

Annual Report 2017



Front cover (from left to right):

Cultura Bank's employees during the anniversary celebrations at Vippa (Photo: Stig Weston)

Alpacas from Cultura customer Haugfoss Kat and Alplakka at Vippa (Photo: Stig Weston)

Boot dance at Vippa with the students from the Rudolf Steinerskole in Oslo (Photo: Stig Weston)

Customer Herfra gårdsmat and food cultura center (Photo: Gry Aalde)

Customer Cirkus Xanti (Photo: Cirkus Xanti)

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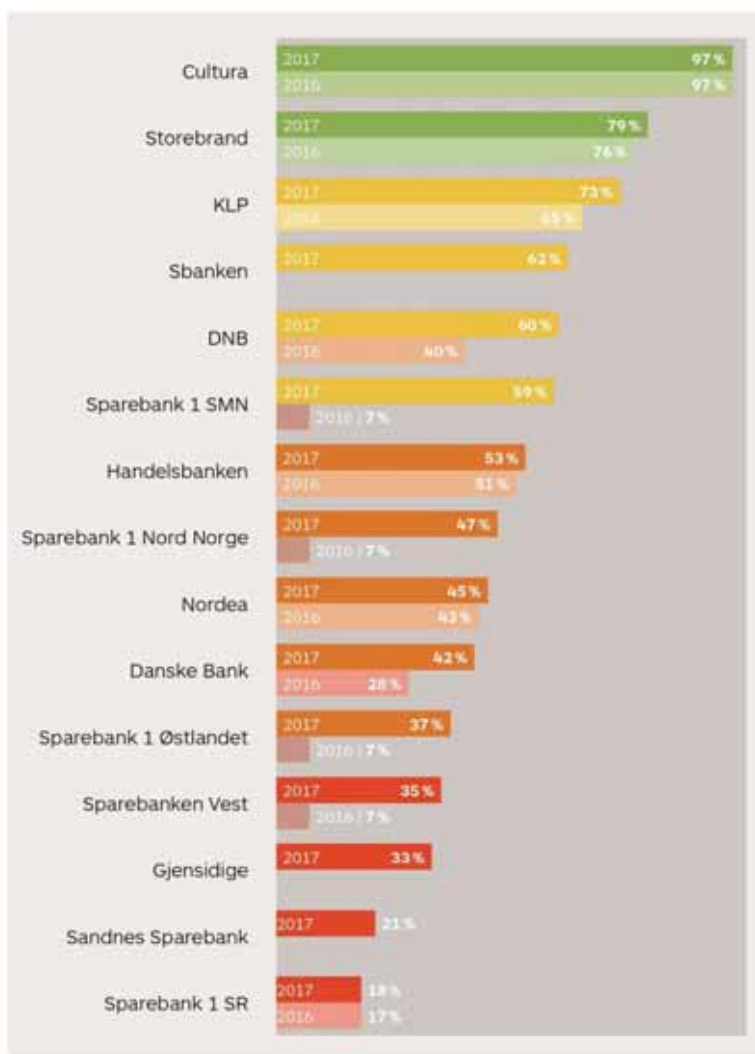
Value based banking



The Fair Finance Guide was introduced in Norway in 2016 and continued into 2017. With a score of 97 points Cultura remains ahead of all the other evaluated banks, even though many banks have improved their score significantly from 2016 to 2017. Cultura is pleased to meet the tougher competition as it gives rise to optimism and motivation for further efforts.

In 2017 Cultura marked its 20th anniversary. The event led to inspiring contacts with customers, investors and sympathizers. Cultura adheres to the value that the financial results of the bank's activities are secondary to the aim of covering peoples' real needs limited by nature's reproductive ability. There is no doubt that this message is reaching an increasing number of people. The influx of customers and the amount of people who want to invest in the bank's equity certificates has been increasing throughout 2017. This gives rises to optimism.

The Norwegian society and the world in which Cultura Bank operates can not be expected to change substantially within a year, nevertheless definite positive developments are unfolding. The Fair Finance Guide and the increased focus it gives to social responsibility within the Norwegian banking sector has already been mentioned. The Norwegian Finance association started establishing a road map for sustainability. Cultura also makes it contribution in these efforts. Cultura participates in the international network Global Alliance for Banking Values (GABV). GABV will mark its 10th anniversary in 2019 and will soon be made up of 50 members including banks and financial institutions from all over the world. The establishment of the United Nation's sustainable development goals, which replaced the previous Millenium Development Goals in 2015, is an example of a large scale international collaboration. The goals that the UN devised coincide largely with the goals which can be formulated based on Cultura's value base. The sustainable



Also this year Cultura Bank obtained a clear first place in the Fair Finance Guide, which is a research in which Framtiden i våre hender and Forbrukerrådet have gone through–h the ethical guidelines, requirements and policy documents of the Norwegian banks with respect to social responsibility, ethics and the environment.

development goals also apply to the richest countries in the world. They are thus also relevant for Cultura as a small and value based business in Norway. Despite the significant growth throughout the years Cultura remains one of Norway's smallest banks measured in total assets. Through its existence and activities, as a voice in the public, Cultura manifests itself to a much greater extent than the size of the bank would suggest. It is worth noticing that a large organization like the UN formulates its goals on human basic needs, the individual's freedom and conservation of the natural environment. These are the same needs that Cultura's value base emphasizes and sets higher than financial profit, while at the same time not ignoring economic sustainability. So far, Cultura is the only Norwegian bank which formulates its core values in this way and bases its activities on these values. Cultura therefore has cause to state that the bank has taken a central and forward-looking position in the Norwegian banking sector. The bank's employees and trustees look forward to further efforts to safeguard and develop this position. This would be beneficial to the banking industry itself, to the customer, investors in Cultura's equity certificates and to society.

Economic status

Cultura's result, excluding extraordinary income, was after losses and taxes in 2017 NOK 3 062 000,-. This is in line with the result of 2016. The return on the bank's equity in 2017 was 3,75 %. Total assets at year end amounted to NOK 944 796 000, an increase of 12,9 % since the end of 2016. The bank aims to continue increasing growth, combined with a reduced cost percentage, improved profitability and a higher dividend yield. The total equity ratio at year end was 23,50 % and the core capital ratio was 19,94 %. Both numbers have been strengthened in the last 12 months and reflect a robust solvency. Both the authorities's required levels and our own are met with good margin. Cultura will pay out a dividend of 2,0 % to the equity certificate owners based on the result of 2017. The new equity certificates issued in 2017 will be entitled to 50 % of full dividend. This payout ratio corresponds with the bank's goal of paying a moderate dividend on equity certificates within a dividend payout ratio of 50 %. This constitutes and will in the foreseeable future be a very significant part of the bank's risk capital. Cultura Bank has had a large influx of new customers for a long time, and this also continued in 2017. The prospect for 2018 is growth and maintenance of good solvency, while the bank will have an increased focus on relative cost reductions and improved operating profit.

Kjell Fredrik Løvold

CEO, general manager

The Board of Director's Report for the Year 2017

Main guidelines for the business activities

Cultura Bank is founded on the idea that cooperation must be nurtured and developed in economic activity in order to properly cover people's real needs. In order to realize this Cultura Bank engages in international networks. In addition to an longstanding cooperation with Ekobanken in Sweden and Merkur Bank in Denmark, Cultura also participates in the international network Global Alliance for Banking an Values (GABV). In connection with GABV Cultura also participates - and utilizes the offer of - education and experience exchanges at the Institute for Social Banking (ISB). ISB's yearly Summer School and its many Expert Labs have been an important arena for Cultura's employees also in 2017.

Cultura Bank aims to contribute to a sound economical and societal development. The bank's operations must be solid and sound also in a conventional economic sense as a prerequisite for realizing its overall goals.

The main principles guiding the bank's activities may be expressed as:

- **Sustainability:** Cultura emphasizes the social and environmental impact of the project in its lending operations. This precedes a conventional assessment of the projects profitability and security, which Cultura also makes in line with other banks. The assessment of the loan application reveals whether the projects will have environmental, social and/or cultural qualities. Only when such criteria are met an assessment is made whether the project is expected to be conventionally economically sustainable. The quality requirements must be fulfilled both in terms of social contributions and own finances. In GABV this is expressed as the requirement for a triple bottom line: People, Planet and Prosperity.
- **Transparency:** Following the borrowers' consent the bank will publish a comprehensive review of all loan projects. This enables depositors to see where their money is invested. The transparency principle is also pertaining to the bank's governance and daily operations. This principle is also a base line in the international network GABV where the the bank is an active participant.
- **Consciousness:** A main pillar of the bank's mission statement is to contribute to increased understanding about money and economical questions. This is done through articles and reports in the bank's magazine "Pengevirke", active use of the bank's website and its profile on Facebook and Twitter. Representatives of Cultura Bank are also regularly active in various forums with content about banking and economics.

