



Photo: Skanska Norge AS/ST/Janne

From a dream
to reality

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.

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

A unique situation with a continuing budget surplus...



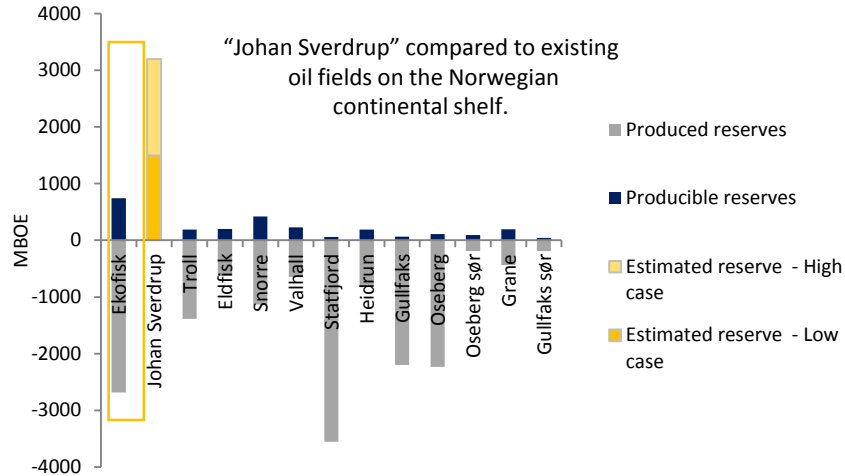
Economic Indicators (%)	2010	2011	2012	2013	2014	2015P	2016P
GDP growth - mainland	1.7	2.6	3.4	2.0	2.3	1.4	1.1
Household consumption growth	3.8	2.6	3.0	2.1	1.7	2.2	1.5
Investment growth – mainland*	-4.5	6.3	4.5	4.7	1.3	1.6	5.0
Investment growth oil & gas	-9.5	11.3	14.6	18.0	-2.9	-14.3	-11.0
Inflation rate, CPI	2.5	1.2	0.8	2.1	2.0	2.2	2.8
3 month NIBOR rate / avg. mortgage rate	2.5/3.4	2.9/3.6	2.2/3.9	1.8/4.0	1.7/3.9	1.3/3.2	0.8/2.6
Household savings ratio	5.8	7.8	8.6	9	8.8	9.8	9.9
Unemployment rate	3.6	3.3	3.2	3.5	3.5	4.4	4.6
HH sector disp. real inc. growth	2.7	4.6	3.2	3.2	2.9	3.3	1.5
Current Account Surplus / GDP	11.9	13.5	14.3	10.6	9.7	8.0	7.1
Gov Budget Surplus / GDP	7	10	10	8	10	9	6
Sovereign Wealth Fund / GDP	121	120	131	157	204	225	217

Sources: Statistics Norway, NBIM, Norwegian Ministry of Finance as of December 2015, Investor presentation february 2016 from SpareBank 1 Boligkreditt AS

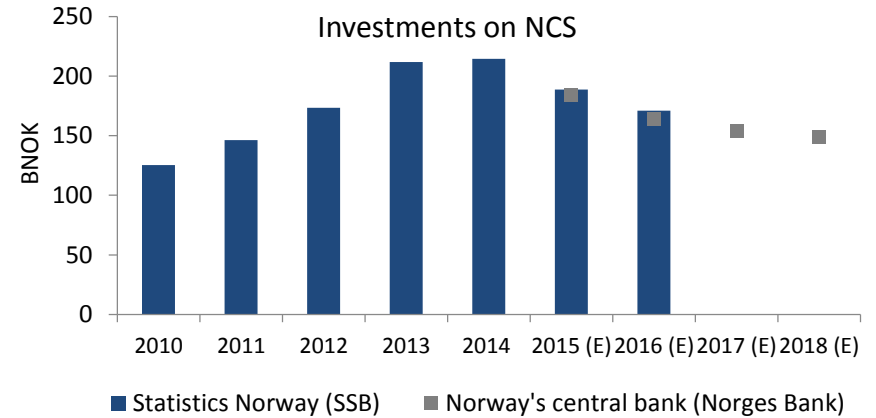
* Business, residential housing and public sector investments

One of Norway's most prosperous regions

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

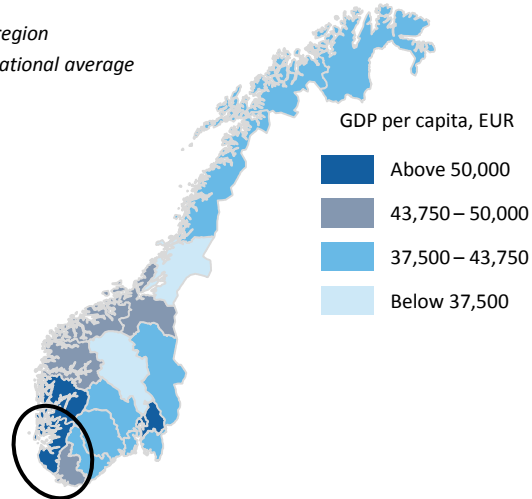


...and activity is expected to continue at high levels



The region accounts for circa 25% of Norwegian GDP

- 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

1 Rogaland

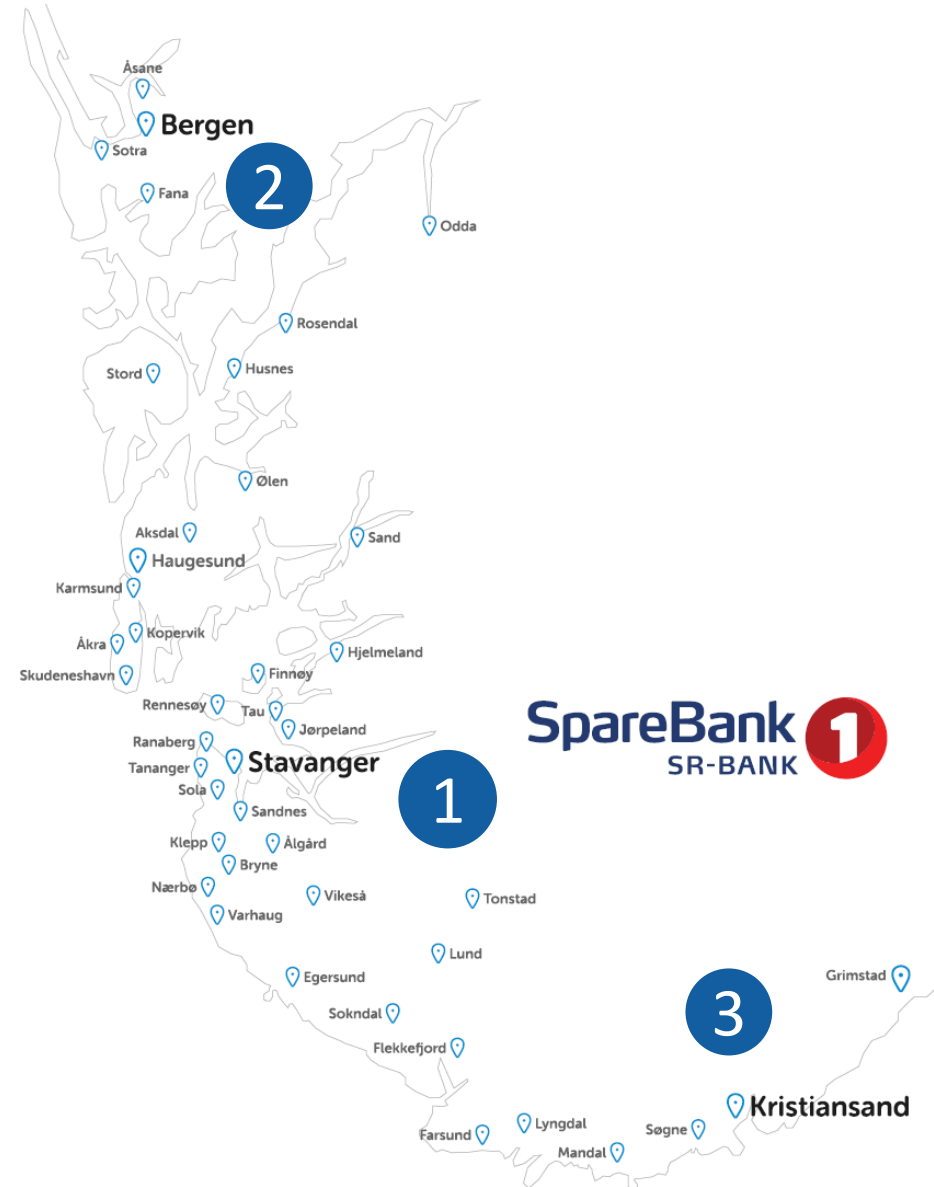
Population	467.000
Market share	37%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	4.9%

2 Hordaland

Population	512.000
Market share	6%
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	3.5%

3 Agder

Population	296.000
Market share	9%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	4.5%



The SpareBank 1 Alliance – 2nd largest mortgage lender in Norway

Founded in 1996 based on efficiency and local market focus

Geographic overview

Purpose	<p>Ensure the independence and regional foothold of the individual member banks by maximizing their:</p> <ul style="list-style-type: none"> - <i>Competitiveness</i> - <i>Profitability</i> - <i>Capital strength</i>
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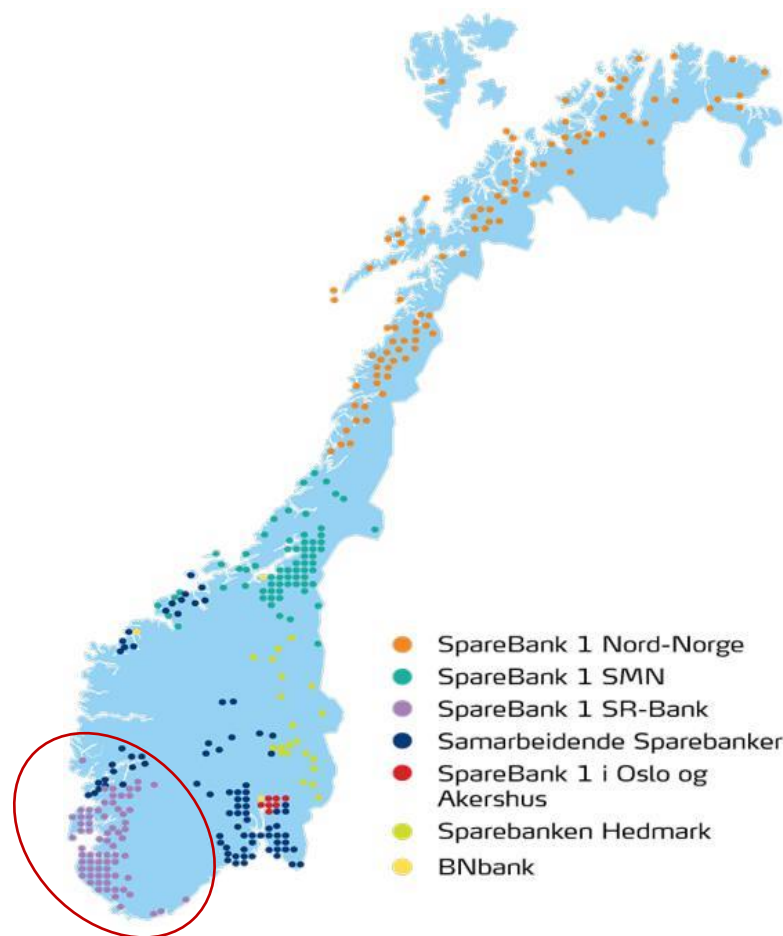
Cornerstones	<p>Efficiency</p> <p>Increase efficiency compared to competitors by:</p> <ul style="list-style-type: none"> - <i>Economies of scale</i> - <i>Mutually increasing critical core competencies</i> - <i>Sharing development investments</i> 	<p>Local Market Focus</p> <p>Each bank continues to maintain its link with its local community by:</p> <ul style="list-style-type: none"> - <i>Keeping its own name and legal identity</i> - <i>Taking advantage of its proximity to the local market</i>
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ALLIANCE PROGRAMME



SEPARATE LEGAL IDENTITIES
COMMON SUPERBRAND



- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- SpareBank 1 SR-Bank
- Samarbeidende Sparebanker
- SpareBank 1 i Oslo og Akershus
- Sparebanken Hedmark
- BNbank

SRBANK's activities



Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years : 33

Retail Market

Number of man-years : 460

Corporate Market

Number of man-years : 168

Administration & Support

Number of man-years : 208

Fully owned companies



Number of man-years : 200

Key areas:

- Leading real estate broker



Number of man-years : 14

Key areas:

- Asset management



Number of man-years : 33

Key areas:

- Leasing



Number of man-years : 44

Key areas:

- Accounting
- Advisory



Number of man-years : 1

Key areas:

- Covered Bond Funding

Partly owned companies

SpareBank 1 Gruppen AS
(19.5%)

Holding company for the SpareBank 1 - Alliance

BN Bank ASA
(23.5%)

Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt AS
(16,7%)

Covered bond company (mortgages)

SpareBank 1 Næringskreditt AS
(26,8%)

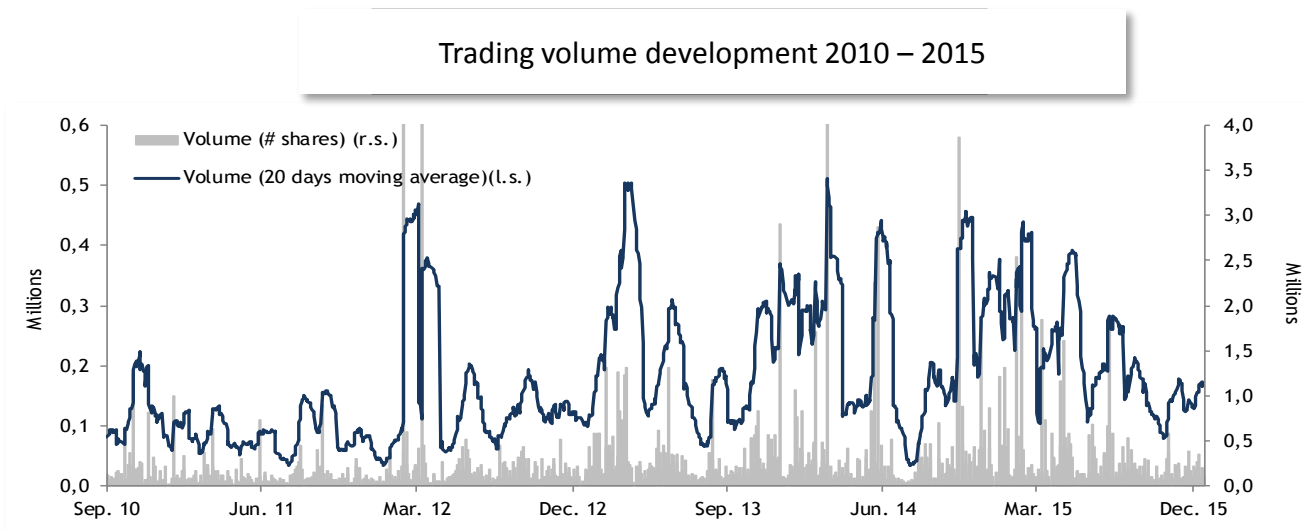
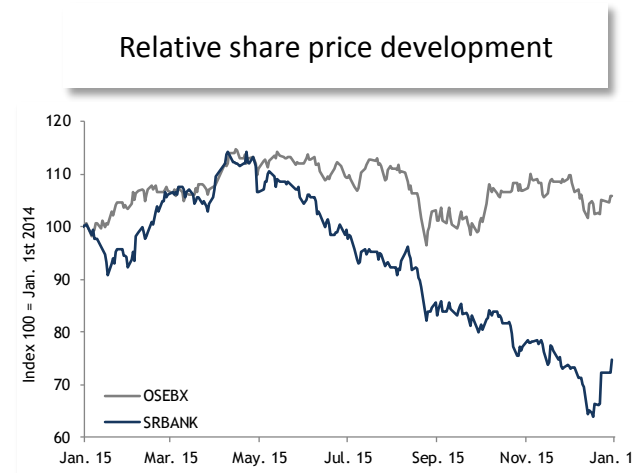
Covered bond company (commercial real estate)

SpareBank 1 Kredittkort
(18,1%)

Credit card company located in Trondheim

SRBANK

- *Converted from equity certificates to shares in 2012.*
- *Total market value at 4. quarter 2015 is NOK 10 billion.*
- *International ownership is 17.3% per 4. quarter 2015*



20 largest shareholders as at December 2015

- *International ownership is 17.3% per 4. quarter 2015.*

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Gjensidige Forsikring ASA		26.808.416	10,5%
State Street Bank and Trust Co, U.S.A.	Nominee	9.670.715	3,8%
Vpf Nordea Norge Verdi		8.268.105	3,2%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Wimoh Invest AS		5.761.169	2,3%
Odin Norge		5.381.793	2,1%
Pareto Aksje Norge		3.944.244	1,5%
Danske Invest Norske Instit. II		3.028.258	1,2%
State Street Bank and Trust Co, U.S.A.	Nominee	2.990.287	1,2%
Clipper AS		2.565.000	1,0%
The Bank of New York Mellon, U.S.A.	Nominee	2.542.184	1,0%
State Street Bank and Trust Co, U.S.A.	Nominee	2.182.161	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	1.890.186	0,7%
Danske Invest Norske Aksjer Inst.		1.674.894	0,7%
Vpf Nordea Kapital		1.653.050	0,6%
Pareto AS		1.640.867	0,6%
Vpf Nordea Avkastning		1.630.410	0,6%
Westco		1.577.534	0,6%
The Northern Trust Co, U.K.	Nominee	1.512.297	0,6%
<hr/>			
Top 5		123.393.124	48,2%
Top 10		144.498.875	56,5%
Top 20		163.367.458	63,9%

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Financials

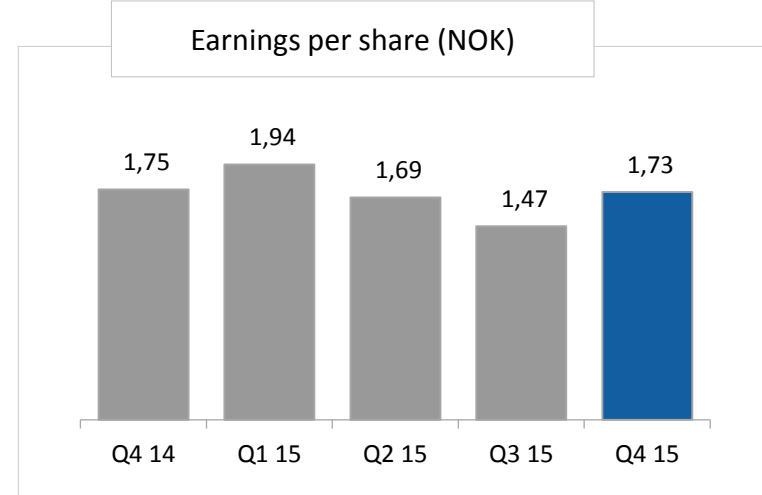
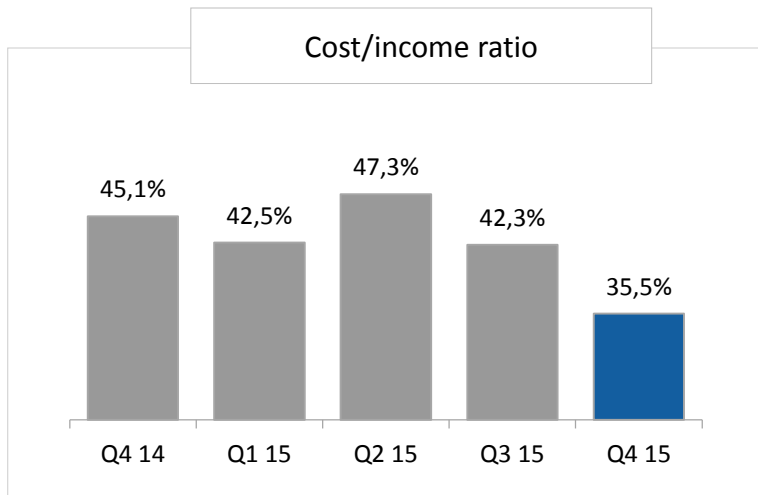
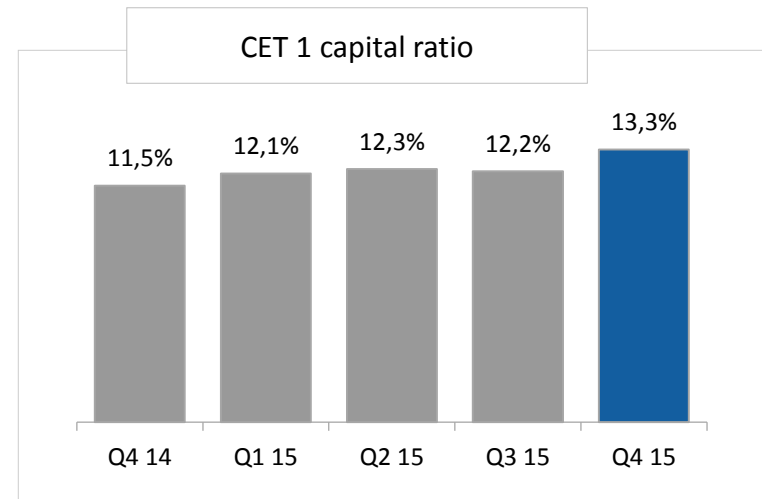
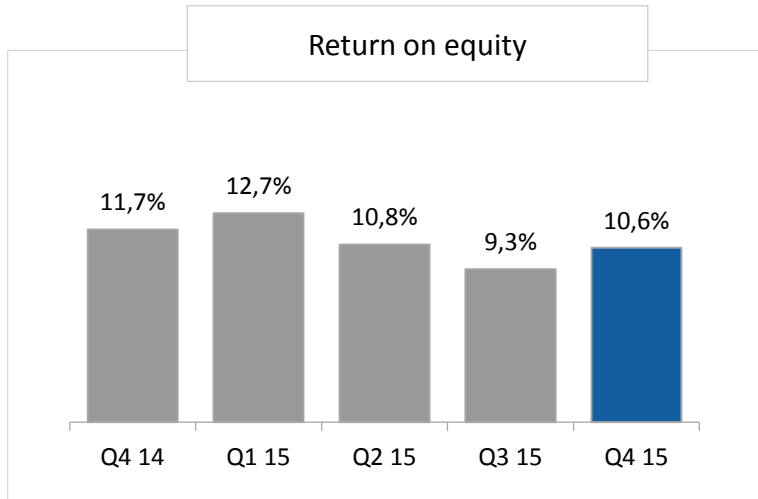
Solvency and liquidity position

