

From Untouched Nature
to Tourist Magnet.

THIRD QUARTER 2015

SpareBank 
SR-BANK

Chief Executive, CEO

Arne Austreid

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Information on the Internet

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

Financial Calendar

Third quarter 2015	29 October
Preliminary annual results for 2015	04 February
Annual general meeting 2015	27 April
Ex-dividend date	28 April
First quarter 2016	27 April
Second quarter 2016	10 August
Third quarter 2016	26 October

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1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q3 2015

- Pre-tax profit: NOK 489 million (NOK 577 million)
- Profit after tax: NOK 377 million (NOK 454 million)
- Return on equity after tax: 9.3% (12.2%)
- Earnings per share: NOK 1.47 (NOK 1.78)
- Net interest income: NOK 649 million (NOK 621 million)
- Net commission and other income: NOK 353 million (NOK 403 million)
- Net income on investment securities: NOK 12 million (NOK 142 million)
- Operating expenses: NOK 429 million (NOK 520 million)
- Impairment losses on loans and guarantees: NOK 96 million (NOK 69 million)
(Q3 2014 in parentheses)

As at 30 September 2015

- Pre-tax profit: NOK 1,669 million (NOK 2,048 million)
- Profit after tax: NOK 1,304 million (NOK 1,647 million)
- Return on equity after tax: 10.9% (15.0%)
- Earnings per share: NOK 5.10 (NOK 6.45)
- Net interest income: NOK 1,915 million (NOK 1,749 million)
- Net commission and other income: NOK 1,160 million (NOK 1,327 million)
- Net income from financial investments: NOK 317 million (NOK 662 million)
- Operating expenses: NOK 1,495 million (NOK 1,526 million)
- Impairment losses on loans and guarantees: NOK 228 million (NOK 164 million)
- Total lending growth over past 12 months: 7.4% (3.5%)
- Growth in deposits over past 12 months: 9.5% (14.9%)
- Tier 1 capital ratio: 13.1% (13.1%)
- CET 1 capital ratio: 12.2% (11.3%)
(As at 30 September 2014 in parentheses)

Income statement

Financial results

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Net interest income	649	639	627	655	621	1.915	1.749
Net commission and other income	353	399	408	405	403	1.160	1.327
Net return on investment securities	12	94	211	116	142	317	662
Total income	1.014	1.132	1.246	1.176	1.166	3.392	3.738
Total operating expenses	429	536	530	530	520	1.495	1.526
Operating profit before losses	585	596	716	646	646	1.897	2.212
Losses on loans and guarantees	96	44	88	93	69	228	164
Operating profit before tax	489	552	628	553	577	1.669	2.048
Tax expense	112	121	132	105	123	365	401
Profit after tax	377	431	496	448	454	1.304	1.647

Key figures

Key figures




	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Return on equity ¹⁾	9,3 %	10,8 %	12,7 %	11,7 %	12,2 %	10,9 %	15,0 %
Cost ratio ²⁾	42,3 %	47,3 %	42,5 %	45,1 %	44,6 %	44,1 %	40,8 %
Deposit-to-loan ratio	58,6 %	60,4 %	59,4 %	57,5 %	59,1 %	58,6 %	59,1 %
Growth in loans	10,6 %	11,0 %	18,9 %	17,7 %	17,7 %	10,6 %	17,7 %
Growth in loans incl. covered bond companies	7,4 %	7,6 %	7,3 %	4,7 %	3,5 %	7,4 %	3,5 %
Growth in deposits	9,5 %	11,1 %	15,5 %	13,7 %	14,9 %	9,5 %	14,9 %
Average total assets, MNOK	185.459	177.861	175.938	172.179	166.894	179.823	163.782
Total assets, MNOK	191.500	181.889	176.913	174.926	168.310	191.500	168.310
Impairment losses ratio ³⁾	0,25	0,12	0,25	0,27	0,20	0,21	0,17
Capital ratio	15,2	15,3	15,2	14,5	15,4	15,2	15,4
Common Equity Tier 1 capital ratio	12,2	12,3	12,1	11,5	11,3	12,2	11,3
Share price	42,40	52,25	56,25	52,50	61,00	42,40	61,00
EPS (group)	1,47	1,69	1,94	1,75	1,78	5,10	6,45

¹⁾ Net profit as a percentage of average equity.

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

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

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

1	Rogaland	
Population	467.000	
Market share	37%	
Year of establishment	1839	
Market strategy	Market leader	
Unemployment rate	3.8%	
2	Hordaland	
Population	512.000	
Market share	6%	
Year of establishment	2006	
Market strategy	Entry/growth	
Unemployment rate	2.8%	
3	Agder	
Population	296.000	
Market share	9%	
Year of establishment	2002	
Market strategy	Growth	
Unemployment rate	3.7%	

Source: Nav, SSB og SpareBank 1 SR-Bank

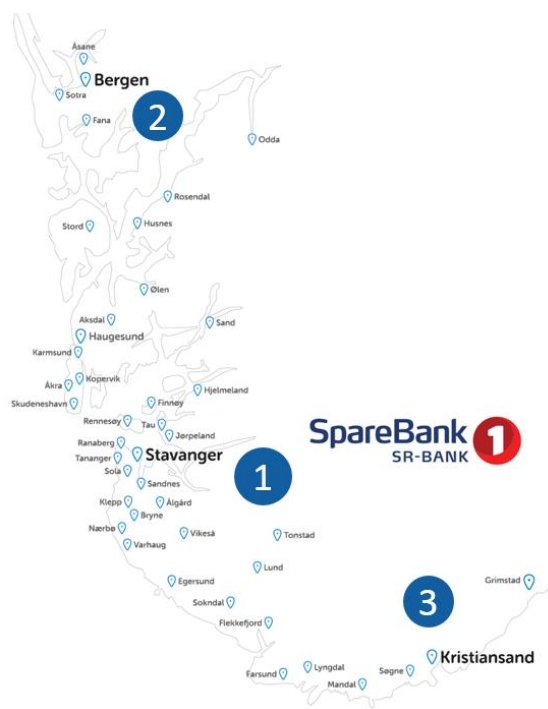


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank is Norway’s largest regional bank and the second largest Norwegian-owned bank (after DNB) with gross lending including covered bond companies of NOK 183 billion and market cap of NOK 10.8 billion as at 30 September 2015. Head office is in Stavanger. The market areas are the counties of Rogaland, Agder and Hordaland. SpareBank 1 SR-Bank ASA has 1 150 employees and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

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

Retail Market

SpareBank 1 SR-Bank ASA is the leading retail customer bank in Rogaland, with about 262,000 retail customers and a market share in Rogaland of about 40 per cent. The division also serves agricultural clients, sole proprietorships and associations.

Corporate Market

SpareBank 1 SR-Bank ASA service about 12,000 customers in the business sector and public sector. These also include small businesses, agricultural customers, societies and associations. About 40 per cent of all businesses in the bank’s traditional market list SpareBank 1 SR-Bank ASA as their main bank.

Capital Market

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

Divisions of SpareBank 1 SR-Bank ASA

Capital Markets
Number of man-years : 33

Retail Market
Number of man-years : 462

Corporate Market
Number of man-years : 168

Administration & Support
Number of man-years : 207

Fully owned companies



Number of man-years : 204
Key areas:
• Leading real estate broker



Number of man-years : 14
Key areas:
• Asset management



Number of man-years : 33
Key areas:
• Leasing



Number of man-years : 28
Key areas:
• Accounting
• Advisory



Number of man-years : 1
Key areas:
• Covered Bond Funding

Partly owned companies

SpareBank 1 Gruppen AS
(19,5 %)

Holding company for the SpareBank 1 - Alliance

BN Bank ASA
(23,5 %)

Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt AS
(20,1%)

Covered bond company (mortgages)

SpareBank 1 Næringskreditt AS
(26,8 %)

Covered bond company (commercial real estate)

SpareBank 1 Kredittkort
(18,1 %)

Credit card company located in Trondheim

Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

Q3 2015

MNOK	Retail market		Corporate market		Capital market	
	2015	2014	2015	2014	2015	2014
Operating profit before tax 3rd quarter only	289	340	208	201	-37	6
Operating profit before tax as at 30 September	919	1.041	647	660	-8	55
Gross loans to customers excl. SB1 Boligkreditt and SB1 Næringskreditt as at 30 September	85.591	77.924	56.187	49.931	720	521
Deposits from customers as at 30 September	46.917	44.192	36.833	32.977	4625	1741

* not including subsidiaries

Vision and strategy

Our vision: Recommended by customers

Primary objective	Financial targets
<ul style="list-style-type: none">• SpareBank 1 SR-Bank ASA is committed to value creation in the bank's core market area• Sustainable contribution to the value creation process in the region through;<ul style="list-style-type: none">• Sustainable and profitable business model• Owner friendly and stable dividend policy	<ul style="list-style-type: none">• Return on equity of 12% after tax in 2015. In the long-term, under prevailing market conditions, the target is a minimum of 12%.• Top 50% return on equity and cost/income in a Nordic benchmark
Strategic goals	Strategic focus
<ul style="list-style-type: none">• Most preferred partner for financial services in South-Western Norway, based on;<ul style="list-style-type: none">• Good customer experience• Strong team spirit and professionalism• Local anchoring and local decisions• Solvency, profitability and trust by the market	<ul style="list-style-type: none">• Targeted customer growth and increased product mix• Innovative and continuing focus on efficiency• Expertise adapted to future customer needs• Diversified funding platform

Figure 1.2.3: Vision and strategy

Legal and organizational structure

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

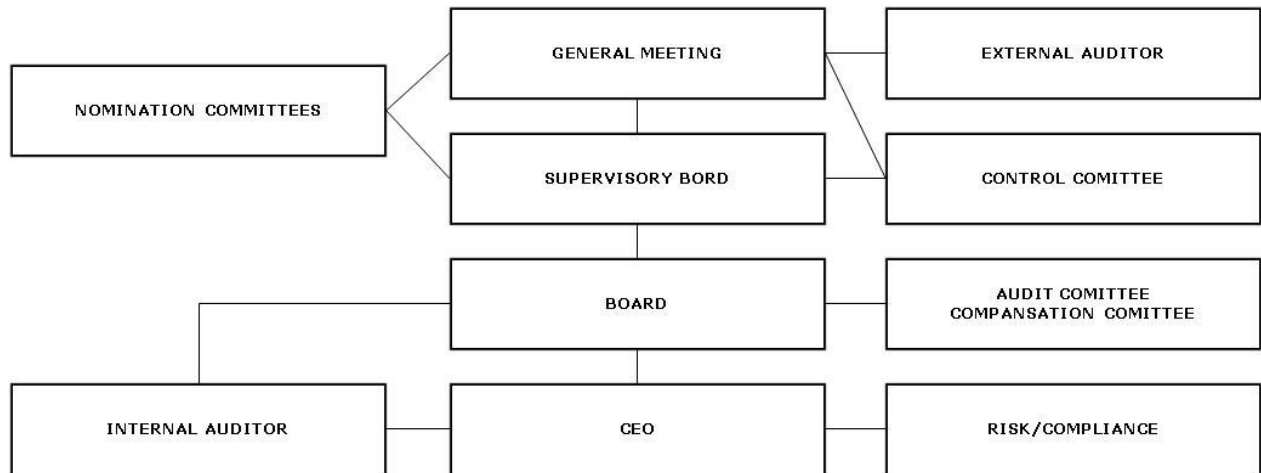


Figure 1.2.4: Overview of management and control bodies

General Meeting

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

Supervisory Board

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

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

Control Committee

The Control Committee consists of three members and one deputy member who are elected for terms of two years at a time.

The Control Committee must see to it that the activities of SpareBank 1 SR-Bank are conducted in an appropriate manner, including co-operation and having on-going contact with other possible control committees of group companies, and conducting supervision that the Board and CEO have adequate supervision and control of the subsidiaries.

Board of Directors

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

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

Board committees

The Board of Directors has established a Compensation Committee and an Audit Committee. The committees shall assist the Board of Directors in preparing cases, but the decision shall be made jointly by the Board of Directors. Both committees, on their own initiative, are able to conduct meetings and processes cases without participation by the administration.

Instructions for the committees are established by the Board of Directors.

