

Fourth Quarter 2018

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 SR-Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

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

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



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

SR-Bank at a glance

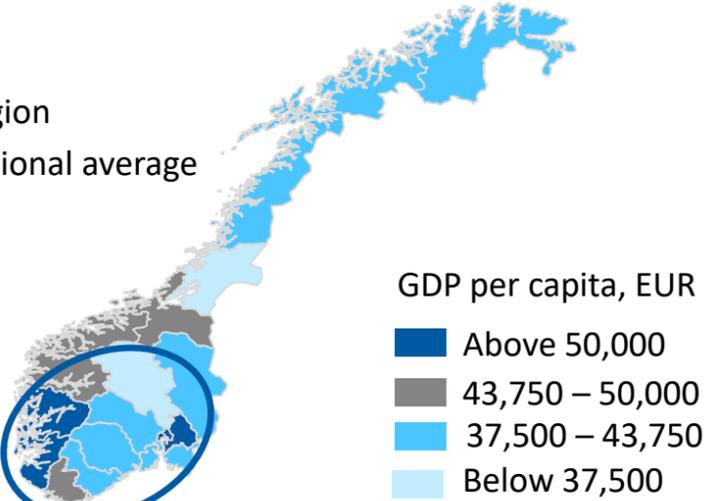
- Second largest Norwegian bank
- Market cap: NOK 22.8 Billion
- Total assets: NOK 234.1 Billion
- Total lending: NOK 201.4 Billion
- Total deposits: NOK 98.8 Billion
- No. of branches: 36
- Employees: 1.178



- **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 |

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



SR-Bank’s market area

The leading financial group in the southwest of Norway

Rogaland

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

Hordaland

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

Agder

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



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

SpareBank 1 SR-Bank ASA

Divisions of SpareBank 1 SR-Bank ASA

Capital Markets

Number of man-years: 27

Retail Market

Number of man-years: 466

Corporate Market

Number of man-years: 154

Administration & Support

Number of man-years: 281

Fully owned companies

EiendomsMegler 1

Leading real estate broker
Number of man-years: 207

SR-Forvaltning

Asset management
Number of man-years: 12

SpareBank 1 Regnskapshuset SR

Accounting and advisory
Number of man-years: 96

SR-Boligkreditt

Covered Bond Funding
Number of man-years: 1

FinStart Nordic

The company will be a start-up factory for new ideas
Number of man-years: 7

Partly owned companies

BN Bank

(23.5%)
Commercial bank located in Oslo and Trondheim

SpareBank 1 Boligkreditt

(4.8%)
Covered bond company (mortgages)

SpareBank 1 Kredittkort

(17.9%)
Credit card company located in Trondheim

SpareBank 1 Gruppen

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

SpareBank 1 Næringskreditt

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

SpareBank 1 Betaling*

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

SRBANK share

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

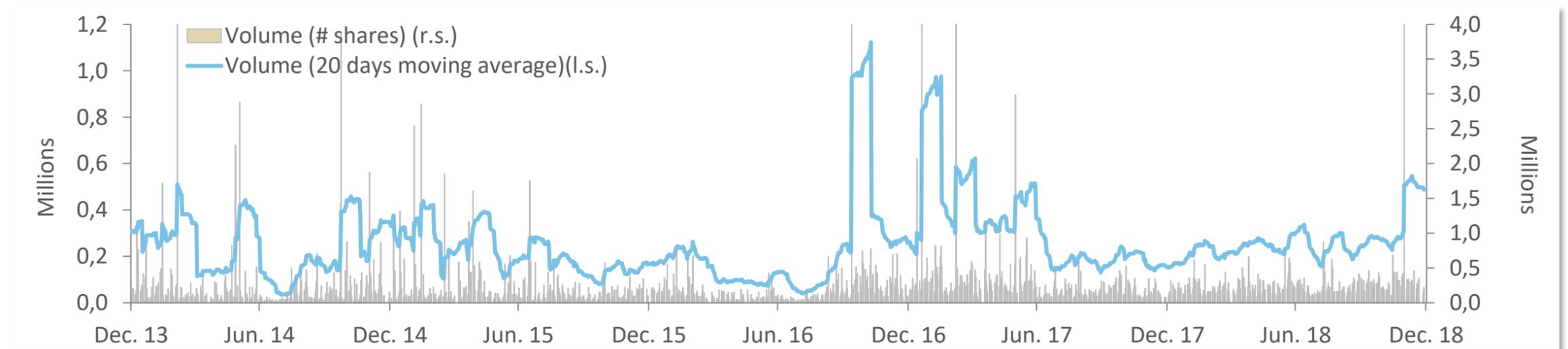
Development in Price/Book



Relativ share price development



Trading volume development



20 largest shareholders as at December 2018

- Ownership interests:
 - From Rogaland, Agder-counties and Hordaland: 43.5% (44.7%)
 - International: 26.6% (23.5%)
 - 10 largest: 50.3% (49.5%)
 - 20 largest: 58.1% (56.6%)
- Number of shareholders 31.12.2018: 10 804 (10 834)
- Employees owning 1.5% (1.6%)

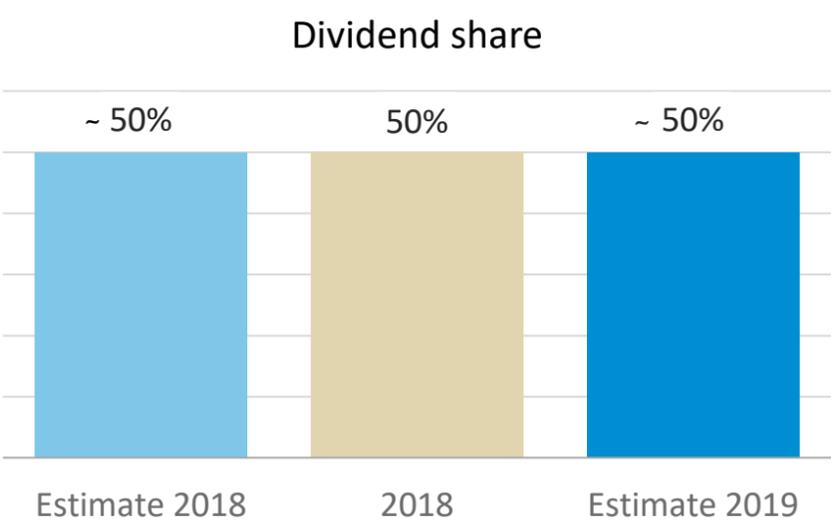
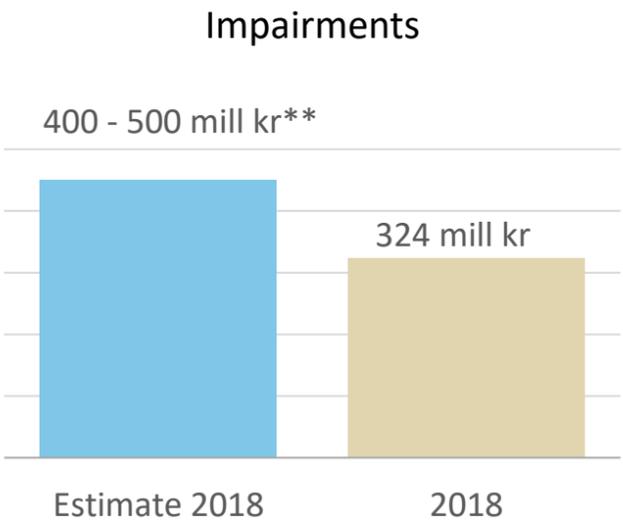
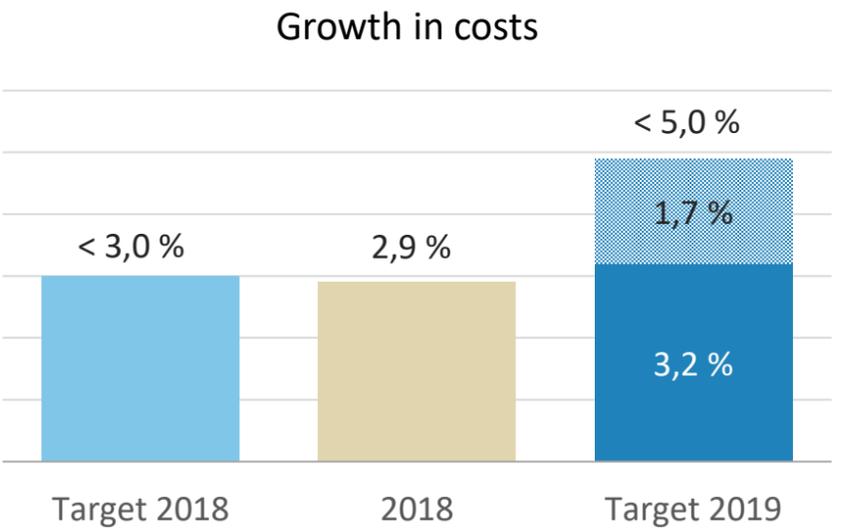
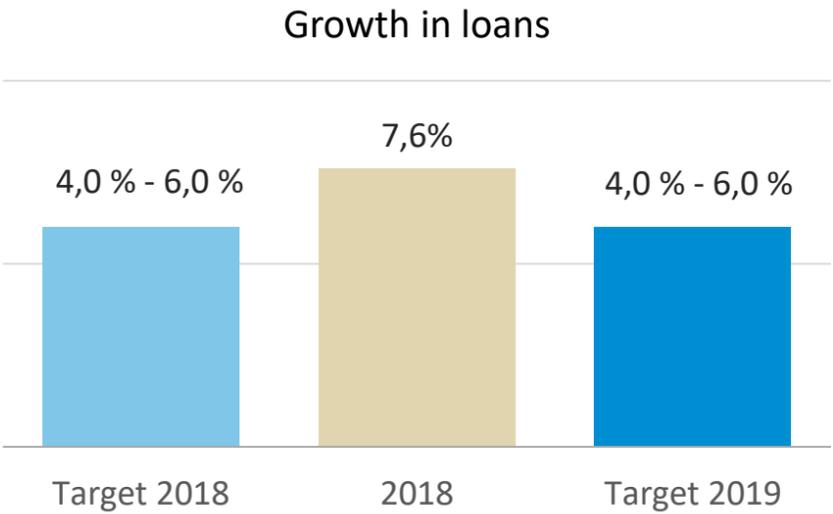
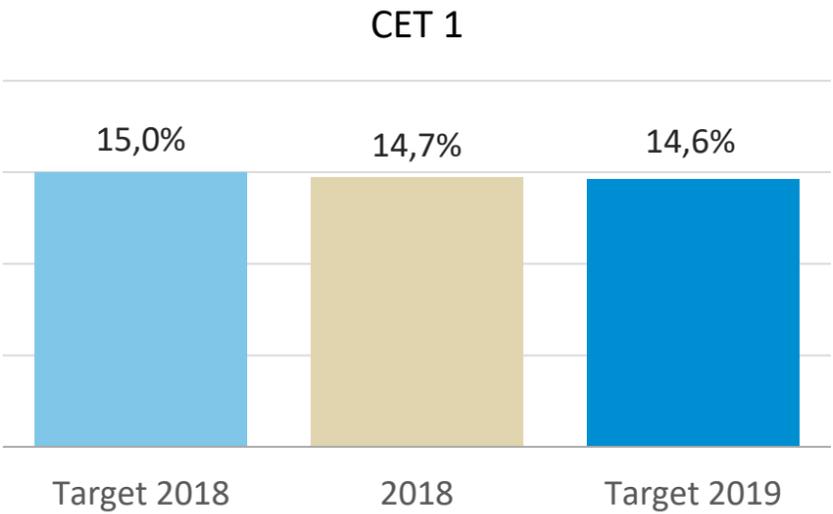
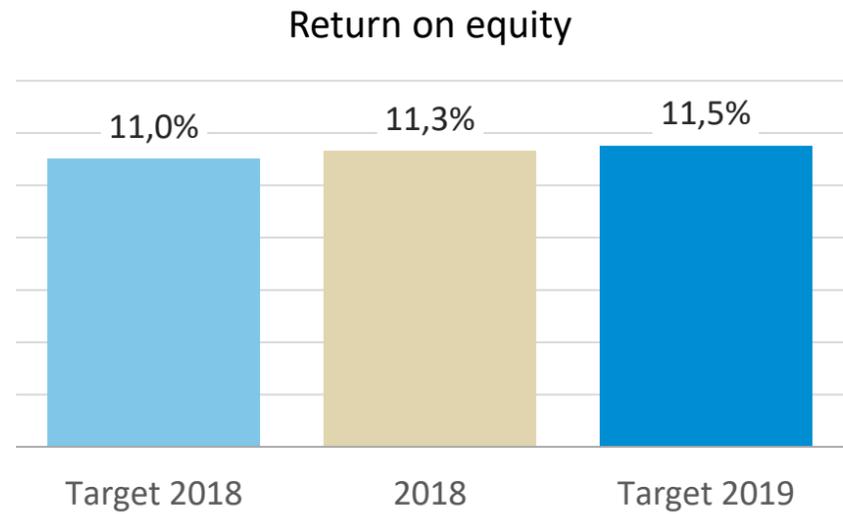
| Investor | | Number | Stake |
|--|---------|-------------|-------|
| Sparebankstiftelsen SR-Bank | | 72.419.305 | 28,3% |
| Folketrygdfondet | | 18.930.821 | 7,4% |
| State Street Bank and Trust Co, U.S.A. | Nominee | 10.346.404 | 4,0% |
| SpareBank 1-stiftinga Kvinnherad | | 6.226.583 | 2,4% |
| Vpf Nordea Norge Verdi | | 4.632.927 | 1,8% |
| Danske Invest Norske Instit. II | | 3.695.998 | 1,4% |
| State Street Bank and Trust Co, U.S.A. | Nominee | 3.508.462 | 1,4% |
| Odin Norge | | 3.406.393 | 1,3% |
| JPMorgan Chase Bank N.A., U.S.A. | Nominee | 2.870.383 | 1,1% |
| Clipper AS | | 2.565.000 | 1,0% |
| Verdipapirfondet DNB Norge (IV) | | 2.485.463 | 1,0% |
| Pareto Aksje Norge | | 2.428.097 | 0,9% |
| JP Morgan Securities plc, U.K. | | 2.407.452 | 0,9% |
| Morgan Stanley & Co, U.K. | | 2.035.347 | 0,8% |
| Danske Invest Norske Aksjer Inst. | | 1.988.503 | 0,8% |
| State Street Bank and Trust Co, U.S.A. | | 1.871.400 | 0,7% |
| Verdipapirfondet Alfred Berg Gambak | | 1.867.194 | 0,7% |
| Westco AS | | 1.701.887 | 0,7% |
| KLP Aksjenorge Indeks | | 1.696.119 | 0,7% |
| KAS Bank NV, Nederland | Nominee | 1.624.251 | 0,6% |
| Topp 5 | | 112.556.040 | 44,0% |
| Topp 10 | | 128.602.276 | 50,3% |
| Topp 20 | | 148.707.989 | 58,1% |

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Strong result with income growth and good cost control

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

Key figures 2018, financial targets and estimates for 2019



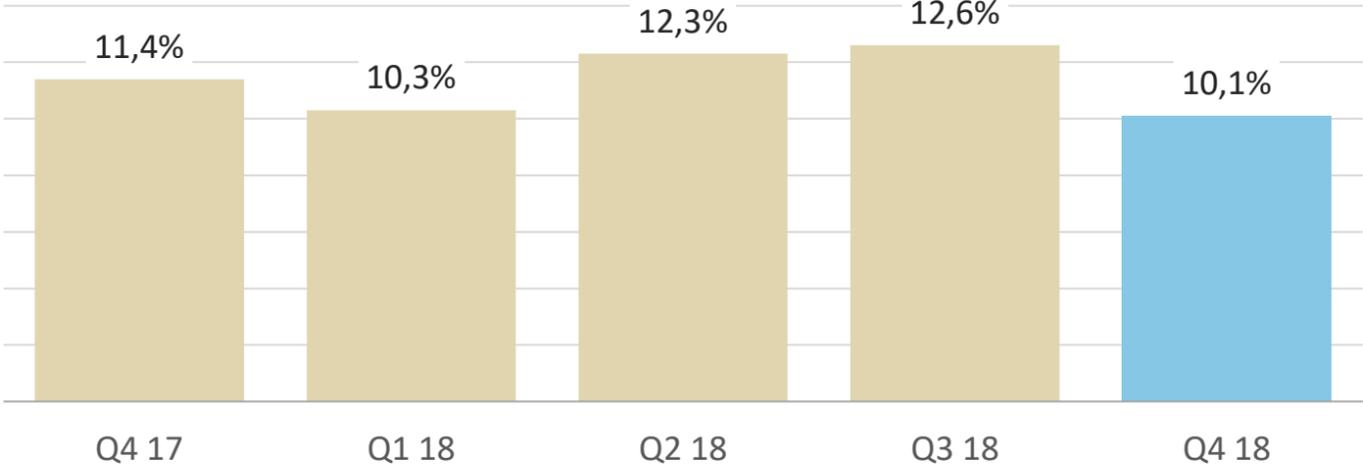
■ Normalized growth in costs*

11 *Normalized growth in costs is excluded costs in EiendomsMegler 1, Regnskapshuset SR, FinStart Nordic, Oslo office and moving costs to new head office
 **Estimate of impairment in 2018 were adjusted from MNOK 400 - 500 to MNOK 300 -400 per 30.06.2018

