

From limitation
to capacity.

FIRST QUARTER 2016

SpareBank 
SR-BANK

Chief Executive, CEO

Arne Austreid

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Information on the Internet

SpareBank 1 SR-Bank's homepage www.sr-bank.no

Financial Calendar

Annual general meeting 2015	27 April
Ex-dividend date	28 April
First quarter 2016	27 April
Second quarter 2016	10 August
Third quarter 2016	26 October

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1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q1 2016

- Pre-tax profit: NOK 487 million (NOK 628 million)
- Profit after tax: NOK 386 million (NOK 496 million)
- Return on equity after tax: 9.0% (12.7%)
- Earnings per share: NOK 1.51 (NOK 1.94)
- Net interest income: NOK 698 million (NOK 627 million)
- Net commission and other income: NOK 352 million (NOK 408 million)
- Net income on investment securities: NOK 79 million (NOK 211 million)
- Operating expenses: NOK 492 million (NOK 530 million)
- Impairment losses on loans and guarantees: NOK 150 million (NOK 88 million)
- Total lending growth over past 12 months: 2.9% (7.3%)
- Growth in deposits over past 12 months: 1.2% (15.5%)
- Tier 1 capital ratio: 14.3% (12.9%)
- CET 1 capital ratio: 13.4% (12.1%)
(Q1 2015 in parentheses)

Income statement

Financial results

<i>MNOK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Net interest income	698	678	649	639	627	2.593	2.404
Net commission and other income	352	372	353	399	408	1.532	1.732
Net return on investment securities	79	-13	12	94	211	304	778
Total income	1.129	1.037	1.014	1.132	1.246	4.429	4.914
Total operating expenses	492	368	429	536	530	1.863	2.056
Operating profit before losses	637	669	585	596	716	2.566	2.858
Losses on loans and guarantees	150	192	96	44	88	420	257
Operating profit before tax	487	477	489	552	628	2.146	2.601
Tax expense	101	35	112	121	132	400	506
Profit after tax	386	442	377	431	496	1.746	2.095

Key figures

Key figures

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Return on equity ¹⁾	9,0 %	10,6 %	9,3 %	10,8 %	12,7 %	10,8 %	14,2 %
Cost ratio ²⁾	43,6 %	35,5 %	42,3 %	47,3 %	42,5 %	42,1 %	41,8 %
Deposit-to-loan ratio	56,1 %	57,6 %	58,6 %	60,4 %	59,4 %	57,6 %	57,5 %
Growth in loans	7,2 %	9,6 %	10,6 %	11,0 %	18,9 %	9,6 %	17,7 %
Growth in loans incl. covered bond companies	2,9 %	5,4 %	7,4 %	7,6 %	7,3 %	5,4 %	4,7 %
Growth in deposits	1,2 %	9,8 %	9,5 %	11,1 %	15,5 %	9,8 %	13,7 %
Average total assets, MNOK	194.300	192.315	185.459	177.861	175.938	182.768	166.017
Total assets, MNOK	194.763	192.049	191.500	181.889	176.913	192.049	174.926
Impairment losses ratio ³⁾	0,39	0,50	0,25	0,12	0,25	0,28	0,20
Capital ratio	16,8	16,7	15,2	15,3	15,2	16,7	14,5
Common Equity Tier 1 capital ratio	13,4	13,3	12,2	12,3	12,1	13,3	11,5
Share price	40,60	39,30	42,40	52,25	56,25	39,30	52,50
EPS (group)	1,51	1,73	1,47	1,69	1,94	6,83	8,20

¹⁾ Net profit as a percentage of average equity.

²⁾ Total operating expenses as a percentage of total operating income

³⁾ Net losses expressed as a percentage of average gross lending year to date, annualized

1.2 Business description: leading financial institution in Rogaland, Hordaland and Agder

The leading financial group in the southwest of Norway

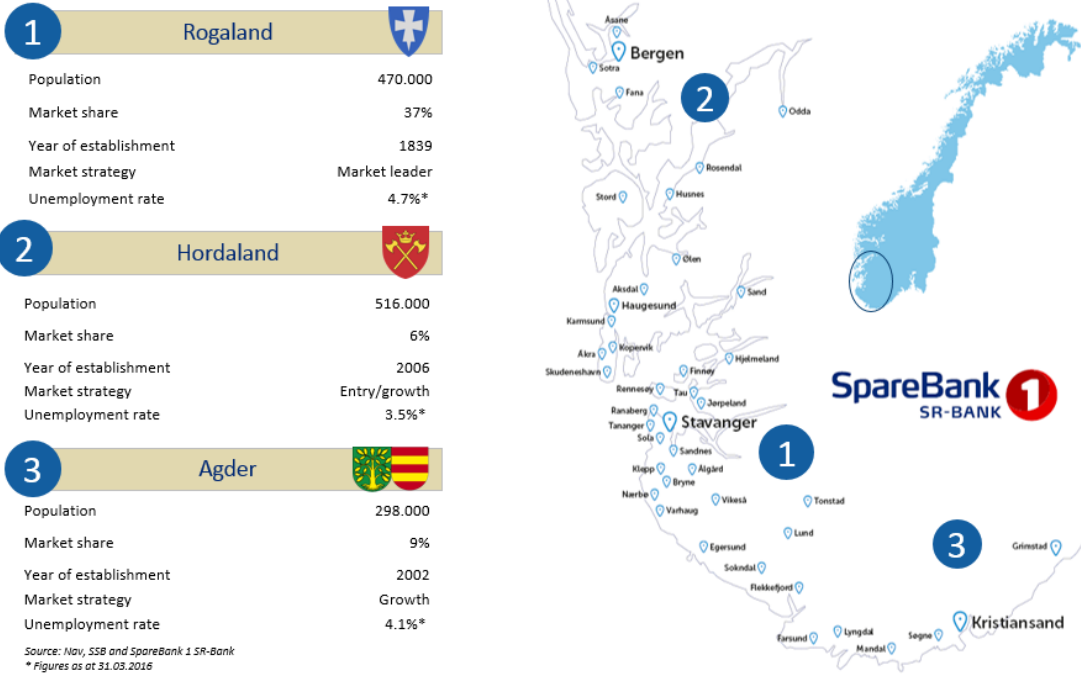


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank is Norway’s largest regional bank and the second largest Norwegian-owned bank (after DNB) with gross lending including covered bond companies of NOK 183.9 billion and market cap of NOK 10.4 billion as at 31 March 2016. Head office is in Stavanger. The market areas are the counties of Rogaland, Agder and Hordaland. SpareBank 1 SR-Bank ASA has 1 169 employees and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

The customer-oriented activity is organized in three divisions: Retail Market, Corporate Market and Capital Market.

Retail Market

SpareBank 1 SR-Bank ASA is the leading retail customer bank in Rogaland, with about 275,000 retail customers and a market share in Rogaland of about 40 per cent. The division also serves agricultural clients, sole proprietorships and associations.

Corporate Market

SpareBank 1 SR-Bank ASA service about 14,000 customers in the business sector and public sector. These also include small businesses, agricultural customers, societies and associations. About 40 per cent of all businesses in the bank’s traditional market list SpareBank 1 SR-Bank ASA as their main bank.

Capital Market

The Capital Market division comprises securities activities, SR-Markets and the subsidiary SR-Forvaltning that manage customers’ and the bank’s own assets in the form of securities, mutual funds and properties. SR-Markets primarily serve the group’s customers and other selected customers in defined market areas in the country as a whole.

SRBANK's activities

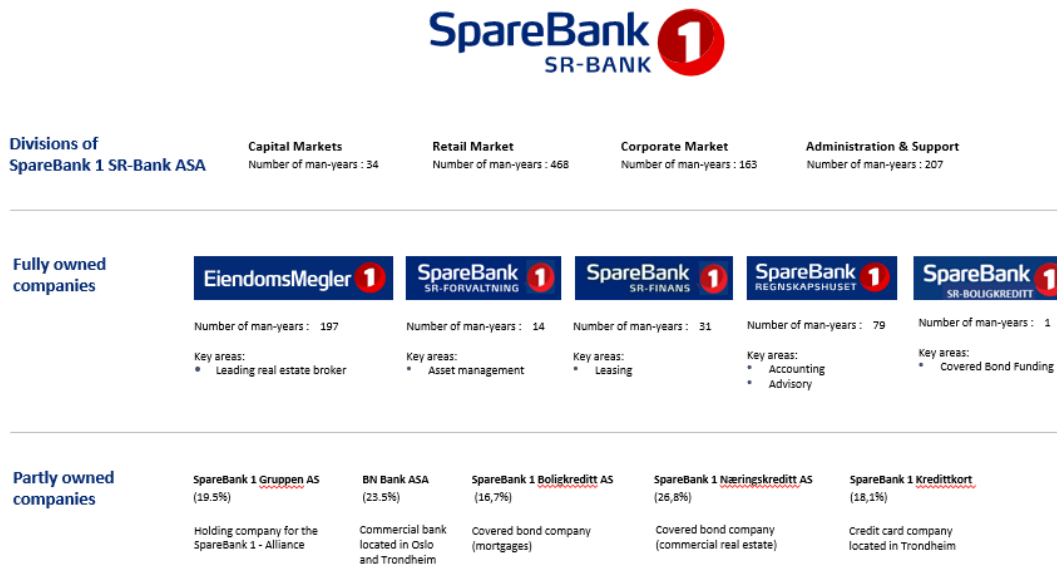


Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

MNOK	Retail market		Corporate market		Capital market	
	2016	2015	2016	2015	2016	2015
Operating profit before tax 1st quarter	282	319	206	182	-4	16
Gross loans to customers excl. SB1 Boligkreditt and SB1 Næringskreditt as at 31 March	88.786	79.941	56.171	54.527	734	662
Deposits from customers as at 31 March	47.099	45.158	37.288	34.961	2.768	3.569

* not including subsidiaries

Vision and strategy

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

Objectives	Financial goals
<ul style="list-style-type: none">• 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:<ul style="list-style-type: none">• A sustainable and profitable business model• An owner-friendly, stable dividend policy	<ul style="list-style-type: none">• 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	Strategic focus
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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

Figure 1.2.3: Vision and strategy

Legal and organizational structure

SpareBank 1 SR-Banks's various management and control bodies have all been established with respect to Norwegian legislation. The figure below shows an overview of current management and control bodies:

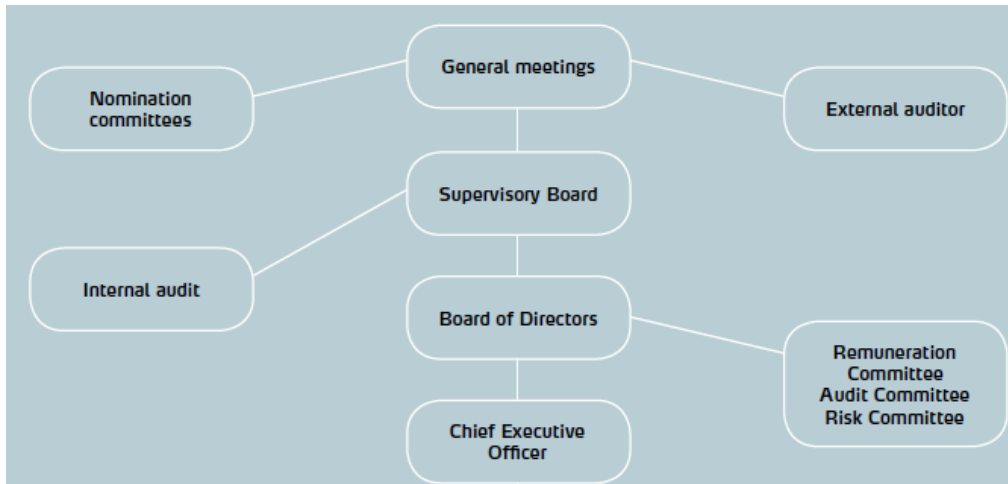


Figure 1.2.4: Overview of management and control bodies

General Meeting

Through the General Meeting, the shareholders exercise the highest level of authority at SpareBank 1 SR-Bank ASA. The Ordinary General Meeting elects the members of the Supervisory Board, the Control Committee and the Nomination Committee, as well as approving the annual financial statements, including the allocation of a surplus or coverage of a deficit for a year.

Supervisory Board

The Supervisory Board consists of 30 members and 15 deputy members. A total of 22 members and 11 deputy members are elected among the shareholders and eight members and four deputy members are elected by and among the employees.

The Supervisory Board conducts supervision of the administration by the Board of Directors and the CEO, elects the members and deputy members of the Board of Directors, elects the Nominating Committee, elects the auditor or auditing company, receives information on the operation and reviews extracts of SpareBank 1 SR-Bank's accounts and reports from the Control Committee, reviews the annual financial statements, annual report and auditor's report, and makes a statement to the General Meeting concerning the Board's proposal for the annual financial statements, and the Board's proposal for allocation of a surplus or coverage of a deficit as well as adopting decisions on remuneration for officers and auditors as well as compensation for the CEO.

Board of Directors

The Board of Directors consists of nine members and two deputy members, of which two members and one deputy member are elected by the employees.

The Board of Directors is responsible for the administration of the Bank's business. This includes making decisions on individual credit cases. The Board must ensure a satisfactory organisation of the Bank's operations, including ensuring that accounting and asset management are subjected to proper scrutiny.

Board committees

The Board of Directors has established a Remuneration Committee, an Audit Committee and a Risk Committee. The committees make no decisions but supervise, on behalf of the board, the executive management team's work and prepare matters for the board's consideration within their areas of responsibility. The committees are free to draw on resources in the group and on resources, advice and recommendations from sources outside the group. Instructions for the committees are established by the Board of Directors.

Organisation of SpareBank 1 SR-Bank ASA

The Bank's operational structure is illustrated in the figure below.

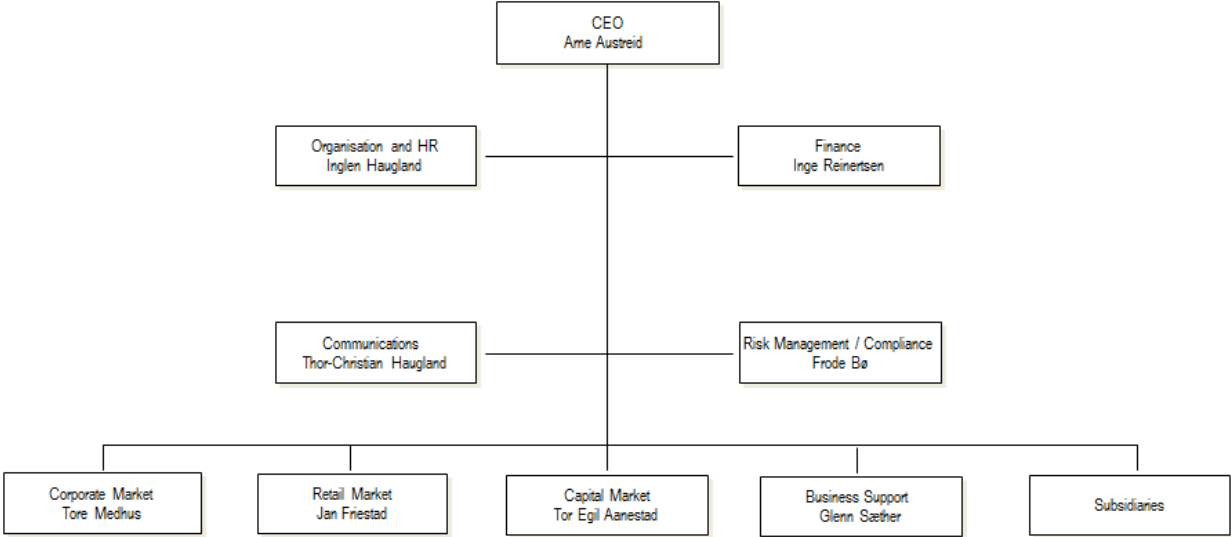


Figure 1.2.5: Organizational structure of SpareBank 1 SR-Bank

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the founding partners of the SpareBank 1 Gruppen (“the Alliance”) in 1996. Through participation in the Alliance, SpareBank 1 SR-Bank is linked together in an alliance of independent and locally anchored banks. The purpose of the Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and higher quality, so that customers get the best advice and the best services on competitive terms. As shown in the figure below the Alliance has a wide distribution all over Norway.

