

FIRST QUARTER 2017

The impossible is solved
by incredible people

HAND IN HAND WITH THE INCREDIBLE

SpareBank 
SR-BANK


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.


The leading financial group in the southwest of Norway

1 Rogaland 

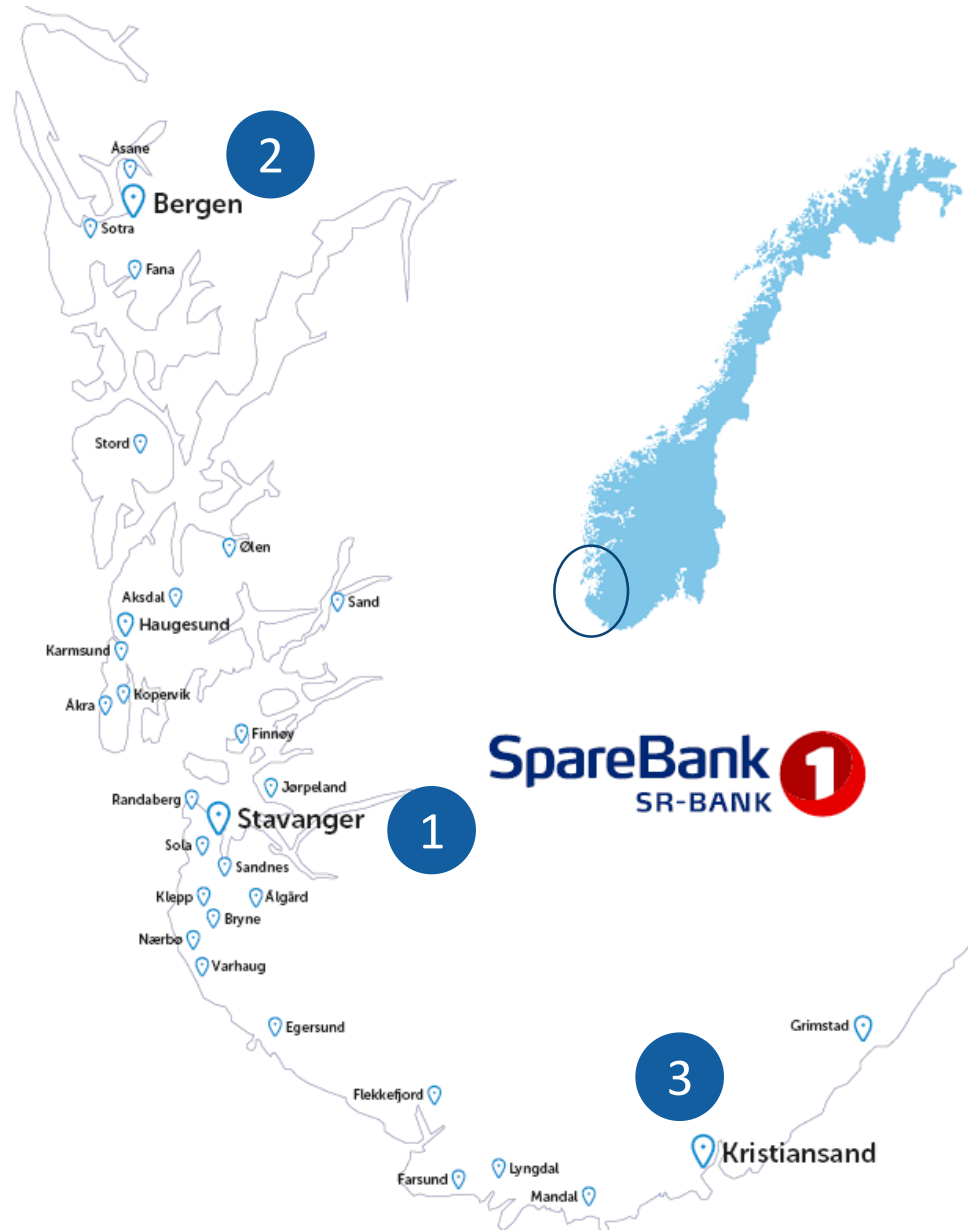
Population	470.000
Market share	36%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	4.4%

2 Hordaland 

Population	516.000
Market share	6%
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	3.4%

3 Agder 

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

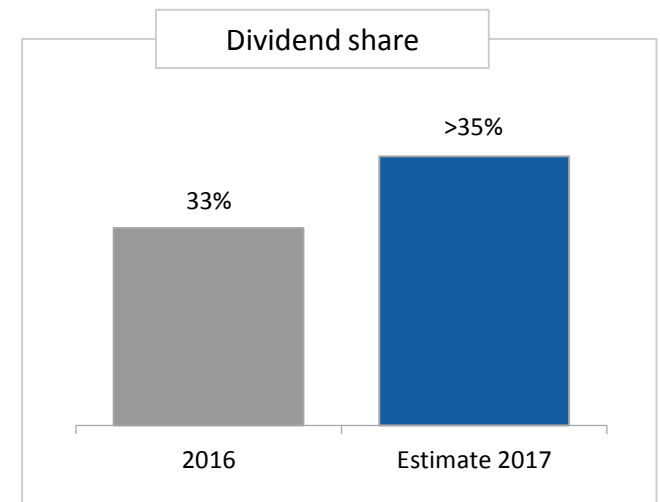
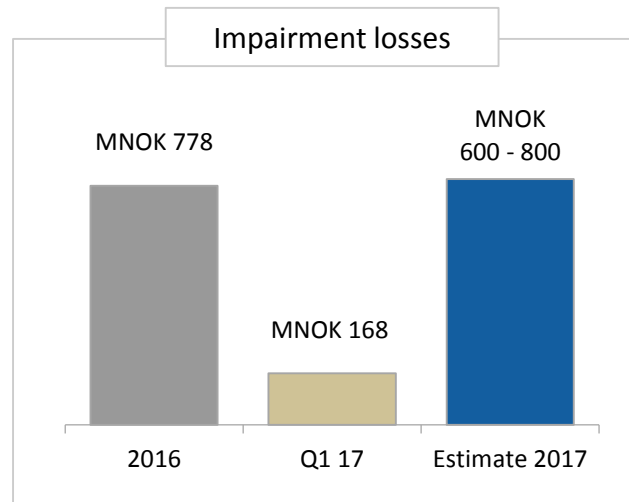
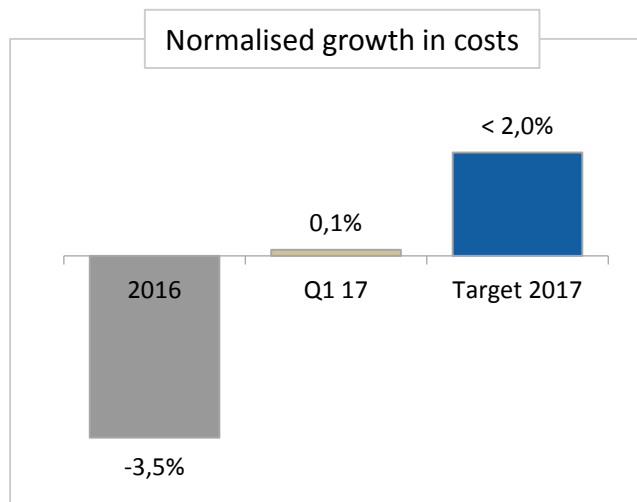
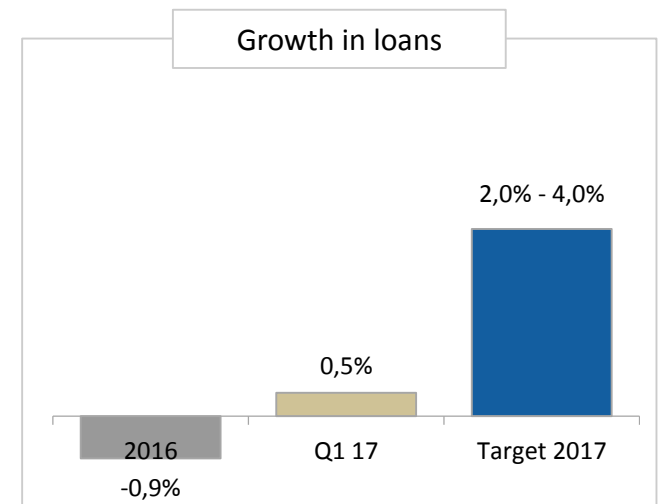
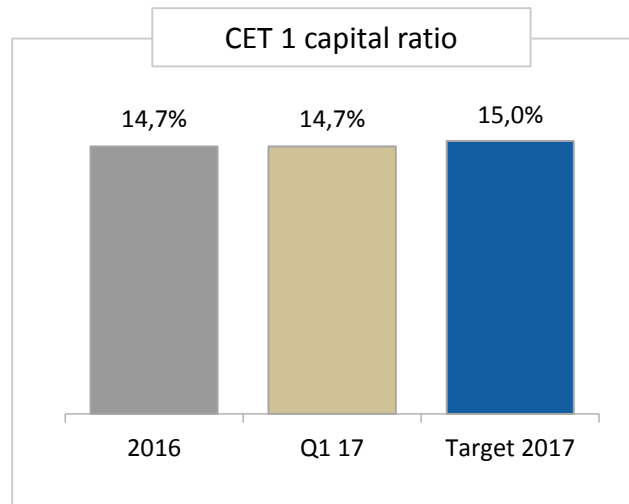
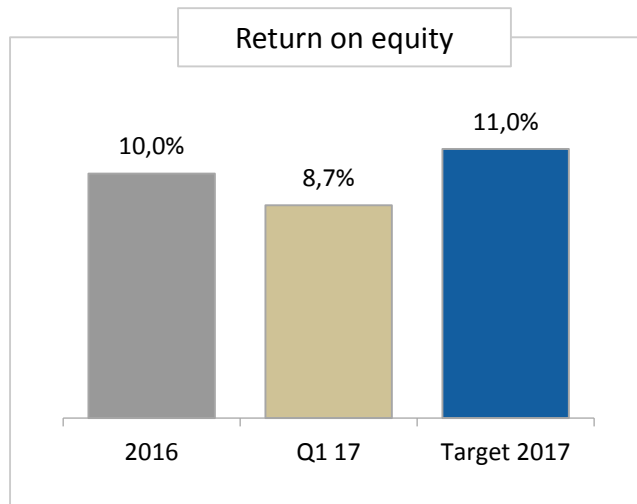


A good result in a still demanding market

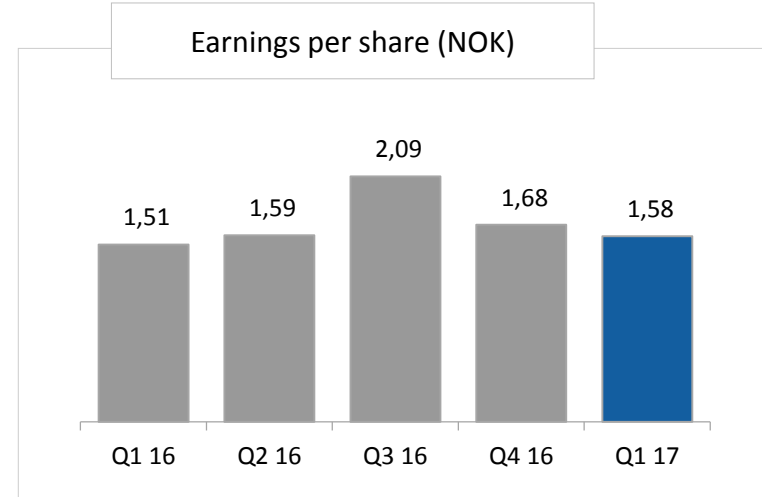
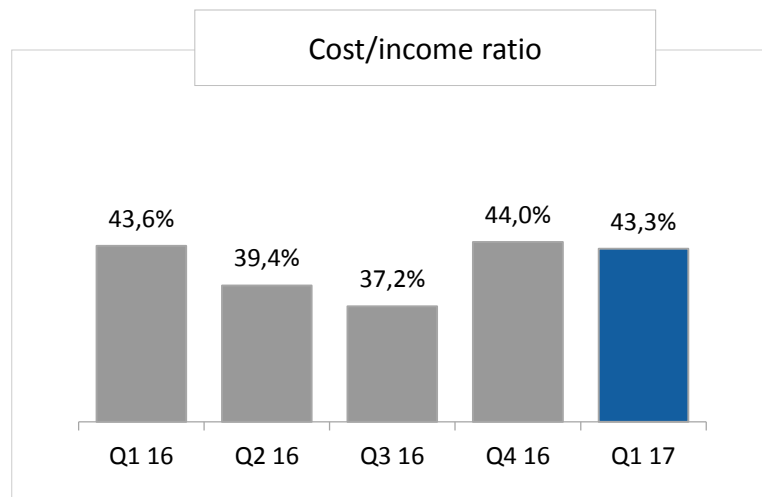
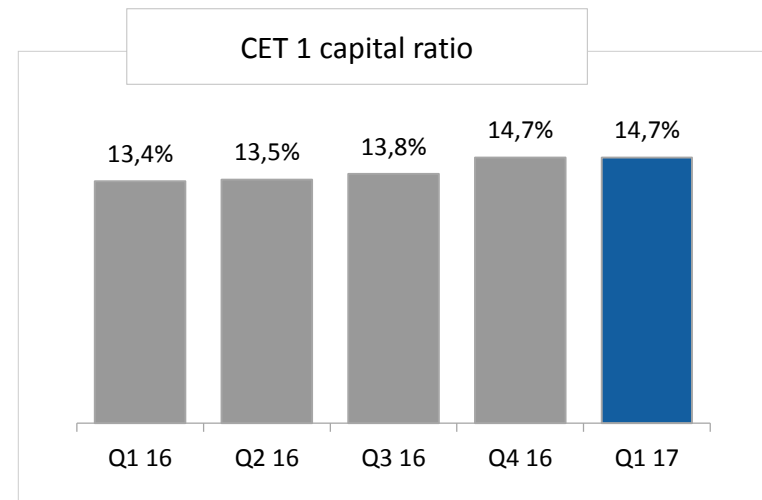
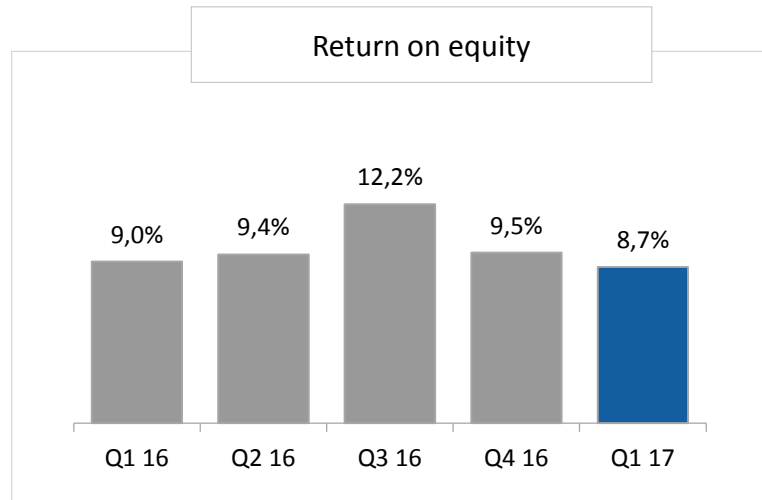
- Pre-tax profit for the quarter is NOK 512 million compared to NOK 487 million last year
 - Return on equity after tax 8.7%
- Impairment losses on loans is NOK 168 million compared to 150 million last year
 - 0.37% of gross lending including covered bond companies as at 31 March 2017
 - Increased collective impairment loss by NOK 99 million last 12 months
- 12 months lending growth of -0.4%
 - Growth of loans last quarter is 0.5%
 - Risk-weighted assets (RWA) is decreased by 0.1% the last 12 months
- 12 months deposits growth of 7.0%
- Normalised costs growth of 0.1%*
 - Growth in costs of 5.5% (NOK 27 million) over the last 12 months, of which financial activity tax is NOK 11 million.
- Common equity tier 1 capital ratio increased to 14.7% from 13.4% last year

