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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.

The leading financial group in the southwest of Norway

1 Rogaland

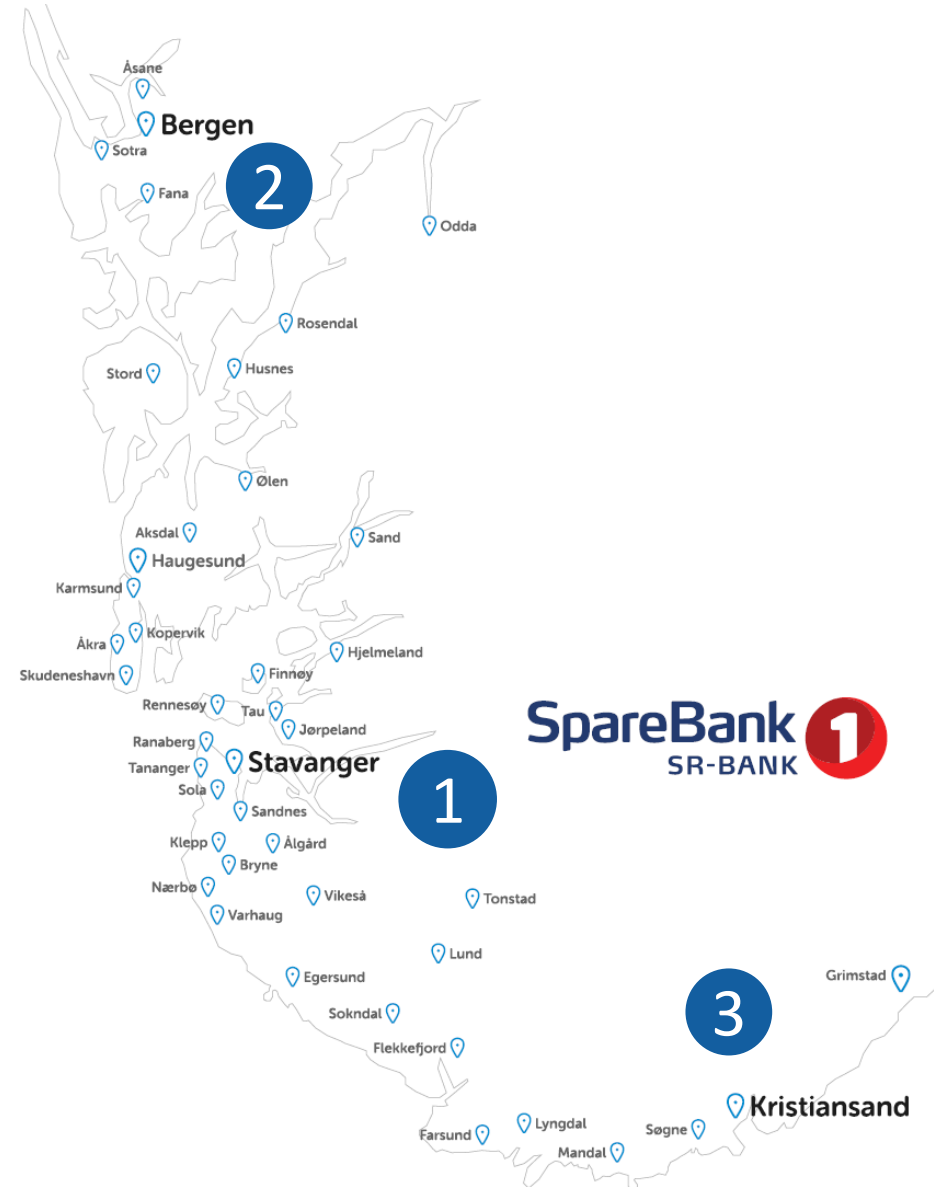
Population	467.000
Market share	37%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	4.9%*

2 Hordaland

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

3 Agder

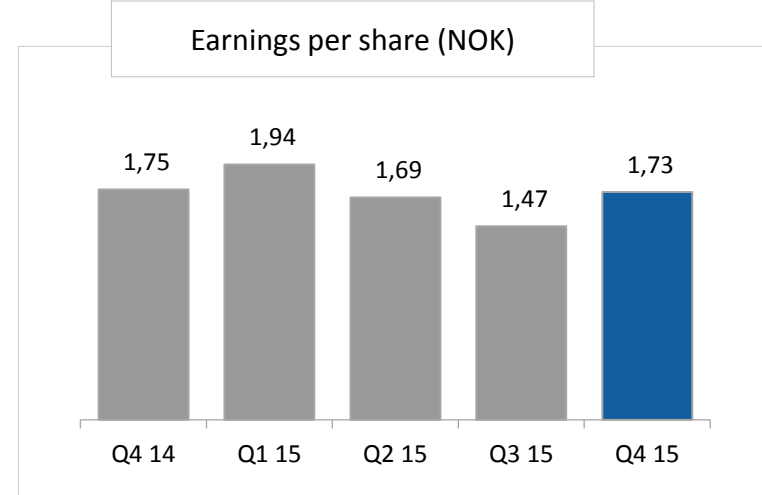
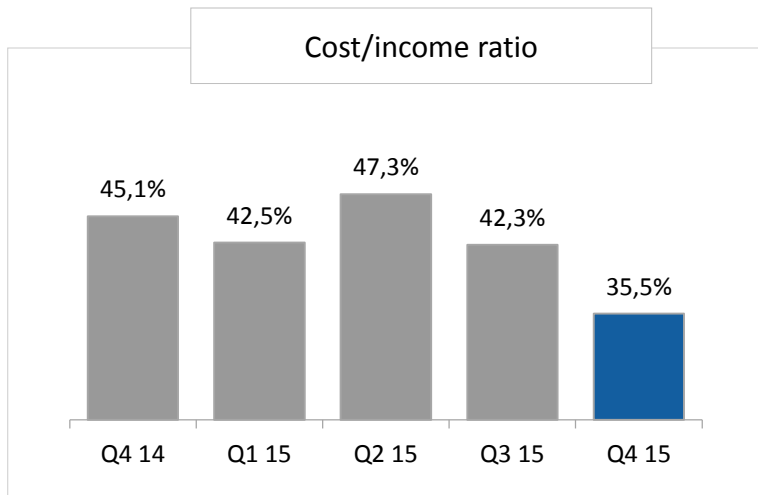
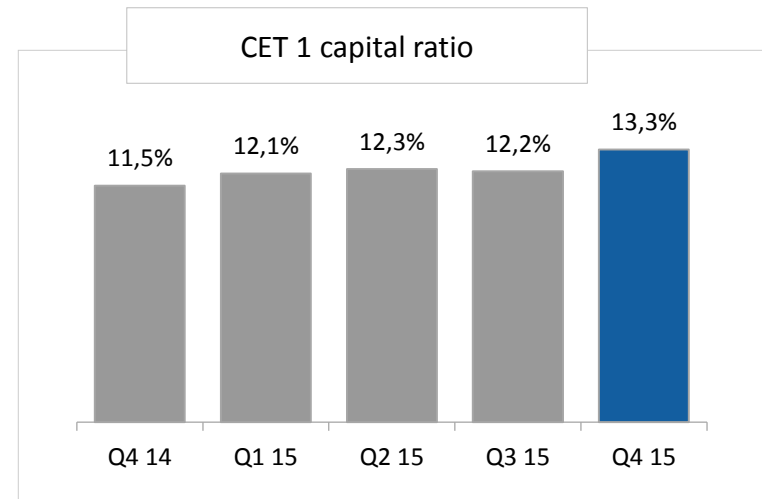
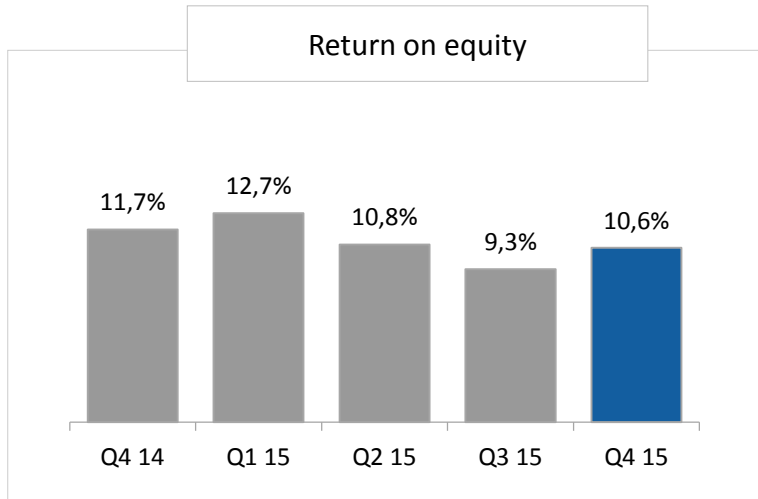
Population	296.000
Market share	9%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	4.5%*



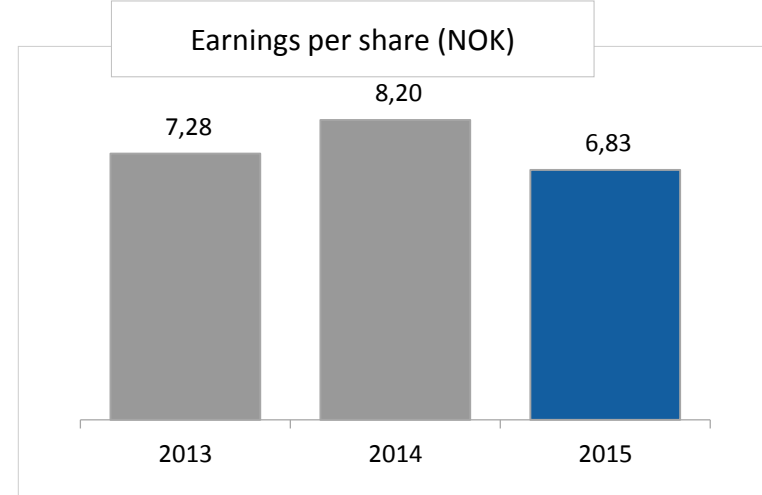
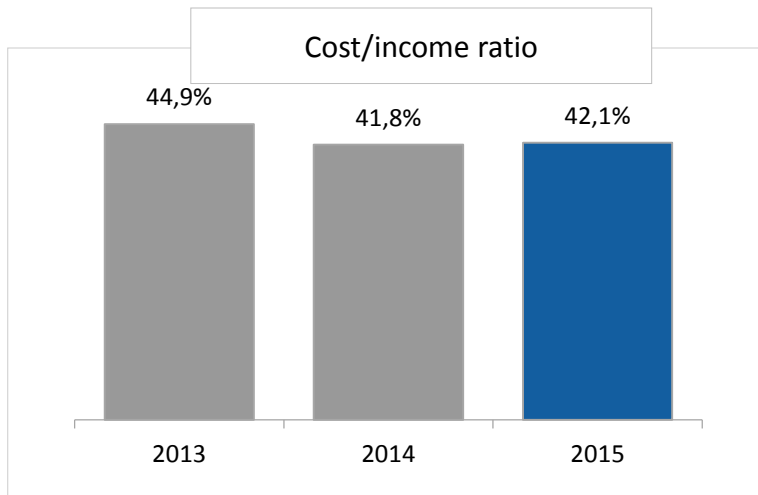
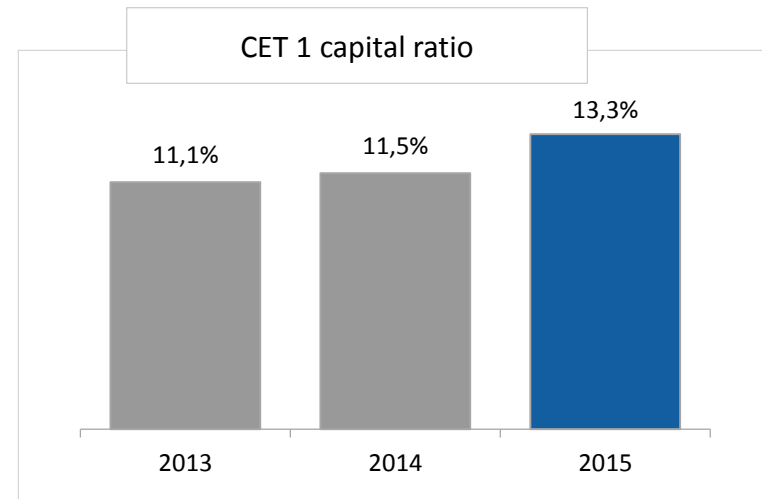
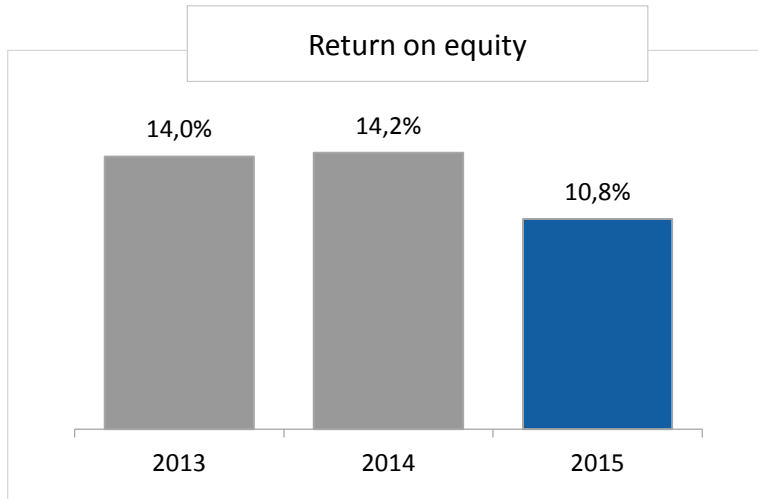
Good results, good cost control, moderate losses and improved financial strength

