



Næringskreditt 1st Quarterly Report 2015

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Statement of the Board of Directors as of March 31, 2015

Key figures¹

	4Q 2014	3Q 2014	2Q 2014	1Q 2014	4Q 2013
Number of mortgages	532	457	455	457	453
Average balance per mortgage (NOK mill)	30.1	34.3	34.4	34.3	33.4
Number of borrowers	382	321	317	319	
Average weighted LTV	46.3 %	45.2 %	45.9 %	46.4 %	47.4 %
Cover Pool Overcallateralisation	128.2 %	129.5 %	131.2 %	127.2 %	129.6 %

Key events during the first quarter of 2015

Gross lending by the Company was moderately reduced during the first quarter 2015 to 15.5 billion kroner after customer refinancings, which can only take place in the originating bank and the mortgage loans are then sold back to such banks from the Company. During the quarter SpareBank 1 Næringskreditt issued 150 million kroner by tapping an existing covered bond issue. In anticipation of further commercial mortgage loan purchases from banks which sell loans to the Company, the balance of liquid assets was relatively high at the end of the quarter. In June 2015 the maturity of the Company's inaugural four year covered bond matures where the remaining balance outstanding is 367 million kroner after earlier redemptions.

Mainly due to the reduction in lending the capital coverage reflects a slight increase at the end of the quarter to 14.62 per cent as of March 31, 2015. The requirement for capital coverage inclusive of additional buffer capital as of March 31, 2015 is 13.5 per cent and this is scheduled to increase to 14.5 per cent from July 1, 2015. It is SpareBank 1 Næringskreditt's target to maintain its capital coverage above the legal minimum requirement.

Nature and development of the Company's business

SpareBank 1 Næringskreditt AS is a credit institution licensed by the Norwegian Financial Services Authority (Finanstilsynet) and is operated according to the legislation for covered bond issuers in Norway which is enshrined in the law regarding financial enterprises ("Finansieringsvirksomhetsloven") chapter 2, section IV and the detailed regulations thereof.

The purpose of the Company is to provide funding for the owners by buying residential mortgage loans with a loan-to-value ("LTV") of up to 60% and financing these primarily through the issuance of covered bonds. The Company which is based in Stavanger, is owned by banks which are members of the SpareBank 1 Alliance. An agreement is signed with each parent bank regarding the purchase and transfer of commercial mortgages and the services which the parent banks owe to the Company and the Company's customers in this regard.

¹ Details about the cover pool for March 31, 2015 were not yet available at the time of writing this Board Statement, but there have only been minor changes in the cover pool since the end of last year.

Quarterly accounts

The quarterly accounts have been prepared in accordance with the International Reporting Standards (IFRS) as adopted by the EU and published by the International Reporting Standards Board (IASB).

The Board views the accounts as presented to be a true representation of SpareBank 1 Næringskreditt's operations and financial position at the end of the first quarter 2015.

The total balance sheet amounts to NOK 18.0 billion at the end of the quarter and NOK 18.2 billion at the end of the previous year. The Company had during the quarter net interest income of NOK 40 million, including commissions earned by the ownership banks and accrued as an expense to SpareBank 1 Næringskreditt, compared to 45 million kroner for the first quarter of 2014. The costs of operations were NOK 3.7 million including amortisation and depreciation compared to 3.5 million for the same period last year. No additional amounts have been charged as loan provisions (write offs) during the quarter, in addition to the NOK 6.4 million in cumulative group loan loss provisions as of 31 December, 2014. No actual loan losses have occurred. In total the quarter's pre-tax result was NOK 33 million, compared to 41 million for the first quarter of 2014.

Lending to customers amounted to NOK 15.4 billion at the end of the third quarter 2014 and 15.8 billion at the end of 2014. The cash and cash equivalents at 31 March 2015 amounted to NOK 1.8 billion (whereof a minor amount is posted to the Company as collateral under derivatives agreements) and are somewhat elevated due to expected mortgage loan purchases from the banks.

Risk assessment

SpareBank 1 Næringskreditt as an issuer of covered bonds is subject to strict rules regarding its exposure to credit, market, and liquidity risks. This fact and the aim of the maintenance of a satisfactory rating means that the Company is subject to low levels of risk and places strong emphasis on risk control.

Credit risk is defined as the risk that losses can occur as a consequence of that customers and others do not have the ability or willingness to meet their obligations to SpareBank 1 Næringskreditt. The portfolio which consists of mortgages up to 60% LTV is the reason for why the Board of Directors assess the credit risk to be lower compared to other banks in general.

Market risk is defined as the risk of losses due to changes in market rates, i.e. interest rates, exchange rates and the prices of financial instruments. At the end of the quarter SpareBank 1 Næringskreditt AS had issued bonds for approximately NOK 12.5 billion and SEK 1.8 billion as well as EUR 102 million. All borrowing and investments with a fixed coupon and all borrowings and investments denominated in a foreign currency are hedged by financial currency and/or interest rate swaps or through other natural hedges, in order to convert the effective cash flow on this debt to a NOK floating rate (3 months NIBOR). The Company had as of quarter-end only moderate interest rate risk and immaterial amounts of currency risk.