**Normalised costs growth does not include costs from EiendomsMegler 1 AS and Regnskapshuset SR AS. In addition financial activity tax, bonuses and restructuring costs are excluded from the calculation.*

Financial targets and estimates for 2017



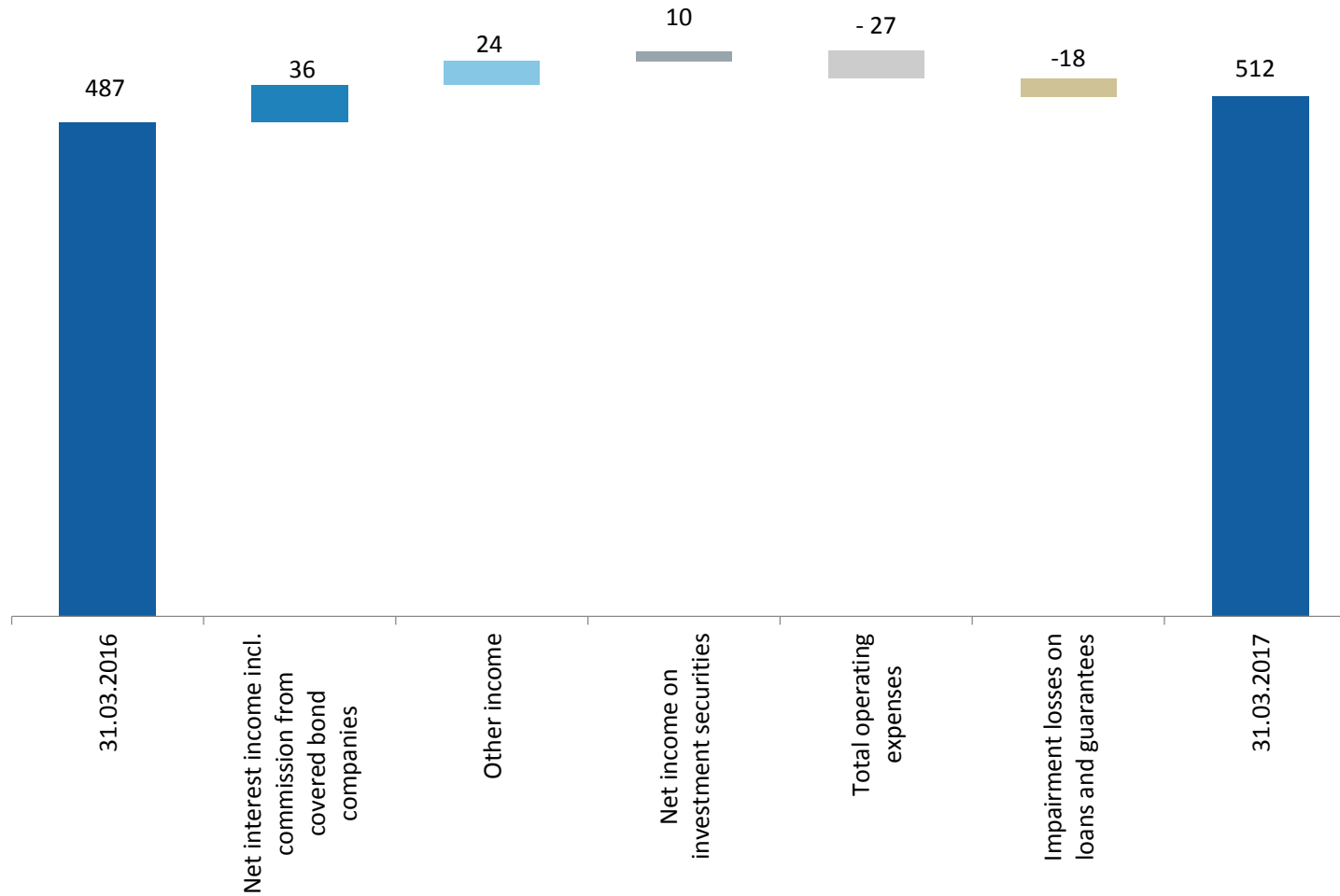
Key figures – quarterly development



Income statement

<i>Group Income Statement (MNOK)</i>	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Net interest income	739	733	729	711	698
Net commission and other income	371	355	347	389	352
Net income on investment securities	89	139	231	205	79
Total income	1.199	1.227	1.307	1.305	1.129
Total operating expenses	519	540	486	514	492
Operating profit before losses	680	687	821	791	637
Impairment losses on loans and guarantees	168	162	161	305	150
Operating profit before tax	512	525	660	486	487
Tax expense	109	96	126	80	101
Net profit	403	429	534	406	386

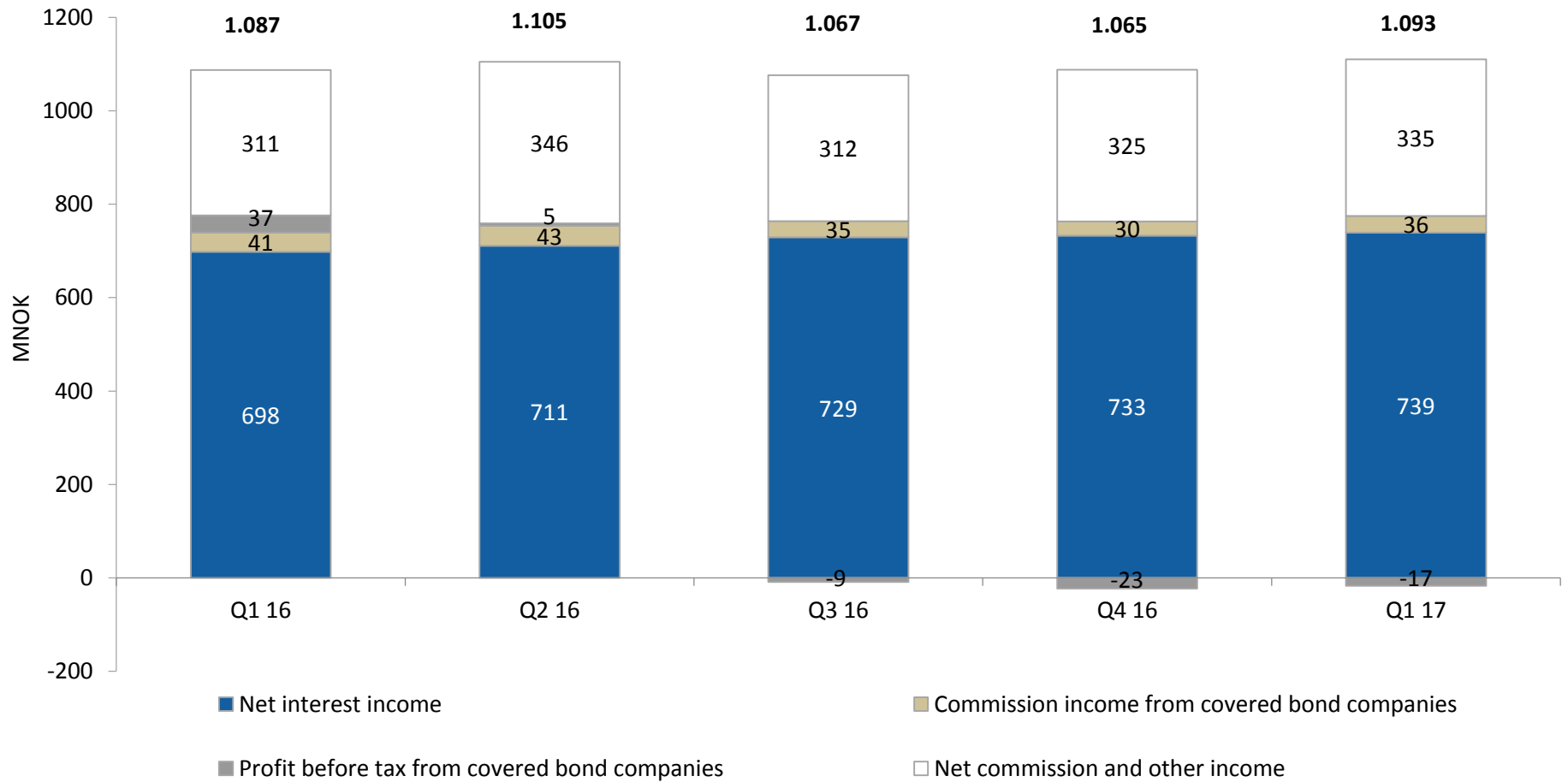
Change in profit 31.03.2016 – 31.03.2017



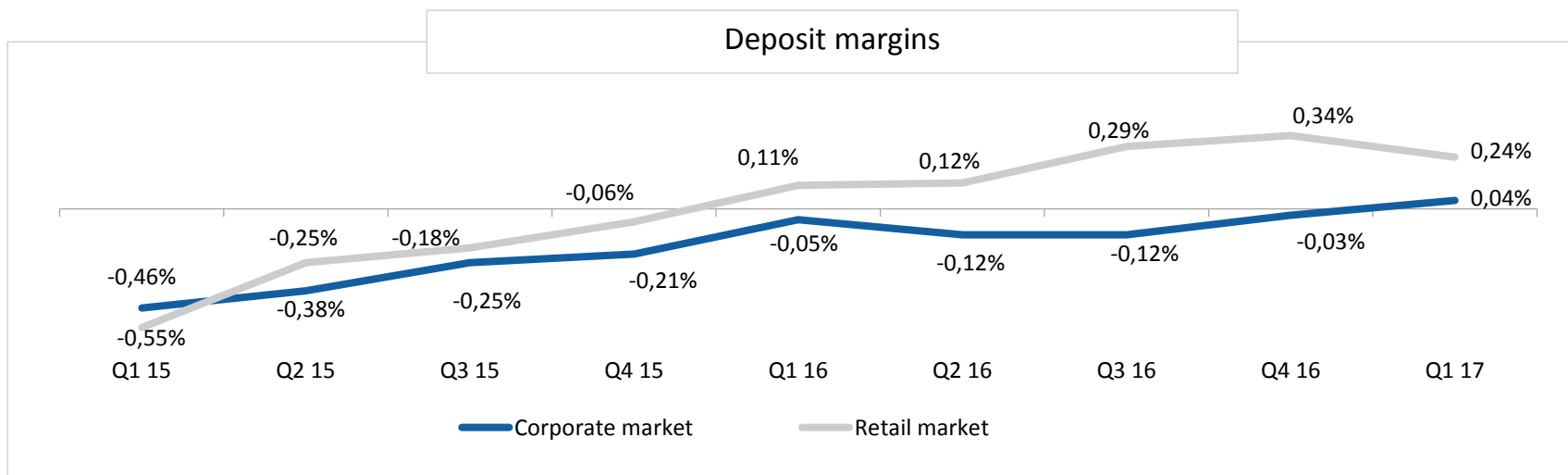
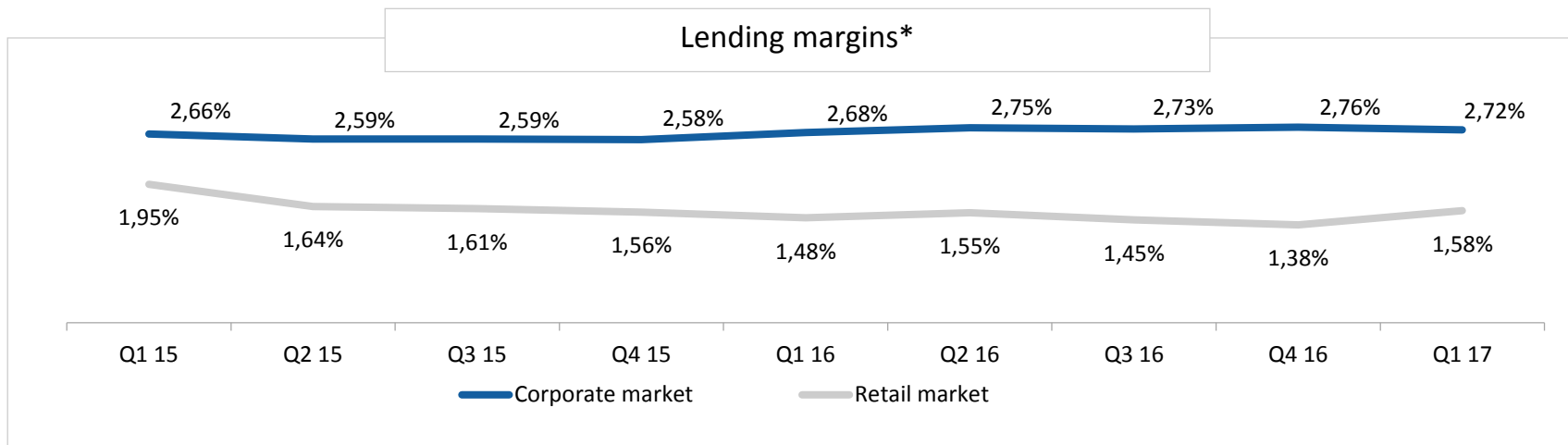
Key figures

	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Return on equity after tax (%)	8,7	9,5	12,2	9,4	9,0
Net interest margin (%)	1,53	1,50	1,48	1,48	1,44
Impairment losses on loans and guarantees in % of gross loans incl. covered bond companies	0,37	0,35	0,35	0,66	0,33
Non-performing and other problem commitments in % of gross loans incl. covered bond companies	1,23	1,21	1,18	1,15	0,92
Cost to income ratio	43,3	44,0	37,2	39,4	43,6
Annual growth in loans to customers, gross incl. covered bond companies (%)	-0,4	-0,9	0,1	1,1	2,9
Annual growth in deposits from customers (%)	7,0	-3,9	-2,0	-1,3	1,2
Total assets (BNOK)	200,2	193,4	193,2	196,8	194,8
Portfolio of loans in covered bond companies (BNOK)	23,3	24,7	25,7	26,7	28,8
Risk weighted assets (BNOK)	118,4	116,7	119,1	119,7	118,5
Liquidity Coverage Ratio (LCR) (%)	200	174	123	173	130
Earnings per share (NOK)	1,58	1,68	2,09	1,59	1,51
Book value per share (NOK)	72,91	71,54	69,36	67,16	67,68
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8

