

THIRD QUARTER 2017

# The impossible is solved by incredible people

Towards a more competitive and robust region

INVESTOR UPDATE THIRD  
QUARTER 2017



HAND IN HAND WITH THE INCREDIBLE

# Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 SR-Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 SR-Bank include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 SR-Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.



# Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

# SR-Bank at a glance

- Second largest Norwegian bank
- Market cap: NOK 21.9 Billion
- Total assets: NOK 215.3 Billion
- Total lending: NOK 185.2 Billion
- Total deposits: NOK 98.6 Billion
- No. of branches: 36
- Employees: 1.151



- **1839:** The first bank that today forms part of SpareBank 1 SR-Bank was established.
- **1976:** 24 savings banks merge to form Sparebanken Rogaland.
- **1994:** SR-Bank (Sparebanken Rogaland) lists its primary capital certificates on the Oslo Stock Exchange.
- **1996:** SR-Bank is one of the founders of SpareBank 1, an alliance.
- **2012:** SpareBank 1 SR-Bank converted from a savings bank to a public limited company (“limited liability savings bank”).

	Banks	Market share
1	DnB Bank	28.6
2	Nordea Bank Norge (Swedish)	12.0
3	Danske Bank (Danish)	6.1
4	Handelsbanken (Swedish)	5.1
5	SpareBank 1 SR-Bank	4.7



Arne Austreid  
CEO

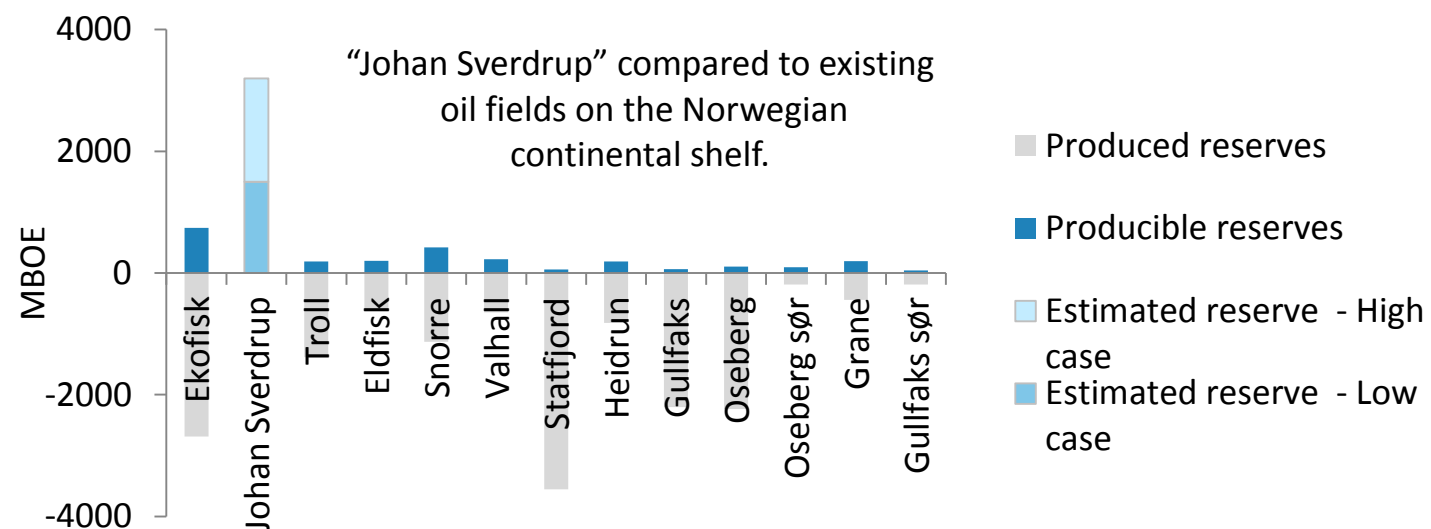
Headquarter: Stavanger

Bjergsted Terrasse 1  
Postboks 250  
4066 Stavanger

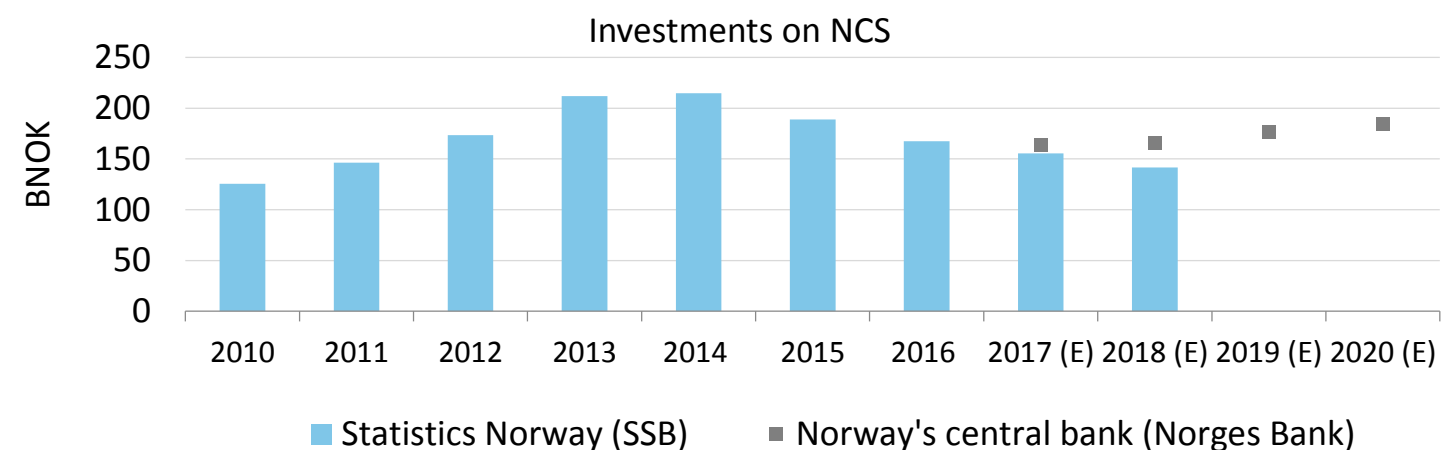
Tlf: +47 915 02002  
[www.sr-bank.no](http://www.sr-bank.no)

# One of Norway's most prosperous regions

The third largest discovery ever on the NCS was made 140 km from our headquarter in 2011

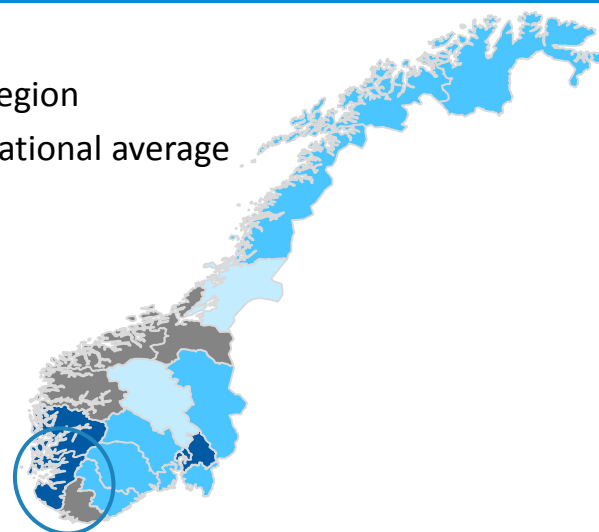


...and activity is expected to continue at high levels



Planned infrastructure project total 100-150BNOK

- Norway's largest export region
- Unemployment rate on national average



SR-Bank's market area

Planned infrastructure project total 100-150BNOK

- Better infrastructure in the cities Stavanger and Bergen
- Better connections between cities and sparsely populated areas
- Better connections between regions in Rogaland, Hordaland and Agder



# The leading financial group in the southwest of Norway

## Rogaland

Population	470.000
Market share	36 %
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	3.4%

## Hordaland

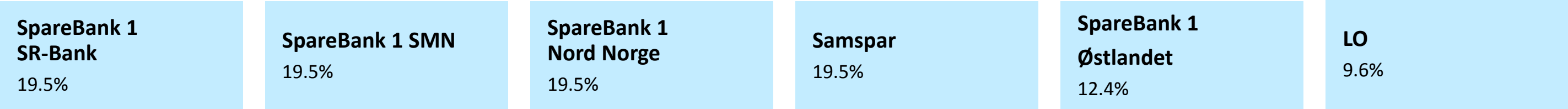
Population	516.000
Market share	6 %
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	2.8 %

## Agder

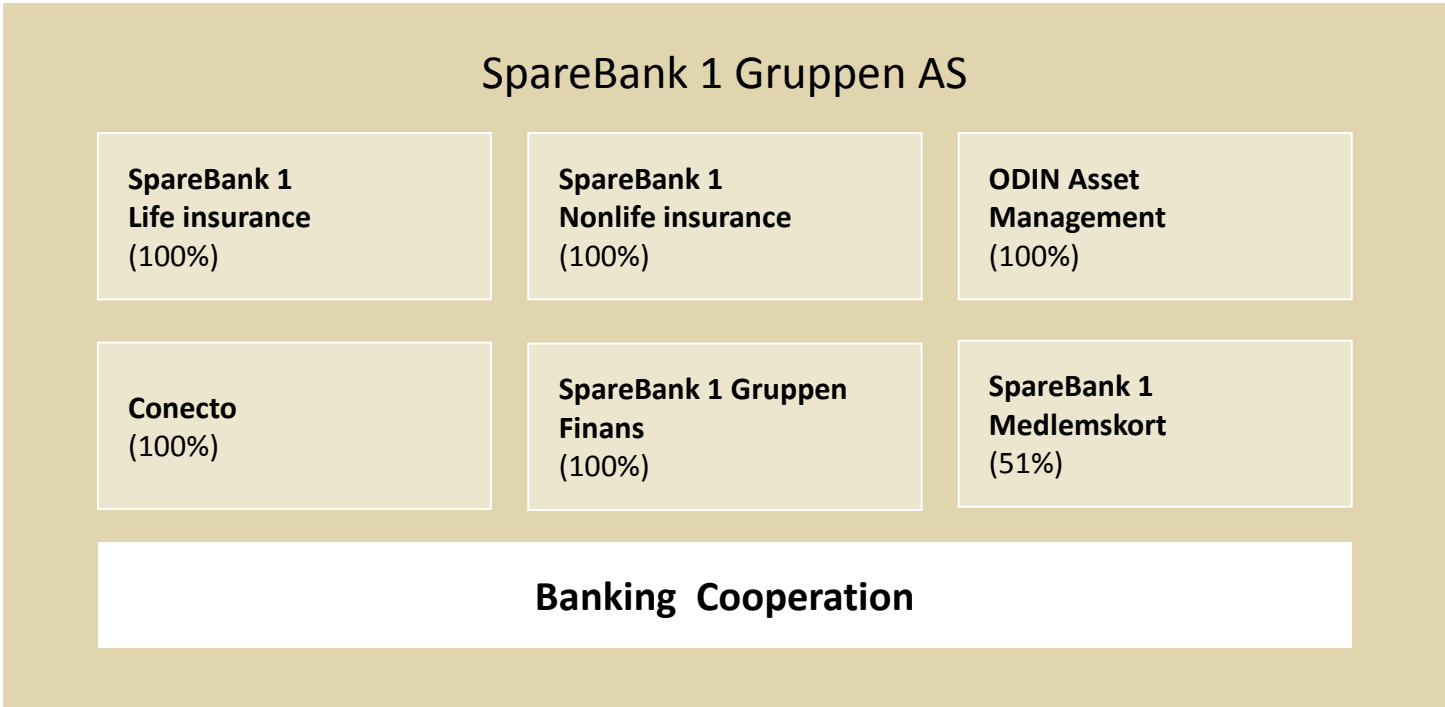
Population	298.000
Market share	8 %
Year of establishment	2002
Market strategy	Growth
Unemployment rate	3.0 %



# SpareBank 1 Alliansen: Benefits in economies of scale



Products, commissions, dividends ↑ ↓ Sales, loan portfolios, capital



**Owners of the alliance**

Economies of scale related to expenses, IT solutions and branding  
 Separate legal entities – no cross guarantees between owner banks

# SRBANK's activities

## Divisions of SpareBank 1 SR-Bank ASA

### Capital Markets

Number of man-years: 31

### Retail Market

Number of man-years: 507

### Corporate Market

Number of man-years: 171

### Administration & Support

Number of man-years: 215

## Fully owned companies

### EiendomsMegler 1

Leading real estate broker  
Number of man-years: 205

### SpareBank 1 SR-Forvaltning

Asset management  
Number of man-years: 11

### SpareBank 1 Regnskapshuset SR

Accounting and advisory  
Number of man-years: 87

### SR-Boligkreditt

Covered Bond Funding  
Number of man-years: 1

### FinStart Nordic

The company will be a start-up factory for new ideas  
Number of man-years: start-up 1 January 2018

## Partly owned companies

### BN Bank

(23.5%)  
Commercial bank located in Oslo and Trondheim

### SpareBank 1 Boligkreditt

(13.9%)  
Covered bond company (mortgages)

### SpareBank 1 Kredittkort

(17.9%)  
Credit card company located in Trondheim

### SpareBank 1 Gruppen

(19.5%)  
Holding company for the SpareBank 1 - Alliance

### SpareBank 1 Næringskreditt

(21.9%)  
Covered bond company (commercial real estate)

### SpareBank 1 Betaling\*

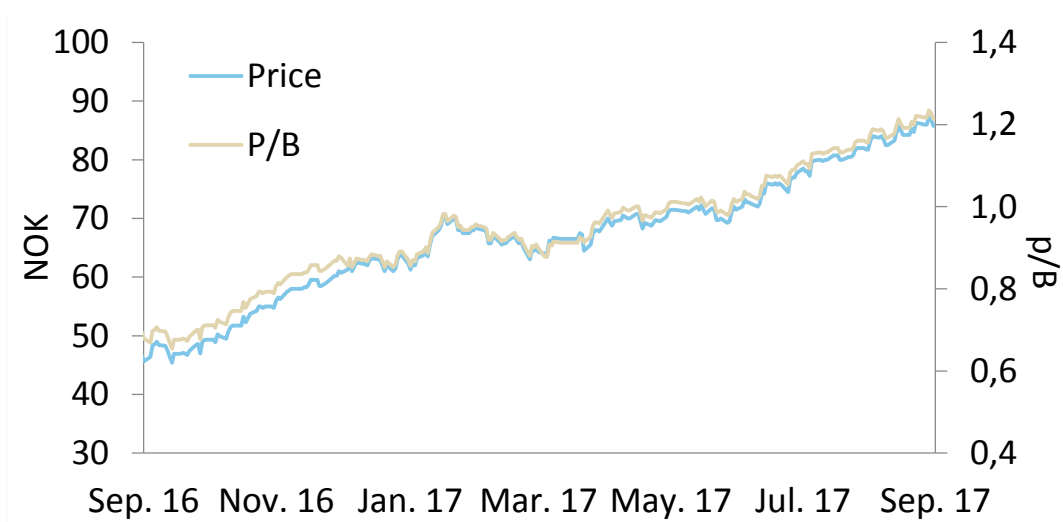
(19.7%)  
The company behind mobile payment solution  
\*Owner 25% in VIPPS AS



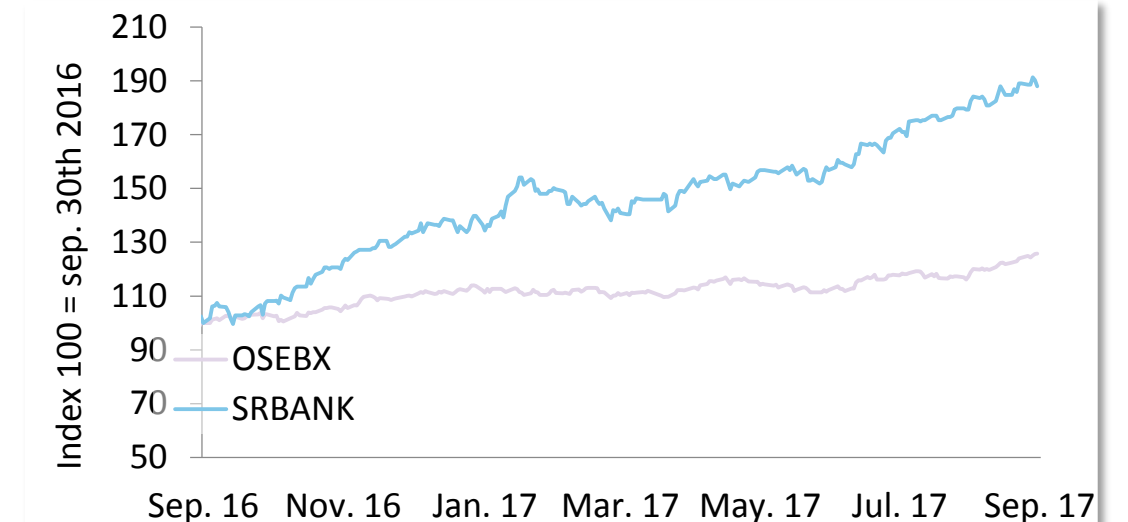
# SRBANK

- Converted from equity certificates to shares in 2012.
- International ownership is 22.0% per 3. quarter 2017.
- Total market value at 3. quarter 2017 is NOK 21.9 billion.

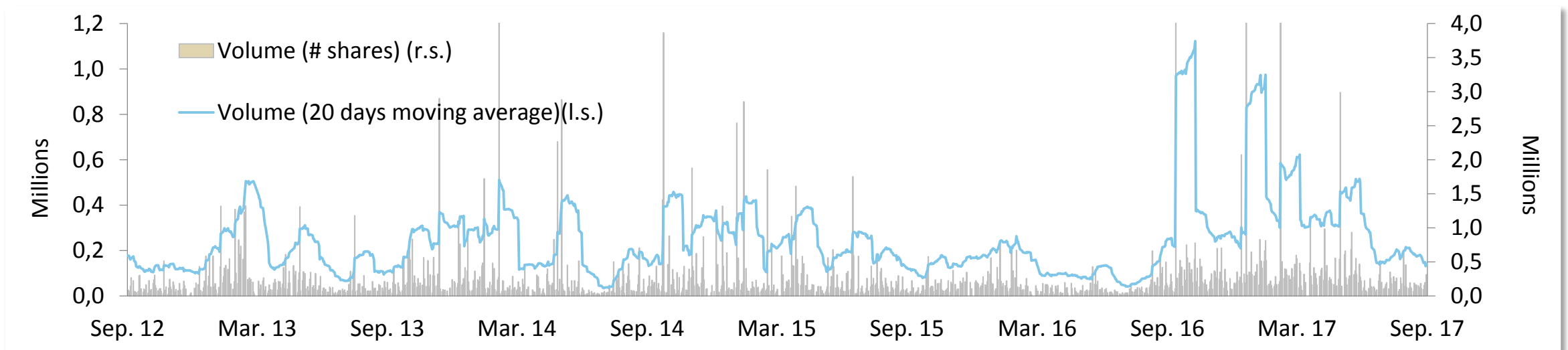
Development in Price/Book



Relativ share price development



Trading volume development



## 20 largest shareholders as at September 2017

- Ownership interests:
  - From Rogaland, Agder-counties and Hordaland: 45.7 % (49.7 %)
  - International: 22.0 % (16.2 %)
  - 10 largest: 48.3 % (54.9 %)
  - 20 largest: 55.4 % (61.7 %)
- Number of shareholders 30.09.2017: 10 979 (9 766)
- Employees owning 1.6 % (1.8 %)

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Folketrygdfondet		14.627.715	5,7%
State Street Bank and Trust Co, U.S.A.	Nominee	8.345.484	3,3%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Vpf Nordea Norge Verdi		5.957.547	2,3%
Danske Invest Norske Instit. II		3.595.310	1,4%
Verdipapirfondet DNB Norge (IV)		3.539.205	1,4%
Odin Norge		3.506.393	1,4%
State Street Bank and Trust Co, U.S.A.	Nominee	2.860.548	1,1%
Clipper AS		2.565.000	1,0%
Pareto Aksje Norge		2.385.513	0,9%
KLP Aksjenorge Indeks		1.930.347	0,8%
Danske Invest Norske Aksjer Inst.		1.887.194	0,7%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	1.880.641	0,7%
KAS Bank NV, Nederland	Nominee	1.877.761	0,7%
Vpf Nordea Norge Avkastning		1.664.410	0,7%
Westco AS		1.662.987	0,7%
Pareto AS		1.640.867	0,6%
Vpf Nordea Kapital		1.516.050	0,6%
Forsvarets Personellservice		1.513.556	0,6%
Top 5		107.576.634	42,1 %
Top 10		123.643.090	48,3 %
Top 20		141.602.416	55,4 %

Figures in parentheses as at 30.09.2016.

Introduction to SpareBank 1 SR-Bank ASA

## **Financials**

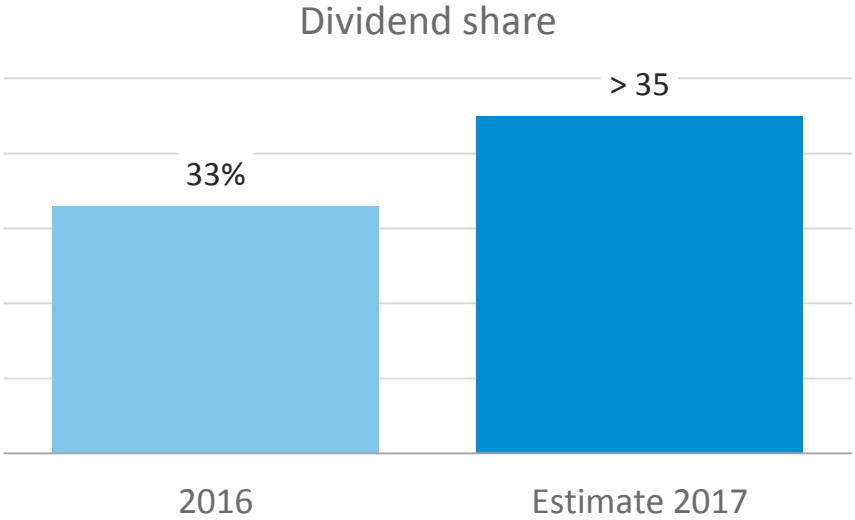
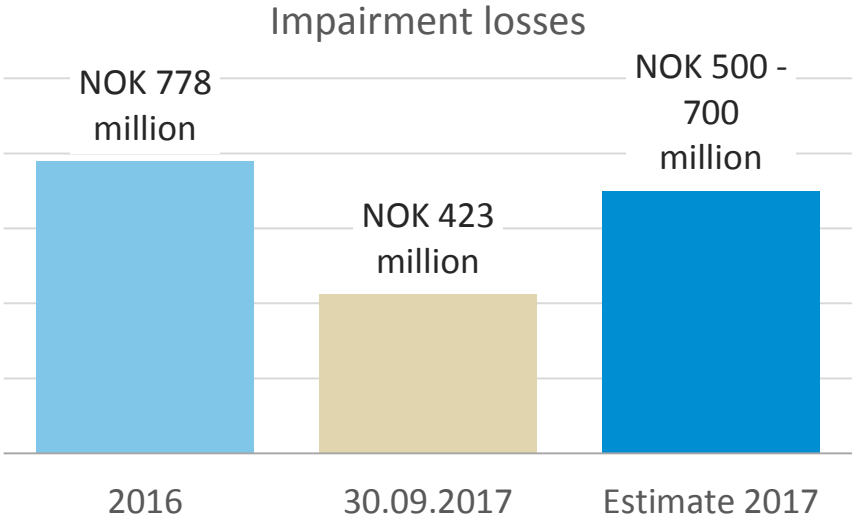
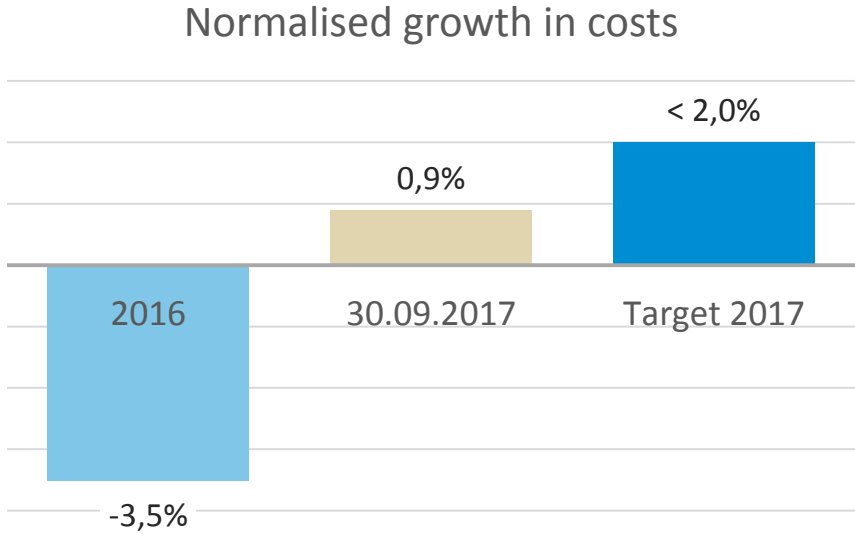
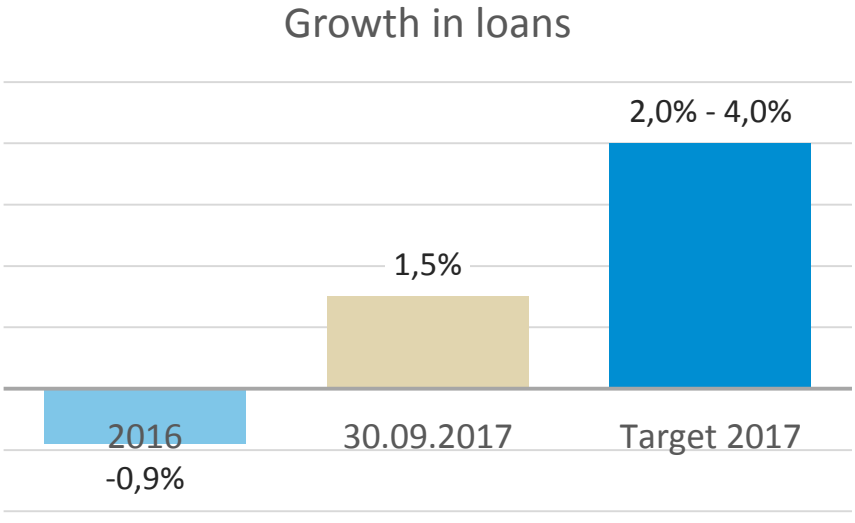
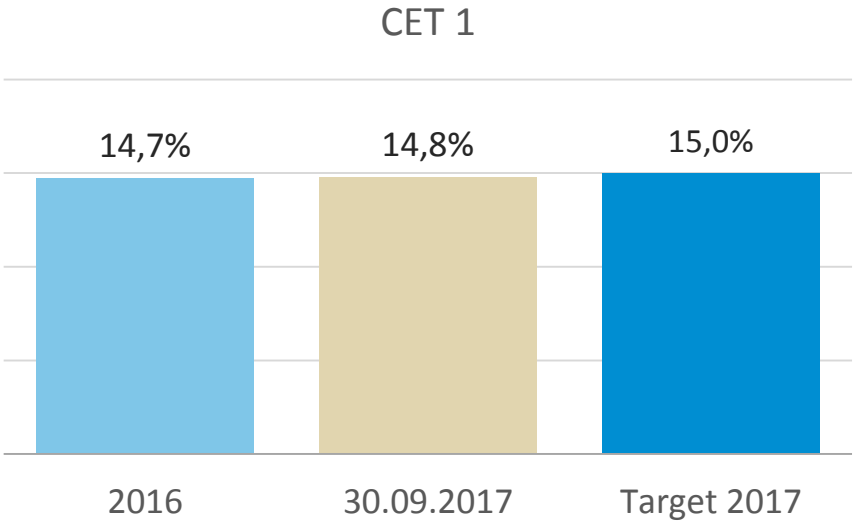
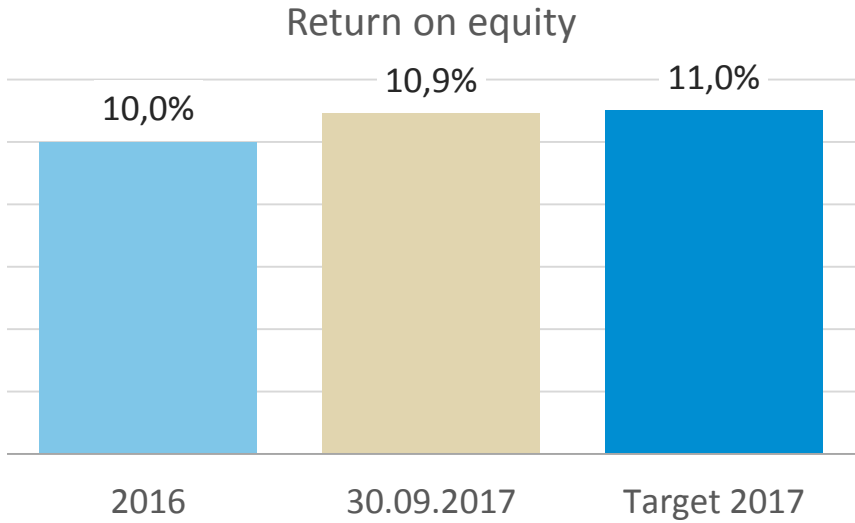
Solvency and liquidity position

Appendix

# A very good result characterised by strong underlying operations

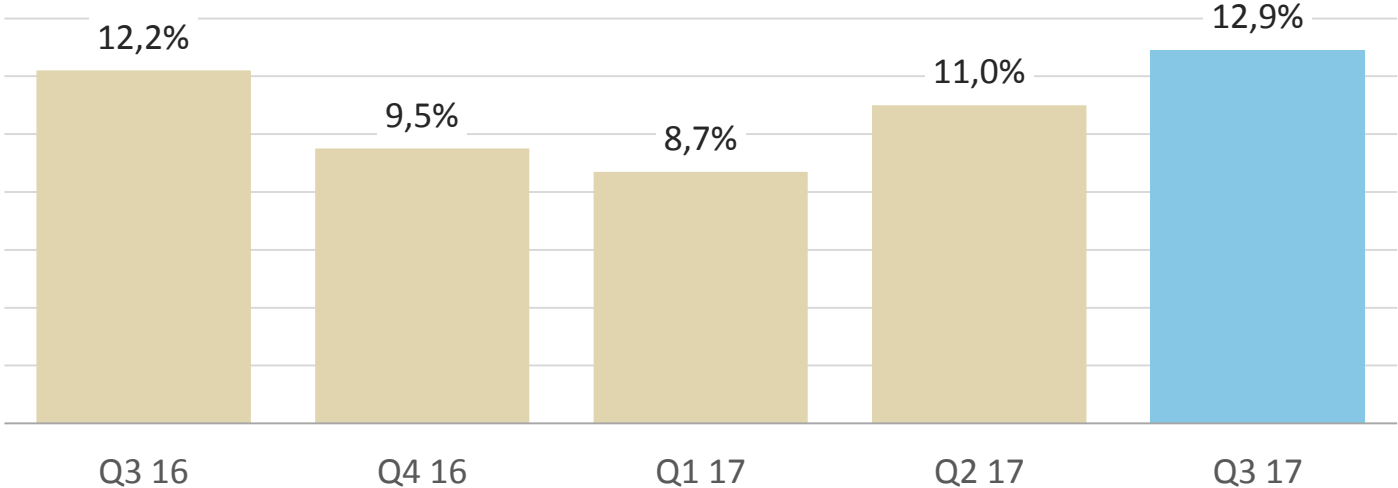
- Pre-tax profit for the quarter is NOK 750 million compared to NOK 660 million last year
  - Return on equity after tax 12.9 %
- Pre-tax profit year-to-date is NOK 1.910 million compared to NOK 1.633 million last year
  - Return on equity after tax 10.9 %
- Impairment losses on loans is NOK 423 million compared to NOK 616 million last year
  - 0.31 % of gross lending including covered bond companies as at 30 September 2017
- 12 months lending growth of 1.2 %
  - Growth of loans year-to-date is 1.5 %
  - Risk-weighted assets (RWA) is increased by 2.3% the last 12 months
- 12 months deposits growth of 13,0 %
- Normalised costs growth of 0.9 %\*
  - Growth in costs of 7.0 % (NOK 105 million) over the last 12 months, of which financial activity tax is NOK 30 million and EiendomsMegler 1 has increased costs by NOK 25 million. In addition, the costs increased due to the group's focus on further digital development and the robotisation of standardised work processes.
- Common equity tier 1 capital ratio increased to 14.8% from 13.8% last year
  - Common equity tier 1 is 15.1% taking into account rebalancing of ownership in SpareBank 1 Boligkreditt

