

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.



1 SpareBank 1 SR-Bank

2 SR-Boligkreditt

3 Norwegian economy

4 Appendix

SR-Bank at a glance

- Second largest Norwegian bank
- Market cap: NOK 22.3 Billion
- Total assets: NOK 216.6 Billion
- Total lending: NOK 187.1 Billion
- Total deposits: NOK 95.4 Billion
- No. of branches: 36
- Employees: 1.142



- **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)	11.7
3	Danske Bank (Danish)	6.4
4	Handelsbanken (Swedish)	5.7
5	SpareBank 1 SR-Bank	4.5



Arne Austreid
CEO

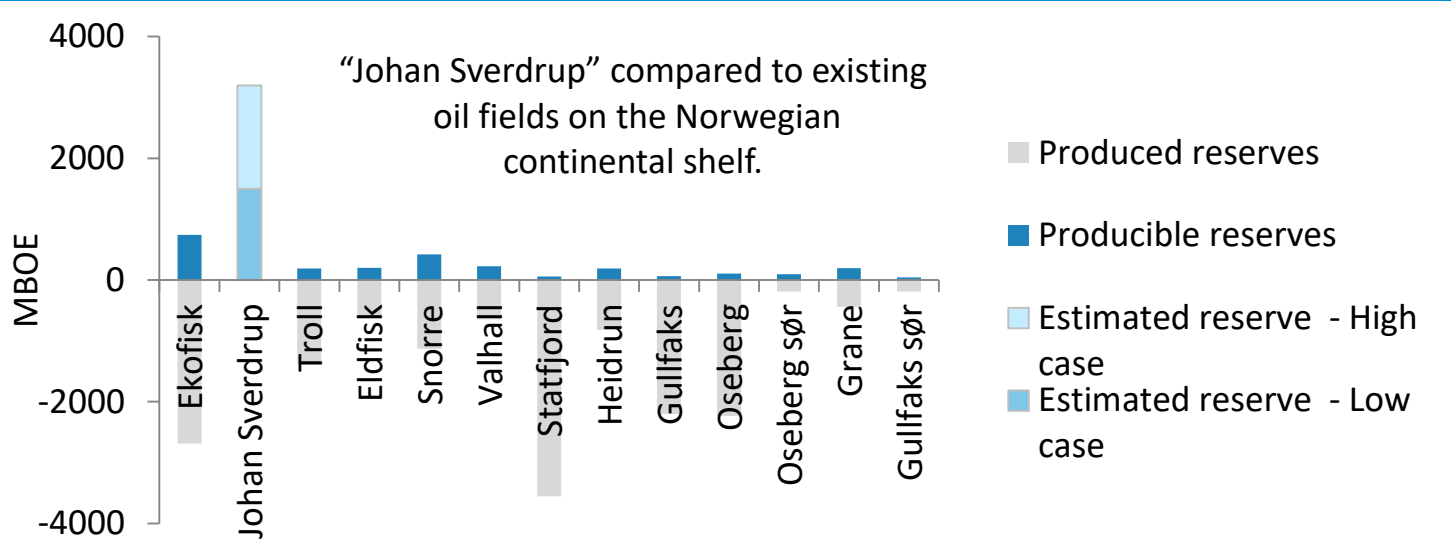
Headquarter: Stavanger

Bjergsted Terrasse 1
Postboks 250
4066 Stavanger

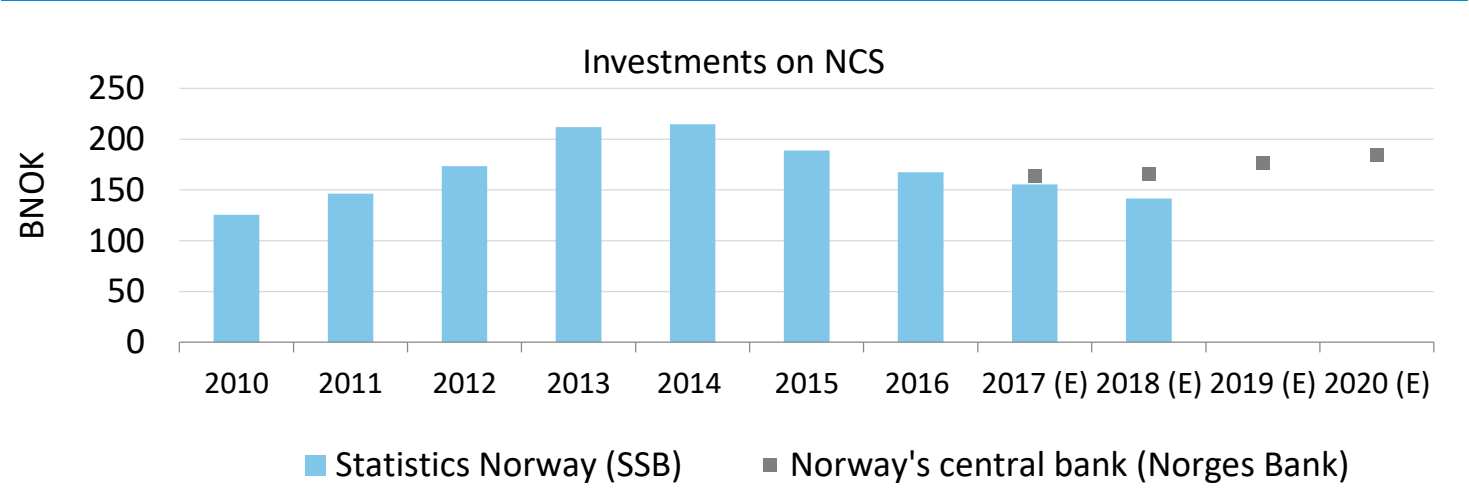
Tlf: +47 915 02002
www.sr-bank.no

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

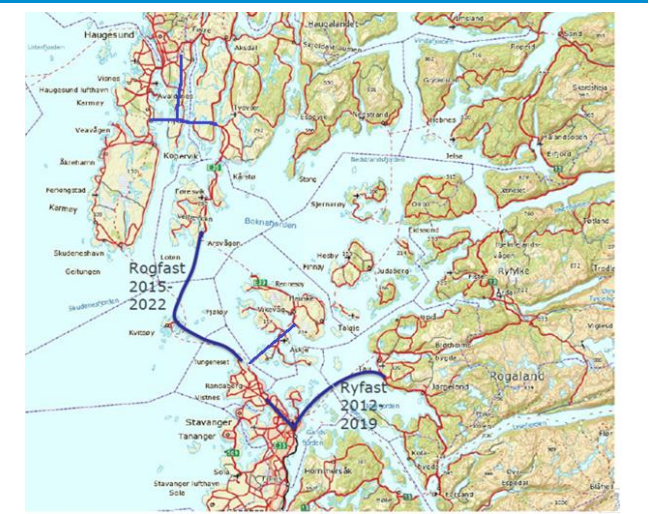


Norway's largest export region

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	472.000
Market share	36%
Year of establishment	1839
Market strategy	Market leader
Unemployment rate	3.3%*

Hordaland

Population	520.000
Market share	6%
Year of establishment	2006
Market strategy	Entry/growth
Unemployment rate	2.9%*

Agder

Population	301.000
Market share	8%
Year of establishment	2002
Market strategy	Growth
Unemployment rate	3.1%*



Source: Nav, SSB and SpareBank 1 SR-Bank
*Figures as at 31.01.2018

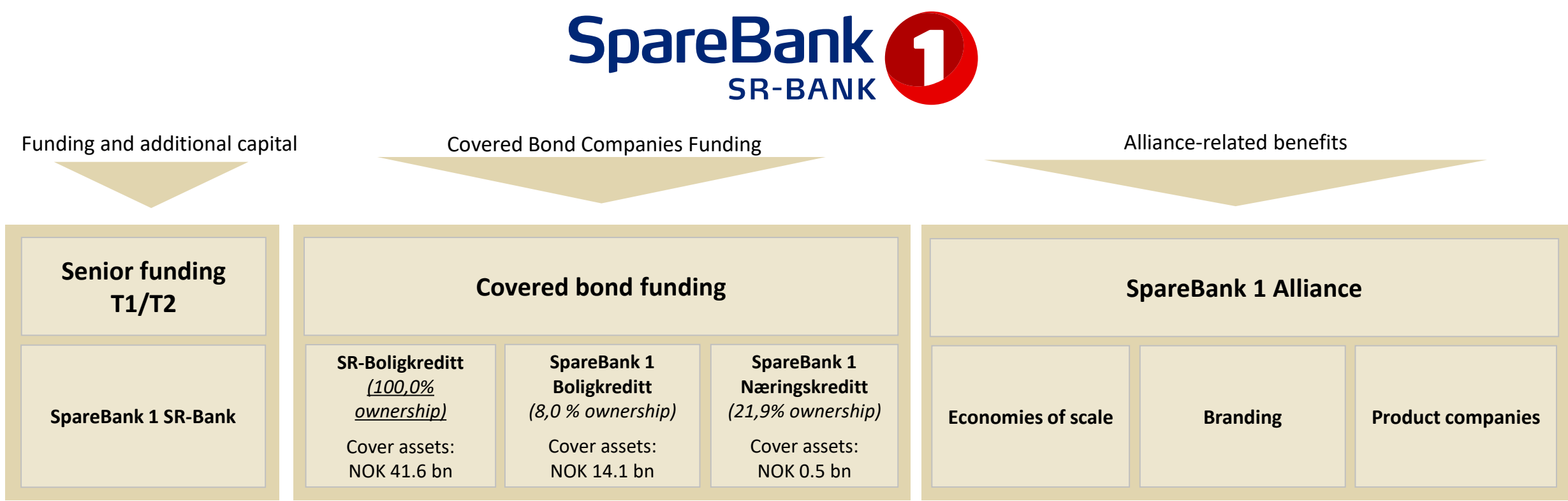
SpareBank 1 Alliance and SR-Bank

Purpose of the SpareBank 1 Alliance

- Economies of scale
- Branding
- Product companies
- Separate legal entities
- No cross guarantees between banks
- No shared credit decisions

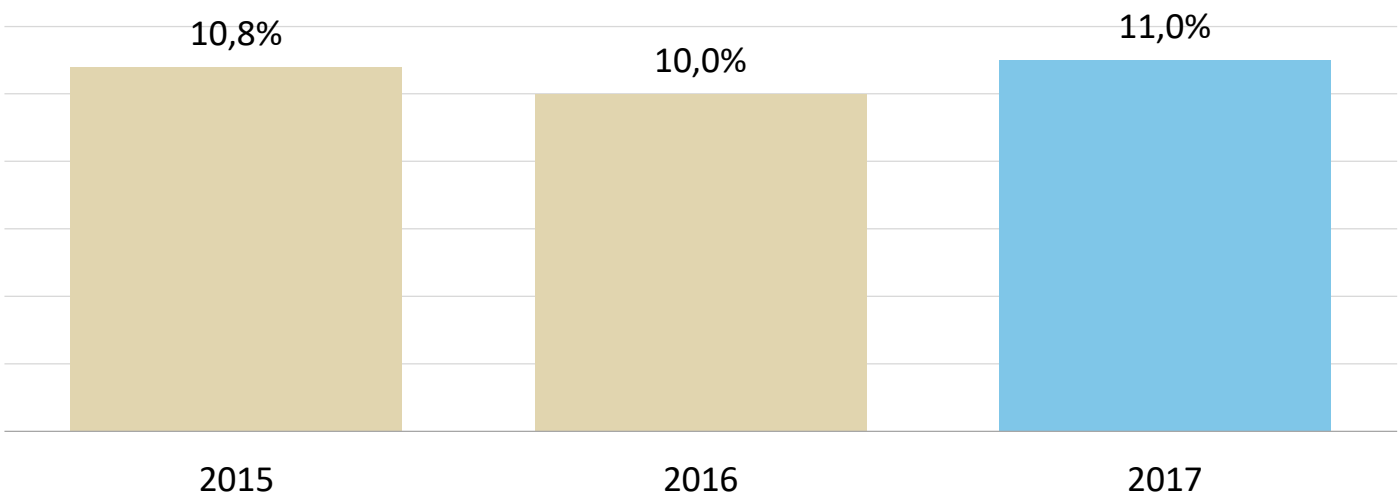
Owners of the SpareBank 1 Alliance

- SpareBank 1 SR-Bank (19.5%)
- SpareBank 1 SMN (19.5%)
- SpareBank 1 SNN (19.5%)
- SpareBank 1 Østlandet (12.4%)
- Samspar (10 smaller SpareBank 1 banks) (19.5%)
- Workers union (9.6%)

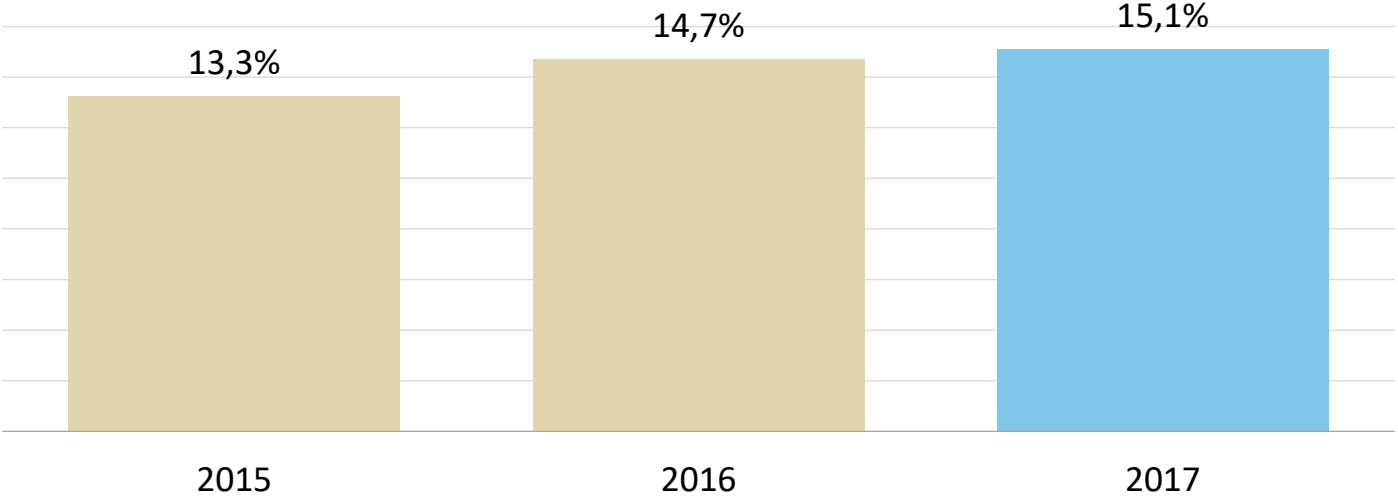


Key figures – annual development

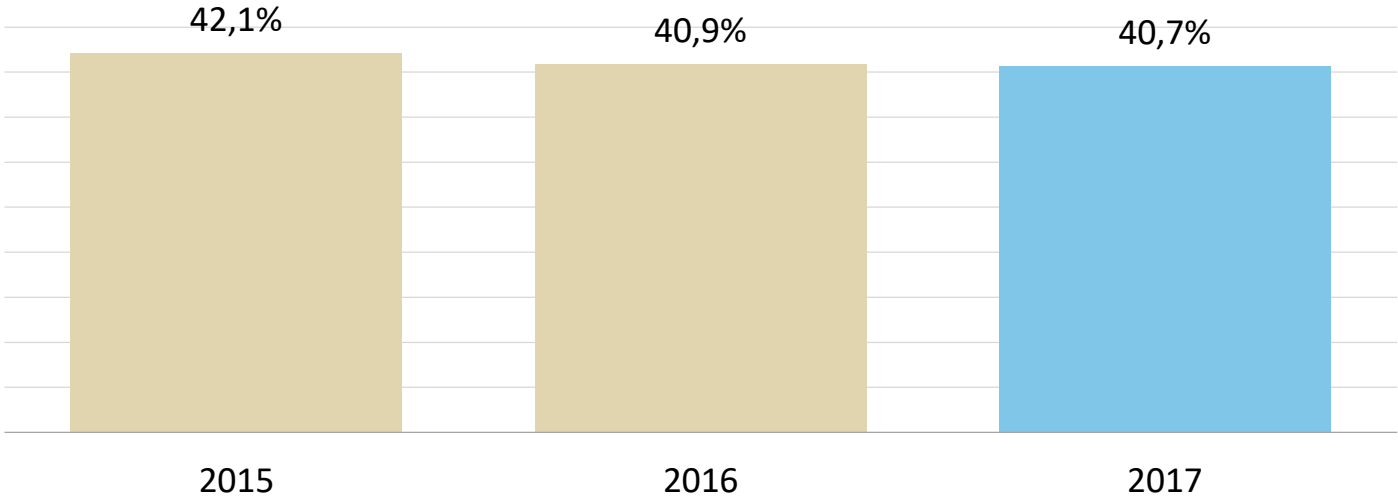
Return on equity



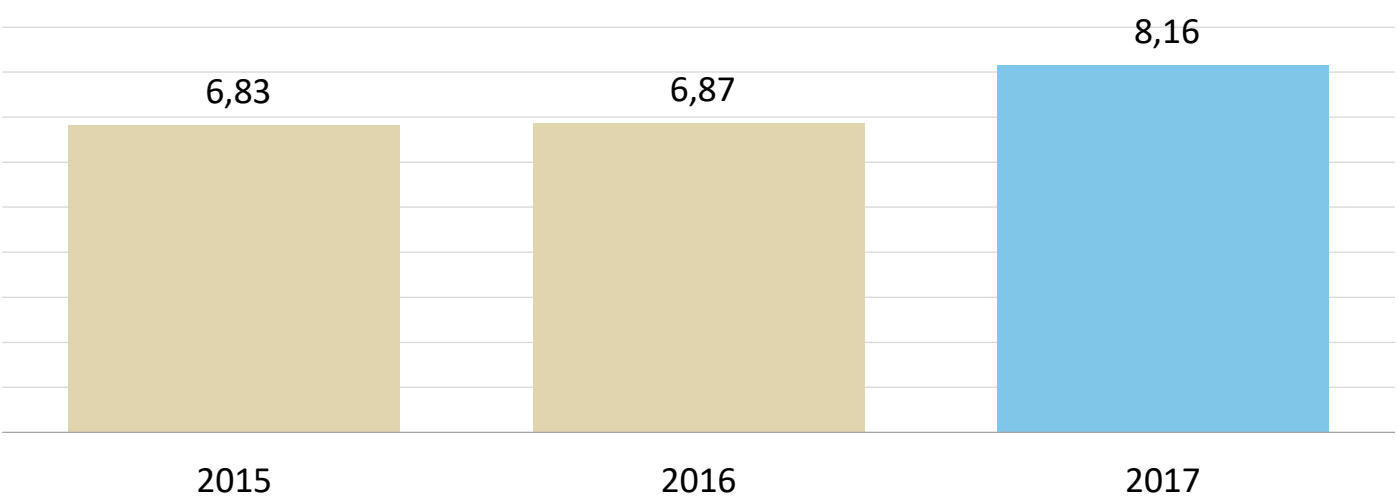
CET 1



Cost ratio



Earnings per share



Key figures

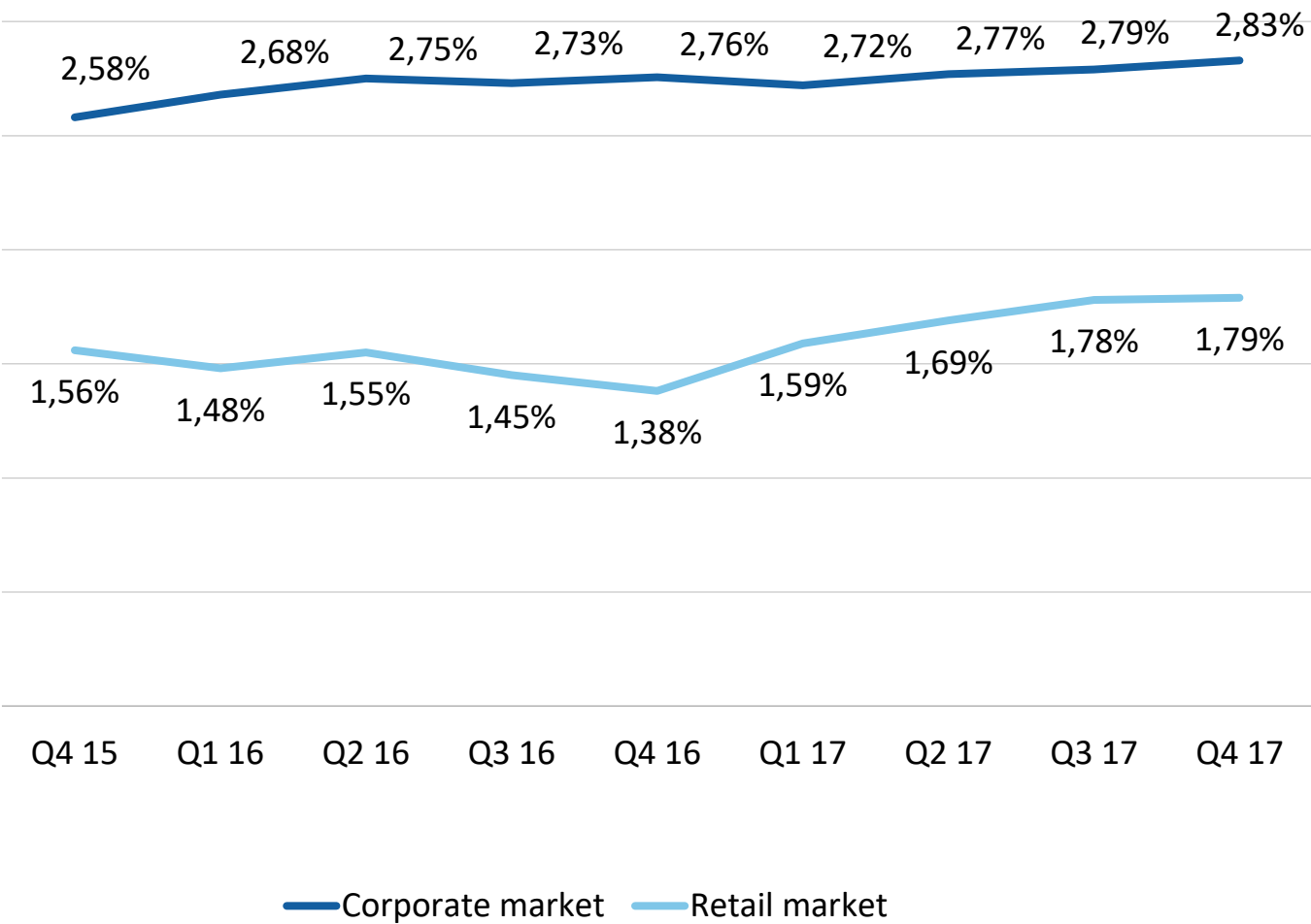
	31.12.2017	31.12.2016	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Return on equity after tax (%)	11,0	10,0	11,4	12,9	11,0	8,7	9,5
Net interest margin (%)	1,52	1,48	1,50	1,54	1,52	1,53	1,50
Impairment losses on loans and guarantees in % of gross loans incl. covered bond companies	0,29	0,42	0,26	0,27	0,29	0,37	0,35
Non-performing and other problem commitments in % of gross loans incl. covered bond companies	1,13	1,21	1,13	1,18	1,21	1,23	1,21
Cost to income ratio	40,7	40,9	41,0	37,7	41,3	43,3	44,0
Annual growth in loans to customers, gross incl. covered bond companies (%)	2,6	-0,9	2,6	1,2	0,5	-0,4	-0,9
Annual growth in deposits from customers (%)	11,0	-3,9	11,0	13,0	11,3	7,0	-3,9
Total assets (BNOK)	216,6	193,4	216,6	215,3	212,9	200,2	193,4
Portfolio of loans in covered bond companies (BNOK)	14,6	24,7	14,6	18,0	19,4	23,3	24,7
Total assets incl. covered bond companies (BNOK)	239,9	231,5	239,9	251,9	251,0	237,8	231,5
Risk weighted assets (BNOK)	120,2	116,7	120,2	121,8	120,7	118,4	116,7
Liquidity Coverage Ratio (LCR) (%)	168	174	168	212	212	200	174
Earnings per share (NOK)	8,16	6,87	2,18	2,39	2,01	1,58	1,68
Book value per share (NOK)	77,24	71,54	77,24	75,07	72,72	72,91	71,54

