

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

SR-Bank at a glance

- Second largest Norwegian bank
- Market cap: NOK 11.7 Billion
- Total assets: NOK 193.2 Billion
- Total lending: NOK 183.0 Billion
- Total deposits: NOK 87.2 Billion
- No. of branches: 47
- Employees: 1.154



- Norway's largest regional bank
- Market share: about 40% in Rogaland
- No. of retail customer: 275 000
- No. of corporate customer: 13 830
- Full service bank
- Mobile bank



- **1839:** The first bank that today forms part of SpareBank 1 SR-Bank is established.
- **1976:** 24 savings banks merge to form Sparebanken Rogaland.
- **1994:** SR-Bank (Sparebanken Rogaland) lists its primary capital certificates on the Oslo Stock Exchange.
- **1996:** SR-Bank is one of the founders of SpareBank 1, an alliance.
- **2012:** SpareBank 1 SR-Bank converted from a savings bank to a public limited company ("limited liability savings bank").



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A unique situation with a continuing budget surplus...



Economic Indicators (%)	2010	2011	2012	2013	2014	2015	2016P
GDP growth - mainland	1.7	2.6	3.4	2.0	2.3	1.0	0.9
Household consumption growth	3.8	2.6	3.0	2.1	1.7	2.0	1.9
Investment growth – mainland*	-4.5	6.3	4.5	4.7	1.3	0.0	3.5
Investment growth oil & gas	-9.5	11.3	14.6	18.0	-2.9	-15	-15,5
Inflation rate, CPI	2.5	1.2	0.8	2.1	2.0	2.1	3.3
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	1.3/3.2	0.7/2.4
Household savings ratio	5.8	7.8	8.6	9	8.8	9.1	8.9
Unemployment rate	3.6	3.3	3.2	3.5	3.5	4.4	4.7
HH sector disp. real inc. growth	2.7	4.6	3.2	3.2	2.9	2.7	1.1
Current Account Surplus / GDP	11.9	13.5	14.3	10.6	9.7	8.7	7.0
Gov Budget Surplus / GDP	7	10	10	8	10	10	6
Sovereign Wealth Fund / GDP	121	120	131	157	204	238	228

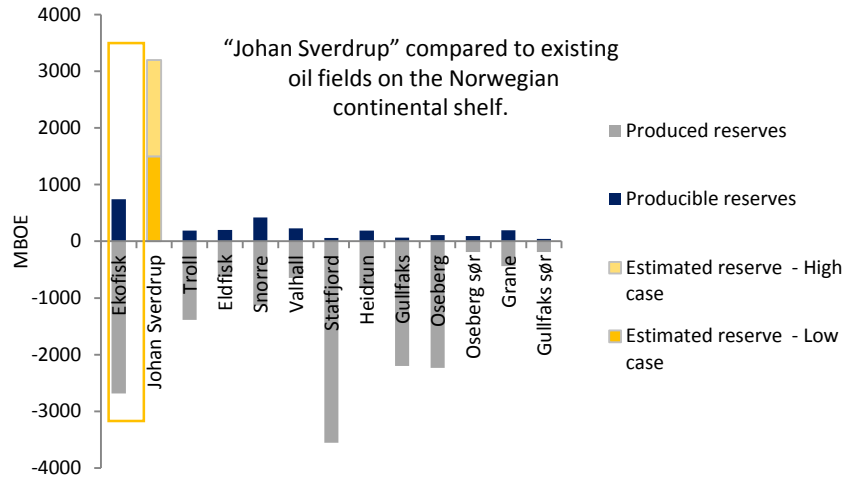
Sources: Statistics Norway, NBIM, Ministry of Finance, Norges Bank Monetary Policy Report September 2016, Investor presentation September 2016 from

SpareBank 1 Boligkreditt AS

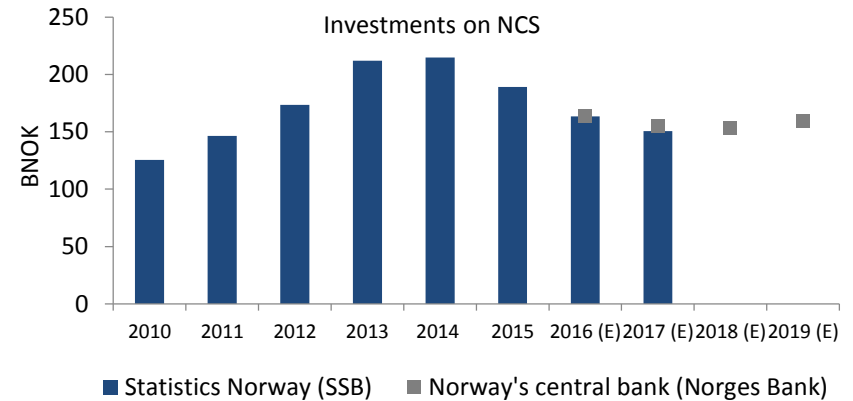
* Business, residential housing and public sector investments

One of Norway's most prosperous regions

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

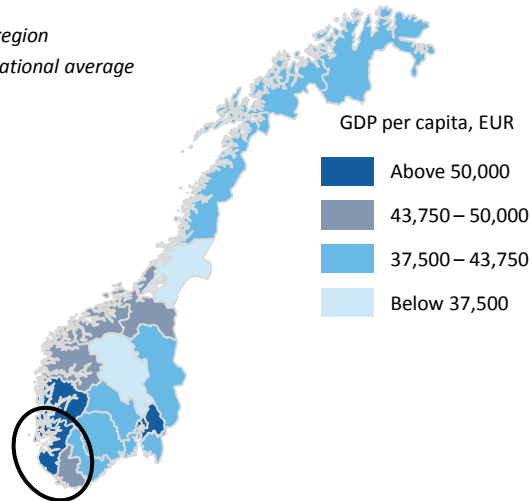


...and activity is expected to continue at high levels



The region accounts for circa 25% of Norwegian GDP

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



SR-Bank's market area

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



The leading financial group in the southwest of Norway

1 Rogaland

Population	470.000
Market share	36%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	4.3%*

2 Hordaland

Population	516.000
Market share	6%
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	3.3%*

3 Agder

Population	298.000
Market share	8%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	3.4%*



The SpareBank 1 Alliance – strong benefits in economies of scale

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:

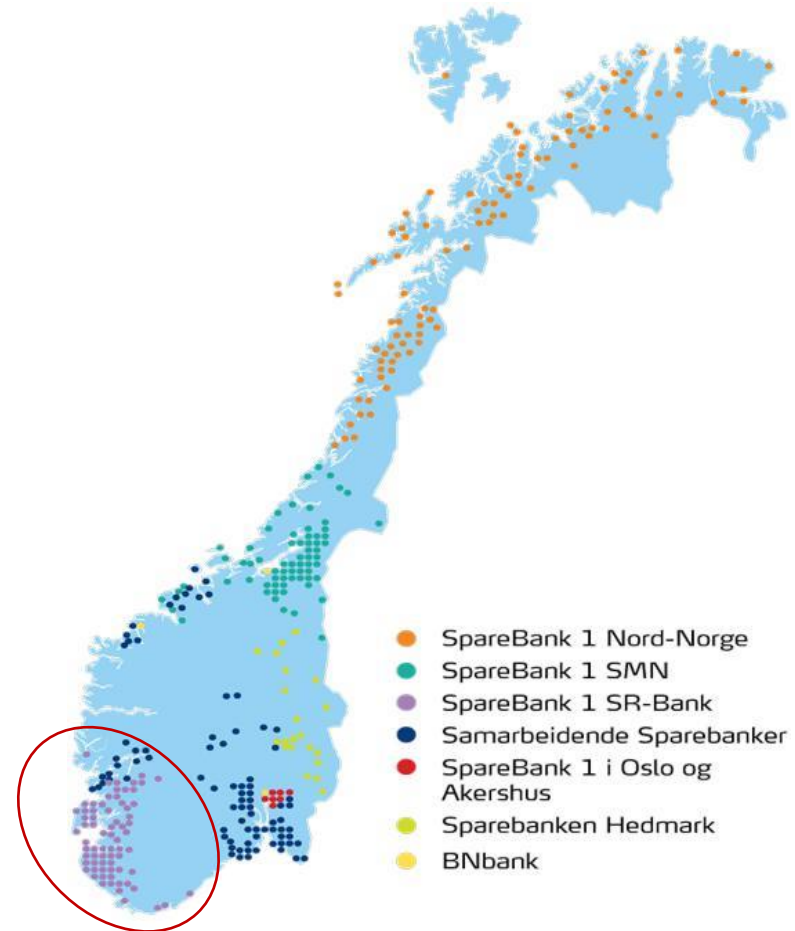
- *Keeping its own name and legal identity*
- *Taking advantage of its proximity to the local market*



ALLIANCE PROGRAMME



SEPARATE LEGAL IDENTITIES
COMMON SUPERBRAND



- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- SpareBank 1 SR-Bank
- Samarbeidende Sparebanker
- SpareBank 1 i Oslo og Akershus
- Sparebanken Hedmark
- BNbank

SRBANK's activities



Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years : 31

Retail Market

Number of man-years : 485

Corporate Market

Number of man-years : 155

Administration & Support

Number of man-years : 214

Fully owned companies



Number of man-years : 199

Key areas:

- Leading real estate broker



Number of man-years : 12

Key areas:

- Asset management



Number of man-years : 31

Key areas:

- Leasing



Number of man-years : 79

Key areas:

- Accounting
- Advisory



Number of man-years : 1

Key areas:

- Covered Bond Funding

Partly owned companies

SpareBank 1 Gruppen AS
(19.5%)

Holding company for the SpareBank 1 - Alliance

BN Bank ASA
(23.5%)

Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt AS
(16,7%)

Covered bond company (mortgages)

SpareBank 1 Næringskreditt AS
(24,6%)

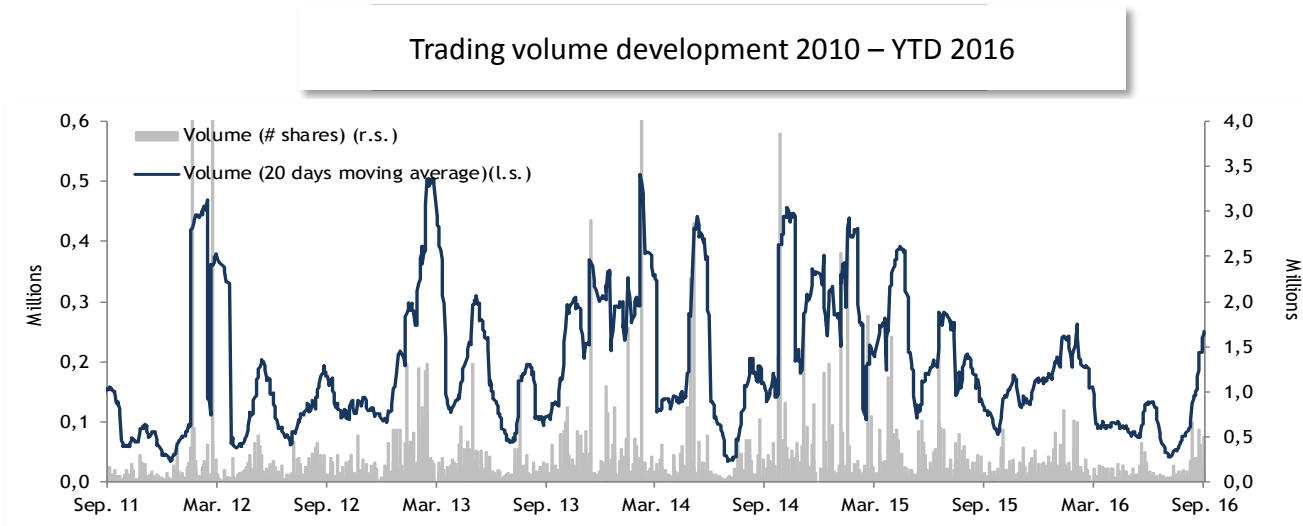
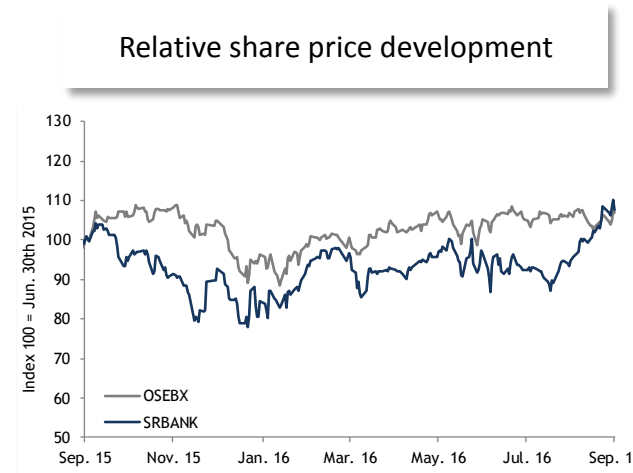
Covered bond company (commercial real estate)

SpareBank 1 Kredittkort
(18,1%)

Credit card company located in Trondheim

SRBANK

- *Converted from equity certificates to shares in 2012.*
- *International ownership is 16.2% per 3. quarter 2016.*
- *Total market value at 3. quarter 2016 is NOK 11,7 billion.*



20 largest shareholders as at September 2016

- *Ownership interests:*
 - *From Rogaland, Agder-counties and Hordaland: 49.7%*
 - *International: 16.2%*
 - *10 largest: 54.9%*
 - *20 largest: 61.7%*
- *Number of shareholders: 9 766 (10 083)*
- *Employees owning: 1,8%*

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Gjensidige Forsikring ASA		26.808.416	10,5%
Vpf Nordea Norge Verdi		7.832.657	3,1%
State Street Bank and Trust Co, U.S.A.	Nominee	6.892.288	2,7%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Wimoh Invest AS		5.761.169	2,3%
Odin Norge		5.031.793	2,0%
Danske Invest Norske Instit. II		3.486.610	1,4%
Pareto Aksje Norge		3.309.278	1,3%
Clipper AS		2.565.000	1,0%
State Street Bank and Trust Co, U.S.A.	Nominee	2.181.133	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	2.098.135	0,8%
Danske Invest Norske Aksjer Inst.		1.820.694	0,7%
KAS Bank NV, Nederland	Nominee	1.804.586	0,7%
Westco		1.658.537	0,6%
Pareto AS		1.640.867	0,6%
Vpf Nordea Avkastning		1.630.410	0,6%
Verdipapirfondet Alfred Berg Gamba		1.577.818	0,6%
Vpf Nordea Kapital		1.528.050	0,6%
Forsvarets Personellservice		1.513.556	0,6%
<hr/>			
Top 5		120.179.249	47,0%
Top 10		140.333.099	54,9%
Top 20		157.786.885	61,7%

20 largest shareholders as at 17 October 2016

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Gjensidige Forsikring ASA		12.308.416	4,8%
Vpf Nordea Norge Verdi		7.879.657	3,1%
State Street Bank and Trust Co, U.S.A.	Nominee	7.236.682	2,8%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Wimoh Invest AS		5.761.169	2,3%
Odin Norge		5.031.793	2,0%
Danske Invest Norske Instit. II		3.486.610	1,4%
Pareto Aksje Norge		3.309.925	1,3%
Verdipapirfondet DNB Norge (IV)		2.963.871	1,2%
Clipper AS		2.565.000	1,0%
State Street Bank and Trust Co, U.S.A.	Nominee	2.181.133	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	2.156.107	0,8%
Verdipapirfondet Alfred Berg Gamba		1.833.914	0,7%
Danske Invest Norske Aksjer Inst.		1.820.694	0,7%
KAS Bank NV, Nederland	Nominee	1.804.586	0,7%
Folketrygdfondet		1.738.000	0,7%
Vpf Nordea Avkastning		1.664.410	0,7%
Westco		1.658.537	0,6%
Vpf Nordea Kapital		1.651.050	0,6%
Top 5		106.070.643	41,5%
Top 10		126.624.011	49,5%
Top 20		145.697.442	57,0%

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

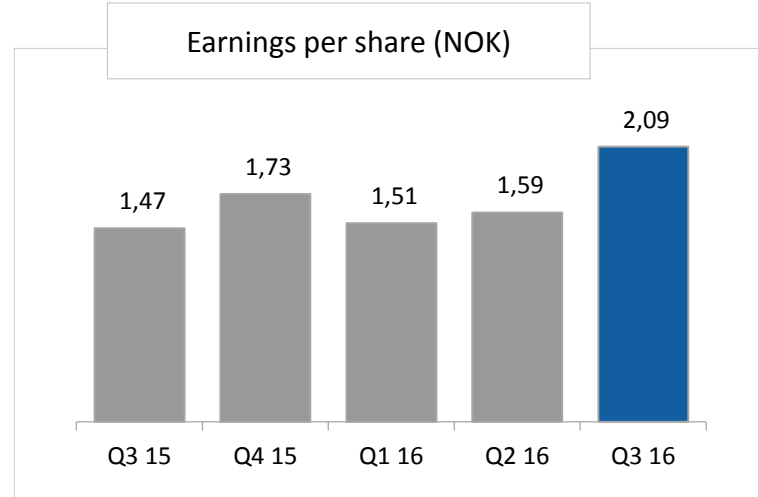
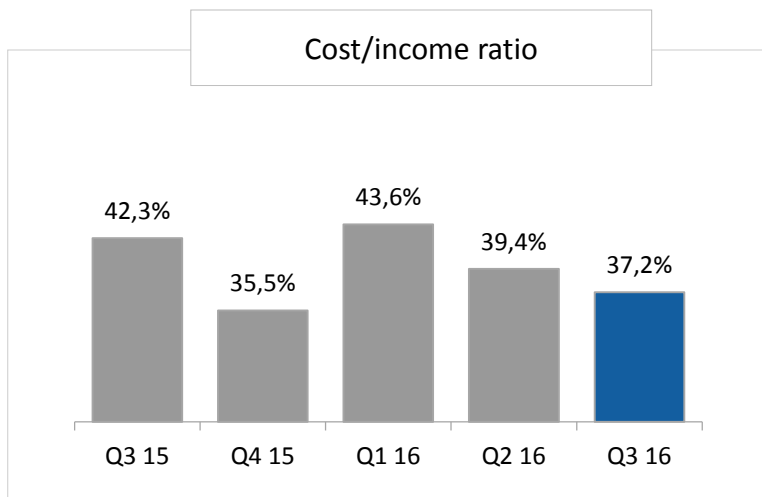
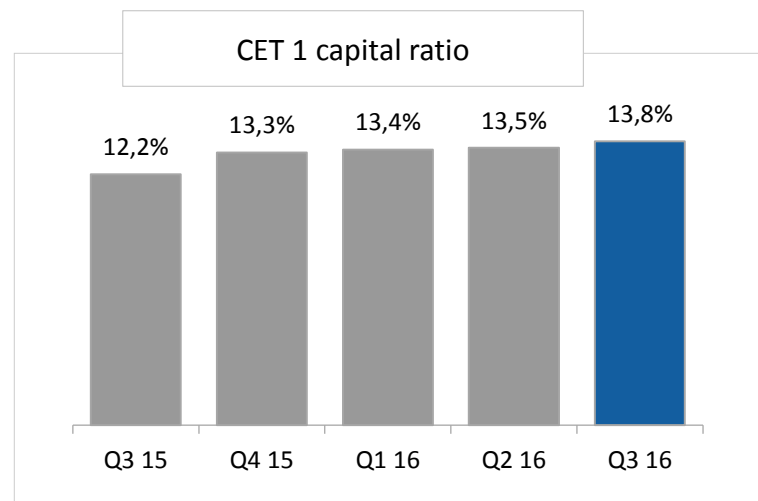
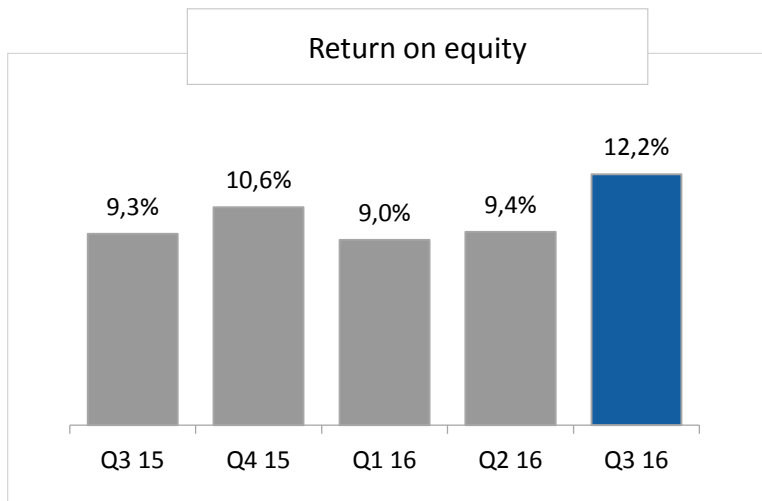
Solvency and liquidity position