# Financial targets and estimates for 2017

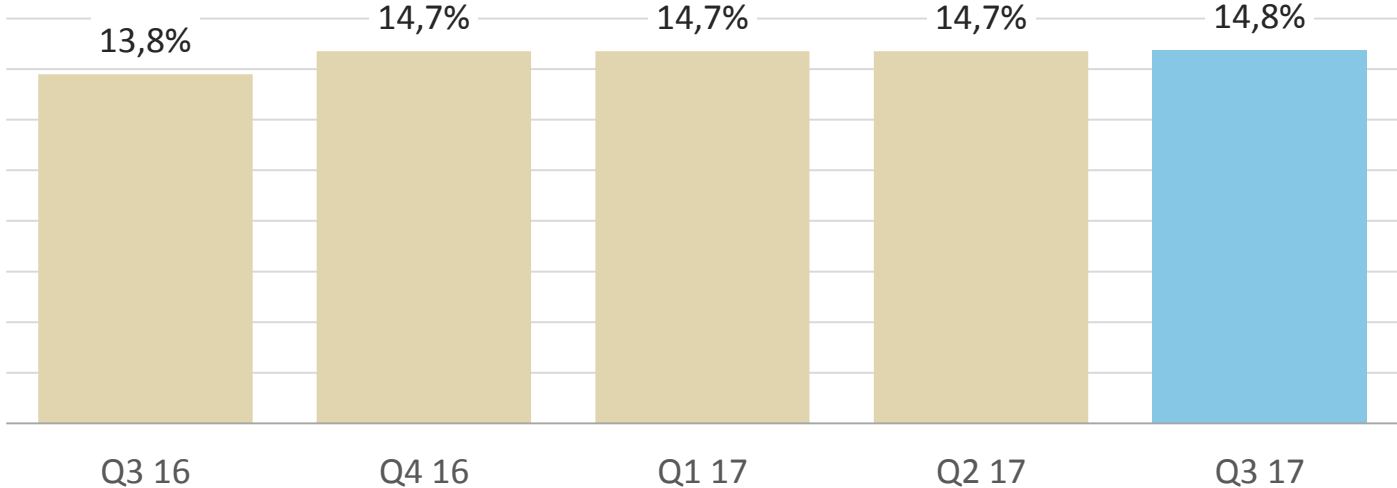


# Key figures – quarterly development

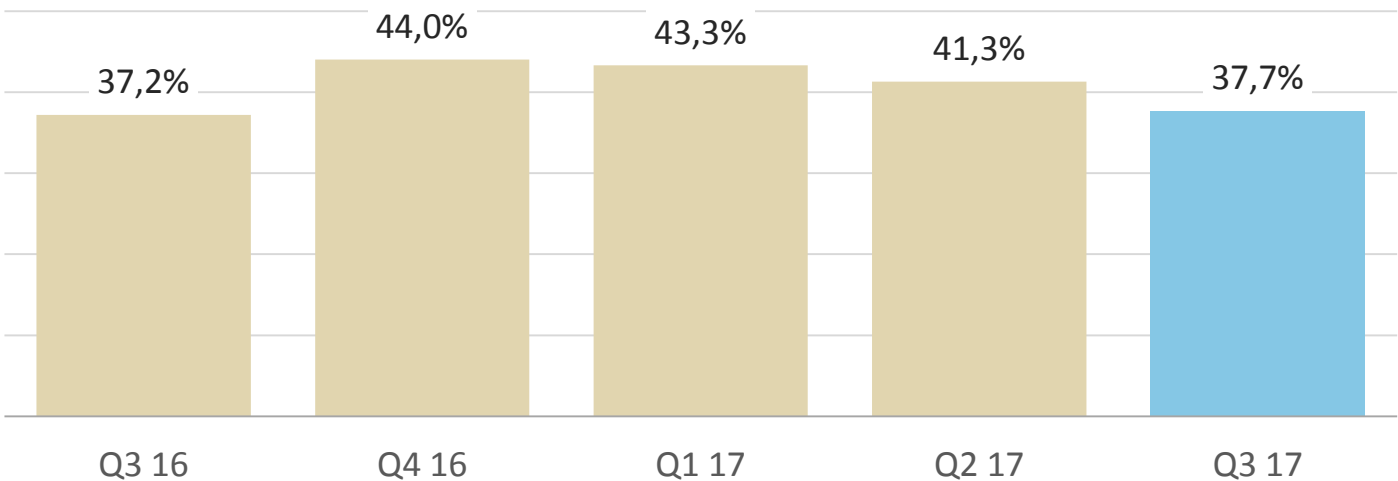
Return on equity



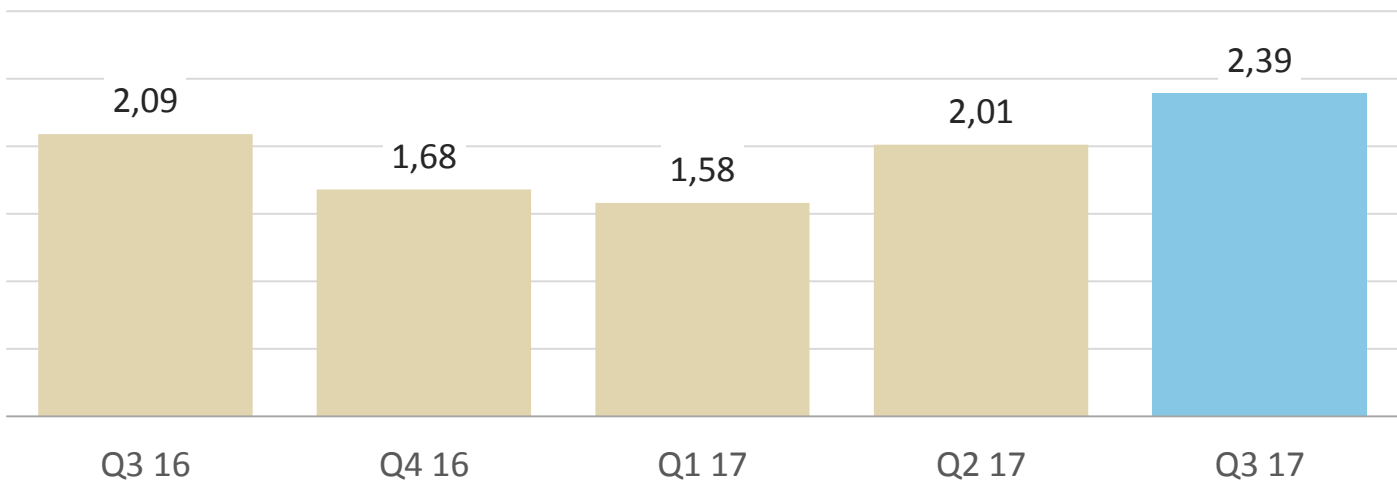
CET 1



Cost ratio



Earnings per share



## Key figures

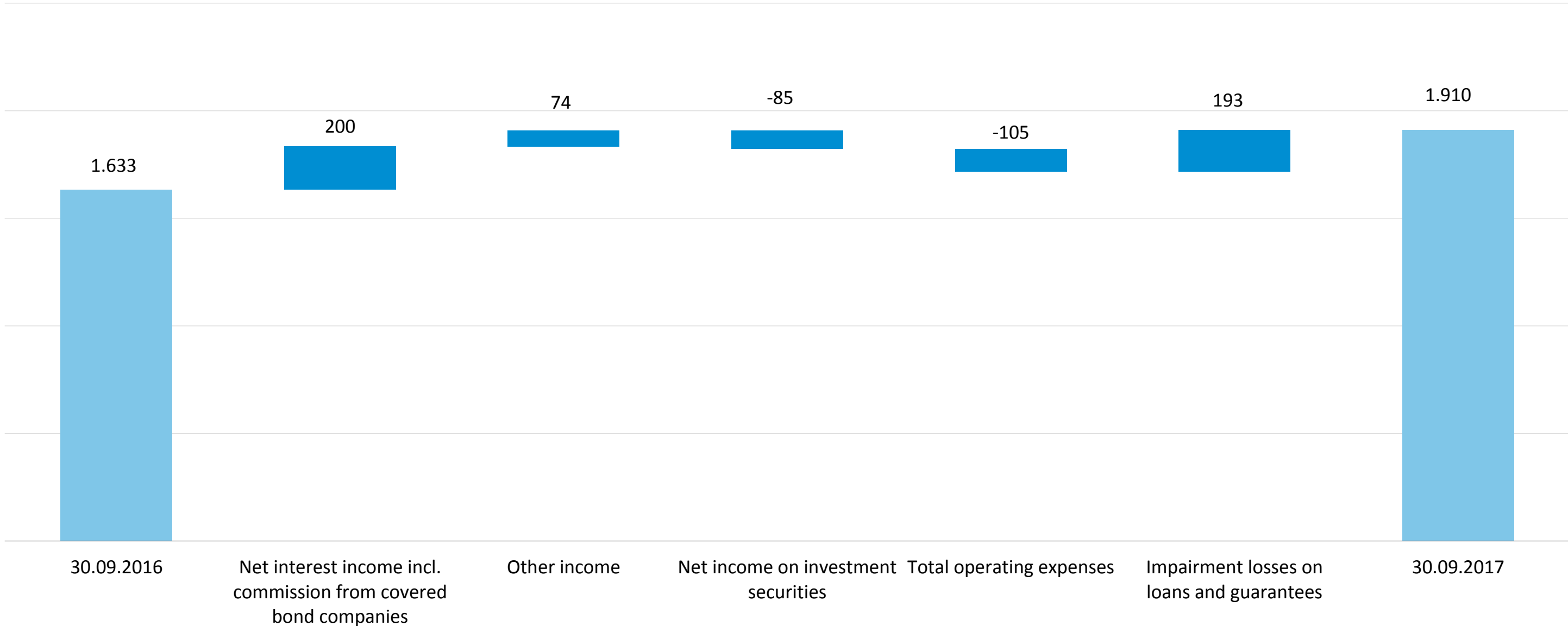
	30.09.2017	30.09.2016	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Return on equity after tax (%)	10,9	10,2	12,9	11,0	8,7	9,5	12,2
Net interest margin (%)	1,53	1,47	1,54	1,52	1,53	1,50	1,48
Impairment losses on loans and guarantees in % of gross loans incl. covered bond companies	0,31	0,45	0,27	0,29	0,37	0,35	0,35
Non-performing and other problem commitments in % of gross loans incl. covered bond companies	1,18	1,18	1,18	1,21	1,23	1,21	1,18
Cost to income ratio	40,6	39,9	37,7	41,3	43,3	44,0	37,2
Annual growth in loans to customers, gross incl. covered bond companies (%)	1,2	0,1	1,2	0,5	-0,4	-0,9	0,1
Annual growth in deposits from customers (%)	13,0	-2,0	13,0	11,3	7,0	-3,9	-2,0
Total assets (BNOK)	215,3	193,2	215,3	212,9	200,2	193,4	193,2
Portfolio of loans in covered bond companies (BNOK)	18,0	25,7	18,0	19,4	23,3	24,7	25,7
Risk weighted assets (BNOK)	121,8	119,1	121,8	120,7	118,4	116,7	119,1
Liquidity Coverage Ratio (LCR) (%)	212	123	212	212	200	174	123
Earnings per share (NOK)	5,98	5,19	2,39	2,01	1,58	1,68	2,09
Book value per share (NOK)	75,07	69,36	75,07	72,72	72,91	71,54	69,36
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8	255,8	255,8

# Income statement

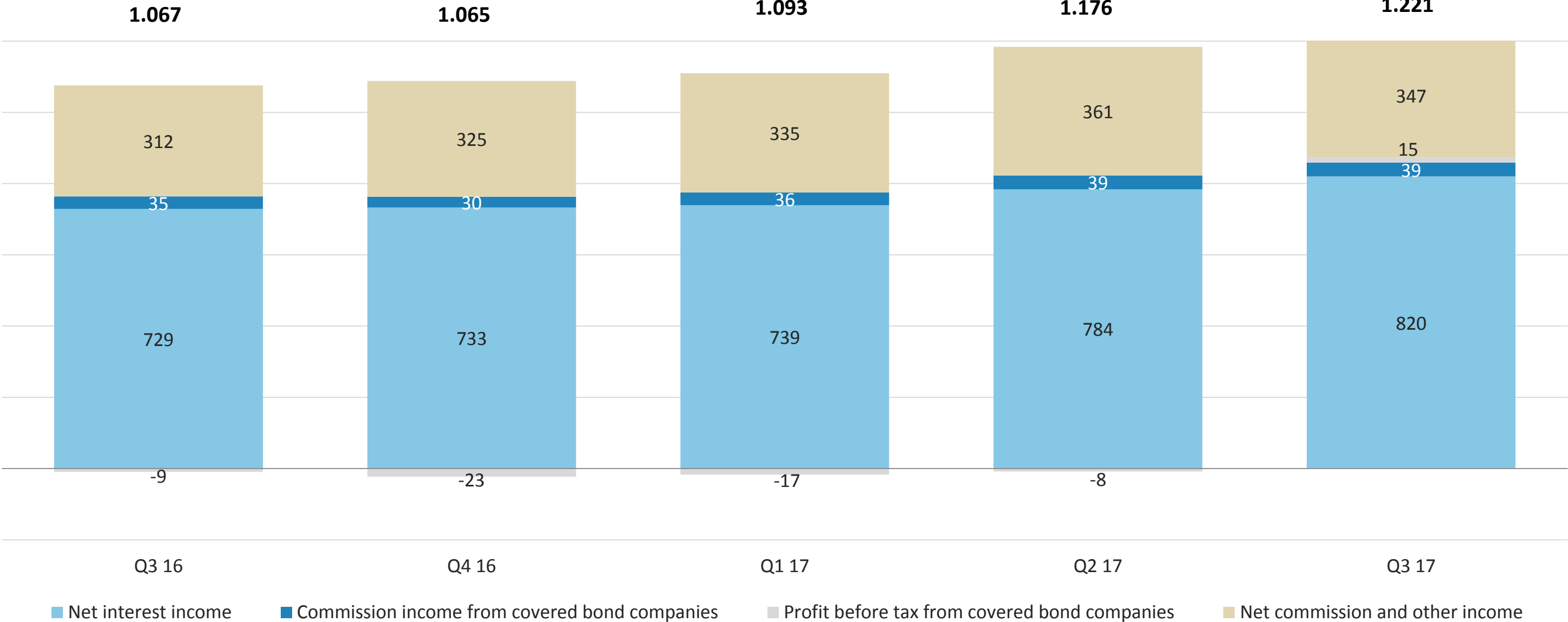
Group Income Statement (MNOK)	30.09.2017	30.09.2016	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Net interest income	2.343	2.138	820	784	739	733	729
Net commission and other income	1.157	1.088	386	400	371	355	347
Net income on investment securities	430	515	198	143	89	139	231
<b>Total income</b>	<b>3.930</b>	<b>3.741</b>	<b>1.404</b>	<b>1.327</b>	<b>1.199</b>	<b>1.227</b>	<b>1.307</b>
<b>Total operating expenses</b>	<b>1.597</b>	<b>1.492</b>	<b>530</b>	<b>548</b>	<b>519</b>	<b>540</b>	<b>486</b>
Operating profit before losses	2.333	2.249	874	779	680	687	821
Impairment losses on loans and guarantees	423	616	124	131	168	162	161
<b>Operating profit before tax</b>	<b>1.910</b>	<b>1.633</b>	<b>750</b>	<b>648</b>	<b>512</b>	<b>525</b>	<b>660</b>
Tax expense	383	307	140	134	109	96	126
<b>Net profit</b>	<b>1.527</b>	<b>1.326</b>	<b>610</b>	<b>514</b>	<b>403</b>	<b>429</b>	<b>534</b>



# Change in profit 30.09.2016 – 30.09.2017

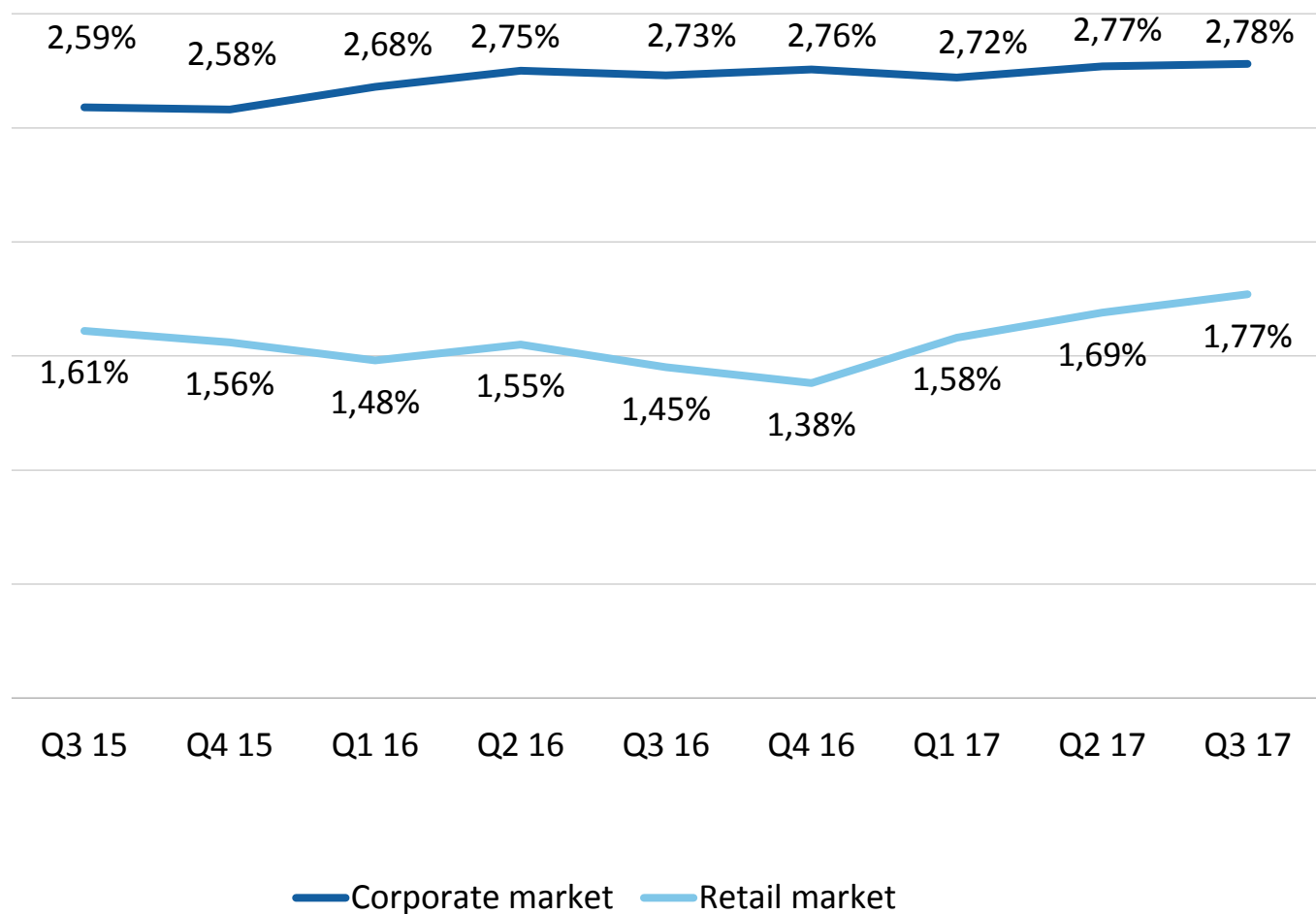


# Consolidated income profile

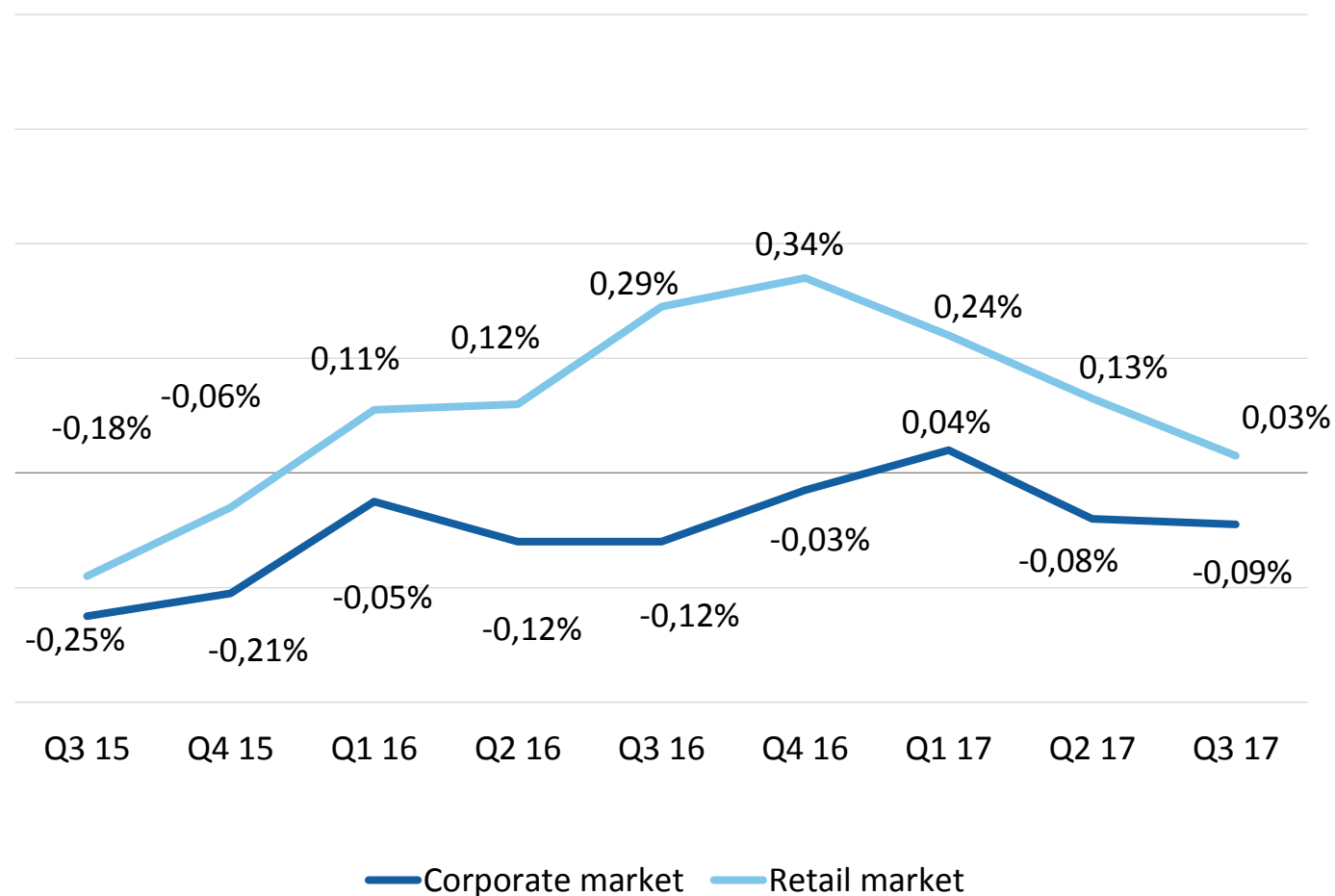


# Lending and deposit margins

Lending margins\*



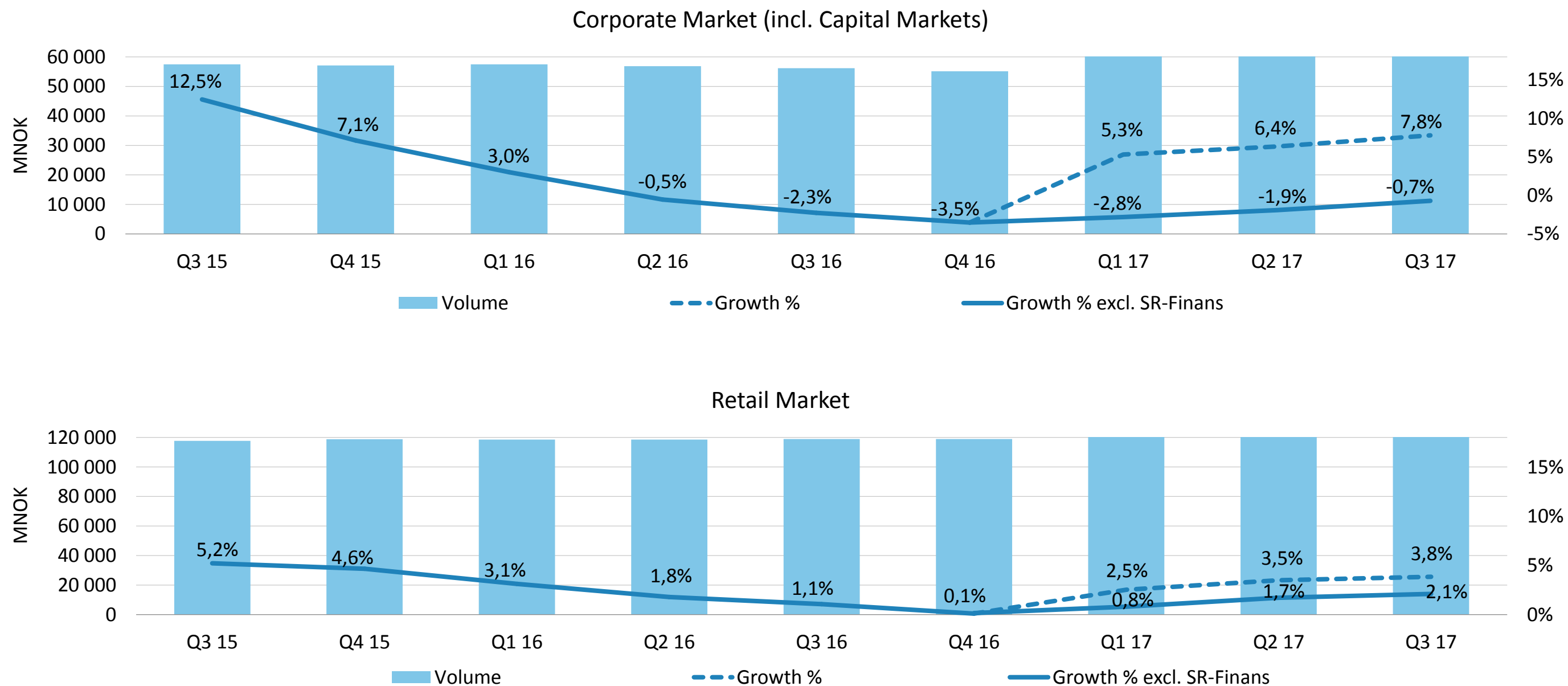
Deposit margins



\*SpareBank 1 SR-Finans AS was merged into SpareBank 1 SR-Bank from 1 January 2017. The figures (lending margins) are therefore not entirely comparable.

Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies

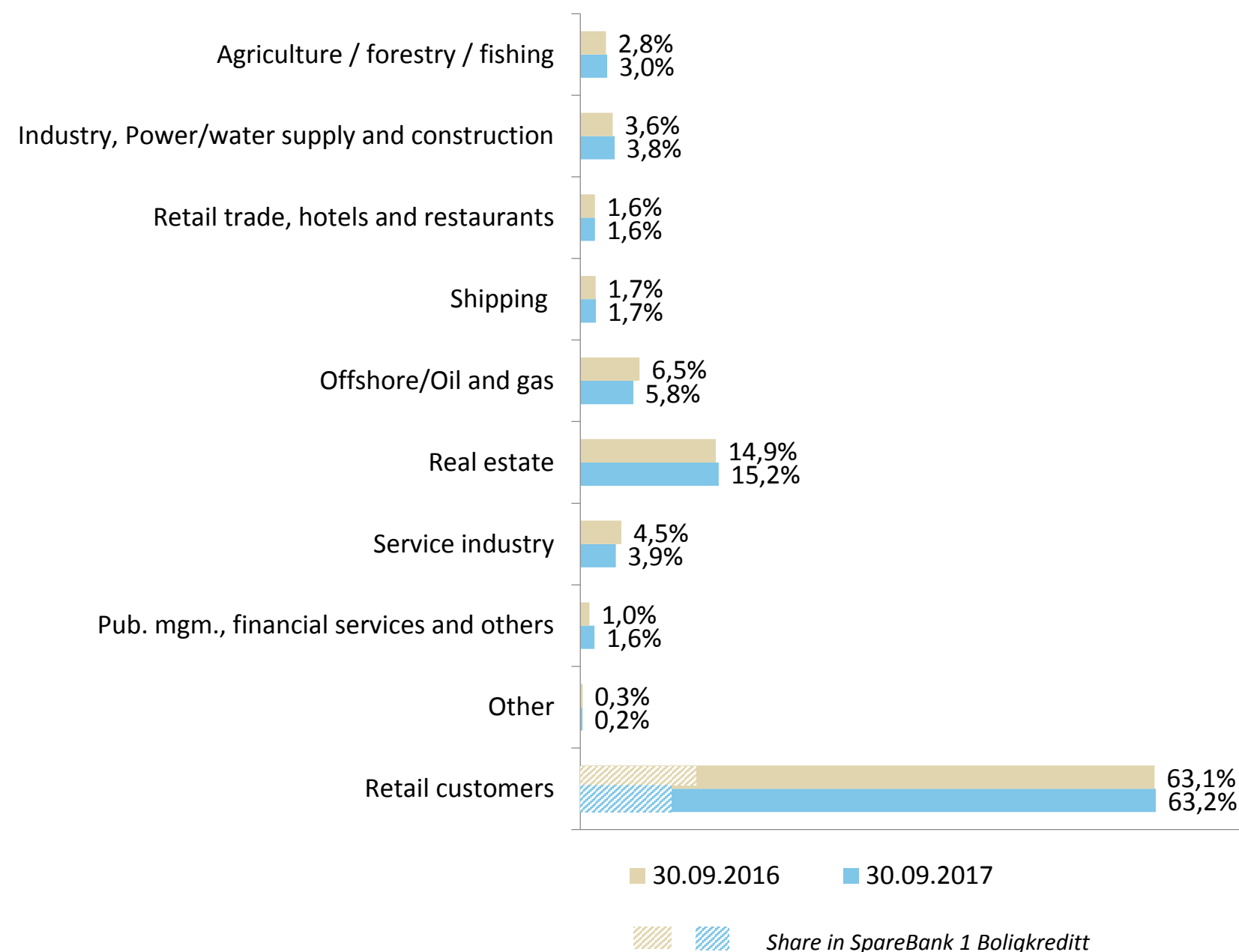
# Lending volume and 12 months growth



Figures incl. loan portfolio in covered bond companies. SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and the lending volume from SR-Finans is included in the figures from first quarter 2017. This results in break in the historic figures.

# Loan portfolio as at 30.09.2017

- Gross loans (incl. covered bond companies) as at 30 September 2017 amount to NOK 185.2 billion compared with NOK 183.0 billion at the same time the year before.
- 12-month growth in loans of 1.2%. Growth year-to-date is 1.5%.
- Loans to retail customers (incl. covered bond company) account for 63.2% of total loans, of which 9.4%-points is in SpareBank 1 Boligkreditt.

