



NÆRINGSKREDITT

1st Quarterly Report 2014

Feeling Norway

Table of contents

Statement of the Board of Directors for the first quarter 2014.....	2
Statement of the members of the board and the chief executive officer	6
Financial accounts.....	7
Quarterly development	9
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Accounts	
Note 1 General Information	13
Note 2 Net interest income	14
Note 3 Net Gains from financial instruments	14
Note 4 Other operating expenses	14
Note 5 Lending to customers.....	15
Note 6 Liabilities incurred by issuing securities	16
Note 7 Financial derivatives	17
Note 8 Other liabilities	18
Note 9 Asset Coverage Requirement.....	18
Note 10 Capital Adequacy.....	19
Note 11 Classification of Financial Instruments.....	20
Note 12 Financial Instruments at Fair Value.....	22

Statement of the Board of Directors for the first quarter 2014

Key events during the first quarter of 2014

The Company has issued several bonds in the Norwegian market and in the Swedish market. Around the end of the quarter the first placements of bonds were also made in EUR. The activities has increased amongst other reasons because the Company has repaid a considerable portion of financing obtained through the Norwegian Government's swap facility, which was one of the measures implemented during the financial crisis for banks to continue to obtain uninterrupted funding. The last portion of this facility is maturing in June 2014. In connection with this maturity the Company has commenced on work establishing a EMTCN Programme for bond issuances.

After a change in the rating methodology, the Company's rating of issued covered bonds was changed to Aa1 from Aa2 by Moody's Ratings Service.

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. A comprehensive 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 ("Transfer and Servicing Agreement").

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 2014.

The total balance sheet amounts to NOK 17.3 billion at the end of the quarter and NOK 15.8 billion at the end of the previous year. The Company had during the quarter net interest income of NOK 45 million, including commissions earned by the ownership banks and accrued as an expense to SpareBank 1 Næringskreditt. The cost of operations was NOK 3,5 million including amortisation and depreciation. 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 31.12.13. No actual loan losses have occurred. In total the quarter's pre-tax result was NOK 41 million.

Lending to customers amounted to NOK 15.8 billion as of 31.03.14 and 15.3 billion at the end of 2013. The cash and cash equivalents at 31.03.14 amounted to NOK 358 million. During the quarter the Company's equity has increased with NOK 20 million to NOK 1 759 million. The total capital ratio was 14.37% at the end of the quarter, whereof 11.04% is the core Tier 1 capital ratio.

Risk Aspects

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 13 billion (in NOK) and approximately NOK 1.4 billion (in SEK). The foreign currency bonds and NOK bonds with a fixed coupon 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 31.12.2014 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. According to the strategy, SpareBank 1 Næringskreditt AS shall survive for a minimum of twelve months, also under stressed market conditions, without accessing external financing. In addition 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 in a scenario where no interest payments would be received from the loan portfolio. The Company'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 operational breakdowns. Reputational, legal, ethical and competency risks are also elements of operational risk. This risk is considered to be moderate.

The Company is focused on identifying, measure and manage and follow up on central areas of risk in such a way that ensures that Næringskreditt achieves its strategic goals. Please reference the annual report for more information on this.

Future Prospects of the Company

SpareBank 1 Næringskreditt's future prospects have not materially changed from the assessment presented in connection with the annual accounts for 2013.

Macroeconomic development¹:

According to preliminary seasonally-adjusted volume figures, Mainland Norway's gross domestic product (GDP) was up 0.6 per cent from the 3rd to the 4th quarter last year and remains somewhat below trend. Mainland GDP rose 2.0 per cent in 2013, down from 3.4 per cent in the previous year. A decrease in value added in petroleum activities and ocean transport resulted in an annual growth in total GDP of 0.6 per cent – weaker than GDP for mainland Norway.

Final consumption expenditures in both households and general government showed a slower growth in 2013 compared to the previous year. Gross fixed capital formation (GFCF) continued to increase strongly, in particular within oil-related activities by 18 per cent. Mainland GFCF had a more moderate annual growth rate of 4.7 per cent. Total exports of goods and services were reduced, while imports increased from 2012 to 2013.

Preliminary calculations show that Norway's disposable income in real terms went down 0.8 per cent from 2012 to 2013. The reduction was due to lower production in the oil and natural gas extraction industry and a negative contribution from the terms-of-trade with the rest of the world, mainly a result from a lower oil price. Improving terms-of-trade with the rest of the world has contributed positively to real income through several years.

