

Fourth Quarter 2018

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	476.000
Market share	35%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	2.5%

Hordaland

Population	525.000
Market share	6%
Year of establishment	2006
Market strategy	Growth
Unemployment rate	2.6%

Agder

Population	305.000
Market share	8%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	2.3%

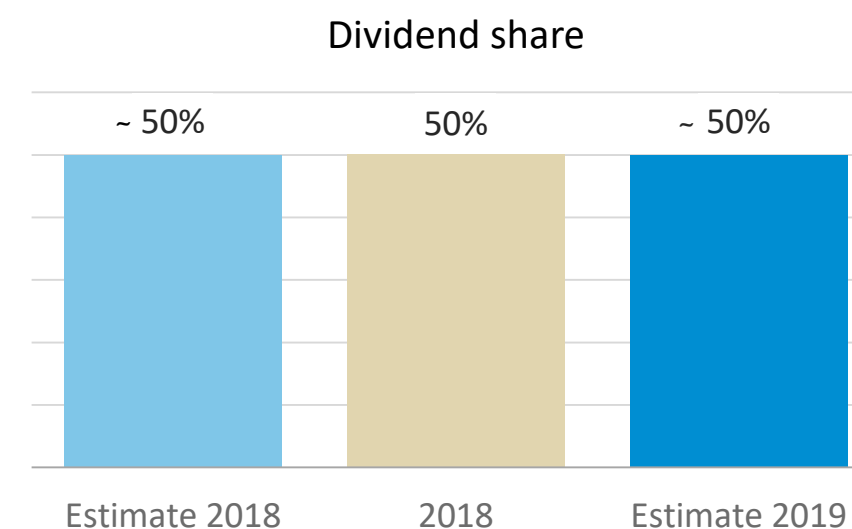
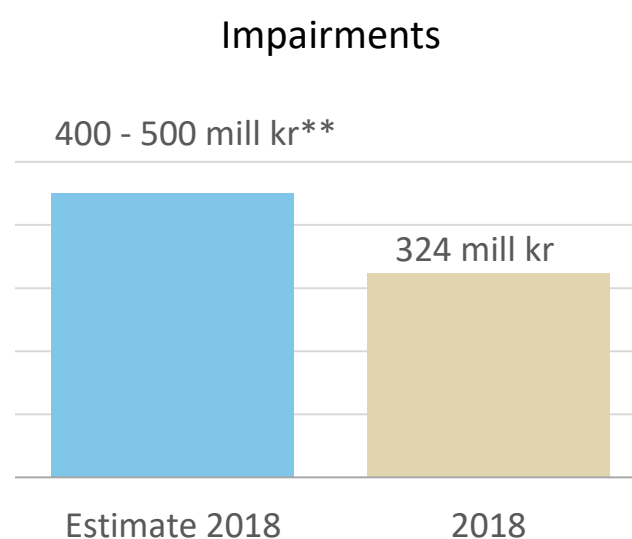
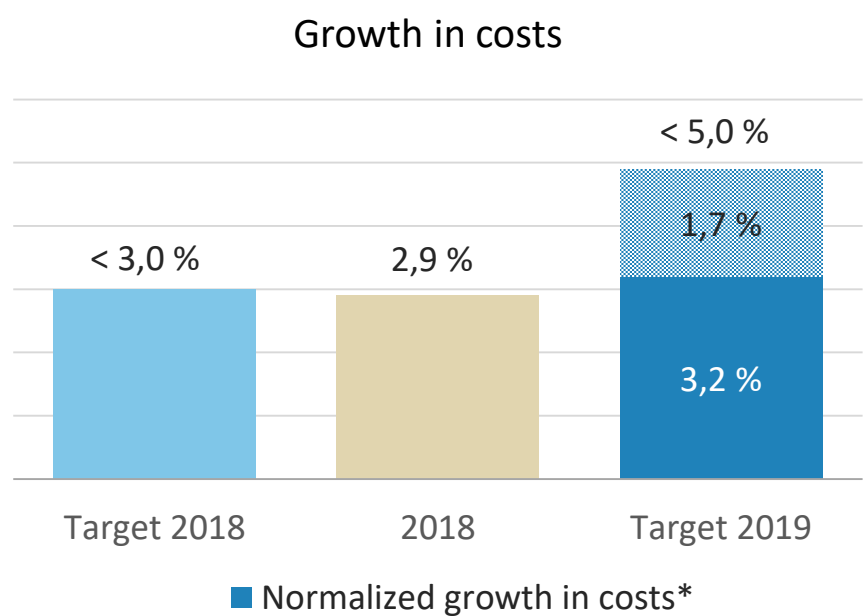
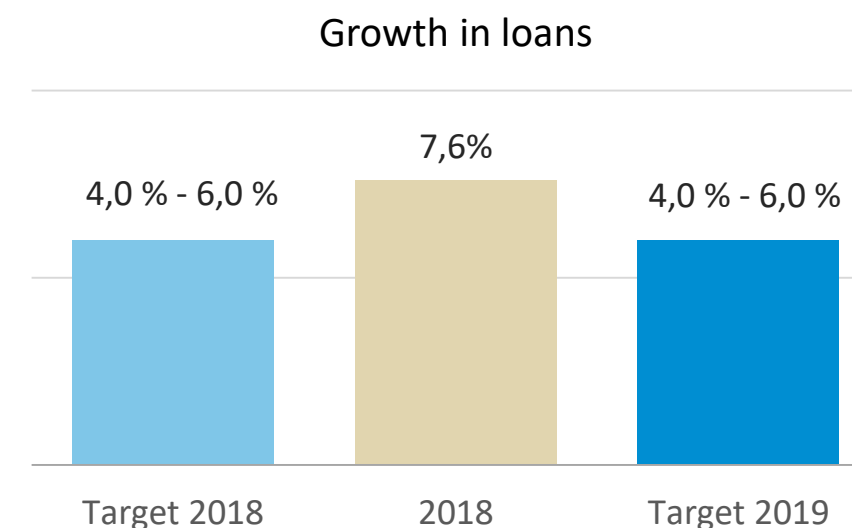
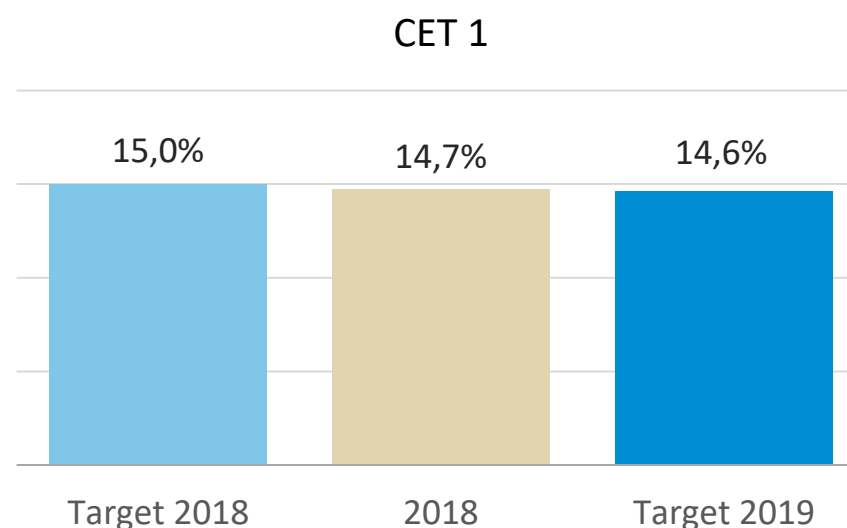
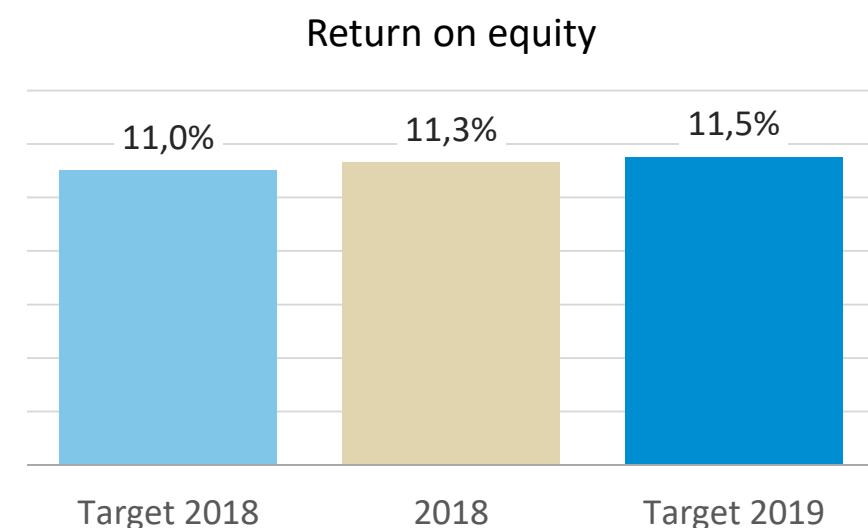


Source: Nav, SSB and SpareBank 1 SR-Bank
Unemployment rate as at December 2018

Strong result with income growth and good cost control

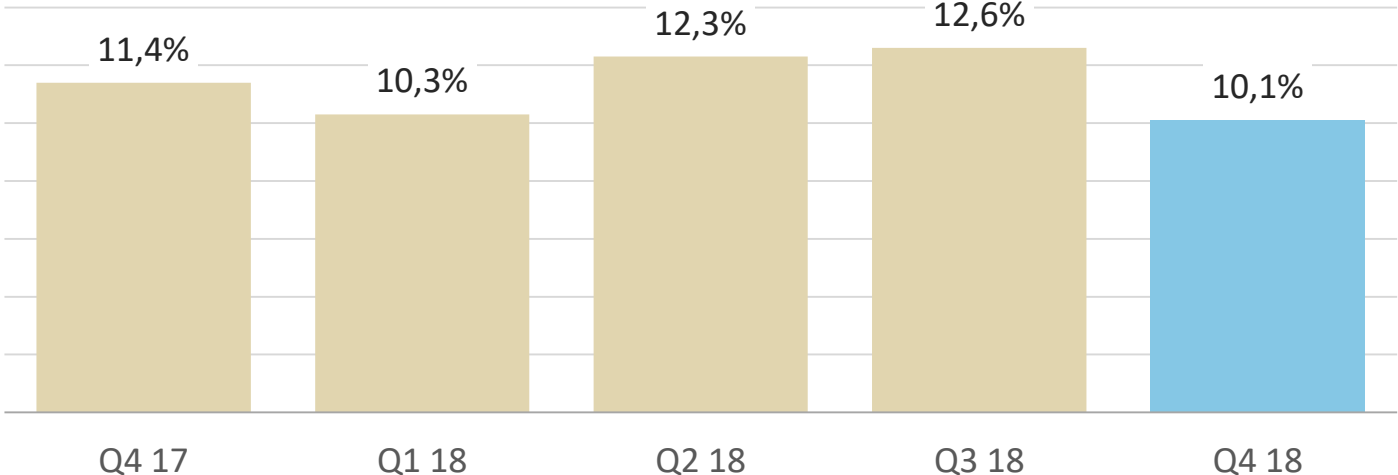
- Pre-tax profit for the quarter is NOK 676 million compared to NOK 700 million last year
 - Return on equity after tax 10.1%
- Pre-tax profit year-to-date is NOK 2.892 million compared to NOK 2.610 million last year
 - Return on equity after tax 11.3%
- Impairments on loans and financial commitments is NOK 324 million compared to NOK 543 million last year
 - 0.17% of gross lending including covered bond companies as at 31 December 2018
- 12 months lending growth of 7.6%
 - Risk-weighted assets (RWA) is increased by 8.9% the last 12 months
- 12 months deposits growth of 3.6%
- 12 months costs growth of 2.9%
 - Growth in costs last 12 months of NOK 62 million due to increased activity in several areas
- Common equity tier 1 capital ratio is 14.7% compared to 15.1% last year
- The board suggests a dividend of NOK 4.50 pr. stock

