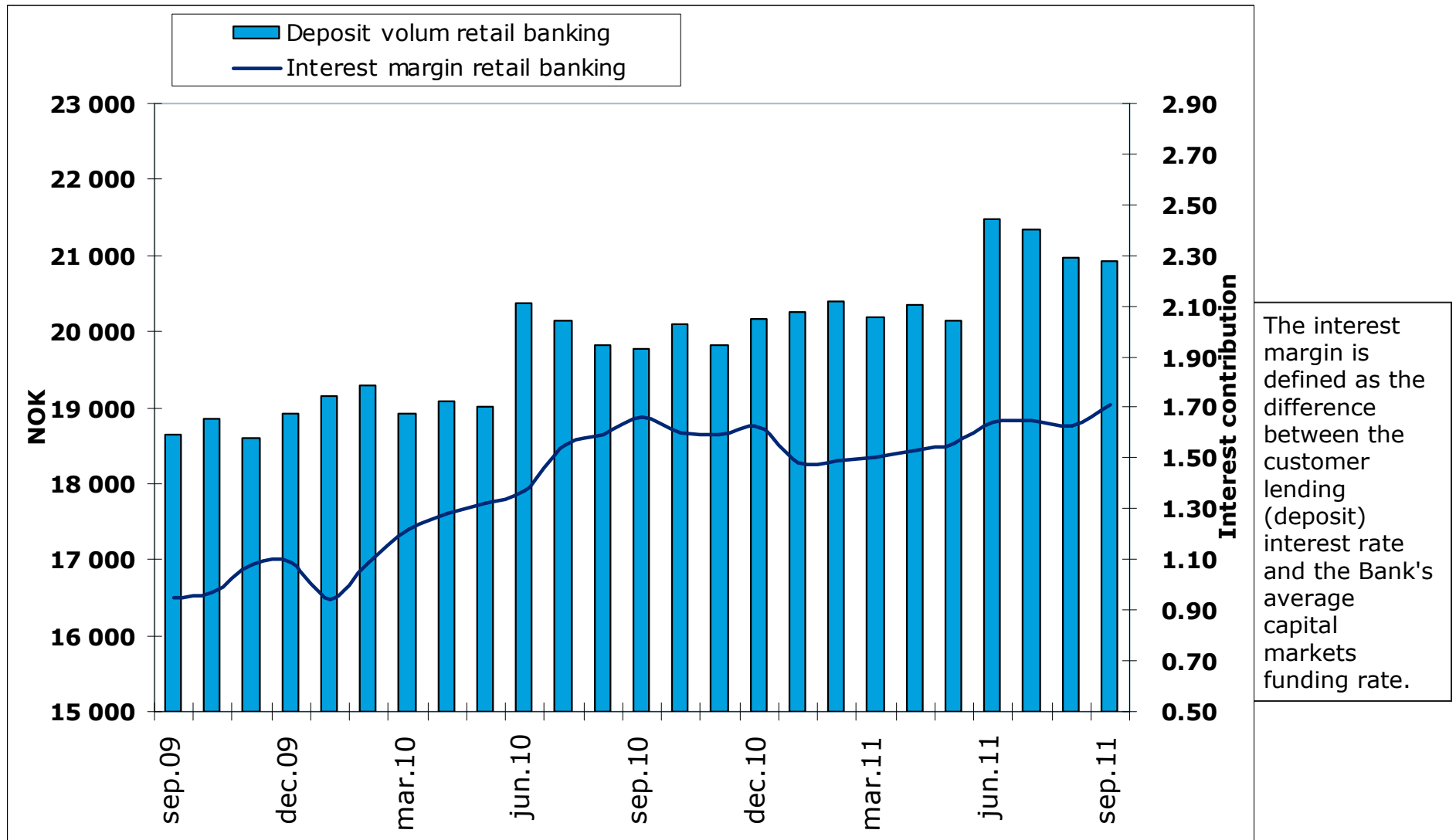
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Customer deposits, Parent bank – corporate market



The interest margin is defined as the difference between the customer lending (deposit) interest rate and the Bank's average capital markets funding rate.

Customer deposits, Parent bank – retail market



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- **Top-line growth**

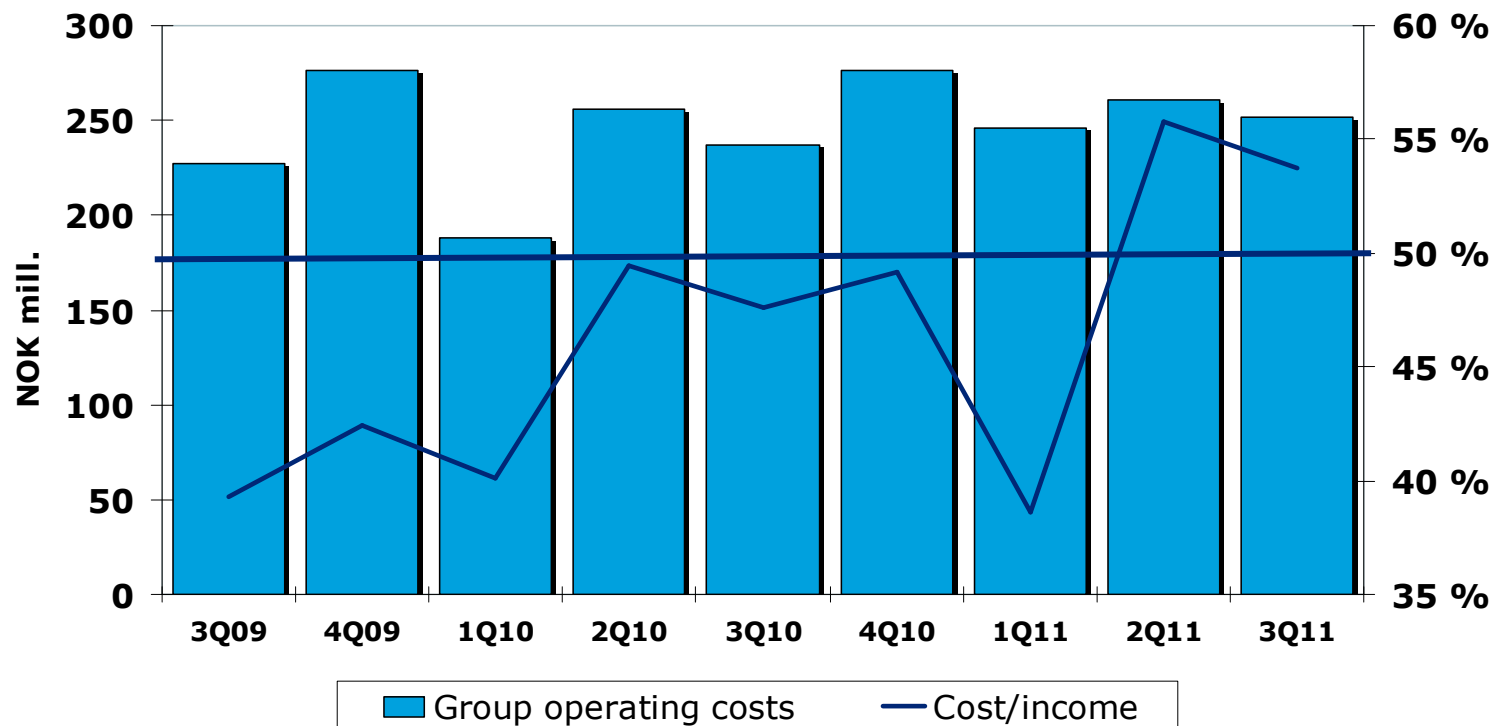
- The growth in interest contribution and provisions is targeted to be 2 percentage points above the growth in operating costs

Group operating costs

(NOK Million)

	30.09.11	30.09.10	Change
Wages and salaries	317	310	7
Pension costs	24	-19	43
Social costs	32	34	-2
Total personnel costs	373	325	48
Administration costs	228	204	24
Total personnel- and general administration costs	601	529	72
Depreciation and write-downs of fixed assets	34	33	1
Total operating costs	124	119	5
Total costs	759	681	78

Group operating costs



	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
Group operating costs	227	276	188	256	237	276	246	261	252
Cost/income	39.3 %	42.4 %	40.1 %	49.4 %	47.6 %	49.2 %	38.6 %	55.8 %	53.7 %

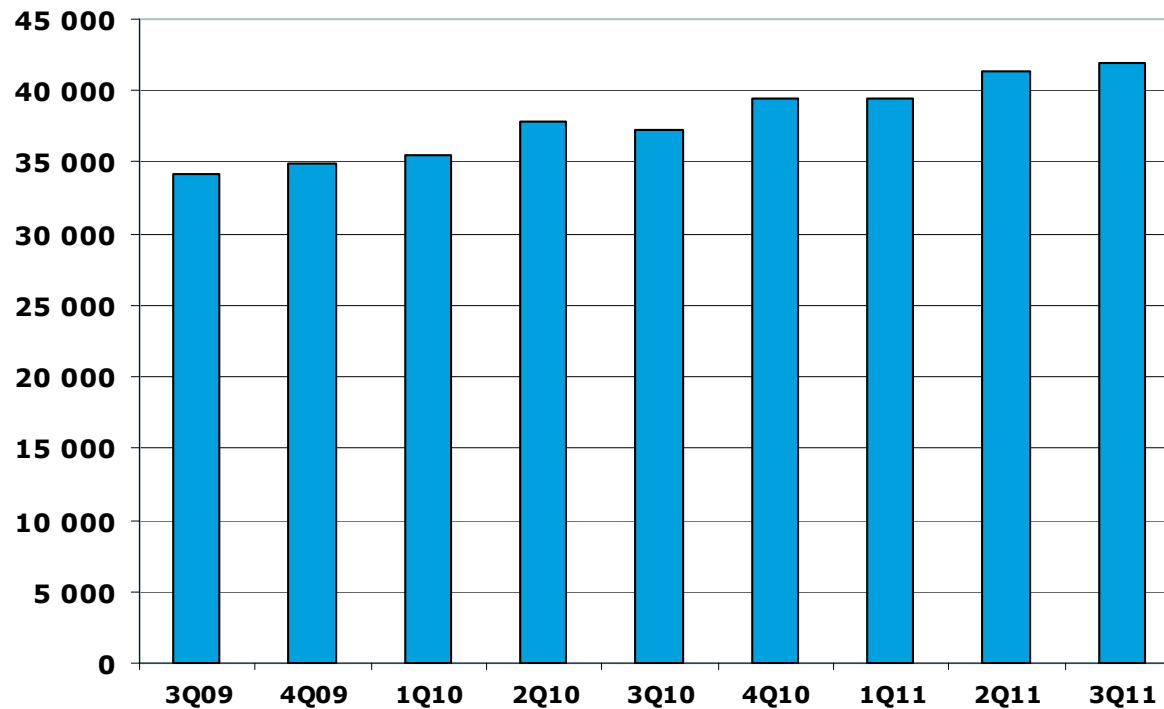
Key figures balance sheet

(Amounts in NOK million)