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

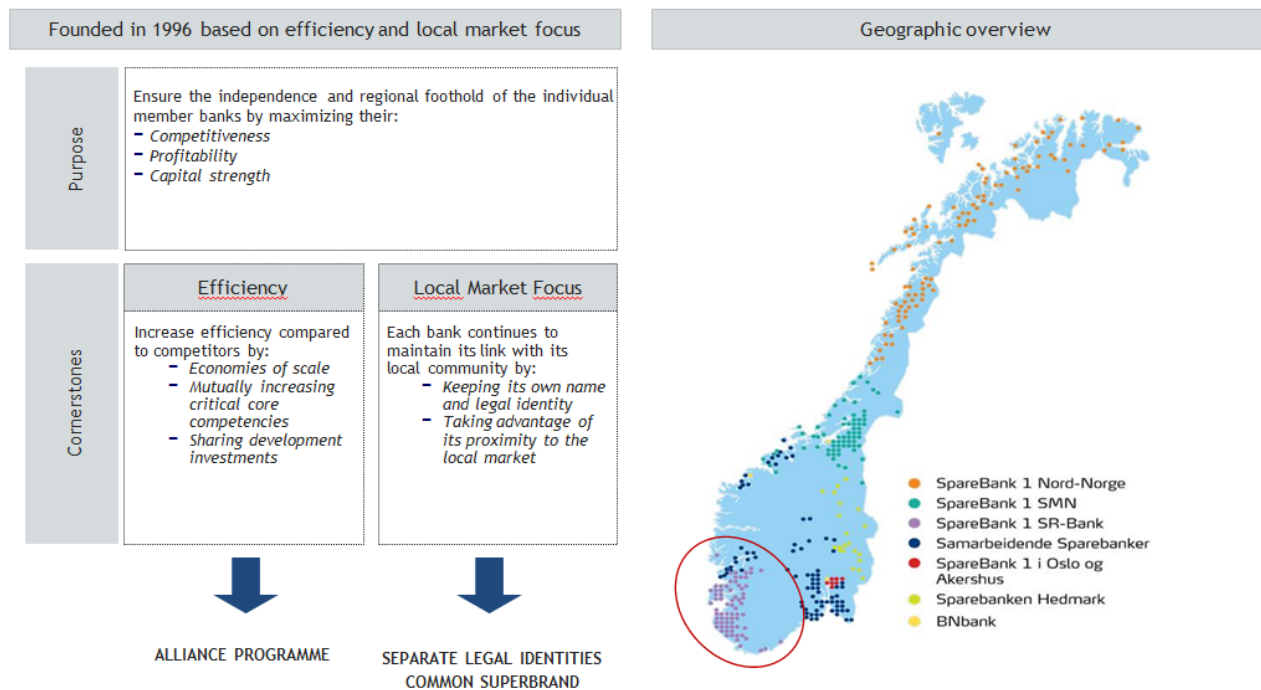


Figure 1.2.6: Geographic overview of the SpareBank 1 Alliance

The member banks in the Alliance work in part through common projects and in part through the jointly owned holding company; SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen AS is owned by Sparebanken Nord-Norge, Sparebanken 1 SMN, Sparebanken Hedmark, Bank 1 Oslo/Akershus, Samarbeidende Sparebanker (14 local savings banks in southern Norway) and the Norwegian Confederation of Trade Unions (LO).

SpareBank 1 Gruppen AS owns all of the shares in SpareBank 1 Livsforsikring AS (life insurance), SpareBank 1 Skadeforsikring AS (non-life insurance), ODIN Forvaltning AS (asset management), SpareBank 1 Medlemskort (membership cards) and SpareBank 1 Gruppen Finans Holding AS (collection of bad debts).

The banks that are part of the Alliance also jointly own the two covered bond companies SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS, EiendomsMegler 1 (chain of real estate brokers), Alliansesamarbeidet SpareBank 1 Utvikling DA, SpareBank 1 Kredittkort and the two banks; Bank 1 Oslo/Akershus AS and BN Bank ASA.

The SpareBank 1 Alliance structure is illustrated below in figure 1.2.7.

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

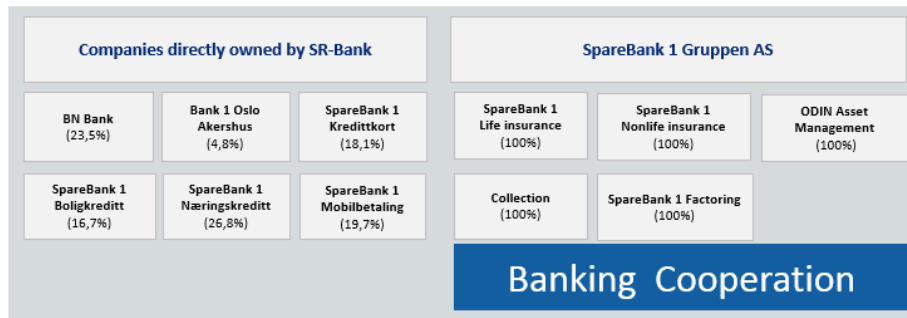
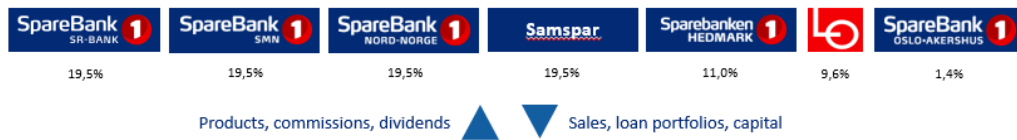


Figure 1.2.7: Structure of SpareBank 1 Alliance as at 31 March 2016

More information on the SpareBank 1 Alliance can be found on www.sparebank1.no.

1.3 Shareholder information - SRBANK

SpareBank 1 SR-Bank's former Equity Certificates (EC) was listed on the Oslo stock exchange from 1994 until end 2011 under the ticker of ROGG. From 1 January 2012 the EC's were converted to ordinary shares. The share capital in SpareBank 1 SR-Bank is NOK 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.



Figure 1.3.1: Relative performance; SRBANK vs OSEBX March 2015 – March 2016

The former ticker code ROGG was replaced by SRBANK and from 3 January 2012, SRBANK was included in the OSEAX All-Share index and sector index OSE40 Financials/OSE4010 Banks. Figure 1.3.1 shows the relative performance of SRBANK compared to OSEBX.

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of shareholders who represent customers, regional interests, as well as Norwegian and international investors. Figure 1.3.2 shows how daily liquidity has developed in the period from September 2010 to 31 March 2016. A general observation is that liquidity has increased after the conversion and issue of new shares.

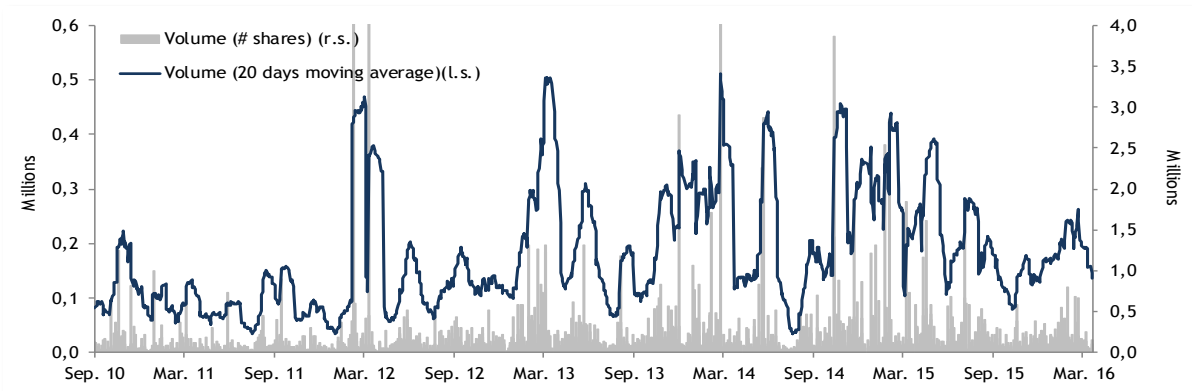


Figure 1.3.2 Development in liquidity; SRBANK September 2010 – March 2016

Figure 1.3.3 shows the share price movements and Price/Book development from March 2015 to March 2016.

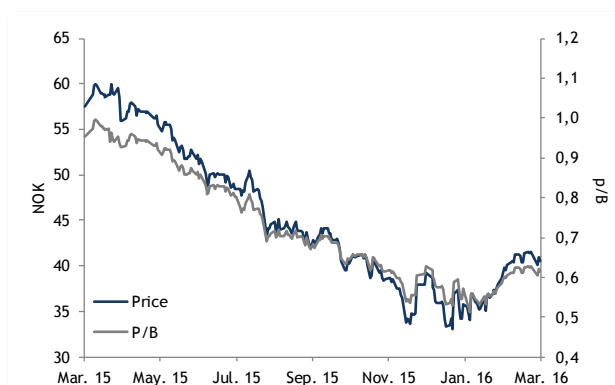


Figure 1.3.3: Share price and development in P/B; March 2015 – March 2016

Investor relations policy

It is crucial to SpareBank 1 SR-Bank that accurate, relevant and timely information about the group's development and result inspires confidence in the investor market. Information is conveyed to the market mainly through quarterly investor presentations, websites, press releases and accounting reports. Regular presentations are also held for international partners, lenders and investors, mainly in the domestic and European market.

It is in SpareBank 1 SR-Bank's own interest that financial analyses are published with the highest possible quality. All analysts, irrespective of their recommendations and viewpoints regarding the stock are treated equally. As of today the following financial analysts have official coverage of SRBANK:

Arctic Securities, Karl Storvik: + 47 21 01 32 36, karl.storvik@articsec.no

SpareBank 1 Markets, Nils Kristian Øyen: + 47 24 14 74 00 nils.oyen@sb1.markets.no

First Securities, Bengt Kirkøen +47 23 23 82 65 bk@first.no

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Pareto Securities, Vegard Eid Mediaas: +47 22 87 88 24, vegard.eid.mediaas@pareto.no

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Enskilda Securities, Christoffer Adams: +47 21 00 85 14, christoffer.adams@seb.no

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Fondsfinans, Geir Kristiansen: +47 23 11 30 11, gk@fondsfinans.no

Carnegie, Asbjørn Nicholas Mørch: +45 32 88 03 35, asbmoe@carnegie.dk

Shareholder and dividend policy

Shareholder policy

SpareBank 1 SR-Bank's objective is to manage the bank's resources in such a manner that shareholders receive a yield in the form of dividends and a value increase which is competitive in relation to comparable investments.

Dividend policy

The financial objective of SpareBank 1 SR-Bank's operations 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 size of the annual dividend, considerations will be made toward the group's capital, including capital adequacy requirements and the group's goals and strategic plans. Unless capital requirements otherwise dictate, the goal of the board is that approximately half of the annual profit after tax is distributed.

Ownership structure

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	8.310.831	3,2%
Vpf Nordea Norge Verdi		7.971.560	3,1%
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		3.657.156	1,4%
Danske Invest Norske Instit. II		3.058.058	1,2%
State Street Bank and Trust Co, U.S.A.	Nominee	2.578.782	1,0%
Clipper AS		2.565.000	1,0%
The Bank of New York Mellon, U.S.A.	Nominee	2.415.162	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	2.086.067	0,8%
Danske Invest Norske Aksjer Inst.		1.668.794	0,7%
Westco		1.658.537	0,6%
Pareto AS		1.640.867	0,6%
State Street Bank and Trust Co, U.S.A.	Nominee	1.638.501	0,6%
Vpf Nordea Avkastning		1.630.410	0,6%
Vpf Nordea Kapital		1.528.050	0,6%
Forsvarets Personellservice		1.513.556	0,6%
<hr/>			
Top 5		121.736.695	47,6%
Top 10		142.173.653	55,6%
Top 20		160.518.597	62,8%

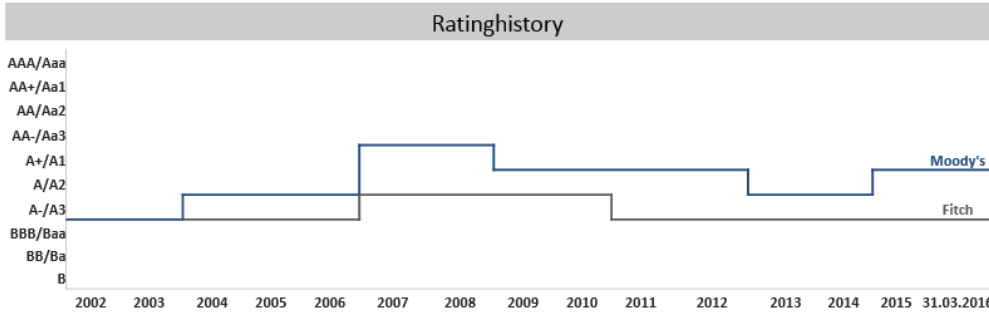
Table 1.3.2: 20 largest shareholders as at 31 March 2016

1.4 Credit ratings

Current credit rating status as at 31 March 2016 was as follows:

Rating

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Negative	Outlook	Stable
Updated	16 March 2016	Updated	4 November 2015



2. Financial results and balance sheet

Income statement

Financial results

<i>MNOK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Interest income	1.400	1.408	1.431	1.436	1.477	5.752	6.137
Interest expense	702	730	782	797	850	3.159	3.733
Net interest income	698	678	649	639	627	2.593	2.404
Commission income	369	388	372	418	427	1.605	1.804
Commission expenses	19	17	21	20	20	78	78
Other operating income	2	1	2	1	1	5	6
Net commission and other income	352	372	353	399	408	1.532	1.732
Dividend income	8	1	1	8	7	17	36
Income from investment in associates	104	110	78	101	133	422	506
Net gains/losses on financial instruments	-33	-124	-67	-15	71	-135	236
Net return on investment securities	79	-13	12	94	211	304	778
Total income	1.129	1.037	1.014	1.132	1.246	4.429	4.914
Personnel expenses	295	114	221	300	310	945	1.202
Administrative expenses	102	125	114	122	119	480	468
Other operating expenses	95	129	94	114	101	438	386
Total operating expenses	492	368	429	536	530	1.863	2.056
Operating profit before losses	637	669	585	596	716	2.566	2.858
Losses on loans and guarantees	150	192	96	44	88	420	257
Operating profit before tax	487	477	489	552	628	2.146	2.601
Tax expense	101	35	112	121	132	400	506
Profit after tax from continuing operations	386	442	377	431	496	1.746	2.095