- 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



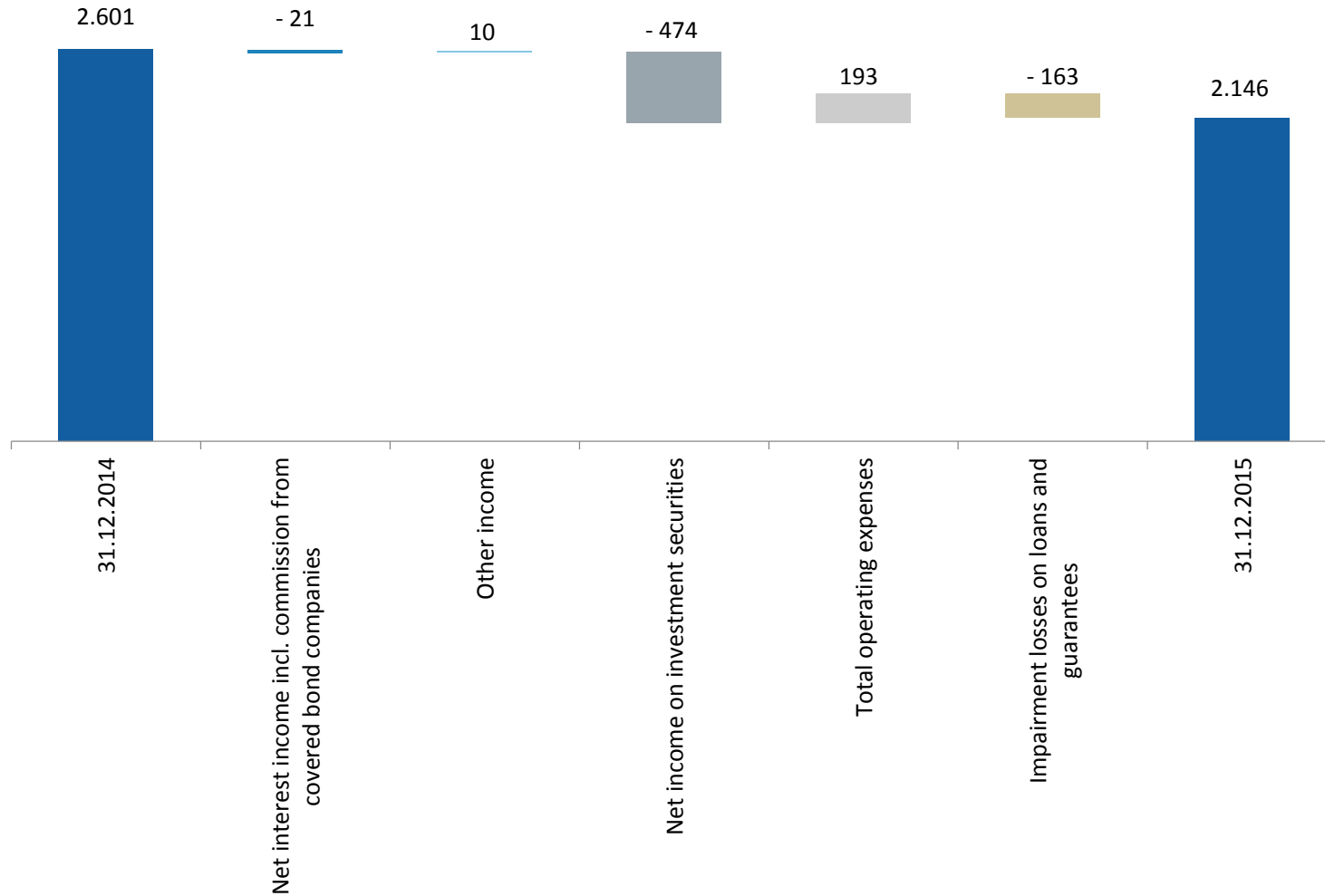
Key figures – annual development



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

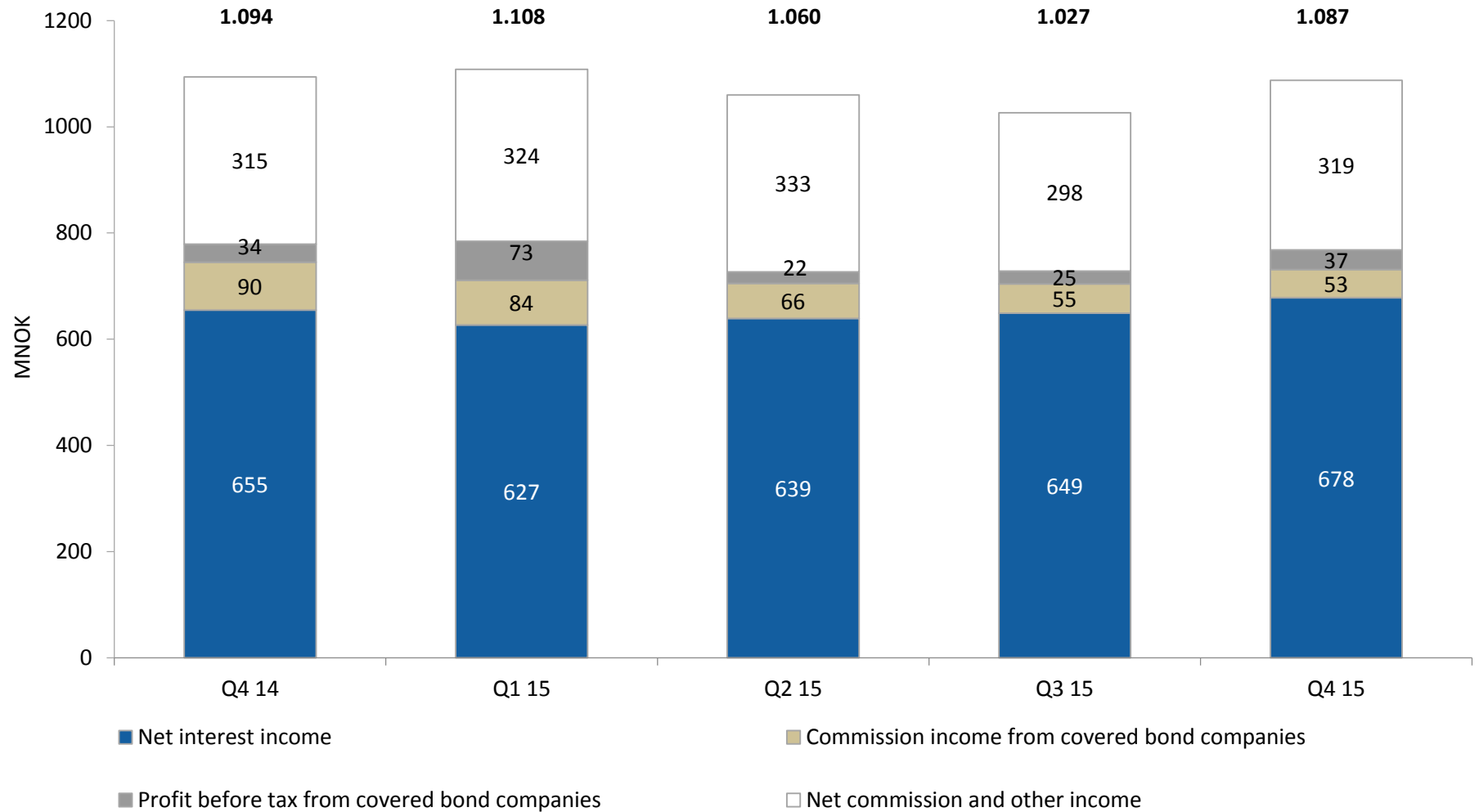
Change in profit 31.12.2014 – 31.12.2015



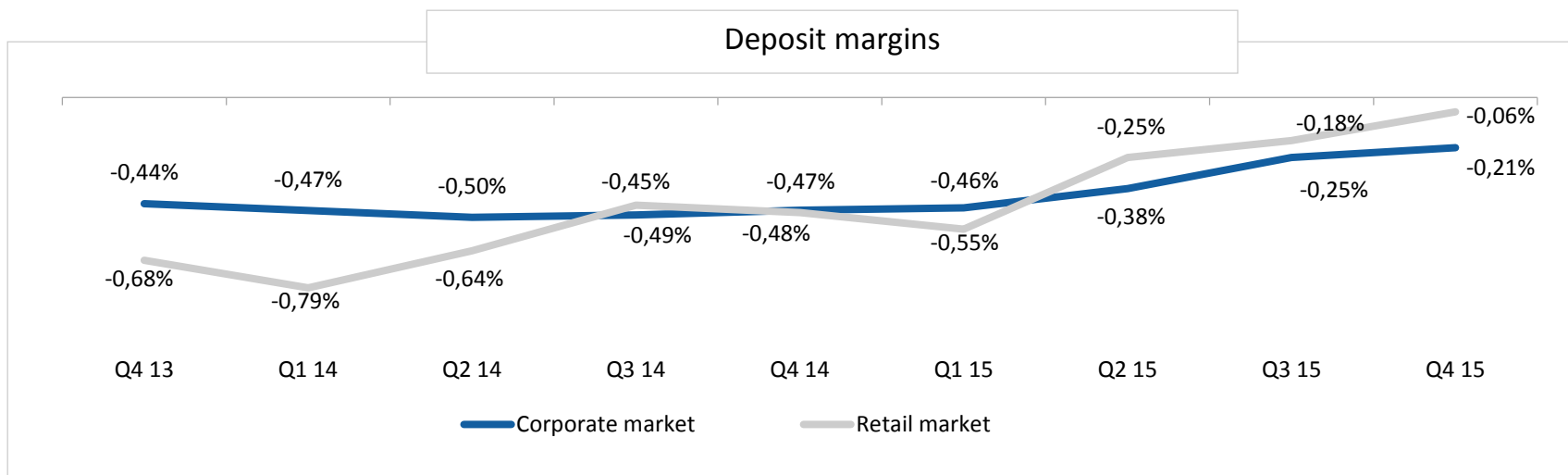
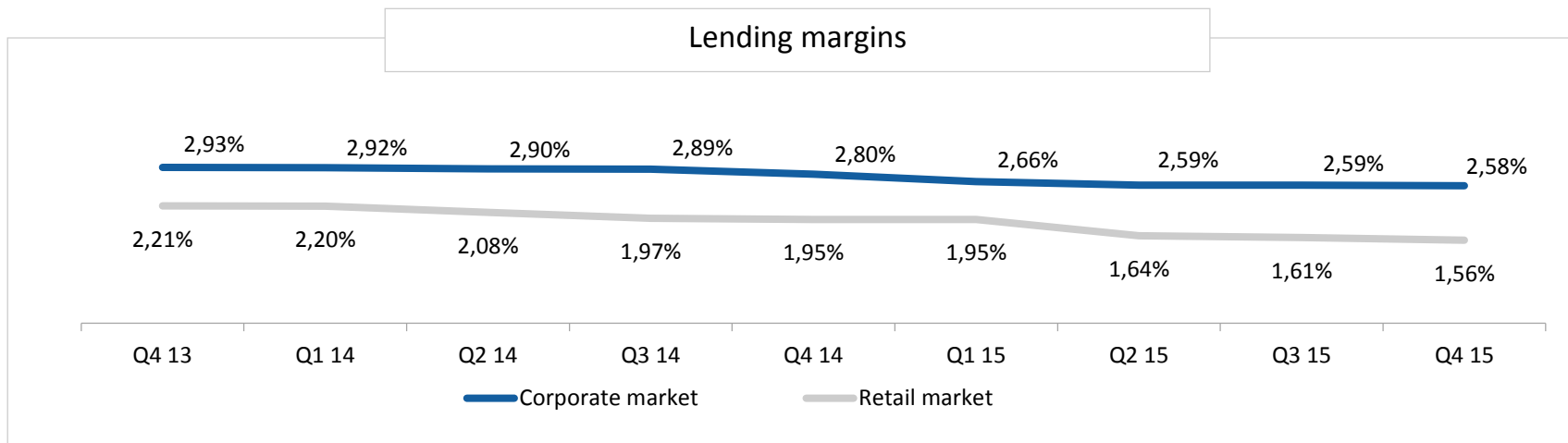
Key figures

	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

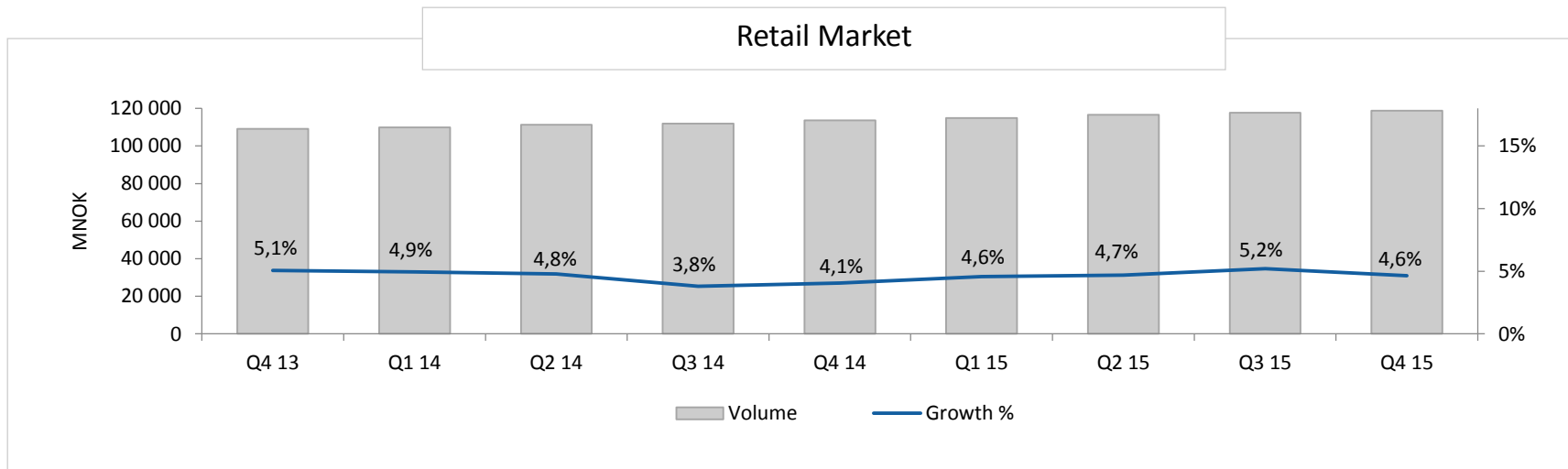
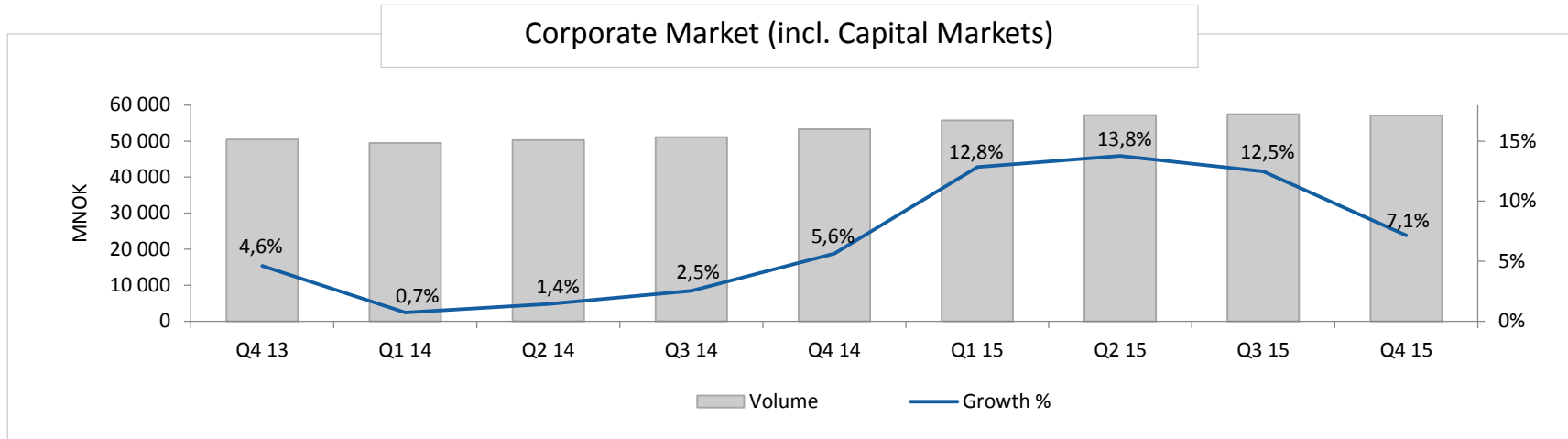
Consolidated income profile