Income statement

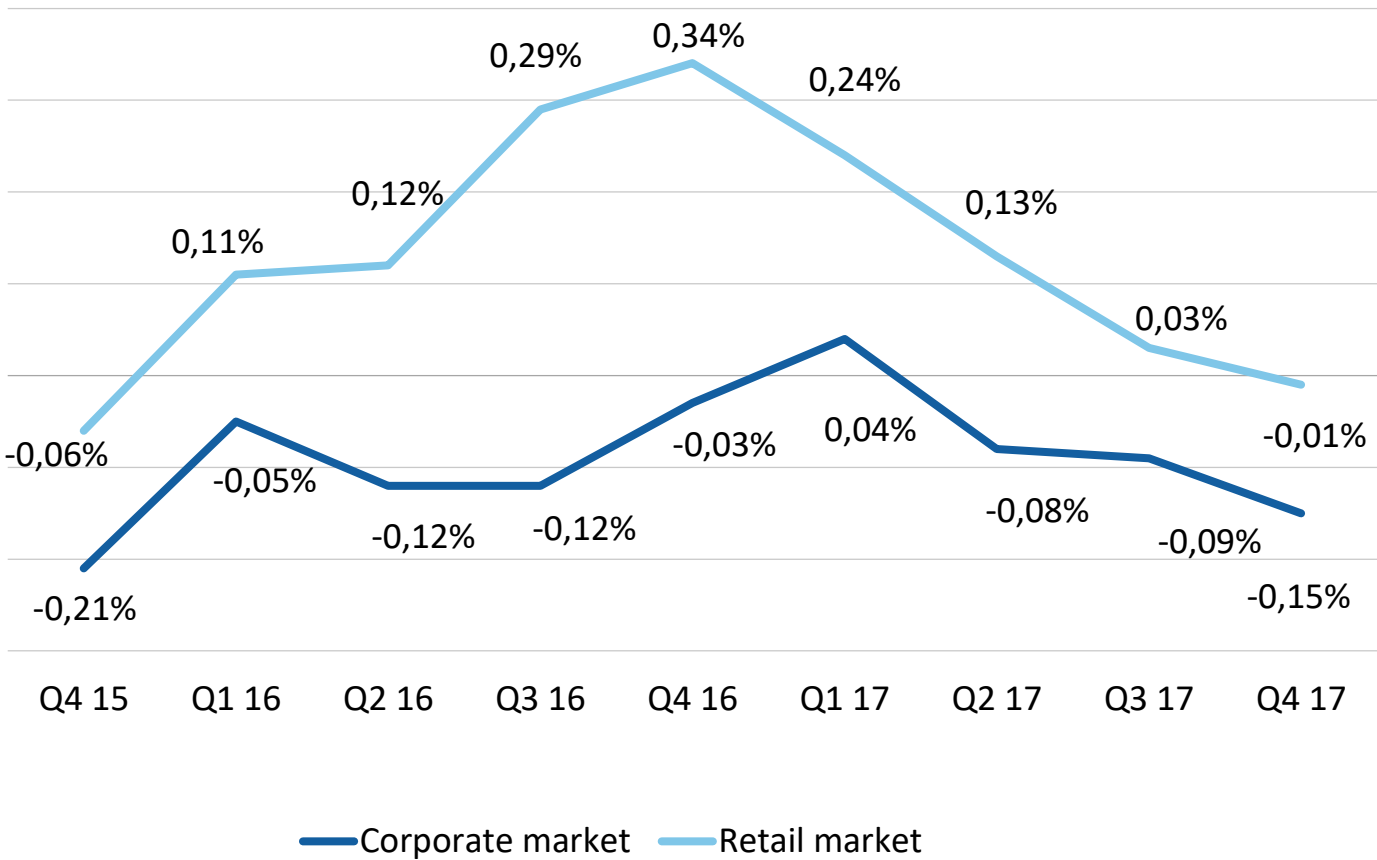
Group Income Statement (MNOK)	31.12.2017	31.12.2016	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Net interest income	3.162	2.871	819	820	784	739	733
Net commission and other income	1.524	1.443	367	386	400	371	355
Net income on investment securities	634	654	204	198	143	89	139
Total income	5.320	4.968	1.390	1.404	1.327	1.199	1.227
Total operating expenses	2.167	2.032	570	530	548	519	540
Operating profit before losses	3.153	2.936	820	874	779	680	687
Impairment losses on loans and guarantees	543	778	120	124	131	168	162
Operating profit before tax	2.610	2.158	700	750	648	512	525
Tax expense	524	403	141	140	134	109	96
Net profit	2.086	1.755	559	610	514	403	429

Lending and deposit margins

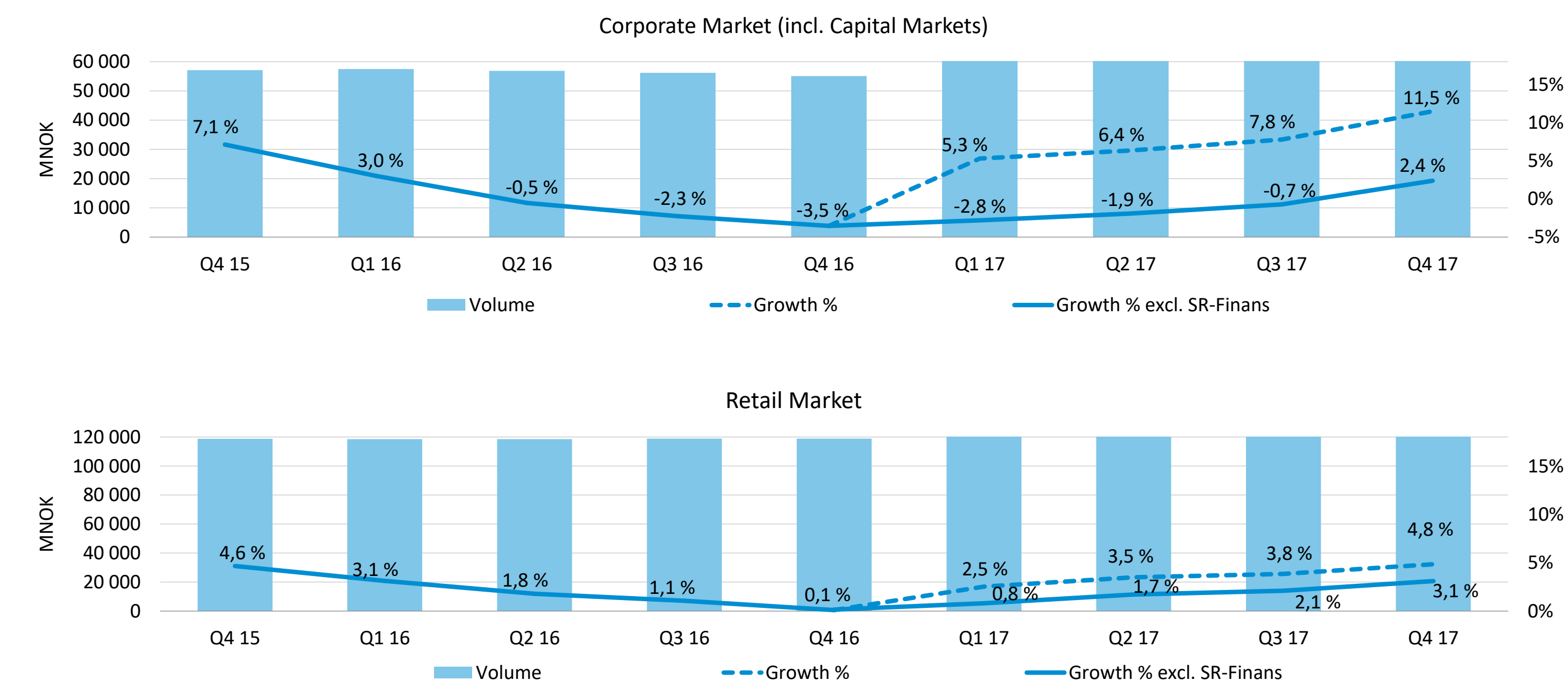
Lending margins*



Deposit margins



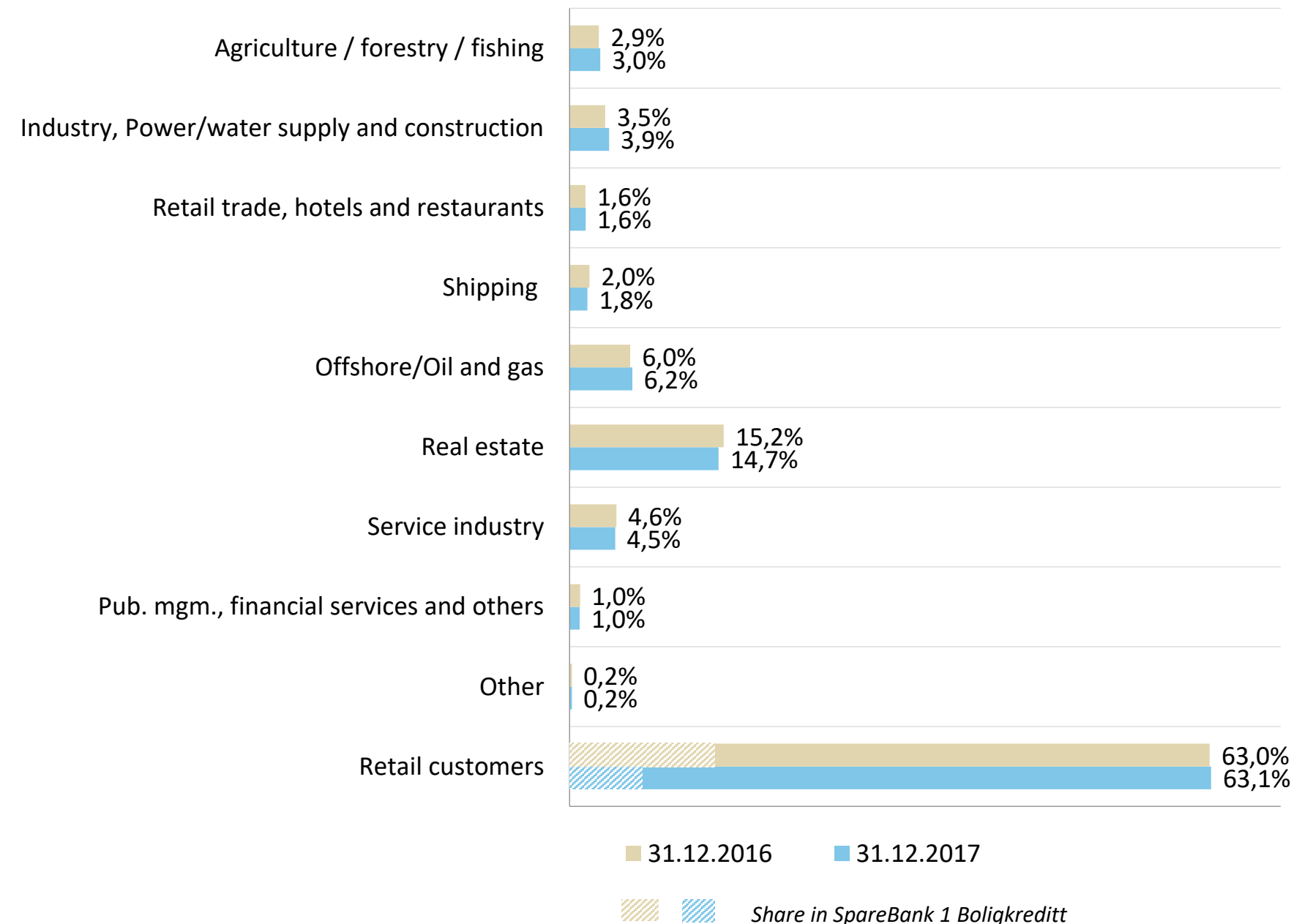
Lending volume and 12 months growth



Figures incl. loan portfolio in covered bond companies. SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and the lending volume from SR-Finans is included in the figures from first quarter 2017. This results in break in the historic figures.

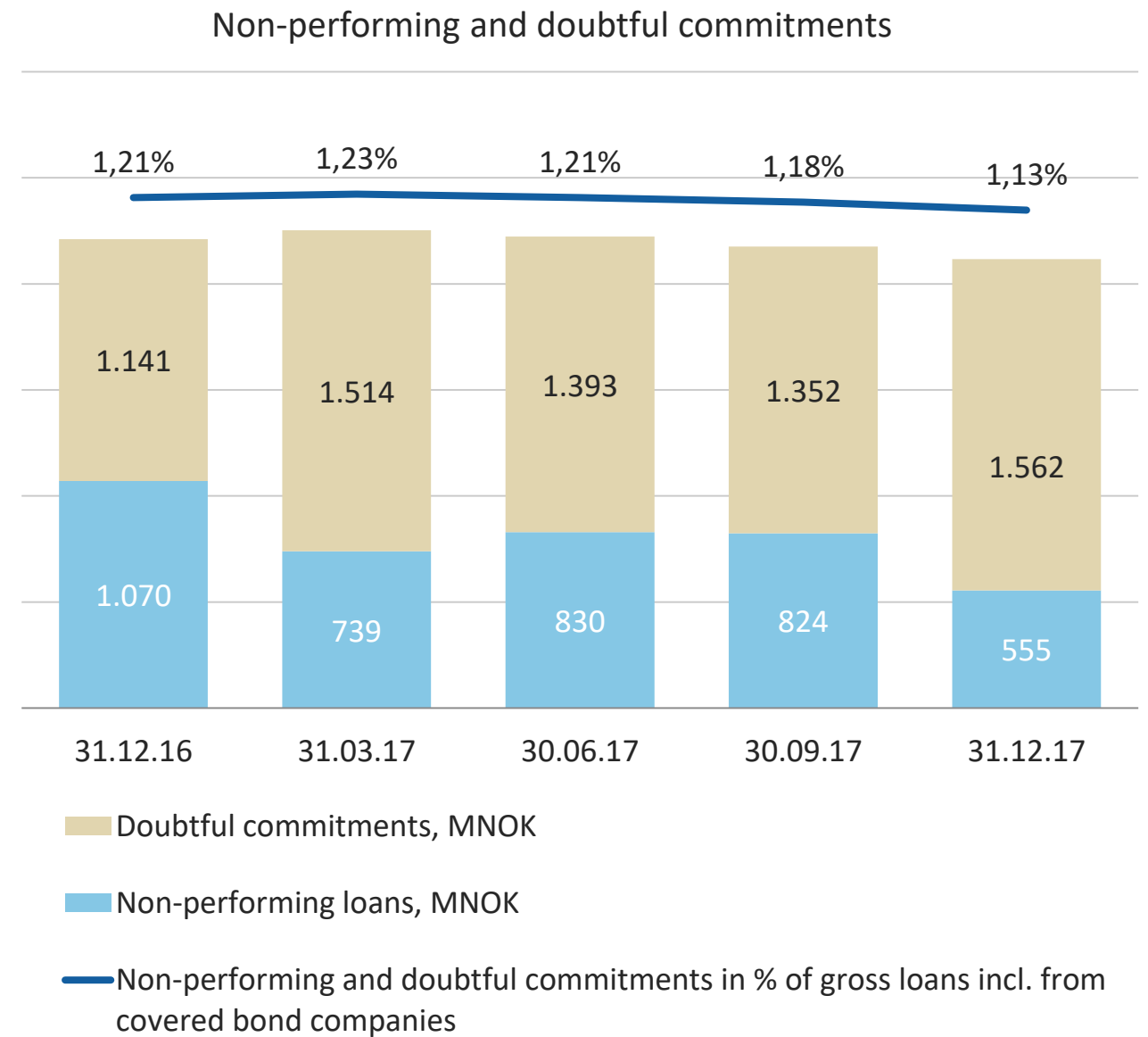
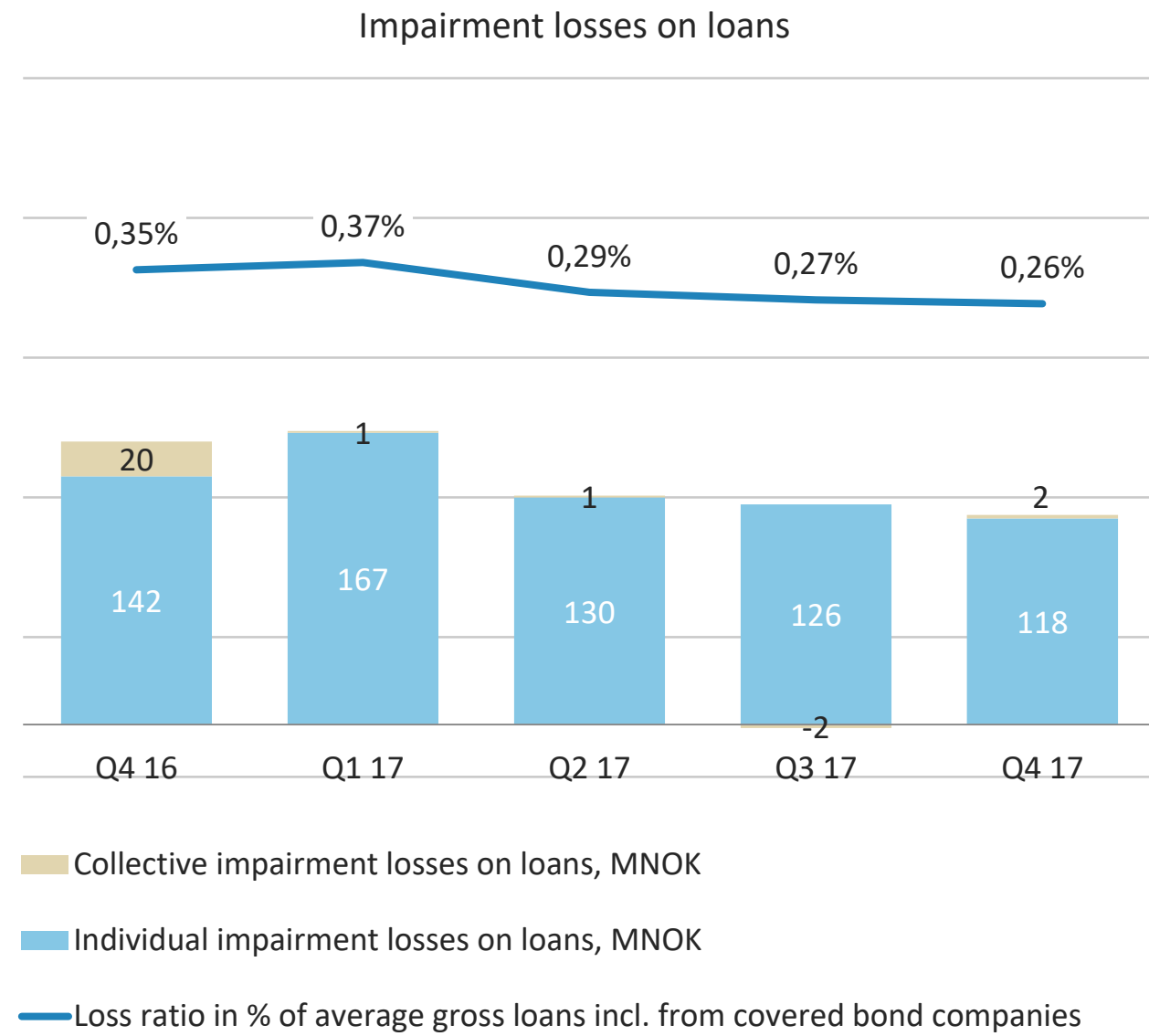
Loan portfolio as at 31.12.2017

- Gross loans (incl. covered bond companies) as at 31 December 2017 amount to NOK 187.1 billion compared with NOK 182.3 billion at the same time the year before.
- 12-month growth in loans of 2.6%.
- Loans to retail customers (incl. covered bond company) account for 63.1% of total loans, of which 7.5%-points is in SpareBank 1 Boligkreditt.



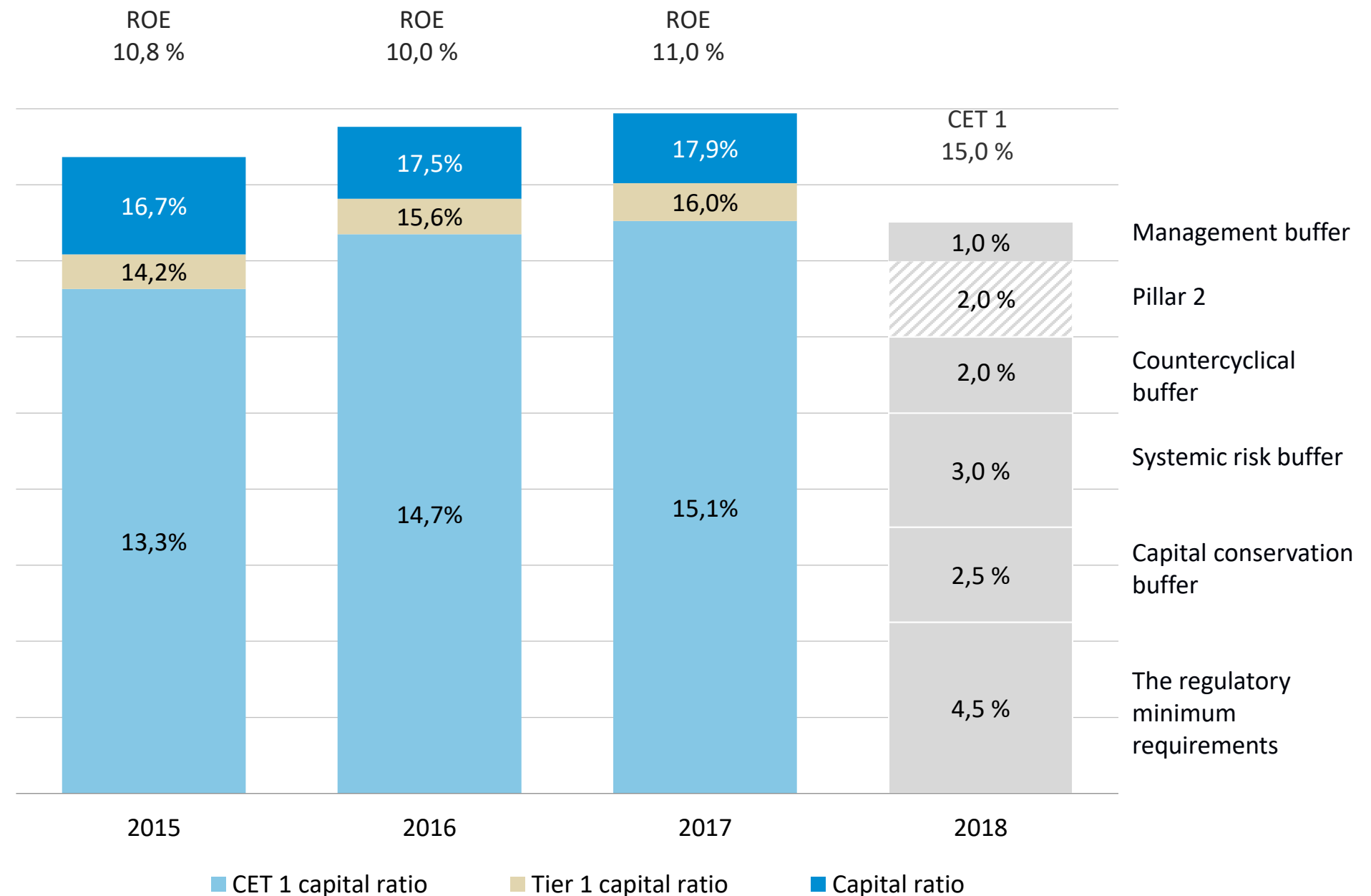
Loans before individual write-downs, nominal amounts.
Sector allocation in accordance with the standard categories from Statistics Norway.

