

A large, stylized logo for the quarterly report. The 'Q' is a blue ring with a white segment, and the '4' is a solid blue number. The background features a network of yellow and blue nodes connected by lines, with several circular icons containing human figures in various colors (yellow, blue, green).

Quarterly report 2020

## Interim Financial Statements Q4 2020

---

Key figures .....	3
Report of the Board of Directors .....	4
Income statement .....	20
Balance sheet .....	21
Statement of changes in equity .....	22
Cash flow statement .....	23
Notes to the financial statements .....	24-44
Note 1 Accounting policies and accounting estimates .....	24
Note 2 Critical estimates and judgements concerning use of the accounting policies .....	25
Note 3 Impairments on loans and financial liabilities recognised in the income statement	26
Note 4 Impairments on loans and financial liabilities recognised on the balance sheet ....	27
Note 5 Other assets .....	30
Note 6 Other liabilities.....	30
Note 7 Deposits from customers.....	30
Note 8 Loans and other financial liabilities to customers .....	31
Note 9 Capital adequacy.....	35
Note 10 Financial derivatives .....	37
Note 11 Securities issued and subordinated loan capital .....	38
Note 12 Segment reporting.....	39
Note 13 Net income/losses from financial instruments.....	41
Note 14 Pensions.....	41
Note 15 Sale of loans .....	42
Note 16 Liquidity risk .....	42
Note 17 Information about fair value .....	42
Note 18 Leases .....	44
Note 19 Events after the balance sheet date .....	44
Results from the interim financial statements.....	45
Contact information and 2021 financial calendar.....	47

---

## Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 31.12		Q4	Q4	
	2020	2019	2020	2019	
Net interest income	4.142	3.987	994	1.062	
Net commission and other income	1.396	1.416	370	359	
Net income on financial investments	699	1.127	240	22	
<b>Total income</b>	<b>6.237</b>	<b>6.530</b>	<b>1.604</b>	<b>1.443</b>	
<b>Total operating costs</b>	<b>2.386</b>	<b>2.478</b>	<b>629</b>	<b>678</b>	
<b>Operating profit before impairments</b>	<b>3.851</b>	<b>4.052</b>	<b>975</b>	<b>765</b>	
Impairments on loans and financial commitments	2.030	235	270	139	
<b>Pre-tax profit</b>	<b>1.821</b>	<b>3.817</b>	<b>705</b>	<b>626</b>	
Tax expense	231	693	97	141	
<b>Profit after tax</b>	<b>1.590</b>	<b>3.124</b>	<b>608</b>	<b>485</b>	
<b>BALANCE SHEET</b>					
Gross loans to customers	219.181	207.114			
Gross loans to customers including SB1 BK <sup>2)</sup>	219.181	211.357			
Deposits from customers	118.170	103.106			
Total assets	287.049	255.895			
Average total assets	275.235	247.923			
<b>Selected key figures</b> (for further key figures see page 45 of the interim report)					
Return on equity <sup>1)</sup>	6,4 %	14,0 %	9,7 %	8,3 %	
Cost ratio <sup>1)</sup>	38,3 %	37,9 %	39,2 %	42,7 %	
Combined weighted total average spread for lending and deposits <sup>1)</sup>	1,50 %	1,61 %	1,40 %	1,64 %	
<b>Balance growth</b>					
Growth in loans <sup>1)</sup>	5,8 %	7,8 %			
Growth in loans incl SB1 BK <sup>1) 2)</sup>	3,7 %	4,9 %			
Growth in deposits <sup>1)</sup>	14,6 %	4,3 %			
<b>Solidity</b>					
Common equity Tier 1 capital ratio <sup>4)</sup>	18,3 %	17,0 %			
Tier 1 capital ratio <sup>4)</sup>	19,9 %	18,6 %			
Capital ratio <sup>4)</sup>	21,7 %	20,4 %			
Tier 1 capital <sup>4)</sup>	24.127	22.626			
Risk weighted balance	121.262	121.744			
Leverage ratio	7,8 %	7,8 %			
<b>Liquidity</b>					
Liquidity Coverage Ratio (LCR) <sup>3)</sup>	157 %	155 %			
Deposit-to-loan ratio <sup>1)</sup>	53,9 %	49,8 %			
Deposit-to-loan ratio, incl loans SB1 BK <sup>1) 2)</sup>	53,9 %	48,8 %			
<b>Impairments on loans and financial commitments <sup>1)</sup></b>					
Impairment ratio <sup>1)</sup>	0,95 %	0,12 %			
Impairment ratio, incl. loans SB1 BK and <sup>1) 2)</sup>	0,94 %	0,11 %			
<b>Loans and financial commitments in Stage 3 <sup>1)</sup></b>					
Loans and financial commitments in Stage 3, % of gross loans and financial commitments <sup>1)</sup>	1,90 %	1,32 %			
Loans and financial commitments in Stage 3, % of gross loans and financial commitments, incl. loans SB1 BK <sup>1) 2)</sup>	1,90 %	1,30 %			
<b>SpareBank 1 SR-Bank share</b>					
	<b>31.12.20</b>	<b>31.12.19</b>	<b>31.12.18</b>	<b>31.12.17</b>	<b>31.12.16</b>
Market price	91,00	100,00	89,20	87,00	60,75
Market capitalisation (MNOK)	23.273	25.575	22.813	22.250	15.537
Book equity per share (including dividends) (group) <sup>1)</sup>	95,97	89,90	82,27	77,24	71,54
Earnings per share, NOK	6,22	12,22	8,98	8,16	6,87
Dividends per share <sup>4)</sup>		5,50	4,50	4,25	2,25
Price / Earnings per share <sup>1)</sup>	14,63	8,18	9,93	10,66	8,84
Price / Book equity <sup>1)</sup>	0,95	1,11	1,08	1,13	0,85
Effective return <sup>5)</sup>	-9,0 %	17,2 %	7,4 %	46,9 %	58,4 %

<sup>1)</sup> Defined as alternative performance targets (APMs), see the appendix to the interim report

<sup>2)</sup> SpareBank 1 Boligkredit is abbreviated to SB1 BK

<sup>3)</sup> High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

<sup>5)</sup> Percentage change in the market price in the last period, including paid share dividend

<sup>4)</sup> A decision was made in April 2020 not to pay dividend for 2019 at this time.

The figures as at 31 December 2019 was not changed. The board have approved payment of a dividend of NOK 5.50 per share for the 2019 financial year

## A stronger quarterly result, with higher income and lower impairment losses

### Q4 2020

---

- Pre-tax profit: NOK 705 million (NOK 626 million)
- Net profit for the quarter: NOK 608 million (NOK 485 million)
- Return on equity after tax: 9.7% (8.3%)
- Earnings per share: NOK 2.38 (NOK 1.90)
- Net interest income: NOK 994 million (NOK 1,062 million)
- Net commissions and other operating income: NOK 370 million (NOK 359 million)
- Net income from financial investments: NOK 240 million (NOK 22 million)
- Operating costs: NOK 629 million (NOK 678 million)
- Impairments on loans and financial liabilities: NOK 270 million (NOK 139 million)  
(Q4 2019 in brackets)

### Preliminary annual result for 2020

---

- Pre-tax profit: NOK 1,821 million (NOK 3,817 million)
- Net profit for the quarter: NOK 1,590 million (NOK 3,124 million)
- Return on equity after tax: 6.4% (14.0%)
- Earnings per share: NOK 6.22 (NOK 12.22)
- Net interest income: NOK 4,142 million (NOK 3,987 million)
- Net commissions and other operating income: NOK 1,396 million (NOK 1,416 million)
- Net income from financial investments: NOK 699 million (NOK 1,127 million)
- Operating costs: NOK 2,386 million (NOK 2,478 million)
- Impairments on loans and financial liabilities: NOK 2,030 million (NOK 235 million)
- Total lending growth over past 12 months: 3.7% (4.9%)
- Growth in deposits over past 12 months: 14.6% (4.3%)
- Common Equity Tier 1 capital ratio<sup>1</sup>: 18.3% (17.0%)
- Tier 1 capital ratio<sup>1</sup>: 19.9% (18.6%)
- The board have approved a dividend of NOK 5.50 per share for the 2019 financial year, to be paid in March 2021
- The board will ask the annual general meeting for authorisation to pay out a dividend of up to NOK 3.10 per share for the 2020 financial year at a later date, and in accordance with applicable regulations  
(As at 31 December 2019 in brackets)

### Financial performance – Q4 2020

---

The group's pre-tax profit for the fourth quarter of 2020 amounted to NOK 705 million (NOK 626 million). The NOK 102 million increase in profit compared with the previous quarter was mainly due to lower impairments in the fourth quarter of 2020. The group posted a total return on equity after tax of 9.7% for the fourth quarter of 2020 (8.3%), compared with 8.2% for the previous quarter.

Net interest income amounted to NOK 994 million in the fourth quarter of 2020 (NOK 1,062 million), a reduction of NOK 47 million from the last quarter. The average interest margin (net interest income as a percentage of average total assets) was 1.40% (1.64%), down from 1.48% in the third quarter of 2020. The lower net interest income and lower average net interest margin were primarily due to higher borrowing costs in the last quarter due to the rise in the 3-month NIBOR.

---

<sup>1</sup> The Common Equity Tier 1 capital ratio of 17.0% for 2019 has not been restated following a decision in March 2020 to temporarily withhold the dividend for the 2019 financial year. The Common Equity Tier 1 capital ratio of 18.3% for 2020 takes account of the dividend for the 2019 financial year. In April 2020, the board was authorised to approve distribution of the dividend for the 2019 financial year at a later date. The board have exercised this authority and approved a dividend of NOK 5.50 per share for the 2019 financial year.

Net commissions and other operating income was NOK 370 million in the fourth quarter of 2020 (NOK 359 million), an increase of NOK 34 million compared with the previous quarter. Income from money transfer services increased by NOK 10 million compared with the previous quarter to NOK 64 million in the fourth quarter of 2020 (NOK 66 million), while income from arrangement/customer fees rose by NOK 17 million to NOK 28 million (NOK 23 million). Income from SpareBank 1 SR-Bank Forretningspartner AS increased by NOK 5 million from the previous quarter to NOK 38 million in the fourth quarter of 2020 (NOK 31 million) due to the acquisition of Fast Solutions AS with effect from 1 September 2020. EiendomsMegler 1 SR-Eiendom AS's income was down by NOK 7 million compared with the previous quarter to NOK 100 million in the fourth quarter of 2020 (NOK 101 million) due to natural seasonal variations.

Net income from financial investments was NOK 240 million in the fourth quarter of 2020 (NOK 22 million), an increase of NOK 50 million compared with the previous quarter. The increase was primarily due to NOK 29 million in positive effects from basis swaps whereas the third quarter of 2020 saw negative effects from basis swaps amounting to NOK 32 million. Dividends increased by NOK 38 million from the previous quarter and in the fourth quarter of 2020 included dividends of NOK 39 million from Visa Norge AS. These were offset in their entirety by a reduction in the value of the shares in Visa Norge AS under the item, negative price changes for securities. Income from ownership interests decreased by NOK 18 million from the previous quarter to NOK 129 million in the fourth quarter of 2020 (NOK 15 million). Income from financial investments increased by NOK 30 million from the previous quarter to NOK 72 million in the fourth quarter of 2020 (NOK 7 million). Negative price changes for securities amounted to NOK 1 million, of which price increases for shares and equity certificates accounted for NOK 7 million and negative price changes for certificates and bonds, including hedging instruments, accounted for NOK 8 million. Capital gains from currency and interest rate instruments, including derivatives, amounted to NOK 73 million, an increase from NOK 6 million in the previous quarter.

Operating costs amounted to NOK 629 million in the fourth quarter of 2020 (NOK 678 million), an increase of NOK 34 million from the previous quarter. Personnel costs increased by NOK 44 million from the last quarter, of which NOK 16 million was due to provisions for restructuring costs, while variable remuneration linked to specific completed projects in the capital market division accounted for NOK 9 million.

Personnel costs in SpareBank 1 SR-Bank Forretningspartner AS increased by NOK 8 million in the fourth quarter of 2020 due to the acquisition of Fast Solutions AS with effect from 1 September 2020. Other operating costs amounted to NOK 12 million less than in the previous quarter, mainly due to reduced depreciation in the fourth quarter of 2020 due to a NOK 17 million write-down linked to strategic projects and restructuring costs in the third quarter of 2020.

Impairments on loans and financial liabilities decreased by NOK 99 million to NOK 270 million in the fourth quarter of 2020 (NOK 139 million). The impairments in the fourth quarter of 2020 were primarily attributable to the persistent challenging market conditions, especially for offshore-related activities. Impairments were therefore required for some commitments in the fourth quarter of 2020 as well.

#### **Preliminary annual result for 2020**

---

The Covid-19 outbreak and the shutdown of Norway in March 2020 meant 2020 was a turbulent year. SpareBank 1 SR-Bank ASA has taken large impairments as a consequence of the ripple effects of the pandemic. Meanwhile, solid underlying operations helped to ensure the group could post a profit after tax of NOK 1,590 million for 2020 (NOK 3,124), corresponding to a return on equity after tax of 6.4% (14.0%). The group's pre-tax profit for 2020 was NOK 1,821 million (NOK 3,817 million), down NOK 1,996 million compared with 2019. The Covid-19 outbreak and subsequent low oil prices resulted in less income from financial investments and a need for higher impairment losses. The group's operating profit before impairments and income from financial investments increased by NOK 227 million from NOK 2,925 million in 2019 to NOK 3,152 million in 2020. The good improvement in performance in underlying operations was largely due to increased net interest income and reduced cost levels.

#### **Net interest income**

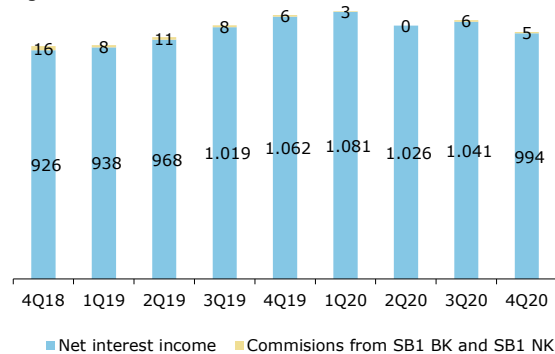
---

The group's net interest income totalled NOK 4,142 million in 2020 (NOK 3,987 million), an increase of NOK 155 million from 2019. Some NOK 225 million of the increase was attributable to higher lending and deposit volumes, while changes in margins, seen in isolation, reduced net interest income by NOK 8 million. The reduction in interest income due to changes in margins was the result of a NOK 49 million rise in the corporate market and a NOK 57 million decrease in the retail market. The reduction in the retail market was primarily due to interest rate cuts in the second quarter of 2020, where lending rates were

cut faster than deposit rates. Reduced interest income in the retail market due to early interest rate reductions for lending amounted to around NOK 80 million in the first and second quarters of 2020.

In 2020, net interest income was negatively affected by NOK 22 million in total increased charges for the deposit guarantee fund and the crisis management fund compared with 2019.

Fig. 1 Interest income



The average interest margin was 1.50% in 2020, compared with 1.61% in 2019. Some 9 basis points of the reduction was due to higher average total assets. The increase in total assets in 2020 was largely due to the weaker Norwegian kroner in relation to the euro, which increased the book value of the group's funding in foreign currency and associated hedging instruments.

### Net commissions and other operating income

Net commissions and other operating income totalled NOK 1,396 million in 2020 (NOK 1,416 million).

Table 1, Commission and other income

	31.12.20	31.12.19
Payment facilities	248	271
Savings/placements	195	192
Insurance products	208	192
Commission income real estate broking	396	399
Guarantee commission	96	93
Arrangement- and customer fees	72	90
Commission income SpareBank 1 SR-Bank Forretningspartner	154	126
Commission income SB1 Boligkreditt	14	33
Other	13	20
<b>Total commission and other income</b>	<b>1.396</b>	<b>1.416</b>

Income from money transfer services amounted to NOK 248 million (NOK 271 million), which was NOK 23 million less than in 2019. The reduction was due to

reduced card use abroad because of significantly less travel activity following the Covid-19 outbreak. Income from the insurance portfolio increased by NOK 16 million to NOK 208 million for 2020 (NOK 192 million) due to good sales and a larger portfolio. Income from estate agency services amounted to NOK 396 million (NOK 399 million), a reduction of NOK 3 million from 2019, while the pre-tax profit increased by NOK 44 million due to good costs control. The property market dropped sharply in March and April 2020 due to the Covid-19 outbreak, although activity improved during spring 2020 and EiendomsMegler 1 SR-Eiendom AS has seen good activity since May 2020. Customer fees fell by NOK 18 million to NOK 72 million in 2020 (NOK 90 million) due to a combination of high non-recurring income in 2019, as well as less activity in 2020 due to the Covid-19 outbreak. Income from SpareBank 1 SR-Bank Forretningspartner AS amounted to NOK 154 million (NOK 126 million), an increase of NOK 28 million, of which the acquisition of Agder Økonomi AS and Fast Solutions AS accounted for NOK 19 million. Commissions from SpareBank 1 Boligkreditt AS were down NOK 19 million to NOK 14 million in 2020 (NOK 33 million). The reduction in commissions from SpareBank 1 Boligkreditt AS was primarily due to the group buying back NOK 4.2 billion in loans from SpareBank 1 Boligkreditt AS in the past 12 months, as well as early interest rate reductions for lending in the retail market in the first and second quarters of 2020.

### Net income from financial investments

Net income from financial investments amounted to NOK 699 million in 2020 (NOK 1,127 million).

Table 2, Income on investment securities

	31.12.20	31.12.19
Dividends	57	31
Investment income, associates	663	875
Income from financial instruments	-21	221
- Capital gains/losses on securities	-141	96
- Capital gains/losses interest/currency	120	125
<b>Total income on investment securities</b>	<b>699</b>	<b>1.127</b>

Dividends totalling NOK 57 million were received in 2020 (NOK 31 million), of which NOK 17 million was from dividends from Sandnes Sparebank and NOK 39 million from dividends from Visa Norge AS.

Income from ownership interests amounted to NOK 663 million in 2020 (NOK 875 million), a reduction of NOK 212 million from 2019. The most important reason for the reduction was the lower profit

contribution from SpareBank 1 Gruppen AS, including lower merger effects from Fremtind.