Lending and deposit margins



Lending volume and 12 months growth

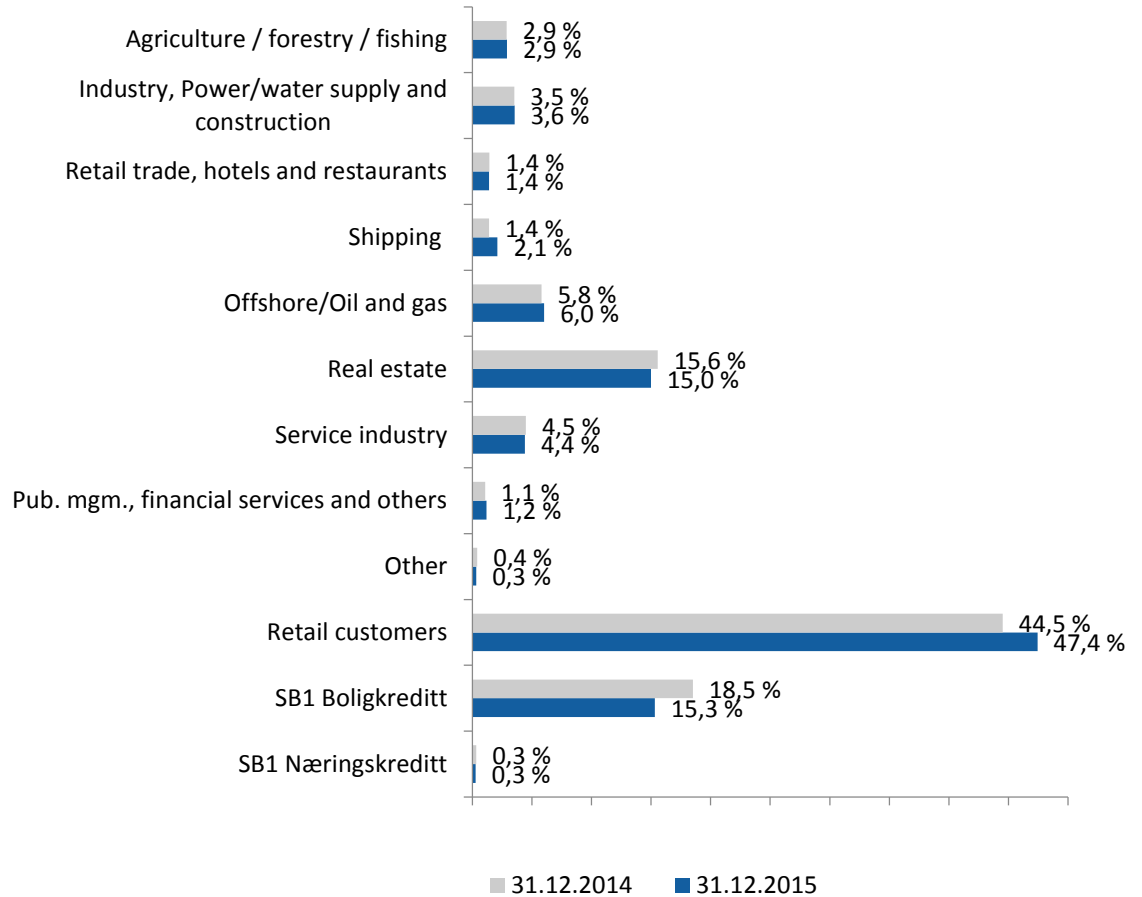


* 12 months lending growth in Corporate Market excluding currency effect is 4.9%

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.*

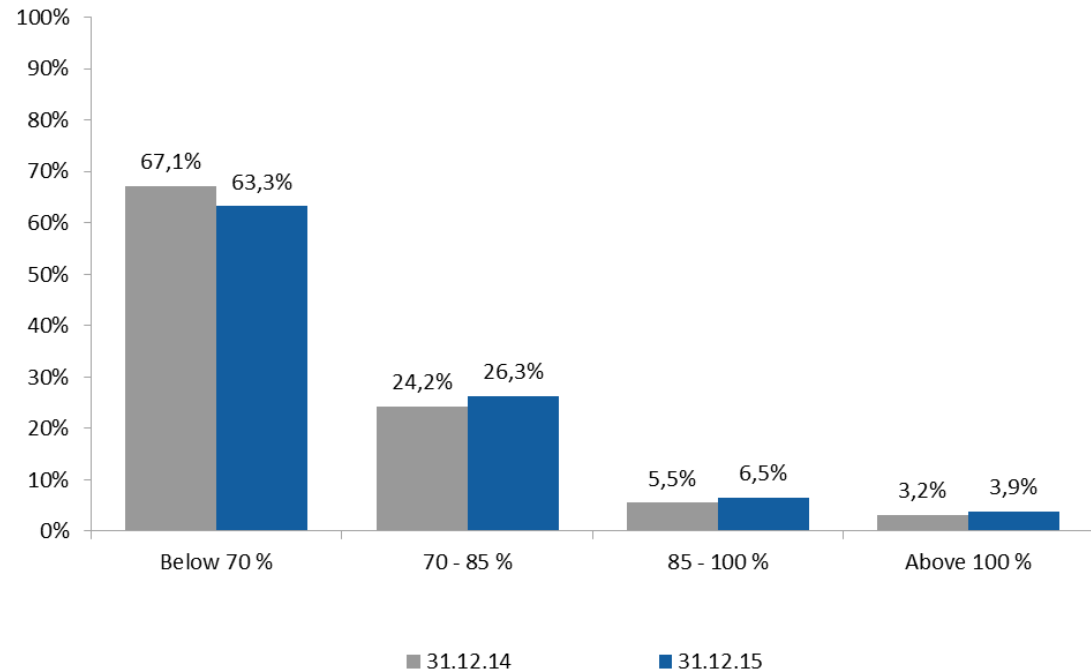


Loans before individual write-downs, nominal amounts.

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 lead to a decrease in the proportion of loans within 70% LTV.*

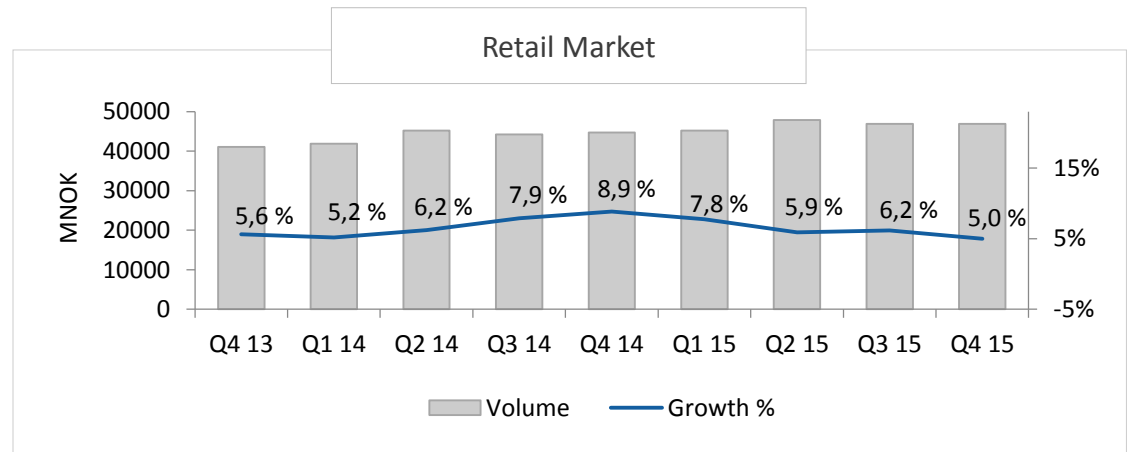
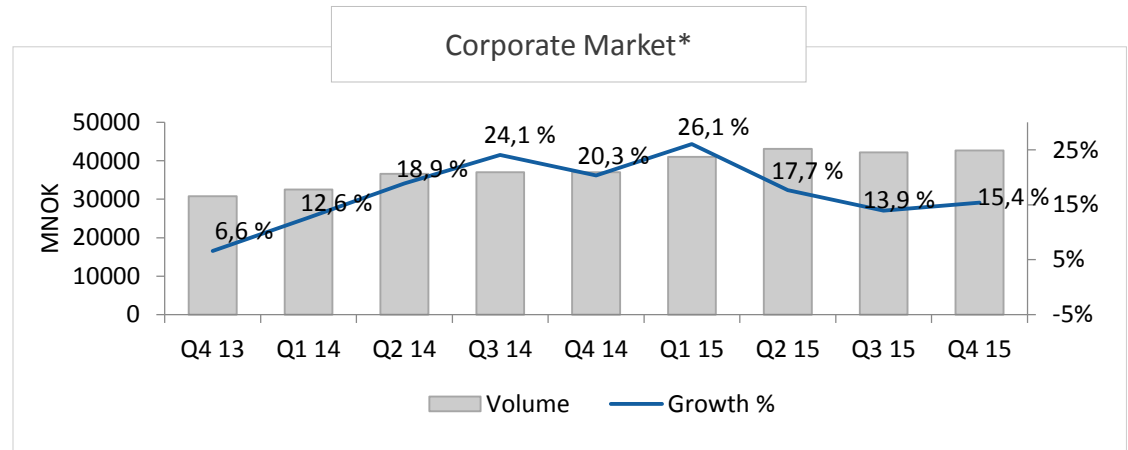


In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

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

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.

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					
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.

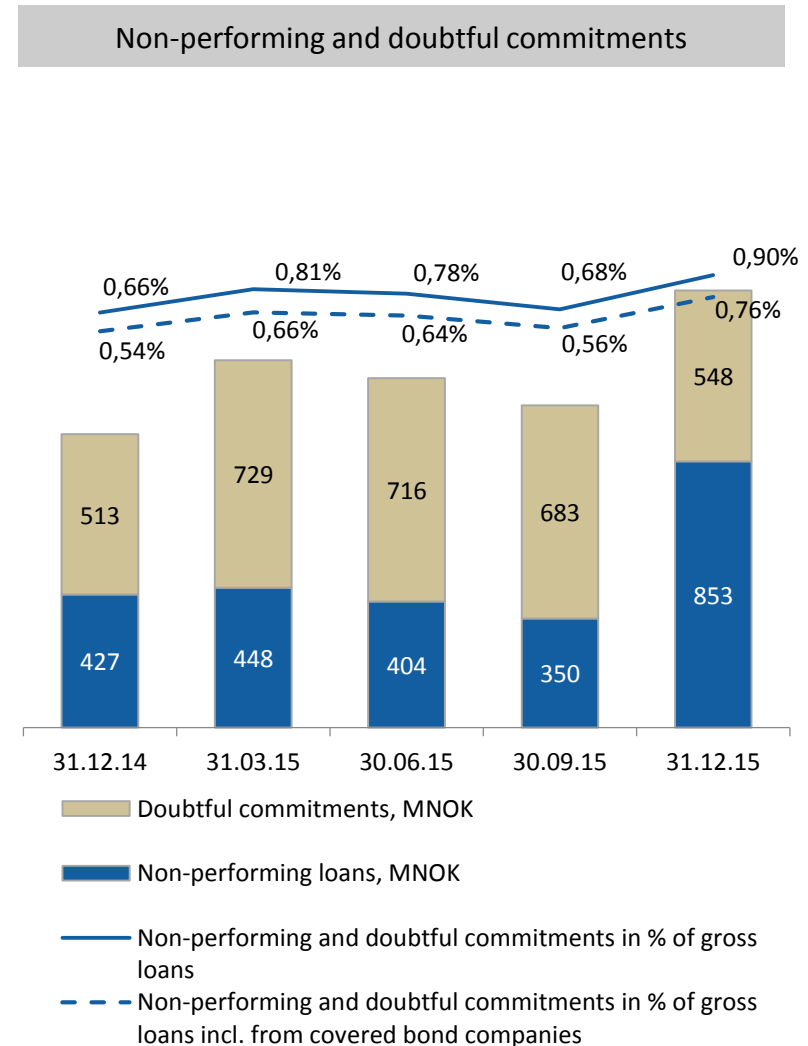
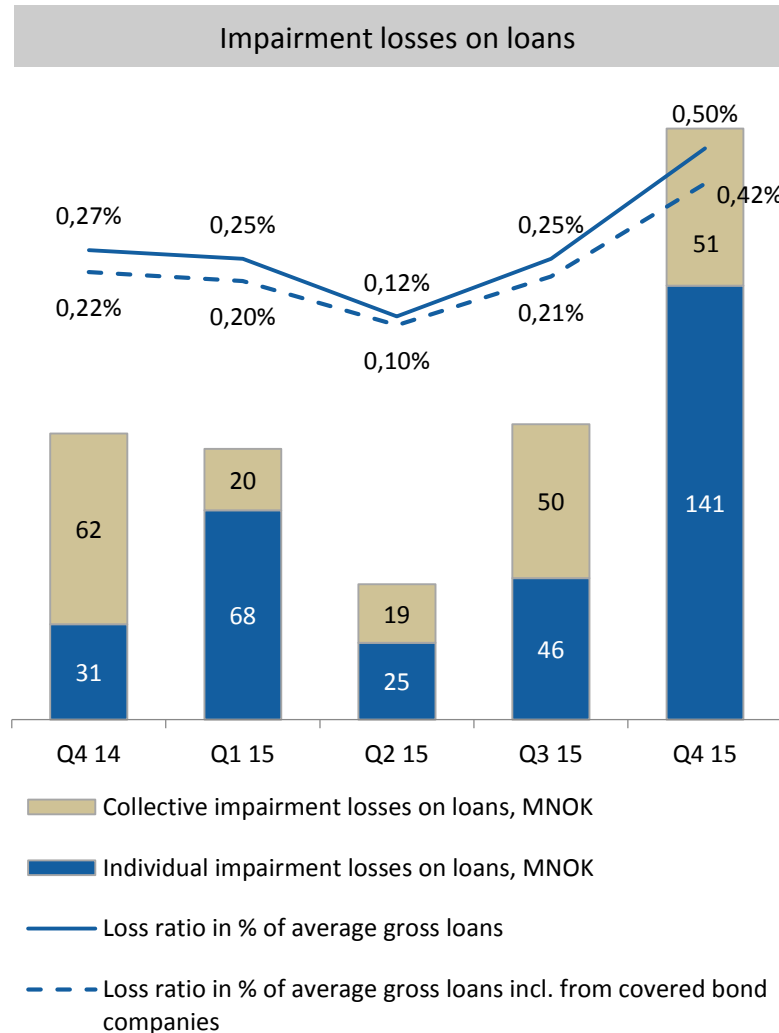
Ownership interests

