



INVESTOR UPDATE FIRST QUARTER 2015

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although SpareBank 1 SR-Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 SR-Bank include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 SR-Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

A unique situation with a continuing budget surplus...



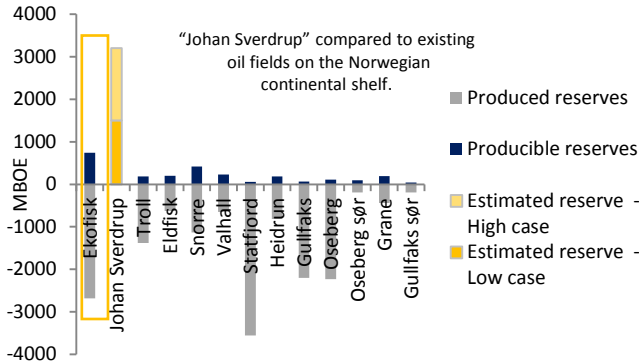
Economic Indicators (%)	2010	2011	2012	2013	2014	2015P
GDP growth - mainland	1.7	2.6	3.4	2.0	2.3	1.5
Household consumption growth	3.8	2.6	3.0	2.1	2.1	1.8
Investment growth – mainland*	-4.5	6.3	4.5	4.7	1.8	1.0
Investment growth oil & gas	-9.5	11.3	14.6	18.0	0.0	-15.0
Inflation rate, CPI	2.5	1.2	0.8	2.1	2.0	2.3
3 month NIBOR rate / avg. mortgage rate	2.5/3.4	2.9/3.6	2.2/3.9	1.8/4.0	1.7/3.9	1.1/3.3
Household savings ratio	5.8	7.8	8.6	9	8.3	8.5
Unemployment rate	3.6	3.3	3.2	3.5	3.5	4.0
HH sector disp. real inc. growth	2.7	4.6	3.2	3.2	2.5	2.1
Current Account Surplus / GDP	11.9	13.5	14.3	10.6	8.7	5.2
Gov Budget Surplus / GDP	7	10	10	8	10	9
Sovereign Wealth Fund / GDP	121	120	131	157	194	197

Sources: Statistics Norway, NBIM, Norwegian Ministry of Finance as of March 10, 2015

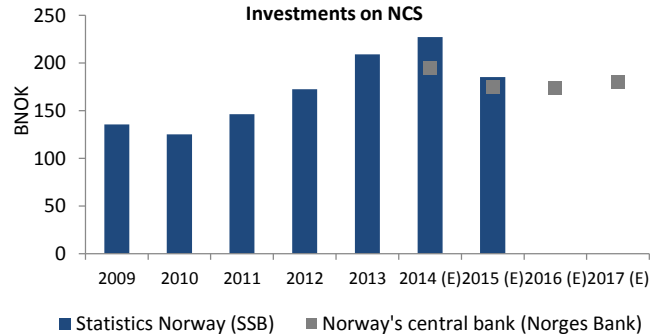
* Business, residential housing and public sector investments

One of Norway's most prosperous regions

The third largest discovery ever on the NCS was made 140 km from our headquarter in 2011

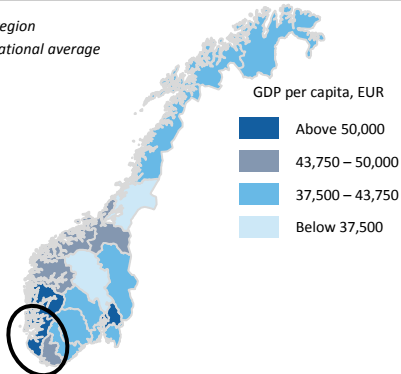


...and activity is expected to continue at high levels



The region accounts for circa 25% of Norwegian GDP

- Norway's largest export region
- Unemployment rate on national average



Planned infrastructure project total 100-150BNOK

- Better infrastructure in the cities Stavanger and Bergen
- Better connections between cities and sparsely populated areas
- Better connections between regions in Rogaland, Hordaland and Agder



SR-Bank's market area

The leading financial group in the southwest of Norway

1

Rogaland



Population	452.000
Market share	37 %
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	2,9 %

2

Hordaland



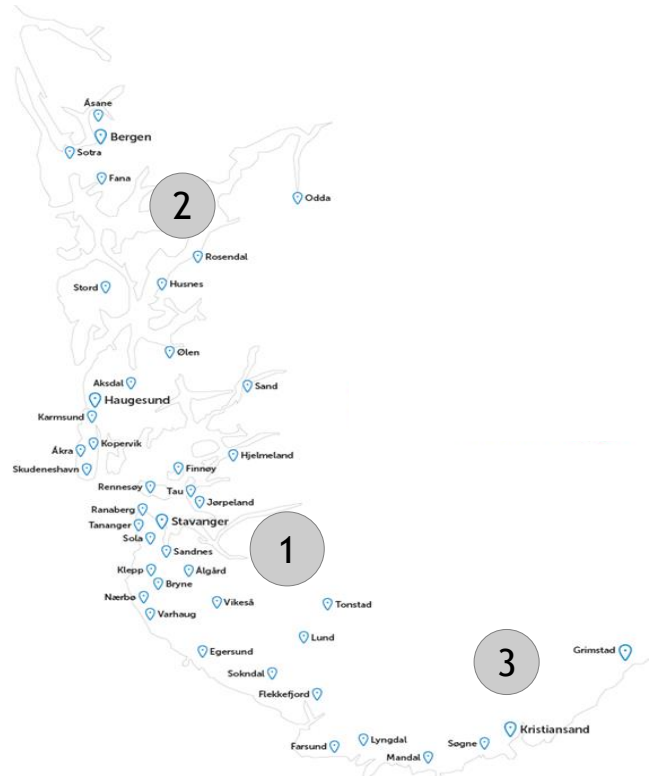
Population	498.000
Market share	6 %
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	2,7 %

3

Agder



Population	289.000
Market share	9 %
Year of establishment	2002
Market strategy	Growth
Unemployment rate	3,3 %



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

Founded in 1996 based on efficiency and local market focus

Geographic overview

Purpose

Ensure the independence and regional foothold of the individual member banks by maximizing their:

- Competitiveness
- Profitability
- Capital strength

Cornerstones

Efficiency

Increase efficiency compared to competitors by:

- Economies of scale
- Mutually increasing critical core competencies
- Sharing development investments

Local Market Focus

Each bank continues to maintain its link with its local community by:

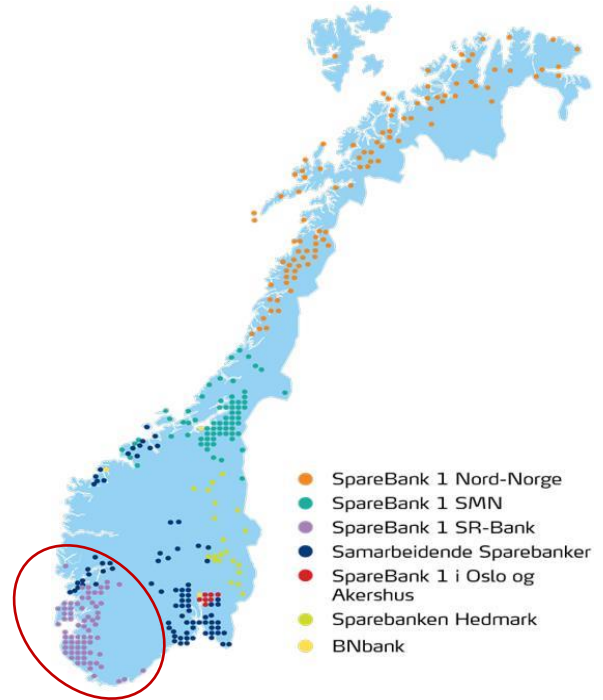
- Keeping its own name and legal identity
- Taking advantage of its proximity to the local market



ALLIANCE PROGRAMME

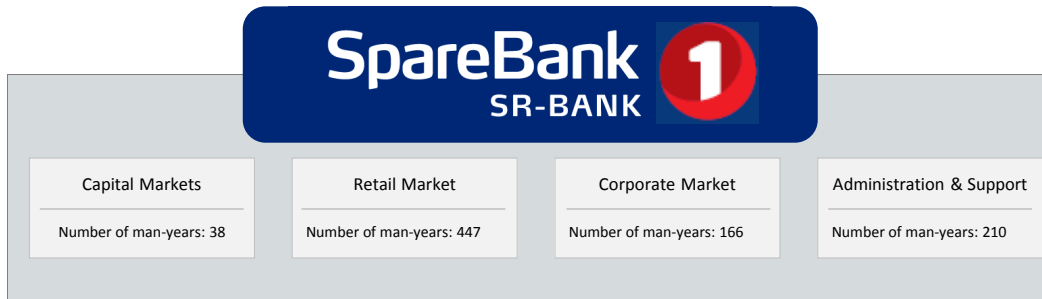


SEPARATE LEGAL IDENTITIES
COMMON SUPERBRAND

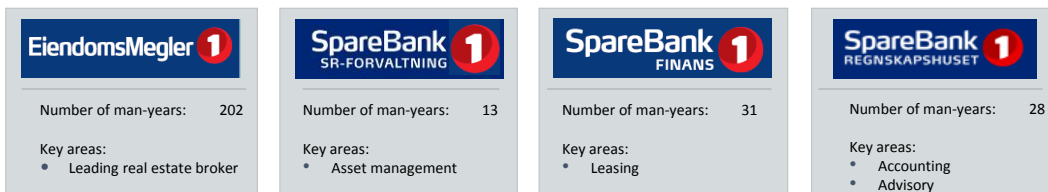


SRBANK's activities

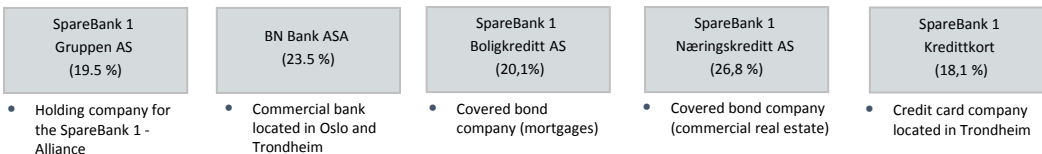
Divisions of SpareBank 1 SR-Bank ASA



Fully owned companies



Partly owned companies



SRBANK

- *Converted from equity certificates to shares in 2012.*
- *Total market value at 1. quarter 2015 is NOK 14,4 billion.*
- *International ownership increased from 18.9% per 1. quarter 2014 to 20.6% per 1. quarter 2015.*

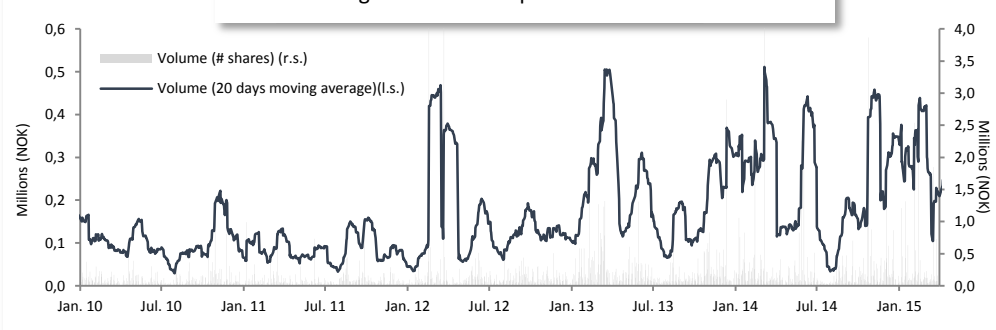
Development in Price/Book



Relative share price development



Trading volume development 2010 – YTD 2015



20 largest shareholders as at March 2015

- International ownership increased from 18.9% per 1. quarter 2014 to 20.6% per 1. quarter 2015

