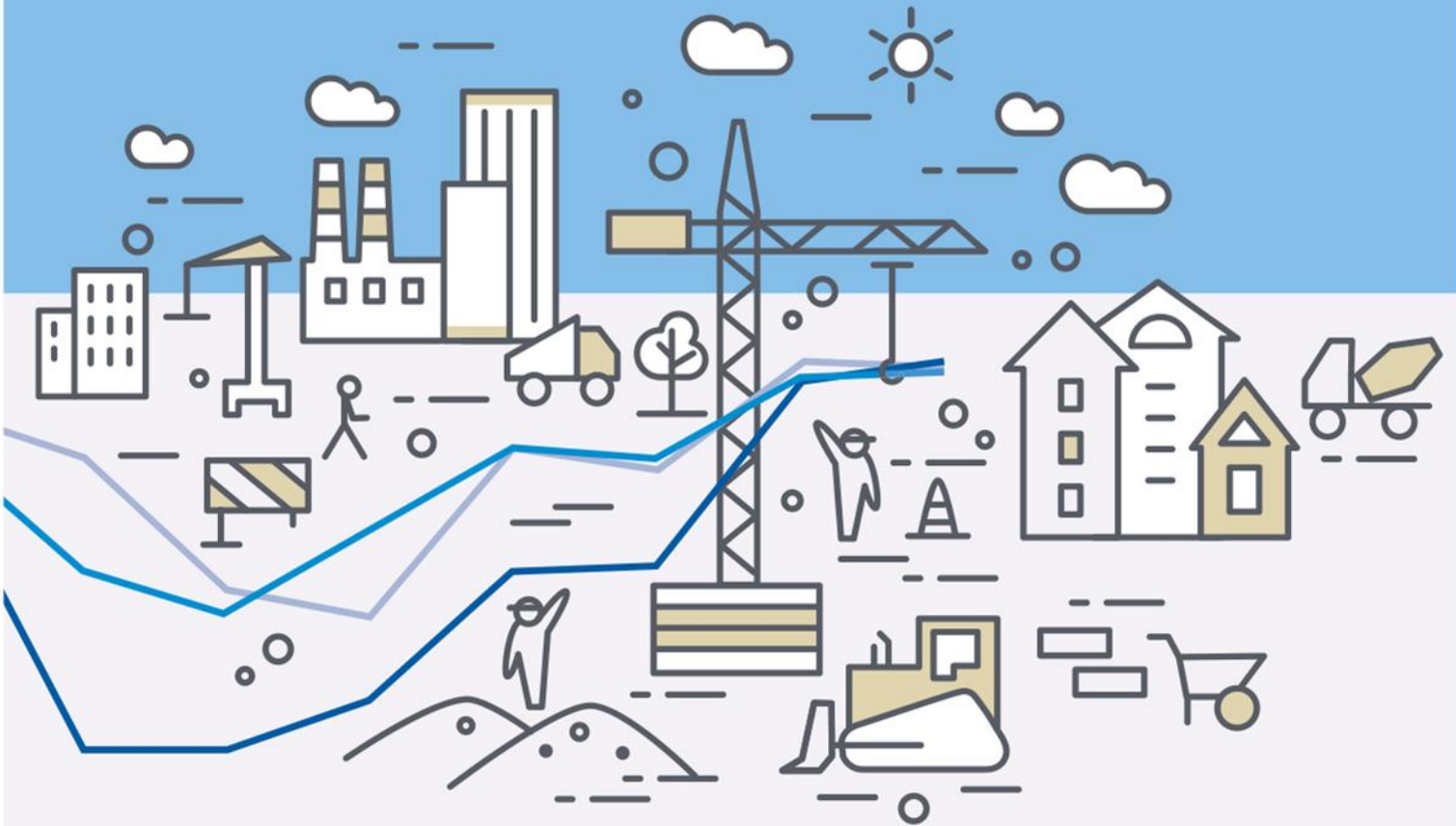


The impossible is solved by incredible people

Towards a more competitive and robust region



Interim Financial Statements Q3 2017

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Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 30.09				
	2017	2016	Q3 2017	Q3 2016	2016
Net interest income	2.343	2.138	820	729	2.871
Net commission and other income	1.157	1.088	386	347	1.443
Net income on financial investments	430	515	198	231	654
Total income	3.930	3.741	1.404	1.307	4.968
Total operating costs	1.597	1.492	530	486	2.032
Operating profit before impairment losses	2.333	2.249	874	821	2.936
Impairment losses on loans and guarantees	423	616	124	161	778
Pre-tax profit	1.910	1.633	750	660	2.158
Tax expense	383	307	140	126	403
Profit after tax	1.527	1.326	610	534	1.755
BALANCE SHEET					
Gross loans to customers	167.105	157.352			157.638
Gross loans to customers including SB1 BK and SB1 NK ⁴⁾	185.150	183.042			182.332
Deposits from customers	98.602	87.240			85.914
Total assets	215.309	193.219			193.408
Average total assets	204.481	193.879			194.264
Selected key figures (for further key figures see page 34 of the interim report)					
Return on equity ¹⁾	10,9 %	10,2 %	12,9 %	12,2 %	10,0 %
Cost ratio ²⁾	40,6 %	39,9 %	37,7 %	37,2 %	40,9 %
Combined weighted total average spread for lending and deposits ³⁾	1,53 %	1,5 %	1,54 %	1,48 %	1,48 %
Balance growth					
Growth in loans	6,2 %	3,6 %			1,6 %
Growth in loans incl SB1 BK and SB1 NK ⁴⁾	1,2 %	0,1 %			-0,9 %
Growth in deposits	13,0 %	-2,0 %			-3,9 %
Solidity					
Common equity Tier 1 capital ratio	14,8 %	13,8 %			14,7 %
Tier 1 capital ratio	15,8 %	14,7 %			15,6 %
Capital ratio	17,7 %	17,1 %			17,5 %
Tier 1 capital	19.214	17.552			18.227
Risk weighted balance	121.818	119.118			116.651
Leverage ratio	7,2 %	6,7 %			7,3 %
Liquidity					
Liquidity Coverage Ratio (LCR) ⁵⁾	212 %	123 %			174 %
Deposit-to-loan ratio	59,0 %	55,4 %			54,5 %
Losses and non-performing commitments					
Impairment losses ratio	0,35 %	0,53 %	0,30 %	0,41 %	0,50 %
Impairment losses ratio, including loans SB1 BK and SB1 NK ⁴⁾	0,31 %	0,45 %	0,27 %	0,35 %	0,42 %
Non-performing commitments, percentage of gross loans	0,49 %	0,73 %	0,49 %	0,73 %	0,68 %
Non-performing commitments, percentage of gross loans, incl. loans SB1 BK and NK ⁴⁾	0,45 %	0,63 %	0,45 %	0,63 %	0,59 %
Other doubtful commitments, percentage of gross loans	0,81 %	0,64 %	0,81 %	0,64 %	0,72 %
Other doubtful commitments, percentage of gross loans, incl. loans SB1 BK and NK ⁴⁾	0,73 %	0,55 %	0,73 %	0,55 %	0,62 %
SpareBank 1 SR-Bank share					
	30.09.17	31.12.16	31.12.15	31.12.14	31.12.13
Market price	85,75	60,75	39,30	52,50	60,25
Market capitalisation	21.931	15.537	10.051	13.427	15.409
Book equity per share(including dividends) (group)	75,07	71,54	66,14	60,28	55,00
Earnings per share, NOK	5,98	6,87	6,83	8,20	7,28
Dividends per share	n.a	2,25	1,50	2,00	1,60
Price / Earnings per share	10,75	8,84	5,75	6,40	8,28
Price / Book equity (group)	1,14	0,85	0,59	0,87	1,10
Effective return ⁶⁾	44,9 %	58,4 %	-21,3 %	-10,2 %	66,0 %

¹⁾ Operating result as a percentage of average equity

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

³⁾ Net interest income as a percentage of average total assets

⁴⁾ SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are abbreviated to SB1 BK and SB1 NK

⁵⁾ High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

⁶⁾ Percentage change in the market price in the last period, including paid share dividend

A very good result characterised by strong underlying operations

Third Quarter 2017

- Pre-tax profit: NOK 750 million (NOK 660 million)
 - Net profit for the quarter: NOK 610 million (NOK 534 million)
 - Return on equity after tax: 12.9% (12.2%)
 - Earnings per share: NOK 2.39 (NOK 2.09)
 - Net interest income: NOK 820 million (NOK 729 million)
 - Net commissions and other operating income: NOK 386 million (NOK 347 million)
 - Net income from financial investments: NOK 198 million (NOK 231 million)
 - Operating costs: NOK 530 million (NOK 486 million)
 - Impairment losses on loans: NOK 124 million (NOK 161 million)
- (Q3 2016 figures in brackets)

As at 30 September 2017

- Pre-tax profit: NOK 1,910 million (NOK 1,633 million)
 - Net profit for the period: NOK 1,527 million (NOK 1,326 million)
 - Return on equity after tax: 10.9% (10.2%)
 - Earnings per share: NOK 5.98 (NOK 5.19)
 - Net interest income: NOK 2,343 million (NOK 2,138 million)
 - Net commissions and other operating income: NOK 1,157 million (NOK 1,088 million)
 - Net income from financial investments: NOK 430 million (NOK 515 million)
 - Operating costs: NOK 1,597 million (NOK 1,492 million)
 - Normalised growth in costs¹: 0.9 % (-4.1%)
 - Impairment losses on loans: NOK 423 million (NOK 616 million)
 - Total lending growth over last 12 months: 1.2% (0.1%)
 - Growth in deposits over last 12 months: 13.0% (-2.0%)
 - Common equity tier 1 capital ratio: 14.8% (13.8%)
 - Tier 1 capital ratio: 15.8% (14.7%)
- (As at 30 September 2016 in brackets)

Financial performance – Q3 2017

The group's pre-tax profit was NOK 750 million (NOK 660 million), an improvement of NOK 102 million since the second quarter of 2017. The return on equity after tax for the quarter was 12.9% (12.2%) compared with 11.0% in the second quarter of 2017. The improvement in the result in the last quarter was primarily due to increases in net interest income and income from financial investments, while reductions in costs and impairment losses on loans also made positive contributions in the quarter.

Net interest income rose by NOK 36 million to NOK 820 million in the third quarter of 2017 (NOK 729 million) from NOK 784 million in the previous quarter. The increase was due to a combination of the lending volume rising during the quarter, a reduction in the 3-

month NIBOR that resulted in expanded lending margins, and an extra interest day in the third quarter. The average interest margin (net interest income as a percentage of average total assets) was 1.54% (1.48%), compared with 1.52% in the second quarter of 2017.

Net commissions and other operating income was NOK 386 million in the third quarter of 2017 (NOK 347 million), NOK 14 million lower than in the second quarter of 2017. The reduction was primarily due to NOK 21 million less in commissions in EiendomsMegler 1 and a NOK 9 million reduction in income in Regnskapshuset SR. Lower income from the subsidiaries was counteracted by higher income from money-transfer services and arrangement fees. Commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt amounted to NOK 39

¹ The normalised growth in costs does not include costs from EiendomsMegler 1 and Regnskapshuset SR. Financial activity tax, bonus provisions and costs regarding acquired assets are also excluded from the calculation.

million (NOK 35 million), which is on a par with the second quarter of 2017.

Net income from financial investments increased by NOK 55 million to NOK 198 million in the third quarter of 2017 (NOK 231 million), compared with NOK 143 million in the second quarter of 2017. The increase was primarily attributable to NOK 46 million in increased income from ownership interests, part of which was due to an increase in the share of the profits from SpareBank 1 Gruppen and SpareBank 1 Boligkreditt. Net income from financial investments also increased by NOK 11 million compared with the previous quarter as a result of capital gains on securities, as well as lower negative effects from basis swaps².

Operating costs were reduced by NOK 18 million from the previous quarter to NOK 530 million in the third quarter of 2017 (NOK 486 million). Personnel costs were unchanged from the previous quarter, while other operating costs fell by NOK 18 million due to lower activity compared with the previous quarter. Compared with the third quarter of 2016, costs rose by NOK 44 million. NOK 9 million of this increase was due to higher personnel costs because of the financial activity tax that was introduced on 1 January 2017. Bonus provisions increased by NOK 10 million, the use of external consultants rose by NOK 10 million, while higher activity in EiendomsMegler 1 and Regnskapshuset SR resulted in a total of NOK 7 million in higher costs compared with the same quarter last year.

Impairment losses on loans were NOK 124 million (NOK 161 million) compared with NOK 131 million in the second quarter of 2017.