Appendix

A good result with efficient operations and increased financial income

- Pre-tax profit for the quarter is NOK 660 million compared to NOK 489 million last year
 - Return on equity after tax 12.2%
- Pre-tax profit year-to-date is NOK 1.633 million compared to NOK 1.669 million last year
 - Return on equity after tax 10.2%
- Impairment losses on loans is NOK 616 million compared to 228 million last year
 - 0.45% of gross lending including covered bond companies as at 30 September 2016
 - Collective impairment loss year-to-date is NOK 138 million and NOK 189 million last 12 months
- 12 months lending growth of 0.1%
 - Risk-weighted assets (RWA) is decreased by 2.7% the last 12 months
- 12 months deposits growth of -2.0%
- Growth in costs of -0.2% over the last 12 months
 - Low costs growth influenced by the changed pension scheme and low bonus provisions, as well as the effect of other cost-reducing measures
 - Normalised costs growth is -4.1%
- Common equity tier 1 capital ratio increased to 13.8% from 12.2% last year

Key figures – quarterly development



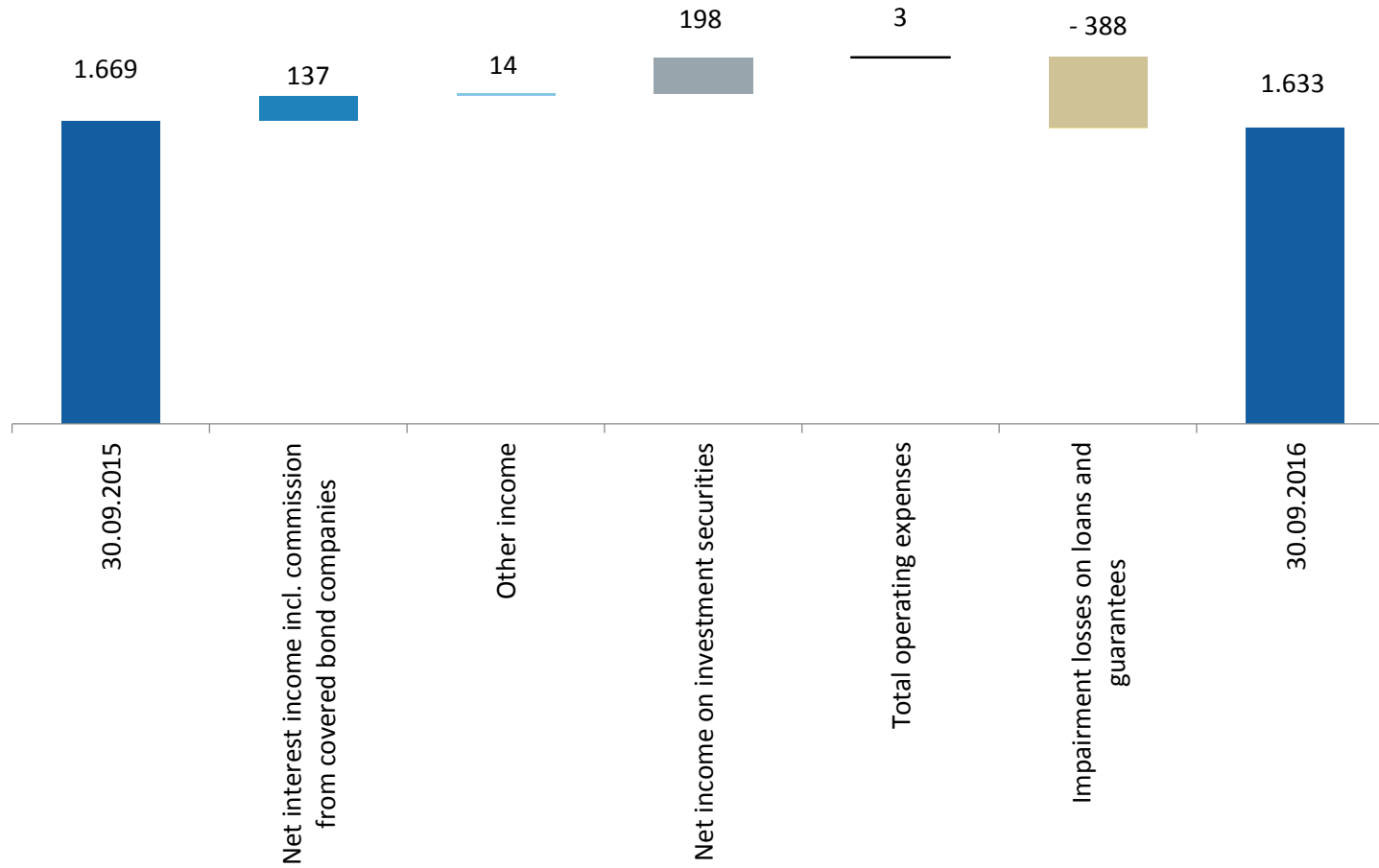
Key figures

	30.09 16	30.09 15	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
Return on equity after tax (%)	10,2	10,9	12,2	9,4	9,0	10,6	9,3
Net interest margin (%)	1,47	1,42	1,48	1,48	1,44	1,40	1,39
Impairment losses on loans and guarantees in % of gross loans incl. covered bond companies	0,45	0,17	0,35	0,66	0,33	0,42	0,21
Non-performing and other problem commitments in % of gross loans incl. covered bond companies	1,18	0,56	1,18	1,15	0,92	0,76	0,56
Cost to income ratio	39,9	44,1	37,2	39,4	43,6	35,5	42,3
Annual growth in loans to customers, gross incl. covered bond companies (%)	0,1	7,4	0,1	1,1	2,9	5,4	7,4
Annual growth in deposits from customers (%)	-2,0	9,5	-2,0	-1,3	1,2	9,8	9,5
Total assets (BNOK)	193,2	191,5	193,2	196,8	194,8	192,0	191,5
Portfolio of loans in covered bond companies (BNOK)	25,7	31,0	25,7	26,7	28,8	28,7	31,0
Risk weighted assets (BNOK)	119,1	122,4	119,1	119,7	118,5	119,1	122,4
Liquidity Coverage Ratio (LCR) (%)	123	164	123	173	130	128	164
Earnings per share (NOK)	5,19	5,10	2,09	1,59	1,51	1,73	1,47
Book value per share (NOK)	69,36	64,02	69,36	67,16	67,68	66,14	64,02
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8	255,8	255,8

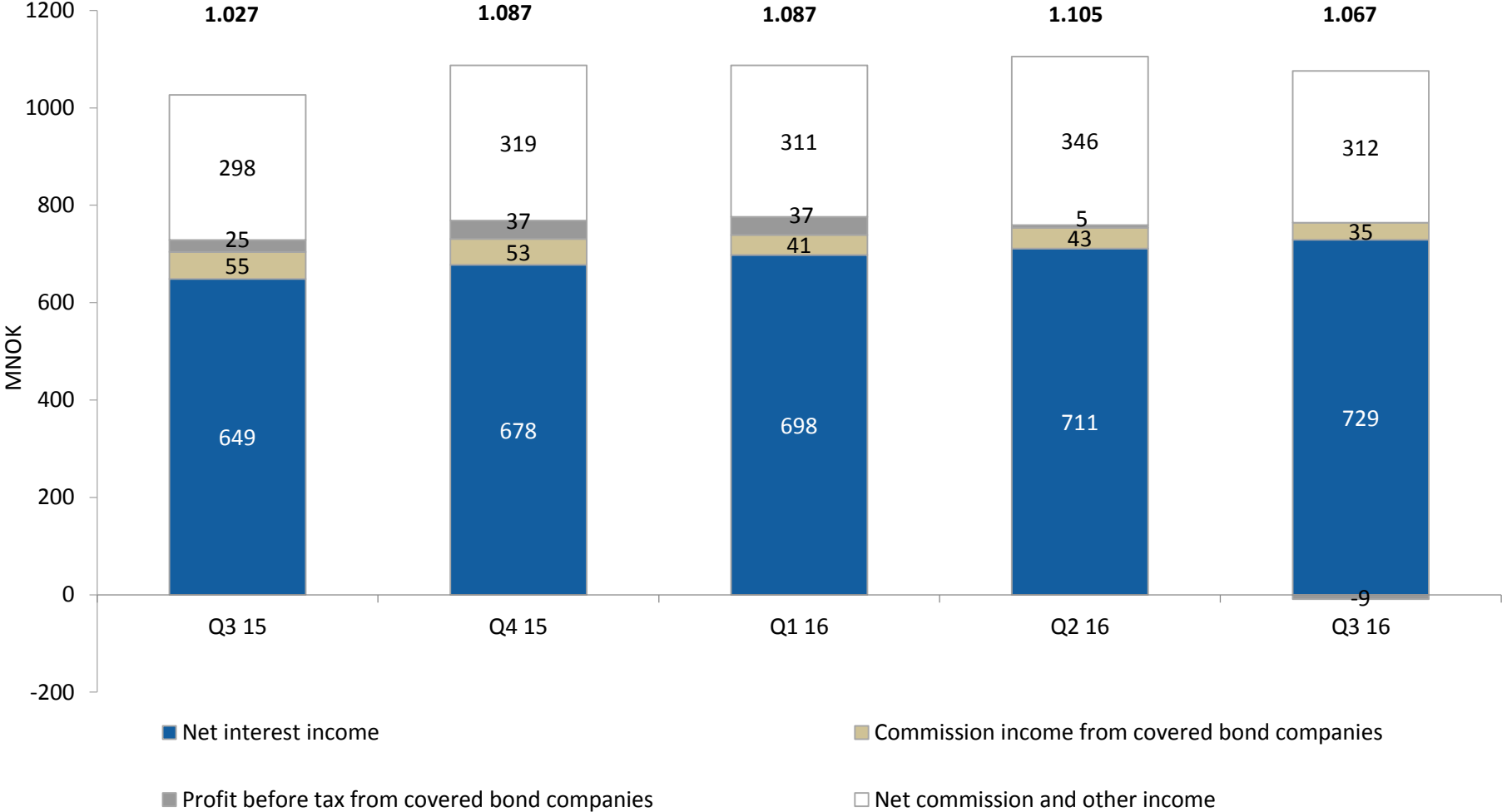
Income statement

	30.09 16	30.09 15	Q3 15	Q2 16	Q1 16	Q4 15	Q3 15
<i>Group Income Statement (MNOK)</i>							
Net interest income	2.138	1.915	729	711	698	678	649
Net commission and other income	1.088	1.160	347	389	352	372	353
Net income on investment securities	515	317	231	205	79	-13	12
Total income	3.741	3.392	1.307	1.305	1.129	1.037	1.014
Total operating expenses	1.492	1.495	486	514	492	368	429
Operating profit before losses	2.249	1.897	821	791	637	669	585
Impairment losses on loans and guarantees	616	228	161	305	150	192	96
Operating profit before tax	1.633	1.669	660	486	487	477	489
Tax expense	307	365	126	80	101	35	112
Net profit	1.326	1.304	534	406	386	442	377

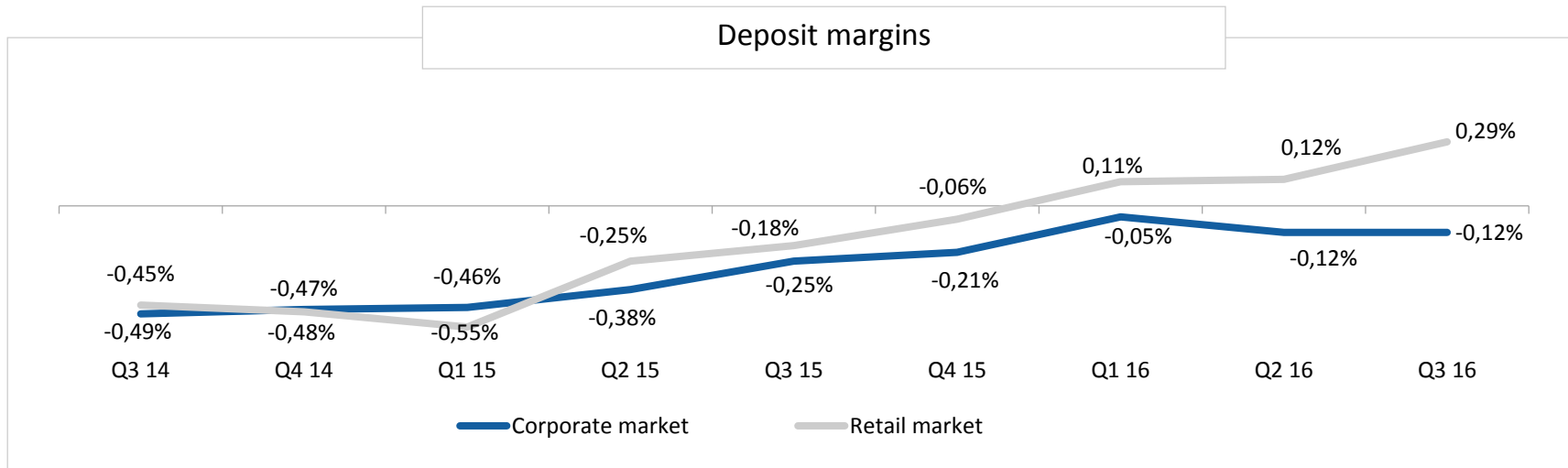
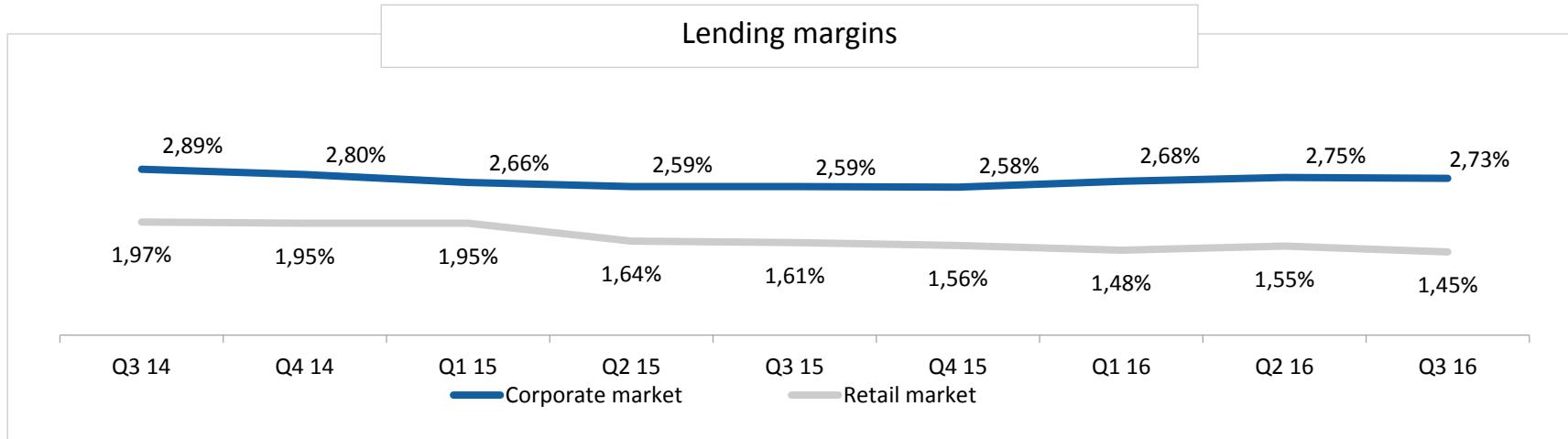
Change in profit 30.09.2015 – 30.09.2016



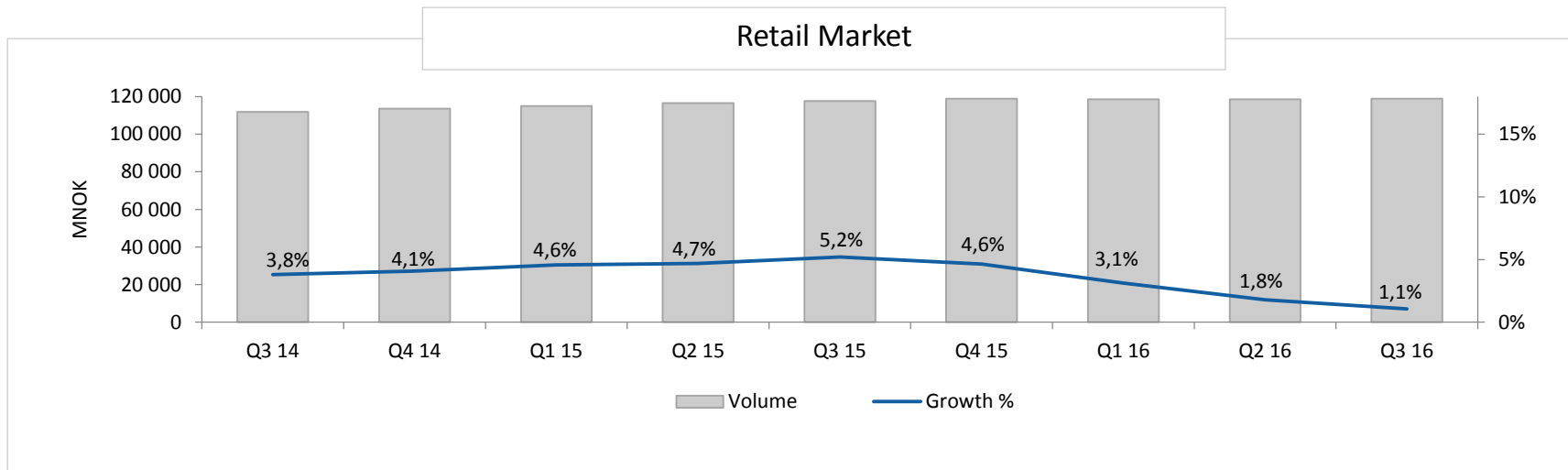
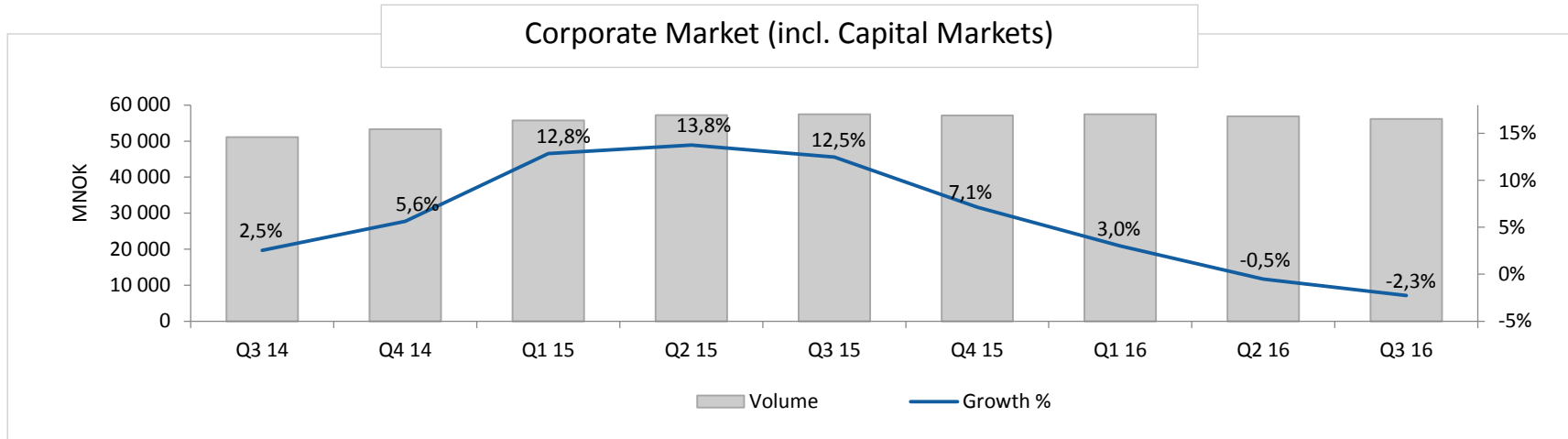
Consolidated income profile



