

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

Rogaland

Population	475.000
Market share	35%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	2.6%

Hordaland

Population	524.000
Market share	6%
Year of establishment	2006
Market strategy	Growth
Unemployment rate	2.6%

Agder

Population	304.000
Market share	8%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	2.4%

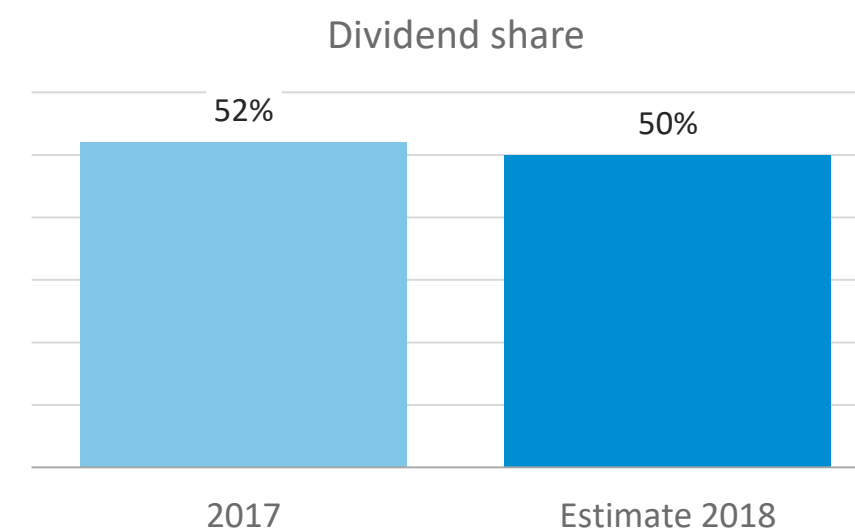
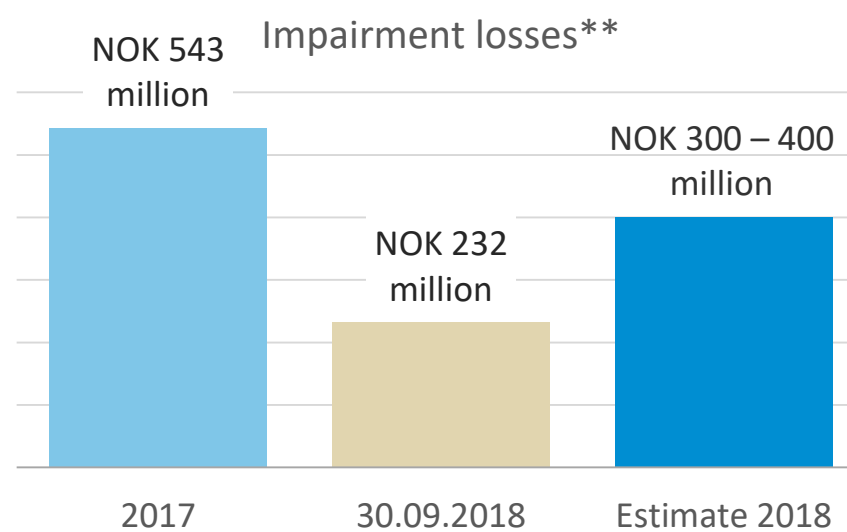
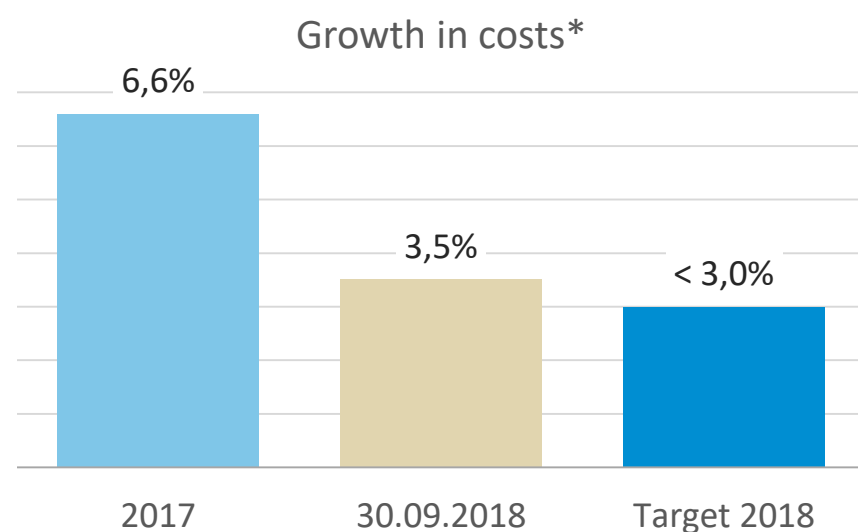
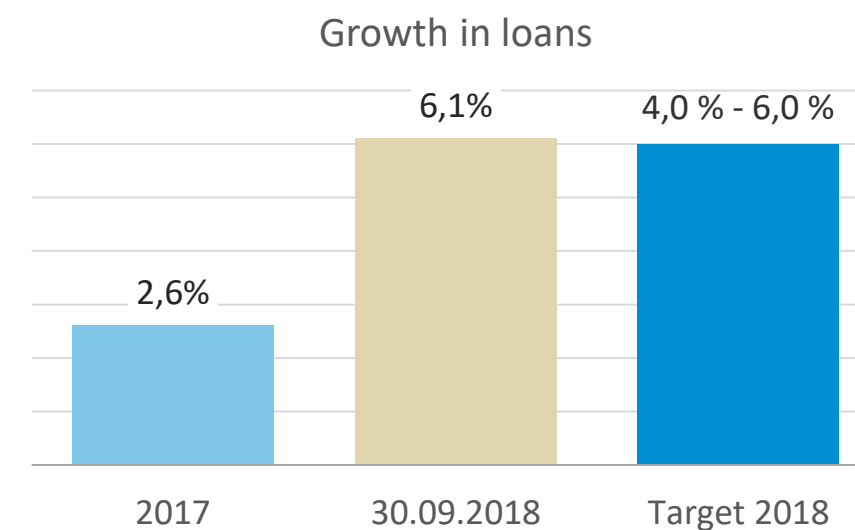
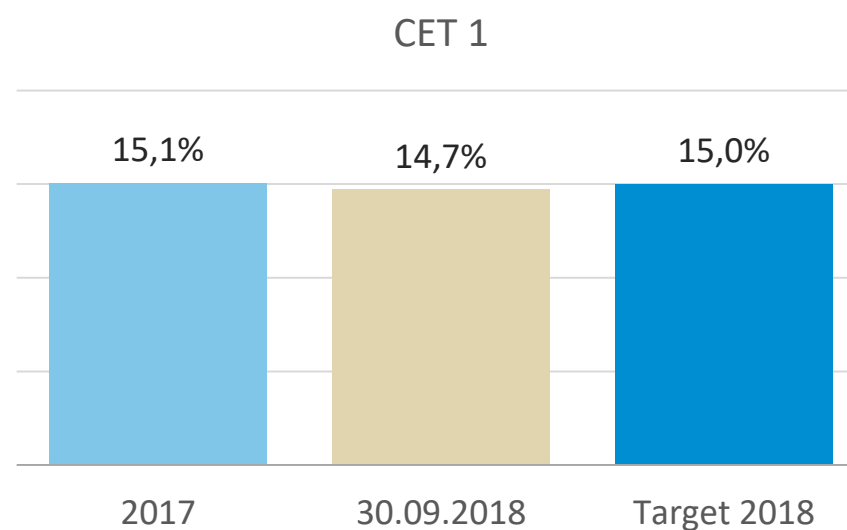
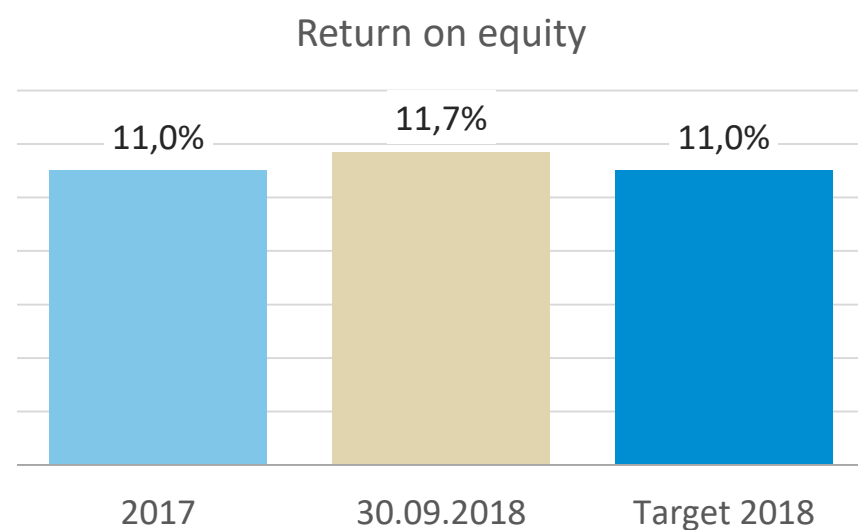


Source: Nav, SSB and SpareBank 1 SR-Bank
Unemployment rate as at September 2018

A strong result marked by good operations, increased activity and lower losses

- Pre-tax profit for the quarter is NOK 794 million compared to NOK 750 million last year
 - Return on equity after tax 12.6%
- Pre-tax profit year-to-date is NOK 2.216 million compared to NOK 1.910 million last year
 - Return on equity after tax 11.7%
- Impairment losses on loans is NOK 232 million compared to NOK 423 million last year
 - 0.16% of gross lending including covered bond companies as at 30 September 2018
- 12 months lending growth of 6.1%
 - Risk-weighted assets (RWA) is increased by 6.1% the last 12 months
- 12 months deposits growth of 1.7%
- 12 months costs growth of 3.5%
 - Growth in costs last 12 months of NOK 56 million due to increased activity in several areas
- Common equity tier 1 capital ratio is 14.7% compared to 14.8% last year

Financial targets and estimates for 2018

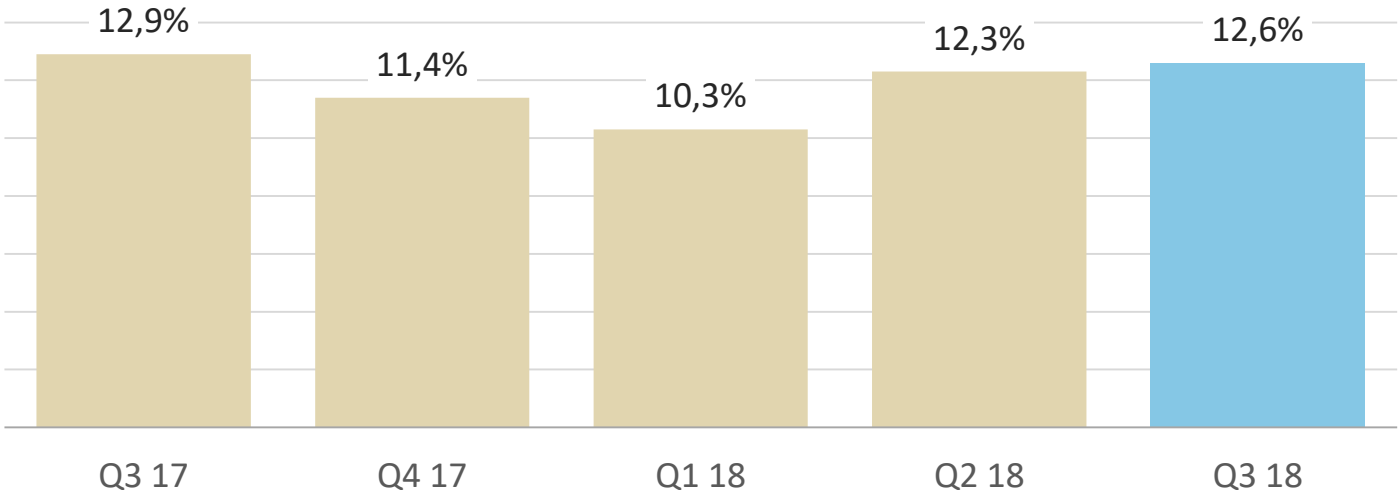


*Nominal cost growth

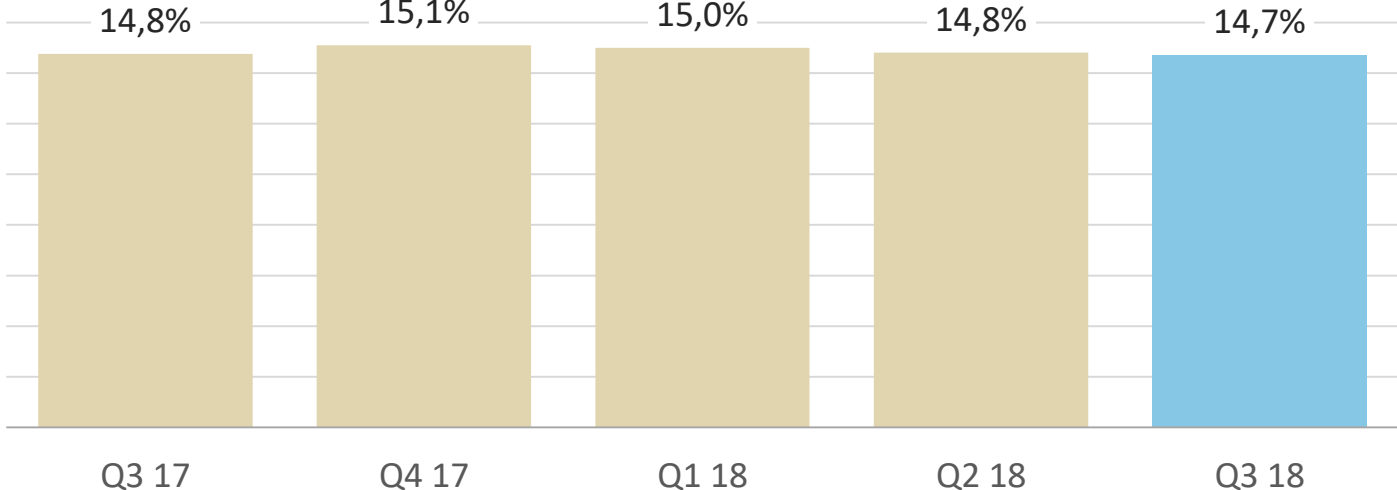
**Estimate of impairment losses in 2018 are adjusted from MNOK 400 - 500 to MNOK 300 - 400 per 30.06.2018.

Key figures – quarterly development

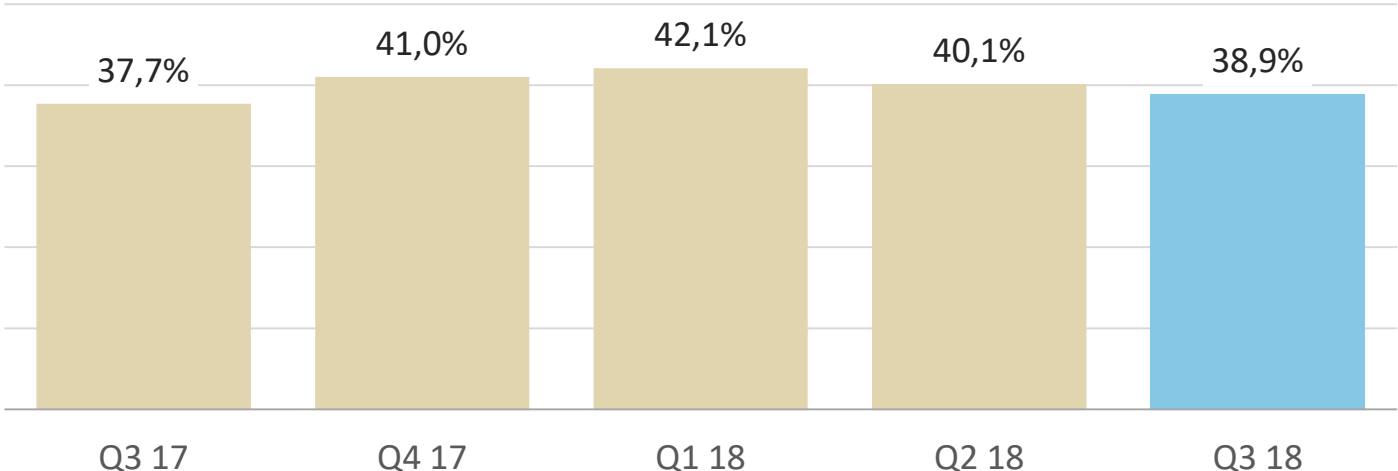
Return on equity



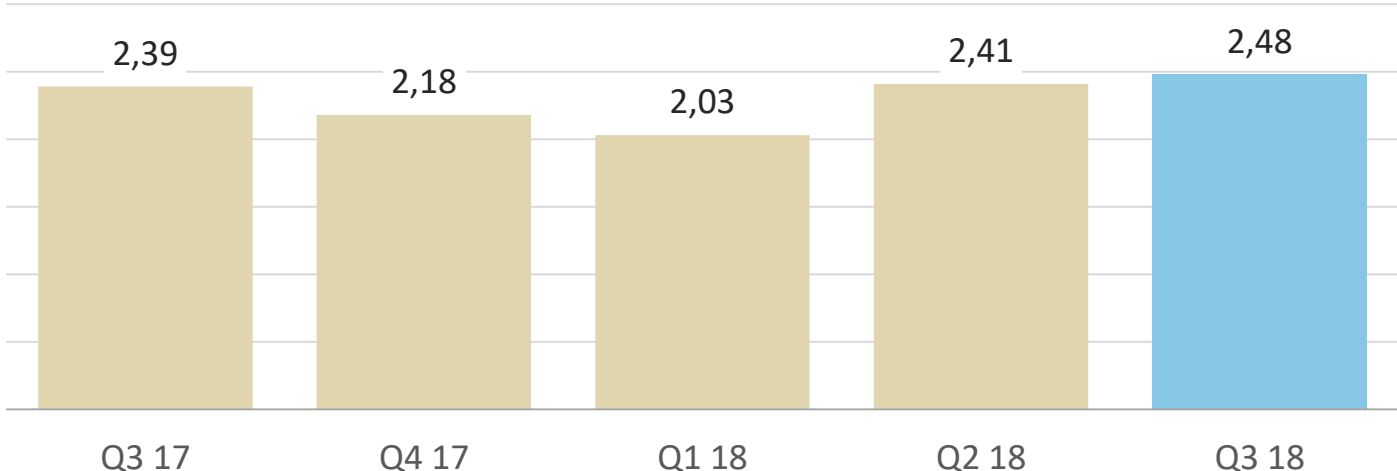
CET 1



Cost ratio



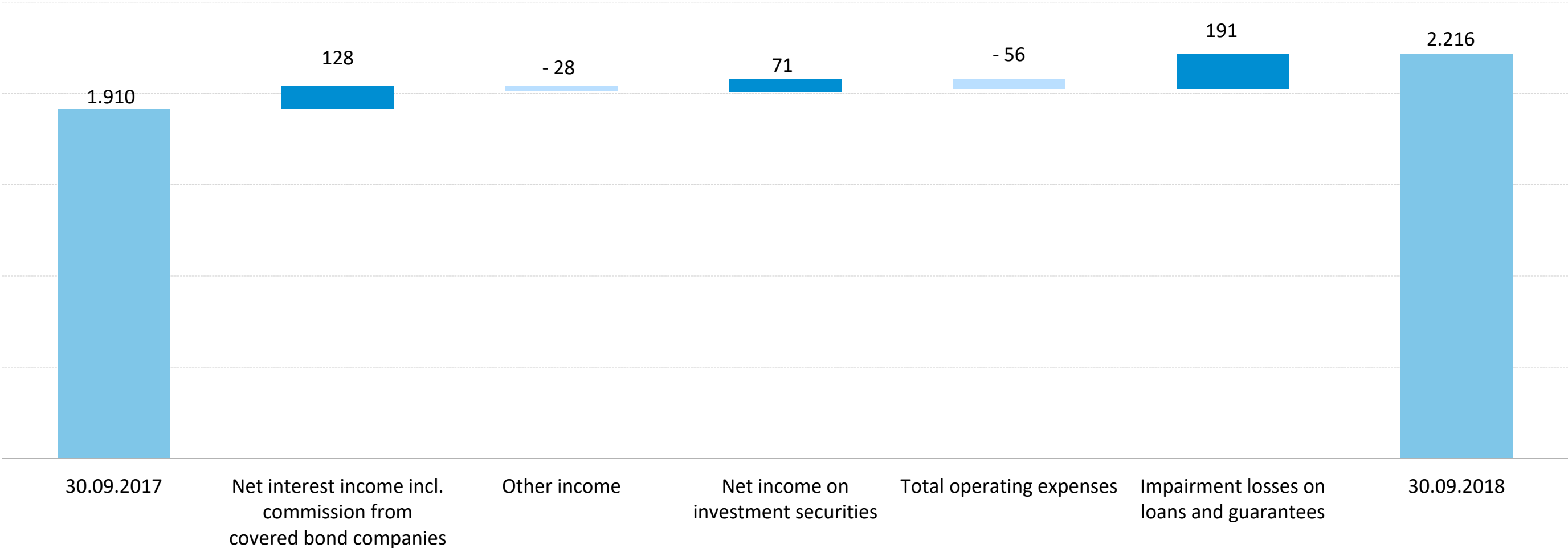
Earnings per share



Income statement

Group Income Statement (MNOK)	30.09.2018	30.09.2017	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Net interest income	2.513	2.343	871	842	800	819	820
Net commission and other income	1.087	1.157	349	370	368	367	386
Net income on investment securities	501	430	175	213	113	204	198
Total income	4.101	3.930	1.395	1.425	1.281	1.390	1.404
Total operating expenses	1.653	1.597	542	572	539	570	530
Operating profit before losses	2.448	2.333	853	853	742	820	874
Impairment losses on loans and guarantees	232	423	59	99	74	120	124
Operating profit before tax	2.216	1.910	794	754	668	700	750
Tax expense	447	383	160	137	150	141	140
Net profit	1.769	1.527	634	617	518	559	610

