

Annual Report 2015

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Social- and environmental wholeness and financial return

The heading refers to the triple bottom line philosophy practiced by the member banks of GABV, the Global Alliance for Banking on Values. Cultura Bank is one of these banks. The order of priority is significant. The activities of these banks aim at improving human relations, human development and communities. This, however, can only be achieved if the natural environment and the ecological balance is maintained. Contributing to ecological sustainability thus is a crucial goal for the activities of the bank.

Further it has to be acknowledged that we are mutually dependent on each others' productive work and that the bank in order to exist must yield a reasonable financial return. Although not a primary goal it is a necessary part of the whole. This is the significance of the 3 P s People, Planet, Prosperity

Cultura Bank was established as a continuation of the savings and loan association "Cultura Lånesamvirke". The initiators were inspired by Rudolf Steiner's picture of a three-pronging of society with the principles of cultural freedom, equality in the realm of government and law, and brotherhood, in the meaning of associative cooperation, in business life. These qualities have not lost their importance and relevance in today's society.

The bank today attracts people sharing the idea that social and environmental considerations should be an integrated part of any economic activity, regardless of ideological platform. The bank's customer base as well as our investors thus represent quite diversified backgrounds regarding political or philosophical views. One crucial principle for the bank is transparency as practiced through the publication of all business loans. This gives investors and depositors the opportunity to monitor our activities and estimate the contribution to society made possible through their engagement with the bank.

The world of today is facing huge challenges. Millions of people lack access to water, food and energy as well as basic health services. The good news is that absolute poverty is declining. The economies of the developed world is, however, stagnating resulting in high unemployment and hardship for many people. It is challenging to cope with the overriding challenges of global warming and loss of biological diversity when so many people are more concerned with meeting their daily needs. Migration caused by war or famine exacerbate the situation even more.

In this situation it is encouraging to see how creative people find ways to work together and find solutions that represent a new way of conducting business. Pure competition is replaced by a cooperative attitude. The goal is to satisfy real needs, not to make even more profit for its own sake. Cultura Bank, alongside many other alternative banks world wide, plays a role in this transformation in a practical sense as well as ideologically. This is what makes the bank strong and enables it to make a real contribution towards solving some of the problems mentioned above. Cultura Bank made a difference in 2015 and has a clear ambition to continue this in 2016.

Kjell Fredrik Løvold
CEO

Report from the Board of Directors for the year 2015

Main principles for the bank's business activities

The notion that good economic results are more likely in the spirit of cooperation than in the spirit of competition belongs to the fundamental ideology of the bank. The term brotherhood, which can be interpreted as associative and mutual economic activity must be nurtured and further developed in order to fulfil our needs in a sustainable way. Cultura Bank is actively participating in networks promoting such ideas, one of them being our close cooperation with two other Nordic banks, Ekobanken and Merkur. During annual meetings for co-workers as well as management and board members topics of common interest are discussed. The themes for the meetings vary according to the actual challenges facing the banks. Such meetings took place also in 2015 enabling the banks to develop a better understanding of the practical implications of their common value foundations. Internationally Cultura Bank is active in the European banking federation, FEBEA as well as in the Global Alliance for Banking on Values. Younger employees of the bank participate in the Summer School, arranged by the Institute for Social Banking. Representatives from the bank have further been lecturing at the Centre for ecological and ethical economics at the University of Nordland in Bodø.

Cultura Bank regards finance and money as an essential tool in the process of creating a healthy economic as well as societal development. Profit maximization is not a goal, but the bank fully recognizes the need for a stable and reasonable financial return over time, as a prerequisite for the bank's attainment of its overriding mission.

The main principles guiding the bank's activities may be described as this:

- **Sustainability:** Our lending business considers the project's environmental and social impact before the financial analysis is even started.
- **Transparency:** The borrowers must give their consent to the bank's publishing their names. This enables investors as well as depositors to check out that their money is being deployed according to the bank's stated values and policy. The transparency principle also concerns the internal governance and daily management of the bank.
- **Increased consciousness through information:** One of the main tasks of the bank is to inform the public in order to stimulate increased consciousness about how we spend and invest their money. Our customer magazine «Pengevirke» is appearing four times per year and the bank's web pages are updated regularly with news and information about the bank's activities. The daily communication with clients is increasingly handled through social media like Facebook and Twitter. The bank's co-workers are active in various civil society- and other groups interested in developing alternative economic ideas. A revised strategic plan was adopted in the autumn of 2015.

Organisation

The bank's highest governing body is the board of trustees elected by the owners of equity certificates (our issued capital), customers and employees. In addition the City of Oslo appoints one representative. The board of trustees, the equivalent of a general assembly, convened four times in the course of the year.

The board of trustees appoints the board of directors as well as an election committee and a control committee. The control committee, however, will be discontinued during 2016 following the new banking act which came into force on January 1st. 2016.

At year end the bank employed 17 people of which one as a temporary assignment, equalling 15,8 full time positions. In connection with the conversion to a new core banking system a number of temporary co-workers have been employed over the course of the year. The board of directors with 7 members covered 14 times during 2015. One of the board members is elected by the employees.. As from August Kjell Fredrik Løvold assumed the position of chief executive taking over from Lars Hektoen.

The bank's headquarters and sole branch are located in Oslo but the bank has customers from all over Norway. The bank moved to new premises at Holbergs gate 1 on November 2nd.

Risk management

The bank follows a policy of internal control based on FSA (Finanstilsynet) guidelines. The policy, which is supervised by the board of directors, covers administrative as well as all other relevant types of risk. Risk connected to IT operations have been significantly reduced following the conversion to a new system, including the outsourcing of running the bank's data central. The bank now is on the same platform as a large number of other Norwegian banks. The treatment of credit risk as well as liquidity risk is described in connection with comments to the annual result and balance sheet.

Interest rate risk, which upon changes in the market interest rate may result in capital loss or pressure on the net interest margin, is considered small at Cultura Bank. The bank is not granting fixed rate loans and thus on short notice may adjust interest rates on the asset- as well as on the liability side of the balance sheet. The bank has limited foreign exchange risk, mainly stemming from investments in shares in other like-minded banks in Europe. The foreign exchange risk has increased after the IT conversion due to invoicing in Danish kroner for these services. The bank has no loans denominated in foreign currencies. The bank's interest bearing securities are all floating rate notes with reset on a 3 or 6 month basis thus representing a relatively small risk. The bank's equity portfolio, as mentioned above, mainly consists of strategic, long term positions in related banks that are not listed and thus not subject to short term market fluctuations. There have been no significant changes in positions or policies during 2015. The bank's risks is further described in the Risk report which may be found on the bank's internet pages.

Environmental impact, workplace security and well-being

Health, environment and workplace security

There have been no reports of workplace accidents or events impacting the environment in the course of the year, and the board regards the quality of the workplace as good.

- Absence due to illness amounted to 180 days of which 155 were of a longer term character. This represents 5 %, up from 2,7 % in 2014. One special situation accounted for the main part of the increase.
- Electricity consumption was 79 966 kWh (82 903)
- Estimated CO2 emissions from business travel and energy consumption was 12,5 tonnes (15,2)

The guidelines for health environment and workplace security are laid out in a handbook and these matters are closely followed up in the course of the year. The handbook is being revised in 2016.

Cultura Bank regards the responsibility for the environment a core element of the bank's business model and our main contribution in this regard is achieved through the lending activity. However, it is equally important that the bank itself follows a responsible practice, and consequently the bank has adopted an environmental policy, verified by an independent agency. The bank itself has a very limited impact on the environment with no direct emissions. The certification as "Environmental beacon" includes an annual review and measurement of actions in this field and the results of these. The certification will be renewed in 2016.

- Cultura Bank is separating waste like glass, electronics and paper for recycling and office equipment Suppliers must provide an environmental certification.
- None of the bank's employees commute via car, and travelling by public transport is chosen when possible
- Teleconferences substitute live meetings when convenient

Gender equality

The bank employs 9 men and 8 women and follow a gender-neutral employment policy based on professional qualifications. The board of directors has consisted of 2 women and 5 men with a female chairperson. Alternate representatives have been one female and one male.