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

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

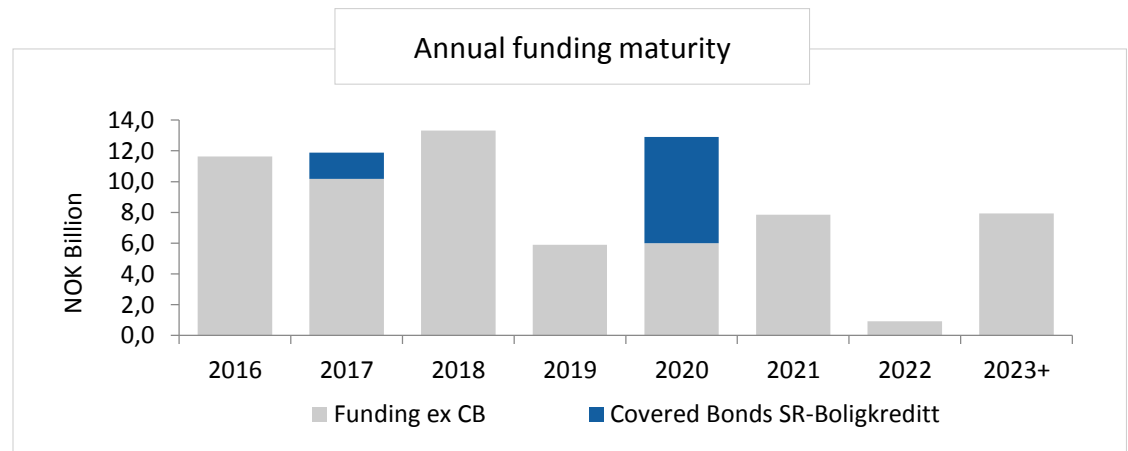
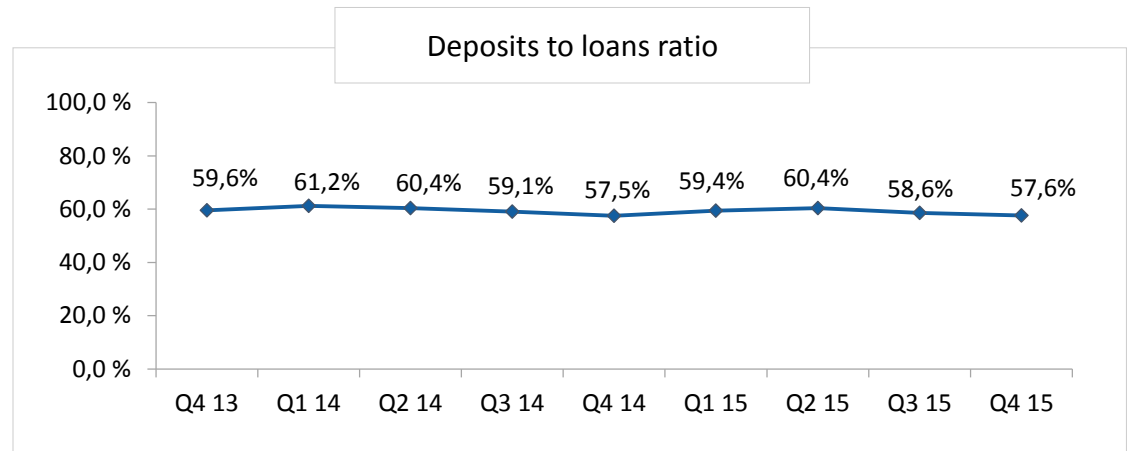


Impairment losses on loans and guarantees

	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

Funding

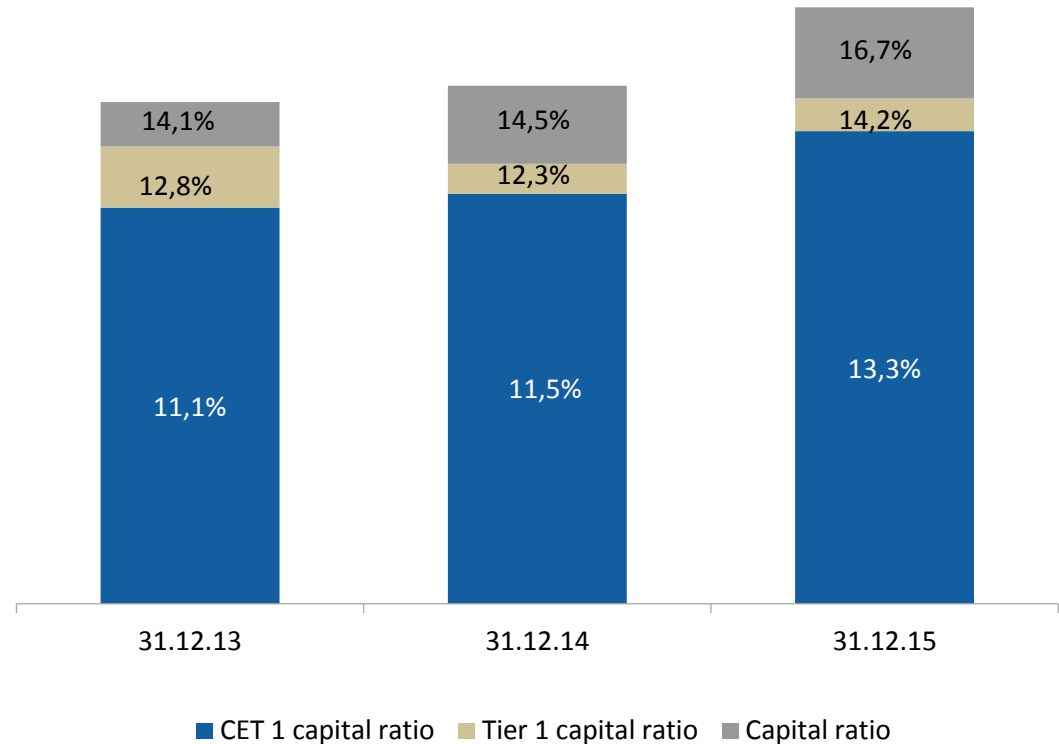
- *Well diversified funding.*
- *Greater share of senior and OMF funding last year.*
 - *6 outstanding euro-benchmarks with due dates in each of the years 2016- 2021.*
 - *2 outstanding euro covered bonds Level 1B through SR-Boligkredditt.*
- *Funding indicator 1* is 109.8% on consolidated basis.*
- *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.*



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

Stronger capital ratio

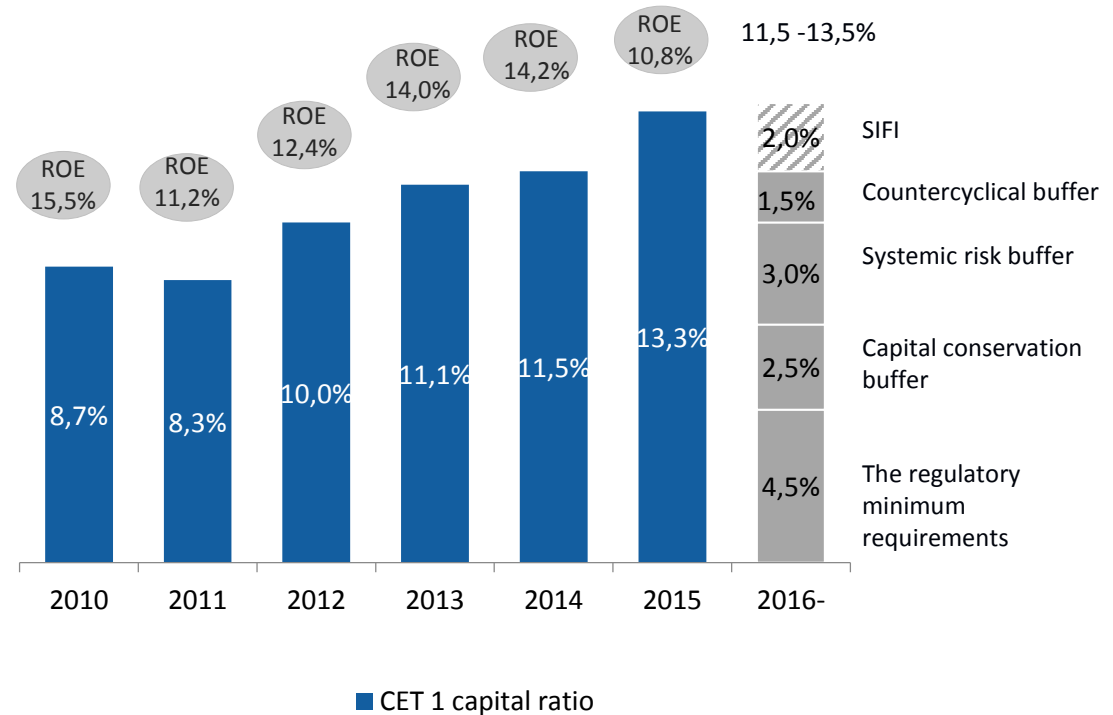
- SpareBank 1 SR-Bank is compliant with capital requirements per 31.12.2015.
- SpareBank 1 SR-Bank received IRB Advanced approval for the corporate market portfolio in the first quarter of 2015.
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength 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.

Common equity tier 1 being strengthened in line with stricter regulatory requirements

- *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.

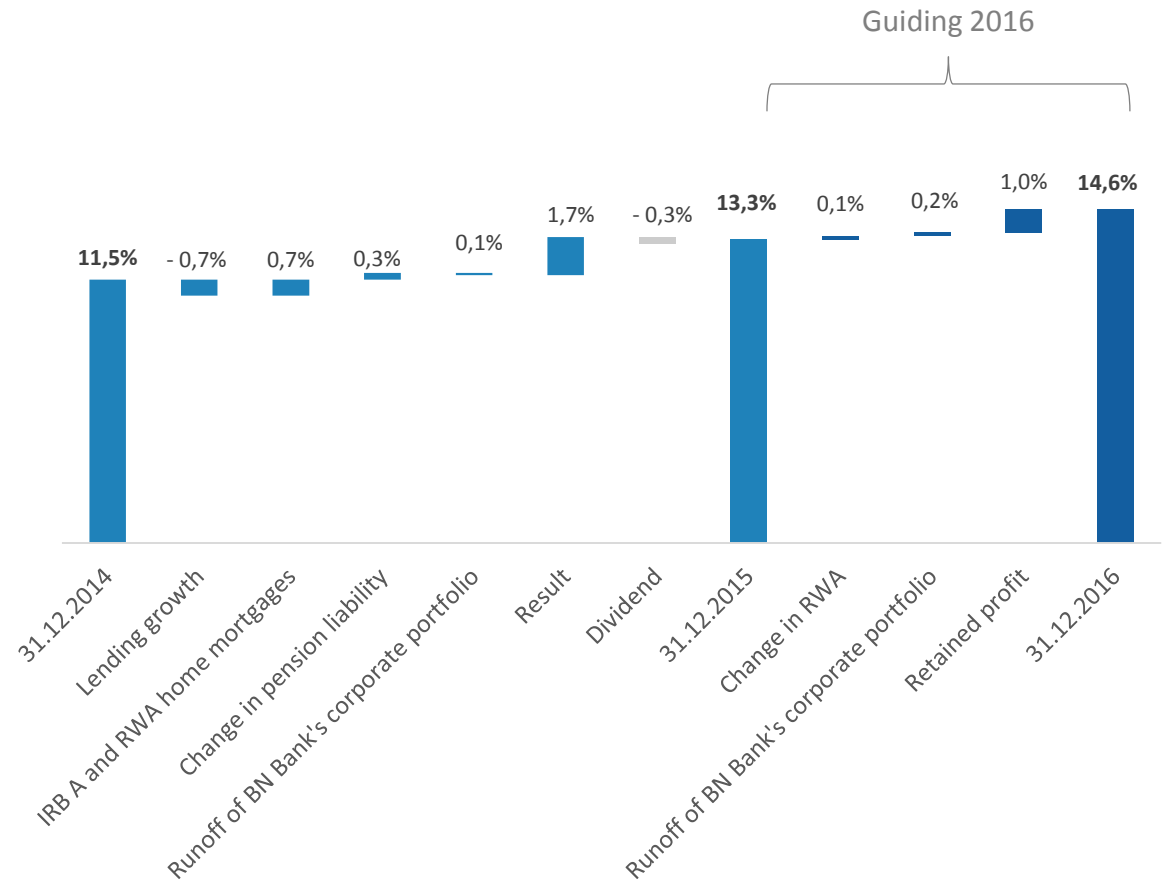
Increasing CET 1 – well prepared to reach capital requirements

