

Quarterly Report



Financial statement Q4 2015

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Key figures Group

<i>Amounts in NOK million and in % of average assets</i>		31.12.15	%	31.12.14	%	31.12.13	%
From the profit and loss account							
Net interest income		1 512	1.80 %	1 426	1.78 %	1 285	1.69
Net fee-, commission and other operating income		933	1.11 %	966	1.20 %	931	1.23
Net income from financial investments		249	0.30 %	602	0.75 %	346	0.46
Total income		2 694	3.21 %	2 994	3.73 %	2 562	3.37
Total costs		1 461	1.74 %	1 328	1.66 %	1 209	1.59
Result before losses		1 233	1.47 %	1 666	2.08 %	1 353	1.78
Losses		200	0.24 %	321	0.40 %	172	0.23
Result before tax		1 033	1.23 %	1 345	1.68 %	1 181	1.55
Tax		163	0.19 %	223	0.28 %	214	0.28
Result non-current assets held for sale		5	0.01 %	27	0.03 %	0	0.00
Minority interests		- 7	-0.01 %	- 1	0.00 %	1	0.00
Result after tax		872	1.04 %	1 096	1.37 %	966	1.27
Profitability							
Return on equity capital	1	9.1 %		12.2 %		13.1 %	
Interest margin	2	1.80 %		1.78 %		1.69 %	
Cost/income	3	54.2 %		44.4 %		47.2 %	
Balance sheet figures and liquidity							
Gross lending		64 053		61 249		57 282	
Gross lending and advances to customers incl SpareBank 1 Boligkreditt and Næringskreditt		88 403		84 980		80 581	
Growth in loans and advances to customers past 12 months		4.6 %		6.9 %		5.0 %	
Growth in loans and advances to cust. incl. SpareBank 1 Boligkreditt and Næringskreditt past 12 months		4.0 %		5.5 %		6.1 %	
Share total lending transferred to Sp1 Boligkreditt of total retail loans		38.2 %		39.7 %		40.8 %	
Share total lending transferred to Sp1 Boligkreditt of total loans		27.5 %		27.9 %		28.5 %	
Deposits from customers		48 087		45 761		44 940	
Growth in deposits from customers past 12 months		5.1 %		1.8 %		3.1 %	
Deposits as a percentage of gross lending	4	75.1 %		74.7 %		78.5 %	
Deposits as a percentage of gross lending including SpareBank 1 Boligkreditt and Næringskreditt		54.4 %		53.8 %		55.8 %	
Average assets	5	84 039		80 191		75 952	
Total assets		85 403		83 188		77 520	
Leverage Ratio		6.1 %		5.9 %			
Losses on loans and commitments in default							
Losses on loans to customers as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt		0.22 %		0.19 %		0.21 %	
Commitments in default as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt		0.30 %		0.34 %		0.60 %	
Commitments at risk of loss as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt		0.27 %		0.27 %		0.46 %	
Net comm. in default and at risk of loss as a per. of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt		0.39 %		0.41 %		0.75 %	
Loan loss provision ratio		32.82 %		32.82 %		28.41 %	
Solidity							
Total regulatory Capital %	6	17.0 %		15.6 %		13.9 %	
Tier I Capital %	7	14.9 %		13.6 %		13.4 %	
Common Equity Tier I - incl share of period result		13.7 %		12.5 %		12.3 %	
Tier I capital		9 094		7 741		8 439	
Equity and related capital resources		10 341		9 680		8 069	
Adjusted risk-weighted assets base		60 836		61 936		57 989	
Liquidity Coverage Ratio (LCR)		95					
Branches and full-time employees							
Branches		62		66		74	
Manyyears		830		927		922	

Key figures ECC

	2006	2007	2008	2009	2010	2011	2012	2013	2014	4Q15 *
Quoted/market price as at 31.12 (adjusted) 1)	47.05	39.97	13.85	34.62	37.76	28.90	24.70	35.50	39.90	36.20
Number of Equity Certificates (EC) issued (mill) (2)	50.31	53.43	56.92	56.92	56.92	74.00	74.40	100.40	100.40	100.40
Quoted/market price EC issued (mill) (3)	2 367	2 135	788	1 970	2 149	2 139	1 837	3 564	4 006	3 634
Quoted/market price total equity (4)	7 283	6 494	2 282	5 704	6 223	5 083	4 418	7 530	8 464	7 840
Allocatde dividend per EC (5)	3.15	2.99	0.94	2.12	1.81	1.25	1.02	1.10	1.90	2.00
Paid-out dividend per EC	3.15	3.15	2.99	0.94	2.12	5.14	1.25	1.15	1.10	1.90
Direct return (6)	6.7 %	7.5 %	6.8 %	6.1 %	4.8 %	4.3 %	4.1 %	3.1 %	4.8 %	5.5 %
Return efficiency (7)	1.6 %	-8.4 %	-57.9 %	156.8 %	15.2 %	-9.8 %	-10.2 %	48.4 %	15.5 %	-4.5 %
Total equity capital Parent bank	3 185	3 566	3 656	4 247	4 547	5 264	5 589	7 200	7 735	8 198
Total equity capital Group, NOK mill	3 524	4 104	4 458	5 160	5 670	6 408	6 832	8 502	9 343	9 961
Equity capital per EC Parent bank (8)	27.13	29.43	27.87	31.09	34.59	29.93	31.24	33.94	36.46	37.86
Equity capital per EC Group (9)	22.76	25.26	27.05	31.31	34.41	36.43	38.19	40.08	44.05	46.00
Result per EC Parent bank (10)	5.15	4.39	2.08	5.41	4.93	2.28	2.91	3.91	3.50	3.44
Result per EC Group (11)	5.43	4.50	2.09	5.21	4.95	2.75	3.36	4.13	5.16	4.11
P/E (Price/Earnings per certificate Group)(12)	8.67	8.88	6.62	6.64	7.63	10.51	7.34	8.59	7.73	8.81
P/V (Price/Book Value per certificate Group)(13)	2.07	1.58	0.51	1.11	1.10	0.79	0.65	0.89	0.9	0.8
Pay-out ratio Group (14)	61.1 %	68.1 %	45.4 %	39.3 %	36.7 %	54.9 %	35.1 %	26.6 %	36.8 %	48.7 %
EC ratio overall as at 31.12 (15)	32.5 %	32.9 %	34.5 %	34.5 %	34.5 %	42.1 %	41.6 %	47.3 %	47.3 %	46.4 %
EC ratio overall as at 01.01 used for allocaton of result	35.6 %	34.2 %	34.2 %	34.5 %	34.5 %	38.7 %	42.1 %	42.9 %	47.3 %	47.3 %

* Calculation as of end of quarter

Comments/definitions:

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

Interim report for Q4 2015 – Group

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

Highlights:

- Pre-tax profit NOK 1,033 million (NOK 1,345 million).
- Profit after tax of NOK 872 million (NOK 1,096 million).
- Return on equity after tax: 9.1% (12.2%).
 - Earnings per equity certificate (Group): NOK 4.11 (NOK 5.16).
- Continued good underlying banking operations for the year with profit before losses of NOK 1 119 million (NOK 1,084 million), exclusive the restructuring costs.
- Net income from financial assets: NOK 249 million (NOK 602 million).
- Loan losses to customers: NOK 200 million (NOK 164 million).
- Lending growth in the last 12 months: 4.0% (5.5%), inclusive of intermediary loans.
 - Retail market: 6.5% (6.1%).
 - Corporate market: -2.9% (3.9%).
- Growth in deposits in the last 12 months: 5.1% (6.8%).
 - Retail market: 6.2% (9.1%).
 - Corporate market: -0.5% (6.1%).
 - Public sector market: 13.3% (-1.9%).
- Deposit coverage ratio: 75.1% (74.7%).
- Common equity tier 1 capital ratio, Group: 13.7% (12.5%).
- Satisfactory access to liquidity despite a tighter funding market.
- Profitability improving measures are being implemented. These include voluntary redundancy aimed at reducing employee numbers in the Parent Bank by 15% compared with the start of 2015.
- The focus on core business continues. The Group's commitment associated with its banking activities in Russia has been wound up. The residual exposure amounts to around NOK 50 million.
- Proposed dividend provision: NOK 2.00 per equity certificate (NOK 1.90).

Macroeconomic trends

The Norwegian economy slowed down significantly in 2015 due to low oil prices and the consequent lower level of oil investments. The estimated GDP growth for 2015 is just above 1%. In September 2015, Norges Bank lowered the base rate to 0.75% because the outlook for the Norwegian economy had worsened and because growth would probably remain low for longer than previously assumed. In December 2015, Norges Bank announced that the base rate may be lowered even further in the first half of 2016 because its analyses indicated an even weaker growth outlook for the Norwegian economy.

The northern Norwegian economy continues to show only limited signs of weakness. The regional network's report to Norges Bank from December 2015 estimates that the growth in Northern Norway will still be stronger than in the rest of the country. According to the report, production in Region North is expected to enjoy moderate growth (2%) in the next 6 months compared with no growth for the country as a whole. The unemployment rate for Northern Norway remains stably low, with 2.6% registered as completely without work as of December. The housing market is still performing well, but the rise in house prices has gradually flattened out. More new houses were built in 2015 than in 2014.

Northern Norway has been less affected by the slowdown in the Norwegian economy because the region is less dependent on the oil sector, and because the weak Norwegian kroner has strengthened export industries. The value of seafood exports rose by 10% compared with 2014, which was a record year. The impact of the weak Norwegian kroner has also been positive for the energy-intensive industries in Nordland. Tourism in the region saw a rise of 5% in overnight stays compared with 2014. The number of foreign overnight stays has been stable, while winter tourism has accounted for a larger proportion. Turnover in building and construction was up by 7% compared with 2014 due to the high level of investment in building and construction.

Deliveries to the oil sector by northern Norwegian companies reached NOK 5.6 billion in 2014. The level of deliveries was somewhat lower in 2015. The commissioning of Goliat and development of Aasta Hansteen and Polarled are expected to make a positive contribution to the northern Norwegian economy in the next few years.

Northern Norwegian household finances are solid. Lasting low unemployment and lower interest rates have resulted in good growth in personal savings. Growth in consumer spending was high. The turnover in the wholesale and retail trade was 3% higher than in 2014. Companies in the wholesale and retail trade expect weaker growth in the next 6 months.

Although the macroeconomic outlook for northern Norway still appears brighter than for the rest of the country, the Bank is conscious of the fact that the slowdown in the Norwegian economy may also have an impact on northern Norway in 2016. The most noticeable consequences could come in the form of lower consumer demand in the region and lower demand from the rest of the country. Developments in the global economy can impact business in the region through factors such as exchange rate fluctuations, lower growth in China and weaker commodity prices.

Overall, the Bank believes the growth outlook for the northern Norwegian economy is moderate. The Business Barometer for northern Norway forecasts economic growth of 2% in 2016.

Financial performance

The financial statements for 2015 show an operating profit before tax of NOK 1,033 million (NOK 1,345 million). Underlying banking operations before losses remain good and show a profit of NOK 1,119 million, compared with NOK 1,084 million for the same period last year, exclusive the restructuring costs. Underlying banking operations are still viewed as good.

The Group's return on equity after tax as of 31 December 2015 was 9.1% (12.2%). Its earnings per equity certificate were NOK 4.11 (NOK 5,16).

The results for the fourth quarter in isolation were affected by significant provisions for severance packages (non-recurring effect) as well as changes in the value of financial assets due to increased credit margins in the capital market.

Net interest income

Net interest income amounted to NOK 1,512 million as of 31 December 2015.

