



Together we achieve the impossible

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 22.1 Billion
- Total assets: NOK 224.0 Billion
- Total lending: NOK 193.5 Billion
- Total deposits: NOK 105.8 Billion
- No. of branches: 36
- Employees: 1.153



- **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”).

	Banks	Market share
1	DnB Bank	28.6
2	Nordea Bank Norge (Swedish)	12.0
3	Danske Bank (Danish)	6.1
4	Handelsbanken (Swedish)	5.1
5	SpareBank 1 SR-Bank	4.7



Arne Austreid
CEO

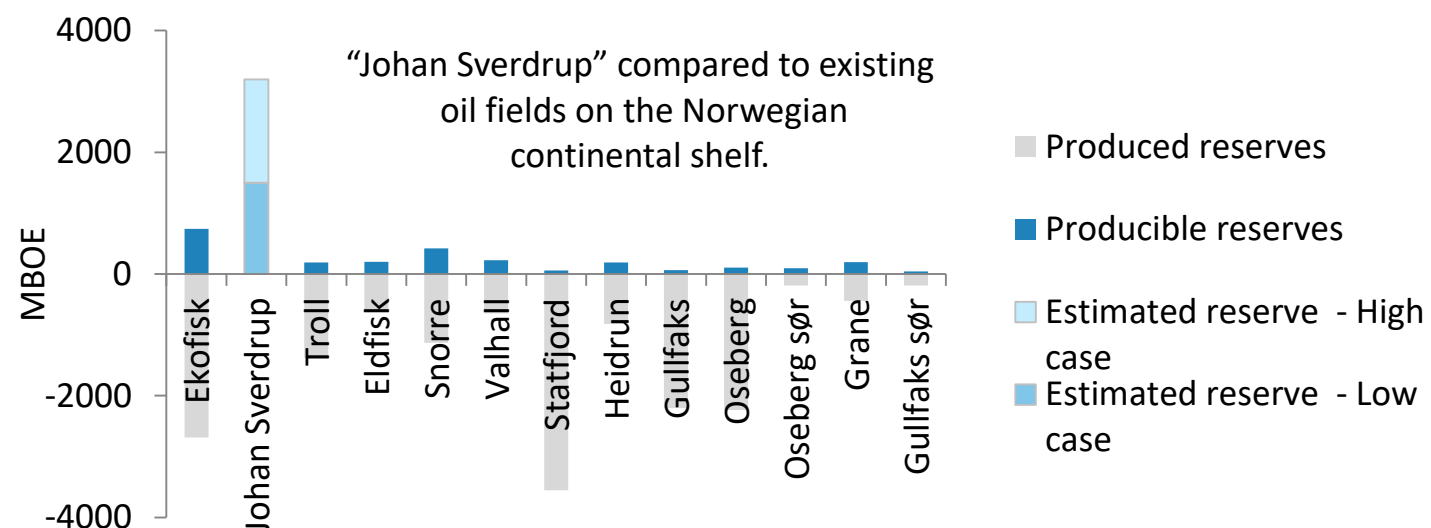
Headquarter: Stavanger

Bjergsted Terrasse 1
Postboks 250
4066 Stavanger

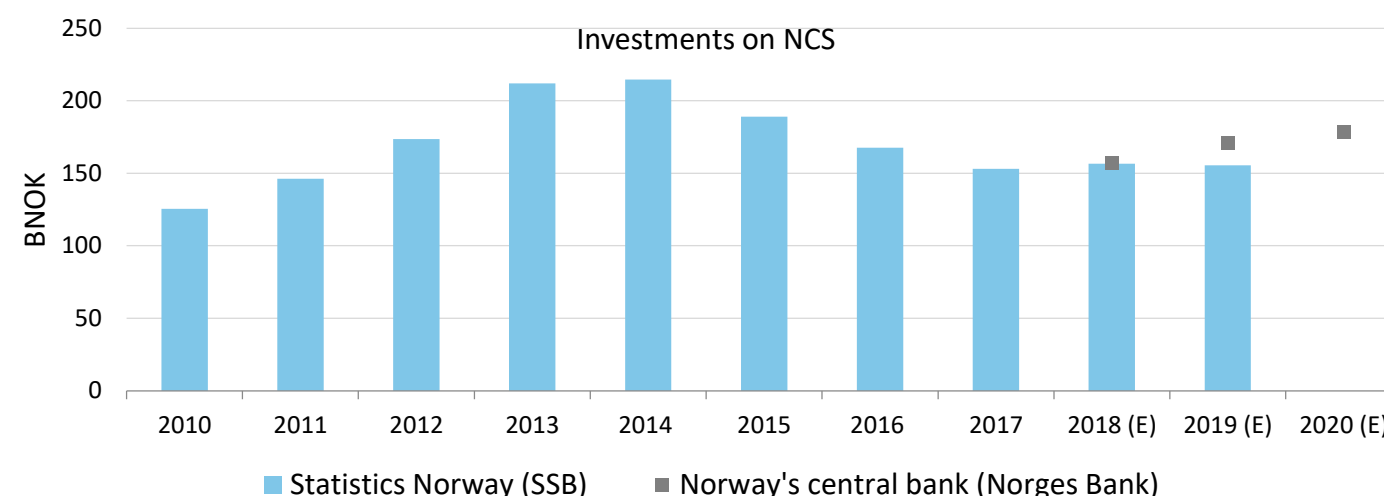
Tlf: +47 915 02002
www.sr-bank.no

One of Norway's most prosperous regions

The third largest discovery ever on the NCS was made 140 km from our headquarter in 2011

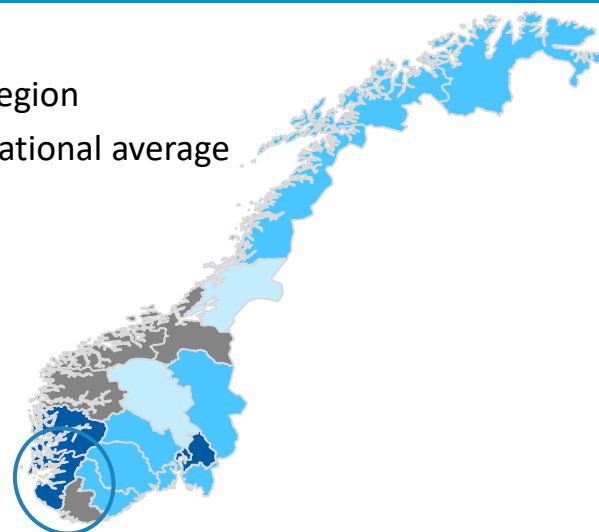


...and activity is expected to continue at high levels



Planned infrastructure project total 100-150BNOK

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



GDP per capita, EUR

- Above 50,000
- 43,750 – 50,000
- 37,500 – 43,750
- Below 37,500

Planned infrastructure project total 100-150BNOK

- 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



The leading financial group in the southwest of Norway

Rogaland

Population	474.000
Market share	36%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	3.0%

Hordaland

Population	523.000
Market share	6%
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	2.9%

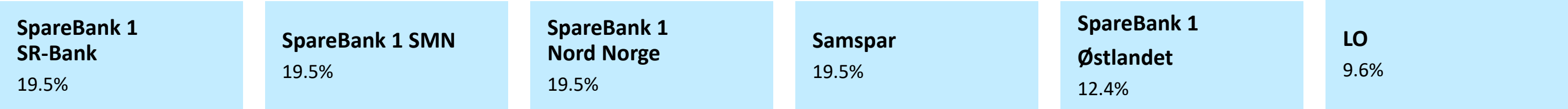
Agder

Population	304.000
Market share	8%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	2.9%

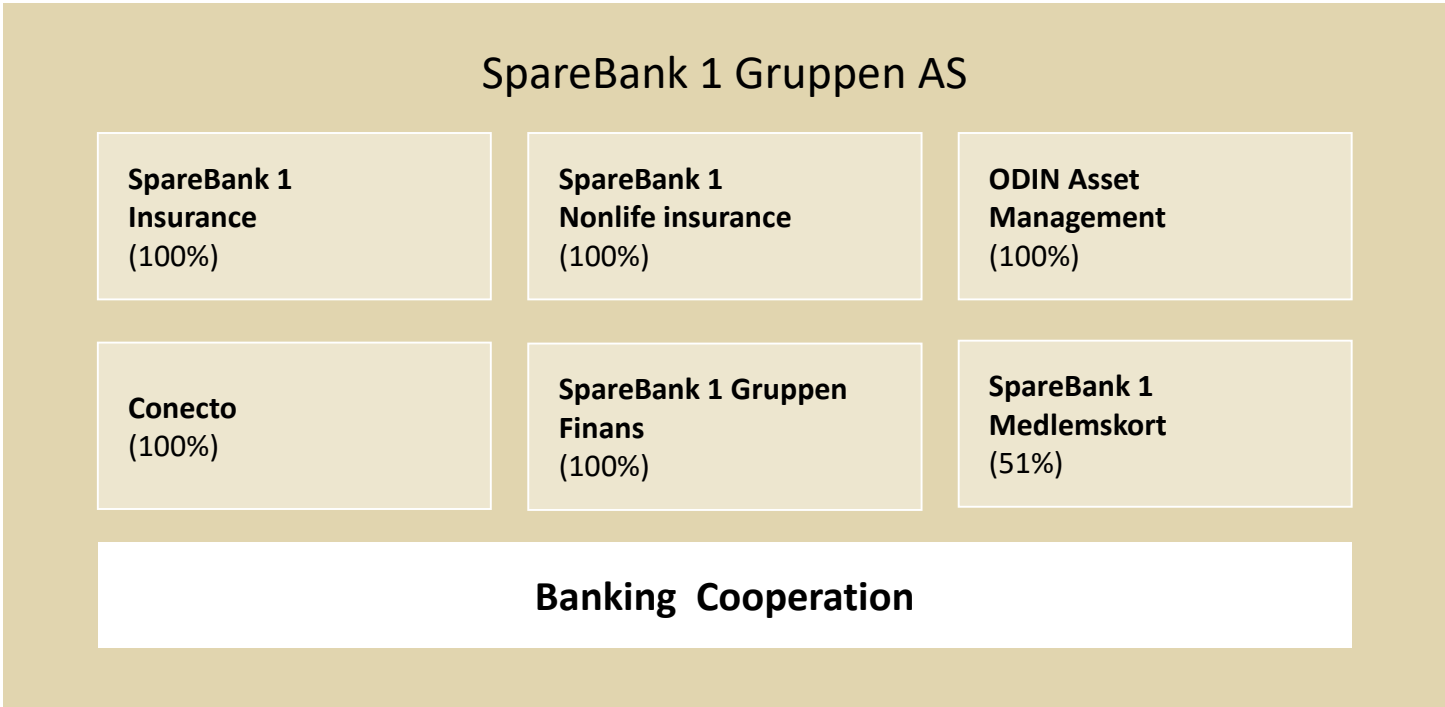


Source: Nav, SSB and SpareBank 1 SR-Bank
Unemployment rate as at July 2018

SpareBank 1 Alliansen: Benefits in economies of scale



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



Owners of the alliance

Economies of scale related to expenses, IT solutions and branding
 Separate legal entities – no cross guarantees between owner banks

SRBANK's activities

Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years: 24

Retail Market

Number of man-years: 455

Corporate Market

Number of man-years: 155

Administration & Support

Number of man-years: 278

Fully owned companies

EiendomsMegler 1

Leading real estate broker
Number of man-years: 202

SpareBank 1 SR-Forvaltning

Asset management
Number of man-years: 13

SpareBank 1 Regnskapshuset SR

Accounting and advisory
Number of man-years: 99

SR-Boligkreditt

Covered Bond Funding
Number of man-years: 1

FinStart Nordic

The company will be a start-up factory for new ideas
Number of man-years: 3

Partly owned companies

BN Bank

(23.5%)
Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt

(8.0%)
Covered bond company (mortgages)

SpareBank 1 Kredittkort

(17.9%)
Credit card company located in Trondheim

SpareBank 1 Gruppen

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

SpareBank 1 Næringskreditt

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

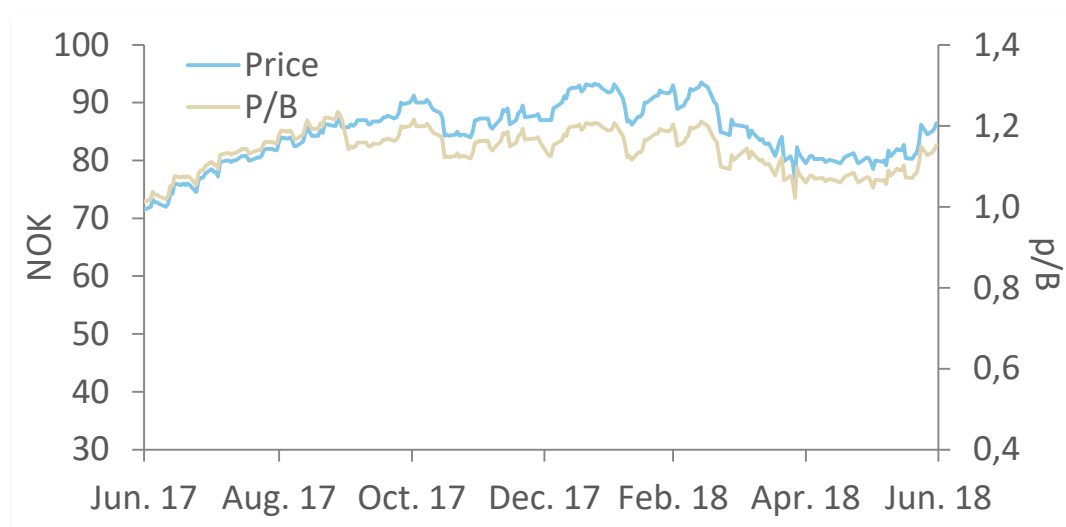
SpareBank 1 Betaling*

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

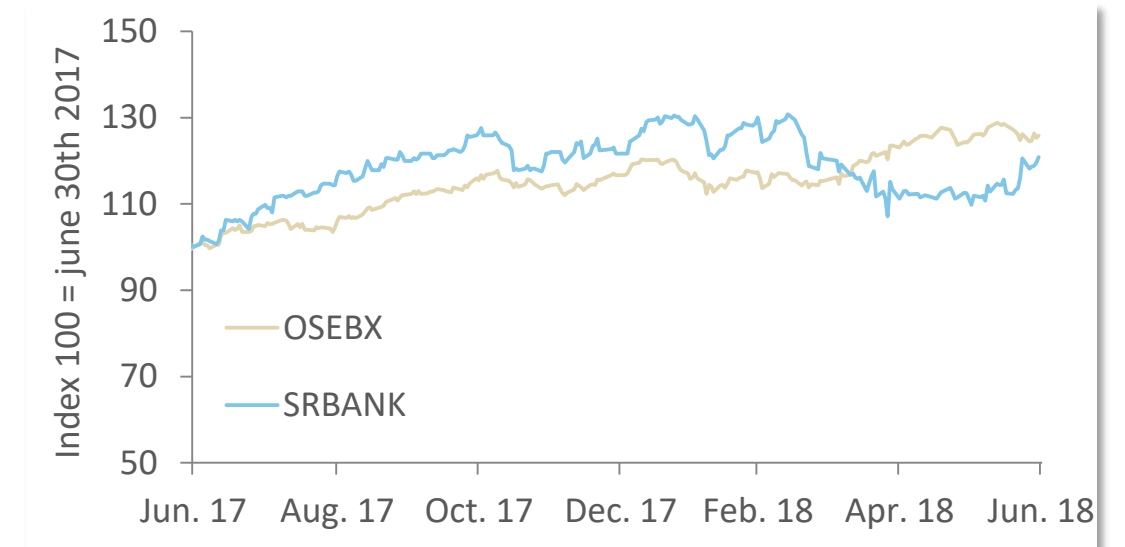
SRBANK share

- Converted from equity certificates to shares in 2012.
- International ownership is 23.1 % per 2. quarter 2018.
- Total market value at 2. quarter 2018 is NOK 22.1 billion.

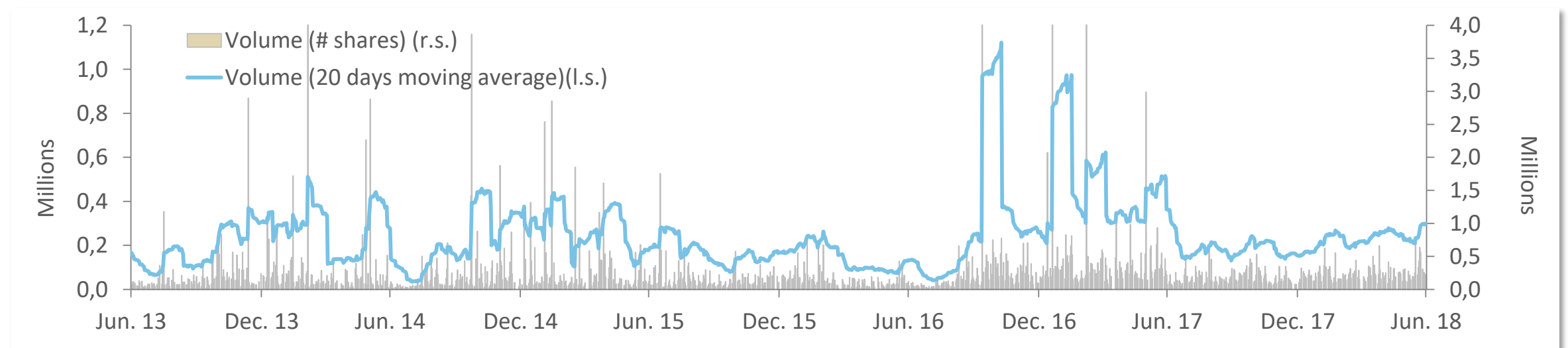
Development in Price/Book



Relativ share price development



Trading volume development



20 largest shareholders as at June 2018

- Ownership interests:
 - From Rogaland, Agder-counties and Hordaland: 44.7% (46.2%)
 - International: 23.1% (20.7%)
 - 10 largest: 50.7% (48.0%)
 - 20 largest: 57.8% (55.1%)
- Number of shareholders 30.06.2018: 10 997 (10 579)
- Employees owning 1.6% (1.7%)

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Folketrygdfondet		18.326.329	7,2%
State Street Bank and Trust Co, U.S.A.	Nominee	10.111.983	4,0%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Vpf Nordea Norge Verdi		5.957.547	2,3%
Verdipapirfondet DNB Norge (IV)		3.616.570	1,4%
Danske Invest Norske Instit. II		3.611.038	1,4%
State Street Bank and Trust Co, U.S.A.	Nominee	3.463.861	1,4%
Odin Norge		3.406.393	1,3%
Clipper AS		2.565.000	1,0%
Pareto Aksje Norge		2.534.197	1,0%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	2.232.497	0,9%
Danske Invest Norske Aksjer Inst.		1.956.094	0,8%
KAS Bank NV, Nederland	Nominee	1.794.273	0,7%
Westco AS		1.697.987	0,7%
KLP Aksjenorge Indeks		1.681.428	0,7%
Pareto AS		1.640.867	0,6%
Vpf Nordea Norge Avkastning		1.634.120	0,6%
Morgan Stanley & Co, U.K.	Nominee	1.524.654	0,6%
Forsvarets Personellservice		1.513.556	0,6%
Top 5		113.041.747	44,2%
Top 10		129.704.609	50,7%
Top 20		147.914.282	57,8%

Introduction to SpareBank 1 SR-Bank ASA

Financials

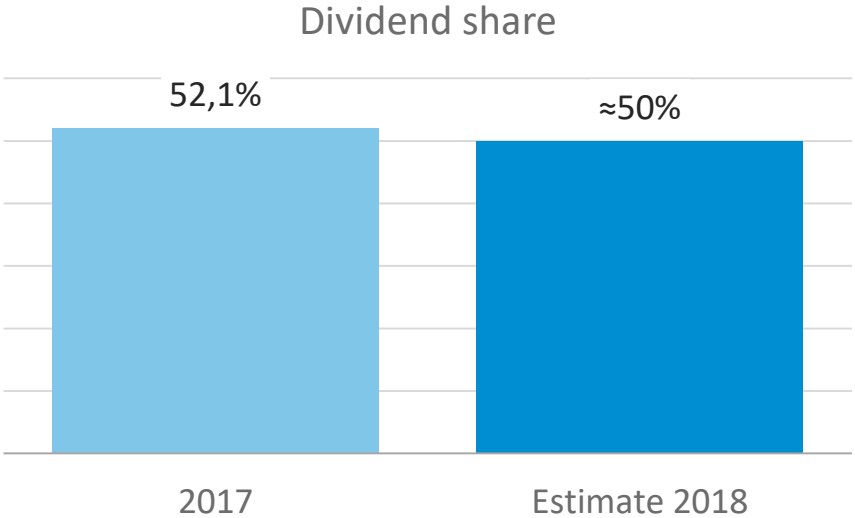
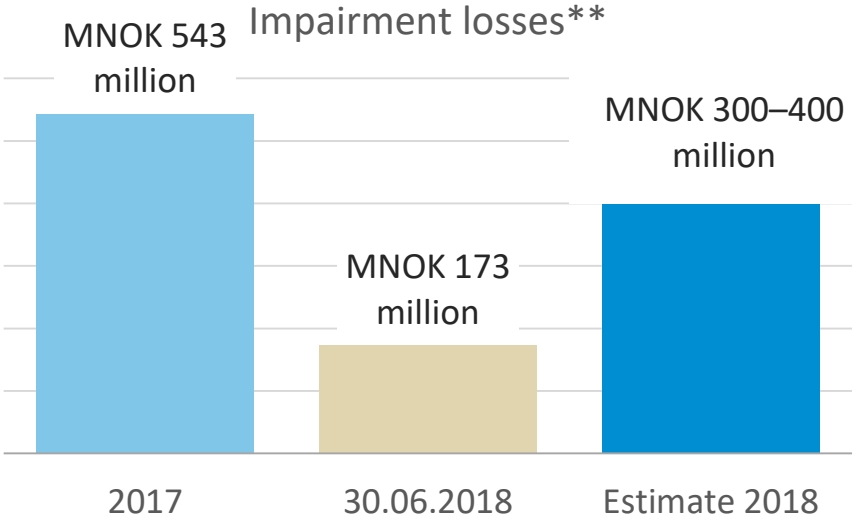
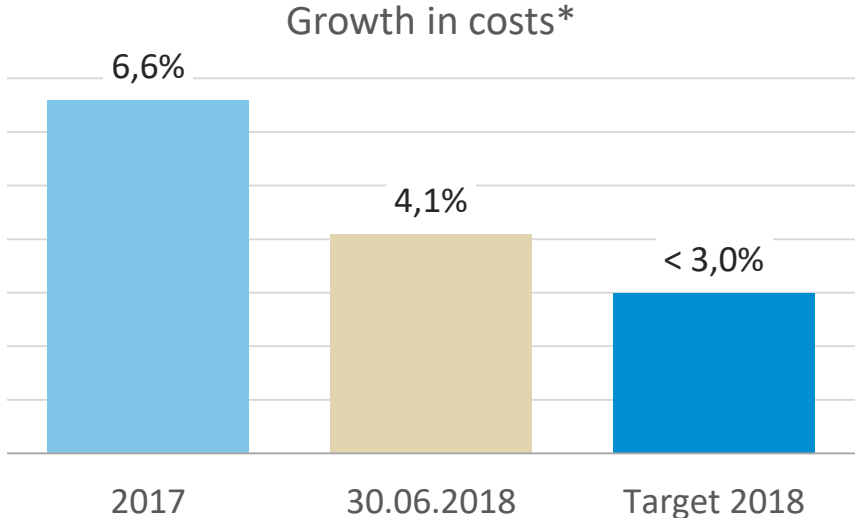
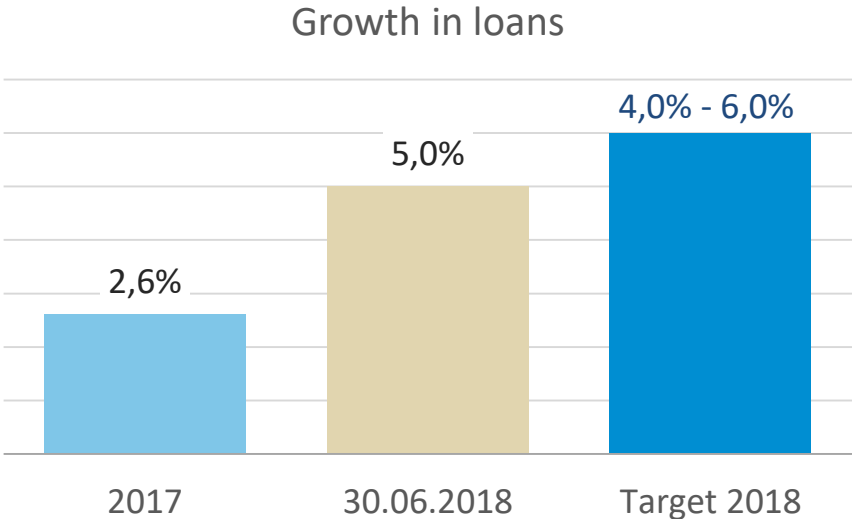
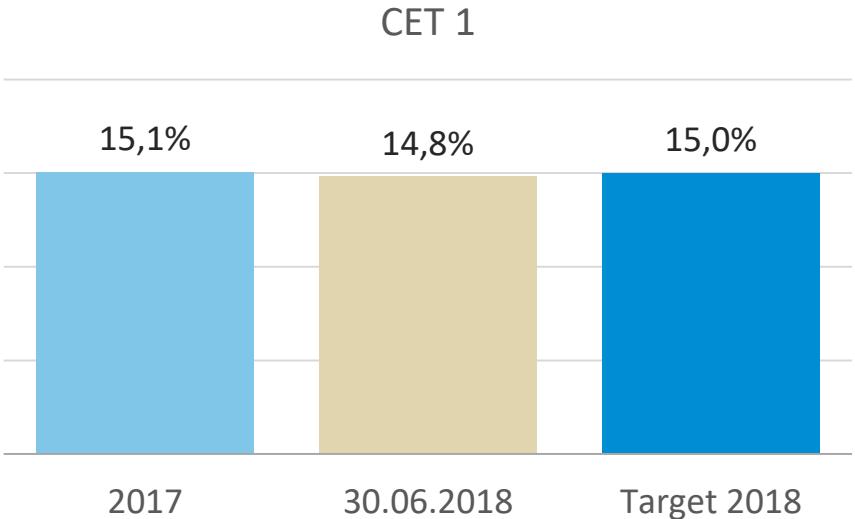
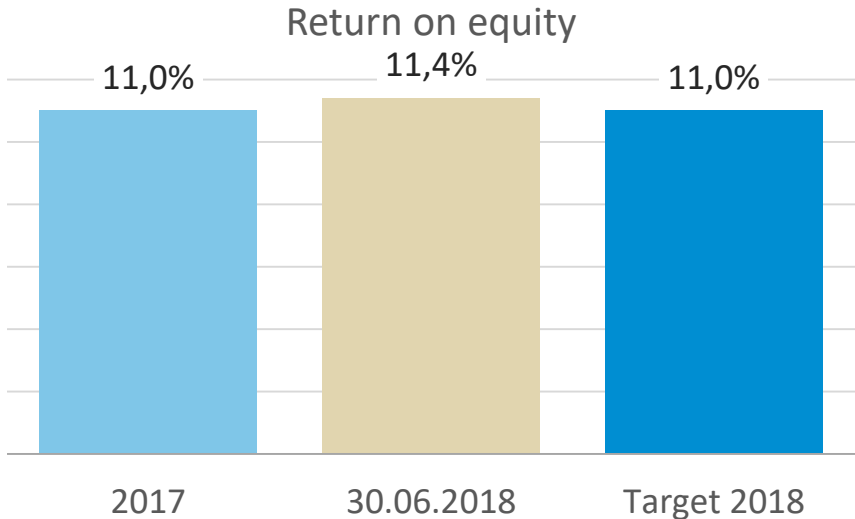
Solvency and liquidity position

Appendix

A good result marked by good operations, lower losses and higher financial income

- Pre-tax profit for the quarter is NOK 754 million compared to NOK 648 million last year
 - Return on equity after tax 12.3%
- Pre-tax profit year-to-date is NOK 1.422 billion compared to NOK 1.160 billion last year
 - Return on equity after tax 11.4%
- Impairment losses on loans is NOK 173 million compared to NOK 299 million last year
 - 0.18% of gross lending including covered bond companies as at 30 June 2018
- 12 months lending growth of 5.0%
 - Risk-weighted assets (RWA) is increased by 5.1% the last 12 months
- 12 months deposits growth of 6.1%
- 12 months costs growth of 4.1%
 - Growth in costs last 12 months of NOK 44 million due to increased activity in several areas
- Common equity tier 1 capital ratio increased to 14.8% from 14.7% last year

Financial targets and estimates for 2018

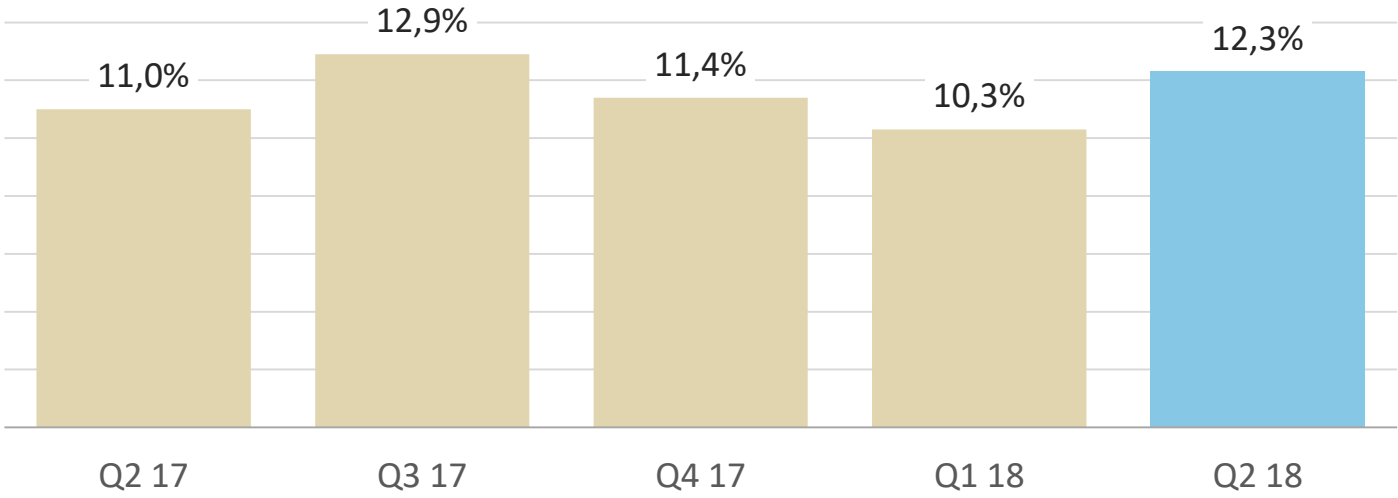


*Nominal cost growth

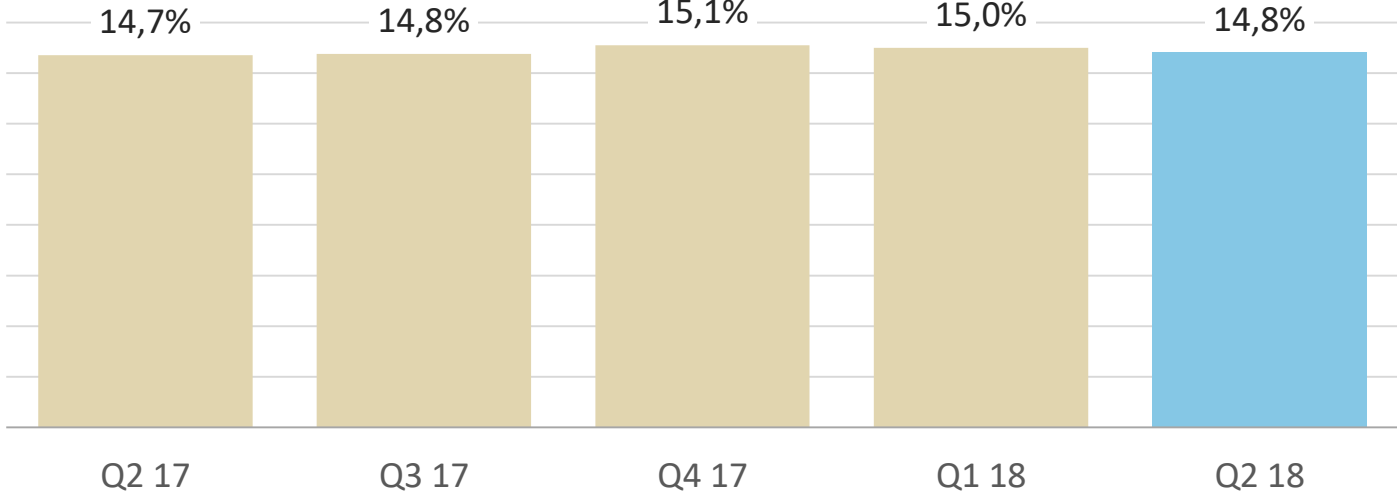
**Estimate of impairment losses in 2018 are adjusted from MNOK 400 - 500 to MNOK 300 -400 per 30.06.2018.

