

Memorandum of Understanding

between

The Central Bank of the Russian Federation (Bank of Russia)

and

The Financial Supervisory Authority of Norway (Finanstilsynet)

regarding the cooperation in the supervision of SpareBank 1 Nord-Norge and its Russian subsidiary Commercial Bank "North-West 1 Alliance Bank" OJSC (North-West 1 Alliance Bank).

1. The purpose of the Memorandum of understanding (MoU)

The parties to this MoU seek to prepare and develop a close collaboration to ensure an efficient and adequate supervision of SpareBank 1 Nord-Norge and its Russian subsidiary North-West 1 Alliance Bank.

2. The MoU includes the following legal entities

SpareBank 1 Nord-Norge is a Norwegian credit institution pursuant to Act of 24 May 1961 No. 1 on Savings Banks, Section 1. The credit institution may conduct all banking activities as mentioned in Annex No. 1 of Directive 2006/48/EC.

SpareBank 1 Nord-Norge has acquired 75% of the shares of North-West 1 Alliance Bank in Russia as its sole operation outside Norway.

3. The different supervisory tasks of the parties to the MoU

3.1 The Bank of Russia's supervisory tasks and responsibilities

The Bank of Russia conducts the home state supervision of North-West 1 Alliance Bank pursuant to Federal Law on the Central Bank of the Russian Federation (Bank of Russia) No.86 FZ of 10 July 2002.

The Bank of Russia is responsible for ensuring that North-West 1 Alliance Bank's business is in compliance with laws, regulations, rules or by-laws governing such activities, and that the bank complies with sound and proper business practices.

3.2 Finanstilsynet's supervisory tasks and responsibilities

Finanstilsynet conducts the home state supervision of SpareBank 1 Nord-Norge pursuant to Directive 2006/48/EC.

SpareBank 1 Nord-Norge is subject to supervision by Finanstilsynet pursuant to Act of 7 December 1956 on Supervision of Credit Institutions, Insurance Companies, Securities Trading etc. section 1. The Company is required to submit all information, including accounts and financial statements, that Finanstilsynet finds necessary to maintain adequate supervision.

4. Cooperation and supervision

The authorities agree to communicate to each other all essential and relevant information which may allow or aid in the exercise of supervision. Essential information is information that could materially influence the assessment of the financial soundness of the banks, and is to be communicated on the supervisors' own initiative. Relevant information is information that is relevant to the performance of the other supervisor's obligations and is to be communicated on request.

Examples of relevant information:

- Transactions within the group
- Reports which emphasize important issues or give evidence of important findings
- Major changes in the management of SpareBank 1 Nord-Norge and North-West 1 Alliance Bank
- New legislation which might have an effect on the supervision of SpareBank 1 Nord-Norge and North-West 1 Alliance Bank
- Major changes in the organisation of the Bank of Russia and Finanstilsynet which might have an effect on the supervision of SpareBank 1 Nord-Norge and North-West 1 Alliance Bank

The procedure of information exchange and contents of information should comply with the national legislation of the Russian Federation and Norway.

To further strengthen the supervision, the Bank of Russia and Finanstilsynet shall appoint members of a supervision group, which will be responsible for the cooperation on the basis of this Memorandum.

The members of the supervision group shall be responsible for communication of information between the authorities and have regular contact and/or meetings. On such occasions, the risk profile of SpareBank 1 Nord-Norge and North-West 1 Alliance Bank should be discussed and vulnerabilities identified. In that respect, the Bank of Russia will inform Finanstilsynet of its assessment of North-West 1 Alliance Bank, relevant to the consolidated supervision. Finanstilsynet will provide the Bank of Russia with an assessment of SpareBank 1 Nord-Norge relevant to the supervision of North-West 1 Alliance Bank. Comparison should be made of the risk assessment systems used by the authorities with respect to the group.

Should it be necessary to conduct an on-site examination of North-West 1 Alliance Bank by Finanstilsynet, the latter shall notify the Bank of Russia beforehand and provides the Bank of Russia other information concerning the procedure of the coming examination (for example, the subject and the scope of examination, dates of the examination, names of the examiners).

The Bank of Russia and Finanstilsynet hold (as a common rule) a meeting (with or without representatives of North-West 1 Alliance Bank - as agreed) to discuss the results of the examination.

The Bank of Russia and Finanstilsynet shall meet when deemed appropriate in order to discuss joint issues and assess the cooperation.

The authorities shall observe professional secrecy. If there is any doubt about the type of information subject to professional secrecy, the supervisors involved shall contact each other directly.

4.1. Supervision group

The Bank of Russia is responsible for drawing up a list of the staff in the Bank of Russia assigned to the supervision of North-West 1 Alliance Bank. The list shall contain names, telephone- and faxnumbers, e-mail and area of responsibility.

Finanstilsynet is responsible for drawing up a list of the staff in Finanstilsynet assigned to the supervision of Sparebank 1 Nord-Norge. The list shall contain names, telephone- and fax numbers, e-mail and area of responsibility.

Moreover, Finanstilsynet is responsible for keeping the Bank of Russia up-dated on the organisational structure of Sparebank 1 Nord-Norge. An overview of the organisational structure is to be submitted to the Bank of Russia each year and in connection with major changes.

5. Crisis management

The authorities shall notify each other if they become aware of difficulties or imminent crises that might affect the undertaking under supervision or the entire group.

The authorities shall cooperate if there is a need to adopt supervisory measures which would affect the other authority's area of supervision.

6. Review of the MoU

The parties to the MoU acknowledges that future changes in the organisation of North-West 1 Alliance Bank and Sparebank 1 Nord-Norge might cause need for amending this MoU. Moreover, the MoU might need review following amendments to relevant legislation or due to other circumstances.

7. Effective date

This Memorandum of Understanding shall take effect upon signature by the supervisory authorities' party to this Memorandum of Understanding.

On behalf of the Bank of Russia

On behalf of Finanstilsynet

Date:

Date: 31.01.2010

Gennady Georgievich Melikyan
First Deputy Chairman

Bjørn Skogstad Aamo
Director General