Organisation of SpareBank 1 SR-Bank ASA

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

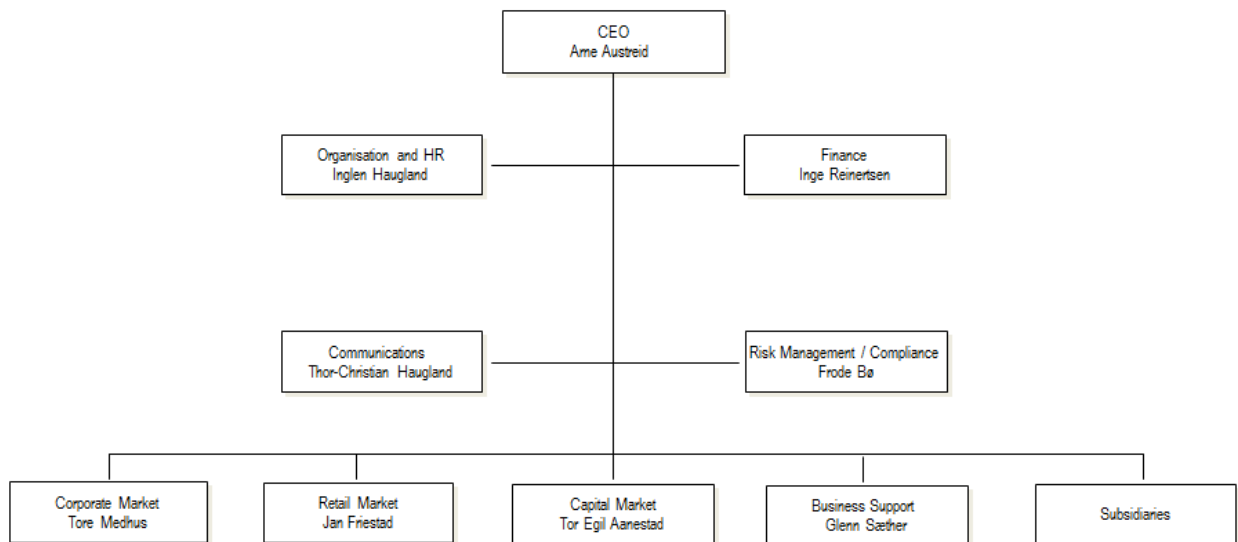


Figure 1.2.5: Organizational structure of SpareBank 1 SR-Bank

The SpareBank 1 Alliance

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

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

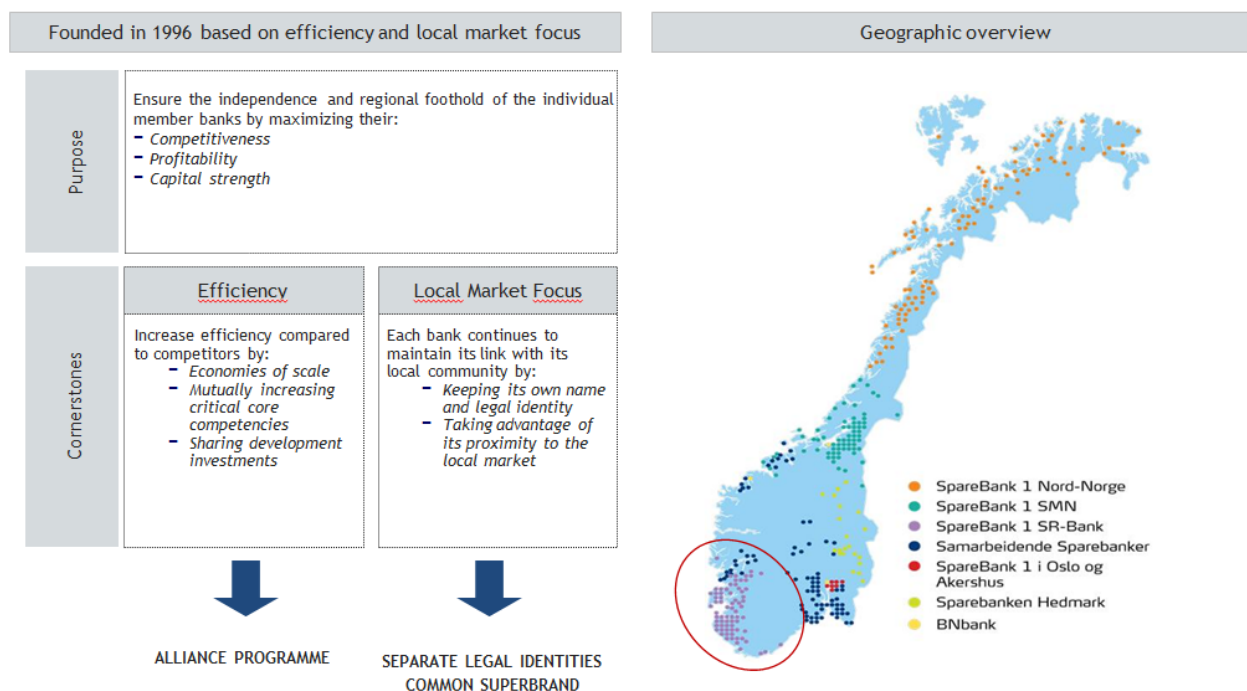


Figure 1.2.6: Geographic overview of the SpareBank 1 Alliance

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

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

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

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

SpareBank 1 Alliance

Owners of the alliance

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

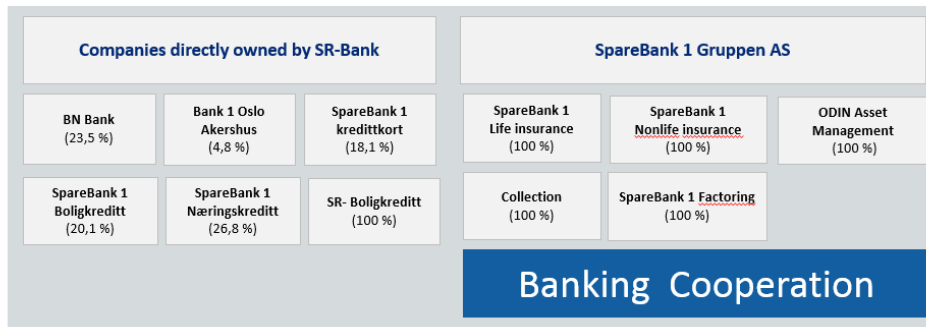
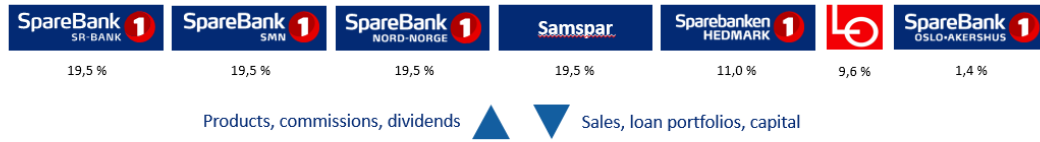


Figure 1.2.7: Structure of SpareBank 1 Alliance as at 30 September 2015

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

1.3 Shareholder information - SRBANK

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



Figure 1.3.1: Relative performance; SRBANK vs OSEBX July 2014 – September 2015

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

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of shareholders who represent customers, regional interests, as well as Norwegian and international investors. Figure 1.3.2 shows how daily liquidity has developed in the period from 1 January 2010 to 30 September 2015. A general observation is that liquidity has increased after the conversion and issue of new shares.

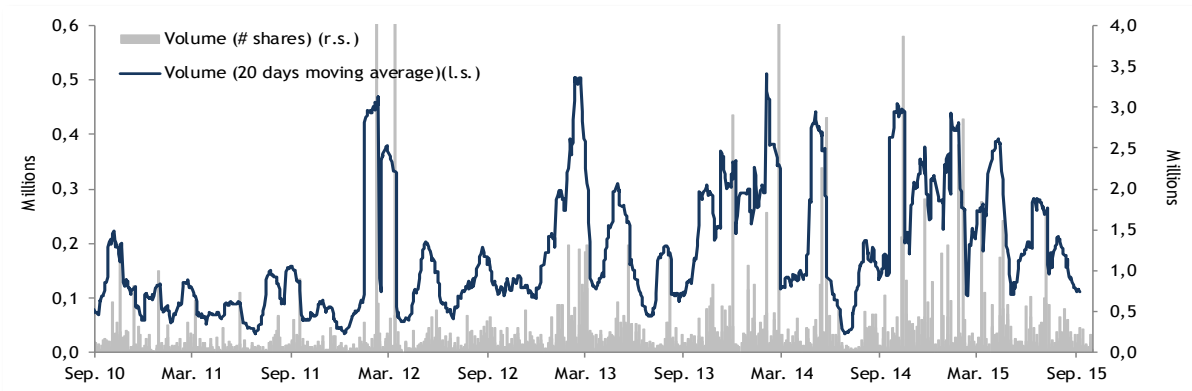


Figure 1.3.2 Development in liquidity; SRBANK June 2010 – September 2015

Figure 1.3.3 shows the share price movements and Price/Book development from 30.07.2014 to 30.09.2015.



Figure 1.3.3: Share price and development in P/B; July 2014 – September 2015

Investor relations policy

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

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

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

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

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

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

Shareholder and dividend policy

Shareholder policy

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

Dividend policy

The financial objective of SpareBank 1 SR-Bank's operations is to achieve earnings that yield adequate, stable returns on the bank's equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

In determining the size of the annual dividend, considerations will be made toward the group's capital, including capital adequacy requirements and the group's goals and strategic plans. Unless capital requirements otherwise dictate, the goal of the board is that approximately half of the annual profit after tax is distributed.

Ownership structure

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Gjensidige Forsikring ASA		26.808.416	10,5%
State Street Bank and Trust Co, U.S.A.	Nominee	10.030.921	3,9%
Vpf Nordea Norge Verdi		6.591.460	2,6%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Wimoh Invest AS		5.761.169	2,3%
Odin Norge		5.020.471	2,0%
Pareto Aksje Norge		4.155.668	1,6%
MSCO Equity Firm Account, U.S.A.		3.361.463	1,3%
State Street Bank and Trust Co, U.S.A.	Nominee	2.930.133	1,1%
Danske Invest Norske Instit. II		2.833.671	1,1%
Clipper AS		2.565.000	1,0%
The Bank of New York Mellon, U.S.A.	Nominee	2.292.034	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	2.274.212	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	1.887.223	0,7%
Danske Invest Norske Aksjer Inst.		1.674.894	0,7%
Vpf Nordea Kapital		1.653.050	0,6%
Vpf Nordea Avkastning		1.630.410	0,6%
Westco		1.577.534	0,6%
The Northern Trust Co, U.K.	Nominee	1.571.525	0,6%
<hr/>			
Top 5		122.076.685	47,7%
Top 10		143.305.589	56,0%
Top 20		163.265.142	63,8%

Table 1.3.2: 20 largest shareholders as at 30 September 2015

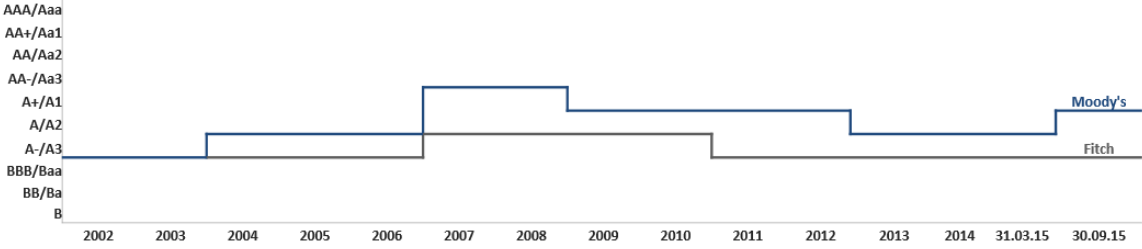
1.4 Credit ratings

Current credit rating status as at 30 September 2015 was as follows:

Rating

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

Ratinghistory



2. Financial results and balance sheet

Income statement

Financial results

<i>MNOK</i>	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Interest income	1.431	1.436	1.477	1.588	1.568	4.344	4.549
Interest expense	782	797	850	933	947	2.429	2.800
Net interest income	649	639	627	655	621	1.915	1.749
Commission income*	372	418	427	423	421	1.217	1.381
Commission expenses	21	20	20	19	20	61	59
Other operating income*	2	1	1	1	2	4	5
Net commission and other income	353	399	408	405	403	1.160	1.327
Dividend income	1	8	7	1	10	16	35
Income from investment in associates	78	101	133	138	150	312	368
Net gains/losses on financial instruments	-67	-15	71	-23	-18	-11	259
Net return on investment securities	12	94	211	116	142	317	662
Total income	1.014	1.132	1.246	1.176	1.166	3.392	3.738
Personnel expenses	221	300	310	308	307	831	894
Administrative expenses	114	122	119	128	114	355	340
Other operating expenses	94	114	101	94	99	309	292
Total operating expenses	429	536	530	530	520	1.495	1.526
Operating profit before losses	585	596	716	646	646	1.897	2.212
Losses on loans and guarantees	96	44	88	93	69	228	164
Operating profit before tax	489	552	628	553	577	1.669	2.048
Tax expense	112	121	132	105	123	365	401
Profit after tax from continuing operations	377	431	496	448	454	1.304	1.647

* From the first quarter of 2015, income from real estate sales has been transferred from other operating income to commissions. The historical figures have been correspondingly restated.

Key figures

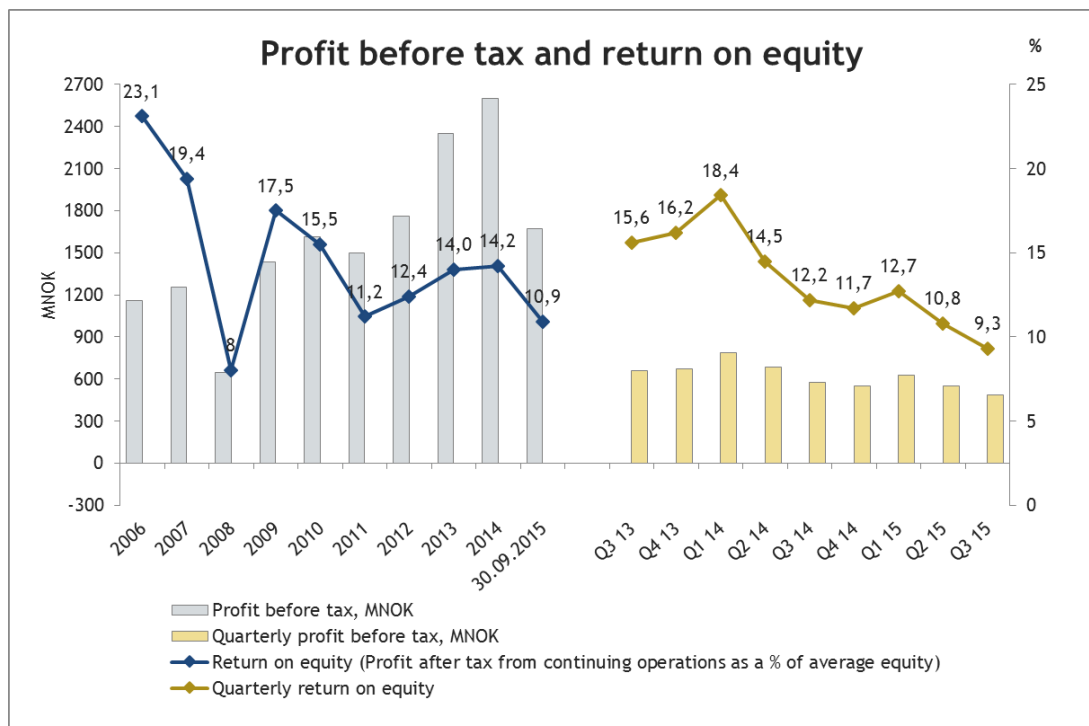
Key figures

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Return on equity ¹⁾	9,3 %	10,8 %	12,7 %	11,7 %	12,2 %	10,9 %	15,0 %
Cost ratio ²⁾	42,3 %	47,3 %	42,5 %	45,1 %	44,6 %	44,1 %	40,8 %
Net interest margin	1,39 %	1,44 %	1,45 %	1,51 %	1,48 %	1,42 %	1,43 %
Gross loans to customers	151.911	150.245	144.686	141.620	137.343	151.911	137.343
Gross loans to customers incl. covered bond companies	182.940	181.440	178.750	174.492	170.270	182.940	170.270
Deposits from customers	88.980	90.788	85.984	81.489	81.228	88.980	81.228
Deposit-to-loan ratio	58,6 %	60,4 %	59,4 %	57,5 %	59,1 %	58,6 %	59,1 %
Growth in loans	10,6 %	11,0 %	18,9 %	17,7 %	17,7 %	10,6 %	17,7 %
Growth in loans incl. covered bond companies	7,4 %	7,6 %	7,3 %	4,7 %	3,5 %	7,4 %	3,5 %
Growth in deposits	9,5 %	11,1 %	15,5 %	13,7 %	14,9 %	9,5 %	14,9 %
Average total assets	185.459	177.861	175.938	172.179	166.894	179.823	163.782
Total assets	191.500	181.889	176.913	174.926	168.330	191.500	168.330
Impairment losses ratio ³⁾	0,25	0,12	0,25	0,27	0,20	0,21	0,17
Non-performing commitments as a percentage of gross loans	0,23	0,27	0,31	0,30	0,38	0,23	0,38
Other doubtful commitments as a percentage of gross loans	0,45	0,51	0,5	0,36	0,39	0,45	0,39
Capital ratio	15,2	15,3	15,2	14,5	15,4	15,2	15,4
Tier 1 capital ratio	13,1	13,1	12,9	12,3	13,1	13,1	13,1
Common Equity Tier 1 capital ratio	12,2	12,3	12,1	11,5	11,3	12,2	11,3
Tier 1 capital	16.063	15.771	15.206	14.828	15.304	16.063	15.304
Net primary capital	18.635	18.403	17.838	17.465	18.037	18.635	18.037
RWA	122.380	120.363	117.589	120.189	117.278	122.380	117.278
Number of branches	50	50	50	50	48	50	48
Man-years (permanent)	1.150	1.133	1.135	1.106	1.117	1.150	1.117
Share price	42,40	52,25	56,25	52,50	61,00	42,40	61,00
Market capitalisation	10.844	13.363	14.386	13.427	15.601	10.844	15.601
Book equity per share (including dividends) (group)	64,02	62,56	62,40	60,28	59,21	64,02	59,21
Earnings per share (group)	1,47	1,69	1,94	1,75	1,78	5,10	6,45
Dividends per share	n.a.	n.a.	n.a.	2,00	n.a.	n.a.	n.a.
Price / Earnings per share	7,21	7,73	7,25	7,50	8,57	6,24	7,09
Price / Book equity (group)	0,66	0,84	0,90	0,87	1,03	0,66	1,03

¹⁾ Net profit as a percentage of average equity.