Table 3, Income from ownership interests

The share of net profit after tax	31.12.20	31.12.19
SpareBank 1 Gruppen AS	194	252
-Merger effects Fremtind	340	460
SpareBank 1 Boligkreditt AS	2	6
SpareBank 1 Næringskreditt AS	9	12
BN Bank ASA	120	109
SpareBank 1 Kreditt AS	2	13
SpareBank 1 Betaling AS	-2	3
FinStart Nordic AS*	-4	22
Other	2	-2
Total income from ownership interests	663	875

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

The profit contribution after tax from SpareBank 1 Gruppen AS decreased by a total of NOK 178 million from 2019 to 2020, of which NOK 120 million was due to the lower recognised merger effects in 2020. The underlying profit contribution from SpareBank 1 Gruppen AS decreased by NOK 58 million from 2019 to NOK 194 million in 2020 (NOK 252 million). Fremtind Forsikring posted a good result in 2020 due to the recognition of income from a reinsurer that offset high payouts on travel insurance. In addition, it saw high liquidation gains and also lower claim rates. SpareBank 1 Forsikring achieved a weak financial result as a result of a write-down of the company's property portfolio. In 2019, the profit contribution from SpareBank 1 Gruppen AS included NOK 116 million in write-ups of properties in the life insurance company in SpareBank 1 Gruppen AS.

The profit contribution from BN Bank ASA increased by NOK 11 million to NOK 120 million in 2020 (NOK 109 million). BN Bank ASA's pre-tax profit amounted to NOK 467 million for 2020, NOK 32 million higher than in 2019. Net interest income increased by NOK 40 million and income from financial investments increased by NOK 21 million from 2019 to 2020. The growth in income was partially offset by impairments, which increased by NOK 37 million from 2019.

The profit contribution from SpareBank 1 Kreditt AS amounted to NOK 2 million in 2020 (NOK 13 million), a decrease of NOK 11 million from 2019. The company's pre-tax profit fell by NOK 83 million from 2019 to NOK 16 million in 2020. The lower profit was due to a combination of lower interest income,

commissions and transaction income due to the Covid-19 outbreak.

Net income from financial instruments amounted to NOK -21 million in 2020 (NOK 221 million), a reduction of NOK 242 million from 2019. Capital losses from securities amounted to NOK 141 million (NOK 96 million in capital gains), while capital gains from interest and currency trading amounted to NOK 120 million (NOK 125 million).

The capital losses on securities amounting to NOK 141 million (capital gains of NOK 96 million) were attributable to a combination of capital losses including hedging instruments totalling NOK 92 million (capital losses of NOK 15 million) from the fixed income portfolio due to spread widening, and capital losses of NOK 49 million (capital gains of NOK 111 million) from the portfolio of shares and equity certificates. Of the capital losses on equities and equity certificates, NOK 62 million was due to the reduction in value of the investments in FinStart Nordic AS (NOK 33 million increase in value). The value of the investment in Sandnes Sparebank increased by NOK 26 million (NOK 42 million increase in value), and SR-Fondene saw an increase in value of NOK 13 million in 2020 (NOK 20 million). The value of the shares in Visa Norge AS decreased by NOK 14 million (NOK 18 million increase in value), but this was offset by the dividend received from Visa Norge AS. The fall in the value of the investments in FinStart Nordic AS was primarily linked to the former SR-Investering AS's portfolio, and was a consequence of both low oil prices and Covid-19, which negatively impacted the Private Equity investment portfolio. This proportion of the portfolio is primarily invested in the oil industry and is being negatively affected by the low oil prices.

The capital gains from interest and currency trading amounted to NOK 120 million in 2020 (NOK 125 million). Capital gains from customer and own account trading amounted to NOK 138 million (NOK 131 million), positive effects from basis swaps amounted to NOK 13 million (NOK 10 million in negative effects), while the sum of hedging recognition and other IFRS effects was NOK -31 million in 2020 (NOK 4 million).

### **Operating costs**

The group's operating costs were NOK 2,386 million in 2020 (NOK 2,478 million), a reduction of NOK 92 million (-3.7%) compared with 2019.

Table 4, Operating expenses

	31.12.20	31.12.19
Personnel expenses	1.436	1.472
IT expenses	373	364
Marketing	73	90
Other administrative expenses	71	101
Depreciation	188	137
Operating expenses from real estate	31	35
Other operating expenses	214	279
<b>Total operating expenses</b>	<b>2.386</b>	<b>2.478</b>

The group's profit was significantly lower due to the low oil prices and the Covid-19 situation, which reduced the bonus provisions for 2020 by NOK 103 million. Adjusted for the lower bonus provisions, the group's operating costs increased by NOK 11 million (0.5%) from 2019.

Personnel costs amounted to NOK 1,436 million in 2020, a reduction of NOK 36 million (-2.4%) from 2019. Excluding bonus provisions, personnel costs increased by NOK 67 million (4.8%) from 2019 to 2020. In addition to ordinary wages growth, around NOK 27 million of the increased personnel costs was due to a higher number of FTEs linked to the acquisitions of Agder Økonomi AS, Fast Solutions AS and Monner AS, as well as the establishment of branches in Oslo and new start-ups in FinStart Nordic AS.

Other operating costs amounted to NOK 950 million in 2020, a reduction of NOK 56 million from 2019. As a consequence of the Covid-19 outbreak, costs linked to travel, training, hospitality and meeting activities decreased by more than NOK 30 million compared with 2019. Costs linked to marketing decreased by NOK 17 million, while ICT costs increased by NOK 9 million in the same period. Depreciation rose by NOK 51 million from 2019 to NOK 188 million in 2020 (NOK 137 million). NOK 20 million of the increase in depreciation was attributable to depreciation on the new head office in Finansparken, and NOK 15 million to impairment losses linked to strategic projects and restructuring costs. Other depreciation increased due to the high level of investment in 2019. Other operating costs fell by NOK 65 million to NOK 214 million (NOK 279 million), of which NOK 18 million resulted from the reduction in rental costs due to the co-location in Finansparken, NOK 29 million resulted from the reduced use of external consultants, and NOK 16 million was due to reduced costs in EiendomsMegler 1 SR-Eiendom AS.

The group's cost/income ratio, costs measured as a percentage of income, was 38.3% for 2020 (37.9%). Excluding income from financial investments, the cost/income ratio was 43.1% in 2020 (45.9%).

### **Impairments on loans and financial liabilities, and loans and financial liabilities in Stage 3**

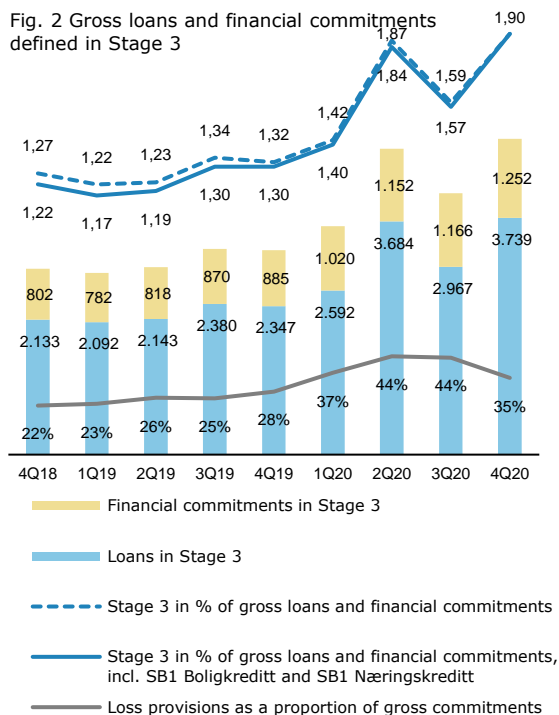
The group's net impairments on loans and financial liabilities amounted to NOK 2,030 million in 2020, an increase of NOK 1,795 million from 2019. NOK 92 million in previous impairment losses were reversed in 2019 following a legally enforceable judgement in which SpareBank 1 SR-Bank was awarded damages. The group's impairments on loans and financial liabilities, including loans sold to SpareBank 1 Boligkreditt AS, amounted to 0.94% of gross loans as at year end 2020 (0.11%).

The high impairments were a consequence of the continued challenging market conditions, especially for offshore-related activities. Higher impairments have therefore been required for some commitments. Changes have been made to lending limits in the corporate market division in order to reduce unsystematic risk in the bank's loan portfolio. A number of restrictions relating to industries have been introduced in order to reduce exposure in volatile industries, while the upper limits for exposure in major commitments has been reduced, as has the permissible number of customers with exposure above a certain level. This is intended to help improve the group's robustness in order to provide it with financial leeway in the event of crises. For more information about accounting policies and estimates associated with impairment losses, see note 2 in the 2019 annual report and note 1 and note 2 in this interim report.

Closely monitoring customers and prevention work are important measures actively employed by the group to maintain its good risk profile in the group's loan portfolio. As a result of the low oil prices and Covid-19 outbreak, this work was intensified from the middle of March 2020 and remains ongoing. The group's corporate market division has, in cooperation with SpareBank 1 SR-Bank Forretningspartner AS, worked closely and proactively with customers. The focus has been on finding good solutions for customers, including interest-only periods (payment holidays). The application process for interest-only periods had already been fully automated in the retail division. Applications for interest-only periods from retail customers were therefore processed efficiently and on an ongoing basis. The sum of all this work across the group has been to help ensure that customers come through both the Covid-19 situation and low oil prices



in the best possible manner, and to ensure that the loan portfolio's risk profile remains good going forward.



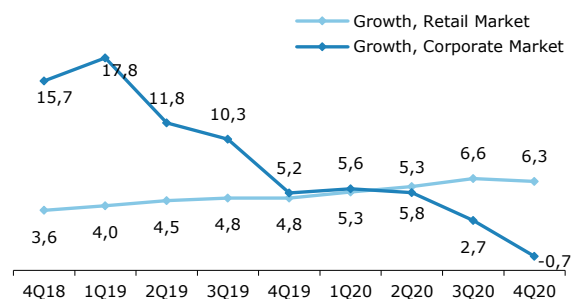
The group's loans and financial liabilities are classified into three groups: Stage 1, Stage 2 and Stage 3. Stage 3 is used for loans and financial liabilities that have seen a significant rise in credit risk since being granted and where there is objective evidence of a loss event on the balance sheet date. The loss provision must cover expected losses over their lifetime for these loans and financial liabilities. Gross loans and financial liabilities classified as Stage 3 amounted to NOK 4,991 million at year end 2020 (NOK 3,232 million), of which provisions as a percentage of gross commitments amounted to 34.6% (28.4%). The increase in Stage 3 from the third quarter of 2020 to the fourth quarter of 2020 was due to individual write-downs of a couple of larger commitments within the offshore segment. The lower loan loss provision ratio in the fourth quarter of 2020 was due to the fact that new individual impairment losses made in the fourth quarter of 2020 needed a lower loan loss provision ratio. The reduction in Stage 3 from the second quarter of 2020 to the third quarter of 2020 was due to realisation of a loss on a larger commitment within offshore-related activity, which is now off the group's loan books. Gross loans and financial liabilities classified as Stage 3 corresponded to 1.90% (1.32%) of gross loans and financial liabilities.

## Loans to and deposits from customers

Gross loans at year end 2020 amounted to NOK 219.2 billion (NOK 207.1 billion). At the end of the fourth quarter of 2020, no loans had been sold to SpareBank 1 Boligkreditt AS (NOK 4.2 billion). Gross lending growth, inclusive of the mortgage company, was 3.7% in the past 12 months (4.9%). The growth in gross loans in the past 12 months of NOK 7.8 billion was only marginally affected by exchange rate changes.

The retail market segment has seen good lending growth in the past 12 months of 6.3%, helped by low interest rates and a well-functioning housing market. The corporate market segment saw a reduction in lending of 0.7%, characterised by redemptions of commitments in the second half of 2020.

Fig. 3 12 month lending growth (percentage)



Loans to the retail market accounted for 62.5% of total loans (inclusive of loans sold to SpareBank 1 Boligkreditt AS) at year end 2020 (60.9%).

The group's total loan exposure of NOK 219.2 billion (NOK 211.4 billion) included a majority of commitments with a probability of default of less than 0.5%. These commitments accounted for 64.5% (63.3%) of the portfolio. The total lending portfolio primarily consisted of commitments of less than NOK 10 million. These accounted for 68.1% (66.6%) of loan exposure and 98.2% (98.3%) of total customers. Of the total loan exposure, 17.9% (20.0%) was to customers with loans in excess of NOK 100 million.

Over the past 12 months, deposits from customers rose by 14.6% (4.3%) to NOK 118.2 billion (NOK 103.1 billion). Excluding deposits from customers in the public sector, deposits from customers have increased by 12.0% in the past 12 months. At year-end 2020, deposits from the corporate market and public sector accounted for 54.8% (53.1%) of the group's customer deposits. At year-end 2020, the deposit coverage ratio, measured as deposits as a percentage of gross loans, was 53.9% (49.8%).

In addition to ordinary customer deposits, the group also has capital under management in alternative investment products. These amounted to NOK 27.1 billion at year end 2020 (NOK 24.5 billion). This management is primarily performed by SR-Forvaltning AS and ODIN Forvaltning AS.

### **Business areas**

SpareBank 1 SR-Bank ASA is split into different business areas, which are defined on the basis of their form of distribution, products, and customers. The reporting format is based on the risk and return profile of the assets and is split into the retail market (including the self-employed and farming), corporate market, capital market, and subsidiaries of significant importance. The retail market division's result and balance sheet items include the figures from SR-Boligkreditt AS.

### **Retail market division<sup>2</sup>**

The retail market division's contribution before impairments amounted to NOK 1,699 million in 2020 (NOK 1,633 million). The result was NOK 66 million higher than in 2019. Net interest income, inclusive of commissions from SpareBank 1 Boligkreditt, increased by NOK 52 million compared with 2019. Net commissions, excluding commissions from SpareBank 1 Boligkreditt AS, increased by NOK 5 million in the same period. Reduced activity as a result of Covid-19, particularly in relation to travel, resulted in lower commissions in the area of payments. Income increased by NOK 16 million in relation to the distribution of insurance and investment services.

Table 5, Retail market

	31.12.20	31.12.19
Interest income	1.762	1.687
Commission and other income	528	541
Income on investment securities	0	5
Total income	2.290	2.233
Total operating expenses	591	600
Operating profit before impairments	1.699	1.633
Impairments on loans and financial commitments	89	24
Pre-tax profit	1.610	1.609

<sup>2</sup> The interest on intercompany receivables for the retail market division and the corporate market division is fixed based on expected observable market interest rates (NIBOR) plus expected additional costs for the group's long-term funding (credit premium). Differences between the group's actual funding costs and the applied interest on intercompany receivables are eliminated at the group level.

Activity in the housing market increased during the second half of 2020 and the retail market division saw particularly good growth in new market areas. Low deposit rates also resulted in greater activity in the savings and investment markets. A year end 2020, lending growth in the past 12 months was 6.3%. Deposit growth in the last 12 months was 9.8%.

The quality of the retail market portfolio is considered to be very good with a low risk of losses and low defaults. The proportion of loan exposure (including the portfolios in SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS) within a loan-to-value ratio of 85% amounted to 90.4% at the end of 2020 (89.3%). The IRB risk weighting<sup>3</sup> for home mortgages was 20.1% at year-end 2020 (21.9%), reflecting a solid, stable portfolio. So far, the Covid-19 outbreak has not affected the quality of the retail market portfolio to any appreciable extent, although the outbreak does represent an uncertainty factor in relation to developments going forward.

Costs were reduced by NOK 9 million (-1.5%) compared with 2019, despite higher costs in connection with the opening of a new branch in the Oslo area. The year 2020 was characterised by changed operations due to the Covid-19 outbreak. The group's infrastructure and the employees' capacity to adapt made it possible to maintain customer services and good operations from home offices for parts of the year.

The division's net impairments on loans and financial liabilities increased by NOK 65 million to NOK 89 million in 2020 (NOK 24 million), primarily due to increased IFRS 9 impairment losses.

The stronger housing market in the third quarter of 2020 continued to strengthen in the fourth quarter of 2020. Towards the end of 2020, stricter restrictions were imposed because of Covid-19. Bank branches were closed to drop-in customers and most of the employees started working from home offices again. The lockdown is expected to have little impact on the housing market. The Covid-19 pandemic is expected to continue affecting operations in the retail market division in the first half of 2021, with reduced income from payments and travel-related activities.

<sup>3</sup> The IRB rules define residential mortgage loans as commitments secured by collateral in residential/real property where the collateral in the real property amounts to at least 30%. The figures include portfolios in mortgage companies (SpareBank 1 Boligkreditt AS and SR-Boligkreditt AS).

### **Corporate market division<sup>2</sup>**

The corporate market division's contribution before impairment losses was NOK 2,113 million in 2020 (NOK 2,037 million), NOK 76 million higher than in 2019. The increased profit before impairment losses was primarily due to increased interest income and reduced costs.

Table 6, Corporate market

	31.12.20	31.12.19
Interest income	2.071	1.969
Commission and other income	292	303
Income on investment securities	-8	26
Total income	2.355	2.298
Total operating expenses	242	261
Operating profit before impairments	2.113	2.037
Impairments on loans and financial commitments	1.941	211
Pre-tax profit	172	1.826

The division's lending growth in the past 12 months was 0.8%. The negative net growth was largely attributable to more redemption towards the end of 2020, as well as changes and restructuring in the offshore portfolio. The division continues to diversify its portfolio from a geographical perspective and 56% of the corporate market's loan portfolio comprises customers with addresses outside Rogaland. The division's deposits have increased by 21.1% (NOK 10.4 billion) in the past 12 months. Around half of the net growth was from public sector customers, geographically spread out across the entire market area.

The quality of the corporate market portfolio is considered good, although challenges remain within the offshore/platform segment. The proportion of commitments with a probability of default of less than 2.5% through a full loss cycle was 81.7% of the portfolio at year end 2020 (81.0%). The property sector portfolio represents the group's largest concentration in a single sector and accounted for 14.3% (15.9%) of total loan exposure, inclusive of retail customers. A large portion of this portfolio consisted of financing commercial properties for leasing.

