SpareBank 1 Nord-Norge

Report for 1st quarter 2011 – the Group

Very good result for Q1 2011. The Bank's financial strength remains good.

Highlights (figures in parentheses refer to the same period 2010):

- **Pre-tax operating profit at end of Q1 2011 was NOK 381 million (NOK 260 million).**
- **Return on equity after tax 23.3% (15.9%).**
    - **Earnings per equity certificate (Group): NOK 2.41 (NOK 1.48).**
- **Good underlying banking operations: profit from core operations before losses amounted to NOK 149 million (NOK 145 million, adjusted for non-recurring effect of pension scheme changes).**
- **Aggregate profit before losses for the Group's subsidiaries amounted to NOK 195 million (NOK 23 million).**
- **Net yield on financial investments totalled NOK 242 million (NOK 76 million).**
    - **SpareBank 1 Gruppen AS' contribution to profit amounted to NOK 28 mill kroner (NOK 22 million).**
    - **The profit contribution from other joint ventures in the SpareBank 1 Alliance (Bank 1 Oslo, BN Bank, SpareBank 1 Boligkreditt, and SpareBank 1 Næringskreditt) aggregated NOK 21 million (NOK 19 million).**
    - **Recorded net gains on the Bank's share portfolio totalled NOK 176 million (NOK 21 million).**
    Of this, NOK 189 million comes from taking to income the adjustment in values of SpareBank 1 Nord-Norge Invest AS' shareholding in Front Exploration AS (FrontX) in the 1st quarter.
    - **Realised net gain on the interest-bearing portfolio (including related financial derivatives transactions): NOK 7 million (loss of NOK 2 million).**
    - **Realised net gain on foreign exchange and other financial derivatives NOK 9 million (gain NOK 7 million).**
- **Costs are under control – Cost to income ratio 38.6% (40.1%).**
- **Low loan losses: Net losses totalled NOK 10 million (NOK 21 million).**
- **Total growth in lending last 12 months (including loans transferred to SpareBank 1 Boligkreditt): 6.1% (5.2%).**
    - **Retail market: 7.0% (7.8%).**
    - **Corporate market: 4.1% (- 0.2%)**
- **The accounts show a growth in lending over the last 12 months of 2.5% (-4.9%).**
- **Growth in deposits over last 12 months: 11.0% (4.2%).**
    - **Retail market: 6.7% (4.8%).**
    - **Corporate market: 14.6% (-7.1%).**
    - **Public sector market: 18.0% (24.8%).**
- **Deposit-to-loan ratio: 79.4% (73.3%).**
- **The Bank's financial strength is good with core capital adequacy (Group) of 10.7% (10.4%) and total capital adequacy of 11.7% (11.8%).**
- **Liquidity remains satisfactory.**
- **In Q1 2011, a bonus issue was carried out together with a split of the Bank's equity certificates. Furthermore, the Bank's Supervisory Board has passed a resolution to strengthen the Bank's equity by way of new issues for up to NOK 600 million.**

Introductory comments

The quarterly accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 relating to interim reporting.

IFRS involves the use of different principles for the incorporation of subsidiaries and joint-venture companies between Parent Bank and Group accounts. In the consolidated accounts, the equity method is applied, in accordance with which results from joint venture companies are incorporated in the Group's income statement account according to equity share, and are recognised at the book value of equity shares in the balance sheet. The relative shares of the subsidiaries' results are consolidated into the accounts. In accordance with IFRS, only the cost method of accounting shall be used in company accounts. This means that the book value of subsidiaries and joint-venture enterprises in the Parent Bank's accounts is carried at historic cost. In the Parent Bank's accounts, only the annual dividends received from these companies are shown.

In accordance with the regulations from the Ministry of Finance dated 16 October 2008, permission was given to reclassify securities in the trading portfolio from the category "At fair market value with value changes over profit or loss" to categories which are assessed at amortised cost. The Group decided to reclassify a large part of the interest-bearing portfolio held available for sale as at 1 July 2008. Future assessments in these categories shall be calculated at amortised cost using the effective interest method of accounting, which means that earlier write-downs and interest are amortised and recognised as interest income over the remaining life of the securities in question. The Bank's remaining portfolio of certificates and bonds is classified as "At fair market value with value changes over profit or loss". To the extent that there is an active market for the securities involved, observable market prices are applied in order to assess fair value.

Earnings performance
The pre-tax operating profit at the end of Q1 2011 was NOK 381 million. The corresponding figure in 2010 was NOK 260 million. The Group's core operations (operations excluding net income from financial investments) remains good, showing a profit before losses of NOK 149 million, or NOK 56 million lower than at the end of Q1 2010. In Q1 2010, non-recurring income totalling NOK 60 million was recorded as a result of the transition to a new contractual pension scheme for the private sector (AFP).

The Group's return on equity after tax was 23.3 per cent at 31 March 2011 (15.9 per cent). Earnings per equity certificate were NOK 2.41 (NOK 1.48). For the Parent Bank, earnings per equity certificate were NOK 1.34 (NOK 1.56). Previous comparative figures have been restated in order to take into account the effect of the bonus issue and the split of the Bank' equity certificates in Q1 2011.

The tax charge is estimated at NOK 48 million (NOK 56 million).

Compared with Q1 2010, the NOK 121 million improvement in pre-tax profit was due to the following:

• Increase in net interest income	+ NOK 3 million
• Reduction in net commission income	- NOK 1 million
• Increase in income from financial investments	+ NOK 166 million
• Unchanged other operating income	NOK 0 million
• Increase in expenses	- NOK 58 million
• Reduction in net losses	+ NOK 11 million

Share of results of SpareBank 1 Gruppen's and of other joint ventures
SpareBank 1 Gruppen's provisional after tax profit for Q1 2011 was NOK 143 million. SpareBank 1 Nord-Norge Group has recorded its share of this profit, NOK 28 million.

As at the end of Q1 2011, the consolidated accounts include a share of the profit of Bank 1 Oslo, namely NOK 4 million, SpareBank 1 Boligkreditt in the amount of NOK 5 million, SpareBank 1 Næringskreditt in the amount of NOK 1 million and BN Bank in the amount of NOK 3 million. Furthermore, amortisation of badwill in connection with the acquisition of BN Bank has been taken to income, amounting to NOK 8 million.

Subsidiaries
The Group's subsidiaries generated an aggregate pre-tax profit in Q1 2011 totalling NOK 195 million. Of this, NOK 178 million came from SpareBank 1 Nord-Norge Invest and NOK 17 million came from SpareBank 1 Finans Nord-Norge AS.

In Q1 2011, SpareBank 1 Nord-Norge Invest took to income NOK 189 million due to the adjustment of the value of the shareholding in Front Exploration AS (FrontX). This income item was the result of a private placement in FrontX, where DONG Energy AS comes in as a new shareholder in the company. The adjustment of the value reflects the value of FrontX in line with the prising in this issue.

Interest margin
At the end of Q1 2011, the Group's net interest income aggregated NOK 275 million. This is NOK 3 million higher than at the end of Q1 2010. In terms of average total assets, net interest income at the end of Q1 2011 was 1.61 per cent, 0.09 percentage points lower than one year earlier.

The transfer of loans to SpareBank 1 Boligkreditt affects the trend in net interest income. Income from the transferred portfolio is recognised as commission income, and totalled NOK 24 million in the first quarter of the year. The corresponding figure for Q1 2010 was NOK 27 million.

To ensure liquidity, the Bank raised substantial long-term funding from the capital markets during the financial crisis in 2007 and 2008. These loans have large credit spreads compared with the current level and have raised the Bank's average cost of funding. Over time, this has had negative impact on the Bank's interest margin.

The Bank maintains its constant focus on the lending margin. Tough competition and low interest rates are expected to continue to exert pressure on the Bank's interest margin.

Net income from banking services and other income
Net commission income totalled NOK 119 million in Q1 2011, which is at the same level as in the first quarter of 2010. Compared with Q4 2010, net commission income was NOK 6 million lower. This was the result of natural seasonal fluctuations.

In Q1 2011, other operating income totalled NOK 1 million, virtually unchanged from Q1 2010.

Income from financial investments
Net income from financial investments amounted to NOK 242 million at the end of Q1 2011, broken down as follows:

Profit from SpareBank 1 Gruppen	NOK 28 mill
Profit from SpareBank 1 Boligkreditt	NOK 5 mill
Profit from Bank 1 Oslo	NOK 4 mill
Profit from BN Bank	NOK 3 mill
Amortised net lesser book value recognised as income BN Bank	NOK 8 mill
Profit from SpareBank 1 Næringskreditt	NOK 1 mill
Dividends	NOK 1 mil
Net gains on shares	NOK 176 mill
Net gain on bonds	NOK 7 mill
Net gain on foreign exchange and financial derivatives	NOK 9 mill

Compared with Q1 2010, net income from financial investments was NOK 166 million higher.

In the first quarter of 2011, NOK 189 million was taken to income as an unrealised gain in the subsidiary SpareBank 1 Nord-Norge Invest AS regarding Front Exploration AS (FrontX).

