

A large graphic consisting of a blue 'Q' with a white segment and a large blue '4' next to it, representing the fourth quarter.

Quarterly presentation 2020

Disclaimer

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

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

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

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



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

SR-Bank at a glance

- Second largest Norwegian bank
- Market cap: NOK 23.3 Billion
- Total assets: NOK 287.0 Billion
- Total lending: NOK 219.2 Billion
- Total deposits: NOK 118.2 Billion
- No. of branches: 34
- Employees: 1.332

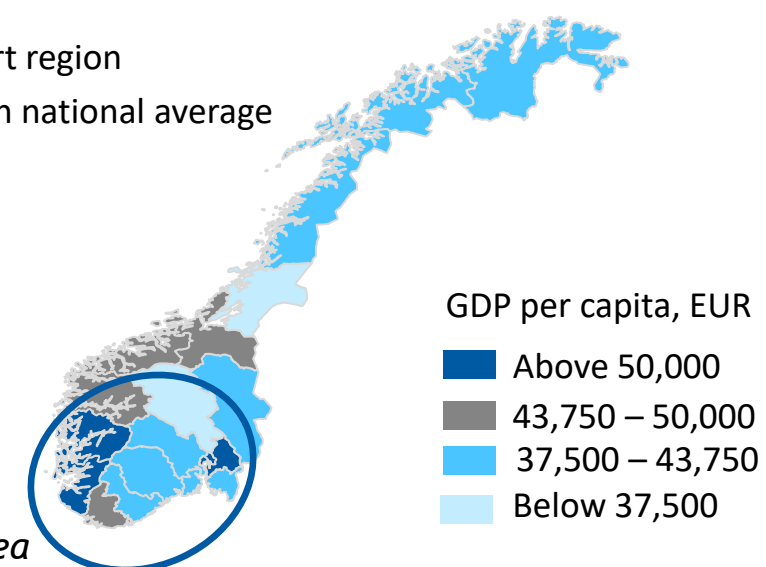


- **1839:** The first bank that today forms part of SpareBank 1 SR-Bank was established.
- **1976:** 24 savings banks merge to form Sparebanken Rogaland.
- **1994:** SR-Bank (Sparebanken Rogaland) lists its primary capital certificates on the Oslo Stock Exchange.
- **1996:** SR-Bank is one of the founders of SpareBank 1, an alliance.
- **2012:** SpareBank 1 SR-Bank converted from a savings bank to a public limited company (“limited liability savings bank”).