Key figures

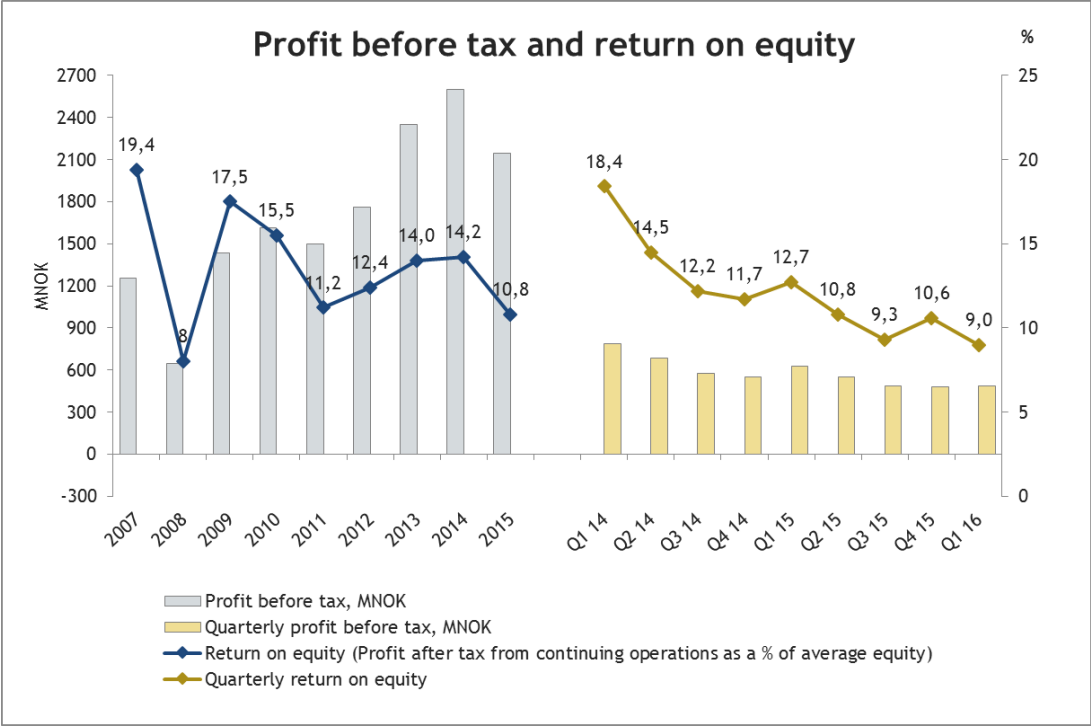
Key figures

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Return on equity ¹⁾	9,0 %	10,6 %	9,3 %	10,8 %	12,7 %	10,8 %	14,2 %
Cost ratio ²⁾	43,6 %	35,5 %	42,3 %	47,3 %	42,5 %	42,1 %	41,8 %
Net interest margin	1,44 %	1,40 %	1,39 %	1,44 %	1,45 %	1,42 %	1,45 %
Gross loans to customers	155.172	155.190	151.911	150.245	144.686	155.190	141.620
Gross loans to customers incl. covered bond companies	183.939	183.896	182.940	181.440	178.750	183.896	174.492
Deposits from customers	87.023	89.444	88.980	90.788	85.984	89.444	81.489
Deposit-to-loan ratio	56,1 %	57,6 %	58,6 %	60,4 %	59,4 %	57,6 %	57,5 %
Growth in loans	7,2 %	9,6 %	10,6 %	11,0 %	18,9 %	9,6 %	17,7 %
Growth in loans incl. covered bond companies	2,9 %	5,4 %	7,4 %	7,6 %	7,3 %	5,4 %	4,7 %
Growth in deposits	1,2 %	9,8 %	9,5 %	11,1 %	15,5 %	9,8 %	13,7 %
Average total assets	194.300	192.315	185.459	177.861	175.938	182.768	166.017
Total assets	194.763	192.049	191.500	181.889	176.913	192.049	174.926
Impairment losses ratio ³⁾	0,39	0,50	0,25	0,12	0,25	0,28	0,20
Non-performing commitments as a percentage of gross loans	0,49	0,55	0,23	0,27	0,31	0,55	0,30
Other doubtful commitments as a percentage of gross loans	0,61	0,35	0,45	0,51	0,50	0,35	0,36
Capital ratio	16,8	16,7	15,2	15,3	15,2	16,7	14,5
Tier 1 capital ratio	14,3	14,2	13,1	13,1	12,9	14,2	12,3
Common Equity Tier 1 capital ratio	13,4	13,3	12,2	12,3	12,1	13,3	11,5
Tier 1 capital	16.955	16.882	16.063	15.771	15.206	16.882	14.828
Net primary capital	19.853	19.933	18.635	18.403	17.838	19.933	17.465
RWA	118.527	119.124	122.380	120.363	117.589	119.124	120.189
Number of branches	49	49	50	50	50	49	50
Man-years (permanent)	1.169	1.161	1.150	1.133	1.135	1.161	1.106
Share price	40,60	39,30	42,40	52,25	56,25	39,30	52,50
Market capitalisation	10.383	10.051	10.844	13.363	14.386	10.051	13.427
Book equity per share (including dividends) (group)	67,68	66,14	64,02	62,56	62,40	66,14	60,28
Earnings per share (group)	1,51	1,73	1,47	1,69	1,94	6,83	8,20
Dividends per share	n.a.	1,50	n.a.	n.a.	n.a.	1,50	2,00
Price / Earnings per share	6,72	5,68	7,21	7,73	7,25	5,75	6,40
Price / Book equity (group)	0,60	0,59	0,66	0,84	0,90	0,59	0,87

¹⁾ Net profit as a percentage of average equity.

²⁾ Total operating expenses as a percentage of total operating income

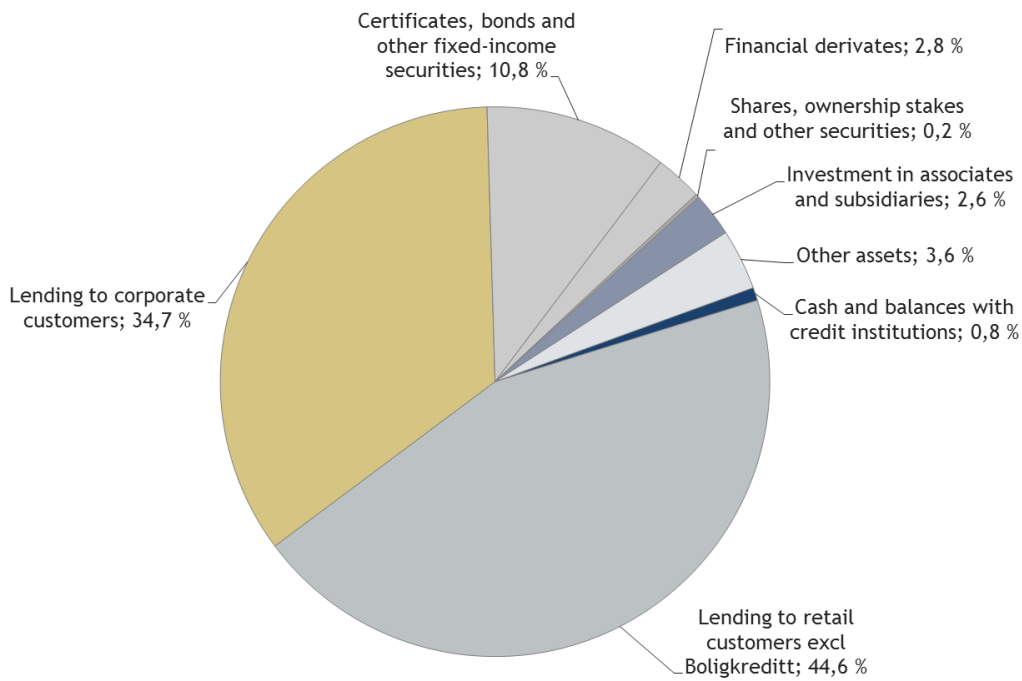
³⁾ Net losses expressed as a percentage of average gross lending year to date, annualized



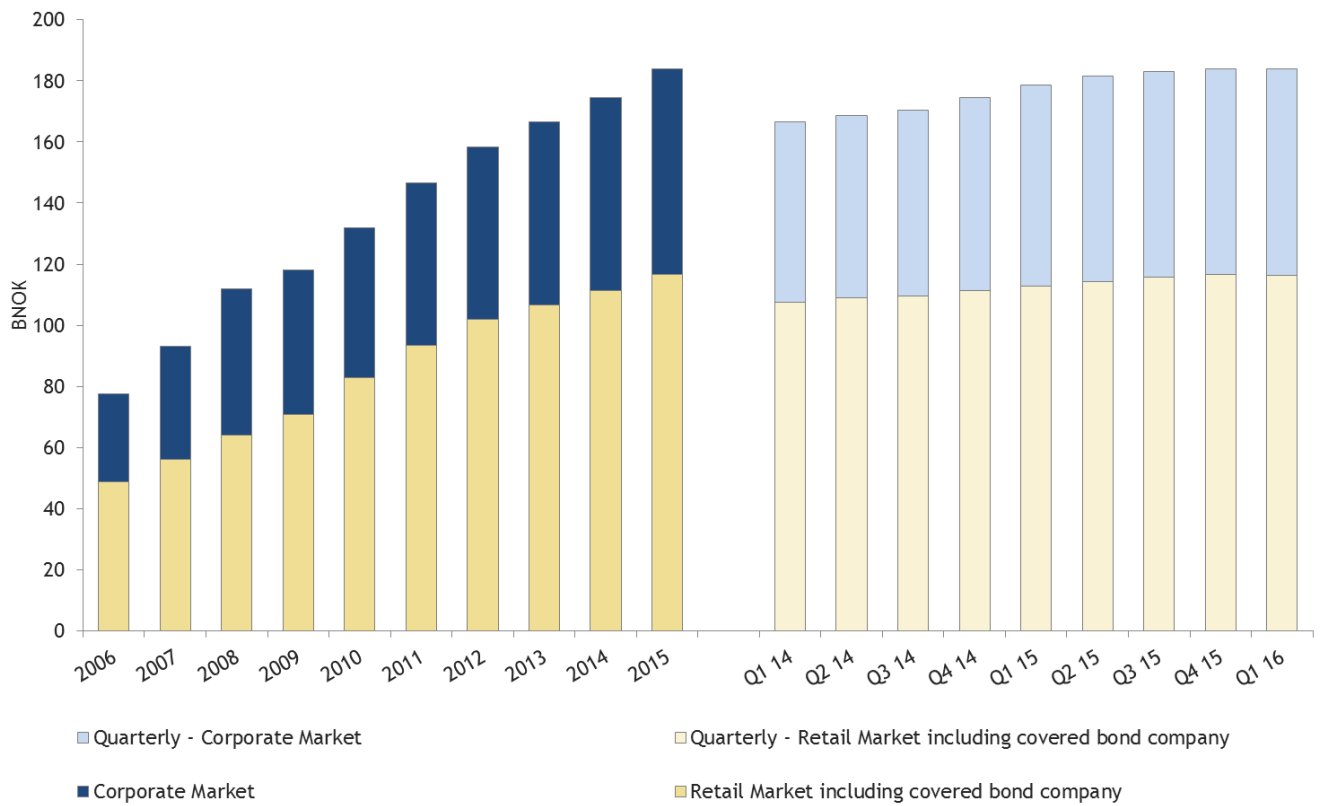
Balance sheet

<i>MNOK</i>	31.03 2016	31.12 2015	30.09 2015	30.06 2015	31.03 2015
Cash and balances with central banks	1.497	931	2.923	2.841	2.400
Balances with credit institutions	5.059	2.984	2.843	2.224	2.533
Net loans to customers	154.221	154.357	151.078	149.472	143.937
Certificates, bonds and other fixed-income sec.	20.963	19.533	20.484	16.116	14.789
Financial derivatives	5.403	6.135	7.099	4.878	5.760
Shares, ownership stakes and other securities	428	441	516	523	631
Business available for sale	162	168	136	129	22
Investment in associates	5.017	4.792	4.839	4.677	4.886
Other assets	2.013	2.708	1.582	1.029	1.955
Total assets	194.763	192.049	191.500	181.889	176.913
Balances with credit institutions	4.174	5.296	6.129	3.874	4.803
Public deposits related to covered bond swap scheme		0	0	0	0
Deposits from customers	87.023	89.444	88.980	90.788	85.984
Listed debt securities	75.737	71.979	70.444	62.992	60.198
Financial derivatives	3.064	2.786	3.224	2.766	3.916
Other liabilities	4.160	2.171	3.346	2.491	3.093
Additional Tier 1 and Tier 2 capital instruments	3.310	3.459	3.006	2.980	2.975
Total liabilities	177.468	175.135	175.129	165.891	160.969
Share capital	6.394	6.394	6.394	6.394	6.394
Premium reserve	1.587	1.587	1.587	1.587	1.587
Proposed dividend	384	384	0	0	512
Fund for unrealised gains	163	163	59	59	59
Other equity	8.381	8.386	7.027	7.031	6.896
Profit/loss at period end	386	0	1.304	927	496
Total equity	17.295	16.914	16.371	15.998	15.944
Total liabilities and equity	194.763	192.049	191.500	181.889	176.913