Economy

General economic background

The decline in oil prices continued during 2015 and has resulted in a downward revision of growth forecasts for the Norwegian economy. Interest rates are already at record low levels and the downward trend has continued into 2016. Still housing prices, with the exception of the oil-dominated Stavanger region, are stable. Unemployment is still relatively low at 4,3 % and the number of business failures have not increased significantly. The head of the central bank warned in his annual speech that the “summer” in the Norwegian economy has come to an end but also said that the economy is strong enough to withstand the “winter” in a good way.

Main economic development points for Cultura bank in 2015

Gross income for the year, amounting to NOK 24,2 million were largely as expected, increasing by 1,2 % from the year before. Operating costs, however, increased by NOK 2 million resulting in a reduction of the operating result from NOK 4,1 million in 2014 to NOK 2,4 million. Total assets increased by 14,9 % to NOK 755 million. Loans to customers increased by 9,8 % to NOK 459 million and deposits from customers increased by 16,1 % to NOK 671 million.

Profit and loss accounts

INCOME

The net interest margin was NOK 20,2 million, up from NOK 19,4 million in 2014. The bank is facing increased competition and a certain pressure on margins in its chosen core markets, loans to SMEs and farmers as well as home mortgages. Non interest income, mainly fees from payment services decreased to NOK 3,9 million from NOK 4,5 million in 2014. Non-interest income is expected to increase again in 2016 as result of increasing business volumes.

OPERATING EXPENSES

Operating expenses increased from NOK 19,7 million in 2014 to NOK 21,7 million. Non recurring staff expenses in connection with the IT conversion is the main reason for the increase, as well as costs connected to moving to new premises during the year.

LOAN IMPAIRMENT EXPENSES

Loan impairment expenses for the year amounted to NOK 105 000, representing 0,02 % of the loan portfolio. This represents a slight decrease from an already low level the year before..

NET RESULT

The result for the year after loan depreciation, loan losses and taxes was NOK 1 629 000, down from NOK 2 755 000 the year before. As the decrease has been mainly due to non recurring expenses in connection with the IT conversion, which in itself should result in lower operating expenses going forward, the net result is expected to improve in years to follow. This is also due to the aforementioned increase in business volumes.

THE BOARD OF DIRECTORS' PROPOSAL FOR ALLOCATION OF PROFITS

According to the law, the net profit is proportionally split between the bank's own reserves and the owners of equity certificates. The board proposes that a dividend of 1,5 % is allocated to the owners' capital, this amounting to NOK 798 105. Further NOK 739 036 should be added to the equalization fund whereas NOK 46 789 is added to the savings bank' own funds. The Cultura gifting foundation should be granted NOK 45 000.

The balance sheet

LOANS TO CUSTOMERS

The by-laws of the bank state that loans should be granted to specific purposes with a responsible distribution of risk. The bank thus practises a risk classification of all loans based on a set of criteria based on security and loan servicing ability. The bank's credit risk evaluation is based on historical evidence as well as the development of the risk classification over time. All loans are closely followed regarding timely servicing and irregularities are subject to periodical reporting to the board. All loan proposals are evaluated by a standing credit committee working according to powers granted by the board. Credit policy is evaluated on an annual basis in connection with updating of the bank's business strategy. Loans in arrears exceeding 90 days at year end 2015 amounted to NOK 1 101 000, up from NOK 405 000 a year ealier. Loans not in arrears, but regarded as subject to eventual future losses were NOK 835 000 and NOK 704 000 respectively. Set routines for follow-up in cases of non-payments or reduced collateral values apply.

Loans increased by net NOK 41 million during the year, representing a lower growth than seen in the year before. This is mainly due to increasing competition and decreasing demand from customers, but may also be attributed to operating challenges stemming from the system conversion. The bank is targeting a stronger loan growth for 2016. Following the bank's main purpose a major part of loans should be business oriented. Cultura Bank emphasises the qualitative aspect of the loan book and to visualise this loans are now classified according to triple bottom line criteria using the terms people, planet, prosperity. The methodology has been developed by the GABV as well as internally. This is shown in the table below:

	Loan purpose	NOK	
People	arts and culture	23 894 147	5,2 %
	education	110 789 637	24,1 %
	health care	3 292 691	0,7 %
	housing	142 310 566	31,0 %
	social inclusion	12 522 268	2,7 %
	other - people	94 095	0,0 %
Planet	distribution ecological products	21 907 505	4,8 %
	energy efficiency / retrofits	501 903	0,1 %
	green housing	55 533 231	12,1 %
	renewable energy and lower carbon	1 131 176	0,2 %
	sme lending	380 850	0,1 %
	sustainable agriculture	38 564 418	8,4 %
	water efficiency/ reduction/ access	3 498 617	0,8 %
other - planet	23 282 869	5,1 %	
Prosperity	microfinance for micro enterprise	292 895	0,1 %
	sme lending	6 691 136	1,5 %
	other - prosperity	3 397 738	0,7 %
Other		11 585 235	2,5 %
	SUM	459 670 978	100 %

DEPOSITS FROM CUSTOMERS

Customer deposits increased by NOK 93 million during the year, outpacing loan growth. The ratio of loans to deposits thus decreased from 72,5 % to 68,5 %. In a low interest environment it is challenging to create reasonable earnings on the excess liquidity reserve, the more so as the bank pursues a conservative investment policy. Apart from the minimum of required deposits placed with our clearing bank connection, DNB as well as the Central bank for daily settlement services, the bulk of reserves are invested in treasury bills and covered bonds backed by home mortgages. The latter representing the most secure and liquid asset class in Norway, which may also be used as collateral for a daily liquidity facility with the Central bank. The bank's current policy states that all loans should be financed by customer deposits and liquidity risk remains at a very low level.

EQUITY AND CAPITAL ADEQUACY

The total equity ratio according to the Basle rules was 20,25 % at year end versus 18,49 % at year end 2014. Tier one core capital ratio was 16,18 % increasing from 14,62 % a year earlier. The improved capital ratios are due to the recent rights issue as well as a slight reduction in the calculation basis (a relative increase in assets with lower BIS risk weighting). The bank satisfies current and future legal requirements as well as its own internal goals for solidity. Issuing of equity certificates remains the bank's main source of capital as retained earnings, in view of the current dividend policy, are insufficient to cover these requirements. The rights issue conducted in the fall of 2015 was mainly supported by existing clients and resulted in NOK 4,3 million increase in the core capital. A new issue is planned for 2016. The equity certificates are not listed on the stock exchange, a deliberate policy decision made by the founders of the bank.

The bank's self-owned funds comprise the founders' original gift capital with the addition of retained earnings. The equalization fund, which is earmarked for future dividend payments, the total capital situation of the bank allowing for this, constitutes the balance of the bank's equity.

Cultura gifting fund and Cultura guarantee fund

The Cultura gifting fund makes donations to research and development projects including the testing of new ideas in the field of social development. The fund operates independently from the bank. The major part of the fund's capital is invested in equity certificates of the bank.

Cultura guarantee fund may offer guarantees in favour of worthy loan projects where the security is deemed insufficient to satisfy the normal requirements of the bank. Although the fund has a relatively small capital base, the effect of the guarantees may be quite significant.

Both funds are self governing trusts, legally independent from the bank.

Public relations and marketing

The bank's communication strategy, revised in 2014, forms the basis for activities in this area.

The main channels of communication are:

- The internet
- Social media
- «Pengevirke», translated "Money at Work" a magazine for a new banking culture (4 issues per year)
- Advertising in newspapers as well as on internet
- Participation in various festivals and seminars.
 - During 2015 the bank was an active participant at Økouka (Eco week) and the Sustainable Valley Festival in Hurdal, north of Oslo.