Economic outlook¹:

The moderate growth in activity experienced last year is expected to continue for another few years. Loss of powerful growth impulses from petroleum investments will be replaced by a moderate increase in growth in other demand. Unemployment is expected to rise slightly, to almost 4 per cent in 2015.

Forecast (%)	2014	2015	2016	2017
GDP Mainland Norway	1.9	2.4	2.9	2.8
Unemployment	3.7	3.9	3.9	3.8
CPI growth	2.3	1.6	1.7	2.1
Annual wages	3.8	3.5	3.5	3.6

¹Macroeconomic prospects and forecasts have been sourced from Statistics Norway.

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 2014.

Stavanger March 31, 2014 / April 30, 2014


Kjell Førdal
Styrets leder
Rolf Eigil Bygnes
Knut Oscar Fleten
Merete Eik
Heidi Larsen

Arve Austestad
Adm direktør

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

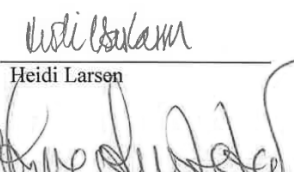
The Board and the chief executive officer have today reviewed and approved the financial accounts for the first quarter of 2014 for SpareBank 1 Næringskreditt AS. The annual accounts have been prepared in accordance with the International Reporting Standards (IFRS), as adopted by the EU.

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 31.03.14.

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, April 30, 2014

The Board of Directors in SpareBank 1 Næringskreditt AS


Kjell Førdal
Styrets leder
Rolf Eigil Bygnes
Knut Oscar Fleten
Merete Eik
Heidi Larsen

Income Statement 1st Quarter 2014

NOK 1 000	Note	31.03.14	31.03.13	2013
Interest income	2	132 968	88 064	385 796
Interest expense	2	87 651	76 191	330 776
Net interest income		45 317	11 873	55 020
Net gains/losses on financial instruments	3	-739	-1 176	-531
Total other operating income		-739	-1 176	-531
Total operating income		44 578	10 697	54 489
Salaries and other personnel expenses		1 459	1 328	4 227
Administration expenses		1 426	892	2 904
Other operating expenses	4	565	405	2 069
Amortization/Depreciation		74	203	809
Total operating expenses		3 524	2 828	10 009
Operating profit before losses		41 054	7 869	44 480
Impairment losses on loans		-	-	0
Operating profit before tax		41 054	7 869	44 480
Tax expense		11 085	2 203	11 713
Net profit		29 969	5 666	32 767

Comprehensive Income Statement 1st Quarter 2014 2013

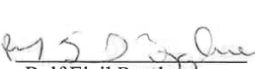
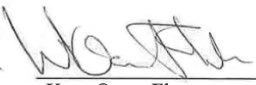
NOK 1 000	31.03.14	31.03.13	2013
Net profit	29 969	5 666	32 767
Total profit	29 969	5 666	32 767
Allocations of total profit:			
Dividends			32 736
Other equity	29 969	5 666	31
Sum	29 969	5 666	32 767

Balance sheet 1st Quarter 2014


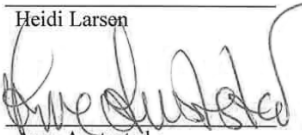
NOK 1 000	Note	31.03.14	31.03.13	2013
Assets				
Deposits with credit institutions		547 428	903 435	357 888
Norwegian Government bills		131 617	615 774	36 774
Bonds		610 642	2 013 587	-
Lending to customers	5	15 773 020	11 450 056	15 238 915
Financial derivatives	7	199 682	160 170	135 983
Other intangible assets		82	763	156
Total Assets		17 262 471	15 143 785	15 769 716
Liabilities and Equity				
Liabilities				
Debt incurred by issuing securities	6	14 667 775	13 542 184	13 218 990
Subordinated debt		522 172	-	522 287
Financial derivatives	7	9 453	3 159	16 048
Deferred taxes		19 912	7 641	19 912
Taxes payable		11 085	2 203	-
Other liabilities	8	243 475	180 145	253 849
Total Liabilities		15 473 872	13 735 332	14 031 086
Equity				
Paid in equity		1 705 000	1 305 000	1 705 000
Other paid in equity (not yet registered)		20 000	75 000	-
Accrued equity		894	863	894
Provision for dividends		32 736	21 924	32 736
Net profit		29 969	5 666	-
Total Equity		1 788 599	1 408 453	1 738 630
Total Debt and Liabilities		17 262 471	15 143 785	15 769 716