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Gjensidige Forsikring ASA		26.748.416	10,5%
State Street Bank and Trust, U.S.A	Nominee	8.757.314	3,4%
SpareBank 1 stiftinga Kvinnherad		6.226.583	2,4%
MSCO Equity Firm Account, U.S.A.		6.079.970	2,4%
Wimoh Invest AS		5.761.169	2,3%
Verdipapirfondet Nordea Norge Verdi		4.460.305	1,7%
Odin Norge		3.898.272	1,5%
Skandinaviska Enskilda Banken, Sverige	Nominee	3.560.063	1,4%
State Street Bank and Trust, U.S.A	Nominee	2.907.706	1,1%
Clipper AS		2.565.000	1,0%
State Street Bank and Trust, U.S.A	Nominee	2.424.190	0,9%
J.P. Morgan Chase Bank N.A. London	Nominee	2.420.805	0,9%
Folketrygdfondet		2.166.637	0,8%
Morgan Stanley & Co, U.S.A.	Nominee	2.054.113	0,8%
Danske Invest Norske Institusjoner II		1.966.571	0,8%
The Bank of New York Mellon, U.S.A.	Nominee	1.836.974	0,7%
Pareto Aksje Norge		1.694.900	0,7%
Westco		1.577.534	0,6%
State Street Bank and Trust, U.S.A	Nominee	1.420.662	0,6%
<hr/>			
Top 5		120.231.588	47,0%
Top 10		140.819.103	55,1%
Top 20		160.946.489	62,9%

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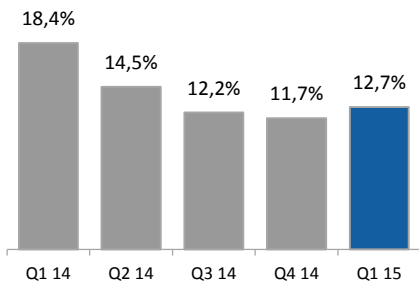
A good result with good underlying operations and continued moderate losses

- Pre-tax profit for the quarter is NOK 628 million compared to NOK 787 million last year
 - Return on equity after tax 12.7%
- 12 months lending growth of 7.3%*
- 12 months deposits growth of 15.5%
 - Growth of 14% in other capital under management in the last 12 months
- Growth in costs of 5% over the last 12 months
 - 1.5% adjusted for increased costs associated with among acquisition of Swedbank's Stavanger office and three accounting offices
- Moderate impairment losses on loans
 - 0,25% of gross lending recognised on the balance sheet as at 31 March 2015
- Common equity tier 1 capital ratio increased to 12.1% from 11.2% last year
 - IRB Advanced approval for the corporate market portfolio

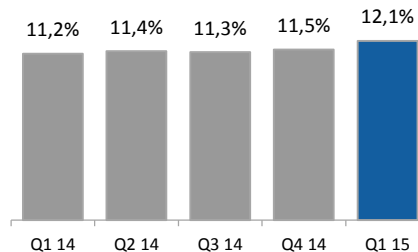
** 12 months lending growth excluding currency effect is 5.7%*

Key figures – quarterly development

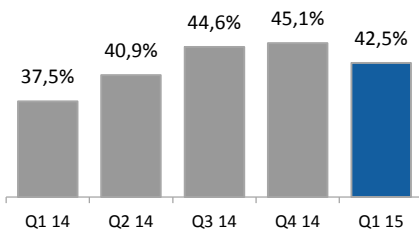
Return on equity



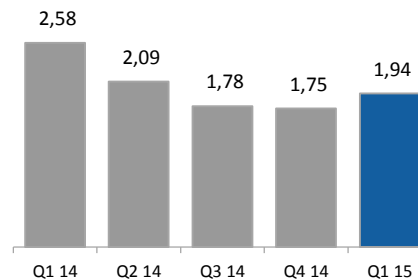
CET 1 capital ratio



Cost/income ratio



Earnings per share (NOK)



Gains on the realization of shares in Nets Holding AS improves the result by NOK 202 million in Q1 2014.

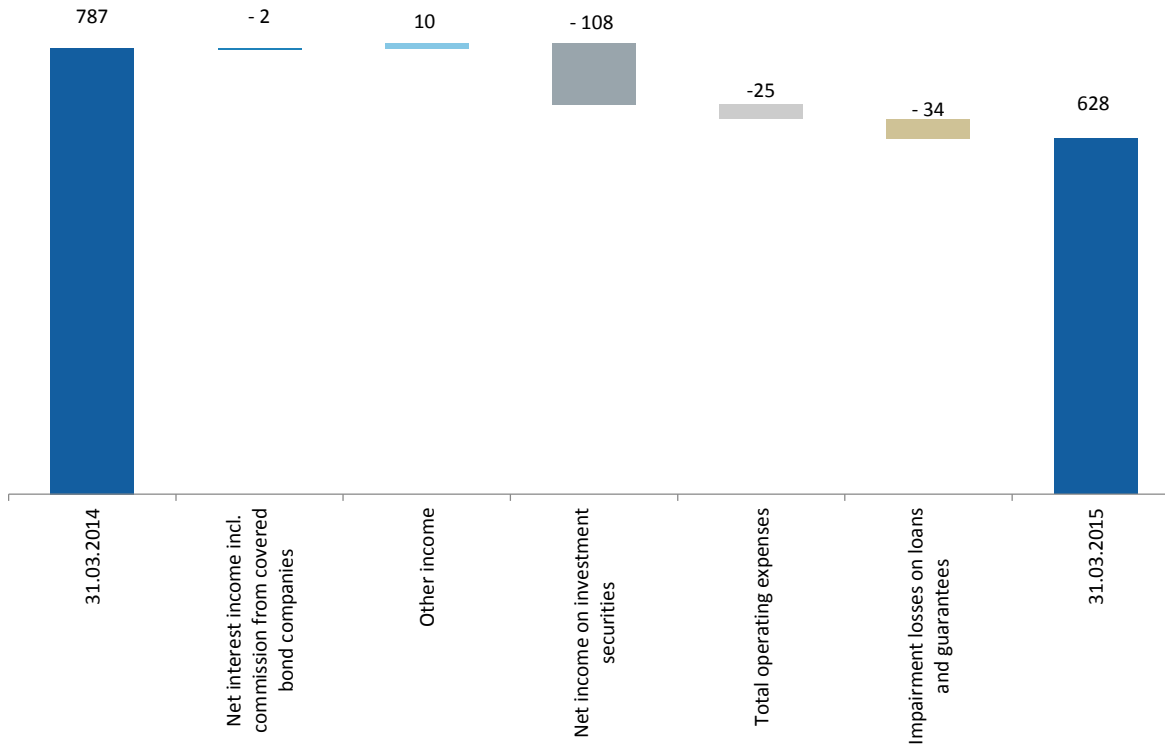
Key figures

	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Return on equity after tax (%)	12,7	11,7	12,2	14,5	18,4
Net interest margin (%)	1,45	1,51	1,48	1,41	1,40
Impairment losses on loans and guarantees in % of gross loans	0,25	0,27	0,20	0,13	0,18
<i>-incl. covered bond companies</i>	0,20	0,22	0,16	0,10	0,13
Non-performing and other problem commitments in % of gross loans	0,81	0,66	0,77	0,81	0,90
<i>-incl. covered bond companies</i>	0,66	0,54	0,62	0,65	0,66
Cost to income ratio	42,5	45,1	44,6	40,9	37,5
Annual growth in loans to customers, gross incl. covered bond companies	7,3	4,7	3,5	3,6	3,8
Annual growth in deposits from customers (%)	15,5	13,7	14,9	11,5	8,5
Total assets (BNOK)	176,9	174,9	168,3	167,3	157,8
Portfolio of loans in covered bond companies (BNOK)	34,1	32,9	32,9	33,3	44,9
Risk weighted assets (BNOK)	117,6	120,2	117,3	113,7	113,4
Earnings per share (NOK)	1,94	1,75	1,78	2,09	2,58
Book value per share (NOK)	62,40	60,28	59,21	57,63	57,45
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8

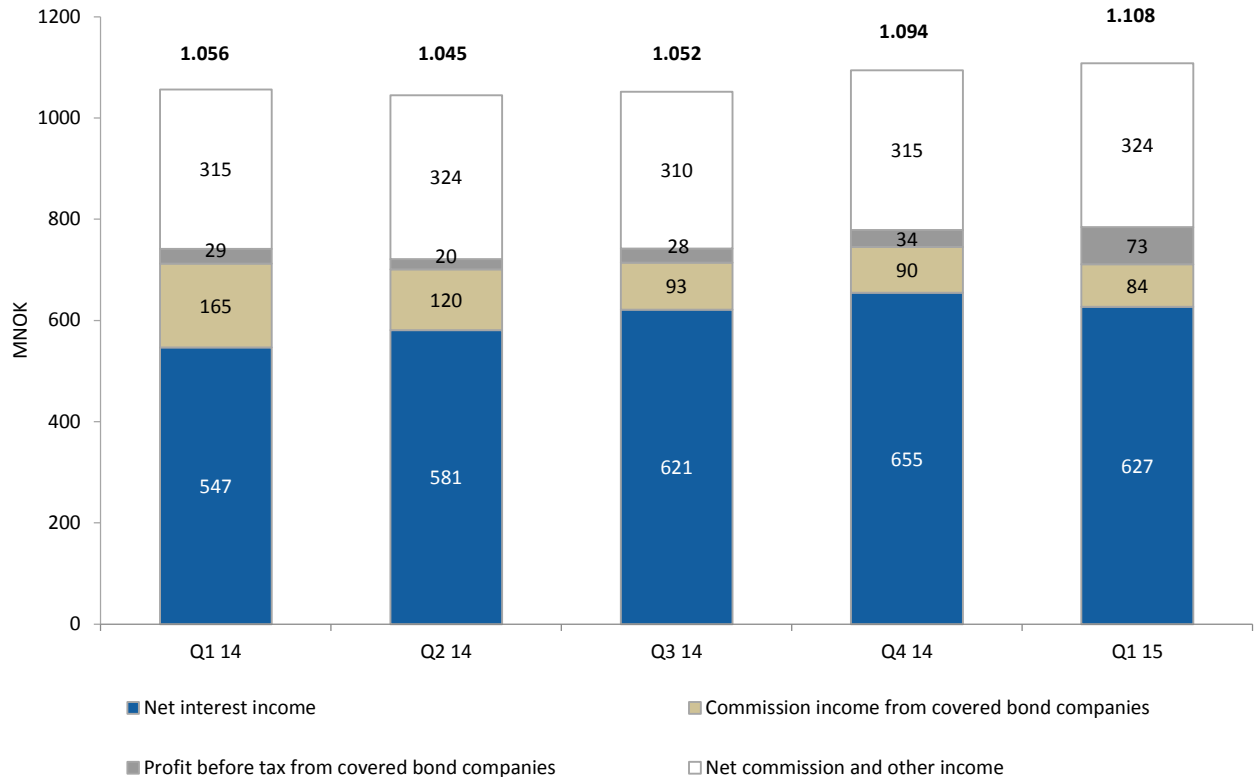
Income statement

<i>Group Income Statement (MNOK)</i>	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Net interest income	627	655	621	581	547
Net commission and other income	408	405	403	444	480
Net income on investment securities	211	116	142	201	319
Total income	1.246	1.176	1.166	1.226	1.346
Total operating expenses	530	530	520	501	505
Operating profit before losses	716	646	646	725	841
Impairment losses on loans and guarantees	88	93	69	41	54
Operating profit before tax	628	553	577	684	787
Tax expense	132	105	123	150	128
Net profit	496	448	454	534	659

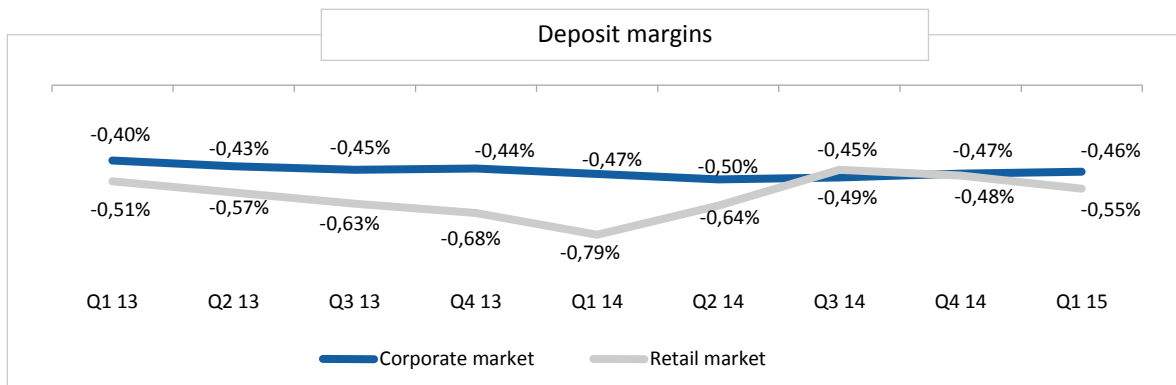
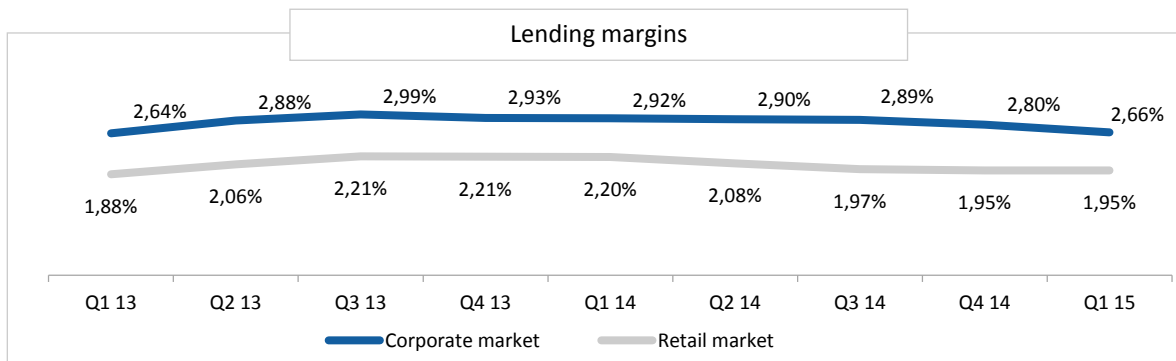
Change in profit 31.03.2014 – 31.03.2015