Market conditions for oil-related activities have deteriorated further due to the Covid-19 outbreak and this has resulted in higher individual impairment

losses. However, to date, no significant negative change has been registered in the quality of the corporate market portfolio otherwise, although the situation for commitments within exposed industries is being carefully monitored. Changes have been made to the internal regulations in order to reduce unsystematic risk going forward. A number of restrictions relating to industries have been introduced in order to reduce exposure in volatile industries and at the same time the upper limit for exposure in major commitments has been reduced. This is intended to help improve the group's robustness in order to provide it with financial leeway in new challenging situations.

Impairments on loans and financial liabilities amounting to NOK 1,941 million were recognised in 2020 (NOK 211 million). The high level of impairment losses was due to several commitments in the offshore sector where low oil prices have resulted in reduced activity, poorer prospects and an increased risk of major restructuring. Given the Covid-19 situation and the uncertainty associated with economic developments, there has also been a need to increase IFRS 9 provisions. NOK 92 million in previous impairments were reversed in 2019 following a legally enforceable judgement in which SpareBank 1 SR-Bank was awarded damages. The division's pre-tax profit was NOK 172 million in 2020 (NOK 1,826 million).

The market has been impacted by Covid-19 and low oil prices since the middle of March 2020. The government has taken steps to prop up the business sector, and liquidity loans and cash support for companies will help many get through the crisis. Even though the period has been, and still is, challenging, in our experience, the group's customers are creative and solution oriented. For its part, the group is providing advice in order to find good solutions for customers, including through interest-only periods.

### **Capital market division<sup>4</sup>**

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and corporate finance services.

SR-Bank Markets' operating income amounted to NOK 220 million in 2020 (NOK 200 million). The income generated is recognised as income in the business areas to which the customers are assigned, primarily the corporate market division. In 2020, income of NOK

<sup>4</sup> The capital market division serves customers throughout the group and customer income is now recognised, in its entirety, in the business area to which the customer belongs.

80 million was recognised in the business areas (NOK 79 million). Costs amounted to NOK 70 million in 2020 (NOK 66 million), while the pre-tax profit was NOK 70 million (NOK 55 million).

Table 7, Capital market

	31.12.20	31.12.19
Interest income	51	27
Commission and other income	82	86
Income on investment securities	87	87
Total income	220	200
- allocated to Corporate market	80	79
Total income after allocation	140	121
Total operating expenses	70	66
Pre-tax profit	70	55

The negative effects the Covid-19 outbreak had on transaction volumes gradually decreased over the second half of 2020. SR-Bank Markets expects this trend to continue and is expecting normalisation in summer 2021.

## Subsidiaries

### ***EiendomsMegler 1 SR-Eiendom AS***

In 2020, the company's turnover was NOK 405 million (NOK 396 million) and it achieved a record pre-tax profit of NOK 49.9 million (NOK 6.0 million). The improved result was mainly due to a significantly better property market from and including May. Strong costs control and a reduction in the number of FTEs also had a favourable impact on the results.

In 2020, 6,707 (6,441) properties were sold with a total value of around NOK 21.1 billion (NOK 21.7 billion). The supply of new assignments was satisfactory given the extraordinary market situation due to the Covid-19 outbreak.

Overall, the company is the largest actor in estate agency services in the counties of Rogaland, Vestland and Agder, with a stable market share of just under 20% in this market area.

The housing market was heavily affected by the Covid-19 outbreak in March and April 2020. Activity increased from the beginning of May, primarily driven by the very low interest rates. Since then, the number of used homes and holiday homes sold has been the highest since the oil crisis in 2015. The market for holiday properties in particular saw positive developments in the form of significantly greater interest in, and higher sales of, holiday properties, both on the coast and in the mountains.

The housing market in Vestland County continues to see high sales and moderate price development. The housing market in Agder is functioning well, with prices and sales developing positively. In Rogaland, the housing market has developed positively since May and has largely been unaffected by lower oil prices and a somewhat uncertain outlook for the level of activity in the oil and gas industry. The positive trend in the market resulted in a slight increase in prices and slightly shorter sales times. This positive trend in the used homes market is expected to continue in 2021.

There is a large supply of planned homes in the market area. In the Stavanger area, there has been an imbalance between supply and demand that has had a negative impact on the market over time. The Covid-19 outbreak, as well as the uncertainty surrounding future activity in the supply industry for the oil industry has also had a dampening effect on this market since March 2020. The high sales of used homes could in the long-term result in increased new build activity in 2021.

The situation within commercial property has also been affected by the Covid-19 outbreak and uncertain prospects within the oil industry. The number of contracts that have been signed has fallen significantly throughout the market area, both in the transaction market and the rental market. Both the rental and transaction market have seen some improvement since August. The positive trend is expected to continue in 2021, although at a lower level than normal.

### ***SpareBank 1 SR-Bank Forretningspartner AS***

SpareBank 1 SR-Bank Forretningspartner AS achieved a turnover of NOK 176 million in 2020 (NOK 137 million) and a pre-tax profit of NOK 21.0 million (NOK 10.7 million). The result includes depreciation of intangible assets amounting to NOK 2.9 million (NOK 2.5 million). The results for 2020 were affected to some extent by the Covid-19 outbreak, with lower turnover and higher losses on customer receivables than would be expected in a normal situation. The company has maintained stable operations during the period and has had a high level of customer-oriented activity.

SpareBank 1 SR-Bank Forretningspartner AS had nine offices at year end 2020: three in Rogaland, three in Vestland, two in Agder, and one in Oslo, as well as around 2,600 customers. The company enjoys a solid market position within accounting services in Agder, Vestland and Rogaland, and also established offices in

Kristiansand and Oslo with the acquisition of Fast Solutions AS on 1 September 2020. Business areas within advice and payroll/HR are also growing, and the company is experiencing good demand for these types of services. The company expends a lot of resources on development activities, both on streamlining work processes and customer-related services.

#### **SR-Forvaltning AS**

The company achieved a turnover of NOK 97.7 million in 2020 (NOK 97.5 million) and made a pre-tax profit of NOK 19.3 million (NOK 25.4 million). The company saw positive net subscriptions of NOK 320 million in 2020. New subscriptions were heavily affected by the Covid-19 outbreak in February and March but recovered well from April. Savings agreement business grew particularly well, both in terms of volume and numbers. The assets under management at year end 2020 amounted to NOK 13.5 billion (NOK 12.5 billion).

In 2019, SR-Forvaltning AS expanded its activities with the establishment of 'SR-Bank Fondene'. The company manages eight securities funds, of which three are unit trusts, two bond funds and three balanced funds. The company also manages discretionary portfolios for SpareBank 1 SR-Bank ASA's pension fund, as well as for public and private enterprises and high-net-worth individuals based on discretionary mandates. Since its start-up in 1999, the company has produced a good, long-term, risk-adjusted return for its customers, in both absolute and relative terms.

SR-Forvaltning AS's investment philosophy is active, prudent, long-term and value-oriented. The company primarily invests in companies with a low share price in relation to book value and earnings, and which pay solid dividends.

#### **SR-Boligkreditt AS**

The company achieved a pre-tax profit of NOK 811.2 million in 2020 (NOK 582.7 million). Net interest income rose by NOK 212.3 million in 2019 to NOK 830.9 million in 2020. The positive effects of basis swaps amounted to NOK 70.9 million compared with NOK 21.4 million in 2019. The increase in net interest income is primarily attributable to the increase in mortgages bought from SpareBank 1 SR-Bank ASA.

The company's purpose is to purchase residential mortgages from SpareBank 1 SR-Bank ASA, and it funds this by issuing covered bonds. SR-Boligkreditt AS enables the parent bank to diversify and optimise its funding. Moody's has given SR-Boligkreditt AS its

best rating, Aaa. At year-end 2020, the company had issued covered bonds with a nominal value of NOK 75.4 billion (NOK 62.3 billion) and bought loans worth NOK 85.6 billion (NOK 73.0 billion) from SpareBank 1 SR-Bank ASA.

#### **FinStart Nordic AS**

FinStart Nordic AS invests in, and contributes to the development and growth of, innovative financial technology companies. The aim is to strengthen and expand the group's existing value chains, digitalisation and streamlining of the core business, and financial return on the company portfolio. The company also manages an existing portfolio from the former SR-Investering AS, which is primarily invested in the oil industry.

The company posted a pre-tax result of NOK -113.1 million in 2020 (NOK 27.3 million). The deficit was due to restructuring costs in 2020 and negative value changes in the investment portfolio from the former SR-Investering AS. This portfolio is mainly offshore and oil-related, where the effect of low oil prices combined with the Covid-19 outbreak reduced the value of the portfolio by a total of NOK 58.6 million in 2020. The total decrease in value in FinStart Nordic AS's portfolio was NOK 66.4 million in 2020, while in 2019 there was a positive change in value in the securities of NOK 54.8 million. A new Fintech investment portfolio has after the first phase of Covid-19 developed positively as far as most of the investments are concerned, despite somewhat reduced growth and a more demanding market for raising external capital.

#### **Monner AS**

Monner AS posted a deficit of NOK 17.4 million in 2020 (deficit of NOK 14.0 million). The negative result was in line with expectations and due to the company being in a development phase, which means that costs from products and market development will be higher than earnings. Income decreased in 2020 due to the Covid-19 outbreak, although this was largely compensated for through cost-saving measures. The market recovered in the autumn of 2020 and income was rising at year end 2020. In 2020, the company launched new functionality aimed at providing more assistance to investors and companies and sees good opportunities for further growth in 2021.

Monner AS is a payment company and a registered loan arranger that was acquired by SpareBank 1 SR-Bank ASA on 1 July 2019. In December 2020, Monner AS's licence was expanded to cover payment initiation service provider (PISP) services and account

information service provider (AISP) services under the PSD2 regulations. Monner AS has two business areas, Monner Crowd and Monner Gründer. Monner Crowd arranges direct loans from private investors (people and limited liability companies) to small and medium-sized Norwegian companies via its proprietary digital platform. At year-end 2020, the company had arranged loans totalling NOK 320 million for Norwegian enterprises. Ownership of Monner AS will enable the group to help entrepreneurs throughout the whole of Norway succeed by delivering comprehensive services to companies in their start-up and growth phases. The company's main product is arranging secured loans for property projects. The market for crowdfunded corporate loans has experienced good growth, and Monner Crowd set a new arrangement record in every month of the fourth quarter of 2020. Monner AS arranged loans worth more than NOK 28 million in December 2020. Monner Gründer was also launched in December. Monner Gründer will deliver innovative banking and administrative services to entrepreneurs and start-ups. Monner Gründer will launch a number of new services during 2021.

## **Associated companies**

---

### ***SpareBank 1 Alliance***

The SpareBank 1 Alliance is Norway's second largest financial group and is a banking and product partnership in which the SpareBank 1 banks in Norway cooperate in order to keep them strong and independent. The purpose of the alliance is to procure and provide competitive financial services and products, and to exploit economies of scale in the form of lower costs and/or higher quality. The alliance is run through its ownership and participation in SpareBank 1 Utvikling DA, while the development and operation of product companies is organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

### ***SpareBank 1 Gruppen AS***

SpareBank 1 Gruppen AS owns 100% of the shares in SpareBank 1 Forsikring AS, ODIN Forvaltning AS, SpareBank 1 Factoring AS, Conecto AS, Modhi Finance AS, and SpareBank 1 Spleis AS. SpareBank 1 Gruppen AS also owns 49% of the shares in LO Favør AS and 65% of the shares in Fremtind Forsikring AS. SpareBank 1 SR-Bank ASA owned a 19.5% stake in SpareBank 1 Gruppen AS at year end 2020.

The merger between SpareBank 1 Skadeforsikring AS and DNB Forsikring AS was completed with accounting effect from 1 January 2019, with SpareBank 1 Skadeforsikring AS as the company doing the taking

over. SpareBank 1 Gruppen AS owns 65% of the new company and DNB ASA 35%.

On 2 September 2019, Fremtind Forsikring AS was granted permission by the Financial Supervisory Authority of Norway to operate life insurance activities through its wholly-owned subsidiary Fremtind Livsforsikring AS. The individual personal risk insurance cover from SpareBank 1 Forsikring AS and DNB Livsforsikring AS, as well as the personal risk insurance cover paid for by companies from SpareBank 1 Forsikring AS, were transferred to Fremtind Livsforsikring AS on 1 January 2020.

A total value of NOK 6.25 billion was assumed for the personal risk area. The merger resulted in increased equity for SpareBank 1 Gruppen AS at a group level. The controlling interest's (the SpareBank 1 banks and the Norwegian Federation of Trade Unions) share of this increase was NOK 1.7 billion. SpareBank 1 SR-Bank ASA's share of this increase (19.5%) was NOK 340 million and was recognised as income in the first quarter of 2020. SpareBank 1 Gruppen AS (parent company) received a tax-free gain of approximately NOK 937 million as a result of this merger. As a consequence of this, SpareBank 1 SR-Bank ASA received dividends of NOK 195 million in the second quarter of 2020. The dividends were recognised in the parent bank.

SpareBank 1 Gruppen AS made a pre-tax profit of NOK 1,817 million in 2020 (NOK 1,581 million). The controlling interest's share of the profit after tax amounted to NOK 995 million (NOK 1,303 million). The result was strongly influenced by the Covid-19 outbreak. Fremtind Forsikring posted a good result in 2020 due to the recognition of income from a reinsurer that offset high payouts on travel insurance. In addition, it saw high liquidation gains and also lower claim rates. SpareBank 1 Forsikring achieved a weak financial result as a result of a write-down of the company's property portfolio. The result for 2019 included NOK 596 million in write-ups of properties.

### ***SpareBank 1 Utvikling DA***

SpareBank 1 Utvikling DA delivers business platforms and common management and development services to the alliance banks. The company contributes to joint activities that provide the banks with benefits in the form of economies of scale and expertise. The company also owns and manages the alliance's intellectual property rights under common brand name: SpareBank 1. SpareBank 1 SR-Bank ASA owned a 18.0% stake in SpareBank 1 Utvikling DA at year end 2020.

### **SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS**

SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS are licensed mortgage companies that issue covered bonds secured by residential mortgage or commercial real estate portfolios sold by the owner banks. The companies are owned by the savings banks that make up the SpareBank 1 Alliance and help ensure the owner banks have access to stable, long-term funding at competitive rates.

SpareBank 1 Boligkreditt AS achieved a pre-tax profit of NOK 168 million in 2020 (NOK 225 million). The decrease in the result was primarily due to increased commission costs and NOK 19 million in increased impairment losses. At year-end 2020, the company's total lending volume amounted to NOK 208.6 billion (NOK 191.3 billion). At the end of the fourth quarter of 2020, SpareBank 1 SR-Bank ASA had not sold any loans to SpareBank 1 Boligkreditt AS (NOK 4.2 billion). The bank's stake in the company was reduced to 0% in December 2020 in accordance with the share of the sold volume at that time.

SpareBank 1 Næringskreditt AS achieved a pre-tax profit of NOK 76 million in 2020 (NOK 80 million). At year-end 2020, the company's total lending volume amounted to NOK 10.4 billion (NOK 10.3 billion). SpareBank 1 SR-Bank ASA has not sold any loans to SpareBank 1 Næringskreditt AS. The bank owned 15.6% of the company at year end 2020. The stake consists of A shares proportionate to the volume sold, and B shares that follow the same ownership structure as in BN Bank ASA.

### **BN Bank ASA**

BN Bank ASA is a nationwide bank with its head office in Trondheim. BN Bank ASA achieved a pre-tax profit of NOK 467 million in 2020 (NOK 435 million). Net interest income increased by NOK 40 million and income from financial investments increased by NOK 21 million from 2019 to 2020. The growth in income was partially offset by impairment losses, which increased by NOK 37 million from 2019.

The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank ASA's stake was 35.02% at year-end 2020.

---

<sup>5</sup> Liquidity buffer: cash, short-term investments, and drawing rights in Norges Bank (bonds, including covered bonds). Assuming deposits and lending remain unchanged and no new borrowing during the period.

### **SpareBank 1 Kreditt AS**

SpareBank 1 Kreditt AS is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank ASA owns a stake of 17.7%. The company provides credit card solutions for the SpareBank 1 banks and posted a pre-tax profit of NOK 16 million in 2020 (NOK 99 million). The lower result in 2020 was primarily attributable to the reduced use of credit cards following the Covid-19 outbreak and the sum of interest income, commissions and transaction income decreasing by a total of NOK 125 million, while commission costs were reduced by NOK 15 million compared with 2019.

### **SpareBank 1 Betaling AS**

The SpareBank 1 banks jointly own SpareBank 1 Betaling AS. SpareBank 1 SR-Bank ASA's stake is 19.8%. SpareBank 1 Betaling AS holds a 22.04% stake in VBB AS, the company formed by the merger of Vipps AS, BankID AS and Bank Asept AS in autumn 2018.

SpareBank 1 Betaling AS posted a pre-tax result of NOK -9 million for 2020 (NOK -58 million). The negative profit contribution was due to its share of the operating loss in VBB AS.

### **Funding and liquidity**

SpareBank 1 SR-Bank ASA had very good liquidity at year end 2020 and believes it will continue to have good access to long-term funding at competitive prices. The market has been more volatile because of the Covid-19 outbreak, although this is not expected to have a material effect on the group's funding costs. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer<sup>5</sup> was NOK 46.7 billion at year end 2020 and would cover normal operations for 24 months in the event of closed markets. NOK 21.0 billion of the bank's external funding will come due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 24.2 billion in residential mortgages ready for covered bond funding.

The group has continued to enjoy a high proportion of long-term funding in the past 12 months. The group's net stable funding ratio (NSFR)<sup>6</sup> was 123% at year-end 2020 (118%) and this confirms the group's good funding situation. SpareBank 1 SR-Bank ASA has an

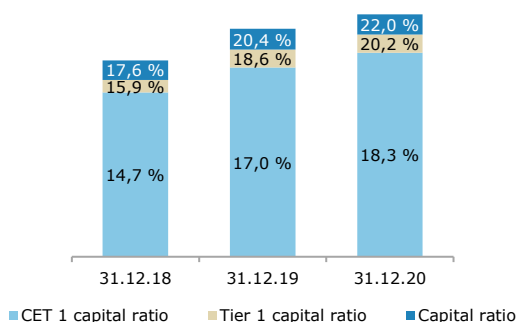
<sup>6</sup>NSFR is calculated in accordance with guidelines from the Financial Supervisory Authority of Norway and is calculated as available stable funding relative to necessary stable funding.