Key figures 2018, financial targets and estimates for 2019

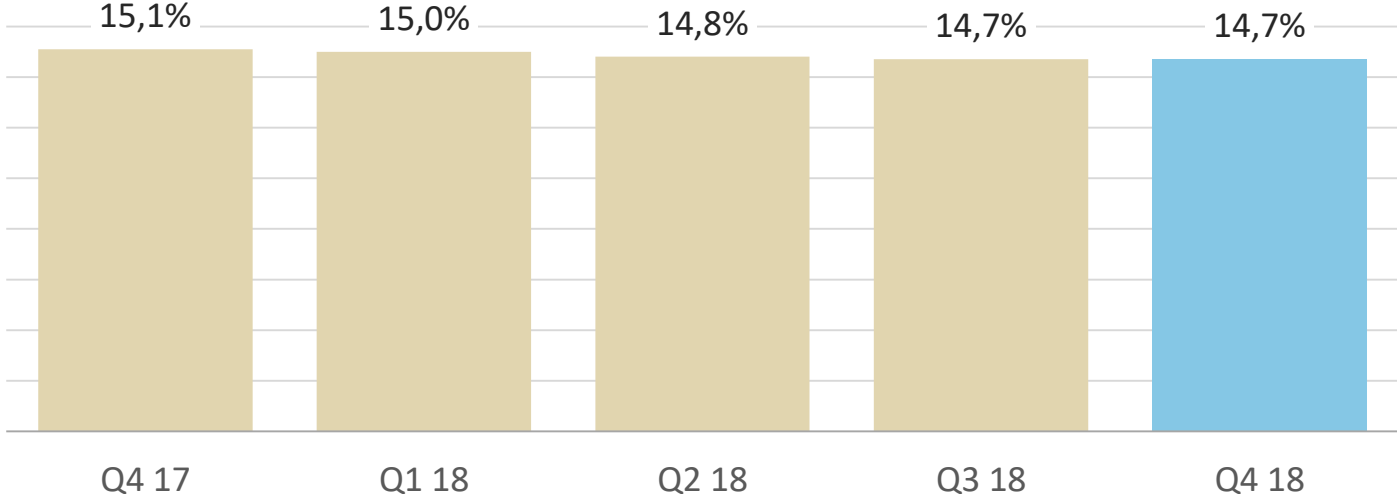


Key figures – quarterly development

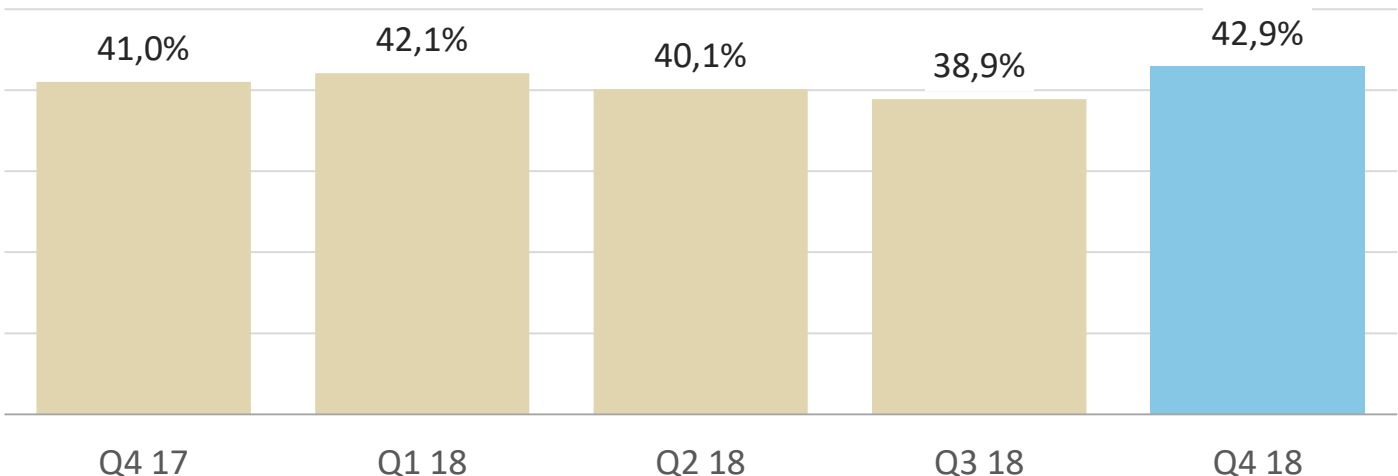
Return on equity



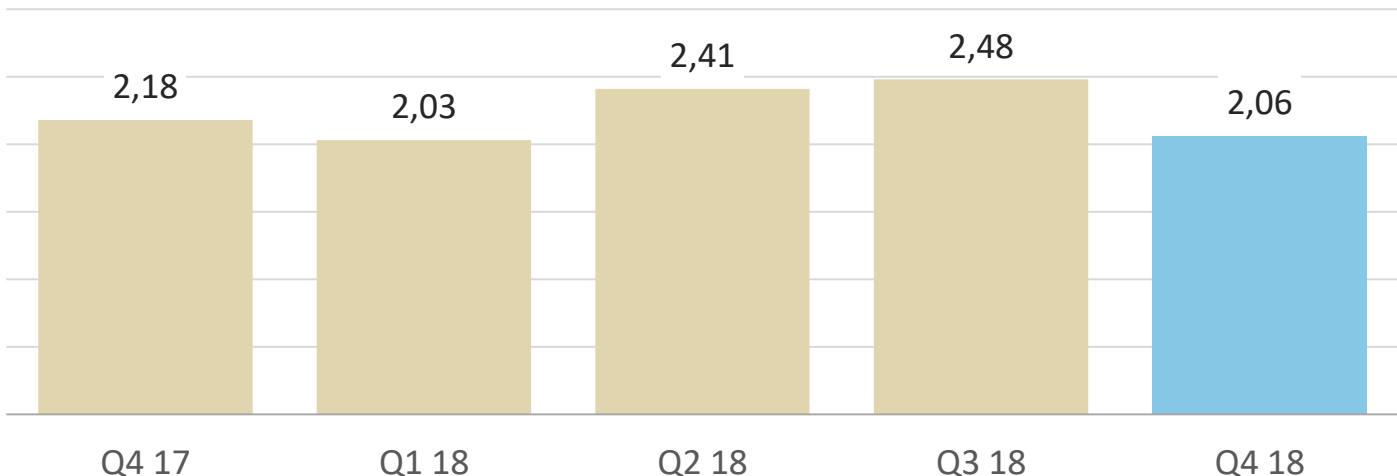
CET 1



Cost ratio

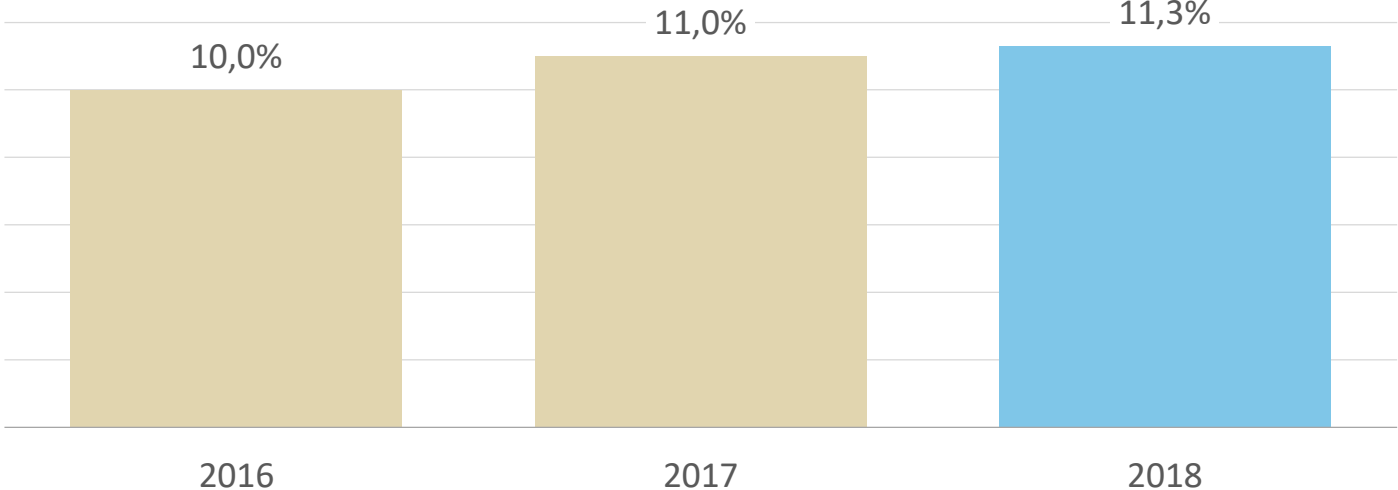


Earnings per share

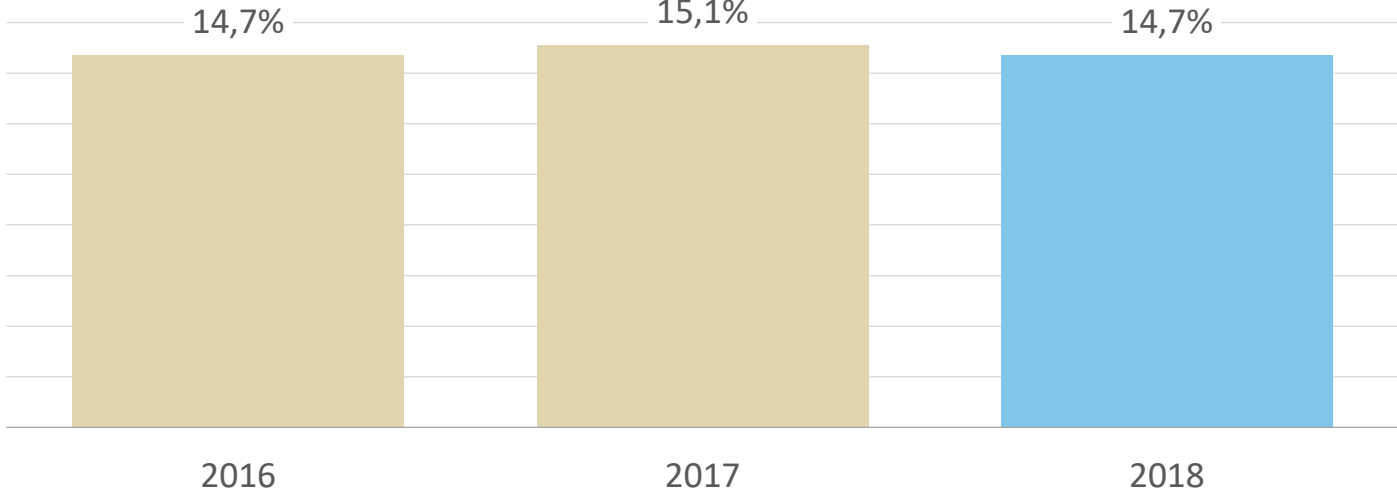


Key figures – annual development

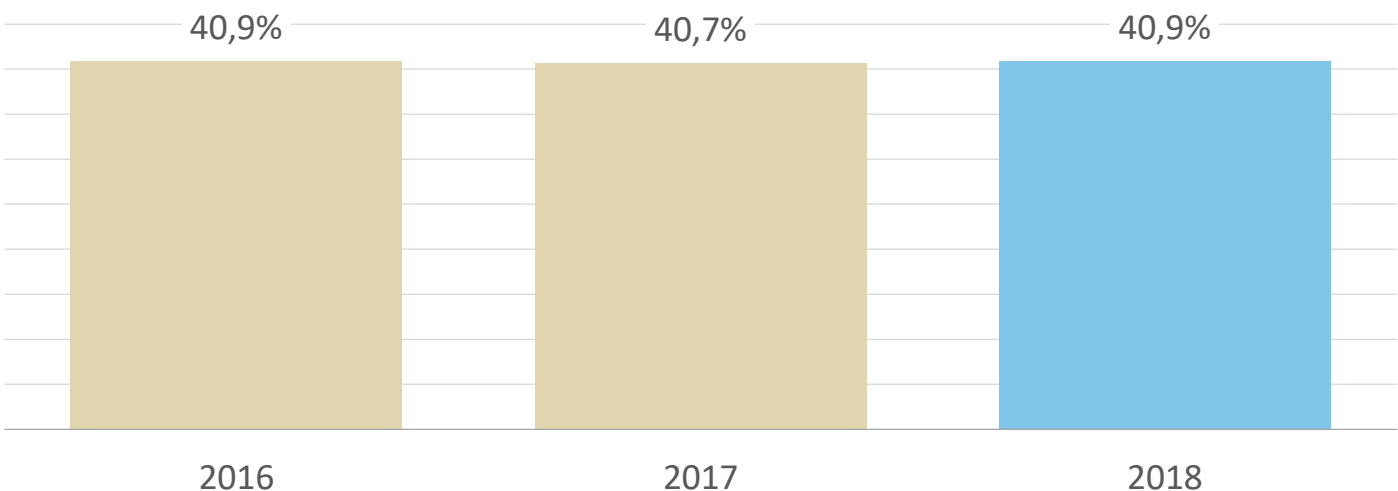
Return on equity



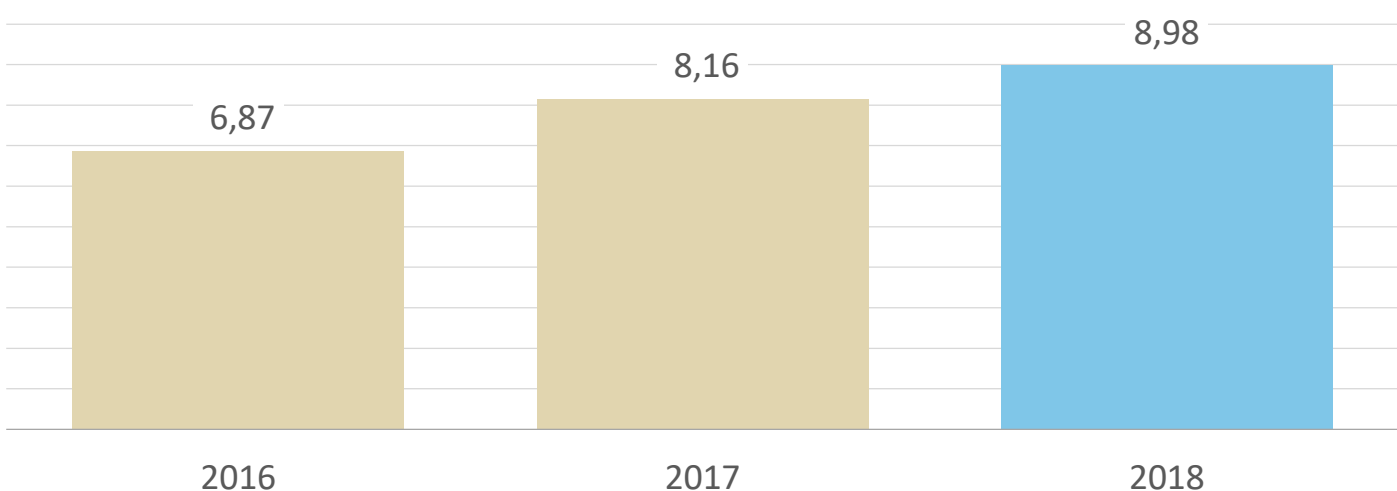
CET 1



Cost ratio



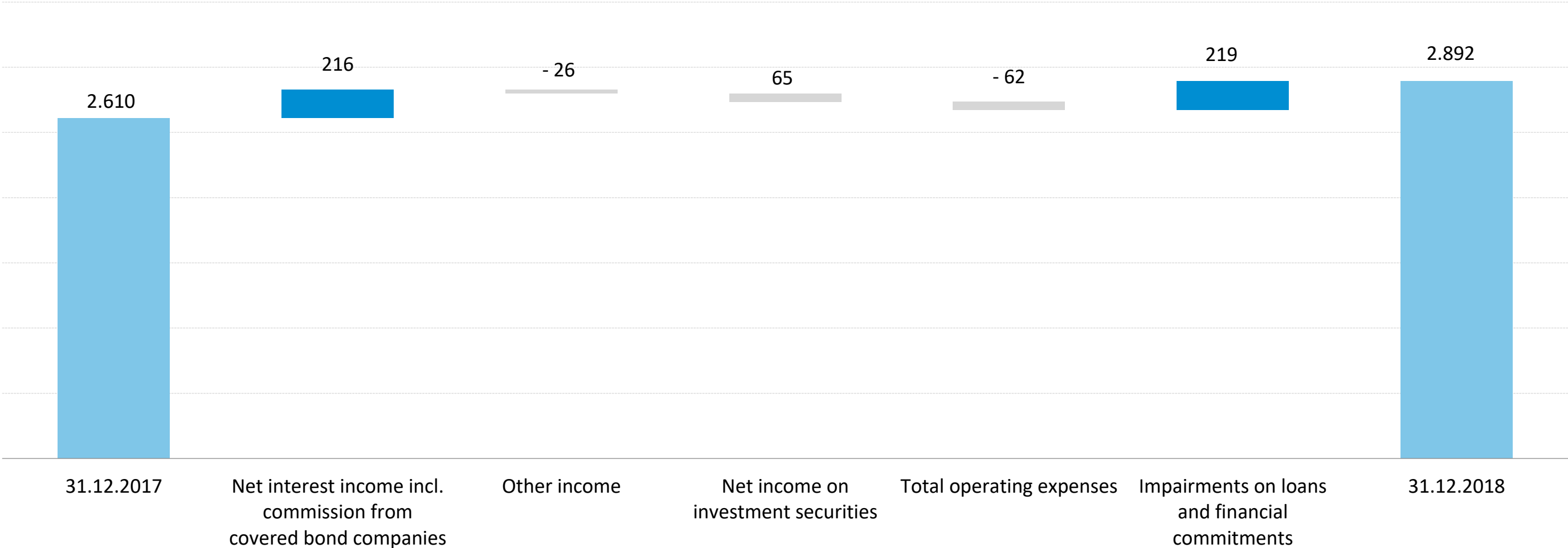
Earnings per share



Income statement

Group Income Statement (MNOK)	31.12.2018	31.12.2017	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Net interest income	3.439	3.162	926	871	842	800	819
Net commission and other income	1.437	1.524	350	349	370	368	367
Net income on investment securities	569	634	68	175	213	113	204
Total income	5.445	5.320	1.344	1.395	1.425	1.281	1.390
Total operating expenses	2.229	2.167	576	542	572	539	570
Operating profit before impairments	3.216	3.153	768	853	853	742	820
Impairments on loans and financial commitments	324	543	92	59	99	74	120
Operating profit before tax	2.892	2.610	676	794	754	668	700
Tax expense	596	524	149	160	137	150	141
Net profit	2.296	2.086	527	634	617	518	559

Change in profit 31.12.2017 – 31.12.2018

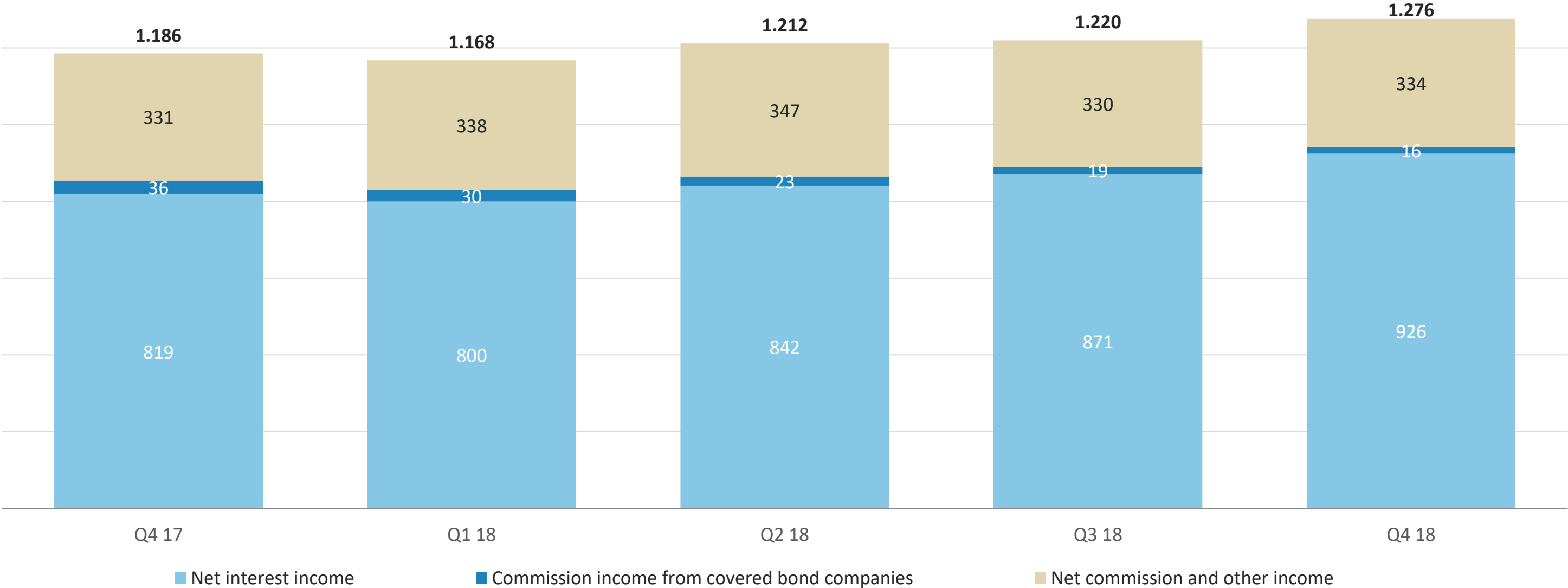


Key figures

	31.12.2018	31.12.2017	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Return on equity after tax (%)	11,3	11,0	10,1	12,6	12,3	10,3	11,4
Net interest margin (%)	1,54	1,52	1,59	1,53	1,52	1,50	1,50
Impairments on loans in % of gross loans incl. covered bond companies	0,17	0,29	0,18	0,12	0,21	0,16	0,26
Loans and financial commitments in Stage 3 in % of gross loans incl. covered bond companies*	1,46	1,13	1,46	1,45	1,54	1,15	1,13
Cost to Income ratio	40,9	40,7	42,9	38,9	40,1	42,1	41,0
Annual growth in loans to customers, gross incl. covered bond companies (%)	7,6	2,6	7,6	6,1	5,0	3,1	2,6
Annual growth in deposits from customers (%)	3,6	11,0	3,6	1,7	6,1	7,0	11,0
Total assets (BNOK)	234,1	216,6	234,1	226,0	224,0	217,4	216,6
Portfolio of loans in covered bond companies (BNOK)	9,3	14,6	9,3	13,4	14,6	14,6	14,6
Risk weighted assets (BNOK)	130,9	120,2	130,9	129,2	126,8	122,8	120,2
Liquidity Coverage Ratio (LCR) (%)	167	168	167	151	157	177	168
Earnings per share (NOK)	8,98	8,16	2,06	2,48	2,41	2,03	2,18
Book value per share (NOK)	82,27	77,24	82,27	80,02	77,28	79,24	77,24