On 1 July 2008, the Bank completed a reclassification of large parts of the interest/bearing trading portfolio from the category "Fair value with value changes over profit or loss" to categories that are assessed at amortised cost. This included NOK 3,807 million of the portfolio totalling NOK 4,981 million at 30 June 2008. Had such a reclassification not been made, further unrealised losses of NOK 212 million on this portfolio would have been charged to the income statement from 1 July 2008 to 31 December 2008 because of increased credit spreads. This unrealised loss would have been changed to an unrealised gain of NOK 8 million as at 31 March 2011, without such reclassification. The reclassified portfolio had been reduced from NOK 3,807 million to NOK 1,722 million by way of natural redemptions in the period 30 June 2008 – 31 March 2011. Previously written-down amounts on this part of the portfolio as at 30 June 2008 amounted to NOK 112 million and are now included as income (amortised) over the remaining life of each of the securities involved. In 2008, 2009 and 2010, NOK 18 million, NOK 26 million and NOK 19 million respectively, has been recognised as income. In Q1 2011, NOK 3 million was taken to income. The average life of the reclassified part of the portfolio was 1.6 years at 31 March 2011.

The reclassified portfolio is assessed with regard to permanent impairment. At 31 December 2008, write-downs totalling NOK 46 million were made on two of the Bank’s investments. A further write-down totalling NOK 17 million was made on one single investment in 2009. No further write-downs were made in 2010 or in the first quarter of 2011. Otherwise, reference is made to the relevant note in the quarterly accounts

Operating costs
At the end of Q1 2011, ordinary operating costs totalled NOK 246 million, NOK 58 million higher than in the same period last year.

The increase in operating expenses in Q1 2011 compared with the same period last year, is due to pension costs being reduced in Q1 2010 by the non-recurring effect of taking to income NOK 60 million in connection with the transition to the new contractual pension scheme for the private sector. Current pension costs linked to the contractual pension scheme (AFP) will increase in the future as a result.

In terms of average total assets, costs represented 1.44 per cent at the end of Q1 2011, 0.27 percentage point higher that at the end of Q1 2010.

The Group's cost ratio was 38.6 per cent at the end of Q1 2011, compared with 40.1 per cent at the end of Q1 2010.

At the end of March 2011, the Group employed 791 full time equivalents, of which 669 in the Parent Bank. The corresponding figures in 2010 were 774 and 684 respectively. The rise in the number of full time equivalents includes 43 employees in North West 1 Alliance Bank, Russia. This bank was formally opened in September 2010.

Efforts to reduce costs will be continued. This includes possible measures aimed at further enhancing overall efficiency within the areas of distribution and staff levels.

Net losses and commitments in default
The Group's net losses on loans totalled NOK 10 million at 31 March 2011. Of these, NOK 4 million were losses in the corporate market, and NOK 6 million were losses in the retail market.

Net non-performing loans and doubtful commitments totalled NOK 635 million as at 31 March 2011, representing 1.0 per cent of total loans including intermediary loans, a rise of NOK 89 million compared with the same period last year.

The Group's total individual write-downs at the end of Q1 2011 aggregated NOK 269 million, down NOK 2 million on the preceding quarter.

In Q1 2011, Group write-downs were reduced by NOK 5 million to NOK 195 million. Group specific write-downs at 31 March 2011 represented 0.3 per cent of the Group's gross loans including intermediary loans.

In the opinion of the main Board of Directors, the quality of the Bank's lending portfolio remains good, and the Group continues to deal effectively with non-performing loans and doubtful commitments. The main Board believes that the loss level in the immediate future will continue to be low.

Taxes
The Group's tax charge in Q1 2011 is estimated at NOK 48 million. In the Parent Bank's accounts, the tax basis is reduced by permanent differences and the effect of the exemption model. According to IFRS, wealth tax is not a tax charge and NOK 9 million has therefore been charged in the income statement as part of other operating expenses.

Total assets
The Group's total assets amounted to NOK 68,202 million as at 31 March 2011. This is NOK 4,116 million, or 6 per cent, higher than one year earlier

Lending
The Group's gross lending amounted to NOK 49,638 million at 31 March 2011. This is 2.5 per cent more than at 31 March 2010. As at 31 March 2011, intermediary loans, with collateral in the form of mortgages on housing, totalling NOK 13,874 million has been transferred to SpareBank 1 Boligkreditt AS. The growth in lending, including these loans, was 6.1 per cent. Growth in the retail market was 7 per cent, whilst growth in the corporate market and the public sector was 4 per cent. Including intermediary loans, the percentage of loans to the retail market was somewhat higher than at the end of Q1 2010, and accounted for 69 per cent of gross lending at 31 March 2010.

The financial crisis, with diminishing economic growth, brought about reduced lending growth, especially in the corporate market. However, in 2010 the Bank observed growing optimism in the region's trade and industry. The main Board of Directors still has ambitions to see lending growth and increased market shares. As regards new loans, particular emphasis is placed on customers' ability to service their debt, and on a satisfactory level of collateral security to ensure that credit risk is maintained at an acceptable level.

Traditionally, growth in lending is moderate at the beginning of the year. In Q1 2011, lending grew by 1.2 per cent, divided as follows:

Retail market	1.0%
Corporate market	1.5%
Public sector	8.6%

A moderate growth in lending at the beginning of the year is in line with historical seasonal fluctuations.

Savings and investments

As at 31 March 2011, the Group had customer deposits aggregating NOK 39,402 million. This is NOK 3,905 million or 11 per cent higher than one year earlier. 6.7 per cent of the rise came from the retail market, 18 per cent from the public sector market, and 14.6 per cent from the corporate market.

Liquidity

Deposits from customers represent the Bank's main funding source. The deposit-to-loan ratio at 31 March 2011 was 79.4 per cent, up 6.1 percentage points on the preceding year. Apart from equity, subordinated loan capital and deposits from customers, the Bank's remaining funding is for the most part represented by long-term borrowings from the capital markets. The Bank's access to liquidity is still satisfactory. The Bank's strategic goal is to maintain the overall funding risk at a low level.

Portfolio of certificates and bonds

At 31 March 2011, the Group's portfolio of certificates and bonds aggregated NOK 12,028 million. The corresponding figure at 31 March 2010 was NOK 8,953 million. The portfolio of interest-bearing securities is still higher than in previous years due to:

- Increased liquidity reserves in the form of certificates and treasury bills
- The transfer of mortgage loans to SpareBank 1 Boligkreditt results in an increase in the portfolio of covered bonds (and reduced lending)
- Use of the authorities' swap scheme for covered bonds involves accounting-related incorporation on a gross basis, which in turn means a parallel increase in assets (including certificates) and liabilities.

The increase in the certificates and bonds portfolio entails only a small degree of increased risk.

Equity capital and capital adequacy

With effect from 2007, SpareBank 1 Nord-Norge has been granted permission by the Financial Supervisory Authority of Norway (FSAN) to apply internal measuring methods (The Internal Rating-Based Approach) to credit risk. From 2007, therefore, the statutory minimum requirement for capital adequacy for credit risk was based on the Bank's internal risk assessment. The new rules and regulations make the statutory minimum capital adequacy requirement more risk-sensitive, so that the capital adequacy requirement will, to a larger extent, correspond to the risk in the underlying portfolios. The use of internal measuring methods involves comprehensive demands with regard to the Bank's organisation, competence, risk models and risk management systems.

As a result of transitional rules in the new regulations, IRB banks should experience the full effect of the reduced regulatory requirements in 2010. It has now been resolved that this is to be postponed, and the transitional rules apply in 2011 as well.

The Group has been given permission by FSAN to use proportional consolidation in the capital adequacy reporting of stakes in SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

In December 2010, the Bank adopted a new core capital adequacy goal of 11 per cent or higher.

As at 31 March 2011, the Group's core capital adequacy was 10.70 per cent (10.38 per cent) of the risk weighted assets. The total capital adequacy was 11.70 per cent (11.79 per cent). With full IRB effect (without a"floor") core capital adequacy is 10.85 per cent

As at 31 March 2011, the Parent Bank's capital adequacy was 12.82 per cent (13.18 per cent) of which core capital mounts to 11.33 per cent (11.49 per cent).

On 29 March 201, the Supervisory Board passed a resolution for a bonus issue, by transferring NOK 298.5 million from the Equalisation Fund to the Equity Certificate capital. This resulted in the issuance of 5,970,691 new equity certificates with a nominal value of NOK 50 each in that 3 old equity certificates entitled the holder to one new equity certificate (bonus certificate).

The Supervisory Board also resolved that the Bank's equity certificates should be split into two. The new nominal value is NOK 25. The bonus issue and the split were carried out on 31 March 2011.

Furthermore, the Supervisory Board resolved that the Bank's equity capital should be strengthened by way of new issues up to NOK 600 million. The Bank plans to do this through a rights issue of approximately NOK 450 million, and a private placement directed towards the Bank's employees and members of the main Board and regional boards of about NOK 20 million. After having executed the rights issue and the private placement directed towards the employees, a private placement is planned, primarily towards Sparebankstiftelsen SpareBank 1 Nord-Norge. It is expected that the private placements will generate net proceeds of about NOK 150 million.

The background for the rights issue and the private placements is found in the new international regulations for capital adequacy which to a great extent change the calculation of, and the minimum requirements for the capital adequacy of banks. SpareBank 1 Nord-Norge wants to ensure, at an early stage, that the Bank's capital adequacy satisfies the new regulations. The Bank further wants to strengthen its position as being indisputably solid.

The Bank's financial strength is good. The planned new issues will further strengthen its capital strength.

Compared with 31 December 2010, the Group's core capital adequacy will rise by about 1.3 percentage points.

The Bank's equity certificate (EC) holders
The Bank’s equity certificate capital, after having carried out the bonus issue, was NOK 1,194 million. 47,765,528 equity certificates had been issued as at 31 March 2011. The EC fraction as at 1 January 2011 was 34.54 cent.