Key figures – quarterly development

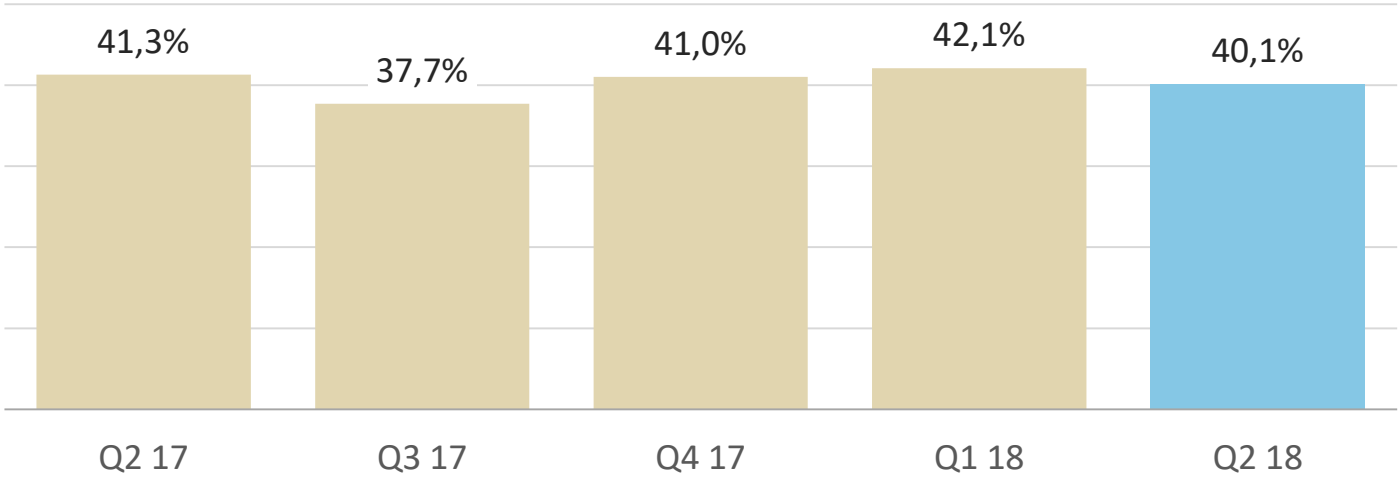
Return on equity



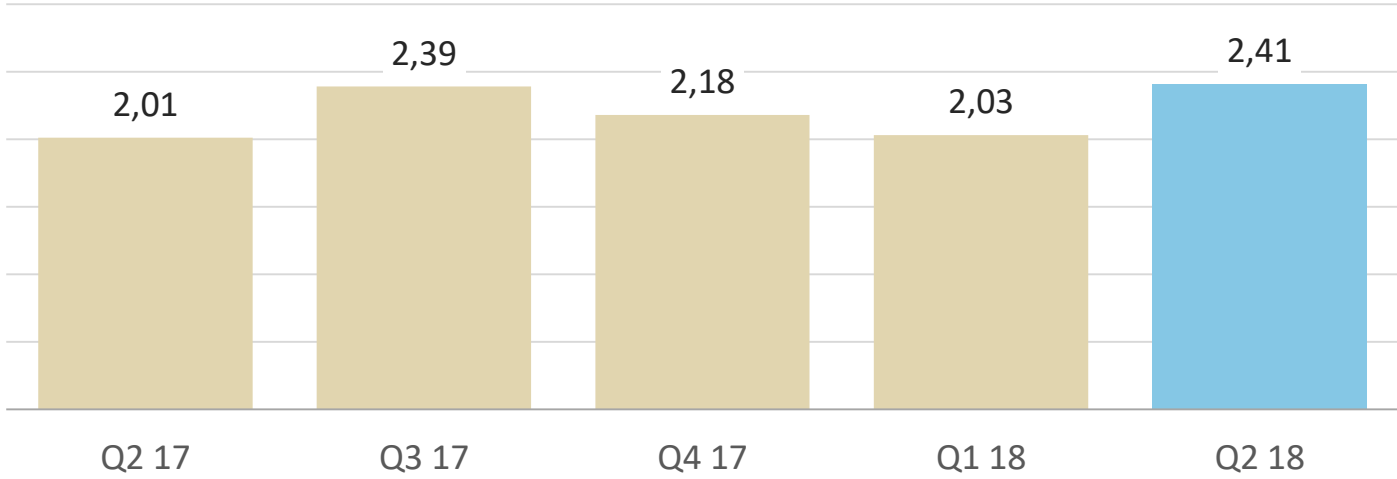
CET 1



Cost ratio

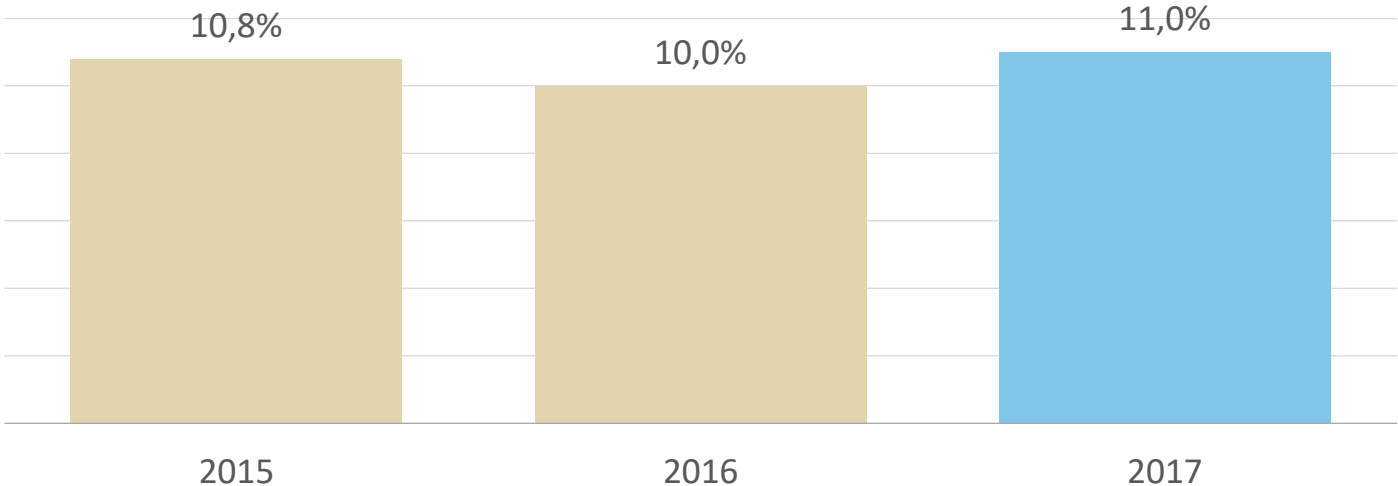


Earnings per share

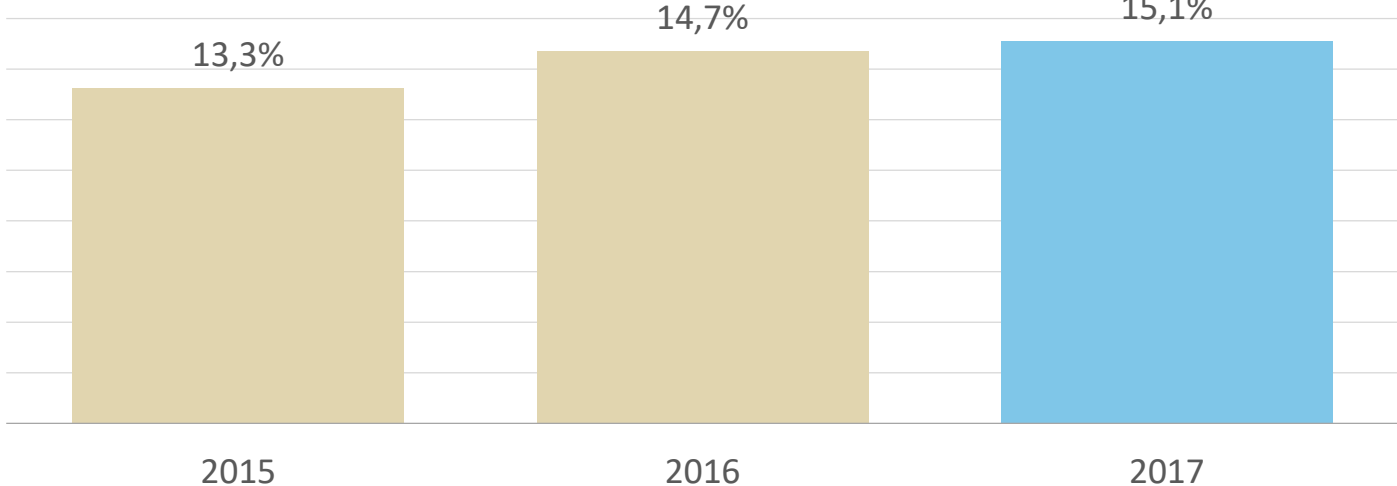


Key figures – annual development

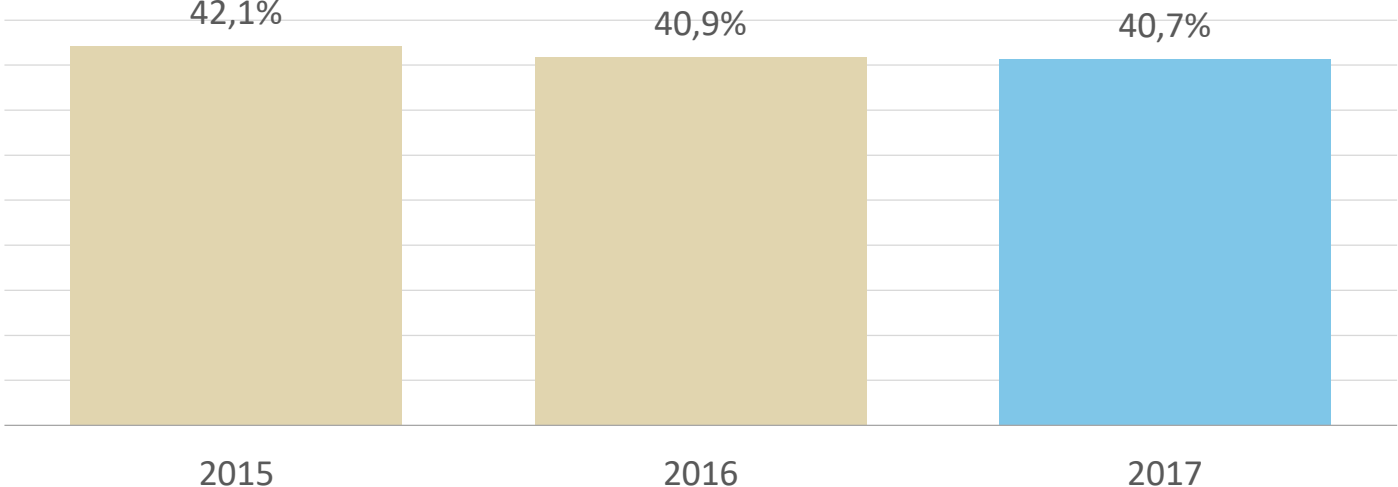
Return on equity



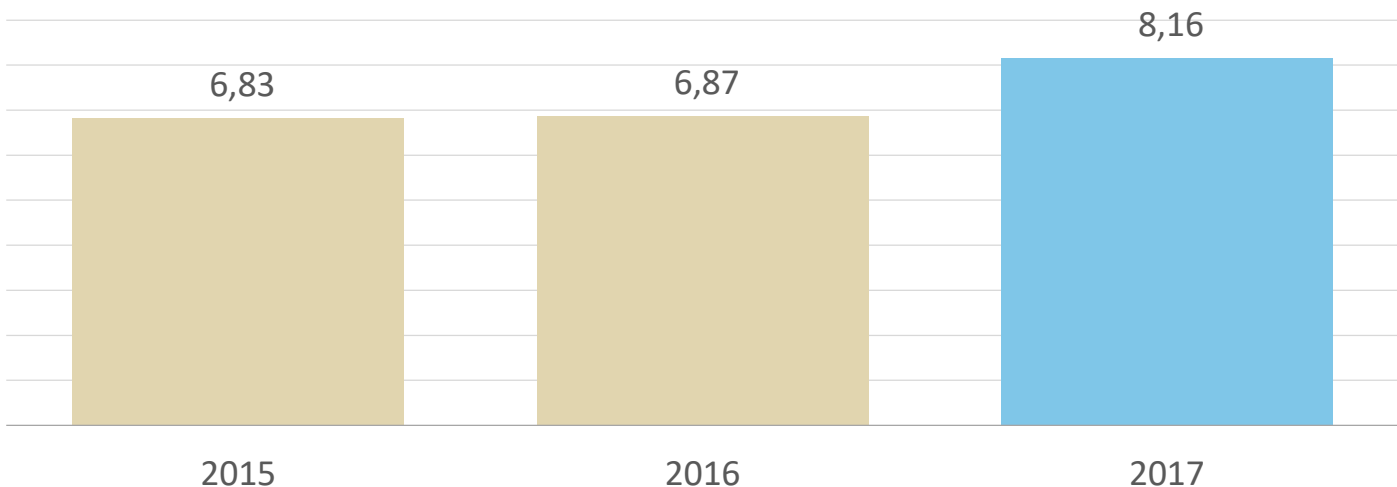
CET 1



Cost ratio

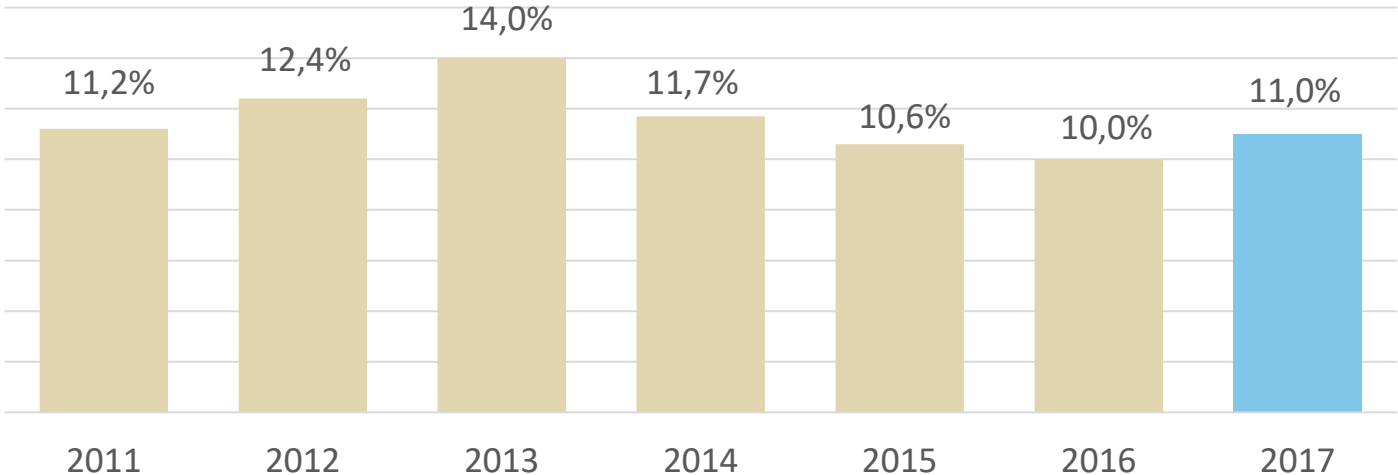


Earnings per share

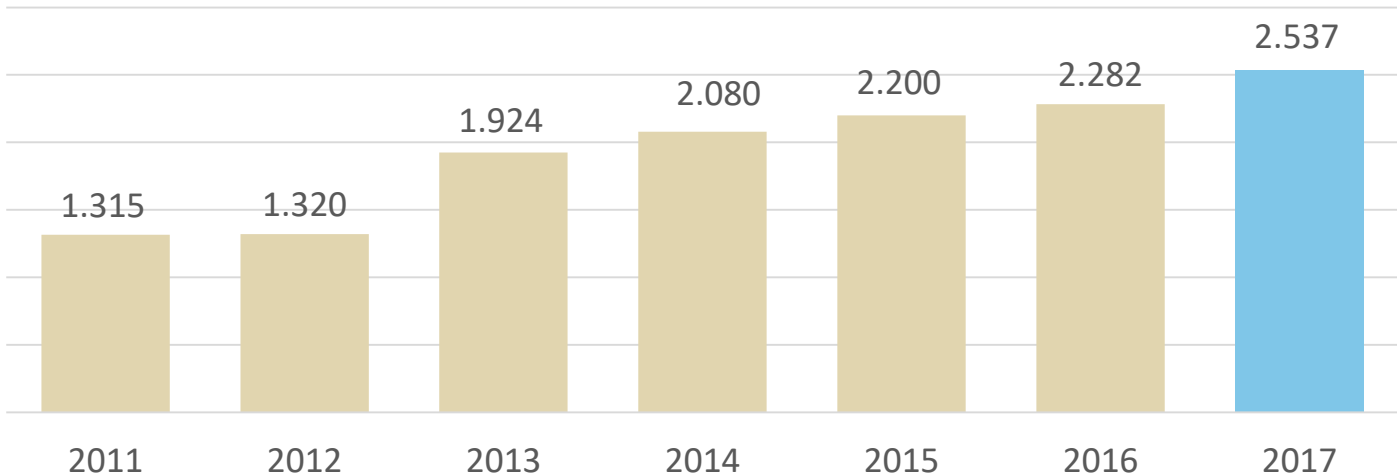


Key figures – annual development

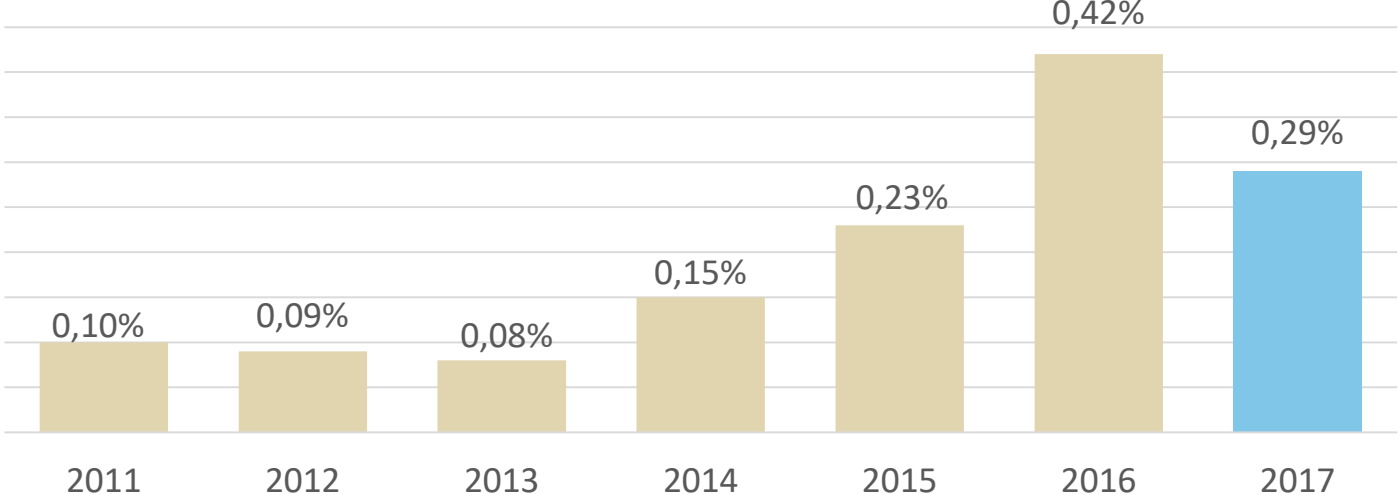
Return on equity



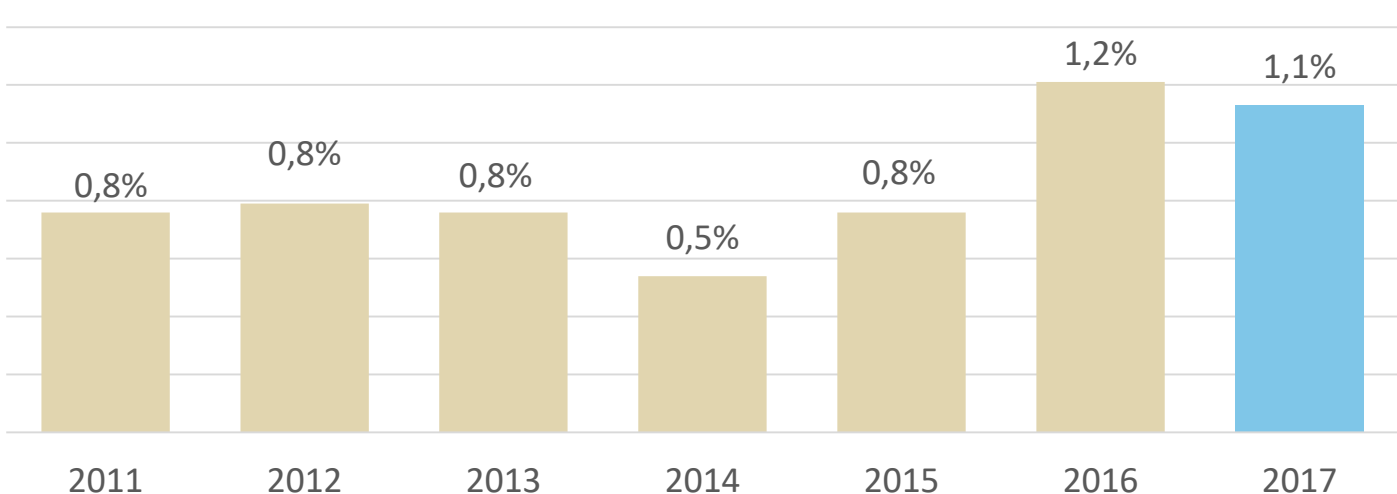
Core operating result (MNOK)



Impairment losses on loans



Non-performing and doubtful loans



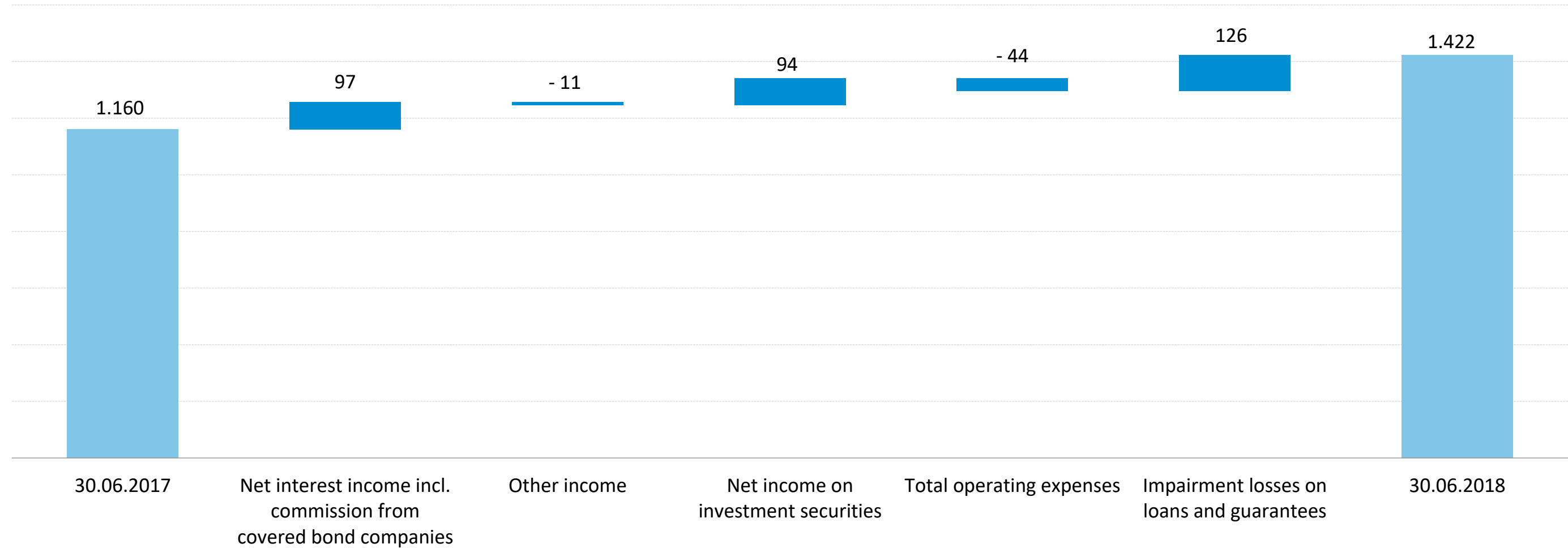
Key figures

	30.06.2018	30.06.2017	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Return on equity after tax (%)	11,4	9,9	12,3	10,3	11,4	12,9	11,0
Net interest margin (%)	1,51	1,52	1,52	1,50	1,50	1,54	1,52
Impairment losses on loans and guarantees in % of gross loans incl. covered bond companies	0,18	0,33	0,21	0,16	0,26	0,27	0,29
Non-performing and other problem commitments in % of gross loans incl. covered bond companies	1,51	1,21	1,51	1,14	1,13	1,18	1,21
Cost to income ratio	41,1	42,2	40,1	42,1	41,0	37,7	41,3
Annual growth in loans to customers, gross incl. covered bond companies (%)	5,0	0,5	5,0	3,1	2,6	1,2	0,5
Annual growth in deposits from customers (%)	6,1	11,3	6,1	7,0	11,0	13,0	11,3
Total assets (BNOK)	224,0	212,9	224,0	217,4	216,6	215,3	212,9
Portfolio of loans in covered bond companies (BNOK)	14,6	19,4	14,6	14,6	14,6	18,0	19,4
Risk weighted assets (BNOK)	126,8	120,7	126,8	122,8	120,2	121,8	120,7
Liquidity Coverage Ratio (LCR) (%)	157	212	157	177	168	212	212
Earnings per share (NOK)	4,44	3,59	2,41	2,03	2,18	2,39	2,01
Book value per share (NOK)	77,28	72,72	77,28	79,24	77,24	75,07	72,72

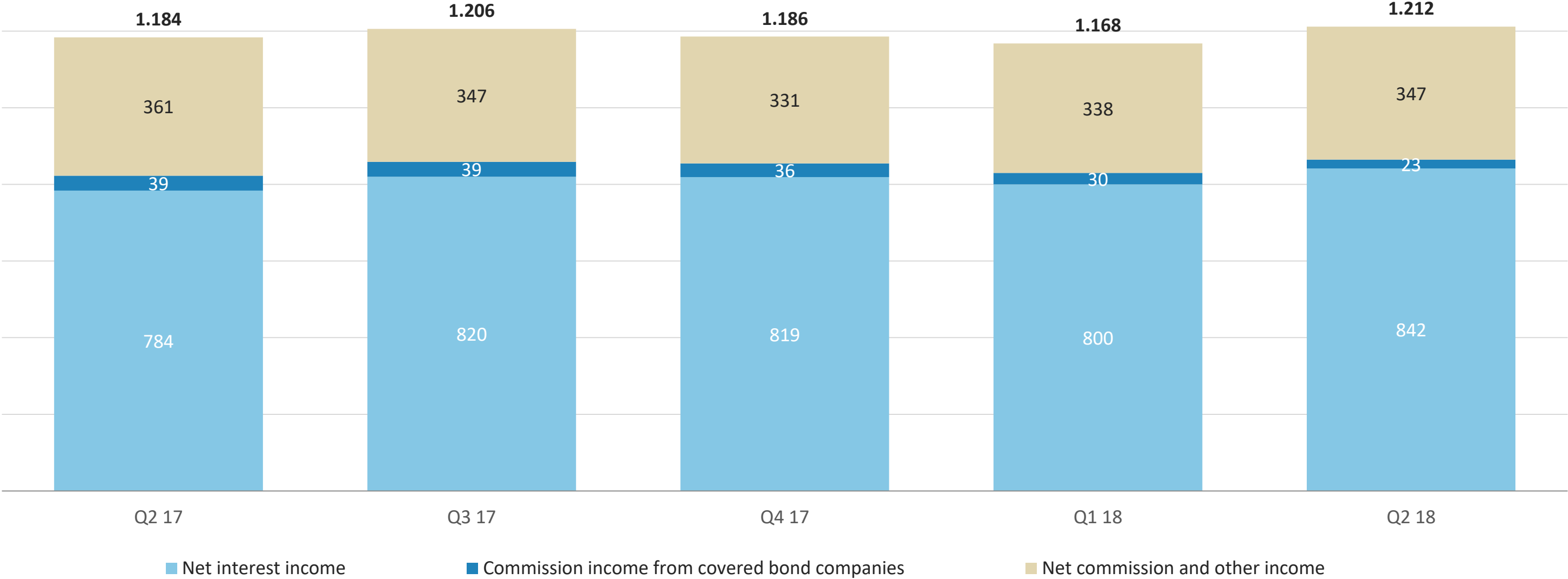
Income statement

Group Income Statement (MNOK)	30.06.2018	30.06.2017	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Net interest income	1.642	1.523	842	800	819	820	784
Net commission and other income	738	771	370	368	367	386	400
Net income on investment securities	326	232	213	113	204	198	143
Total income	2.706	2.526	1.425	1.281	1.390	1.404	1.327
Total operating expenses	1.111	1.067	572	539	570	530	548
Operating profit before losses	1.595	1.459	853	742	820	874	779
Impairment losses on loans and guarantees	173	299	99	74	120	124	131
Operating profit before tax	1.422	1.160	754	668	700	750	648
Tax expense	287	243	137	150	141	140	134
Net profit	1.135	917	617	518	559	610	514