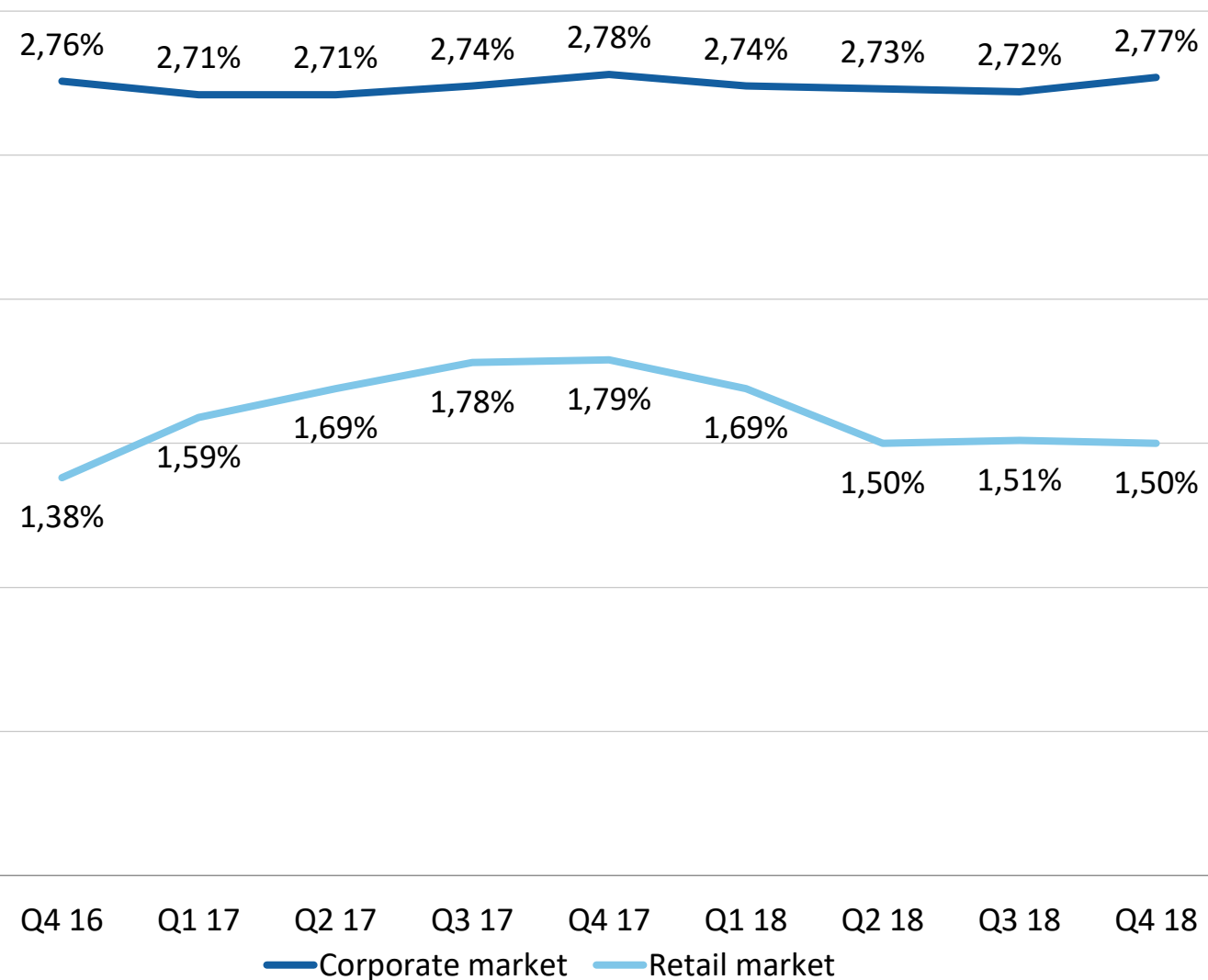
*IFRS 9 has replaced IAS 39 as of 1 January 2018. Figures before 1 January 2018 is total non-performing and impaired loans according to IAS 39 in % of gross loans incl. covered bond companies. Loans in Stage 3 are loans with a significant increase in credit risk since being granted and have objective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

Consolidated income profile

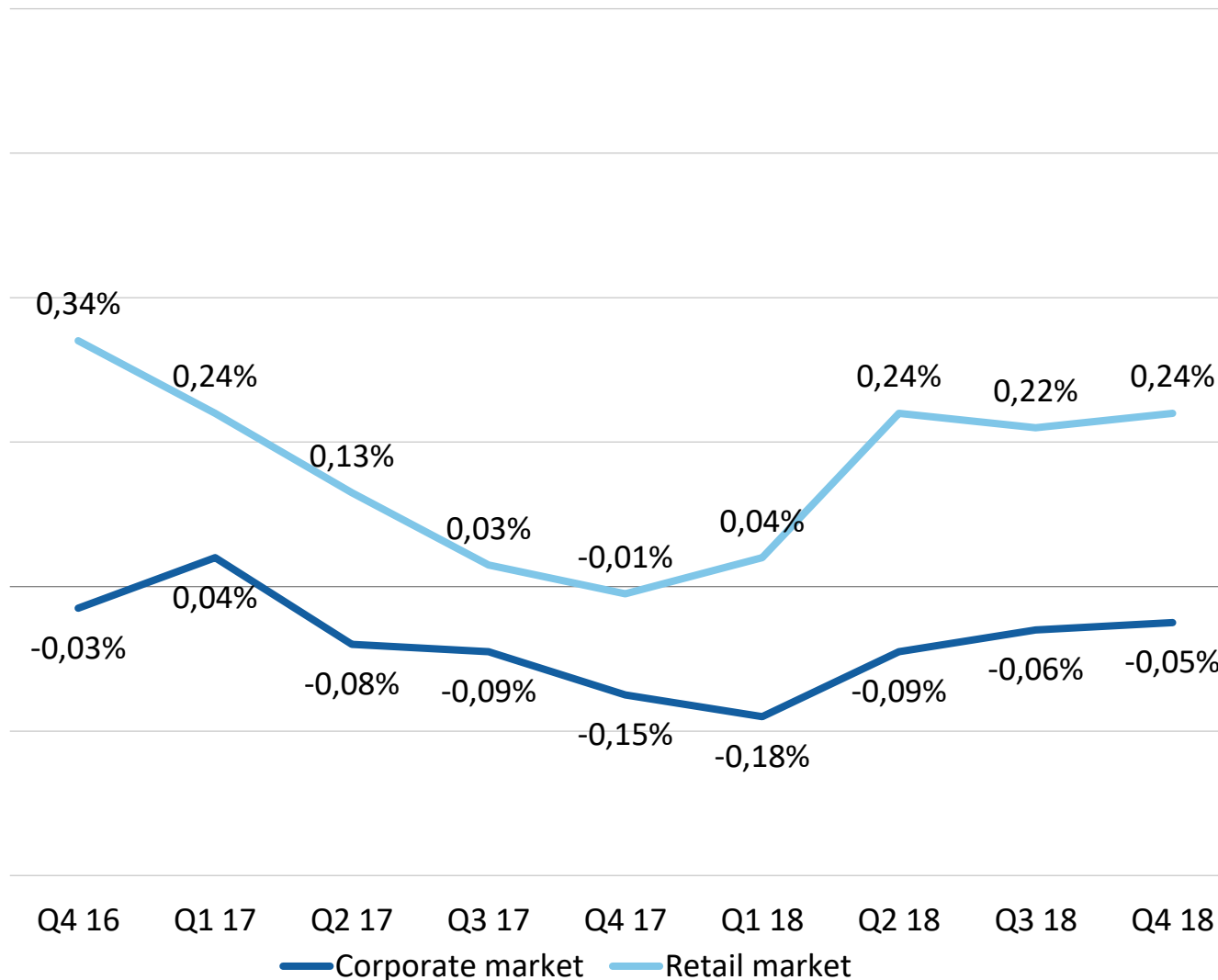


Lending and deposit margins

Lending margins*



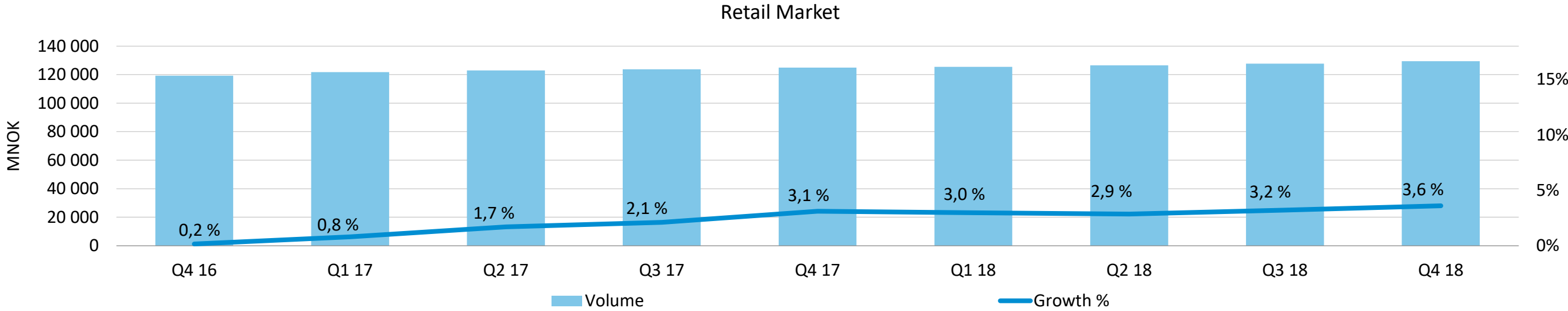
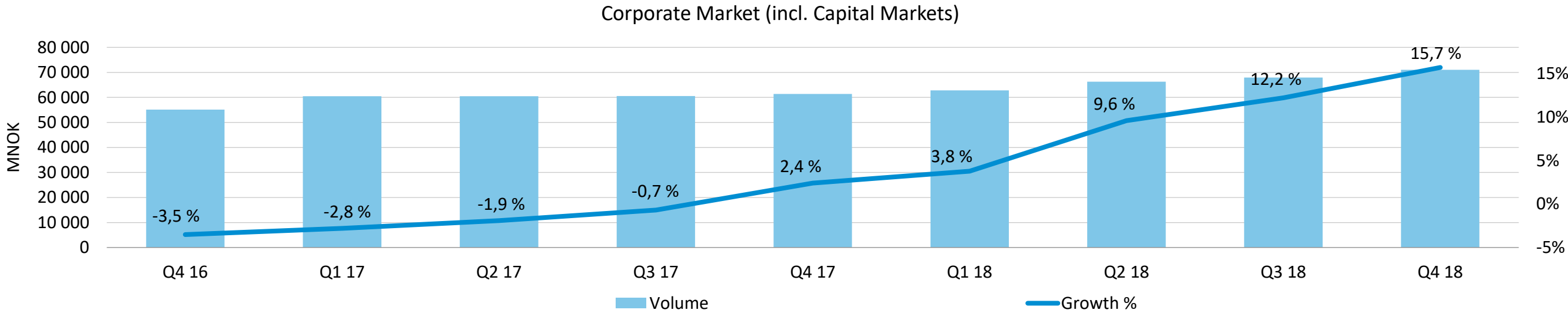
Deposit margins



*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.

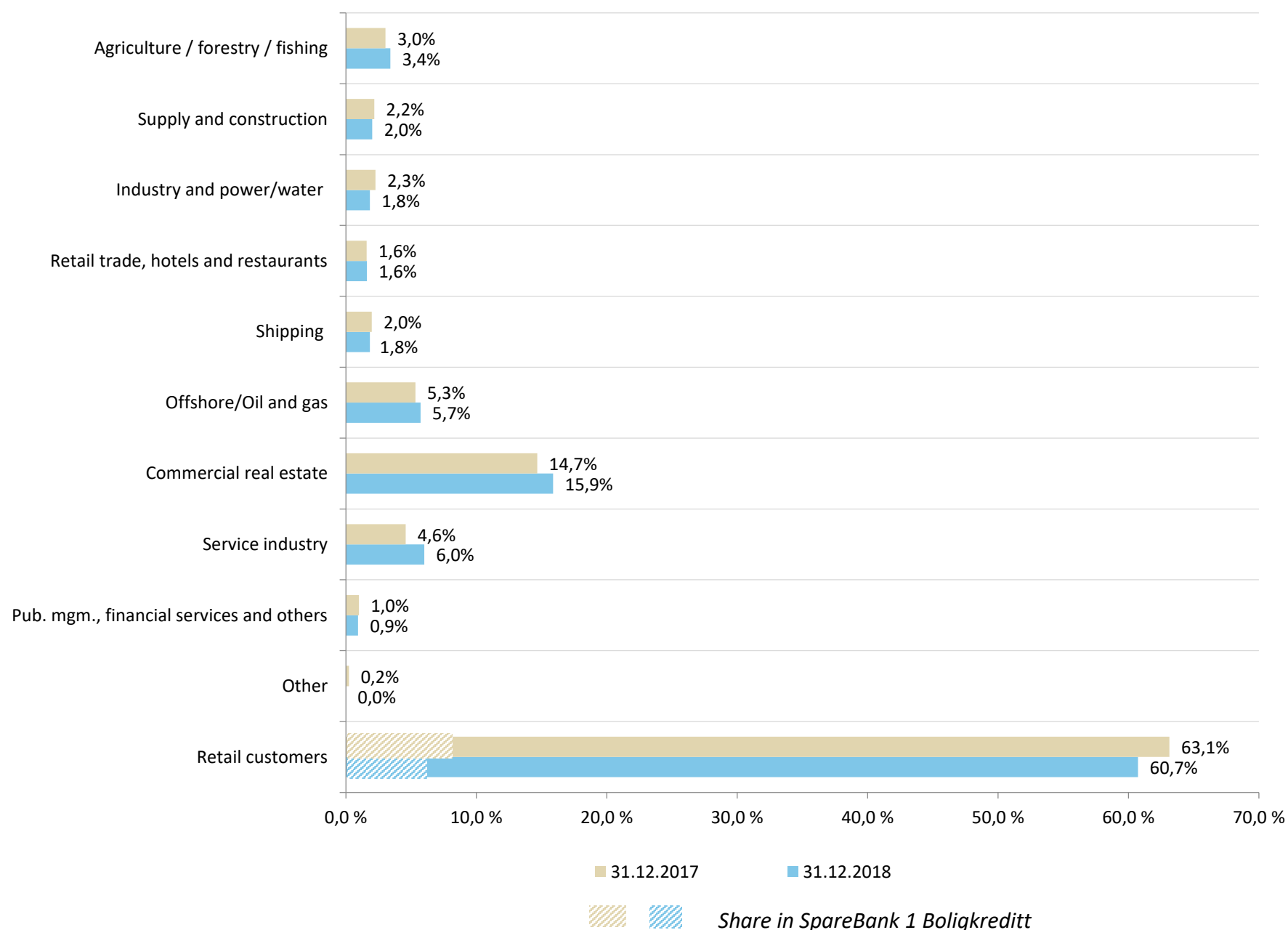
Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies

Lending volume and 12 months growth



Loan portfolio as at 31.12.2018

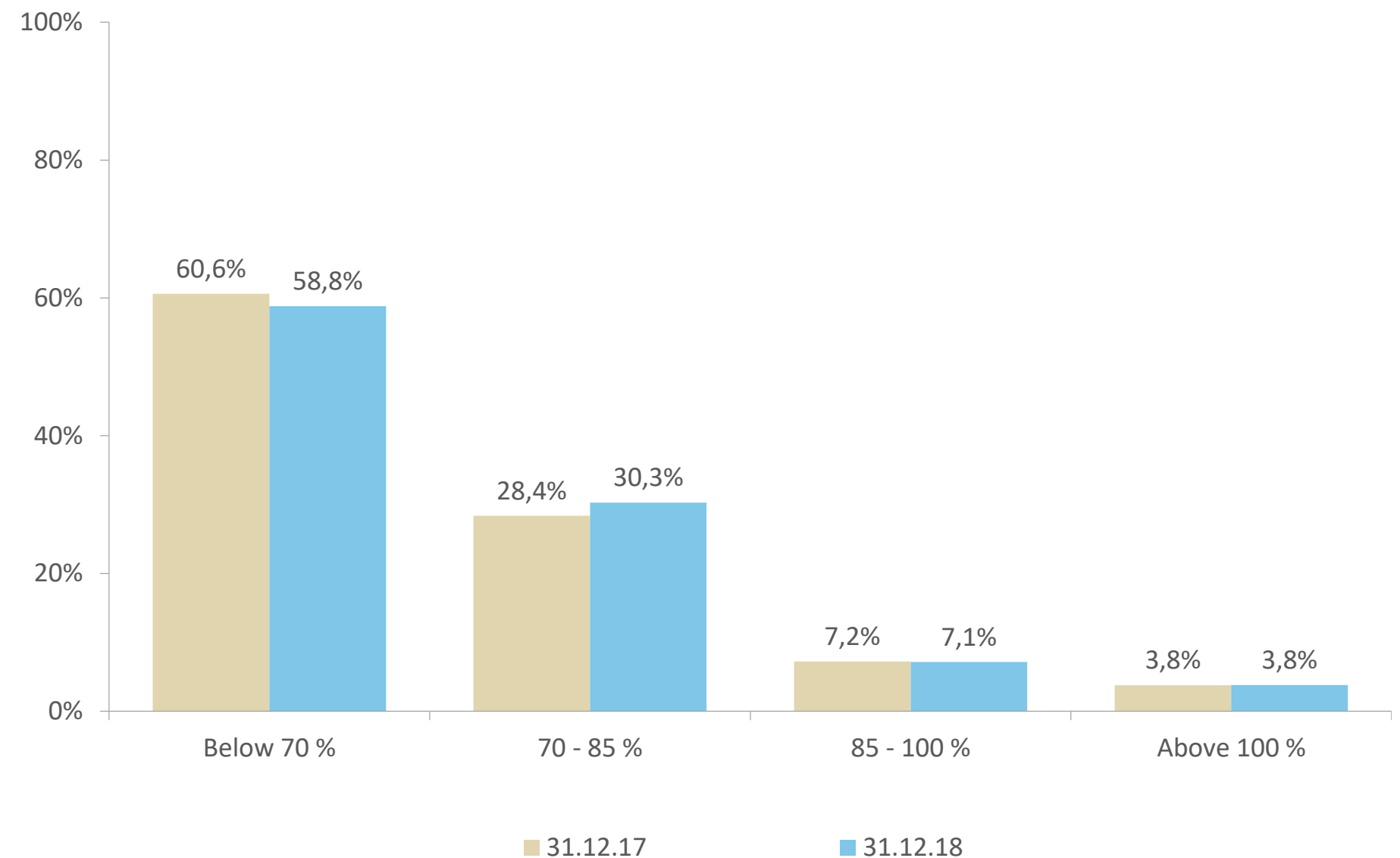
- Gross loans (incl. covered bond companies) as at 31 December 2018 amount to NOK 201.4 billion compared with NOK 187.1 billion at the same time the year before.
- 12-month growth in loans of 7.6%.
- Loans to retail customers (incl. covered bond company) account for 60.7% of total loans, of which 7.2%-points is in SpareBank 1 Boligkreditt.