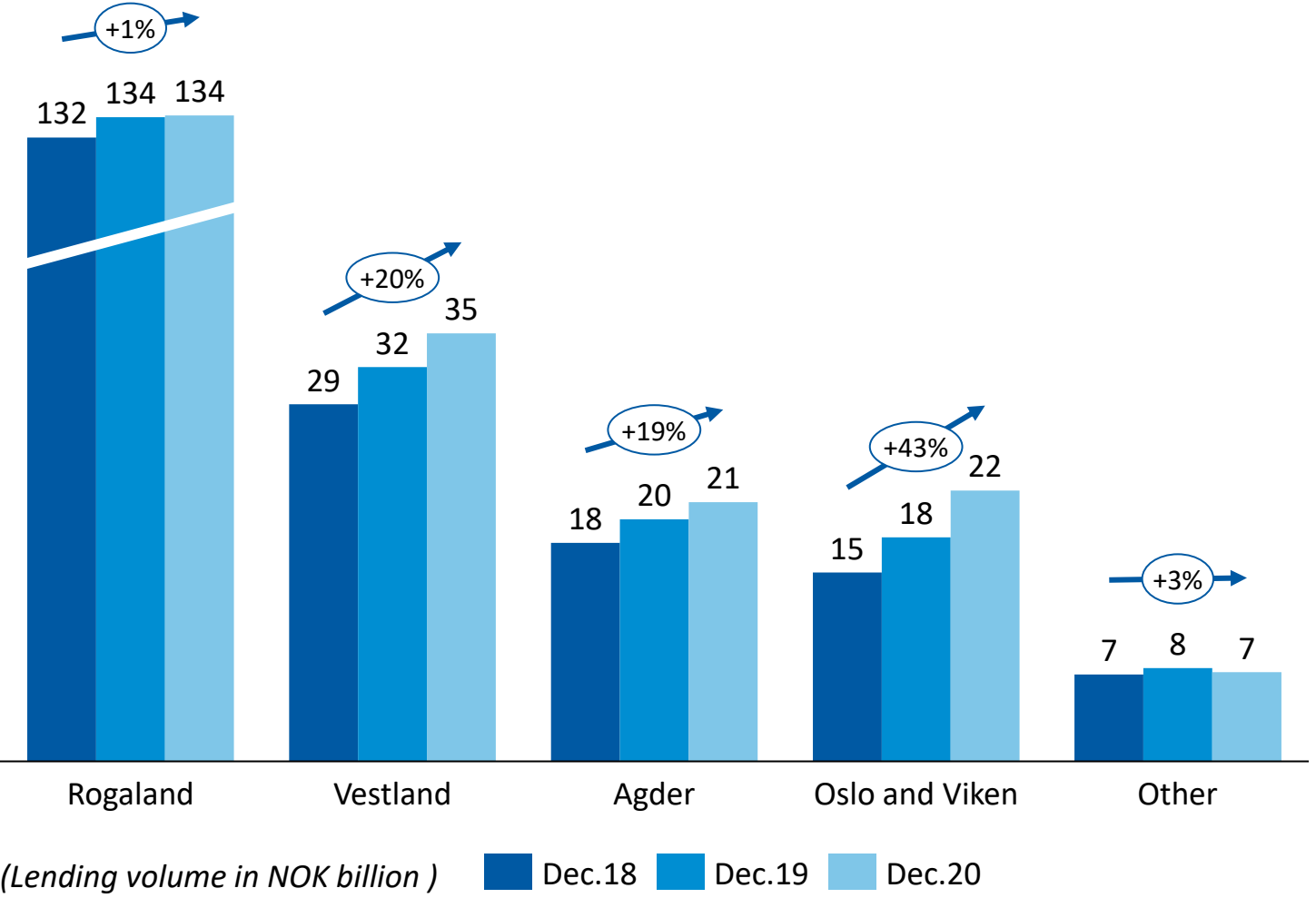
Source: Finans Norge (2018), Statistics Norway, Norges Bank.

	Banks	Market share
1	DnB Bank	27.2
2	Nordea Bank Norge (Swedish)	12.6
3	Danske Bank (Danish)	6.4
4	Handelsbanken (Swedish)	5.4
5	SpareBank 1 SR-Bank	4.3

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



Digitalization and growth makes SR-Bank a finance group for the South of Norway



*Included in Stavanger is office; Domkirkeplassen, Hundvåg, Madla and Mariero

SpareBank 1 SR-Bank ASA

Business divisions	Fully owned companies		Partly owned companies	
Capital Market Number of man-years: 26	EiendomsMegler 1 Leading real estate broker Number of man-years: 190	SR-Boligkreditt Covered Bond Funding Number of man-years: 1	BN Bank (35.0%) Commercial bank located in Oslo and Trondheim	SpareBank 1 Gruppen (19.5%) Holding company for the SpareBank 1 - Alliance
Retail Market Number of man-years: 473	SR-Forvaltning Asset management Number of man-years: 13	FinStart Nordic** Investmentportfolio FinTec Number of man-years: 15	SpareBank 1 Kreditt (17.7%) Credit card company located in Trondheim	SpareBank 1 Næringskreditt (15.6%) Covered bond company (commercial real estate)
Corporate Market Number of man-years: 152	SpareBank 1 SR-Bank Forretningspartner* Accounting and advisory Number of man-years: 154	Monner Digital loan-platform for small businesses Number of man-years: 16	SpareBank 1 Betaling*** (19.8%) The company behind mobile payment solution	SpareBank 1 Gjeldsinformasjon (18.3%) Obtains debt information from financial institutions
Administration & Support Number of man-years: 292				

*SpareBank 1 SR-Bank Forretningspartner has taken over Fast Solutions with effect from 1 September 2020.

