

An offshore oil rig is visible in the middle of the ocean, centered horizontally. The rig is a complex structure with a tall derrick and various platforms. The ocean is a deep blue-grey color, and the sky is filled with large, white, fluffy clouds. The overall scene is a wide-angle shot of the open sea.

This is not an oil rig.
It's an investment.

Investor Update

1st quarter 2014

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although SpareBank 1 SR-Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 SR-Bank include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 SR-Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

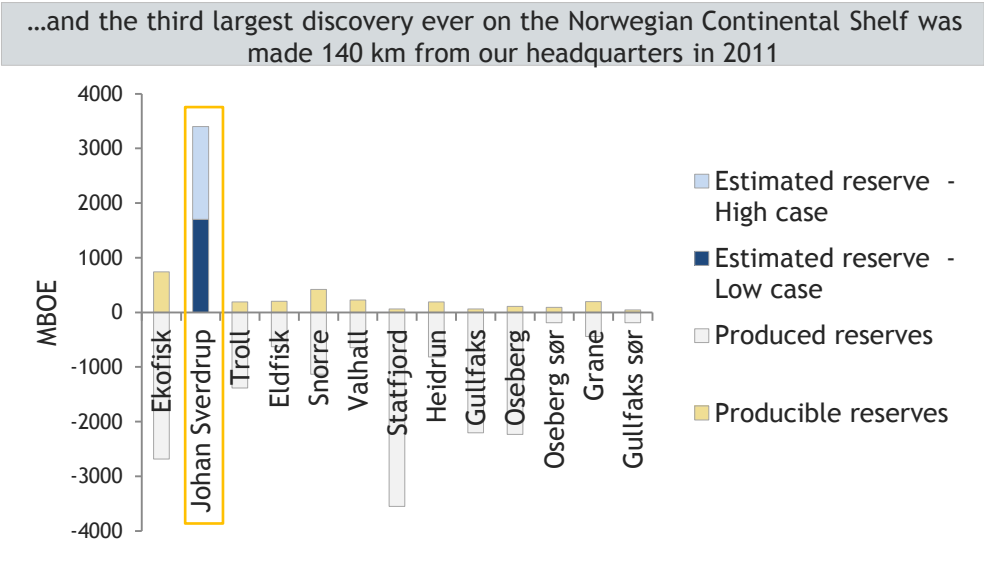
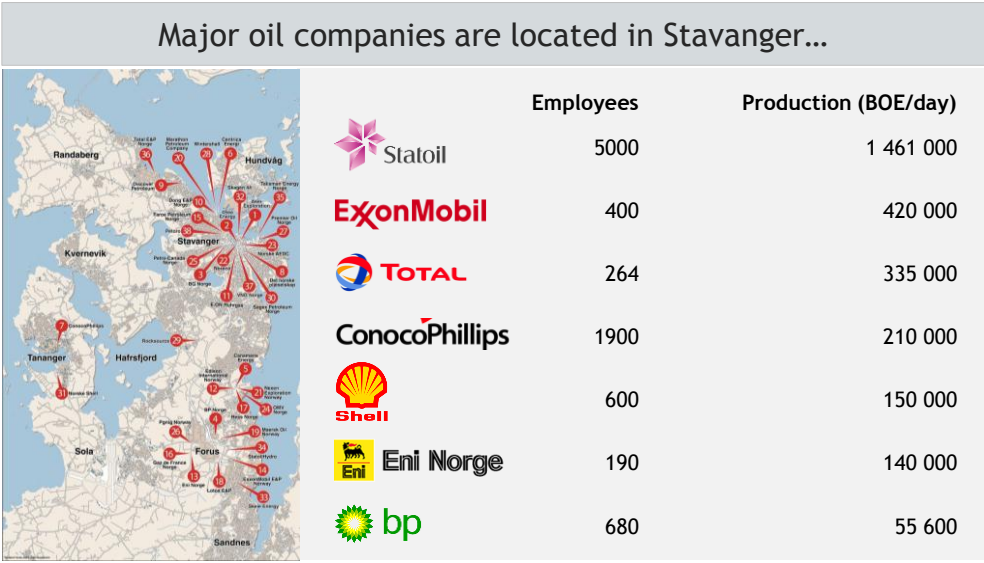
Appendix

A unique situation with a continuing budget surplus...

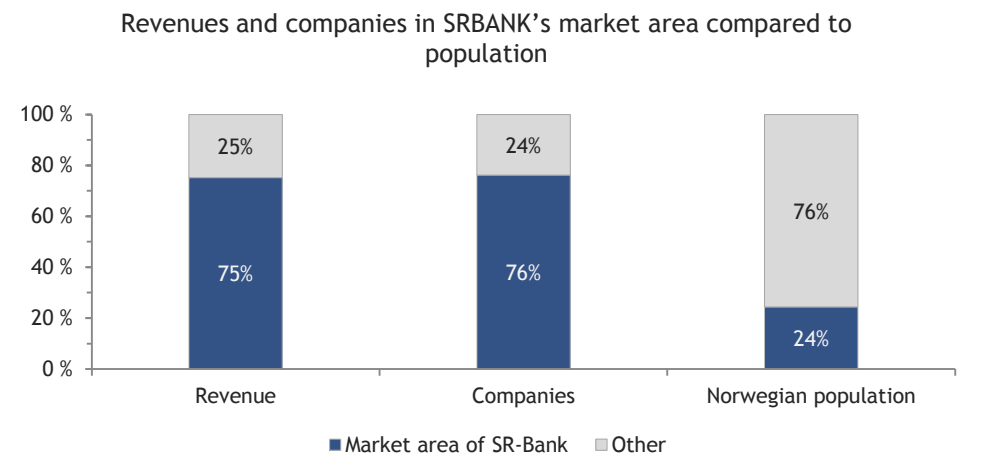


Economic Indicators (%)	2009	2010	2011	2012	2013E	2014P
GDP growth - mainland	-1.6	1.7	2.5	3.4	1.8	2.1
Household consumption growth	0.0	3.8	2.5	3.0	2.3	2.3
Investment growth - mainland	-13.2	-4.5	6.3	4.5	2.7	1.7
Investment growth oil & gas	3.4	-9.5	11.3	14.6	15.8	4.8
Inflation rate, CPI	2.1	2.5	1.2	0.8	2.1	2.0
Interest rate (3 month NIBOR)	2.5	2.5	2.9	2.2	1.8	2.5
Household savings ratio	7.1	5.8	7.8	8.6	8.7	9.2
Unemployment rate	3.2	3.6	3.3	3.2	3.5	3.6
HH sector disp. real inc. growth	4.1	2.7	4.6	3.2	3.5	3.6
Current Account Surplus / GDP	11.7	11.9	13.5	14.3	11.7	10.6
Gov Budget Surplus / GDP	11	10	14	14	12	10
Sovereign Wealth Fund / GDP	111	121	122	131	169	156

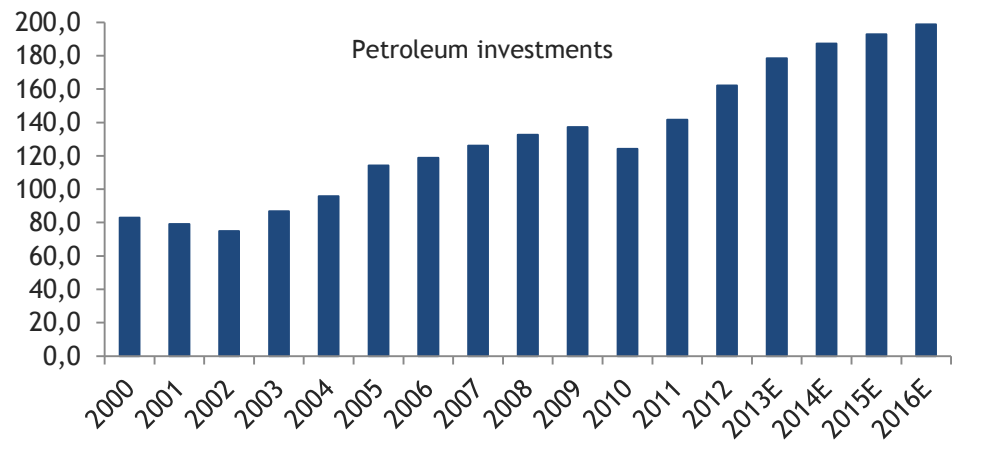
Stavanger is the oil capital of Norway and a major player in Europe



Oil field service companies in SRBANK's market area account for a significant amount of the revenues in the Norwegian oil field service industry...



...and activity is expected to increase significantly



Source: Ernst & Young The Norwegian Oilfield Service Analysis 2011, Oljedirektoratet, Stavanger Aftenblad, SR-Bank Markets, Norges Bank

48 branch offices in one of Norway's most prosperous regions

1 Rogaland



Population	452,000
Market share	<i>Retail market</i> 38 % <i>Corporate market</i> 21 %
Year of establishment	1839
Market strategy	Market leader
Important business segments	Oil & Gas, Oil service, Supply
Unemployment rate	2.0 %

2 Hordaland



Population	498,000
Market share	<i>Retail market</i> 4 % <i>Corporate market</i> 8 %
Year of establishment	2006
Market strategy	Entry/growth
Important business segments	Shipping, Oil & Gas, Tourism
Unemployment rate	2.4 %

3 Agder



Population	289,000
Market share	<i>Retail market</i> 7 % <i>Corporate market</i> 4 %
Year of establishment	2002
Market strategy	Growth
Important business segments	Commodities, Oil Service, Industry
Unemployment rate	3.05 %

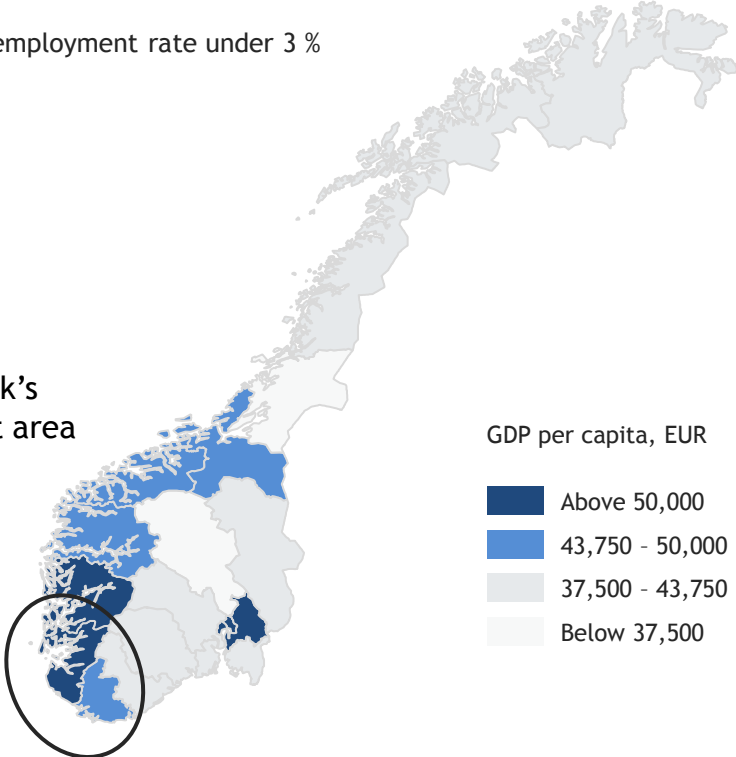


One of Norway's most prosperous regions

Strong growth prospects in the region

- Norway's most rapidly growing population - currently 24 % of the country's total population
- The region accounts for circa 25 % of Norwegian GDP
- Norway's largest export region
- Unemployment rate under 3 %

SR-Bank's market area



Planned infrastructure project total 100-150BNOK

- New infrastructure projects creating business opportunities in Rogaland, Hordaland and Agder
- Among others are the E39 Rogfast tunnel project, a fast connection replacing a ferry crossing between Stavanger and Haugesund, and the decision to invest in public transport in the Stavanger area over the next years
- Planned investments will imply:
 - Better infrastructure in the cities Stavanger and Bergen
 - Better connections between cities and sparsely populated areas
 - Better connections between regions in Rogaland, Hordaland and Agder
- Large investments in infrastructure will further develop the region



The SpareBank 1 Alliance - 2nd largest mortgage lender in Norway

Founded in 1996 based on efficiency and local market focus

Geographic overview

Purpose

Ensure the independence and regional foothold of the individual member banks by maximizing their:

- Competitiveness
- Profitability
- Capital strength

Cornerstones

Efficiency

Increase efficiency compared to competitors by:

- Economies of scale
- Mutually increasing critical core competencies
- Sharing development investments

Local Market Focus

Each bank continues to maintain its link with its local community by:

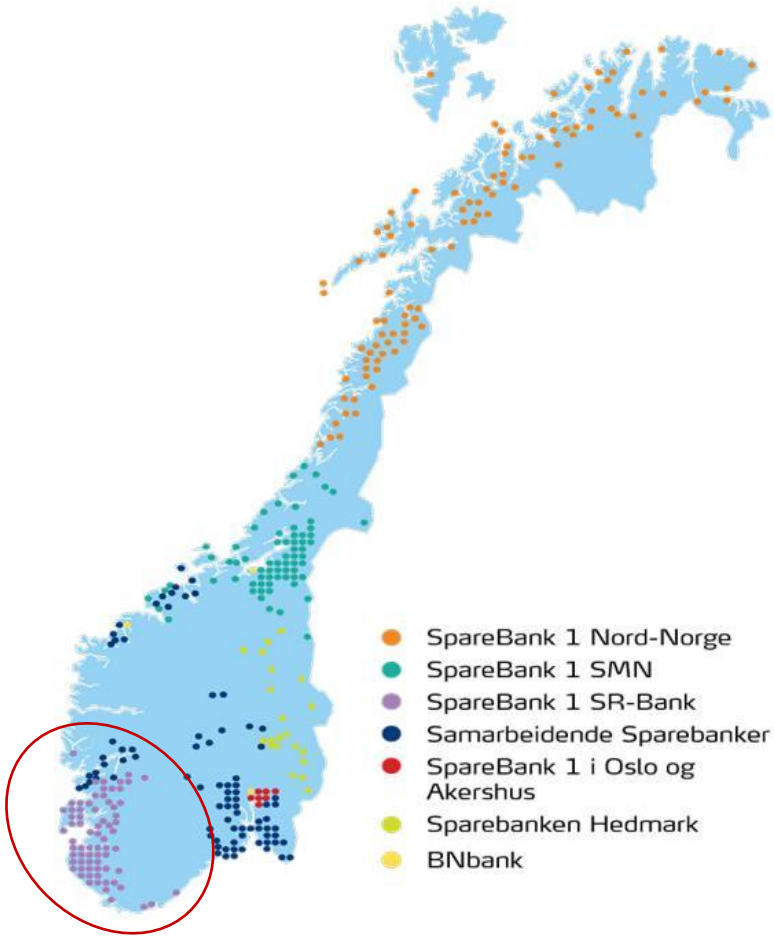
- Keeping its own name and legal identity
- Taking advantage of its proximity to the local market



ALLIANCE PROGRAMME



SEPARATE LEGAL IDENTITIES
COMMON SUPERBRAND



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

SRBANK's activities



Divisions of SpareBank 1 SR-Bank ASA

<p>Capital Markets</p> <p>Number of man-years: 35</p>	<p>Retail Market</p> <p>Number of man-years : 470</p>	<p>Corporate Market</p> <p>Number of man-years : 164</p>	<p>Administration & Support</p> <p>Number of man-years : 214</p>
--	--	---	---

Fully owned companies

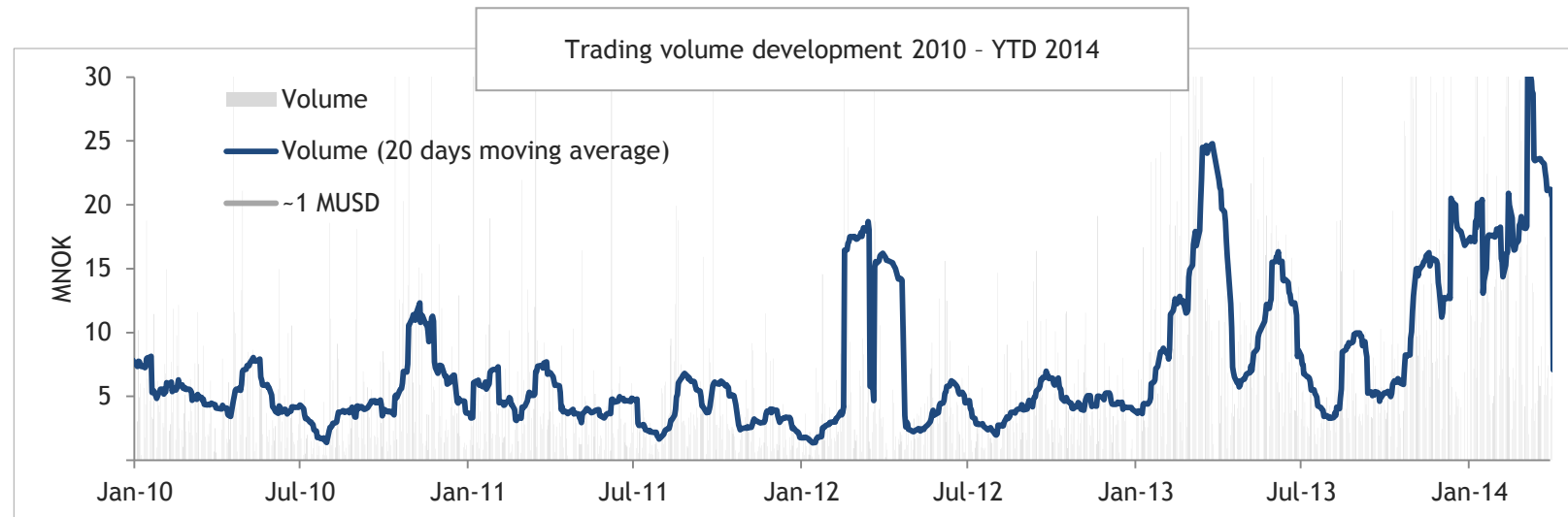
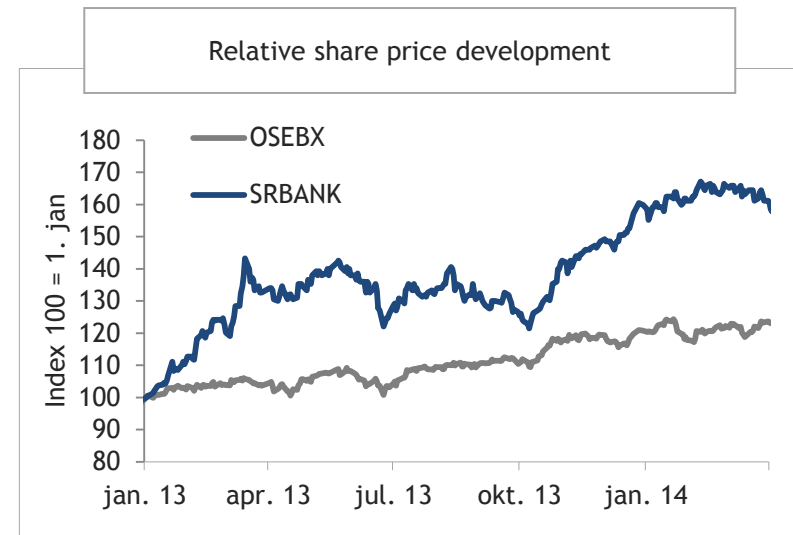
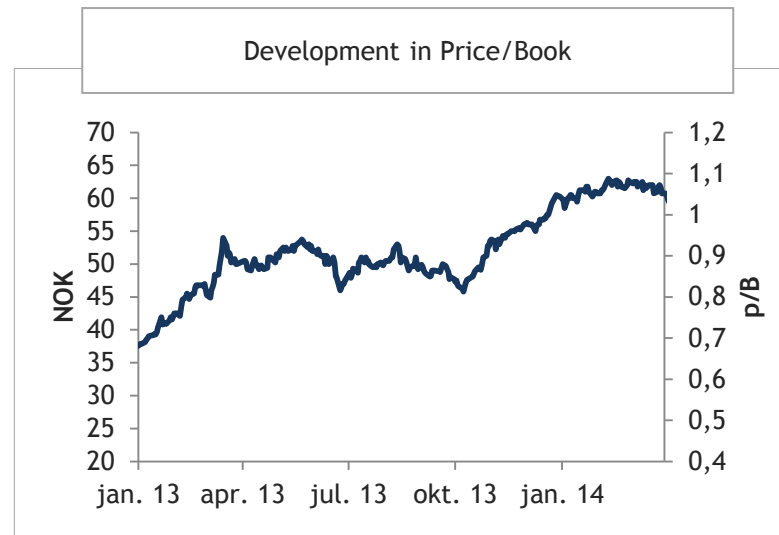
<p>EiendomsMegler 1</p> <p>Number of man-years : 221</p> <p>Key areas:</p> <ul style="list-style-type: none"> • Leading real estate broker 	<p>SpareBank 1 SR-FORVALTNING</p> <p>Number of man-years : 13</p> <p>Key area:</p> <ul style="list-style-type: none"> • Asset management 	<p>SpareBank 1 SR-FINANS</p> <p>Number of man-years : 31</p> <p>Key area:</p> <ul style="list-style-type: none"> • Lease finance
--	--	--

