

Minutes of the Board of Trustees' meeting on 16 March 2005

Sparebanken Nord-Norge's Board of Trustees met on Wednesday 16 March 2005 at 13.00 at the Bank's premises in Tromsø.

The notification convening the meeting was dated 7 March 2005 and had been sent to members of the Board of Trustees, the main Board of Directors and Control Committee, and to the Bank's External Auditor.

The following 33 members and deputy members attended the meeting:

Jann Sandøy	Trond Mohn	Brynulf Grenersen
Lars Klæboe	Tor Læg Reid	Liv Knaplund
Reidun Kristiansen Flakstad	Kjell Kræmer	Terje Sundklakk
Jan-Hugo Sørensen	Widar Slemdal Andersen	Inger Løkken
Bjørn Atle Hansen	Bente Evensen	Linda Bornø
Sigfred Andersen	Torvall Lind	Odd Iversen
Ann Sissel Emaus	Herman Mehren	Nan Sissel Yttergård
Arne Kr. Bredahl	Alf E. Erevik	Randi Hanssen
Sissel Brufors Jensen	Marie M. Fangel	Villy K. Johansen
Benn Mikalsen	Trygve Myrvang	Ove Hagen
Alvhild Yttergård	Bente O. Berg	Brith Sand

The following members of the main Board of Directors were present at the meeting:

Harald Overvaag	Erik Sture Larre jr	Vivi Ann Pedersen
Tom Veierød	Elisabeth Johansen	Hans Olav Karde
Åse Annie Opsjøn	Rolf Pedersen	Gunnar Kristiansen

In addition, members of the Control Committee, the External Auditor and representatives from the Bank's management attended the meeting.

The Chairman of the Board of Trustees, Torvall Lind, chaired the meeting.

There were no comments relating to the way in which the meeting had been convened, nor relating to the agenda of matters to be discussed. The meeting was called to order and declared legal in all respects.

Marie M. Fangel and Arne Kr. Bredahl were chosen to sign the Minutes of the meeting, together with the Board of Trustees' Chairman.

The following matters had been put forward for discussion:

1/2005 Approval of positions as elected representatives of other jobs in other credit institutions

In accordance with the Savings Banks Act, paragraph 19, 3rd sub-section, elected representatives, employees or auditors in a savings bank cannot, without the approval of the Board of Trustees, be an elected representative or an employee in another credit institution. The belowmentioned summary of various positions requiring the Board of Trustees' approval was submitted:

Widar Slemdal Andersen * Member of Sparebanken Midt-Norge's Board of Trustees
Member of Board of Trustees(G) * Member of Sparebanken Vest's Board of Trustees
* Member of DnB NOR ASA's Supervisory Board

Alf E. Erevik * Deputy member of the Board of Directors of the
Member of the Board of Trustees(G) Savings Banks' Loan Association

Svein Brustad * Permanent member of DnB NOR ASA's Control Committee
Member of the Board of Trustees (G)

John Hempel * Adviser, Gjensidige Nor Forsikring
Deputy member of the Board of Trustees (O)

Kjetil Kristensen * Sparebanken SR Bank and subsidiaries Senior Auditor
Senior Auditor * Sparebanken Midt-Norge and subsidiaries Senior Auditor
* SpareBank 1 Gruppen and subsidiaries Senior Auditor

Resolution: *The Board of Trustees hereby approves the submitted positions of elected representatives held by the Bank's elected representatives in the abovementioned credit institutions.*

2/2005 The annual financial statements for 2004

In his opening remarks, Harald Overvaag, Chairman of the main Board of Directors, commented on certain important parts of the Bank's operations in 2004 and the various challenges now facing the Bank. The organisation of the Bank's regional structure was changed, reducing the number of regions from 10 to 4. A new credit system was implemented and a great deal of attention was paid to credit quality, structural changes and the increased competition in the market.

In conclusion, Harald Overvaag thanked the Bank's managers, management and each member of the Bank's staff for their excellent efforts in 2004.

The Chief Executive Officer then explained about the main items in the accounts.

Lars Klæboe, Ann Sissel Emaus, Berit Berg, Marie Fangel and Arne Kr. Bredahl, elected representatives, asked several questions, which were answered by the CEO.

The Board of Trustees congratulated the Bank's Board of Directors, management and staff on the good result.

The Chairman of the meeting referred to the submitted annual financial statements, comprising Profit and Loss Account, Balance Sheet, Notes to the Accounts and the Report from the Board of Directors, and proposed that a resolution relating to the abovementioned documents was passed.

Sverre Einersen, External Auditor, referred to the Auditor's Report and Dag Nafstad, Chairman of the Control Committee, referred to the Report of the Control Committee.