Organization

Cultura Bank is organized in accordance with the Financial Institution Act and the bank's bylaws. The bank names its supreme body the board of trustees, which is composed of representatives for the customers, the owners of the bank's equity certificates as well as employees and the local government. The board of trustees normally conducts two meetings a year. Amongst their 12 members they choose a chair for the board themselves.

The tasks of the board of trustees are, amongst others, to approve the bank's annual accounts, elect a board and nominate an election committee. The board elects an audit and risk committee among its members.

The bank has 17 permanent employees who together fill 16 full time positions. As of 31.12.2017 there are no temporary employees. The board, existing of 7 members, had 16 meetings in 2017. The employees have one representant on the board.

The bank's headquarters and sole office is located at Holbergs gate 1 in Oslo.

Remuneration

The remuneration schemes in Cultura Bank are designed in accordance with the Financial Institution Act. The guidelines for remuneration are revised annually by the board. The board is also presented an annual report by the bank manager with a review of the remuneration scheme. With the exception of remuneration for overtime, no form of variable remuneration is paid based on results obtained or for any other reason.

Risk Management

Good risk management is an important prerequisite for the bank's operations .

Through operations the bank is exposed to a number of risk areas. There are separate policy documents for credit risk, liquidity risk, market risk, operational risk and business and risk management. All documents have been subject to review by the board in 2017. The bank has established a risk control role that is directly subject to the general manager and reports directly to the board. A separate routine has been established for the implementation of internal control. The internal control report is reviewed annually by the Board. The board has also established a risk and audit committee.

Credit

Credit risk is defined as the risk that customers' payment obligations to the bank can not be met due to the inability or unwillingness of the customers to pay at the agreed time. This is the most important risk area in a bank, and the bank's risk management policy is therefore organized to ensure that transactions with customers and financial institutions are always within the agreed guidelines. According to the bank's objective clause and the board's policy, lending should be within defined lending purposes and have an appropriate spread. The bank carries out a risk classification of all loans based on criteria for payment ability and security. Empirical data for losses and defaults and developments in the risk classification form the basis for assessing the bank's credit risk. All loan agreements are monitored continuously with regard to term payments, and any deviations are reported to the board. A regulatory framework has been established for credit assessments, and the bank has a credit committee working within a mandate approved by the board.

The bank has its own routine for securing a loan that is followed when a borrowing customer's ability to service the loan is reduced, or if a value reduction on the collateral makes it necessary. The loan portfolio is continuously assessed and, if there should be objective criteria for loss, there will be write-downs on the individual loans or groups of loans. Credit risk is discussed in more detail in connection with the balance sheet and profit and loss account.

Liquidity risk

The bank's liquidity risk is defined as the risk that the bank is unable to meet its debt obligations or that the bank can not refinance its debt or finance its activity without incurring significant additional costs. According to the bank's policy document for liquidity risk, the liquidity risk must be low. The policy document sets a minimum requirement for "weighted deposit coverage"¹ of 110 %. The bank's weighted deposit coverage was 137 % at the end of 2017. In order to withstand large withdrawals and fluctuations in customer deposits, the bank holds a liquidity reserve and drawing rights in Norges Bank. The deposits in the daily settlement bank, DNB, are regulated on an ongoing basis to cover ongoing payments.

Market risk

The bank's market risk is the risk that the value of the bank's assets will be reduced as a result of changes in market conditions. Management of the bank's market risk is done through defined maximum limits for investments specified in the bank's market risk policy document. According to this document, market risk shall be kept very low.

The bank's portfolio of interest-bearing securities consists of covered bonds and Treasury bills. All papers have high credit rates and variable interest rates at 3 months for interest rate adjustment (covered bonds), or maximum 12-month maturity (Treasury bills), and thus relatively low exchange rate and interest rate risk.

The bank's portfolio of shares and other participations in other companies is relatively small and consists of interests in related companies abroad and investments in strategic partners. It is considered to be less exposed to the turmoil of the securities markets.

The interest rate risk which, with changes in the market interest rate, can lead to capital losses or pressure on the interest rate margin, is considered to be small. Cultura Bank works to a very small extent with fixed interest rates on loans and has the ability to adjust interest rates for both deposits and loans within a short period of time.

The bank has a very limited currency risk, as lending and deposits across national borders are conducted in Norwegian kroner. However, the bank is exposed to currency risk due to the fact that invoices from the bank's system vendor are billed in Danish kroner.

In 2017, Cultura Bank has increased its limits for investment in covered bonds. There have been no significant changes in policy or positions during the year.

Operational risk

The operational risk is the risk of financial loss due to errors in internal processes and systems, human

¹ Weighted deposit coverage ratio: Deposits exceeding the deposit guarantee scheme are weighted 50 %

errors or as a result of external events. According to the bank's policy document for operational risk, this risk must be very low. Management of operational risk is done through the bank's policies, routines and guidelines.

ICAAP

In accordance with the capital adequacy framework, the bank annually prepares an ICAAP report. In this report the bank assesses its capital needs by reviewing the bank's risk areas. The bank's various risks are described in more detail in its own risk report available on the bank's website.

Environment and other conditions

Health, safety and environmental issues

No larger events concerning neither the working nor the social environment have been reported during the past year. The board of directors considers the working environment as good. No larger accidents or injuries been registered in 2017.



- Absence due to illness amounted to 147 days of which 43 days were short term and 104 days long term with medical verification. The sickness absence percentage was 3,63 % (4,2 % in 2016).
- Electric power consumption in 2017 was 77 393 kWh vs. 74 719 kWh in the year before.

A handbook covering health, environment and safety issues has been issued and these matters are followed up on a regular basis by a dedicated employee representative together with the chief executive officer.

Cultura Bank regards the responsibility for the environment as a main pillar of its activities and considers its main contribution to be the financing of good projects in this area. In addition to this the bank strives to live up to its high standards in its own conduct of business and thus has laid down its own environmental policy.

Cultura Bank is not significantly polluting its environment and does not cause any direct emissions. The bank is financing non-polluting and environmentally conscious activities and thus the indirect pollution is seen as very modest.

The bank maintains an environmental certification called "Miljøfyrtårn" or "Environmental Beacon". The certification entails an annual review of measures in this field and the results of these. The certification was renewed in 2016.

- Glass, plastics and electronic waste are disposed of separately as well as paper and cardboard.
- The bank aims to use suppliers of office equipment that are environmentally certified and the actual products should be environmentally marked and certified. None of the employees use a car to commute to work on a daily basis.
- Business travel should, when possible, take place by public transport.
- Teleconferences are preferred for meetings instead of travelling.

Gender equality

The bank employs nine women and nine men. In its employment policy the bank maintains a professional qualification line which is gender neutral. The board of directors has three women and four men, the chair position is held by a female member. The deputies are one woman and one man.



Employees 2017. From left: Rune Horne, Mathias Bertram, Andreas Haugerud, Camilla Gjetnes, Annette Larsen, Kjell Fredrik Løvold, Torstein Dyrnes, Jannike Østervold, Alice Nyamogo, Stian Torstenson, Christina Andersson, Bjarne Hjertholm, Gro Sissel Taraldrud, Arve Gjetnes. Christine Praamsma, Mie Tørmoen, Thomas Emil Lie Karlsen and Kari Schage were absent. Photo: Herman Dreyer.

Economy

General development

The analysts view on the Norwegian economy was largely positive at the start of the last quarter of 2017. A cyclical bottom seems to have been reached a year ago, and GDP growth has then been around 2 %. A drop in housing prices in Oslo spread through the country from March 2017. At the end of 2018 housing prices are expected to be around 10 % lower than they were in the first quarter of 2017. This is expected to lead to a reduced amount of new housing constructions, although from a very high level.

Unemployment is expected to fall and real wage growth will pick up somewhat. Interest rates seem to have bottomed out and are replaced by a moderate increase. With respect to Cultura's operations this situation does not give rise to any serious concerns. The anticipated decline in housing prices is at a level that does not cause concern about the value of the bank's collateral. A moderate increase in interest rates is also not expected to adversely affect the bank's operations.

Main features of Cultura Bank's economy for 2017

Total operating income for 2017 was NOK 26,0 million, up by 4,8 % compared to 2016. Operational expenses increased in the same period by 8,3 %, NOK 1,7 million, to NOK 22,3 million. This gives an operating result of NOK 3,7 million, which is NOK 0,6 million lower than in 2016. Of the increased

operating expenses the financial activities tax implemented in 2017 amounted to nearly NOK 0,5 million, which equals 29 % of the bank's total increased costs. Total assets increased by 12,9 % to NOK 945 million. Loans to customers increased by 10,8 % to NOK 566 million. Customer deposits increased by 13,3 % to NOK 835 million.

