

Third Quarter 2019



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.



- **Introduction to SpareBank 1 SR-Bank ASA**
- Financials
- Solvency and liquidity position
- Appendix

SR-Bank at a glance

- Second largest Norwegian bank
- Market cap: NOK 25.4 Billion
- Total assets: NOK 251.6 Billion
- Total lending: NOK 209.9 Billion
- Total deposits: NOK 102.2 Billion
- No. of branches: 34
- Employees: 1.309

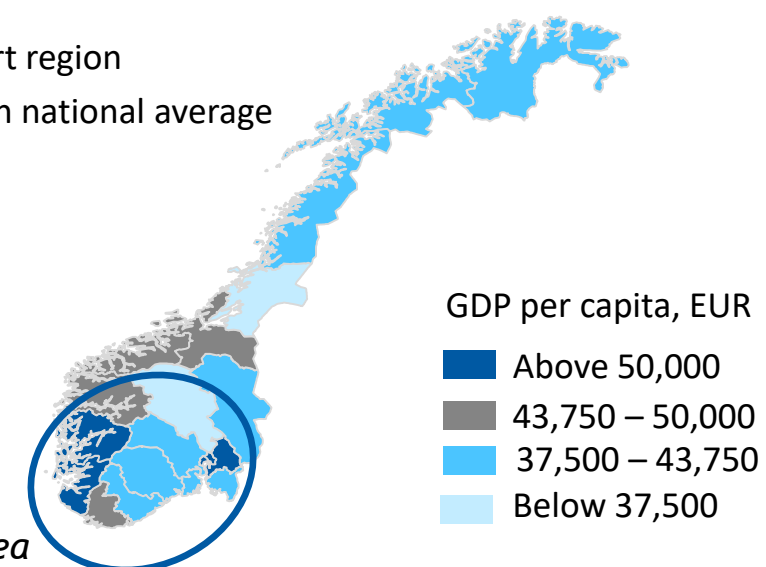


- **1839:** The first bank that today forms part of SpareBank 1 SR-Bank was established.
- **1976:** 24 savings banks merge to form Sparebanken Rogaland.
- **1994:** SR-Bank (Sparebanken Rogaland) lists its primary capital certificates on the Oslo Stock Exchange.
- **1996:** SR-Bank is one of the founders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

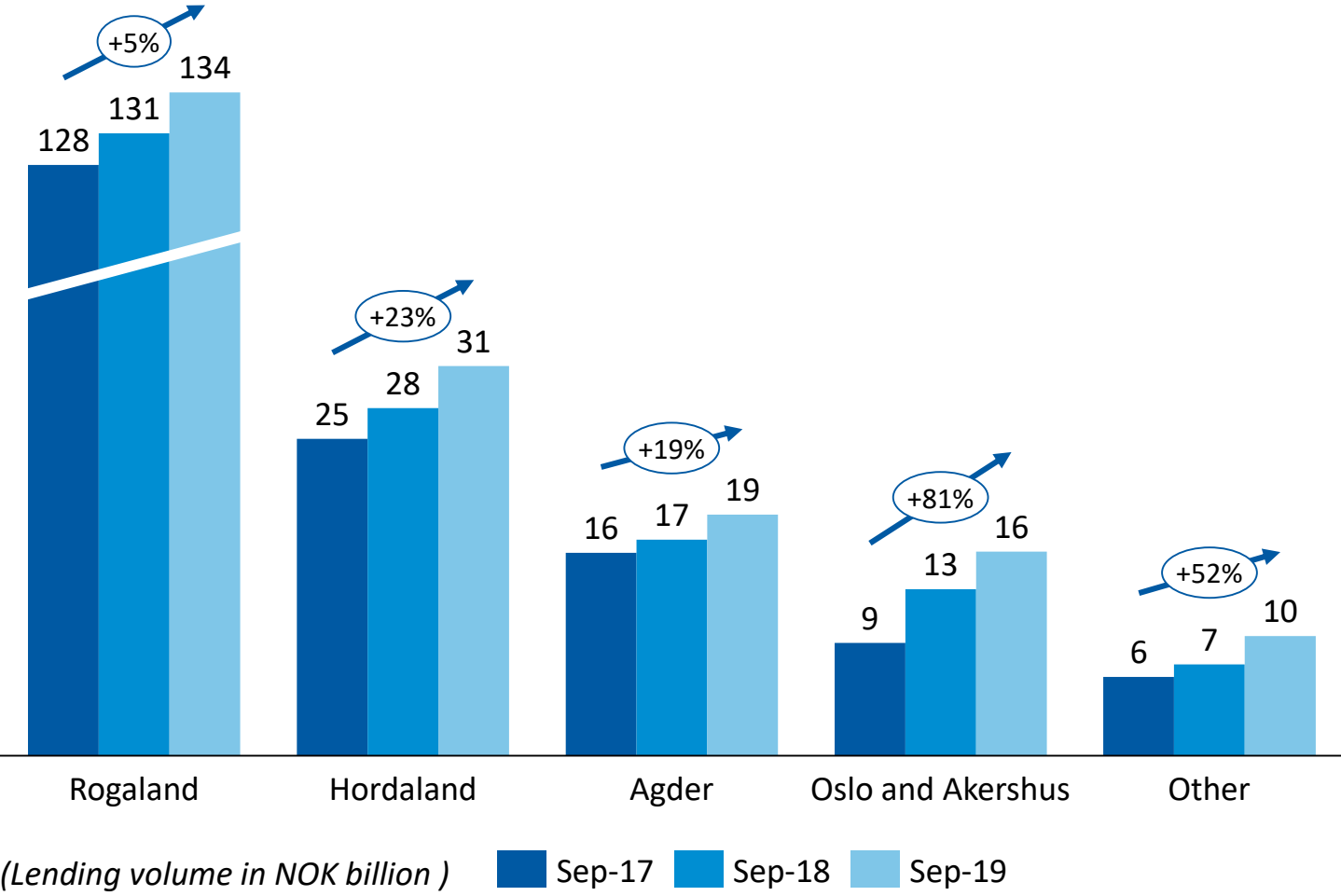
Source: Finans Norge (2018), Statistics Norway, Norges Bank.

	Banks	Market share
1	DnB Bank	27.2
2	Nordea Bank Norge (Swedish)	12.6
3	Danske Bank (Danish)	6.4
4	Handelsbanken (Swedish)	5.4
5	SpareBank 1 SR-Bank	4.3

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



Digitalization and growth makes us a finance group for the South of Norway



SpareBank 1 SR-Bank ASA

Business divisions	Fully owned companies		Partly owned companies	
Capital Market Number of man-years: 27	EiendomsMegler 1 Leading real estate broker Number of man-years: 200	SR-Boligkreditt Covered Bond Funding Number of man-years: 1	BN Bank* (35.0%) Commercial bank located in Oslo and Trondheim	SpareBank 1 Gruppen (19.5%) Holding company for the SpareBank 1 - Alliance
Retail Market Number of man-years: 474	SR-Forvaltning Asset management Number of man-years: 12	FinStart Nordic A start-up factory for new ideas Number of man-years: 8	SpareBank 1 Boligkreditt (4.8%) Covered bond company (mortgages)	SpareBank 1 Næringskreditt* (19.1%) Covered bond company (commercial real estate)
Corporate Market Number of man-years: 157	SpareBank 1 Regnskapshuset SR Accounting and advisory Number of man-years: 133	Monner Digital loan-platform for small businesses Number of man-years: 12	SpareBank 1 Kredittkort (17.8%) Credit card company located in Trondheim	SpareBank 1 Betaling** (19.8%) The company behind mobile payment solution
Administration & Support Number of man-years: 285				

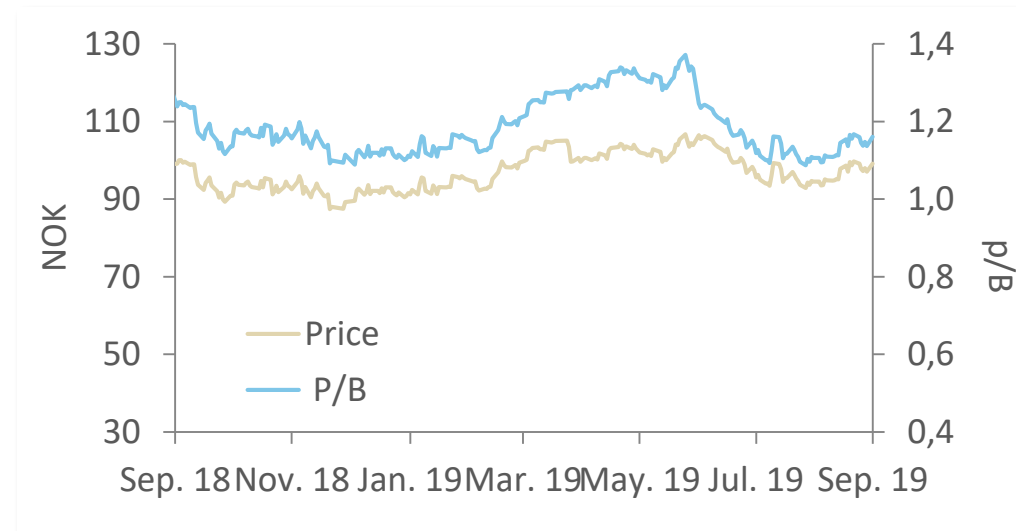
*The stake increased to 35% in the second quarter of 2019 in connection with an agreement on changing the ownership model in BN Bank ASA.

**Owns 22% in VBB AS.

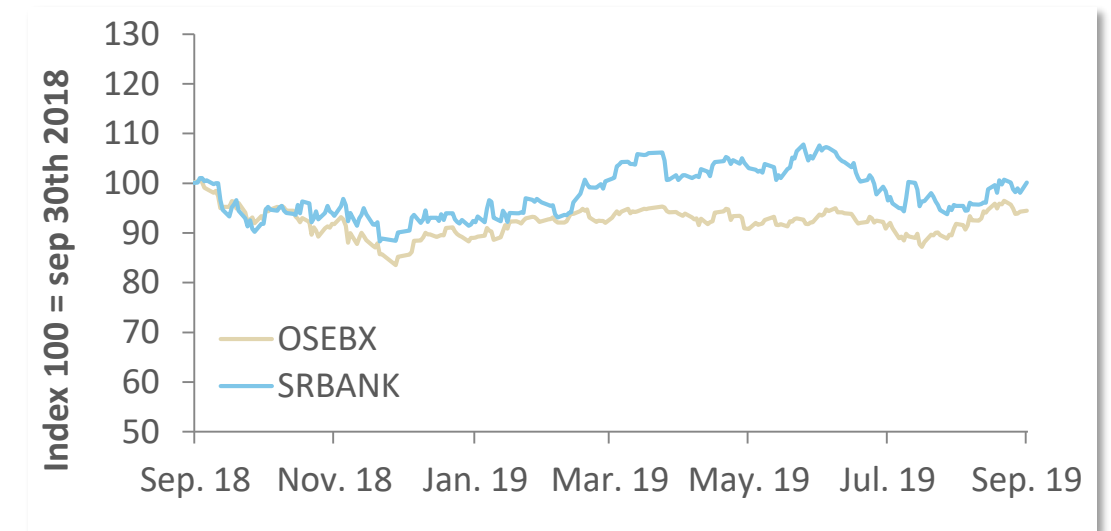
SRBANK share

- International ownership is 28.3% per 3. quarter 2019.
- Total market value at 3. quarter 2019 is NOK 25.4 billion.

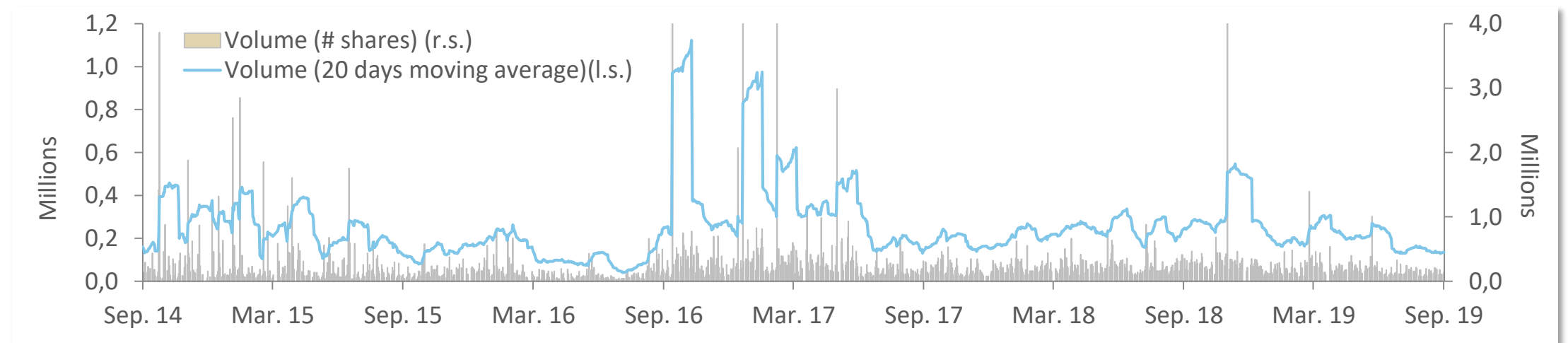
Development in Price/Book



Relativ share price development



Trading volume development



20 largest shareholders as at 30 September 2019

- Ownership interests as at 30 September 2019:
 - From Rogaland, Agder-counties and Hordaland: 43.0% (43.3%)
 - International: 28.3% (25.3%)
 - 10 largest: 50.9% (50.7%)
 - 20 largest: 58.2% (57.9%)
- Number of shareholders 30.09.2019: 11.318 (10.879)
- Employees owning 1.5% (1.5%)

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Folketrygdfondet		19.890.845	7,8%
State Street Bank and Trust Co, U.S.A.	Nominee	11.250.679	4,4%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Danske Invest Norske Instit. II		3.898.045	1,5%
Vpf Nordea Norge Verdi		3.837.022	1,5%
State Street Bank and Trust Co, U.S.A.	Nominee	3.651.143	1,4%
Odin Norge		3.241.248	1,3%
Morgan Stanley & Co Int, U.K.		2.972.652	1,2%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	2.885.245	1,1%
Pareto Aksje Norge		2.355.725	0,9%
Clipper AS		2.211.000	0,9%
Verdipapirfondet Alfred Berg Gambak		1.991.707	0,8%
KLP Aksjenorge Indeks		1.798.077	0,7%
JP Morgan Securities plc, U.K.		1.778.577	0,7%
Danske Invest Norske Aksjer Inst.		1.753.303	0,7%
Verdipapirfondet DNB Norge (IV)		1.750.049	0,7%
Arctic Funds plc, Irland		1.697.870	0,7%
J.P. Morgan Bank Luxembourg S.A.		1.641.071	0,6%
Forsvarets Personellservice		1.599.656	0,6%
Top 5		113.685.457	44,5%
Top 10		130.272.767	50,9%
Top 20		148.849.802	58,2%

Figures in parentheses as at 30.09.2018.

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A good result marked by good operations, increased market activity and growth

16.0%

Return on equity after tax year-to-date (11.7%)

13.4% excluding merger effect Fremtind Forsikring AS

Pre-tax profit is NOK 3.191 million (NOK 2.216 million)

10.5%

Return on equity after tax for the quarter (12.6%)

Pre-tax profit is NOK 759 million (NOK 794 million)

0.06%

Impairments on gross lending incl. covered bond companies as at 30 September 2019 (0.16%)

Impairments on loans and financial commitments is NOK 96 million (NOK 232 million)

8.9%

12 months costs growth

Cost to income ratio is 35.4%,
38.9% excluding merger effect Fremtind Forsikring AS

6.8%

12 months lending growth

Risk-weighted assets increased by 9.7% the last 12 months

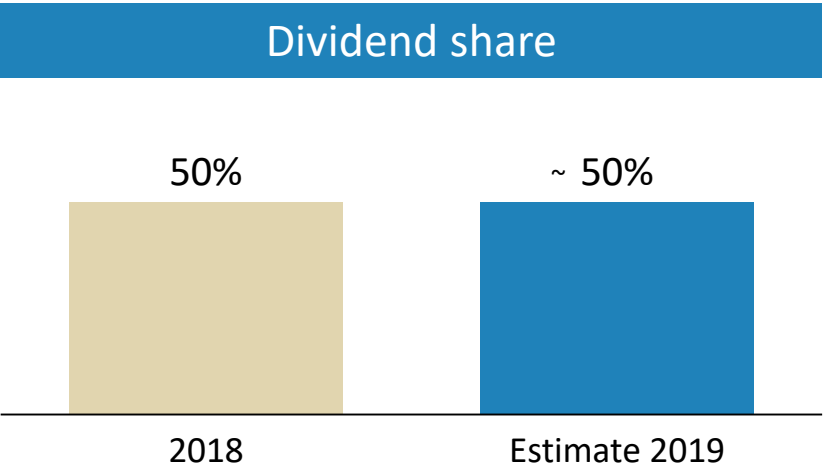
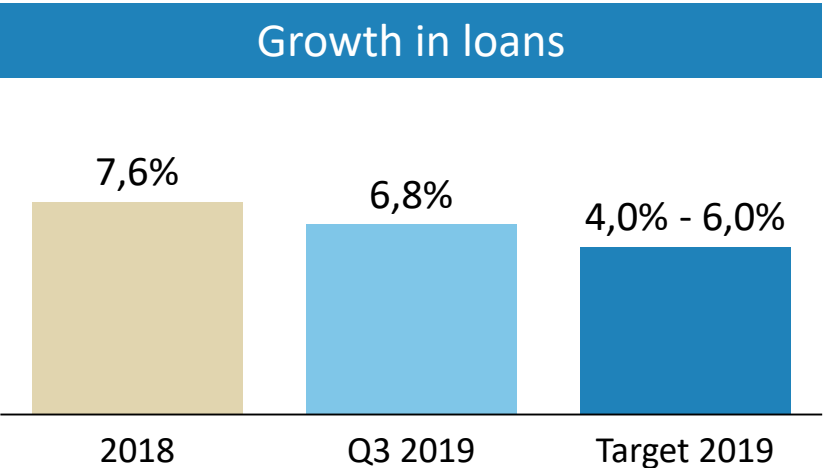
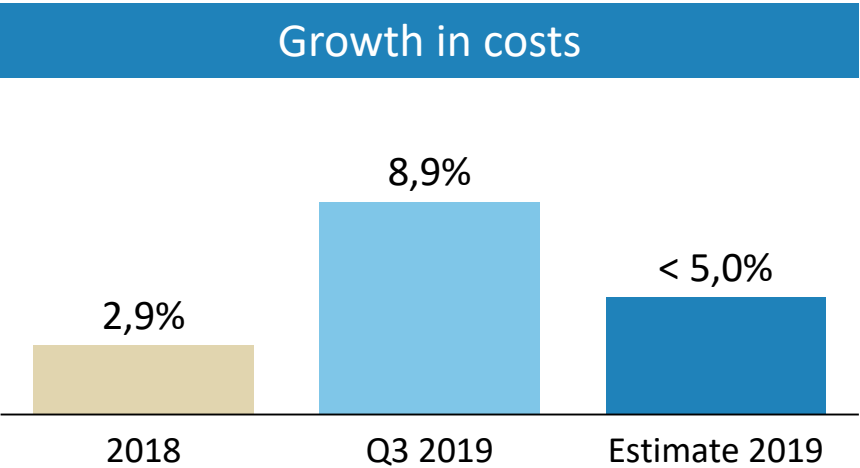
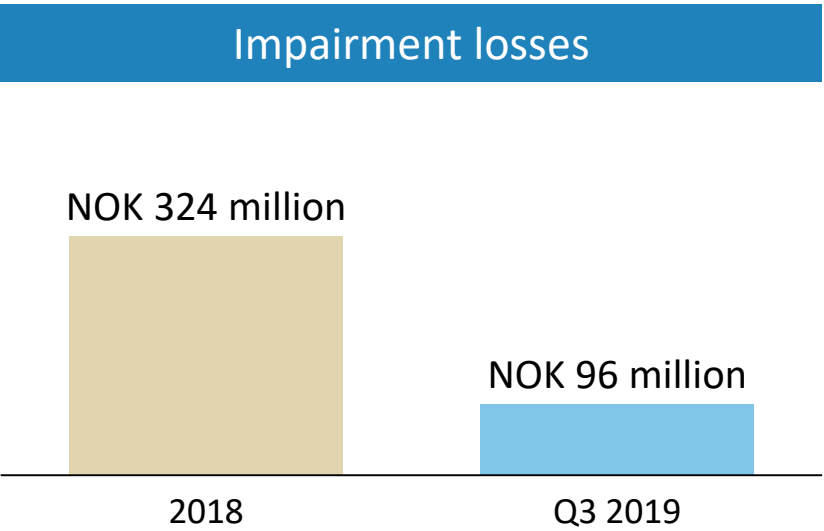
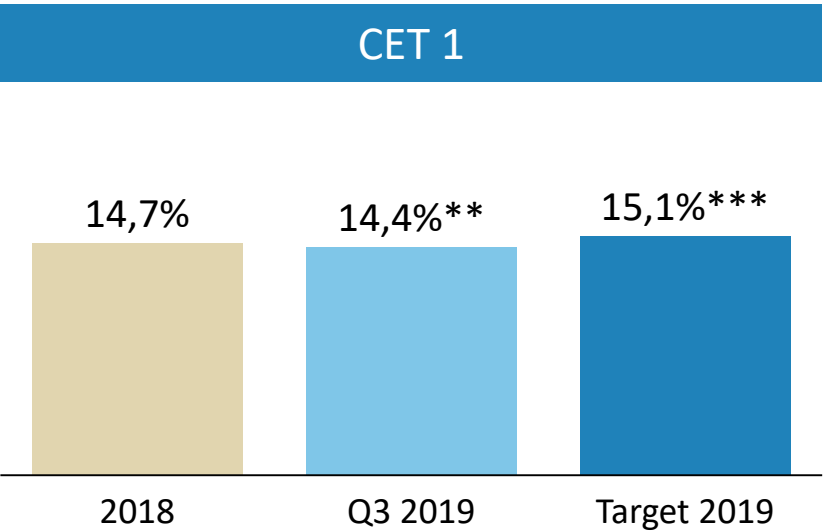
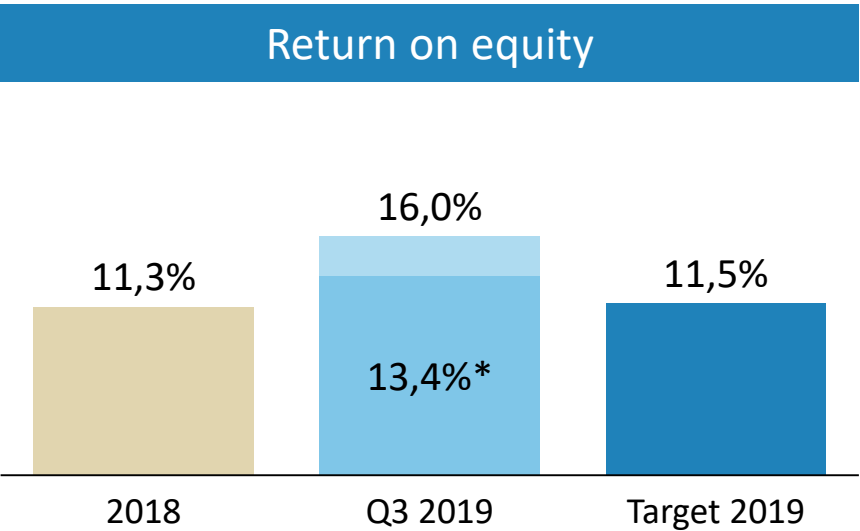
14.4%*

Common equity tier 1 capital ratio (14.7%)

Percentage and amount in parentheses represents the same period last year.

**Adjusted for updated stake in SB1 Boligkreditt which will occur at year-end.*

Financial targets and estimates per 31.12.2019



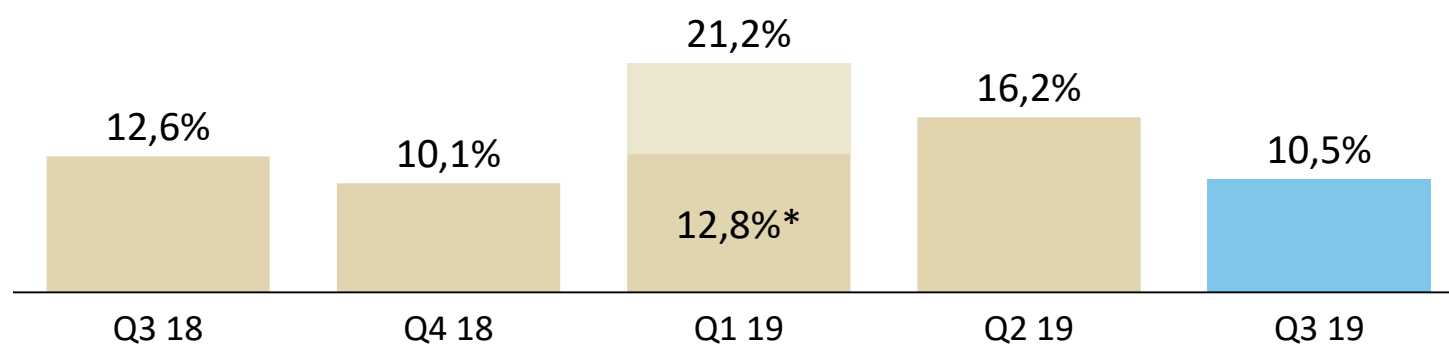
*Excluding merger effects Fremtind Forsikring AS.