Financial performance as at 30 September 2017

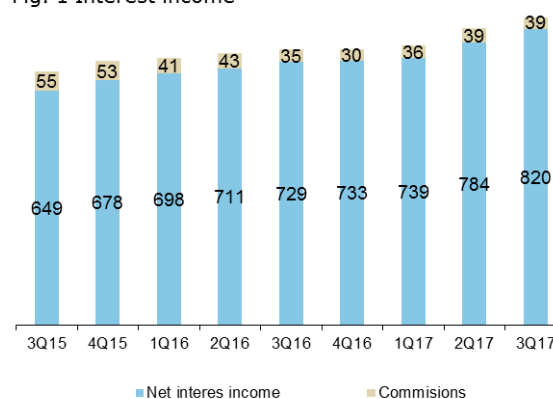
Net interest income

The group's net interest income totalled NOK 2,343 million as at 30 September 2017 (NOK 2,138 million). Net interest income must be viewed in the context of commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. Commissions from these companies amounted to NOK 114 million as at 30 September 2017 (NOK 119 million). The combined total of net interest income and commissions

² Basis swaps are derivatives contracts that are entered into in connection with long-term funding in international capital markets where the currency is converted to Norwegian kroner.

increased by a total of NOK 200 million compared with the same period last year. The increase was due to a combination of increased lending and deposit volumes, as well as lower financing costs due to a 36 basis point reduction in the 3-month NIBOR since the start of the year. Interest rate increases for parts of the retail market portfolio that took effect from January 2017 also made a positive contribution.

Fig. 1 Interest income



The average interest margin increased to 1.53% as at 30 September 2017, compared with 1.47% for the same period last year.

Net commissions and other operating income

As at 30 September 2017, net commissions and other operating income totalled NOK 1,157 million (NOK 1,088 million). The NOK 69 million increase on last year is largely attributable to income from estate agency services increasing by NOK 32 million to NOK 295 million as at 30 September 2017 (NOK 263 million) due to the improvement in housing market activity in the Stavanger region.

Table 1, Commission and other income

	30.09.17	30.09.16
Payment facilities	197	192
Savings/placements	151	140
Insurance products	156	148
Commission income real estate broking	295	263
Guarantee commission	80	83
Arrangement- and customer fees	65	68
Accounting services SpareBank 1 Regnskapshuset SR	73	63
Commission income SB1 Boligkreditt and SB1 Næringskreditt	114	119
Other	26	12
Total commission and other income	1.157	1.088

These are hedging instruments and seen over the instruments' term of maturity the changes in market value are zero. The accounting effects will therefore be reversed over time, unless the instrument is redeemed.

Income from SpareBank 1 Regnskapshuset SR increased by NOK 10 million to NOK 73 million as at 30 September 2017 (NOK 63 million), in part as a result of the acquisition of Regnskapspartner Bergen AS with effect from 1 January 2017.

Commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt were down NOK 5 million to NOK 114 million as at 30 September 2017 (NOK 119 million). The reduction was a consequence of the group buying back NOK 7.6 billion in loans from SpareBank 1 Boligkreditt in the last 12 months.

Other commissions increased by 5.0% from 30 September 2016, with money-transfer services, insurance, savings and investments making positive contributions due to increased income.

Net income from financial investments

As at 30 September 2017, net income from financial investments was NOK 430 million (NOK 515 million).

Table 2, Income on investment securities

	30.09.17	30.09.16
Dividends	11	105
Investment income, associates	271	306
Income from financial instruments	148	104
- Capital gains/losses on securities	103	3
- Capital gains/losses interest/currency	45	101
Total income on investment securities	430	515

Dividends amounted to NOK 11 million (NOK 105 million). As at 30 September 2016, dividends included NOK 94 million in a received cash payment in connection with the sale of Visa Europe Ltd to Visa Inc.

Income from ownership interests decreased by NOK 35 million from NOK 306 million as at 30 September 2016 to NOK 271 million as at 30 September 2017.

Table 3, Income from ownership interests

The share of net profit after tax	30.09.17	30.09.16
SpareBank 1 Gruppen	215	220
SpareBank 1 Boligkreditt	-19	9
SpareBank 1 Næringskreditt	11	16
BN Bank	50	56
SpareBank 1 Kredittkort	11	20
SpareBank 1 Betaling	-14	-21
Other	17	6
Total income from ownership interests	271	306

The share of the net profit from SpareBank 1 Boligkreditt decreased by NOK 28 million compared with the same period last year. The reduction and the negative profit contribution were due to the negative effects of basis swaps. The group's share of the negative effects of basis swaps increased by NOK 29

million from NOK -16 million as at 30 September 2016 to NOK -45 million as at 30 September 2017.

The share of the net profit from SpareBank 1 Kredittkort fell by NOK 9 million compared with last year, which was due to a combination of lower transaction income and increased transaction costs due to a new EU interchange agreement, as well as increased costs in connection with the takeover of the Norwegian Confederation of Trade Unions' (LO) portfolio.

As at 30 September 2017, net income from financial instruments amounted to NOK 148 million (NOK 104 million). Capital gains on securities amounted to NOK 103 million (NOK 3 million), while capital gains from interest and currency trading amounted to NOK 45 million (NOK 101 million).

The capital gains on securities amounting to NOK 103 million (NOK 3 million) were due to a combination of capital losses of NOK 82 million (capital losses of NOK 112 million) in the interest portfolio, which were counteracted by positive effects totalling NOK 93 million (NOK 106 million) from hedging instruments, as well as capital gains of NOK 92 million (NOK 9 million) from the portfolio of shares and equity certificates. Of the NOK 92 million in capital gains on shares and equity certificates, NOK 45 million was due to the higher share price for Sandnes Sparebank, NOK 11 million was due to increases in the value of investments in funds under the direction of SR-Forvaltning, and NOK 6 million was due to the increase in the value of the investment in SpareBank 1 Østlandet (formerly Sparebanken Hedmark). The stake in SpareBank 1 Østlandet was sold in the second quarter of 2017.

Capital gains from interest and currency trading amounted to NOK 45 million (NOK 101 million), of which capital gains from customer and own account trading amounted to NOK 69 million (NOK 98 million), while the negative effects of basis swaps¹ amounting to NOK 27 million (NOK 1 million in positive effects) pulled in the opposite direction.

Operating costs

The group's operating costs amounted to NOK 1,597 million as at 30 September 2017, an increase of NOK 105 million (7.0%) from the same period in 2016.

Table 4, Operating expenses

	30.09.17	30.09.16
Personell expenses	930	873
IT expenses	235	234
Marketing	53	51
Other administrative expenses	62	46
Depreciation	57	57
Operating expenses from real estate	26	26
Other operating expenses	234	205
Total operating expenses	1.597	1.492

Personnel costs rose by NOK 57 million (6.5%) from 30 September 2016 to NOK 930 million as at 30 September 2017. EiendomsMegler 1 and Regnskapshuset SR were responsible for NOK 22 million of the increase. NOK 30 million of the rise in the parent bank was due to the 5% financial activity tax on personnel costs introduced on 1 January 2017. The number of full-time equivalents in the group has risen by 21 in the last 12 months, with the subsidiaries seeing an increase of 13 full-time equivalents due to increased activity in EiendomsMegler 1 and Regnskapshuset SR, while the parent bank saw an increase of eight full-time equivalents due to increased activity.

Other operating costs increased by NOK 48 million (7.8%) to NOK 667 million as at 30 September 2017. NOK 12 million of this was due to higher costs in EiendomsMegler 1 due to the improvement in housing market activity in the Stavanger region. The remainder of the increase was mainly due to higher administration costs due in part to the greater use of external consultants in connection with the group's focus on digital development and the robotisation/automation of standardised work processes.

The group's normalised total growth in costs for the year-to-date was NOK 10.8 million (0.9%), which is below the target of a maximum normalised growth in costs of 2.0% in 2017. The group maintains a constant focus on holding costs down through efficient operations, combined with costs linked to further technological development being prioritised. The group's cost/income ratio, costs measured as a percentage of income, was 40.6% as at 30 September 2017 (39.9%).

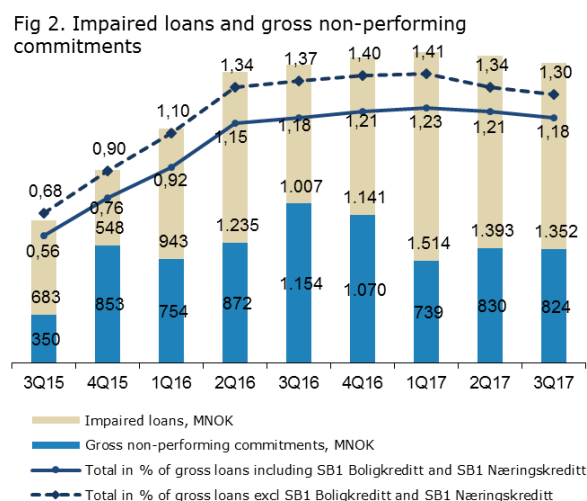
Impairment losses on loans and non-performance

As at 30 September 2017, the group had recognised net impairment losses on loans totalling NOK 423 million (NOK 616 million). This corresponds to impairments as a percentage of gross loans of 0.35% (0.53%). Inclusive of loans sold to SpareBank 1

Boligkreditt and SpareBank 1 Næringskreditt, the write-down as a percentage of gross loans corresponded to 0.31% (0.45%). The impairment losses on loans as at 30 September 2017 largely involved write-downs linked to individual commitments within oil-related activities.

Closely monitoring customers and preventive work remain important tools for maintaining a good risk profile in the group's loan portfolio in order to reduce future losses.

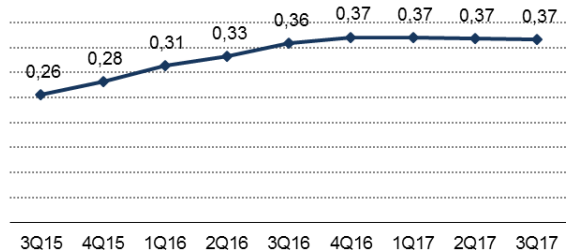
Gross non-performing commitments aggregated NOK 824 million (NOK 1,154 million) at the end of the third quarter of 2017. This corresponded to 0.49% (0.73%) of gross loans, or 0.45% (0.63%) inclusive of loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. The portfolio of impaired (not non-performing) loans totalled NOK 1,352 million (NOK 1,007 million). This corresponded to 0.81% (0.64%) of gross loans, or 0.73% (0.55%) inclusive of loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. Total non-performing and impaired loans at the end of the third quarter of 2017 came to NOK 2,176 million (NOK 2,161 million). Measured as a percentage of gross loans, this amounted to 1.30% (1.37%). Including loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, this amounted to 1.18% (1.18%).



The loan loss provision ratios, measured as individual write-downs as a percentage of non-performing and impaired loans, were 29% (24%) and 33% (27%) at the end of the third quarter of 2017. The provision ratio will vary over time depending on valuations of commitments' collateral.

Collective impairment losses on loans have increased by NOK 21 million in the last 12 months. The loan loss provision ratio, measured as collective impairment losses as a percentage of gross loans, inclusive of the volume sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, was stable at 0.37% at the end of the third quarter of 2017 (0.36%).

Fig. 3 Collective impairment losses as % of gross loans including loans sold to SB1 Boligkreditt and SB1 Næringskreditt



IFRS 9 Financial Instruments will replace the current IAS 39 Financial Instruments: Recognition and Measurement from 1 January 2018. This will affect, among other things, how the group will assess the need for impairment losses. According to the current rules under IAS 39, impairment losses must only be made when objective evidence exists that a loss event has happened after initial recognition. According to IFRS 9 though, impairment losses must be recognised based on expected credit losses (ECL). SpareBank 1 SR-Bank has been working on models and adapting to the new regulations since 2016. This work will continue throughout 2017. Based on a preliminary review, the transition to IFRS 9 is not expected to have significant effects. The effect on the capital adequacy ratio will, according to our preliminary calculations, be limited or non-existent as a consequence of the deduction provisions associated with regulatory expected losses since the group's total impairments pursuant to IFRS 9 are lower than these. Given this, it therefore does not appear that SpareBank 1 SR-Bank will require a 5-year implementation period, which the capital adequacy regulations allow.

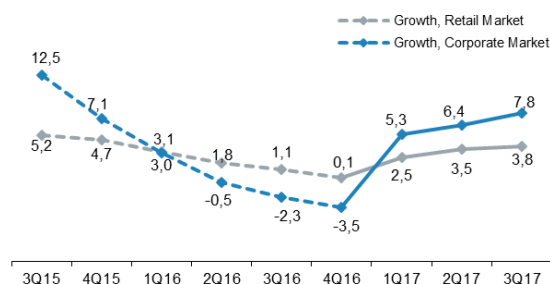
For more information about the implementation of IFRS 9 please see note 1 of the interim financial statements and note 42 in the consolidated annual financial statements for 2016.

Loans to and deposits from customers

Gross loans at the end of the third quarter of 2017 amounted to NOK 167.1 billion (NOK 157.4 billion). Including loans totalling NOK 18.0 billion (NOK 25.7 billion) sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, gross loans amounted to

NOK 185.2 billion (NOK 183.0 billion) at the end of the third quarter of 2017. Gross lending growth, inclusive of the mortgage companies, in the last 12 months was 1.2% (0.1%), while lending growth in the year-to-date as at 30 September 2017 was 1.6% (-0.5%).

Fig. 4 12 month lending growth (%)



* Following the merger with the parent bank on 1 January 2017, the volume from SR-Finans is included in the figures from and including the first quarter of 2017. This results in a break in the historical figures.

Loans to the retail market accounted for 63.2% (63.1%) of total loans (inclusive of loans sold to SpareBank 1 Boligkreditt) at the end of the third quarter of 2017.