Liquidity risk is defined as the risk that the Company is not able to meet its obligations at maturity or to be able to finance the purchase of loans at normal terms and conditions. Liquidity risk is managed based upon a liquidity strategy approved by the Board. The Company shall maintain a material liquidity reserve with a minimum size of covering all maturities within 6 months and 50 per cent of all maturities between 6 and 12 months. Additionally the Company shall at any point in time be able to meet its interest payments, including derivatives, which come due in the next three months under a scenario where no interest payments are received from the loan portfolio.

SpareBank 1 Næringskreditt AS's liquidity situation is good.

Operational risk is defined as risk of loss due to error or neglect in transaction execution, weakness in the internal control or information technology systems breakdowns. Reputational, legal, ethical and competency risks are also elements of operational risk. The risk is assessed to be moderate.

It is important to the Company to identify measure and manage central areas of risk in such a way so that the Company can meet its strategic goals. A reference is made to annual report for 2014 for further information.

Future prospects of the Company

With an increased uncertainty in the Norwegian economy and a moderate increase in unemployment, commercial property is more exposed to an economic downturn than lending for residential real estate, but despite of this the Board of Directors characterise the outlook for the Company as good and stable. Employment levels in Norway continued to increase through 2014 and unemployment is very low in an international context, even after taking into account the expected increase in 2015. SpareBank 1 Næringskreditt has a portfolio of commercial real estate with a weighted average loan to value of approximately 45 per cent, located in the largest towns in Norway. Slightly more than 10 per cent of the lending volume (36 per cent of the number of loans) are related to residential real estate and over 48 per cent of the volume is related to central office buildings. There have been no losses or defaults in the portfolio since the Company's commencement of operations.

Macroeconomic development²:

Norwegian mainland GDP increased by 0.5 per cent during the fourth quarter of 2014 measured against the preceding quarter, while for the year as a whole, growth was 2.3 per cent. An increase in consumer spending and public spending, as well as exports increased the activity level in the fourth quarter. The number of employed persons and the number of hours worked both increased in the fourth quarter and for the year as a whole, by 1.1 and 1.6 per cent, respectively for the number of persons and hours worked.

Economic outlook:

Declining oil sector investments contribute to a decline in the growth rate for mainland GDP which is now expected at 1.1 per cent vs. 2.3 per cent for the preceding years. The unemployment rate will in this case increase and is seen at 4.1 per cent in 2016. This will contribute to a dampening of wage growth, which will probably come in below three per cent this year. Reduced demand from the petroleum sector after several years with strong growth, taken together with a modest development in household consumption expenditures, were important factors behind the cyclical downturn experienced in the second half of 2014. A pronounced decline in the price of oil through the autumn of 2014 and into 2015 will increase the negative impulses from the oil sector in the time ahead. A relative expansive fiscal and monetary policy has helped mitigate the downturn in Norway. There is an expectation that Norway's central bank will continue to decrease its policy rate towards the summer. The decline in oil prices and expectations of lower interest rates have caused the Norwegian krone to depreciate. This contributes positively to cost-based competitiveness, which stimulates exports and reduces domestic demand for imports which thereby positively impact the activity level in the mainland economy. Increased growth internationally, less negative impulses from the petroleum sector and some increase in private domestic demand is expected to turn the economic cycle to a modest upturn from 2016.

Projections (%)	2015	2016	2017	2018
Mainland GDP growth	1.1	2.2	2.4	2.7
Unemployment rate	3.9	4.1	3.9	3.8
CPI growth	2.3	2	1.7	1.7
Annual wage growth	2.9	3.1	3.1	3.4

² Macroeconomic prospects and projections have been sourced from Statistics Norway as of per March 12, 2015.

The Board of Directors affirms that the financial accounts present a correct and complete picture of the Company's operations and financial position. No material events have occurred after the end of the first quarter which is expected to affect these quarterly accounts for the first quarter 2015.

Stavanger March 31, 2015 / April 24, 2015
The Board of Directors of SpareBank 1 Næringskreditt AS



Kjell Fordal
Chairman of the Board



Rolf Eigil Bygdnes



Heidi Larsen



Knut Oscar Fleten



Merete Eik



Arve Austestad
Chief Executive Officer

SpareBank 1 Næringskreditt AS

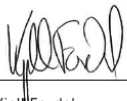
— Statement of the members of the board and the chief executive officer

The Board and the chief executive officer have today reviewed and approved the financial accounts for the first three months of 2015 for SpareBank 1 Næringskreditt AS. The financial accounts have been prepared in accordance with the International Reporting Standards (IFRS), as adopted by the EU.

To the best knowledge of the board and the chief executive officer the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole as of March 31, 2015.

The board of directors and the chief executive officer declare to the best of their knowledge that the annual report gives a true and fair view of the development and performance of the business of the Company, as well as a description of the principal risks and uncertainties facing the Company.