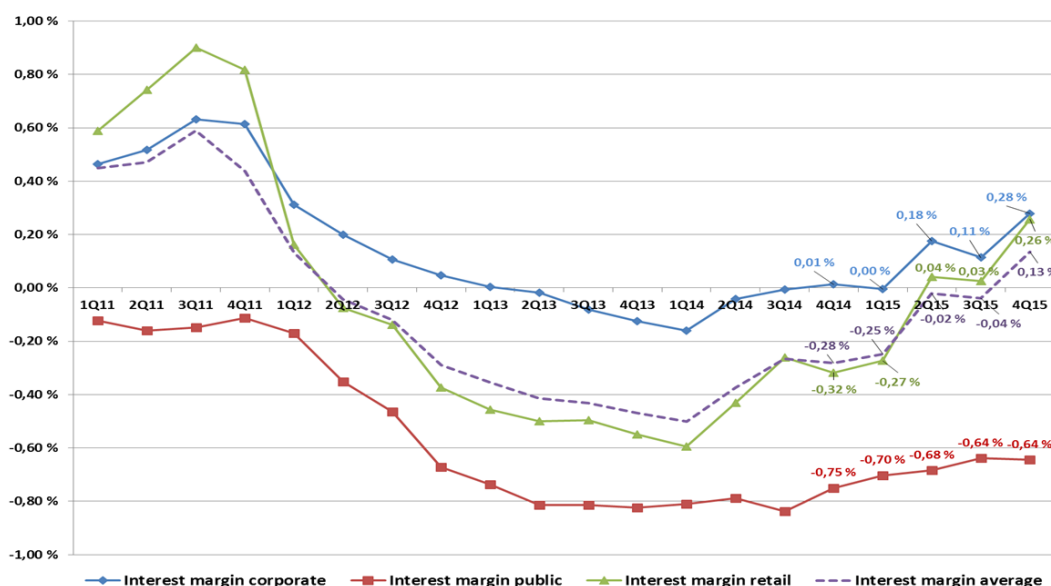
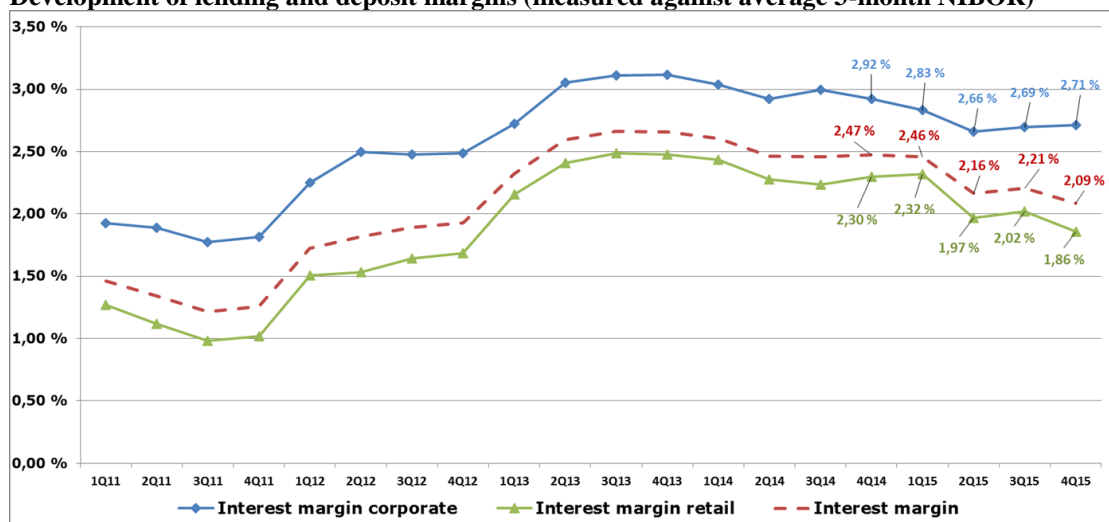
Net interest income represented 1.80% (1.78%) of average total assets, which is 0.02 percentage points higher than the year before.

Income from the loans portfolio transferred to SpareBank 1 Boligkreditt (SP1BK) and SpareBank 1 Næringskreditt (SP1NK) is booked as commissions. As of 31 December 2015, these commissions amounted to NOK 260 million (NOK 343 million). At year-end 2015, home mortgages worth NOK 24 billion (NOK 24 billion) had been transferred to SpareBank 1 Boligkreditt. As of 31 December 2015, no loans had been transferred to SpareBank 1 Næringskreditt (NOK 0.3 billion).

Net interest income including the above-mentioned commissions for the fourth quarter in isolation shows a reduction of NOK 13 million compared with the fourth quarter of 2014. Compared with the third quarter of 2015, net interest income, including commissions from the transferred loan portfolio, has developed as shown below:

Figures in NOK million	Q4 2015	Change	Q3 2015
Net interest income, incl. commissions from SB1BK and SP1NK	447	+1	446
Lending and deposit volume		+2	
Margin effects		-1	

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



The Bank lowered its deposit and lending rates a number of times in 2015 because of the competition situation in the market, reductions in the base rate and reductions in money market rates. On 24 September 2015, Norges Bank reduced the base rate by a further 0.25 percentage points to 0.75%. No further adjustments were made in the fourth quarter. Based on this, and continued strong competition in the market, the Bank decided to reduce its deposit and lending rates for new commitments from 28 September 2015. The rate changes came into effect on 25 November 2015. The net effect on the result of this change in customer rates for loans and deposits has, in isolation, been calculated as being almost neutral.

The low interest rates in the money markets are expected to persist, which in the short term will in turn result in lower borrowing costs for the banks. On the other hand, risk premiums for new borrowing by banks in the capital market rose significantly in the second half of 2015.

Compared with the third quarter of 2015, the Bank's average borrowing costs in the capital market in the fourth quarter were relatively stable. Assuming stable conditions in the capital market, the Bank's average borrowing costs are expected to rise slightly during 2016 and 2017.

The development of the Bank's overall margins going forward will primarily depend on the competitive situation. The retail market is expected to remain highly competitive with price pressure on lending, while lending margins are expected to increase somewhat in the corporate market.

IFRIC interpretation 21 – recognising a liability for a levy

SpareBank 1 Nord-Norge implemented the interpretation rules concerning levies in IFRIC 21 with effect from 1 January 2015 (see policy note). The interpretation covers the recognition of liabilities linked to levy payments. In 2015, SpareBank 1 Nord-Norge continued its previous practice of periodising the guarantee fund levy on a quarterly basis. The guarantee fund levy is included in net interest income and amounted to NOK 33 million in 2015 compared with NOK 36 million in 2014.

Net commissions and other operating income

Net commissions and other operating income amounted to NOK 933 million for 2015 (NOK 966 million), a reduction of NOK 33 million compared with the year before.

<i>Figures in NOK million</i>	2015	Change	2014
Net commissions and other operating income	933	-33	966
Commissions from SP1BK, SP1NK, SP1Finans	262	-84	346
Commissions from EiendomsMegler 1 Nord-Norge	119	+24	95
Income from SB1 Regnskapshuset Nord-Norge	87	+1	86
Other commissions and other operating income	465	+26	439

Income from financial investments

Total net income from financial investments amounted to NOK 249 million for 2015 (NOK 602 million). This has developed as follows:

<i>Figures in NOK million</i>	2015	Change	2014
Net income from financial investments	249	-353	602
Result from SpareBank 1 Gruppen	251	-109	360
Result from SpareBank 1 Boligkreditt	66	+35	31
Result from BN Bank	29	-37	66
Result from SpareBank 1 Næringskreditt	19	-5	24
Result from SpareBank 1 Kredittkort	20	+18	2
Result from SpareBank 1 Markets	14	+44	-30
Share dividends	8	-8	16
Net change in value of equities	-50	-148	98
Net change in value of bonds, currency and derivatives	-107	-184	77
Net change in value of loans at fair value, incl. hedging	-1	+41	-42

The net change in value of the bond portfolio was significantly affected by a negative change in the value of bonds classified, and valued from an accounting perspective, at fair value (market value). The sharp widening of risk premiums (credit spreads) in the market entails an unrealised loss at year-end 2015 of around NOK 106 million. The quality of the underlying portfolio suggests that the Bank can be fairly certain that the write-downs in the bond portfolio will not be realised.

The profit contributions from some associated companies and joint ventures were affected by the above-mentioned spread widening in the bond market.

The net change in the value of equities in 2014 was characterised by the recognition as income of a gain of NOK 137 million from the sale of Nets.

Profit contributions from joint ventures

SpareBank 1 Gruppen

SpareBank 1 Gruppen's profit after tax for 2015 totalled NOK 1,287 million (NOK 1,849 million). The SpareBank 1 Nord-Norge Group's share of the result, amounting to NOK 251 million (NOK 360 million), has been incorporated into the financial statements. SpareBank 1 Livsforsikring and SpareBank 1 Skadeforsikring made the greatest contributions to SpareBank 1 Gruppen's profit. SpareBank 1 Gruppen's weaker result was primarily due to higher compensation payouts for natural disasters and lower profit prior years in the P&C insurance company, as well as lower financial income.

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt

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

The Bank owned a 14.45% stake in SpareBank 1 Boligkreditt as of 31 December 2015 (14.71%) and the share of its profit in 2015 was NOK 67 million (NOK 31 million).

SpareBank 1 Nord-Norge owns a 20.83% stake (20.83%) in SpareBank 1 Næringskreditt and the share of its profit for 2015 was NOK 19 million (NOK 24 million).

BN Bank

SpareBank 1 Nord-Norge owned a 23.5% stake in BN Bank as of 31 December 2015. The share of the profit for 2015 amounted to NOK 29 million (NOK 66 million). The poorer result compared with 2014 is largely due to restructuring linked to the closing down of the bank's activities within the corporate market, as well as unrealised losses on securities due to the increased risk premium.

Other companies

In addition to the above companies, the 17.80% stake in SpareBank 1 Kredittkort and share of the profit for 2015 of NOK 20 million (NOK 2 million) have also been incorporated. The 27.03% share of the profit from SpareBank 1 Markets, NOK 13 million for 2015 (NOK -30 million), has also been included. As of 30 September 2015, this holding was reclassified from 'investments in associated companies and joint ventures' to 'shares stated at fair value' after the restructuring of SpareBank 1 Markets. SpareBank 1 Nord-Norge's stake in SpareBank 1 Markets was 9.9% as of 31 December 2015.

The Group's equities portfolio

The Group's equities portfolio as of 31 December 2015 amounted to NOK 569 million (NOK 473 million). The Bank recognised a net loss/devaluation in relation to this portfolio of NOK 50 million in 2015 (NOK 98 million in 2014 after the recognition as income of NOK 137 million from the sale of the stake in Nets AS). A NOK 71 million loss/value reduction has been recognised in the 2015 consolidated financial statements in relation to the portfolio in the subsidiary SpareBank 1 Nord-Norge Portefølje AS due to a negative change in value of the unit trust Nord II. This was mainly due to unrealised revaluations of investments in companies with exposures in the oil and gas sector.

On 2 November 2015, an agreement was announced between Visa Europe Ltd. (VE) and Visa Inc. in which the latter will purchase all of the shares in Visa Europe Ltd. Visa Norge FLI (VN) is, as a group member of Visa Europe, also a shareholder in VE. The transaction will, if it is completed, significantly increase the book value of VN's equity. The sale of the shares will, if the agreement's conditions for completion are met, actually not take

place before the second quarter of 2016. The settlement for the sale will be made to VE and VE will distribute it to its members based on a combination of charges paid in the last 2 years and the next 3 years' business agreements. The proceeds will in turn be further distributed in Norway to the members, based on the same criteria, including SpareBank 1 Nord-Norge. Since the agreement has not been completed, no precise figure can be put on what the final amount will be. Nonetheless, an estimate of the settlement arrived at a figure of NOK 80 million for SpareBank 1 Nord-Norge's share of the sale. As of 31 December 2015, this has been recognised in the equities portfolio on the balance sheet as shares available for sale, in the result as an item in other comprehensive income (OCI), and added to equity. Upon completion of the transaction, the final amount received will be recognised as income, although without effect on the equity for the NOK 80 million that was recognised in 2015.

Certificates, bonds, currency and derivatives

As of 31 December 2015, the Group's holdings of certificates and bonds amounted to NOK 11,178 million, compared with NOK 9,720 million at the same time the year before.

Risk premiums in the Norwegian securities market, especially for covered bonds, rose sharply in 2015, particularly in the third and fourth quarters. The higher risk premiums produced an unrealised, accounting capital loss on the Bank's interest-bearing portfolio. Please also refer to the comments in the section on income from financial investments above.

Subsidiaries and second tier subsidiaries

<i>(Amounts in whole NOK 1000s)</i>	Stake in %	Pre-tax profit	
		31.12.15	31.12.14
SpareBank 1 Finans Nord-Norge AS	100	125,057	116,438
SpareBank 1 Nord-Norge Portefølje AS	100	-75,415	19,906
EiendomsMegler 1 Nord-Norge AS	100	27,183	15,208
EiendomsMegler 1 Lofoten AS	60	0	344
SpareBank 1 Forvaltning AS	100	2,386	2,509
SpareBank 1 Regnskapshuset AS	100	5,773	3,829
North-West 1 Alliance Bank	75	-3,049	-3,245
Nord-Norge Eiendom IV AS	100	-1,293	1,230
Alsgården AS	100	-587	-335
Fredrik Langesg 20 AS	100	1,830	1,406

The Group's subsidiaries had a combined pre-tax profit for 2015 of NOK 82 million (NOK 157 million), which has been fully consolidated in the consolidated financial statements.