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

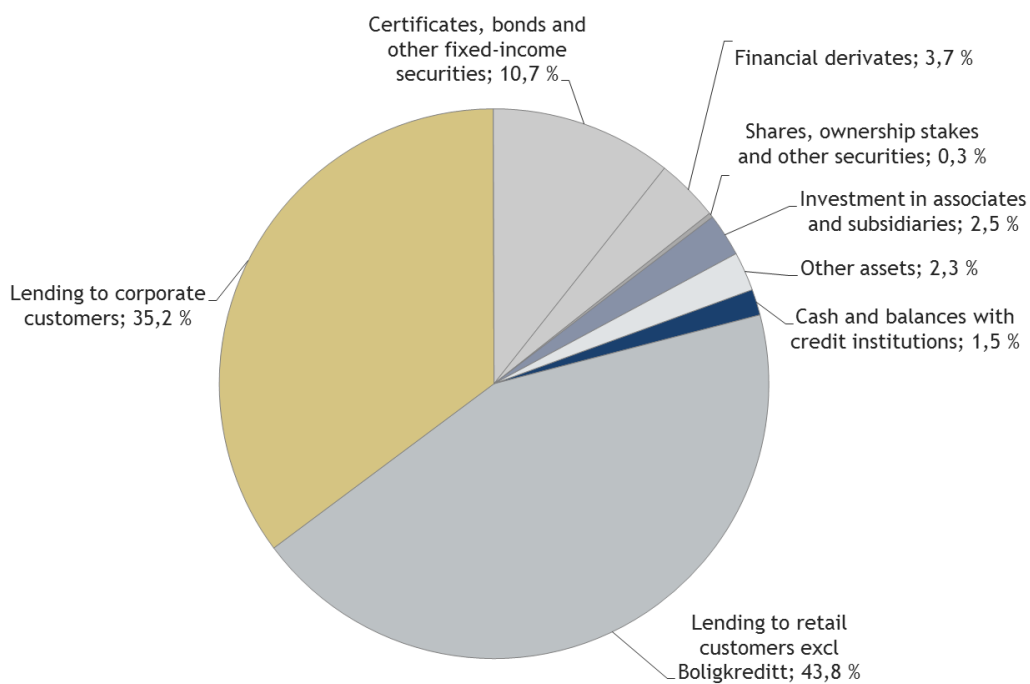
³⁾ Net losses expressed as a percentage of average gross lending year to date, annualized



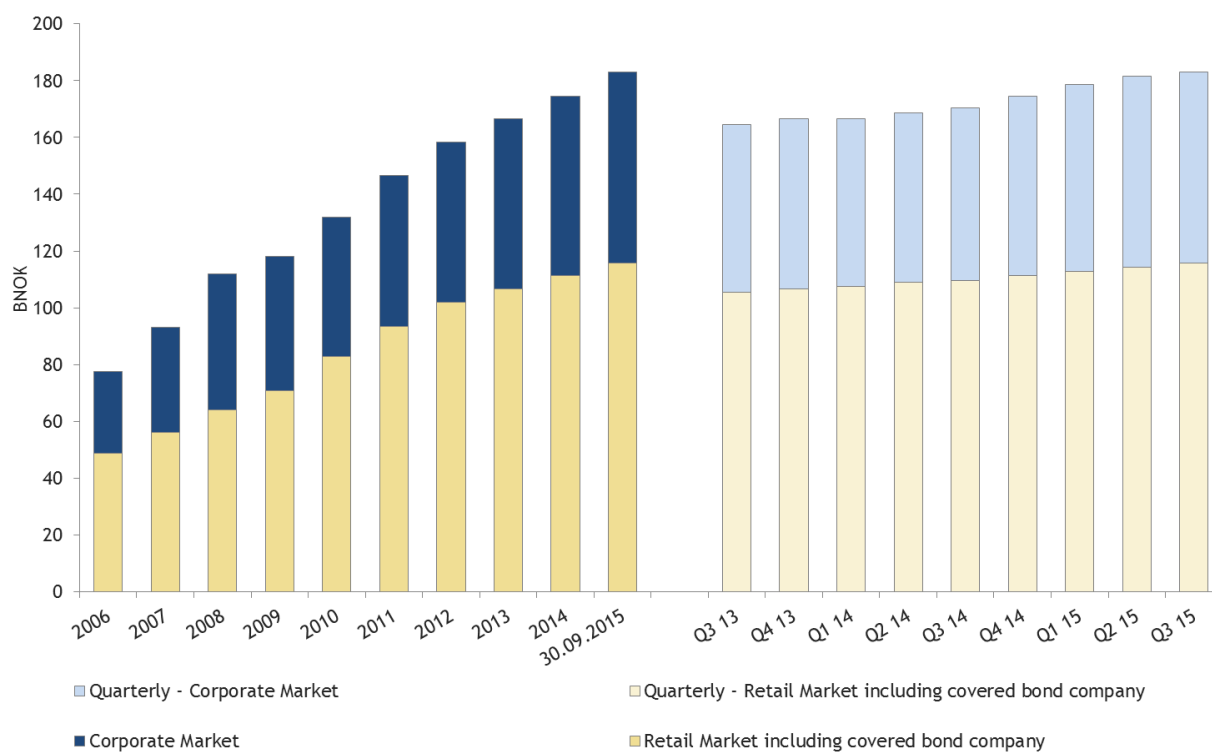
Balance sheet

	30.09 2015	30.06 2015	31.03 2015	31.12 2014	30.09 2014
MNOK					
Cash and balances with central banks	2.923	2.841	2.400	1.847	336
Balances with credit institutions	2.843	2.224	2.533	2.222	2.216
Net loans to customers	151.078	149.472	143.937	140.920	136.685
Certificates, bonds and other fixed-income sec.	20.484	16.116	14.789	15.261	16.802
Financial derivatives	7.099	4.878	5.760	7.340	4.023
Shares, ownership stakes and other securities	516	523	631	626	623
Business available for sale	136	129	22	22	65
Investment in associates	4.839	4.677	4.886	4.727	4.601
Other assets	1.582	1.029	1.955	1.961	2.959
Total assets	191.500	181.889	176.913	174.926	168.310
Balances with credit institutions	6.129	3.874	4.803	6.139	5.493
Public deposits related to covered bond swap scheme	0	0	0	0	0
Deposits from customers	88.980	90.788	85.984	81.489	81.228
Listed debt securities	70.444	62.992	60.198	63.253	56.009
Financial derivatives	3.224	2.766	3.916	3.317	3.146
Other liabilities	3.346	2.491	3.093	2.361	3.195
Additional Tier 1 and Tier 2 capital instruments	3.006	2.980	2.975	2.964	4.109
Total liabilities	175.129	165.891	160.969	159.523	153.180
Share capital	6.394	6.394	6.394	6.394	6.394
Premium reserve	1.587	1.587	1.587	1.587	1.587
Proposed dividend	0	0	512	512	0
Fund for unrealised gains	59	59	59	59	162
Other equity	7.027	7.031	6.896	6.851	5.340
Profit/loss at period end	1.304	927	496	0	1.647
Total equity	16.371	15.998	15.944	15.403	15.130
Total liabilities and equity	191.500	181.889	176.913	174.926	168.310

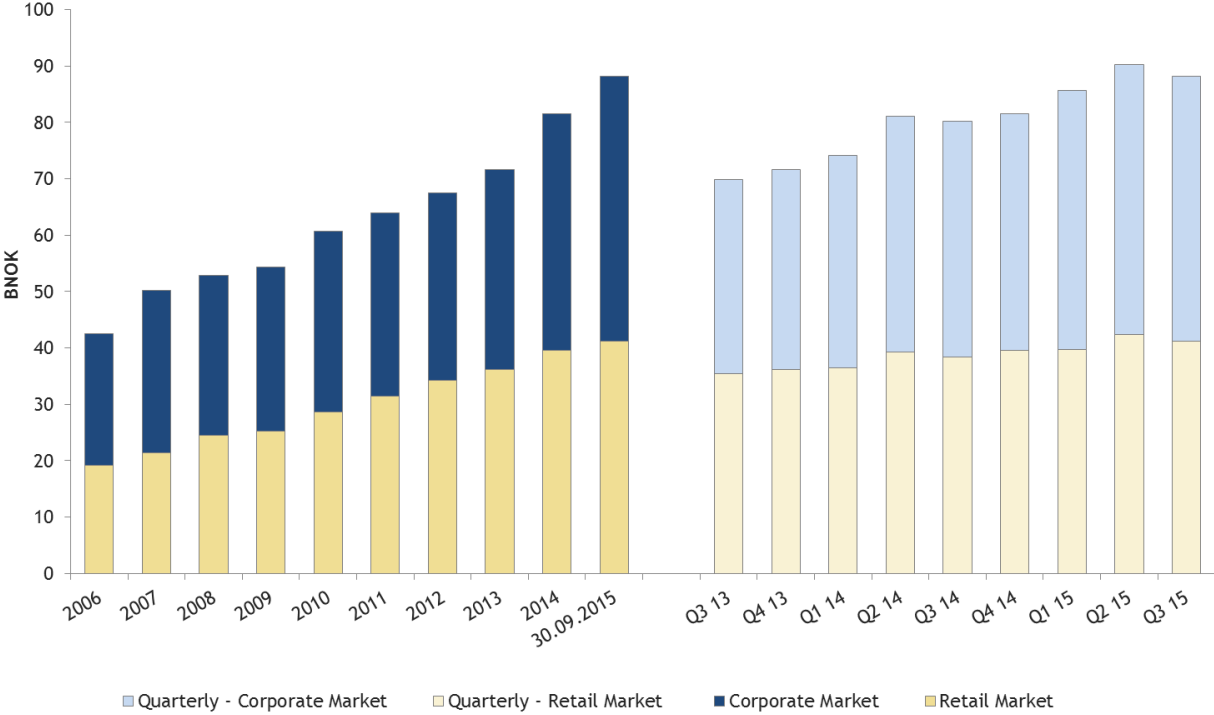
Total assets as at 30 September 2015:



Development in lending volume

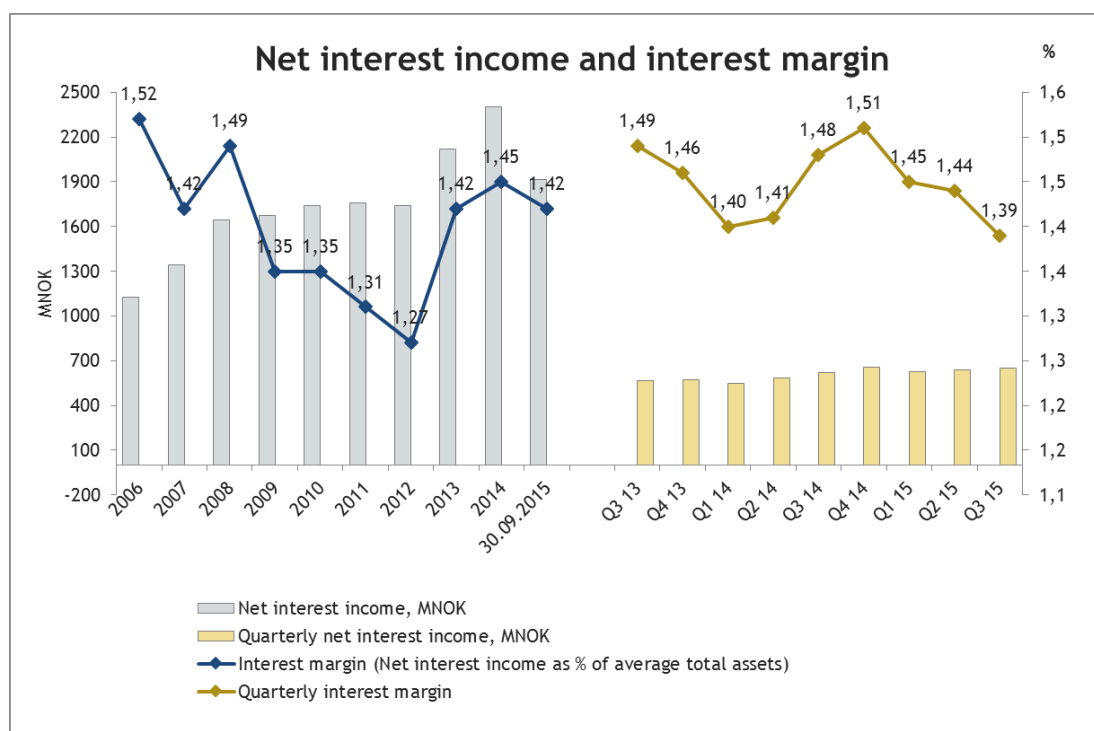


Development in deposit volume

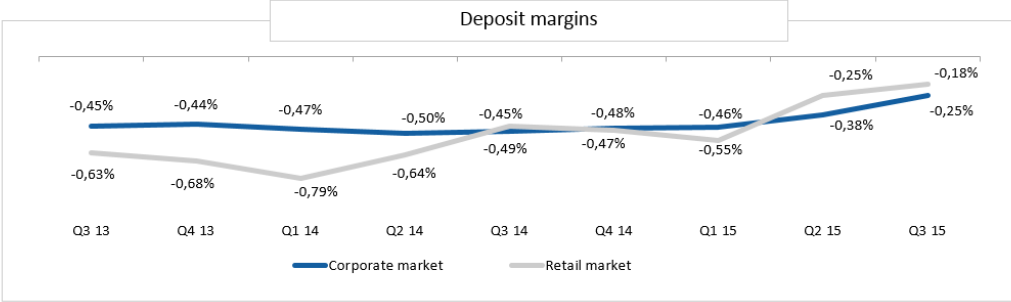
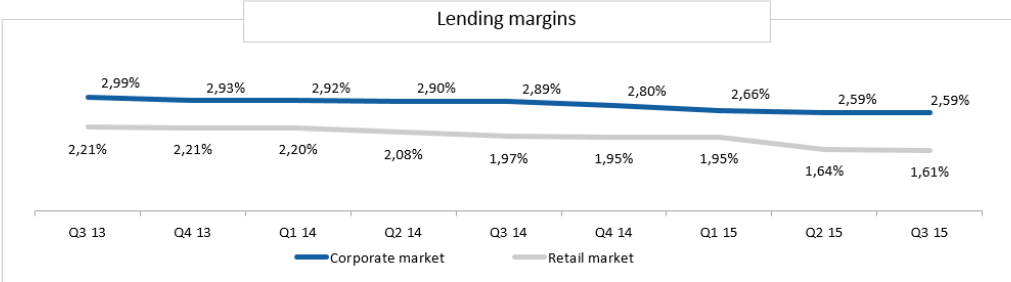