Stavanger March 31, 2015 / April 24, 2015
The Board of Directors in SpareBank 1 Næringskreditt AS



Kjell Fordal
Chairman of the Board



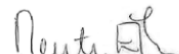
Rolf Eigil Bygdnes



Heidi Larsen



Knut Oscar Fleten



Merete Eik



Arve Austestad
Chief Executive Officer

SpareBank 1 Næringskreditt AS

Income statement as of March 31, 2015

NOK 1 000	Note	31.03.15	31.03.14	2014
Interest income	2	119 684	132 968	554 399
Interest expense	2	80 027	87 651	381 495
Net interest income		39 657	45 317	172 904
Net gains/losses on financial instruments	3	-3 116	-739	853
Total other operating income		-3 116	-739	853
Total operating income		36 541	44 578	173 757
Salaries and other personnel expenses		1 447	1 459	5 377
Administration expenses		1 339	1 426	4 285
Other operating expenses	4	485	565	2 058
Amortisation/Depreciation		392	74	764
Total operating expenses		3 663	3 524	12 484
Operating profit before losses		32 878	41 054	161 273
Impairment losses on loans			-	0
Operating profit before tax		32 878	41 054	161 273
Tax expense		8 877	11 085	43 543
Net profit		24 001	29 969	117 730

Comprehensive income statement as of March 31, 2015

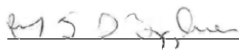
NOK 1 000	31.03.15	31.03.14	2014
Net profit	24 001	29 969	117 730
Total profit	24 001	29 969	117 730
Allocations of total profit:			
Dividends	-	-	118 236
Other equity	24 001	29 969	-506
Total	24 001	29 969	117 730

Balance sheet as of March 31, 2015


NOK 1 000	Note	31.03.15	31.03.14	2014
Assets				
Deposits with credit institutions	10	539 178	547 428	459 908
Norwegian Government bills	10, 11	64 597	131 617	183 932
Bonds	10, 11	1 283 976	610 642	702 915
Lending to customers	5	15 410 282	15 773 020	16 111 887
Financial derivatives	9, 10, 11	695 147	199 682	698 574
Other intangible assets	18	3 851	82	3 899
Total assets		17 997 031	17 262 471	18 161 115
Liabilities and equity				
Liabilities				
Debt incurred by issuing securities	7, 10, 11	15 281 395	14 667 775	15 621 116
Collateral received in derivatives transactions		139 332	-	-
Subordinated debt	8	521 960	522 172	522 265
Financial derivatives	9, 10, 11	-	9 453	-
Deferred taxes		38 489	19 912	38 489
Taxes payable		33 843	11 085	24 966
Other liabilities	12	14 387	243 475	10 655
Total liabilities		16 029 406	15 473 872	16 217 491
Equity				
Paid in equity	6	1 825 000	1 705 000	1 825 000
Other paid in equity (not yet registered)		-	20 000	-
Accrued equity		388	894	388
Provision for dividends		118 236	32 736	118 236
Net profit		24 001	29 969	-
Total equity		1 967 625	1 788 599	1 943 624
Total debt and liabilities		17 997 031	17 262 471	18 161 115


Stavanger, April 24, 2015


Kjell Fordal
Chairman of the Board


Rolf Eigil Bygdnes


Heidi Larsen


Knut Oscar Fleten


Merete Eik


Arve Austestad
Chief Executive Officer

Statement of changes in equity

NOK 1 000	Share capital	Premium reserve	Not yet registered paid in equity	Declared dividends	Other equity	Total equity
Balance sheet as of 31 December 2010	584 000	146 000		8 877	34	738 911
Share increase 05.01.2011	120 000	30 000	-	-	-	150 000
Share increase 05.01.2011	240 000	60 000	-	-	-	300 000
Paid out dividend 15.07.2010	-	-	-	-8 877	-	-8 877
Net profit	-	-	-	23 128	900	24 028
Balance sheet as of 31 December 2011	944 000	236 000		23 128	934	1 204 062
Paid out dividend 23.03.2012	-	-	-	-23 128	-	-23 128
Share increase 20.09. 2012	100 000	25 000	-	-	-	125 000
Net profit	-	-	-	21 924	-71	21 853
Balance sheet as of 31 December 2012	1 044 000	261 000		21 924	863	1 327 787
Share Increase 27.02.2013	60 000	15 000	-	-	-	75 000
Share Increase 25.04.2013	20 000	5 000	-	-	-	25 000
Share Increase 28.05.2013	80 000	20 000	-	-	-	100 000
Paid out dividend 29.05.2013	-	-	-	-21 924	-	-21 924
Share Increase 15.10.2013	160 000	40 000	-	-	-	200 000
Net profit	-	-	-	32 736	31	32 767
Balance sheet as of 31 December 2013	1 364 000	341 000		32 736	894	1 738 630
Share increase 31.01.2014	16 000	4 000	-	-	-	20 000
Paid out dividend 06.06.2014	-	-	-	-32 736	-	-32 736
Share increase 16.09.2014	80 000	20 000	-	-	-	100 000
Net profit	-	-	-	118 236	-506	117 730
Balance sheet as of 30 June 2014	1 460 000	365 000	-	118 236	388	1 943 624
Net profit	-	-	-	-	24 001	24 001
Balance sheet as of 31 March 2015	1 460 000	365 000	-	118 236	24 389	1 967 625