Appendix

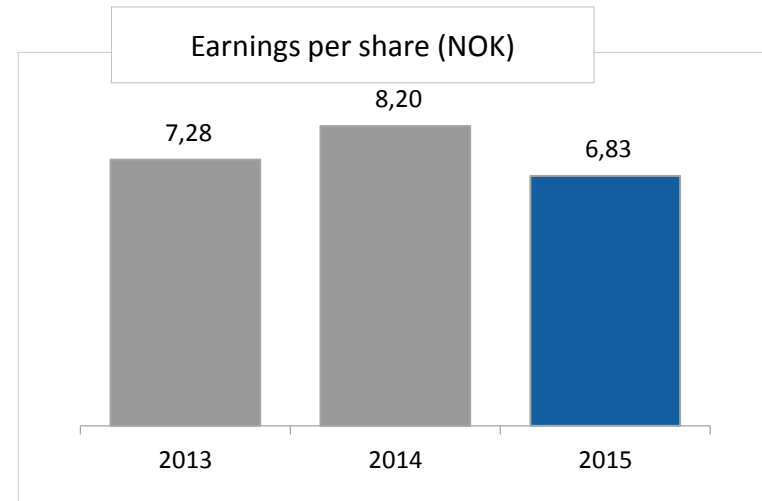
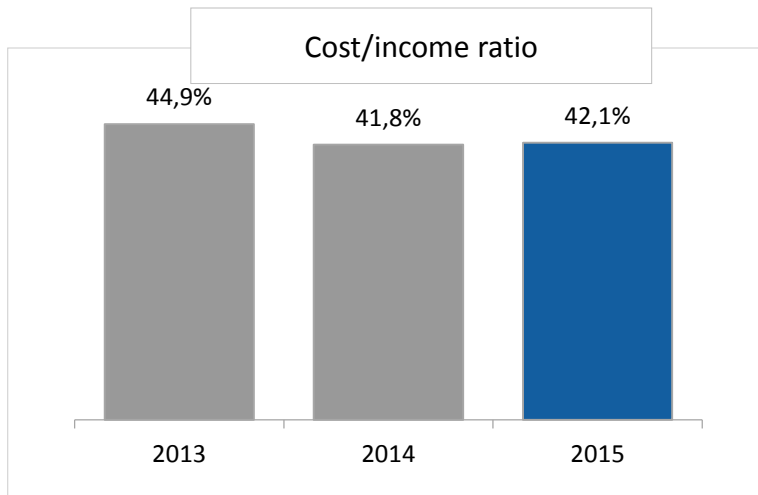
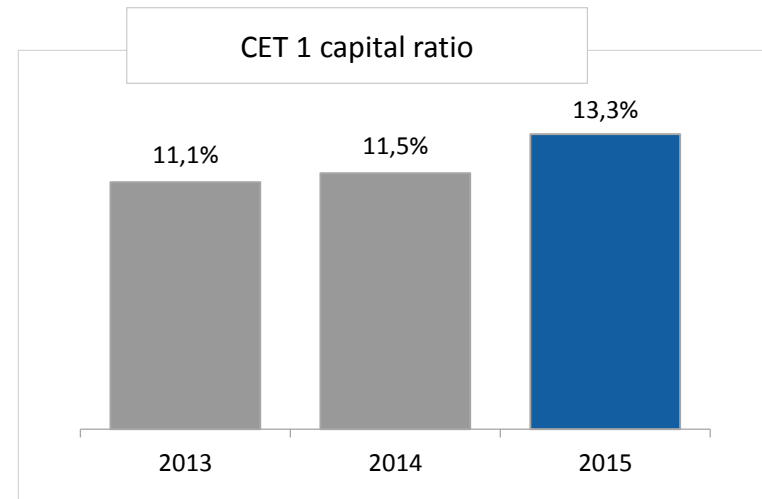
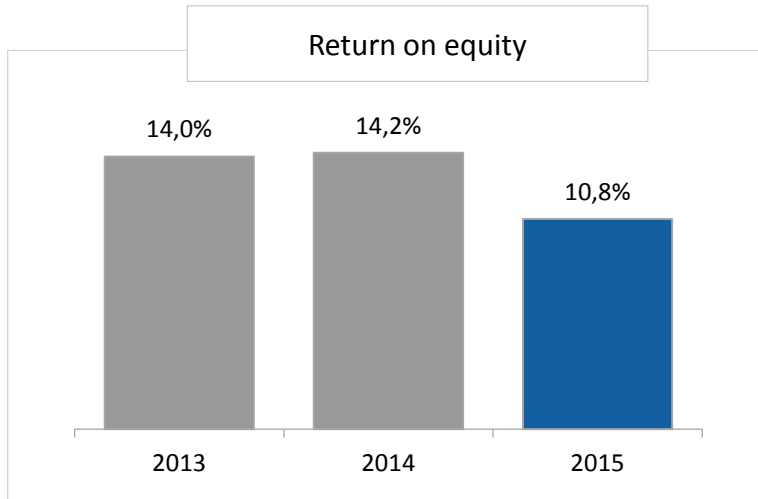
Good results, good cost control, moderate losses and improved financial strength

- Pre-tax profit for the quarter is NOK 477 million compared to NOK 553 million last year
 - Return on equity after tax 10.6%
- Pre-tax profit 2015 is NOK 2.146 million compared to NOK 2.601 million last year
 - Return on equity after tax 10.8%
- 12 months lending growth of 5.4%*
 - Risk-weighted assets (RWA) is decreased by 1% in the last 12 months
- 12 months deposits growth of 9.8%
 - Growth of 11% in other capital under management in the last 12 months
- Growth in costs of -9.4% over the last 12 months
 - Low cost growth is influenced by the changed pension scheme and lower bonus provisions
 - Normalised costs growth is 0.1%
- Moderate impairment losses on loans
 - 0.23% of gross lending including covered bonds as at 31 December 2015
- The Board proposes a dividend of NOK 1,50 per share
- Common equity tier 1 capital ratio increased to 13.3% from 11.5% last year
 - IRB Advanced approval for the corporate market portfolio

Key figures – quarterly development



Key figures – annual development



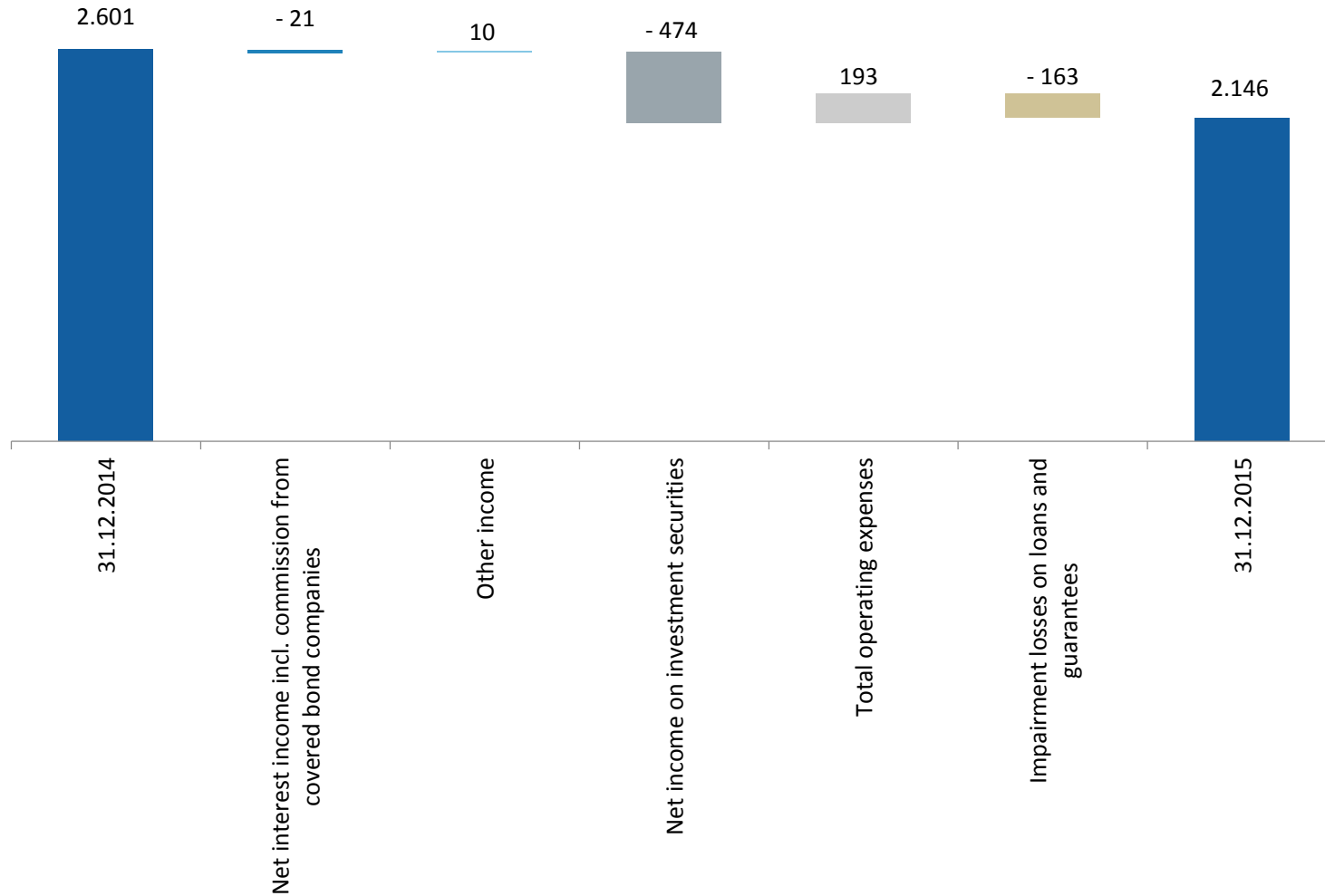
Key figures

	31.12 15	31.12 14	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Return on equity after tax (%)	10,8	14,2	10,6	9,3	10,8	12,7	11,7
Net interest margin (%)	1,42	1,45	1,40	1,39	1,44	1,45	1,51
Impairment losses on loans and guarantees in % of gross loans	0,28	0,20	0,50	0,25	0,12	0,25	0,27
<i>-incl. covered bond companies</i>	0,23	0,15	0,42	0,21	0,10	0,20	0,22
Non-performing and other problem commitments in % of gross loans	0,90	0,66	0,90	0,68	0,78	0,81	0,66
<i>-incl. covered bond companies</i>	0,76	0,54	0,76	0,56	0,64	0,66	0,54
Cost to income ratio	42,1	41,8	35,5	42,3	47,3	42,5	45,1
Annual growth in loans to customers, gross incl. covered bond companies (%)	5,4	4,7	5,4	7,4	7,6	7,3	4,7
Annual growth in deposits from customers (%)	9,8	13,7	9,8	9,5	11,1	15,5	13,7
Total assets (BNOK)	192,0	174,9	192,0	191,5	181,9	176,9	174,9
Portfolio of loans in covered bond companies (BNOK)	28,7	32,9	28,7	31,0	31,2	34,1	32,9
Risk weighted assets (BNOK)	119,1	120,2	119,1	122,4	120,4	117,6	120,2
Liquidity Coverage Ratio (LCR) (%)	128	94	128	164	111	113	94
Earnings per share (NOK)	6,83	8,20	1,73	1,47	1,69	1,94	1,75
Book value per share (NOK)	66,14	60,28	66,14	64,02	62,56	62,40	60,28
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8	255,8	255,8

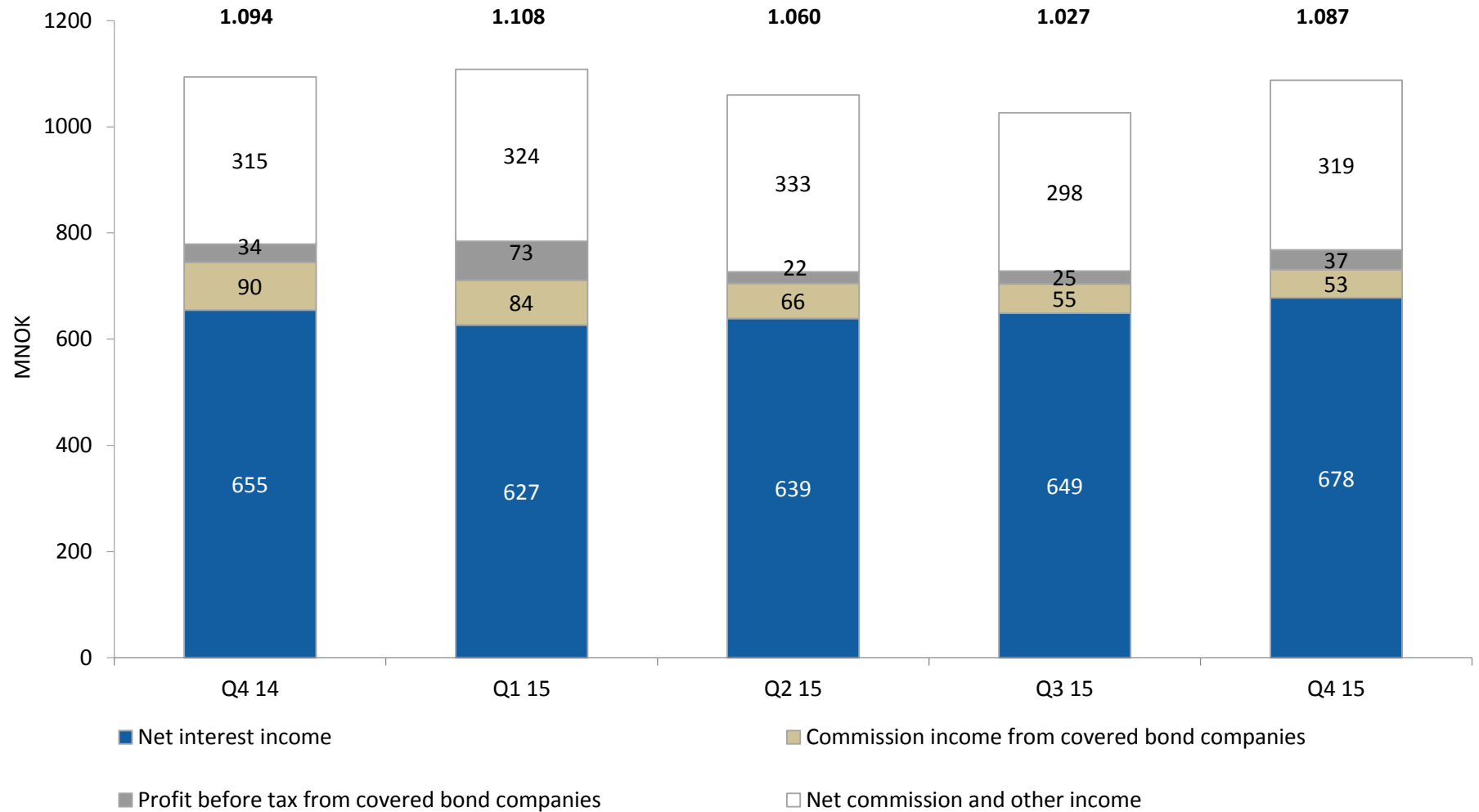
Income statement

	31.12 15	31.12 14	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
<i>Group Income Statement (MNOK)</i>							
Net interest income	2.593	2.404	678	649	639	627	655
Net commission and other income	1.532	1.732	372	353	399	408	405
Net income on investment securities	304	778	-13	12	94	211	116
Total income	4.429	4.914	1.037	1.014	1.132	1.246	1.176
Total operating expenses	1.863	2.056	368	429	536	530	530
Operating profit before losses	2.566	2.858	669	585	596	716	646
Impairment losses on loans and guarantees	420	257	192	96	44	88	93
Operating profit before tax	2.146	2.601	477	489	552	628	553
Tax expense	400	506	35	112	121	132	105
Net profit	1.746	2.095	442	377	431	496	448

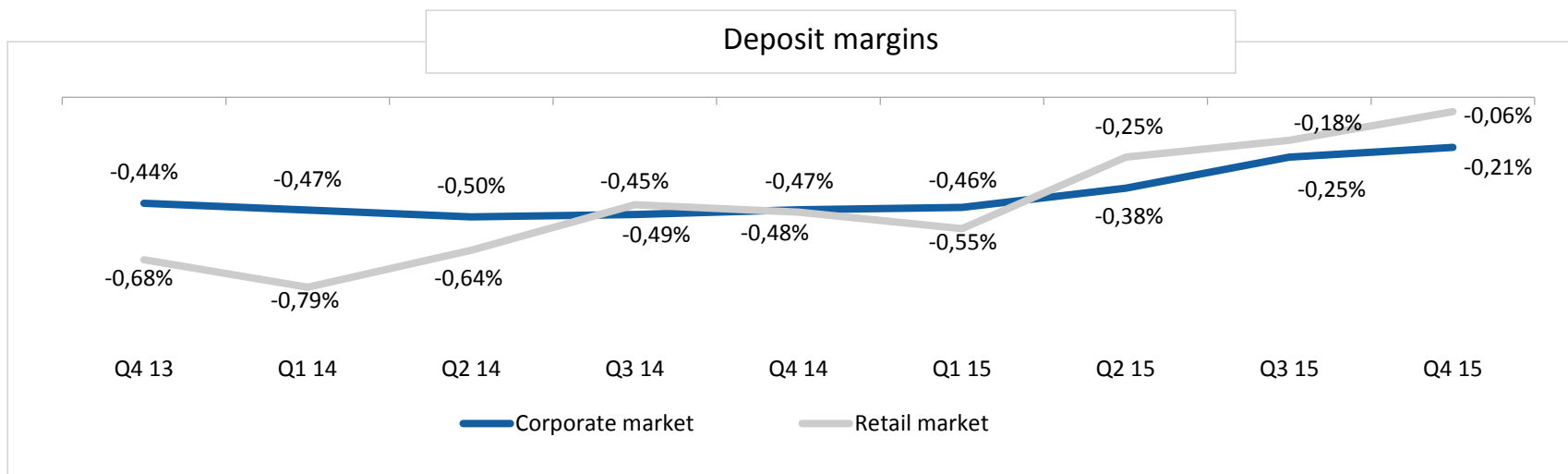
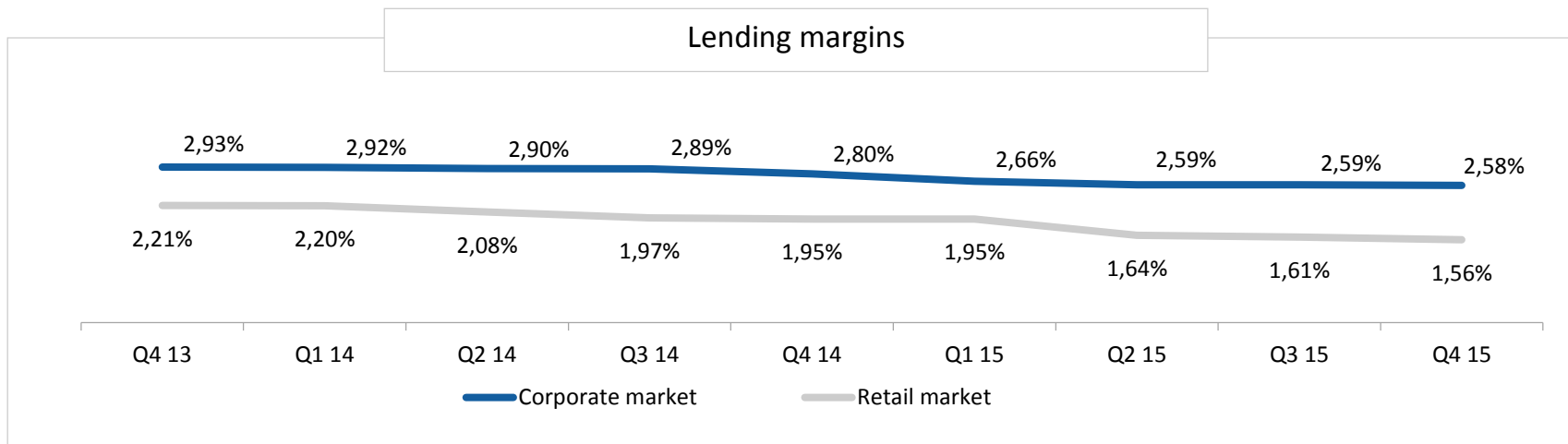
Change in profit 31.12.2014 – 31.12.2015