Impairment losses on loans/ Non-performing and doubtful commitments



Solid capital ratio

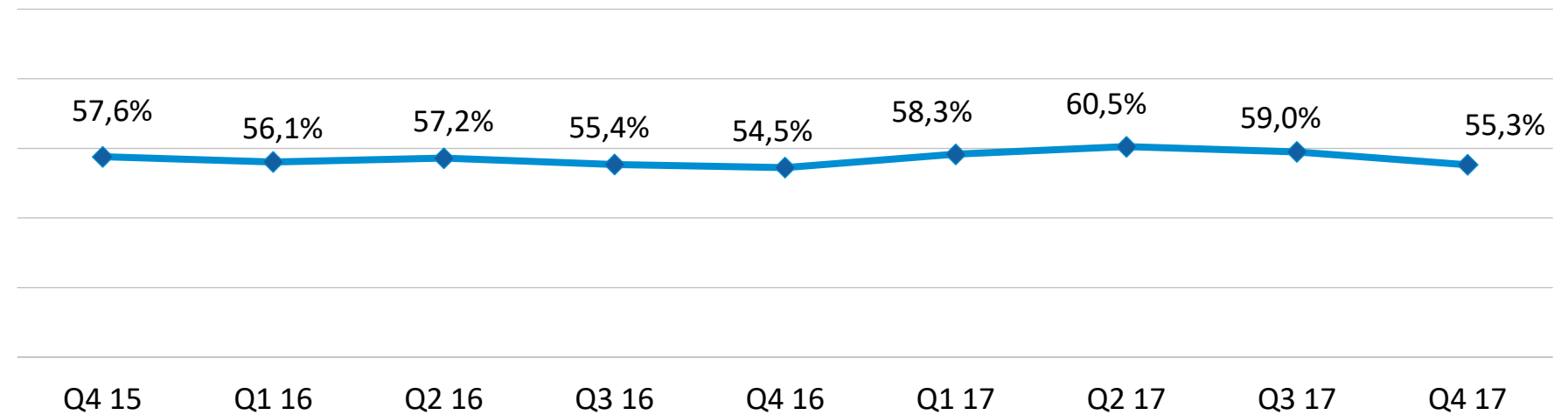
- SpareBank 1 SR-Bank is compliant with capital requirements as at 31.12.2017.
- The Pillar 2 requirement for SpareBank 1 SR-Bank is 2.0%.
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.
 - The Basel I floor is also practised differently.
- New accounting rules based on IFRS 9 will be introduced in January 2018. The introduction of the new rules is expected to weaken the common equity tier 1 capital ratio by between 9 and 13 basis points.
- Leverage ratio is 7.4% as at 31.12.2017. SpareBank 1 SR-Bank exceeds the levels being discussed and recommended internationally.



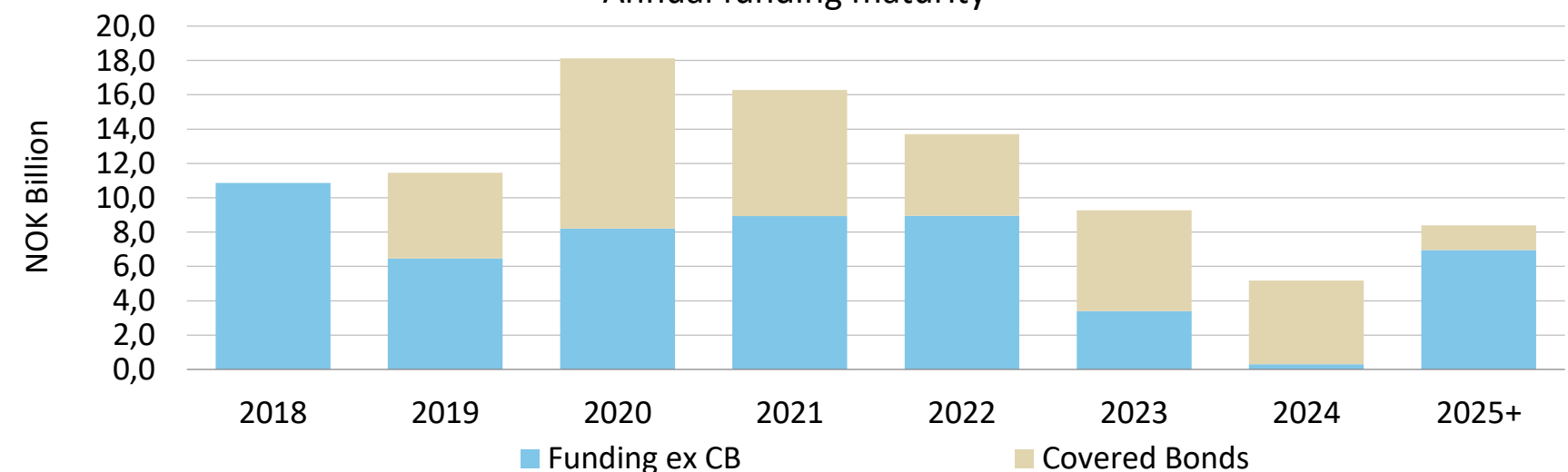
Funding

- 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 32.3 billion for normal operation in 32 months with closed markets. In addition to the liquidity buffer, NOK 19.7 billion of home mortgages are prepared for covered bond funding.

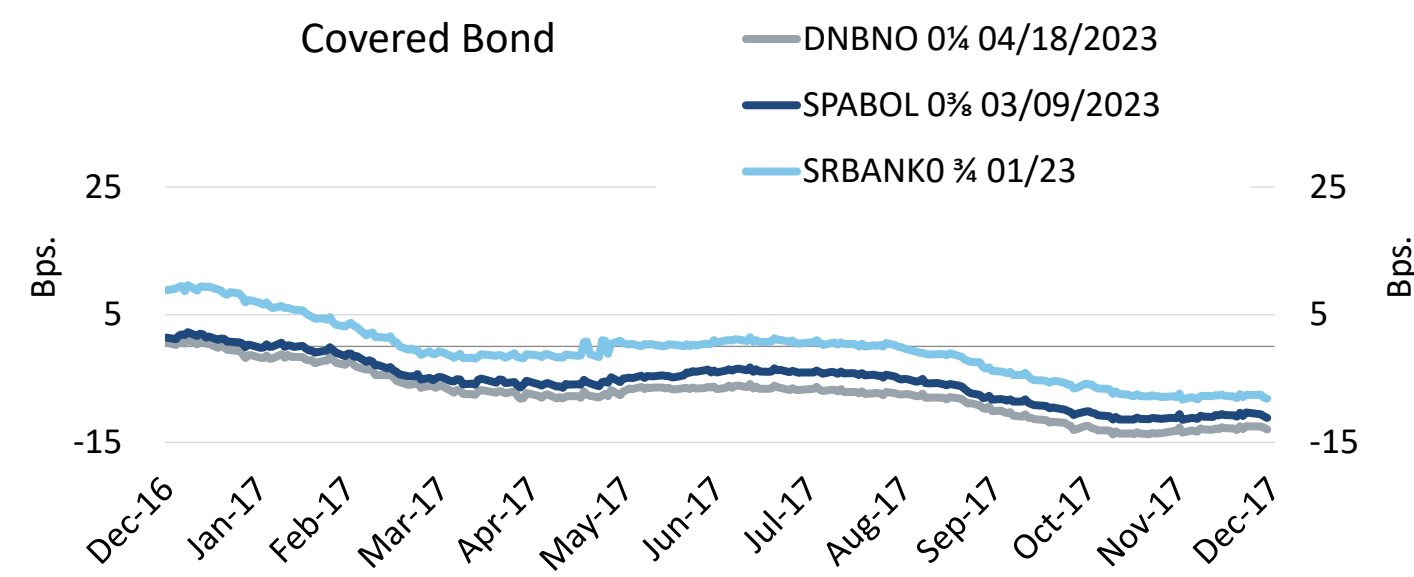
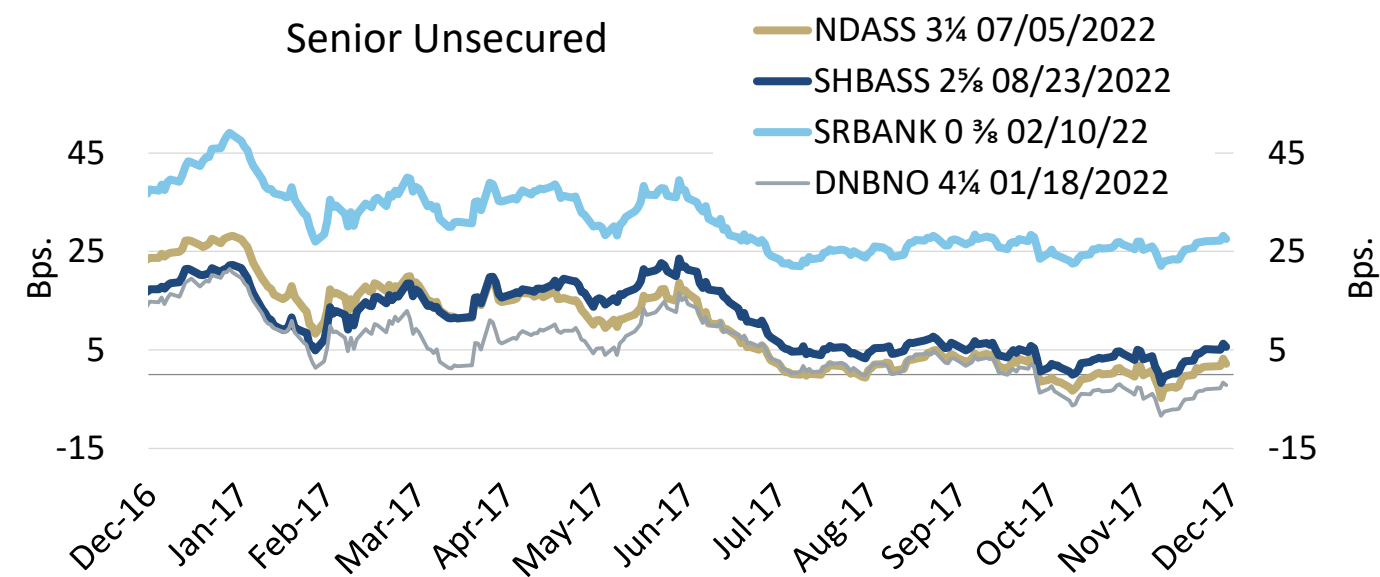
Deposits to loans ratio



Annual funding maturity

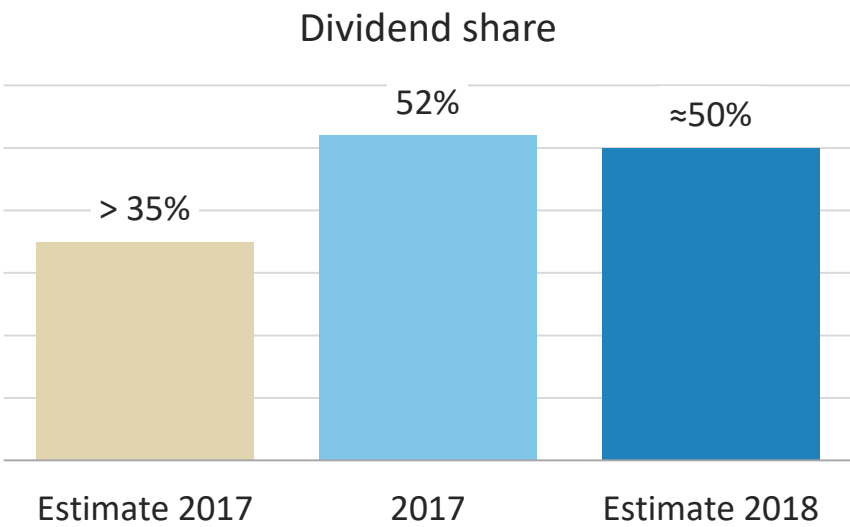
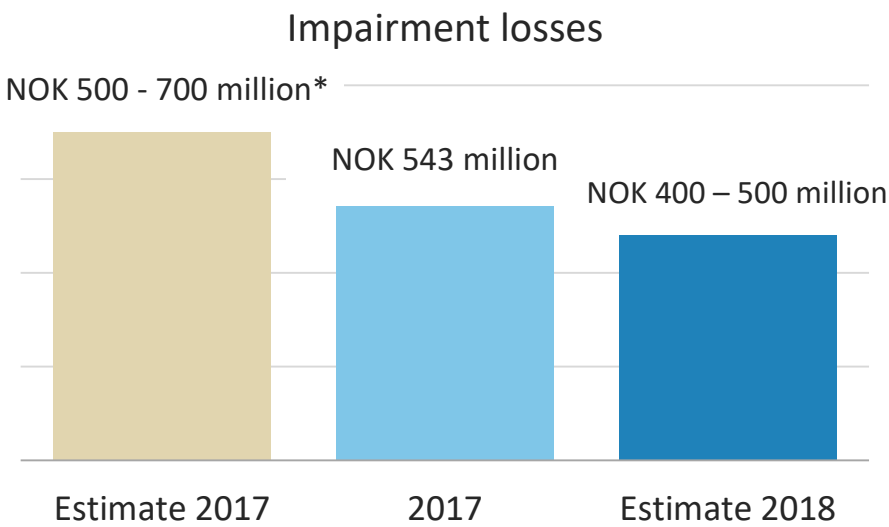
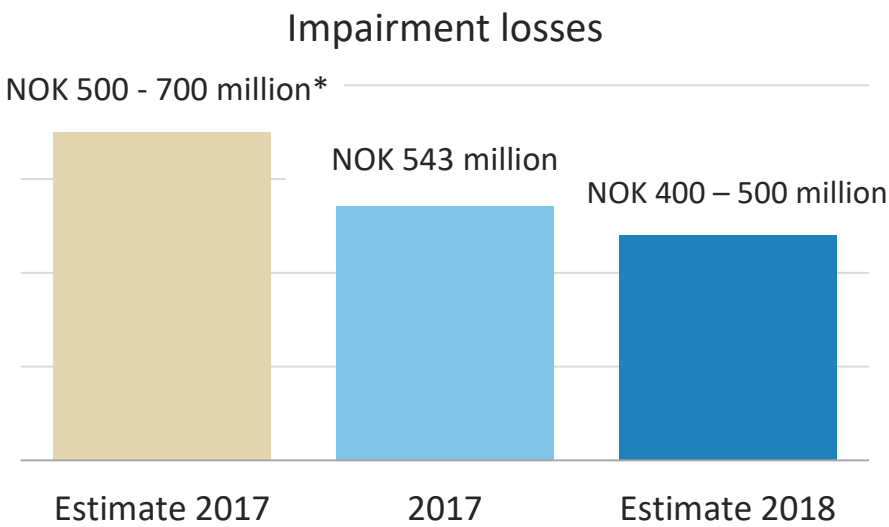
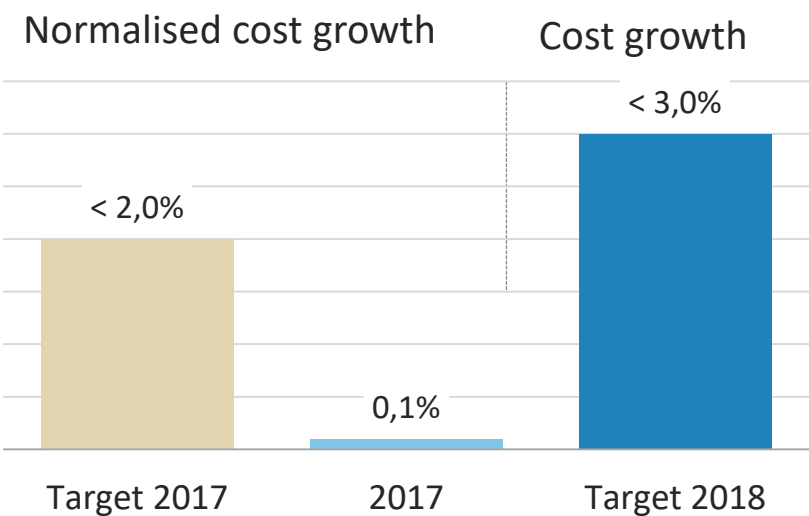
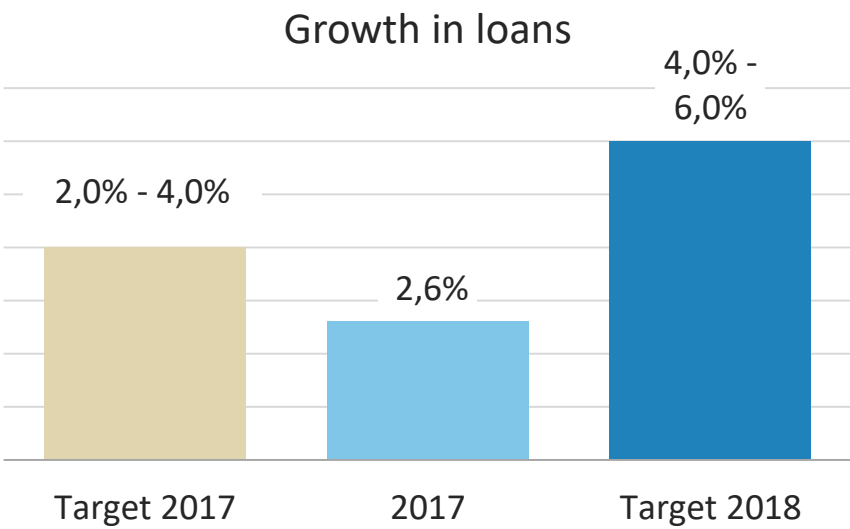
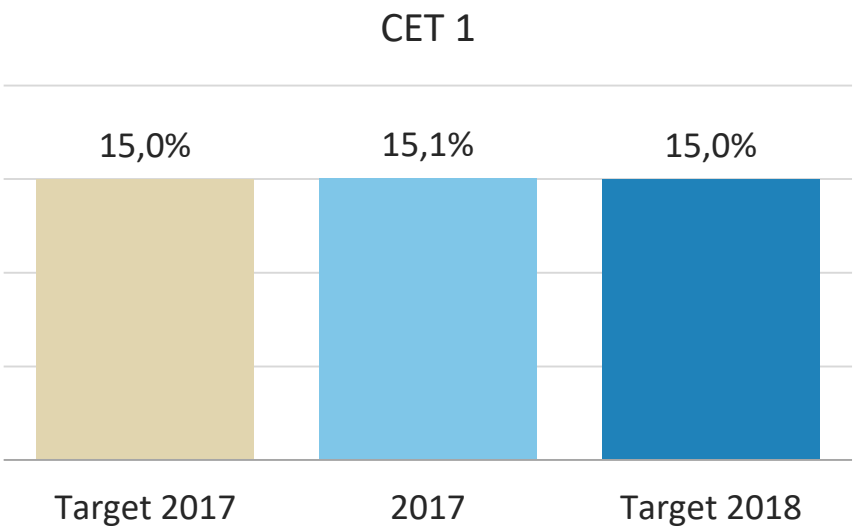
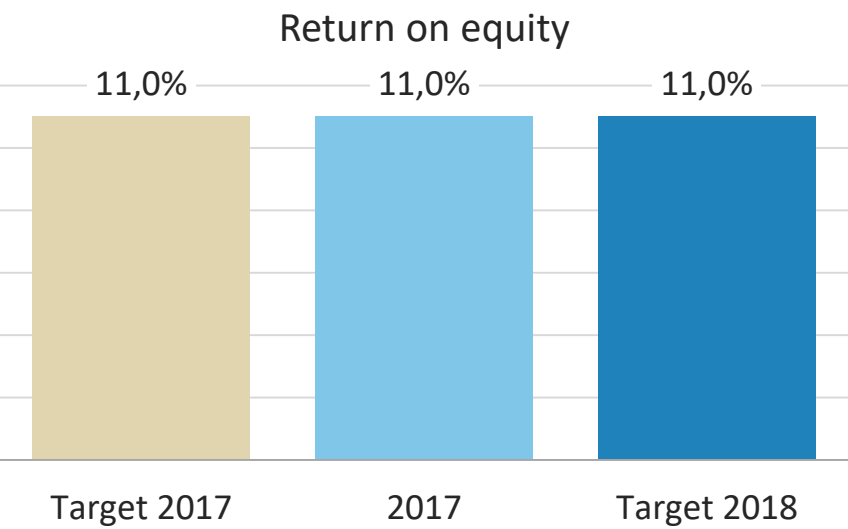


An established borrower in the Euromarket



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

Key figures 2017 and financial targets and estimates for 2018



**Estimate of impairment losses in 2017 were adjusted from MNOK 600 - 800 to MNOK 500 - 700 per 30.06.2017.*

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3 Norwegian economy

4 Appendix

Overview



- SR-Boligkreditt is a wholly owned subsidiary of SpareBank 1 SR-Bank and a dedicated covered bond company. Its objective is to purchase mortgages and to finance these by issuing covered bonds.
- Loans are transferred to SR-Boligkreditt as true sale on a non-recourse basis.
- Approval from the Norwegian FSA to report capital according to IRB methods.
- **Rated Aaa by Moody's**
 - Cover Bond anchor: SpareBank 1 SR-Bank, rated A1 (negative)
 - CR assessment: Aa3, TPI leeway of 4 notches.
 - Minimum OC-requirement 0.5 %
 - The minimum level of over-collateralization is set at 2 % in SR-Boligkreditt's Covered Bond Programme.
- FSA appointed investigator: PricewaterhouseCoopers.
- SR-Boligkreditt has implemented the common Harmonised Transparency Template of the European Covered Bond Council which is available on website: www.sr-bank.no/sr-boligkreditt