Loans before impairments, nominal amounts.
Sector allocation in accordance with the standard categories from Statistics Norway.

Loan to value ratio on home mortgage loans

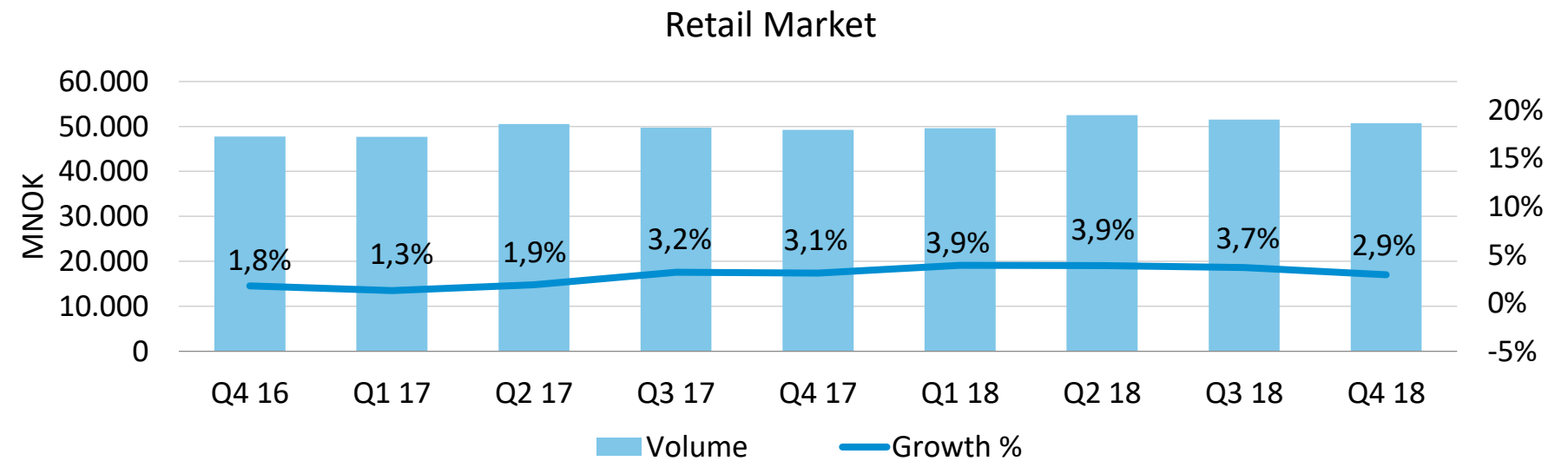
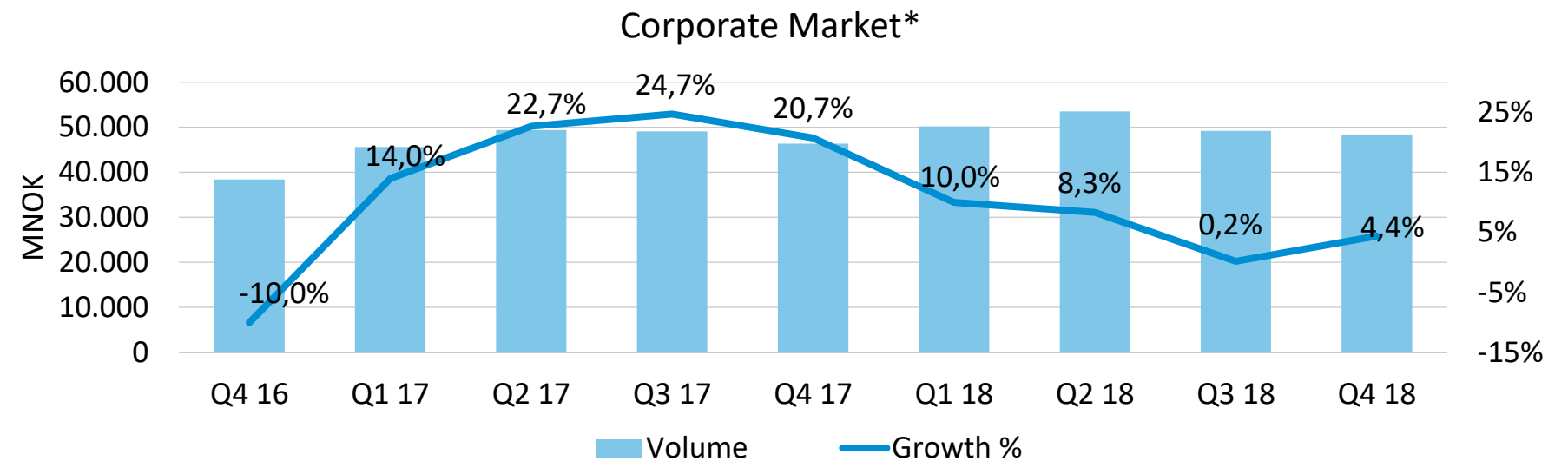
- The proportion of loans with a loan-to-value ratio of less than 85% is high.
 - 89.1% of the exposure is within 85% of the assessed value of collateral.



*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 3.4 billion to NOK 98.8 billion.
 - Corresponds to an increase in the period of 3.6%.
- Increased deposit growth in the corporate market (incl. capital market) in 2017 is due to larger deposits from public sector.
 - Deposit growth is 4.8% at 4. quarter 2018 excl. deposits from public sector.



Net commission and other income

MNOK	31.12.2018	31.12.2017	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Payment facilities	260	262	66	72	59	63	65
Savings/placements	196	198	47	49	48	52	47
Insurance products	189	208	46	47	47	49	52
Commission income real estate broking	382	389	98	94	109	81	94
Guarantee commission	108	107	25	29	20	34	27
Arrangement- and customer fees	99	93	22	17	32	28	28
Accounting services SpareBank 1 Regnskapshuset SR	99	96	24	20	28	27	23
Other	16	22	6	2	4	4	-5
Net commission and other income excl. covered bond companies	1.349	1.375	334	330	347	338	331
Commission income SB1 Boligkreditt and SB1 Næringskreditt	88	149	16	19	23	30	36
Net commission and other income incl. covered bond companies	1.437	1.524	350	349	370	368	367

Net income on investment securities

MNOK	31.12.2018	31.12.2017	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Dividends	12	11	0	0	1	11	0
Investment income, associates	366	425	113	94	102	57	154
Securities gains/losses	65	127	-51	42	69	5	24
- of which capital change in shares and certificates	163	136	11	56	90	6	44
- of which capital change in certificates and bonds	-249	-152	-57	-70	-50	-72	-70
- of which derivatives; bonds and certificates	151	143	-5	56	29	71	50
Currency/interest gains/losses*	126	71	6	39	41	40	26
- of which currency customer- and own-account trading	135	104	24	21	48	42	35
- of which value change basis swap spread	-38	-32	-33	10	-13	-2	-5
- of which counterparty risk derivatives including CVA	0	2	-1	1	0	0	0
- of which IFRS-effects	29	-3	16	7	6	0	-4
Net income on investment securities	569	634	68	175	213	113	204

*On 1 January 2018, the group changed its accounting policies for recognizing the effects of basis swaps due to the implementation of IFRS 9. When a basis swap is designated as a hedging instrument for hedging a specifically identified loan, changes in the value of the hedging instrument linked to changes in the "basis spread" are recognized through other comprehensive income

Subsidiaries

Subsidiaries	MNOK	31.12.2018	31.12.2017
EiendomsMegler 1 SR-Eiendom AS	Number of sales	6.487	6.565
	Operating profit before tax	11	27
SR-Forvaltning AS	Capital under management (BNOK)	11	11
	Operating profit before tax	35	33
FinStart Nordic AS*	Operating profit before tax	60	6
SpareBank 1 Regnskapshuset SR AS	Operating profit before tax**	4	4
SR-Boligkreditt AS	Operating profit before tax	375	273
Other	Operating profit before tax	-12	-19
Total subsidiaries	Operating profit before tax	472	324

*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 1.9 million (NOK 1.9 million per 31.12.2017).

Ownership interests

Ownership interests	MNOK	31.12.2018	31.12.2017
SpareBank 1 Gruppen AS	Interest ownership	19,5 %	19,5 %
	Profit after tax	289	353
	Adjusted profit previous years	0	-4
SpareBank 1 Boligkreditt AS*	Interest ownership	4,8 %	8,0 %
	Profit after tax	-3	-25
SpareBank 1 Næringskreditt AS	Interest ownership	14,4 %	19,2 %
	Profit after tax	9	13
BN Bank ASA	Interest ownership	23,5 %	23,5 %
	Profit after tax	65	70
SpareBank 1 Kredittkort AS	Interest ownership	17,9 %	17,9 %
	Profit after tax	23	15
SpareBank 1 Betaling AS**	Interest ownership	19,8 %	19,7 %
	Profit after tax	-11	-7
	Adjusted profit previous years	-6	-7
Other	Profit after tax	0	17
Total ownership interests	Profit after tax	366	425

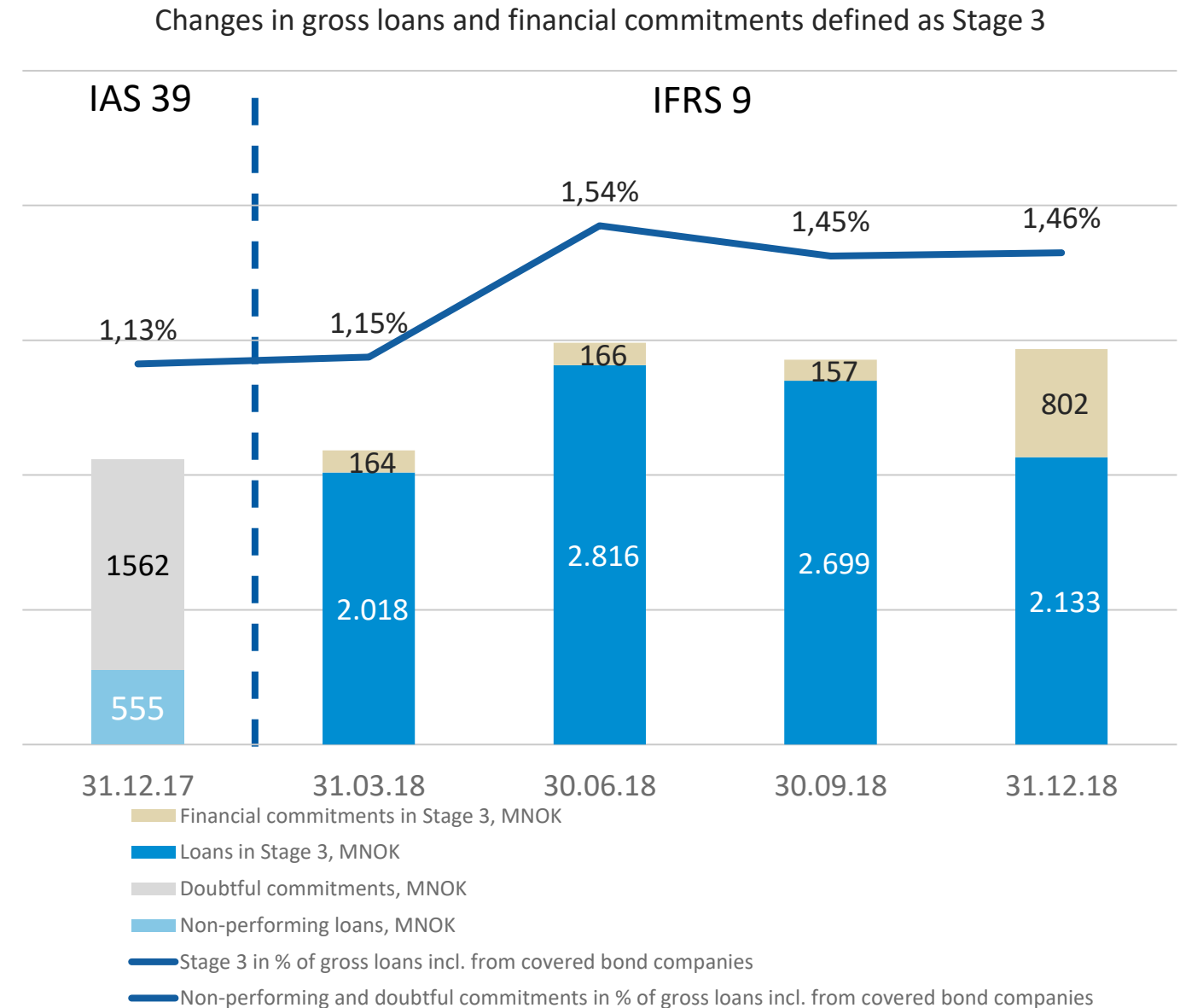
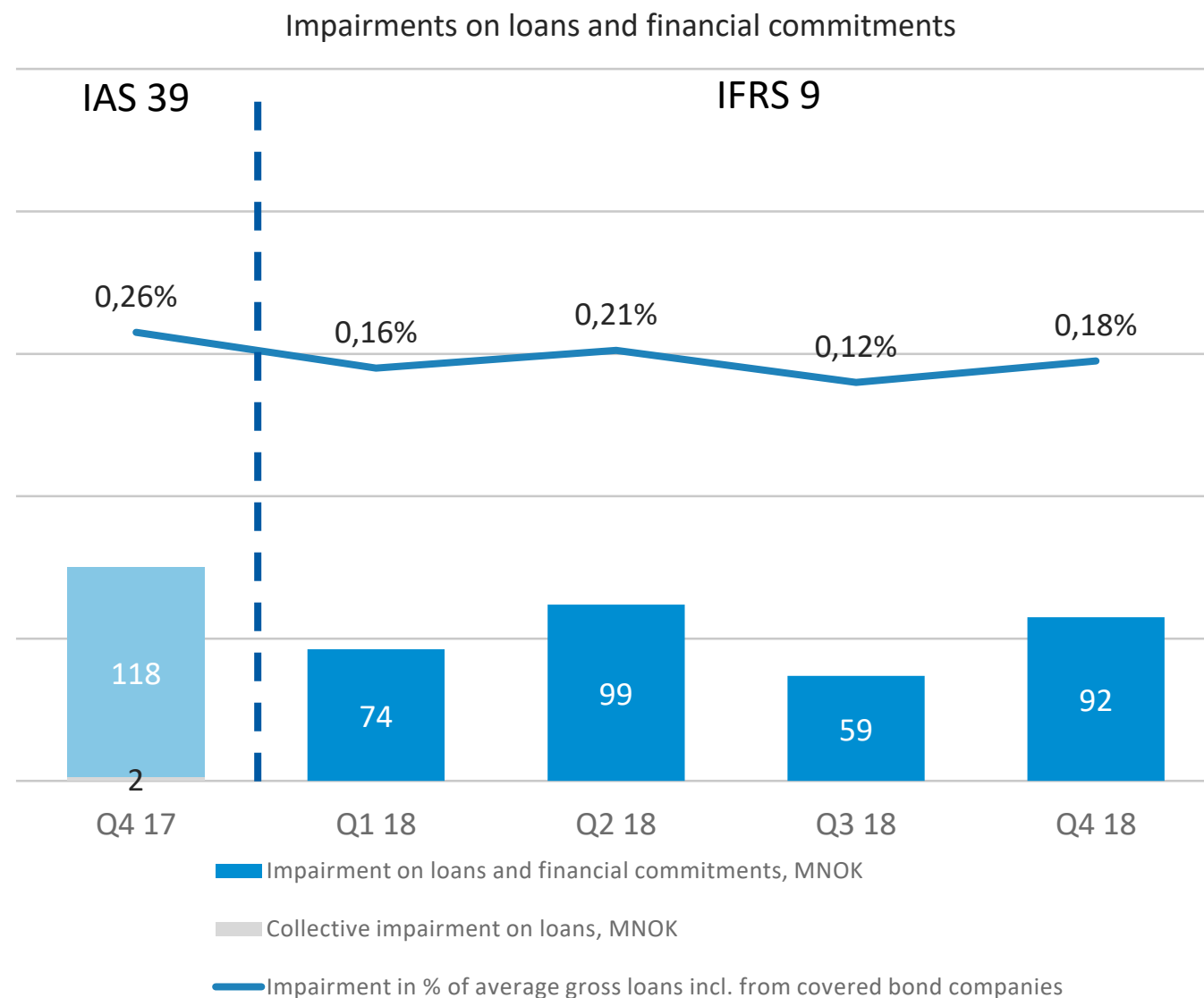
*From 1 January 2018, the company has changed its accounting policies for the recognition of the effects of basis swaps due to the implementation of IFRS 9. The effects of basis swaps are now recognised through other comprehensive income in SpareBank 1 Boligkreditt AS and thereby do not affect the company's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

** As of 1 November 2018 SpareBank 1 Betaling owns a stock share of 22,04 % in VBB AS, where VBB AS is a result of the fusion between Vipps AS, BankID AS and Bank Acept AS.