Profit and loss accounts

REVENUES

Net interest income, the difference between the bank's deposit and loan interest rate, the most important revenue source for the bank was NOK 19,8 million in 2017 against NOK 18,9 million the year before. The bank's increased volume in mortgages together with a generally reduced interest rate level made net interest income as a percentage of total assets fall from 2,37 % to 2,23 %. Net provision income increased with 12,1 % from NOK 4,8 million to NOK 5,4 million. Measured against total operational income net provision income increased from 19,2 % to 20,6 %.

EXPENSES

Total operational cost, amounting in 2016 to NOK 20,6 million, increased in 2017 to NOK 22,3 million. As mentioned earlier the finance activities tax stands for nearly NOK 0,5 million of this increase. Other increased costs revolve around increased salary expenses of NOK 0,7 million and administration expenses of NOK 0,5 million as a result of increased marketing costs in relation to the bank's anniversary events.

LOSSES AND LOAN IMPAIRMENTS

Payment on earlier write-downs resulted in a net income of NOK 381 000.

RESULT

The net result after loan losses and taxes amounted to NOK 3 062 000, against NOK 5 526 000 in 2016. Last year's result was significantly influenced by a gain of NOK 2 320 000 from the sale of Cultura Bank's equity stake in Visa Europe, the ownership resulting from the membership in Visa Norway. When this extraordinary gain of 2016 and the introduction of the financial activities tax in 2017 are taken into consideration, the net profit of 2017 is line with that of 2016.

THE BOARD OF DIRETORS' PROPOSAL FOR ALLOCATION OF THE NET PROFIT

RESULT FOR THE YEAR

According to current laws the net profit should be allocated proportionally between the bank's own reserves and the capital issued through equity certificates. The board thus proposes a payout of 2,0 % to the equity certificate owners, amounting to NOK 1 396 000. The equity certificates issued in 2017 will be entitled to 50 % of full dividends. The Cultura Trust Foundation (Cultura Gavefond) is granted a gift of NOK 50 000. NOK 1 538 000 is retained in the equalization fund which is earmarked for future dividend payouts, the capital ratios allowing. The balance, amounting to NOK 78 000 is allocated to the bank's own reserves.

Assets and Liabilities

LOANS

The bank's bylaws and the credit policy laid down by the board of directors define the preferred loan purposes of the bank. Additionally the credit risk in the loan book should be distributed in a responsible way. The bank performs a risk classification based on criteria for loan servicing ability and security. Empirical data as well as the development of the risk classification matrix are used for evaluating the bank's credit risk. All loans are monitored at short intervals and failing payments are reported to the board of directors. The bank has policy guidelines for credit evaluation and the bank's credit committee

operates with a power of attorney within set limits. Loan in arrears by more than 90 days amounted to NOK 94 000 at year end, compared to NOK 370 000 in 2016. Loans not in arrears but with a higher probability of losses totalled NOK 83 000 versus NOK 1 597 000 in 2016. The bank has a routine for securing a loan if a lack of the customer's ability to service the loan or weakness in the security is identified. Total loans increased with NOK 56 million over the year. Growth in outstanding loans is satisfactory, even though the bank aims to increase growth in outstanding loans more in years to come. As a consequence of the bank's distinctive mission it has been stated that at least 50 % of the loans should be loans to enterprises.



The loan policy stresses the qualitative profile of the loans. The reporting of the bank visualizes this by subdividing the loan book into the categories People, Planet, Prosperity, the terms also used by the reporting in the scorecard system developed by the GABV. This is also referred to as triple bottom line lending. In the People category loans concerning education, art as well as healthcare can be found. Social inclusion can also be found in this category, this is all about lending to social therapy activities for mentally disabled people. Planet includes organic agriculture and distribution of green products as well as ecological building and other environmental projects. Prosperity is used for loans to various small, local business purposes. In addition to the abovementioned categories Cultura is offering normal housing loans which now constitute 31,8 % of total loans and miscellaneous other purposes which add up to a mere 2 % of total loans. The table below shows a more detailed picture according to the GABV reporting format.

OUTSTANDING LOANS BY PURPOSE 31.12.2017

	Purpose	NOK	
People	arts and culture	32 534 233	5,8 %
	education	122 769 504	21,7 %
	health care	4 570 380	0,8 %
	transportation	482 587	0,1 %
	social inclusion	38 355 396	6,8 %
	other - people	6 732 717	1,2 %
	Planet	distribution ecological products	14 375 748
green housing		69 237 513	12,2 %
sme lending		181 016	0,0 %
sustainable agriculture		53 927 459	9,5 %
water efficiency/ reduction/ access		1 777 485	0,3 %
other - planet		20 860 594	3,7 %
Prosperity	microfinance for micro enterprise	124 669	0,0 %
	distribution ecological products	143 585	0,0 %
	sme lending	4 460 563	0,8 %
	other - prosperity	3 872 686	0,7 %
Other	housing	179 904 419	31,8 %
	other	11 453 879	2,0 %
	Total	565 764 433	100 %

CUSTOMER DEPOSITS AND OTHER FINANCING

Growth in customer deposits has been very strong also in 2017. Since the end of 2016 deposits have grown with 13,3 %. Loans as a percentage of deposits is now at 67,7 %. The sizeable surplus of liquidity is mainly invested in covered bonds and government securities. The bank has a very conservative investment profile, but has towards the end of the year increased its limits on investments in covered

bonds with an equivalently reduced volume of investments in low-yield Norwegian Treasury bills. In addition to investments in covered bonds and treasury bills the bank has the necessary deposits in Norges Bank and DNB as a settlement bank. The bank's securities are highly liquid and are deposited as collateral for the bank's withdrawal access in Norges Bank. The bank's current policy requires more than 100 % deposit cover for lending. The liquidity risk in the bank is considered very moderate.

CAPITAL COVERAGE AND EQUITY

The total capital coverage ratio was 23,50 % at year end, up from 22,07 % the year before. Core equity capital coverage was 19,94 % all tier one, versus 18,27 % last year. The improved capital ratio is a result of the equity issue in 2017 which increased capital by 9,4 million NOK. The bank satisfies external as well as internal requirements. The bank's solvency is seen as adequate in relation to the present business volume. In order to achieve the bank's goals of continued expansion it is essential that the equity base is strengthened further through the issuance of new equity certificates. Issuing of new equity certificates remains the bank's main source of capital. A new issuance is planned for the end of 2018. The equity certificates are registered in the central security registry, VPS but are not listed on the Oslo Stock Exchange.

The Saving Bank's fund is composed of the initial gifts from inauguration as well as retained earnings through the years. A proportional part of the year to year earnings are allocated to the equalization fund, which, as mentioned above is earmarked for future distribution as dividend to the degree the total capital adequacy permits it.

Cultura Gift Fund and Cultura Guarantee Fund

Cultura Gift Fund makes donations to research and development projects including the testing of new ideas in the field of social development. The fund operates independently from the bank. The majority of the fund's capital is invested in equity certificates of the bank.



Cultura Guarantee Fund may offer guarantees in favour of worthy loan projects where the security is deemed insufficient to satisfy the normal requirements of the bank. Although the fund has a relatively small capital base, the effect of the guarantees may be quite significant.



Both funds are self governing trusts, legally independent from the bank.

Marketing and Communication

Marketing and communications efforts are based on the bank's communication strategy, which is continuously assessed and revised. The main topic of 2017 has been the bank's 20th anniversary. Through articles in Pengevirke and an additional anniversary magazine the history of Cultura Bank has been presented. As part of the anniversary campaign a "Customer of the Month" was chosen each month. Illustrated with a story and pictures they exemplified how sustainability, creativity and diversity flourish among our loan customers. This projects are live illustrations of how depositors and equity certificate holders in Cultura bank contribute to making a positive difference through their choice of Bank.

In 2017, Cultura Bank once again received a top ranking in the Ethical Banking Guide. This has been an important contribution in spreading knowledge about the bank and its ethical profile.

The bank's most important communication channels are

- **Websites**
- **Social media** - Mainly Facebook
- **Pengevirke** – magazine for a new banking culture (published quarterly)
- **Advertisements** - on paper as well as through electronic media
- **Participation** in seminars, festivals and other public events such as;
 - Sponsor and participant at the BI seminar on green growth
 - Sponsor and participant at Økouka 2017 where the bank marked its 20 year anniversary
 - Banking on Values Day – Open day at the bank with a presentation about our green housing mortgages
 - Sponsor and grantor of the Matprisen 2017
 - Storytelling workshop where the bank's customers and employees created digital stories which were presented in the bank's digital communication channels



In terms of manpower the marketing efforts consume about one full employment position, divided equally between two co-workers. In addition to this the bank is outsourcing graphic design, internet pages, text writing and some of the additional public relations work.

Partnerships

Non Governmental Organisations

The civil society and activities within the social economy are performing important tasks where efforts by government or entities within the market economy fall short. Cultura Bank shares values and goals with several organisations within the civil society and aims at being their natural banking partner. The bank offers a special savings account for customers who want to support some of these organisations. In 2017 our customers through these accounts contributed NOK 293 622 to the organisations listed below.