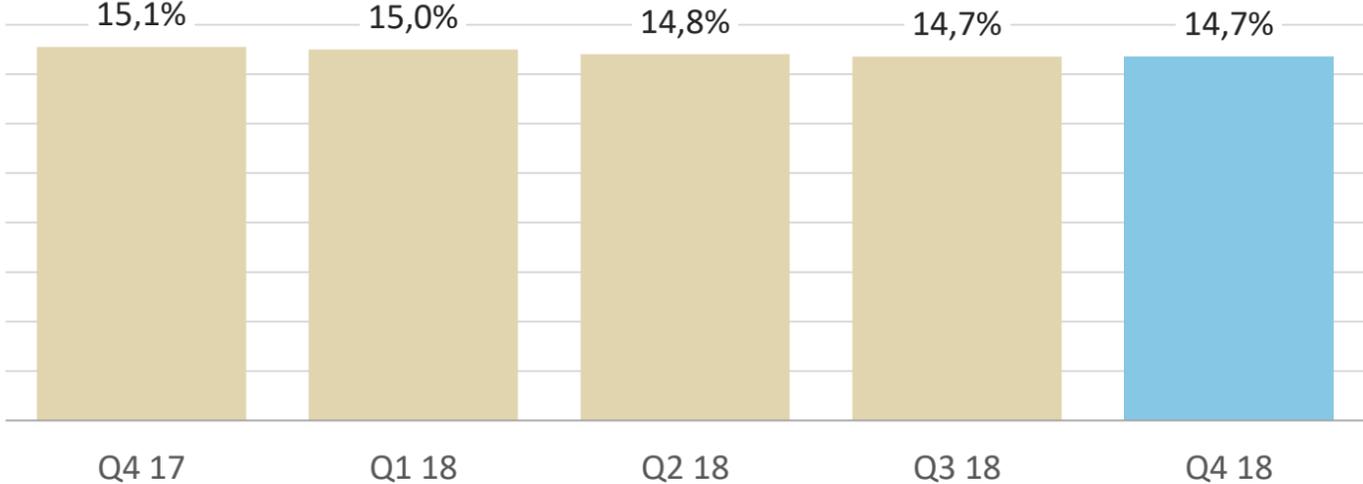


Key figures – quarterly development

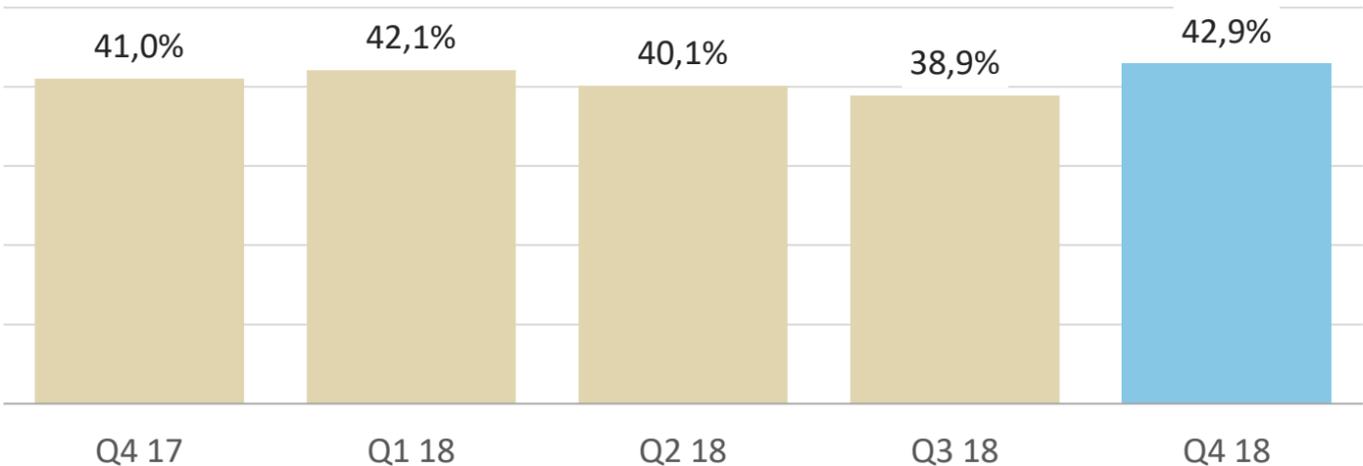
Return on equity



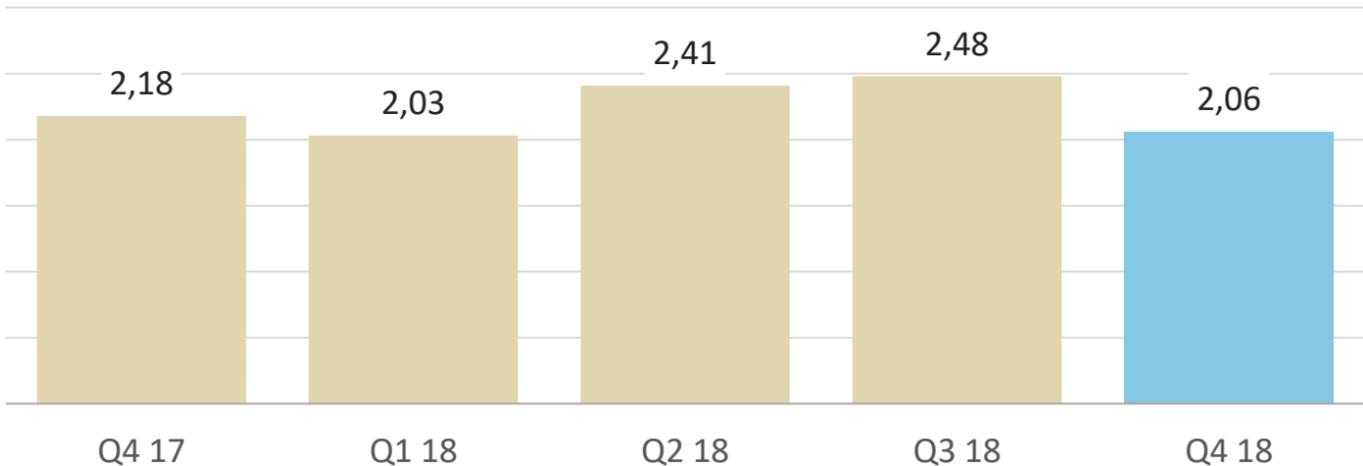
CET 1



Cost ratio

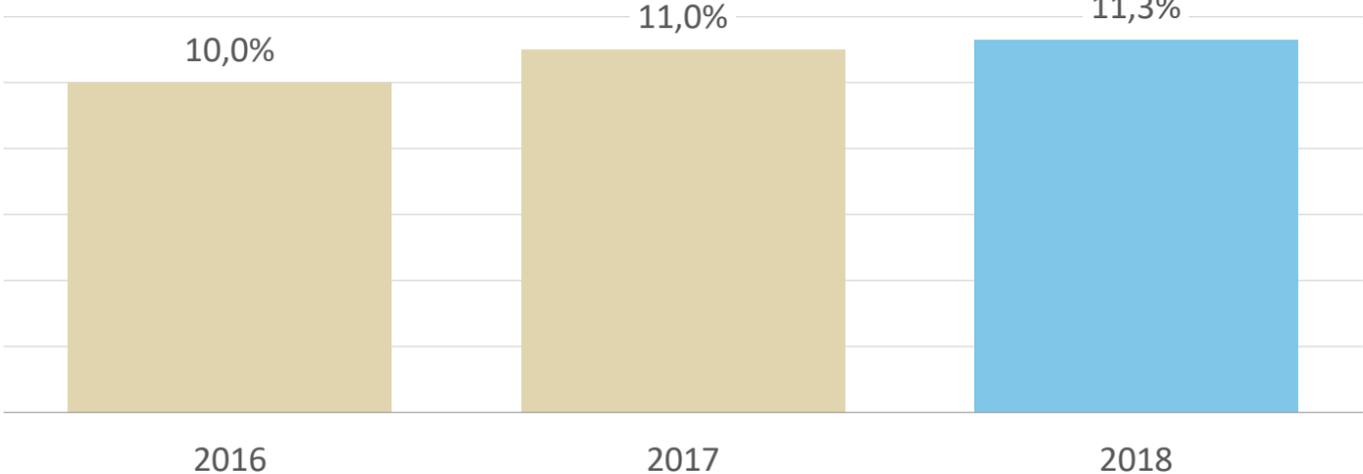


Earnings per share

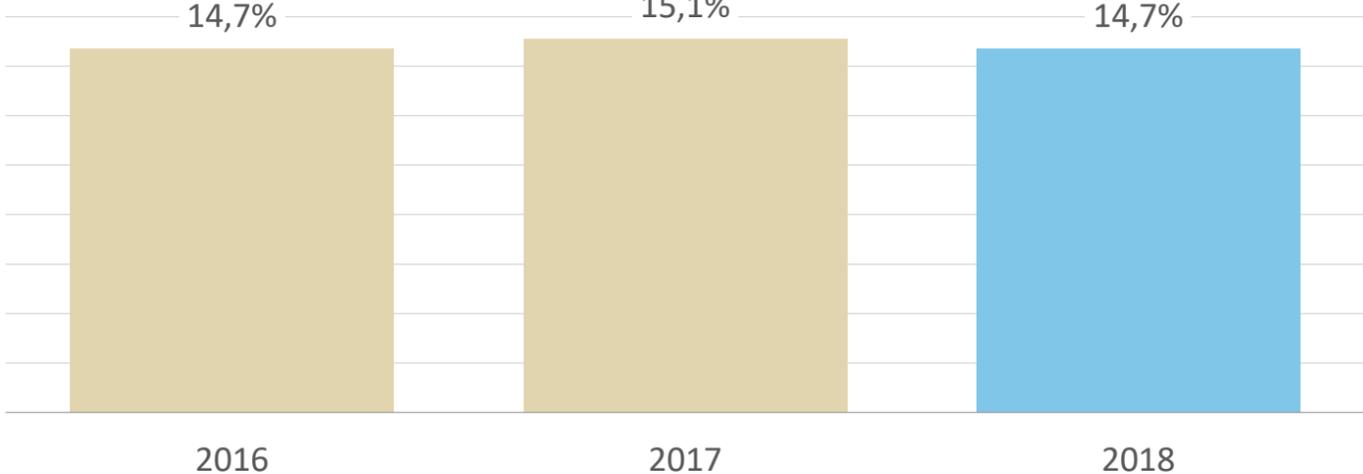


Key figures – annual development

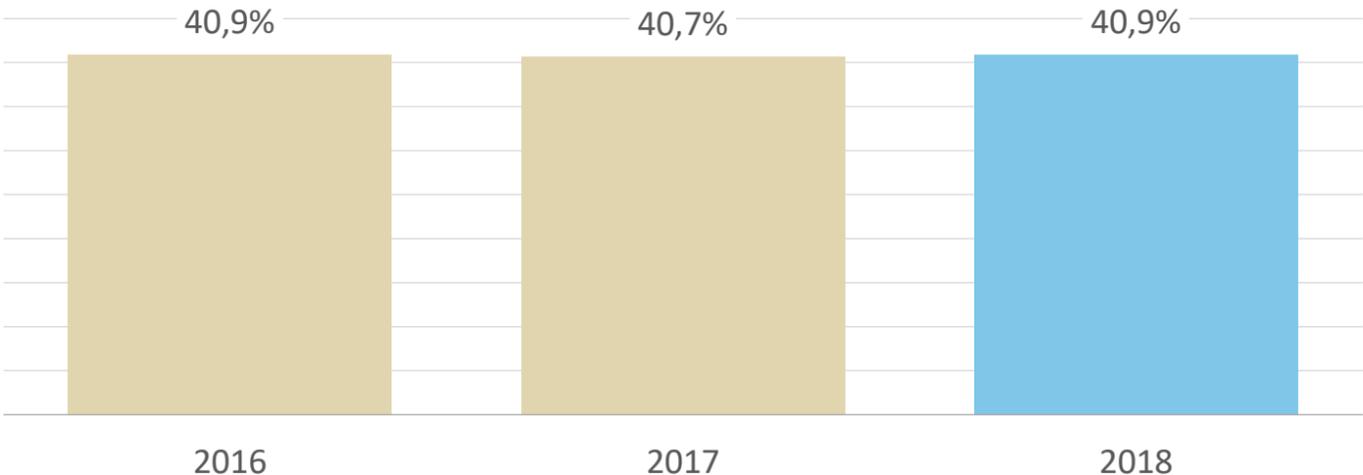
Return on equity



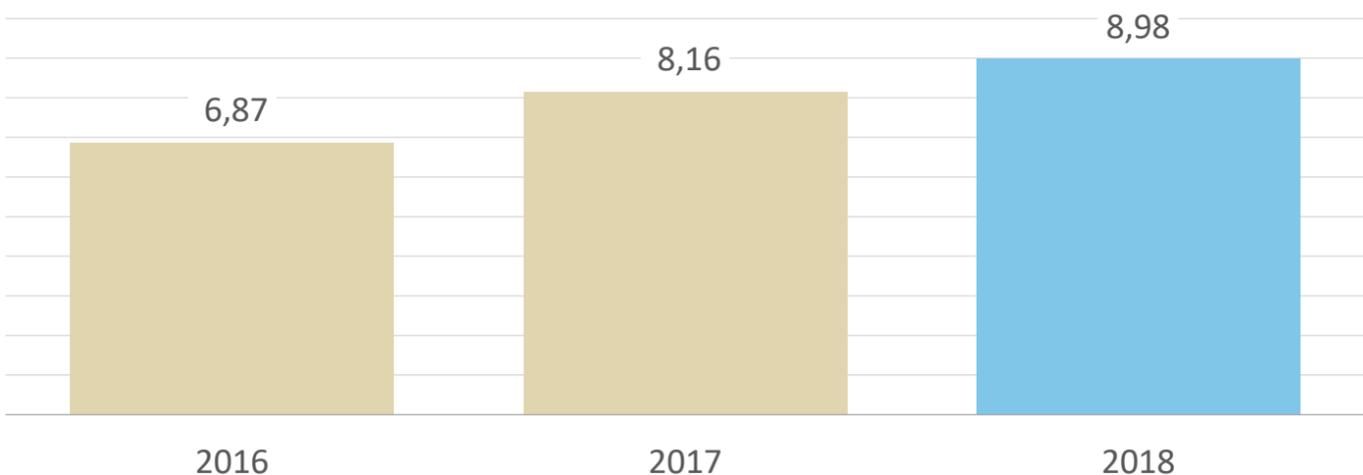
CET 1



Cost ratio

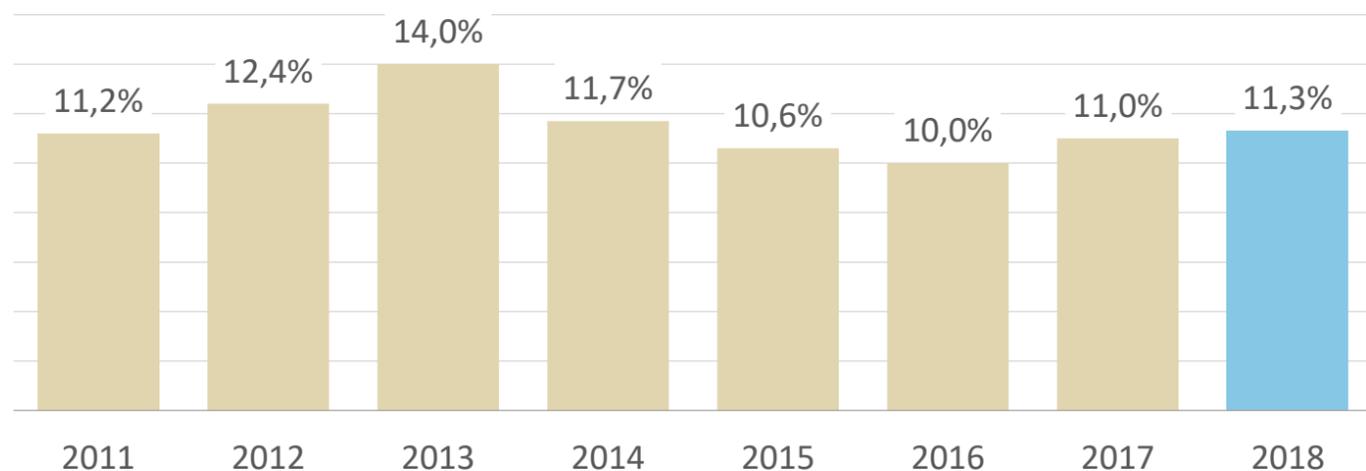


Earnings per share

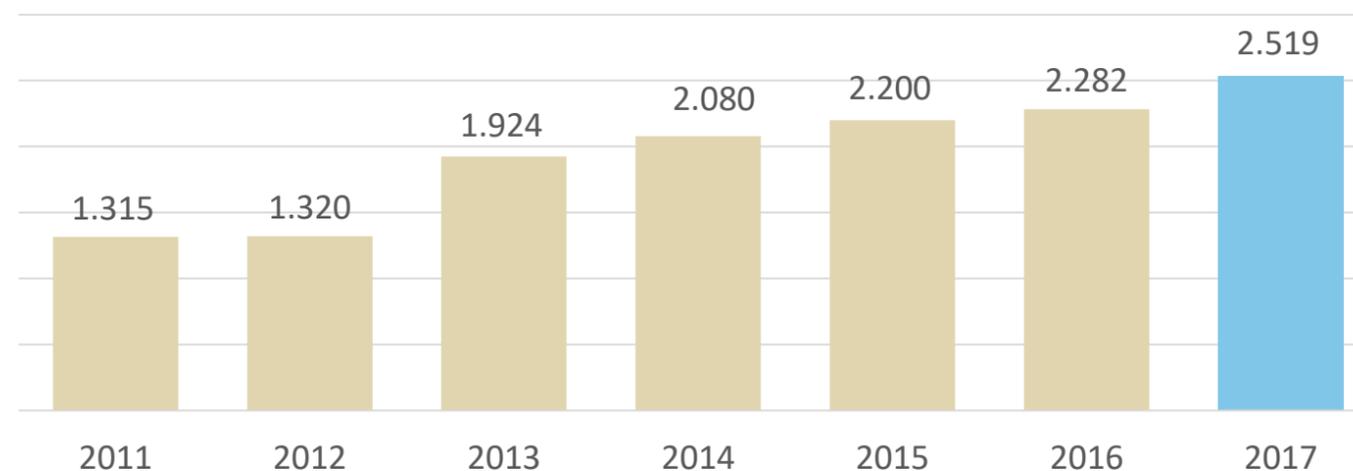


Key figures – annual development

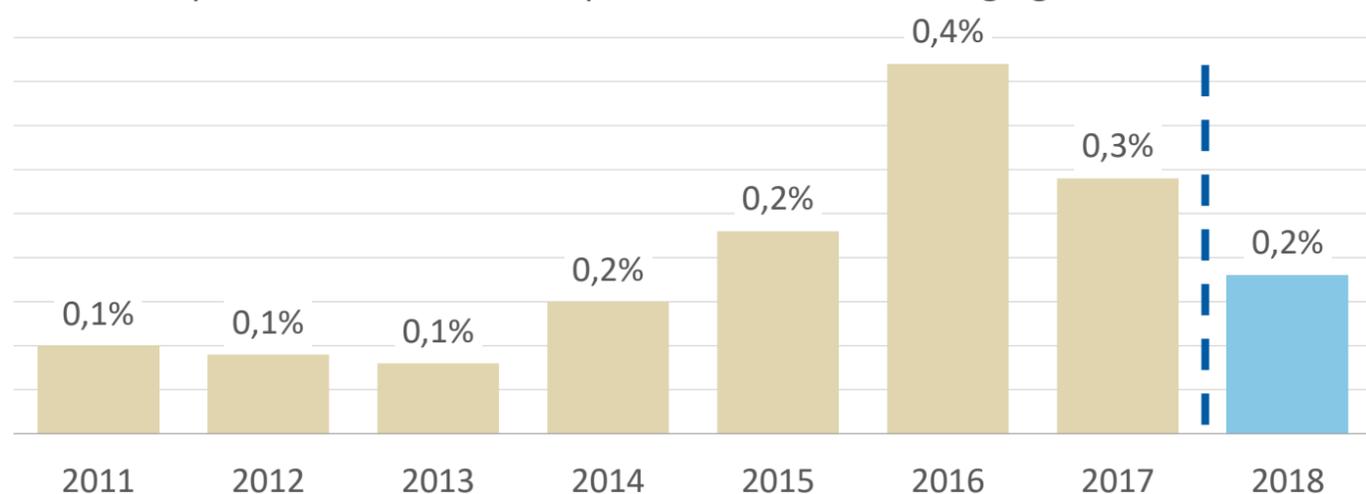
Return on equity



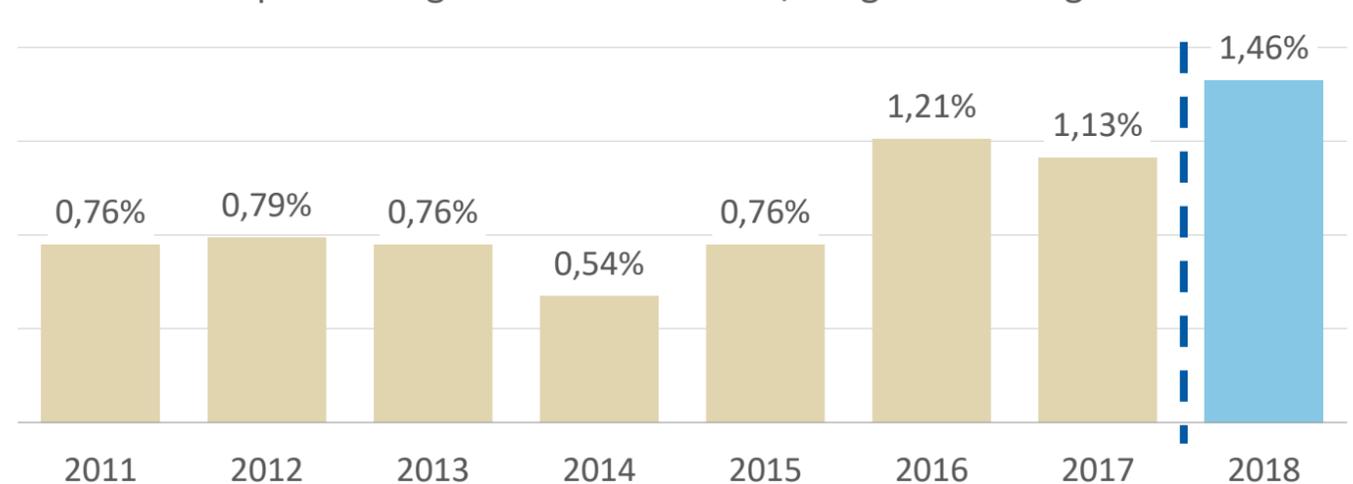
Core operating result (MNOK)



Impairments on loans/ Impairments in % of average gross loans*



Non-performing and doubtful loans / Stage 3 in % of gross loans*



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

Key figures

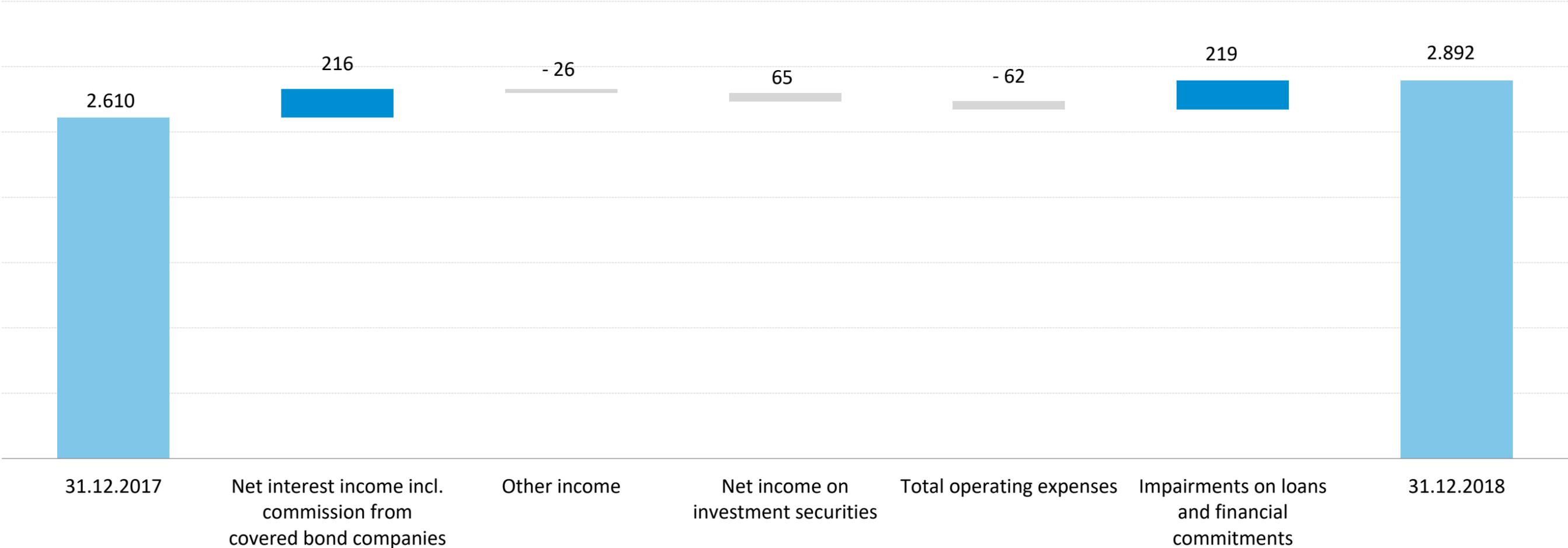
| | 31.12.2018 | 31.12.2017 | Q4 18 | Q3 18 | Q2 18 | Q1 18 | Q4 17 |
|--|------------|------------|-------|-------|-------|-------|-------|
| Return on equity after tax (%) | 11,3 | 11,0 | 10,1 | 12,6 | 12,3 | 10,3 | 11,4 |
| Net interest margin (%) | 1,54 | 1,52 | 1,59 | 1,53 | 1,52 | 1,50 | 1,50 |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