2.1 Net interest income

MNOK	Q3	Q2	Q1	Q4	Q3	30.09	30.09
	2015	2015	2015	2014	2014	2015	2014
Interest income	1.431	1.436	1.477	1.588	1.568	4.344	4.549
Interest expense	782	797	850	933	947	2.429	2.800
Net interest income	649	639	627	655	621	1.915	1.749
As % of average total assets	1,39 %	1,44 %	1,45 %	1,51 %	1,48 %	1,42 %	1,43 %



Lending and deposit margins¹



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

2.2 Net other operating income

	Q3	Q2	Q1	Q4	Q3	30.09	30.09
MNOK	2015	2015	2015	2014	2014	2015	2014
Net commission and other income	353	399	408	405	403	1.160	1.327
Net return on investment securities	12	94	211	116	142	317	662
Net other operating income	365	493	619	521	545	1.477	1.989
As % of total income	36 %	44 %	50 %	44 %	47 %	44 %	53 %

Net commission and other income

	Q3	Q2	Q1	Q4	Q3	30.09	30.09
MNOK	2015	2015	2015	2014	2014	2015	2014
Payment facilities	66	56	58	57	66	180	179
Savings/placements	45	48	49	42	45	142	130
Insurance products	48	47	47	46	45	142	131
Commission income from real estate broking	84	113	104	101	105	301	333
Guarantee commission	28	33	34	26	24	95	77
Arrangement fees	16	26	16	40	20	58	75
Accounting Services SpareBank 1 Regnskapshuset SR*	7	8	10	-	-	25	-
Other	4	2	6	3	5	12	24
Net commission and other income excl. covered bond companies	298	333	324	315	310	955	949
Commission income SB1 Boligkreditt and SB1 Næringskreditt	55	66	84	90	93	205	378
Net commission and other income incl. covered bond companies	353	399	408	405	403	1.160	1.327
As % of total income	35 %	35 %	33 %	34 %	35 %	34 %	36 %

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

Change in net commission and other income

	Q3		Q3
MNOK	2015	Change	2014
Net commission and other income	353	-50	403
Payment facilities		0	
Savings/placements		0	
Insurance products		3	
Commission income from real estate broking		-21	
Guarantee commission		4	
Arrangement fees		-4	
Accounting Services SpareBank 1 Regnskapshuset SR*		7	
Other		-1	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		-38	

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

Net return on investment securities

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Dividend	1	8	7	1	10	16	35
Investment income, associates	78	101	133	138	150	312	368
Securities gains/losses	-100	-14	-23	-41	-34	-137	222
- of which capital change in shares and certificates	-6	-4	4	24	-22	-6	208
- of which capital change in certificates and bonds	-100	-46	-49	-61	-30	-195	-31
- of which derivatives; bonds and certificates	6	36	22	-4	18	64	45
Currency/interest gains/losses	33	-1	94	18	16	126	37
- of which currency customer- and own-account trading	31	17	31	6	40	79	102
- of which value change basis swap spread*	13	2	67	9	11	82	2
- of which other IFRS-effects	-11	-20	-4	3	-35	-35	-67
Net return on investment securities	12	94	211	116	142	317	662
As % of total income	1 %	8 %	17 %	10 %	12 %	9 %	18 %

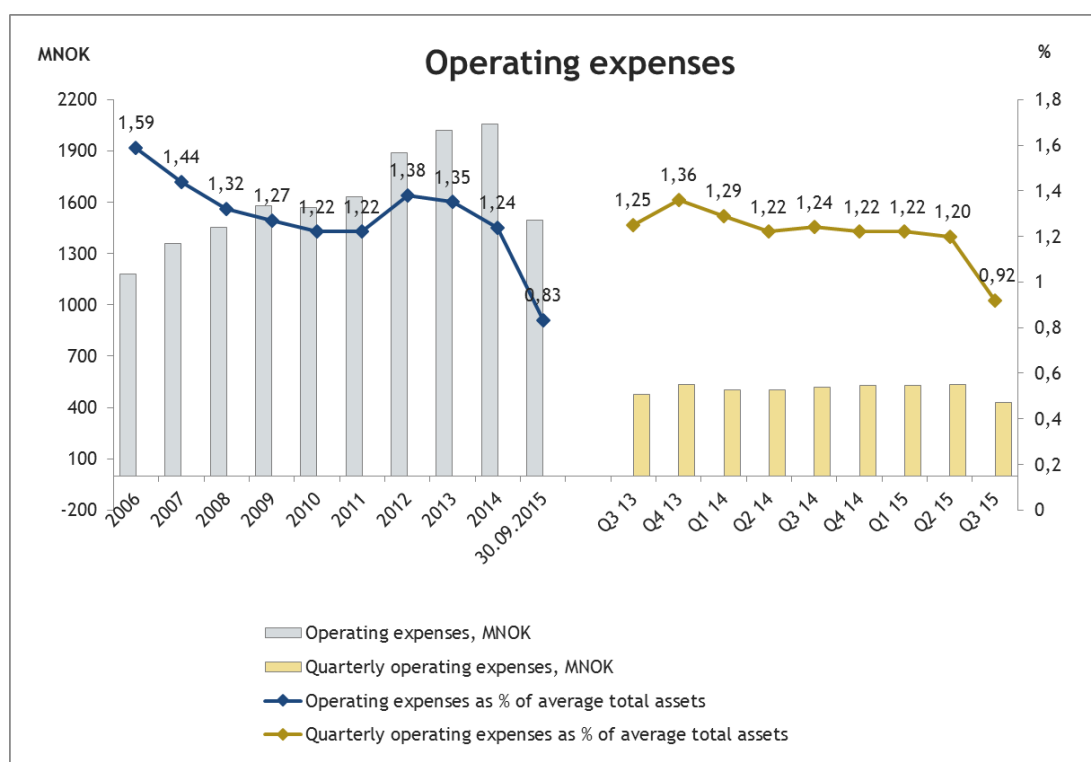
*Value change of basis swap spread amounted NOK 82 million per 30.09.2015 of which NOK 37 million was realised per 30.09.2015.

Change in net return on investment securities

MNOK	Q3 2015	Change	Q3 2014
Net return on investment securities	12	-130	142
Dividend		-9	
Investment income, associates		-72	
Securities gains/losses		-66	
- of which capital change in shares and certificates		16	
- of which capital change in certificates and bonds		-70	
- of which derivatives; bonds and certificates		-12	
Currency/interest gains/losses		17	
- of which currency customer- and own-account trading		-9	
- of which value change basis swap spread		2	
- of which other IFRS-effects		24	

2.3 Operating expenses

	Q3	Q2	Q1	Q4	Q3	30.09	30.09
MNOK	2015	2015	2015	2014	2014	2015	2014
Wages	208	217	226	230	224	651	655
Of which restructuring costs	0	0	7	10	3	7	3
Pension expenses	-31	36	34	28	31	39	96
Other personnel expenses	44	47	50	50	52	141	140
Total personnel expenses	221	300	310	308	307	831	894
IT expenses	70	73	72	75	69	215	202
Marketing expenses	24	26	21	29	21	71	67
Other administrative expenses	20	23	26	24	24	69	71
Write-down	20	22	20	22	32	62	66
Of which write-down of goodwill*	0	0	0	0	15	15	15
Expenses real property	9	10	10	10	7	29	27
Other operating expenses	65	82	71	62	60	218	199
Other expenses	208	236	220	222	213	664	632
Total operating expenses	429	536	530	530	520	1.495	1.526



Change in operating expenses

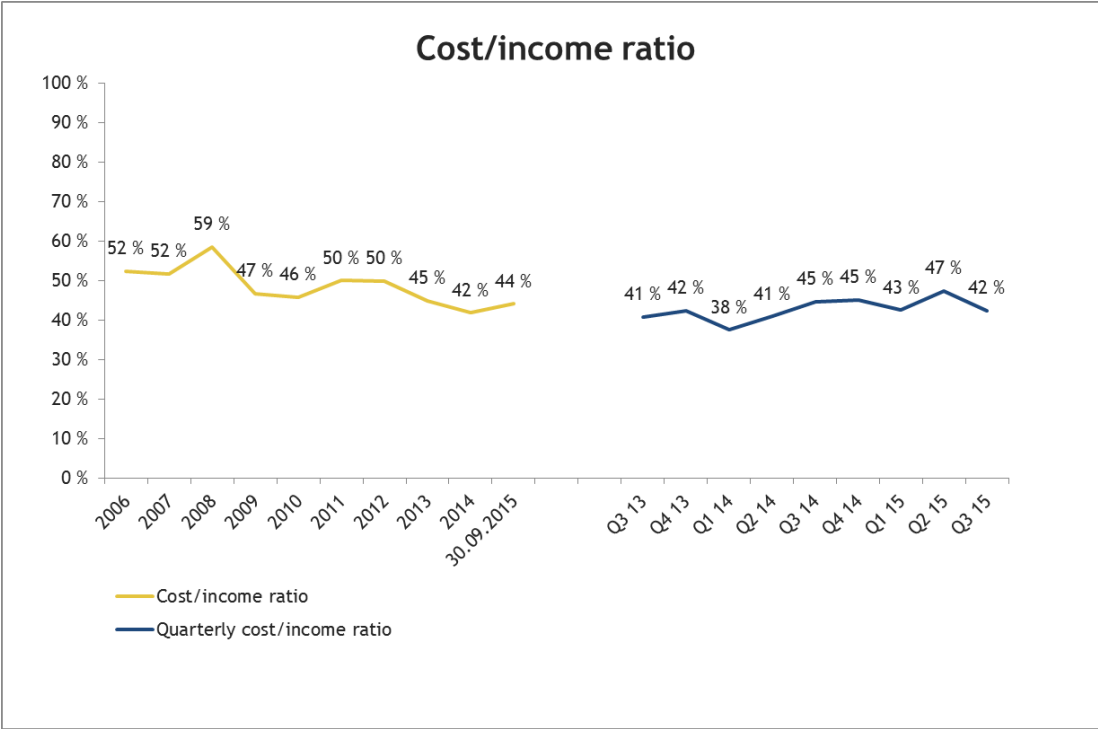
MNOK	Q3 2015	Change	Q3 2014
Total	429	-91	520
Personnel expenses		-86	
IT expenses		1	
Marketing expenses		3	
Other administrative expenses		-4	
Write-down		-12	
Expenses real property		2	
Other operating expenses		5	

Cost/income ratio

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Operating expenses	429	536	530	530	520	1.495	1.526
Cost/income ratio	42,3 %	47,3 %	42,5 %	45,1 %	44,6 %	44,1 %	40,8 %
Growth in expenses last 12 months*	-17,5 %	7,0 %	5,0 %	-0,7 %	8,8 %	-2,0 %	2,8 %

*Low cost per Q3 2015 is affected by changes in the pension plan and lower bonus provisions

Development in cost/income ratio



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

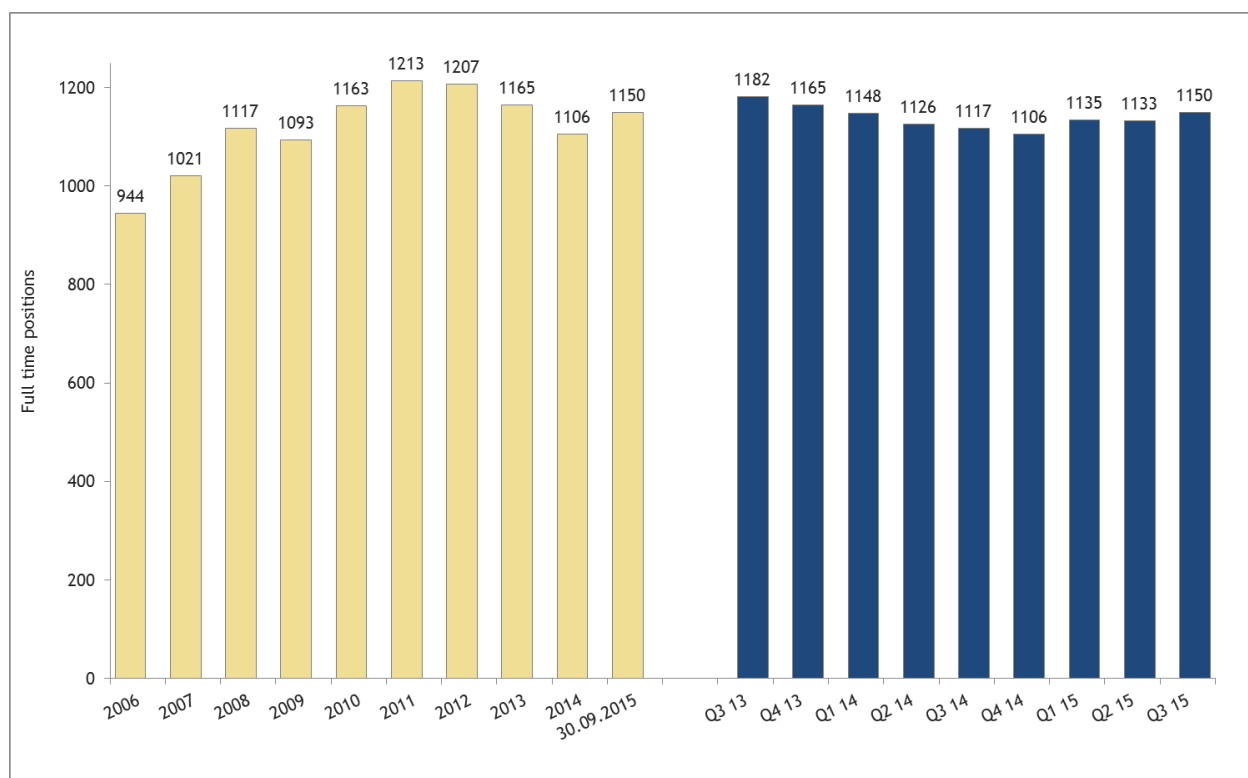
Number of full time positions (permanent employees, contracted staff not included)

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
<i>Full time positions</i>					
SpareBank 1 SR-Bank	871	859	861	866	861
EiendomsMegler 1 SR-Eiendom AS*	204	200	202	194	212
SR-Forvaltning AS	14	13	13	13	13
SR-Finans AS	33	33	31	33	31
SpareBank 1 Regnskapshuset SR AS**	28	28	28		
Total	1.150	1.133	1.135	1.106	1.117

*EiendomsMegler 1 Forvaltning AS is not included per 31 December 2014.