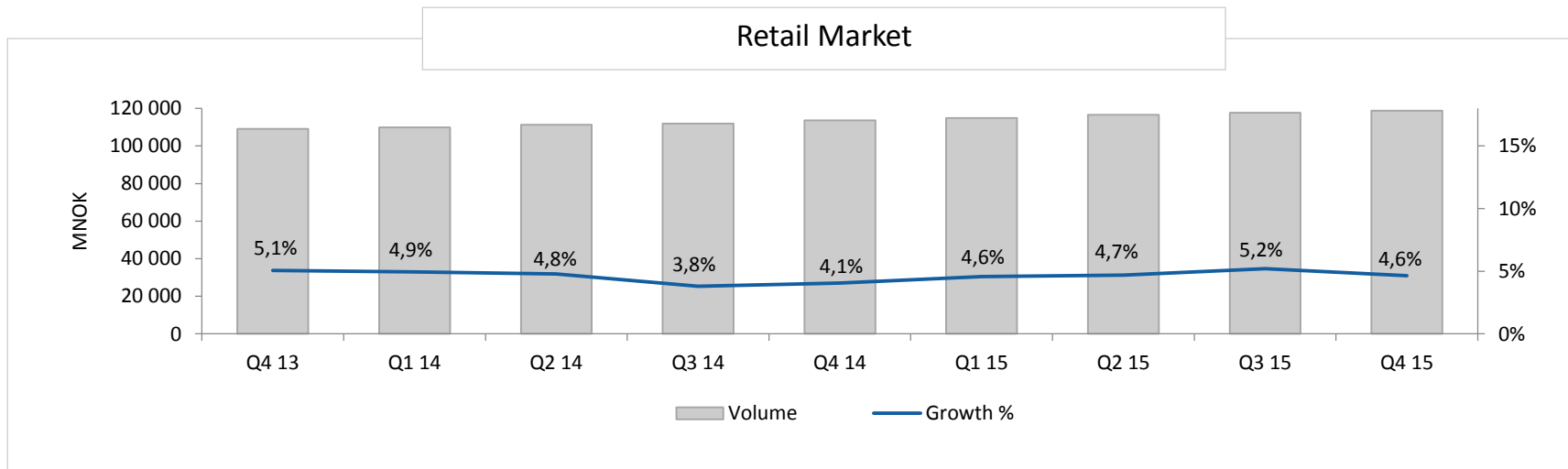
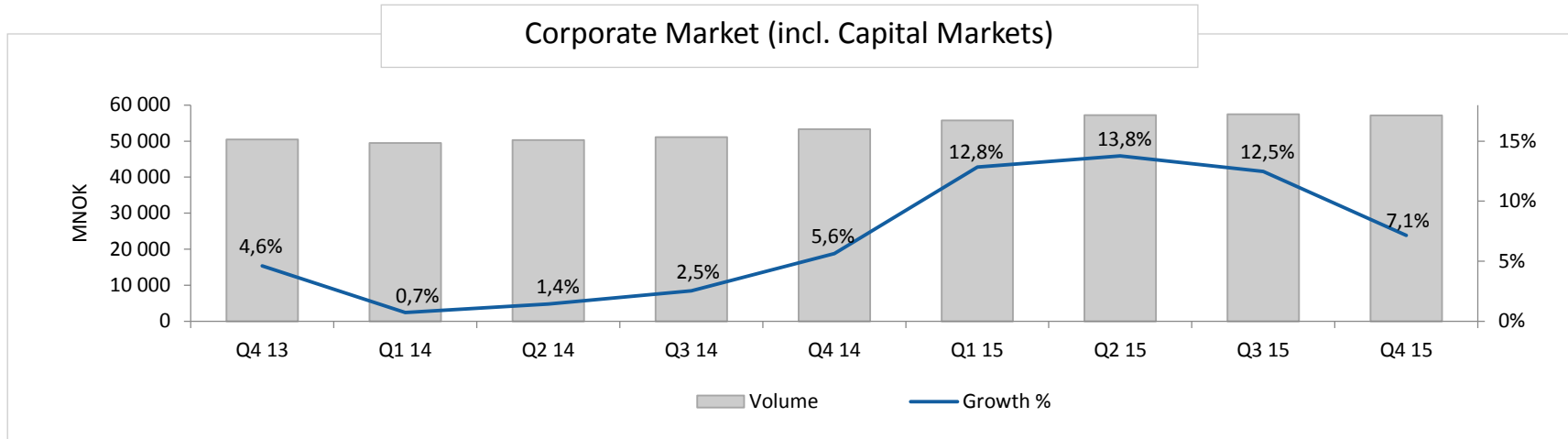
Consolidated income profile



Lending and deposit margins



Lending volume and 12 months growth

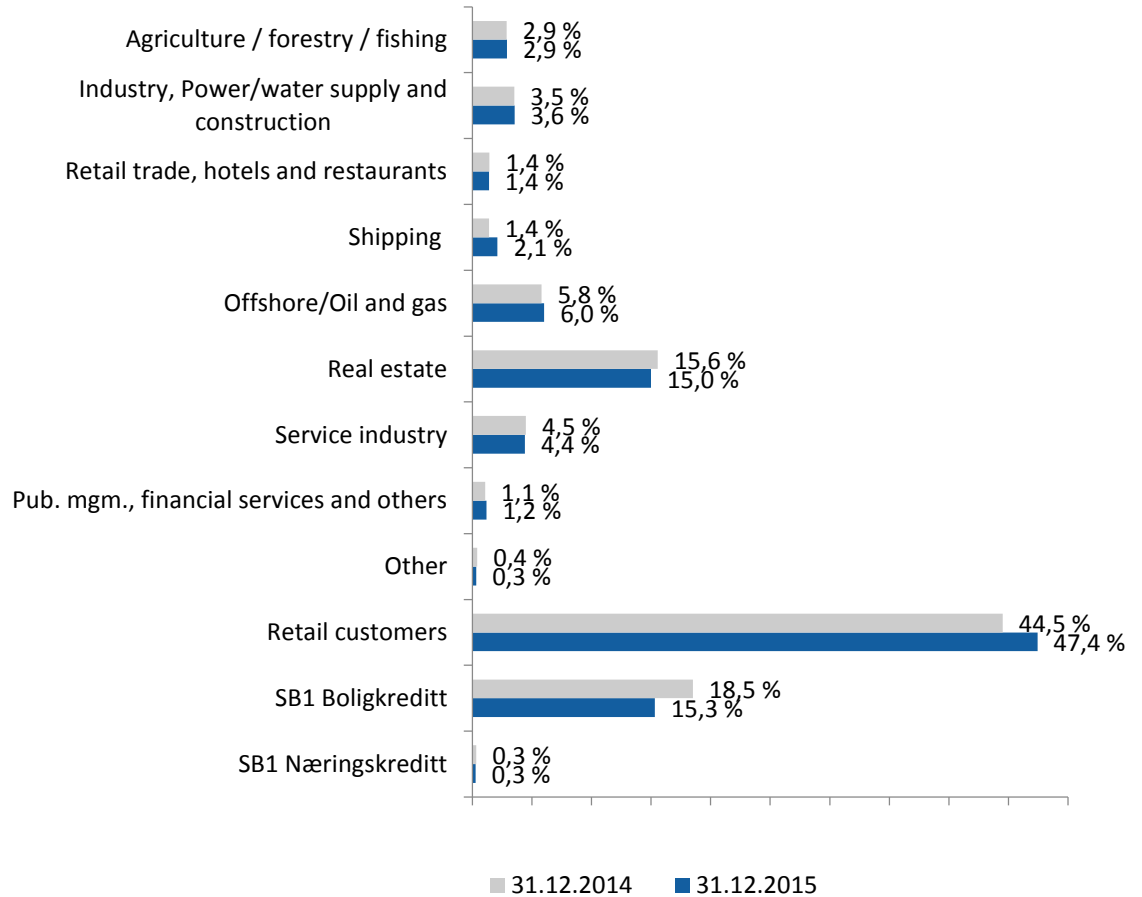


* 12 months lending growth in Corporate Market excluding currency effect is 4.9%

Figures incl. loan portfolio in covered bond companies

Loan portfolio as at 31.12.2015

- *Gross loans as at 31 December 2015 amount to NOK 183.9 billion compared with NOK 174.5 billion at the same time last year.*
- *12-month growth in loans of 5.4%.*
- *Loans to retail customers (incl. covered bond company) account for 62.7% of total loans.*

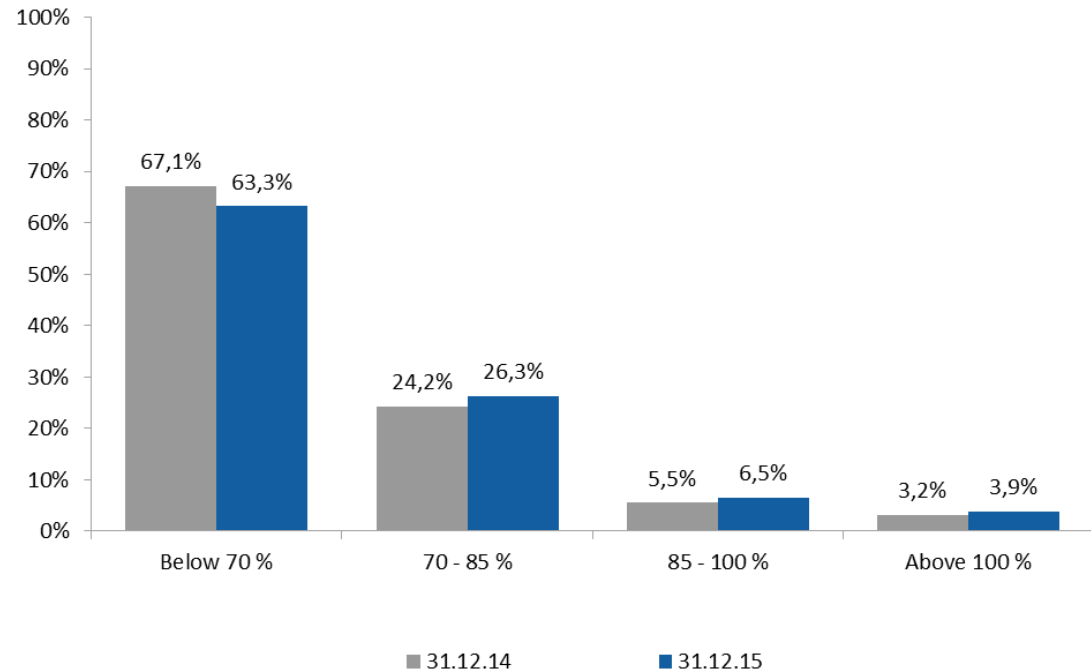


Loans before individual write-downs, nominal amounts.

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.*
- *89.6% of the exposure is within 85% of the assessed value of collateral.*
- *Lending exposure increased through 2015 whereas market value on real estate is slightly declining. This has led to a decrease in the proportion of loans within 70% LTV.*

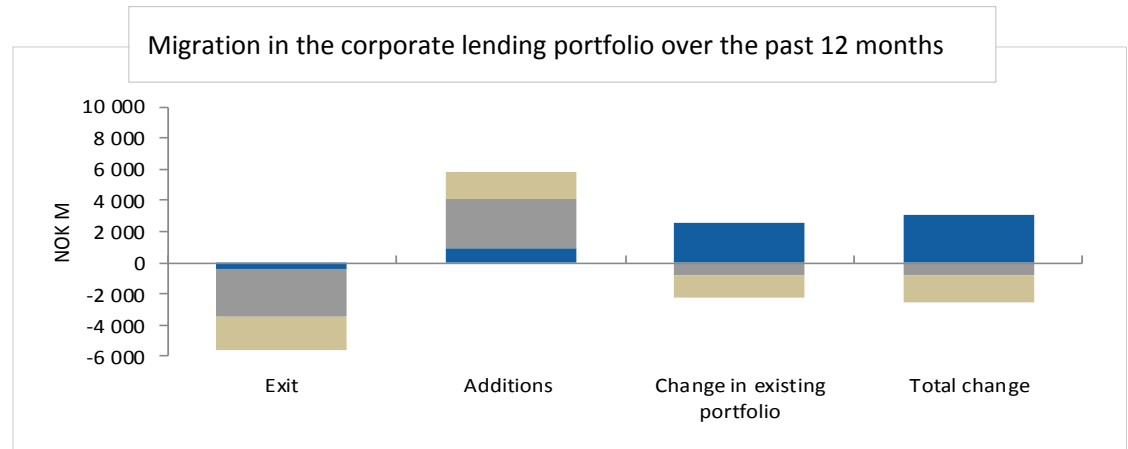
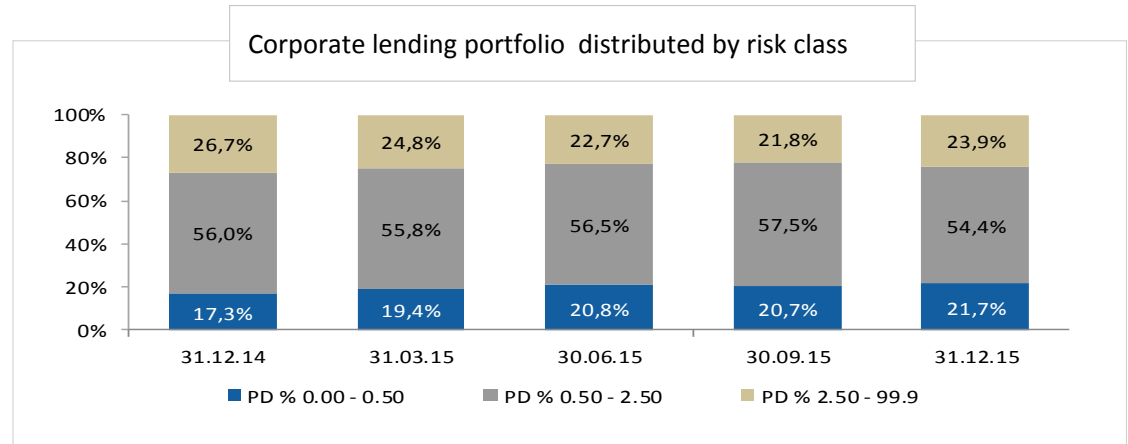


In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

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

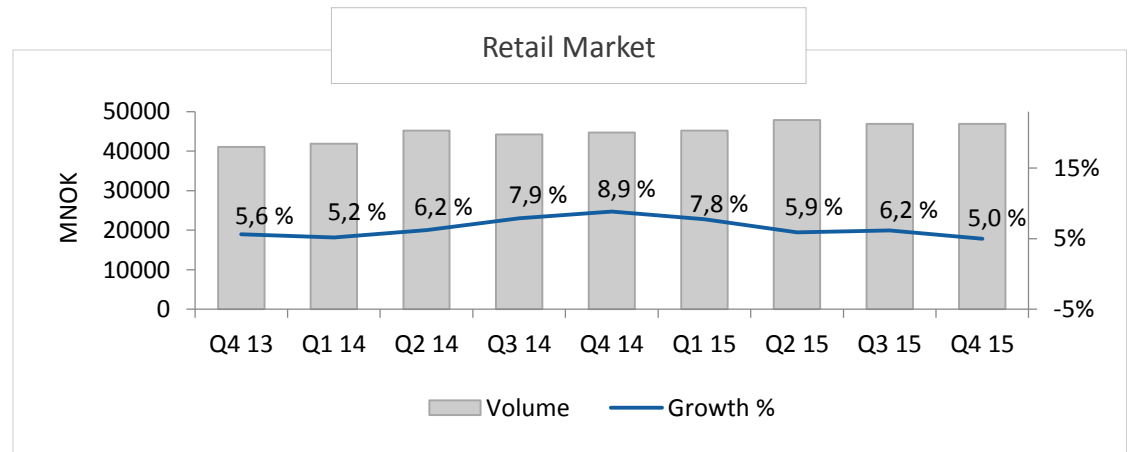
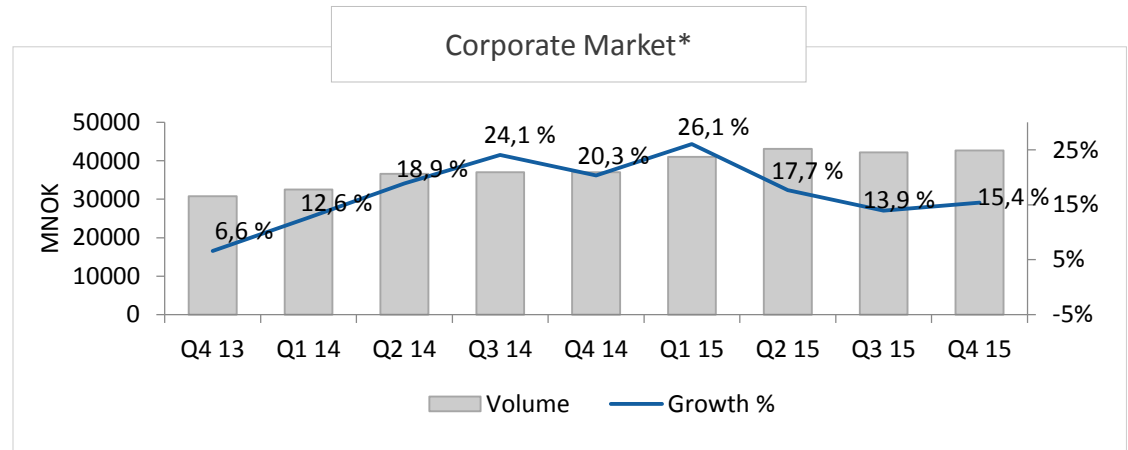
Lending to the corporate market – risk profile

- *The quality of the corporate market portfolio is good.*
- *The share of customers with PD* below 2.5% has increased, mainly due to a strengthened risk profile in existing portfolio.*
- *SpareBank 1 SR-Bank monitors PD above 2.5% continuously, and there has been a positive development in this segment through 2015. The share has however increased in Q4, mainly due to weaker financial results for some customers.*
- *There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.*



Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 8.0 billion to 89.4 billion.
 - Corresponds to an increase in the period of 9.8%.
- The biggest factor behind the sharp increase in deposits in the corporate market is from public sector customers. Last 12 months deposits increased by NOK 4 billion.

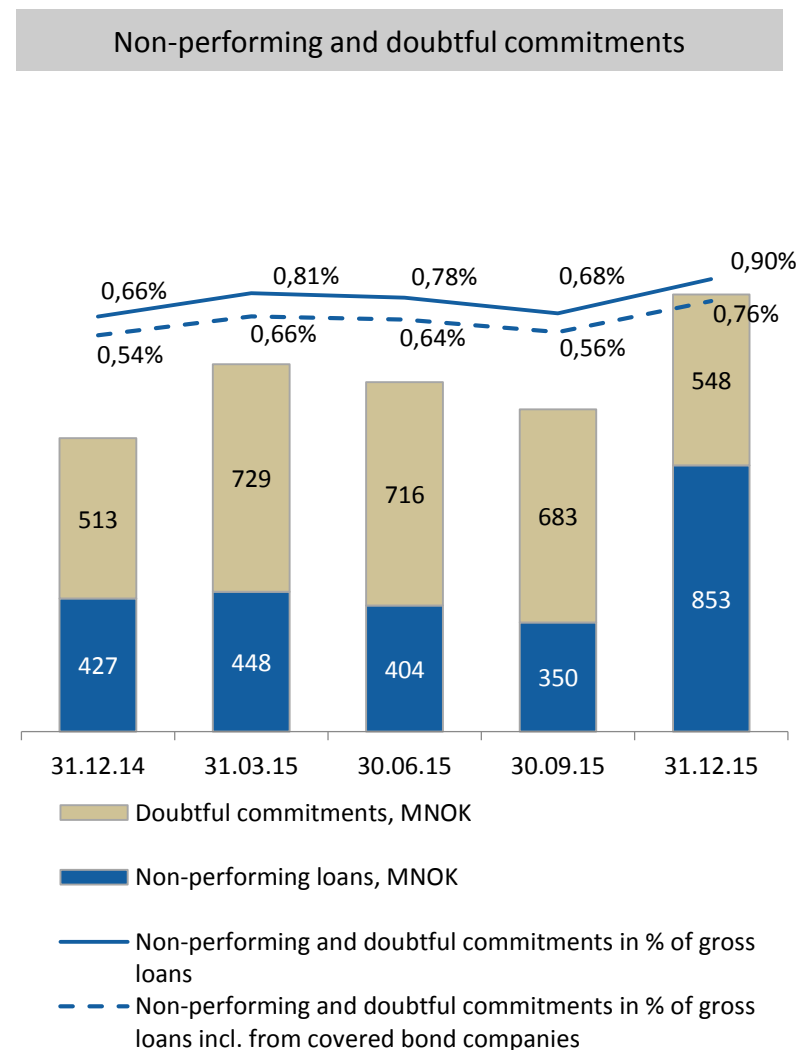
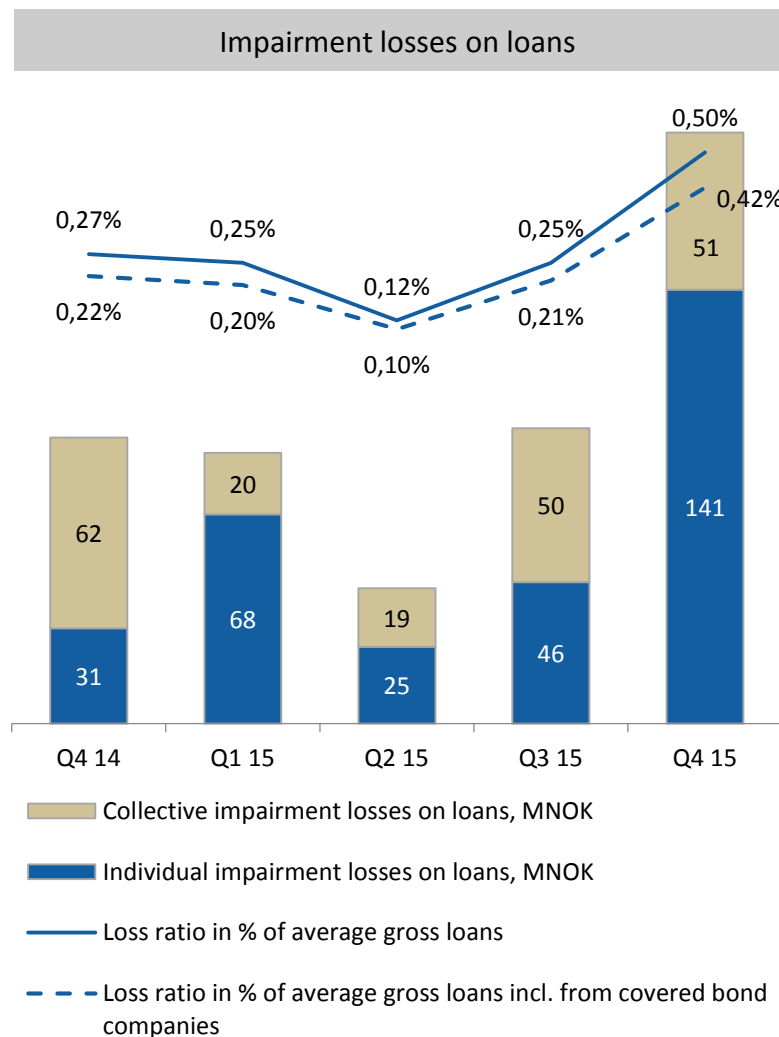


* Includes also the Capital Markets Division.