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

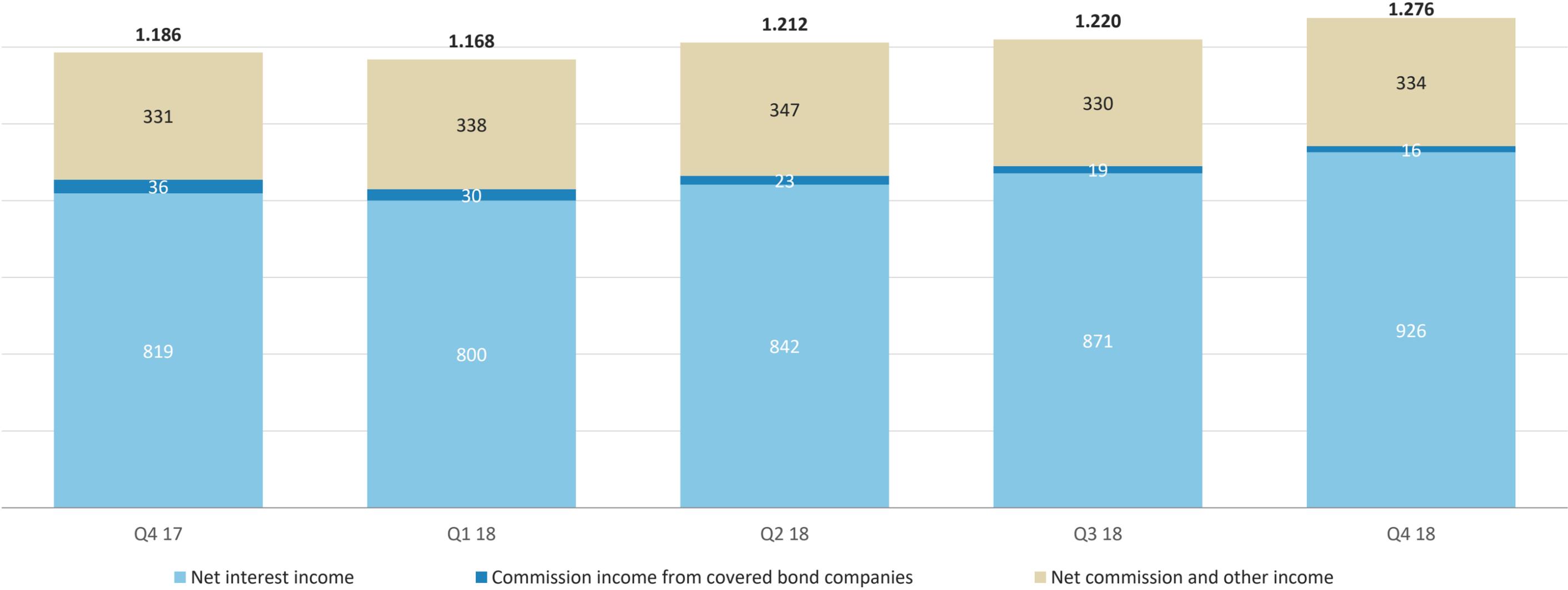
Income statement

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

Change in profit 31.12.2017 – 31.12.2018

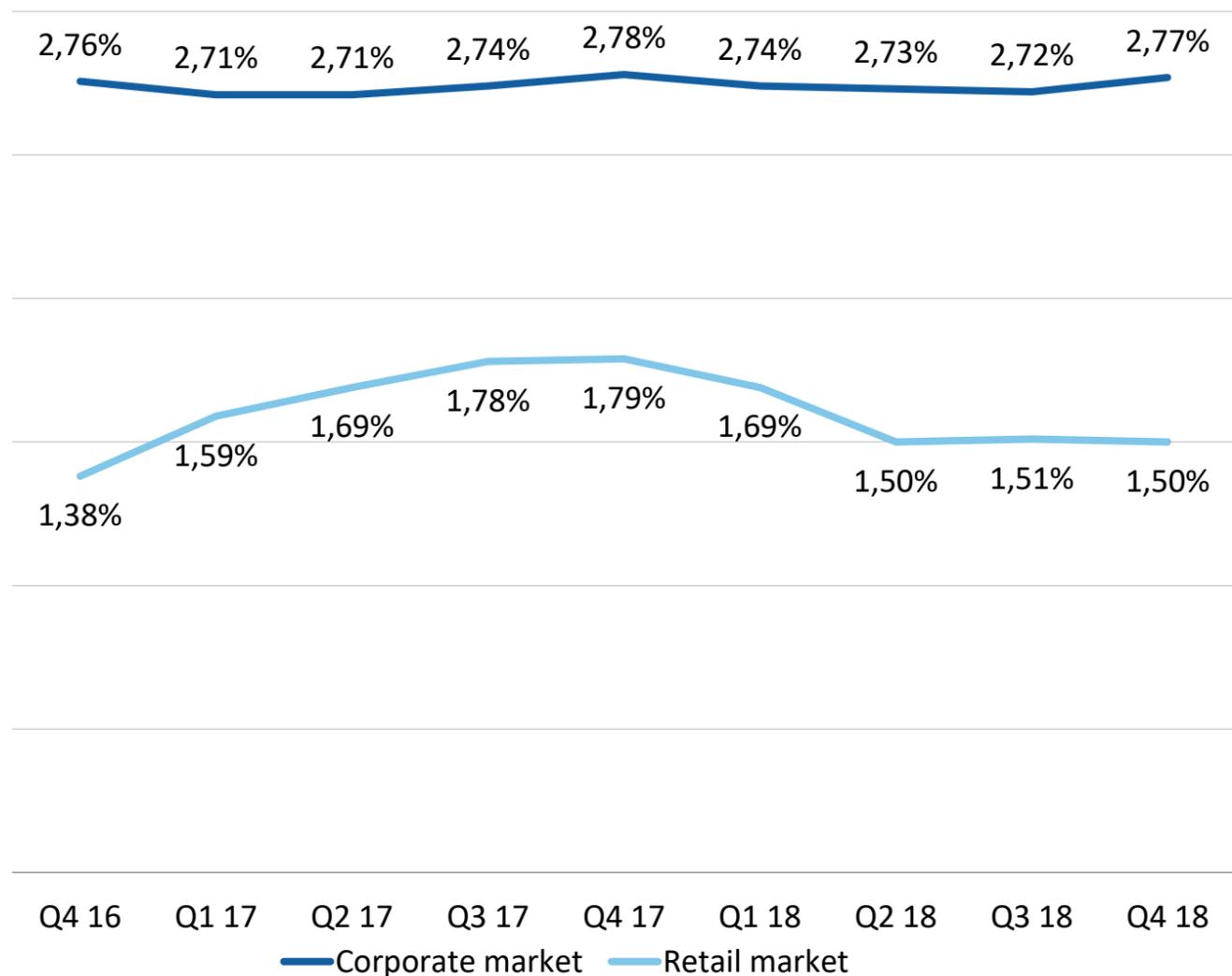


Consolidated income profile

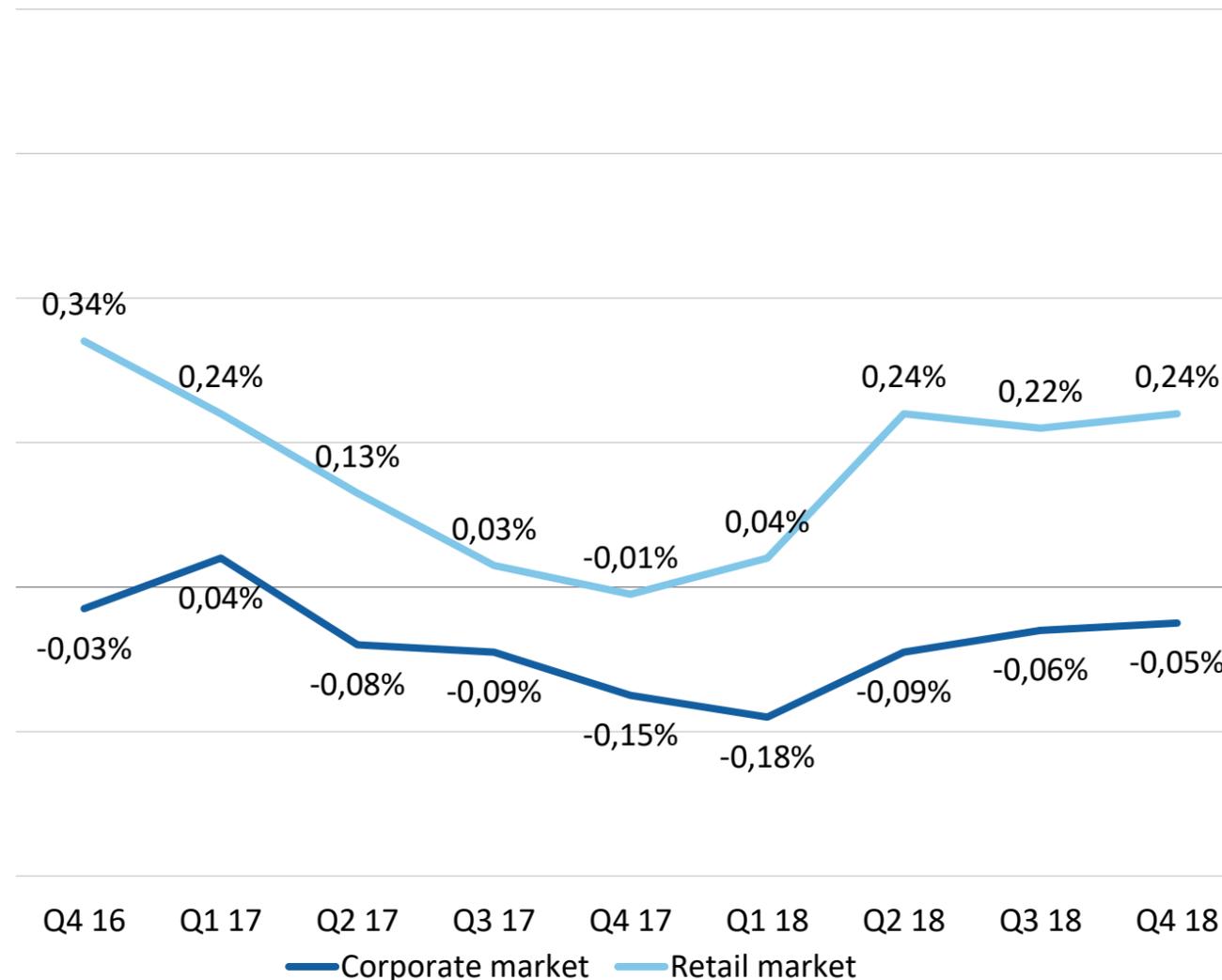


Lending and deposit margins

Lending margins*



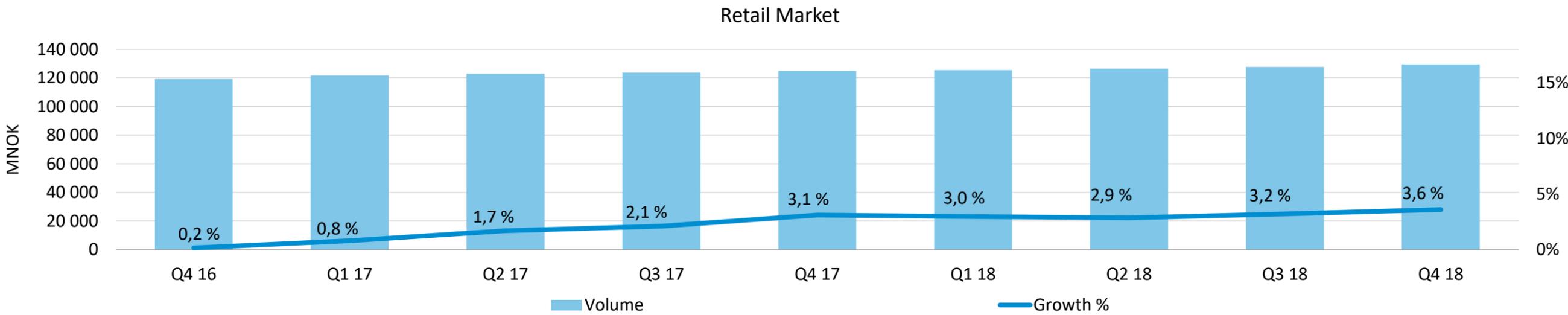
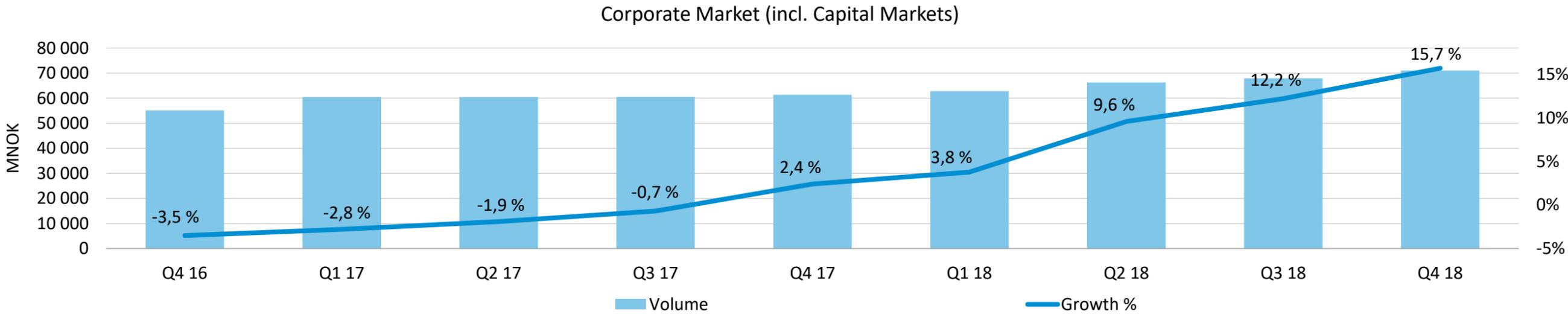
Deposit margins



*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.

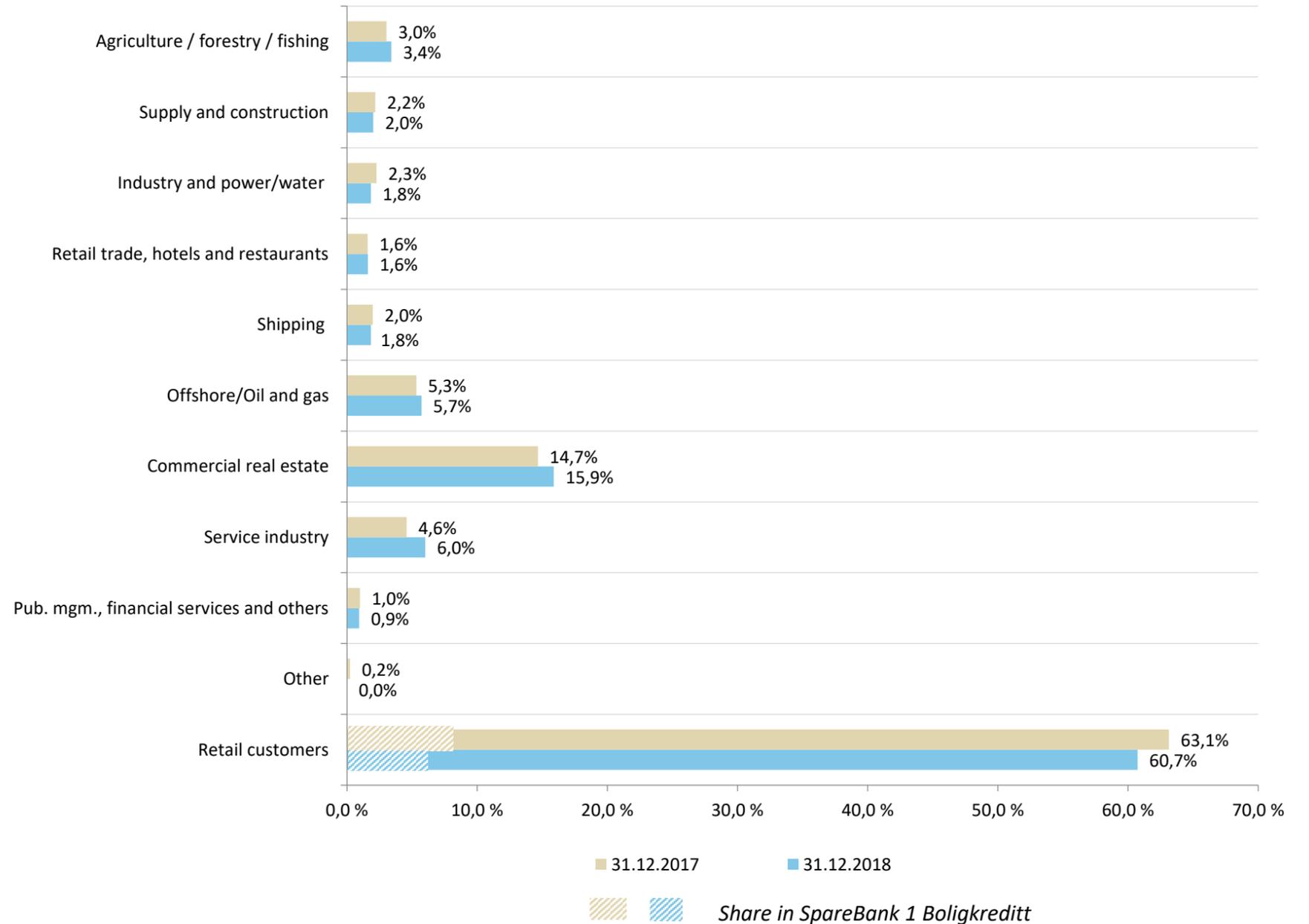
Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies

Lending volume and 12 months growth



Loan portfolio as at 31.12.2018

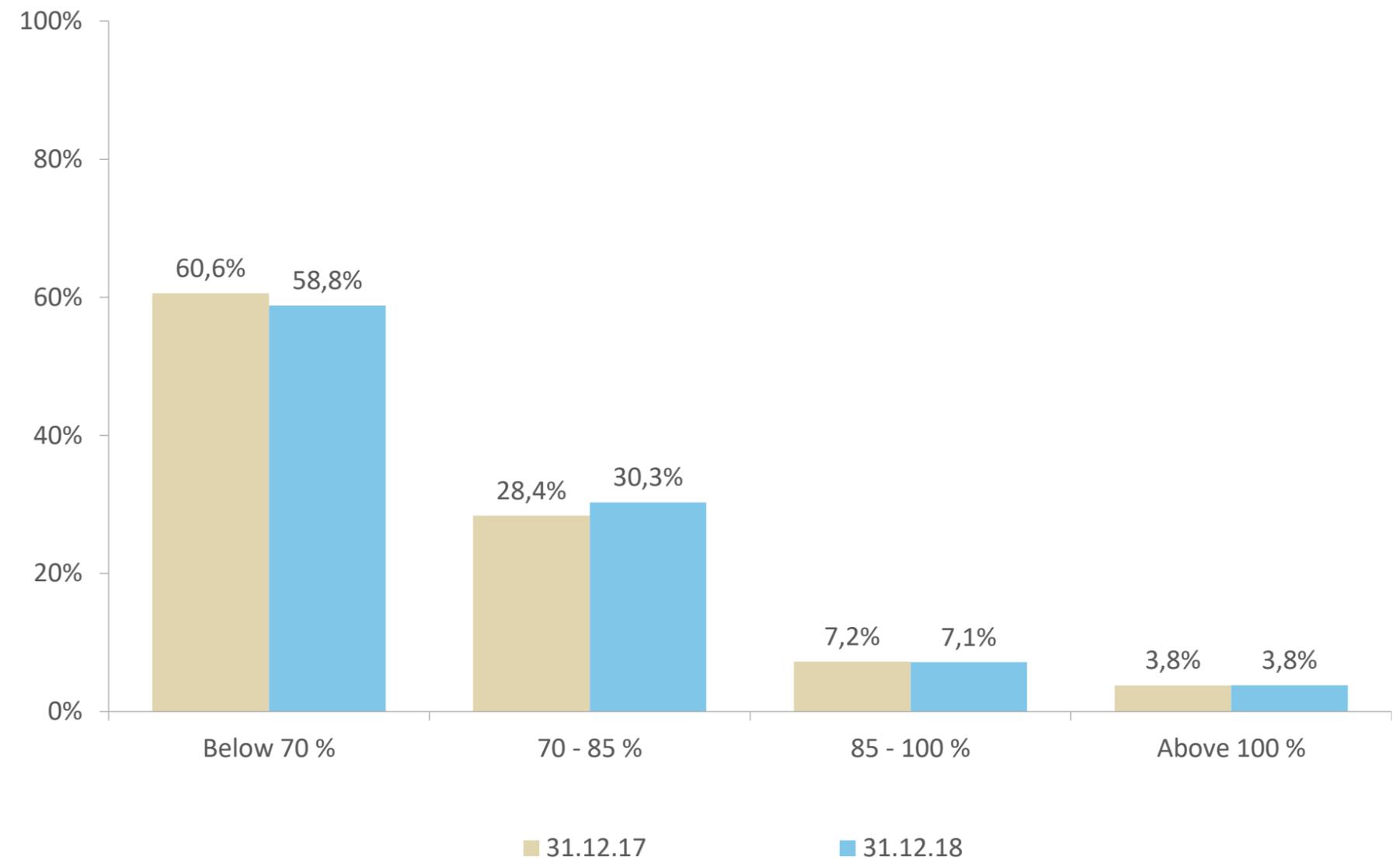
- Gross loans (incl. covered bond companies) as at 31 December 2018 amount to NOK 201.4 billion compared with NOK 187.1 billion at the same time the year before.
- 12-month growth in loans of 7.6%.
- Loans to retail customers (incl. covered bond company) account for 60.7% of total loans, of which 7.2%-points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



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

Loan to value ratio on home mortgage loans

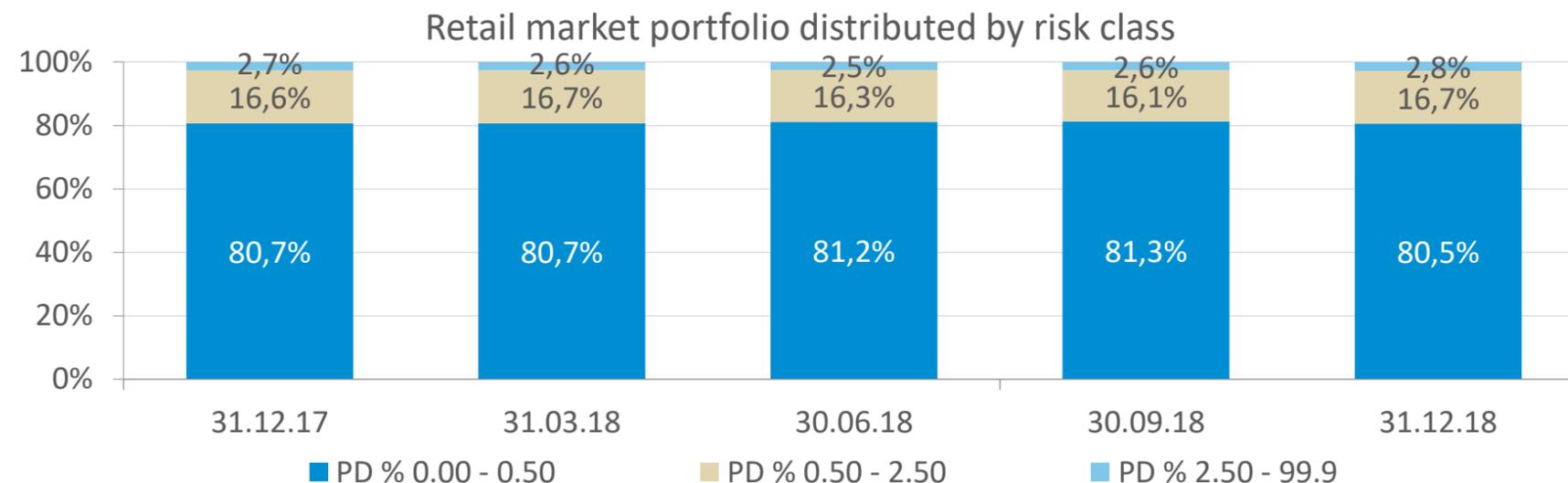
- The proportion of loans with a loan-to-value ratio of less than 85% is high.
 - 89.1% of the exposure is within 85% of the assessed value of collateral.