Cash flow statement first three months 2015

NOK 1 000	31.03.15	31.03.14	31.12.14
Cash flows from operations			
Interest received	105 221	125 960	548 122
Payments for operations	-1 941	-2 808	-10 522
Paid tax	-	-	-
Net cash flow from operations	103 280	123 151	537 600
Cash flows from investments			
Net purchase of loan portfolio	687 143	-527 098	-874 089
Net payments on the acquisition of government bills	119 063	-94 495	-146 651
Net payments on the acquisition of bonds	-580 753	-608 805	-702 044
Net investments in intangible assets	-344	-	(4 508)
Net cash flows relating to investments	225 109	-1 230 397	-1 727 292
Cash flows from funding activities			
Net receipt/payment from the issuance of certificates	-	-	-
Net receipt/payment from the issuance of bonds	-313 698	1 378 219	1 842 869
Net receipt/payment from the issuance of subordinated debt	-	-	-
Net receipt/payment from the issuance of loans to credit institutions	144 262	-11 016	-244 393
Equity capital subscription	-	20 000	120 000
Paid dividend	-	-	-32 736
Net interest payments on funding activity	-79 683	-90 417	-394 028
Net cash flow relating to funding activities	-249 119	1 296 786	1 291 712
Net cash flow in the period	79 270	189 540	102 020
Balance of cash and cash equivalents start of period	459 908	357 888	357 888
Net receipt/payments on cash	79 270	189 540	102 020
Exchange rate difference	-	-	-
Balance of cash and cash equivalents end of period	539 178	547 428	459 908

Quarterly development of the income statement and balance sheet

Income statement

	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
NOK 1 000	2015	2014	2014	2014	2014
Interest income	119 684	139 594	139 934	141 903	132 968
Interest expense	80 027	93 903	94 527	105 413	87 651
Net interest income	39 657	45 691	45 407	36 490	45 317
Net gains/losses on financial instruments	-3 116	-1 262	298	2 556	-739
Total operating income	36 541	44 429	45 705	39 046	44 578
Salaries and other personnel expenses	1 447	1 187	1 722	1 009	1 459
Administration expenses	1 339	1 109	717	1 033	1 426
Other operating expenses	485	509	537	447	565
Amortisation/Depreciation	392	358	258	74	74
Total operating expenses	3 663	3 163	3 234	2 564	3 524
Operating profit before losses	32 878	41 266	42 471	36 482	41 054
Impairment losses on loans				-	-
Operating profit before tax	32 878	41 266	42 471	36 482	41 054
Tax expense	8 877	11 142	11 467	9 850	11 085
Net profit	24 001	30 125	31 004	26 632	29 969

Balance sheet

	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
NOK 1 000	2015	2014	2014	2014	2014
Assets					
Deposits with credit institutions	539 178	459 908	923 151	163 526	547 428
Norwegian Government bills	64 597	183 932	99 450	-	131 617
Bonds	1 283 976	702 915	777 653	146 986	610 642
Lending to customers	15 410 282	16 111 887	15 774 540	15 760 696	15 773 020
Financial derivatives	695 147	698 574	285 939	202 038	199 682
Other intangible assets	3 851	3 899	3 606	1 507	82
Sum of assets	17 997 031	18 161 115	17 864 339	16 274 753	17 262 471
Liabilities					
Debt incurred by issuing securities	15 281 395	15 621 116	15 079 913	13 667 387	14 667 775
Collateral received in derivatives transactions	139 332	-	-	-	-
Subordinated debt	521 960	522 265	522 309	522 316	522 172
Financial derivatives	-	-	71 807	24 752	9 453
Deferred taxes	38 489	38 489	19 912	19 912	19 912
Taxes payable	33 843	24 966	32 402	20 935	11 085
Other liabilities	14 387	10 655	224 497	236 955	243 475
Total liabilities	16 029 406	16 217 491	15 950 840	14 492 257	15 473 872

NOK 1 000	1. quarter 2015	4. quarter 2014	3. quarter 2014	2. quarter 2014	1. quarter 2014
Equity					
Paid in equity	1 825 000	1 825 000	1 725 000	1 725 000	1 705 000
Other paid in equity (not yet registered)	-	-	100 000	-	20 000
Accrued equity	388	388	894	894	894
Provision for dividends	118 236	118 236	-	-	32 736
Net profit	24 001	-	87 605	56 602	29 969
Total equity	1 967 625	1 943 624	1 913 499	1 782 496	1 788 599
Total liabilities and equity	17 997 031	18 161 115	17 864 339	16 274 753	17 262 471

Key figures

Number of shares	14 600 000	14 600 000	14 600 000	13 800 000	13 800 000
Net profit per share	0.1644 %	0.2063 %	0.2124 %	0.1930 %	0.2172 %

Notes to the accounts as of March 31, 2015

Note 1 General information

1.1 General information

SpareBank 1 Næringskreditt AS quarterly accounts for the period 01.01.-31.03.14 have been prepared in accordance with "International Financial Reporting Standards" (IFRS), as determined by the EU and published by "International Accounting Standards Board" (IASB). The accounting principles listed below should be read in conjunction with the accounting principles as detailed in the annual accounts for 2014.

1.2 Accounting principles

The Company's accounting principles and methods of computation/estimation are in all material aspects unchanged compared to the annual accounts for 2014.

The principles below should be read together with the accounting principles in the annual accounts for 2013.