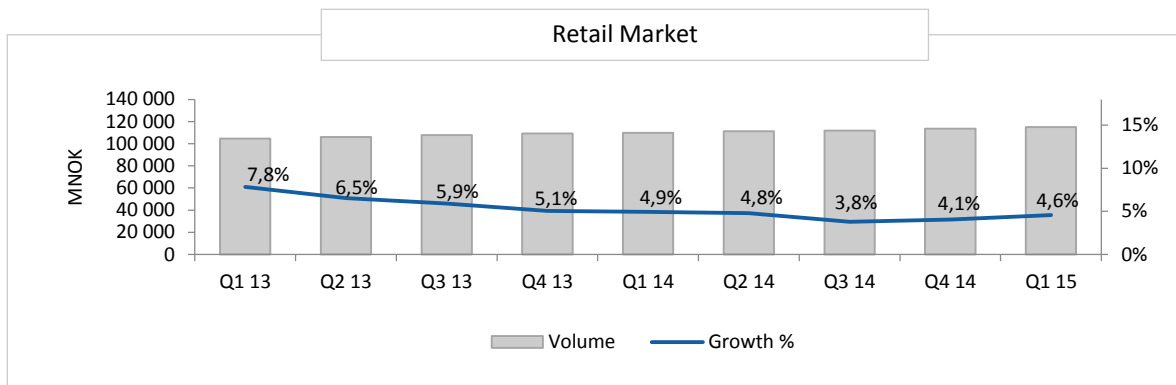
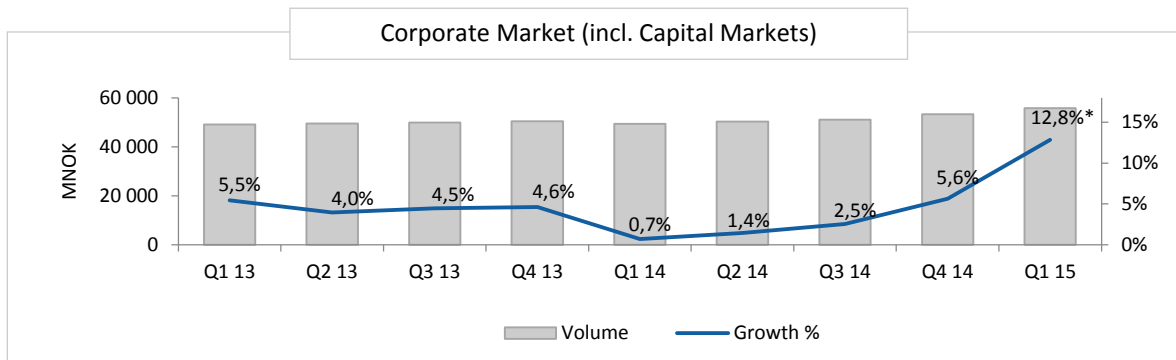
Consolidated income profile



Lending and deposit margins



Lending volume and 12 months growth

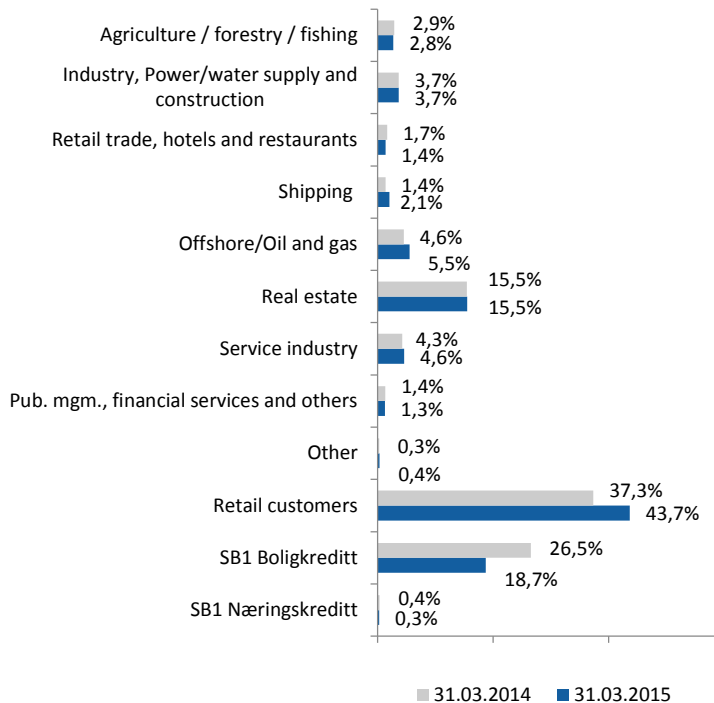


* 12 months lending growth excluding currency effect is 8.5%

Incl. loan portfolio in covered bond companies

Loan portfolio as at 31.03.2015

- Gross loans as at 31 March 2015 amount to NOK 178.8 billion compared with NOK 166.6 billion at the same time last year.
- 12-month growth in loans of 7.3%.
- Loans to retail customers (incl. covered bond company) account for 62.4% of total loans.
- Loans to the commercial property sector account for 15.5% of total loans.
- See appendix for further information on loans to oil operations as at 31.12.2014.

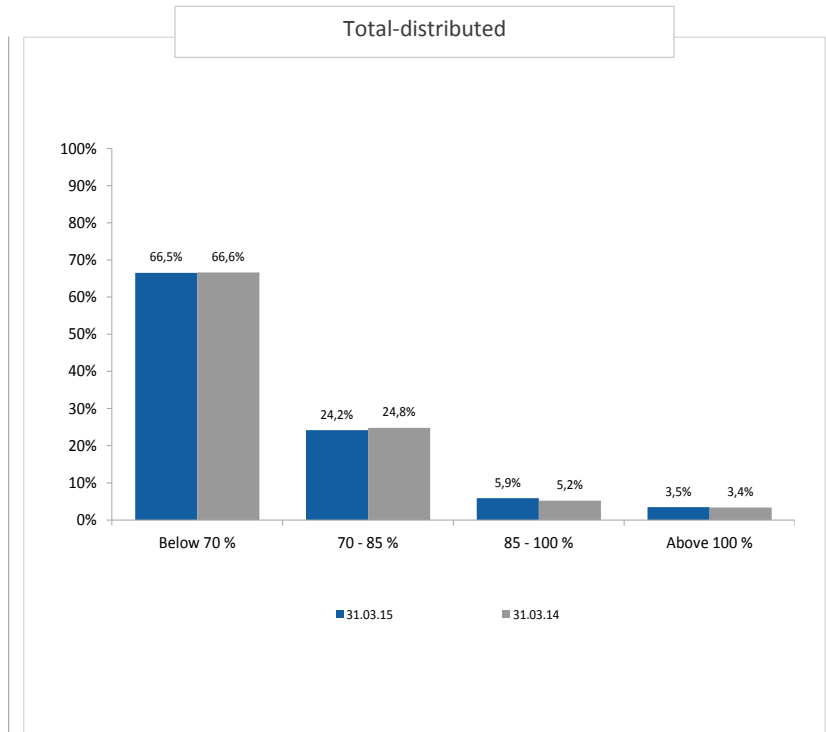


Loans before individual write-downs, nominal amounts.

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

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.*
- *90.7% of the exposure is within 85% of the assessed value of collateral.*

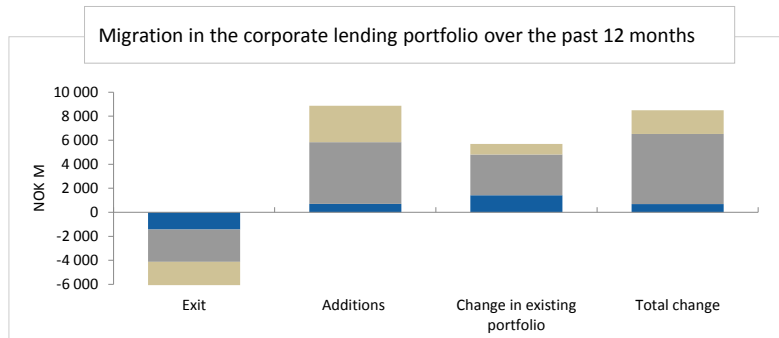
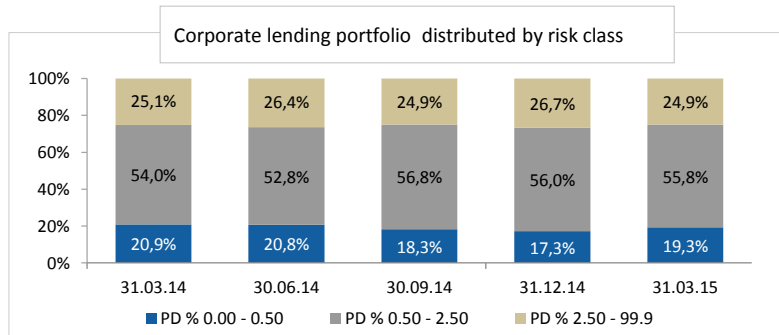


In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

The figures include the loan portfolio in the covered bond company.

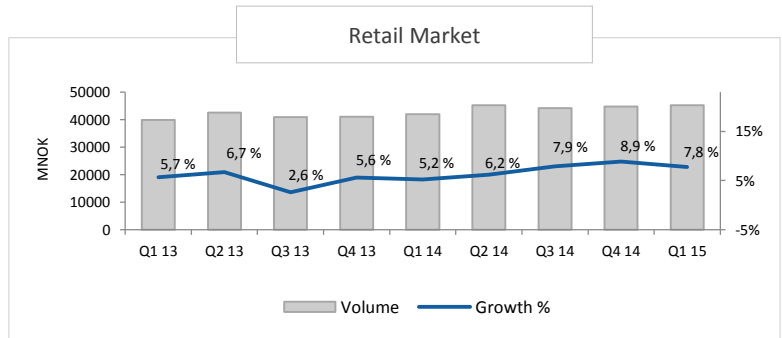
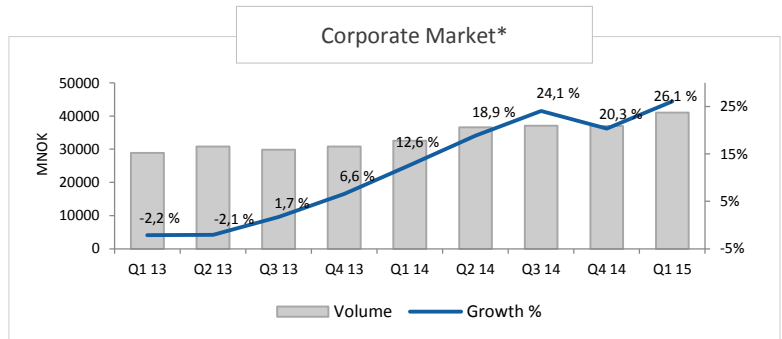
Lending to the corporate market – risk profile

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



Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 11.5 billion to 86.0 billion.
 - Corresponds to an increase in the period of 15.5%.