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

Full time positions 2004 – Q3 2015 (permanent employees, contracted staff not included)



2.4 Losses on loans and loss provisions

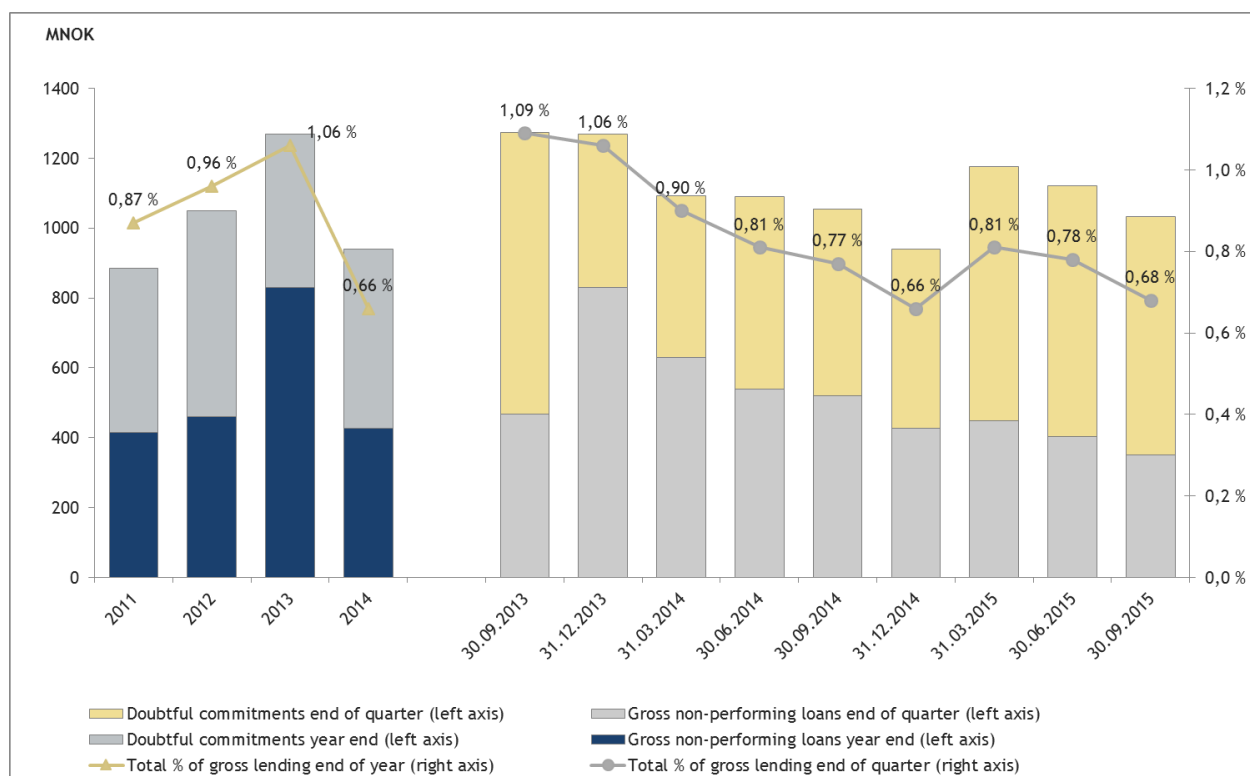
Losses on loans and guarantees

MNOK	30 Sept. 2015	30 June 2015	31 March 2015	31 Dec. 2014	30 Sept. 2014
Change in individual individual impairment losses provisions for the	46	36	30	-124	-100
Change in collective impairment loss provisions for the period	89	39	20	75	13
Amortised cost	8	5	2	11	6
Actual loan losses on commitments for which provisions have been made	66	38	28	228	188
Actual loan losses on commitments for which no provision has been	26	19	11	74	61
Change in assets take-over for the period	0	0	0	0	0
Recoveries on commitments previously written-off	-7	-5	-3	-7	-4
The period's net losses/(reversals) on loans and advances	228	132	88	257	164

Provisions for impairment losses on loans and guarantees

MNOK	30 Sept. 2015	30 June 2015	31 March 2015	31 Dec. 2014	30 Sept. 2014
Provisions for individual impairment losses at start of period	322	322	322	446	446
Increases in previous provisions for individual impairment losses	26	22	8	42	29
Reversal of provisions from previous periods	-61	-37	-17	-54	-47
New provisions for individual impairment losses	152	93	67	118	105
Amortised cost	-5	-4	0	-2	1
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-66	-38	-28	-228	-188
Provisions for individual impairment losses at the end of period	368	358	352	322	346
Net losses	92	57	39	302	249

Non-performing loans and doubtful commitments

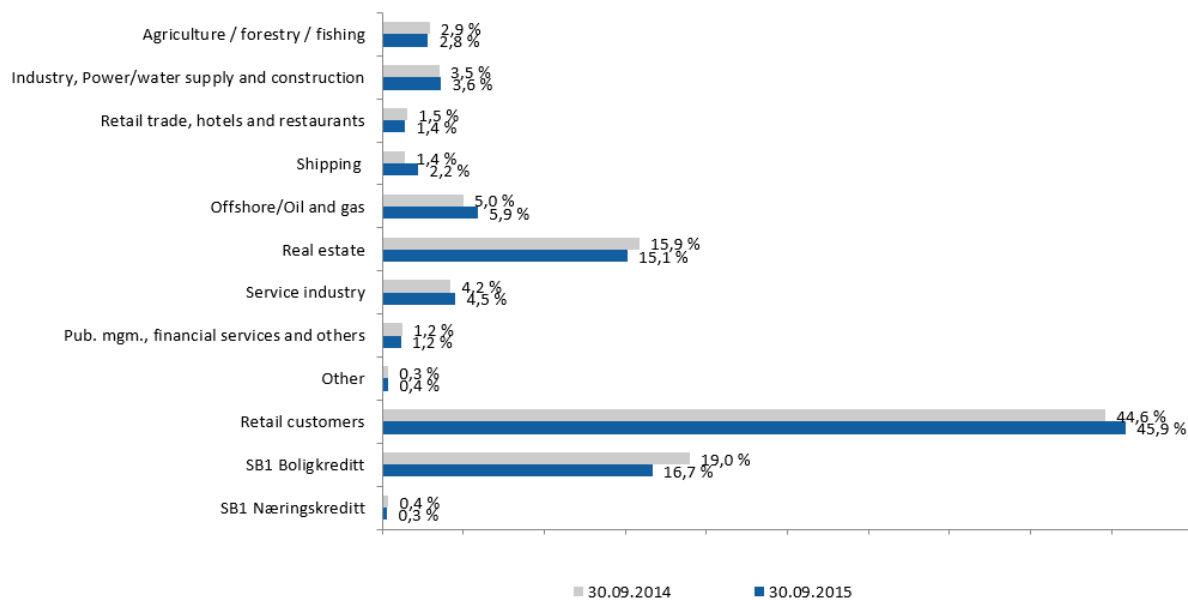


* Loans defaulted in the range of 30-90 days are not including as problem loans as at Q2 2014. Historical figures have been restated.

2.5 Loans

MNOK	30 Sept. 2015	30 June 2015	31 March 2015	31 Dec. 2014	30 Sept. 2014
Agriculture/forestry	4.327	4.326	4.349	4.458	4.404
Fishing/Fish farming	848	744	573	596	558
Mining/extraction	5.061	4.565	4.635	4.341	3.550
Industry	3.117	2.825	2.940	2.650	2.563
Power and water supply/building and construction	3.540	3.686	3.611	3.520	3.439
Retail trade, hotel and restaurant business	2.587	2.606	2.540	2.529	2.638
Foreign trade shipping, pipeline transport and other transport activities	9.806	9.557	9.015	8.239	7.348
Real estate business	27.673	28.342	27.704	27.163	27.013
Service industry	8.256	8.318	8.298	7.860	7.155
Public sector and financial services	2.105	2.134	2.291	1.877	2.105
Retail customers	83.937	82.576	78.055	77.651	75.975
Unallocated (excess value fixed interest loans and amort. lending fees)	346	238	358	411	276
Accrued interests corporate sector and retail customers	309	328	317	325	319
Gross loans	151.911	150.245	144.686	141.620	137.343
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	31.029	31.195	34.064	32.872	32.927
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	182.940	181.440	178.750	174.492	170.270

Loan portfolio as at 30.09.2015



Loans before individual write-downs, nominal amounts.

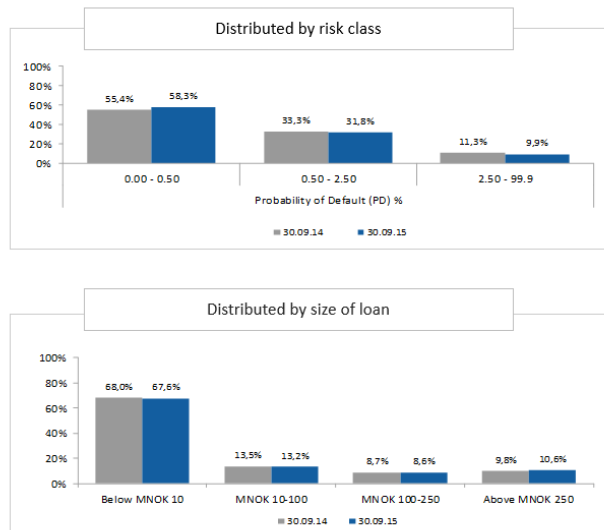
Sector allocation in accordance with the standard categories from Statistics Norway.

2.6 Risk profile

Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a stable and low risk portfolio.
- More than half of the bank's loan exposure has a PD* below 0.5 %.
- Single loan exposures less than NOK 10 million aggregates 68% of total loan portfolio.
- Single loan exposures above NOK 250 million aggregates 10.6% of total loan portfolio. The increase is partly driven by increased balances on currency loans due to weakened NOK FX rates. A minor part of the increase is driven by customer acquisition, and is considered to improve the portfolio's risk profile.

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

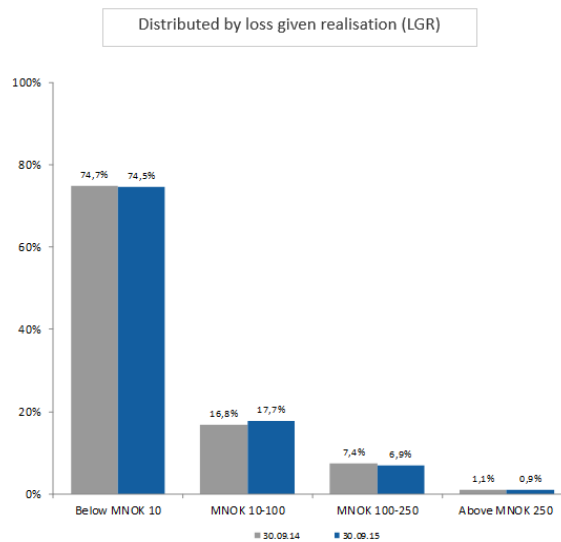


Low concentration of individual LGRs in the lending portfolio

- At the end of Q3 2015, SpareBank 1 SR-Bank had a total of 40 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 7.8% of the loan exposure.
- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.
- The implementation of IRB-Advanced for the corporate portfolios in Q3 2015 is leading to increased estimates for LGD and LGR. The underlying risk of the portfolio is however unchanged.

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

The figure includes lending portfolios from covered bond companies.

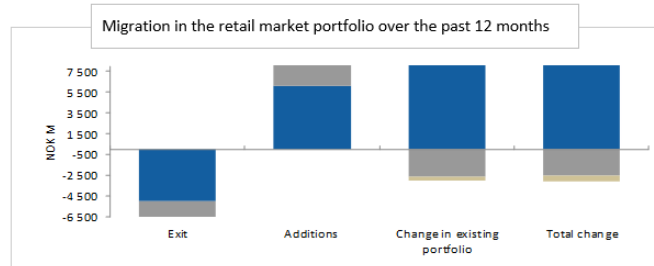
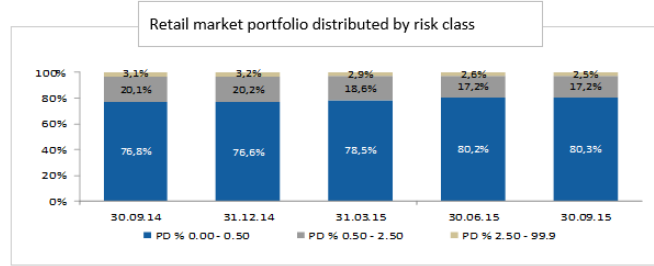


Risk profile – Lending to the retail market

- The quality of the retail market portfolio is considered to be good and has low potential losses.
- The proportion of loans with a PD* below 0.5% has increased to 80.3% of the total retail portfolio.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV.
- Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.

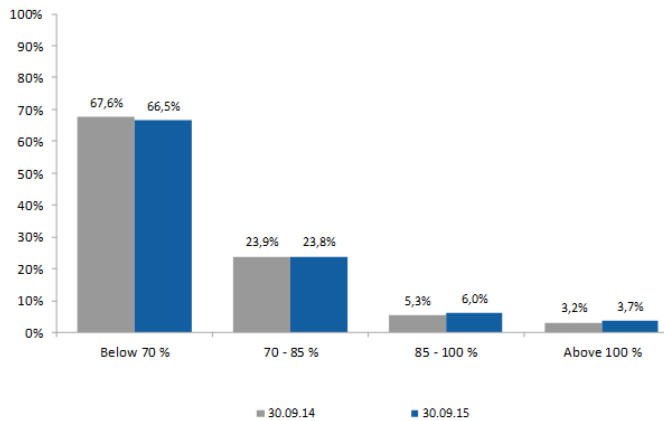
*Probability of default (PD) through a full cycle of loss.