Operating expenses

MNOK	31.12.2018	31.12.2017	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Total personnel expenses	1.297	1.263	330	322	326	319	333
IT expenses	331	317	85	80	83	83	82
Marketing	88	73	26	22	24	16	20
Other administrative expenses	99	88	26	24	25	24	26
Total administrative expenses	518	478	137	126	132	123	128
Depreciation	82	74	20	17	27	18	17
Operating expenses from real estate	33	34	8	7	8	10	8
Other operating expenses	299	318	81	70	79	69	84
Total other operating expenses	414	426	109	94	114	97	109
Total operating expenses	2.229	2.167	576	542	572	539	570

Impairments on loans and financial commitments / Loans and financial commitments defined as Stage 3*



*IFRS 9 Financial Instruments replaced IAS 39 from 1 January 2018.

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. Historical figures are changed due to updated source of data.

Impairments on loans and financial commitments

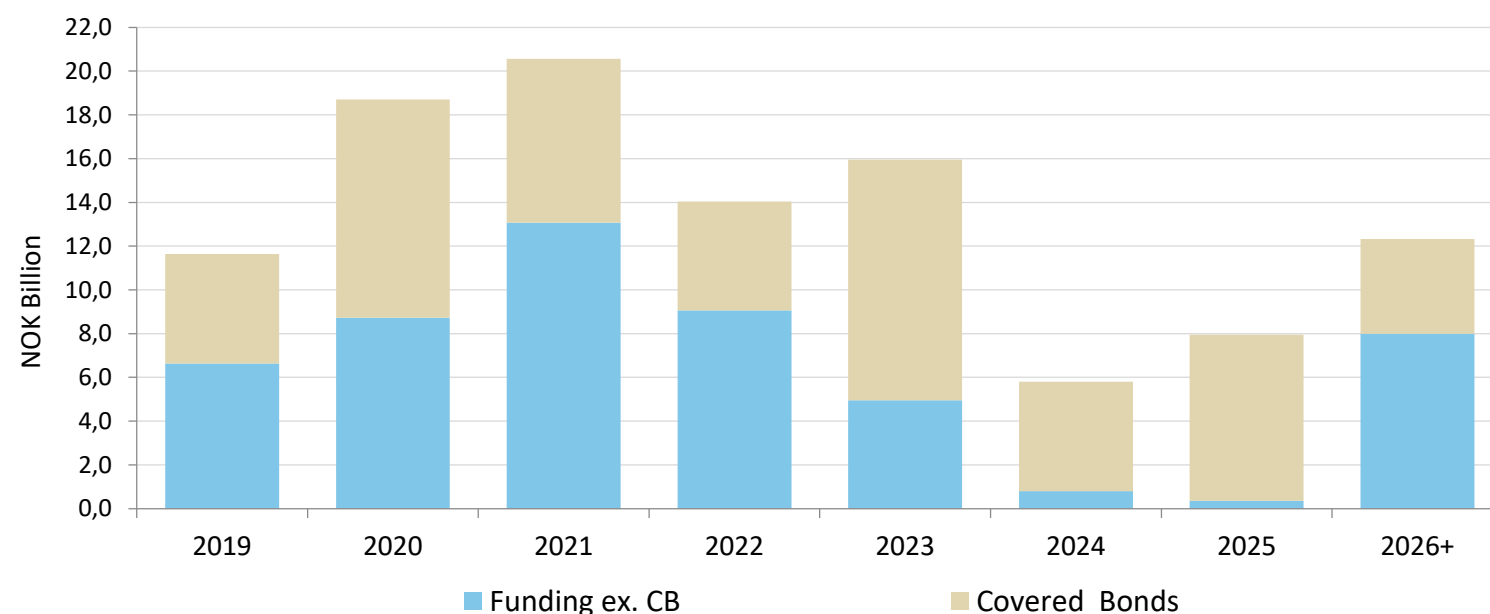
Impairments in income statement (MNOK)	31.12.2018	31.12.2017	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Impairments Corporate customers	324	482	96	62	100	66	89
Impairments Retail customers	0	59	-4	-3	-1	8	29
Change in collective impairments on loans		2				0	2
Net impairments on loans	324	543	92	59	99	74	120

Impairments on loans and financial commitments (MNOK)	31.12.2018	31.12.2017	31.12.2018	30.09.2018	30.06.2018	31.03.2018	31.12.2017
Impairments Corporate customers	1168	546	1168	1300	1274	1221	546
Impairments Retail customers	166	93	166	167	192	184	93
Collective impairments on loans		678					691
Total impairments on loans and financial commitments	1.334	1.317	1.334	1.467	1.466	1.405	1.330

Funding

- NSFR* 121%
- LCR** 167%
- NOK 11.6 billion net refinancing need over the next 12 months
- Deposits to loans ratio 51,4%

Annual funding maturity



SRBANK

SPAREBANK 1 SR-BANK ASA

(incorporated with limited liability in Norway)

€10,000,000,000

Euro Medium Term Note Programme

SR-Boligkreditt

Subsidiary of SpareBank 1 SR-Bank

SR-BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€10,000,000,000

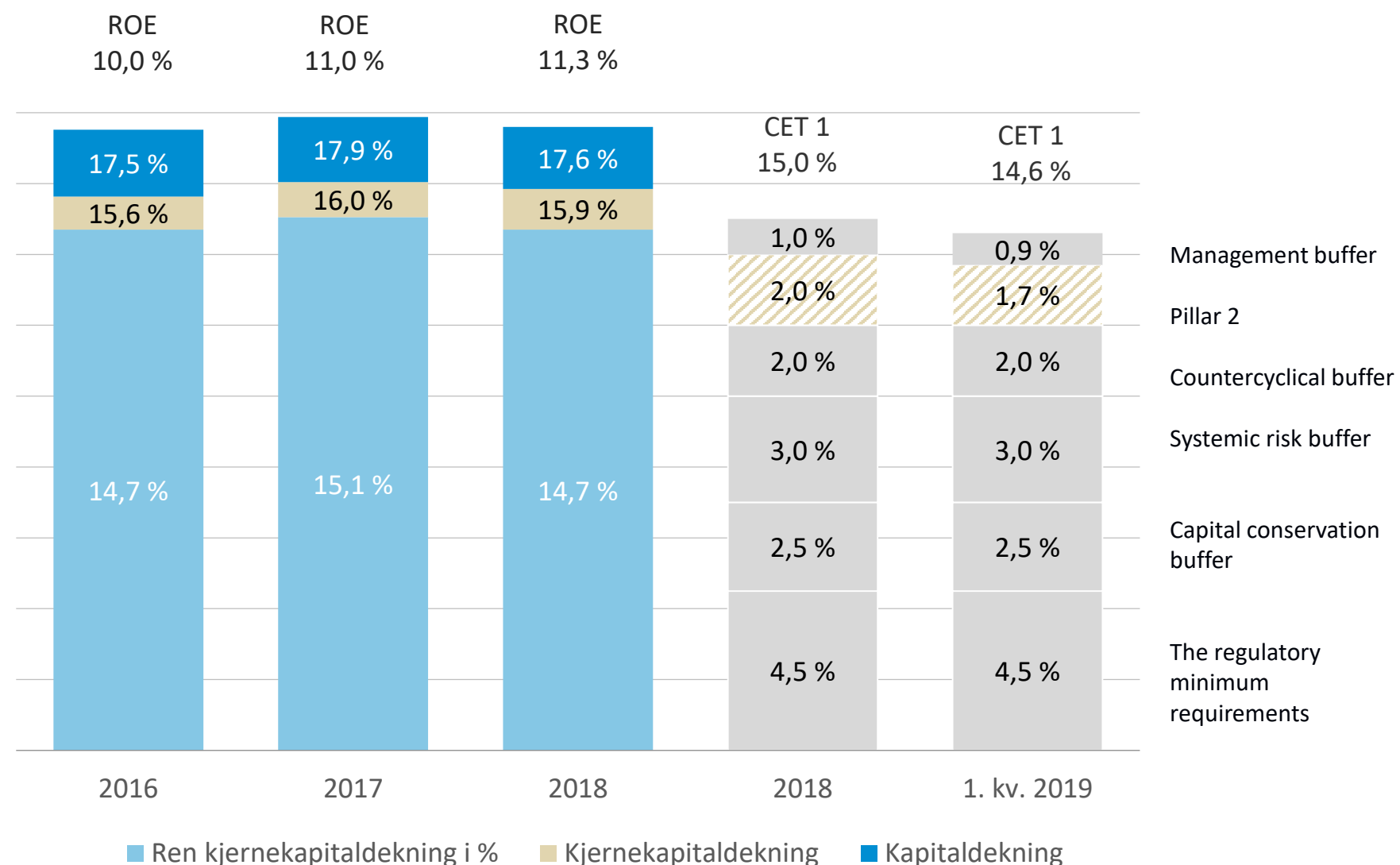
Euro Medium Term Covered Note Programme

*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.

**High quality liquid assets divided by total net cash outflow in a 30-day, serious stress scenario.

Solid capital ratio

- As of 31 December 2018, SpareBank 1 SR-Bank met all of the regulatory requirements by a good margin
- SpareBank 1 SR-Bank's Pillar 2 requirement has been set at 1.7%, down from 2.0% (set in 2016), with effect from 31 March 2019.
- The management buffer will be reduced to 0.9% from the first quarter of 2019
- In 2019, the Basel I-floor is expected to be removed and a discount for small and medium-sized loans will be introduced. Calculated positive effect for CET 1 is 1.3%.
- The countercyclical buffer will increase from 2.0% to 2.5% in the fourth quarter of 2019
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).
 - The Financial Supervisory Authority of Norway has recommended that all undertakings that lend more than 10% of their total lending to the corporate market in one or more defined regions should be regarded as systemically important. SpareBank 1 SR-Bank ASA is covered by this proposal.
- The leverage ratio was 7.7% as at 31 December 2018, well above the minimum requirement being discussed and recommended internationally.



MREL

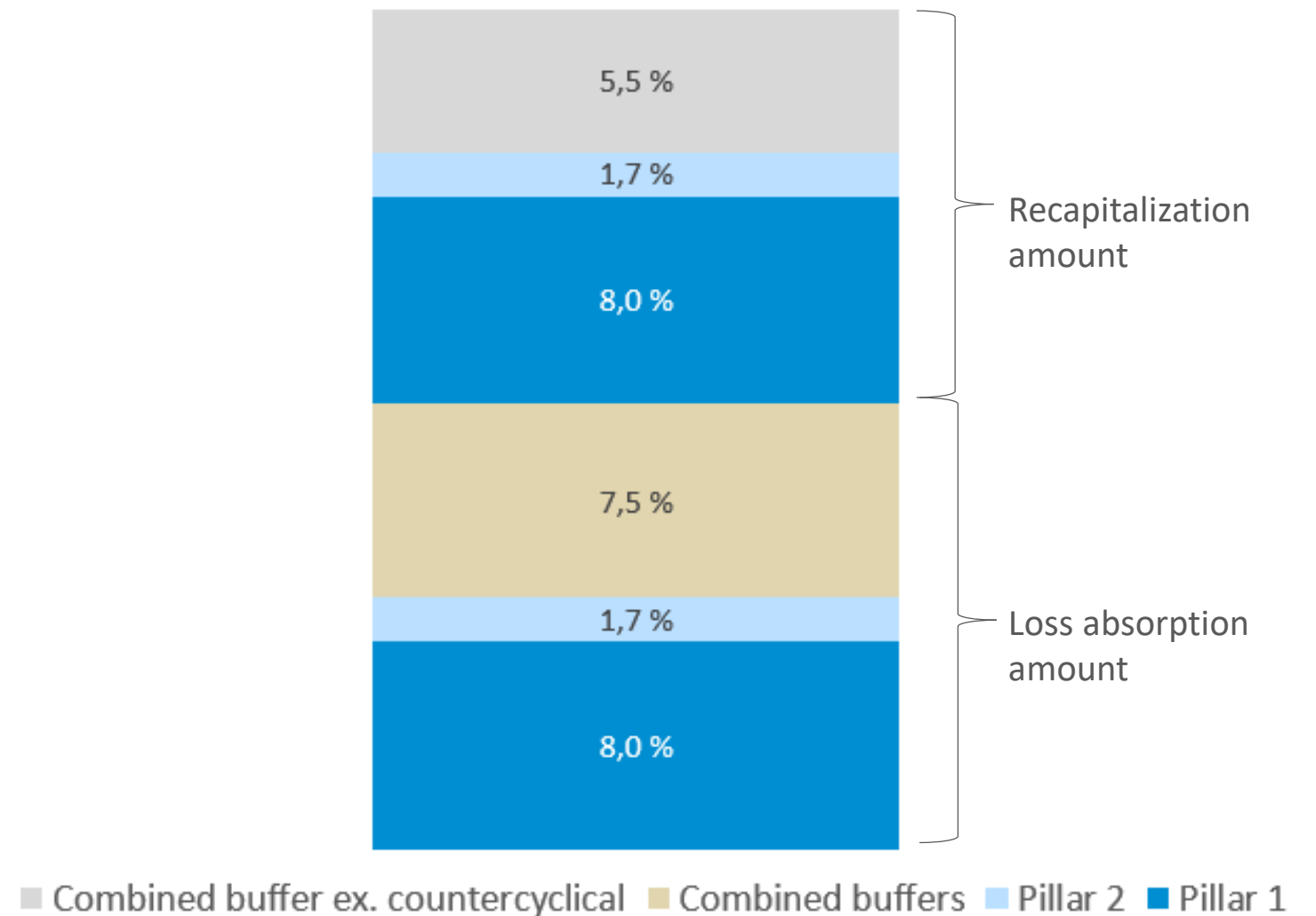
Main features from Ministry of Finance regulation based on «BRRD»:

- Requirements enter into force 1 January 2019.
- Issuers shall 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. The FSA states, however, that the exposure the owning bank has towards the covered bonds issuer will be included when setting MREL requirements.

Uncertain outcome for SR-Bank:

- Total capital requirement including MREL = (P1 + P2 + Combined buffer requirement) x 2 - Countercyclical buffer x 1, see figure.
- Negotiations in the EU on «BRRD2» suggest a maximum level of MREL and compliance of requirements by 31 December 2024.
- Should 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 based on Ministry of Finance



Outlook – Still optimistic

- Expectations of a continued upswing and higher growth in the Norwegian economy for 2019 will continue to produce increased growth in the group's market areas.
- Optimism in Southern Norway. Companies are reporting increased investments and improved profitability.
 - Oil investments on the Norwegian Continental Shelf are expected to increase by 10% in 2019, up from 2% in 2018.
- Norges Bank raised its key rate by 0.25 percentage points in November 2018 and two new rate hikes are expected in 2019.
- The housing market is expected to be flat with stable prices and a moderate increase in the number of new housing projects starting up.
- Profitable lending growth, moderate impairments on loans and financial commitments, growth in other operating income and good cost control will contribute to achieving the group's long-term return on equity target of a minimum 12%.
- Solid earnings from a robust business model and capital optimisation of the balance sheet means the group is well-positioned to maintain a solid capital base, while ensuring good competitiveness and normalised dividends.
- Meeting the future head on, including by establishing a separate business area for strategy, innovation and development.
 - Investing in new technology and intensifying the focus on developing new products to ensure customers have the best products on the market.
- Geographic expansion, digitalisation and growth will provide the basis for transforming from a regional savings bank to a bank for the whole of Southern Norway.