Operating expenses

<i>MNOK</i>	31.12 15	31.12 14	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Personnel expenses	1.143	1.187	255	284	300	304	303
Restructuring- and non-recurring costs, pensions	-198	15	-141	-63	0	6	5
Total personnel expenses	945	1.202	114	221	300	310	308
IT expenses	301	277	86	70	73	72	75
Marketing	90	96	19	24	26	21	29
Other administrative expenses	89	95	20	20	23	26	24
Total administrative expenses	480	468	125	114	122	119	128
Depreciation	85	88	23	20	22	20	22
Operating expenses from real estate	41	37	12	9	10	10	10
Other operating expenses	312	261	94	65	82	71	62
Total other operating expenses	438	386	129	94	114	101	94
Total operating expenses	1.863	2.056	368	429	536	530	530

Impairment losses on loans/ Non-performing and doubtful commitments



Agenda

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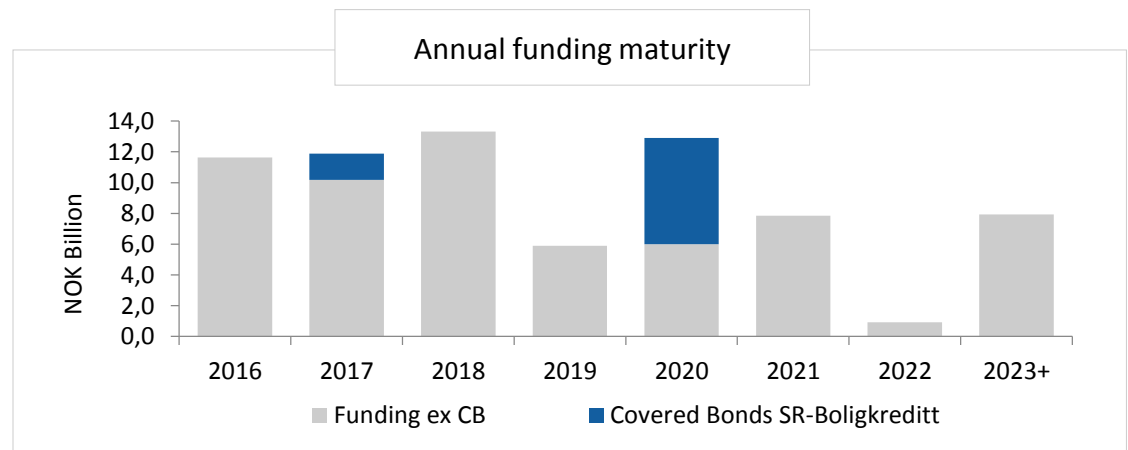
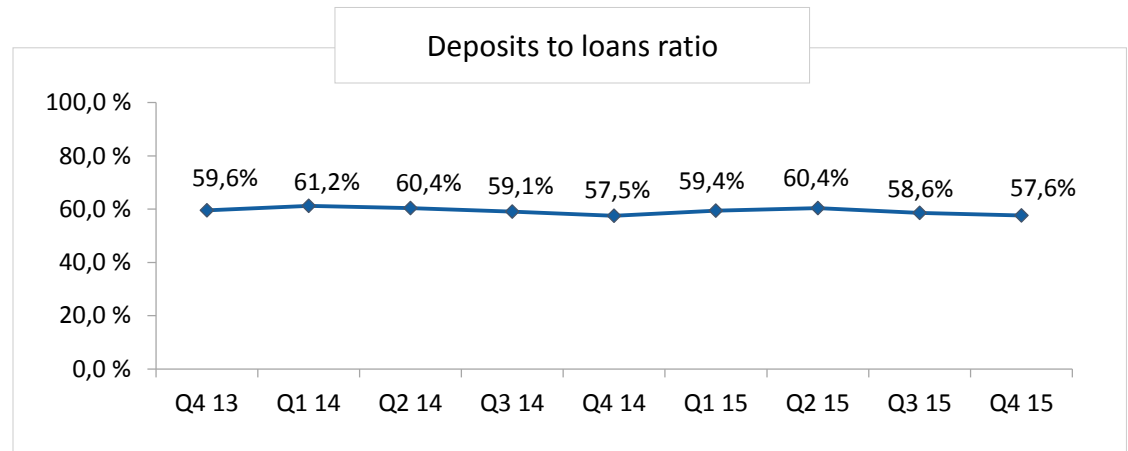
Financials

Solvency and liquidity position

Appendix

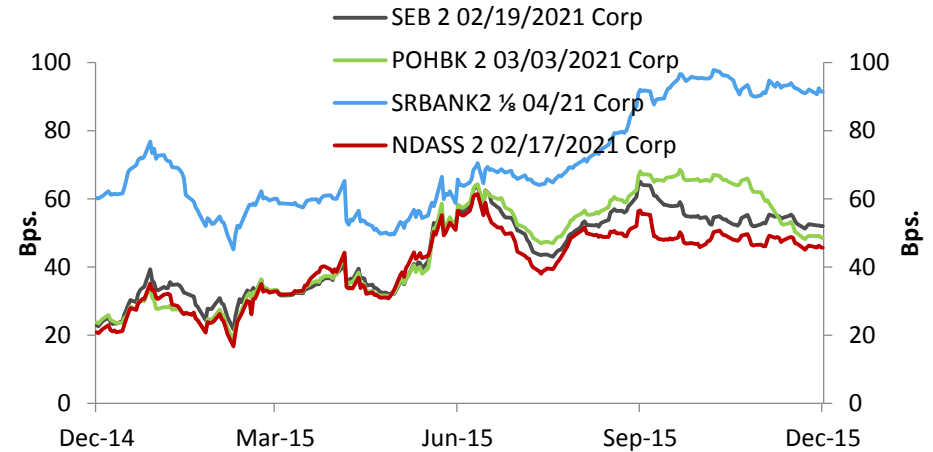
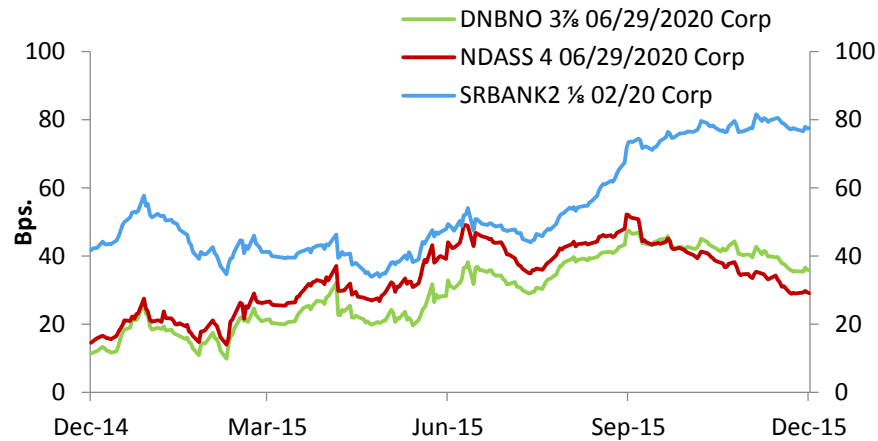
Funding

- *Well diversified funding.*
- *Greater share of senior and OMF funding last year.*
 - 6 outstanding euro-benchmarks with due dates in each of the years 2016- 2021.
 - 2 outstanding euro covered bonds Level 1B through SR-Boligkredditt.
- *Funding indicator 1* is 109.8% on consolidated basis.*
- *Good liquidity in a more demanding market environment.*
 - Net refinancing need over the next 12 months is NOK 11.6 billion.
 - Liquidity buffer is NOK 21.3 billion for normal operation in 16 months with closed markets. In addition to the liquidity buffer, NOK 24.3 billion of home mortgages are prepared for covered bond funding.
- *SR-Boligkredditt was established in the first quarter of 2015.*
 - Rated Aaa by Moody's.
 - Has issued 2 covered bonds in the Norwegian market and 1 euro-benchmark.
 - SR-Boligkredditt will ensure optimal funding mix and eliminate limitations due to regulatory limits on large exposures.



*Funding indicator 1 is a ratio of illiquid assets financed by issued securities with a duration of more than 1 year.

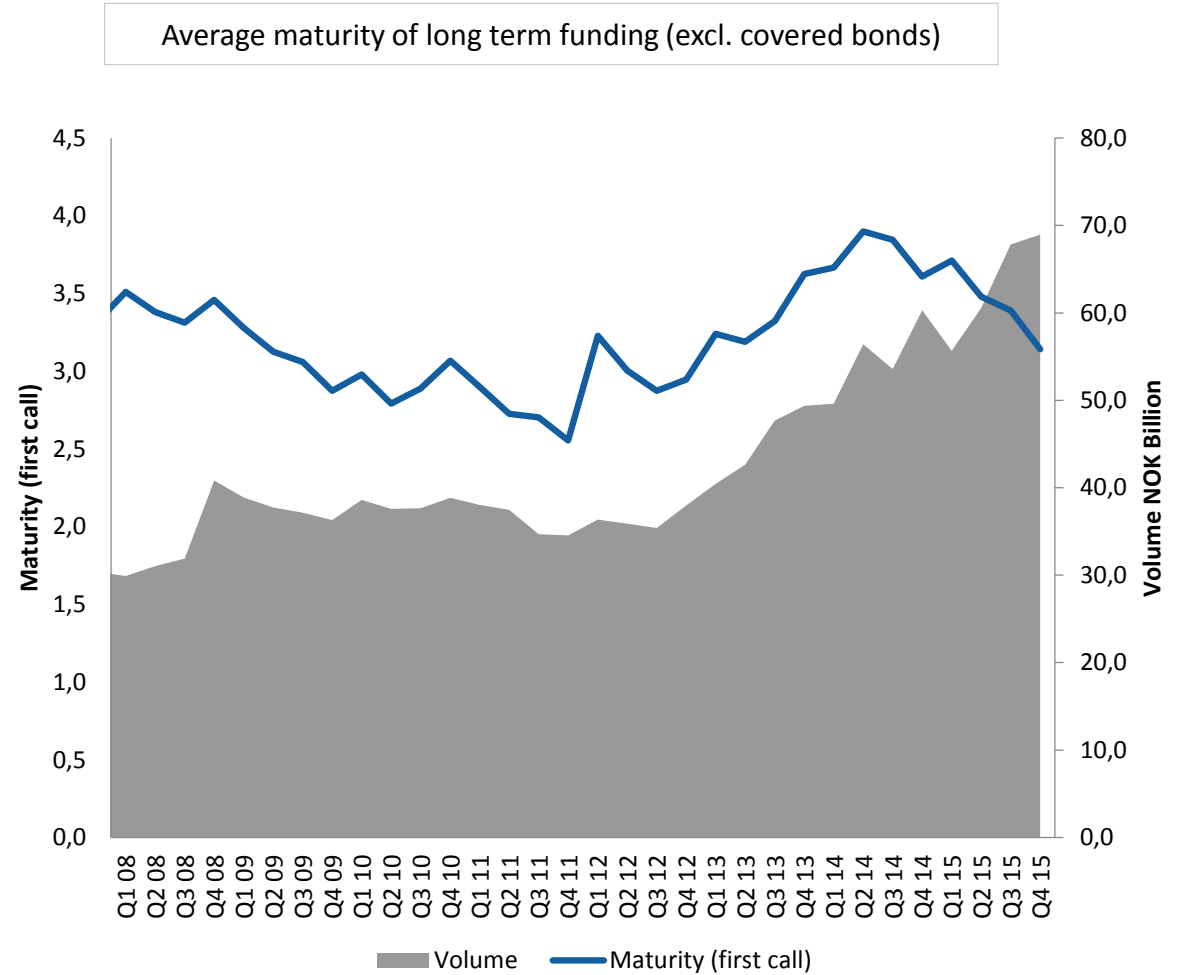
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	3,500%	EUR500mn	21-April-2016	XS0551556409
SR-Bank / SRBANK	3,500%	EUR500mn	27-March-2017	XS0762421195
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

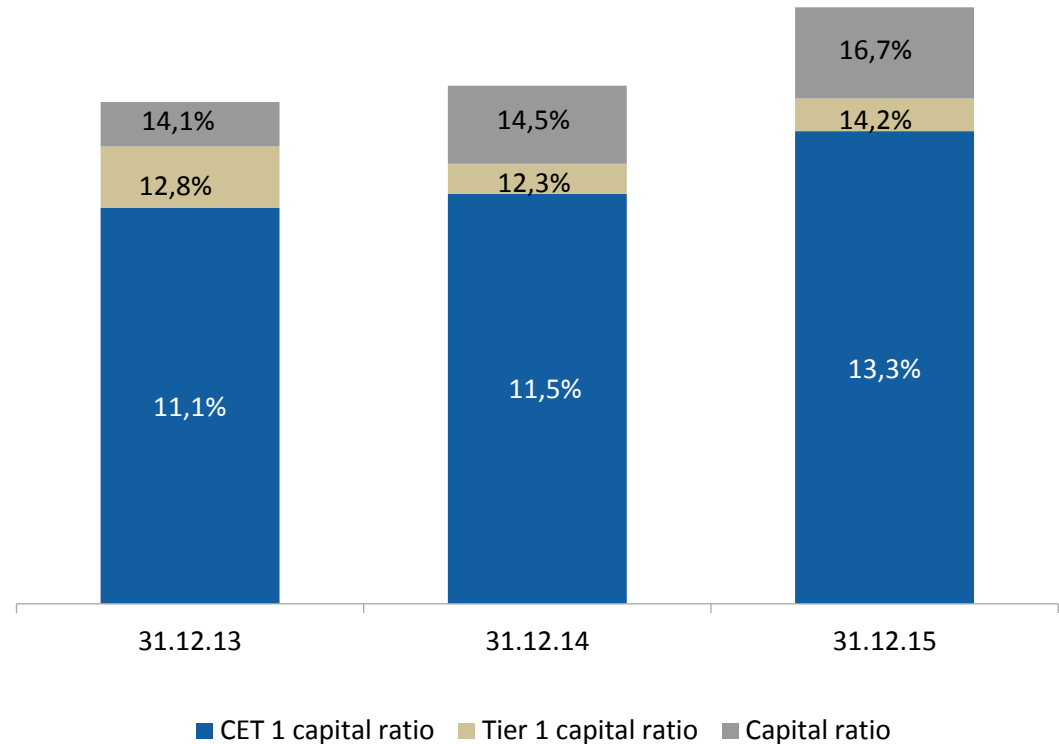
Funding structure

- *LCR of 128% at the end of December 2015. Average LCR during Q4 2015 was 140%.*



Stronger capital ratio

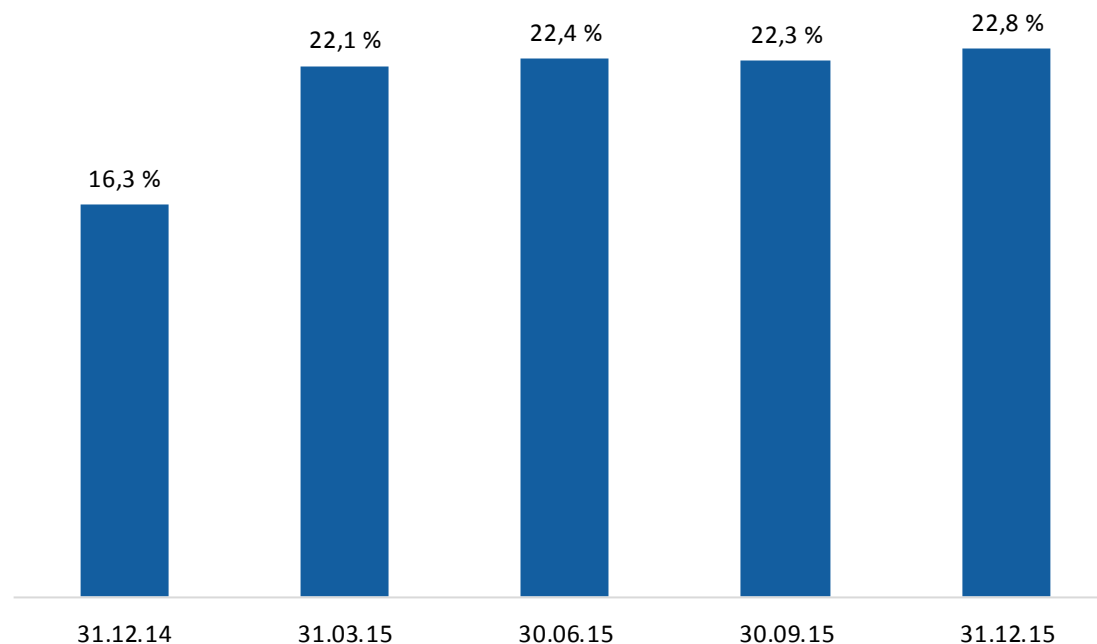
- *SpareBank 1 SR-Bank is compliant with capital requirements per 31.12.2015.*
- *SpareBank 1 SR-Bank received IRB Advanced approval for the corporate market portfolio in the first quarter of 2015.*
- *The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.*
 - *The Basel I floor is also practised differently.*
- *Leverage ratio is 6.3% per 31.12.2015.*
SpareBank 1 SR-Bank substantially exceeds the levels being discussed internationally.



Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.

RWA home mortgages

- *RWA on home mortgages reflects a solid and stable portfolio.*
- *The shift that occurs from the first quarter of 2015 is due to restrictions on PD and LGD imposed by the Norwegian FSA.*



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

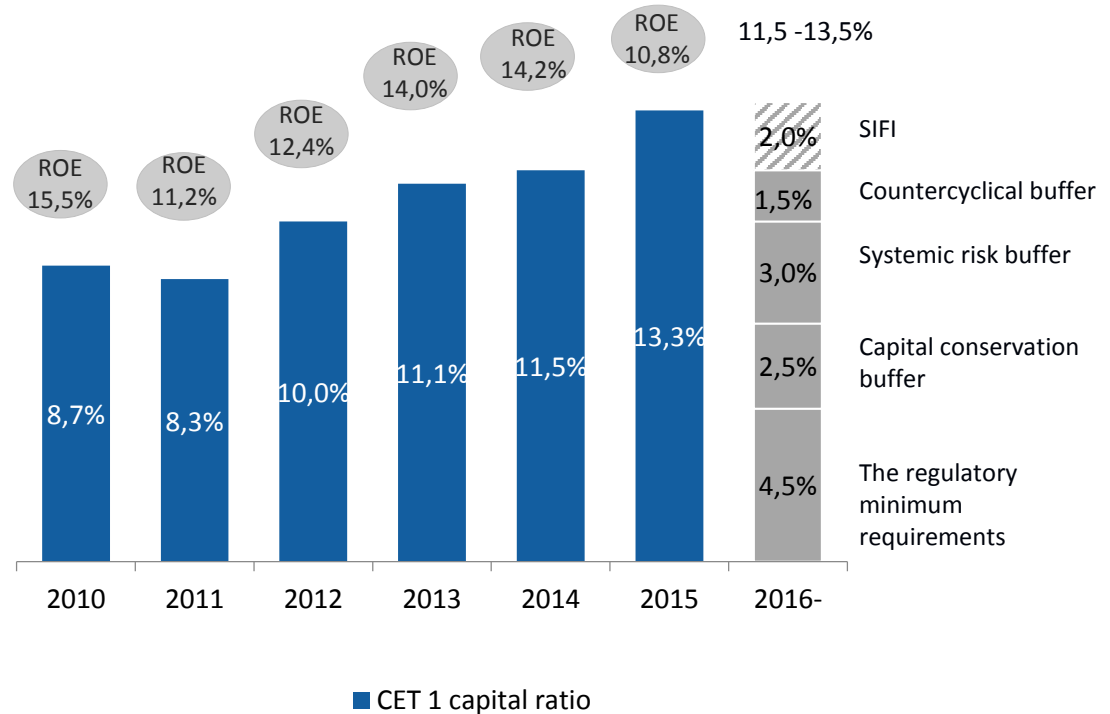
LGD (Loss Given Default): Estimated loss given default of one single loan. The calculation is based on the realisation value of assets pledged as security in an economic downturn.