**Adjusted for updated stake in SB1 Boligkreditt which will occur at year-end.

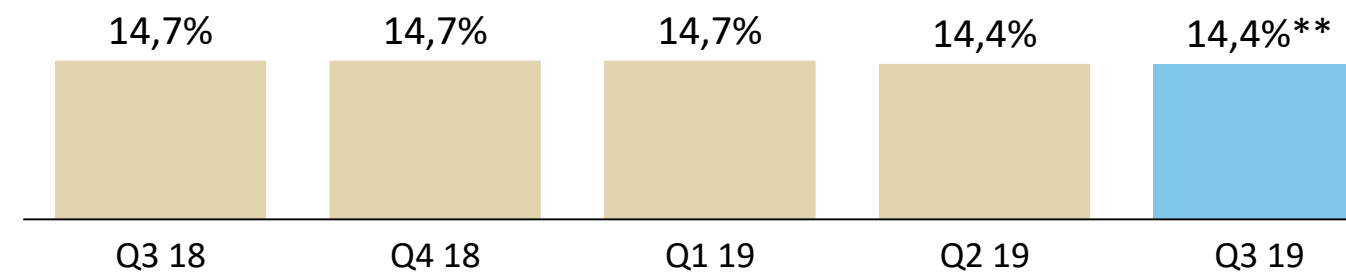
***Target 30.09.2019 is 14.6%.

Key figures – quarterly development

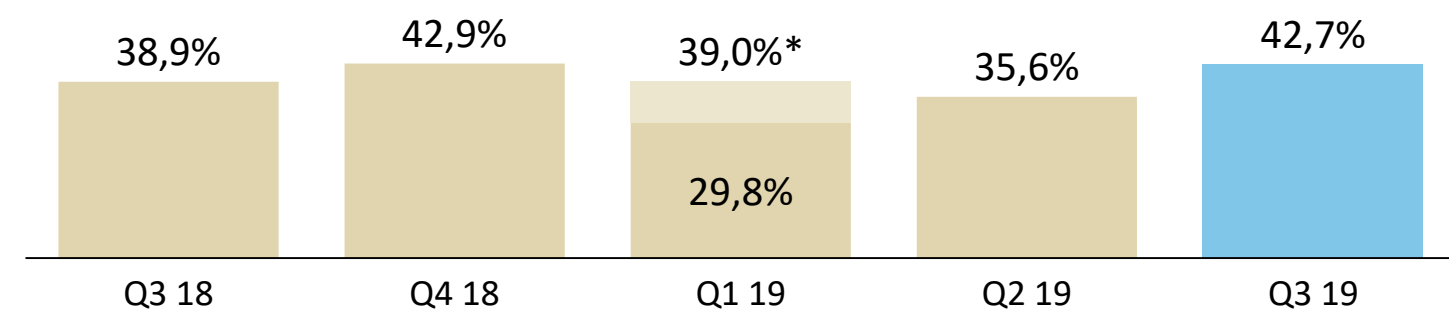
Return on equity



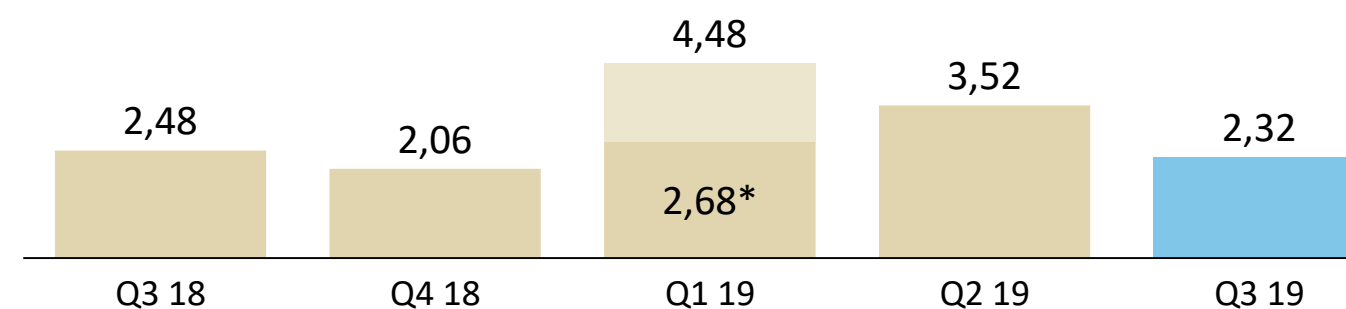
CET 1



Cost ratio



Earnings per share



*Excluding merger effects Fremtind Forsikring AS.

**Adjusted for updated stake in SB1 Boligkreditt which will occur at year-end.

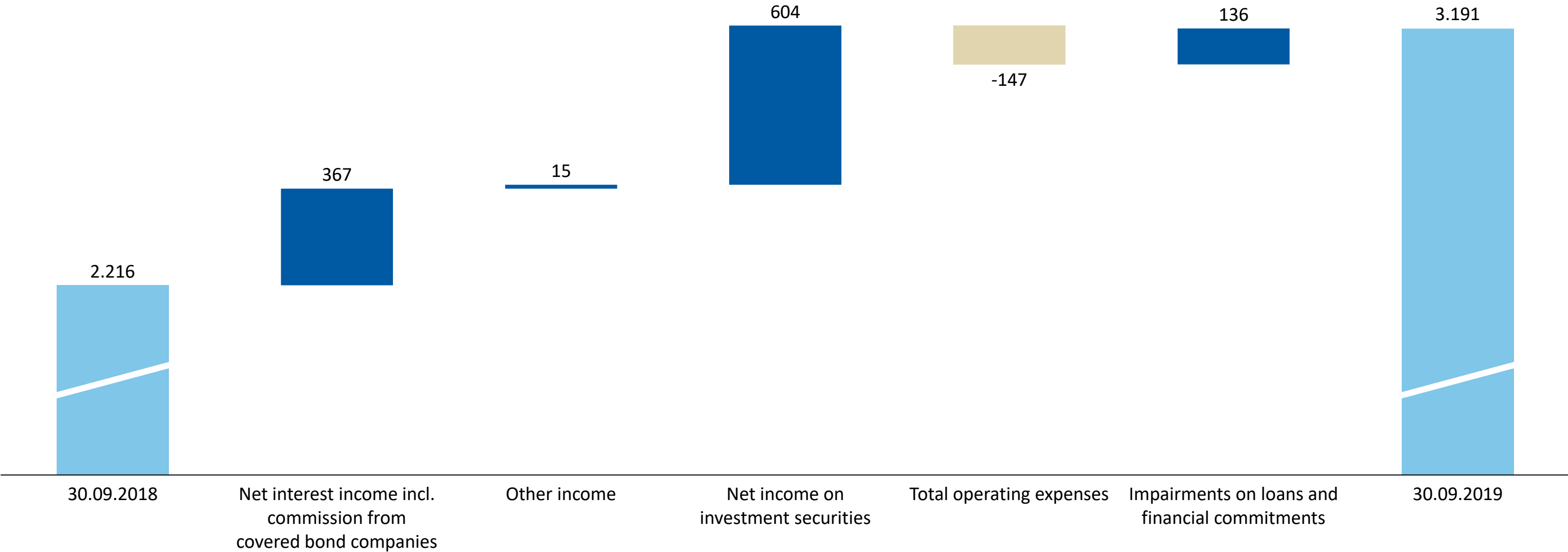
Key figures

	30.09.2019	30.09.2018	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Return on equity after tax (%)	16,0	11,7	10,5	16,2	21,2	10,1	12,6
Net interest margin (%)	1,60	1,52	1,61	1,58	1,60	1,59	1,53
Impairments on loans in % of gross loans incl. covered bond companies	0,06	0,16	0,13	-0,04	0,10	0,18	0,12
Loans and financial commitments in Stage 3 in % of gross loans incl. covered bond companies	1,55	1,45	1,55	1,43	1,40	1,46	1,45
Cost to Income ratio	35,4	40,3	42,7	35,6	29,8	42,9	38,9
Annual growth in loans to customers, gross incl. covered bond companies (%)	6,8	6,1	6,8	7,3	8,7	7,6	6,1
Annual growth in deposit from customers (%)	1,9	1,7	1,9	-3,0	-0,6	3,6	1,7
Total assets (BNOK)	251,6	226,0	251,6	246,5	241,9	234,1	226,0
Portfolio of loans in covered bond companies (BNOK)	6,3	13,4	6,3	8,9	9,0	9,3	13,4
Risk weighted assets (BNOK)	141,7	129,2	141,7	139,5	134,7	130,9	129,2
Liquidity Coverage Ratio (LCR) (%)	153	151	153	154	172	167	151
Earnings per share (NOK)	10,32	6,92	2,32	3,52	4,48	2,06	2,48
Book value per share (NOK)	87,60	80,02	87,60	85,44	86,55	82,27	80,02

Income statement

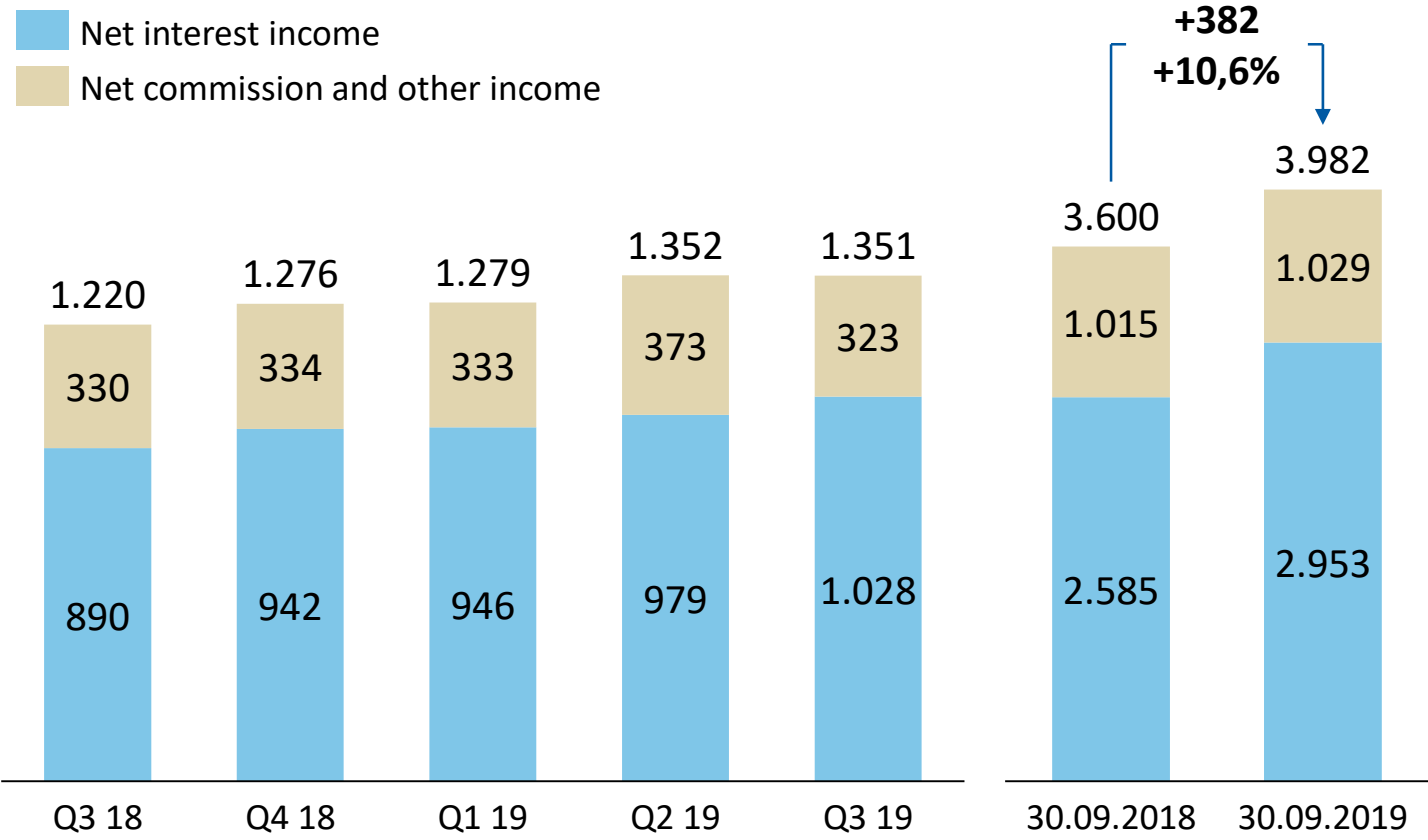
Group Income Statement (MNOK)	30.09.2019	30.09.2018	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net interest income	2.925	2.513	1.019	968	938	926	871
Net commission and other income	1.057	1.087	332	384	341	350	349
Net income on investment securities	1.105	501	89	340	676	68	175
Total income	5.087	4.101	1.440	1.692	1.955	1.344	1.395
Total operating expenses	1.800	1.653	615	602	583	576	542
Operating profit before impairments	3.287	2.448	825	1.090	1.372	768	853
Impairments on loans and financial commitments	96	232	66	-19	49	92	59
Operating profit before tax	3.191	2.216	759	1.109	1.323	676	794
Tax expense	552	447	166	209	177	149	160
Net profit	2.639	1.769	593	900	1.146	527	634

Change in profit 30.09.2018 – 30.09.2019

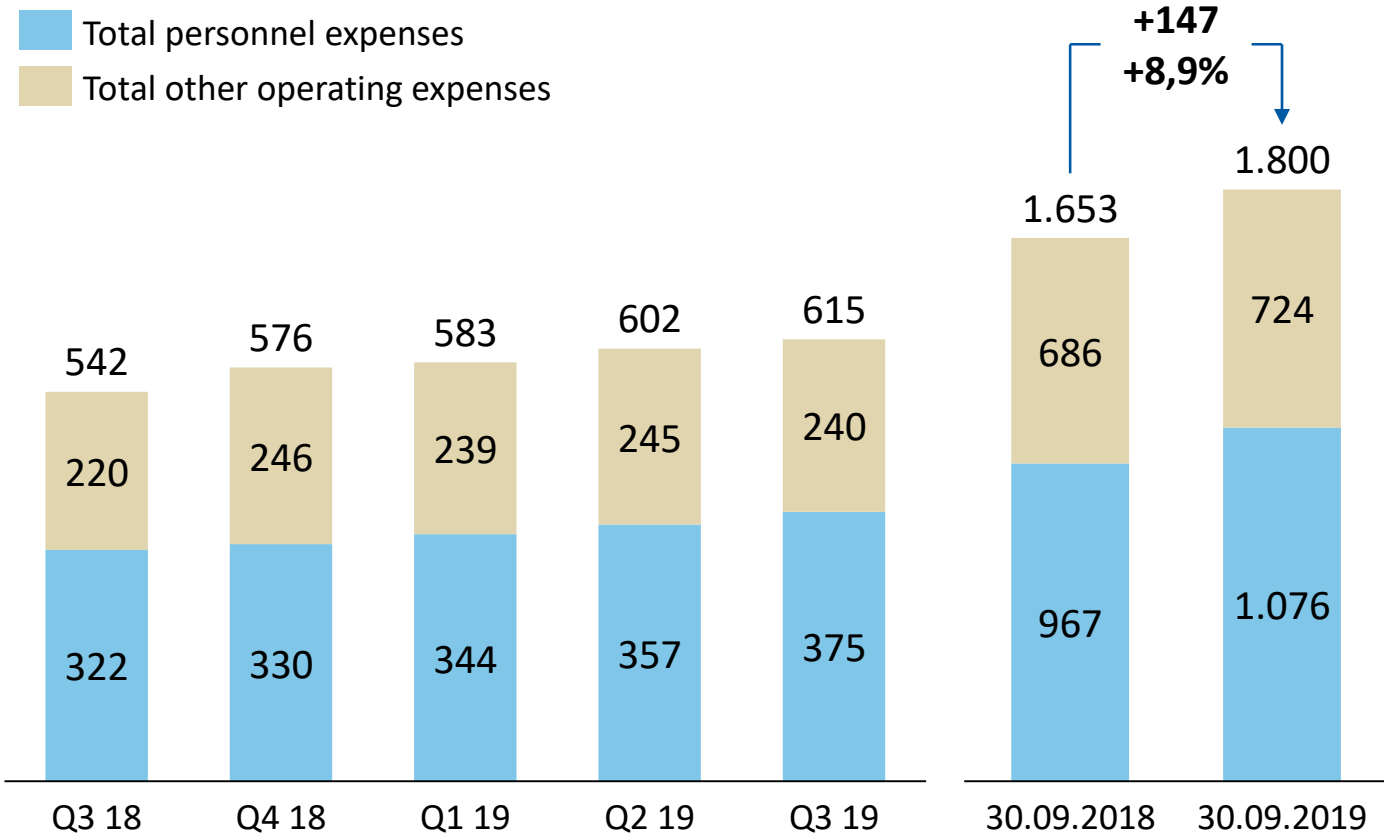


Consolidated income and cost profile

Income profile



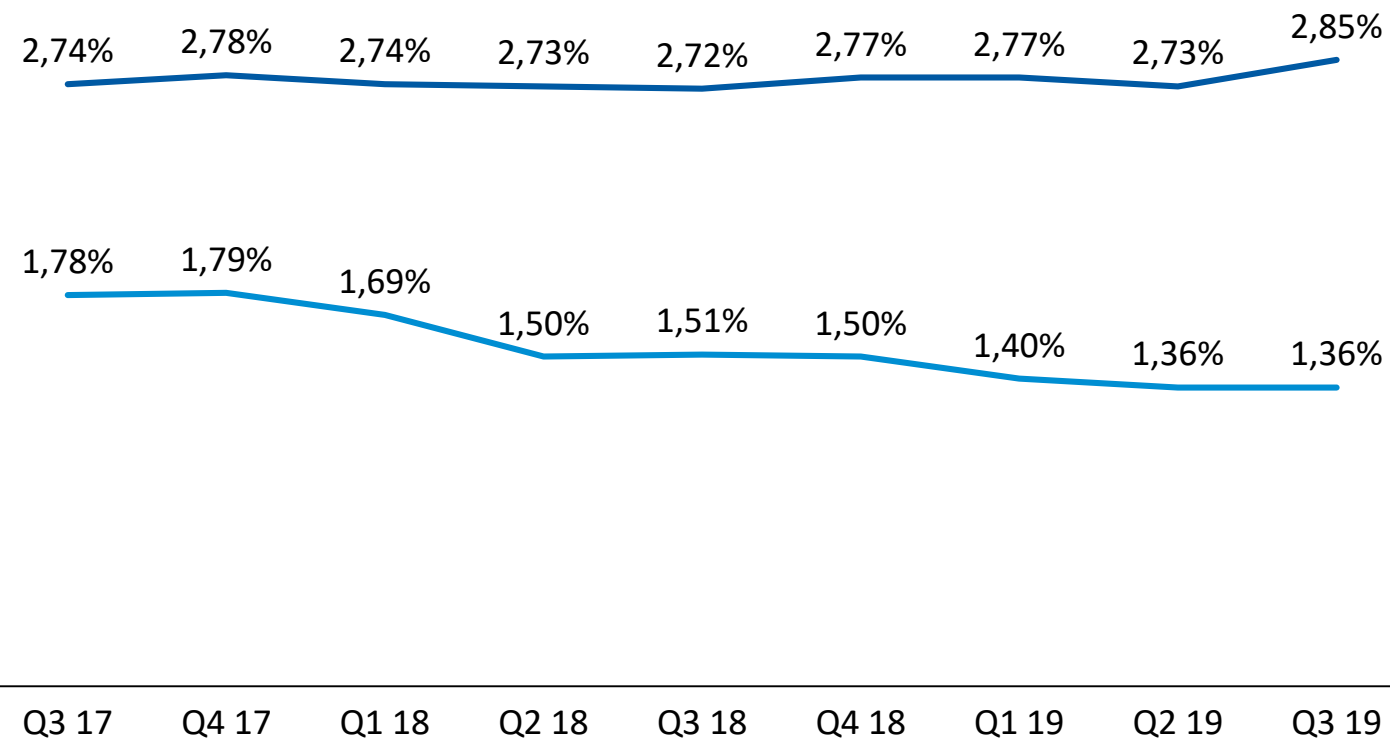
Cost profile



- Income profile consists of net interest income, incl. commission income from covered bond companies, and net commission and other income excl. financial income.

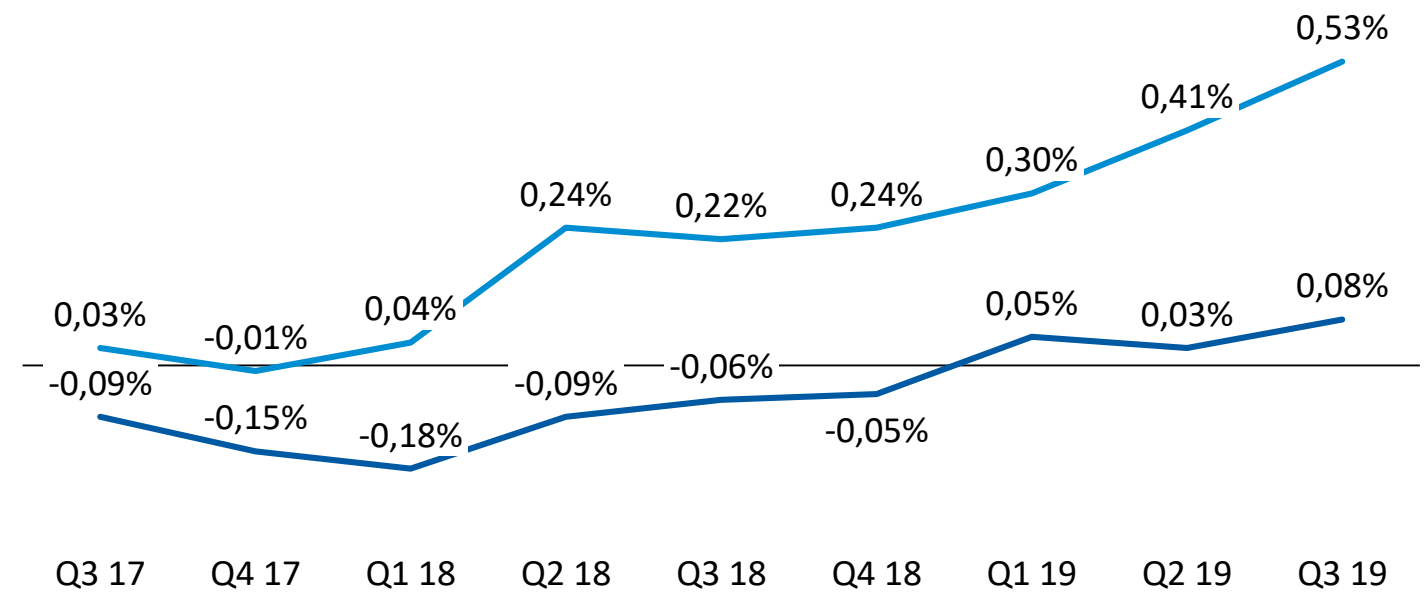
Lending and deposit margins

Lending margins*



— Corporate market — Retail market

Deposit margins*



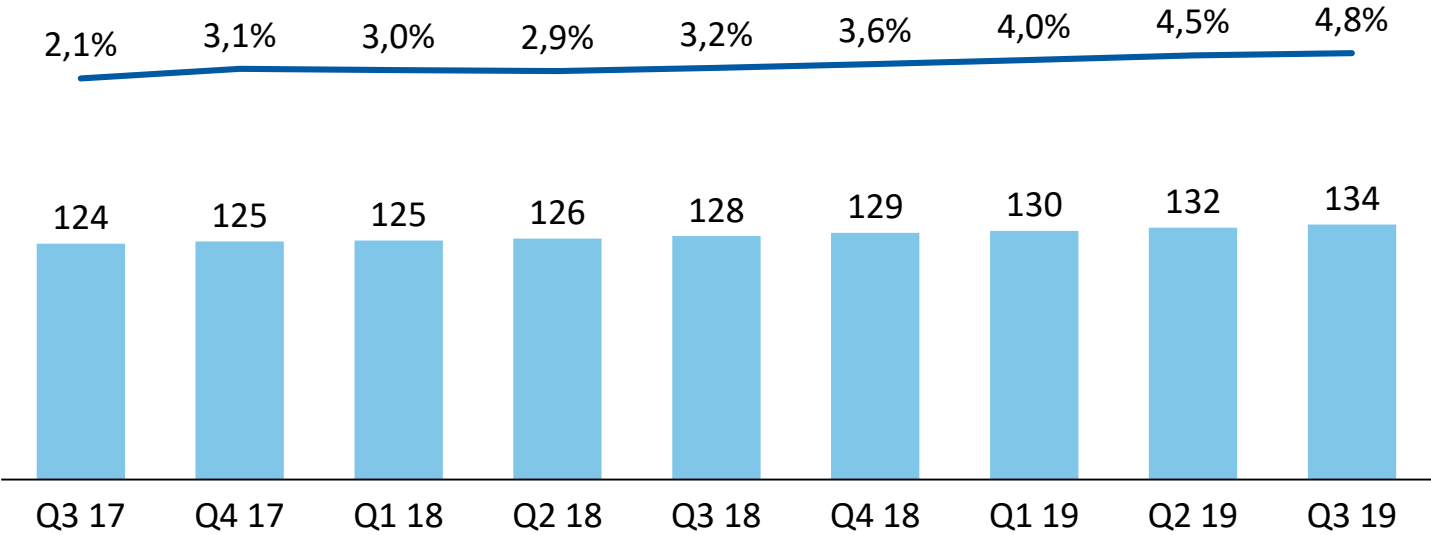
— Corporate market — Retail market

Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR.