Eligibility criteria



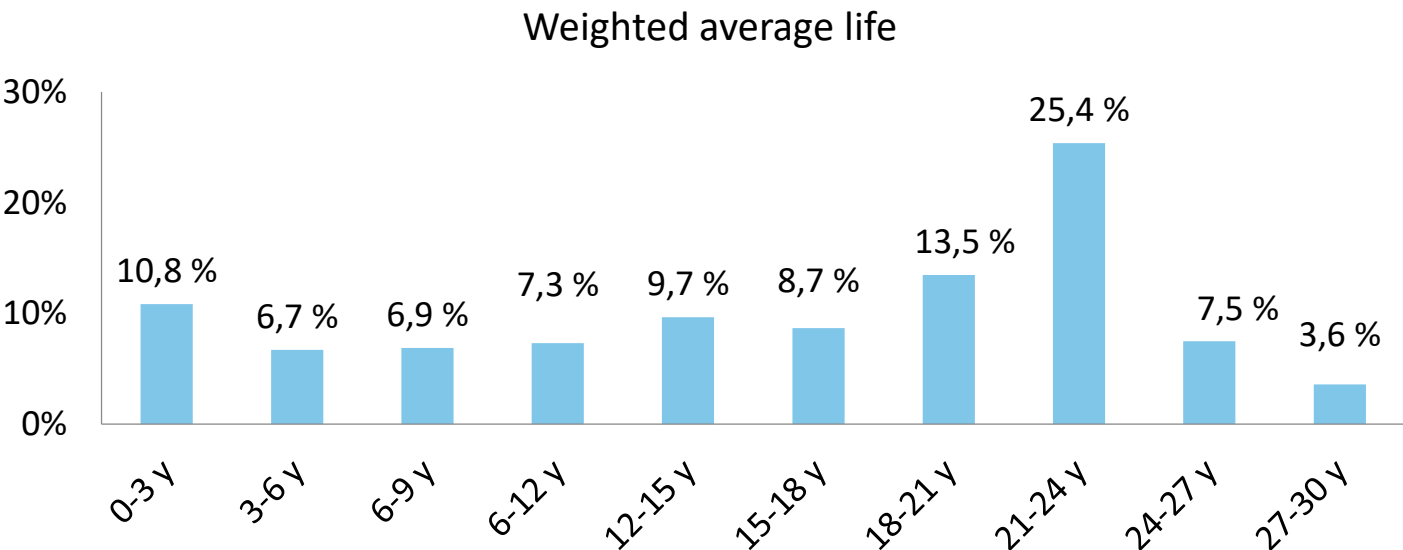
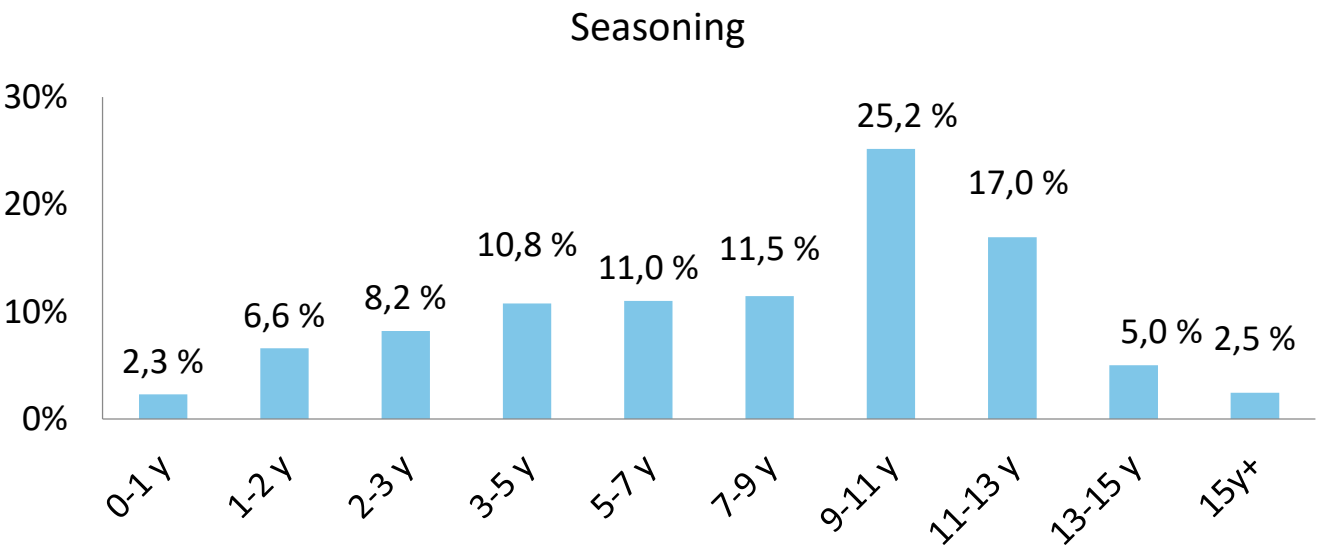
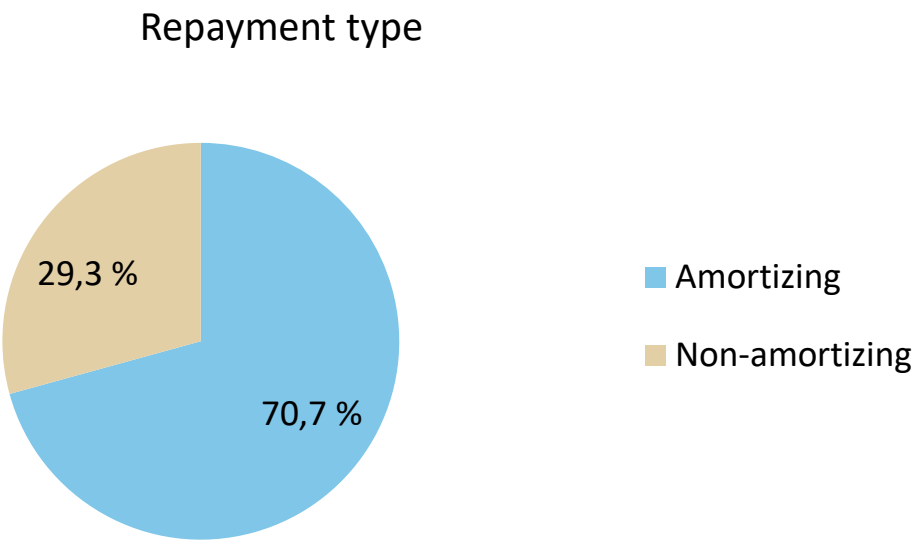
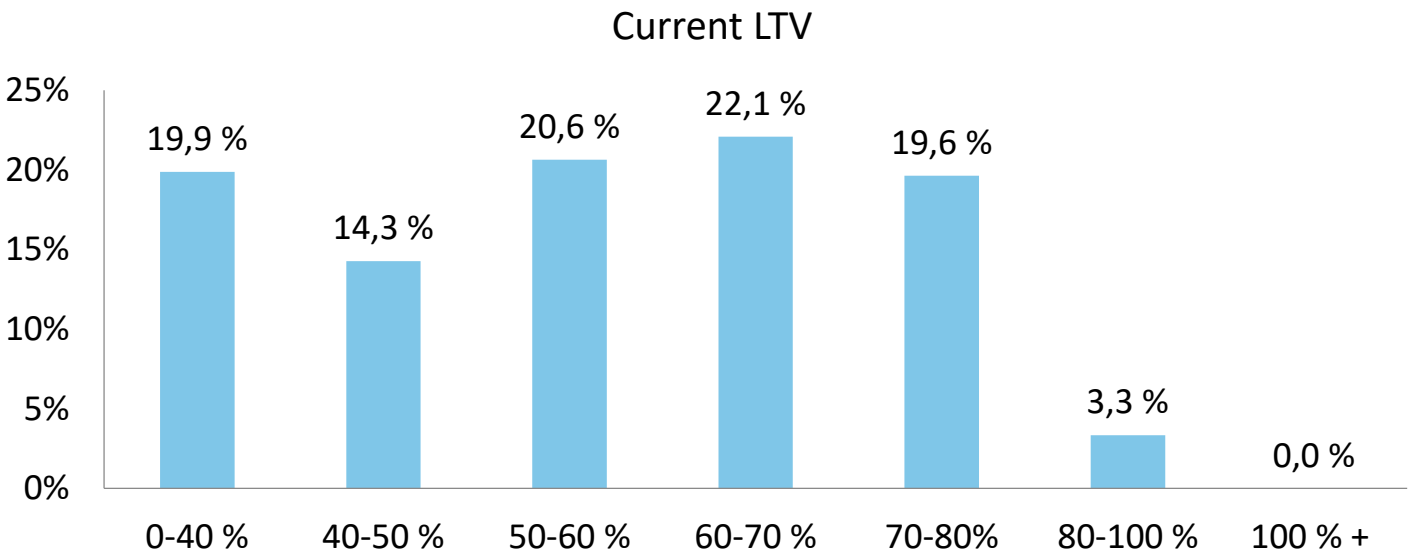
Type of properties	<ul style="list-style-type: none"> • Primary residential property in Norway (including detached houses, terraced houses, apartments and cooperative housing units) • The mortgage property shall not be "buy-to-let" • No holiday homes
Collateral	<ul style="list-style-type: none"> • First priority mortgages • Max LTV 75 % or less at the time of transfer (max 60 % for flexible loans/revolving credits) • The valuation of the mortgage property must be no less than 24 months old and carried out by an independent third party • Quarterly valuation from independent 3rd party
Credit criteria	<ul style="list-style-type: none"> • No adverse credit history the previous year • Probability of default max 2.50 %
Type of products	<ul style="list-style-type: none"> • Amortizing loans (straight line or annuity) • Non-amortizing loans (Flexible loans/revolving credits) • No fixed rate loans
Loan volume	<ul style="list-style-type: none"> • A maximum loan volume per customer of NOK 12 million (~€1.3 million)

Cover pool characteristics

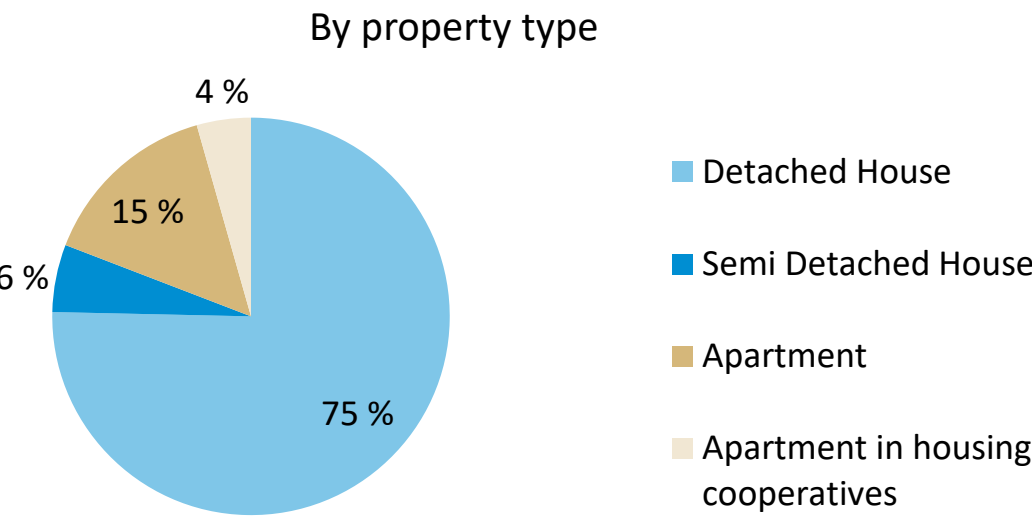
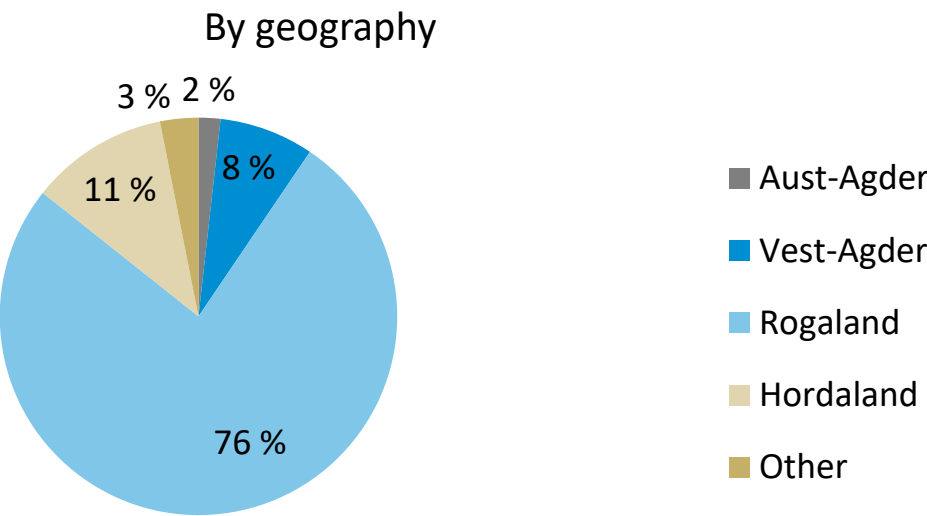
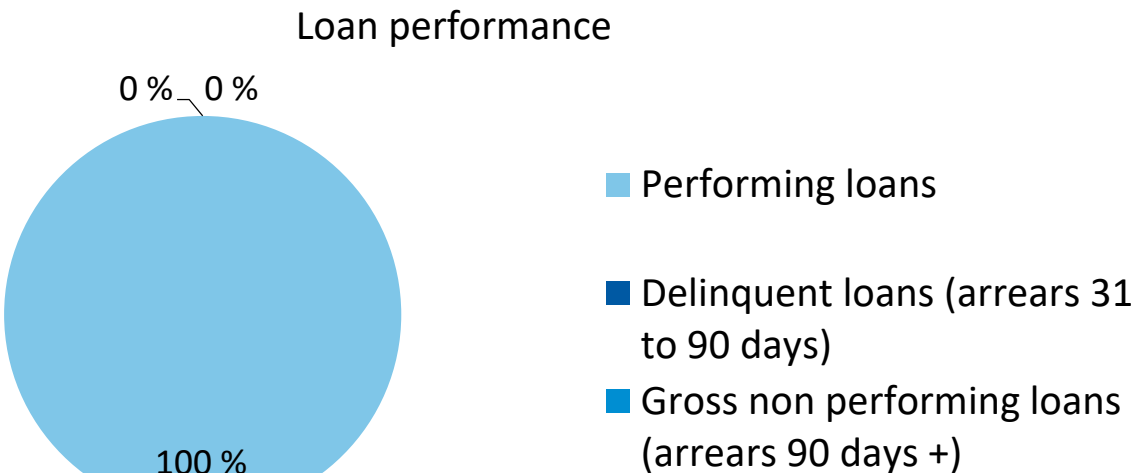
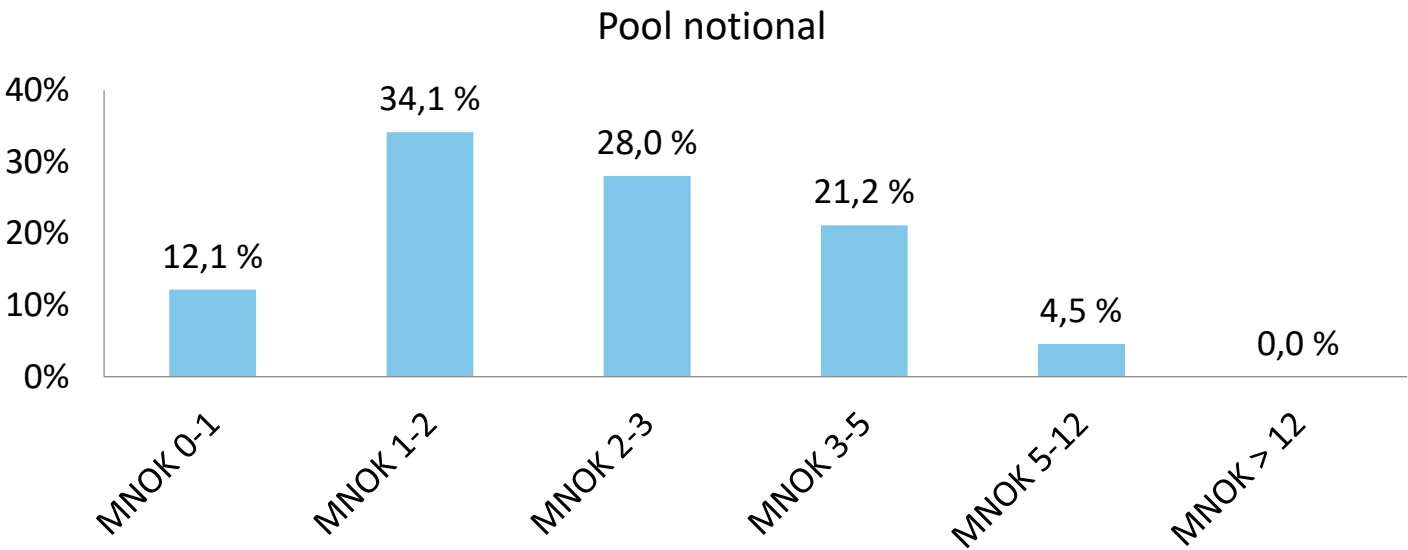


Assets/status	<ul style="list-style-type: none"> 100 % first lien mortgages on Norwegian private residential properties 100 % performing loans
Cover pool	<ul style="list-style-type: none"> NOK 43.1 bn: Residential mortgages 40.5 bn (93.9 %), Subsititute assets 2.6 bn (6.1 %)
Loans and rate	<ul style="list-style-type: none"> 25 282 loans at a weighet average interest rate of 2.5 %
Average loan balance	<ul style="list-style-type: none"> 1 608 698
Weighted average original LTV	<ul style="list-style-type: none"> 56.9 %
Weighted average current LTV	<ul style="list-style-type: none"> 57.6 %
Weighted average seasoning	<ul style="list-style-type: none"> 8.0 years
Weighted average life	<ul style="list-style-type: none"> 15.8 years
Principal payement frequency	<ul style="list-style-type: none"> Amortizing 70.7 %, Non-amortizing 29.3 %
Rate type	<ul style="list-style-type: none"> 100 % floating rate loans
OC-level	<ul style="list-style-type: none"> 8.9 %
OC-level if house price drop 20 %	<ul style="list-style-type: none"> 1.5 %

Cover pool characteristics



Cover pool characteristics



1 SpareBank 1 SR-Bank

2 SR-Boligkreditt

3 Norwegian economy

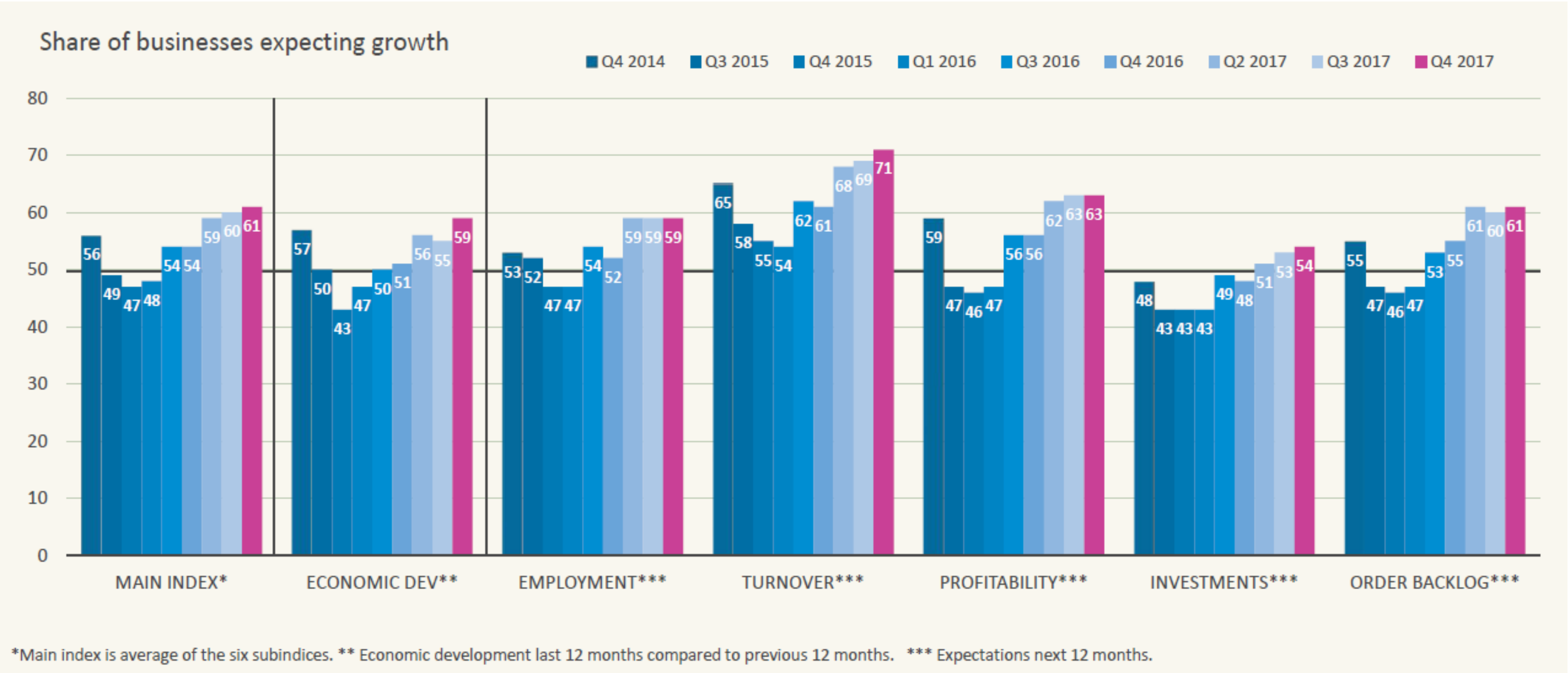
4 Appendix

A unique situation with a continuing budget surplus

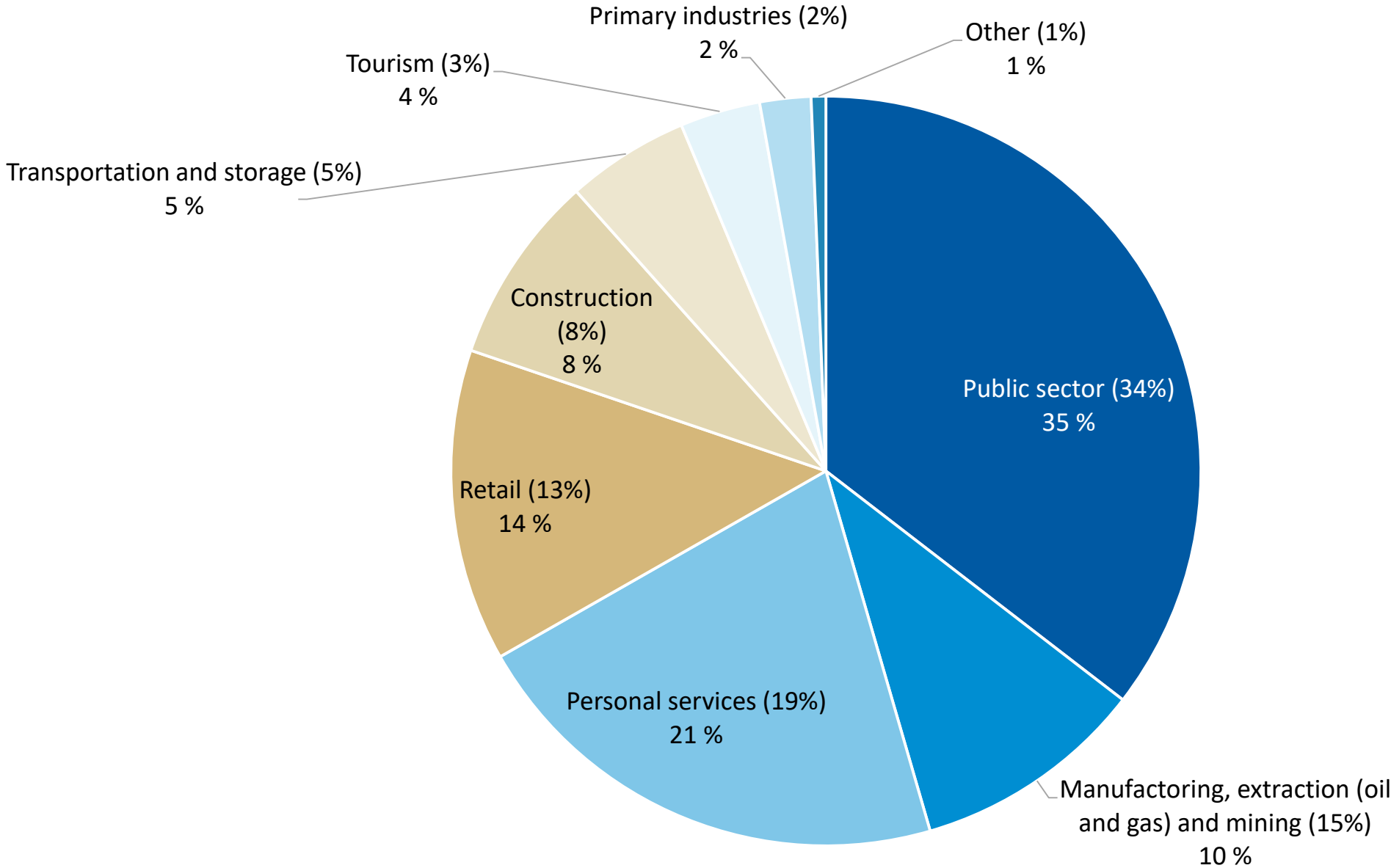


Economic Indicators (%)	2011	2012	2013	2014	2015	2016	2017E	2018P	2019P
GDP mainland, annual change (%)	1,9	3,8	2,3	2,2	1,4	1,0	1,9	2,5	2,4
Household consumption, annual change (%)	2,3	3,5	2,8	2,1	2,6	1,5	2,5	2,5	2,5
Public consumption, annual change (%)	1,0	1,6	1,0	2,7	2,4	2,1	1,9	1,5	1,7
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	-0,2	6,2	6,7	1,6	0,6
Investment public sector	1,1	-1,8	11,8	4,4	0,2	5,9	5,0	1,5	1,4
Investment offshore oil and gas, annual change (%)	11,3	15,1	19,3	-3,2	-12,2	-16,9	-3,4	-7,2	8,4
Oil price, USD/bbl (forward price in 2018 and 2019)	111	112	109	99	53	44	55	67	63
Inflation rate (CPI) %	1,2	0,8	2,1	2,0	2,1	3,6	1,8	1,9	2,0
3 month NIBOR %	2,9	2,2	1,8	1,7	1,3	1,1	0,9	0,8	0,9
Mortgage rate %	3,6	3,9	4,0	3,9	3,2	2,6	2,6	2,5	2,5
Household savings ratio	5,8	7,1	7,6	8,2	10,3	7,0	6,1	6,9	7,0
Unemployment rate (registered at labour office)	2,6	2,6	2,7	2,7	3,0	3,0	2,7	2,4	2,4
HH sector real disposable income, annual change (%)	4,2	4,5	3,9	2,9	5,5	-1,6	1,8	3,1	2,7
Current account surplus, share of GDP (%)	12,3	12,5	10,3	10,5	7,9	3,9	6,5	6,4	6,6
Gov. budget surplus, share of GDP mainland (%)	14	14	12	10	7	4	5	5	5
Sovereign Wealth Fund, share of GDP mainland (%)	150	160	190	230	270	270	280		