Partly owned companies

<p>SpareBank 1 Gruppen AS (19.5 %)</p> <ul style="list-style-type: none"> • Holding company for the SpareBank 1 - Alliance 	<p>BN Bank ASA (23.5 %)</p> <ul style="list-style-type: none"> • Commercial bank located in Oslo and Trondheim 	<p>SpareBank 1 Boligkreditt AS (26.2 %)</p> <ul style="list-style-type: none"> • Covered bond company (mortgages) 	<p>SpareBank 1 Næringskreditt AS (27.0 %)</p> <ul style="list-style-type: none"> • Covered bond company (commercial real estate)
---	---	--	---

Increased interest and trading volume

- *Converted from equity certificates to shares in 2012.*
- *«Top-20» company based on market cap of domestic listed companies.*
- *Total market capitalisation at the end of 1st quarter 2014 is NOK 15,5 million.*
- *International ownership increased from 14.1% at the end of 2013 to 18,9% at the end of 1st quarter 2014.*



20 largest shareholders as at March 2014

- *International ownership increased from 14.1% at the end of 2013 to 18,9% as of 1st quarter 2014*

Investor	Number	Stake
Sparebankstiftelsen SR-Bank	72.419.305	28,3 %
Gjensidige Forsikring ASA	26.483.470	10,4 %
Morgan Stanley & Co, U.S.A.	10.743.895	4,2 %
Folketrygdfondet	9.848.137	3,9 %
SpareBank 1-stiftinga Kvinnherad	6.226.583	2,4 %
Odin Norge	5.896.605	2,3 %
State Street Bank and Trust, U.S.A.	5.414.792	2,1 %
Frank Mohn AS	4.320.710	1,7 %
Skagen Global	3.815.372	1,5 %
Odin Norden	3.587.680	1,4 %
J.P. Morgan Chase Bank, U.K.	2.690.935	1,1 %
State Street Bank and Trust, U.S.A.	2.680.658	1,0 %
Goldman Sachs & Co, U.S.A.	2.626.021	1,0 %
Clipper AS	2.178.837	0,9 %
J.P. Morgan Chase Bank, U.K.	2.083.137	0,8 %
J.P. Morgan Chase Bank, Sverige	2.014.054	0,8 %
Westco AS	1.321.817	0,5 %
Skagen Global II	1.253.174	0,5 %
The Bank of New York Mellon, U.S.A.	1.222.026	0,5 %
FLPS, U.S.A.	1.218.800	0,5 %
Top 5	125.721.390	49,2 %
Top 10	148.756.549	58,2 %
Top 20	168.046.008	65,7 %

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

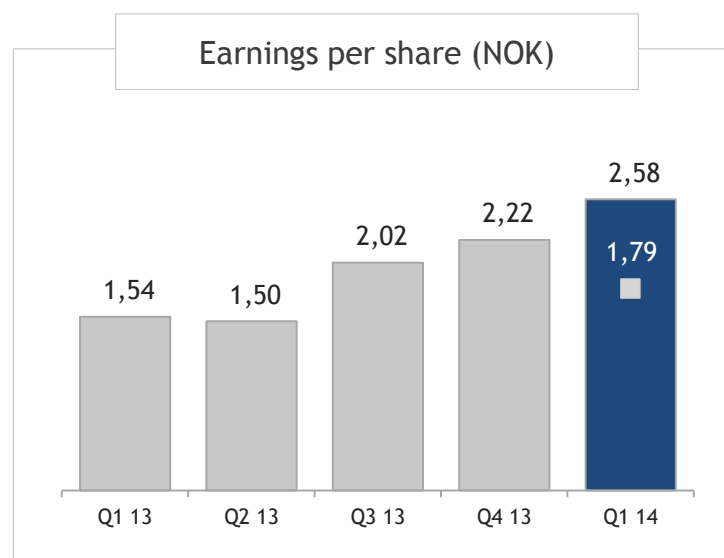
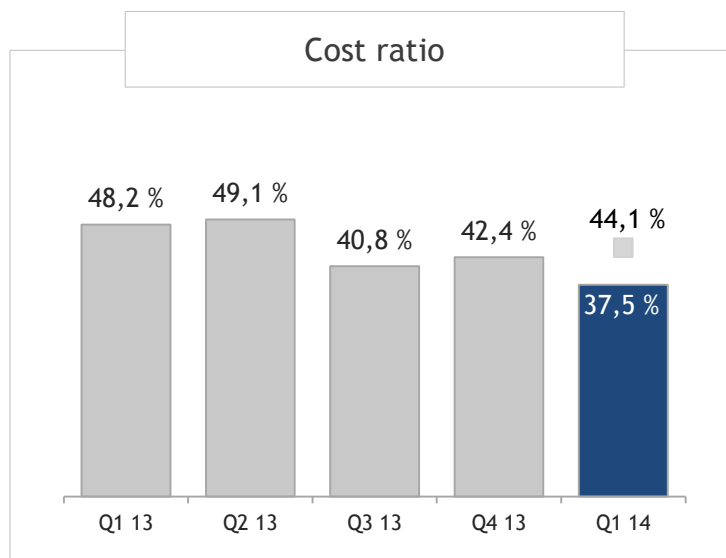
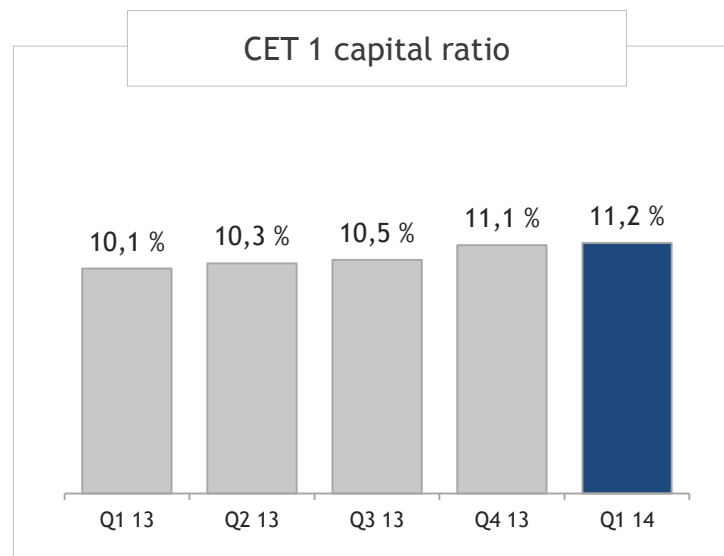
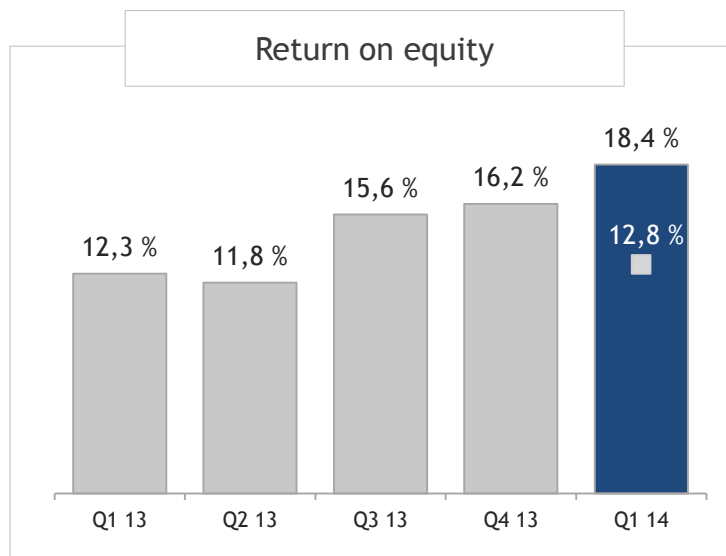
Solvency and liquidity position

Appendix

A good result, significantly affected by non-recurring effects

- Pre-tax profit for the quarter increased to NOK 787 million from NOK 501 million last year
 - Capital gain on the bank's stake in Nets Holding AS improves the result by NOK 202 million
 - Return on equity after tax 18.4% (12.3%)
- The net interest margin increased from 1.40% to 1.27%
- Lending growth of 3.8% - risk-weighted assets increased by 1.3%
- Deposits growth of 8.5% - in addition good growth in other capital under management
- Stronger underlying operations and improved efficiency
 - Net interest income, commissions and profit contributions from the mortgage companies increased by 22% in the last 12 months
 - Growth in costs of 3.1% over the last 12 months
- Low impairment losses on loans
 - 0.18% of gross lending recognised on the balance sheet as of 31 March 2014
- Common equity tier 1 capital ratio increased to 11.2% from 10.1% last year
 - In line with the new requirements solvency will be strengthened further

Key figures - quarterly development



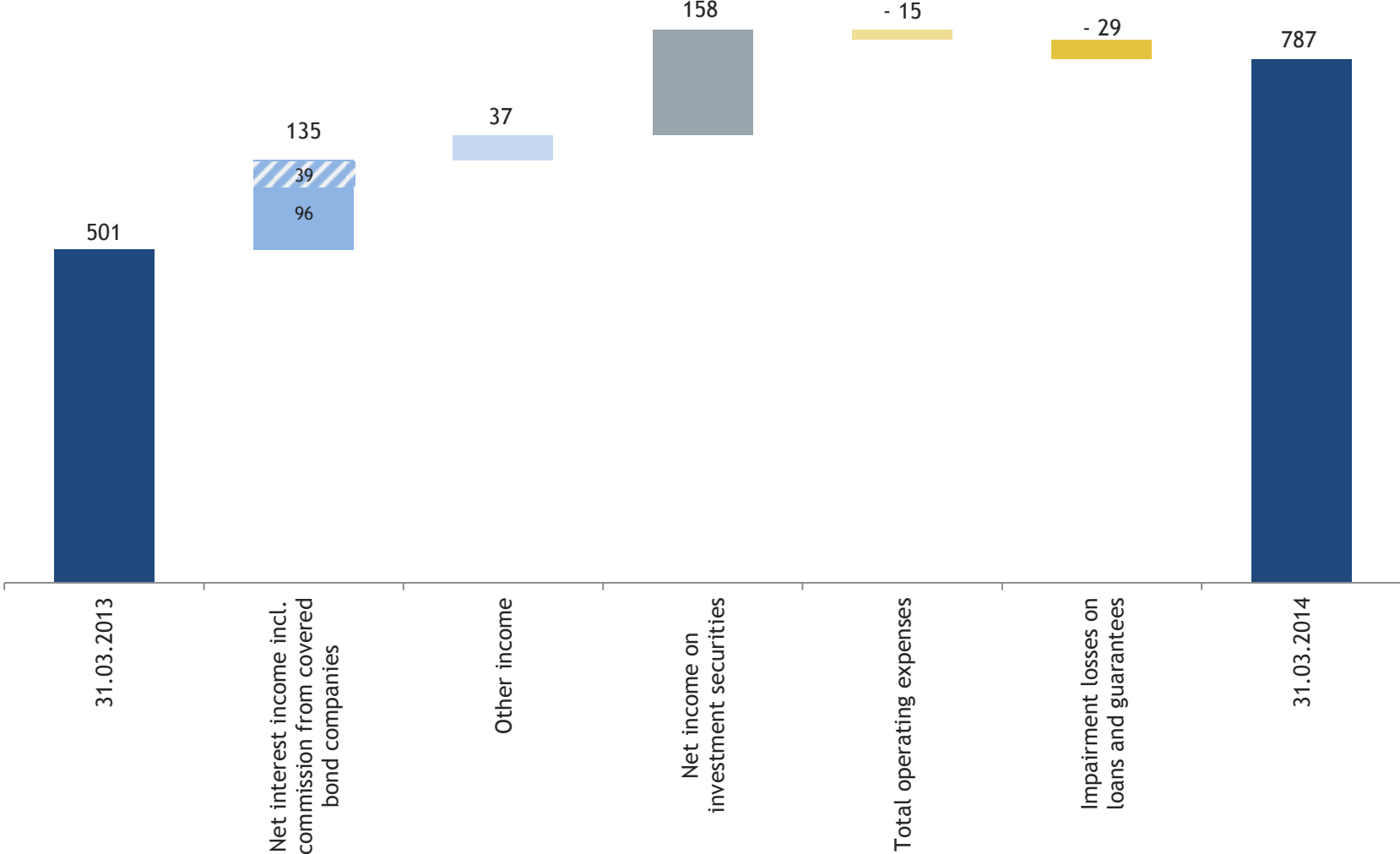
Key figures

	Q1 14	Q4 13	Q3 13	Q2 13	Q1 13
Return on equity after tax (%)	18,4	16,2	15,6	11,8	12,3
Net interest margin (%)	1,40	1,46	1,49	1,43	1,27
Impairment losses on loans and guarantees in % of gross loans	0,18	0,17	0,11	0,09	0,09
<i>-incl. SB1 Boligkreditt and SB1 Næringskreditt</i>	0,12	0,12	0,08	0,06	0,06
Non-performing and other problem commitments in % of gross loans	1,17	1,26	1,24	1,14	1,25
<i>-incl. SB1 Boligkreditt and SB1 Næringskreditt</i>	0,85	0,91	0,88	0,81	0,87
Cost ratio	37,5	42,4	40,8	49,1	48,2
Annual growth in loans to customers, gross incl. SB1 Boligkreditt and SB1 Næringskreditt	3,8	5,3	5,5	6,1	7,4
Annual growth in deposits from customers (%)	8,5	6,0	2,2	2,8	2,2
Total assets (BNOK)	157,8	157,0	153,6	151,1	146,1
Portfolio of loans in SB1 Boligkreditt and SB1 Næringskreditt (BNOK)	44,9	46,4	47,8	47,5	48,1
Risk weighted assets (BNOK)	113,4	113,1	115,0	114,2	112,0
Earnings per share (NOK)	2,58	2,22	2,02	1,50	1,54
Book value per share (NOK)	57,45	55,00	52,87	50,89	50,92
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8

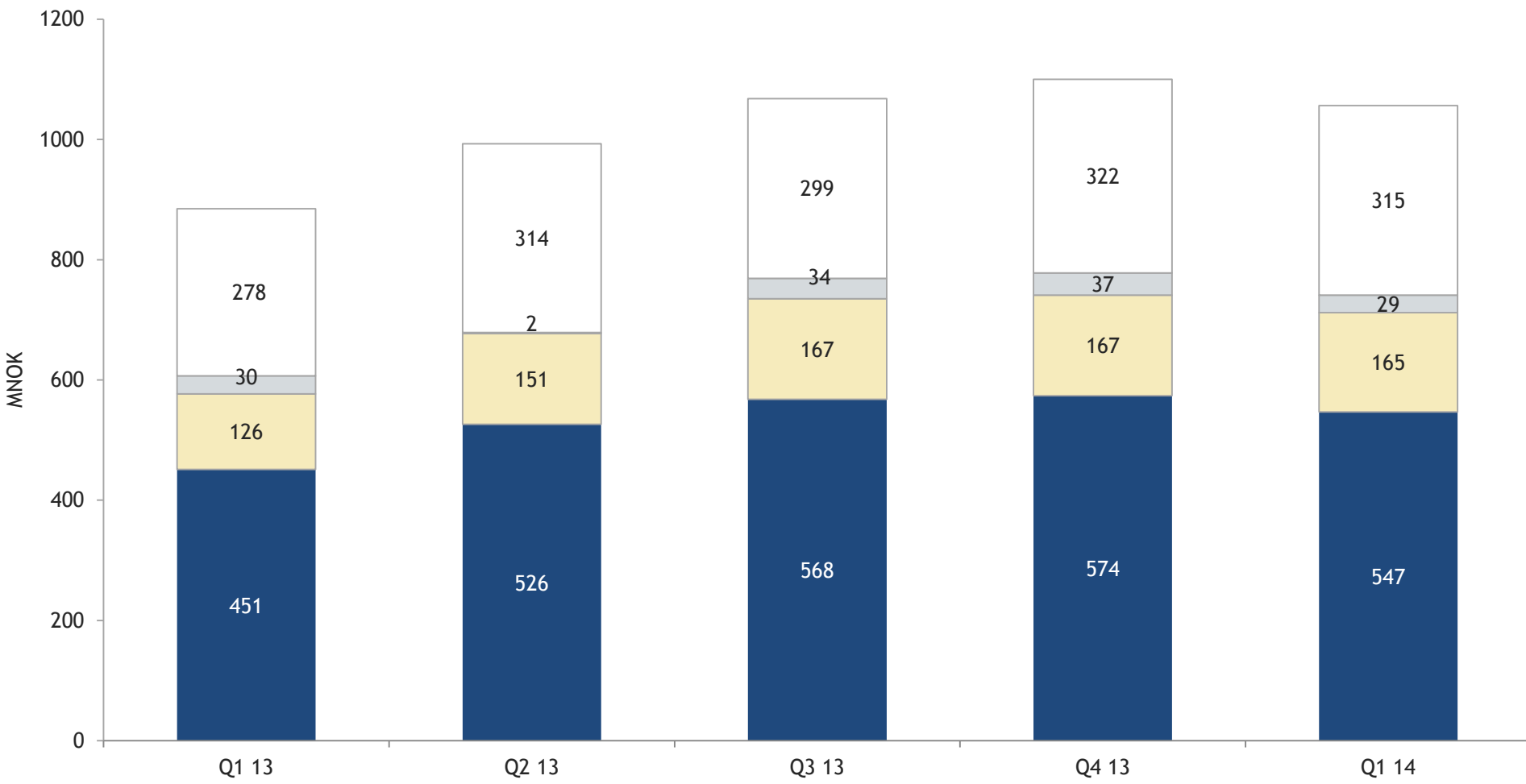
Income statement

<i>Group Income Statement (MNOK)</i>	Q1 14	Q4 13	Q3 13	Q2 13	Q1 13
Net interest income	547	574	568	526	451
Net commission and other income	480	489	466	465	404
Net income on investment securities	319	195	137	62	161
Total income	1.346	1.258	1.171	1.053	1.016
Total operating expenses	505	534	478	517	490
Operating profit before losses	841	724	693	536	526
Impairment losses on loans and guarantees	54	50	32	25	25
Operating profit before tax	787	674	661	511	501
Tax expense	128	107	145	128	107
Net profit	659	567	516	383	394