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

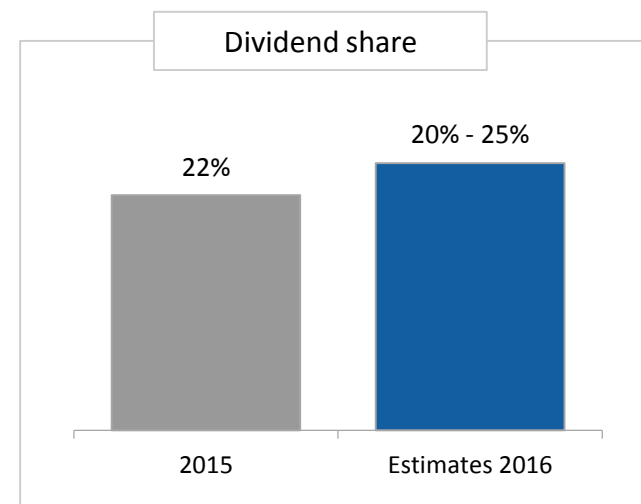
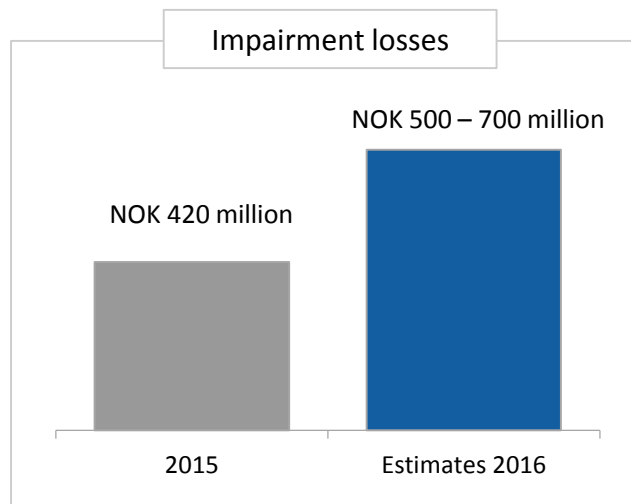
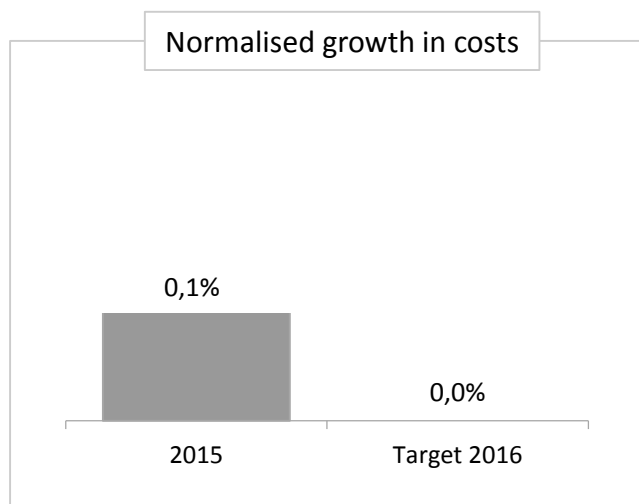
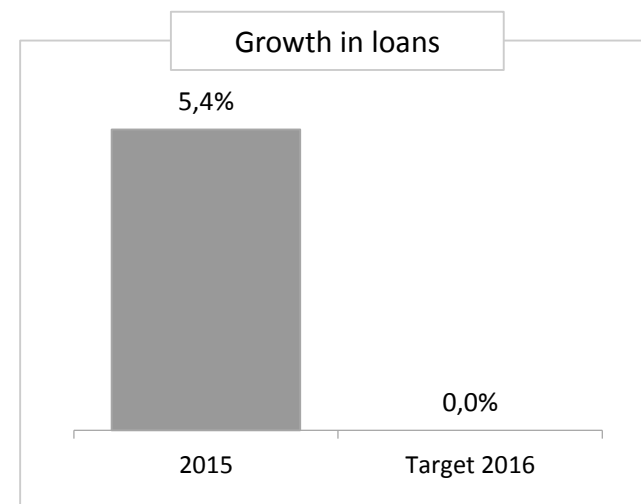
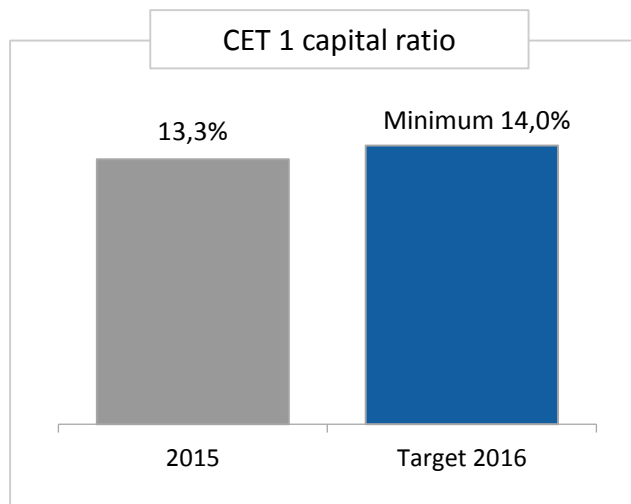
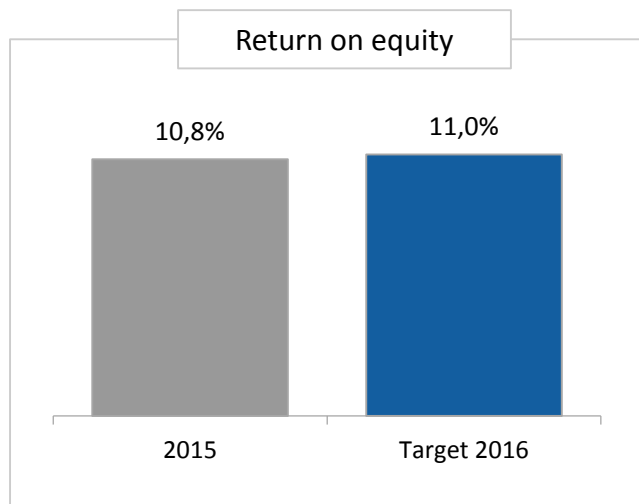
- Good profitability: Target 11% return on equity
- Marginal decline in risk-weighted assets (RWA)
- Runoff of BN Bank's corporate portfolio
- Moderate dividend



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

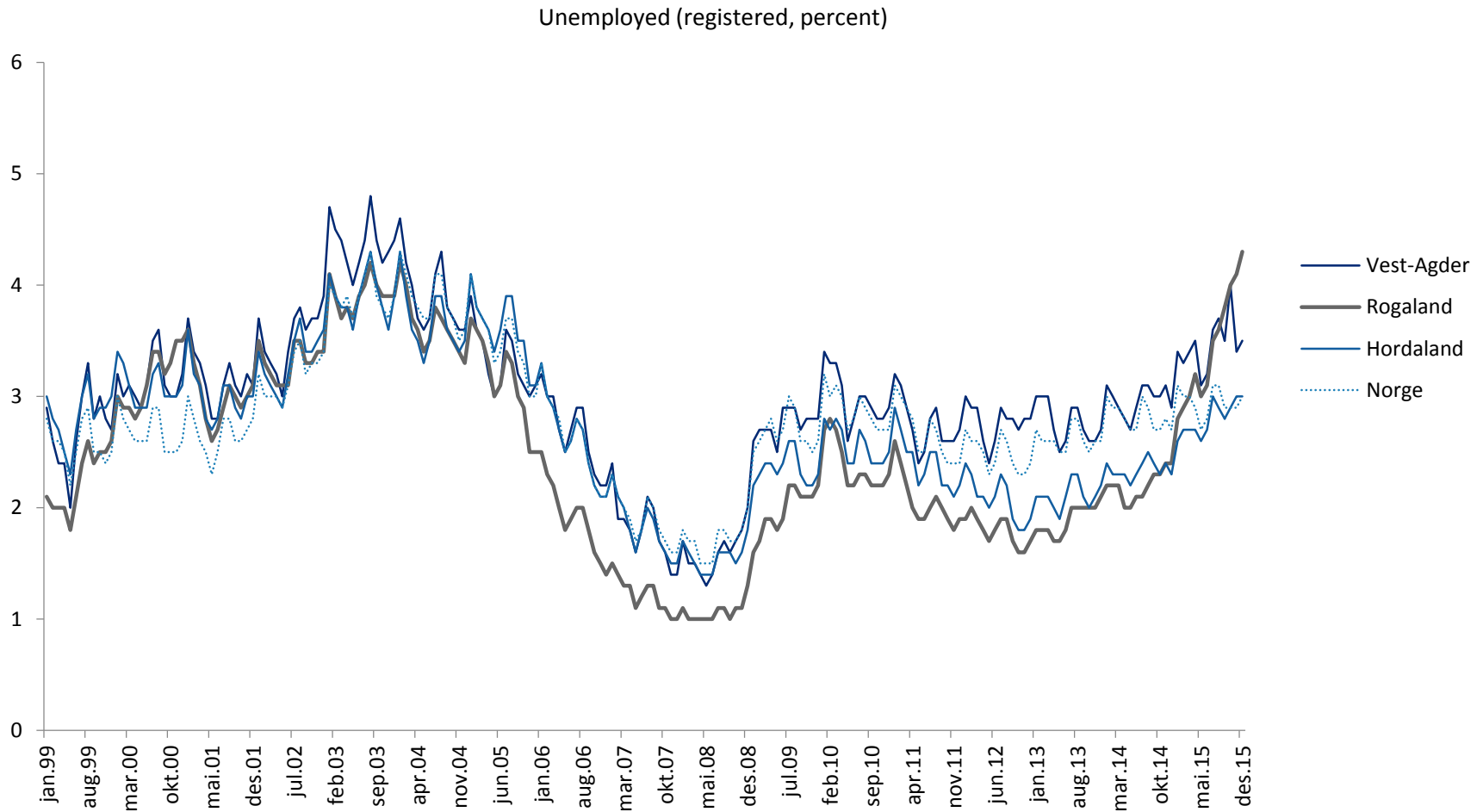


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APPENDIX

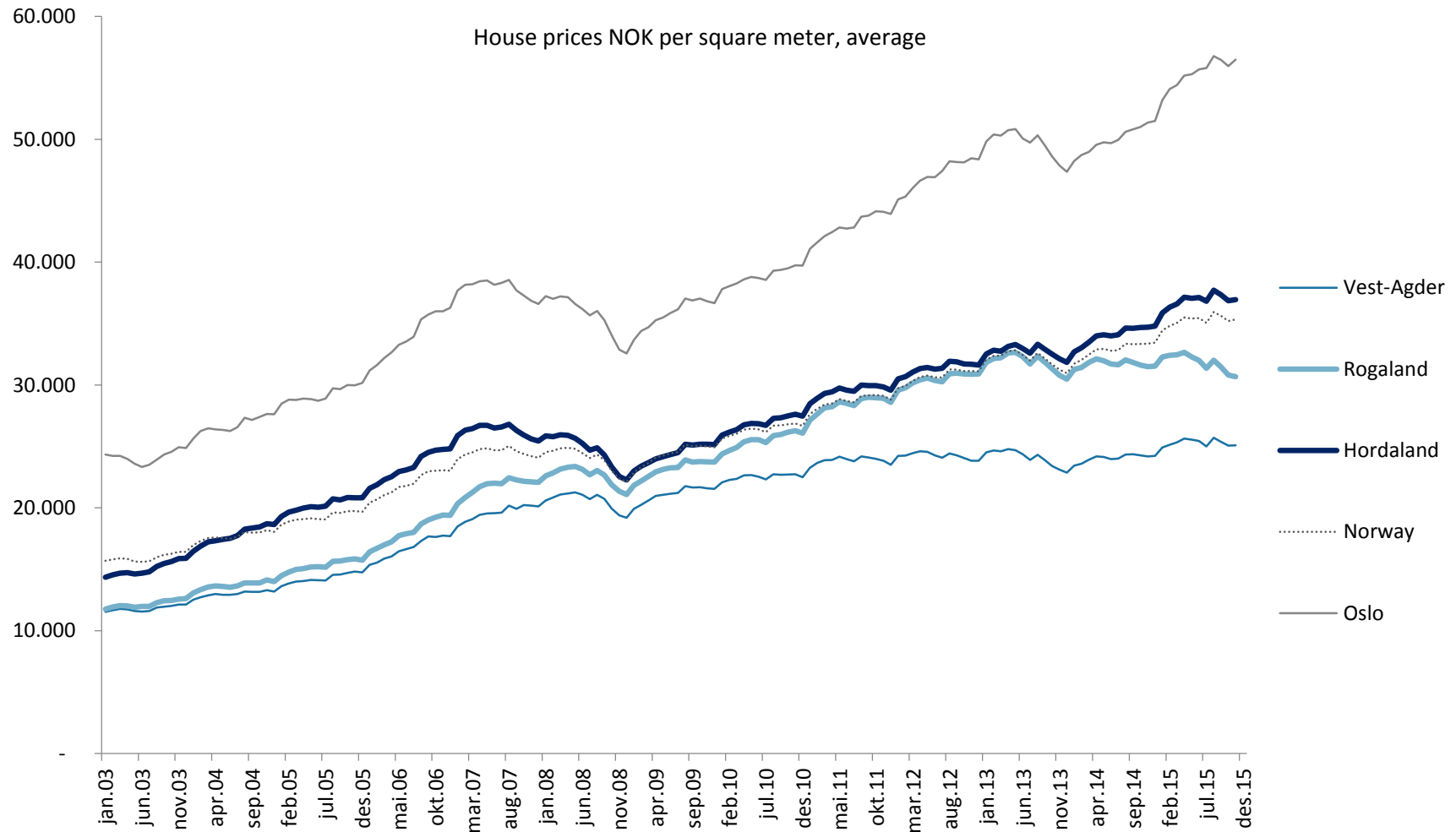
Unemployment has increased, but remains moderate