PMI (Rogaland, Hordaland and Agder)



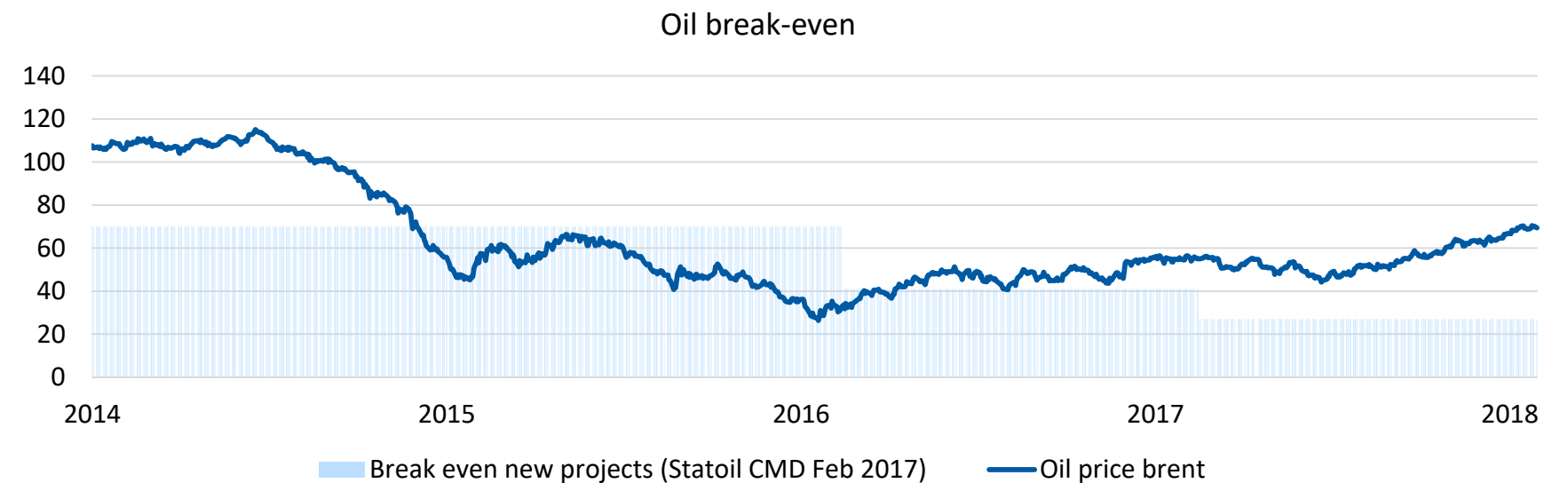
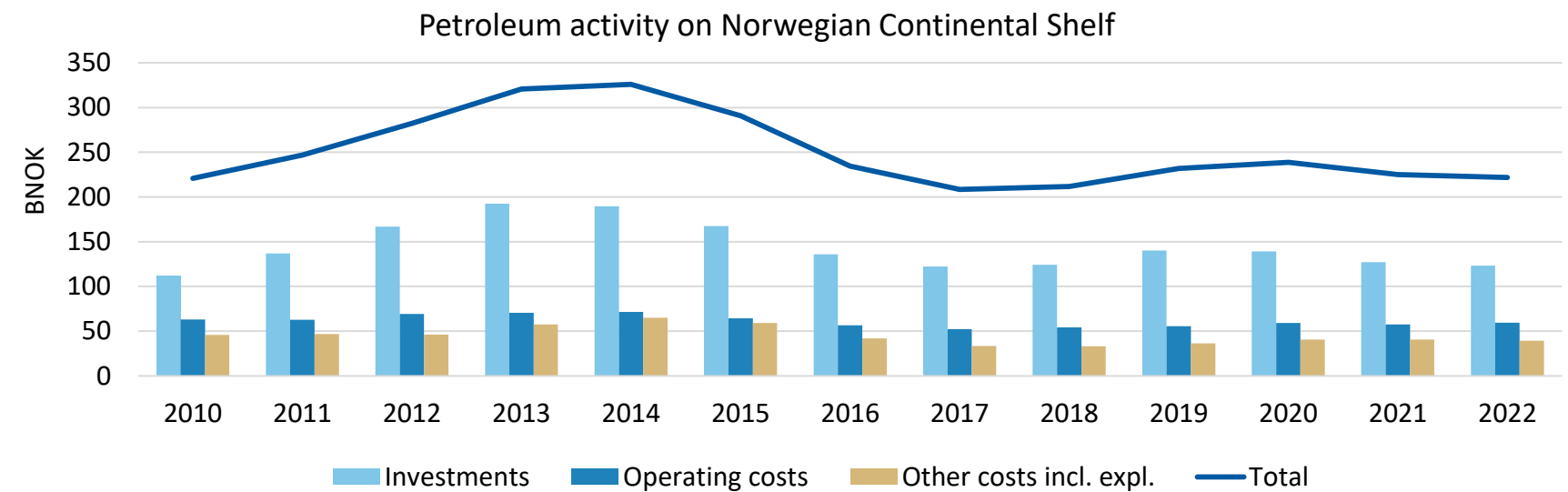
Employment in Norway and the region (Rogaland, Hordaland and Agder)



Source: Statistics Norway (2016)

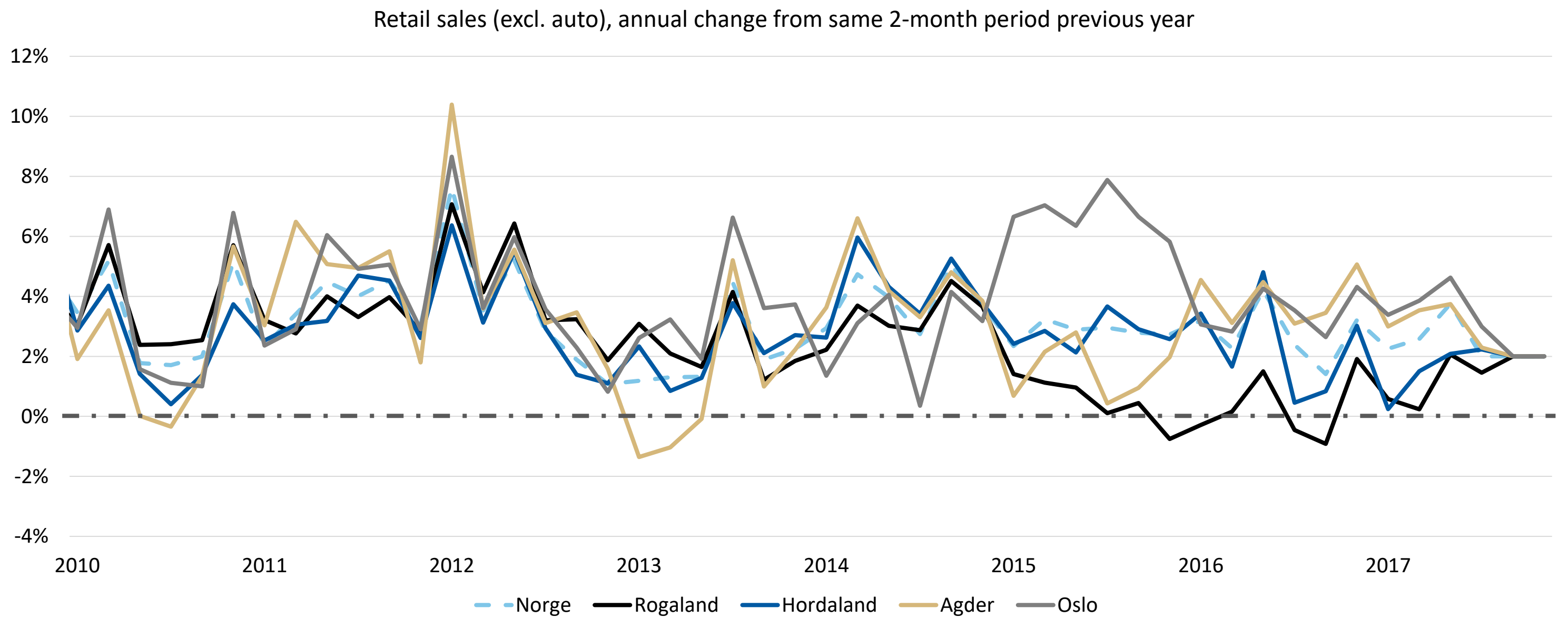
Oil activity in Norway near the bottom

- After reaching record levels in 2013/14, petroleum activity fell in 2015/16. The activity leveled out in 2017, and is expected to increase slightly in 2018 and more in 2019.
- Investments fell about 35% from top to bottom. In 2018, near-flat development is expected and in 2019 an increase of 15% is expected.
- 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 by 13% towards 2020.