Lending and deposit margins



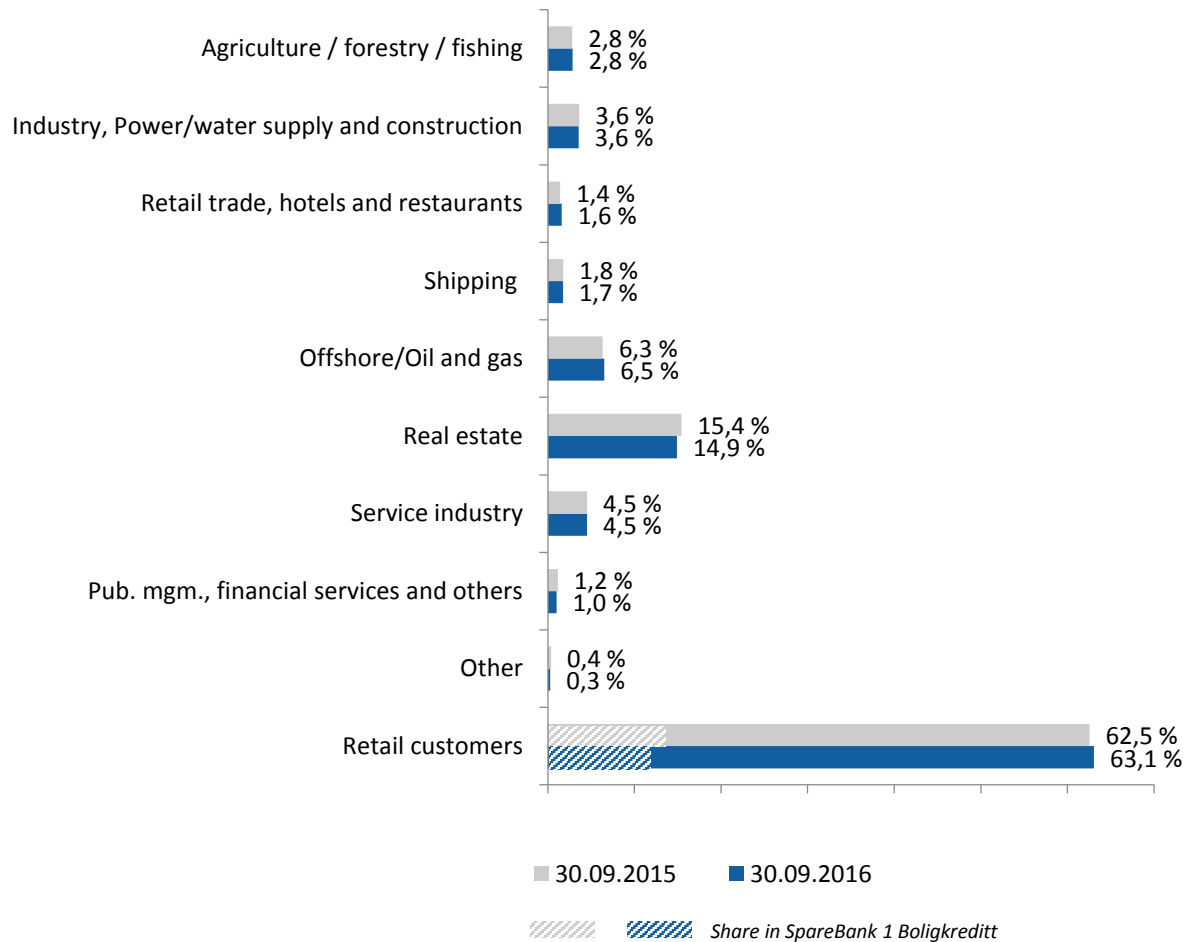
Lending volume and 12 months growth



Figures incl. loan portfolio in covered bond companies

Loan portfolio as at 30.09.2016

- Gross loans as at 30 September 2016 amount to NOK 183.0 billion compared with NOK 182.9 billion at the same time the year before.
- 12-month growth in loans of 0.1%.
- Loans to retail customers (incl. covered bond company) account for 63.1% of total loans, of which 13.8% is in SpareBank 1 Boligkreditt.

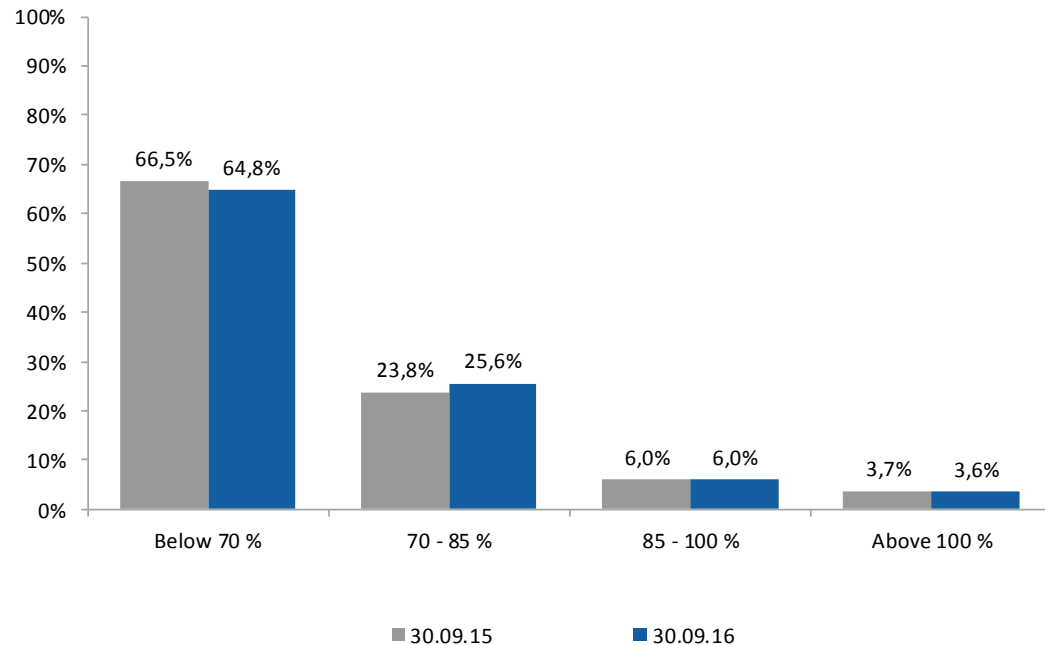


Loans before individual write-downs, nominal amounts.

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.*
- *90.4% of the exposure is within 85% of the assessed value of collateral.*
- *Market value on real estate is slightly declining in SpareBank 1 SR-Bank's market area. This has led to a small decrease in the proportion of loans within 70% LTV.*

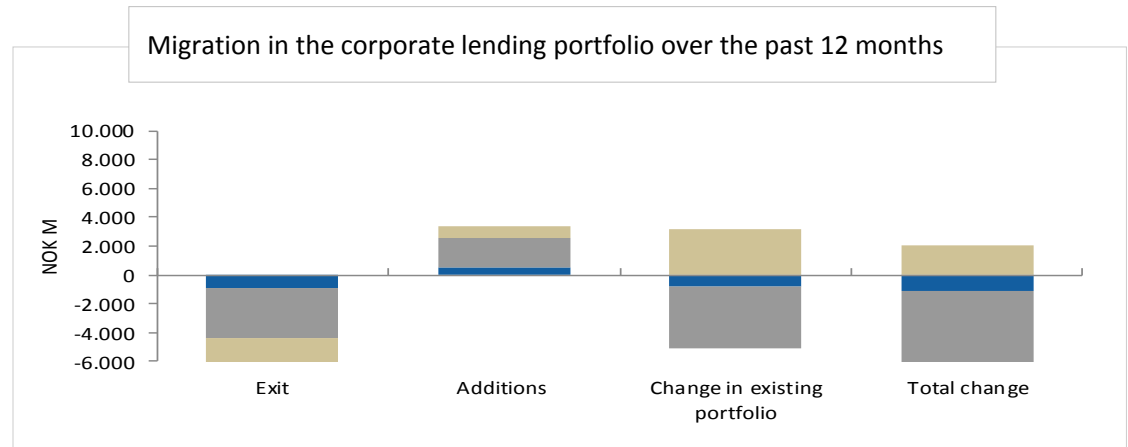
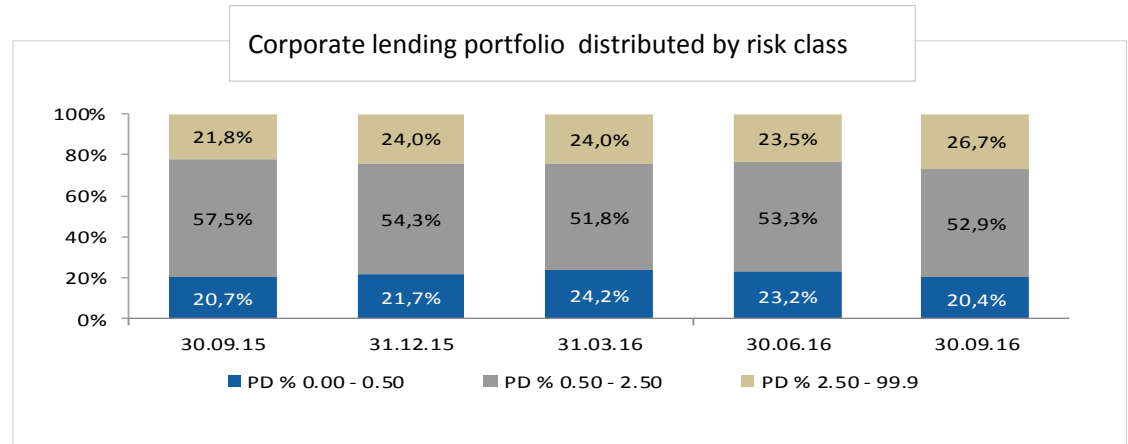


In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

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

Lending to the corporate market – risk profile

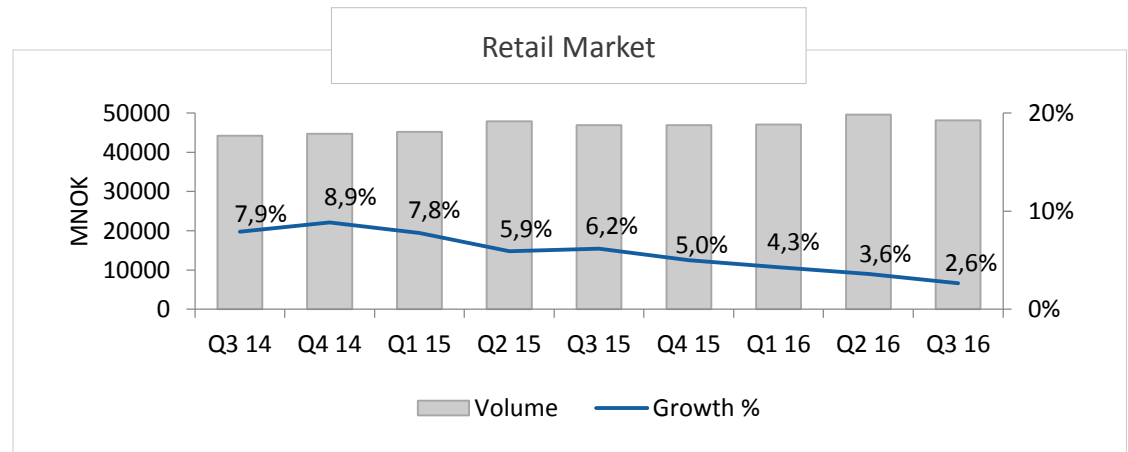
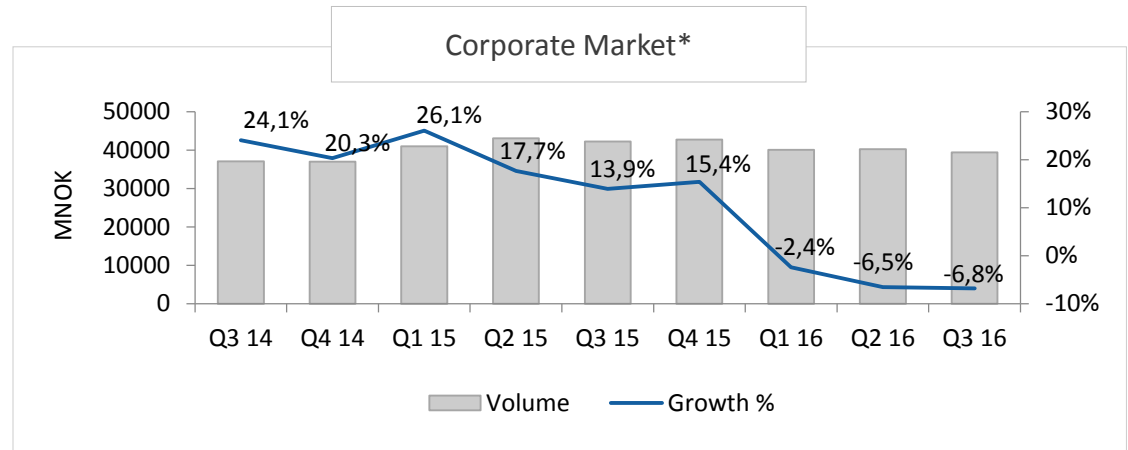
- *The quality of the corporate market portfolio is good. There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.*
- *The share of customers with PD* below 0.5% is at 20.4 %.*
- *As a consequence of the regional economic downturn, some existing customers have migrated negatively, and the proportion of exposure with PD* above 2,5 % has increased over the past 12 months.*



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

Deposits volume and 12 month growth

- Last 12 months deposits decreased by NOK 1.7 billion to 87.2 billion.
 - Corresponds to an decrease in the period of -2.0%.
- Lower deposit growth in the corporate market (incl. capital market) is a result of larger deposits from institutional customers, held as part of the liquidity portfolio, having been replaced by other instruments to protect the group's liquidity.



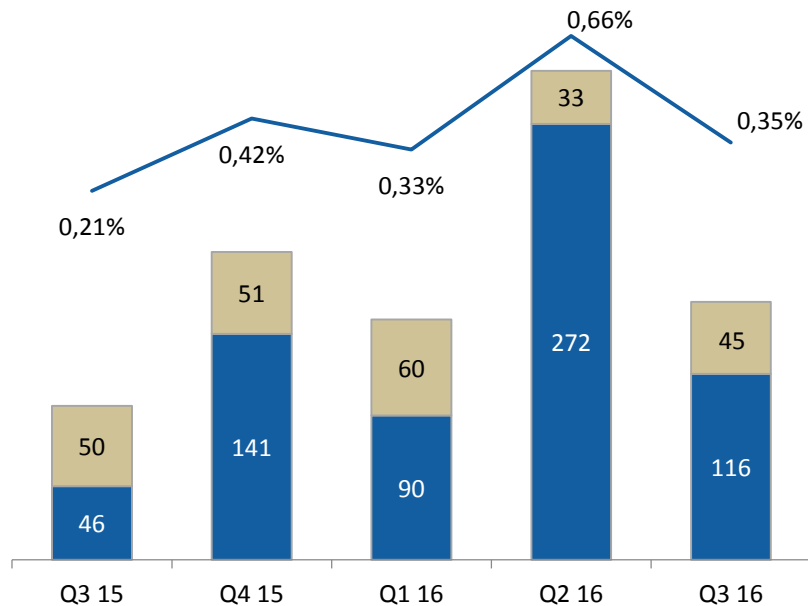
* Includes also the Capital Markets Division.

Operating expenses

	30.09	30.09	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
<i>MNOK</i>	16	15					
Personnel expenses	874	887	282	296	296	255	284
Restructuring- and non-recurring costs, pensions	-1	-56	0	0	-1	-141	-63
Total personnel expenses	873	831	282	296	295	114	221
IT expenses	234	215	83	78	73	86	70
Marketing	51	71	17	20	14	19	24
Other administrative expenses	46	69	15	16	15	20	20
Total administrative expenses	331	355	115	114	102	125	114
Depreciation	57	62	20	19	18	23	20
Operating expenses from real estate	26	29	9	8	9	12	9
Other operating expenses	205	218	60	77	68	94	65
Total other operating expenses	288	309	89	104	95	129	94
Total operating expenses	1.492	1.495	486	514	492	368	429

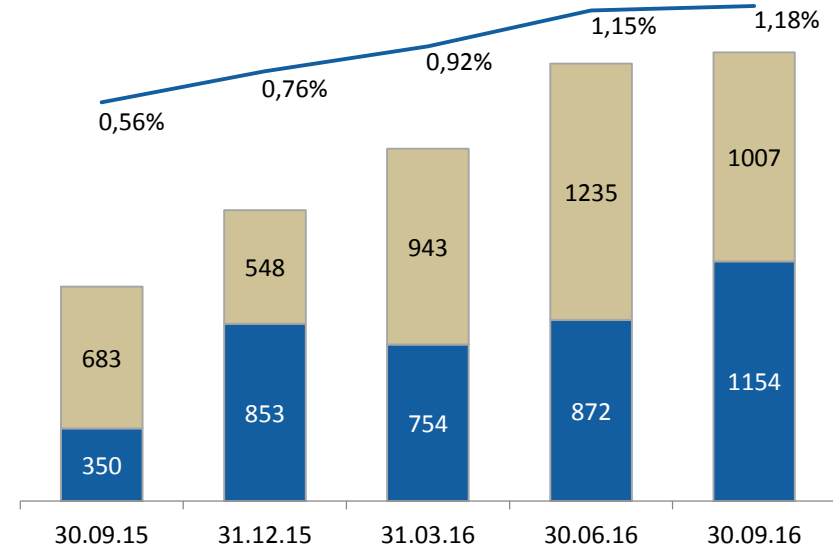
Impairment losses on loans/ Non-performing and doubtful commitments

Impairment losses on loans



- Collective impairment losses on loans, MNOK
- Individual impairment losses on loans, MNOK
- Loss ratio in % of average gross loans 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 incl. from covered bond companies