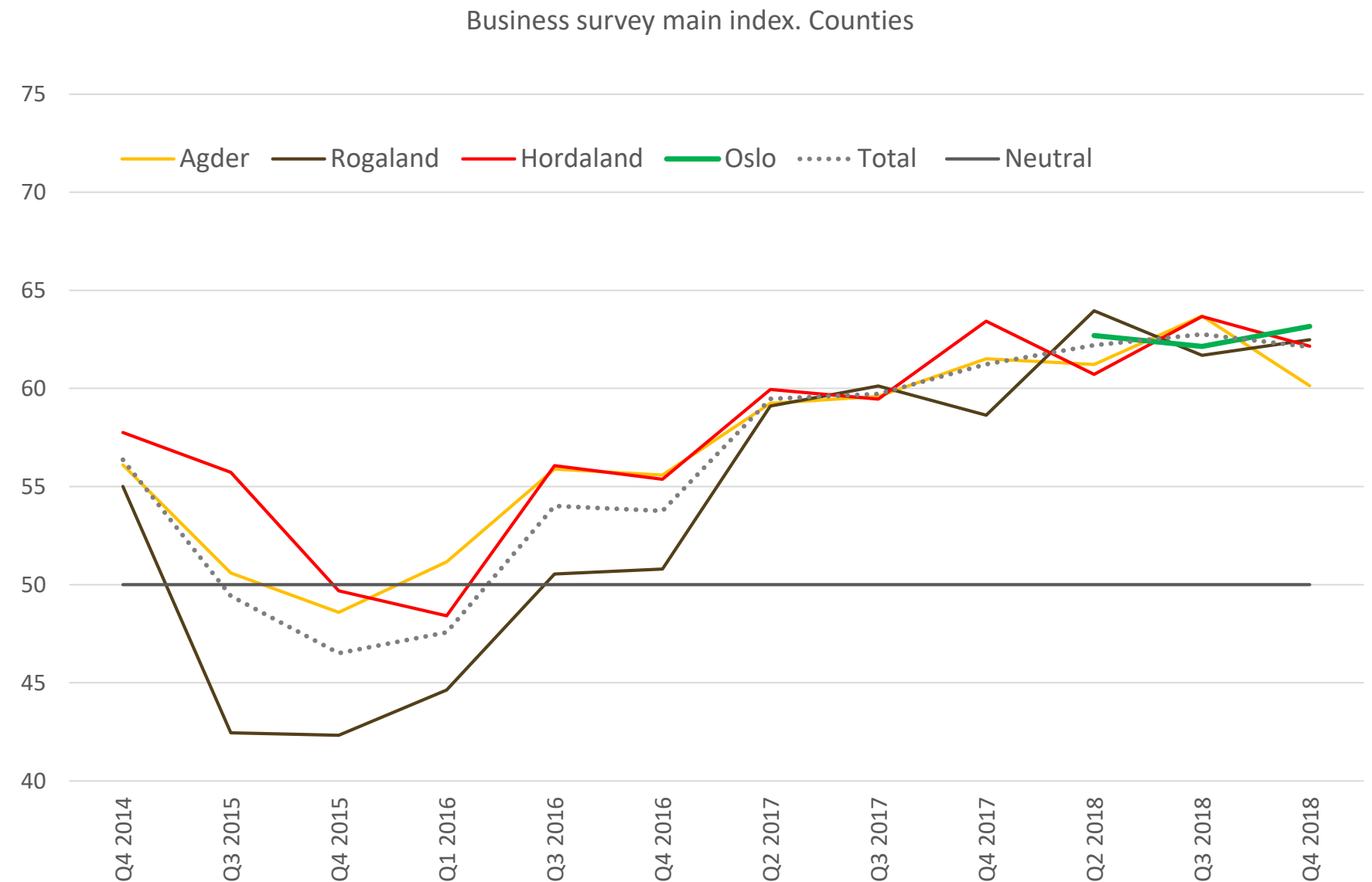



Important strategic steps

- Greater diversification in lending to companies in terms of both geography and industries.
- Strong growth in corporate customers. 2,500 new customers gained and points of contact with the customer were doubled in 2018.
- Greater efficiency in the corporate market due to the digitalisation of both customer processes and internal processes.
- New fully automated customer solution for setting up new businesses as limited companies.
- 92% of all loans to retail customers now start digitally.

A surprising number of companies expect profitability to improve

- Upswing for oil, industry and export companies.
- Optimism in all of the counties: Oslo, Hordaland, the Agder counties and Rogaland.
- Higher employment resulting in higher labour migration, especially in Rogaland.
- Significant upswing – highest within oil/gas and building/construction.
- Order books and investments continue to grow.
- More homes are being sold in Rogaland.





All participants in Gründerhub get their ideas tested. For Lena, this has produced solid results. Her success is mainly due to her unique commitment to Sanasella.

**LEIF PEDERSEN,
REGIONAL DIRECTOR
FOR SR-BANKS
CORPORATE MARKET
DIVISION IN AGDER**

To join Gründerhub was like coming home. We had a companionship, we were a team. I was heard and seen, and I developed further.

**LENA STADDELAND,
FOUNDER OF SANASELLA**



GRÜNDER HUB

We have invested in the future and created new jobs in communities

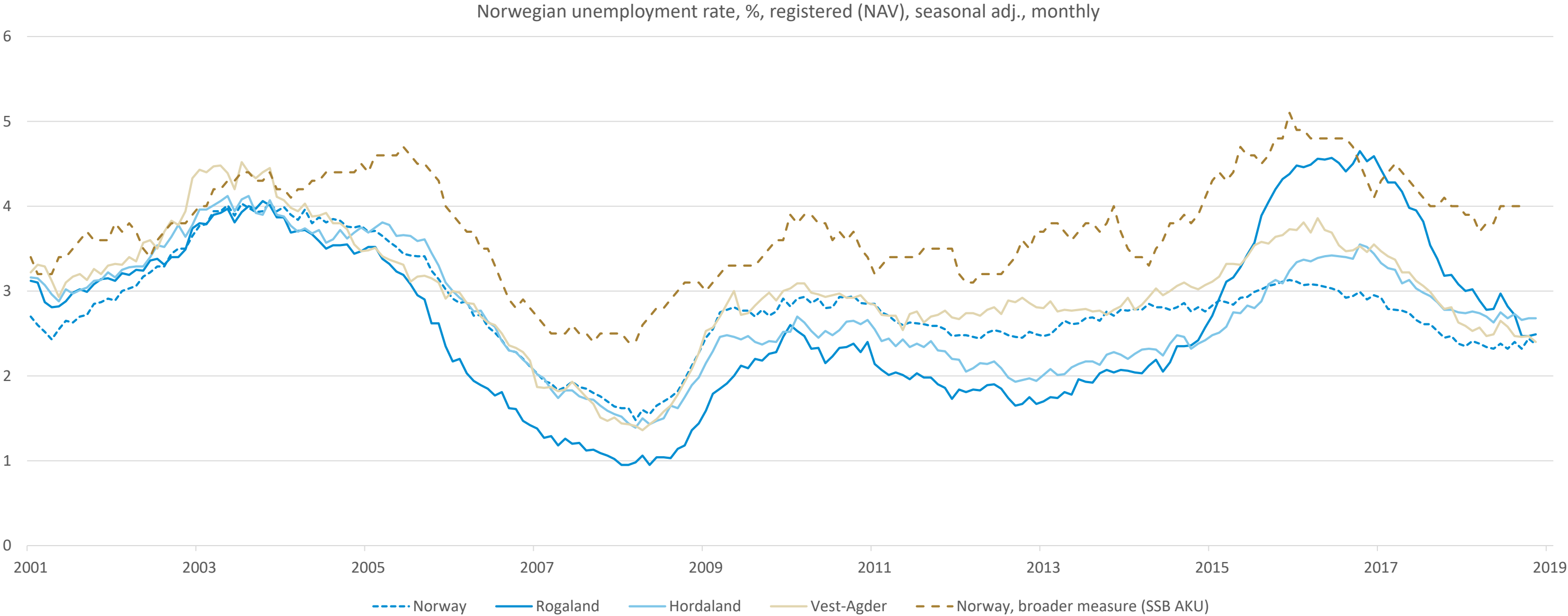
- 16 different classes have been conducted since autumn 2015.
- More than 125 startups have taken part.
- 250 entrepreneurs have acquired new knowledge.
- More than 270 new jobs have been created.
- Total turnover of more than NOK 80 million.
- Around NOK 110 million in equity has been built up.
- Company assets totalling NOK 1.3 billion have been created.

APPENDIX

- 1) Macro
- 2) Risk
- 3) SpareBank 1 SR-Bank

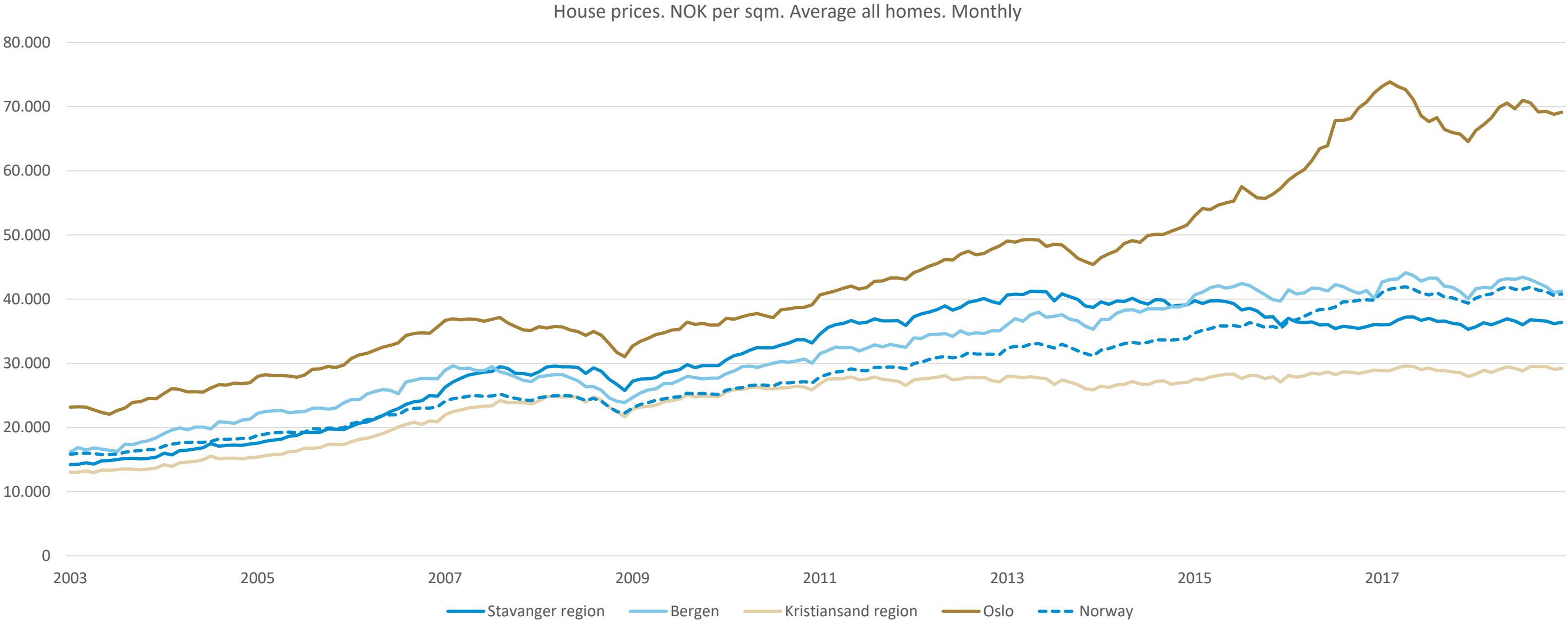
Norwegian unemployment rate reduced to low level

Marked reduction in Rogaland in 2017 and 2018



Stable house prices in Norway over the past year

Stable in most counties, but somewhat more volatile in Oslo

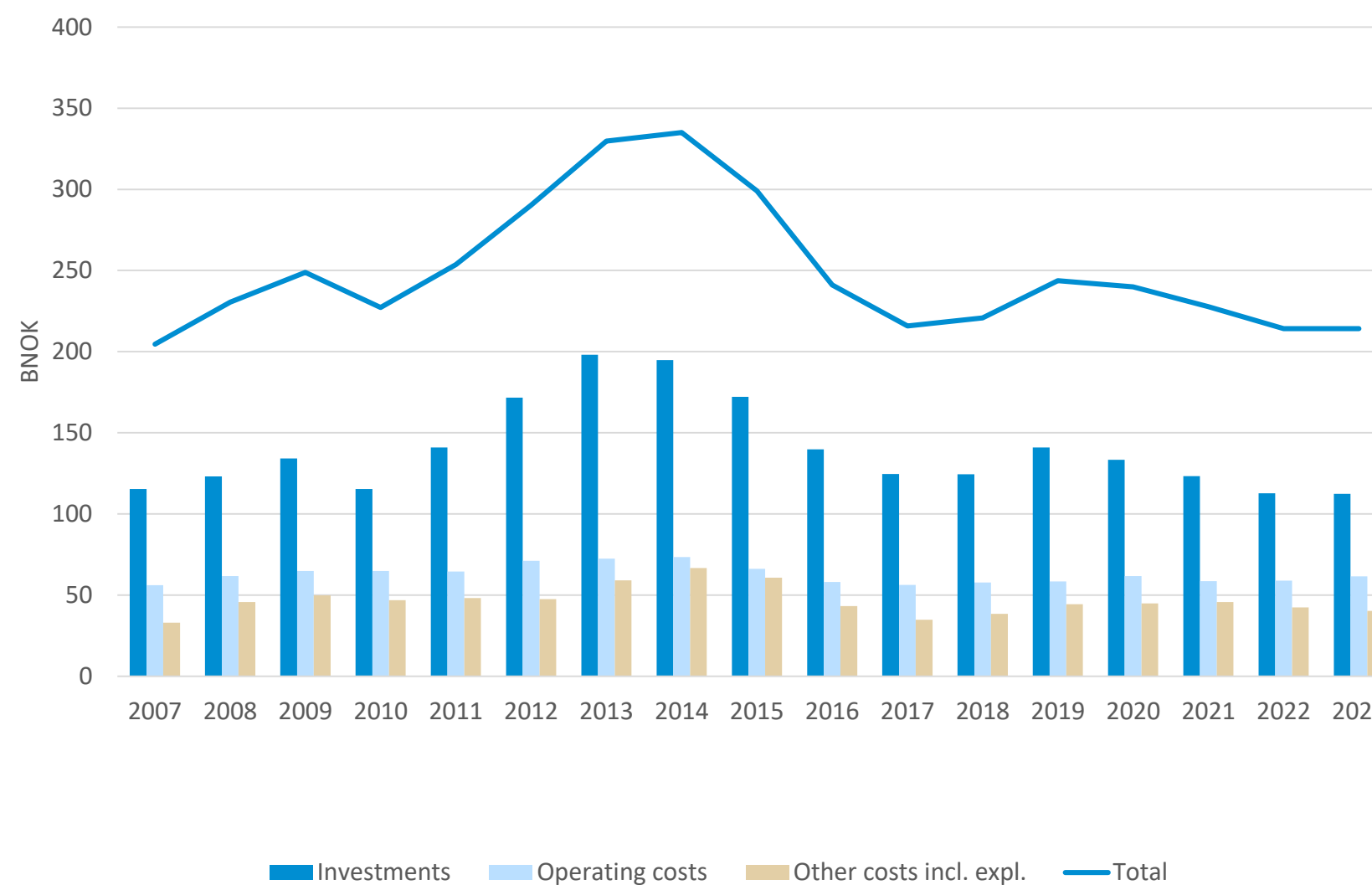


Increasing petroleum activity on the NCS in 2019

The activity fell from 2014 to 2017, was stable in 2018 and is likely to increase by 10% in 2019

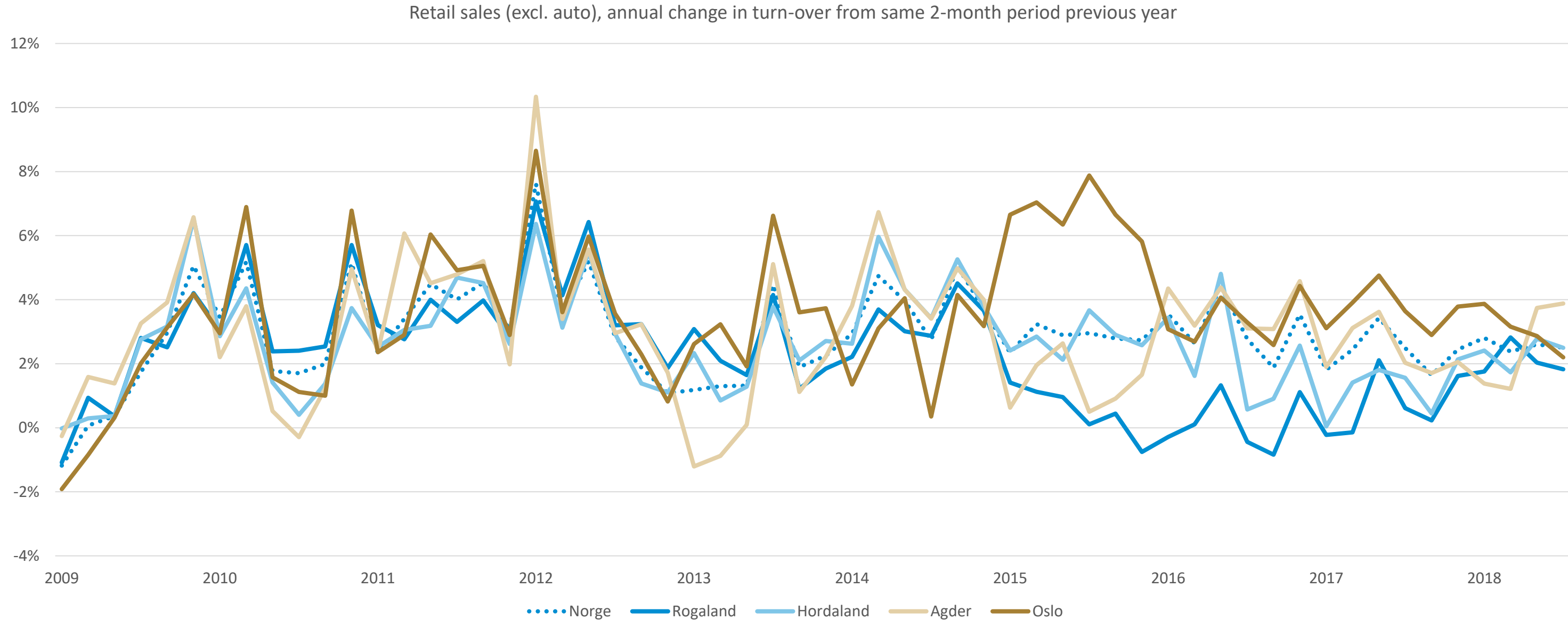
- Total activity increased by over 60% from 2007 to 2014. Thereafter, total activity was reduced by 35% to 2017. Activity increased by 2% in 2018. The NPD expects an increase in total activity of 10% in 2019 and then somewhat lower as a result of lower investments.
- Investments are more volatile than operating costs. According to Statistics Norway (not shown in the graph), investments increased by 3% in 2018 and will increase by 13% in 2019 and level out in 2020 and 2021.
- The operating costs, which are important for the activity in the region, are more stable. These were reduced by about 25% from 2014 to 2017 and are expected to be stable in 2019 and increase somewhat in 2020.

