



# Quarterly presentation Q2 2015

Tromsø/Oslo 12 August 2015

**SpareBank**   
NORD-NORGE

## 2<sup>nd</sup> quarter report 2015 - Group

- **Profits before tax: NOK 684 mill (897 mill)**
- **ROE: 11.7 % (17.2 %)**
- **Loan losses NOK 68 mill**
- **Very good solidity and liquidity**
- **Strong development in the regional economy. Continued good macroeconomic outlook for Nord-Norge**

# Macro and Economic trends

# Strong development in the economy of Nord-Norge

- Continued growth, the driving force being the export sector and infrastructure investments
- Increased spillover effects from the oil and gas sector based on new fields in development and production. Uncertainty related to exploration and future development
- Considerable investments in infrastructure
- Strong housing market, but housing investments are falling
- Stable, low unemployment - 2,6 % as at June 2015



# Macroeconomic indicators Northern Norway

| PROGNOSE FOR               | NORWAY |           |       | NORTHERN NORWAY |           |       |
|----------------------------|--------|-----------|-------|-----------------|-----------|-------|
|                            | SSB    | FORECASTS |       | ESTIMATE        | FORECASTS |       |
|                            | 2014   | 2015      | 2016  | 2014            | 2015      | 2016  |
| Private consumption        | 2,1 %  | 2 %       | 1 %   | 2 %             | 3 %       | 2 %   |
| Government consumption     | 2,5 %  | 3 %       | 3 %   | 3 %             | 3 %       | 3 %   |
| Fixed investments          | 1,2 %  | - 3 %     | - 1 % | 0 %             | 3 %       | 4 %   |
| Exports                    | 1,7 %  | 1 %       | 2 %   | 6 %             | 7 %       | 5 %   |
| Imports                    | 1,6 %  | 3 %       | 4 %   | 2 %             | 4 %       | 3 %   |
| Regions exports (domestic) |        |           |       | 2 %             | 2 %       | 1 %   |
| Regions imports (domestic) |        |           |       | 1 %             | 3 %       | 2 %   |
| GDP Mainland Norway        | 2,3 %  | 2 %       | 2 %   | 3 %             | 3 %       | 3 %   |
| Employment growth          | 1,1 %  | 0 %       | 0,5 % | 0,6 %           | 0,4 %     | 0,9 % |
| Unemployment (level)       | 3,5 %  | 3,7 %     | 3,5 % | 2,7 %           | 3,1 %     | 3,0 % |

Source: Economic Outlook Northern Norway , May 2015

# Seafood: Continued improvement

## Best half year ever for Norwegian seafood export

The export value of Norwegian seafood recorded in the first half of 2015 is the highest ever. Norway exported seafood for NOK 34 billion.



The total value of 34 billion corresponds to NOK 1.5 billion, or 5 per cent, more than the same period last year. A new record for the month of June was also recorded. Seafood export in June came to NOK 5.8 billion. This is an increase of NOK 932 million or 20 per cent, compared to the same month last year.

# Tourism: continued improvement



## May 2015: Record for overnight accommodation in Nord-Norge

The number of registered overnight stays in Nord-Norge is the highest ever. The main reason for this is an increase in hotel holiday and leisure business of 18 per cent.

253,872 overnight stays in Nord-Norge in May 2015 represent an increase of almost 15,000 overnight stays compared to May 2014. This implies an increase of 6 per cent, while Norway as a whole had an increase of 3 per cent.

During the first 5 months of this year, 1,035,422 overnight stays have been recorded in the region, which represents an increase of more than 68,000 compared to last year. This is an increase of 7 per cent, while Norway as a whole has an increase of 5 per cent in the same period last year.

Source:: Reiseliv i nord, 3. juli 2015

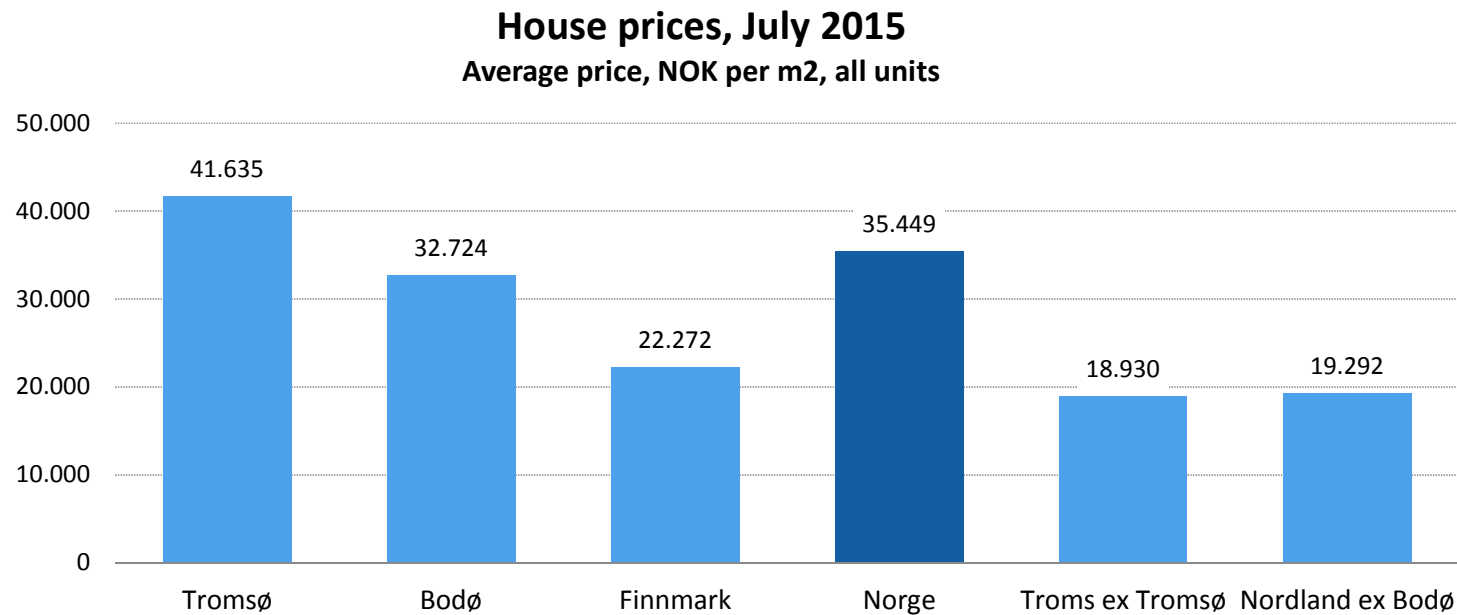
# Oil and gas: New fields in production

- Goliat:
  - First oil field in the Barents Sea
  - Platform is being prepared on site
  - Production-start planned late summer 2015
  - Operational organisation in place
  - Polarbase – more than 50 supplier companies
- Aasta Hansteen/Polarled:
  - Several gas fields, strengthened by further 3 discovery in 2015
  - Installation at 1 300 meter ocean depth
  - Substantial local supplies from companies like Momek and Aker Solutions Helgeland
  - Production start-up in 2017

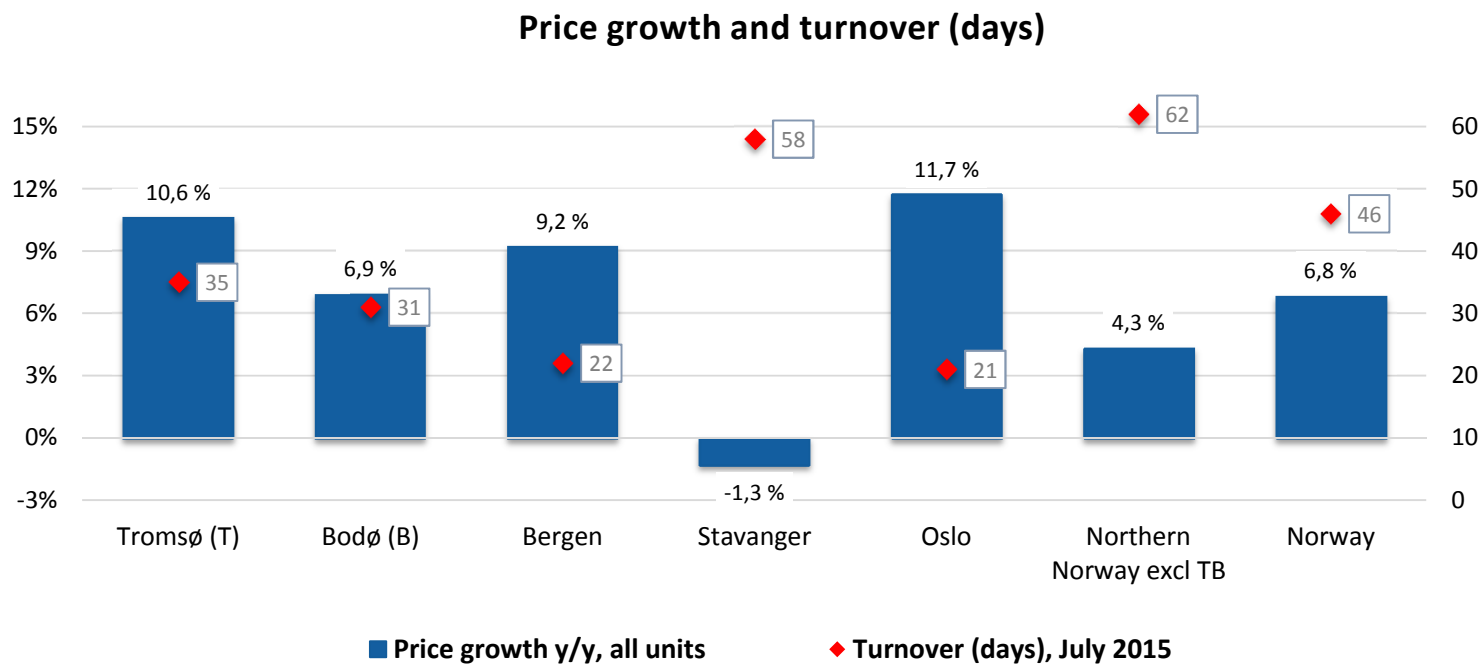


Goliat FSPO – the world's northernmost offshore oil field soon ready for operation  
Picture: ENI Norge

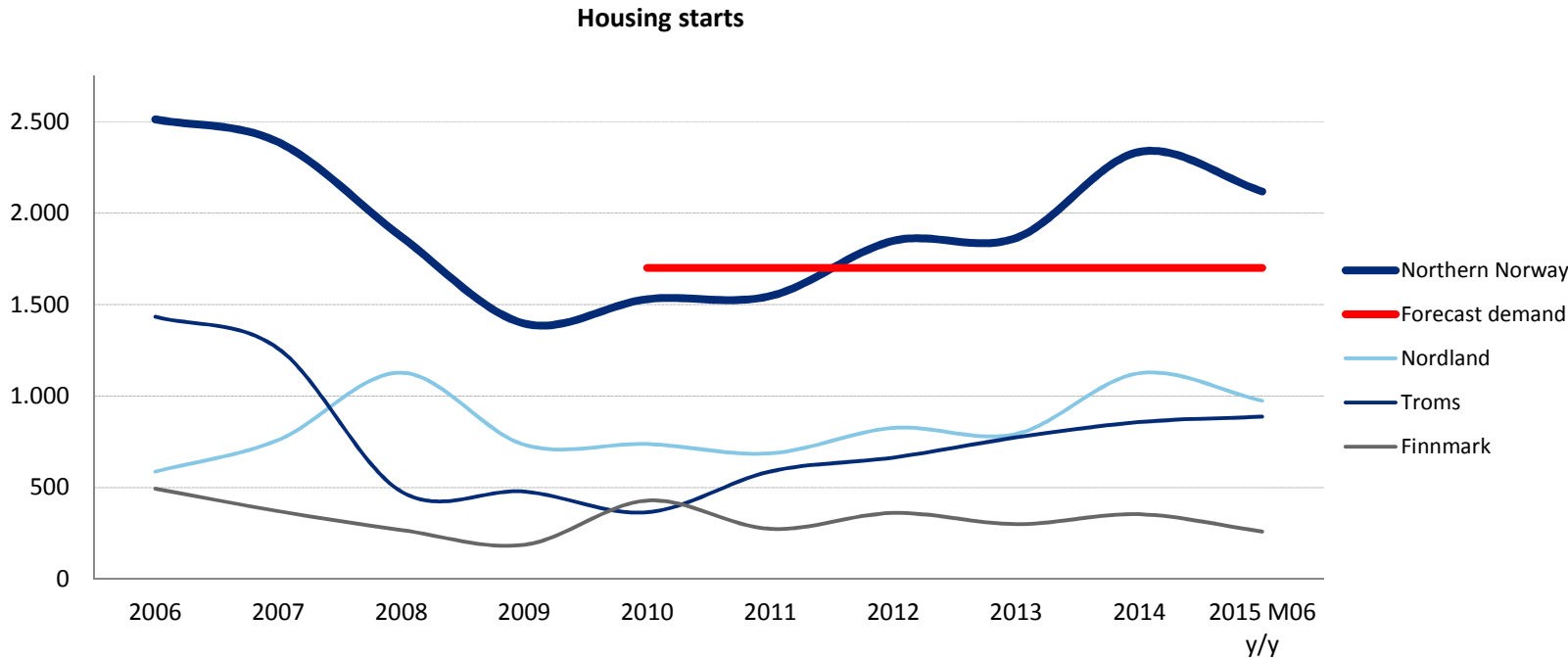
# Lower house prices compared to whole of Norway



# Housing market –strong momentum in the cities



# Residential construction over the peak ?



# Strategy

# A clear vision statement and a strong brand



# Focus on core banking

- Russian exposure reduced by NOK 300 mill since 2013. Exit strategy under implementation
- SpareBank 1 Markets has been restructured
- Phase out of corporate lending in BN Bank has been decided
- Non-core financial Investment activities is being discontinued