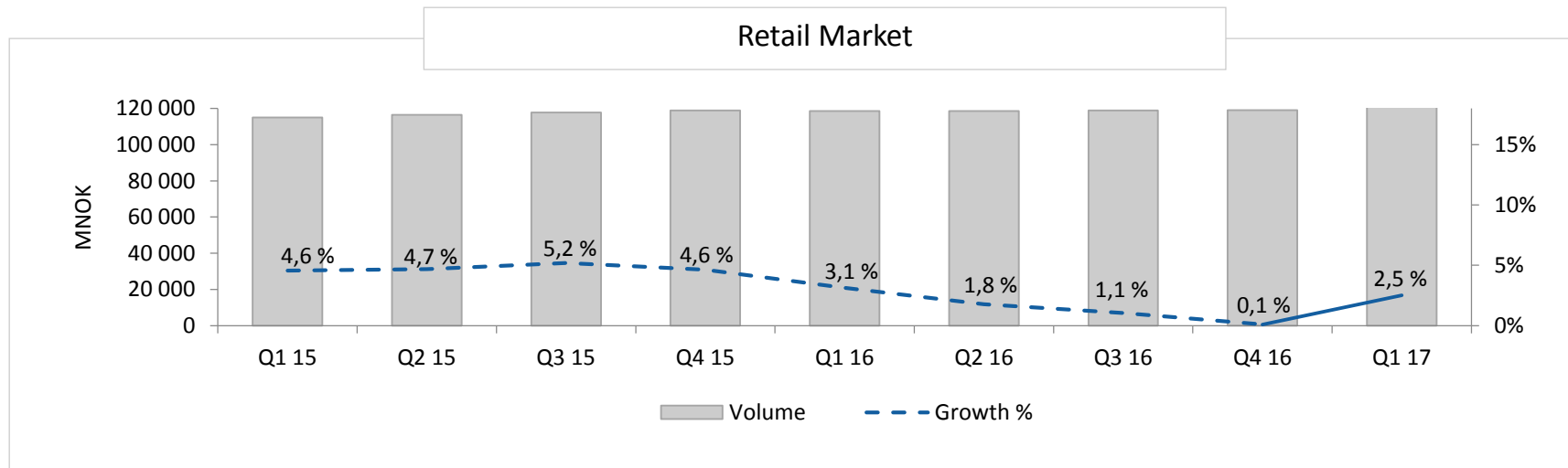
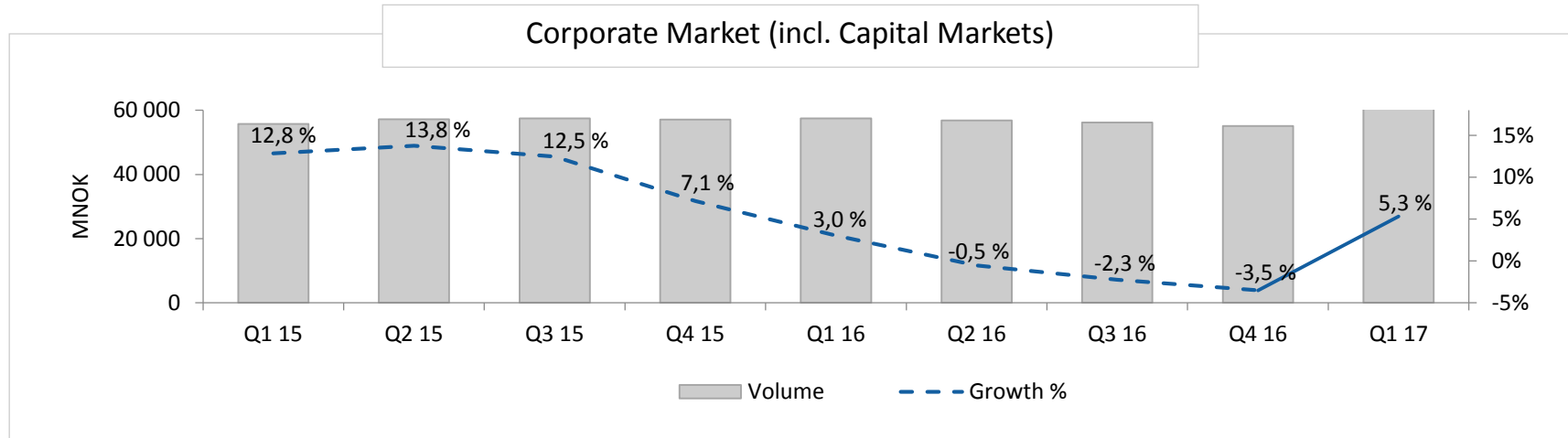
Consolidated income profile



Lending and deposit margins



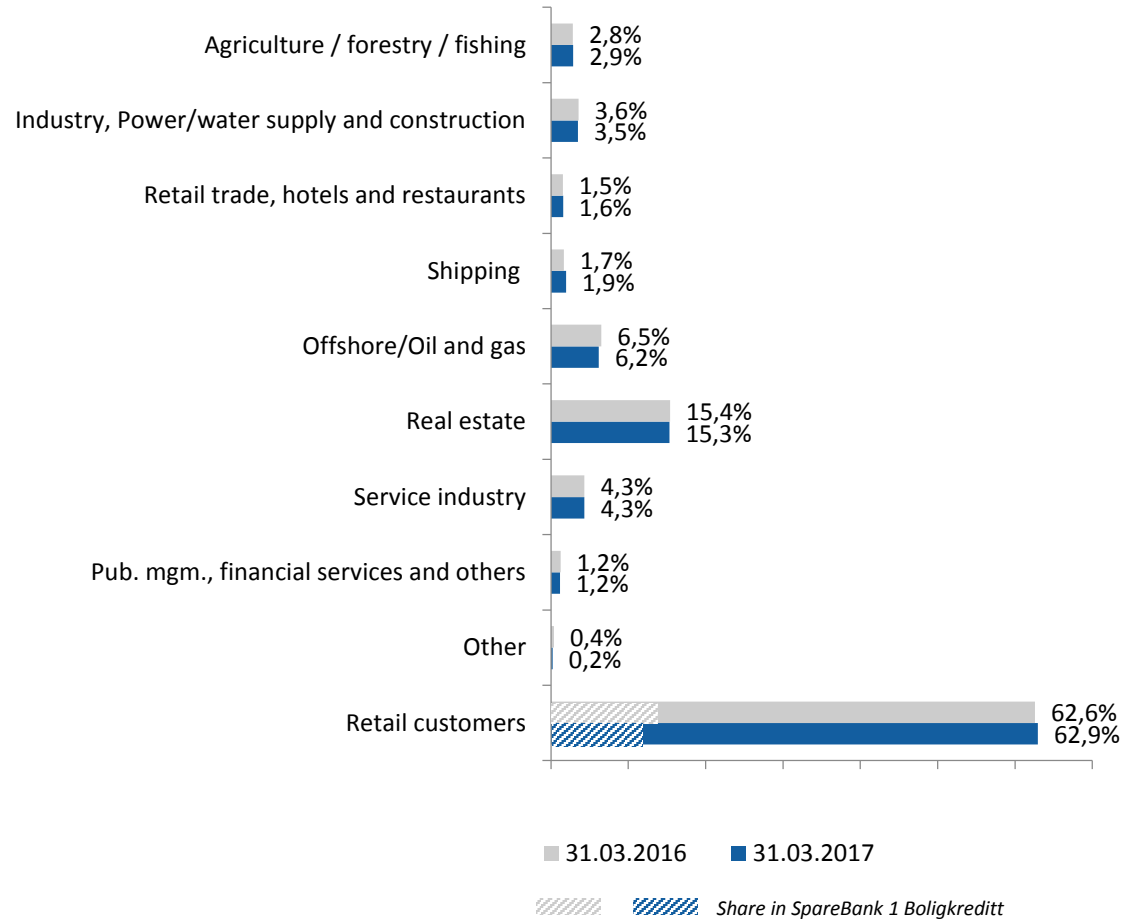
Lending volume and 12 months growth



Figures incl. loan portfolio in covered bond companies. SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and the lending volume from SR-Finans is included in the figures from first quarter 2017. This results in break in the historic figures. 12 month lending growth was, for the first quarter of 2017, -2.8% for corporate market and 0.8% for retail market excluding the effect of the merger.

Loan portfolio as at 31.03.2017

- Gross loans (incl. covered bond companies) as at 31 March 2017 amount to NOK 183.2 billion compared with NOK 183.9 billion at the same time the year before.
- 12-month growth in loans of -0.4%.
- Loans to retail customers (incl. covered bond company) account for 62.9% of total loans, of which 12.4% is in SpareBank 1 Boligkreditt.

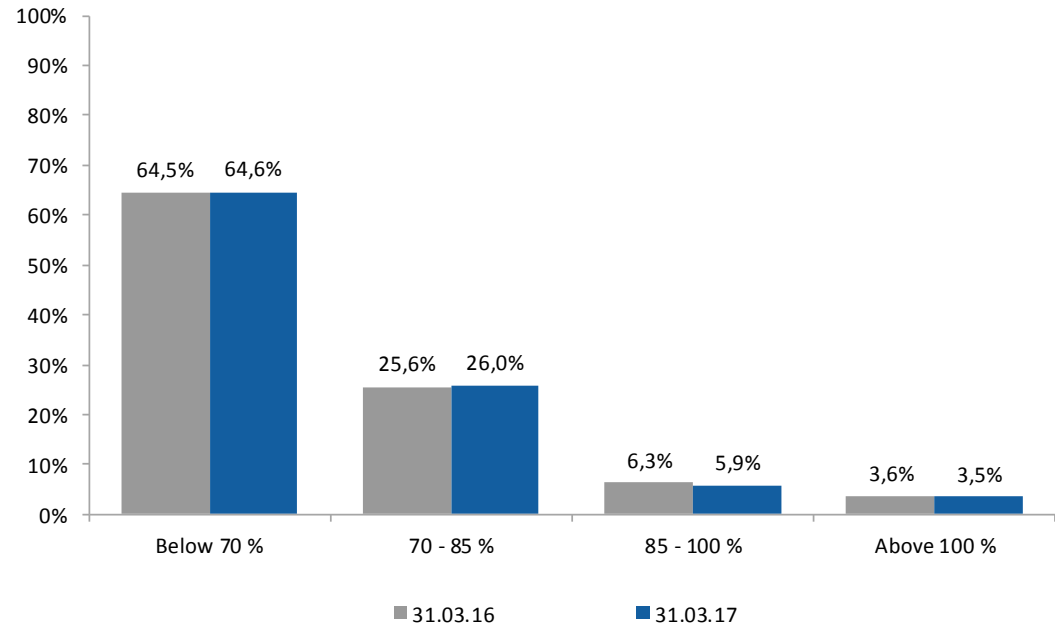


Loans before individual write-downs, nominal amounts.

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.*
- *90.6% of the exposure is within 85% of the assessed value of collateral.*

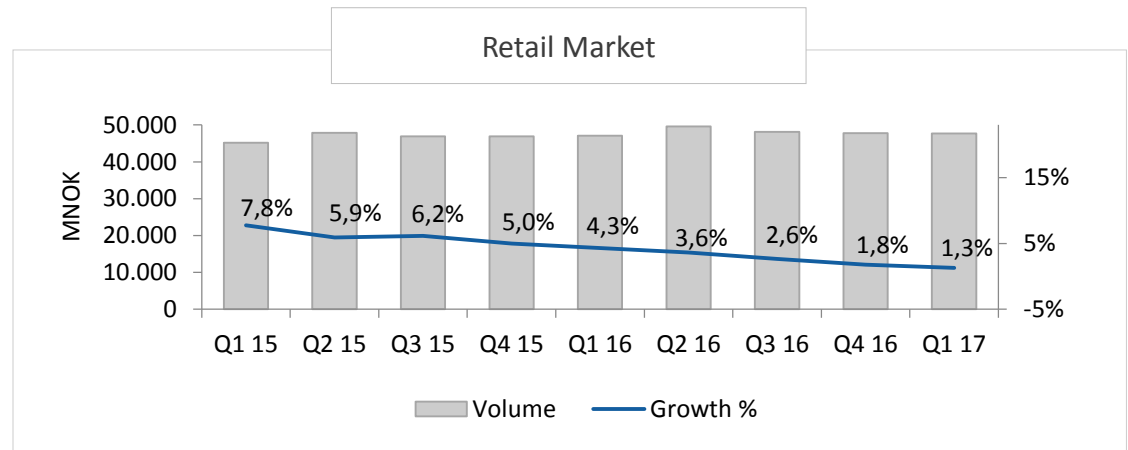
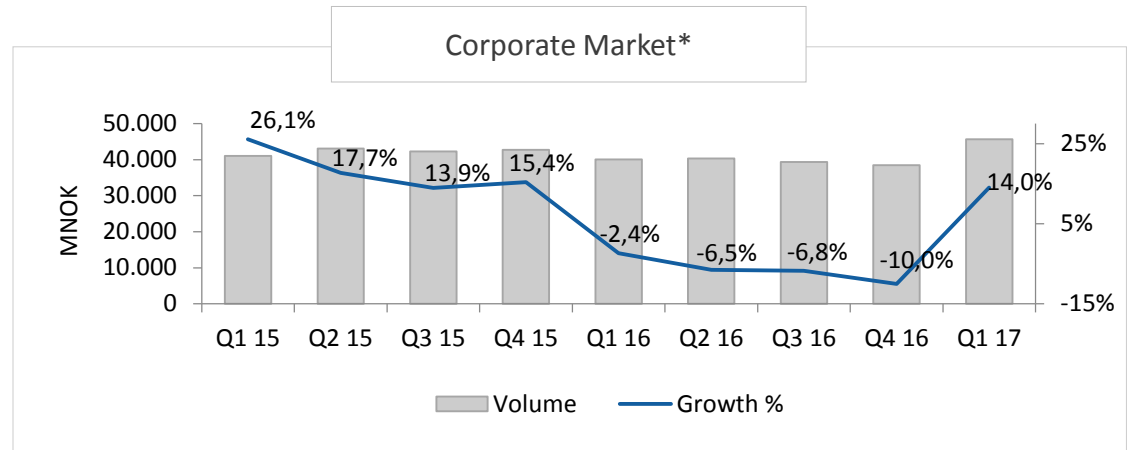


In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

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

Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 6.1 billion to 93.1 billion.
 - Corresponds to an increase in the period of 7.0%.
- Increased deposit growth in the corporate market (incl. capital market) is due to larger deposits from public sector.



* Includes also the Capital Markets Division.

Net commission and other income

<i>MNOK</i>	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Payment facilities	63	60	75	63	54
Savings/placements	51	45	45	44	51
Insurance products	52	50	48	50	50
Commission income real estate broking	93	85	87	107	68
Guarantee commission	25	31	24	31	28
Arrangement- and customer fees	13	33	14	24	30
Accounting services SpareBank 1 Regnskapshuset SR*	28	18	16	24	23
Other	10	3	3	3	7
Net commission and other income excl. covered bond companies	335	325	312	346	311
Commission income SB1 Boligkreditt and SB1 Næringskreditt	36	30	35	43	41
Net commission and other income incl. covered bond companies	371	355	347	389	352

* SpareBank 1 Regnskapshuset SR has acquired Regnskaps Partner Bergen AS, which was taken over with effect from 1 January 2017.

Net income on investment securities

MNOK	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Dividends*	5	5	0	97	8
Investment income, associates	63	78	90	112	104
Securities gains/losses	25	50	105	-36	-66
<i>- of which capital change in shares and certificates</i>	7	42	63	-33	-21
<i>- of which capital change in certificates and bonds</i>	-7	-44	-21	-38	-53
<i>- of which derivatives; bonds and certificates</i>	25	52	63	35	8
Currency/interest gains/loans	-4	6	36	32	33
<i>- of which currency customer- and own-account trading</i>	17	39	40	32	26
<i>- of which value change basis swap spread</i>	-16	-16	-11	-1	13
<i>- of which counterparty risk derivatives including CVA</i>	1	1	1	-1	1
<i>- of which IFRS-effects</i>	-6	-18	6	2	-7
Net income on investment securities	89	139	231	205	79

*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>	31.03.17	31.03.16
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	1.611	1.211
Operating profit before tax	5	-6
SpareBank 1 SR-Finans AS*		
Total assets (BNOK)	-	7
Operating profit before tax	-	43
SR-Forvaltning AS		
Total assets under management (BNOK)	10	9
Operating profit before tax	8	8
SR-Investering AS		
Operating profit before tax	0	-1
SpareBank 1 Regnskapshuset SR AS		
Operating profit before tax**	2	1
SR-Boligkreditt AS		
Operating profit before tax	27	38
Other		
Operating profit before tax	3	0
Total subsidiaries		
Profit before tax	45	83

*SpareBank 1 SR-Finans AS was merged into SpareBank 1 SR-Bank from 1 January 2017, and the profit contribution from SpareBank 1 SR-Finans is included in the parent bank's results from 1 January 2017.