CONTRIBUTION TO PARTNER ORGANISATIONS IN 2017

Partner	Amount (NOK)	Number of accounts	Total deposits as of 31.12.2017
Naturvernforbundet	25 565	33	3 002 117
WWF-Norge	31 737	85	3 189 401
Regnskogfondet	66 106	156	7 174 325
Redd Barna	108 153	185	11 303 629
Framtiden i våre hender	44 645	90	6 063 134
Kvinne- og Famileforb.	12 634	26	1 227 760
Norsk P.E.N.	4 782	8	499 671
	293 622	583	32 460 037

Other matters and outlook for the future

The accounts and the information provided in the annual report represent a true picture of the development, the financial result and the total position of the bank. The board of directors is not aware of matters that are not reflected in the profit and loss accounts and the balance sheet of the bank.

Furthermore the board is not aware of any occurrences taking place after the closing of the accounts that may affect the position of the bank. The bank is deemed well prepared to meet further challenges in the year ahead. The budget for 2018 sees a positive result and the accounts have been submitted under the assumption of continued operations of the bank.

Expression of gratitude

The board of directors expresses its gratitude to the bank's staff in recognition of the good work performed. Further thanks go to the bank's customers, owners of equity certificates as well as elected representatives. The existence of Cultura bank is dependent on support from individuals and groups to realize a common goal of developing a beneficial and sustainable economic activity.

Oslo, March 9th 2018



Maria Bjune
Maria Bjune
Styreleder



Christian Dubrau
Christian Dubrau
Nestleder



Øyvind Vestre
Øyvind Vestre
Styremedlem



Randi A. Welhaven
Randi A. Welhaven
Styremedlem



Torstein M. Dyrnes
Torstein Dyrnes
Styremedlem
(ansattes representant)



Alf Howlid
Alf Howlid
Styremedlem



Regine Andersen
Regine Andersen
Styremedlem

Profit and loss statement

In thousands of NOK	Notes	2017	2016
Interest income from loans and receivables on credit institutions		398	591
Interest income from loans to customers		21 631	20 676
Interest income from bonds, certificates and financial derivatives		1 454	1 351
Other interest income		0	2
Total interest and related income		23 483	22 620
Interest expense on deposits from and debt to customers		2 362	2 460
Interest expense on subordinated loan capital		780	800
Other interest expenses		512	507
Total interest and related expenses		3 654	3 767
Net interest and credit commission income		19 829	18 853
Income from shares, participations and other securities with variable earnings		37	8
Total income from shares, participations and other securities with variable earnings		37	8
Guarantee commission income		188	120
Other fees and commission income		7 464	6 841
Total fees and other income from banking activities	9	7 652	6 961
Guarantee commission expenses		268	269
Other fees and commission expenses		2 022	1 907
Total fees and other expenses on banking services		2 290	2 176
Net gains and losses from notes, bonds, and other interest-bearing securities		590	1 101
Net gains and losses from shares and participations		-70	0
Net gains and losses from foreign exchange and financial derivatives		295	115
Total gains and losses on foreign exchange and financial derivatives		815	1 216
Total operating income		26 043	24 862
Salaries etc.	7	11 744	10 605
Salary expenses		8 986	8 265
Pension expenses		698	707
Social security expenses		2 060	1 633
Administrative expenses	9	6 495	5 987
Total salary expenses and general administrative expenses		18 239	16 592
Ordinary depreciation on fixed assets and intangible assets	4	1 469	1 361
Other operating expenses	9	2 596	2 633
Total operating expenses		22 304	20 586
Operating profit before impairment losses		3 739	4 276
Losses on loans, guarantees, etc.	2	-381	-68
Net gains on fixed and intangible assets		15	2 320
Profit before taxes		4 135	6 664
Taxes expense	8	1 073	1 138
Profit after tax	5	3 062	5 526
Allocations			
Dividend on equity certificates		1 396	977
Transferred to Equalization fund	5	1 538	4 289
Transferred to gift fund		50	50
Transferred to the Savings Bank's Fund	5	78	210
Total allocations		3 062	5 526

Balance sheet as of 31.12.2017

In thousands of NOK	Notes	2017	2016
Cash and claims on the Norwegian Central Bank		56 281	60 109
Loans and claims on credit institutions		10 378	38 694
Overdrafts and other operational credits		14 780	12 279
Construction loans		5 059	4 736
Loans to customers		545 925	493 654
Total loans before value adjustments		565 764	510 669
value adjustments on individual loans		-189	-940
value adjustments on groups of loans		-1 327	-1 327
Net sum loans and claims on customers	2	564 248	508 402
Certificates and bonds issued by public authorities		109 707	119 705
Certificates and bonds issued by other organisations		190 795	95 112
Total certificates and bonds	3	300 502	214 817
Shares, interests and equity certificates	3	7 651	8 021
Deferred tax credits	8	163	207
Other intangible assets	4	2 700	3 850
Total intangible assets		2 863	4 057
Fixed assets, machinery, inventory and means of transport	4	575	694
Other assets		21	26
Accrued income		996	422
Pre-paid non-accrued income		1 281	1 450
Total pre-paid expenses and accrued income		2 277	1 872
TOTAL ASSETS	6	944 796	836 692
Deposits from and liabilities to credit institutions		30	13
Deposits from and liabilities to customers without agreed maturity		812 065	714 294
Deposits from and liabilities to customers with agreed maturity		23 414	23 013
Total deposits and liabilities to customers	6	835 479	737 307
Other liabilities	9	5 145	5 987
Accrued expenses and received non-accrued income		2 425	1 923
Subordinated loan	5	14 970	14 940
TOTAL LIABILITIES		858 049	760 170
Share capital		74 543	65 110
Bank owned equity certificates		-824	-
Equity capital	5	73 719	65 110
The Saving Bank's Fund		3 678	3 600
Equalization Fund		9 350	7 812
Accrued equity	5	13 028	11 412
TOTAL EQUITY		86 747	76 522
TOTAL EQUITY AND LIABILITIES	6	944 796	836 692
Guarantees	2	9 610	6 423

Oslo, March 9th 2018


Maria Bjune
Styreleder


Christian Dubrau
Nestleder


Øyvind Vestre
Styremedlem


Randi A. Welhaven
Styremedlem


Torstein Dyrnes
Styremedlem
(ansattes representant)


Alf Hovlid
Styremedlem


Regine Andersen
Styremedlem

Notes to the accounts

1. General accounting principles

The bank's annual fiscal statement has been produced in accordance with current laws and regulations for savings banks and generally accepted accounting standards. Each note to the accounts elaborates on the principles used for the given item with reference to the individual items in the financial statement.

Accruals of incomes and expenses: Interest and commission income or expenses are allocated to the period in which they arise. Pre-paid income and accrued, non-paid expenses are assigned to the accrual period and booked as a liability in the balance sheet. Arrangement fees on new loans to cover corresponding processing costs are recorded as income at the time of payment. Balance sheet items in foreign currencies are converted using the balance sheet day's exchange rate

2. Loans and guarantees

GUARANTEES BY TYPE

In thousands of NOK	2017	%	2016	%
Payment guarantees	9 610	100,0	6 423	100,0
Loan guarantees	0	0,0	0	0,0
Total guarantees	9 610	100,0	6 423	100,0

GUARANTEES BY SECTOR

In thousands of NOK	2017	%	2016	%
Private limited liability company	2 502	26,0	3 316	51,6
Non-profit organizations	6 670	69,4	2 015	31,4
Sole proprietorship	10	0,1	685	10,7
Private households	150	1,6	150	2,3
Foreign companies	278	2,9	257	4,0
Total guarantees	9 610	100,0	6 423	100,0

GUARANTEES BY INDUSTRY

In thousands of NOK	2017	%	2016	%
Agriculture and related services	10	0,1	20	0,3
Retail, repair of motorized vehicles	665	6,9	828	12,9
Transport and storage	152	1,6	152	2,4
Information and communication	0	0	200	3,1
Sale and management of real estate	0	0	675	10,5
Commercial services	1 570	16,3	2 126	33,1
Other service industries	6 785	70,6	2 015	31,4
Private sector	150	1,6	150	2,3
Foreign companies	278	2,9	257	4,0
Total guarantees	9 610	100,0	6 423	100,0

GUARANTEES BY GEOGRAPHIC AREA

In thousands of NOK	2017	%	2016	%
Østfold	50	0,5	50	0,8
Akershus	6 146	63,9	560	8,7
Oslo	2 901	30,2	4 721	73,4
Vestfold	10	0,1	10	0,2
Rogaland	75	0,8	75	1,2
Hordaland	75	0,8	75	1,2
Sør-Trøndelag	75	0,8	0	0
Nordland	0	0	675	10,5
Abroad	278	2,9	257	4,0
Total guarantees	9 610	100,0	6 423	100,0