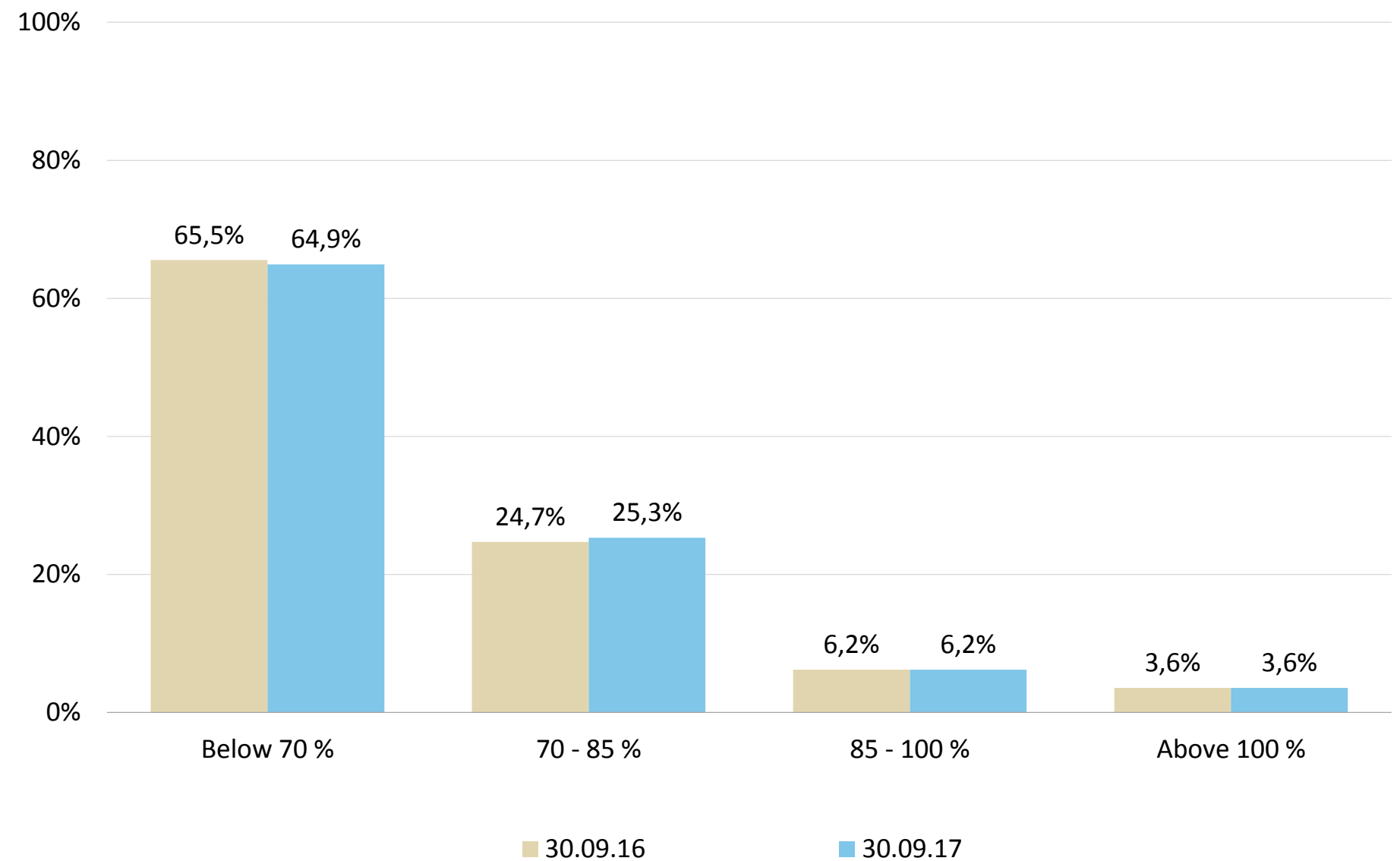


Loans before individual write-downs, nominal amounts.

Sector allocation in accordance with the standard categories from Statistics Norway.

# Loan to value ratio on home mortgage loans

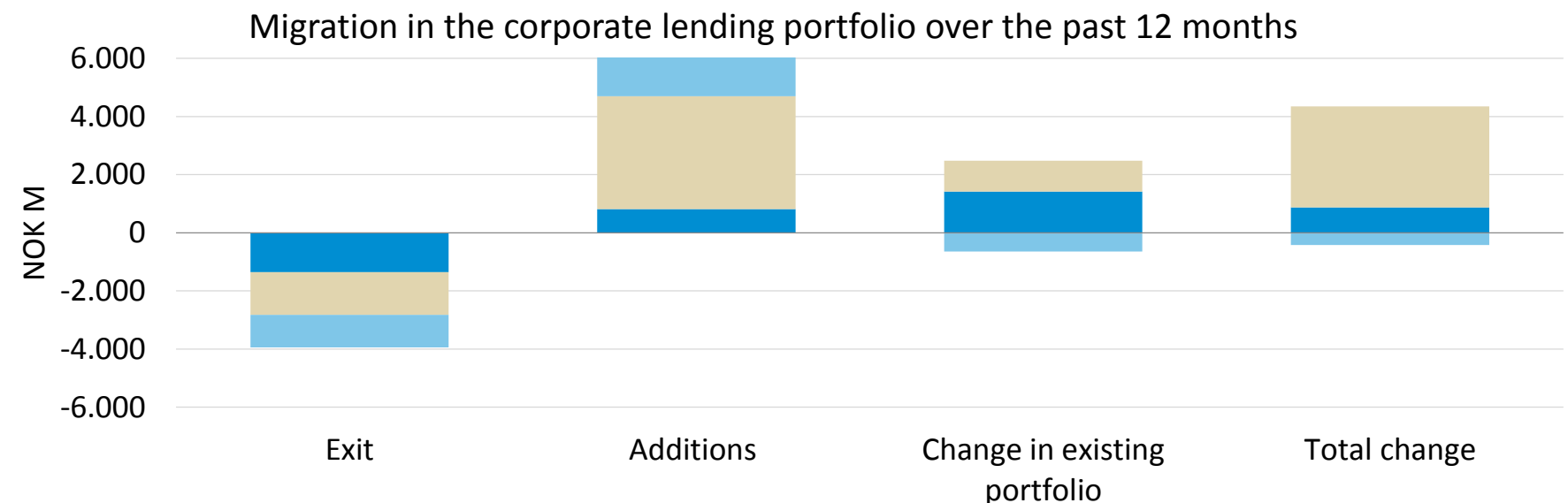
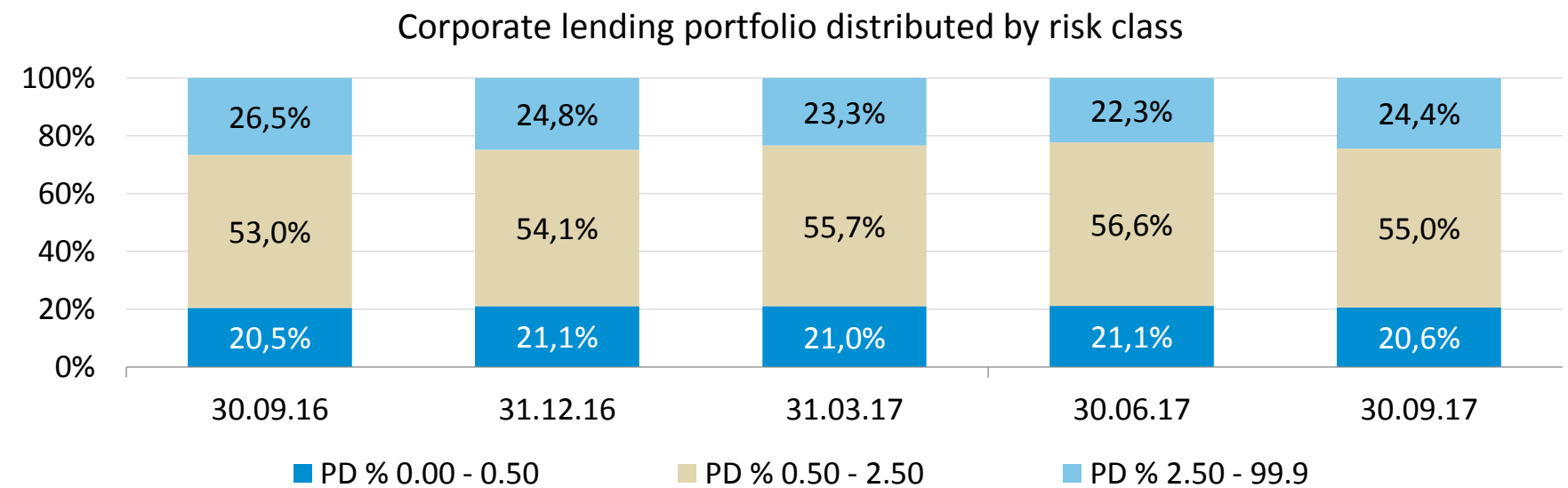
- The proportion of loans with a loan-to-value ratio of less than 85% is high.
  - 90.2% of the exposure is within 85% of the assessed value of collateral, same as last year.



*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.  
The figures include the loan portfolio in the covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).*

# Lending to the corporate market – risk profile

- The quality of the corporate market portfolio is good. There is a clearly defined framework that sets limit on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.
- Merged corporate lending portfolio from SpareBank 1 SR-Finans from 1 January 2017 primarily consists of leasing, and has approximately the same risk profile as the bank's portfolio.
- The share of costumers with PD\* below 0.5 % is at 20.6 %.



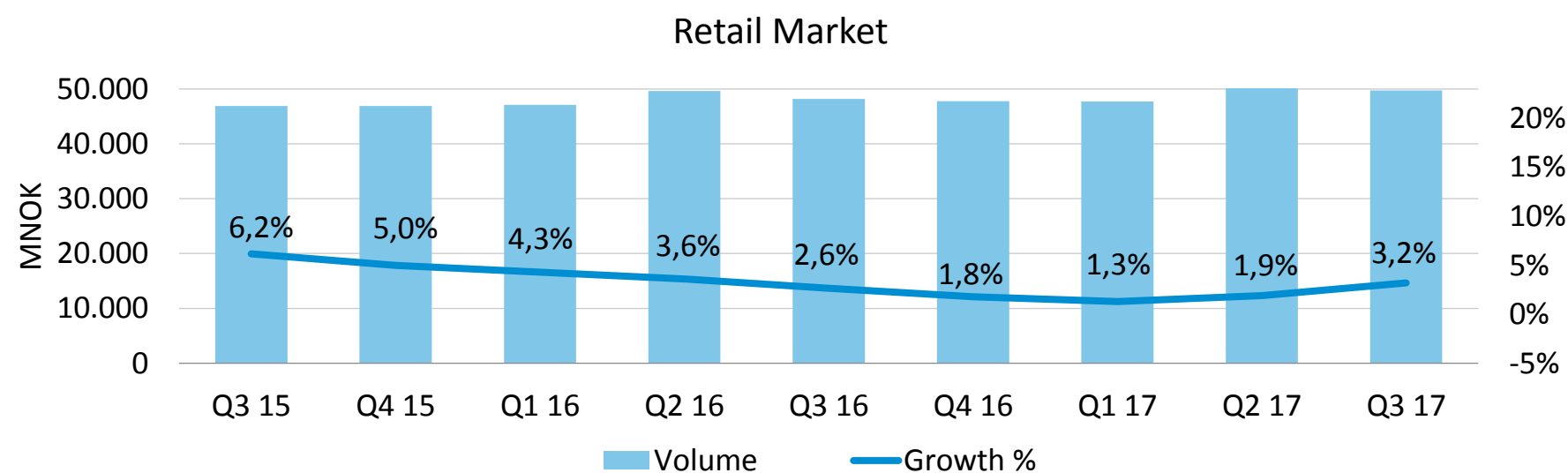
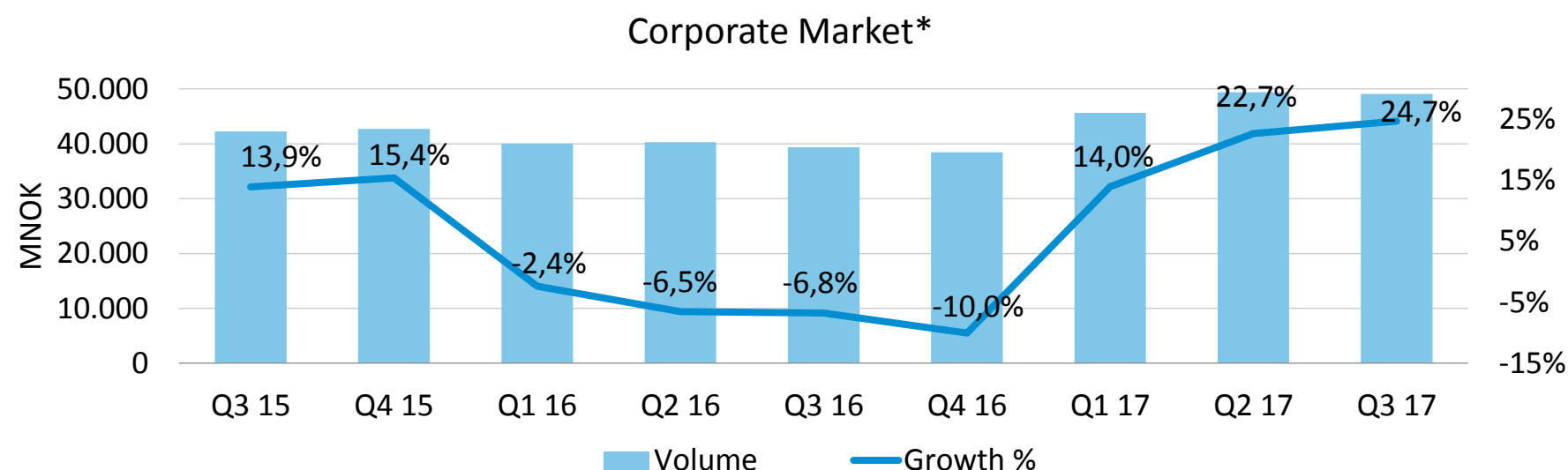
\*Probability of default (PD) through a full cycle of loss.

The figures include the loan portfolio in the covered bond companies (SpareBank 1 Næringskreditt AS).

SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and SR-Finans is included in the figures from first quarter of 2017.

# Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 11.4 billion to 98.6 billion.
  - Corresponds to an increase in the period of 13.0%.
- Increased deposit growth in the corporate market (incl. capital market) is due to larger deposits from public sector.
  - Deposit growth is 3.1% excl. deposits from public sector.

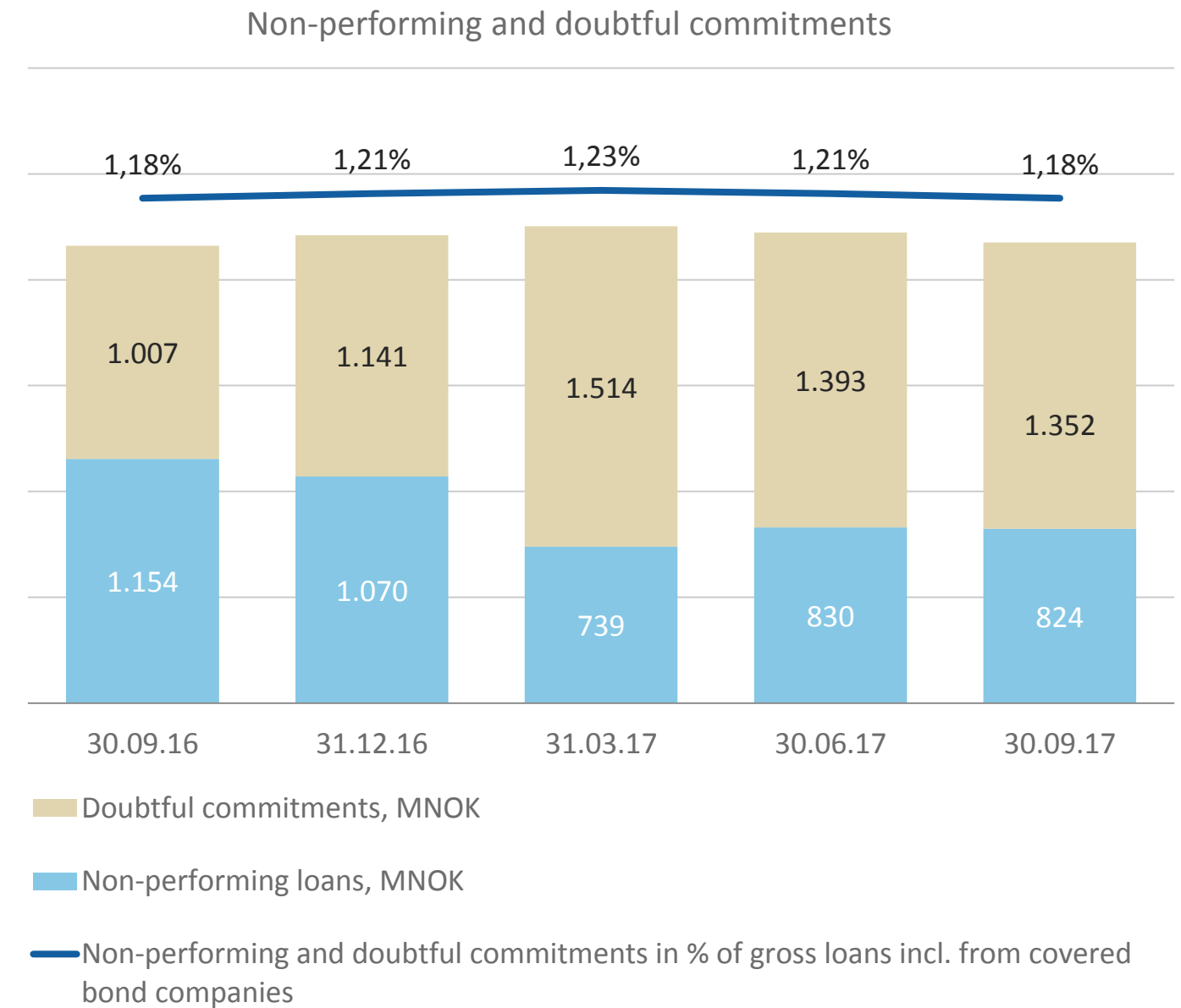
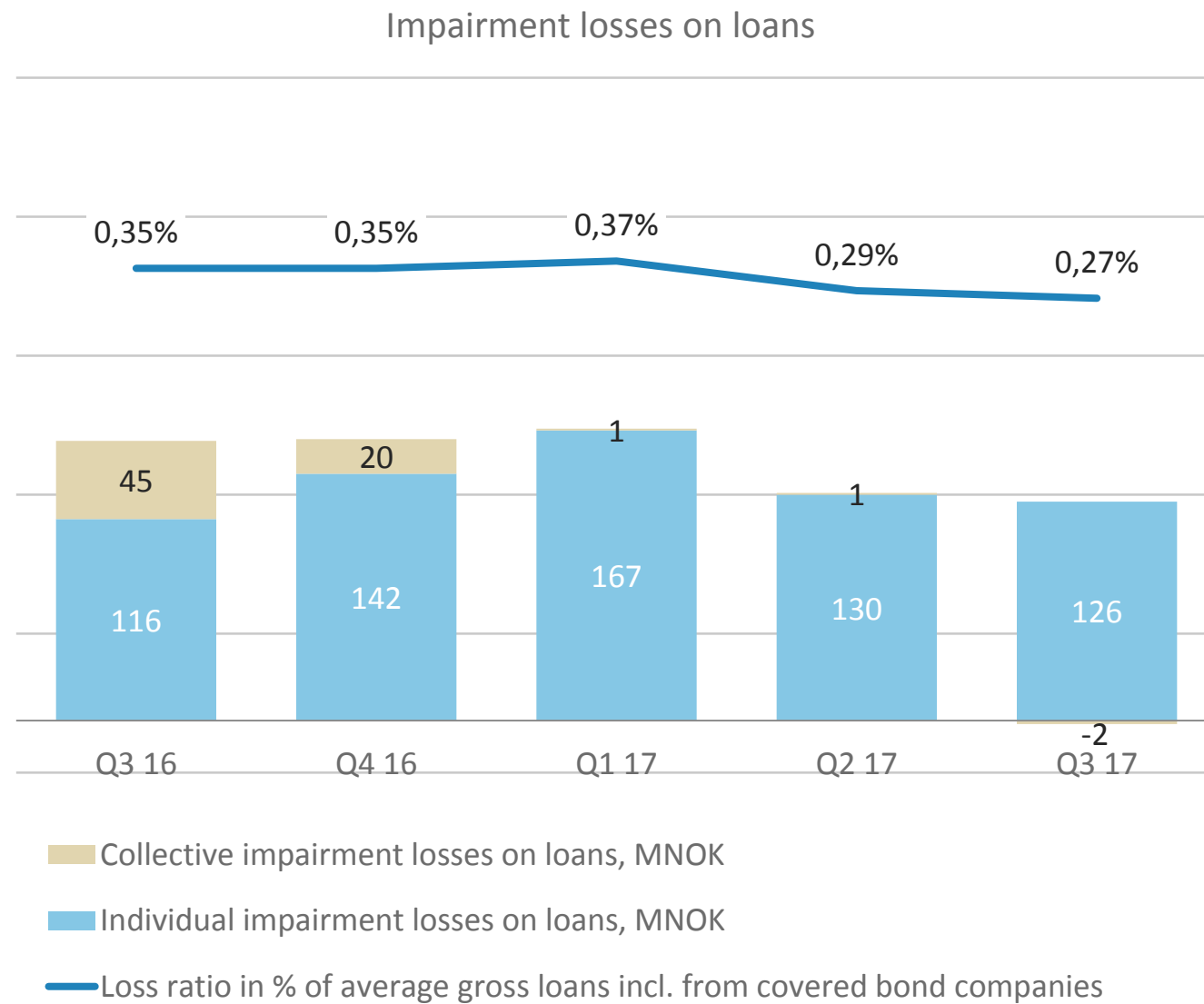




# Operating expenses

MNOK	30.09.2017	30.09.2016	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Personnel expenses	900	873	303	302	295	293	282
Financial activity tax	30	0	9	10	11	0	0
<b>Total personnel expenses</b>	<b>930</b>	<b>873</b>	<b>312</b>	<b>312</b>	<b>306</b>	<b>293</b>	<b>282</b>
IT expenses	235	234	74	86	75	87	83
Marketing	53	51	16	21	16	23	17
Other administrative expenses	62	46	21	20	21	23	15
<b>Total administrative expenses</b>	<b>350</b>	<b>331</b>	<b>111</b>	<b>127</b>	<b>112</b>	<b>133</b>	<b>115</b>
Depreciation	57	57	21	18	18	24	20
Operating expenses from real estate	26	26	7	9	10	9	9
Other operating expenses	234	205	79	82	73	81	60
<b>Total other operating expenses</b>	<b>317</b>	<b>288</b>	<b>107</b>	<b>109</b>	<b>101</b>	<b>114</b>	<b>89</b>
<b>Total operating expenses</b>	<b>1.597</b>	<b>1.492</b>	<b>530</b>	<b>548</b>	<b>519</b>	<b>540</b>	<b>486</b>

# Impairment losses on loans/ Non-performing and doubtful commitments



Introduction to SpareBank 1 SR-Bank ASA

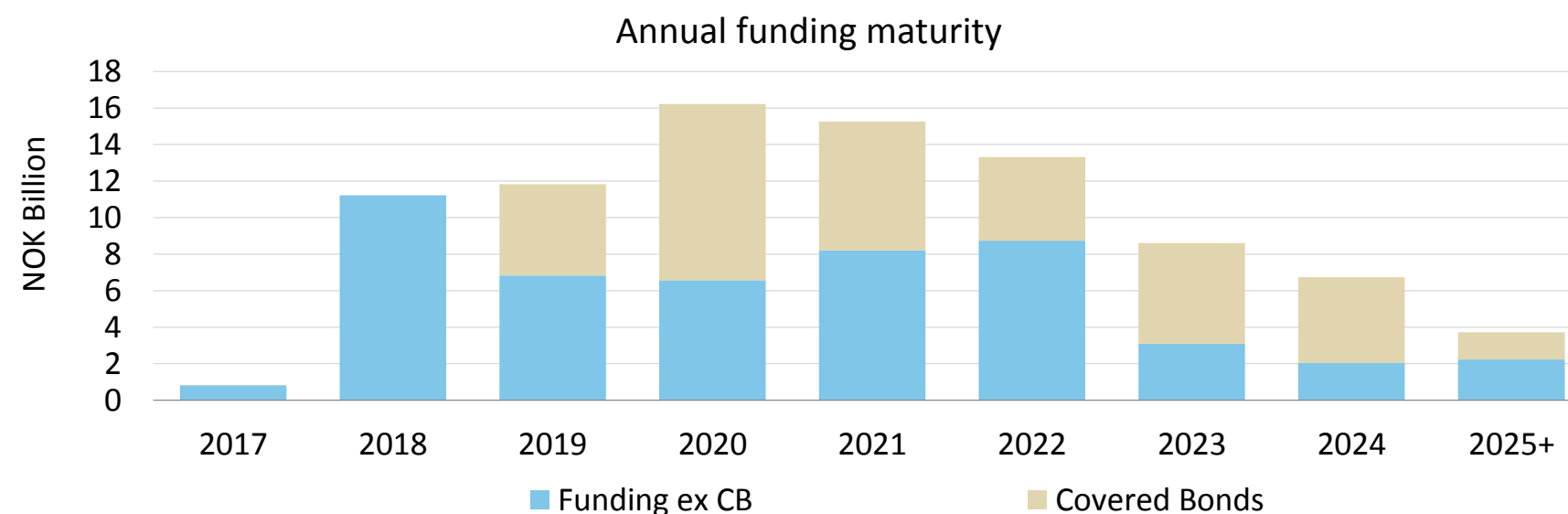
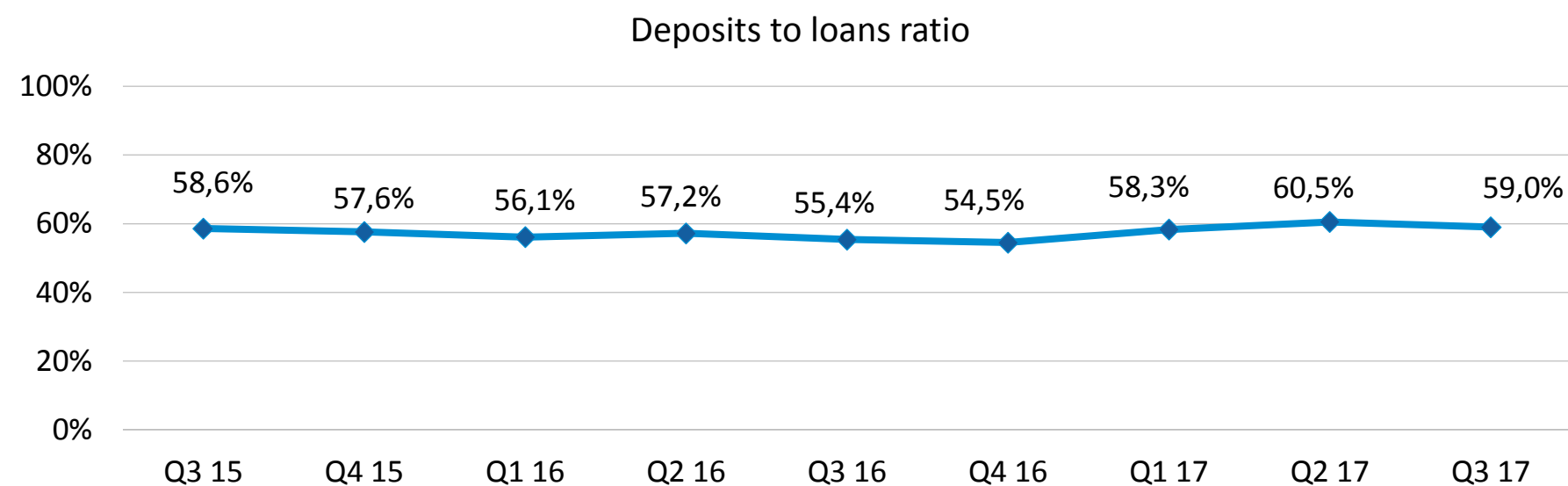
Financials

**Solvency and liquidity position**

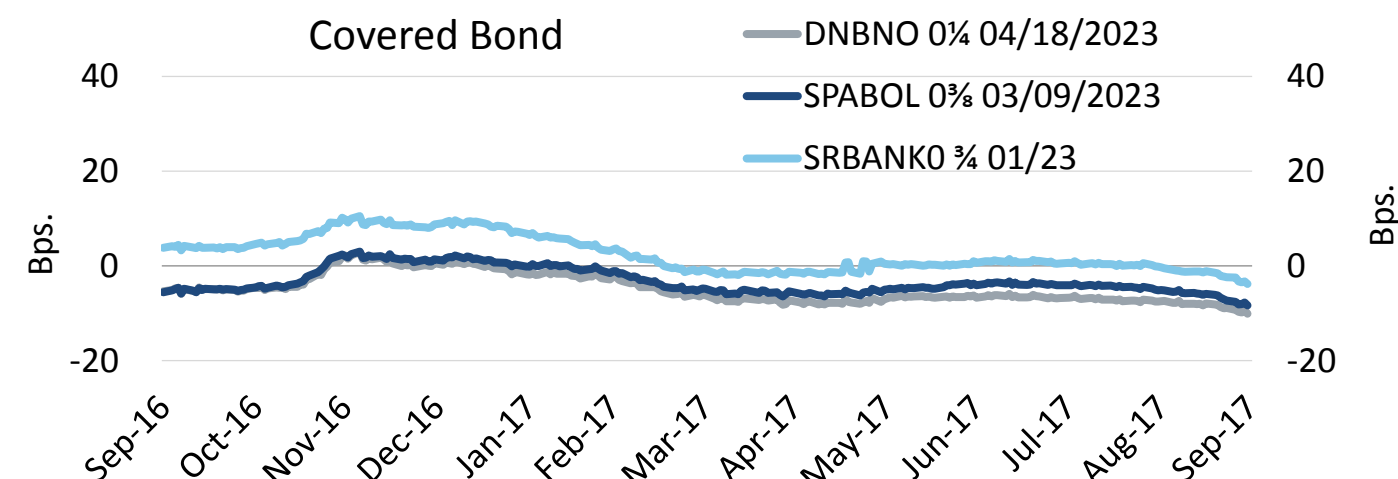
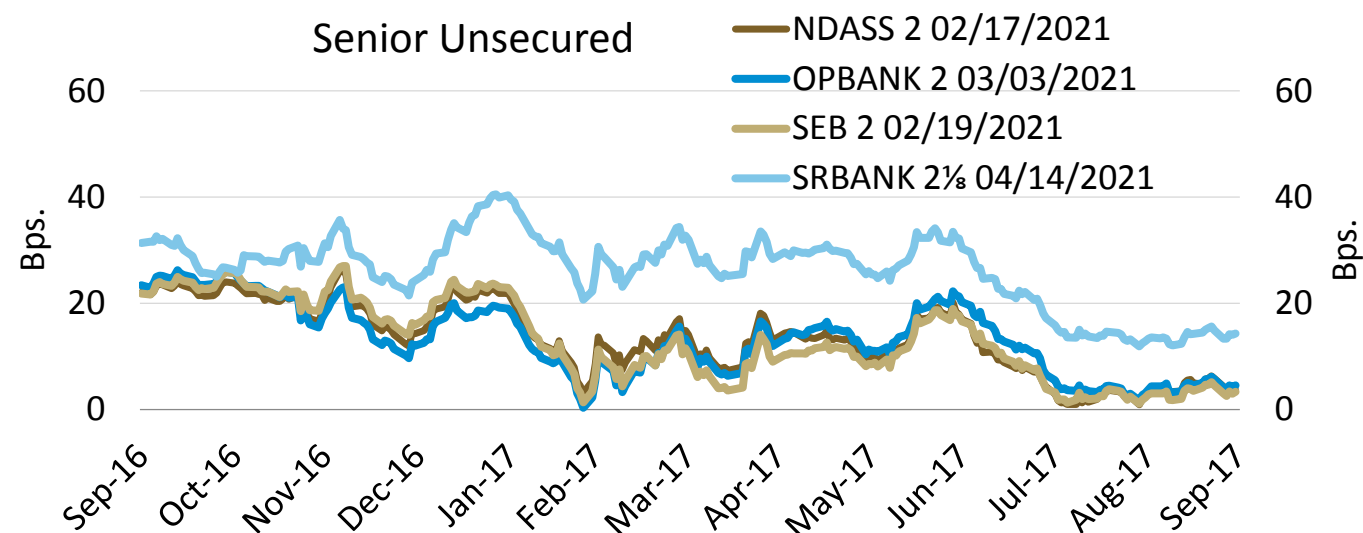
Appendix

# Funding

- Well diversified funding.
- Funding indicator 1\* is 115.9 % on consolidated basis.
- Good liquidity
  - Net refinancing need over the next 12 months is NOK 6.6 billion.
  - Liquidity buffer is NOK 31.2 billion for normal operation in 35 months with closed markets. In addition to the liquidity buffer, NOK 15.6 billion of home mortgages are prepared for covered bond funding.