The bank's internal resources devoted to marketing are estimated to one full time employment whereas graphic design, internet design as well as other PR activities are outsourced. Marketing activities have been somewhat subdued in 2015 due to the systems conversion and the moving to new premises.

Areas of special attention 2015:

GRAPHIC PROFILE

The bank has worked out a refreshment of the graphic profile as the basis for a new home page, Pengevirke and other information material. The new profile represents to a more wholesome design and contributes to a better brand recognition.

NEW INTERNET PAGES

New internet pages have been designed, better adapted to mobile platforms. A new and better solution for opening accounts on the internet will be implemented as well.

Partnerships

Non Governmental Organisations

The civil society and the social economy contribute to solving important tasks in the society where neither government nor the marked economy's efforts suffice.

Cultura Bank shares many of its values and goals with several of the NGOs operating in Norway, and we endeavour to be seen a natural banking choice for these entities. The bank thus enjoys a good cooperation with several of these organisations and also offers its customers the possibility to donate by forfeiting interest on their savings accounts. This enables the bank to support these organisations with the amounts shown below, adding up to NOK 297 000 for the year.

CONTRIBUTION TO PARTNER ORGANISATIONS FOR 2015

	Amount (kr)	Number of accounts	Total deposits as of 31.12.15
Redd Barna	106 914	196	8 234 884
WWF-Norge	39 234	100	2 814 821
Regnskogfondet	73 362	152	4 882 083
Framtiden i våre hender (FIVH)	41 466	92	2 529 175
Naturvernforbundet	11 310	23	1 173 728
Kvinne og familieforbundet	24 342	28	1 346 393
Norsk PEN	18	1	3

In return for the support these organisations will inform their members about the activities and offerings of Cultura Bank.

Other matters and outlook for the future

The board of directors states and verifies that the information given in the annual report represents a true picture of the development, the financial result as well as the solvency of the bank. The board is not aware of any matters that may influence the position of the bank that are not included in the profit and loss account and the balance sheet being a part of this report. Nor is the board aware of any events of importance for the good standing of the bank having occurred after the closing of the accounts. The bank is well positioned to meet the challenges of the coming year. The new IT platform enables a more cost-effective operation of the bank.

The accounts are submitted under the assumption of continuous business activity of the bank and the budget for the year 2016 shows a positive result.


Gratitude for participation

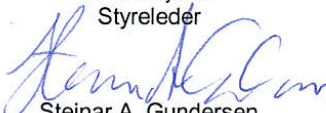
The board of directors is pleased to express its gratitude for the devoted effort of the bank's co-workers and elected representatives as well as recognizing the great value in the support demonstrated by equity certificate owners and customers. The activity of Cultura Bank is dependent on the ongoing work and support of single people as well as organisations and their efforts to develop a better and more sustainable economy and society.


Oslo, March 8. 2016


The Board of Directors of Cultura Sparebank


(paste inn med engelske titler)


 Maria Bjune
 Styreleder


 Steinar A. Gundersen
 Styremedlem


 Randi A. Welhaven
 Styremedlem


 Stig B. Andersen
 Styremedlem


 Bjarne Hjertholm
 Styremedlem (ansattes representant)


 Christian Dubrau
 Styremedlem


 Anne Solgaard
 Styremedlem (vara)



Profit and Loss Statement

NOK (000)	Noter	2015	2014
Interest on loans and placements with credit institutions		2 262	2 760
Interest on loans and other claims with customers		21 905	20 170
Interest on revenues from bonds and other interest-bearing securities		1 749	2 702
Sum interest and other similar income		25 916	25 632
Interest charges and similar expenses on deposits from and debts to customers		4 407	5 004
Interest charges and similar expenses on subordinated loan		833	899
Other interest charges and similar charges		432	373
Sum Interest charges and similar expenses		5 672	6 276
Net interest and credit commission income		20 244	19 356
Profits and other income from securities with variable earnings		21	16
Guarantee commission income		98	117
Other fees and commission income		6 080	6 298
Total fees and other income from banking activities	9	6 178	6 415
Guarantee commission expenses		42	0
Other fees and commission expenses		2 123	2 063
Total commission expenses and expenses on banking services		2 165	2 063
Net profit/loss from notes, bonds, and other interest-bearing securities		-336	18
Net profit/loss from shares and participations		-19	0
Net profit/loss from foreign exchange and financial derivatives		231	100
Sum netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler		-124	118
Other operating income		1	16
Total operating income		24 155	23 858
Wages etc.		11 372	10 618
Wages	7	8 808	7 316
Pensions	7	733	1 717
Social security expenses		1 831	1 584
Administrative expenses		6 779	6 659
Total wage and general administration expenses		18 151	17 277
Ordinary depreciation on fixed assets and intangible assets	4	1 174	464
Write-downs of fixed assets			
Other operating expenses	9	2 392	1 977
Total operating expenses		21 717	19 718
Operating profit before losses		2 438	4 140
Losses on loans, guarantees, etc.	2	105	134
Provisions for securities as fixed assets		0	118
Ordinary net income before tax		2 333	3 888
Taxes on ordinary income	8	704	1 133
Profits after interest and tax	5	1 629	2 755
Appropriations			
Interest on equity certificates		798	1 330
Transferred from/to the Equalization Fund		739	1 273
Transferred to gifts		45	0
Transferred from/to the Savings Bank's Fund	5	47	152

Total Appropriations




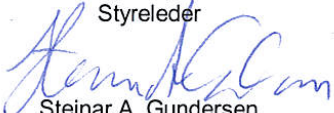

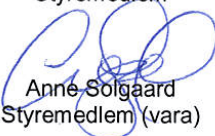

1 629

2 755

Balance Sheet as of 31.12

NOK (000)	Noter	2015	2014
ASSETS			
Cash and claims on the Norwegian Central Bank		67 239	64 865
Loans and claims on credit institutions without agreed maturity or withdrawal notice		57 572	52 180
Overdrafts and other operational credits		12 121	18 367
Construction loans		2 283	22 748
Loans to customer		445 267	377 368
Total loans before value adjustments		459 671	418 483
- Value adjustments on individual loans		923	813
- Value adjustments on groups of loans		1 327	1 327
Net sum loans and claims on customers	2	457 421	416 343
Certificates and bonds issued by public authorities		89 792	0
Certificates and bonds issued by other organisations		70 568	111 257
Certificates and bonds	3	160 360	111 257
Shares, interests and equity certificates	3	5 819	5 207
Deferred tax credits	8	326	309
Other intangible assets	4	4 822	2 407
Total intangible assets		5 148	2 716
Fixed business assets, machinery, inventory and means of transport	4	828	298
Other assets		8	3 746
Accrued income		648	650
Pre-paid non-accrued income		427	213
Total pre-paid expenses and accrued income		1 075	863
TOTAL ASSETS	6	755 470	657 475
EQUITY AND LIABILITIES			
Deposits from and liabilities to customers without agreed maturity		649 943	556 586
Deposits from and liabilities to customers with agreed maturity		21 234	21 008
Total deposits and liabilities to customers	6	671 177	577 594
Other liabilities	9	3 127	4 157
Accrued expenses and received non-accrued income		2 220	2 285
Subordinated loan	5	14 910	14 880
TOTAL LIABILITIES		691 434	598 916
Equity Capital	5	57 123	52 431
Share Capital		57 507	53 207
Bank owned equity certificates		-384	-776
Accrued equity	5	6 913	6 127
The Saving Bank's Fund		3 390	3 343
Equalization Fund		3 523	2 784
TOTAL EQUITY		64 036	58 558
TOTAL EQUITY AND LIABILITIES	6	755 470	657 475
Guarantees	2	5 346	6 598

Oslo, 08.03.2016

 Maria Bjune Styreleder	 Stig B. Andersen Styremedlem	 Christian Dubrau Styremedlem
 Steinar A. Gundersen Styremedlem	 Bjarne Hjertholm Styremedlem (ansattes representant)	 Anne Solgaard Styremedlem (vara)
 Randi A. Welhaven Styremedlem		

Notes to the accounts

1. General accounting principles

The bank's annual fiscal statement has been produced in accordance with current laws and regulations for savings banks and generally accepted accounting standards. Each note to the accounts elaborates on the principles used for the given item with reference to the individual items in the financial statement.