A1 long-term rating and a P-1 short-term rating from Moody's.

### Capital ratio<sup>7</sup>

At year-end 2020, the Common Equity Tier 1 capital ratio was 18.3% (17.0%). In the calculation of the capital ratio, NOK 5.50 per share in allocated dividends for the 2019 financial year is considered. The higher Common Equity Tier 1 capital ratio in 2020 was due to lower lending growth, at the same time as the entire profit for 2020 so far has been withheld. The board will ask the annual general meeting for authorisation to pay out a dividend of up to NOK 3.10 per share for the 2020 financial year at a later date, in accordance with the applicable regulations.

Fig. 4 Capital adequacy



The EU's capital adequacy regulations (CRR/CRD IV) were incorporated into the EEA agreement in March 2019, and the implementation of the regulations came into effect in Norway on 31 December 2019. The systemic risk buffer requirement increased from 3.0% to 4.5% with effect from 31 December 2020. Since this buffer requirement is directed at structural vulnerabilities and other systemic risks in the Norwegian economy, it will only apply to banks' commitments in Norway, unlike previous buffer requirements that apply to all operations. At the same time, floors for risk weightings for residential mortgages and loans for commercial properties are being introduced of 20% and 35%, respectively.

A countercyclical capital buffer requirement applies in Norway in the range of 0-2.5 percentage points in the form of Common Equity Tier 1 capital. The purpose of the countercyclical capital buffer is to make the banks more solid and robust in relation to lending losses. The capital buffer requirement increased to 2.5 percentage points at year end 2019. As a result of the Covid-19

situation, the countercyclical buffer requirement was reduced by 1.5 percentage points to 1.0% with effect from March 2020. On 24 September 2020, a decision was made to keep the capital requirement for the countercyclical buffer unchanged, and Norges bank does not expect to recommend increasing the buffer requirement again until the first quarter of 2021 at the earliest.

The Pillar 2 premium is an institution-specific premium intended to ensure that Norwegian banks have adequate capital to cover the risk associated with operations, including risks not covered by the regulatory minimum requirement. In its latest assessment in 2018, the Financial Supervisory Authority of Norway set an individual Pillar 2 premium of 1.7 percentage points, down from the 2.0 percentage points set in 2016. The new Pillar 2 premium applied from 31 March 2019.

At year-end 2020, SpareBank 1 SR Bank ASA met its total requirement for a Common Equity Tier 1 capital ratio of 15.2% by a good margin. The requirement includes an increased systemic risk buffer, a reduced countercyclical capital buffer, a Pillar 2 premium and 1.0% management buffer. Banks classified as systemically important financial institutions are also subject to a special capital buffer requirement. SpareBank 1 SR-Bank ASA has not been identified as a systemically important financial institution.

SpareBank 1 SR-Bank ASA's internal target for its Common Equity Tier 1 capital ratio was 16.7% by the end of 2020. The group has thus maintained its original capital target even though the countercyclical capital buffer was reduced by 1.5 percentage points to 1.0% with effect from March 2020.

The Tier 1 capital ratio was 19.9% (18.6%), while the total capital ratio was 21.7% (20.4%) at year end 2020. This is well above the required capital ratio of 18.7%.

On 23 April 2020, the annual general meeting approved the board's proposal that no dividend be paid out for 2019 at this time. However, the board received authorisation from the general meeting to decide about the distribution of a dividend, at some later point in time, of up to NOK 5.50 per share based on the bank's approved annual financial statements

<sup>7</sup> The capital ratio as at 31 December 2018 was based on the capital adequacy rules and regulations from when the so-called 'Basel I floor' applied. The capital ratio as at 31 December 2019 included NOK 5.50 in allocated dividend for the 2019 financial year. The capital ratio from the first quarter

of 2020 was restated since a decision was made to withhold the dividend for 2019.



for 2019. The authorisation will remain valid until the next ordinary general meeting in 2021. The decision is in line with the recommendations of the Financial Supervisory Authority of Norway, Norwegian Ministry of Finance and European Central Bank (ECB). The change was incorporated into the first quarter of 2020 and resulted in Common Equity Tier 1 capital increasing by NOK 1.4 billion and the Common Equity Tier 1 capital ratio by 1.1 percentage points. The figures as at 31 December 2019 have not been restated.

On 20 January 2021, the Ministry of Finance said in a press release that it "expects that Norwegian banks which, after a careful assessment and based on the ESRB's recommendation, find grounds for distributing profits, will keep total distributions within a maximum of 30 per cent of cumulative annual profits for the years 2019 and 2020, until 30 September 2021."

Based on this, the board of SpareBank 1 SR-Bank ASA have exercised this authority and approved a dividend of NOK 5.50 per share for the 2019 financial year. The board will also ask the annual general meeting for a new authorisation that will enable it to decide to distribute a dividend of up to NOK 3.10 for the 2020 financial year at a later date, in accordance with the applicable regulations.

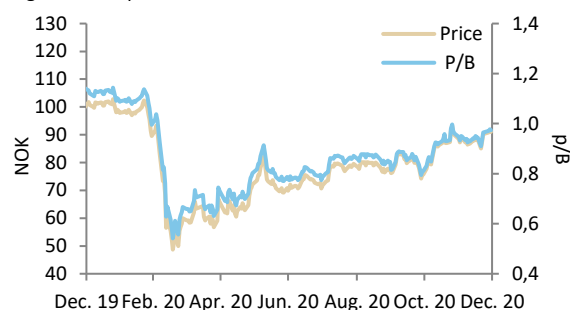
### **New crisis management directive and MREL**

The EU Bank Recovery and Resolution Directive (BRRD) came into effect in Norway on 1 January 2019. Based on this regulation, the group will have to meet a minimum requirement for own funds and eligible liabilities (MREL). On 15 October 2020, the Ministry of Finance published a consultation paper on the introduction of BRRD2 in Norway, which entails a MREL subordination requirement of 27.4%. The requirement for lower priority (senior non-preferred debt) must be met by 1 January 2024 and can be phased by SpareBank 1 SR-Bank ASA including senior debt, provided that it meets the general requirements for eligible liabilities. At year-end 2020, SpareBank 1 SR-Bank ASA was carrying senior debt that matures after 31 December 2021 amounting to NOK 38.7 billion, and the requirement has therefore been met by a good margin.

### **The bank's share**

The price of the bank's share (SRBNK) was NOK 91.00 at year end 2020. This represents a reduction of 9.0% since year end 2019. The main Oslo Børs index increased by 4.6% in the same period. 5.3% of outstanding SRBNK shares were traded in the fourth quarter of 2020 (4.7%).

Fig. 5, Development in Price/Book



There were 13,113 shareholders at year end 2020 (11,321). The proportion owned by foreign companies and individuals was 21.8% (27.9%), while 43.9% (42.9%) were resident in Rogaland, Agder, and Vestland. The 20 largest shareholders owned a combined total of 58.8% (58.4%) of the shares. The bank held 23,112 treasury shares, while group employees owned 1.7% (1.5%).

The table below shows the 20 largest shareholders as at 31 December 2020:

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,3%
Folketrygdfondet	21.078	8,2%
Brown Brothers Harriman & Co, U.S.A.	6.612	2,6%
SpareBank 1-stiftinga Kvinnherad	6.227	2,4%
State Street Bank and Trust Co, U.S.A.	6.005	2,3%
Vpf Nordea Norge Verdi	4.933	1,9%
Danske Invest Norske Instit. II	3.551	1,4%
Odin Norge	3.423	1,3%
Verdipapirfondet Alfred Berg Gambak	3.311	1,3%
Pareto Aksje Norge	3.194	1,2%
JPMorgan Chase Bank N.A., U.S.A.	2.887	1,1%
Clipper AS	2.211	0,9%
Verdipapirfondet Alfred Berg Norge	2.013	0,8%
KLP Aksjenorge Indeks	1.989	0,8%
State Street Bank and Trust Co, U.S.A.	1.934	0,8%
JPMorgan Bank Luxembourg	1.812	0,7%
Westco AS	1.798	0,7%
Pareto Invest AS	1.712	0,7%
The Bank of New York Mellon, Irland	1.686	0,7%
Forsvarets Personellservice	1.626	0,6%
<b>Total 20 largest</b>	<b>150.422</b>	<b>58,8 %</b>

The group established a share savings arrangement for the group's employees in 2019, and the scheme

has been continued in 2020 and 2021. All permanent employees have an opportunity to purchase shares for a specified savings amount, limited to a maximum of NOK 3,000 per employee per month, at a 30% discount and with a lock-in period of 2 years. More than 800 of the group's almost 1,200 employees signed a regular savings agreement for the share savings scheme in 2020.

### **Accounting policies**

Please refer to notes 1 and 2 for a description of the accounting policies and judgements applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements. For more information about this see notes 1 and 2.

### **Events after the balance sheet date**

No material events have been registered after 31 December 2020 that affect the interim financial statements as prepared.

Dividend provisions as at 31 December 2020 have been allocated to the result for 2019.

### **New CEO from 1 January 2021**

After 10 years as the CEO, Arne Austreid stepped down as planned on 31 December 2020. During this period, the group has further developed through great technological advances, geographical expansion and initiatives within new business areas. Arne Austreid is handing over a solid financial services group to Benedicte Schilbred Fasmer, who started in the position on 1 January 2021. Benedicte Schilbred Fasmer has 25 years of management experience from the financial services, industry and shipping. The board would like to take this opportunity to thank Arne Austreid for his good leadership and major contributions over 10 years as the CEO.

### **Outlook**

The Covid-19 pandemic and the shutdown of Norway in March 2020 meant 2020 was a turbulent year. The pandemic is still ongoing and is creating persistent uncertainty concerning developments both in Norway and the global economy. However, that uncertainty has now been significantly reduced, partly due to the fact that several vaccines have been approved and vaccination programmes have started in both Norway and internationally.

Norway has seen positive development since spring 2020 and the economy improved after the lockdown in March. However, less international demand and low to medium oil prices are expected to affect economic

development for several years to come. The global economy experienced a sharp decline in 2020. At year-end 2020, the IMF expects a moderate correction and growth in the global economy of 5.5% in 2021.

Continued higher unemployment and lower wages growth than in recent years are expected in Norway. The housing market and private consumption are being stimulated by low mortgage rates, and good demand for loans is expected in the retail market. Lower levels of investment and less demand for loans are expected in the business sector in 2021. The Norwegian state is well-equipped to contribute financially and extensive measures aimed at both the private sector and business have mitigated the effects of the Covid-19 outbreak. The overall ripple effects are expected to result in lower growth in the mainland economy. According to the latest forecasts from Statistics Norway, 3.7% GDP growth is expected for Mainland Norway in 2021. The Norwegian Petroleum Directorate expects oil investments on the Norwegian Continental Shelf to fall by 7% in 2021 due to low oil prices and the Covid-19 outbreak. Prices of imported goods rose in 2020 because of the weakened NOK exchange rate at the start of 2020. Statistics Norway expects price inflation, adjusted for energy and taxes, to be 2.2% in 2021.

Norges Bank cut its policy rate three times by a total of 1.50 percentage points to 0% in the first half of 2020. In the same period, the bank implemented interest rate reductions totalling 1.25 percentage points. The rate cuts were implemented with shorter periods of notice for lending. The market now expects the policy rate to remain stable until the end of 2021 and gradually rise again during 2022 when the effects of the Covid-19 outbreak are expected to diminish.

The group's long-term return on equity target is a minimum of 12%. The target will be achieved through profitable lending growth, moderate impairment losses, growth in other operating income, gains from financial investments, and greater cost-effectiveness. As a consequence of the Covid-19 outbreak and the economic challenges within the energy sector and low oil prices, the return on equity for 2021 is expected to be lower than the long-term target.

The group's target for its Common Equity Tier 1 capital ratio is 16.7% by year end 2021. SpareBank 1 SR-Bank ASA is a solid, profitable group and has in recent years increased its financial strength in line with the authorities' requirements. This was achieved through earnings via a business model involving good breadth in earnings and efficient operations. In April 2020, the

board was authorised to approve payment of a dividend at a later date. The board have exercised this authorisation and approved a dividend of NOK 5.50 per share for the 2019 financial year. Financial strength further increased in 2020 due to the profit being temporarily withheld. The board will ask the annual general meeting for authorisation to approve payment of a dividend for the 2020 financial year of up to NOK 3.10 per share, in accordance with applicable regulations.

SpareBank 1 SR-Bank ASA's dividend policy remains unchanged, with an expected dividend of around 50% of the profit for the year. Consideration must be given to financial needs, including capital adequacy requirements and the group's targets and strategic plans, when determining the annual dividend. Unless capital requirements dictate otherwise, the goal of the board is to distribute approximately half of the annual net profit for the period as dividends.

The group is actively working to create sustainable development. The sustainability strategy will clarify and provide guidance for SR-Bank's work on sustainability, and support staff and managers in decisions and daily work.

SpareBank 1 SR-Bank ASA is a proactive financial group with strong distribution. As Norway's second largest private-owned bank, the group provides

financial muscle for growth, value creation, and profitability for customers, society, and our owners. The group is a bank for the whole of Southern Norway, in which the Oslo region is a focus area. Having a presence in this market is important with respect to geographical diversification and creating a greater basis for growth, and thus earnings.

For a long time, the group has been systematically working to increase efficiency through digitalisation and automation, both internally and in relation to customers. This enabled almost all of the group's employees to work from home following the Covid-19 outbreak in March 2020, at the same time as customers and all important internal functions were addressed in an efficient and satisfactory manner. The board is very pleased about how the group's employees have coped with their new work situation and helped customers in a difficult period.

The group is well-equipped to deal with the ripple effects of both low oil prices and the Covid-19 outbreak. The group's results for 2021 are also expected to be some affected by the economic situation, although to a considerable less degree than in 2020.

Stavanger, 10 February 2021

The Board of Directors of SpareBank 1 SR-Bank ASA

## Income Statement

Parent bank				Note	Group			
Q4 2019	Q4 2020	01.01.19 - 31.12.19	01.01.20 - 31.12.20		01.01.20 - 31.12.20	01.01.19 - 31.12.19	Q4 2020	Q4 2019
<b>Income statement (MNOK)</b>								
1.094	746	4.038	3.525		6.238	7.053	1.340	1.936
527	371	2.001	1.726		715	690	167	184
675	375	2.489	1.940		2.511	3.113	478	842
52	12	181	13		300	643	35	216
894	<b>730</b>	3.369	<b>3.298</b>		<b>4.142</b>	3.987	<b>994</b>	1.062
250	252	974	934		1.501	1.516	396	383
30	27	108	107		111	111	28	31
5	2	12	10		6	11	2	7
225	<b>227</b>	878	<b>837</b>		<b>1.396</b>	1.416	<b>370</b>	359
1	39	31	57		57	31	39	-
-	-	1.023	836		663	875	129	15
26	16	183	-98	13	-21	221	72	7
27	<b>55</b>	1.237	<b>795</b>		<b>699</b>	1.127	<b>240</b>	22
1.146	<b>1.012</b>	5.484	<b>4.930</b>		<b>6.237</b>	6.530	<b>1.604</b>	1.443
291	284	1.092	1.029	14	1.436	1.472	401	396
138	106	497	460		517	555	121	152
93	74	311	295		433	451	107	130
522	<b>464</b>	1.900	<b>1.784</b>		<b>2.386</b>	2.478	<b>629</b>	678
624	<b>548</b>	3.584	<b>3.146</b>		<b>3.851</b>	4.052	<b>975</b>	765
137	255	237	2.003	3 and 4	2.030	235	270	139
487	<b>293</b>	3.347	<b>1.143</b>	12	<b>1.821</b>	3.817	<b>705</b>	626
127	67	569	73		231	693	97	141
360	<b>226</b>	2.778	<b>1.070</b>		<b>1.590</b>	3.124	<b>608</b>	485
345	205	2.738	982		1.503	3.084	587	470
15	21	40	88		88	40	21	15
360	<b>226</b>	2.778	<b>1.070</b>		<b>1.590</b>	3.124	<b>608</b>	485
<b>Other comprehensive income</b>								
135	7	-5	-10		-7	-4	10	136
-34	-1	1	3		2	1	-2	-34
-	1	-3	5		-	-	-	-
-	-	-	-		47	12	21	-16
-	-	-	-		-12	-2	-6	5
101	<b>7</b>	-7	<b>-2</b>		<b>30</b>	7	<b>23</b>	91
-	-	-	-		12	19	11	22
-	-	-	-		<b>12</b>	19	<b>11</b>	22
101	<b>7</b>	-7	<b>-2</b>		<b>42</b>	26	<b>34</b>	113
461	<b>233</b>	2.771	<b>1.068</b>		<b>1.632</b>	3.150	<b>642</b>	598
<b>Earnings per share (group)</b>					6,22	12,22	2,38	1,90

<sup>1)</sup> ECL - Expected credit loss

## Balance sheet

Parent bank		Note	Group	
31.12.19	31.12.20		31.12.20	31.12.19
			<b>Balance sheet (MNOK)</b>	
104	68		68	104
11.790	25.304		12.589	3.142
133.107	131.792	4, 8	216.966	205.688
31.435	36.978		39.921	32.792
6.272	8.971	10	8.672	5.933
564	596	17	908	920
2.336	2.246		4.523	4.180
7.315	7.346		-	-
1.989	2.626	5, 18	3.402	3.136
194.912	<b>215.927</b>		<b>287.049</b>	255.895
			<b>Total assets</b>	
2.547	4.218		4.144	2.264
103.323	118.394	7	118.170	103.106
54.257	52.148	11	127.163	116.164
7.407	13.115	10	6.825	4.530
2.771	2.436	6, 18	2.200	2.872
2.125	2.154	11	2.154	2.125
172.430	<b>192.465</b>		<b>260.656</b>	231.061
			<b>Total liabilities</b>	
6.394	6.394		6.394	6.394
1.587	1.587		1.587	1.587
1.407	1.407	19	1.407	1.407
1.850	1.850		1.850	1.850
			5	-
11.244	12.224		15.150	13.596
22.482	<b>23.462</b>		<b>26.393</b>	24.834
			<b>Total equity</b>	
194.912	<b>215.927</b>	12	<b>287.049</b>	255.895
			<b>Total liabilities and equity</b>	

<sup>1)</sup> A decision was made in April 2020 not to pay dividend for 2019 at this time. The figures as at 31 December 2019 was not changed. The board have approved payment of a dividend of NOK 5.50 per share for the 2019 financial year