LOANS BY SECTOR

In thousands of NOK	2017	%	2016	%
Private limited liability company	66 322	11,7	61 540	12,1
Privately owned companies	11 620	2,1	11 403	2,2
Non-profit organizations	171 978	30,4	193 253	37,8
Sole proprietorship	60 211	10,6	46 708	9,1
Housing associations	3 239	0,6	3 792	0,7
Private households	252 136	44,6	193 967	38,1
Foreign companies	257	0,0	0	0,0
Foreign households	1	0,0	6	0,0
Total loans	565 764	100,0	510 669	100,0

LOANS BY INDUSTRY

In thousands of NOK	2017	%	2016	%
Agriculture and related services	51 359	9,1	40 992	8,0
Manufacturing	8 895	1,6	9 908	1,9
Building of ships and boats	1	0,0	0	0,0
Construction	1 108	0,2	1 373	0,3
Retail, repair of motorized vehicles	8 908	1,6	11 768	2,3
Accommodation and food service activities	1 135	0,2	1 784	0,3
Information and communication	0	0,0	7	0,0
Sale and management of real estate	51 275	9,1	39 421	7,7
Finance and insurance activities	592	0,1	1 354	0,3
Commercial services	1 951	0,3	2 263	0,4
Other service industries	188 146	33,3	207 826	40,8
Private households	252 394	44,5	193 973	38,0
Total loans	565 764	100,0	510 669	100,0

LOANS BY GEOGRAPHIC AREA

In thousands of NOK	2017	%	2016	%
Østfold	31 414	5,6	29 185	5,7
Akershus	108 385	19,2	96 328	18,9
Oslo	201 057	35,5	192 851	37,7
Hedmark	44 783	7,9	33 771	6,6
Oppland	13 591	2,4	14 597	2,9
Buskerud	39 027	6,9	33 208	6,5
Vestfold	31 423	5,6	31 697	6,2
Telemark	4 491	0,8	2 496	0,5
Aust-Agder	1 602	0,3	2 332	0,5
Vest-Agder	30	0,0	2	0,0
Rogaland	8 749	1,5	6 923	1,4
Hordaland	21 044	3,7	17 576	3,4
Sogn og Fjordane	571	0,1	617	0,1
Møre og Romsdal	2 013	0,4	34	0,0
Sør-Trøndelag	18 762	3,3	19 881	3,9
Nord-Trøndelag	2 964	0,5	3 546	0,7
Nordland	14 716	2,6	10 155	2,0
Troms	16 802	3,0	15 462	3,0
Finmark	4 082	0,7	2	0,0
Abroad	258	0,0	6	0,0
Total loans	565 764	100,0	510 669	100,0

Valuations, descriptions and definitions

The loan portfolio is valued on a continuous basis and if objective criteria indicate that a loss might occur, value adjustments will be made pertaining to individual loans or groups of loans as the case may be. The depreciation is reflecting the present value effect of losses on future income. This discount method is termed the "effective interest method" as defined in the official banking regulations

Defaulted loans are loans where an agreed payment is more than 90 days overdue, or when a credit limit is exceeded and not covered within 90 days.

Other loss-exposed loans are loans which are not in default, but where the customer's economic situation makes it likely that a loss might occur at a later point in time.

Actual losses are considered final upon confirmation of a debt settlement agreement or bankruptcy; when debt negotiations have not led to any conclusions through a valid legal ruling; by the bank abandoning the whole or part of the commitment; or when the commitment is considered lost by the bank.

Depreciation due to an individual loan's decreased value is a write-down in order to cover the expected loss of a loan identified as loss exposed by the bank on the balance sheet day.

Depreciation due to groups of loans' decreased values is write-downs in order to cover expected losses on groups of loans which are not in default or specifically identified as exposed to losses.

DEFAULTS AND LOSS-EXPOSED COMMITMENTS

In thousands of NOK	2017	2016	2015	2014	2013
Gross defaults over 90 dager	94	370	1 101	405	1 711
- Individual defaults	100	370	513	404	867
Net defaults	-6	0	588	1	844
Gross exposed non-defaulted commitments	83	1 597	835	704	800
- Individual write-downs	89	570	410	410	100
Net exposed non-defaulted commitments	-6	1 027	425	294	700

WRITE DOWNS ON LOANS AND CLAIMS ON CUSTOMERS

In thousands of NOK	2017	2016
The period's change in write-downs on individual loans	-751	17
+ The period's change in write-downs on groups of loans	0	0
+ The period's ascertained losses against previous write-downs	370	74
+ The period's losses without previous write-downs	1	0
- The period's recovery of previously ascertained losses	1	159
The period's loss expense	-381	- 68
Write-downs on individual loans as of 1/1	940	923
This year's write-downs	-751	17
Write-downs on individual loans as of 31/12	189	940
Write-downs on groups of loans as of 1/1	1 327	1 327
This year's write-downs	0	0
Write-downs on groups of loans as of 31/12	1 327	1 327

Booked interest income pertaining to depreciated loans amount to NOK 3 393.

LOANS AND GUARANTEES BY RISK CATEGORY WITH CORRESPONDING WRITE-DOWNS

Classes	Loans		Guarantees		Drawing rights		Total		Write downs		Description	
	In thousands of NOK	2017	2016	2017	2016	2017	2016	2017	2016	2017		2016
Class A		490 578	430 709	7 517	3 771	20 638	13 973	518 733	448 453	0	0	
Class B		72 615	77 405	2 093	2 489	1 354	3 311	76 062	83 205	948	950	Group depreciation
Class C		257	187	0	-	0	0	257	187	64	43	Group depreciation
Class D		708	804	0	60	55	22	763	886	315	334	Group depreciation
Class E		1 606	1 564	0	103	0	300	1 606	1 967	189	940	Individual write-downs
Total		565 764	510 669	9 610	6 423	22 047	17 606	597 421	534 698	1 516	2 267	

The bank's credit exposure is classified in risk compartments A-E, A representing the highest credit quality. The classification is initially made when the loan is granted followed by regular revisions. The risk classification forms the basis for potential depreciations. The bank makes group depreciations for risk compartments B, C and D. Engagements in compartment E are subject to individual write downs.

The risk classifications are derived from the customers loan servicing capability as well as from the security posted, both on a scale from A to E, A representing the highest score. The evaluation renders 25 combinations which are distributed into risk compartments A-E as shown in the table below:

		Security				
		A	B	C	D	E
Ability to pay	A	A	A	A	B	B
	B	A	A	B	B	B
	C	A	B	B	C	D
	D	B	B	C	D	D
	E	B	C	C	D	E

Future development

Exposures in risk compartments A and B constituted 99 % of the total as of 31. Dec. 2017. Individual write-downs amounted to NOK 189 000, against NOK 940 000 the previous year. During 2017 the bank realized a NOK 0 loan loss versus 74 000 losses in 2016. Group depreciations are kept at NOK 1 327 000, unchanged from the year before. During 2017 repayments on earlier write-downs resulted in a net income of NOK 381 000 versus a net income of NOK 68 000 during 2016. The bank maintains a strong focus strongly on customers' loan servicing ability and thus expects to be able to maintain a low default ratio. The total loan loss situation is regarded as satisfactory entering the year 2018.

3. Interest bearing securities, certificates, shares and other interests

Valuation principles

The bank's shares in other companies is classified as a long-term investment and valued at acquisition cost. No adjustment is made for continuous exchange rate changes. However, the values will be depreciated if the market value is significantly lower than book value and the decrease in value is not considered a temporary occurrence.

SHARES AND OTHER PARTICIPATIONS IN OTHER COMPANIES

Name	Organisational number	Number of shares	Currency	Nominal value	Acquisition cost (NOK)	Booked value (NOK)	Estimated market value (NOK)
Merkur		837	DKK	837 000	1 480 800	1 480 800	1 969 297
Ekobanken		381	SEK	381 000	351 225	351 225	477 964
Triodos		100	EUR	8 300	52 474	52 474	81 672
Sefea		30	EUR	13 000	116 933	116 933	127 920
La Nef		4 070	EUR	122 100	915 897	915 897	1 201 464
Banca Etica		180	EUR	9 450	78 381	78 381	92 988
Eiendomskreditt	979 391 285	15 072	NOK	1 507 200	1 570 502	1 570 502	2 239 096
SDC		6 442	DKK	645 000	3 033 337	2 915 647	3 184 623
Bank Asept AS	883 982 282	50	NOK	25 000	25 000	25 000	25 378
Bank ID	988 477 052	10	NOK	15 826	15 826	15 826	27 281
SustainFin SICAV		290	EUR	11 919	197 779	127 966	117 283
Total					7 838 154	7 650 651	9 544 966

Valuation of the bank's portfolio of interest bearing securities

The security portfolio has initially been booked at purchase value and is subject to depreciation if the value at balance sheet close is lower than original book value.