At 31 March 2011, there were 8,002 equity certificate holders, a decline of 512 over the last 12 months. The number of equity certificate holders domiciled in North Norway was 2,393. A summary of the Bank’s 20 largest equity certificate owners is included in the notes to the accounts.

Concluding remarks - prospects
The result for Q1 2011 is considered to be very good. The Bank's core operations are still good.

The region's trade and industry is optimistic, and this has resulted in increased credit demand. Low interest rates and greater competition will continue to put pressure on the Bank's interest margins.

The Bank considers balance sheet growth for both deposits and loans to be important. Emphasis will be placed on increasing other income through the sale of different products and services. Lending growth will continue to be conditional upon good credit quality.

The Bank will continue to focus sharply on cost-reducing measures. This includes possible measures aimed at enhancing overall effectiveness within distribution and in staff levels.

Tromsø, 28 April 2011
The Main Board of Directors of SpareBank 1 Nord-Norge

Key figures group

Amounts in NOK million and in % of average assets		31.03.11	%	31.03.10	%	31.12.10
From the profit and loss account						
Net interest income		275	1.61 %	272	1.70 %	1 129
Net fee-, commision and other operating income		120	0.70 %	121	0.75 %	513
Net income from financial investments		242	1.41 %	76	0.47 %	404
Total income		637	3.72 %	469	2.92 %	2 046
Total costs		246	1.44 %	188	1.17 %	957
Result before losses		391	2.28 %	281	1.75 %	1 089
Losses		10	0.06 %	21	0.13 %	87
Result before tax		381	2.23 %	260	1.62 %	1 002
Tax		48	0.28 %	56	0.35 %	186
Minority interests		0	0.00 %	0	0.00 %	0
Result for the period		333	1.94 %	204	1.27 %	816
Profitability						
Return on equity capital	1	23.3 %		15.9 %		15.3 %
Interest margin	2	1.61 %		1.70 %		1.70 %
Cost/income	3	38.6 %		40.1 %		46.8 %
Balance sheet figures						
Loans and advances to customers		49 638		48 429		49 046
Loans and advances to customers including agency loans		63 512		59 872		63 334
Growth in loans and advances to customers past 12 months		2.5 %		-4.9 %		1.8 %
Growth in loans and advances to cust. incl. agency loans past 12 months		6.1 %		5.2 %		7.2 %
Deposits from customers		39 402		35 497		39 389
Growth in deposits from customers past 12 months		11.0 %		4.2 %		12.9 %
Deposits as a percentage of gross lending	4	79.4 %		73.3 %		80.3 %
Deposits as a percentage of gross lending including agency loans		62.0 %		59.3 %		62.2 %
Average assets	5	68 491		64 163		66 245
Total assets		68 202		64 086		68 780
Losses on loans and commitments in default *)						
Losses on loans to customers as a percentage of gross loans incl.agency loans		0.06 %		0.14 %		0.14 %
Commitments in default as a percentage of gross loans incl.agency loans		0.39 %		0.56 %		0.35 %
Commitments at risk of loss as a percentage of gross loans incl.agency loans		1.03 %		0.71 %		1.03 %
Net comm. in default and at risk of loss as a per. of gross loans incl. agency loans		1.00 %		0.91 %		0.94 %
Solidity						
Capital adequacy ratio	6	11.70 %		11.79 %		11.95 %
Core capital adequacy ratio	7	10.70 %		10.38 %		10.90 %
Core capital		5 259		4 687		5 334
Equity and related capital resources		5 749		5 323		5 849
Adjusted risk-weighted assets base		49 138		45 150		48 963
Branches and full-time employees						
Branches		75		76		75
Manyear		791		774		788

Equity Certificates **)		31.03.11	31.12.10	31.12.09	31.12.08	31.12.07
Equity Certificate ratio overall	8	34.54 %	34.54 %	34.54 %	34.54 %	34.22 %
Quoted/market price NONG as at		49.50	45.00	41.25	16.50	47.63
Quotation value	9	2 364	2 149	1 970	788	2 135
Equity capital per Equity Certificate - Group (NOK)	10	41.55	41.27	37.77	32.89	33.75
Result per Equity Certificate (Group)	11	2.41	5.90	6.20	2.52	5.37
Cash dividend per Equity Certificate to be paid	12		2.16	2.53	1.13	3.56
P/E (Price/Earnings) - Group	13	5.1	7.6	6.6	6.6	8.9
P/V (Price/Book Value) - Group	14	1.2	1.1	1.1	0.5	1.4

*) Agency loans includes loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS
**) All key figures are recalculated due to new total of EC's

1 Profit for the period as a percentage of average total equity, calculated as average amount of quarterly equity and per 01.01. and 31.12.
2 Total interest margin as a percentage of average total assets
3 Total costs as a percentage of total net income
4 Deposits from customers as a percentage of gross lending
5 Average assets are calculated as average assets each quarter and at 01.01. and 31.12.
6 Net subordinated capital as a percentage of calculated risk-weighted balance
7 Core capital as a percentage of calculated risk-weighted balance
8 EC holders share of equity capital as at 01.01.
9 Quoted price on Oslo Stock Exchange multiplied by numbers of EC's outstanding
10 EC-capital + Premium Fund + Dividend Equalisation Fund + Equity Certificates holders' share of the equity capital as at 01.01. * (other equity capital + Result for the period, divided by number of EC's outstanding
11 Profit for the period (group) multiplied by Equity Certificates holders' share of the equity capital as at 01.01., in relation to total number of EC's
12 Cash dividend per EC for the accounting year. Resolution made by Main Board of Directors
13 Market price on Oslo Stock Exchange at end of period, divided by result for the period per EC
14 Market price on Oslo Stock Exchange at end of period, divided by book value of equity capital per EC

Statement of comprehensive income

Parent Bank | **Group**

(Amounts in NOK million)

Parent Bank 31.12.10	Parent Bank 1Q10	Parent Bank **1Q11**	Parent Bank 31.03.10	Parent Bank **31.03.11**		Group **31.03.11**	Group 31.03.10	Group **1Q11**	Group 1Q10	Group 31.12.10
2 455	561	**631**	561	**631**	Interest income	**659**	581	**659**	581	2 549
1 424	310	**383**	310	**383**	Interest costs	**384**	309	**384**	309	1 420
1 031	251	**248**	251	**248**	**Net interest income**	**275**	272	**275**	272	1 129
501	122	**122**	122	**122**	Fee- and commission income	**138**	142	**138**	142	590
84	22	**19**	22	**19**	Fee- and commission costs	**19**	22	**19**	22	85
12	0	**2**	0	**2**	Other operating income	**1**	1	**1**	1	8
429	100	**105**	100	**105**	**Net fee-, commision and other operating income**	**120**	121	**120**	121	513
33	0	**1**	0	**1**	Dividend	**1**	9	**1**	9	43
100	76	**91**	76	**91**	Income from investments	**49**	41	**49**	41	251
100	26	**10**	26	**10**	Net gain from investments in securities	**192**	26	**192**	26	110
233	102	**102**	102	**102**	**Net income from financial investments**	**242**	76	**242**	76	404
1 693	453	**455**	453	**455**	**Total income**	**637**	469	**637**	469	2 046
407	48	**101**	48	**101**	Personnel costs	**119**	61	**119**	61	477
259	63	**62**	63	**62**	Administration costs	**68**	69	**68**	69	281
43	7	**10**	7	**10**	Ordinary depreciation	**11**	12	**11**	12	45
137	50	**44**	50	**44**	Other operating costs	**48**	46	**48**	46	154
846	168	**217**	168	**217**	**Total costs**	**246**	188	**246**	188	957
847	285	**238**	285	**238**	**Result before losses**	**391**	281	**391**	281	1 089
79	18	**10**	18	**10**	Losses	**10**	21	**10**	21	87
768	267	**228**	267	**228**	**Result before tax**	**381**	260	**381**	260	1 002
171	51	**43**	51	**43**	Tax	**48**	56	**48**	56	186
597	216	**185**	216	**185**	**Result for the period**	**333**	204	**333**	204	816
					Majority interest	**333**	204	**333**	204	816
					Minority interests	**0**	0	**0**	0	0
					Result per Equity Certificate					
4.32	1.56	**1.34**	1.56	**1.34**	Result per Equity Certificate	**2.41**	1.48	**2.41**	1.48	5.90
4.32	1.56	**1.34**	1.56	**1.34**	Diluted result per Equity Certificate	**2.41**	1.48	**2.41**	1.48	5.90

Comprehensive income

Parent Bank 31.12.10	Parent Bank 1Q10	Parent Bank **1Q11**	Parent Bank 31.03.10	Parent Bank **31.03.11**		Group **31.03.11**	Group 31.03.10	Group **1Q11**	Group 1Q10	Group 31.12.10
597	216	**185**	216	**185**	**Result for the period**	**333**	204	**333**	204	816
0	0	**0**	0	**0**	Recalculation differences	**1**	0	**1**	0	-2
-3	0	**6**	0	**6**	Effective part of change in fair market value in cash flow hedging	**6**	-17	**6**	-17	-3
0	0	**0**	0	**0**	Net change in fair market value of investment in joint ventures	**0**	0	**0**	0	18
0	0	**0**	0	**0**	Net change in fair market value of financial assets available for sale	**0**	0	**0**	0	0
1	0	**-2**	0	**-2**	Tax on other comprehensive income	**-2**	5	**-2**	5	1
-2	0	**4**	0	**4**	Other comprehensive income for the period	**5**	-12	**5**	-12	14
595	216	**189**	216	**189**	**Total comprehensive income for the period**	**338**	192	**338**	192	830
					Majority interest	**338**	191	**338**	191	830
					Minority interests	**0**	1	**0**	1	0
					Totalresult per Equity Certificate					
4.30	1.56	**1.37**	1.56	**1.37**	Total result per Equity Certificate	**2.44**	1.39	**2.44**	1.39	6.00
4.30	1.56	**1.37**	1.56	**1.37**	Diluted total result per Equity Certificate	**2.44**	1.39	**2.44**	1.39	6.00
					Tax on other comprehensive income:					
1	0	**-2**	0	**-2**	Effective part of change in fair market value in cash flow hedging	**0**	5	**2**	5	1
0	0	**0**	0	**0**	Net change in fair market value of financial assets available for sale	**0**	0	**0**	0	0
1	0	**-2**	0	**-2**	**Tax on other comprehensive income**	**-2**	5	**-2**	5	1