SpareBank 1 Finans Nord-Norge AS's pre-tax profit for 2015 was NOK 125 million (NOK 116 million). The company has a good earnings base and total earnings for the year-to-date amount to NOK 272 million (NOK 261 million). Losses on leasing and loan commitments amounted to NOK 11 million in 2015 (NOK 6 million). At the end of the quarter, the company managed leasing, consumer loan and vendor's security agreements with a total value of NOK 4,429 million (NOK 3,985 million).

The Bank's stake in North West 1 Alliance Bank in St. Petersburg, Russia was sold in the fourth quarter of 2015. The Group's share of the result before tax (75%) in 2015 up to the time of sale amounted to NOK -20 million. This was reduced by NOK 17 million when it was recognised in the result by making use of loss provisions made in 2014 for the Group's commitment in Russia. Please also see the special section on the Group's venture in Russia.

SpareBank 1 Nord Norge Portefølje AS has a portfolio of unlisted equities and investments in funds. The company's result before tax amounted to NOK -75 million in 2015 (NOK 20 million). The changes in value of the company's equities portfolio are commented on above in the section "The Group's equities portfolio".

EiendomsMegler 1 Nord-Norge AS achieved a pre-tax profit for 2015 of NOK 27 million (NOK 15 million). 2,775 units were sold in 2015 (2,170). The total value of sales in 2015 was NOK 114 million; 23% higher than in 2014. In the fourth quarter, the company EiendomsMegler 1 Lofoten AS was merged with retrospective effect from 1 January 2015.

SpareBank 1 Nord-Norge Forvaltning, which manages a portfolio of NOK 2.53 billion, had a pre-tax profit of NOK 2 million in 2015 (NOK 2 million).

SpareBank 1 Regnskapshuset Nord-Norge operates accounting firms in Northern Norway. The consolidated profit for the company (excluding goodwill amortisation) in 2015 was NOK 6 million (NOK 4 million).

Operating costs

In response to increased digitalisation and changes in customer behaviour, SpareBank 1 Nord-Norge decided to reorganise the business to improve profitability within the Group. Measures encompass increased earnings, reduced costs and a better return on capital. The changes result in over-staffing. Staff were offered voluntary severance packages in the fourth quarter and about 150 employees said yes to the offer. Around 80 employees left the Bank on 31 December 2015. Compared with the number of full time equivalents at the start of 2015, a net percentage-wise reduction in the number of full time equivalents in the Parent Bank of up to 15% is expected by year-end 2016.

A total of NOK 45 million was set aside in 2014 and the first three quarters of 2015 for future restructuring costs. A further NOK 105 million was recognised as costs for the same purpose in the fourth quarter of 2015. The total non-recurring costs due to the planned voluntary downsizing therefore amounted to NOK 150 million at year-end 2015.

Ordinary operating costs amounted to NOK 1,461 million for 2015 (NOK 1,328 million), an increase of NOK 133 million.

The changes in costs were as follows:

<i>Figures in NOK million</i>	2015	Change	2014
Operating costs	1,461	+133	1,328
Payroll costs	850	+146	704
Admin. costs	368	+19	349
Depreciation and write-downs	56	-41	97
Other costs	187	+17	180

Costs amounted to 1.74% of average total assets as of 31 December 2015 (1.66%), an increase of 0.08 percentage points compared with 2014. The Group's cost/income ratio was 54.2% as of 31 December 2015, compared with 49.6% as of the third quarter of 2015 and 44.4% as of 31 December 2014.

NOK 13 million more in employers' National Insurance contributions were recognised in the accounts in 2015 than in 2014 after the differentiated employers' National Insurance contributions scheme was ended with effect from 1 July 2014 for a number of industries, including finance and insurance.

Operating costs for the fourth quarter of 2015 were NOK 122 million higher than for the third quarter of 2015.

The Parent Bank's costs amounted to NOK 1,178 million for 2015, an increase of NOK 139 million compared with 2014.

At year-end 2015, there were 97 fewer full time equivalents in the Group than at the same time in 2014: there were 76 fewer in subsidiaries and 21 fewer in the Parent Bank. The reduction in the number of full time equivalents in subsidiaries was primarily due to the sale of the Bank's subsidiary bank in Russia. The Group had 830 full time equivalents at year-end 2015, 618 of whom were accounted for by the Parent Bank.

Capital tax

As mentioned above, SpareBank 1 Nord-Norge implemented the interpretation rules concerning levies in IFRIC 21 from 1 January 2015. The interpretation also resulted in changes in how capital tax is treated. Capital tax is calculated based on the Bank's assets at the end of the year and is therefore incorporated in its entirety in December in the financial year. In previous years it has been accrued on a monthly basis. The capital tax for 2015 has been estimated at NOK 8 million and has been recognised as an ordinary operating cost.

The Group has changed its target for average annual cost increases from a maximum of 1% to a maximum of 0%, exclusive of restructuring costs and any business expansions.

Net losses and non-performance - customer commitments

The Group's net losses on loans to customers for 2015 amounted to NOK 200 million (NOK 164 million): NOK 190 million from the corporate market and NOK 10 million from the retail market.

Net non-performing and doubtful commitments as of 31 December 2015 totalled NOK 346 million (NOK 350 million), which represents 0.4% of gross lending including intermediary loans (0.4%).

The Group's total individual loss write-downs on loans to customers as of 31 December 2015 were NOK 231 million (NOK 171 million), NOK 62 million of which involved financial institutions. The provisions were reduced by a NOK 185 million in the last quarter, NOK 95 million of which involved financial institutions. The provisions for financial institutions relate to the Group's exposure in Russia.

Group write-downs as of 31 December 2015 amounted to NOK 247 million (NOK 236 million). This represents an increase of NOK 12 million compared with the previous quarter. Compared with year-end 2014, the increase in group provisions was NOK 11 million. Group write-downs totalled 0.4% of the Group's total gross lending as of 31 December 2015 (0.4%), which represents 0.3% of gross lending including intermediary loans. The assessment of group provisions in 2014 included the Group's total credit commitments, including the exposure in Russia. The Group's group provisions were reduced by around NOK 40 million in connection with winding up the Group's banking operations in Russia. The increased domestic macroeconomic uncertainty resulted in the Group increasing group provisions for losses as of 31 December 2015 by NOK 50 million.

No new commitments exposed to a significant risk of losses were uncovered in the fourth quarter of 2015. In the opinion of the Board, the quality of the Bank's loan portfolio remains good and the Bank is doing high quality work in connection with commitments in default and doubtful commitments in the Group. Given the greater macroeconomic uncertainty, the focus on this work will intensify going forward. The general level of losses in the coming periods is expected to be moderate.

IFRS 9 Financial instruments

The IASB (International Accounting Standards Board) published the final version of IFRS 9 *Financial Instruments* in July 2014 (International Financial Reporting Standards). IFRS 9 will replace the existing IAS 39 *Financial Instruments: Recognition and Measurement* (International Accounting Standards). IFRS 9 entails changes in relation to the current standard with respect to the classification and measurement of financial instruments, writing down financial assets, and hedge accounting. The standard comes into effect for the financial accounting year starting on 1 January 2018 or later. Early implementation is permitted. The standard has not been approved by the EU yet. With the exception of hedge accounting, the standard must be applied retrospectively, although there is no obligation to provide comparable figures. In the case of hedge accounting, the standard must be applied prospectively, with a limited number of exceptions.

The Bank expects to apply the standard on the mandatory effective date, from and including the 2018 financial year. The Bank carried out a general assessment of the effects of the standard in 2015. This provisional assessment is based on the information available when the assessment was made and may be subject to changes due to further detailed analyses or further information that becomes available to the Bank in the future. The Bank does not expect the new standard to have significant effects on the balance sheet or equity, with the exception of the effects from applying the standard's rules for writing down loans. New principles for write-downs could result in higher loss provisions. The Bank will carry out a more detailed assessment in 2016 to determine the level of provisions more precisely.

Focus on core banking operations - winding up of Russian business and sales of ownership in Bank 1 Oslo

SpareBank 1 Nord-Norge has been involved in banking operations in Russia through Tavrishesky Bank (TB) and North-West 1 Alliance Bank (NW1). In line with the 2013 decision to phase out the Group's commitment in Russia, SpareBank 1 Nord-Norge sold its stake in NW1 to a Russian group of investors in the fourth quarter of 2015. Furthermore, all of SpareBank 1 Nord-Norge's funding of NW1 has been taken over by this group of investors.

Following the sale of NW1, SpareBank 1 Nord-Norge has no banking operations of its own in Russia.

The remaining exposure in Russia consists of loans to Tavrishesky Bank equivalent to around NOK 110 million. The process of recovering this claim has begun. The net exposure in the consolidated financial statements after remaining provisions for losses amounts to NOK 50 million as of 31 December 2015.

During 4th quarter 2015 SpareBank 1 Nord-Norge together with the other owner banks in the SpareBank 1 alliance entered into an agreement involving the transfer of the ownership in Bank 1 Oslo to Sparebanken Hedmark.

Taxes

The Group's tax cost for 2015 is estimated to be NOK 163 million. In the Parent Bank's accounts, the basis for tax has been reduced by permanent differences coupled with effects of the exemption model.

Total assets

The Group's total assets amounted to NOK 85,403 million as of 31 December 2015. Total assets have increased by NOK 2,215 million in the last 12 months, or 2.7%.

Lending

As of 31 December 2015, lending totalling NOK 24 billion (NOK 24 billion) had been transferred to SpareBank 1 Boligkreditt. As of the end of 2015, no loans had been transferred to SpareBank 1 Næringskreditt (NOK 300 million). These loans do not appear as lending on the Bank's balance sheet. Comments that deal with the growth in lending include these intermediary loans.

The Group's gross lending to customers, inclusive of intermediary loans, amounted to NOK 88 billion as of 31 December 2015 (NOK 85 billion). This represents an increase of 4.0% compared with 31 December 2014 (5.5%). Retail loans grew by 6.5% (6.2%), while corporate and public sector loans decreased by 2.9% (+3.8%).

The Group's exposure in the oil and gas sector is low. Its total exposure at year-end 2015 was NOK 2,195 million, or 2.5% of gross lending (inclusive of intermediary loans). In the Board's opinion, the risk in this part of the portfolio is clear and manageable. The exposure largely involves supply bases that have very long contracts with solid actors, as well as vessels where the majority have long contracts.

The Bank's portfolio of fixed-rate loans in NOK amounted to NOK 7.9 billion as of 31 December 2015. This portfolio is measured at fair value in the financial statements. Changes in interest rates and risk premiums can result in changes in the estimated fair value. Given this, greater volatility must be expected in the profit and loss statement due to the measurement of this portfolio of loans. Please also refer to the more detailed description in note 16 to the interim financial statements.

The percentage of lending to the retail market, inclusive of intermediary loans, accounts for 72% of the total lending as of 31 December 2015 (70%).

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

Liquidity and rating

Deposits from customers are the Bank's main source of funding. At the end of the fourth quarter of 2015, the deposit coverage ratio (exclusive of intermediary loans) was 75% (75%). The Bank's remaining funding, apart from equity and subordinated capital and deposits from customers, is mainly long-term funding from the capital markets. The Bank's access to liquidity and its key figures for liquidity are satisfactory despite the tighter domestic funding market in the second half of 2015. The Bank's strategic aim is to keep liquidity risk at a low level. The LCR (liquidity coverage ratio) as of 31 December 2015 has been calculated as 95%.

The Group's deposits from customers, exclusive of accrued interest, totalled NOK 48,087 million as of 31 December 2015. The increase over the past 12 months was NOK 2,326 million, or 5.1% (6.8%). Retail deposits showed growth of 6.2% (9.0%), corporate deposits -0.5% (6.3%), and public sector deposits 13.3% (-29.1%). The calculations of deposit growth for 2015 do not take account of treasury bills. For the purposes of comparison, the figures for 2014 have also been recalculated in relation to the previously reported key figures.

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

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

In May 2015, the Moody's rating agency improved SpareBank 1 Nord-Norge's rating from A2 to A1. Fitch's rating is A.

Financial strength and capital adequacy

The Group's common equity tier 1 capital ratio as of 31 December 2015 was 13.7% (12.5%). The tier 1 capital ratio was 14.9% (13.6%) and the total capital adequacy ratio was 17.0% (15.6%).

The unweighted tier 1 capital ratio (leverage ratio) as of 31 December 2015 was calculated to be 6.1% (5.9%).

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

SpareBank 1 Nord-Norge's goal is to maintain unquestionable financial strength and satisfy the statutory minimum equity requirements for capital adequacy. The Board has decided to change the Group's target for an internal capital buffer from 1 percentage point to a minimum of 0.5 percentage points above the statutory minimum requirement. The Group's long-term goal for the common equity tier 1 capital ratio is currently 14.5%. The intention is to achieve the target of 14.5% in 2016.