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

Risk profile – Lending to the retail market

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



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

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

Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 3.4 billion to NOK 98.8 billion.
 - Corresponds to an increase in the period of 3.6%.
- Increased deposit growth in the corporate market (incl. capital market) in 2017 is due to larger deposits from public sector.
 - Deposit growth is 4.8% at 4. quarter 2018 excl. deposits from public sector.



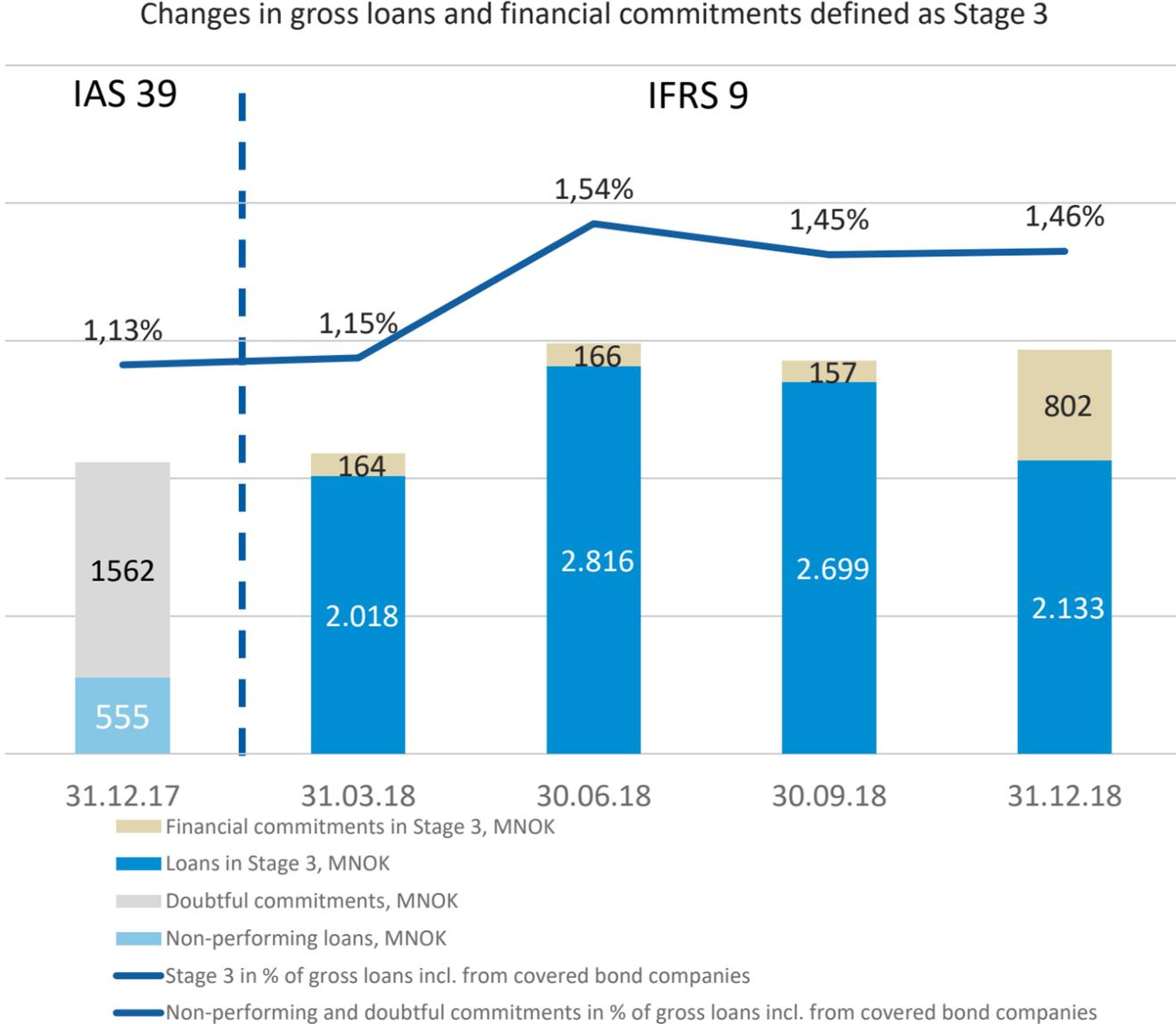
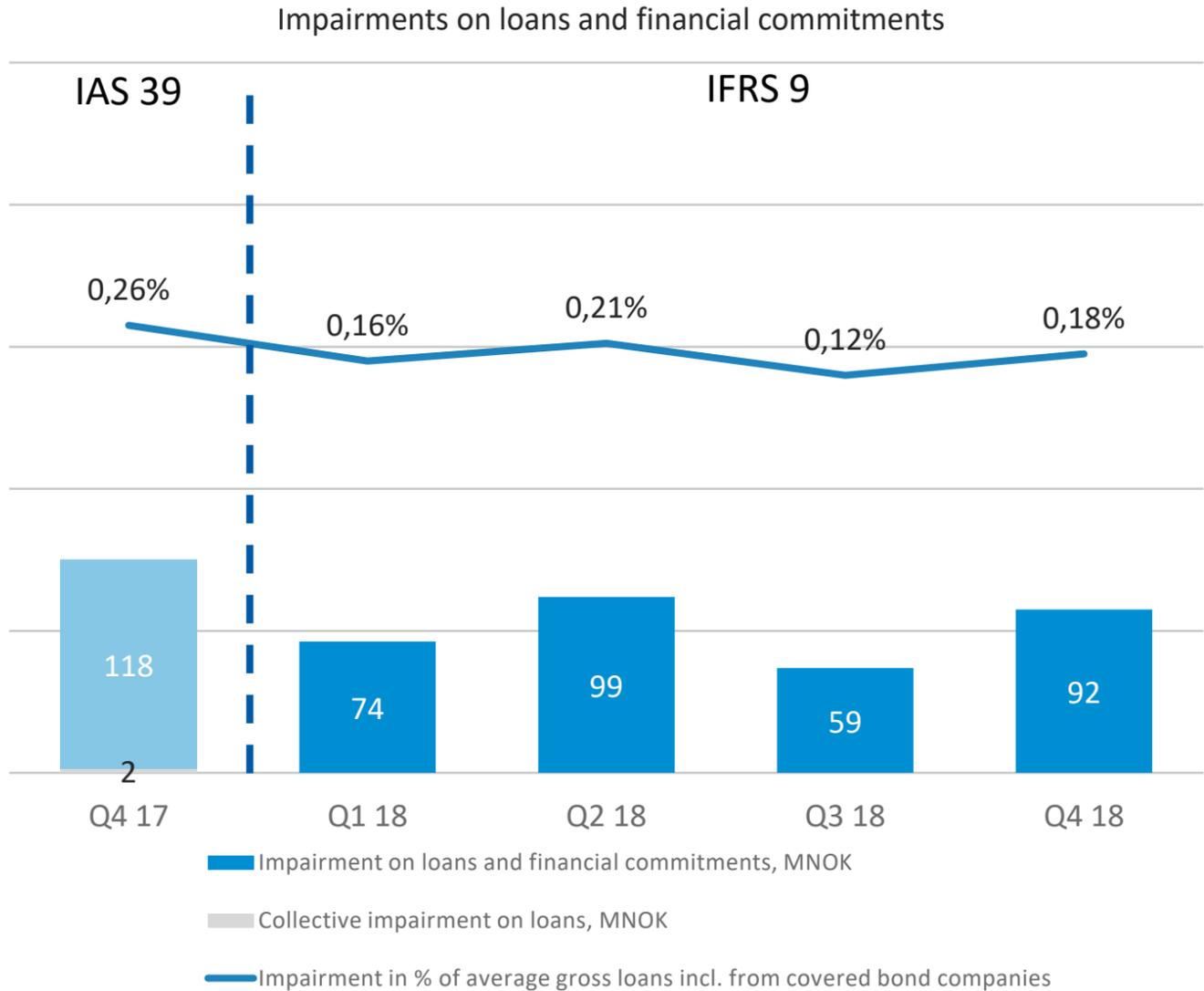
Ownership interests

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

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

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

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



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

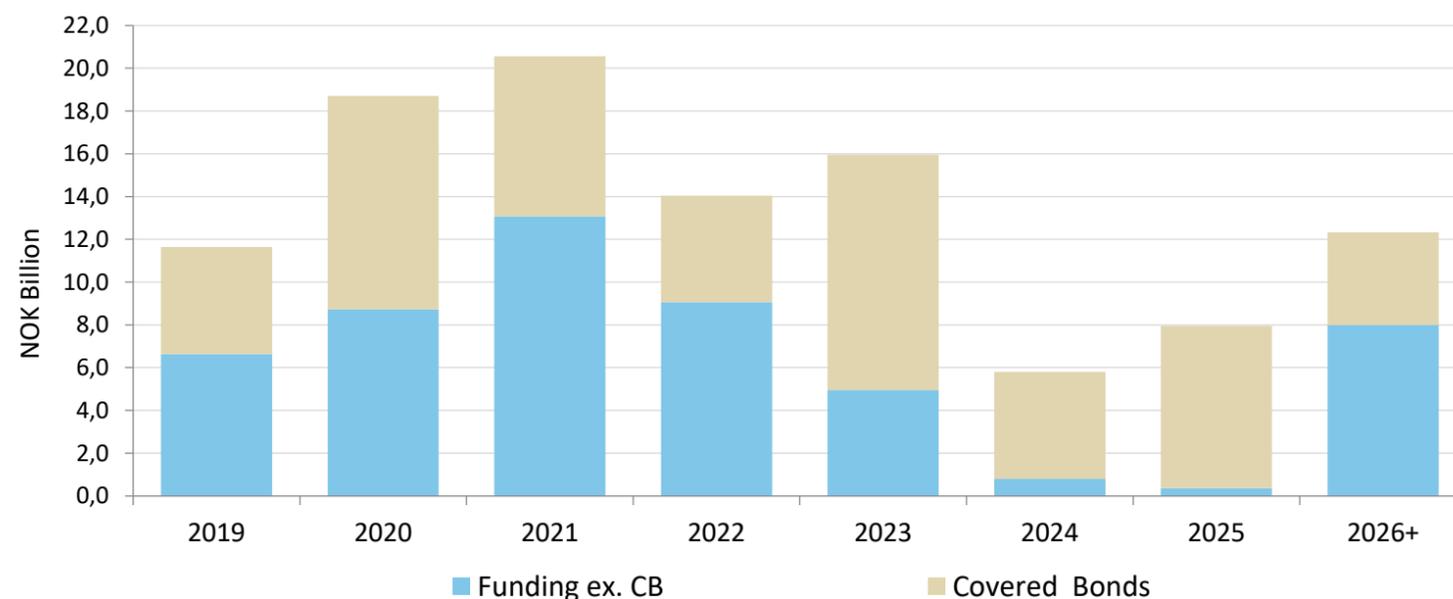
Loans in Stage 3 are loans with a significant increase in credit risk since being granted and have objective evidence of a loss on the balance sheet date. Historical figures are changed due to updated source of data.

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- Appendix

Funding

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

Annual funding maturity



SRBANK

SPAREBANK 1 SR-BANK ASA

(incorporated with limited liability in Norway)

€10,000,000,000

Euro Medium Term Note Programme

SR-Boligkreditt

Subsidiary of SpareBank 1 SR-Bank

SR-BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€10,000,000,000

Euro Medium Term Covered Note Programme

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

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

MREL

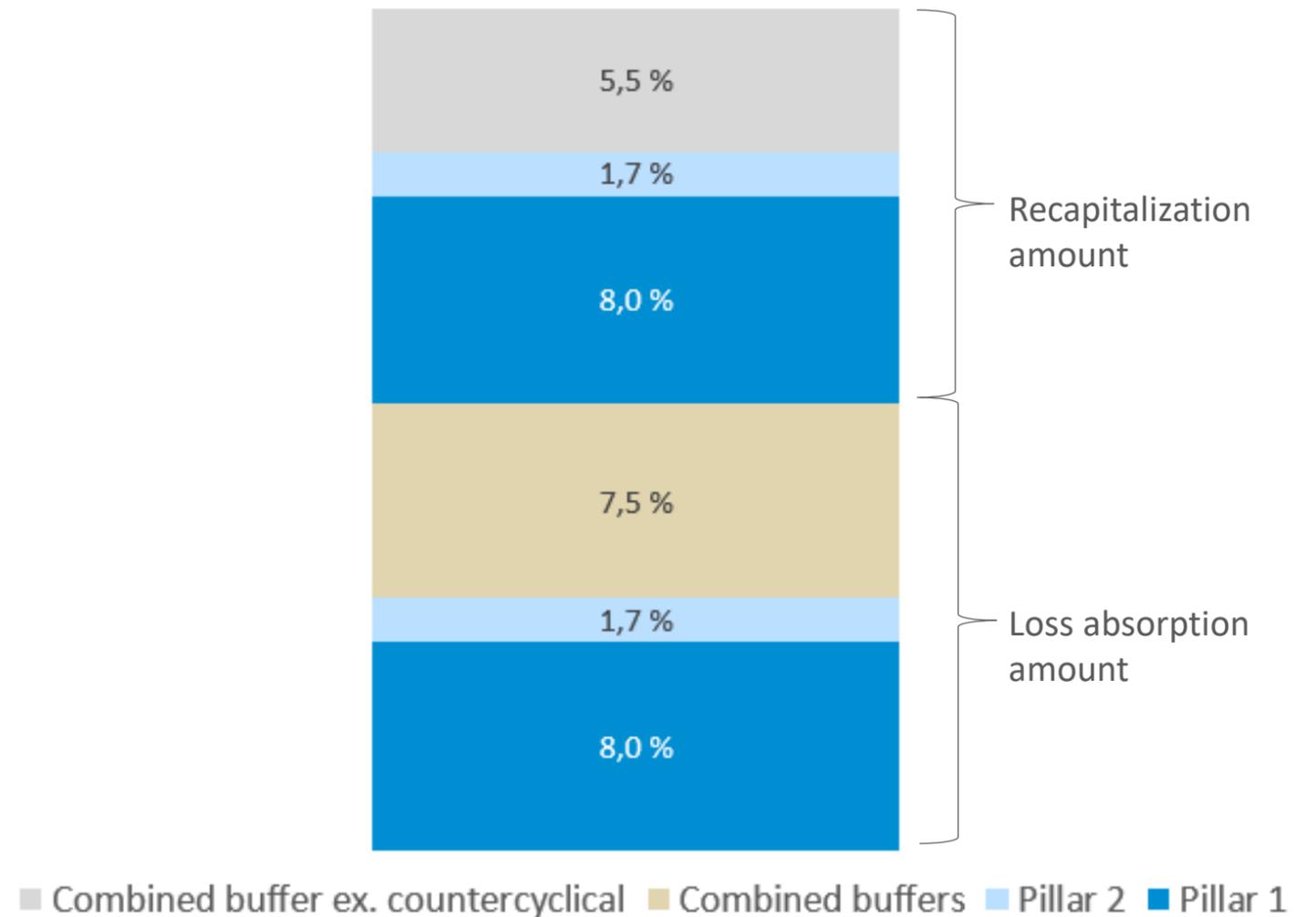
Main features from Ministry of Finance regulation based on «BRRD»:

- Requirements enter into force 1 January 2019.
- Issuers shall be fully MREL compliant by 31 December 2022.
- The FSA will set requirements individually for each bank.
- Covered bonds issuers are exempt from MREL, also when the owning bank is consolidating. The FSA states, however, that the exposure the owning bank has towards the covered bonds issuer will be included when setting MREL requirements.

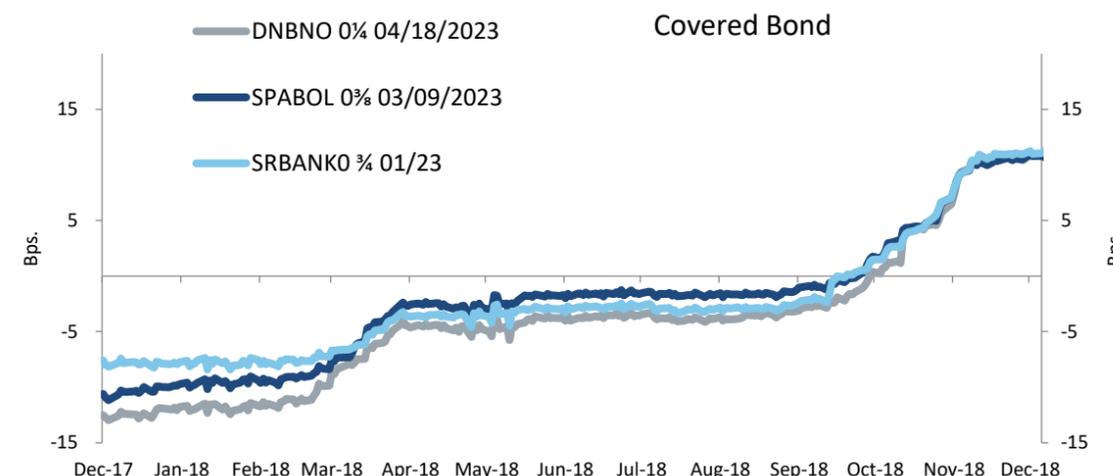
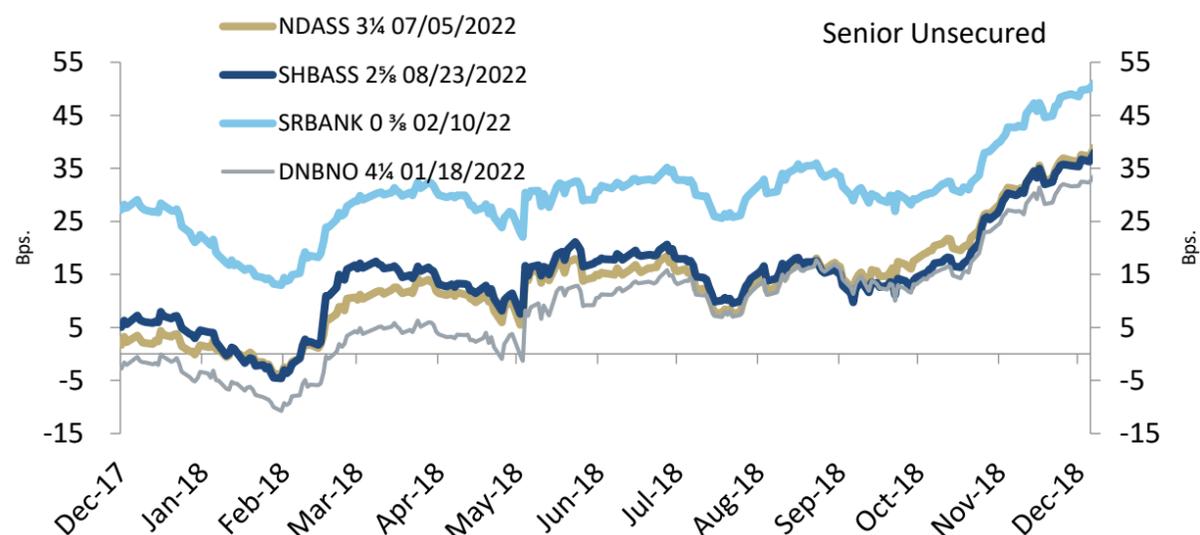
Uncertain outcome for SR-Bank:

- Total capital requirement including MREL = (P1 + P2 + Combined buffer requirement) x 2 - Countercyclical buffer x 1, see figure.
- Negotiations in the EU on «BRRD2» suggest a maximum level of MREL and compliance of requirements by 31 December 2024.
- Should SR-Bank be defined as systemic important the MREL-requirement will increase with 4 percentage points. However it is uncertain whether the need for bail-inable debt will increase since this is dependent on the development of the risk weighted balance.