# Financial figures

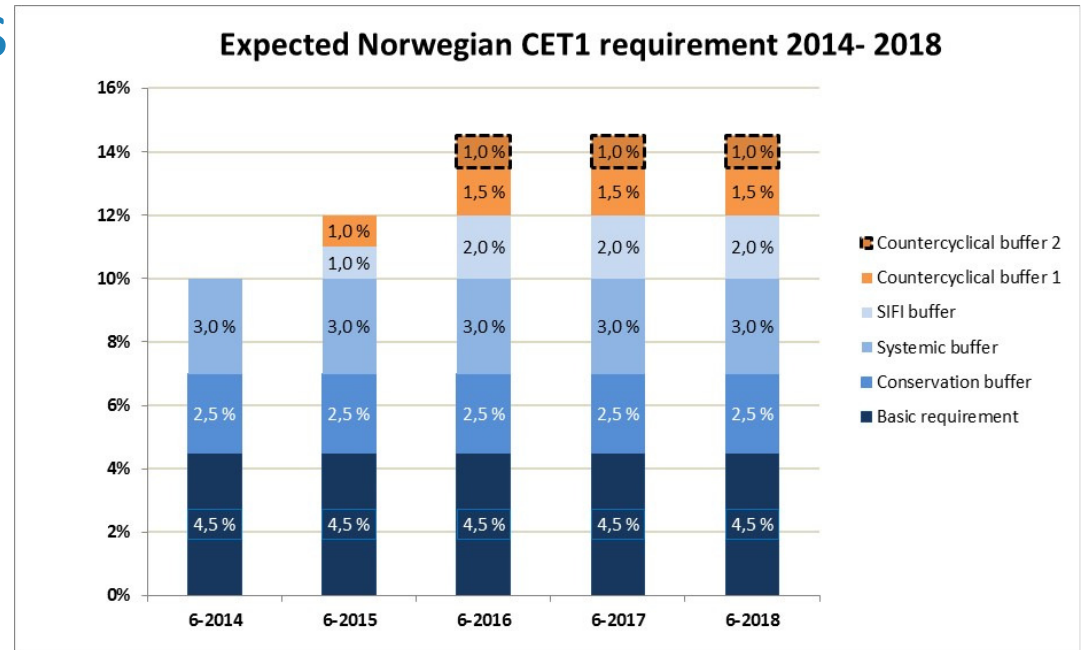
# Main financial targets

## Profitability:

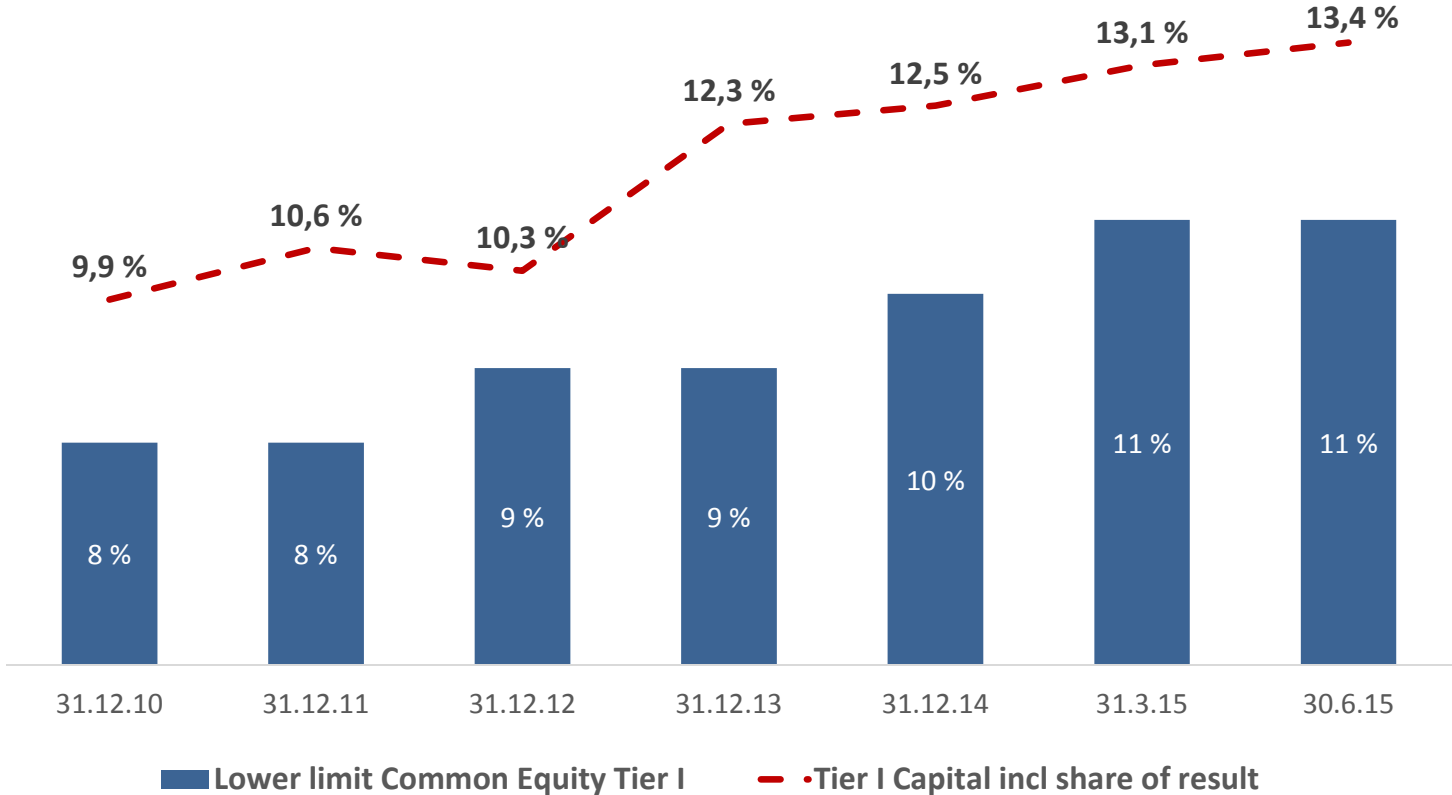
- Banking operations at top international level: Minimum 12% ROE

## Solidity:

- Undisputable solid
- Internal capital buffer of at least 1 percentage point above the statutory minimum requirement.
- Long term goal for Core Tier 1 level is currently 14.5 %



# Capital adequacy ratio - Group



# Profit and loss account - Group

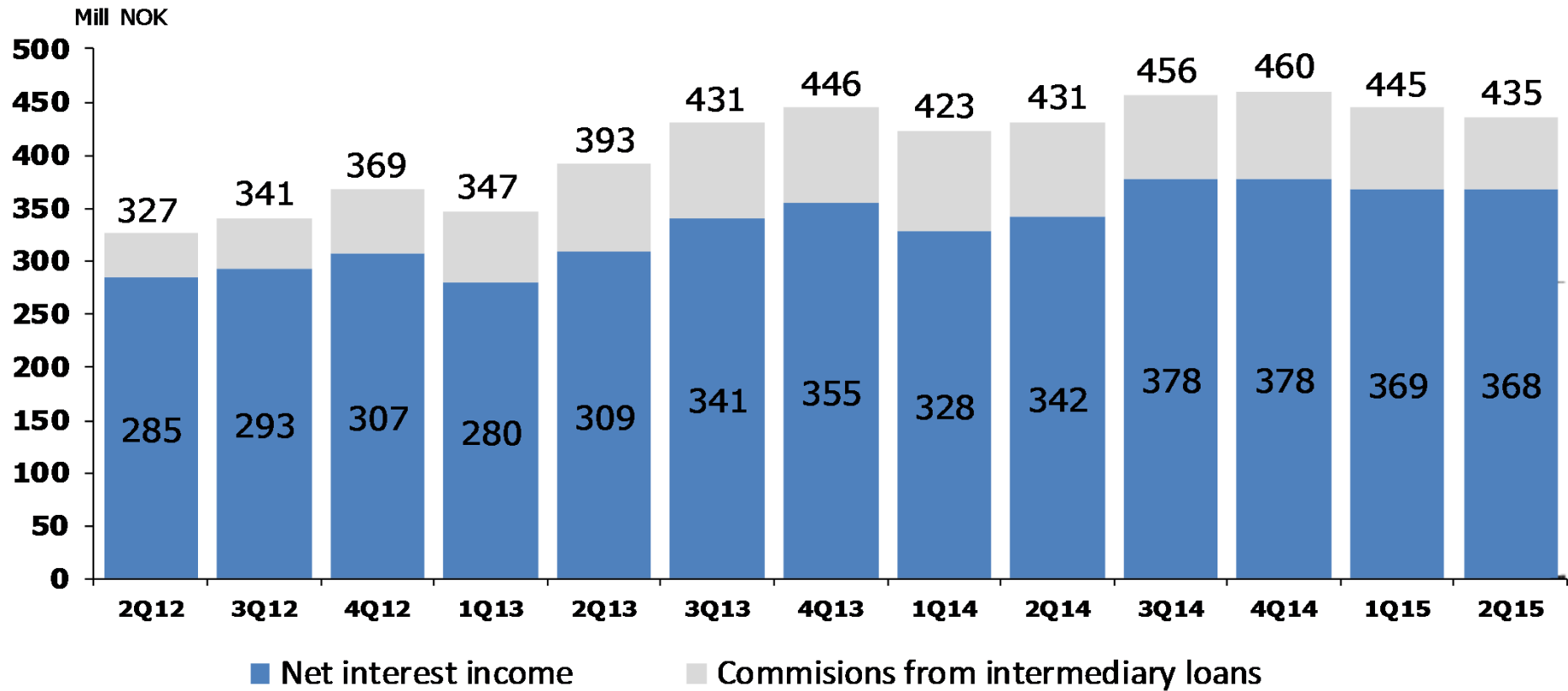
| (Amounts in NOK million)                       | <b>30.06.15</b> | 30.06.14 | 31.12.14 |
|--|-----------------|----------|----------|
| Net interest income                            | <b>737</b>      | 670      | 1 426    |
| Net fee-, commision and other operating income | <b>478</b>      | 491      | 966      |
| Net income from financial investments          | <b>211</b>      | 432      | 602      |
| <b>Total net income</b>                        | <b>1 426</b>    | 1 593    | 2 994    |
| Total costs                                    | <b>674</b>      | 649      | 1 328    |
| <b>Result before losses and write-downs</b>    | <b>752</b>      | 944      | 1 666    |
| Net losses and write-downs                     | <b>68</b>       | 47       | 321      |
| <b>Result before tax</b>                       | <b>684</b>      | 897      | 1 345    |
| Tax  | <b>134</b>      | 143      | 223      |
| Result non-current assets held for sale        | <b>0</b>        | 0        | 27       |
| Minority interests                             | <b>- 3</b>      | 1        | - 1      |
| <b>Result for the period</b>                   | <b>553</b>      | 753      | 1 096    |
| Return on equity capital                       | <b>11,7 %</b>   | 17,2 %   | 12,2 %   |

## Quarterly summary – Profit and loss account figures

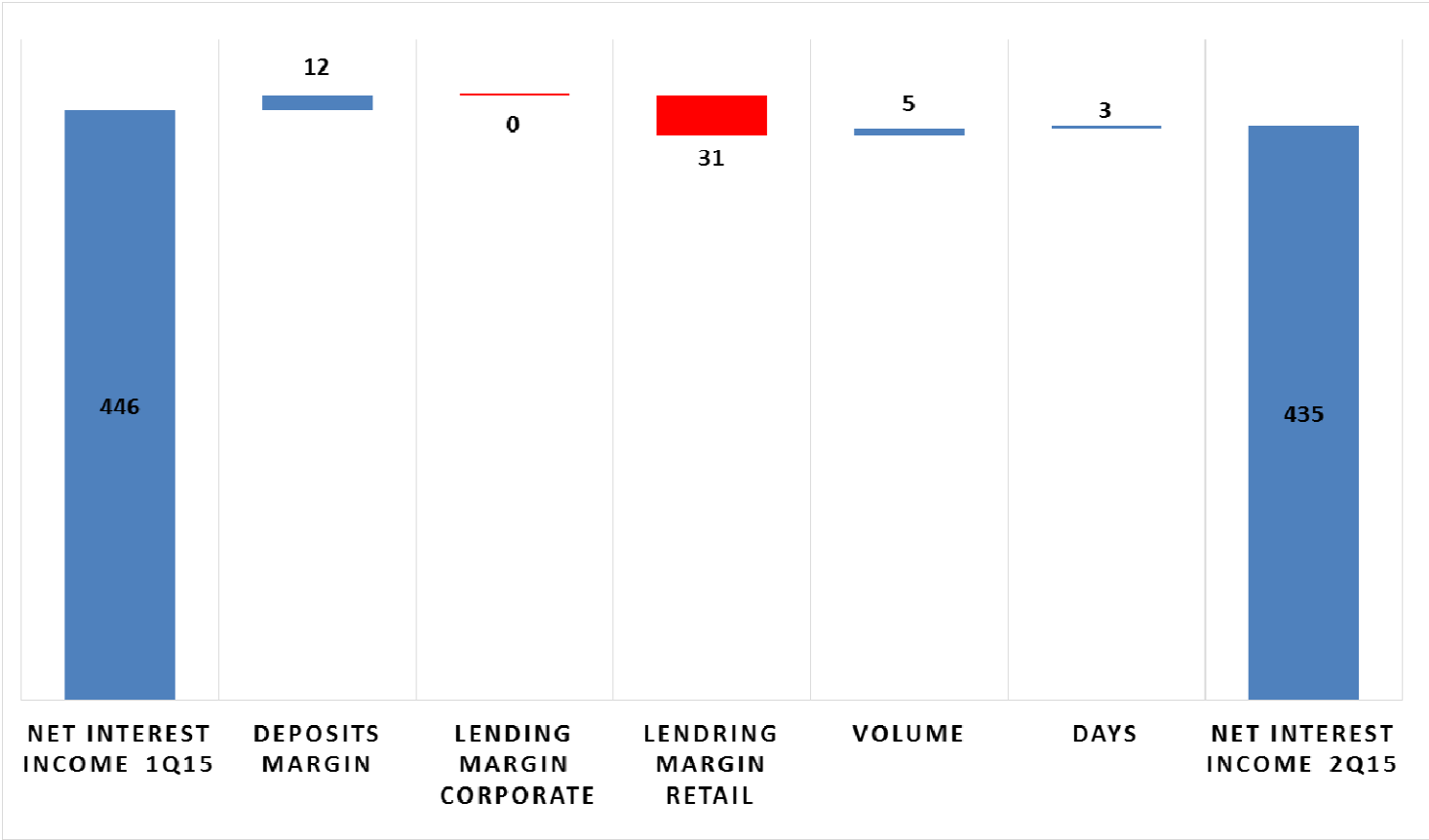
(Amounts in NOK million)

|  | <b>2Q15</b>   | 1Q15   | 4Q14   | 3Q14   | 2Q14   |
|--|---------------|--------|--------|--------|--------|
| Net interest income                            | <b>368</b>    | 369    | 378    | 378    | 342    |
| Net fee-, commision and other operating income | <b>239</b>    | 239    | 237    | 238    | 248    |
| Net income from financial investments          | <b>93</b>     | 118    | 51     | 119    | 189    |
| <b>Total net income</b>                        | <b>700</b>    | 726    | 666    | 735    | 779    |
| Total costs                                    | <b>336</b>    | 338    | 354    | 325    | 333    |
| Result before losses and write-downs           | <b>364</b>    | 388    | 312    | 410    | 446    |
| Net losses and write-downs                     | <b>36</b>     | 32     | 236    | 38     | 22     |
| <b>Result before tax</b>                       | <b>328</b>    | 356    | 76     | 372    | 424    |
| Return on equity capital                       | <b>11,1 %</b> | 12,5 % | 1,5 %  | 13,4 % | 15,9 % |
| Cost/income                                    | <b>48,0 %</b> | 46,6 % | 53,2 % | 44,2 % | 42,7 % |