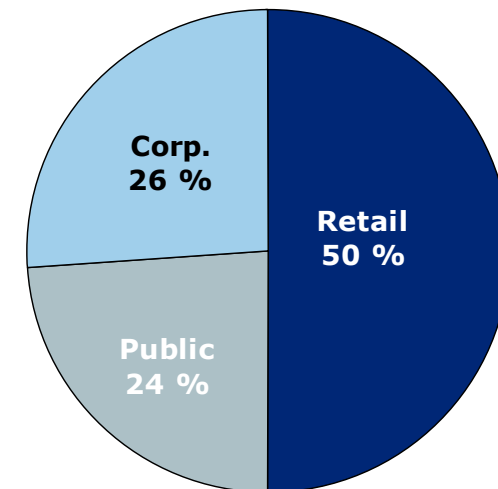
STATEMENT OF	30.09.11	30.09.10	Change	Change %
Total assets	72 402	68 261	4 141	6.1%
Gross lending	52 465	50 489	1 976	3.9%
Loans and advances to customers including agency loans	66 722	62 707	4 015	6.4%
Deposits from customers	41 952	37 303	4 649	12.5%

Good development of customer deposits

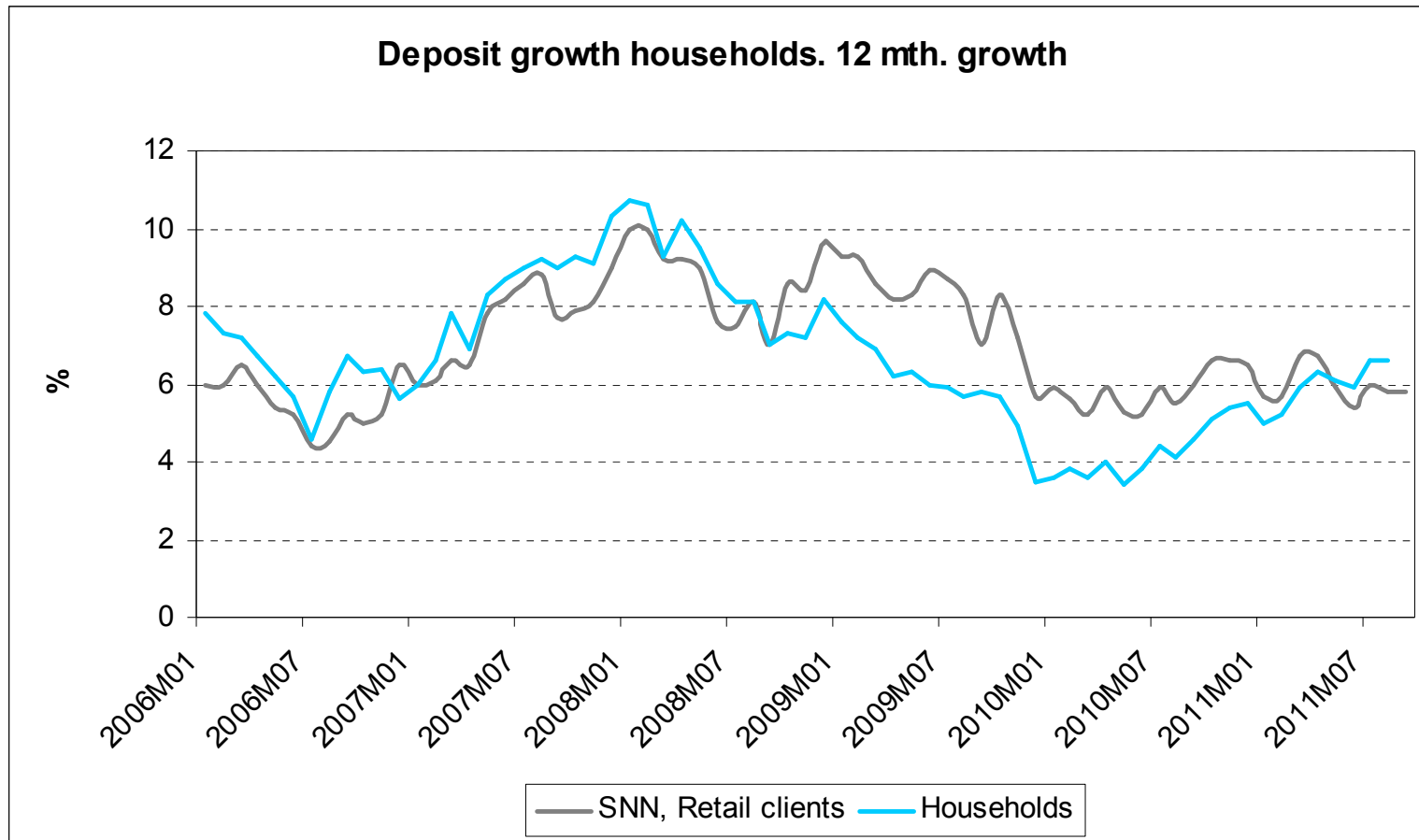
Deposits from customers



Volume according to markets 30.09.11

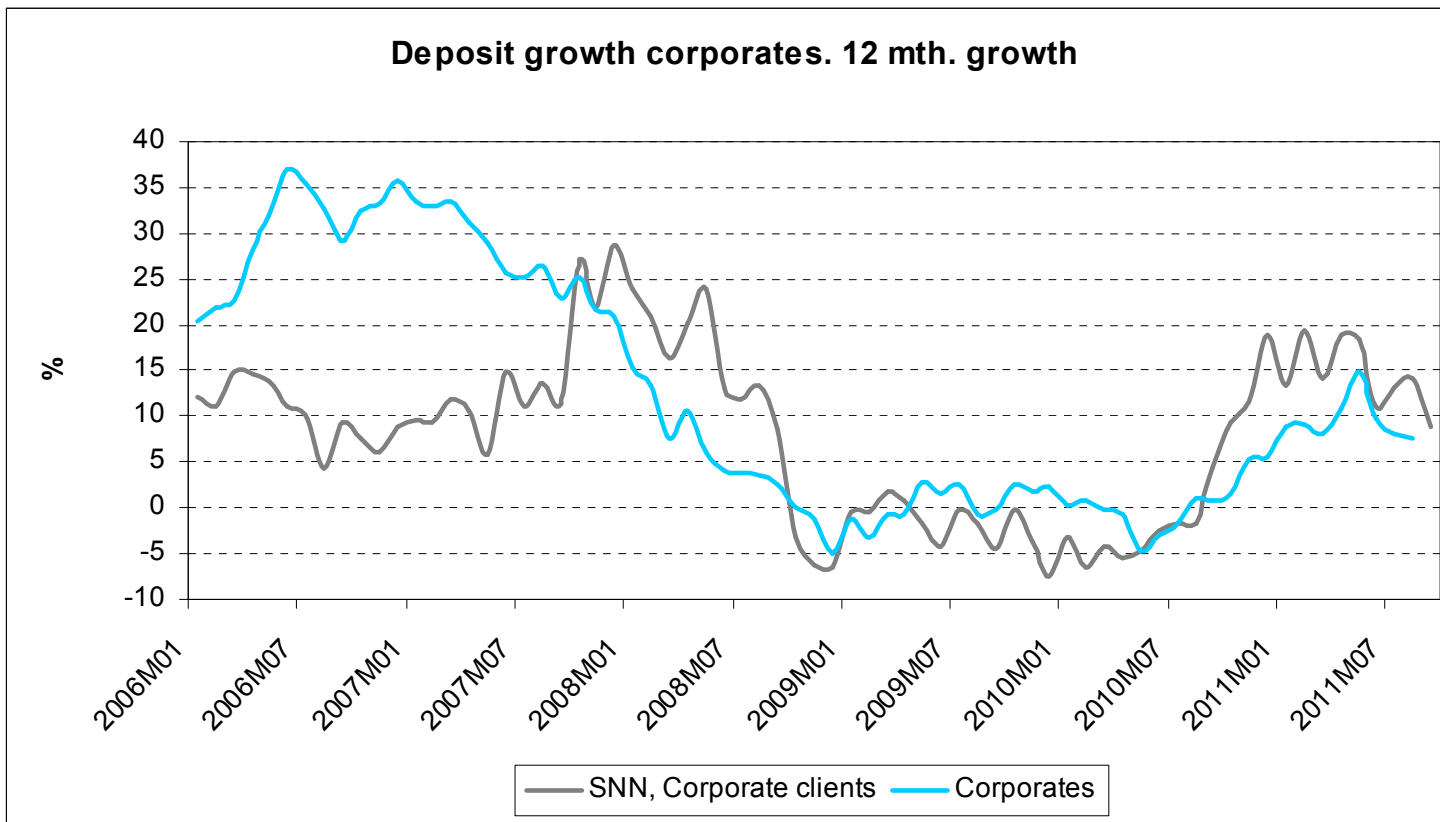


Deposit growth households



Source: Statistisk Sentralbyrå, The money supply M2, October 2011 & SNN Bare, October 2011