*Lending margins include loan portfolio in covered bond companies.

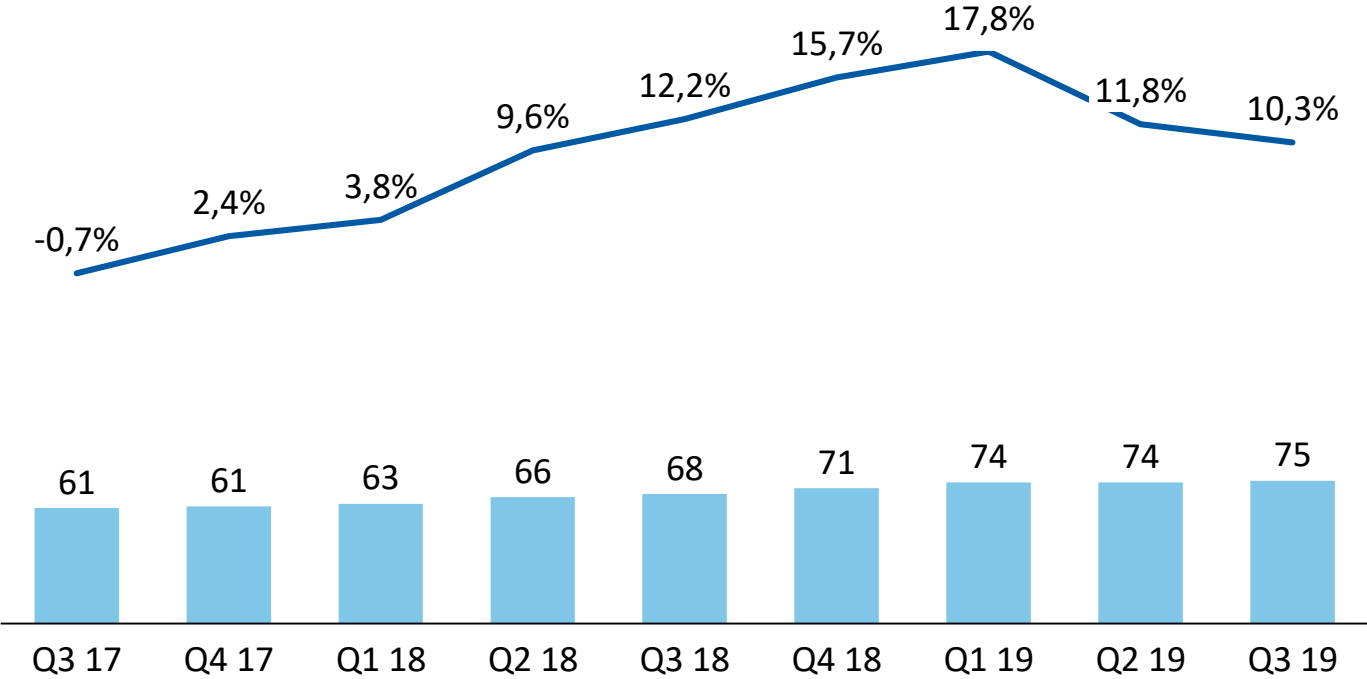
Lending volume and 12 months growth

Retail Market



Volume in NOK billion — Growth %

Corporate Market (incl. Capital Market)

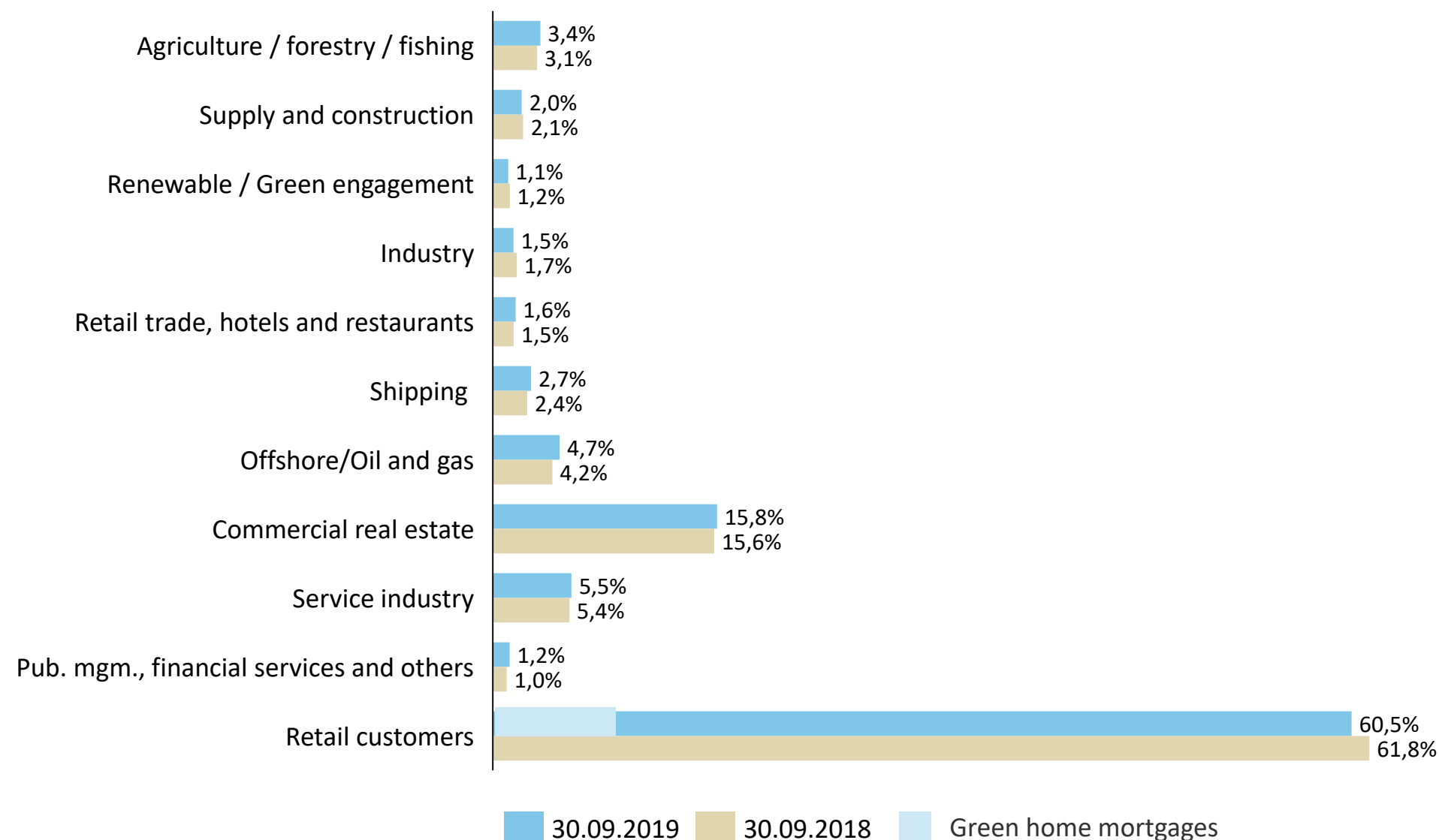


Volume in NOK billion — Growth %

Figures incl. loan portfolio in covered bond companies.

Loan portfolio as at 30.09.2019

- Gross loans (incl. covered bond companies) as at 30 September 2019 is increased to NOK 209.9 billion from NOK 196.9 billion at the same time the year before.
- 12-month growth in loans of 6.8%.
- Loans to retail customers (incl. covered bond company) account for 60.5% of total loans. Of this SB1 Boligkreditt accounts for 4.9% and green home mortgages 17,3%.

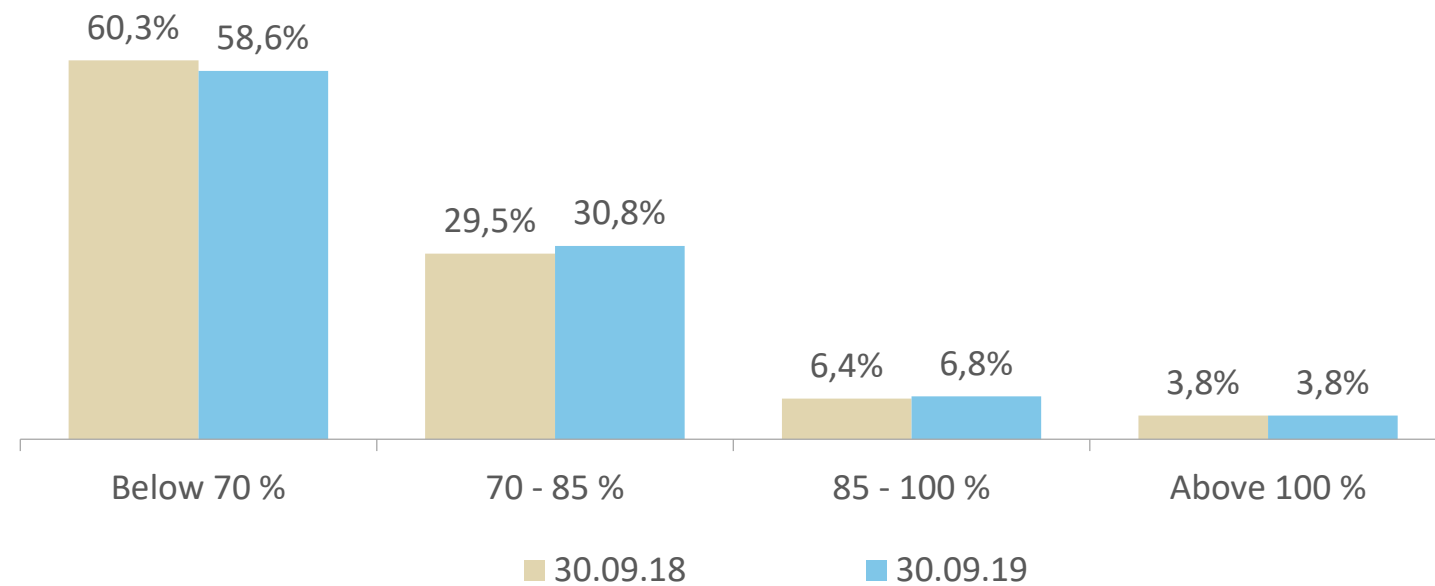


Loans before impairments, nominal amounts. Sector allocation in accordance with the standard categories from Statistics Norway. Process improvements has increased the companies availability for details on loan sector allocation. Historical figures has also been changed.

Loan to value ratio and RWA on home mortgage loans

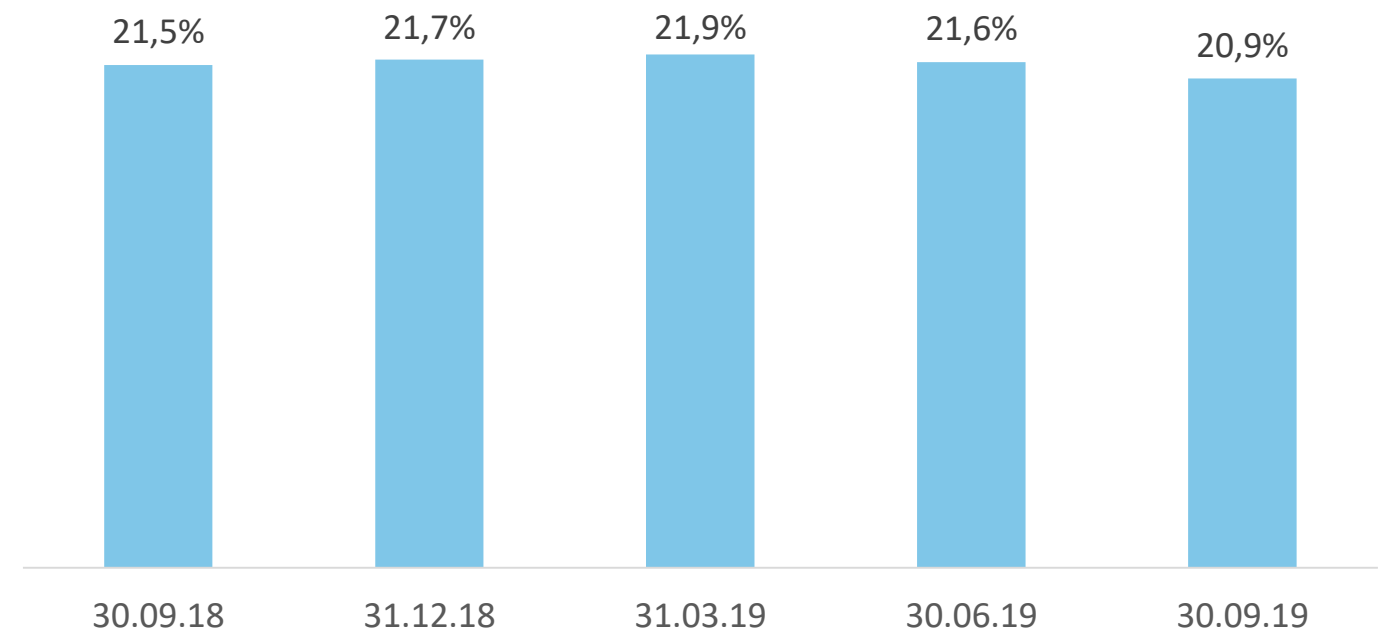
Loan to value ratio on home mortgage loans

- The proportion of loans with a loan-to-value ratio of less than 85% is high.
 - 89% of the exposure is within 85% of the assessed value of collateral.



RWA home mortgages

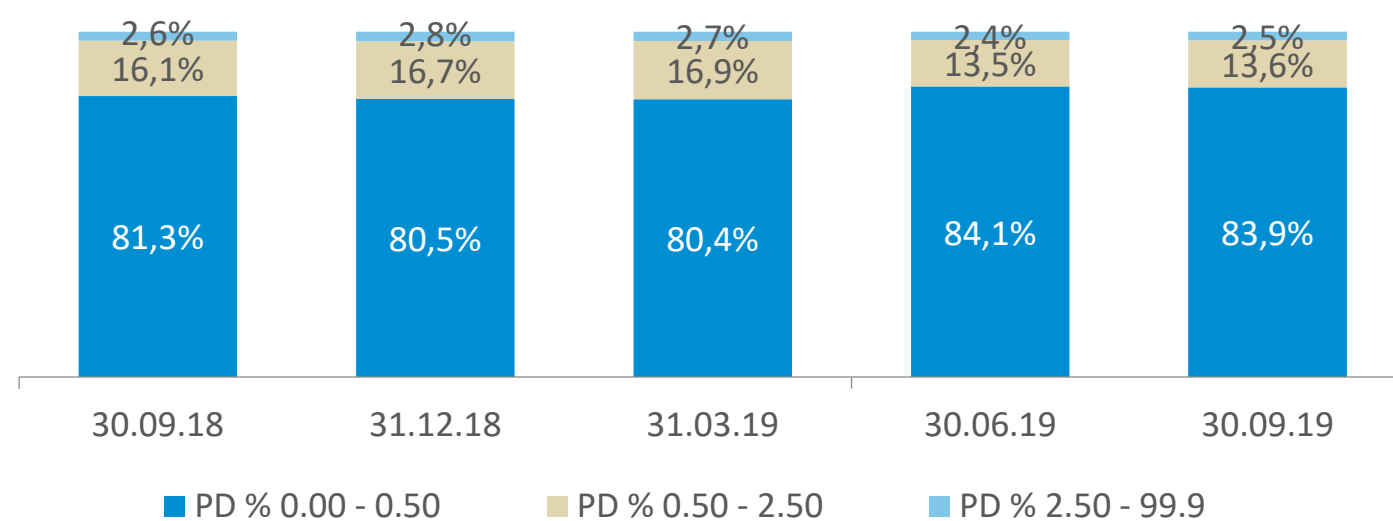
- RWA on home mortgages reflects a solid and stable portfolio.



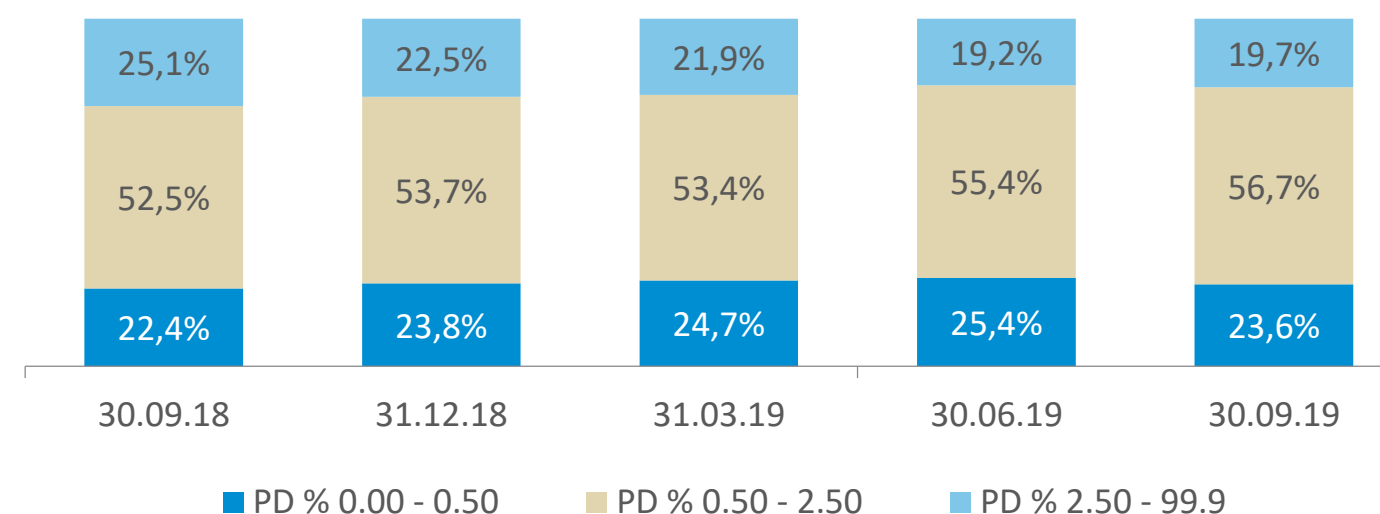
*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.
Home mortgages as defined in the Norwegian IRB framework; residential property must be at least 30 % of a loan's security.
The figures include the loan portfolio in the covered bond companies (SB1 Boligkreditt AS and SR-Boligkreditt AS).*

Risk profile – Lending to the retail and corporate market

Retail market portfolio distributed by risk class



Corporate lending portfolio distributed by risk class



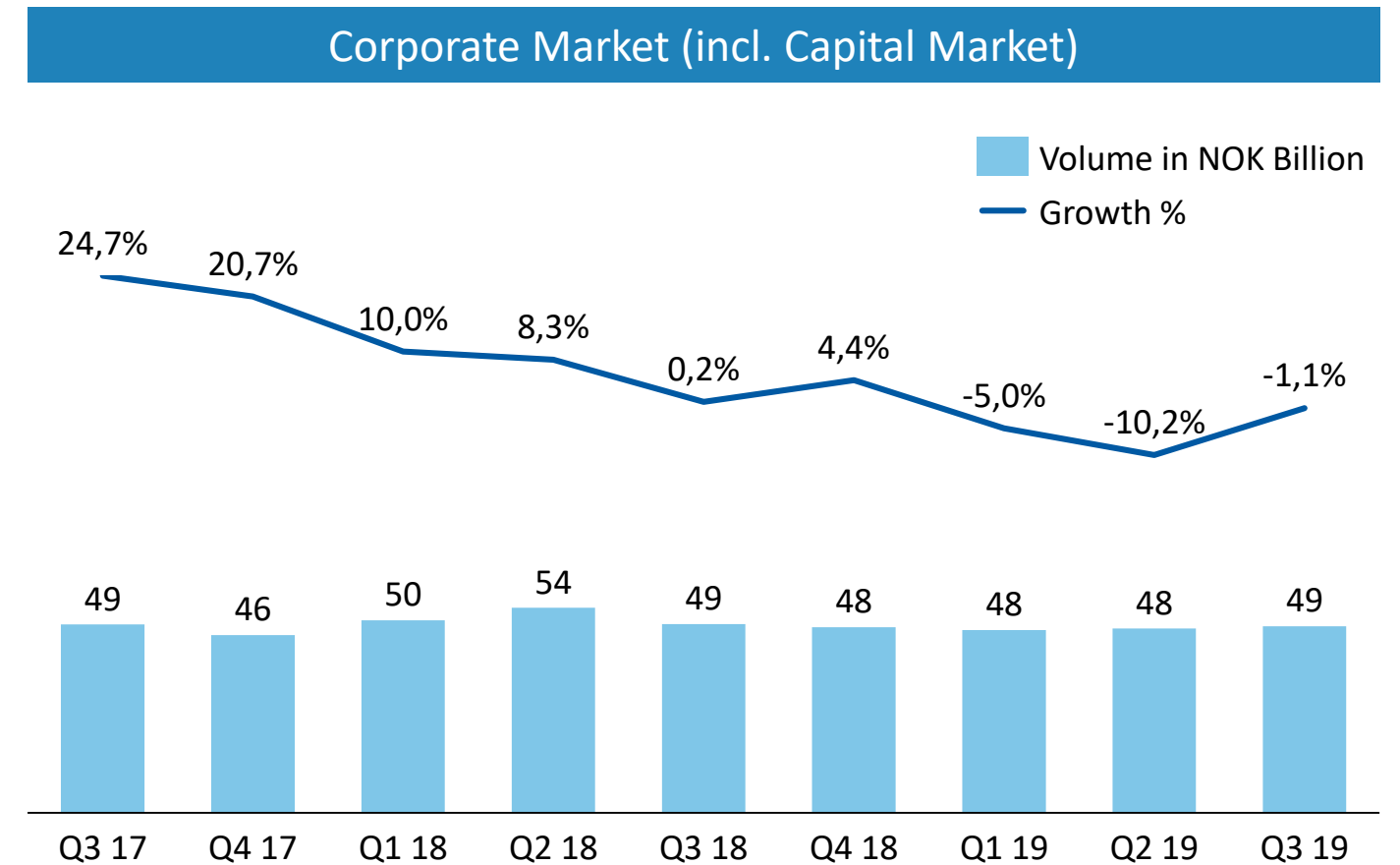
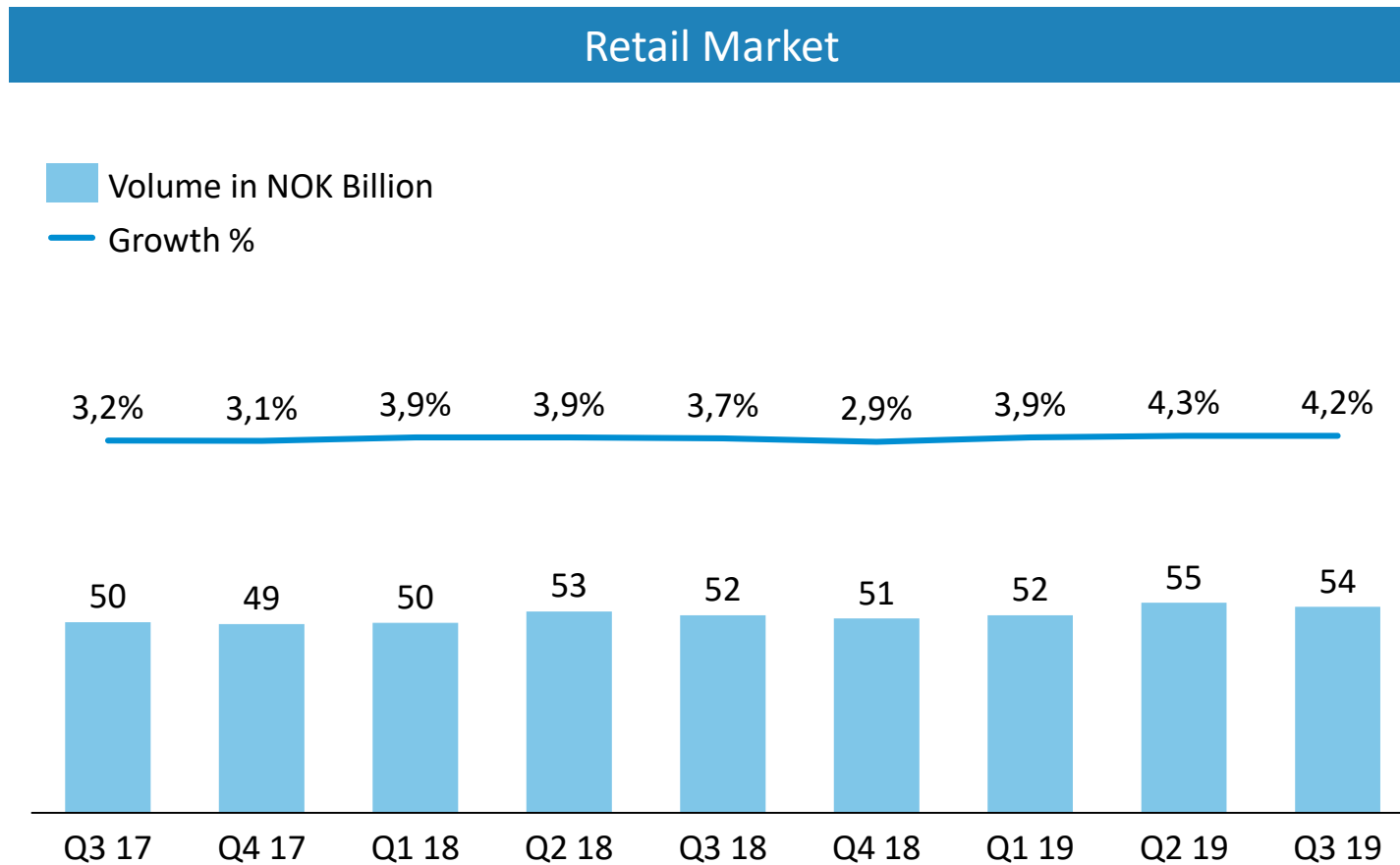
- The quality of the retail market portfolio is considered to be good and has low potential losses.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate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

- 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 companies (SB1 Boligkreditt AS and SR-Boligkreditt AS).