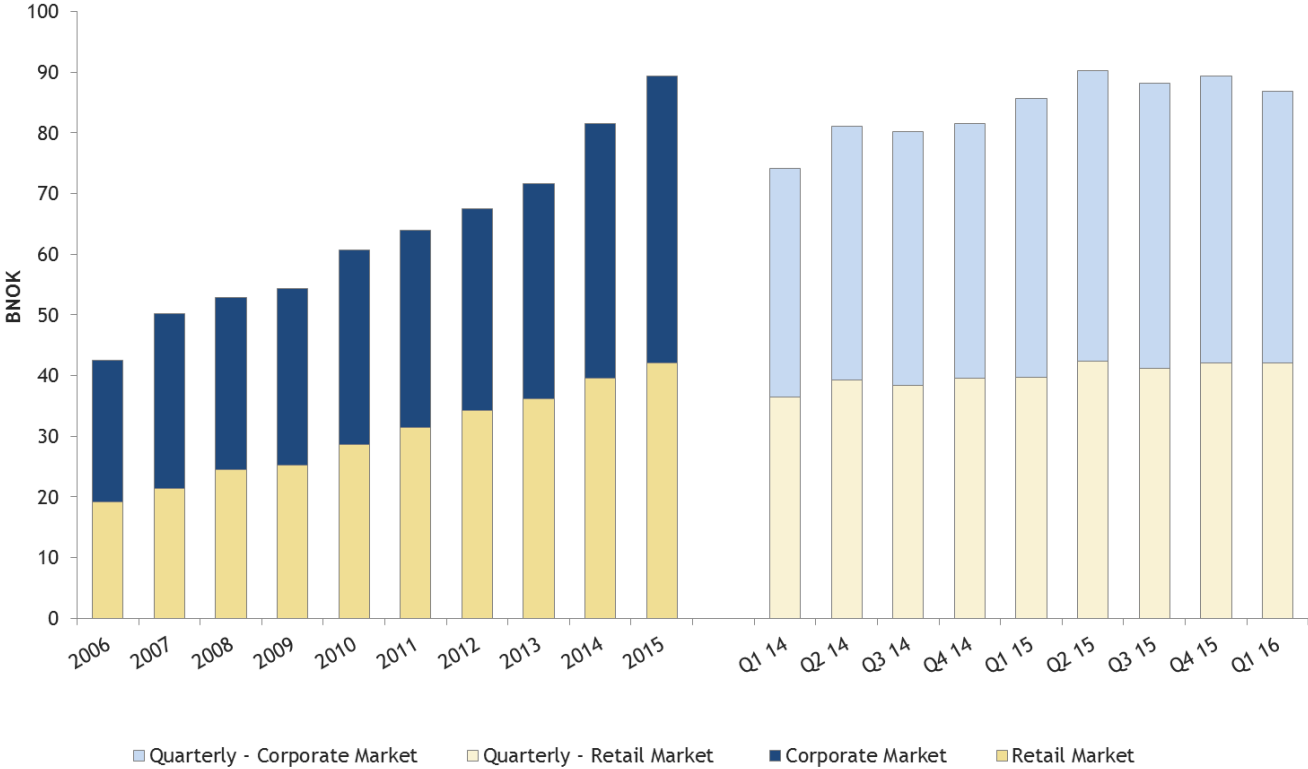
Total assets as at 31 March 2016:



Development in lending volume

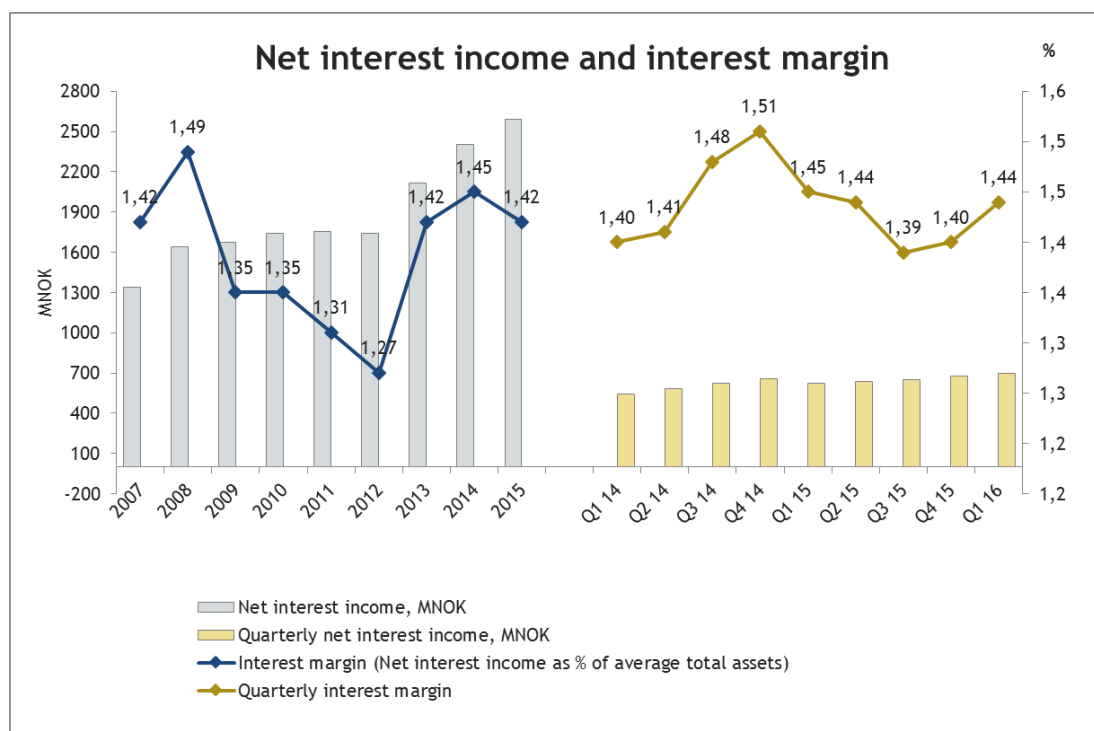


Development in deposit volume

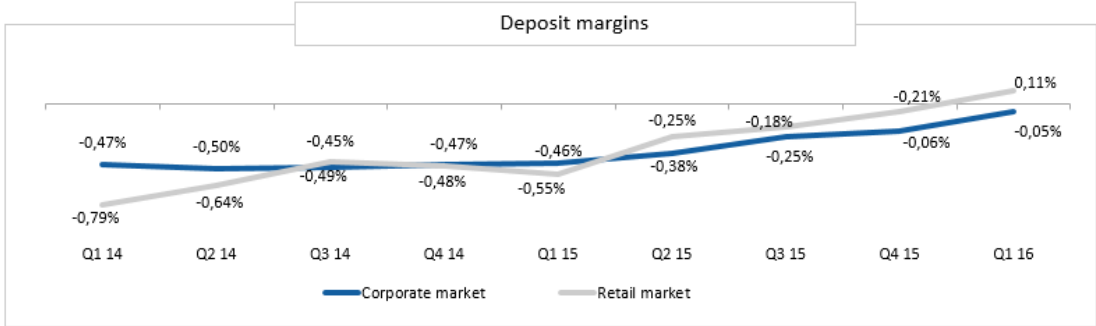
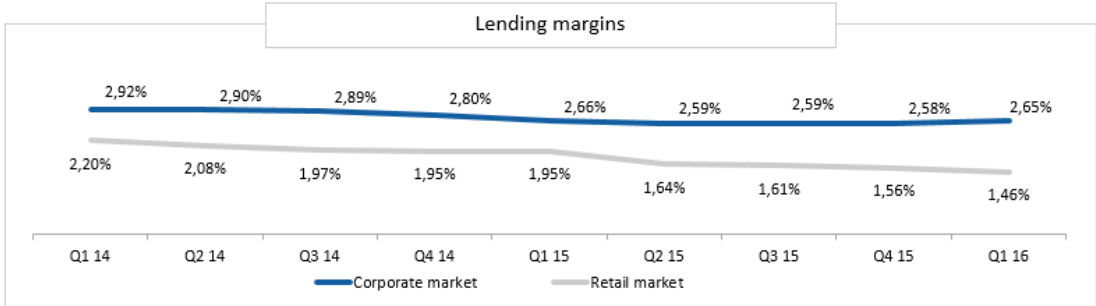


2.1 Net interest income

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
MNOK							
Interest income	1.400	1.408	1.431	1.436	1.477	5.752	6.137
Interest expense	702	730	782	797	850	3.159	3.733
Net interest income	698	678	649	639	627	2.593	2.404
As % of average total assets	1,44 %	1,40 %	1,39 %	1,44 %	1,45 %	1,42 %	1,45 %



Lending and deposit margins¹



¹ Definition margin: Average customer interest rate measured against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies.

2.2 Net other operating income

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
MNOK							
Net commission and other income	352	372	353	399	408	1.532	1.732
Net return on investment securities	79	-13	12	94	211	304	778
Net other operating income	431	359	365	493	619	1.836	2.510
As % of total income	38 %	35 %	36 %	44 %	50 %	41 %	51 %

Net commission and other income

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
MNOK							
Payment facilities	54	56	66	56	58	236	236
Savings/placements	51	48	45	48	49	190	172
Insurance products	50	48	48	47	47	190	177
Commission income from real estate broking	68	82	84	113	104	383	434
Guarantee commission	28	34	28	33	34	129	103
Arrangement fees	30	27	16	26	16	85	115
Accounting Services SpareBank 1 Regnskapshuset SR*	23	10	7	8	10	35	35
Other	7	14	4	2	6	26	27
Net commission and other income excl. covered bond companies	311	319	298	333	324	1.274	1.264
Commission income SB1 Boligkreditt and SB1 Næringskreditt	41	53	55	66	84	258	468
Net commission and other income incl. covered bond companies	352	372	353	399	408	1.532	1.732
As % of total income	31 %	36 %	35 %	35 %	33 %	35 %	35 %

*SpareBank 1 SR-Bank acquired the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet in the first quarter of 2015.

Change in net commission and other income

	Q1 2016	Change	Q1 2015
MNOK			
Net commission and other income	352	-56	408
Payment facilities		-4	
Savings/placements		2	
Insurance products		3	
Commission income from real estate broking		-36	
Guarantee commission		-6	
Arrangement fees		14	
Accounting Services SpareBank 1 Regnskapshuset SR*		13	
Other		1	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		-43	

*SpareBank 1 SR-Bank acquired the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet in the first quarter of 2015.

Net return on investment securities

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Dividend	8	1	1	8	7	17	36
Investment income, associates	104	110	78	101	133	422	506
Securities gains/losses	-66	-87	-100	-14	-23	-224	181
- of which capital change in shares and certificates	-21	-34	-6	-4	4	-40	232
- of which capital change in certificates and bonds	-53	-80	-100	-46	-49	-275	-92
- of which derivatives; bonds and certificates	8	27	6	36	22	91	41
Currency/interest gains/losses	33	-37	33	-1	94	89	55
- of which currency customer- and own-account trading	29	25	31	17	31	104	108
- of which value change basis swap spread	13	6	13	2	67	88	12
- of which counterparty risk derivatives including CVA	1	-66	0	0	0	-66	0
- of which other IFRS-effects	-10	-2	-11	-20	-4	-37	-65
Net return on investment securities	79	-13	12	94	211	304	778
As % of total income	7 %	-1 %	1 %	8 %	17 %	7 %	16 %

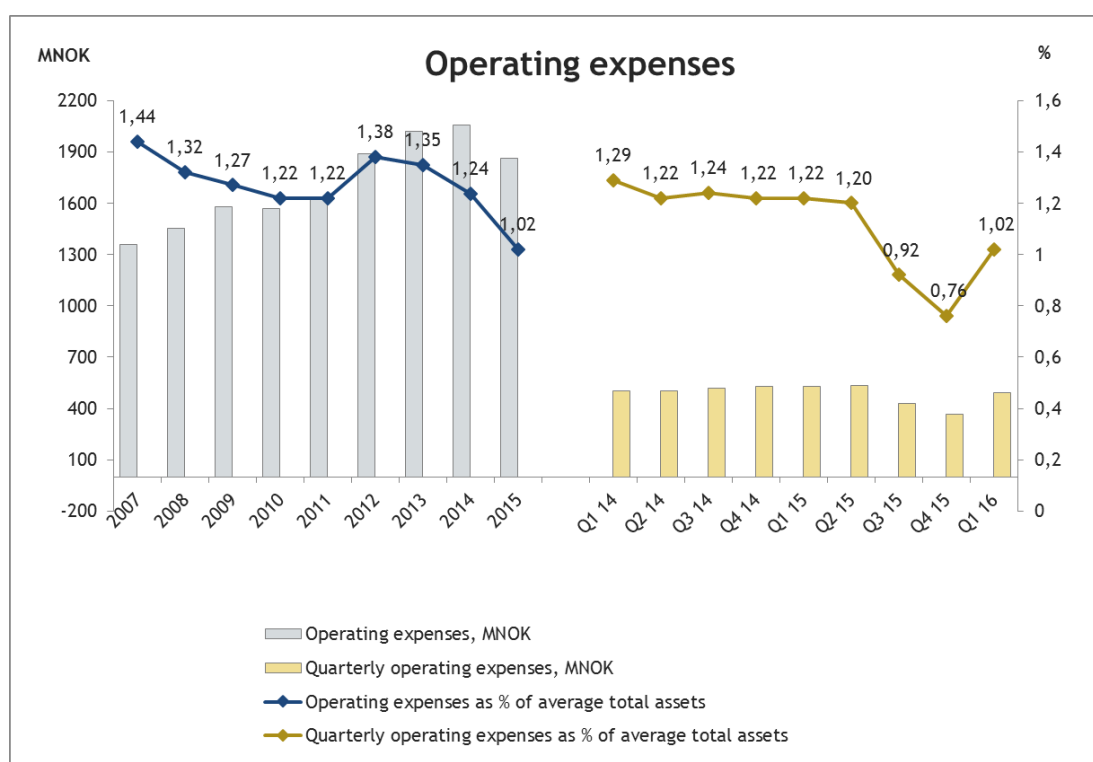
Change in net return on investment securities

MNOK	Q1 2016	Change	Q1 2015
Net return on investment securities	79	-132	211
Dividend		1	
Investment income, associates		-29	
Securities gains/losses		-43	
- of which capital change in shares and certificates		-25	
- of which capital change in certificates and bonds		-4	
- of which derivatives; bonds and certificates		-14	
Currency/interest gains/losses		-61	
- of which currency customer- and own-account trading		-2	
- of which value change basis swap spread		-54	
- of which counterparty risk derivatives including CVA		1	
- of which other IFRS-effects		-6	
Net return on investment securities		-132	

2.3 Operating expenses

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Wages	220	200	208	217	226	851	888
Of which restructuring costs	-1	22	0	0	6	28	13
Pension expenses	28	-133	-31	36	34	-94	124
Other personnel expenses	48	47	44	47	50	188	190
Total personnel expenses	295	114	221	300	310	945	1.202
IT expenses	73	86	70	73	72	301	277
Marketing expenses	14	19	24	26	21	90	96
Other administrative expenses	15	20	20	23	26	89	95
Write-down	18	23	20	22	20	85	88
Of which write-down of goodwill*	0	0	0	0	0	0	15
Expenses real property	8	12	9	10	10	41	37
Other operating expenses	69	94	65	82	71	312	261
Other expenses	197	254	208	236	220	918	854
Total operating expenses	492	368	429	536	530	1.863	2.056