Stavanger, April 30 2014


Kjell Fjordal
Styrets leder

 
Rolf Eigil Bygdnes Knut Oscar Fleten


Merete Eik


Heidi Larsen

Arve Austestad
Adm direktør

Quarterly development of the income statement and balance sheet

INCOME STATEMENT

NOK 1 000	1. quarter 2014	4. quarter 2013	3. quarter 2013	2. quarter 2013	1. quarter 2013	4. quarter 2012
Interest income	132 968	104 450	94 147	98 934	88 064	81 801
Interest expense	87 651	81 945	77 332	91 948	76 191	69 580
Net interest income	45 317	22 505	16 815	6 986	11 873	12 221
Net gains/losses on financial instruments	-739	580	1 186	-1 120	-1 176	-1 691
Total operating income	44 578	19 925	18 001	5 866	10 697	10 530
Salaries and other personnel expenses	1 459	897	1 369	633	1 328	4 083
Administration expenses	1 426	614	723	675	892	605
Other operating expenses	565	454	399	811	405	-2 056
Amortization/Depreciation	74	202	202	202	203	426
Total operating expenses	3 524	2 167	2 693	2 321	2 828	3 058
Operating profit before losses	41 054	17 758	15 308	3 545	7 869	7 472
Impairment losses on loans	-	-	-	-	-	-6 396
Operating profit before tax	41 054	17 758	15 308	3 545	7 869	1 076
Tax expense	11 085	4 233	4 280	997	2 203	302
Net profit	29 969	13 525	11 028	2 548	5 666	774

BALANCE SHEET

NOK 1 000	1. quarter 2014	4. quarter 2013	3. quarter 2013	2. quarter 2013	1. quarter 2013	4. quarter 2012
Assets						
Deposits with credit institutions	547 428	357 888	236 765	628 122	903 435	392 866
Norwegian Government bills	131 617	36 774	299 070	-	615 774	546 507
Bonds	610 642	-	-	-	2 013 587	350 728
Lending to customers	15 773 020	15 238 915	13 713 043	12 904 476	11 450 056	11 004 463
Financial derivatives	199 682	135 983	90 240	53 898	160 170	86 551
Other intangible assets	82	156	358	560	763	965
Sum of Assets	17 262 471	15 769 716	14 339 476	13 587 056	15 143 785	12 382 081
Liabilities						
Debt incurred by issuing securities	14 667 775	13 218 990	12 545 190	11 830 511	13 542 184	10 891 907
Subordinated debt	522 172	522 287	-	-	-	-
Financial derivatives	9 453	16 048	25 967	26 353	3 159	-
Deferred taxes	19 912	19 912	7 641	7 641	7 641	7 641
Taxes payable	11 085	-	7 480	3 200	2 203	-
Other liabilities	243 475	253 850	228 092	205 274	180 145	154 746
Total Liabilities	15 473 872	14 031 086	12 814 370	12 072 979	13 735 332	11 054 294

Equity

Paid in equity	1 705 000	1 705 000	1 505 000	1 305 000	1 305 000	1 305 000
Other paid in equity (not yet registered)	20 000	-	-	200 000	75 000	-
Accrued equity	894	894	863	863	863	863
Net profit	29 969	-	19 242	8 214	5 666	-
Provision for dividends	32 736	32 736	-	-	21 924	21 924
Total Equity	1 788 599	1 738 630	1 525 106	1 514 077	1 408 453	1 327 787
Total Liabilities and Equity	17 262 471	15 769 716	14 339 476	13 587 056	15 143 785	12 382 081

Key figures

Number of shares	13 800 000	13 640 000	12 040 000	10 440 000	10 440 000	10 440 000
Net profit per share	0,2172 %	0,0992 %	0,0916 %	0,0244 %	0,0543 %	0,0074 %

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
Dividend 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
Dividend 2011				-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
Dividend 2012	-	-		-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			20 000			20 000
Net profit					29 969	29 969
Balance sheet as of 31 March 2014	1 364 000	341 000	20 000	32 736	30 863	1 788 599