BONDS AND TREASURY BILLS

Name (risk weight) In thousands of NOK	Book value	Face value	Cost price	Market value	Listed on stock exchange
Treasury bills (0 %)	109 707	110 000	109 707	109 934	109 934
Covered bonds (10 %)	179 712	180 000	179 793	180 830	180 830
Foreign covered bonds (10%)	10 091	10 000	10 091	10 093	10 093
Foreign bonds issued by financial institutions (100 %)	992	(EUR 125)	992	1 230	0
Sum:	300 502		300 583	302 087	300 857

The average effective interest rate on the bank's bond portfolio is 1,30 %. The corresponding rate on treasury bills is 0,33 %.

Bonds and treasury bills with a book value of NOK 299,5 million are pledged as collateral for an overdraft facility with the central bank.

4. Fixed assets and intangible assets

Valuation principles

Fixed assets are booked at acquisition cost with the deduction of ordinary depreciation and write-downs. Ordinary depreciations are based on initial cost, the depreciation amounts being evenly distributed in line with the expected economic lifetime of the asset.

SPECIFICATION

In thousands of NOK	Fixed assets	Intangible fixed assets
Acquisition cost as of 1.1.2017	1 071	8 251
Acquisitions during the year	64	138
Disposals during the year	0	0
Acquisition cost as of 31.12.2017	1 135	8 389
Total depreciations and write-downs as of 1.1.2017	377	4 402
Ordinary depreciations during the year	183	1 287
Write-downs during the year	0	0
Decrease in ordinary depreciations during the year	0	0
Total depreciations and write-downs as of 31.12.2017	560	5 689
Booked value as of 31.12.2017	575	2 700
Depreciation rate	3 - 10 år	5 år

INVESTMENTS IN TANGIBLE AND INTANGIBLE FIXED ASSETS

In thousands of NOK	2017	2016	2015	2014	2013
Purchase of machinery and inventory	64	41	854	0	38
Intangible assets	138	214	3 265	2 407	0

No fixed assets were sold in the period 2012-2017.

The investments in connection with conversion to a new data system have been booked as intangible assets and are subject to depreciation over 5 years.

Lease of office space

Cultura Bank has a lease contract for office space at Holbergs gate 1, expiring 30.05.2026. The annual lease for a space of 477 sq. metres is NOK 1 243 788. The lease is adjusted annually in line with the consumer price index.

5. Capital

CHANGES IN REGULATORY CAPITAL

In thousands of NOK	31.12.2017	31.12.2016
Share capital 1/1	65 110	57 507
Issue of new certificates	9 433	7 603
Bank owned equity certificates	-824	0
Total issued equity	73 719	65 110
The Savings Bank's Fund 1/1	3 600	3 390
Retained earnings	78	210
Total retained earnings and Savings Bank's Fund	3 678	3 600
Equalisation Fund 1/1	7 812	3 523
Previous year retained earnings	1 538	4 289
Total equalisation Fund	9 350	7 812
Total common equity Tier 1 capital instruments before deductions	86 747	76 522
CET1 instruments of financial sector entities where the institution does not have a significant investment	0	-754
Intangible assets	-2 700	-3 850
Total common equity Tier 1 capital instruments after deductions	84 047	71 918
Subordinated loan capital (Tier II)	14 970	14 940
Total Eligible Regulatory Capital	99 017	86 858

BASIS FOR CALCULATION OF EQUITY REQUIREMENT BY EXPOSURE CATEGORIES

In thousands of NOK	31.12.2017	31.12.2016
Central governments and central banks	0	0
Regional governments or local authorities	0	0
Public sector entities	0	0
Institutions	7 276	13 339
Corporates	57 751	47 848
Secured by mortgages in immovable property	268 375	254 131
Exposures in default	50	84
Covered bonds	18 980	9 412
Other items	14 689	17 002
Risk weighted exposure amount for credit	367 121	341 816
+ Risk exposure amount for operational risk	46 913	43 921
+ Risk exposure amount for credit valuation	7 369	7 864
- deductions for loan loss provisions	0	0
Total risk weighted assets	421 403	393 601
Common Equity Tier I (as a % of risk exposure amount)	9,18	9,15
Tier I capital (as a % of risk exposure amount)	19,94	18,27
Total capital (as a % of risk exposure amount)	23,50	22,07

Equity ratio

The Ministry of Finance decided on the 15th of December 2016 that banks shall hold a countercyclical buffer of 2 percent from the 31st of December 2017. This entails an increase of 0,5 percentage points. For Cultura Bank this implies a minimum core capital ratio of 16,5 % and a total capital ration of 20,0 % as of the 31th of December 2017. The bank's board has set a buffer of 0,7 percentage points for internal minimum requirements. As of December 31st 2017, internal requirements are 17,2 % in core capital and 20,7 % in total capital. Both requirements are met with a good margin.

Subordinated debt

The bank issued a NOK 15 million, 10 year subordinated loan on Dec. 18. 2013, with an option for partial or full pre-payment at par value after 5 years. The loan was issued at 3 month NIBOR plus a margin of 4 percent, and the running interest rate at year end was 4,83 percent. Book value of the loan at year-end was NOK 14 970 000.

EQUITY CERTIFICATES OWNED BY ELECTED REPRESENTATIVES AND MANAGEMENT AS OF DEC. 31ST 2017

Person	Member of	Amount of certificates*
Kjell Fredrik Løvold	Banksjef, daglig leder	125
Jannike Østervold	Ass. banksjef og forstanderskapet	5
Johannes Brinkmann	Forstanderskapet	5
Lars Hektoen	Forstanderskapet	223
Elizabeth Brockfield	Forstanderskapet	21
Rune Horne	Forstanderskapet	50
Åsa Jeppsson	Forstanderskapet	3
Helle Rosenvinge	Forstanderskapet	15
Stian Torstenson	Forstanderskapet	3
Elizabeth Wirsching	Forstanderskapet	6
Maria Bjune	Styret	25
Christian Dubrau via Bykuba AS	Styret	20
Torstein Dyrnes	Styret	1
Øyvind Vestre samt via Aktiv Arena AS	Styret	23

* An Equity Certificate's nominal value is NOK 1 000

THE 20 LARGEST OWNERS OF EQUITY CERTIFICATES AS OF 31.12.17

Name	Nationality	Amount of certificates
Camphills Forvaltningsfond	NO	8 140
Personellservice Trøndelag	NO	3 750
Crédit Coopératif	FR	3 427
A/S Skarv	NO	3 000
Cultura Gavefond	NO	2 211
Liv Bråten	NO	2 050
Acini Capital AS	NO	2 000
La Nef	FR	1 856
Gemeinnützige Treuhandstelle e.V.	DE	1 855
Ekobanken	SE	1 822
Banca Popolare Etica	IT	1 500
GLS Gemeinschaftsbank	DE	1 300
Merkur, Den Almennyttige Andelskasse	DK	1 294
Granly Stiftelse	NO	1 000
O. Kavli og Knut Kavlis allmennyttige fond	NO	1 000
Nesbukta eiendom AS	NO	1 000
Triodos Bank	NL	1 000
Annette Holding AS	NO	1 000
APS bank Ltd.	MT	800
Opplysningsvesenets fond	NO	750
Total		40 755
Equity certificates held by the bank		824
Other equity certificate holders		32 964
Total equity certificates		74 543

Acquisition of own equity certificates

Cultura bank bought 824 of its own equity certificates in 2017, all purchased at par. The reason for the purchases is that the bank wants to contribute to the sale of equity certificates. Self-procurement of equity certificates is used as an instrument to give the paper increased liquidity.