Rogaland somewhat above the national average



Source: NAV

House prices in Rogaland flattened last 3 years

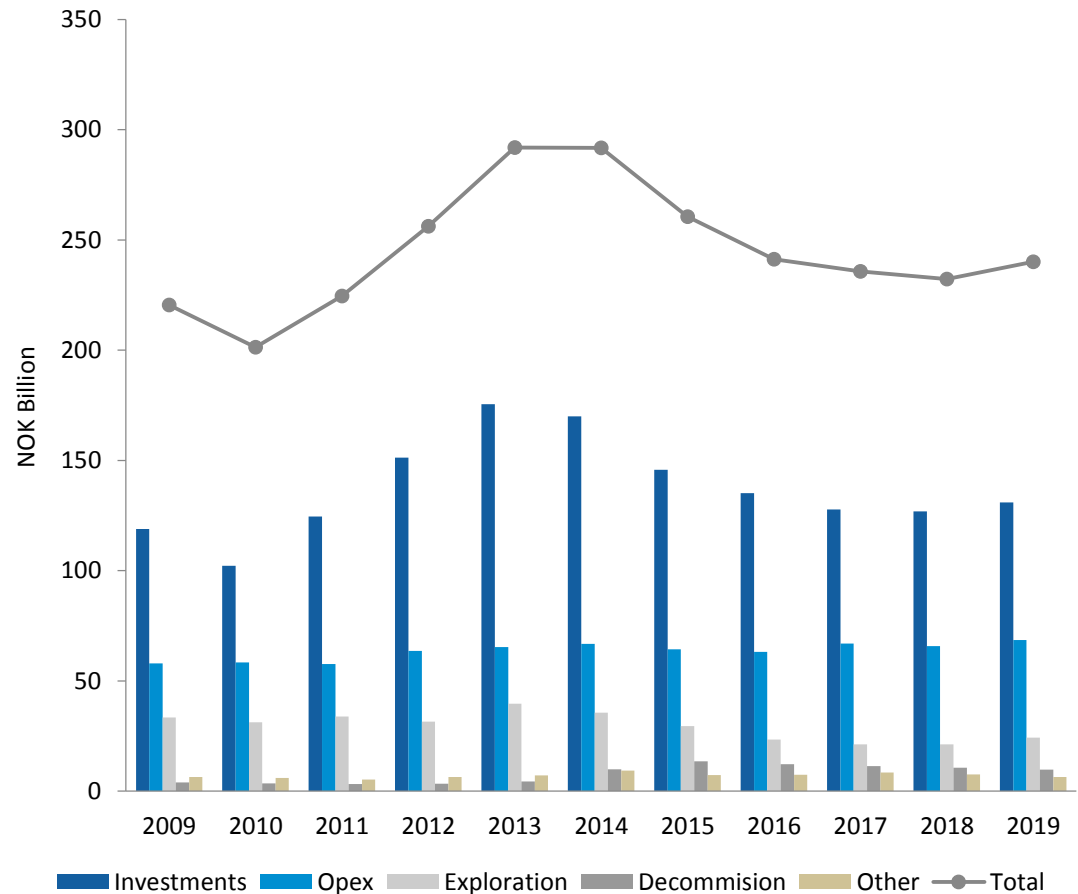


Source: Finn.no, Eiendom Norge and Eiendomsverdi

Somewhat reduced petroleum activity

Lower investments, whereas operating expenditures are more stable

- *Investments levelled out in 2014 following several years of growth. Investments expected to be reduced by 10% - 15% in 2016.*
- *Operating expenditures (opex), which are important for the region, are usually more stable. In 2015 it has been fluctuating. Going forward opex is expected to remain steady for the next few years.*



Source: Norwegian Petroleum Directorate

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

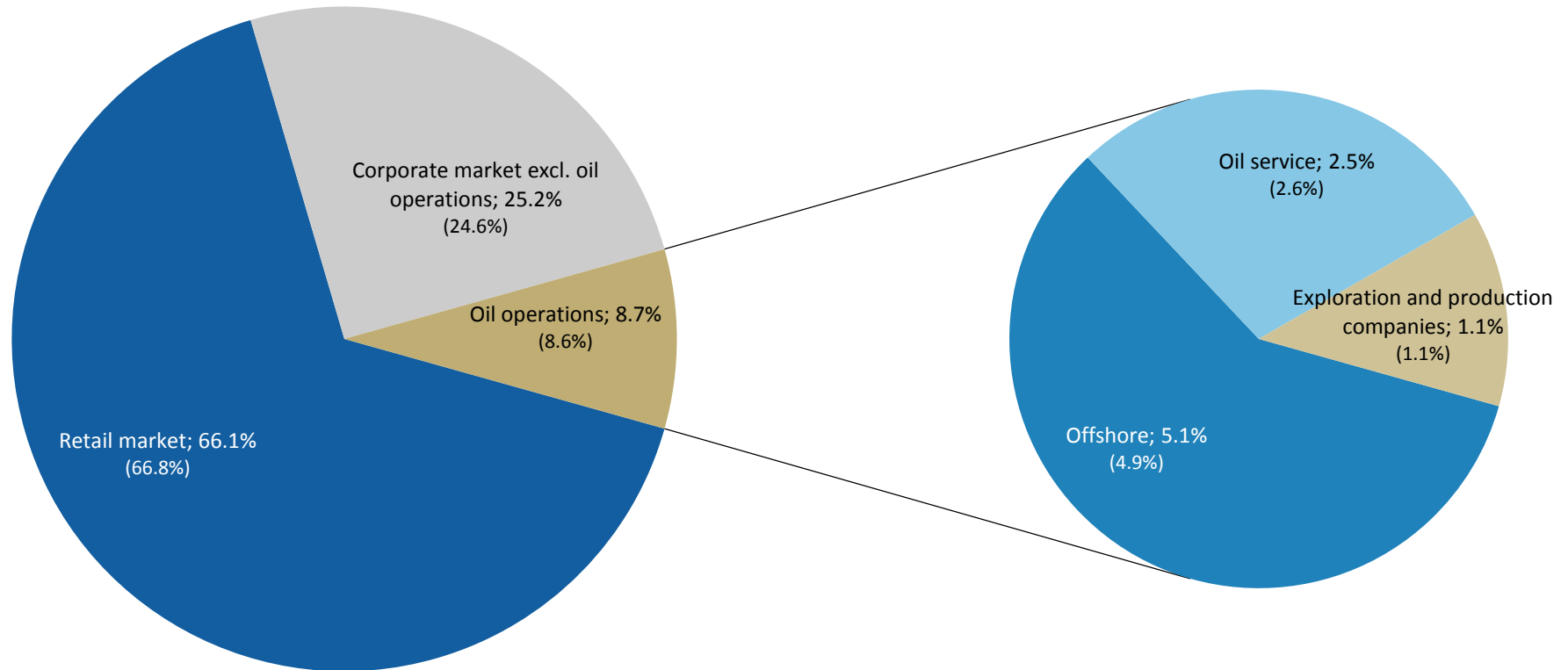
- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
 - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary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

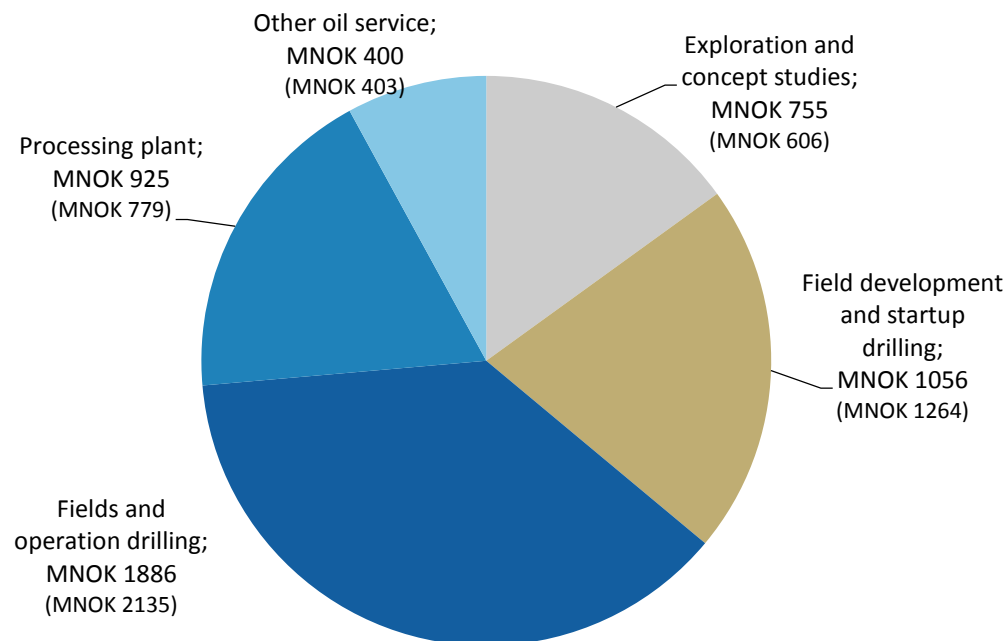
- EAD NOK 0.9 billion
- Average weighted probability of default 1.7%

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

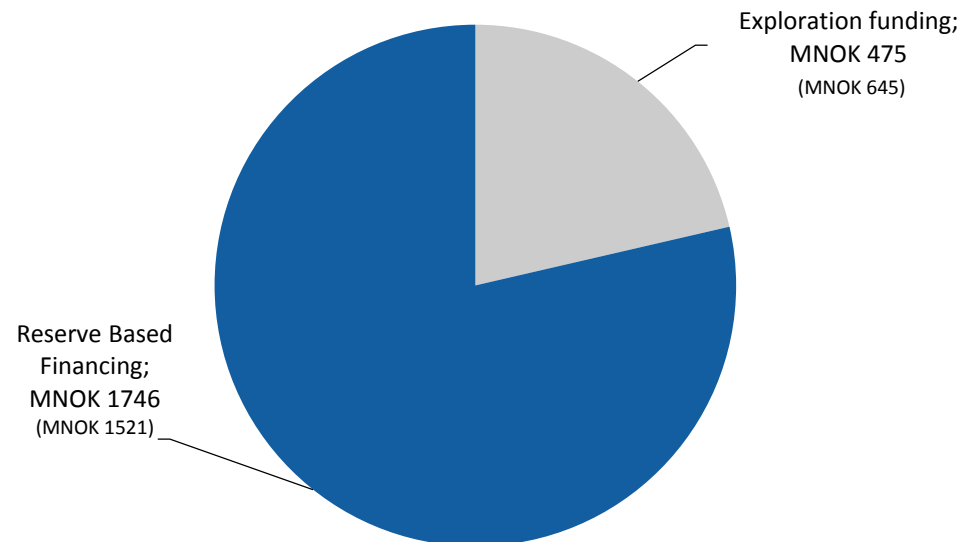
- EAD NOK 0,5 billion
- Average weighted probability of default 3.4%
- Secured by a tax refund from the Norwegian State. No direct oil price risk

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

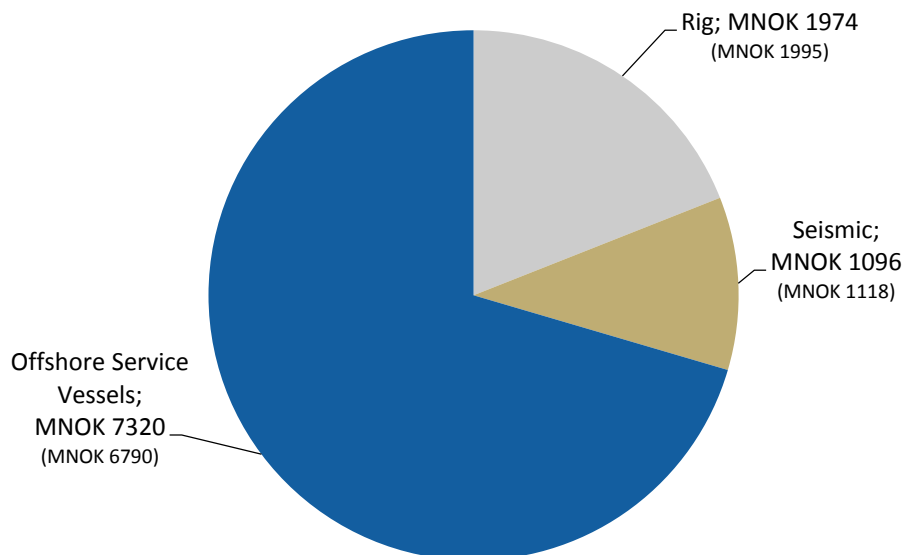
- EAD NOK 1.1 billion, average weighted probability of default is 1.3%, weighted average age is 11.7 years, average weighted contract coverage for 2016 and 2017 of 71% and 70% respectively, average weighted LTV 73%, 7 vessels
- Applies to ship financing, not seismic equipment

*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

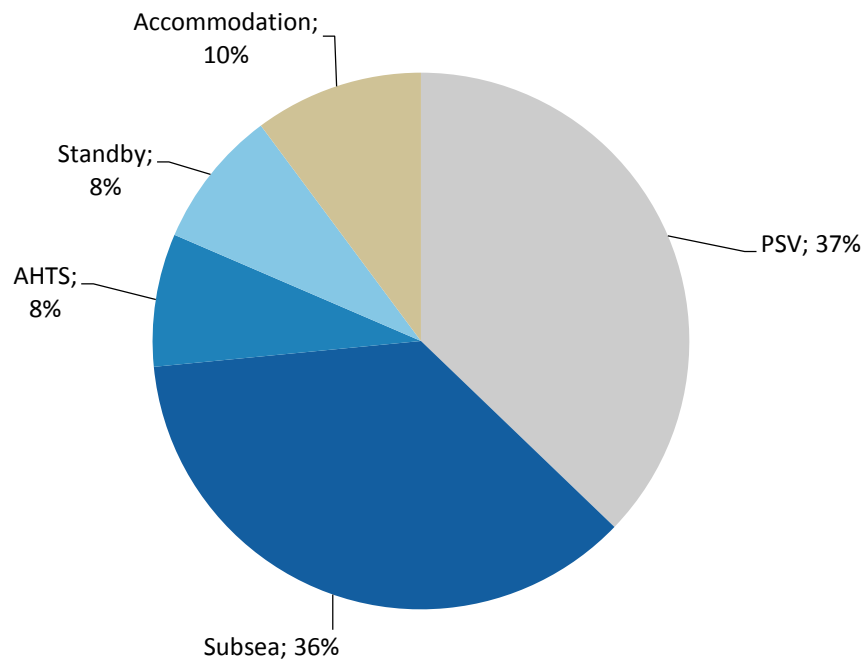
- EAD NOK 0.6 billion, weighted average age is 4.6 years