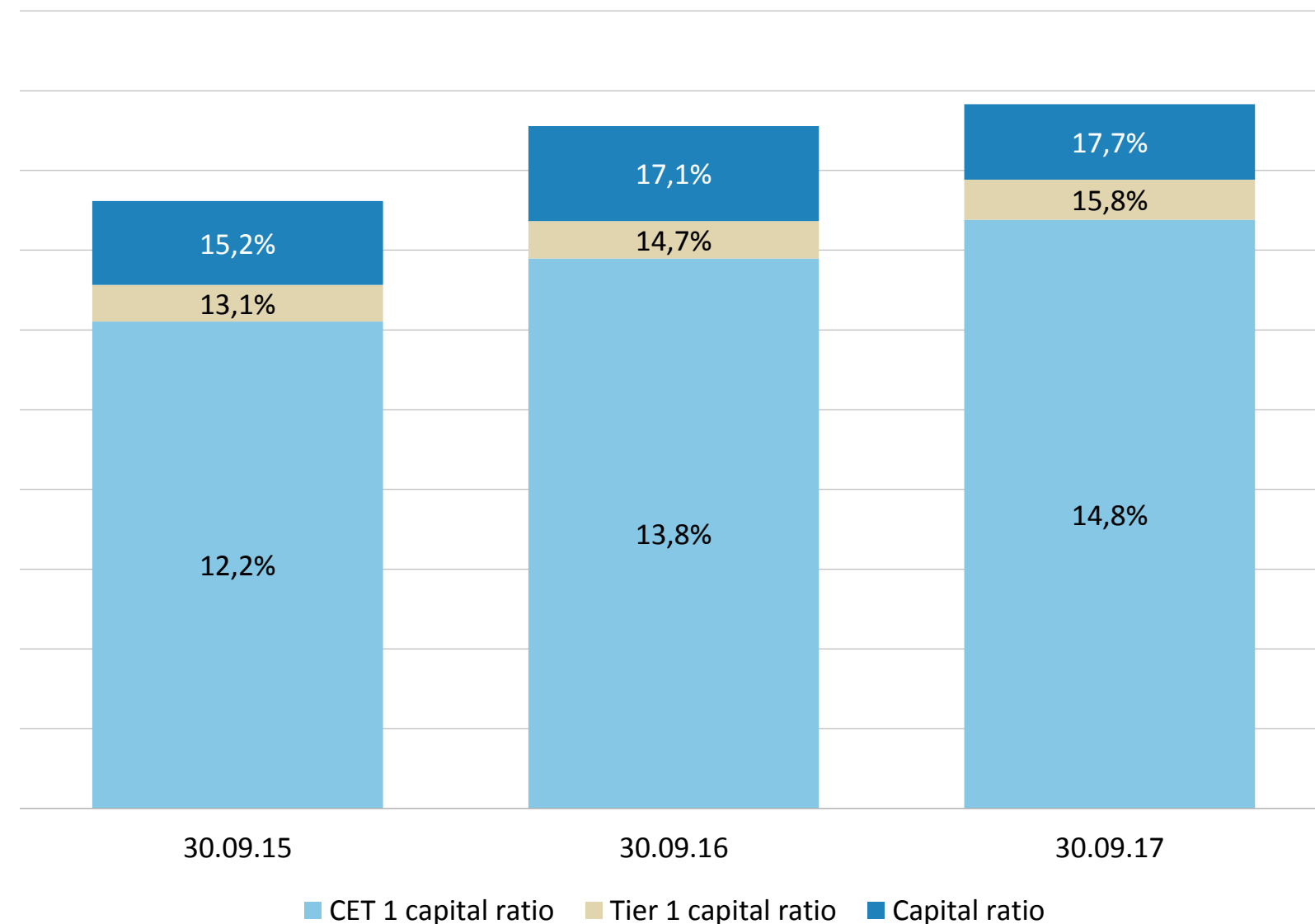
# An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	2,000%	EUR500mn	14-May-2018	XS0853250271
SR-Bank / SRBANK	2,125%	EUR500mn	27-February-2019	XS0965489239
SR-Bank / SRBANK	2,125%	EUR500mn	03-February-2020	XS0876758664
SR-Bank / SRBANK	2,125%	EUR750mn	14-April-2021	XS1055536251
SR-Bank / SRBANK	0,375%	EUR500mn	10-February-2022	XS1516271290
SR-BOL / SRBANK	0,500%	EUR500mn	28-September-2020	XS1297977115
SR-BOL / SRBANK	0,125%	EUR750mn	8-September-2021	XS1429577791
SR-BOL / SRBANK	0,750%	EUR600mn	18-January-2023	XS1344895450
SR-BOL / SRBANK	0,375 %	EUR 500mn	3-October-2024	XS1692489583
SR-BOL / SRBANK	2,500%	USD600mn	12-April-2022	XS1596016847
SR-BOL / SRBANK	Nibor3m + 34	NOK 5.000mm	25-November 2019	NO0010779176
SR-BOL / SRBANK	Nibor3m + 35	NOK 5.000mm	10-September 2020	NO0010740152

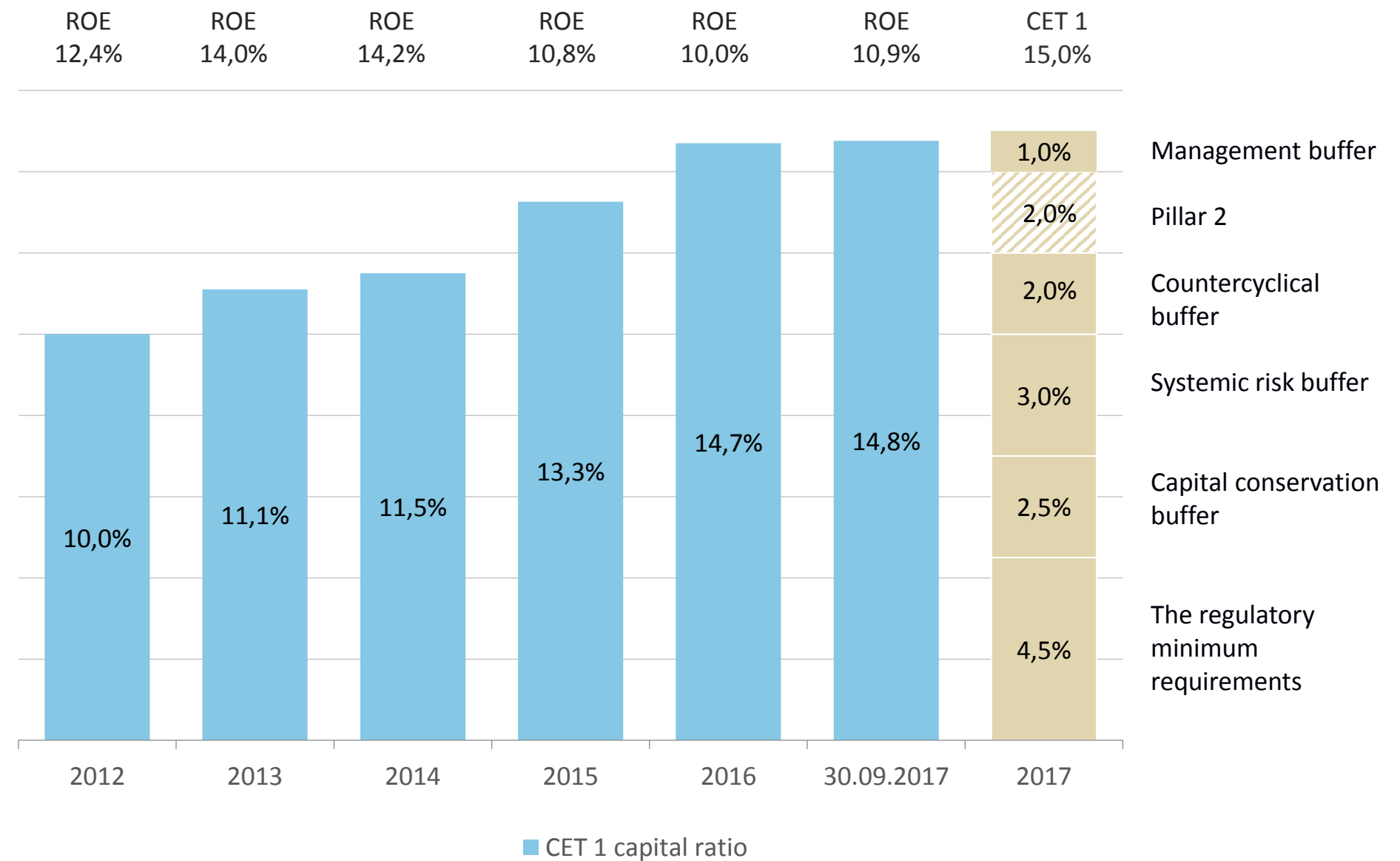
# Stronger capital ratio

- SpareBank 1 SR-Bank is compliant with capital requirements as at 30.09.2017.
- SpareBank 1 SR-Bank owned a 13.9% stake in SpareBank 1 Boligkreditt per 30.09.2017, while the share of mortgages sold to the company amounted to 10.1%. The stake is normally adjusted on an annual basis in line with the share of the volume sold at the end of the year. A corresponding adjustment at the end of the third quarter of 2017 would have amounted to an CET 1 capital ratio of 15.1%-points.
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.
  - The Basel I floor is also practised differently.
- Leverage ratio is 7.2% as at 30.09.2017. SpareBank 1 SR-Bank exceeds the levels being discussed internationally.



# Common Equity Tier 1 being strengthened in line with stricter regulatory requirements

- The target CET 1 level is 15.0% in 2017. The target expected to be reached through good profitability.
- Countercyclical buffer is 1.5% and will increase to 2.0% per 31. december 2017.
- The Pillar 2 requirement for SpareBank 1 SR-Bank is 2.0%.
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).
- CET 1 is 15.1% taking into account rebalancing of ownership in SpareBank 1 Boligkreditt.

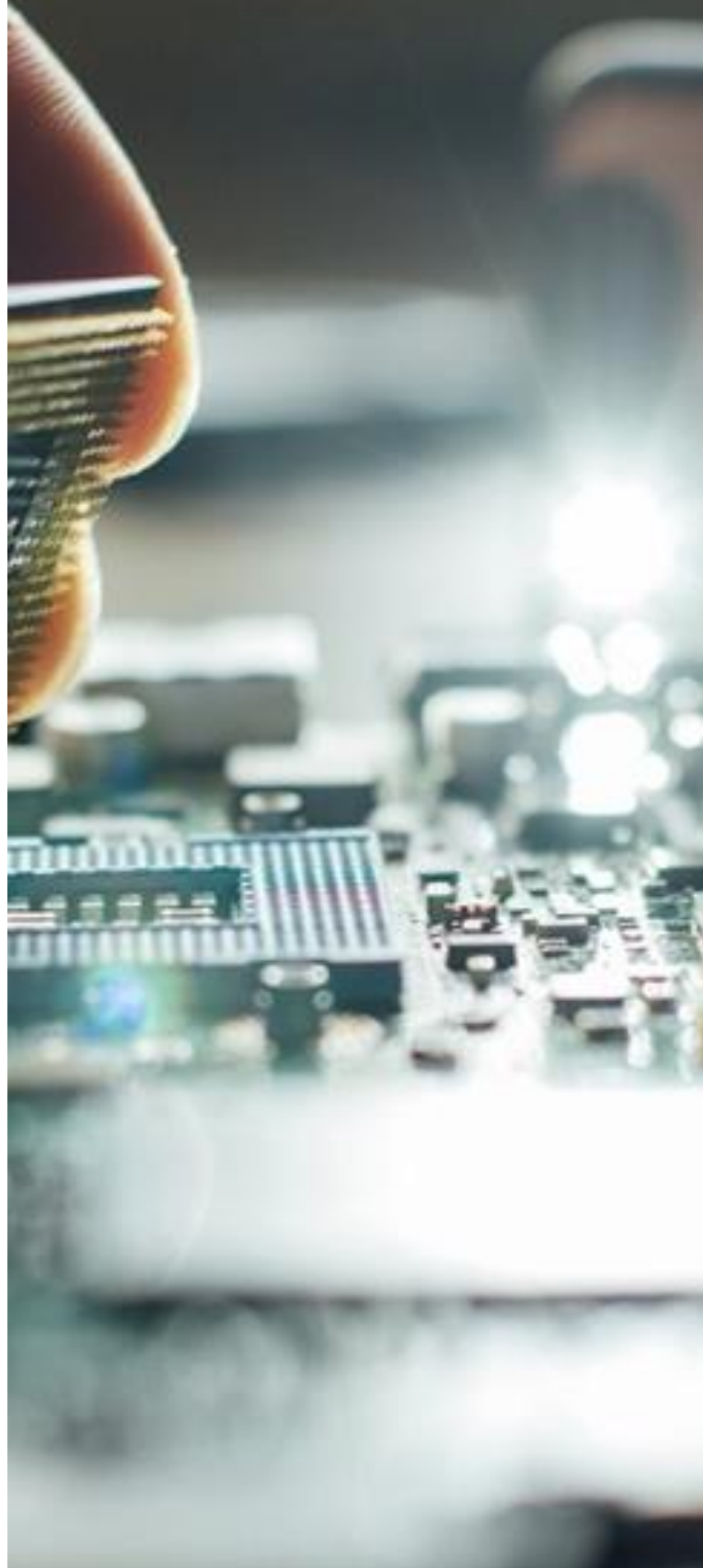


# Outlook

- Major infrastructure projects helps to ensure good conditions for the region's business and population growth, with moderate unemployment.
- Expectations concerning future market performance improved somewhat in the last months, but some uncertainty still exists about the group's market area.
- Oil investments on the Norwegian continental shelf are expected to be reduced by about 10% in 2017 and then flatten out in 2018.
- Uncertainty about economic developments may dampen demand for loans, while low interest rates work in the opposite direction. We expect stable house prices going forward and still strong competition for new home mortgage customers.
- Declining unemployment in the group's market area combined with increasing sales of homes, especially in Rogaland, are contributing to greater optimism among the bank's retail and corporate customers.
- SpareBank 1 SR-Bank expects to make loan loss provisions at NOK 500 – 700 million in 2017.
- Solid earnings from a robust business model and capital efficiency indicates SpareBank 1 SR-Bank well positioned to build up the necessary capital going forward, while ensuring continued competitiveness and normalized dividend from 2018.
- An offensive approach for the future including investing in new technology and focus on accounting services and consulting.



## New ventures in the group



- **Gründerhub** established in Stavanger, Bergen and Kristiansand. The group continues to support entrepreneurs by offering free entrepreneur programmes and free office space. The goal is to create an exciting environment and processes where people with good ideas can get help to take their idea to the next level and develop their company within 4 months.
- **FinStart Nordic AS** – start-up 1 January 2018. The company will be a start-up factory for new ideas and the venture will challenge the bank's own business models. The goal is to develop new services at a faster pace and work more systematically with innovation in order to follow up the customers' expectations in relation to banking services and assert ourselves in the competition with other actors.
- **Establishment of an Oslo branch** – spring 2018. The corporate market division will establish a branch in Oslo in order to be close to the customers and also follow them when their work moves out of the region. The branch will work with some of our largest corporate customers, where the trend is for decisions to be taken centrally in Oslo.
- **Regnskapshuset** – good growth since its start-up in 2015. Inclusive of the latest acquisition of Regnskapspartner Bergen AS from 1 January 2017. The company expects to achieve a turnover in the region of NOK 100 million in 2017 and further growth going forward.
- **Cooperation with SpareBank 1 Markets** from 15 October 2017. This is helping to create a more robust national distribution platform. The cooperation means we are creating direct ties to one of Norway's best teams of analysts, while securities brokering on behalf of SR-Bank's customers will largely continue to take place locally from Stavanger.

## Start-up factory for new ideas

NOK 50 million for the establishment and operation of FinStart Nordic, and NOK 250 million for investments in new ideas and start-up companies within fintech.

The venture is intended to help develop even better customer services through the development of financial services, combined with a financial upside.

The immediate objective is to create ten successful companies in the next 7 years.



## If Silicon Valley can do it, so can Stavanger.

Our virtual robot Banki was developed by Boost AI, which was part of the entrepreneurial hub we support. That makes us very proud! Since then, Boost AI has experienced major growth and hired a number of developers. Boost AI is part of the portfolio of fintech companies we own stakes in.



Crowdfunding loans gives you and me the opportunity to invest in companies that want to grow.

## Monner – future opportunities for investing and funding

Monner is a platform for loan-based crowdfunding. The company will offer loans to smaller companies that require funding by connecting individuals who want alternative forms of investment to the company's lending needs.

Monner is also part of the portfolio of fintech companies we own stakes in.

# We are opening a branch in Oslo

SpareBank 1 SR-Bank wants to be a long-term and predictable source of support for its customers. We are opening a new branch to ensure that we are closer to more of our major corporate customers in Oslo.

The new branch in Oslo will primarily focus on corporate customers in the medium-sized segment.

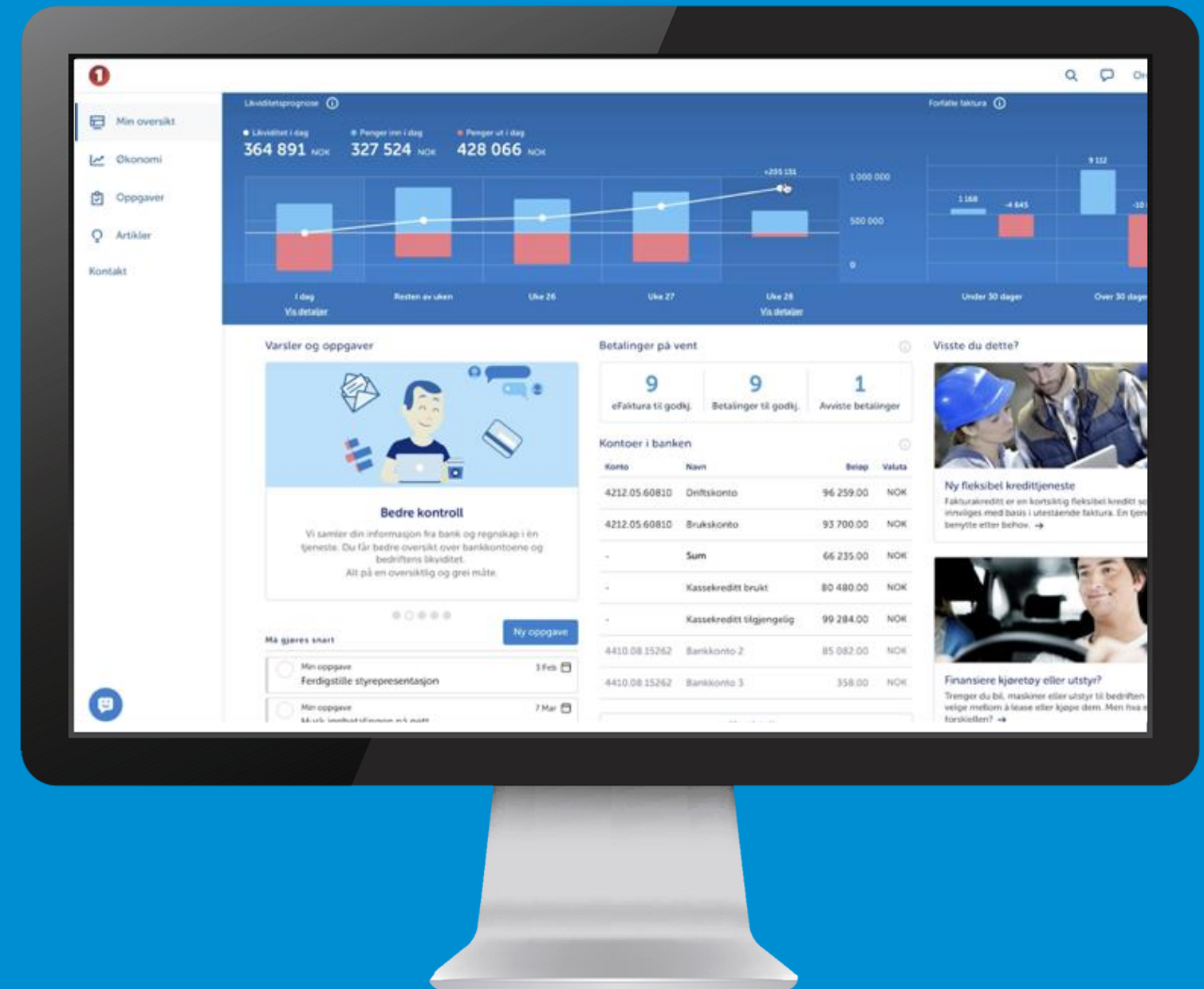


# DRIV

## Banking and accounting via a single service

DRIV is a portal for SME customers in which we provide a simple overview of their banking and accounting.

DRIV is a customer-oriented system that is intended to provide a company's management team with a better overview of the company's various bank accounts and liquidity.



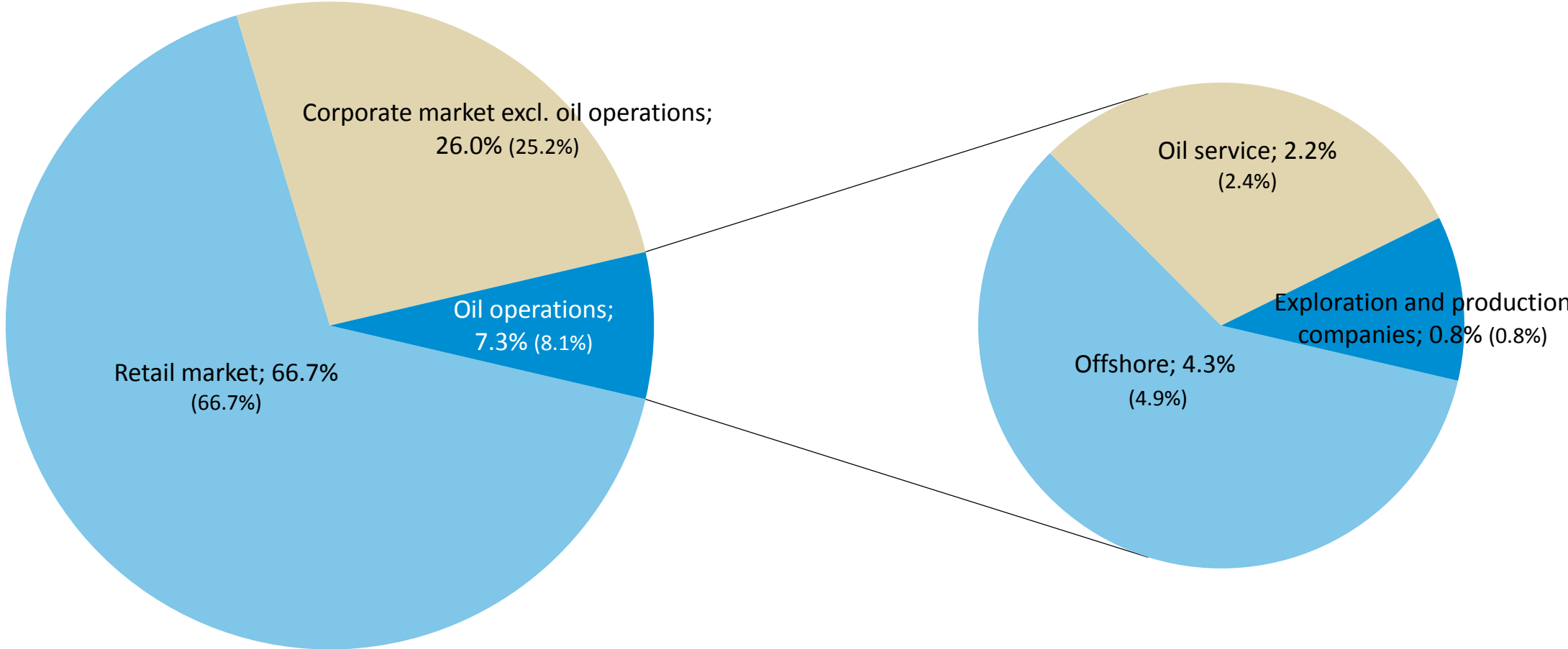
## APPENDIX

- 1) Oil related portfolio
- 2) Macro
- 3) Norwegian housing and mortgage markets
- 4) SpareBank 1 SR-Bank

# SpareBank 1 SR-Bank has a well diversified portfolio

7.3% (8.1%) of total EAD is related to oil operations

SpareBank 1 SR-Bank\* has total BNOK 206.5 (200.1) EAD per 30.09.2017      BNOK 14.9 (16.2) EAD is related to oil operations



EAD: Exposure at default  
 Figures as at 30.09.2017. Figures in parentheses as at 31.12.2016

\*Include portfolio in covered bond company (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS). SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and lending volumes from SR-Finans are included in the figures from first quarter 2017. This results in break in the historic figures.



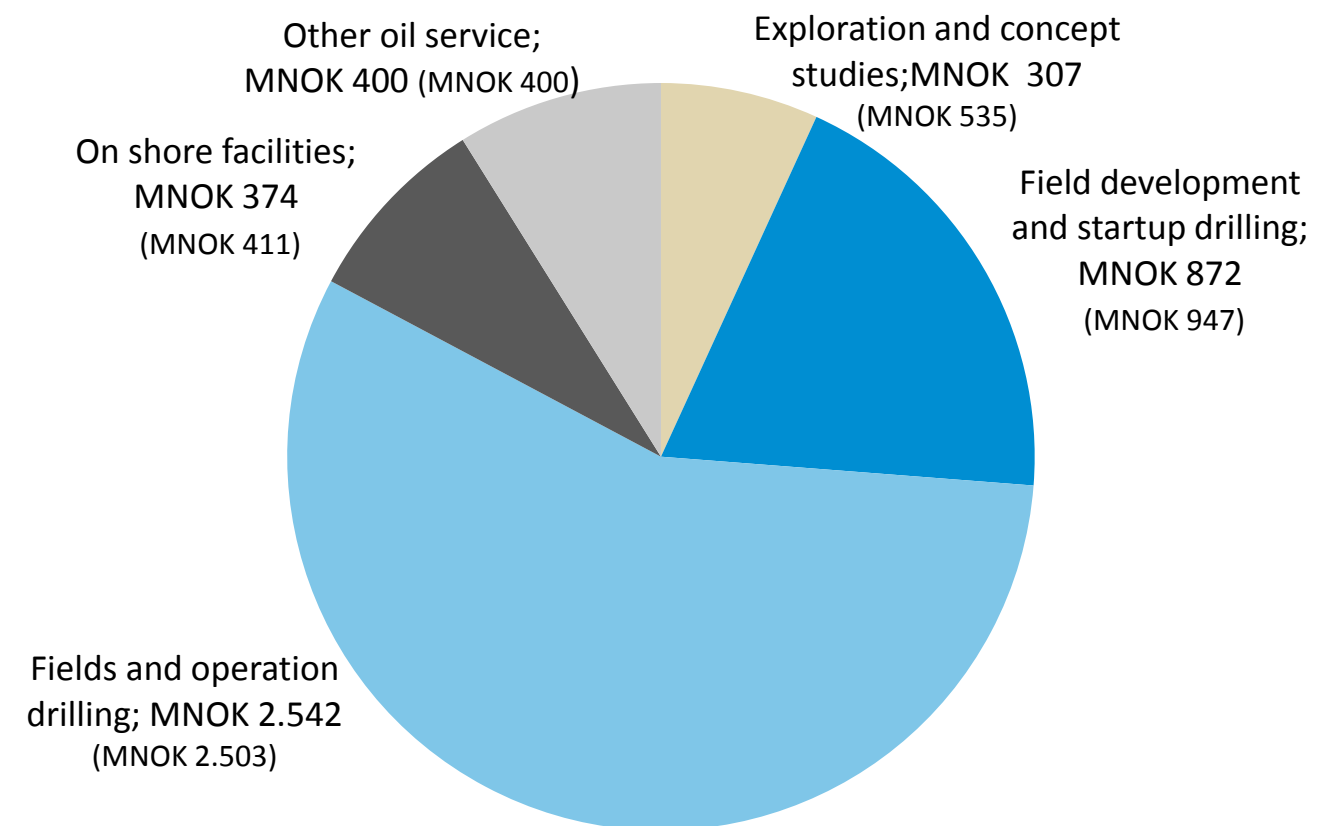
# Oil services - total NOK 4.5 billion

(NOK 4.8 billion as at 31.12.2016)

- Exploration and concept studies
  - EAD NOK 0.3 billion
  - Average weighted probability of default 2.8%
- Field development and start-up drilling
  - EAD NOK 0.9 billion
  - Average weighted probability of default 3.0%
- Operational fields and operational drilling
  - EAD NOK 2.5 billion
  - Average weighted probability of default 5.5%
- On shore facilities
  - EAD NOK 0.4 billion
  - Average weighted probability of default 4.8%
- Other oil services
  - EAD NOK 0.4 billion

## Oil services

- EAD NOK 4.5 billion, 2.2% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 4.7%
- Funding of operating capital through current and fixed assets, as well as guarantees



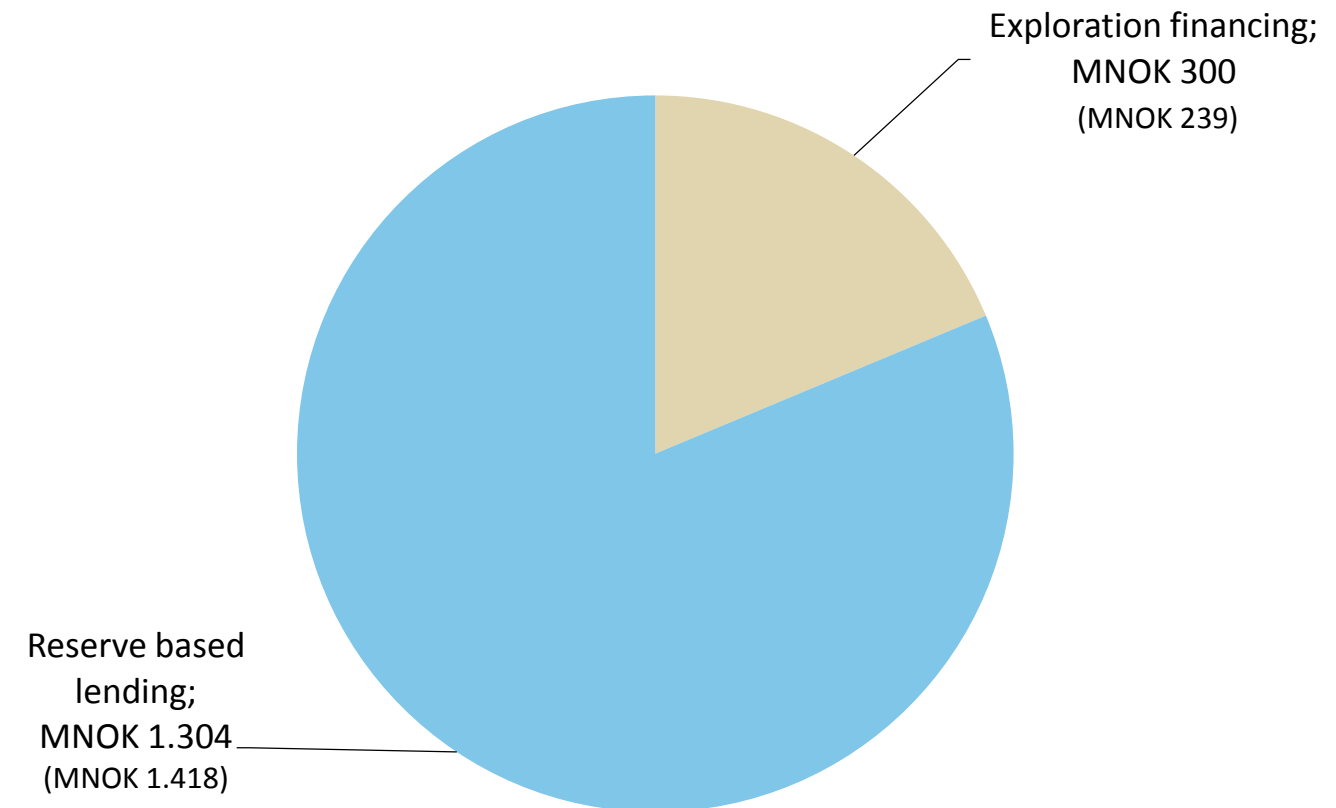
# Oil and gas - total NOK 1.6 billion

(NOK 1.6 billion as at 31.12.2016)

- Exploration financing
  - EAD NOK 0.3 billion
  - Average weighted probability of default 1.2%
  - Secured by a tax refund from the Norwegian State. No direct oil price risk
- Reserve based lending (RBL)
  - EAD NOK 1.3 billion
  - Average weighted probability of default 1.4%
  - Structured financing based on assumptions relating to reserves, production volume, investments, oil prices, etc. The basis for loans is adjusted semi-annually based on a review of total assumptions

