SpareBank 1 SR-Bank is a Norwegian regional savings bank rated A1 / A-

Key figures

- **Net interest margin (%)**
  - Q4 2016: 1.50
  - Q4 2015: 1.40
  - 2016: 1.48
  - 2015: 1.42
  - 2014: 1.45

- **Net loans to customers (BNOK)**
  - 158

- **Impairment losses on loans (%)**
  - 0.41

- **Total assets (BNOK)**
  - 193

- **Total Equity (BNOK)**
  - 18.3

Income statement (MNOK)

- **Net interest income**
  - 733

- **Net commission and other income**
  - 355

- **Net investment income**
  - 139

- **Total Income**
  - 1,227

- **Total operating expenses**
  - 540

- **Operating Profit**
  - 687

- **Impairment Losses**
  - 162

- **Net Profit**
  - 429

Lending portfolio (in per cent)

- **Agriculture/forestry/fishing**
  - 2.9%

- **Industry, Power/water supply**
  - 3.6%

- **Retail trade, hotels/restaurants**
  - 1.4%

- **Shipping**
  - 1.7%

- **Offshore/Oil and gas**
  - 2.0%

- **Real estate**
  - 15.3%

- **Service industry**
  - 4.4%

- **Pub. mgm., financial services**
  - 1.2%

- **Other**
  - 0.1%

- **Retail customers**
  - 62.8%

CET1 ratio

- **2014**
  - 11.5%

- **2015**
  - 13.3%

- **2016**
  - 14.7%

Return on equity

- **2014**
  - 14.2%

- **2015**
  - 10.8%

- **2016**
  - 10.0%

SR-Bank operates in an attractive region of one of Europe’s strongest economies

- **Market characteristics**
  - The Norwegian economy remains one of the strongest globally, by a number of key metrics:
    - Government surplus expect to be equivalent to 4% of GDP
    - Registered unemployment rate of 2.8%
    - GDP growth of 0.7% in 2016, expected 1.5% in 2017
    - Sovereign wealth fund exceeding 200% of GDP
    - Second highest GDP per capita in Europe

- **SR-Bank’s principal regions, Rogaland, Hordaland and Agder are all part of the Southwestern region. This region is one of Norway’s most populous, containing 25% of the country’s population**

- **Stavanger, the regional capital of Rogaland and SR-Bank’s headquarters, is the centre of the Norwegian oil industry. The petroleum sector is simplifying processes and reducing costs to increase profitability with lower oil prices. This released capacity, helped by low interest rates and a weak exchange rate, will contribute to growth in traditional export industries and other sectors**

- **In addition to the strong commercial development in the region, government infrastructure investments continue to remain significant and are planned to reach 100 - 150 BNOK within the next years**

**Geographical focus**

- **GDP per capita, NOK**
  - Above 400,000
  - 350,000 - 399,999
  - 300,000 - 349,999
  - Below 300,000

**SpareBank 1 SR-Bank’s market area**

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NO-4066 Stavanger
CREDIT PROFILE OF SPAREBANK 1 SR-BANK

SpareBank 1 SR-Bank is a Norwegian regional savings bank rated A1 / A-

Financial highlights

<table>
<thead>
<tr>
<th>Measure</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax profit (MNOK)</td>
<td>2.158</td>
<td>2.146</td>
<td>2.601</td>
</tr>
<tr>
<td>Net interest margin (%)</td>
<td>1,48</td>
<td>1,42</td>
<td>1,45</td>
</tr>
<tr>
<td>Return on equity after tax (%)</td>
<td>10,0</td>
<td>10,8</td>
<td>14,2</td>
</tr>
<tr>
<td>Impairment losses on loans and guarantees (% of gross loans)</td>
<td>0,50</td>
<td>0,28</td>
<td>0,20</td>
</tr>
<tr>
<td>Cost ratio</td>
<td>40,9</td>
<td>42,1</td>
<td>41,8</td>
</tr>
<tr>
<td>Impairment losses on loans and guarantees (% of gross loans)</td>
<td>-0,9</td>
<td>5,4</td>
<td>4,7</td>
</tr>
<tr>
<td>Annual growth in loans to customers, gross</td>
<td>-3,9</td>
<td>9,8</td>
<td>13,7</td>
</tr>
<tr>
<td>CET 1 capital ratio (%)</td>
<td>14,7</td>
<td>13,3</td>
<td>11,5</td>
</tr>
</tbody>
</table>

Quarterly financial development

SR-Bank displays high solidity

Solvency

<table>
<thead>
<tr>
<th>“Leverage ratio”</th>
<th>CET 1 capital ratio</th>
<th>CET 1 capital / Total assets</th>
<th>CET 1 capital / Total assets (incl. gross loans from covered bond companies)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>14,5%</td>
<td>16,7%</td>
<td>17,5%</td>
</tr>
<tr>
<td>Capital ratio</td>
<td>14,7%</td>
<td>17,3%</td>
<td>16,7%</td>
</tr>
</tbody>
</table>

Impairment losses

<table>
<thead>
<tr>
<th>Issuer / Ticker</th>
<th>Issuer / Ticker</th>
<th>Amount</th>
<th>Maturity</th>
<th>ISIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR-Bank / SRBANK</td>
<td>3,500%</td>
<td>EUR500m</td>
<td>27-March-2017</td>
<td>XS0762421195</td>
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<tr>
<td>SR-Bank / SRBANK</td>
<td>2,000%</td>
<td>EUR500m</td>
<td>14-May-2018</td>
<td>XS0853250271</td>
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<tr>
<td>SR-Bank / SRBANK</td>
<td>2,125%</td>
<td>EUR500m</td>
<td>10-February-2019</td>
<td>XS096549239</td>
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<tr>
<td>SR-Bank / SRBANK</td>
<td>1,215%</td>
<td>EUR500m</td>
<td>03-February-2020</td>
<td>XS086758664</td>
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<tr>
<td>SR-Bank / SRBANK</td>
<td>2,125%</td>
<td>EUR750m</td>
<td>14-April-2021</td>
<td>XS1055536251</td>
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<tr>
<td>SR-Bank / SRBANK</td>
<td>0,375%</td>
<td>EUR500m</td>
<td>10-February-2022</td>
<td>XS1516271290</td>
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<tr>
<td>SR-BOL / SRBANK</td>
<td>0,500%</td>
<td>EUR500m</td>
<td>28-September-2020</td>
<td>XS1297977791</td>
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<tr>
<td>SR-BOL / SRBANK</td>
<td>0,125%</td>
<td>EUR500m</td>
<td>8-September-2021</td>
<td>XS1429577791</td>
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<tr>
<td>SR-BOL / SRBANK</td>
<td>0,750%</td>
<td>EUR500m</td>
<td>18-January-2022</td>
<td>XS1344895450</td>
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</tbody>
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