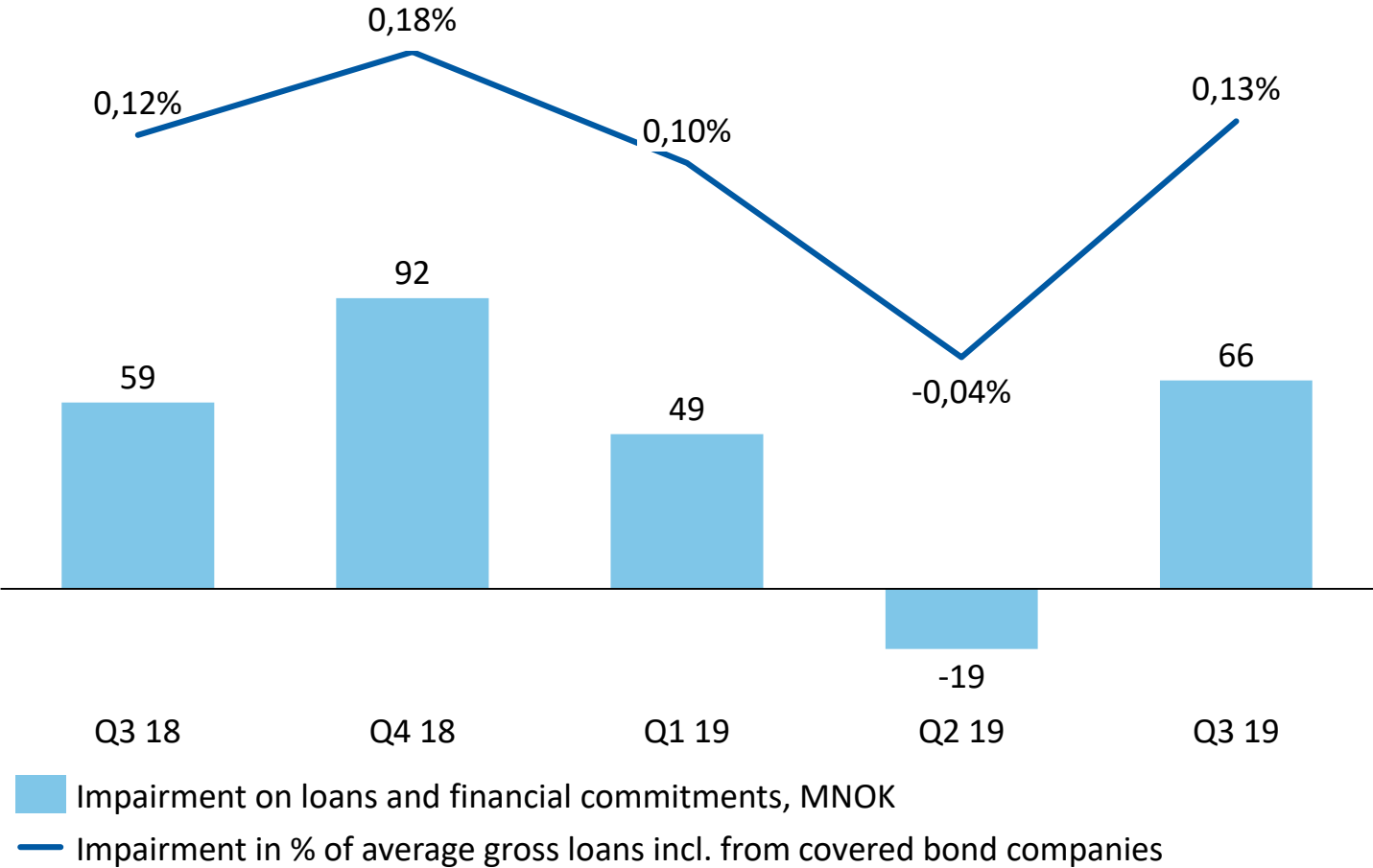
Deposit volume and 12 month growth



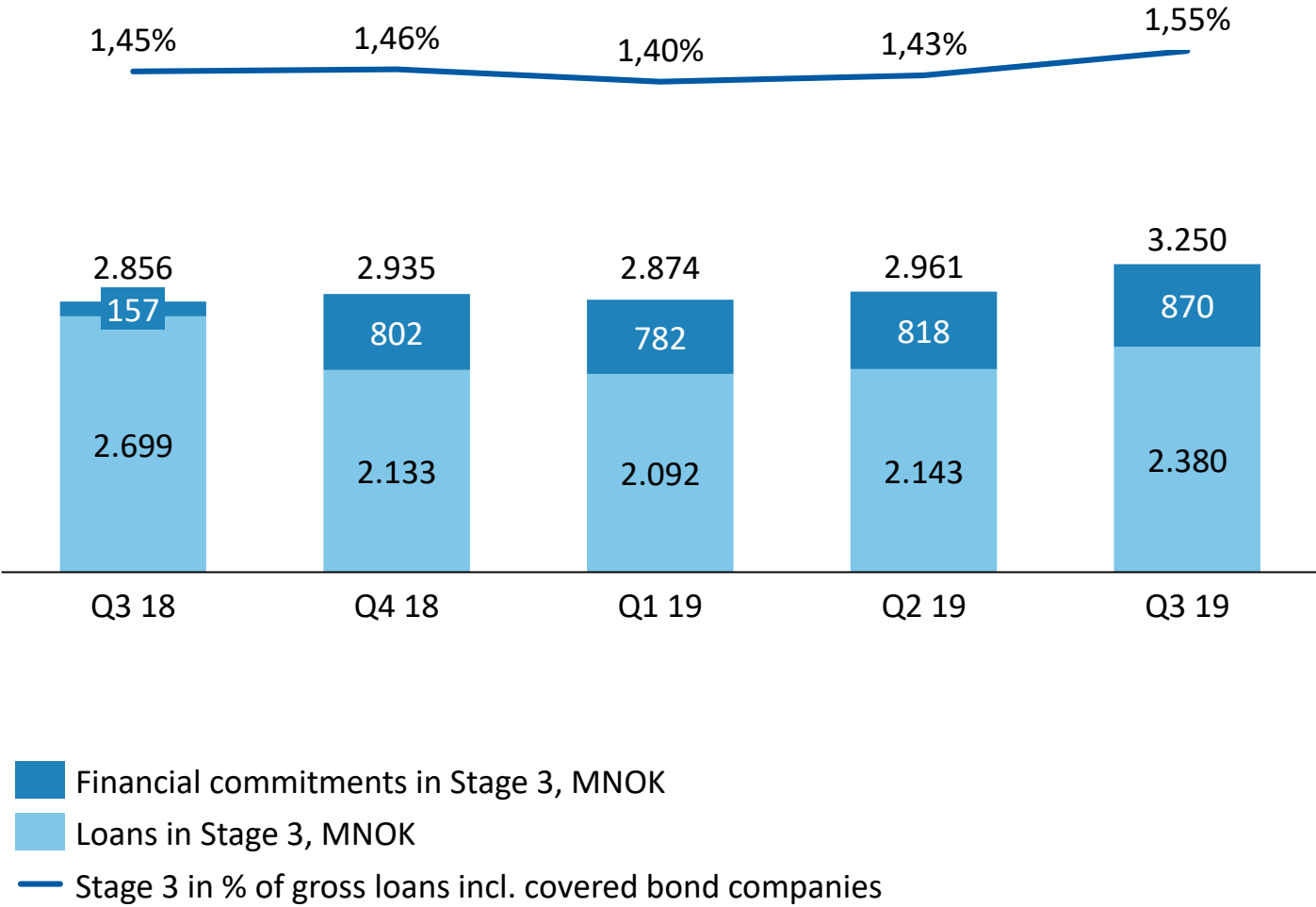
- In the last 12 months the total deposit volume has increased by NOK 1.9 billion to NOK 102.2 billion, or 1.9% in the period.
 - Deposit growth is 5.7% at the end of third quarter of 2019, excl. public sector.
- Volatility in deposit growth in the corporate market (incl. capital market) is mainly due to changes in deposit from public sector.

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

Impairment on loans and financial commitments



Changes in gross loans and financial commitments defined as Stage 3

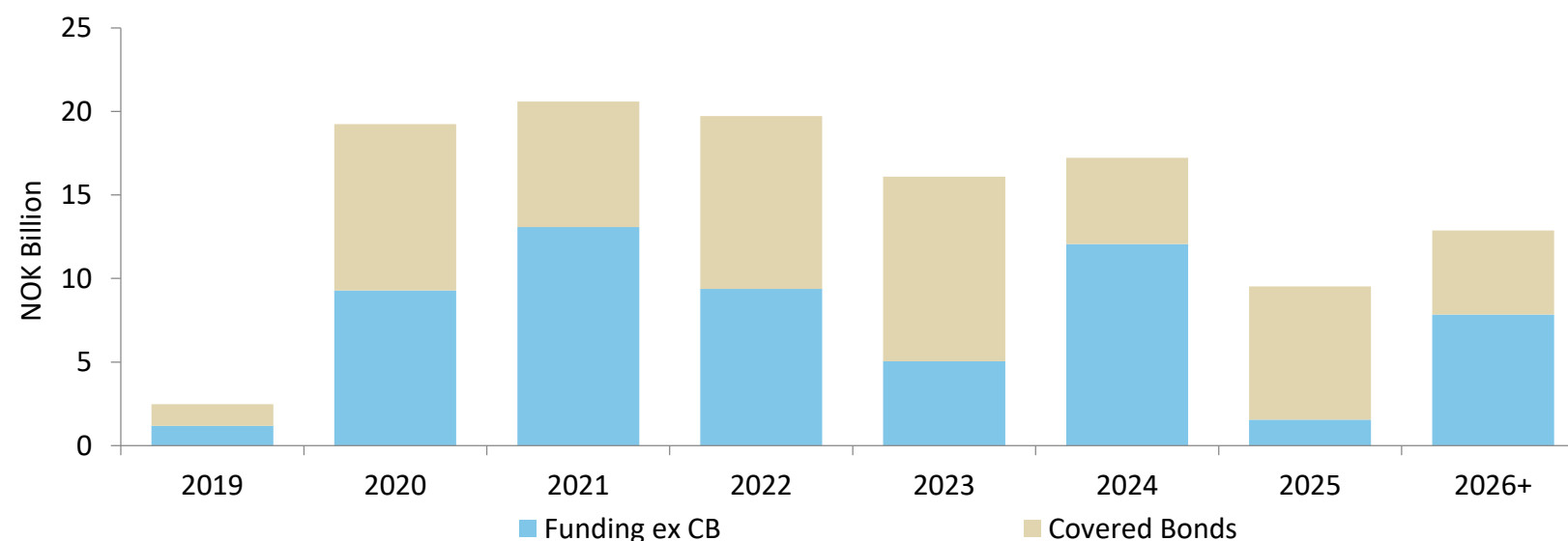


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Funding

- NSFR* 115%
- LCR** 153%
- NOK 21.7 billion net refinancing need over the next 12 months
- Deposit to loans ratio 50.2%

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

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.

MREL

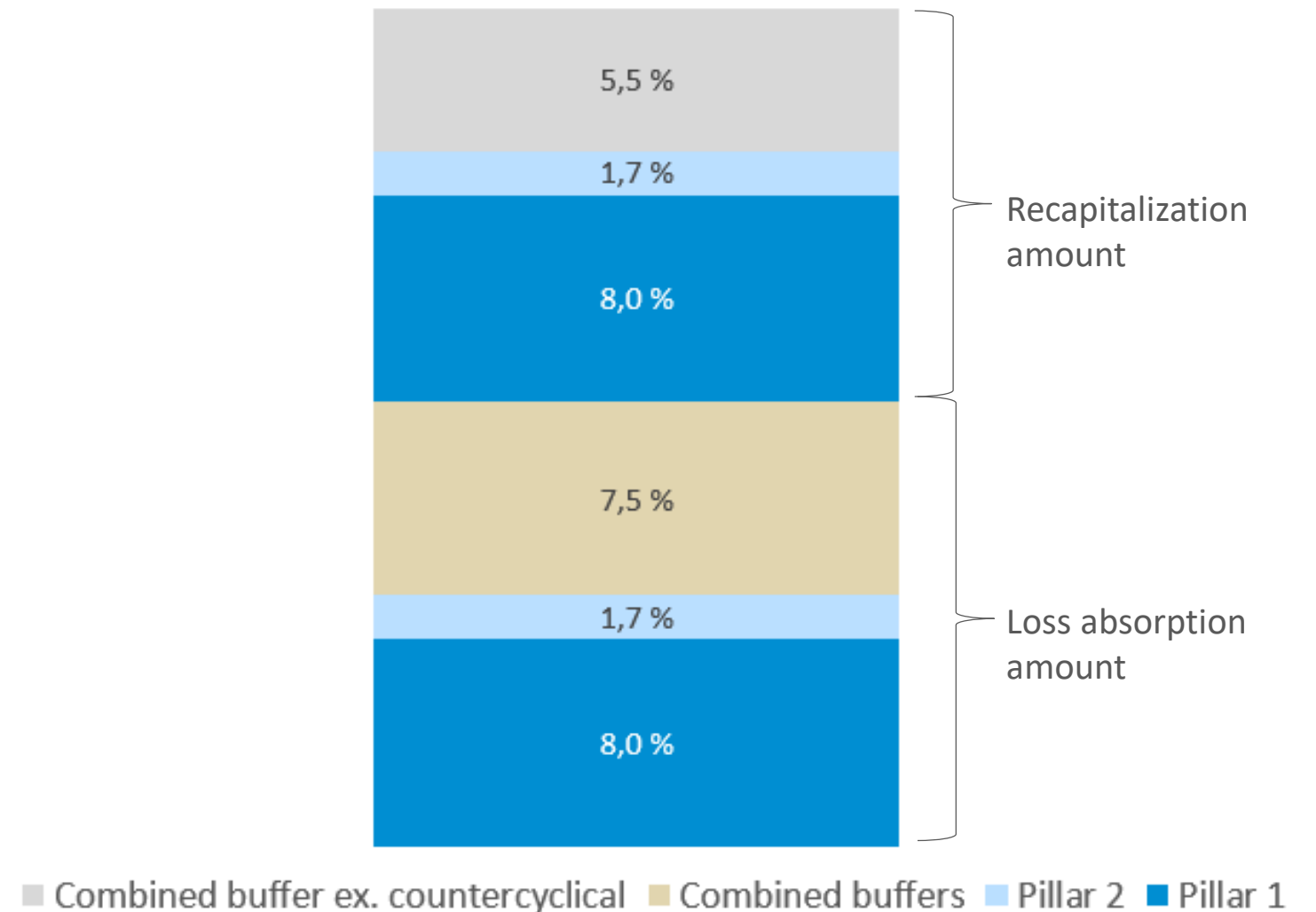
Main features from Ministry of Finance regulation based on «BRRD»:

- Issuers shall be fully MREL compliant by 31 December 2022.
- The FSA will set requirements individually for each bank.
- Covered bond 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.

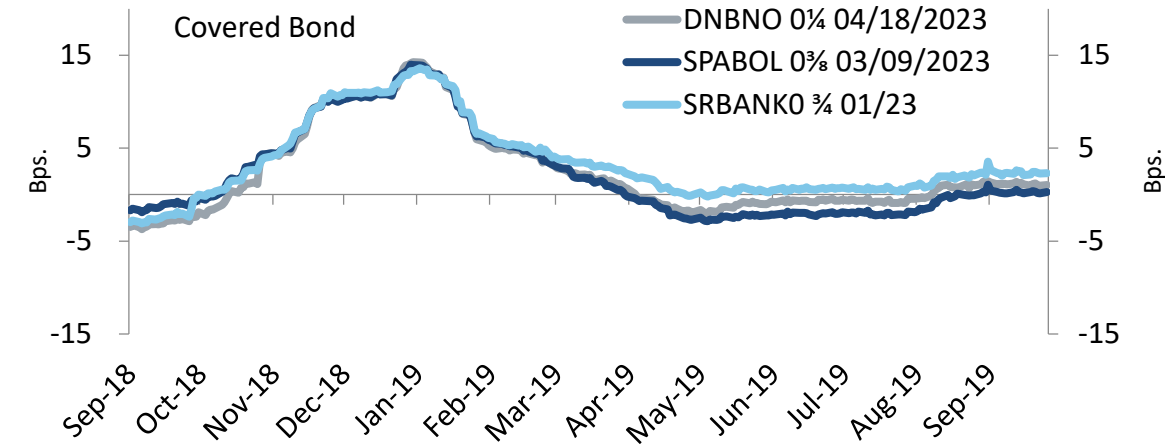
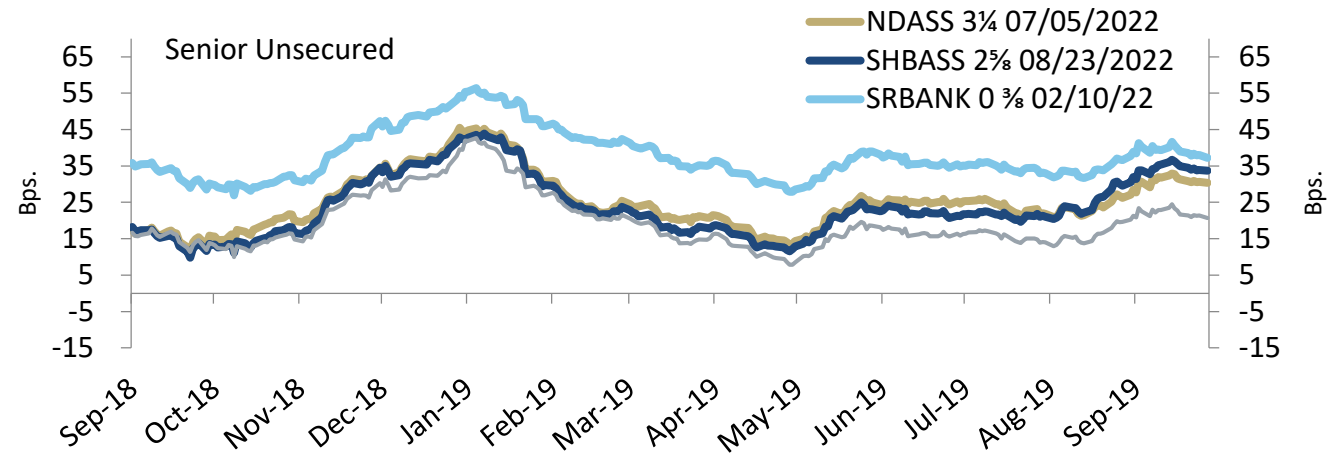
«BRRD2» and possible outcome for SR-Bank:

- «BRRD2» was published in the EU official journal 7th June 2019. The legislation sets a maximum level of MREL and compliance of requirements by 31 December 2024.
- Total capital requirement including MREL = (P1 + P2 + Combined buffer requirement) x 2 - Countercyclical buffer x 1, see figure.
- The Ministry of Finance has proposed an increase of the systemic risk buffer from 3,0% to 4.5% as of year end 2019.