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

Figures include the portfolio sold to the covered bond company (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

Strengthened common equity tier 1

- *New capital requirements entail a need to continue increasing common equity tier 1 capital going forward.*
- *Norges Bank has decided that the countercyclical buffer will be increased to 1.5% from 30 of June 2016.*
- *In addition, the Norwegian FSA will during the 2016 determine individual Pillar 2-requirements that will be added on the regulatory minimum requirements for CET 1.*
- *SpareBank 1 SR-Bank is not defined as systemically important financial institution (SIFI) according to the Regulations of 12 May 2014 but is close at SIFI-requirement for market share.*
- *To meet regulatory and market requirements for solvency, the target CET 1 level is minimum 14.0% in 2016 and 14.5% during 2017. The target is reached through good profitability and retained earnings combined with limited growth in risk-weighted assets.*



* Countercyclical buffer is 1% as at 31 December 2015.

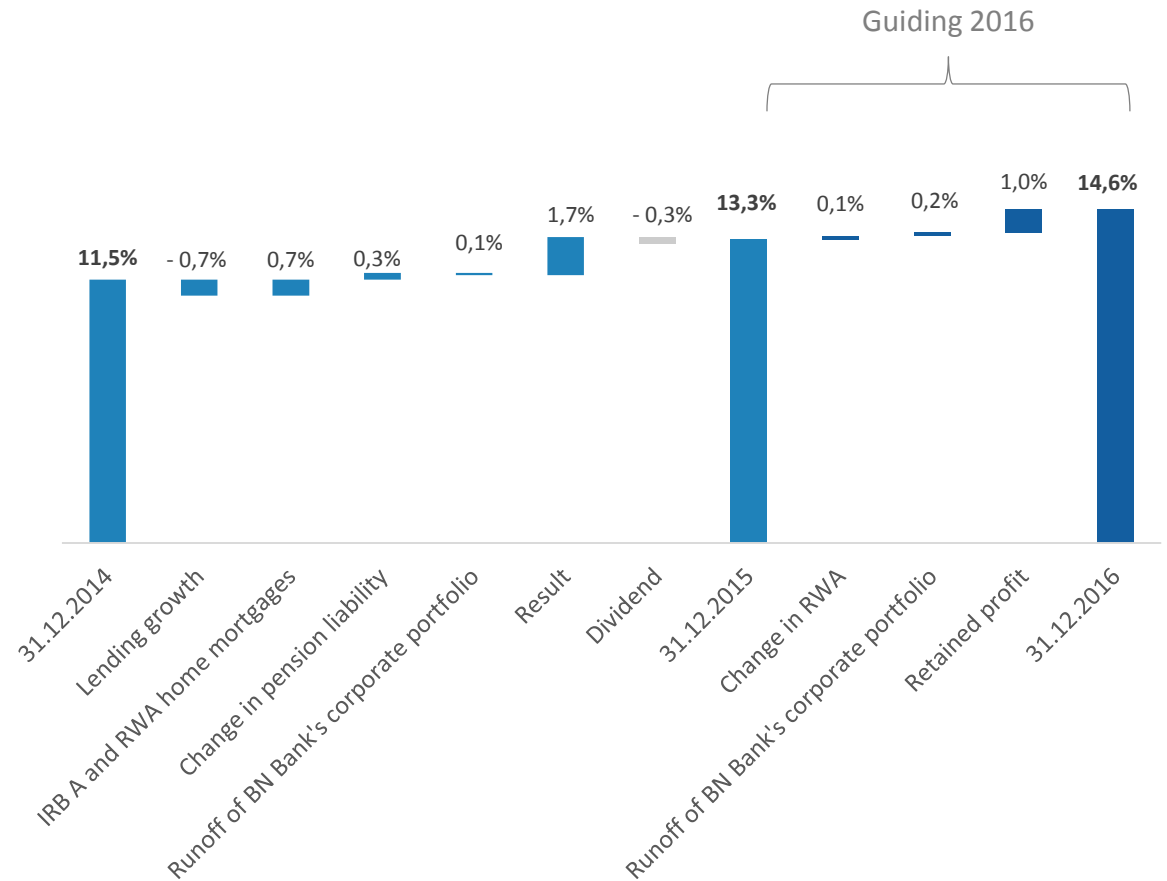
Increasing CET 1 – well prepered to reach capital requirements

Stronger common equity tier 1 in 2015

- IRB Advanced approval for the corporate market portfolio
- Changed pension scheme
- Good profitability
- Moderate growth
- Capital efficiency
- Moderate dividend

Guiding 2016

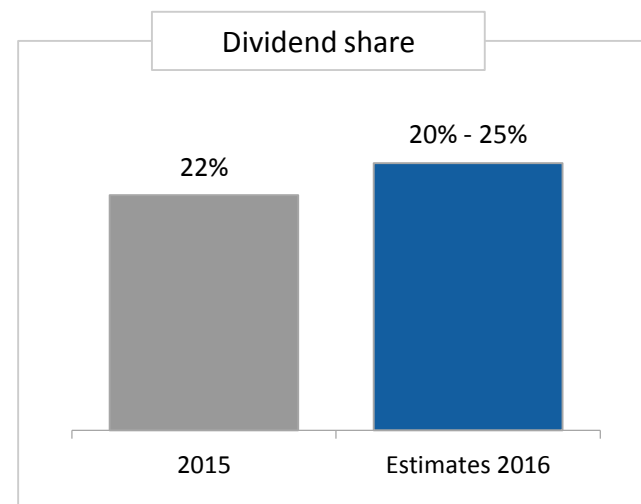
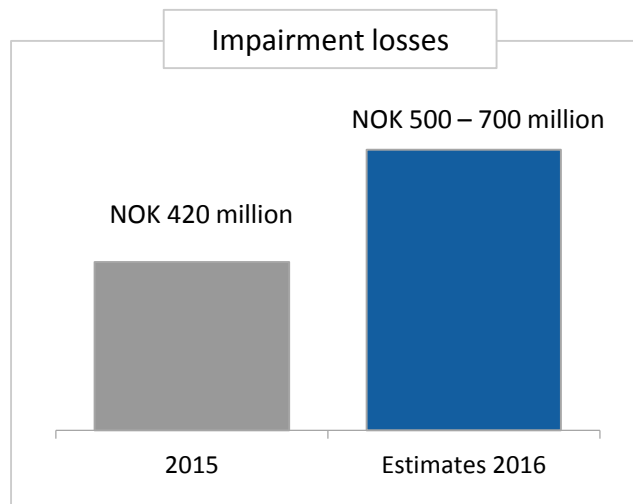
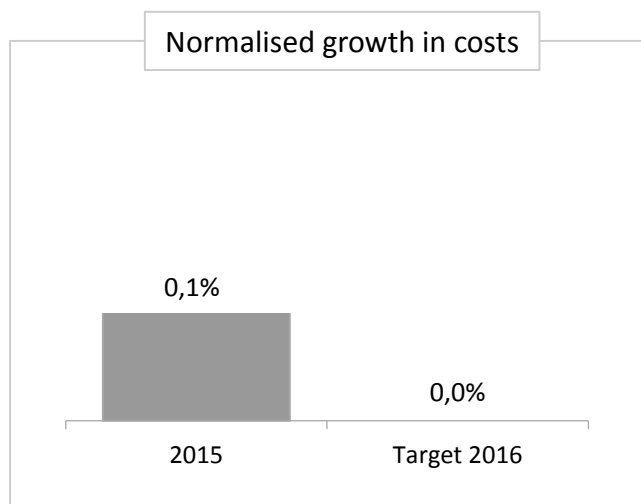
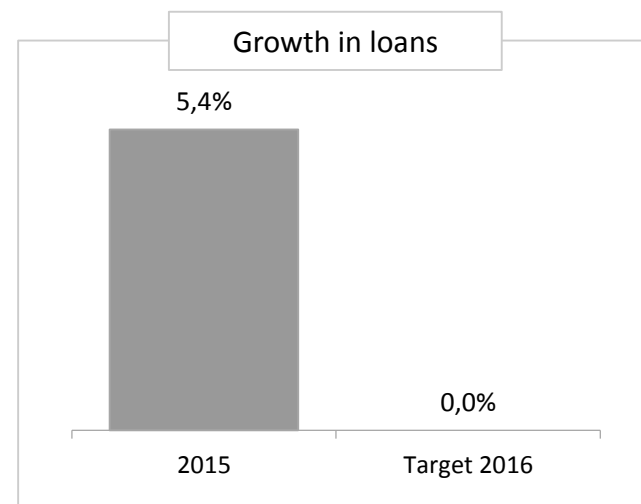
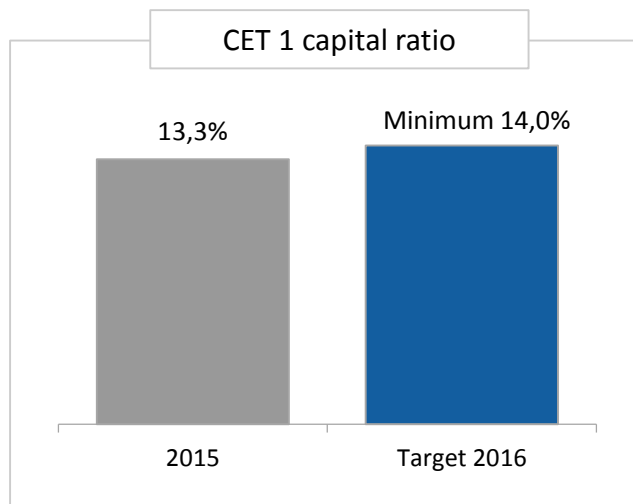
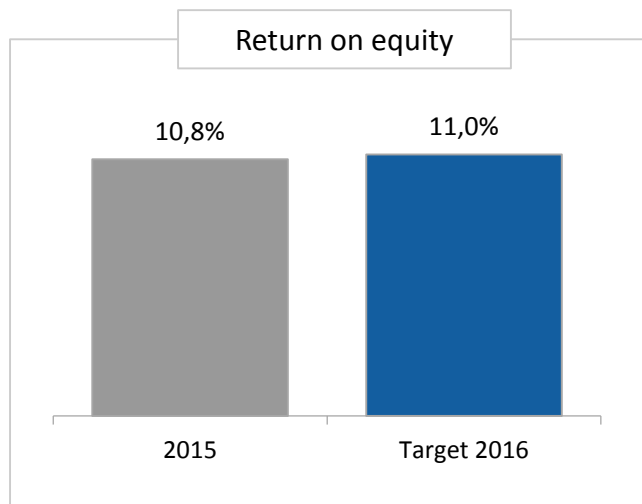
- Good profitability: Target 11% return on equity
- Marginal decline in risk-weighted assets (RWA)
- Runoff of BN Bank's corporate portfolio
- Moderate dividend



Outlook

- Norwegian exports more competitive due to a weaker exchange rate , while interest rates also stimulate business and household spending.
- Major infrastructure projects are helping to ensure good conditions for the region's business and population growth, with moderate unemployment.
- Uncertainty, especially in the petroleum sector, has increased due to lower oil prices. From record high levels, oil investments are expected to be reduced with approximately 12% - 13% in 2015, and continue with the same magnitude in 2016.
- Uncertainty about economic developments may dampen demand for loans, while low interest rates work in the opposite direction. We expect stable to slightly declining house prices going forward and still strong competition for new home mortgage customers.
- Long-lasting low oil prices may have negative impacts for the construction sector and the retail sector in the region.
- Non-performance and loan impairment losses are expected to increase to moderate in the future.
- Solid earnings from a robust business model indicates SpareBank 1 SR-Bank well positioned to build up the necessary capital going forward, while ensuring continued competitiveness.
- An offensive approach for the future
 - Investing in new technology, customer behavior changes as a result of digitization
 - The acquisition of 5 accounting offices to satisfy customers needs better by offering accounting services and advise

Financial targets and estimates in 2016



Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

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

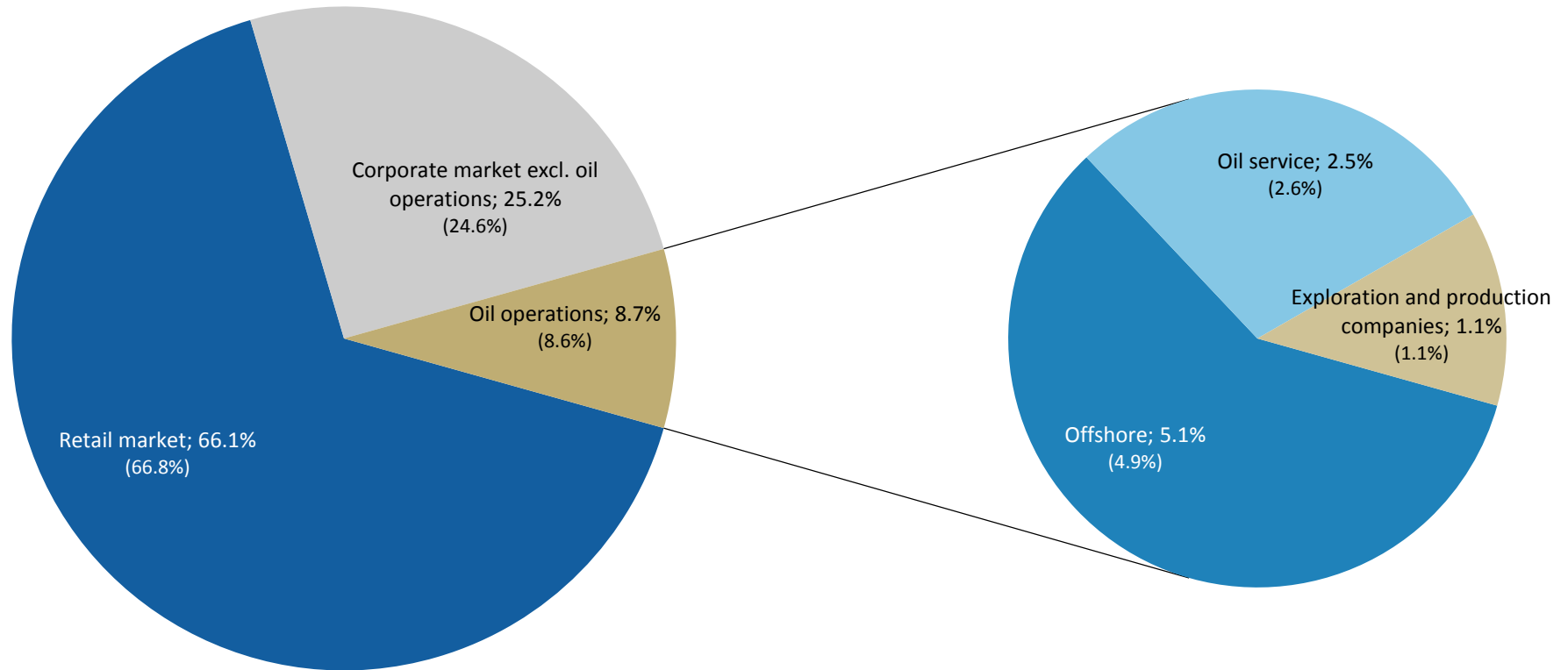
- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
 - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary 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

SpareBank 1 SR-Bank has a well diversified portfolio

8.7% (8.6%) of total EAD is related to oil operations

SpareBank 1 SR-Bank* has total BNOK 202.5 (201.4) EAD per 31.12.2015

BNOK 17.6 (17.3) EAD is related to oil operations



EAD: Exposure at default

Figures as at 31.12.2015. Figures in parentheses as at 31.12.2014.

* Include portfolio in covered bond company.

Oil services - total NOK 5.0 billion

(NOK 5.2 billion as at 31.12.2014)

Exploration and concept studies

- EAD NOK 0.7 billion
- Average weighted probability of default 0.8%

Field development and start-up drilling

- EAD NOK 1.1 billion
- Average weighted probability of default 1.1%

Operational fields and operational drilling

- EAD NOK 1.9 billion
- Average weighted probability of default 2.1%

On shore facilities

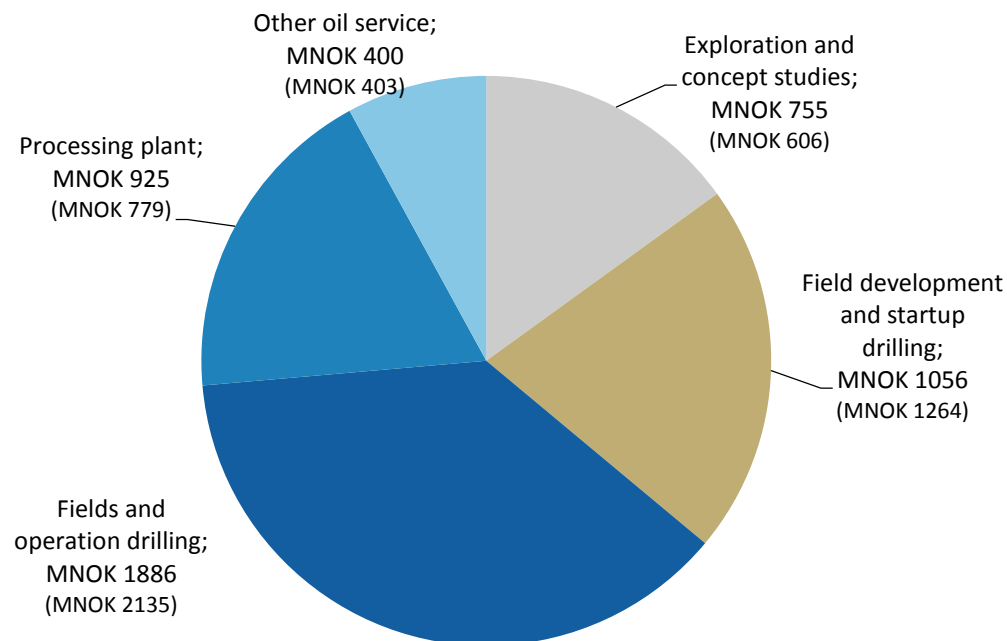
- EAD NOK 0.9 billion
- Average weighted probability of default 1.7%

Other oil services

- EAD NOK 0.4 billion

Oil services

- EAD NOK 5.0 billion, 2.5% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 1.7%
- Funding of operating capital through current and fixed assets, as well as guarantees



EAD: Exposure at default

Figures as at 31.12.2015. Figures in parentheses as at 31.12.2014.

Oil and gas - total NOK 2.2 billion

(NOK 2.2 billion as at 31.12.2014)

Exploration financing

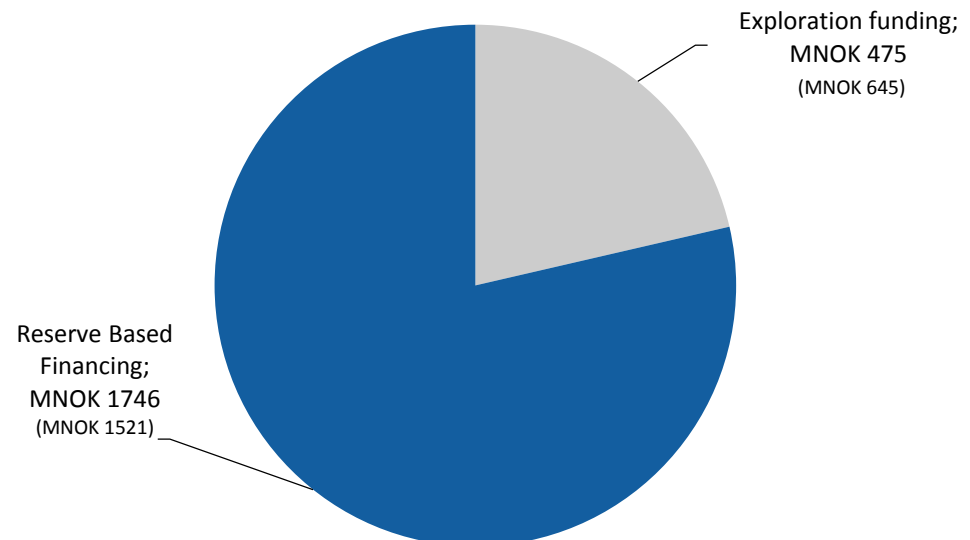
- EAD NOK 0,5 billion
- Average weighted probability of default 3.4%
- Secured by a tax refund from the Norwegian State. No direct oil price risk

Reserve based lending (RBL)

- EAD NOK 1.7 billion
- Average weighted probability of default 2.9%
- Structured financing based on assumptions relating to spares, 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 2.2 billion, 1.1% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 3.0%
- Exposure primarily to companies with activities on the Norwegian continental shelf



EAD: Exposure at default

Figures as at 31.12.2015. Figures in parentheses as at 31.12.2014.