Accommodation

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

Offshore Service Vessels

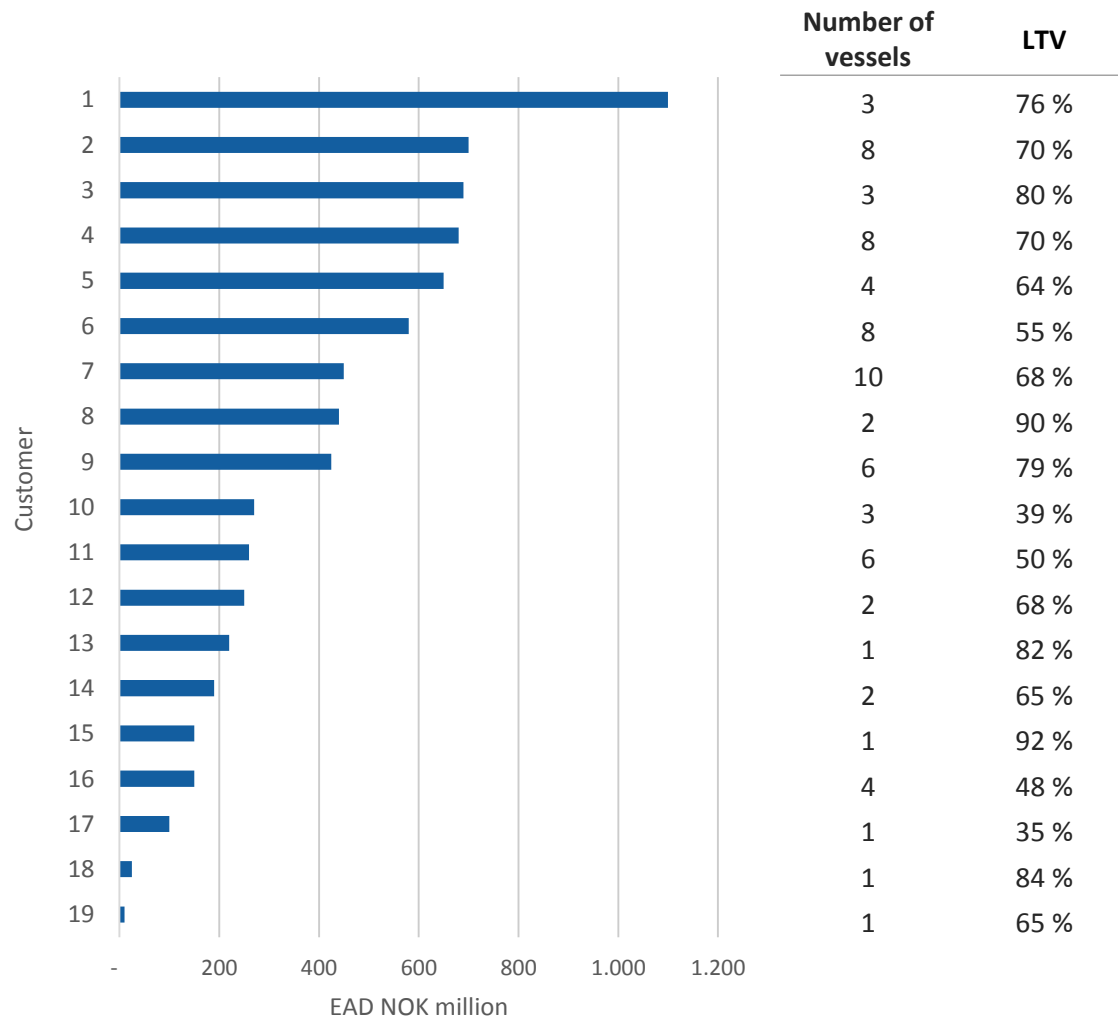
- Most customers with long history as a borrower in SpareBank 1 SR-Bank
- Most of the companies are listed on stock exchange or family owned
- A major part is industrially focused companies, only a small number of financially oriented owners



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

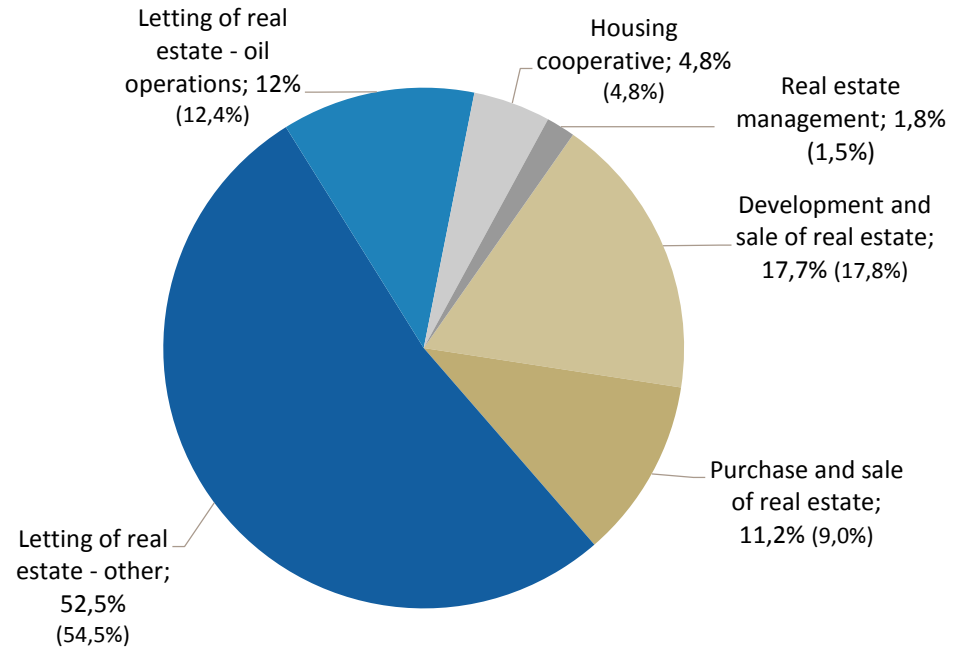
Sector allocation in accordance with the standard categories from Statistics Norway.

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.



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	Number of man-years : 14	Number of man-years : 33	Number of man-years : 44	Number of man-years : 1
Key areas: <ul style="list-style-type: none"> Leading real estate broker 	Key areas: <ul style="list-style-type: none"> Asset management 	Key areas: <ul style="list-style-type: none"> Leasing 	Key areas: <ul style="list-style-type: none"> Accounting Advisory 	Key areas: <ul style="list-style-type: none"> Covered Bond Funding

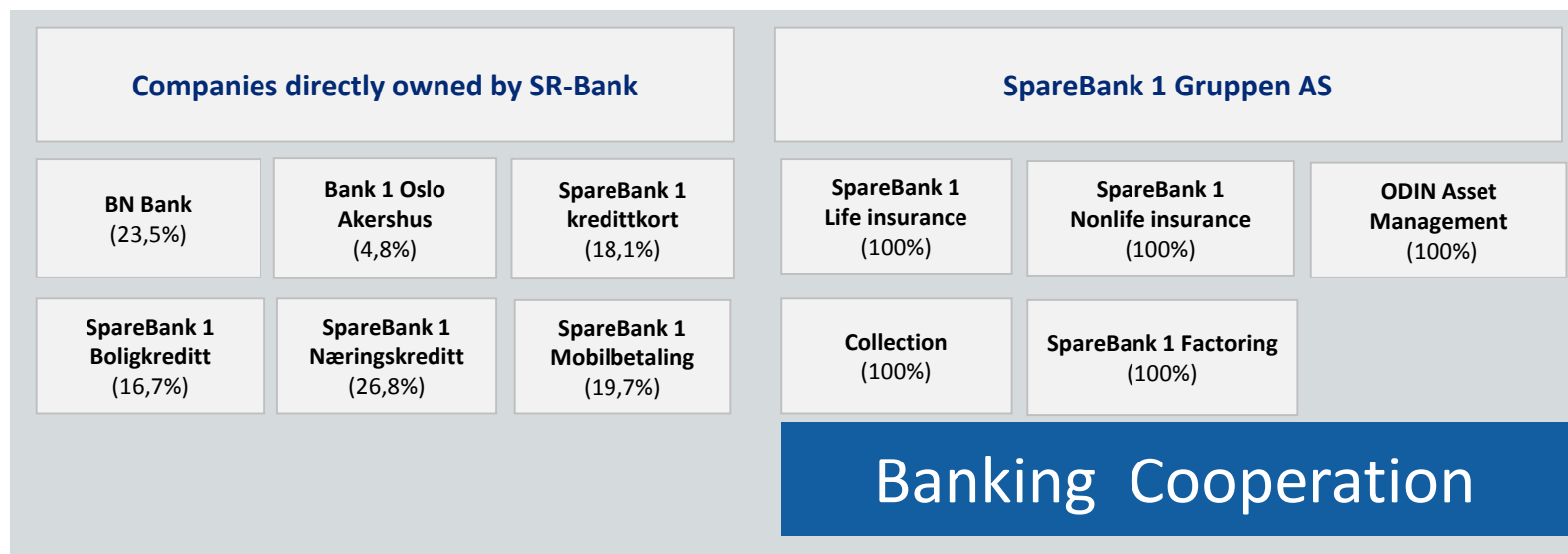
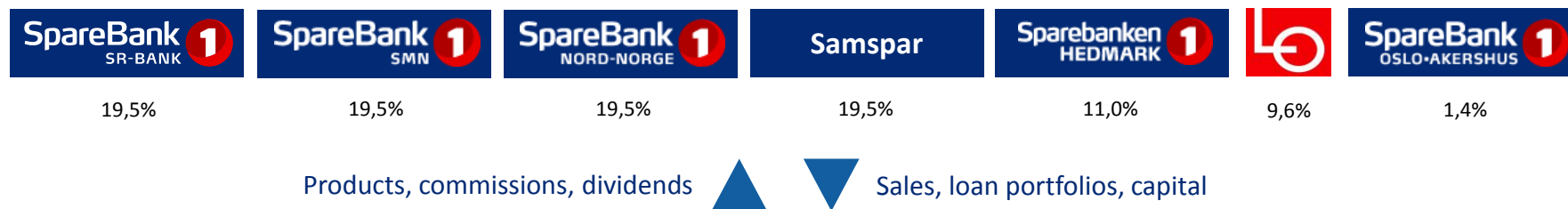
Partly owned companies

SpareBank 1 Gruppen AS (19.5%)	BN Bank ASA (23.5%)	SpareBank 1 Boligkreditt AS (16,7%)	SpareBank 1 Næringskreditt AS (26,8%)	SpareBank 1 Kredittkort (18,1%)
Holding company for the SpareBank 1 - Alliance	Commercial bank located in Oslo and Trondheim	Covered bond company (mortgages)	Covered bond company (commercial real estate)	Credit card company located in Trondheim

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



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

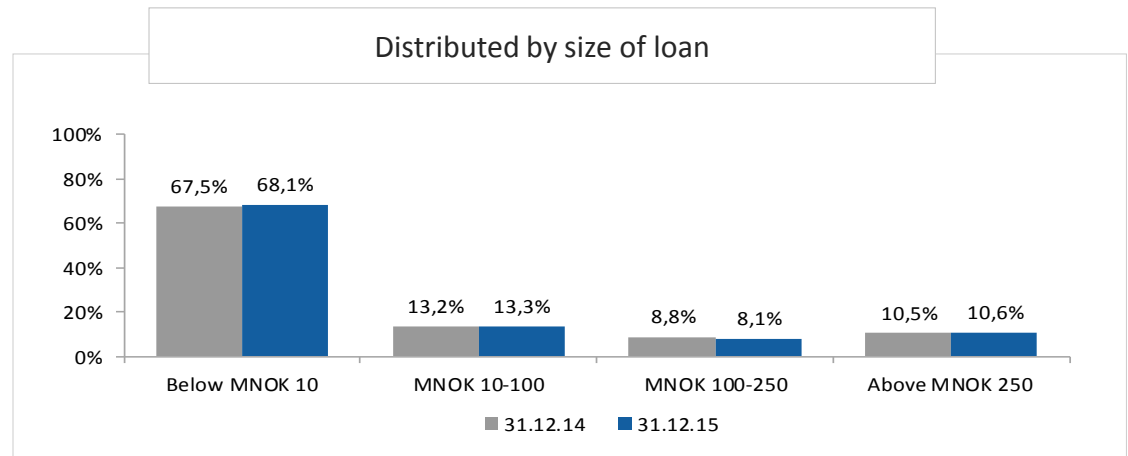
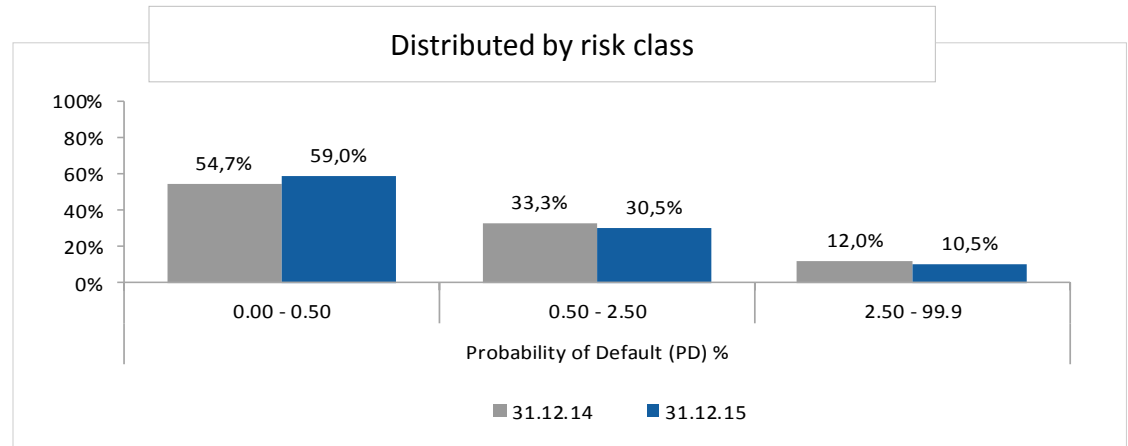
- Portfolio quality
- Managed and selective growth, greater product mix
- Risk pricing
- Portfolio management
- Innovation, digitalisation and continuous streamlining - cost effectiveness
- Strengthening capital
- Diversified funding platform

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

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.