Agenda

Introduction to SpareBank 1 SR-Bank ASA

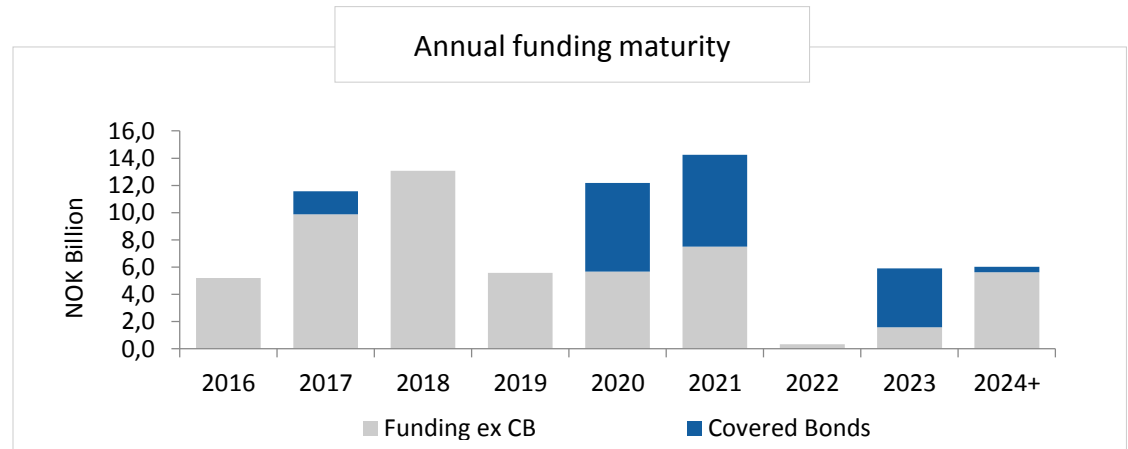
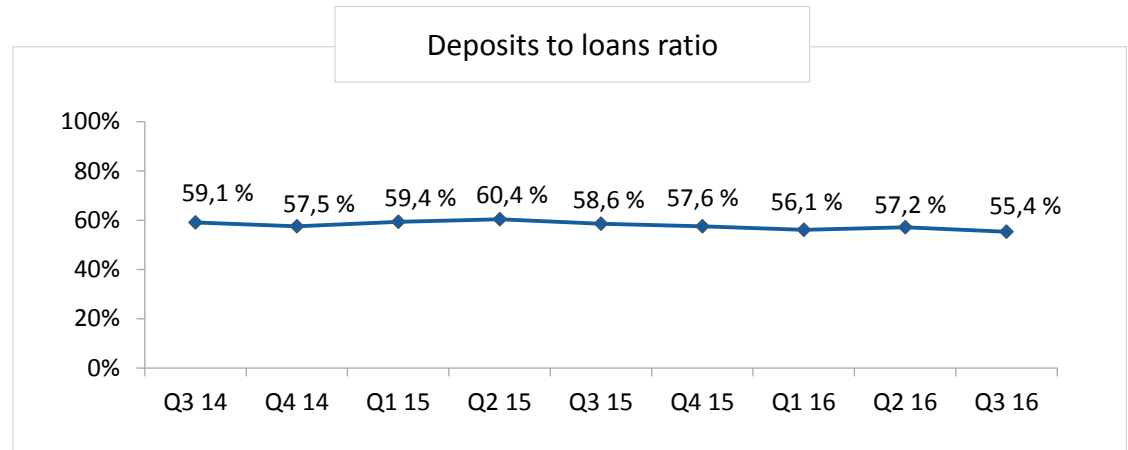
Financials

Solvency and liquidity position

Appendix

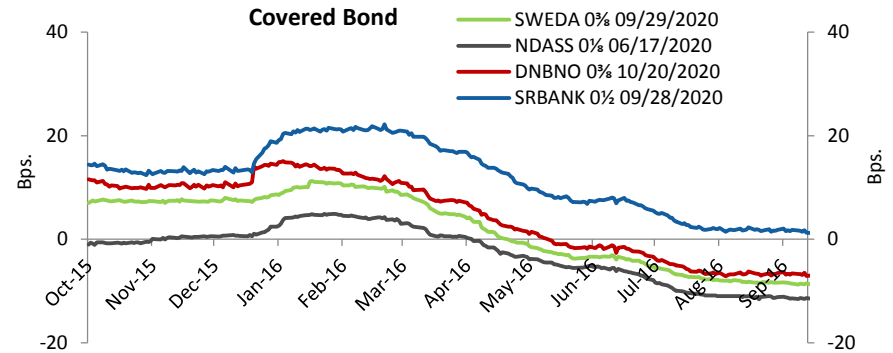
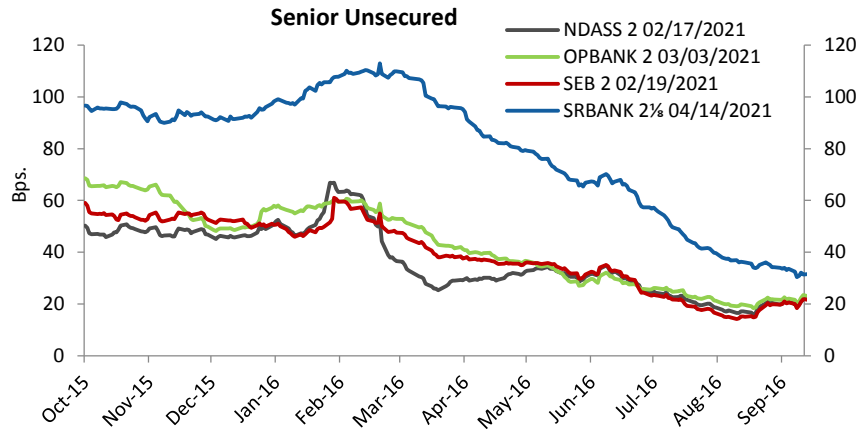
Funding

- *Well diversified funding.*
- *Greater share of senior and OMF funding last year.*
 - *Euro-benchmarks with due dates in each of the years 2017- 2021.*
 - *3 outstanding euro covered bonds Level 1B through SR-Boligkreditt.*
- *Funding indicator 1* is 111.4% on consolidated basis.*
- *Good liquidity*
 - *Net refinancing need over the next 12 months is NOK 13.5 billion.*
 - *Liquidity buffer is NOK 21.8 billion for normal operation in 22 months with closed markets. In addition to the liquidity buffer, NOK 19.8 billion of home mortgages are prepared for covered bond funding.*
- *SR-Boligkreditt was established in the first quarter of 2015.*
 - *Rated Aaa by Moody's.*
 - *Issued 2 covered bonds in the Norwegian market and 3 Euro-benchmarks.*
 - *SR-Boligkreditt will ensure optimal funding mix and eliminate 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.

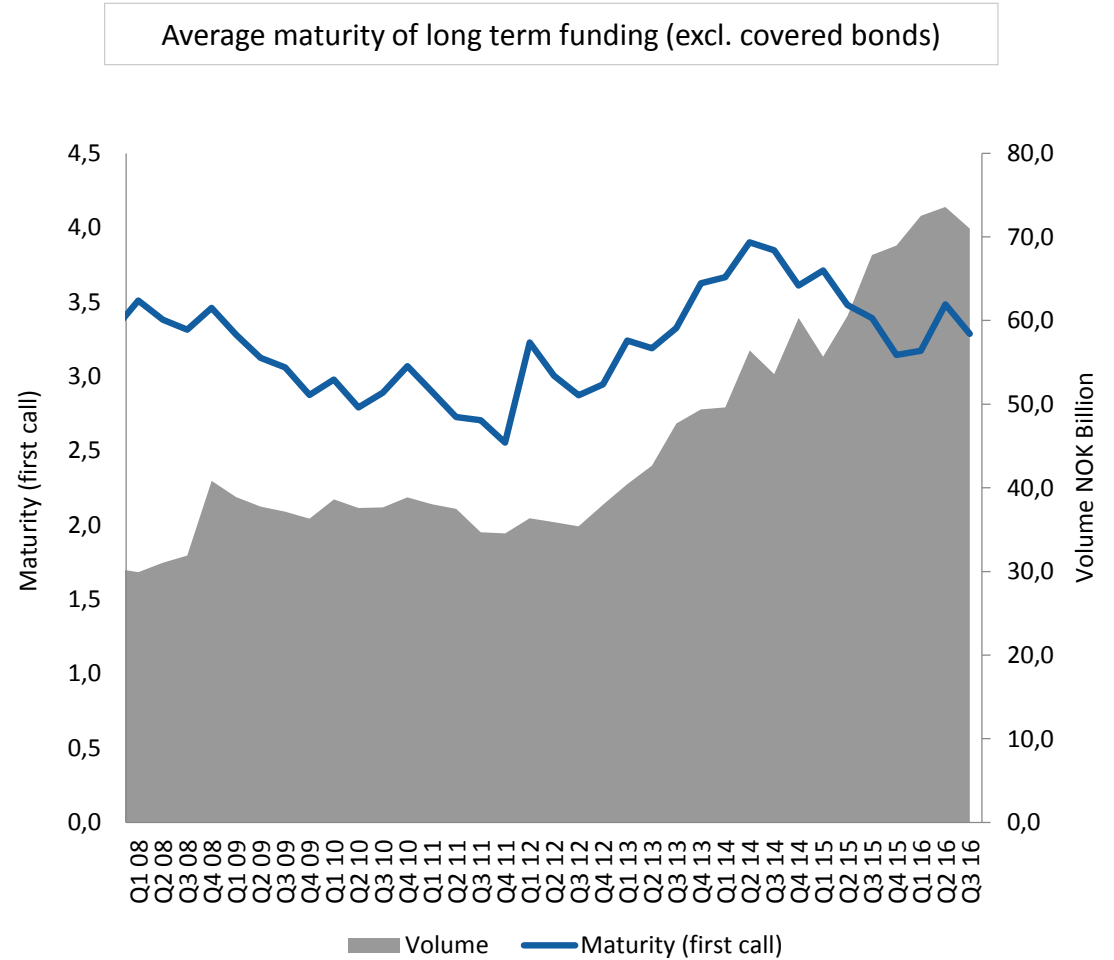
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	3,500%	EUR500mn	27-March-2017	XS0762421195
SR-Bank / SRBANK	2,000%	EUR500mn	14-May-2018	XS0853250271
SR-Bank / SRBANK	2,125%	EUR500mn	27-February-2019	XS0965489239
SR-Bank / SRBANK	2,125%	EUR500mn	03-February-2020	XS0876758664
SR-Bank / SRBANK	2,125%	EUR750mn	14-April-2021	XS1055536251
SR-BOL / SRBANK	0.500%	EUR500mn	28-September-2020	XS1297977115
SR-BOL / SRBANK	0,125%	EUR750mn	8-September-2021	XS1429577791
SR-BOL / SRBANK	0.750%	EUR500mn	18-January-2023	XS1344895450

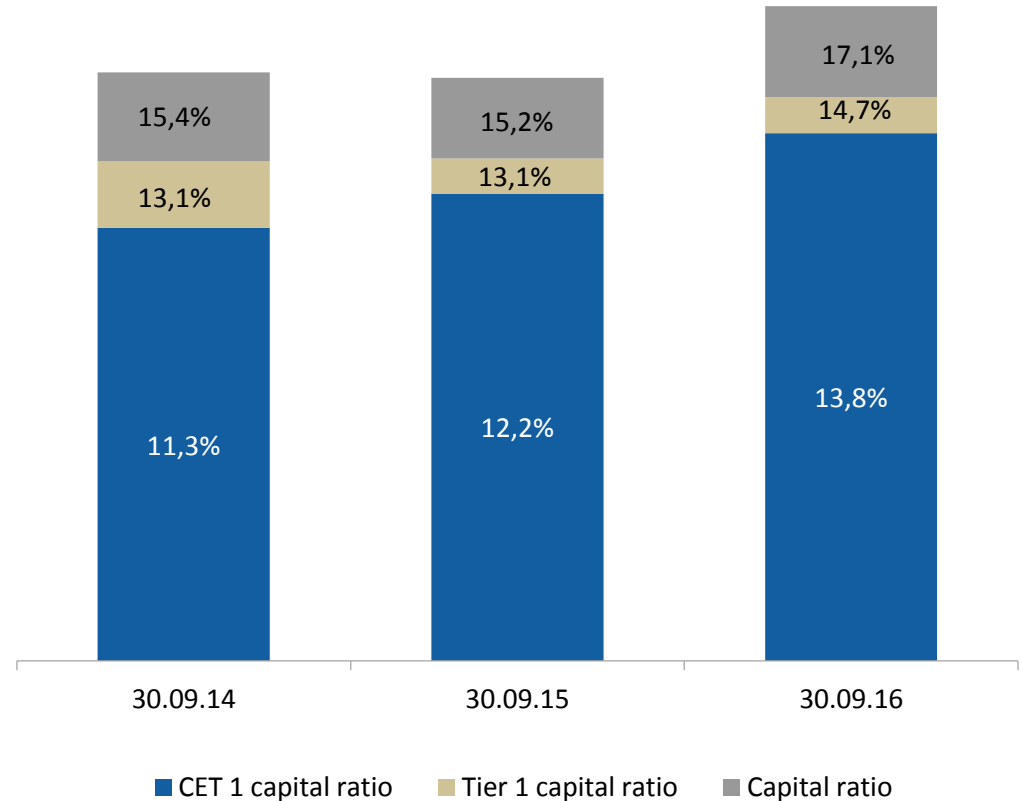
Funding structure

- *LCR of 123% at the end of September 2016. Average LCR during Q3 2016 was 130%.*



Stronger capital ratio

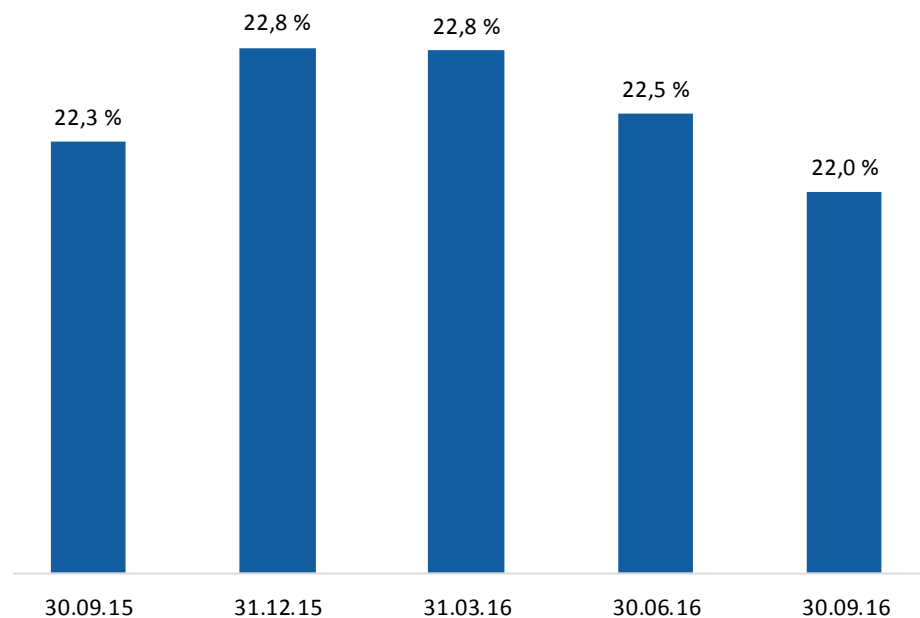
- SpareBank 1 SR-Bank is compliant with capital requirements as at 30.09.2016.
- SpareBank 1 SR-Bank received IRB Advanced approval for the corporate market portfolio in the first quarter of 2015.
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.
 - The Basel I floor is also practised differently.
- Leverage ratio is 6.7% as at 30.09.2016. SpareBank 1 SR-Bank 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 and stable portfolio.*

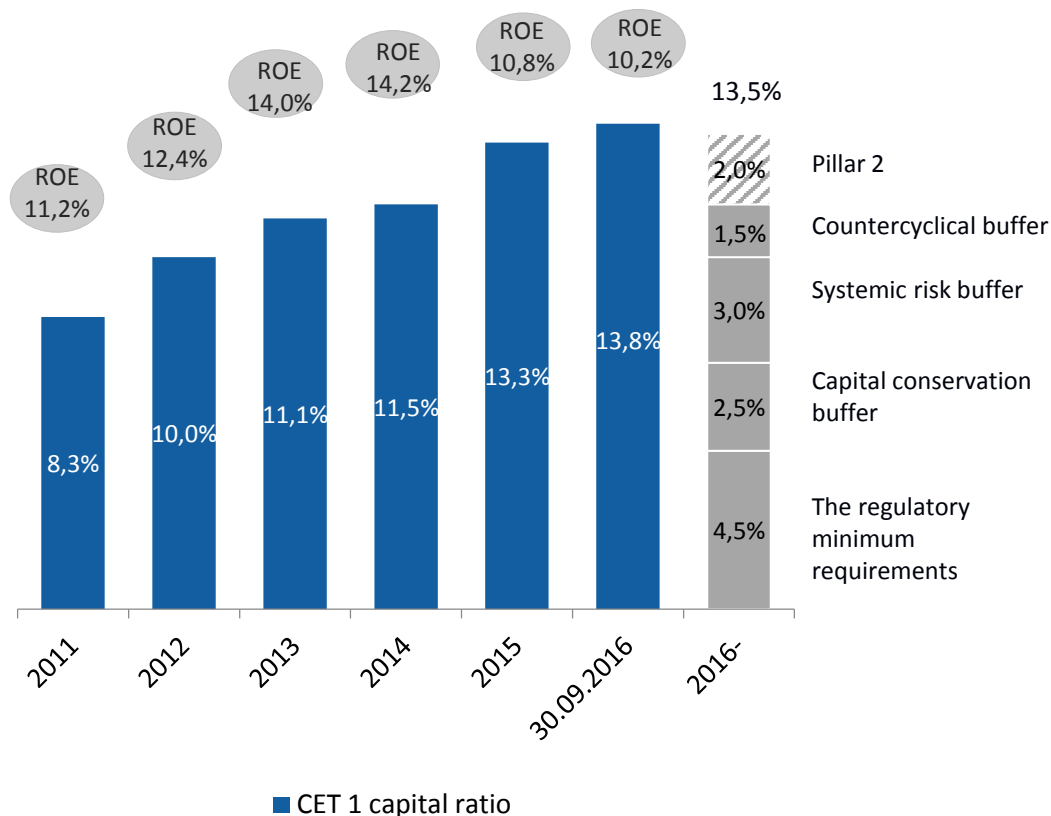


Home mortgages as defined in the Norwegian IRB framework; residential property must make up at least 30 % of a loan's security.