Statement of financial position

Parent Bank / Group

(Amounts in NOK million)

Parent Bank 31.12.10	Parent Bank 31.03.10	Parent Bank **31.03.11**		Group **31.03.11**	Group 31.03.10	Group 31.12.10
			Assets			
2 471	1 787	**866**	Cash and balances with central banks	**887**	1 787	2 501
2 787	2 360	**2 550**	Loans and advances to credit institutions	**551**	627	793
46 726	46 663	**47 171**	Loans and advances to customers	**49 638**	48 429	49 046
256	203	**255**	- Individual write-downs for impaired value	**269**	216	271
192	227	**184**	- Collective write-downs for impaired value	**195**	238	200
46 278	46 233	**46 732**	Net loans and advances to customers	**49 174**	47 975	48 575
388	344	**380**	Shares	**788**	519	611
11 541	8 949	**11 998**	Certificates and bonds	**12 028**	8 953	11 567
692	645	**495**	Financial derivatives	**495**	645	692
358	243	**461**	Investments in Group Companies	**0**	0	0
1 820	1 706	**1 855**	Investments in assosiated companies and joint ventures	**2 945**	2 560	2 861
454	105	**457**	Property, plant and equipment	**463**	463	460
0	11	**0**	Intangible assets	**22**	1	22
652	599	**863**	Other assets	**849**	556	698
67 441	62 982	**66 657**	**Total assets**	**68 202**	64 086	68 780
			Liabilities			
6 101	7 311	**6 619**	Deposits from credit institutions	**6 715**	7 311	6 123
39 352	35 509	**39 372**	Deposits from customers	**39 402**	35 497	39 389
14 477	12 783	**13 065**	Debt securities in issue	**13 065**	12 783	14 477
483	428	**284**	Financial derivatives	**284**	428	483
1 084	1 414	**1 468**	Other liabilities	**1 567**	1 610	1 224
50	0	**38**	Deferred tax liabilities	**68**	0	67
1 347	1 355	**1 330**	Subordinated loan capital	**1 341**	1 355	1 347
62 894	58 800	**62 176**	**Total liabilities**	**62 442**	58 984	63 110
			Equity			
896	896	**1 194**	Equity Certificate capital	**1 194**	896	896
123	123	**123**	Equity Certificate premium reserve	**123**	123	123
566	351	**166**	Dividend Equalisation Fund	**166**	351	566
2 829	2 463	**2 680**	The Savings Bank's Fund	**2 680**	2 463	2 829
133	133	**133**	Donations	**133**	133	133
0	0	**0**	Fund for unrealised gains	**- 1**	0	- 2
0	0	**0**	Other equity capital	**1 119**	930	1 121
0	216	**185**	Result for the period	**333**	204	0
			Minority interests	**13**	2	4
4 547	4 182	**4 481**	**Total equity**	**5 760**	5 102	5 670
67 441	62 982	**66 657**	**Total liabilities and equity**	**68 202**	64 086	68 780

SpareBank 1 NORD-NORGE

Result from the Group's quarterly accounts

(Amounts in NOK million)	**1Q11**	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Interest income	**659**	683	669	616	581	584	618	694	867
Interest costs	**384**	398	378	335	309	286	324	415	565
Net interest income	**275**	285	291	281	272	298	294	279	302
Fee- and commission income	**138**	147	149	152	142	145	143	126	112
Fee- and commission costs	**19**	22	21	20	22	24	21	23	20
Other operating income	**1**	3	3	1	1	3	- 1	0	22
Net fee-, commision and other operating income	**120**	128	131	133	121	124	121	103	114
Dividend	**1**	0	1	33	9	17	1	5	0
Income from investments	**49**	87	64	59	41	109	97	68	7
Net gain from investments in securities	**192**	61	11	12	26	103	65	- 10	62
Net income from financial investments	**242**	148	76	104	76	229	163	63	69
Total income	**637**	561	498	518	469	651	578	445	485
Personnel costs	**119**	152	131	133	61	151	124	117	116
Administration costs	**68**	77	62	73	69	84	59	66	75
Ordinary depreciation	**11**	12	11	10	12	12	12	12	13
Other operating costs	**48**	35	33	40	46	29	32	31	39
Total costs	**246**	276	237	256	188	276	227	226	243
Result before losses	**391**	285	261	262	281	375	351	219	242
Losses	**10**	43	1	22	21	44	39	49	53
Result before tax	**381**	242	260	240	260	331	312	170	189
Tax	**48**	37	55	38	56	20	50	36	37
Minority interests	**0**	0	0	0	0	1	0	0	0
Result for the period	**333**	205	205	202	204	310	262	134	152

Profitability									
Return on equity capital	**23.31 %**	15.33 %	15.56 %	15.57 %	15.90 %	26.25 %	22.71 %	11.83 %	13.52 %
Interest margin	**1.61 %**	1.66 %	1.74 %	1.73 %	1.70 %	1.85 %	1.77 %	1.70 %	1.87 %
Cost/income	**38.62 %**	49.20 %	47.59 %	49.42 %	40.09 %	42.40 %	39.27 %	50.79 %	50.10 %
Balance sheet figures									
Loans and advances to customers	**49 638**	49 046	50 489	48 329	48 429	48 180	49 413	50 473	50 900
Growth in loans and advances to cust. incl. agency loans past 12 months	**6.1 %**	7.2 %	7.3 %	6.2 %	5.2 %	4.0 %	5.6 %	5.1 %	7.4 %
Deposits from customers	**39 402**	39 389	37 303	37 851	35 497	34 877	34 256	36 129	34 078
Growth in deposits from customers past 12 months	**11.0 %**	12.9 %	8.9 %	4.8 %	4.2 %	0.9 %	6.6 %	6.9 %	9.6 %
Deposits as a percentage of gross lending	**79.4 %**	80.3 %	73.9 %	78.3 %	73.3 %	72.4 %	69.3 %	71.6 %	67.0 %
Deposits as a percentage of gross lending including agency loans	**62.0 %**	62.2 %	59.5 %	62.0 %	59.3 %	59.1 %	58.6 %	62.9 %	59.9 %
Average assets	**68 491**	66 245	65 611	64 728	64 163	65 169	65 402	65 678	64 537
Total assets	**68 202**	68 780	68 261	65 859	64 086	64 239	64 574	67 961	63 566
Losses on loans and commitments in default									
Losses on loans to customers as a percentage of gross loans incl.agency loans	**0.06 %**	0.27 %	0.01 %	0.15 %	0.14 %	0.30 %	0.27 %	0.34 %	0.37 %
Commitments in default as a percentage of gross loans incl.agency loans	**0.39 %**	0.35 %	0.34 %	0.51 %	0.56 %	0.65 %	0.67 %	0.82 %	0.79 %
Commitments at risk of loss as a percentage of gross loans incl.agency loans	**1.03 %**	1.03 %	0.93 %	0.85 %	0.71 %	0.71 %	0.70 %	0.67 %	0.66 %
Net comm. in default and at risk of loss as a per. of gross loans incl. agency loans	**1.00 %**	0.94 %	0.88 %	0.99 %	0.91 %	0.97 %	1.02 %	1.18 %	1.13 %
Solidity									
Capital adequacy ratio	**11.70 %**	11.95 %	11.00 %	11.21 %	11.79 %	12.76 %	11.13 %	11.26 %	12.42 %
Core capital adequacy ratio	**10.70 %**	10.90 %	9.78 %	9.86 %	10.38 %	10.71 %	9.31 %	10.01 %	10.50 %
Core capital	**5 259**	5 334	4 595	4 682	4 687	4 846	4 133	4 035	4 136
Equity and related capital resources	**5 749**	5 849	5 167	5 322	5 323	5 776	4 941	4 540	4 890
Adjusted risk-weighted assets base	**49 142**	48 966	46 963	47 463	45 163	45 250	44 409	40 310	39 383