Change in profit 30.09.2017 – 30.09.2018

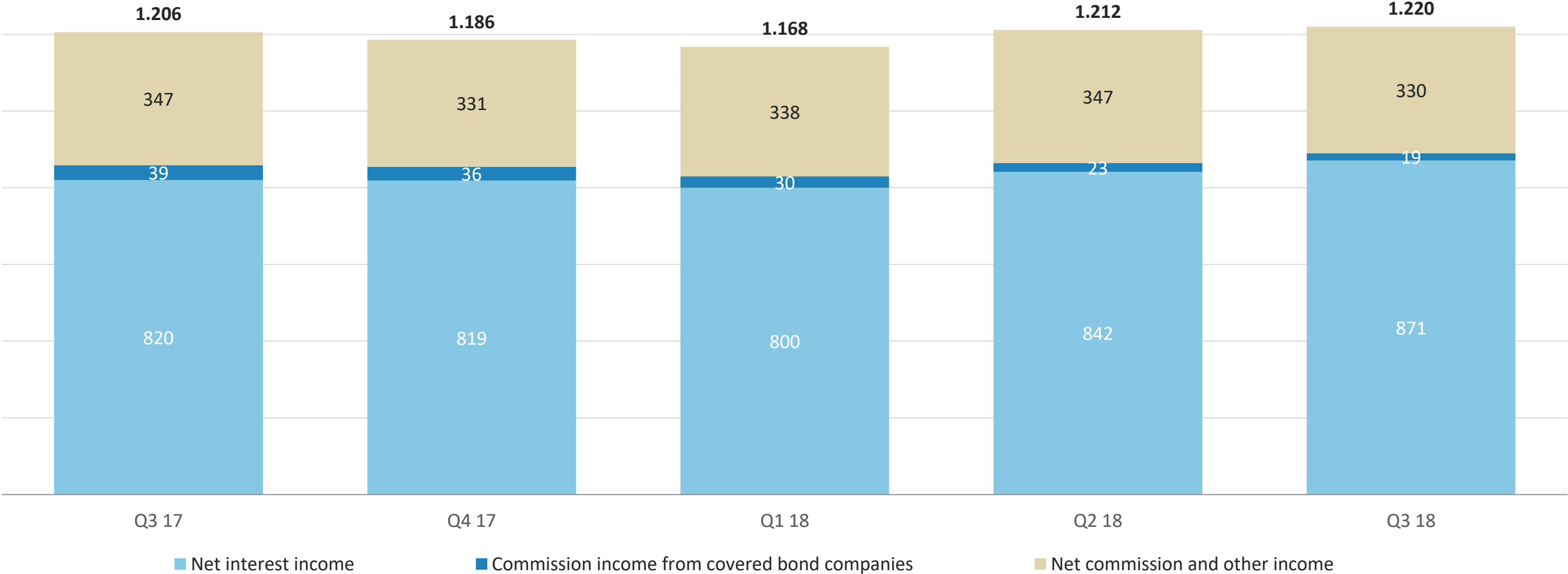


Key figures

	30.09.2018	30.09.2017	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Return on equity after tax (%)	11,7	10,9	12,6	12,3	10,3	11,4	12,9
Net interest margin (%)	1,52	1,53	1,53	1,52	1,50	1,50	1,54
Impairment losses on loans and guarantees in % of gross loans incl. covered bond companies	0,16	0,31	0,12	0,21	0,16	0,26	0,27
Loans in Stage 3 in % of gross loans incl. covered bond companies*	1,30	1,18	1,30	1,40	0,95	1,13	1,18
Cost to Income ratio	40,3	40,6	38,9	40,1	42,1	41,0	37,7
Annual growth in loans to customers, gross incl. covered bond companies (%)	6,1	1,2	6,1	5,0	3,1	2,6	1,2
Annual growth in deposits from customers (%)	1,7	13,0	1,7	6,1	7,0	11,0	13,0
Total assets (BNOK)	226,0	215,3	226,0	224,0	217,4	216,6	215,3
Portfolio of loans in covered bond companies (BNOK)	13,4	18,0	13,4	14,6	14,6	14,6	18,0
Risk weighted assets (BNOK)	129,2	121,8	129,2	126,8	122,8	120,2	121,8
Liquidity Coverage Ratio (LCR) (%)	151	212	151	157	177	168	212
Earnings per share (NOK)	6,92	5,98	2,48	2,41	2,03	2,18	2,39
Book value per share (NOK)	80,02	75,07	80,02	77,28	79,24	77,24	75,07

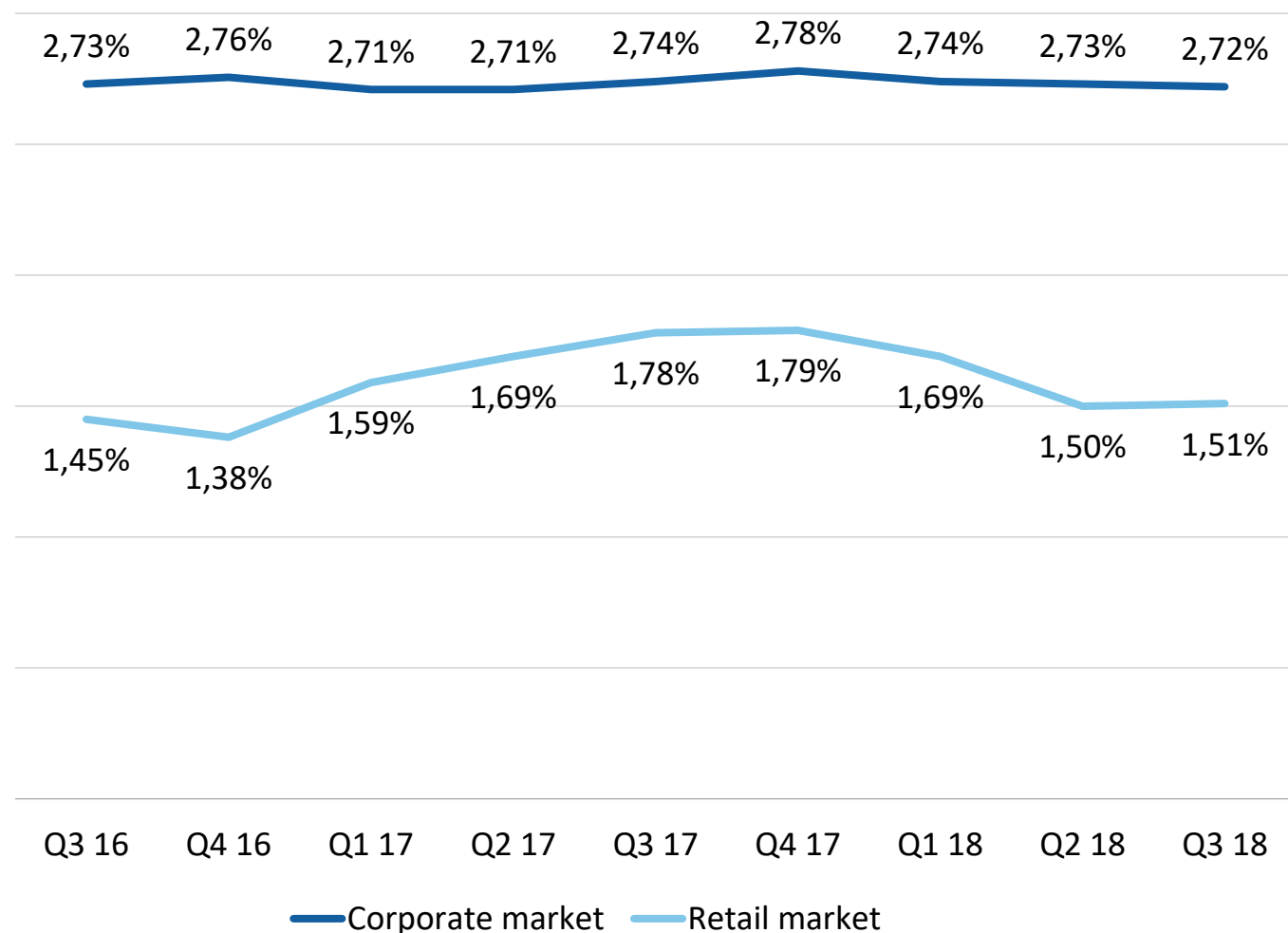
*IFRS 9 has replaced IAS 39 as of 1 January 2018. Figures before 1 January 2018 is total non-performing and impaired loans according to IAS 39 in % of gross loans incl. covered bond companies. Loans in Stage 3 are loans with a significant increase in credit risk since being granted and have objective evidence of a loss on the balance sheet date.

Consolidated income profile

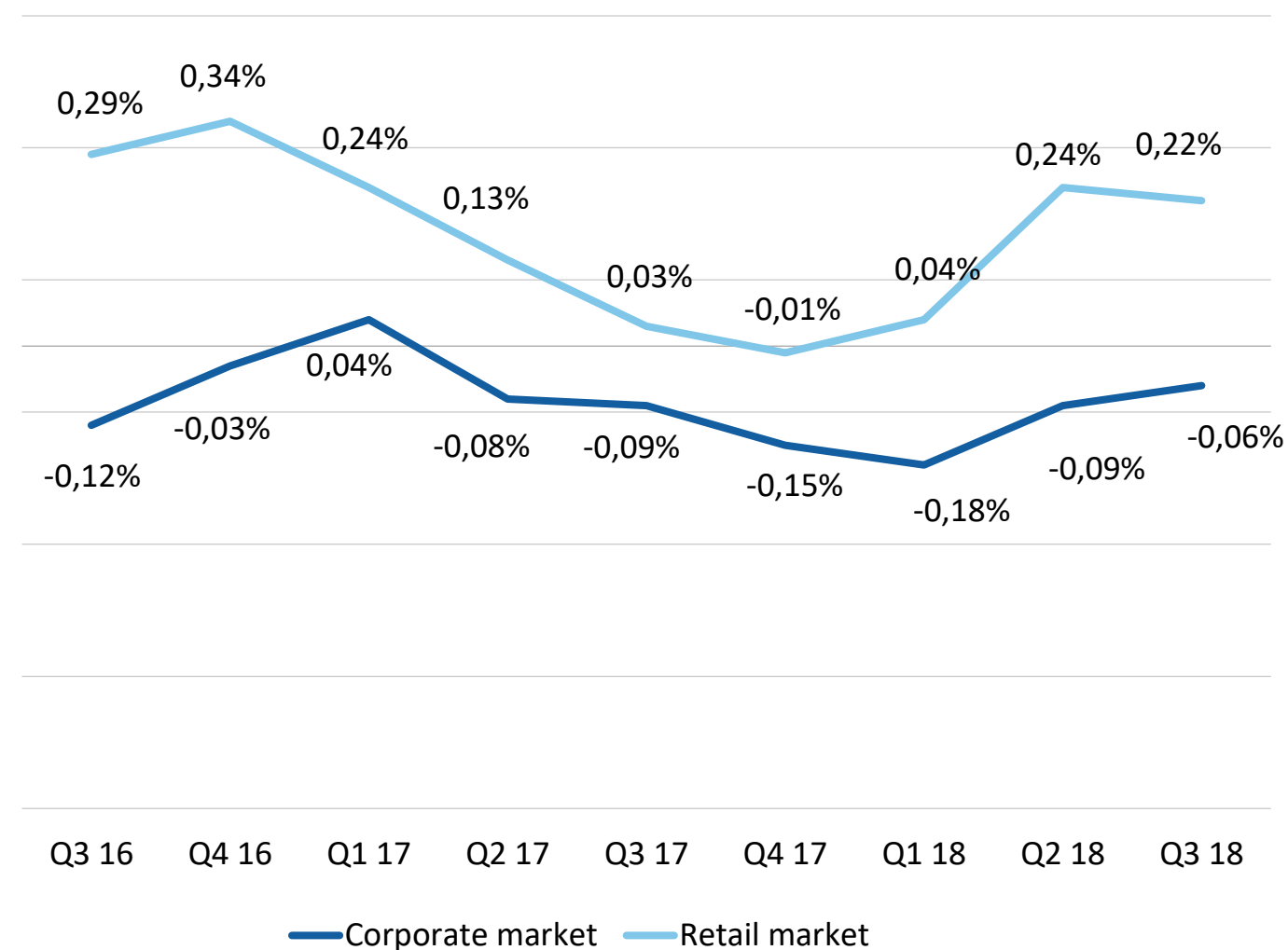


Lending and deposit margins

Lending margins*



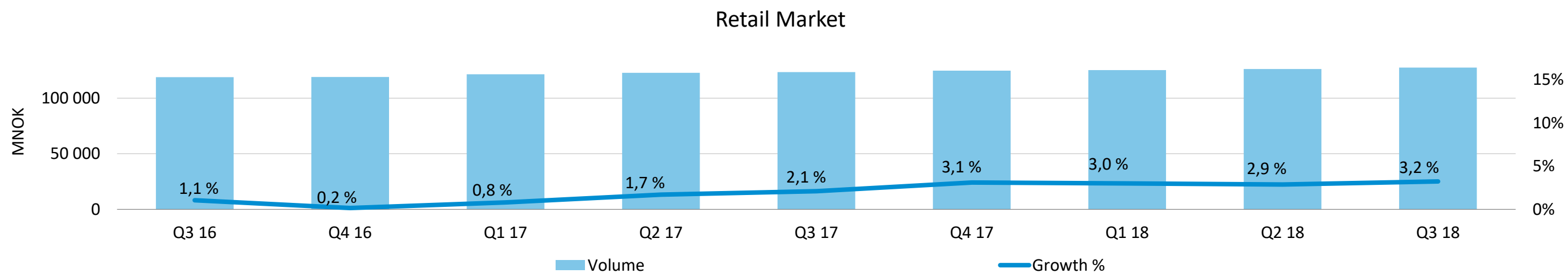
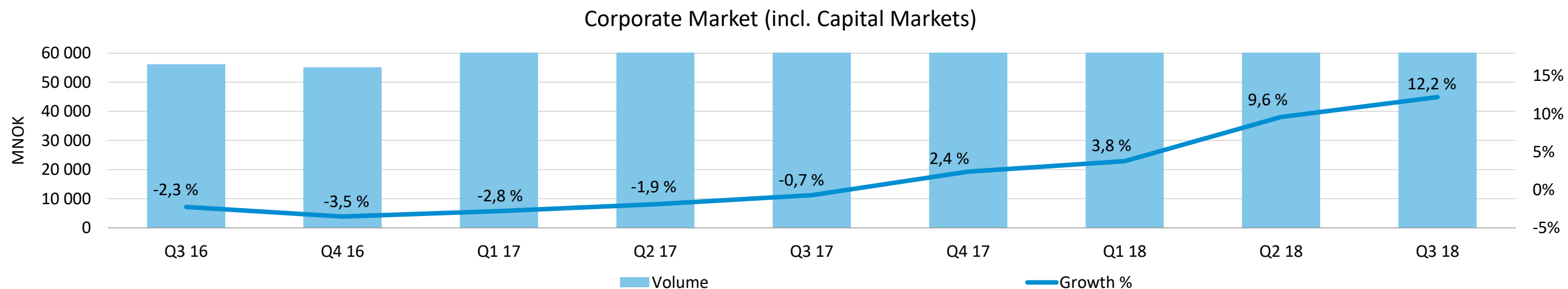
Deposit margins



*SpareBank 1 SR-Finans AS was merged into SpareBank 1 SR-Bank from 1 January 2017. The figures (lending margins) are therefore not entirely comparable. Lending margins for the corporate market also changed in 2017 compared with what was previously reported due to the internal correction of net interest income.

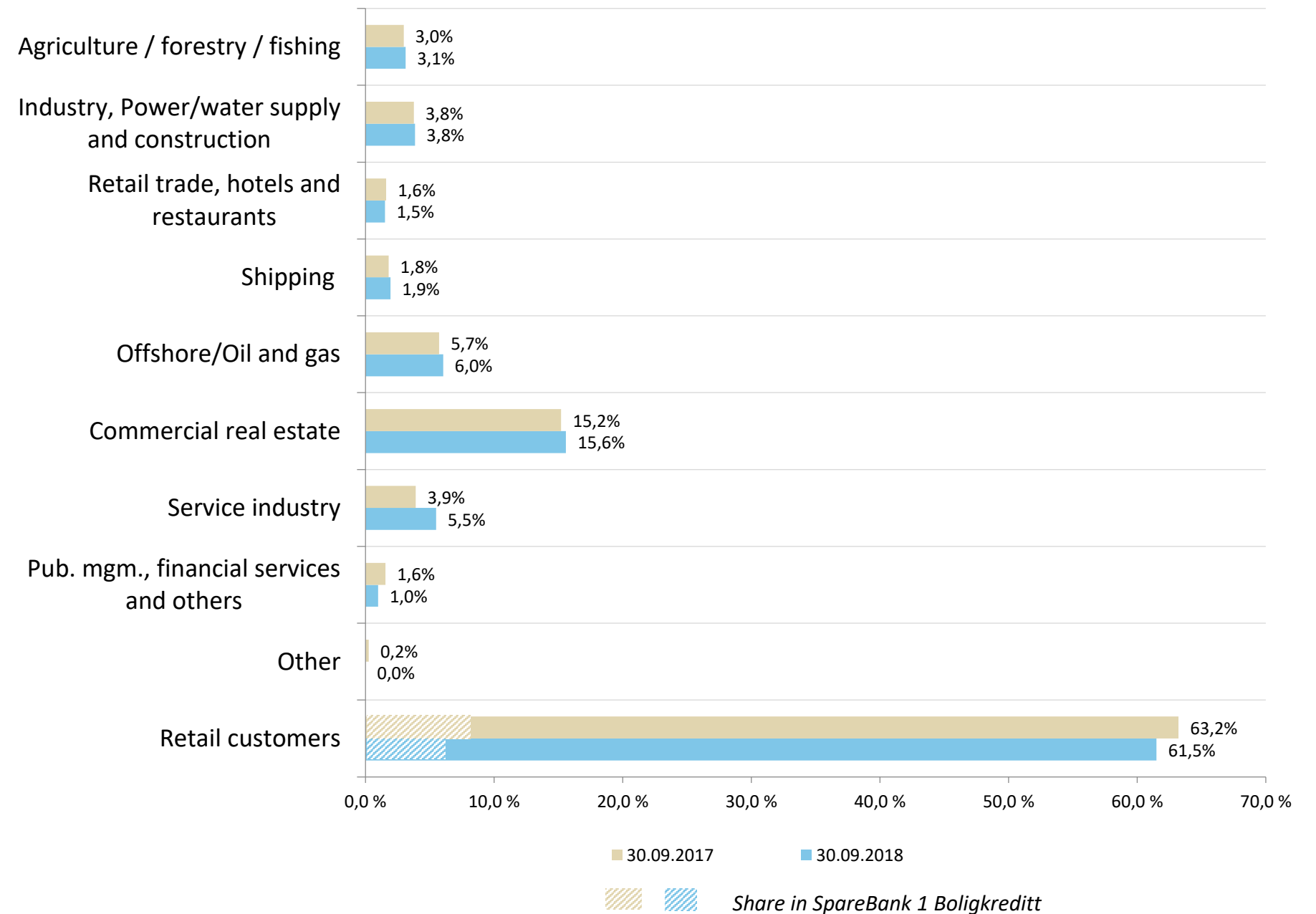
Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies

Lending volume and 12 months growth



Loan portfolio as at 30.09.2018

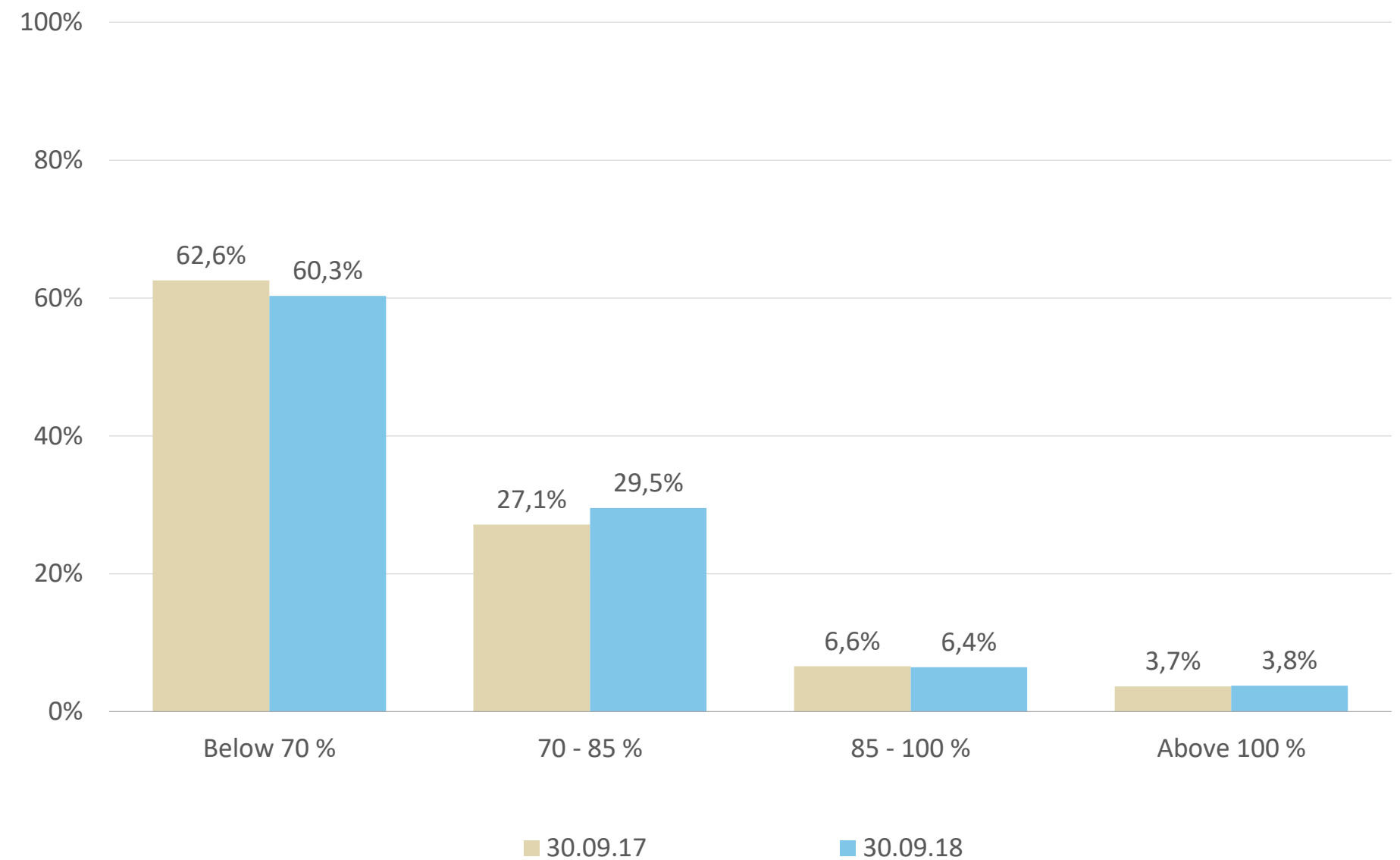
- Gross loans (incl. covered bond companies) as at 30 September 2018 amount to NOK 196.4 billion compared with NOK 185.2 billion at the same time the year before.
- 12-month growth in loans of 6.1%.
- Loans to retail customers (incl. covered bond company) account for 61.5% of total loans, of which 6.8%-points 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

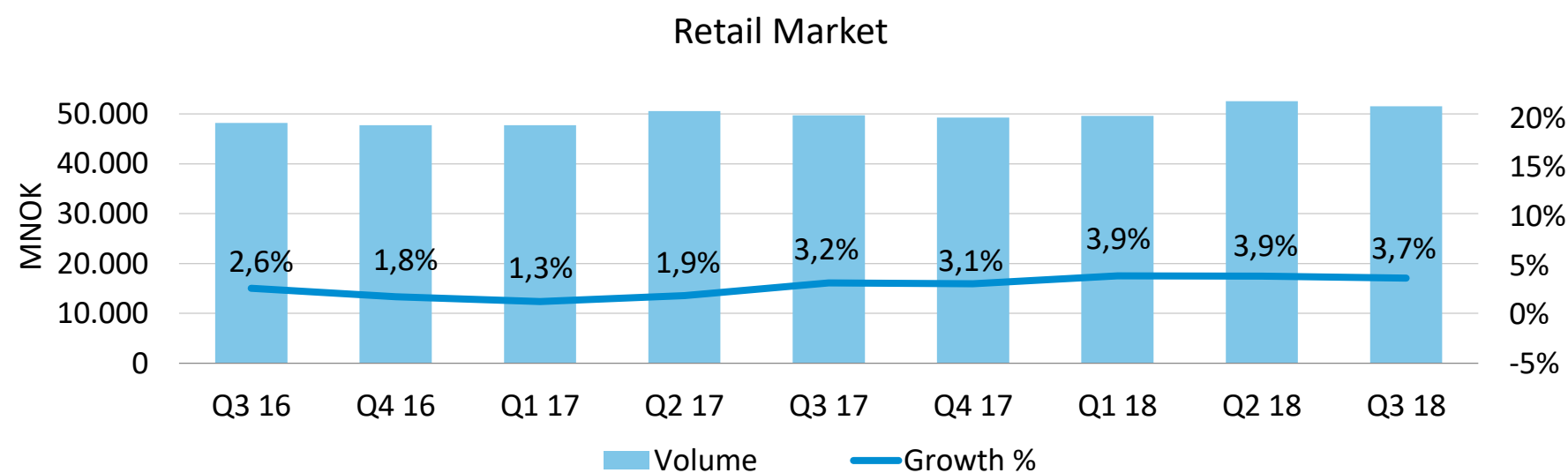
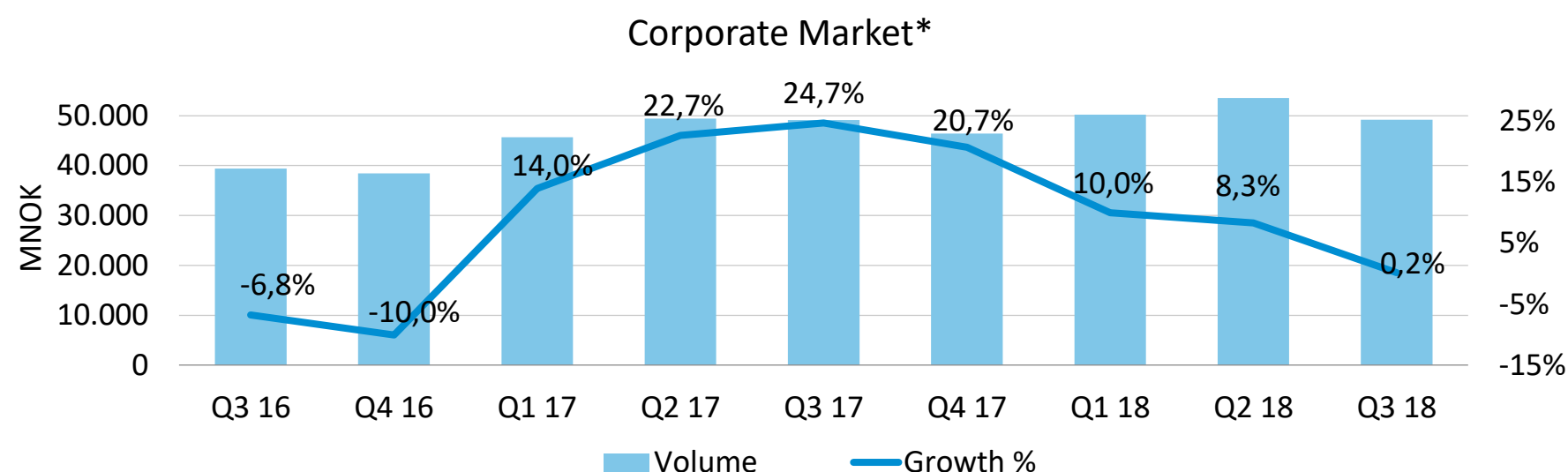
- The proportion of loans with a loan-to-value ratio of less than 85% is high.
 - 89.8% of the exposure is within 85% of the assessed value of collateral.



*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 1.7 billion to NOK 100.3 billion.
 - Corresponds to an increase in the period of 1.7%.
 - Reduced growth in 3. quarter 2018 is due to the reduction in Treasury's liquidity portfolio.
- Increased deposit growth in the corporate market (incl. capital market) in 2017 is due to larger deposits from public sector.
 - Deposit growth is 2.0% at 3. quarter 2018 excl. deposits from public sector.



Net commission and other income

MNOK	30.09.2018	30.09.2017	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Payment facilities	194	197	72	59	63	65	71
Savings/placements	149	151	49	48	52	47	51
Insurance products	143	156	47	47	49	52	52
Commission income real estate broking	284	295	94	109	81	94	90
Guarantee commission	83	80	29	20	34	27	29
Arrangement- and customer fees	77	65	17	32	28	28	28
Accounting services SpareBank 1 Regnskapshuset SR	75	73	20	28	27	23	18
Other	10	26	2	4	4	-5	8
Net commission and other income excl. covered bond companies	1.015	1.043	330	347	338	331	347
Commission income SB1 Boligkreditt and SB1 Næringskreditt	72	114	19	23	30	36	39
Net commission and other income incl. covered bond companies	1.087	1.157	349	370	368	367	386

Net income on investment securities

MNOK	30.09.2018	30.09.2017	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Dividends	12	11	0	1	11	0	2
Investment income, associates	253	271	94	102	57	154	127
Securities gains/losses	116	103	42	69	5	24	46
- of which capital change in shares and certificates	152	92	56	90	6	44	57
- of which capital change in certificates and bonds	-192	-82	-70	-50	-72	-70	-41
- of which derivatives; bonds and certificates	156	93	56	29	71	50	30
Currency/interest gains/losses*	120	45	39	41	40	26	23
- of which currency customer- and own-account trading	111	69	21	48	42	35	24
- of which value change basis swap spread	-5	-27	10	-13	-2	-5	-4
- of which counterparty risk derivatives including CVA	1	2	1	0	0	0	1
- of which IFRS-effects	13	1	7	6	0	-4	2
Net income on investment securities	501	430	175	213	113	204	198

*On 1 January 2018, the group changed its accounting policies for recognising the effects of basis swaps due to the implementation of IFRS 9. The effects of basis swaps related to contracts signed after 1 January 2018 will be recognised through other comprehensive income.

Subsidiaries

Subsidiaries	MNOK	30.09.2018	30.09.2017
EiendomsMegler 1 SR-Eiendom AS	Number of sales	4.898	5.074
	Operating profit before tax	7	23
SR-Forvaltning AS	Capital under management (BNOK)	11	11
	Operating profit before tax	25	25
FinStart Nordic AS*	Operating profit before tax	39	10
SpareBank 1 Regnskapshuset SR AS	Operating profit before tax**	3	4
SR-Boligkreditt AS	Operating profit before tax	283	168
Other	Operating profit before tax	-18	-21
Total subsidiaries	Operating profit before tax	339	209

*In September 2017, SR-Investering AS changed its name to FinStart Nordic AS. Start up on 1 January 2018. The company will be a start-up factory for new ideas and the venture will challenge the bank's own business models.

** The result to Regnskapshuset SR includes amortization of intangible assets of NOK 1.5 million (NOK 1.4 million per 30.09.2017).

Ownership interests

Ownership interests	MNOK	30.09.2018	30.09.2017
SpareBank 1 Gruppen AS	Interest ownership	19,5%	19,5%
	Profit after tax	189	219
	Adjusted profit previous years	0	-4
SpareBank 1 Boligkreditt AS*	Interest ownership	8,0%	13,9%
	Profit after tax	1	-19
SpareBank 1 Næringskreditt AS	Interest ownership	19,2%	21,9%
	Profit after tax	6	11
BN Bank ASA	Interest ownership	23,5%	23,5%
	Profit after tax	50	50
SpareBank 1 Kredittkort AS	Interest ownership	17,9%	17,9%
	Profit after tax	17	11
SpareBank 1 Betaling AS**	Interest ownership	19,7%	19,7%
	Profit after tax	-8	-7
	Adjusted profit previous years	-6	-7
Other	Profit after tax	4	17
Total ownership interests	Profit after tax	253	271

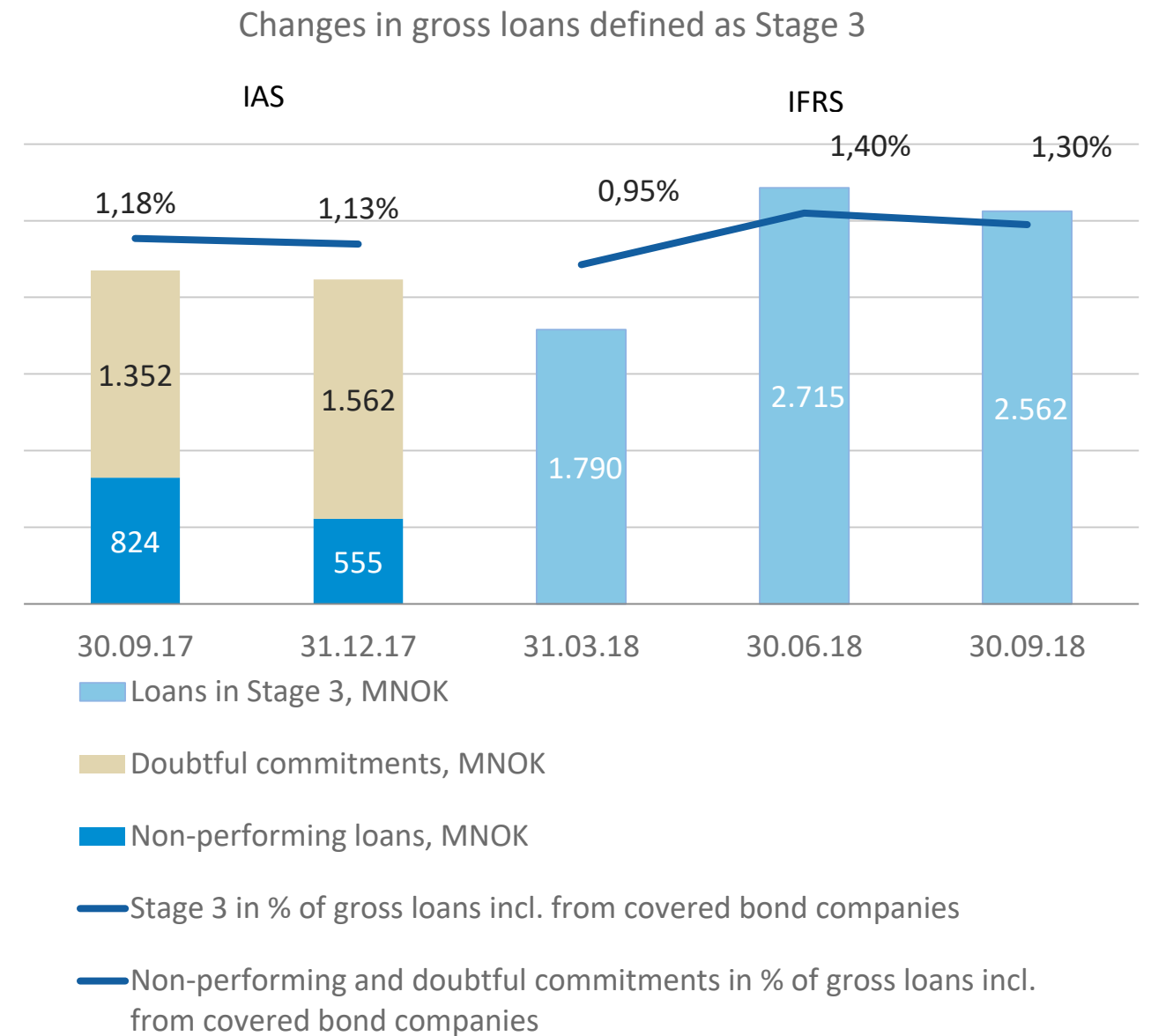
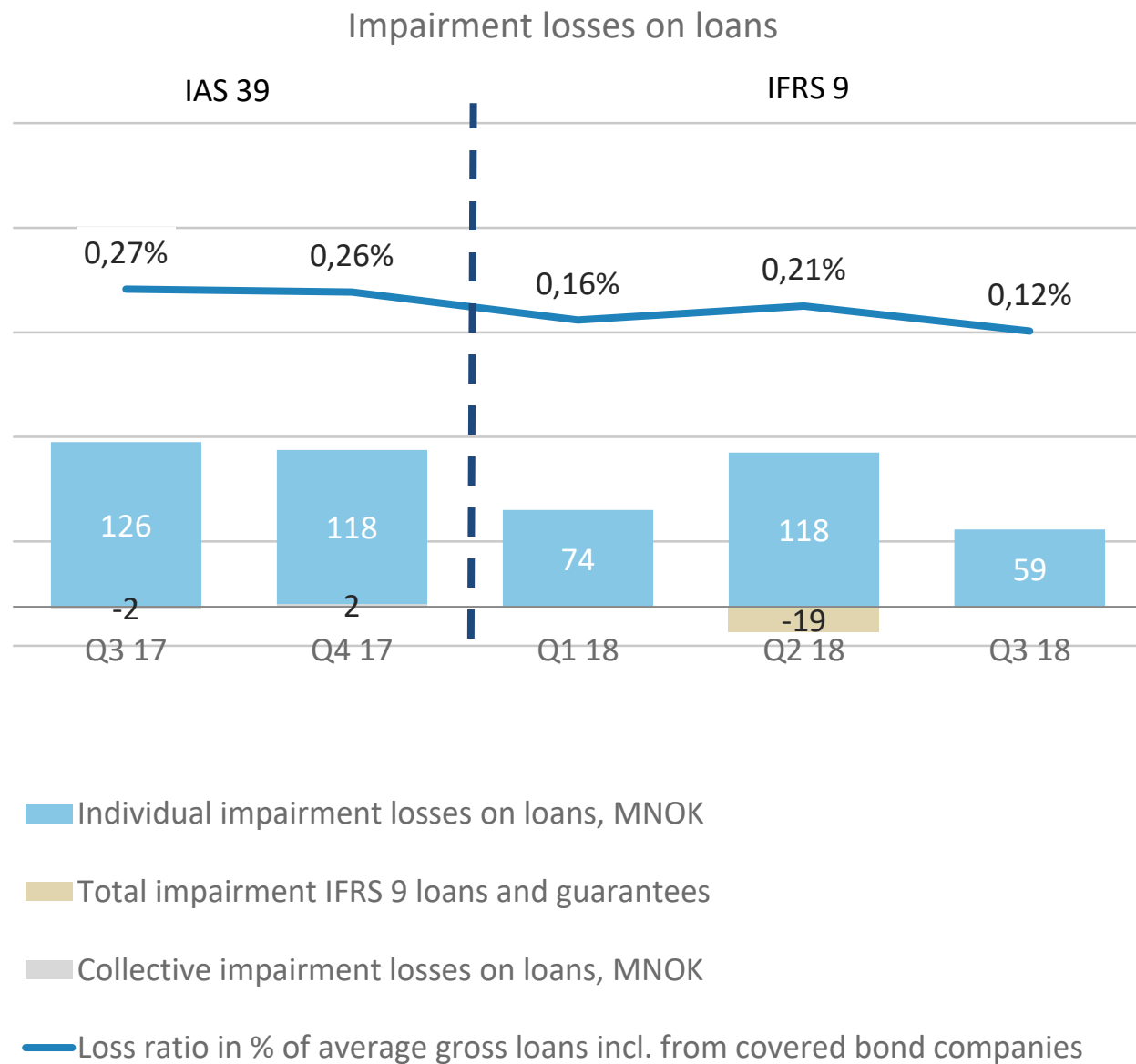
*From 1 January 2018, the company has changed its accounting policies for the recognition of the effects of basis swaps due to the implementation of IFRS 9. The effects of basis swaps are now recognised through other comprehensive income in SpareBank 1 Boligkreditt AS and thereby do not affect the company's after tax profit or the group's share of the profit.

**On 1 September 2017 mCASH merged with Vipps, DNB's payment solution (mobile). SpareBank 1 banks became after the merger with Vipps, the second largest shareholder in Vipps with a stake of 25%.