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

Common Equity Tier 1 being strengthened in line with stricter regulatory requirements

- *New capital requirements entail a need to continue increasing common equity tier 1 capital going forward.*
- *The Norwegian FSA has in its preliminary assessment set an individual Pillar 2 requirement for the group of 2.0%. SpareBank 1 SR-Bank has given their comments and it is expected that the Norwegian FSA will final set the Pillar 2- requirement within the end of 2016.*
- *SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).*
- *To meet future regulatory requirements for solvency, the target CET 1 level is minimum 14.0% in 2016 and 14.5% during 2017. The target expected to be reached through good profitability and retained earnings combined with limited growth in risk-weighted assets.*



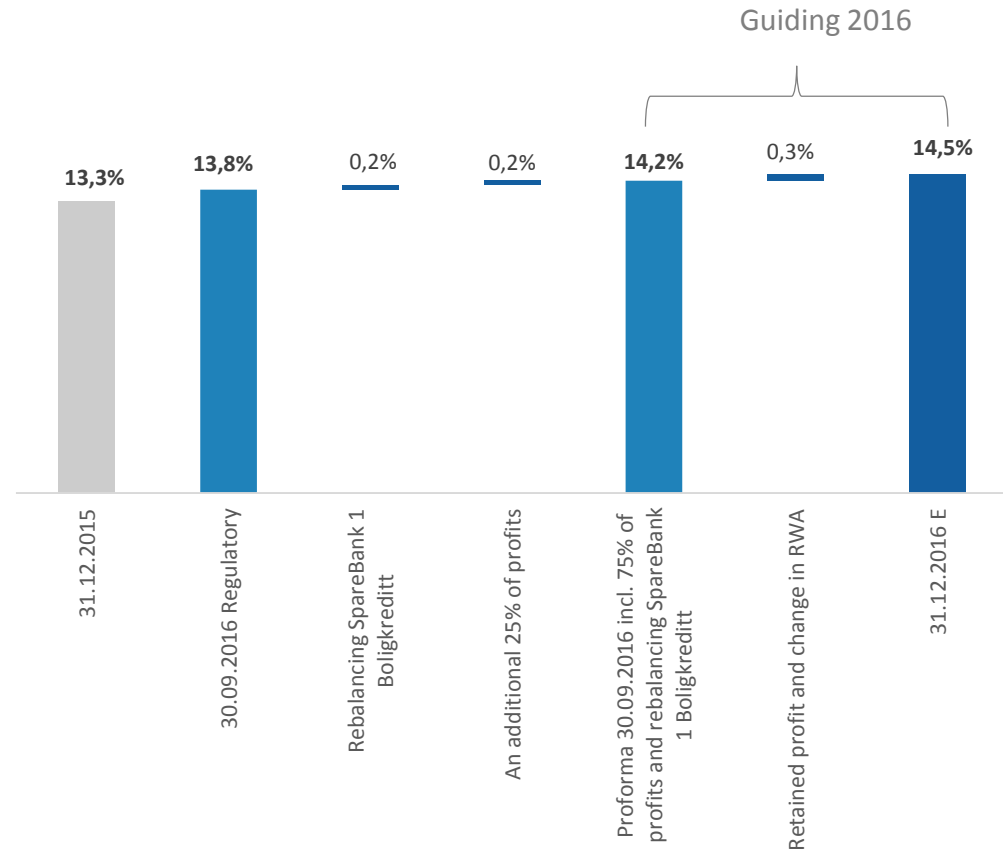
Increasing CET 1 – well prepared to meet capital requirements

Stronger common equity tier 1 in 2015

- IRB Advanced approval for the corporate market portfolio
- Changed pension scheme
- Good profitability
- Moderate growth
- Capital efficiency
- Moderate dividend

Guiding 2016

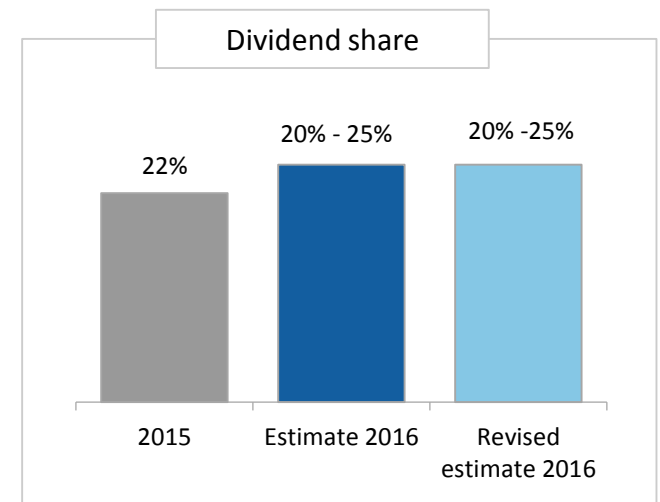
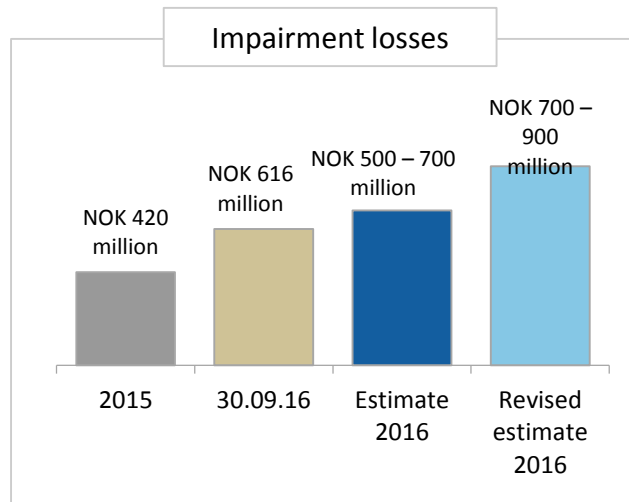
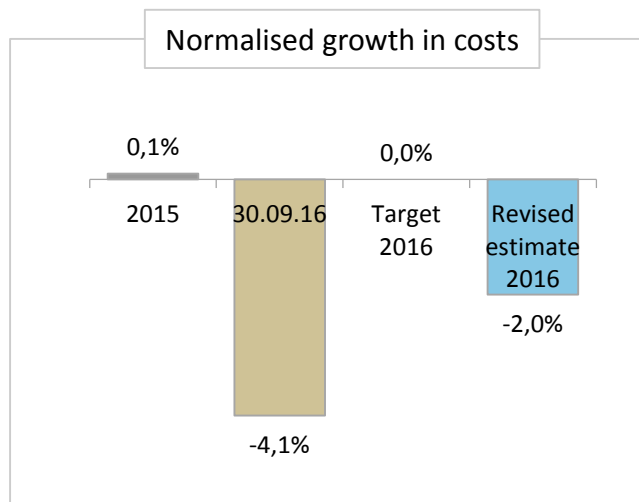
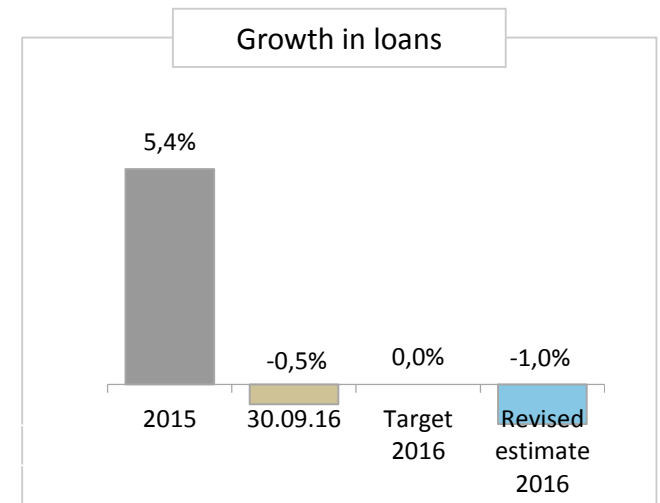
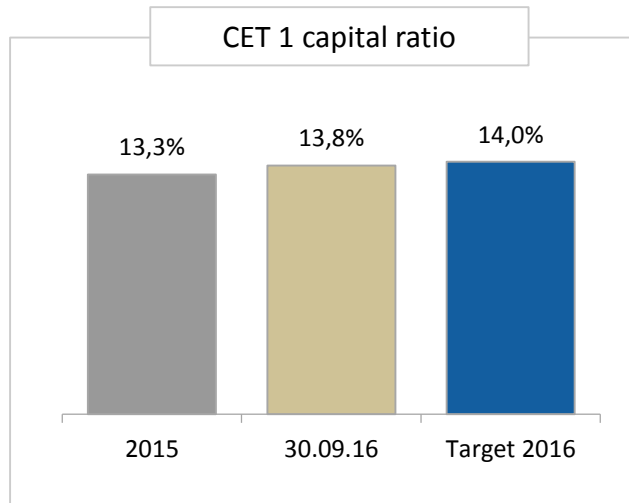
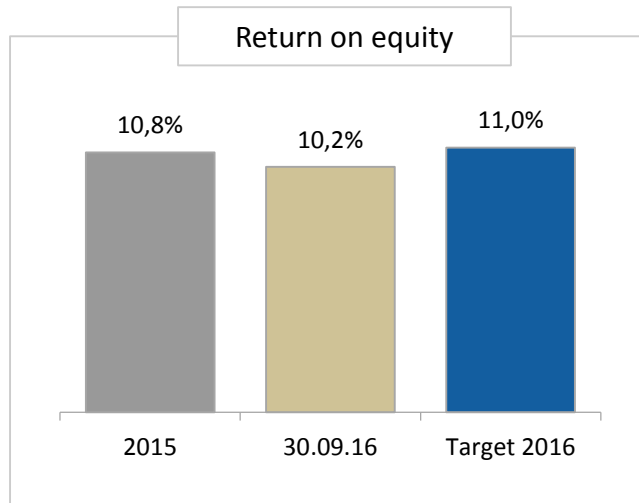
- Good profitability: Target 11% return on equity
- Marginal decline in risk-weighted assets (RWA)
- Runoff of BN Bank's corporate portfolio
- Moderate dividend



Outlook

- Major infrastructure projects helps to ensure good conditions for the region's business and population growth, with moderate unemployment.
- Expectations concerning future market performance improved somewhat in the last quarter, but some uncertainty still exists about the group's market area.
- Uncertainty, especially in the petroleum sector, has increased due to lower oil prices. From record high levels, oil investments are reduced with approximately 16% in 2015, and continue decreasing with approximately 10% in 2016.
- Uncertainty about economic developments may dampen demand for loans, while low interest rates work in the opposite direction. We expect stable house prices going forward and still strong competition for new home mortgage customers.
- Long-lasting low oil prices may have negative impacts for the construction sector and the retail sector in the region.
- SpareBank 1 SR-Bank expects to make loan loss provisions at NOK 700 – 900 million in 2016, and the same level or slightly lower in 2017.
- Solid earnings from a robust business model indicates SpareBank 1 SR-Bank well positioned to build up the necessary capital going forward, while ensuring continued competitiveness.
- An offensive approach for the future including investing in new technology and focus on accounting services and consulting.

Financial targets and estimates for 2016



Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

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

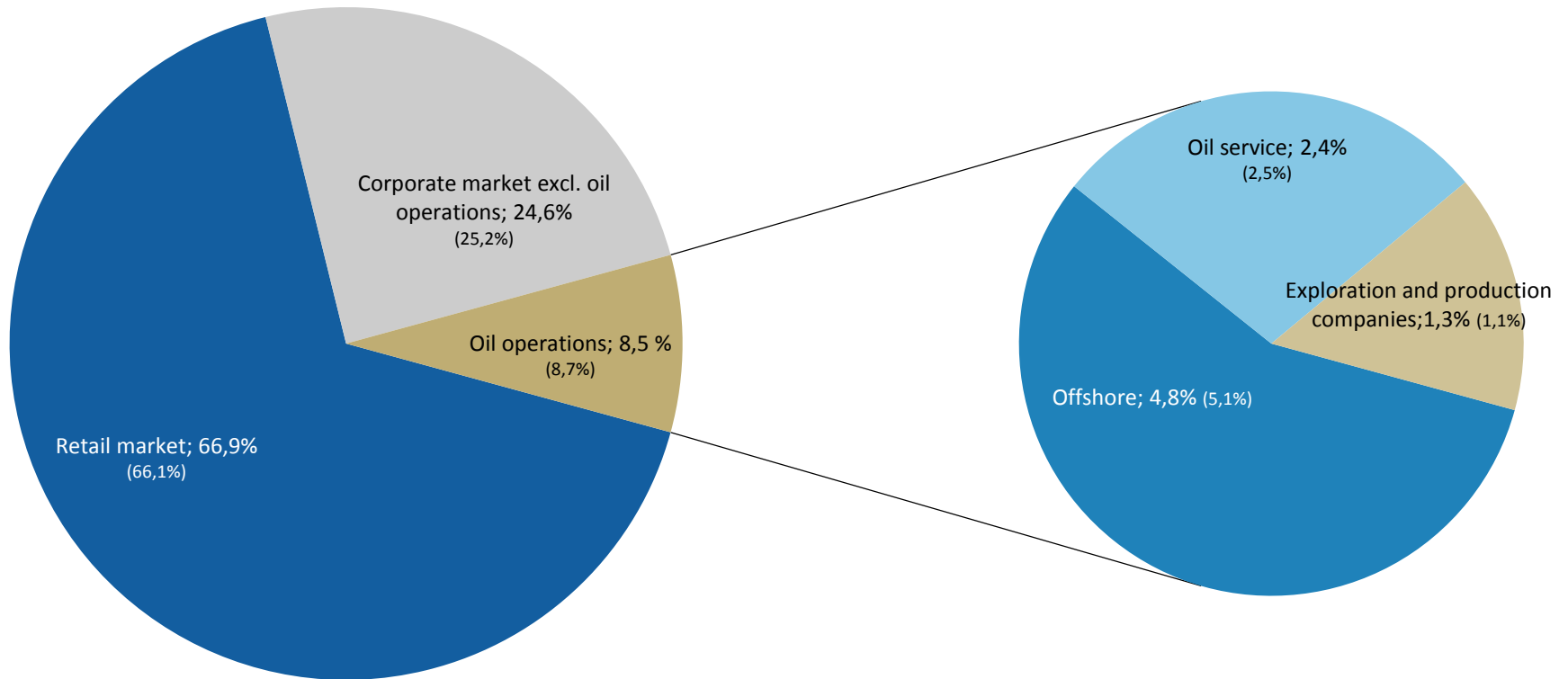
- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
 - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary 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

8.5% (8.7%) of total EAD is related to oil operations

SpareBank 1 SR-Bank* has total BNOK 199.7 (202.5) EAD per 30.09.2016

BNOK 17.0 (17.6) EAD is related to oil operations



EAD: Exposure at default
Figures in parentheses as at 31.12.2015.

* Include portfolio in covered bond company.

Oil services - total NOK 4.8 billion

(NOK 5.0 billion as at 31.12.2015)

Exploration and concept studies

- EAD NOK 0.6 billion
- Average weighted probability of default 1.5%

Field development and start-up drilling

- EAD NOK 0.9 billion
- Average weighted probability of default 2.0%

Operational fields and operational drilling

- EAD NOK 2.6 billion
- Average weighted probability of default 2.7%

On shore facilities

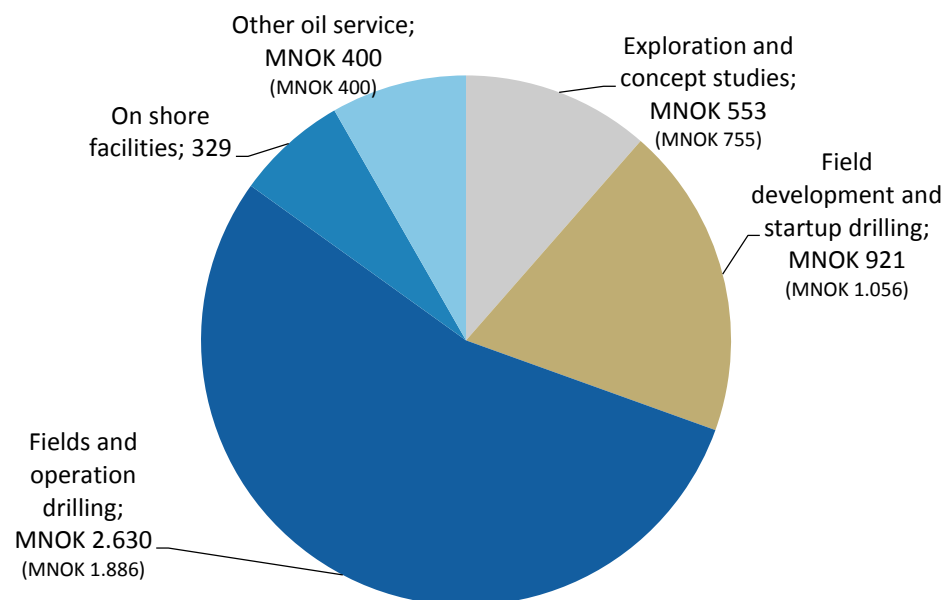
- EAD NOK 0.3 billion
- Average weighted probability of default 4.1%

Other oil services

- EAD NOK 0.4 billion

Oil services

- EAD NOK 4.8 billion, 2.4% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 2.6%
- Funding of operating capital through current and fixed assets, as well as guarantees



EAD: Exposure at default
 Figures in parentheses as at 31.12.2015.

Oil and gas - total NOK 2.6 billion

(NOK 2.2 billion as at 31.12.2015)

Exploration financing

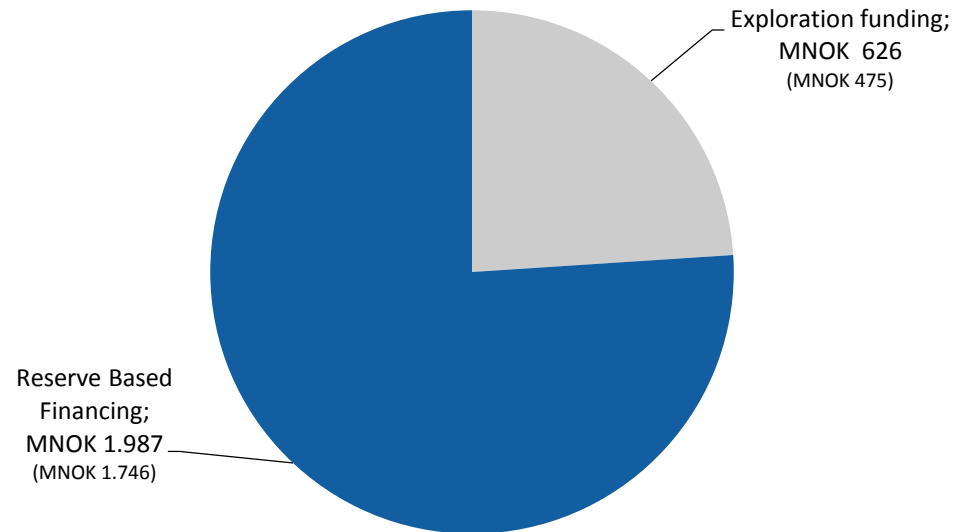
- EAD NOK 0,6 billion
- Average weighted probability of default 1.4%
- Secured by a tax refund from the Norwegian State. No direct oil price risk

Reserve based lending (RBL)

- EAD NOK 2.0 billion
- Average weighted probability of default 3.1%
- Structured financing based on assumptions relating to reserves, 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 2.6 billion, 1.3% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 2.7%
- Exposure primarily to companies with activities on the Norwegian continental shelf



EAD: Exposure at default
Figures in parentheses as at 31.12.2015.

Offshore - total NOK 9.6 billion (NOK 10.4 billion as at 31.12.2015)

Offshore Service Vessels

- EAD NOK 6.8 billion, average weighted probability of default is 2.5%, weighted average age is 7.9 years, average weighted contract coverage for 2016 and 2017 of 66% and 43% respectively, average weighted LTV 82%, 76 vessels

Rigs

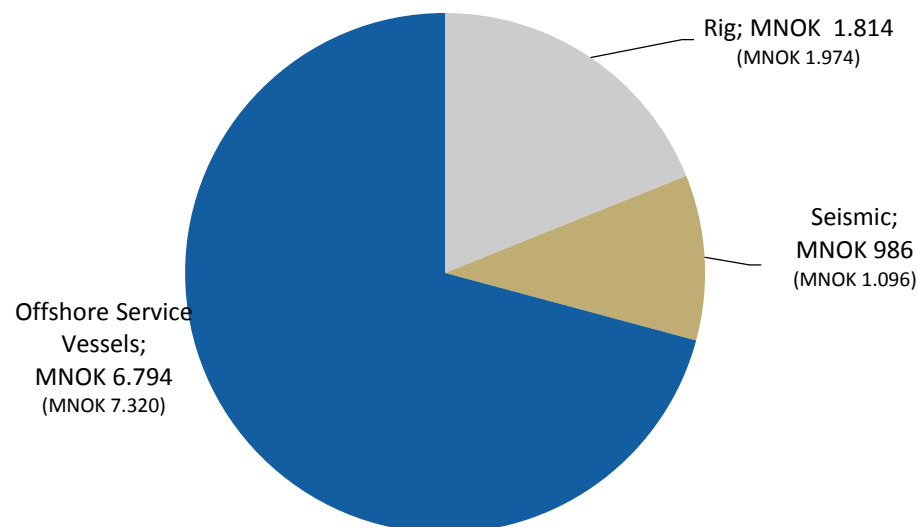
- EAD NOK 1.8 billion, average weighted probability of default is 1.7%, weighted average age is 9.0 years, average weighted contract coverage for 2016 and 2017 of 76% and 60% respectively, average weighted LTV 76%, 17 rigs

Seismic vessels

- EAD NOK 1.0 billion, average weighted probability of default is 1.8%, weighted average age is 12.2 years, average weighted contract coverage for 2016 and 2017 of 68% and 68% respectively, average weighted LTV 110%, 7 vessels
- Applies to ship financing, not seismic equipment

Offshore

- EAD NOK 9.6 billion, 4.8% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 2.3%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



EAD: Exposure at default

Figures in parentheses as at 31.12.2015.