# Net interest income - Group

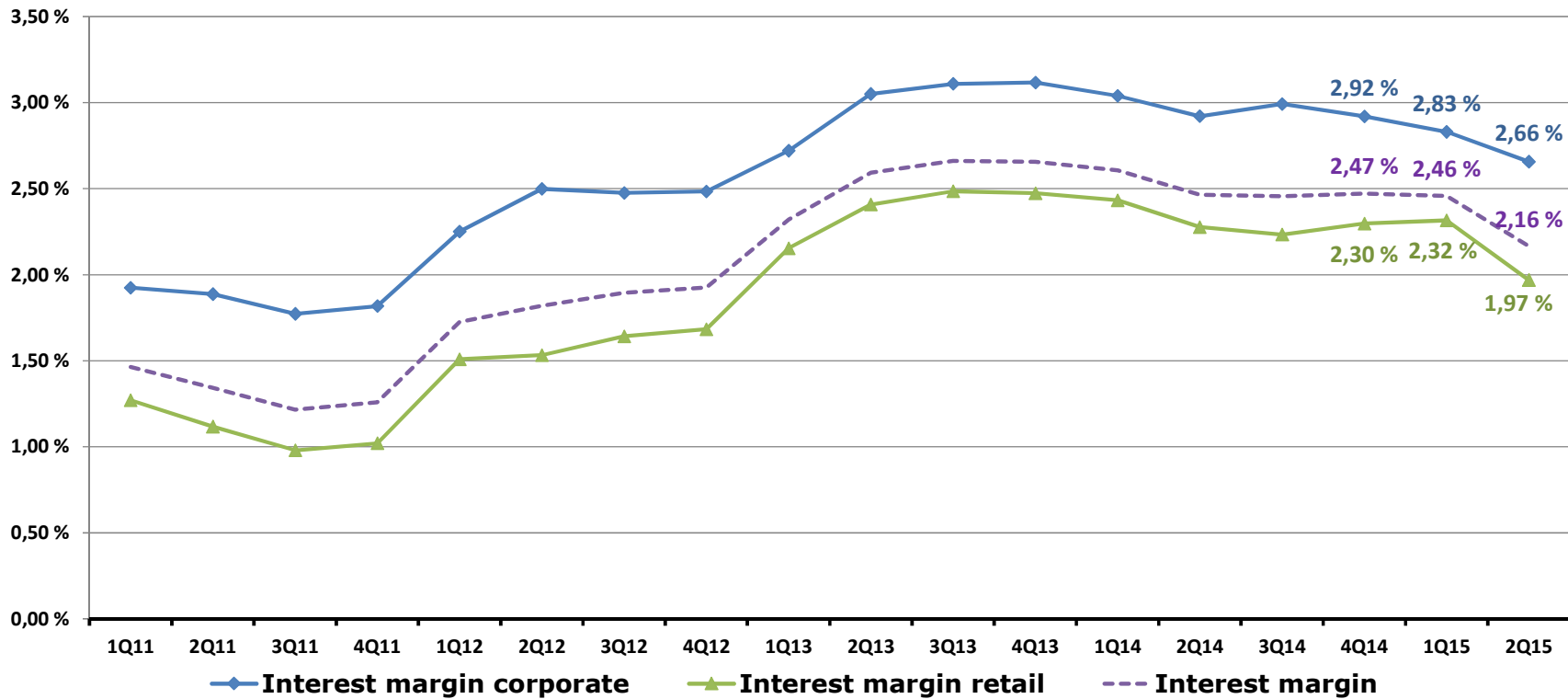


# Changes in net interest income last quarter



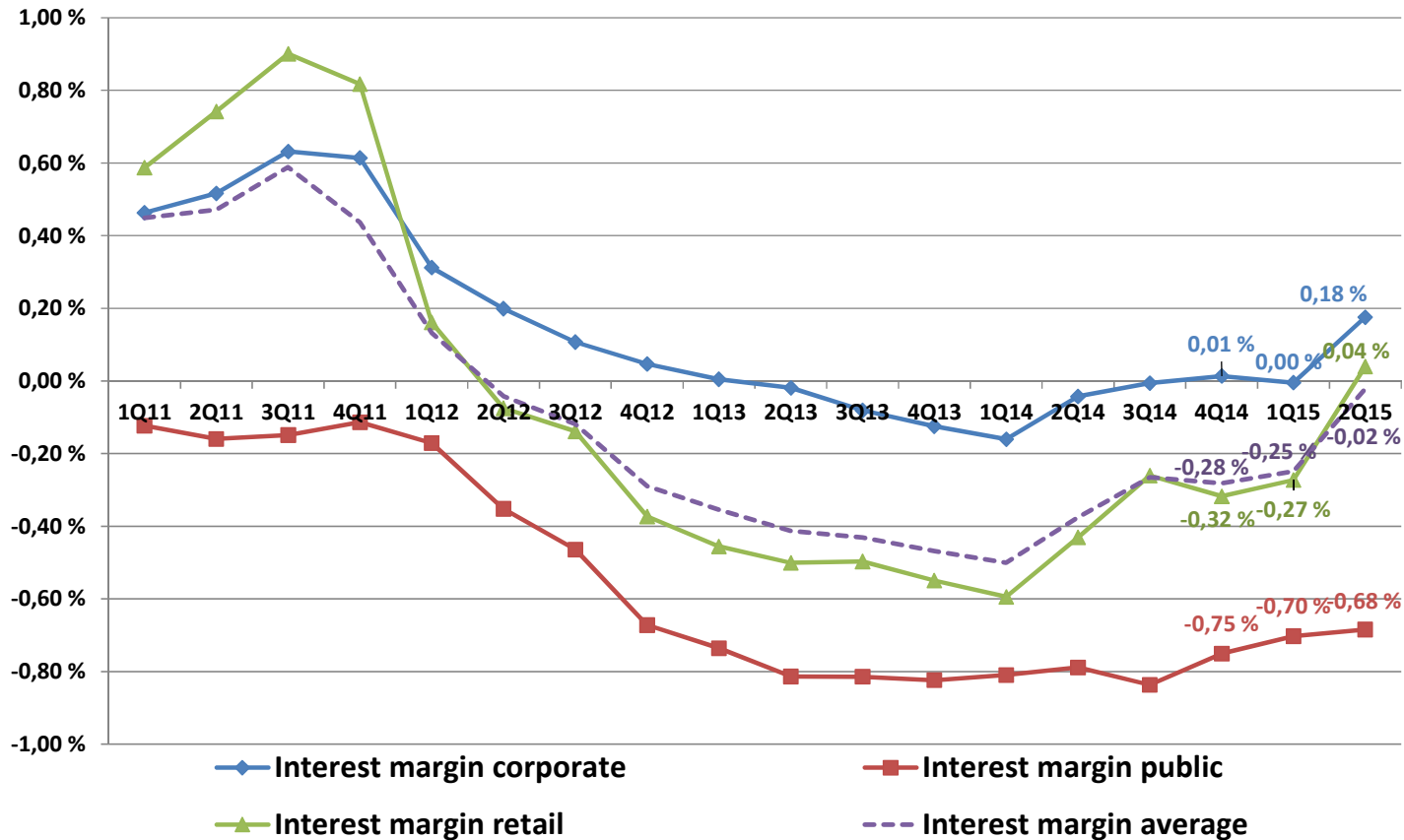
Measured against average funding cost

# Lending margin, Parent bank



The interest margin is defined as the difference between the customer lending (deposit) interest rate and average 3 month NIBOR

# Customer deposit, Parent bank



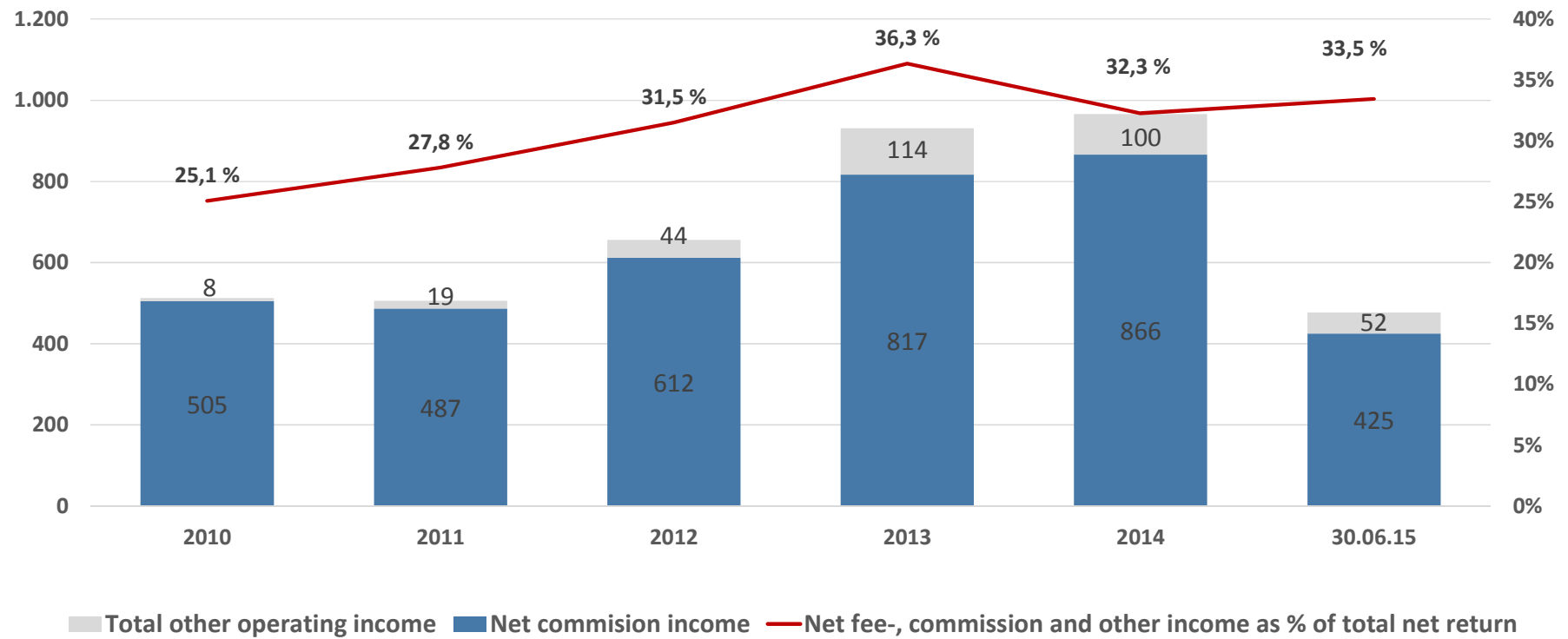
The interest margin is defined as the difference between average 3 month NIBOR and the customer deposit interest rate

## Quarterly summary – Profit and loss account figures

(Amounts in NOK million)

|  | 2Q15       | 1Q15   | 4Q14   | 3Q14   | 2Q14   |
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| Return on equity capital                       | 11,1 %     | 12,5 % | 1,5 %  | 13,4 % | 15,9 % |
| Cost/income                                    | 48,0 %     | 46,6 % | 53,2 % | 44,2 % | 42,7 % |

# Total commission and other income



# Income from financial investments

## Group

(Amounts in NOK million)

|  | 2Q15      | 1Q15 | 4Q14 | 3Q14 | 2Q14 |
|--|-----------|------|------|------|------|
| Dividends  | 7         | 0    | 0    | 0    | 16   |
| Income from joint ventures                                       | 114       | 112  | 121  | 142  | 190  |
| Gains/losses and net value changes on shares                     | -33       | 5    | -69  | -21  | 188  |
| Net value changes on bonds, foreign exchange and fin.derivatives | 4         | 3    | 5    | 7    | 65   |
| Gains/losses and net value changes on loans                      | 1         | -2   | -6   | -9   | -27  |
| <b>Income from financial investments</b>                         | <b>93</b> | 118  | 51   | 119  | 432  |

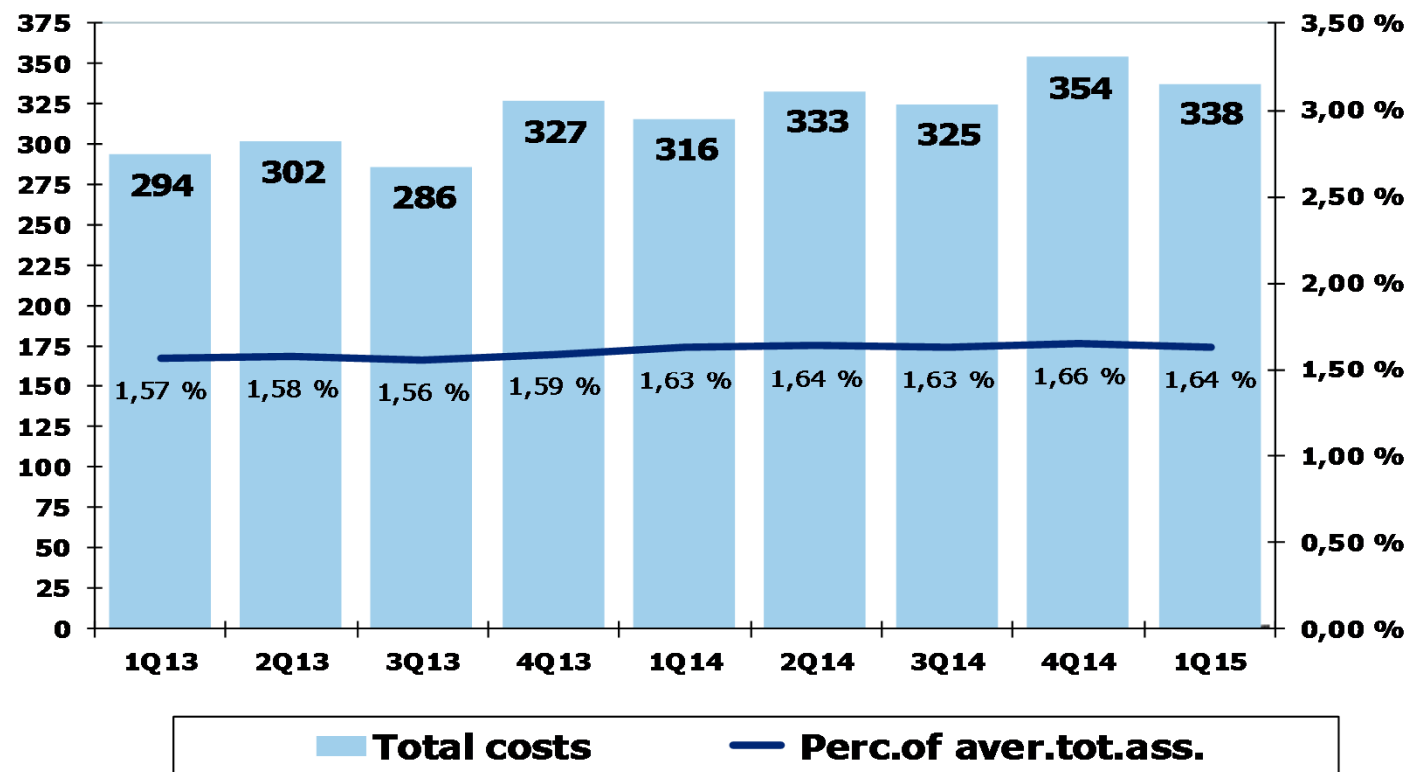
# Group operating costs

(Amounts in NOK million)