1.3 Segment

A business segment is a grouping of assets or business activity which produces products or services, and which is subject to risk and return which is different to that of other business segments. The Company has one segment, which is the commercial property segment. This segment consists of lending for commercial properties and all loans have been acquired from banks in the SpareBank 1 Alliance.

1.4 Pension

SpareBank 1 Næringskreditt AS has no directly employed staff. The pension obligation is covered by SpareBank 1 Boligkreditt AS under the pension Scheme of SpareBank 1 Boligkreditt AS currently has two types of pension schemes.

1.5 Financial risk management

For a discussion of financial risk management, please refer to notes 3, 22 and 23 in the annual accounts for 2014.

1.6 Estimates

The presentation of financial information results in that management uses estimates and makes assumptions which affect the outcome of certain accounting principles, including the amounts accounted for assets, liabilities, income and cost. In the annual accounts for 2013 a discussion of these estimates and assumptions have been included in note 4.

Note 2 Net interest income

NOK 1 000	31.03.15	31.03.14	2014
Interest income			
Interest income and similar income from loans to and balances with credit institutions	5 737	4 075	26 542
Interest income and similar income from loans to and balances with customers	136 026	152 612	622 716
Commission expense (payable to shareholder banks) *	-22 079	-23 719	-94 859
Total interest income	119 684	132 968	554 399

*Commissions to our parent banks are calculated daily for each mortgage loan transferred, whereby the commission equals the customer loan rate less a rate which incorporates the Company's average cost of funding and operational costs. The operational add-on element is expressed through an average rate which is from time to time decided by the Company's Board of Directors.

Interest expense			
Interest expense and similar expenses on issued bonds	74 039	81 432	356 176
Interest expense on subordinated debt	5 988	6 219	25 355
Other interest expense	-	-	-36
Total interest expense	80 027	87 651	381 495
Net interest income	39 657	45 317	172 904

Note 3 Net gains from financial instruments

NOK 1 000	31.03.15	31.03.14	2014
Net gains (losses) from financial liabilities	6 536	-34 773	-410 436
Net gains (losses) from financial assets	-1 242	-326	-580
Net gains (losses) from financial derivatives, hedging, at fair value	-8 410	34 360	411 868
Netto gains (losses)	-3 116	-739	852

Note 4 Other operating expenses

NOK 1 000	31.03.15	31.03.14	2014
IT services	430	362	1 779
Other operating expenses	55	43	279
Sum	485	405	2 058

Note 5 Lending to customers

NOK 1 000	31.03.15	31.03.14	2014
Repayment loans	15 316 103	15 656 255	16 003 246
Accrued interest on loans	100 575	123 162	115 037
Total lending before provisions for loan losses	15 416 678	15 779 417	16 118 283
Individual loan loss provisions			-
Group loan loss provisions	6 396	6 396	6 396
Net lending to customers	15 410 282	15 773 021	16 111 887
Defaulted loans			
Defaults*	0.0 %	0.0 %	0.0 %
Specified loan loss provisions	0.0 %	0.0 %	0.0 %
Net defaulted loans	0.0 %	0.0 %	0.0 %
Loans at risk of loss			
Loans not defaulted but at risk of loss	0.0 %	0.0 %	0.0 %
- Write downs on loans at risk of loss	0.0 %	0.0 %	0.0 %
Net other loans at risk of loss	0.0 %	0.0 %	0.0 %

*The entire customer loan balance is considered to be in default and will be included in overviews of defaulted loans when overdue instalments and interest payments are not received within 90 days or if credit limits on revolving loans are exceeded for 90 days or more.

Note 6 Equity and shareholders information

Overview of shareholders as of 31.03.2015

	Number of shares	A-shares	B-shares	Ownership stake	Vote
SpareBank 1 SMN	4 909 200	1 200 000	3 709 200	33.62 %	33.62 %
SpareBank 1 SR-Bank ASA	3 913 034	1 200 000	2 713 034	26.80 %	26.80 %
SpareBank 1 Nord-Norge	3 041 400	400 000	2 641 400	20.83 %	20.83 %
Sparebanken Hedmark	560 000	560 000	-	3.84 %	3.84 %
SpareBank 1 Ringerike Hadeland	455 646	-	455 646	3.12 %	3.12 %
SpareBank 1 BV	321 589	-	321 589	2.20 %	2.20 %
SpareBank 1 Østfold Akershus	277 072	-	277 072	1.90 %	1.90 %
Sparebanken Telemark	270 165	-	270 165	1.85 %	1.85 %
SpareBank 1 Hallingdal Valdres	171 156	-	171 156	1.17 %	1.17 %
SpareBank 1 Nordvest	140 200	-	140 200	0.96 %	0.96 %
Modum Sparebank	115 127	-	115 127	0.79 %	0.79 %
SpareBank 1 Nøtterøy Tønsberg	102 592	-	102 592	0.70 %	0.70 %
SpareBank 1 Søre Sunnmøre	101 568	-	101 568	0.70 %	0.70 %
SpareBank 1 Gudbrandsdal	86 473	-	86 473	0.59 %	0.59 %
Lom og Skjåk Sparebank	81 869	-	81 869	0.56 %	0.56 %
Sparebanken Vest	52 909	-	52 909	0.36 %	0.36 %
Sum	14 600 000	3 360 000	11 240 000	100 %	100 %

The equity capital consists of 3,360,000 A-shares and 10,440,000 B-shares, each with a face value of NOK 125. The A-shares reflect loans transferred (or reserved for future transfers) from the banks. B-shares reflect loans transferred to the Company by banks mutually owned by the other banks (as of today this pertains only to BN Bank ASA). The B-shares are allocated amongst the banks according to their ownership share in the mutually owned banks. A-shares and B-shares carry the same rights, with the one exemption that dividends may be differentiated between the share classes.