Offshore - total NOK 10.4 billion*

(NOK 9.9 billion as at 31.12.2014)

Offshore Service Vessels

- EAD NOK 7.3 billion, average weighted probability of default is 1.2%, weighted average age is 7.1 years, average weighted contract coverage for 2016 and 2017 of 59% and 40% respectively, average weighted LTV 69%, 74 vessels

Rigs

- EAD NOK 2.0 billion, average weighted probability of default is 3.3%, weighted average age is 10.7 years, average weighted contract coverage for 2016 and 2017 of 90% and 69% respectively, average weighted LTV 65%, 17 rigs

Seismology

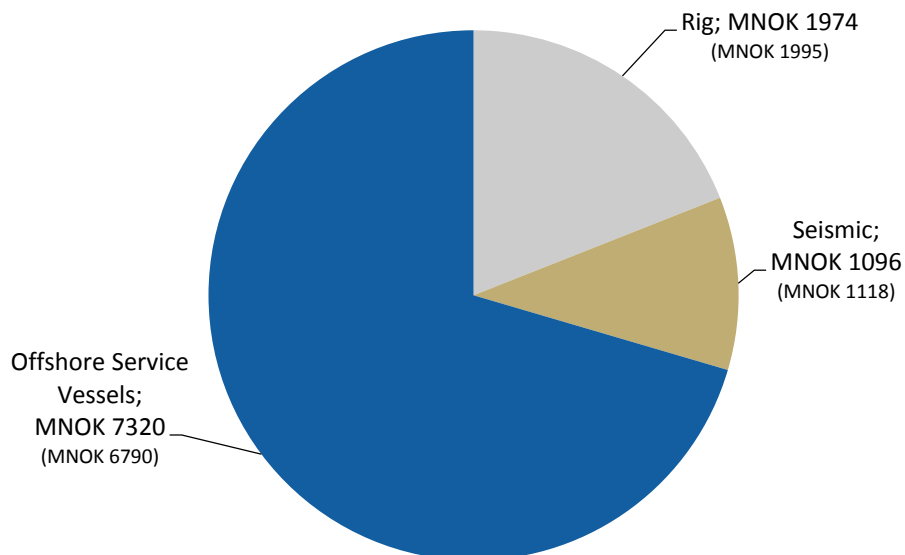
- EAD NOK 1.1 billion, average weighted probability of default is 1.3%, weighted average age is 11.7 years, average weighted contract coverage for 2016 and 2017 of 71% and 70% respectively, average weighted LTV 73%, 7 vessels
- Applies to ship financing, not seismic equipment

*EAD equivalent NOK 1.3 billion is caused to currency effect

EAD: Exposure at default
 Figures as at 31.12.2015. Figures in parentheses as at 31.12.2014.
 LTV: Loan to Value. Value estimates per 31.12.2015

Offshore

- EAD NOK 10.4 billion, 5.1% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 1.5%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



Offshore Service Vessels

PSV

- EAD NOK 2.7 billion, weighted average age is 4.8 years

AHTS

- EAD NOK 0.6 billion, weighted average age is 8.1 years

Subsea

- EAD NOK 2.7 billion, weighted average age is 7.3 years

Standby/area contingency

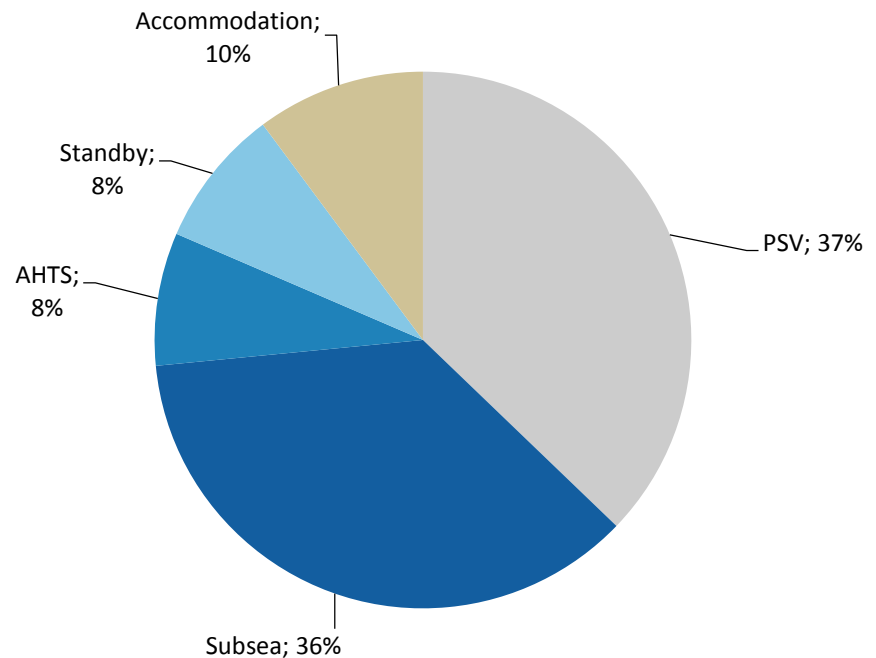
- EAD NOK 0.6 billion, weighted average age is 4.6 years

Accommodation

- EAD NOK 0.7 billion, weighted average age is 16.9 years

Offshore Service Vessels

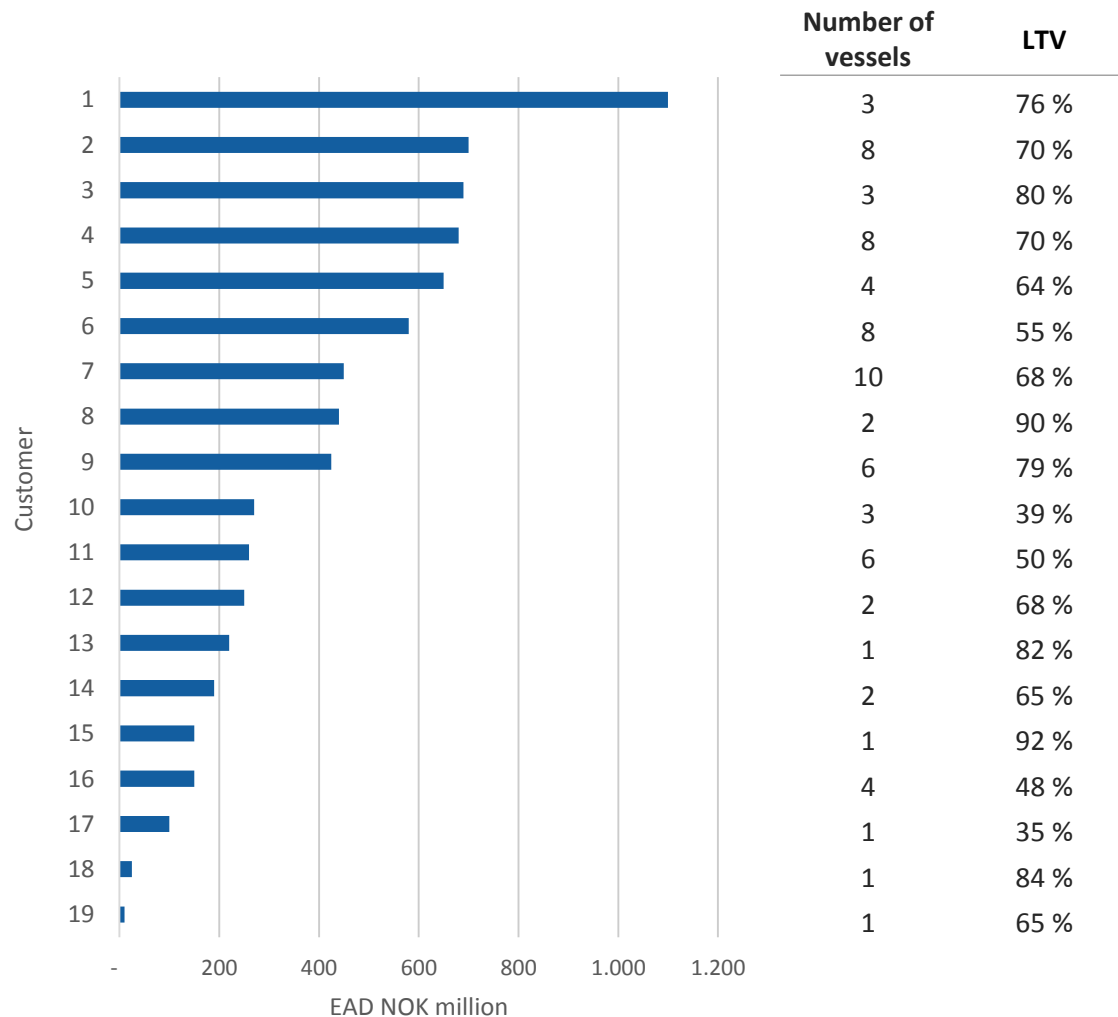
- Most customers with long history as a borrower in SpareBank 1 SR-Bank
- Most of the companies are listed on stock exchange or family owned
- A major part is industrially focused companies, only a small number of financially oriented owners



Figures as at 31.12.2015

Offshore Service Vessels – largest customer group

- Well diversified portfolio. One commitment of NOK 1.1 billion, rest of NOK 700 million or lower
- Financing of 74 vessels, all with 1. priority pledge
- Generally low loan to value (LTV). Valuations made by 3. party brokerage companies as of 31.12.2015. Value estimates reduced by 20% from 31.12.2014



Total EAD NOK 7.3 billion

Lending to commercial property

Letting of real estate - oil operations

- EAD NOK 3.3 billion 1.6% of total EAD, which of;
 - Oil operations: EAD NOK 1.2 billion
 - Business services which of oil related: EAD NOK 0.5 billion
 - Industry: EAD NOK 1.1 billion
 - Other, which of oil related : EAD NOK 0.5 billion

Letting of real estate - other

- EAD NOK 14.5 billion, 7.1% of the group's total EAD

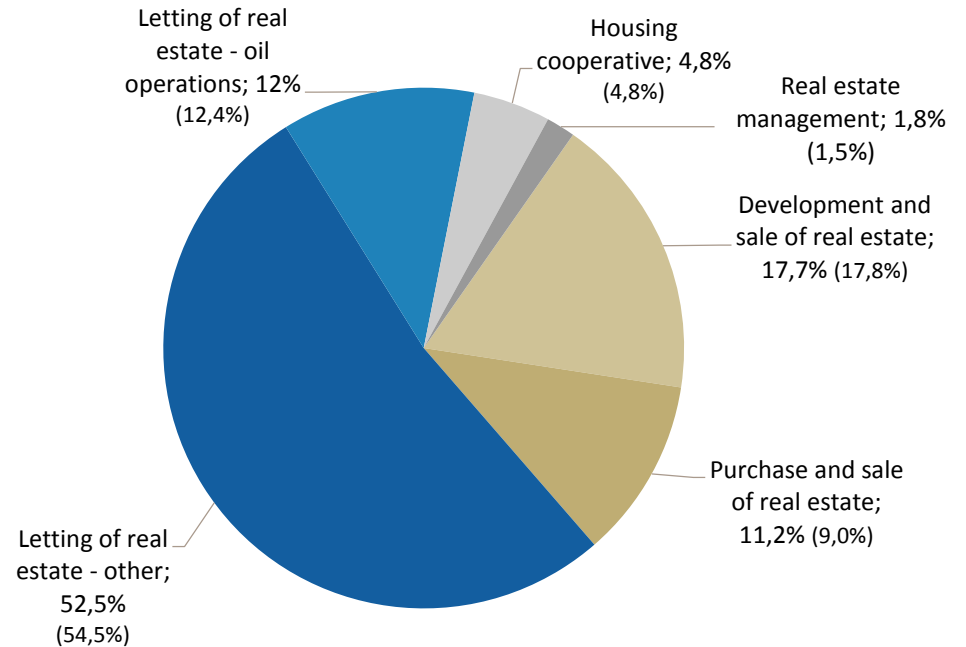
Sector allocation in accordance with the standard categories from Statistics Norway.

EAD: Exposure at default

Figures as at 31.12.2015. Figures in parentheses as at 31.12.2014.

Lending to commercial property

- EAD NOK 27.6 billion 13.6% of the bank's total EAD
- 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.



SpareBank 1 SR-Bank monitors and follows up pro-actively

- The bank continuously monitors portfolios
- If special incidents occur, special portfolio reviews are conducted
- The customer units continuously and pro-actively follow up the bank's credit customers
- Commitments where the risk of poorer debt-servicing capacity increases significantly are included on the bank's watch list:
 - subject to special follow-up
 - use of the bank's total resources
 - if necessary resources from the bank's 'work out' unit
- The bank's loan portfolio with individual commitments, where EAD is more than NOK 50 million, has recently been analysed in order to identify commitments that might be affected by a prolonged fall in oil prices. The main observations are:
 - Good diversification
 - The majority of the exposure is related to businesses:
 - with a clear industrial profile
 - linked to exploration and production companies in oil and gas
 - where the primary activity is linked to the Norwegian continental shelf
 - Low exposure to the most risky part of the value chain that is exploration and development

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

Financial goals

- Return on equity of 11% after tax in 2016. The longer term target is a minimum of 11%.
- Top 50% return on equity and cost/income in a Nordic benchmark

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.

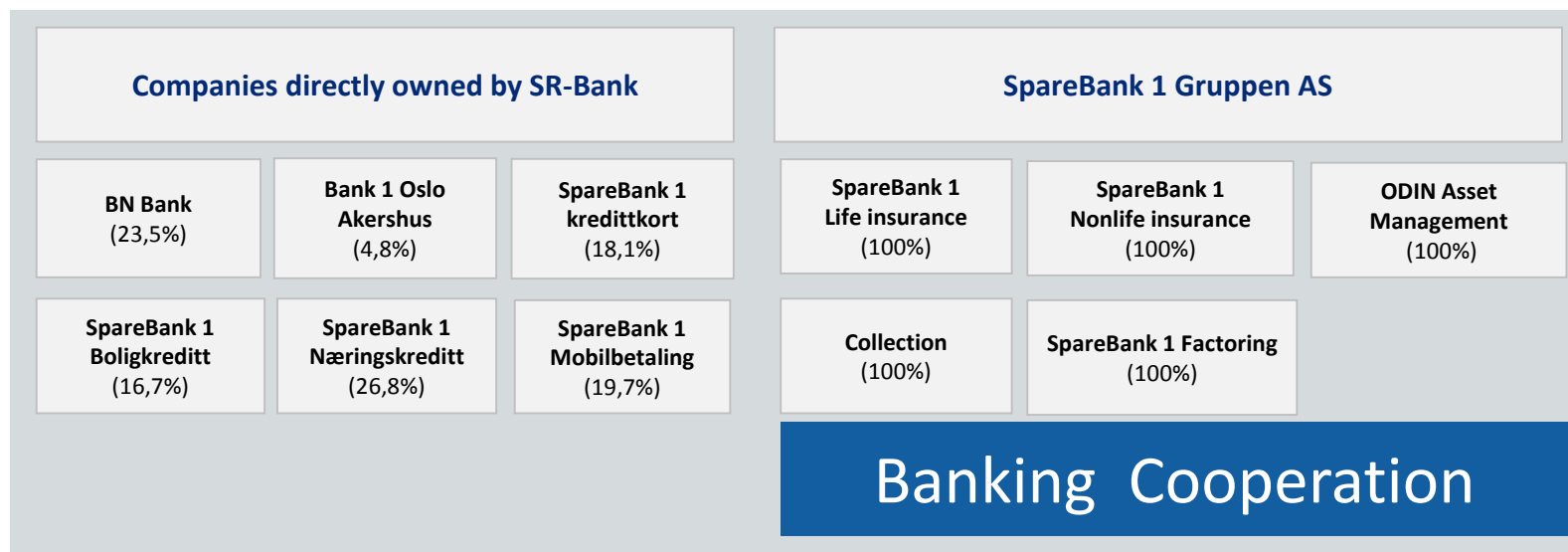
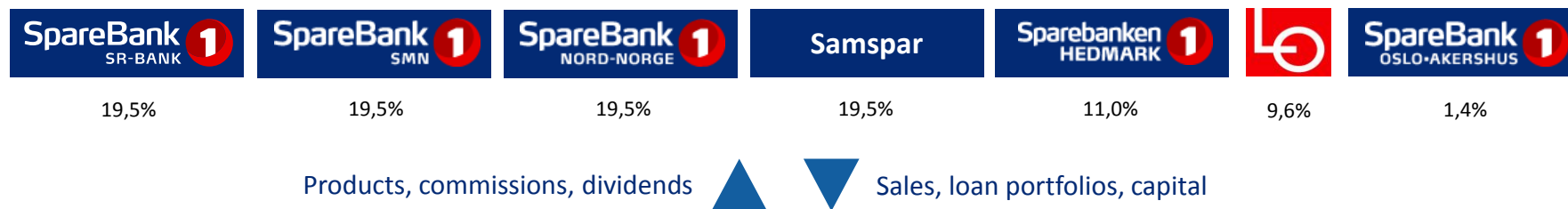
Strategic focus

- 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 Alliance

Owners of the alliance

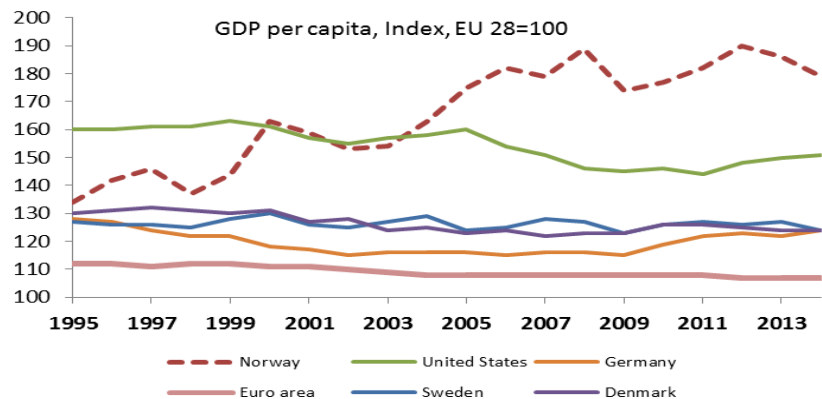
- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding



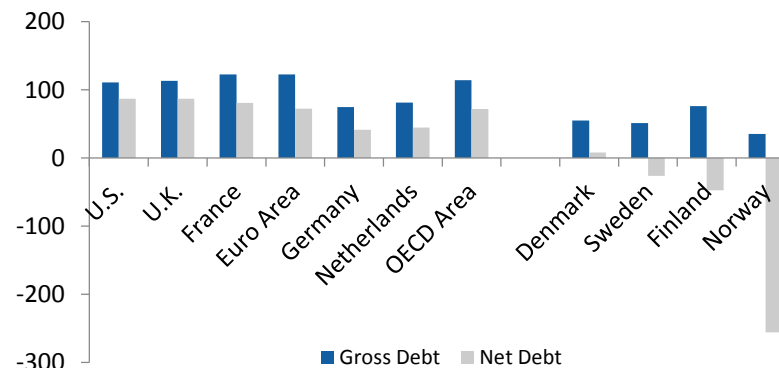
Norwegian Economy

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

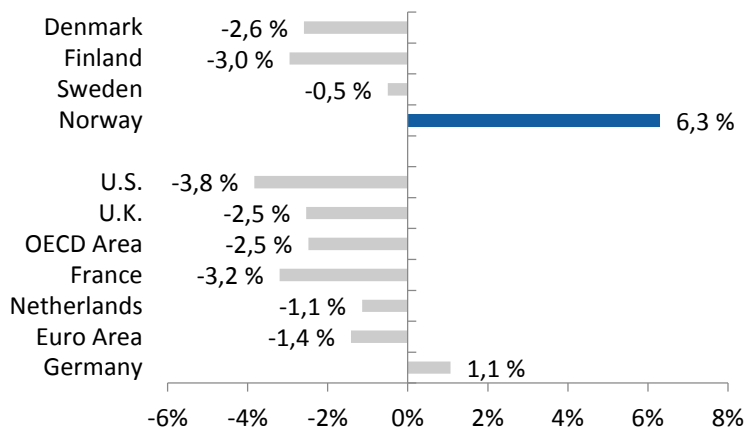
GDP per capita, index, EU 28 = 100



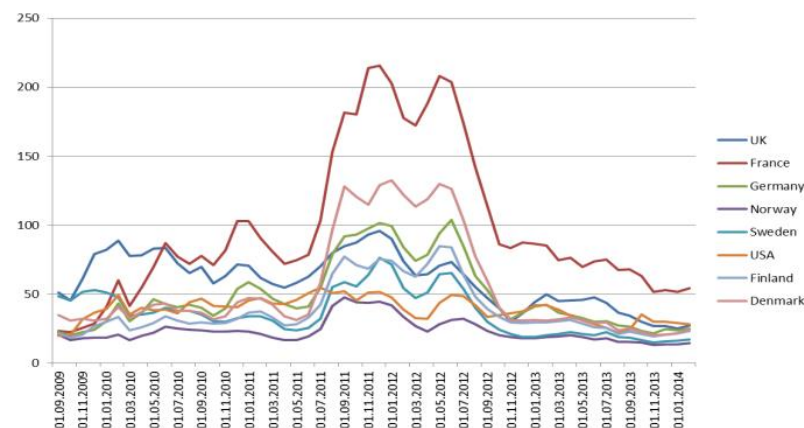
2016 governments financial liabilities (in per cent of GDP)