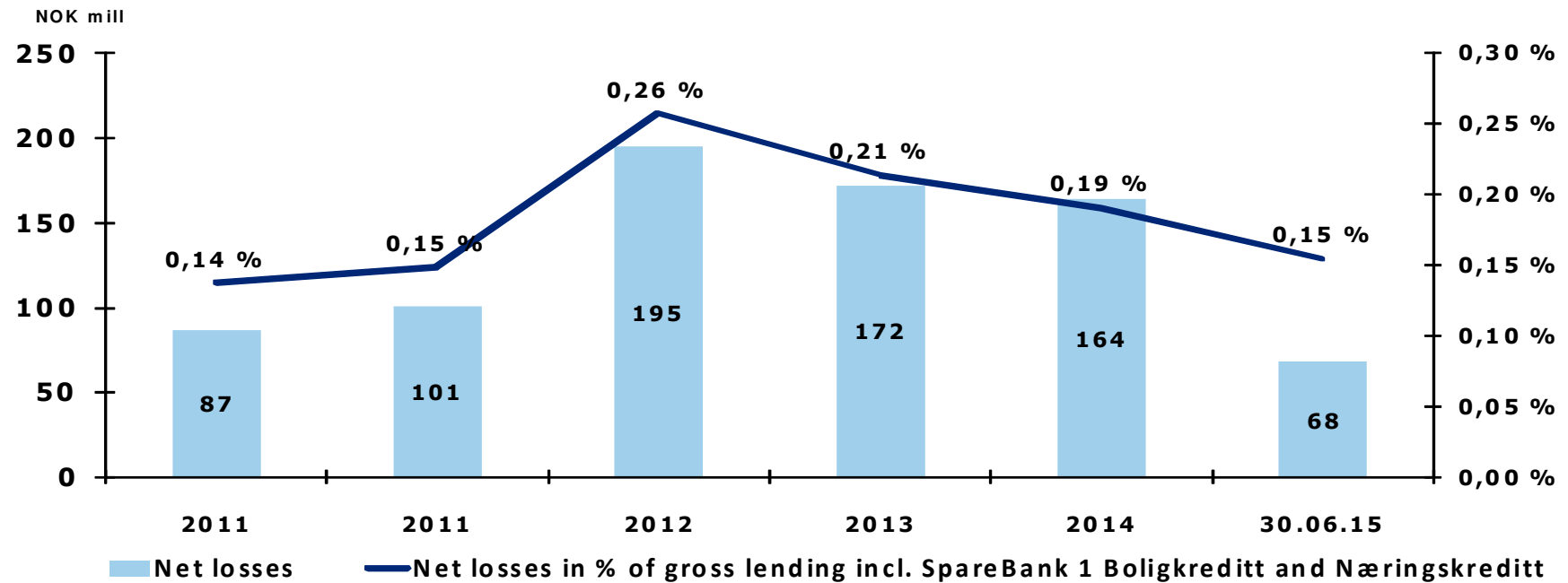
|  | <b>30.06.15</b> | 30.06.14 | Change |
|--|-----------------|----------|--------|
| Wages and salaries                                       | <b>306</b>      | 276      | 30     |
| Pension costs  | <b>21</b>       | 21       | 0      |
| Social costs   | <b>44</b>       | 24       | 20     |
| <b>Total personnel costs</b>                             | <b>371</b>      | 321      | 50     |
| Administration costs                                     | <b>180</b>      | 176      | 4      |
| <b>Total personnel- and general administration costs</b> | <b>551</b>      | 497      | 54     |
| Depreciation and write-downs of fixed assets             | <b>28</b>       | 54       | - 26   |
| <b>Total operating costs</b>                             | <b>95</b>       | 98       | - 3    |
| <b>Total costs</b>                                       | <b>674</b>      | 649      | 25     |

# Group operating costs

NOK mill.



# Losses on loans and guarantees - customers



## Core banking operations- (excl. income from financial investments)

| (Amounts in NOK million)                          | 2Q15       | 1Q15 | 4Q14* | 3Q14 | 2Q14 |
|---|------------|------|-------|------|------|
| Net interest income                               | <b>368</b> | 369  | 378   | 378  | 342  |
| Net fee- and commission income                    | <b>215</b> | 210  | 212   | 219  | 221  |
| Other operating income                            | <b>24</b>  | 29   | 25    | 19   | 27   |
| Total costs                                       | <b>336</b> | 338  | 354   | 325  | 333  |
| <b>Underlying banking operations</b>              | <b>271</b> | 270  | 261   | 291  | 257  |
| Net losses and write-downs                        | <b>36</b>  | 32   | 236   | 38   | 22   |
| <b>Underlying banking operations after losses</b> | <b>235</b> | 238  | 25    | 253  | 235  |

\*Of which cost/losses Russian Banks

206

# Group companies result before tax

(Amounts in NOK 1000)

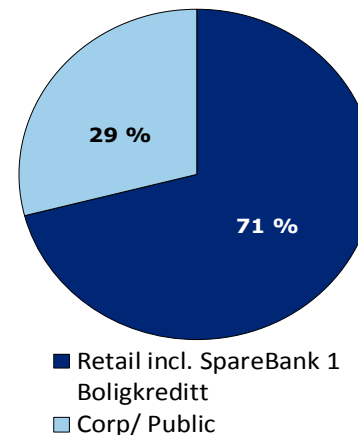
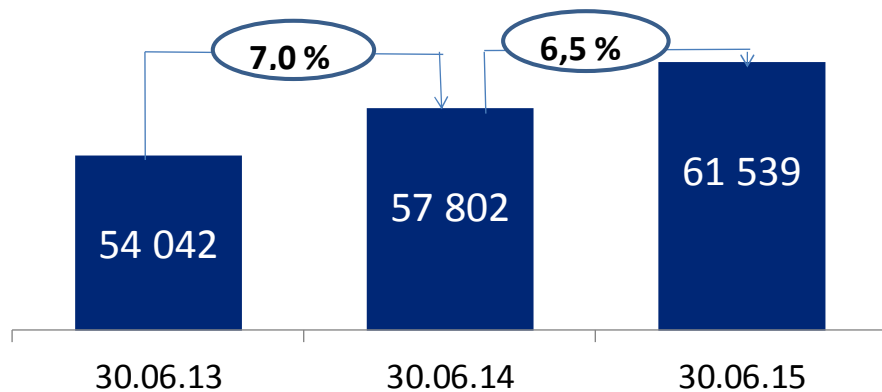
|  | <b>30.06.15</b> | 30.06.14       |
|--|-----------------|----------------|
| SpareBank 1 Finans Nord-Norge AS               | <b>60 428</b>   | 58 645         |
| SpareBank 1 Nord-Norge Portefølje AS           | <b>-43 751</b>  | 33 155         |
| SpareBank 1 Regnskapshuset Nord-Norge AS       | <b>7 143</b>    | 6 579          |
| EiendomsMegler 1 Nord-Norge AS                 | <b>18 249</b>   | 9 087          |
| SpareBank 1 Nord-Norge Forvaltning ASA         | <b>1 167</b>    | 1 243          |
| North-West 1 Alliance Bank                     | <b>-9 093</b>   | -2 668         |
| EiendomsMegler 1 Lofoten AS (owned by EM1 60%) | <b>155</b>      | - 41           |
| Nord-Norge Eiendom IV AS                       | <b>- 366</b>    | 574            |
| Alsgården AS                                   | <b>426</b>      | 901            |
| Fr. Langes gate 20 AS                          | <b>488</b>      | 539            |
| <b>Total</b>                                   | <b>34 846</b>   | <b>108 014</b> |

## Key figures balance sheet

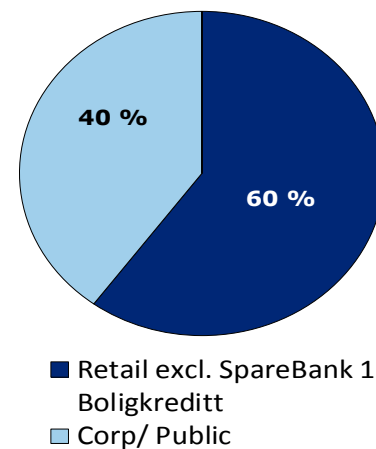
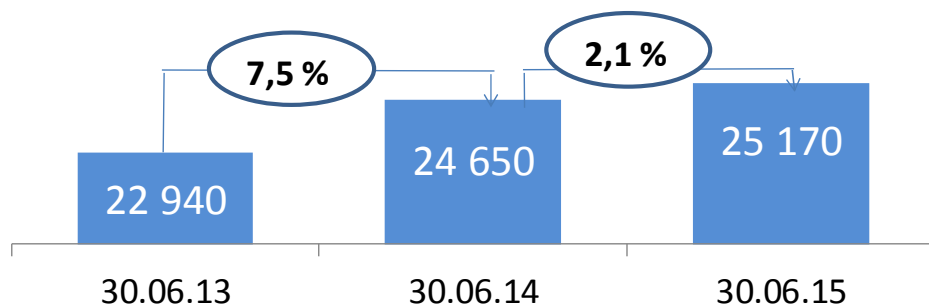
|   | <b>30.06.15</b> | 30.06.14 | Change | Change % |
|---|-----------------|----------|--------|----------|
| Total assets  | <b>84 981</b>   | 81 983   | 2 998  | 3,7%     |
| Gross lending   | <b>63 073</b>   | 58 791   | 4 282  | 7,3%     |
| Loans and advances to customers incl<br>SpareBank 1 Boligkreditt and Næringskreditt | <b>86 709</b>   | 82 452   | 4 257  | 5,2%     |
| Deposits from customers   | <b>49 977</b>   | 46 949   | 3 028  | 6,4%     |

# Lending volume

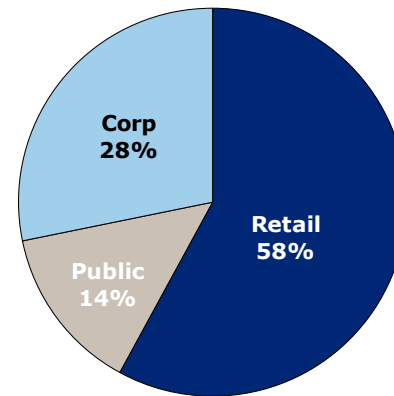
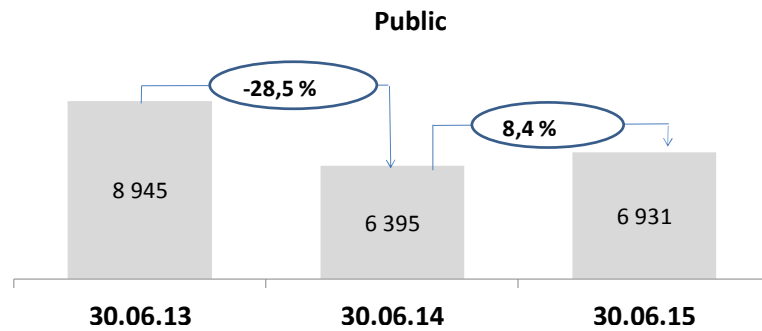
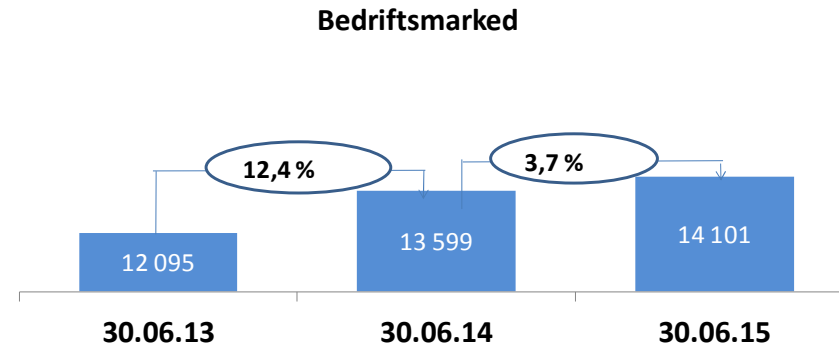
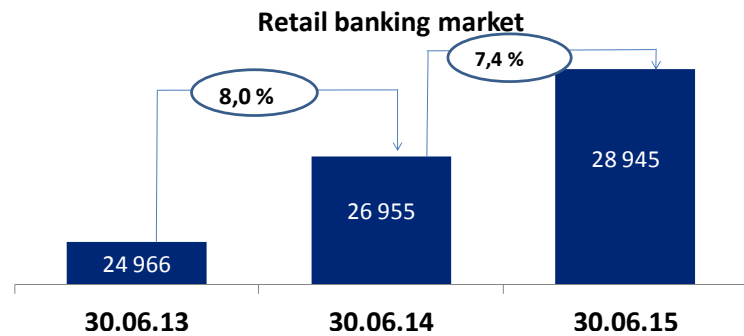
## Retail incl. SpareBank 1 Boligkreditt