## Exploration and production companies

- EAD NOK 1.6 billion, 0.8% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 1.4%
- Exposure primarily to companies with activities on the Norwegian continental shelf



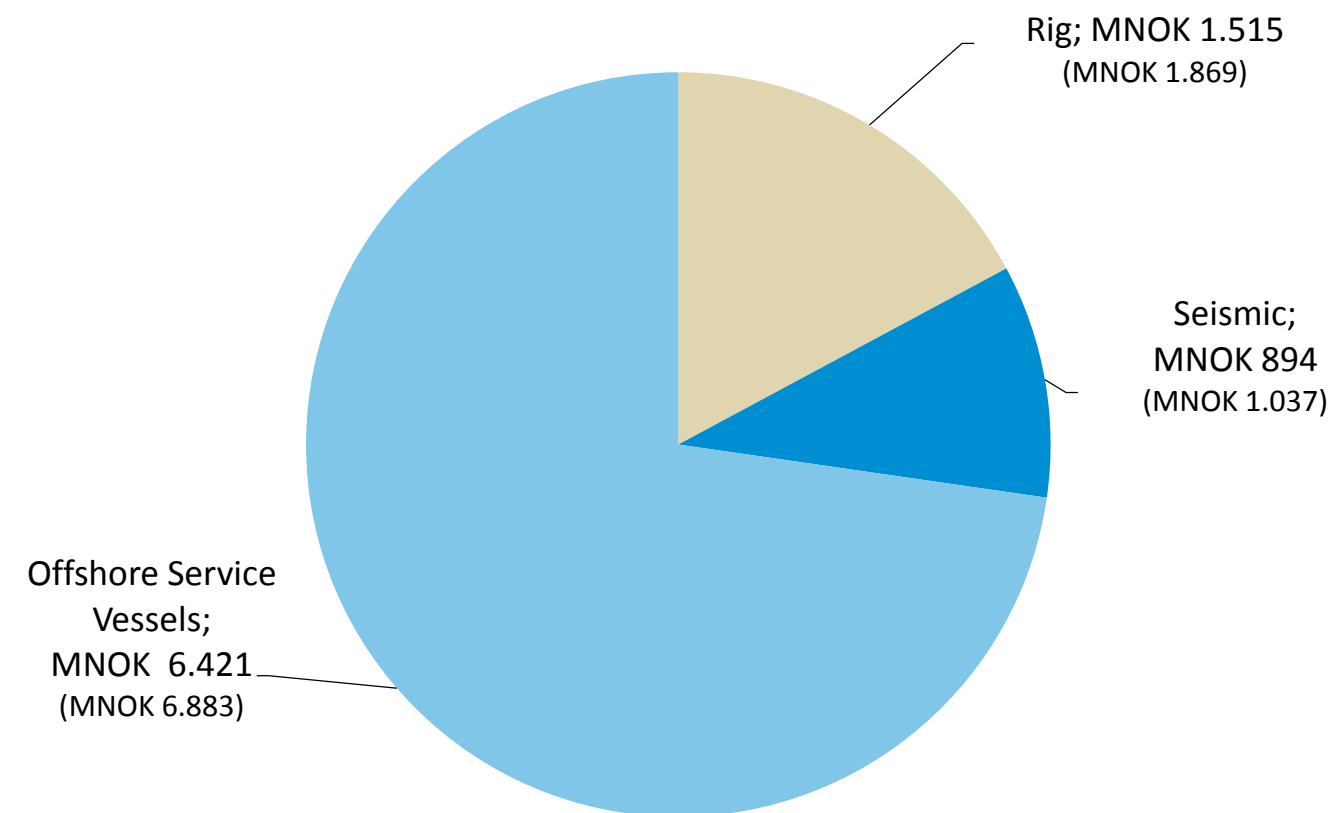
# Offshore - total NOK 8.8 billion

(NOK 9.8 billion as at 31.12.2016)

- Offshore Service Vessels
  - EAD NOK 6.4 billion, average weighted probability of default is 2.6%, weighted average age is 8.5 years, average weighted contract coverage for 2017 and 2018 of 53% and 42% respectively, average weighted LTV 109%, 92 vessels
- Rig
  - EAD NOK 1.5 billion, average weighted probability of default is 2.0%, weighted average age is 8.4 years, average weighted contract coverage for 2017 and 2018 of 67% and 51%, average weighted LTV 81%, 17 rigs
- Seismic vessels
  - EAD NOK 0.9 billion, average weighted probability 0.8%, weighted average age is 12.9 years, average weighted contract coverage for 2017 and 2018 of 67% and 67% respectively, average weighted LTV 107%, 7 vessels
  - Applies to ship financing, not seismic equipment

## Offshore

- EAD NOK 8.8 billion, 4.3% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 2.3%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



EAD: Exposure at default

Figures as at 30.09.2017. Figures in parentheses as at 31.12.2016.

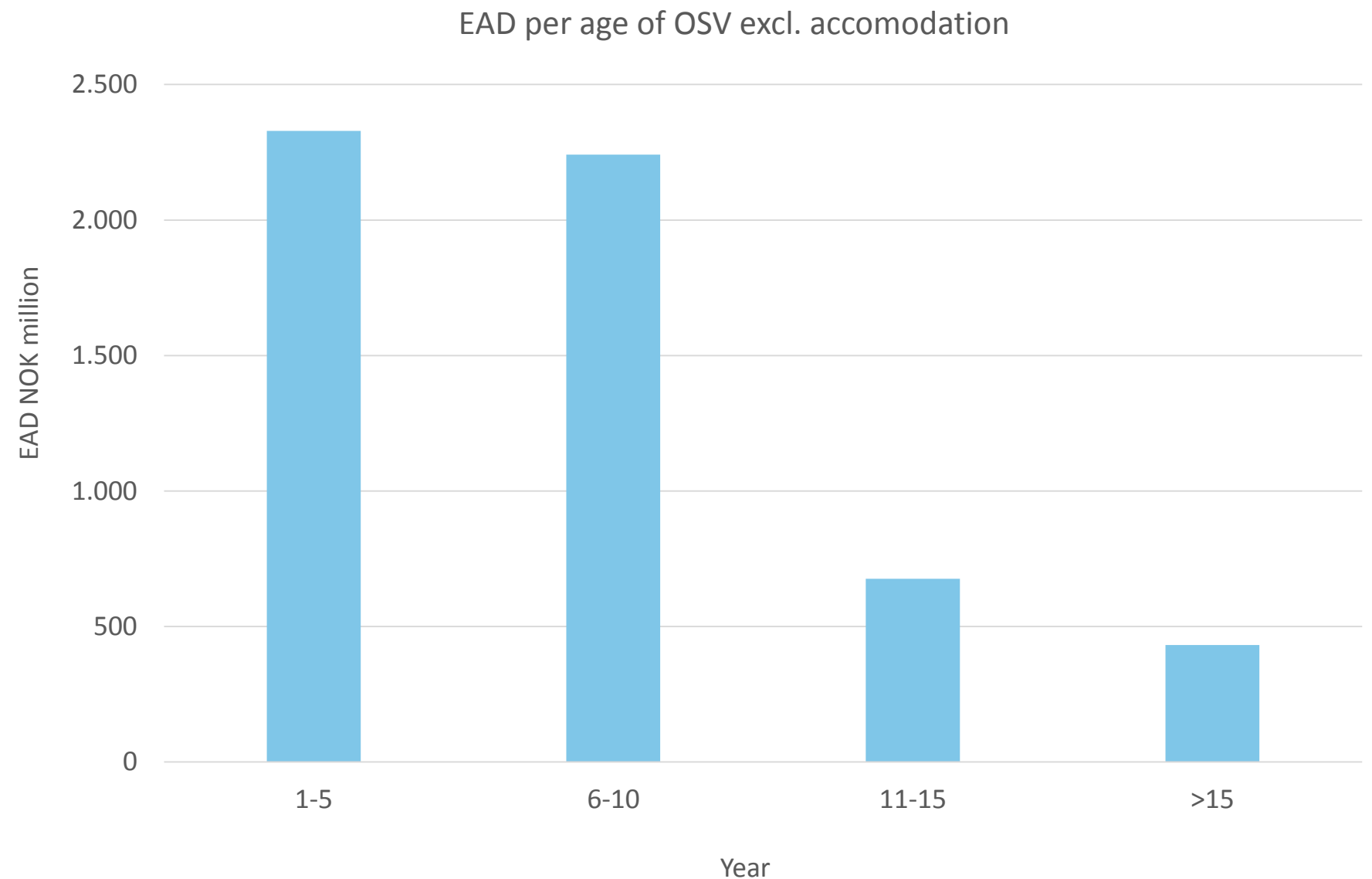
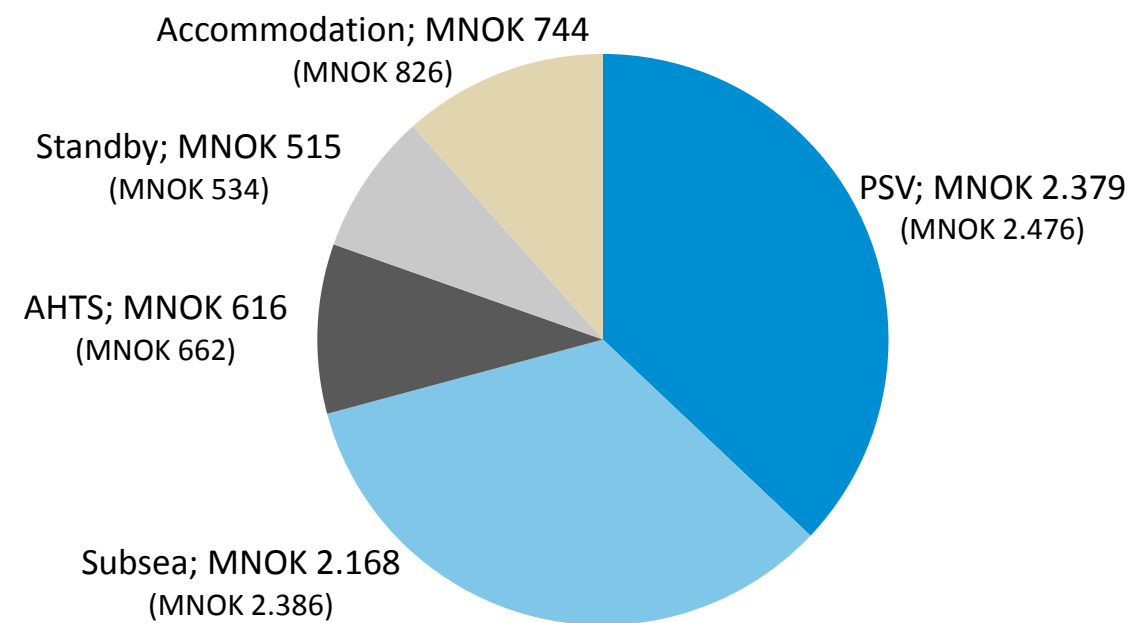
LTV: Loan to Value. Value estimates per 31.12.2016

# Offshore Service Vessels – total NOK 6.4 billion

(NOK 6.9 billion as at 31.12.2016)

## Offshore Service Vessels

- Most customers with long history as a borrower in SpareBank 1 SR-Bank
- Most of the companies are listed on stock exchange or family owned
- A major part is industrially focused companies, only a small number of financially oriented owners

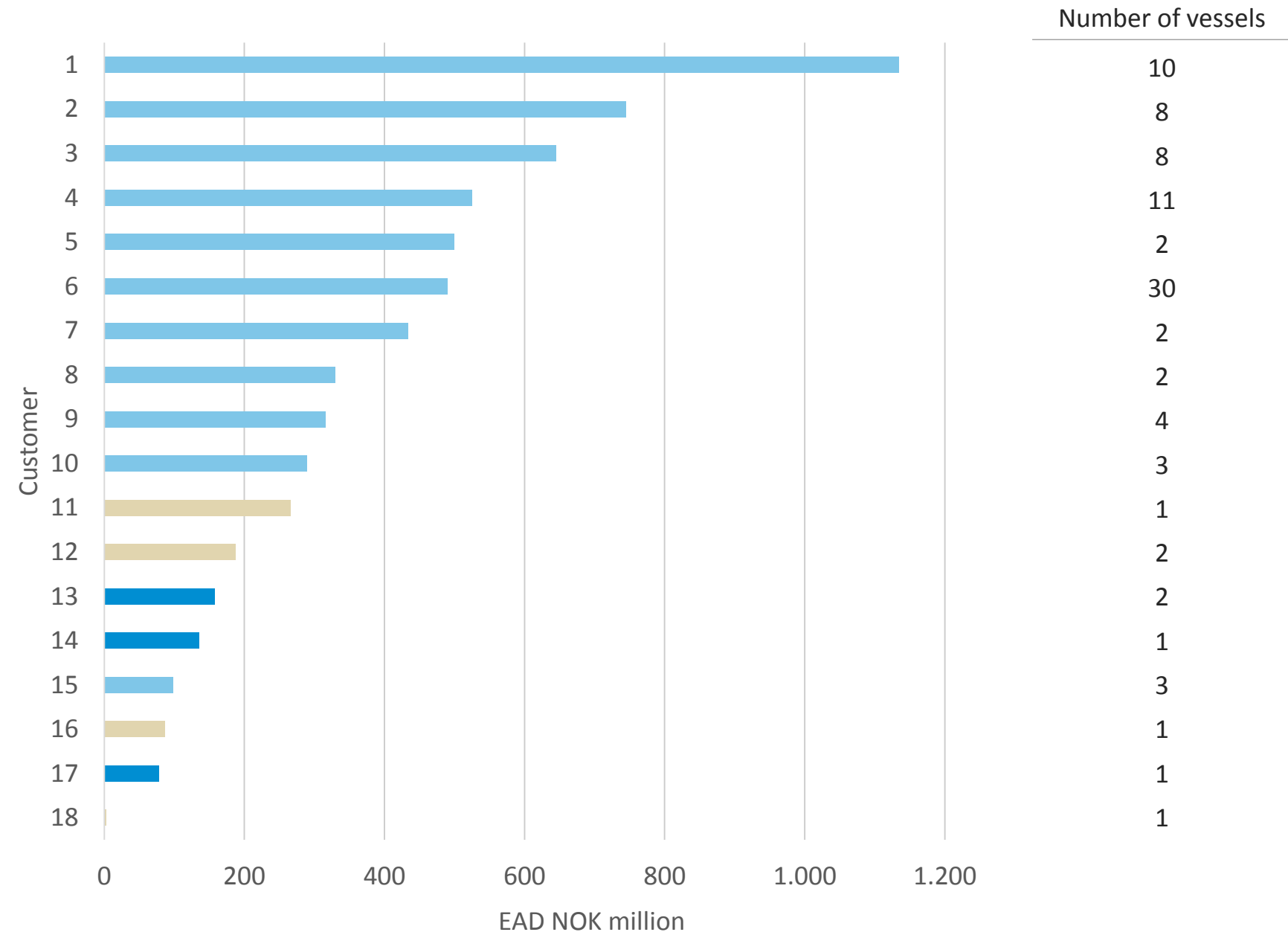


EAD: Exposure at default

Figures as at 30.09.2017. Figures in parentheses as at 31.12.2016.

# Offshore Service Vessels – largest customer group

- Well diversified portfolio. One commitment of NOK 1,1 billion, rest of NOK 750 or lower.
- Total EAD for the portfolio is NOK 6.4 billion of which;
  - NOK 5.5 billion consists of 11 restructured commitments
  - NOK 0.4 billion consists of 3 commitments under consideration
  - NOK 0.5 billion consists of 4 commitments where it is not required
- Financing of 92 vessels, all with 1. priority pledge



■ Restructured   
 ■ Under consideration   
 ■ Not required

## APPENDIX

- 1) Oil related portfolio
- 2) **Macro**
- 3) Norwegian housing and mortgage markets
- 4) SpareBank 1 SR-Bank

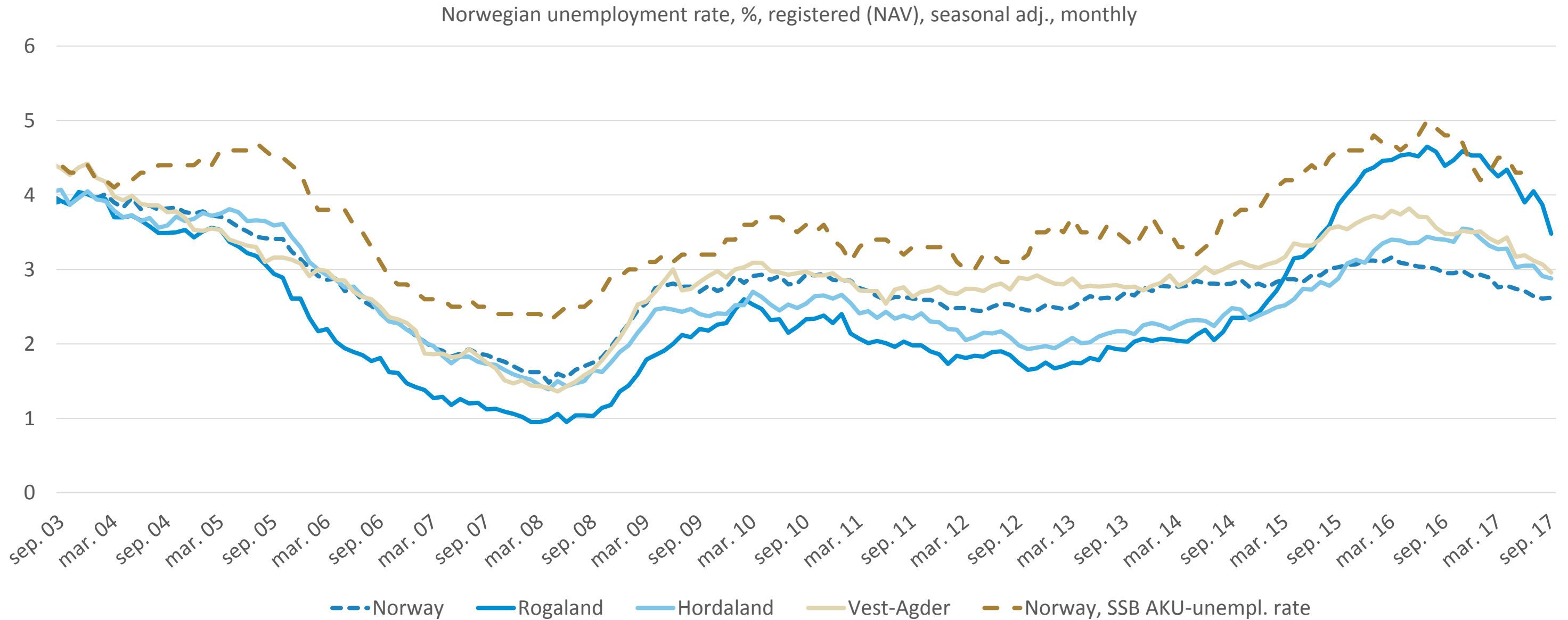
# A unique situation with a continuing budget surplus...



<b>Economic Indicators (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017P</b>	<b>2018P</b>
GDP mainland, annual change (%)	1,9	3,8	2,3	2,2	1,1	1,0	2,0	2,0
Household consumption, annual change (%)	2,3	3,5	2,7	1,9	2,1	1,6	2,7	2,7
Public consumption, annual change (%)	1,0	1,6	1,0	2,7	2,1	2,3	2,0	1,6
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	0,6	6,2	5,4	2,4
Investment public sector	1,1	-1,8	11,8	4,4	3,0	6,9	5,1	2,5
Investment offshore oil and gas, annual change (%). Statistics Norway	11,3	15,1	19,3	-3,2	-15,0	-16,4	-7,1	-1,6
Oil price, USD/bbl	111	112	109	99	53	44	52	55
Inflation rate (CPI) %	1,2	0,8	2,1	2,0	2,1	3,6	1,9	1,3
3 month NIBOR %	2,9	2,2	1,8	1,7	1,3	1,1	0,9	0,9
Mortgage rate %	3,6	3,9	4,0	3,9	3,2	2,6	2,5	2,4
Household savings ratio	5,8	7,1	7,6	8,2	10,4	7,2	6,4	6,8
Unemployment rate (registered at labour office)	2,6	2,6	2,7	2,7	3,0	3,0	2,7	2,5
HH sector real disposable income, annual change (%)	4,0	4,4	3,8	2,8	5,3	-1,5	1,9	2,7
Current account surplus, share of GDP (%)	12	12	10	11	9	5	6	6
Gov. budget surplus, share of GDP (%)	14	14	12	10	7	3	4	
Sovereign Wealth Fund, share of GDP (%)	118	129	164	204	244	234	240	

# The unemployment rate has been reduced

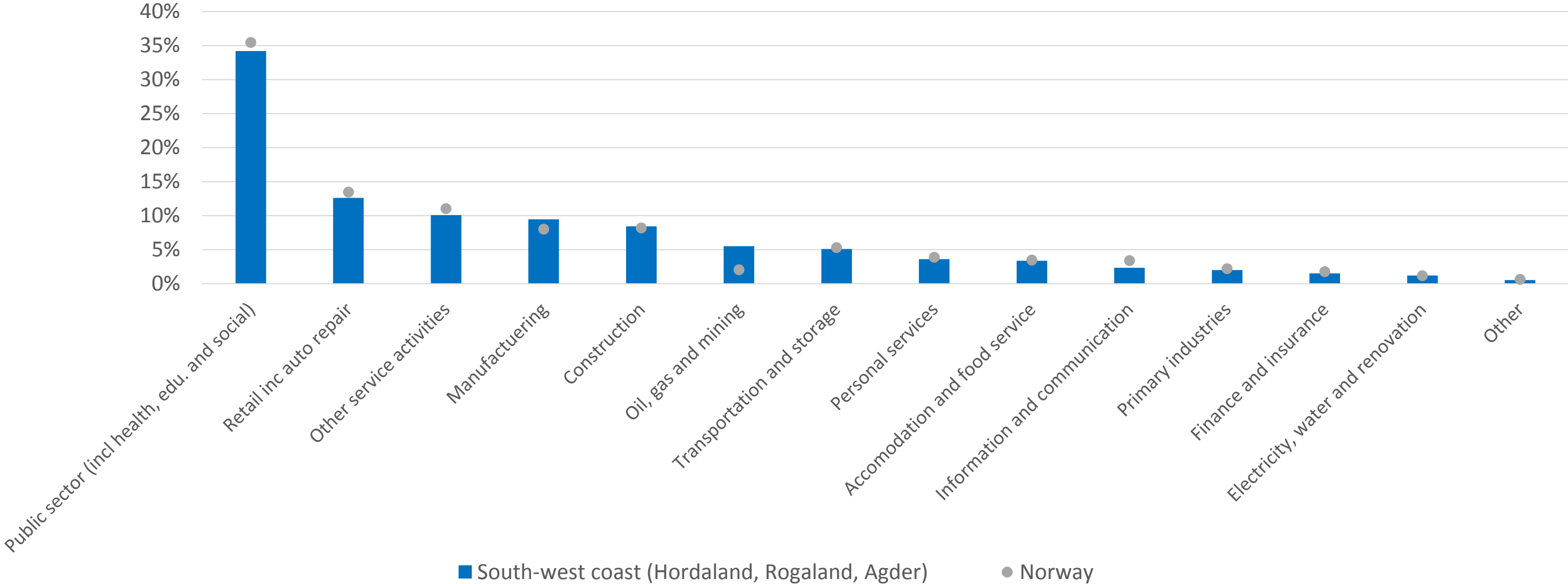
Marked reduction in Rogaland in 2017





# Employment by sector

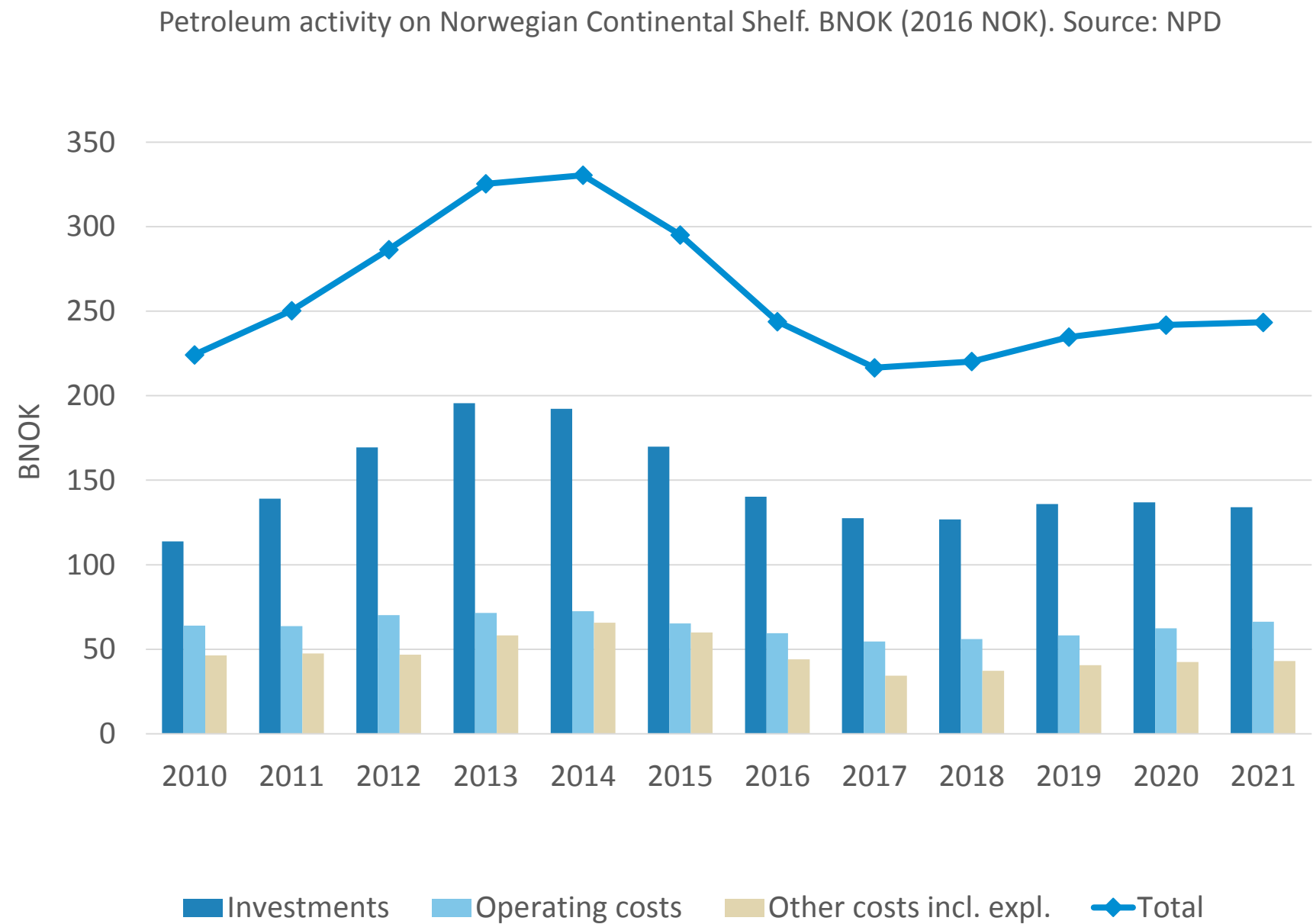
Employment in Norway and the region in 2016. Share (%) in sectors



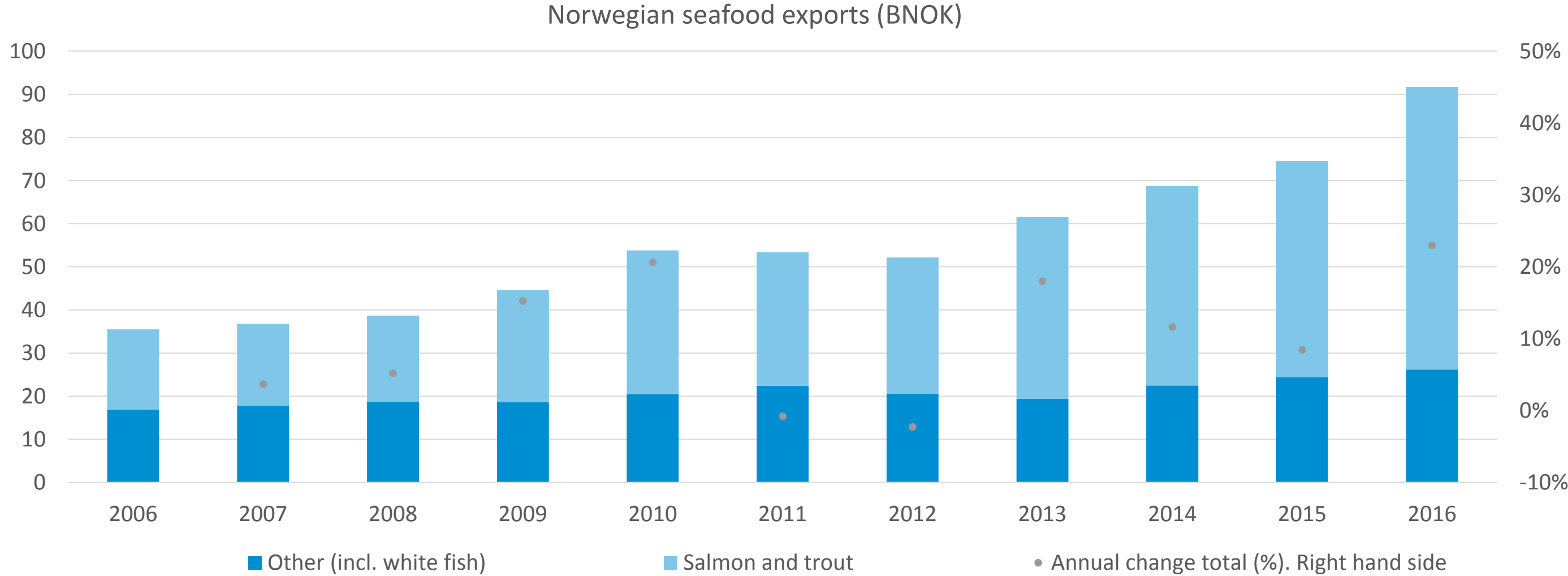
# Oil activity in Norway near the bottom

Activity has been reduced by approx. 30%, but is now stabilizing

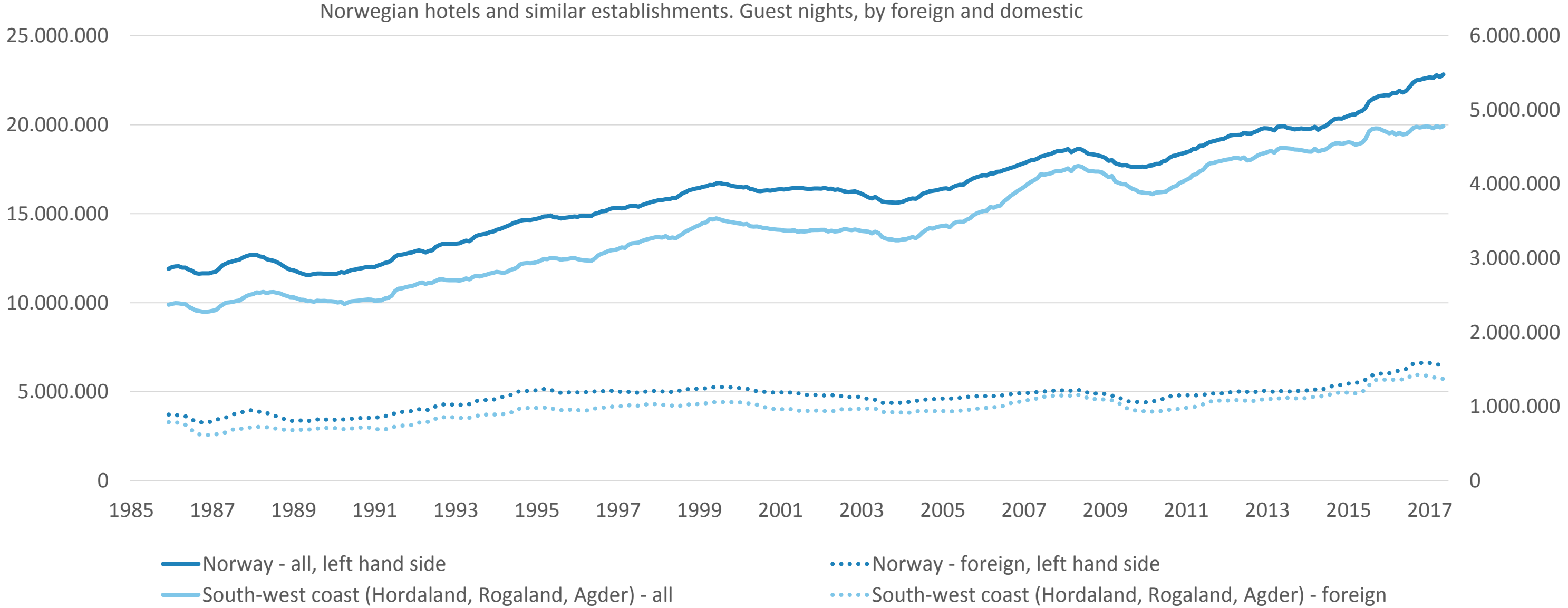
- Following record-high activity in 2013 and 2014, it fell in 2015 and 2017. Activity has also been reduced in 2017, but is currently stabilizing.
- Investments have been reduced by 30% last years.
- Operational expenditures, which are important for the region, are more stable. These expenditures fell 9% in 2016 and is foreseen to fall by 4% in 2017.