Change in profit 31.03.2013 - 31.03.2014

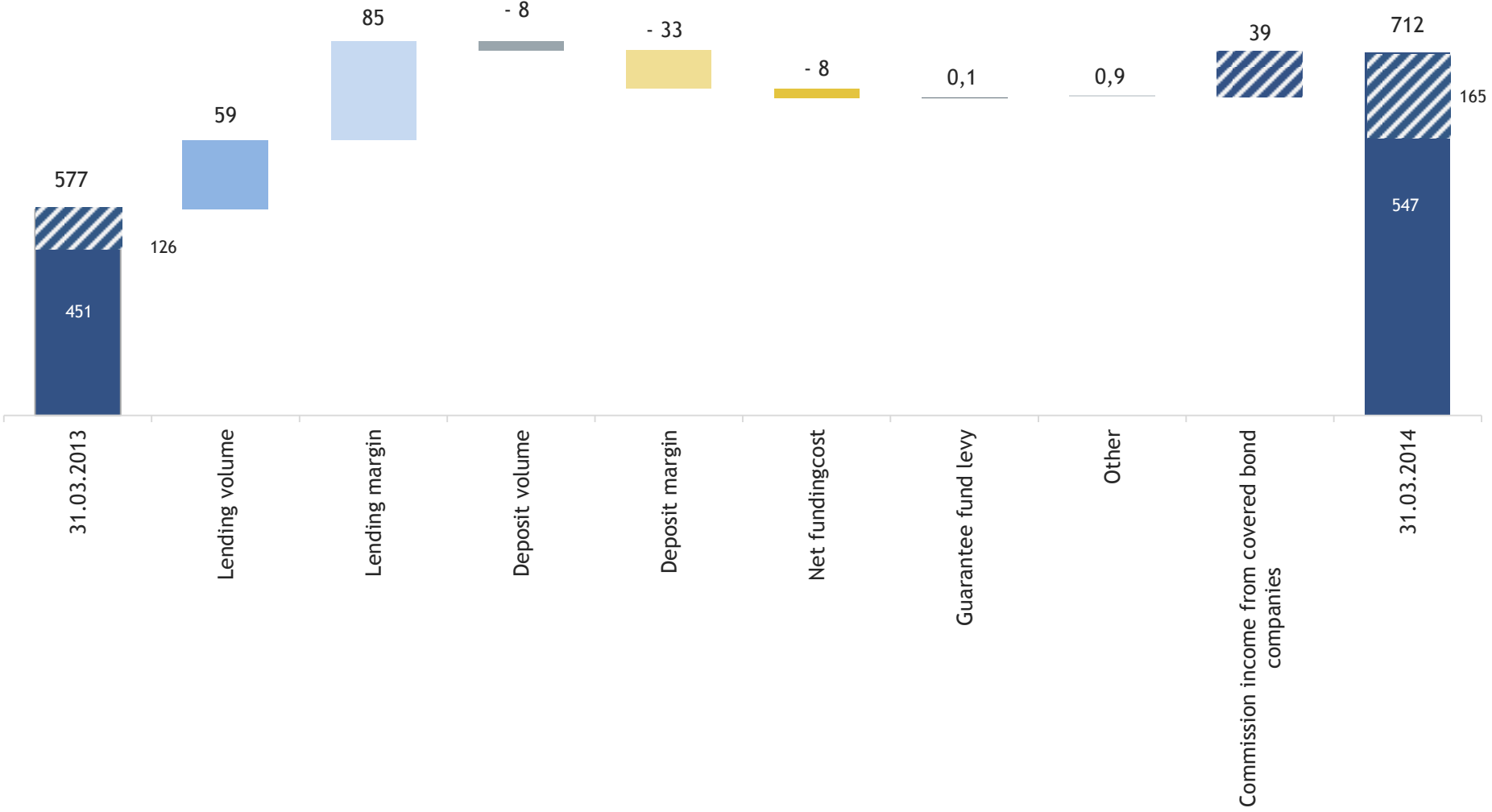



Consolidated income profile



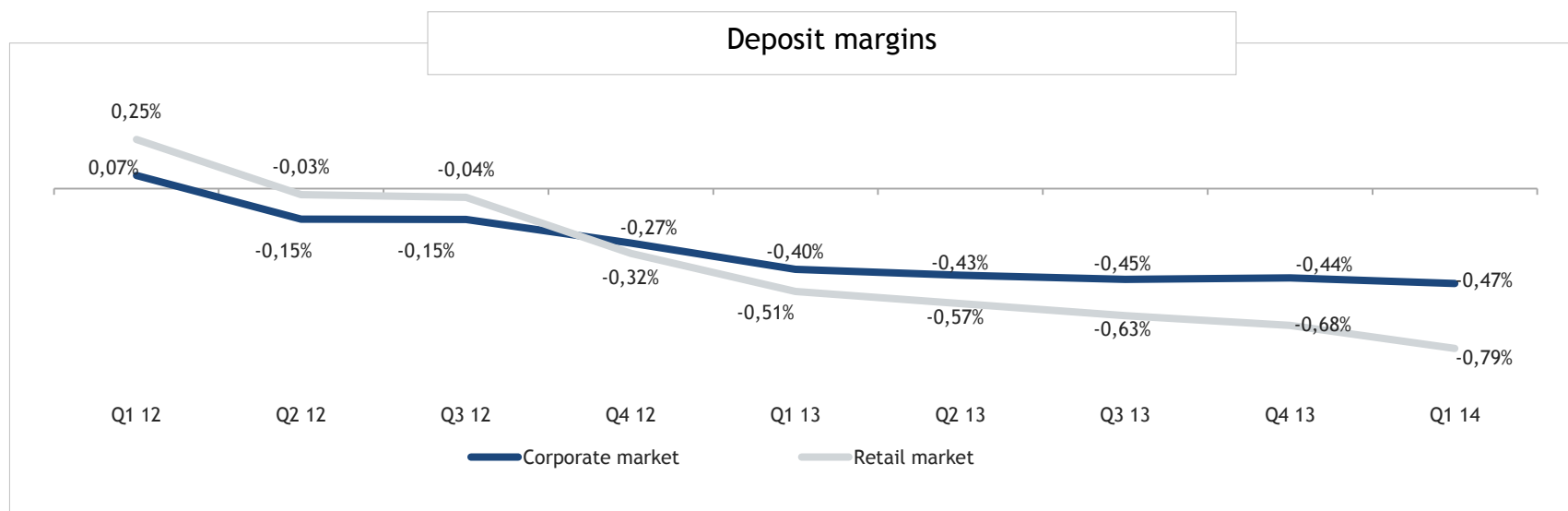
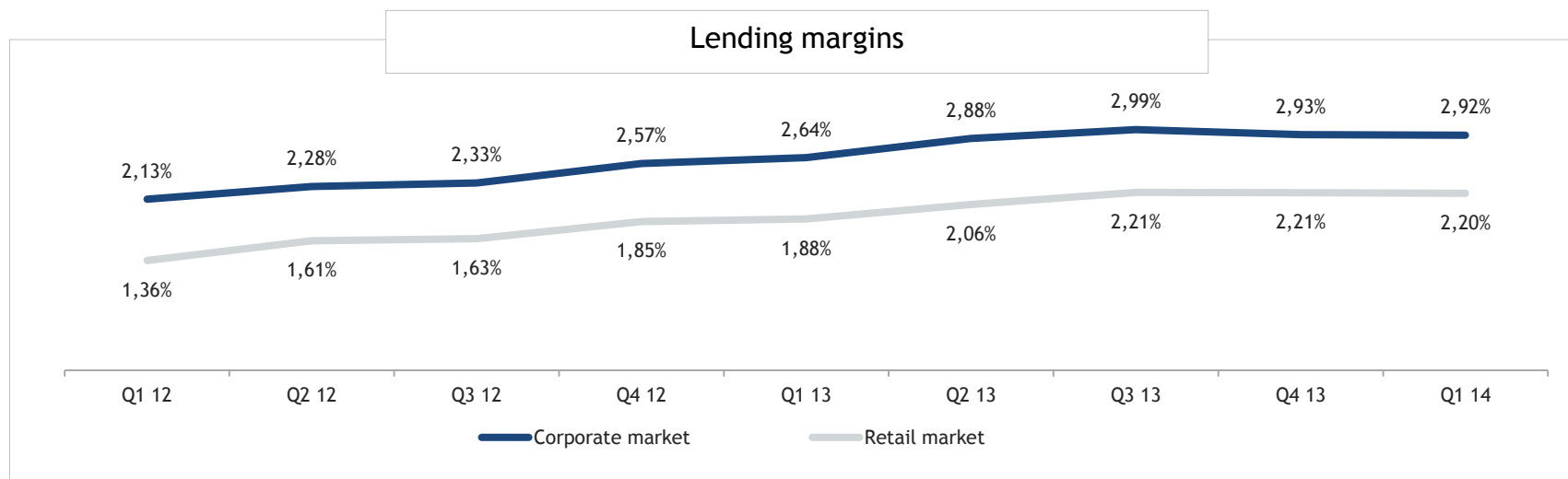
- Net interest income
- Commission income SB1 Boligkreditt and SB1 Næringskreditt
- Profit before tax SB1 Boligkreditt and SB1 Næringskreditt
- Net commission and other income

Change in net interest income and commission income BK and NK 31.03.2013 - 31.03.2014



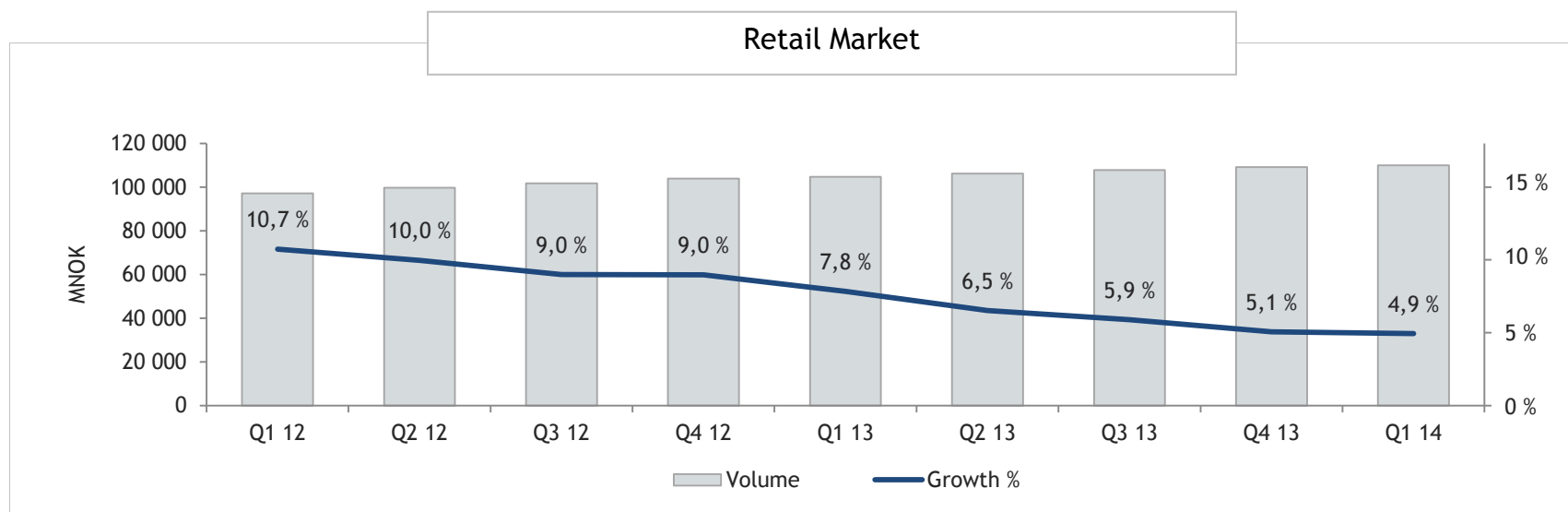
 Commission income from covered bond companies

Lending and deposit margins



Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in SB1 Boligkreditt and SB1 Næringskreditt

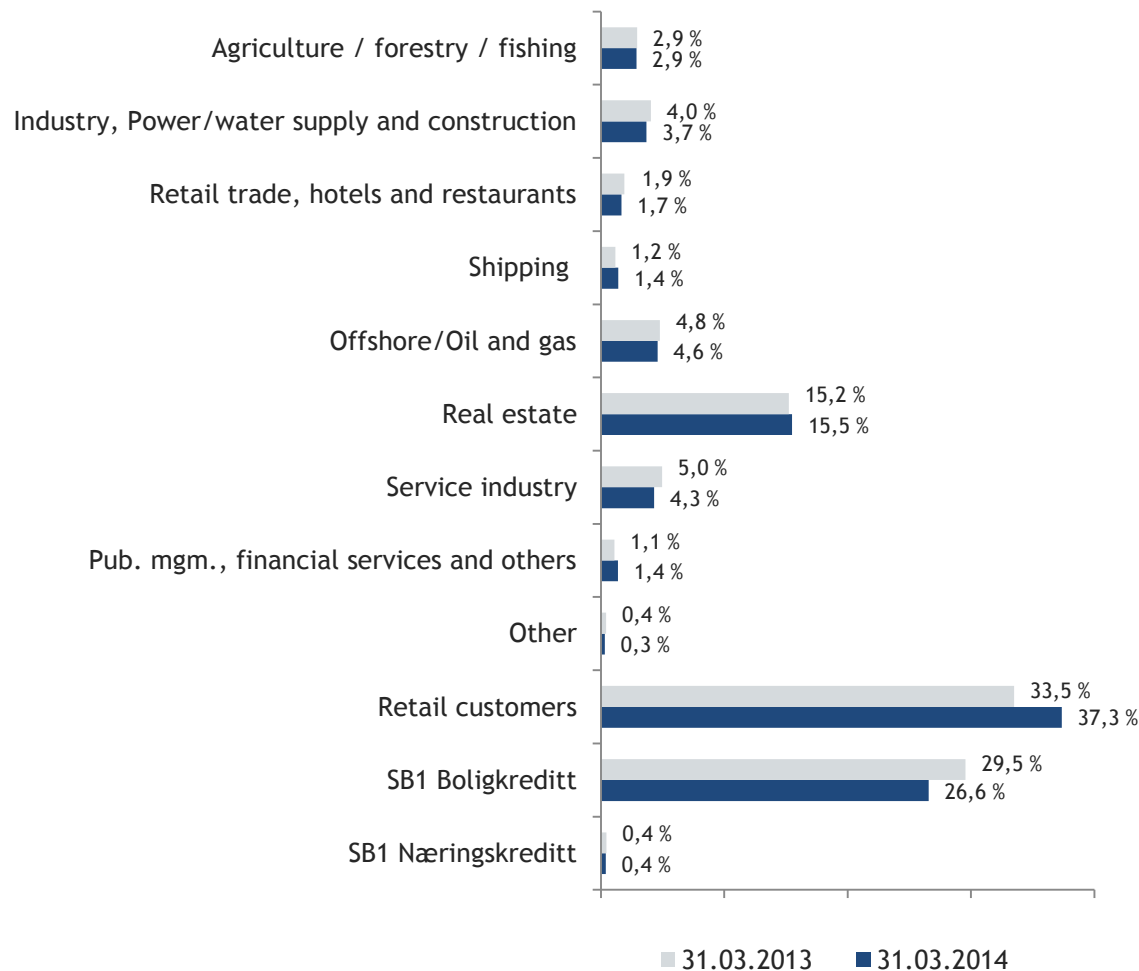
Lending volume and 12 months growth



* Incl. loan portfolio in SB1 Boligkreditt and SB1 Næringskreditt

Loan portfolio as at 31.03.2014

- Gross loans as of 31 March 2014 amount to NOK 166.6 billion compared with NOK 160.4 billion at the same time last year.
- 12-month growth in loans of 3.8%.
- Loans to retail customers (incl. SB1 Boligkreditt) account for 63.9% of total loans.
- Loans to the property sector account for 15.5% of total loans, which is on a par with the same period last year.



Lending before individual write-downs, nominal amounts.

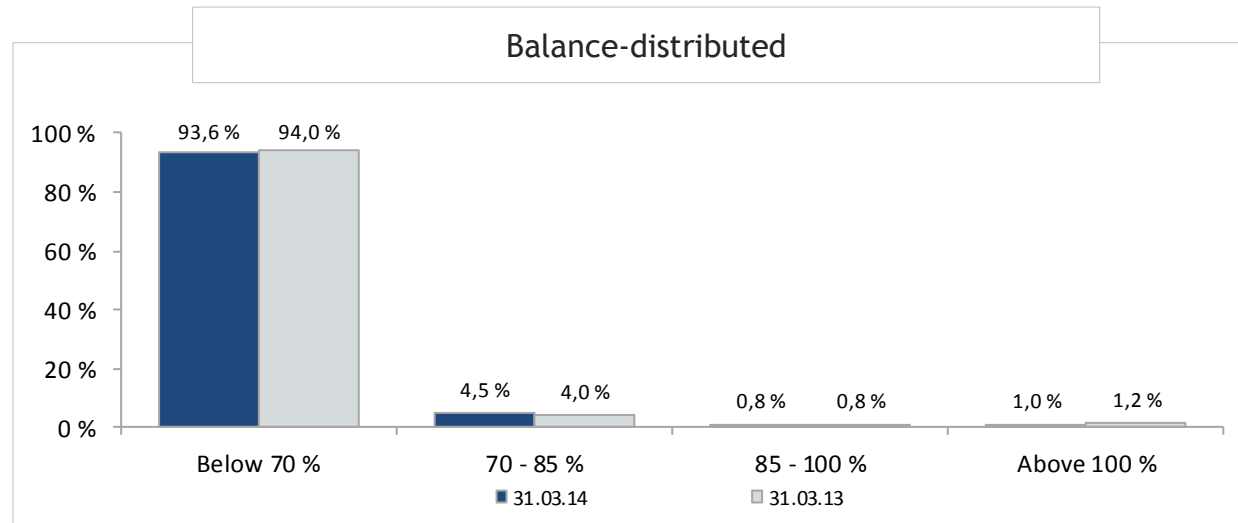
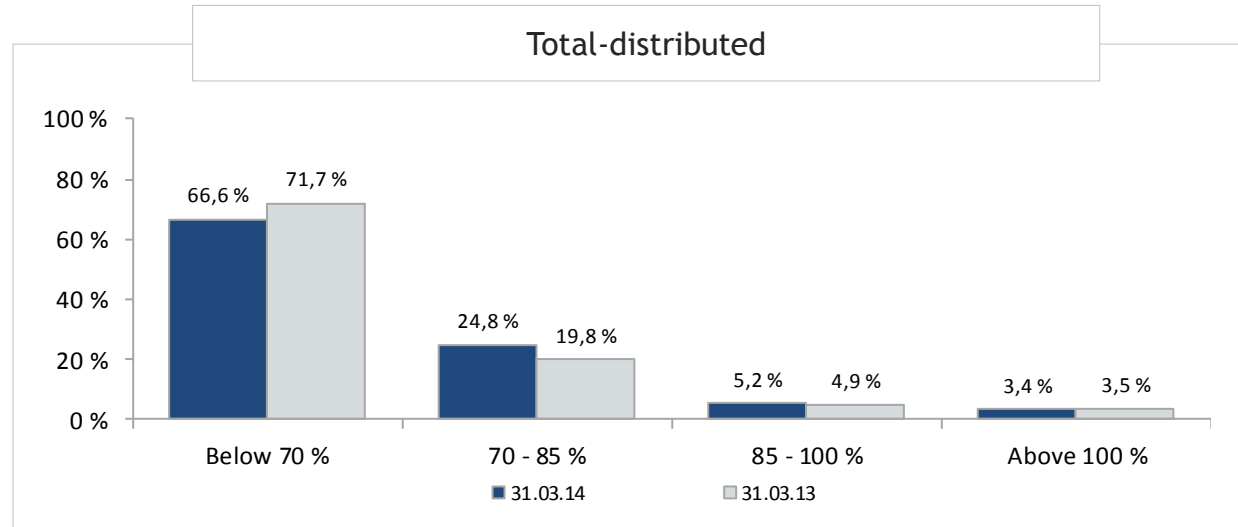
Sector allocation in accordance with the standard categories from Statistics Norway.

Loan to value ratio on home mortgage loans

- The proportion of loans with a loan-to-value ratio of less than 85% is very high and it currently stands at 91.4%.
- 98.2% of gross exposure is within 85% of the assessed value of collateral. This means that only 1.8% of gross exposure exceeds 85% of the assessed value of collateral.

The calculation of the LTV is based on the collateral's market value. In a balance-distributed loan to value ratio, for loans that exceed 70% of the collateral's market value, the excess amount is distributed among the other intervals. 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 SB1 Boligkreditt.