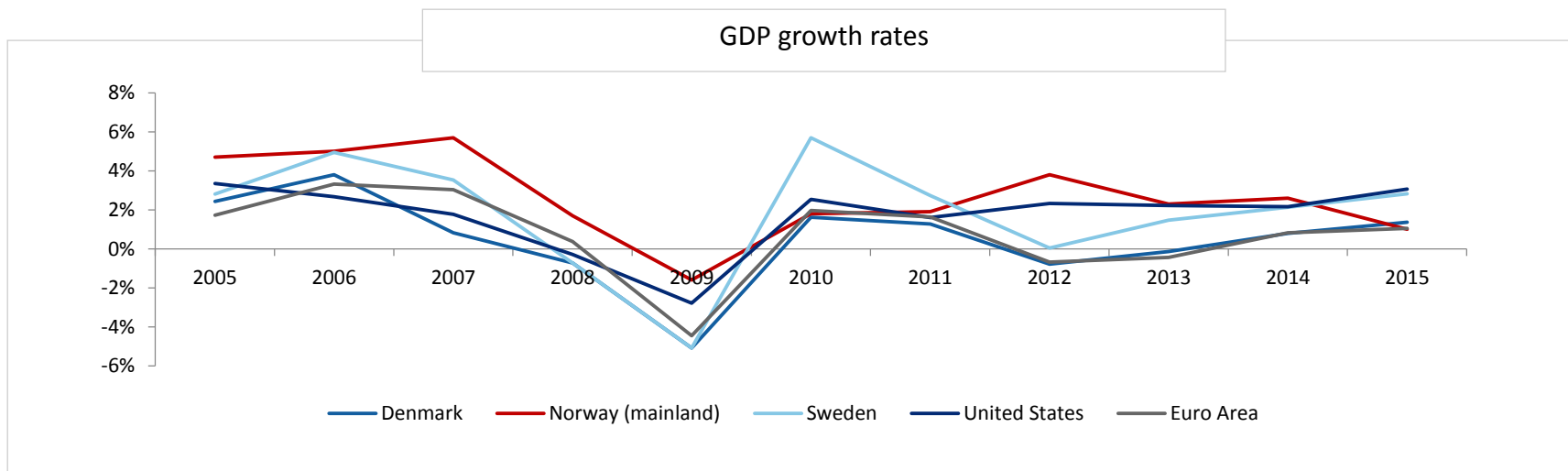
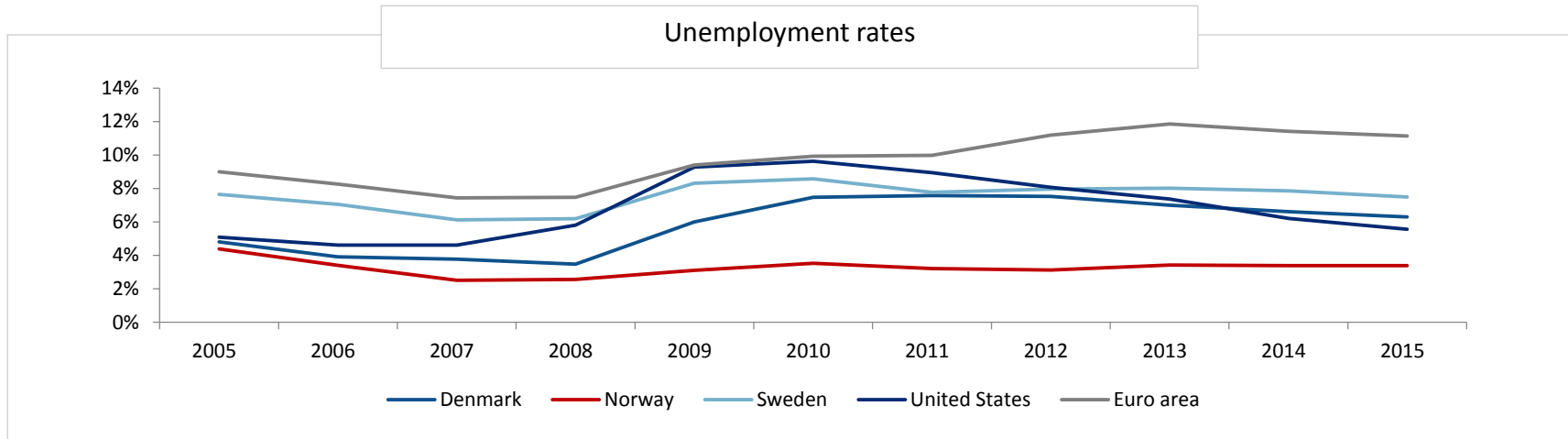
2016 government deficit/surplus (in per cent of GDP)



The market view; 5 year Sovereign CDS levels



Norwegian Economy – international context

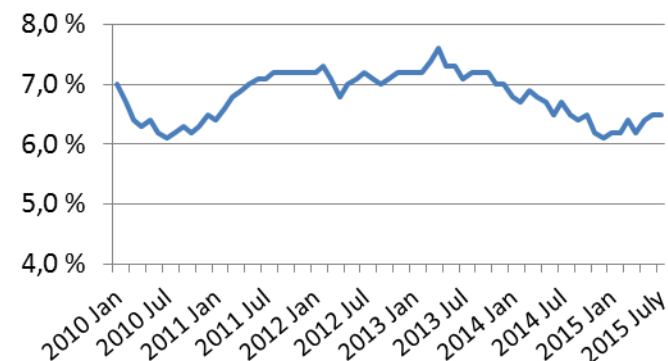


Source: OECD Economic Outlook no.96 and Statistics Norway

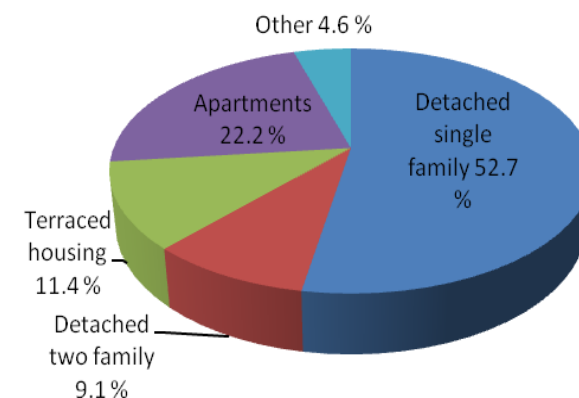
Housing and mortgage markets – Key characteristics

Mortgage Market	<ul style="list-style-type: none"> Total size approximately NOK 2,500 billion (USD 320bn, €280bn) Private banks (incl. savings banks) are the dominant suppliers of mortgages with over 90% market share Scheduled repayment mortgages: 83.4%, flexible: 16.6% Typical maturity: 25 years First priority security market with high doc. standard
Home Ownership	<ul style="list-style-type: none"> Over 80% of households owner occupied (little buy to let) Between 50 and 60% are detached one-family houses
Social security	<ul style="list-style-type: none"> Generous unemployment benefits Unemployment benefit represents ca 60% of final salary for at least 104 weeks
Personal Liability	<ul style="list-style-type: none"> Borrowers are personally liable for their debt, also for outstanding debt post foreclosure and forced sale Swift foreclosure regime upon non-payment Usually tight relationship, borrower - bank Transparent information about borrowers
Regulation	<ul style="list-style-type: none"> Loan to value: 85% (75% legal limit for cover pool) Interest only mortgages: max 70% LTV Required amortization for loans with LTV > 70 % 5% mortgage interest rate increase as stress test Higher risk weighting for mortgages from 2015 (approx. 25%)
Interest Payments	<ul style="list-style-type: none"> 90-95% of mortgages are variable rate Interest rates can be reset at the lender's discretion, by giving the debtor 6 weeks notice
Tax Incentives	<ul style="list-style-type: none"> 27% of interest paid is tax deductible (equal to the basic rate of tax) Low effective real estate tax (lower net worth tax on real estate than financial assets)

Household credit growth (12 months growth rate)



Norwegian Mortgages (by dwelling type)



Norwegian Housing and Mortgage Market

Population Change and Completed Housing Units

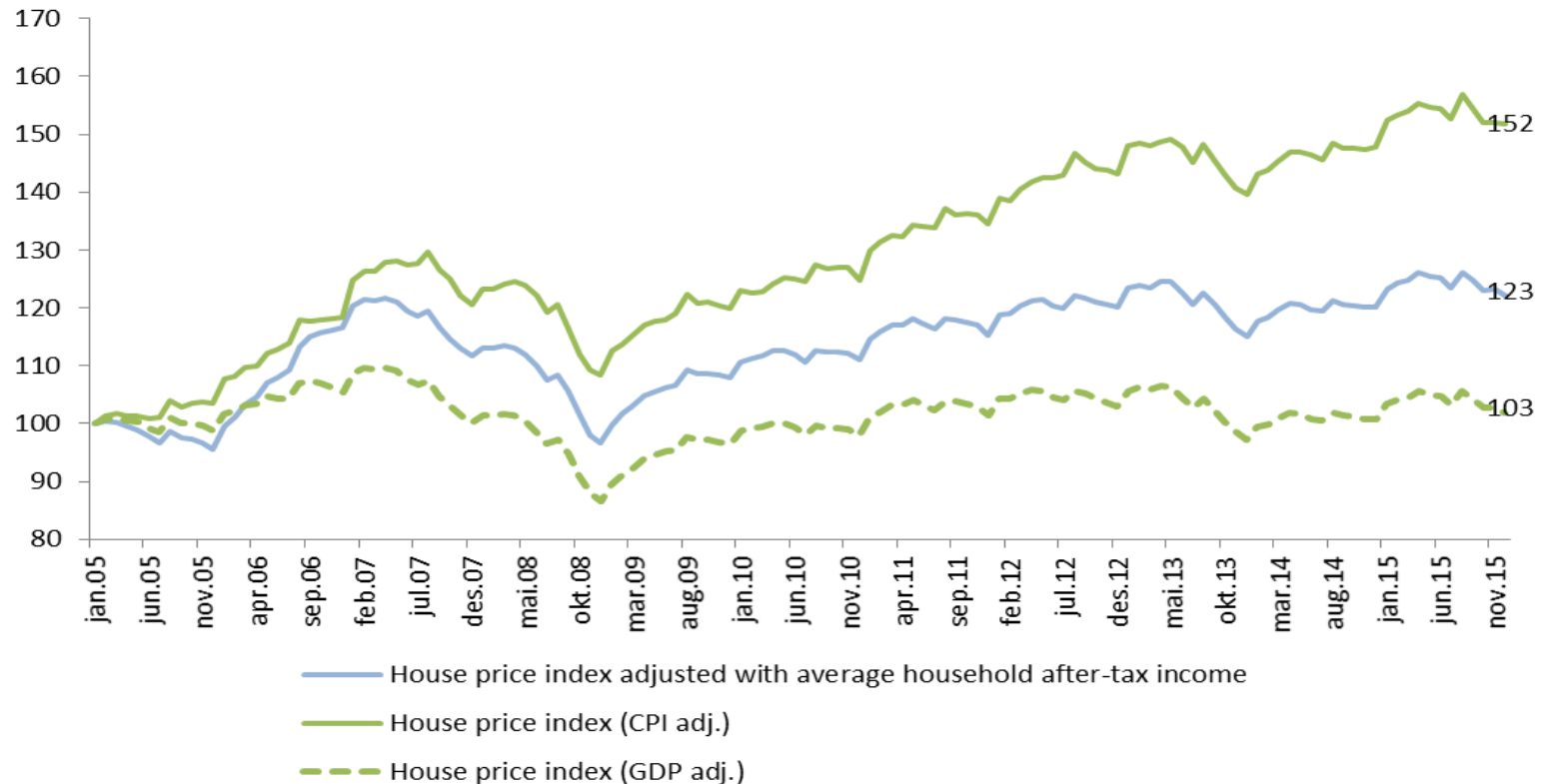


Source: Statistics Norway

Norwegian Housing and Mortgage Market

- Adjusted price developments

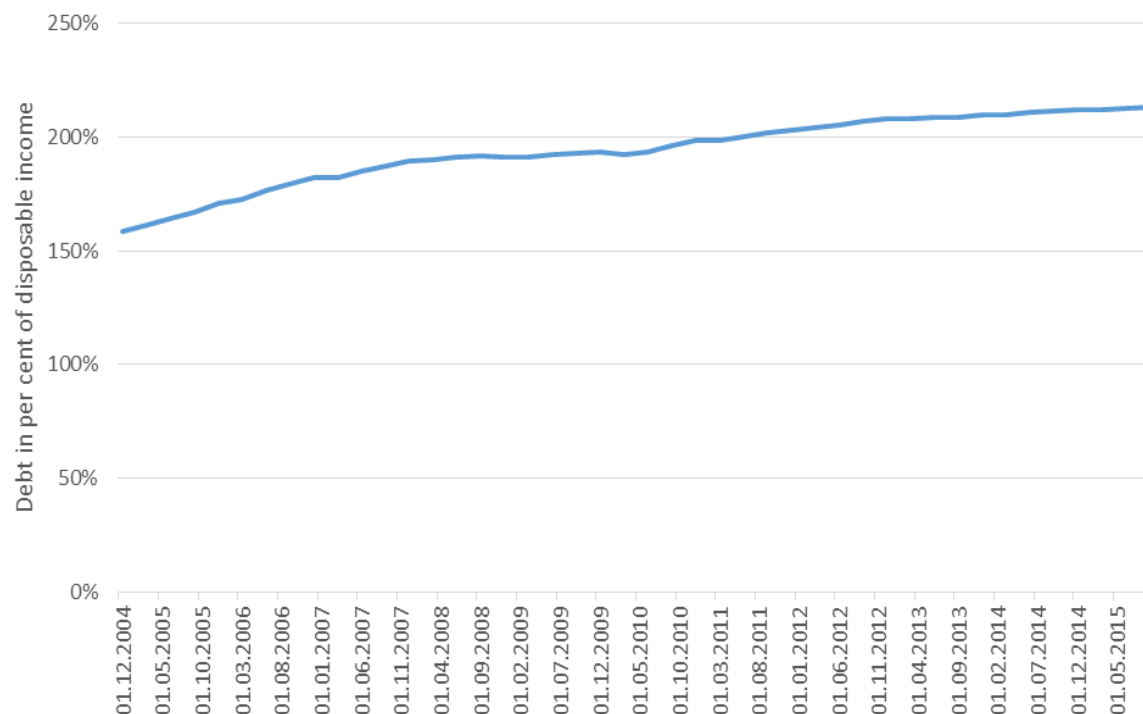
Index of House Prices, Norway, Monthly (Jan 2005 = 100)



Source: Eiendomsverdi through December 2015, SpareBank 1 Boligkreditt 's projections and indexation

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

Balance sheet

<i>Balance sheet (MNOK)</i>	31.12.2015	31.12.2014
Cash and balances with central banks	931	1.847
Balances with credit institutions	2.984	2.222
Net loans to customers	154.357	140.920
Certificates, bonds and other fixed-income securities	19.533	15.261
Financial derivatives	6.135	7.340
Shares, ownership stakes and other securities	441	626
Business available for sale	168	22
Investment in associates	4.792	4.727
Other	2.708	1.961
Total assets	192.049	174.926
Balances with credit institutions	5.296	6.139
Public deposits related to covered bond swap scheme	0	0
Deposits from customers	89.444	81.489
Listed debt securities	71.979	63.253
Financial derivatives	2.786	3.317
Other liabilities	2.171	2.361
Additional Tier 1 and Tier 2 capital instruments	3.459	2.964
Total liabilities	175.135	159.523
Total equity	16.914	15.403
Total liabilities and equity	192.049	174.926

Net commission and other income

	31.12 15	31.12 14	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
<i>MNOK</i>							
Payment facilities	236	236	56	66	56	58	57
Savings/placements	190	172	48	45	48	49	42
Insurance products	190	177	48	48	47	47	46
Commission income real estate broking	383	434	82	84	113	104	101
Guarantee commission	129	103	34	28	33	34	26
Arrangement- and customer fees	85	115	27	16	26	16	40
Accounting services SpareBank 1 Regnskapshuset SR*	35	-	10	7	8	10	-
Other	26	27	14	4	2	6	3
Net commission and other income excl. covered bond companies	1.274	1.264	319	298	333	324	315
Commission income SB1 Boligkreditt and SB1 Næringskreditt	258	468	53	55	66	84	90
Net commission and other income incl. covered bond companies	1.532	1.732	372	353	399	408	405

*SpareBank 1 Regnskapshuset SR was established in the first quarter of 2015 in connection with the acquire of the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet AS. In the second quarter of 2015 the company acquired ODB Accounting AS, and in the fourth quarter an agreement was signed to acquire Advis AS.

Net income on investment securities

	31.12	31.12	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
<i>MNOK</i>	15	14	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Dividends	17	36	1	1	8	7	1
Investment income, associates	422	506	110	78	101	133	138
Securities gains/losses	-224	181	-87	-100	-14	-23	-41
- of which capital change in shares and certificates	-40	232	-34	-6	-4	4	24
- of which capital change in certificates and bonds	-275	-92	-80	-100	-46	-49	-61
- of which derivatives; bonds and certificates	91	41	27	6	36	22	-4
Currency/interest gains/loans	89	55	-37	33	-1	94	18
- of which currency customer- and own-account trading	104	108	25	31	17	31	6
- of which value change basis swap spread	88	12	6	13	2	67	9
- of which counterparty risk derivatives including CVA	-66	-	-66	-	-	-	-
- of which IFRS-effects	-37	-65	-2	-11	-20	-4	3
Net income on investment securities	304	778	-13	12	94	211	116

*Value change of basis swap spread amounted NOK 88 million per 31.12.2015 of which NOK 37 million was realised in 2015.

SpareBank 1 SR-Bank has in other comprehensive income (equity) booked NOK 95 million as a result of the sale of Visa Europe Ltd to Visa Inc.

Subsidiaries

MNOK	31.12.15	31.12.14
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	6.551	7.540
Operating profit before tax	30	56
SpareBank 1 SR-Finans AS		
Total assets (BNOK)	7	7
Operating profit before tax	150	146
SR-Forvaltning AS		
Total assets under management (BNOK)	9	9
Operating profit before tax	36	27
SR-Investering AS		
Operating profit before tax	-24	1
SpareBank 1 Regnskapshuset SR AS		
Operating profit before tax*	1	-
SR-Boligkreditt AS		
Operating profit before tax**	39	-
Other		
Operating profit before tax	-11	7
Total subsidiaries		
Profit before tax	221	236

*SpareBank 1 Regnskapshuset SR was established in the first quarter of 2015 in connection with the acquire of the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet AS. In the second quarter of 2015 the company acquired ODB Accounting AS, and in the fourth quarter an agreement was signed to acquire Advis AS. The result to Regnskapshuset SR includes amortization of intangible assets of NOK 0,8 million.