In the opinion of the Board, no equity issues will be required in the market to achieve the Group's long-term target for financial strength.

As of 31 December 2015, SpareBank 1 Nord-Norge had a common equity tier 1 capital ratio that is significantly higher than the minimum statutory requirement and the Group is deemed to be well capitalised to meet the stricter requirements for the countercyclical buffer and new Pillar 2 regulations in 2016. Please refer to the more detailed comments under new framework conditions.

New framework conditions

Countercyclical capital buffer will be increased in 2016

In keeping with advice from Norges Bank, the Ministry of Finance has decided that the level of the countercyclical capital buffer requirement for banks will be increased to 1.5% starting on 30 June 2016. This requirement was previously set at 1% from 30 June 2015. The Ministry has particularly emphasised the debt burden in the household sector and the fact that greater capital strength will make Norwegian banks more robust against future loan losses.

The Financial Supervisory Authority of Norway's practices for assessing risk and capital requirements (Pillar 2)

The Financial Supervisory Authority of Norway's methods for assessing undertakings' overall risk level and associated capital requirements are described in the circular dated 14 August 2015. The Financial Supervisory Authority of Norway's methods are based on, among other things, guidelines from the European Banking Authority (EBA).

The requirements for undertakings' risk and capital assessments and the surveillance authority's assessment of the undertakings' overall risk level and associated capital requirements stand. Basel III and CRD IV (Capital Requirements Directive) afford Pillar 2 as much importance as before. The circular sheds light on some areas that are new or that will become more important in the assessment of risks and capital requirements in undertakings. In addition to covering the minimum requirement and various types of buffers in Pillar 1, undertakings must in their capital adjustment take account of risks that are not covered by Pillar 1.

The Financial Supervisory Authority of Norway will differentiate between the following two main elements in their risk and capital assessments when setting the additional capital requirement for Pillar 2:

- The capital requirement for inherent risks based on a risk level viewed from a 12-month perspective. This requirement will be assessed independent of the buffer requirements in Pillar 1. The Financial Supervisory Authority of Norway will expect undertakings to maintain this additional capital at all times.
- The capital requirement from a forward-looking perspective in a stress situation involving a serious financial setback where the capital preservation buffer in Pillar 1 is inadequate.

The two parts of the additional capital requirement in Pillar 2 must both be covered by common equity tier 1 capital. The capital used to cover the minimum requirement and the overall buffer requirement in Pillar 1 (including the effect of the applicable floor rules) cannot be used to cover the additional capital requirement in Pillar 2.

In a letter to the Financial Supervisory Authority of Norway dated 15 January 2016, the Ministry of Finance asked it to continue working on making the calculation models and methods used in Pillar 2 more predictable and transparent. Structural factors that apply to most Norwegian banks must be reflected in the Pillar 1 requirements, i.e. minimum requirements for capital and combined capital buffer requirements in Pillar 1. No requirement should be stipulated for further capital at an institutional level when the risk is already covered by the requirements for capital buffers and other macro-prudential requirements. This is also in keeping with the EU's regulations. The Ministry of Finance has requested the views of the Financial Supervisory Authority of Norway by 15 February 2016.

New liquidity requirements starting in 2016

The Financial Supervisory Authority of Norway recommends that new liquidity requirements issued through the CRD IV regulations (which include the Liquidity Coverage Ratio, LCR) shall be met at a level of 60% starting on 1 October 2015 with gradual escalation up to 100% by 2018. This is in keeping with the EU's schedule for phasing in the new liquidity requirements. The Financial Supervisory Authority of Norway further proposes a special Norwegian rule that Norwegian banks with assets exceeding NOK 20 billion must have an LCR of at least 100% starting on 1 January 2016.

As of 31 December 2015, SpareBank 1 Nord-Norge meets the LCR requirements (please also refer to the section above concerning liquidity as well).

The CRD IV regulations also include a long-term liquidity requirement, the Net Stable Funding Ratio, NSFR. The Financial Supervisory Authority of Norway recommends waiting for the introduction of NSFR until this has been completely formulated by the EU, starting no later than in 2017.

The Bank's equity certificate holders

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

The ownership fraction as of 1 January 2015 was 47.33%. The number of holders of equity certificates as of 31 December 2015 was 7,641 (7,839). The proportion of northern Norwegian equity certificate holders was 19% (20%). A summary of the Bank's 20 largest equity certificate holders is provided in the notes to the interim report.

The market price for the Bank's equity certificates was NOK 36.20 as of 31 December 2015 (NOK 39.90). Based on this price, the market value of the Bank's equity was NOK 8,198 million (NOK 7,735 million). The earnings per equity certificate (Group) amounted to NOK 4.11 (NOK 5.17). As of 31 December 2015, Price/Earnings was NOK 8.9 (NOK 7.7) and Price/Book 0.8 (0.9) (both figures for the Group).

Proposed profit allocation

The Parent Bank's profit after tax is distributed between the equity certificate holders and the Bank's community-owned capital in accordance with the relative distribution of equity capital between the owner groups in the Parent Bank.

The Bank's dividend policy indicates a payout ratio of up to 50% of the Group's profit for the year. As part of the adjustment to new capital requirements, the Bank has for some time practised a reduced rate of dividend. The Board has previously communicated that the process of normalising the rate of dividend can be accelerated. However, in order to ensure that the Group's target for a common equity tier 1 capital ratio of 14.5% is achieved in 2016, the Board has chosen to propose retaining a larger proportion of the community-owned capital of the profit compared with the equity certificate holder's share of the profit.

The Board is therefore proposing to the Bank's Supervisory Board a cash dividend of NOK 2.00 (NOK 1.90) per equity certificate, for a total of NOK 200.8 million (NOK 190.8 million), and an allocation of NOK 135.1 million (NOK 161.1 million) to the dividend equalisation fund. In addition, a combined transfer of NOK 60 million to publicly beneficial causes is proposed (NOK 212.3 million).

This results in the following proposal for allocation of the profit for the year:

Parent Bank's profit for the year after tax	NOK 730.7 million
Allocated to cash dividend	NOK 200.8 million
<u>Allocated to dividend equalisation fund</u>	<u>NOK 145.1 million</u>
Total to the equity certificate holders	NOK 345.9 million
Allocated to donations	NOK 60.0 million
<u>Allocated to the Savings Banks Fund.</u>	<u>NOK 324.8 million</u>
<u>Total to the Bank's community-owned capital</u>	<u>NOK 384.8 million</u>
Total allocated	NOK 730.7 million

Dividends will be distributed to those registered as equity certificate holders as of 16 March 2016. The bank's equity certificates will be traded ex dividend as at 17 March 2016.

The proposed allocation of profits represents a total payout ratio of the Group's profit of 29.9% (36.8%): 48.7% to the Bank's equity certificate holders and 13.1% to community-owned capital, respectively. This means that 70.1% of the Group's profit for 2015 (63.2%) will be retained by the Group. The equity certificate holders' proportion of the equity (ownership fraction) has changed somewhat and was as of 1 January 2016 calculated as being 46.36%.

Concluding remarks and future prospects

The result for 2015 was affected by restructuring costs, as well as write-downs due to the higher risk premiums in the securities market. However, earnings remain good in the Bank's core activities.

While the Norwegian economy is experiencing a significant slowdown as a result of low oil prices and the resulting lower investments in oil, the economy of Northern Norway has so far shown fewer signs of weakening. The prospect of stronger growth in Northern Norway was also confirmed by the regional network's report to Norges Bank in December 2015. According to the report, production in Region North is expected to enjoy moderate growth (2%) in the next 6 months compared with no growth for the country as a whole.

Northern Norway has been less affected by the slowdown in the Norwegian economy because the region is less dependent on the oil sector, and because the weak Norwegian kroner has strengthened export industries.

Although the macroeconomic outlook for Northern Norway still appears brighter than for the rest of the country, the Bank is conscious of the fact that the slowdown in the Norwegian economy may also have an impact on Northern Norway in 2016. The most noticeable consequences could come in the form of lower consumer demand in the region and lower demand from the rest of the country. Developments in the global economy can impact business in the region through factors such as exchange rate fluctuations, lower growth in China and weaker commodity prices.

Overall, the Bank believes the growth outlook for the northern Norwegian economy is moderate. The Business Barometer for Northern Norway forecasts economic growth of 2% in 2016.

A number of measures have been initiated to ensure future profitability in line with the Group's profitability targets. These include measures that aim to increase income, reduce costs and ensure capital is used more efficiently. The measures are primarily expected to produce effects in 2016.

Tromsø, Norway, 8 February 2016

The Board of SpareBank 1 Nord-Norge

Karl-Eirik Schjøtt-Pedersen
(Chairman of the Board)

Pål Andreas Pedersen
(Deputy Chairman)

Sonja Djønnne

Hans Tore Bjerås

Greger Mannsverk

Ingvild Myhre

Anita Persen

Vivi-Ann Pedersen
(Employee-elected)

Jan-Frode Janson
(CEO)

Statement of income

Parent Bank

Group

(Amounts in NOK million)

31.12.13	4Q14	4Q15	31.12.14	31.12.15		31.12.15	31.12.14	4Q15	4Q14	31.12.13
2 825	713	594	2 820	2 520	Interest income	2 702	2 998	644	755	2 990
1 712	378	254	1 578	1 200	Interest costs	1 190	1 572	254	377	1 705
1 113	335	340	1 242	1 320	Net interest income	1 512	1 426	390	378	1 285
771	194	175	801	739	Fee- and commission income	908	940	217	232	892
71	19	17	72	72	Fee- and commission costs	75	74	19	20	75
35	8	5	21	15	Other operating income	100	100	24	25	114
735	183	163	750	682	Net fee-, commission and other operating income	933	966	222	237	931
23	0	0	16	8	Dividend	8	16	0	0	27
239	- 110	- 52	134	354	Income from investments	399	453	98	121	303
121	- 77	- 26	105	- 114	Net gain from investments in securities	- 158	133	- 52	- 70	16
383	- 187	- 78	255	248	Net income from financial investments	249	602	46	51	346
2 231	331	425	2 247	2 250	Total income	2 694	2 994	658	666	2 562
481	144	243	538	670	Personnel costs	850	704	289	190	638
306	79	94	311	331	Administration costs	368	349	104	88	337
50	13	12	50	48	Ordinary depreciation	56	97	14	29	56
141	37	30	140	129	Other operating costs	187	178	44	47	178
978	273	379	1 039	1 178	Total costs	1 461	1 328	451	354	1 209
1 253	58	46	1 208	1 072	Result before losses	1 233	1 666	207	312	1 353
146	197	112	290	216	Losses	200	321	92	236	172
1 107	- 139	- 66	918	856	Result before tax	1 033	1 345	115	76	1 181
192	- 4	- 16	175	126	Tax	163	223	- 17	15	214
0	0	0	0	0	Result non-current assets held for sale	5	27	5	27	0
					Minority interests	- 7	- 1	- 6	0	1
915	- 135	- 50	743	730	Result after tax	872	1 096	133	34	966
					Result per Equity Certificate					
4.36	-0.64	-0.24	3.50	3.44	Result per Equity Certificate	4.11	5.17	0.63	0.16	4.60
4.36	-0.64	-0.24	3.50	3.44	Diluted result per Equity Certificate	4.11	5.17	0.63	0.16	4.60

Other comprehensive income

915	-135	-50	743	730	Result after tax	865	1 095	127	34	967
0	0	0	0	0	Recalculation differences	0	-35	0	-24	1
0	0	0	0	0	Value adjustment of property, plant and equipment	-10	0	0	0	0
6	0	2	4	8	Effective part of change in fair market value in cash flow hedging	8	4	2	0	6
0	0	0	0	0	Net change in fair market value of investment in joint ventures	34	-8	-1	-8	0
0	0	80	0	80	Net change in fair market value of financial assets available for sale	80	0	80	0	0
0	0	0	0	0	Reclassification adjustments	30	0	30	0	0
-1	2	61	-80	61	Actuarial gains (losses) on benefit-based pension schemes	58	-85	58	-3	0
-2	-1	-16	21	-18	Tax on other comprehensive income	-17	22	-15	0	-2
3	1	127	-55	131	Other comprehensive income for the period	183	-102	154	-35	5
918	-134	77	688	861	Total comprehensive income for the period	1 048	993	281	-1	972
					Majority interest	-7	1 001	-774	7	972
					Minority interests	1 055	-8	1 055	-8	0
					Total result per Equity Certificate					
4.38	-0.63	0.36	3.24	4.06	Total result per Equity Certificate	4.94	4.68	1.32	-0.01	4.63
4.38	-0.63	0.36	3.24	4.06	Diluted total result per Equity Certificate	4.94	4.68	1.32	-0.01	4.63
					Tax on other comprehensive income:					
-2	-1	0	-1	-2	Effective part of change in fair market value in cash flow hedging	-2	-1	0	-1	-2
0	0	-16	22	-16	Actuarial gains (losses) on benefit-based pension schemes	-15	23	-15	1	0
-2	-1	-16	21	-18	Tax on other comprehensive income	-17	22	-15	0	-2