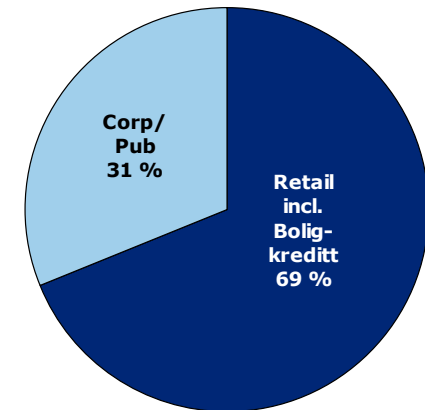
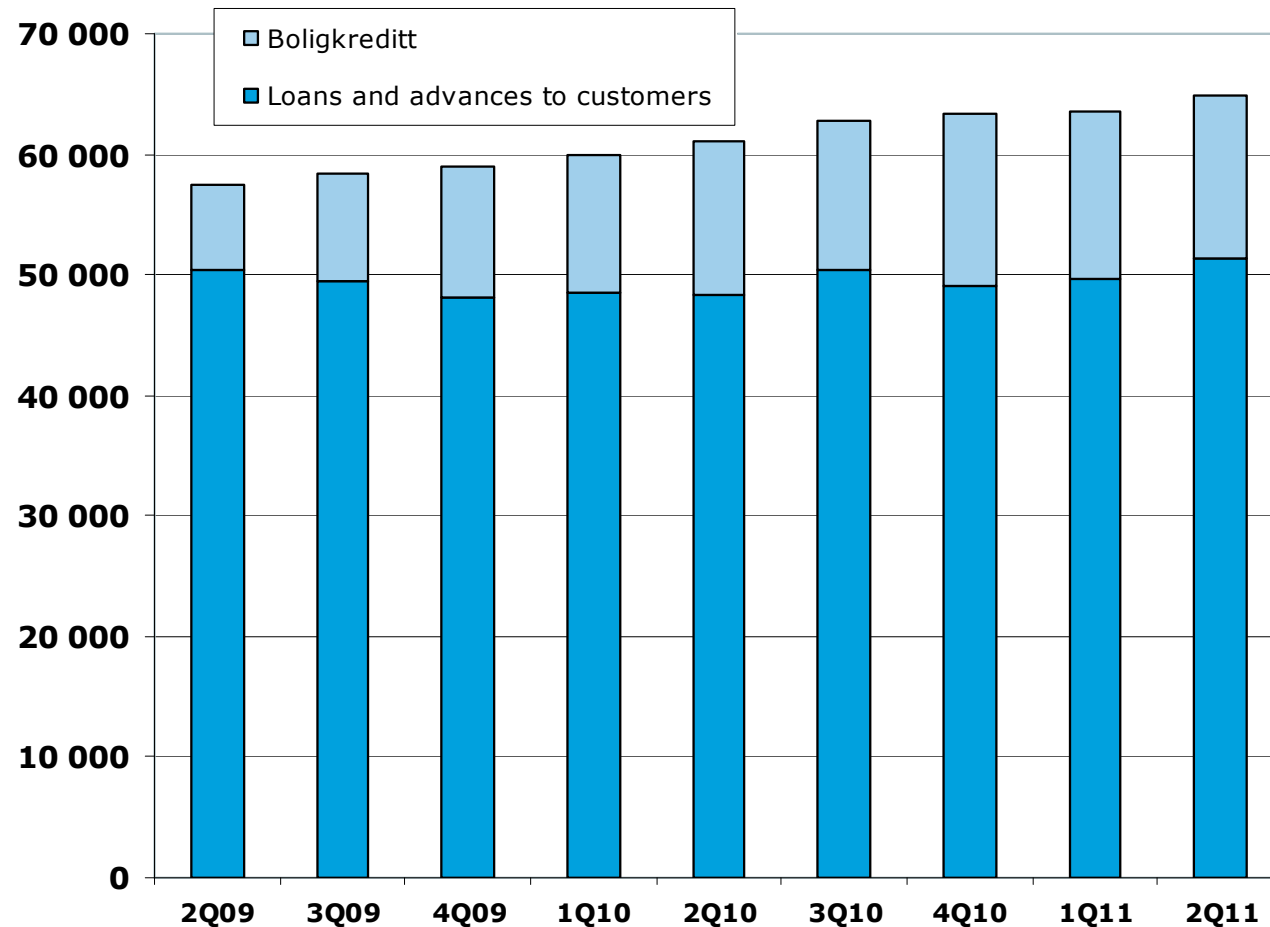
Deposit growth corporates



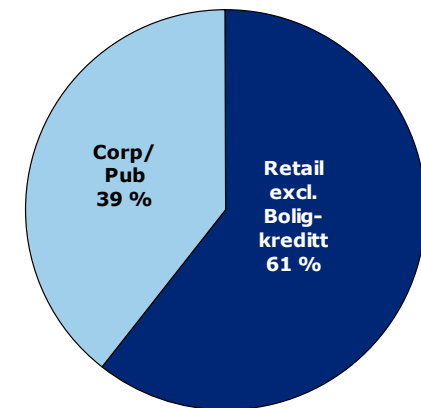
Source: Statistisk Sentralbyrå, The money supply M2, October 2011 & SNN Bare, October 2011