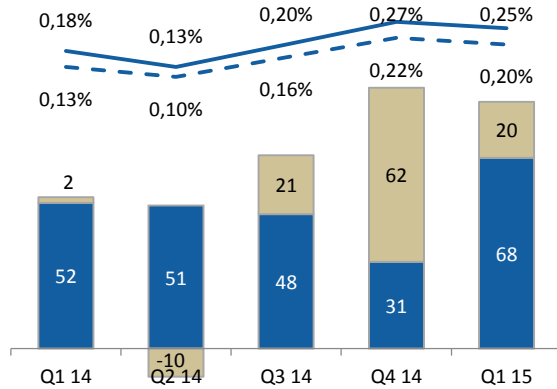
* Includes also the Capital Markets Division.

Operating expenses

<i>MNOK</i>	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Personnel expenses	303	303	304	293	287
Restructuring- and non-recurring costs	7	5	3	0	7
Total personnel expenses	310	308	307	293	294
IT expenses	72	75	69	67	66
Marketing	21	29	21	29	17
Other administrative expenses	26	24	24	24	23
Total administrative expenses	119	128	114	120	106
Depreciation	20	22	32	17	17
Operating expenses from real estate	10	10	7	7	13
Other operating expenses	71	62	60	64	75
Total other operating expenses	101	94	99	88	105
Total operating expenses	530	530	520	501	505

Impairment losses on loans/ Non-performing and doubtful commitments

Impairment losses on loans



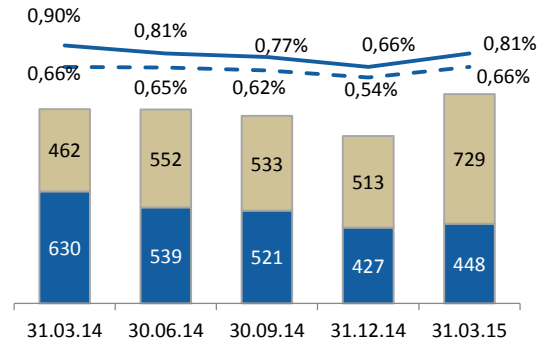
Collective impairment losses on loans, MNOK

Individual impairment losses on loans, MNOK

Loss ratio in % of average gross loans

Loss ratio in % of average gross loans incl. from covered bond companies

Non-performing and doubtful commitments



Doubtful commitments, MNOK

Non-performing loans, MNOK

Non-performing and doubtful commitments in % of gross loans

Non-performing and doubtful commitments in % of gross loans incl. from covered bond companies

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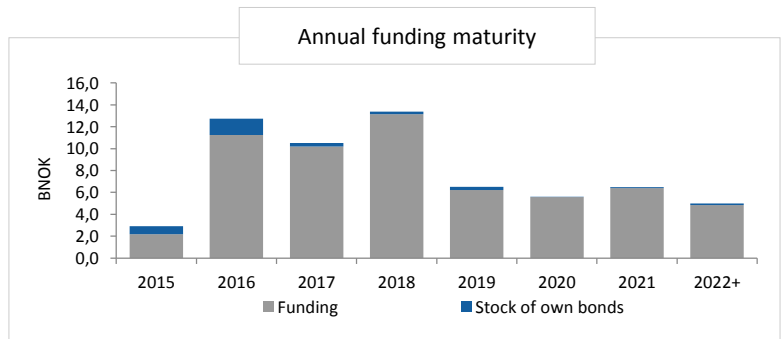
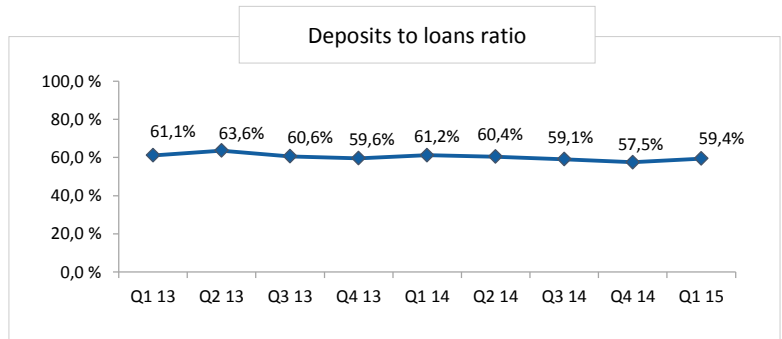
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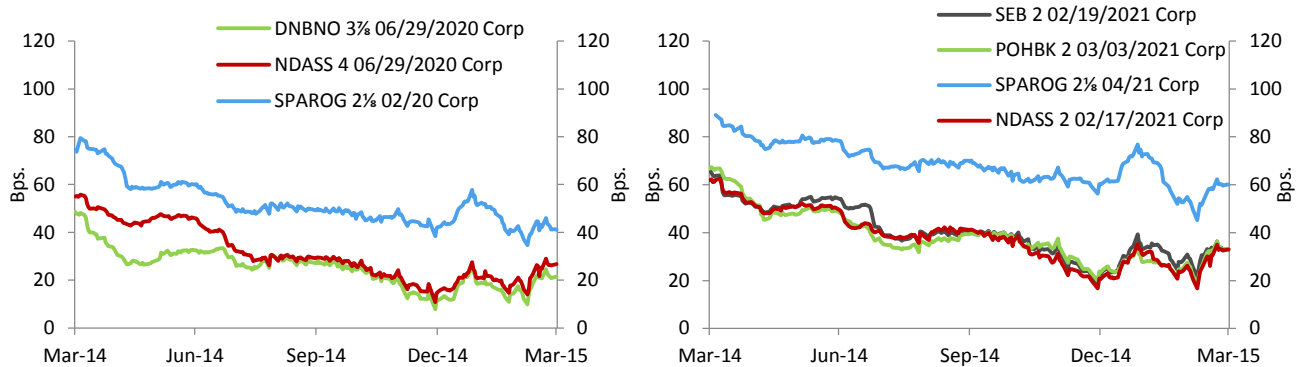
Deposits to loans ratio and market funding

- *Development in deposits to loans ratio reflects our funding strategy with a greater share of senior funding and the reduced use of covered bond funding.*
 - 6 outstanding euro-benchmarks (EUR 500 million) with due dates in each of the years 2016- 2021.
- *Funding indicator 1* is 111,0% for the parent bank and 111,9% on consolidated basis.*
- *Good liquidity and good access to market funding*
 - Net refinancing need over the next 12 months is NOK 2.3 billion.
 - Liquidity buffer is NOK 16.6 billion for normal operation in 23 months with closed markets.
 - In addition to the liquidity buffer, NOK 24.6 billion of home mortgages are prepared for covered bond funding.
 - SpareBank 1 SR-Bank's 100% owned covered bond company is being established and it is expected to issuing bonds during second quarter 2015.
 - The purpose is to optimize funding mix and eliminate possible limitations due to regulatory limits on large exposures.



*Funding indicator 1 is a ratio of illiquid assets financed by issued securities with a duration of more than 1 year.

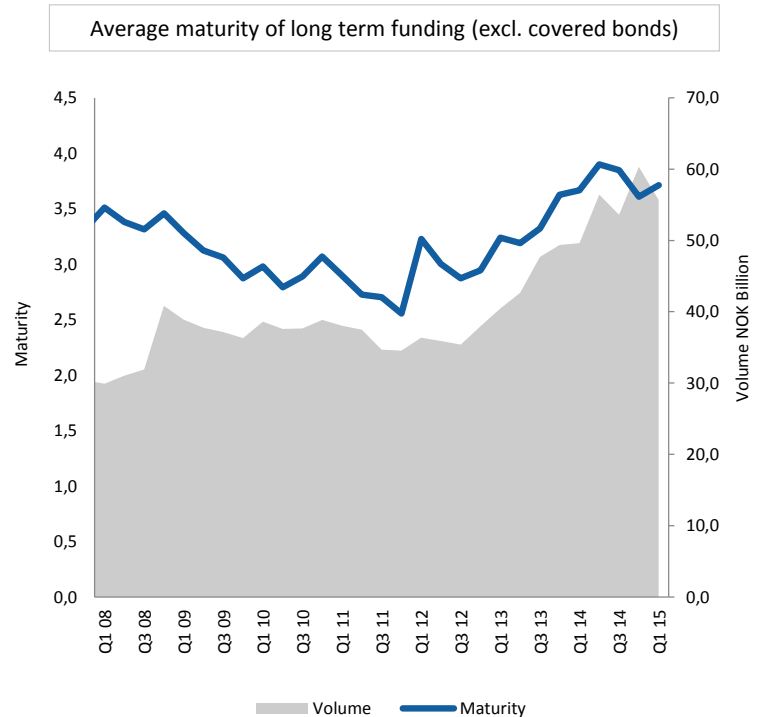
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SPAROG	3,500%	EUR500mn	21-April-2016	XS0551556409
SR-Bank / SPAROG	3,500%	EUR500mn	27-March-2017	XS0762421195
SR-Bank / SPAROG	2,000%	EUR500mn	14-May-2018	XS0853250271
SR-Bank / SPAROG	2,125%	EUR500mn	27-February-2019	XS0965489239
SR-Bank / SPAROG	2,125%	EUR500mn	03-February-2020	XS0876758664
SR-Bank / SPAROG	2,125%	EUR750mn	14-April-2021	XS1055536251

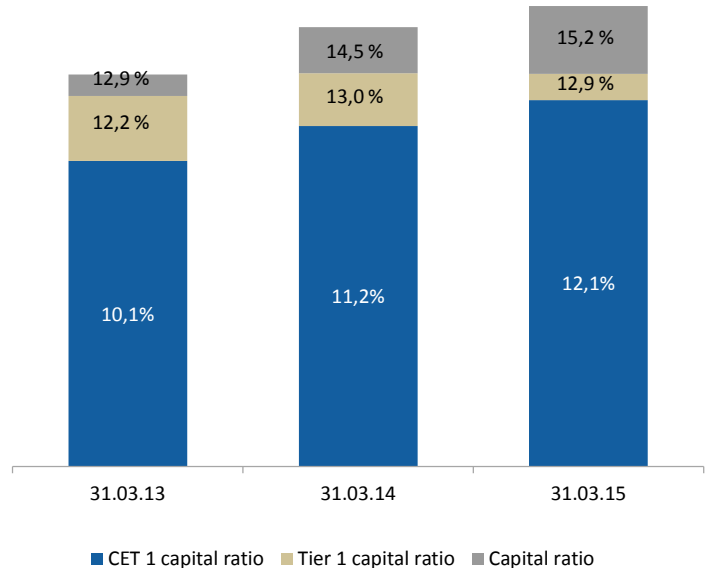
Funding structure

- *LCR of 113% at the end of March 2015. Average LCR during Q1 2015 was 107%.*



Stronger capital ratio

- SpareBank 1 SR-Bank is compliant with capital requirements per 31.03.2015.
- SpareBank 1 SR-Bank received IRB Advanced approval for the corporate market portfolio in the first quarter of 2015.
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.
 - The Basel I floor is also practised differently.
- Leverage ratio is 6.1% per 31.03.2015. SpareBank 1 SR-Bank substantially exceeds the levels being discussed internationally.



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.

RWA home mortgages

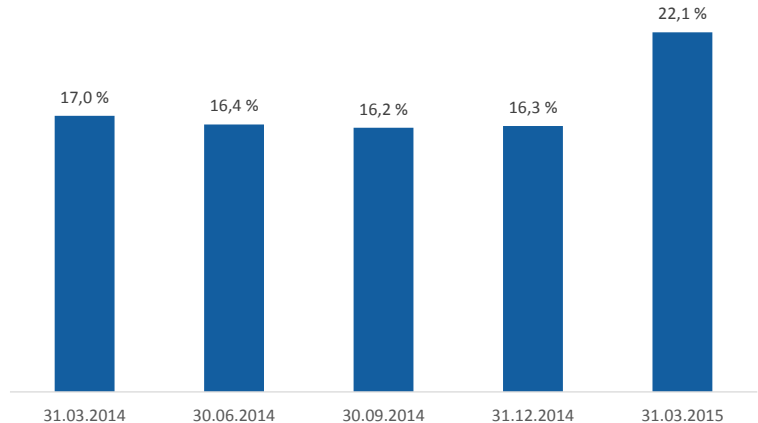
- *RWA on home mortgages reflects a solid og stable portfolio.*
- *The shift that occurs from Q1 2015 is due to restrictions imposed by the Norwegian FSA. The restrictions implies new requirements on how to calculate PD and LGD.*

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

LGD (Loss Given Default): Estimated loss given default of one single loan. The calculation is based on the realisation value of assets pledged as security in an economic downturn.