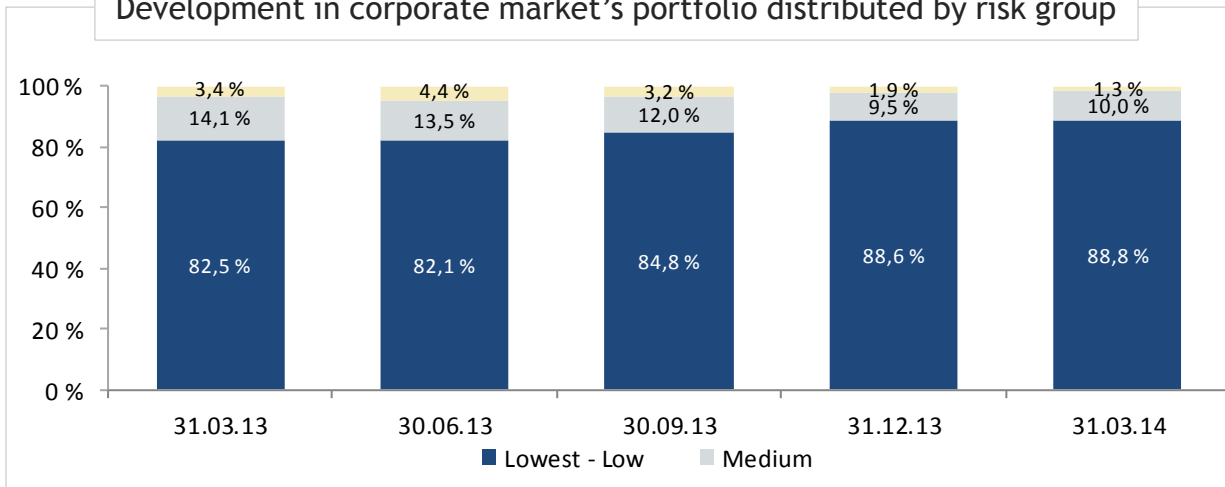


Lending to the corporate market - risk profile

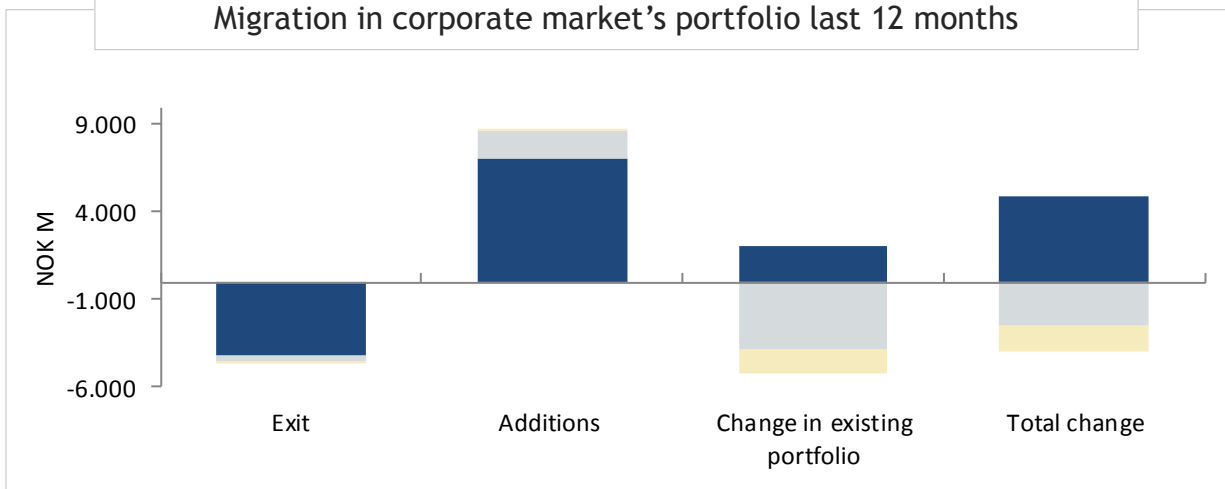
- *The quality of the corporate market portfolio is considered to be good.*
- *The risk profile has improved. This trend is particularly driven by an strengthened risk profile of existing customers.*
- *The proportion of loans with expected losses of less than 0.5% at the end of the quarter represent 88.8%.*
- *The proportion of loans with expected losses in excess of 2% has been reduced by more than 50% over the last 12 months and represented 1.3% at the end of the quarter.*

■ Lowest - Low risk, expected losses	0% - 0.50 %
■ Medium risk, expected losses	0.50 % - 2.00 %
■ High - Highest risk, expected losses	over 2.00 %

Development in corporate market's portfolio distributed by risk group

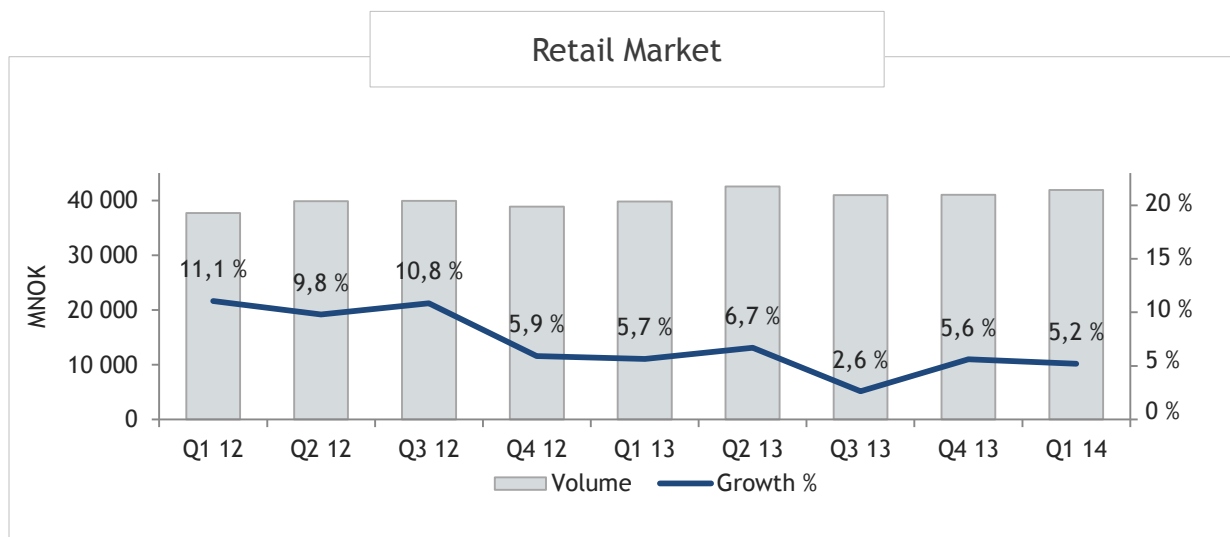


Migration in corporate market's portfolio last 12 months



Deposits volume and 12 month growth

- Growth in deposits last 12 months at 8.5%.
 - An increase from NOK 68.6 billion to NOK 74.4 billion.
- The deposits volume in the corporate market includes institutional deposits from money market funds, etc.
- The growth in deposit volumes has been affected by the transfer of customers between the retail and corporate markets. In the fourth quarter 2012, around NOK 1.2 billion was transferred from the retail market to the corporate market.



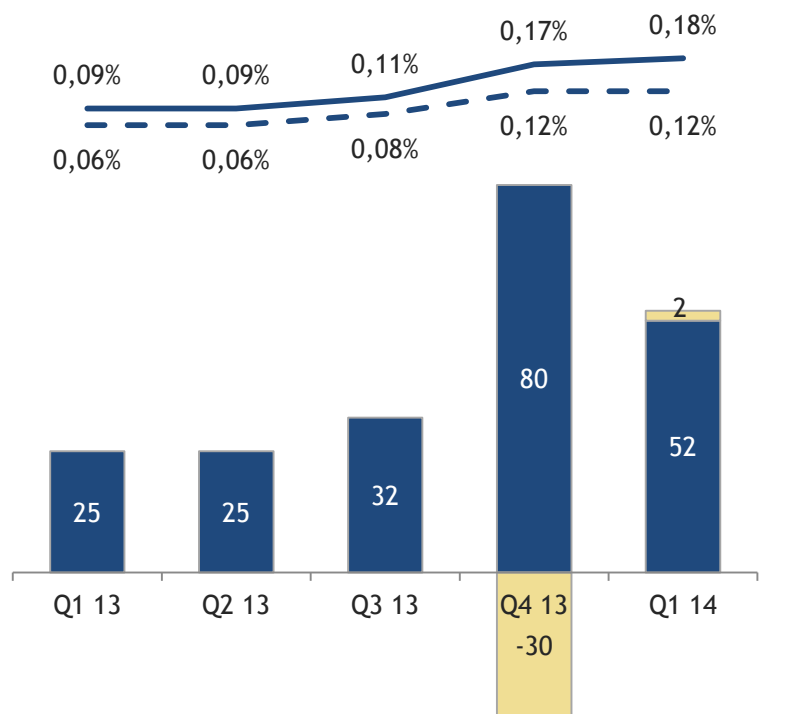
* From Q1 2014 it also includes capital market. Historical figures are comparable.

Operating expenses

<i>MNOK</i>	Q1 14	Q4 13	Q3 13	Q2 13	Q1 13
Personnel expenses	287	297	283	294	285
Restructuring costs	0	26	1	3	7
Non-recurring effect, pension-related items	7	0	0	0	0
Total personnel expenses	294	323	284	297	292
IT expenses	66	65	63	63	59
Marketing	17	21	17	29	19
Other administrative expenses	23	23	24	26	23
Total administrative expenses	106	109	104	118	101
Depreciation	17	21	17	18	18
Operating expenses from real estate	13	5	10	13	12
Other operating expenses	75	76	63	71	67
Total other operating expenses	105	102	90	102	97
Total operating expenses	505	534	478	517	490

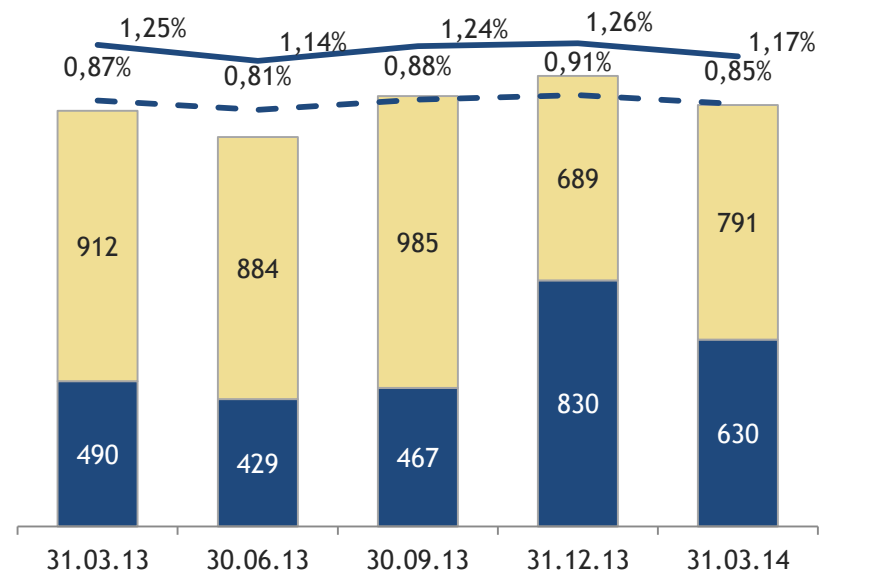
Impairment losses on loans/Non-performing and doubtful commitments

Impairment losses on loans



- Collective impairment losses on loans, MNOK
- Individual impairment losses on loans, MNOK
- Loss ratio in % of average gross loans
- Loss ratio in % of average gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt

Non-performing and doubtful commitments



- Doubtful commitments, MNOK
- Non-performing loans, MNOK
- Non-performing and doubtful commitments in % of gross loans
- Non-performing and doubtful commitments in % of gross loans incl. SB1 Boligkreditt and SB1 Næringskreditt

Agenda

Introduction to SpareBank 1 SR-Bank ASA

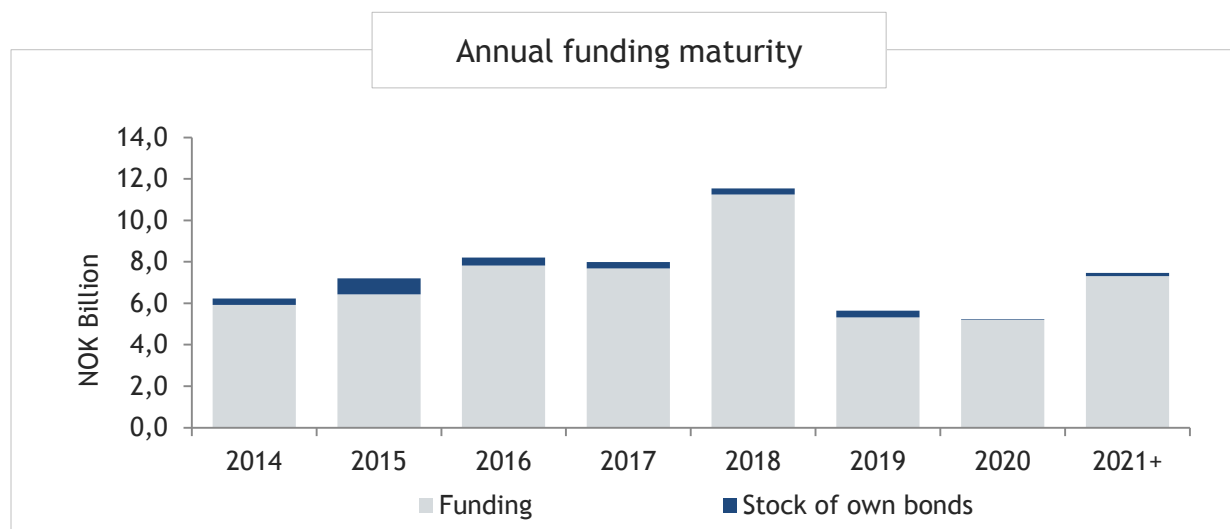
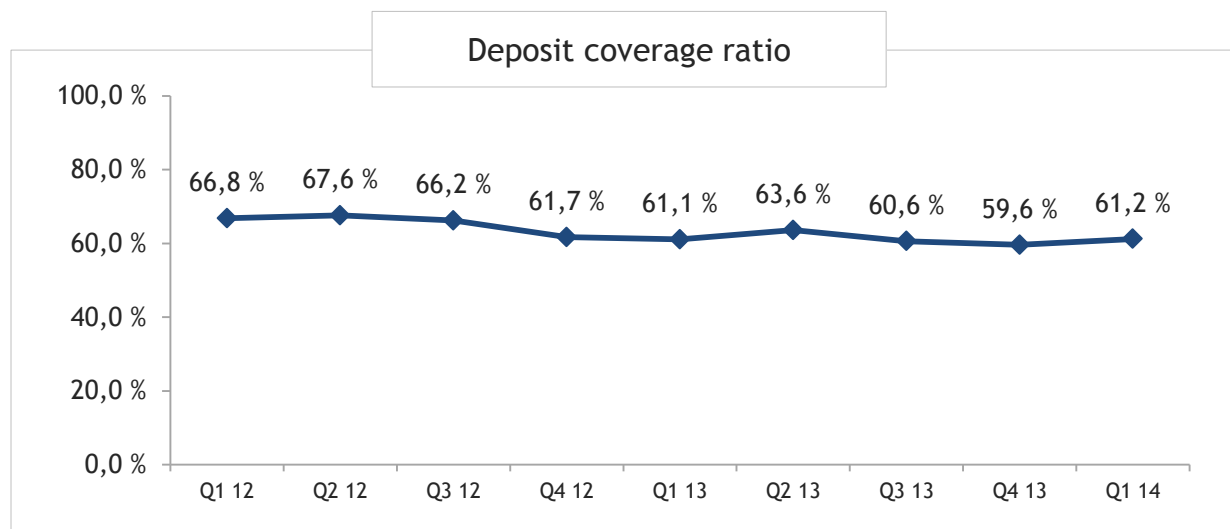
Financials

Solvency and liquidity position

Appendix

Deposit coverage ratio and market funding

- *Development in deposit coverage ratio reflects our funding strategy with a greater share of senior funding and the slightly reduced use of covered bond funding.*
- *Good liquidity and good access to market funding*
 - *Net refinancing need over the next 12 months is NOK 11.1 billion (excl. swap scheme)*
- *Liquidity buffer for normal operation in 30 months with closed markets.*
 - *In addition to the liquidity buffer, NOK 17.7 billion of home mortgages are prepared for transfer to SpareBank 1 Boligkreditt.*

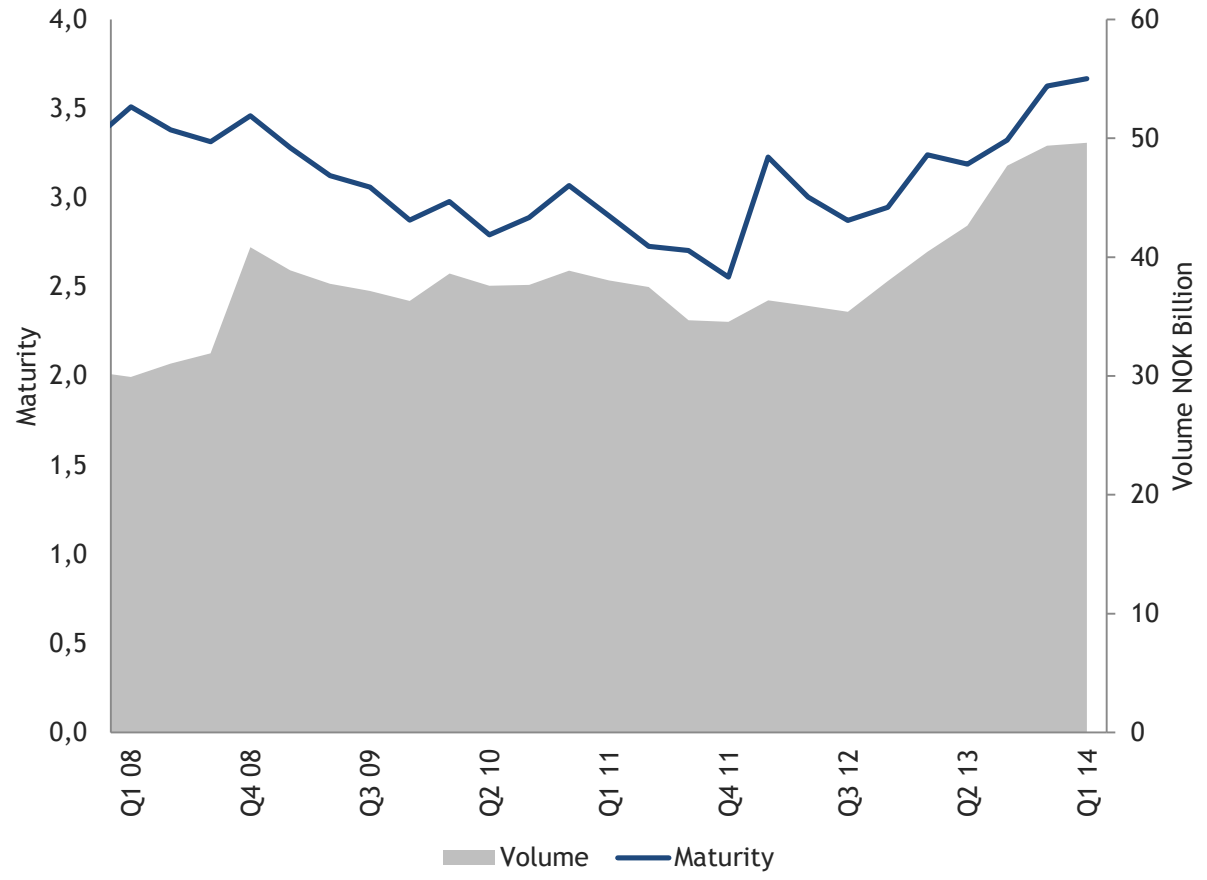


Significantly improved funding structure since 2008

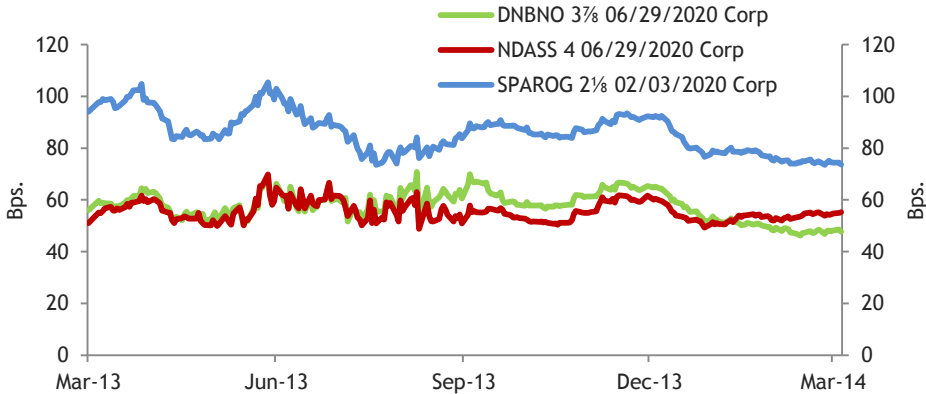
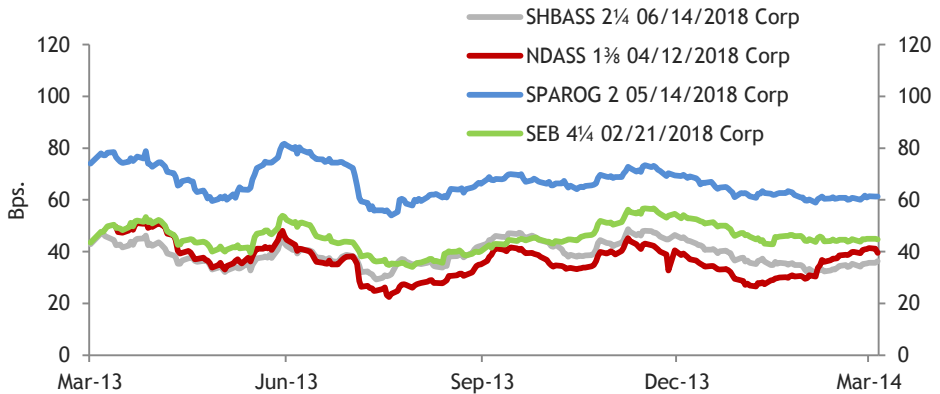
- Funding indicator 1 (ratio of illiquid assets financed by debt with a duration of more than 1 year) is increased to 110,3% for the parent bank and 107,7% on consolidated basis.*