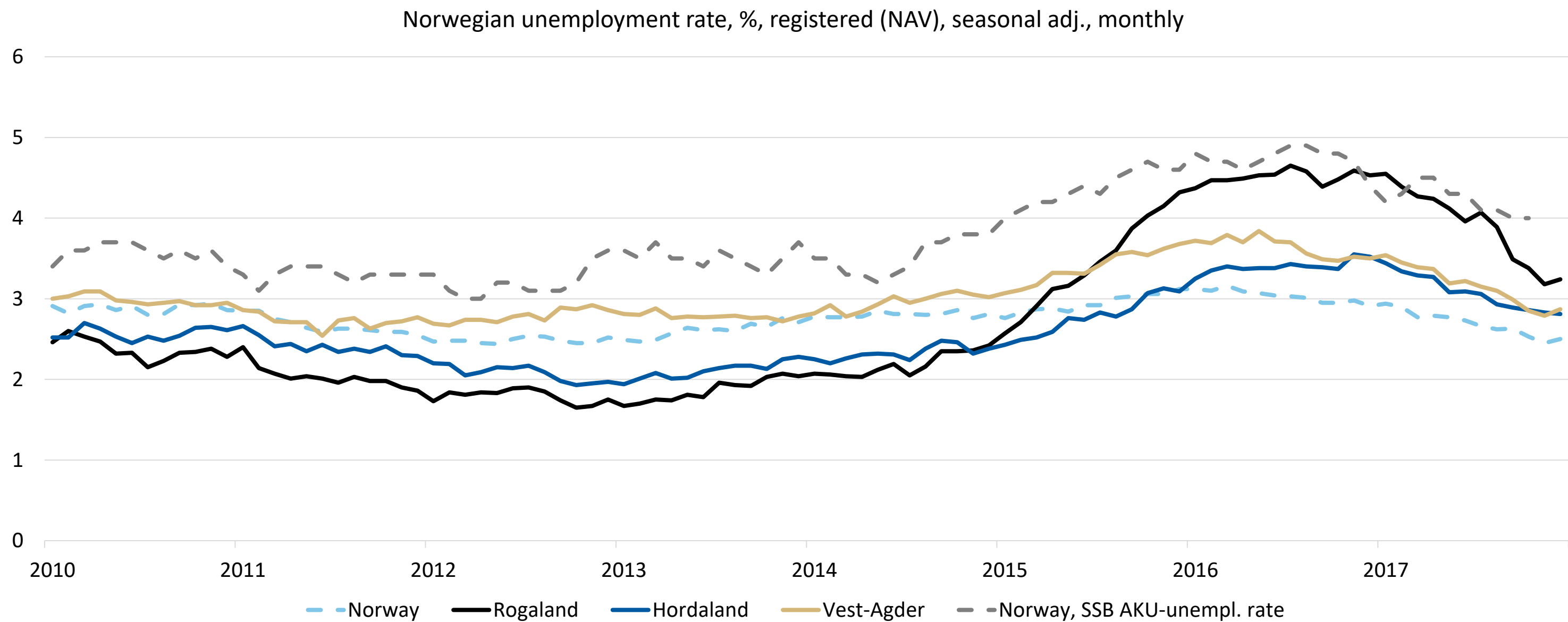


Source: Norwegian Petroleum Directorate

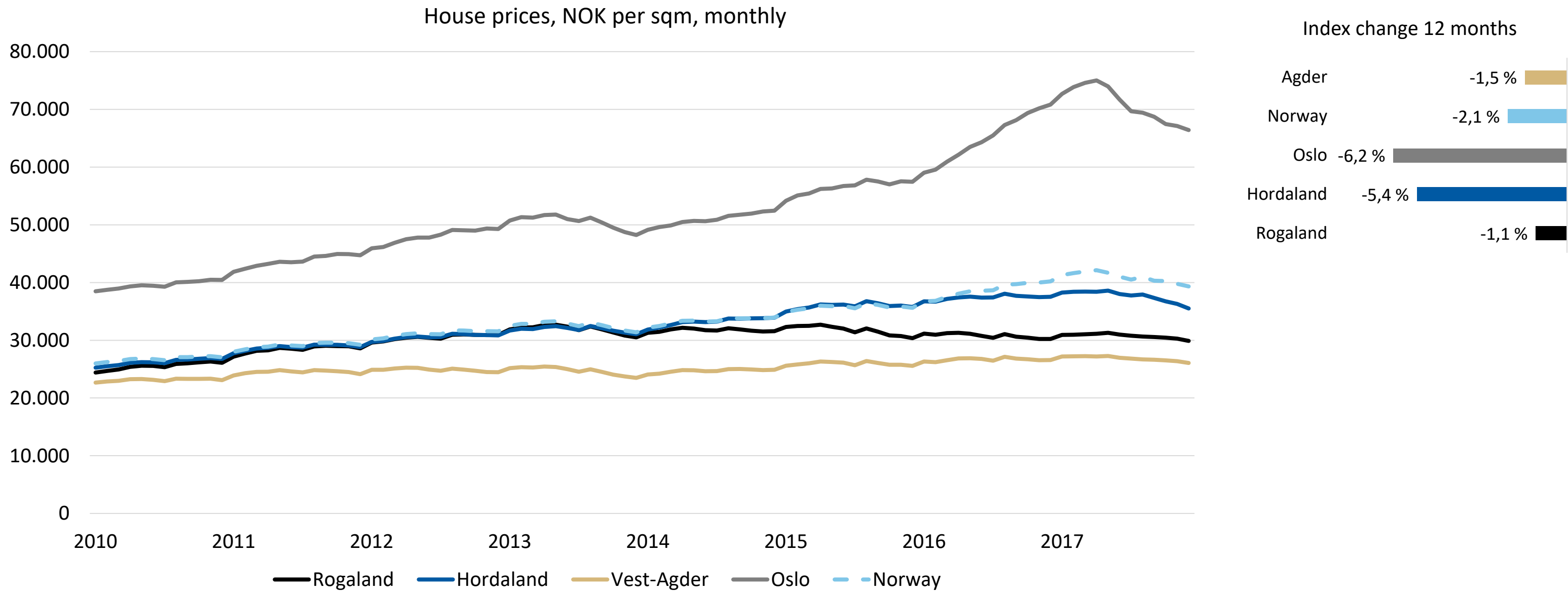
Retail trade increasing in Norway



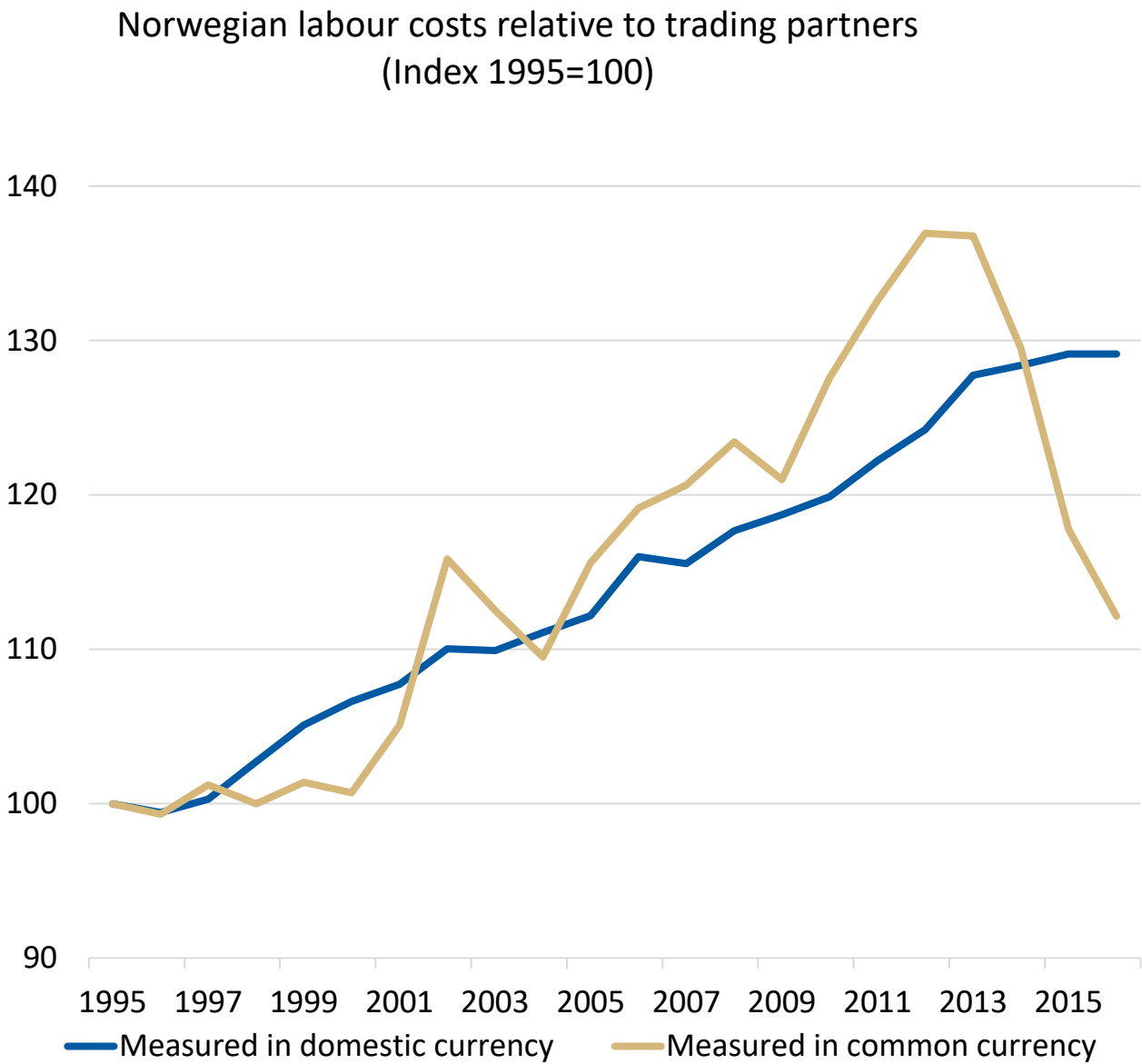
The unemployment rate has been reduced



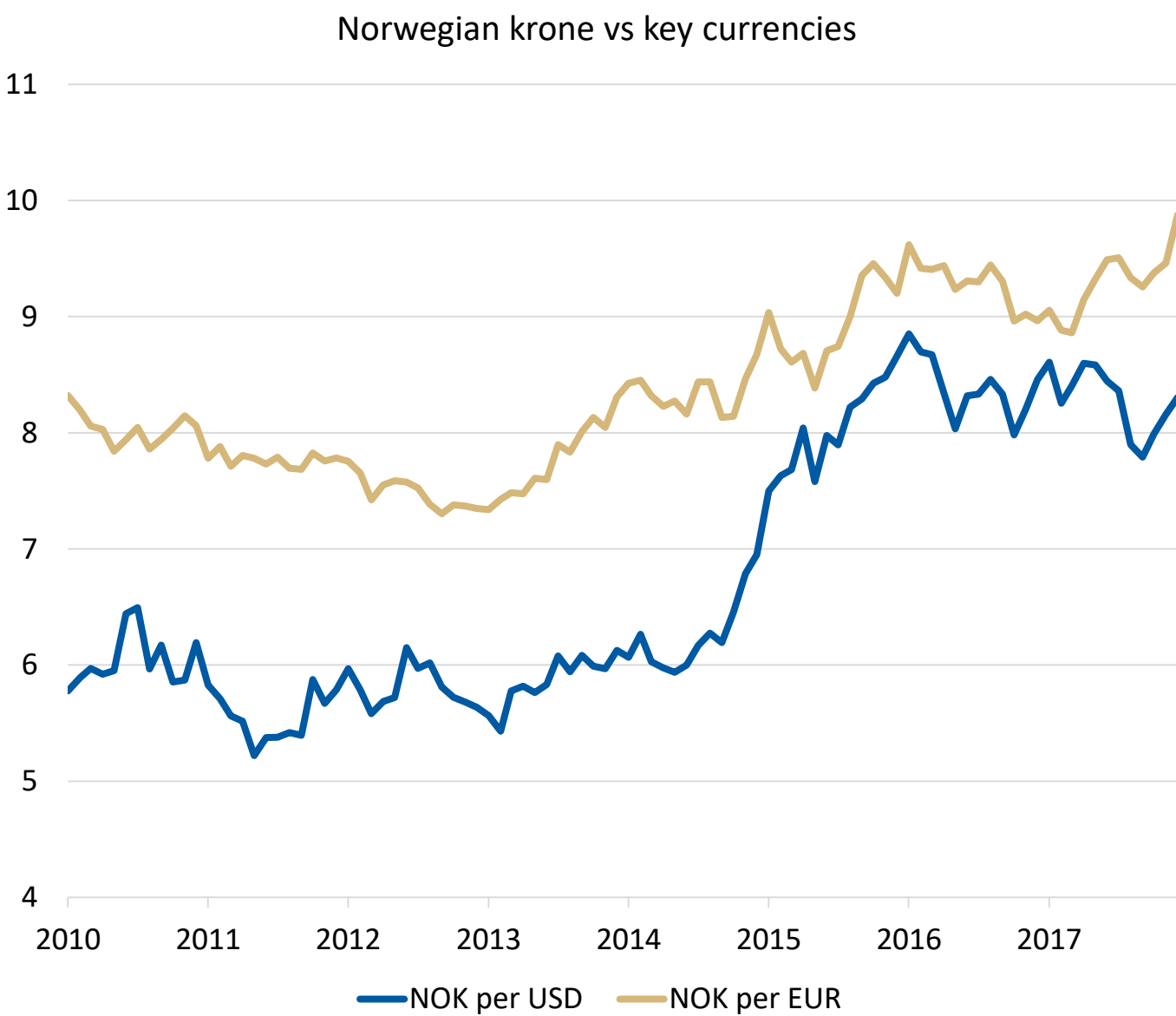
Housing prices in Norway flatten out



Weak NOK increases competitiveness

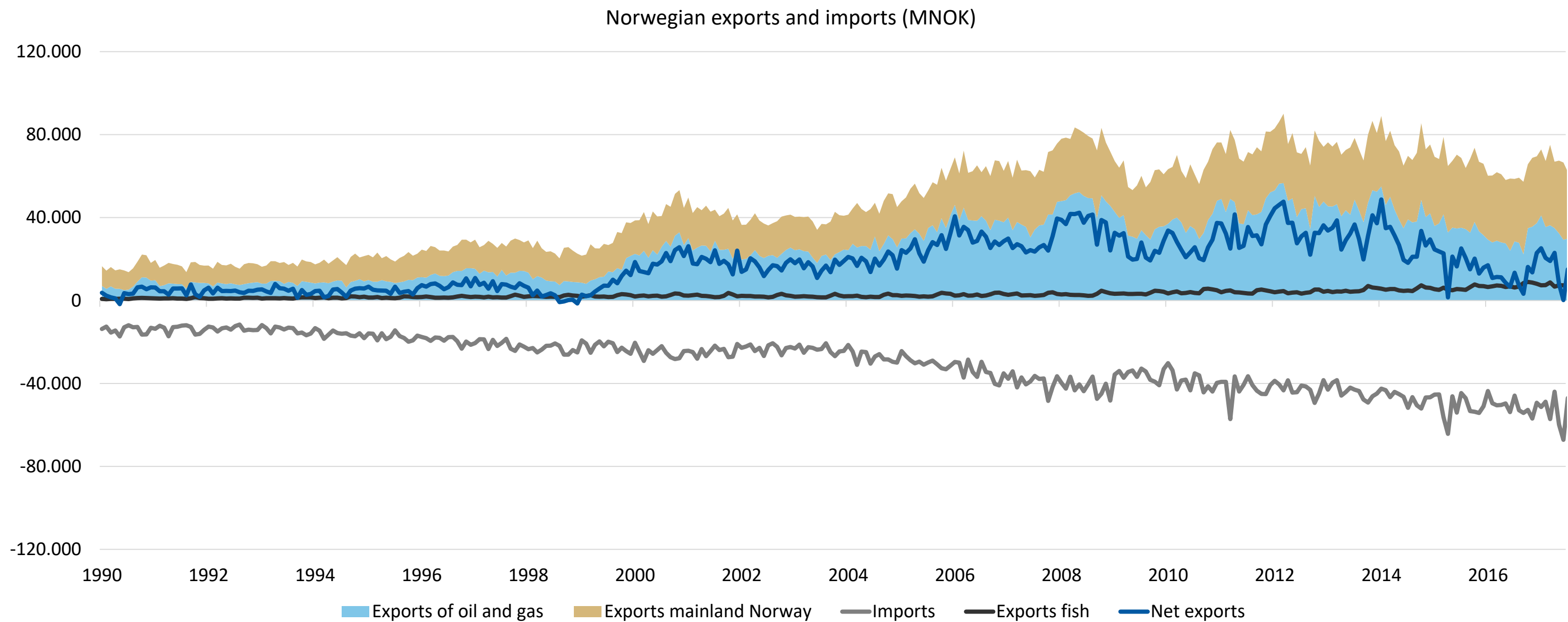


Source: Central Bank of Norway



Source: Thomson Reuters Datastream

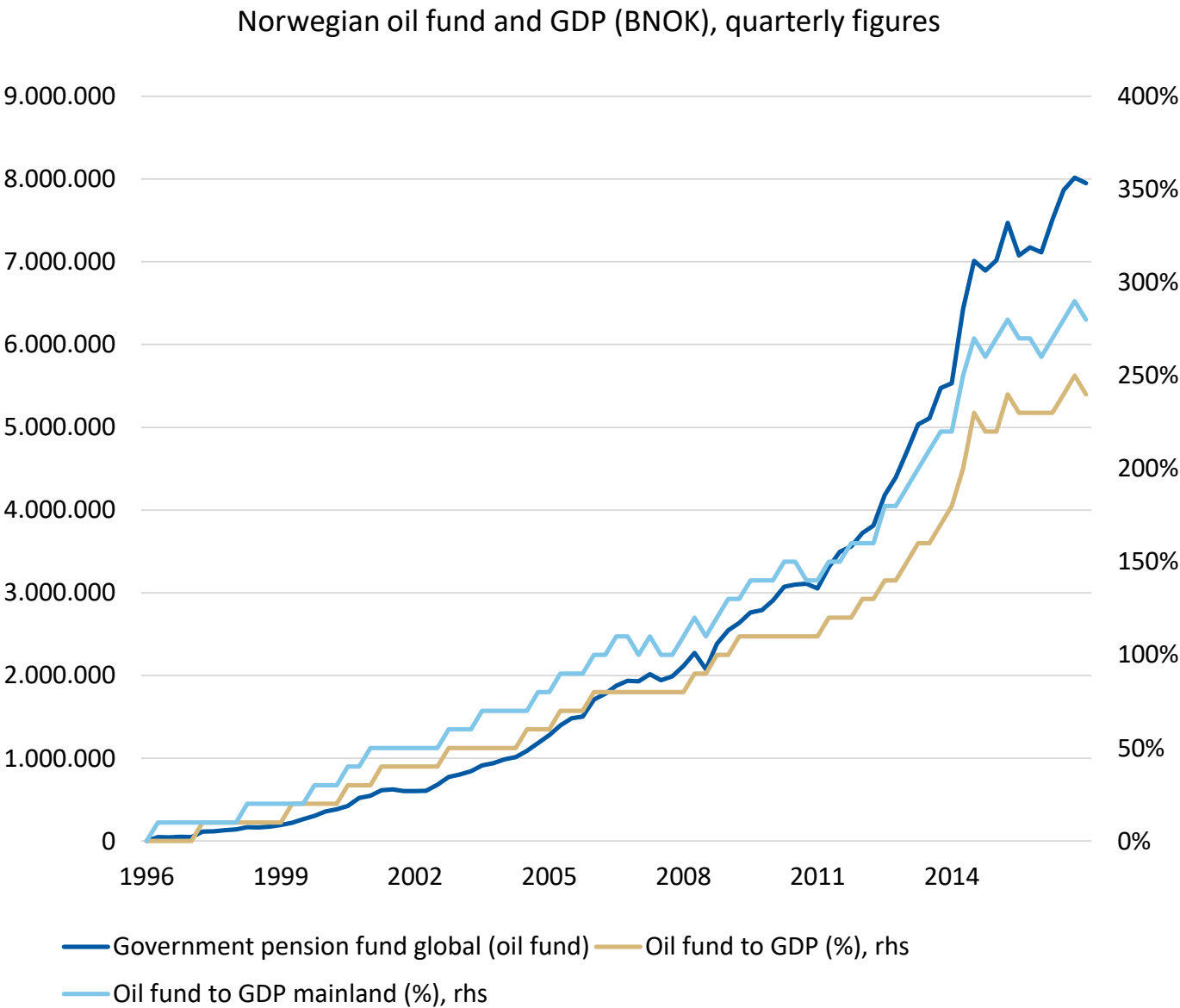
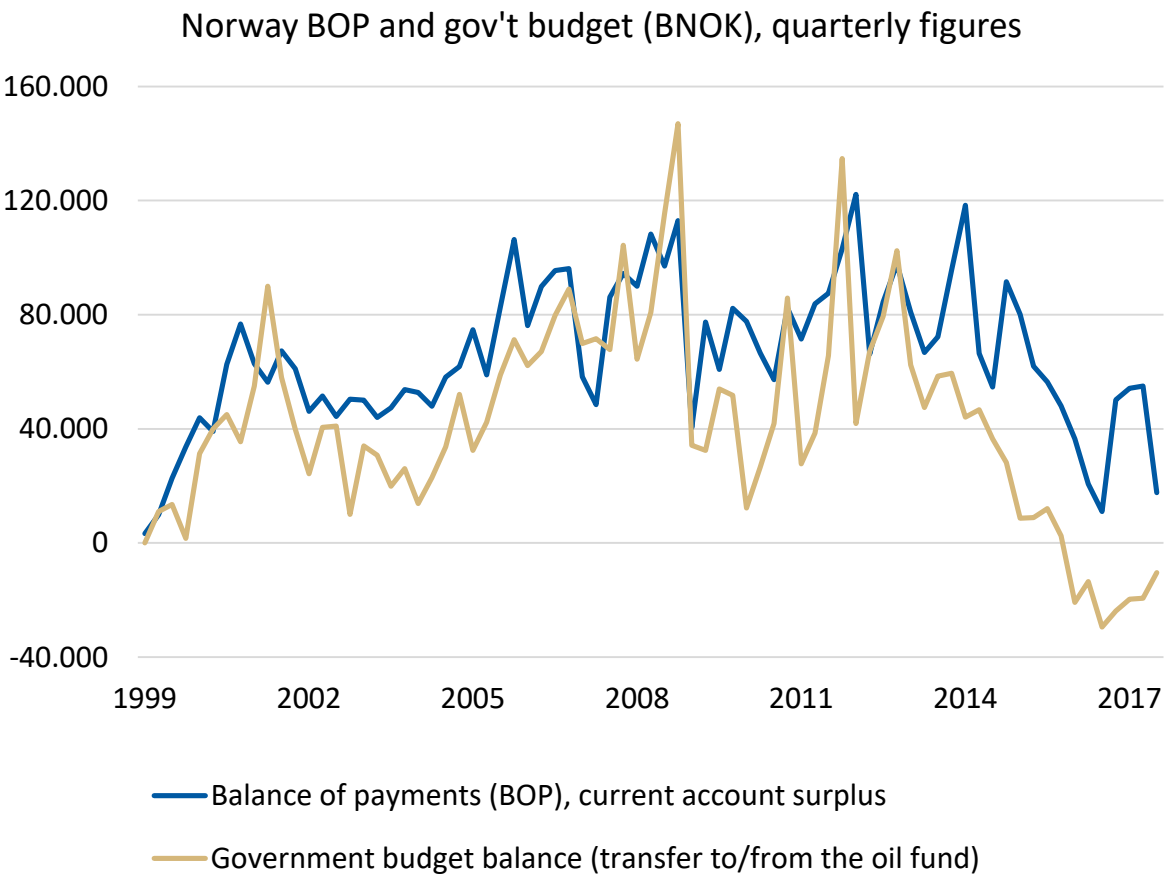
Norwegian exports and imports



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank

Government finances and the sovereign wealth fund

- Cash flow from the petroleum sector (taxes, ownership) is channeled into the sovereign wealth fund
- Fiscal spending rule is 3 % of the fund.



1 SpareBank 1 SR-Bank

2 SR-Boligkreditt

3 Norwegian economy

4 Appendix

A

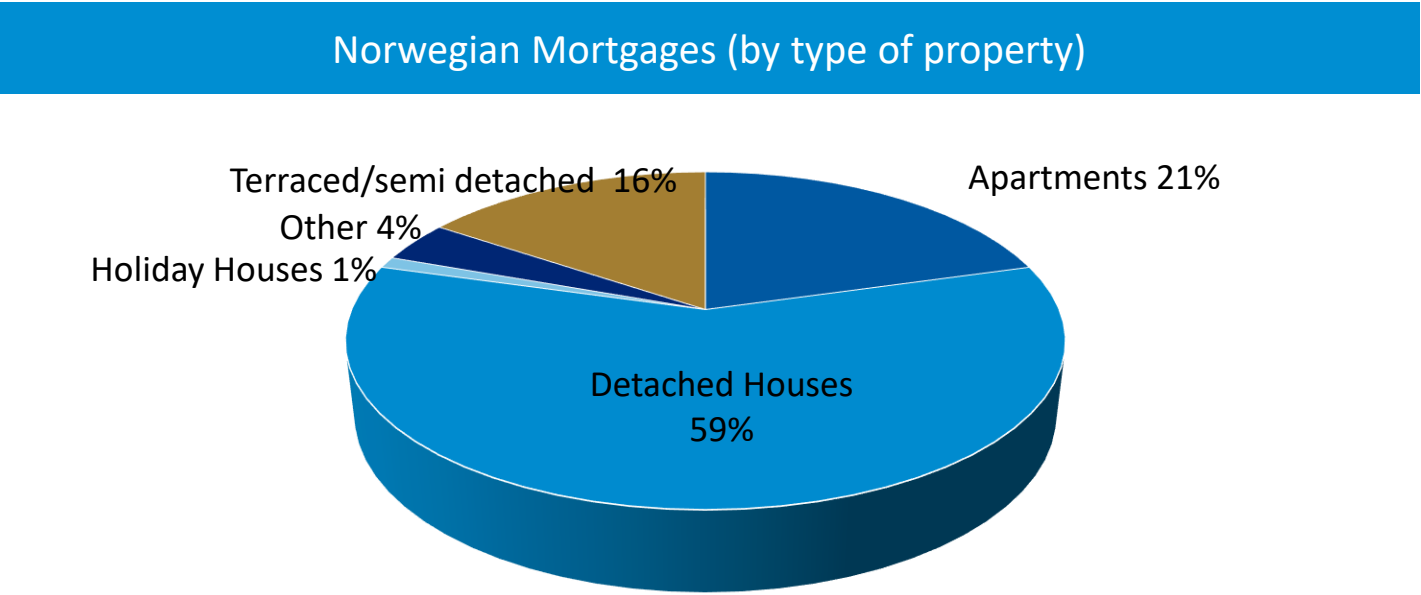
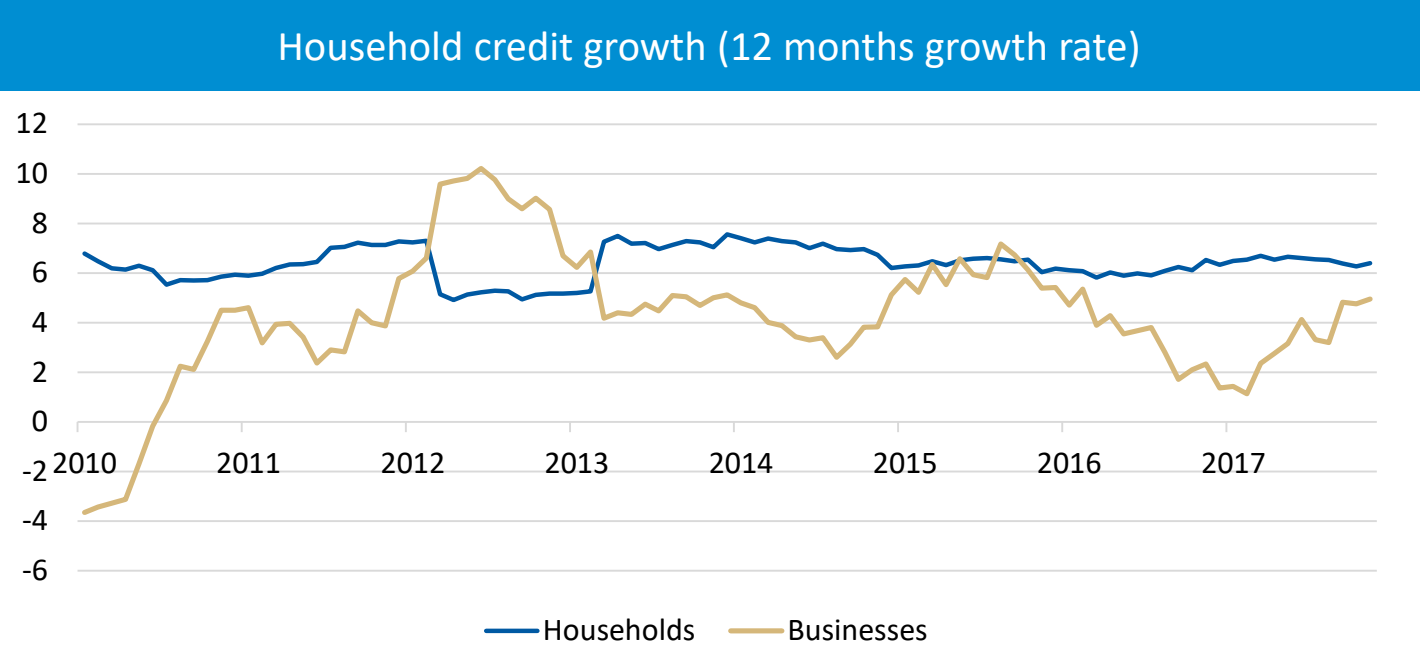
Norwegian mortgage market

B

Additional information SpareBank 1 SR-Bank

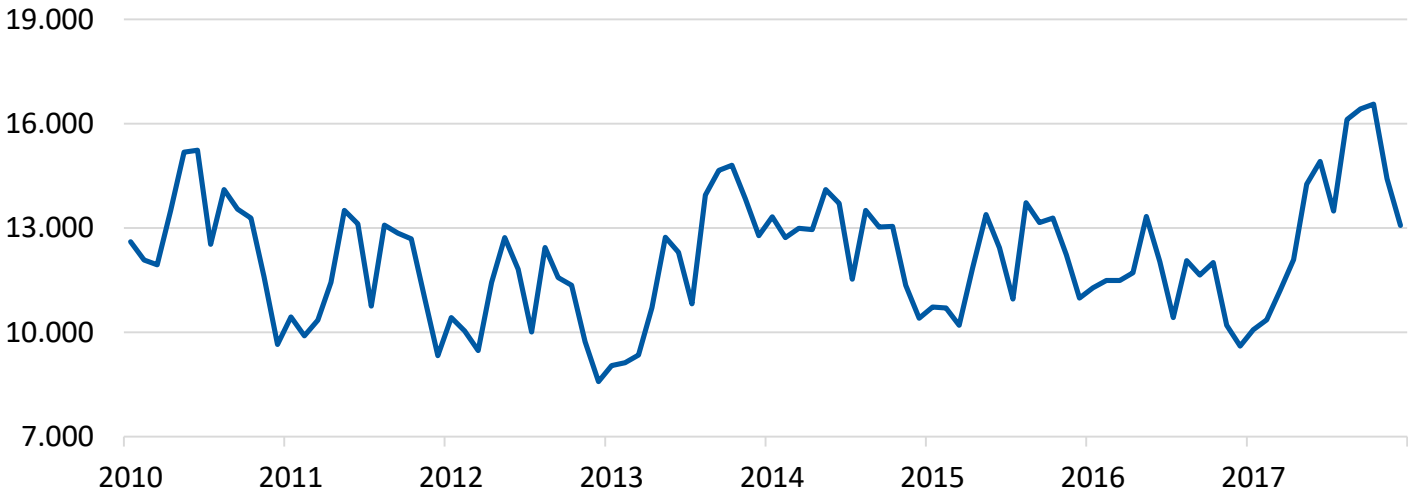
Housing and mortgage markets – Key characteristics

Mortgage Market	<ul style="list-style-type: none"> • Total size approximately NOK 2,600 billion (USD 325bn, €300bn) • 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
Howe 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"> • Generous unemployment benefits • 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 • Max total debt of 5x a borrower’s income before tax • 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"> • 25% 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)

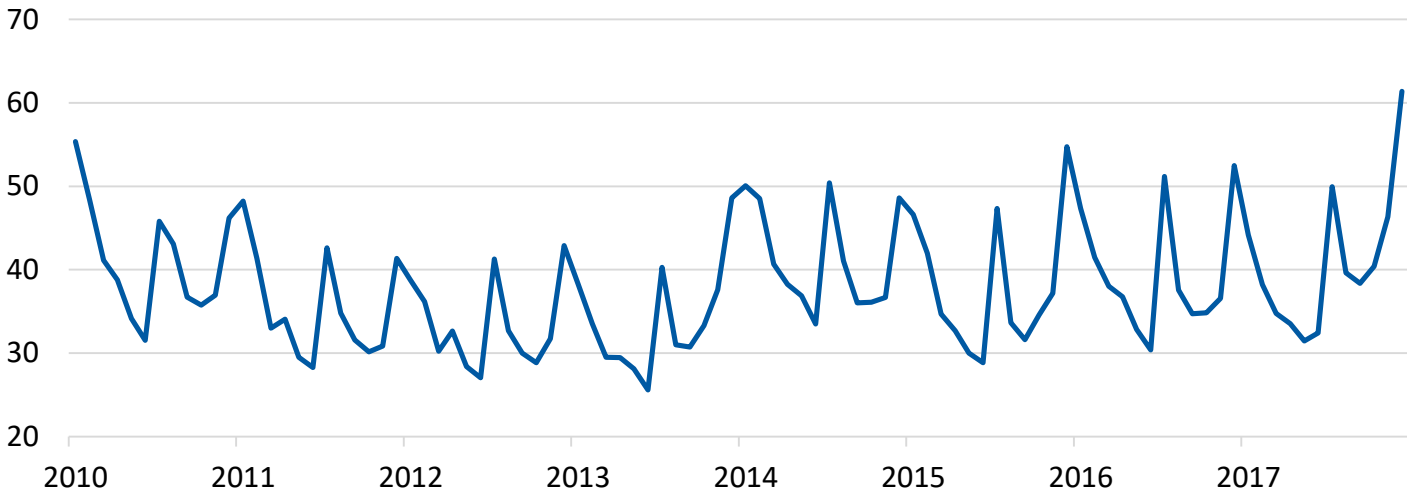


Housing market

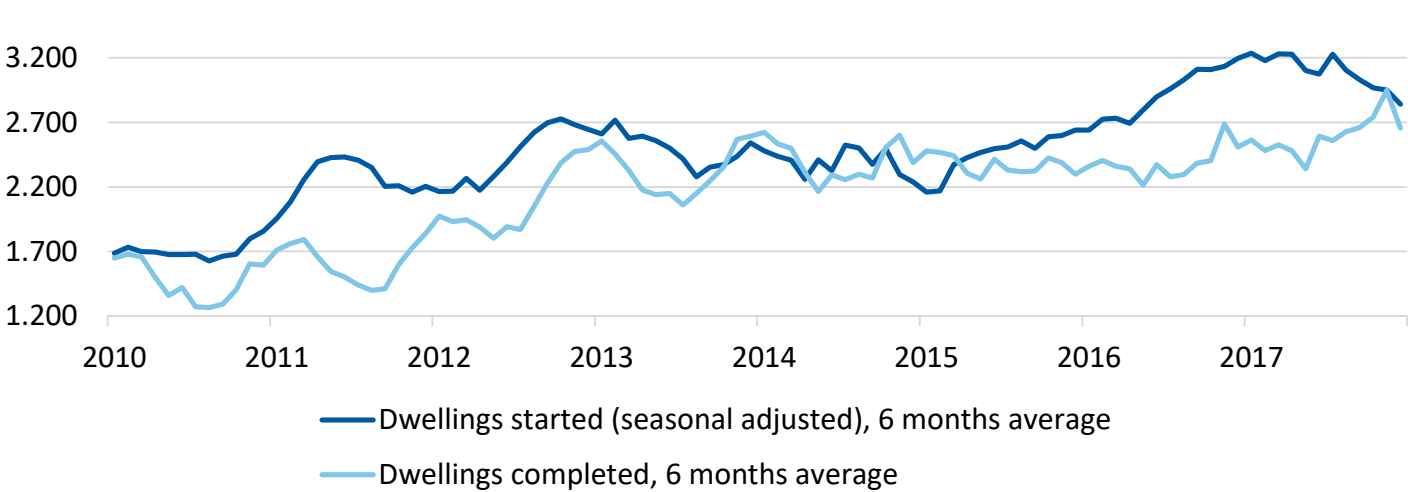
Number of houses/flats on the market, monthly figures