Change in profit 30.06.2017 – 30.06.2018

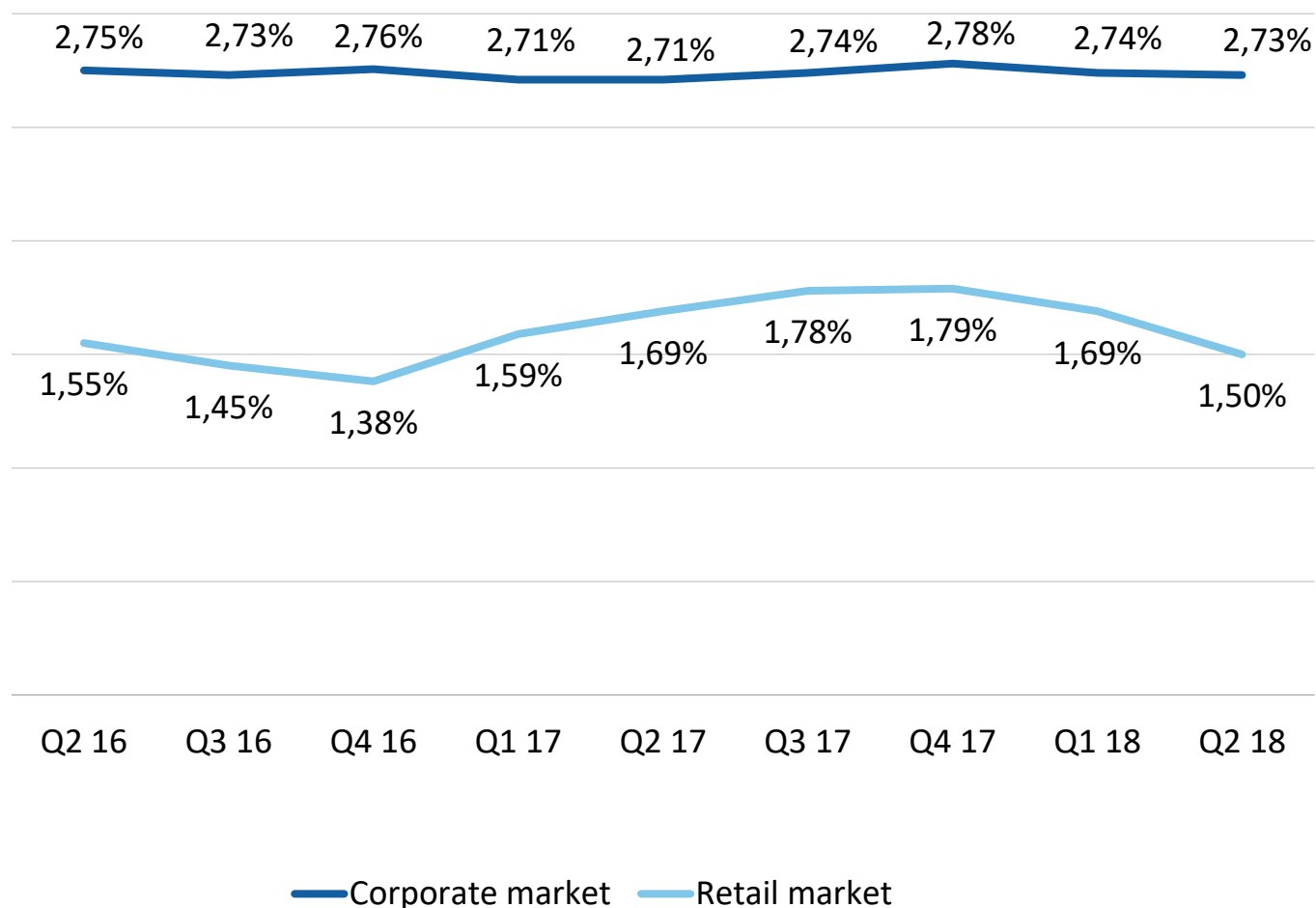


Consolidated income profile

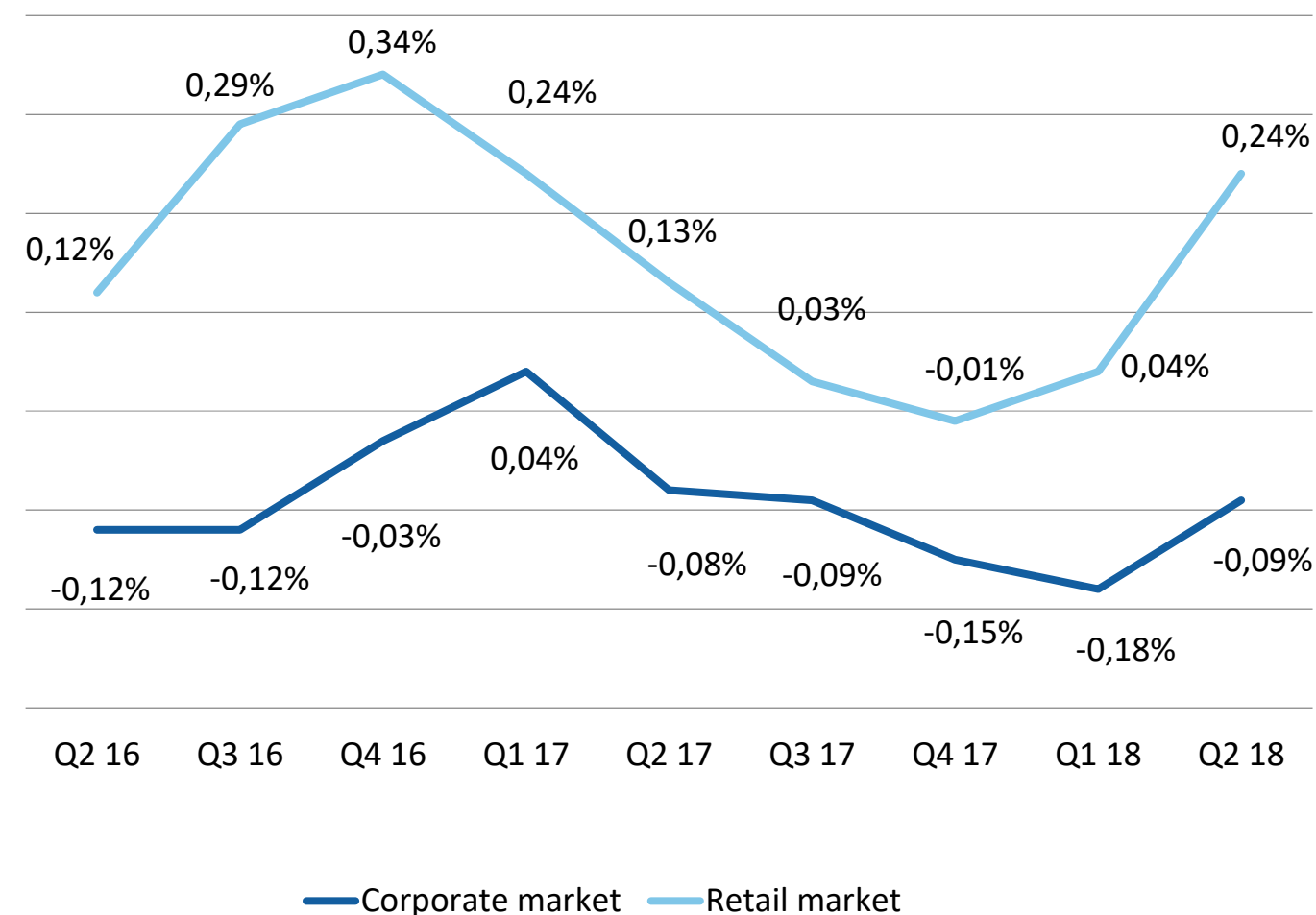


Lending and deposit margins

Lending margins*



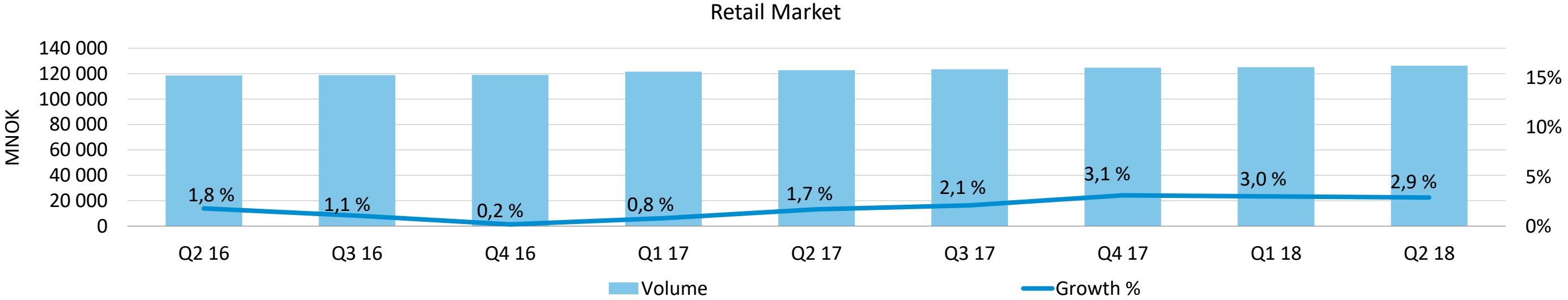
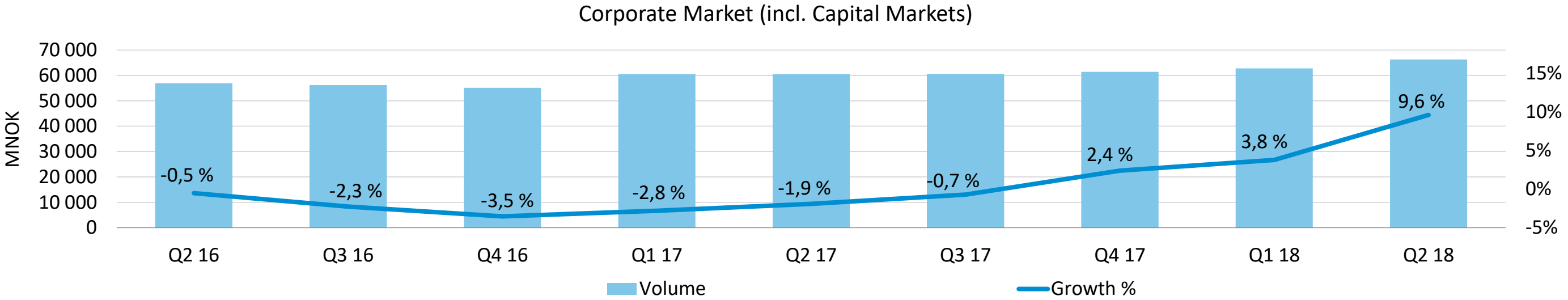
Deposit margins



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

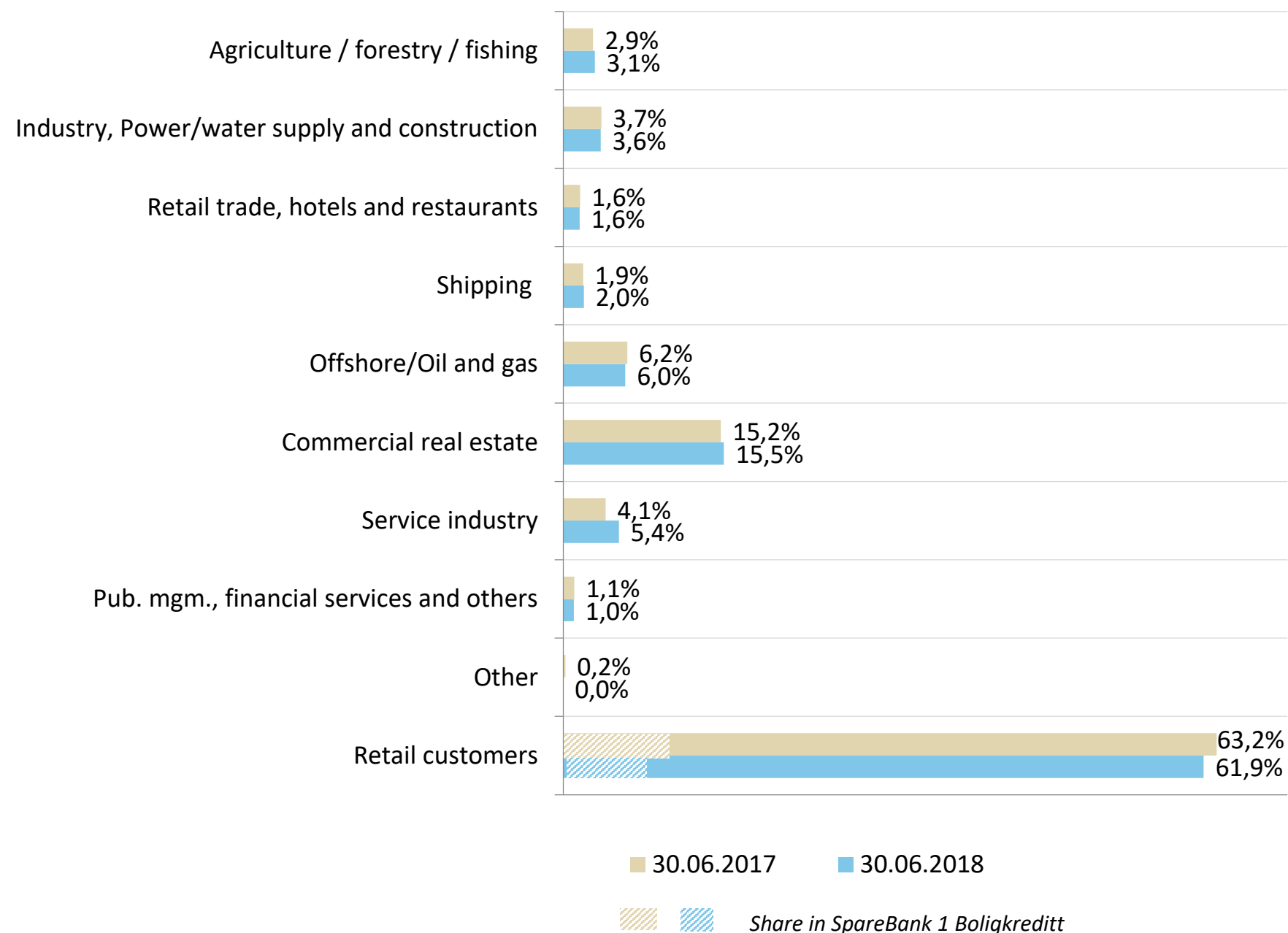
Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies

Lending volume and 12 months growth



Loan portfolio as at 30.06.2018

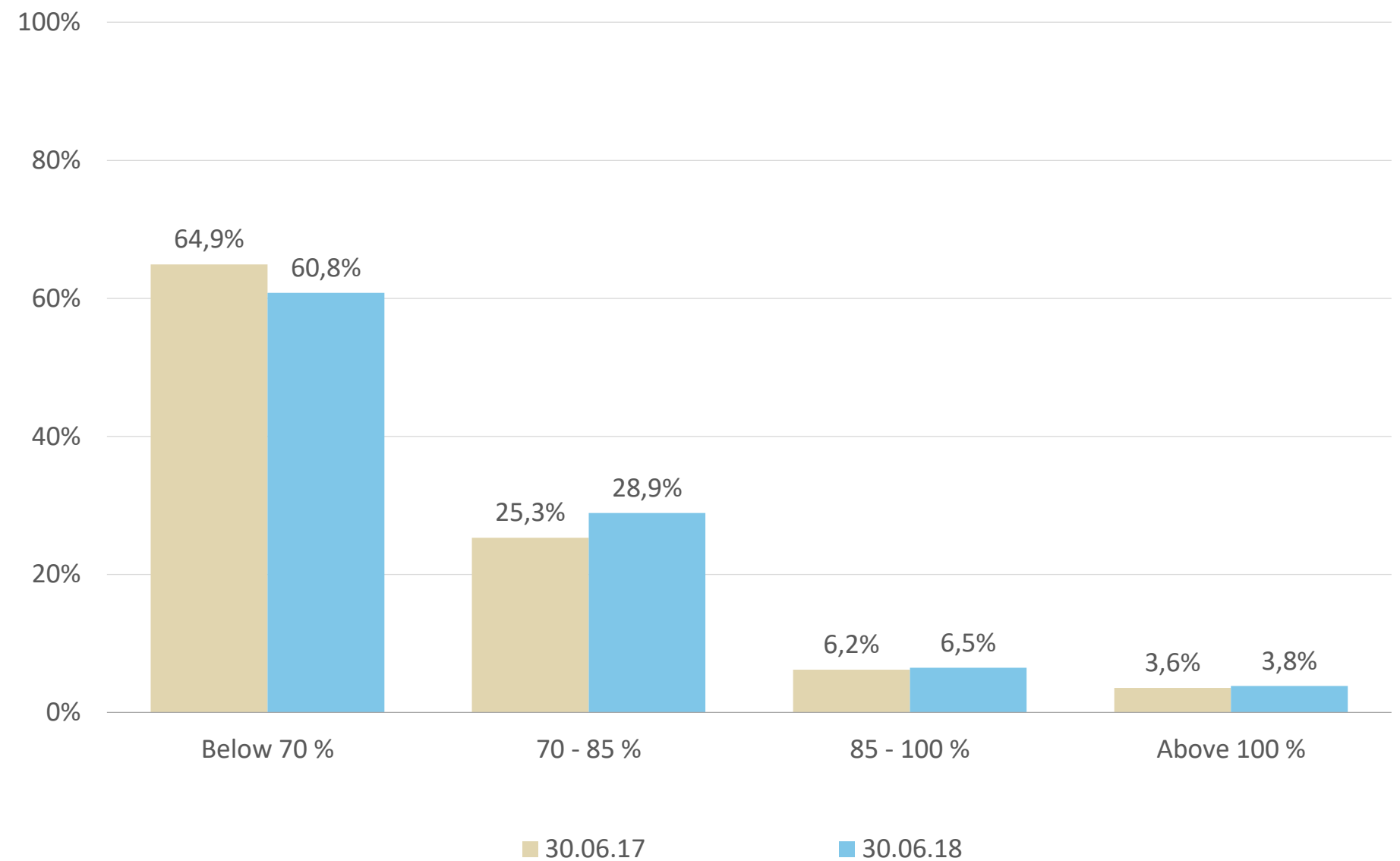
- Gross loans (incl. covered bond companies) as at 30 June 2018 amount to NOK 193.5 billion compared with NOK 184.3 billion at the same time the year before.
- 12-month growth in loans of 5.0%.
- Loans to retail customers (incl. covered bond company) account for 61.9% of total loans, of which 7.3%-points is in SpareBank 1 Boligkreditt.



Loans before individual write-downs, nominal amounts.
 Sector allocation in accordance with the standard categories from Statistics Norway.

Loan to value ratio on home mortgage loans

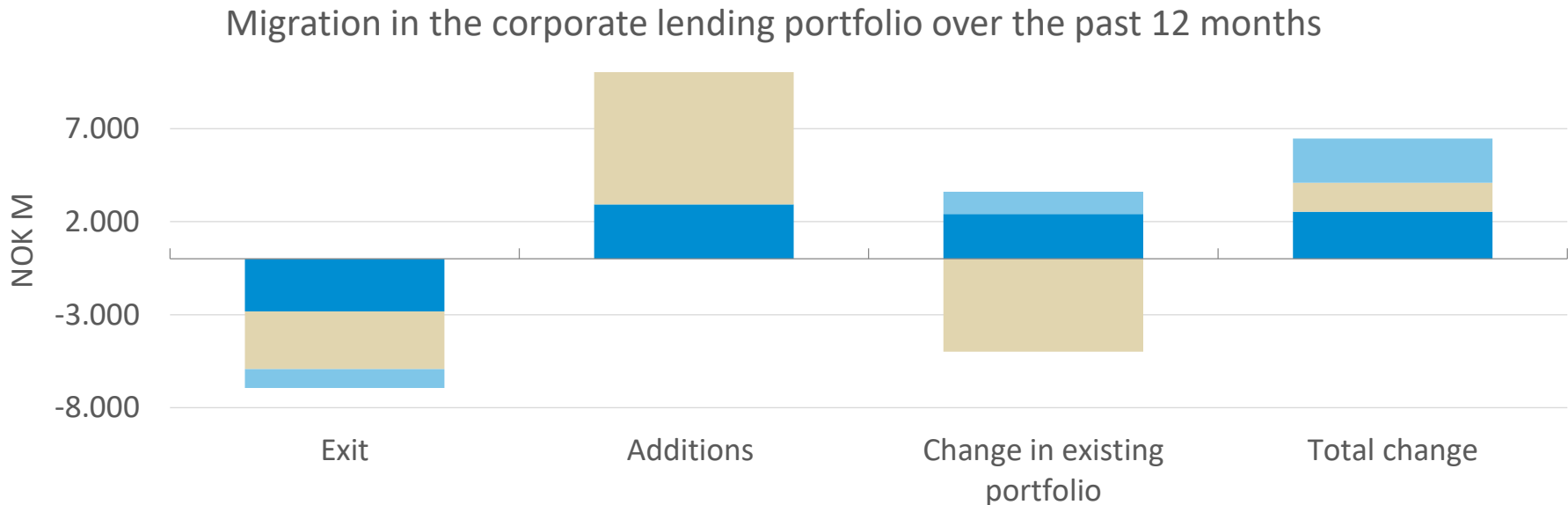
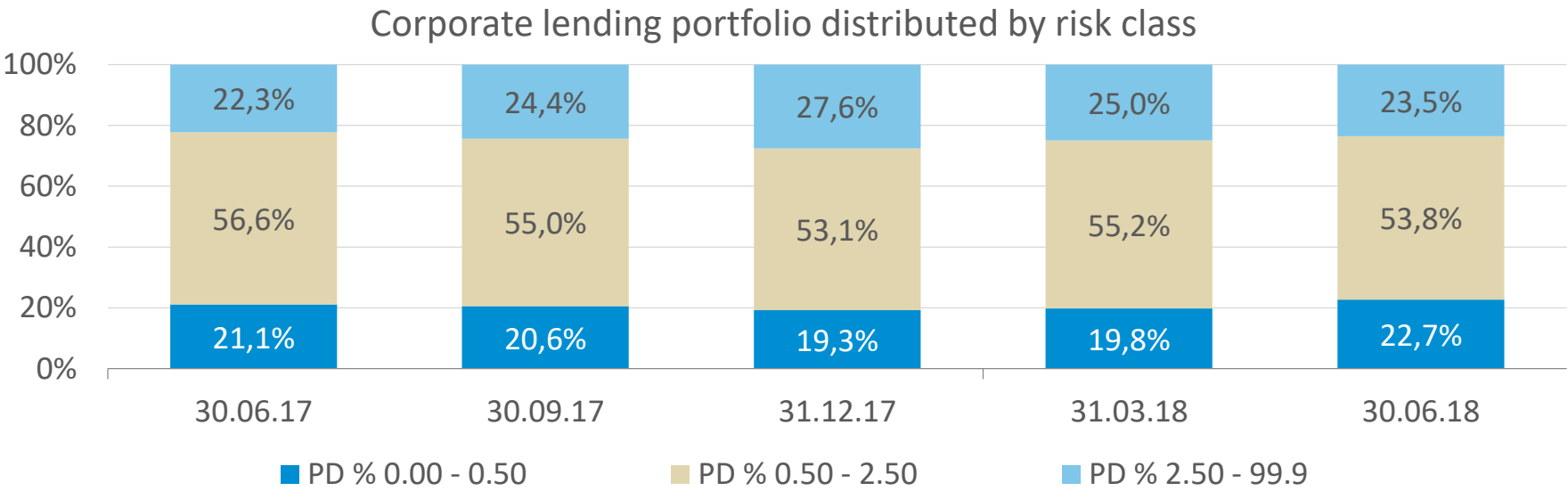
- The proportion of loans with a loan-to-value ratio of less than 85% is high.
 - 89.7% of the exposure is within 85% of the assessed value of collateral.



*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.
The figures include the loan portfolio in the covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).*

Lending to the corporate market – risk profile

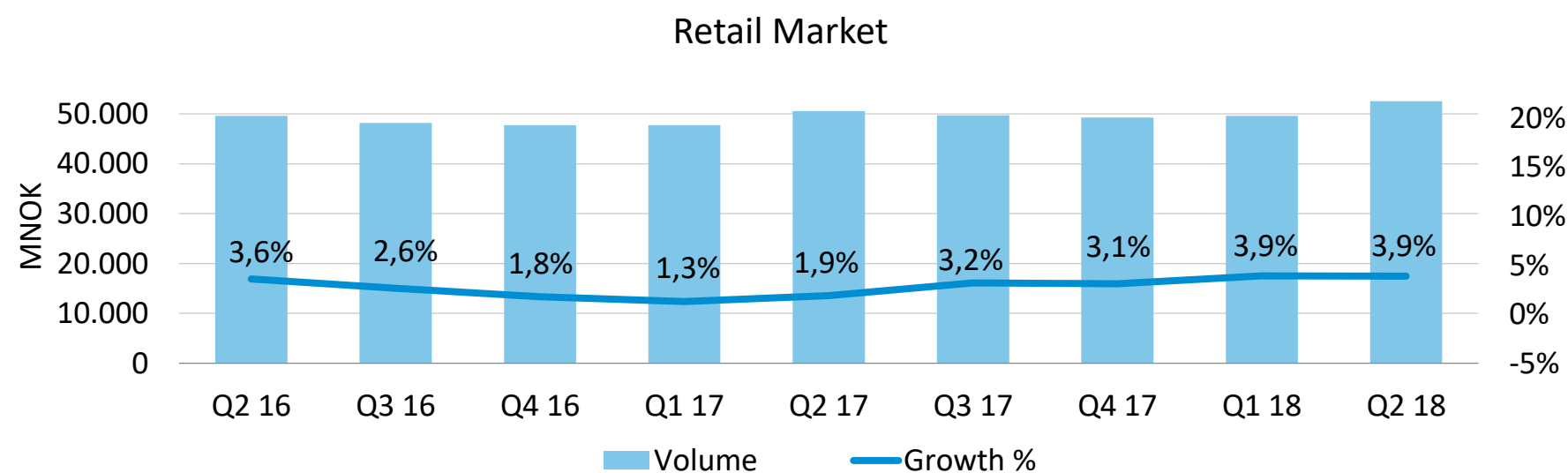
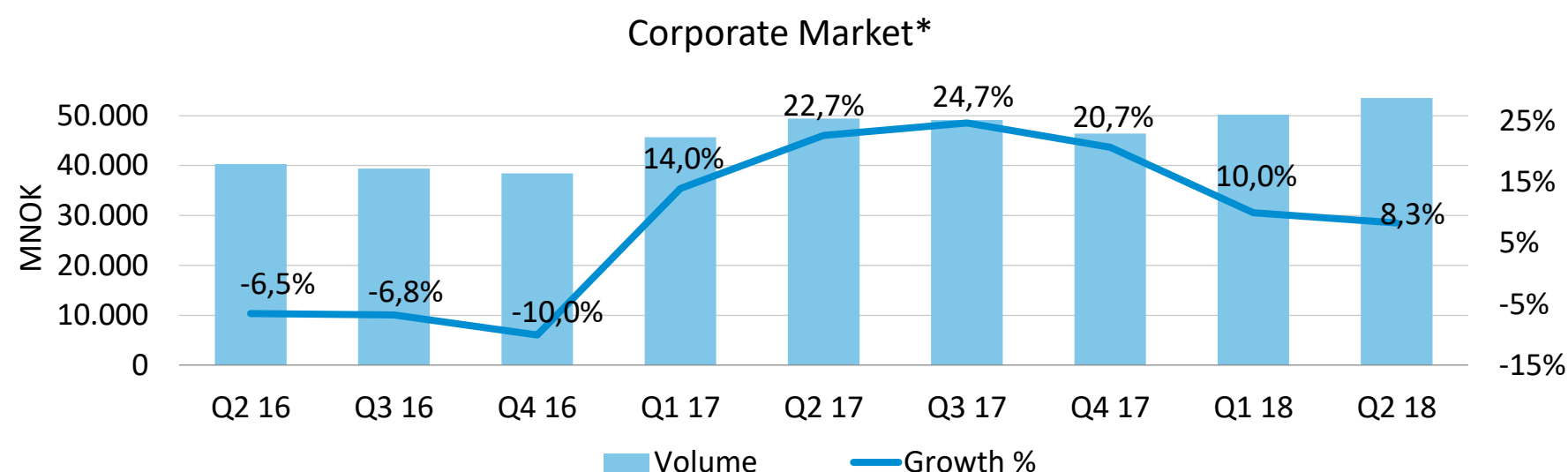
- The quality of the corporate market portfolio is good. There is a clearly defined framework that sets limit on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.
- The share of costumers with PD* below 0.5 % is at 22.7 %.



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

Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 6.1 billion to 105.8 billion.
 - Corresponds to an increase in the period of 6.1%.
- Increased deposit growth in the corporate market (incl. capital market) in 2017 is due to larger deposits from public sector.
 - Deposit growth is 4.0% at 2. quarter 2018 excl. deposits from public sector.