## Corporate and public

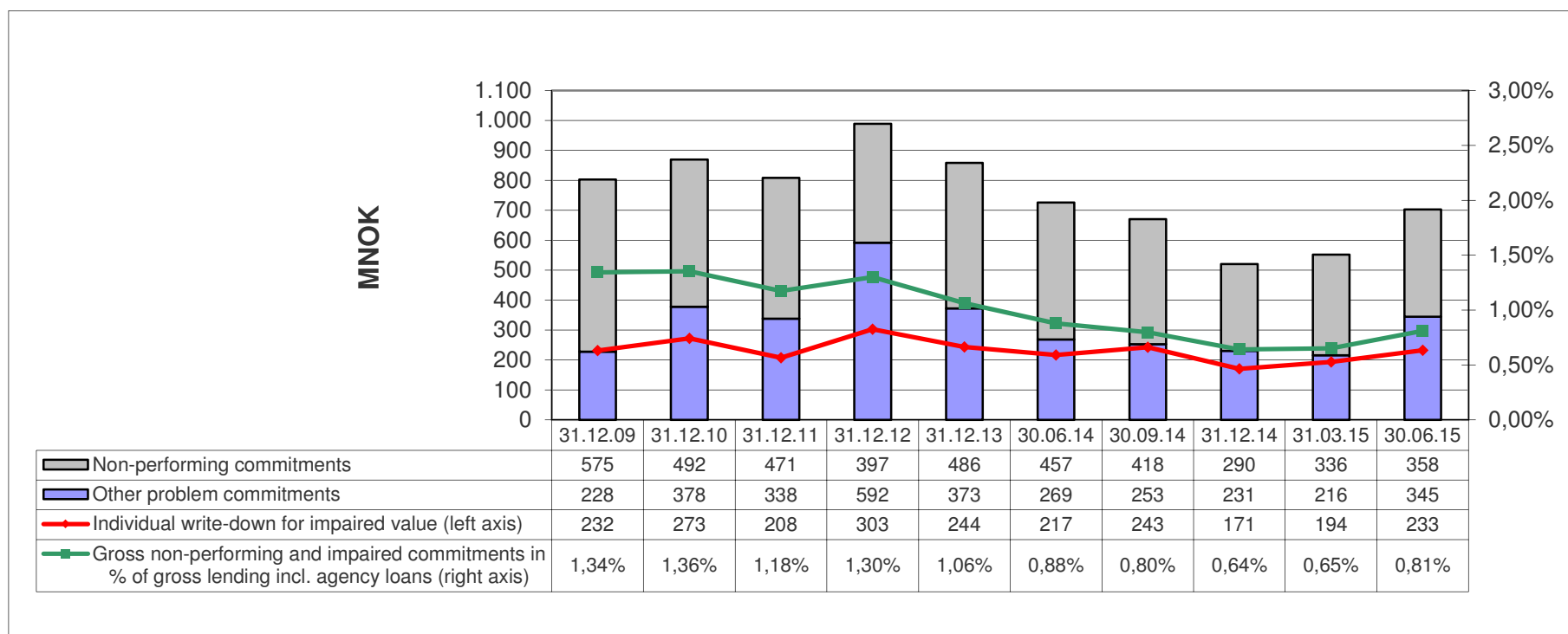


# Deposit volume



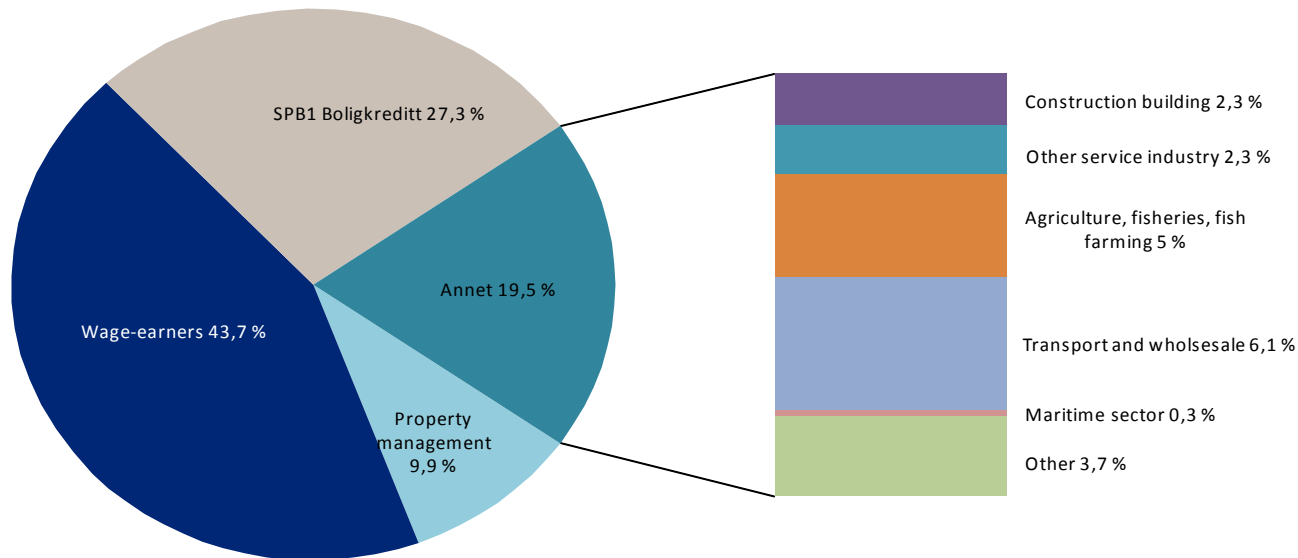
**Credit area**

# The Group's non-performing, impaired and other problem commitments



# Distribution on segments shows good diversification

Loan portfolio including Boligkreditt



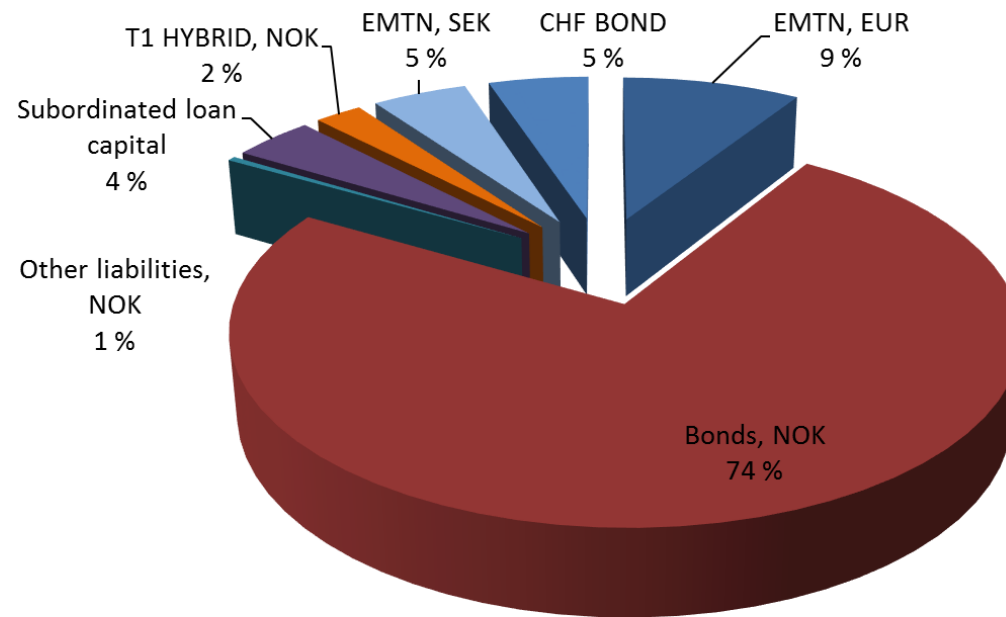
A high share of retail- and primary industry lending represent a risk mitigating factor.

The Group has a well diversified corporate market lending portofolio.

No specific concerns related to the bank's loans to commercial property due to low interest rates and good occupancy rates in the bank's market area.

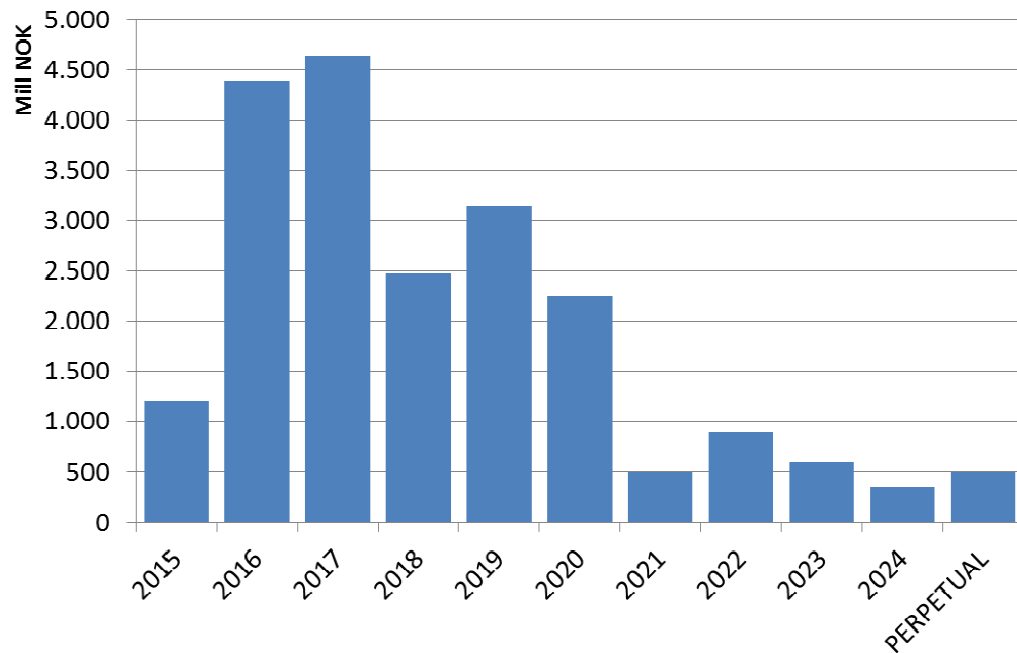
# Liquidity/funding

# Funding instruments/diversification 30.06.15



## Maturity profile 30.06.15

### Capital markets funding (excl. SPABOL)



- Good diversification in terms of maturities
- NOK 20.965 mill in capital market funding exclusive of SB1 Boligkreditt
- SpareBank 1 Boligkreditt is an important funding source. Mortgage loans of NOK 23.637 mill transferred as at 30.06.15.
- Amount of gross maturities of capital market funding next 12 months is NOK 2.838 mill

# Summary

## 2<sup>nd</sup> quarter report 2015 - Group

- **Profits before tax: NOK 684 mill (897 mill)**
- **ROE: 11.7 % (17.2 %)**
- **Loan losses NOK 68 mill**
- **Very good solidity and liquidity**
- **Strong development in the regional economy. Continued good macroeconomic outlook for Nord-Norge**

# Why invest in SpareBank 1 Nord-Norge?

**1) Continued strong macro economics in North Norway**

**2) Very strong position in the region**

**3) Profitable growth within core banking activities**

**4) Good solidity and capacity for profitable growth**

## Contact information:

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SNN home page and internet bank: [www.snn.no](http://www.snn.no)

Equity capital certificates in general: [www.egenkapitalbevis.no](http://www.egenkapitalbevis.no)

### Financial calendar 2015:

3Q 2015: 29 October



# Enclosures

# SpareBank 1 Nord-Norge

**Vision: For Nord-Norge!**

**Head office: Tromsø**

**Organisation: 5 regioner**

**Regional offices: Hammerfest**

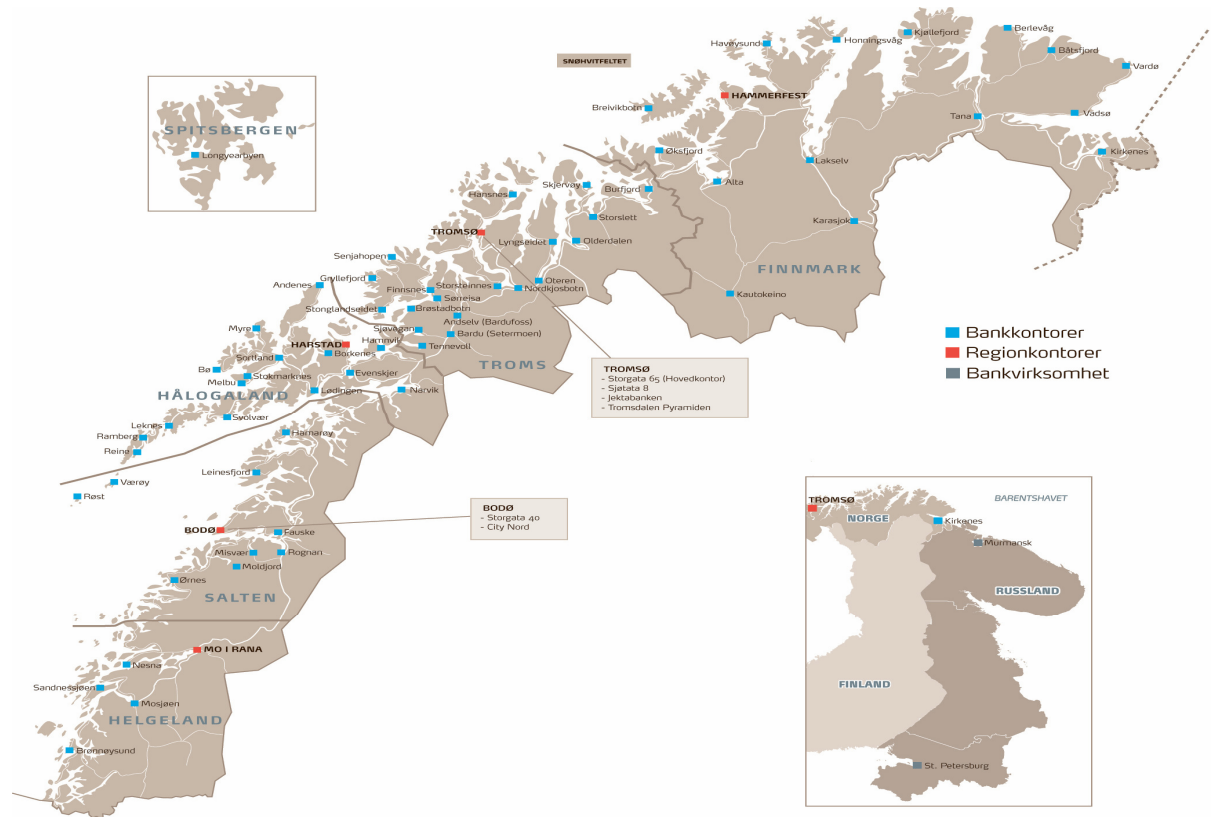
**Tromsø**

**Harstad**

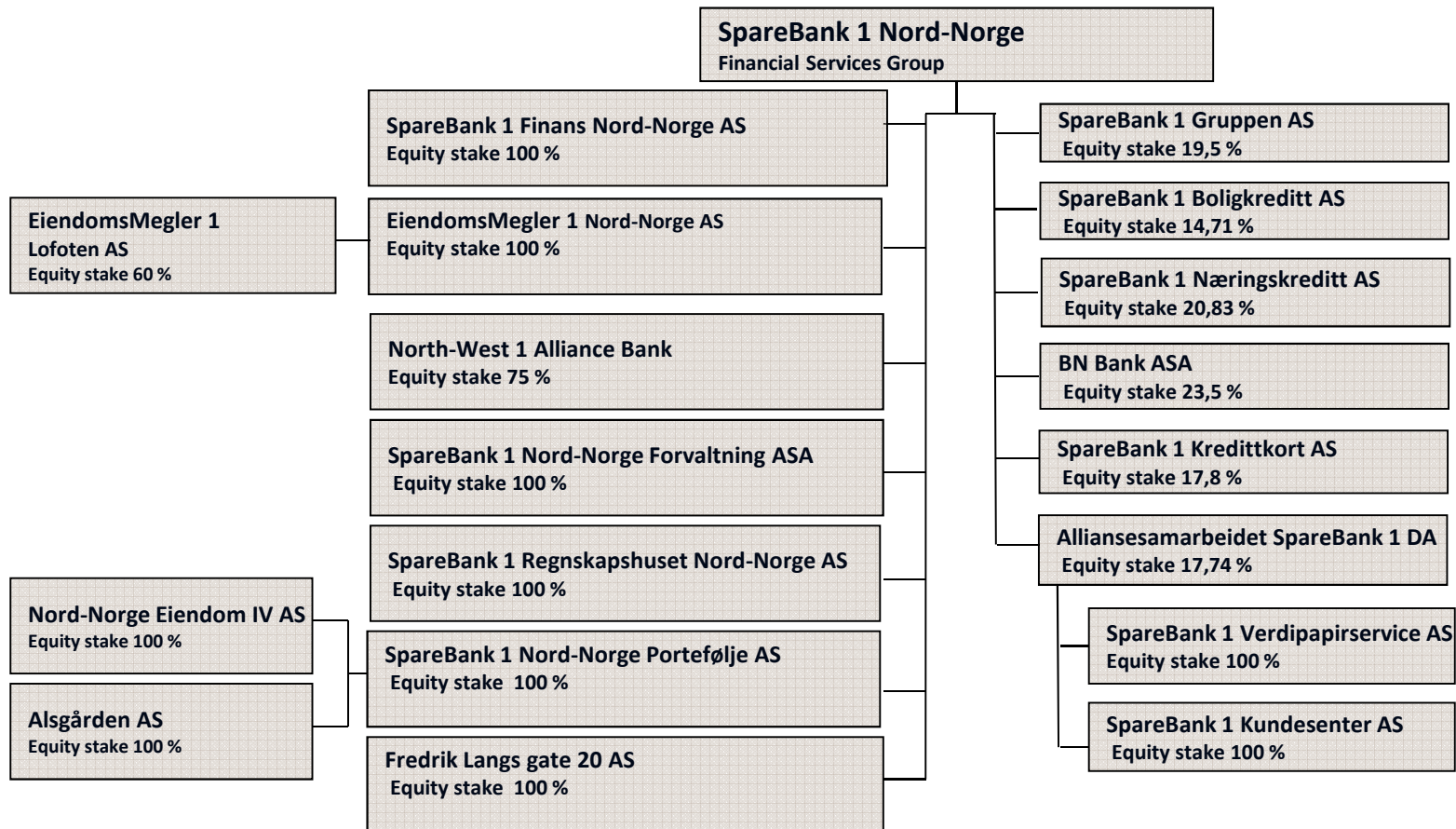
**Bodø**

**Mo i Rana**

**Branches: 66**



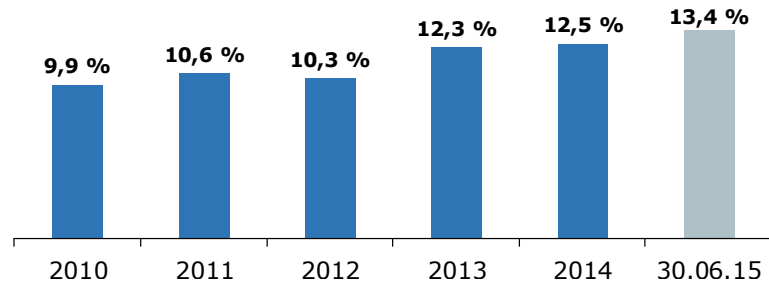
# Organisation of the financial services Group