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



Loan to value ratio on home mortgage loans

- The proportion of loans with a loan-to-value ratio of less than 85% is high and stable.
- 90.3% of the exposure is within 85% of the assessed value of collateral.



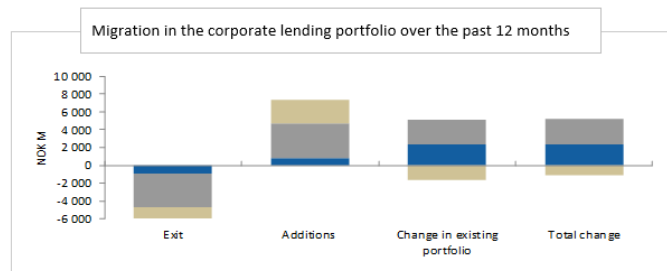
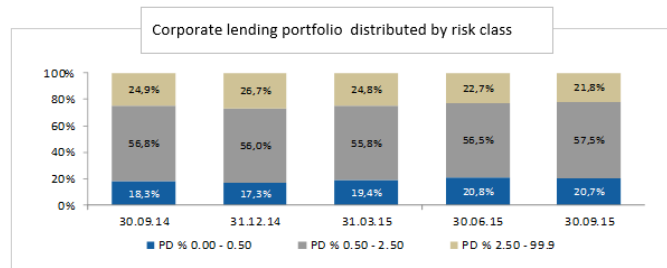
In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

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

Risk profile - Lending to the corporate market

- The quality of the corporate market portfolio is good.
- The share of customers with PD* below 2.5% has increased, mainly due to a strengthened risk profile in existing portfolio.
- There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

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



A strengthened framework to meet increased economic uncertainty

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

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

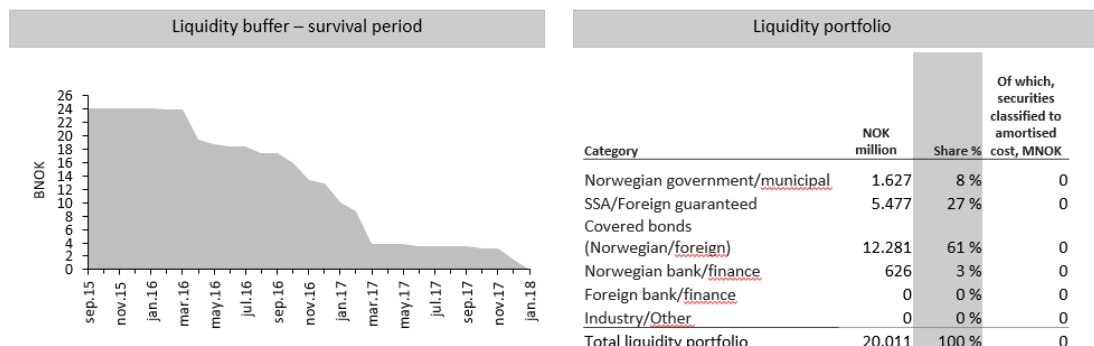
- Concentration risk in the corporate portfolio has been significantly reduced in recent years as a result of strict underwriting guidelines and active portfolio management.
- Guidelines for home equity loans have been further tightened.
- Enhanced risk models for estimating EAD and LGD were developed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

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

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

2.7 Risk profile in bond and equity portfolios

Liquidity portfolio



- Liquidity buffer at the end of the quarter: NOK 24.1 billion
- Other liquid assets:
 - Home mortgages prepared for transfer to mortgage company: NOK 21.4 billion
 - Commercial paper and bonds in the trading portfolio: NOK 0.5 billion

Liquidity buffer: cash, highly liquid bonds.

Providing deposits and lending remain unchanged, with no new borrowing during the period.

Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	19.385	94,7 %
Low risk	A+, A og A-	111	0,5 %
Moderate risk	BBB+, BBB og BBB-	583	2,8 %
High risk	BB+, BB og BB-	80	0,4 %
Very high risk	B+ and lower	309	1,5 %
Total portfolio		20.468	100,0 %

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	19.385	96,9 %
Low risk	A+, A og A-	111	0,6 %
Moderate risk	BBB+, BBB og BBB-	515	2,6 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ and lower	0	0,0 %
Total liquidity purposes		20.011	100,0 %

Of which trading purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	0	0,0 %
Low risk	A+, A og A-	0	0,0 %
Moderate risk	BBB+, BBB og BBB-	68	14,8 %
High risk	BB+, BB og BB-	80	17,5 %
Very high risk	B+ and lower	309	67,7 %
Total trading portfolio		457	100,0 %

All amounts in MNOK.

2.8 Funding

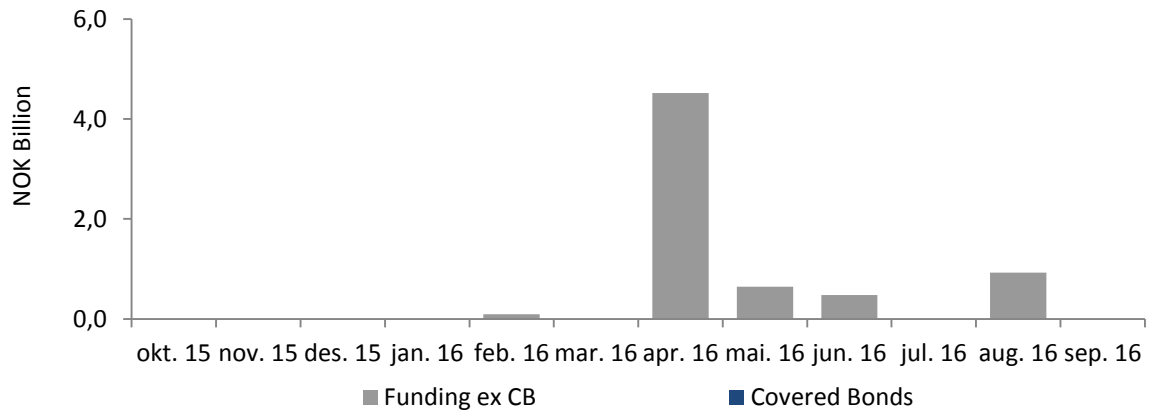


Figure 2.8.1: *Funding - quarterly*

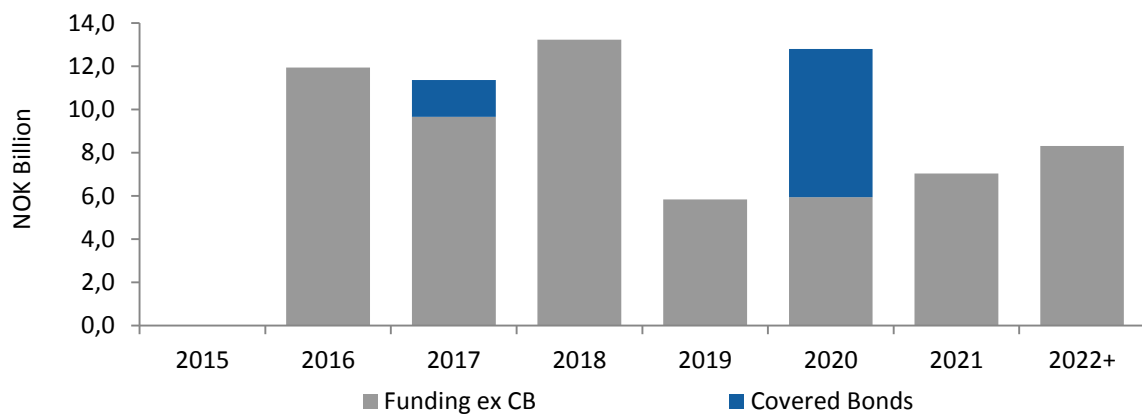
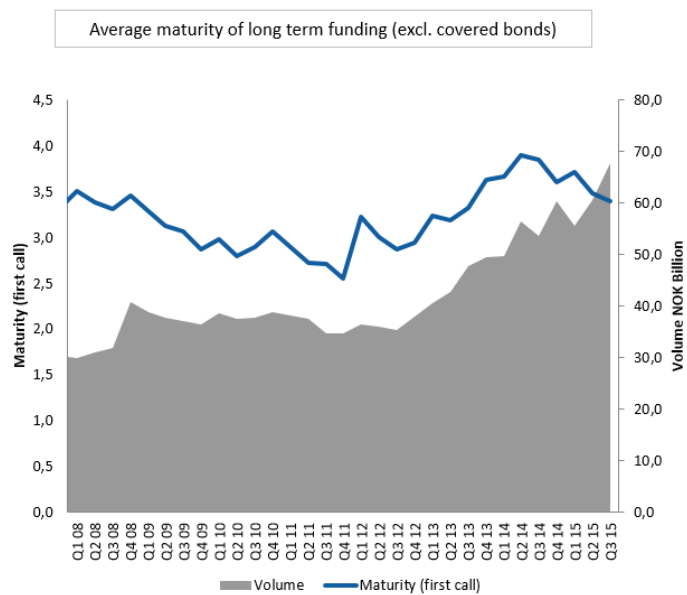


Figure 2.8.1: *Funding - annual*

Funding structure

- LCR of 164% at the end of September 2015. Average LCR during Q3 2015 was 125%.



NOK 11.4 billion (net) of new funding has been issued during the year. Average remaining maturity of the outstanding senior bonds is 3.4 years.

2.9 Capital adequacy

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

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

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

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

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

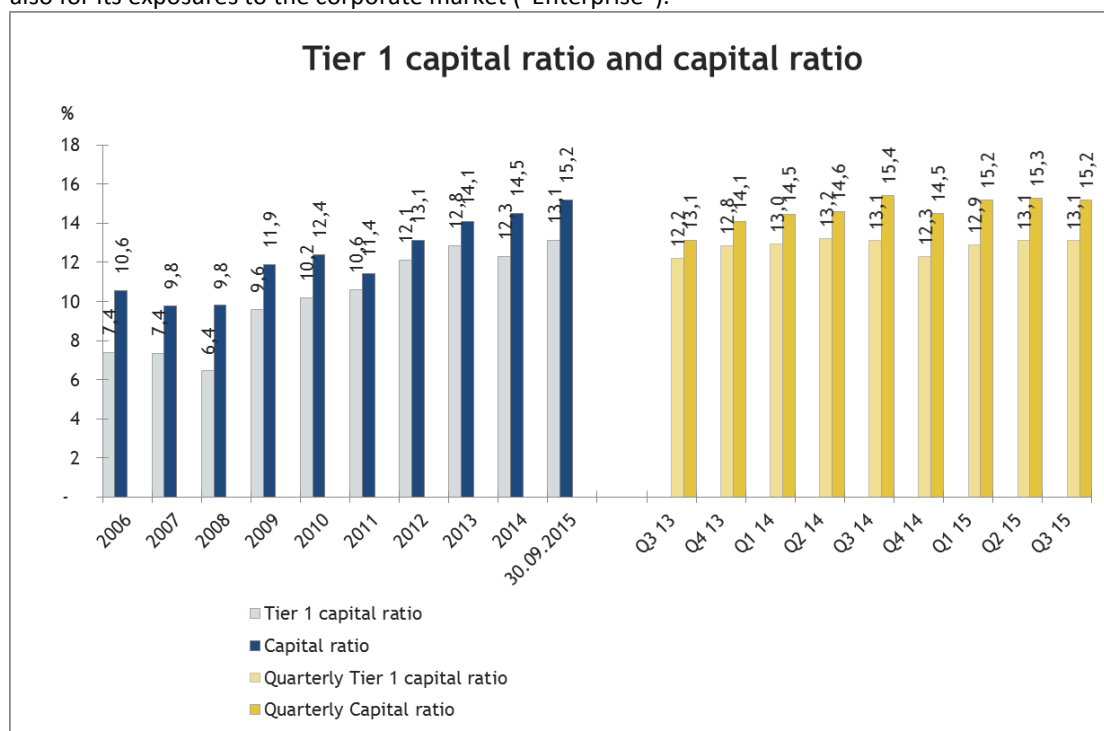


Figure 2.9.2: Development in capital ratios

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

Capital Adequacy					
<i>MNOK</i>	30 Sept 2015	30 June 2015	31 March 2015	31 Dec. 2014	30 Sept 2014
Share capital	6.394	6.394	6.394	6.394	6.394
Premium reserve	1.587	1.587	1.587	1.587	1.587
Allocated to dividend	0	0	512	512	0
Reserve for unrealised gains	59	59	59	59	162
Other equity	7.027	7.031	6.896	6.851	5.340
Interim	1.304	927	496		1.647
Total book equity	16.371	15.998	15.944	15.403	15.130
<i>Tier 1 capital</i>					
Deferred taxes, goodwill and other intangible assets	-66	-55	-55	-24	-28
Fund for unrealized gains, available for sale	0	0	0	0	0
Deduction for allocated dividends	0	0	-512	-512	0
Deduction for expected losses on IRB, net of write-downs	-395	-446	-519	-676	-719
Year-to-date profit not included in common equity Tier 1 capital	-652	-464	-248		-824
Deduction for common equity Tier 1 capital in significant investments in financial institutions	-251	-226	-368	-326	-252
The institution's own credit risk related to derivative liabilities	-59	-47	-48	-48	-42
Tier 1 capital instruments	1.115	1.011	1.012	1.011	2.039
Total Tier 1 capital	16.063	15.771	15.206	14.828	15.304
<i>Tier 2 capital</i>					
Tier 2 capital - Tier 1 capital instruments in excess of 15%	0	0	0	0	0
Term subordinated loan capital	2.632	2.693	2.692	2.697	2.776
Deduction for significant investments in financial institutions	-60	-61	-60	-60	-43
Total Tier 2 capital	2.572	2.632	2.632	2.637	2.733
Net primary capital	18.635	18.403	17.838	17.465	18.037

Table 2.9.1: *Specification of consolidated primary capital*

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

Credit risk Basel II

MNOK	30 Sept 2015	30 June 2015	31 March 2015	31 Dec. 2014	30 Sept 2014
SME exposure	16.213	14.496	14.657	21.789	18.791
Specialised lending exposure	23.072	23.941	25.696	32.685	33.689
Other corporations exposure	7.191	6.432	6.496	8.789	8.973
Other SME exposure	1.140	1.169	1.179	1.144	1.181
Retail mortgage exposure (properties)	25.291	25.424	26.536	20.661	20.261
Other retail exposure	986	1.030	1.001	845	849
Equity investments	0	0	0	0	0
Total credit risk IRB	73.893	72.492	75.565	85.913	83.744
Debt risk	2.566	1.917	1.865	1.978	2.099
Equity risk	0	607	595	598	670
Currency risk	0	0	0	0	0
Participations calculated after other market risk	4.385	4.104	3.763	3.642	3.483
Financial derivatives	3.001	2.576	3.457	3.227	2.442
Credit value adjustment risk (CVA)	1.001	982	1.175	1.127	1.709
Operational risk	6.811	6.811	6.811	6.220	6.222
Transitional arrangements	10.048	11.429	5.827	0	0
Participations calculated using standard method	20.675	19.445	18.531	17.484	16.909
Minimum capital requirement	122.380	120.363	117.589	120.189	117.278
Minimum requirement for common equity Tier 1 capital ratio 4,5 %	5.507	5.416	5.292	5.409	
Buffer requirement					
Capital conservation buffer 2,5 %	3.060	3.009	2.940	3.005	
Systemic risk buffer 3 %	3.671	3.611	3.528	3.606	
Countercyclical capital buffer 1 %	1.224				
Total buffer requirement to common equity Tier 1 capital ratio	7.955	6.620	6.467	6.610	
Available common equity Tier 1 capital ratio after buffer requirement	1.486	2.724	2.435	1.798	
Common Equity Tier 1 capital ratio ¹⁾	12,21 %	12,26 %	12,07 %	11,50 %	11,31 %
Tier 1 capital ratio	13,13 %	13,10 %	12,93 %	12,34 %	13,05 %
Tier 2 capital ratio	15,23 %	15,29 %	15,17 %	14,53 %	15,38 %
Common Equity Tier 1 capital ratio, IRB	13,31 %	13,55 %	12,70 %	11,50 %	11,31 %
Tier 1 capital ratio, IRB	14,30 %	14,48 %	13,61 %	12,34 %	13,05 %
Tier 2 capital ratio, IRB	16,59 %	16,89 %	15,96 %	14,53 %	15,38 %

¹⁾ Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.