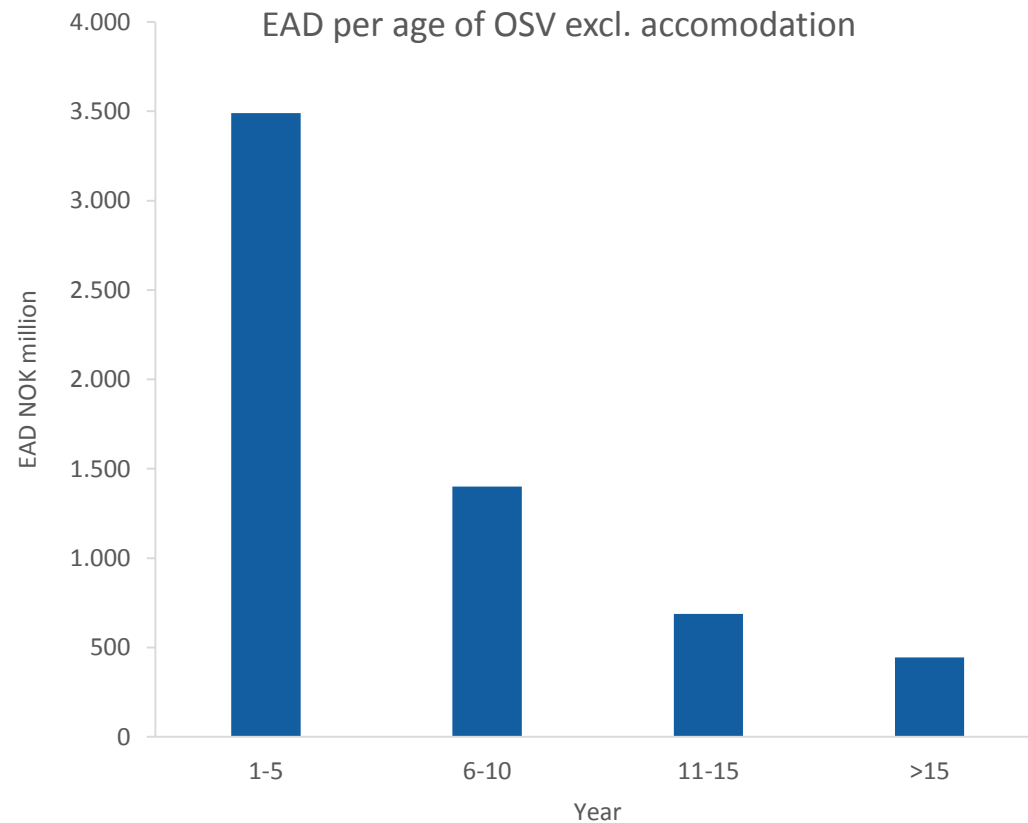
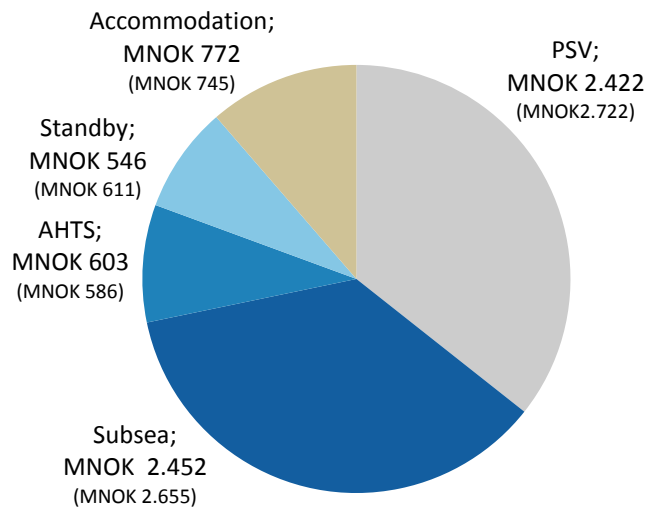
LTV: Loan to Value. Value estimates per 30.06.2016

Offshore Service Vessels - total NOK 6.8 billion

(NOK 7.3 billion as at 31.12.2015)

Offshore Service Vessels

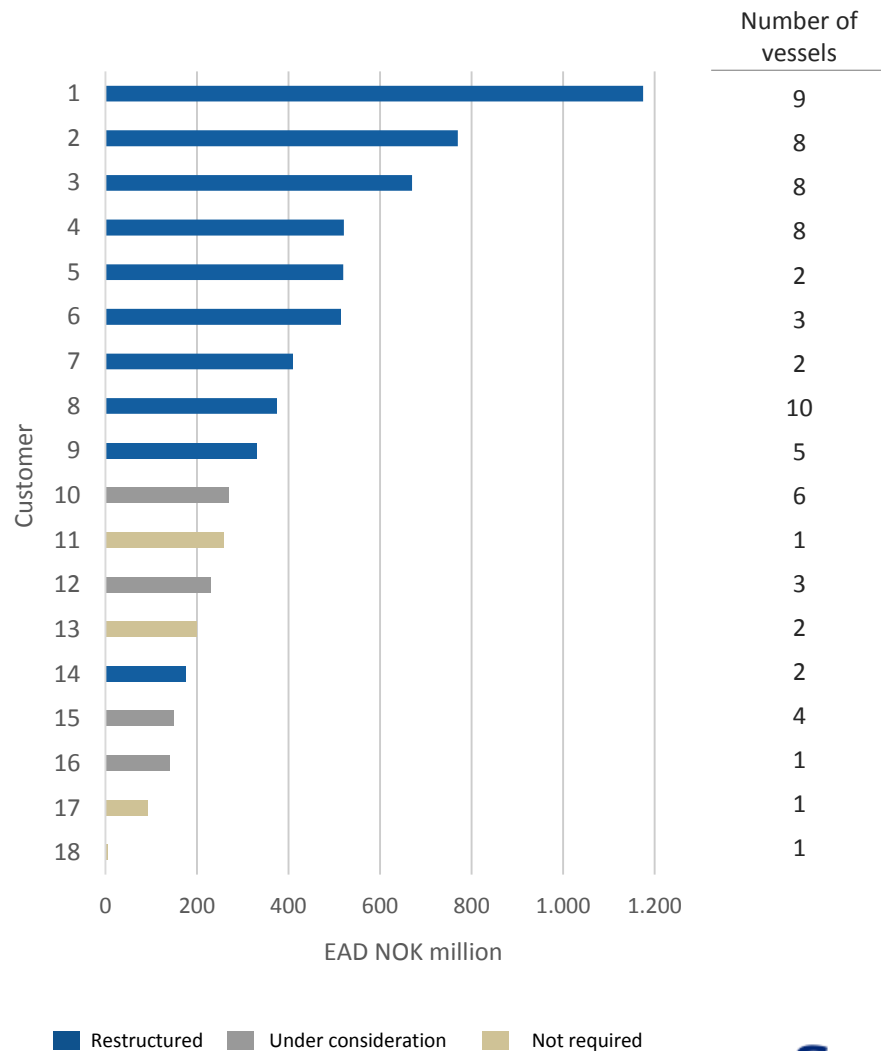
- Most customers with long history as a borrower in SpareBank 1 SR-Bank
- Most of the companies are listed on stock exchange or family owned
- A major part is industrially focused companies, only a small number of financially oriented owners



EAD: Exposure at default
 Figures in parentheses as at 31.12.2015.

Offshore Service Vessels – largest customer group

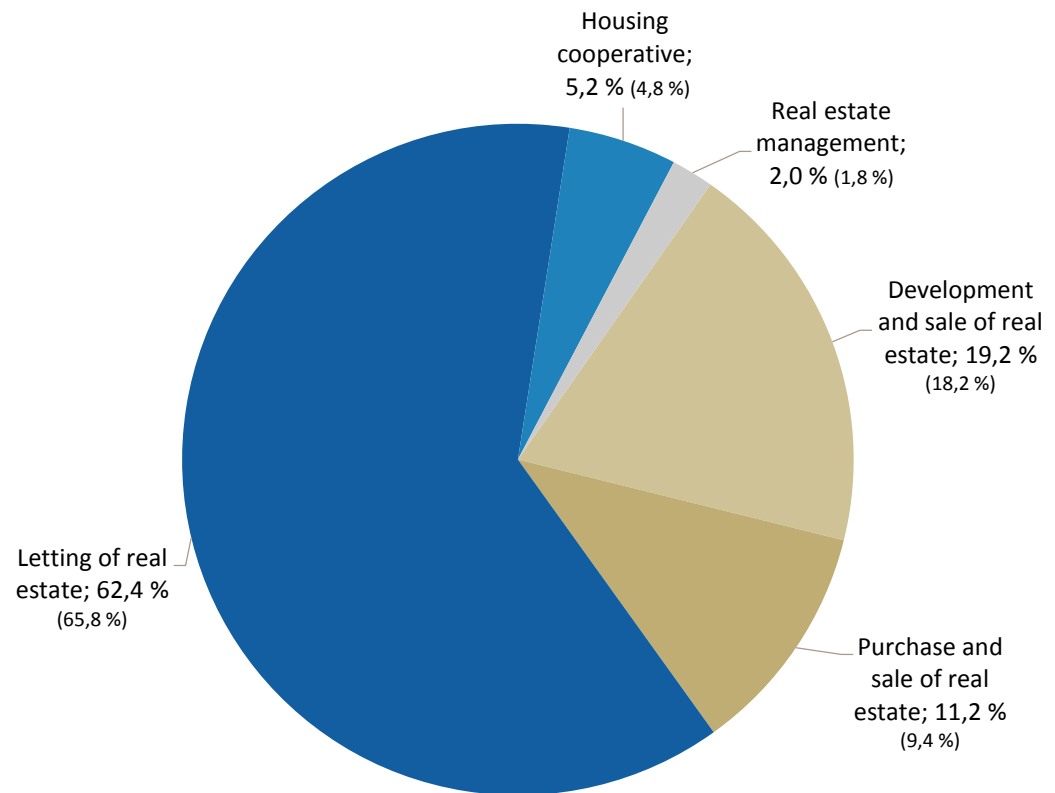
- Well diversified portfolio. One commitment of NOK 1.2 billion, rest of NOK 800 million or lower
- Total EAD for the portfolio is NOK 6.8 billion of which;
 - NOK 5.4 billion consists of 10 restructured commitments
 - NOK 0.8 billion consists of 4 commitments under consideration
 - NOK 0.6 billion consists of 4 commitments where it is not required
- Financing of 76 vessels, all with 1. priority pledge



Lending to commercial property

Lending to commercial property

- NOK 26.8 billion, 14.6% of the bank's total loans.
- 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.



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

Figures in parentheses as at 30.09.2015.

Our vision: the customer's first choice in Southern and Western Norway

Objectives

- SpareBank 1 SR-Bank's objectives are to stimulate growth and development in the region
- To provide a sustainable contribution to the wealth creation process in the region through:
 - A sustainable and profitable business model
 - An owner-friendly, stable dividend policy

Financial goals

- Return on equity of 11% after tax in 2016. The longer term target is a minimum of 11%.
- Top 50% return on equity and cost/income in a Nordic benchmark

Strategic goals

- Nearer to people and companies
- We want to be nearer to people and companies than our competitors by understanding the people, companies and markets in the region better than our competitors.
- We want to learn what is important for our customers through a combination of close, personal relationships and the proper utilisation of customer data. We want to be an accessible, long-term partner whom the customers trust.

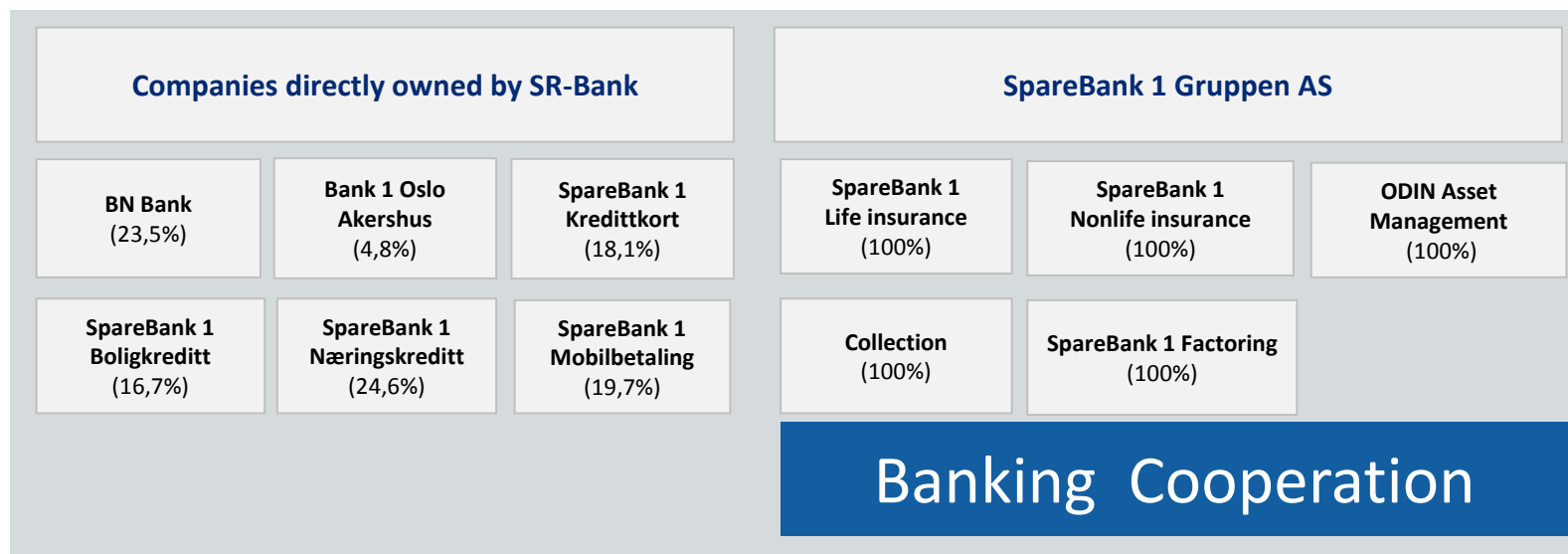
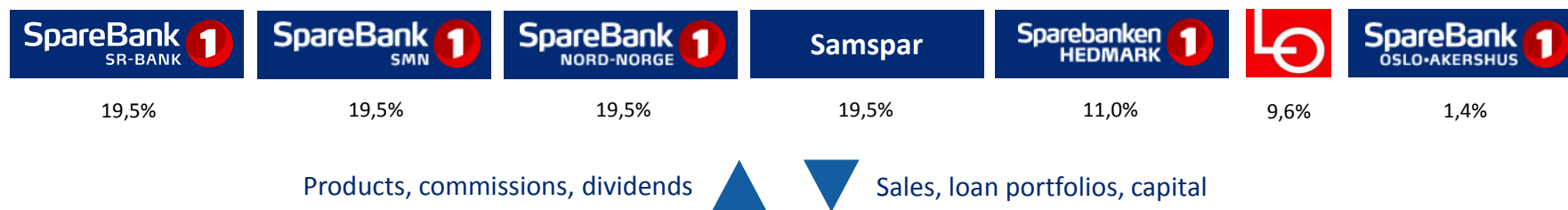
Strategic focus

- Portfolio quality
- Managed and selective growth, greater product mix
- Risk pricing
- Portfolio management
- Innovation, digitalisation and continuous streamlining - cost effectiveness
- Strengthening capital
- Diversified funding platform

SpareBank 1 Alliance

Owners of the alliance

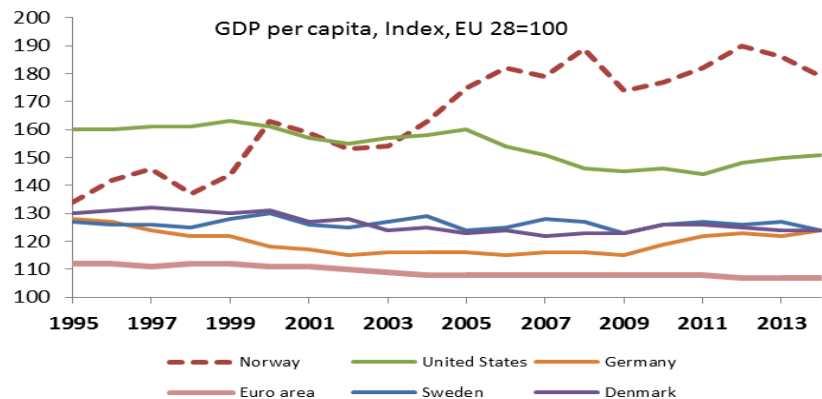
- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding



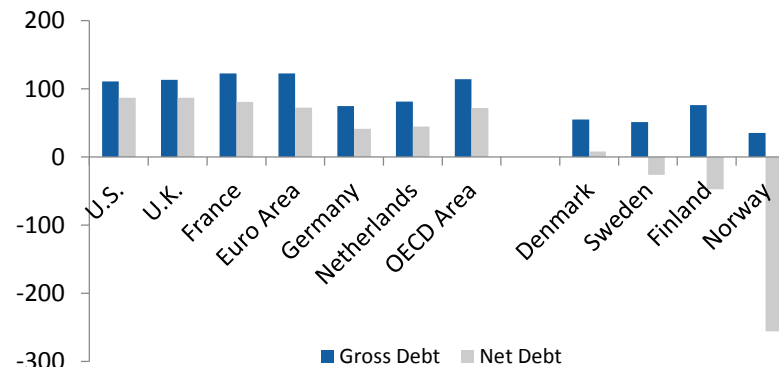
Norwegian Economy

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

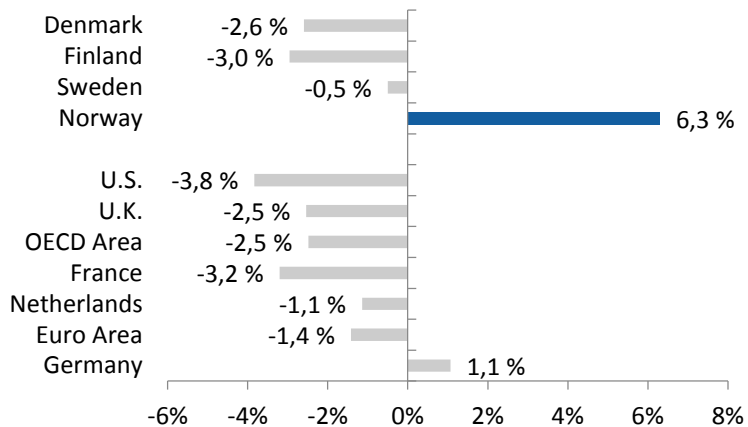
GDP per capita, index, EU 28 = 100



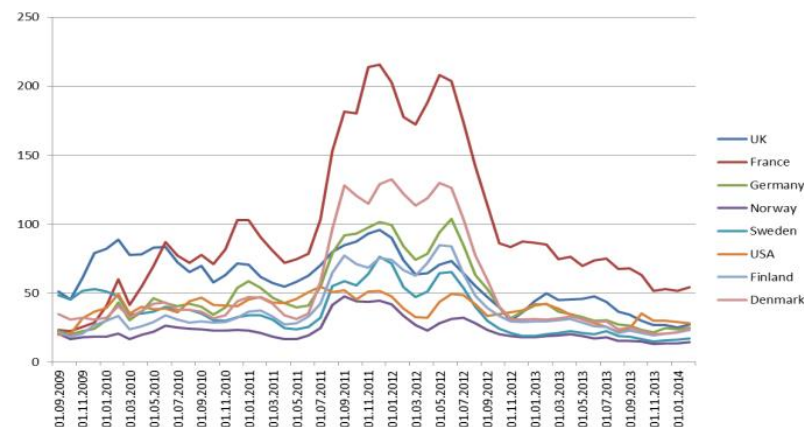
2016 governments financial liabilities (in per cent of GDP)