Note 7 Liabilities incurred by issuing securities

	Nominal amounts*	Nominal amounts*	Nominal amounts*
NOK 1 000	31.03.15	31.03.14	2014
Senior unsecured Bonds	1 358 000	1 855 000	1 355 000
Repurchased senior unsecured bonds	-16 000	-483 000	-16 000
Covered bonds	13 296 505	13 430 150	13 758 330
Withdrawn from the Norwegian Central Bank Swap Facility	-	3 759 168	-
Bonds deposited in the Norwegian Central Bank Swap Facility	-	-4 042 500	-
Repurchased covered bonds	-80 000	-75 000	-50 000
Total liabilities incurred by issuing securities	14 558 505	14 443 818	15 047 330

*Nominal value is incurred debt at exchange rates (SEK/NOK) at the time of issuance

	Book value	Book value	Book value
NOK 1 000	31.03.15	31.03.14	2014
Senior unsecured Bonds	1 357 904	1 855 000	1 354 882
Repurchased senior unsecured bonds	-15 997	-482 832	-15 997
Covered bonds	13 856 810	13 481 740	14 219 182
Withdrawn from the Norwegian Central Bank Swap Facility	-	3 759 482	-
Bonds deposited in the Norwegian Central Bank Swap Facility	-	-4 042 500	-
Repurchased covered bonds	-85 592	-74 285	-54 963
Activated costs incurred by issuing debt	-398	-807	-500
Accrued interest	168 668	171 977	118 512
Total liabilities incurred by issuing securities	15 281 395	14 667 775	15 621 116

Liabilities categorised by debt instrument and year of maturity (nominal value*) NOK 1,000:

Senior unsecured

	Nominal amounts*	Nominal amounts*	Nominal amounts*
Year	31.03.15	31.03.14	2014
2015	-	1 137 000	85 000
2016	1 104 000	235 000	1 254 000
2017	238 000	-	-
Total	1 342 000	1 372 000	1 339 000

Covered bonds in central bank swap facility

	Nominal amounts*	Nominal amounts*	Nominal amounts*
Year	31.03.15	31.03.14	2014
2014	-	3 759 168	-
Total	-	3 759 168	-

Covered bonds	Nominal amounts *	Nominal amounts*	Nominal amounts*
Year	31.03.15	31.03.2014	2014
2015	367 000	875 000	820 000
2016	928 600	925 100	959 400
2017	573 000	600 000	600 000
2018	2 125 425	1 512 550	2 189 700
2019	3 650 000	2 950 000	3 650 000
2020	2 200 000	-	2 200 000
2021	1 113 000	700 000	980 300
2022	-	-	-
2023	550 000	550 000	550 000
2024	99 480	-	108 180
2025	200 000	200 000	200 000
2026	-	-	-
2027	-	-	-
2028	1 000 000	1 000 000	1 000 000
2029	410 000	-	450 750
Total	13 216 505	9 312 650	13 708 330

Grand total	14 558 505	14 443 818	15 047 330
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*Nominal value is incurred debt at exchange rates at the time of issuance

Liabilities incurred by currency (book values at the end of the period).

NOK 1000	31.03.15	31.03.14	2014
NOK	12 485 936	13 276 870	12 760 938
SEK	1 882 659	1 390 905	1 922 201
EUR	912 800	-	937 977
Sum	15 281 395	14 667 775	15 621 116

Note 8 Subordinated debt

NOK 1 000	Year of issuance	Nominal value	Maturity	Callable	Book value 31.03.15	Book value 31.03.14	Book value 2014
Subordinated debt Tier 2	2013	NOK 346 000	2023	2018	347 644	346 656	346 719
Additional Tier 1 capital	2013	NOK 173 000	Evigvarende	2018	174 316	173 509	173 561
Total		NOK 519 000			521 960	520 165	520 280

Out of the total of NOK 519 mill in subordinated debt, NOK 173 mill is additional Tier 1 capital and NOK 346 mill is subordinated debt classified as Tier 2 capital.

Issuance expenses are activated and are reflected in the amortized costs valuation.

Additional Tier 1 capital may be a maximum of 35% of total Tier 1 capital for bonds with no maturity.

Note 9 Financial derivatives

NOK 1 000	31.03.15	31.03.14	2014
Interest rate derivatives			
Interest rate swaps			
Nominal amount	4 700 000	7 968 000	4 550 000
Asset	586 466	199 682	527 121
Liability	-	-	-
Currency derivatives			
Currency swaps			
Nominal amount	2 769 919	1 387 650	2 838 330
Asset	108 680	-	171 453
Liability	-	9 453	-
Total financial derivatives			
Nominal amount	7 469 919	9 355 650	7 388 330
Asset	695 146	199 682	698 574
Liability	-	9 453	-

All derivative contracts exist for the purpose of hedging changes in interest rates and currency exchange rates.