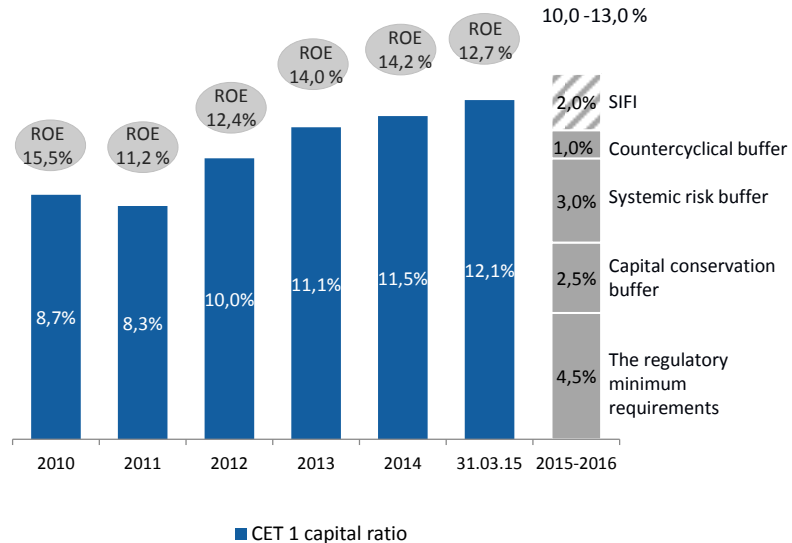
Home mortgages as defined in the Norwegian IRB framework; residential property must make up at least 30 % of a loan's security.

Figures include the portfolio sold to the covered bond company.



Strengthened common equity tier 1

- *New capital requirements entail a need to continue increasing common equity tier 1 capital going forward.*
- *SpareBank 1 SR-Bank is not defined as systemically important financial institution (SIFI) according to the Regulations of 12 May 2014 but is close at SIFI-requirement for market share.*
- *Common equity tier 1 capital will be strengthened further through good profitability and retained earnings, combined with limited growth in risk weighted assets.*
- *The target CET 1 level is 0.5-1.0% above the regulatory requirement.*



2015 - Outlook

- Uncertainty, especially in the petroleum sector, has increased due to lower oil prices. From record high levels, oil investments are expected to be reduced with 15-20% in 2015.
- Major infrastructure projects and high activity in house building are helping to ensure good conditions for the region's business and population growth, with lasting low unemployment.
- A weaker exchange rate makes Norwegian exports more competitive, while interest rates also stimulate business and household spending.
- Uncertainty about economic developments may help to dampen demand for loans, while low interest rates and wage inflation work in the opposite direction. We expect stable house prices going forward and still strong competition for new home mortgage customers.
- Non-performance and loan impairment losses are expected to remain moderate in the coming quarters.
- Solid earnings from a robust business model indicates we are well positioned to build up the necessary capital going forward, while ensuring continued competitiveness.
- An offensive approach for the future
 - The acquisition of Swedbank's Stavanger office, increased focus on capital services
 - The acquisition of 3 accounting office, establishes "accounting house"
 - Investing in new CM system, more and more customers in international markets
 - Investing in new technology, customer behavior changes as a result of digitization

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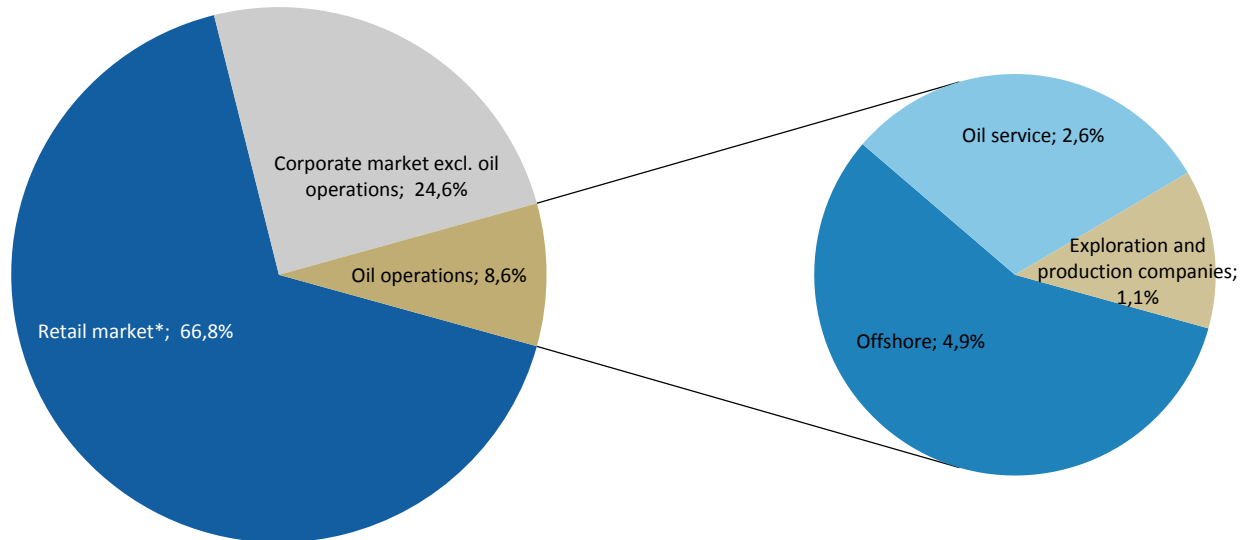
SpareBank 1 SR-Bank has a moderate risk profile in which no single event should be capable of seriously harming the bank's financial position

- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
 - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary market areas are Rogaland, the Agder counties and Hordaland
 - Financing outside this market area is based on customers based in the group's market area
- The bank's set clear requirements for loan activities in the corporate market
 - The activities that are financed must have a long-term perspective
 - The group must be very familiar with the ownership and management of the company
 - All financing decisions are based on the customer's debt-servicing capacity and a lack of debt-servicing capacity may not be compensated for through higher security
 - Shipping and offshore related financing (including significant parts of oil-related activities) are handled by centralised expertise
- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must not be so great that the potential loss cannot be absorbed without the group's financial position being significantly affected
 - This requires a diversified portfolio. The exposure to specific industries is subject to specific limits.
- The bank sets special requirements for all property financing
 - Self-financing requirements apply for all types of property financing - in relation to both residential and commercial property
 - Advanced sales requirements also apply for financing housing development projects
 - In addition to this, requirements that limit loan size/rent income ratio apply for financing commercial property

SpareBank 1 SR-Bank has a well diversified portfolio 8,6 % of total EAD is related to oil operations (as at 31.12.2014)

SpareBank 1 SR-Bank* has total BNOK 201,4 (EAD) per 31.12.2014

BNOK 17,6 (EAD) is related to oil operations



EAD: Exposure at default

Figures as at 31.12.2014

** Include the portfolio sold to the covered bond company*

Oil services - total NOK 5.2 billion (as at 31.12.2014)

Exploration and concept studies

- EAD NOK 0,6 billion
- Average weighted probability of default 2.63%

Field development and start-up drilling

- EAD NOK 1,3 billion
- Average weighted probability of default 1.68%

Operational fields and operational drilling

- EAD NOK 2,1 billion
- Average weighted probability of default 1.87%

On shore facilities

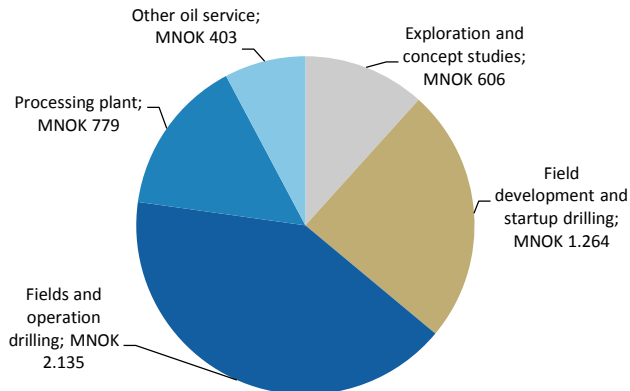
- EAD NOK 0,8 billion
- Average weighted probability of default 1.71%

Other oil services

- EAD NOK 0.4 billion

Oil services

- EAD NOK 5.2 billion, 2.6% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 1.89%
- Funding of operating capital through current and fixed assets, as well as guarantees



EAD: Exposure at default

Figures as at 31.12.2014

Offshore - total NOK 9.9 billion (as at 31.12.2014)

Offshore Service Vessels

- EAD NOK 6.8 billion, average weighted probability of default is 1.28%, weighted average age is 7 years, average weighted contract coverage for 2015 and 2016 of 66% and 51% respectively

Rigs

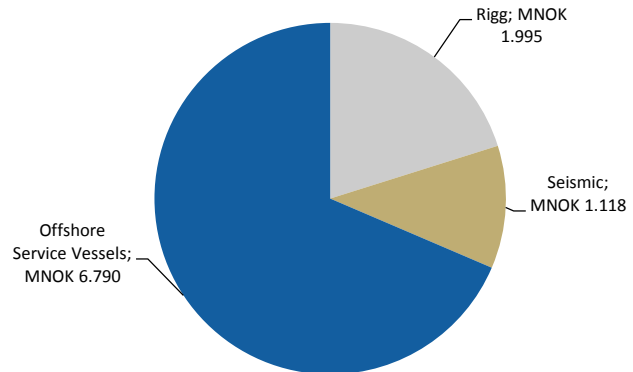
- EAD NOK 2 billion, average weighted probability of default is 1.94%, weighted average age is 11.2 years, average weighted contract coverage for 2015 and 2016 of 87% and 63% respectively

Seismology

- EAD NOK 1.1 billion, average weighted probability of default is 0.72%, weighted average age is 13.5 years, average weighted contract coverage for 2015 and 2016 of 93% and 80% respectively
- Applies to ship financing, not seismic equipment

Offshore

- EAD NOK 9.9 billion, 4.9% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 1.35%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



EAD: Exposure at default

Figures as at 31.12.2014

Exploration and production companies - total NOK 2.2 billion (as at 31.12.2014)

Exploration financing

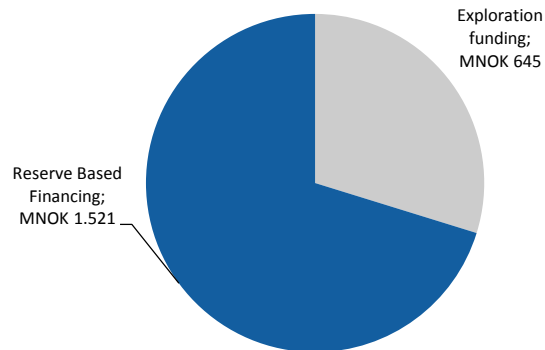
- EAD NOK 645 million
- Average weighted probability of default 4.13%
- Secured by a tax refund from the Norwegian State. No direct oil price risk

Reserve based lending (RBL)

- EAD NOK 1.5 billion
- Average weighted probability of default 1.54%
- Structured financing based on assumptions relating to spares, production volume, investments, oil prices, etc. The basis for loans is adjusted semi-annually based on a review of total assumptions

Exploration and production companies

- EAD NOK 2.2 billion, 1.1% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 2.31%
- Exposure primarily to companies with activities on the Norwegian continental shelf



EAD: Exposure at default

Figures as at 31.12.2014

Lending to commercial property (as at 31.12.2014)

Letting of real estate - oil operations

- EAD NOK 3,4 billion 1,7% of total EAD, which of;
 - Oil operations: EAD NOK 1,5 billion
 - Business services which of oil related: EAD NOK 0,6 billion
 - Transportation/storage: EAD NOK 0,4 billion
 - Industry, which of oil related : EAD NOK 0,9 billion

Letting of real estate - other

- EAD NOK 14,8 billion, 7,4% of the group's total EAD

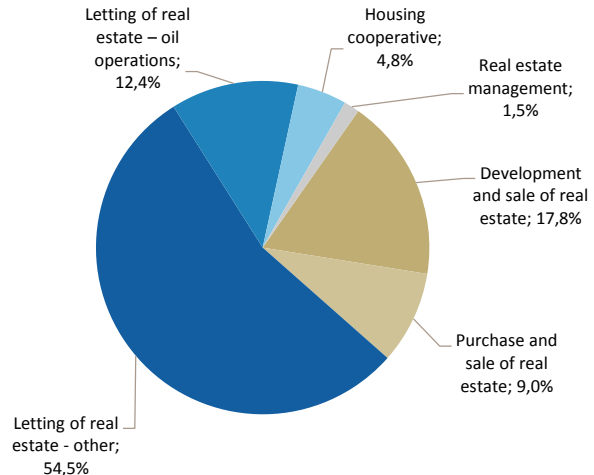
Sector allocation in accordance with the standard categories from Statistics Norway.