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



Retail trade in Norway increasing by two to four percent

Growth has been highest in Oslo, but growth abated in 2018



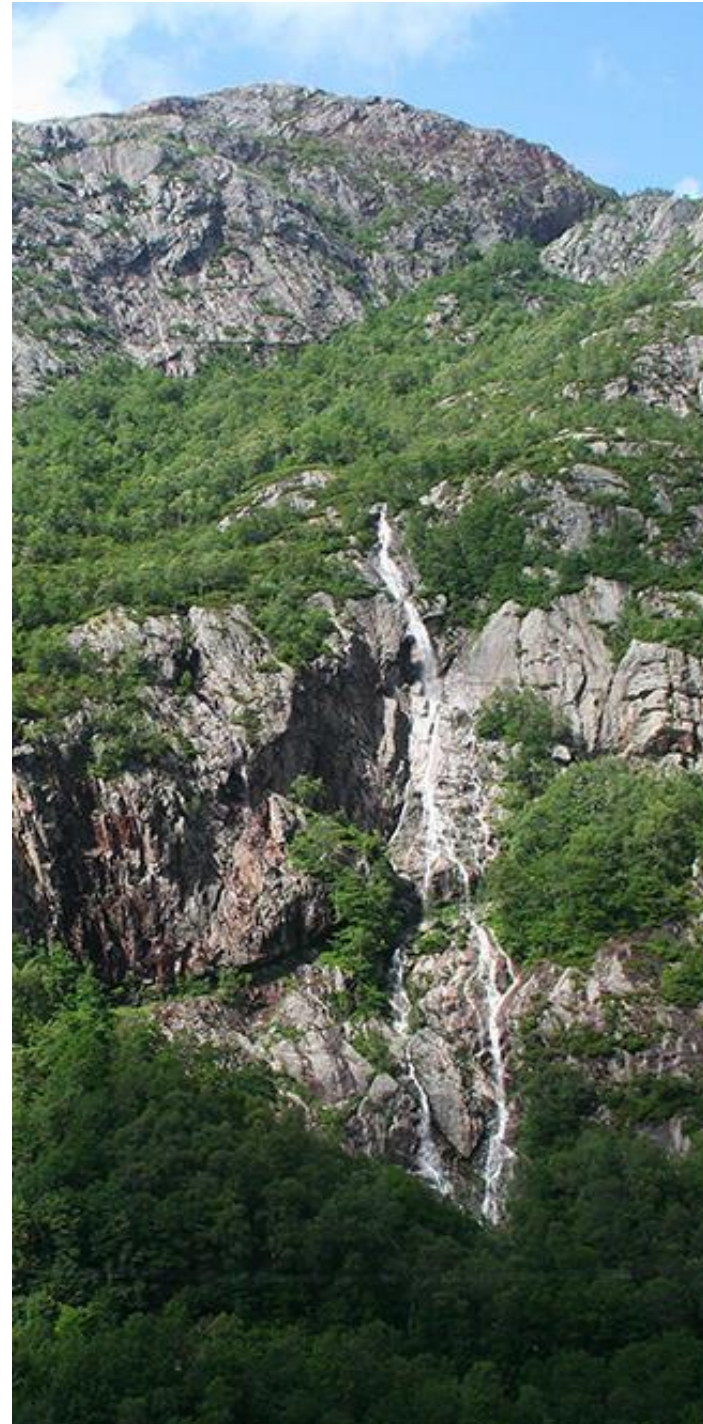
APPENDIX

- 1) Macro
- 2) Risk**
- 3) 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 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

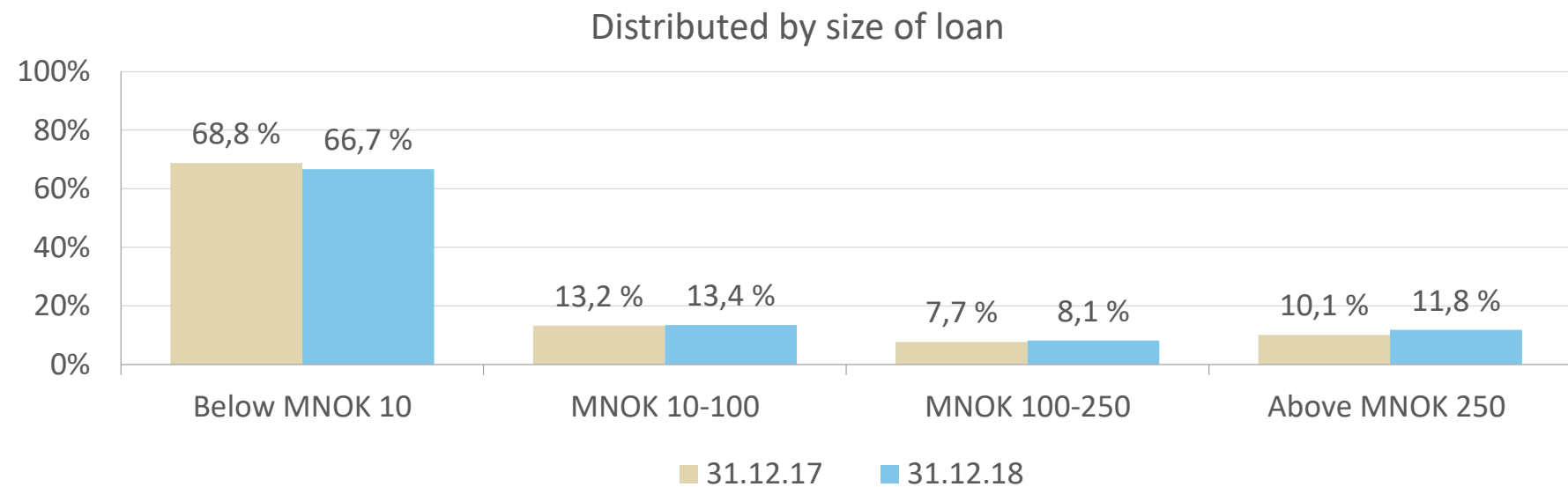
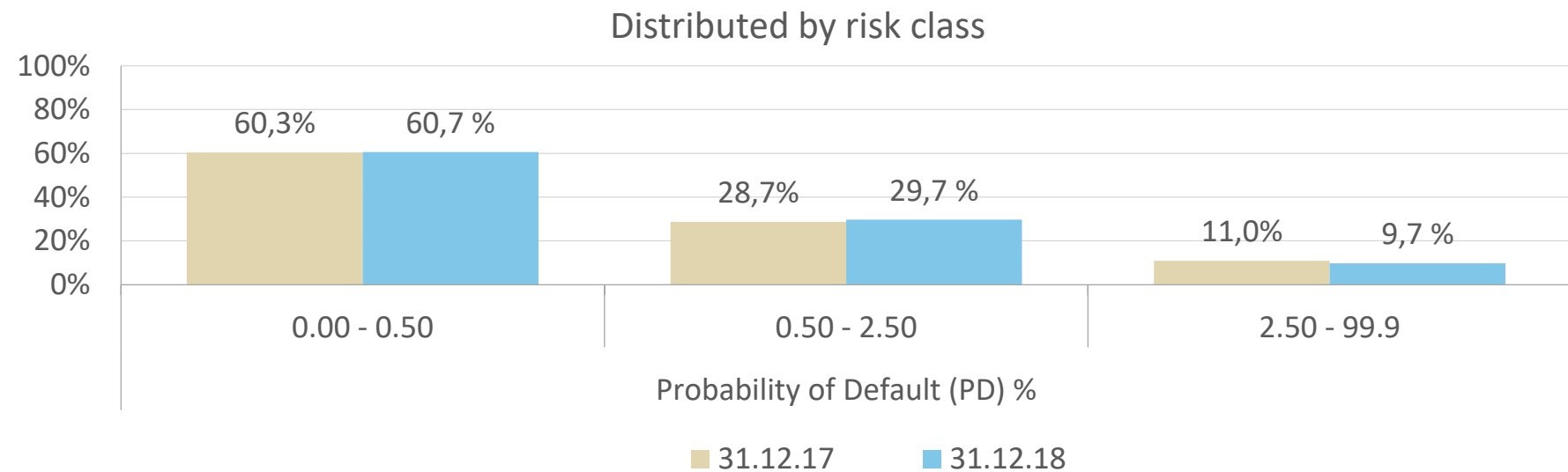


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must 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. The quality of the portfolio is stable.
- The loan portfolio consists mainly of small and medium-sized loans.

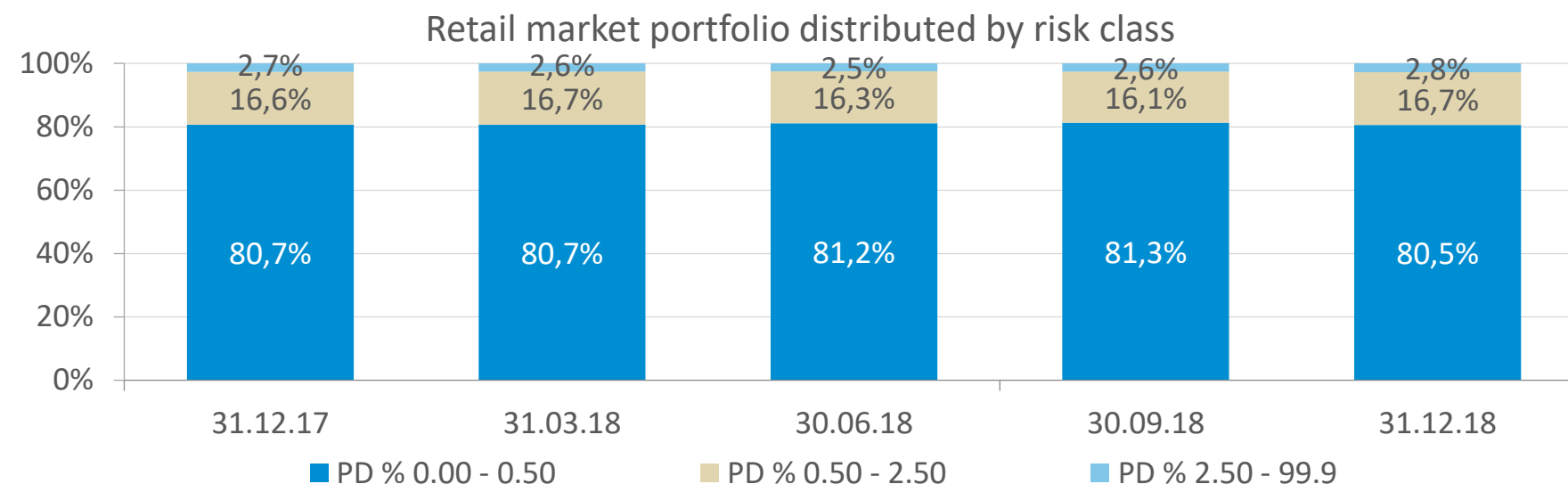


*Probability of default (PD) through a full cycle of loss.

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

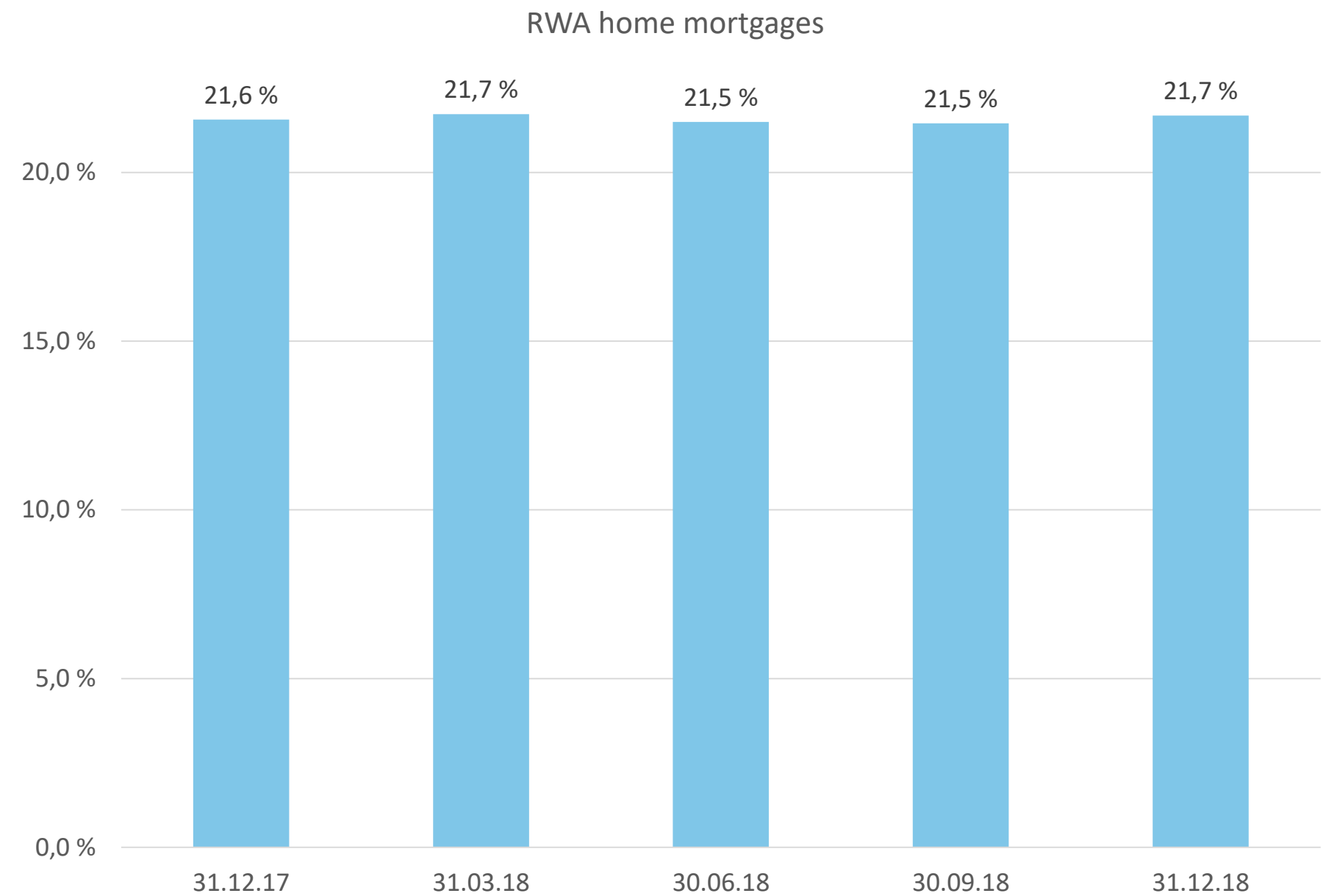
- The quality of the retail market portfolio is considered to be good and has low potential losses.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate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



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

RWA home mortgages

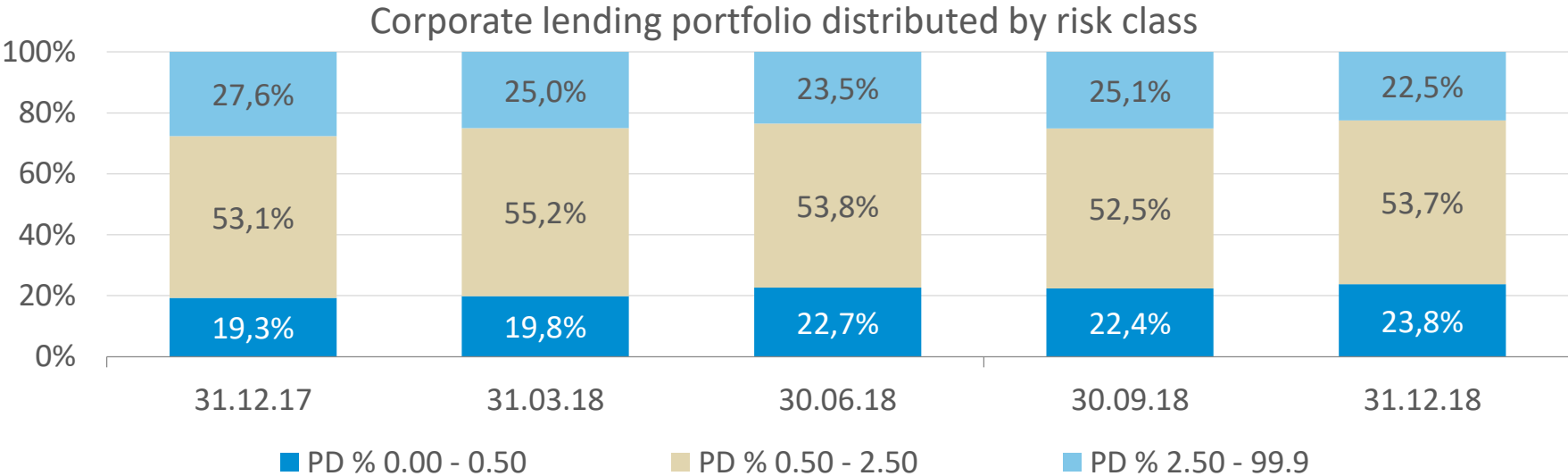
- RWA on home mortgages reflects a solid and stable portfolio.