Cash flow statement 2013

NOK 1 000	31.03.2014	31.03.2013	31.12.13
Cash flows from operations			
Interest received	125 960	58 670	352 180
Payments for operations	-2 808	-2 231	-10 238
Paid tax	-	-	558
Net cash flow from operations	123 151	56 439	342 500
Cash flows from investments			
Net purchase of loan portfolio	-527 098	-435 027	-4 200 836
Net payments on the acquisition of government bills	-94 495	197 723	509 207
Net payments on the acquisition of bonds	-608 805	-1 914 608	350 453
Net investments in intangible assets	-	-	-
Net cash flows relating to investments	-1 230 397	-2 151 912	-3 341 176
Cash flows from funding activities			
Net receipt/payment from the issuance of certificates		-	-
Net receipt/payment from the issuance of bonds	1 378 219	2 581 822	2 289 595
Net receipt/payment from the issuance of subordinated debt	-	-	519 000
Net receipt/payment from the issuance of loans to credit institutions	-11 016	25 004	100 142
Equity capital subscription	20 000	75 000	400 000
Paid dividend	-	-	-21 924
Net interest payments on funding activity	-90 417	-75 785	-323 101
Net cash flow relating to funding activities	1 296 786	2 606 041	2 963 712
Net cash flow in the period	189 540	510 569	-34 964
Balance of cash and cash equivalents start of period	357 888	392 866	392 866
Net receipt/payments on cash	189 540	510 569	-34 964
Exchange rate difference	-		(14)
Balance of cash and cash equivalents end of period	547 428	903 435	357 888

Notes to the Accounts 2013

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 2013.

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 2013. 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 to 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 SR Bank ASA. 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 2013.

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	31.03.2014	31.03.2013	2013
Interest income			
Interest income and similar income from loans to and balances with credit institutions	4 075	11 315	35 852
Interest income and similar income from loans to and balances with customers	152 612	113 867	520 651
Commission expense (payable to shareholder banks)*	-23 719	-37 118	-170 708
Total interest income	132 968	88 064	385 795

*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 to credit institutions	-	-	3 360
Interest expense and similar expenses on issued bonds	87 651	76 191	327 416
Total interest expense	87 651	76 191	330 776
Net interest income	45 317	11 873	55 019

Note 3 Net Gains from financial instruments

NOK 1 000	31.03.2014	31.03.2013	2013
Net gains (losses) from financial liabilities	-34 773	-10 155	-2 089
Net gains (losses) from financial assets	-326	0	38 028
Net gains (losses) from financial derivatives, hedging, at fair value	34 360	8 979	-36 470
Netto gains (losses)	-739	-1 176	-531
Total interest income	132 968	88 064	385 795

Note 4 Other operating expenses

NOK 1 000	31.03.2014	31.03.2013	2013
IT services	488	362	1 871
Other operating expenses	77	43	198
Sum	565	405	2 069

Note 5 Lending to customers

NOK 1 000	31.03.2014	31.03.2013	2013
Amortizing loans - estimated at amortized costs	15 656 255	11 363 348	15 129 157
Amortizing loans - estimated at fair value over the income statement	-	-	-
Total loans before accrued interest	15 656 255	11 363 348	15 129 157
Accrued interest	123 162	93 104	116 154,00
Total lending before provisions for loan losses	15 779 417	11 456 452	15 245 311
Individual loan loss provisions	-	-	-
Group loan loss provisions	6 396	6 396	6 396
Net lending to customers	15 773 020	11 450 056	15 238 915
Defaulted loans			
Defaults*	-	-	-
Specified loan loss provisions	-	-	-
Net defaulted loans	-	-	-
Loans at risk of loss			
Loans not defaulted but at risk of loss	-	-	-
- Write downs on loans at risk of loss	-	-	-
Net other loans at risk of loss	-	-	-

*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 Liabilities incurred by issuing securities

NOK 1 000	Nominal value* 31.03.2014	Nominal value* 31.03.2013	Nominal value* 2013
Senior unsecured Bonds	1 855 000	1 620 000	1 870 000
Repurchased senior unsecured bonds	-483 000	-	-519 000
Covered bonds	13 430 150	12 274 500	12 116 900
Withdrawn from the Norwegian Central Bank Swap Facility	3 759 168	6 392 915	3 759 168
Bonds deposited in the Norwegian Central Bank Swap Facility	-4 042 500	-6 874 500	-4 042 500
Repurchased covered bonds	-75 000	-45 000	-75 000
Total liabilities incurred by issuing securities	14 443 818	13 367 915	13 109 568