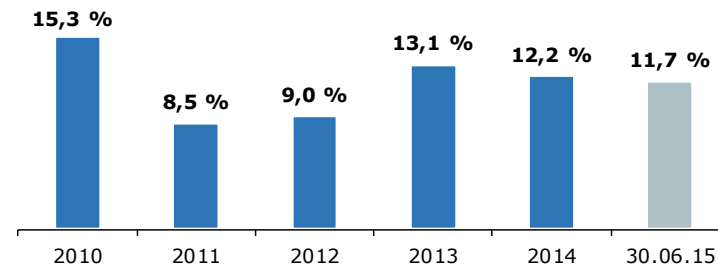
# Main financial figures

# Key figures

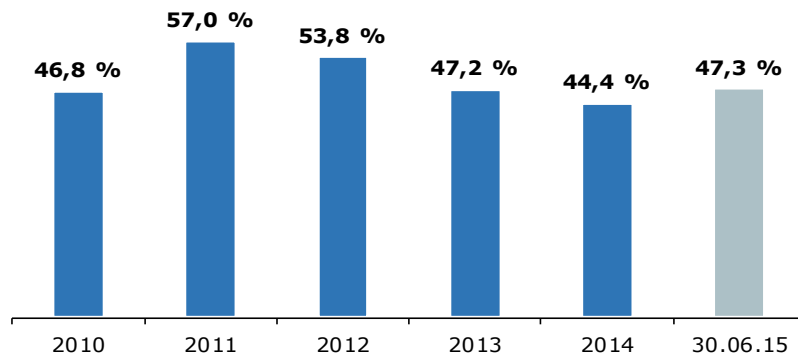
Common Equity Tier I % incl share of result



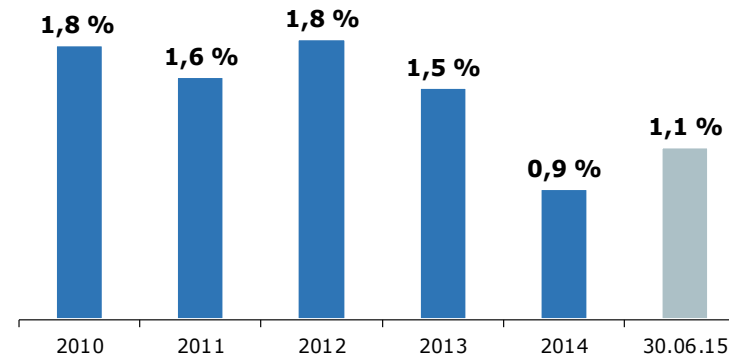
Return on equity



Cost/income ratio



Loans in default and other problem loans s a percentage of total loans



# Quarterly results – net interest income

(Amounts in NOK million)

|  | 2Q15       | 1Q15 | 4Q14 | 3Q14 | 2Q14 |
|--|------------|------|------|------|------|
| Interest and similar income from loans to and claims on credit institutions                | 5          | 3    | 9    | 13   | 3    |
| Interest and similar income from loans to and claims on customers                          | 630        | 652  | 697  | 699  | 658  |
| Interest and similar income from certificates, bonds and other interest-bearing securities | 47         | 49   | 49   | 61   | 60   |
| Total interest income  | 0          | 0    | 0    | 0    | 0    |
| Interest and similar income  | 682        | 704  | 755  | 773  | 721  |
| Interest and similar costs on liabilities to credit institutions                           | 15         | 18   | 16   | 17   | 14   |
| Interest and similar costs relating to deposits from and liabilities to customers          | 169        | 180  | 210  | 228  | 215  |
| Interest and similar costs related to the issuance of securities                           | 107        | 113  | 124  | 122  | 121  |
| Interest and similar costs on subordinated loan capital                                    | 15         | 16   | 18   | 19   | 20   |
| Payments made to The Norwegian Banks' Guarantee Fund                                       | 8          | 8    | 9    | 9    | 9    |
| Total interest costs   | 314        | 335  | 377  | 395  | 379  |
| <b>Net interest income</b>   | <b>368</b> | 369  | 378  | 378  | 342  |

# Total commission and other income

(Amounts in NOK million)

|   | 2Q15       | 1Q15       | 4Q14       | 3Q14       | 2Q14       |
|---|------------|------------|------------|------------|------------|
| Guarantee commissions                                   | 5          | 8          | 8          | 7          | 9          |
| Interbank commissions                                   | 4          | 4          | 5          | 4          | 5          |
| Credit arrangement fee                                  | 3          | 2          | 2          | 2          | 2          |
| Arrangement fee from SpareBank 1 Boligkreditt           | 66         | 76         | 81         | 80         | 87         |
| Arrangement fee from SpareBank 1 NN Finans              | 0          | 1          | 1          | 1          | 0          |
| Securities trading, administration and trust department | 11         | 7          | 8          | 7          | 8          |
| Payment transmission services                           | 62         | 54         | 55         | 67         | 57         |
| Brokerage commission                                    | 36         | 27         | 25         | 25         | 25         |
| Insurance services                                      | 35         | 37         | 33         | 32         | 38         |
| Other commission income                                 | 11         | 11         | 14         | 13         | 9          |
| <b>Total commissions income</b>                         | <b>233</b> | <b>227</b> | <b>232</b> | <b>238</b> | <b>240</b> |
| Operating- and sales income real estate                 | 2          | 3          | 3          | 3          | 4          |
| Other operating income                                  | 21         | 26         | 22         | 16         | 23         |
| <b>Total other operating income</b>                     | <b>23</b>  | <b>29</b>  | <b>25</b>  | <b>19</b>  | <b>27</b>  |
| Commission expenses                                     | 18         | 17         | 20         | 19         | 19         |
| <b>Net fee-, commission and other operating income</b>  | <b>238</b> | <b>239</b> | <b>237</b> | <b>238</b> | <b>248</b> |

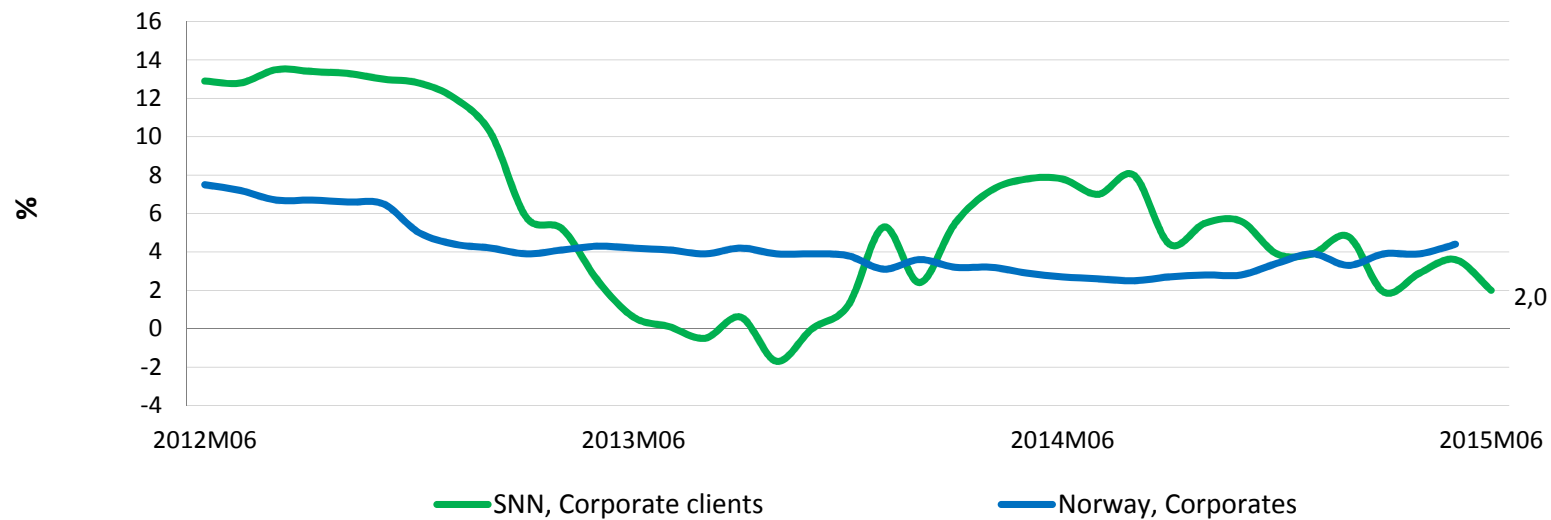
# Operating expenses

(in NOK million)

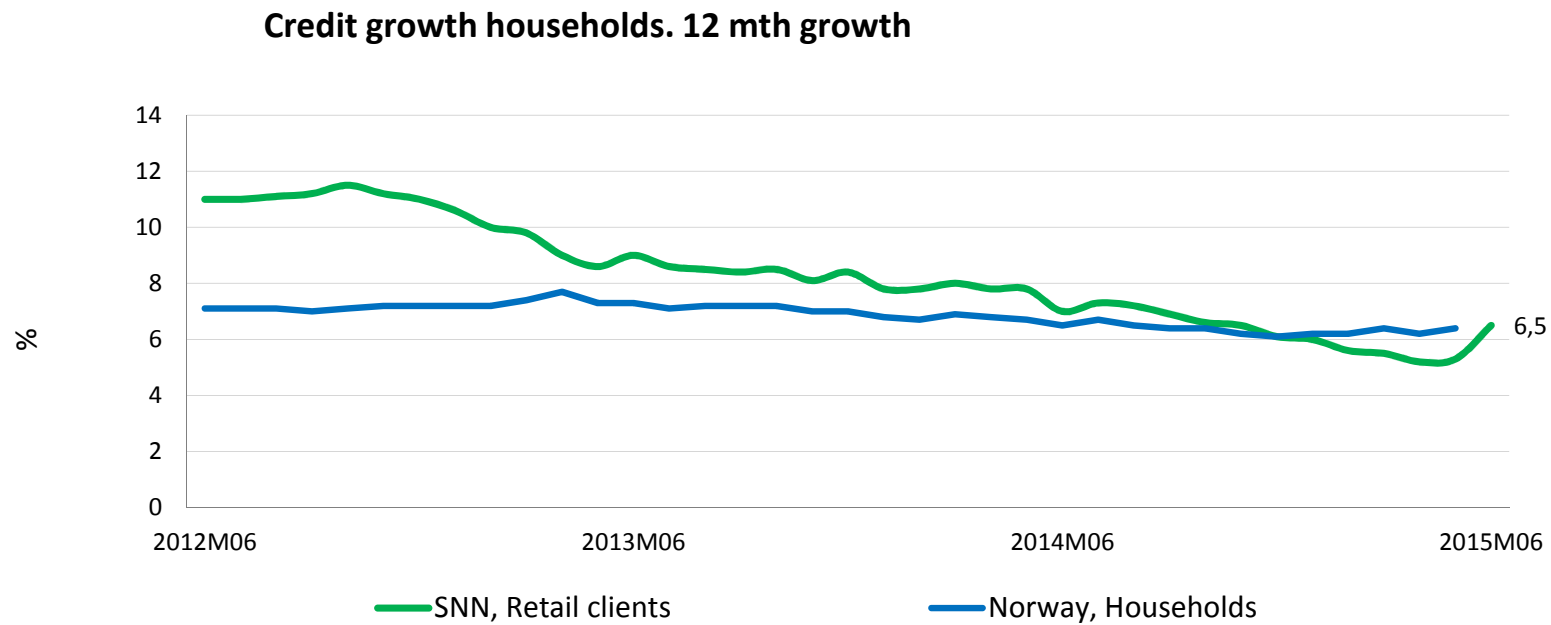
|                                      | <b>2Q15</b> | 1Q15       | 4Q14       | 3Q14       | 2Q14       |
|--------------------------------------|-------------|------------|------------|------------|------------|
| Wages and salaries                   | <b>147</b>  | 159        | 152        | 159        | 134        |
| Pension costs                        | <b>12</b>   | 9          | 11         | 9          | 13         |
| Social costs                         | <b>23</b>   | 21         | 27         | 25         | 12         |
| <b>Sum personalkostnader</b>         | <b>182</b>  | <b>189</b> | <b>190</b> | <b>193</b> | <b>159</b> |
| Development costs                    | <b>28</b>   | 29         | 28         | 27         | 26         |
| Electronic data processing costs     | <b>18</b>   | 18         | 19         | 17         | 17         |
| Marketing costs                      | <b>18</b>   | 17         | 16         | 19         | 19         |
| Travel - and training costs          | <b>7</b>    | 9          | 10         | 5          | 8          |
| Communications                       | <b>3</b>    | 2          | 0          | 3          | 3          |
| Postage                              | <b>3</b>    | 3          | 3          | 3          | 3          |
| Consultancy services                 | <b>9</b>    | 7          | 6          | 4          | 6          |
| Cost involving the handling of cash  | <b>2</b>    | 2          | 3          | 4          | 2          |
| Office-related costs                 | <b>1</b>    | 2          | 2          | 3          | 3          |
| Collection costs                     | <b>1</b>    | 1          | 1          | 1          | 1          |
| Ordinary depreciation                | <b>14</b>   | 14         | 29         | 14         | 40         |
| Operating costs - premises/buildings | <b>7</b>    | 7          | 11         | 7          | 7          |
| Other operating costs incl rent      | <b>43</b>   | 38         | 36         | 26         | 40         |
| <b>Other costs</b>                   | <b>154</b>  | <b>149</b> | <b>164</b> | <b>132</b> | <b>174</b> |
| <b>Total operating expenses</b>      | <b>336</b>  | <b>338</b> | <b>354</b> | <b>325</b> | <b>333</b> |