Accruals of incomes and expenses: Interest and commission income or expenses are allocated to the period in which they arise. Pre-paid income and accrued, non-paid expenses are assigned to the accrual period and booked as a liability in the balance sheet. Arrangement fees on new loans to cover corresponding processing costs are recorded as income at the time of payment. Balance sheet items in foreign currencies are converted using the balance sheet day's exchange rate

2. Loans and guarantees

GUARANTEES BY TYPE

NOK (000)	2015	%	2014	%
Payment guarantees	5 153	96,4	6 083	92,2
Loan guarantees	193	3,6	515	7,8
The Norwegian Banks' Deposit Insurance Fund	0	0,0	0	0,0
Total guarantees	5 346	100,0	6 598	100,0

GUARANTEES BY SECTOR

NOK (000)	2015	%	2014	%
The Norwegian Banks' Deposit Insurance Fund	0	0,0	0	0,0
GUARANTEES BY INDUSTRY				
Private limited liability companies	0	0,0	0	0,0
NOK (000)	2015	%	2014	%
Private sector	250	4,7	720	10,9
Sole traders	10	0,2	55	0,8
Professional and financial services	0	0,0	45	0,7
Private non-profit organisations	2 285	42,7	3 407	51,6
Commercial services	0	0,0	0	0,0
Private non-profit manufacturing organisations	1 235	23,1	1 200	18,2
Information and communication	200	3,7	335	5,1
Employees, social security recipients, etc.	0	0,0	0	0,0
Agriculture and related services	304	5,7	40	0,6
Foreign companies	0	0,0	0	0,0
Total guarantees	5 346	100,0	6 598	100,0
Other service industries	0	0,0	0	0,0
Other transport and storage	152	2,8	152	2,3

Development of construction projects	630	11,8	150	2,3
Retail, repair of motor vehicles	304	5,7	0	0
Total guarantees	5 346	100,0	6 598	100,0

GUARANTEES BY GEOGRAPHIC AREA

NOK (000)	2015	%	2014	%
Akershus	660	12,3	2 759	41,8
Oslo	4 182	78,2	3 437	52,1
Hedmark	40	0,7	20	0,3
Vestfold	10	0,2	10	0,2
Rogaland	75	1,4	75	1,1
Hordaland	75	1,4	162	2,5
Trøndelag	0	0,0	135	2,0
Utlandet	304	5,7		
Total guarantees	5 346	100,0	6 598	100,0

LOANS BY SECTOR

Nok (000)	2015	%	2014	%
Private limited liability companies	75 903	16,5	68 472	16,4
Private producer oriented organizations	50	0,0	181	0,0
Privately owned companies	12 061	2,6	14 236	3,4
Private consumer oriented organizations	164 727	35,8	132 429	31,6
Sole traders	35 176	7,7	34 617	8,3
Private limited liability companies	4 328	0,9	3 120	0,7
Employees, social security recipients, etc.	162 585	35,4	164 794	39,4
Foreign companies	4 841	1,1	633	0,2
Total loans	459 671	100,0	418 483	100,0

LOANS BY INDUSTRY

Nok (000)	2015	%	2014	%
Agriculture, forestry and fishing	40 887	8,9	52 427	12,5
Manufacturing	13 048	2,8	12 481	3,0
Water supply, sewerage, waste management and remediation activities	1 548	0,3	1 593	0,4
Construction	1 550	0,3	5 240	1,3
Wholesale and retail trade, repair of motor vehicles	14 713	3,2	7 896	1,9
Accommodation and food service activities	4 497	1,0	8 282	2,0
Information and communication	130	0,0	240	0,1
Real estate activities	36 779	8,0	24 350	5,8
Financial and insurance activities	1 760	0,4	2 905	0,7
Professional, scientific and technical activities	3 330	0,7	9 134	2,2
Other service activities	155 003	33,7	128 179	30,6
Activities of households as employers	186 399	40,6	165 701	39,6
Activities of extraterritorial organisations and bodies	27	0,0	55	0,0

Total loans	459 671	100,0	418 483	100,0
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LOANS BY GEOGRAPHIC AREA

Nok (000)	2015	%	2014	%
Østfold	29 546	6,4	17 865	4,3
Akershus	69 321	15,1	71 976	17,2
Oslo	181 075	39,5	158 481	37,9
Hedmark	37 451	8,1	39 553	9,5
Oppland	15 548	3,4	11 118	2,7
Buskerud	27 177	5,9	22 581	5,4
Vestfold	27 100	5,9	33 614	8,0
Telemark	2 364	0,5	1 865	0,4
Agder	4 126	0,9	2 869	0,7
Rogaland	6 884	1,5	9 065	2,2
Hordaland	19 484	4,2	18 979	4,5
Sogn and Fjordane	659	0,1	703	0,2
Møre and Romsdal	28	0,0	11	0,0
Trøndelag	15 442	3,4	13 898	3,3
Nordland	6 976	1,5	4 237	1,0
Troms	15 873	3,5	11 028	2,6
Finnmark	1	0,0	1	0,0
Utlandet	616	0,1	637	0,2
Total loans	459 671	100,0	418 483	100,0

Valuations, descriptions and definitions

The loan portfolio is valued on a continuous basis and if objective criteria indicate that a loss might occur, value adjustments will be made pertaining to individual loans or groups of loans as the case may be. The depreciation is reflecting the present value effect of losses on future income. This discount method is termed the "effective interest method" as defined in the official banking regulations.

Defaulted loans are loans where an agreed payment is more than 90 days overdue, or when a credit limit is exceeded and not covered within 90 days.

Other loss-exposed loans are loans which are not in default, but where the customer's economic situation makes it likely that a loss might occur at a later point in time.

Actual losses are considered final upon confirmation of a debt settlement agreement or bankruptcy; when debt negotiations have not led to any conclusions through a valid legal ruling; by the bank abandoning the whole or part of the commitment; or when the commitment is considered lost by the bank.

Depreciation due to an individual loan's decreased value is a write-down in order to cover the expected loss of a loan identified as loss exposed by the bank on the balance sheet day.

Depreciation due to groups of loans' decreased values is write-downs in order to cover expected losses on groups of loans which are not in default or specifically identified as exposed to losses.

DEFAULTS AND LOSS-EXPOSED COMMITMENTS

NOK (000)	2015	2014	2013	2012	2011
Gross defaults over 90 days	1 101	405	1 711	740	12 165
- Individual defaults	513	404	867	618	1 017
Net defaults	588	1	844	122	11 148
Gross exposed non-defaulted commitments	835	704	800	0	0
- Individual write-downs	410	410	100	0	0
Net exposed non-defaulted commitments	425	294	700	0	0

WRITE-DOWNS ON LOANS AND CLAIMS ON CUSTOMERS

NOK (000)	2015	2014
The period's change in write-downs on individual loans	109	-153
+ The period's change in write-downs on groups of loans	0	0
+ The period's ascertained losses against previous write-downs	0	290
+ The period's losses without previous write-downs	0	0
- The period's recovery of previously ascertained losses	4	3
The period's loss expense	105	134
Write-downs on individual loans as of 1/1	814	967
Yearly write-downs	109	-153
Write-downs on individual loans as of 31/12	923	814
Write-downs on groups of loans as of 1/1	1 327	1 327
Yearly write-downs	0	0
Write-downs on groups of loans as of 31/12	1 327	1 327

Booked interest income pertaining to depreciated loans amount to NOK 95 685,-.