Operating expenses

MNOK	30.09.2018	30.09.2017	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Personnel expenses	967	930	322	326	319	323	312
Restructuring costs	0	0	0	0	0	10	0
Total personnel expenses	967	930	322	326	319	333	312
IT expenses	246	235	80	83	83	82	74
Marketing	62	53	22	24	16	20	16
Other administrative expenses	73	62	24	25	24	26	21
Total administrative expenses	381	350	126	132	123	128	111
Depreciation	62	57	17	27	18	17	21
Operating expenses from real estate	25	26	7	8	10	8	7
Other operating expenses	218	234	70	79	69	84	79
Total other operating expenses	305	317	94	114	97	109	107
Total operating expenses	1.653	1.597	542	572	539	570	530

Impairment losses on loans / Loans defined as Stage 3*



Impairment losses on loans and guarantees

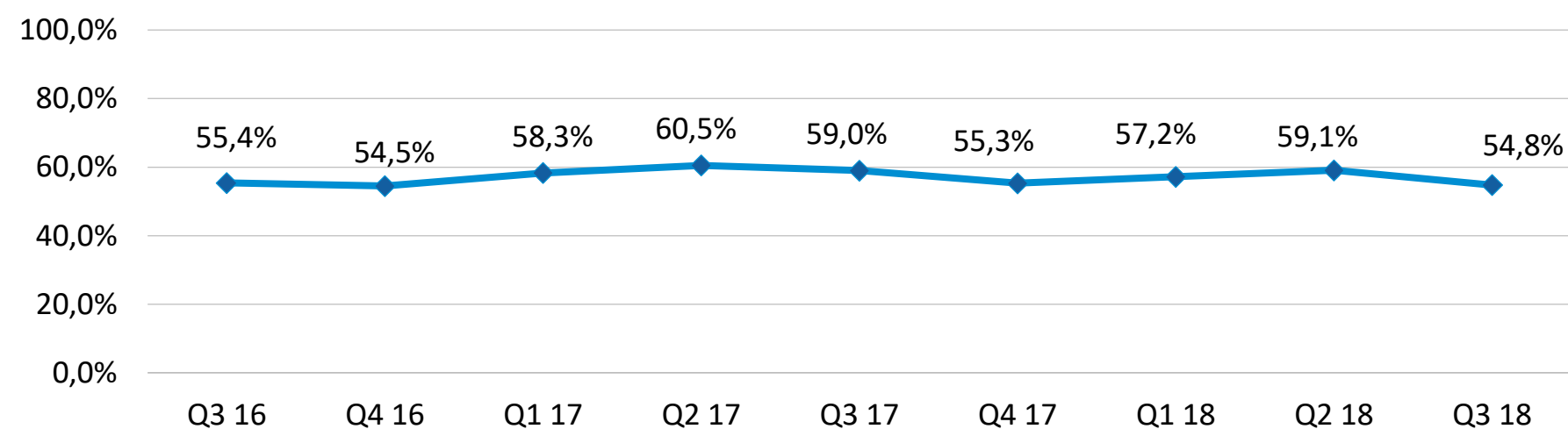
Losses on loans in income statement (MNOK)	30.09.2018	30.09.2017	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Corporate customers	228	393	62	100	66	89	116
Retail customers	23	30	-3	18	8	29	10
Total impairment IFRS 9 loans and guarantees*	-19		0	-19	0		
Change in collective impairment losses on loans		0				2	-2
Net impairment losses on loans	232	423	59	99	74	120	124

Impairment losses on loans (MNOK)	30.09.2018	30.09.2017	30.09.2018	30.06.2018	31.03.2018	31.12.2017	30.09.2017
Corporate customers	628	572	628	609	523	546	572
Retail customers	88	69	88	98	92	93	69
Total impairment IFRS 9 loans*	639		639	634	669		
Total impairment IFRS 9 guarantees*	112		112	125	121		
Collective impairment losses on loans		677				691	690
Total impairment losses on loans	1.467	1.318	1.467	1.466	1.405	1.330	1.331

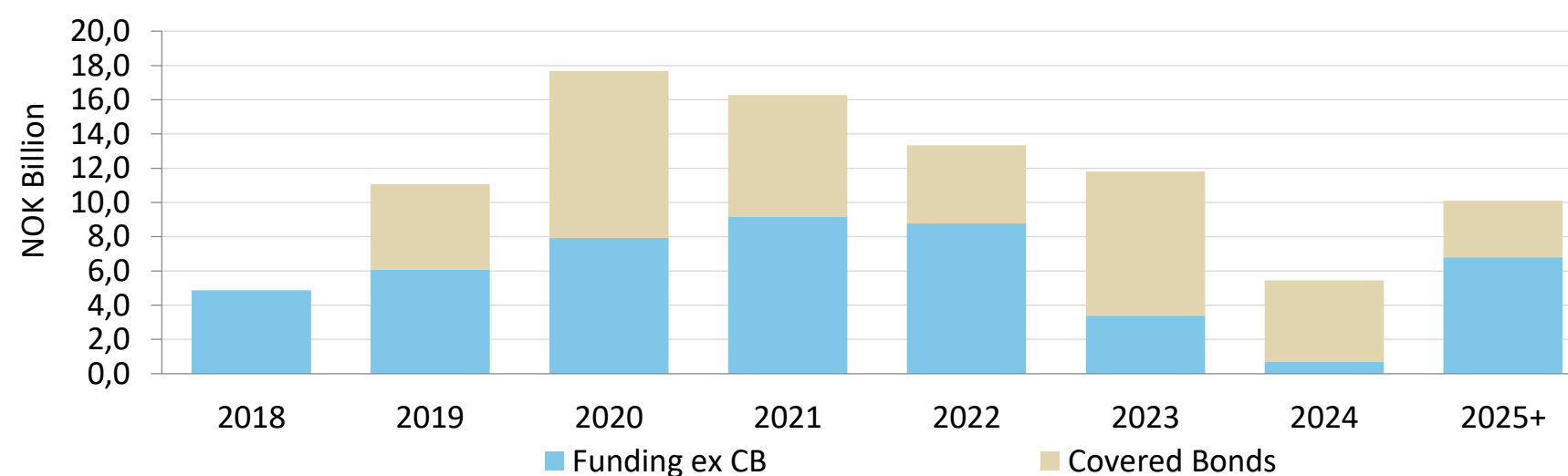
Funding

- Well diversified funding.
- Net Stable Funding Ratio* is 120 % on consolidated basis.
- Good liquidity
 - Net refinancing need over the next 12 months is NOK 9.9 billion.
 - Liquidity buffer is NOK 31.1 billion for normal operation in 23 months with closed markets. In addition to the liquidity buffer, NOK 12.7 billion of home mortgages are prepared for covered bond funding.

Deposits to loans ratio



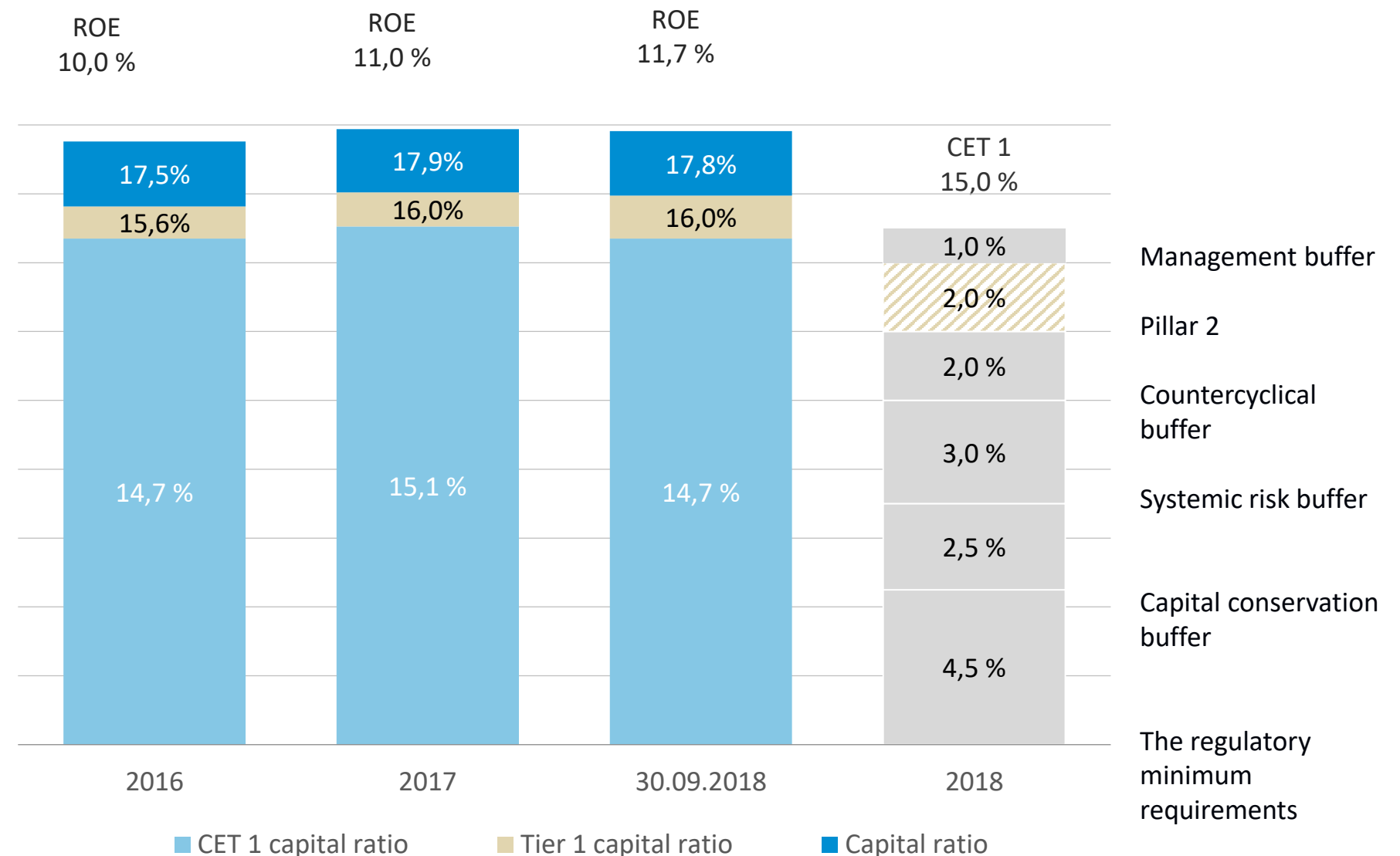
Annual funding maturity



*The net stable funding ratio (NSFR) is defined as available stable funding relative to necessary stable funding. NSFR is calculated in accordance with guidelines from the Financial Supervisory Authority of Norway.

Solid capital ratio

- SpareBank 1 SR-Bank is compliant with regulatory capital requirements as at 30.09.2018.
- 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).
- 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 7.7% as at 30.09.2018. SpareBank 1 SR-Bank exceeds the levels being discussed and recommended internationally.



MREL – FSA consultation paper

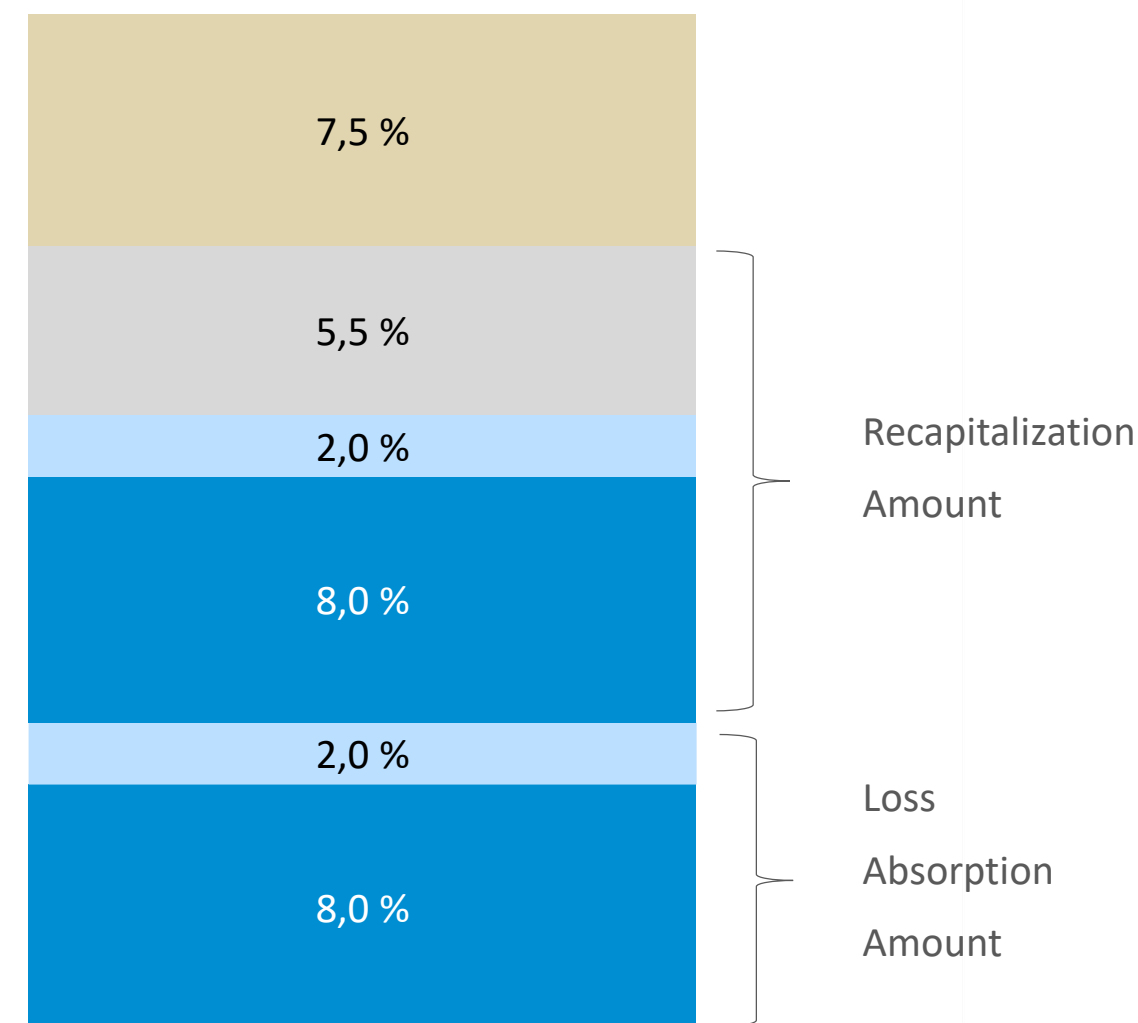
Main features:

- New requirements will enter into force 1 January 2019.
- Issuers are expected to be fully MREL compliant by 31 December 2022.
- The FSA will set requirements individually for each bank.
- Covered bonds issuers are exempt from MREL, also when the owning bank is consolidating. However, the FSA comments that they find this problematic.

Expected outcome for SpareBank 1 SR-Bank:

- Total capital requirement including MREL = (P1 + P2 + Combined buffer requirements) x 2 - Countercyclical buffer x 1.
- Calculations on basis of balance numbers per 30 September 2018 indicate a need for approximately NOK 17 billion senior non-preferred debt (approximately 1/3 of outstanding senior debt).
- Should SpareBank 1 SR-Bank be defined as systemic important the MREL-requirement will increase with 4 percentage points. However it is uncertain whether the need for bail-inable debt will increase since this is dependent on the development of the risk weighted balance.

MREL SpareBank 1 SR-Bank 33%



■ Pillar 1 ■ Pillar 2 ■ Combined buffers ex countercyclical ■ Combined buffers

Outlook - The market is expected to grow

- The development in the group's market area was positively affected by the adaptability of companies and higher oil prices.
- Oil investments on the Norwegian continental shelf are expected rise by up to 10% in 2019.
- Declining unemployment in the group's market area combined with an expected stable housing market are contributing to optimism among the bank's retail and corporate customers.
- Moderate demand for loans, stable house prices and continued strong competition for new home mortgage customers are expected.
- SpareBank 1 SR-Bank expects to make loan loss provisions at NOK 300 – 400 million in 2018.
- Solid earnings from a robust business model and capital optimisation means SpareBank 1 SR-Bank is well positioned to maintain a solid capital base, while ensuring good competitiveness and normalised dividends.
- An offensive approach for the future including establishment of a separate business area for strategy, innovation and development, investing in new technology, geographic expansion and focus on accounting services and consulting.

SpareBank 



Establishing one of Norway largest
insurance companies

Oslo Børs stengt Indeks: 900,55 +1,13% ↑ Oljepris: 80,02 +0,92% ↑ Rente 3 mnd: 1,09 USD: 8,23 SEK: 91,50 EUR: 9,47 BTC: 6540,50 Mer > DN Investor

DN Dagens Næringsliv Meny D2 Magasinet Dagens avis Kjøp DN Logg inn

Finans

DNB og Sparebank 1 lager forsikringskjempe

Nytt skadeselskap gir milliarder i kassen for begge parter.

1 min Publisert: 24.09.18 — 08.53 Oppdatert: en måned siden



Banktoppene Turid Grøtmoll i Sparebanken 1 (til venstre) og Rune Bjerke i DNB signerer avtalen om forsikringsfusjonen som ble varslet i juni. (Foto: Sparebank 1)

Fredrick Chr. Ekeseth Følg meg

Finanskonsernene DNB og Sparebank 1-gruppen danner en ny forsikringsgigant verdsatt til nær 20 milliarder kroner.

Det skjer ved at DNB Forsikring as fusjonerer med Sparebank 1 Skadeforsikring as, i et bytteforhold på 80 prosent for Sparebank 1-gruppen as og 20 prosent for DNB asa, ifølge en melding mandag.

«Dette bytteforholdet baserer seg på fremforhandlet markedsverdi av de to skadeforsikringselskapene, inklusive verdien av overførte personrisikoprodukter», heter det.

PDF
Facebook
Twitter
LinkedIn
Epost

A merger that will have a positive effect in 2019

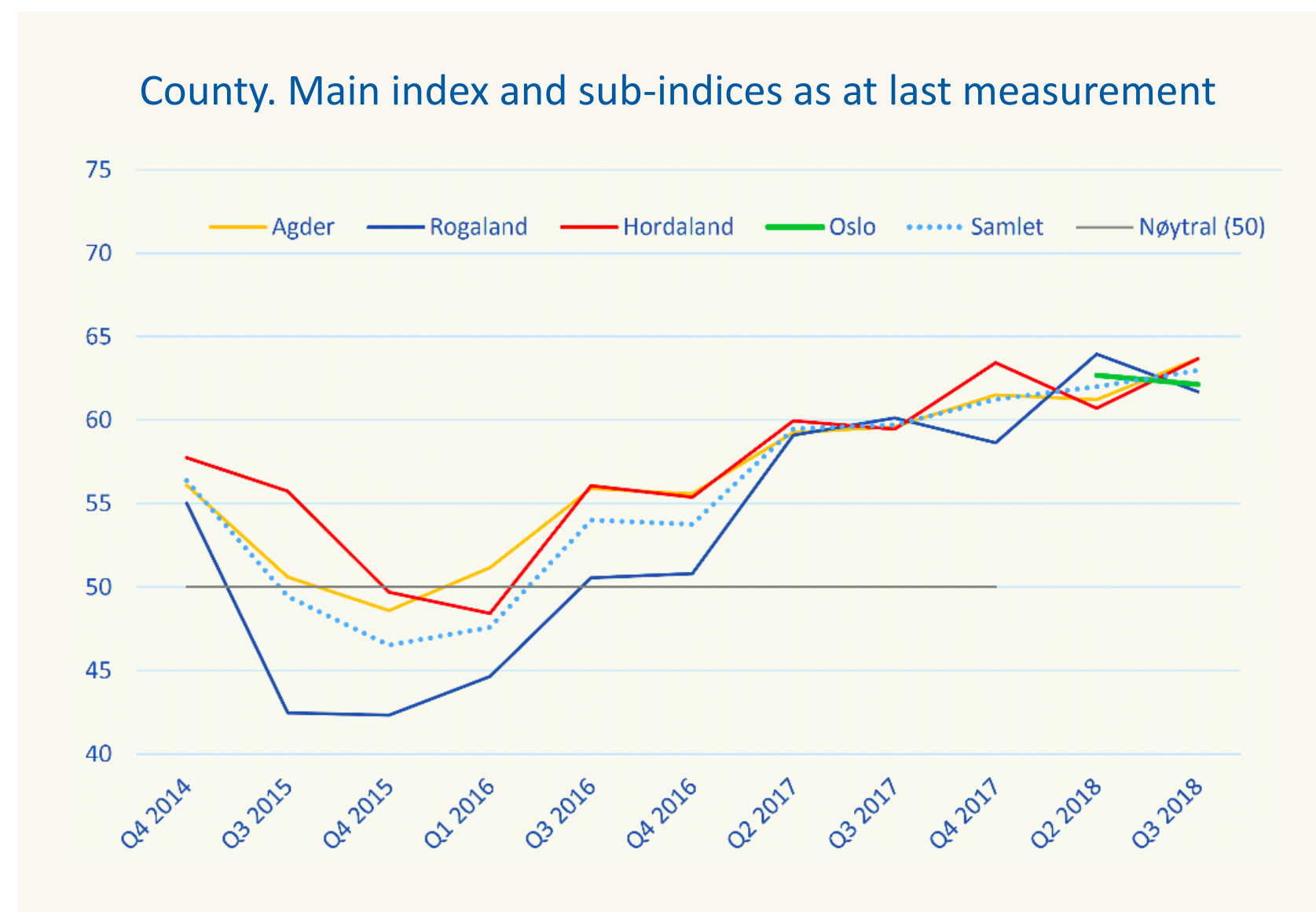
- The merger is expected to be completed on 1 January 2019
- The effect on the result or the equity for SpareBank 1 SR-Bank has been calculated to be around NOK 831 million
- Increased common equity tier 1 capital ratio, with a possible dividend payment from SpareBank 1 Gruppen of around 0.4 percentage points – depending on the decision made in the company's governing bodies