The group's total loan exposure of NOK 185.2 billion (NOK 183.0 billion) included a majority of commitments with a probability of default of less than 0.5%. These commitments represented 61.2% (60.3%) of the portfolio. The total lending portfolio primarily consisted of commitments of less than NOK 10 million. These accounted for around 69.3% (69.2%) of loan exposure and 98.5% (98.6%) of customers. 17.6% (18.0%) of the total loan exposure was to customers who had loans in excess of NOK 100 million.

Deposits from customers have risen by 13.0% in the last 12 months (-2.0%) to NOK 98.6 billion (NOK 87.2 billion). Deposits primarily increased due to larger deposits from public sector customers. At the end of the third quarter of 2017, deposits from the corporate market and public sector accounted for 54.9% (50.5%) of the group's customer deposits. At the end of the third quarter of 2017, the deposit-to-loan ratio was 59.0% (55.4%).

In addition to ordinary customer deposits, the group also has capital under management in alternative investment products. These increased to NOK 20.1 billion at the end of the third quarter of 2017 (NOK 16.9 billion). This management is primarily performed by SR-Forvaltning AS and ODIN Forvaltning AS.

Business areas

SpareBank 1 SR-Bank's financial management is based on different business areas that are defined on the basis of their form of distribution, products and customers. The reporting format is based on the risk and return profile of the assets and is split into the retail market (including the self-employed and farming), corporate market, capital market and subsidiaries of significant importance. The retail market division's result and balance sheets include the figures from SR-Boligkreditt.

SR-Finans was merged into the parent bank with effect from 1 January 2017 and is included in the divisions' results and balances from the same date. The comparisons with last year in the comments below are therefore based on historical financial statements from before the merger. The segment note (note 12) has been modified and contains comparable figures in which the results and balances from SR-Finans are included in the divisions' results and balances from 1 January 2016.

Retail market division³

On 1 January 2017, SpareBank 1 SR-Finans's former retail market customers were transferred to the retail market division. Employees linked to the retail market in SR-Finans were transferred to the parent bank's retail market division.

Table 5, Retail market

	30.09.17	30.09.16
Interest income	1.132	880
Commission and other income	492	481
Income on investment securities	5	8
Total income	1.629	1.369
Total operating expenses	432	396
Operating profit before losses	1.197	973
Impairment losses on loans	28	23
Pre-tax profit	1.169	950

The retail market division's contribution before impairment losses on loans amounted to NOK 1,197 million as at 30 September 2017 (NOK 973 million). The result was NOK 224 million higher than in the same period last year and this was due to the merger with SR-Finans, higher interest margins, and increased commissions. Costs had increased by NOK 9.1 million (36%) as at 30 September 2017 compared with the same period last year. This was due in part to the merger, 5% financial activity tax and increased

³ 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

man-years due to different sales activities, including establishing share savings accounts.

Commissions, exclusive of commissions from SpareBank 1 Boligkreditt, had increased by 2.0% as at 30 September 2017. Insurance, savings and investments saw the greatest growth. There was a high level of activity in the third quarter of 2017 in connection with the launch of share savings accounts. The response from customers has been good and the venture consolidates our position as a long-term partner for most people.

The unemployment rate in the region continued to fall in the third quarter of 2017. Sales of used homes in the quarter were on a par with the previous quarter. Lending growth over the last 12 months was 3.9% at the end of the third quarter of 2017, inclusive of the volume transferred from SR-Finans. Exclusive of the effects of the merger, the 12-month lending growth was 2.1%. Deposits have grown by 3.2% in the last 12 months. Increased optimism in the business sector has so far not resulted in greater demand for mortgages. The proportion of non-performing commitments over 30 days was 0.37% of total lending at end of the third quarter of 2017 (0.26%). The increase compared with the same point last year was due to the inclusion of non-performing loans transferred from SR-Finans in the retail market division's portfolio from the first quarter of 2017.

The quality of the retail market portfolio is considered to be very good with a low risk of losses. The proportion of loan exposure (including the portfolios in SpareBank 1 Boligkreditt and SR-Boligkreditt) within a loan-to-value ratio of 85% amounted to 90.2% (90.2%) at the end of the third quarter of 2017. The IRB risk weighting for home mortgages was 21.3% (22.0%) at the end of the quarter, and reflected a solid, stable portfolio.

Corporate market division³

On 1 January 2017, SpareBank 1 SR-Finans's former corporate customers were transferred to the corporate market division. Employees linked to the corporate market in SR-Finans were transferred to the parent bank's corporate market division.

premium). Differences between the group's actual funding costs and the applied interest on intercompany receivables are eliminated at the group level.

Table 6, Corporate market

	30.09.17	30.09.16
Interest income	1.099	967
Commission and other income	231	220
Income on investment securities	20	18
Total income	1.350	1.205
Total operating expenses	189	162
Operating profit before losses	1.161	1.043
Impairment losses on loans	395	543
Pre-tax profit	766	500

The corporate market division's contribution before impairment losses on loans was NOK 1,161 million as at 30 September 2017 (NOK 1,043 million); NOK 118 million higher than in the same period last year. The higher result was due in part to the merger with SR-Finans and increased interest margins. Costs increased by NOK 27 million from 30 September 2016 to 30 September 2017, primarily due to the increase in employees in connection with the merger, the 5% financial activity tax, and increased operating costs linked to SR-Finans.

The division's lending growth in the last 12 months, inclusive of the volume transferred from SR-Finans, was 9.1%. Exclusive of the effect of the merger, lending growth in the last 12 months was 0.5%. The division's deposits have risen by 27.7% over the last 12 months. Deposits largely increased in the first half of 2017 due to increased deposits from new public sector customers.

The quality of the corporate market portfolio is considered to be good. The proportion of commitments with a probability of default of less than 2.5% through a full loss cycle was 75.6% of the portfolio at the end of the third quarter of 2017 (73.3%). The property sector portfolio represents the group's largest concentration in a single sector and accounted for 15.2% (14.9%) of total loan exposure, including retail customers. A large portion of this portfolio consisted of financing commercial properties for leasing. The portfolio is characterised by long-term leases and financially solid tenants.

Net individual impairment losses of NOK 393 million and NOK 2 million in increased collective impairment losses had been recognised as at 30 September 2017, compared with NOK 413 million in individual impairment losses and NOK 130 million in collective impairment losses in the same period in 2016. The division's ordinary pre-tax profit was NOK 266 million higher than in the corresponding quarter last year.

⁴ The capital market division serves customers throughout the group and customer income is now recognised, in its entirety, in the business area to which the customer belongs.

Capital market division⁴

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and equities, analysis and corporate finance services.

Table 7, Capital market

	30.09.17	30.09.16
Interest income	28	36
Commission and other income	62	60
Income on investment securities	69	20
Total income	159	116
- allocated to Corporate Market	43	27
Total income after allocation	116	89
Total operating expenses	57	60
Operating profit before losses	59	30

SR-Bank Markets's pre-tax profit was NOK 59 million as at 30 September 2017, NOK 29 million higher than in the corresponding period last year. The income generated is recognised as income in the business areas to which the customers are assigned, primarily the corporate market division.

Prior to the allocation of customer income to other business areas, SR-Bank Markets had achieved operating income of NOK 159 million as at 30 September 2017. This represents an increase of NOK 43 million from the same period last year and is primarily attributable to a rise in the value of the bank's bond portfolio in the year-to-date 2017. Income from sales of equities and bonds was relatively stable compared with the same period last year. Corporate finance had completed a number of projects as at 30 September 2017.

The pre-tax profit before the allocation of customer income amounted to NOK 102 million as at 30 September 2017, an increase of NOK 45 million compared with the corresponding period last year.

The equities desk was sold to SpareBank 1 Markets with effect from 15 October 2017. SpareBank 1 SR-Bank receives a stake in SpareBank 1 Markets and a cooperation agreement has been entered into covering a number of areas.

Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

As at 30 September 2017, the company had achieved a pre-tax profit of NOK 23.2 million (NOK 16.1 million). The improvement in the result is primarily due to the better housing market in the Stavanger region with more sales as at 30 September 2017 than in the same period last year.

1,555 properties were brokered in the third quarter of 2017 (1,557 contracts). 5,074 properties have been brokered in the year-to-date (4,617) with a combined value of NOK 15.5 billion. The supply of new assignments has been good and, overall, was 13% higher than at the same time last year.

There have been and still are, significant differences in the regional markets, both with respect to price and turnover times. The housing market in Bergen is still good, although there has been a weak downwards trend in both house prices and the number of sales. The same is true for the Agder counties. In Rogaland, the growth in the number of sales has levelled off and the number of sales is now at about the same level as last year. House prices in the Stavanger region are stable and roughly on a par with the prices 12 months ago.

The overall market has increased in all of the four counties in which the company operates. Compared with the same period last year, the number of sales of used homes and holiday homes had increased by 2.1% as at 30 September 2017. Rogaland saw the largest increase at around 9.6%. However, towards the end of the third quarter of 2017 the property market was somewhat subdued.

The supply of new homes is good and sales in Rogaland are improving considerably. Sales of new homes in Bergen are generally good, while in Kristiansand the level of supply is high and the market is somewhat demanding.

There was a good supply of commercial property for both lease and sale. The vacancy rate for office premises in the Stavanger region stabilised in the third quarter of 2017. Activity in the lease market has increased and steadily more tenants are looking for premises suitable for the anticipated level of activity going forward. The levels of activity in Bergen are still good within both the sale and leasing of commercial properties and the company has established itself as a leading player in commercial estate agency in the Bergen region.

SpareBank 1 Regnskapshuset SR AS

SpareBank 1 Regnskapshuset SR had achieved a pre-tax profit of NOK 4.5 million as at 30 September 2017 (NOK 3.5 million). The result includes depreciation of intangible assets of NOK 1.4 million (NOK 1.2 million).

The company was established in 2015 and has since its start-up grown from NOK 0 to almost NOK 100 million in annual turnover. At the end of the third quarter of 2017, the company has seven offices, four in Rogaland and three in Bergen, and more than 1,600 customers.

Since its start-up, Regnskapshuset has gained a solid market position in Rogaland and Hordaland and is experiencing a good influx of new customers who want modern, efficient accounting services. Customers are demanding cloud-based and automated services, and in the future the company will offer bespoke IT solutions for customers irrespective of industry/size. At the same time, the company is currently expending a lot of resources on the robotisation of work process and will, besides using its own resources, capitalise on the expertise SpareBank 1 SR-Bank has as a leading actor in this area. New business areas within advice and payroll/HR are being built up as the company is experiencing great demand for these types of service.

SR-Forvaltning AS

As at 30 September 2017, pre-tax profit amounted to NOK 25.0 million (NOK 21.9 million). The company has seen good customer growth in the year-to-date, especially with respect to discretionary mandates. The assets under management at the end of the third quarter of 2017 amounted to NOK 10.8 billion (NOK 9.1 billion).

SR-Forvaltning is licensed to provide active management and securities management services. The management company has three securities funds: SR-Utbytte, SR-Kombinasjon and SR-Rente, which were launched around 4 years ago. As at 30 September 2017, the equity fund SR-Utbytte had produced a return of 4.31% (benchmark 4.95%), the bond fund SR-Rente had produced 0.16% (benchmark 0.06%), and the combination fund SR-Kombinasjon had produced 2.56%, which is 0.06 percentage points better than the respective benchmark of 2.50%.

The company also manages portfolios for SpareBank 1 SR-Bank's pension fund, as well as external customers on the basis of discretionary mandates. The external customer base comprises pension funds, public and private enterprises, and affluent

individuals. Since its start-up in 1999, the company has produced a good, long-term, risk-adjusted return for its customers, in both absolute and relative terms.

SR-Forvaltning's investment philosophy is long-term and value oriented. The company primarily invests in companies with a low share price in relation to book value and earnings, and which pay solid dividends.

SR-Boligkreditt AS

As at 30 September 2017, the company's pre-tax profit was NOK 168.1 million (NOK 125.7 million). The improved result was due to net interest income rising by NOK 151.8 million from the same period last year. Net interest income primarily increased due to the increase in mortgages bought from SpareBank 1 SR-Bank and the increase must therefore be viewed in the context of the development of net interest income in the retail market division in SpareBank 1 SR-Bank. Net income from financial investments fell by NOK 104.5 million due to the negative effects of basis swaps, which amounted to NOK -85.6 million as at 30 September 2017, compared with the positive effects of basis swaps as at 30 September 2016 amounting to NOK 25.3 million.

SR-Boligkreditt is a wholly owned subsidiary and was established in 2015. The purpose of the company is to purchase home mortgages from SpareBank 1 SR-Bank and it funds this by issuing covered bonds. SR-Boligkreditt enables SpareBank 1 SR-Bank to diversify and optimise its funding. Moody's has given SR-Boligkreditt its best rating, Aaa.

At the end of the third quarter of 2017, the company had issued covered bonds with a nominal value of NOK 38.5 billion and bought loans worth NOK 40.8 billion from SpareBank 1 SR-Bank.