MREL based on the regulations from Ministry of Finance



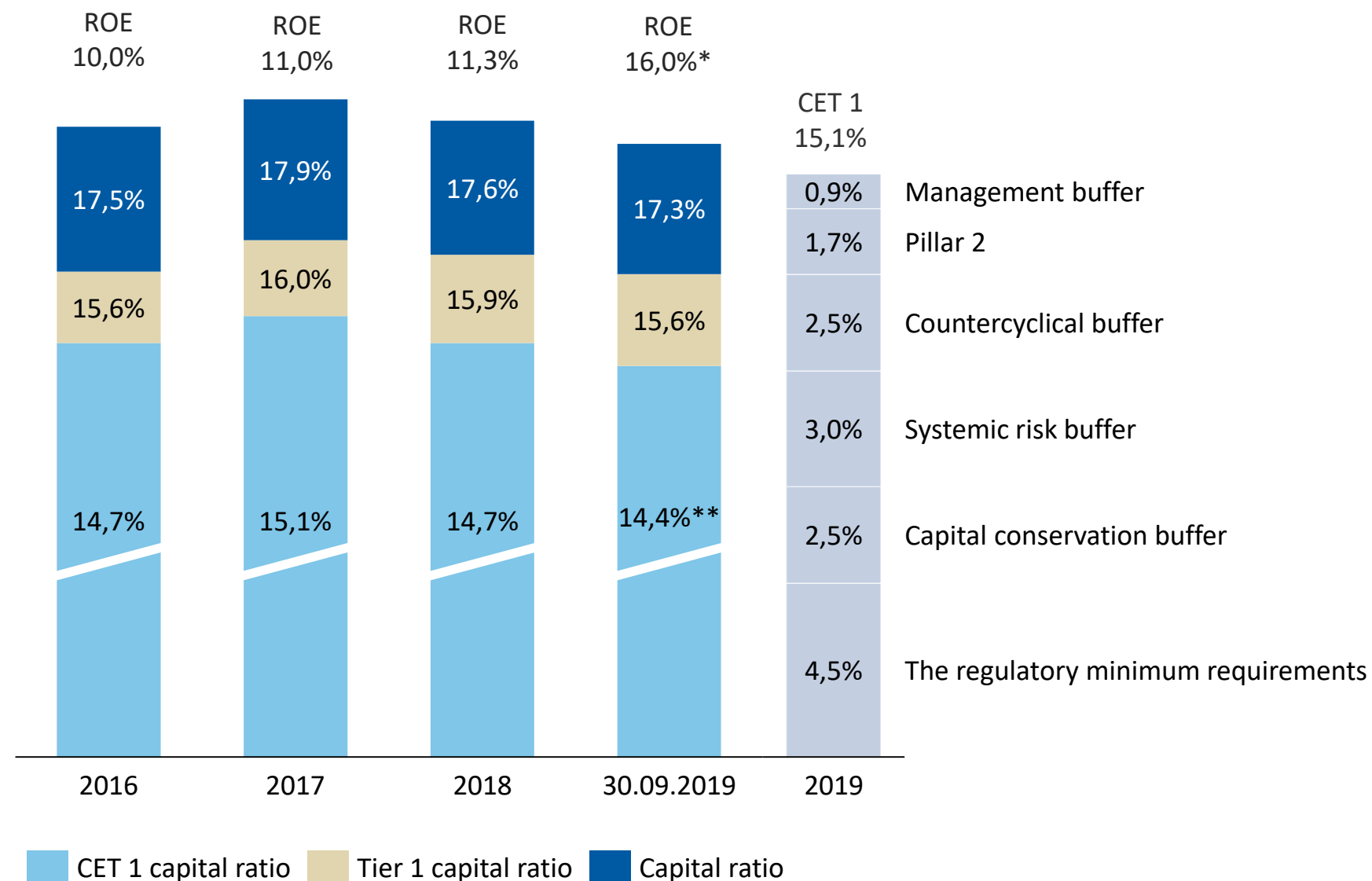
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	2,125%	EUR500mn	03-February-2020	XS0876758664
SR-Bank / SRBANK	2,125%	EUR750mn	14-April-2021	XS1055536251
SR-Bank / SRBANK	0,375%	EUR500mn	10-February-2022	XS1516271290
SR-Bank / SRBANK	0,625%	EUR750mn	25-March-2024	XS1967582831
SR-BOL / SRBANK	0,500%	EUR500mn	28-September-2020	XS1297977115
SR-BOL / SRBANK	0,125%	EUR750mn	8-September-2021	XS1429577791
SR-BOL / SRBANK	0,750%	EUR600mn	18-January-2023	XS1344895450
SR-BOL / SRBANK	0,375%	EUR500mn	3-October-2024	XS1692489583
SR-BOL / SRBANK	0,750%	EUR750mn	17-October-2025	XS1894534343
SR-BOL / SRBANK	0,01%	EUR500mn	08-October-2026	XS2063288190
SR-BOL / SRBANK	2,500%	USD600mn	12-April-2022	XS1596016847
SR-BOL / SRBANK	Nibor3m +34	NOK5.000mm	25-November 2019	NO0010779176
SR-BOL / SRBANK	Nibor3m +35	NOK5.000mm	10-September 2020	NO0010740152
SR-BOL / SRBANK	Nibor3m +29	NOK5.000mm	17-November 2022	NO0010841380
SR-BOL / SRBANK	Nibor3m +29	NOK5.000mm	29-May 2023	NO0010823255

Solid capital ratio

- All of the regulatory requirements are met as at 30 September.
- 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 leverage ratio was 7.5% as at 30 September 2019, well above the minimum requirement being discussed and recommended internationally.

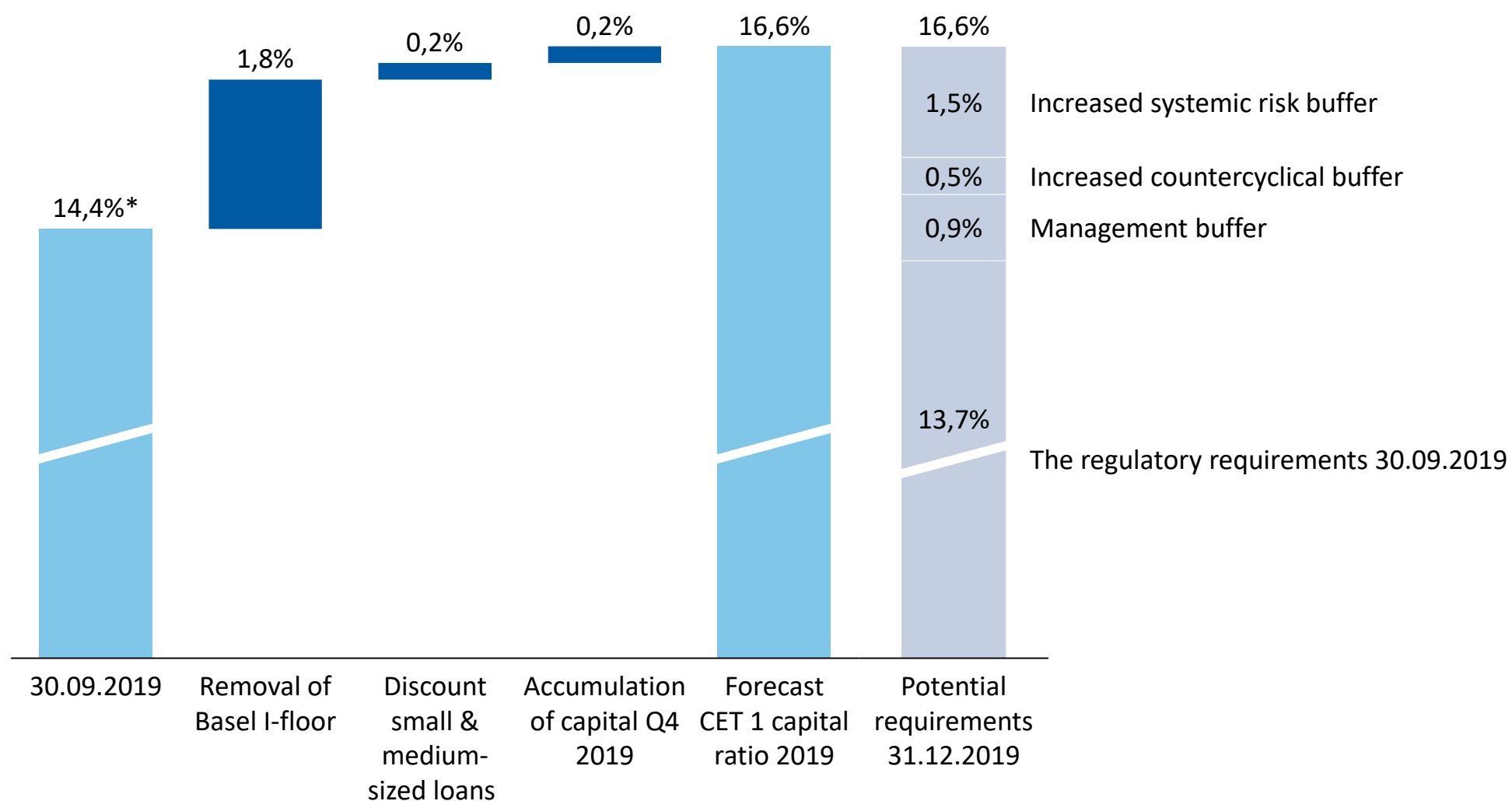


*The return on equity excl. Fremtind Forsikring AS merger effects is 13.4%.

**Adjusted for updated stake in SB1 Boligkreditt which will occur at year-end. Calculation of CET 1 capital ratio as at 30 September 2019 includes 50% of extraordinary income due to merger effects from Fremtind Forsikring AS. Seen in isolation, this constitutes an increase of 0.2% of CET 1 capital.

Well positioned to manage new capital requirements

- The Basel I-floor is expected to be removed and a discount for small and medium-sized loans is expected to be introduced in 2019. Calculated positive effect for CET 1 is 2.0%.
- Ministry of Finance recommends to increase the systemic risk buffer requirements from 3.0% to 4.5% for all IRB banks.
- SR-Bank expect to reach the new capital requirements through normal business.











*Adjusted for updated stake in SB1 Boligkreditt which will occur at year-end.

Outlook

- Expectations of growth in the Norwegian economy in 2019 and on into 2020 will contribute to positive growth in the group's market areas
- Continued high consumption, increasing business investments and growth in exports will help the Norwegian economy grow. This could contribute to new jobs and lower unemployment
- Norges Bank raised its policy rate by 0.25%-points on 21 March 2019, 20 June 2019 and 19 September 2019, respectively. Given the National Budget that has been presented for 2020, the market expects the policy rate to remain unchanged for the next 2 years
- The group's long-term return on equity target of a minimum 12% will be achieved through profitable lending growth, moderate impairments on loans and financial liabilities, growth in other operating income and greater cost effectiveness
- The group is well-positioned to maintain a solid capital base, while strengthening the position to manage new capital requirements through a strong and robust business model and capital optimization of the balance sheet
- We are actively working to create good, sustainable growth, and a sustainability strategy has been developed. Based on this strategy, SR-Boligkreditt AS issued its first green bond in autumn 2019
- Meeting the future head on, including through the establishment of the business area for strategy, innovation and development. This gives us leeway to invest in new technology and increase our focus on new products that will improve customer experiences and service levels
- Geographic expansion, digitalization and growth will provide the basis for transforming from a regional savings bank to a bank for the whole of Southern Norway

We are investing in the future to create even better customer experiences

Company	Description	Initial investment	Ownership	Exit
 boost.ai	Virtual assistant built on the most robust NLP platform on the AI market today. Leading position in the Norwegian market and receiving strong recognition. Focus on scale in the Nordics, EU and US markets.	02.2017	13.6%	
	Connects startups and lenders. Has facilitated more than NOK 100 million in loans to date. The digital Monner platform links early-stage companies with growth capital need and investors. Exit to SR-Bank.	02.2017		2019
 lucidtech	Machine learning for automating data extraction from documents. Operates using cognitive REST API, which can easily be integrated into existing systems and workflows. High growth company.	07.2018	14.29%	
 Harvest	Asset management based on technology and scientific methods. First Fund, Harvest positions itself between traditional actively managed funds and passive funds, so-called Smart Beta. Stock selection is left to algorithms and computers. Launched in Sweden in 2019. Current AUM at NOK 1.5 billion.	09.2018	14.24%	
 Just	Reinventing the most important FX infrastructure for companies and building a fully integrated treasury operating system that includes risk analysis and management, decision support, automation and execution of business, all in the cloud.	06.2018	21.39%	
 Justify	Creating a new mindset surrounding legal services. In the process of launching a user-friendly, self-service solution that will enable customers to obtain inheritance, will and cohabitation contracts at a reasonable cost. Working on pilot and will launch beta in H2 2019.	12.2018	14.24%	
Beaufort	Beaufort gives financial crime fighters superpowers. A RegTech company simplifying the compliance journey. Offers AML lifecycle management for FinTech startups and financial enterprises.	07.2019	Approx. 100%	
 NORD INVESTMENTS	Digital asset manager started as a reaction to the high costs associated with investing. Simple self-service platform where customer capital is invested in carefully selected ETFs that spread your risk and follow the market. Current AUM at DKK 165 million.	04.2019	10.9%	
 Kapp Securities	One of Europe's first digital securities companies. Kapp Securities started as a provider of equity-based crowdfunding through the Monner platform and is now a vital partner of Monns. Kapp Securities has a licence to offer investment services from the Financial Supervisory Authority of Norway ("investment firm").	04.2019	42%	

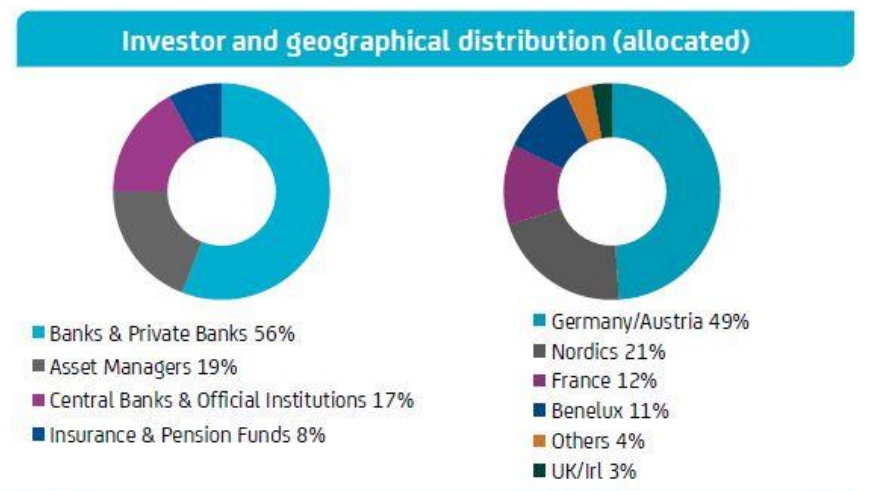


We have become clearer about what sustainability means to us and the approach we want to take

SR-Boligkreditt AS - EUR 500mn
 0.01% **Green Covered Bond** due October 2026

SR-Boligkreditt

Transaction details	
Issuer	SR-Boligkreditt AS
Issue rating (expected)	Aaa (Moody's)
Status	Norwegian Green Covered Bond
Launch date	01 October 2019
Settlement date	08 October 2019 (T+5)
Maturity	08 October 2026, soft bullet
Issue size	EUR 500mn
Coupon	0.01%, Fixed, Annual, Act/Act (ICMA)
Re-offer price / Spread	101.560% / MS +9bps
Law	English and Norwegian
ISIN	XS2063288190
UniCredit Role	Joint Bookrunner



- ### Timing & highlights
- In a market environment characterized by a stable tone after the ECB's announcement and an uplift in EUR swap rates, SR-Boligkreditt AS, the wholly owned Covered Bond company of SpareBank 1 SR-Bank, took advantage of an issuance window on Tuesday October 1st 2019, to successfully launch its EUR-denominated inaugural Green Covered Bond
 - The transaction followed a roadshow carried out in the last week of September. During the four days of investor meetings, SR-Boligkreditt managed to successfully present its green framework in front of around 35 accounts across Europe
 - At the conclusion of the marketing phase, an update message was distributed, indicating the intention to offer investors a tranche in the 7/10y maturity bracket
 - On the back of the investors feedback, the issuer and the syndicate group ultimately opted to open books for a 7y deal with a guidance of 13bps area over mid-swaps and a EUR 500mn WNG language
 - Despite being the last deal out of the blocks in the morning, SR-Boligkreditt enjoyed an early momentum in the book, with orders in excess of EUR 850mn after 45 minutes only
 - The subsequent update message included a revised guidance of MS +10bps (+/-1 wpir) on a healthy and granular book of EUR 1.1bn (excl. JLM)
 - With almost no price sensitivity registered in the book, a EUR 500mn trade was launched at the tight end of the guidance, ie. 9bps over the respective mid-swap rate. This represents the first negative yielding Covered Bond issued out of the Nordic region
 - The Green investor community played a pivotal role in the transaction, totaling 48.3% of the allocated volume and showing an excellent reception for Green Covered Bonds from Norwegian credits. In terms of investor type, Banks and Asset Managers played with 56% and 19% respectively. The allocated geographical distribution accounted Germany/Austria (49%) and Nordics (21%) as the main contributors
 - The successful outcome of this transaction proved the strong name recognition of SR-Boligkreditt among investors even in a relatively busy pipeline, as much as it reflects the increasing attractiveness of the Green element across asset classes

Source: UniCredit DCM

Founding Signatory of:





The group consists of enterprising employees with the ability and drive to create good customer experiences

Top 3 findings from a organizational analysis completed this fall

Engagement



Implementation capacity



Willingness to change



APPENDIX

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

Robust economy supported by a large sovereign wealth fund and a sound framework for annual spending

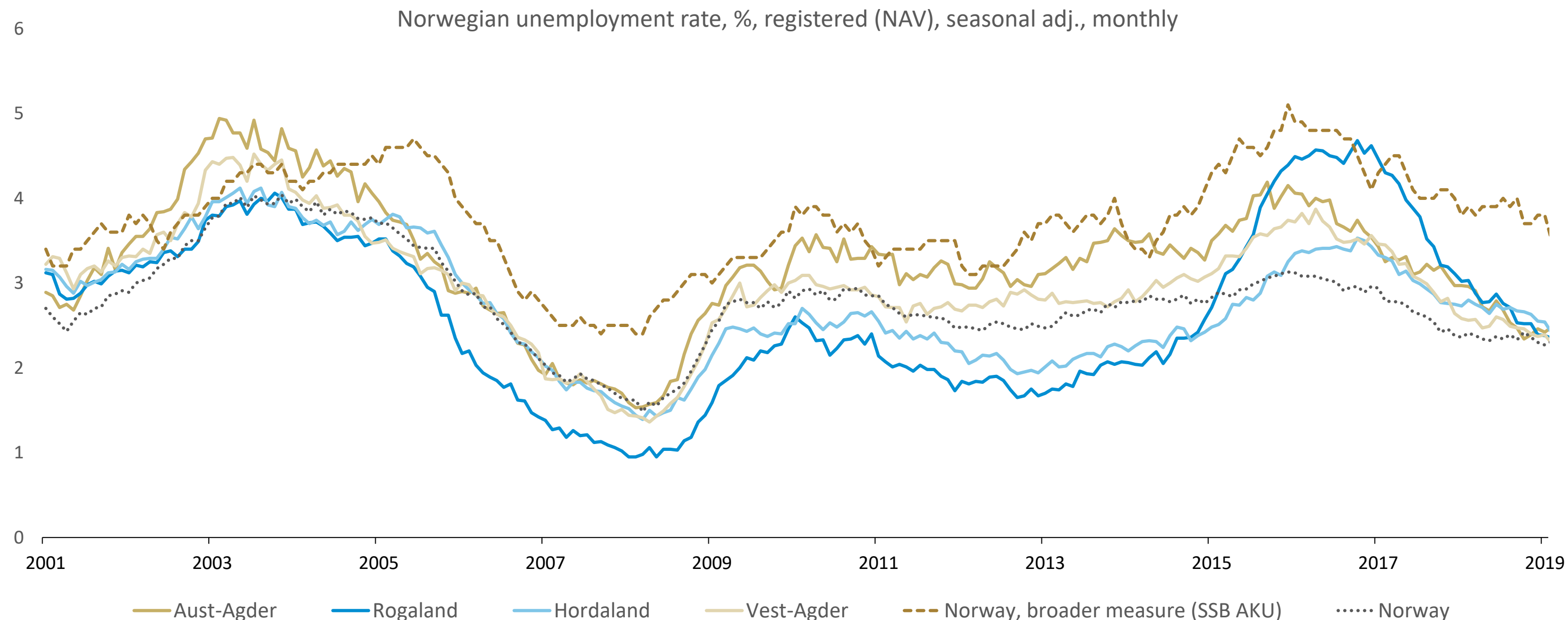


Economic Indicators (%)	2011	2012	2013	2014	2015	2016	2017	2018	2019P	2020P	2021P	2022P
GDP mainland, annual change (%)	1,9	3,7	2,3	2,2	1,4	1,1	2,0	2,2	2,5	2,2	1,8	1,7
Household consumption, annual change (%)	2,3	3,5	2,8	2,1	2,6	1,3	2,2	2,0	2,2	2,6	2,4	2,5
Public consumption, annual change (%)	1,0	1,6	1,0	2,7	2,4	2,1	2,5	1,2	1,7	1,7	1,6	1,4
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	-0,2	10,7	7,0	1,1	2,5	1,4	0,1	-0,1
Investment public sector	1,1	-1,8	11,8	4,4	0,2	6,7	3,6	6,8	1,4	1,4	1,3	1,3
Investment offshore oil and gas, annual change (%)	11,4	14,6	19,0	-1,8	-12,2	-16,0	-3,8	2,7	14,5	-2,5	-1,2	2,3
Oil price, USD/bbl. Actual	111	112	109	99	53	45	55	72	66			
Inflation rate (CPI) %	1,3	0,6	2,1	2,1	2,1	3,6	1,8	2,7	2,5	1,7	1,9	2,0
3 month NIBOR %	2,9	2,2	1,8	1,7	1,3	1,1	0,9	1,1	1,6	2,0	2,1	2,1
Mortgage rate %	3,6	3,9	4,0	3,9	3,2	2,6	2,6	2,6	3,0	3,4	3,6	3,6
Household savings ratio	5,9	7,1	7,4	8,2	10,3	7,1	6,9	6,5	6,6	7,7	7,7	7,4
Unemployment rate (registered at labour office)*	2,6	2,6	2,7	2,7	3,0	3,0	2,7	2,4	2,2	2,1	2,1	2,2
HH sector real disposable income, annual change (%)	4,1	4,4	3,9	2,9	5,5	-1,7	1,4	2,4	2,4	3,5	2,2	2,1
Current account surplus, share of GDP (%)	12,4	12,5	10,3	10,5	8,1	4,0	5,7	8,1	7,6	8,6	9,0	8,4
Sovereign Wealth Fund, share of mainland-GDP (%). Actual	150	160	190	230	270	270	290	290	300			

Sources: Statistics Norway, Thomson Reuters Datastream and *Central Bank of Norway.

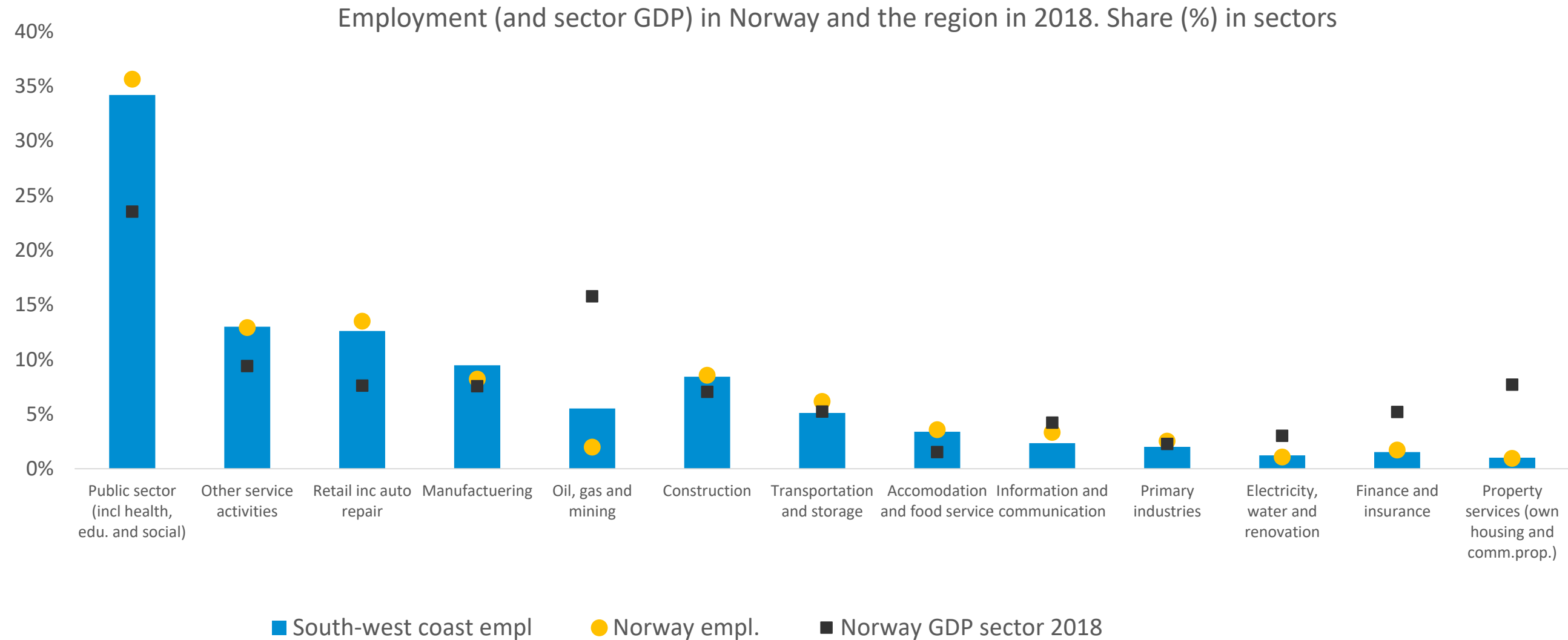
Solid growth in the Norwegian economy has reduced unemployment (NAV*)

Unemployment rate lowest in 10 years and the largest decline in Rogaland



Source: NAV og SSB.
*NAV – Labour Office.