Statement of financial position

Parent Bank

Group

(Amounts in NOK million)

31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
Assets						
612	631	274	Cash and balances with central banks	274	685	655
4 470	7 280	5 683	Loans and advances to credit institutions	2 124	3 720	1 392
53 336	57 000	59 487	Net loans and advances to customers	63 637	60 977	56 963
556	241	388	Shares	569	473	712
11 207	9 720	11 178	Certificates and bonds	11 178	9 720	11 207
1 308	2 121	1 946	Financial derivatives	1 946	2 121	1 303
553	558	626	Investments in Group Companies	0	0	0
2 436	2 750	2 836	Investments in associated companies and joint ventures	4 424	4 187	3 564
489	464	443	Property, plant and equipment	553	594	595
0	0	0	Non current assets held for sale	28	35	0
0	0	0	Deduction for ntangible assets	51	61	81
974	520	522	Other assets	619	615	1 182
75 807	81 285	83 383	Total assets	85 403	83 188	77 520
Liabilities						
4 292	2 764	1 829	Deposits from credit institutions	1 816	2 758	4 284
44 891	45 736	48 115	Deposits from customers	48 087	45 763	44 942
16 336	21 312	21 470	Debt securities in issue	21 470	21 314	16 336
722	1 493	1 525	Financial derivatives	1 525	1 493	722
878	710	750	Other liabilities	956	914	1 058
0	0	0	Non current assets held for sale	0	0	0
172	185	146	Deferred tax liabilities	238	253	228
1 450	1 350	1 350	Subordinated loan capital	1 350	1 350	1 450
68 739	73 550	75 185	Total liabilities	75 442	73 845	69 018
Equity						
1 807	1 807	1 807	Equity Certificate capital	1 807	1 807	1 807
843	843	843	Equity Certificate premium reserve	843	843	843
776	1 020	1 179	Dividend Equalisation Fund	1 179	1 020	776
3 565	3 745	4 074	The Savings Bank's Fund	4 074	3 745	3 565
163	332	180	Donations	180	332	163
0	0	80	Fair value reserve	80	- 30	- 2
46	- 12	35	Other equity capital	1 798	1 611	1 327
0	0	0	Result after tax	0	0	0
			Minority interests	0	15	23
7 200	7 735	8 198	Total equity	9 961	9 343	8 502
75 939	81 285	83 383	Total liabilities and equity	85 403	83 188	77 520

Changes in equity

(Amounts in NOK million)

Group	PCC capital	Premium Fund	Dividend		Saving Bank's Fund	Donations Fund	Fair value reserve	Other equity	Period result	Total Majority interests	Minority interests	Total equity
			Equalisation Fund									
Equity at 01.01.14	1 807	843	776		3 565	163	- 2	1 327		8 479	23	8 502
Total comprehensive income for the period			352		179	212		353		1 096	- 1	1 095
<i>Other comprehensive income:</i>												
Recalculation differences							- 28			- 28	- 7	- 35
Net change in fair market value of investment in joint ventures								- 8		- 8		- 8
Effective part of change in fair market value in cash flow hedging			2		2					4		4
Actuarial gains (losses) on benefit-based pension schemes								- 85		- 85		- 85
Tax on other comprehensive income					- 1			23		22		22
Total other comprehensive income							- 28	- 70		- 95	- 7	- 102
Total comprehensive income for the period			354		180	212	- 28	283		1 001	- 8	993
Transactions with owners												
Equity issue												
Set aside for dividend payments			- 191							- 191		- 191
Reversal of dividend payments			191							191		191
Dividend paid			- 110							- 110		- 110
Other transactions								1		1		1
Payments from Donations Fund						- 43				- 43		- 43
Total transactions with owners			- 110			- 43		1		- 152		- 152
Equity at 31.12.2014	1 807	843	1 020		3 745	332	- 30	1 611		9 328	15	9 343
Equity at 01.01.15	1 807	843	1 020		3 745	332	- 30	1 611		9 328	15	9 343
Total comprehensive income for the period			346		324	60		141		871	- 7	864
<i>Other comprehensive income:</i>												
Recalculation differences								- 10		- 10		- 10
Value adjustment of property, plant and equipment												
Net change in fair market value of investment in joint ventures								34		34		34
Effective part of change in fair market value in cash flow hedging			4		4					8		8
Net change in fair market value of financial assets available for sale								80		80		80
Reclassification adjustments								30		30		30
Actuarial gains (losses) on benefit-based pension schemes								58		58		58
Tax on other comprehensive income			- 1		- 1			- 15		- 17		- 17
Total other comprehensive income	0	0	3		3	0	110	67	0	183		183
Total comprehensive income for the period			349		327	60	110	208		1 054	- 7	1 047
Transactions with owners												
Equity issue												
Set aside for dividend payments			- 201							- 201		- 201
Reversal of dividend payments			201							201		201
Changes in minority interests								- 11		- 11	- 8	- 19
Dividend paid			- 191							- 191		- 191
Other transactions			1		2			- 10		- 7		- 7
Payments from Donations Fund						- 212				- 212		- 212
Total transactions with owners			- 190		2	- 212		- 21		- 421	- 8	- 429
Equity at 31.12.15	1 807	843	1 179		4 074	180	80	1 798		9 961		9 961

ECC ratio overall

Parent Bank

(Amounts in NOK million)

	(01.01.11) 31.12.10	(01.01.12) 31.12.11	(01.01.13) 31.12.12	(adjusted) 01.01.13	31.12.13	31.12.14	31.12.15
Equity Certificate capital	1 275	1 655	1 655	1 681	1 807	1 807	1 807
Equity Certificate premium reserve	184	245	245	344	843	843	843
Dividend Equalisation Fund	408	319	453	380	685	1 011	1 193
Set aside dividend	- 103	- 93	- 76	0	0	- 191	- 201
Share Fund Fair Value Options	- 3	- 14	- 33	- 33	0	0	38
A. Equity attributable to Equity Certificate holders of the Bank	1 761	2 112	2 244	2 372	3 335	3 470	3 680
The Savings Bank's Fund	2 811	2 902	3 107	3 081	3 593	3 954	4 096
Allocated dividends to ownerless capital	- 154	- 107	- 30	0	0	- 212	- 60
Donations	133	133	120	120	119	119	180
Share Fund Fair Value Options	- 5	- 20	- 45	- 45	0	0	42
B. Total ownerless capital	2 785	2 908	3 152	3 156	3 712	3 861	4 258
Equity Certificate Ratio overall (A/(A+B))	38.74 %	42.07 %	41.59 %	42.91 %	47.33 %	47.33 %	46.36 %

Statement of cash flows

Parent Bank

Group

(Amounts in NOK million)

31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
1 107	918	856	Result before tax	1 033	1 345	1 181
50	50	48	+ Ordinary depreciation	56	97	56
- 3	- 2	2	+ Write-downs, gains/losses fixed assets	2	- 2	- 3
146	290	216	+ Losses on loans and guarantees	200	321	172
192	175	126	- Tax/Result investment held for sale	163	250	214
106	156	403	- Dividends/donations	403	156	106
1 002	925	593	Provided from the year's operations	725	1 355	1 086
54	762	167	Change in sundry liabilities: + increase/ - decrease	191	754	82
- 394	- 357	173	Change in various claims: - increase/ + decrease	178	- 366	- 455
-2 678	-3 956	-2 703	Change in gross lending to and claims on customers: - increase/ + decrease	-2 860	-4 334	-2 951
1 061	1 802	-1 605	Change in short term-securities: - increase/ + decrease	-1 554	1 726	1 078
1 339	845	2 379	Change in deposits from and debt owed to customers: + increase/ - decrease	2 351	821	1 352
- 2	-1 528	- 935	Change in debt owed to credit institutions: + increase/ - decrease	- 942	-1 526	- 11
382	-1 507	-1 931	A. Net liquidity change from operations	-1 911	-1 570	181
- 35	- 25	- 47	- Investment in fixed assets (incl merger effects)	- 52	- 131	- 136
3	2	20	+ Sale of fixed assets	37	2	3
- 180	- 319	- 154	Change in holdings of long-term securities: - increase/ + decrease	- 237	- 623	- 50
- 212	- 342	- 181	B. Liquidity change from investments	- 252	- 752	- 183
- 198	4 778	158	Change in borrowings through the issuance of securities: + increase/ - decrease	156	4 780	- 198
105	- 100	0	Change in Equity Certificate/subordinated loan capital: + increase/ - decrease	0	- 100	105
- 93	4 678	158	C. Liquidity change from financing	156	4 680	- 93
77	2 829	-1 954	A + B + C. Total change in liquidity	-2 007	2 358	- 95
5 005	5 082	7 911	+ Liquid funds at the start of the period	4 405	2 047	2 142
5 082	7 911	5 957	= Liquid funds at the end of the period	2 398	4 405	2 047

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

Result from the Group's quarterly accounts

(Amounts in NOK million)	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1
Interest income	644	672	682	704	755	773	721	
Interest costs	254	287	314	335	377	395	379	
Net interest income	390	385	368	369	378	378	342	
Fee- and commission income	217	231	233	227	232	238	240	
Fee- and commission costs	19	21	18	17	20	19	19	
Other operating income	24	23	24	29	25	19	27	
Net fee-, commission and other operating income	222	233	239	239	237	238	248	
Dividend	0	1	7	0	0	0	5	
Income from investments	98	75	114	112	121	142	119	
Net gain from investments in securities	- 52	- 84	- 28	6	- 70	- 23	65	
Net income from financial investments	46	- 8	93	118	51	119	189	
Total income	658	610	700	726	666	735	779	
Personnel costs	289	190	182	189	190	193	159	
Administration costs	104	84	90	90	88	85	87	
Ordinary depreciation	14	14	14	14	29	14	40	
Other operating costs	44	48	50	45	47	33	47	
Total costs	451	336	336	338	354	325	333	
Result before losses	207	274	364	388	312	410	446	
Losses	92	40	36	32	236	38	22	
Result before tax	115	234	328	356	76	372	424	
Tax	- 17	46	68	66	15	65	71	
Result non-current assets held for sale	5	0	0	0	27	0	0	
Minority interests	- 6	2	- 1	- 2	0	- 2	1	
Result after tax	133	186	261	292	34	309	352	

Profitability								
Return on equity capital	5.16 %	7.82 %	11.09 %	12.49 %	1.46 %	13.37 %	15.89 %	18.€
Interest margin	1.84 %	1.82 %	1.76 %	1.79 %	1.85 %	1.86 %	1.71 %	1.€
Cost/income	68.54 %	55.08 %	48.00 %	46.56 %	53.15 %	44.22 %	42.75 %	38.€
Balance sheet figures								
Loans and advances to customers	64 053	63 143	63 073	61 060	61 249	60 363	58 791	57
Growth in loans and advances to cust. incl. SpareBank 1 Boligkreditt and Næringskreditt past 12 months	4.0 %	4.4 %	5.2 %	4.4 %	5.5 %	6.1 %	6.7 %	7
Deposits from customers	48 087	47 660	49 977	46 211	45 761	45 386	46 949	43
Growth in deposits from customers past 12 months	5.1 %	5.0 %	6.4 %	5.9 %	1.8 %	3.3 %	2.0 %	0
Deposits as a percentage of gross lending	75.1 %	75.5 %	79.2 %	75.7 %	74.7 %	75.2 %	79.9 %	75
Deposits as a percentage of gross lending including SpareBank 1 Boligkreditt and Næringskreditt	54.4 %	54.4 %	57.6 %	54.3 %	53.8 %	54.1 %	56.9 %	53
Average assets	84 039	83 698	83 432	82 658	80 191	79 442	79 048	77
Total assets	85 403	84 495	84 981	82 128	83 188	80 621	81 983	77
Losses on loans and commitments in default								
Losses on loans to customers as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.41 %	0.18 %	0.16 %	0.15 %	0.37 %	0.18 %	0.11 %	0.1
Commitments in default as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.30 %	0.31 %	0.41 %	0.39 %	0.34 %	0.49 %	0.55 %	0.3
Commitments at risk of loss as a percentage of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.27 %	0.42 %	0.39 %	0.25 %	0.27 %	0.30 %	0.32 %	0.3
Net comm. in default and at risk of loss as a per. of gross loans incl. SpareBank 1 Boligkreditt and Næringskreditt	0.39 %	0.44 %	0.54 %	0.42 %	0.41 %	0.50 %	0.61 %	0.5
Solidity								
Total regulatory Capital %	17.0 %	16.3 %	16.1 %	16.1 %	15.6 %	15.5 %	14.2 %	14
Tier I Capital %	14.9 %	14.2 %	14.1 %	14.0 %	13.6 %	13.2 %	13.3 %	13
Tier I capital	9 961	9 526	9 261	8 344	8 439	8 000	7 828	7
Equity and related capital resources	9 961	9 526	9 261	9 610	9 680	9 414	8 382	8
Adjusted risk-weighted assets base	60 836	59 708	60 194	59 722	61 936	60 783	58 830	57

Notes

Note 1 - Accounting policies

The Group's interim financial statements in 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by EU, including IAS 34 relating to interim reporting.