# Credit growth corporates

Credit growth corporates. 12 mth growth

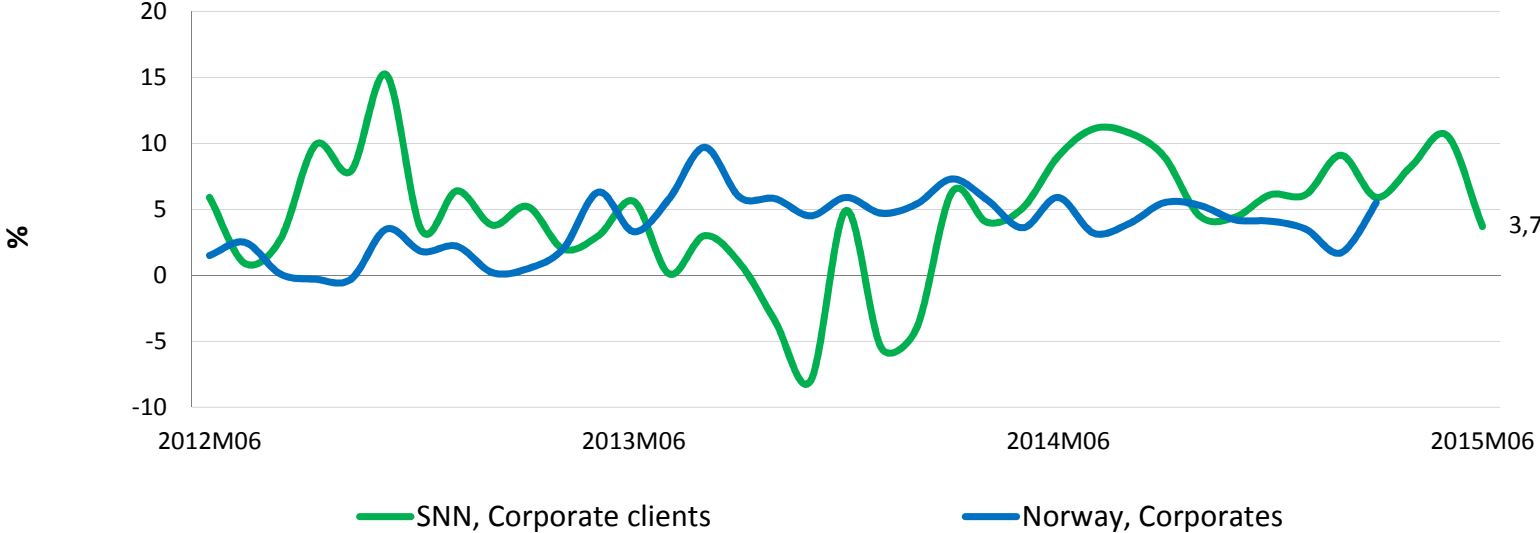


# Credit growth households

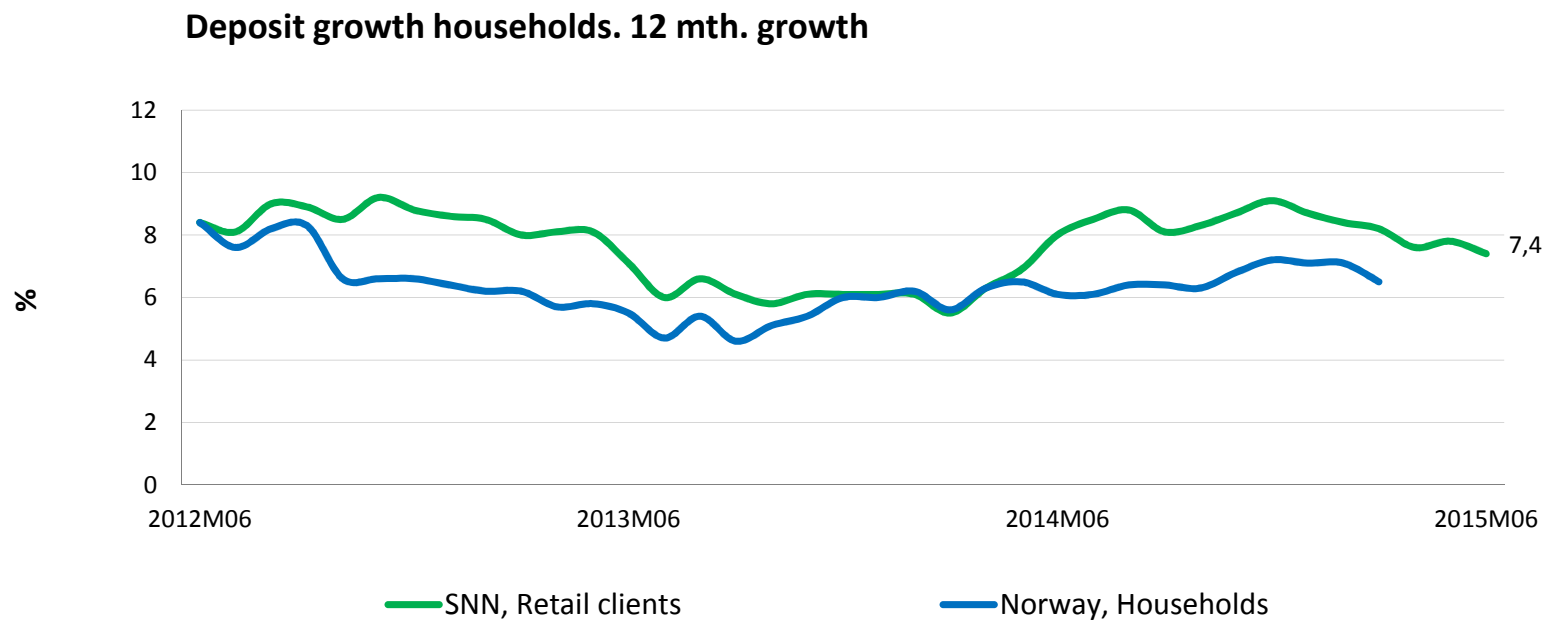


# Deposit growth corporates

Deposit growth corporates. 12 mth. growth



# Deposit growth households



**Credit area**

## Lending portfolio - comments

- Good increase in retail lending, with focus on commitments qualifying for SpareBank 1 Boligkreditt (covered bond company)
- Lower growth in corporate market lending last 12 months than earlier periods
- The portfolio and growth in corporate sector lending is diversified
- Mild growth in non-performing/impaired commitments
- Moderate individual losses in 1<sup>st</sup> half 2015

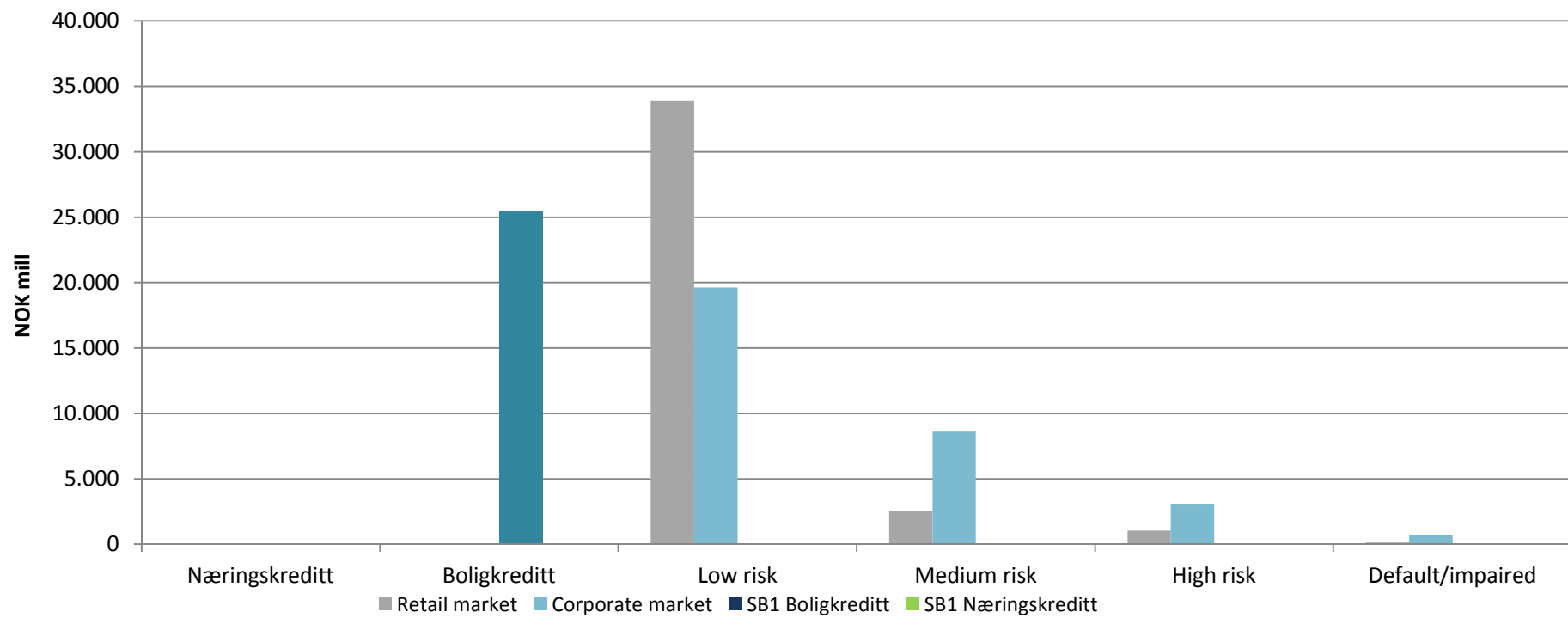
## Loan losses: The Group's write-downs as of Q2 2015

|   | Write-downs      |                  |                           |            |
|---|------------------|------------------|---------------------------|------------|
|   | 1st half<br>2015 | 1st half<br>2014 | 2nd quarter<br>2015 (iso) | 2014       |
| Individual write-downs                              |                  |                  |                           |            |
| <i>Retail market</i>                                | <b>1</b>         | <b>3</b>         | <b>-1</b>                 | <b>25</b>  |
| <i>Corporate market</i>                             | <b>63</b>        | <b>42</b>        | <b>35</b>                 | <b>148</b> |
| <i>SpareBank 1 Finans Nord-Norge</i>                | <b>3</b>         | <b>2</b>         | <b>2</b>                  | <b>5</b>   |
| <i>Other group units</i>                            | <b>9</b>         | <b>8</b>         | <b>-6</b>                 | <b>16</b>  |
| Total individual write-downs                        | <b>76</b>        | <b>55</b>        | <b>30</b>                 | <b>193</b> |
| Collective write downs and other value change items | <b>2</b>         | <b>-8</b>        | <b>1</b>                  | <b>34</b>  |
| Effects from consolidations                         | <b>-10</b>       | <b>0</b>         | <b>5</b>                  | <b>-63</b> |
| Total write-down on loans and guarantees            | <b>68</b>        | <b>47</b>        | <b>36</b>                 | <b>164</b> |

## Group lending by sector

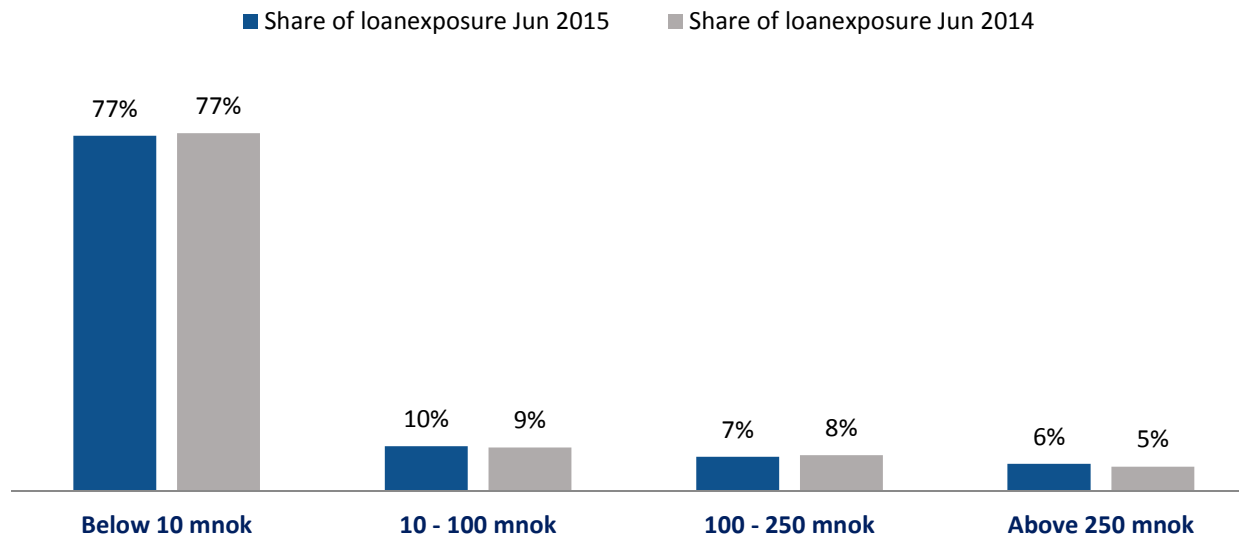
| (NOK million)                                      | 30.06.15      | Share          | 30.06.14 | Share | Change | Change in % |
|--|---------------|----------------|----------|-------|--------|-------------|
| Crop production, Forestry and fishing              | <b>4 140</b>  | <b>4,8 %</b>   | 3 554    | 4 %   | 586    | 16,5 %      |
| Manufacturing, electricity and water supply, const | <b>3 938</b>  | <b>4,5 %</b>   | 3 597    | 4 %   | 341    | 9,5 %       |
| Wholesale and retail trade, accomodation and food  | <b>1 460</b>  | <b>1,7 %</b>   | 1 467    | 2 %   | - 7    | -0,5 %      |
| Shipping, offshore/oil and gas                     | <b>280</b>    | <b>0,3 %</b>   | 624      | 1 %   | - 344  | -55,2 %     |
| Real estate activities                             | <b>8 281</b>  | <b>9,5 %</b>   | 8 229    | 10 %  | 52     | 0,6 %       |
| Transportation and storage                         | <b>3 815</b>  | <b>4,4 %</b>   | 3 760    | 5 %   | 55     | 1,5 %       |
| Business support activities                        | <b>2 353</b>  | <b>2,7 %</b>   | 2 159    | 3 %   | 194    | 9,0 %       |
| Government   | <b>118</b>    | <b>0,1 %</b>   | 93       | 0 %   | 25     | 26,6 %      |
| Other  | <b>787</b>    | <b>0,9 %</b>   | 867      | 1 %   | - 80   | -9,3 %      |
| <b>Total corporate market</b>                      | <b>25 170</b> | <b>29,0 %</b>  | 24 350   | 30 %  | 820    | 3,4 %       |
| <b>Total retail market</b>                         | <b>37 904</b> | <b>43,7 %</b>  | 34 441   | 42 %  | 3 463  | 10,1 %      |
| <b>Total loans own balance</b>                     | <b>63 074</b> | <b>72,7 %</b>  | 58 791   | 71 %  | 4 283  | 7,3 %       |
| Portfolio SB1 Boligkreditt                         | <b>23 636</b> | <b>27,3 %</b>  | 23 361   | 28 %  | 275    | 1,2 %       |
| Portfolio SB1 Næringskreditt                       | <b>0</b>      | <b>0,0 %</b>   | 300      | 0 %   | - 300  | -100,0 %    |
| <b>Total corporate market incl. Næringskreditt</b> | <b>25 170</b> | <b>29,0 %</b>  | 24 650   | 30 %  | 520    | 2,1 %       |
| <b>Total retail market incl. Boligkreditt</b>      | <b>61 540</b> | <b>71,0 %</b>  | 57 802   | 70 %  | 3 738  | 6,5 %       |
| <b>Total loans</b>                                 | <b>86 710</b> | <b>100,0 %</b> | 82 452   | 100 % | 4 258  | 5,2 %       |