 - *Seven outstanding euro-benchmarks (EUR 500 million) with due dates in each of the years 2015- 2021.*
 - *Issued EUR 750 million with a term to maturity of 7 years in April.*
- “Modified LCR” of 134%.*

Average life of long term funding (excl. covered bonds)



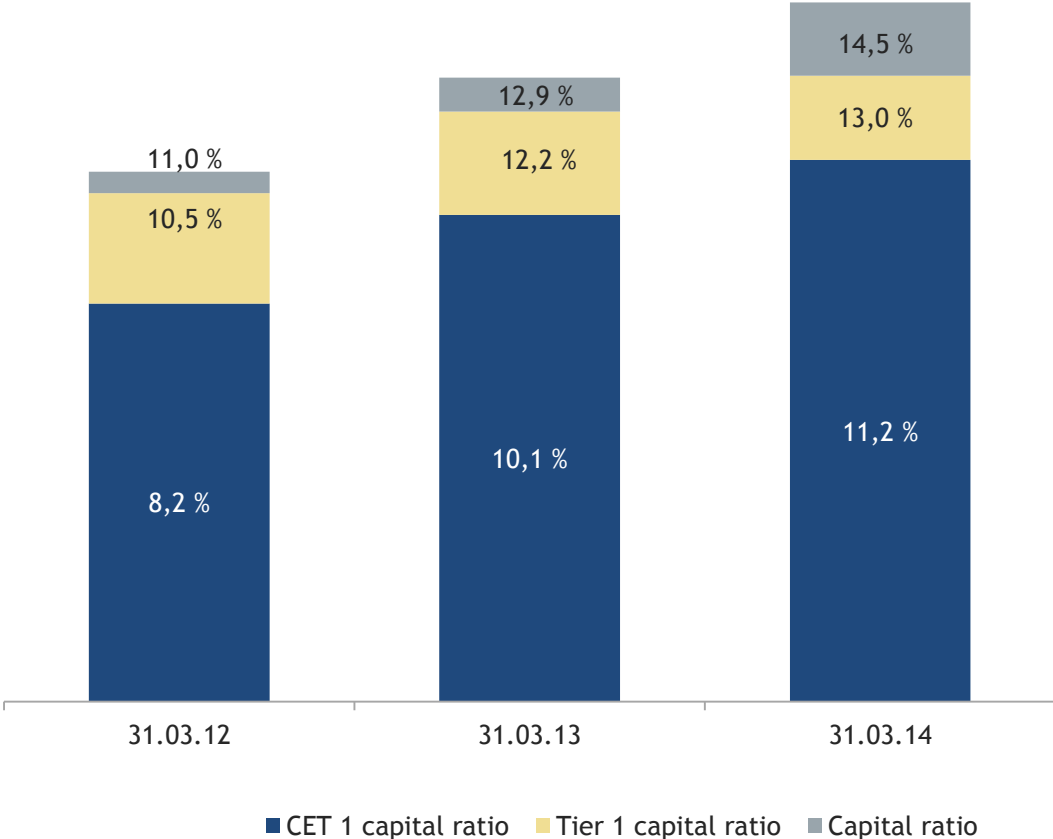
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SPAROG	3,625 %	EUR500mn	24-March-2015	XS0497119486
SR-Bank / SPAROG	3,500 %	EUR500mn	21-April-2016	XS0551556409
SR-Bank / SPAROG	3,500 %	EUR500mn	27-March-2017	XS0762421195
SR-Bank / SPAROG	2,000 %	EUR500mn	14-May-2018	XS0853250271
SR-Bank / SPAROG	2,125 %	EUR500mn	27-February-2019	XS0965489239
SR-Bank / SPAROG	2,125 %	EUR500mn	03-February-2020	XS0876758664
SR-Bank / SPAROG	2,125 %	EUR750mn	14-April-2021	XS1055536251

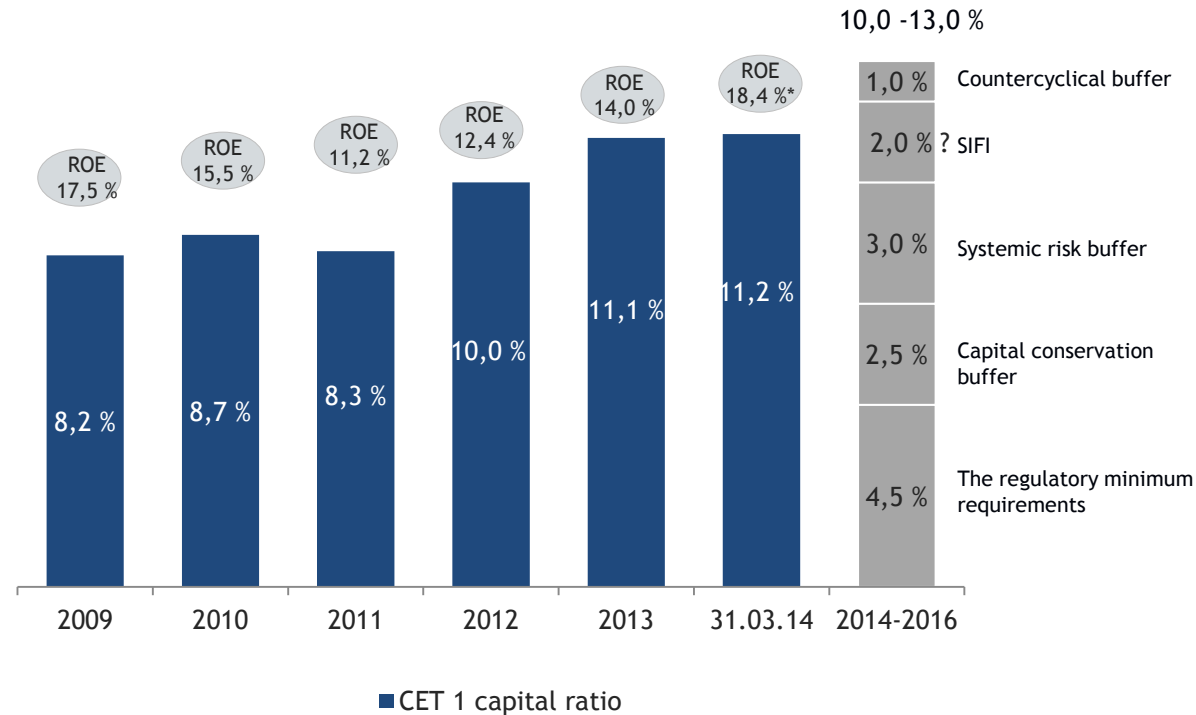
Stronger capital ratio - Basel I floor taken into account

- All figures according to "transitional rule" that the minimum requirement for IRB capital ratio can be reduced to maximum 80 % in relation to the Basel I rules will be in force until the end of 2017.
- 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.
- From 1 January 2014 the LGD floor increased from 10% to 20%. As a consequence the average risk-weighting for existing home mortgages increased from 9.6% at year-end 2013 to 18.1% at the end of the first quarter of 2014.



Common equity tier 1 being strengthened in line with the stricter regulatory requirements

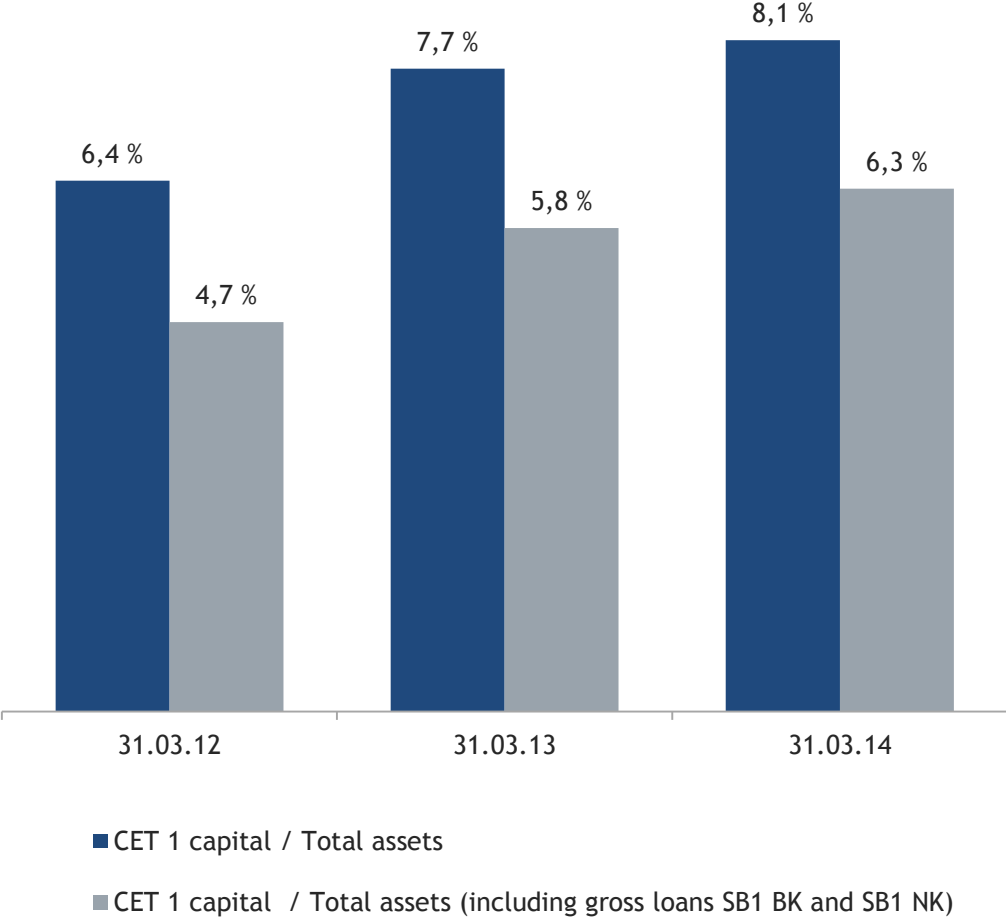
- *The new capital requirements entail a need to continue increasing common equity tier 1 capital*
- *Common equity tier 1 capital will be strengthened further through good profitability and retained earnings, combined with limited growth in risk weighted assets.*
- *The target CET 1 level will, over time, be 0.5-1.0% above the regulatory requirement.*



* ROE is 12,8 % in the first quarter of 2014 excl. capital gain on the bank's stake in Nets Holding AS .

Stronger core equity tier 1 capital ratio calculated on basis of unweighted balance sheet

- Core equity tier 1 capital ratio calculated on basis of unweighted balance sheet as of 31 March 2014 was 8.1% - 0.4 percentage points stronger than last year.
- Measured according to this expression of financial strength, SpareBank SR-Bank is very well capitalised and substantially exceeds the levels being discussed internationally.



Outlook

- Norwegian economic growth has slowed somewhat in the last year, but is expected to remain moderate going forward.
- Meanwhile, good activity in the petroleum sector, major infrastructure projects and increasing house building are helping to ensure good conditions for the region's business and population growth, with lasting low unemployment.
- Tougher general conditions combined with slightly greater uncertainty about economic developments may help to dampen demand for loans and continue to dampen the housing market. However, the competition for new home mortgage customers is intense and the interest rate for existing mortgages will be reduced with effect from 13 June 2014.
- Non-performance and loan impairment losses are expected to remain relatively low in 2014 as well.
- Continued improvement of financial strength and funding in line with new requirements. Will gradually adapt until the overall requirements have been clarified.
- Solid earnings from a diversified business model, as well as good access to new, long-term funding, indicates we are well positioned to build up the necessary capital going forward, while ensuring continued competitiveness.

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

Our vision: Recommended by customers

Primary objective

- SpareBank 1 SR-Bank ASA is committed to value creation in the bank`s core market area
- Sustainable contribution to the value creation process in the region through;
 - Sustainable an profitable business model
 - Owner friendly and stable dividend policy

Financial targets

- ROE above 13% at a normalised level of interest rates
- Top 50% ROE and cost/income in a Nordic benchmark
- CET1 capital ratio at 0.5-1.0% above the regulatory requirement

Strategic goals

- Most attractive and preferred partner for financial services in South-Western Norway, based on;
 - Good customer experience
 - Strong team spirit and professionalism
 - Local anchoring and local decisions
 - Solvency, profitability and trust by the market

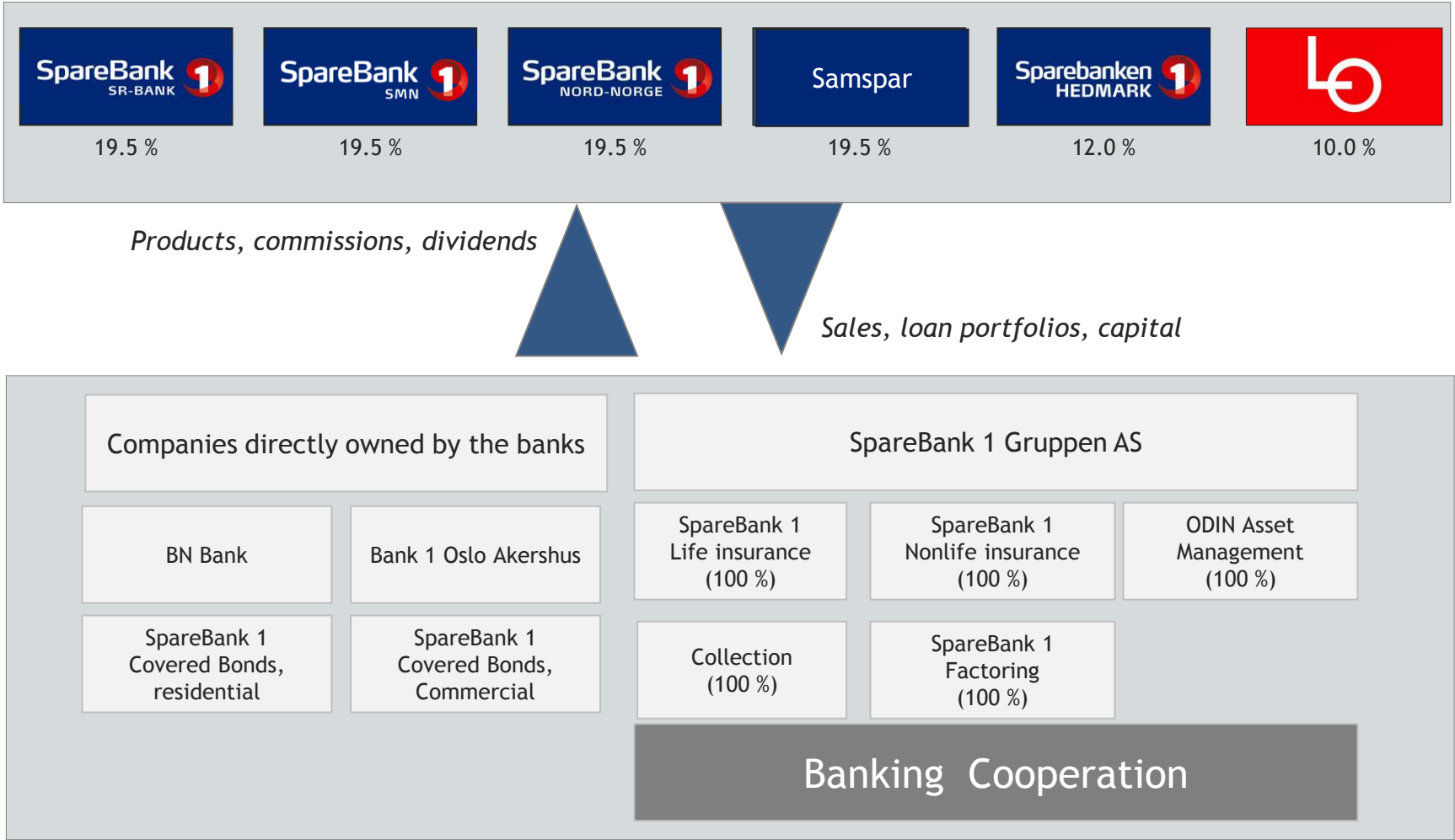
Strategic focus

- Targeted customer growth and increased product mix
- Innovative and continuing focus on efficiency
- Expertise adapted to future customer needs
- Diversified funding platform

SpareBank 1 Alliance

Owners of the alliance

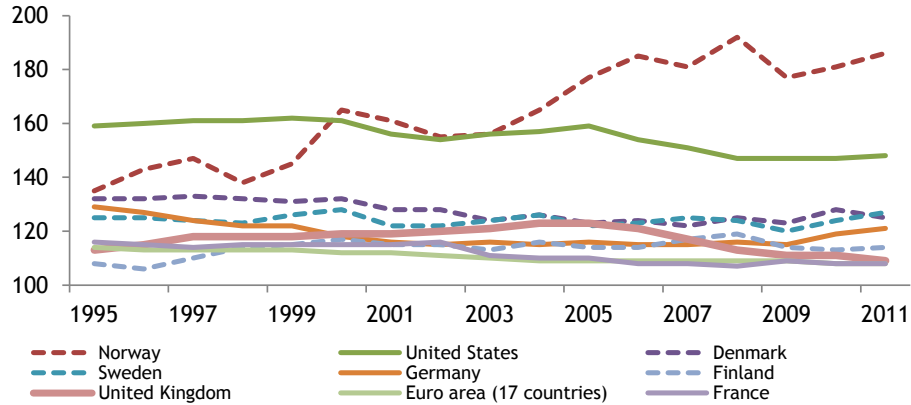
- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding



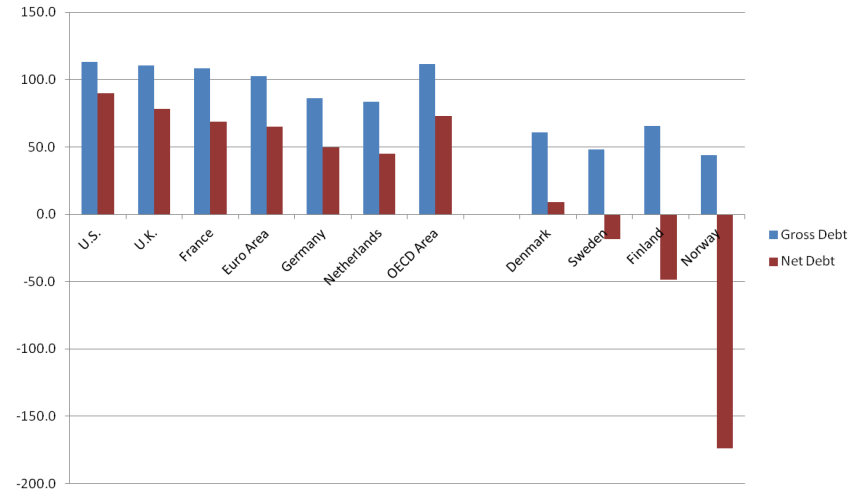
Norwegian Economy

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

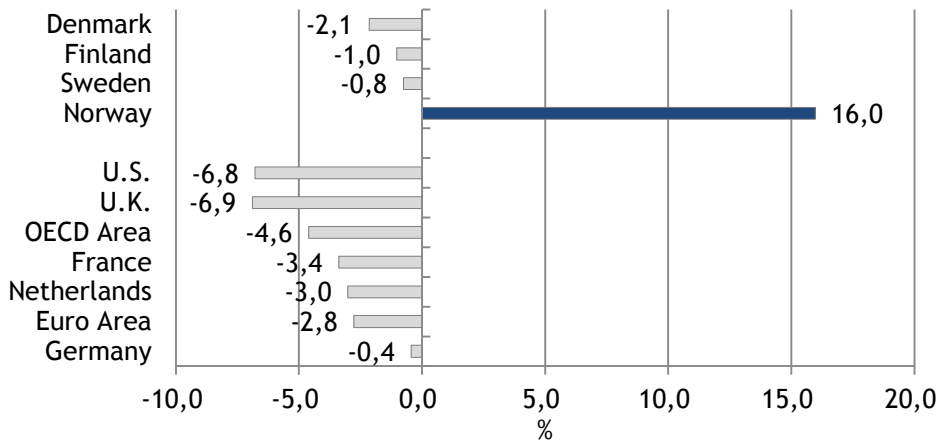
GDP per capita in PPS, index, EU 27 = 100



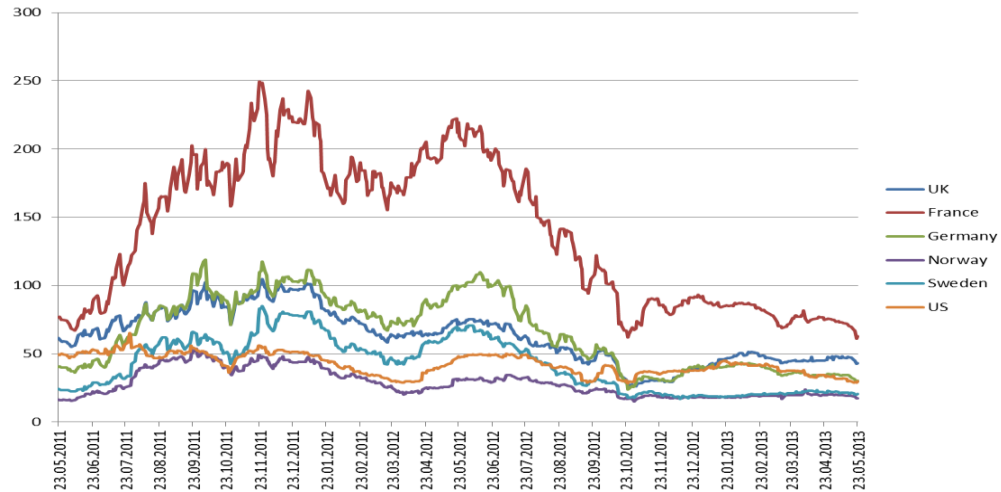
2013 governments financial liabilities (in per cent of GDP)



2013 expected government deficit/surplus (in per cent of GDP)



The market view; 5 year Sovereign CDS levels

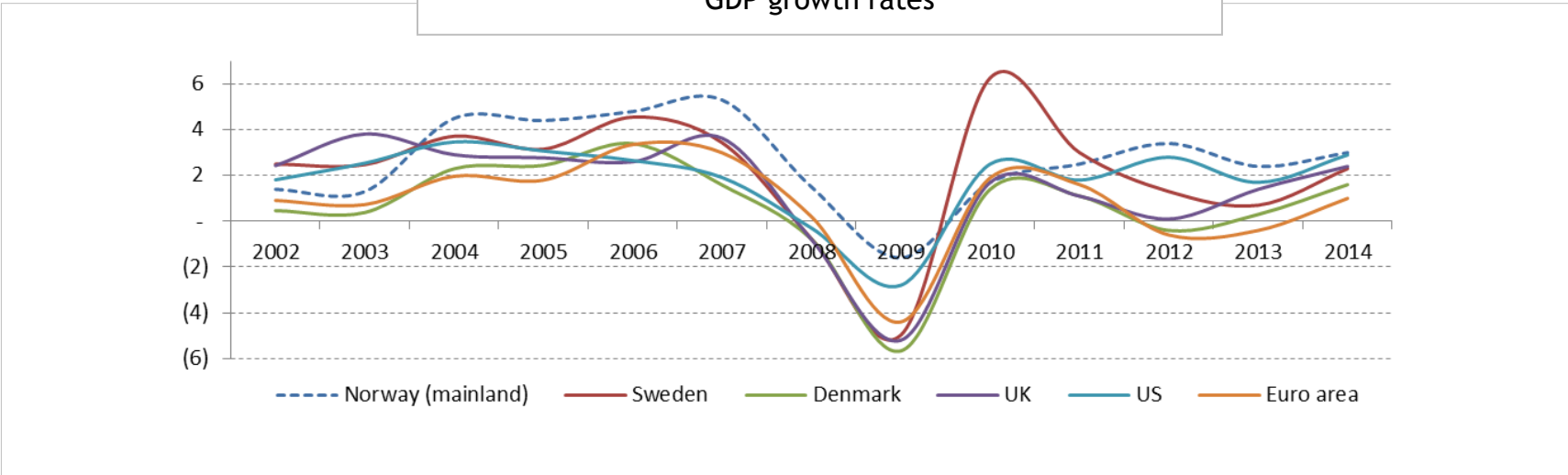


Norwegian Economy - international context

Unemployment rates



GDP growth rates

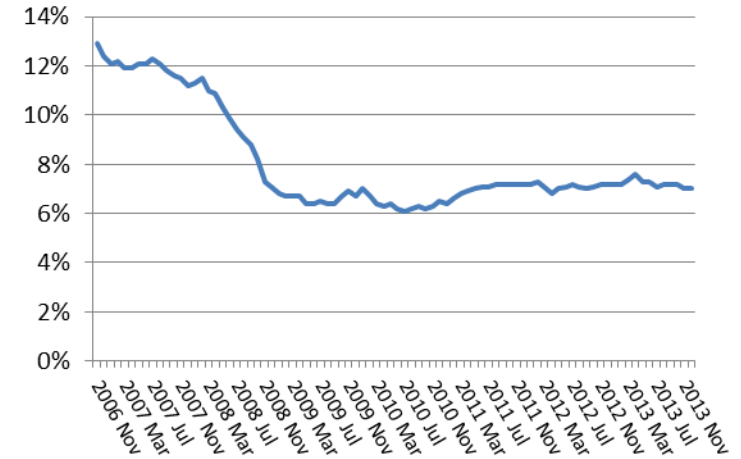


Norwegian Housing and Mortgage Market

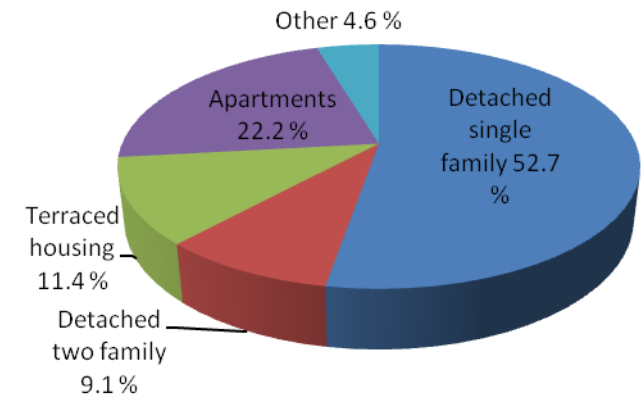
Key Characteristics

Market	<ul style="list-style-type: none"> Total mortgage market approx NOK 2,000 billion (approx USD 360bn, €260bn) Banks and credit institutions are the dominant supplier of mortgages with over 90% market share Typical maturity 25-30 years and repayment mortgages No subprime market
Home Ownership	<ul style="list-style-type: none"> 80% of households owner occupied (little buy to let) Amongst the highest home ownership in the world
Social Security	<ul style="list-style-type: none"> Generous unemployment benefits Unemployment benefit represents ca 60% of final salary for 104 weeks
Personal Liability	<ul style="list-style-type: none"> Borrowers are personally liable for their debt, also for outstanding debt post foreclosure and forced sale Swift foreclosure regime upon non-payment Individual borrowers have tight relationship with their lenders Transparent information about borrowers
Regulation	<ul style="list-style-type: none"> Max Loan to value: 85% (75% legal limit for cover pool) Interest only mortgages: max 70% LTV 5% mortgage interest rate increase as stress test New Proposed risk weighting for mortgages 35%
Interest Payments	<ul style="list-style-type: none"> 90-95% of mortgages are variable rate Interest rates can be reset at the lender's discretion, by giving the debtor 6 weeks notice
Tax Incentives	<ul style="list-style-type: none"> 28% of interest paid is tax deductible (equal to the basic rate of tax) Low effective real estate tax (lower net worth tax on real estate than financial assets)

Household Credit Growth Rate
(12 month growth rate)



Norwegian Mortgages (by dwelling type)



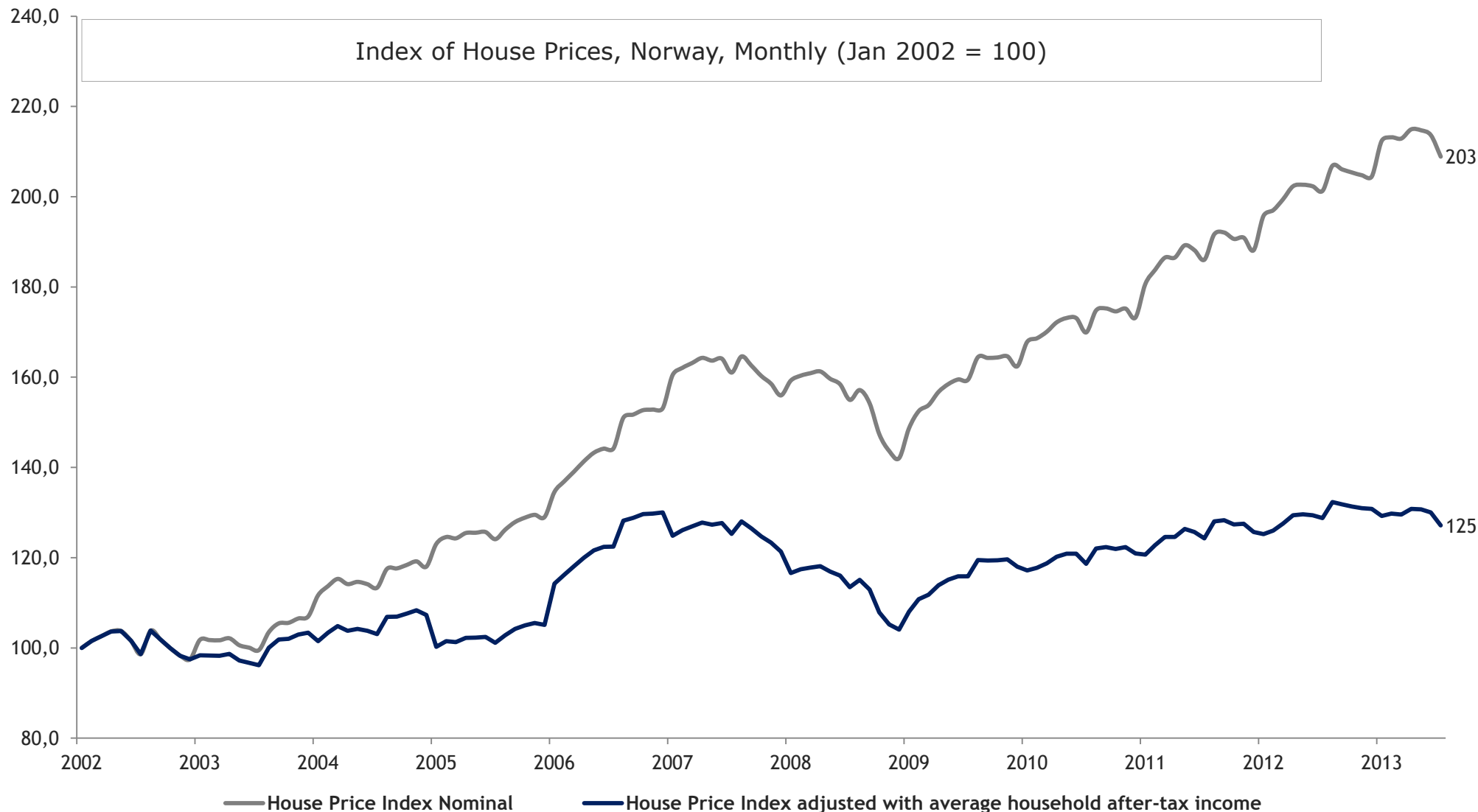
Norwegian Housing and Mortgage Market

Population Change and Completed Housing Units



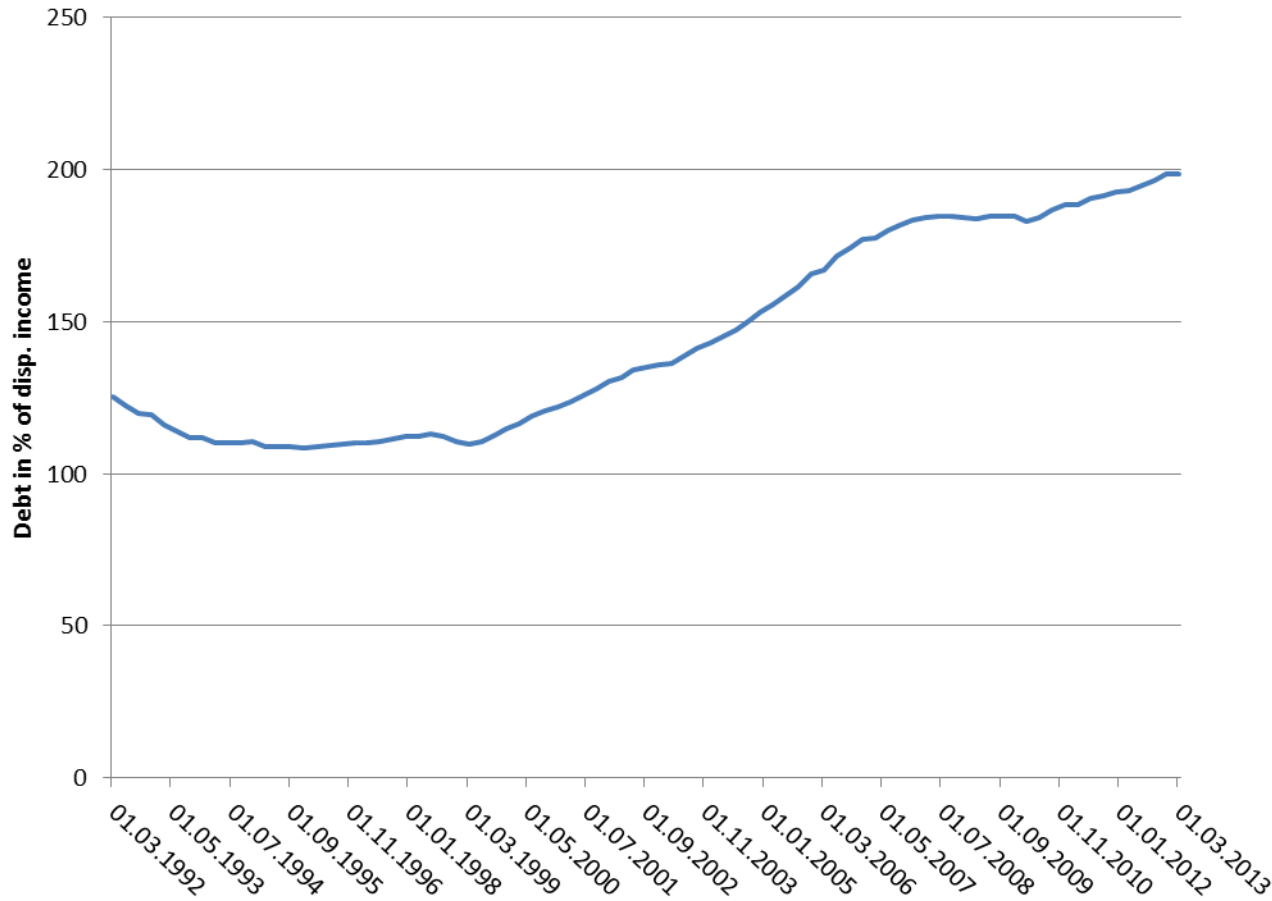
Norwegian Housing and Mortgage Market

- Nominal and real house price development



Aggregate Household Debt Burden

Total Debt burden in per cent of household income (after tax)



Norway:

- All HH debts included in the statistic, question of int'l comparability
- High home ownership (mortgage debt rather than rent commitments)
- Generous benefits (pensions, healthcare, education, childcare, maternity, unemployment)
- Income growth over the last decades has far outpaced the cost of necessities in the time period shown
- HH savings rate is high (8.6% in 2012): debt reduction possible
- FSA advises limit on mortgage debt underwriting in private banks: 85% LTV; 3x HH income; stress-test of ability to repay; effective from 2H 2011

Balance sheet

<i>Balance sheet (MNOK)</i>	31.03.2014	31.03.2013
Cash and balances with central banks	770	802
Balances with credit institutions	1.092	1.055
Net loans to customers	121.037	111.551
Certificates, bonds and other fixed-income securities	20.868	20.286
Financial derivatives	4.339	4.536
Shares, ownership stakes and other securities	1.154	676
Business available for sale	84	428
Investment in associates	4.910	4.708
Other	3.498	2.082
Total assets	157.752	146.124
Balances with credit institutions	4.801	5.959
Public deposits related to covered bond swap scheme	2.431	6.429
Deposits from customers	74.440	68.605
Listed debt securities	52.508	42.972
Financial derivatives	2.179	2.481
Other liabilities	2.659	2.659
Additional Tier 1 and Tier 2 capital instruments	4.065	4.027
Total liabilities	143.083	133.132
Total equity	14.669	12.992
Total liabilities and equity	157.752	146.124

Net commission and other income

<i>MNOK</i>	Q1 14	Q4 13	Q3 13	Q2 13	Q1 13
Payment facilities	57	59	66	56	52
Savings/placements	45	39	40	37	35
Insurance products	42	41	41	42	40
Commission income real estate (EM1)	100	108	101	127	97
Guarantee commission	27	23	29	26	26
Arrangement- and customer fees	31	45	15	14	17
Other	13	7	7	12	11
Net commission and other income excl. SB1 Boligkreditt and SB1 Næringskreditt	315	322	299	314	278
Commission income SB1 Boligkreditt and SB1 Næringskreditt	165	167	167	151	126
Net commission and other income incl. SB1 Boligkreditt and SB1 Næringskreditt	480	489	466	465	404

Net income on investment securities

<i>MNOK</i>	Q1 14	Q4 13	Q3 13	Q2 13	Q1 13
Dividend	18	-2	3	32	0
Investment income, associates	81	95	130	31	99
Securities gains/losses	205	13	-38	-55	-1
- of which capital change in shares and certificates*	220	42	11	-28	21
- of which capital change in certificates and bonds	-15	-29	-49	-27	-22
Currency/interest gains/loans	15	89	42	54	63
- of which currency customer- and own-account trading	24	46	24	35	30
- of which IFRS-effects	-9	43	18	19	33
Net income on investment securities	319	195	137	62	161

* Includes income of NOK 202 million in the first quarter of 2014 due to capital gain on the bank's stake in Nets Holding AS. *The sale is expected to be completed in the second quarter of 2014.*

Subsidiaries

<i>MNOK</i>	31.03.14	31.03.13
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	1.772	1.701
Operating profit before tax	9,2	7,8
SpareBank 1 SR-Finans AS		
Total assets (BNOK)	6,5	6,1
Operating profit before tax	35,6	36,3
SR-Forvaltning AS		
Portfolio (BNOK)	6,9	6,4
Operating profit before tax	6,3	4,8
SR-Investering AS		
Operating profit before tax	12,6	8,5
Other		
Operating profit before tax	0,2	-0,3
Total subsidiaries		
Profit before tax	63,9	57,0