EAD: Exposure at default

Figures as at 31.12.2014

Lending to commercial property

- EAD NOK 27,2 billion 13,5% of the bank's total EAD
- The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited. Interest rates for a significant portion of this portfolio have been hedged.



SpareBank 1 SR-Bank monitors and follows up pro-actively

- The bank continuously monitors portfolios
- If special incidents occur, special portfolio reviews are conducted
- The customer units continuously and pro-actively follow up the bank's credit customers
- Commitments where the risk of poorer debt-servicing capacity increases significantly are included on the bank's watch list:
 - subject to special follow-up
 - use of the bank's total resources
 - if necessary resources from the bank's 'work out' unit
- The bank's loan portfolio with individual commitments, where EAD is more than NOK 50 million, has recently been analysed in order to identify commitments that might be affected by a prolonged fall in oil prices. The main observations are:
 - Good diversification
 - The majority of the exposure is related to businesses:
 - with a clear industrial profile
 - linked to exploration and production companies in oil and gas
 - where the primary activity is linked to the Norwegian continental shelf
 - good order book for 2015
 - Low exposure to the most risky part of the value chain that is exploration and development

Our vision: Recommended by customers

Primary objective

- 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;
 - Sustainable and profitable business model
 - Owner friendly and stable dividend policy

Financial targets

- 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

- Most preferred partner for financial services in South-Western Norway, based on;
 - Good customer experience
 - Strong team spirit and professionalism
 - Local anchoring and local decisions
 - Solvency, profitability and trust by the market

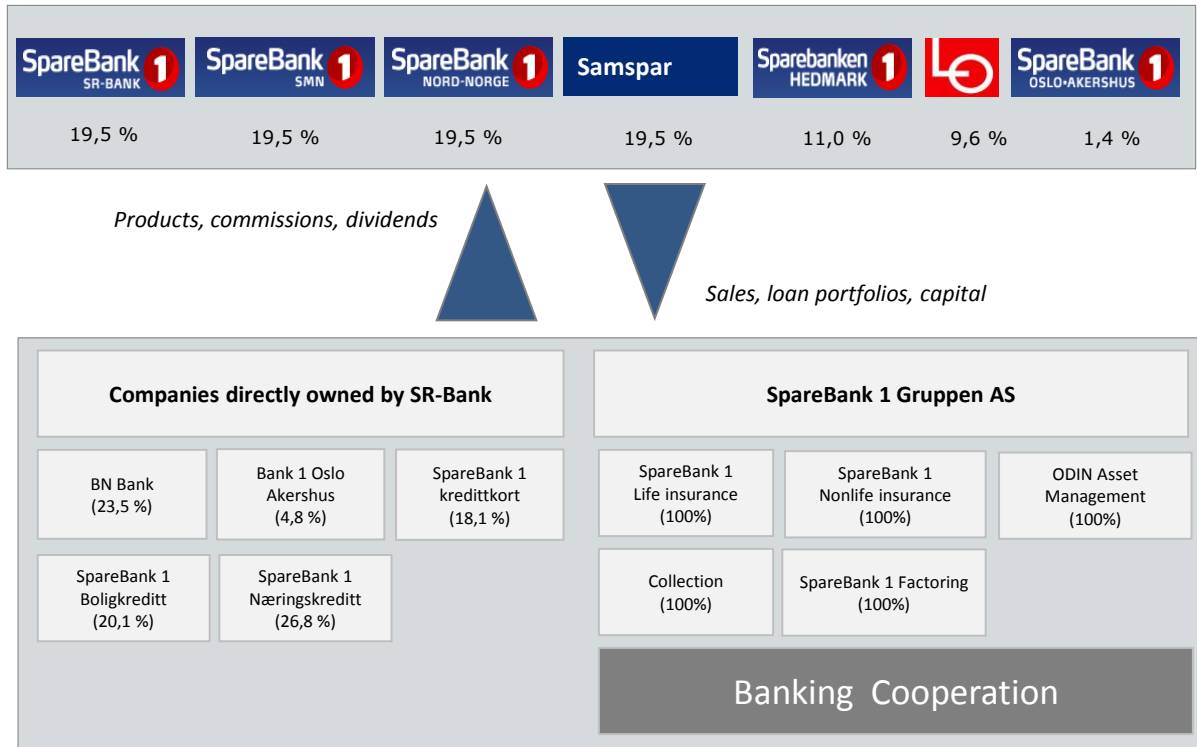
Strategic focus

- Targeted customer growth and increased product mix
- Innovative and continuing focus on efficiency
- Expertise adapted to future customer needs
- Diversified funding platform

SpareBank 1 Alliance

Owners of the alliance

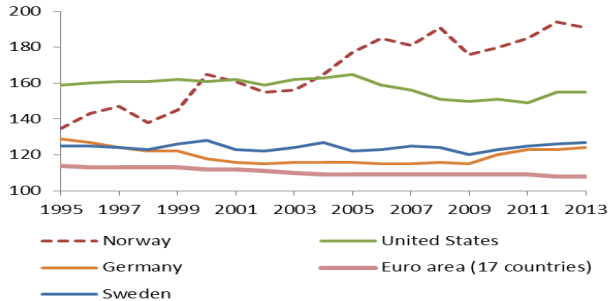
- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding



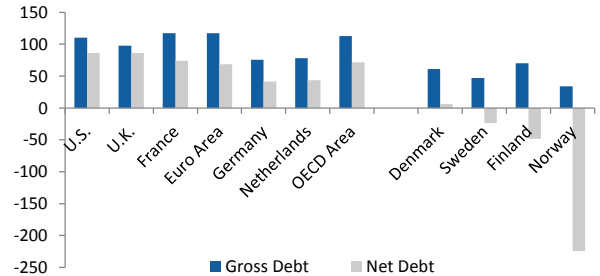
Norwegian Economy

- A unique situation with a continuing budget surplus...

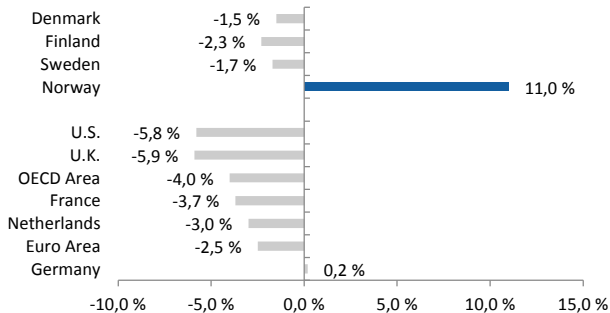
GDP per capita, index, EU 27 = 100



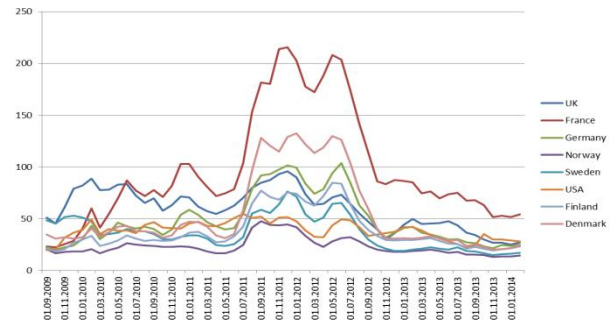
2015 governments financial liabilities (in per cent of GDP)



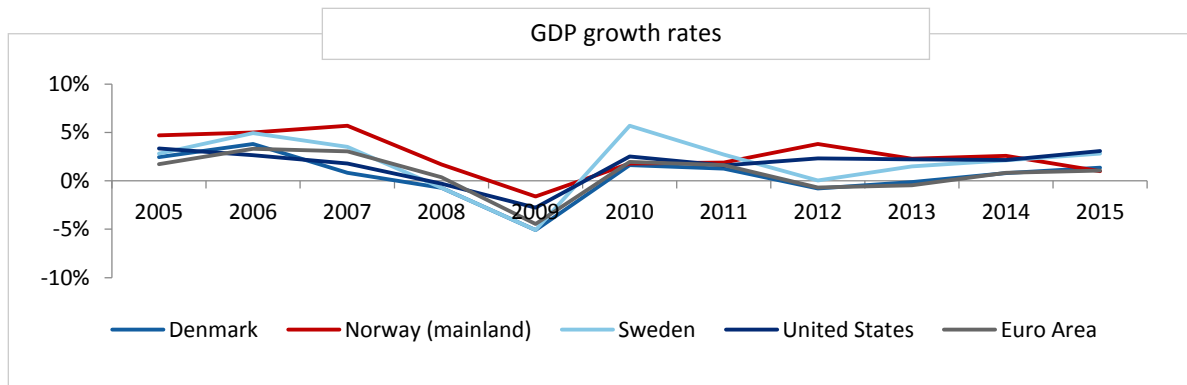
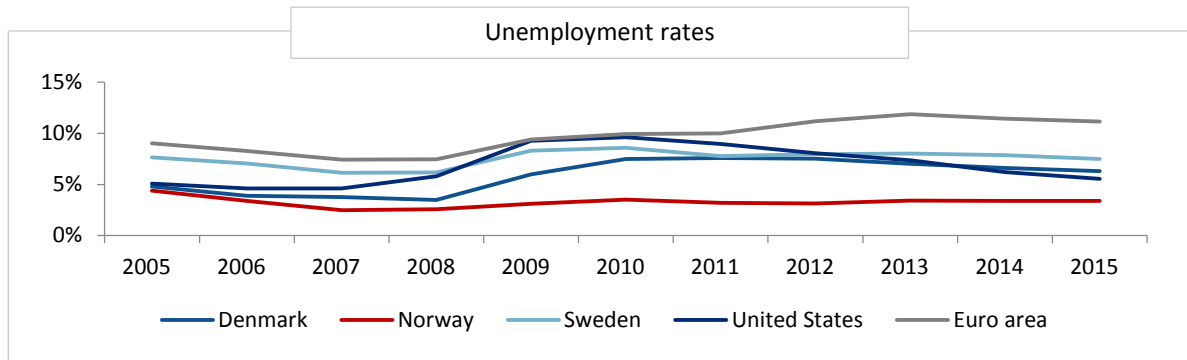
2014 expected government deficit/surplus (in per cent of GDP)



The market view; 5 year Sovereign CDS levels



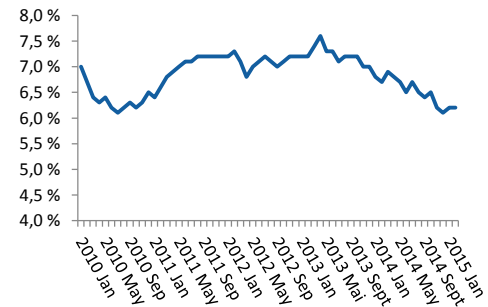
Norwegian Economy – international context



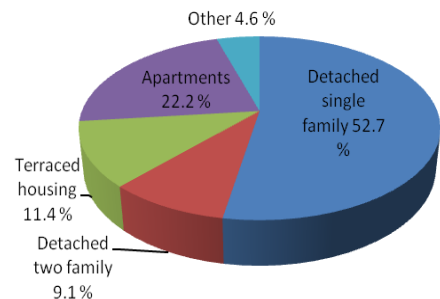
Norwegian Housing and Mortgage Market Key Characteristics

Market	<ul style="list-style-type: none"> Total mortgage market approx NOK 2,300 billion (approx USD 290bn, €265bn) Banks and credit institutions are the dominant supplier of mortgages with over 90% market share Typical maturity 25-30 years and repayment mortgages No subprime market
Home Ownership	<ul style="list-style-type: none"> 80% of households owner occupied (little buy to let) Amongst the highest home ownership in the world
Social Security	<ul style="list-style-type: none"> Generous unemployment benefits Unemployment benefit represents ca 60% of final salary for 104 weeks
Personal Liability	<ul style="list-style-type: none"> Borrowers are personally liable for their debt, also for outstanding debt post foreclosure and forced sale Swift foreclosure regime upon non-payment Individual borrowers have tight relationship with their lenders Transparent information about borrowers
Regulation	<ul style="list-style-type: none"> Max Loan to value: 85% (75% legal limit for cover pool) Interest only mortgages: max 70% LTV 5% mortgage interest rate increase as stress test Higher risk weighting for mortgages (TBD)
Interest Payments	<ul style="list-style-type: none"> 90-95% of mortgages are variable rate Interest rates can be reset at the lender's discretion, by giving the debtor 6 weeks notice
Tax Incentives	<ul style="list-style-type: none"> 27% of interest paid is tax deductible (equal to the basic rate of tax) Low effective real estate tax (lower net worth tax on real estate than financial assets)