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

NOK 1 000	Book value 31.03.14	Book value 31.03.13	Book value 2013
Senior unsecured Bonds	1 855 000	1 619 988	1 870 000
Repurchased senior unsecured bonds	-482 832	-	-518 936
Covered bonds	13 481 740	12 333 583	12 126 071
Withdrawn from the Norwegian Central Bank Swap Facility	3 759 482	6 396 058	3 758 999
Bonds deposited in the Norwegian Central Bank Swap Facility	-4 042 500	-6 874 500	-4 042 500
Repurchased covered bonds	-74 285	-44 939	-73 298
Activated costs incurred by issuing debt	-807	-821	-909
Accrued interest	171 977	112 815	99 563
Total liabilities incurred by issuing securities	14 667 775	13 542 184	13 218 990

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

Senior unsecured Year	Nominal value * 31.03.14	Nominal value * 31.03.2013	Nominal value * 2013
2014		1 620 000	-
2015	1 137 000	-	1 351 000
2016	235 000		
Sum	1 372 000	1 620 000	1 351 000

Covered Bonds in Central Bank Swap Facility Year	Nominal value * 31.03.14	Nominal value * 31.03.2013	Nominal value * 2013
2013	-	2 633 747	-
2014	3 759 168	3 759 168	3 759 168
2015	0		
Sum	3 759 168	6 392 915	3 759 168

Covered bonds	Nominal value *	Nominal value *	Nominal value *
Year	31.03.14	31.03.2013	2013
2015	875 000	855 000	875 000
2016	925 100	-	949 600
2017	600 000	600 000	600 000
2018	1 512 550	1 050 000	1 524 800
2019	2 950 000	1 600 000	2 000 000
2020	-	-	-
2021	700 000	700 000	700 000
2022	-	-	-
2023	550 000	550 000	550 000
2024	-	-	-
2025	200 000	-	200 000
2026	-	-	-
2027	-	-	-
2028	1 000 000	-	600 000
2029	-	-	-
Sum	9 312 650	5 355 000	7 999 400
Total	14 443 818	13 367 915	13 109 568

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

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

NOK 1 000	31.03.14	31.03.2013	2013
NOK	13 276 870	13 542 184	11 823 712
SEK	1 390 905	-	1 395 278
Sum	14 667 775	13 542 184	13 218 990

Note 7 Financial derivatives

NOK 1 000	31.03.2014	31.03.2013	2013
Interest rate derivatives			
Interest rate swaps			
Nominal amount	7 968 000	9 297 000	2 950 000
Asset	199 682	160 170	108 102
Liability	-	3 159	-16 048
Currency derivatives			
Currency swaps			
Nominal amount	1 387 650	-	1 424 400
Asset	-	-	27 882
Liability	9 453	-	-
Total financial derivatives			
Nominal amount	9 355 650	9 297 000	4 374 400
Asset	199 682	160 170	135 984
Liability	9 453	3 159	-16 048

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

Note 8 Other liabilities

NOK 1 000	31.03.2014	31.03.2013	2013
Commissions payable to shareholder banks	240 095	175 973	251 111
Due to SpareBank 1 Boligkreditt AS	1 533	1 200	1 140
Other liabilities	1 847	2 972	1 598
Total other liabilities	243 475	180 145	253 849

The Company maintains no line of credit / overdraft facility as of 31.03.2014

Note 9 Asset coverage requirement

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

NOK 1 000	31.03.2014	31.03.2013	2013
Covered Bonds	13 648 736	12 436 078	12 220 072
Repurchased Bonds	(75 820)	(44 970)	-74 353
Derivatives	(190 229)	(157 011)	-119 936
Total Covered Bonds	13 382 688	12 234 097	12 025 783
Lending to customers	15 749 525	11 435 675	15 196 289
Derivatives	131 617	614 384	36 774
Substitute collateral	1 163 837	2 918 554	357 971
Total Cover Pool	17 044 980	14 968 613	15 591 034
Asset-coverage	127,4 %	122,4 %	129,6 %

Note 10 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.