**SpareBank 1 Regnskapshuset SR acquired Regnskap Partner Bergen AS from 1 January 2017. The result to Regnskapshuset SR includes amortization of intangible assets of NOK 0,5 million (NOK 0,4 million per 31.03.2016).

Ownership interests

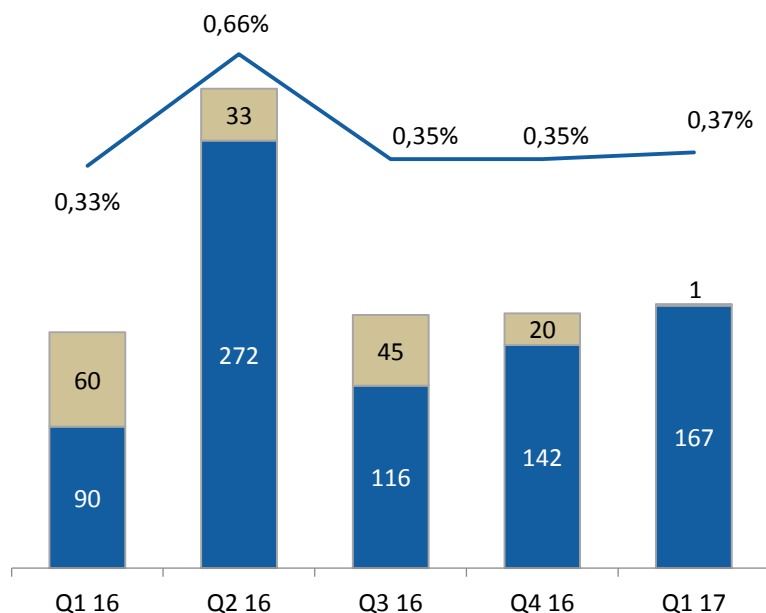
MNOK	31.03.17	31.03.16
SpareBank 1 Gruppen AS		
<i>Interest ownership</i>	19,5 %	19,5 %
Profit after tax	71	55
Adjusted profit previous years	-4	6
SpareBank 1 Boligkreditt AS		
<i>Interest ownership</i>	13,9 %	16,7 %
Profit after tax	-18	18
Adjusted profit previous years	0	4
SpareBank 1 Næringskreditt AS		
<i>Interest ownership</i>	21,9 %	26,8 %
Profit after tax	5	6
BN Bank ASA		
<i>Interest ownership</i>	23,5 %	23,5 %
Profit after tax	21	14
SpareBank 1 Kredittkort AS		
<i>Interest ownership</i>	17,9 %	18,1 %
Profit after tax	2	6
SpareBank 1 Mobilbetaling AS		
<i>Interest ownership</i>	19,7 %	19,7 %
Profit after tax	-5	-6
Adjusted profit previous years	-7	0
Other		
Profit after tax	-2	-5
Total ownership interests		
Profit after tax	63	104

Operating expenses

<i>MNOK</i>	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Personnel expenses	295	293	282	296	295
Financial activity tax	11	0	0	0	0
Total personnel expenses	306	293	282	296	295
IT expenses	75	87	83	78	73
Marketing	16	23	17	20	14
Other administrative expenses	21	23	15	16	15
Total administrative expenses	112	133	115	114	102
Depreciation	18	24	20	19	18
Operating expenses from real estate	10	9	9	8	9
Other operating expenses	73	81	60	77	68
Total other operating expenses	101	114	89	104	95
Total operating expenses	519	540	486	514	492

Impairment losses on loans/ Non-performing and doubtful commitments

Impairment losses on loans

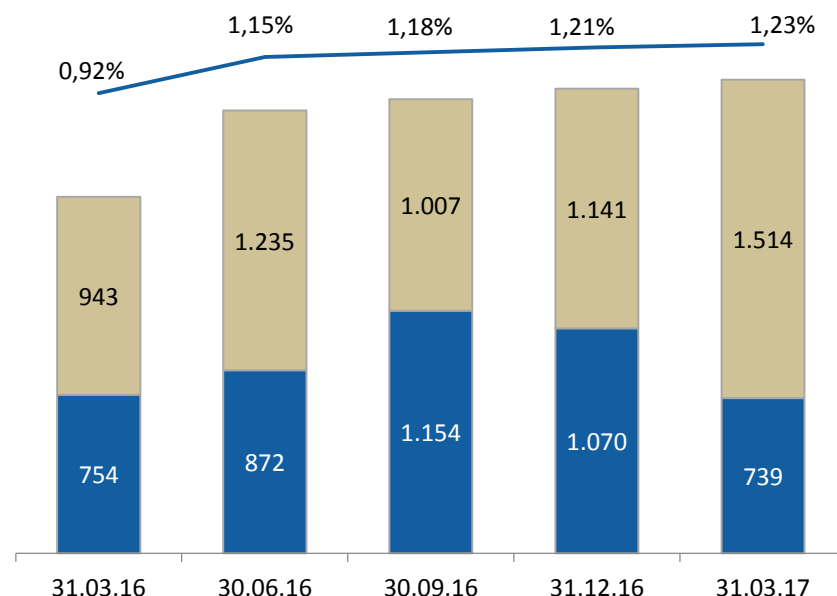


Collective impairment losses on loans, MNOK

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

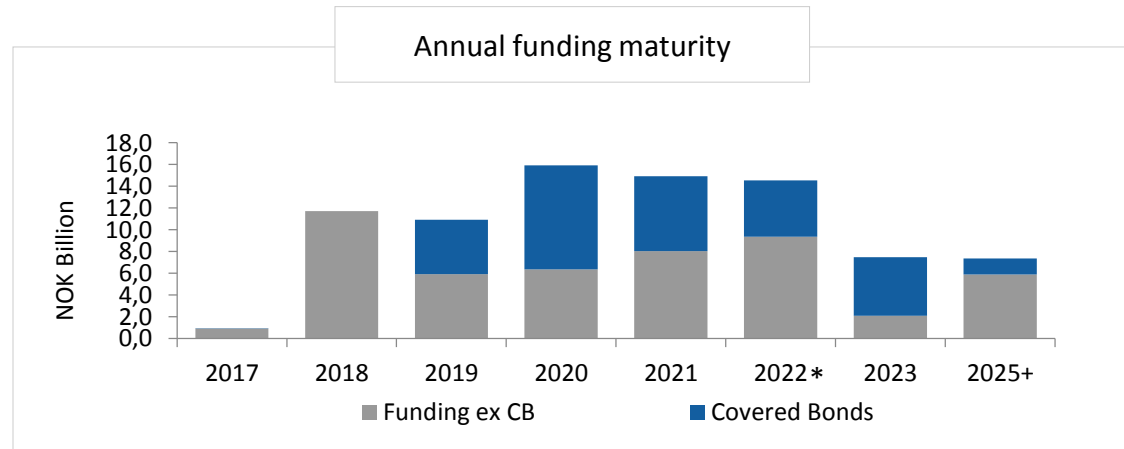
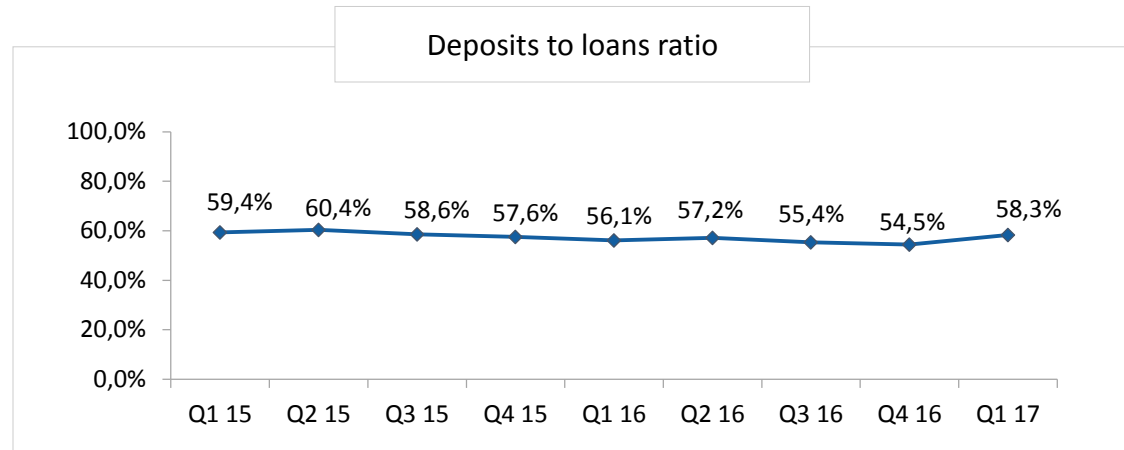
Non-performing and doubtful commitments in % of gross loans incl. from covered bond companies

Impairment losses on loans and guarantees

<i>Losses on loans in income statement (MNOK)</i>	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Corporate customers	162	131	109	258	82
Retail customers	5	11	7	14	8
Change in collective impairment losses on loans	1	20	45	33	60
Net impairment losses on loans	168	162	161	305	150
<i>Impairment losses on loans (MNOK)</i>	31.03	31.12	30.09	30.06	31.03
Corporate customers	17	16	16	16	16
Retail customers	478	530	475	446	304
Collective impairment losses on loans	60	60	69	68	69
Total impairment losses on loans	677	676	656	612	578
	1.215	1.266	1.200	1.126	951

Funding

- *Well diversified funding.*
- *Funding indicator 1* is 113.6% on consolidated basis.*
- *Good liquidity*
 - *Net refinancing need over the next 12 months is NOK 2.0 billion.*
 - *Liquidity buffer is NOK 28.7 billion for normal operation in 37 months with closed markets. In addition to the liquidity buffer, NOK 17.3 billion of home mortgages are prepared for covered bond funding.*

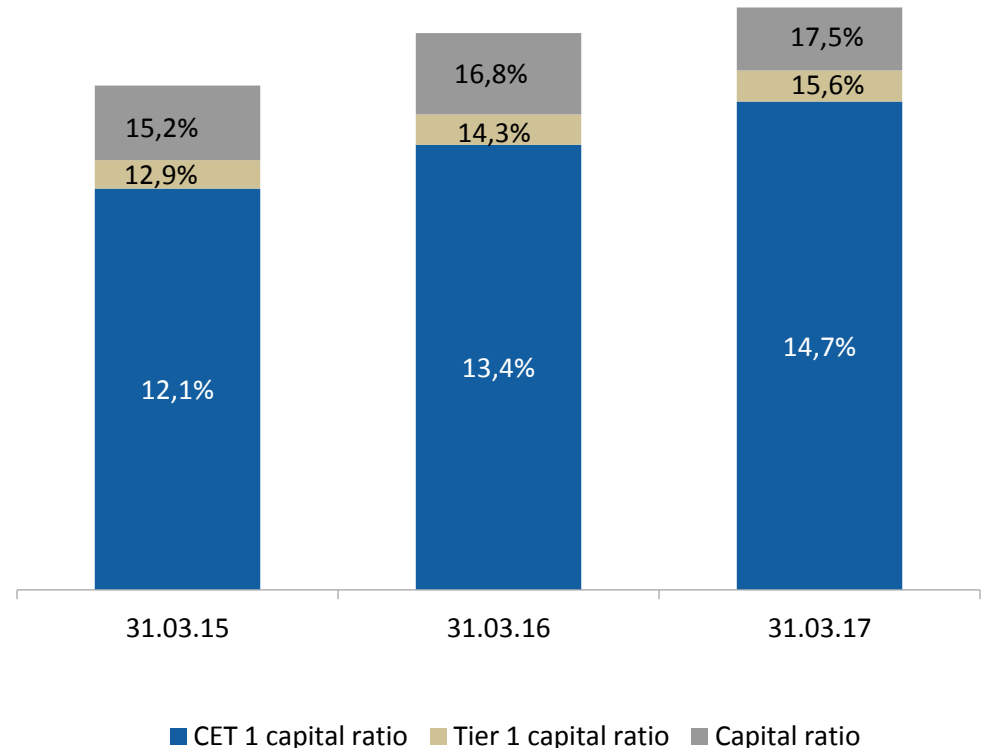


*Includes 600 million USD issued 5 April 2017.

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

Stronger capital ratio

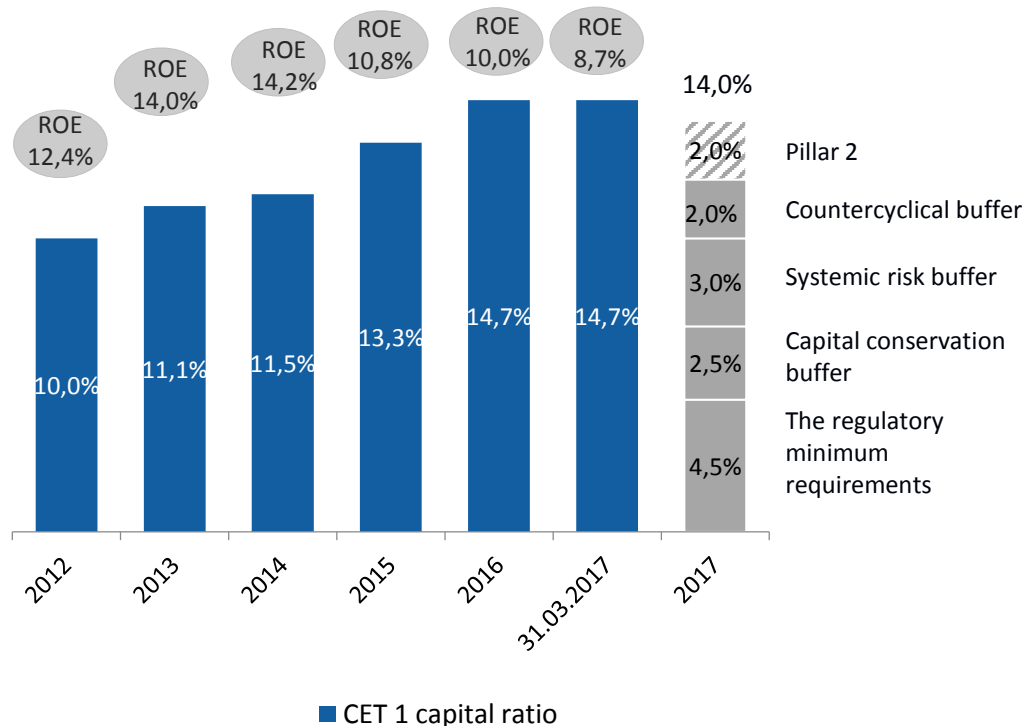
- *SpareBank 1 SR-Bank is compliant with capital requirements as at 31.03.2017.*
- *SpareBank 1 SR-Bank received IRB Advanced approval for the corporate market portfolio in 2015.*
- *The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.*
 - *The Basel I floor is also practised differently.*
- *Leverage ratio is 7.1% as at 31.03.2017.*
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.

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

- The target CET 1 level is 15.0% in 2017. The target expected to be reached through good profitability.
- Countercyclical buffer is 1.5% and will increase to 2.0% per 31. december 2017.
- The Pillar 2 requirement for SpareBank 1 SR-Bank is 2.0%.
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).