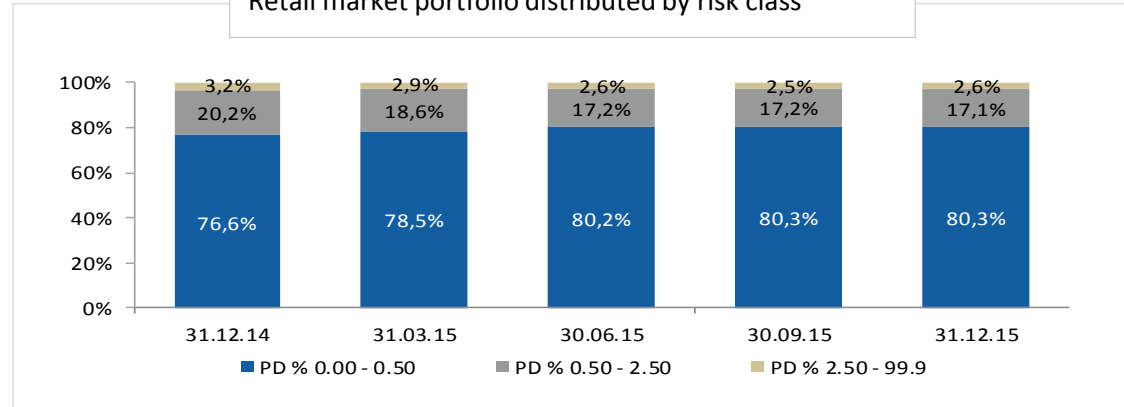
*Probability of default (PD) through a full cycle of loss.

The figure includes lending portfolios from covered bond companies.

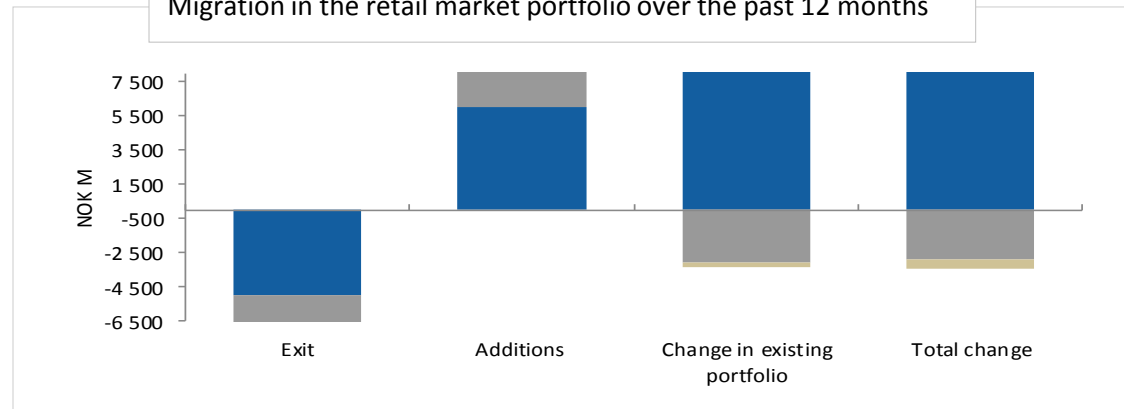
Risk profile – Lending to the retail market

- *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

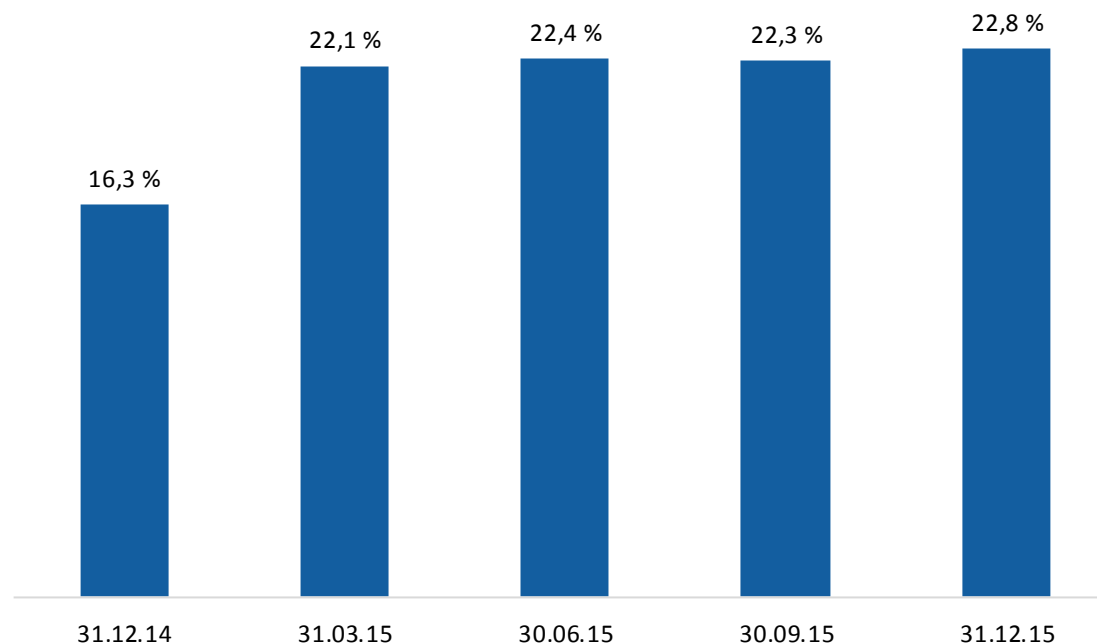


*Probability of default (PD) through a full cycle of loss.

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

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.

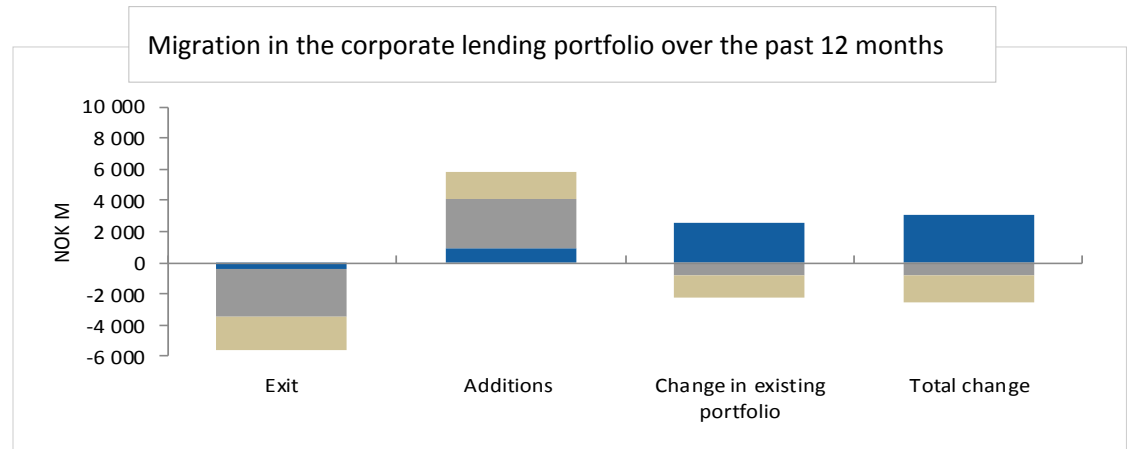
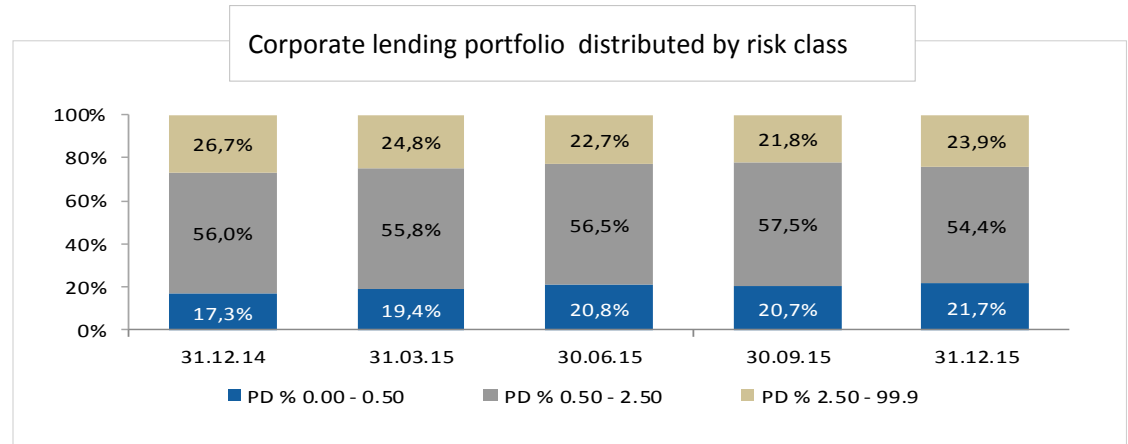
LGD (Loss Given Default): Estimated loss given default of one single loan. The calculation is based on the realisation value of assets pledged as security in an economic downturn.

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).

Risk profile - Corporate lending

- *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.*



A strengthened framework to meet increased economic uncertainty

Uncertainty regarding the outlook for the Norwegian economy has increased due to lower oil prices.

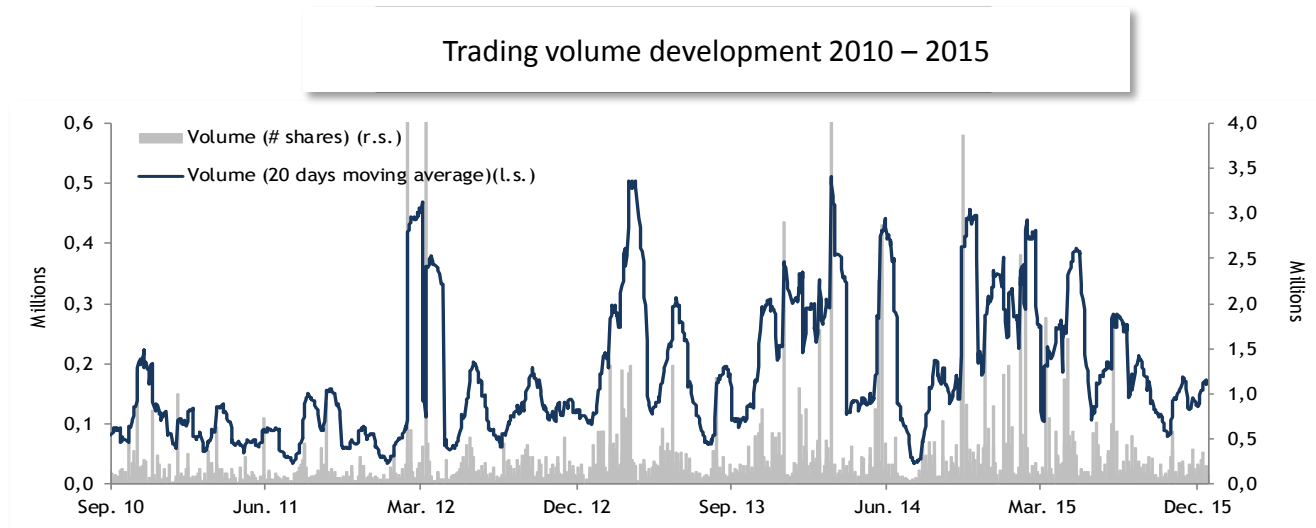
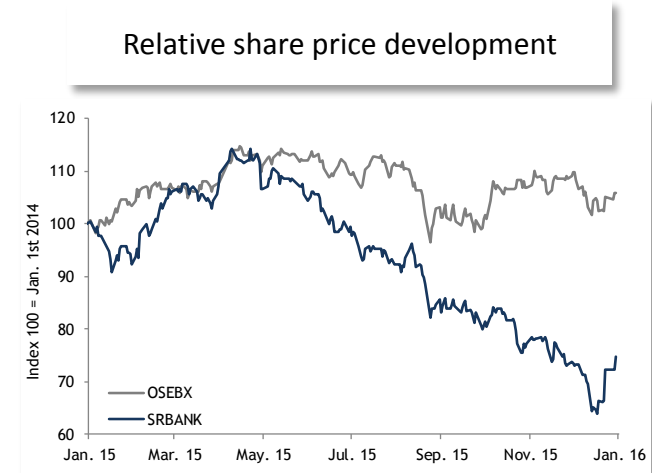
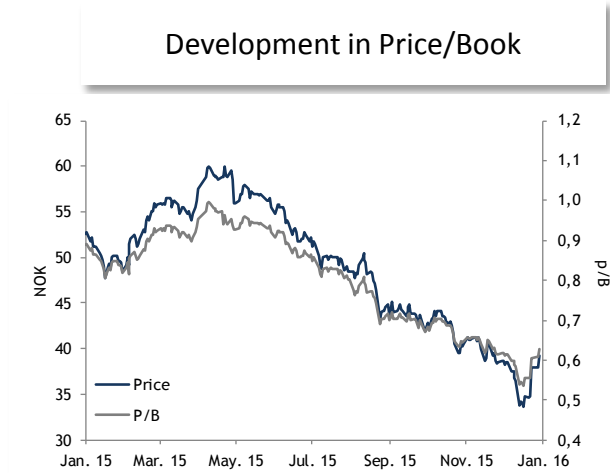
SpareBank 1 SR-Bank faces this uncertainty with a solid portfolio, a solid framework for lending and continuous focus on managing and controlling risk:

- Concentration risk in the corporate portfolio has been significantly reduced in recent years as a result of strict underwriting guidelines and active portfolio management.
- Guidelines for home equity loans have been further tightened.
- Enhanced risk models for estimating EAD and LGD were developed as part of AIRB approach for Corporates.
- The bank has also developed and adopted a new model for stress testing credit risk that enables instant simulation of the vulnerability of the credit portfolio.
- More accurate PD models for commercial real estate for lease and development projects were adopted in 2013. The models provide detailed information on the commercial real estate portfolio and thereby increases the understanding of its related risks.

In total, the effect in terms of good management and control of both new customers and existing portfolio.

SRBANK

- *International ownership is 17.3% per 4. quarter 2015.*
- *Total market value at 4. quarter 2015 is NOK 10 billion.*



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%

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

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