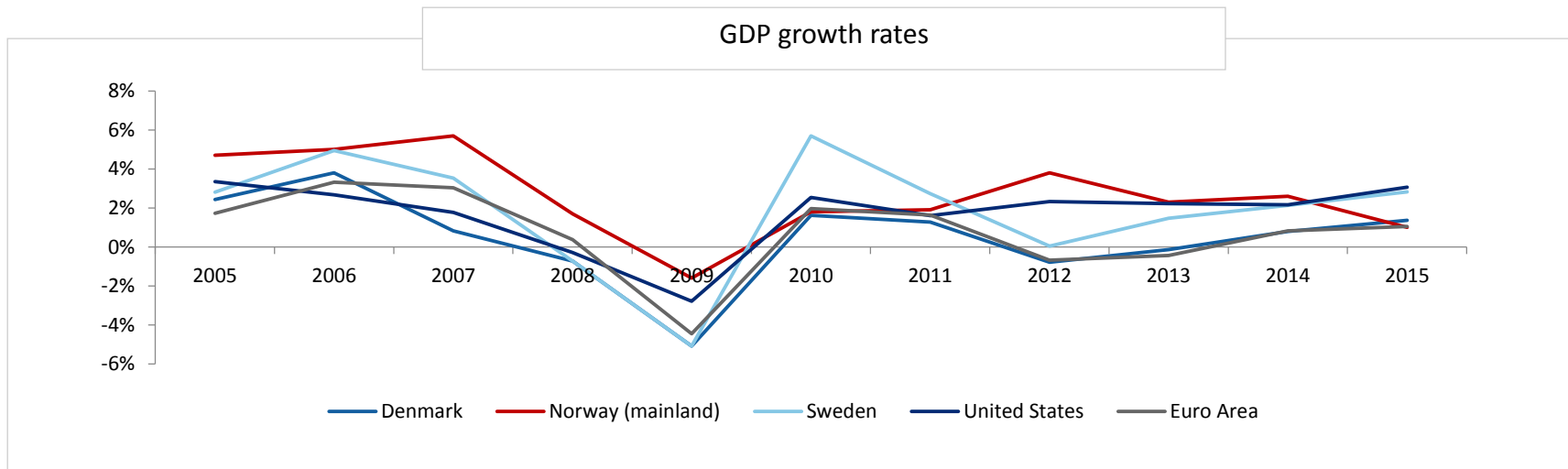
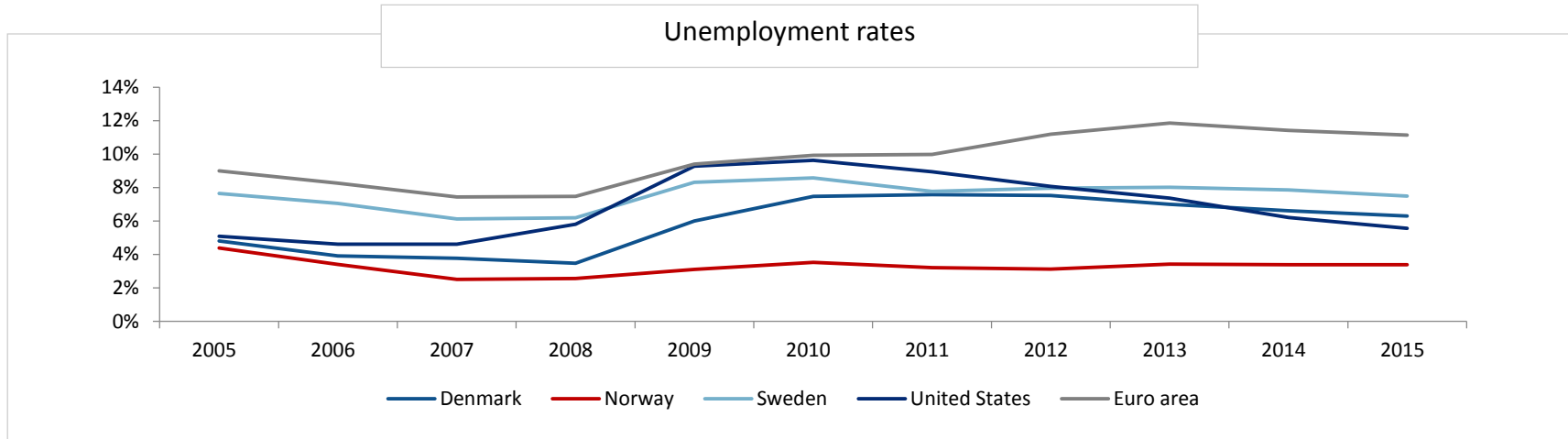
2016 government deficit/surplus (in per cent of GDP)



The market view; 5 year Sovereign CDS levels



Norwegian Economy – international context

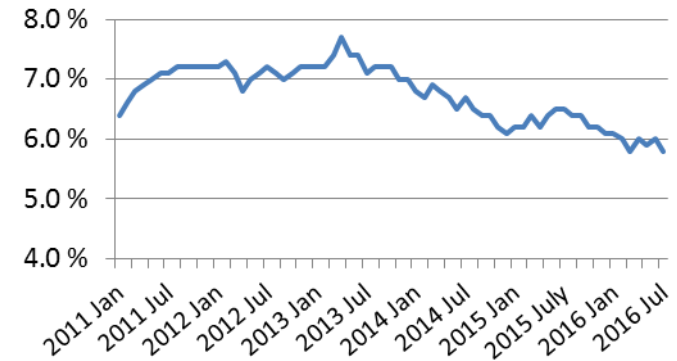


Source: OECD Economic Outlook no.96 and Statistics Norway

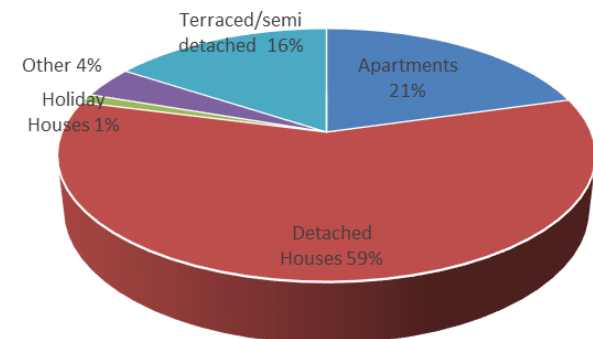
Housing and mortgage markets – Key characteristics

Mortgage Market	<ul style="list-style-type: none"> Total size approximately NOK 2,600 billion (USD 325bn, €290bn) Private banks (incl. savings banks) are the dominant suppliers of mortgages with over 95% market share Scheduled repayment mortgages: 83.4%, flexible: 16.6% Typical maturity: 25 years First priority security market with high doc. standard
Home Ownership	<ul style="list-style-type: none"> Over 80% of households owner occupied (little buy to let) Between 50 and 60% are detached one-family houses
Social security	<ul style="list-style-type: none"> Generous unemployment benefits Unemployment benefit represents ca 60% of final salary for at least 104 weeks
Personal Liability	<ul style="list-style-type: none"> Borrowers are personally liable for their debt Swift foreclosure regime upon non-payment Usually tight relationship borrower - bank Transparent information about borrowers
Regulation	<ul style="list-style-type: none"> Loan to value: 85% (75% legal limit for cover pool) Interest only (flexible) mortgages: max 70% LTV Required amortization for loans with LTV > 70% 5% mortgage interest rate increase as stress test Higher risk weighting for mortgages from 2015 (approx. 25%)
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"> 25% 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 (12 months growth rate)



Norwegian Mortgages (by type of property)



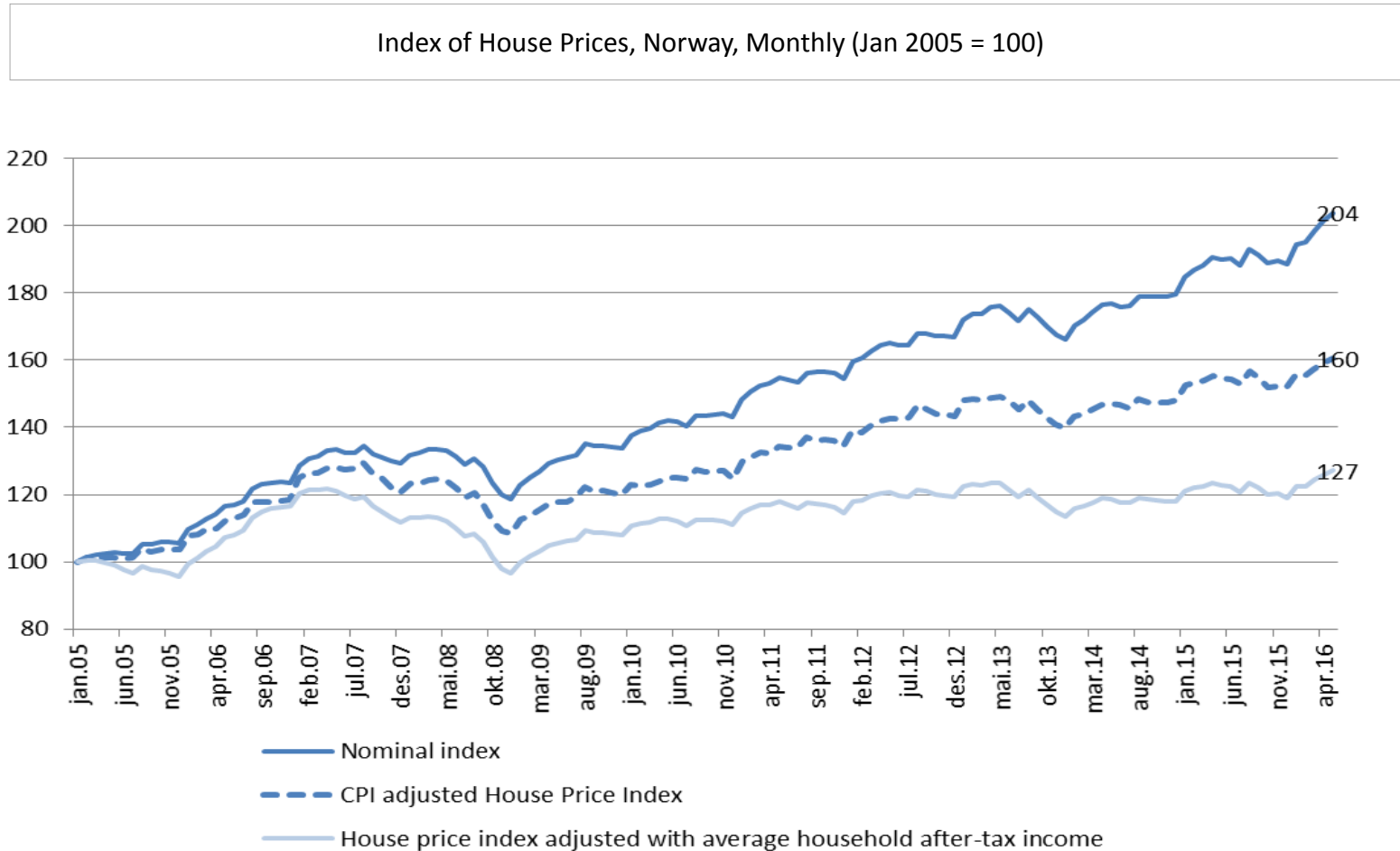
Norwegian housing and mortgage markets – Population change and completed housing units



Source: Statistics Norway and Investor presentation June 2016 from SpareBank 1 Boligkreditt AS

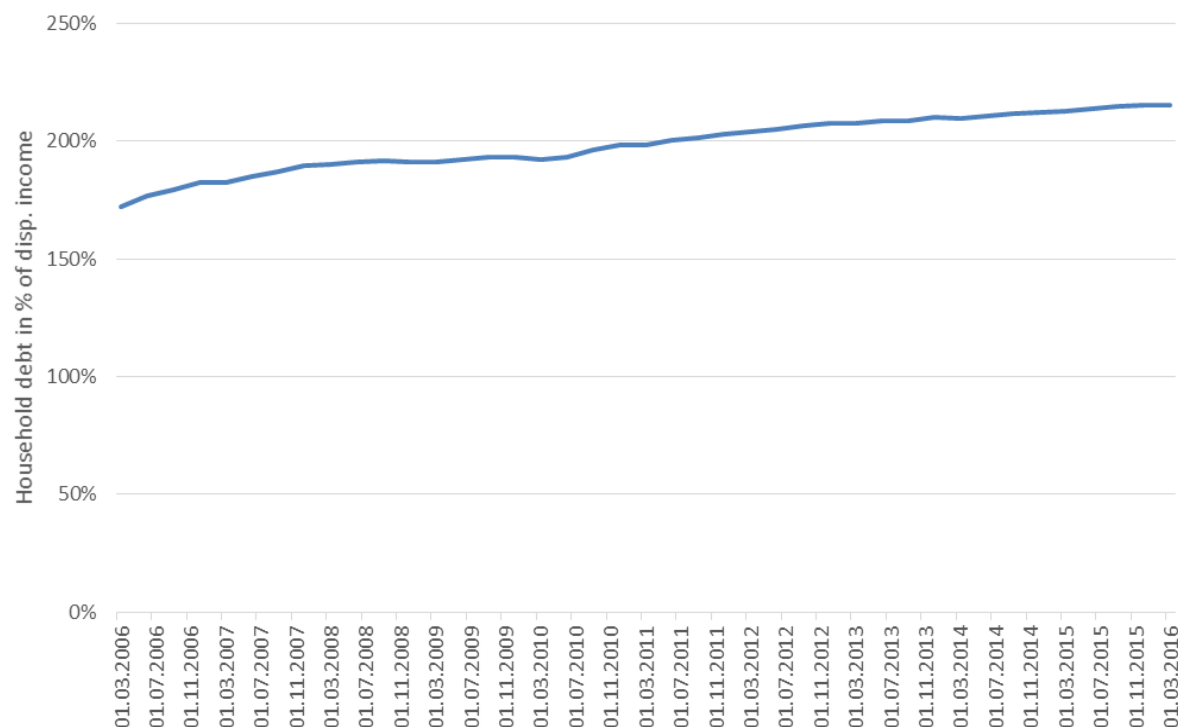
Norwegian Housing and Mortgage Market

- Adjusted price developments



Aggregate household indebtedness

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
- Household savings rate is high: debt reduction possible

Balance sheet

<i>Balance sheet (MNOK)</i>	30.09.2016	30.09.2015
Cash and balances with central banks	172	2.923
Balances with credit institutions	1.073	2.843
Net loans to customers	156.153	151.078
Certificates, bonds and other fixed-income securities	21.737	20.484
Financial derivatives	4.653	7.099
Shares, ownership stakes and other securities	579	516
Business available for sale	23	136
Investment in associates	4.858	4.839
Other	3.971	1.582
Total assets	193.219	191.500
Balances with credit institutions	4.729	6.129
Deposits from customers	87.240	88.980
Listed debt securities	74.140	70.444
Financial derivatives	3.554	3.224
Other liabilities	2.570	3.346
Additional Tier 1 and Tier 2 capital instruments	3.256	3.006
Total liabilities	175.489	175.129
Total equity	17.730	16.371
Total liabilities and equity	193.219	191.500

Net commission and other income

	30.09 16	30.09 15	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
<i>MNOK</i>							
Payment facilities	192	180	75	63	54	56	66
Savings/placements	140	142	45	44	51	48	45
Insurance products	148	142	48	50	50	48	48
Commission income real estate broking	263	301	87	107	69	82	84
Guarantee commission	83	95	24	31	28	34	28
Arrangement- and customer fees	68	58	14	24	30	27	16
Accounting services SpareBank 1 Regnskapshuset SR*	63	25	16	24	23	10	7
Other	12	12	3	3	6	14	4
Net commission and other income excl. covered bond companies	969	955	312	346	311	319	298
Commission income SB1 Boligkreditt and SB1 Næringskreditt	119	205	35	43	41	53	55
Net commission and other income incl. covered bond companies	1.088	1.160	347	389	352	372	353

*SpareBank 1 Regnskapshuset SR was established in the first quarter of 2015. The company acquired a number of accounting firms in 2015.

Net income on investment securities

	30.09 16	30.09 15	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
<i>MNOK</i>							
Dividends*	105	16	0	97	8	1	1
Investment income, associates	306	312	90	112	104	110	78
Securities gains/losses	3	-137	105	-36	-66	-87	-100
- of which capital change in shares and certificates	9	-6	63	-33	-21	-34	-6
- of which capital change in certificates and bonds	-112	-195	-21	-38	-53	-80	-100
- of which derivatives; bonds and certificates	106	64	63	35	8	27	6
Currency/interest gains/loans	101	126	36	32	33	-37	33
- of which currency customer- and own-account trading	98	79	40	32	26	25	31
- of which value change basis swap spread	1	82	-11	-1	13	6	13
- of which counterparty risk derivatives including CVA	1	0	1	-1	1	-66	-
- of which IFRS-effects	1	-35	6	2	-7	-2	-11
Net income on investment securities	515	317	231	205	79	-13	12

*Include in 2Q 2016 NOK 94 million for a received cash settlement in connection with the sale of Visa Europe Ltd to Visa Inc.

Subsidiaries

<i>MNOK</i>	30.09.16	30.09.15
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	4.617	5.207
Operating profit before tax	16	27
SpareBank 1 SR-Finans AS		
Total assets (BNOK)	7	7
Operating profit before tax	78	119
SR-Forvaltning AS		
Total assets under management (BNOK)	9	9
Operating profit before tax	22	24
SR-Investering AS		
Operating profit before tax	-1	-11
SpareBank 1 Regnskapshuset SR AS		
Operating profit before tax*	3	2
SR-Boligkreditt AS		
Operating profit before tax**	126	10
Other		
Operating profit before tax	-1	-5
Total subsidiaries		
Profit before tax	243	166

*SpareBank 1 Regnskapshuset SR was established in the first quarter of 2015. The company acquired a number of accounting firms in 2015. The result to Regnskapshuset SR includes amortization of intangible assets of NOK 1,2 million.

** SR-Boligkreditt AS was established in the second quarter of 2015.

Ownership interests

MNOK	30.09.16	30.09.15
SpareBank 1 Gruppen AS		
<i>Interest ownership</i>	19,5%	19,5%
Profit after tax	215	183
Adjusted profit previous years	5	0
SpareBank 1 Boligkreditt AS		
<i>Interest ownership</i>	16,7%	20,1%
Profit after tax	5	70
Adjusted profit previous years	4	0
SpareBank 1 Næringskreditt AS		
<i>Interest ownership</i>	24,6%	26,8%
Profit after tax	16	18
Adjusted profit previous years	0	0
BN Bank ASA		
<i>Interest ownership</i>	23,5%	23,5%
Profit after tax	56	22
SpareBank 1 Kredittkort AS		
<i>Eierandel</i>	18,1%	18,1%
Resultat etter skatt	20	15
Other		
Profit after tax	-15	4
Total ownership interests		
Profit after tax	306	312

Impairment losses on loans and guarantees

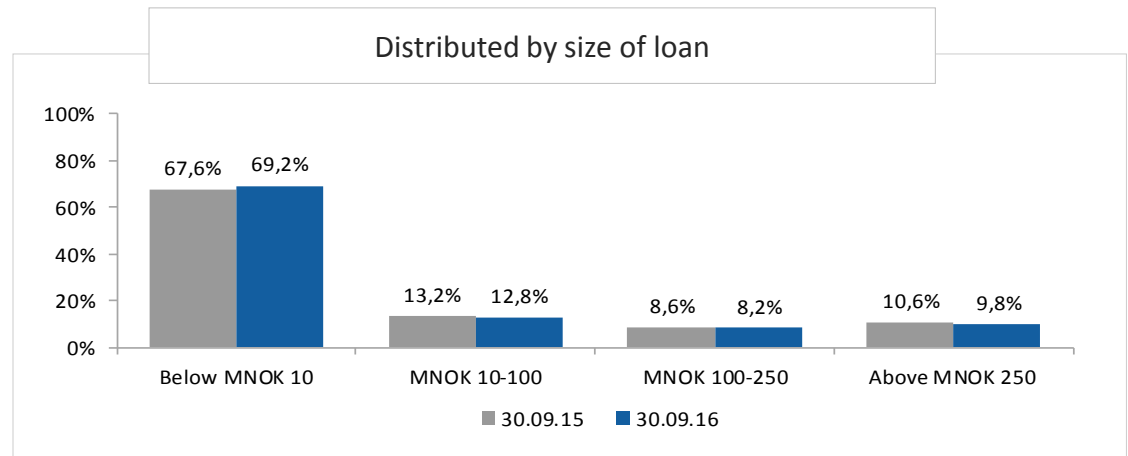
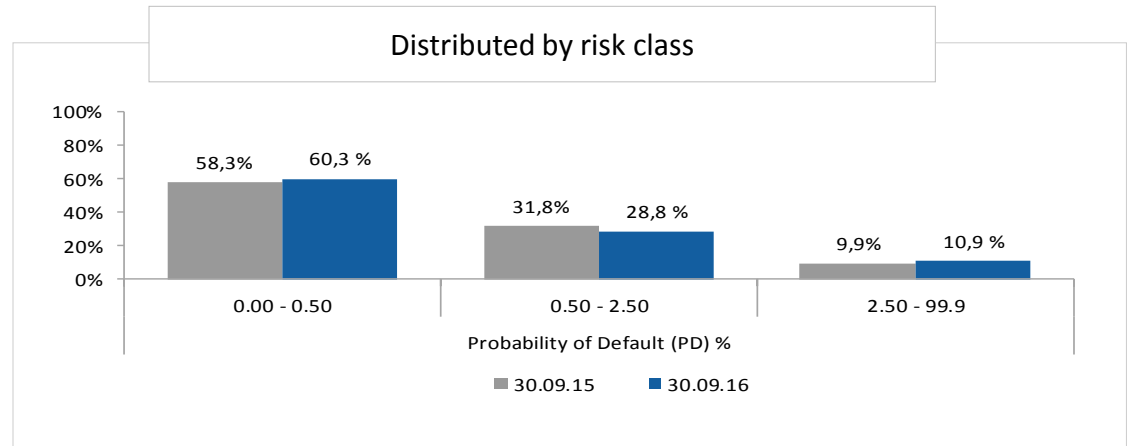
	30.09	30.09					
<i>Losses on loans in income statement (MNOK)</i>	16	15	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
Corporate customers	449	120	109	258	82	145	40
Retail customers	29	19	7	14	8	-4	6
Change in collective impairment losses on loans	138	89	45	33	60	51	50
Net impairment losses on loans	616	228	161	305	150	192	96
	30.09	30.09	30.09	30.06	31.03	31.12	30.09
<i>Impairment losses on loans (MNOK)</i>	16	15	16	16	16	15	15
Corporate customers	475	301	475	446	304	249	301
Retail customers	69	65	69	68	69	66	65
Collective impairment losses on loans	656	467	656	612	578	518	467
Total impairment losses on loans	1.200	833	1.200	1.126	951	833	833

Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio with positive development in risk profile.
- 60.3% of the bank's loan exposure has a PD* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 69.2% of total loan portfolio.
- Single loan exposures above NOK 250 million is slightly increasing and aggregates 9.8% of total loan portfolio.