Note 10 Classification of financial instruments

NOK 1000	Financial instruments accounted for at fair value *	Financial assets and debt accounted for at amortised cost	Non-financial assets and liabilities	31.03.15
Assets				
Deposits at and receivables from financial institutions	-	539 178	-	539 178
Norwegian government short term debt certificates	64 597	-	-	64 597
Bonds	1 283 976	-	-	1 283 976
Lending to customers	-	15 410 282	-	15 410 282
Financial derivatives	695 147	-	-	695 147
Other assets	-	-	3 851	3 851
Total assets	2 043 720	15 949 460	3 851	17 997 031
Liabilities				
Debt incurred by issuing securities	8 085 196	7 196 199	-	15 281 395
Collateral received in derivatives transactions	-	139 332	-	139 332
Subordinated debt	-	521 960	-	521 960
Financial derivatives	-	-	-	-
Deferred taxes	-	-	38 489	38 489
Taxes payable	-	-	33 843	33 843
Other liabilities	-	11 780	2 607	14 387
Total liabilities	8 085 196	7 869 271	74 939	16 029 406
Total equity	-	-	1 967 625	1 967 625
Total liabilities and equity	8 085 196	7 869 271	2 042 564	17 997 031

NOK 1 000	Financial instruments accounted for at fair value*	Financial assets and debt accounted for at amortised cost	Non-financial assets and liabilities	2014
Assets				
Deposits at and receivables from financial institutions	-	459 908	-	459 908
Norwegian government short term debt certificates	183 932	-	-	183 932
Bonds	702 915	-	-	702 915
Lending to customers	-	16 111 887	-	16 111 887
Financial derivatives	698 574	-	-	698 574
Other assets	-	-	3 899	3 899
Total assets	1 585 421	16 571 795	3 899	18 161 115

Liabilities				
Debt incurred by issuing securities	7 942 977	7 678 139	-	15 621 116
Subordinated debt	-	522 265	-	522 265
Financial derivatives	-	-	-	-
Deferred taxes	-	-	38 489	38 489
Taxes payable	-	-	24 966	24 966
Other liabilities		6 718	3 937	10 655
Total liabilities	7 942 977	8 207 122	67 392	16 217 491
Total equity	-	-	1 943 624	1 943 624
Total liabilities and equity	7 942 977	8 207 122	2 011 016	18 161 115

*Fair value calculation according to changes in market interest rates and currencies exchange rates.

Note 11 Financial instruments at fair value

Methods in order to determine fair value

General

The interest rate curve that is used as input for fair value valuations of hedging instruments and hedging objects consists of the NIBOR-curve for maturities less than one year. The swap-curve is used for maturities exceeding one year.

Interest rate and currency swaps

Valuation of interest rate swaps at fair value is done through discounting future cash flows to their present values. Valuation of currency swaps will also include the element of foreign exchange rates.

Bonds

Issued bonds are valued at a discounted value. The discount rate is the swap rate curve.

The presentation of fair value is according to three levels:

- Quoted price in an active market for an identical asset or liability (level 1)
- Valuation based on observable factors either direct (prices) or indirect (deduced from prices used in level 1) other than quoted price for the asset or liability (Level 2)
- The valuation is based on factors that are not found in observable markets (non-observable assumptions) (level 3), but no such assets are held

The following table present the company's assets and liabilities at fair value as of 31.03.2015:

NOK 1 000

	Level 1	Level 2	Level 3	Total
Bonds and bills	194 894	1 153 679	-	1 348 573
Financial Derivatives	-	695 147	-	695 147
Total assets	194 894	1 848 826	-	2 043 720
Bonds	-	8 085 196	-	8 085 196
Financial Derivatives	-	-	-	-
Total liabilities	-	8 085 196	-	8 085 196

The following table present the company's assets and liabilities at fair value as of 31.12.2014:

NOK 1 000

	Level 1	Level 2	Level 3	Total
Bonds and bills	183 932	702 915	-	886 847
Financial Derivatives	-	698 574	-	698 574
Total assets	183 932	1 401 489	-	1 585 421
Bonds	-	7 942 977	-	7 942 977
Financial Derivatives	-	-	-	-
Total liabilities	-	7 942 977	-	7 942 977

Note 12 Other liabilities

NOK 1 000	31.03.15	31.03.14	2014
Commissions payable to shareholder banks	11 780	240 095	6 718
Due to SpareBank 1 Boligkreditt AS	-	1 533	1 042
Other liabilities	2 607	1 847	2 895
Total other liabilities	14 387	243 475	10 655

The Company maintains no line of credit / overdraft facility.

Note 13 Asset coverage requirement

The asset coverage requirement is according to the covered bond law § 2-31..