## Statement of changes in equity

<b>SpareBank 1 SR-Bank Group</b> (Amounts in NOK million)	Share- capital	Premium reserve	Hybrid- capital	Non- controlling interests	Other equity *	Total equity
Equity as at 31.12.2018	6.394	1.587	550		13.054	21.585
Profit after tax					3.124	3.124
Unrecognised actuarial gains and losses after tax					-3	-3
Basisswap spread after tax					10	10
Share of profit associated companies and joint ventures					19	19
Year's comprehensive income					3.150	3.150
Hybrid capital			1.300			1.300
Interest on hybridcapital after tax					-40	-40
Adjusted equity accosiates					-10	-10
Dividend 2018, resolved in 2019					-1.151	-1.151
Trade in treasury shares						
Transactions with shareholders					-1.151	-1.151
<b>Equity as at 31.12.2019</b>	<b>6.394</b>	<b>1.587</b>	<b>1.850</b>	<b>-</b>	<b>15.003</b>	<b>24.834</b>
Profit after tax				-1	1.591	1.590
Unrecognised actuarial gains and losses after tax					-5	-5
Basisswap spread after tax					35	35
Share of profit associated companies and joint ventures					12	12
Year's comprehensive income				-1	1.633	1.632
Hybrid capital						-
Interest on hybridcapital					-88	-88
Non-controlling interests				6	-6	-
Transactions against equity in subsidiaries and associated companies					14	14
Dividend 2019, resolved in 2020						-
Trade in treasury shares					1	1
Transactions with shareholders					1	1
<b>Equity as at 31.12.2020</b>	<b>6.394</b>	<b>1.587</b>	<b>1.850</b>	<b>5</b>	<b>16.563</b>	<b>26.393</b>

## Cash flow statement

Parent bank			Group	
01.01.19 - 31.12.19	01.01.20 - 31.12.20	Cash flow statement	01.01.20 - 31.12.20	01.01.19 - 31.12.19
-972	558	Change in gross lending to customers <sup>1)</sup>	-12.068	-15.008
5.353	4.646	Interest receipts from lending to customers	6.405	7.122
4.204	15.071	Change in deposits from customers	15.064	4.292
-1.262	-865	Interest payments on deposits from customers	-861	-1.255
-7.457	-10.181	Change in receivables and debt from credit institutions	-5.901	-686
139	-38	Interest on receivables and debt to financial institutions	-389	-351
-3.620	-5.543	Change in certificates and bonds <sup>1)</sup>	-7.129	-3.452
556	502	Interest receipts from commercial paper and bonds	505	538
870	860	Commission receipts	1.438	1.371
60	-14	Capital gains from sale of trading	5	49
-1.646	-1.660	Payments for operations	-2.372	-2.097
-779	-1.078	Taxes paid	-1.225	-896
117	3.381	Other accruals <sup>1)</sup>	4.183	-58
<b>-4.437</b>	<b>5.639</b>	<b>A Net change in liquidity from operations</b>	<b>-2.345</b>	<b>-10.431</b>
-128	-37	Investments in tangible fixed assets	-47	-379
-	6	Receipts from sale of tangible fixed assets	6	-
-1.804	-252	Change in long-term investments in equities	-257	-656
361	266	Receipts from sales of long-term investments in equities	305	378
1.053	854	Dividends from long-term investments in equities	271	760
<b>-518</b>	<b>837</b>	<b>B Net cash flow, investments</b>	<b>278</b>	<b>103</b>
13.800	5.802	Debt raised by issuance of securities	25.367	24.823
-7.466	-9.923	Repayments - issued securities	-20.387	-12.455
-1.243	-779	Interest payments on securities issued	-1.356	-1.885
-	-	Additional subordinated loan capital issued	-	-
-800	-	Repayments - additional capital instruments	-	-800
-90	-49	Interest payments on subordinated loans	-49	-90
1.300	-	Increase in debt established by issuing hybrid capital	-	1.300
-52	-88	Interest payments on debt established by issuing hybrid capital	-88	-52
-38	-69	Lease payments	-47	-46
-1.151	-	Dividend to share holders	-	-1.151
<b>4.260</b>	<b>-5.106</b>	<b>C Net cash flow, financing</b>	<b>3.440</b>	<b>9.644</b>
<b>-695</b>	<b>1.370</b>	<b>A+B+C Net cash flow during the period</b>	<b>1.373</b>	<b>-684</b>
1.463	768	Cash and cash equivalents as at 1 January	779	1.463
<b>768</b>	<b>2.138</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>2.152</b>	<b>779</b>
		<b>Cash and cash equivalents specified</b>		
104	68	Cash and balances with central banks	68	104
664	2.070	Balances with credit institutions	2.084	675
<b>768</b>	<b>2.138</b>	<b>Cash and cash equivalents</b>	<b>2.152</b>	<b>779</b>

<sup>1)</sup> Changes in loans to customers, as well as changes in certificates and bonds, include the increase in exchange rates. The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by the parent bank and the group.

# Notes to the financial statements

(in MNOK)

## Note 1 Accounting policies

### 1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 31 December 2020. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for 2019.

### New standards and interpretations that have not been adopted yet

IASB issued amendments to IFRS 9 and IFRS 7 in September 2019. These changes are compulsory from 2020, but can be implemented early in 2019 financial statements. The group has chosen to implement the changes early. The group's decision to implement the changes early means that its hedging relationships can be continued unaffected by IBOR reform. IBOR reform is an ongoing process in which reference rates used in receivables, loans, and derivatives are exchanged with new interest rates. Information due to the early implementation is provided in note 10.

There are no standards or interpretations that have not been adopted yet, that are expected to have any material effects on the Groups financial statements.

### Impairments on loans and financial liabilities

The group has calculated loss provisions pursuant to the IFRS 9 regulations from and including 1 January 2018. Prior to the reporting for the fourth quarter of 2019, only minor adjustments were made in the model. Following this period, account has been taken of the special situation that has arisen in connection with the Covid-19 outbreak in the assessment of expected credit losses. The following explains the policies that have been applied and the changes that have been made in the fourth quarter of 2020. Please also refer to note 2 in the annual report for 2019. The calculations follow the normal procedures for source data. The scenarios on which the calculations are based, and the weighting of these, were changed in the fourth quarter of 2020, and thus reflect an updated assessment of the prevailing macroeconomic factors and their consequences. The group is following the same principles for migration between the stages as those that applied previously. An increase in PD of more than 150% and which results in a PD higher than 0.6% is considered a significant change in credit risk. In addition, overdrafts or arrears of at least 30 days will always be considered a significant increase in credit risk. Commitments subject to repayment relief may, based on an individual assessment, also be regarded as having experienced a significant increase in credit risk. No negative migration from Stage 1 to Stage 2 has been observed as a consequence of payment postponements in healthy portfolios. The assessments that have been made at a group level are the best current estimate of the long-term consequences the Covid-19 situation may have for the bank's portfolio. Otherwise, please refer to notes 2, 3, 4 and 8 in the financial statements for the fourth quarter of 2020.



## *Note 2 Critical estimates and judgements concerning use of the accounting policies*

The preparation of the consolidated financial statements entails the group executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2019 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

Given both the low oil prices and the ongoing Covid-19 situation, considerable uncertainty remains about how both the Norwegian and the global economy will develop, and the picture is changing continuously. This means that is a great deal of uncertainty surrounding critical estimates.

### **Impairments on loans**

The group's assessment of critical estimates and judgements concerning the use of the accounting policies has not changed since 31 December 2019, although the situation surrounding the Covid-19 virus has been included in the assessment in the fourth quarter of 2020.

The group assesses its entire corporate market portfolio annually. High-risk commitments in the corporate market portfolio are evaluated on a quarterly basis. Loans to retail customers are subject to evaluation when they are in default for more than 90 days after they fall due; larger commitments in default are evaluated on a quarterly basis.

The group's risk classification systems are described under financial risk management in the annual report.

The group carries out an impairment if there is objective evidence that can be identified for an individual commitment, and the objective evidence entails a reduction in future cash flows for servicing the commitment. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties.

Individual impairments are calculated as the difference between the loan's book (carrying) value and the present value of future cash flows based on the effective interest rate at the time of the calculation of the initial individual impairment. Account is taken of subsequent changes in interest rates for loan agreements with variable rates if these changes affect the expected cash flow.

According to IFRS 9, loss provisions are recognised for all commitments based on expected credit loss (ECL). The measurement of the provisions for expected losses on commitments that are not individually impaired depends on whether or not the credit risk has increased significantly since initial capitalisation. Upon initial capitalisation and when the credit risk has not increased significantly after initial capitalisation, provisions must be made for 12 months' expected losses. If the credit risk has increased substantially after initial recognition, provisions must be made for expected losses over the entire lifetime. Expected credit loss is calculated on the basis of the present value of all cash flows over the remaining expected lifetime.

A probability weighting average is calculated for three different scenarios: a strong economic expansion, a normal economic situation and a recession, respectively. The strong economic expansion scenario is based on data from a historically representative period of strong economic expansion, while the normal economic situation scenario and recession scenario were based on internally prepared prognoses and stress tests produced in connection with the group's annual internal capital adequacy assessment process (ICAAP). The mutual weighting of the scenarios is considered and determined by a specially established internal working group composed of people at a management level.

**Note 2 Critical estimates and judgements concerning use of the accounting policies (continued)**

The choice of scenarios and their weighting are regularly reviewed (at least once a year) by the aforementioned working group. At year end 2020, the base case scenario had a 65% weighting, while the worst case and best case scenarios both had a weighting of 17.5%. The weighting is the same for all portfolios and reflects the substantial uncertainty surrounding economic development going forward. In order to illustrate the associated weighting sensitivity, a simulation of the effects of a more conservative scenario weighting was conducted in which the weighting of the base scenario was reduced to 50% while both the worst case and the best case scenario weightings were increased to 25%. Such a change in the scenario weighting would, seen in isolation, increase the group's expected impairment losses for commitments without individual impairment by NOK 108 million.

Sensitivity Calculations (NOK millions)	Weighting used in Q4-20	Corporate market	Retail market	SR-Boligkreditt	Total Group
ECL in a strong economic expansion scenario	17,5 %	157	31	7	195
ECL in a normal economic expansion scenario	65,0 %	487	51	17	555
ECL in a recession economic expansion scenario	17,5 %	1.949	260	146	2.355
ECL with the applied scenario weighting:					
Strong economic expansion = 17.5% Normal economic situation = 65% Recession = 17.5%		685	84	38	807
Isolated effect of changed scenario weighting - 1					
Strong economic expansion = 0% Normal economic situation = 60% Recession = 40%		1.072	134	68	1.274
Isolated effect of changed scenario weighting - 2					
Strong economic expansion = 25% Normal economic situation = 50% Recession = 25%		770	98	47	915
Isolated effect of changed scenario weighting - 3					
Strong economic expansion = 33.3% Normal economic situation = 33.3% Recession = 33.3%		865	114	56	1.035

Closely monitoring customers and prevention work are important measures actively employed by the group to maintain its good risk profile in the group's loan portfolio. As a result of the low oil prices and Covid-19 outbreak, this work was intensified at the end of the first quarter of 2020 and continued in the second, third and fourth quarter of 2020. The group has provided advice in order to find good solutions for customers, including by granting interest-only periods and providing assistance with applications for the use of various support schemes.

The group's assessments of critical estimates and judgements concerning use of the accounting policies are challenging but are currently considered to be the best estimate of the long-term consequences the Covid-19 situation will have for the group.

**Note 3 Impairments on loans and financial commitments recognised in the income statement**

Parent bank			Group	
01.01.19 - 31.12.19	01.01.20 - 31.12.20		01.01.20 - 31.12.20	01.01.19 - 31.12.19
200	763	Change in impairments on loans	789	199
23	126	Change in impairments on financial commitments	126	23
122	1.150	Actual loan losses on commitments	1.150	122
3	-1	Change in accrued interest	-	2
-	-	Change in assets taken over for the period	-	-
-111	-35	Recoveries on commitments previously written-off	-35	-111
237	2.003	<b>The period's net impairments on loans and financial commitments</b>	<b>2.030</b>	235

## Note 4 Impairments on loans and financial commitments recognised in the balance sheet

<b>Parent Bank</b>				
		<b>Changes in</b>	<b>Changes in</b>	
<b>2020</b>		<b>impairments on</b>	<b>impairments</b>	<b>Total</b>
<b>Impairments on loans and financial commitments</b>	<b>01.01.2020</b>	<b>loans</b>	<b>on financial</b>	<b>31.12.2020</b>
			<b>commitment</b>	
Impairments after amortised cost, corporate market	1.397	738	125	2.260
Impairments after amortised cost, retail market	94	1	1	96
Mortgages at FVOCI <sup>1)</sup>	54	24	-	78
<b>Total impairments on loans and financial commitments</b>	<b>1.545</b>	<b>763</b>	<b>126</b>	<b>2.434</b>
<b>Presented as</b>				
Impairments on loans	1.415	763	-	2.178
Impairments on financial commitments	130	-	126	256
<b>Total impairments on loans and financial commitments</b>	<b>1.545</b>	<b>763</b>	<b>126</b>	<b>2.434</b>
<b>2019</b>				
<b>Impairments on loans and financial commitments</b>	<b>01.01.2019</b>			<b>Total</b>
				<b>31.12.2019</b>
Impairments after amortised cost, corporate market	1.168	206	23	1.397
Impairments after amortised cost, retail market	94	-	-	94
Mortgages at FVOCI <sup>1)</sup>	60	-6	-	54
<b>Total impairments on loans and financial commitments</b>	<b>1.322</b>	<b>200</b>	<b>23</b>	<b>1.545</b>
<b>Presented as</b>				
Impairments on loans	1.215	200	-	1.415
Impairments on financial commitments	107	-	23	130
<b>Total impairments on loans and financial commitments</b>	<b>1.322</b>	<b>200</b>	<b>23</b>	<b>1.545</b>
<b>Group</b>				
		<b>Changes in</b>	<b>Changes in</b>	
<b>2020</b>		<b>impairments on</b>	<b>impairments</b>	<b>Total</b>
<b>Impairments on loans and financial commitments</b>	<b>01.01.2020</b>	<b>loans</b>	<b>on financial</b>	<b>31.12.2020</b>
			<b>commitment</b>	
Impairments after amortised cost, corporate market	1.396	738	125	2.259
Impairments after amortised cost, retail market	160	51	1	212
Mortgages at FVOCI <sup>1)</sup>	-	-	-	-
<b>Total impairments on loans and financial commitments</b>	<b>1.556</b>	<b>789</b>	<b>126</b>	<b>2.471</b>
<b>Presented as</b>				
Impairments on loans	1.426	789	-	2.215
Impairments on financial commitments	130	-	126	256
<b>Total impairments on loans and financial commitments</b>	<b>1.556</b>	<b>789</b>	<b>126</b>	<b>2.471</b>
<b>2019</b>				
<b>Impairments on loans and financial commitments</b>	<b>01.01.2019</b>			<b>Total</b>
				<b>31.12.2019</b>
Impairments after amortised cost, corporate market	1.168	205	23	1.396
Impairments after amortised cost, retail market	166	-6	-	160
Mortgages at FVOCI <sup>1)</sup>	-	-	-	-
<b>Total impairments on loans and financial commitments</b>	<b>1.334</b>	<b>199</b>	<b>23</b>	<b>1.556</b>
<b>Presented as</b>				
Impairments on loans	1.227	199	-	1.426
Impairments on financial commitments	107	-	23	130
<b>Total impairments on loans and financial commitments</b>	<b>1.334</b>	<b>199</b>	<b>23</b>	<b>1.556</b>

<sup>1)</sup> FVOCI - Fair value other comprehensive income

**Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)**

**Parent Bank**

Impairments recognised on loans per stage	01.01.2020 - 31.12.2020				01.01.2019 - 31.12.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments on loans 01.01	144	381	890	1.415	225	360	630	1.215
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-15	15	-	-	-23	23	-	-
Transfer to (from) stage 2	61	-66	5	-	87	-91	4	-
Transfer to (from) stage 3	5	-	-5	-	1	3	-4	-
Net new measurement of impairments	34	147	20	201	-148	139	23	14
New issued or purchased loan	106	40	12	158	48	35	6	89
Loans that have been derecognised	-47	-186	-24	-257	-46	-88	-13	-147
Changes due to modifications that have not resulted in derecognition	-	-	-	-	-	-	-	-
Actual loan losses on commitments	-	-	1.150	1.150	-	-	122	122
Actual loan losses on commitments for which provisions have been made	-	-	-395	-395	-	-	-60	-60
Changes to models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-94	-94	-	-	182	182
<b>Impairments on loans 31.12</b>	<b>288</b>	<b>331</b>	<b>1.559</b>	<b>2.178</b>	<b>144</b>	<b>381</b>	<b>890</b>	<b>1.415</b>
<b>Impairments recognised on financial commitments per stage</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Impairments on financial commitments 01.01.	21	82	27	130	31	57	19	107
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-2	2	-	-	-4	4	-	-
Transfer to (from) stage 2	10	-10	-	-	6	-6	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	3	12	11	26	-15	34	1	20
New issued or purchased loan	16	4	1	21	9	3	-	12
Loans that have been derecognised	-5	-43	-1	-49	-6	-10	-1	-17
Changes due to modifications that have not resulted in derecognition	-	-	-	-	-	-	-	-
Actual loan losses on commitments	-	-	-	-	-	-	-	-
Actual loan losses on commitments for which provisions have been made	-	-	-	-	-	-	-	-
Changes to models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	128	128	-	-	8	8
<b>Impairments on financial commitments 31.12.</b>	<b>43</b>	<b>47</b>	<b>166</b>	<b>256</b>	<b>21</b>	<b>82</b>	<b>27</b>	<b>130</b>

**Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)**

Group	01.01.2020 - 31.12.2020				01.01.2019 - 31.12.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Impairments recognised on loans per stage</b>								
Impairments on loans 01.01	146	388	892	1.426	229	367	631	1.227
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-15	15	-	-	-24	24	-	-
Transfer to (from) stage 2	62	-67	5	-	89	-93	4	-
Transfer to (from) stage 3	5	-	-5	-	1	3	-4	-
Net new measurement of impairments	36	161	20	217	-151	140	24	13
New issued or purchased loan	111	48	12	171	50	37	6	93
Loans that have been derecognised	-47	-188	-25	-260	-48	-90	-13	-151
Changes due to modifications that have not resulted in derecognition	-	-	-	-	-	-	-	-
Actual loan losses on commitments	-	-	1.150	1.150	-	-	122	122
Actual loan losses on commitments for which provisions have been made	-	-	-395	-395	-	-	-60	-60
Changes to models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-94	-94	-	-	182	182
<b>Impairments on loans 31.12</b>	<b>298</b>	<b>357</b>	<b>1.560</b>	<b>2.215</b>	<b>146</b>	<b>388</b>	<b>892</b>	<b>1.426</b>
<b>Impairments recognised on financial commitments per stage</b>								
Impairments on financial commitments 01.01.	21	82	27	130	31	57	19	107
Changes 01.01 - 31.12.								
Transfer to (from) stage 1	-2	2	-	-	-4	4	-	-
Transfer to (from) stage 2	10	-10	-	-	6	-6	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	3	12	11	26	-15	35	1	21
New issued or purchased loan	16	4	1	21	9	3	-	12
Loans that have been derecognised	-5	-43	-1	-49	-6	-11	-1	-18
Changes due to modifications that have not resulted in derecognition	-	-	-	-	-	-	-	-
Actual loan losses on commitments	-	-	-	-	-	-	-	-
Actual loan losses on commitments for which provisions have been made	-	-	-	-	-	-	-	-
Changes to models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	128	128	-	-	8	8
<b>Impairments on financial commitments 31.12.</b>	<b>43</b>	<b>47</b>	<b>166</b>	<b>256</b>	<b>21</b>	<b>82</b>	<b>27</b>	<b>130</b>

## Note 5 Other assets

Parent bank			Group	
31.12.19	31.12.20		31.12.20	31.12.19
-	-	Intangible assets	298	273
379	1.002	Deferred tax assets	1.015	420
355	295	Tangible fixed assets	994	1.087
682	915	Leases receivables	346	398
15	4	Income earned but not received	15	24
18	9	Prepaid expences	17	50
3	4	Over funding of pension liabilities	4	3
200	200	Capital contribution SR-Pensjonskasse	200	200
93	23	Unsettled trades	23	93
244	174	Other assets	490	588
1.989	2.626	<b>Total other assets</b>	<b>3.402</b>	3.136

## Note 6 Other liabilities

Parent bank			Group	
31.12.19	31.12.20		31.12.20	31.12.19
273	183	Accrued expenses and prepaid revenue	223	444
176	197	Pension liabilities	204	187
130	256	Impairments on financial commitments	256	130
1.078	669	Taxes payable	835	1.228
91	4	Unsettled trades	4	91
688	936	Lease liabilities	365	395
335	191	Other liabilities	313	397
2.771	2.436	<b>Total other liabilities</b>	<b>2.200</b>	2.872

## Note 7 Customer deposits

Parent bank			Group	
31.12.19	31.12.20		31.12.20	31.12.19
269	457	Aquaculture	457	269
1.195	1.499	Industry	1.499	1.195
1.206	1.309	Agriculture/forestry	1.309	1.206
11.808	14.561	Service industry	14.337	11.591
2.538	3.753	Retail trade, hotels and restaurants	3.753	2.538
1.331	1.679	Energy, oil and gas	1.679	1.331
1.779	2.340	Building and construction	2.340	1.779
550	984	Power and water supply/	984	550
6.517	6.559	Real estate	6.559	6.517
2.265	1.952	Shipping and other transport	1.952	2.265
25.490	29.902	Public sector and financial services	29.902	25.490
54.948	64.995	<b>Total corporate sector</b>	<b>64.771</b>	54.731
48.375	53.399	<b>Retail customers</b>	<b>53.399</b>	48.375
103.323	118.394	<b>Deposits from customers</b>	<b>118.170</b>	103.106

## Note 8 Loans and other financial commitments to customers

Parent bank		Gross loans to customers by industry	Group	
31.12.19	31.12.20		31.12.20	31.12.19
2.503	2.904	Aquaculture	2.909	2.508
3.009	2.829	Industry	2.881	3.043
5.104	5.199	Agriculture/forestry	5.481	5.324
11.296	14.286	Service industry	14.421	11.326
3.338	3.204	Retail trade, hotels and restaurants	3.339	3.460
3.921	2.544	Energy, oil and gas	2.544	3.921
3.956	4.235	Building and construction	4.421	4.116
841	1.129	Power and water supply	1.129	841
33.659	31.419	Real estate	31.430	33.668
11.980	11.227	Shipping and other transport	11.372	12.111
2.404	2.180	Public sector and financial services	2.180	2.404
82.011	<b>81.156</b>	<b>Total corporate sector</b>	<b>82.107</b>	82.722
52.504	<b>52.801</b>	<b>Retail customers</b>	<b>137.074</b>	124.392
134.515	<b>133.957</b>	<b>Gross loans</b>	<b>219.181</b>	207.114
-1.415	-2.178	- Impairments after amortised cost	-2.215	-1.426
7	13	- Mortgages at FVOCI <sup>2)</sup>	-	-
133.107	<b>131.792</b>	<b>Loans to customers</b>	<b>216.966</b>	205.688
<b>Financial commitments <sup>1)</sup></b>				
9.751	8.763	Guarantees customers	8.814	9.800
15.383	17.795	Unused credit lines for customers	24.962	22.322
5.733	9.473	Approved loan commitments	9.473	5.733
30.867	<b>36.031</b>	<b>Total financial commitments</b>	<b>43.249</b>	37.855
<b>Other guarantees issued and liabilities</b>				
1.248	7.220	Unused credit lines for financial institutions	-	-
589	75.385	Guarantees other	589	589
9	35	Letters of credit	35	9
1.846	<b>82.640</b>	<b>Total other guarantees issued and liabilities</b>	<b>624</b>	598

<sup>1)</sup> Financial liabilities not on the balance sheet that are the basis for impairments

<sup>2)</sup> FVOCI - Fair value other comprehensive income

**Note 8 Loans and other financial commitments to customers (continued)**

**Parent bank**

<b>2020</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>31.12.2020</b>
Aquaculture	2.872	-14	-15	-	32	2.875
Industry	2.747	-17	-11	-83	82	2.718
Agriculture/forestry	2.582	-2	-6	-6	2.617	5.185
Service industry	13.730	-59	-72	-128	556	14.027
Retail trade, hotels and restaurants	2.959	-24	-28	-16	245	3.136
Energy, oil and gas	2.544	-14	-9	-705	-	1.816
Building and construction	3.942	-18	-21	-12	293	4.184
Power and water supply	1.125	-4	-3	-	4	1.122
Real estate	31.170	-100	-75	-62	249	31.182
Shipping and other transport	11.100	-23	-37	-454	127	10.713
Public sector and financial services	2.180	-	-	-	-	2.180
<b>Total corporate sector</b>	<b>76.951</b>	<b>-275</b>	<b>-277</b>	<b>-1.466</b>	<b>4.205</b>	<b>79.138</b>
<b>Retail customers</b>	<b>5.789</b>	<b>-13</b>	<b>-54</b>	<b>-93</b>	<b>47.012</b>	<b>52.641</b>
Mortgages at FVOCI <sup>1)</sup>					13	13
<b>Loans to customers</b>	<b>82.740</b>	<b>-288</b>	<b>-331</b>	<b>-1.559</b>	<b>51.230</b>	<b>131.792</b>

<b>2019</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>31.12.2019</b>
Aquaculture	2.476	-3	-2	-	27	2.498
Industry	2.959	-7	-17	-81	50	2.904
Agriculture/forestry	2.932	-1	-5	-3	2.172	5.095
Service industry	10.815	-36	-81	-57	481	11.122
Retail trade, hotels and restaurants	3.125	-10	-36	-10	213	3.282
Energy, oil and gas	3.921	-7	-86	-195	-	3.633
Building and construction	3.703	-8	-14	-22	253	3.912
Power and water supply	835	-1	-1	-	6	839
Real estate	33.394	-52	-64	-62	265	33.481
Shipping and other transport	11.884	-12	-53	-360	96	11.555
Public sector and financial services	2.404	-	-	-	-	2.404
<b>Total corporate sector</b>	<b>78.448</b>	<b>-137</b>	<b>-359</b>	<b>-790</b>	<b>3.563</b>	<b>80.725</b>
<b>Retail customers</b>	<b>6.356</b>	<b>-7</b>	<b>-22</b>	<b>-100</b>	<b>46.148</b>	<b>52.375</b>
Mortgages at FVOCI <sup>1)</sup>					7	7
<b>Loans to customers</b>	<b>84.804</b>	<b>-144</b>	<b>-381</b>	<b>-890</b>	<b>49.718</b>	<b>133.107</b>



**Note 8 Loans and other financial commitments to customers (continued)**

**Group**

<b>2020</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>31.12.2020</b>
Aquaculture	2.901	-14	-15	-	8	2.880
Industry	2.871	-17	-11	-83	10	2.770
Agriculture/forestry	4.366	-2	-6	-6	1.115	5.467
Service industry	14.304	-59	-73	-128	117	14.161
Retail trade, hotels and restaurants	3.309	-24	-28	-16	30	3.271
Energy, oil and gas	2.544	-14	-9	-705	-	1.816
Building and construction	4.368	-18	-21	-12	53	4.370
Power and water supply	1.127	-4	-3	-	2	1.122
Real estate	31.287	-100	-75	-62	143	31.193
Shipping and other transport	11.348	-23	-37	-454	24	10.858
Public sector and financial services	2.180	-	-	-	-	2.180
<b>Total corporate sector</b>	<b>80.605</b>	<b>-275</b>	<b>-278</b>	<b>-1.466</b>	<b>1.502</b>	<b>80.088</b>
<b>Retail customers</b>	<b>128.922</b>	<b>-23</b>	<b>-79</b>	<b>-94</b>	<b>8.152</b>	<b>136.878</b>
<b>Loans to customers</b>	<b>209.527</b>	<b>-298</b>	<b>-357</b>	<b>-1.560</b>	<b>9.654</b>	<b>216.966</b>

<sup>1)</sup> FVOCI - Fair value other comprehensive income

<b>2019</b>	<b>Gross loans at</b>				<b>Loans at</b>	<b>Net loans</b>
<b>Loans to customers by industry and stages</b>	<b>amortised cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>fair value</b>	<b>31.12.2019</b>
Aquaculture	2.504	-3	-2	-	4	2.503
Industry	3.041	-7	-17	-81	2	2.938
Agriculture/forestry	4.542	-1	-5	-4	782	5.314
Service industry	11.236	-36	-82	-57	90	11.151
Retail trade, hotels and restaurants	3.436	-10	-36	-10	24	3.404
Energy, oil and gas	3.921	-7	-86	-195	-	3.633
Building and construction	4.085	-8	-14	-22	31	4.072
Power and water supply	839	-1	-1	-	2	839
Real estate	33.512	-52	-64	-62	156	33.490
Shipping and other transport	12.096	-12	-53	-360	15	11.686
Public sector and financial services	2.404	-	-	-	-	2.404
<b>Total corporate sector</b>	<b>81.616</b>	<b>-137</b>	<b>-360</b>	<b>-791</b>	<b>1.106</b>	<b>81.434</b>
<b>Retail customers</b>	<b>116.550</b>	<b>-9</b>	<b>-28</b>	<b>-101</b>	<b>7.842</b>	<b>124.254</b>
<b>Loans to customers</b>	<b>198.166</b>	<b>-146</b>	<b>-388</b>	<b>-892</b>	<b>8.948</b>	<b>205.688</b>

**Note 8 Loans and other financial commitments to customers (continued)**

**Parent bank**

Gross loans per stage	01.01.2020 - 31.12.2020				01.01.2019 - 31.12.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	120.440	11.745	2.330	134.515	119.183	12.235	2.125	133.543
Transfer to (from) stage 1	-7.225	6.579	646	-	-4.712	4.664	49	-
Transfer to (from) stage 2	2.597	-3.524	927	-	3.015	-3.082	68	-
Transfer to (from) stage 3	27	4	-31	-	6	21	-27	-
Net increase/(decrease) balance existing loans	13.352	2.230	146	15.728	1.607	937	0	2.544
Originated or purchased during the period	49.521	1.534	887	51.942	40.762	1.715	30	42.507
Loans that have been derecognised	-59.392	-7.635	-1.201	-68.228	-39.421	-4.744	85	-44.079
<b>Gross loans 31.12.</b>	<b>119.320</b>	<b>10.933</b>	<b>3.704</b>	<b>133.957</b>	<b>120.440</b>	<b>11.745</b>	<b>2.330</b>	<b>134.515</b>

**Financial commitments per stage <sup>1)2)</sup>**

Financial commitments 01.01.	27.537	2.446	884	30.867	28.975	4.028	801	33.804
Net increase / (decrease) during period	5.300	-501	365	5.164	-1.438	-1.582	83	-2.937
<b>Financial commitments 31.12.</b>	<b>32.837</b>	<b>1.945</b>	<b>1.249</b>	<b>36.031</b>	<b>27.537</b>	<b>2.446</b>	<b>884</b>	<b>30.867</b>

**Group**

Gross loans per stage	01.01.2020 - 31.12.2020				01.01.2019 - 31.12.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	190.391	14.376	2.347	207.114	175.683	14.289	2.133	192.105
Transfer to (from) stage 1	-8.379	7.724	655	-	-5.773	5.720	53	-
Transfer to (from) stage 2	3.601	-4.545	944	-	3.758	-3.830	72	-
Transfer to (from) stage 3	31	6	-37	-	6	21	-27	-
Net increase/(decrease) balance existing loans	17.447	2.366	148	19.961	-2.250	989	-	-1.261
Originated or purchased during the period	81.878	2.470	896	85.244	88.675	2.534	36	91.245
Loans that have been derecognised	-83.599	-8.326	-1.213	-93.137	-69.708	-5.347	80	-74.975
<b>Gross loans 31.12.</b>	<b>201.370</b>	<b>14.072</b>	<b>3.739</b>	<b>219.181</b>	<b>190.391</b>	<b>14.376</b>	<b>2.347</b>	<b>207.114</b>

**Financial commitments per stage <sup>1)2)</sup>**

Financial commitments 01.01.	34.272	2.698	885	37.855	33.825	4.224	802	38.851
Net increase / (decrease) during period	5.517	-490	367	5.394	447	-1.526	83	-996
<b>Financial commitments 31.12.</b>	<b>39.789</b>	<b>2.208</b>	<b>1.252</b>	<b>43.249</b>	<b>34.272</b>	<b>2.698</b>	<b>885</b>	<b>37.855</b>

<sup>1)</sup> Other financial liabilities include guarantees, undrawn credit and loan commitments

<sup>2)</sup> Financial liabilities provide the basis for impairment losses under IFRS 9

## Note 9 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU's capital requirements for banks and securities undertakings (CRD IV/CRR). SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

The EU's capital adequacy regulations (CRR/CRD IV) were incorporated into the EEA agreement in March 2019, and the implementation regulations became effective in Norway on 31 December 2019.

The total minimum common equity tier 1 capital ratio requirement for SpareBank 1 SR-Bank, inclusive of the countercyclical buffer and Pillar 2 premium, as at 31 December 2020 was 14.2%. The requirement consists of a 4.5% minimum requirement plus other buffer requirements, which consist of a capital conservation buffer of 2.5%, a systemic risk buffer of 4.5% and a countercyclical buffer of 1.0%. As a result of the Covid-19 situation, the countercyclical buffer requirement was reduced by 1.5 percentage points to 1.0% with effect from March 2020. The Financial Supervisory Authority of Norway has also set an individual Pillar 2 requirement of 1.7%.

Investments in associated companies and joint ventures are recognised in the group using the equity method and in accordance with the cost method in the parent bank. The investments are treated identically for the purposes of determining the capital adequacy ratio except for the group's investments in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt, BN Bank and SpareBank 1 Kreditt. A proportionate consolidation is carried out for the group's capital adequacy.