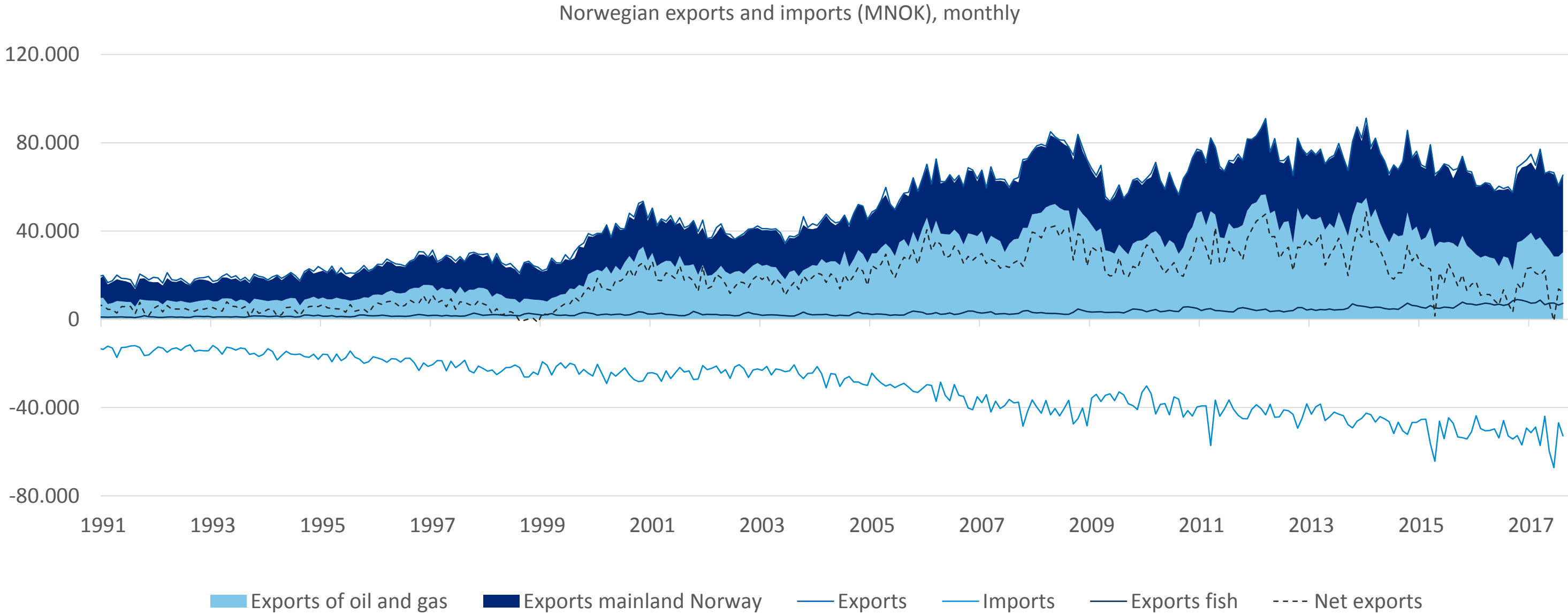
# Norwegian seafood exports increasing



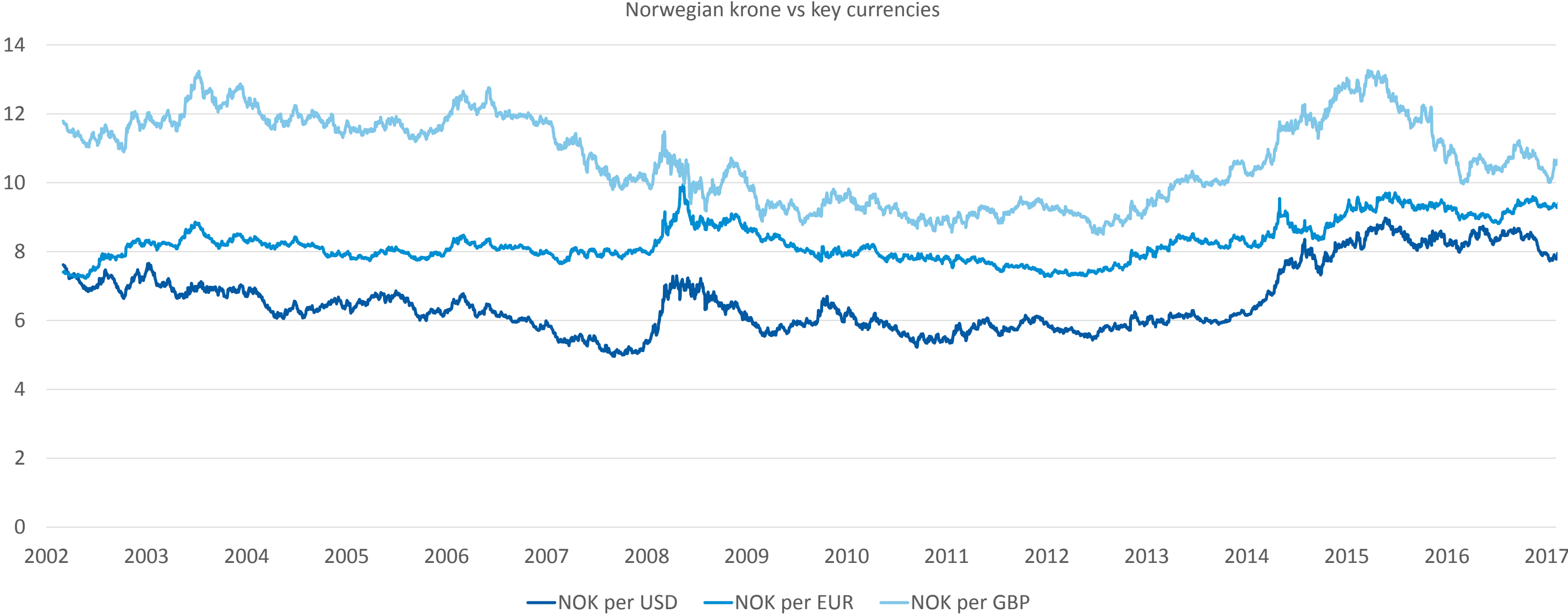
# Norwegian hotels – guest nights by foreign and domestic



# Norwegian exports and imports

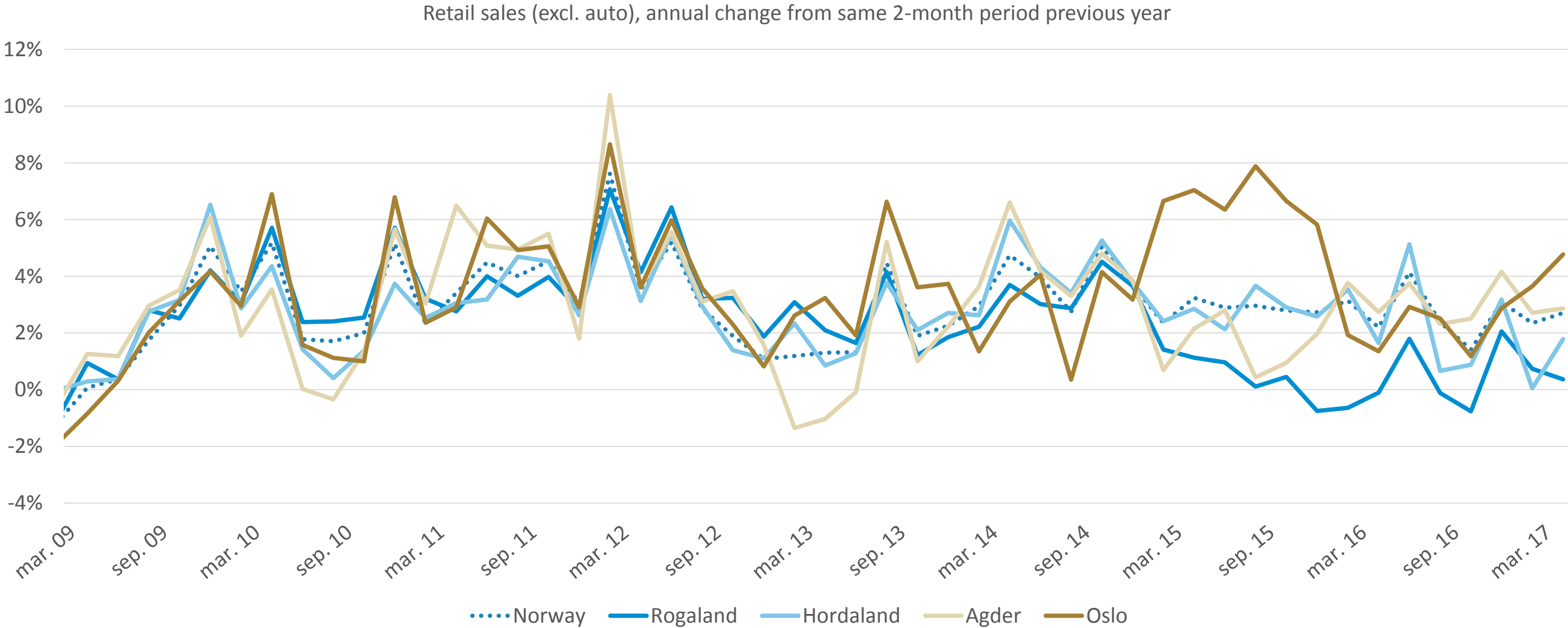


# Norwegian krone vs key currencies

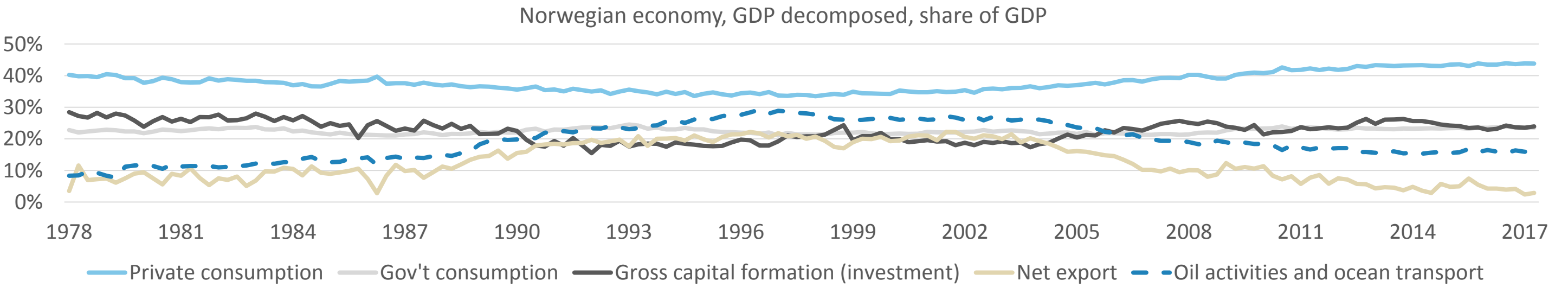
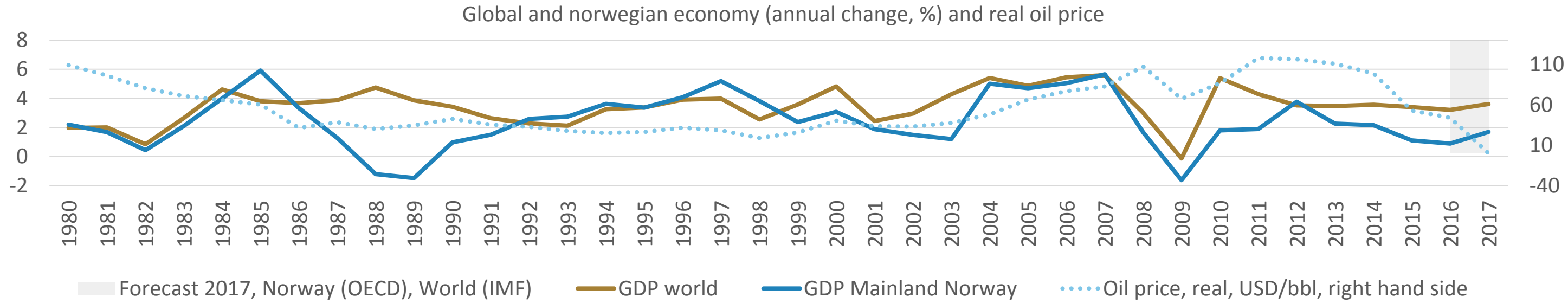


# Retail trade increasing in Norway

In Rogaland, the level is slightly higher than last year

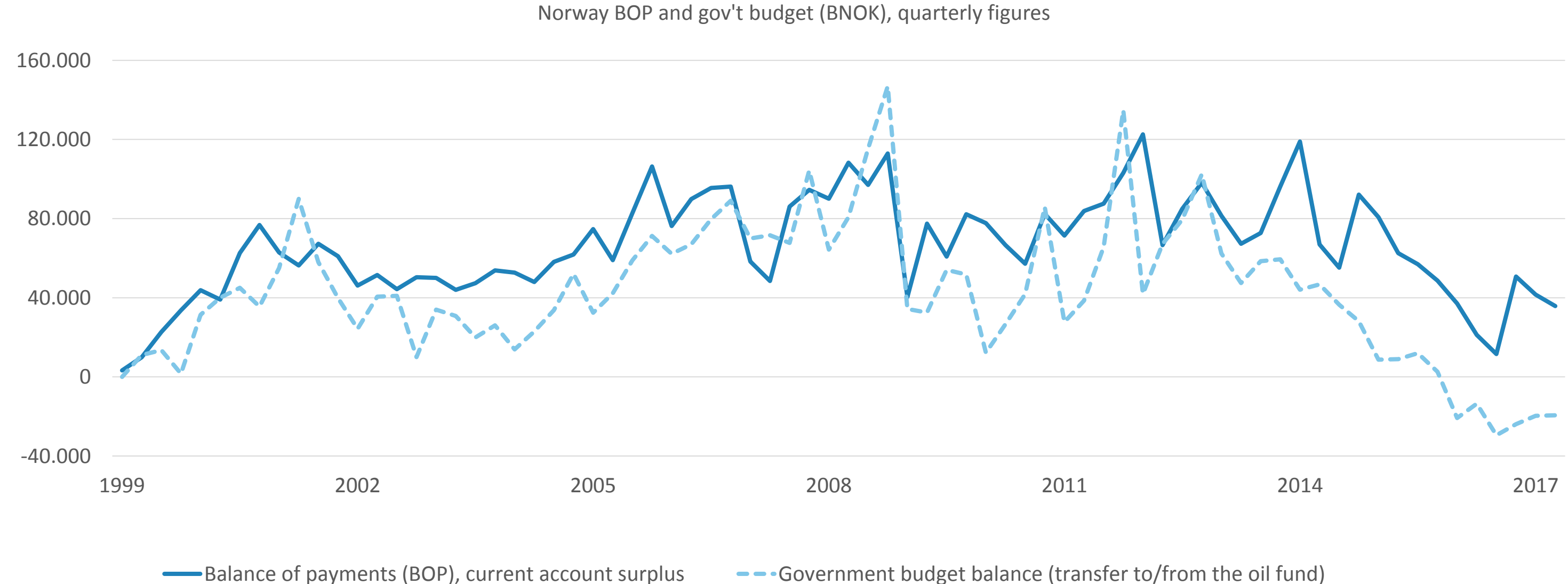


# Norwegian Economy – GDP

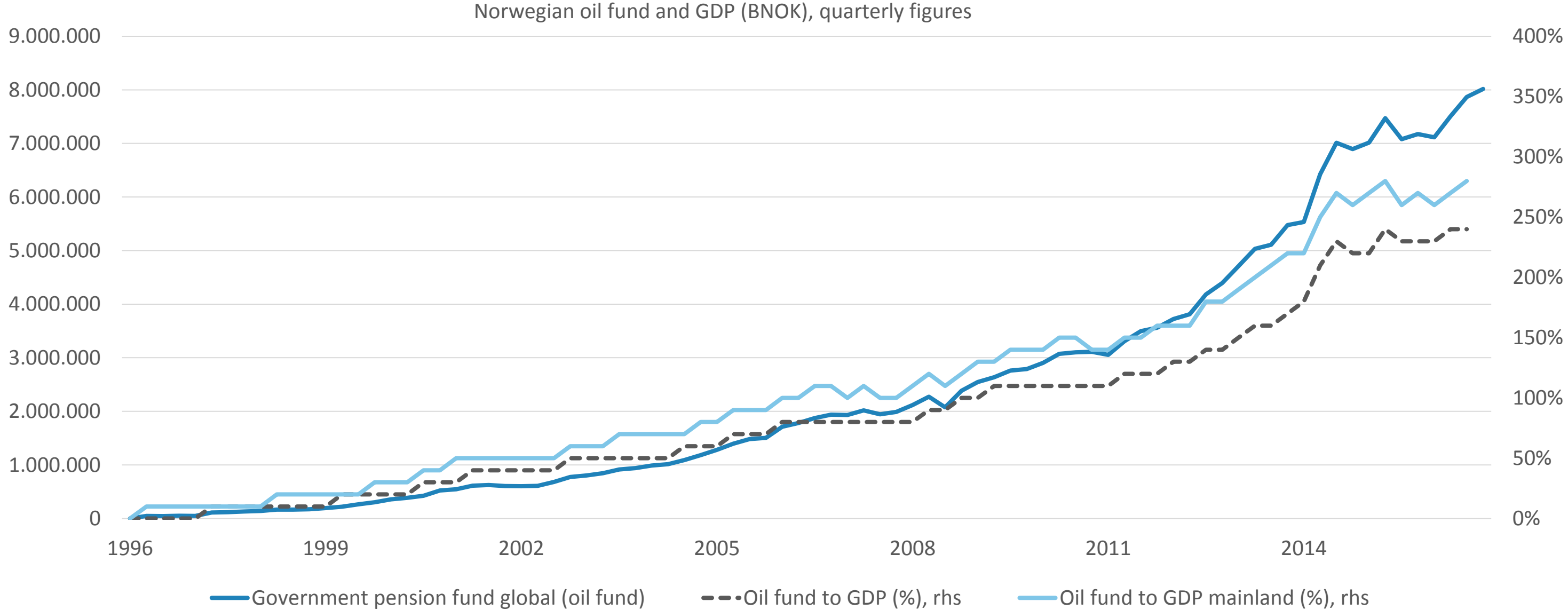




# Norway balance of payments and government budget



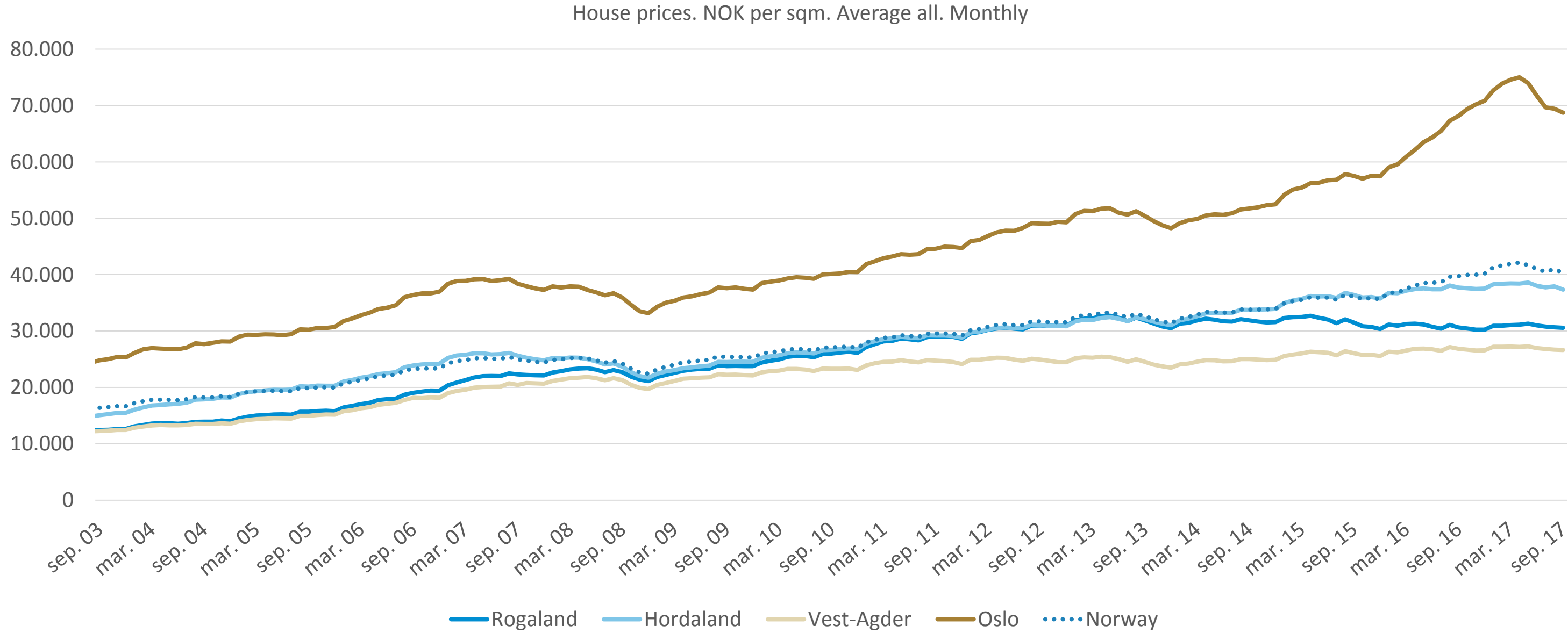
# Norway oil fund and GDP



## APPENDIX

- 1) Oil related portfolio
- 2) Macro
- 3) Norwegian housing and mortgage markets**
- 4) SpareBank 1 SR-Bank

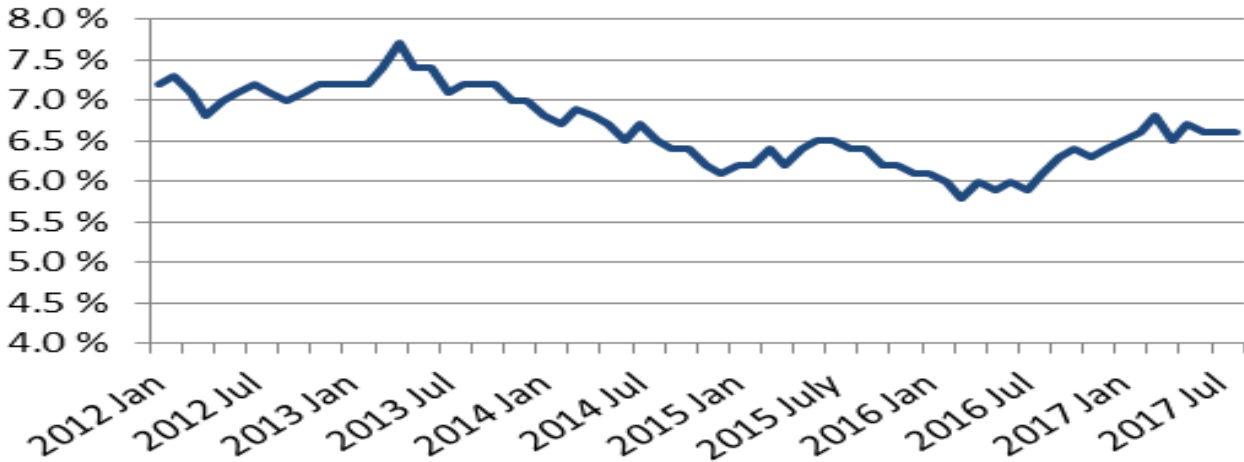
# Housing prices in Norway slightly down nationally due to lower prices in Oslo. In many counties prices are close to unchanged from last year



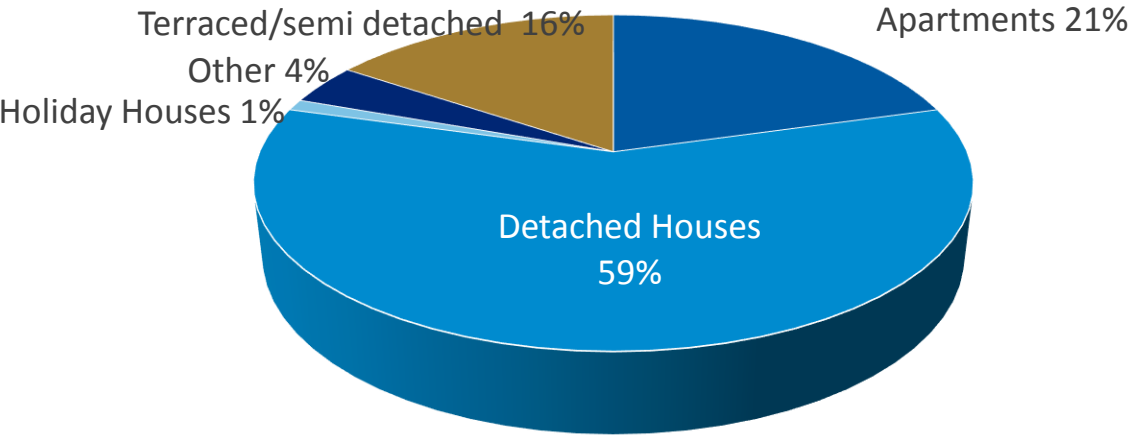
# Housing and mortgage markets – Key characteristics

<b>Mortgage Market</b>	<ul style="list-style-type: none"> <li>• Total size approximately NOK 2,600 billion (USD 325bn, €300bn)</li> <li>• Private banks (incl. savings banks) are the dominant suppliers of mortgages with over 95% market share</li> <li>• Scheduled repayment mortgages: 83.4%, flexible: 16.6%</li> <li>• Typical maturity: 25 years</li> <li>• First priority security market with high doc. standard</li> </ul>
<b>Home Ownership</b>	<ul style="list-style-type: none"> <li>• Over 80% of households owner occupied (little buy to let)</li> <li>• Between 50 and 60% are detached one-family houses</li> </ul>
<b>Social security</b>	<ul style="list-style-type: none"> <li>• Generous unemployment benefits</li> <li>• Unemployment benefit represents ca 60% of final salary for 2 years</li> </ul>
<b>Personal Liability</b>	<ul style="list-style-type: none"> <li>• Borrowers are personally liable for their debt</li> <li>• Swift foreclosure regime upon non-payment</li> <li>• Usually tight relationship borrower - bank</li> <li>• Transparent information about borrowers</li> </ul>
<b>Regulation</b>	<ul style="list-style-type: none"> <li>• Loan to value: 85% (75% legal limit for cover pool)</li> <li>• Flexible repayment mortgages: max 60% LTV</li> <li>• 5% mortgage interest rate increase as stress test</li> <li>• High risk weighting for banks for mortgage lending (20-25%)</li> <li>• Maximum 5x debt / gross income for borrowers</li> </ul>
<b>Interest Payments</b>	<ul style="list-style-type: none"> <li>• 90-95% of mortgages are variable rate</li> <li>• Interest rates can be reset at the lender’s discretion, by giving the debtor 6 weeks notice</li> </ul>
<b>Tax Incentives</b>	<ul style="list-style-type: none"> <li>• 25% of interest paid is tax deductible (equal to the basic rate of tax)</li> <li>• Low effective real estate tax (lower net worth tax on real estate than financial assets)</li> </ul>

Household credit growth (12 months growth rate)

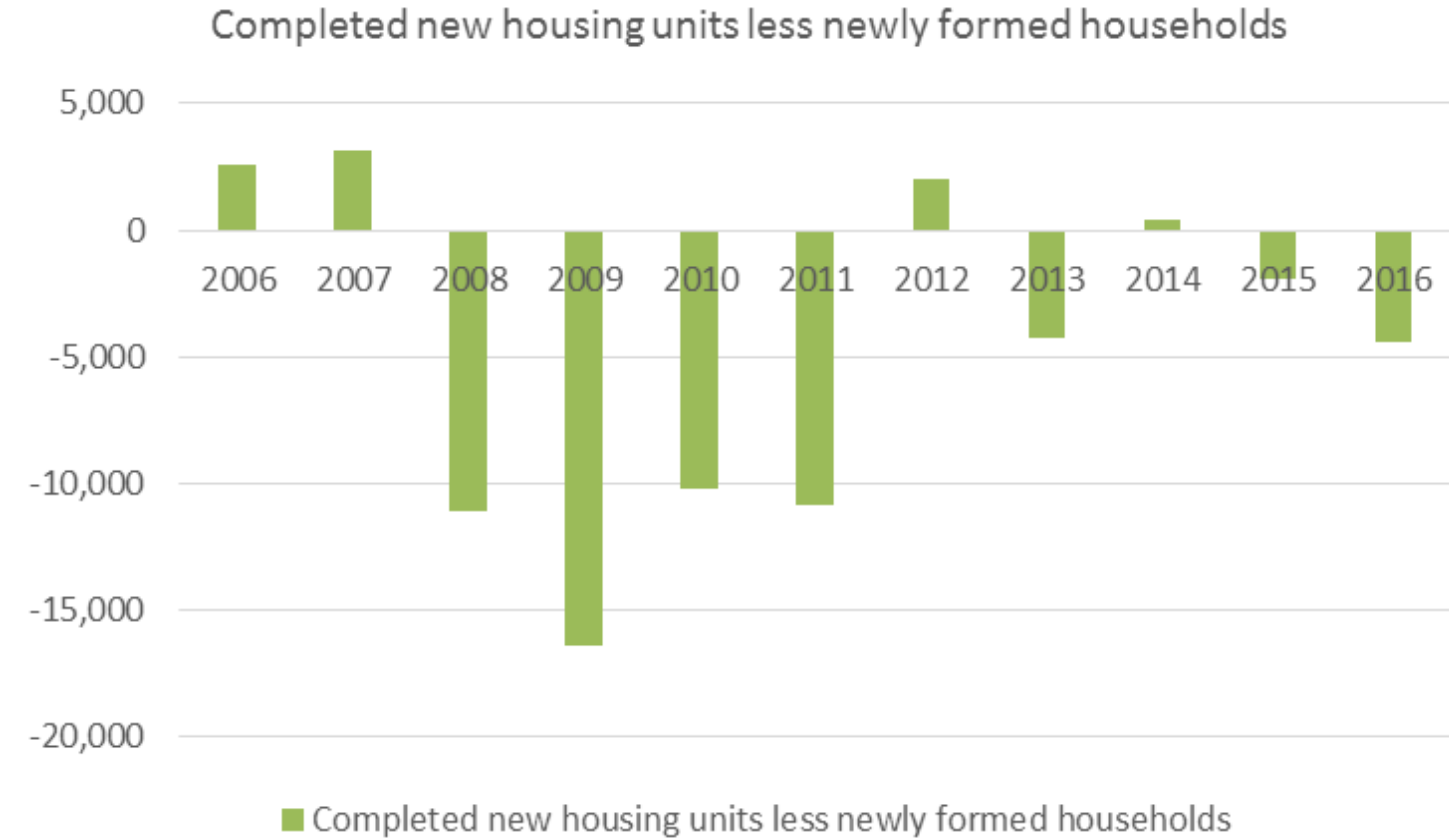


Norwegian Mortgages (by type of property)