Home mortgages as defined in the Norwegian IRB framework; residential property must be 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.



*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
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SpareBank 1 SR-Bank ASA

Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years: 27

Retail Market

Number of man-years: 466

Corporate Market

Number of man-years: 154

Administration & Support

Number of man-years: 281

Fully owned companies

EiendomsMegler 1

Leading real estate broker
Number of man-years: 207

SR-Forvaltning

Asset management
Number of man-years: 12

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: 7

Partly owned companies

BN Bank

(23.5%)
Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt

(4.8%)
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

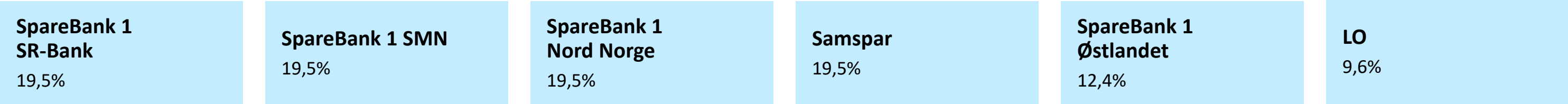
SpareBank 1 Næringskreditt

(14.4%)
Covered bond company (commercial real estate)

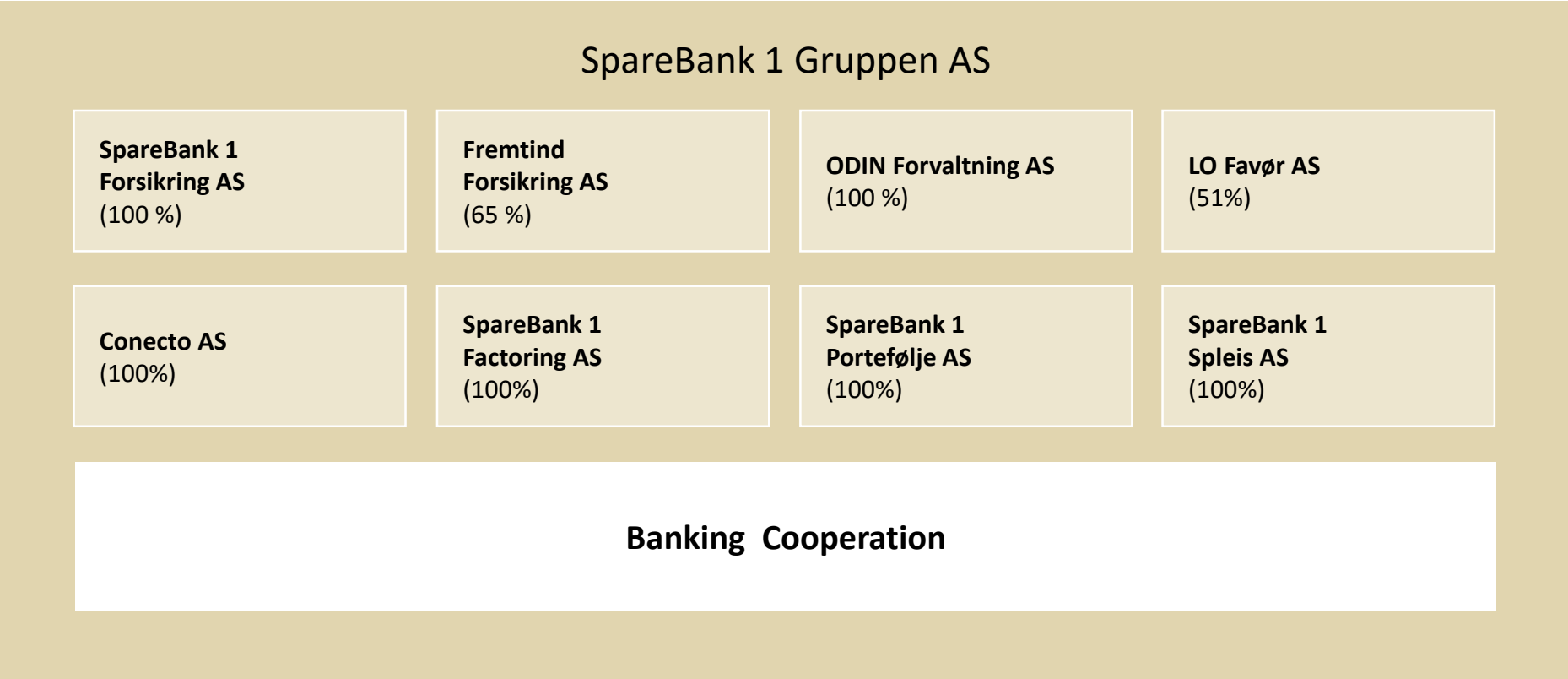
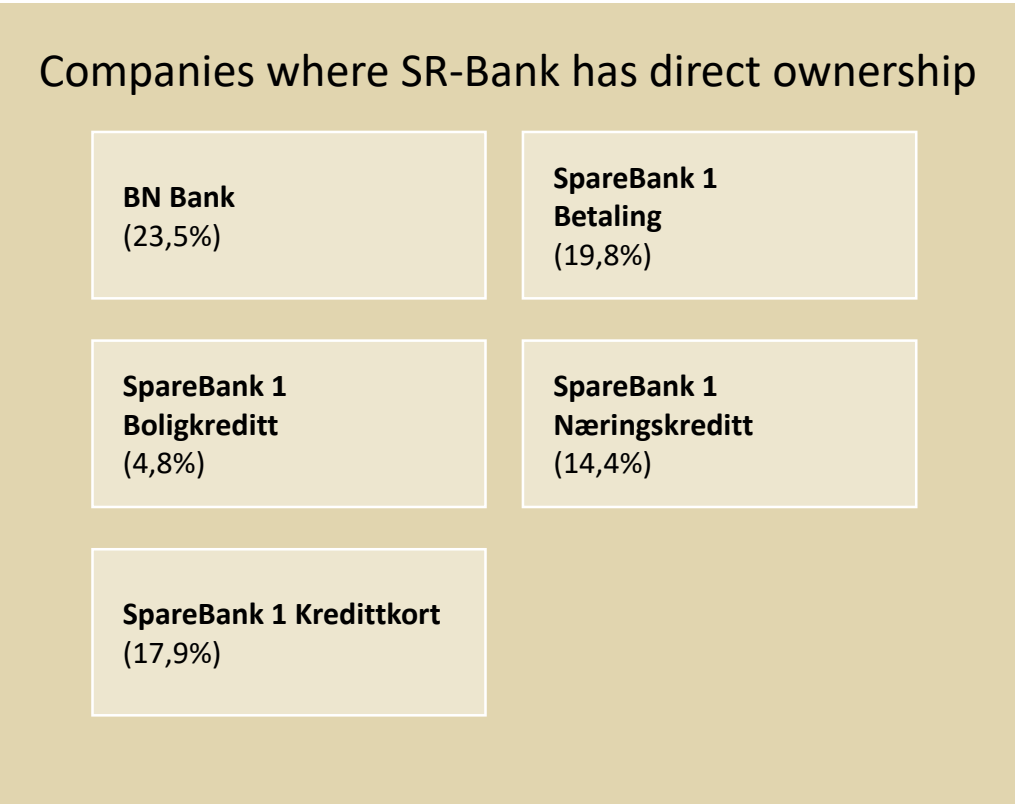
SpareBank 1 Betaling*

(19.8%)
The company behind mobile payment solution
*Owner 22% in VBB AS

SpareBank 1 Alliance



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 purpose: Strength to growth and development

Objectives

- The purpose for SpareBank 1 SR-Bank is to add strength to growth and development. Our growth will give us the ability to provide profitability and value to the owners, customers and the community.
- 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

- To be the bank that focus on the future and good relations where we have our customers in the center, knows what's important for them through a combination of close, personal relationships – and high utilization of technology and customer data. We want to be reliable, easily available and a long-term partner to our customers.
- We want to focus on good solutions for our customers by understanding them and their challenges, which will help us reach our vision to be the customers first choice.

Financial goals

- Return on equity of 11.5% after tax in 2019. The longer term (2020) target is a minimum of 12%.
- Top 50% return on equity and cost/income in a Nordic benchmark

Strategic focus

- Digital development and transformation of existing business models
- Innovation by use of partnership, technology and data
- Cost-effective and selective growth, increased product- and diversification portfolio.
- High portfolio quality

Balance sheet

Balance sheet (MNOK)	31.12.2018	31.12.2017
Cash and balances with central banks	717	207
Balances with credit institutions	1.696	1.608
Net loans to customers	190.878	171.237
Certificates, bonds and other fixed-income securities	29.340	31.909
Financial derivatives	5.268	5.541
Shares, ownership stakes and other securities	868	717
Business available for sale	0	0
Investment in associates	3.713	3.953
Other	1.581	1.446
Total assets	234.061	216.618
Balances with credit institutions	1.433	2.335
Deposits from customers	98.814	95.384
Listed debt securities	103.485	90.497
Financial derivatives	3.889	3.787
Other liabilities	1.904	1.962
Additional Tier 1 and Tier 2 capital instruments	2.951	2.764
Total liabilities	212.476	196.729
Total equity	21.585	19.889
Total liabilities and equity	234.061	216.618

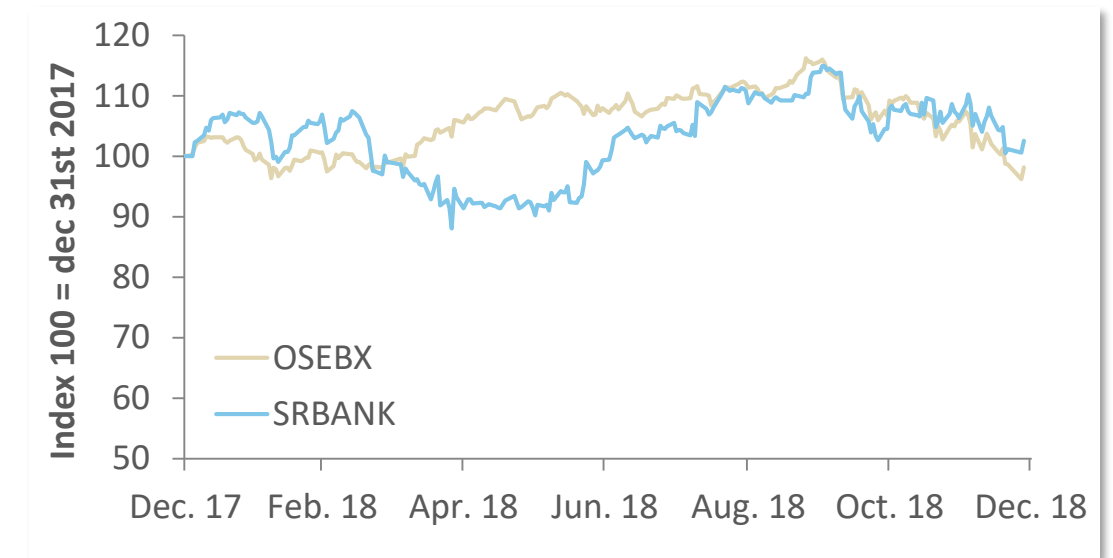
SRBANK share

- International ownership is 26.6 % per 4. quarter 2018.
- Total market value at 4. quarter 2018 is NOK 22.8 billion.

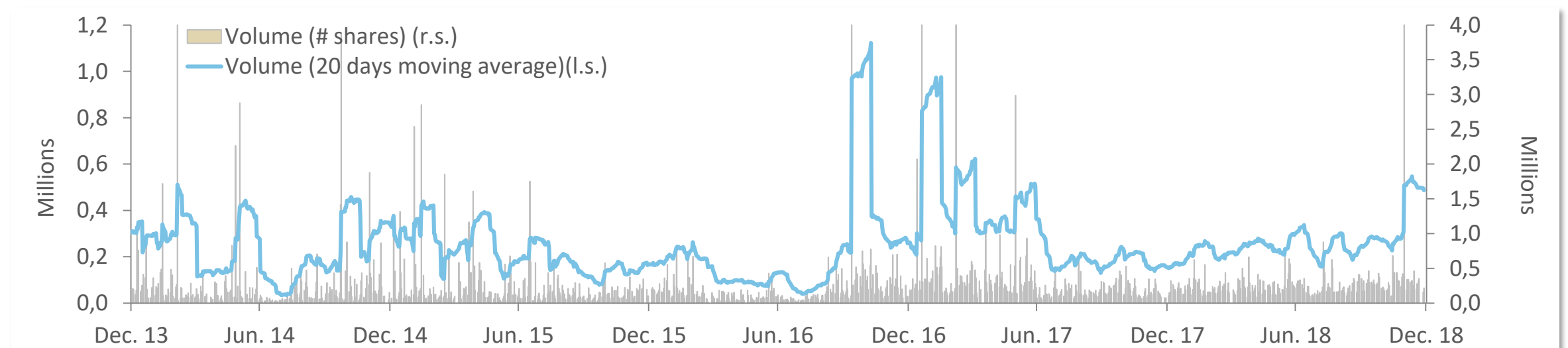
Development in Price/Book



Relativ share price development



Trading volume development



20 largest shareholders as at December 2018

- Ownership interests:
 - From Rogaland, Agder-counties and Hordaland: 43.5% (44.7%)
 - International: 26.6% (23.5%)
 - 10 largest: 50.3% (49.5%)
 - 20 largest: 58.1% (56.6%)
- Number of shareholders 31.12.2018: 10 804 (10 834)
- 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	10.346.404	4,0%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Vpf Nordea Norge Verdi		4.632.927	1,8%
Danske Invest Norske Instit. II		3.695.998	1,4%
State Street Bank and Trust Co, U.S.A.	Nominee	3.508.462	1,4%
Odin Norge		3.406.393	1,3%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	2.870.383	1,1%
Clipper AS		2.565.000	1,0%
Verdipapirfondet DNB Norge (IV)		2.485.463	1,0%
Pareto Aksje Norge		2.428.097	0,9%
JP Morgan Securities plc, U.K.		2.407.452	0,9%
Morgan Stanley & Co, U.K.		2.035.347	0,8%
Danske Invest Norske Aksjer Inst.		1.988.503	0,8%
State Street Bank and Trust Co, U.S.A.		1.871.400	0,7%
Verdipapirfondet Alfred Berg Gambak		1.867.194	0,7%
Westco AS		1.701.887	0,7%
KLP Aksjenorge Indeks		1.696.119	0,7%
KAS Bank NV, Nederland	Nominee	1.624.251	0,6%
Topp 5		112.556.040	44,0%
Topp 10		128.602.276	50,3%
Topp 20		148.707.989	58,1%

SR-Bank pr 31.12.2018

	2018	2017	2016	2015	2014	2013	2012
Share price	89,20	87,00	60,75	39,30	52,50	60,25	37,20
Stock value (MNOK)	22.813	22.250	15.537	10.051	13.427	15.409	9.514
Book value per share, NOK (group)	82,27	77,24	71,54	66,14	60,28	55,00	49,48
Earnings per share	8,98	8,16	6,87	6,83	8,20	7,28	5,33
Dividend per share	4,50	4,25	2,25	1,50	2,00	1,60	1,50
P/E	9,93	10,66	8,84	5,75	6,40	8,28	6,99
P/BV (group)	1,08	1,13	0,85	0,59	0,87	1,10	0,75

Number of shares issued 255.8 million

Trading volume in Q4 2018: 8.4% (4.7%)

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



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