*Write-down of goodwill is linked to EiendomsMegler 1 Forvaltning AS



Change in operating expenses

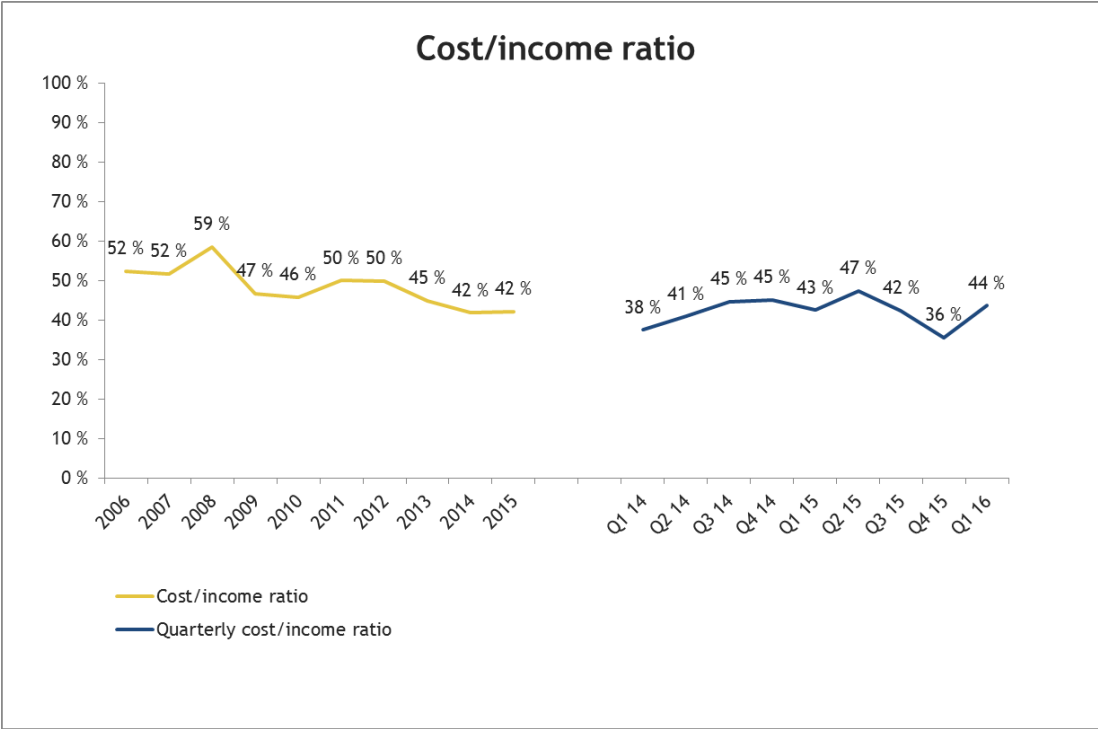
<i>MNOK</i>	Q1 2016	Change	Q1 2015
Total	492	-38	530
Personnel expenses		-15	
IT expenses		1	
Marketing expenses		-7	
Other administrative expenses		-11	
Write-down		-2	
Expenses real property		-2	
Other operating expenses		-2	

Cost/income ratio

<i>MNOK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Operating expenses	492	368	429	536	530	1.863	2.056
Cost/income ratio	43,6 %	35,5 %	42,3 %	47,3 %	42,5 %	42,1 %	41,8 %
Growth in expenses last 12 months*	-7,2 %	-30,6 %	-17,5 %	7,0 %	5,0 %	-9,4 %	1,8 %

*Low cost per Q4 2015 is affected by changes in the pension plan and lower bonus provisions

Development in cost/income ratio

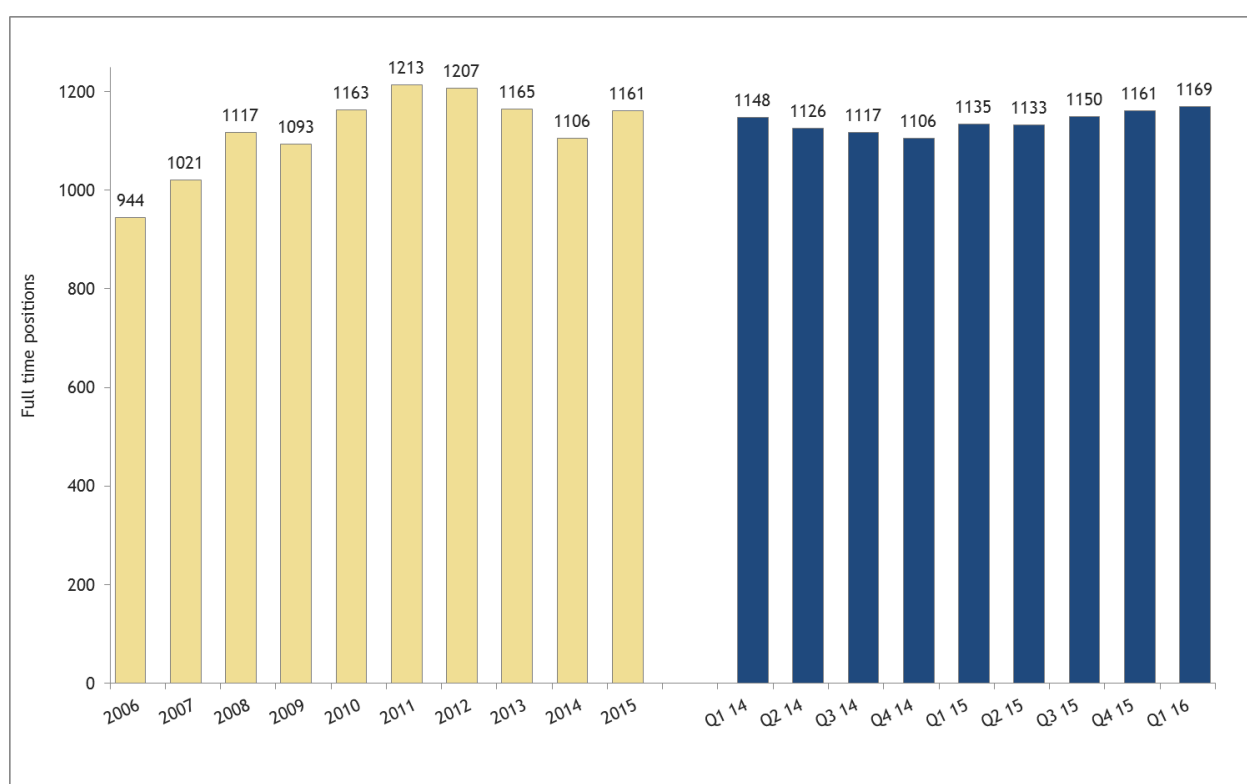


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

Number of full time positions (permanent employees, contracted staff not included)

<i>Full time positions</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
SpareBank 1 SR-Bank	849	870	871	859	861
EiendomsMegler 1 SR-Eiendom AS	196	200	204	200	202
SR-Forvaltning AS	14	14	14	13	13
SR-Finans AS	31	33	33	33	31
SpareBank 1 Regnskapshuset SR AS	79	44	28	28	28
Total	1.169	1.161	1.150	1.133	1.135

Full time positions 2006 – Q1 2016 (*permanent employees, contracted staff not included*)



2.4 Losses on loans and loss provisions

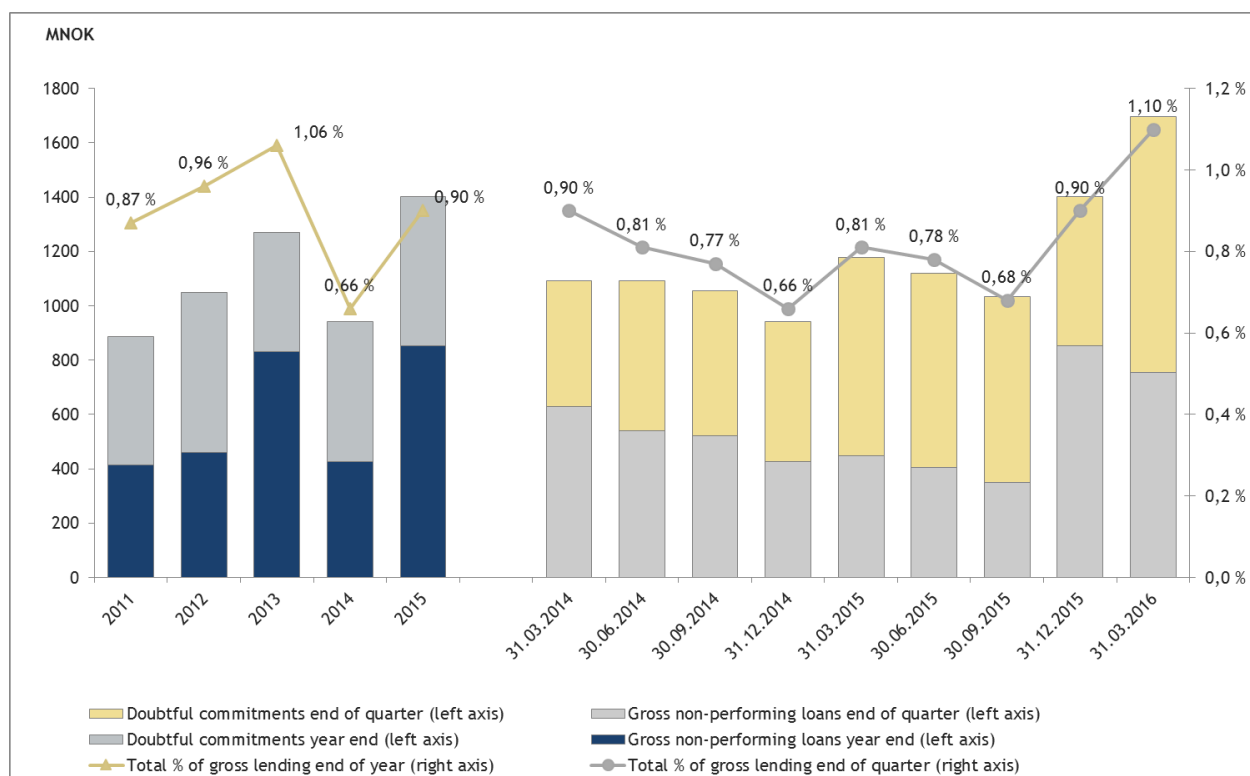
Losses on loans and guarantees

MNOK	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015	31 March 2015
Change in individual individual impairment losses provisions for the	59	-4	46	36	30
Change in collective impairment loss provisions for the period	60	140	89	39	20
Amortised cost	1	7	8	5	2
Actual loan losses on commitments for which provisions have been made	24	78	66	38	28
Actual loan losses on commitments for which no provision has been	9	223	26	19	11
Change in assets take-over for the period	0	1	0	0	0
Recoveries on commitments previously written-off	-3	-25	-7	-5	-3
The period's net losses/(reversals) on loans and advances	150	420	228	132	88

Provisions for impairment losses on loans and guarantees

MNOK	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015	31 March 2015
Provisions for individual impairment losses at start of period	318	322	322	322	322
Increases in previous provisions for individual impairment losses	19	65	26	22	8
Reversal of provisions from previous periods	-30	-107	-61	-37	-17
New provisions for individual impairment losses	95	118	152	93	67
Amortised cost	-1	-2	-5	-4	0
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-24	-78	-66	-38	-28
Provisions for individual impairment losses at the end of period	377	318	368	358	352
Net losses	33	301	92	57	39

Non-performing loans and doubtful commitments

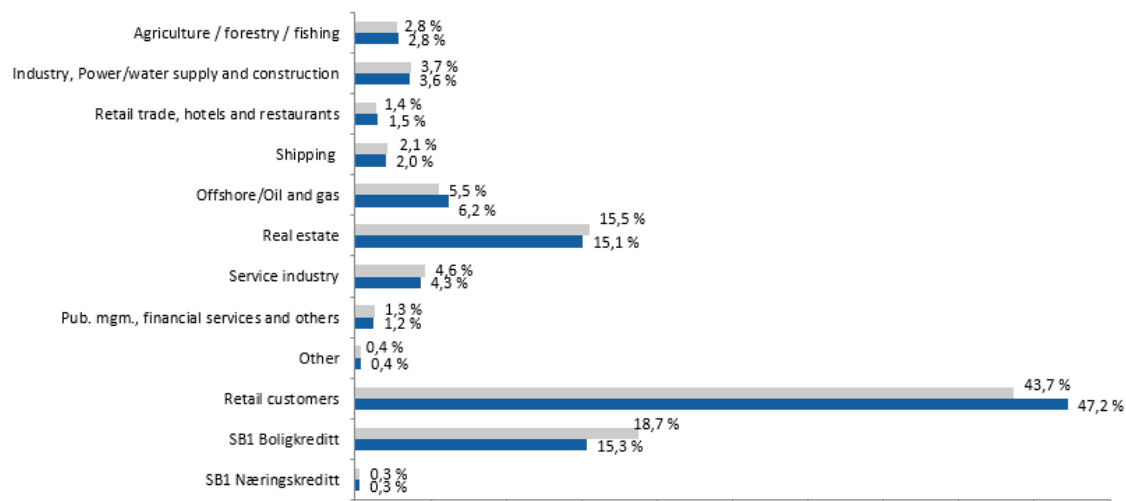


* Loans defaulted in the range of 30-90 days are not including as problem loans as at Q2 2014. Historical figures have been restated.

2.5 Loans

MNOK	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015	31 March 2015
Agriculture/forestry	4.431	4.443	4.327	4.326	4.349
Fishing/Fish farming	772	903	848	744	573
Mining/extraction	5.646	5.330	5.061	4.565	4.635
Industry	3.272	3.093	3.117	2.825	2.940
Power and water supply/building and construction	3.300	3.437	3.540	3.686	3.611
Retail trade, hotel and restaurant business	2.810	2.578	2.587	2.606	2.540
Foreign trade shipping, pipeline transport and other transport activities	9.427	9.666	9.806	9.557	9.015
Real estate business	27.761	27.568	27.673	28.342	27.704
Service industry	7.958	8.113	8.256	8.318	8.298
Public sector and financial services	2.276	2.209	2.105	2.134	2.291
Retail customers	86.838	87.229	83.937	82.576	78.055
Unallocated (excess value fixed interest loans and amort. lending fees)	375	323	346	238	358
Accrued interests corporate sector and retail customers	306	296	309	328	317
Gross loans	155.172	155.190	151.911	150.245	144.686
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	28.767	28.706	31.029	31.195	34.064
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	183.939	183.896	182.940	181.440	178.750

Loan portfolio as at 31.03.2016



Loans before individual write-downs, nominal amounts.
Sector allocation in accordance with the standard categories from Statistics Norway.

■ 31.03.2015 ■ 31.03.2016

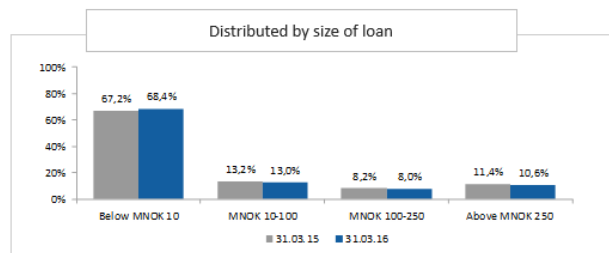
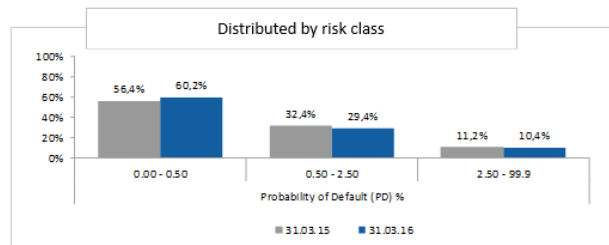
2.6 Risk profile

Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio with positive development in risk profile.
- 60.2% of the bank's loan exposure has a PD* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 68.4% 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.