The Group's accounting policies and calculation methods remain essentially unchanged from the accounting year 2014.

The interim financial statements do not cover all the information required in complete financial statements and should be read in conjunction with the annual financial statements for 2014.

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

The interim financial statements have not been audited.

There is an ongoing technical discussion regarding interpretation of IFRIC 21, according accrual of the guarantee fund fee. The dissension is related to whether this fee should be accrued during the year or taken to account in total in the beginning of the financial year. In 2015, SpareBank 1 Nord-Norge continued its previous practice of periodising the guarantee fund levy on a quarterly basis. The guarantee fund levy is included in net interest income and amounted to NOK 33 million in 2015 compared with NOK 36 million in 2014.

Note 2 - Important accounting estimates and discretionary judgements

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

Note 3 - Changes in group structure

The Group's commitment associated with its banking activities in Russia has been wound up.

In the fourth quarter, the company EiendomsMegler 1 Lofoten AS was merged with retrospective effect from 1 January 2015.

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

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

Note 4 - Business Areas

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

Group*(Amounts in NOK million)*

						31.12.15
	Retail Banking	Corporate Banking	Leasing	Markets	Unallocated	Total
Net interest income	713	456	188	6	149	1 512
Net fee- and commission income	442	7	0	0	384	833
Other operating income	247	89	0	51	- 38	349
Operating costs	1 014	154	86	29	178	1 461
Result before losses	388	398	102	28	317	1 233
Losses	10	131	11	2	46	200
Result before tax	378	267	91	26	271	1 033
Loans and advances to customers	39 495	20 128	4 430	0	0	64 053
Individual write-downs for impaired value on loans and advances to customers	- 25	- 129	- 15	0	0	- 169
Collective write-downs for impaired value on loans and advances to customers	- 40	- 194	- 13	0	0	- 247
Other assets	0	0	39	0	21 727	21 766
Total assets per business area	39 430	19 805	4 441	0	21 727	85 403
Deposits from customers	28 686	15 929	3 472	0	0	48 087
Other liabilities and equity capital	10 742	3 878	969	0	21 727	37 316
Total equity and liabilities per business area	39 428	19 807	4 441	0	21 727	85 403

31.12.14

Net interest income	933	287	166	22	18	1 426
Net fee- and commission income	548	168	0	20	130	866
Other operating income	0	0	0	29	673	702
Operating costs	781	240	44	36	227	1 328
Result before losses	700	215	122	35	594	1 666
Losses	25	98	6	0	192	321
Result before tax	675	117	116	35	402	1 345
Loans and advances to customers	36 163	21 237	3 985	0	0	61 384
Individual write-downs for impaired value on loans and advances to customers	- 24	- 249	- 11	0	113	- 171
Collective write-downs for impaired value on loans and advances to customers	- 37	- 178	- 10	0	- 11	- 236
Other assets	0	0	0	0	22 211	22 211
Total assets per business area	36 102	20 810	3 964	0	22 313	83 188
Deposits from customers	27 007	18 756	0	0	0	45 763
Other liabilities and equity capital	9 027	1 986	3 964	0	22 448	37 425
Total equity and liabilities per business area	36 034	20 742	3 964	0	22 448	83 188

Note 5 - Capital Adequacy

In 2014, the Ministry of Finance stipulated amendments to the capital requirements regulations. The amendments are adjustments implemented to comply with the EU's new capital adequacy regulations for banks and securities undertakings (CRD IV/CRR) and entail the minimum requirement for common equity Tier 1 capital ratio gradually increasing in the run up to 1 July 2016.

From 2015, the Financial Supervisory Authority of Norway has given SpareBank 1 Nord-Norge permission to use Advanced IRB to calculate regulatory capital requirements for credit risk for the corporate market. This permission means that SpareBank 1 Nord-Norge can use internal models for calculating the necessary requirements for compulsory savings.

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

SpareBank 1 Nord-Norge's goal is to maintain unquestionable financial strength and satisfy the statutory minimum equity requirements for capital adequacy. The Group's goal is to have an internal capital buffer of at least 0.5 percentage point above the statutory minimum requirement. The Group's long-term goal for Core Tier 1 capital ratio is currently 14.5%.

(Amounts in NOK million)

31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
1 807	1 807	1 807	Equity certificates	1 807	1 807	1 807
0	0	0	- Own equity certificates	0	0	0
843	843	843	Premium reserve	843	843	843
776	1 020	1 179	Equalisation reserve	1 179	1 020	776
3 565	3 745	4 074	Savings bank's reserve	4 074	3 745	3 565
163	332	180	Endowment fund	180	332	163
0	0	80	Deduction Fund for unrealised gains available for sale	80	- 30	- 2
46	- 12	35	Other equity	1 798	1 611	1 327
0	0	0	Period result	0	0	0
0	0	0	Minority interests	0	15	23
7 200	7 735	8 198	Total equity	9 961	9 343	8 502
0	0	0	Period result	0	0	0
			Additional Tier 1 Capital (AT 1 Capital)			
- 154	- 405	- 260	Deduction for allocated dividends	- 260	- 522	- 154
0	0	0	Adjusted Tier 1 Capital from consolidated financial institutions	- 23	75	- 163
- 131	0	0	Deduction for ntangible assets	- 55	- 82	69
0	- 20	- 23	Adjustments to CET 1 due to prudential filters	- 37	- 30	0
0	- 50	- 145	Deduction defined benefit pension fund assets gross amounts	- 142	- 50	- 250
0	- 150	- 94	IRB shortfall of credit risk adjustments to expected losses	- 309	- 385	0
- 102	0	0	50% deduction for expected losses on IRB, net of writedowns	0	0	- 94
- 472	0	0	50 % deduction for subordinated capital in other financial institutions	0	0	- 174
0	0	0	50 % Total regulatory capital reserve	0	0	- 606
0	0	0	significant investment	- 819	- 591	0
0	0	0	have significant investment	0	0	0
0	0	0	Deduction for subordinated capital in other financial institutions with a significant investment	0	0	0
0	0	- 81	Deduction for CET 1 instruments of financial sector institutions with a significant investment over 10 % treshold limit	0	0	0
6 341	7 110	7 595	Common equity Tier 1 Capital (CET 1 Capital)	8 316	7 758	7 130
500	500	500	Hybrid Tier 1 bonds	756	687	653
6 341	0	0	Own Hybrid Tier 1 bonds	- 6	- 6	0
0	0	0	Deduction for CET1 instruments of financial sector entities where the institution does not have significant investment, but over treshold limit	28	0	0
6 341	7 610	8 095	Additional Tier 1 Capital (AT 1 Capital)	9 094	8 439	7 783
			Tier 2 Capital (T2 Capital)			
950	850	850	Nonperpetual subordinated capital	1 341	1 284	1 160
- 102	0	0	50% deduction for expected losses on IRB, net of writedowns	0	0	- 94
0	- 43	- 60	Deduction for subordinated capital in other financial institutions with a significant investment	- 60	- 43	0
- 472	0	0	50% deduction for subordinated capital in other financial institutions	- 34	0	- 174
0	0	0	50% Total regulatory capital reserve	0	0	- 606
376	807	790	Tier 2 Capital (T2 Capital)	1 247	1 241	286
6 717	8 417	8 885	Equity and related capital resources	10 341	9 680	8 069
			Minimum requirements subordinated capital, Basel I I			
939	1 101	862	Specialised lending exposure	850	1 283	939
631	135	125	Other corporations exposure	165	163	632
20	420	406	SME exposure	413	469	23
298	674	862	Property retail mortgage exposure	1 177	976	497
47	30	39	Other retail exposure	40	28	51
409	364	395	Equity investments	12	12	0
2 344	2 724	2 537	Total credit risk	2 655	2 931	2 142
576	722	727	Credit risk standardised approach	1 512	1 644	1 635
21	19	13	Debt risk	12	19	21
13	9	3	Equity risk	18	40	41
22	11	0	Currency risk	0	11	22
223	250	274	Operational risk	283	254	237
0	19	22	Credit Value Adjustment	58	55	0
0	0	0	Transitional arrangements	328	0	669
- 76	0	0	Deductions	0	0	- 128
3 123	3 754	3 576	Minimum requirements subordinated capital	4 867	4 954	4 639
			Total regulatory Capital			
17.2 %	17.9 %	19.9 %	Total regulatory Capital	17.0 %	15.6 %	13.9 %
16.2 %	16.2 %	18.1 %	Tier 1 Capital	14.9 %	13.6 %	13.4 %
1.0 %	1.7 %	1.8 %	Tier 2 Capital	2.0 %	2.0 %	0.5 %
15.0 %	15.2 %	17.0 %	Common Equity Tier I - incl share of period result	13.7 %	12.5 %	12.3 %
8.2 %	8.2 %	8.6 %	Leverage Ratio	6.1 %	5.9 %	

Note 6 - Net bad and doubtful commitments*(Amounts in NOK million)*

Parent Bank				Group		
31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
444	403	387	Non-performing commitments	270	290	486
373	356	334	+ Other doubtful commitments	245	231	373
817	759	721	+ Total commitments in default and doubtful commitments	515	521	859
171	198	203	- Individual write-downs in default	69	96	194
50	75	125	- Other doubtful individual write-downs	100	75	50
221	273	328	+ Total individual write-downs *	169	171	244
596	486	393	= Net commitments in default and doubtful commitments	346	350	615

Note 7 - Losses incorporated in the accounts

31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
38	52	55	+ Period's change in individual write-down for impaired value	- 3	30	40
- 4	28	51	+ Period's change in collective write-down for impaired value	54	30	12
109	92	88	+ Period's confirmed losses against which individual write-downs were previously made	92	109	117
11	5	54	+ Period's confirmed losses against which individual write-downs were previously not made	64	5	11
8	7	32	- Recoveries in respect of previously confirmed losses	7	10	8
146	170	216	= Total losses on loans	200	164	172
	120		+ Other losses		157	
146	290	216	= Total losses	200	321	172

Note 8 - Losses broken down by sector and industry

(Amounts in NOK million)

Parent Bank				Group		
31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
0	0	0	Mining and quarrying	0	0	0
3	1	31	Construction	32	2	3
0	0	0	Building of ships and boats	0	2	0
2	0	0	Electricity, gas, steam an air conditioning supply	0	0	2
10	13	- 11	Professional, scientific and technical activities	- 11	13	10
0	0	0	Financial and insurance activities	0	0	0
1	0	- 4	Fishing	- 4	0	1
1	2	0	Marine aquaculture	0	2	1
0	4	2	Other business support activities	2	4	7
0	0	0	Activities auxiliary to financial services and insurance activities	0	0	0
0	0	0	County municipalities and municipalities	0	0	0
57	3	23	Manufacturing	23	3	62
- 1	0	2	Information and communication	2	0	0
- 1	6	6	Crop and animal production	7	5	- 1
15	0	24	Foreign industrial	0	27	15
7	58	46	Real estate activities	46	9	7
1	0	2	Accomodation and food service activities	2	0	1
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
- 1	11	10	Other service industries	10	11	- 1
11	8	- 1	Transportation and storage	8	8	12
12	36	70	International shipping and pipeline transport	70	37	12
14	- 20	3	Development of building projects	2	- 20	14
- 8	0	0	Extraction of crude oil and natural gas	0	0	- 8
0	30	0	Unspecified	0	31	0
0	0	0	Water supply; sewerage, waste management and remediation activities	0	0	0
9	0	1	Wholesale and retail trade; repair of motor vehicles and motorcycles	1	0	10
22	25	6	Retail banking market - domestic	19	40	33
154	177	220	Losses on loans to customers	209	174	180
8	7	4	Recoveries from previously written off losses	9	10	8
146	170	216	Net losses	200	164	172
	120	0	Other losses	0	157	0
146	290	216	Total losses	200	321	172