High expectations for the oil companies

The majority of companies are optimistic in Southern and Western Norway

- Optimism in all of the counties: Oslo, Hordaland, the Agder counties and Rogaland
- More jobs, lower unemployment and competition for labour
- Significant upswing – highest within oil/gas and building/construction
- Strong order reserve and increased investments
- More homes are being sold in Rogaland



Proposal from the Financial Supervisory Authority of Norway concerning new systemically important banks

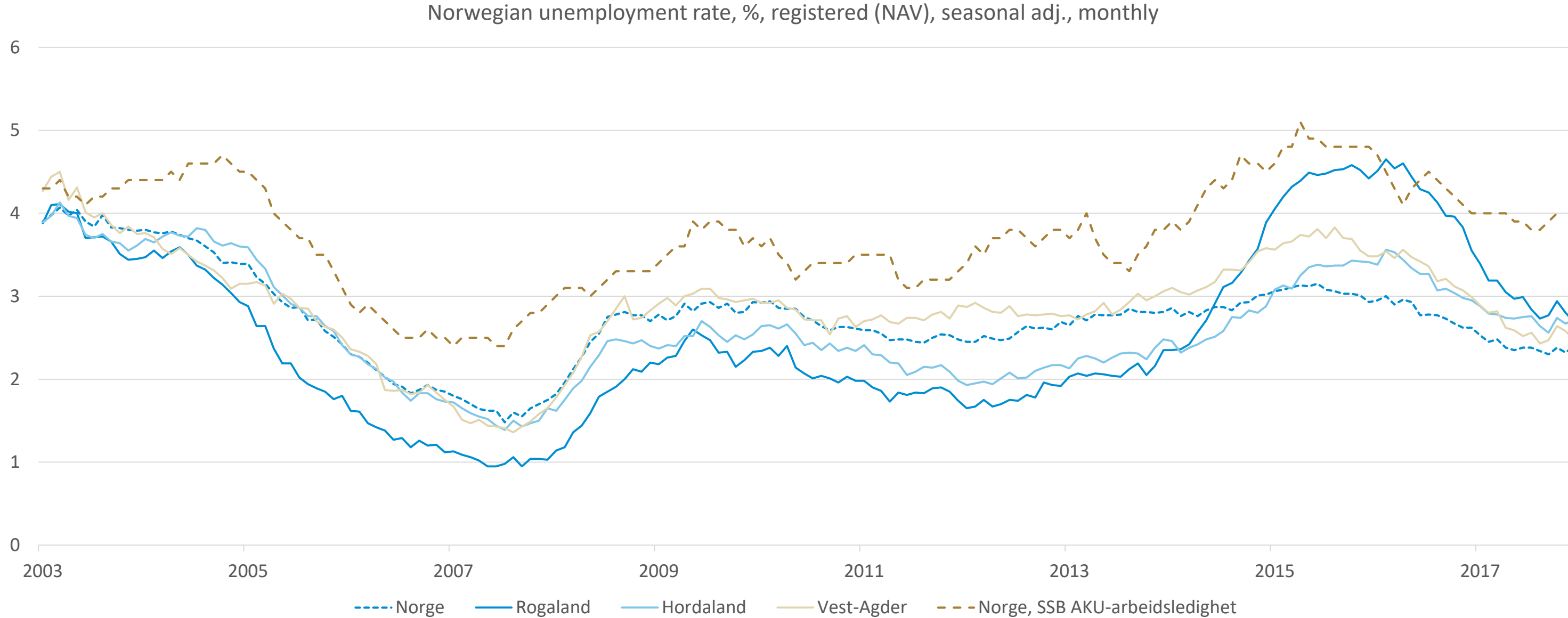
- The proposal means that banks can be defined as systemically important based on regional market shares in the corporate market.
- The proposed SIFI buffer has been set at 2% of the risk-weighted assets.
- We expect the CRD IV directive to be transposed into Norwegian law just before or at the same time as any new SIFI Regulation is introduced.
- The total effect of the proposed SIFI Regulation and the introduction of CRD IV is expected to be neutral on capital for SpareBank 1 SR-Bank.

APPENDIX

- 1) Macro
- 2) Oil related portfolio
- 3) Risk
- 4) SpareBank 1 SR-Bank

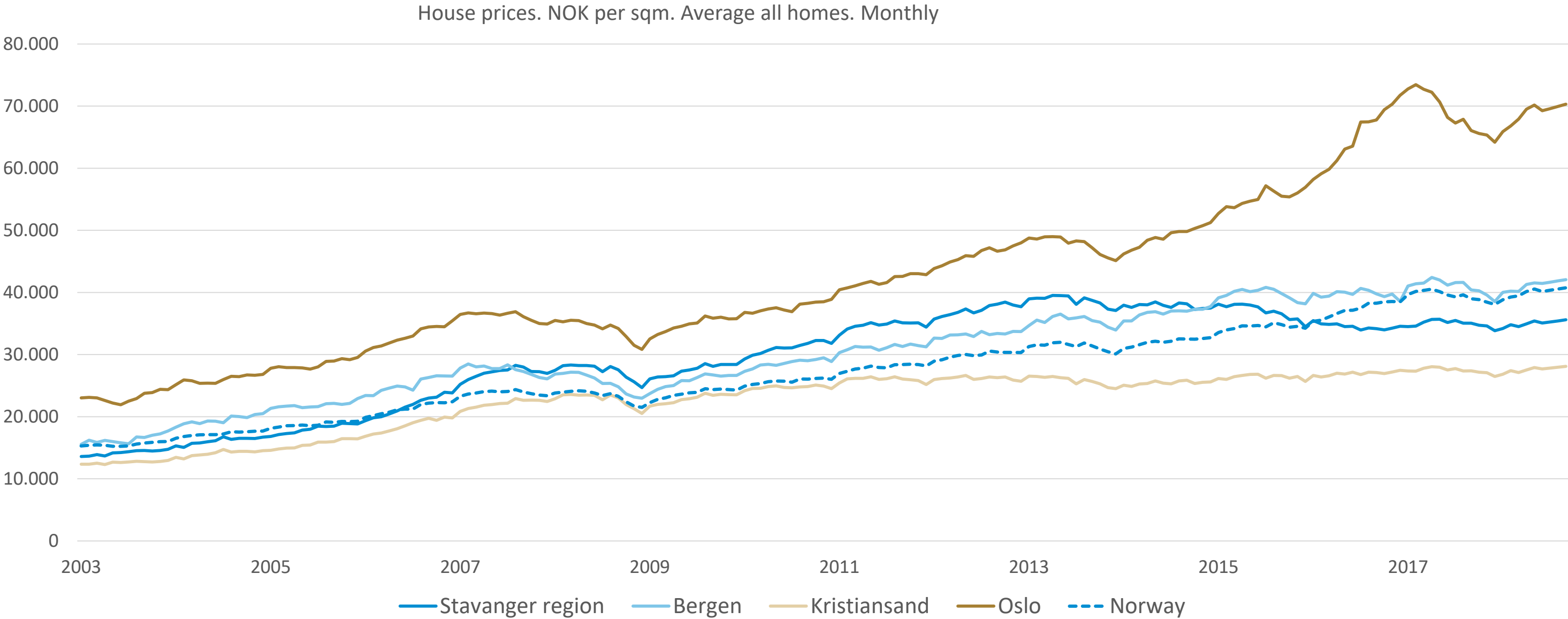
Lower unemployment rate in Norway

Marked reduction in Rogaland in 2017 and the trend has continued in 2018



Housing prices in Norway approx. unchanged last 12 months

Fairly stable in most counties, but somewhat more volatile in Oslo

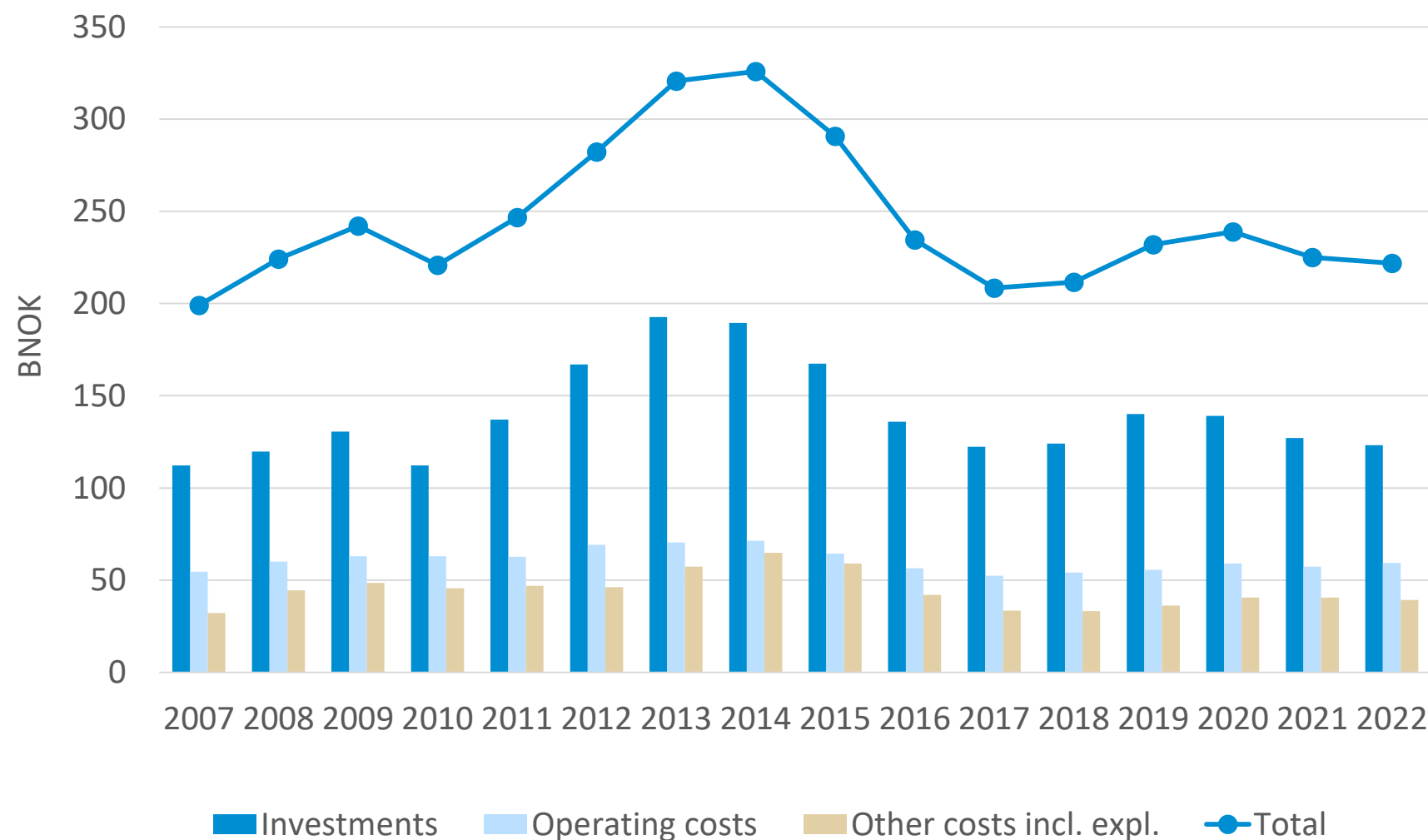


Increasing petroleum activity on the NCS

Activity down 35% from 2014 to 2017, but is expected to increase coming years

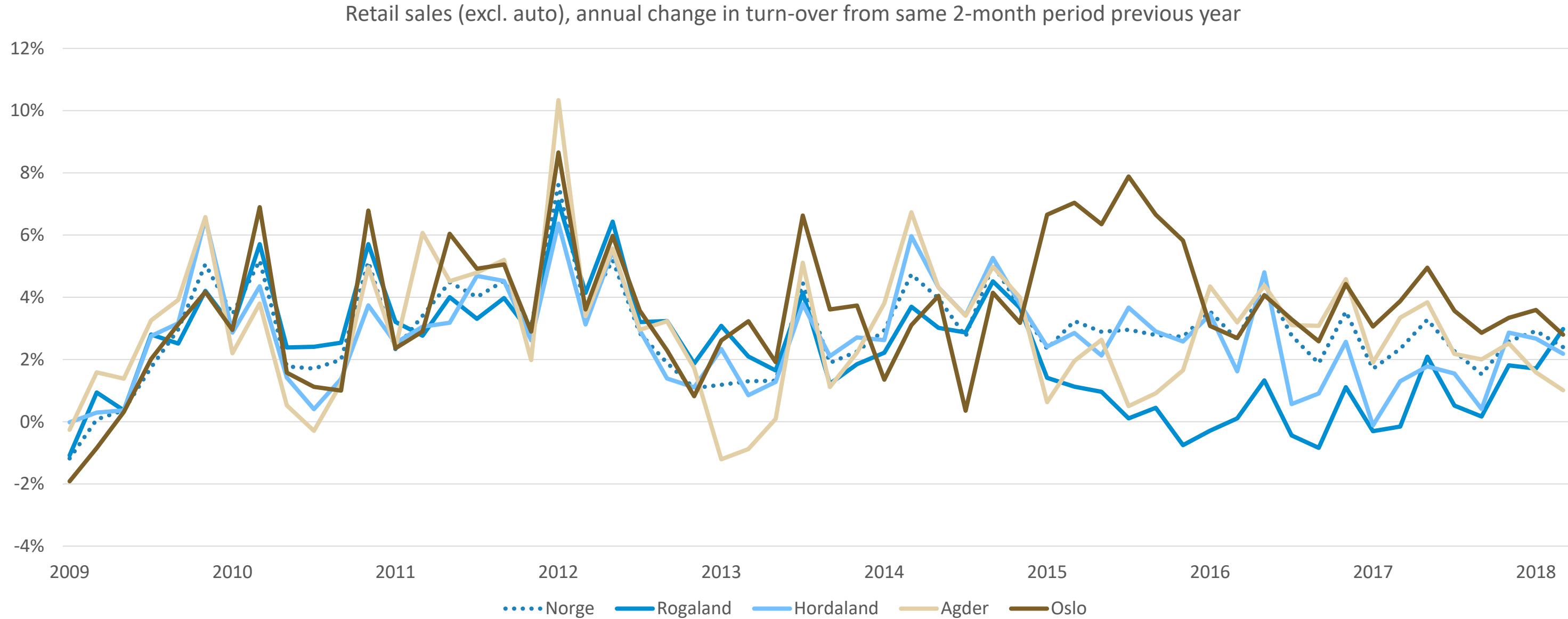
- Total activity on the Norwegian Continental Shelf (NCS) increased by over 60% from 2007 to 2014. Subsequently, total activity decreased by 35% to 2017. The Norwegian Petroleum Directorate expects increase in total activity over the coming years with growth of 2% in 2018, 10% in 2019 and 3% by 2020
- Investments are more volatile than operating costs. Statistics Norway expects oil investments to increase 10% in 2018, 4% in 2019 and be unchanged in 2020.
- The operating costs, which are important for the activity in the region, are more stable. These were reduced by about 25% from top to bottom and are expected to increase 13% towards 2020

Petroleum activity on Norwegian Continental Shelf. BNOK (2018 NOK). Source: NPD



Retail trade increasing in Norway by 2-4%

Growth has been highest in Oslo, but has increased in Rogaland recently



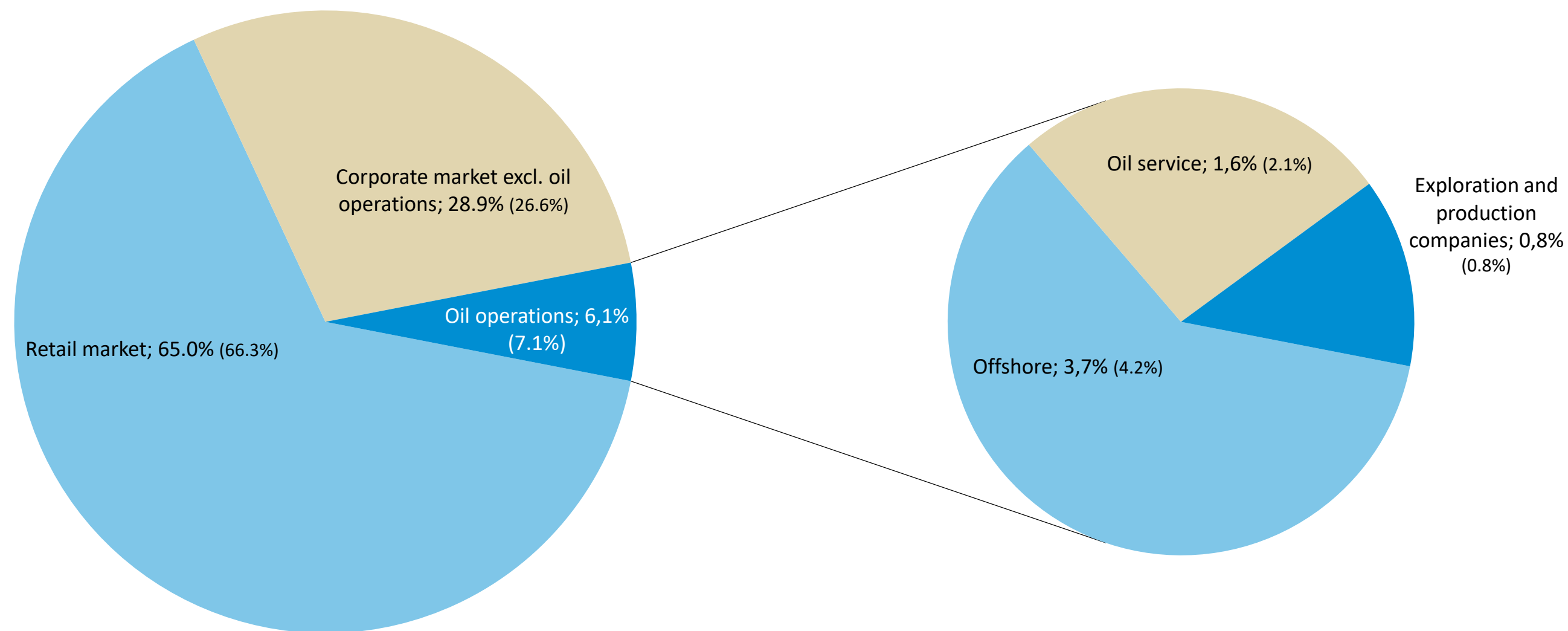
APPENDIX

- 1) Macro
- 2) Oil related portfolio**
- 3) Risk
- 4) SpareBank 1 SR-Bank

SpareBank 1 SR-Bank has a well diversified portfolio

6.1% (7.1%) of total EAD is related to oil operations

SpareBank 1 SR-Bank* has total BNOK 218.0 (209.3) EAD per 30.09.2018 BNOK 13.3 (14.8) EAD is related to oil operations



EAD: Exposure at default

Figures as at 30.09.2018 . Figures in parentheses as at 31.12.2017

*Include portfolio in covered bond company (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

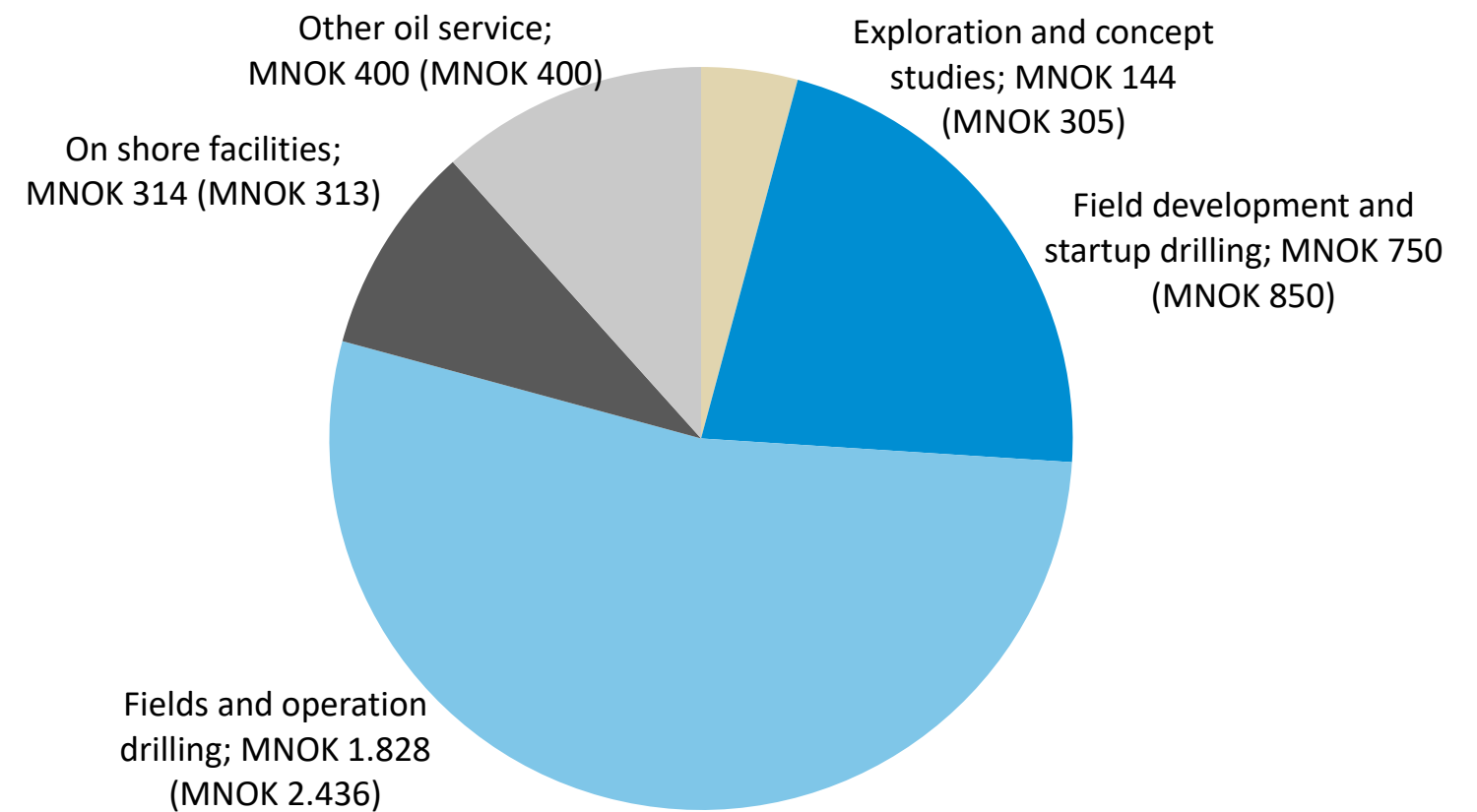
Oil services - total NOK 3.4 billion

(NOK 4.3 billion as at 31.12.2017)