LOANS AND GUARANTEES BY RISK CATEGORY WITH CORRESPONDING WRITE-DOWNS

Classes	Loans	Guarantees	Drawings rights	Total	Write-downs	Description
Tusen kroner	2015	2015	2015	2015	2015	
Class A	399 735	3 736	14 020	417 491		
Class B	57 542	1 460	1 502	60 504	1 013	Group depreciation
Class C	143			143	50	Group depreciation
Class D	470		96	567	264	Group depreciation
Class E	1 781	150	8	1 938	923	Individual depreciation
Total	459 671	5 346	15 625	480 643	2 250	

The bank's credit exposure is classified in risk compartments A-E, A representing the highest credit quality. The classification is initially made when the loan is granted followed by regular revisions. The risk classification forms the basis for eventual depreciations. The bank makes group depreciations for risk compartments B, C and D. Engagements in compartment E are subject to individual write downs. The risk classifications derive from the customers loan servicing capability as well as from the security posted, both on a scale from A to E, A representing the highest score. The evaluation renders 25 combinations which are ageing distributed into risk compartments A-E as shown in the table below:

		Security				
		A	B	C	D	E
Loan servicing	A	A	A	A	B	B
	B	A	A	B	B	B
	C	A	B	B	C	D
	D	B	B	C	D	D
	E	B	C	C	D	E

The bank changed the classification criteria during 2015 making a direct comparison with 2014 misleading. The classification for 2014 is thus shown separately in the table below.:

Classes	Loans	Guarantees	Drawing rights	Total	Write-downs	Description:
NOK 000	2014	2014	2014	2014	2014	
Class I	330 982	845	9 625	341 452	0	
Class II	85 958	5 603	5 977	97 538	947	Group depreciation
Class III	232	150	309	691	110	Group depreciation
Class IV	152	0	0	152	178	Group depreciation
Class V	100	0	4	104	92	Group depreciation
Class VI	1 059	0	48	1 107	814	Individual depreciation
Sum	418 483	6 598	15 963	441 044	2 141	

The bank's credit exposure for 2014 was classified in compartments I-VI, I representing the best credit quality. In the same way as for 2015, the compartments represented a combination of security and loan servicing capability. The security element used letters A-E and the loan servicing element numbers 1-5. The combinations were grouped as shown below:

		Security				
		A	B	C	D	E
Loan servicing	1	I	I	I	I	I
	2	I	I	II	II	II
	3	I	II	II	III	III
	4	I	II	IV	V	V
	5	I	II	IV	V	VI

Exposures in the categories II, III, IV and V were subject to group depreciation where as class VI exposures were depreciated individually.

Future development

Exposures in risk compartments A and B constituted 99 % of the total as of 31. Dec. 2015. Individual write-downs amounted to NOK 923 000, the corresponding number for end 2014 being NOK 814 000. During 2015 the bank did not suffer any final losses, compared to losses of NOK 290 000 for 2014. Group depreciations are kept at NOK 1 327 000, unchanged from the year before. Loan impairment expenses declined to 0,02 % of the portfolio versus 0,03 % in 2014. The bank continues to emphasize loan servicing capability in the credit evaluation process and expects the low delinquency rate to be maintained going forward. The loan impairment situation is seen as satisfactory entering 2016.

3. Bonds, bills, shares and participations

Valuation of shares and participations

The bank's shares in other companies is classified as a long-term investment and valued at acquisition cost. No adjustment is made for continuous exchange rate changes. However, the values will be depreciated if the market value is significantly lower than book value and the decrease in value is not considered a temporary occurrence.

INFORMATION ABOUT SHARES AND OTHER PARTICIPATIONS IN OTHER COMPANIES

Name	NOK 000	Number of shares	Nominal value	Acquisition cost.	Booked value	Est. market value
Merkur		837	DKK 837	1 481	1 481	1 834
Ekobanken		381	SEK 381	351	351	399
Triodos		100	EUR 7	52	52	72
Eiendomskreditt	979 391 285	15 072	NOK 1 507	1 571	1 571	2 110
SEFEA		30	EUR 15	117	117	144
La Nef		4 070	EUR 122	916	916	1 175
Banca Etica		180	EUR 9	78	78	87
Sustainability Finance Real Economies SICAV-SIF		245	EUR 18	165	165	177
SDC		2 432	DKK 243	1 165	1 047	1 136
Bank Asept AS	883 982 282	50	NOK 25	25	25	29
Bank ID	988 477 052	10	NOK 16	16	16	19
Total:				5 937	5 819	7 181

Valuation of interest bearing securities

The bank's portfolio of interest bearing securities is evaluated at acquisition cost and depreciated if the market value is lower than the booked value on the balance sheet day.

BONDS AND TREASURY BILLS

Name (riskweight)	Nok 000	Book value	Face value	Cost	Market value	Listed on SE
T-bills (0 %)		89 792	90 000	89 732	89 792	89 792
Covered bonds (10 %)		69 576	70 000	70 088	69 711	69 711
Foreign bonds issued by fin. inst. (100 %)		992	(EUR 125 k)	992	1 202	
Sum:		160 360		160 812	160 705	159 503

Average effective interest rate on the bank's bond portfolio is 1,55 %. Average interest rate on Norwegian treasury bills is 0,58 %. Bonds and treasury bills amounting to NOK 149,6 million are pledged as collateral for drawing rights with the Central bank..

4. Tangible fixed assets and intangible assets

Valuation principles

Fixed assets are booked at acquisition cost with the deduction of ordinary depreciation and write-downs. Ordinary depreciations are based on initial cost, the depreciation amounts being evenly distributed in line with the expected economic lifetime of the asset.

SPECIFICATON

NOK (000)	Fixed assets	Intangible fixed assets
Acquisition cost as of 1.1 2015	16 679	4 772
Acquisitions during the year	854	3 265
Disposals during the year	-16 503	0
Acquisition cost as of 31.12 2015	1 030	8 037
Total depreciations and write-downs as of 1.1.2015	16 382	2 365
Ordinary depreciations during the year	324	850
Write-downs during the year	0	0
Decrease in ordinary depreciations during the year	-16 503	0
Total depreciations and write-downs as of 31.12.2015	203	3 215
Booked value as of 31.12.2015	827	4 822

Depreciation rate

3 – 10 years

5 – 10 years

INVESTMENTS IN TANGIBLE AND INTANGIBLE FIXED ASSETS

	2015	2014	2013	2012	2011
Purchase of machinery and inventory	854	0	38	201	351
Intangible assets	3 265	2 407	0	0	0

No fixed assets have been sold during the years 2011-2015.

Fees paid in connection with the bank's joining the common banking payment infrastructure were depreciated over 10 years and fully written down during 2013. Investments in connection with the new IT system, implemented in 2015 are booked as intangible assets and are subject to depreciation over a 5 year period.

Lease of premises

Cultura Bank has a lease agreement for premises at Holbergs gate 1, running until 30.05.2026. The area comprises 477 m², and the annual rent is NOK 970 200,-. The lease amount is subject to annual adjustments following the consumer price index.

5. Regulatory capital

CHANGES IN REGULATORY CAPITAL

Tusen kroner	31.12 .15	31.12 .14
Share capital 1/1	53 207	51 002
Issue of new certificates	4 300	2 205
Bank owned equity certificates	-384	-776
Total issued equity	57 123	52 431
The Savings Bank's Fund 1/1	3 343	3 191
Transferred from this year's profits	47	152
Total retained earnings and Savings Bank's Fund	3 390	3 343
Equalisation Fund 1/1	2 784	1 511
Transferred from this year's profits	739	1 273
Total Equalisation Fund	3 523	2 784
Deductions for over-financing pension obligations	0	0
Deductions for intangible assets	-4 822	-2 407
Total Equity (tier I core capital)	59 214	56 151
Subordinated loan capital (tier II)	14 910	14 880
Total Eligible Regulatory Capital	74 124	71 031

The bank's equity capital consists of issued equity certificates and the savings bank's own fund as well as the Equalisation Fund. The latter may be used for dividend payments the total equity base of the bank allowing. During the elections of members for the Board of Trustees, each equity certificate commands one vote.