Parent bank			Group	
31.12.19	31.12.20		31.12.20	31.12.19
6.394	6.394	Share capital	6.394	6.394
1.587	1.587	Premium reserve	1.587	1.587
1.407	1.407	Allocated to dividend	1.407	1.407
1.850	1.850	Hybrid capital <sup>1)</sup>	1.850	1.850
11.244	12.224	Other equity	15.150	13.596
		Non-controlling interests	5	
22.482	<b>23.462</b>	<b>Total book equity</b>	<b>26.393</b>	24.834
		<b>Tier 1 capital</b>		
-	-	Deferred taxes, goodwill and other intangible assets	-364	-354
-1.407	-1.407	Deduction for allocated dividends <sup>1)</sup>	-1.407	-1.407
-226	-52	Deduction in expected losses IRB less loss provisions	-146	-357
-1.850	-1.850	Hybrid capital that cannot be included in common equity tier 1 capital	-1.850	-1.850
-	-	Deduction for CET 1 capital in essential investments in financial institutions	-246	-23
-164	-151	Deduction for CET 1 capital in not essential investments in financial institutions	-154	-153
-43	-50	Value adjustment due to requirements concerning proper valuation	-50	-46
18.792	<b>19.952</b>	<b>Total Common equity Tier 1 capital</b>	<b>22.176</b>	20.644
1.850	1.850	Hybrid capital	1.951	1.982
20.642	<b>21.802</b>	<b>Total Tier 1 capital</b>	<b>24.127</b>	22.626
		<b>Tier 2 capital</b>		
2.097	2.097	Term subordinated loan capital	2.252	2.283
-43	-43	Deduction for essential investments in financial institutions	-43	-43
2.054	<b>2.054</b>	<b>Total Tier 2 capital</b>	<b>2.209</b>	2.240
22.696	<b>23.856</b>	<b>Net primary capital</b>	<b>26.336</b>	24.866

**Note 9 Capital adequacy (continued)**

Parent bank			Group	
31.12.19	31.12.20		31.12.20	31.12.19
		<b>Credit risk Basel II</b>		
20.515	16.932	SME	16.935	20.522
22.824	20.779	Specialised enterprises	23.130	25.215
4.655	6.413	Other corporations	6.529	4.767
1.065	1.007	Mass market SME	1.311	1.342
14.018	12.286	Mass market - mortgage on real estate	31.178	31.289
2.272	2.695	Other mass market	2.692	2.352
11.006	11.086	Equity positions	-	-
<b>76.355</b>	<b>71.198</b>	<b>Total credit and counterparty risk IRB</b>	<b>81.775</b>	<b>85.487</b>
13	33	States and central banks	43	25
18	153	Local and regional authorities, state-owned enterprises	308	73
2.978	4.212	Institutions	1.580	1.196
8.517	8.425	Enterprises	8.984	8.795
2.854	3.358	Mass market	4.020	3.678
-	-	Mass market - mortgage on real estate	931	1.115
2.035	9.219	Covered bonds	2.095	2.317
6.029	6.029	Equity positions	6.436	5.475
2.588	4.284	Other assets	4.902	3.653
<b>25.032</b>	<b>35.713</b>	<b>Total credit and counterparty risk standard method</b>	<b>29.299</b>	<b>26.327</b>
236	121	Credit value adjustment risk (CVA)	334	487
7.067	7.171	Operational risk	9.854	9.443
<b>108.690</b>	<b>114.203</b>	<b>Risk weighted balance</b>	<b>121.262</b>	<b>121.744</b>
4.891	5.139	Minimum requirement for common equity Tier 1 capital ratio 4.5 %	5.457	5.478
		<b>Buffer requirement</b>		
2.717	2.855	Capital conservation buffer 2.5 %	3.032	3.044
3.261	5.139	Systemic risk buffer 4.5 %	5.457	3.652
2.717	1.142	Countercyclical capital buffer 1.0 %	1.213	3.044
8.695	9.136	Total buffer requirement to common equity Tier 1 capital ratio	9.701	9.740
5.206	<b>5.677</b>	<b>Available common equity Tier 1 capital ratio after buffer requirement</b>	<b>7.018</b>	<b>5.426</b>
17,29 %	17,47 %	Common equity Tier 1 capital ratio, IRB	18,29 %	16,96 %
18,99 %	19,09 %	Tier 1 capital ratio, IRB	19,90 %	18,58 %
20,88 %	20,89 %	Capital ratio, IRB	21,72 %	20,42 %
10,03 %	7,44 %	Leverage Ratio	7,79 %	7,77 %

1) A decision was made in April 2020 not to pay dividend for 2019 at this time. The historical figures was not changed. The board have approved payment of a dividend of NOK 5.50 per share for the 2019 financial year

## Note 10 Financial derivatives

### Group

At fair value through profit and loss	Contract amount	Fair value at 31.12.20	
	31.12.20	Assets	Liabilities
<b>Currency instruments</b>			
Currency futures (forwards)	4.347	130	82
Currency swaps	22.727	173	732
Currency swaps (basis swaps)	44.584	377	1.110
Currency swaps (basis swaps hedging)	15.937	55	375
Currency options	180	10	10
<b>Total currency instruments</b>	<b>87.775</b>	<b>745</b>	<b>2.309</b>
<b>Interest rate instruments</b>			
Interest rate swaps	70.348	853	1.598
Other interest rate contracts	693	-	-
<b>Total interest rate instruments</b>	<b>71.041</b>	<b>853</b>	<b>1.598</b>
<b>Interest rate instruments, hedging</b>			
Interest rate swaps	96.599	4.109	38
<b>Total interest rate instruments, hedging</b>	<b>96.599</b>	<b>4.109</b>	<b>38</b>
<b>Security</b>			
Security		2.965	2.880
<b>Total security</b>		<b>2.965</b>	<b>2.880</b>
<b>Total currency and interest rate instruments</b>			
Total currency instruments	87.775	745	2.309
Total interest rate instruments	167.640	4.962	1.636
Total collateral		2.965	2.880
<b>Total financial derivatives</b>	<b>255.415</b>	<b>8.672</b>	<b>6.825</b>
<b>Counterparty risk:</b>			
Netting agreements		1.695	
Considered collateral		5.845	
<b>Total exposure to financial derivatives</b>		<b>1.132</b>	

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits.

### IBOR reform

Reforming and alternatives to IBOR rates have become a priority area for governments around the world in recent years. However, there is uncertainty surrounding which methods will be used for any changes and when they will be introduced. All of SpareBank 1 SR-Bank's interest rate derivatives use IBOR rates as a reference, and may thus be affected by changes. The most important positions are in EURIBOR and NIBOR. The bank is monitoring developments in the market closely, and is participating in several projects to monitor the changes and facilitate any changes. The table below shows nominal amount and weighted average remaining maturity for derivatives in hedging relationships that may be affected by IBOR reform, categorised by the relevant IBOR rate.

**Note 10 Financial derivatives (continued)**

	Contract amount	Weighted maturity
<b>Interest rate instruments</b>		
CIBOR DKK (6 months)	931	5,4
EURIBOR EUR (3 months)	69.423	5,3
EURIBOR EUR (6 months)	241	6,6
LIBOR USD (1 month)	1.340	2,0
LIBOR USD (3 months)	16.183	2,5
LIBOR USD (6 months)	577	1,3
NIBOR NOK (1 month)	59	6,2
NIBOR NOK (3 months)	54.553	4,9
NIBOR NOK (6 months)	755	5
STIBOR SEL (3 months)	233	3,6
<b>Total interest rate instruments</b>	<b>144.295</b>	
<b>Currency instruments</b>		
EURIBOR EUR (3 months) to LIBOR USD (3 months)	11.397	3,0
EURIBOR EUR (3 months) to NIBOR NOK (3 months)	37.328	4,4
EURIBOR EUR (3 months) to STIBOR SEK (3 months)	212	1,3
LIBOR USD (3 months) to NIBOR NOK (3 months)	5.683	2,3
LIBOR USD (6 months) to FIXED NOK	256	5,6
<b>Total currency instruments</b>	<b>54.876</b>	
<b>Total exposure to financial derivatives</b>	<b>199.171</b>	

**Note 11 Securities issued and subordinated loan capital**

**Group**

	Balance as at 31.12.20	Issued/ sale own 2020	Past due/ redeemed 2020	FX rate- and other changes 2020	31.12.19
<b>Change in debt raised through securities issued</b>					
Other long-term borrowing	1.203		-1.183	-38	2.424
Bonds and certificates, nominal value	49.051	5.402	-8.740	1.843	50.546
Covered bonds, nominal value	72.495	19.565	-10.464	2.802	60.592
Senior non preferred bonds, nominal value	399	399			-
Adjustments and accrued interests	4.015			1.413	2.602
<b>Total debt raised through securities issued</b>	<b>127.163</b>	25.366	-20.387	6.020	116.164

	Balance as at 31.12.20	Issued/ sale own 2020	Past due/ redeemed 2020	FX rate- and other changes 2020	31.12.19
<b>Change in debt raised through subordinated loan capital issued</b>					
Term subordinated loan capital, nominal value	2.150			32	2.118
Adjustments and accrued interests	4			-3	7
<b>Total additional Tier 1 and Tier 2 capital instruments</b>	<b>2.154</b>	-	-	29	2.125

The nominal value of the net outstanding covered bonds in SR-Boligkreditt is NOK 75,4 billion as of 31 December 2020.

## Note 12 Segment reporting

The executive management team has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between the retail market (including self-employed people), the corporate market, the capital market and subsidiaries of significant importance. Staff/support covers all staff departments and treasury functions in the bank. The activities in SR-Boligkreditt AS are divided between the retail market and own account trading/staff/support in the parent bank segments. Commission income from SpareBank 1 Boligkreditt are reported under 'Net commissions and other income'.

SpareBank 1 SR-Bank Group 01.01.20 - 31.12.20									
Income statement	Retail Market	Corporate Market	Capital Market	Staff/Support	Eiendoms- Megler 1	Forretnings-partner	Other activities	Eliminations	Total
Interest income	2.267	2.527	141	2.111	2	-	2	-97	6.953
Interest expense	505	456	90	1.867	-	-	12	-119	2.811
<b>Net interest income <sup>1)</sup></b>	<b>1.762</b>	<b>2.071</b>	<b>51</b>	<b>244</b>	<b>2</b>	<b>-</b>	<b>-10</b>	<b>22</b>	<b>4.142</b>
Commission income	599	322	3	11	405	170	102	-111	1.501
Commission expenses	72	30	1	55	-	-	37	-84	111
Other operating income	1	-	-	10	-	-	35	-40	6
<b>Net commission and other income</b>	<b>528</b>	<b>292</b>	<b>2</b>	<b>-34</b>	<b>405</b>	<b>170</b>	<b>100</b>	<b>-67</b>	<b>1.396</b>
Dividend income	-	-	-	57	-	-	-	-	57
Income from investment in associates	-	-	-	836	-	-	-4	-169	663
Net gains/losses on financial instruments	-	-8	87	-115	-	-	-41	56	-21
<b>Net income on investment securities</b>	<b>-</b>	<b>-8</b>	<b>87</b>	<b>778</b>	<b>-</b>	<b>-</b>	<b>-45</b>	<b>-113</b>	<b>699</b>
Personnel expenses	427	198	58	345	240	123	49	-4	1.436
Administrative expenses	74	7	9	370	34	10	13	-	517
Other operating expenses	90	37	3	170	83	16	82	-48	433
<b>Total operating expenses</b>	<b>591</b>	<b>242</b>	<b>70</b>	<b>885</b>	<b>357</b>	<b>149</b>	<b>144</b>	<b>-52</b>	<b>2.386</b>
<b>Operating profit before losses</b>	<b>1.699</b>	<b>2.113</b>	<b>70</b>	<b>103</b>	<b>50</b>	<b>21</b>	<b>-99</b>	<b>-106</b>	<b>3.851</b>
Impairments on loans and financial commitments	89	1.941	-	-	-	-	-	-	2.030
<b>Pre-tax profit</b>	<b>1.610</b>	<b>172</b>	<b>70</b>	<b>103</b>	<b>50</b>	<b>21</b>	<b>-99</b>	<b>-106</b>	<b>1.821</b>
<b>Net interest income</b>									
External net interest income	1.762	2.071	51	244	-	-	-	14	4.142
Internal net interest income	-	-	-	-	2	-	-10	8	-
<b>Net interest income</b>	<b>1.762</b>	<b>2.071</b>	<b>51</b>	<b>244</b>	<b>2</b>	<b>-</b>	<b>-10</b>	<b>22</b>	<b>4.142</b>
<b>Balance sheet</b>									
Loans to customers	140.743	74.853	252	3.681	-	-	-	-348	219.181
Impairments on loans	-210	-2.005	-	-	-	-	-	-	-2.215
Certificates/bonds/financial derivatives	-	-45	4.485	51.092	-	-	19	-6.958	48.593
Other assets	8.220	-6.080	1.751	34.391	212	214	1.482	-18.700	21.490
<b>Total assets</b>	<b>148.753</b>	<b>66.723</b>	<b>6.488</b>	<b>89.164</b>	<b>212</b>	<b>214</b>	<b>1.501</b>	<b>-26.006</b>	<b>287.049</b>
Deposits from customers	58.907	60.400	14	-926	-	-	-	-225	118.170
Other debt and equity <sup>1)</sup>	18.844	4.447	6.417	163.024	212	214	1.501	-25.780	168.879
<b>Total debt and equity</b>	<b>77.751</b>	<b>64.847</b>	<b>6.431</b>	<b>162.098</b>	<b>212</b>	<b>214</b>	<b>1.501</b>	<b>-26.005</b>	<b>287.049</b>
<b>Loans sold to SpareBank 1 Boligkreditt</b>	<b>-</b>	<b>-</b>							<b>-</b>

<sup>1)</sup> Other liabilities contains allocated arrangements between the segments. The interest on intercompany receivables for the retail market division and the corporate market division is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit premium). Deviations between the Group's actual funding costs and the applied interest on intercompany receivables are eliminated in the parent bank.

Note 12 Segment reporting (continued)

SpareBank 1 SR-Bank Group 01.01.19 - 31.12.19									
Income statement	Retail Market	Corporate Market	Capital Market	Staff/Support	Eiendoms- Megler 1	Forretnings- partner	Other activities	Eliminations	Total
Interest income	2.290	2.687	71	2.819	3	1	3	-131	7.743
Interest expense	603	718	44	2.515	-	1	9	-134	3.756
<b>Net interest income <sup>1)</sup></b>	<b>1.687</b>	<b>1.969</b>	<b>27</b>	<b>304</b>	<b>3</b>	<b>-</b>	<b>-6</b>	<b>3</b>	<b>3.987</b>
Commission income	617	330	8	18	396	133	99	-85	1.516
Commission expenses	77	27	1	47	-	-	35	-76	111
Other operating income	1	-	-	11	-	-	18	-19	11
<b>Net commission and other income</b>	<b>541</b>	<b>303</b>	<b>7</b>	<b>-18</b>	<b>396</b>	<b>133</b>	<b>82</b>	<b>-27</b>	<b>1.417</b>
Dividend income	-	-	-	31	-	-	-	-	31
Income from investment in associates	-	2	-	1.021	-	-	22	-170	875
Net gains/losses on financial instruments	4	24	87	77	-	-	28	1	221
<b>Net income on investment securities</b>	<b>4</b>	<b>26</b>	<b>87</b>	<b>1.129</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-169</b>	<b>1.127</b>
Personnel expenses	424	208	53	407	250	101	33	-4	1.472
Administrative expenses	82	20	10	386	40	7	10	-	555
Other operating expenses	94	33	3	185	103	14	50	-32	450
<b>Total operating expenses</b>	<b>599</b>	<b>261</b>	<b>66</b>	<b>978</b>	<b>393</b>	<b>123</b>	<b>93</b>	<b>-35</b>	<b>2.478</b>
<b>Operating profit before losses</b>	<b>1.633</b>	<b>2.037</b>	<b>55</b>	<b>437</b>	<b>6</b>	<b>11</b>	<b>32</b>	<b>-159</b>	<b>4.052</b>
Impairments on loans and financial commitments	24	211	-	-	-	-	-	-	235
<b>Pre-tax profit</b>	<b>1.609</b>	<b>1.826</b>	<b>55</b>	<b>437</b>	<b>6</b>	<b>11</b>	<b>32</b>	<b>-159</b>	<b>3.817</b>
<b>Net interest income</b>									
External net interest income	1.637	1.969	27	354	-	-	-	-	3.987
Internal net interest income	50	-	-	-50	3	-	-6	3	-
<b>Net interest income</b>	<b>1.687</b>	<b>1.969</b>	<b>27</b>	<b>304</b>	<b>3</b>	<b>-</b>	<b>14</b>	<b>-17</b>	<b>3.987</b>
<b>Balance sheet</b>									
Loans to customers	128.255	75.457	71	3.695	-	-	-	-364	207.114
Individual loss provisions	-154	-1.265	-	-	-	-	-	-7	-1.426
Certificates/bonds/financial derivatives	-	-	3.538	38.821	-	-	7	-3.641	38.725
Other assets	-2.060	3.571	2.158	20.755	175	200	1.699	-15.016	11.482
<b>Total assets</b>	<b>126.041</b>	<b>77.763</b>	<b>5.767</b>	<b>63.271</b>	<b>175</b>	<b>200</b>	<b>1.706</b>	<b>-19.028</b>	<b>255.895</b>
Deposits from customers	53.736	49.893	23	-330	-	-	-	-216	103.106
Other debt and equity <sup>1)</sup>	72.305	27.870	5.744	63.601	175	200	1.706	-18.812	152.789
<b>Total debt and equity</b>	<b>64.990</b>	<b>76.318</b>	<b>5.687</b>	<b>125.847</b>	<b>175</b>	<b>200</b>	<b>1.706</b>	<b>-19.028</b>	<b>255.895</b>
<b>Loans sold to SpareBank 1 Boligkreditt</b>	<b>4.243</b>	<b>-</b>							<b>4.243</b>



## Note 13 Net income/losses from financial instruments

Parent bank			Group	
01.01.19 - 31.12.19	01.01.20- 31.12.20		01.01.20- 31.12.20	01.01.19 - 31.12.19
70	-107	Net gains/losses on equity instruments	-49	111
-137	37	Net gains/losses for bonds and certificates	29	-156
141	-121	Net derivatives bonds and certificates	-121	141
-	-47	Net counterparty risk, inclusive of CVA	-47	-
-1	19	Net derivatives other assets	19	-1
-8	-2	Net derivatives liabilities	-3	5
-18	-10	Net derivatives basis swap spread	13	-10
136	133	Net gain currency	138	131
183	<b>-98</b>	<b>Net income/losses from financial instruments</b>	<b>-21</b>	221

## Note 14 Pensions

The SpareBank 1 SR-Bank group has two types of pension scheme: defined benefit-based and contribution benefit-based pension schemes. For more information about the accounting treatment of the schemes see note 1 above and note 24 to the annual financial statements for 2019.

The group previously had a secured defined benefit pension scheme covered by the group's pensions fund. This scheme was wound up in 2015 and employees who were in the defined benefit scheme were issued a paid-up policy for their earned rights in the defin

Paid-up policies will be managed by the pension fund, which from 1 January 2016 was set as a paid-up fund. A framework agreement has been established between SpareBank 1 SR-Bank and the pension fund that covers things such as financing, capital management, etc. Because of the responsibilities SpareBank 1 SR-Bank still has, future liabilities will have to be incorporated in the financial statements. The board of the pension fund must consist of representatives of the group and pension scheme participants in accordance with the pension fund's articles of association.