Ownership interests

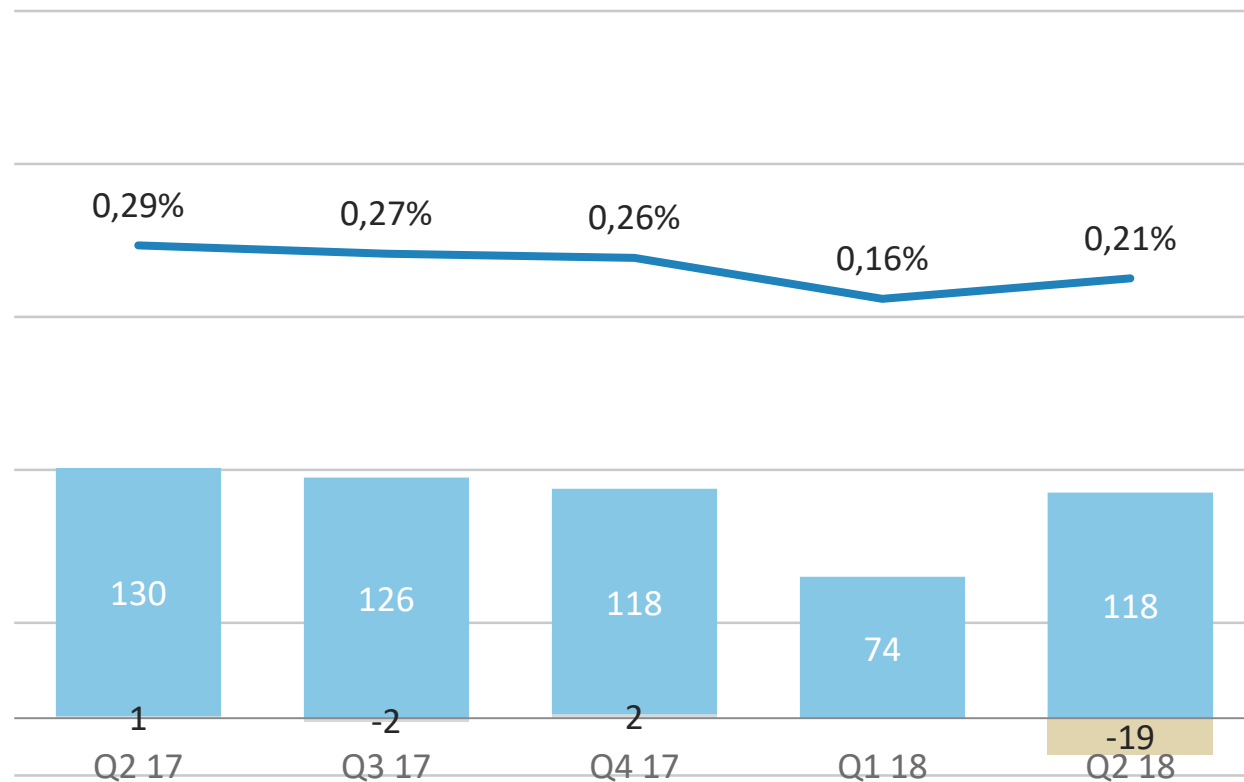
Ownership interests	MNOK	30.06.2018	30.06.2017
SpareBank 1 Gruppen AS	Interest ownership	19,5 %	19,5 %
	Profit after tax	117	139
	Adjusted profit previous years	0	-5
SpareBank 1 Boligkreditt AS*	Interest ownership	8,0 %	13,9 %
	Profit after tax	-2	-27
SpareBank 1 Næringskreditt AS	Interest ownership	19,2 %	21,9 %
	Profit after tax	5	8
BN Bank ASA	Interest ownership	23,5 %	23,5 %
	Profit after tax	36	34
SpareBank 1 Kredittkort AS	Interest ownership	17,9 %	17,9 %
	Profit after tax	12	7
SpareBank 1 Betaling AS**	Interest ownership	19,7 %	19,7 %
	Profit after tax	-6	-7
	Adjusted profit previous years	-6	-7
Other	Profit after tax	3	2
Total ownership interests	Profit after tax	159	144

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

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

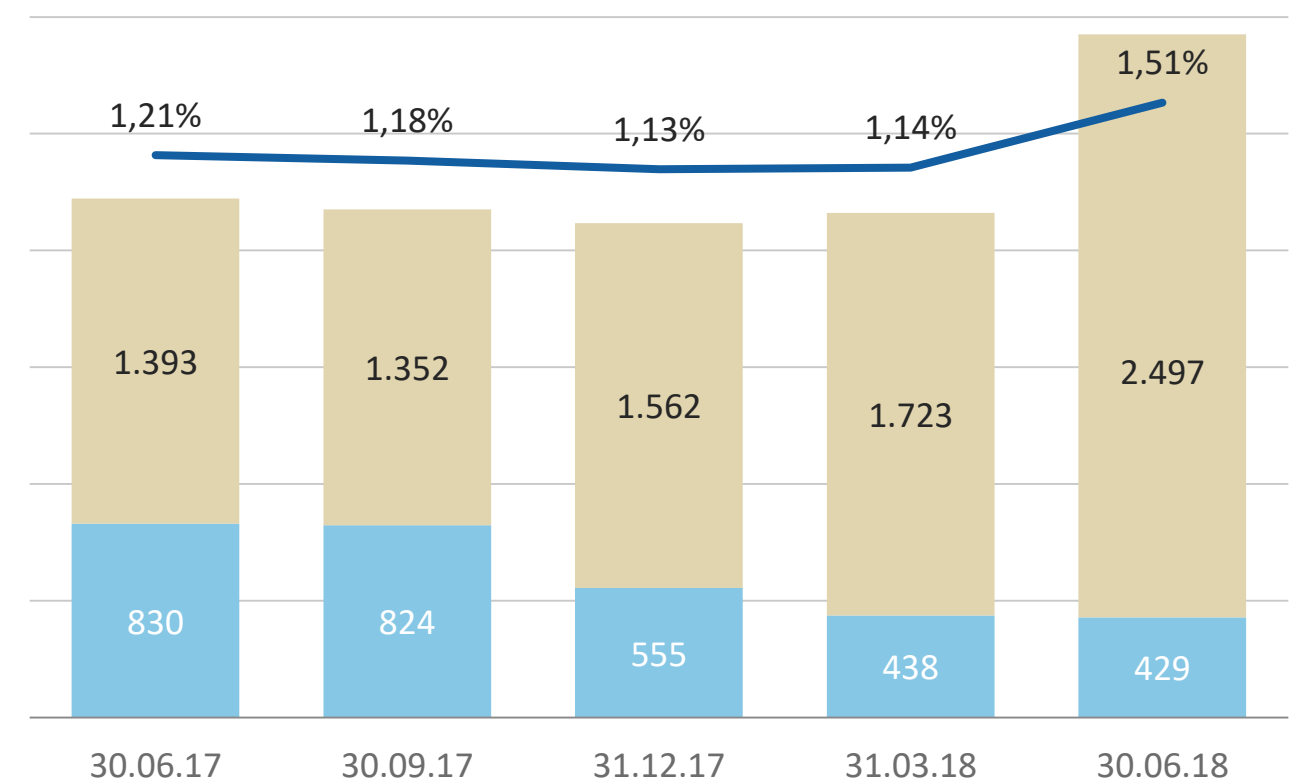
Impairment losses on loans/ Non-performing and doubtful commitments

Impairment losses on loans



- Individual impairment losses on loans, MNOK
- Total impairment IFRS 9 loans and guarantees
- Collective impairment losses on loans, MNOK
- Loss ratio in % of average gross loans incl. from covered bond companies

Non-performing and doubtful commitments



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

Introduction to SpareBank 1 SR-Bank ASA

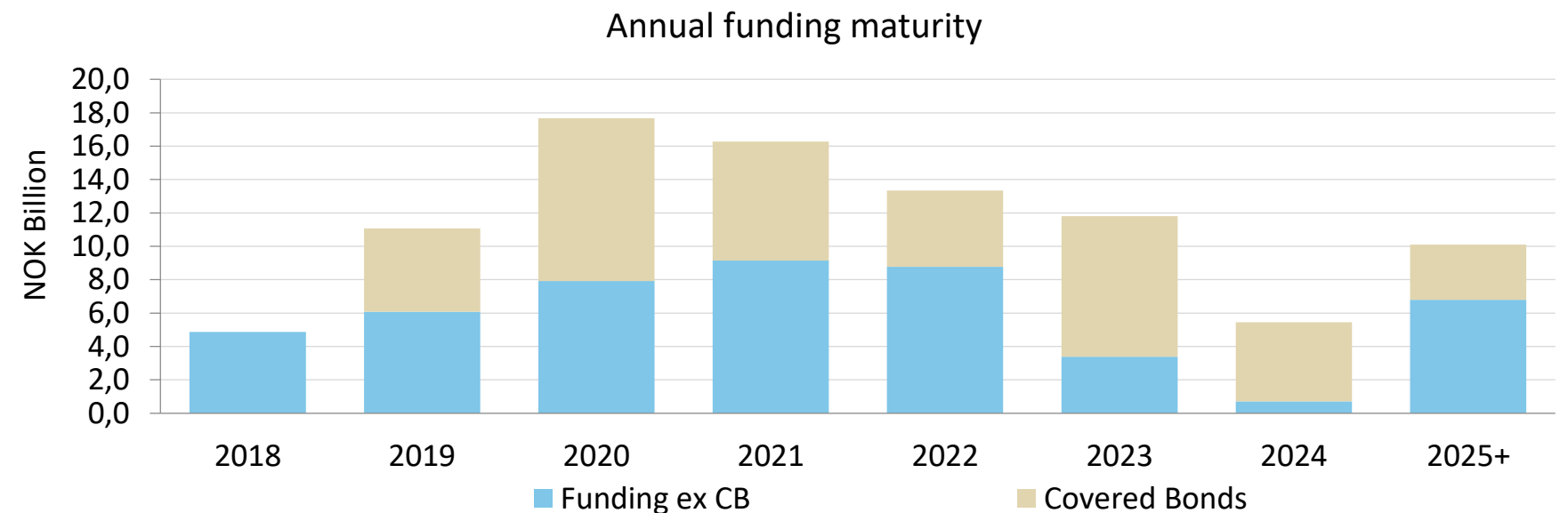
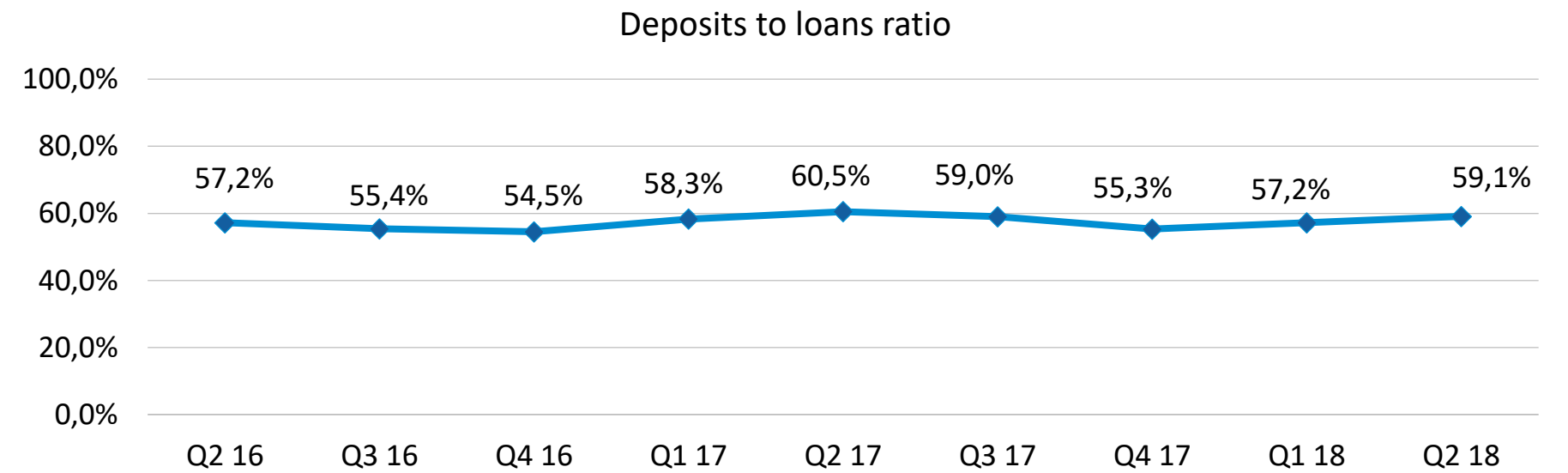
Financials

Solvency and liquidity position

Appendix

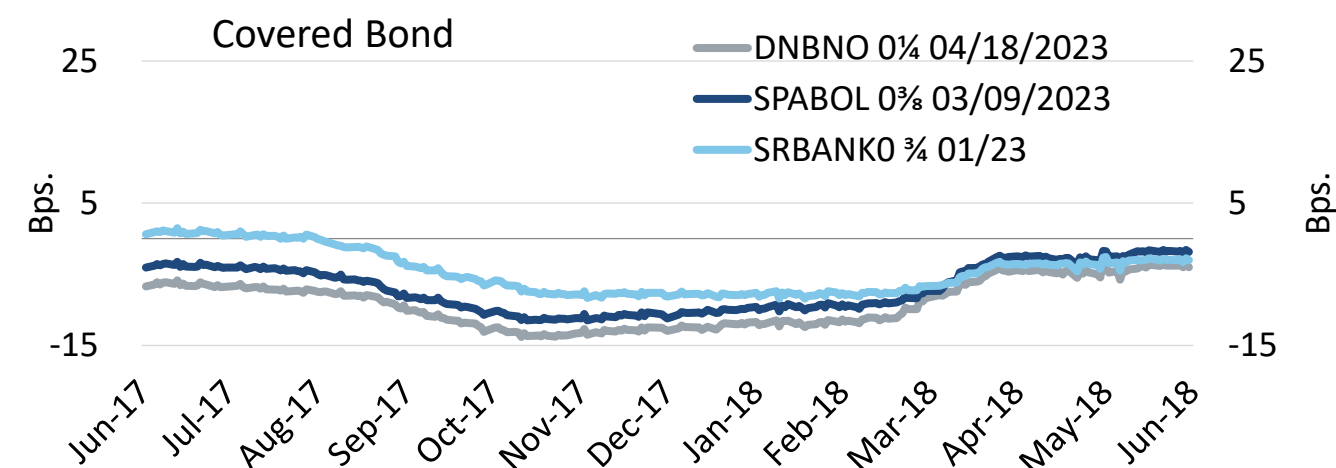
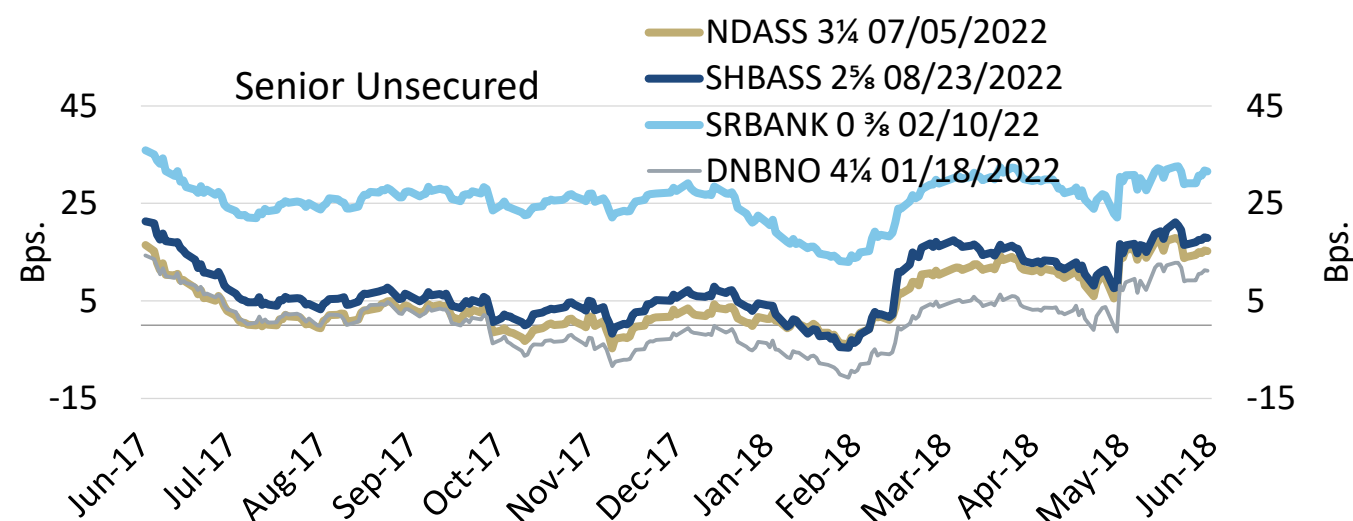
Funding

- Well diversified funding.
- Net Stable Funding Ratio* is 119% on consolidated basis.
- Good liquidity
 - Net refinancing need over the next 12 months is NOK 10.9 billion.
 - Liquidity buffer is NOK 32.2 billion for normal operation in 26 months with closed markets. In addition to the liquidity buffer, NOK 14.7 billion of home mortgages are prepared for covered bond funding.



*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.

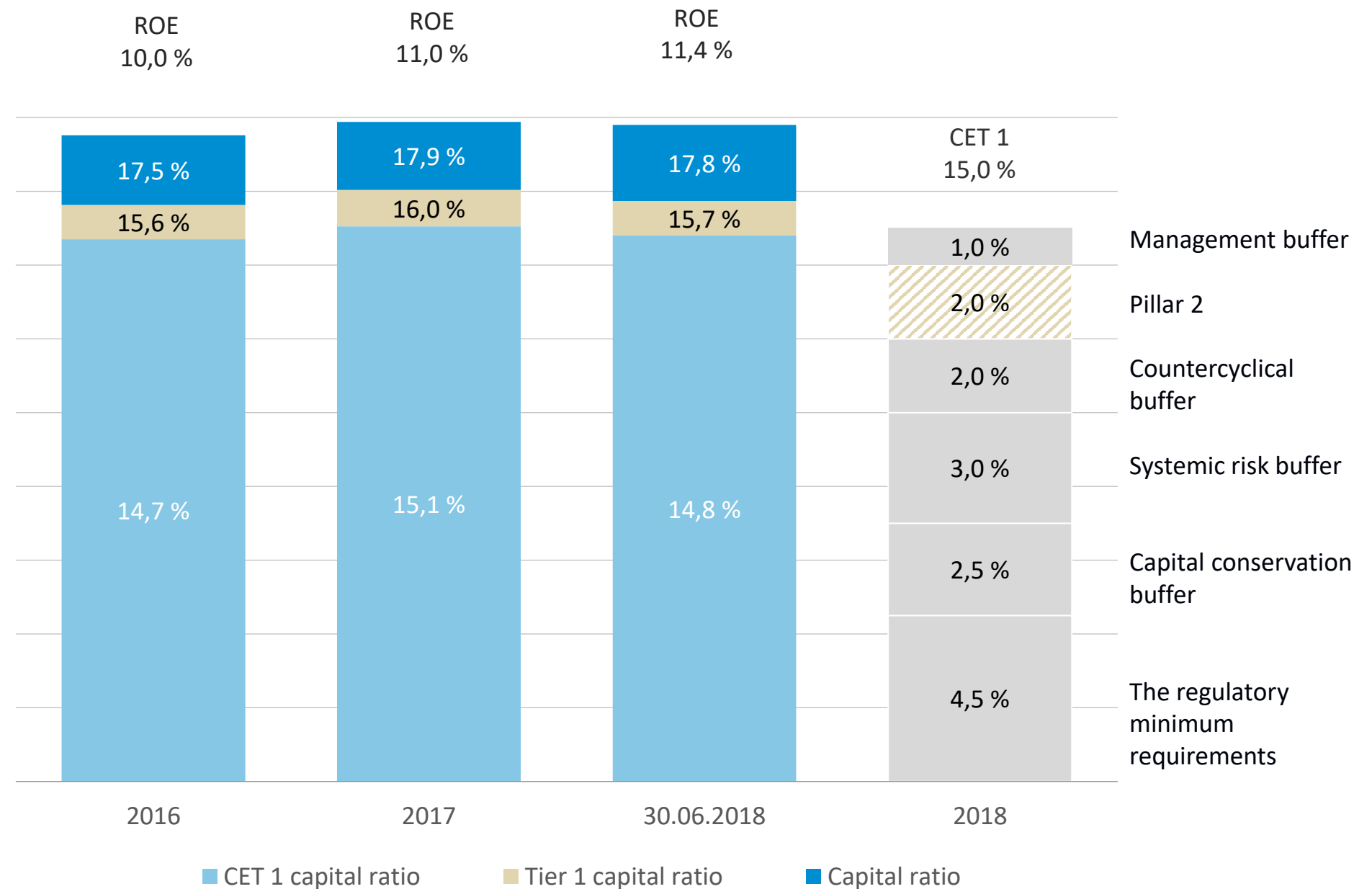
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	2,000%	EUR500mn	14-May-2018	XS0853250271
SR-Bank / SRBANK	2,125%	EUR500mn	27-February-2019	XS0965489239
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-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 %	EUR 500mn	3-October-2024	XS1692489583
SR-BOL / SRBANK	2,500%	USD600mn	12-April-2022	XS1596016847
SR-BOL / SRBANK	Nibor3m + 34	NOK 5.000mm	25-November 2019	NO0010779176
SR-BOL / SRBANK	Nibor3m + 35	NOK 5.000mm	10-September 2020	NO0010740152
SR-BOL / SRBANK	Nibor3m +29	NOK 5.000mm	29-May 2023	NO0010823255

Solid capital ratio

- SpareBank 1 SR-Bank is compliant with capital requirements as at 30.06.2018.
- The Pillar 2 requirement for SpareBank 1 SR-Bank is 2.0%.
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.
 - The Basel I floor is also practised differently.
- Leverage ratio is 7.5% as at 30.06.2018. SpareBank 1 SR-Bank exceeds the levels being discussed and recommended internationally.



Outlook - The market is expected to grow

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

We are investing in the future through the startup-factory FinStart Nordic

- **Lease signed**, Kvadraturen in Oslo – move in during August together with some of the companies we have invested in.
- **We have attracted highly qualified staff**, faster than we had expected.
- **Investments have been made.** The start-up factory manages stakes and is represented in the following companies:
 - Boost AI AS – *Chatbot based on AI, 14.0% stake*
 - Monner AS – *loan platform tailored to the SME market, 43.8% stake*
 - Lucidtech AS – *retrieves and reads unstructured data with the aid of AI, 14.3% stake*
 - Just Technology AS – *Friction-free global currency trading platform, 21.4% interest*



Some demanding years are now behind us in Southern and Western Norway

- Business optimism is growing
 - 62% expect growth next year.
- Surprisingly strong order books and increased investment.
- Job growth, lower unemployment and competition for labour.
- The organisation has coped with a challenging period in a highly competent and solution-oriented manner.
- Commitments totalling around NOK 10 billion have been restructured in the last 2 years.

January 2016:



May 2018:



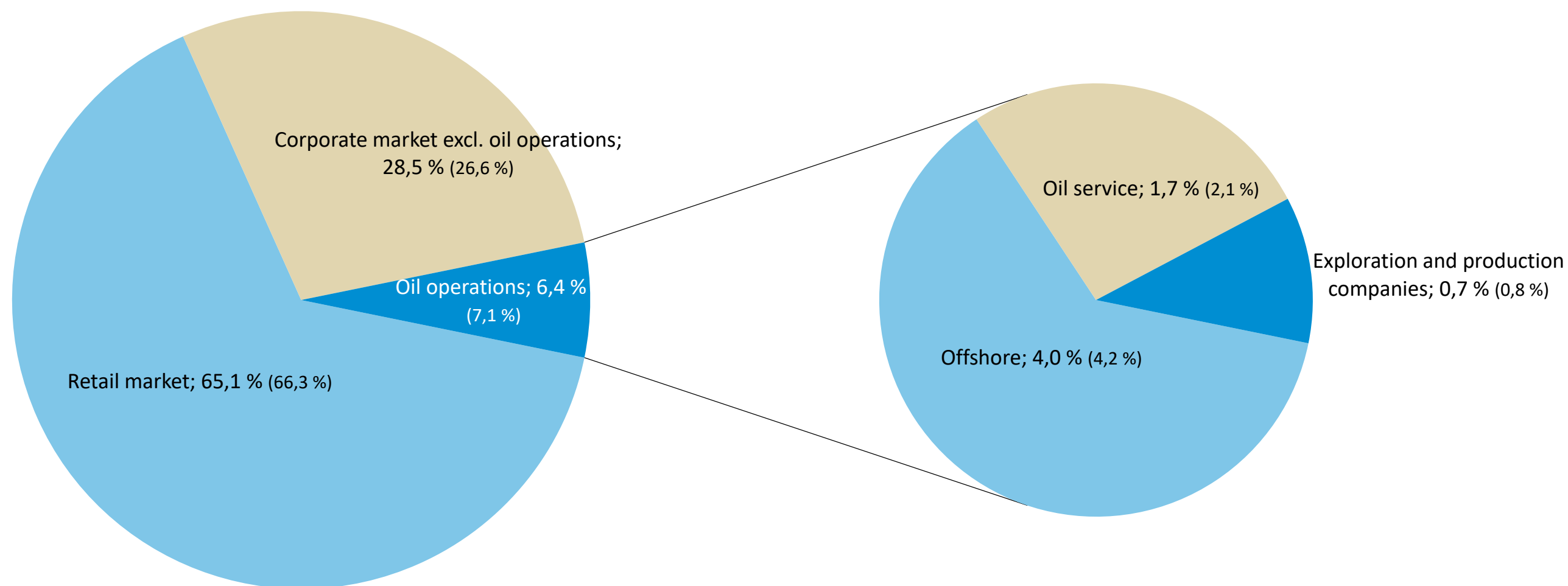
APPENDIX

- 1) Oil related portfolio
- 2) Macro
- 3) Norwegian housing and mortgage markets
- 4) SpareBank 1 SR-Bank

SpareBank 1 SR-Bank has a well diversified portfolio

6.4% (7.1%) of total EAD is related to oil operations

SpareBank 1 SR-Bank* has total BNOK 215.9 (209.3) EAD per 30.06.2018 BNOK 13.9 (14.8) EAD is related to oil operations



EAD: Exposure at default

Figures as at 30.06.2018 . Figures in parentheses as at 31.12.2017

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

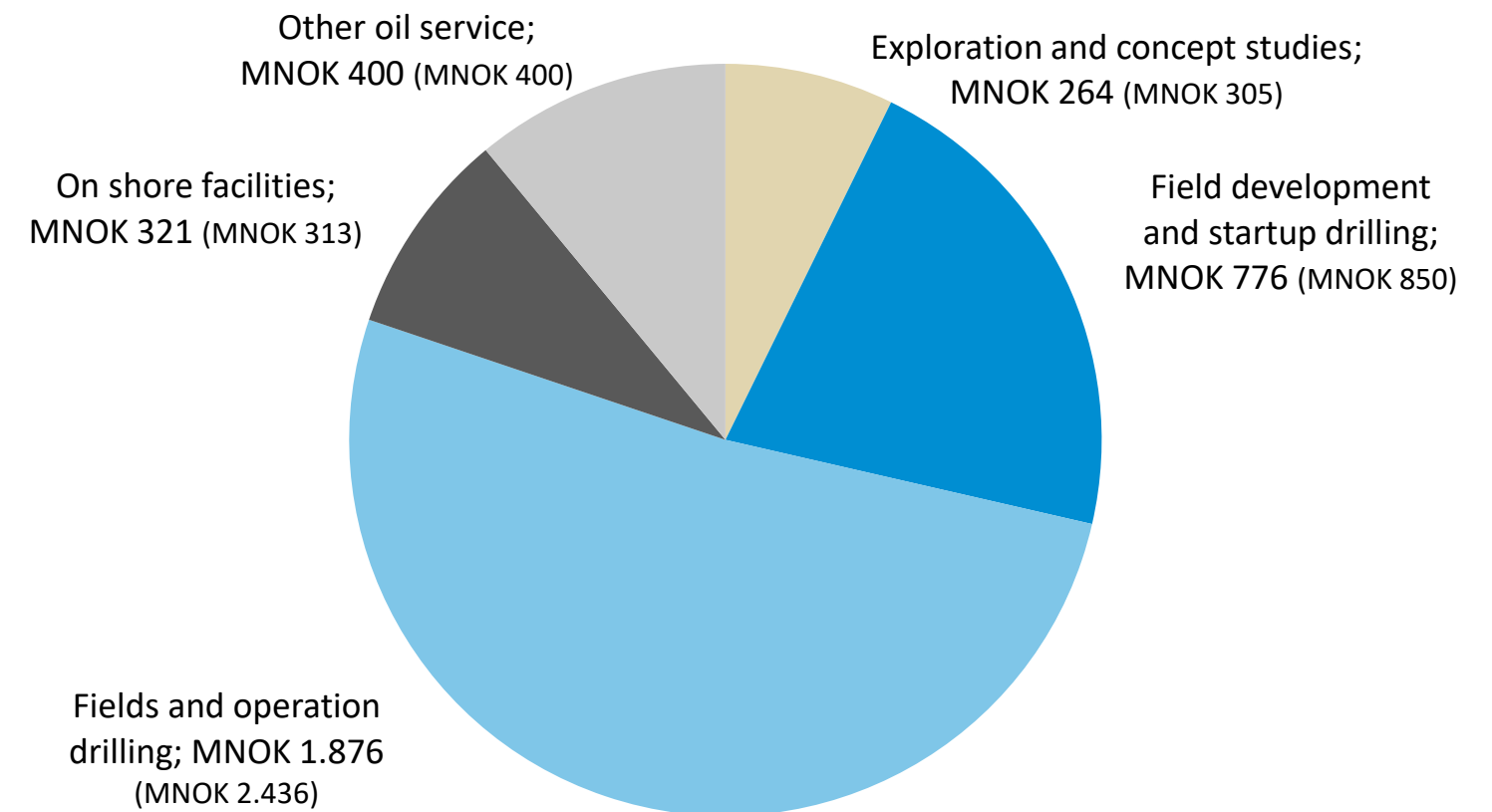
Oil services - total NOK 3.6 billion

(NOK 4.3 billion as at 31.12.2017)

- Exploration and concept studies
 - EAD NOK 0.3 billion
 - Average weighted probability of default 2.7%
- Field development and start-up drilling
 - EAD NOK 0.8 billion
 - Average weighted probability of default 5.9%
- Operational fields and operational drilling
 - EAD NOK 1.9 billion
 - Average weighted probability of default 5.5%
- On shore facilities
 - EAD NOK 0.3 billion
 - Average weighted probability of default 4.0%
- Other oil services
 - EAD NOK 0.4 billion

Oil services

- EAD NOK 3.6 *billion*, 1.7% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 5.2%
- Funding of operating capital through current and fixed assets, as well as guarantees



EAD: Exposure at default

Figures as at 30.06.2018. Figures in parentheses as at 31.12.2017

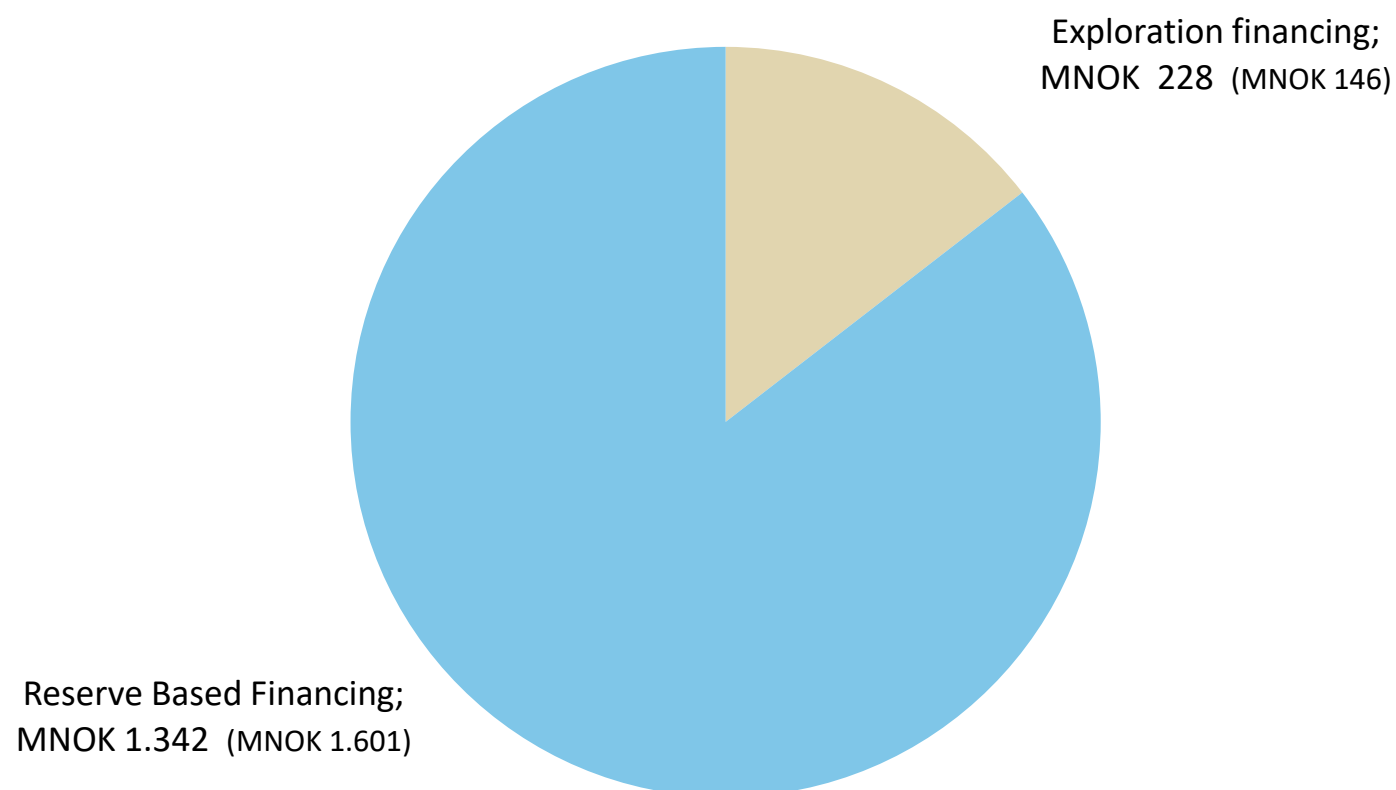
Oil and gas - total NOK 1.6 billion

(NOK 1.7 billion as at 31.12.2017)

- Exploration financing
 - EAD NOK 0.2 billion
 - Average weighted probability of default 1.1%
 - Secured by a tax refund from the Norwegian State. No direct oil price risk
- Reserve based lending (RBL)
 - EAD NOK 1.3 billion
 - Average weighted probability of default 1.4%
 - Structured financing based on assumptions relating to reserves, production volume, investments, oil prices, etc. The basis for loans is adjusted semi-annually based on a review of total assumptions

Exploration and production companies

- EAD NOK 1.6 billion, 0.7% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 1.4%
- Exposure primarily to companies with activities on the Norwegian continental shelf



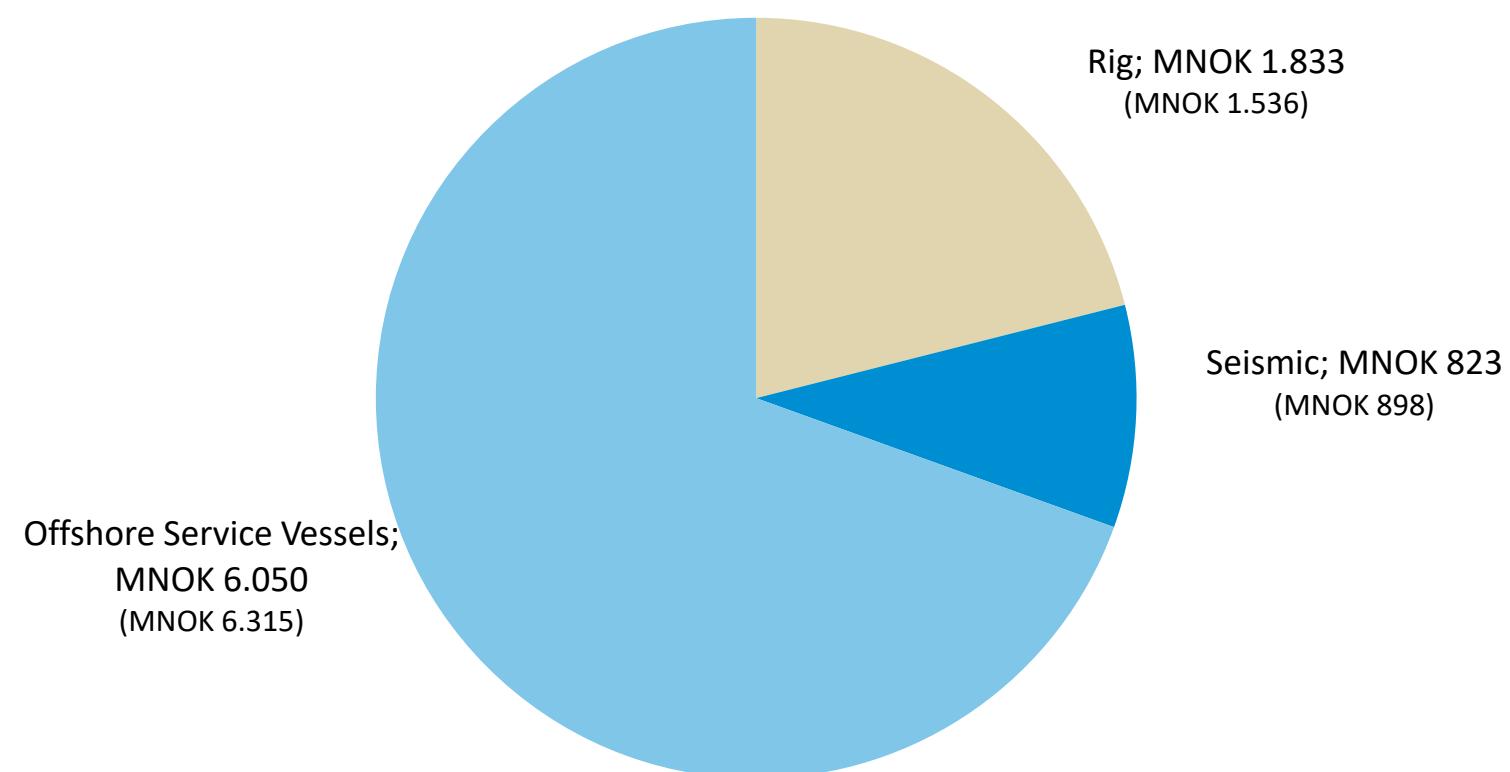
Offshore - total NOK 8.7 billion

(NOK 8.7 billion as at 31.12.2017)

- Offshore Service Vessels
 - EAD NOK 6.1 billion, average weighted probability of default is 2.7%, weighted average age is 8.7 years, average weighted contract coverage for 2018 and 2019 of 65% and 35% respectively, average weighted LTV 96%, 84 vessels
- Rig
 - EAD NOK 1.8 billion, average weighted probability of default is 3.3%, weighted average age is 7.9 years, average weighted contract coverage for 2018 and 2019 of 73% and 61%, average weighted LTV 71%, 23 rigs
- Seismic vessels
 - EAD NOK 0.8 billion, average weighted probability 0.8%, weighted average age is 13.3 years, average weighted contract coverage for 2018 and 2019 of 63% and 63% respectively, average weighted LTV 100%, 7 vessels
 - Applies to ship financing, not seismic equipment

Offshore

- EAD NOK 8.7 billion, 4.0% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 2.6%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



EAD: Exposure at default

Figures as at 30.06.2018. Figures in parentheses as at 31.12.2017.