BASIS FOR CALCULATION OF EQUITY REQUIREMENT BY EXPOSURE CATEGORIES

NOK (000)	31.12.15	31.12.14
Governments and central banks	0	0
Local and regional authorities	0	773
State-owned companies	0	0
Institutions	14 615	10 420
Businesses	51 719	33 260
Commitments with security in real estate	222 226	255 947
Overdue commitments	589	0
Bonds with preferential rights (covered bonds)	6 956	11 027
Other commitments	21 219	25 436
Total calculation basis for credit risk	317 324	336 863
+ operational risk	43 941	42 425
+ currency risk	4 775	4 900
- deductions for loan loss provisions	0	0
Total basis for calculation of capital requirement	366 040	384 188
Capital as percentage of total assets	8,48	8,91
Core capital percentage	16,18	14,62
Capital adequacy percentage	20,25	18,49

Equity capital coverage

The regulatory requirement for core capital coverage presently amounts to 12,5 %, increasing to 13 % from July 1st. 2016. Eligible equity capital in Cultura Bank is composed of retained earnings, issued equity certificates as well as subordinated debt. As illustrated in the above table, Cultura Bank satisfies present as well as future capital requirements with a sufficient margin.

Subordinated debt

The bank issued a NOK 15 million, 10 year subordinated loan on Dec. 18. 2013 with an option for partial or full prepayment at par value after 5 years. The loan was issued at 3 month NIBOR plus a margin of 4 % and the running interest rate at year end was 5,06 %. Book value of the loan at year-end was NOK 14 910 000.

EQUITY CERTIFICATES OWNED BY EMPLOYEE REPRESENTATIVES AND THE BOARD AS OF 31.12.15

Person	Member of	Number
Johannes Brinkmann	Board of Trustees	5
Elizabeth von Hanno Brockfield	Board of Trustees	21
Torstein Dyrnes	Board of Trustees	1
Rune Horne	Board of Trustees	35
Åsa Jeppsson	Board of Trustees	3
Helle Rosenvinge	Board of Trustees	15
Elizabeth Wirsching	Board of Trustees	6
Jannike Østervold	Board of Trustees and Deputy General Manager	1
Birgit Daatland	Control Committee	3
Maria Bjune	Board of Directors	25
Christian Dubrau via Bykuba AS	Board of Directors	20
Steinar Gundersen	Board of Directors	16
Kjell Fredrik Løvold	CEO	125
Arve Gjetnes	CFO	100

* An Equity Certificate's nominal value is NOK 1 000.

THE 20 LARGEST OWNERS OF EQUITY CERTIFICATES AS OF 31.12.15

Name	Nationality	Number
Camphills Forvaltningsfond	NO	4 000
Crédit Coopératif	FR	3 427
Cultura Gavefond	NO	2 206
Liv Bråten	NO	2 000
La Nef	FR	1 856
Gemeinnützige Treuhandstelle e.V.	DE	1 855
Ekobanken	SE	1 822
Banca Popolare Etica	IT	1 500
Merkur, Den Almennyttige Andelskasse	DK	1 294
A/S Skarv	NO	1 000
GLS Gemeinschaftsbank	DE	1 000
Triodos Bank	NL	1 000
O Kavli og Knut Kavli allmennyttige fond	NO	1 000
Nesbukta eiendom AS	NO	1 000
Granly Stiftelse	NO	1 000
APS bank Ltd.	MT	800
Forsvarets Personellservice	NO	750
Opplysningsvesenets fond	NO	750
Personellservice Trøndelag	NO	750
Steinerskolen i Bærum	NO	630
Total		29 640
Equity certificates held by the bank		384
Other equity certificate holders		27 483
Total equity certificates		53 507

6. Liquidity – Financing – Interest expenses

MAIN BALANCE SHEET ITEMS BY TIME TO MATURITY

Tusen Kroner	Up to 1mth	From 1 to 3mths	From 3mths to 1 yr	From 1 yr to 5 yrs	Over 5 yrs	No maturity	Total
Cash and claims on central banks	67 004	-	-	-	-	235	67 239
Loans to and claims on credit institutions	57 572	-	-	-	-	-	57 572
Loans to and claims on customers	4 940	5 429	22 695	108 315	303 921	12 121	457 421
Bonds and other interest-bearing papers	-	54 937	59 746	45 677	-	-	160 360
Other assets	475	952	1 035	4 597	-	5 819	12 878
Total assets	129 991	61 318	83 476	158 589	303 921	18 175	755 470
Deposits from and liabilities to customers	671 177	-	-	-	-	-	671 177
Other liabilities	1 835	1 409	2 047	56	-	-	5 347
Equity	-	-	-	-	-	64 036	64 036
Subordinated loan	-	-	-	-	14 910	-	14 910
Total equity and liabilities	673 012	1 409	2 047	56	14 910	64 036	755 470
Net liquidity exposure on balance sheet items	-543 021	59 909	81 429	158 533	289 011	-45 861	

Bank overdrafts are classified as having no maturity.

MAIN ITEMS IN THE BALANCE SHEET BY TIME PERIOD BEFORE AGREED INTEREST RATE ADJUSTMENT

	Up to 1mth	From 1 to 3mths	From 3mths to 1 yr	From 1 yr to 5 yrs	Over 5 yrs	No interest rate exposure	Total
Cash and claims on central banks	-	67 004	-	-	-	235	67 239
Loans to and claims on credit institutions	57 572	-	-	-	-	-	57 572
Loans to and claims on customers	-	457 421	-	-	-	-	457 421
Bonds and other interest-bearing papers	-	114 523	45 837	-	-	-	160 360
Non-interest-bearing assets	-	-	-	-	-	12 878	12 878
Total assets	57 572	638 948	45 837	-	-	13 113	755 470
Deposits from and liabilities to customers	671 177	-	-	-	-	-	671 177
Non-interest-bearing liabilities	-	-	-	-	-	5 347	5 347
Equity	-	-	-	-	-	64 036	64 036
Subordinated loan	-	14 910	-	-	-	-	14 910
Total equity and liabilities	671 177	14 910	-	-	-	69 383	755 470
Net interest exposure on the balance sheet	-613 605	624 038	45 837	-	-	-56 270	

The interest rate risk is considered low relative to the size of the bank. At year end the sensitivity to a 1 percentage point parallel shift in interest rates was NOK 500 000,-. All balance sheet items have been included in the calculation and the bank has no further off-balance sheet exposures containing interest rate risk.

Average interest rate cost on deposits

Deposits from customer without notice or fixed maturity	0,69 %
Deposits from customer with agreed notice or maturity	0,34 %

Average interest rates are calculated based on actual interest cost as a percentage of average customer deposits.

Regulatory liquidity requirements demand that banks should be able to withstand a prolonged period without access to new market financing. The Liquidity Coverage Ratio, LCR measures the bank's liquid

assets as a percentage of net outflow of funds over a 30 day period. Cultura Bank's LCR ratio at year end was 334 %, well in excess of our internal requirement of 100 %.

CASH FLOW ANALYSIS

Tusen kroner	2015	2014
Profits from ordinary operations	2 333	3 888
- tax paid	1 290	1 175
+ changes in write-downs on loans	110	-154
+ ordinary depreciation and write-downs	1 174	464
+ nedskrivning anleggsaksjer	-	118
- paid dividends and gifts	1 330	1 275
From the year's operations	997	1 866
Subordinated loan	-	-
Issue of/changes in equity certificates	4 692	1 670
Supplied from this year's operation	5 689	3 536
Increase in deposits	93 583	98 758
Reduction in other receivables	3 526	-
Increase of other liabilities	-	916
Gross liquidity from operations	102 798	103 210
Application of funds:		
Gross increase in lending	41 188	53 915
Reduction of other liabilities	10	-
Increase in other receivables	-	2 607
Investments in equity, shares	612	137
Investments in fixed assets	4 119	2 407
Investments in bonds	49 103	-4 849
Total applied:	95 032	54 217
Net liquidity changes	7 766	48 993
Liquid assets as of 1.1	117 045	68 052
Liquid assets as of 31.12	124 811	117 045

7. Information about employees and elected representatives

At year end the bank employed 17 co-workers of whom one on a temporary basis, equal to 15,8 full-time positions.