Ownership interests

<i>MNOK</i>	31.03.14	31.03.13
SpareBank 1 Gruppen AS (19,5 % interest ownership)		
Profit after tax	48,5	61,4
Adjusted profit previous years	-4,2	-1,6
SpareBank 1 Boligkreditt AS (26,2 % interest ownership)		
Profit after tax	10,3	19,8
Adjusted profit previous years	1,9	0,0
SpareBank 1 Næringskreditt AS (27,0 % interest ownership)		
Profit after tax	8,1	1,6
Adjusted profit previous years	0,7	0,0
BN Bank ASA (23,5 % interest ownership)		
Profit after tax	17,5	15,5
Amortised	0,0	2,9
Other		
Profit after tax	-1,9	-0,8
Total ownership interests		
Profit after tax	80,9	98,9

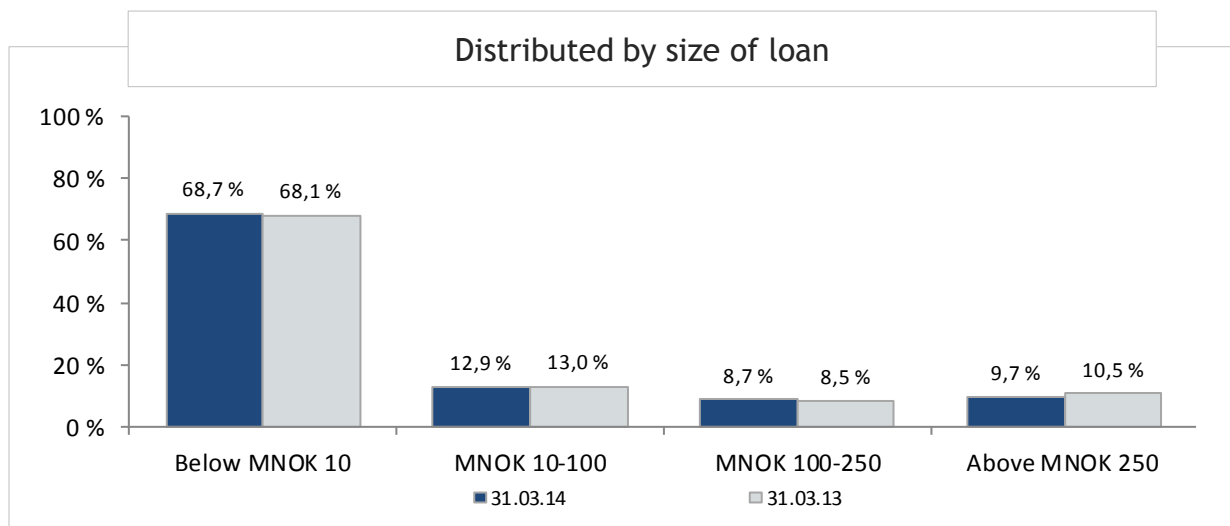
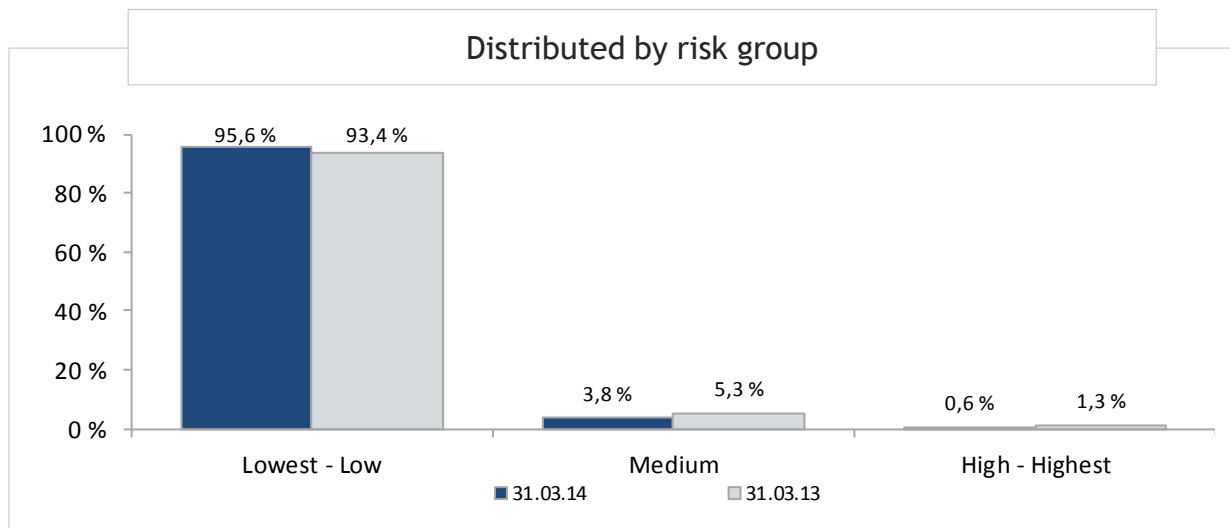
Impairment losses on loans and guarantees

	Q1 14	Q4 13	Q3 13	Q2 13	Q1 13
<i>Losses on loans in income statement (MNOK)</i>					
Corporate customers	53	87	9	22	27
Retail customers	-1	-7	23	3	-2
Change in collective impairment losses on loans	2	-30	0	0	0
Net impairment losses on loans	54	50	32	25	25
	31.03	31.12	30.09	30.06	31.03
<i>Impairment losses on loans (MNOK)</i>	14	13	13	13	13
Corporate customers	329	382	293	311	336
Retail customers	53	64	104	78	95
Collective impairment losses on loans	304	302	332	332	332
Total impairment losses on loans	686	748	729	721	763

Risk profile of the loan portfolio

- 95.6% of the loan portfolio satisfies the criteria for low and the lowest risk. Expected losses in this portion of the portfolio are very limited at 0.04%.
- Exposure to high or the highest risk accounts for 0.6%. Expected losses in this portion of the portfolio are 4.19%.
- 68.7% is to loans constituting exposures less than NOK 10 million.
- 18.4% is to customers who have an exposure in excess of NOK 100 million. The credit quality in this portion of the portfolio is better than in the rest of the corporate market portfolio.

* Expected loss through a business cycle

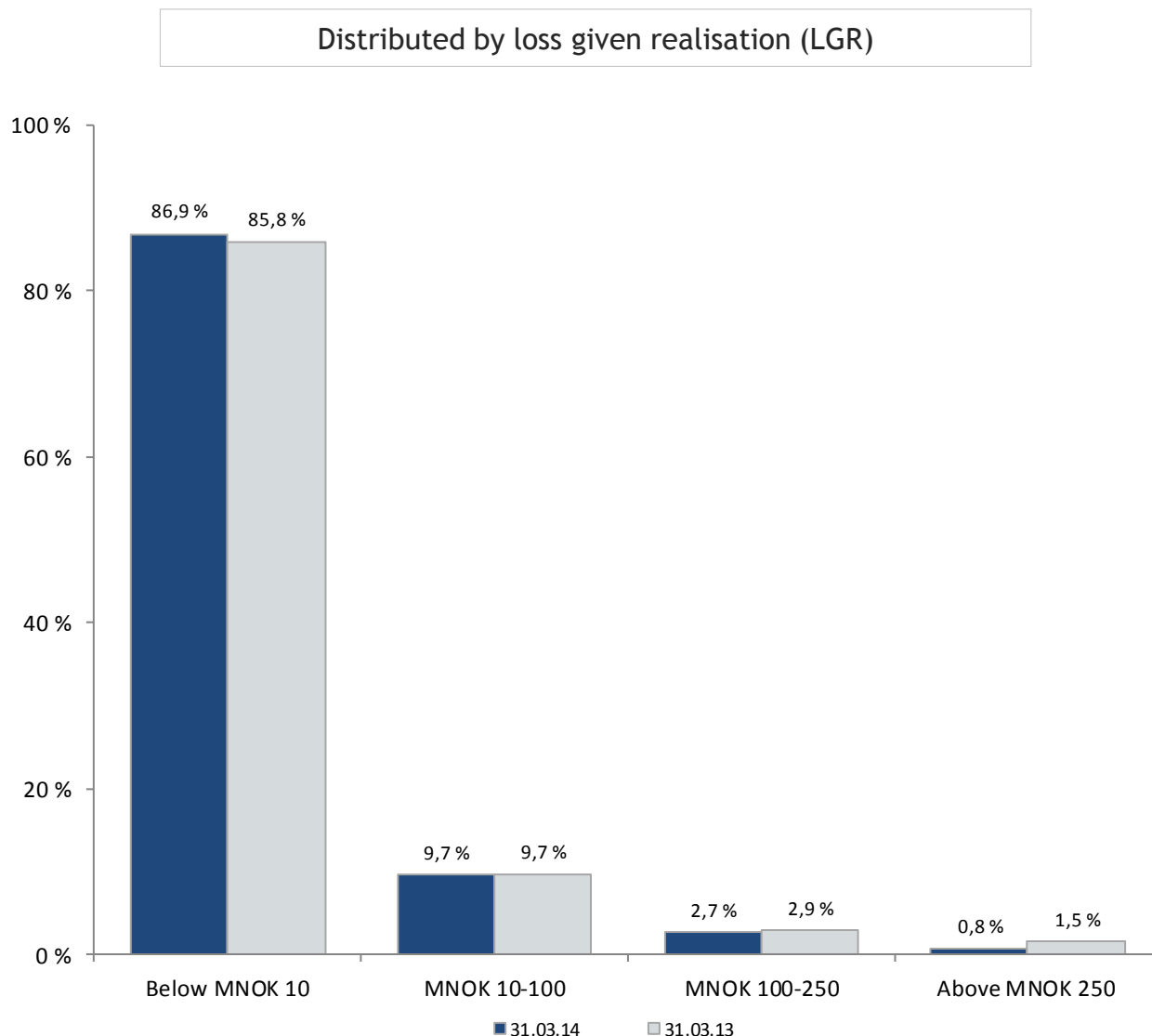


Low concentration of individual LGRs in the lending portfolio

- At the end of Q1, SpareBank 1 SR-Bank had a total of 19 commitments with estimated loss potential exceeding NOK 100 million.
- These commitments represent approximately 3.5% of the total portfolio.
- This is a reduction from Q1 2013 when 24 such commitments made up 4.4% of the portfolio.
- There is a clearly defined strategy behind this composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

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

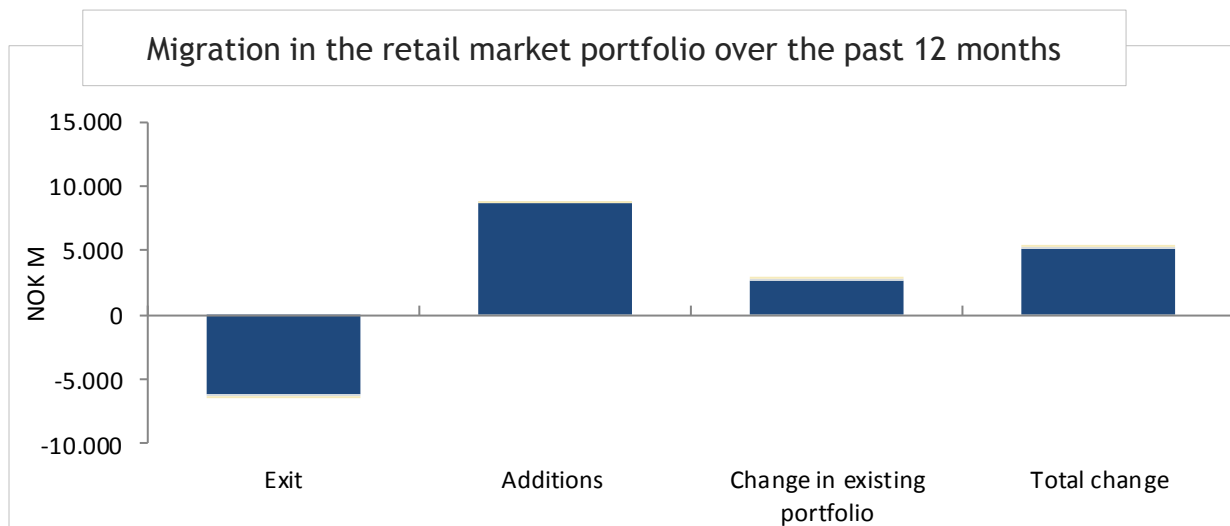
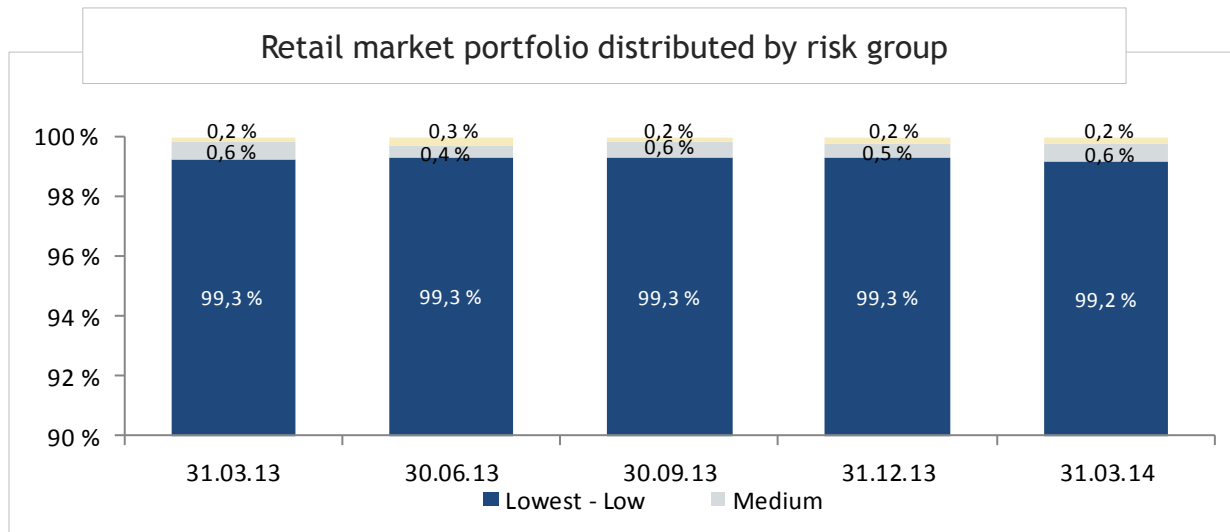
The figures include lending portfolios in SB1 Boligkreditt and SB1 Næringskreditt.



Lending to the retail market - risk profile

- *The quality of the retail market portfolio is considered very good and with low potential losses.*
- *The development is characterised by stability, and 99.2% are assessed to represent a low or the lowest risk.*
- *Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.*

■ Lowest - Low risk, expected losses	0 % - 0.50 %
■ Medium risk, expected losses	0.50 % - 2.00 %
■ High - Highest risk, expected losses	over 2.00 %

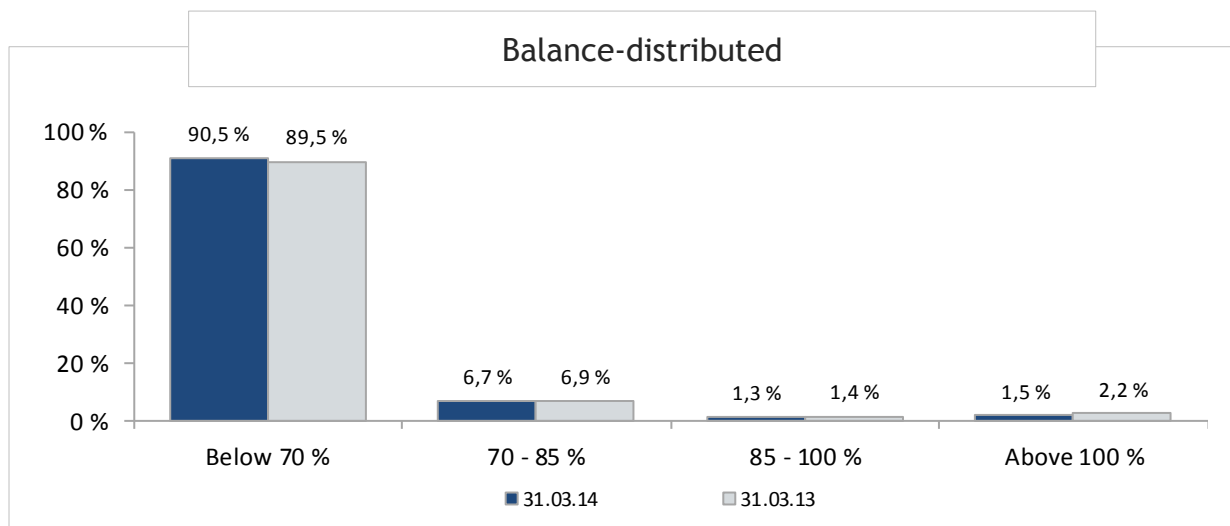
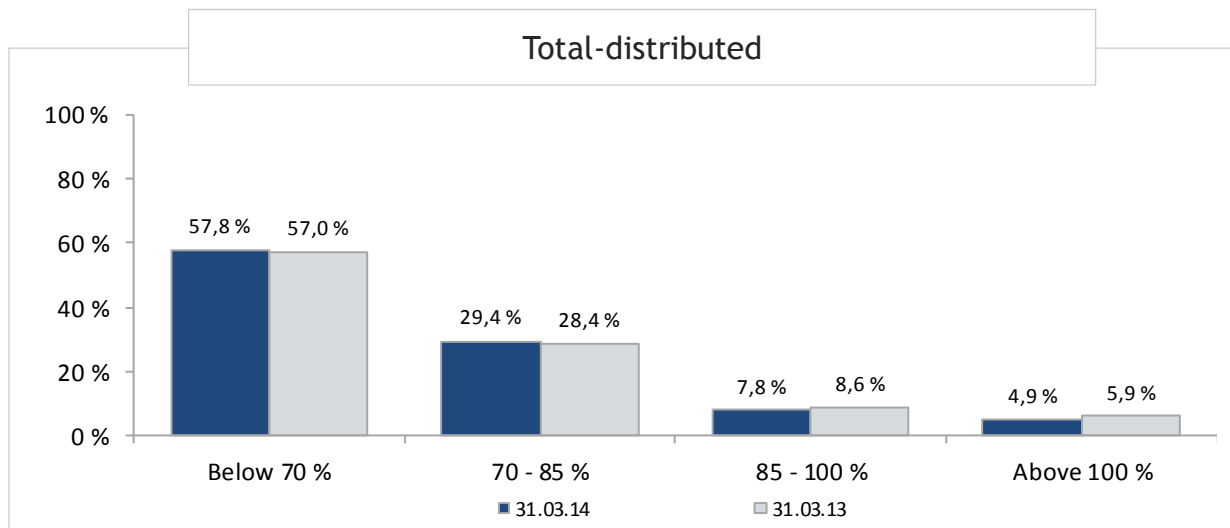


Figures include the portfolio sold to SpareBank 1 Boligkreditt AS.