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 in NOK 1 000	31.03.2014	31.03.2013	2013
Share capital	1 364 000	1 044 000	1 364 000
Premium share fund	341 000	261 000	341 000
Other paid in equity (not yet registered)	20 000	75 000	-
Other equity	894	863	863
Declared dividends	32 736	21 924	-
Net profit	-	-	32 767
Total core equity	1 758 630	1 402 787	1 738 630
Intangible assets	-82	-763	-156
Deferred tax asset	-	-	-
Declared dividend	(32 736)	(21 924)	-32 736
Perpetual capital (hybrid) securities	173 000	-	173 000
Total Tier 1 Equity	1 898 812	1 380 100	1 878 738
Supplementary capital			
Additional tier 1 (exceeding 15% and 35 %)	-	-	-
Additional tier 2 capital	346 000	-	346 000
Total supplementary capital	346 000	-	346 000
Total capital	2 244 812	1 380 100	2 224 738
Minimum requirements for capital according to Basel II i NOK 1 000			
Credit risk	1 243 100	923 120	1 191 767
Market risk	-	-	-
Operational risk	7 465	5 489	5 489
Depreciation on groups of loans	(512)	(512)	(512)
Minimum capital requirement	1 250 053	928 097	1 196 744
Capital Adequacy			
Capital Ratio (%)	14,37 %	11,90 %	14,87 %
Tier 1 Capital Ratio (%)	12,15 %	11,90 %	12,56 %
Core Tier 1 Capital Ratio (%)	11,04 %	11,90 %	11,40 %

Note 11 Classification of Financial Instruments

NOK 1 000	Financial instruments accounted for at fair value*	Financial assets and debt accounted for at amortised cost	Non-financial assets and liabilities	31.03.14
Assets				
Deposits at and receivables from financial institutions	-	547 428	-	547 428
Norwegian government short term debt certificates	131 617	-	-	131 617
Bonds	610 642	-	-	610 642
Lending to customers	-	15 773 020	-	15 773 020
Financial derivatives	199 682	-	-	199 682
Other assets	-	-	82	82
Total Assets	941 941	16 320 448	82	17 262 471
Liabilities				
Debt incurred by issuing securities	9 509 378	5 158 397		14 667 775
Subordinated debt		522 172		522 172
Financial derivatives	9 453	-	-	9 453
Deferred taxes			19 912	19 912
Taxes payable			11 085	11 085
Other liabilities		240 095	3 380	243 475
Total Liabilities	9 518 831	5 920 664	34 377	15 473 872
Total Equity	-	-	1 788 599	1 788 599
Total Liabilities and Equity	9 518 831	5 920 664	1 822 976	17 262 471

NOK 1 000	Financial instruments accounted for at fair value*	Financial assets and debt accounted for at amortised cost	Non-financial assets and liabilities	2013
Assets				
Deposits at and receivables from financial institutions	-	357 888	-	357 888
Norwegian government short term debt certificates	36 774	-	-	36 774
Bonds	-	-	-	-
Lending to customers	-	15 238 915	-	15 238 915
Financial derivatives	135 983	-	-	135 983
Other assets	-	-	156	156
Total Assets	172 757	15 596 803	156	15 769 716
Liabilities				
Debt incurred by issuing securities	9 337 902,00	3 881 088,00	-	13 218 990,00
Subordinated debt	-	522 287,00	-	522 287,00
Financial derivatives	16 048,00	-	-	16 048,00
Deferred taxes	-	-	19 911,00	19 911,00
Taxes payable	-	-	-	-
Other liabilities	-	251 111,00	2 739,00	253 850,00
Total Liabilities	9 353 950	4 654 486	22 650	14 031 086
Total Equity	-	-	1 738 630	1 738 630
Total Liabilities and Equity	9 353 950	4 654 486	1 761 280	15 769 716

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

Note 12 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

Valuation of bonds at fair value is done through discounting future cash flows to present value.

With effect from 2009 SpareBank 1 Næringskreditt AS has implemented the changes in IFRS 7 in relation to the valuation of financial instruments as of the date of the financial accounts. The changes require a presentation of the fair value measurement for each Level. We have the following three Levels for the fair value measurement:

- 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)

The following table present the company's assets and liabilities at fair value as of 31.03.2014

NOK 1 000	Level 1	Level2	Level 3	Total
Bonds and bills	131 617	610 642	-	742 259
Financial Derivatives	-	199 682		199 682
Total Assets	131 617	810 324	-	941 941
Bonds	-	9 509 378	-	9 509 378
Financial Derivatives	-	9 453	-	9 453
Total Liabilities	-	9 518 831	-	9 518 831

The following table present the company's assets and liabilities at fair value as of 31.12.2013

NOK 1 000	Level 1	Level 2	Level 3	Total
Bonds and bills	36 774	-	-	36 774
Financial Derivatives	-	135 983	-	135 983
Total Assets	36 774	135 983	-	172 757
Bonds	-	9 337 902	-	9 337 902
Financial Derivatives	-	16 048	-	16 048
Total Liabilities	-	9 353 950	-	9 353 950