Quarterly Report - Changes in equity

SpareBank 1 NORD-NORGE

(Amounts in NOK million)	PCC capital	Premium Fund	Dividend Equalisation Fund	Saving Bank's Fund	Donations Fund	Fair value reserve	Other equity	Period result	Total Majority interests	Minority interests	Total equity
Group											
Equity at 01.01.10	896	123	471	2 624	133		910		5 157	3	5 160
Total comprehensive income for the period											
Period result			206	349	41		220		816		816
Other comprehensive income:											
Net change in fair market value of investment in joint ventures							18		18		18
Effective part of change in fair market value in cash flow hedging			- 1	- 2					- 3		- 3
Net change in financial assets available for sale, transferred to the statement											
Total other comprehensive income			- 1	- 1		- 2	18		14		14
Total comprehensive income for the period			205	348	41	- 2	238		830		830
Transactions with owners											
Merger											
Set aside for dividend payments			- 103	- 154					- 257		- 257
Reversal of dividend payments			103	154					257		257
Dividend paid			- 121	- 161					- 282		- 282
Payments from Donations Fund					- 41				- 41		- 41
Total transactions with owners			- 110	- 143	- 41		- 27		- 321	1	- 320
Equity at 31.12.10	**896**	**123**	**566**	**2 829**	**133**	**- 2**	**1 121**		**5 666**	**4**	**5 670**
Equity at 01.01.11	896	123	566	2 829	133	- 2	1 121		5 666	4	5 670
Total comprehensive income for the period											
Period result								333	333		333
Other comprehensive income:											
Recalculation differences						1			1		1
Net change in fair market value of investment in joint ventures			1	4					5		5
Effective part of change in fair market value in cash flow hedging											
Tax on other comprehensive income											
Total other comprehensive income			1	4		1			6		6
Total comprehensive income for the period			1	4		1		333	339		339
Transactions with owners											
Equity issue	298		- 298								
Merger											
Set aside for dividend payments											
Reversal of dividend payments											
Changes in minority interests										9	9
Dividend paid			- 103	- 153					- 256		- 256
Other transactions							- 2		- 2		- 2
Payments from Donations Fund											
Total transactions with owners	298		- 401	- 153			- 2		- 258	9	- 249
Equity at 31.03.11	**1 194**	**123**	**166**	**2 680**	**133**	**- 1**	**1 119**	**333**	**5 747**	**13**	**5 760**

ECC ratio overall

Parent Bank

(Amounts in NOK million)

	31.12.08	31.12.09	**31.12.10**
Equity Certificate capital	896	896	**896**
Equity Certificate premium reserve	123	123	**123**
Dividend Equalisation Fund	277	471	**566**
Set aside dividend	- 54	- 121	**- 103**
Share Fund Fair Value Options	- 5	- 30	**- 3**
A. Equity attributable to Equity Certificate holders of the Bank	1 237	1 339	**1 479**
The Savings Bank's Fund	2 221	2 623	**2 829**
Allocated dividends to ownerless capital	0	- 161	**- 154**
Donations	133	133	**133**
Share Fund Fair Value Options	- 10	- 57	**- 5**
B. Total ownerless capital	2 344	2 538	**2 803**
Equity Certificate Ratio overall (A/(A+B))	34.54 %	34.54 %	**34.54 %**

Statement of cash flows

Parent Bank | **Group**

(Amounts in NOK million)

Parent Bank 31.12.10	Parent Bank 31.03.10	**Parent Bank 31.03.11**		**Group 31.03.11**	Group 31.03.10	Group 31.12.10
768	267	**228**	Result before tax	**381**	260	1 002
43	7	**10**	+ Ordinary depreciation	**11**	12	45
0	0	**0**	+ Write-downs, gains/losses fixed assets	**0**	0	0
79	18	**10**	+ Losses on loans and guarantees	**10**	21	87
171	51	**43**	- Tax	**48**	56	186
0	0	**0**	- Group contributions	**0**	0	0
281	281	**257**	- Dividends/donations	**257**	281	281
438	- 40	**- 52**	Provided from the year's operations	**97**	- 44	667
190	431	**179**	Change in sundry liabilities: + increase/ - decrease	**159**	493	185
- 218	- 129	**- 14**	Change in various claims: - increase/ + decrease	**46**	- 62	- 272
- 369	- 263	**- 464**	Change in gross lending to and claims on customers: - increase/ + decrease	**- 609**	- 282	- 948
-2 628	8	**- 449**	Change in short term-securities: - increase/ + decrease	**- 638**	- 19	-2 725
4 460	617	**20**	Change in deposits from and debt owed to customers: + increase/ - decrease	**13**	620	4 512
- 768	442	**518**	Change in debt owed to credit institutions: + increase/ - decrease	**592**	443	- 745
1 105	1 066	**- 262**	A. Net liquidity change from operations	**- 340**	1 149	674
- 387	- 2	**- 13**	- Investment in fixed assets (incl merger effects)	**- 14**	- 6	- 36
0	0	**0**	+ Sale of fixed assets	**0**	0	0
- 344	- 115	**- 138**	Change in holdings of long-term securities: - increase/ + decrease	**- 84**	- 164	- 465
- 731	- 117	**- 151**	B. Liquidity change from investments	**- 98**	- 170	- 501
315	-1 379	**-1 412**	Change in borrowings through the issuance of securities: + increase/ - decrease	**-1 412**	-1 379	315
- 261	- 253	**- 17**	Change in Equity Certificate/subordinated loan capital: + increase/ - decrease	**- 6**	- 253	- 261
54	-1 632	**-1 429**	C. Liquidity change from financing	**-1 418**	-1 632	54
428	- 683	**-1 842**	A + B + C. Total change in liquidity	**-1 856**	- 653	227
4 830	4 830	**5 258**	+ Liquid funds at the start of the period	**3 294**	3 067	3 067
5 258	4 147	**3 416**	**= Liquid funds at the end of the period**	**1 438**	2 414	3 294

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

Notes

Note 1 - Accounting Principles

The Group's quarterly accounts have been prepared in accordance with stock exchange rules and regulations and International Financial Reporting Standards (IFRS), including IAS 34 relating to interim reporting. The quarterly accounts do not comprise all information which is required in complete annual accounts and should be read in conjunction with the 2008 Annual Accounts. IAS 1 – presentation of the financial accounts – has been amended in 2009, involving several changes in the presentation of the profit and loss account – now "Statement of comprehensive income" as well as the statement of changes in equity capital. Items which are recognised directly in equity capital shall now also be presented in the Statement of comprehensive income as extended profit and loss account items. In the equity capital statement transactions between the owners and other transactions are kept separate.

In accordance with the rules and regulations dated 16 October 2008 issued by the Ministry of Finance, it is now permitted to reclassify securities in a trading portfolio from the category 'Market value with any value changes shown through the profit and loss account' to the category 'Hold until maturity' and 'Loans and claims'. The SNN Group decided to apply such reclassification to large parts of its interest-bearing portfolio with effect from 01.07.08. Future assessments within these categories shall be calculated at amortized cost, which means that earlier write-downs of values and interest are to be amortized and included in the profit and loss account as interest income over the remaining life of the items in question. Reference is made to note 12.
The remaining portfolio of certificates and bonds is assessed at market value through the profit and loss account.

Note 2 - Capital Adequacy

New capital adequacy rules and regulations (Basel II – EU's new directives for capital adequacy) were implemented in Norway with effect from 1 January 2007. SpareBank 1 Nord-Norge has received permission from The Financial Supervisory Authorityof Norway (FSAN) to apply internal calculation methods (Internal Rating-Based Approach) for credit risk from 1 January 2007. With effect from 2007, therefore, the statutory minimum capital adequacy requirement for credit risk will be based on the Bank's internal assessment of risk. This will make the statutory minimum capital adequacy requirement more risk-sensitive, which means that the capital requirement will to a larger extent correspond to the risk contained in the underlying portfolios in question. The use of internal calculation methods will involve comprehensive demands on the Bank's organisation, competence, risk models and risk management systems. As a result of transitional rules relating to the new directive mentioned above, IRB-banks would not experience the full impact of the reduced regulatory capital requirements until 2010. Until 2010, banks had to report on a parallel basis, both according to the old capital adequacy calculations and Basel II. During the period 2007-2010, an annual adjustment of the risk-adjusted calculation basis in relation to the old method (socalled correction of 'floor') was permitted. A resolution has now been reached to postpone this issue, and the transition rules for 2009 will continue to apply in 2010 and in 2011.
The calculation basis in 2011 therefore amounts to 80 per cent of the calculated basis according to the Basel I rules and regulations.

Parent Bank				Group		
(Amounts in NOK million)						
31.12.10	31.03.10	**31.03.11**		**31.03.11**	31.03.10	31.12.10