Outlook

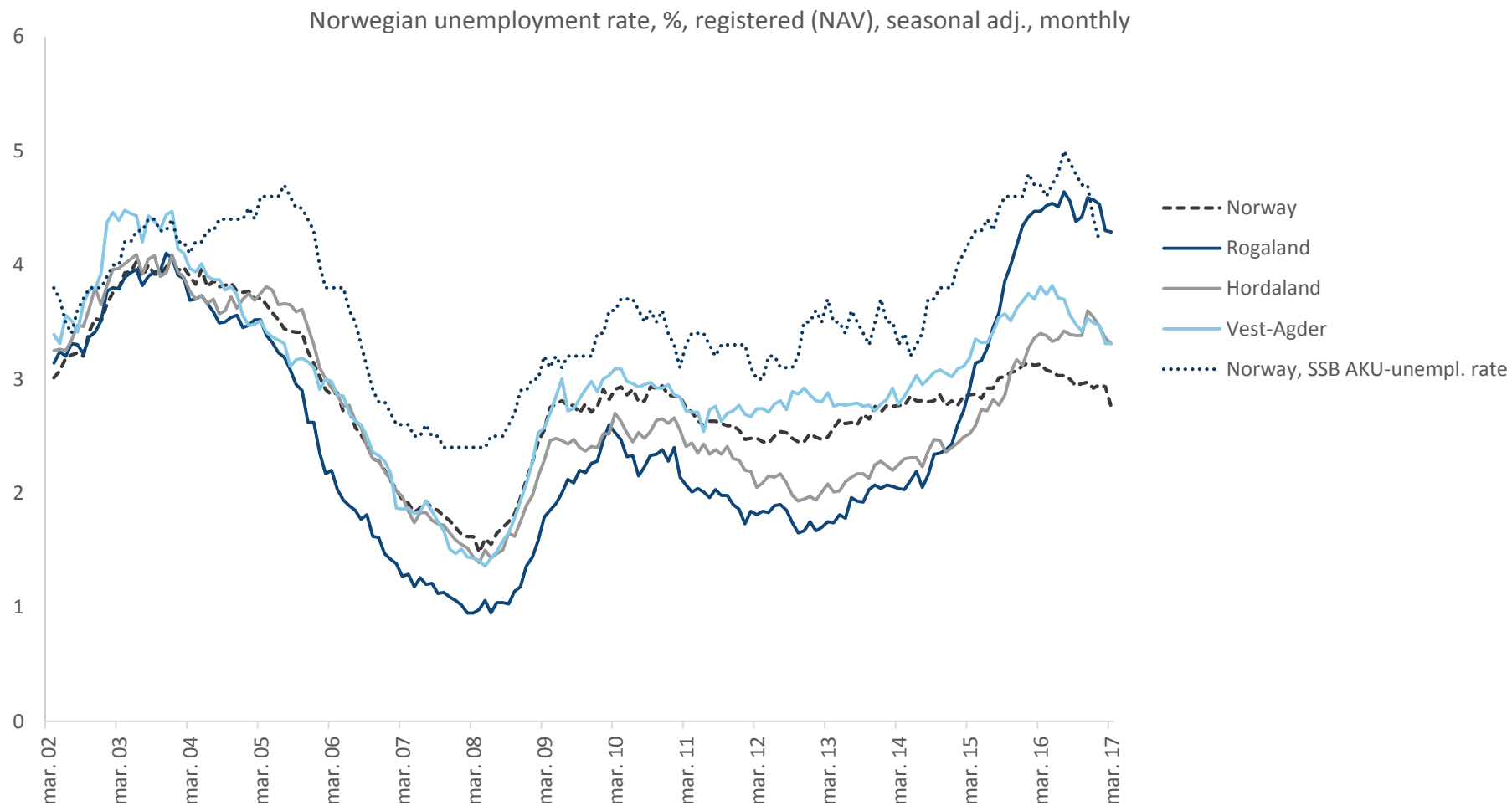
- Major infrastructure projects helps to ensure good conditions for the region's business and population growth, with moderate unemployment.
- Expectations concerning future market performance improved somewhat in the last months, but some uncertainty still exists about the group's market area.
- From record high levels, oil investments are reduced with approximately 16% in 2016, and continue decreasing with approximately 10% in 2017.
- 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.
- Declining unemployment in the group's market area combined with increasing sales of homes, especially in Rogaland, are contributing to greater optimism among the bank's retail and corporate customers.
- SpareBank 1 SR-Bank expects to make loan loss provisions at NOK 600 – 800 million in 2017.
- Solid earnings from a robust business model and capital efficiency indicates SpareBank 1 SR-Bank well positioned to build up the necessary capital going forward, while ensuring continued competitiveness and normalized dividend from 2018.
- An offensive approach for the future including investing in new technology and focus on accounting services and consulting.

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APPENDIX

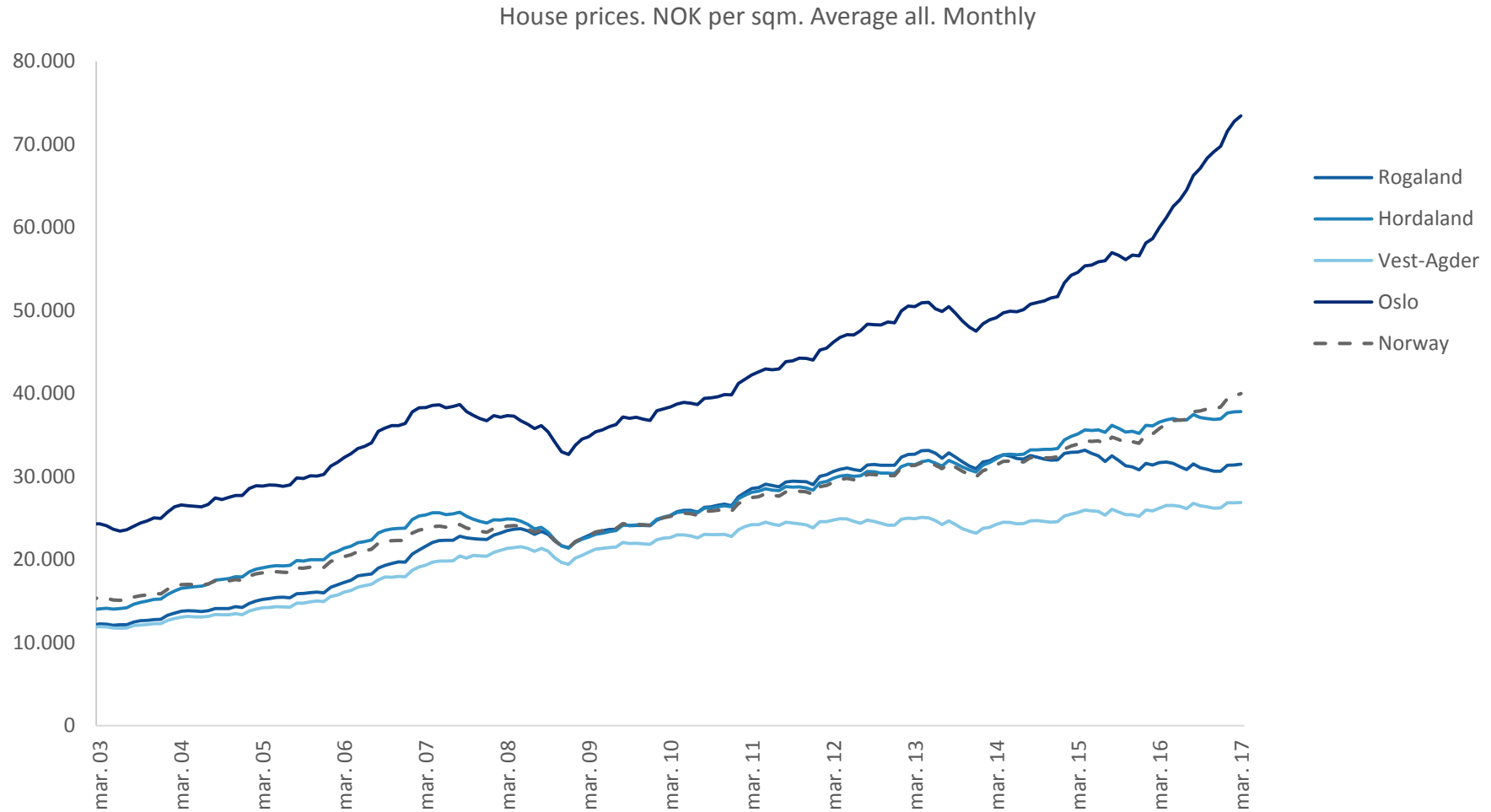
The unemployment rate has been reduced

Rogaland still somewhat above the national average



Source: NAV and SSB

House prices increasing in Norway. Flattening out in Rogaland



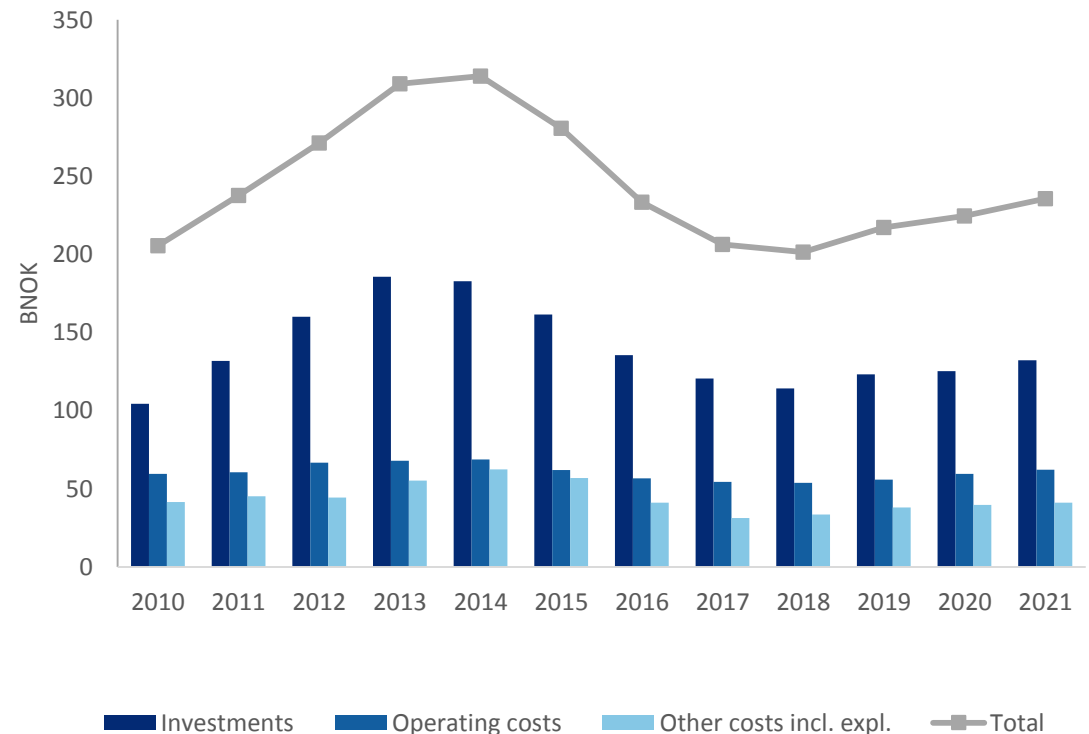
Source: Finn.no, Eiendom Norge and Eiendomsverdi

The decline in oil industry abates

Marked downturn in 2015 and 2016, expected to flatten in 2017

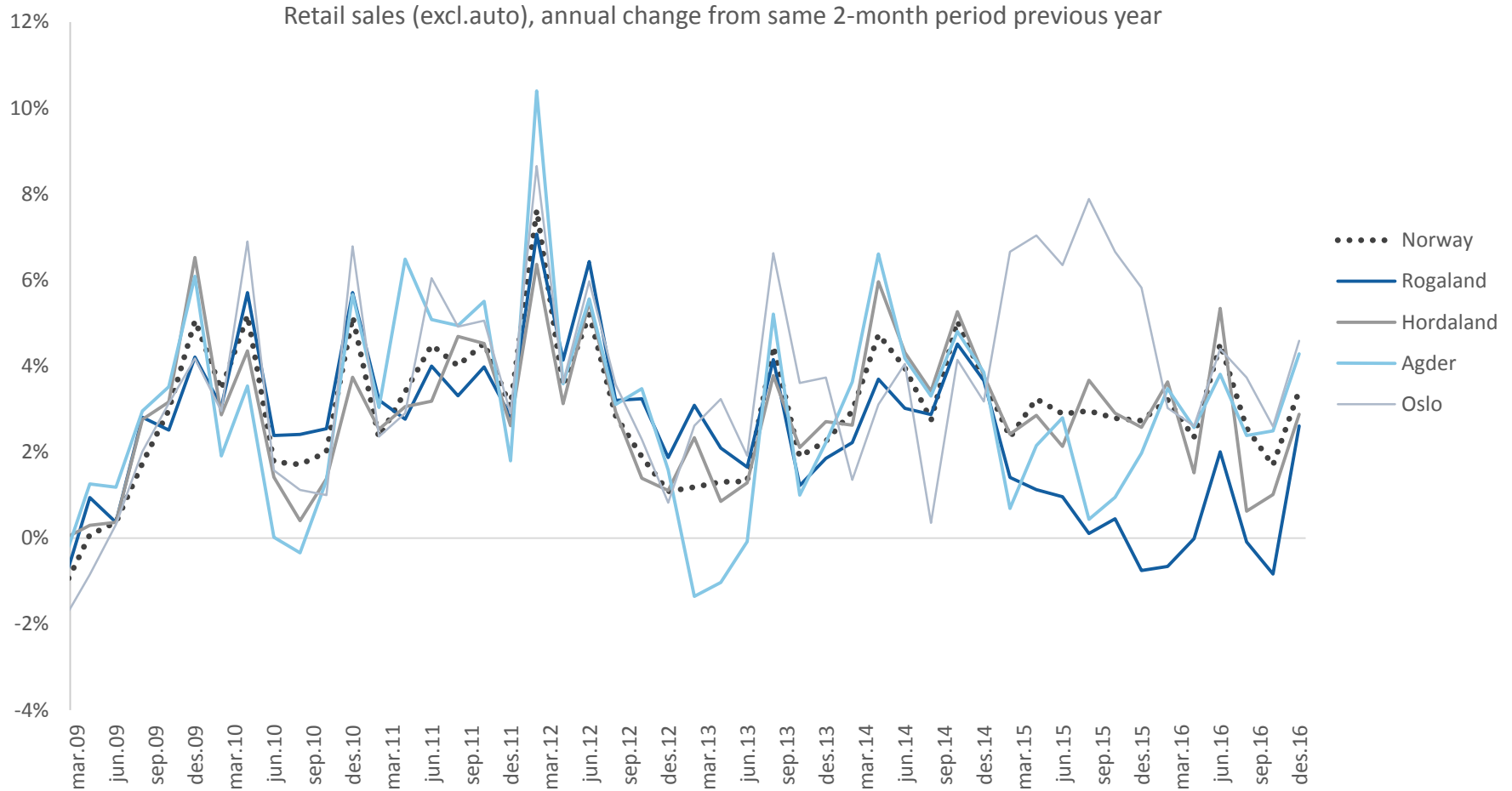
- Petroleum activity fell in 2015 and 2016 after reaching record levels in 2014. Total activity has fallen by close to 30% from 2014 to 2016. Investments have fallen most.*
- The Petroleum Directorate expects decrease of close to 10% in 2017 and thereafter more stable and a slight upturn*
- Operational expenditures, which are important for the region, are more stable than activity related to investments and exploration*

Petroleum activity on Norwegian Continental Shelf. BNOK (2016 NOK)



Retail trade increasing in Norway

In Rogaland, the level is somewhat higher than a year ago



Kilde: Statistics Norway (SSB)