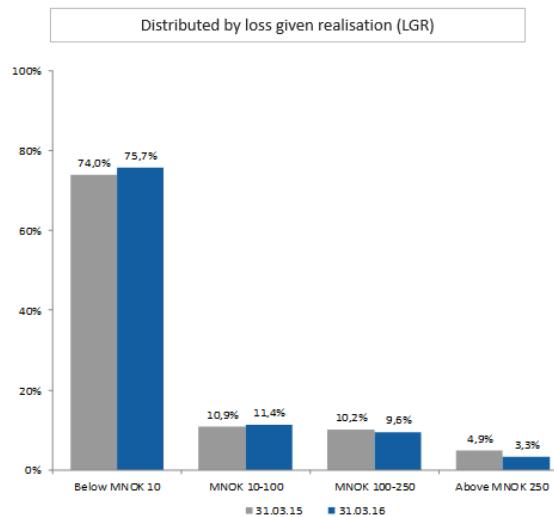


Low concentration of individual LGRs in the lending portfolio

- At the end of Q1 2016, SpareBank 1 SR-Bank had a total of 50 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 12.9% of the loan exposure, which is a reduction from 15.1% in Q1 2015.
- The proportion of loans with loss potential below NOK 10 million has increased since Q1 2015 and is now 75.7%.
- 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.

The figure includes lending portfolios from covered bond companies.

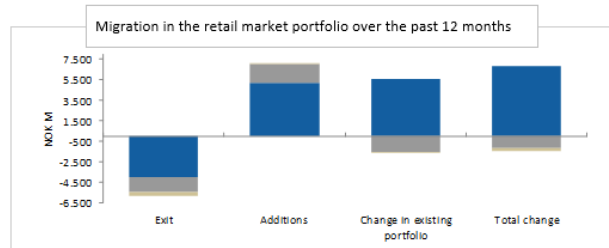
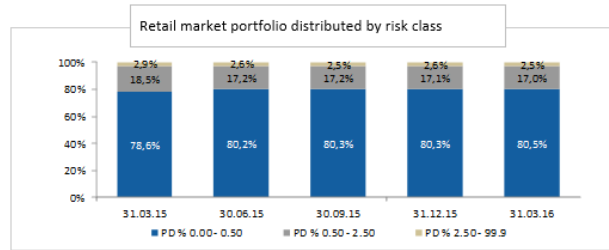


Risk profile – Lending to the retail market

- 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 80.5% 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.

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

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

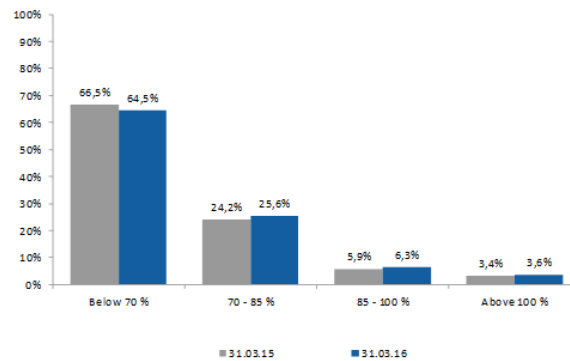


Loan to value ratio on home mortgage loans

- The proportion of loans with a loan-to-value ratio of less than 85% is high.
- 90.1% of the exposure is within 85% of the assessed value of collateral.
- Market value on real estate is slightly declining in Rogaland. This has led to a small 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.

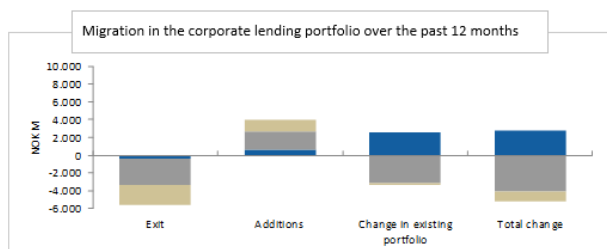
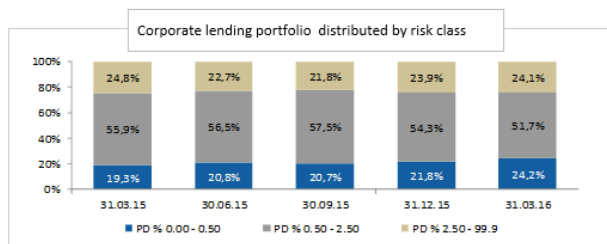
The figures include the loan portfolio in the covered bond company (SporeBank 1 Boligkreditt AS and SR-Boligkreditt AS).



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 since 1. quarter 2015.
- There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

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



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:

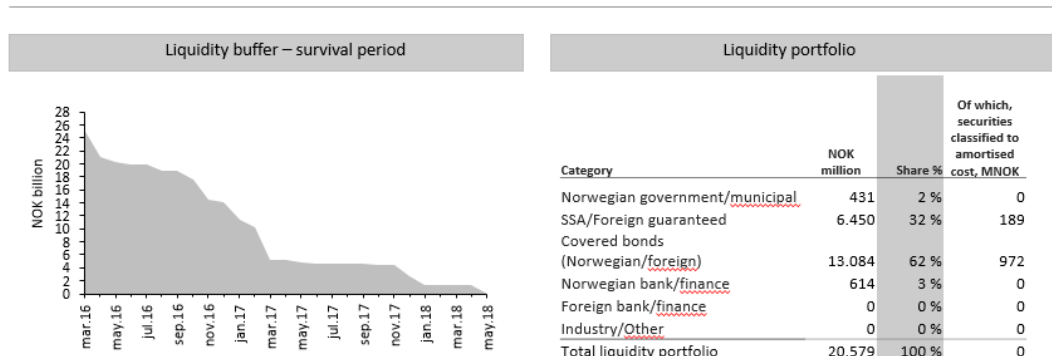
- Concentration risk in the corporate portfolio has been significantly reduced in recent years as a result of strict underwriting guidelines and active portfolio management.
- Guidelines for home equity loans have been further tightened.
- Enhanced risk models for estimating EAD and LGD were developed as part of utilizing for corporate AIRB.
- 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.

Further information regarding risk capital management can be found in Pilar III reports, see www.sr-bank.no under "Investor Relations".

2.7 Risk profile in bond and equity portfolios

Liquidity portfolio



- Liquidity buffer at the end of the quarter: NOK 25.4 billion
- Other liquid assets:
 - Home mortgages prepared for transfer to mortgage company: NOK 22.4 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-	19.801	94,5 %
Low risk	A+, A og A-	275	1,3 %
Moderate risk	BBB+, BBB og BBB-	603	2,9 %
High risk	BB+, BB og BB-	86	0,4 %
Very high risk	B+ and lower	186	0,9 %
Total portfolio		20.951	100,0 %

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	19.801	96,2 %
Low risk	A+, A og A-	275	1,3 %
Moderate risk	BBB+, BBB og BBB-	503	2,4 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ and lower	0	0,0 %
Total liquidity purposes		20.579	100,0 %

Of which SR-Bank Markets:

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-	99	26,8 %
High risk	BB+, BB og BB-	86	23,1 %
Very high risk	B+ and lower	186	50,1 %
Total trading portfolio		372	100,0 %

All amounts in MNOK.

2.8 Funding

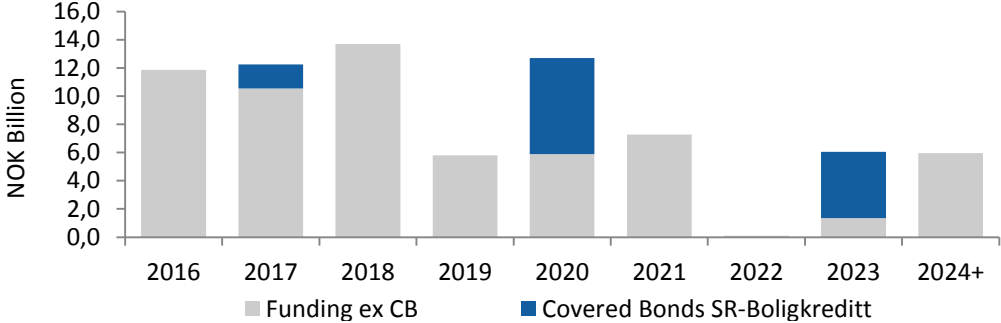
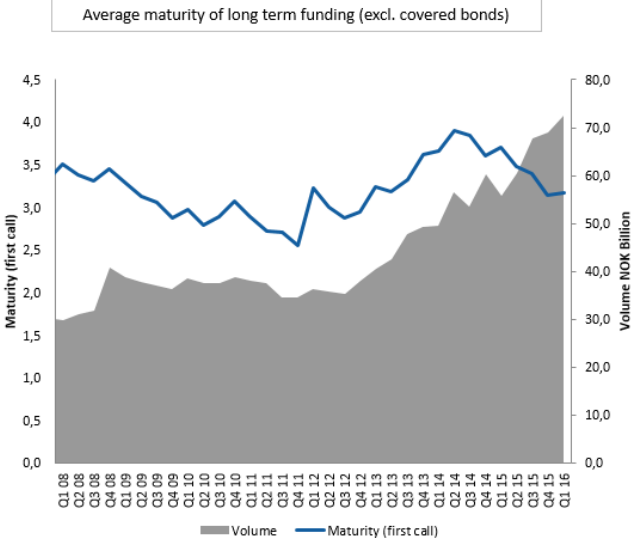


Figure 2.8.1: Funding - annual

Funding structure

- LCR of 130% at the end of March 2016. Average LCR during Q1 2016 was 141%.



NOK 4.6 billion (net) of new funding has been issued during the first quarter of 2016. Average remaining maturity of the outstanding senior bonds and OMF is 3.2 years.

2.9 Capital adequacy

Basel II was introduced in Norway from 1 January 2007. Figure 2.8 shows the methods currently used by SpareBank 1 SR-Bank for calculating capital requirements for different types of risks. Using Internal Rating Based (IRB) methods for calculating capital requirements requires a formal approval from the FSAN (Finanstilsynet) on standards regarding organisation, competence, risk-modelling and risk-management systems.

In the autumn of 2009, the authorities resolved to postpone the final transition to the IRB rules from 1 January 2010 to 1 January 2012. It has later been decided to continue the transitional rule stating that the capital requirement using IRB cannot be less than 80% of the capital requirement under Basel I ("Basel I floor") until year-end 2017.

Type of risk	Portfolio	Regulatory method
Credit risk	States – parent bank	Standard method
	Institutions – parent bank	Standard method
	Housing cooperatives, clubs and associations – parent bank	Standard method
	Enterprises – parent bank	Advanced IRB Approach
	Mass market – parent bank	IRB – mass market (advanced)
	SpareBank 1 SR-Finans AS – subsidiary	Standard method
	SpareBank 1 SR-Investering AS – subsidiary	Standard method
	SpareBank 1 SR-Forvaltning AS – subsidiary	Standard method
	Mass market – SpareBank 1 Boligkreditt AS	IRB – mass market (advanced)
	Enterprises – SpareBank 1 Næringskreditt AS	Standard method
	Enterprises – BN Bank AS	Advanced IRB Approach
	Mass market – BN Bank AS	Standard method
	Market risk	Equity risk – parent bank
Debt risk – parent bank		Standard method
Currency risk – parent bank		Standard method
Subsidiaries and part-owned companies		Standard method
Operational risk	SpareBank 1 SR-Bank including subsidiaries	Standardised approach
	Other part-owned companies	Standard method

Figure 2.9.1: SpareBank 1 SR-Bank's methods for calculating the minimum regulatory capital requirements

SpareBank 1 SR-Bank has received in first quarter 2015 from the FSAN approval to use IRB Advanced method also for its exposures to the corporate market ("Enterprise").

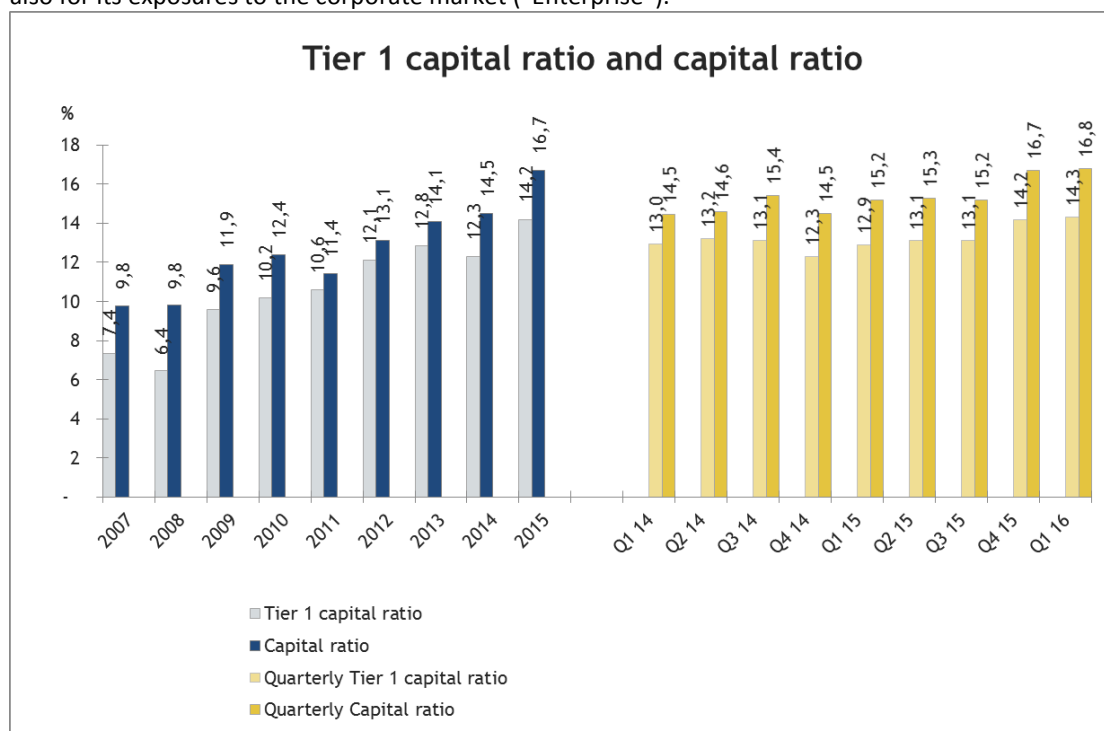


Figure 2.9.2: Development in capital ratios

Up until 30 June 2014, SpareBank 1 SR-Bank followed the Basel II regulations for capital adequacy calculations. On 22 August 2014, the Norwegian Ministry of Finance approved changes in a number of capital adequacy regulations. Parallel to this, Finanstilsynet changed the Consolidation Regulations to adapt to the EU's new capital adequacy regulations for banks and investment firms (CRD IV/CRR). As of 30 September 2014, capital adequacy is reported in accordance with the new reporting requirements. Valuation rules used in the statutory accounts form the basis for the consolidation, which is subject to special consolidation rules governed by the Consolidation Regulations.