Note 2 - Capital Adequacy

31.12.10	31.03.10	31.03.11		31.03.11	31.03.10	31.12.10
896	896	**1 194**	Equity certificates	**1 194**	896	896
0	0	**0**	- Own equity certificates	**0**	0	0
123	123	**123**	Premium reserve	**123**	123	123
566	351	**166**	Equalisation reserve	**166**	351	566
2 829	2 463	**2 680**	Savings bank's reserve	**2 680**	2 463	2 829
133	133	**133**	Endowment fund	**133**	133	133
0	0	**0**	Other equity	**1 119**	930	1 121
0	0	**0**	Deduction Fund for urealised gains	**- 1**	0	- 2
0	0	**0**	Minority interests	**13**	2	4
0	216	**185**	Period result	**333**	204	0
4 547	4 182	**4 481**	Total equity	**5 760**	5 102	5 670
0	0	**0**	Minority interests	**-13**	- 2	- 4
0	- 216	**- 185**	Period result	**- 333**	- 204	0
			Core capital			
0	0	**0**	Adjusted subordinated capital from consolidated financial institutions	**57**	4	- 18
0	- 11	**0**	Intangible assets	**- 19**	- 28	- 20
0	0	**0**	Fund for unrealised gains	**46**	37	46
- 103	0	**0**	Deduction for allocated dividends	**0**	0	- 103
- 353	- 351	**- 359**	50 % deduction for subordinated capital in other financial institutions	**0**	0	0
- 93	- 69	**- 84**	50 % deduction for expected losses on IRB, net of writedowns	**- 85**	- 70	- 86
0	0	**0**	50 % capital adequacy reserve	**- 641**	- 571	- 624
353	360	**334**	Hybrid Tier 1 bonds	**488**	419	473
4 351	3 895	**4 187**	Total core capital	**5 259**	4 687	5 334
			Supplementary capital			
995	995	**995**	Nonperpetual subordinated capital	**1 216**	1 277	1 225
- 353	- 351	**- 359**	50% deduction for subordinated capital in other financial institutions	**0**	0	0
- 93	- 69	**- 84**	50% deduction for expected losses on IRB, net of writedowns	**- 85**	- 70	- 86
0	0	**0**	50% capital adequacy reserve	**- 641**	- 571	- 624
549	575	**552**	Total supplementary capital	**490**	636	515
4 900	4 470	**4 739**	**Equity and related capital resources**	**5 749**	5 323	5 849
			Minimum requirements subordinated capital, Basel I I			
801	334	**755**	Specialised lending exposure	**755**	334	801
591	1 002	**564**	Other corporations exposure	**569**	1 002	596
15	17	**15**	SME exposure	**17**	19	17
281	285	**284**	Property retail mortage exposure	**407**	372	393
32	35	**31**	Other retail exposure	**31**	35	33
234	203	**237**	Equity investments	**0**	0	0
1 954	1 876	**1 886**	Total credit risk IRB	**1 779**	1 762	1 840
607	569	**636**	Credit risk standardised approach	**1 647**	1 362	1 492
130	73	**216**	Debt risk	**178**	73	126
19	18	**16**	Equity risk	**65**	36	46
17	0	**16**	Currency risk	**16**	0	17
242	242	**258**	Operational risk	**273**	284	284
0	0	**0**	Transitional arrangements	**91**	173	226
- 71	- 69	**-71**	Deductions	**- 117**	- 78	- 114
2 898	2 709	**2 957**	Minimum requirements subordinated capital	**3 932**	3 612	3 917
13.53 %	13.18 %	**12.82 %**	Capital adequacy ratio	**11.70 %**	11.79 %	11.95 %
12.01 %	11.49 %	**11.33 %**	Core capital ratio	**10.70 %**	10.38 %	10.90 %
1.52 %	1.69 %	**1.50 %**	Supplementary capital ratio	**1.00 %**	1.41 %	1.05 %

Parent Bank | **Group**

SpareBank 1 NORD-NORGE

(Amounts in NOK million)

Note 3 -Net bad and doubtful commitments

31.12.10	31.03.10	**31.03.11**			**31.03.11**	31.03.10	31.12.10
202	301	**228**		Non-performing commitments	**250**	334	219
634	395	**634**	+	Non-performing commitments, impaired	**656**	428	651
258	203	**257**	-	Individual write-down for impaired value	**271**	216	273
578	493	**605**	=	Net bad and doubtful commitments	**635**	546	597
31 %	29 %	**30 %**		Loan loss provision ratio	**30 %**	28 %	31 %

Note 4 - Losses incorporated in the accounts

31.12.10	31.03.10	**31.03.11**			**31.03.11**	31.03.10	31.12.10
38	- 13	**- 1**	+	Period's change in individual write-down for impaired value	**- 2**	- 11	38
- 37	- 1	**- 2**	+	Period's change in collective write-down for impaired value	**- 3**	- 1	- 39
84	34	**15**	+	Period's confirmed losses against which individual write-downs were previously made	**17**	35	88
1	0	**0**	+	Period's confirmed losses against which individual write-downs were previously not made	**0**	0	7
7	2	**2**	-	Recoveries in respect of previously confirmed losses	**2**	2	7
79	18	**10**	=	Total losses on loans	**10**	21	87

Note 5 - Individual- and collective write-downs for impaired value

31.12.10	31.03.10	**31.03.11**			**31.03.11**	31.03.10	31.12.10
				Individual write-downs for impaired value:			
220	220	**258**		Individual write-downs for impaired value on loans and guarantees as at 01.01.	**273**	232	232
84	34	**15**	-	Confirmed losses during the period on loans and guarantees, against which individual write-downs for impaired value has prev. been made	**17**	35	88
69	35	**8**	-	Reversal of previous years' individual write-downs for impaired value	**8**	35	52
14	3	**2**	+	Increase in write-downs for impaired value for commitments against which individual write-downs for impaired value were previously made	**3**	6	21
177	53	**20**	+	Write-downs for impaired value for commitments against which no individual write-downs for impaired value was previously raised	**20**	53	160
258	207	**257**	=	Individual write-downs for impaired value on loans and guarantees *	**271**	221	273
				Collective write-downs for impaired value:			
227	227	**192**		Collective write-downs for impaired value against losses on loans and guarantees as at 01.01.	**200**	238	238
- 35	0	**- 8**	+	Period's collective write-downs for impaired value against losses on loans and guarantees	**- 5**	0	- 38
192	227	**184**	=	Collective write-downs for impaired value against losses on loans, and guarantees	**195**	238	200

*Individual write-downs for impaired value on guarantees, NOK 2 million, are included in the Balance Sheet as liabilities under 'Other liabilities'.

Parent Bank **Group**

(Amounts in NOK million)

Note 6 - Loans broken down by sector and industry

Parent Bank 31.12.10	Parent Bank 31.03.10	Parent Bank **31.03.11**		Group **31.03.11**	Group 31.03.10	Group 31.12.10
66	8	**70**	Mining and quarrying	**83**	20	78
491	495	**524**	Construction	**788**	756	759
23	20	**21**	Building of ships and boats	**23**	22	26
1 216	1 003	**980**	Electricity, gas, steam an air conditioning supply	**987**	1 008	1 223
660	542	**769**	Professional, scientific and technical activities	**785**	556	676
89	80	**0**	Finanicial and insurance activities	**0**	20	45
1 015	1 496	**1 016**	Fishing	**1 027**	1 505	1 024
222	174	**206**	Marine aquaculture	**305**	219	302
276	267	**260**	Other business support activities	**397**	397	412
196	256	**205**	Activities auxiliary to financial services and insurance activities	**194**	74	40
135	171	**152**	County muncipalities and muncipalities	**169**	202	156
1 195	1 204	**1 299**	Manufacturing	**1 437**	1 315	1 316
207	216	**159**	Information and communication	**168**	226	216
772	679	**776**	Crop and animal production	**860**	749	857
43	50	**0**	Foreign industrial	**0**	50	43
6 489	6 439	**6 596**	Real estate activities	**6 619**	6 233	6 512
378	356	**378**	Accomodation and food service activities	**395**	370	395
5	3	**5**	Forestry and logging	**8**	7	8
0	0	**0**	Central government and social security funds	**1**	2	1
1	1	**1**	Support activities for petroleum and natural gas extraction	**1**	1	1
730	686	**685**	Other service industries	**760**	831	814
1 005	961	**1 082**	Transportation and storage	**1 487**	1 279	1 407
667	638	**576**	International shipping and pipeline transport	**576**	638	668
593	610	**596**	Development of building projects	**596**	611	594
42	126	**42**	Extraction of crude oil and natural gas	**42**	128	42
1	0	**0**	Unspecified	**0**	0	1
99	95	**105**	Water supply; sewerage, waste management and remediation activities	**142**	119	138
1 329	1 211	**1 396**	Wholesale and retail trade; repair of motor vehicles and motorcycles	**1 606**	1 360	1 413
28 736	28 826	**29 228**	Retail banking market - domestic	**30 138**	29 681	29 834
45	50	**44**	Retail banking market - international	**44**	50	46
28 781	28 876	**29 272**	Total retail market	**30 182**	29 731	29 880
17 809	17 616	**17 747**	Total public market	**19 286**	18 494	19 010
135	171	**152**	Total government	**170**	204	157
46 726	46 663	**47 171**	Total loans	**49 638**	48 429	49 046

Parent Bank **Group**

(Amounts in NOK million)

Note 7 - Losses broken down by sector and industry

Parent Bank 31.12.10	Parent Bank 31.03.10	Parent Bank **31.03.11**		Group **31.03.11**	Group 31.03.10	Group 31.12.10
0	0	**0**	Mining and quarrying	**0**	0	1
0	1	**1**	Construction	**1**	2	1
0	0	**0**	Building of ships and boats	**0**	0	0
0	0	**0**	Electricity, gas, steam an air conditioning supply	**0**	0	0
0	0	**0**	Professional, scientific and technical activities	**0**	0	0
0	0	**0**	Finanicial and insurance activities	**0**	0	0
3	1	**- 1**	Fishing	**- 1**	1	3
- 6	0	**0**	Marine aquaculture	**0**	0	- 6
- 3	0	**0**	Other business support activities	**0**	0	- 3
4	0	**0**	Activities auxiliary to financial services and insurance activities	**0**	0	4
0	0	**0**	County muncipalities and muncipalities	**0**	0	0
20	3	**2**	Manufacturing	**2**	3	21
0	0	**0**	Information and communication	**0**	0	0
5	0	**5**	Crop and animal production	**5**	0	5
0	0	**0**	Foreign industrial	**0**	0	0
51	5	**0**	Real estate activities	**0**	5	51
6	0	**1**	Accomodation and food service activities	**1**	0	6
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
17	5	**0**	Other service industries	**0**	5	17
0	0	**0**	Transportation and storage	**0**	1	5
0	0	**0**	International shipping and pipeline transport	**0**	0	0
0	0	**0**	Development of building projects	**0**	0	0
0	0	**0**	Extraction of crude oil and natural gas	**0**	0	0
0	0	**0**	Unspecified	**0**	0	0
1	0	**0**	Water supply; sewerage, waste management and remediation activities	**0**	0	1
3	1	**0**	Wholesale and retail trade; repair of motor vehicles and motorcycles	**0**	1	3
20	4	**12**	Retail banking market - domestic	**12**	5	23
- 35	0	**- 4**	Collective write-downs public market	**- 4**	0	- 36
0	0	**- 4**	Collective write-downs retail market	**- 4**	0	- 2
86	20	**12**	Losses on loans to customers	**12**	23	94
7	2	**2**	Recoveries from previously written off losses	**2**	2	7
79	18	**10**	Net losses	**10**	21	87