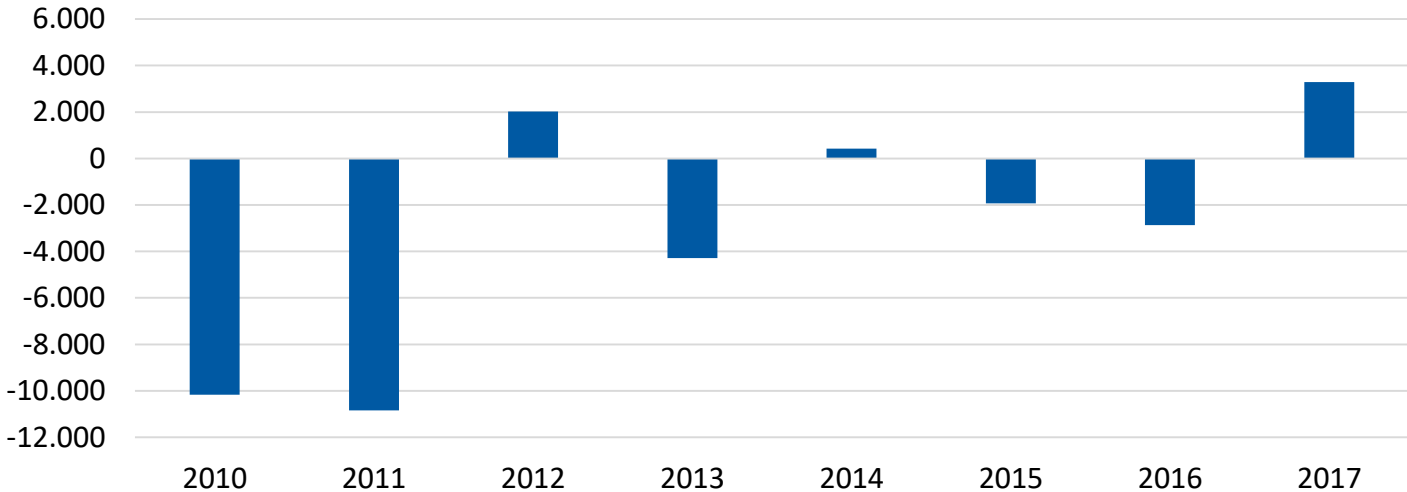
Number of days to sell a house/flat, monthly



Norwegian housing market, monthly figures



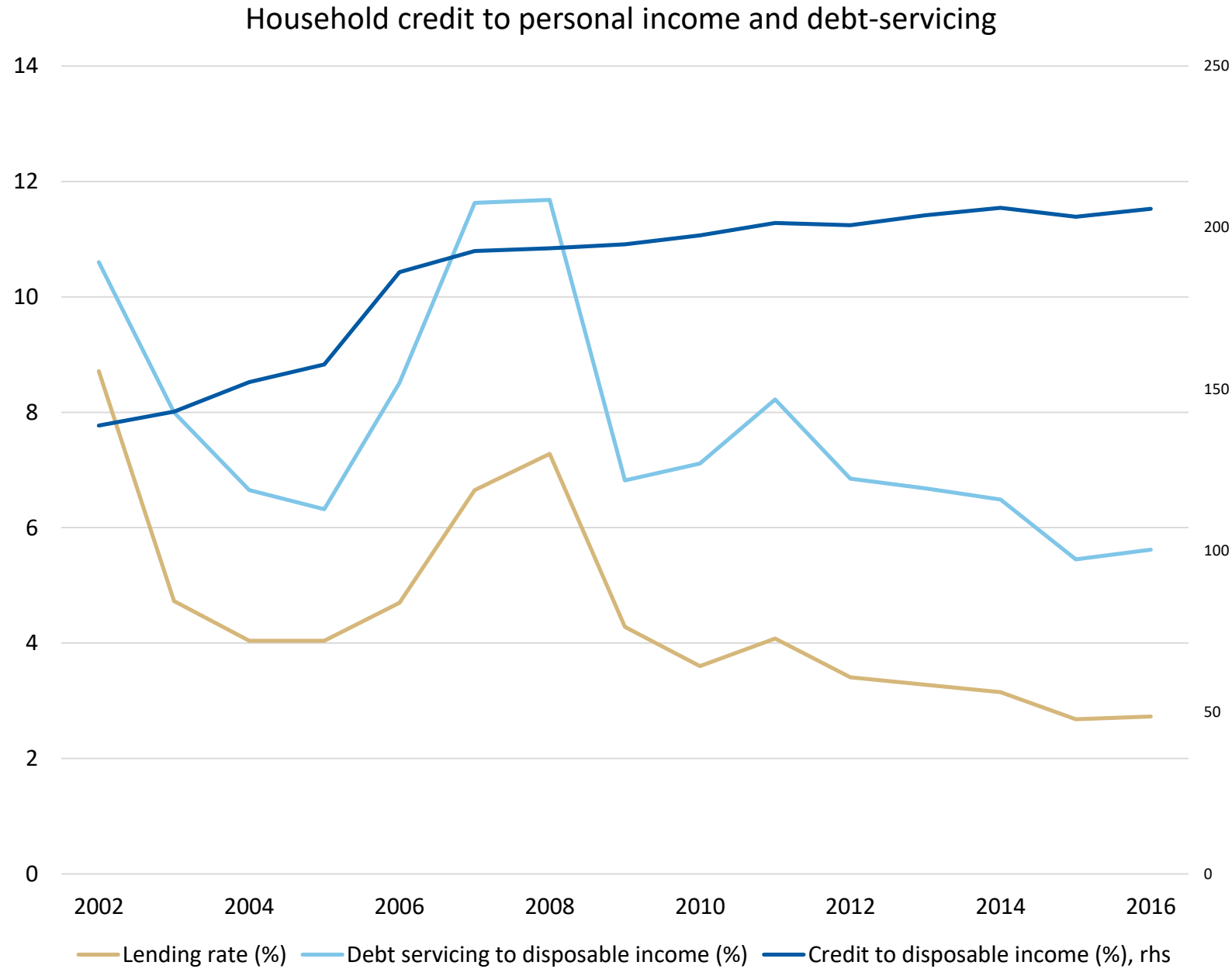
Completed housing units less newly formed households



Source: Thomson Reuters Datastream, Eiendom Norge, Finn and Eiendomsverdi AS

Debt servicing reduced due to lower interest rates

- Household credit growth has been somewhat higher than growth in private net disposable income. The household credit to personal income has therefore increased
- Lower interest rates are dampening cost of debt servicing
- Norwegian households' debt servicing as a percent of disposable income are reduced from 20% in 1990 to close to 5% in 2016.

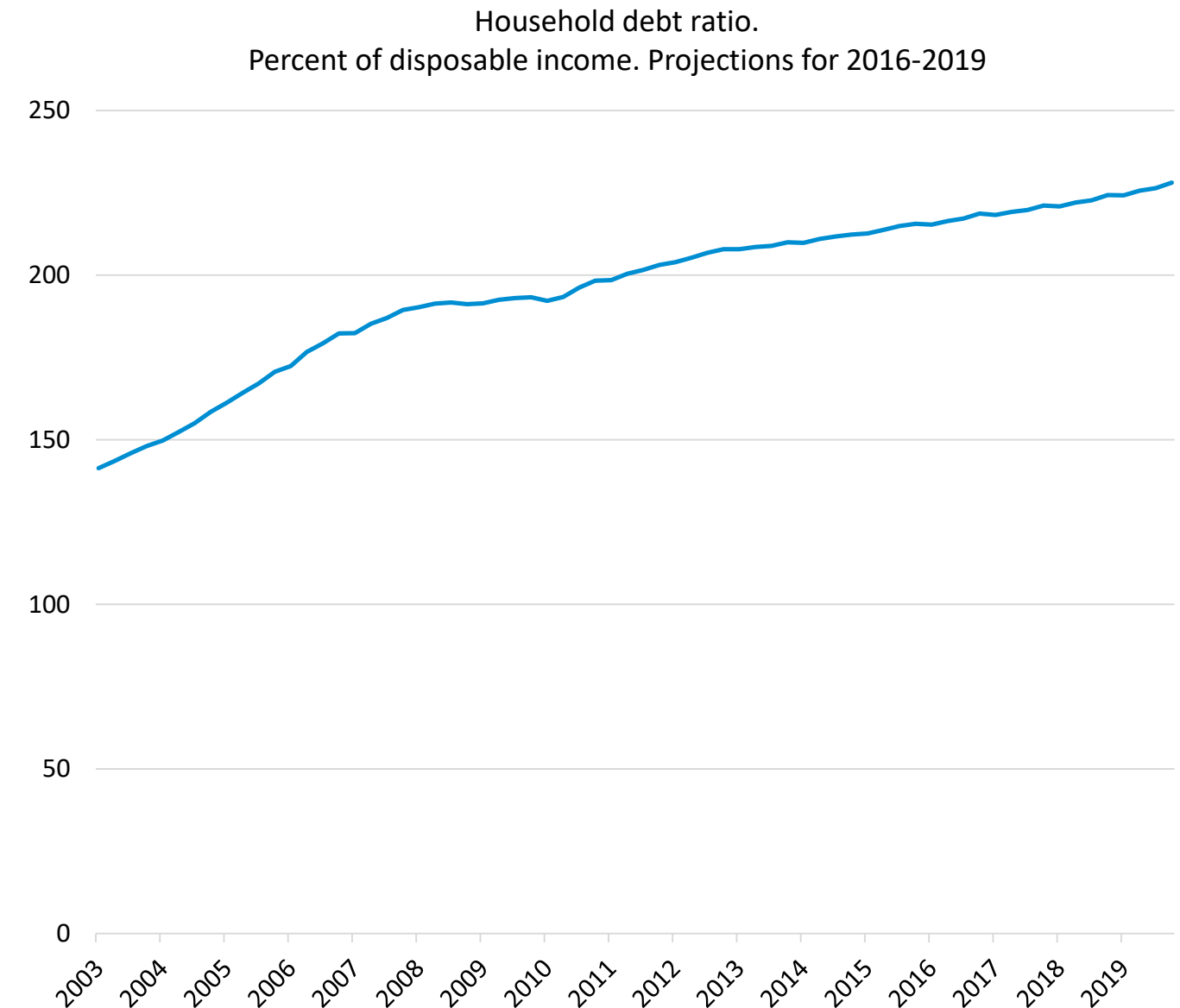


Source: Thomson Reuters Datastream

Aggregate household indebtedness

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

- All household debts included in the statistic, question of international 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.



Norwegian legal framework for Covered Bonds

Specialist banking principle	<ul style="list-style-type: none"> Only specialised institutions whose articles of association comply with prescribed mandatory requirements may issue covered bonds.
LTV limits	<ul style="list-style-type: none"> 75% for residential mortgages. 60% for commercial mortgages.
Assets	<ul style="list-style-type: none"> The Cover Pool may consist of mortgaged real estate assets, public sector loans and substitute assets (max 20% of Cover Pool, 30% with the Norwegian FSA approval).
Matching requirement	<ul style="list-style-type: none"> Value of the Cover Pool shall at all times exceed the value of the covered bonds with a preferential claim on the pool. NPV principle applied to all assets and liabilities.
Special supervision	<ul style="list-style-type: none"> The Norwegian FSA appoints an independent inspector who regularly (at least every three months) supervises the matching requirement of the Cover Pool and the Cover Pool registry. The inspector submits annual reports of observations and assessments to the Norwegian FSA.
Over- collateralisation	<ul style="list-style-type: none"> Voluntary over-collateralisation is part of the pool and is bankruptcy remote.
Liquidity requirement	<ul style="list-style-type: none"> Cash flow from the Cover Pool shall at all times suffice to cover payments on the covered bonds and payments to counterparties under related derivatives agreements. A liquidity reserve needs to be established which shall be included in the Cover Pool.
Currency risk	<ul style="list-style-type: none"> The credit institution must establish reasonable and conservative limits. SR-Boligkreditt will fully hedge currency risk.
Interest rate risk	<ul style="list-style-type: none"> Interest rate risk must be analysed (rate curve shifts and twists). SR-Boligkreditt will hedge interest rate risk on its bonds to 3 month NIBOR.
Issuer insolvency	<ul style="list-style-type: none"> Bankruptcy Administrator tasked with preserving the value of the Cover Pool, maintain law & regulations, ensure timely payment to covered bond investors and derivatives counterparties. Must inform covered bond investors about any material decisions. If timely payments can no longer be ensured, a halt to payments is introduced. All covered bond investors have preferential pari passu claim, must be consulted on material points.

A Norwegian mortgage market

B Additional information SpareBank 1 SR-Bank

Impairment losses on loans

Losses on loans in income statement (MNOK)	31.12.2017	31.12.2016	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Corporate customers	482	581	89	116	115	162	131
Retail customers	59	39	29	10	15	5	11
Change in collective impairment losses on loans	2	158	2	-2	1	1	20
Net impairment losses on loans	543	778	120	124	131	168	162

Impairment losses on loans (MNOK)	31.12.2017	31.12.2016	31.12.2017	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Corporate customers	546	525	546	572	508	478	525
Retail customers	93	65	93	69	69	60	65
Collective impairment losses on loans	678	676	678	677	678	677	676
Total impairment losses on loans	1.317	1.266	1.317	1.318	1.255	1.215	1.266

Net commission and other income

MNOK	31.12.2017	31.12.2016	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Payment facilities	262	252	65	71	63	63	60
Savings/placements	198	185	47	51	49	51	45
Insurance products	208	198	52	52	52	52	50
Commission income real estate broking	389	348	94	90	112	93	85
Guarantee commission	107	114	27	29	26	25	31
Arrangement- and customer fees	93	101	28	28	24	13	33
Accounting services SpareBank 1 Regnskapshuset SR*	96	81	23	18	27	28	18
Other	22	15	-5	8	9	10	3
Net commission and other income excl. covered bond companies	1.375	1.294	331	347	362	335	325
Commission income SB1 Boligkreditt and SB1 Næringskreditt	149	149	36	39	38	36	30
Net commission and other income incl. covered bond companies	1.524	1.443	367	386	400	371	355

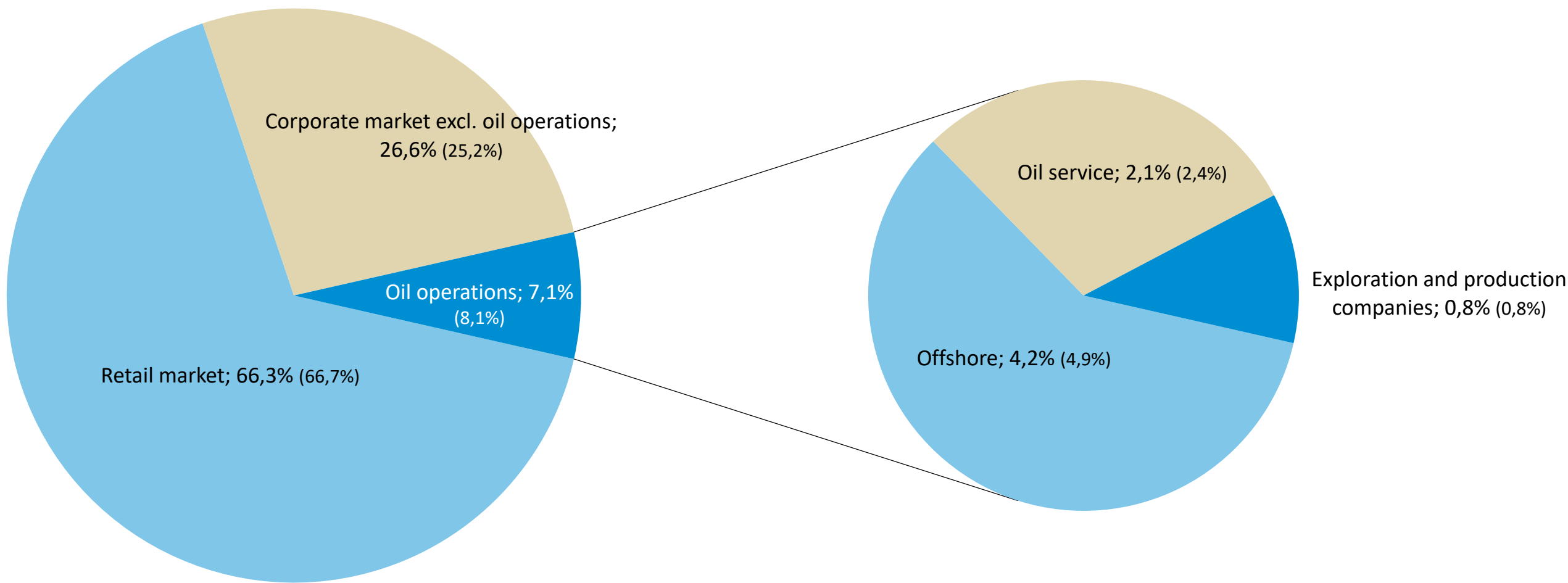
Operating expenses

MNOK	31.12.2017	31.12.2016	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Personnel expenses	1.214	1.161	314	303	302	295	288
Financial activity tax*	39	5	9	9	10	11	5
Restructuring costs	10	0	10	0	0	0	0
Total personnel expenses	1.263	1.166	333	312	312	306	293
IT expenses	317	321	82	74	86	75	87
Marketing	73	74	20	16	21	16	23
Other administrative expenses	88	69	26	21	20	21	23
Total administrative expenses	478	464	128	111	127	112	133
Depreciation	74	81	17	21	18	18	24
Operating expenses from real estate	34	35	8	7	9	10	9
Other operating expenses	318	286	84	79	82	73	81
Total other operating expenses	426	402	109	107	109	101	114
Total operating expenses	2.167	2.032	570	530	548	519	540

SpareBank 1 SR-Bank has a well diversified portfolio

7.1% (8.1%) of total EAD is related to oil operations

SpareBank 1 SR-Bank* has total BNOK 209.3 (200.1) EAD per 31.12.2017 BNOK 14.8 (16.2) EAD is related to oil operations



EAD: Exposure at default
Figures as at 31.12.2017. Figures in parentheses as at 31.12.2016

**Include portfolio in covered bond company (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS). SpareBank 1 SR-Finans was merged into SpareBank 1 SR-Bank from 1 January 2017 and lending volumes from SR-Finans are included in the figures from first quarter 2017. This results in break in the historic figures.*

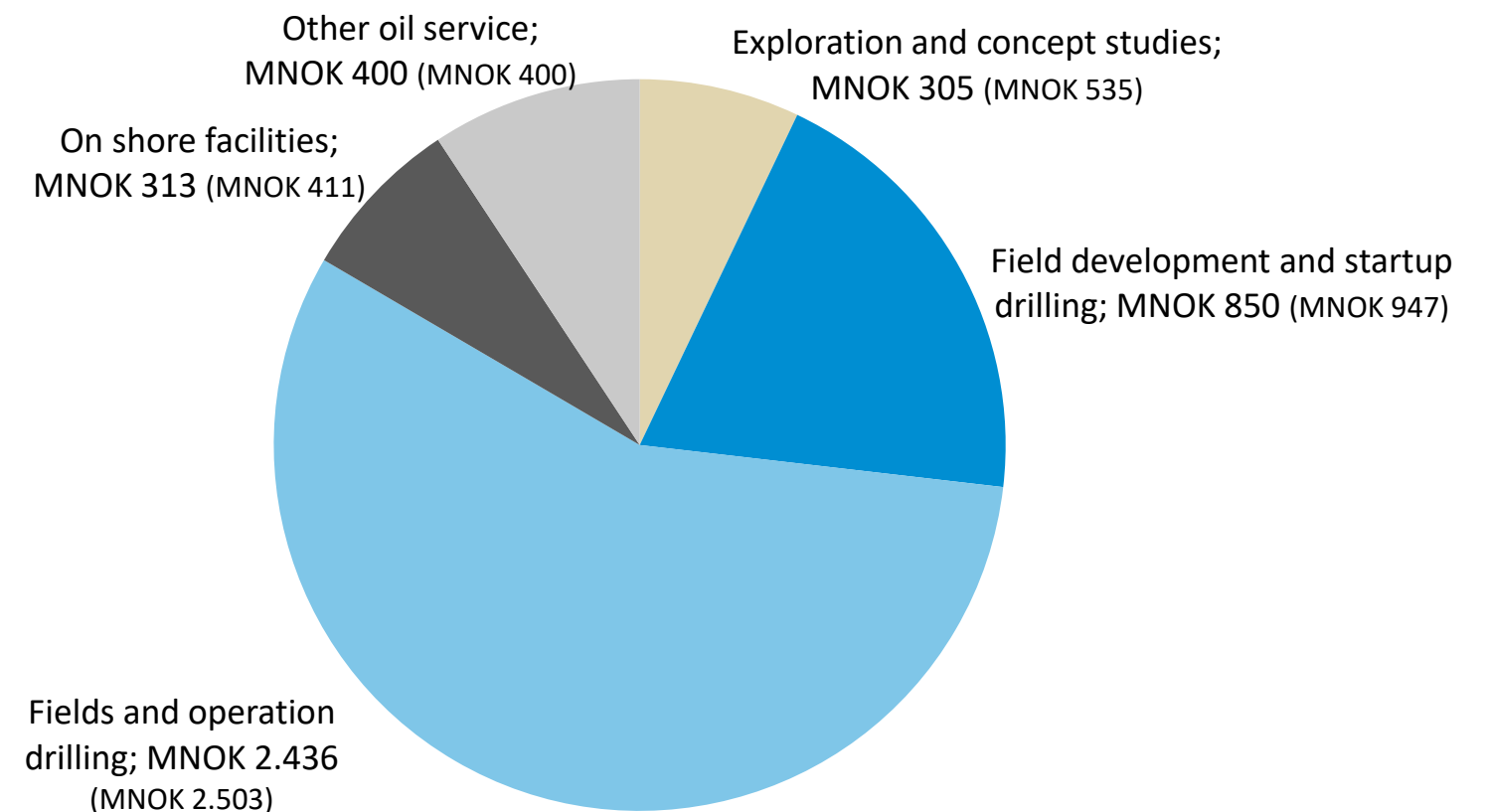
Oil services - total NOK 4.3 billion

(NOK 4.8 billion as at 31.12.2016)