Group lending portfolio according to markets

Volume according to markets 30.06.11



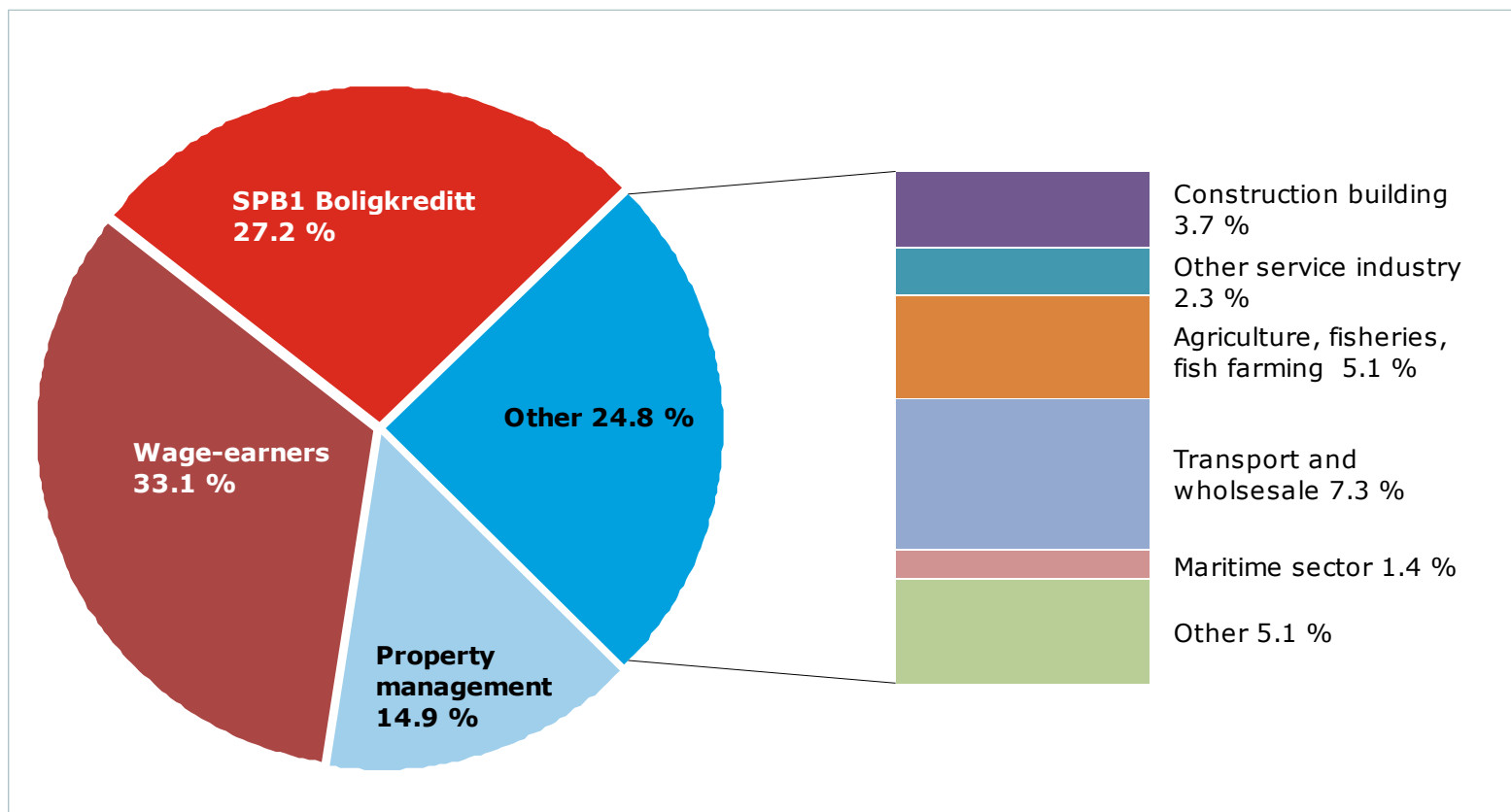
Volume incl. Boligkreditt



Volume excl. Boligkreditt

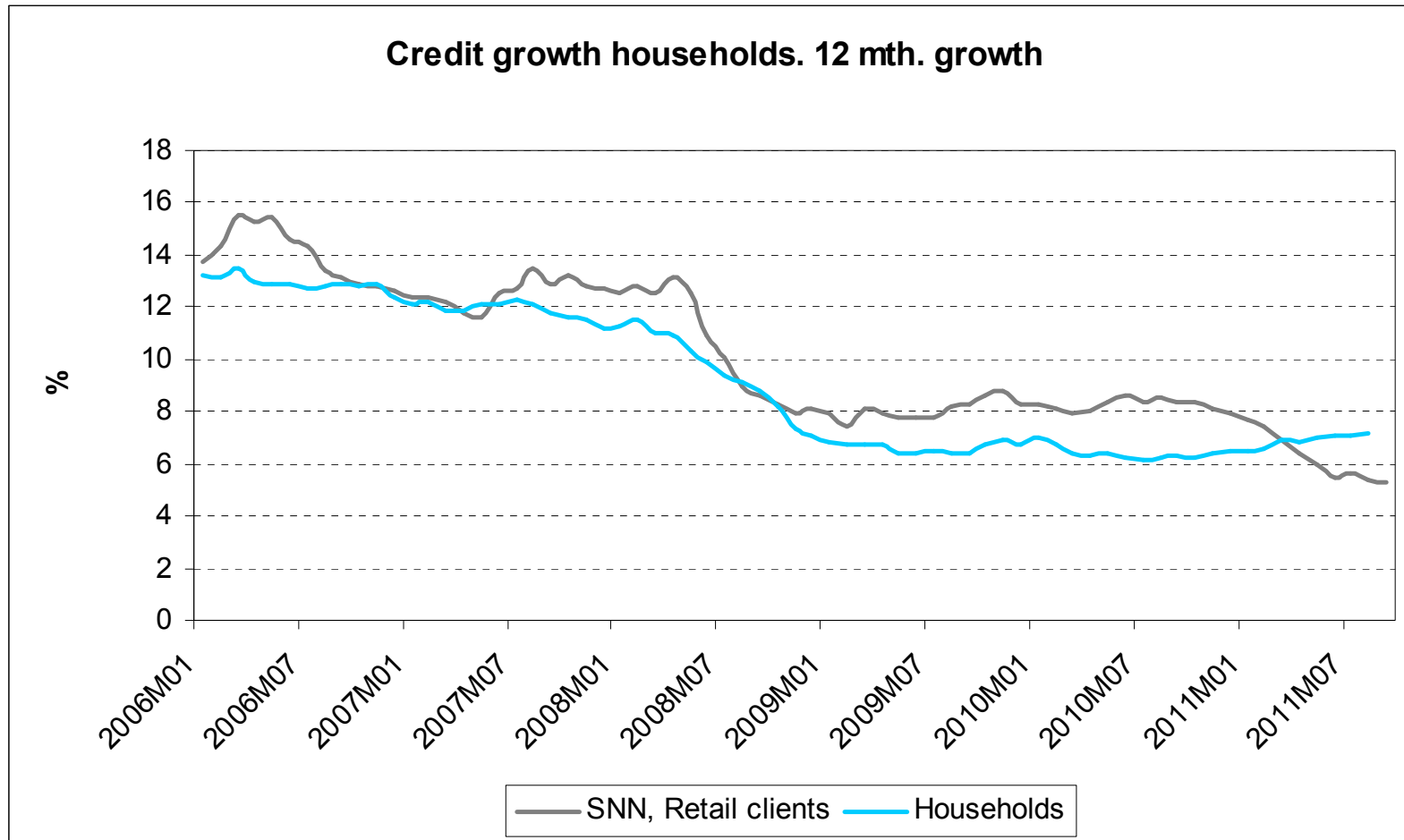
Distribution on segments shows good diversification

Loan portfolio including Boligkreditt



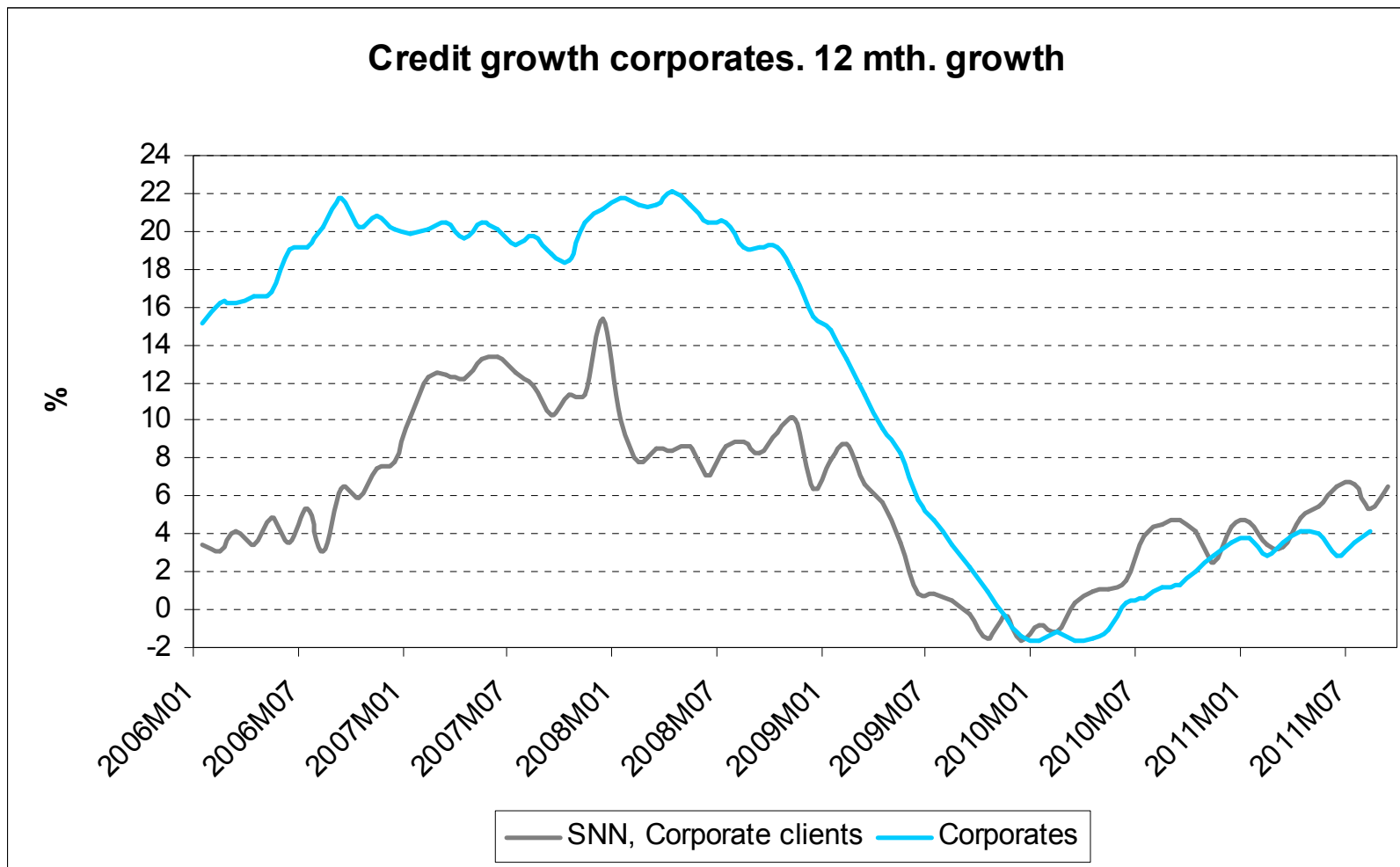
- Large portions of the retail market and primary industries are risk-dampening.
- The Group has a well diversified corporate market portfolio.
- No specific concerns related to the bank's loans to commercial property. Low interest rates and good occupancy rates in the bank's market area.

Credit growth households



Source: Statistisk Sentralbyrå, The credit indicator C2, October 2011 & SNN Bare, October 2011

Credit growth corporates



Source: Statistisk Sentralbyrå, The credit indicator C2, October 2011 & SNN Bare, October 2011