Table 2.9.2: Specification of minimum capital requirement

3. Business areas

3.1 Business segments - Financial performance

	SpareBank 1 SR-Bank Group													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q3 15	Q3 14	Q3 15	Q3 14	Q3 15	Q3 14	Q3 15	Q3 14	Q3 15	Q3 14	Q3 15	Q3 14	Q3 15	Q3 14
MNOK														
Net interest income	267	283	288	247	15	14	1	1	63	58	15	18	649	621
Net commission and other income	173	212	70	71	3	2	84	105	-5	-5	28	18	353	403
Net return on investment securities	7	3	-5	-4	-36	10	0	0	0	0	46	133	12	142
Operating expenses	151	149	60	57	19	20	88	95	10	13	101	186	429	520
Operating profit before losses	296	349	293	257	-37	6	-3	11	48	40	-12	-17	585	646
Change in individual write-downs in the period	5	9	37	38	0	0	0	0	4	1	0	0	46	48
Change in group write-downs in the period	2	0	48	18	0	0	0	0	0	3	0	0	50	21
Operating profit before tax	289	340	208	201	-37	6	-3	11	44	36	-12	-17	489	577
Gross loans to customers excl. covered bond companies	85.591	77.924	56.187	49.931	720	521	0	0	6.981	6.719	2.432	2.248	151.911	137.343
Deposits from customers	46.917	44.192	36.833	32.977	4.625	1.741	0	0	0	0	605	2.317	88.980	81.228

	SpareBank 1 SR-Bank Group pr 30.09															
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
MNOK																
Net interest income	800	761	771	713	52	35	3	4	189	165	100	71	1.915	1.749		
Net commission and other income	541	701	232	230	20	23	301	333	-16	-13	82	53	1.160	1.327		
Net return on investment securities	12	7	12	17	-15	51	0	0	0	0	308	587	317	662		
Operating expenses	420	412	169	155	65	54	277	290	39	40	525	575	1.495	1.526		
Operating profit before losses	933	1.057	846	806	-8	55	27	47	134	112	-35	135	1.897	2.212		
Change in individual write-downs in the period	10	11	114	140	0	0	0	0	15	0	0	0	139	151		
Change in group write-downs in the period	4	5	85	6	0	0	0	0	0	2	0	0	89	13		
Operating profit before tax	919	1.041	647	660	-8	55	27	47	119	110	-35	135	1.669	2.048		
Gross loans to customers excl. covered bond companies	85.591	77.924	56.187	49.931	720	521	0	0	6.981	6.719	2.432	2.248	151.911	137.343		
Deposits from customers	46.917	44.192	36.833	32.977	4.625	1.741	0	0	0	0	605	2.317	88.980	81.228		

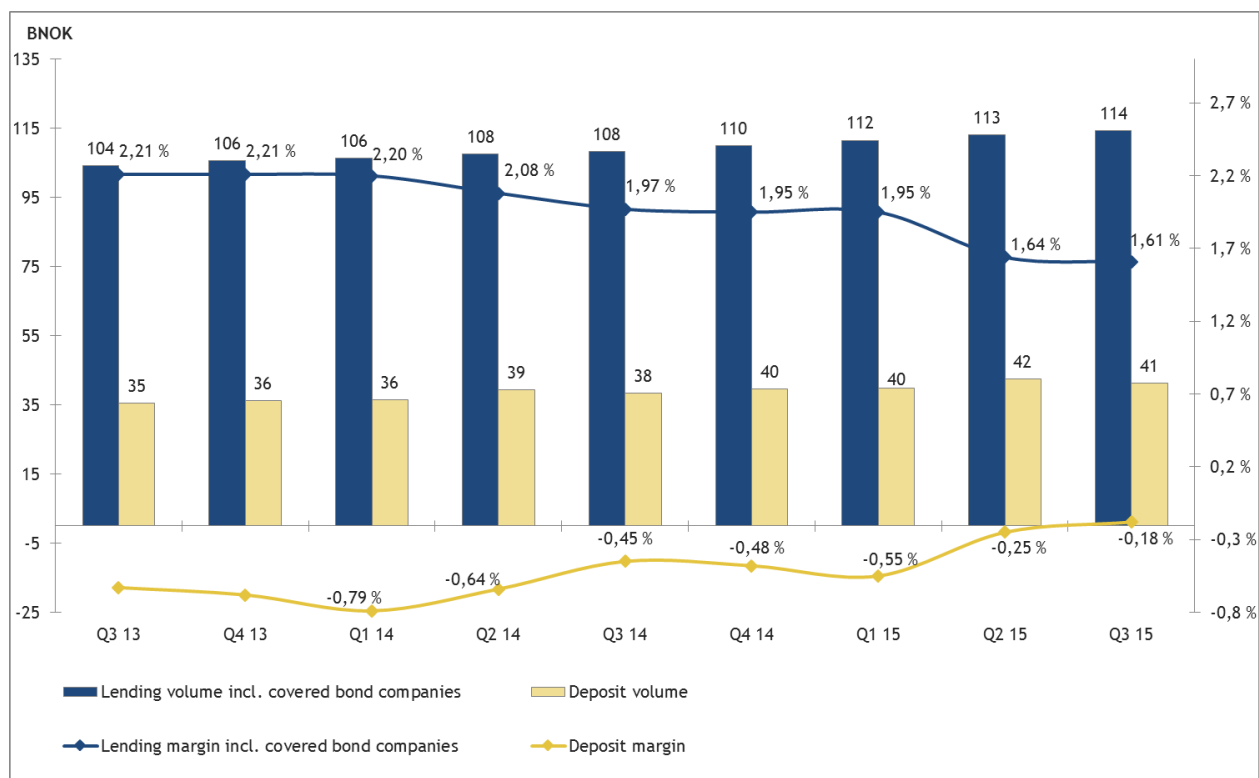
* Includes SR-Forvaltning and SR-Investering

3.2 Retail Market²

Financial performance in the retail market segment

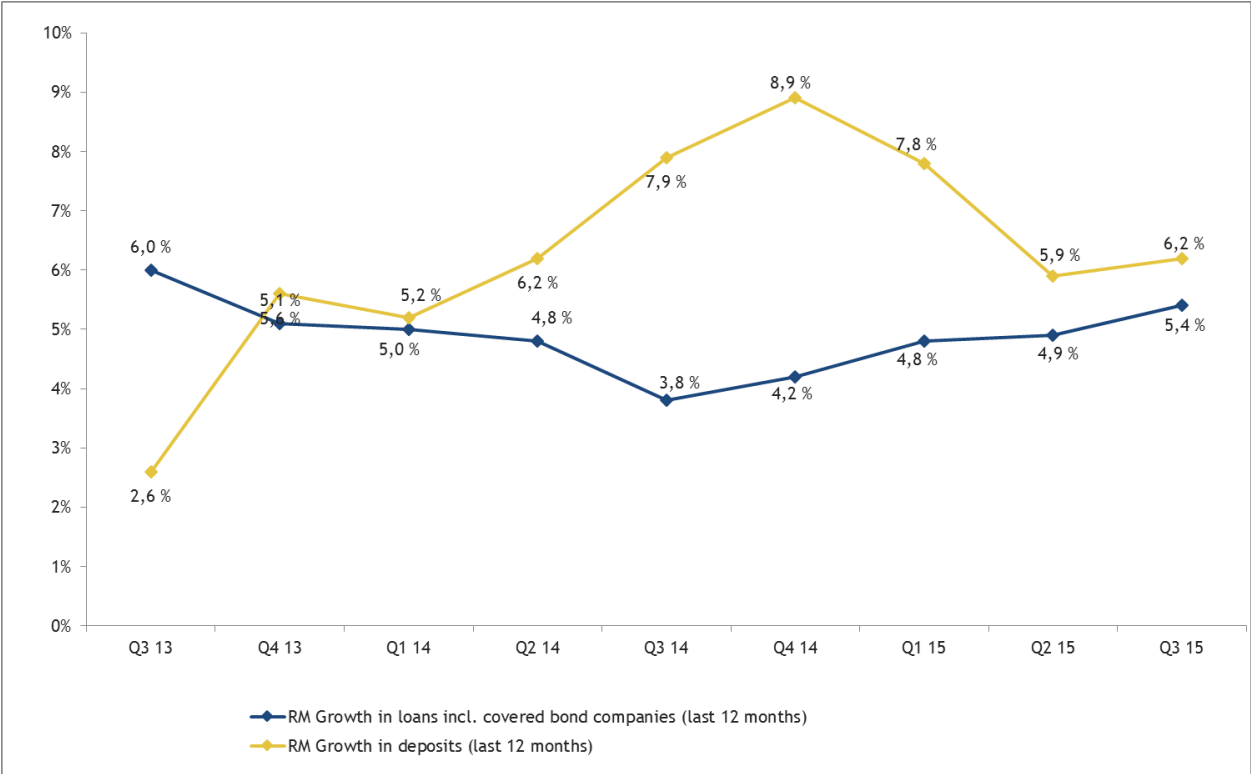
MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Net interest income	267	260	272	284	283	800	761
Net other income	180	176	198	198	215	553	708
Total income	447	436	470	482	498	1.353	1.469
Total operating expenses	151	117	152	169	149	420	412
Operating profit before losses	296	319	318	313	349	933	1.057
Change in individual write-downs in the period	5	6	-1	4	9	10	11
Change in group write-downs in the period	2	2	0	1	0	4	5
Operating profit before tax	289	311	319	308	340	919	1.041

Development in average volume and interest margin



² Interest on intercompany receivables for the retail market division and the corporate market division is determined based on expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long term financing (credit premium). Deviations between the group's actual financing costs and the applied interest on intercompany receivables are eliminated at the group level. In the year to date, the group's real financing cost has been higher than the interest on intercompany receivables, principally due to the falling NIBOR.