Associated companies

SpareBank 1 Alliance

The SpareBank 1 Alliance is Norway's second largest financial group and is a banking and product partnership in which the SpareBank 1 banks in Norway cooperate in order to keep them strong and independent. The purpose of the alliance is to procure and provide competitive financial services and products, and to exploit economies of scale in the form of lower costs and/or higher quality. The alliance is run through its ownership and participation in SpareBank 1 Banksamarbeidet DA, while the development and operation of product companies is organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen owns all of the shares in SpareBank 1 Forsikring AS, SpareBank 1 Skadeforsikring AS, ODIN Forvaltning AS, SpareBank 1 Medlemskort AS, SpareBank 1 Gruppen Finans AS and Conecto AS. SpareBank 1 SR-Bank owned a 19.5% stake in SpareBank 1 Gruppen at the end of the third quarter of 2017.

SpareBank 1 Gruppen had achieved a pre-tax profit of NOK 1,437 million as at 30 September 2017 (NOK 1,439 million). All of the companies involved in SpareBank 1 Gruppen are delivering stable, good results.

SpareBank 1 Banksamarbeidet DA

SpareBank 1 Banksamarbeidet DA is responsible for alliance processes and the delivery of services to the SpareBank 1 Alliance. It also develops and delivers things such as common IT/mobile phone solutions, branding and marketing concepts, business concepts, products and services, expertise, analyses, processes, best practice solutions and purchasing. SpareBank 1 SR-Bank owned a 17.7% stake in SpareBank 1 Banksamarbeidet at the end of the third quarter of 2017.

SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are licensed mortgage companies that issue covered bonds secured by home mortgage loan or commercial real estate portfolios sold by the owner banks. The companies are owned by the savings banks that make up the SpareBank 1 Alliance and help ensure the owner banks have access to stable, long-term funding at competitive rates.

SpareBank 1 Boligkreditt had recorded a pre-tax result of NOK -184 million as at 30 September 2017 (NOK 38 million). The negative result was primarily due to the negative effects of basis swaps, which increased by NOK 229 million from NOK -97 million as at 30 September 2016 to NOK -326 million as at 30 September 2017. At the end of the third quarter of 2017, the company's total lending volume amounted to NOK 176.1 billion (NOK 173.3 billion), NOK 17.5 billion (NOK 25.2 billion) of which were home mortgages bought from SpareBank 1 SR-Bank. At the end of the third quarter of 2017, the bank owned 13.9% of the company. At the same point in time, the bank's share of the loan portfolio in SpareBank 1 Boligkreditt was 10.1%. This stake is normally adjusted annually based on its share of the sold volume at the end of each year.

SpareBank 1 Næringskreditt had achieved a pre-tax profit of NOK 67 million as at 30 September 2017 (NOK 79 million). At the end of the third quarter of 2017, the company's total lending volume amounted to NOK 9.9 billion (NOK 11.4 billion), NOK 0.5 billion (NOK 0.5 billion) of which were loans bought from SpareBank 1 SR-Bank. At the end of the third quarter of 2017, the bank owned 21.9% of the company.

BN Bank ASA

BN Bank is a nationwide bank with its head office in Trondheim. The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank owns a 23.5% stake. As at 30 September 2017, BN Bank's pre-tax profit was NOK 282 million (NOK 314 million). The reduction in the result was due in part to lower dividend receipts in 2017, as well as increased marketing costs and personnel costs because of the transition to a new pension scheme.

SpareBank 1 Kredittkort AS

SpareBank 1 Kredittkort is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank owns a stake of 17.9%. The company provides credit card solutions for the SpareBank 1 banks and had recorded a pre-tax profit of NOK 78 million as at 30 September 2017 (NOK 147 million). The reduction in the result was due to a combination of lower transaction income and increased transaction costs due to a new EU interchange agreement, as well as increased costs in connection with the takeover of the Norwegian Confederation of Trade Unions' (LO) portfolio.

SpareBank 1 Betaling AS/Vipps AS

The stake in SpareBank 1 Mobilbetaling has become a direct stake in SpareBank 1 Betaling in connection with the restructuring due to the merger with Vipps. The company is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank owns a stake of 19.7%. Among other things, the company was behind the mCASH mobile phone payments solution. On 1 September 2017, mCASH was merged with Vipps, DNB's mobile phone payment solution. After the merger with Vipps, the SpareBank 1 banks became the second largest shareholder in Vipps with a stake of 25%. The payment solution will continue to build on the expertise accumulated in both Vipps and mCASH. The partnership will better equip SpareBank 1 to face the competition from major international players in the market for mobile phone payment solutions.

⁵ Liquidity buffer: cash, short-term investments, and drawing rights in Norges Bank (bonds including covered bonds). Assuming deposits and lending remain unchanged and no new borrowing during the period.

SpareBank 1 Mobilbetaling had recorded a pre-tax result of NOK -34 million as at 30 September 2017 (NOK -95 million). The loss is due to operating costs and expensed investment costs.

Funding and liquidity

SpareBank 1 SR-Bank had very good liquidity at the end of the third quarter of 2017 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer⁵ was NOK 31.2 billion at the end of the third quarter of 2017, and would cover normal operations for 35 months in the event of closed markets. NOK 6.6 billion of the bank's external funding will fall due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 15.6 billion in home mortgages ready for covered bond funding.

The group's liquidity situation is very good and in the last year the group has continued to enjoy a high proportion of long-term funding. At the end of the third quarter of 2017, the Financial Supervisory Authority of Norway's Liquidity Indicator 1⁶ was 118.1% (110.0%) for the parent bank and 115.9% (111.4%) on a consolidated basis.

The bank's ratings at Moody's and Fitch Ratings are A1 (outlook negative) and A- (outlook stable), respectively.

Capital adequacy

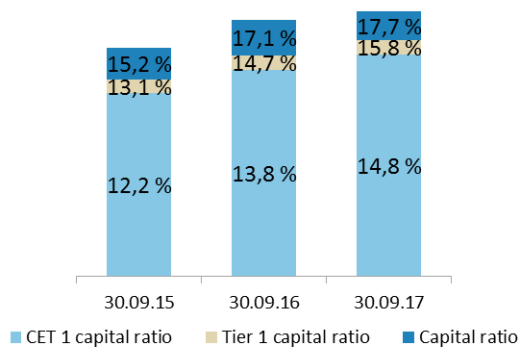
At the end of the third quarter of 2017, the common equity tier 1 capital ratio was 14.8%, up from 13.8% at the same time in 2016.

The capital ratio is influenced by SpareBank 1 SR-Bank's owner stake in SpareBank 1 Boligkreditt. The stake is normally adjusted on an annual basis in line with the share of the volume sold at the end of the year. At the end of the third quarter of 2017, SpareBank 1 SR-Bank owned a 13.9% stake in SpareBank 1 Boligkreditt, while the share of mortgages sold to the company amounted to 10.1%. A corresponding adjustment of the stake at the end of the third quarter of 2017 would have amounted to a common equity tier 1 capital ratio of 15.1%.

⁶ The proportion of illiquid assets funded by debt with a maturity of more than 1 year.

Changes in how capital requirements are understood based on the transitional rules for non-consolidated financial undertakings have resulted in an increase in the basis for calculation. The effect for SpareBank 1 SR-Bank is a 0.16-percentage point weakening of its common equity tier 1 capital ratio.

Fig. 5 Capital adequacy



All capital adequacy figures are based on the transitional rule (Basel I floor) that states that the capital requirement for using internal methods cannot be less than 80% of the capital requirement according to the Basel I regulations.

The Pillar 2 premium is an institution-specific premium intended to ensure that Norwegian banks have adequate capital to cover the risk associated with operations, including risks not covered by the regulatory minimum requirement. The Financial Supervisory Authority of Norway has in its assessment of the group stipulated a Pillar 2 premium of 2.0%.

The total common equity tier 1 capital ratio requirement for SpareBank 1 SR-Bank, inclusive of the countercyclical buffer and Pillar 2 premium, as at 30 September 2017 was 13.5%. The requirement is met by a good margin. Banks classified as systemically important financial institutions are also subject to a special capital buffer requirement. SpareBank 1 SR-Bank has not been identified as a systemically important financial institution.

There is a countercyclical capital buffer requirement in Norway in the range of 0-2.5% in the form of common equity tier 1 capital. The purpose of the countercyclical capital buffer is to make the banks more solid and robust in relation to lending losses. The capital buffer requirement was 1.5 percentage points as at 30 September 2017. The Ministry of Finance has decided to increase the requirement to 2.0 percentage points from 31 December 2017. The total minimum requirement for common equity tier 1 capital will thus increase to 14.0% at year-end 2017.

SpareBank 1 SR-Bank's goal is to achieve a common equity tier 1 capital ratio of 15.0%, which includes a management buffer of 1 percentage point, by the end of 2017. The goal will be achieved through good profitability.

The tier 1 capital ratio was 15.8% (14.7%), while the total capital ratio rose to 17.7% from 17.1%, well within the capital adequacy requirement of 17.0%.

The bank's share

The bank's share price (SRBANK) was NOK 85.75 at the end of the third quarter of 2017. This represented an increase of 19.9% from the end of the second quarter of 2017.

Fig 6. Development in Price/Book



The main Oslo Stock Exchange index rose by 12.1% in the same period. 4.2% (3.1%) of outstanding SRBANK shares were traded in the third quarter of 2017. On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index and this may result in increased trading of the share going forward.

There were 10,979 (9,766) shareholders at the end of the third quarter of 2017. The proportion owned by foreign companies and individuals was 22.0% (16.2%), while 45.7% (49.7%) was owned by investors from Rogaland, the Agder counties and Hordaland. The 20 largest shareholders owned a combined 55.4% (61.7%) of the shares. The bank holds 206,757 treasury shares, while group employees owned 1.6% (1.8%).

The table below shows the 20 largest shareholders as at 30 September 2017:

Table 8, 20 largest shareholders	Number of shares	
	(1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,3 %
Folketrygdfondet	14.628	5,7 %
State Street Bank and Trust Co, U.S.A.	8.345	3,3 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,4 %
Vpf Nordea Norge Verdi	5.958	2,3 %
Danske Invest Norske Instit. II	3.595	1,4 %
Verdipapirfondet DNB Norge (IV)	3.539	1,4 %
Odin Norge	3.506	1,4 %
State Street Bank and Trust Co, U.S.A.	2.861	1,1 %
Clipper AS	2.565	1,0 %
Pareto Aksje Norge	2.386	0,9 %
KLP Aksjenorge Indeks	1.930	0,8 %
Danske Invest Norske Aksjer Inst.	1.887	0,7 %
JPMorgan Chase Bank N.A., U.S.A.	1.881	0,7 %
KAS Bank NV, Nederland	1.878	0,7 %
Vpf Nordea Norge Avkastning	1.664	0,7 %
Westco AS	1.663	0,7 %
Pareto AS	1.641	0,6 %
Vpf Nordea Kapital	1.516	0,6 %
Forsvarets Personellservice	1.514	0,6 %
Total 20 largest	141.602	55,4 %

Accounting policies

Please refer to note 1 for a description of the accounting policies applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements.

Events after the balance sheet date

No material events have been registered after 30 September 2017 that affect the interim financial statements as prepared.

Outlook

Moderate to increasing growth is expected in the global economy. Norwegian economic growth is showing signs of improvement, but will still be affected by the varying activity in oil-related activities. The Norwegian Petroleum Directorate expects a reduction in investments in the petroleum sector of around 10% in 2017, and stable in 2018.

The total level of activity in Rogaland has been subdued in the year-to-date 2017, but is expected to rise in coming years. Both oil companies and the supply industry have rationalised operations and reduced costs to adapt to the new level of turnover. This is affecting the overall level of activity. Export-oriented industries are experiencing growth due to a weak Norwegian kroner and greater competitiveness. The building and construction industry is seeing the positive effects of an improving local housing market and moderate increasing activity is expected in this sector going forward. Continued, stable activity is

expected within most sectors in Hordaland and the Agder counties.

While the expectations indicated low to moderate growth in 2017, we have seen significantly greater optimism so far this year than in 2016. Unemployment in Norway has been gradually fallen and was 2.5% in September 2017. In Rogaland, unemployment has fallen from 4.3% a year ago to 3.4% as per September 2017. Unemployment also fell in Hordaland and Agder. EiendomsMegler 1 is reporting more activity in the housing market in the Stavanger region in the year-to-date, although the growth in the last quarter was moderate. The figure for the rise in house prices in Norway over the last 12 months fell from 12.8% as per December 2016 to 1.5% as per September 2017, while the fall in prices in Stavanger turned from -2.6% as per December 2016 into growth of 0.8% as per September 2017. It is expected some uncertainty in the total market about how transaction volume and house prices will develop going forward. The lending volume is expected to increase moderately by 2-4% in 2017 with loans to retail customers expected to increase the most.

The group's long-term return on equity target is at least 12%. The group has a common equity tier 1 capital ratio target of 15% by the end of 2017. SpareBank 1 SR-Bank is a solid, profitable group and has in recent years increased its financial strength in line with the authorities' requirements. This was achieved through earnings via a business model involving good breadth in earnings and efficient operations.