Capital Adequacy

	31 Mar.	31 Dec.	31 Mar.
MNOK	2016	2015	2015
Share capital	6.394	6.394	6.394
Premium reserve	1.587	1.587	1.587
Allocated to dividend	384	384	512
Reserve for unrealised gains	163	163	59
Other equity	8.381	8.386	6.896
Profit for the year	386		496
Total book equity	17.295	16.914	15.944
Tier 1 capital			
Deferred taxes, goodwill and other intangible assets	-96	-67	-55
Deduction for allocated dividends	-384	-384	-512
Deduction for expected losses on IRB, net of write-downs	-315	-421	-519
Year-to-date profit not included in common equity Tier 1 capital	-193		-248
Deduction for common equity Tier 1 capital in significant investments in financial institutions	-383	-191	-368
The institution's own credit risk related to derivative liabilities	-57	-57	-48
Tier 1 capital instruments	1.088	1.088	1.012
Total Tier 1 capital	16.955	16.882	15.206
Tier 2 capital			
Tier 2 capital - Tier 1 capital instruments in excess of 15%	0	0	0
Term subordinated loan capital	2.958	3.111	2.692
Deduction for significant investments in financial institutions	-60	-60	-60
Total Tier 2 capital	2.898	3.051	2.632
Net primary capital	19.853	19.933	17.838

Table 2.9.1: *Specification of consolidated primary capital*

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.

Credit risk Basel II

MNOK	31 Mar.	31 Dec.	31 Mar.
	2016	2015	2015
SME	16.526	14.822	14.657
Specialised lending	21.426	22.148	25.696
Other corporations	6.566	6.830	6.496
SME retail	1.246	1.236	1.179
Retail mortgage (properties)	28.585	27.170	25.733
Other retail	897	950	1.001
Equity investments	0	0	0
Total credit and counterparty risk IRB	75.246	73.156	74.762
States and central banks	70	70	74
Local and regional authorities, state-owned enterprises	167	191	290
Institutions	5.815	5.985	6.837
Enterprises	6.770	6.886	6.565
Mass market	1.412	1.386	1.371
Mass market - mortgage on real estate	3.948	4.114	5.632
Covered bonds	1.719	1.205	995
Equity positions	4.624	4.661	3.763
Other assets	2.036	1.840	2.089
Total credit and counterparty risk standard method	26.561	26.338	27.616
Position risk for equity instruments	0	0	595
Credit value adjustment risk (CVA)	872	1.050	1.175
Operational risk	7.084	6.794	6.811
Transitional scheme	8.764	11786	6630
Risk weighted balance	118.527	119.124	117.589
Minimum requirement for common equity Tier 1 capital ratio 4,5 %	5.334	5.361	5.292
Buffer requirement			
Capital conservation buffer 2,5 %	2.963	2.978	2.940
Systemic risk buffer 3 %	3.556	3.574	3.528
Countercyclical capital buffer 1 %	1.185	1.191	
Total buffer requirement to common equity Tier 1 capital ratio	7.704	7.743	6.467
Available common equity Tier 1 capital ratio after buffer requirement	2.829	2.690	2.435
Common Equity Tier 1 capital ratio ¹⁾	13,39 %	13,26 %	12,07 %
Tier 1 capital ratio	14,30 %	14,17 %	12,93 %
Tier 2 capital ratio	16,75 %	16,73 %	15,17 %
Common Equity Tier 1 capital ratio, IRB	14,46 %	14,71 %	12,79 %
Tier 1 capital ratio, IRB	15,45 %	15,73 %	13,70 %
Tier 2 capital ratio, IRB	18,09 %	18,57 %	16,08 %

¹⁾ 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.

Table 2.9.2: Specification of minimum capital requirement

3. Business areas

3.1 Business segments - Financial performance

	SpareBank 1 SR-Bank Group													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q1 16	Q1 15	Q1 16	Q1 15	Q1 16	Q1 15	Q1 16	Q1 15	Q1 16	Q1 15	Q1 16	Q1 15	Q1 16	Q1 15
MNOK														
Net interest income	277	272	318	237	14	21	1	1	62	64	26	32	698	627
Net commission and other income	153	196	79	79	17	11	68	103	-4	-6	39	25	352	408
Net return on investment securities	2	2	4	12	-12	6	0	1	0	0	85	190	79	211
Operating expenses	140	152	56	65	23	22	75	93	14	15	184	183	492	530
Operating profit before losses	292	318	345	263	-4	16	-6	12	44	43	-34	64	637	716
Change in individual write-downs in the period	7	-1	82	61	0	0	0	0	1	8	0	0	90	68
Change in group write-downs in the period	3	0	57	20	0	0	0	0	0	0	0	0	60	20
Operating profit before tax	282	319	206	182	-4	16	-6	12	43	35	-34	64	487	628
Gross loans to customers excl. covered bond companies	88.786	79.941	56.171	54.527	734	662	0	0	6.861	6.866	2.620	2.690	155.172	144.686
Deposits from customers	47.099	45.158	37.288	34.961	2.768	3.569	0	0	0	0	-131	2.296	87.023	85.984

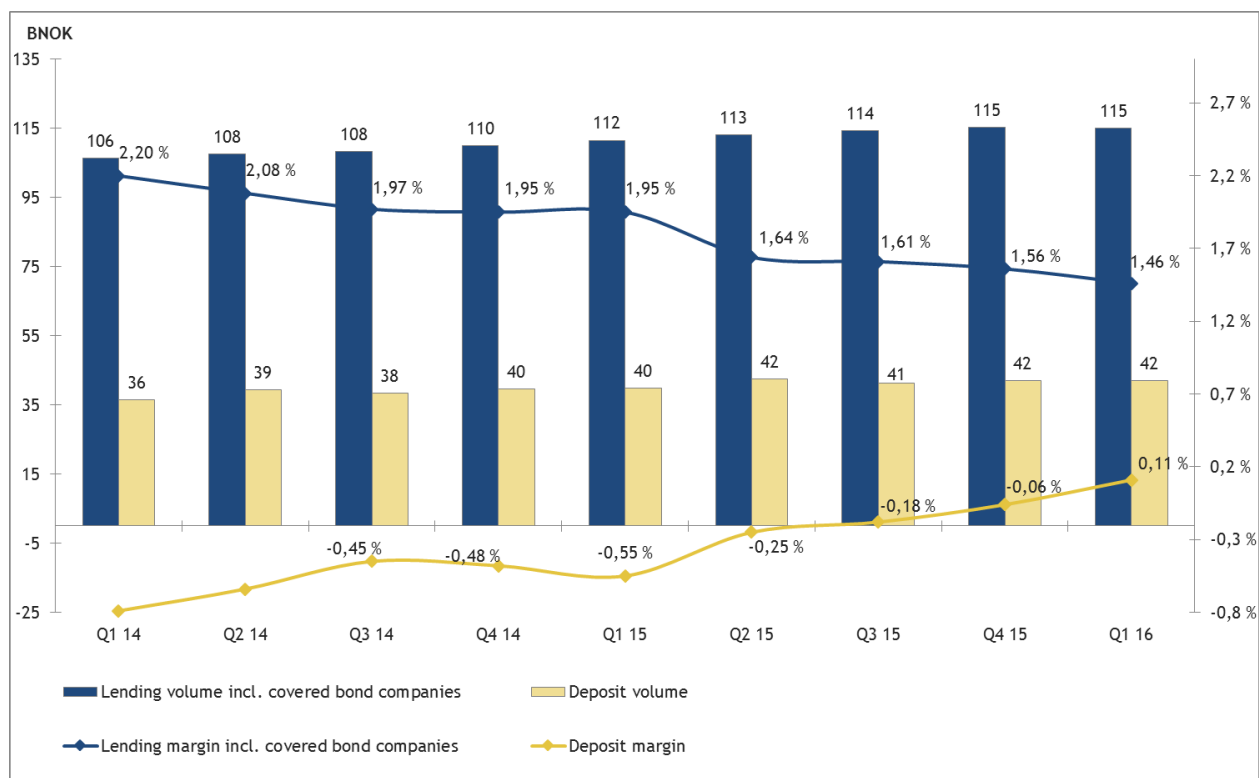
* Includes SR-Forvaltning, SR-Investering and SR-Regnskapshuset

3.2 Retail Market²

Financial performance in the retail market segment

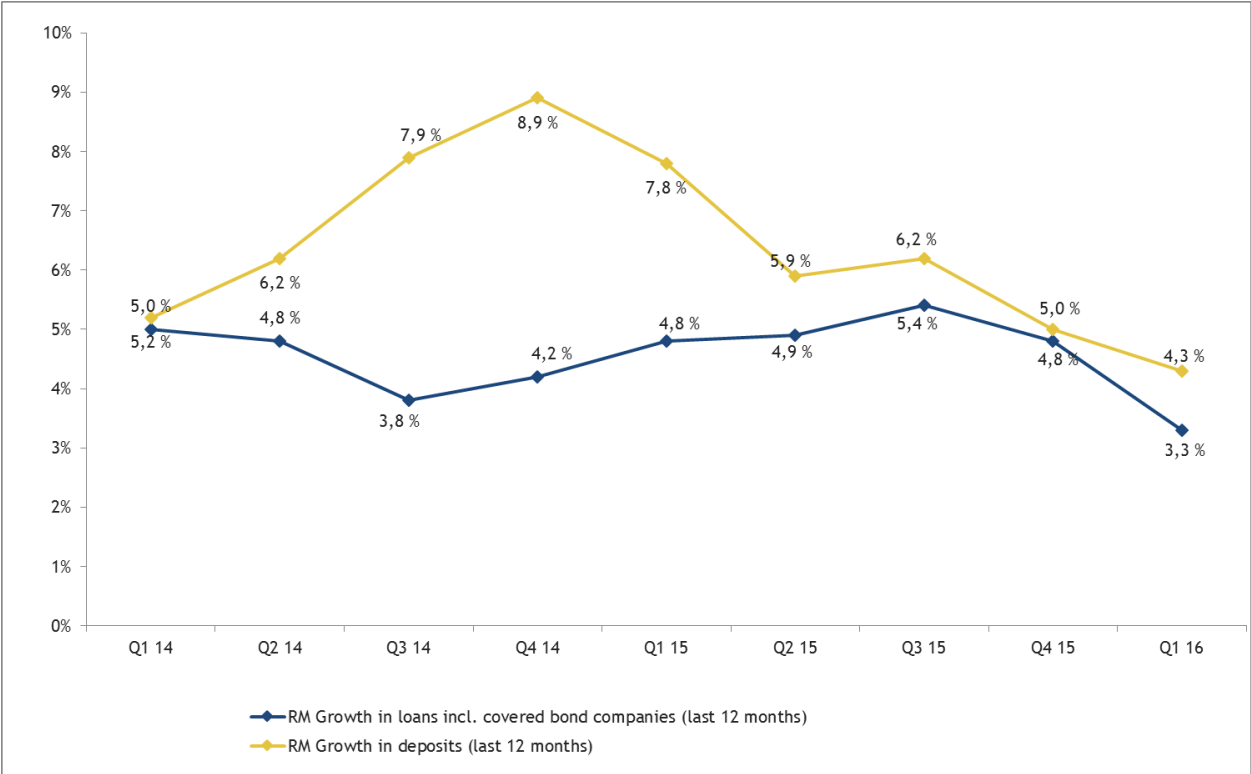
MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Net interest income	277	281	267	260	272	1.080	1.045
Net other income	155	167	180	176	198	721	906
Total income	432	448	447	436	470	1.801	1.951
Total operating expenses	140	167	151	117	152	587	581
Operating profit before losses	292	281	296	319	318	1.214	1.370
Change in individual write-downs in the period	7	-7	5	6	-1	3	15
Change in group write-downs in the period	3	1	2	2	0	5	6
Operating profit before tax	282	287	289	311	319	1.206	1.349

Development in average volume and interest margin



² The interest on intercompany receivables for the retail market division and the corporate market division is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit premium). Differences between the group's actual funding costs and the interest applied on intercompany receivables are eliminated at the group level.