- Exploration and concept studies
 - EAD NOK 0.1 billion
 - Average weighted probability of default 3.5%
- Field development and start-up drilling
 - EAD NOK 0.8 billion
 - Average weighted probability of default 2.7%
- Operational fields and operational drilling
 - EAD NOK 1.8 billion
 - Average weighted probability of default 5.3%
- On shore facilities
 - EAD NOK 0.3 billion
 - Average weighted probability of default 4.0%
- Other oil services
 - EAD NOK 0.4 billion

Oil services

- EAD NOK 3.4 billion, 1.6% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 4.4%
- Funding of operating capital through current and fixed assets, as well as guarantees



EAD: Exposure at default
 Figures as at 30.09.2018. Figures in parentheses as at 31.12.2017

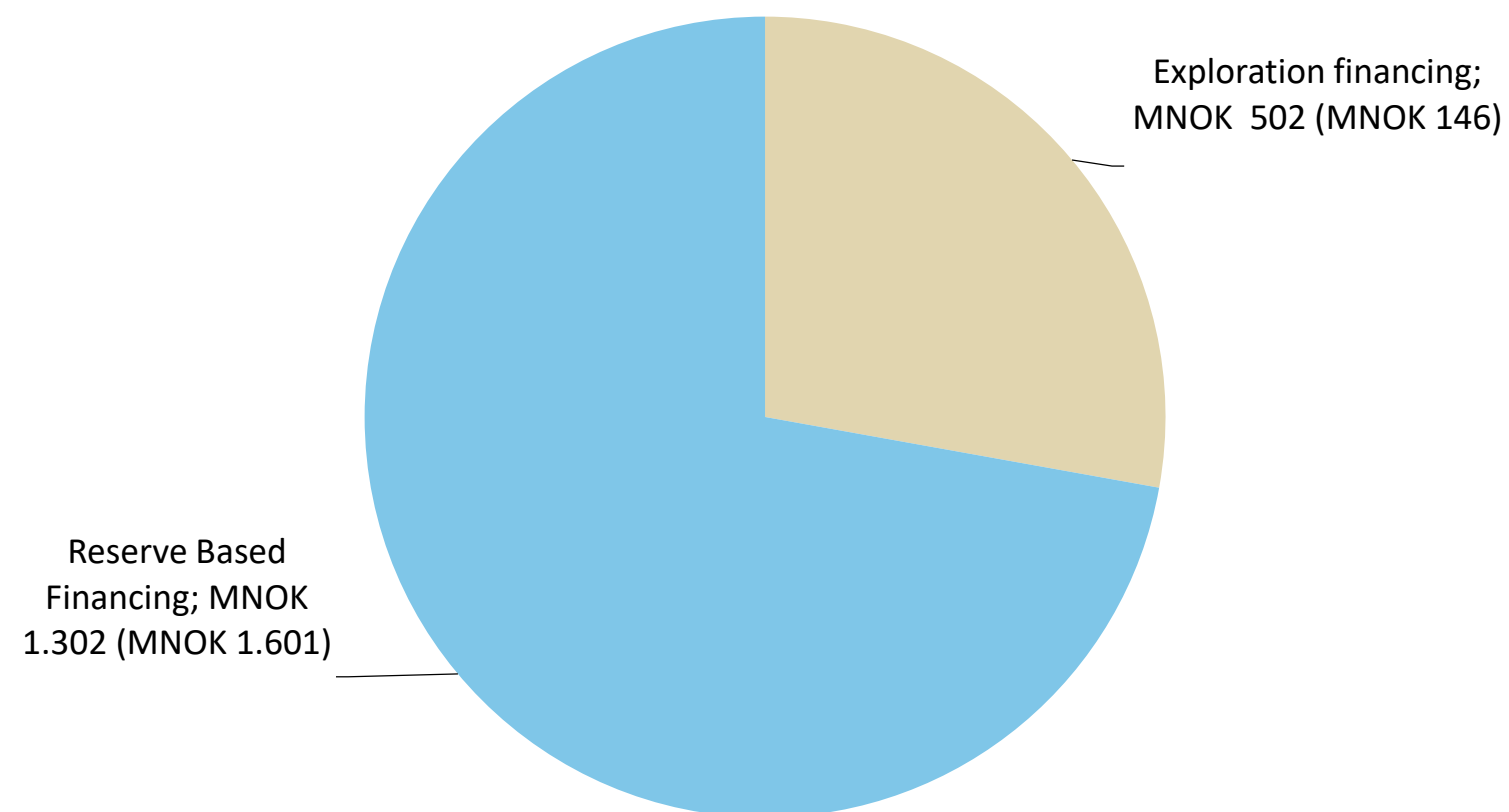
Oil and gas - total NOK 1.8 billion

(NOK 1.7 billion as at 31.12.2017)

- Exploration financing
 - EAD NOK 0.5 billion
 - Average weighted probability of default 0.7%
 - Secured by a tax refund from the Norwegian State. No direct oil price risk
- Reserve based lending (RBL)
 - EAD NOK 1.3 billion
 - Average weighted probability of default 1.2%
 - 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 1.8 billion, 0.8% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 1.0%
- Exposure primarily to companies with activities on the Norwegian continental shelf



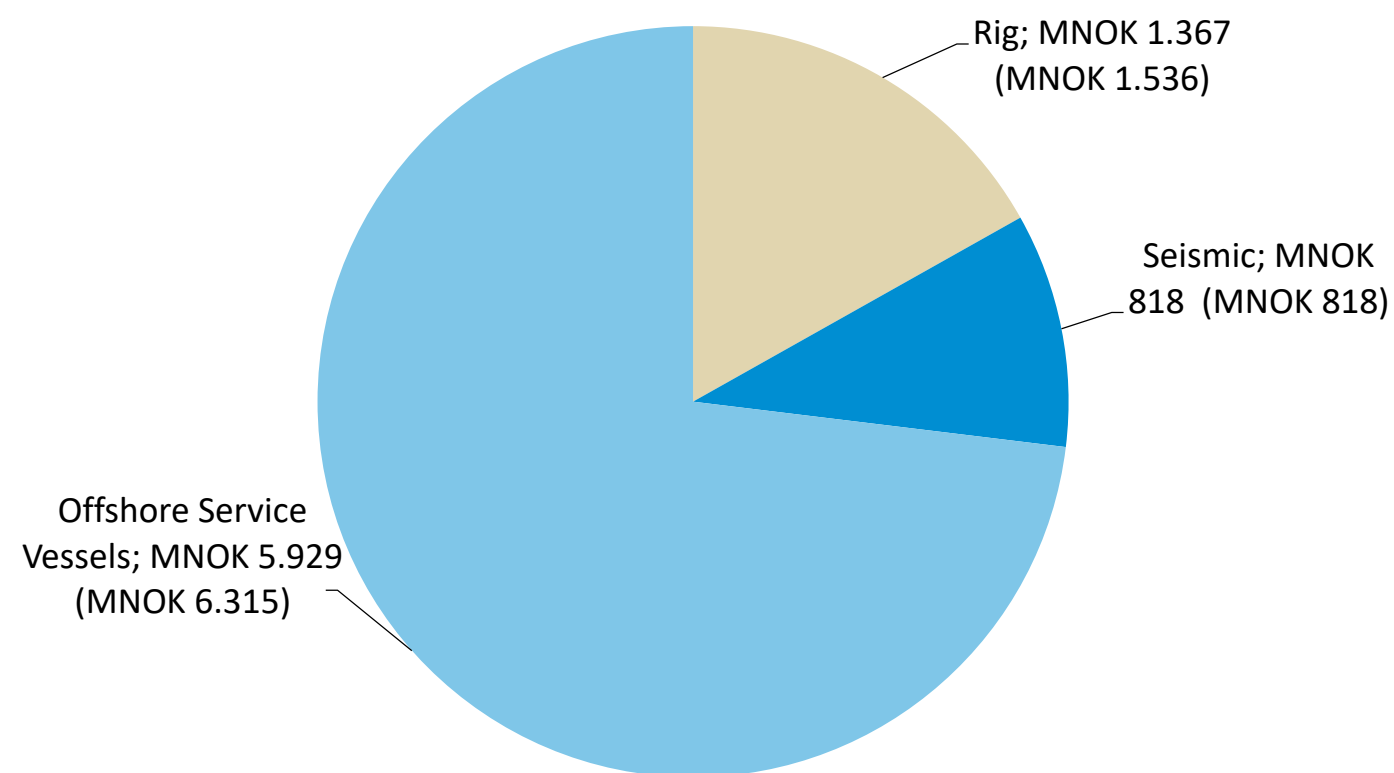
Offshore - total NOK 8.1 billion

(NOK 8.7 billion as at 31.12.2017)

- Offshore Service Vessels
 - EAD NOK 5.9 billion, average weighted probability of default is 2.9%, weighted average age is 8.6 years, average weighted contract coverage for 2018 and 2019 of 62% and 39% respectively, average weighted LTV 93%, 83 vessels
- Rig
 - EAD NOK 1.4 billion, average weighted probability of default is 3.9%, weighted average age is 9.7 years, average weighted contract coverage for 2018 and 2019 of 65% and 57%, average weighted LTV 66%, 21 rigs
- Seismic vessels
 - EAD NOK 0.8 billion, average weighted probability 1.2%, weighted average age is 13.3 years, average weighted contract coverage for 2018 and 2019 of 63% and 63% respectively, average weighted LTV 99%, 7 vessels
 - Applies to ship financing, not seismic equipment

Offshore

- EAD NOK 8.1 billion, 3.7% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 2.9%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



EAD: Exposure at default

Figures as at 30.09.2018. Figures in parentheses as at 31.12.2017.

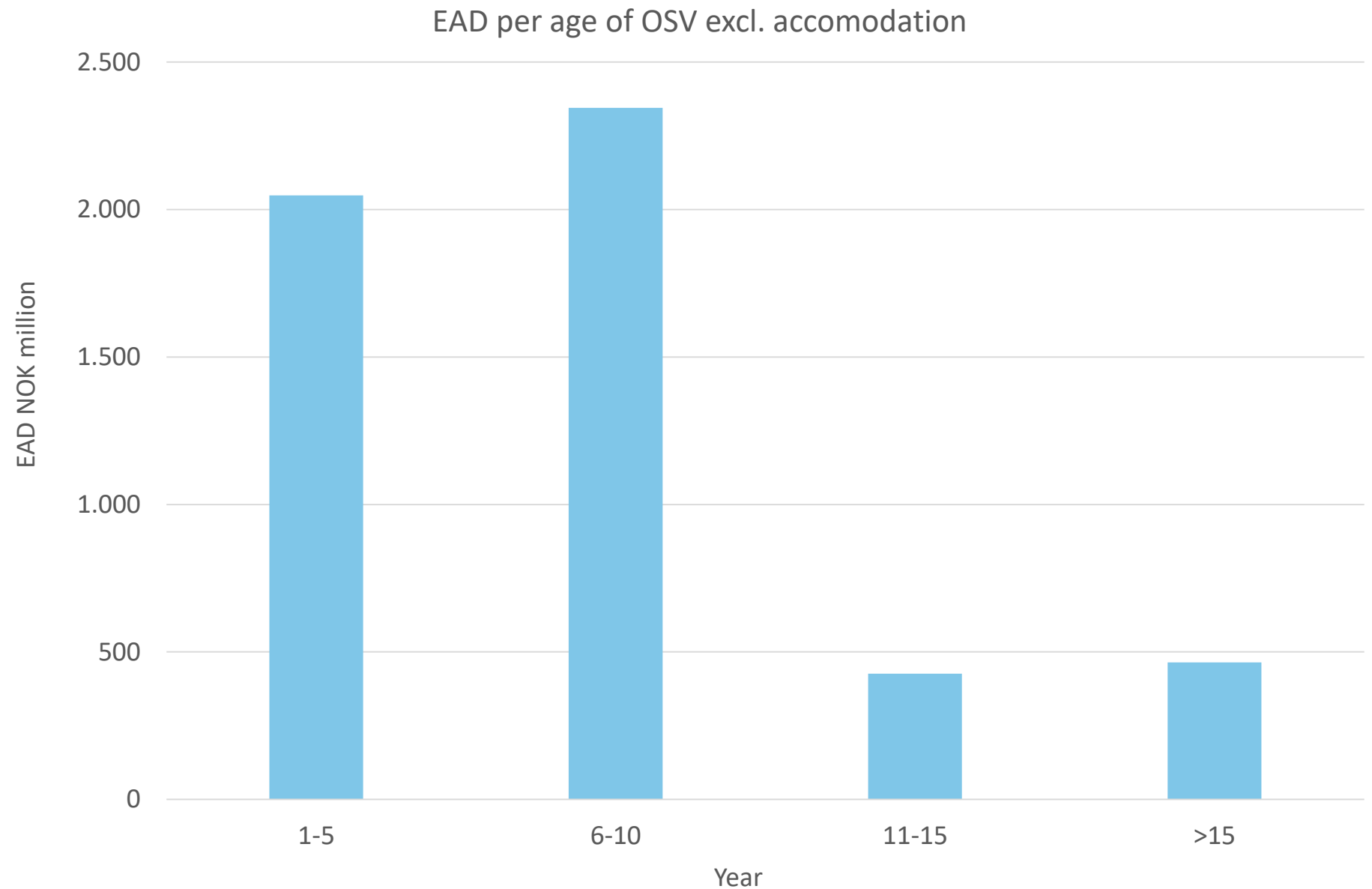
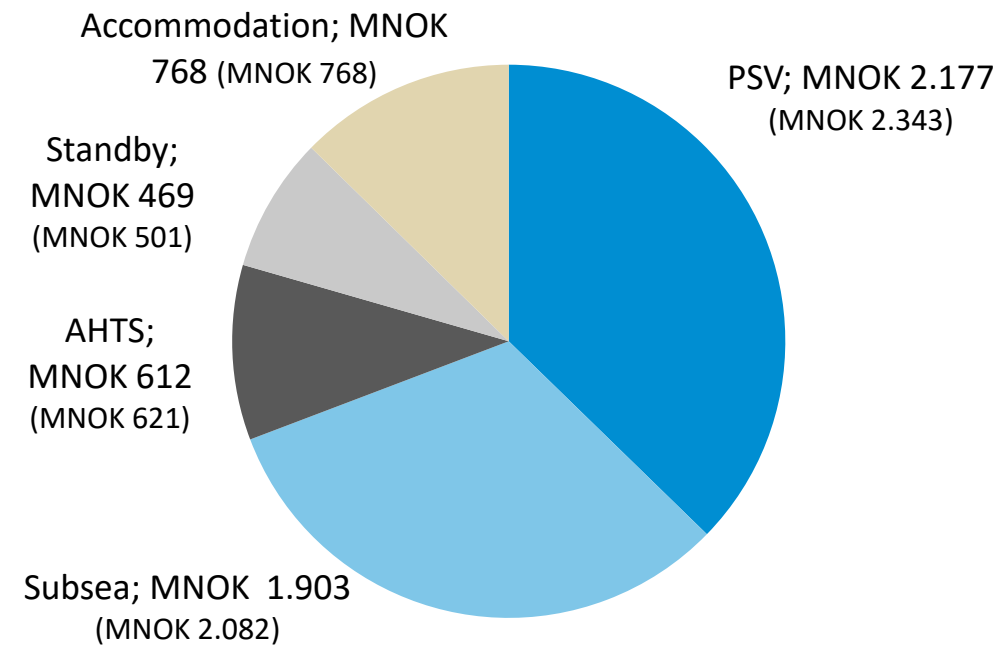
LTV: Loan to Value. Value estimates per 30.06.2018

Offshore Service Vessels – total NOK 5.9 billion

(NOK 6.3 billion as at 31.12.2017)

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

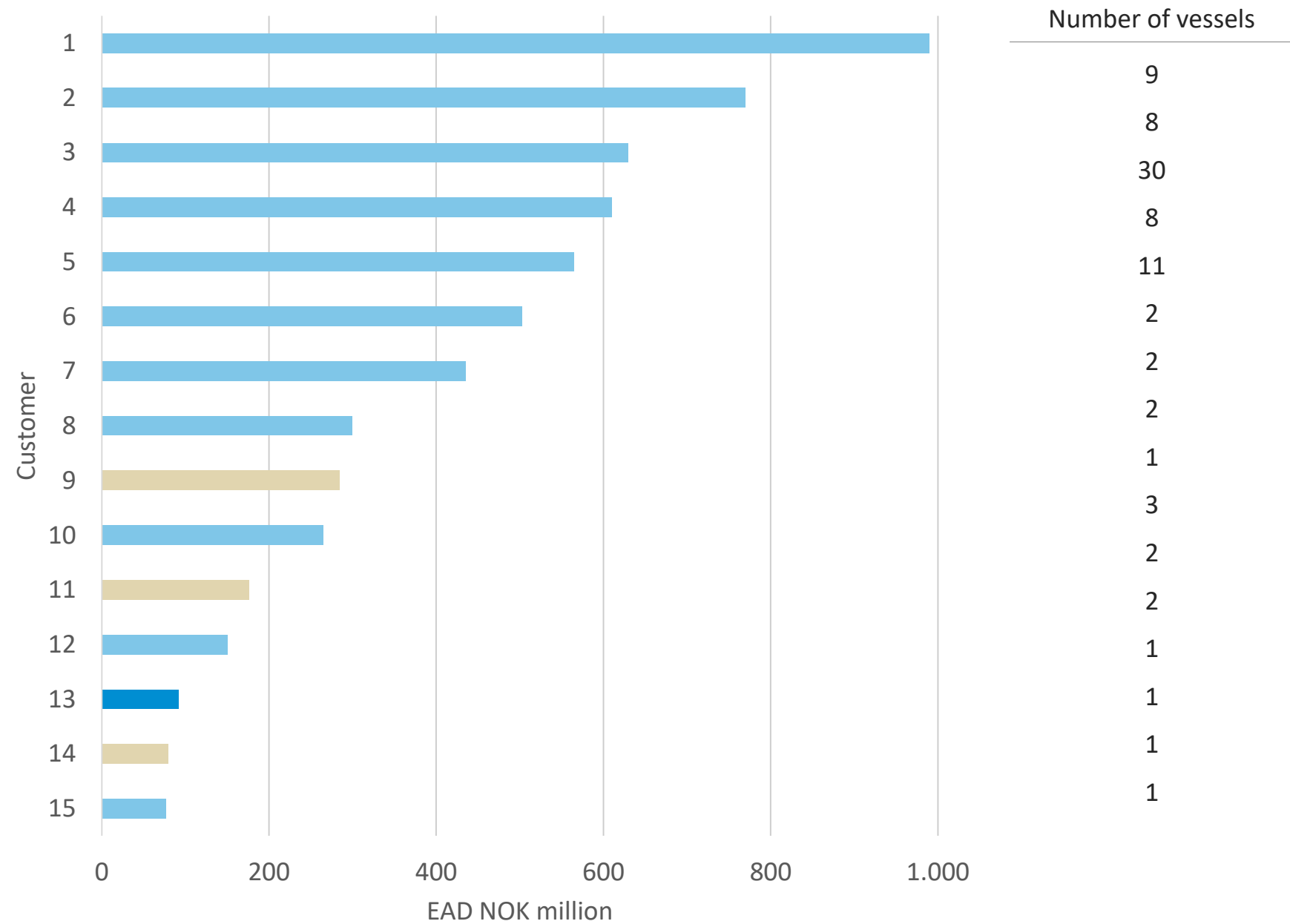


EAD: Exposure at default

Figures as at 30.09.2018. Figures in parentheses as at 31.12.2017.