Household Credit Growth Rate
(12 month growth rate)



Norwegian Mortgages (by dwelling type)



Norwegian Housing and Mortgage Market

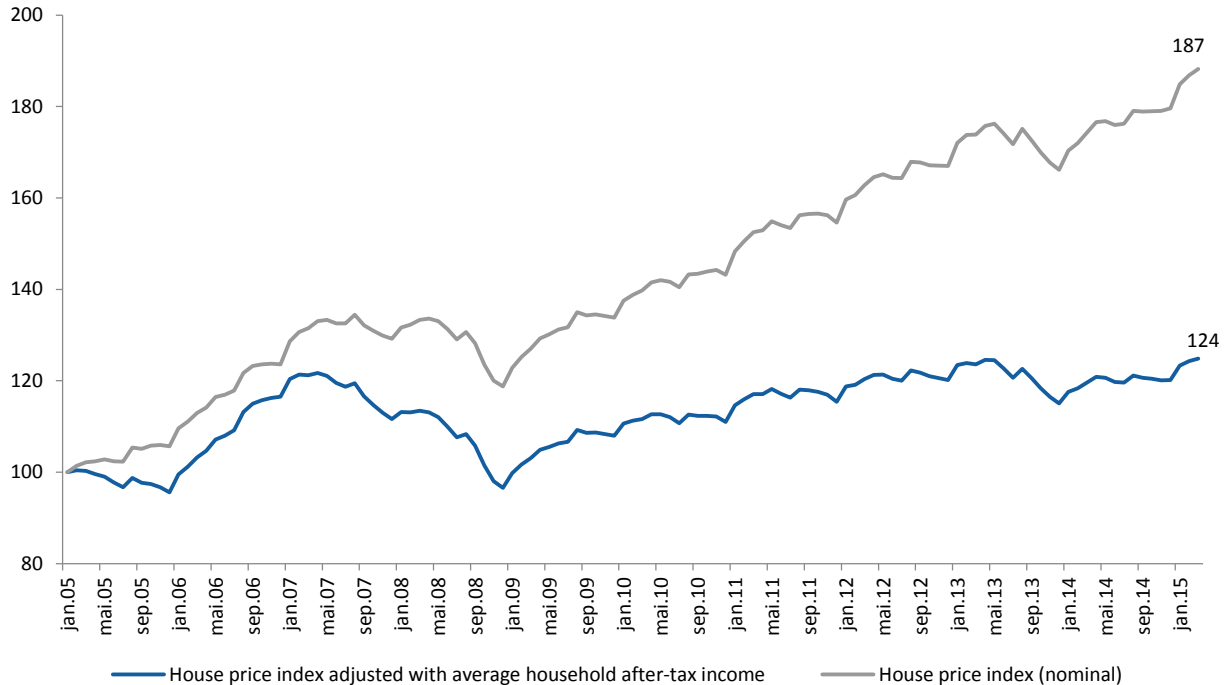
Population Change and Completed Housing Units



Source: Statistics Norway

Norwegian Housing and Mortgage Market - Nominal and real house price development

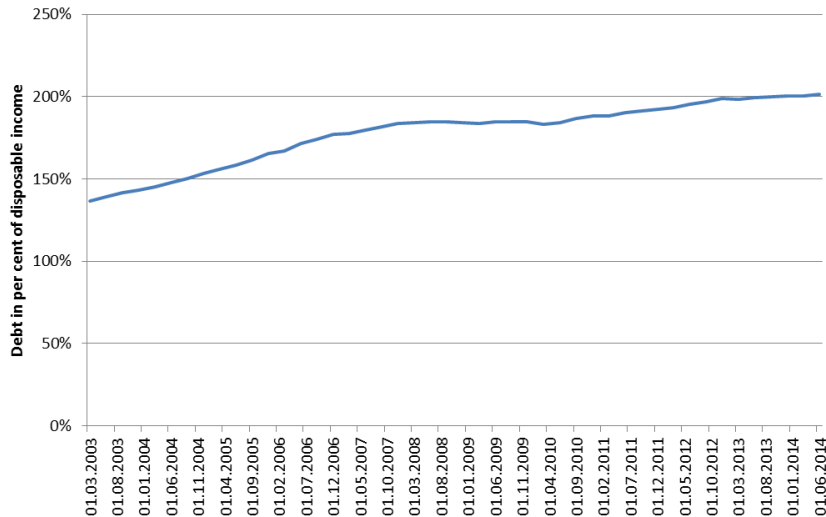
Index of House Prices, Norway, Monthly (Jan 2005 = 100)



Source: Eiendomsverdi, SpareBank 1 Boligkreditt 's projections and indexation

Aggregate Household Debt Burden

Total Debt burden in per cent of household income (after tax)



Norway:

- All HH debts included in the statistic, question of int'l comparability
- High home ownership (mortgage debt rather than rent commitments)
- Generous benefits (pensions, healthcare, education, childcare, maternity, unemployment)
- Income growth over the last decades has far outpaced the cost of necessities in the time period shown
- HH savings rate is high (9.0% in 2013): debt reduction possible

Balance sheet

<i>Balance sheet (MNOK)</i>	31.03.2015	31.03.2014
Cash and balances with central banks	2.400	770
Balances with credit institutions	2.533	1.092
Net loans to customers	143.937	121.037
Certificates, bonds and other fixed-income securities	14.789	20.868
Financial derivatives	5.760	4.339
Shares, ownership stakes and other securities	631	1.154
Business available for sale	22	84
Investment in associates	4.886	4.910
Other	1.955	3.498
Total assets	176.913	157.752
Balances with credit institutions	4.803	4.801
Public deposits related to covered bond swap scheme	0	2.431
Deposits from customers	85.984	74.440
Listed debt securities	60.198	52.508
Financial derivatives	3.916	2.179
Other liabilities	3.093	2.659
Additional Tier 1 and Tier 2 capital instruments	2.975	4.065
Total liabilities	160.969	143.083
Total equity	15.944	14.669
Total liabilities and equity	176.913	157.752

Net commission and other income

<i>MNOK</i>	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Payment facilities	58	57	66	56	57
Savings/placements	44	42	45	40	45
Insurance products	47	46	45	44	42
Commission income real estate broking	104	101	105	128	100
Guarantee commission	34	26	24	26	27
Arrangement- and customer fees	26	40	20	24	31
Accounting services SpareBank 1 Regnskapshuset SR*	10	-	-	-	-
Other	1	3	5	6	13
Net commission and other income excl. covered bond companies	324	315	310	324	315
Commission income SB1 Boligkreditt and SB1 Næringskreditt	84	90	93	120	165
Net commission and other income incl. covered bond companies	408	405	403	444	480

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

Net income on investment securities

<i>MNOK</i>	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Dividends	7	1	10	7	18
Investment income, associates	133	138	150	137	81
Securities gains/losses	-45	-37	-52	24	205
<i>- of which capital change in shares and certificates</i>	4	24	-22	10	220
<i>- of which capital change in certificates and bonds</i>	-49	-61	-30	14	-15
Currency/interest gains/loans*	116	14	34	33	15
<i>- of which currency customer- and own-account trading</i>	31	6	40	37	24
<i>- of which IFRS-effects</i>	85	8	-6	-4	-9
Net income on investment securities	211	116	142	201	319

* The capital gains from interest and currency trading amounted to NOK 116 million per first quarter 2015. NOK 67 million of this was due to the positive effects of basis swaps linked to borrowing (NOK 37 million of which was realised in the first quarter of 2015).

Subsidiaries

<i>MNOK</i>	31.03.15	31.03.14
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	1.785	1.772
Operating profit before tax	12	9
SpareBank 1 SR-Finans AS		
Total assets (BNOK)	7	7
Operating profit before tax	36	36
SR-Forvaltning AS		
Total assets under management (BNOK)	9	7
Operating profit before tax	8	6
SR-Investering AS		
Operating profit before tax	0	13
SpareBank 1 Regnskapshuset SR AS		
Operating profit before tax*	2	-
Other		
Operating profit before tax	-3	0
Total subsidiaries		
Profit before tax	55	64

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

Ownership interests

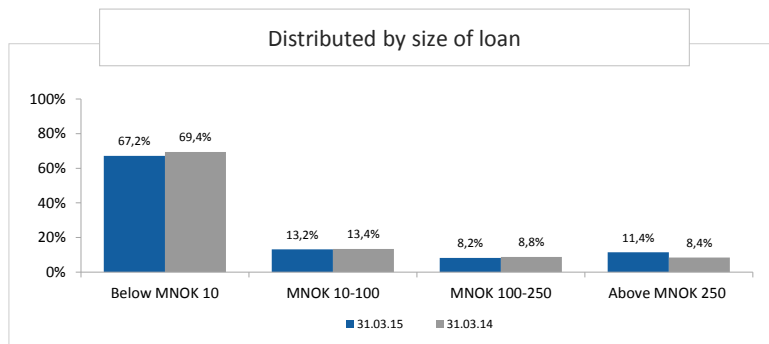
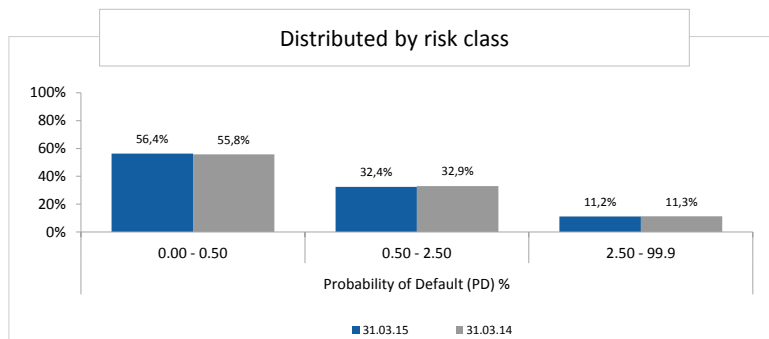
<i>MNOK</i>	31.03.15	31.03.14
SpareBank 1 Gruppen AS		
<i>Interest ownership</i>	19,5%	19,5%
Profit after tax	59	48
Adjusted profit previous years	0	-4
SpareBank 1 Boligkreditt AS		
<i>Interest ownership</i>	20,1%	26,2%
Profit after tax	47	10
Adjusted profit previous years	0	2
SpareBank 1 Næringskreditt AS		
<i>Interest ownership</i>	26,8%	27,0%
Profit after tax	6	8
Adjusted profit previous years	0	1
BN Bank ASA		
<i>Interest ownership</i>	23,5%	23,5%
Profit after tax	13	17
Other		
Profit after tax	8	-1
Total ownership interests		
Profit after tax	133	81

Impairment losses on loans and guarantees

<i>Losses on loans in income statement (MNOK)</i>	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Corporate customers	62	27	39	48	53
Retail customers	6	4	9	3	-1
Change in collective impairment losses on loans	20	62	21	-10	2
Net impairment losses on loans	88	93	69	41	54
	31.03	31.12	30.09	30.06	31.03
<i>Impairment losses on loans (MNOK)</i>	15	14	14	14	14
Corporate customers	292	262	285	307	329
Retail customers	59	60	58	54	53
Collective impairment losses on loans	398	378	315	294	304
Total impairment losses on loans	749	700	658	655	686

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 67% of total loan portfolio.
- Single loan exposures above NOK 250 million aggregates 11% 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.