Growth in loans and deposits



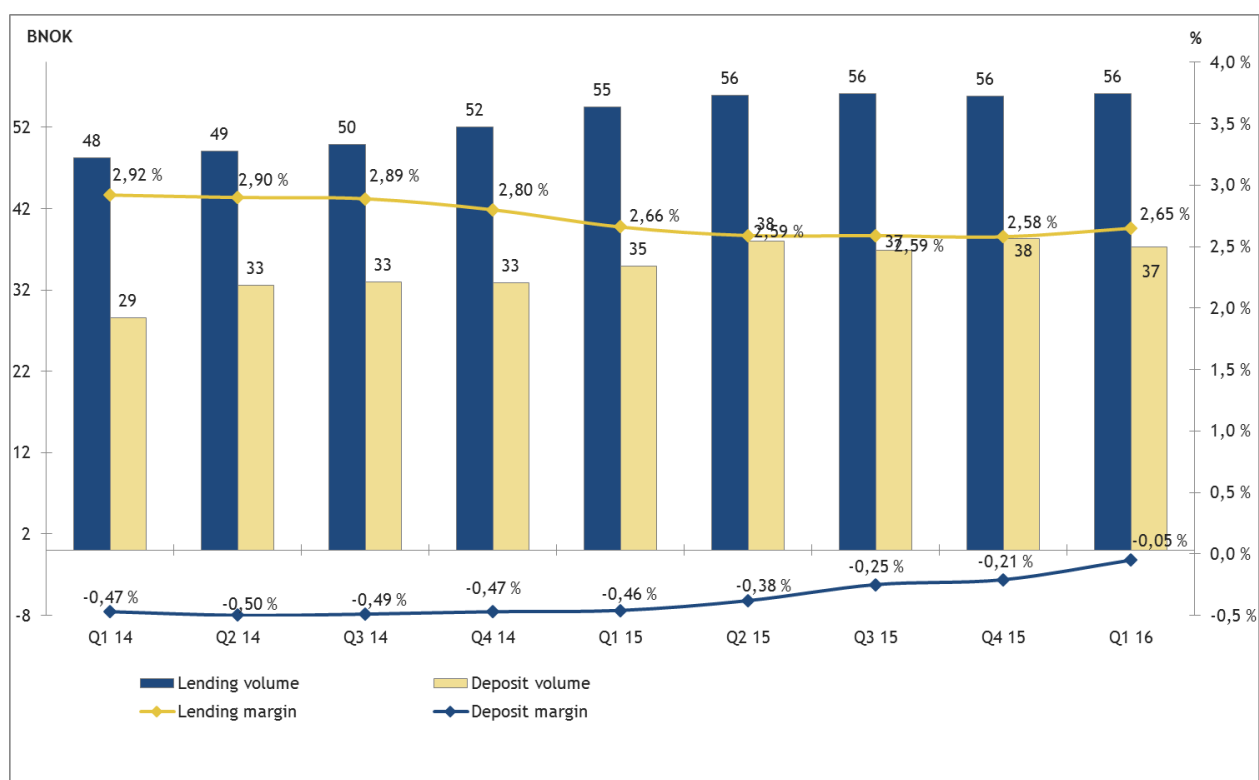
3.3 Corporate Market

Financial performance in the corporate market segment

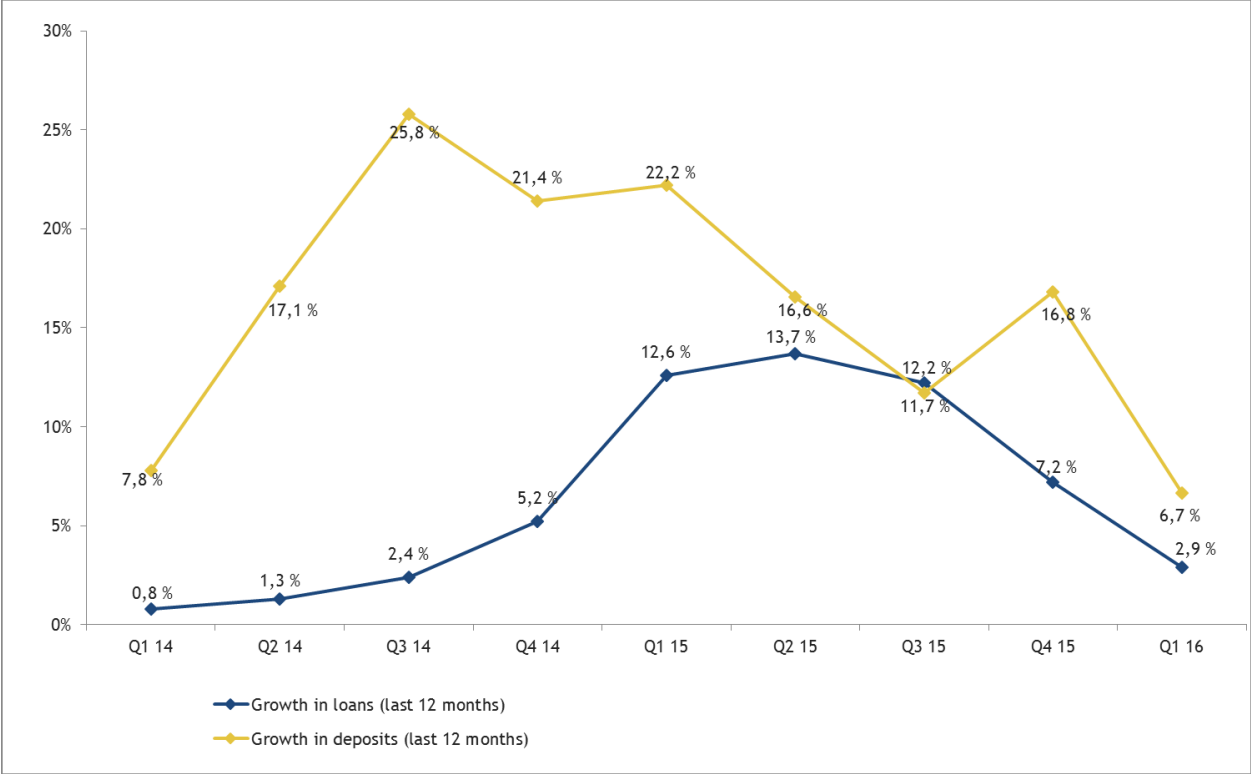
Financial Performance

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Net interest income	318	301	288	246	237	1.072	965
Net other income	83	12	65	89	91	257	343
Total income	401	313	353	335	328	1.329	1.308
Total operating expenses	56	74	60	44	65	243	226
Operating profit before losses	345	239	293	291	263	1.086	1.082
Change in individual write-downs in the period	82	128	37	16	61	242	164
Change in group write-downs in the period	57	45	48	17	20	130	63
Operating profit before tax	206	66	208	258	182	713	855

Development in average volume and interest margin



Growth in loans and deposits



3.4 Capital Market

The securities activities are organised under the SR-Markets brand and include own account and customer trading in interest rate instruments, foreign exchange and equities, and corporate finance services, as well as settlement and administrative securities services. Management is organised in a separate subsidiary, SR-Forvaltning AS.

Financial performance in the capital market segment

<i>MNOK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Net interest income	14	20	15	16	21	72	54
Net other operating income	5	5	-33	21	17	10	38
Total income	19	25	-18	37	38	82	92
Total operating expenses	23	15	19	24	22	80	73
Operating profit before losses	-4	10	-37	13	16	2	19
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	-4	10	-37	13	16	2	19

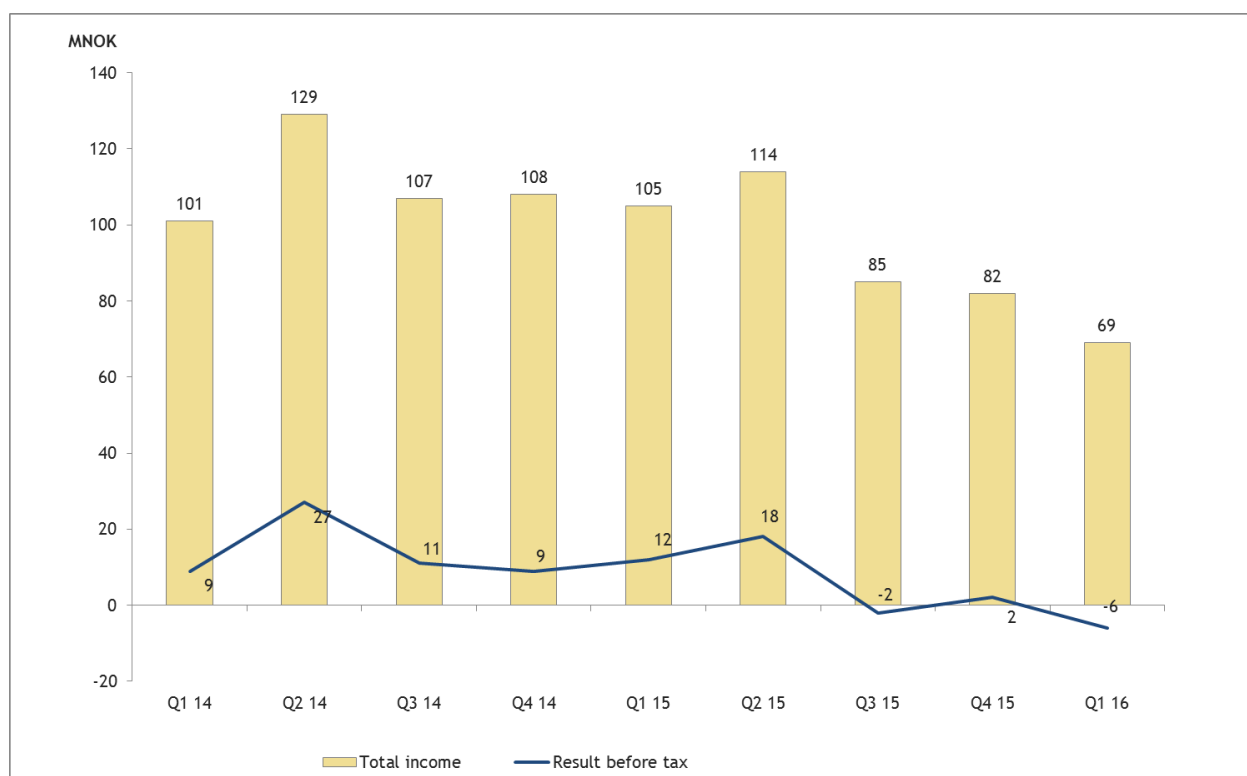
3.5 Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is our region's market leader and the largest company in the nationwide EiendomsMegler 1 chain. This chain is the largest chain of real estate agents in Norway. As at 31 March 2016, the company sold 1211 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Interest income	1	0	1	1	1	3	5
Other income	68	82	84	113	104	383	440
Total income	69	82	85	114	105	386	445
Total operating expenses	75	80	87	96	93	356	389
Operating profit before losses	-6	2	-2	18	12	30	56
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	-6	2	-2	18	12	30	56

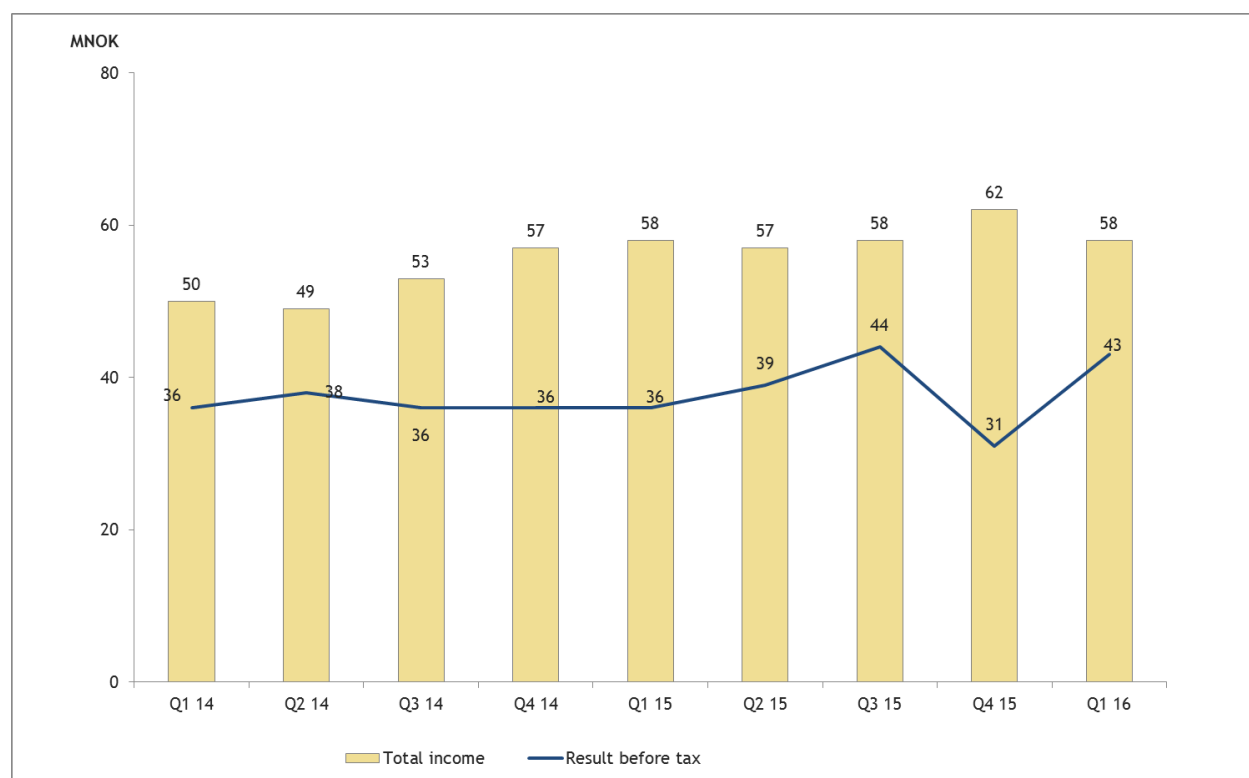


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 7.0 billion in total assets. The company's principal activities are lease financing for corporate customers and secured car loans for retail customers.

Financial performance

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Interest income	62	65	63	62	64	254	226
Other income	-4	-3	-5	-5	-6	-19	-17
Total income	58	62	58	57	58	235	209
Total operating expenses	14	6	10	15	14	45	54
Operating profit before losses	44	56	48	42	44	190	155
Change in individual write-downs in the period	1	20	4	3	8	35	3
Change in group write-downs in the period	0	5	0	0	0	5	6
Operating profit before tax	43	31	44	39	36	150	146

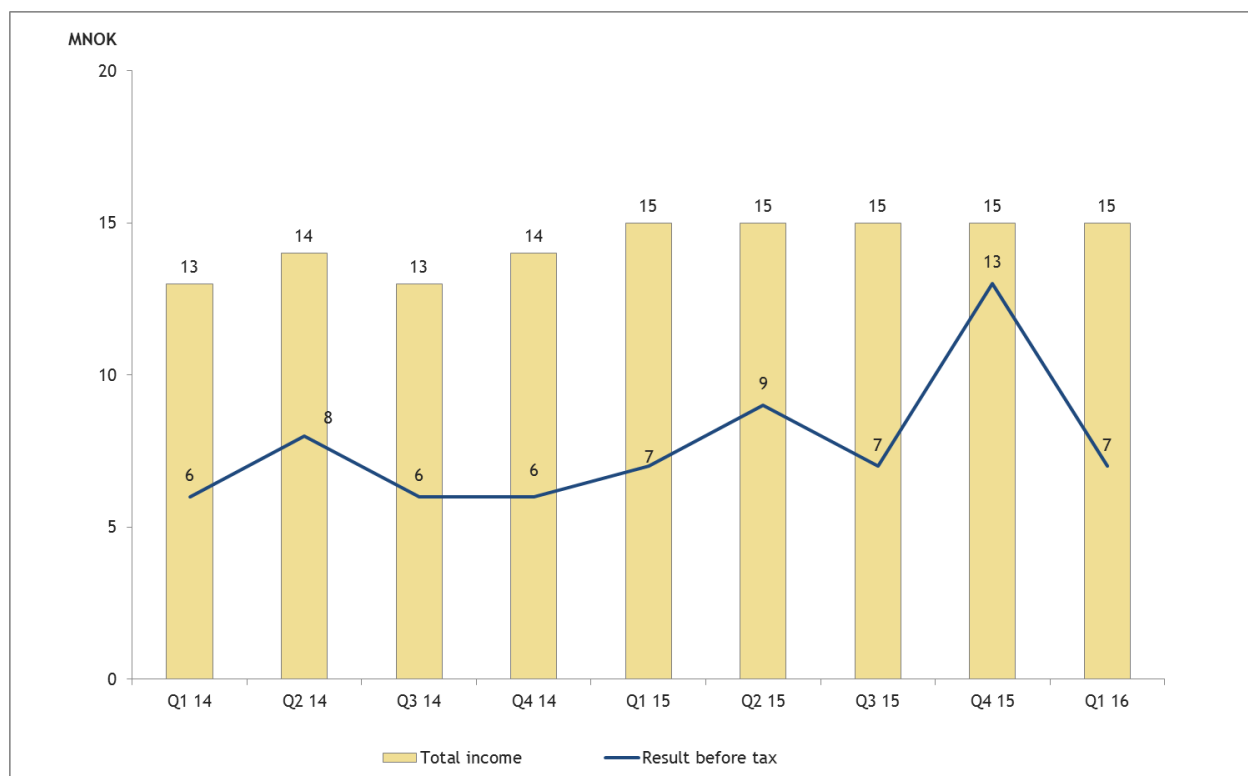


SR-Forvaltning AS

SR-Forvaltning AS is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 2,500 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 9 billion as at 31.03.2016. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Interest income	0	1	0	0	0	1	1
Other income	15	14	15	15	15	59	54
Total income	15	15	15	15	15	60	55
Total operating expenses	8	2	8	6	8	24	28
Operating profit before losses	7	13	7	9	7	36	27
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	7	13	7	9	7	36	27



SR-Investering AS

The company's objective is to contribute to long-term value creation, through investment in business in the group's market segment. The company invests primarily in private equity funds and small and medium-sized companies that need capital to develop and grow further. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	31.12 2015	31.12 2014
Interest income	0	1	0	0	0	1	1
Other income	-1	-13	0	-11	0	-24	1
Total income	-1	-12	0	-11	0	-23	2
Total operating expenses	0	1	0	0	0	1	1
Operating profit before losses	-1	-13	0	-11	0	-24	1
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	-1	-13	0	-11	0	-24	1