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

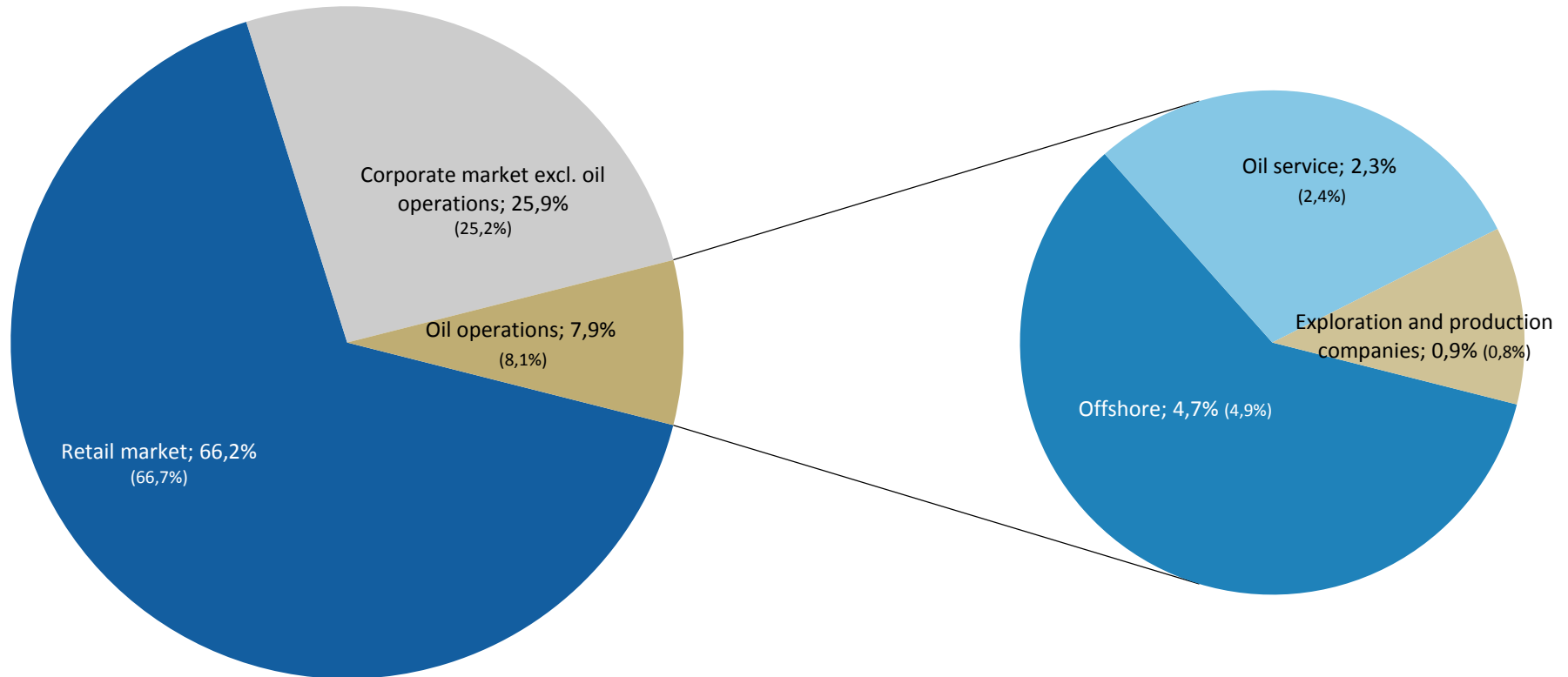
- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
 - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary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

7.9% (8.1%) of total EAD is related to oil operations

SpareBank 1 SR-Bank* has total BNOK 204.9 (200.1) EAD per 31.03.2017

BNOK 16.0 (16.2) EAD is related to oil operations



EAD: Exposure at default
 Figures as at 31.03.2017. Figures in parentheses as at 31.12.2016.

• Include portfolio in covered bond company (SpareBank 1 Boligkreditt AS og SR-Boligkreditt AS). SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and lending volumes from SR-Finans are included in the figures from first quarter 2017. This results in break in the historic figures.

Oil services - total NOK 4.7 billion

(NOK 4.8 billion as at 31.12.2016)

Exploration and concept studies

- EAD NOK 0.4 billion
- Average weighted probability of default 1.3%

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 5.0%

On shore facilities

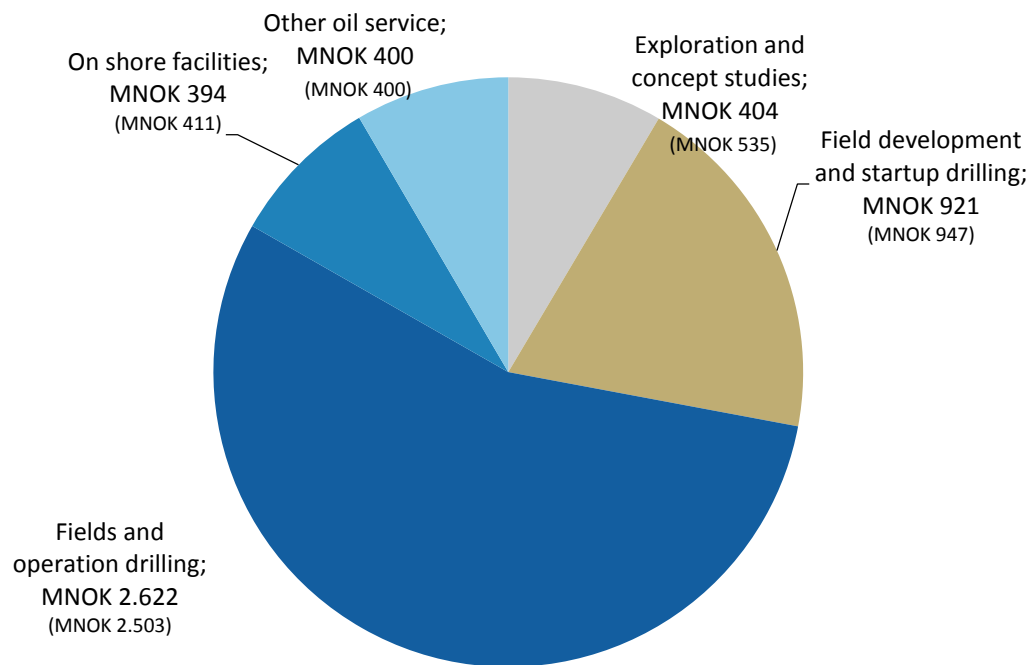
- EAD NOK 0.4 billion
- Average weighted probability of default 4.5%

Other oil services

- EAD NOK 0.4 billion

Oil services

- EAD NOK 4.7 billion, 2.3% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 3.8%
- Funding of operating capital through current and fixed assets, as well as guarantees



EAD: Exposure at default
 Figures as at 31.03.2017. Figures in parentheses as at 31.12.2016.

Oil and gas - total NOK 1.8 billion

(NOK 1.6 billion as at 31.12.2016)

Exploration financing

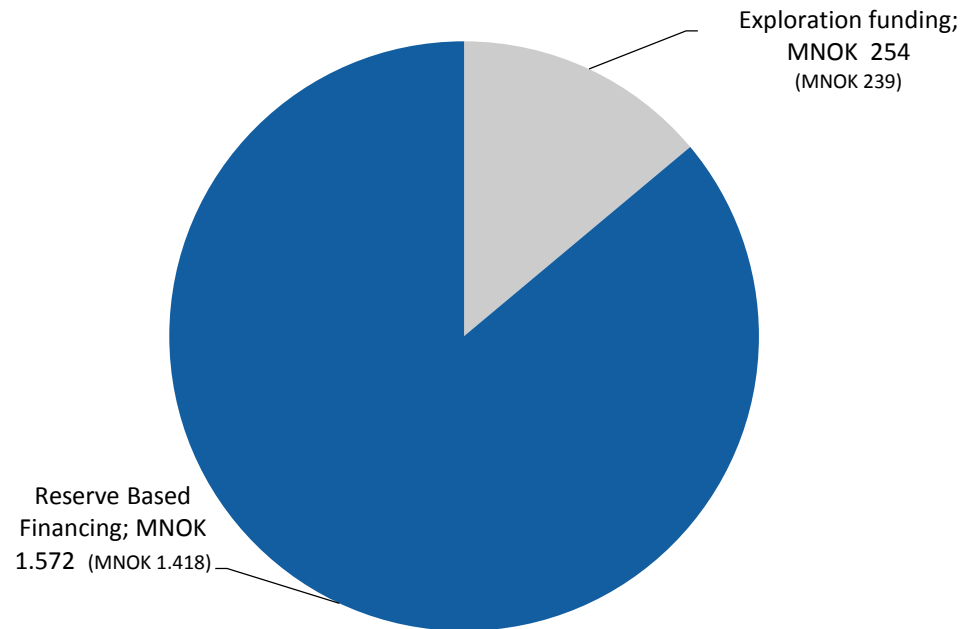
- EAD NOK 0,2 billion
- Average weighted probability of default 0.8%
- Secured by a tax refund from the Norwegian State. No direct oil price risk

Reserve based lending (RBL)

- EAD NOK 1.6 billion
- Average weighted probability of default 1.8%
- 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 1.6 billion, 0.9% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 1.7%
- Exposure primarily to companies with activities on the Norwegian continental shelf



EAD: Exposure at default
Figures as at 31.03.2017. Figures in parentheses as at 31.12.2016.

Offshore - total NOK 9.5 billion (NOK 9.8 billion as at 31.12.2016)

Offshore Service Vessels

- EAD NOK 6.7 billion, average weighted probability of default is 2.1%, weighted average age is 8.5 years, average weighted contract coverage for 2017 and 2018 of 56% and 35% respectively, average weighted LTV 88%, 96 vessels

Rigs

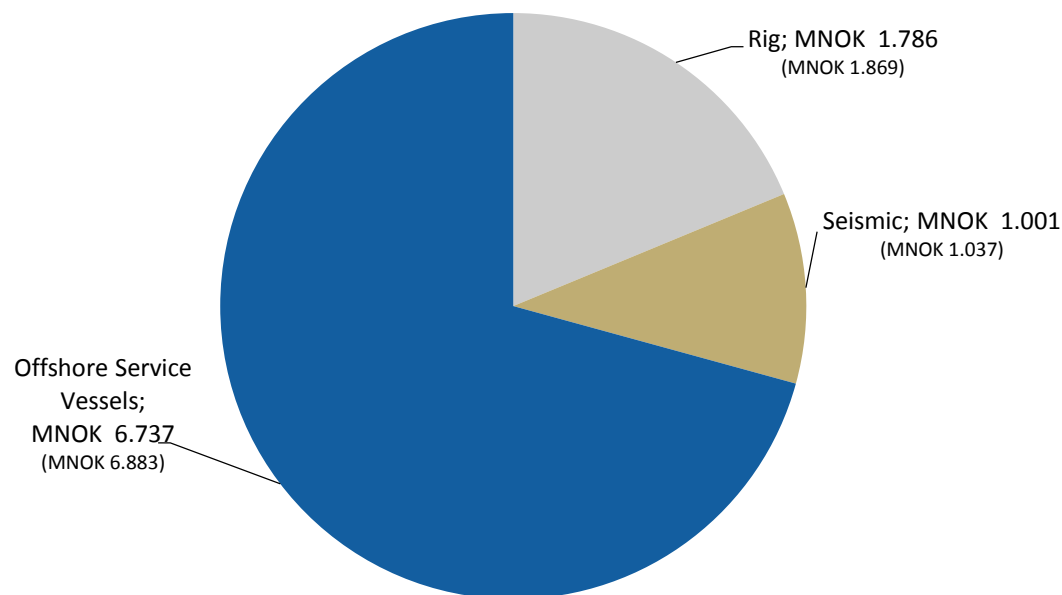
- EAD NOK 1.8 billion, average weighted probability of default is 1.7%, weighted average age is 9.3 years, average weighted contract coverage for 2017 and 2018 of 65% and 47% respectively, average weighted LTV 82%, 17 rigs

Seismic vessels

- EAD NOK 1.0 billion, average weighted probability of default is 1.4%, weighted average age is 13.2 years, average weighted contract coverage for 2017 and 2018 of 67% and 60% respectively, average weighted LTV 113%, 7 vessels
- Applies to ship financing, not seismic equipment

Offshore

- EAD NOK 9.5 billion, 4.7% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 1.9%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



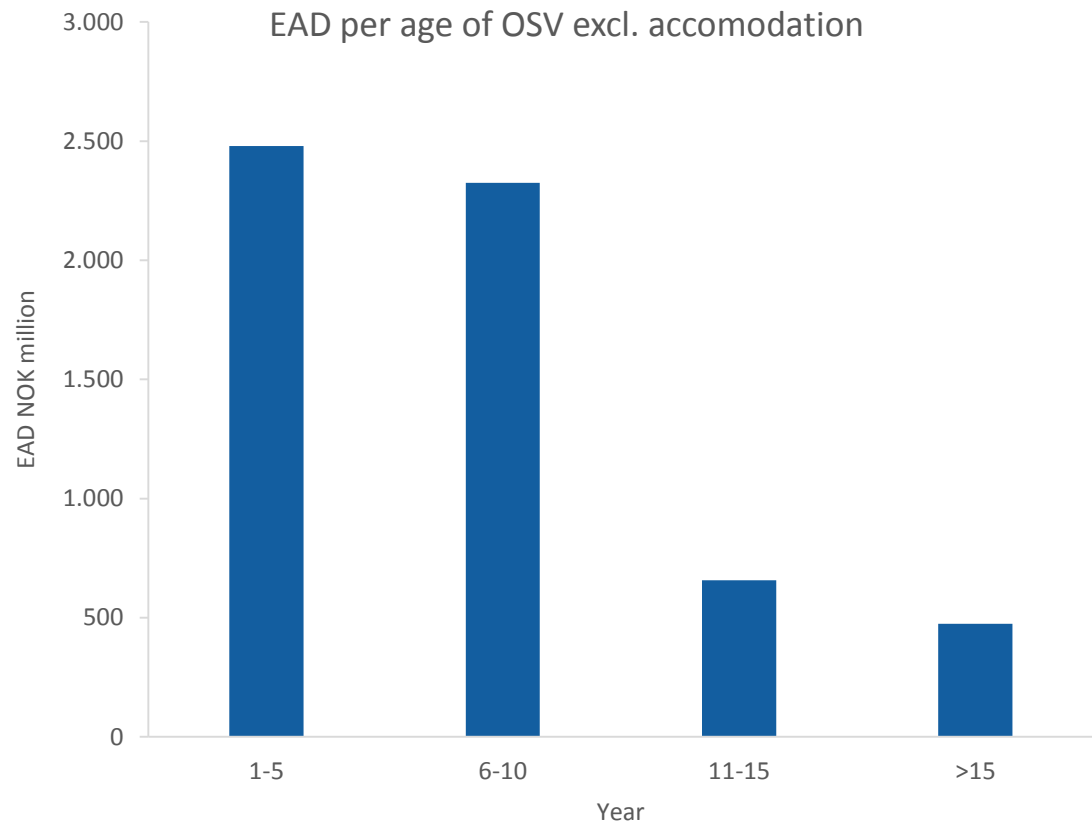
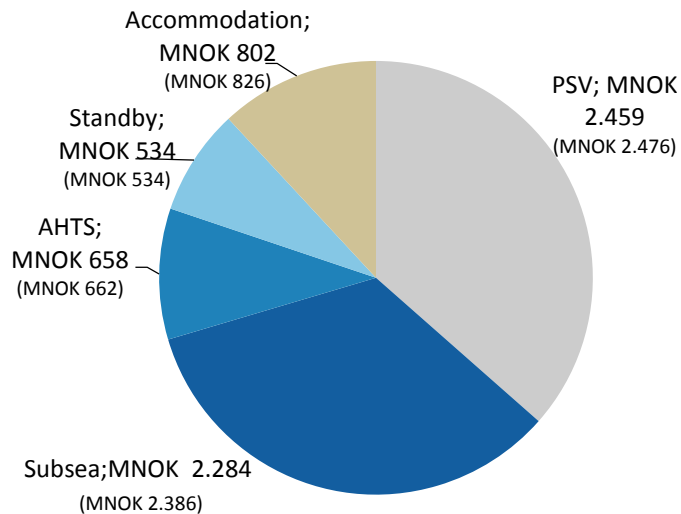
EAD: Exposure at default
Figures as at 31.03.2017. Figures in parentheses as at 31.12.2016.
LTV: Loan to Value. Value estimates per 31.12.2016