6. Liquidity matters, financing and interest expense

MAIN BALANCE SHEET ITEMS BY TIME TO MATURITY

In thousands of NOK	Inntil 1 mnd.	1 mnd. - 3 mnd.	3 mnd. - 1 år	1 år - 5 år	over 5 år	Uten restløpetid	Totalt
Cash and claims on central banks	56 111	0	0	0	0	170	56 281
Loans to and claims on credit institutions	10 378	0	0	0	0	0	10 378
Loans to and claims on customers	1 600	4 727	32 667	120 700	389 773	14 781	564 248
Bonds and other interest-bearing papers	0	109 707	20 033	150 621	20 141	0	300 502
Other assets	1 271	1 029	1 328	2 108	0	7 651	13 387
Total assets	69 360	115 463	54 028	273 429	409 914	22 602	944 796
Deposits from and liabilities to customers	835 509	0	0	0	0	0	835 509
Other liabilities	2 923	3 511	1 191	23	0	0	7 648
Equity	0	0	0	0	0	86 669	86 669
Subordinated loan	0	0	0	0	14 970	0	14 970
Total equity and liabilities	838 432	3 511	1 191	23	14 970	86 669	944 796
Net interest exposure on the balance sheet	-769 072	111 952	52 837	273 406	394 944	-64 067	0

Bank overdrafts are classified as having no maturity

MAIN BALANCE SHEET ITEMS BY TIME LEFT TO NEXT INTEREST RATE ADJUSTMENT

In thousands of NOK	Inntil 1 mnd.	1 mnd. - 3 mnd.	3 mnd. - 1 år	1 år - 5 år	over 5 år	Uten rente-eksponering	Totalt
Cash and claims on central banks	0	56 111	0	0	0	170	56 281
Loans to and claims on credit institutions	10 378	0	0	0	0	0	10 378
Loans to and claims on customers	0	564 248	0	0	0	0	564 248
Bonds and other interest-bearing papers	0	109 707	20 033	150 621	20 141	0	300 502
Other assets	0	0	0	0	0	13 387	13 387
Total assets	10 378	730 066	20 033	150 621	20 141	13 557	944 796
Deposits from and liabilities to customers	0	835 509	0	0	0	0	835 509
Other liabilities	0	0	0	0	0	7 648	7 648
Equity	0	0	0	0	0	86 669	86 669
Subordinated loan	0	14 970	0	0	0	0	14 970
Total equity and liabilities	0	850 479	0	0	0	94 317	944 796
Net interest exposure on the balance sheet	10 378	-120 413	20 033	150 621	20 141	-80 760	0

The bank's interest rate risk is very moderate in relation to the size of the balance sheet. At year end the the sensitivity to a 1 % parallell shift in the interest rate curve was NOK 570 000. All balance sheet items have been included in the calculation and the bank has no off balance sheet positions.

AVERAGE INTEREST RATES ON CUSTOMER DEPOSITS

Deposits without agreed tenor or notice: 0,30 %

Deposits with agreed tenor or notice: 0,22 %

The average interest rates are calculated on the basis of actual interest payments as a percentage of average customer deposits for the year.

Regulatory liquidity requirements demand that banks should be able to withstand a prolonged period without access to new market financing. The Liquidity Coverage Ratio, LCR, measures the bank's liquid assets as a percentage of net outflow of funds over a 30 day period. Cultura Bank's LCR ratio at year end was 357 %, well in excess of our internal requirent of 125 %.

CASH FLOW ANALYSIS

In thousands of NOK	2017	2016
Net profit	4 135	6 664
- paid taxes	1 017	710
+ losses on loans and guarantees	-751	17
+ depreciation	1 469	1 361
- dividends paid and gift fund contribution	1 027	843
Cash flow from ordinary operations	2 809	6 489
Subordinated loan	0	0
Issue of/change in equity certificates	8 609	7 987
Supplied from this year's operations	11 418	14 476
Increase in funds entrusted	98 189	66 143
Increase in other receivables	0	0
Increase of other liabilities	0	2 100
Gross liquidity from operations	109 607	82 719
<i>Application of funds:</i>		
Increase in loans	55 095	50 998
Reduction of other liabilities	740	0
Increase in other receivables	400	815
Investments in equity, shares	-370	2 202
Investments in fixed assets	202	255
Investments in bonds	85 685	54 457
Total applied	141 752	108 727
Net cash flow	-32 145	-26 008
Cash and cash equivalents as of 1.1	98 803	124 811
Cash and cash equivalents as of 31.12	66 658	98 803

7. Information concerning employees and elected representatives

At year end 2017 the bank had 18 permanent employees, which represents 15, 2 full time positions. Compensations to employees consists solely of a fixed salary. In addition to any remuneration for overtime, no form of variable remuneration is paid based on results obtained or any other basis. The CEO is granted an additional NOK 1 000 per month in order to cover expenses for communication (EKOM). The managerial group consisting of the CEO/general manager, deputy CEO/assistant general manager and assistant general manager/head of loan department has no claim for overtime compensation as a result of a separate independent position.

The general managers salary is determined by the board of directors. In accordance with the current agreement, the general manager has a claim for 6 months' early retirement with a retirement benefit calculated from the first day of the following month following the contract termination, if the board makes use of its right to terminate the employment contract.

Senior Executives	Salary and remuneration	Pension premium	EKOM – remuneration	Loan
Chief Executive Officer, general manager	840	55	12	252
Assistant general manager, deputy CEO, head of IT and marketing	671	46	0	727
Assistant general manager, head of loan department (from 01.04.17)	419	33	0	0
Total executives	1 930	134	12	979

Board of directors	Salary and remuneration	Pension premium	Car allowance	Loan
Chair of the board and member of the risk and audit committee	119	0	5	0
Deputy chair of the board and chair of the risk and audit committee	51	0	0	3 697
Board member	30	0	0	0
Board member (untill 01.04.17) and member of the risk and audit committee	20	0	0	0
Board member (from 01.04.17) and member of the risk and audit committee	39	0	0	0
Board member (from 01.04.17)	41	0	0	0
Board member (from 01.04.17)	28	0	0	0
Board member (for the employees)	17	0	0	1 971
Total board of directors	345	0	5	5 668

Board of trustees	Salary and remuneration	Pension premium	Car allowance	Loan
Chair of the board of trustees	4	0	0	0
Member of the board of trustees and chair of the election committee	13	0	0	1 782
Deputy member of the board of trustees and member of the election committee	8	0	5	0
Member of the board of trustees and member of the election committee	8	0	0	1 000
Member of the board of trustees and member of the election committee	8	0	0	0
Member of the board of trustees	0	0	0	1 626
Member of the board of trustees	0	0	0	2 281
Total board of trustees	41	0	5	6 689

Loans and guarantees to employees

As of 31.12.2017 loans to employees totalled NOK 11 805 945, of which NOK 979 675 to senior executives. No guarantees in favour of employees are effective. Loans to the management of the bank are granted on equal terms with other employees.

Loans and guarantees to elected representatives

No loans or guarantees have been granted to the chairpersons of the board of directors and the board of trustees respectively as of 31.12.2017. Loans to members of the board of directors and members of the board of trustees equalled NOK 16 590 660.

Pension obligations to employees and trustees

Cultura Bank has a collective pension scheme for its employees, which meets the requirements for mandatory occupational pensions. In 2014, the bank changed to a contribution based pension arrangement through Storebrand. The bank has no pension obligations beyond the collective pension scheme. The bank's pension contribution is 7 %, which is the maximum contribution within the scheme. In 2017 a total of 586 227 was paid in pension contributions for the bank's employees.

Remuneration to the statutory auditor

In NOK	2017	2016
Statutory audit	245 000	175 000
Preparation of income tax returns	25 000	25 000
Other consultation	11 875	123 750
Total remuneration to the statutory auditor	281 875	323 750

8. Taxes

Deferred taxes and deferred tax advantages are calculated based on temporary differences between accounting based and taxation based evaluations at year end. Tax-increasing and tax-reducing differences are evaluated inside the same time-frame. Consequently tax-reducing differences materializing at a future point in time cannot be offset against tax-increasing differences occurring in earlier periods. The calculation of future deferred taxes is based on a tax rate of 25 % as of 31.12.2017 and 25 % as of 31.12.2016.

SPECIFICATION OF THE BASIS FOR TEMPORARILY DEFERRED TAXES/DEFERRED TAX ADVANTAGES

In thousands of NOK	31.12.2017	31.12.2016
Fixed assets	-569	-651
Pre-paid expenses - pensions	0	0
Bonds	-82	-178
Losses carried forward	0	0
Total temporary differences	-651	-829
Deferred tax (- deferred tax credits) 25 %	-162	-207

TAX EXPENSE 2017

In thousands of NOK	31.12.2017	31.12.2016
Ordinary profit before tax	4 135	6 664
Permanent differences	27	-2 114
Change in temporary differences	-83	-475
Net taxable income	4 079	4 075
Payable tax 25 %	1 028	1 019
Capital tax	14	12
Total payable tax	1 042	1 031
Change in deferred tax	44	119
Excess reserve from previous year	-14	-12
Total tax expense	1 073	1 138

9. Various other information

The net result as a percentage of total assets was 0,34 % in 2017.