The group's prognoses take account of the fact that the group will in 2017 have to make impairments that exceed the average in an economic cycle. Some of the bank's customers in the oil industry are experiencing a prolonged, demanding market. At the same time unemployment and house prices have performed better than previously expected. Given this, the need for impairments in 2017 is expected to amount to around NOK 500-700 million. This is slightly lower than the estimates issued at the start of 2017. The board would like to stress that a certain level of uncertainty is associated with all assessments of future conditions.

To increase efficiency further, provide an even better customer experience and increase sales, the group is investing in new technology and employees knowledge. The results of this focus include offering new money-transfer services via Vipps, greater availability and better services via the development of

its own 'chat robot', and becoming the first bank in Norway with a digital solution for consent-based loan applications. In addition to this, the group will soon start operations in FinStart Nordic, a wholly owned subsidiary that will invest in companies involved in development and innovation work to give the bank a competitive advantage. The Group wants to strengthen its commitments towards customers in the eastern parts of Norway and will open a new branch in Oslo that will focus on corporate customers in the

medium-sized segment. Together with customer growth, correct risk pricing for loans, and cost control, this will ensure the group is competitive going forward.

Stavanger, 24 October 2017

The Board of Directors of SpareBank 1 SR-Bank ASA

Income Statement

Parent bank					Note	Group				
Q3 2016	Q3 2016	Q3 2017	01.01.16 - 30.09.16	01.01.17 - 30.09.17		01.01.17 - 30.09.17	01.01.16 - 30.09.16	Q3 2017	Q3 2016	2016
					Income statement (MNOK)					
4.868	1.201	1.226	3.665	3.651	Interest income	4.284	4.163	1.455	1.384	5.563
2.407	575	516	1.826	1.578	Interest expense	1.941	2.025	635	655	2.692
2.461	626	710	1.839	2.073	Net interest income	2.343	2.138	820	729	2.871
1.054	256	284	790	801	Commission income	1.213	1.139	407	365	1.511
68	18	22	51	58	Commission expenses	60	54	22	18	72
5	1	2	4	5	Other operating income	4	3	1	0	4
991	239	264	743	748	Net commission and other income	1.157	1.088	386	347	1.443
109	0	0	105	9	Dividend income	11	105	2	0	110
776	1	15	552	481	Income from investment in associates	271	306	127	90	384
145	113	65	50	198	Net gains/losses on financial instruments	148	104	69	141	160
1.030	114	80	707	688	Net income on financial investments	430	515	198	231	654
4.482	979	1.054	3.289	3.509	Total income	3.930	3.741	1.404	1.307	4.968
854	203	235	640	699	Personnel expenses	930	873	312	282	1.166
411	104	97	292	311	Administrative expenses	350	331	111	115	464
269	58	76	188	211	Other operating costs	317	288	107	89	402
1.534	365	408	1.120	1.221	Total operating costs	1.597	1.492	530	486	2.032
2.948	614	646	2.169	2.288	Operating profit before impairment losses	2.333	2.249	874	821	2.936
684	154	125	566	422	Impairment losses on loans and guarantees	423	616	124	161	778
2.264	460	521	1.603	1.866	Pre-tax profit	1.910	1.633	750	660	2.158
343	103	113	245	328	Tax expense	383	307	140	126	403
1.921	357	408	1.358	1.538	Profit after tax	1.527	1.326	610	534	1.755
					Other comprehensive income					
-62	31	4	-193	-40	Unrecognised actuarial gains and losses	-40	-205	4	32	-62
15	-8	-1	48	10	Deferred tax concerning changed estimates/pension plan changes	10	51	-1	-8	15
-47	23	3	-145	-30	Total items not reclassified through profit or loss	-30	-154	3	24	-47
-62	-1	0	-62	0	Change in value of financial assets available for sale	0	-62	0	-1	-62
0	0	0	0	0	Share of profit associated companies and joint ventures	0	-34	-2	6	-7
-62	-1	0	-62	0	Total items reclassified through profit or loss	0	-96	-2	5	-69
-109	22	3	-207	-30	Other comprehensive income	-30	-250	1	29	-116
1.812	379	411	1.151	1.508	Total comprehensive income	1.497	1.076	611	563	1.639
					Earnings per share (group)	5,98	5,19	2,39	2,09	6,87

Balance sheet

Parent bank				Note	Group		
31.12.16	30.09.16	30.09.17			30.09.17	30.09.16	31.12.16
			Balance sheet (MNOK)				
1.079	172	271	Cash and balances with central banks		271	172	1.079
10.138	10.883	8.463	Balances with credit institutions		4.135	1.073	4.334
120.252	122.134	125.117	Loans to customers	3, 8	165.787	156.153	156.372
22.042	22.680	29.956	Certificates, bonds and other fixed-income securities		29.579	21.737	21.024
5.057	5.620	4.771	Financial derivatives	10	3.960	4.653	4.315
433	391	359	Shares, ownership stakes and other securities	17	562	579	596
22	23	0	Business available for sale		0	23	22
2.884	3.172	2.964	Investment in associates		4.450	4.858	4.460
3.713	3.720	3.898	Investment in subsidiaries		0	0	0
698	3.479	1.216	Other assets	5	6.565	3.971	1.206
166.318	172.274	177.015	Total assets	12	215.309	193.219	193.408
3.231	3.520	3.081	Balances with credit institutions		2.172	4.729	2.674
86.184	87.527	98.807	Deposits from customers	7	98.602	87.240	85.914
52.987	54.049	48.351	Listed debt securities	11	86.341	74.140	79.183
2.711	5.664	2.506	Financial derivatives	10	2.113	3.554	2.515
1.999	2.358	3.410	Other liabilities	6	3.586	2.570	2.188
2.646	3.256	3.161	Subordinated loan capital	11	3.161	3.256	2.646
149.758	156.374	159.316	Total liabilities		195.975	175.489	175.120
6.394	6.394	6.394	Share capital		6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve		1.587	1.587	1.587
575	0	0	Proposed dividend		0	0	575
52	163	52	Fund for unrealised gains		52	163	52
0	0	150	Hybrid capital		150	0	0
7.952	6.398	7.978	Other equity		9.624	8.260	9.680
0	1.358	1.538	Profit/loss at period end		1.527	1.326	0
16.560	15.900	17.699	Total equity		19.334	17.730	18.288
166.318	172.274	177.015	Total liabilities and equity	12	215.309	193.219	193.408

Statement of changes in equity

SpareBank 1 SR-Bank Group (Amounts in NOK million)	Share- capital	Premium reserve	Hybrid- capital	Other equity	Reserve for unrealised gains	Total equity
Equity as of 31.12.2015	6.394	1.587		8.770	163	16.914
Profit after tax				1.866	-111	1.755
Unrecognised actuarial gains and losses after tax				-47		-47
Change in value of financial assets available for sale				-62		-62
Share of profit associated companies and joint ventures				-7		-7
Total items not reclassified through profit or loss				1.750	-111	1.639
Adjusted equity accosiates				121		121
Dividend 2015, resolved in 2016				-384		-384
Purchase/sale of own shares				-2		-2
Items reclassified through profit or loss	0	0		-386	0	-386
Equity as of 31.12.2016	6.394	1.587		10.255	52	18.288
Profit after tax				1.527		1.527
Unrecognised actuarial gains and losses after tax				-30		-30
Change in value of financial assets available for sale				0		0
Share of profit associated companies and joint ventures				0		0
Total items not reclassified through profit or loss				1.497	0	1.497
Hybrid capital			150	-2		148
Adjusted equity accosiates				-17		-17
Dividend 2016, resolved in 2017				-575		-575
Purchase/sale of own shares				-7		-7
Items reclassified through profit or loss	0	0		-582	0	-582
Equity as of 30.09.2017	6.394	1.587	150	11.151	52	19.334

Cash flow statement

Parent bank			Cash flow statement	Group		
01.01.16 - 2016	01.01.17 - 30.09.16	01.01.17 - 30.09.17		01.01.17 - 30.09.17	01.01.16 - 30.09.16	2016
16.959	15.100	-5.195	Change in gross lending to customers	-9.467	-2.163	-2.448
4.256	3.219	3.243	Interest receipts from lending to customers	3.880	3.808	5.095
-3.448	-2.105	12.623	Change in deposits from customers	12.688	-2.204	-3.530
-839	-226	-246	Interest payments on deposits from customers	-248	-230	-835
-1.963	-3.102	-226	Change in receivables and debt from credit institutions	-2.055	1.219	-1.837
-491	-370	-441	Interest on receivables and debt to financial institutions	-586	-463	-629
-1.728	-2.366	-7.914	Change in certificates and bonds	-8.536	-2.204	-1.510
443	340	312	Interest receipts from commercial paper and bonds	311	332	422
991	680	676	Commission receipts	1.085	1.025	1.445
60	68	-35	Capital gains from sale of trading	-45	65	59
-1.495	-1.191	-1.155	Payments for operations	-1.526	-1.552	-1.990
-544	-544	-621	Taxes paid	-685	-637	-637
-481	-2.373	2.195	Other accruals	-3.668	-2.131	369
11.720	7.130	3.216	A Net change in liquidity from operations	-8.852	-5.135	-6.026
-85	-70	-44	Investments in tangible fixed assets	-148	-125	-167
0	0	0	Receipts from sale of tangible fixed assets	0	0	0
-1.090	-1.115	-1.145	Change in long-term investments in equities	-115	-181	-168
368	120	331	Receipts from sales of long-term investments in equities	152	8	376
886	657	490	Dividends from long-term investments in equities	368	452	681
79	-408	-368	B Net cash flow, investments	257	154	722
8.395	2.363	4.393	Debt raised by issuance of securities	15.178	14.551	29.255
-15.813	-8.636	-9.455	Repayments - issued securities	-8.611	-8.940	-19.332
-835	-721	-428	Interest payments on securities issued	-615	-904	-1.075
0	0	935	Additional subordinated loan capital issued	935	0	0
-746	-179	-464	Repayments - additional capital instruments	-464	-179	-746
-132	-47	-25	Interest payments on subordinated loans	-25	-47	-132
		150	Increase in debt established by issuing hybrid capital	150		
-384	-384	-512	Dividend to share holders	-512	-384	-384
-9.515	-7.604	-5.406	C Net cash flow, financing	6.036	4.097	7.586
2.284	-882	-2.558	A+B+C Net cash flow during the period	-2.559	-884	2.282
1.109	1.109	3.393	Cash and cash equivalents as at 1 January	3.393	1.111	1.111
3.393	227	834	Cash and cash equivalents as at 31 March	834	227	3.393
			Cash and cash equivalents specified			
1.079	172	271	Cash and balances with central banks	271	172	1.079
2.314	55	563	Balances with credit institutions	563	55	2.314
3.393	227	834	Cash and cash equivalents	834	227	3.393

The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by SpareBank 1 SR-Bank and SpareBank 1 SR-Bank Group.

Notes to the financial statements

(in MNOK)

Note 1 Accounting policies

1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 30 September 2017. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for 2016.

Merger SpareBank 1 SR-Bank and SpareBank 1 SR-Finans AS

On 1 January 2017, SpareBank 1 SR-Bank ASA merged with its subsidiary SpareBank 1 SR-Finans AS. The merger has no effect on the comparable figures in the consolidated financial statements. As far as the parent bank is concerned, it has been decided that the financial statements for 2016 will not be restated since the figures are immaterial. The 2017 and 2016 figures for the parent bank will therefore not be directly comparable. Note 12 Segment Reporting has been reworked to reflect the new reporting structure and shows the segment at a consolidated level for 2016 as well.

Application of IFRIC 21 for reporting as of third quarter 2017

IFRIC 21 Levies regulates the recognition of obligations to pay levies that fall within the scope of IAS 37 Provisions. The interpretation deals with what events trigger levies being recognised as a liability.

Following the introduction of the standard, there has been some debate about whether or not the annual charge for the Norwegian Banks Guarantee Fund for 2015 and 2016 should have been charged as a cost in its entirety in the first quarter. On 19 September 2016, the Ministry of Finance laid down a new Regulation relating to withdrawing from the Norwegian Banks Guarantee Fund. The Regulation means that banks do not have to book the entire levy for the guarantee fund in the first quarter and will come into force on 1 January 2017. Pending the Financial Supervisory Authority of Norway's Regulation, SpareBank 1 SR-Bank continued its previous practice in 2016 by accruing the levy on a monthly basis.

New standards and interpretations that have not been adopted yet

A number of new standards, amendments to standards and interpretations will be compulsory in future annual financial statements. Among those the group has chosen not to apply early are the most important standards, IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. The group is well underway with preparations for the implementation of IFRS 9 and examining the consequences it will have. Work continued on models in 2016 and in 2017, as well as on clarifications concerning valuation, classification, etc. The work on models and analysis of the economic consequences will continue throughout 2017, meaning that the group will be ready for implementation on 1 January 2018. Please see note 42 on IFRS 9 Financial Instruments in the annual financial statements for 2016. The group has assessed the effects of IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases and does not believe these will have significant consequences.

There are no other standards or interpretations which are not currently in effect and would be expected to have a material effect on the consolidated financial statements.