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

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

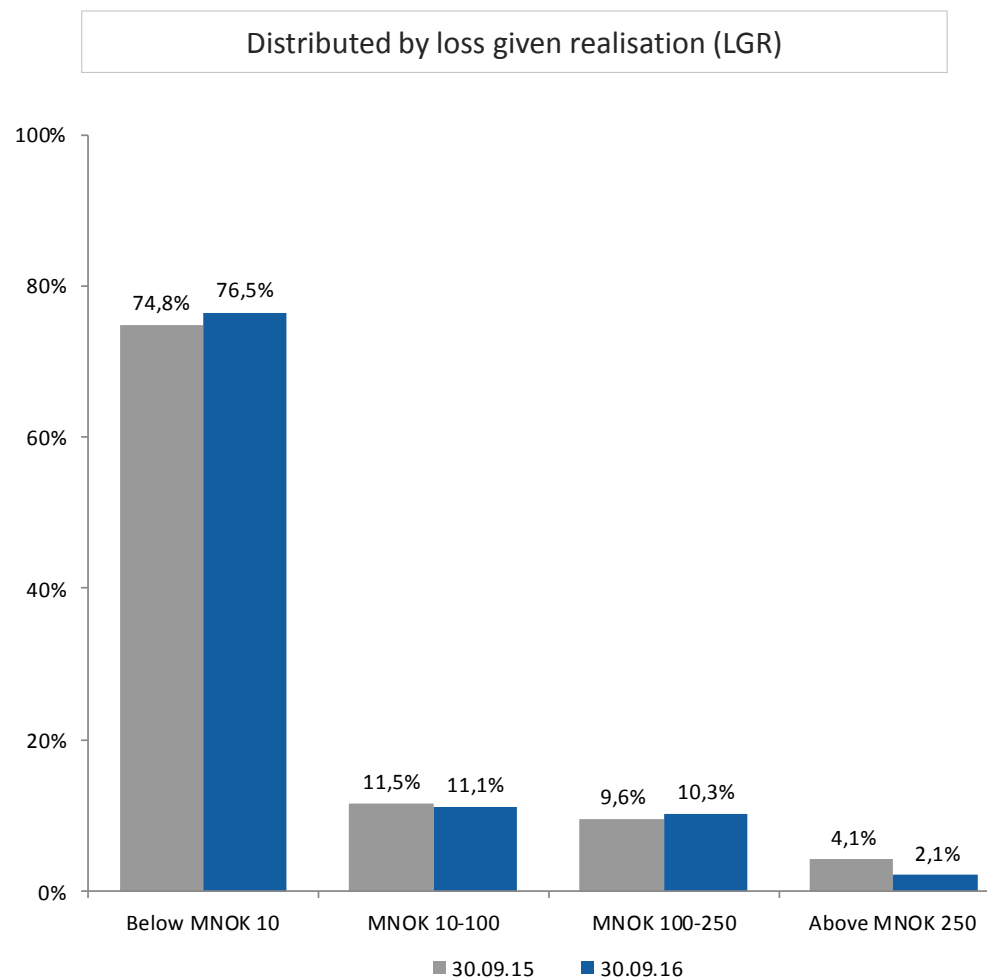


Low concentration of individual LGRs in the lending portfolio

- At the end of Q3 2016, SpareBank 1 SR-Bank had a total of 44 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 12.4% of the loan exposure, which is a reduction from 13.7% in Q3 2015.
- The proportion of loans with loss potential below NOK 10 million has increased since Q3 2015 and is now 76.5%.
- 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.

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 figures include the loan portfolio in the covered bond companies.



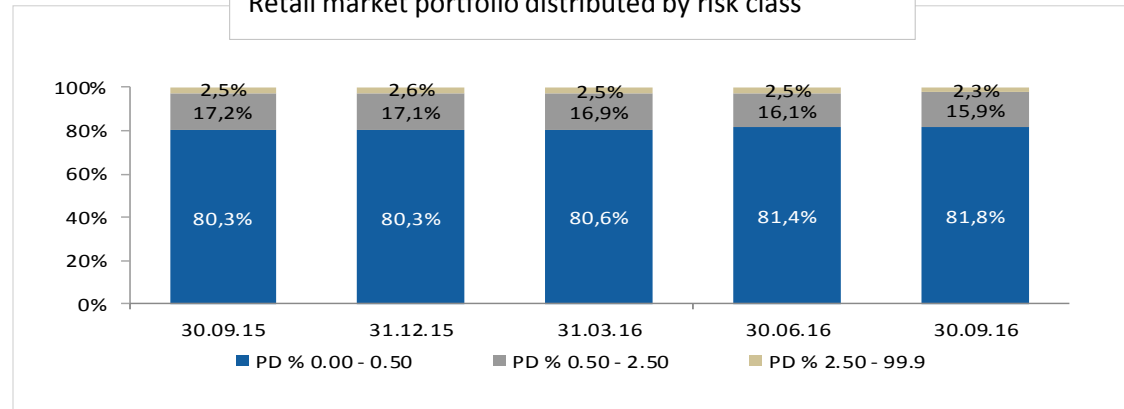
Risk profile – Lending to the retail market

- *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 81.8% 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.*

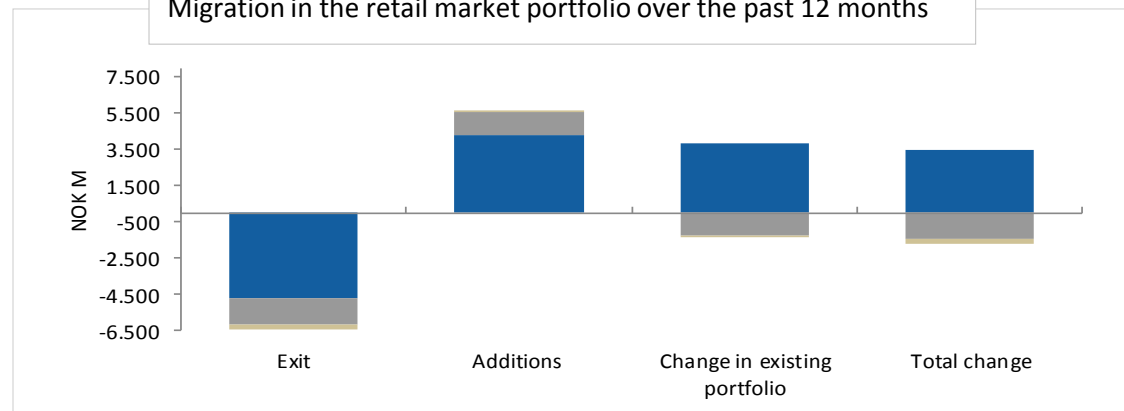
*Probability of default (PD) through a full cycle of loss.

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

Retail market portfolio distributed by risk class

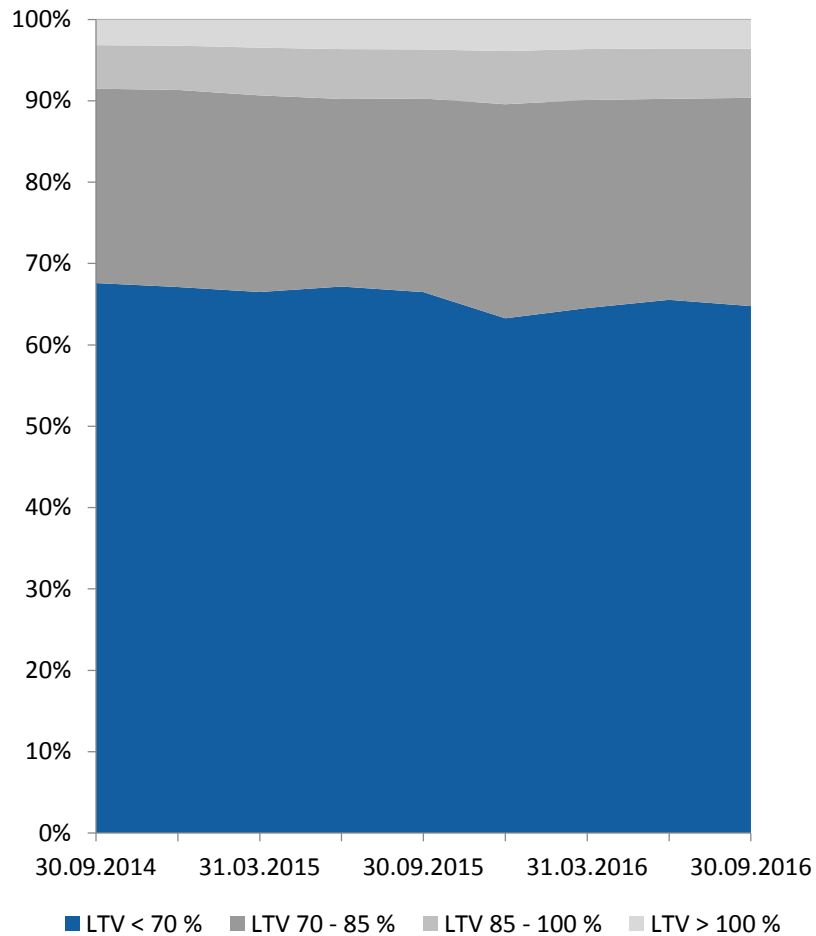


Migration in the retail market portfolio over the past 12 months

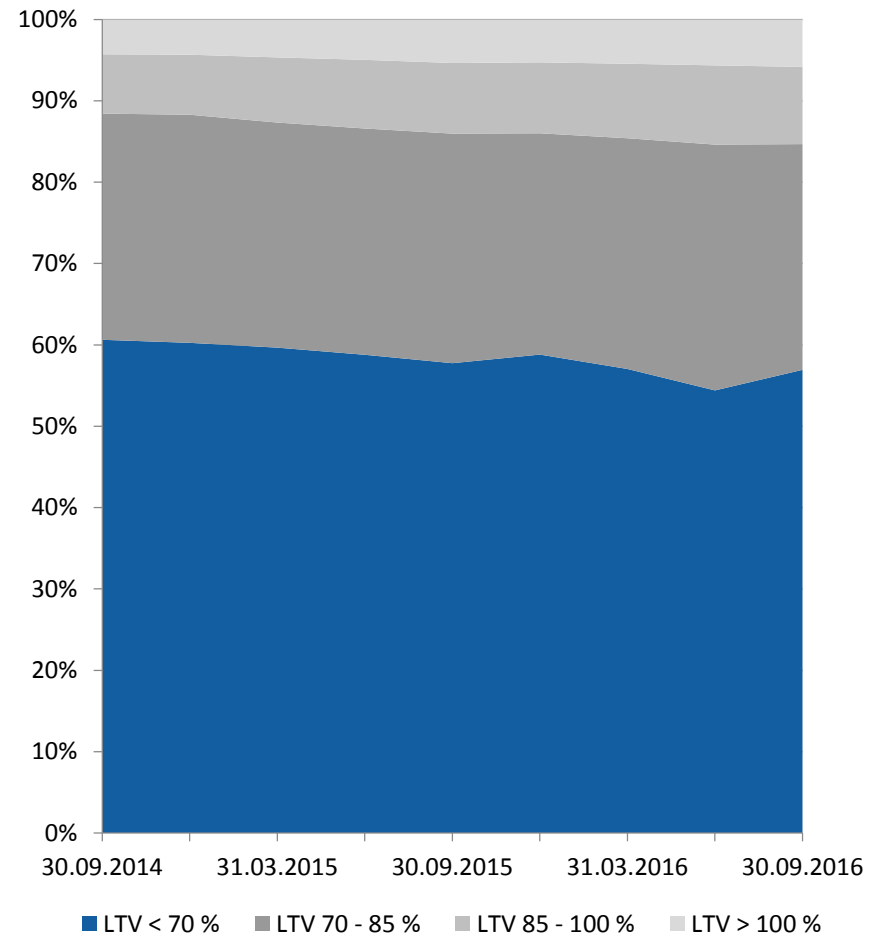


Historical LTV development for home mortgage loans

Total home mortgages incl. loans in cover pool

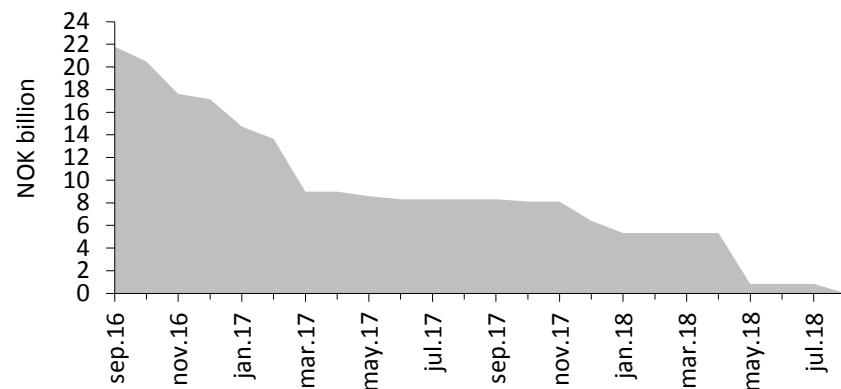


SpareBank 1 SR-Bank ASA



Liquidity portfolio

Liquidity buffer – survival period



Liquidity portfolio

Category	NOK million	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	130	1 %	0
SSA/Foreign guaranteed	6.449	32 %	189
Covered bonds (Norwegian/foreign)	14.294	64 %	972
Norwegian bank/finance	513	3 %	0
Foreign bank/finance	0	0 %	0
Industry/Other	0	0 %	0
Total liquidity portfolio	21.386	100 %	0

- *Liquidity buffer at the end of the quarter: NOK 21.8 billion*
- *Other liquid assets:*
 - *Home mortgages prepared for covered bond funding: NOK 19.8 billion*
 - *Commercial paper and bonds in the trading portfolio: NOK 0.3 billion*

Liquidity buffer: cash, highly liquid bonds.

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

Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	20.873	96,2 %
Low risk	A+, A og A-	0	0,0 %
Moderate risk	BBB+, BBB og BBB-	622	2,9 %
High risk	BB+, BB og BB-	109	0,5 %
Very high risk	B+ and lower	99	0,5 %
<i>Total portfolio</i>		21.704	100,0 %

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	20.873	97,6 %
Low risk	A+, A og A-	0	0,0 %
Moderate risk	BBB+, BBB og BBB-	513	2,4 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ and lower	0	0,0 %
<i>Total liquidity purposes</i>		21.386	100,0 %

Of which SR-Bank Markets:

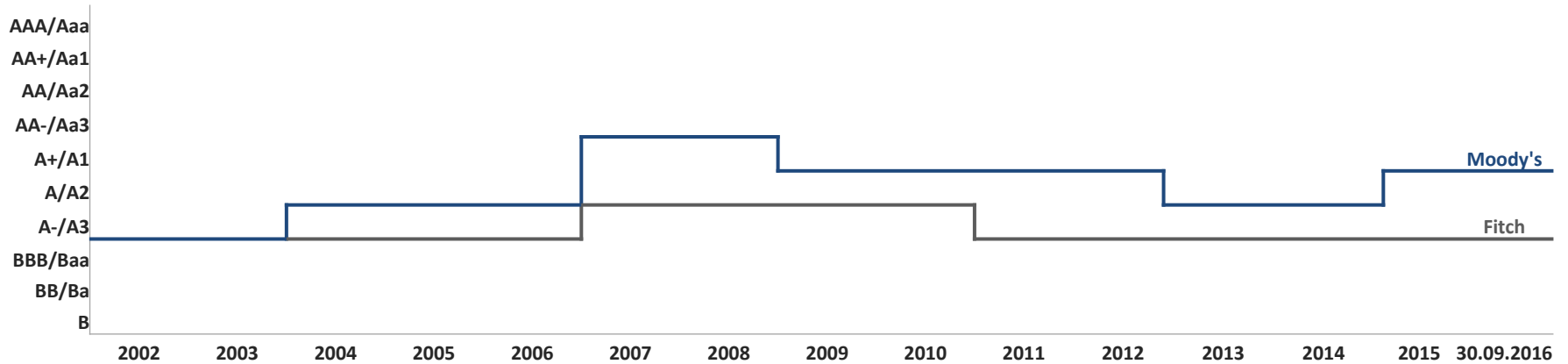
Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA og AA-	0	0,0 %
Low risk	A+, A og A-	0	0,0 %
Moderate risk	BBB+, BBB og BBB-	109	34,3 %
High risk	BB+, BB og BB-	109	34,4 %
Very high risk	B+ and lower	99	31,2 %
<i>Total trading portfolio</i>		318	100,0 %

All amounts in MNOK.

Rating

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Negative	Outlook	Stable
Updated	7 April 2016	Updated	21 October 2016

Ratinghistory



SRBANK as at September 2016

- *Trading volume in Q3 2016: 3.1% (5.1%)*

- *Ownership interests:*

- *From Rogaland, Agder-counties and Hordaland: 49.7%*
- *International: 16.2%*
- *10 largest: 54.9%*
- *20 largest: 61.7%*

- *Number of shareholders: 9 766 (10 083)*

- *Employees owning: 1,8%*

	30.09.16	2015	2014	2013	2012	2011
Share price	45,60	39,30	52,50	60,25	37,20	40,70
Stock value (MNOK)	11.662	10.051	13.427	15.409	9.514	5.182
Book value per share, NOK (group)	69,36	66,14	60,28	55,00	49,48	48,75
Earnings per share	5,19	6,83	8,20	7,28	5,33	5,42
Dividend per share	n.a.	1,50	2,00	1,60	1,50	1,50
P/E	6,59	5,75	6,40	8,28	6,99	7,51
P/BV (group)	0,66	0,59	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.”

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