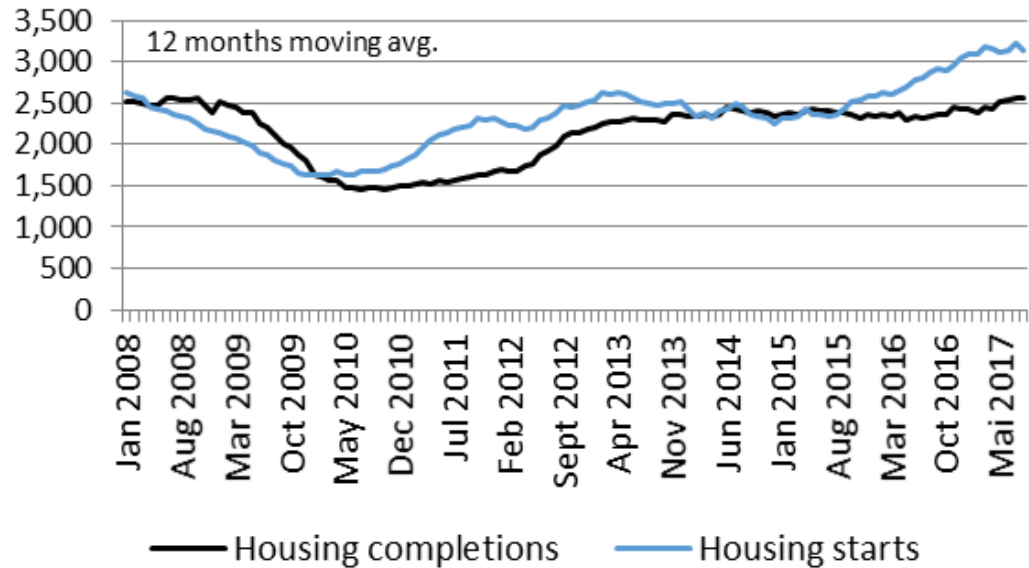
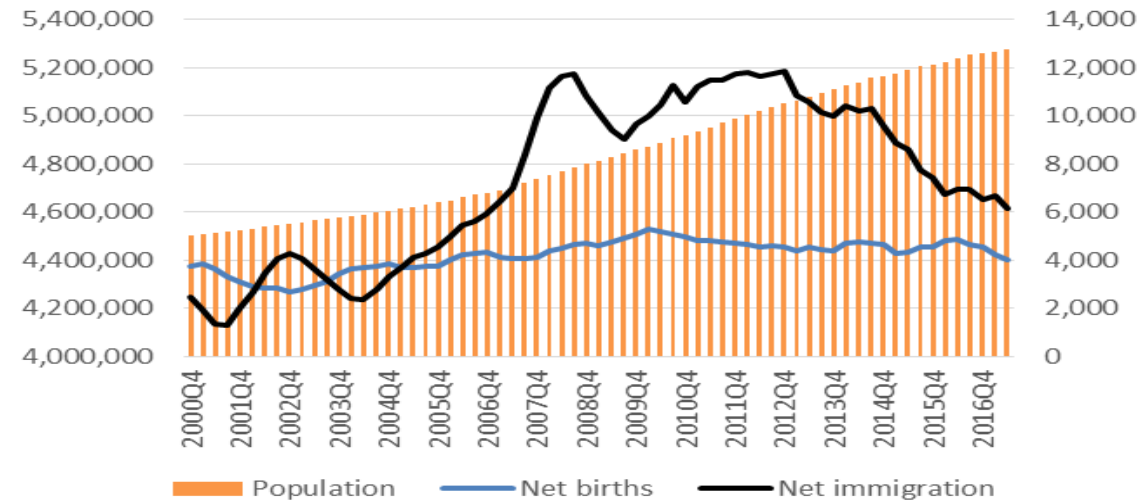


# Norwegian housing and mortgage markets – Population change and completed housing units

Completed housing units less newly formed households

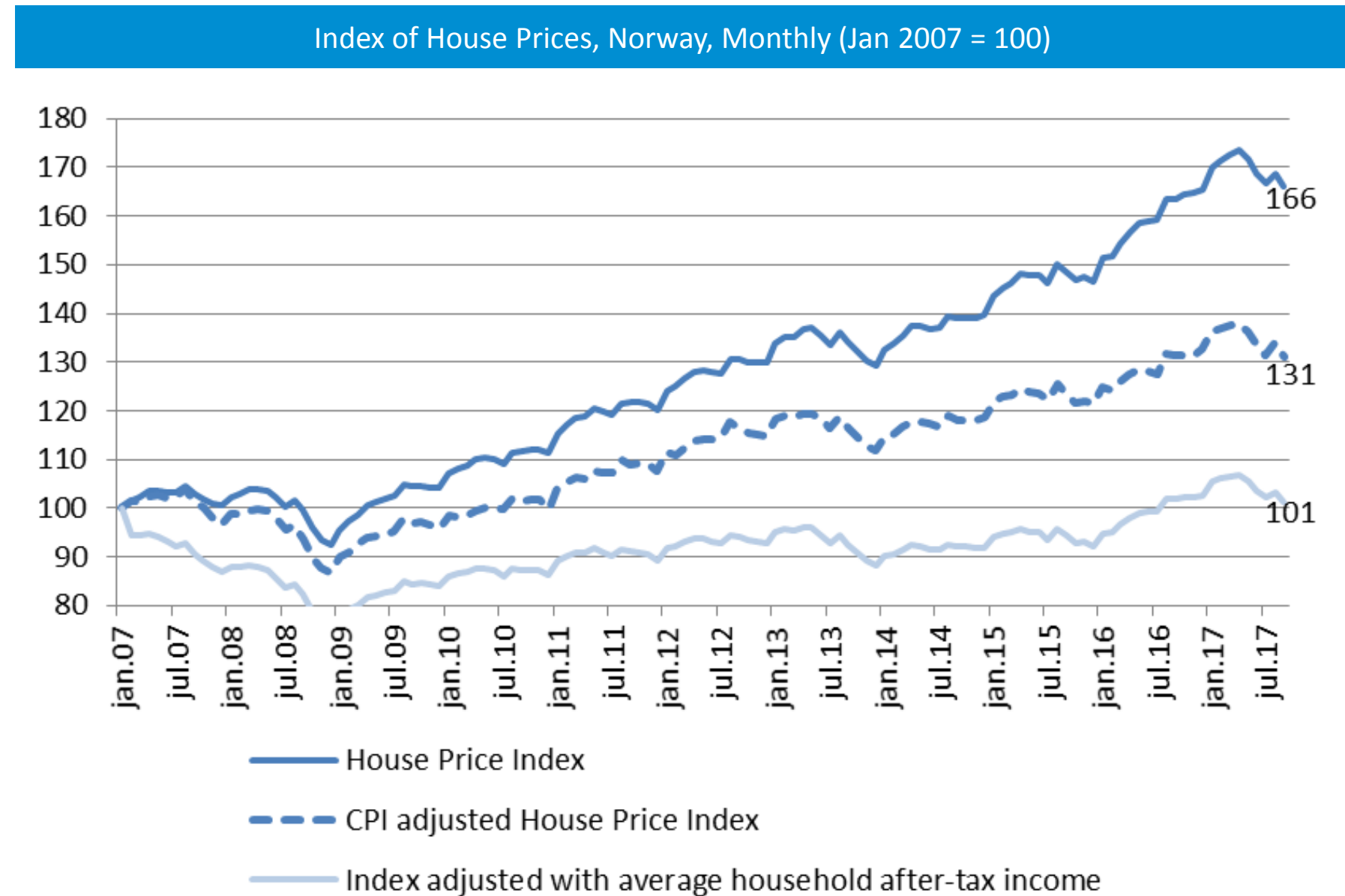


Population development and house building



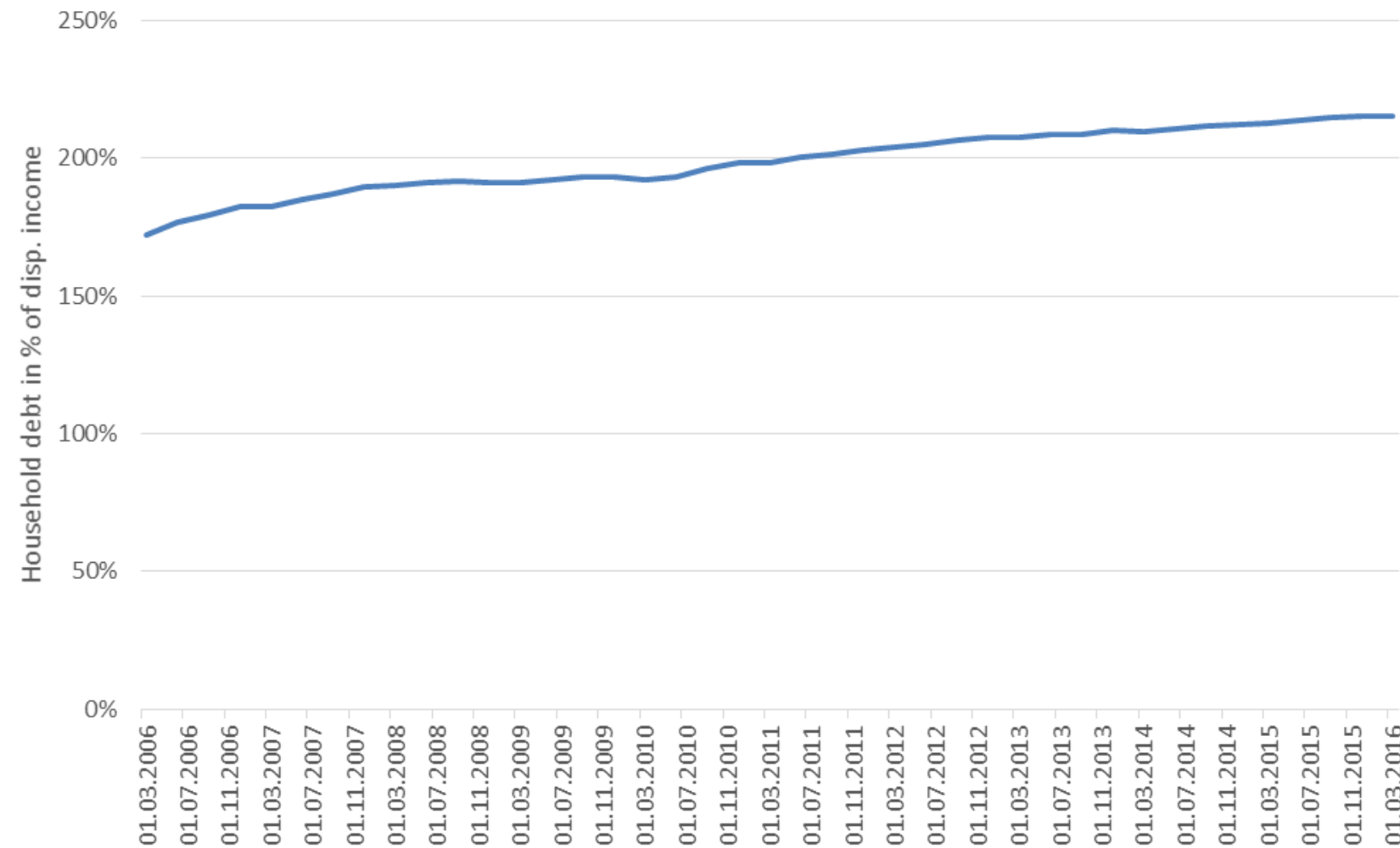
# Norwegian Housing and mortgage market

- Adjusted price developments



# Aggregate household indebtedness

Total Debt burden in per cent of household income (after tax)



Norway:

- All HH debts included in the statistic, question of int'l comparability
- High home ownership (mortgage debt rather than rent commitments)
- Generous benefits (pensions, healthcare, education, childcare, maternity, unemployment)
- Income growth over the last decades has far outpaced the cost of necessities in the time period shown
- Household savings rate is high: debt reduction possible



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- 4) **SpareBank 1 SR-Bank**

# Our vision: the customer's first choice in Southern and Western Norway

## Objectives

- SpareBank 1 SR-Bank's objectives are to stimulate growth and development in the region
- To provide a sustainable contribution to the wealth creation process in the region through:
  - A sustainable and profitable business model
  - An owner-friendly, stable dividend policy

## Strategic goals

- Nearer to people and companies
- We want to be nearer to people and companies than our competitors by understanding the people, companies and markets in the region better than our competitors.
- We want to learn what is important for our customers through a combination of close, personal relationships and the proper utilisation of customer data. We want to be an accessible, long-term partner whom the customers trust.

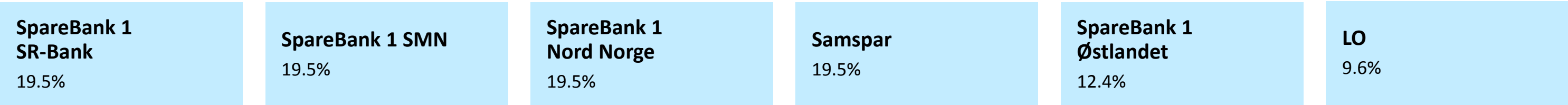
## Financial goals

- Return on equity of 11% after tax in 2017. The longer term target is a minimum of 12%.
- Top 50% return on equity and cost/income in a Nordic benchmark

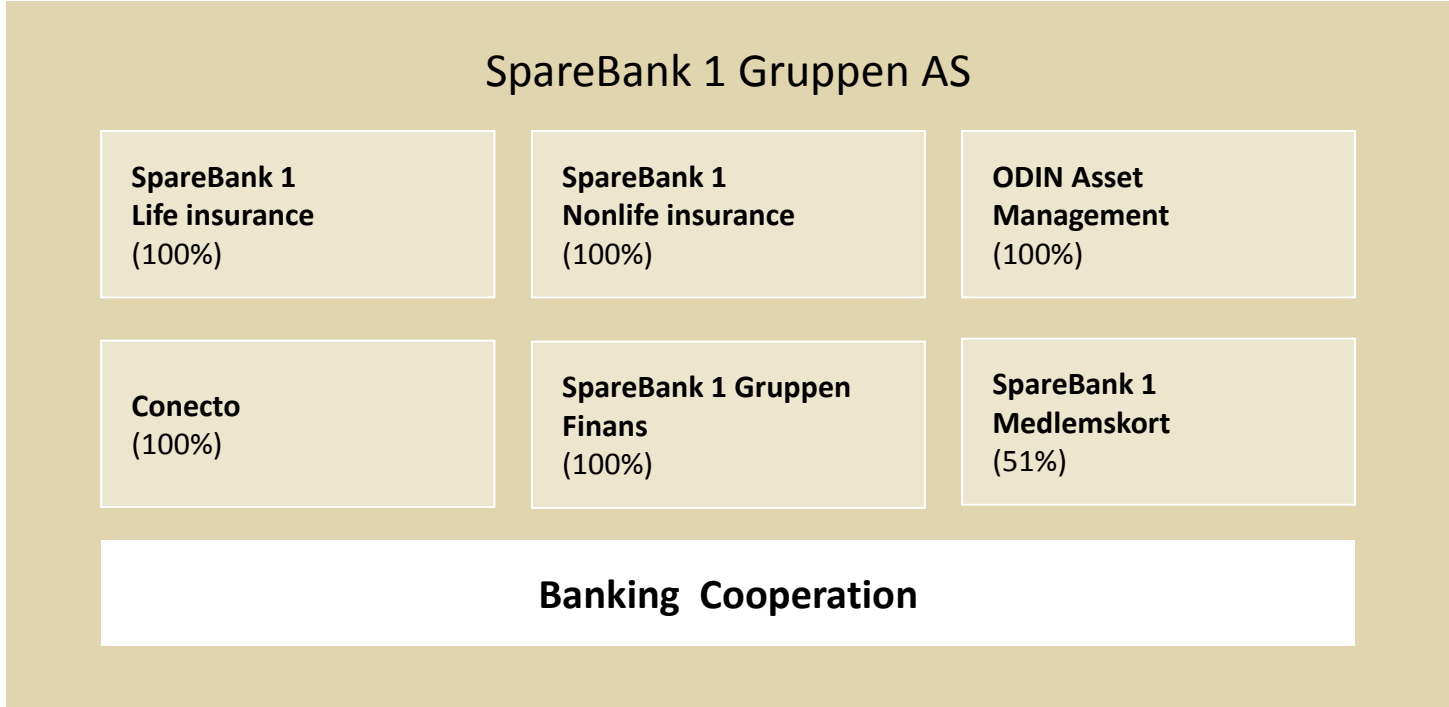
## Strategic focus

- Portfolio quality
- Managed and selective growth, greater product mix
- Risk pricing
- Portfolio management
- Innovation, digitalisation and continuous streamlining - cost effectiveness
- Strengthening capital
- Diversified funding platform

# SpareBank 1 Alliansen



Products, commissions, dividends ↑ ↓ Sales, loan portfolios, capital



**Owners of the alliance**

All credit decisions are made at the local banks  
Economies of scale related to expenses, IT solutions, marketing and branding

# Balance sheet

Balance sheet (MNOK)	30.09.2017	30.09.2016
Cash and balances with central banks	271	172
Balances with credit institutions	4.135	1.073
Net loans to customers	165.787	156.153
Certificates, bonds and other fixed-income securities	29.579	21.737
Financial derivatives	3.960	4.653
Shares, ownership stakes and other securities	562	579
Business available for sale	0	23
Investment in associates	4.450	4.858
Other	6.565	3.971
<b>Total assets</b>	<b>215.309</b>	<b>193.219</b>
Balances with credit institutions	2.172	4.729
Deposits from customers	98.602	87.240
Listed debt securities	86.341	74.140
Financial derivatives	2.113	3.554
Other liabilities	3.586	2.570
Additional Tier 1 and Tier 2 capital instruments	3.161	3.256
<b>Total liabilities</b>	<b>195.975</b>	<b>175.489</b>
<b>Total equity</b>	<b>19.334</b>	<b>17.730</b>
<b>Total liabilities and equity</b>	<b>215.309</b>	<b>193.219</b>

## Net commission and other income

MNOK	30.09.2017	30.09.2016	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Payment facilities	197	192	71	63	63	60	75
Savings/placements	151	140	51	49	51	45	45
Insurance products	156	148	52	52	52	50	48
Commission income real estate broking	295	263	90	112	93	85	87
Guarantee commission	80	83	29	26	25	31	24
Arrangement- and customer fees	65	68	28	24	13	33	14
Accounting services SpareBank 1 Regnskapshuset SR*	73	63	18	27	28	18	16
Other	26	12	8	8	10	3	3
<b>Net commission and other income excl. covered bond companies</b>	<b>1.043</b>	<b>969</b>	<b>347</b>	<b>361</b>	<b>335</b>	<b>325</b>	<b>312</b>
Commission income SB1 Boligkreditt and SB1 Næringskreditt	114	119	39	39	36	30	35
<b>Net commission and other income incl. covered bond companies</b>	<b>1.157</b>	<b>1.088</b>	<b>386</b>	<b>400</b>	<b>371</b>	<b>355</b>	<b>347</b>

## Net income on investment securities

MNOK	30.09.2017	30.09.2016	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Dividends*	11	105	2	4	5	5	0
Investment income, associates	271	306	127	81	63	78	90
Securities gains/losses	103	3	46	32	25	50	105
- of which capital change in shares and certificates	92	9	57	28	7	42	63
- of which capital change in certificates and bonds	-82	-112	-41	-34	-7	-44	-21
- of which derivatives; bonds and certificates	93	106	30	38	25	52	63
Currency/interest gains/loans	45	101	23	26	-4	6	36
- of which currency customer- and own-account trading	69	98	24	28	17	39	40
- of which value change basis swap spread	-27	1	-4	-7	-16	-16	-11
- of which counterparty risk derivatives including CVA	2	1	1	0	1	1	1
- of which IFRS-effects	1	1	2	5	-6	-18	6
<b>Net income on investment securities</b>	<b>430</b>	<b>515</b>	<b>198</b>	<b>143</b>	<b>89</b>	<b>139</b>	<b>231</b>

# Subsidiaries

Subsidiaries	MNOK	30.09.2017	30.09.2016
EiendomsMegler 1 SR-Eiendom AS	Number of sales	5.074	4.617
	Operating profit before tax	23	16
SpareBank 1 SR-Finans AS*	Total assets (BNOK)	-	7
	Operating profit before tax	-	78
SR-Forvaltning AS	Total assets (BNOK)	11	9
	Operating profit before tax	25	22
FinStart Nordic AS**	Operating profit before tax	10	-1
SpareBank 1 Regnskapshuset SR AS	Operating profit before tax***	4	3
SR-Boligkreditt AS	Operating profit before tax	168	126
Other	Operating profit before tax	-21	-1
<b>Total subsidiaries</b>	<b>Operating profit before tax</b>	<b>209</b>	<b>243</b>

\*SpareBank 1 SR-Finans AS was merged into SpareBank 1 SR-Bank from 1 January 2017, and the profit contribution from SpareBank 1 SR-Finans is included in the parent bank's results from 1 January 2017.

\*\*In September 2017, SR-Investering AS changed its name to FinStart Nordic AS. Start up on 1 January 2018. The company will be a start-up factory for new ideas and the venture will challenge the bank's own business models.

\*\*\* The result to Regnskapshuset SR includes amortization of intangible assets of NOK 1.4 million (NOK 1.2 million per 30.09.2016).

# Ownership interests

Ownership interests	MNOK	30.09.2017	30.09.2016
SpareBank 1 Gruppen AS	Interest ownership	19,5 %	19,5 %
	Profit after tax	219	215
	Adjusted profit previous years	-4	5
SpareBank 1 Boligkreditt AS	Interest ownership	13,9 %	16,7 %
	Profit after tax	-19	5
	Adjusted profit previous years	-	4
SpareBank 1 Næringskreditt AS	Interest ownership	21,9 %	24,6 %
	Profit after tax	11	16
BN Bank ASA	Interest ownership	23,5 %	23,5 %
	Profit after tax	50	56
SpareBank 1 Kredittkort AS	Interest ownership	17,9 %	18,1 %
	Profit after tax	11	20
SpareBank 1 Betaling AS*	Interest ownership	19,7 %	19,7 %
	Profit after tax	-7	-19
	Adjusted profit previous years	-7	-2
Other	Profit after tax	17	6
<b>Total ownership interests</b>	<b>Profit after tax</b>	<b>271</b>	<b>306</b>



# Impairment losses on loans

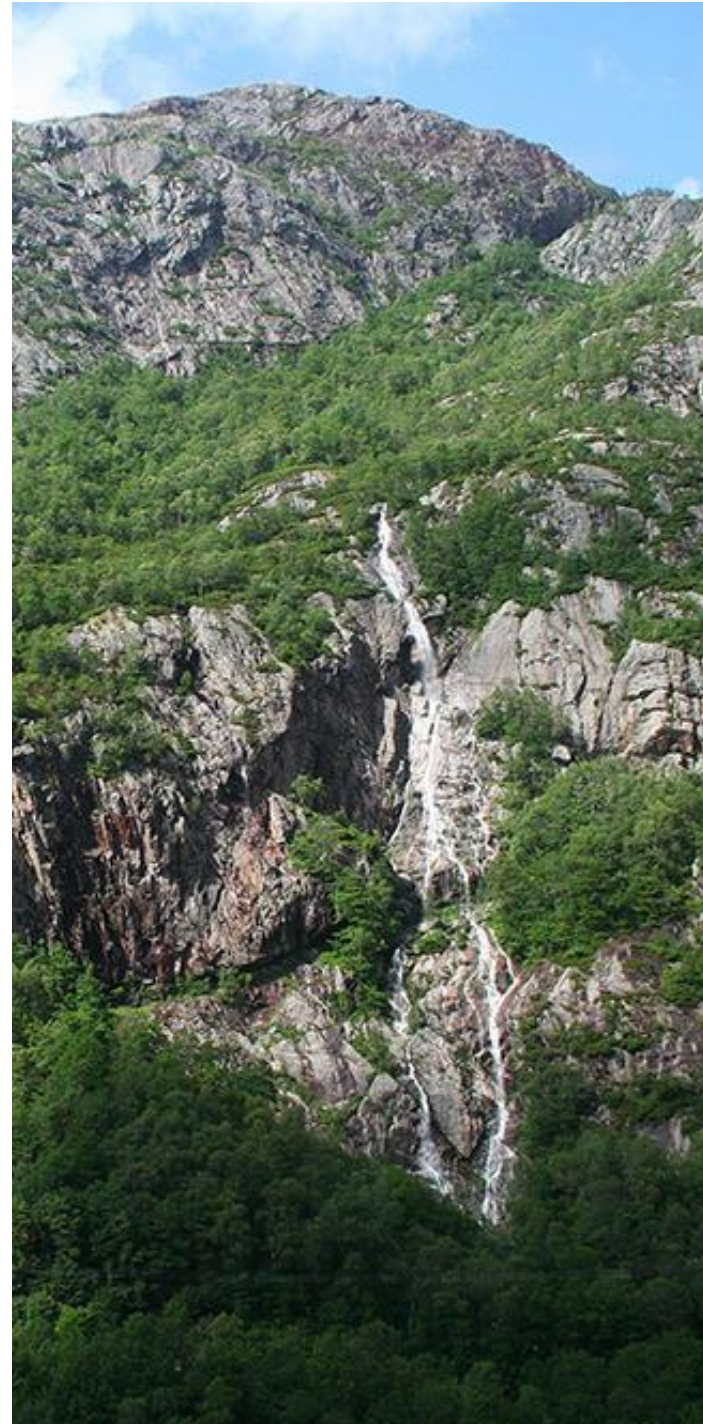
Losses on loans in income statement (MNOK)	30.09.2017	30.09.2016	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Corporate customers	393	449	116	115	162	131	109
Retail customers	30	29	10	15	5	11	7
Change in collective impairment losses on loans	0	138	-2	1	1	20	45
Net impairment losses on loans	423	616	124	131	168	162	161

Impairment losses on loans (MNOK)	30.09.2017	30.09.2016	30.09.2017	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Corporate customers	572	475	572	508	478	530	475
Retail customers	69	69	69	69	60	60	69
Collective impairment losses on loans	677	656	677	678	677	676	656
Total impairment losses on loans	1.318	1.200	1.318	1.255	1.215	1.266	1.200

**SpareBank 1 SR-Bank has a moderate risk profile in which no single event should be capable of seriously harming the bank's financial position**



- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
  - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary market areas are Rogaland, the Agder counties and Hordaland
  - Financing outside this market area is based on customers based in the group's market area
- The bank's set clear requirements for loan activities in the corporate market
  - The activities that are financed must have a long-term perspective
  - The group must be very familiar with the ownership and management of the company
  - All financing decisions are based on the customer's debt-servicing capacity and a lack of debt-servicing capacity may not be compensated for through higher security
  - Shipping and offshore related financing (including significant parts of oil-related activities) are handled by centralised expertise

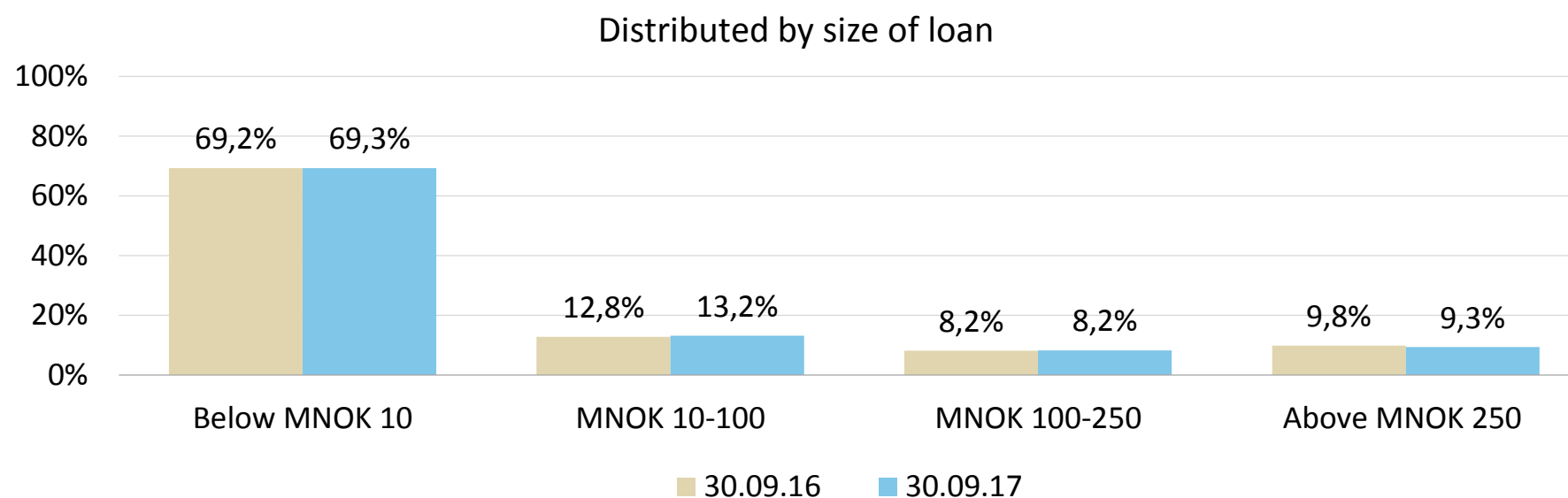
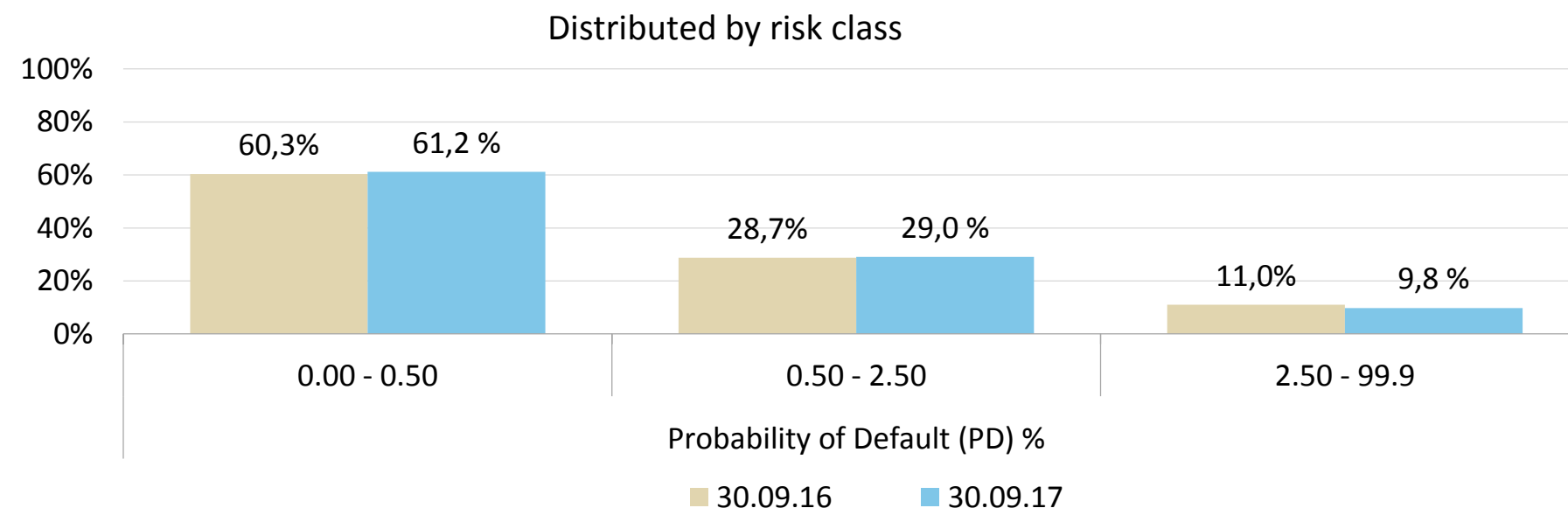


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
  - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
  - The maximum unsecured exposure to an individual customer must not be so great that the potential loss cannot be absorbed without the group's financial position being significantly affected
  - This requires a diversified portfolio. The exposure to specific industries is subject to specific limits.
- The bank sets special requirements for all property financing
  - Self-financing requirements apply for all types of property financing - in relation to both residential and commercial property
  - Advanced sales requirements also apply for financing housing development projects
  - In addition to this, requirements that limit loan size/rent income ratio apply for financing commercial property



# Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio.
- 61.2% of the bank's loan exposure has a PD\* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 69.3% of total loan portfolio.
- Single loan exposures above NOK 250 million is 9.3% of total loan portfolio.