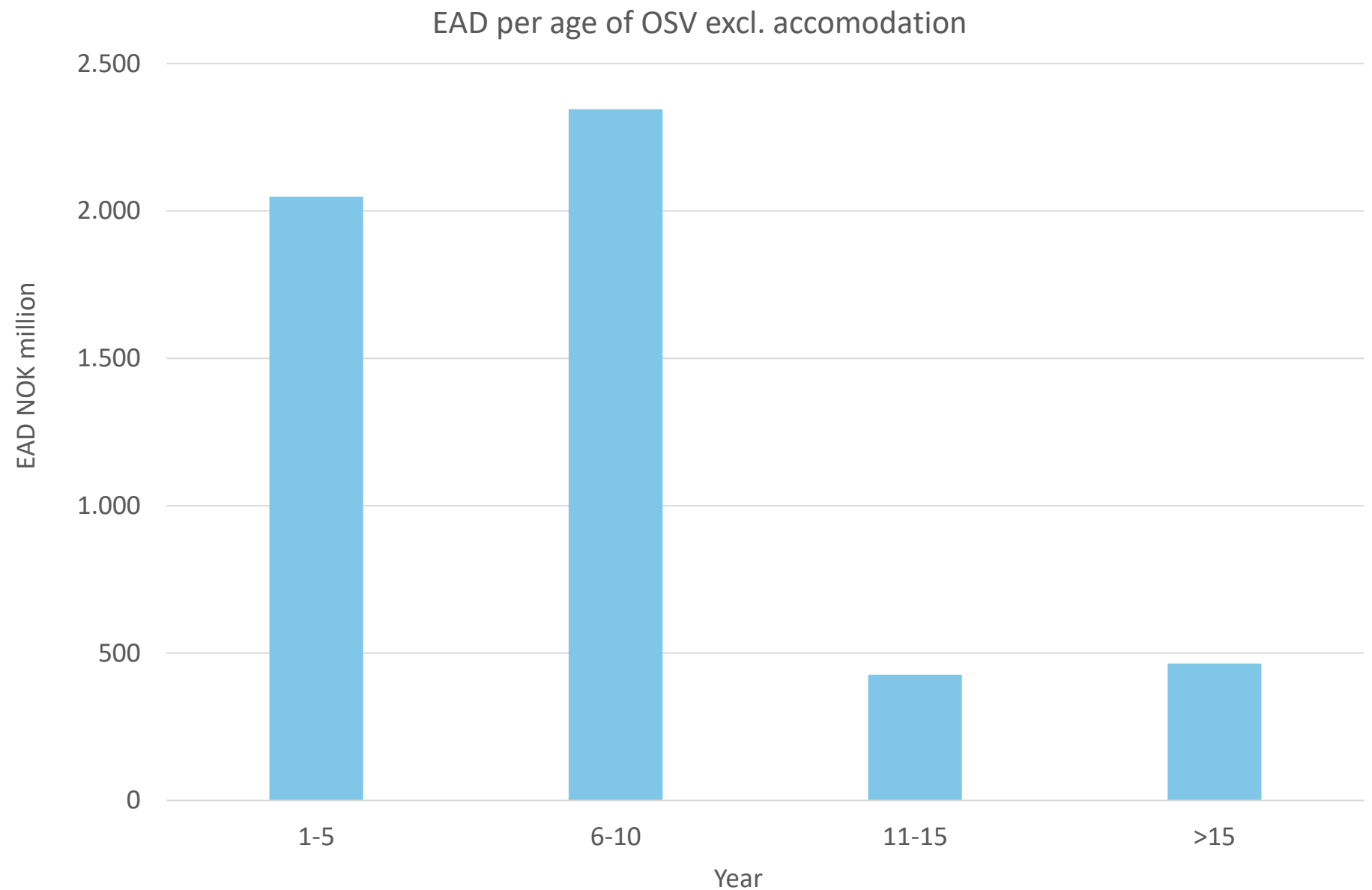
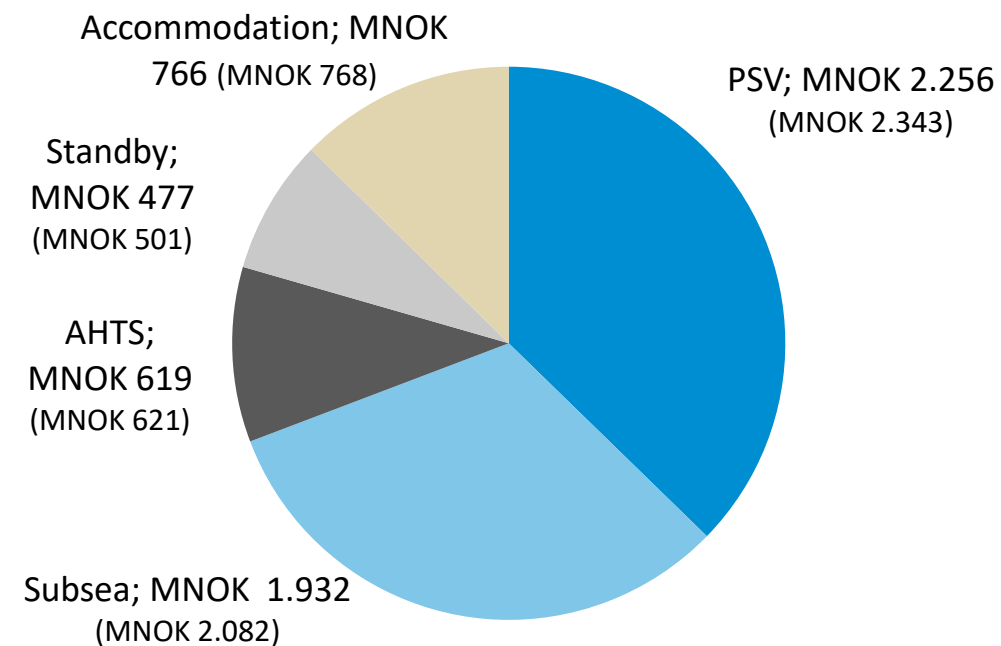
LTV: Loan to Value. Value estimates per 31.12.2017

Offshore Service Vessels – total NOK 6.1 billion

(NOK 6.3 billion as at 31.12.2017)

Offshore Service Vessels

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

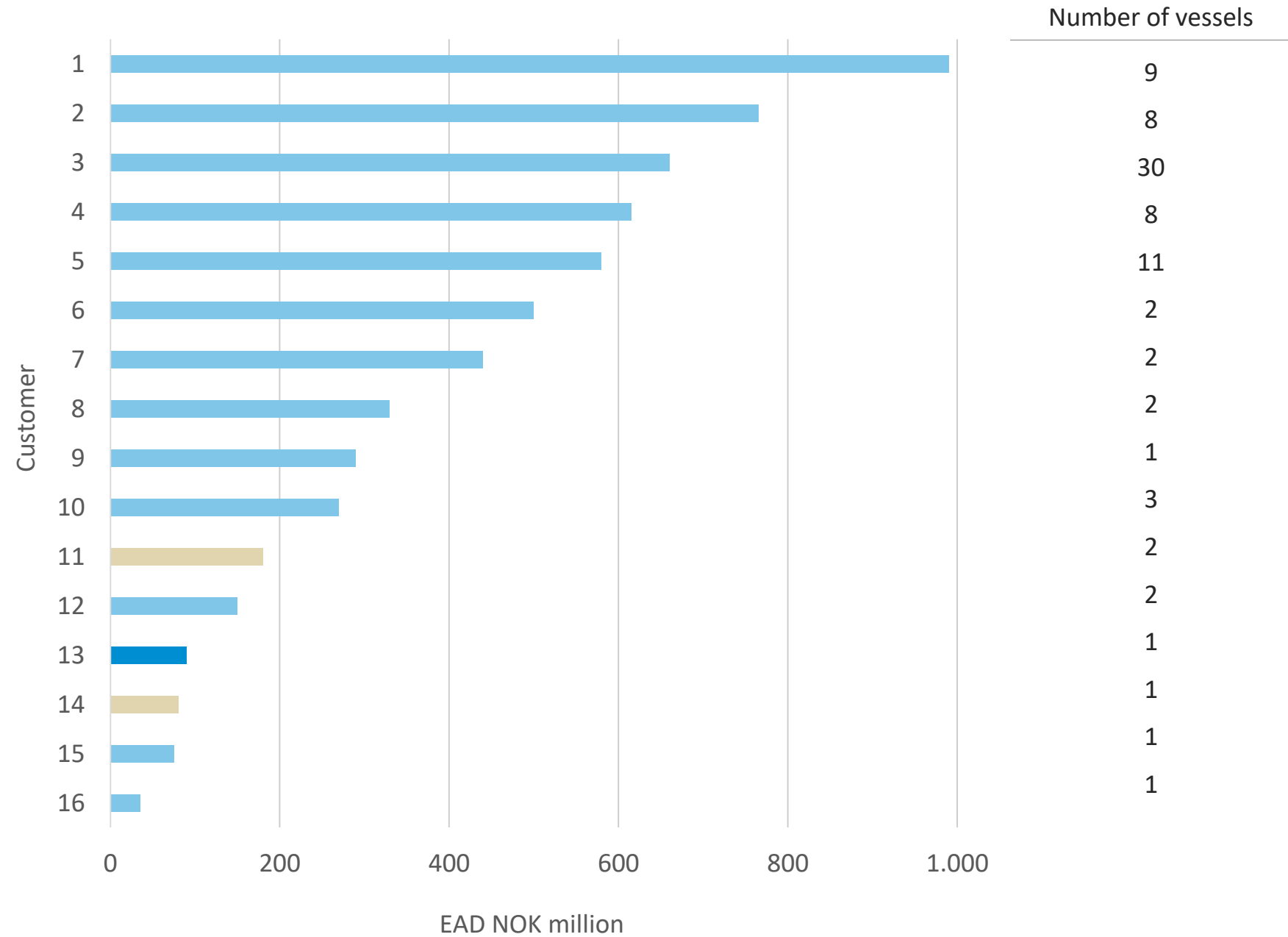


EAD: Exposure at default

Figures as at 30.06.2018. Figures in parentheses as at 31.12.2017.

Offshore Service Vessels – largest customer group

- Well diversified portfolio. One commitment of NOK 1.0 billion, rest of NOK 770 or lower.
- Total EAD for the portfolio is NOK 6.1 billion of which;
 - NOK 5.7 billion consists of 13 restructured commitments
 - NOK 0.1 billion consists of 1 commitment under consideration
 - NOK 0.3 billion consists of 2 commitments where it is not required
- Financing of 84 vessels, all with 1. priority pledge



APPENDIX

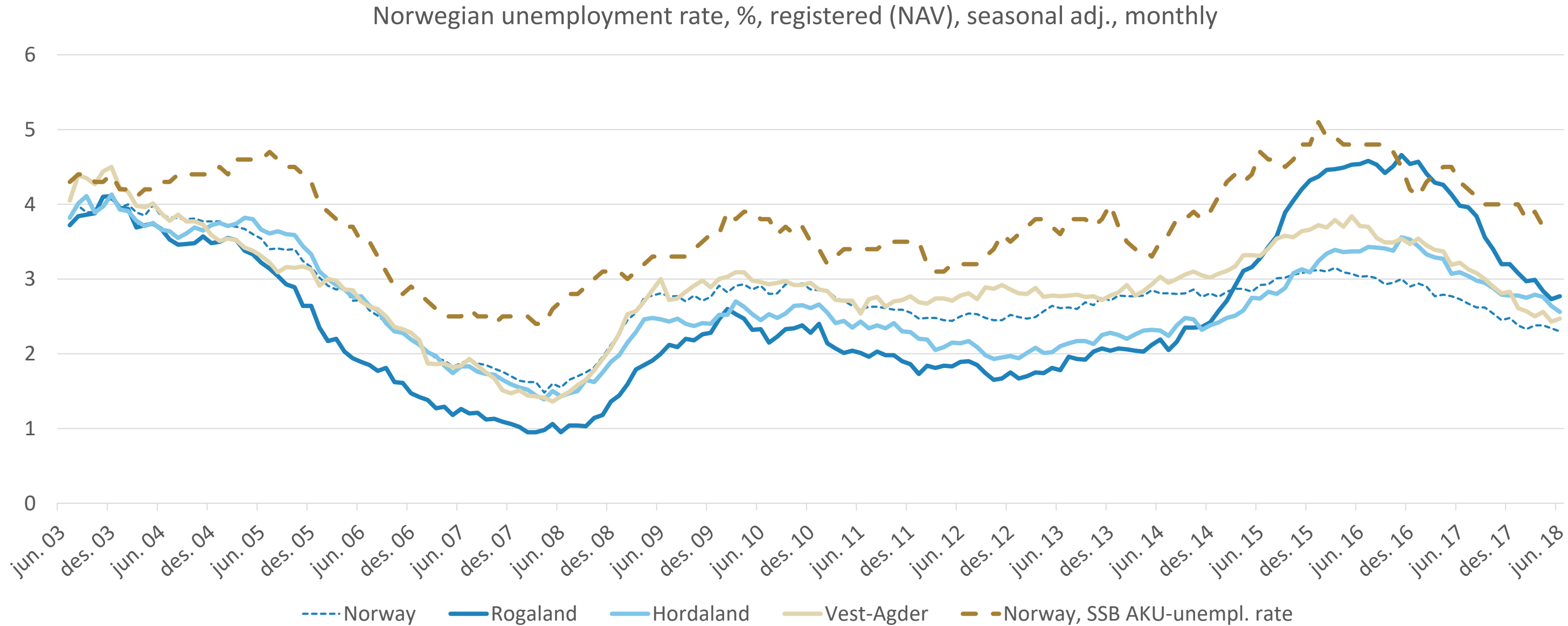
- 1) Oil related portfolio
- 2) **Macro**
- 3) Norwegian housing and mortgage markets
- 4) SpareBank 1 SR-Bank

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	2018P	2019P
GDP mainland, annual change (%)	1,9	3,7	2,3	2,2	1,4	1,0	1,9	2,1	2,5
Household consumption, annual change (%)	2,3	3,5	2,8	2,1	2,6	1,5	2,5	2,5	2,8
Public consumption, annual change (%)	1,0	1,6	1,0	2,7	2,4	2,1	2,2	1,6	1,7
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	-0,2	6,1	5,5	-0,1	1,6
Investment public sector	1,1	-1,8	12	4,4	0,2	5,9	4,4	1,6	1,3
Investment offshore oil and gas, annual change (%)	11,4	14,6	19	-1,8	-12,2	-17	-2	2,4	3,8
Oil price, USD/bbl. Actual	111	112	109	99	53	45	55	71	
Inflation rate (CPI) %	1,2	0,8	2,1	2	2,1	3,6	1,8	2,5	1,5
3 month NIBOR %	2,9	2,2	1,8	1,7	1,3	1,1	0,9	1,1	1,4
Mortgage rate %	3,6	3,9	4	3,9	3,2	2,6	2,6	2,7	3,1
Household savings ratio	5,9	7,1	7,4	8,2	10,3	7,1	7,1	7,2	7,7
Unemployment rate (registered at labour office)*	2,6	2,6	2,7	2,7	3	3	2,7	2,3	2,1
HH sector real disposable income, annual change (%)	4,1	4,4	3,9	2,9	5,5	-1,5	2,4	2,4	2,9
Current account surplus, share of GDP (%)	12,4	12,5	10	11	7,9	3,8	5,5	8,1	9,3
Sovereign Wealth Fund, share of mainland-GDP (%). Actual	150	160	190	230	270	270	290	280	

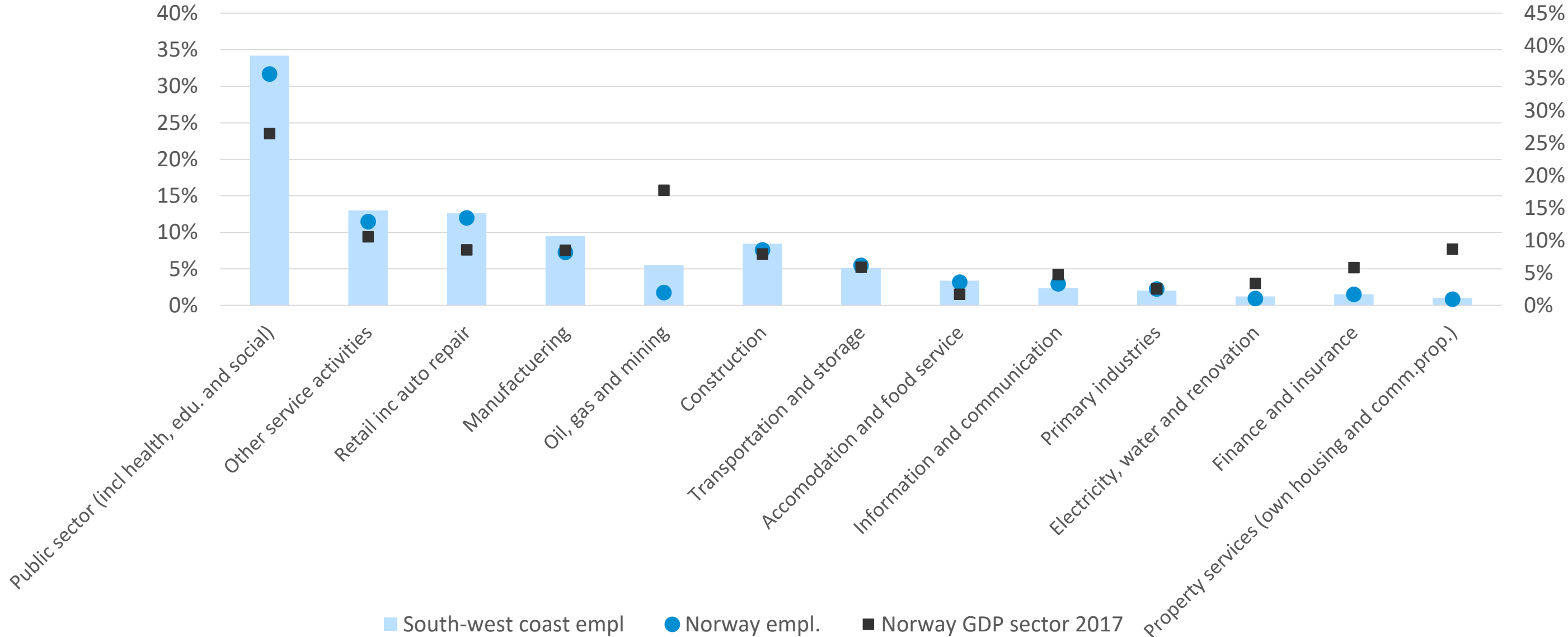
Lower unemployment rate

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



Employment (and GDP) by sector

Employment (and sector GDP) in Norway and the region in 2017. Share (%) in sectors

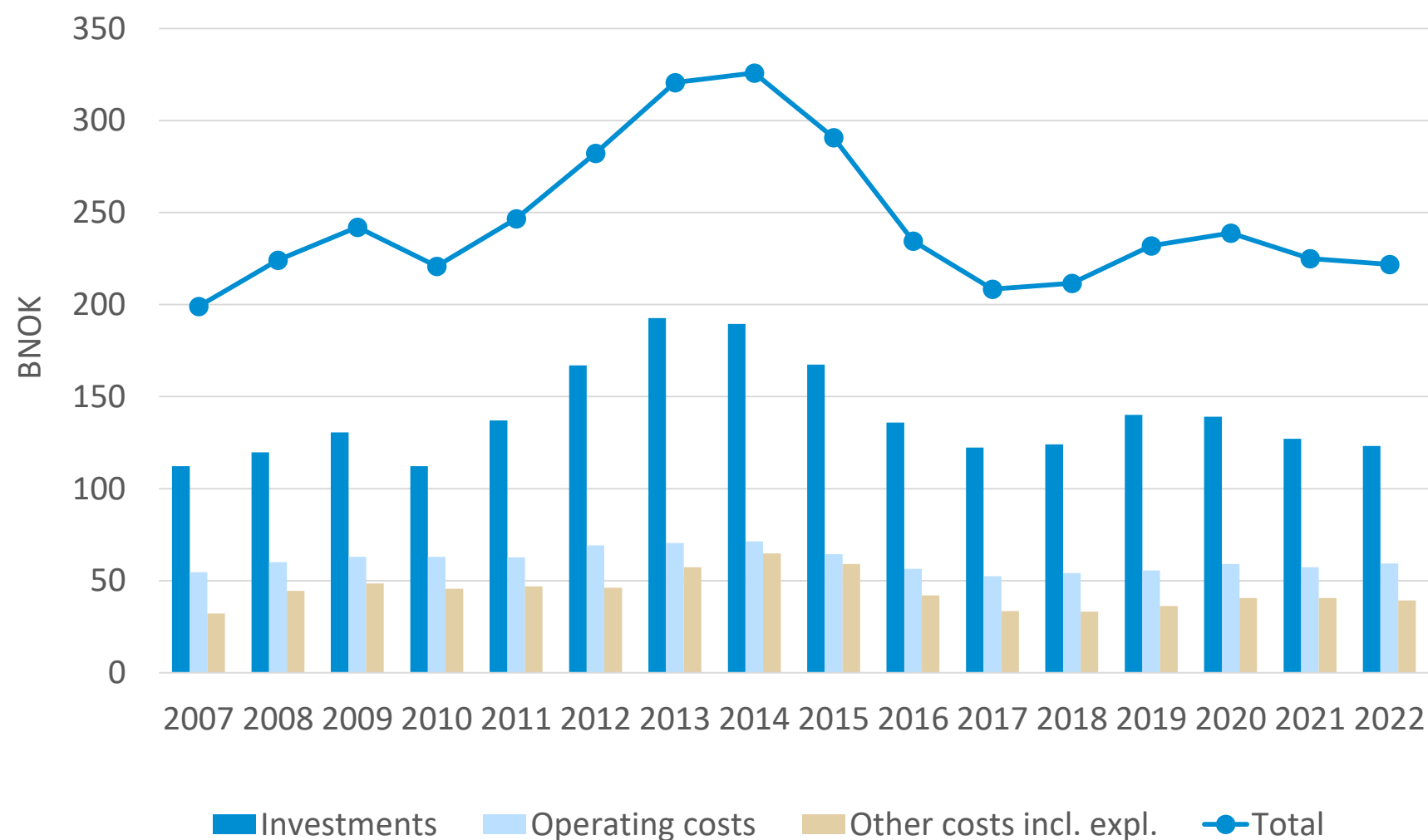


Petroleum activity on the NCS turning from decline to upswing

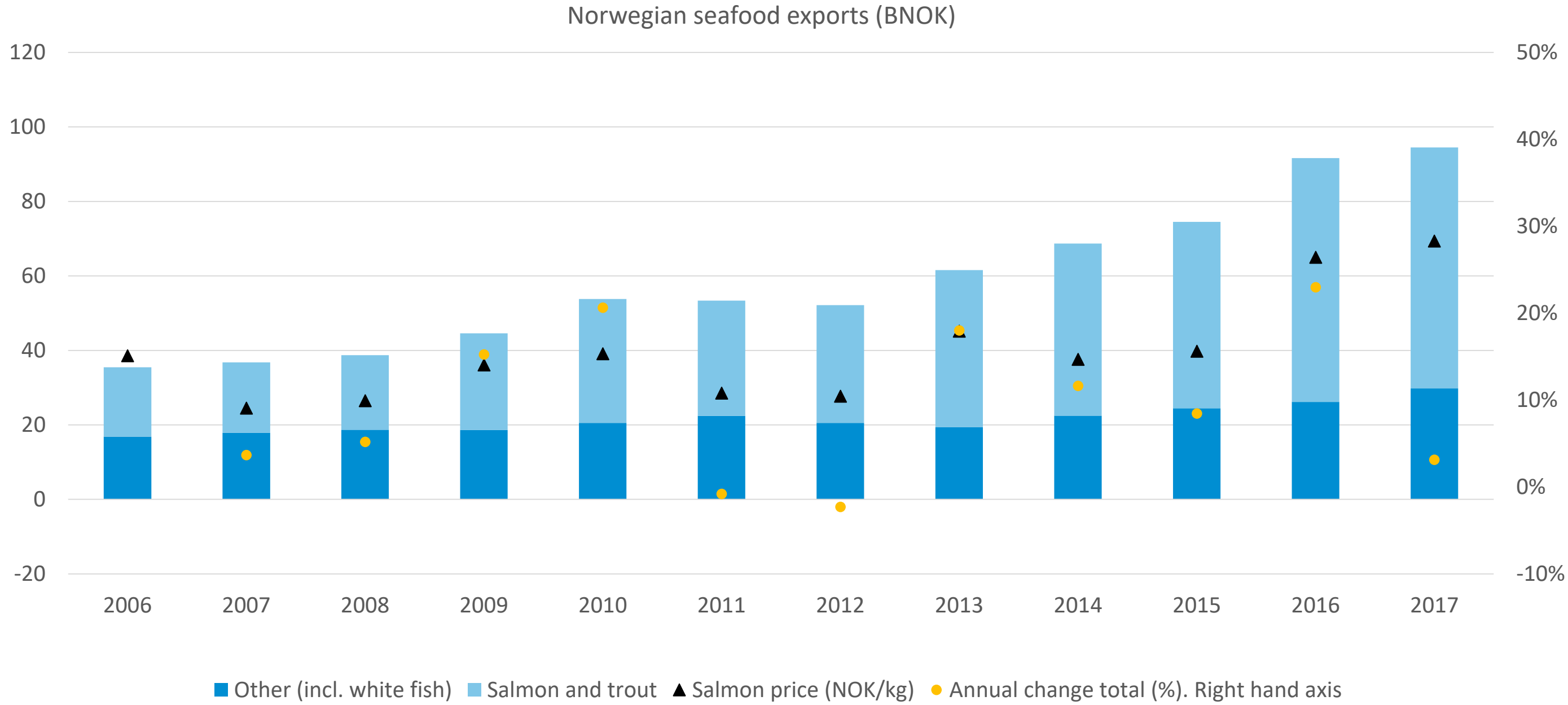
Activity down 35% from 2014 to 2017, but is expected to increase coming years

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

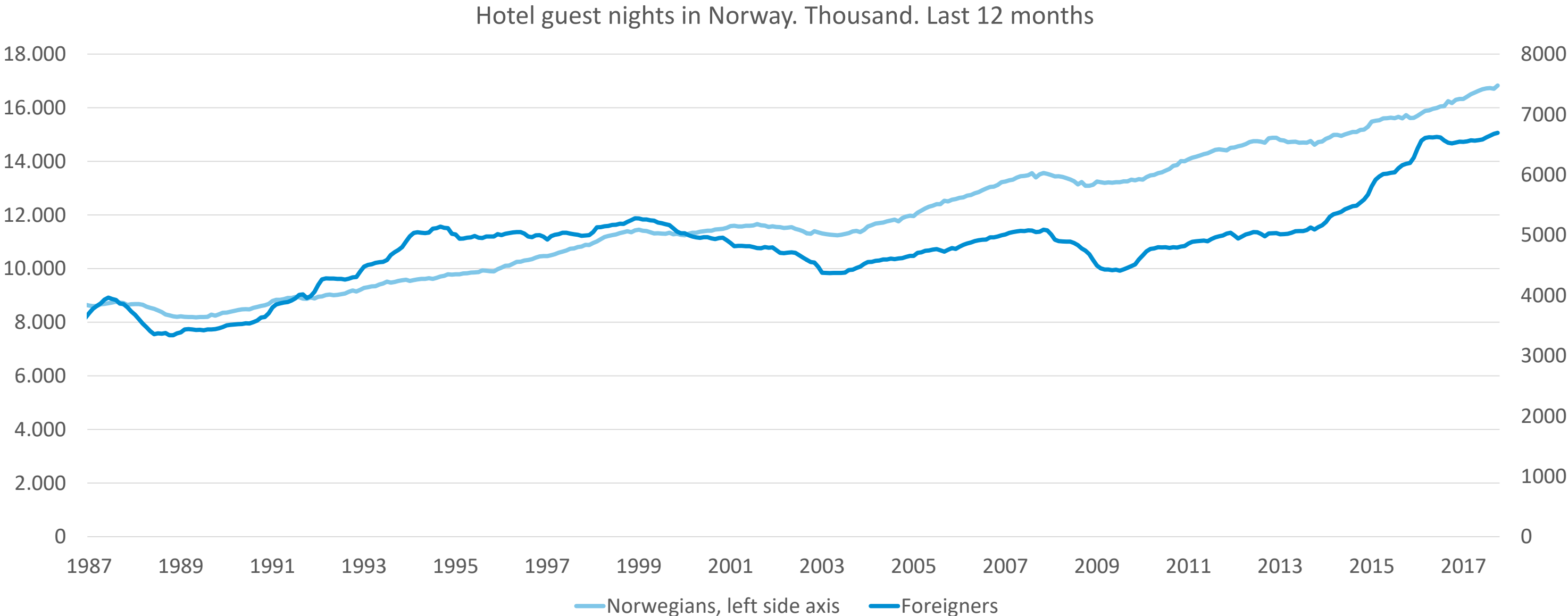
Petroleum activity on Norwegian Continental Shelf. BNOK (2018 NOK). Source: NPD