Employment (and GDP) by sector



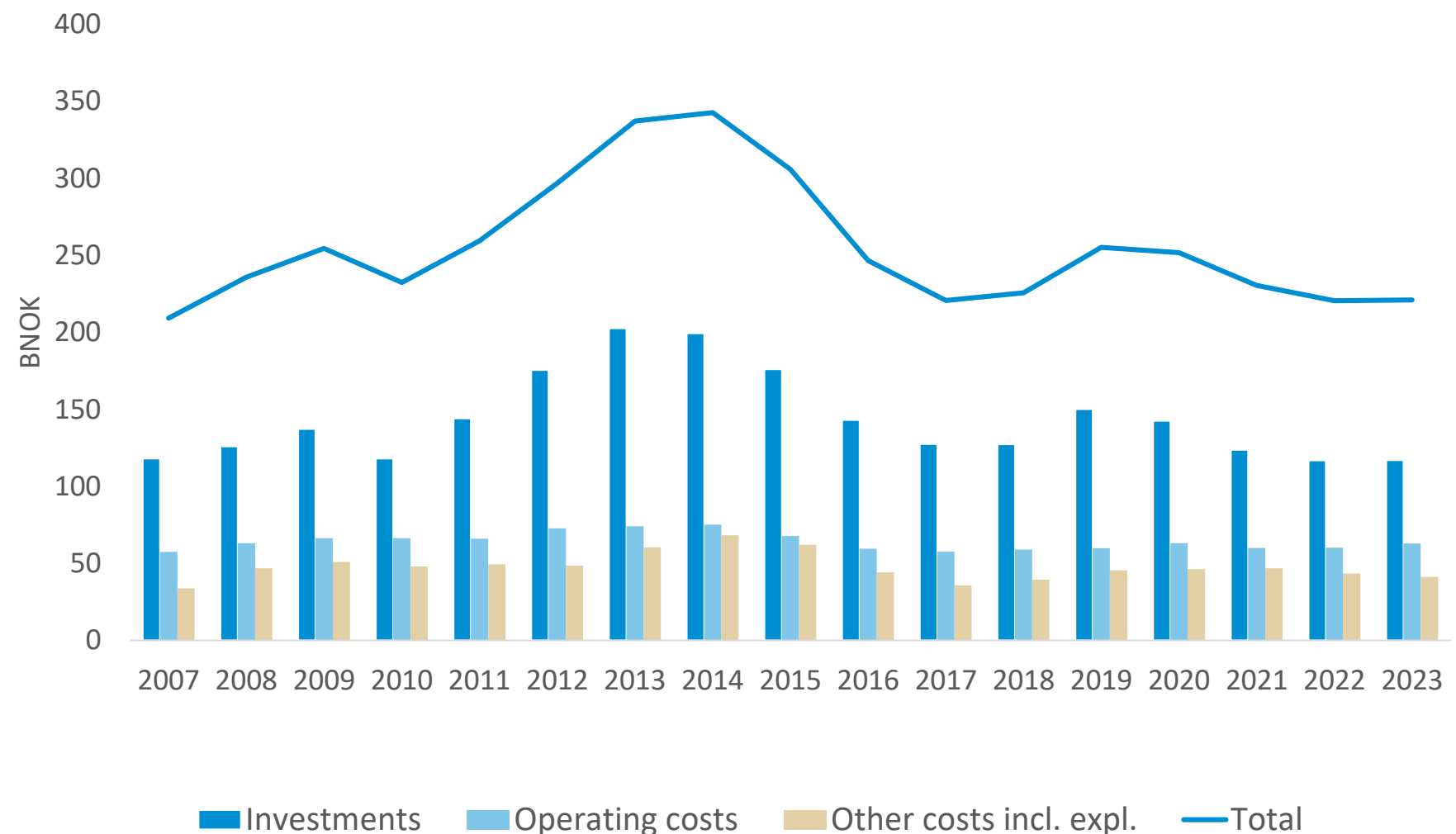
Source: Statistics Norway.

Petroleum activity on the NCS increasing in 2019

After unchanged from 2017 to 2018, the NPD estimates 13% growth in total activity in 2019 and stable in 2020

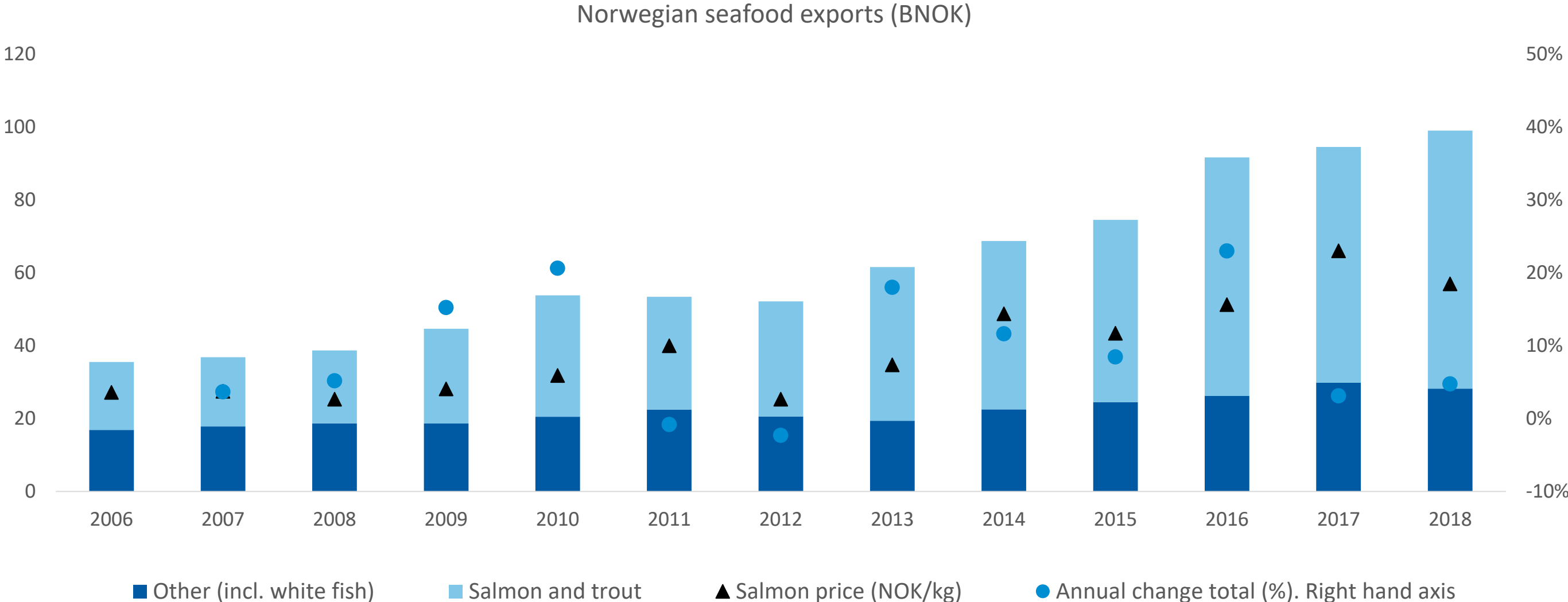
- After an increase of over 60% in total activity on the Norwegian shelf from 2007 to 2014, it decreased by 36% from 2014 to 2017. The activity stabilized in 2018. The Norwegian Petroleum Directorate (NPD) have autumn 2019 increased the estimates for 2019 and 2020. NPD expects an increase in total activity of 13% in 2019, stable in 2020 and thereafter somewhat lower due to lower investments.
- Investments are more volatile than operating expenses. The NPD estimates that investments will increase by 18% in 2019. The investment survey from Statistics Norway (not shown in the graph) indicates even higher growth at 21% in 2019.
- The operating expenses, which are important for the activity in the region, are more stable. According to NPD, these were reduced by about 23% from 2014 to 2017 and are expected to increase somewhat in 2019 and by 5% in 2020.

Petroleum activity on Norwegian Continental Shelf. BNOK (2020 NOK).
Source: NPD



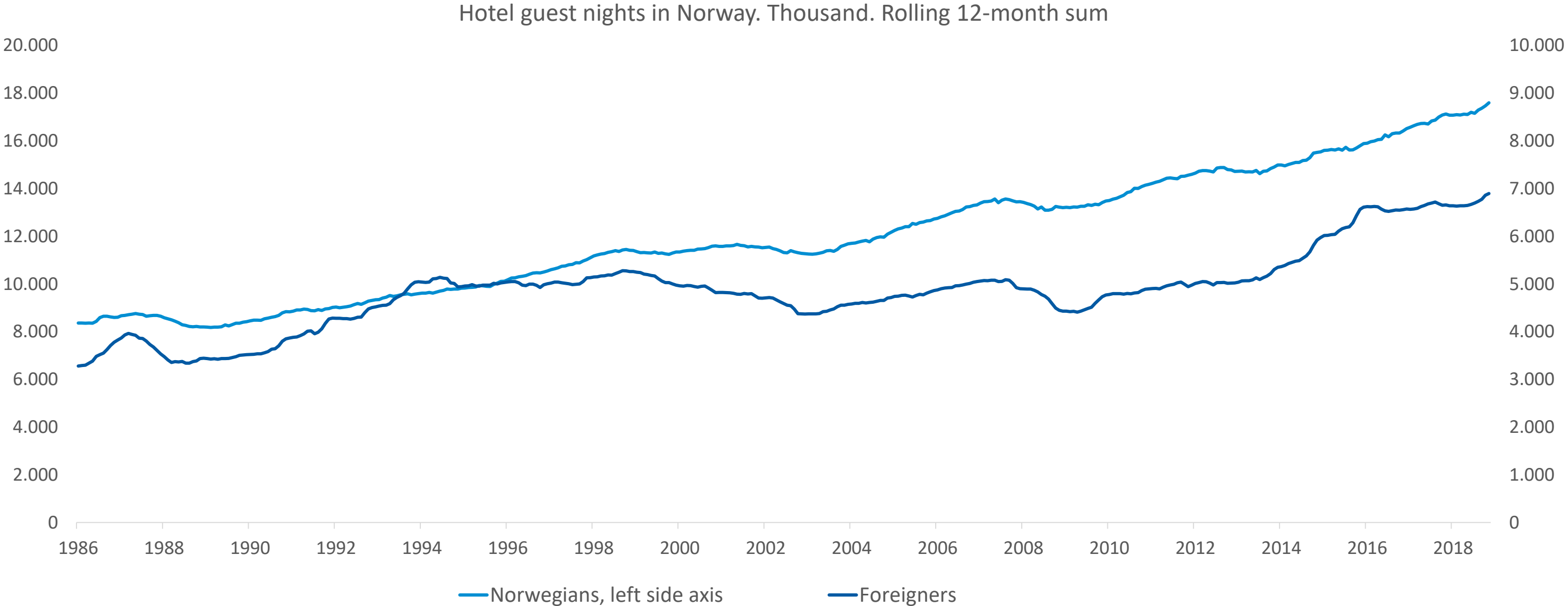
Source: Oljedirektoratet/Norwegian Petroleum Directorate (NPD).

Norwegian seafood exports doubled since 2012



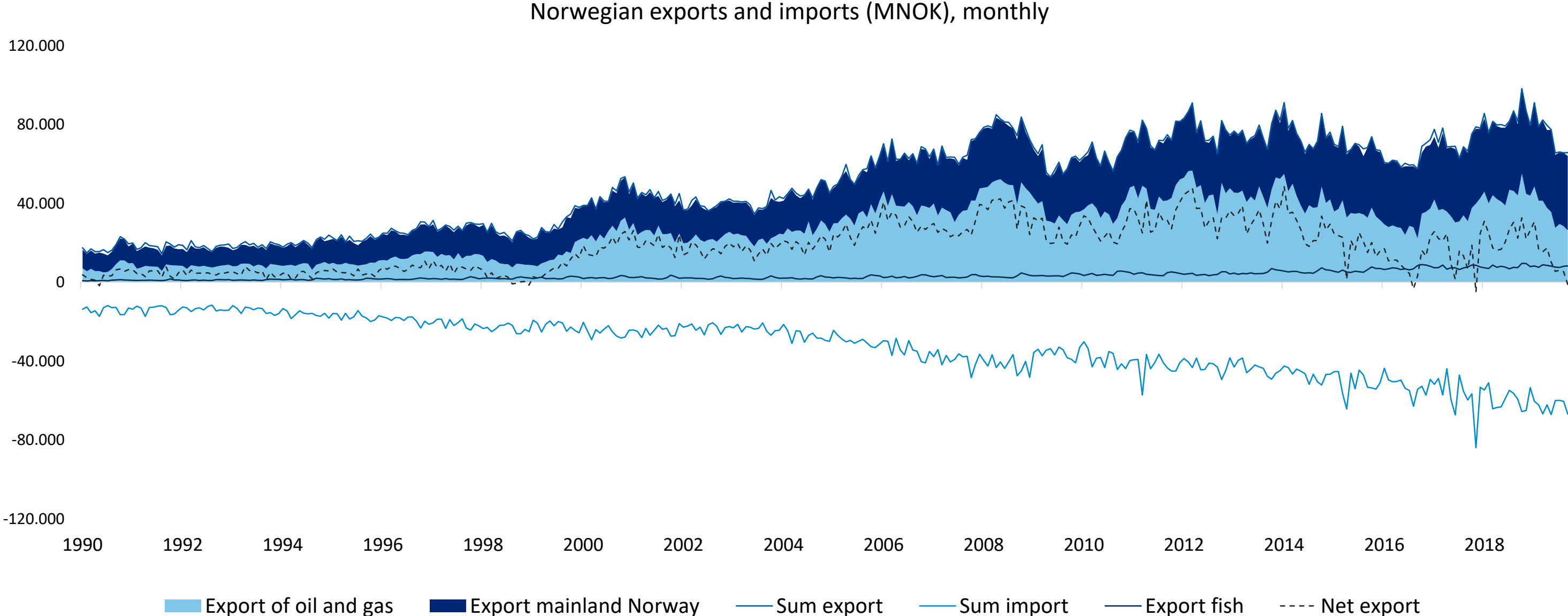
Source: Norwegian Seafood Council.

Norwegian hotels – guest nights by foreign and domestic



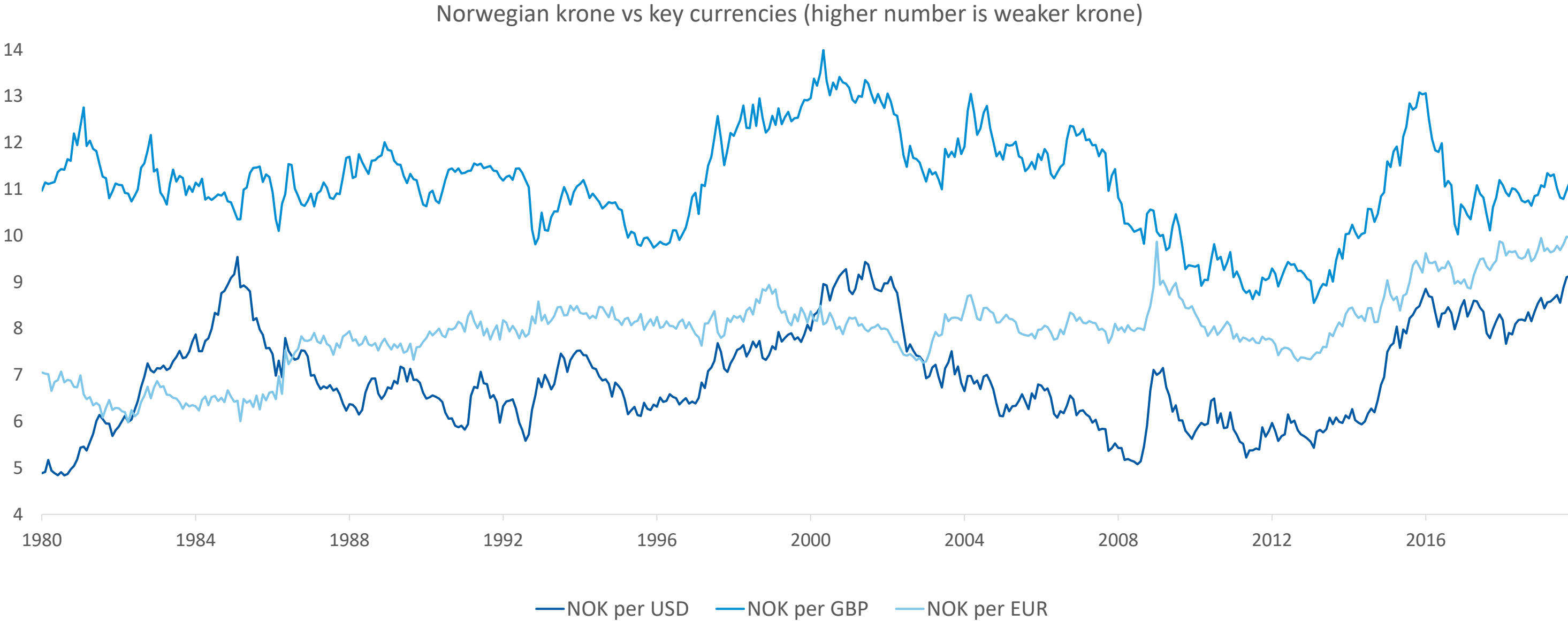
Source: Statistics Norway.

Norwegian exports and imports



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

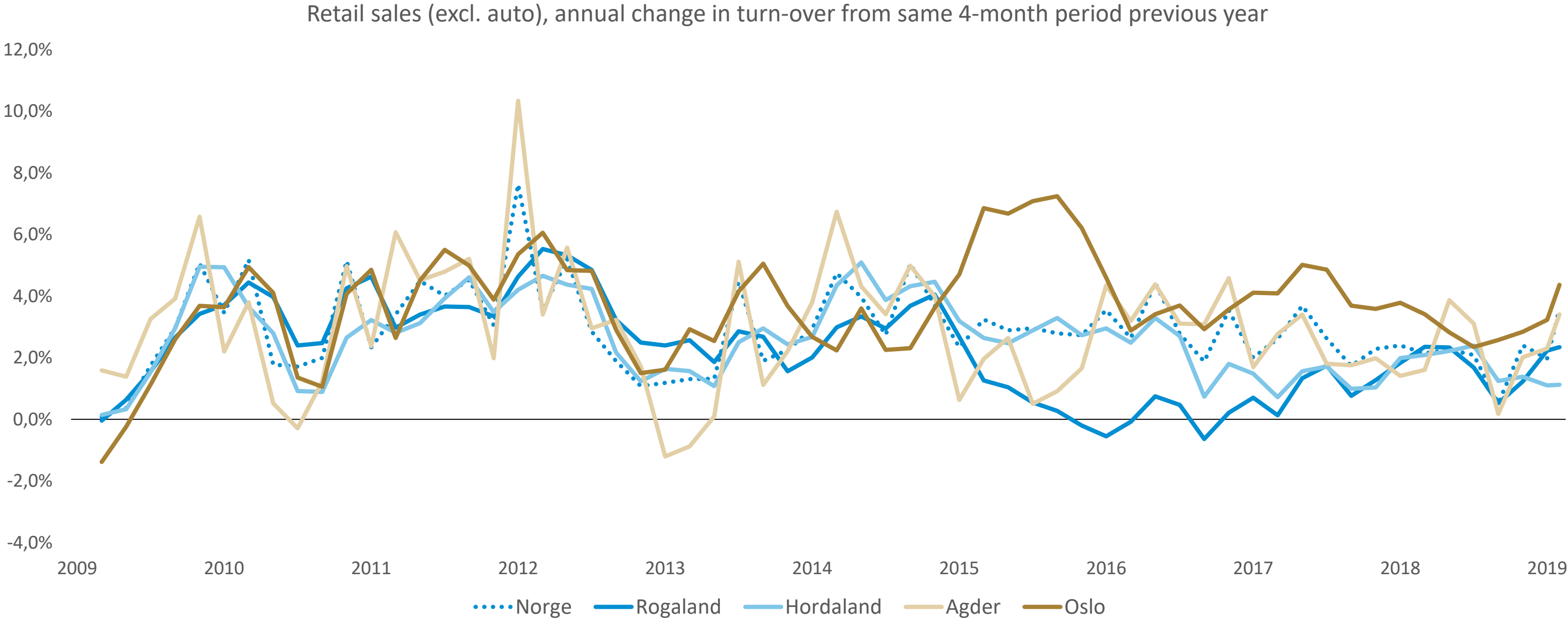
Norwegian krone vs key currencies



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

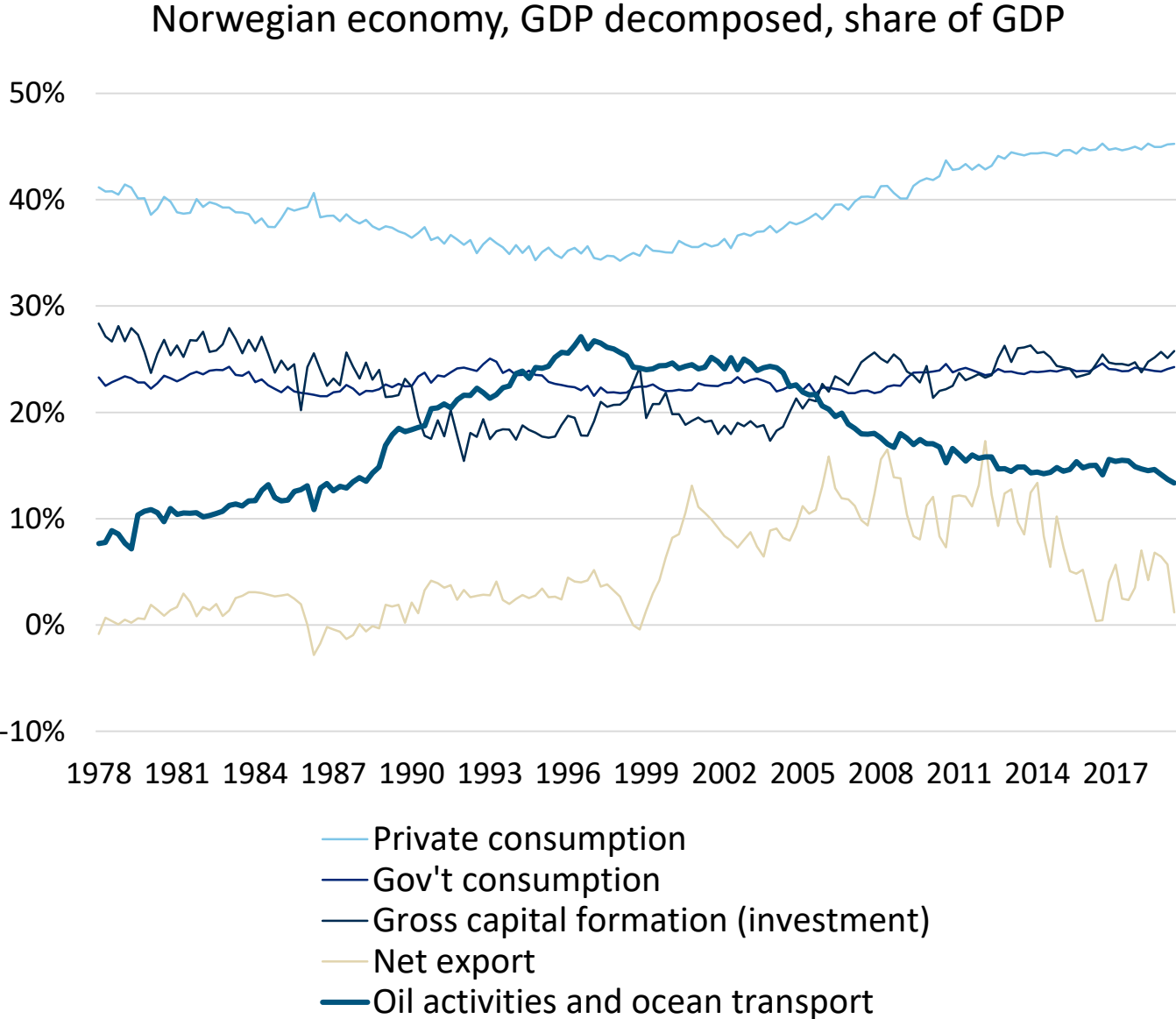
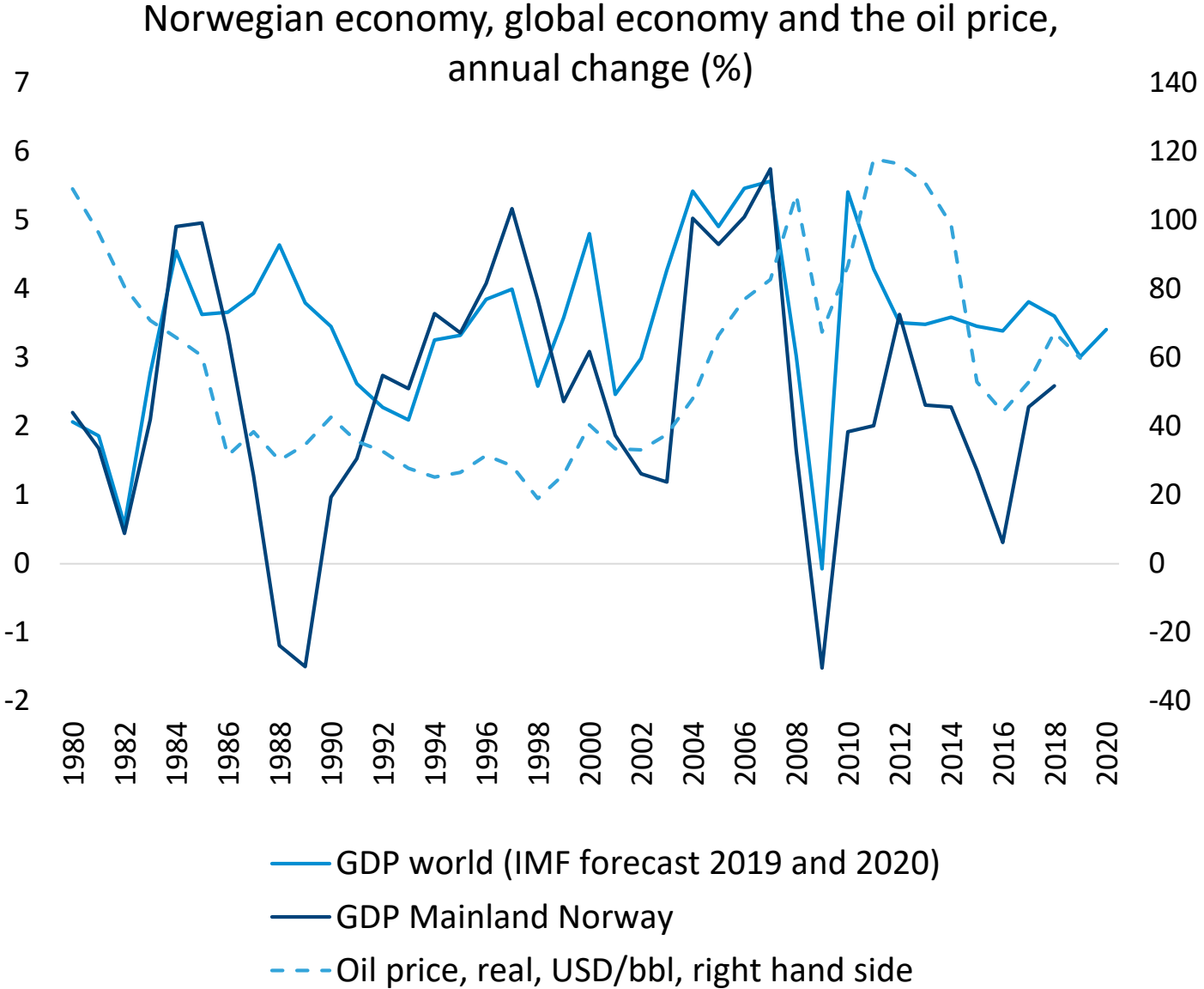
Retail trade in Norway increasing