Credit area

- Quality
- Portfolio
- Migration, commitments in default and losses

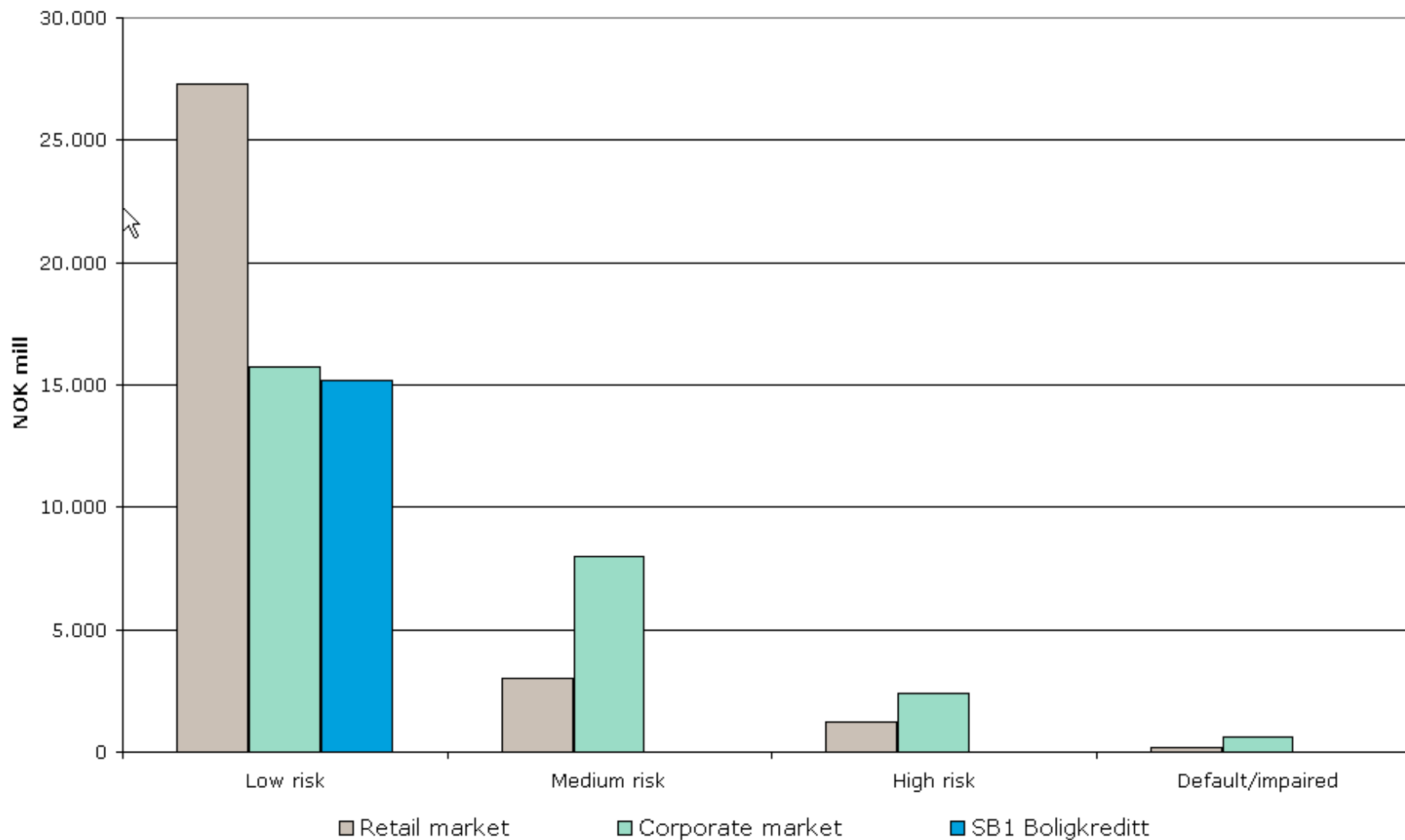


Portfolio

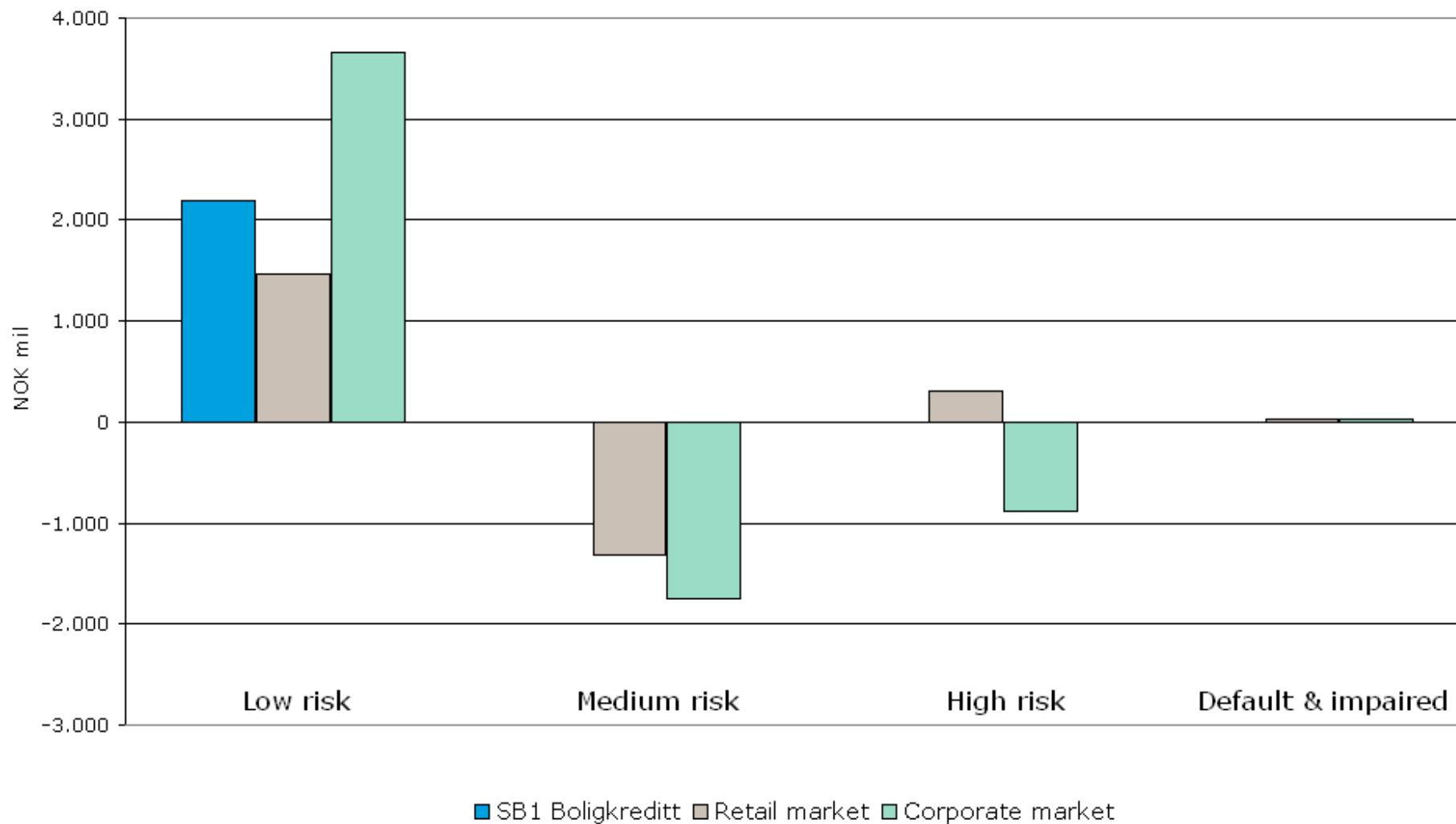
- High quality in lending portfolio. Default at low level. Few new defaults.
- Few large corporate exposures and few corporate exposures in high risk industries has contributed to an overall low portfolio risk.
- The Group's total write-downs in Q3 2011 is lower than the expected normalized level.
- The Group's corporate portfolio is well diversified.
- Growth in portfolio in sectors with low/moderate risk
 - Property hiring out
 - Transportation and storage
 - Retail trade
 - Building and construction
- Reduced exposure in industry.
- Positive migration developments in retail and corporate portfolio, mostly due to change in PD-model based on validation and change in scorecard for retail market.

Portfolio

- exposure as of 30.09.11



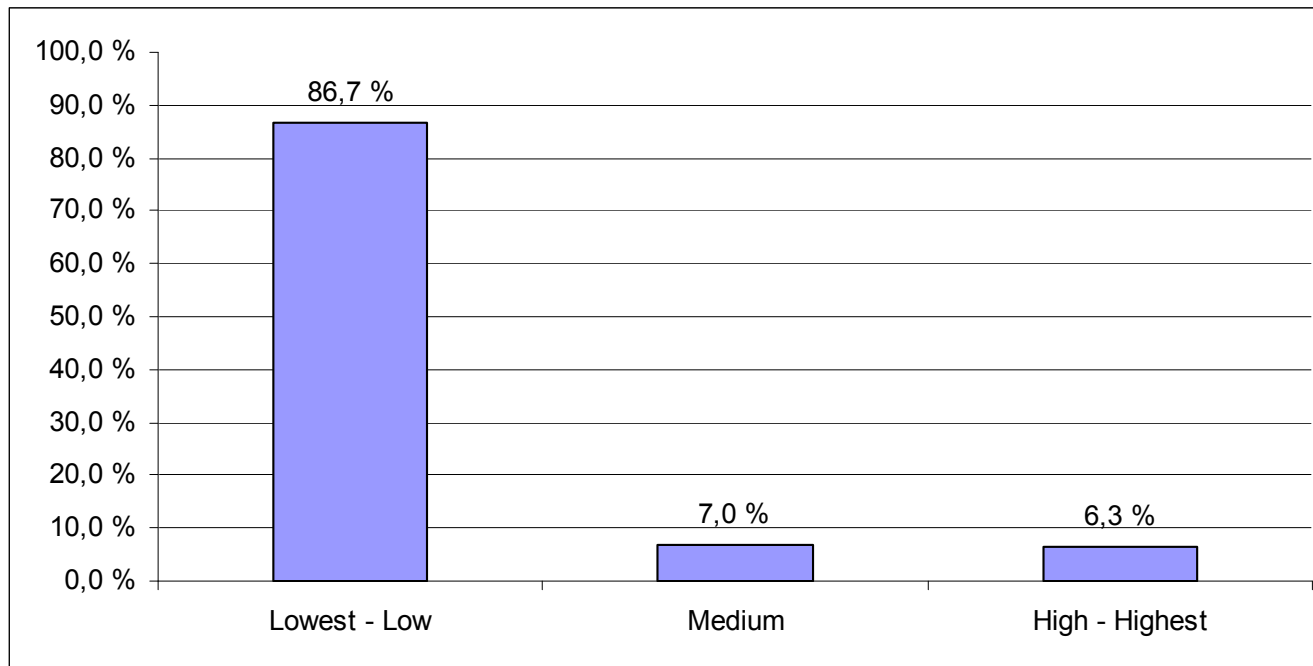
Risk change - portfolio change Q3/10 – Q3/11



Group lending by sector

(NOK million)	30.09.11	Share	30.09.10	Share	Change	Change in %
Mining and quarrying	73	0,1 %	80	0 %	- 7	-9 %
Construction	892	1,7 %	710	1 %	182	26 %
Building of ships and boats	25	0,0 %	23	0 %	2	9 %
Electricity, gas, steam an air conditioning supply	873	1,7 %	1 232	2 %	- 359	-29 %
Professional, scientific and technical activities	763	1,5 %	685	1 %	78	11 %
Financial and insurance activities	0	0,0 %	24	0 %	- 24	-100 %
Fishing	1 394	2,7 %	1 428	3 %	- 34	-2 %
Marine aquaculture	359	0,7 %	296	1 %	63	21 %
Other business support activities	563	1,1 %	393	1 %	170	43 %
Activities auxiliary to financial services and insurance activit	247	0,5 %	95	0 %	152	160 %
County municipalities and municipalities	143	0,3 %	171	0 %	- 28	-16 %
Manufacturing	1 113	2,1 %	1 246	2 %	- 133	-11 %
Information and communication	163	0,3 %	230	0 %	- 67	-29 %
Crop and animal production	907	1,7 %	850	2 %	57	7 %
Foreign industrial	0	0,0 %	45	0 %	- 45	-100 %
Real estate activities	7 829	14,9 %	6 980	14 %	849	12 %
<i>Housing cooperatives</i>	1 529	2,9 %	1 534	3 %	- 5	0 %
<i>Property project</i>	1 755	3,3 %	1 586	3 %	169	11 %
<i>Property hiring out</i>	4 082	7,8 %	3 697	7 %	385	10 %
<i>Real estate business</i>	463	0,9 %	163	0 %	300	184 %
Acomodation and food service activities	406	0,8 %	405	1 %	1	0 %
Forestry and logging	14	0,0 %	8	0 %	6	75 %
Central government and social security funds	1	0,0 %	2	0 %	- 1	-50 %
Support activities for petroleum and natural gas extraction	1	0,0 %	1	0 %	0	0 %
Other service industries	723	1,4 %	776	2 %	- 53	-7 %
Transportation and storage	1 760	3,4 %	1 215	2 %	545	45 %
International shipping and pipeline transport	740	1,4 %	607	1 %	133	22 %
Extraction of crude oil and natural gas	73	0,1 %	155	0 %	- 82	-53 %
Unspecified	0	0,0 %	0	0 %	0	0 %
Water supply; sewerage, waste management and remediati	157	0,3 %	126	0 %	31	25 %
Wholesale and retail trade; repair of motor vehicles and mo	1 640	3,1 %	1 473	3 %	167	11 %
Retail banking market - domestic	31 569	60,2 %	31 130	62 %	439	1 %
Retail banking market - international	37	0,1 %	103	0 %	- 66	-64 %
Total retail market	31 606	60,2 %	31 233	62 %	373	1 %
Total corporate market	20 715	39,5 %	19 083	38 %	1 632	9 %
Total government	144	0,3 %	173	0 %	- 29	-17 %
Total loans	52 465	100,0 %	50 489	100 %	1 976	4 %