Loan to value ratio on home mortgage loans (excl Boligkreditt)

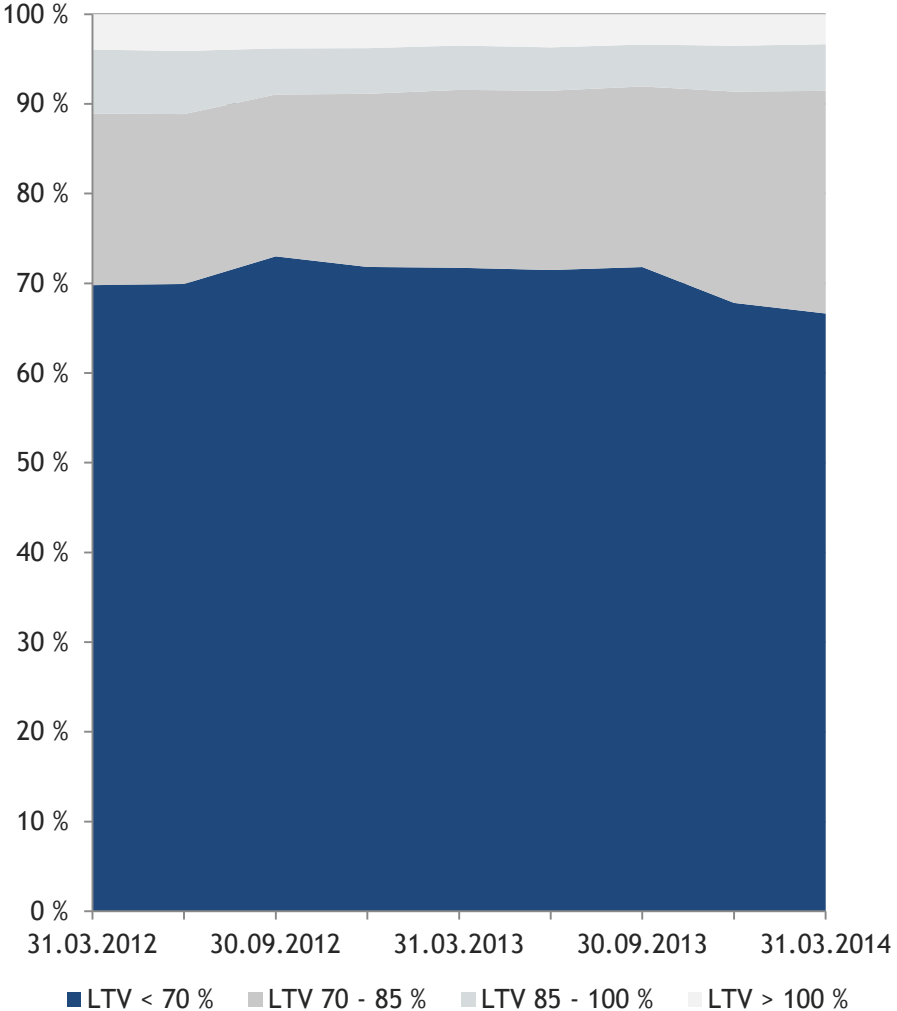
- SpareBank 1 SR-Bank has in the last year introduced restrictions to reduce the risk associated with new mortgages. These include stricter equity requirements and liquidity assessments when buying property, as well as more thorough risk assessments.
- There is an increasing proportion of loans within 70% LTV as well within 85% LTV.
- 97.2% of the exposure is within 85% of the collateral's value, and 2.8% of the exposure exceeds 85% of the collateral's value.

In a balance-distributed loan to value ratio, for loans that exceed 70% of the collateral's estimated market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

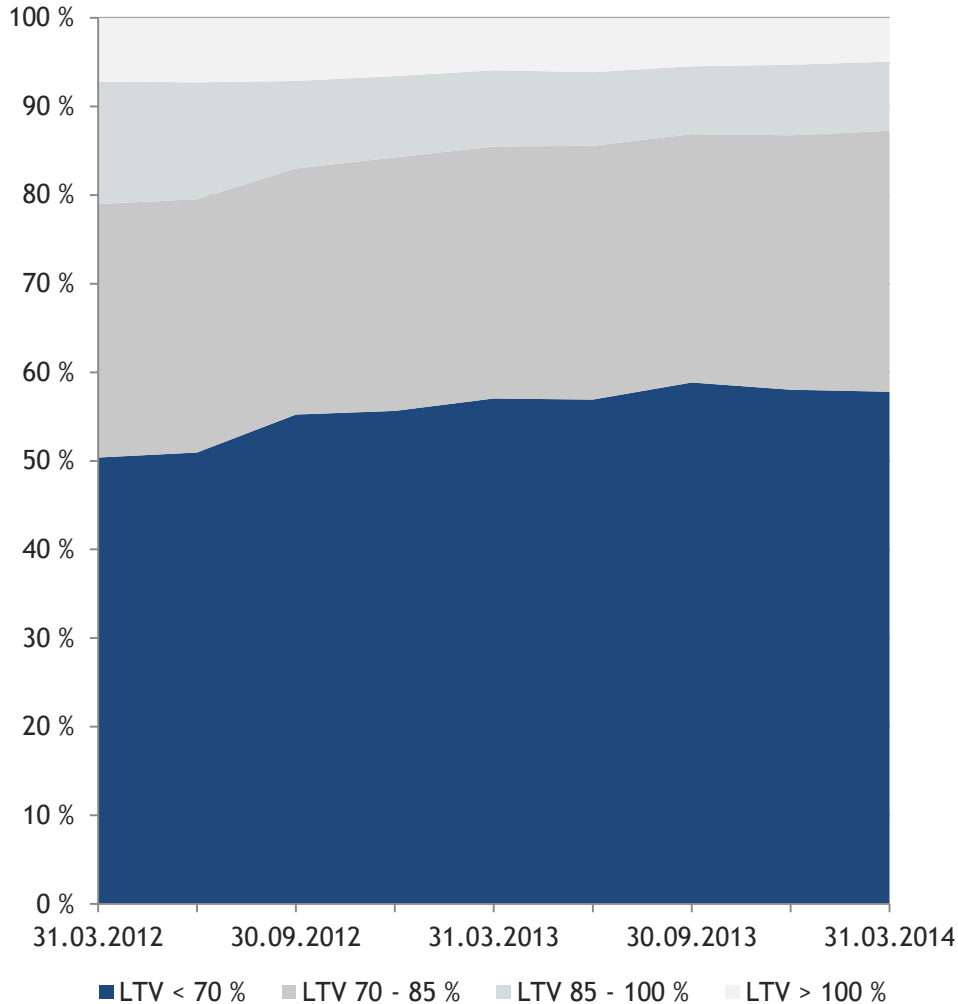


Historical LTV development for home mortgage loans

Total incl. SpareBank 1 Boligkreditt AS

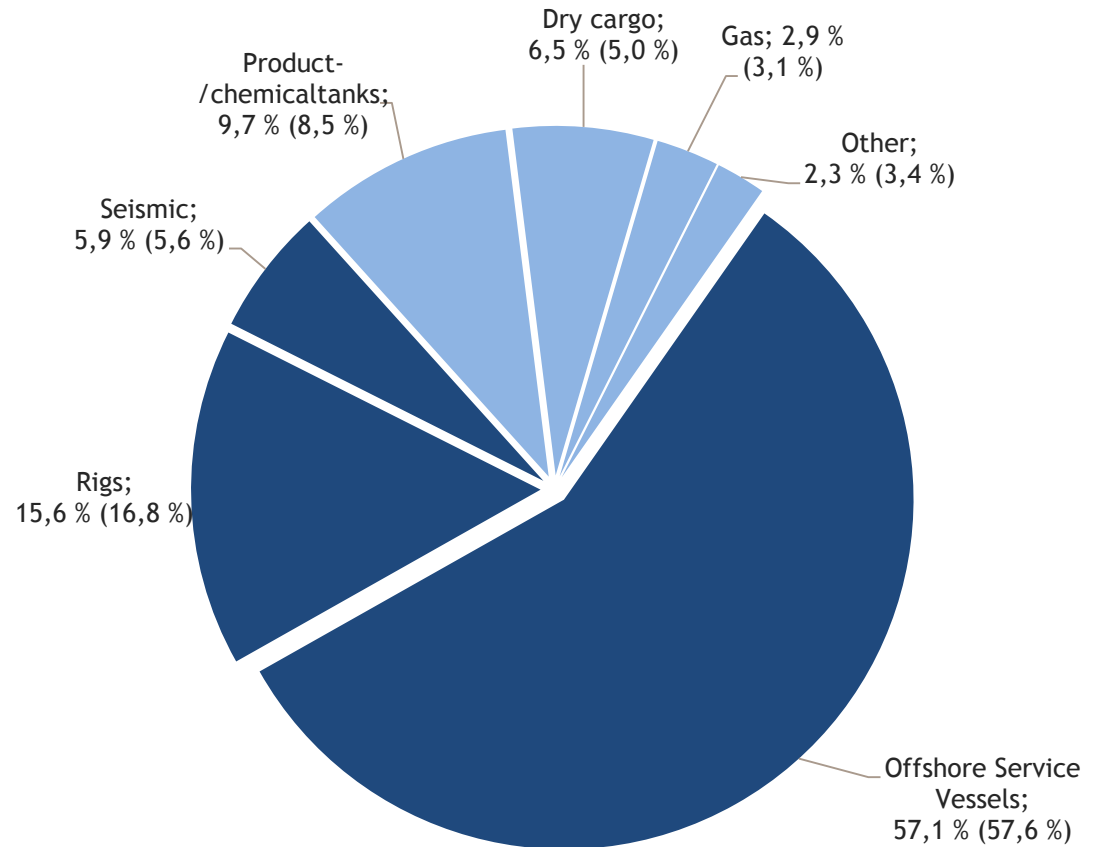


SpareBank 1 SR-Bank ASA



Low exposure to the shipping segment

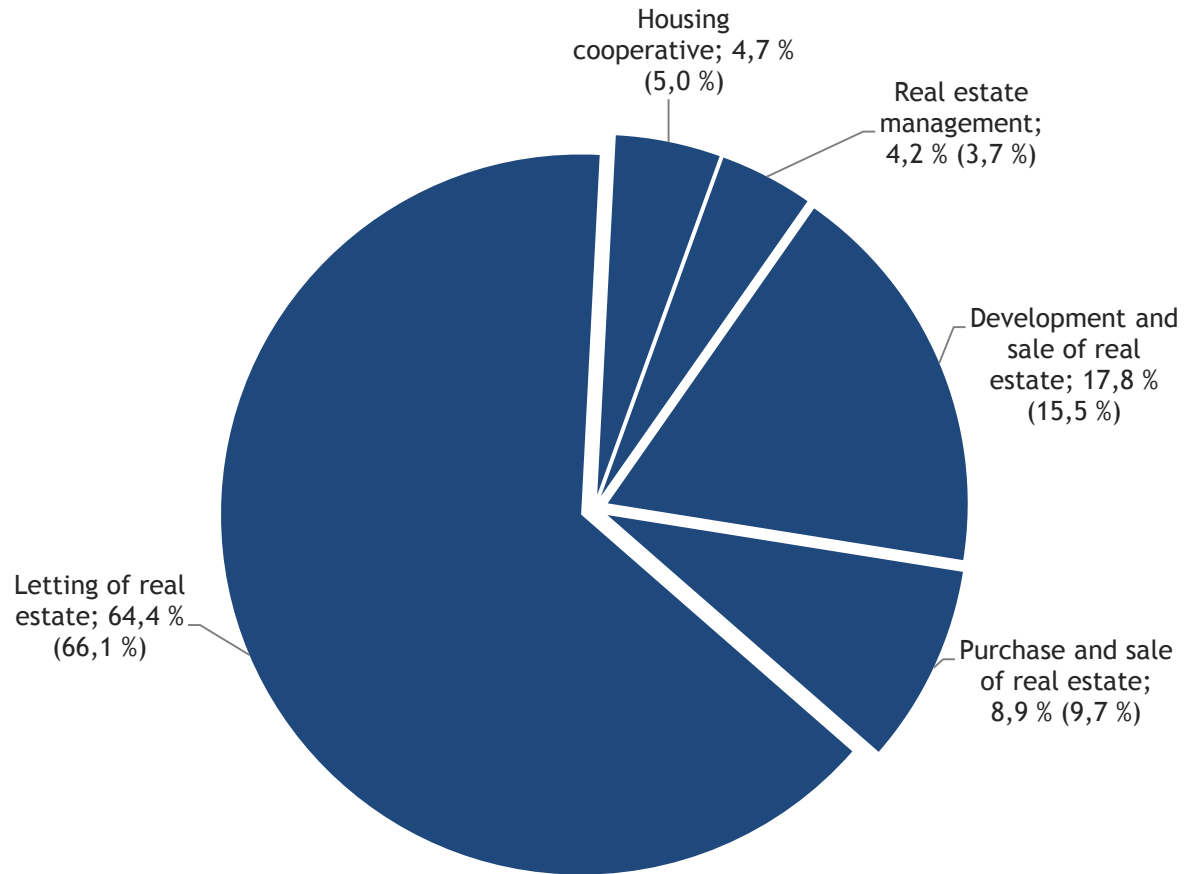
- Lending to conventional shipping is low and represents 1.4% of total loans
- Lending to the offshore sector represents 5.2% of total loans
- Lending, undrawn credit limits and guarantees to these sectors total NOK 11.1 billion.
 - 21.4% of the exposure is to conventional shipping
 - 78.6% of the exposure is to the offshore sector



Sector allocation in accordance with the standard categories from Statistics Norway. Figures as at 31.03.2013 in brackets.

Lending to commercial property

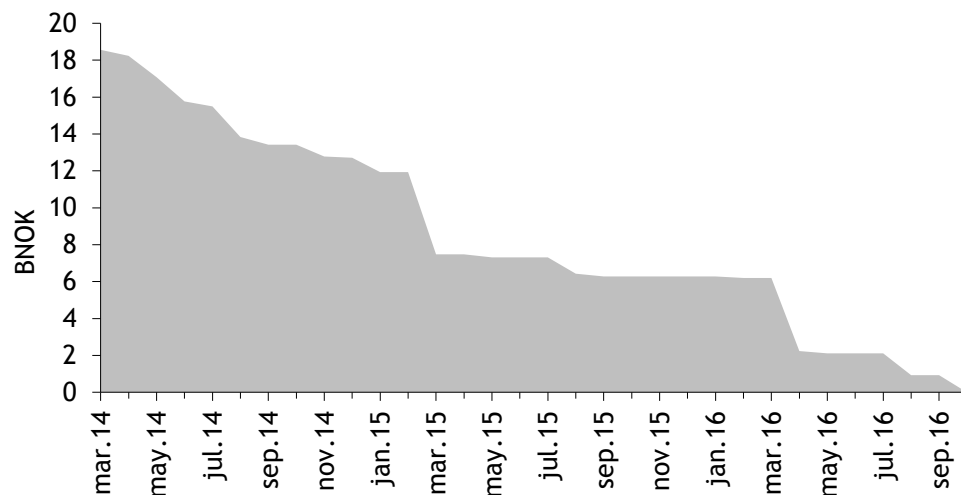
- *Lending to commercial property constitutes 15.5% of total loans, which is an increase of 0.3% compared with the same time last year.*
- *The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited. Interest rates for a significant portion of this portfolio have been hedged.*



Sector allocation in accordance with the standard categories from Statistics Norway. Figures as at 31.03.2013 in brackets.

Liquidity portfolio

Liquidity buffer - survival period



Liquidity portfolio

Category	Market value, MNOK	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	801	4 %	0
SSA/Foreign guaranteed	3.679	21 %	0
Covered bonds (Norwegian/foreign)	12.189	68 %	0
Norwegian bank/finance	593	3 %	0
Foreign bank/finance	231	1 %	41
Industry/Other	347	2 %	0
Total liquidity portfolio	17.839	100 %	41

- *Liquidity buffer at the end of the quarter: NOK 18.6 billion*
- *Other liquid assets:*
 - *Home mortgages prepared for transfer to mortgage company: NOK 17.7 billion*
 - *Commercial paper and bonds in the trading portfolio: NOK 0.3 billion*

Liquidity buffer: cash, short-term investments, highly liquid bonds (including drawing rights in Norges Bank).

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

Investments in bonds and certificates

- *Most of the bond portfolio is managed as part of the liquidity management activities. Bonds held for liquidity purposes are generally very low risk.*
- *No direct exposure to debt in EU peripheral countries.*

Risk category	Rating	Market value	Share
Very low risk	AAA, AA+, AA og AA-	16.966	81,8 %
Low risk	A+, A og A-	294	1,4 %
Moderat risk	BBB+, BBB og BBB-	631	3,0 %
High risk	BB+, BB og BB-	96	0,5 %
Very high risk	B+ og lavere	169	0,8 %
<i>Total excl. Government swap scheme</i>		<i>18.156</i>	<i>87,6 %</i>
Government swap scheme	AAA	2.579	12,4 %
<i>Total portfolio</i>		<i>20.736</i>	<i>100,0 %</i>
<i>Of which liquidity purposes:</i>			
Very low risk	AAA, AA+, AA og AA-	16.966	83,1 %
Low risk	A+, A og A-	292	1,4 %
Moderat risk	BBB+, BBB og BBB-	581	2,8 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ og lavere	0	0,0 %
<i>Total liquidity portfolio</i>		<i>17.839</i>	<i>87,4 %</i>
Government swap scheme	AAA	2.579	12,6 %
<i>Total liquidity purposes</i>		<i>20.419</i>	<i>100,0 %</i>
<i>Of which trading purposes:</i>			
Very low risk	AAA, AA+, AA og AA-	0	0,0 %
Low risk	A+, A og A-	2	0,6 %
Moderat risk	BBB+, BBB og BBB-	50	15,7 %
High risk	BB+, BB og BB-	96	30,2 %
Very high risk	B+ og lavere	169	53,1 %
<i>Total trading portfolio</i>		<i>318</i>	<i>100,0 %</i>

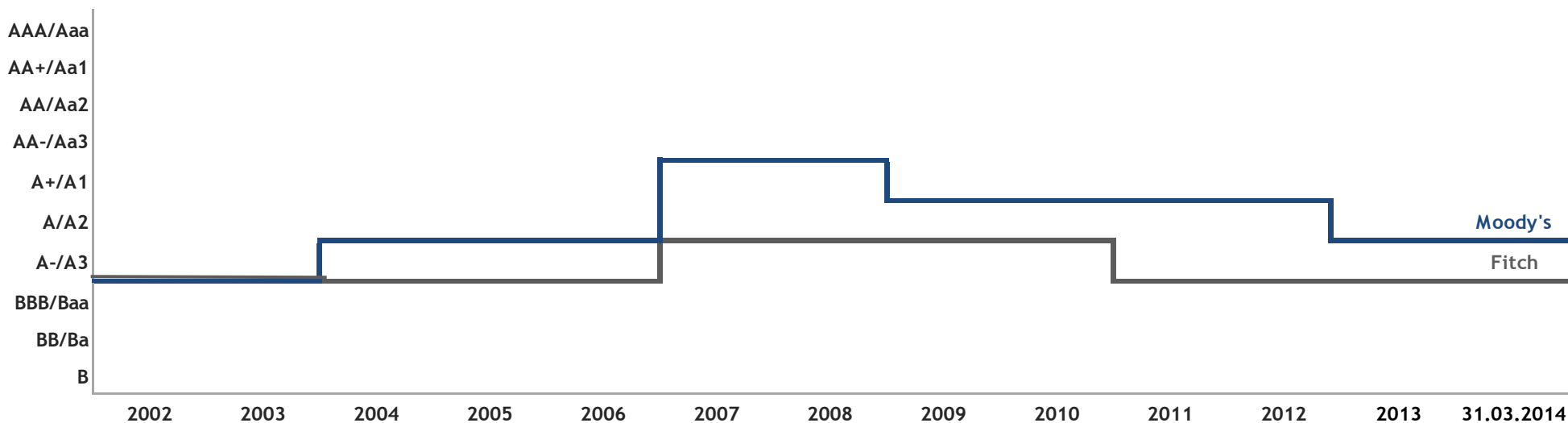
All amounts in MNOK.

Rating

Moody's	
Long-term debt	A2
Outlook	Stable
Updated	30 August 2013

Fitch	
Long-term IDR	A-
Outlook	Stable
Updated	9 April 2014

Ratinghistory



SRBANK as at 31 March 2014

- **Ownership interests:**
 - From Rogaland, Agder-counties and Hordaland: 49.2%
 - International: 18.9%
 - 10 largest: 58.2%
 - 20 largest: 65.7%
- **Number of owners: 10 936 (11 870)**
- **Employees owning 1.8%**
- **Trading volume in Q1 2014: 7.6% (7.6%)**

	31.03.2014	2013	2012	2011	2010
Share price	60,75	60,25	37,20	40,70	57,00
Stock value (MNOK)	15.537	15.409	9.514	5.182	7.257
Book value per share, NOK (group)	57,45	55,00	49,48	48,75	47,45
Earnings per share	2,58	7,28	5,32	5,42	6,84
Dividend per share	n.a.	1,60	1,50	1,50	2,75
P/E	5,89	8,28	6,99	7,51	8,33
P/BV (group)	1,06	1,10	0,75	0,83	1,20

“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.”

Contact Details

Address

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-mail.
arne.austreid@sr-bank.no



Inge Reinertsen
CFO

Tel.
+47 909 95 033

E-mail.
inge.reinertsen@sr-bank.no

Investor Relations



Vidar Torsøe
VP Investor Relations

Tel.
+47 970 80 656

E-mail.
vidar.torsoe@sr-bank.no

Short-/long-term funding



Dag Hjelle
Head of Treasury

Tel:
+47 51 50 94 37

e-mail:
dag.hjelle@sr-bank.no