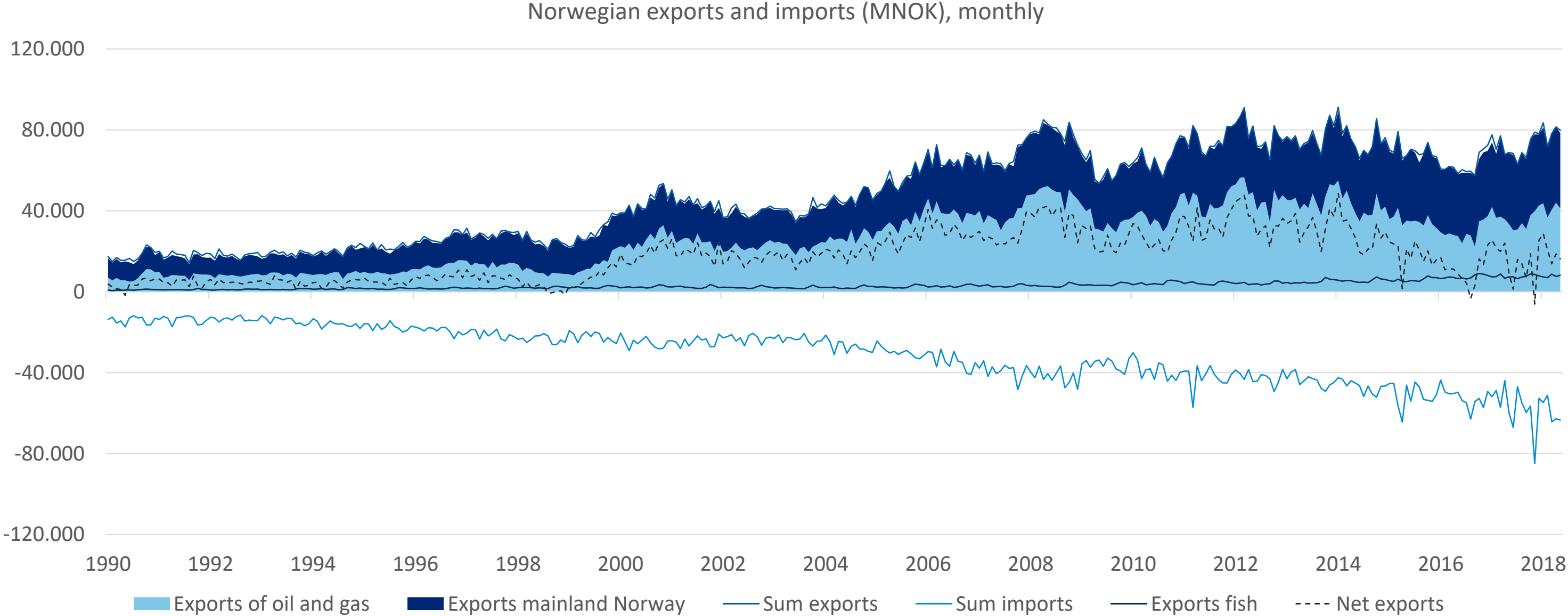
Norwegian seafood exports increasing from 2012



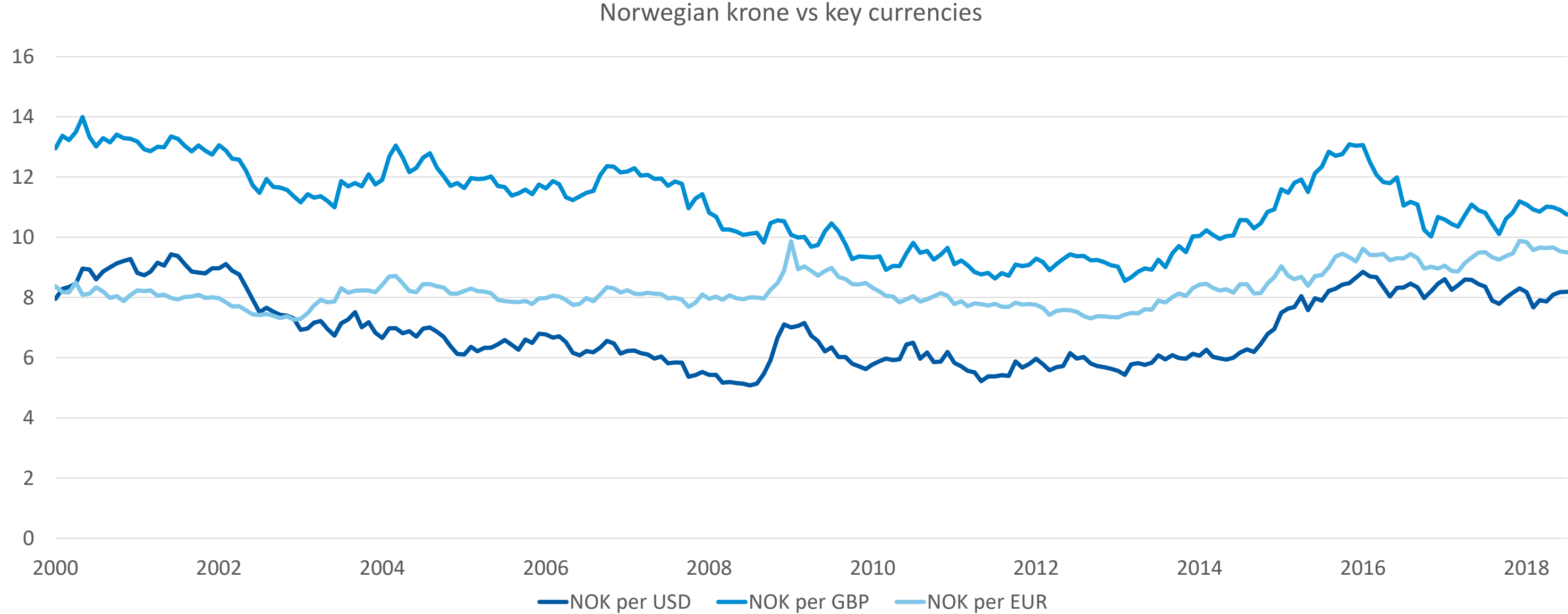
Norwegian hotels – guest nights by foreign and domestic



Norwegian exports and imports

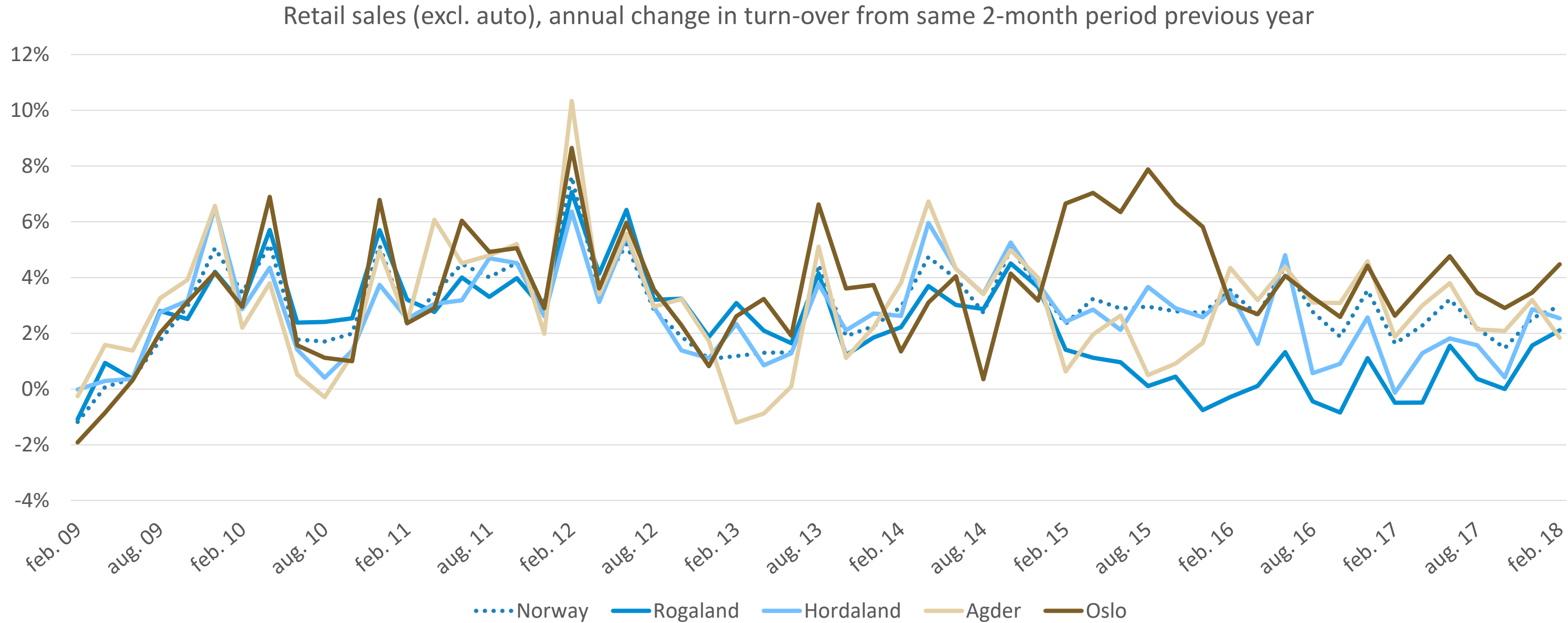


Norwegian krone vs key currencies

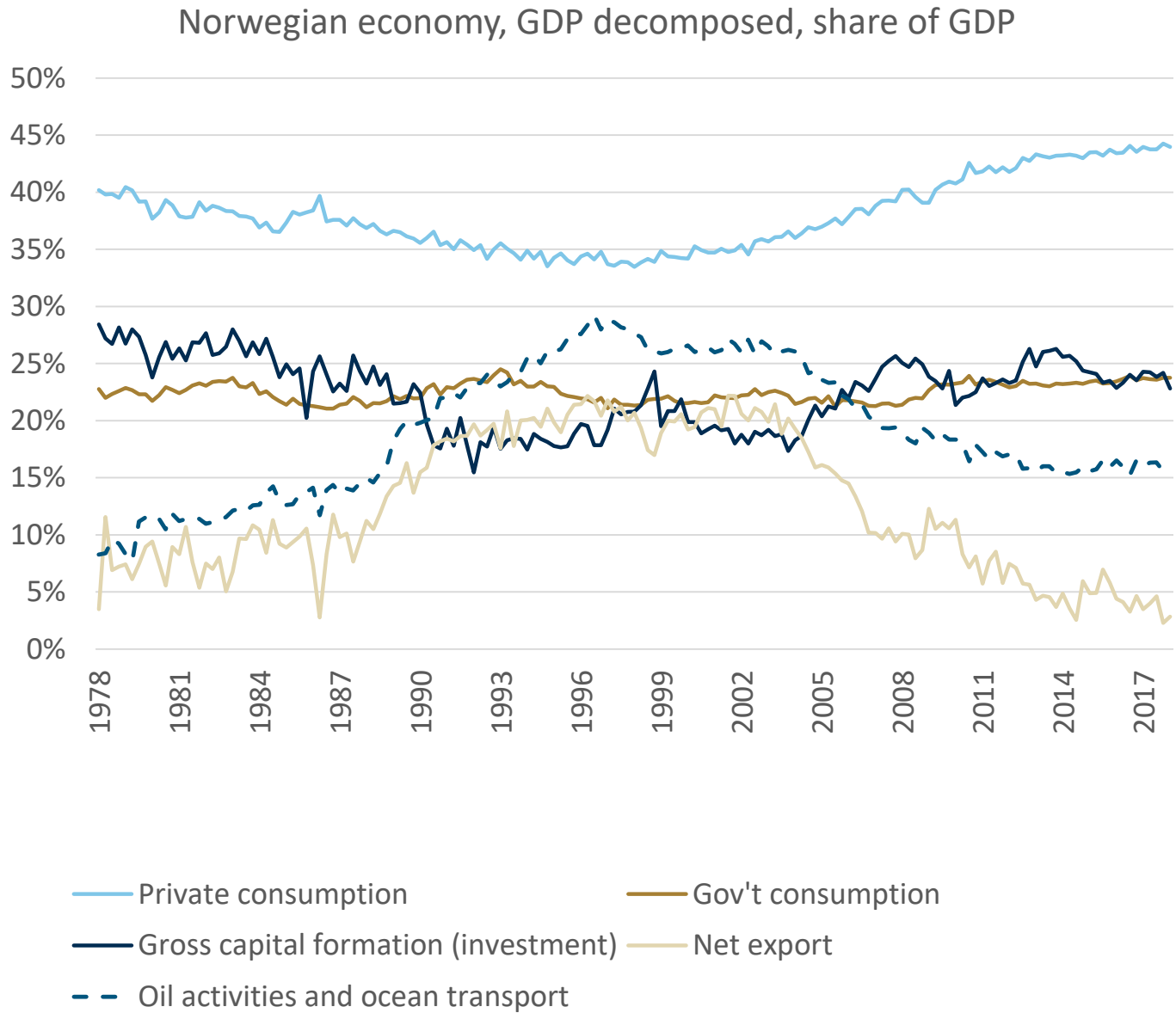
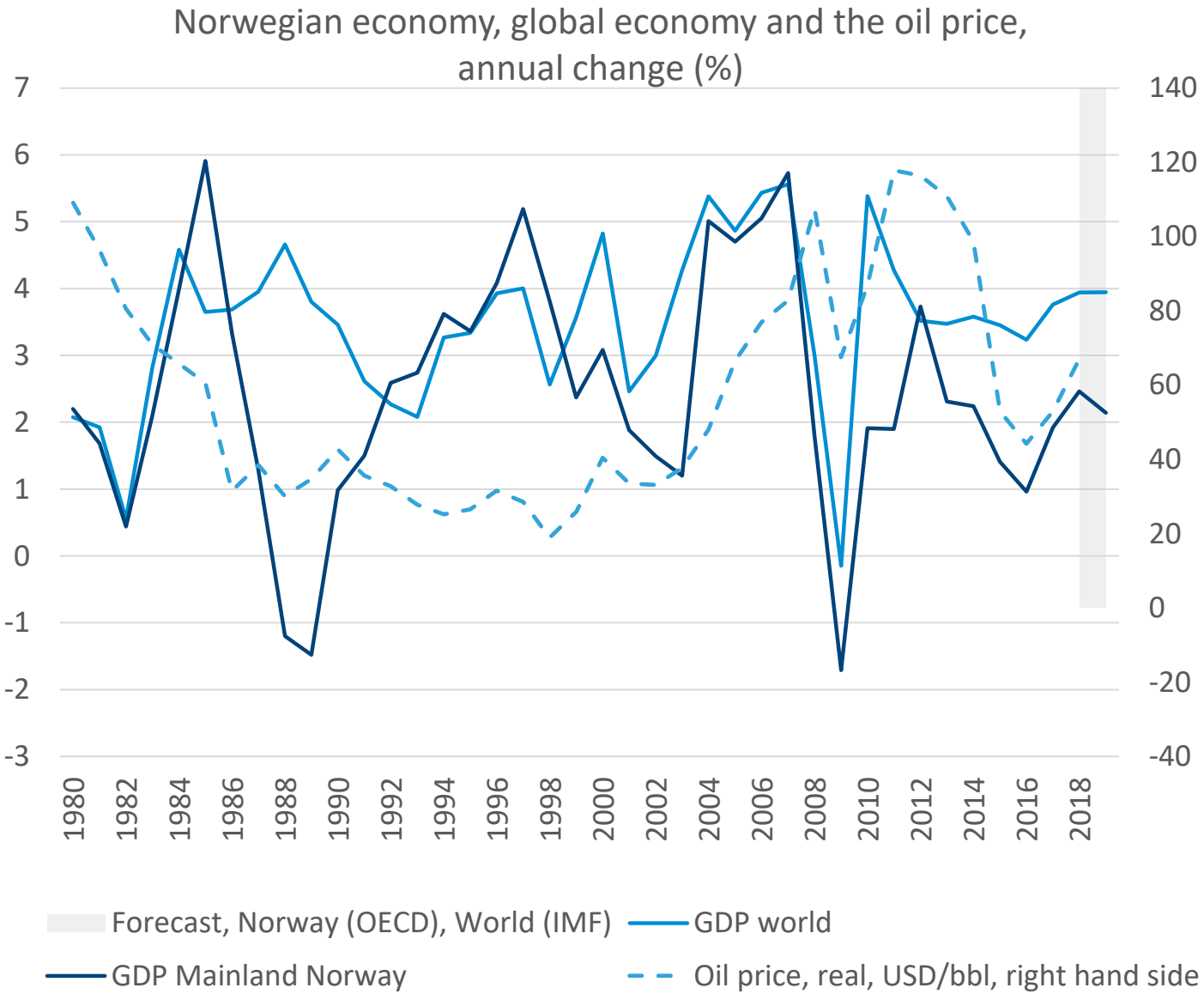


Retail trade increasing in Norway by 2-4%

Highest growth in Oslo and growth is picking up in Rogaland

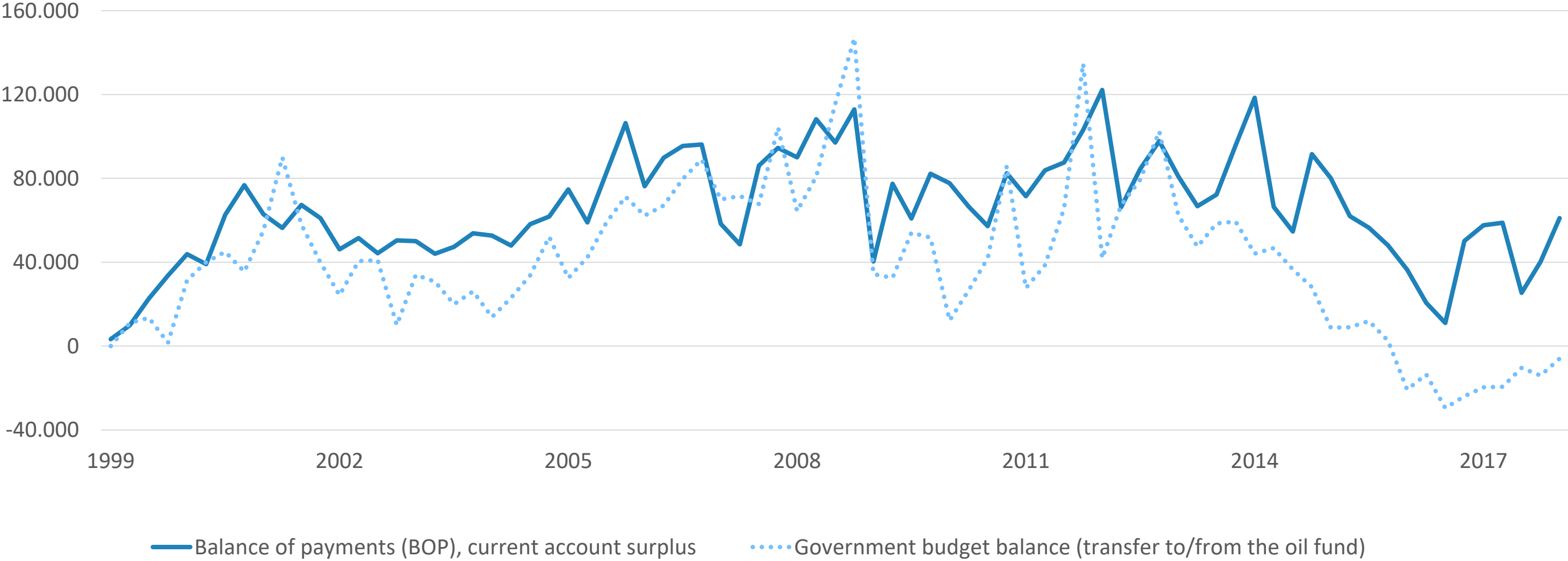


Norwegian Economy – GDP

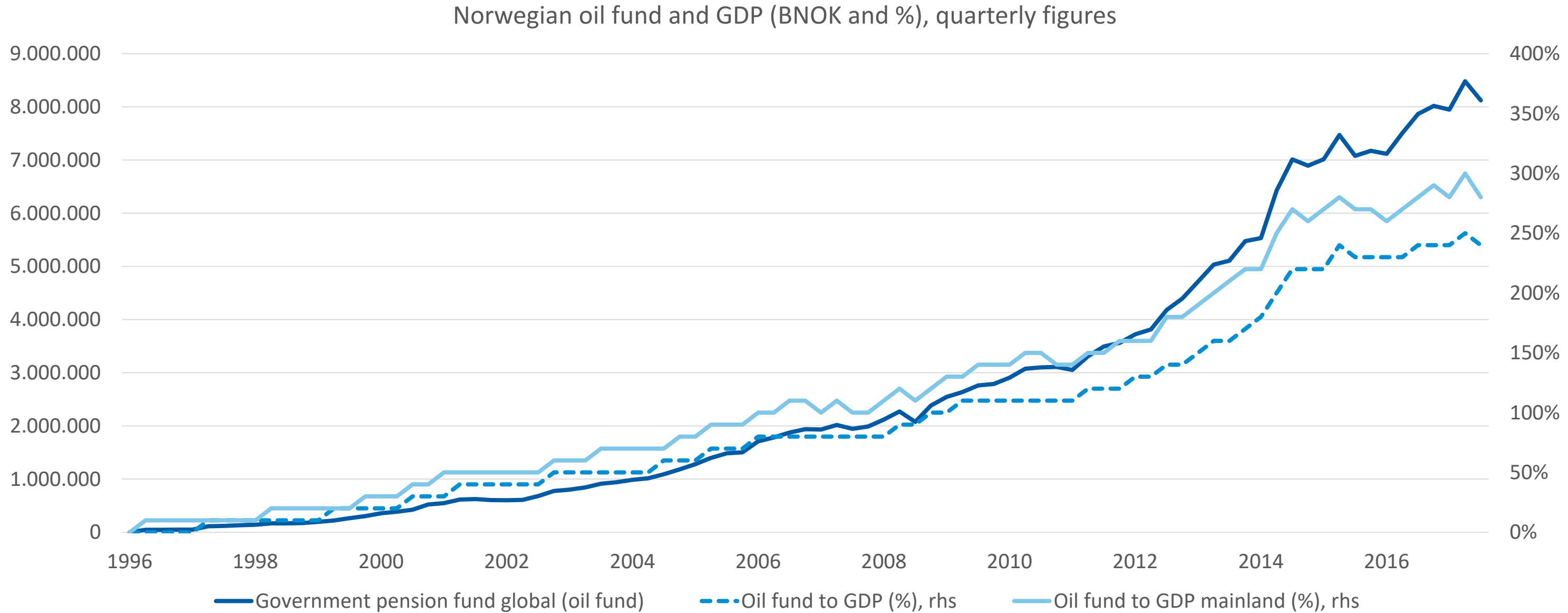


Norway balance of payments and government budget

Norway BOP and gov't budget (BNOK), quarterly figures



Norway oil fund and GDP

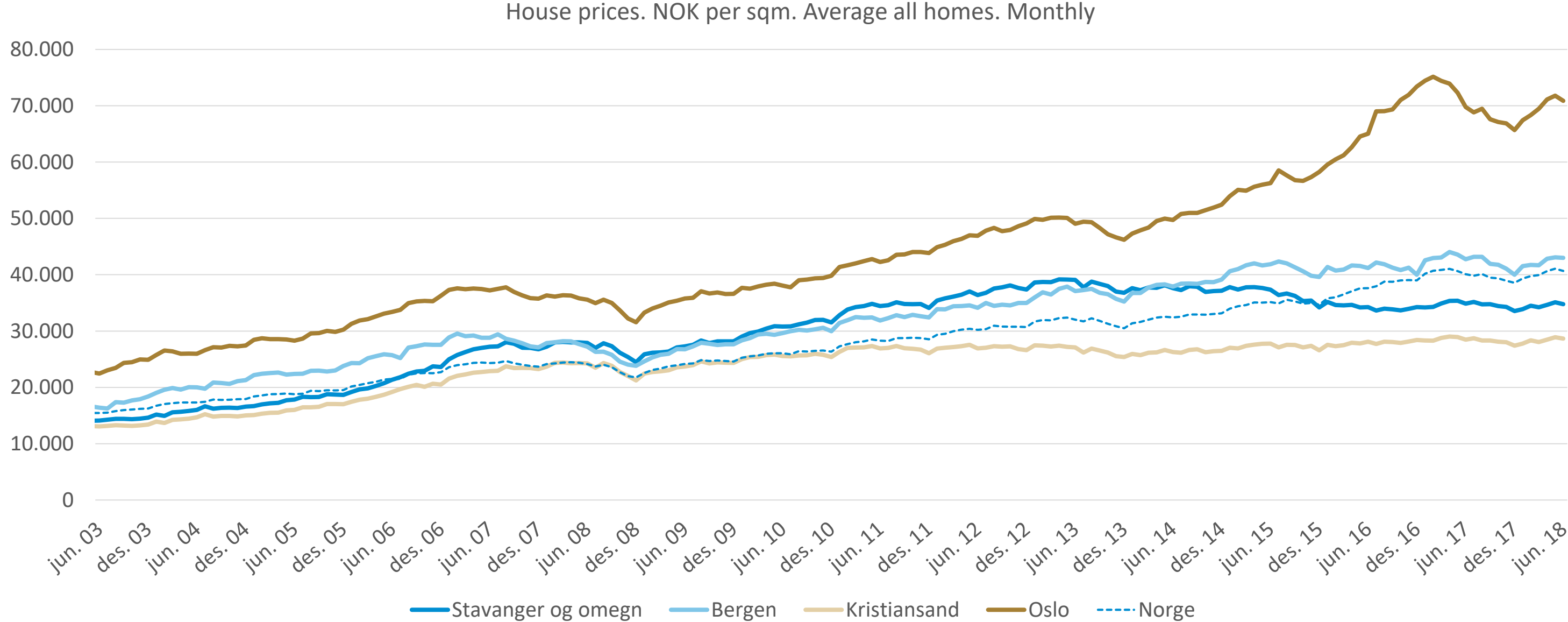


APPENDIX

- 1) Oil related portfolio
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- 4) SpareBank 1 SR-Bank

Housing prices in Norway approx. unchanged last 12 months

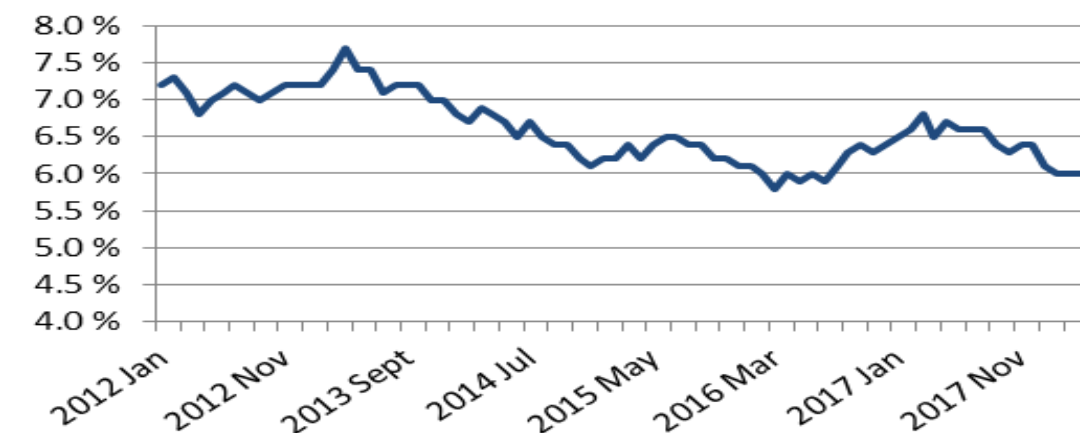
Fairly stable in most counties, but somewhat more volatile in Oslo



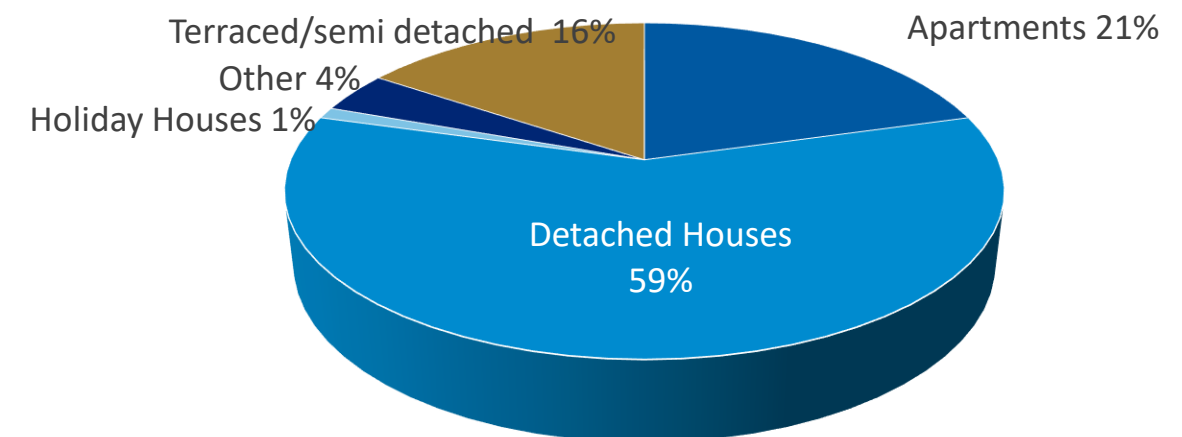
Housing and mortgage markets – Key characteristics

Mortgage Market	<ul style="list-style-type: none"> • Total size approximately NOK 3,000 billion (USD 375bn, €330bn) • Private banks (incl. savings banks) are the dominant suppliers of mortgages with over 95% market share • Scheduled repayment mortgages: 83.4%, flexible: 16.6% • Typical maturity: 25 years • First priority security market with high doc. standard
Home Ownership	<ul style="list-style-type: none"> • Over 80% of households owner occupied (little buy to let) • Between 50% and 60% are detached one-family houses
Social security	<ul style="list-style-type: none"> • Unemployment benefit represents ca 60% of final salary for 2 years
Personal Liability	<ul style="list-style-type: none"> • Borrowers are personally liable for their debt • Swift foreclosure regime upon non-payment • Transparent information about borrowers
Regulation	<ul style="list-style-type: none"> • Loan to value: 85% (75% legal limit for cover pool) • Flexible repayment mortgages: max 60% LTV • 5% mortgage interest rate increase as stress test • High risk weighting for banks for mortgage lending (20-25%) • Maximum 5x debt / gross income for borrowers
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"> • 23% 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 (12 months growth rate)