Note 9 - Loans broken down by sector and industry

(Amounts in NOK million)

Parent Bank				Group		
31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
47	36	28	Mining and quarrying	61	72	76
477	606	686	Construction	1 082	972	790
6	115	15	Building of ships and boats	17	117	8
864	695	684	Electricity, gas, steam and air conditioning supply	688	698	868
467	635	700	Professional, scientific and technical activities	900	840	531
0	0	0	Financial and insurance activities	0	0	0
1 623	2 405	2 239	Fishing	2 269	2 421	1 635
447	343	387	Marine aquaculture	662	611	601
402	253	318	Other business support activities	707	603	601
1 156	733	919	Activities auxiliary to financial services and insurance activities	710	525	1 002
200	343	242	County municipalities and municipalities	256	359	222
1 537	1 541	1 803	Manufacturing	1 933	1 664	1 642
148	67	64	Information and communication	70	72	155
876	924	944	Crop and animal production	1 019	1 011	963
0	0	0	Foreign industrial	0	172	157
7 116	7 760	6 515	Real estate activities	6 391	7 614	7 089
347	396	486	Accommodation and food service activities	499	411	360
4	5	10	Forestry and logging	15	10	9
0	0	0	Central government and social security funds	0	0	1
0	0	0	Support activities for petroleum and natural gas extraction	15	18	20
659	701	752	Other service industries	834	701	738
3 028	2 827	3 151	Transportation and storage	3 832	3 427	3 583
660	758	284	International shipping and pipeline transport	286	758	660
773	793	939	Development of building projects	941	794	774
0	0	0	Extraction of crude oil and natural gas	0	0	0
0	0	0	Unspecified	0	0	0
208	200	196	Water supply; sewerage, waste management and remediation activities	270	270	279
846	807	767	Wholesale and retail trade; repair of motor vehicles and motorcycles	979	1 014	1 144
31 678	34 363	37 623	Retail banking market - domestic	39 320	35 830	33 037
43	50	53	Retail banking market - international	53	265	337
31 721	34 413	37 676	Total retail market	39 373	36 095	33 374
21 691	22 600	21 887	Total public market	24 180	24 795	23 685
200	343	242	Total government	256	359	223
134	132	244	Accrued interest	244	135	134
53 746	57 488	60 049	Total gross lending to customers	64 053	61 384	57 416
221	273	328	Individual write-downs for impaired value	169	171	244
189	215	234	Collective write-downs for impaired value	247	236	209
53 336	57 000	59 487	Net loans to customers	63 637	60 977	56 963

Note 10 - SpareBank 1 Boligkreditt

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

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

Note 11 - Investment in bonds

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

In the categories 'Hold until maturity' and 'Loans and claims' the securities are assessed at amortized cost. After the reclassification, the writedowns made earlier will be reversed over the portfolio's remaining life, which on average is 1.1 year as at 31.12.15, and included in the profit and loss account as interest income. For the period 01.01.15-31.12.15 such reversed writedowns has been included in the profit and loss account with NOK 0.2 million. Total inclusion of income are NOK 78.6 million for the period 01.07.08-31.12.14. If this reclassification had not been made, the Group would have charged NOK 212 million to the profit and loss account in the third and fourth quarter of 2008 due to increased credit spreads. This would have been an unrealised gain NOK 5.0 million as at 31.12.15. It was necessary to apply a NOK 88 million write-down due to the permanent impairment of value in this portfolio as at 31.12.14. Further NOK 1.0 million writedowns has been made in 2015, and a NOK 0.3 million exchange loss are included to the profit and loss account.

<i>(Amounts in NOK million)</i>	01.07.08	31.12.11	31.12.12	31.12.13	31.12.14	31.12.15
Hold until maturity						
Book value	3 109	858	355	111	108	87
Nominal value (nominal amount)	3 182	869	366	115	111	88
Theoretical market value	3 109	842	355	114	111	88
Loans and claims						
Book value	698	262	142	75	28	24
Nominal value (nominal amount)	737	279	156	90	29	24
Theoretical market value	698	250	134	74	26	23
Total book value	3 807	1 120	497	186	136	111

Note 12 - Financial derivatives

Parent Bank and Group

(Amounts in NOK million)

Interest rate swaps:

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

Foreign exchange derivatives:

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

Currency swaps:

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

Interest rate- and currency swap agreements:

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

Options:

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

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

	31.12.15	31.12.14	31.12.13
Fair value hedging transactions			
Net loss charged to the statement of comprehensive income in respect of hedging instruments in connection with actual value	226	226	- 27
Total gain from hedging objects relating to the hedged risk	- 224	- 224	29
Total fair value hedging transactions	2	2	2

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

(Amounts in NOK million)

Fair value through statement of comprehensive income	31.12.15			31.12.14			31.12.13		
	Contract	Assets	Liabilities	Contract	Assets	Liabilities	Contract	Assets	Liabilities
Foreign currency instruments									
Foreign exchange financial derivatives (forwards)	1 610	47	42	4 198	113	87	2 303	38	31
Currency swaps	2 256	272	208	7 252	413	238	9 756	285	96
Currency options									
Total non-standardised contracts	3 866	319	250	11 450	526	325	12 059	323	127
Standardised foreign currency contracts (futures)									
Total foreign currency instruments	3 866	319	250	11 450	526	325	12 059	323	127
Interest rate instruments									
Interest rate swaps (including cross currency)	16 409	857	1 193	24 971	793	1 155	25 356	418	595
Short-term interest rate swaps (FRA)									
Other interest rate contracts	30	82	82	333	12	13	9	1	
Total non-standardised contracts	16 439	939	1 275	25 304	805	1 168	25 365	419	595
Standardised interest rate contracts (futures)									
Total interest rate instruments	16 439	939	1 275	25 304	805	1 168	25 365	419	595
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)	28 701	686		10 752	790		9 832	561	
Short-term interest rate swaps (FRA)									
Other interest rate contracts									
Total, non-standardised contracts	28 701	686		10 752	790		9 832	561	
Standardised interest rate contracts (futures)									
Total interest rate instruments	28 701	686		10 752	790		9 832	561	
Total interest rate instruments	45 140	1 625	1 275	36 056	1 595	1 168	35 197	980	595
Total foreign currency instruments	3 866	319	250	11 450	526	325	12 059	323	127
Total	49 006	1 946	1 525	47 506	2 121	1 493	47 256	1 303	722

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

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

At 31.12.15 the net figures were:

Category/counterpart	Gross amount	Offset amount	Net amount	Net amount to be posted at bankruptcy or default	Net credit exposure
<i>(Amounts in NOK million)</i>	A	B	C=A+B	D	E=C-D
Financial derivatives - assets	19 628	19 022	606	0	606
Financial derivatives - liabilities	16 401	15 783	618	0	618

Note 14 - Liquidity risk

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

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

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

The average remaining maturity of the bank's borrowings in senior unsecured bond issues and covered bonds was at 31.12.15 2,92 years .

The short-term liquidity risk measure, Liquidity Coverage Ratio (LCR) remained stable over 100 % during the quarter. At the end of the fourth quarter LCR was 95 % in Norwegian kroner (NOK).

Note 15 Pensions

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

From 1 January 2013 IAS 10 "Employee Benefits" was revised with respect to the basis for calculating pension liabilities and pension costs. The Group has previously used the corridor method for recognising unamortised estimate deviations.

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

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

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

Assumptions	31.12.15	31.12.14	31.12.13
Discount rate	2.70 %	2.30 %	4.00 %
Expected return on pension assets	2.70 %	2.30 %	4.00 %
Future salary growth rate	2.25 %	2.50 %	2.00 %
Adjustment of NI basic amount (G)	2.25 %	2.50 %	3.50 %
Pension adjustment	0.00 %	0.00 %	0.60 %
Employer's NI liability	14.10 %	14.10 %	6.00 %
Employer's NI cost	14.10 %	14.10 %	6.00 %
Voluntary leaving over 50 years old	0.00 %	0.00 %	0.00 %
Voluntary leaving up to 50 years old	0.00 %	2.00 %	2.00 %
Expected statutory early retirement pension (AFP) acceptance from age 62	90.00 %	60.00 %	60.00 %
Mortality, marriage probability, etc.	K2013BE IR2003	K2013BE IR2003	K2013BE IR2004

Group

Amounts in NOK million

	31.12.15	31.12.14	31.12.13
Net pension liabilities in the balance sheet			
Present value of future pension liabilities	796	788	671
Estimated value of pension assets	935	851	808
Net pension liabilities in fund-based plans	-139	-63	-137
Unrecognised estimate deviations (possible actuarial gains and losses)	0	0	0
Employer's NI contributions	1	1	1
Net pension liabilities/assets in the balance sheet	-138	-62	-136
Pension costs for the period	4Q15	4Q14	2014
Accrued defined benefit-based pensions	15	6	14
Interest costs on pension liabilities	15	13	25
Expected return on pension assets	-20	-16	-29
Estimate deviations recognised in the period			
Effect of changed pension plan			
Net defined benefit-based pension costs without employer's NI contributions	10	3	10
Accrued employer's NI contributions	1	1	2
Net defined benefit-based pension costs recognised through profit or loss	11	4	12
Curtailment/settlement			
Other pension costs	18	20	18
Total pension costs including employer's NI Insurance contribution	29	24	30
Movement in net pension liabilities from benefit-based plan recognised in balance	31.12.15	31.12.14	31.12.13
Net pension liabilities in the balance sheet as of 01.01	-50	-136	-89
Correction against equity OB	-3	-22	
Correction against equity CB	-55	114	-23
Net defined benefit-based pension costs recognised through profit or loss	11	4	12
Curtailment/settlement			
Paid directly from operations	-4	-2	-6
Receipts - pension premiums defined benefit-based plans	-40	-20	-30
Net pension liabilities/assets in the balance sheet	-141	-62	-136
Other pension liabilities (early retirement pensions)	43	50	50
Net total pension liabilities	-98	-12	-86

Note 16 Classification of financial instruments stated at fair value

Financial instruments at fair value are classified at different levels:

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

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

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

Group

<i>(Amounts in NOK million)</i>	Level 1	Level 2	Level 3	Total
Assets 31.12.15				
Loans to and receivables from customers at fair value (fixed-rate loans)			7 610	7 610
Shares	105		194	299
Bonds	3 385	7 630		11 015
Financial derivatives		1 946		1 946
Total assets	3 490	9 576	7 804	20 870

Liabilities as of 31.12.15				
Financial derivatives		1 525		1 525
Total liabilities		1 525		1 525

<i>Assets 31.12.14</i>				
Loans to and receivables from customers at fair value (fixed-rate loans)			6 645	6 645
Shares	82		137	219
Bonds	2 815	6 524		9 339
Financial derivatives		1 401		1 401
Total assets	2 897	7 925	6 782	17 604

<i>Liabilities as of 31.12.14</i>				
Financial derivatives		897		897
Total liabilities	0	897	0	897

<i>(Amounts in NOK million)</i>	Financial assets				Financial liabilities Financial derivatives
	Fixed-rate loans	Shares	Bonds	Financial derivatives	
Carrying amount as of 31.12.14	6 645	137			0
Net gains on financial instruments	29	11			
Additions/acquisitions	3 337	48			
Disposals	-2 401	- 2			
Transferred from level 1 or level 2					
Carrying amount as of 31.12.15	7 610	194	0	0	0

The Bank's portfolio of fixed-rate loans in NOK is measured at fair value in the financial statements. Fair value is measured by discounting the loans' cash flows by a discount factor based on a swap rate plus a margin requirement. The determination of the discounting factor is based on an assessment of market conditions, and factors which an external investor would have considered in relation to a possible investment in an equivalent portfolio. Furthermore, an assessment is being made with regard to a possible difference between the discounting factor and observable rates for equivalent loans in the market. Should this difference be material, the bank will make an evaluation of possible reasons for such difference and evaluate a possible change in the discounting rate.