MREL based on Ministry of Finance



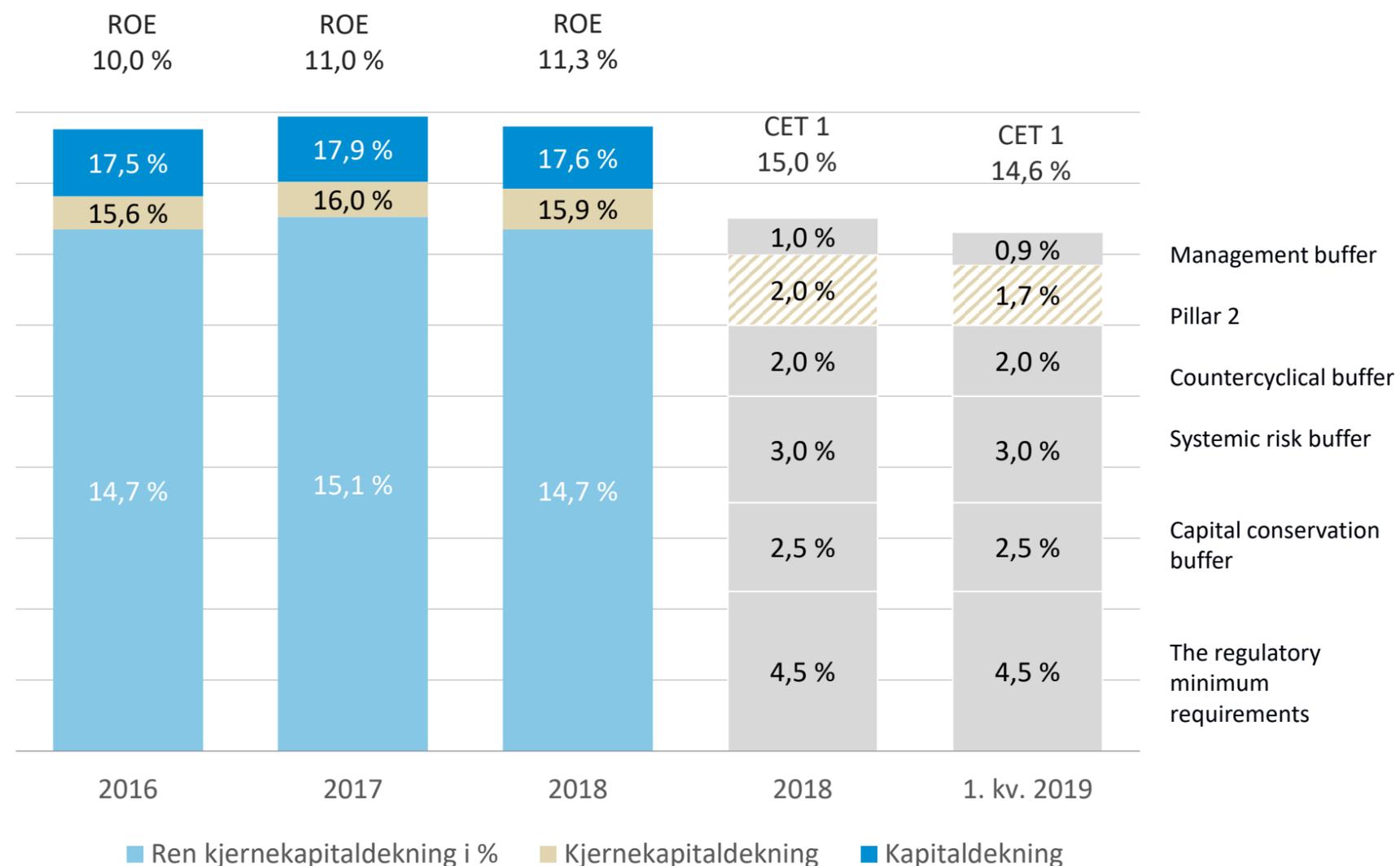
An established borrower in the Euromarket



| Issuer / Ticker | Coupon | Amount | Maturity | ISIN |
|------------------|-------------|-------------|-------------------|--------------|
| 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 | 0,750% | EUR 750mn | 17-October-2025 | XS1894534343 |
| 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 | 17-November 2022 | NO0010841380 |
| SR-BOL / SRBANK | Nibor3m +29 | NOK 5.000mm | 29-May 2023 | NO0010823255 |

Solid capital ratio

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



Outlook – Still optimistic

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

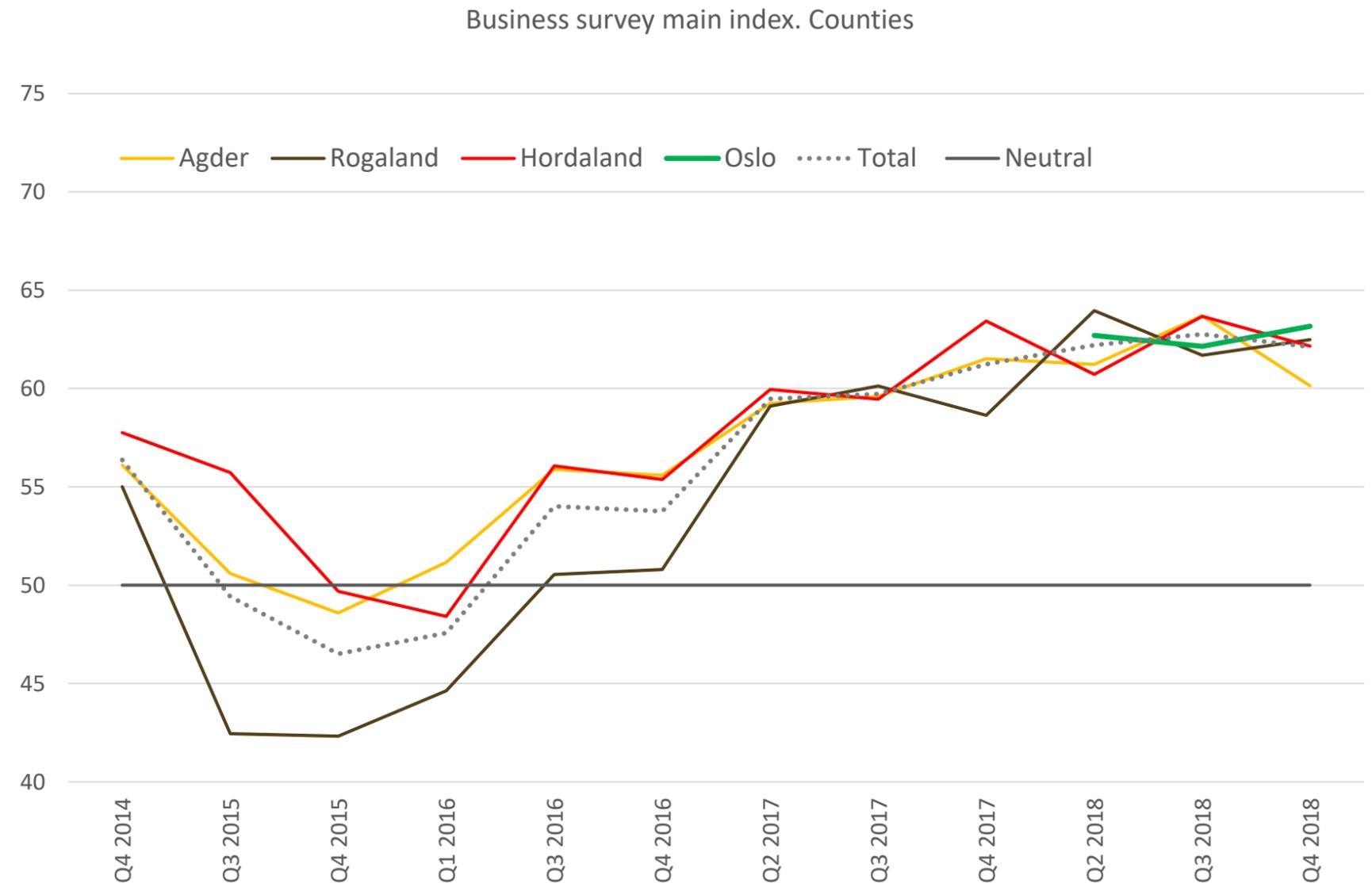


Important strategic steps

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

A surprising number of companies expect profitability to improve

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





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

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

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

**LENA STADDELAND,
FOUNDER OF SANASELLA**



GRÜNDER HUB

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

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

APPENDIX

1) Macro

1) SpareBank 1 SR-Bank

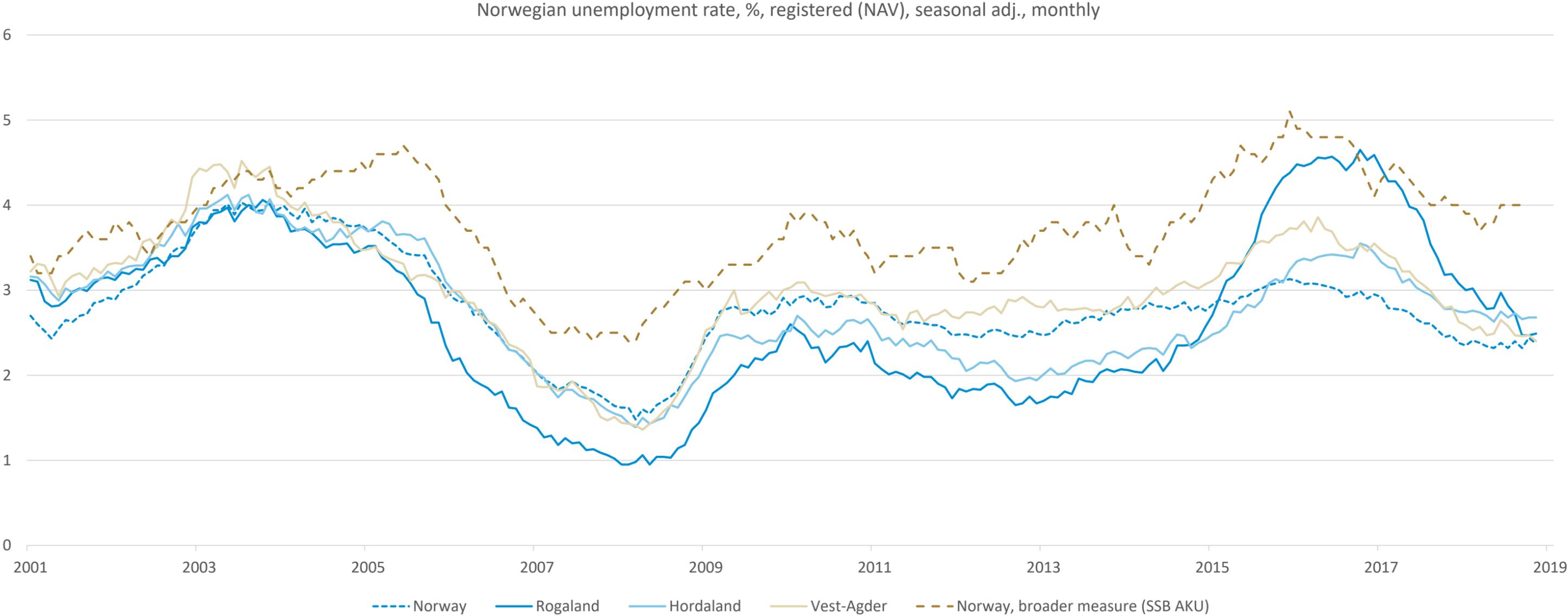
Robust economy supported by a large sovereign wealth fund and a sound framework for annual spending



| Economic Indicators (%) | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018P | 2019P | 2020P | 2021P |
|--|------|------|------|------|-------|-------|------|-------|-------|-------|-------|
| GDP mainland, annual change (%) | 1,9 | 3,7 | 2,3 | 2,2 | 1,4 | 1,1 | 2,0 | 2,3 | 2,4 | 2,4 | 2,2 |
| Household consumption, annual change (%) | 2,3 | 3,5 | 2,8 | 2,1 | 2,6 | 1,3 | 2,2 | 2,5 | 2,6 | 2,5 | 2,6 |
| Public consumption, annual change (%) | 1,0 | 1,6 | 1,0 | 2,7 | 2,4 | 2,1 | 2,5 | 1,8 | 1,7 | 1,8 | 1,7 |
| Investment mainland, annual change (%) | 5,0 | 7,4 | 2,9 | 0,4 | -0,2 | 10,7 | 7,0 | -0,1 | 2,3 | 2,9 | 2,2 |
| Investment public sector | 1,1 | -1,8 | 11,8 | 4,4 | 0,2 | 6,7 | 3,6 | 3,0 | 0,4 | 0,6 | 1,0 |
| Investment offshore oil and gas, annual change (%) | 11,4 | 14,6 | 19,0 | -1,8 | -12,2 | -16,0 | -3,8 | 4,3 | 10,1 | 3,9 | -0,4 |
| Oil price, USD/bbl. Actual | 111 | 112 | 109 | 99 | 53 | 45 | 55 | 75 | | | |
| Inflation rate (CPI) % | 1,2 | 0,8 | 2,1 | 2,0 | 2,1 | 3,6 | 1,9 | 2,8 | 1,7 | 1,5 | 2,0 |
| 3 month NIBOR % | 2,9 | 2,2 | 1,8 | 1,7 | 1,3 | 1,1 | 0,9 | 1,1 | 1,4 | 1,9 | 2,4 |
| Mortgage rate % | 3,6 | 3,9 | 4,0 | 3,9 | 3,2 | 2,6 | 2,6 | 2,7 | 3,1 | 3,4 | 3,8 |
| Household savings ratio | 5,9 | 7,1 | 7,4 | 8,2 | 10,3 | 7,1 | 6,9 | 6,9 | 7,3 | 8,7 | 9,1 |
| Unemployment rate (registered at labour office)* | 2,6 | 2,6 | 2,7 | 2,7 | 3,0 | 3,0 | 2,7 | 2,4 | 2,2 | 2,1 | 2,1 |
| HH sector real disposable income, annual change (%) | 4,1 | 4,4 | 3,9 | 2,9 | 5,5 | -1,7 | 1,6 | 2,5 | 3,1 | 3,4 | 3,0 |
| Current account surplus, share of GDP (%) | 12,4 | 12,5 | 10,3 | 10,5 | 8,1 | 4,0 | 5,7 | 8,7 | 9,1 | 9,0 | 9,0 |
| Sovereign Wealth Fund, share of mainland-GDP (%). Actual | 150 | 160 | 190 | 230 | 270 | 270 | 290 | 290 | | | |

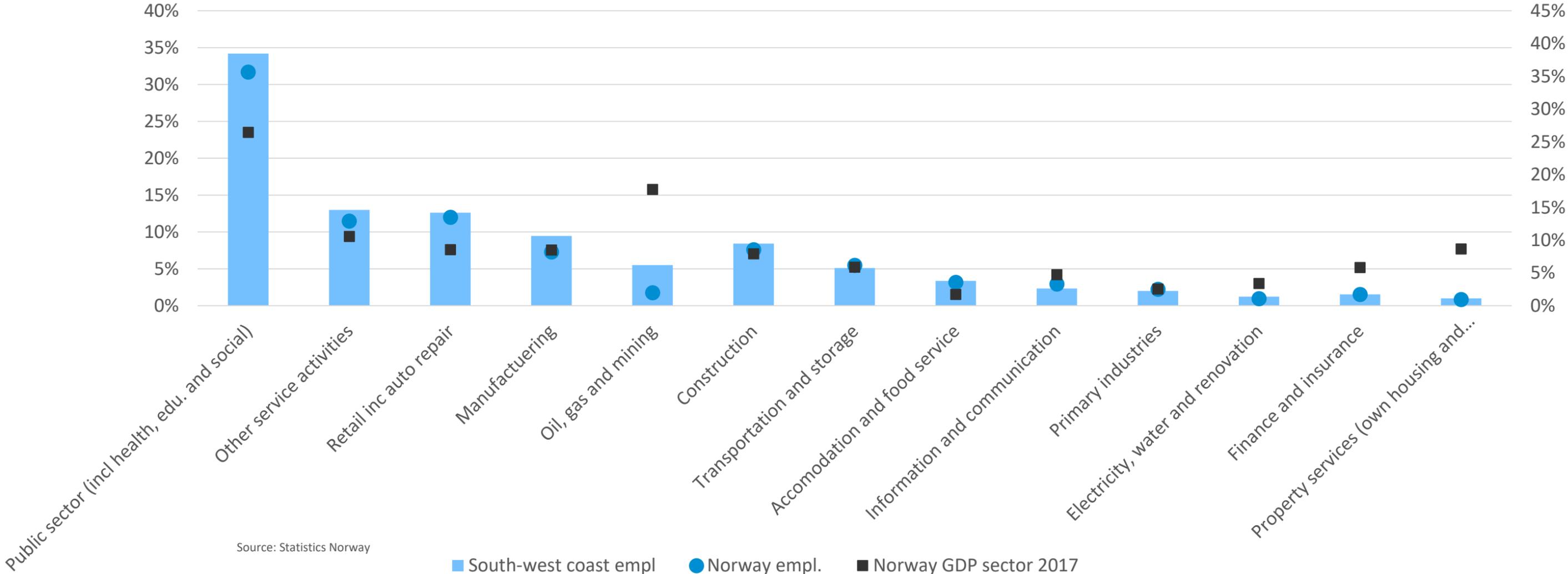
Norwegian unemployment rate reduced to low level

Marked reduction in Rogaland in 2017 and 2018



Employment (and GDP) by sector

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



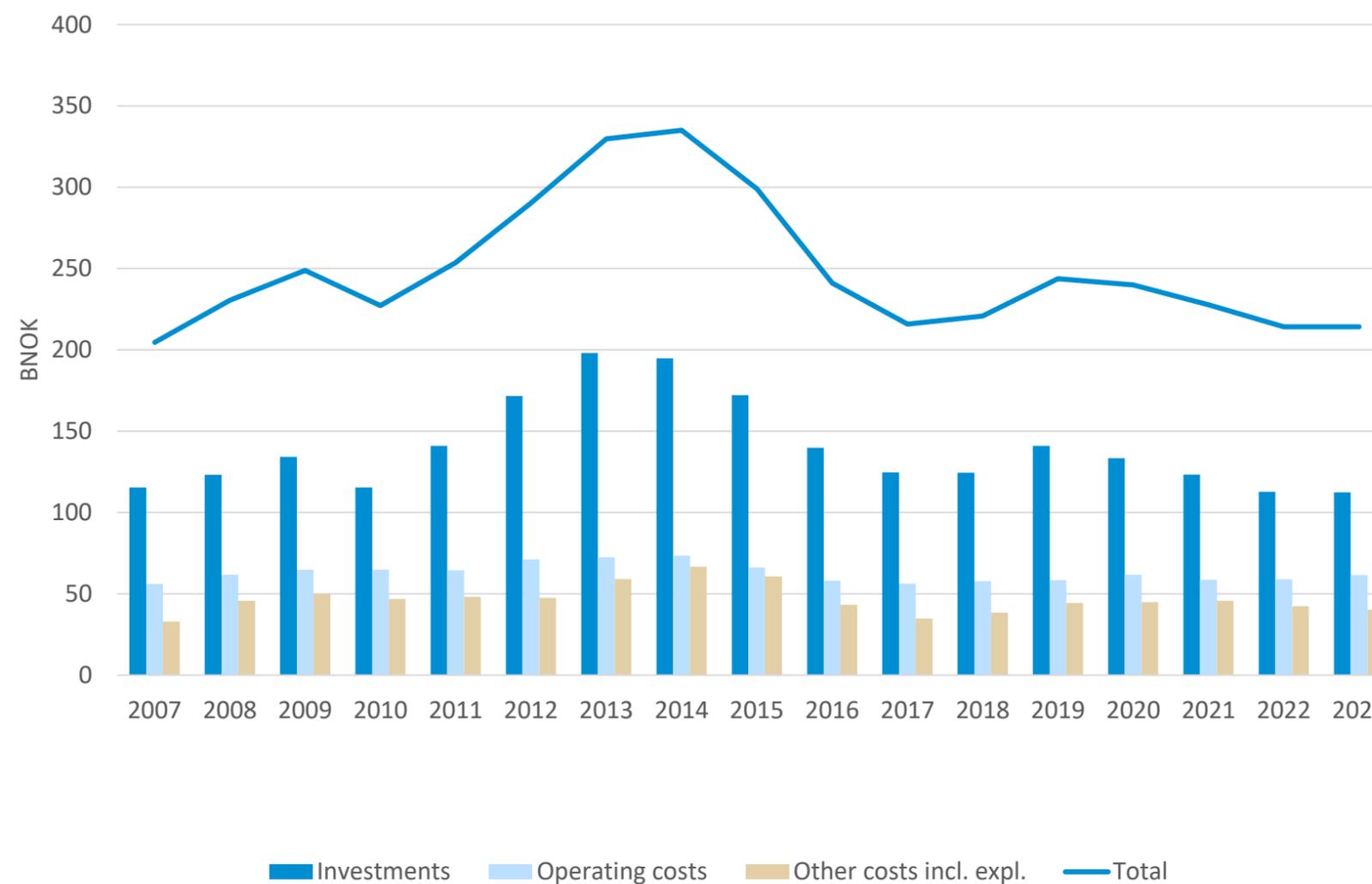
Source: Statistics Norway

Increasing petroleum activity on the NCS in 2019

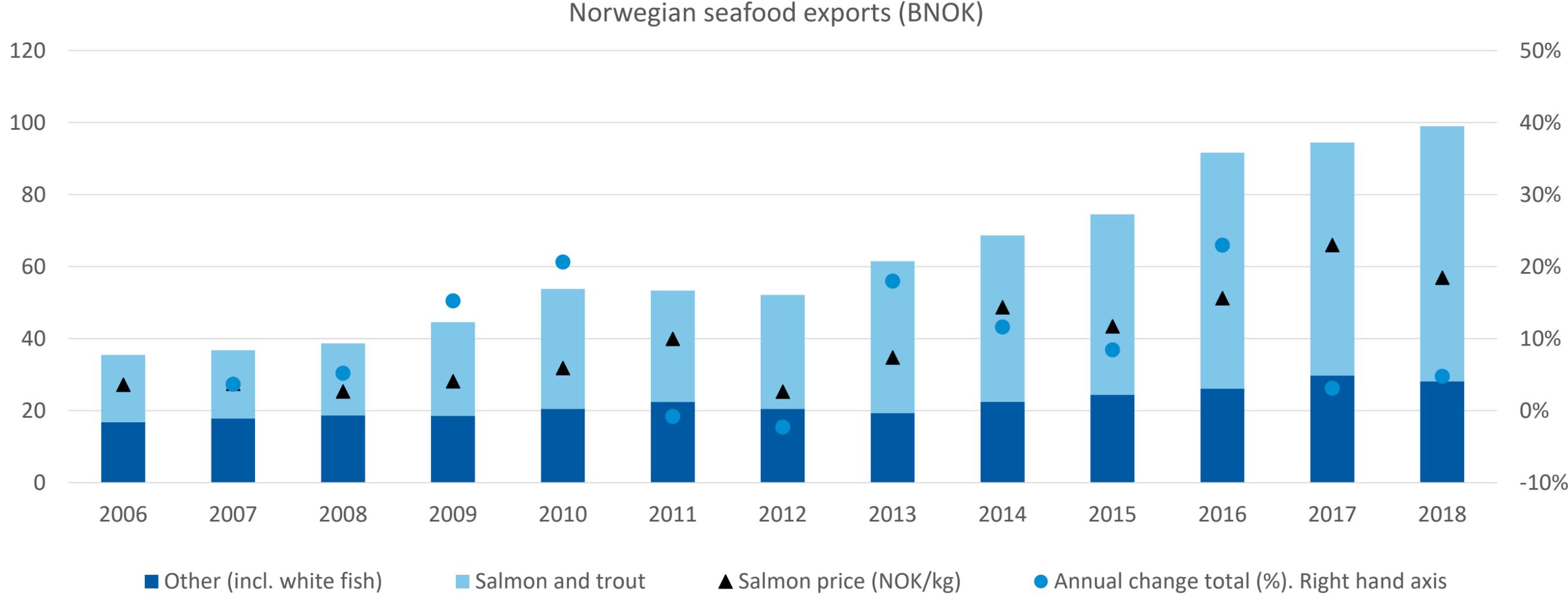
The activity fell from 2014 to 2017, was stable in 2018 and is likely to increase by 10% in 2019