1.2 Critical accounting estimates and judgements

The preparation of the consolidated financial statements entails the group executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2015 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

Note 2 Impairment losses on loans and guarantees recognised in the income statement

Parent bank				Group		
01.01.16 - 2016	01.01.17 - 30.09.16	01.01.17 - 30.09.17		01.01.17 - 30.09.17	01.01.16 - 30.09.16	2016
234	212	139	Change in individual impairment losses provisions for the period	93	229	277
147	133	0	Change in collective impairment loss provisions for the period	0	138	158
6	7	6	Amortised cost	6	6	6
126	103	162	Actual loan losses on commitments for which provisions have been made	162	108	142
178	116	123	Actual loan losses on commitments for which no provision has been made	123	134	208
0	0	1	Change in assets taken over for the period	48	10	0
-7	-5	-9	Recoveries on commitments previously written-off	-9	-9	-13
684	566	422	The period's net losses / (reversals) on loans and advances	423	616	778

Note 3 Impairment losses on loans and guarantees recognised in the balance sheet

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
288	288	522	Provisions for Individual impairment losses at start of period	521	318	318
0	0	74	Provisions for Individual impairment losses at start of period SR-Finans	74	0	0
33	26	160	Increases in previous provisions for individual impairment losses	160	26	33
-46	-31	-27	Reversal of provisions from previous periods	-74	-44	-51
380	323	171	New provisions for individual impairment losses	171	357	443
-7	-3	-3	Amortised cost	-2	-3	-7
-126	-103	-162	Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-162	-108	-141
522	500	735	Provisions for individual impairment losses at period end	688	547	595
304	219	285	Net losses	285	242	350

Note 4 Non-performing and impaired loans

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
			Non-performing loans and advances			
917	1.005	824	Gross non-performing loans above 90 days	824	1.154	1.070
231	226	236	Provisions for Individual impairment losses	236	272	275
686	779	588	Net non-performing loans and advances	588	882	795
25 %	22 %	29 %	Loan loss provision ratio	29 %	24 %	26 %
			Other problem commitments			
1.069	1.033	1.487	Problem commitments	1.352	1.007	1.141
291	274	499	Provisions for Individual impairment losses	452	275	320
778	759	988	Net other problem commitments	900	732	821
27 %	27 %	34 %	Loan loss provision ratio	33 %	27 %	28 %

Note 5 Other assets

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
0	2	0	Intangible assets	95	92	89
354	359	347	Tangible fixed assets	586	472	495
10	11	13	Income earned but not received from SpareBank 1 Bolig- and Næringskreditt	13	11	10
30	92	99	Prepaid expenses	101	96	32
9	0	0	Over funding of pension liabilities	0	0	9
200	100	200	Capital contribution SR-Pensjonskasse	200	100	200
46	2.744	497	Unsettled trades	5.138	2.744	46
49	171	60	Other assets	432	456	325
698	3.479	1.216	Total other assets	6.565	3.971	1.206

Note 6 Other debt, guarantees and other liabilities

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
202	115	219	Accrued expenses and prepaid revenue	297	209	283
315	562	365	Deferred tax	350	604	360
351	480	410	Pension liabilities	427	518	378
88	76	47	Other specified provisions	47	3	5
621	244	328	Taxes payable	380	301	681
146	541	1.759	Unsettled trades	1.759	541	146
276	340	282	Other liabilities	326	394	335
1.999	2.358	3.410	Total other liabilities	3.586	2.570	2.188
Guarantees issued (amounts guaranteed)						
9.759	9.579	8.645	Guarantees customers	8.749	9.628	9.835
588	500	589	Guarantees other	589	500	588
10.347	10.079	9.234	Total guarantees	9.338	10.128	10.423
Other liabilities						
5.371	1.298	624	Unused credit lines for financial institutions	0	0	0
19.154	18.891	18.274	Unused credit lines for customers	18.172	20.702	21.037
1.558	1.450	5.347	Approved loan commitments	5.197	1.530	1.650
23	13	59	Letters of credit	59	13	23
26.106	21.652	24.304	Total other liabilities	23.428	22.245	22.710

Note 7 Customer deposits by sector and industry

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
1.166	1.222	1.262	Agriculture/forestry	1.262	1.222	1.166
460	467	450	Fishing/Fish farming	450	467	460
1.226	1.227	1.244	Mining/extraction	1.244	1.227	1.226
1.305	1.021	1.144	Industry	1.144	1.021	1.305
1.968	1.900	1.712	Power and water supply/building and construction	1.712	1.900	1.968
2.529	2.309	6.664	Retail trade, hotels and restaurants	6.664	2.309	2.529
2.084	1.698	2.166	Foreign trade shipping, pipeline transport and other transport activities	2.166	1.698	2.084
5.640	5.732	1.966	Real estate	1.966	5.732	5.640
9.710	10.356	9.147	Service industry	8.948	10.075	9.440
17.923	18.213	28.880	Public sector and financial services	28.880	18.213	17.923
44.011	44.145	54.635	Total corporate sector	54.436	43.864	43.741
42.908	42.967	44.291	Retail customers	44.291	42.967	42.908
6	415	381	Accrued interests corporate sector and retail customers	375	409	6
-741	0	-500	Net cooperate accounts currency	-500	0	-741
86.184	87.527	98.807	Deposits from customers	98.602	87.240	85.914

Note 8 Loans by sector and industry

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
4.199	4.148	4.602	Agriculture/forestry	4.715	4.460	4.549
506	519	796	Fishing/Fish farming	796	729	755
4.535	5.781	4.624	Mining/extraction	4.626	6.029	4.780
2.320	2.435	3.467	Industry	3.477	3.031	2.914
2.808	2.765	3.407	Power and water supply/building and construction	3.509	3.493	3.533
2.358	2.429	2.896	Retail trade, hotels and restaurants	2.988	2.934	2.885
9.189	8.505	9.278	Foreign trade shipping, pipeline transport and other transport activities	9.354	9.044	9.766
27.115	26.643	27.722	Real estate	27.730	26.751	27.269
6.318	6.234	7.204	Service industry	7.255	8.267	8.441
1.749	1.675	2.881	Public sector and financial services	2.881	1.838	1.898
61.097	61.133	66.877	Total corporate sector	67.333	66.577	66.790
60.523	61.511	59.671	Retail customers	99.808	90.267	91.171
132	233	144	Unallocated (excess value fixed interest loans and amort. lending fees)	144	219	118
272	265	286	Accrued interests corporate sector and retail customers	320	290	301
-741	0	-500	Net cooperate accounts currency	-500	0	-741
121.283	123.142	126.478	Gross loans	167.105	157.353	157.639
-434	-424	-688	- Individual impairment losses provisions	-641	-544	-590
-597	-584	-673	- Collective impairment losses provisions	-677	-656	-676
120.252	122.135	125.117	Loans to customers	165.787	156.153	156.373

Note 9 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU's capital requirements for banks and securities undertakings (CRD IV/CRR).

SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

All capital ratio figures are based on the transitional rule (Basel I floor) that states that the capital requirement for using internal methods cannot be less than 80 per cent of the capital requirement according to the Basel I regulations.

The total minimum common equity tier 1 capital ratio requirement for SpareBank 1 SR-Bank, inclusive of the countercyclical buffer and Pillar 2 premium, as at 30 September 2017 was 13.5%. The requirement consists of a 4.5% minimum requirement plus other buffer requirements, which consist of a capital conservation buffer of 2.5%, a systemic risk buffer of 3.0% and a countercyclical buffer of 1.5%. The Financial Supervisory Authority of Norway has also set an individual Pillar 2 requirement of 2.0%. The countercyclical capital buffer will increase by 0.5 percentage points from 31 December 2017 and the minimum common equity tier 1 capital ratio requirement will thus increase to 14.0% from 31 December 2017.

Investments in associated companies and joint ventures are recognised in the group using the equity method and in accordance with the cost method in the parent bank. The investments are treated identically for the purposes of determining the capital adequacy ratio except for the group's investments in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt and BN Bank. A proportionate consolidation is carried out for the group's capital adequacy.

Parent bank				Group		
31.12.16	30.09.16	30.09.17		30.09.17	30.09.16	31.12.16
6.394	6.394	6.394	Share capital	6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve	1.587	1.587	1.587
575	0	0	Allocated to dividend	0	0	575
52	163	52	Reserve for unrealised gains	52	163	52
0	0	150	Hybrid capital	150	0	0
7.952	6.398	7.978	Other equity	9.624	8.260	9.680
	1.358	1.538	Profit for the period	1.527	1.326	
16.560	15.900	17.699	Total book equity	19.334	17.730	18.288
Tier 1 capital						
0	-2	0	Deferred taxes, goodwill and other intangible assets	-117	-96	-94
-575	0	0	Deduction for allocated dividends	0	0	-575
-210	-238	-218	Deduction for expected losses on IRB, net of write-downs	-283	-304	-263
0	0	-150	Hybrid capital that cannot be included in common equity tier 1 capital	-150	0	0
0	-679	-769	Profit for the period that cannot be included in total Tier 1 capital	-763	-663	0
0	0	0	financial institutions	0	-183	-163
-36	-39	-42	Value adjustment due to requirements concerning proper valuation	-45	-56	-50
15.739	14.942	16.520	Total Common equity Tier 1 capital	17.976	16.428	17.143
0	0	150	Hybrid capital	353	0	0
791	789	797	Tier 1 capital instruments	885	1.124	1.084
16.530	15.731	17.467	Total Tier 1 capital	19.214	17.552	18.227
Tier 2 capital						
1.778	2.326	1.894	Term subordinated loan capital	2.343	2.894	2.276
-60	-60	-42	Deduction for essential investments in financial institutions	-42	-60	-60
1.718	2.266	1.852	Total Tier 2 capital	2.301	2.834	2.216
18.248	17.997	19.319	Net primary capital	21.515	20.386	20.443

Note 9 Capital adequacy (continued)

Credit risk Basel II						
17.228	16.971	18.403	SME	18.407	16.974	17.231
18.176	17.919	19.549	Specialised enterprises	20.719	19.203	19.471
6.435	6.578	7.012	Other corporations	7.136	6.933	6.785
997	1.031	1.063	Mass market SME	1.282	1.229	1.194
15.599	16.431	14.743	Mass market - mortgage on real estate	26.658	27.020	25.899
1.992	748	2.006	Other mass market	2.052	787	2.027
10.439	10.764	10.392	Equity positions	0	0	0
70.866	70.442	73.168	Total credit and counterparty risk IRB	76.254	72.146	72.607
68	68	48	States and central banks	48	68	68
269	36	169	Local and regional authorities, state-owned enterprises	217	123	333
3.400	4.357	2.573	Institutions	1.922	2.742	2.169
3.324	3.286	8.316	Enterprises	8.964	7.324	7.446
546	102	1.856	Mass market	2.963	1.505	2.058
0	0	0	Mass market - mortgage on real estate	1.405	3.227	2.506
1.400	1.532	2.053	Covered bonds	2.572	2.059	1.817
2.938	2.937	3.054	Equity positions	4.852	4.959	4.950
824	1.372	878	Other assets	1.720	2.269	1.726
12.769	13.690	18.947	Total credit and counterparty risk standard method	24.663	24.276	23.073
415	494	467	Credit value adjustment risk (CVA)	992	890	701
5.458	5.458	5.591	Operational risk	7.480	7.079	7.054
0	0	0	Transitional scheme	12.429	14.727	13.216
89.508	90.084	98.173	Risk weighted balance	121.818	119.118	116.651
4.028	4.054	4.418	Minimum requirement for common equity Tier 1 capital ratio 4,5 %	5.482	5.360	5.249
			Buffer requirement			
2.238	2.252	2.454	Capital conservation buffer 2,5 %	3.045	2.978	2.916
2.685	2.703	2.945	Systemic risk buffer 3 %	3.655	3.574	3.500
1.343	1.351	1.473	Countercyclical capital buffer 1,5 %	1.827	1.787	1.750
6.266	6.306	6.872	Total buffer requirement to common equity Tier 1 capital ratio	8.527	8.338	8.166
5.446	4.582	5.230	Available common equity Tier 1 capital ratio after buffer requirement	3.967	2.729	3.728
20,39 %	19,98 %	19,68 %	Capital ratio	17,66 %	17,11 %	17,52 %
18,47 %	17,46 %	17,79 %	Tier 1 capital ratio	15,77 %	14,73 %	15,63 %
1,92 %	2,52 %	1,89 %	Tier 2 capital ratio	1,89 %	2,38 %	1,90 %
17,58 %	16,59 %	16,83 %	Common equity Tier 1 capital ratio	14,76 %	13,79 %	14,70 %
20,39 %	19,98 %	19,68 %	Capital ratio, IRB	19,67 %	19,53 %	19,76 %
18,47 %	17,46 %	17,79 %	Tier 1 capital ratio, IRB	17,56 %	16,81 %	17,62 %
17,58 %	16,59 %	16,83 %	Common equity Tier 1 capital ratio, IRB	16,43 %	15,74 %	16,57 %
9,17 %	8,40 %	9,32 %	Leverage Ratio	7,24 %	6,72 %	7,28 %

Note 10 Financial derivatives

Group

At fair value through profit and loss	Contract amount	Fair value at 30.09.17	
	30.09.17	Assets	Liabilities
Currency instruments			
Currency forward contracts	2.888	28	69
Currency swaps	48.309	360	213
Currency options	46	0	0
Total currency instruments	51.243	388	282
Interest rate instruments			
Interest rate swaps(including cross-currency)	48.442	954	1.100
Other interest rate contracts	100	1	1
Total interest rate instruments	48.542	955	1.101
Hedging / Interest rate instruments			
Interest rate swaps (including cross currency)	69.630	1.441	272
Total hedging / Interest rate instruments	69.630	1.441	272
Security			
Security		476	163
Total security		476	163
Accrued interests			
Accrued interests		700	295
Total accrued interests		700	295
Total currency and interest rate instruments			
Total currency instruments	51.243	388	282
Total interest rate instruments	118.172	2.396	1.373
		476	163
Total accrued interests		700	295
Total financial derivatives	169.415	3.960	2.113

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits.