Note 17 - Subsidiaries*(Amounts in NOK 1 000)*

	Share of Eq.%	Profit from ordinary operations before tax			Equity		
		31.12.15	31.12.14	31.12.13	31.12.15	31.12.14	31.12.13
SpareBank 1 Finans Nord-Norge AS	100	124 287	116 438	98 739	642 813	521 604	509 071
SpareBank 1 Nord-Norge Portefølje AS	100	-75 415	19 906	-29 776	38 409	104 208	17 226
Eiendomsdrift AS	0	0	0	0	0	0	0
EiendomsMegler 1 Nord-Norge AS	100	27 183	15 208	15 356	39 135	36 761	37 521
SpareBank 1 Nord-Norge Forvaltning ASA	100	2 386	2 509	2 395	9 074	7 073	7 405
SpareBank 1 Regnskapshuset Nord-Norge AS	100	5 773	3 839	-1 414	13 021	14 630	12 115
North-West 1 Alliance Bank	0	-3 049	-3 245	1 586	0	42 518	65 805
EiendomsMegler 1 Lofoten AS (owned by EM1 60%)	0	0	344	- 52	0	1 167	917
Nord-Norge Eiendom IV AS	100	-1 293	1 230	0	-13 969	-2 022	0
Alsgården AS	100	- 587	- 335	- 3	9 377	8 827	0
Fredrik Langesg 20 AS	100	1 830	1 406	0	7 217	5 921	0
Total		81 115	157 300	86 832	745 077	740 687	650 060

Note 18 - Other assets*(Amounts in NOK million)*

Parent Bank				Group		
31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
18	21	20	Reposessed assets	20	21	18
67	102	- 359	Accrued income	- 314	134	228
197	138	239	Prepayments	227	144	208
560	125	263	Other assets	319	180	593
974	520	522	Total other assets	619	615	1 182

Note 19 - Other liabilities

31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
223	- 159	- 143	Costs incurred	23	- 11	369
0	0	0	Provisioning against incurred liabilities and costs	14	13	3
455	400	463	Other liabilities	489	443	486
878	710	750	Total other liabilities	956	914	1 058

Note 20 - Deposits broken down by sector and industry

(Amounts in NOK million)

Parent Bank				Group		
31.12.13	31.12.14	31.12.15		31.12.15	31.12.14	31.12.13
39	32	58	Mining and quarrying	58	32	39
1 164	1 162	1 132	Construction	1 132	1 162	1 164
2	4	4	Building of ships and boats	4	4	1
754	823	489	Electricity, gas, steam an air conditioning supply	489	823	754
1 182	1 133	1 083	Professional, scientific and technical activities	1 074	1 130	1 182
0	0	0	Financial and insurance activities	0	0	0
735	746	695	Fishing	695	746	735
18	45	43	Marine aquaculture	43	45	18
353	420	528	Other business support activities	528	420	353
407	382	378	Activities auxiliary to financial services and insurance activities	369	372	400
5 169	5 058	5 767	County municipalities and municipalities	5 767	5 058	5 169
397	446	618	Manufacturing	618	446	397
281	244	295	Information and communication	295	244	281
360	368	393	Crop and animal production	393	368	360
13	6	11	Foreign industrial	11	26	48
1 592	1 847	2 097	Real estate activities	2 087	1 841	1 584
237	240	293	Accomodation and food service activities	293	240	237
13	14	17	Forestry and logging	17	14	13
2 409	314	319	Central government and social security funds	319	314	2 409
0	0	0	Support activities for petroleum and natural gas extraction	0	0	0
2 205	2 376	2 639	Other service industries	2 639	2 376	2 205
757	863	874	Transportation and storage	874	863	757
35	6	5	International shipping and pipeline transport	5	6	35
167	226	212	Development of building projects	212	226	167
450	459	0	Extraction of crude oil and natural gas	0	459	450
0	0	0	Unspecified	0	0	0
197	160	147	Water supply; sewerage, waste management and remediation activities	147	160	197
1 237	1 379	1 330	Wholesale and retail trade; repair of motor vehicles and motorcycles	1 330	1 379	1 237
24 383	26 621	28 295	Retail banking market - domestic	28 295	26 621	24 383
333	360	391	Retail banking market - international	391	386	365
24 716	26 981	28 686	Total retail market	28 686	27 007	24 748
12 595	13 381	13 341	Total public market	13 313	13 382	12 614
7 578	5 372	6 086	Total government	6 086	5 372	7 578
2	2	0	Accrued interest	2	2	2
44 891	45 736	48 113	Total deposits	48 087	45 763	44 942

Note 21 - Securities issued and subordinated loan capital ex. accrued interests.

Parent Bank and Group

(Amounts in NOK million)

Securities issued

	31.12.13	31.12.14	31.12.15
Certificates and other short-term borrowings			
Bond debt	16 336	21 314	21 470
Total debt securities in issue	16 336	21 314	21 470

	Statement of financial position 31.12.14	Issued 31.12.15	Matured/ redeemed 31.12.15	Exchange rate movements 31.12.15	Other adjustments 31.12.15	Statement of financial position 31.12.15
Changes in securities issued						
Certificates and other short-term borrowings						
Bond debt	21 314	3 463	-3 522	153	62	21 470
Total debt securities issued	21 314	3 463	-3 522	153	62	21 470

Subordinated loan capital and hybrid Tier 1 instruments

	31.12.13	31.12.14	31.12.15
Hybrid Tier 1 instruments			
2033 6 mnd Nibor + 2,30 (USD 60 mill.) (Call opsj 2013)			
2099 3 mnd Nibor + 4,75 (Call opsjon 2017)	500	500	500
Hybrid Tier 1 instruments - foreign currency			
Total hybrid Tier 1 instruments	500	500	500
Subordinated loan capital			
Subordinated loan capital with definite maturities	850	950	850
Total subordinated loan capital	850	950	850
Total subordinated loan capital and hybrid Tier 1 instruments	1 350	1 450	1 350

	Statement of financial position 31.12.14	Issued 31.12.15	Matured/ redeemed 31.12.15	Exchange rate movements 31.12.15	Other adjustments 31.12.15	Statement of financial position 31.12.15
Changes in subordinated loan capital and hybrid Tier 1 instruments						
Subordinated loan capital with definite maturities	850					850
Hybrid Tier 1 instruments	500					500
Total subordinated loan capital and hybrid Tier 1 instruments	1 350					1 350

Note 22 - Equity Certificates (ECs)

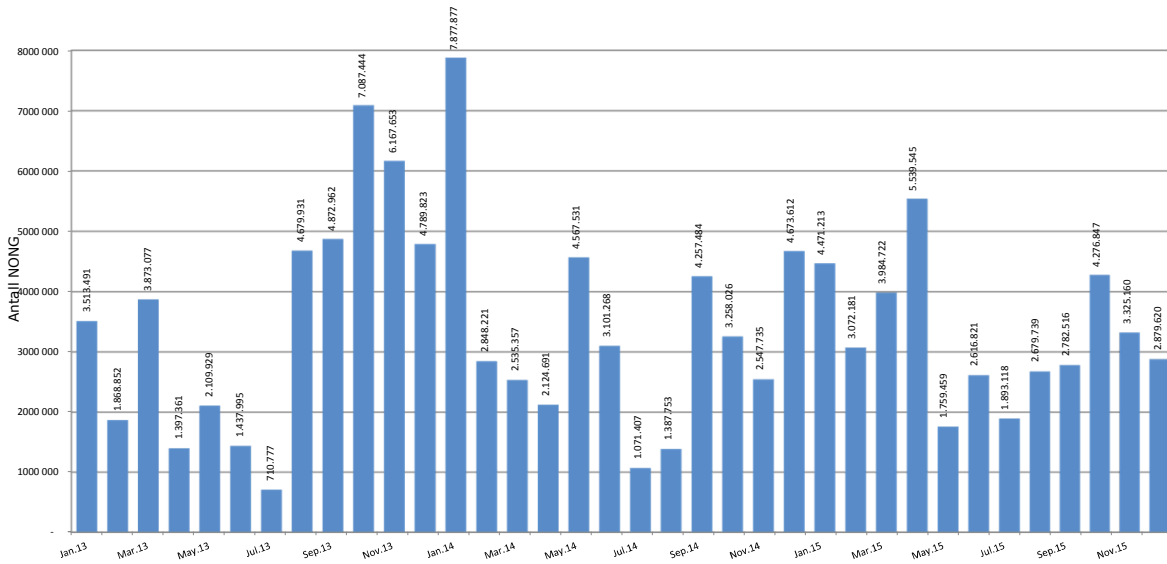
The 20 largest EC holders as at 31.12.15

EC Holders	Number of ECs	Share of EC Capital
PARETO AKSJE NORGE	4 284 142	4.27%
VERDIPAPIRFONDET DNB NORGE (IV)	3 323 980	3.31%
MP PENSJON PK	2 720 503	2.71%
FLPS - PRINC ALL SEC	2 132 700	2.12%
THE NORTHERN TRUST CO	2 123 219	2.11%
STATE STREET BANK AND TRUST	2 001 832	1.99%
WIMOH INVEST AS	1 614 670	1.61%
BNY MELLON	1 524 854	1.52%
MERRILL LYNCH	1 518 795	1.51%
FORSVARETS PERSONELLSERVICE	1 499 930	1.49%
SPAREBANKSTIFTELSEN SPAREBANK 1 NORD-NORGI	1 411 606	1.41%
EIKA UTBYTTE C/O EIKA KAPITALFORVALTNING AS	1 104 791	1.10%
SANLAM UNIVERSAL FUNDS PLC	1 101 225	1.10%
DNB LIVSFORSIKRING ASA	1 086 988	1.08%
BERGEN KOMMUNALE PENSJONSKASSE	1 000 000	1.00%
BNP PARIBAS SEC SERVICES PARIS	910 379	0.91%
LARRE EIENDOM 2 AS	778 590	0.78%
PARETO AS	770 659	0.77%
STATE STREET BANK AND TRUST	767 879	0.76%
THE BANK OF NEW YORK MELLON	743 484	0.74%
TOTAL	32 420 226	32.29%

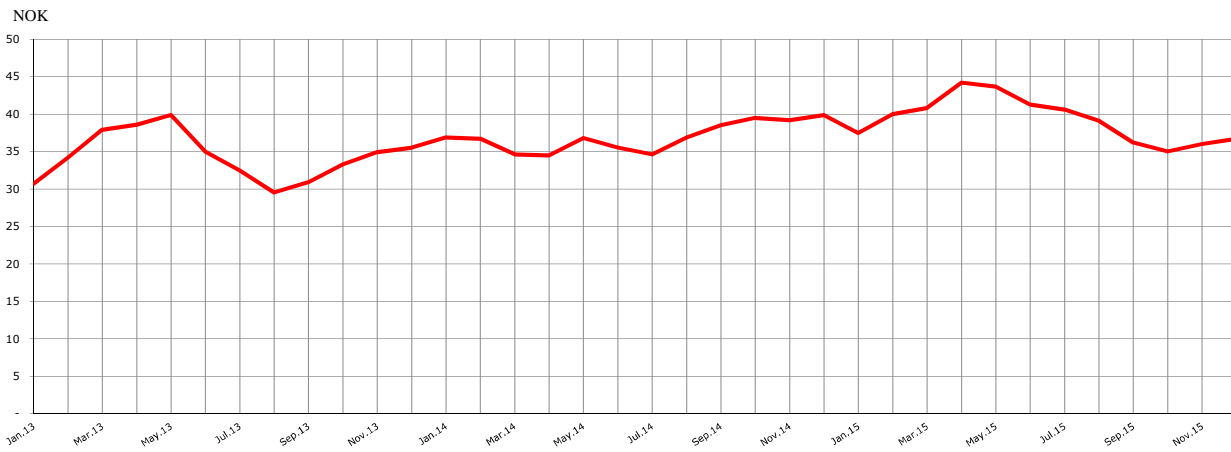
Dividend policy

The Bank's dividend policy states that the Bank aims to distribute up to 50% of the profit for the year as a dividend (cash dividends and donations for socially beneficial purposes), the Bank's financial strength permitting. After a period with a lower dividend yield, the bank has called for a faster adjustment to a normalised dividend yield. Any further increase in the dividend yield and the bank's dividend policy above a 50% dividend will depend on the future lending growth and growth in the risk-weighted balance sheet.

Trading statistics



Price trend NONG



Note 23 - Events occurring after the end of the quarter

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

The SpareBank 1 Nord-Norge Group – a Statement from the Board of Directors and Chief Executive Officer

Today the Board of Directors and the Chief Executive Officer have considered and adopted the semi-annual report and the consolidated semi-annual financial statements of SpareBank 1 Nord-Norge for the period from 1 January to 31 December 2015.

We confirm to the best of our knowledge that the semi-annual financial statements for the period from 1 January to 31 December 2015 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group taken as a whole. We also confirm that the semi-annual report gives a true and fair view of important events during the accounting period and their influence on the semi-annual financial statements, the most important elements of risk and uncertainty that the group faces in the next accounting period, and a description of related parties' material transactions.

Tromsø, 8.2.16

The main Board of Directors of SpareBank 1 Nord-Norge

Karl-Eirik Schjøtt-Pedersen	Paal A. Pedersen	Sonja Djonne
Hans Tore Bjerkås	Greger Mannsverk	Ingvild Myhre
Anita Persen	Vivi Ann Pedersen	

Jan-Frode Janson
(Chief Executive Officer)