Growth in loans and deposits

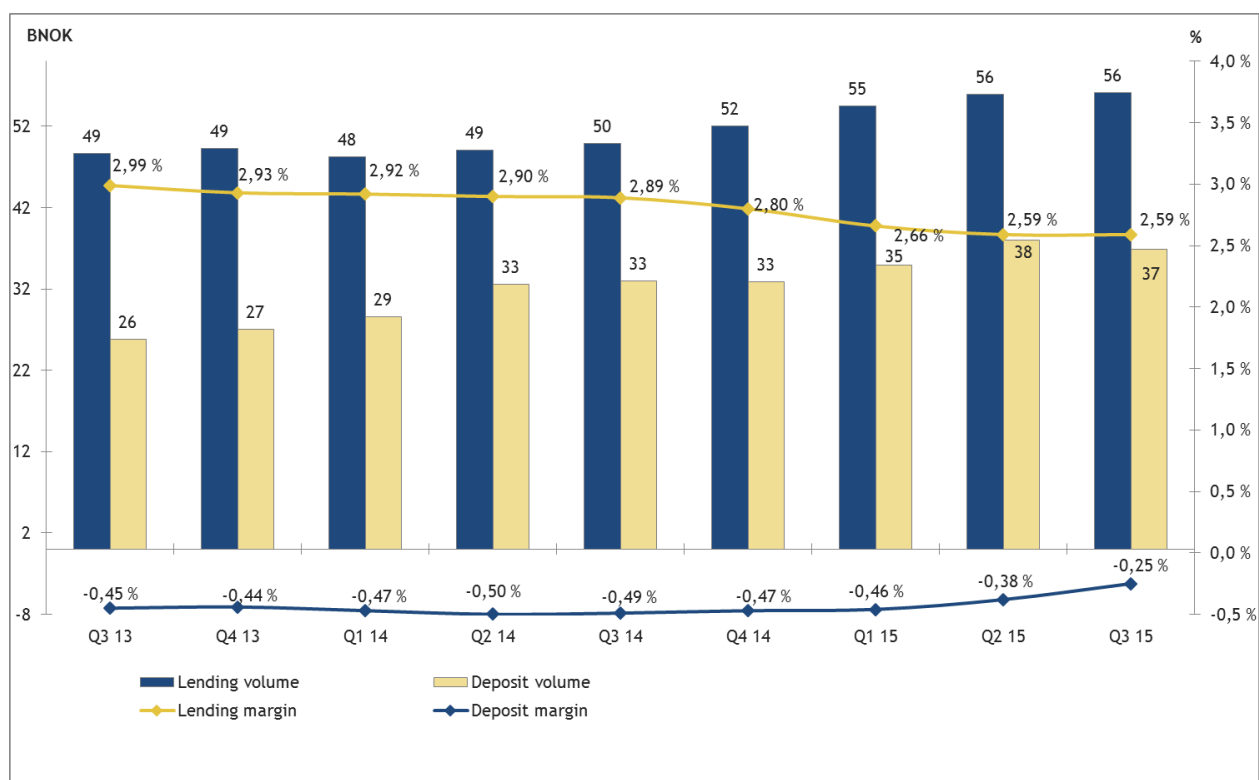


3.3 Corporate Market

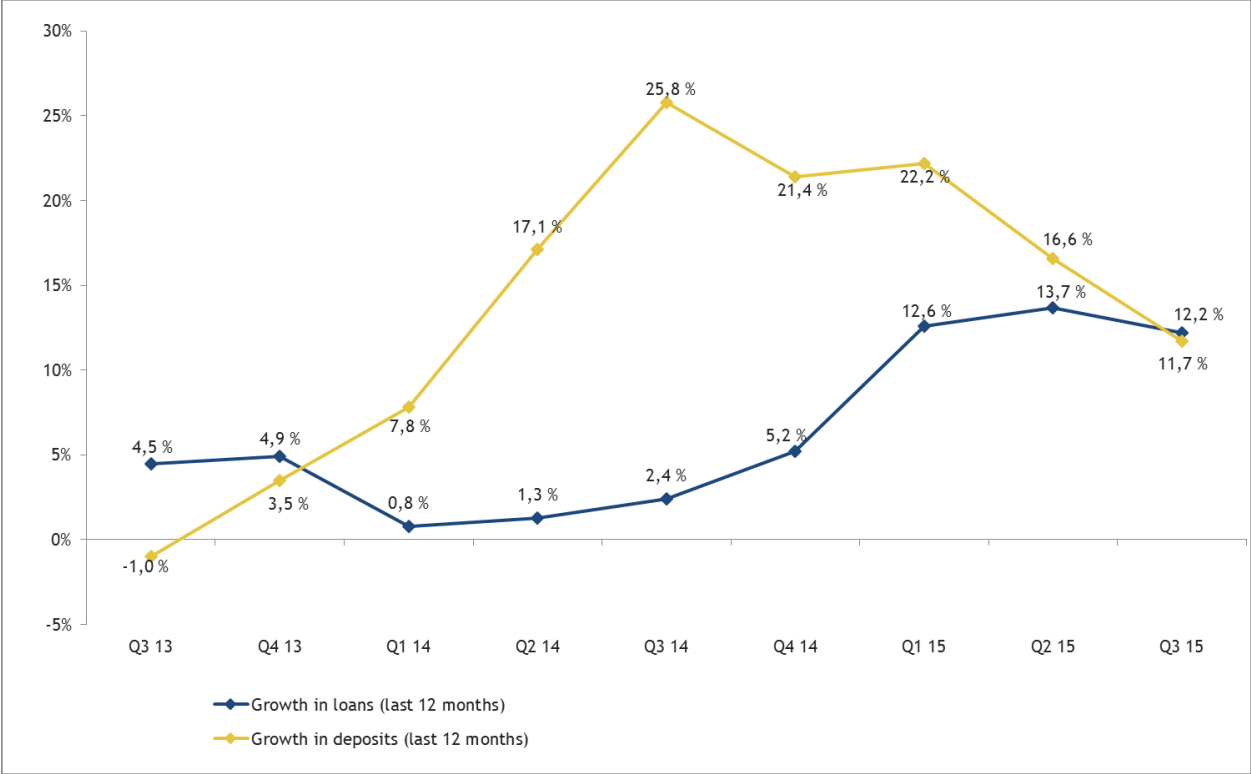
Financial performance in the corporate market segment

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Net interest income	288	246	237	251	246	771	713
Net other income	65	89	91	96	68	244	247
Total income	353	335	328	347	314	1.015	960
Total operating expenses	60	44	65	71	57	169	155
Operating profit before losses	293	291	263	276	257	846	806
Change in individual write-downs in the period	37	16	61	24	38	114	140
Change in group write-downs in the period	48	17	20	57	18	85	6
Operating profit before tax	208	258	182	195	201	647	660

Development in average volume and interest margin



Growth in loans and deposits



3.4 Capital Market

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

Financial performance in the capital market segment

<i>MNOK</i>	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Net interest income	15	16	21	19	14	52	35
Net other operating income	-33	21	17	-36	12	5	74
Total income	-18	37	38	-17	26	57	109
Total operating expenses	19	24	22	19	20	65	54
Operating profit before losses	-37	13	16	-36	6	-8	55
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	-37	13	16	-36	6	-8	55

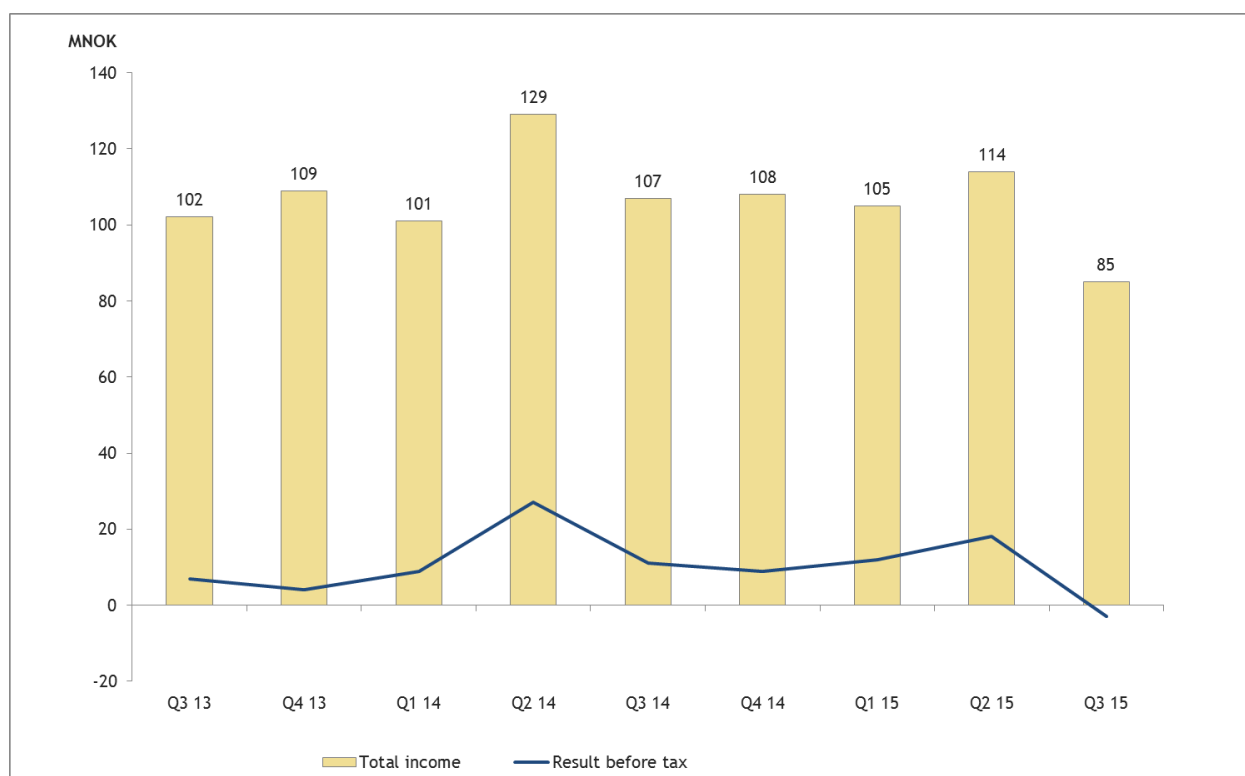
3.5 Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is our region's market leader and the largest company in the nationwide EiendomsMegler 1 chain. This chain is the largest chain of real estate agents in Norway. As at 30 September 2015, the company sold 5207 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Interest income	1	1	1	1	2	3	4
Other income	84	113	104	107	105	301	333
Total income	85	114	105	108	107	304	337
Total operating expenses	88	96	93	99	96	277	290
Operating profit before losses	-3	18	12	9	11	27	47
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	-3	18	12	9	11	27	47

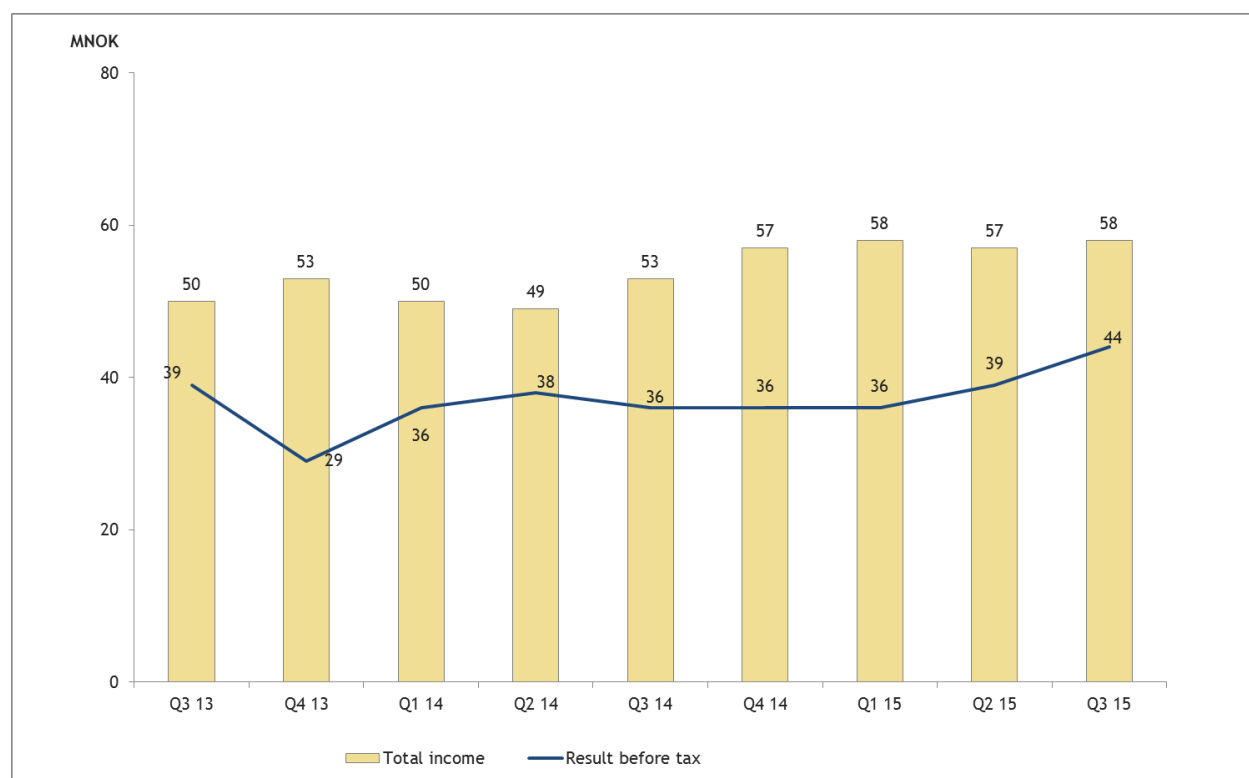


SpareBank 1 SR-Finans AS

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

Financial performance

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Interest income	63	62	64	61	58	189	165
Other income	-5	-5	-6	-4	-5	-16	-13
Total income	58	57	58	57	53	173	152
Total operating expenses	10	15	14	14	13	39	40
Operating profit before losses	48	42	44	43	40	134	112
Change in individual write-downs in the period	4	3	8	3	1	15	0
Change in group write-downs in the period	0	0	0	4	3	0	2
Operating profit before tax	44	39	36	36	36	119	110

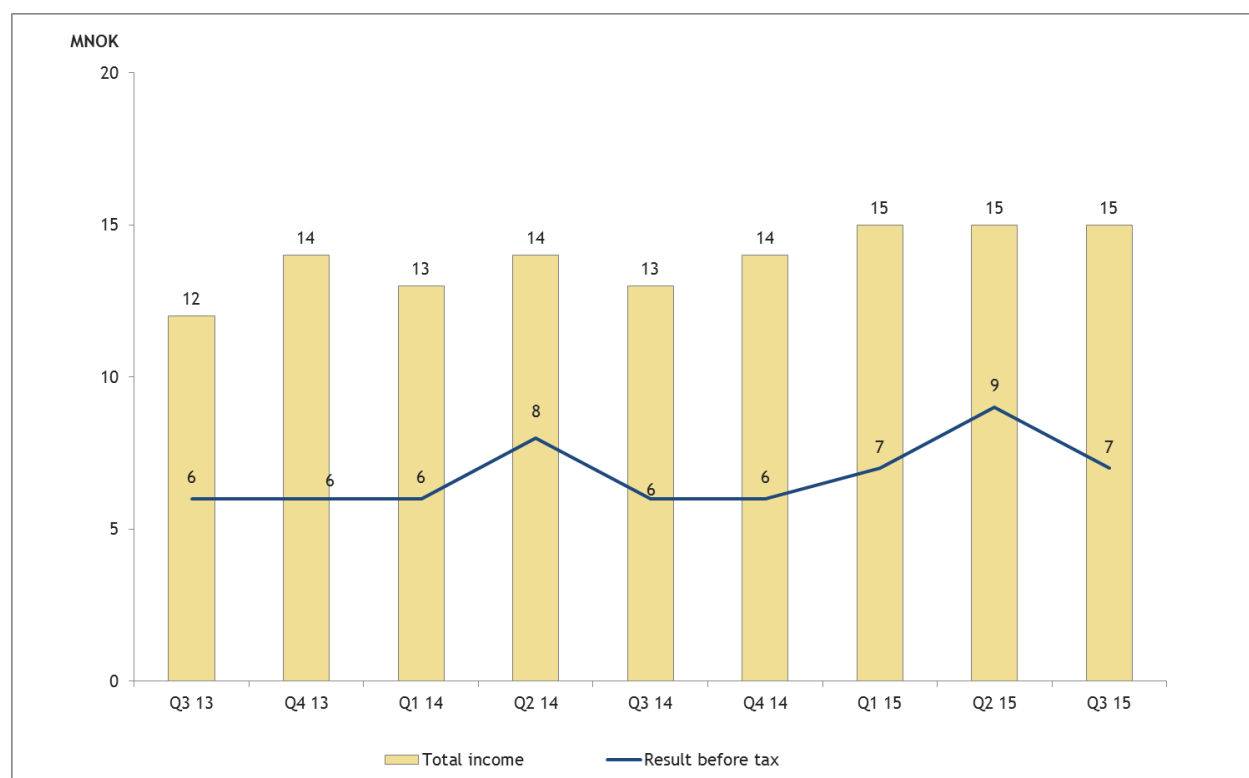


SR-Forvaltning AS

SR-Forvaltning AS is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 2,500 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 9 billion as at 30.09.2015. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Interest income	0	0	0	0	0	0	0
Other income	15	15	15	14	13	45	40
Total income	15	15	15	14	13	45	40
Total operating expenses	8	6	8	8	7	22	20
Operating profit before losses	7	9	7	6	6	23	20
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	7	9	7	6	6	23	20



SR-Investering AS

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

Financial performance

MNOK	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	30.09 2015	30.09 2014
Interest income	0	0	0	1	0	0	0
Other income	0	-11	0	-11	0	-11	12
Total income	0	-11	0	-10	0	-11	12
Total operating expenses	0	0	0	1	0	0	0
Operating profit before losses	0	-11	0	-11	0	-11	12
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	0	-11	0	-11	0	-11	12