Note 11 Issuance of unsecured debt and additional capital instruments

Group

Change in debt raised through issuance of securities	Balance as at 30.09.17	Issued/ sale own 2017	Past due/ redeemed 2017	FX rate- and other changes	31.12.16
				2017	
Bonds and certificates, nominal val	84.261	15.178	-8.610	1.157	76.536
Adjustments	1.426			-524	1.950
Accrued interests	654			-43	697
Total debt raised through issuance of securities	86.341	15.178	-8.610	590	79.183
Change in additional Tier 1 and Tier 2 capital instruments	Balance as at 30.09.17	Issued/ sale own 2017	Past due/ redeemed 2017	FX rate- and other changes 2017	31.12.16
Term subordinated loan capital, nominal amount	2.253	930	-464	9	1.778
Perpetual subordinated loan capital, nominal amount	0				0
Tier 1 capital instruments, nominal amount	797	5		1	791
Adjustments	49			-19	68
Accrued interests	62			53	9
Total additional Tier 1 and Tier 2 capital instruments	3.161	935	-464	44	2.646

The nominal value of the net outstanding covered bonds in SR-Boligkredit is NOK 38.0 billion.

Note 12 Segment reporting

The executive management team has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between the retail market (including self-employed people), the corporate market, the capital market and subsidiaries of significant importance. Staff/support covers all staff departments and treasury functions in the bank. The activities in SR-Boligkreditt AS are divided between the retail market and own account trading/staff/support in the parent bank segments. Commission income from Sparebank 1 Boligkreditt and SpareBank 1 Næringskreditt are reported under 'Net commissions and other income'. On 1 January 2017, SR-Finans was merged into the parent bank and the accounting figures for 2016 were distributed on the basis of estimates of 38% for the retail market and 62% for the corporate market in order to produce comparable figures.

SpareBank 1 SR-Bank Group 01.01.17 - 30.09.17									
Income statement (MNOK)	Retail Market	Corporate Market	Capital Market	Staff/Support	Eiendoms-Megler 1	Other activities	Eliminations	Total	
Interest income	1.467	1.430	102	1.303	2	4	-24	4.284	
Interest expense	335	331	74	1.219	0	3	-21	1.941	
Net interest income ¹⁾	1.132	1.099	28	84	2	1	-3	2.343	
Commission income ¹⁾	526	249	23	3	295	161	-44	1.213	
Commission expenses	0	0	0	21	0	26	13	60	
Other operating income	-34	-18	-4	5	0	0	55	4	
Net commission and other income	492	231	19	-13	295	135	-2	1.157	
Dividend income	2	0	0	7	0	2	0	11	
Income from investment in associates	0	10	0	471	0	0	-210	271	
Net gains/losses on financial instruments	3	10	69	35	0	8	23	148	
Net income on investment securities	5	20	69	513	0	10	-187	430	
Personnel expenses	286	140	40	234	166	67	-3	930	
Administrative expenses	72	21	12	206	29	9	1	350	
Other operating expenses	74	28	5	104	79	54	-27	317	
Total operating expenses	432	189	57	544	274	130	-29	1.597	
Operating profit before losses	1.197	1.161	59	40	23	16	-163	2.333	
Change in individual write-downs in the period	30	393	0	0	0	0	0	423	
Change in group write-downs in the period	-2	2	0	0	0	0	0	0	
Pre-tax profit	1.169	766	59	40	23	16	-163	1.910	
Net interest income ¹⁾									
External net interest income	1.132	1.099	28	84	0	4	-4	2.343	
Internal net interest income	0	0	0	0	2	-3	1	0	
Net interest income	1.132	1.099	28	84	2	1	-3	2.343	
				0					
Balance sheet (MNOK)				0					
Loans to customers	104.059	60.261	283	2.637	0	0	-135	167.105	
Individual loss provisions	-69	-619	0	0	0	0	47	-641	
Group loss provisions	-62	-615	0	0	0	0	0	-677	
Certificates/bonds/financial derivatives	0	0	1.796	33.315	0	9	-1.581	33.539	
Other assets	-235	1.158	160	21.651	174	942	-7.867	15.983	
Total assets	103.693	60.185	2.239	57.603	174	951	-9.536	215.309	
Deposits from customers	49.703	47.878	15	1.212	0	0	-206	98.602	
Other debt and equity ¹⁾	53.990	12.307	2.224	56.391	174	951	-9.330	116.707	
Total debt and equity	103.693	60.185	2.239	57.603	174	951	-9.536	215.309	
Loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	17.536	509						18.045	

1) Other liabilities contains allocated arrangements between the segments. 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). Deviations between the Group's actual funding costs and the applied interest on intercompany receivables are eliminated in the parent bank.

Note 12 Segment reporting (continued)

SpareBank 1 SR-Bank Group 01.01.16 - 30.09.16								
Income statement (MNOK)	Retail Market	Corporate Market	Capital Market	Staff/Support	Eiendoms-Megler 1	Other activities	Eliminations	Total
Interest income	1.337	1.473	12	1.452	2	2	-113	4.163
Interest expense	388	394	-24	1.378	0	0	-112	2.025
Net interest income ¹⁾	948	1.078	36	74	2	2	-1	2.138
Commission income	509	239	36	8	263	128	-45	1.139
Commission expenses	33	26	3	13	0	23	-43	54
Other operating income	0	0	0	4	0	0	-1	3
Net commission and other income	477	213	33	-1	263	106	-2	1.088
Dividend income	5	0	2	99	0	0	-1	105
Income from investment in associates	0	18	0	534	0	0	-246	306
Net gains/losses on financial instruments	3	1	19	51	0	-2	32	104
Net income on investment securities	8	19	20	684	0	-2	-215	515
Personnel expenses	275	138	39	213	153	58	-2	873
Administrative expenses	62	22	11	203	26	8	0	331
Other operating expenses	75	27	9	92	70	16	-1	288
Total operating expenses	411	187	60	507	248	82	-3	1.492
Operating profit before losses	1.022	1.123	30	248	16	24	-215	2.249
Change in individual write-downs in the period	29	449	0	0	0	0	0	478
Change in group write-downs in the period	4	134	0	0	0	0	0	138
Pre-tax profit	989	539	30	248	16	24	-214	1.633
Net interest income ¹⁾								
External net interest income	982	1.133	36	74	0	2	-89	2.138
Internal net interest income	-34	-55	0	0	2	0	88	0
Net interest income	948	1.078	36	74	2	2	-1	2.138
Balance sheet (MNOK)								
Loans to customers	94.734	59.441	460	2.769	0	0	-51	157.353
Individual loss provisions	-73	-407	0	0	0	0	-64	-544
Group loss provisions	-61	-595	0	0	0	0	0	-656
Certificates/bonds/financial derivatives	0	0	4.680	24.042	0	18	-2.350	26.390
Other assets	36	965	119	21.281	177	757	-12.659	10.676
Total assets	94.636	59.404	5.259	48.092	177	775	-15.124	193.219
Deposits from customers	48.157	37.503	1.863	6	0	0	-289	87.240
Other debt and equity ¹⁾	46.479	21.901	3.396	48.086	177	775	-14.835	105.979
Total debt and equity	94.636	59.404	5.259	48.092	177	775	-15.124	193.219
Loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	25.170	520						25.690

Note 13 Net income/losses from financial instruments

Parent bank				Group		
01.01.16 - 31.12.16	01.01.16 - 30.09.16	01.01.17 - 30.09.17		01.01.17 - 30.09.17	01.01.16 - 30.09.16	01.01.16 - 31.12.16
8	-23	62	Net gains/losses on equity instruments	92	9	51
-146	-102	-75	Net gains/losses for bonds and certificates	-82	-112	-156
158	106	93	Net derivatives; bonds and certificates	93	106	158
2	1	2	Net counterparty risk, inclusive of CVA	2	1	2
-25	-13	1	Net derivatives; other assets	1	-13	-24
12	18	-18	Net derivatives; liabilities	0	14	7
12	-24	59	Net derivatives; basis swap spread	-27	1	-15
124	87	74	Net gain currency	69	98	137
145	50	198	Net income/losses from financial instruments	148	104	160

Note 14 Pensions

The SpareBank 1 SR-Bank group has two types of pension scheme: defined benefit-based and contribution benefit-based pension schemes. For more information about the accounting treatment of the schemes see note 1 above and note 24 to the annual financial statements for 2016.

A decision was taken at the board meeting in June 2015 that employees who were members of the defined benefit scheme had to transfer to a defined contribution pension scheme from 1 January 2016. Upon transitioning to a contribution based pension scheme from 1 January 2016, employees who were in the defined benefit scheme received a paid-up policy for their earned rights from the defined benefit scheme.

Paid-up policies will be managed by the pension fund, which from 1 January 2016 was set as a paid-up fund. A framework agreement has been established between SpareBank 1 SR-Bank and the pension fund that covers things such as financing, capital management, etc. Because of the responsibilities SpareBank 1 SR-Bank ASA still has, future liabilities will have to be incorporated in the financial statements. The board of the pension fund must consist of representatives of the group and pension scheme participants in accordance with the pension fund's articles of association.

The following economic assumptions have been used to calculate the obligations for the defined benefit-based pension scheme:

Q3	Q4	Q1	Q2 2017	Q3 2017	Parent bank and group
2,10 %	2,60 %	2,40 %	2,40 %	2,40 %	Discount rate
2,10 %	2,60 %	2,40 %	2,40 %	2,40 %	Expected return on assets
2,25 %	2,50 %	2,50 %	2,50 %	2,50 %	Forecast salary increase
2,00 %	2,25 %	2,25 %	2,25 %	2,25 %	National Insurance scheme's basic amount
1,60 %	2,00 %	1,60 %	1,60 %	1,60 %	Pension adjustment
2,00 %	1,60 %	1,60 %	1,60 %	1,60 %	Paid-up policy adjustment

Change in pension obligations (NOK million):

Parent bank						Group				
2016	Q3 2016	Q3 2017	01.01.16 - 30.09.16	01.01.17 - 30.09.17		01.01.17 - 30.09.17	01.01.16 - 30.09.16	Q3 2017	Q3 2016	2016
238	507	411	238	351	Net obligations opening balance	378	263	428	546	263
0	0	0	0	10	Merger SR-Finans	0	0	0	0	0
62	-31	-4	193	40	Actuarial liabilities and losses recognised in comprehensive income	40	205	-4	-32	62
22	5	4	19	12	Net pension cost	13	21	5	6	23
0	0	0	36	0	Company contributions	0	37	0	0	0
36	0	0	0	0	Transfer from premium fund to contribution fund	0	0	0	0	38
-7	-1	-1	-6	-3	Payments from operations	-4	-8	-2	-2	-8
0	0	0	0	0	Curtailements included in the income statement	0	0	0	0	0
351	480	410	480	410	Net pension obligations closing balance	427	518	427	518	378

Note 15 Sale of loans

In 2010, in association with the other owners of Sparebank 1 Boligkreditt, Sparebank 1 SR-Bank entered into an agreement to establish a liquidity facility for SpareBank 1 Boligkreditt. This implies that the banks undertake to buy mortgage bonds limited to a total value equal to 12 months' maturities in SpareBank 1 Boligkreditt. Each owner is primarily liable for its share of the need, secondarily for twice the amount of the primary liability under the same agreement. The bonds can be deposited with Norges Bank and represent, therefore, no significant increase in the bank's inherent risk.

SpareBank 1 SR-Bank has concluded agreements concerning the sale of loans with good security and collateral in real estate to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. For more information about the accounting treatment of the agreements see note 2 and note 9 in the 2016 annual financial statements.

SpareBank 1 SR-Bank has also concluded an agreement concerning the sale of loans with good security and collateral in real estate to its subsidiary sheet, but are recognised in the consolidated financial statements, see note 2 in the annual financial statements for 2016.

Note 16 Liquidity risk

Liquidity risk is the risk that the group is not able to refinance its debt or is not able to finance an increase in assets. The bank's framework for managing liquidity risk shall reflect the bank's conservative risk profile. The board has adopted internal limits such that the bank has as balanced a maturity structure for its borrowing as possible. Stress testing is conducted for the various terms of maturity for bank-specific crises, system crises and combinations of these. A contingency plan has also been put in place to manage liquidity crises. The average remaining term to maturity in the portfolio of senior bond funding and covered bonds was 3.8 years at the end of the second quarter of 2017. The total LCR was 212% at the end of the third quarter, and the average total LCR was 171% in the quarter. The LCR in NOK and EUR at the end of the quarter was 87% and 14,580%, respectively.