- Exploration and concept studies
 - EAD NOK 0.3 billion
 - Average weighted probability of default 2.8%
- Field development and start-up drilling
 - EAD NOK 0.9 billion
 - Average weighted probability of default 3.1%
- Operational fields and operational drilling
 - EAD NOK 2.4 billion
 - Average weighted probability of default 6.3%
- 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 4.3 *billion*, 2.1% of the bank's total EAD
- Average weighted probability of default for the oil services portfolio is 5.1%
- Funding of operating capital through current and fixed assets, as well as guarantees



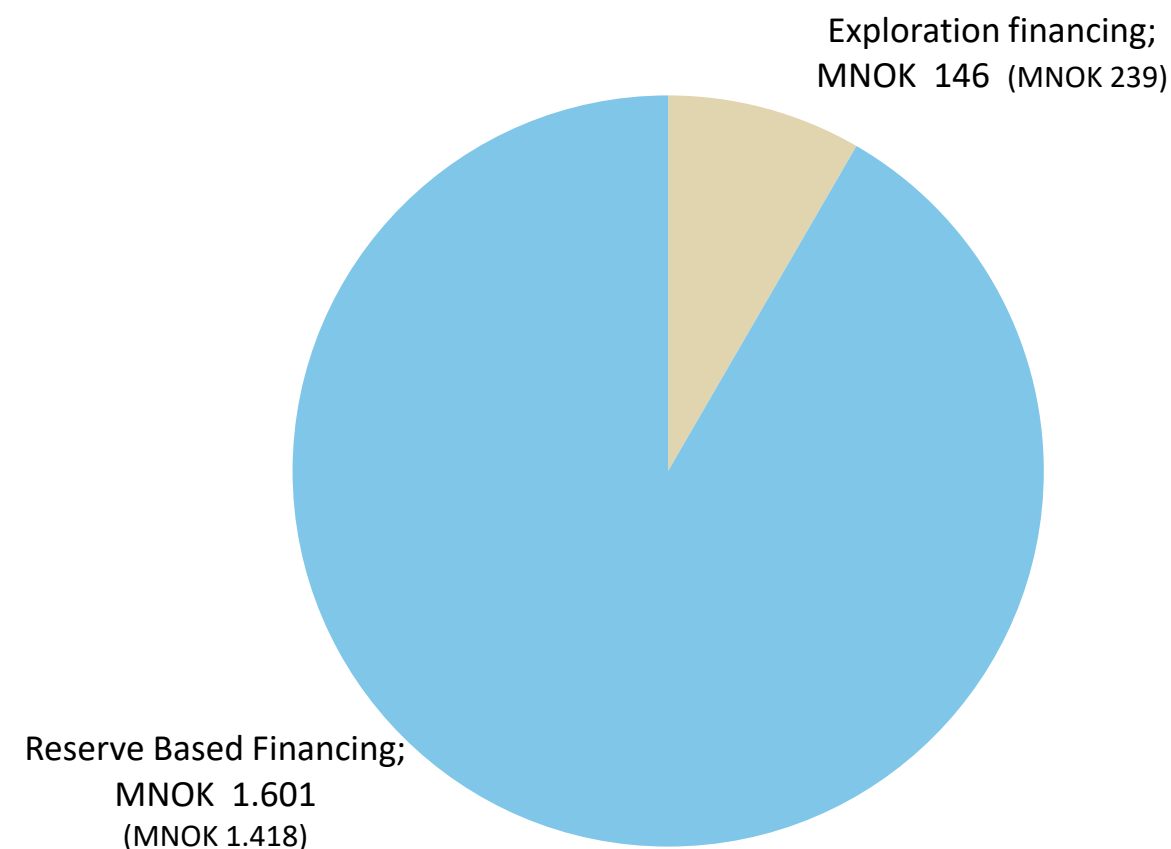
Oil and gas - total NOK 1.7 billion

(NOK 1.6 billion as at 31.12.2016)

- Exploration financing
 - EAD NOK 0.1 billion
 - Average weighted probability of default 1.3%
 - Secured by a tax refund from the Norwegian State. No direct oil price risk
- Reserve based lending (RBL)
 - EAD NOK 1.6 billion
 - Average weighted probability of default 1.5%
 - 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 1.7 billion, 0.8% of the bank's total EAD
- Average weighted probability of default for the oil and gas portfolio is 1.5%
- Exposure primarily to companies with activities on the Norwegian continental shelf



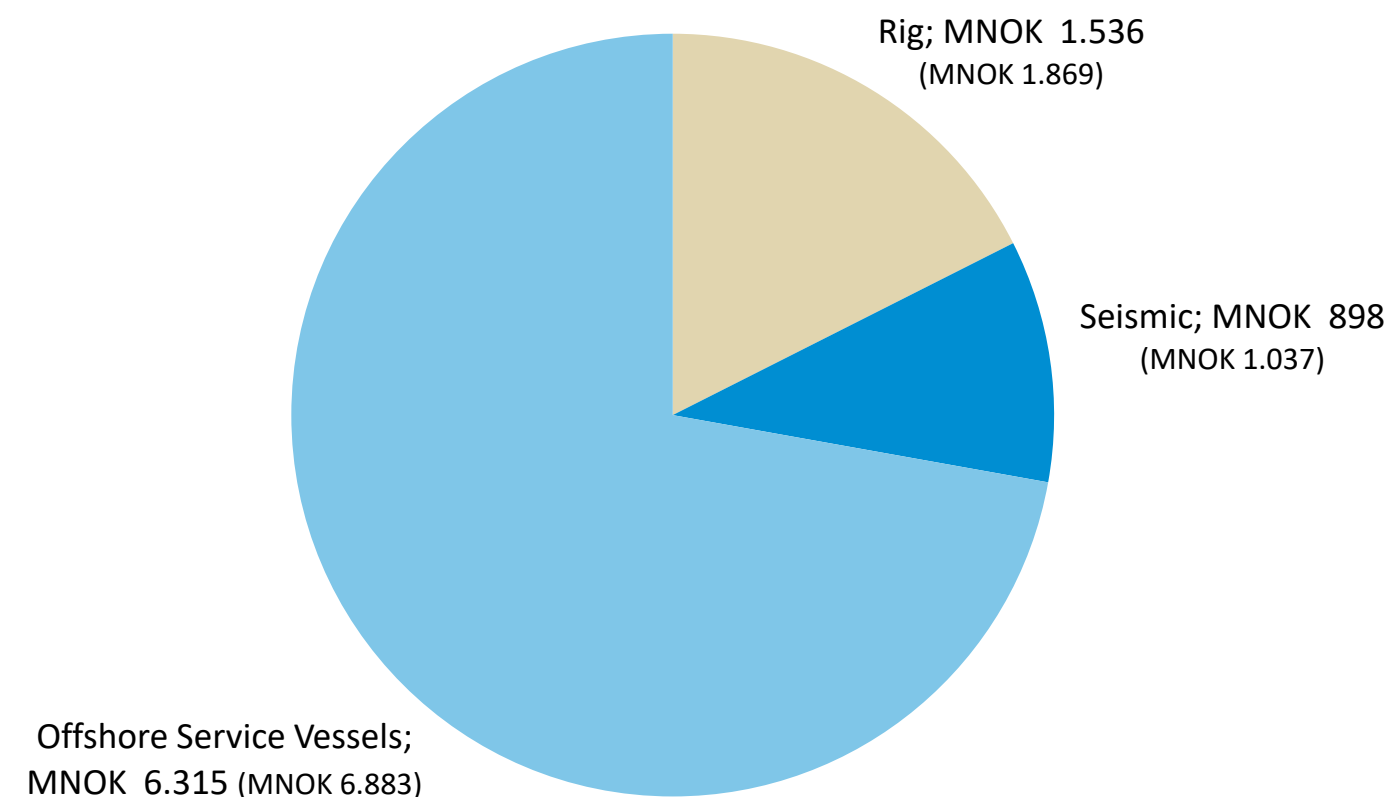
Offshore - total NOK 8.7 billion

(NOK 9.8 billion as at 31.12.2016)

- Offshore Service Vessels
 - EAD NOK 6.3 billion, average weighted probability of default is 3.3%, weighted average age is 9.6 years, average weighted contract coverage for 2018 and 2019 of 49% and 26% respectively, average weighted LTV 94%, 88 vessels
- Rig
 - EAD NOK 1.5 billion, average weighted probability of default is 3.6%, weighted average age is 9.4 years, average weighted contract coverage for 2018 and 2019 of 51% and 38%, average weighted LTV 80%, 17 rigs
- Seismic vessels
 - EAD NOK 0.9 billion, average weighted probability 0.8%, weighted average age is 13.7 years, average weighted contract coverage for 2018 and 2019 of 66% and 66% respectively, average weighted LTV 112%, 7 vessels
 - Applies to ship financing, not seismic equipment

Offshore

- EAD NOK 8.7 billion, 4.2% of the bank's total EAD
- Average weighted probability of default for the offshore portfolio is 3.1%
- Exposure primarily to industrial-oriented shipping companies with strong ownership and integrated organisation



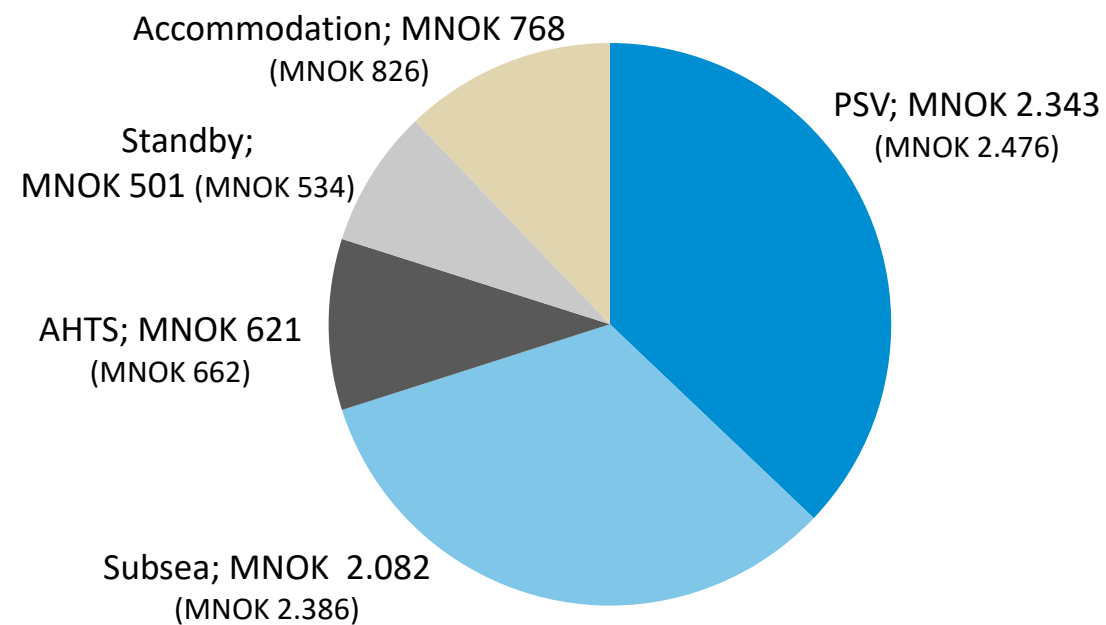
LTV: Loan to Value. Value estimates per 30.06.2017

Offshore Service Vessels – total NOK 6.3 billion

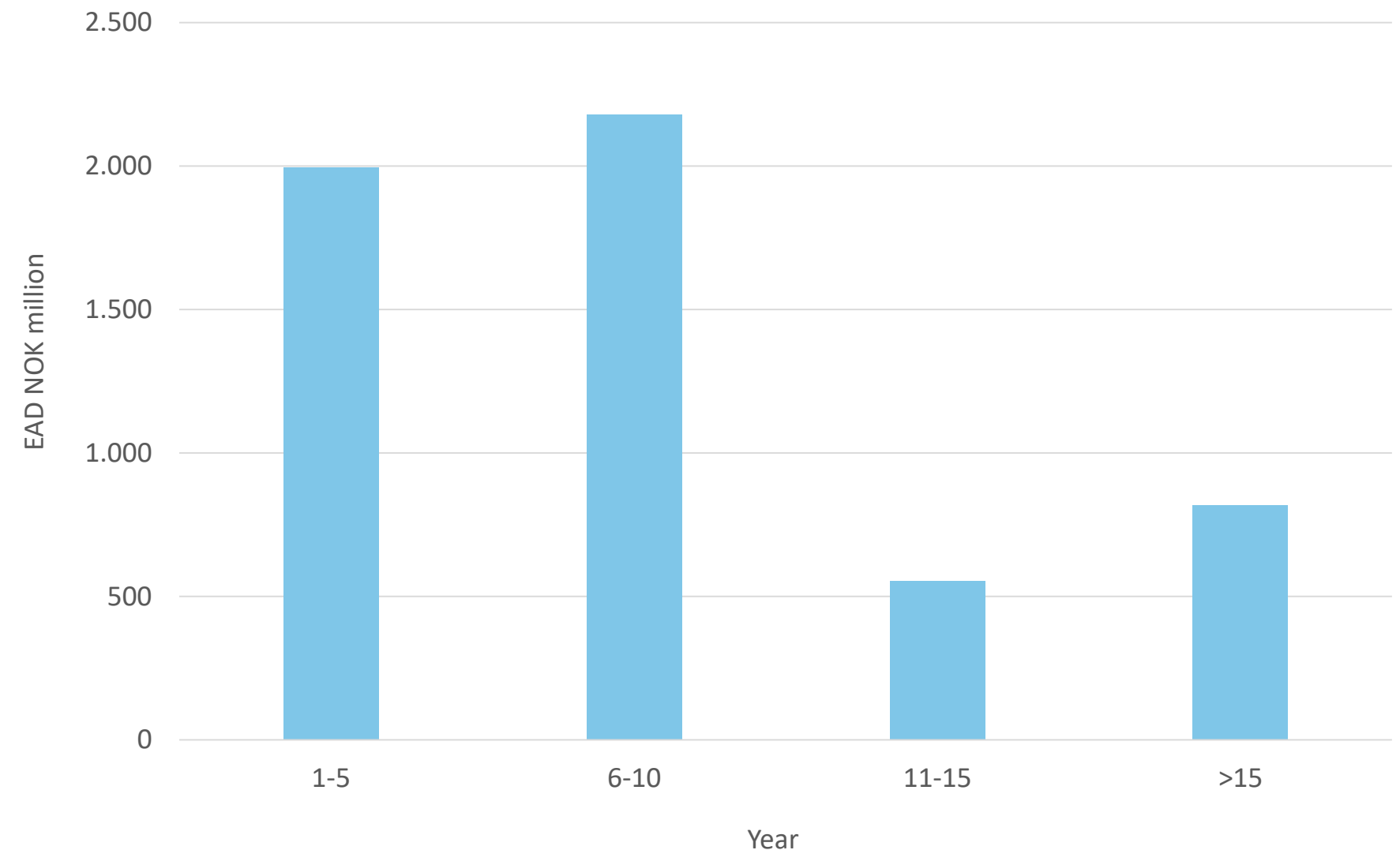
(NOK 6.9 billion as at 31.12.2016)

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

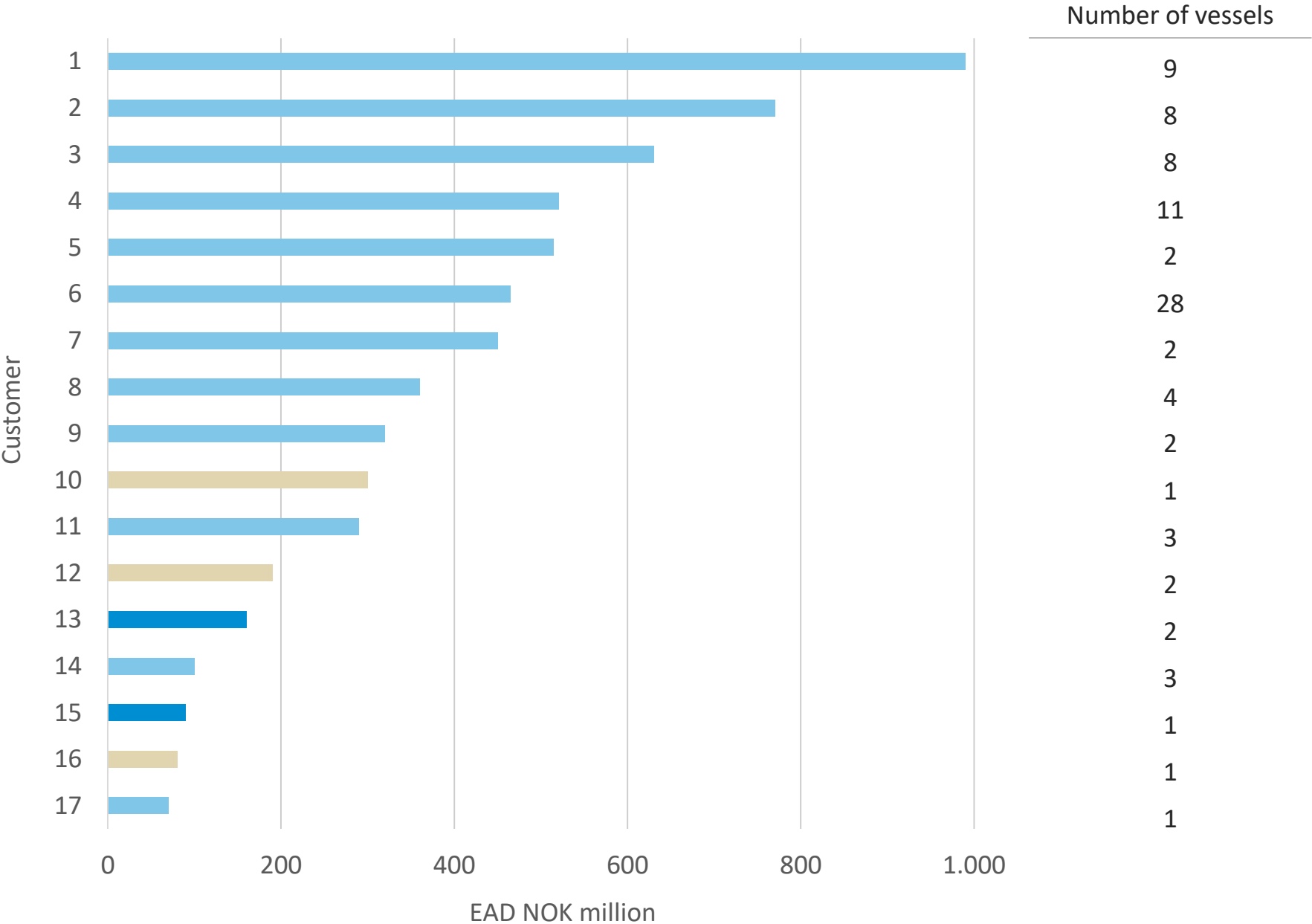


EAD per age of OSV excl. accomodation



Offshore Service Vessels – largest customer group

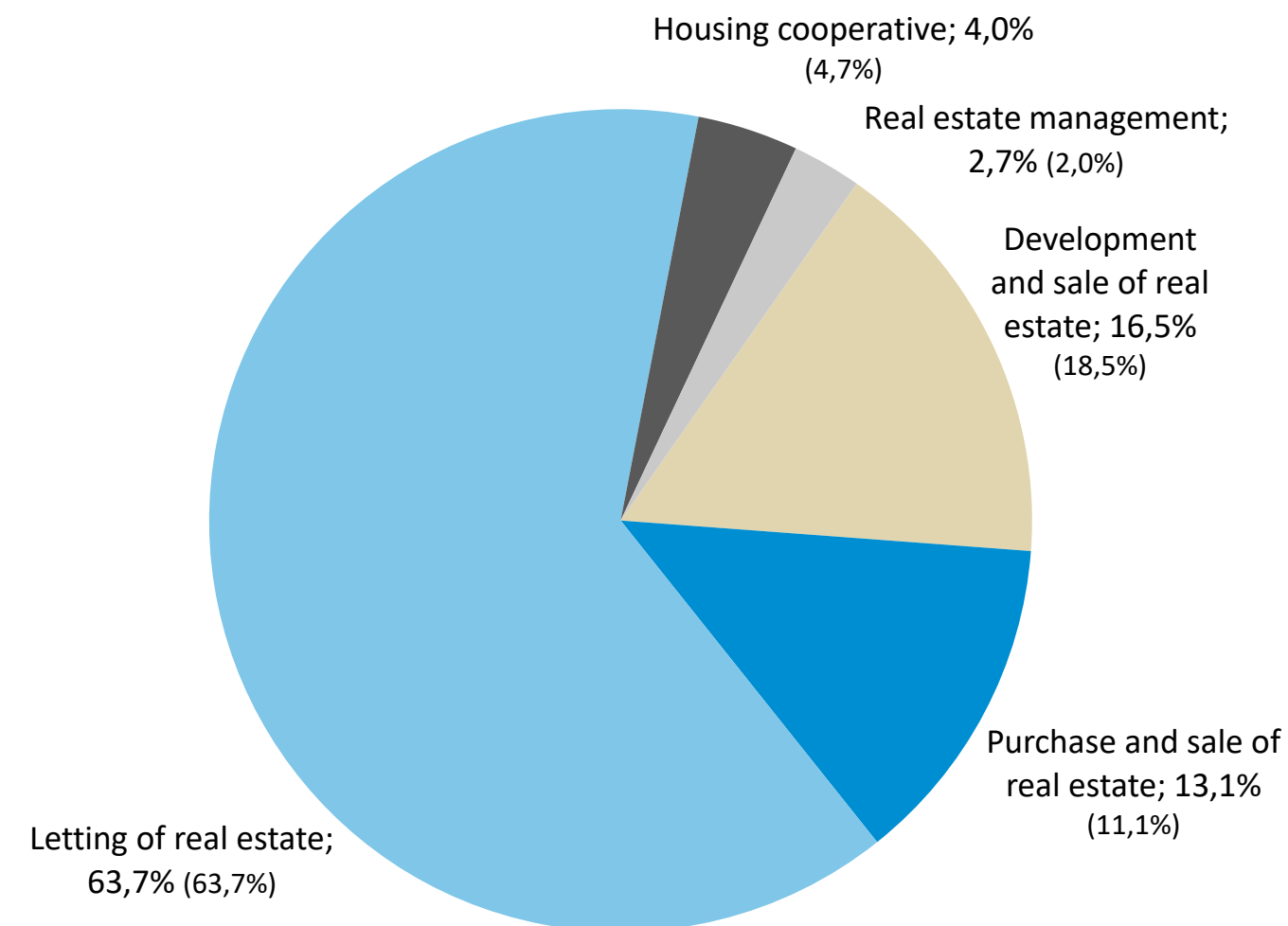
- Well diversified portfolio. One commitment of NOK 1.0 billion, rest of NOK 800 or lower.
- Total EAD for the portfolio is NOK 6.3 billion of which;
 - NOK 5.5 billion consists of 12 restructured commitments
 - NOK 0.2 billion consists of 2 commitments under consideration
 - NOK 0.6 billion consists of 3 commitments where it is not required
- Financing of 88 vessels, all with 1. priority pledge



Lending to commercial property

Lending to commercial property

- NOK 27.0 billion, 14.5% 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 31.12.2016.*

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