NOK 320 000,- has been paid as compensation to board members, the chairperson received NOK 120 000,-, whereas each member was awarded NOK 40 000,-. The representative of the employees did not receive any remuneration.

As from August Kjell Fredrik Løvold, formerly legal counsel and compliance officer of the bank, succeeded Lars Hektoen as CEO. Annual fixed salary for the CEO is NOK 778 500. No further incentives are granted. Compensation to retiring CEO Lars Hektoen amounted to NOK 816 563,- for the full year. In addition to a fixed salary of NOK 778 500,- NOK 22 500,- in salary and NOK 15 813,- as holiday remuneration were late payments referring to the year 2014. Remuneration of NOK 843 023,- was paid to CFO Arve Gjetnes, of which NOK 225 525,- was compensation in connection with the IT conversion. Jannike Østervold received NOK 893 963,- of which 298 290,- as a special compensation for work during the IT conversion period.

Members of the Control committee received NOK 2000,- per meeting and the members of the Election committee have been awarded NOK 39 000 in total. The employee representatives do not receive any compensation. Members of the Board of trustees are not compensated. The bank's auditor has been paid NOK 252 188,-, including v.a.t., of which NOK 168 750,- for statutory auditing. The balance constitutes NOK 25 000,- for work in connection with tax return forms and NOK 58 438,- for other confirmatory tasks.

Cultura Bank has no obligation to compensate the CEO or the chairperson of the board of directors upon termination or other changes in the assignment.

Loans and guarantees to the bank's employees

Loans to the bank's employees at year-end amounted to NOK 12 095 942,- of which NOK 299 829 to the CEO and NOK 891 191 to the assisting managing director. Nok guarantees are granted on behalf of the employees. All loans as well as the collateral posted must be approved by the Control committee. Loans to the management for the bank enjoy the same conditions as for other employees.

Loans and guarantees to elected representatives

No loans or guarantees have been granted to the leaders of the board of trustees, the control committee or the board of directors respectively. Loans to other members as of 31.12. 2015 are listed below:

Elizabeth von Hanno Brockfield	1 682 371	Forstanderskapet
Åsa Jeppsson	1 928 059	Forstanderskapet
Torstein Dyrnes	2 226 833	Forstanderskapet
Jannike Østervold	891 191	Forstanderskapet
Camilla Gjetnes	3 097 207	Styret (vararepresentant)

No loans or guarantees have been granted to companies where such elected members hold a responsible position.

Pension obligations for employees

The employees of Cultura Bank enjoy a pension scheme according to the Norwegian law on compulsory employee pension. From December 2014 the pension scheme was changed from a defined benefit to a defined contribution arrangement. The scheme is administered by Storebrand, a major Norwegian life insurance company. The bank has no further pension obligations.

8. Taxes

Deferred taxes and deferred tax advantages are calculated based on temporary differences between accounting based and taxation based evaluations at year end. Tax-increasing and tax-reducing differences are evaluated inside the same time-frame. Consequently tax-reducing differences materializing at a future point in time cannot be offset against tax-increasing differences occurring in earlier periods. The calculation of future deferred taxes is based on a tax rate of 25 % as of 31.12. 2015 and 27 % as of 31.12. 2014.

SPECIFICATION OF THE BASIS FOR TEMPORARILY DEFERRED TAXES/DEFERRED TAX ADVANTAGES

NOK (000)	31.12.2015	31.12.2014
Tangible fixed assets	-851	-1 145
Pre-paid expenses – pensions	0	0
Bonds	-453	0
Losses carried forward	0	0
Total temporary differences	-1 304	-1 145
Deferred tax (- deferred tax credits) at 27% level	-326	-309

The year's tax expense is calculated as follows:

NOK (000)	31.12 2015	31.12 2014
Ordinary profit before tax	2 333	3889
Permanent differences	124	212
Change in temporary differences	159	586
Net taxable income	2 616	4 687
Payable tax 27 %	706	1 266
Net wealth tax	16	25
Total payable tax	722	1 291
Change in deferred tax	-17	-158
Excess reserve from previous year	-1	0
Total tax expense (income)	704	1 133

9. Miscellaneous additional information

SPECIFICATION OF FEE INCOME

NOK (000)	2015		2014	
	Number	Amount	Number	Amount
Guarantee commission		98		117
Number of payment services:				
- Giro transactions	349 215		341 891	
- Bank card usage in Norway	1 053 601		984 098	
- Visa card usage abroad	187 351		162 402	
- International payments	4 659		4 236	
Other fee and commission income		6 080		6 298
Total commission and income from banking operations		6 178		6 415

SPECIFICATION OF OTHER LIABILITIES

NOK (000)	2015	2014
In settlement	656	396
Tax reservations due	459	346
Earmarked for interest on equity certificates	798	1 330
Earmarked for payable tax	722	1 291
Other	492	795
Total other liabilities	3 127	4 158

Result after taxes was 0,22 % of total assets.

SPECIFICATIONS OF OTHER OPERATING EXPENSES

NOK (000)	2015	2014
Rental cost for premises and other rent-related expenses	1 475	1 309
Expenses for external services	358	325
Other expenses	559	343
Total	2 392	1 977

The deposit insurance scheme in Norway

The Bank deposit insurance law prescribes a mandatory membership in the deposit insurance scheme for all banks in Norway. The insurance scheme will secure deposits up to NOK 2 million. A deposit is defined as any credit balance in favour of a named customer as well as a deposit receipt issued by a bank in favour of a named person. Deposits from other financial institutions are excluded from the scheme.

Some European cooperating banks

Andelskassen Merkur	Denmark	La NEF	France
Ekobanken	Sweden	Crédit Coopératif	France
Freie Gemeinschaftsbank BCL	Switzerland	Banca Etica	Italy
GLS Gemeinschaftsbank e.G.	Germany	Triodos Bank	The Netherlands

Cultura Bank is participating in international cooperation through memberships in the organisations Fédération Européenne des Banques Etiques et Alternatives (FEBEA) and the Global Alliance for Banking on Values (GABV).

Auditor's Report



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Munkedamsveien 45
Postboks 1704 Vika
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Til forstandskapet i
Cultura Sparebank

REVISORS BERETNING

Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for Cultura Sparebank som viser et overskudd på kr 1.629.000. Årsregnskapet består av balanse per 31. desember 2015, resultatregnskap og kontantstrømpstilling, for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvise bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret og daglig leder finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om dette årsregnskapet på bakgrunn av vår revisjon. Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder International Standards on Auditing. Revisjonsstandardene krever at vi etterlever etiske krav og planlegger og gjennomfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon.

En revisjon innebærer utførelse av handlinger for å innhente revisjonsbevis for beløpene og opplysningene i årsregnskapet. De valgte handlingene avhenger av revisors skjønn, herunder vurderingen av risikoene for at årsregnskapet inneholder vesentlig feilinformasjon, enten det skyldes misligheter eller feil. Ved en slik risikovurdering tar revisor hensyn til den interne kontrollen som er relevant for bankens utarbeidelse av et årsregnskap som gir et rettvise bilde. Formålet er å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av bankens interne kontroll. En revisjon omfatter også en vurdering av om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimaterne utarbeidet av ledelsen er rimelige, samt en vurdering av den samlede presentasjonen av årsregnskapet.

Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Konklusjon

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvise bilde av den finansielle stillingen til Cultura Sparebank per 31. desember 2015 og av bankens resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.



Uttalelse om øvrige forhold

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av bankens regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, den 8. mars 2016
BDO AS

A handwritten signature in black ink, appearing to read 'Inge Soteland'. The signature is written in a cursive, flowing style.

Inge Soteland
Statsautorisert revisor

Translation of the Auditor's Report

To the Board of Trustees of Cultura Sparebank

AUDITOR'S REPORT

We have audited the financial statements of Cultura Sparebank which show a profit of NOK 1 629 000. The annual accounts consist of a balance sheet per 31. December 2015 a profit and loss account and a cash flow statement for the accounting year ending on this date, as well as a description of the key accounting principles used and other notes.