Portfolio of corporate property



- Lowest – Low risk, expected loss 0 % - 0,50 %
- Medium risk, expected loss 0,50 - 2,00 %.High - Highest risk, expected loss over 2,00 %

The portfolio of corporate property represents the Group's highest concentration concerning one single sector.

– Constitute about 14.9 percent of total volume.

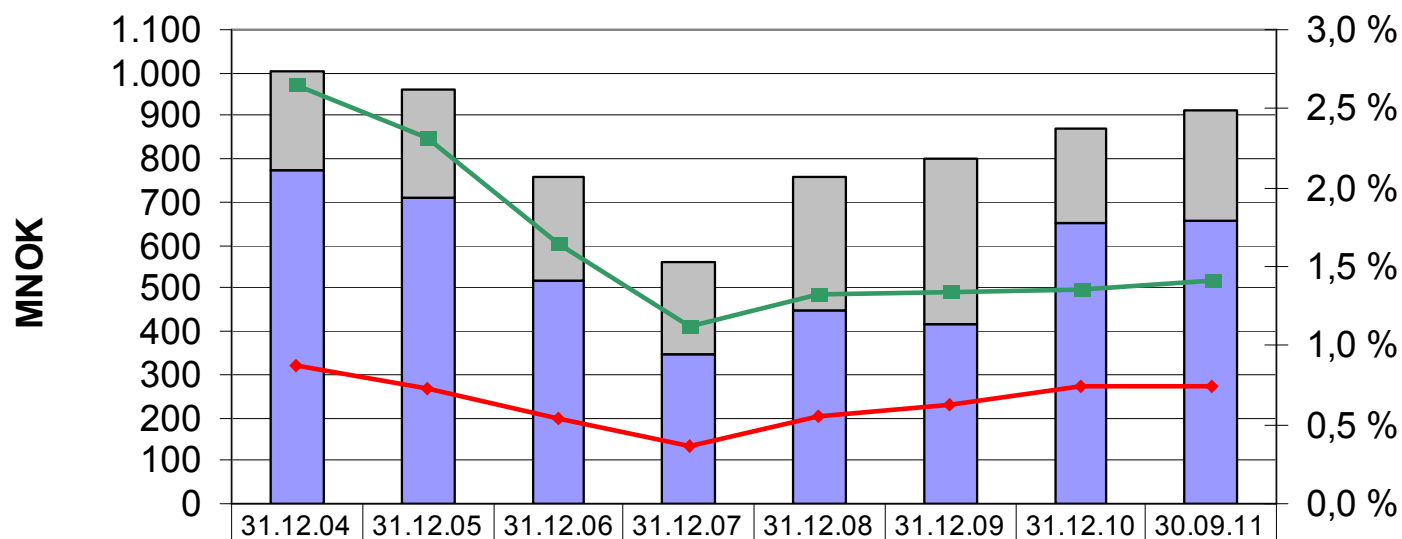
The portfolio of corporate property lending is dominated by commitments with low risk.

SNN has started the work for qualifying corporate property lending for SB1 Næringskreditt

Losses and commitments in default

- Positive loss development. No new losses of essential character.
- Some increase in write-downs on existing impaired loans
- Commitments in default and commitments in certain sectors are closely monitored
 - Property projects
 - Housing co-operatives
- Continued small losses in the retail market

Non-performing and impaired commitments



■ Non-performing commitments	232	251	241	216	307	386	219	256
■ Non-performing commitments, impaired	773	711	519	347	449	417	651	657
—■ Gross non-performing and impaired commitments	2,6 %	2,3 %	1,6 %	1,1 %	1,3 %	1,3 %	1,4 %	1,4 %
—◆ Individual write-down for impaired value	323	269	196	135	203	232	273	271

Loss on lending: The Group's write-downs in 2011

	Write-downs			2010
	3rd quarter 2011	3rd quarter 2011 (iso)	3rd quarter 2010	
Individual write-downs				
<i>Retail market</i>	8	3	12	16
<i>Corporate market</i>	39	21	63	100
<i>SpareBank 1 Finans Nord-Norge</i>	2	1	6	7
<i>Other group units</i>	-2	-4	1	4
Total individual write-downs	47	21	82	127
Collective write downs and other value change items	1	2	-38	-40
Total write-down on loans and guarantees	48	23	44	87

- The Group's total write-downs in 2011 is lower than the expected normalized level.

Securities

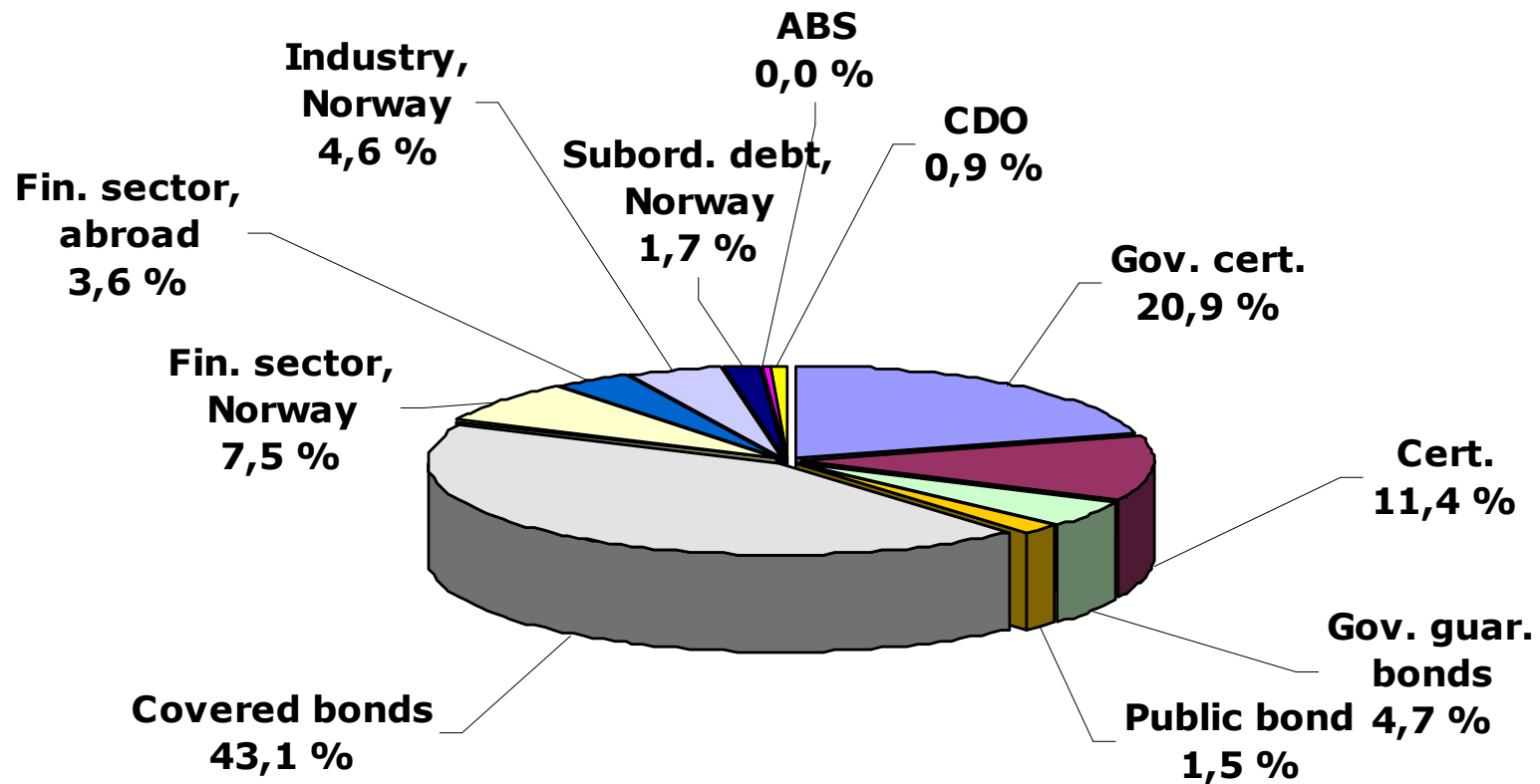


Income from financial investments

(Amounts in NOK million)

	30.09.11	30.09.10
Dividends	17	43
Income from joint ventures	132	164
Gains/losses and net value changes on shares	158	32
Gains/losses and net value changes on foreign exchange	39	24
Gains/losses and net value changes on certificates and bonds (incl. other financial derivatives)	0	-7
Income from financial investments	346	256