Offshore Service Vessels - total NOK 6.7 billion

(NOK 6.9 billion as at 31.12.2016)

Offshore Service Vessels

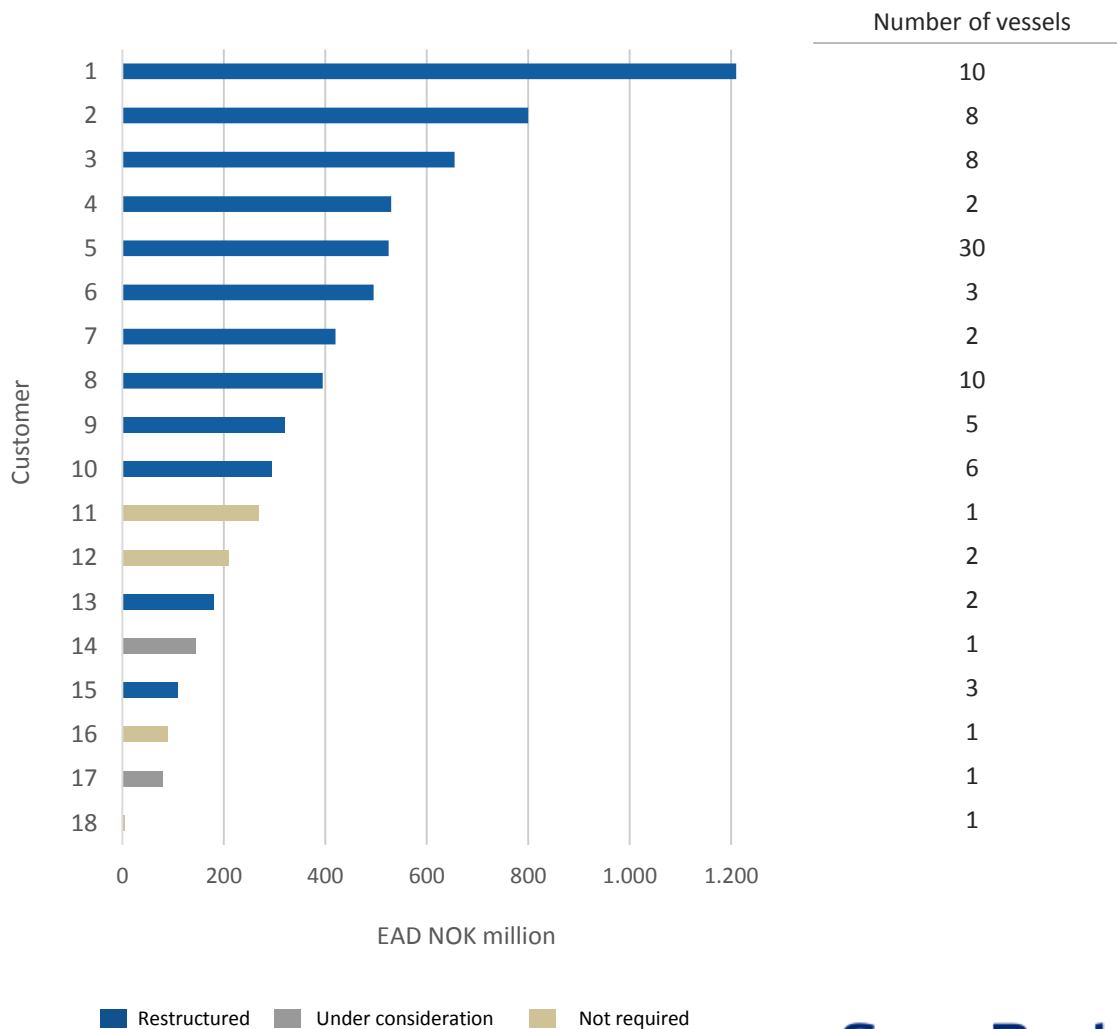
- Most customers with long history as a borrower in SpareBank 1 SR-Bank
- Most of the companies are listed on stock exchange or family owned
- A major part is industrially focused companies, only a small number of financially oriented owners



EAD: Exposure at default
 Figures as at 31.03.2017. Figures in parentheses as at 31.12.2016.

Offshore Service Vessels – largest customer group

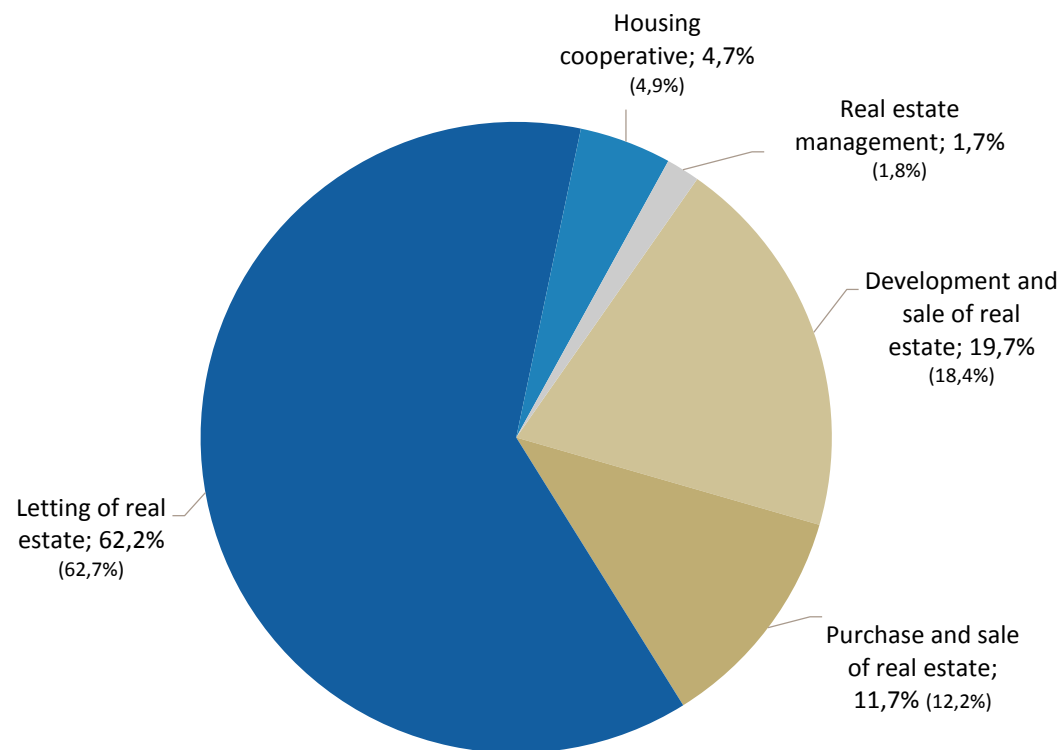
- Well diversified portfolio. One commitment of NOK 1.2 billion, rest of NOK 810 million or lower
- Total EAD for the portfolio is NOK 6.7 billion of which;
 - NOK 5.9 billion consists of 12 restructured commitments
 - NOK 0.2 billion consists of 2 commitments under consideration
 - NOK 0.6 billion consists of 4 commitments where it is not required
- Financing of 96 vessels, all with 1. priority pledge



Lending to commercial property

Lending to commercial property

- NOK 27.6 billion, 15.1 % 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 31.03.2016.

SRBANK's activities



Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years : 30

Retail Market

Number of man-years : 481

Corporate Market

Number of man-years : 170

Administration & Support

Number of man-years : 208

Fully owned companies



Number of man-years : 200

Key areas:

- Leading real estate broker



Number of man-years : 11

Key areas:

- Asset management



Number of man-years : 87

Key areas:

- Accounting
- Advisory



Subsidiary of SpareBank 1 SR-Bank

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
(13,9%)

Covered bond company (mortgages)

SpareBank 1 Næringskreditt AS
(21,9%)

Covered bond company (commercial real estate)

SpareBank 1 Kredittkort
(17,9%)

Credit card company located in Trondheim

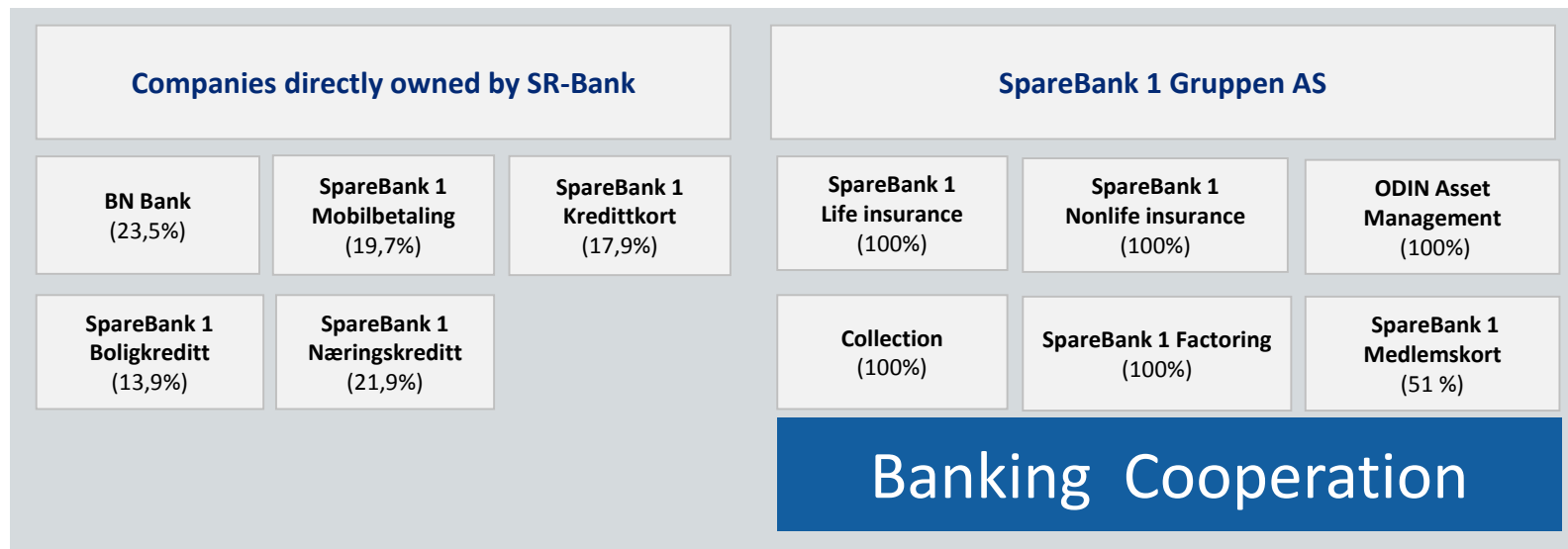
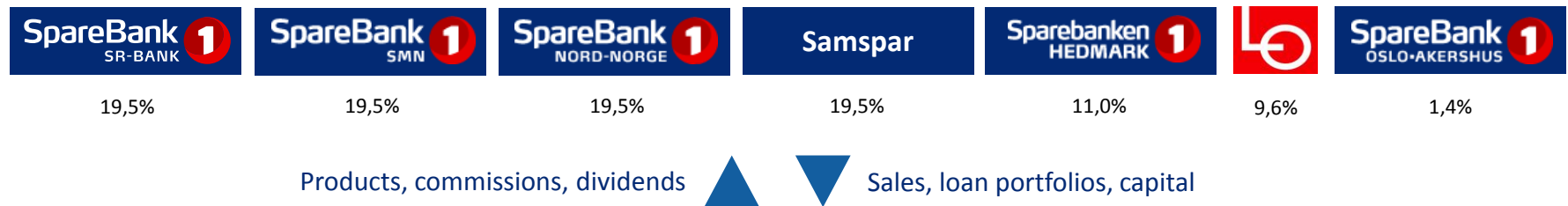
SpareBank 1 Mobilbetaling
(19,7%)

The company behind mCASH (mobilepay)

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



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 2017. The longer term target is a minimum of 12%.
- 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

Balance sheet

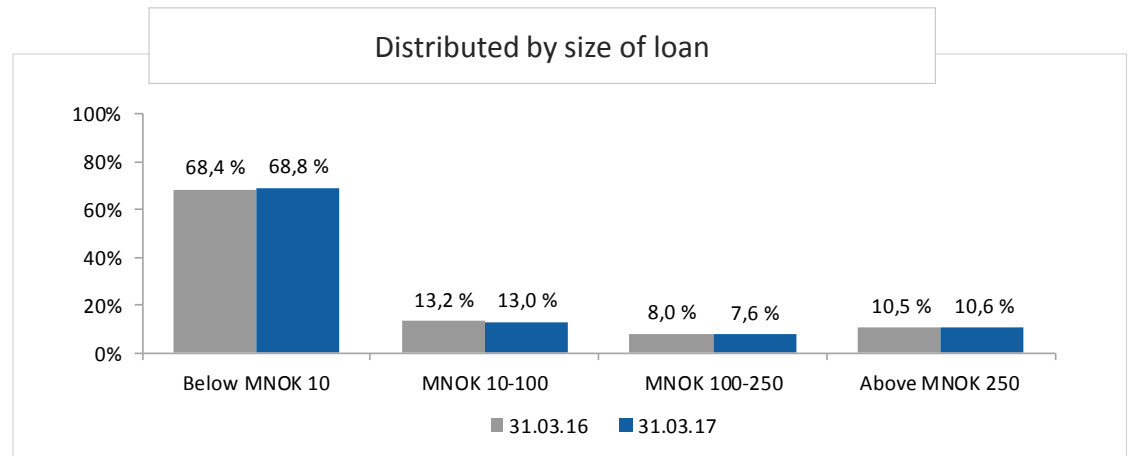
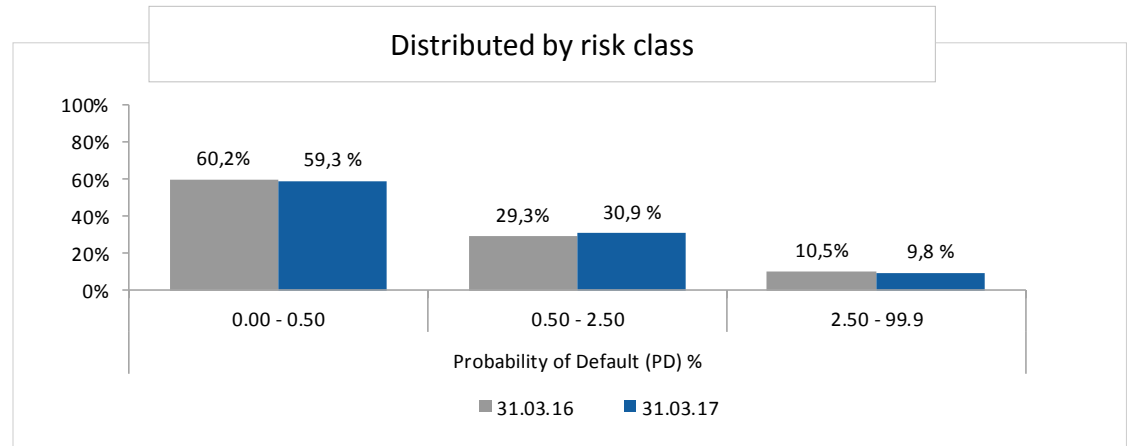
<i>Balance sheet (MNOK)</i>	31.03.2017	31.03.2016
Cash and balances with central banks	965	1.497
Balances with credit institutions	7.148	5.059
Net loans to customers	158.628	154.221
Certificates, bonds and other fixed-income securities	22.078	20.963
Financial derivatives	4.329	5.403
Shares, ownership stakes and other securities	623	428
Business available for sale	22	162
Investment in associates	4.537	5.017
Other	1.852	2.013
Total assets	200.182	194.763
Balances with credit institutions	2.847	4.174
Deposits from customers	93.125	87.023
Listed debt securities	77.946	75.737
Financial derivatives	2.623	3.064
Other liabilities	2.338	4.160
Additional Tier 1 and Tier 2 capital instruments	2.671	3.310
Total liabilities	181.550	177.468
Total equity	18.632	17.295
Total liabilities and equity	200.182	194.763

Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio.
- 1 January 2017, SpareBank 1 SR-Bank and its wholly owned subsidiary, SpareBank 1 SR-Finans carried out a parent/subsidiary merger. Q1 2017 is the first period of public reporting of the merged portfolios.
- 59.3% of the bank's loan exposure has a PD* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 68.8% of total loan portfolio.
- Single loan exposures above NOK 250 million is 10.6% of total loan portfolio.