Offshore Service Vessels – largest customer group

- Well diversified portfolio. One commitment of NOK 1.0 billion, rest of NOK 770 or lower.
- Total EAD for the portfolio is NOK 5.9 billion of which;
 - NOK 5.3 billion consists of 11 restructured commitments
 - NOK 0.1 billion consists of 1 commitment under consideration
 - NOK 0.5 billion consists of 3 commitments where it is not required
- Financing of 83 vessels, all with 1. priority pledge

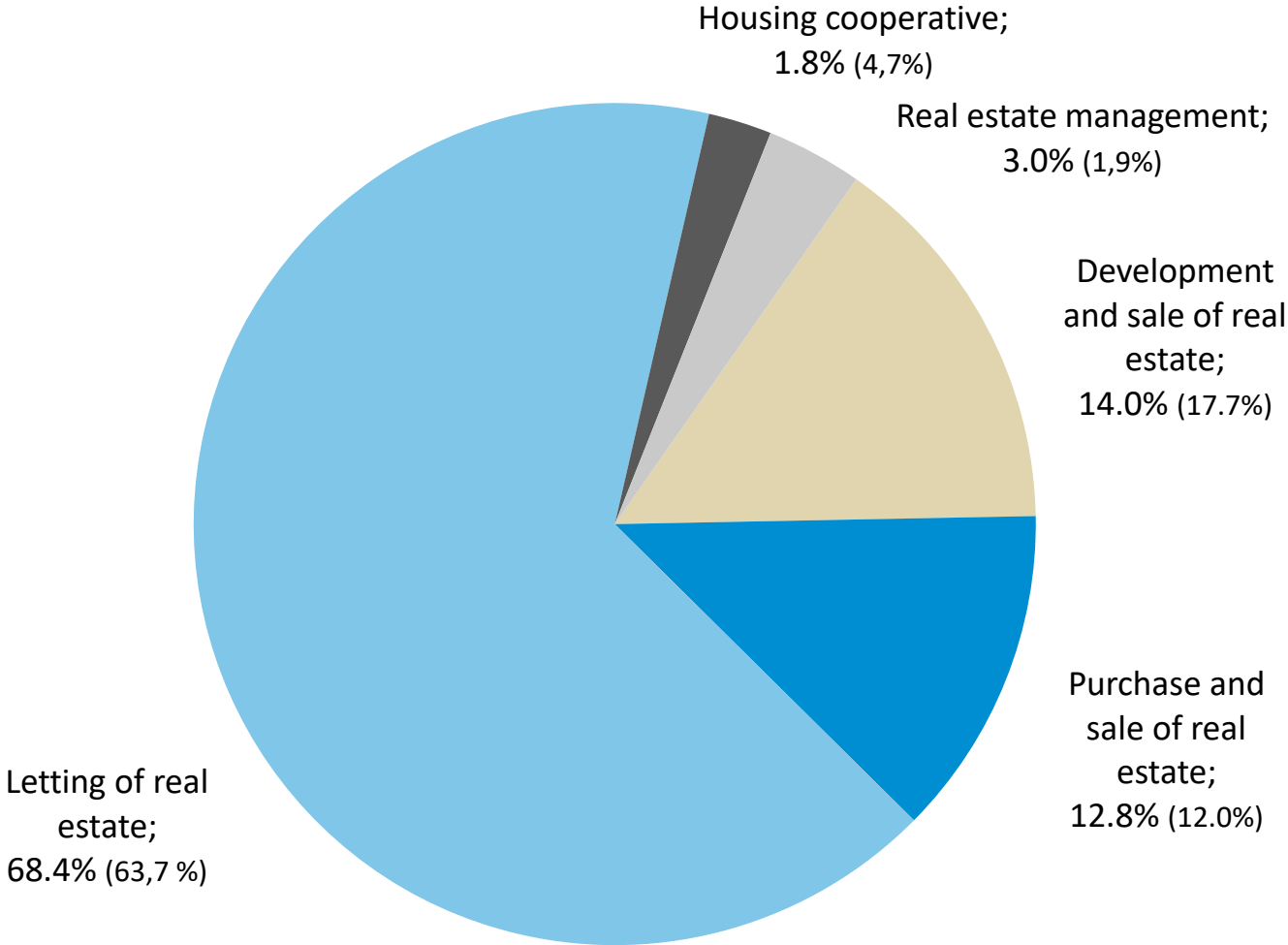


■ Restructured
 ■ Under consideration
 ■ Not required

Lending to commercial property

Lending to commercial property

- NOK 30.3 billion, 15.4% 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 30.09.2017.

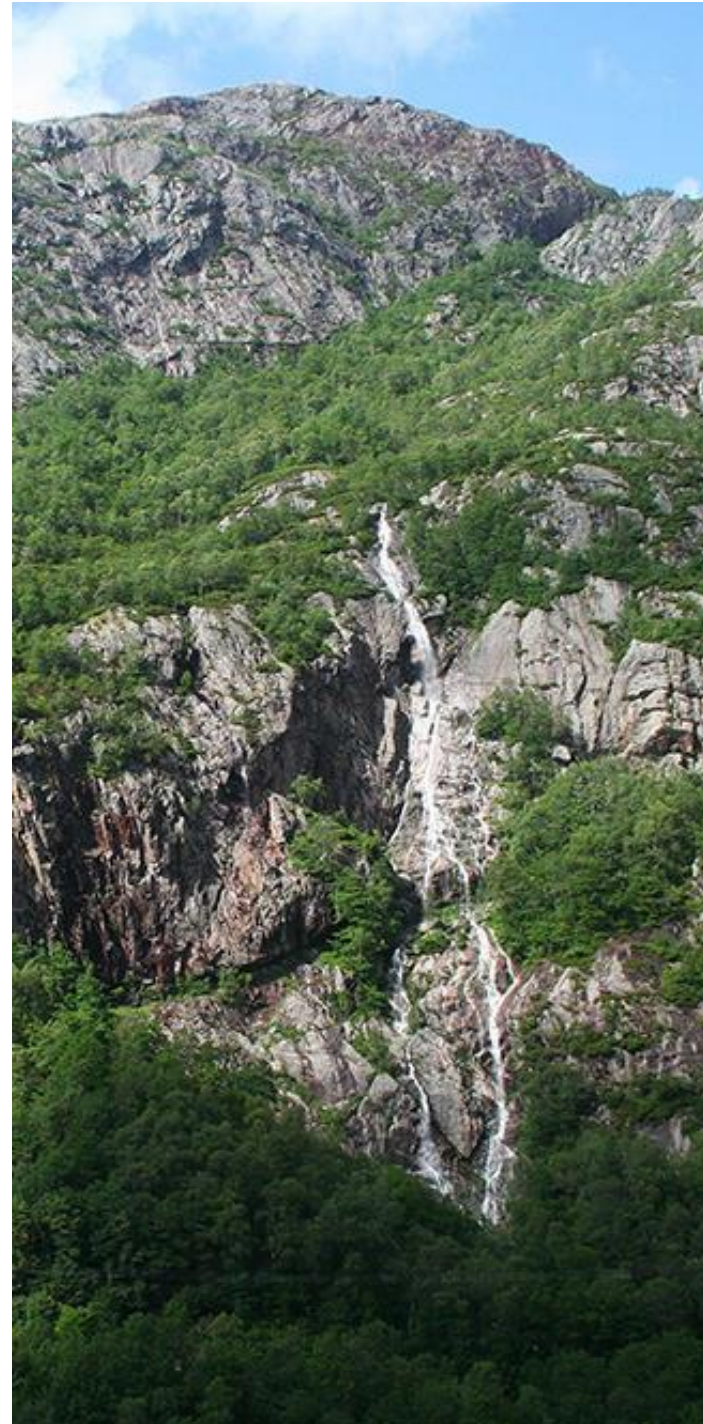
APPENDIX

- 1) Macro
- 2) Oil related portfolio
- 3) Risk**
- 4) SpareBank 1 SR-Bank

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
 - The bank's primary market areas for credit exposure are Rogaland, the Agder counties and Hordaland as well as Oslo and Akershus within the person- and the large customer segment
- 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

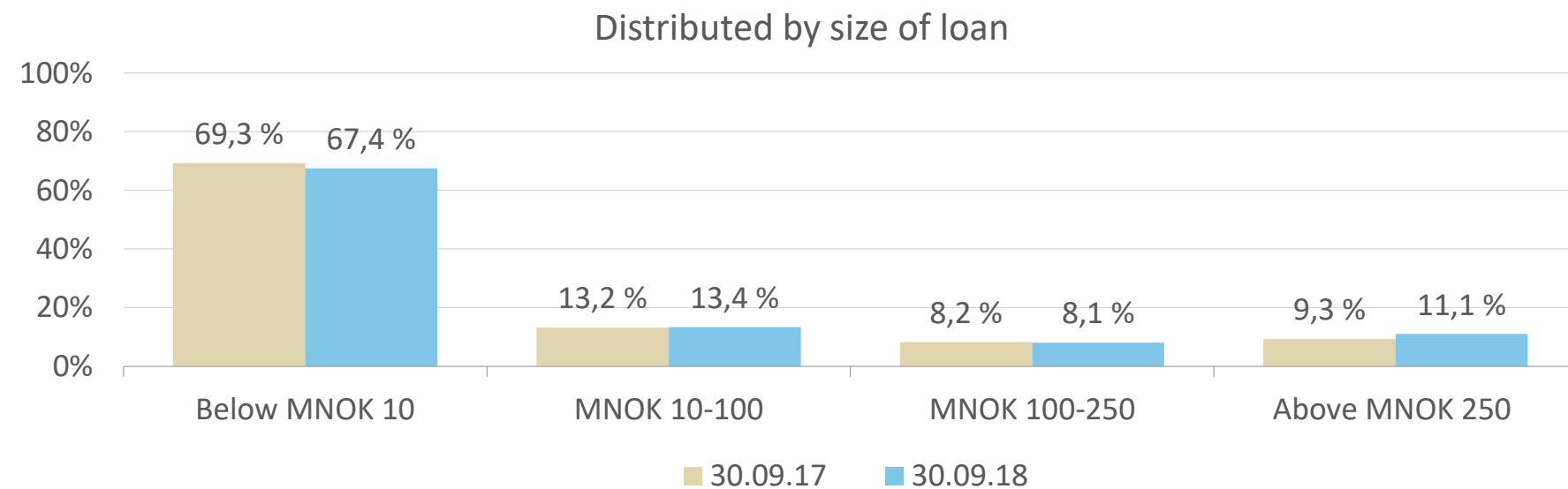
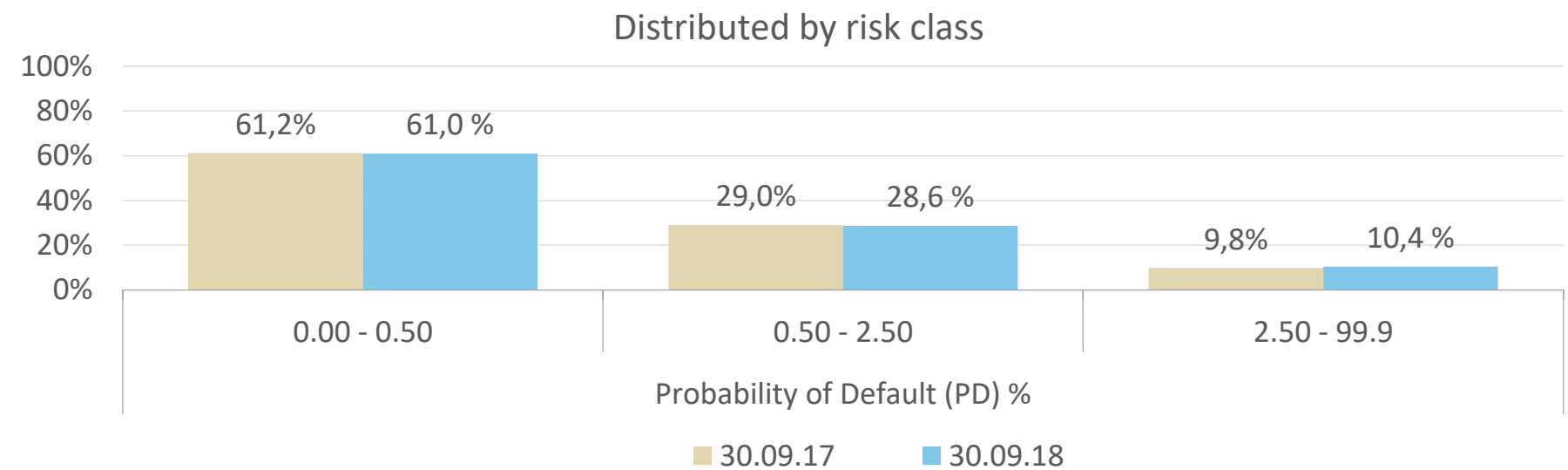


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must 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



Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio.
- 61.0% of the bank's loan exposure has a PD* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 67.4% of total loan portfolio.
- Single loan exposures above NOK 250 million is 11.1% of total loan portfolio.

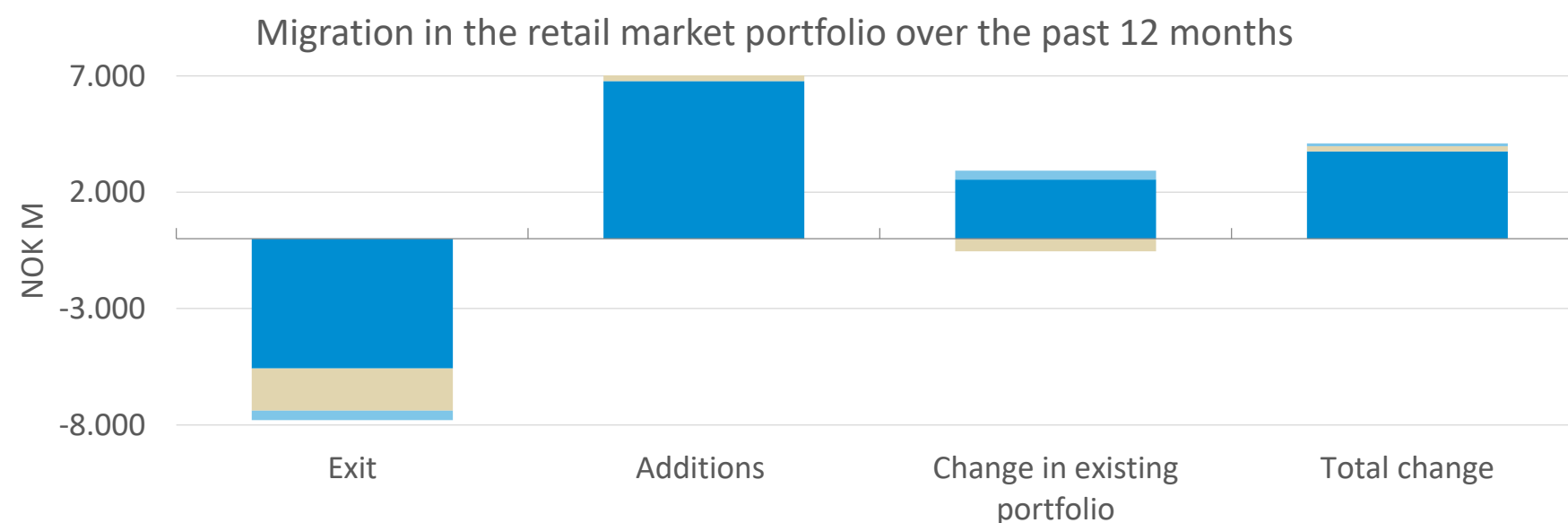
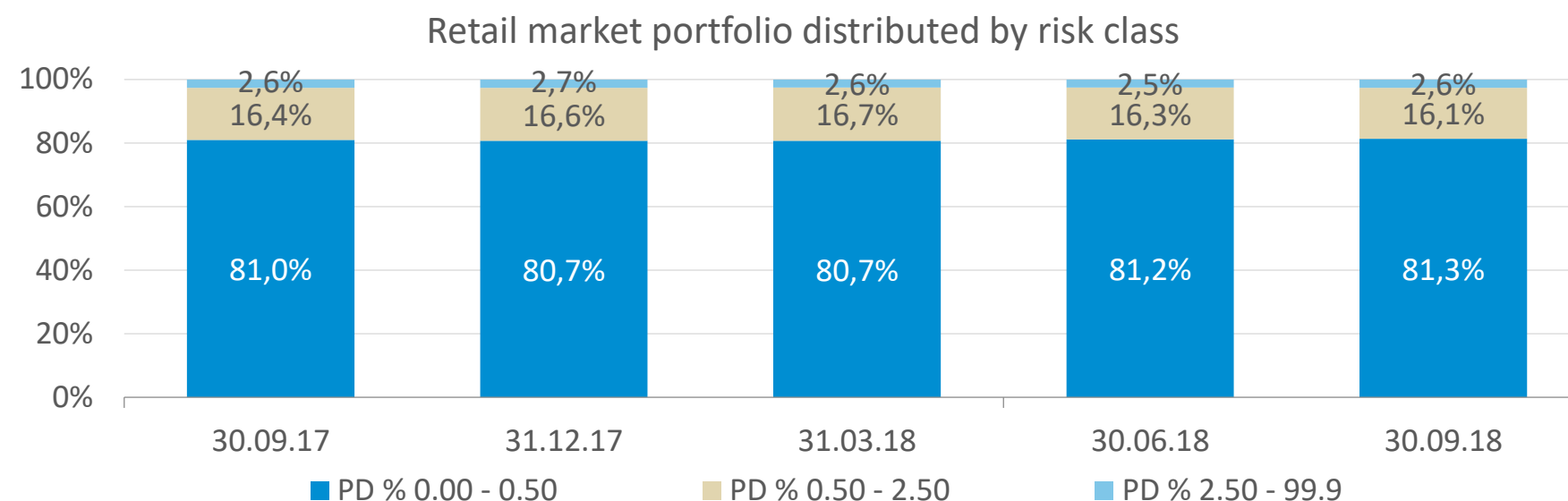


*Probability of default (PD) through a full cycle of loss.

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 81.3% of the total retail portfolio.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.

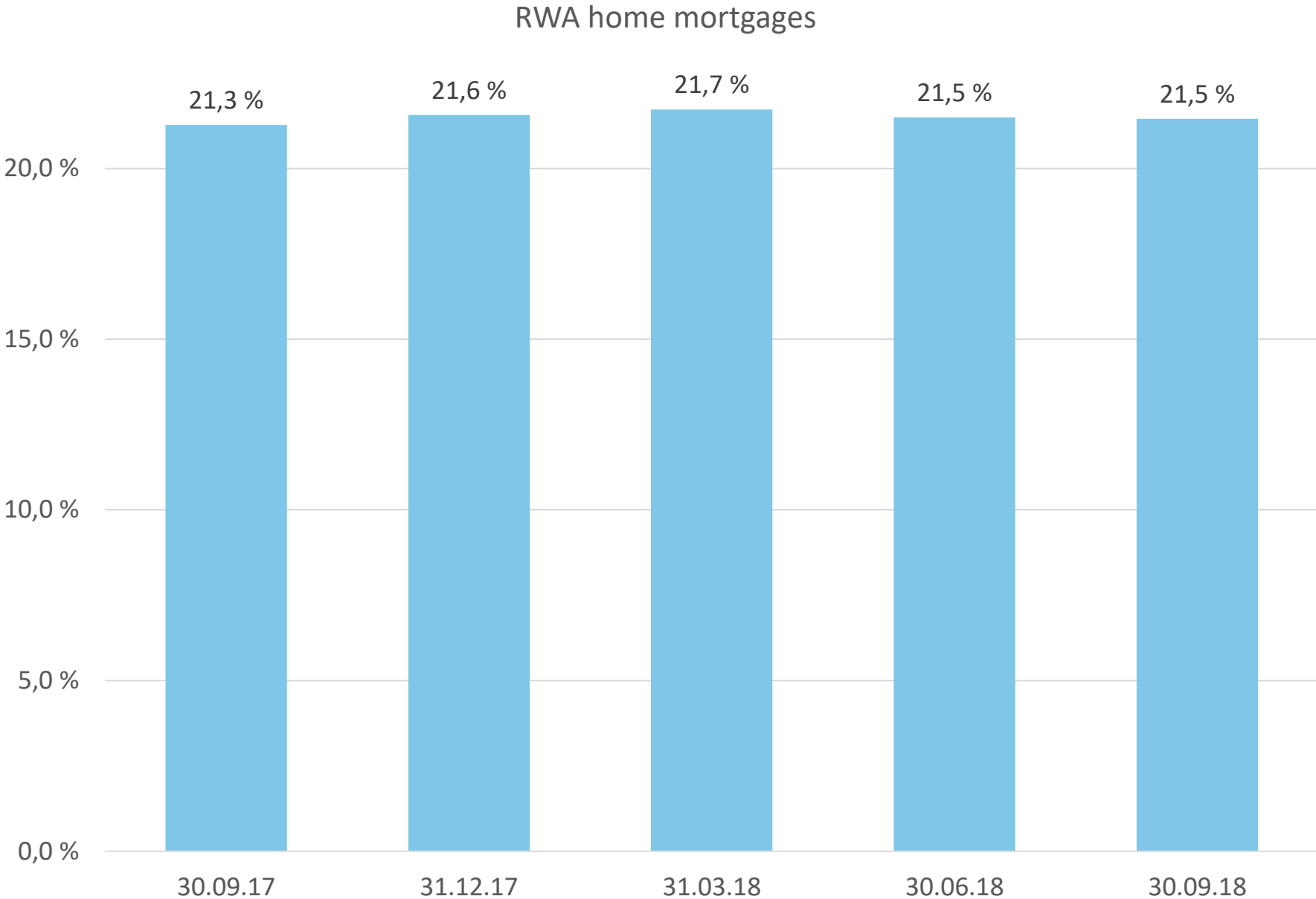


*Probability of default (PD) through a full cycle of loss.