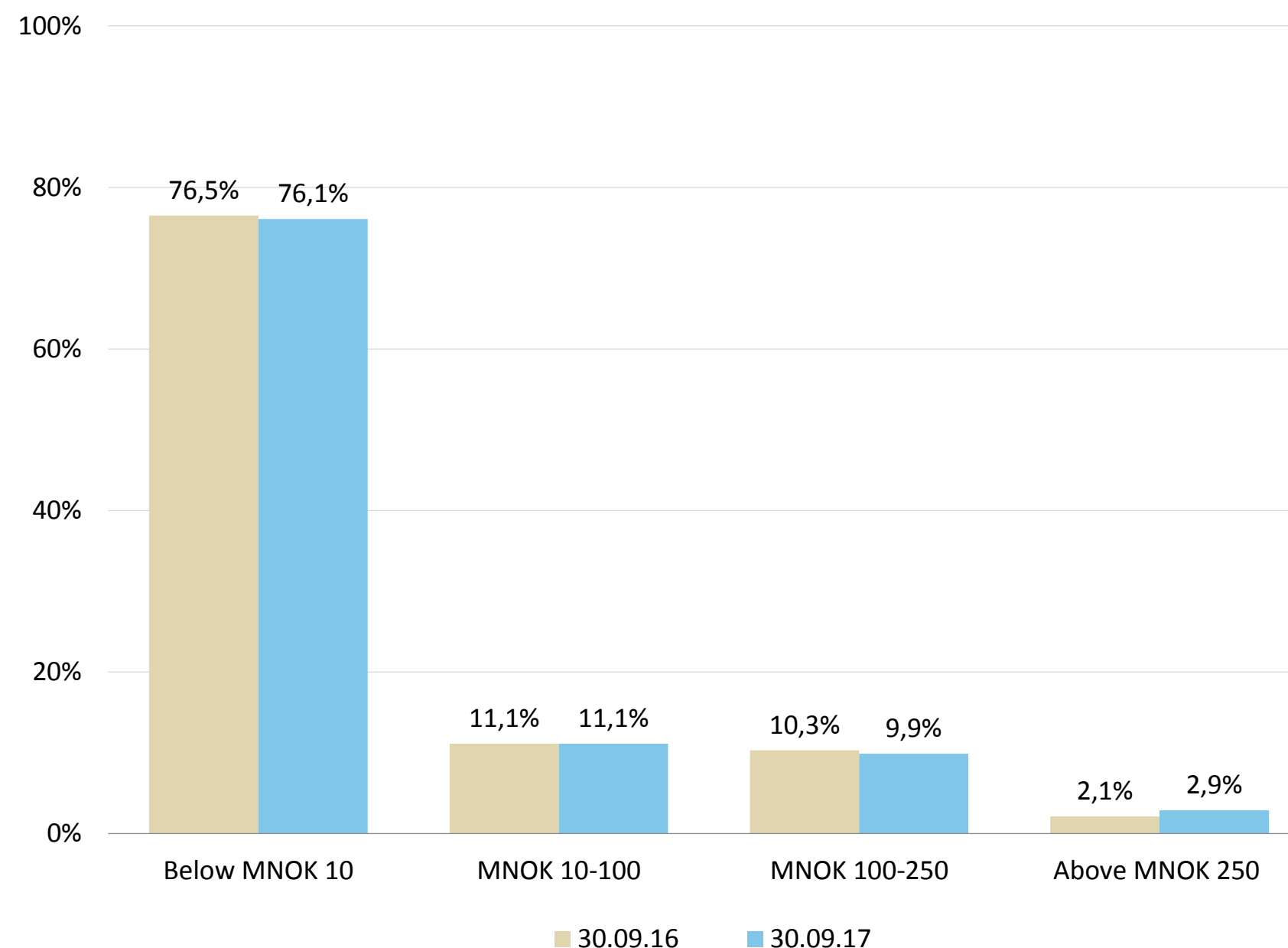
\*Probability of default (PD) through a full cycle of loss.

The figures include the loan portfolio in the covered bond companies (SpareBank 1 Næringskreditt AS, SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and the SR-Finans portfolio is included in the figures from January 2017.

# Low concentration of individual LGRs in the lending portfolio

- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.
- The proportion of loans with loss potential below NOK 10 million is now at 76.1% of the loan portfolio.

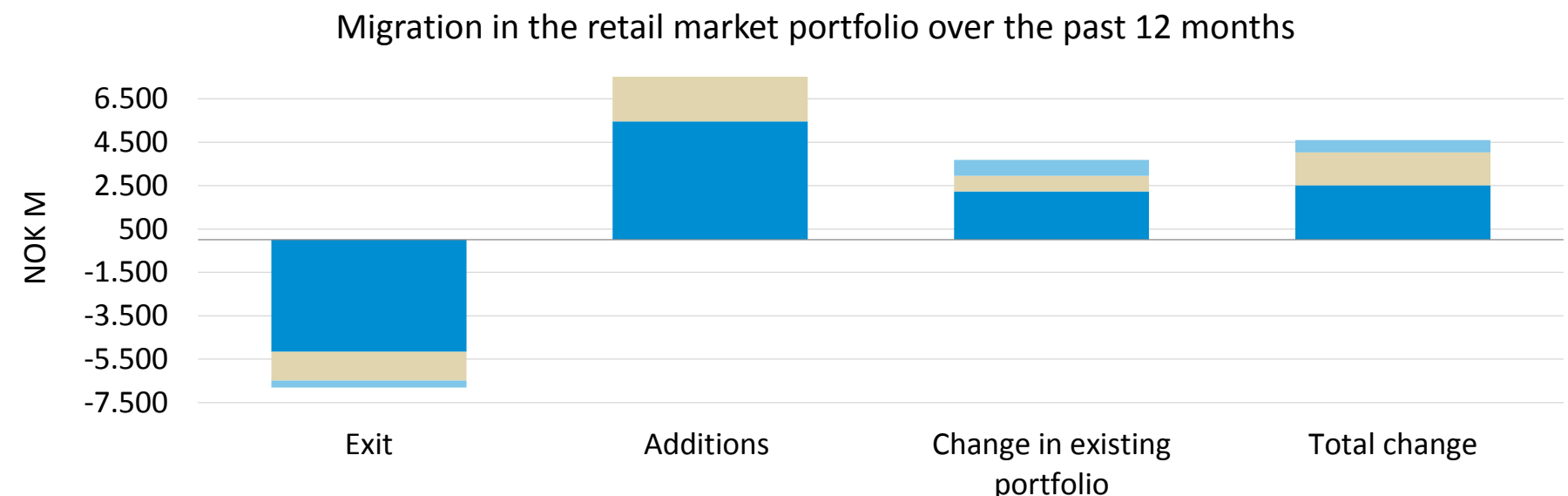
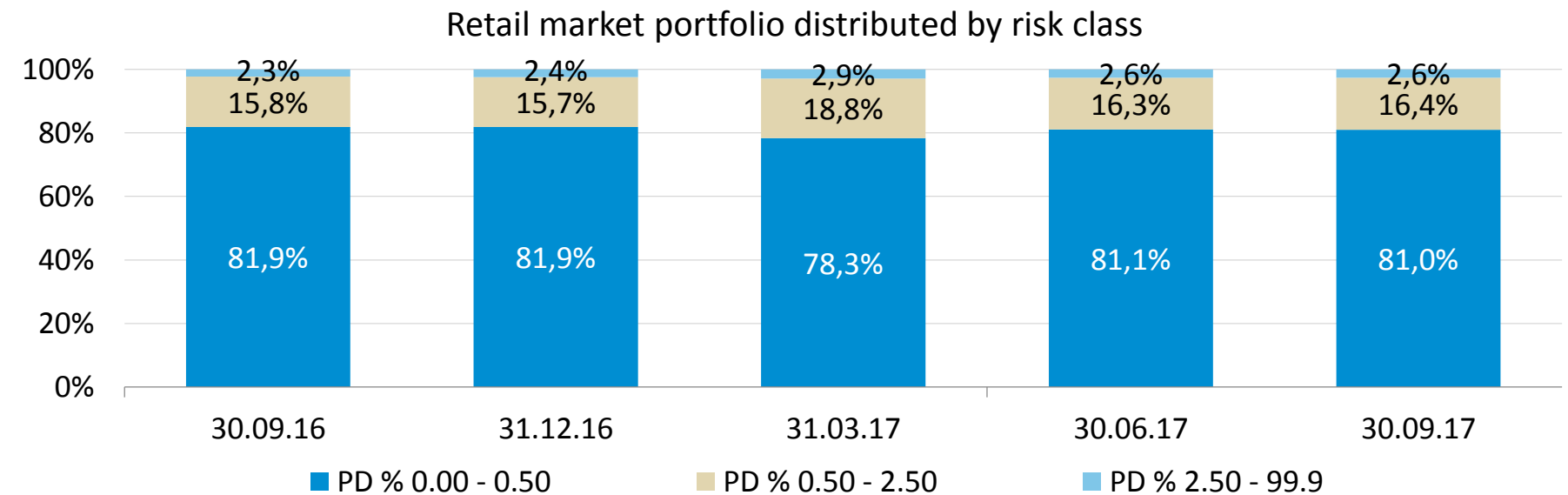


LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic downturn.

The figure includes the loan portfolio in the covered bond companies (SpareBank 1 Næringskreditt AS, SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS). SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and the SR-Finans portfolio is included in the figures from 1 January 2017

# Risk profile – Lending to the retail market

- The quality of the retail market portfolio is considered to be good and has low potential losses.
- The proportion of loans with a PD\* below 0.5 % is 81.0 % of the total retail portfolio.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.
- Merged portfolio from SpareBank 1 SR-Finans consists of object and consumer finance, which has a higher risk than the bank's portfolio of lending secured by real estate.



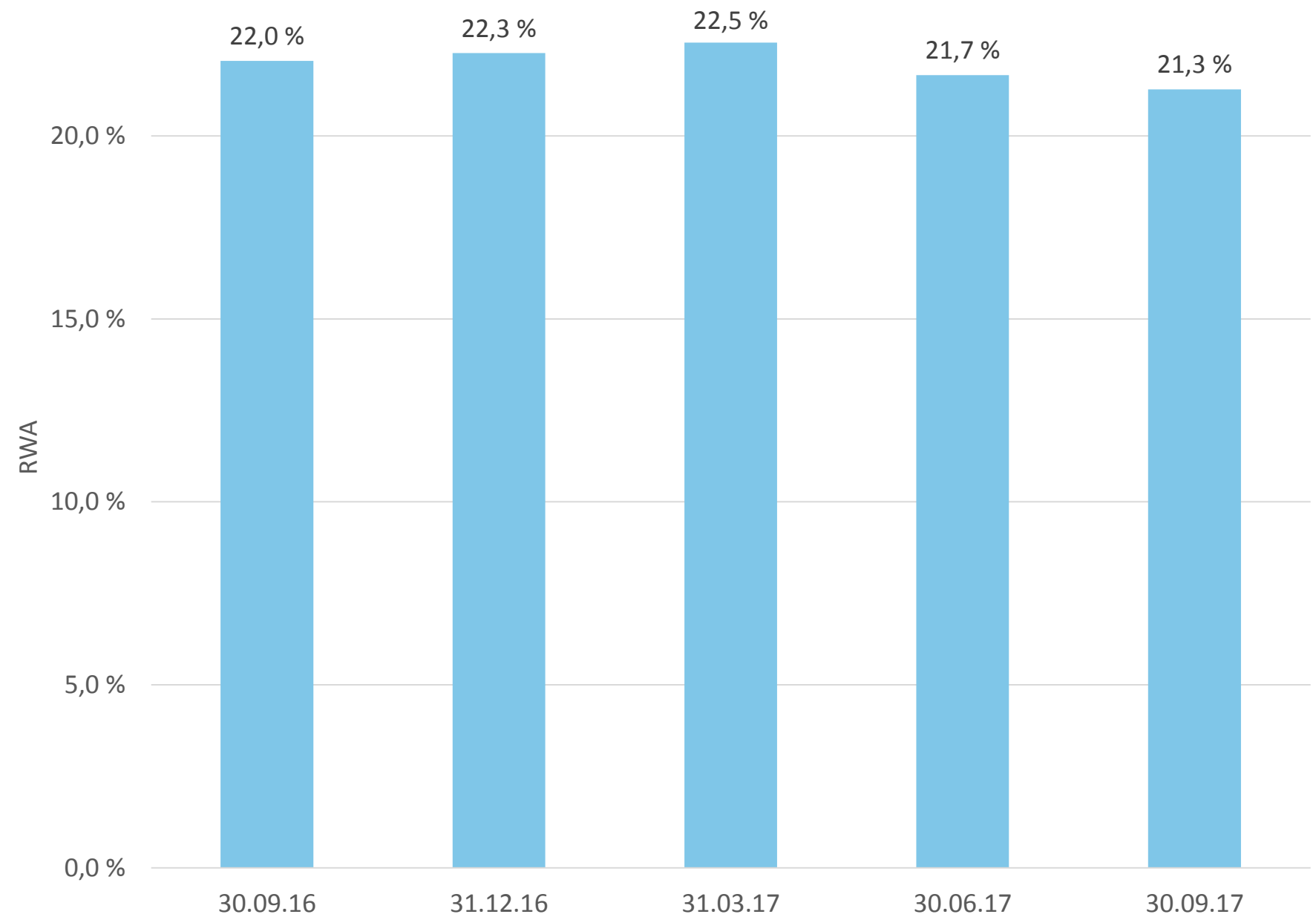
\*Probability of default (PD) through a full cycle of loss.

The figures include the loan portfolio in the covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and SR-Finans is included in the figures from first quarter of 2017.

# RWA home mortgages

- RWA on home mortgages reflects a solid and stable portfolio.



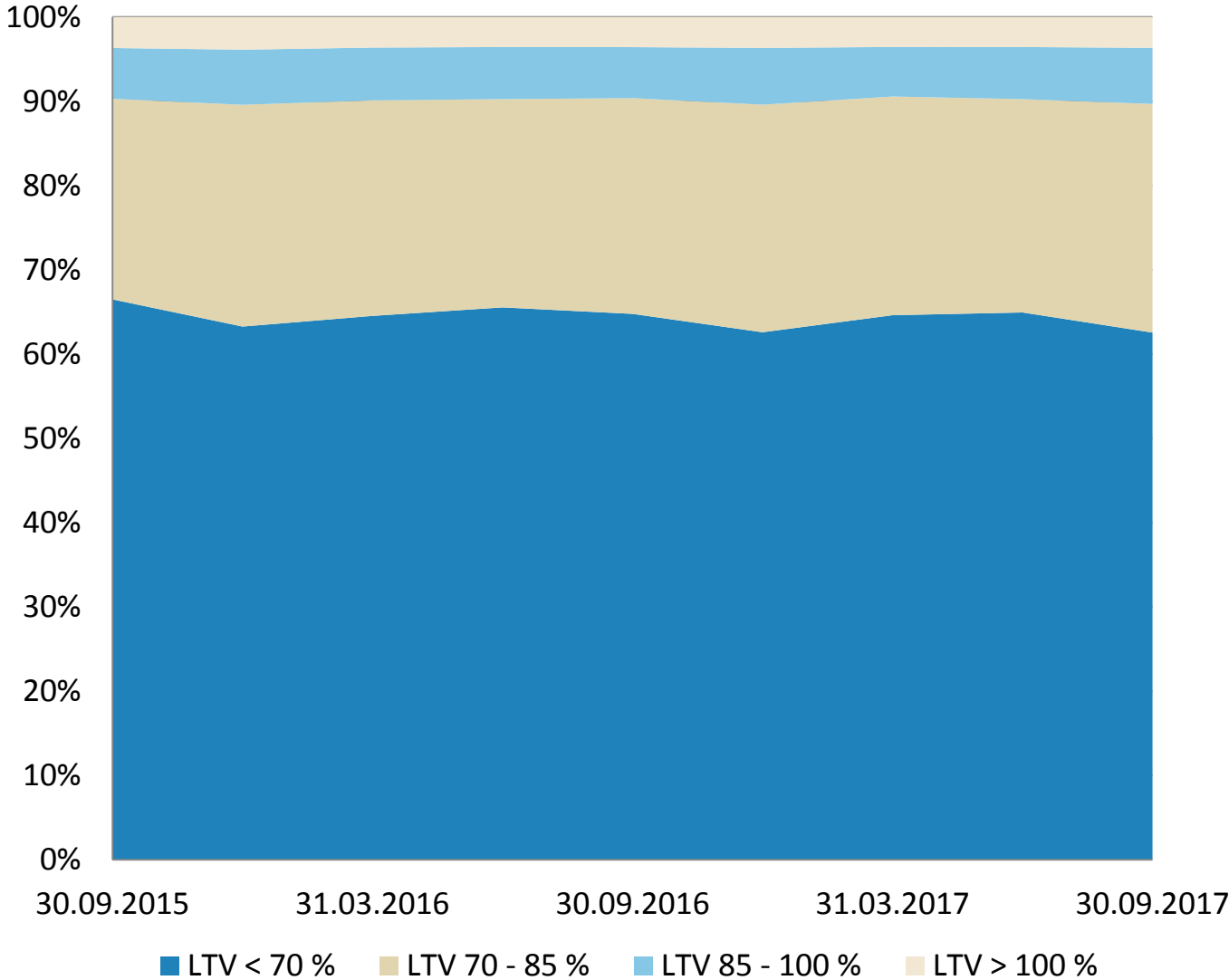
*Home mortgages as defined in the Norwegian IRB framework; residential property must make up at least 30 % of a loan's security.*

*The figures include the loan portfolio in the covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).*

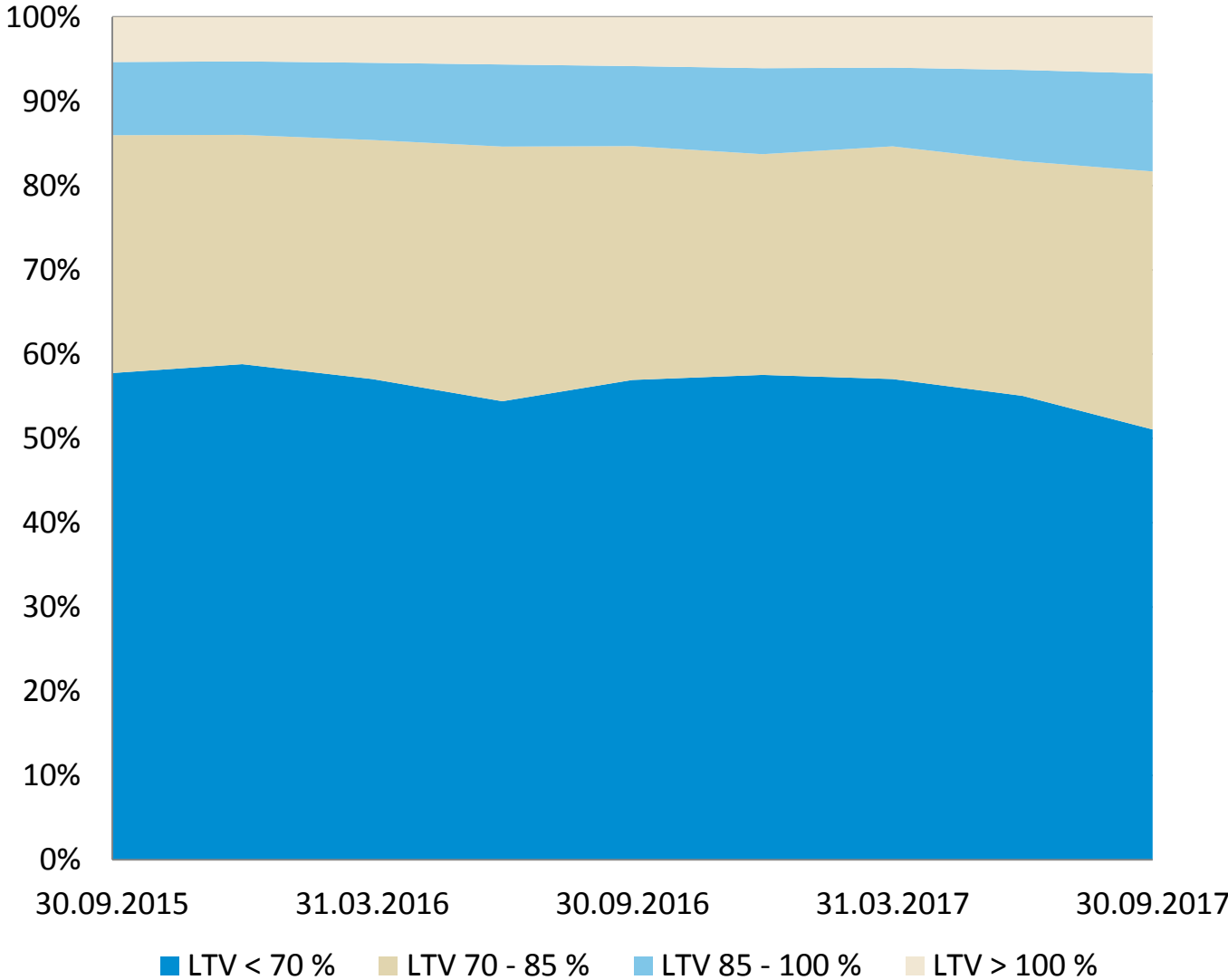


# Historical LTV development for home mortgage loans

Total home mortgages incl. loans in cover pool



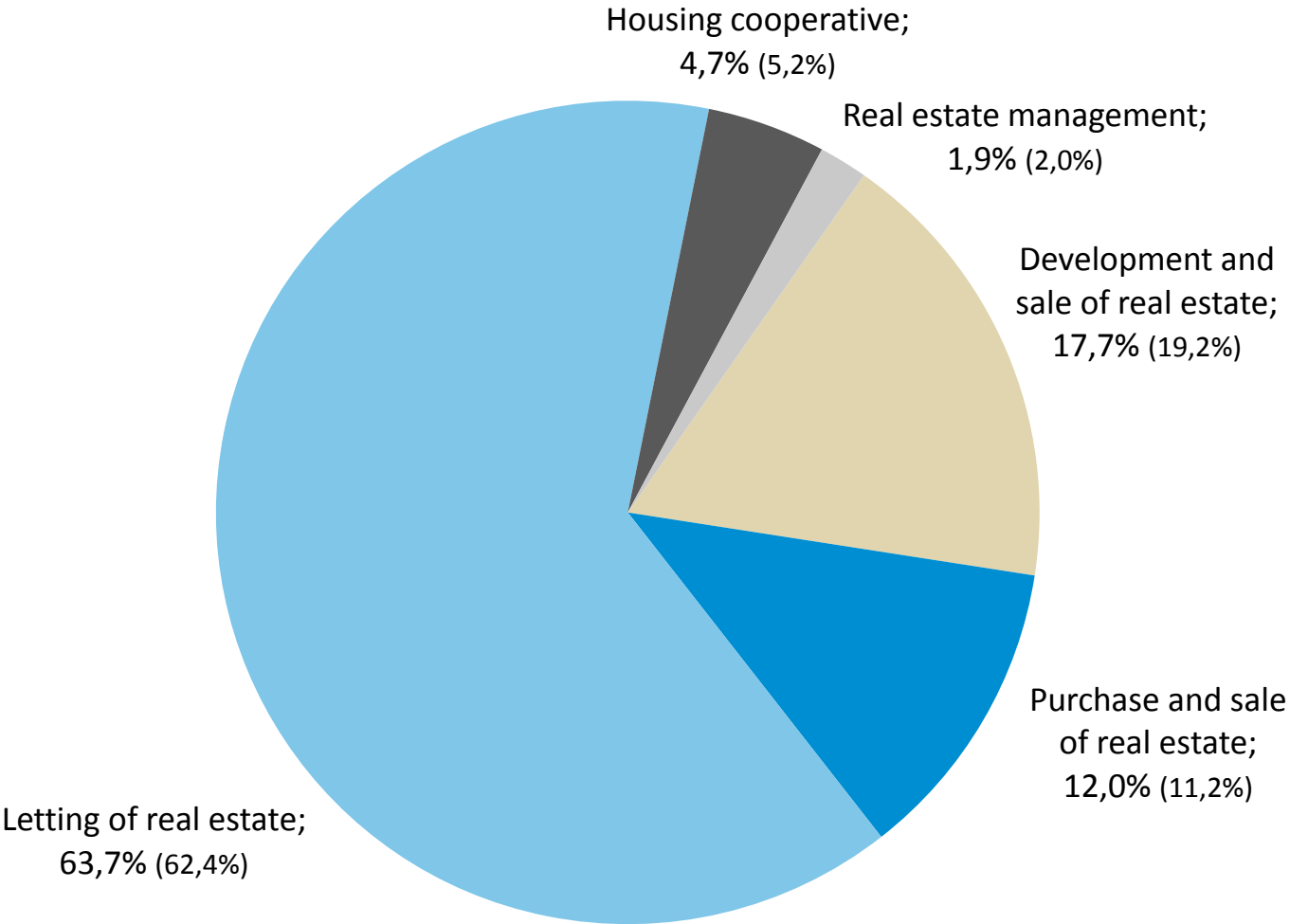
SpareBank 1 SR-Bank ASA



# Lending to commercial property

## Lending to commercial property

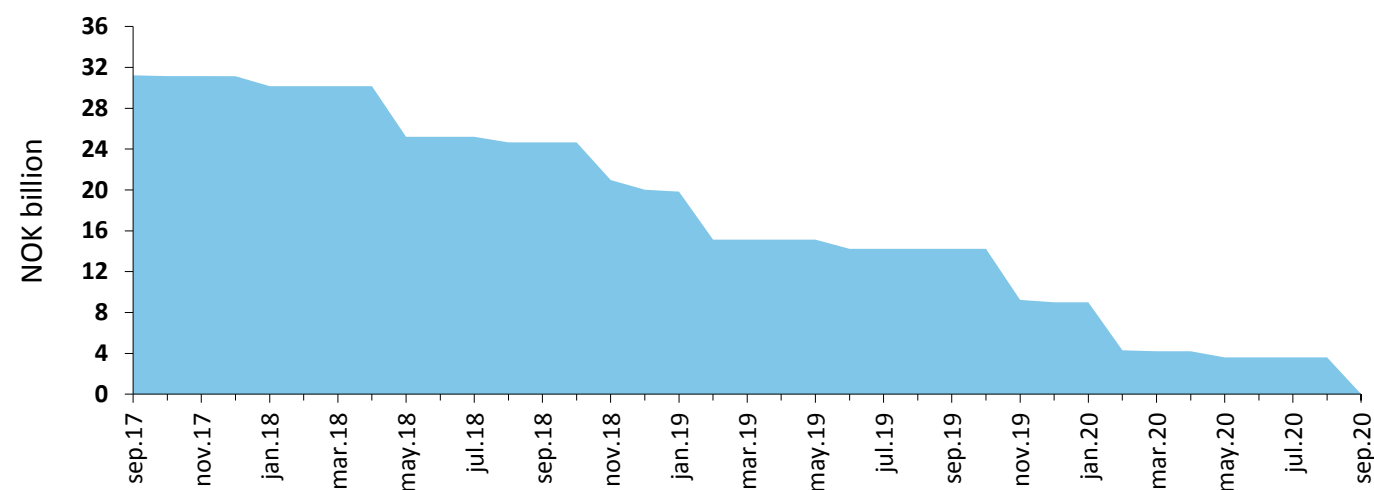
- NOK 27.7 billion, 15% of the bank's total loans.
- The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited. Interest rates for a significant portion of this portfolio have been hedged.



Sector allocation in accordance with the standard categories from Statistics Norway. Figures in parentheses as at 30.09.2016.

# Liquidity portfolio

Liquidity buffer – survival period



Liquidity portfolio

Category	NOK million	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal SSA/Foreign guaranteed	758	3 %	0
Covered bonds (Norwegian/foreign)	20.067	68 %	2.073
Norwegian bank/finance	49	0 %	0
Foreign bank/finance	0	0 %	0
Industry/Other	0	0 %	0
<b>Total liquidity portfolio</b>	<b>29.298</b>	<b>100 %</b>	<b>2.567</b>

- Liquidity buffer at the end of the quarter: NOK 31.2 billion
- Other liquid assets:
  - Home mortgages prepared for covered bond funding: NOK 15.6 billion
  - Commercial paper and bonds in the trading portfolio: NOK 0.3 billion

Liquidity buffer: cash, highly liquid bonds.

Providing deposits and lending remain unchanged, with no new borrowing during the period.

## Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	29.249	98,8 %
Low risk	A+, A and A-	0	0,0 %
Moderate risk	Not rated	123	0,4 %
High risk	Not rated	140	0,5 %
Very high risk	Not rated	97	0,3 %
<i>Total portfolio</i>		26.609	100,0 %

### *Of which liquidity purposes:*

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	29.249	99,8 %
Low risk	A+, A and A-	0	0,0 %
Moderate risk	Not rated	49	0,2 %
High risk	Not rated	0	0,0 %
Very high risk	Not rated	0	0,0 %
<i>Total liquidity purposes</i>		29.298	100,0 %

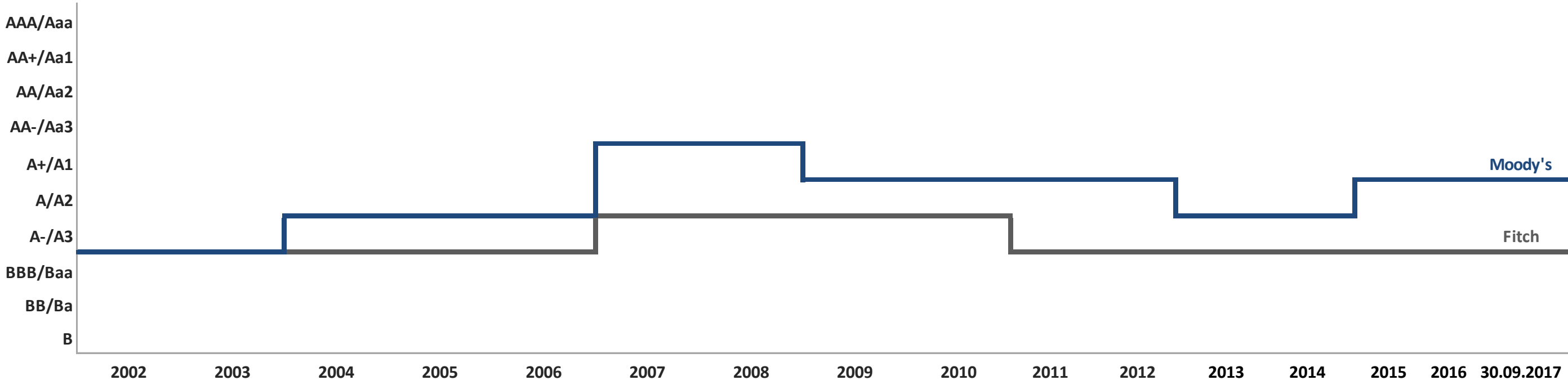
### *Of which SR-Bank Markets:*

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	0	0,0 %
Low risk	A+, A and A-	0	0,0 %
Moderate risk	Not rated	74	23,9 %
High risk	Not rated	140	45,0 %
Very high risk	Not rated	97	31,1 %
<i>Total SR-Bank Markets portfolio</i>		311	100,0 %

# Rating

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Negative	Outlook	Stable
Updated	28 September 2017	Updated	9 October 2017

## Ratinghistory



## SR-Bank pr 30.09.2017

	30.09.2017	2016	2015	2014	2013	2012
Share price	85,75	60,75	39,30	52,50	60,25	37,20
Stock value (MNOK)	21.931	15.537	10.051	13.427	15.409	9.514
Book value per share, NOK (group)	75,07	71,54	66,14	60,28	55,00	49,48
Earnings per share	5,98	6,87	6,83	8,20	7,28	5,33
Dividend per share	n.a	2,25	1,50	2,00	1,60	1,50
P/E	10,75	8,84	5,75	6,40	8,28	6,99
P/BV (group)	1,14	0,85	0,59	0,87	1,10	0,75

Trading volume in Q3 2017: 4.2 % (3.1 %)

On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index and this may result in increased trading of the share going forward.

## Dividend policy

“The financial objective of SpareBank 1 SR-Bank ASA is to achieve earnings that yield adequate, stable returns on the bank’s equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

In determining the level of the annual dividend, considerations will be made towards SpareBank 1 SR-Bank ASA’s future need for capital, including capital adequacy requirements, and strategic plans and targets. Unless capital requirements otherwise dictate, the Board of Directors’ aim is that approximately half of the EPS is paid out.”



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