Parent Bank | **Group**

(Amounts in NOK million)

Note 8 - Deposits broken down by sector and industry

Parent Bank 31.12.10	Parent Bank 31.03.10	Parent Bank **31.03.11**		Group **31.03.11**	Group 31.03.10	Group 31.12.10
24	19	**120**	Mining and quarrying	**120**	19	24
762	643	**665**	Construction	**665**	643	762
4	2	**2**	Building of ships and boats	**2**	2	4
817	770	**901**	Electricity, gas, steam an air conditioning supply	**901**	770	817
1 332	1 238	**1 322**	Professional, scientific and technical activities	**1 322**	1 238	1 332
1 065	447	**1 031**	Finanicial and insurance activities	**1 045**	444	1 102
516	567	**602**	Fishing	**602**	567	516
34	25	**26**	Marine aquaculture	**26**	25	34
271	267	**274**	Other business support activities	**274**	267	271
0	0	**0**	Activities auxiliary to financial services and insurance activities	**0**	0	0
6 948	4 779	**7 013**	County muncipalities and muncipalities	**7 013**	4 779	6 948
431	362	**312**	Manufacturing	**312**	362	431
221	223	**222**	Information and communication	**222**	223	221
320	331	**366**	Crop and animal production	**366**	331	320
0	0	**0**	Foreign industrial	**0**	0	0
1 670	1 185	**1 455**	Real estate activities	**1 471**	1 185	1 670
17	145	**157**	Accomodation and food service activities	**157**	145	17
18	18	**12**	Forestry and logging	**12**	18	18
580	1 836	**791**	Central government and social security funds	**791**	1 836	580
0	0	**0**	Support activities for petroleum and natural gas extraction	**0**	0	0
1 973	1 811	**1 883**	Other service industries	**1 883**	1 802	1 973
525	416	**522**	Transportation and storage	**522**	416	525
34	22	**20**	International shipping and pipeline transport	**20**	22	34
180	121	**196**	Development of building projects	**196**	121	180
2	3	**0**	Extraction of crude oil and natural gas	**0**	3	2
0	0	**0**	Unspecified	**0**	0	0
135	139	**142**	Water supply; sewerage, waste management and remediation activities	**142**	139	135
1 338	1 233	**1 168**	Wholesale and retail trade; repair of motor vehicles and motorcycles	**1 168**	1 233	1 338
19 875	18 655	**19 904**	Retail banking market - domestic	**19 904**	18 655	19 875
260	252	**266**	Retail banking market - international	**266**	252	260
20 135	18 907	**20 170**	Total retail market	**20 170**	18 907	20 135
11 689	9 987	**11 398**	Total public market	**11 428**	9 975	11 726
7 528	6 615	**7 804**	Total government	**7 804**	6 615	7 528
39 352	35 509	**39 372**	Total deposits	**39 402**	35 497	39 389

Note 9 - Subsidiaries

(Amounts in NOK 1 000)	Share of Eq.%	Profit from ordinary operations after tax 31.03.11	31.03.10	31.12.10	Equity 31.03.11	31.03.10	31.12.10
SpareBank 1 Finans Nord-Norge AS	100	**12 315**	11 280	48 037	**234 202**	233 166	269 923
SpareBank 1 Nord-Norge Invest AS	100	**177 489**	6 557	13 036	**320 033**	864	111 613
Eiendomsdrift AS	100	**0**	998	0	**0**	47 751	0
EiendomsMegler 1 Nord-Norge AS	100	**- 319**	- 281	3 806	**20 699**	17 054	21 141
SpareBank 1 Nord-Norge Forvaltning ASA	100	**322**	587	3 024	**2 591**	4 030	2 268
North-West 1 Alliance Bank	75	**- 184**	0	-1 143	**38 786**	0	14 178

Parent Bank **Group**

Note 10 - Other assets

(Amounts in NOK million)

Parent Bank 31.12.10	31.03.10	**31.03.11**		Group **31.03.11**	31.03.10	31.12.10
4	0	**0**	Repossessed assets	**0**	0	0
282	258	**414**	Accrued income	**375**	268	291
19	16	**129**	Prepayments	**132**	25	18
347	325	**320**	Other assets	**342**	263	389
652	599	**863**	Total other assets	**849**	556	698

Note 11 - Other liabilities

489	582	**650**	Costs incurred	**759**	749	597
23	5	**- 5**	Provisioning against incurred liabilities and costs	**3**	27	25
572	827	**823**	Other liabilities	**805**	834	602
1 084	1 414	**1 468**	Total other liabilities	**1 567**	1 610	1 224

Note 12 - 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 (see note 1), the SNN Group decided to reclassify parts of the Bank's bond portfolio as at 01.07.09 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 1,6 year as at 31.03.11, and included in the profit and loss account as interest income. For the period 01.01.11-31.03.11 such reversed writedowns has been included in tre profit and loss account with NOK 3 million. Total inclusion of income are NOK 19 million in 2010, NOK 26 million in 2009 and NOK 18 million for the period 01.07.-31.12.08. 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 8 million as at 31.03.11. It was necessary to apply a NOK 46 million write-down due to the permanent impairment of value in this portfolio as at 31.12.08 and a further NOK 17 million write-down has been made on this part of the portfolio as at 31.12.09. No further write-down has been made. The portfolio had an NOK 478 million unrealised loss on foreign exchange as at 31.12.08, NOK 3 million as at 31.12.09 and NOK 57 million as at 31.12.10. As at 31.03.11 the unrealised loss is NOK - 13 million.

(Amounts in NOK million)	01.07.08	31.12.08	31.12.09	31.12.10	31.03.11
Hold until maturity					
Book value	3 109	3 498	2 650	1 624	1 388
Nominal value (nominal amount)	3 182	3 588	2 689	1 644	1 405
Theoretical market value	3 109	3 358	2 623	1 615	1 387
Loans and claims					
Book value	698	739	629	464	333
Nominal value (nominal amount)	737	809	656	489	343
Theoretical market value	698	675	599	443	310
Total book value	3 807	4 237	3 279	2 088	1 722

Note 13 - Securities issued and subordinated loan capital

Parent Bank and Group

(Amounts in NOK million)

Securities issued

	31.12.10	31.03.10	**31.03.11**
Certificates and other short-term borrowings			
Bond debt	14 477	12 783	**13 065**
Total debt securities in issue	14 477	12 783	**13 065**

Changes in securities issued:	Statement of financial position 31.12.10	Issued 31.03.11	Matured/ redeemed 31.03.11	Exchange rate movements 31.03.11	Other adjustments 31.03.11	**Statement of financial position 31.03.11**
Certificates and other short-term borrowings						
Bond debt	14 477	950	-2 305		- 57	**13 065**
Total debt securities issued	14 477	950	-2 305		- 57	**13 065**

Subordinated loan capital and perpetual subordinated loan capital securities

	31.12.10	31.03.10	**31.03.11**
Perpetual subordinated loan capital securities			
2033 6 months Libor + margin (US$ 60 mill.)(call opt. 2013)	370	370	**370**
Perpetual subordinated loan capital securities - currency premium	- 18	- 10	**- 35**
Total perpetual subordinated loan capital securities	352	360	**335**
Subordinated loan capital			
Subordinated loan capital with definite maturities	995	995	**995**
Total subordinated loan capital	995	995	**995**
Total subordinated loan capital and perpetual subordinated loan capital securities	1 347	1 355	**1 330**

Changes in subordinated loan capital and perpetual subordinated loan capital securities:	Statement of financial position 31.12.10	Issued 31.03.11	Matured/ redeemed 31.03.11	Exchange rate movements 31.03.11	Other adjustments 31.03.11	**Statement of financial position 31.03.11**
Subordinated loan capital with definite maturities	995					**995**
Perpetual subordinated loan capital securities	352			- 17		**335**
Total subordinated loan capital and perpetual subordinated loan capital securities	1 347			- 17		**1 330**

Note 14 - 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.