Resolution:

1. *The submitted Annual Accounts and Annual Report for 2004 for the Bank and the Group to be adopted as the Bank's and Group's accounts for 2004.*
2. *The cash dividend for each Primary Capital Certificate (PCC) for 2004 to be fixed at NOK 19.00. NOK 27,537,279 to be transferred to the Dividend Equalisation Fund. Dividends to be paid to PCC-holders registered as owners as at 16 March 2004. The PCCs to be quoted exclusive of the right to dividend on 17 March 2005.*

3/2005 Auditing fees for 2004

In his letter dated 14 March 2005 to the Chairman of the Board of Trustees, the Bank's External Auditor asked for his auditing fees amounting to NOK 1,080,982, inclusive of value added tax, in respect of auditing services carried out for Sparebanken Nord-Norge in 2004 to be approved.

Resolution: The Board of Trustees hereby agrees to the External Auditor's fees for 2004 of NOK 1,080,982, inclusive of value added tax.

4/2005 Purchase of/mortgage on own PCCs

The *Companies Act* and *Rules and Regulations relating to PCCs in Savings Banks* allow banks both to buy and mortgage their own PCCs. The Board of Trustees would have to pass a resolution allowing the Bank to buy or mortgage own PCCs. Such a resolution would have to be worded as a power of attorney to the Bank's Board of Directors, the maximum duration of which would be 18 months. The basic conditions for such purchase/mortgaging must not exceed 10 per cent of the Bank's PCC-capital; certificates (PCCs) can only be acquired provided that the Bank comply with all legal requirements regarding equity and related capital. The other elements which have to be incorporated in such a power of attorney are evident from the proposed resolution.

At the Board of Trustees' meeting on 24 March 2004, the main Board of Directors was authorised to purchase PCCs within a limit of 10 per cent of the nominal amount of the PCC-capital (or about

NOK 66 million) until 24 September 2005. In order to safeguard the possibility to trade PCCs after this date, a new power of attorney is required.

The Board of Trustees' resolution providing the Board of Directors with such a power of attorney has to be approved by the Financial Regulatory Agency of Norway (FRAN) (Kredittilsynet) and the resolution has to be duly registered with the Norwegian Register of Business Enterprises before the power of attorney can be used.

The Chairman of the meeting referred to the proposal dated 7 March 2005.

Resolution:

1. *The main Board of Directors is hereby authorised to buy and mortgage the Bank's own PCCs within the limits stated in the applicable laws, rules and regulations.*
2. *The total amount of PCCs owned and/or mortgaged by the Bank must not exceed NOK 66 million or 10 per cent of the Bank's PCC-capital.*
3. *The smallest amount to be paid for each PCC is NOK 100 and the highest amount NOK 400. These limits also apply to mortgage agreements; the claim to be secured by the mortgage in question must be within the abovementioned limits.*
4. *Acquisition of PCCs must be arranged through a purchase in the securities market, through the Oslo Stock Exchange, and any sale must be arranged through the same market, if applicable through a private placement for the Bank's staff and elected representatives in accordance with currently valid laws, rules and regulations.*

Mortgaging will be arranged through agreements with customers in connection with the granting of credit and any realisation of the collateral security will take place in the securities market through the Oslo Stock Exchange.

5. *This power of attorney is valid for 18 months until 17 September 2006.*

5/2005 **Change in by-laws – Bonus issue and split of the Bank's PCCs**
- This is the first time this matter has come up for consideration.

The Chairman of the Board of Trustees referred to the written proposal dated 7 March 2005 and then asked the CEO to explain about the proposals from the Board of Directors.

The Board of Directors has made the following proposals to the Board of Trustees:

- ✓ The PCC-capital to be increased by NOK 131,940,400, from NOK 659,701,800 til NOK 791,642,200 .
- ✓ One new PCC to be issued for five old certificates, involving the issue of 1,319,404 new PCCs. At a nominal amount of NOK 100 per certificate, this amounts to NOK 131,940,400, which will be transferred from the Dividend Equalisation Fund to the PCC-capital.

- ✓ The abovementioned ratio means that PCC-holders with certificates for which no new PCCs will be issued will be entitled to receive fractional certificates for the number of PCCs in question.
- ✓ The new PCCs shall have the same priority as the existing PCCs.
- ✓ After completion of the bonus issue, the nominal amount of each PCC will be split into two, so that the new nominal amount of each PCC will be NOK 50. The total number of PCCs after the abovementioned split will be 15,832,844.
- ✓ §2-1, 4th sub-section of the by-laws to be changed accordingly.

The Chairman of the Board of Trustees reminded all present that this matter has to be discussed and considered at two meetings, the second time at the meeting taking place on 17 March.

Resolution to be passed at a later meeting.

All resolutions were unanimous.

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The meeting finished at 14.50.

Marie M. Fangel (sign)

Arne Kr. Bredahl (sign)

Torvall Lind (sign)
Chairman of the Board of Trustees