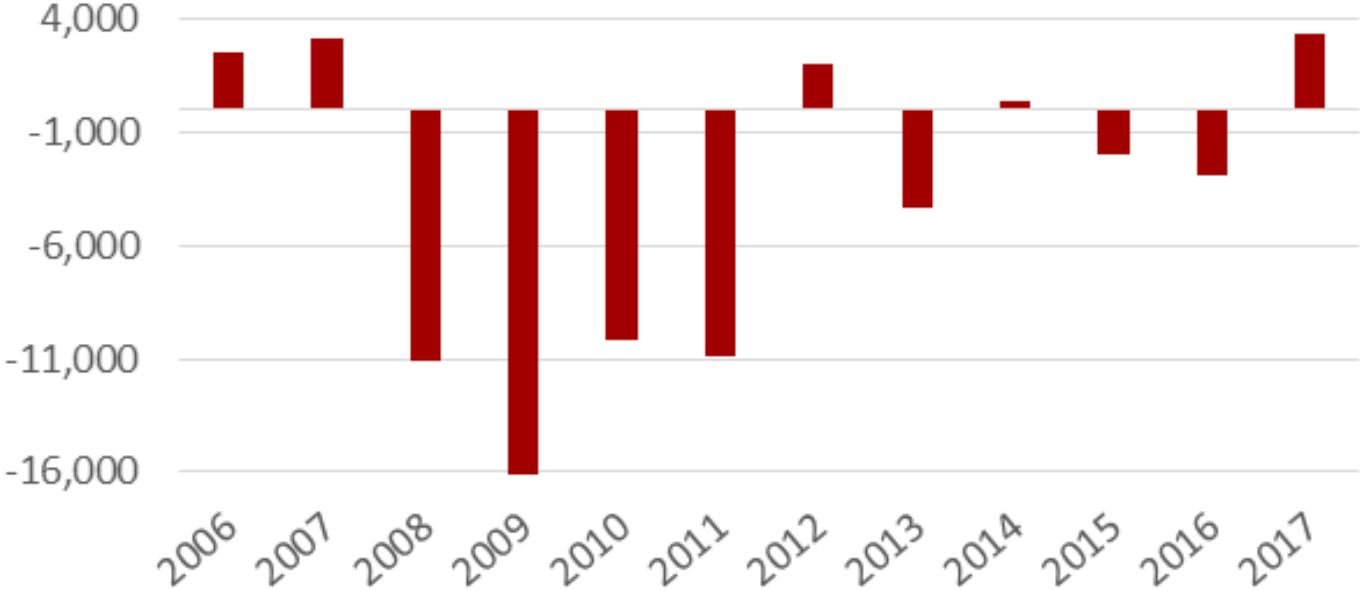


Norwegian Mortgages (by type of property)

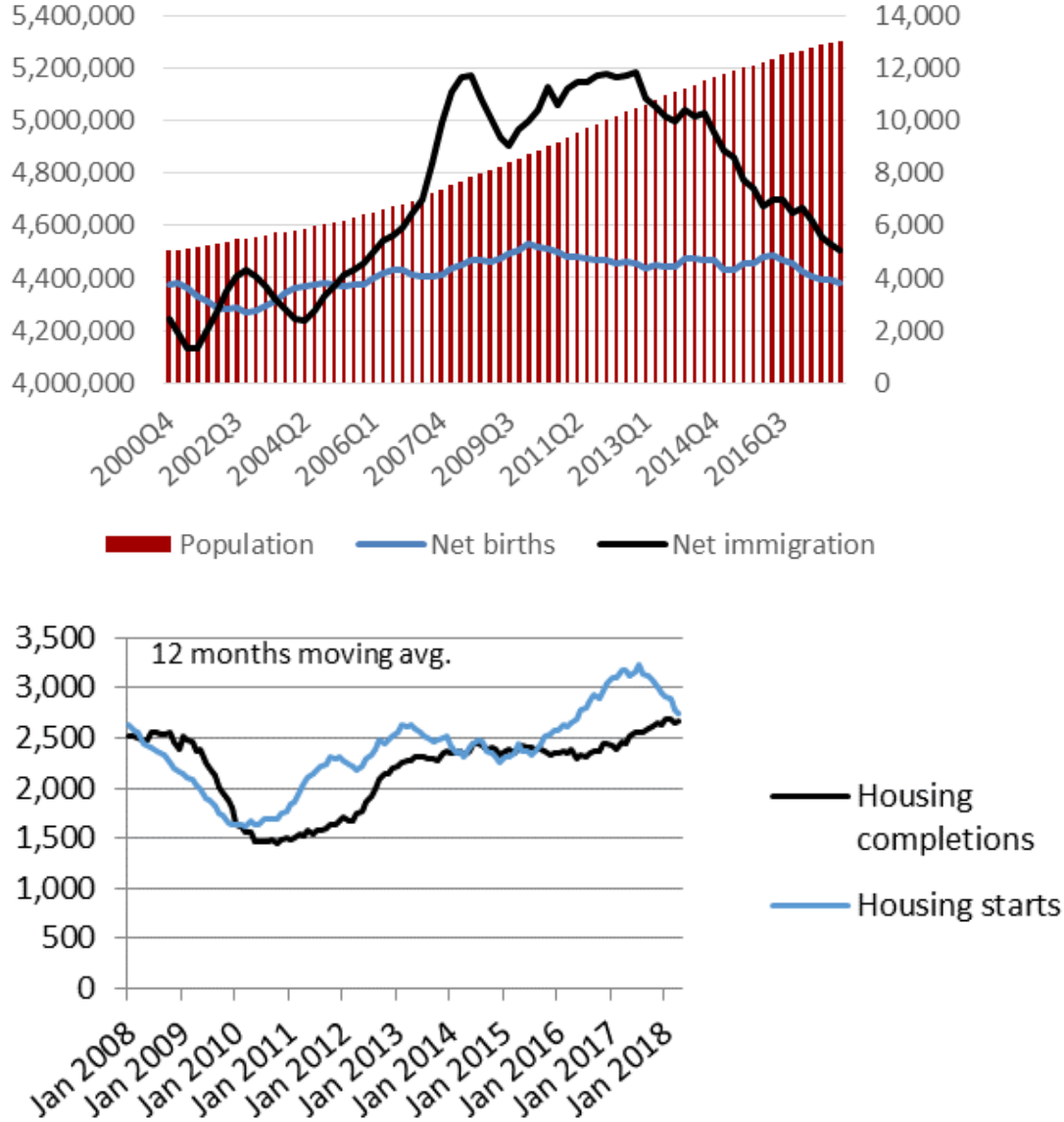


Norwegian housing and mortgage markets – Population change and completed housing units

Completed housing units less newly formed households



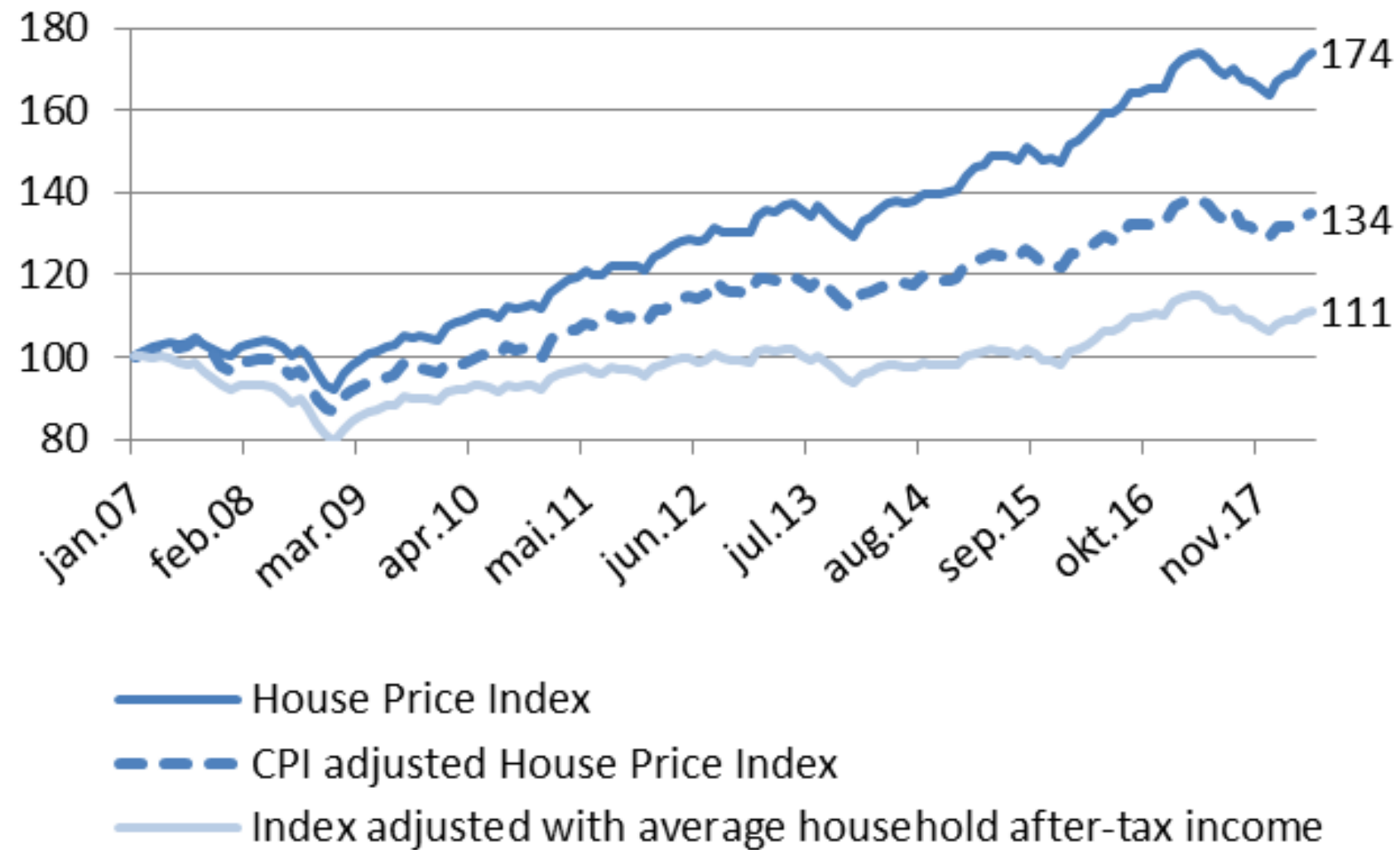
Population development and house building



Norwegian Housing and mortgage market

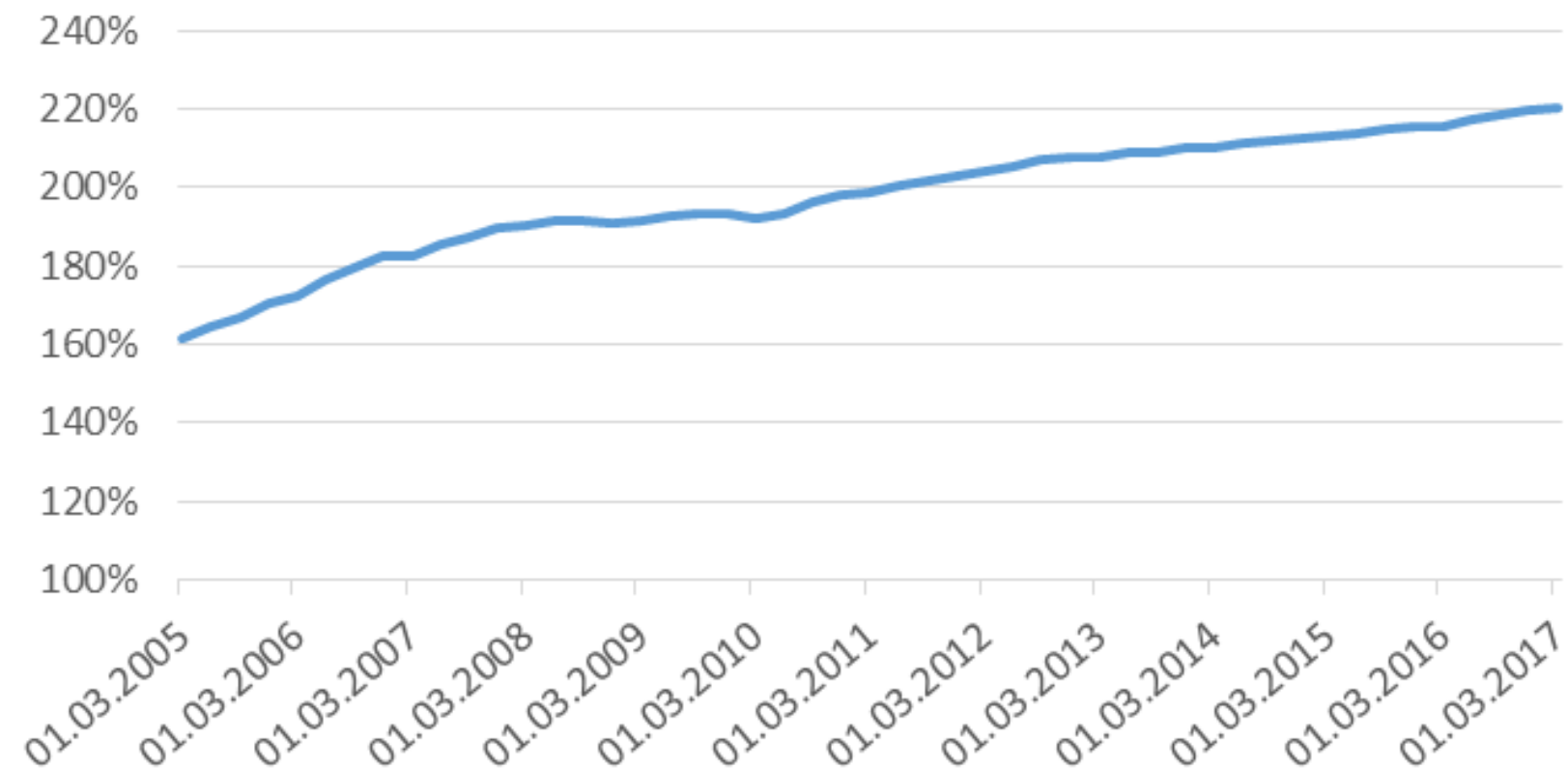
- Adjusted price developments

Index of House Prices, Norway, Monthly (Jan 2007 = 100)



Aggregate household indebtedness

Debt as a share of after tax disposable income



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
- Household savings rate is high: debt reduction possible

APPENDIX

- 1) Oil related portfolio
- 2) Macro
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Our vision: the customer's first choice

Objectives

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

Strategic goals

- Nearer to people and companies
- We want to be nearer to people and companies than our competitors by understanding the people, companies and markets better than our competitors.
- We want to learn what is important for our customers through a combination of close, personal relationships and the proper utilisation of customer data. We want to be an accessible, long-term partner whom the customers trust.

Financial goals

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

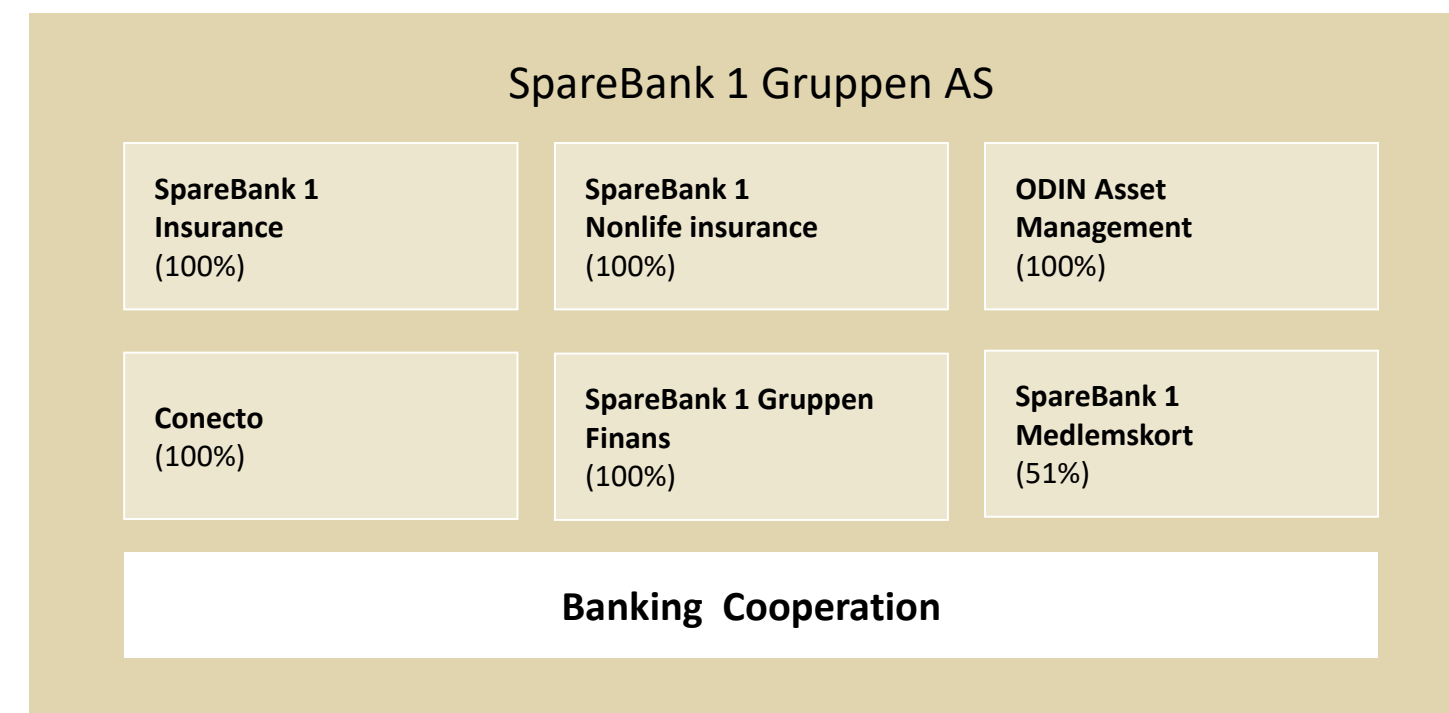
Strategic focus

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

SpareBank 1 Alliansen



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



Owners of the alliance

All credit decisions are made at the local banks

Economies of scale related to expenses, IT solutions, marketing and branding

Balance sheet

Balance sheet (MNOK)	30.06.2018	30.06.2017
Cash and balances with central banks	711	747
Balances with credit institutions	4.279	8.335
Net loans to customers	177.586	163.703
Certificates, bonds and other fixed-income securities	29.468	28.451
Financial derivatives	4.096	5.354
Shares, ownership stakes and other securities	748	528
Business available for sale	0	22
Investment in associates	3.886	4.277
Other	3.180	1.462
Total assets	223.954	212.879
Balances with credit institutions	2.375	2.805
Deposits from customers	105.824	99.758
Listed debt securities	87.407	83.222
Financial derivatives	2.640	3.622
Other liabilities	2.631	1.633
Additional Tier 1 and Tier 2 capital instruments	3.169	3.105
Total liabilities	204.046	194.145
Total equity	19.908	18.734
Total liabilities and equity	223.954	212.879

Net commission and other income

MNOK	30.06.2018	30.06.2017	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Payment facilities	122	126	59	63	65	71	63
Savings/placements	100	100	48	52	47	51	49
Insurance products	96	104	47	49	52	52	52
Commission income real estate broking	190	205	109	81	94	90	112
Guarantee commission	54	51	20	34	27	29	26
Arrangement- and customer fees	60	37	32	28	28	28	24
Accounting services SpareBank 1 Regnskapshuset SR	55	55	28	27	23	18	27
Other	8	18	4	4	-5	8	8
Net commission and other income excl. covered bond companies	685	696	347	338	331	347	361
Commission income SB1 Boligkreditt and SB1 Næringskreditt	53	75	23	30	36	39	39
Net commission and other income incl. covered bond companies	738	771	370	368	367	386	400

Net income on investment securities

MNOK	30.06.2018	30.06.2017	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Dividends	12	9	1	11	0	2	4
Investment income, associates	159	144	102	57	154	127	81
Securities gains/losses	74	57	69	5	24	46	32
- of which capital change in shares and certificates	96	35	90	6	44	57	28
- of which capital change in certificates and bonds	-122	-41	-50	-72	-70	-41	-34
- of which derivatives; bonds and certificates	100	63	29	71	50	30	38
Currency/interest gains/losses*	81	22	41	40	26	23	26
- of which currency customer- and own-account trading	90	45	48	42	35	24	28
- of which value change basis swap spread	-15	-23	-13	-2	-5	-4	-7
- of which counterparty risk derivatives including CVA	0	1	0	0	0	1	0
- of which IFRS-effects	6	-1	6	0	-4	2	5
Net income on investment securities	326	232	213	113	204	198	143

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

Subsidiaries

Subsidiaries	MNOK	30.06.2018	30.06.2017
EiendomsMegler 1 SR-Eiendom AS	Number of sales	3.288	3.519
	Operating profit before tax	12	21
SR-Forvaltning AS	Capital under management (BNOK)	11	11
	Operating profit before tax	18	17
FinStart Nordic AS*	Operating profit before tax	23	7
SpareBank 1 Regnskapshuset SR AS	Operating profit before tax**	4	5
SR-Boligkreditt AS	Operating profit before tax	179	67
Other	Operating profit before tax	-10	-1
Total subsidiaries	Operating profit before tax	226	116

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

** The result to Regnskapshuset SR includes amortization of intangible assets of NOK 1.0 million (NOK 0.9 million per 30.06.2017).

Ownership interests

Ownership interests	MNOK	30.06.2018	30.06.2017
SpareBank 1 Gruppen AS	Interest ownership	19,5 %	19,5 %
	Profit after tax	117	139
	Adjusted profit previous years	0	-5
SpareBank 1 Boligkreditt AS*	Interest ownership	8,0 %	13,9 %
	Profit after tax	-2	-27
SpareBank 1 Næringskreditt AS	Interest ownership	19,2 %	21,9 %
	Profit after tax	5	8
BN Bank ASA	Interest ownership	23,5 %	23,5 %
	Profit after tax	36	34
SpareBank 1 Kredittkort AS	Interest ownership	17,9 %	17,9 %
	Profit after tax	12	7
SpareBank 1 Betaling AS**	Interest ownership	19,7 %	19,7 %
	Profit after tax	-6	-7
	Adjusted profit previous years	-6	-7
Other	Profit after tax	3	2
Total ownership interests	Profit after tax	159	144

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

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

Impairment losses on loans and guarantees

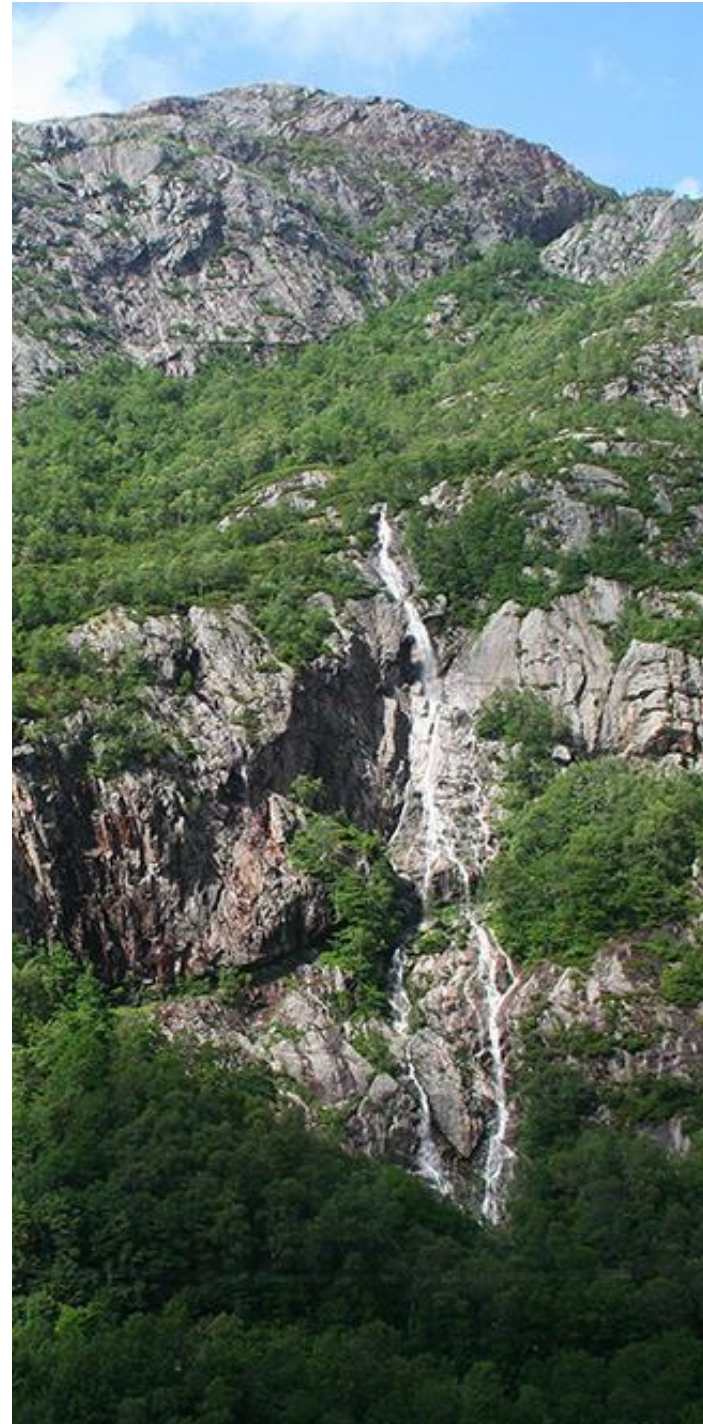
Losses on loans in income statement (MNOK)	30.06.2018	30.06.2017	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Corporate customers	166	277	100	66	89	116	115
Retail customers	26	20	18	8	29	10	15
Change in collective impairment losses on loans		2			2	-2	1
Total impairment IFRS 9 loans and guarantees*	-19		-19	-			
Net impairment losses on loans	173	299	99	74	120	124	131

Impairment losses on loans (MNOK)	30.06.2018	30.06.2017	30.06.2018	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Corporate customers	609	508	609	523	546	572	508
Retail customers	98	69	98	92	93	69	69
Collective impairment losses on loans		691			691	690	691
Total impairment IFRS 9 loans*	634		634	669			
Total impairment IFRS 9 guarantees*	125		125	121			
Total impairment losses on loans	1.466	1.268	1.466	1.405	1.330	1.331	1.268

SpareBank 1 SR-Bank has a moderate risk profile in which no single event should be capable of seriously harming the bank's financial position



- The core purpose of the banking industry is to create value by assuming deliberate and acceptable risk
 - SpareBank 1 SR-Bank therefore invests significant resources in developing risk management systems, processes and expertise that are in line with leading international practice
- The bank's primary market areas are Rogaland, the Agder counties and Hordaland
 - The bank's primary market areas for credit exposure are Rogaland, the Agder counties and Hordaland as well as Oslo and Akershus within the person- and the large customer segment
- The bank's set clear requirements for loan activities in the corporate market
 - The activities that are financed must have a long-term perspective
 - The group must be very familiar with the ownership and management of the company
 - All financing decisions are based on the customer's debt-servicing capacity and a lack of debt-servicing capacity may not be compensated for through higher security
 - Shipping and offshore related financing (including significant parts of oil-related activities) are handled by centralised expertise

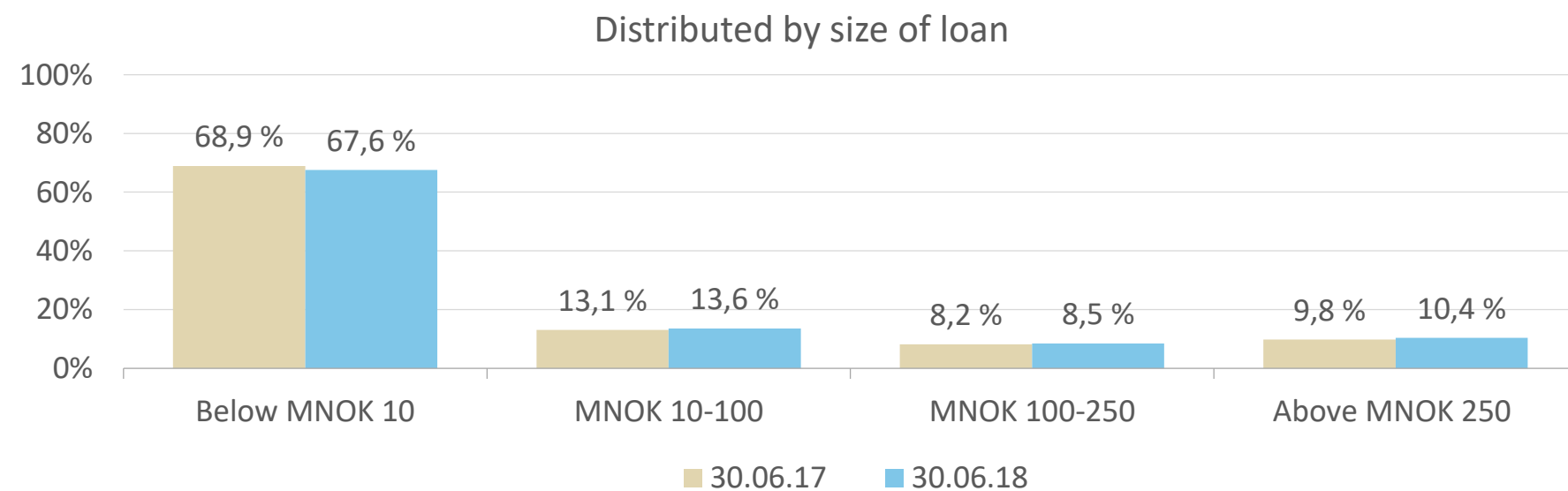
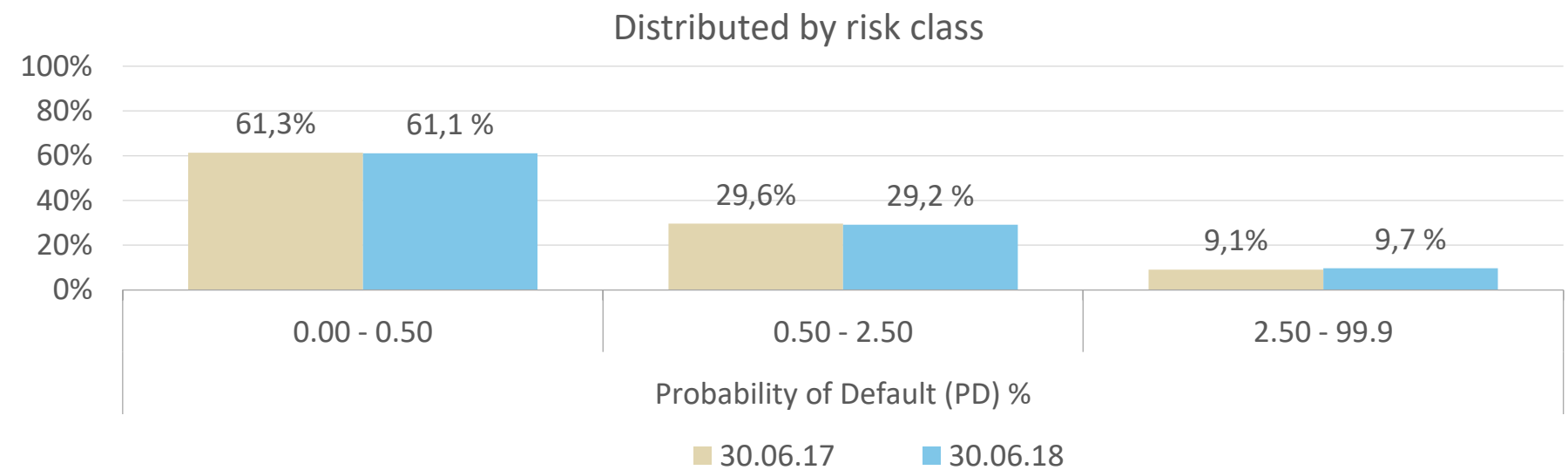


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must not be so great that the potential loss cannot be absorbed without the group's financial position being significantly affected
 - This requires a diversified portfolio. The exposure to specific industries is subject to specific limits.
- The bank sets special requirements for all property financing
 - Self-financing requirements apply for all types of property financing - in relation to both residential and commercial property
 - Advanced sales requirements also apply for financing housing development projects
 - In addition to this, requirements that limit loan size/rent income ratio apply for financing commercial property



Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio.
- 61.1% of the bank's loan exposure has a PD* below 0.5%.
- Single loan exposures less than NOK 10 million aggregates 67.6% of total loan portfolio.
- Single loan exposures above NOK 250 million is 10.4% of total loan portfolio.