Increasing growth in Norway in 2019 - highest growth in Oslo



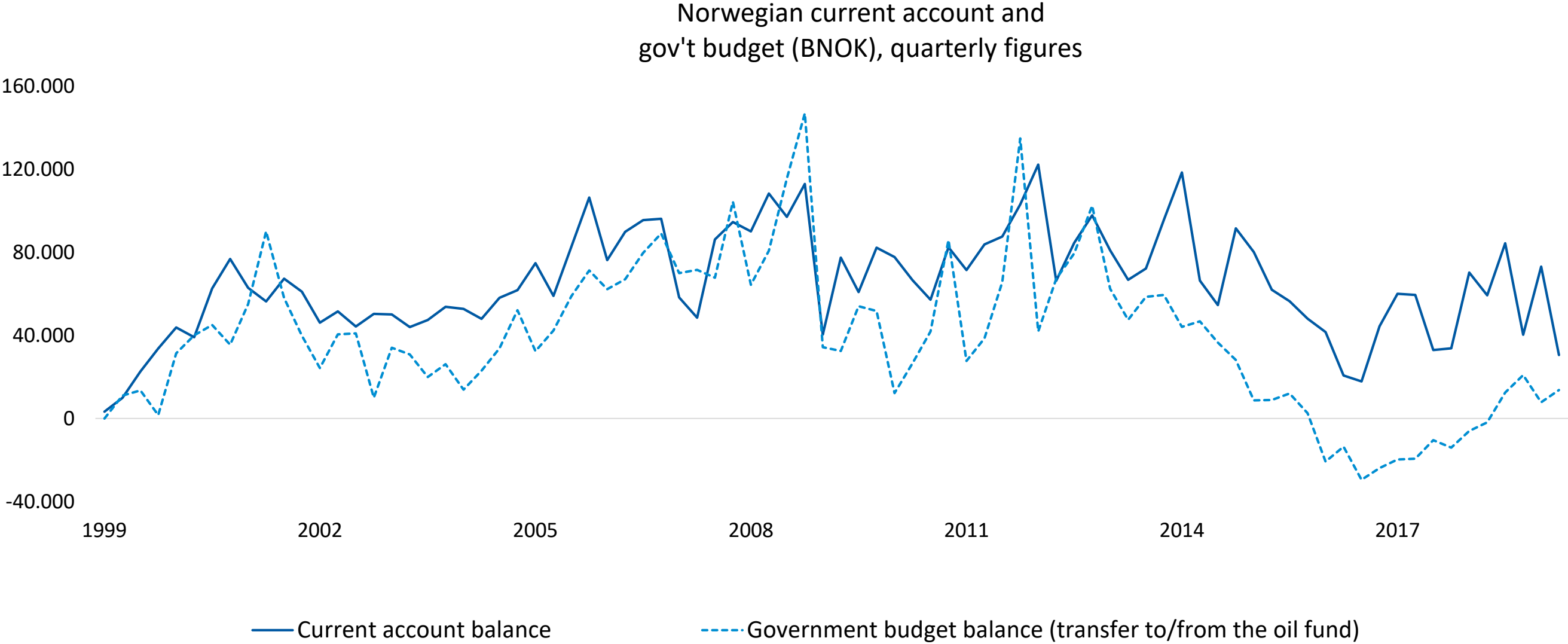
Source: SSB.

Norwegian Economy – GDP



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

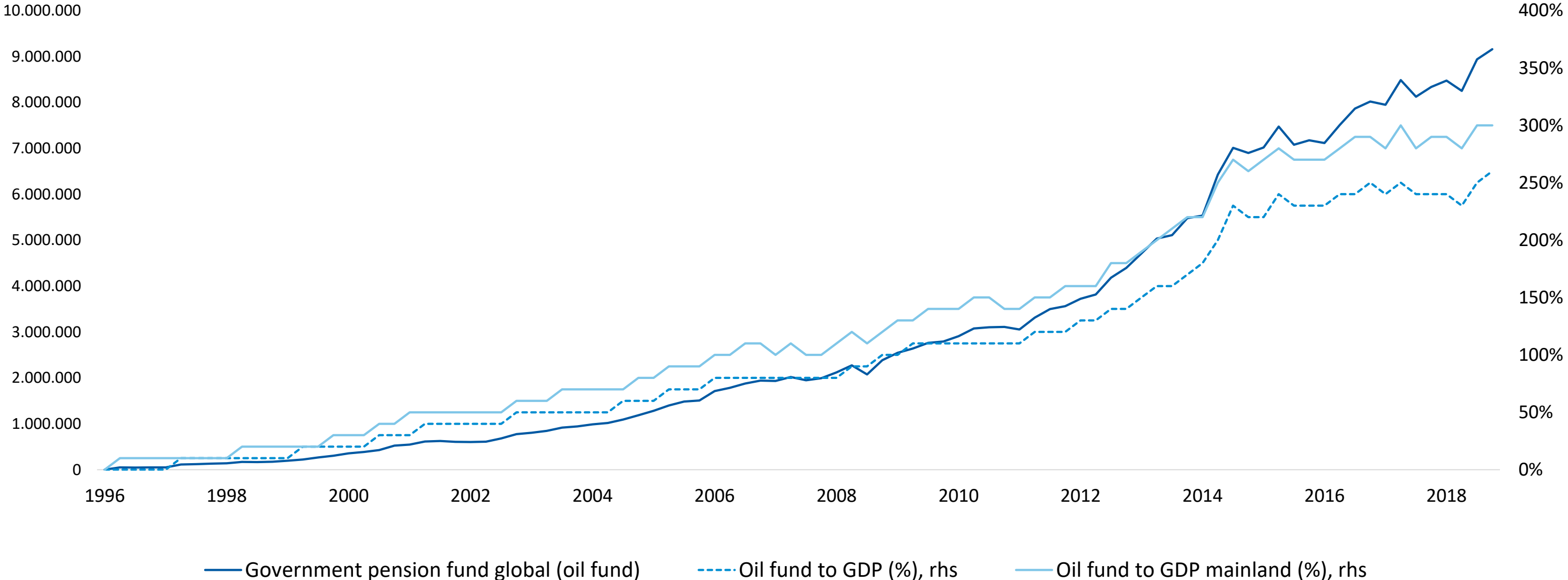
Norwegian current account and government budget



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

Norway oil fund and GDP

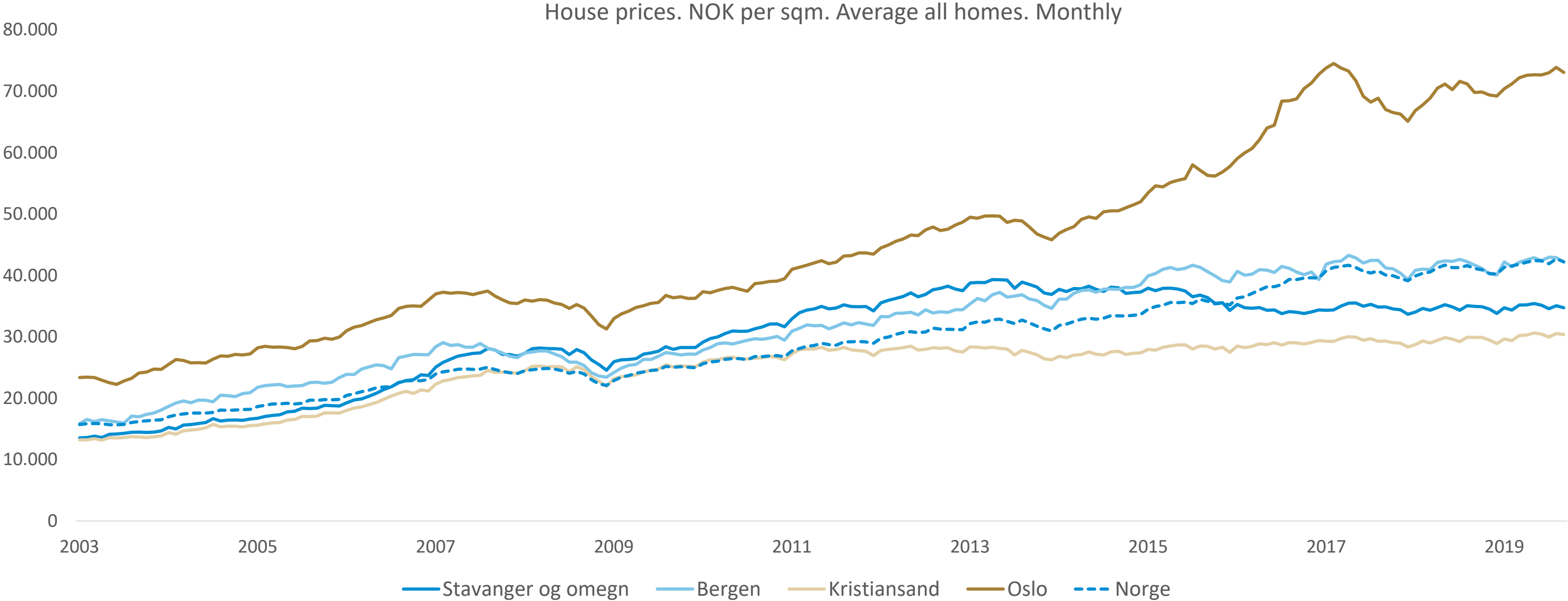
Norwegian oil fund and GDP (BNOK), quarterly figures



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

Norwegian house prices have increased by 2,6% last 12 months

Prices have risen most in Oslo the last years and are now twice as high as in Stavanger



Source : Finn.no, Eiendom Norge og Eiendomsverdi.

APPENDIX

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

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

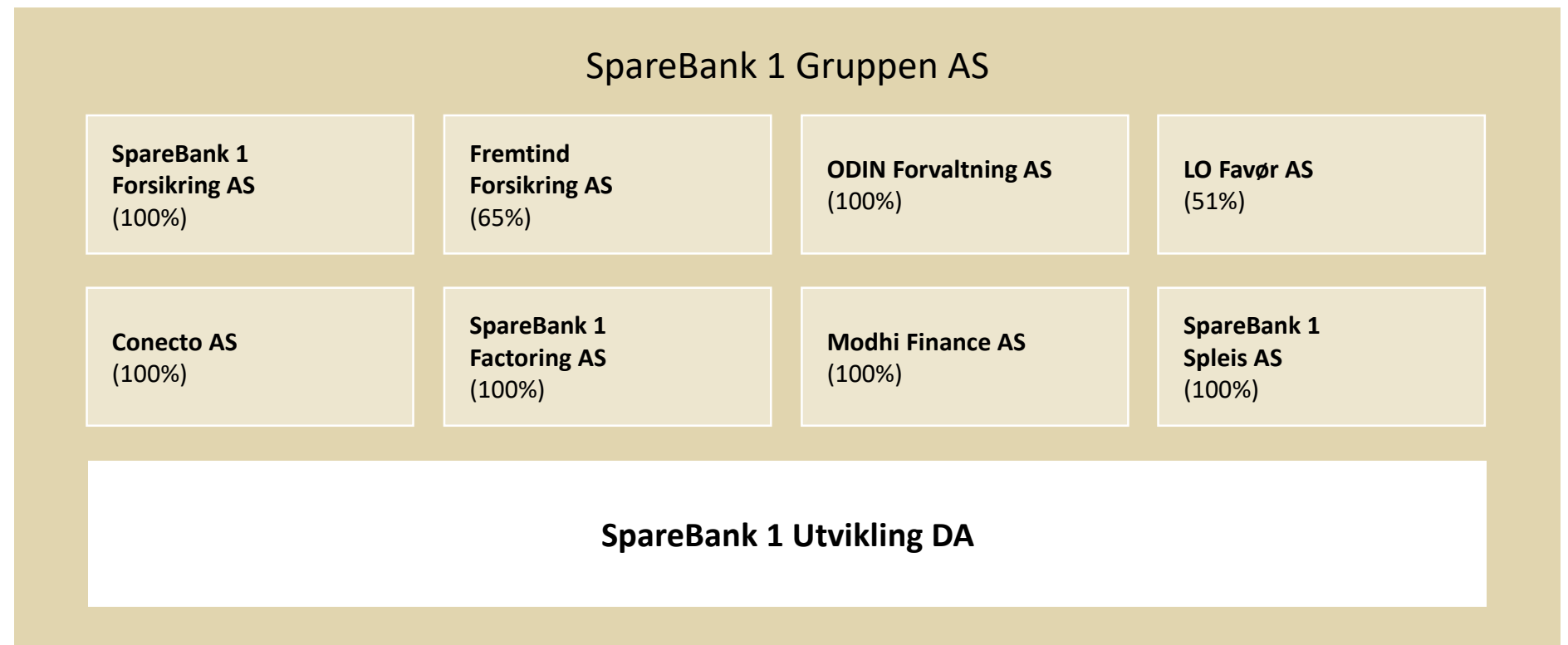
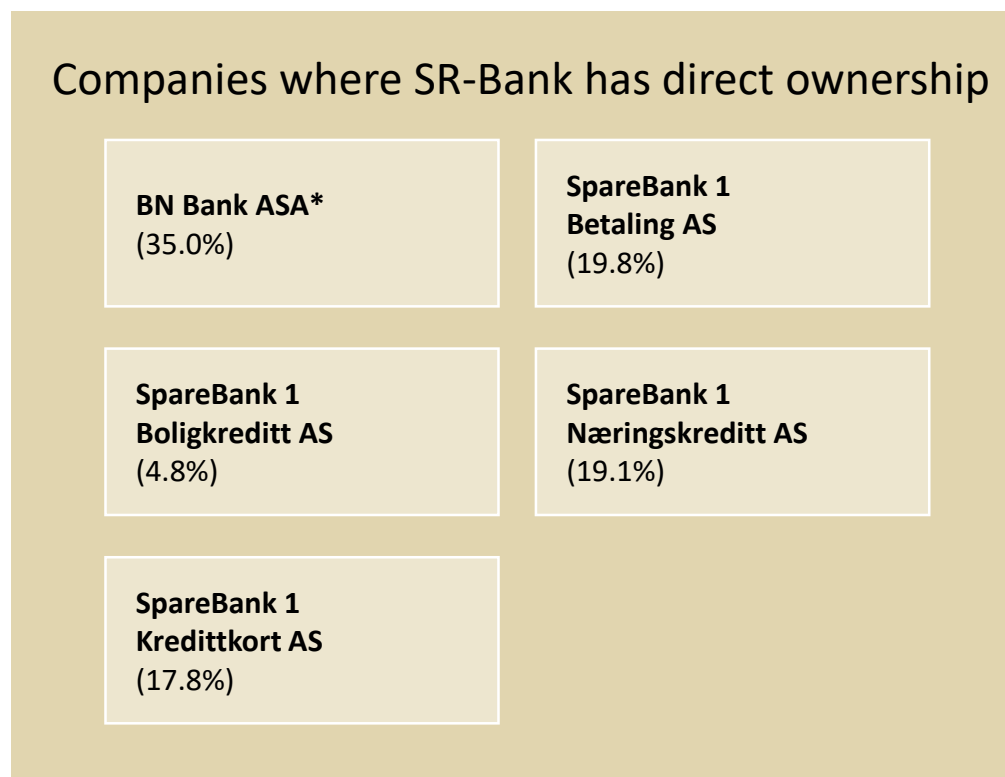
Strategic focus

- 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

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

*The stake increased to 35% in the second quarter of 2019 in connection with an agreement on changing the ownership model in BN Bank ASA.

Balance sheet

Balance sheet (MNOK)	30.09.2019	30.09.2018
Cash and balances with central banks	404	213
Balances with credit institutions	1.898	3.600
Net loans to customers	202.223	181.676
Certificates, bonds and other fixed-income securities	32.327	29.423
Financial derivatives	6.765	3.746
Shares, ownership stakes and other securities	904	851
Business available for sale	4.470	0
Investment in associates	0	4.002
Other	2.613	2.512
Total assets	251.604	226.023
Balances with credit institutions	976	2.853
Deposit from customers	102.181	100.320
Listed debt securities	113.792	93.584
Financial derivatives	5.044	2.732
Other liabilities	3.235	2.187
Additional Tier 1 and Tier 2 capital instruments	2.731	3.339
Total liabilities	227.959	205.015
Total equity	23.645	21.008
Total liabilities and equity	251.604	226.023

Net commission and other income

MNOK	30.09.2019	30.09.2018	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Payment facilities	205	194	77	66	62	66	72
Savings/placements	145	149	46	53	46	47	49
Insurance products	142	143	48	48	46	46	47
Commission income real estate broking	298	284	91	108	99	98	94
Guarantee commission	69	83	23	22	24	25	29
Arrangement- and customer fees	67	77	6	35	26	22	17
Accounting services SpareBank 1 Regnskapshuset SR	95	75	30	38	27	24	20
Other	9	10	3	3	3	6	2
Net commission and other income excl. covered bond companies	1.030	1.015	324	373	333	334	330
Commission income SB1 Boligkreditt and SB1 Næringskreditt	27	72	8	11	8	16	19
Net commission and other income incl. covered bond companies	1.057	1.087	332	384	341	350	349

Net income on investment securities

MNOK	30.09.2019	30.09.2018	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Dividends	31	12	4	8	19	0	0
Investment income, associates	860	253	98	226	536	113	94
Securities gains/losses	76	128	-24	4	96	-51	42
- of which capital change in shares and certificates	75	152	-6	19	62	11	56
- of which capital change in certificates and bonds	-60	-180	-45	-18	3	-57	-70
- of which derivatives; bonds and certificates	61	156	27	3	31	-5	56
Currency/interest gains/losses	138	108	11	102	25	6	39
- of which currency customer- and own-account trading	94	111	33	32	29	24	21
- of which value change basis swap spread	24	-5	-16	53	-13	-33	10
- of which counterparty risk derivatives including CVA	-1	1	-2	0	1	-1	1
- of which IFRS-effects	21	1	-4	17	8	16	7
Net income on investment securities	1.105	501	89	340	676	68	175

When a basis swap is designated 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	30.09.2019	30.09.2018
EiendomsMegler 1 SR-Eiendom AS	Number of sales	4.919	4.898
	Operating profit before tax	19	7
SR-Forvaltning AS	Capital under management (BNOK)	13	11
	Operating profit before tax	18	25
FinStart Nordic AS	Operating profit before tax	25	39
SpareBank 1 Regnskapshuset SR AS	Operating profit before tax*	9	3
SR-Boligkreditt AS	Operating profit before tax	473	283
Monner AS	Operating profit before tax	-5	1A
Other	Operating profit before tax	-17	-18
Total subsidiaries	Operating profit before tax	522	339

*The result in Regnskapshuset includes amortization of intangible assets of NOK 1.8 million (NOK 1.5 million per 30.09.2018).

Ownership interests

Ownership interests	MNOK	30.09.2019	30.09.2018
SpareBank 1 Gruppen AS	Interest ownership	19,5%	19,5%
	Profit after tax	264	189
	Profit effect merger	460	0
SpareBank 1 Boligkreditt AS	Interest ownership	4,8%	8,0%
	Profit after tax	6	1
SpareBank 1 Næringskreditt AS	Interest ownership	19,1%	19,2%
	Profit after tax	9	6
BN Bank ASA	Interest ownership*	35,0%	23,5%
	Profit after tax	81	50
SpareBank 1 Kredittkort AS	Interest ownership	17,8%	17,9%
	Profit after tax	13	17
SpareBank 1 Betaling AS	Interest ownership	19,8%	19,7%
	Profit after tax	-7	-8
	Adjusted profit previous years	14	-6
Other	Profit after tax	0	4
Total ownership interests	Profit after tax	840	253
FinStart Nordic AS	Profit shares**	20	0
Total ownership interests in the Group	Profit after tax	860	253

*The stake increased to 35% in the second quarter of 2019 in connection with an agreement on changing the ownership model in BN Bank ASA.

**Companies in which FinStart Nordic AS owns stakes of between 20-50% must, because of accounting rules, be measured as associated companies in the consolidated financial statements.