## Portfolio - exposure as of 30.06.15, parent bank



# Portfolio - exposure as of 30.06.15

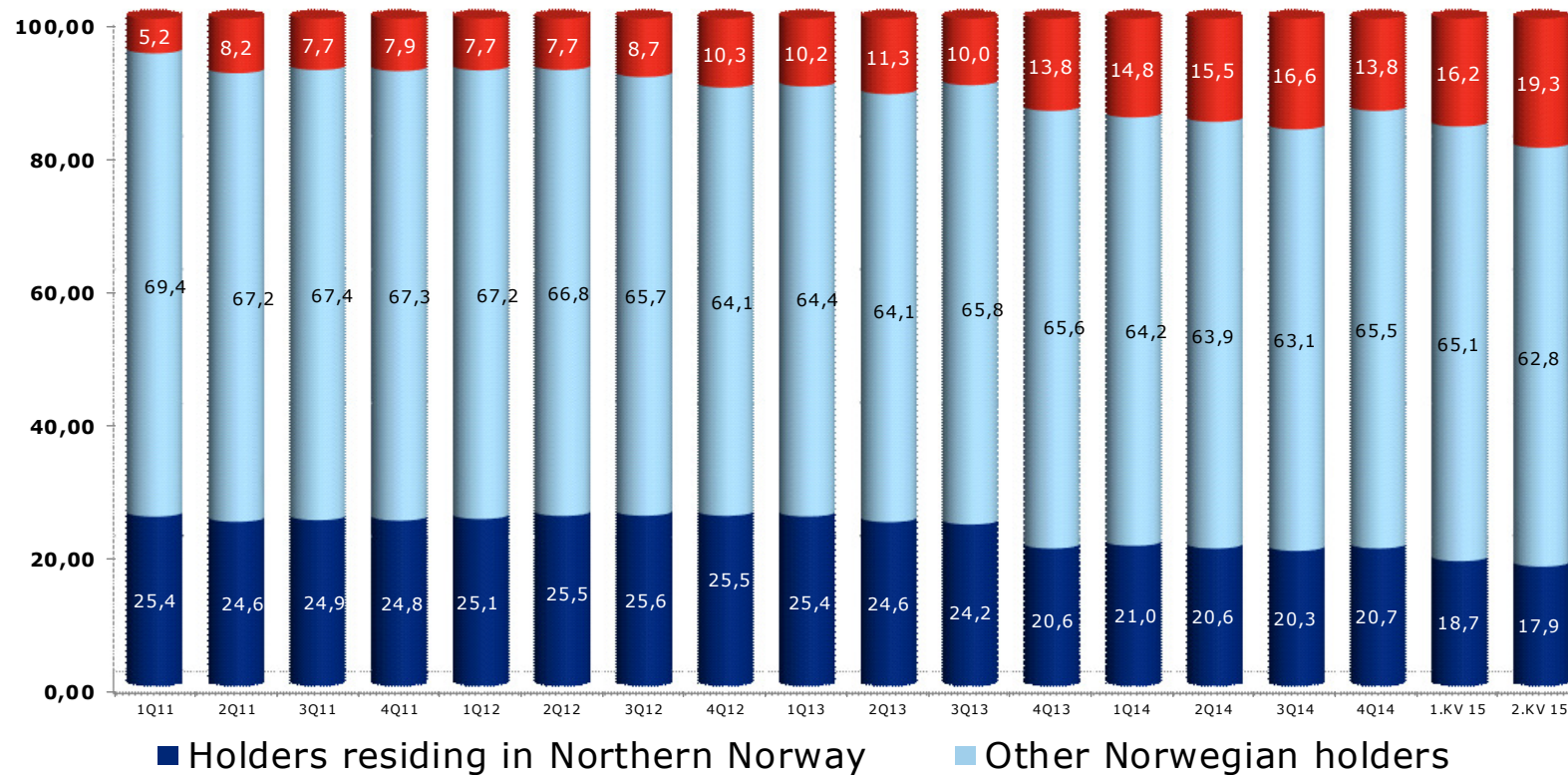
Loans distributed by size of exposure and share of total exposure



Numbers includes SB 1 Bolig- and Næringskreditt

# Equity certificate holders

# Equity Certificates (EC) - holder structure



## The 20 largest EC holders

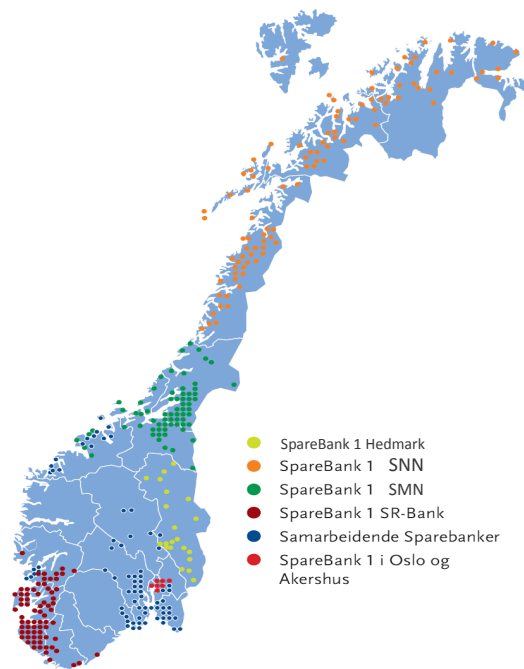
| <b>Equity Certificate holders</b>      | <b>Number of<br/>Equity Certificates</b> | <b>Share of total<br/>capital</b> |
|--|--|-----------------------------------|
| VERDIPAPIRFONDET DNB NORGE (IV)        | 3.810.075                                | 3,79 %                            |
| PARETO AKSJE NORGE                     | 2.705.281                                | 2,69 %                            |
| MP PENSJON PK                          | 2.690.503                                | 2,68 %                            |
| FLPS - PRINC ALL SEC STOCK SUB         | 2.232.800                                | 2,22 %                            |
| PARETO AKTIV 2                         | 1.929.920                                | 1,92 %                            |
| STATE STREET BANK AND TRUST CO.        | 1.825.268                                | 1,82 %                            |
| PARETO AKTIV                           | 1.809.457                                | 1,80 %                            |
| WIMOH INVEST AS                        | 1.614.670                                | 1,61 %                            |
| SPAREBANKSTIFTELSEN SPAREBANK 1 NORD-N | 1.411.606                                | 1,41 %                            |
| PROTECTOR FORSIKRING ASA               | 1.353.600                                | 1,35 %                            |
| FORSVARETS PERSONELLSERVICE            | 1.291.630                                | 1,29 %                            |
| PARETO AS                              | 1.270.659                                | 1,27 %                            |
| DNB LIVSFORSIKRING ASA                 | 1.171.069                                | 1,17 %                            |
| VERDIPAPIRFONDET EIKA UTBYTTE          | 950.721                                  | 0,95 %                            |
| BERGEN KOMMUNALE PENSJONSKASSE         | 950.000                                  | 0,95 %                            |
| SANLAM UNIVERSAL FUNDS PLC/SANLAM      | 926.236                                  | 0,92 %                            |
| PARETO VERDI                           | 899.023                                  | 0,90 %                            |
| MERRILL LYNCH PROF. CLEARING CORP      | 898.438                                  | 0,89 %                            |
| LARRE EIENDOM 2 AS                     | 873.623                                  | 0,87 %                            |
| BNP PARIBAS SEC SERVICES PARIS         | 834.383                                  | 0,83 %                            |
| <b>The 20 largest EC holders</b>       | <b>31 448 962</b>                        | <b>31,32 %</b>                    |

## The 20 largest EC holders residing in Northern Norway

| <b>Equity Certificate holders</b>  | <b>Number of<br/>Equity Certificates</b> | <b>Share of total<br/>Equity Certificate capital</b> |
|--|--|--|
| SPAREBANKSTIFTELSEN SPAREBANK 1 NORD-NORGE                                     | <b>1.411.606</b>                         | <b>1,41 %</b>  |
| KARL DITLEFSEN   | <b>547.543</b>                           | <b>0,55 %</b>  |
| NORGES RÅFISKLAG   | <b>437.490</b>                           | <b>0,44 %</b>  |
| HANSEN DAHL FISKERI AS   | <b>374.883</b>                           | <b>0,37 %</b>  |
| TOR OVESEN   | <b>206.556</b>                           | <b>0,21 %</b>  |
| OLE ALFRED ROLF OVESEN   | <b>205.554</b>                           | <b>0,20 %</b>  |
| GADD HOLDING AS  | <b>175.339</b>                           | <b>0,17 %</b>  |
| TROMSØ SKOTØIMAGASIN A/S   | <b>170.000</b>                           | <b>0,17 %</b>  |
| ENTREPRENØRCOMPANIET NORD AS   | <b>169.596</b>                           | <b>0,17 %</b>  |
| AGNAR HOLDING AS   | <b>154.725</b>                           | <b>0,15 %</b>  |
| SPAREBANKSTIFTELSEN HELGELAND  | <b>154.491</b>                           | <b>0,15 %</b>  |
| RIGAMONTI A/S  | <b>153.005</b>                           | <b>0,15 %</b>  |
| TROMSTRYGD   | <b>139.308</b>                           | <b>0,14 %</b>  |
| BRØDRENE KARLSEN HOLDING AS  | <b>119.705</b>                           | <b>0,12 %</b>  |
| HEMMING LEONHARTH ANDERSEN   | <b>115.000</b>                           | <b>0,11 %</b>  |
| GEIR ANDRE STEILAND  | <b>102.000</b>                           | <b>0,10 %</b>  |
| J.M.HANSEN INVEST AS   | <b>100.000</b>                           | <b>0,10 %</b>  |
| COOP NORD BA   | <b>97.848</b>                            | <b>0,10 %</b>  |
| ODD ERIK HANSEN EIENDOM AS   | <b>97.662</b>                            | <b>0,10 %</b>  |
| AS FERDIGHUS   | <b>95.765</b>                            | <b>0,10 %</b>  |
| <b>The 20 largest EC holders residing in Northern<br/>Norway <sup>1)</sup></b> | <b>5 028 076</b>                         | <b>5,01 %</b>  |

# SpareBank 1 Group and Alliance

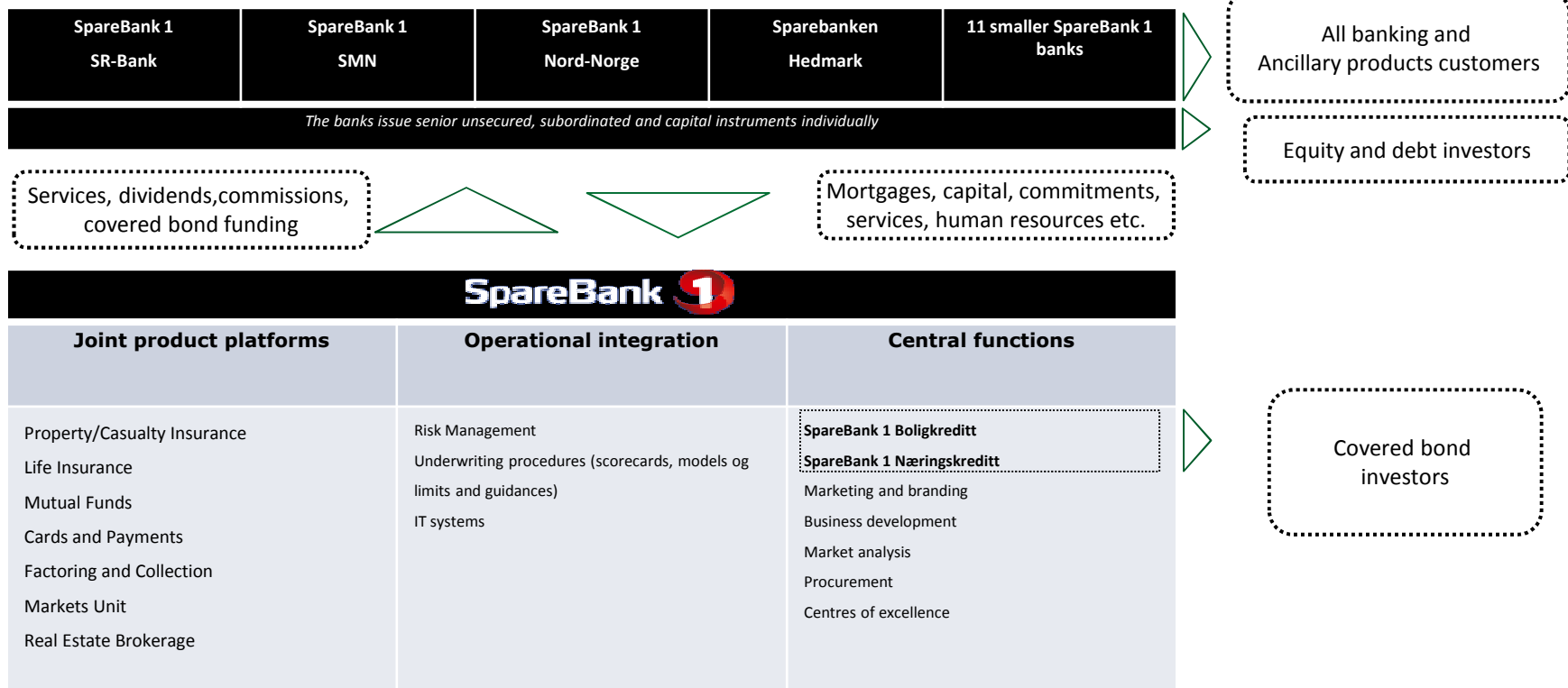
# SpareBank 1 Alliance



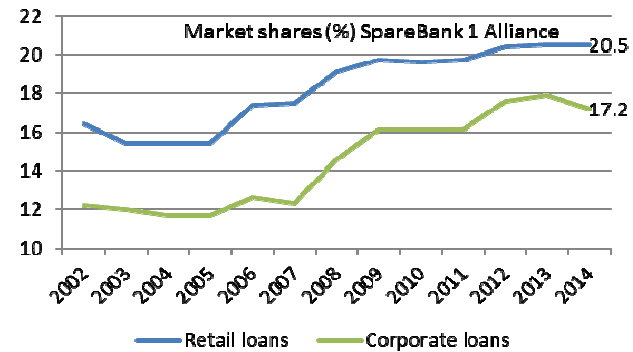
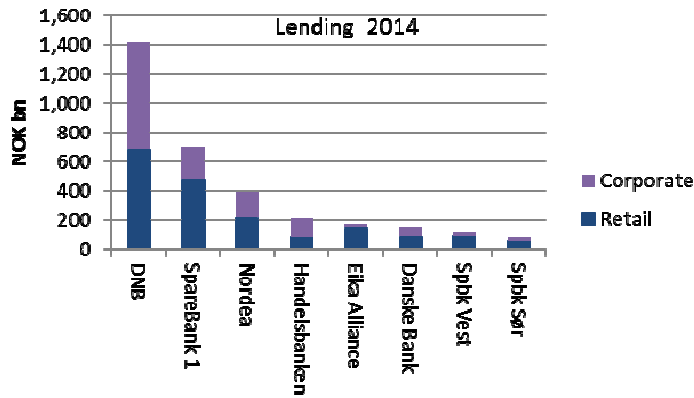
- **Founded 1996 with the goal of achieving Economies of Scale**
- **Key banks in the Alliance trace their history back to the early 19th century**
- **Operates exclusively in Norway with a large local presence – Norway’s most extensive branch network with approx. 350 branches**

| Sr. Unsec. Ratings  | Fitch   | Moody’s  |
|---------------------|---------|----------|
| SpareBank 1 SMN     | A- / F2 | A1 / P-1 |
| SpareBank 1 SR      | A- / F2 | A1 / P-1 |
| SpareBank 1 SNN     | A / F1  | A1 / P-1 |
| SpareBank 1 Hedmark | n/a     | A2 / P-1 |

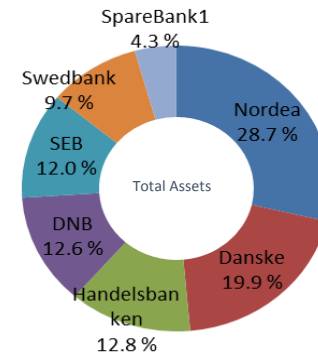
# SpareBank 1 Alliance – Structure overview



# SpareBank 1 Alliance - market position



- 2nd largest banking group in the market
- More than 20% national market share in residential mortgages
- Regional market share leader with 30-50% shares



• SpareBank 1 is a Norwegian-only, retailed focused institution

71Source: Banks annual reports, SpareBank 1