The Board of Directors' and the CEO's responsibility for the financial statements

The Board and the CEO are responsible for preparing the financial statements and for these to give a fair and honest picture in compliance with the accounting law's rules and good practice procedures in Norway, and for such internal controls as the Board and the CEO deem necessary to facilitate the preparation of annual accounts that do not contain significant disinformation resulting from fraud or inaccuracies.

The auditor's tasks and duties

Our task is to express an opinion about these financial statements based on our auditing. We have conducted the auditing in compliance with laws, regulations, and good auditing procedures in Norway, including the International Standards on Auditing. The auditing standards demand that we comply with ethical demands and plan and conduct the auditing to achieve a reasonable assurance that the annual accounts do not contain significant disinformation.

Auditing includes collecting auditing proof of the figures and information provided in the financial statements. The chosen actions for this end are at the auditor's discretion, including the evaluation of the risk of the annual accounts containing significant disinformation, either due to fraud or inaccuracies. In evaluating the risks, the auditor takes into account the internal controls relevant for the bank's preparation of a fair and honest annual report. The purpose is to develop auditing actions that are appropriate in the circumstances, not to express an opinion on the effectiveness of the bank's internal controls. Auditing also includes an evaluation of whether or not the accounting principles used are appropriate and if the accounting estimates the management has developed are reasonable, as well as an evaluation of the collective presentation of the annual accounts.

Our opinion is that the auditing proof collected is sufficient and appropriate as a basis for our conclusion.

Conclusion

Our opinion is that the financial statements are prepared in accordance with laws and regulations and give a fair and honest picture of Cultura Sparebank's financial position as of 31st December 2015 and of profits and that cash flows for the fiscal year that ended on this day are in accordance with accounting laws, regulations and good accounting practices in Norway.

Statement on other conditions

Conclusion regarding the annual report

Based on our auditing of the annual accounts described above, we believe the information in the annual report, meaning the annual accounts, the going concern assumption, and the suggested allocation of profit, is consistent with the annual accounts as well as being in accordance with laws and regulations.

Conclusion regarding registration and documentation

Based on our auditing of the financial statements described above, and of control actions we have deemed necessary in relation to the international standard for assurance engagement (ISAE) 3000 "An assurance engagement that is not auditing or limited auditing of past financial information", we believe that the management have fulfilled their duties and ensured clear and proper registration and documentation of the bank's accounting information in accordance with laws and good accounting practices in Norway.

Oslo, March 8 2016

BDO AS, Inge Soteland, State Authorised Auditor

Control Committee's Report

Cultura Sparebank
Kontrollkomiteen

Til Forstanderskapet i Cultura Sparebank

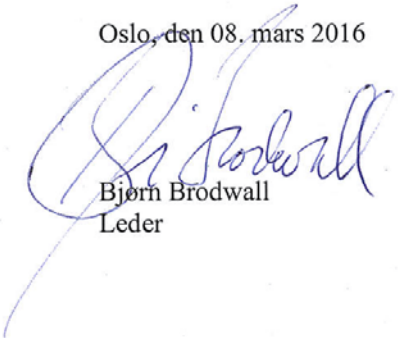
Kontrollkomiteen har vedrørende regnskapsåret 2015 avholdt 3 møter og har i henhold til instruks for kontrollkomiteen i Cultura Sparebank, vedtatt av forstanderskapet, ført tilsyn med at Sparebankens virksomhet foregår på en betryggende og hensiktsmessig måte i samsvar med gjeldende lover og Cultura Sparebanks egne vedtekter. Det har vært avholdt møte med styrets leder og komiteen har gjennomgått revisjonsberetningen for regnskapsåret 2015.

Kontrollkomiteen har gjennomgått styrets protokoller for perioden og fulgt arbeidet med å videreutvikle bankvirksomheten.

Videre har vi gjennomgått Cultura Sparebanks avsluttede og reviderte regnskaper for 2015 samt styrets årsberetning og har ingen bemerkninger å fremføre. Kontrollkomiteen finner styrets vurderinger av Sparebankens økonomiske stilling dekkende.

Kontrollkomiteen tilrår at resultatregnskapet og balansen fastsettes som regnskap for Cultura Sparebank.

Oslo, den 08. mars 2016



Bjørn Brodwall
Leder



Birgit Daatland

Børre Solberg

Translation of the Control Committee's Report

Cultura Sparebank

The Control Committee

To the Board of Trustees of Cultura Sparebank

The Control Committee has held three meetings regarding the 2015 fiscal year and has, in accordance with instruction for the Control Committee in Cultura Sparebank, approved by the Board of Trustees, supervised Cultura's activities and can confirm that it operates in an appropriate and reassuring manner, in accordance with current legislation and Cultura Sparebank's own statutes. We have held meetings with the Chairman of the Board and the Committee has gone through the auditor's report for the fiscal year 2015.

The Control Committee has gone through the Board of Director's protocols for the period and followed their work on the development of the bank's operations.

Furthermore, we have reviewed Cultura Sparebank's final and audited accounts for 2015, as well as the Board of Director's annual report, and we have no further comments. The Control Committee finds the Board of Directors' evaluations of the savings bank's financial standing accurate.

The Control Committee advises that the profit and loss statement and the balance sheet be confirmed as the accounts for Cultura Sparebank.

Oslo, March 8th 2016

Bjørn Brodwall

Chairman

Birgit Daatland

Member

Børre Solberg

Member

Employees and elected representatives 2015

Composition of the Board of Trustees in 2015

Name	Function	Representative of
Helle Rosenvinge	Chairwoman	Depositors
Richard Müller	Vice-chairman	Equity certificate owners
Elizabeth von Hanno Brockfield	Member	Equity certificate owners
Åsa Jeppsson	Member	Equity certificate owners
Morten Ingvaldsen	Deputy Member	Equity certificate owners
Johannes Brinkmann	Member	Depositors
Christian Egge	Member	Depositors
Ove Jakobsen	Member	Depositors
Elizabeth Wirsching	Member	Depositors
Anne-Kristin Løes	Deputy Member	Depositors
Torstein Dyrnes	Member	Employees
Rune Horne	Member	Employees
Jannike Østervold	Member	Employees
Mie Tømoeen	Deputy Member	Employees
David Hansen	Member	Oslo municipality
Ida Viksveen Larsen	Deputy Member	Oslo municipality

Composition of the Board of Directors in 2015

Maria Bjune	Chairwoman
Johan Brockfield	Vice-chairman
Stig Bjørnar Andersen	Member
Christian Dubrau	Member
Steinar Gundersen	Member
Bjarne Hjertholm (for ansatte)	Member
Randi Almås Welhaven	Member
Anne Solgaard	Deputy Member
Tor Henning Carlsen	Deputy Member
Camilla Gjetnes (for ansatte)	Deputy Member

Composition of the Control Committee in 2015

Bjørn Brodwall	Chairman
Birgit Daatland	Member
Børre Solberg	Member
Robert Brown	Deputy Member

Employees at Cultura Bank in 2015

Christina Andersson	Accounting and Operations
Torstein Dyrnes	Accounting and Operations
Arve Gjetnes	CFO
Camilla Gjetnes	Head of Customer Centre
Andreas Haugerud	Customer Centre
Lars Hektoen	Special consultant, from 1.8.15
Bjarne Hjertholm	Acting Chief Loan Officer
Rune Horne	Loan Department, business
Sisse Maria Jønsson	Customer Centre (temporary)
Annette Larssen	Customer Centre
Kjell Fredrik Løvold	CEO, from 1.8.15
Alice Nyamogo	Accounting and Operations
Gustavo Parra	Accounting and Operations
Gro Sissel Taraldrud	Loan Department, personal
Stian Torstenson	Marketing
Mie Tømoeen	Customer Centre
Jannike Østervold	Deputy General Manager and IT and marketing manager



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