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

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

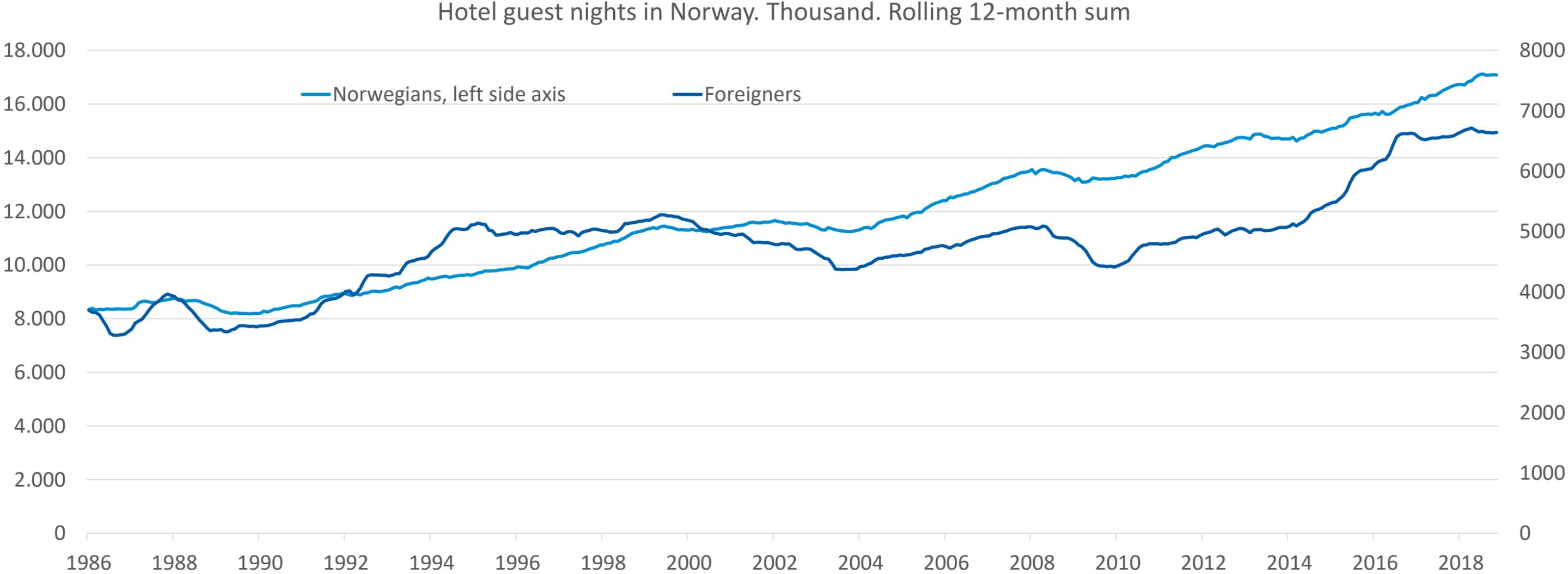


Norwegian seafood exports doubled since 2012

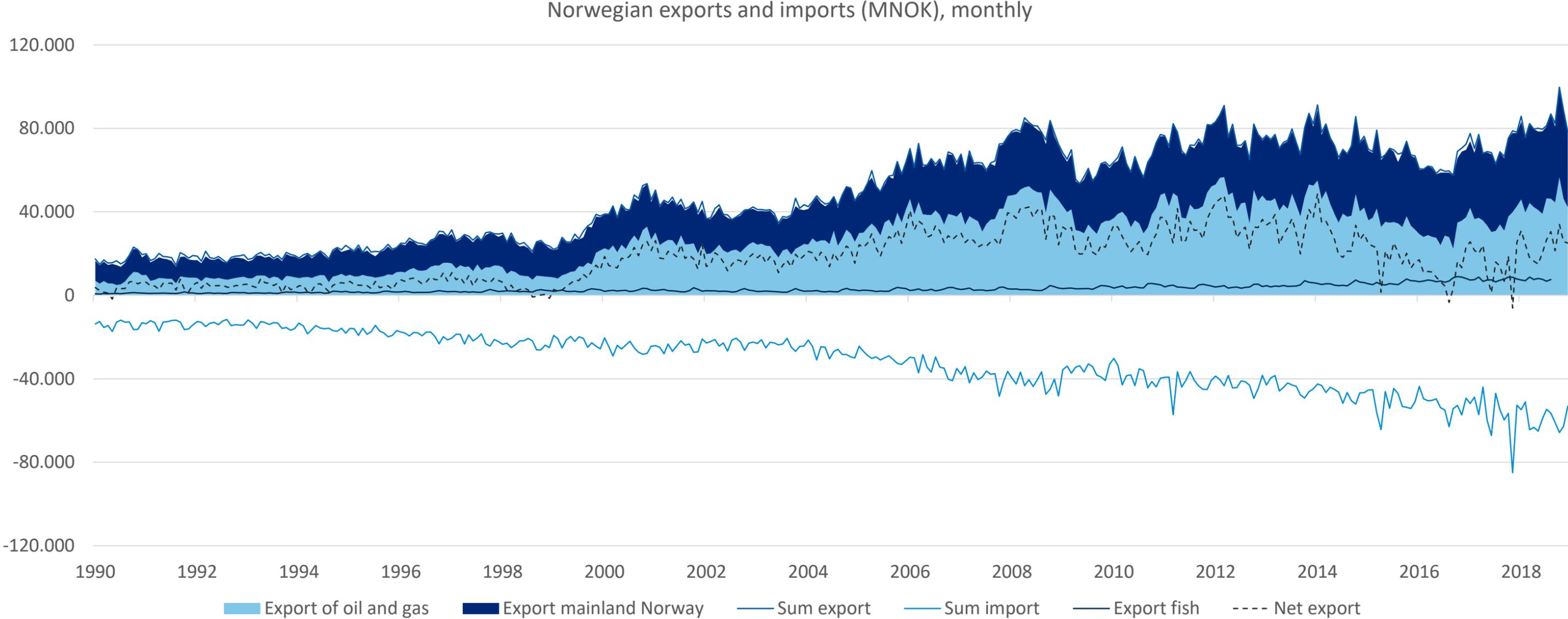


Source: Norwegian Seafood Council

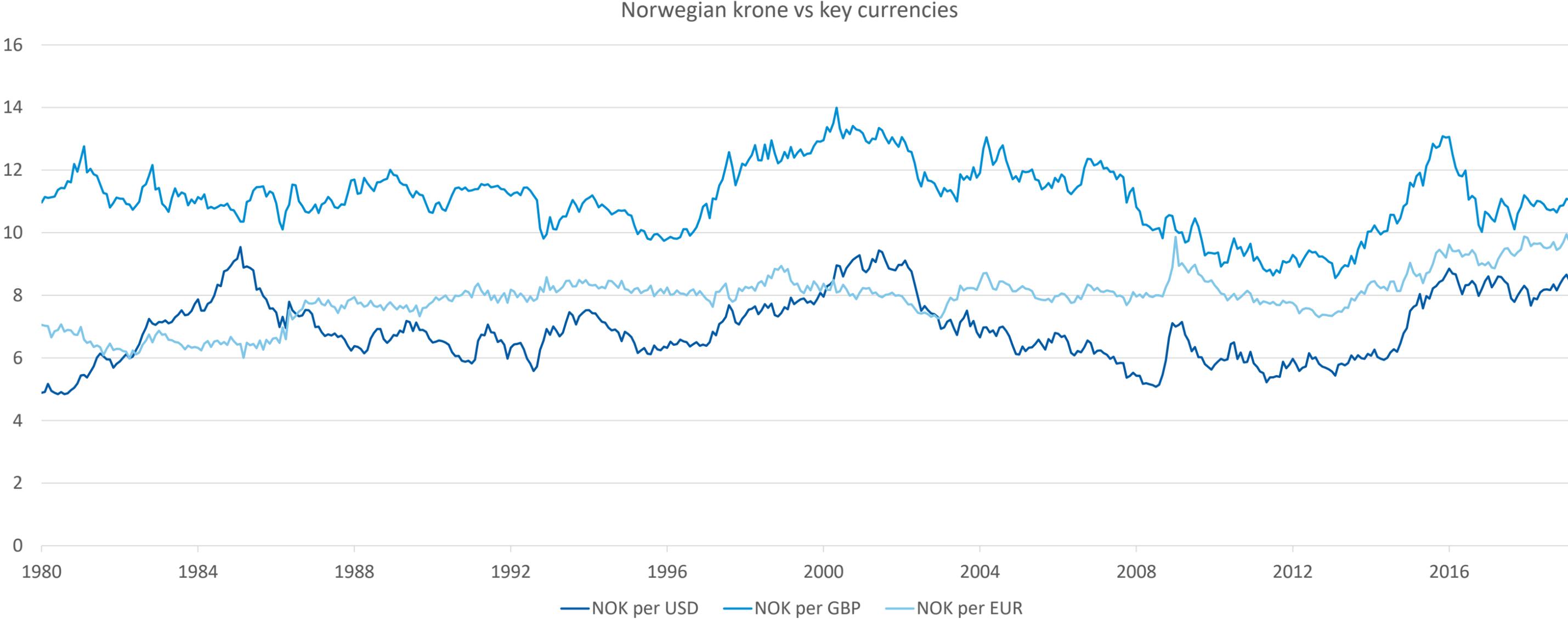
Norwegian hotels – guest nights by foreign and domestic



Norwegian exports and imports

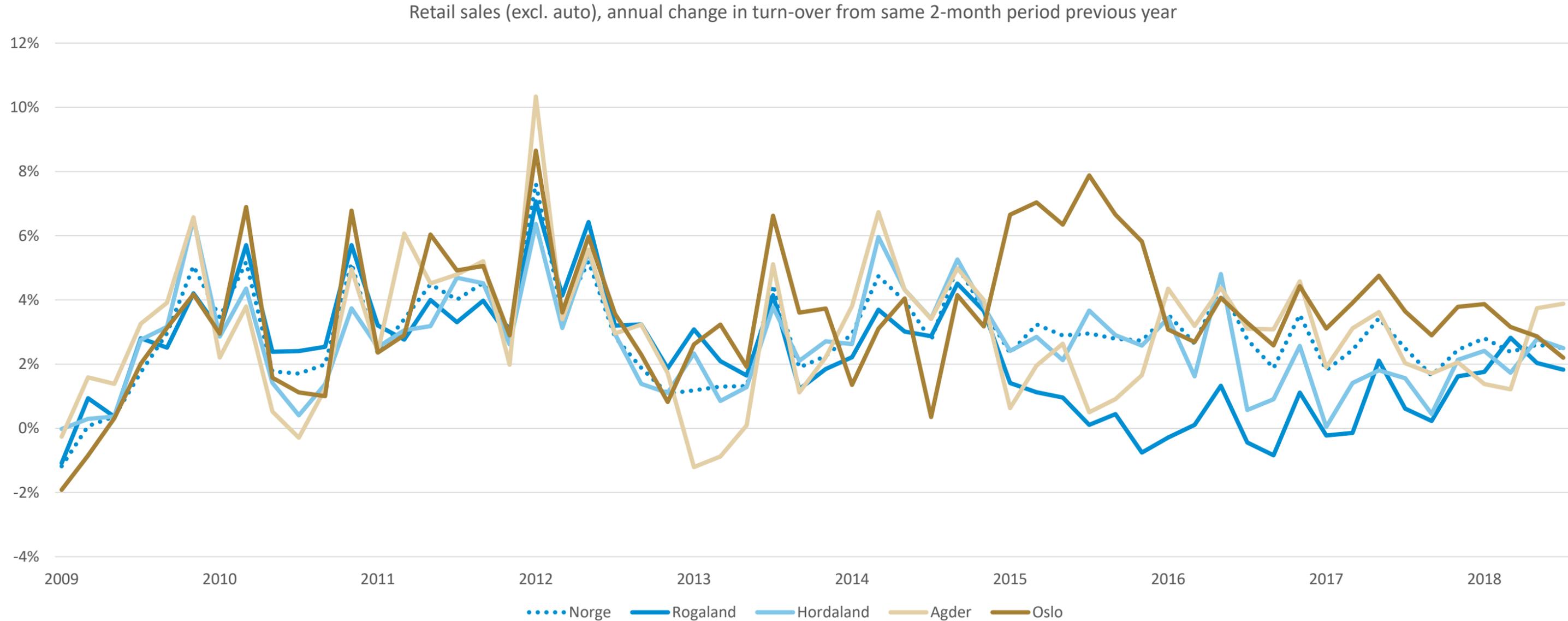


Norwegian krone vs key currencies

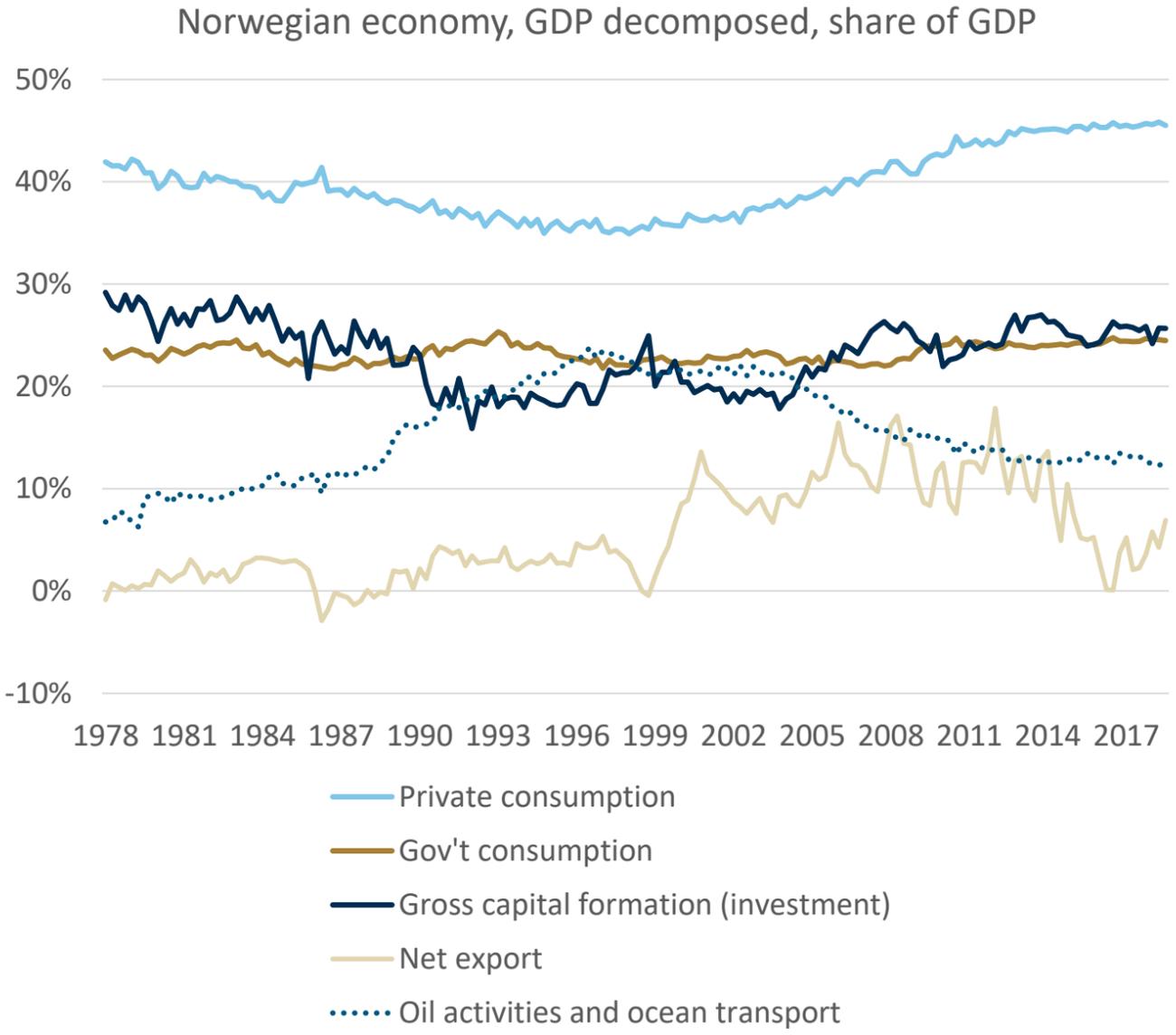
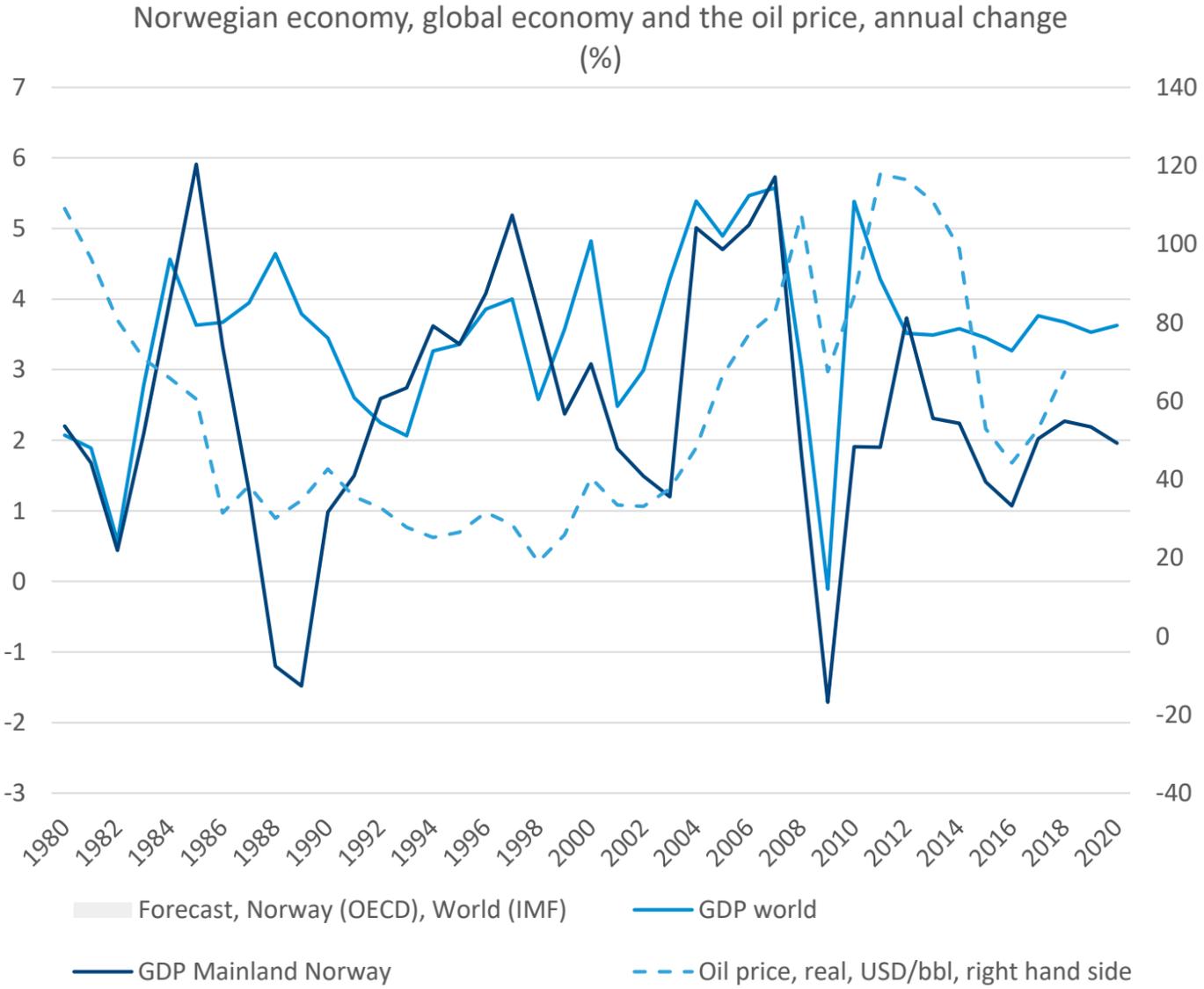