Note 17 Information about fair value

Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices)

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions)

Fair value 30.09.2017	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			7.944	7.944
Commercial paper and bonds at fair value	19.133	7.879		27.012
Financial derivatives		3.960		3.960
Equities, units and other equity interests	321	3	238	562
Operations that will be sold				-
Liabilities				
Financial derivatives		2.113		2.113

No transfers between levels 1 and 2

Note 17 Information about fair value (continued)

Fair value 30.09.16	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			9.841	9.841
Commercial paper and bonds at fair value	12.976	6.571		19.547
Financial derivatives		4.653		4.653
Equities, units and other equity interests	237	119	223	579
Operations that will be sold			23	23
Liabilities				
Financial derivatives		3.554		3.554
No transfers between levels 1 and 2				

Change in holding during the financial year of assets valued on the basis of factors other than observable market data

Group	Loans to customers	Shares, ownership stakes and other securities	Business available for sale
Balance 01.01	9.336	197	22
Additions	818	40	
Disposals	-2.196	-15	-22
Transferred from or to measurement according to prices in an active market or observable market data			
Change in value ¹⁾	-14	16	
Balance 30.09	7.944	238	0
Nominal value/cost price	7.746	229	0
Fair value adjustment	198	9	0
Balance 30.09	7.944	238	0

Sparebanken Hedmark completed its acquisition of Bank 1 Oslo Akershus in the second quarter of 2016. As far as SpareBank 1 SR-Bank is concerned, this means that its previous stake in Bank 1 Oslo Akershus has been realised with settlement in equity certificates in Sparebanken Hedmark. The analysis environment in SpareBank 1 Gruppen has conducted a valuation of Sparebanken Hedmark. The valuation is based on a combination of two methods: multiple pricing and the dividend discounting model. The valuation is used by all of the SpareBank 1 banks with stakes in Sparebanken Hedmark. The merger between Sparebanken Hedmark and Bank 1 Oslo Akershus was completed in April 2017 and the bank subsequently changed its name to SpareBank 1 Østlandet. In June 2017, SpareBank 1 Østlandet was listed on the stock exchange and stock value has been used for the second quarter of 2017.

SpareBank 1 SR-Bank is a member of Visa Norge FLI. Visa Norge FLI is, as a group member of Visa Europe, also a shareholder in Visa Europe Ltd. In November 2015, an agreement was announced concerning the sale of Visa Europe Ltd to Visa Inc. The transaction significantly increased the equity in Visa Norge IFS. SpareBank 1 SR-Bank's ownership interests in Visa Norge IFS are considered a financial asset in the available for sale category (AFS investment) and must therefore be recognised at fair value as long as this can be reliably measured. The remuneration consists of shares in Visa Inc., a cash settlement and a postponed cash payment. On 31 December 2015, the estimated value of the shares resulted in income in other comprehensive income of NOK 95 million. SpareBank 1 SR-Bank received the cash settlement in the second quarter of 2016. This amounted to NOK 94 million, compared with the amount calculated at the end of 2015 of NOK 72 million. The cash settlement was posted as dividends via the income statement in the second quarter of 2016. SpareBank 1 SR-Bank still has an ownership item linked to the postponed cash payment and shares in Visa Norge totalling NOK 34 million. This item is posted in other comprehensive income and will not affect the result until it is realised.

The transaction in which the SpareBank 1 Alliance's mCASH payment solution was merged with Vipps AS was completed in the third quarter of 2017. Following the transaction, SpareBank 1 SR-Bank owns 19.7 % of SpareBank 1 Betaling AS, which in turn owns 25% of Vipps AS. The value of the stake provided the basis for the transaction with Vipps AS and the analysis group in SpareBank 1 Gruppen has conducted an evaluation of the stake. The evaluation was based on a business case that was produced in connection with the negotiations surrounding Vipps and the expected value of the stake as an independent company. The value calculated is considered to be almost equal to SpareBank 1 SR-Bank's share of the equity in SpareBank 1 Betaling AS following the transaction, and the group has recognised income of NOK 4 million in the year-to-date 2017 due to the transaction. SpareBank 1 SR-Bank's ownership interest in SpareBank 1 Betaling AS is included in the group as an associated company.

Note 17 Information about fair value (continued)

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the applicable interest curve, having taken into account a market premium, which is adjusted for the profit margin. The conducted sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 23 million.

¹⁾ Value changes are recognised in net income from financial instruments

Fair value of financial instruments at amortised cost

Group	Balance	Fair value
	30.09.2017	30.09.2017
Assets		
Cash and balances with central banks	271	271
Balances with credit institutions	4.135	4.135
Loans to customers ¹⁾	157.843	157.843
Certificates and bond held to maturity	2.567	2.587
Total assets at amortised cost	164.816	164.836
Liabilities		
Balances with credit institutions	2.172	2.172
Deposits from customers ¹⁾	98.602	98.602
Listed debt securities	86.341	87.164
Subordinated loan capital	3.161	3.089
Total liabilities at amortised cost	190.276	191.027

¹⁾ Loans to customers and deposits at amortised cost, amount to book value best estimate at fair value.

Note 18 Events after the balance sheet date

No material events that have influence on the prepared interim financial statements have been registered after 30 September 2017.

Quarterly income statement

SpareBank 1 SR-Bank Group, MNOK	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2017	2017	2017	2016	2016	2016	2016	2015	2015
Interest income	1.455	1.437	1.392	1.400	1.384	1.379	1.400	1.408	1.431
Interest expense	635	653	653	667	655	668	702	730	782
Net interest income	820	784	739	733	729	711	698	678	649
Commission income	407	417	389	372	365	405	369	388	372
Commission expenses	22	19	19	18	18	17	19	17	21
Other operating income	1	2	1	1	0	1	2	1	2
Net commission and other income	386	400	371	355	347	389	352	372	353
Dividend income	2	4	5	5	0	97	8	1	1
Income from investment in associates	127	81	63	78	90	112	104	110	78
Net gains/losses on financial instrument	69	58	21	56	141	-4	-33	-124	-67
Net income on financial investments	198	143	89	139	231	205	79	-13	12
Total income	1.404	1.327	1.199	1.227	1.307	1.305	1.129	1.037	1.014
Personnel expenses	312	312	306	293	282	296	295	114	221
Administrative expenses	111	127	112	133	115	114	102	125	114
Other operating costs	107	109	101	114	89	104	95	129	94
Total operating cost	530	548	519	540	486	514	492	368	429
Operating profit before impairment losses	874	779	680	687	821	791	637	669	585
Impairment losses on loans and guarantees	124	131	168	162	161	305	150	192	96
Pre-tax profit	750	648	512	525	660	486	487	477	489
Tax expense	140	134	109	96	126	80	101	35	112
Profit after tax	610	514	403	429	534	406	386	442	377

Profitability

Return on equity per quarter ¹⁾	12,9 %	11,0 %	8,7 %	9,5 %	12,2 %	9,4 %	9,0 %	10,6 %	9,3 %
Cost percentage ²⁾	37,7 %	41,3 %	43,3 %	44,0 %	37,2 %	39,4 %	43,6 %	35,5 %	42,3 %
Combined weighted total average spread for lending and deposits ³⁾	1,54 %	1,52 %	1,53 %	1,50 %	1,48 %	1,48 %	1,44 %	1,40 %	1,39 %

Balance sheet figures from quarterly accounts

Gross loans to customers	167.105	164.958	159.843	157.638	157.352	156.738	155.172	155.190	151.911
Gross loans to customers including SB1 Bolig- and Næringskreditt	185.150	184.317	183.182	182.332	183.042	183.438	183.939	183.896	182.940
Growth in loans over last 12 months ⁴⁾	6,2 %	5,2 %	3,0 %	1,6 %	3,6 %	4,3 %	7,2 %	9,6 %	10,6 %
Growth in loans incl SB1 Bolig- and Næringskreditt	1,2 %	0,5 %	-0,4 %	-0,9 %	0,1 %	1,1 %	2,9 %	5,4 %	7,4 %
Deposits from customers	98.602	99.758	93.125	85.914	87.240	89.633	87.023	89.444	88.980
Growth in deposits over last 12 months	13,0 %	11,3 %	7,0 %	-3,9 %	-2,0 %	-1,3 %	1,2 %	9,8 %	9,5 %
Total assets	215.309	212.879	200.182	193.408	193.219	196.763	194.763	192.049	191.500
Average total assets	211.111	207.389	195.967	194.963	195.489	192.792	194.300	192.315	185.459

Losses and non-performing commitments

Impairment losses ratio, annualized ⁵⁾	0,30 %	0,32 %	0,42 %	0,41 %	0,41 %	0,78 %	0,39 %	0,50 %	0,25 %
Impairment losses ratio, including loans SB1 Bolig- and Næringskreditt	0,27 %	0,29 %	0,37 %	0,35 %	0,35 %	0,66 %	0,33 %	0,42 %	0,21 %
Non-performing commitments as a percentage of total loans	0,49 %	0,50 %	0,46 %	0,68 %	0,73 %	0,56 %	0,49 %	0,55 %	0,23 %
Non-performing commitments as a percentage of total loans, including loans SB1 Bolig- and Næringskreditt	0,45 %	0,45 %	0,40 %	0,59 %	0,63 %	0,48 %	0,41 %	0,46 %	0,19 %
Other doubtful commitments as a percentage of total loans	0,81 %	0,84 %	0,95 %	0,72 %	0,64 %	0,78 %	0,61 %	0,35 %	0,45 %
Other doubtful commitments as a percentage of total loans, including loans Bolig- and Næringskreditt	0,73 %	0,76 %	0,83 %	0,62 %	0,55 %	0,67 %	0,51 %	0,30 %	0,37 %

See next page for definition of key figures

Quarterly income statement (continued)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Solidity									
Common equity Tier 1 capital ratio	14,8 %	14,7 %	14,7 %	14,7 %	13,8 %	13,5 %	13,4 %	13,3 %	12,2 %
Tier 1 capital ratio	15,8 %	15,7 %	15,6 %	15,6 %	14,7 %	14,4 %	14,3 %	14,2 %	13,1 %
Capital ratio	17,7 %	17,9 %	17,5 %	17,5 %	17,1 %	16,8 %	16,8 %	16,7 %	15,2 %
Tier 1 capital	19.214	18.938	18.482	18.227	17.552	17.266	16.955	16.882	16.063
Net primary capital	21.515	21.623	20.744	20.443	20.386	20.139	19.853	19.933	18.635
Risk weighted balance	121.818	120.683	118.410	116.651	119.118	119.705	118.527	119.124	122.380
Leverage ratio	7,2 %	7,2 %	7,1 %	7,3 %	6,7 %	6,4 %	6,4 %	6,3 %	5,9 %
Liquidity									
Liquidity Coverage Ratio (LCR) ⁶⁾	212 %	212 %	200 %	174 %	123 %	173 %	130 %	128 %	164 %
Deposit-to-loan ratio	59,0 %	60,5 %	58,3 %	54,5 %	55,4 %	57,2 %	56,1 %	57,6 %	58,6 %
Branches and staff									
Number of branches	36	36	36	36	47	49	49	49	50
Number of man-years	1.151	1.125	1.142	1.127	1.154	1.148	1.169	1.161	1.150
Number of man-years including temps	1.228	1.186	1.188	1.172	1.207	1.182	1.194	1.190	1.210
SpareBank 1 SR-Bank share									
Market price at end of quarter	85,75	71,50	64,25	60,75	45,60	41,20	40,60	39,30	42,40
Market capitalisation	21.931	18.286	16.432	15.537	11.662	10.537	10.383	10.051	10.844
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share (including dividends)	75,07	72,72	72,91	71,54	69,36	67,16	67,68	66,14	64,02
Earnings per share, NOK (annualised)	2,39	2,01	1,58	1,68	2,09	1,59	1,51	1,73	1,47
Price/earnings per share	8,97	8,89	10,17	9,04	5,45	6,48	6,72	5,68	7,21
Price / Book equity (group)	1,14	0,98	0,88	0,85	0,66	0,61	0,60	0,59	0,66
Annualised turnover rate in quarter ⁷⁾	4,2 %	8,6 %	15,1 %	12,9 %	3,1 %	2,5 %	4,6 %	3,4 %	5,1 %
Effective return ⁸⁾	19,9 %	14,8 %	5,8 %	33,2 %	10,7 %	5,2 %	3,3 %	-7,3 %	-18,9 %

Key figure definitions

¹⁾ Operating result as a percentage of average equity

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

³⁾ Net interest income as a percentage of average total assets

⁴⁾ High growth in loans in 2015 is attributable to a buy-back of loans from SpareBank 1 Boligkredit AS

⁵⁾ Impairment losses on loans as a percentage of average gross loans, annualised

⁶⁾ High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

⁷⁾ Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

⁸⁾ Percentage change in the market price in the last period, including paid share dividend

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2017 Financial Calendar

Preliminary annual results for 2016	Wednesday 8 February
Annual General Meeting	Thursday 20 April
Ex-dividend	Friday 21 April
Dividend payment date	Friday 28 April
Q1 2017	Thursday 27 April
Q2 2017	Wednesday 9 August
Q3 2017	Friday 27 October