The following economic assumptions have been used to calculate the obligations for the defined benefit-based pension scheme:

Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Parent bank and group
2,30 %	1,70 %	1,40 %	1,30 %	1,70 %	Discount rate
2,30 %	1,70 %	1,40 %	1,30 %	1,70 %	Expected return on assets
2,25 %	2,25 %	2,25 %	2,00 %	2,25 %	Forecast salary increase
2,00 %	2,00 %	2,00 %	1,75 %	2,00 %	National Insurance scheme's basic amount
0,50 %	0,50 %	0,50 %	0,00 %	0,00 %	Pension adjustment
0,50 %	0,50 %	0,50 %	0,00 %	0,00 %	Paid-up policy adjustment

Change in pension obligations (NOK million):

Parent bank					Group			
Q4 2019	Q4 2020	01.01.19 - 31.12.19	01.01.20 - 31.12.20		01.01.20 - 31.12.20	01.01.19 - 31.12.19	Q4 2020	Q4 2019
310	199	164	176	Net pension obligations opening balance	187	175	209	321
-199	-174	-30	-157	Actuarial liabilities and losses recognised in comprehensive income	-159	-30	-177	-199
4	6	13	15	Net pension cost	15	17	7	5
-2	-	-2	-	Company contributions	-	-2	-	-2
-1	-1	-4	-4	Payments from operations	-5	-7	-1	-1
64	167	35	167	Upper limit for capitalisation of the asset	166	34	166	63
176	<b>197</b>	176	<b>197</b>	<b>Net pension obligations closing balance</b>	<b>204</b>	187	<b>204</b>	187

## Note 15 Sale of loans

In 2010, in association with the other owners of Sparebank 1 Boligkreditt, Sparebank 1 SR-Bank entered into an agreement to establish a liquidity facility for SpareBank 1 Boligkreditt. This implies that the banks undertake to buy mortgage bonds limited to a total value equal to 12 months' maturities in SpareBank 1 Boligkreditt. Each owner is primarily liable for its share of the need, secondarily for twice the amount of the primary liability under the same agreement. The bonds can be deposited with Norges Bank and represent, therefore, no significant increase in the bank's inherent risk. The agreement with SpareBank 1 Boligkreditt AS was terminated on 31 December 2020 and no other agreement concerning a liquidity facility exists as per 31 December 2020.

SpareBank 1 SR-Bank has concluded agreements concerning the sale of loans with good security and collateral in real estate to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. The agreement with SpareBank 1 Boligkreditt AS was terminated on 31 December 2020, and there are not any sale of loans as of 31 December 2020. For more information about the accounting treatment of the agreements see note 2 and financial statements.

SpareBank 1 SR-Bank has also concluded an agreement concerning the sale of loans with good security and collateral in real estate to its subsidiary SR-Boligkreditt AS. Such loans are derecognised from the parent bank's balance sheet, but are recognised in the consolidated financial statements, see note 2 in the 2019 annual financial statements.

## Note 16 Liquidity risk

Liquidity risk is the risk that the group is not able to refinance its debt or is not able to finance an increase in assets. The bank's framework for managing liquidity risk shall reflect the bank's conservative risk profile. The board has adopted internal limits such that the bank has as balanced a maturity structure for its borrowing as possible. Stress testing is conducted for the various terms of maturity for bank-specific crises, system crises and combinations of these. A contingency plan has also been put in place to manage liquidity crises. The average remaining term to maturity in the portfolio of senior bond funding and covered bonds was 3.9 years at the end of the fourth quarter of 2020. The total LCR was 157 % at the end of the fourth quarter, and the average total LCR was 156 % in the quarter. The LCR in NOK and EUR at the end of the quarter was 135 % and 573 %, respectively.

## Note 17 Information about fair value

### Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices)

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions)

Fair value 31.12.2020	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Net lending to customers <sup>1)</sup>			9.654	9.654
Commercial paper and bonds	17.623	15.123		32.746
Financial derivatives		8.672		8.672
Equities, units and other equity interests	506	27	375	908
<b>Liabilities</b>				
Financial derivatives		6.825		6.825

No transfers between levels 1 and 2

<sup>1)</sup> Net lending to customers in parent bank, level 3

51.217

**Note 17 Information about fair value (continued)**

Fair value 31.12.2019	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Net lending to customers <sup>1)</sup>			8.948	8.948
Commercial paper and bonds	17.549	8.720		26.269
Financial derivatives		5.933		5.933
Equities, units and other equity interests	438	27	455	920
<b>Liabilities</b>				
Financial derivatives		4.530		4.530
No transfers between levels 1 and 2				
<sup>1)</sup> Net lending to customers in parent bank, level 3			49.711	

**Change in holding during the financial year of assets valued on the basis of factors other than observable market data**

Group	Loans to customers	Shares, ownership stakes and other securities
Balance 01.01	8.948	455
Additions	2.400	61
Disposals	-1.896	-40
Transferred from or to measurement according to prices in an active market or observable market data		
Change in value <sup>1)</sup>	202	-101
<b>Balance 31.12.2020</b>	<b>9.654</b>	<b>375</b>
Nominal value/cost price	9.420	296
Fair value adjustment	234	79
<b>Balance 31.12.2020</b>	<b>9.654</b>	<b>375</b>

<sup>1)</sup> Value changes are recognised in net income from financial instruments

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the applicable interest curve, having taken into account a market premium, which is adjusted for the profit margin. The conducted sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 30 million.

**Fair value of financial instruments at amortised cost**

Group	Balance 31.12.2020	Fair value
<b>Assets</b>		
Cash and balances with central banks	68	68
Balances with credit institutions <sup>1)</sup>	12.589	12.589
Loans to customers <sup>1)</sup>	207.312	207.312
Certificates and bond	7.175	7.191
<b>Total assets at amortised cost</b>	<b>227.144</b>	<b>227.160</b>
<b>Liabilities</b>		
Balances with credit institutions <sup>1)</sup>	4.144	4.144
Deposits from customers <sup>1)</sup>	118.170	118.170
Listed debt securities	127.163	127.156
Subordinated loan capital	2.154	2.158
<b>Total liabilities at amortised cost</b>	<b>251.631</b>	<b>251.628</b>

<sup>1)</sup> Loans and deposits at amortised cost, amount to book value best estimate at fair value.

## Note 18 Leases

On 1 January 2019, the SpareBank 1 SR-Bank Group introduced the new IFRS 16 standard for leases. Pursuant to IFRS 16, lessees must capitalise a right-to-use asset and a lease liability for each of their leases. For more information about the accounting treatment of the schemes see note 31 to the annual statements of 2019.

Parent Bank			Group	
01.01.19- 31.12.19	01.01.20 - 31.12.20		01.01.20 - 31.12.20	01.01.19- 31.12.19
		<b>Balance</b>		
682	915	Lease rights	346	398
688	936	Liabilities associated with lease rights	365	395
		<b>Income Statement</b>		
32	53	Depreciations on lease rights	44	39
		Impairments on lease rights		
12	32	Interests on lease liabilities	13	14
44	84	<b>Total IFRS 16 costs</b>	62	53
		<b>Effects of IFRS 16</b>		
38	70	Reduction in operating costs pursuant to IAS 17	32	48
44	84	Increase in costs pursuant to IFRS 16	62	53
-6	-14	<b>Changes to pre-tax profit</b>	-30	-5
		<b>Changes in lease rights and liabilities associated with lease rights</b>		
	682	Lease rights 31.12.	398	
	275	Adjustment of calculations previous years	20	
293	957	Lease rights 01.01.	418	390
421	54	Additions in the period	43	47
	43	Disposals in the period	67	-
32	53	Depreciations	44	39
	-	Impairments	4	-
682	915	<b>Lease rights at the end of the periode</b>	346	398
	688	Liabilities associated with lease rights 31.12.	395	
	275	Adjustment of calculations previous years	20	
293	963	Liabilities associated with lease rights 01.01.	415	390
421	54	Additions in the period	51	37
	43		67	-
38	69	Instalments in the period	47	46
12	32	Interest rate	13	14
688	936	<b>Liabilities associated with lease rights, at the end of the period</b>	365	395

## Note 19 Events after the balance sheet date

No material events have been registered after 31 December 2020 that affect the consolidated financial statements as prepared.

The dividend provision as at 31 December 2020 was allocated to the result for 2019.

## Quarterly income statement

SpareBank 1 SR-Bank Group, MNOK	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Interest income	1.507	1.547	1.752	2.147	2.120	2.003	1.861	1.759	1.690
Interest expense	513	506	726	1.066	1.058	984	893	821	764
<b>Net interest income</b>	<b>994</b>	<b>1.041</b>	<b>1.026</b>	<b>1.081</b>	<b>1.062</b>	<b>1.019</b>	<b>968</b>	<b>938</b>	<b>926</b>
Commission income	396	365	368	372	383	359	412	362	370
Commission expenses	28	31	24	28	31	29	29	22	20
Other operating income	2	2	-	2	7	2	1	1	-
<b>Net commission and other income</b>	<b>370</b>	<b>336</b>	<b>344</b>	<b>346</b>	<b>359</b>	<b>332</b>	<b>384</b>	<b>341</b>	<b>350</b>
Dividend income	39	1	17	-	-	4	8	19	-
Income from investment in associates	129	147	145	242	15	98	226	536	113
Net gains/losses on financial instrument	72	42	135	-270	7	-13	106	121	-45
<b>Net income on financial investments</b>	<b>240</b>	<b>190</b>	<b>297</b>	<b>-28</b>	<b>22</b>	<b>89</b>	<b>340</b>	<b>676</b>	<b>68</b>
<b>Total income</b>	<b>1.604</b>	<b>1.567</b>	<b>1.667</b>	<b>1.399</b>	<b>1.443</b>	<b>1.440</b>	<b>1.692</b>	<b>1.955</b>	<b>1.344</b>
Personnel expenses	401	357	330	348	396	375	357	344	330
Administrative expenses	121	126	130	140	152	132	137	134	137
Other operating costs	107	112	110	104	130	108	108	105	109
<b>Total operating cost</b>	<b>629</b>	<b>595</b>	<b>570</b>	<b>592</b>	<b>678</b>	<b>615</b>	<b>602</b>	<b>583</b>	<b>576</b>
<b>Operating profit before impairments</b>	<b>975</b>	<b>972</b>	<b>1.097</b>	<b>807</b>	<b>765</b>	<b>825</b>	<b>1.090</b>	<b>1.372</b>	<b>768</b>
Impairments on loans and financial commitments	270	369	831	560	139	66	-19	49	92
<b>Pre-tax profit</b>	<b>705</b>	<b>603</b>	<b>266</b>	<b>247</b>	<b>626</b>	<b>759</b>	<b>1.109</b>	<b>1.323</b>	<b>676</b>
Tax expense	97	98	10	26	141	166	209	177	149
<b>Profit after tax</b>	<b>608</b>	<b>505</b>	<b>256</b>	<b>221</b>	<b>485</b>	<b>593</b>	<b>900</b>	<b>1.146</b>	<b>527</b>

### Profitability

Return on equity per quarter <sup>1)</sup>	9,7 %	8,2 %	4,0 %	3,4 %	8,3 %	10,5 %	16,2 %	21,2 %	10,1 %
Cost percentage <sup>1)</sup>	39,2 %	38,0 %	34,2 %	42,3 %	47,0 %	42,7 %	35,6 %	29,8 %	42,9 %
Combined weighted average spread for lending and deposits <sup>1)</sup>	1,40 %	1,48 %	1,50 %	1,64 %	1,64 %	1,61 %	1,58 %	1,60 %	1,59 %

### Balance sheet figures from quarterly accounts

Gross loans to customers	219.181	216.796	214.432	212.161	207.114	203.575	198.626	196.468	192.105
Gross loans to customers including SB1 BK and SB1 NK <sup>2)</sup>	219.181	220.186	218.630	216.354	211.357	209.854	207.513	205.406	201.399
Growth in loans over last 12 months <sup>1)</sup>	5,8 %	6,5 %	8,0 %	8,0 %	7,8 %	11,2 %	11,0 %	12,7 %	11,3 %
Growth in loans incl SB1 BK and SB1 NK <sup>1)2)</sup>	3,7 %	4,9 %	5,4 %	5,3 %	4,9 %	6,8 %	7,3 %	8,7 %	7,6 %
Deposits from customers	118.170	113.248	111.170	105.545	103.106	102.181	102.693	98.991	98.814
Growth in deposits over last 12 months <sup>1)</sup>	14,6 %	10,8 %	8,3 %	6,6 %	4,3 %	1,9 %	-3,0 %	-0,6 %	3,6 %
Total assets	287.049	280.338	278.715	278.639	255.895	251.604	246.462	241.926	234.061
Average total assets	282.912	280.147	275.917	264.959	256.488	251.291	245.009	237.959	231.062

### Impairments on loans and financial commitments

Impairment ratio, annualized <sup>1)</sup>	0,50 %	0,68 %	1,56 %	1,07 %	0,27 %	0,13 %	-0,04 %	0,10 %	0,20 %
Impairment ratio, including loans SB1 BK and SB1 NK <sup>1)2)</sup>	0,49 %	0,67 %	1,53 %	1,05 %	0,26 %	0,13 %	-0,04 %	0,10 %	0,18 %

<sup>1)</sup> Defined as alternative performance targets (APMs), see the appendix to the interim report

<sup>2)</sup> SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are abbreviated to SB1 BK and SB1 NK

Quarterly income statement (continued)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
<b>Loans and financial commitments in Stage 2 and Stage 3 <sup>1)</sup></b>									
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments <sup>1)</sup>	1,90 %	1,59 %	1,87 %	1,42 %	1,32 %	1,34 %	1,23 %	1,22 %	1,27 %
Loans and financial commitments in Stage 3 in % of gross loans and fin. commitments, incl. loans SB1 BK and SB1 NK <sup>1)2)</sup>	1,90 %	1,57 %	1,84 %	1,40 %	1,30 %	1,30 %	1,19 %	1,17 %	1,22 %
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments <sup>1)</sup>	6,20 %	6,21 %	5,51 %	6,67 %	6,97 %	7,39 %	6,80 %	6,85 %	8,02 %
Loans and financial commitments in Stage 2 in % of gross loans and fin. commitments, incl. loans SB1 BK og SB1 NK <sup>1)2)</sup>	6,20 %	6,13 %	5,42 %	6,56 %	6,85 %	7,20 %	6,56 %	6,60 %	7,71 %
<b>Solidity</b>									
Common equity Tier 1 capital ratio <sup>3)5)</sup>	18,3 %	18,5 %	18,3 %	17,7 %	17,0 %	14,2 %	14,4 %	14,7 %	14,7 %
Tier 1 capital ratio <sup>3)5)</sup>	19,9 %	20,2 %	19,9 %	19,2 %	18,6 %	15,6 %	15,8 %	16,0 %	15,9 %
Capital ratio <sup>3)5)</sup>	21,7 %	22,0 %	21,8 %	21,0 %	20,4 %	17,3 %	17,5 %	17,7 %	17,6 %
Tier 1 capital <sup>3)</sup>	24.127	24.489	24.299	24.182	22.626	22.149	22.068	21.475	20.743
Net primary capital	26.336	26.728	26.538	26.421	24.866	24.498	24.417	23.759	23.038
Risk weighted balance <sup>3)</sup>	121.262	121.494	121.918	125.780	121.744	141.712	139.545	134.649	130.869
Leverage ratio	7,8 %	7,9 %	7,8 %	7,9 %	7,8 %	7,5 %	7,6 %	7,7 %	7,7 %
<b>Liquidity</b>									
Liquidity Coverage Ratio (LCR) <sup>4)</sup>	157 %	154 %	159 %	135 %	155 %	153 %	154 %	172 %	167 %
Deposit-to-loan ratio <sup>1)</sup>	53,9 %	52,2 %	51,8 %	49,7 %	49,8 %	50,2 %	51,7 %	50,4 %	51,4 %
Deposit-to-loan ratio, incl loans SB1 BK and NK <sup>1)2)</sup>	53,9 %	51,4 %	50,8 %	48,8 %	48,8 %	48,7 %	49,5 %	48,2 %	49,1 %
<b>Branches and staff</b>									
Number of branches	34	35	34	33	33	34	34	35	36
Number of man-years	1.283	1.279	1.255	1.272	1.260	1.250	1.228	1.192	1.178
Number of man-years including temps	1.332	1.326	1.323	1.336	1.352	1.309	1.322	1.256	1.251
<b>SpareBank 1 SR-Bank share</b>									
Market price at end of quarter	91,00	77,40	69,90	59,20	100,00	99,15	103,90	99,40	89,20
Market capitalisation	23.273	19.795	17.877	15.140	25.575	25.358	26.573	25.422	22.813
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share(including dividends) <sup>1)</sup>	95,97	93,51	91,32	90,55	89,90	87,60	85,44	86,55	82,27
Earnings per share, NOK (annualised)	2,38	1,97	1,00	0,86	1,90	2,32	3,52	4,48	2,06
Price/earnings per share <sup>1)</sup>	9,57	9,80	17,46	17,21	13,16	10,68	7,38	5,54	10,81
Price / Book equity (group) <sup>1)</sup>	0,95	0,83	0,77	0,65	1,11	1,13	1,22	1,15	1,08
Annualised turnover rate in quarter <sup>6)</sup>	5,3 %	6,1 %	11,0 %	9,4 %	4,7 %	3,6 %	5,3 %	5,3 %	8,4 %
Effective return <sup>7)</sup>	17,6 %	10,7 %	18,1 %	-40,8 %	0,9 %	-4,6 %	9,1 %	11,4 %	-9,9 %

<sup>1)</sup> Defined as alternative performance targets (APMs), see the appendix to the interim report

<sup>2)</sup> SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are abbreviated to SB1 BK and SB1 NK

<sup>3)</sup> Historical capital ratio figures prior to 31.12.2019, are based on the capital adequacy rules and regulations when the so-called Basel I floor applied

<sup>4)</sup> High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

<sup>5)</sup> A decision was made in April 2020 not to pay dividend for 2019 at this time. The figures as at 31 December 2019 was not changed. The board have approved payment of a dividend of NOK 5.50 per share for the 2019 financial year

<sup>6)</sup> Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

<sup>7)</sup> Percentage change in the market price in the last period, including paid share dividend

## Contact Information

### Address

---

Christen Tranes Gate 35  
Postboks 250  
N-4068 Stavanger

Tel. (+47) 915 02 002

[www.sr-bank.no](http://www.sr-bank.no)

### Executive Management

---



Benedicte Schilbred Fasmer, CEO  
Tel. (+47) 950 60 034  
Email: [benedicte.fasmer@sr-bank.no](mailto:benedicte.fasmer@sr-bank.no)



Inge Reinertsen, CFO  
Tel. (+47) 909 95 033  
Email: [inge.reinertsen@sr-bank.no](mailto:inge.reinertsen@sr-bank.no)

### Investor Relations

---



Stian Helgøy, Vice President Investor Relations  
Tel. (+47) 906 52 173  
Email: [stian.helgoy@sr-bank.no](mailto:stian.helgoy@sr-bank.no)

### 2021 Financial Calendar

---

Preliminary annual results for 2020	Thursday 11 February
Annual Report	Thursday 25 March
Annual General Meeting	Wednesday 28 March
Q1 2021	Thursday 6 May
Q2 2021, Half-yearly Report	Wednesday 11 August
Q3 2021	Thursday 28 October