Retail trade in Norway increasing by two to four percent

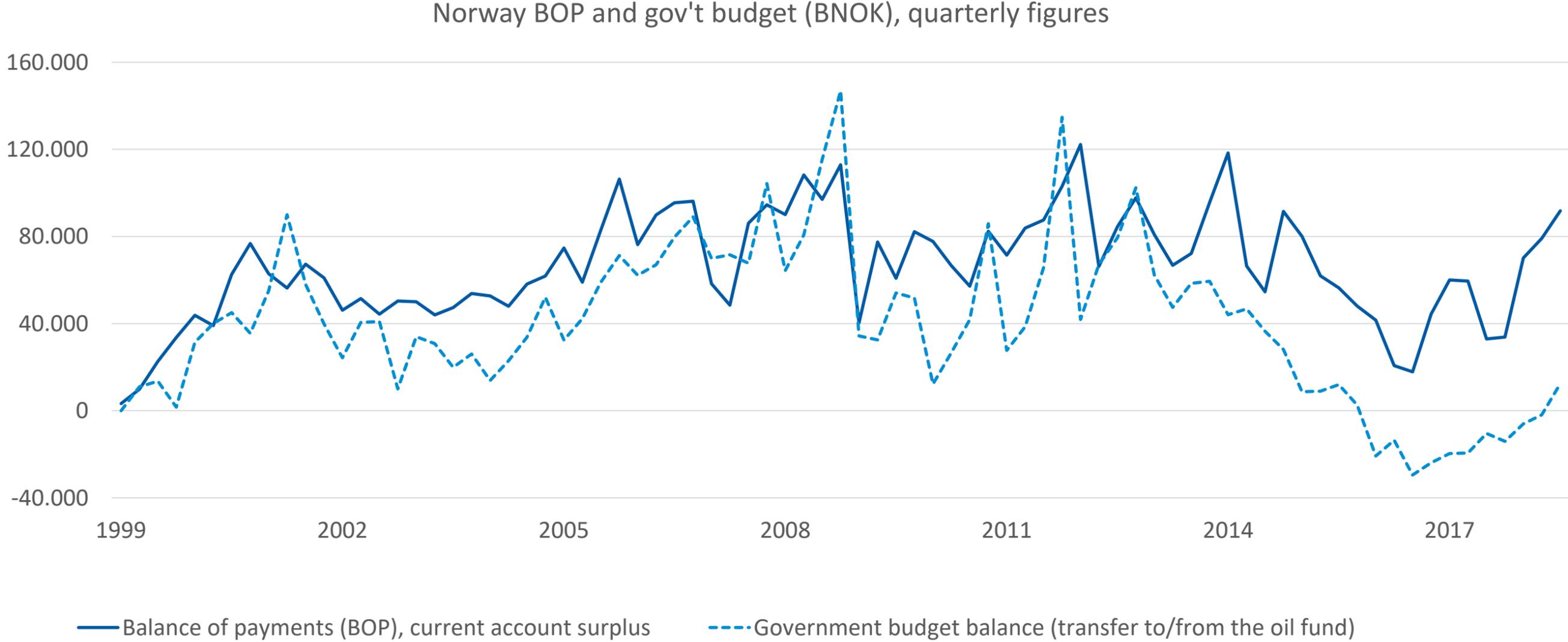
Growth has been highest in Oslo, but growth abated in 2018



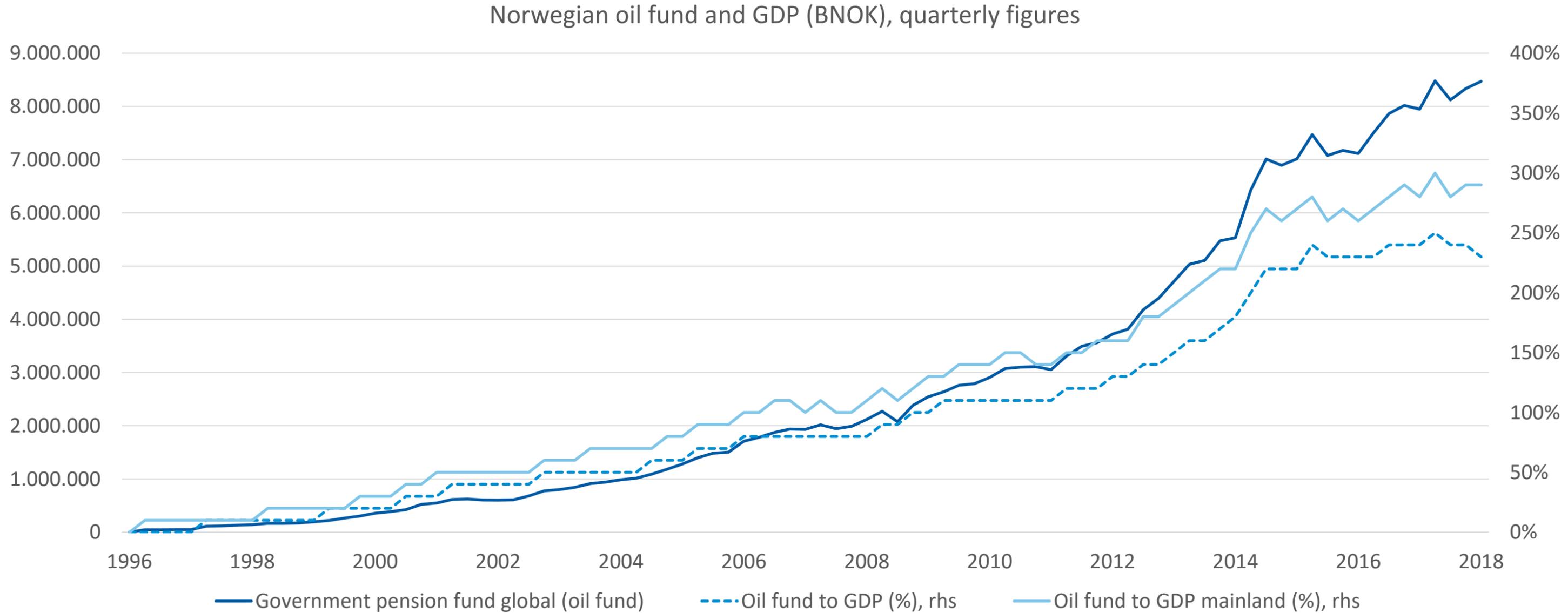
Norwegian Economy – GDP



Norway balance of payments and government budget

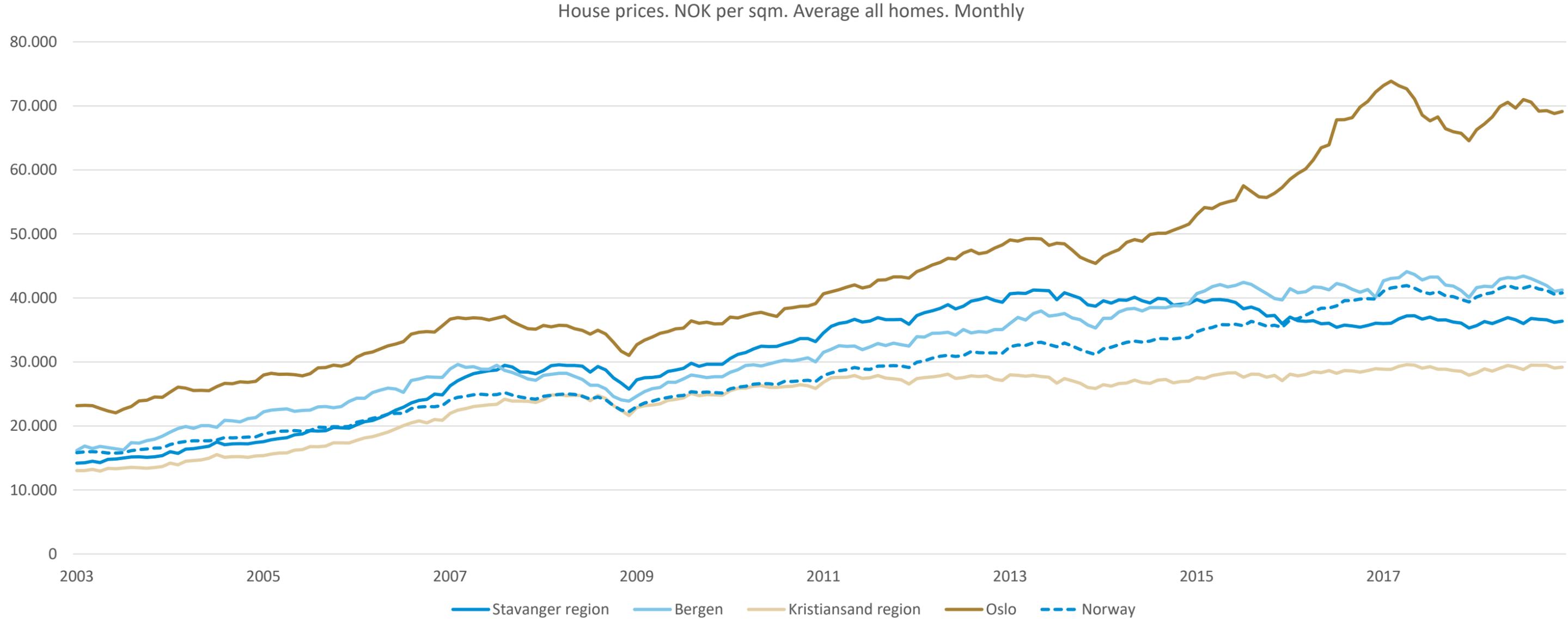


Norway oil fund and GDP



Stable house prices in Norway over the past year

Stable in most counties, but somewhat more volatile in Oslo



APPENDIX

1) Macro

1) SpareBank 1 SR-Bank

Our purpose: Strength to growth and development

Objectives

- The purpose for SpareBank 1 SR-Bank is to add strength to growth and development. Our growth will give us the ability to provide profitability and value to the owners, customers and the community.
- To provide a sustainable contribution to the wealth creation process through:
 - A sustainable and profitable business model
 - An owner-friendly, stable dividend policy

Strategic goals

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

Financial goals

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

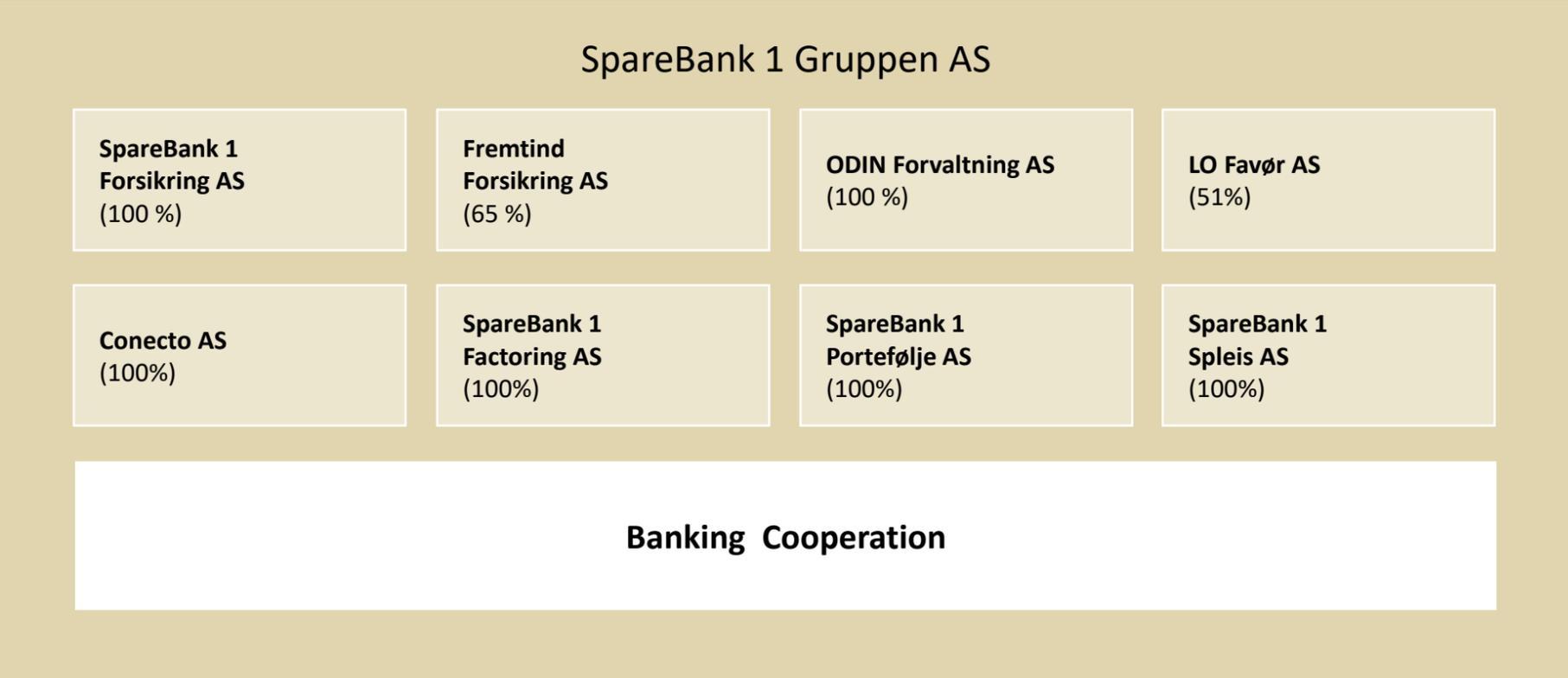
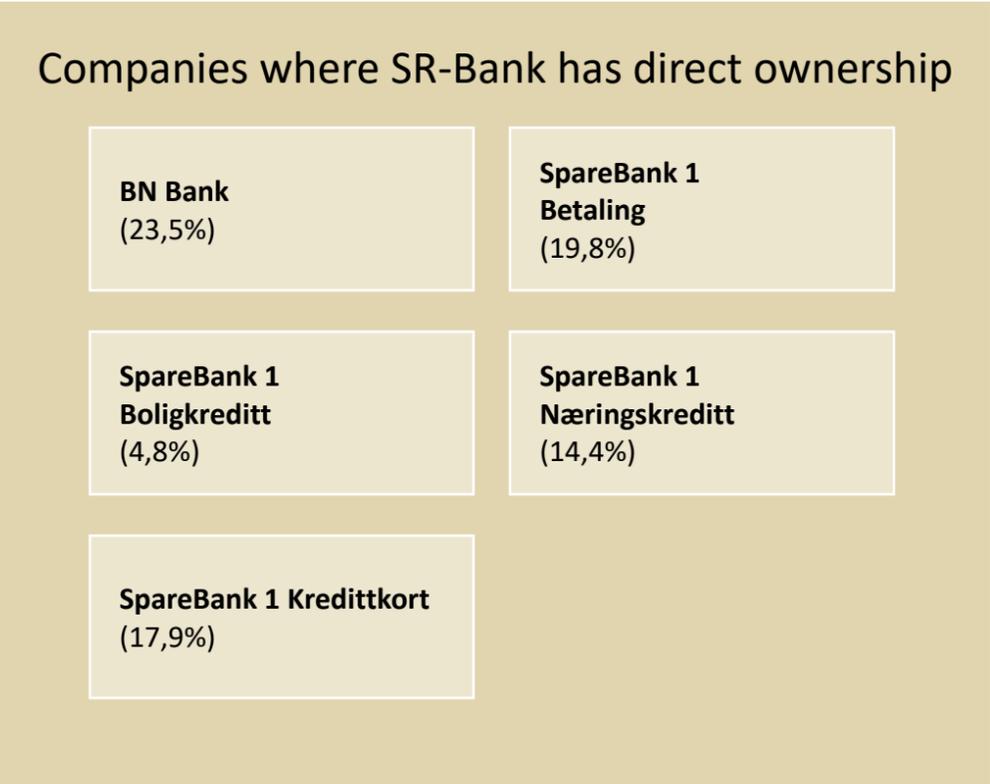
Strategic focus

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

SpareBank 1 Alliance



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



Owners of the alliance

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

Balance sheet

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

Net commission and other income

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

Net income on investment securities

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

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

Subsidiaries

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

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

** The result to Regnskapshuset SR includes amortization of intangible assets of NOK 1.9 million (NOK 1.9 million per 31.12.2017).

Ownership interests

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

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

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

Impairments on loans and financial commitments

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

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

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



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

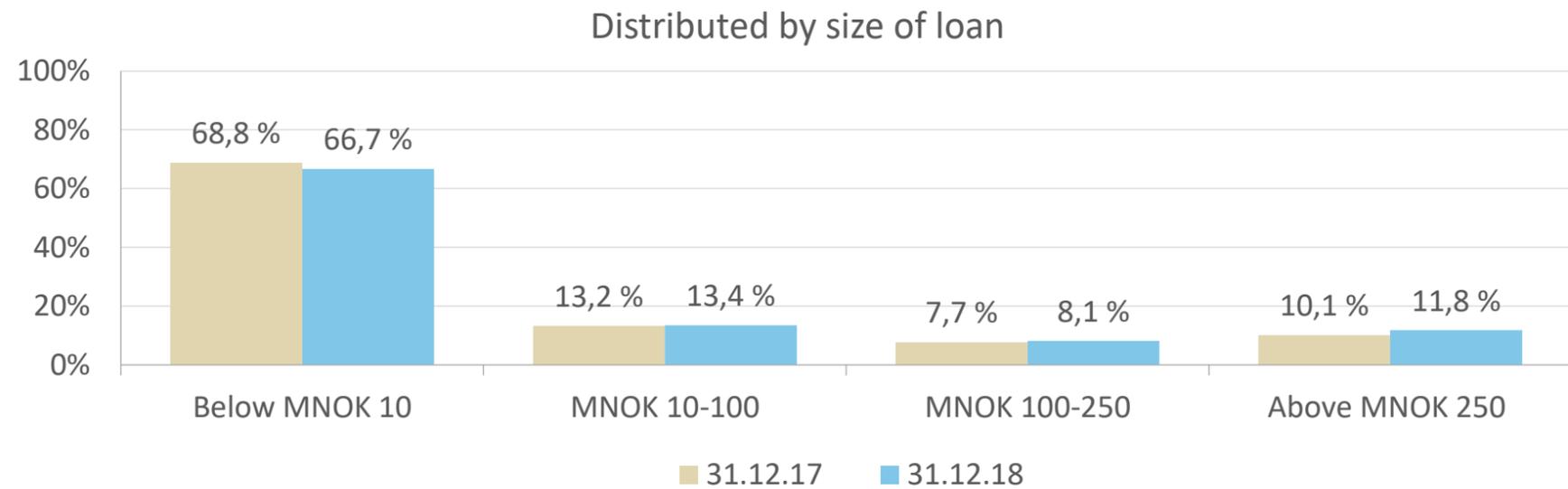
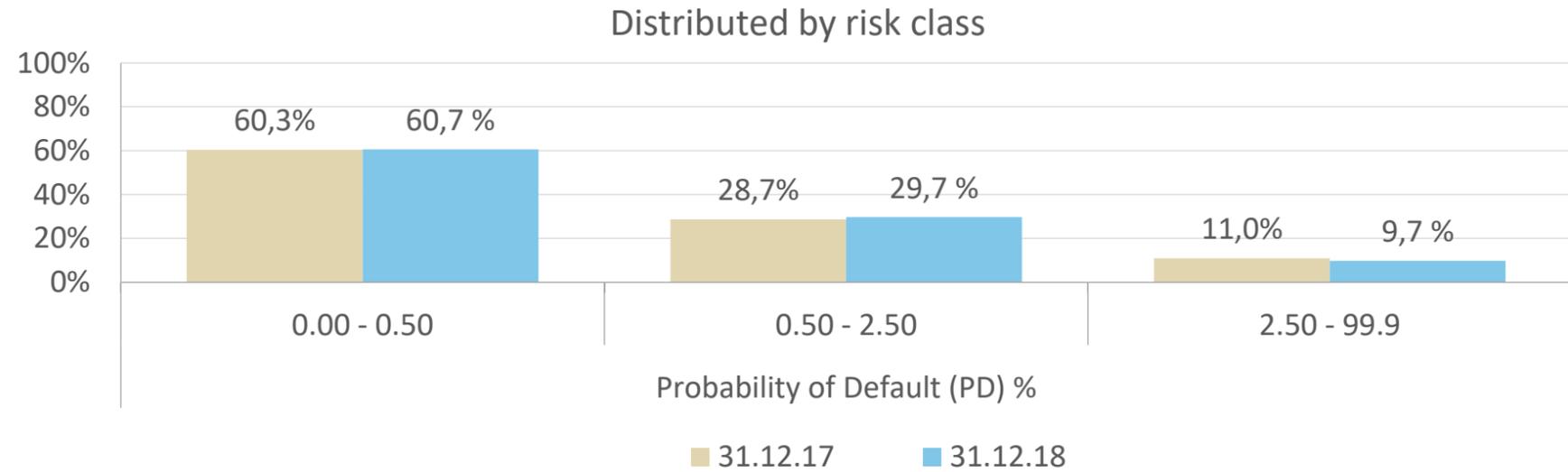


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must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



Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio. The quality of the portfolio is stable.
- The loan portfolio consists mainly of small and medium-sized loans.