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

RWA home mortgages

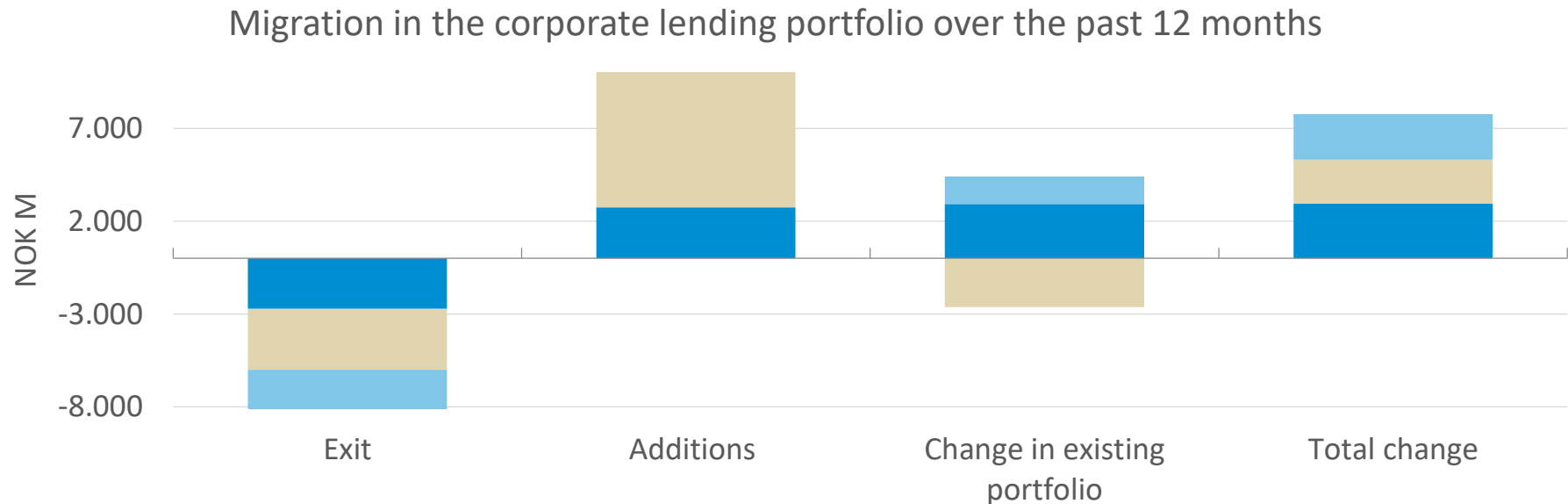
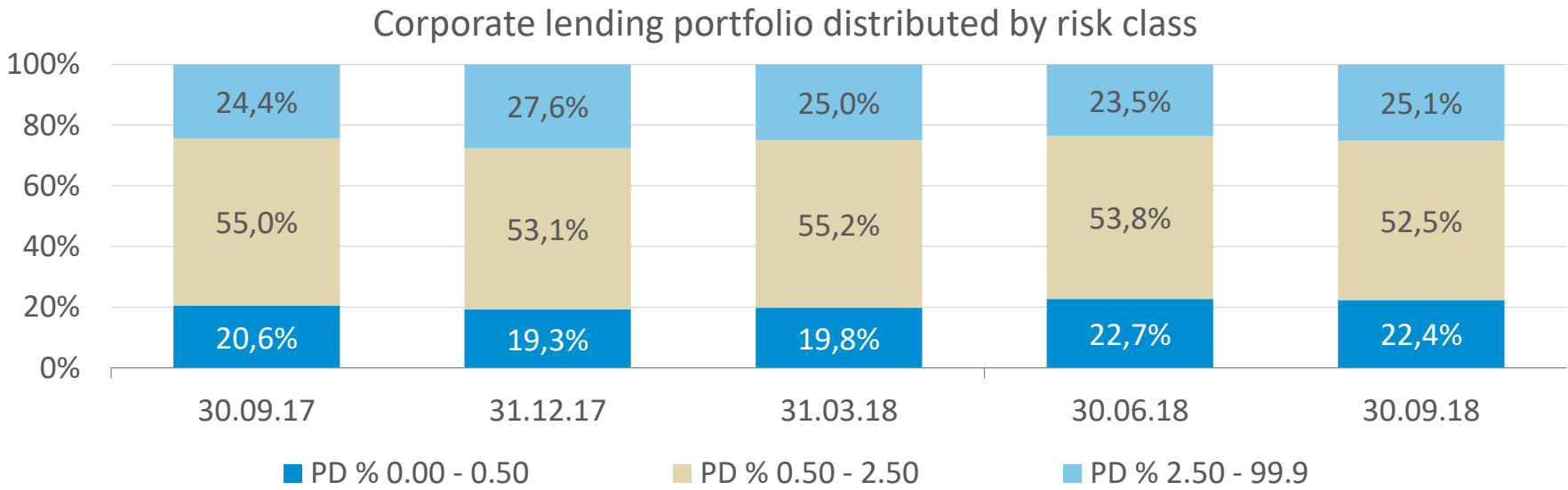
- RWA on home mortgages reflects a solid and stable portfolio.



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 limit on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.
- The share of costumers with PD* below 0.5% is at 22.4%.



*Probability of default (PD) through a full cycle of loss.
The figures include the loan portfolio in the covered bond company SpareBank 1 Næringskreditt AS.

APPENDIX

- 1) Macro
- 2) Oil related portfolio
- 3) Risk
- 4) **SpareBank 1 SR-Bank**

SpareBank 1 SR-Bank ASA

Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years: 25

Retail Market

Number of man-years: 468

Corporate Market

Number of man-years: 155

Administration & Support

Number of man-years: 285

Fully owned companies

EiendomsMegler 1

Leading real estate broker
Number of man-years: 220

SpareBank 1 SR-Forvaltning

Asset management
Number of man-years: 11

SpareBank 1 Regnskapshuset SR

Accounting and advisory
Number of man-years: 96

SR-Boligkreditt

Covered Bond Funding
Number of man-years: 1

FinStart Nordic

The company will be a start-up factory for new ideas
Number of man-years: 6

Partly owned companies

BN Bank

(23.5%)
Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt

(8.0%)
Covered bond company (mortgages)

SpareBank 1 Kredittkort

(17.9%)
Credit card company located in Trondheim

SpareBank 1 Gruppen

(19.5%)
Holding company for the SpareBank 1 - Alliance

SpareBank 1 Næringskreditt

(19.2%)
Covered bond company (commercial real estate)

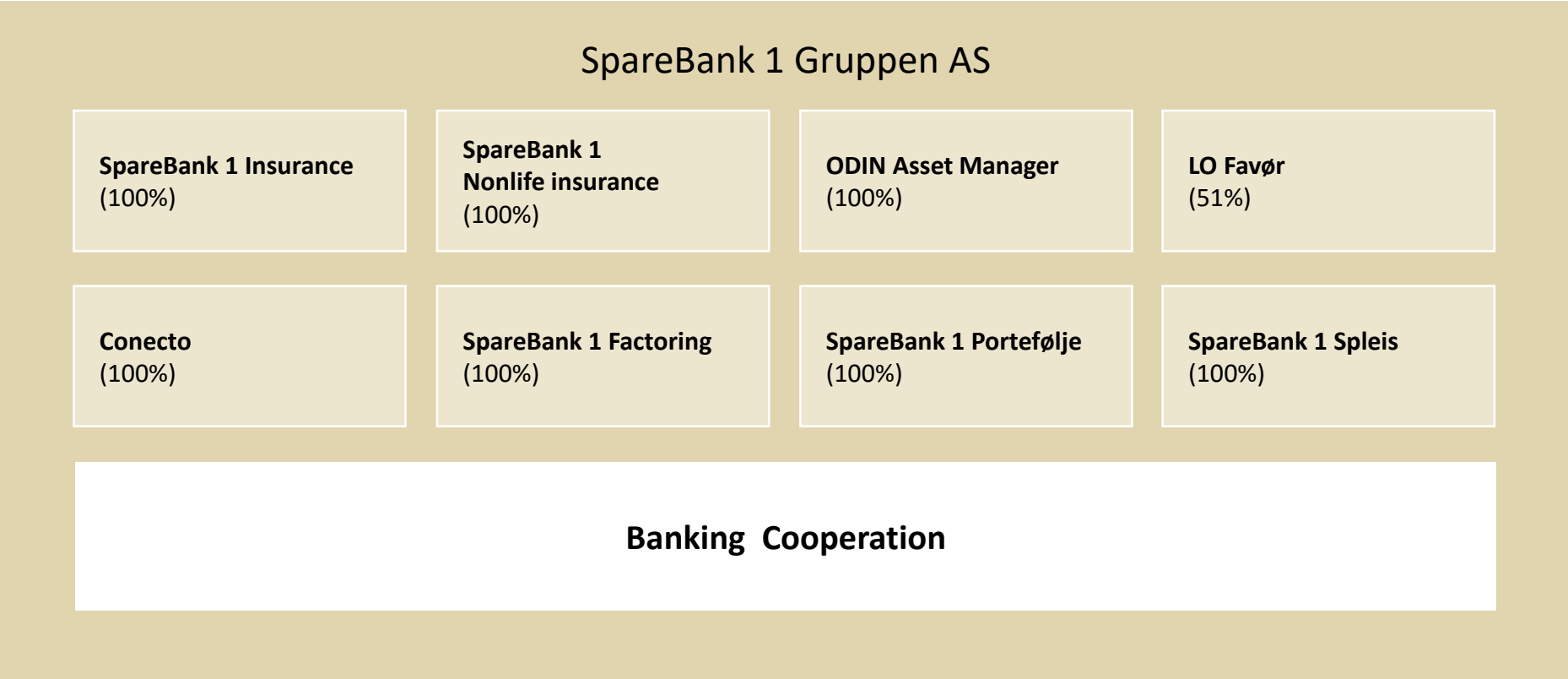
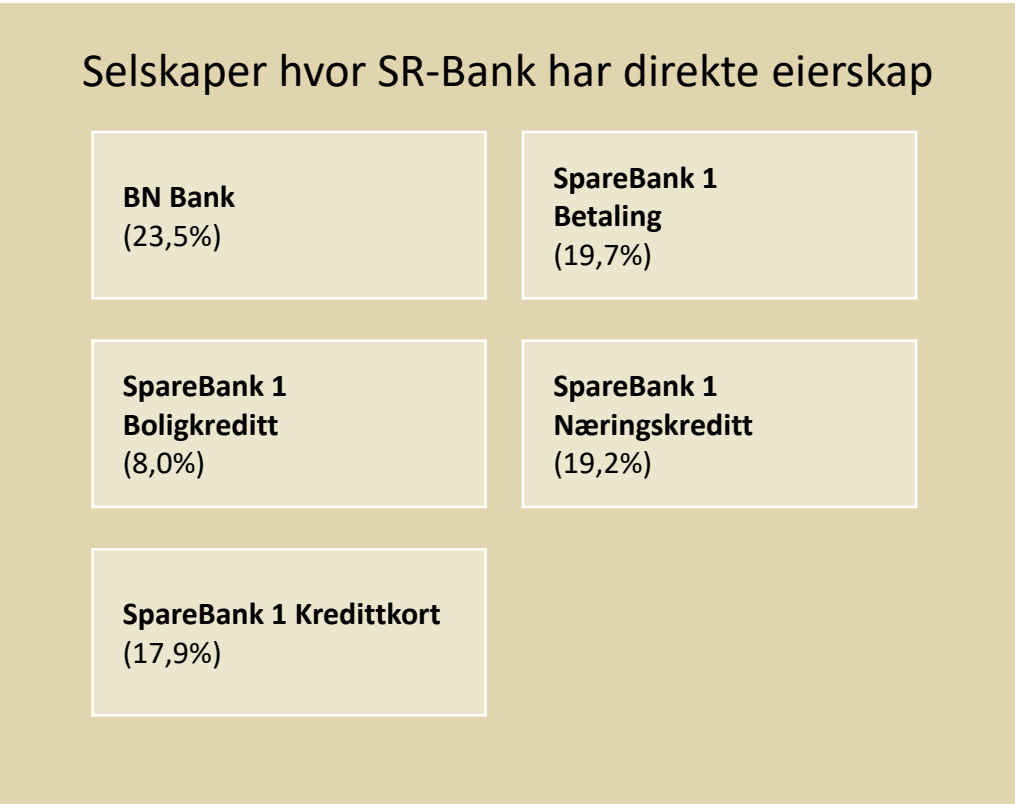
SpareBank 1 Betaling*

(19.7%)
The company behind mobile payment solution
*Owner 25% in VIPPS AS

SpareBank 1 Alliansen



Products, commissions, dividends ↑ ↓ Sales, loan portfolios, capital



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

Objectives

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

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 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.

Financial goals

- Return on equity of 11% after tax in 2018. The longer term (2020) target is a minimum of 12%.
- Top 50% return on equity and cost/income in a Nordic benchmark

Strategic focus

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

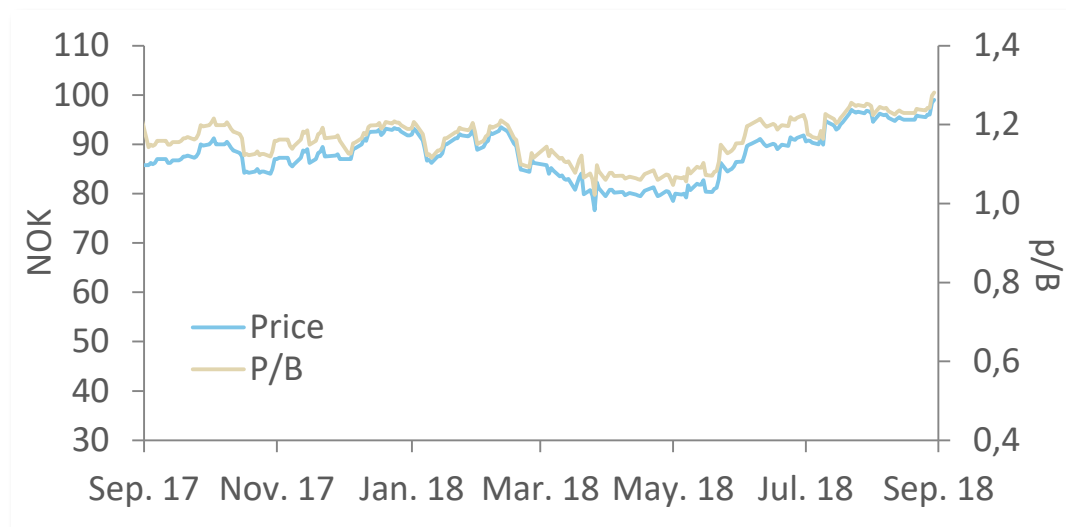
Balance sheet

Balance sheet (MNOK)	30.09.2018	30.09.2017
Cash and balances with central banks	213	271
Balances with credit institutions	3.600	4.135
Net loans to customers	181.676	165.787
Certificates, bonds and other fixed-income securities	29.423	29.579
Financial derivatives	3.746	3.960
Shares, ownership stakes and other securities	851	562
Business available for sale	0	0
Investment in associates	4.002	4.450
Other	2.512	6.565
Total assets	226.023	215.309
Balances with credit institutions	2.853	2.172
Deposits from customers	100.320	98.602
Listed debt securities	93.584	86.341
Financial derivatives	2.732	2.113
Other liabilities	2.187	3.586
Additional Tier 1 and Tier 2 capital instruments	3.339	3.161
Total liabilities	205.015	195.975
Total equity	21.008	19.334
Total liabilities and equity	226.023	215.309

SRBANK share

- International ownership is 25.3% per 3. quarter 2018.
- Total market value at 3. quarter 2018 is NOK 25.3 billion.

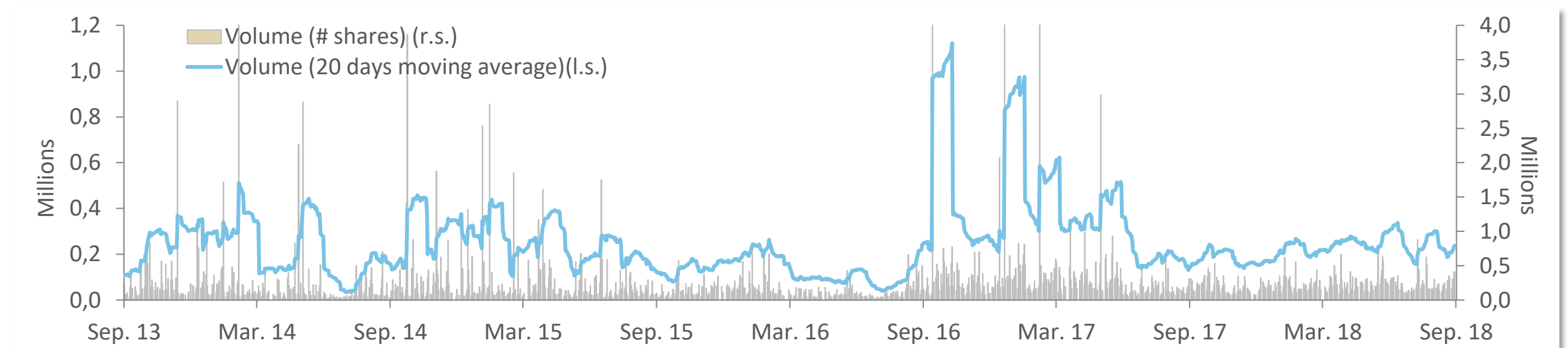
Development in Price/Book



Relativ share price development



Trading volume development



20 largest shareholders as at September 2018

- Ownership interests:
 - From Rogaland, Agder-counties and Hordaland: 43.3% (45.7%)
 - International: 25.3% (22.0%)
 - 10 largest: 50.7% (48.3%)
 - 20 largest: 57.9% (55.4%)
- Number of shareholders 30.09.2018: 10 879 (10 979)
- Employees owning 1.5% (1.6%)

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Folketrygdfondet		18.930.821	7,4%
State Street Bank and Trust Co, U.S.A.	Nominee	10.479.273	4,1%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Vpf Nordea Norge Verdi		5.546.586	2,2%
Danske Invest Norske Instit. II		3.775.938	1,5%
State Street Bank and Trust Co, U.S.A.	Nominee	3.425.406	1,3%
Odin Norge		3.406.393	1,3%
Verdipapirfondet DNB Norge (IV)		2.810.997	1,1%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	2.601.347	1,0%
Clipper AS		2.565.000	1,0%
Pareto Aksje Norge		2.466.197	1,0%
Danske Invest Norske Aksjer Inst.		1.946.094	0,8%
KAS Bank NV, Nederland	Nominee	1.838.296	0,7%
Westco AS		1.697.987	0,7%
KLP Aksjenorge Indeks		1.686.280	0,7%
Pareto AS		1.640.867	0,6%
Vpf Nordea Norge Avkastning		1.609.120	0,6%
Forsvarets Personellservice		1.513.556	0,6%
Vpf Nordea Norge Kapital		1.496.663	0,6%
Topp 5		113.602.568	44,4%
Topp 10		129.622.649	50,7%
Topp 20		148.082.709	57,9%

SR-Bank pr 30.09.2018

	30.09.2018	2017	2016	2015	2014	2013	2012
Share price	99,00	87,00	60,75	39,30	52,50	60,25	37,20
Stock value (MNOK)	25.319	22.250	15.537	10.051	13.427	15.409	9.514
Book value per share, NOK (group)	80,02	77,24	71,54	66,14	60,28	55,00	49,48
Earnings per share	6,92	8,16	6,87	6,83	8,20	7,28	5,33
Dividend per share	n.a	4,25	2,25	1,50	2,00	1,60	1,50
P/E	10,73	10,66	8,84	5,75	6,40	8,28	6,99
P/BV (group)	1,24	1,13	0,85	0,59	0,87	1,10	0,75

Number of shares issued 255.8 million

Trading volume in Q3 2018: 6.1% (4.2%)

On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index



Contact Details

Adress

Bjergsted Terrasse 1
Postboks 250
4066 Stavanger

Tel: +47 915 02002
www.sr-bank.no

Management



Arne Austreid

CEO

Tel.: +47 900 77 334

E-post: arne.austreid@sr-bank.no



Inge Reinertsen

CFO

Tel.: +47 909 95 033

E-post: inge.reinertsen@sr-bank.no

Investor Relations



Stian Helgøy

Investor Relations

Tel.: +47 906 52 173

E-post: stian.helgoy@sr-bank.no