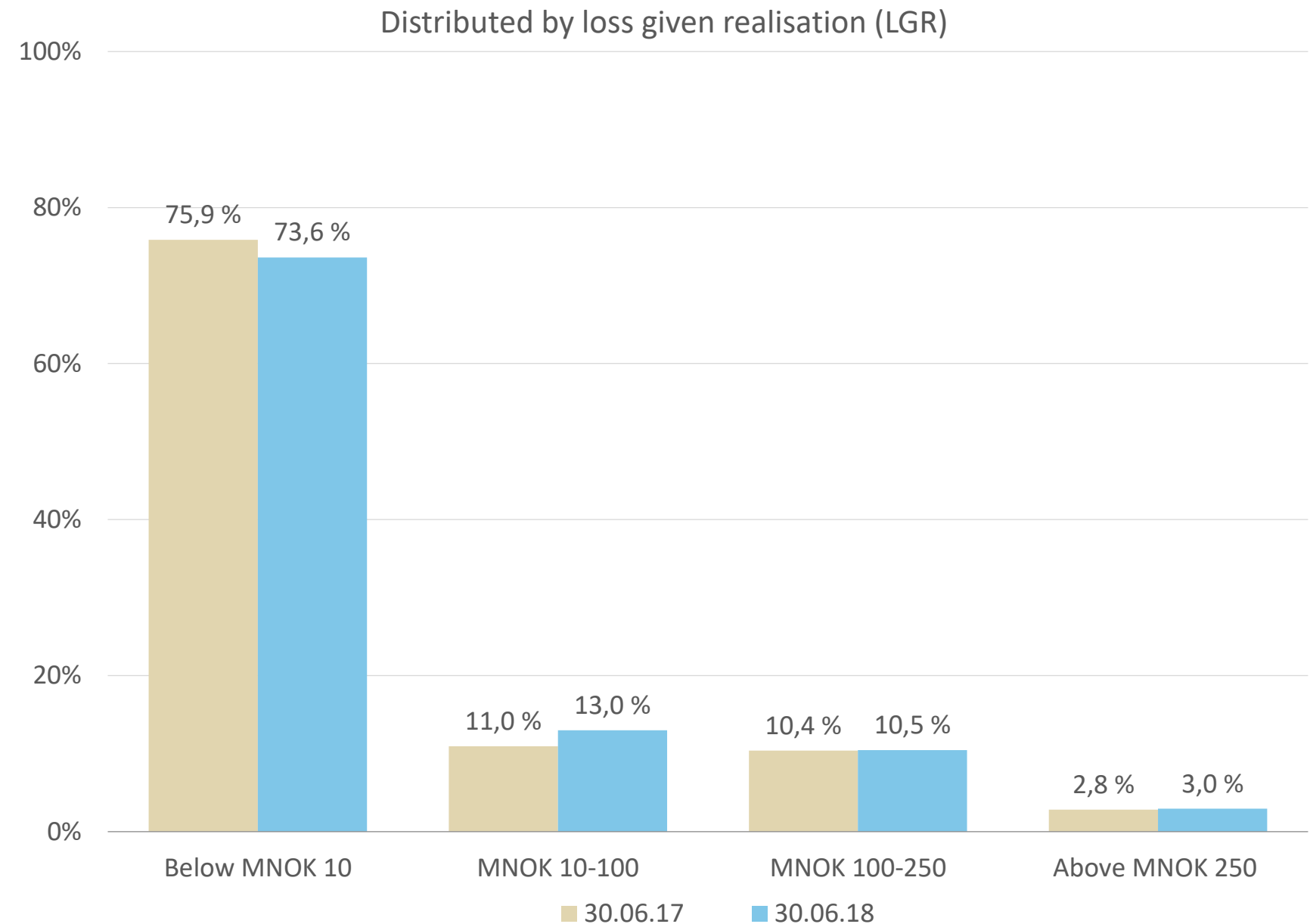


*Probability of default (PD) through a full cycle of loss.

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

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.
- The proportion of loans with loss potential below NOK 10 million is now at 73.6% of the loan portfolio.

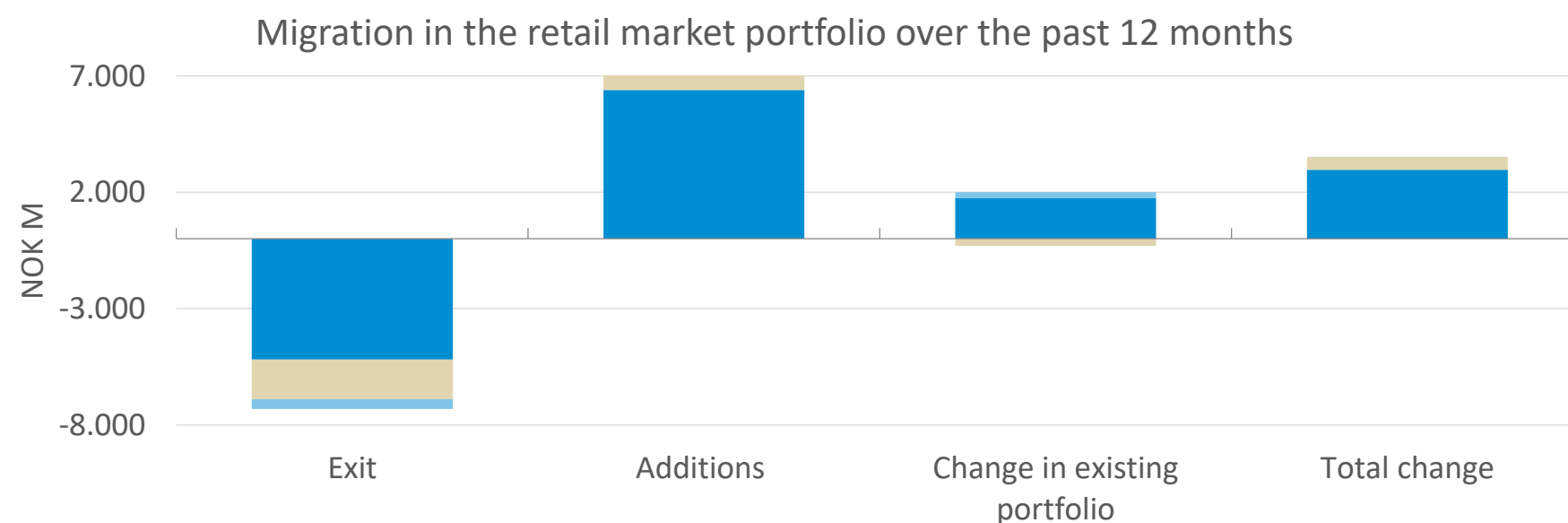
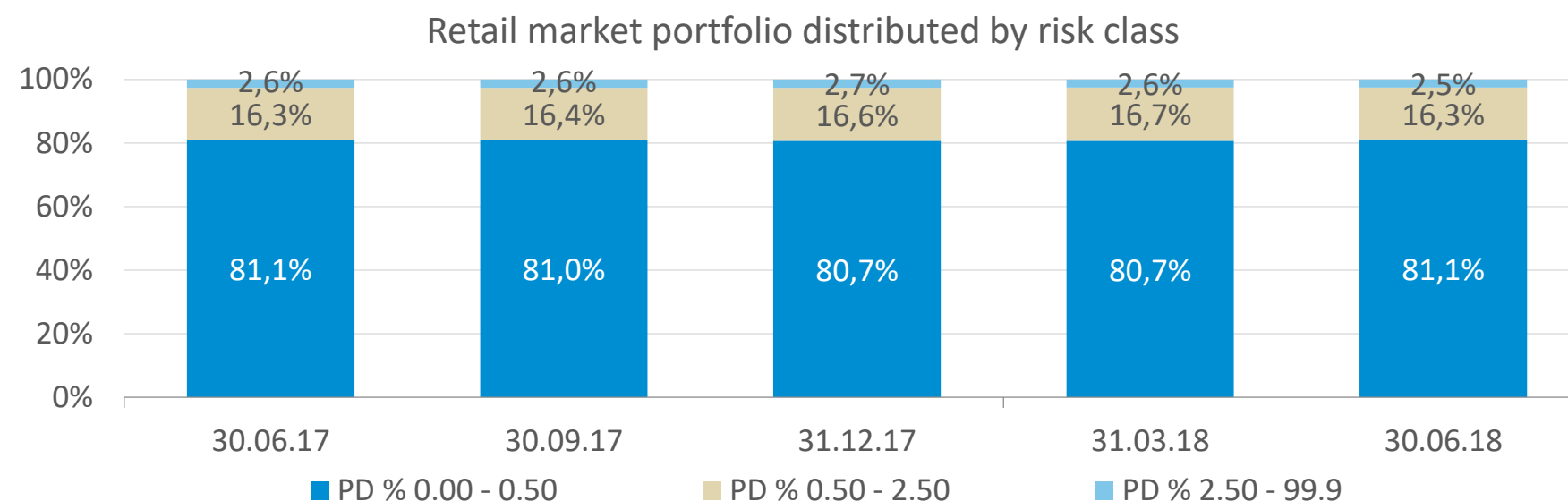


LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

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

Risk profile – Lending to the retail market

- The quality of the retail market portfolio is considered to be good and has low potential losses.
- The proportion of loans with a PD* below 0.5 % is 81.1 % of the total retail portfolio.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.

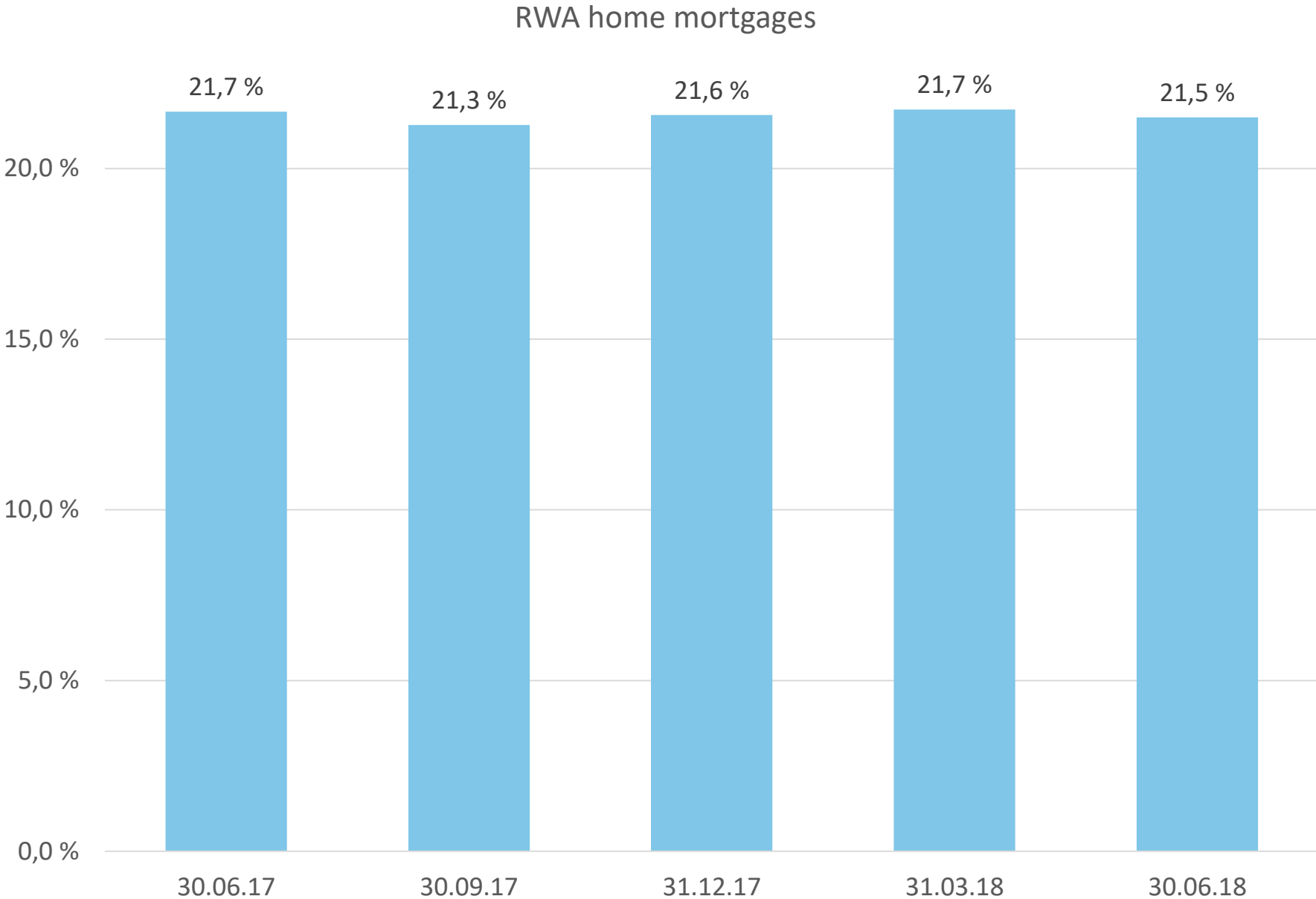


*Probability of default (PD) through a full cycle of loss.

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

RWA home mortgages

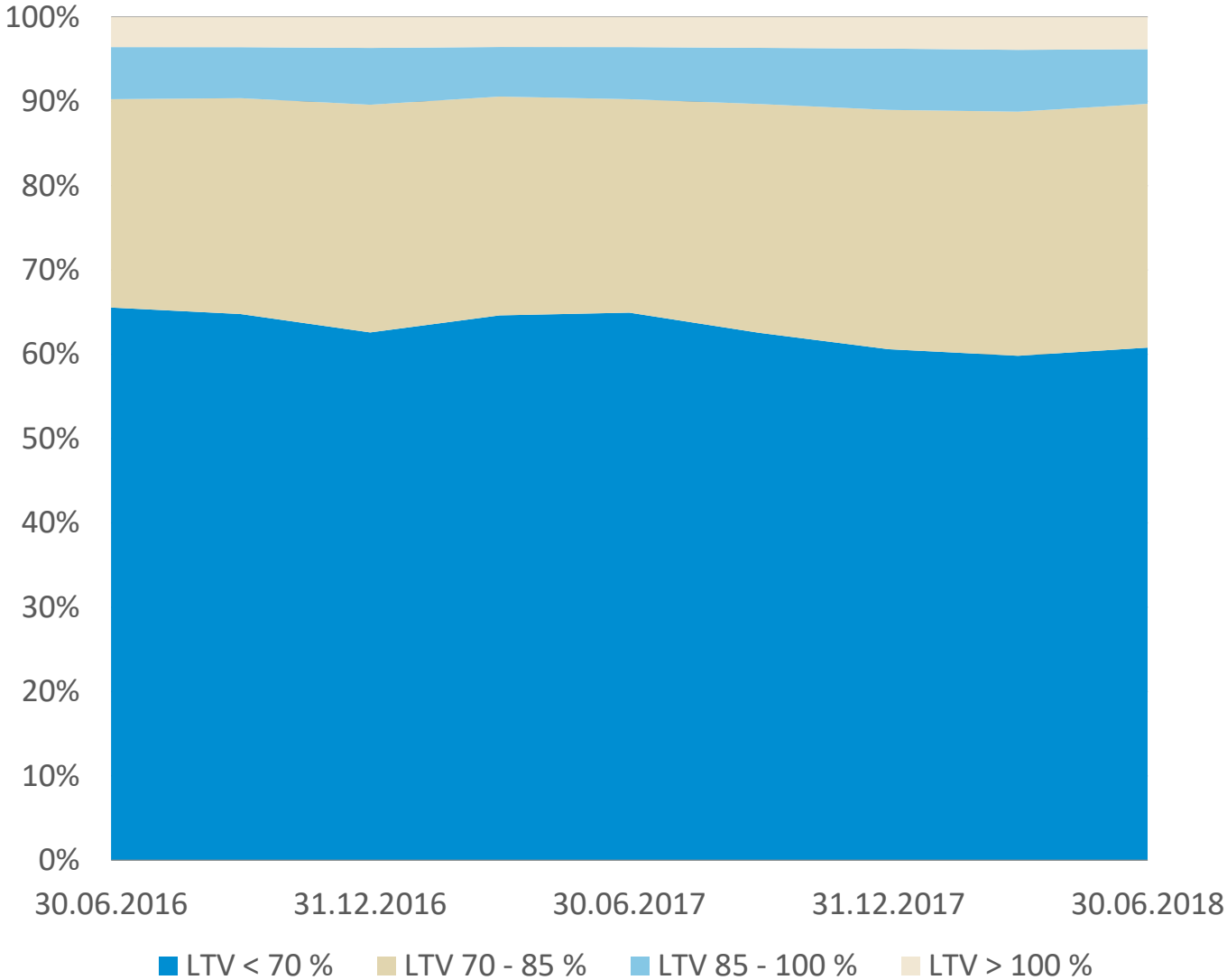
- RWA on home mortgages reflects a solid and stable portfolio.



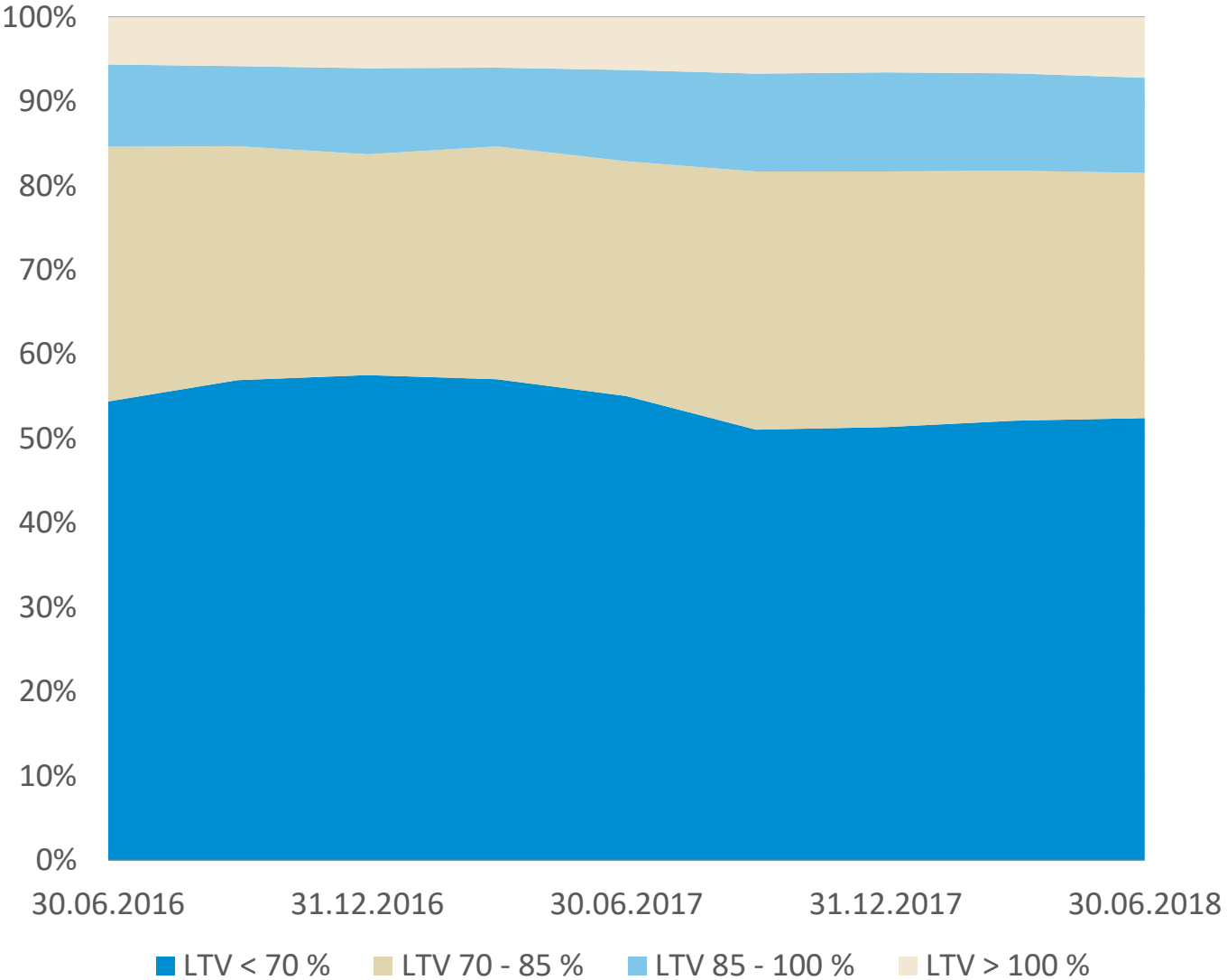
Home mortgages as defined in the Norwegian IRB framework; residential property must make up at least 30 % of a loan's security. The figures include the loan portfolio in the covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

Historical LTV development for home mortgage loans

Total home mortgages incl. loans in cover pool



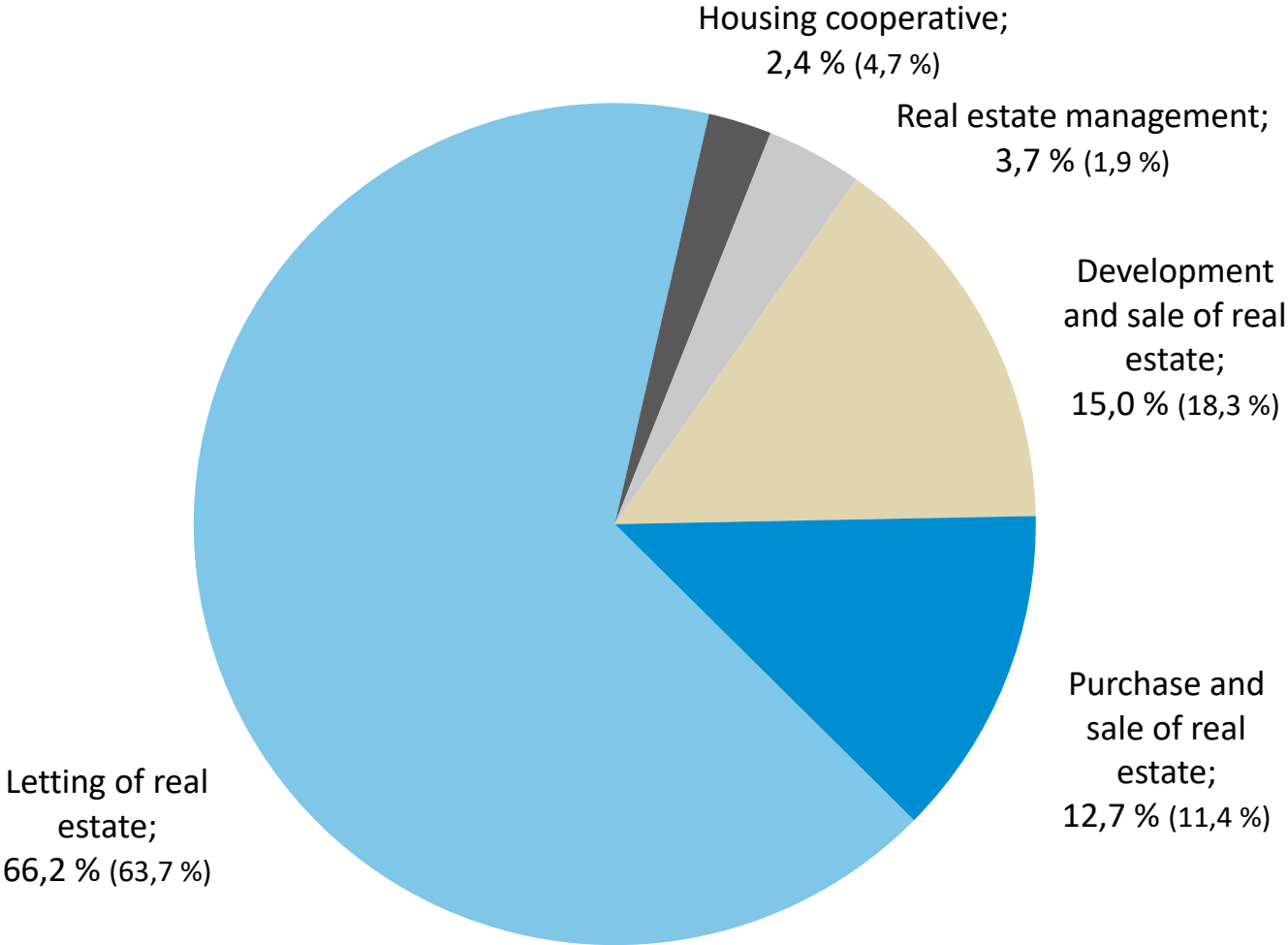
Home mortgages in SpareBank 1 SR-Bank ASA



Lending to commercial property

Lending to commercial property

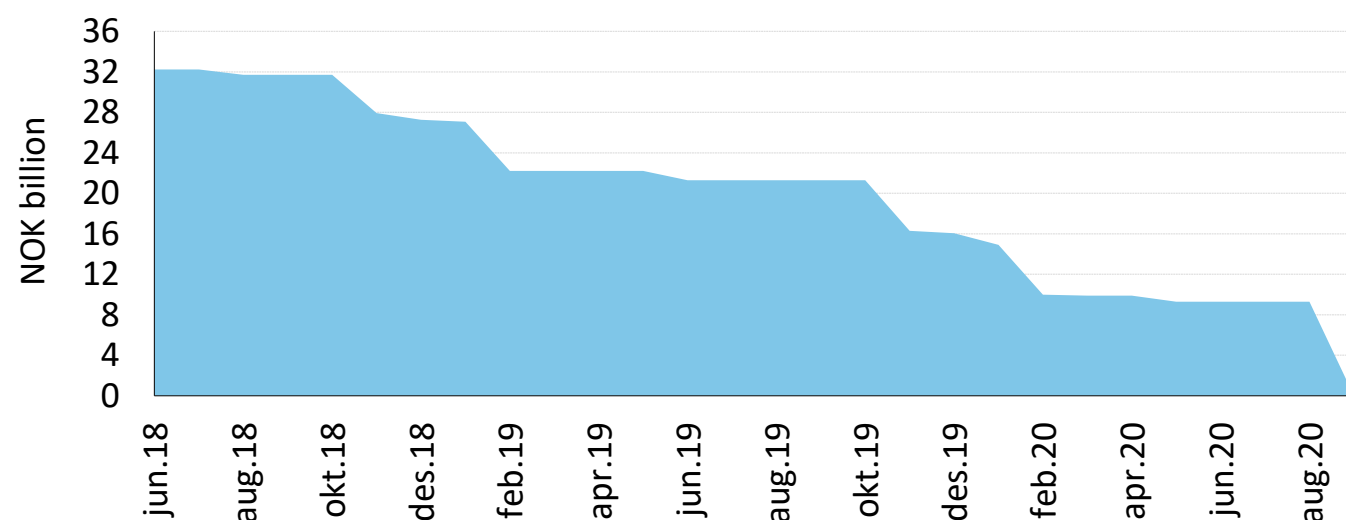
- NOK 29.7 billion, 15.3% of the bank's total loans.
- The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited. Interest rates for a significant portion of this portfolio have been hedged.



Sector allocation in accordance with the standard categories from Statistics Norway. Figures in parentheses as at 30.06.2017.

Liquidity portfolio

Liquidity buffer – survival period



- Liquidity buffer at the end of the quarter: NOK 32.2 billion
- Other liquid assets:
 - Home mortgages prepared for covered bond funding: NOK 14.7 billion
 - Commercial paper and bonds in the trading portfolio: NOK 0.3 billion

Liquidity portfolio

Category	NOK million	Share %	Of which classified to amortised cost, MNOK
Norwegian government/municipal	711	2 %	0
SSA/Foreign guaranteed	9.328	32 %	907
Covered bonds (Norwegian/foreign)	19.186	66 %	4.119
Total liquidity portfolio	29.225	100 %	5.026

Liquidity buffer: cash, highly liquid bonds.

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

Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	29.225	98,9 %
Low risk	A+, A and A-	0	0,0 %
Moderate risk	Not rated	65	0,2 %
High risk	Not rated	156	0,5 %
Very high risk	Not rated	108	0,4 %
<i>Total portfolio</i>		29.554	100,0 %

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	29.225	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>		28.243	100,0 %

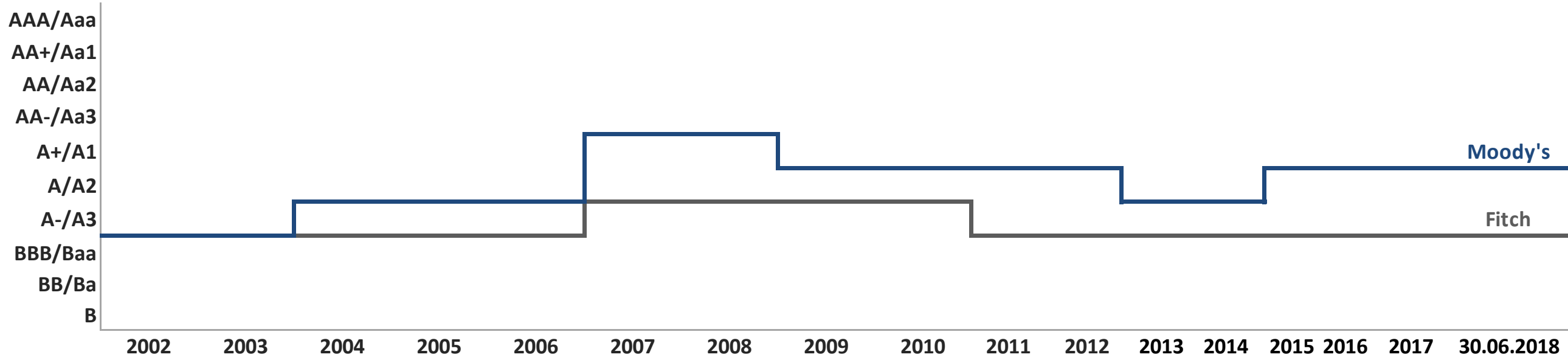
Of which SR-Bank Markets:

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	47	17,0 %
High risk	Not rated	156	44,3 %
Very high risk	Not rated	108	38,7 %
<i>Total SR-Bank Markets portfolio*</i>		311	100,0 %

Rating

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Negative	Outlook	Stable
Updated	14 May 2018	Updated	26 January 2018

Ratinghistory



SR-Bank pr 30.06.2018

	30.06.2018	2017	2016	2015	2014	2013
Share price	86,40	87,00	60,75	39,30	52,50	60,25
Stock value (MNOK)	22.097	22.250	15.537	10.051	13.427	15.409
Book value per share, NOK (group)	77,28	77,24	71,54	66,14	60,28	55,00
Earnings per share	4,44	8,16	6,87	6,83	8,20	7,28
Dividend per share	n.a.	4,25	2,25	1,50	2,00	1,60
P/E	9,73	10,66	8,84	5,75	6,40	8,28
P/BV (group)	1,12	1,13	0,85	0,59	0,87	1,10

Number of shares issued 255.8 million

Trading volume in Q2 2018: 6.1 % (8.6 %)

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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