Interest-bearing portfolio

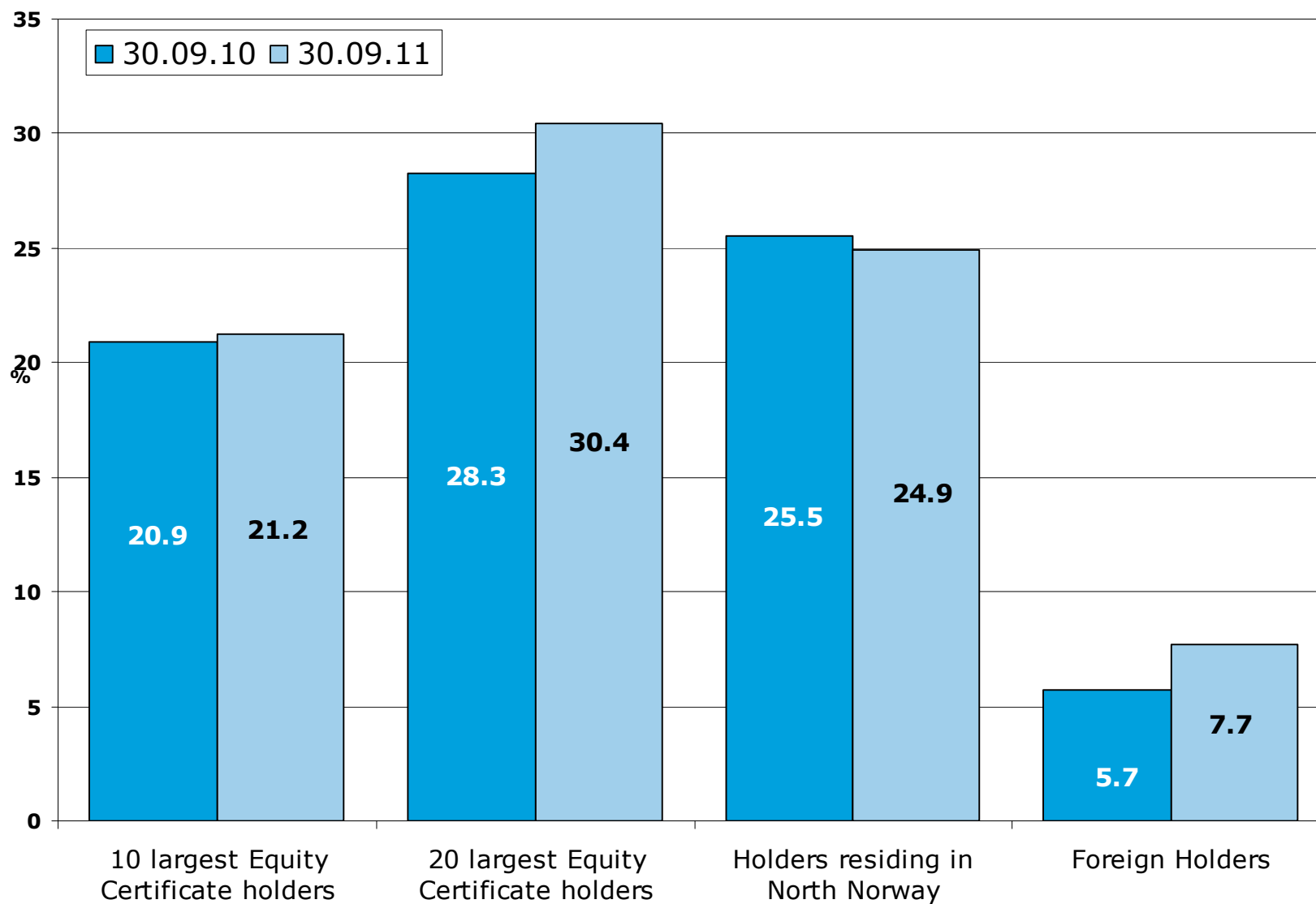


- Total interest bearing portfolio: NOK 12 298 mill

Equity certificate holders



Equity Certificates (EC) - holder structure



Ny Equity Capital (EC) fraction following the rights issue and private placements

- The new EC fraction effective from 01.01.12 is calculated to be 42.43 %
- When distributing the parent bank result for the financial year 2011, 6/12 of the net proceeds from the rights issue and private placements are included in the calculation of the EC fraction.
- The EC fraction for the accounting year 2011 is calculated to be 38.74 %.

The 20 largest EC holders as at 30.09.11

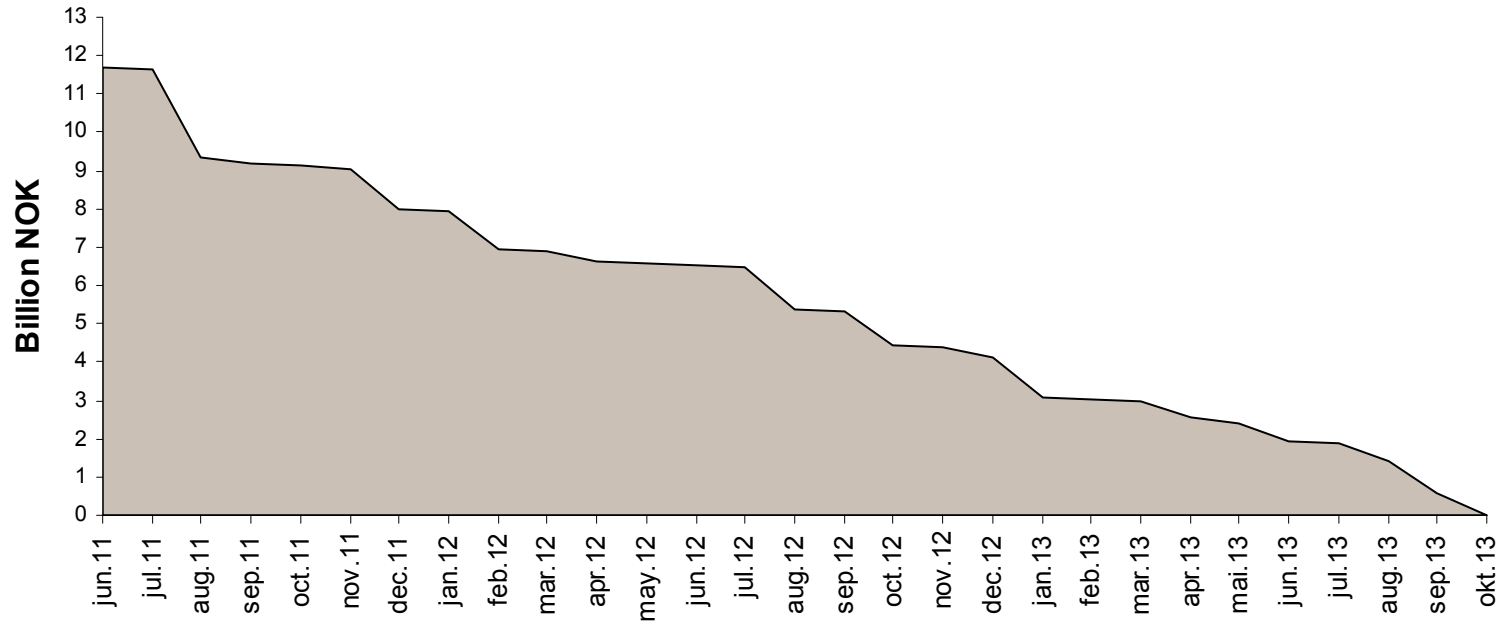
Equity Certificate holders	Number of Equity Certificates	Share of total Equity Certificate capital
Pareto Aksjer Norge	3 320 239	5.01 %
MP Pensjon	1 622 879	2.45 %
Pareto Aktiv	1 541 012	2.33 %
Frank Mohn AS	1 355 745	2.05 %
Morgan Stanley & Co. Inc- New York	1 315 774	1.99 %
Protector Eiendom AS	1 175 052	1.77 %
Tonsenhagen Forretningsentrum AS	1 134 493	1.71 %
SPBstiftelsen Sparebank 1 Nord-Norge	916 561	1.38 %
Framo Development AS	848 925	1.28 %
Nordea Bank Norge ASA	830 712	1.25 %
Pareto VPF	793 944	1.20 %
Goldman Sachs & Co.- Equity	784 184	1.18 %
Sparebanken Rogalands Pensjonskasse	782 386	1.18 %
Citibank N.A.	721 413	1.09 %
Forsvarets Personellservice	620 854	0.94 %
Sparebankstiftelsen DNBNOR	545 614	0.82 %
Trond Mohn	509 354	0.77 %
Terra Utbytte Verdipapirfond	459 945	0.69 %
Karl Ditlefsen, Tromsø	459 243	0.69 %
Fred Olsen & Co's pensjonskasse	422 193	0.64 %
SUM	20 160 522	30.45 %

Liquidity/funding



Liquidity buffer as at 30.09.11

Liquidity buffer



- Liquidity buffer: Cash, drawing rights in Norges Bank, bond portfolio (not deposited in Norges Bank), mortgage loans prepared for transfer to SpareBank 1 Boligkreditt and equities.
- Assumption: No new capital market funding and 7 % growth in both lending and deposits.

Summary – key figures

Group				
Amounts in NOK million	30.09.11	30.09.10	Change	Change %
RESULT				
Result before tax	767	760	7	0.9%
STATEMENT OF FINANCIAL POSITION				
Total assets	72 402	68 261	4 141	6.1%
Gross lending	52 465	50 489	1 976	3.9%
Deposits from customers	41 952	37 303	4 649	12.5%
KEY FIGURES	30.09.11	30.09.10	Change	Change %
Core capital adequacy ratio	11.1%	9.8%		1.3%
After-tax return on equity capital	13.8%	15.5%		-1.7%
Cost/income	48.2%	45.9%		2.4%
Manyear	798	792	6	
Parent bank				
Result per Equity Certificate	3.01	3.64	-0.62	

SpareBank 1 Nord-Norge 3rd quarter report 2011

Very good results at the end of the 3rd quarter of 2011.