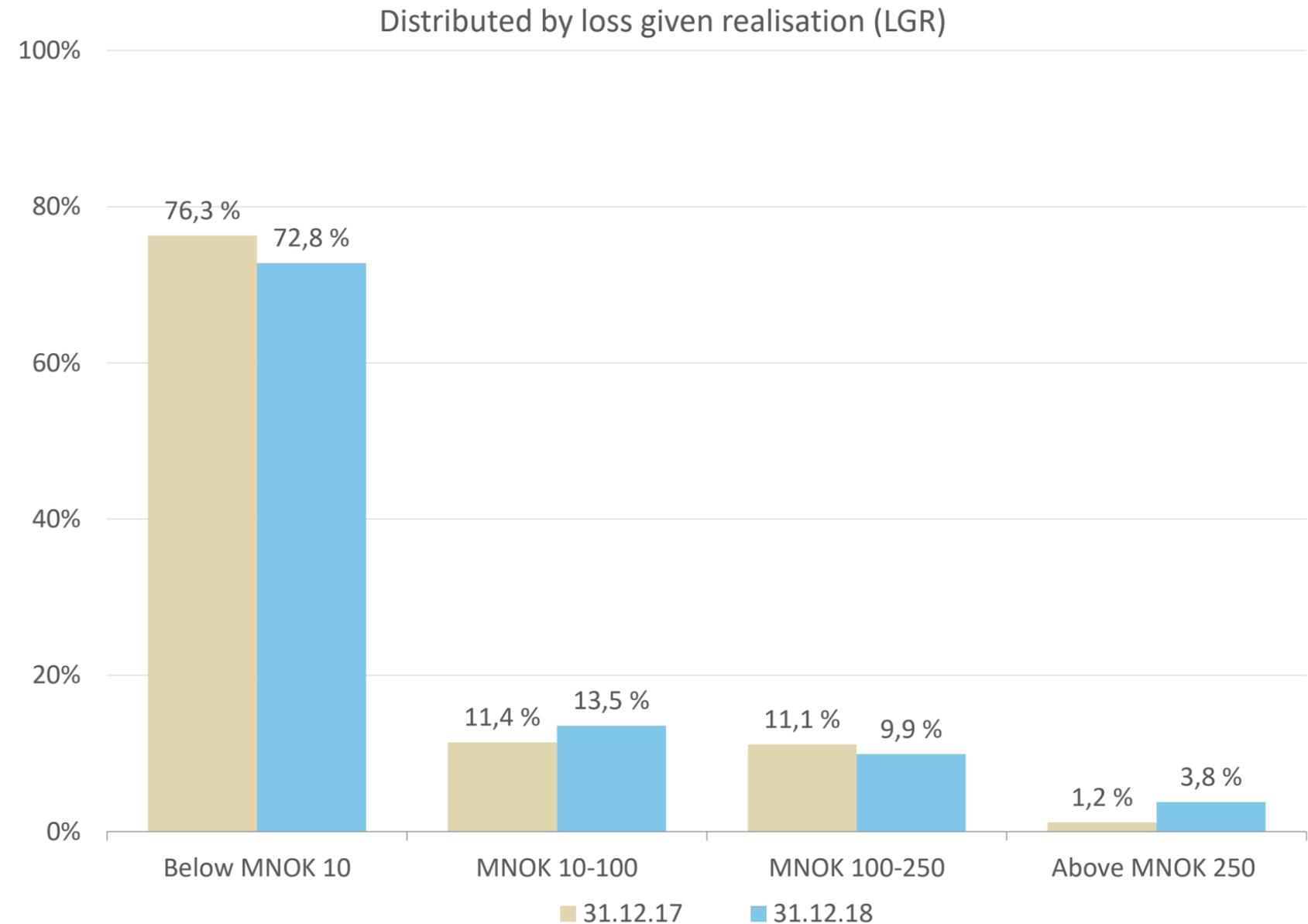


*Probability of default (PD) through a full cycle of loss.

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

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.

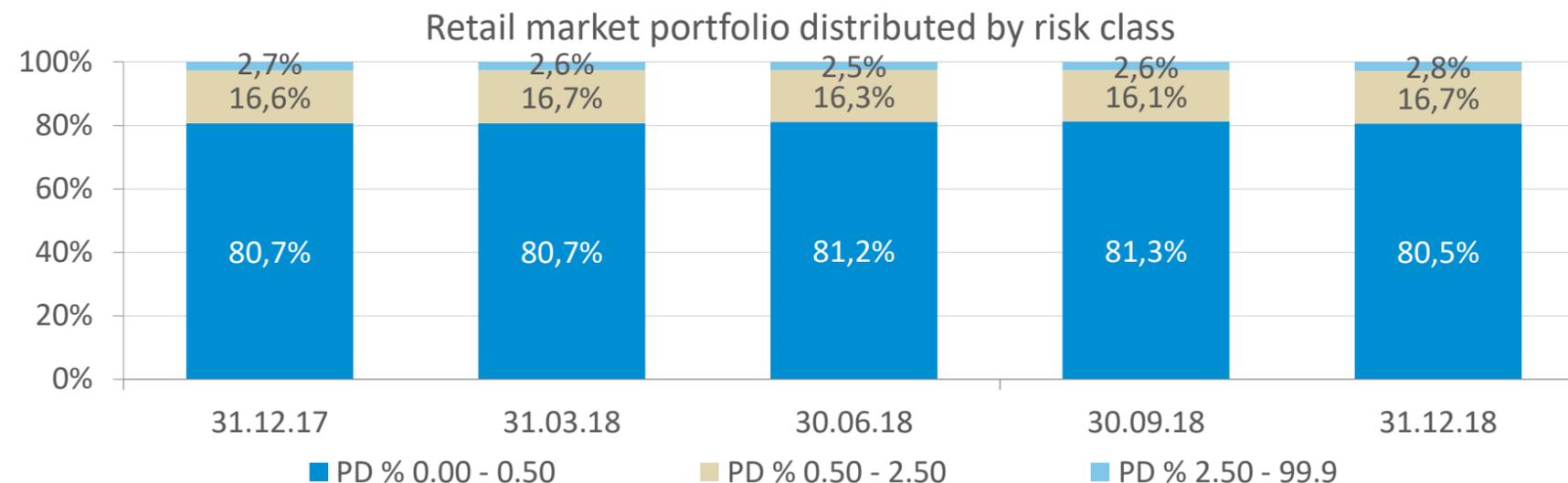


LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

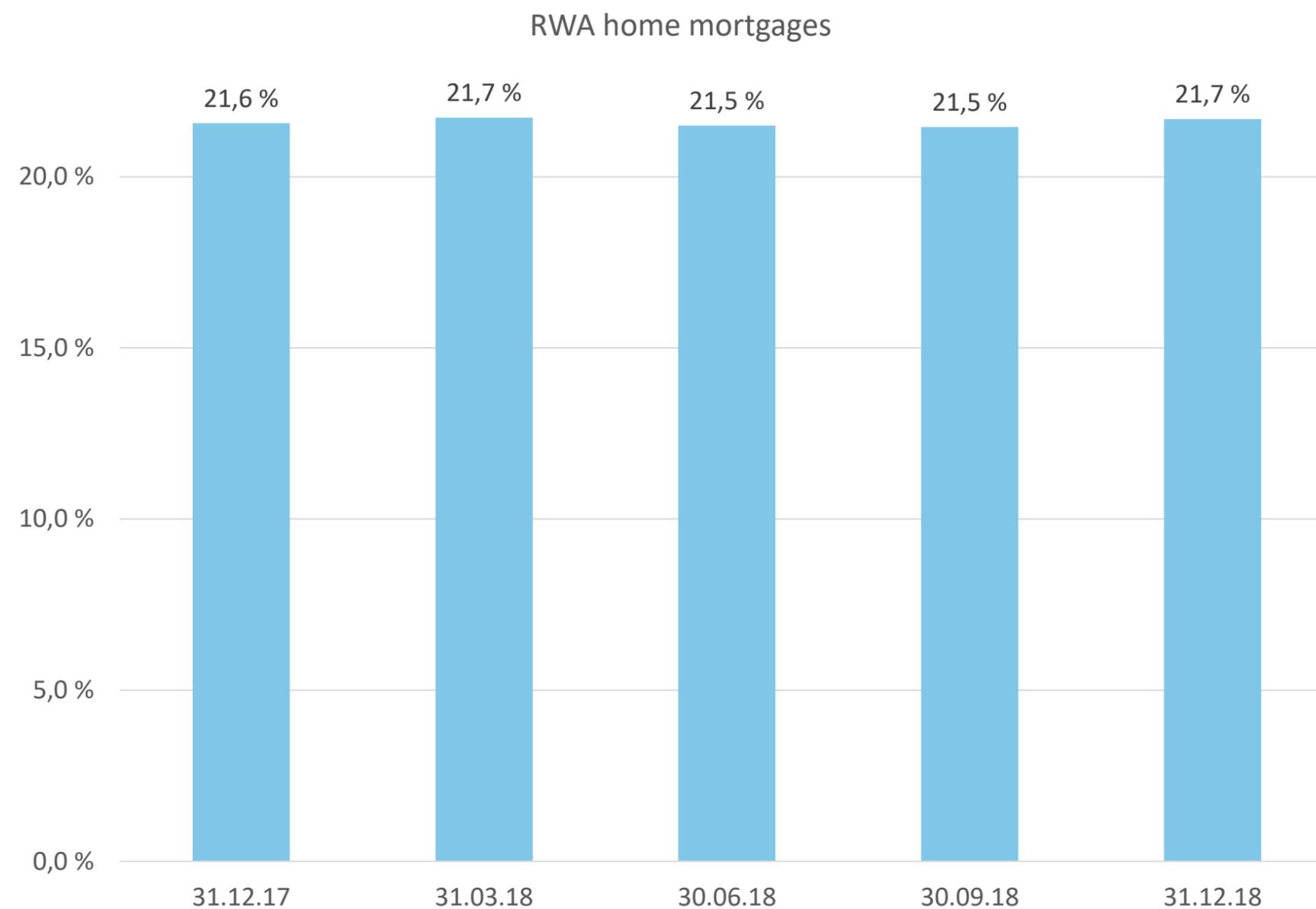


*Probability of default (PD) through a full cycle of loss.

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

RWA home mortgages

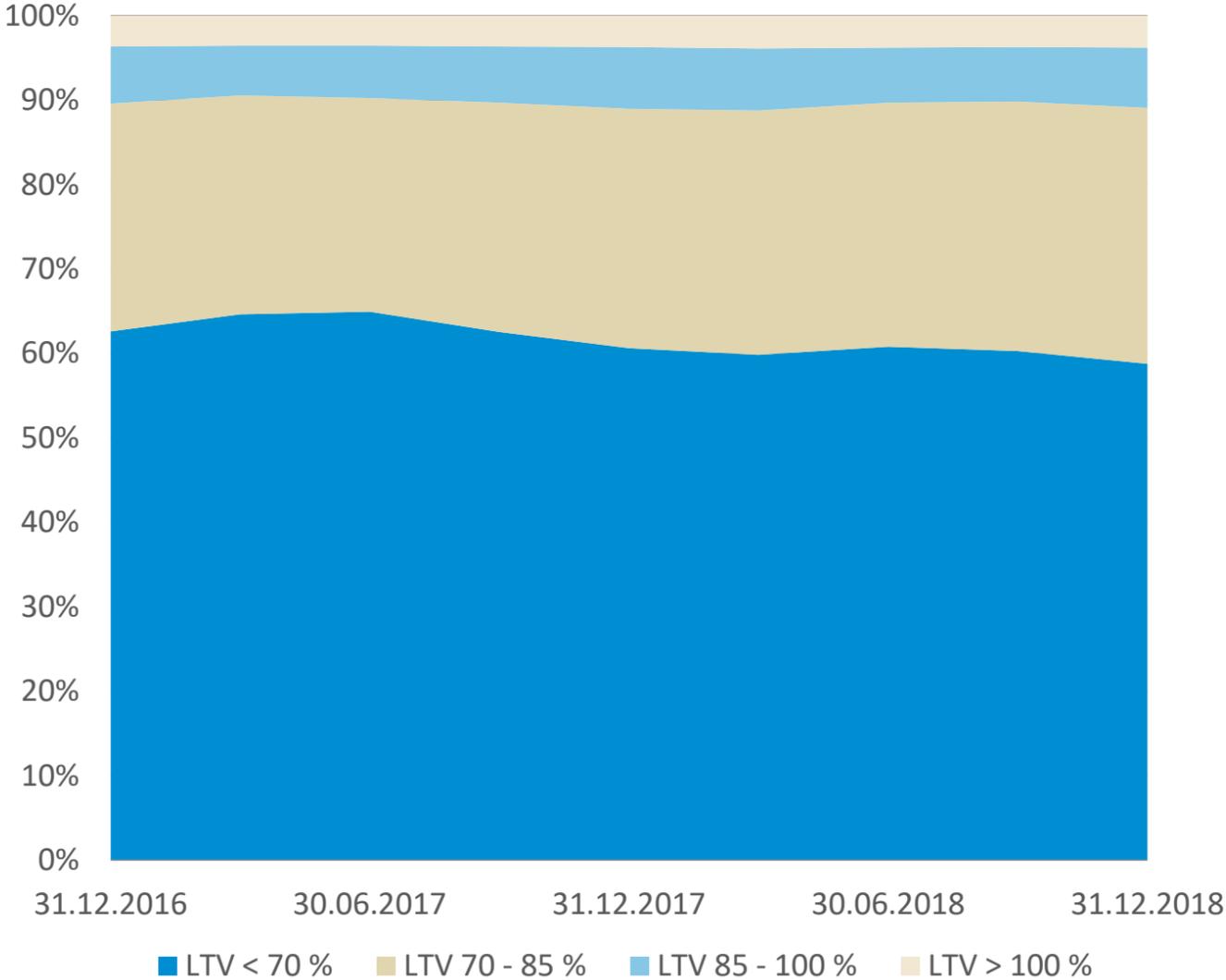
- RWA on home mortgages reflects a solid and stable portfolio.



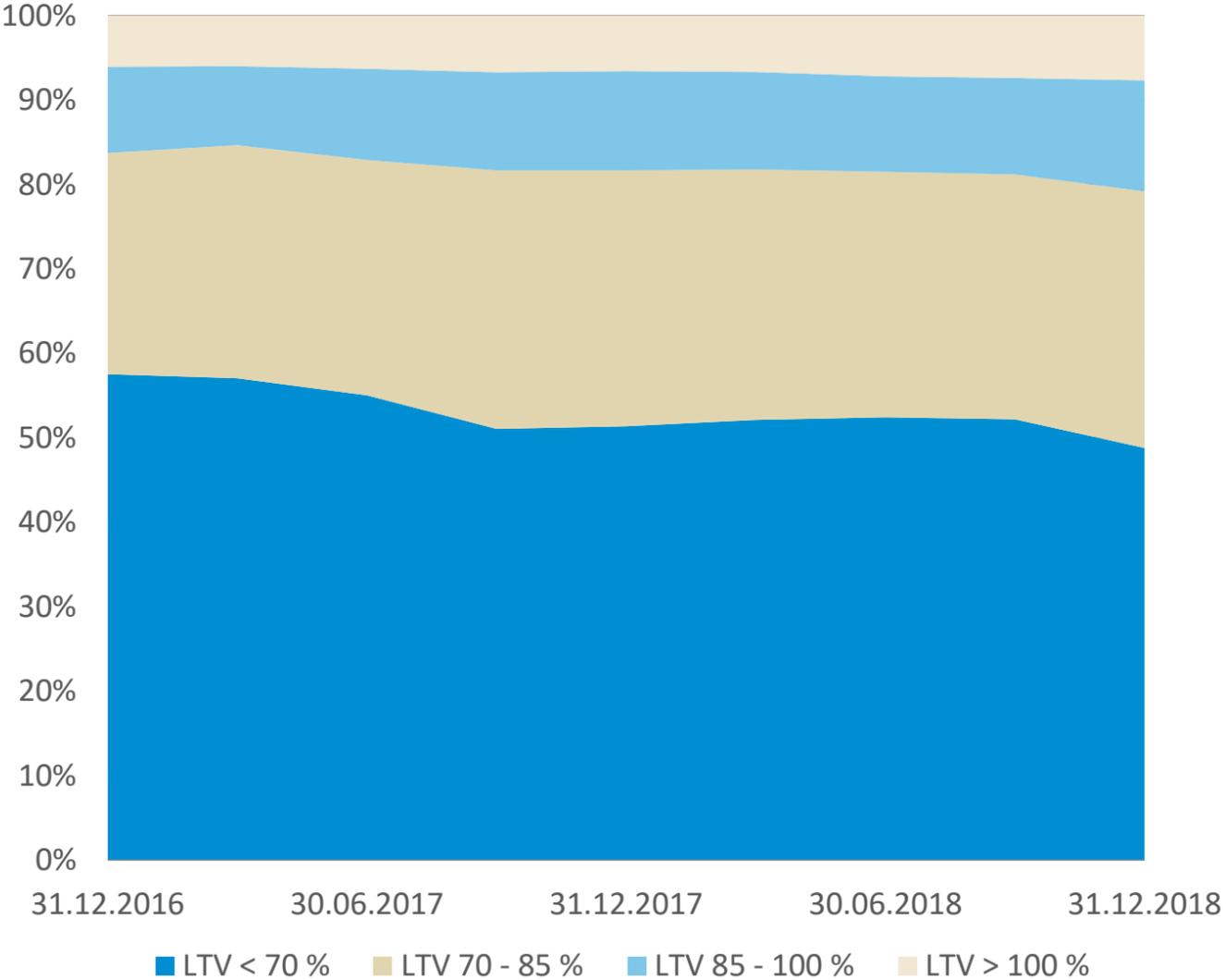
Home mortgages as defined in the Norwegian IRB framework; residential property must be at least 30 % of a loan's security. The figures include the loan portfolio in the covered bond companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

Historical LTV development for home mortgage loans

Total home mortgages incl. loans in cover pool

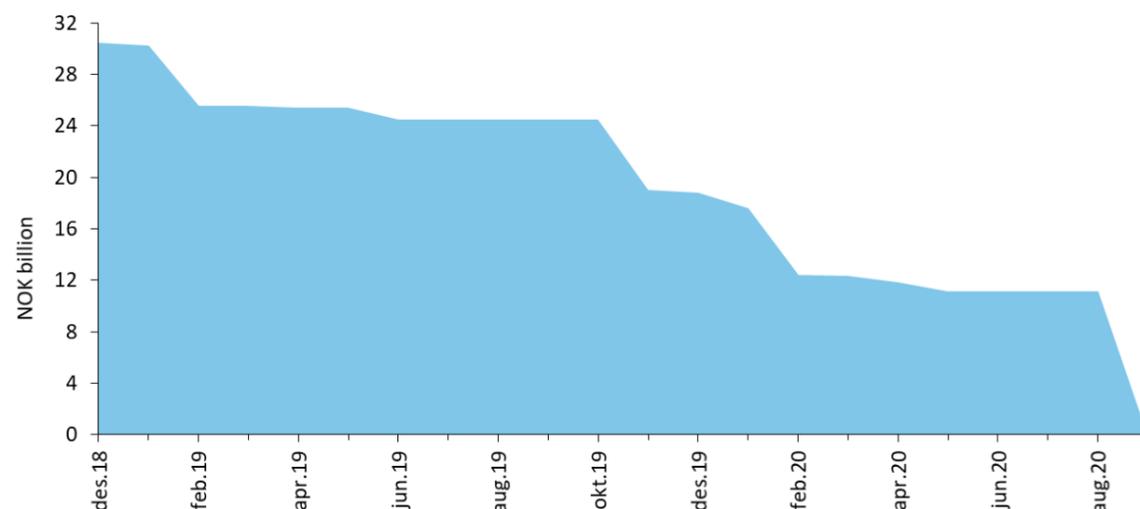


Home mortgages in SpareBank 1 SR-Bank ASA



Liquidity portfolio

Liquidity buffer – survival period



- Liquidity buffer at the end of the quarter: NOK 30.4 billion
- Other liquid assets:
 - Home mortgages prepared for covered bond funding: NOK 16.0 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 | 0 | 0 % | 0 |
| SSA/Foreign guaranteed | 9.159 | 34 % | 1.224 |
| Covered bonds (Norwegian/foreign) | 19.940 | 66 % | 4.773 |
| Total liquidity portfolio | 29.099 | 100 % | 5.997 |

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- | 29.099 | 98,8 % |
| Low risk | A+, A and A- | 0 | 0,0 % |
| Moderate risk | Not rated | 59 | 0,2 % |
| High risk | Not rated | 137 | 0,5 % |
| Very high risk | Not rated | 142 | 0,5 % |
| <i>Total portfolio</i> | | 29.437 | 100,0 % |

Of which liquidity purposes:

| Risk category | Rating | NOK Million | Share |
|---------------------------------|----------------------|-------------|---------|
| Very low risk | AAA, AA+, AA and AA- | 29.099 | 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> | | 29.117 | 100,0 % |

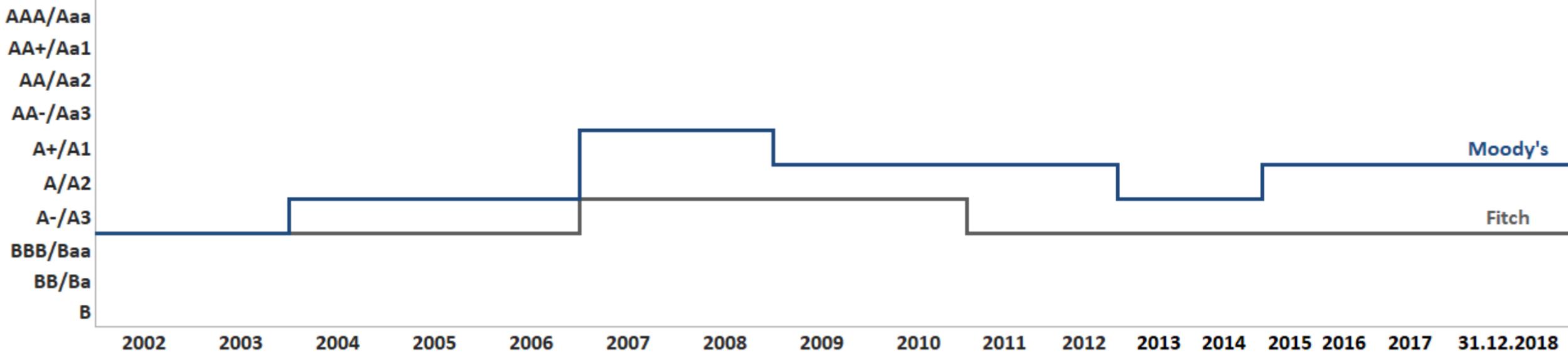
Of which SR-Bank Markets:

| 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 | 41 | 12,9 % |
| High risk | Not rated | 137 | 42,7 % |
| Very high risk | Not rated | 142 | 44,4 % |
| <i>Total SR-Bank Markets portfolio*</i> | | 320 | 100,0 % |

Rating

| | Moody's | | Fitch |
|----------------|-------------|---------------|-------------------|
| Long-term debt | A1 | Long-term IDR | A- |
| Outlook | Negative | Outlook | Stable |
| Updated | 14 May 2018 | Updated | 28 September 2018 |

Ratinghistory



SR-Bank pr 31.12.2018

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

Number of shares issued 255.8 million

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

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

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.”



Contact Details

Adress

Bjergsted Terrasse 1
Postboks 250
4066 Stavanger

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

Management



Arne Austreid

CEO

Tel.: +47 900 77 334

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



Inge Reinertsen

CFO

Tel.: +47 909 95 033

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

Investor Relations



Stian Helgøy

Investor Relations

Tel.: +47 906 52 173

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