SPECIFICATION OF FEE INCOME

In thousands of NOK	Number of transactions	2017 Amount	Number of transactions	2016 Amount
Guarantee commission		188		120
Number of payment services:				
- Giro transactions	377 055		358 730	
- Bank card usage in Norway	1 138 151		1 093 181	
- Visa card usage abroad	292 641		225 144	
- International payments	5 527		5 432	
Other fee and commission income		7 464		6 841
Total commission and fee income from banking		7 652		6 961

SPECIFICATION OF OTHER LIABILITIES

In thousands of NOK	2017	2016
In settlement	1 665	2 777
Tax reservations due	403	382
Earmarked for interest on equity certificates	1 397	977
Earmarked for payable tax	1 042	1 031
Accounts payable	325	534
Other	314	286
Total other liabilities	5 146	5 987

SALARIES AND GENERAL ADMINISTRATIVE EXPENSES

In thousands of NOK	2017	2016
Salary expenses to employees	8 559	7 908
Remuneration to the board of directors and trustees	427	357
Pension contributions	698	707
Social security expenses	1 361	1 272
Financial activities tax	484	40
Other staff costs	215	321
Salaries, fees and other personnel expenses	11 744	10 605
IT costs	2 720	2 532
Office costs	788	1 114
Advertising charges	2 183	1 619
Other expenses	804	722
Administrative expenses	6 495	5 987
Depreciation of tangible and intangible fixed assets	1 469	1 361
Rent and rent-related expenses	1 495	1 377
Other operating expenses	1 101	1 256
Total operating expenses	2 596	2 633

The Norwegian Bank's Guarantee Fund

The Bank deposit insurance law prescribes a mandatory membership in the deposit insurance scheme for all banks in Norway. The insurance scheme will cover deposits up to NOK 2 million per depositor per member bank. A deposit is defined as any credit balance in favour of a named customer as well as a deposit receipt issued by a bank in favour of a named person. Deposits from other financial institutions are excluded from the scheme. Cultura Bank's contribution to the scheme for 2018 is NOK 534 860.

	2017	2016
Fee to the Norwegian deposit insurance	511 683	506 931

Cooperating banks in Europe

Andelskassen Merkur	Danmark	La NEF	Frankrike
Ekobanken	Sverige	Crédit Coopératif	Frankrike
Freie Gemeinschaftsbank BCL	Sveits	Banca Etica	Italia
GLS Gemeinschaftsbank e.G.	Tyskland	Triodos Bank	Nederland

Cultura Bank furthermore contributes in international samarbeid cooperation through memberships in the organisations Fédération Européenne des Banques Etiques et Alternatives (FEBEA), Global Alliance for Banking on Values (GABV) and Institute for Social Banking (ISB).



Uavhengig revisors beretning

Til generalforsamlingen i Cultura Sparebank

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Cultura Sparebanks årsregnskap som består av balanse per 31. desember 2017, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av bankens finansielle stilling per 31. desember 2017, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av banken slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den andre informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til bankens evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av bankens interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om bankens evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen.

Etterfølgende hendelser eller forhold kan imidlertid medføre at banken ikke fortsetter driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av bankens regnskapsopplysninger i samsvar med lov og god bokføringskikk i Norge.

Trondheim, 9. mars 2018
BDO AS



John Christian Løvaas
Statsautorisert revisor

Audit report translation

INDEPENDENT AUDITOR'S REPORT BY BDO

To the general assembly of Cultura Sparebank

Report on the audit of the financial statements

CONCLUSION

We have audited the financial statements of Cultura Sparebank comprising the balance sheet as of December 31st 2017, profit and loss accounts and a cash flow analysis for the accounting year as well as notes pertaining to the accounts, including a summary of significant accounting policies.

It is our opinion that the annual accounts have been submitted in accordance with laws and regulations and that these offer a correct picture of the bank's financial position as of December 31st 2017, including results and cash flow statements for the accounting year closed at this date in accordance with the accounting laws and good accounting practise in Norway.

BASIS FOR OUR CONCLUSIONS

We have conducted our audit in accordance with the laws, regulations, and auditing standards and practices generally accepted in Norway, including the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report. We are fully independent of the company as required by laws and regulations, and complied with our ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OTHER INFORMATION

The management of the audited company is responsible for other information. Other information includes the annual report.

Our conclusion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD AND CEO FOR THE FINANCIAL STATEMENTS

The board of directors and the CEO are responsible for the preparation and fair presentation of the financial statements in accordance with laws and regulations and to make sure that these give a true picture of the bank's financial situation in accordance with the accounting law and good accounting practise in Norway. Furthermore, management is responsible for internal control measures necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error. In

preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The going concern of the company is used as a basis of accounting, unless management intends to liquidate the company or cease operations.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors, among other matters, the planned scope and timing of the audit. Further we exchange information on significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

CONCLUSION ON THE ANNUAL REPORT

Based on our audit of the financial statements as described above, it is our opinion that the information in the annual report concerning the annual accounts, the assumption of a going concern and the proposal for allocation of the net profit is consistent with the annual accounts and in accordance with the law and regulations.

CONCLUSION ON REGISTRATION AND DOCUMENTATION

Based on our audit of the financial statements as described above and control procedures we have deemed necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to ensure that the company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Trondheim, March 9th 2018

BDO AS

John Christian Løvaas

State Authorised Public Accountant

(This translation from Norwegian has been made for information purposes only)

Employees and elected representatives 2017

The board of trustees in 2017

Name	Function	Representing
Helle Rosenvinge	Chair	Depositors
Ove Jakobsen	Dep. chair	Depositors
Frank Schmiemann	Member	Equity certificates
Elizabeth von Hanno Brockfield	Member	Equity certificates
Åsa Jeppsson	Member	Equity certificates
Morten Ingvaldsen	Dep. member	Equity certificates
Johannes Brinkmann	Member	Depositors
Lars Hektoen	Member	Depositors
Elizabeth Wirsching	Member	Depositors
Anne-Kristin Løes	Dep. member	Depositors
Stian Torstenson	Member	Employees
Rune Horne	Member	Employees
Jannike Østervold	Member	Employees
Mathias Bertram	Dep. member	Employees
Kjersti Aspheim	Member	City of Oslo
Christina Solli Ektvedt	Dep. member	City of Oslo

The Board of Directors in 2017

Maria Bjune	Chair to the board
Christian Dubrau	Deputy chair to the board
Regine Andersen	Board member
Torstein Dyrnes (for employees)	Board member
Alf Howlid	Board member
Øyvind Vestre	Board member
Randi Almås Welhaven	Board member
Tor Henning Carlsen	Deputy member
Camilla Gjetnes (for employees)	Deputy member

Employees in Cultura Bank in 2017

Christina Andersson	Compliance
Mathias Bertram	Loans
Torstein Dyrnes	Chief accountant
Arve Gjetnes	Risk control
Camilla Gjetnes	Head of customer services
Andreas Haugerud	Customer services
Bjarne Hjertholm	Loans
Rune Horne	Loans
Thomas Emil Lie Karlsen	Customer services
Annette Larssen	Customer services
Kjell Fredrik Løvold	Chief executive officer
Alice Nyamogo	Accounting and operations
Christine Praamsma	Accounting and operations
Kari Schage	Assistant general manager, Head of loan department
Gro Sissel Taraldrud	Loans
Stian Torstenson	IT and marketing
Mie Tørmoen	Customer services
Jannike Østervold	Deputy CEO, Assistant general manager, IT and marketing

Key figures

<i>In thousands of NOK</i>	2017	2016	2015	2014	2013
Solidity					
Common equity tier 1 capital ratio (%)	19,94	18,27	16,18	14,62	15,64
Tier 1 capital ratio (%)	19,94	18,27	16,18	14,62	15,64
Total capital ratio (%)	23,50	22,07	20,25	18,49	19,89
Total assets	944 796	836 692	755 470	657 475	554 534
Risk weighted balance sheet total	421 403	393 601	366 040	384 188	349 483
Equity capital	86 747	76 522	64 036	58 558	55 463
Average total assets	890 744	796 081	706 473	606 005	524 852
Liquidity					
Liquidity Coverage Ratio (LCR)	357	361	334	191	204
Net Stable Funding Ratio (NSFR)	171	174	187	166	N/A
Deposit and loan development					
Loans	565 764	510 669	459 671	418 483	364 568
Yearly loan growth (%)	10,8	11,1	9,8	14,8	13,9
Deposits	835 509	737 307	671 165	577 594	478 836
Yearly deposit growth (%)	13,3	9,9	16,2	20,6	9,3
Deposit coverage ratio (%)	148	144	146	138	131
Social					
Numer of co-workers at year end	16,4	15,2	15,8	14,3	14,2
Sick leave (%)	3,6	4,2	5,0	2,7	2,7
Woman as percentage of total co-workers (%)	50	50	47	47	47
Environment					
CO ₂ emission (in tons)	10,4	10,5	13,0	15,0	16,0
Profitability					
Profit after tax	3 062	5 526	1 629	2 755	2 806
Return on total assets ²	0,34	0,69	0,23	0,45	0,53
Return on equity ³	3,75	7,86	2,66	4,83	5,12
Net interest income ⁴	2,23	2,37	2,87	3,19	3,42
Cost/income %	85,64	82,80	89,91	82,65	80,32
Operating expenses in % of average total assets	2,50	2,59	3,07	3,25	3,41

² Return on total assets: net profit as a percentage of average total assets

³ Return on equity: net profit as a percentage of average total equity

⁴ Net interest income: net interest income as a percentage of average total assets



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