Main features (figures and percentages in brackets refer to the same interim period in 2010):

- Operating result before tax NOK 767 million (NOK 760 million).
 - Return on equity capital after tax 13.8 per cent (15.5 per cent).
 - Result per Equity Certificate (EC) (Parent Bank): NOK 3.70 (NOK 4.42).
- The underlying banking operations is good. Result from core operations after losses NOK 469 million (NOK 548 million).
- The total contribution to result from subsidiaries is NOK 236 million (NOK 56 million).
- Net result from financial investments NOK 346 million (NOK 256 million);
- Overall cost control under control. Cost income ratio: 48.2 % (45.9 %).
- Low losses on loans bearing in mind the macro-economic situation: Net losses totalled NOK 48 million (NOK 44million).
- Lending growth during the last 12 months (including loans transferred to SpareBank 1 Boligkreditt): 6.4 per cent (7.3 per cent).
 - Retail banking market 5.6 per cent Corporate banking market 8.3 per cent
- During the last 12 months, the accounts show an increase in lending of 3.9 per cent (2.2 per cent).
- Deposit growth last 12 months: 12.5 per cent (8.9)
 - Retail market 6.3 per cent
 - Corporate market 7.9 per cent
 - Public market 35.6 per cent
- Overall deposit coverage ratio: 80.0 per cent (73.9 %).
- The Bank has good financial strength with the Group's core capital adequacy ratio at 11.1 per cent. The Bank's equity was strengthened by NOK 568 million in the 2nd quarter through new certificate issues.
- Liquidity remains satisfactory.

Contact information

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Internet:

SNN home page and internet bank: www.snn.no
Hugin Online: www.huginonline.no
Equity capital certificates in general: www.egenkapitalbevis.no

Financial calendar 2011

Q1 28. April
Q2 10. August
Q3 26. October

Strategy



Strategy 2012 – Market forces

The strongest market forces:

- More stringent regulations and public control
- Higher capital requirements, the banks are building capacity for growth
- Increased funding costs
- Increased pressure on margins
- Increased customer power
- Focus on profitable customers
- Focus on new revenue opportunities
- Simplified business models
- Better risk management
- Reduction of the cost level

Strategy 2012 – Higher market shares

Objective

- Higher market shares in all product groups

Process and measures

- Goal hierarchy adapted to the local market area and the bank's position
- Clearer market positioning
 - Important customer segments
 - Important market areas
- Increased activity aimed at existing and potential customers
- Improved management information
 - Activity follow-up of advisers
 - Follow-up of branches with regard to results
 - Balanced score card

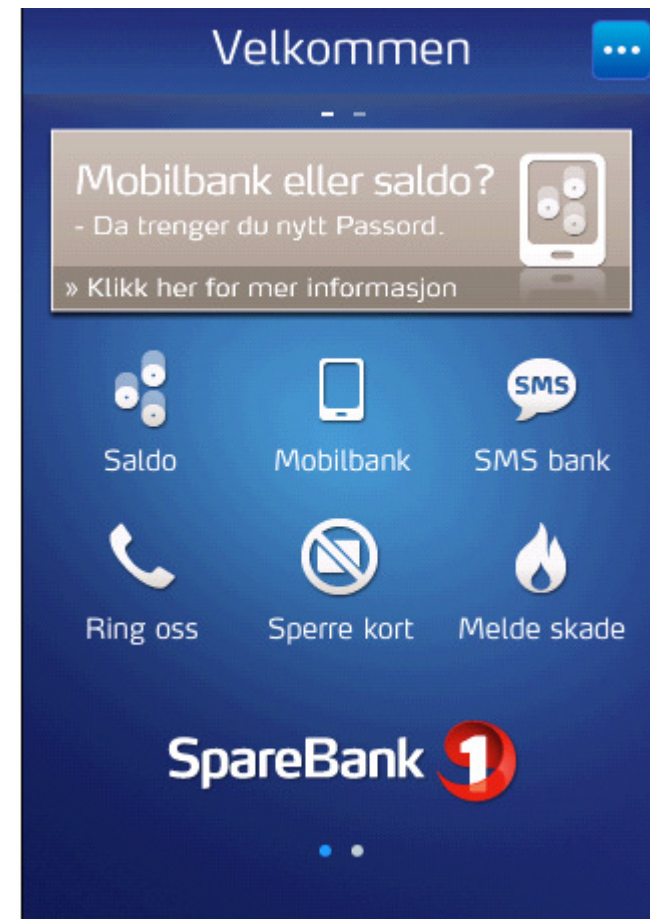
Strategy 2012 – Customer-oriented distribution

Target

- Clear differentiation and increased interaction between distribution channels

Process and measures

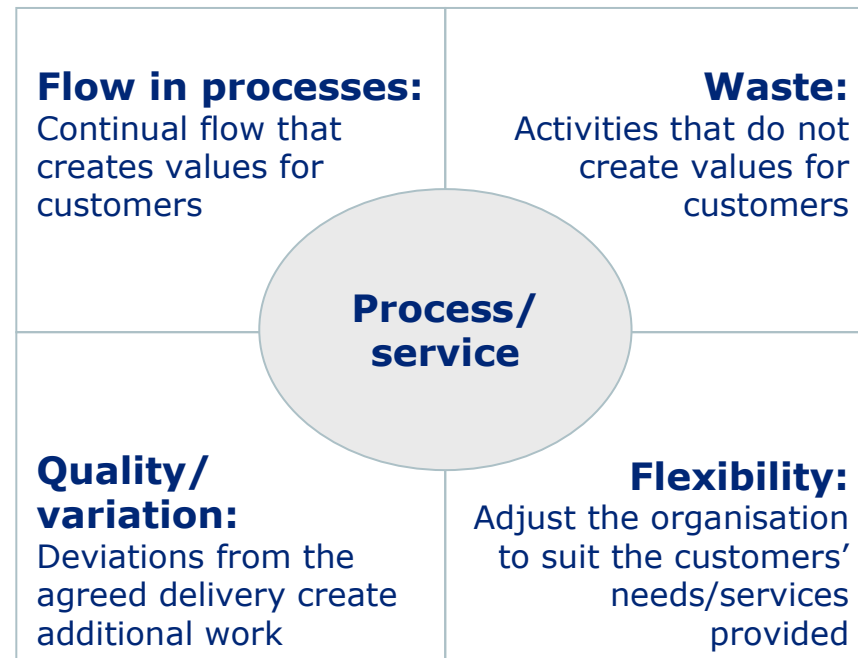
- Local bank– cultivate advisory services
 - Financing, savings, insurance
 - All advisers are to be authorised
 - Cashier desks to be phased out in 2011
 - Larger entities, fewer traditional branches
- Customer centre– first line and hub
 - First line customer service
 - Hub in channel interaction
- Online bank and mobile bank; wider range of services in digital channels
 - Personal finance
 - Standard banking services
 - Standard advisory services



Enhancing the efficiency of staff processes

- Start-up of “Lean” project 2011
- Project mandate
 - Purpose
 - Simplify processes
 - Incorporate Lean as practice
 - Scope: all specialist departments, intensive internal involvement
 - External expertise on methodology and working model
 - Time frame:
 - April – December 2011

Lean:
Create more with less



SpareBank 1 Nord-Norge and the stock savings bank model



SpareBank 1 Nord-Norge and the stock savings bank model

Current conclusion:

- SpareBank 1 Nord-Norge is not currently considering conversion to a stock savings bank.
- One of SpareBank 1 Nord-Norge's objectives is to ensure that the bank shall continue to be a savings bank with a high degree of community-based ownership.
- The bank wishes to help ensure that equity certificates are regarded as being an attractive, liquid financial instrument.
- The bank believes that its current ownership model is suitable. This ownership model does not serve as a limiting factor for the bank's expansion and growth.

Liquidity / funding



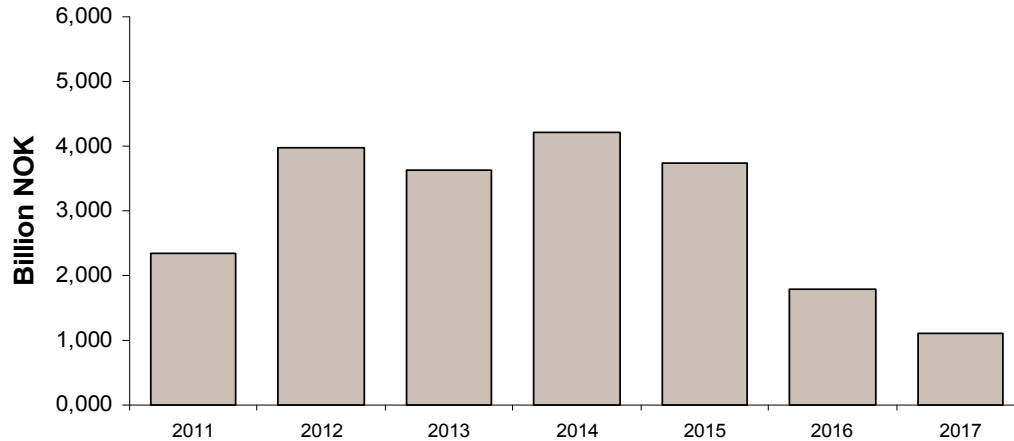
Funding instruments/diversification as per 30.09.11

Kategori	<1yr	>1yr	Total
Lower Tier 2. NOK	0	1000	1000
EMTN, EUR	2206	1139	3345
Tier 1, Perpetual, USD	0	352	352
Senior unsecured, NOK	939	9867	10806
Government, F-loan	1000	0	1000
Financial institutions, NOK	131	1600	1731
Gov. swap arrangement	194	2368	2562
TOTAL, SHORT FUNDING	4470		
TOTAL, LONG FUNDING		16326	
TOTAL, ALL FUNDING			20796

Funding and liquidity management

Maturity profile of capital markets funding as per 30.09.11

Maturity profile



- Good liquidity
- Liquidity buffer 9,1 billion NOK per 30.09.2011
- Net refinancing need next 12 months 4,470 billion NOK. Of these, the October maturity has already been replaced with new funding.

Maturity profile next 12 months