Fair value hedging transactions	**31.03.11**	31.03.10	31.12.10
Net loss charged to the statement of comprehensive income in respect of hedging instruments in connection with actual value hedging	**85**	- 2	1
Total gain from hedging objects relating to the hedged risk	**- 82**	3	- 4
Total fair value hedging transactions	**3**	1	- 3

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	**31.03.11**			31.03.10			31.12.10		
		Fair value			Fair value			Fair value	
Foreign currency instruments	**Contract**	**Assets**	**Liabilites**	Contract	Assets	Liabilites	Contract	Assets	Liabilites
Foreign exchange financial derivatives (forwards)	**3 502**	**46**	**39**	2 237	41	36	2 816	69	57
Currency swaps	**4 469**	**132**	**53**	7 666	148	68	5 011	172	109
Currency options									
Total non-standardised contracts	**7 971**	**178**	**92**	9 903	189	104	7 827	241	166
Standardised foreign currency contracts (futures)									
Total foreign currency instruments	**7 971**	**178**	**92**	9 903	189	104	7 827	241	166
Interest rate instruments									
Interest rate swaps (including cross currency)	**15 479**	**125**	**178**	15 337	174	280	15 370	161	285
Short,-term interest rate swaps (FRA)									
Other interest rate contracts	**242**		**1**	686	2	4	242	1	2
Total non-standardised contracts	**15 721**	**125**	**179**	16 023	176	284	15 612	162	287
Standardised interest rate contracts (futures)									
Total interest rate instruments	**15 721**	**125**	**179**	16 023	176	284	15 612	162	287
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)	**7 605**	**192**	**13**	6 948	280	40	8 108	289	30
Short-term interest rate swaps (FRA)									
Other interest rate contracts									
Total, non-standardised contracts	**7 605**	**192**	**13**	6 948	280	40	8 108	289	30
Standardised interest rate contracts (futures)									
Total interest rate instruments	**7 605**	**192**	**13**	6 948	280	40	8 108	289	30
Total interest rate instruments	**23 326**	**317**	**192**	22 971	456	324	23 720	451	317
Total foreign currency instruments	**7 971**	**178**	**92**	9 903	189	104	7 827	241	166
Total	**31 297**	**495**	**284**	32 874	645	428	31 547	692	483

Note 15 - Business Areas

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 and leasing. 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 in a limited geograpfical area and reporting along the lines of geograpfic segments provides little additional information.

Group

(Amounts in NOK million)

	Retail Banking	Corporate Banking	Leasing	Unallocated	Total
					31.03.11
Net interest income	134	114	26	1	**275**
Net fee- and commission income	57	48	0	15	**120**
Other operating income	0	0	0	242	**242**
Operating costs	117	100	9	20	**246**
Result before losses	74	62	17	238	**391**
Losses	7	3	0	0	**10**
Result before tax	67	59	17	238	**381**
Loans and advances to customers	29 272	17 899	2 481	0	**49 652**
Individual write-downs for impaired value on loans and advances to customers	- 38	- 219	- 12	0	**- 269**
Collective write-downs for impaired value on loans and advances to customers	- 54	- 130	- 8	- 3	**- 195**
Other assets	0	0	19	18 995	**19 014**
Total assets per business area	29 180	17 550	2 480	18 992	**68 202**
Deposits from customers	19 904	19 468	0	30	**39 402**
Other liabilities and equity capital	0	0	2 480	26 320	**28 800**
Total equity and liabilities per business area	19 904	19 468	2 480	26 350	**68 202**
					31.03.10
Net interest income	129	110	25	8	272
Net fee- and commission income	54	46	0	21	121
Other operating income	0	0	0	76	76
Operating costs	91	77	7	13	188
Result before losses	92	79	18	92	281
Losses	4	14	3	0	21
Result before tax	88	65	15	92	260
Loans and advances to customers	28 876	17 787	2 233	- 467	48 429
Individual write-downs for impaired value on loans and advances to customers	- 34	- 173	- 13	4	- 216
Collective write-downs for impaired value on loans and advances to customers	- 59	- 168	- 11	0	- 238
Other assets	0	0	16	16 095	16 111
Total assets per business area	28 783	17 446	2 225	15 632	64 086
Deposits from customers	18 907	16 602	0	- 12	35 497
Other liabilities and equity capital	0	0	2 225	26 364	28 589
Total equity and liabilities per business area	18 907	16 602	2 225	26 352	64 086

Note 16 - Equity Certificates (ECs)

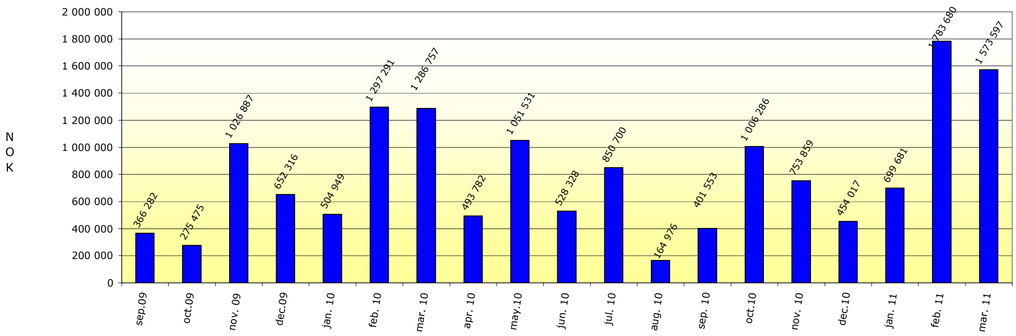
The 20 largest EC holders as at 31.03.11

EC Holders	Number of ECs	Share of EC Capital
Pareto Aksjer Norge	2 711 884	5.68%
Protector Eiendom AS	1 491 664	3.12%
Pareto Aktiv	1 258 560	2.63%
MP Pensjon	1 115 410	2.34%
Frank Mohn AS	1 016 964	2.13%
Tonsenhagen Forretningssentrum AS	851 002	1.78%
Citibank N.A.	742 804	1.56%
Pareto VPF	645 112	1.35%
Framo Development AS	636 794	1.33%
Sparebanken Rogalands Pensjonskasse	586 882	1.23%
Forsvarets Personellservice	464 890	0.97%
Karl Ditlefsen, Tromsø	411 624	0.86%
Sparebankstiftelsen DNBNOR	409 274	0.86%
Nordea Bank Norge - markets	391 786	0.82%
Trond Mohn	382 076	0.80%
Nordisk Finans Invest A/S	350 880	0.73%
Fred Olsen & Co's pensjonskasse	324 764	0.68%
Troms Kraft Invest AS, Tromsø	306 968	0.64%
Sparebank 1 Ringerike Hadeland	303 308	0.63%
Tromstrygd, Tromsø	258 666	0.54%
TOTAL	14 661 312	30.69%

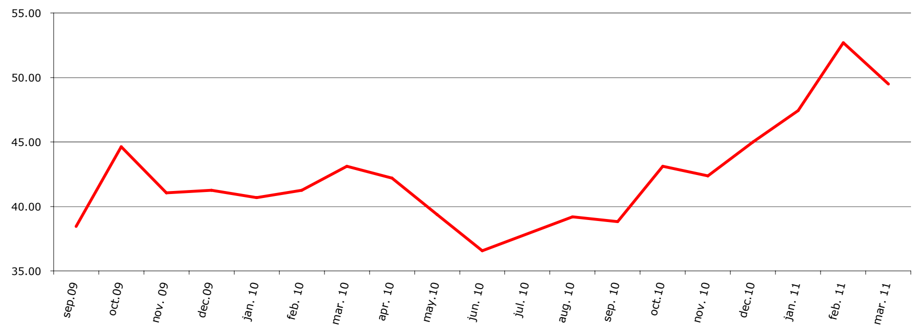
Through its policy regarding owners of its capital and its dividend policy, the bank intends to ensure that its equity certificates are regarded as attractive and liquid financial instruments. The bank's objective is to manage the group's resources in such a way that, compared to comparable investments and taking into account the bank's risk profile, a good, long-term and competitive return on the bank's equity is achieved. For the owners of the bank's equity certificates, the return will be in the form of cash dividends and changes in the market price of the certificates.

SpareBank 1 Nord-Norge's equity comprises two principal groups: the equity capital owned by the owners of the bank's equity certificates, and the equity capital that is socially owned. The bank's aim is to ensure that, over time, it will be a savings bank with a considerable element of socially-owned capital. Furthermore, the bank's goal is to treat the owner groups equitably, in accordance with the intentions in the current legislation. This implies that the bank will seek to avoid undesirable equity dilution effects that result from inequitable treatment of the two groups of owners. The profit for the individual year is to be split proportionately between the owner groups in relation to their relative share of the bank's equity. Dividends will, as far as possible, be set so that each of the groups has at its disposal equally large relative shares of the profit as a dividend. Dividends will comprise cash payments to equity certificate holders and funds allocated to reserves for donations and endowments etc. The bank's aim is to distribute a total of up to 50 per cent of the profit for the year in the form of

Trading statistics



Price trend NONG



Note 17 - 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 total 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.

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SpareBank 1 Nord-Norge Main Board of Directors:

Kjell Olav Pettersen, Tromsø (Chairman)
Erik Sture Larre jr., Oslo (Deputy Chairman)
Roar Dons, Tromsø
Elisabeth Johansen, Stamsund
Ann-Christine Nybacka, Brønnøysund
Pål Andreas Pedersen, Bodø
Anita Persen, Alta
Vivi Ann Pedersen, Tromsø (elected from the employees)
Gunnar Kristiansen, Sortland (elected from the employees, deputy)

Members of the Group Management Committee:

Hans Olav Karde (Chief Executive Officer)
Oddmund Åsen (Deputy Chief Executive Officer)
Liv Bortne Ulriksen (Senior Group General Manager Retail and Corporate Banking Market)
Rolf Eigil Bygdnes (Senior Group General Manager CFO)
Elisabeth Utheim (Senior Group General Manager Support Functions)
Geir Andreassen (Senior Group General Manager Risk Management)
Stig Arne Engen (Director, Communication)

Investor Relations

Rolf Eigil Bygdnes (Senior Group General Manager CFO)
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Interim reports and accounts 2011:

1st quarter 28 April 2011
2nd quarter 10 August 2011
3rd quarter 26 October 2011
4th quarter medio February 2012