NOK 1 000	31.03.15	31.03.14	2014
Covered bonds	14 022 319	13 648 736	14 333 327
Repurchased Bonds	-87 143	-75 820	-56 016
Derivatives	-695 147	-190 229	-698 574
Total covered bonds	13 240 029	13 382 688	13 578 737
Lending to customers	15 350 139	15 749 525	16 057 724
Derivatives	64 597	131 617	183 932
Substitute collateral	1 683 541	1 163 837	1 162 824
Total cover pool	17 098 277	17 044 980	17 404 480
Asset-coverage	129.1 %	127.4 %	128.2 %

Note 14 Capital adequacy

The primary goal for the Company's management of capital reserves is to ensure compliance with laws and regulatory requirements and maintain solid financial ratios and a high quality credit assessment in order to best support its business.

A new capital requirements directive was introduced in Norway as of January 1, 2007 (Basel II). SpareBank1 Næringskreditt AS employs the standardised approach to calculate the Pillar 1 capital requirements.

The European Union has approved new regulatory requirements, CRD IV. The new regulations places more robust requirements on capital adequacy, capital structure, liquidity buffers and funding. CRD IV is gradually introduced in Norway up until the end of 2016. The requirement of 12.5% total capital includes a 9% Core Tier 1 capital and 3.5% additional capital. SpareBank 1 Næringskreditt introduces the capital coverage as per the CRD IV requirements as of 30.09.2014.

The Company's parent banks have committed themselves to keep the Equity Core Tier 1 capital at a minimum 9%. Primarily this commitment is pro rata according to the ownership stakes in the Company, but it is a joint and several undertaking if one or more ownership banks are unable to comply, up to the maximum of twice the initial pro rata amount.

Equity capital i NOK 1 000	CRD VI 31.03.15	Basel II 31.03.14	CRD VI 2014
Share capital	1 460 000	1 364 000	1 460 000
Premium share fund	365 000	341 000	365 000
Other paid in equity (not yet registered)	0	20 000	-
Other equity	388	894	894
Declared dividends	-	32 736	-118 236
Net profit	-	-	117 730
Prudent valuation adjustment (AVA)	-1 986	-	-1 585
Intangible assets	-3 851	-	-3 899
Total core equity	1 819 551	1 758 630	1 819 904
Intangible assets	0	-82	-
Deferred tax asset	-	-	-
Declared dividend	-	-32 736	-
Perpetual capital (hybrid) securities	173 000	173 000	173 000
Total tier 1 equity	1 992 551	1 898 812	1 992 904
Supplementary capital			
Additional tier 1 (exceeding 15% and 35 %)	0	-	-
Additional tier 2 capital	346 000	346 000	346 000
Total supplementary capital	346 000	346 000	346 000
Total capital	2 338 551	2 244 812	2 338 904
Minimum requirements for capital according to Basel II i NOK 1 000	31.03.15	31.03.14	2014
Credit risk	1 233 705	1 243 100	1 286 988
Market risk	-	-	-
Operational risk	13 768	7 465	7 465
CVA Risk	32 523	-	45 261
Depreciation on groups of loans	-512	-512	-512
Minimum capital requirement	1 279 484	1 250 053	1 339 201
Capital Adequacy	31.03.15	31.03.14	2014
Risk weighted assets, incl. transitional rule	15 993 549	15 625 663	16 740 014
Capital ratio (%)	14.62 %	14.37 %	13.97 %
Tier 1 capital ratio (%)	12.46 %	12.15 %	11.91 %
Core tier 1 capital ratio (%)	11.38 %	11.04 %	10.87 %

Note 15 Information regarding related parties

A number of transactions are entered into between SpareBank 1 Næringskreditt AS and its shareholder banks such as the acquisition of mortgages secured in commercial property, deposits and unsecured debt issued by the Company. The Company has acquired loans from BN Bank ASA, SpareBank1 SR Bank ASA, SpareBank 1 SMN AS, Sparebanken Hedmark and SpareBank 1 Nord-Norge. A transfer and servicing agreement exists between the Company and each of the vendors of mortgages.

The Company acquires operational services from SpareBank 1 SR-Bank ASA. A Service Level Agreement has been entered into between SpareBank 1 Næringskreditt AS and SpareBank 1 SR-Bank ASA. In addition SpareBank 1 Næringskreditt AS purchases IT services from BN Bank ASA.

SpareBank1 Næringskreditt AS hires personell from SpareBank1 Boligkreditt. According to a decision by the Board of Directors in SpareBank1 Næringskreditt AS as of 17.09.09, 1/3 of av personell expense in SpareBank1 Boligkreditt AS shall be carried by SpareBank1 Næringskreditt AS. The share reflects the actual use of resources in SpareBank1 Boligkreditt AS.

SpareBank 1 Næringskreditt AS has in 2015 calculated a commission in the amount of 22.1 million kroner and payable commissions as of 31.03.2015 are 11.8 million kroner. The commission is calculated based on the difference in rates of lending to customers and borrowings with a deduction for administrative costs.

Contact information

SpareBank 1 Næringskreditt AS

Postal address:

SpareBank 1 Næringskreditt
PO Box 250
4066 Stavanger
Norway

Visiting address:

Bjergsted Terrasse 1
4007 Stavanger
Norway



Chief Executive Officer

Arve Austestad
Tlf: +47 51 50 94 11



Investor Relations

Eivind Hegelstad
Tlf: +47 51 50 93 67



Head of Finance and Risk

Henning Nilsen
Tlf: +47 51 50 94 12