** SR-Boligkreditt AS was established in the second quarter of 2015.

Ownership interests

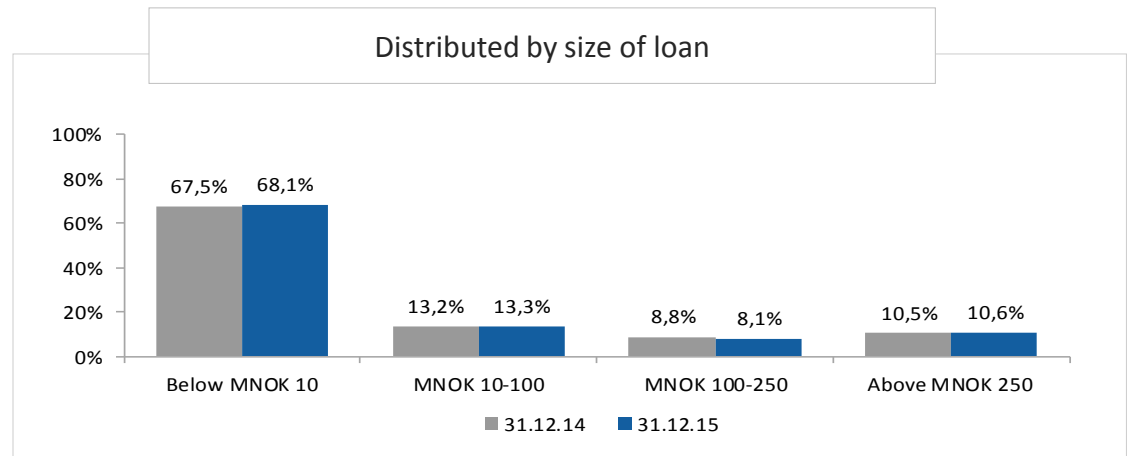
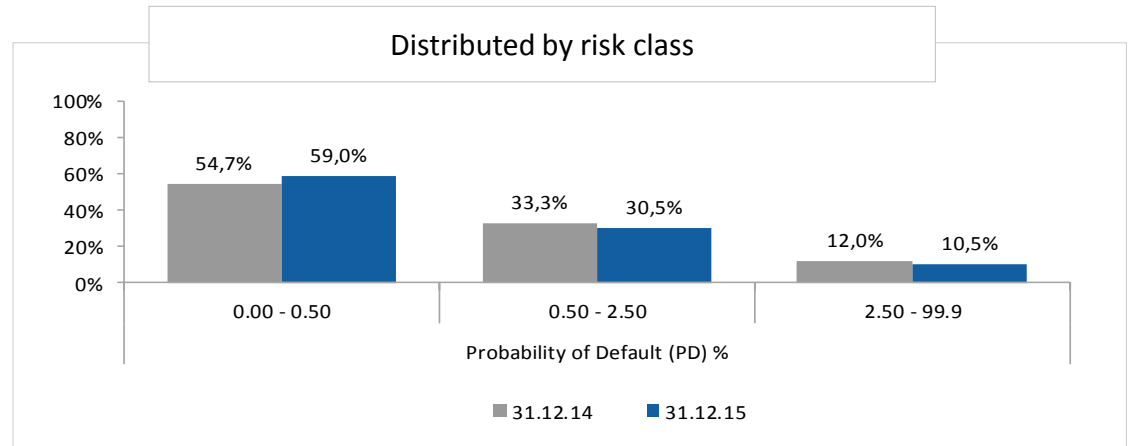
MNOK	31.12.15	31.12.14
SpareBank 1 Gruppen AS		
<i>Interest ownership</i>	19,5 %	19,5 %
Profit after tax	251	360
Adjusted profit previous years	0	-4
SpareBank 1 Boligkreditt AS		
<i>Interest ownership</i>	16,7 %	20,1 %
Profit after tax	91	47
Adjusted profit previous years	0	2
SpareBank 1 Næringskreditt AS		
<i>Interest ownership</i>	26,8 %	26,8 %
Profit after tax	24	32
Adjusted profit previous years	0	1
BN Bank ASA		
<i>Interest ownership</i>	23,5 %	23,5 %
Profit after tax	29	66
SpareBank 1 Kredittkort AS		
<i>Eierandel</i>	18,1 %	17,9 %
Resultat etter skatt	20	2
Other		
Profit after tax	7	1
Total ownership interests		
Profit after tax	422	506

Impairment losses on loans and guarantees

	31.12	31.12					
<i>Losses on loans in income statement (MNOK)</i>	15	14	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Corporate customers	265	167	145	40	18	62	27
Retail customers	15	15	-4	6	7	6	4
Change in collective impairment losses on loans	140	75	51	50	19	20	62
Net impairment losses on loans	420	257	192	96	44	88	93
	31.12	31.12	31.12	30.09	30.06	31.03	31.12
<i>Impairment losses on loans (MNOK)</i>	15	14	15	15	15	15	14
Corporate customers	249	262	249	301	292	292	262
Retail customers	66	60	66	65	64	59	60
Collective impairment losses on loans	518	378	518	467	417	398	378
Total impairment losses on loans	833	700	833	833	773	749	700

Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio with positive development in risk profile.
- 59% of the bank's loan exposure has a PD* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 68% of total loan portfolio.
- Single loan exposures above NOK 250 million is stable and aggregates 10.6% of total loan portfolio.



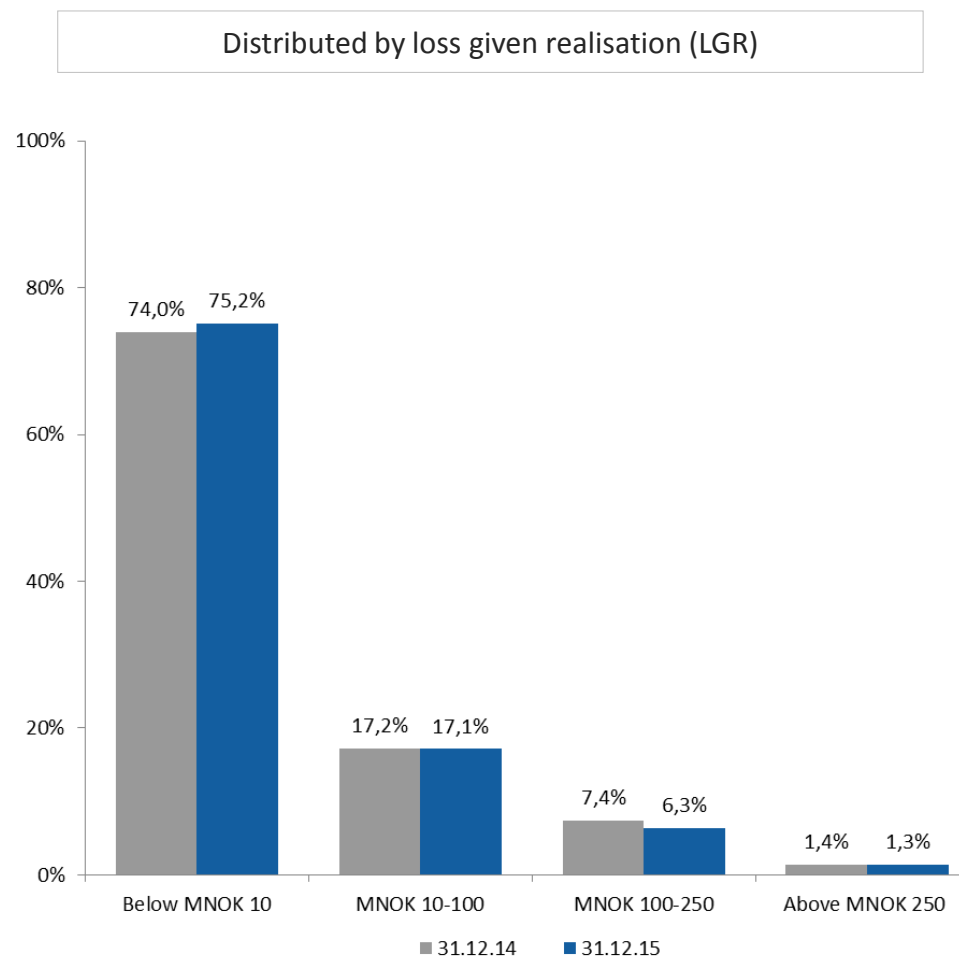
*Probability of default (PD) through a full cycle of loss.

The figure includes lending portfolios from covered bond companies.

Low concentration of individual LGRs in the lending portfolio

- At the end of Q4 2015, SpareBank 1 SR-Bank had a total of 36 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 7.6 % of the loan exposure.
- The proportion of loans with loss potential below NOK 10 million has increased through 2015 and is now 75.2 %.
- 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.

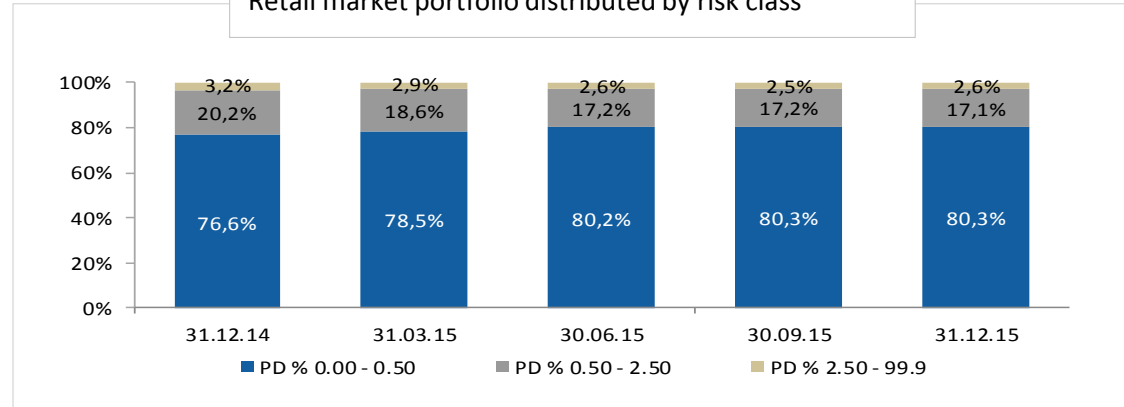
LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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



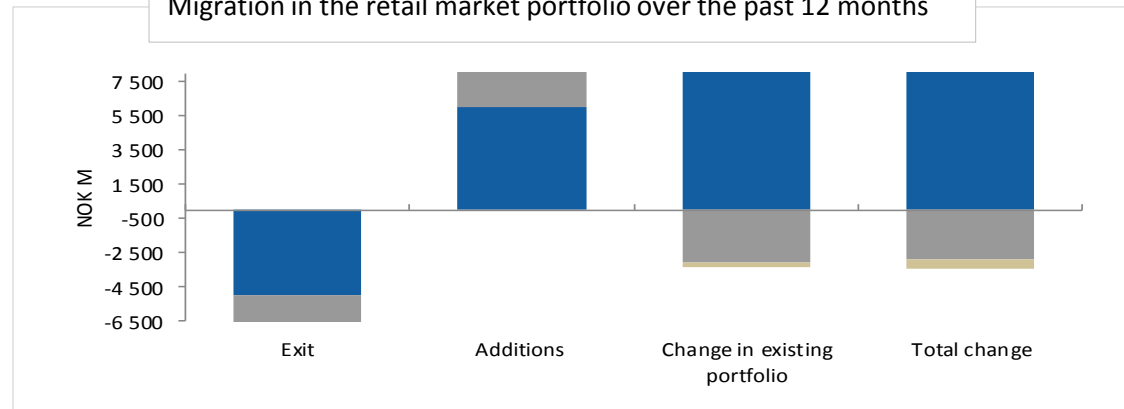
Risk profile – Lending to the retail market

- *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% has increased to 80.3% 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.*

Retail market portfolio distributed by risk class



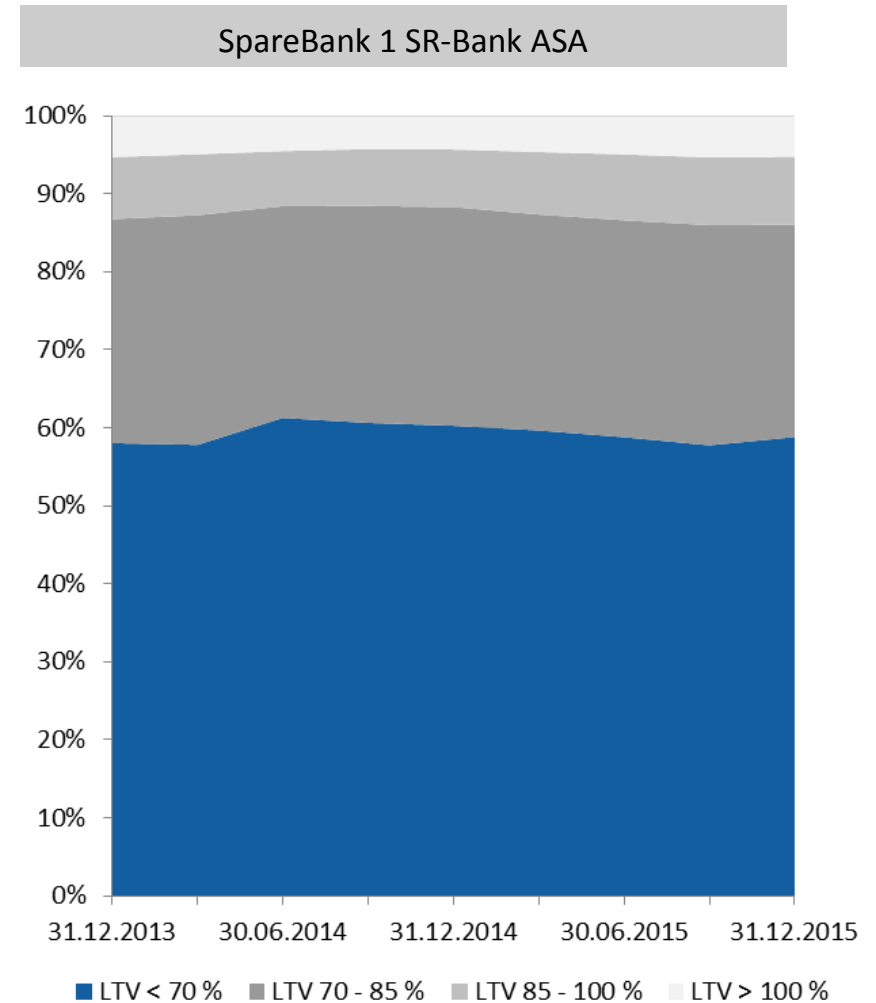
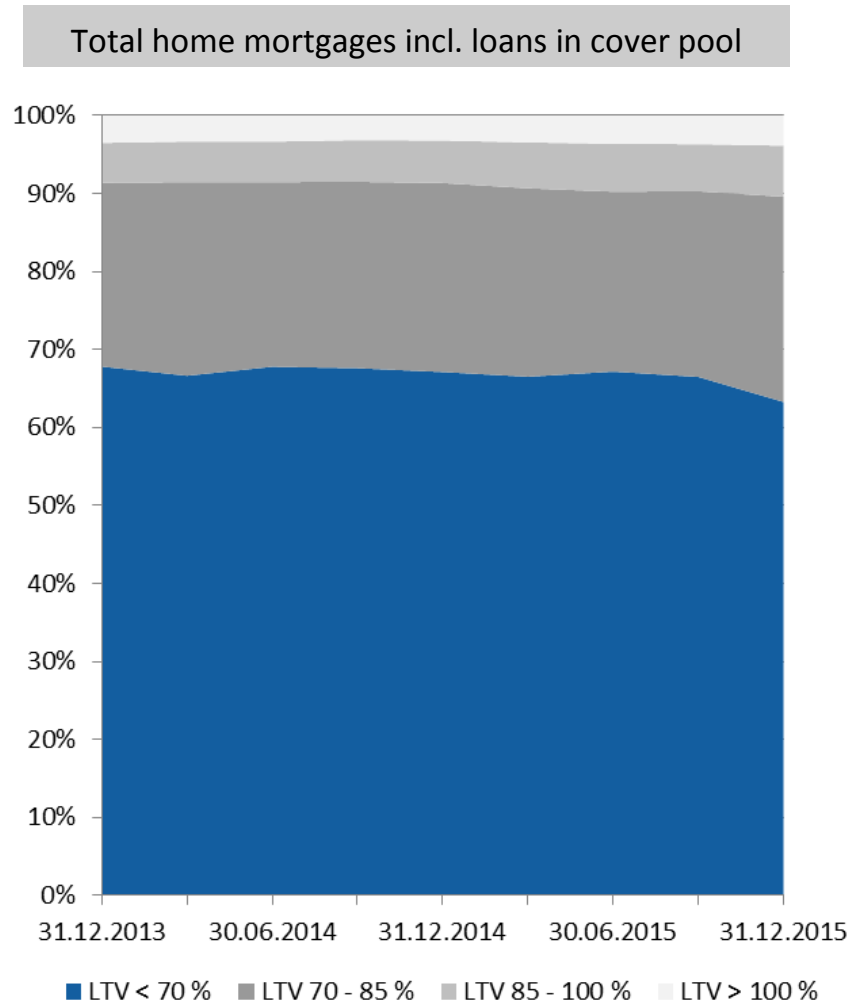
Migration in the retail market portfolio over the past 12 months



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

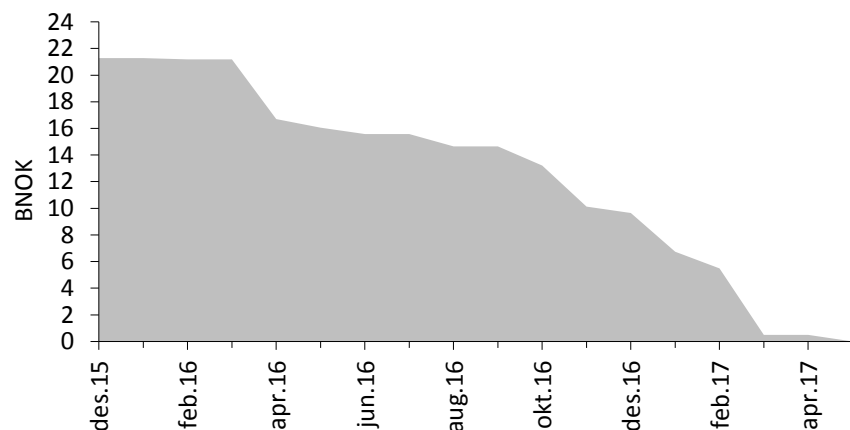
Figures include portfolio in covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

Historical LTV development for home mortgage loans



Liquidity portfolio

Liquidity buffer – survival period



Liquidity portfolio

Category	NOK million	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	583	3 %	0
SSA/Foreign guaranteed	6.346	33 %	0
Covered bonds (Norwegian/foreign)	11.560	60 %	0
Norwegian bank/finance	624	3 %	0
Foreign bank/finance	0	0 %	0
Industry/Other	0	0 %	0
Total liquidity portfolio	19.112	100 %	0

- *Liquidity buffer at the end of the quarter: NOK 21.3 billion*
- *Other liquid assets:*
 - *Home mortgages prepared for transfer to mortgage company: NOK 24.3 billion*
 - *Commercial paper and bonds in the trading portfolio: NOK 0.4 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 og AA-	18.489	94,7 %
Low risk	A+, A og A-	111	0,6 %
Moderate risk	BBB+, BBB og BBB-	592	3,0 %
High risk	BB+, BB og BB-	87	0,4 %
Very high risk	B+ and lower	244	1,2 %
<i>Total portfolio</i>		19.522	100,0 %

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	18.489	96,7 %
Low risk	A+, A og A-	111	0,6 %
Moderate risk	BBB+, BBB og BBB-	513	2,7 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ and lower	0	0,0 %
<i>Total liquidity purposes</i>		19.112	100,0 %

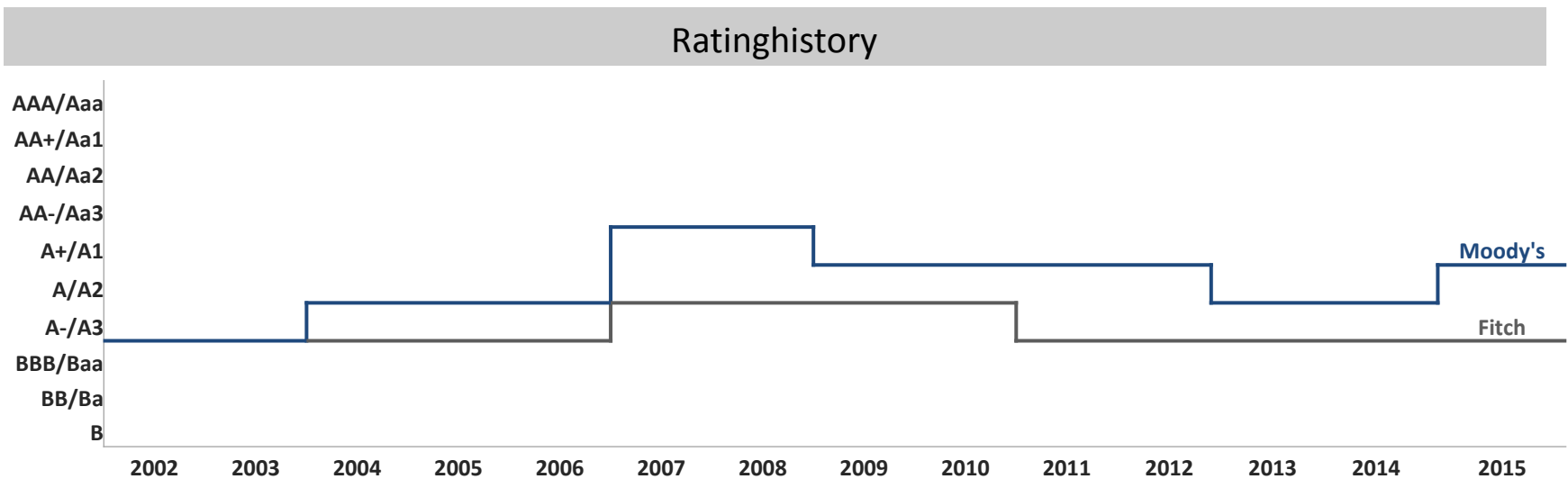
Of which trading purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	0	0,0 %
Low risk	A+, A og A-	0	0,0 %
Moderate risk	BBB+, BBB og BBB-	79	19,4 %
High risk	BB+, BB og BB-	87	21,2 %
Very high risk	B+ and lower	244	59,4 %
<i>Total trading portfolio</i>		410	100,0 %

All amounts in MNOK.

Rating

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Stable	Outlook	Stable
Updated	6 November 2015	Updated	19 November 2014



SRBANK as at December 2015

- *Ownership interests:*
 - *From Rogaland, Agder-counties and Hordaland: 49.8%*
 - *International: 17.3%*
 - *10 largest: 56.5%*
 - *20 largest: 63.9%*
- *Number of shareholders: 10 153 (10 422)*
- *Employees owning: 1,8%*
- *Trading volume in Q4 2015: 3.4% (7.7%)*

	2015	2014	2013	2012	2011
Share price	39,30	52,50	60,25	37,20	40,70
Stock value (MNOK)	10.051	13.427	15.409	9.514	5.182
Book value per share, NOK (group)	66,14	60,28	55,00	49,48	48,75
Earnings per share	6,83	8,20	7,28	5,33	5,42
Dividend per share	1,50	2,00	1,60	1,50	1,50
P/E	5,75	6,40	8,28	6,99	7,51
P/BV (group)	0,59	0,87	1,10	0,75	0,83

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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