Impairments on loans and financial commitments

Impairments on loans and financial commitments in the income statement (MNOK)

	30.09.2019	30.09.2018	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Corporate customers	90	228	82	-33	41	96	62
Retail customers	6	4	-16	14	8	-4	-3
Total impairments	96	232	66	-19	49	92	59

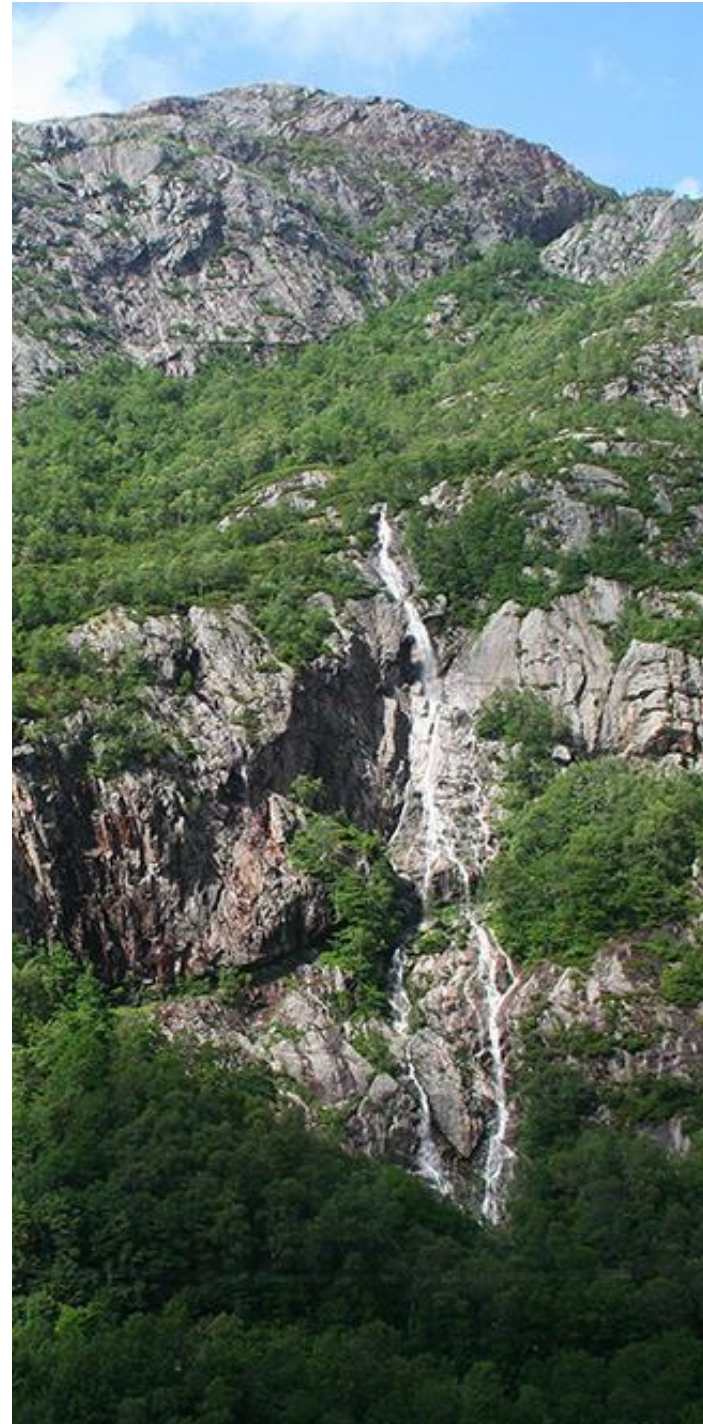
Impairments on loans and financial commitments in the balance sheet (MNOK)

	30.09.2019	30.09.2018	30.09.2019	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Corporate customers	1.308	1.300	1.308	1.224	1.172	1.168	1.300
Retail customers	151	167	151	177	164	166	167
Total impairments	1.459	1.467	1.459	1.401	1.336	1.334	1.467

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 South of Norway
 - 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 centralized expertise

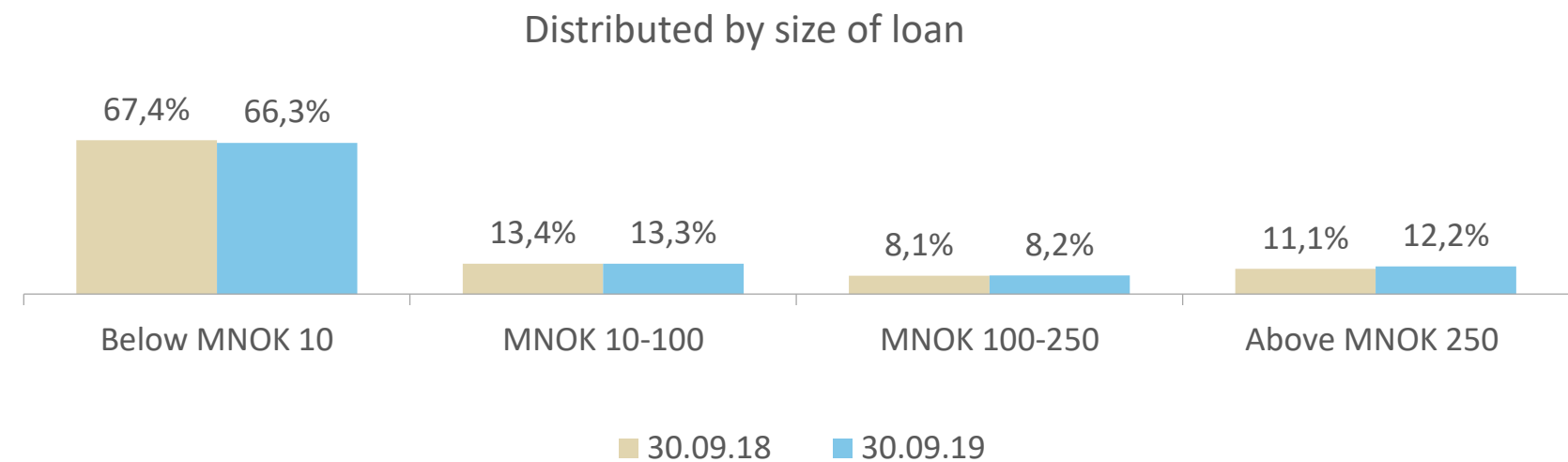
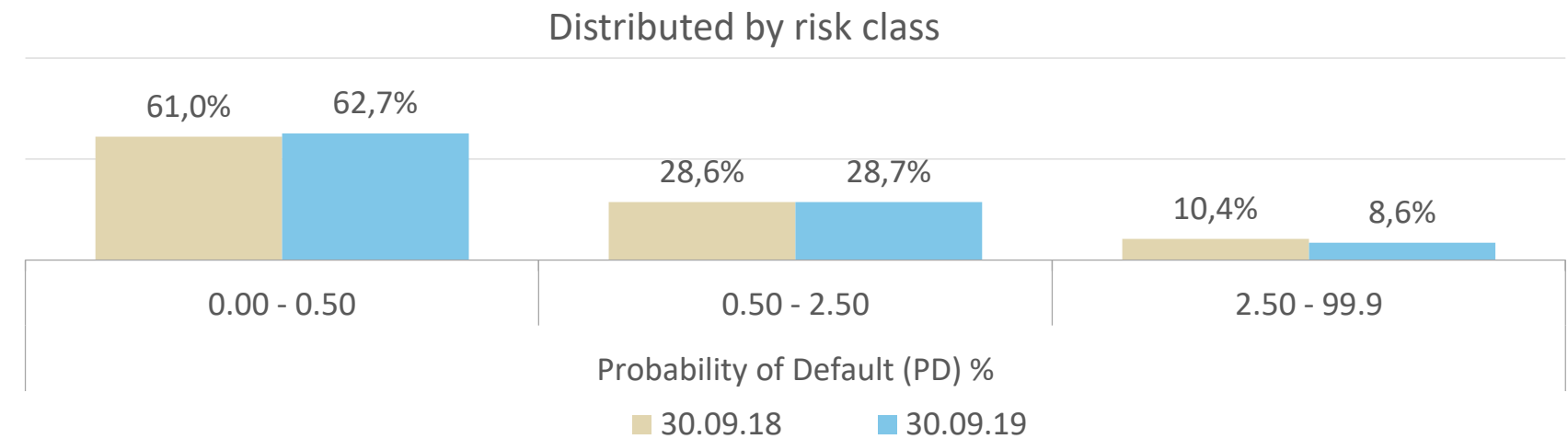


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must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



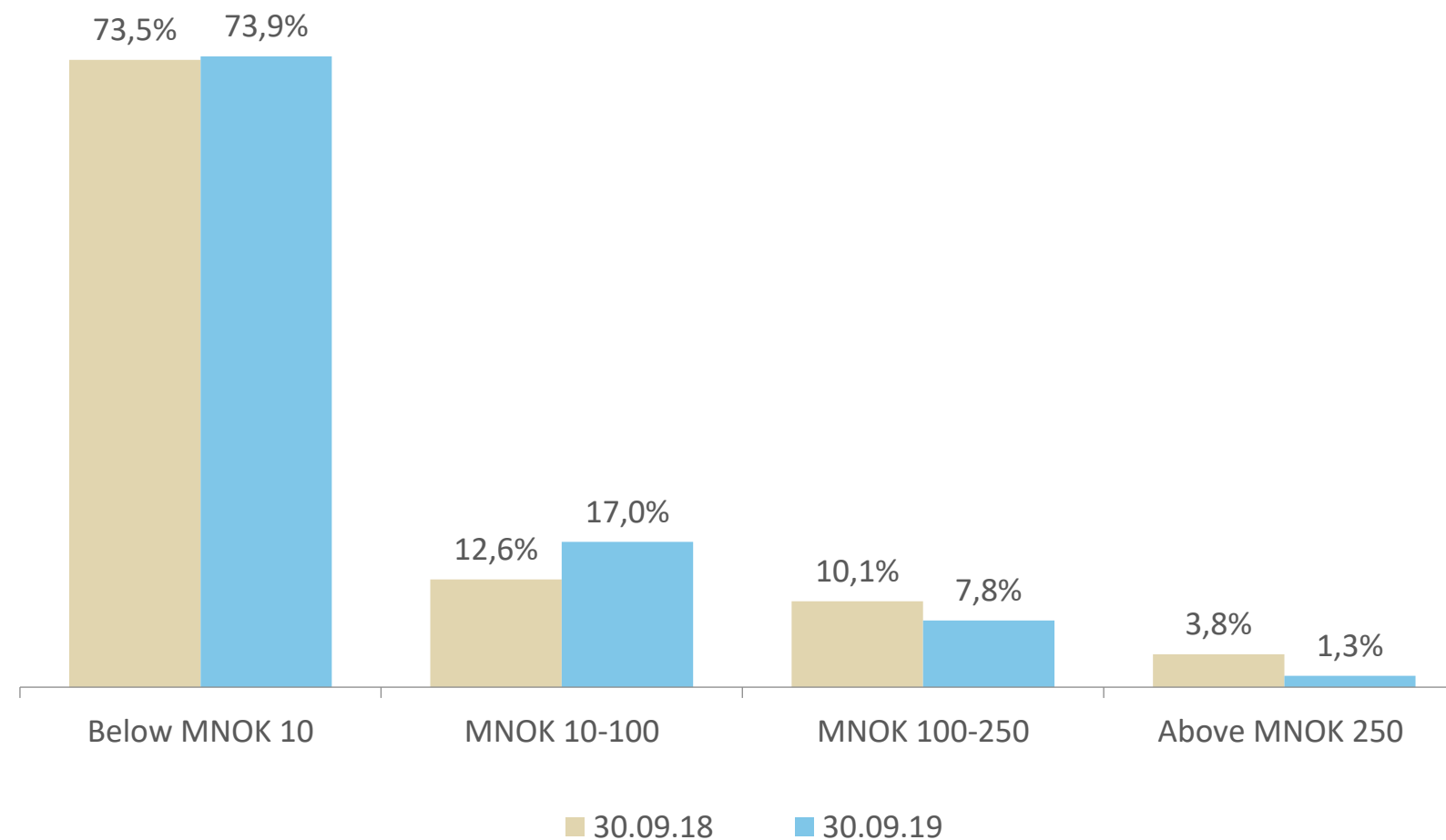
**Probability of default (PD) through a full cycle of loss.*

The figures include the loan portfolio in the covered bond companies (SB1 Boligkreditt AS, SB1 Næringskreditt AS and SR-Boligkreditt AS).

Low concentration of individual LGRs in the lending portfolio

- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

Distributed by loss given realisation (LGR)

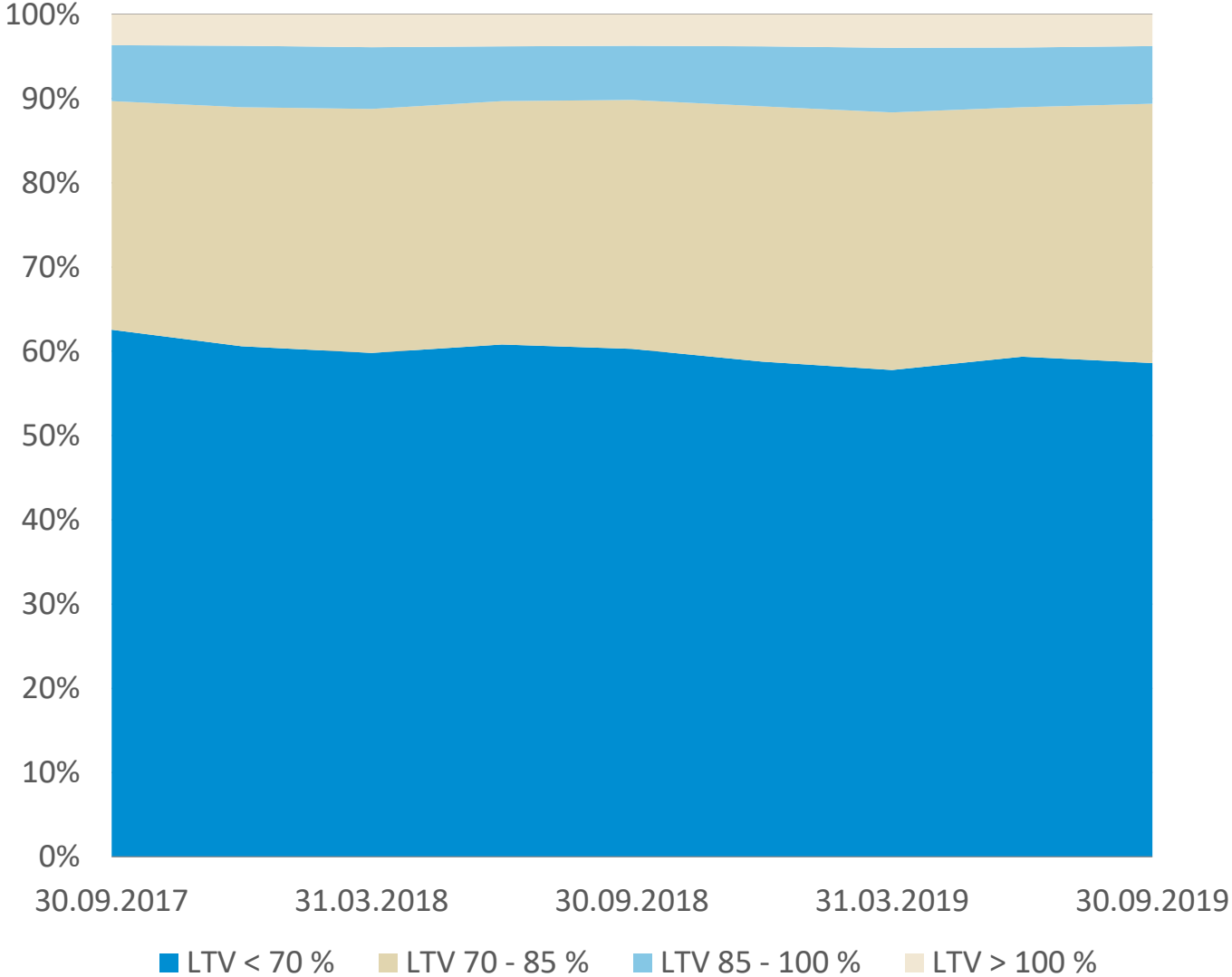


LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

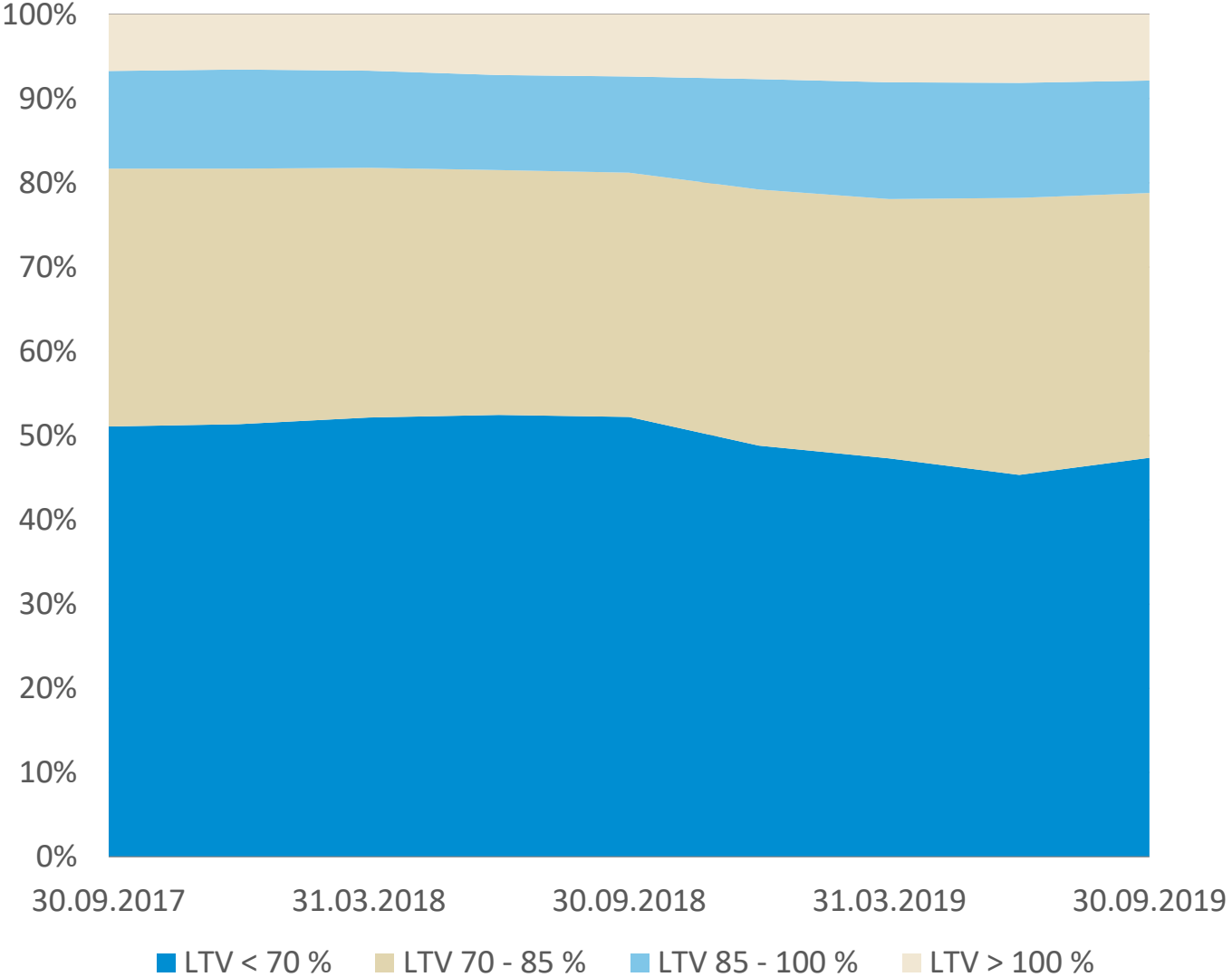
The figure includes the loan portfolio in the covered bond companies (SB1 Boligkreditt AS, SB1 Næringskreditt AS and SR-Boligkreditt AS).

Historical LTV development for home mortgage loans

Total home mortgages incl. loans in cover pool

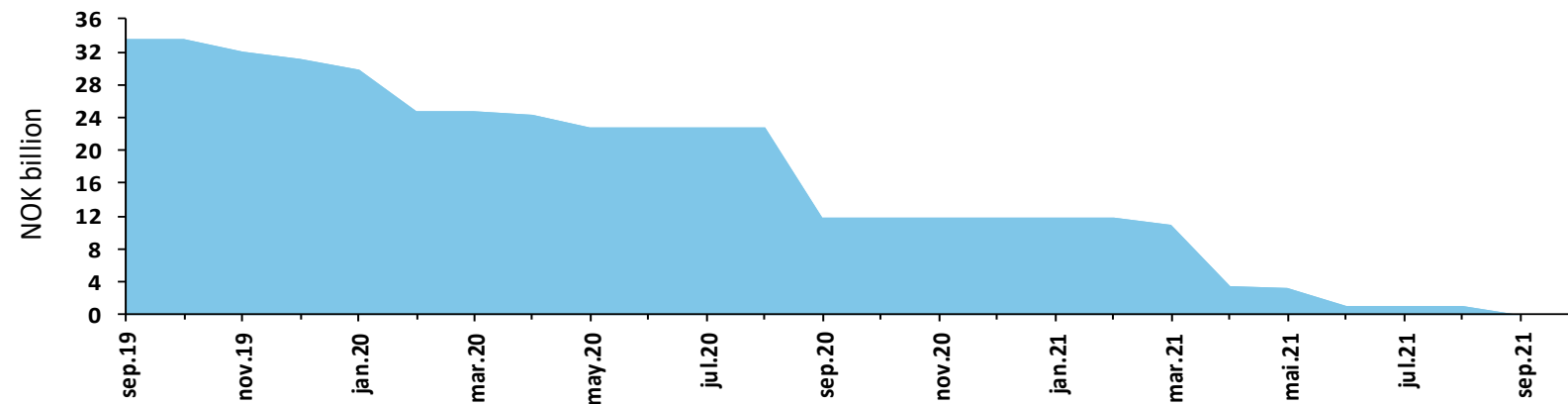


Home mortgages in SpareBank 1 SR-Bank ASA



Liquidity portfolio

Liquidity buffer – survival period



- Liquidity buffer at the end of the quarter: NOK 33.6 billion
- Other liquid assets:
 - Home mortgages prepared for covered bond funding: NOK 13.3 billion
 - Commercial paper and bonds in the trading portfolio: NOK 0.3 billion

Liquidity buffer: cash, highly liquid bonds.

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

Liquidity portfolio

Category	NOK million	Share %	Of which classified to amortised cost, MNOK
Norwegian government/municipal	0	0%	0
SSA/Foreign guaranteed	10.931	34%	1.534
Covered bonds (Norwegian/foreign)	21.220	66%	4.953
Total liquidity portfolio	32.151	100%	6.487

Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	32.151	99,2%
Low risk	A+, A and A-	0	0,0%
Moderate risk	Not rated	50	0,2%
High risk	Not rated	86	0,3%
Very high risk	Not rated	120	0,4%
<i>Total portfolio</i>		32.407	100,0%

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	32.151	99,9%
Low risk	A+, A and A-	0	0,0%
Moderate risk	Not rated	18	0,1%
High risk	Not rated	0	0,0%
Very high risk	Not rated	0	0,0%
<i>Total liquidity purposes</i>		32.169	100,0%

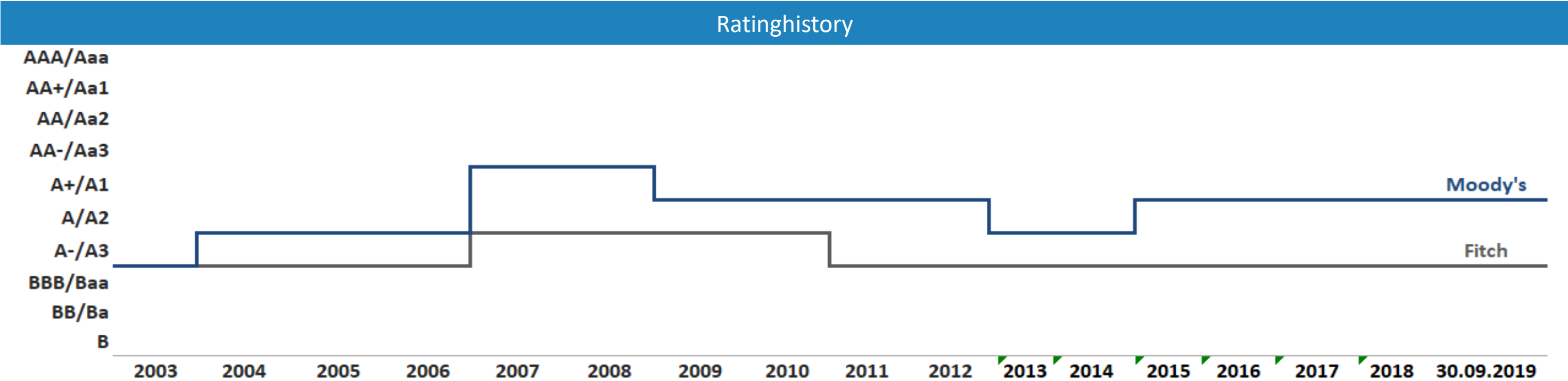
Of which SR-Bank Markets:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	0	0,0%
Low risk	A+, A and A-	0	0,0%
Moderate risk	Not rated	32	13,6%
High risk	Not rated	86	36,0%
Very high risk	Not rated	120	50,4%
<i>Total SR-Bank Markets portfolio*</i>		238	100,0%

* Including hybrid capital classified as equity in the balance sheet

Rating

	Moody's		Fitch
Long-term debt	A1	Long-term IDR	A-
Outlook	Stable	Outlook	Stable
Updated	6 June 2019	Updated	11 September 2019



SR-Bank as of 30.09.2019

Sparebank 1 SR-Bank share

	30.09.2019	2018	2017	2016	2015	2014	2013
Share price	99,15	89,20	87,00	60,75	39,30	52,50	60,25
Stock value (MNOK)	25.358	22.813	22.250	15.537	10.051	13.427	15.409
Book value per share, NOK (group)	87,60	82,27	77,24	71,54	66,14	60,28	55,00
Earnings per share	10,32	8,98	8,16	6,87	6,83	8,20	7,28
Dividend per share	n.a	4,50	4,25	2,25	1,50	2,00	1,60
P/E	7,21	9,93	10,66	8,84	5,75	6,40	8,28
P/BV (group)	1,13	1,08	1,13	0,85	0,59	0,87	1,10

- Number of shares issued 255.8 million
- Trading volume in Q3 2019: 3.6% (6.1%)
- On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index

Dividend policy

“The financial objective of SpareBank 1 SR-Bank ASA is to achieve earnings that yield adequate, stable returns on the bank’s equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

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



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