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

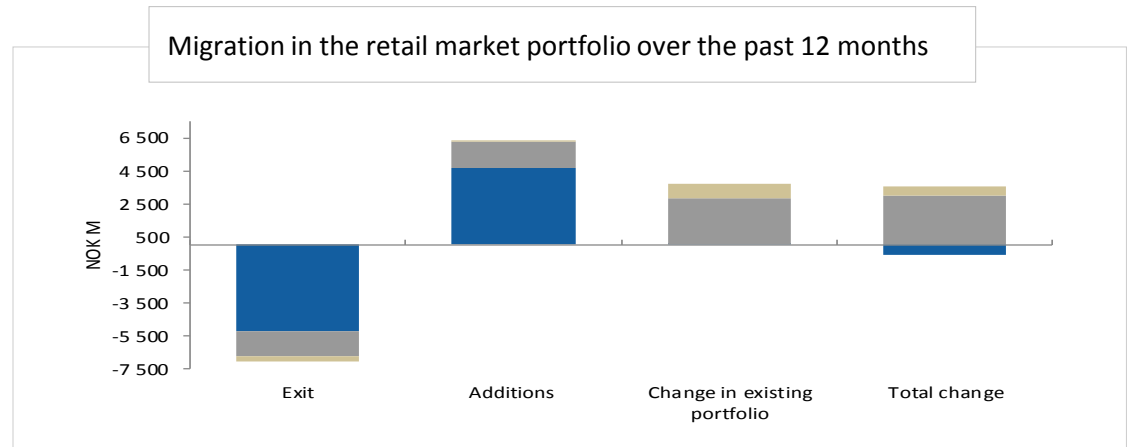
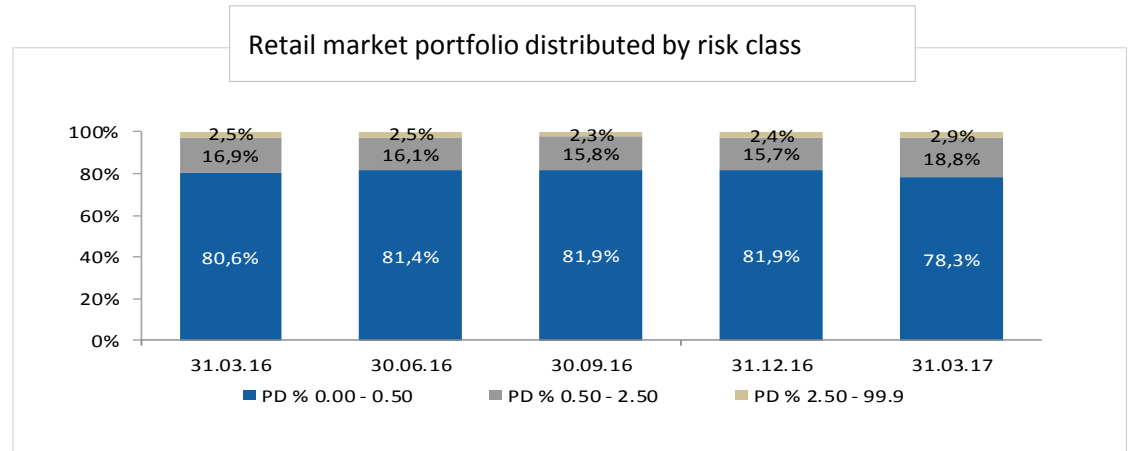
The figures include the loan portfolio in the covered bond companies (SpareBank 1 Næringskreditt AS, SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).



Risk profile – Lending to the retail market

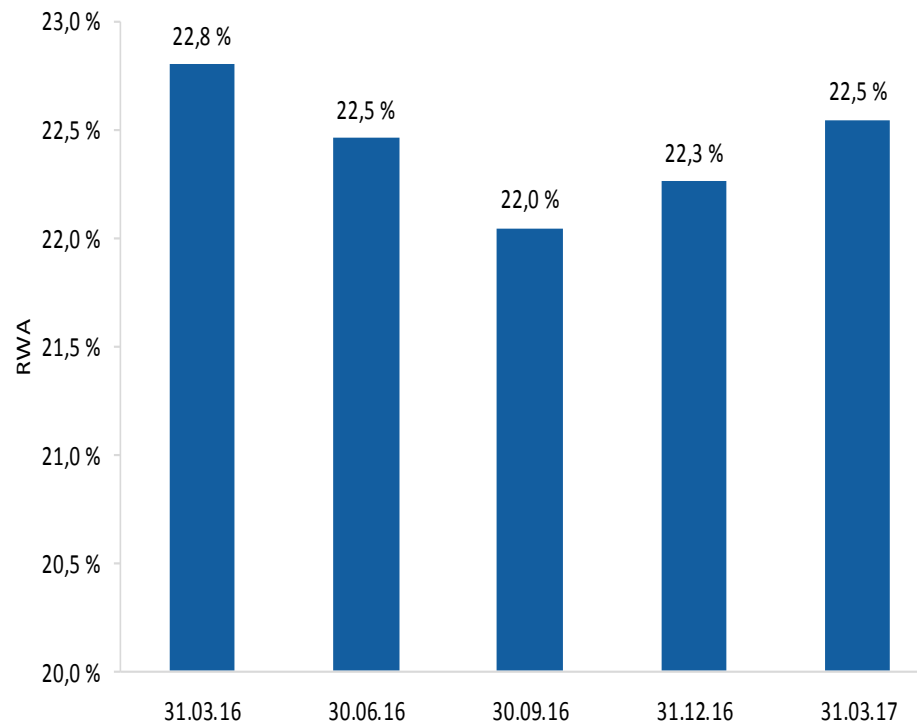
- *The quality of the retail market portfolio is considered to be good and has low potential losses.*
- *The proportion of loans with a PD* below 0.5% is 78.3% of the total retail portfolio. It has decreased last quarter due to merged portfolio from SpareBank 1 SR-Finans consists of object and consumer finance, which has a higher risk than the bank's portfolio of lending secured by real estate.*
- *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.



RWA home mortgages

- *RWA on home mortgages reflects a solid and stable portfolio.*



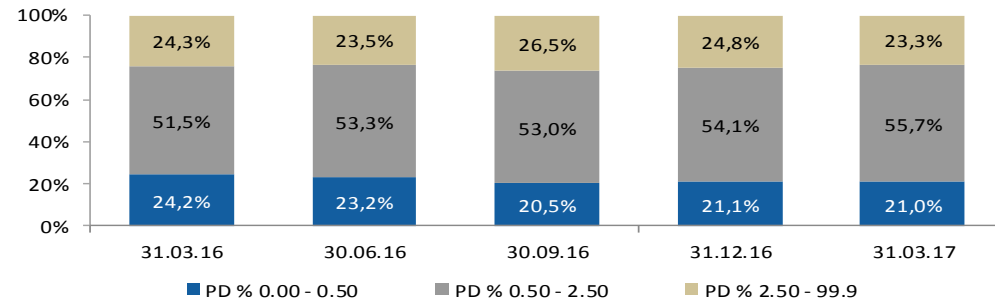
Home mortgages as defined in the Norwegian IRB framework; residential property must make up at least 30 % of a loan's security.

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

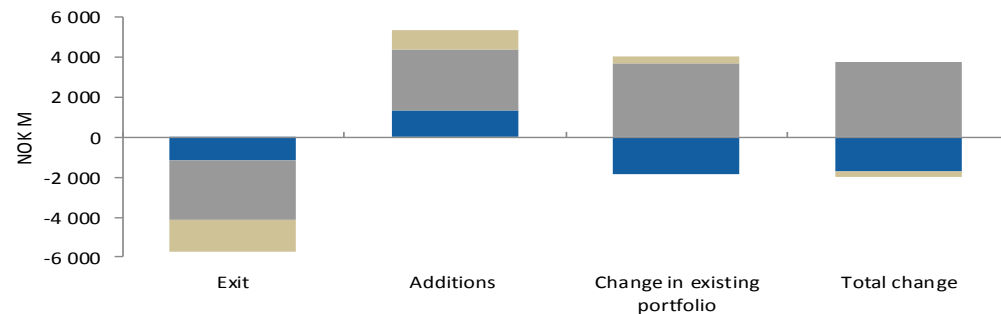
Risk profile - Corporate lending

- *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.*
- *Merged corporate lending portfolio from SpareBank 1 SR-Finans from 1 January 2017 primarily consists of leasing, and have approximately the same risk profile as the bank's portfolio.*
- *The share of customers with PD* below 0.5% is at 21.0 %.*
- *Despite the regional economic downturn, the quality of the corporate market portfolio is maintained over the past 12 months.*

Corporate lending portfolio distributed by risk class



Migration in the corporate lending portfolio over the past 12 months

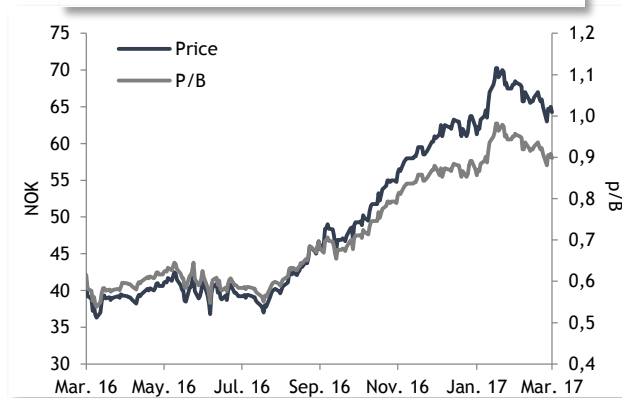


*Probability of default (PD) through a full cycle of loss.

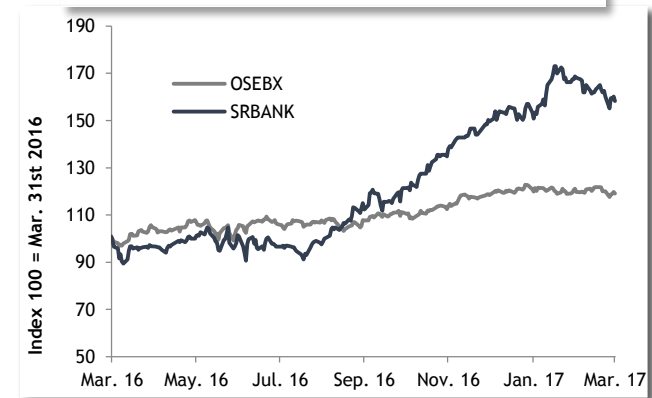
SRBANK

- *International ownership is 22.5% per 1. quarter 2017.*
- *Total market value at 1. quarter 2017 is NOK 16,4 billion.*

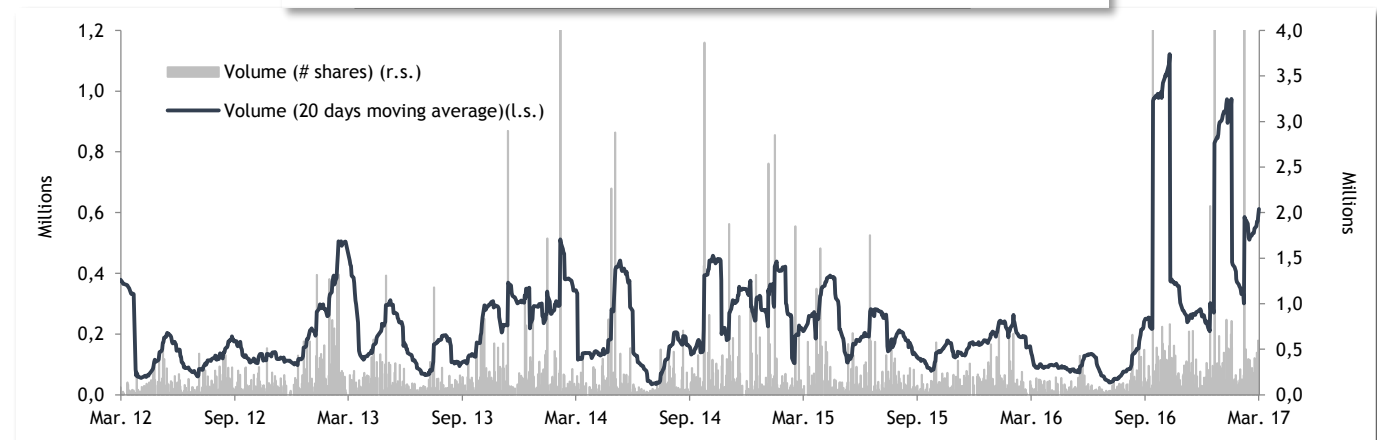
Development in Price/Book



Relative share price development



Trading volume development Q1 2012 – Q1 2017



20 largest shareholders as at March 2017

- *Ownership interests:*
 - *From Rogaland, Agder-counties and Hordaland: 46.7%*
 - *International: 22.5%*
 - *10 largest: 45.4%*
 - *20 largest: 53.1%*
- *Number of shareholders: 10 726 (10 129)*
- *Employees owning: 1,7%*

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
State Street Bank and Trust Co, U.S.A.	Nominee	7.804.809	3,1%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Vpf Nordea Norge Verdi		6.057.547	2,4%
Folketrygdfondet		5.274.979	2,1%
Verdipapirfondet DNB Norge (IV)		4.725.767	1,8%
Odin Norge		4.270.982	1,7%
Danske Invest Norske Instit. II		3.595.310	1,4%
State Street Bank and Trust Co, U.S.A.	Nominee	2.925.239	1,1%
Pareto Aksje Norge		2.815.036	1,1%
Clipper AS		2.565.000	1,0%
Gjensidige Forsikring ASA		2.308.416	0,9%
State Street Bank and Trust Co, U.S.A.	Nominee	2.250.903	0,9%
JPMorgan Chase Bank, U.S.A.	Nominee	1.879.751	0,7%
Verdipapirfondet Alfred Berg Gambak		1.833.914	0,7%
KAS Bank NV, Nederland	Nominee	1.804.586	0,7%
Danske Invest Norske Aksjer Inst.		1.787.194	0,7%
Swedbank Generator		1.737.660	0,7%
State Street Bank and Trust Co, U.S.A.	Nominee	1.733.730	0,7%
Vpf Nordea Norge Avkastning		1.664.410	0,7%
<hr/>			
Top 5		97.783.223	38,2%
Top 10		116.115.557	45,4%
Top 20		135.681.121	53,1%

SRBANK as at March 2017

- *Trading volume in Q1 2017: 15.1% (4.6%)*

	31.03.2017	2016	2015	2014	2013	2012
Share price	64,25	60,75	39,30	52,50	60,25	37,20
Stock value (MNOK)	16.432	15.537	10.051	13.427	15.409	9.514
Book value per share, NOK (group)	72,91	71,54	66,14	60,28	55,00	49,48
Earnings per share	1,58	6,87	6,83	8,20	7,28	5,33
Dividend per share	n.a	2,25	1,50	2,00	1,60	1,50
P/E	10,17	8,84	5,75	6,40	8,28	6,99
P/BV (group)	0,88	0,85	0,59	0,87	1,10	0,75

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