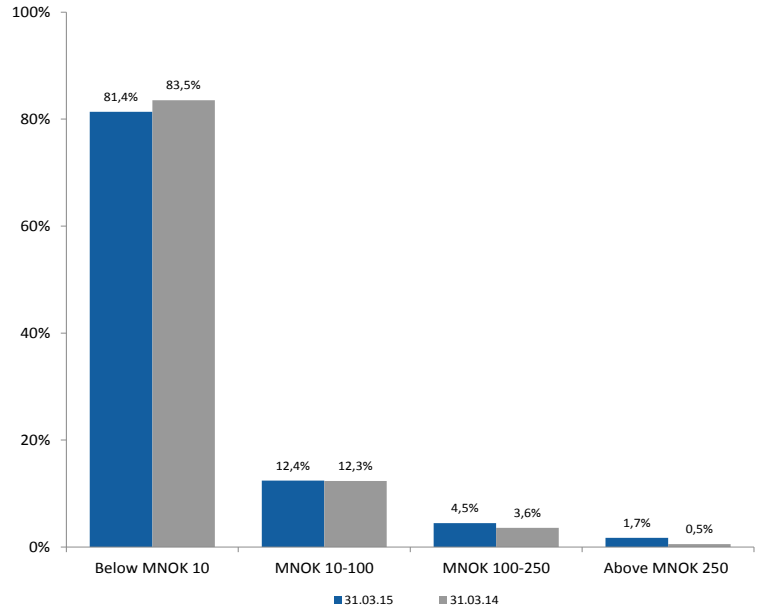


* Probability of default (PD) through a full cycle of loss.

Low concentration of individual LGRs in the lending portfolio

- At the end of Q1 2015, SpareBank 1 SR-Bank had a total of 31 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 6.2% 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.

Distributed by loss given realisation (LGR)

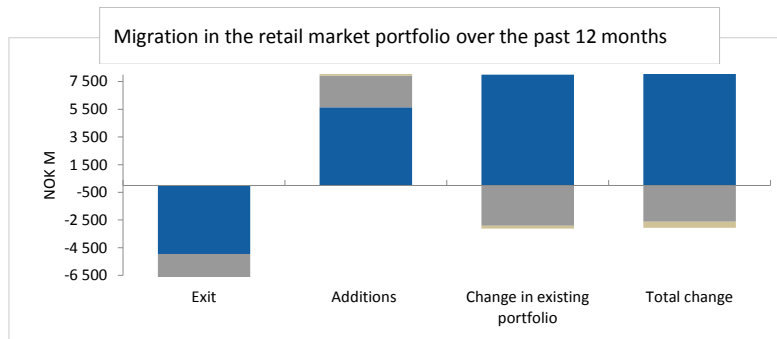
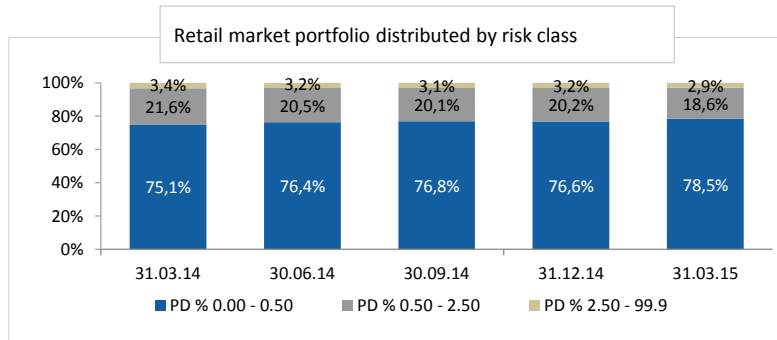


LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

The figure includes lending portfolios from covered bond companies.

Risk profile – Lending to the retail market

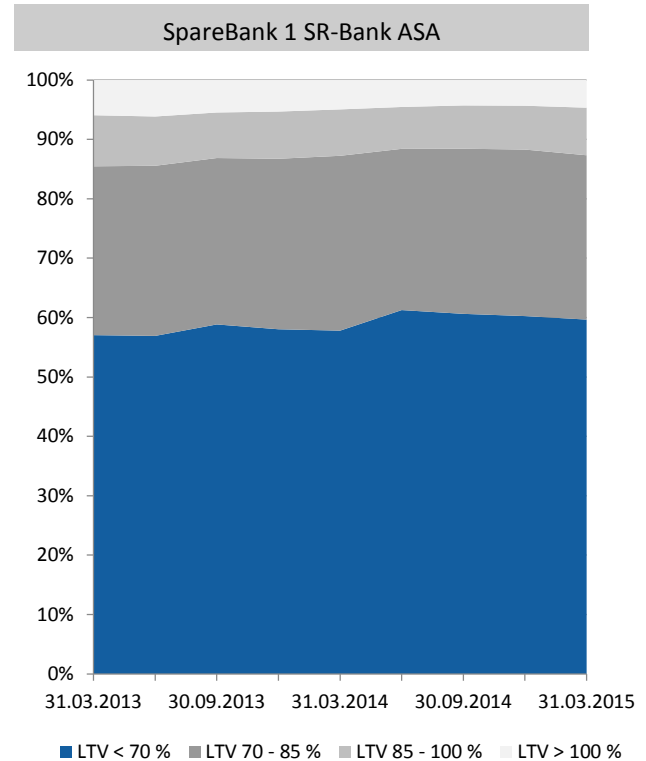
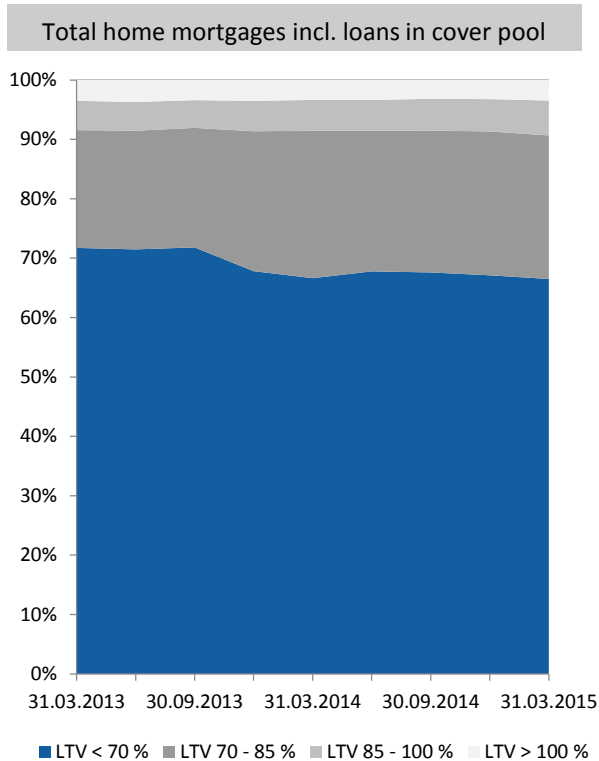
- *The quality of the retail market portfolio is considered to be good and has low potential losses.*
- *The proportion of loans with a PD* below 0.5% has increased to 78.5% of the total retail portfolio.*
- *The low risk profile is achieved through prudent customer selection and requirements for moderate LTV.*
- *Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.*



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

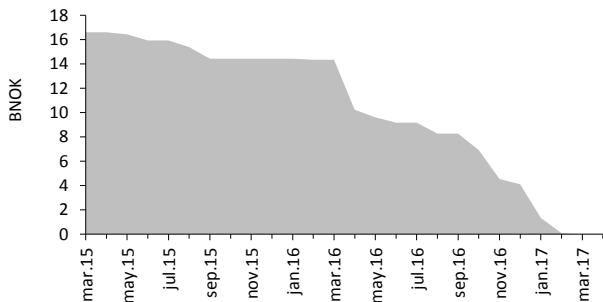
Figures include the portfolio sold to the covered bond company.

Historical LTV development for home mortgage loans



Liquidity portfolio

Liquidity buffer – survival period



Liquidity portfolio

Category	Market value, MNOK	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	399	0 %	0
SSA/Foreign guaranteed	3.758	27 %	0
Covered bonds (Norwegian/foreign)	9.365	66 %	0
Norwegian bank/finance	648	5 %	0
Foreign bank/finance	0	0 %	0
Industry/Other	0	0 %	0
Total liquidity portfolio	14.171	100 %	0

- *Liquidity buffer at the end of the quarter: NOK 16.6 billion*
- *Other liquid assets:*
 - *Home mortgages prepared for transfer to mortgage company: NOK 24.6 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	Market value	Share
Very low risk	AAA, AA+, AA og AA-	13.523	92,2 %
Low risk	A+, A og A-	111	0,8 %
Moderate risk	BBB+, BBB og BBB-	599	4,1 %
High risk	BB+, BB og BB-	115	0,8 %
Very high risk	B+ and lower	320	2,2 %
<i>Total portfolio</i>		14.667	100,0 %

Of which liquidity purposes:

Risk category	Rating	Market value	Share
Very low risk	AAA, AA+, AA og AA-	13.523	95,4 %
Low risk	A+, A og A-	111	0,8 %
Moderate risk	BBB+, BBB og BBB-	537	3,8 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ and lower	0	0,0 %
<i>Total liquidity purposes</i>		14.171	100,0 %

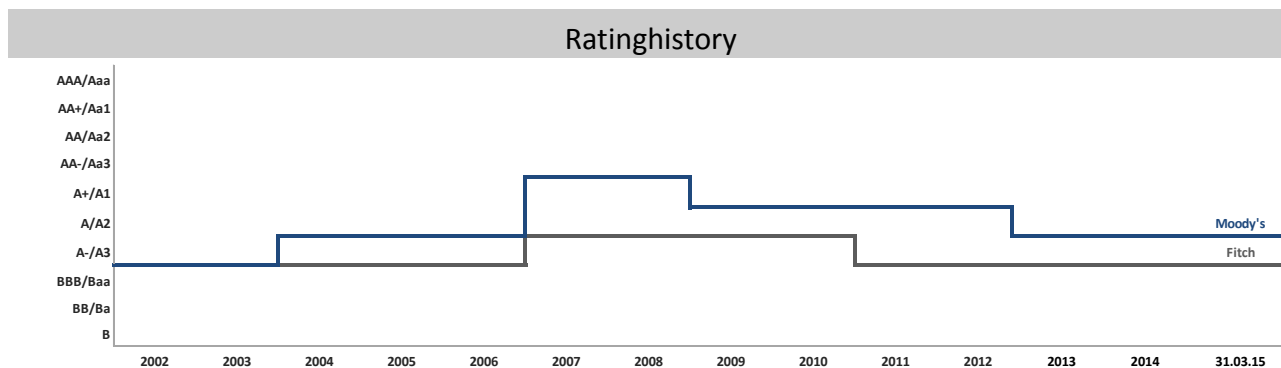
Of which trading purposes:

Risk category	Rating	Market value	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-	61	12,4 %
High risk	BB+, BB og BB-	115	23,1 %
Very high risk	B+ and lower	320	64,5 %
<i>Total trading portfolio</i>		496	100,0 %

All amounts in MNOK.

Rating

Moody's		Fitch	
Long-term debt	A2	Long-term IDR	A-
Outlook	Review for possible upgrade	Outlook	Stable
Updated	27 March 2015	Updated	19 November 2014



SRBANK as at March 2015

- *Ownership interests:*
 - *From Rogaland, Agder-counties and Hordaland: 49,3 %*
 - *International: 20,6 %*
 - *10 largest: 55,1 %*
 - *20 largest: 62,9 %*
- *Number of shareholders: 10 214 (10 936)*
- *Employees owning: 1,8 %*
- *Trading volume in Q1 2015: 7,4 % (7,6 %)*

	31.03.2015	2014	2013	2012	2011
Share price	56,25	52,50	60,25	37,20	40,70
Stock value (MNOK)	14.386	13.427	15.409	9.514	5.182
Book value per share, NOK (group)	62,40	60,28	55,00	49,48	48,75
Earnings per share	1,94	8,20	7,28	5,33	5,42
Dividend per share	n.a	2,00	1,60	1,50	1,50
P/E	7,25	6,40	8,28	6,99	7,51
P/BV (group)	0,90	0,87	1,10	0,75	0,83

Dividend policy

“The financial objective of SpareBank 1 SR-Bank ASA 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 level of the annual dividend, considerations will be made towards SpareBank 1 SR-Bank ASA’s future need for capital, including capital adequacy requirements, and strategic plans and targets. Unless capital requirements otherwise dictate, the Board of Directors’ aim is that approximately half of the EPS is paid out.”

Contact Details

Address

Bjergsted Terrasse 1
Postboks 250
4066 Stavanger

Tel.
+47 915 02002

www.sr-bank.no

Management



Arne Austreid
CEO

Tel.
+47 900 77 334

E-mail.
arne.austreid@sr-bank.no



Inge Reinertsen
CFO

Tel.
+47 909 95 033

E-mail.
inge.reinertsen@sr-bank.no

Investor Relations



Stian Helgøy
Investor Relations

Tel.
+47 906 52 173

E-mail.
stian.helgoy@sr-bank.no

Short- /long-term funding



Dag Hjelle
Head of Treasury

Tel.
+47 51 50 94 37

E-mail:
dag.hjelle@sr-bank.no