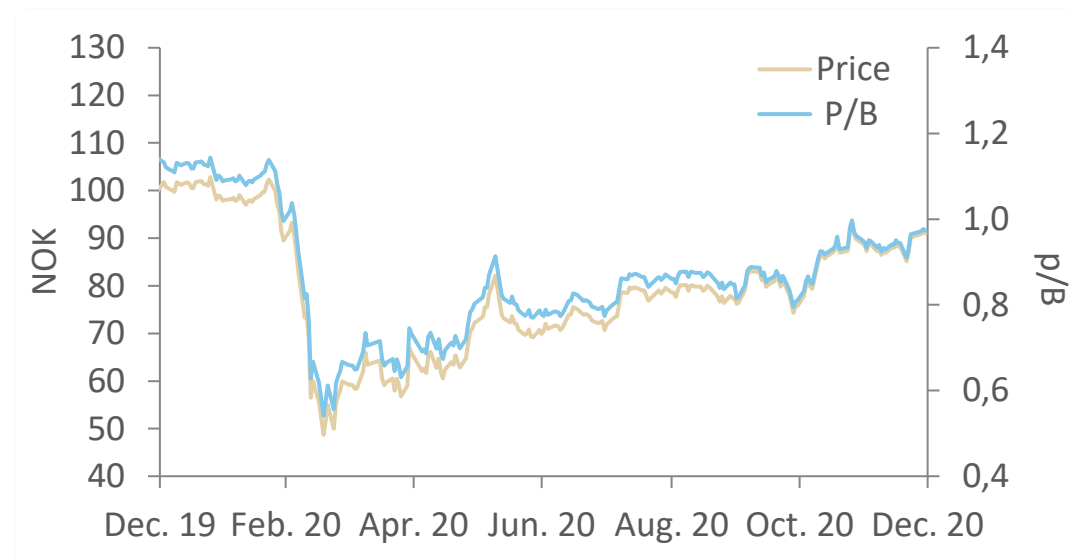
**Number of man-years in FinStart Nordic includes man-years in subsidiaries.

***Owns 22% in VBB AS.

SRBANK share

- International ownership is 21.8% per 4. quarter 2020.
- Total market value at 4. quarter 2020 is NOK 23.3 billion.

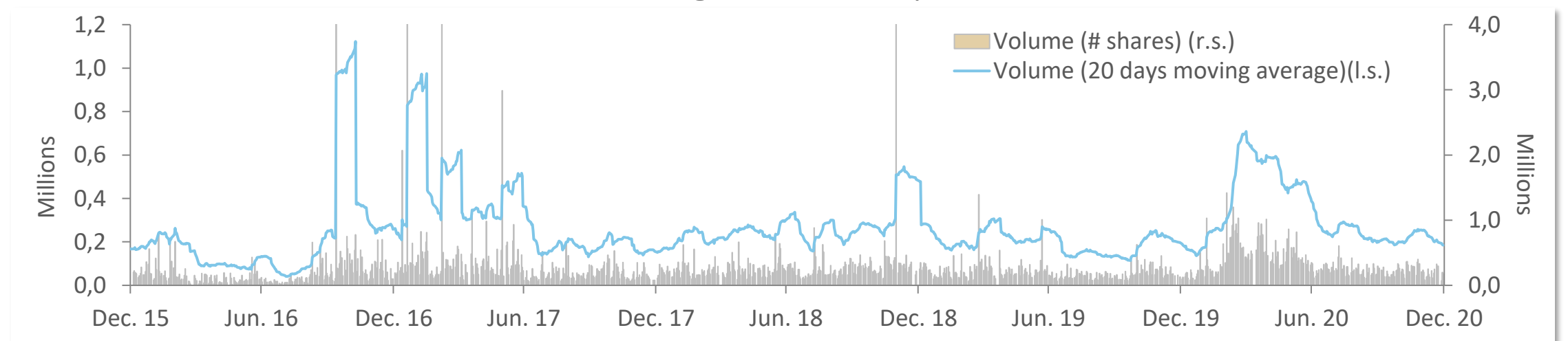
Development in Price/Book



Relative share price development



Trading volume development



20 largest shareholders as at 31 December 2020

- Ownership interests as at 31 December 2020:
 - From Rogaland, Agder and Vestland: 43.9% (42.9%)
 - International: 21.8% (27.9%)
 - 10 largest: 51.1% (51.4%)
 - 20 largest: 58.8% (58.4%)
- Number of shareholders 31 December 2020:
13.133 (11.321)
- Employees owning 1.7% (1.5%) as at 31 December 2020

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28.3%
Folketrygdfondet		21.078.112	8.2%
Brown Brothers Harriman & Co, U.S.A.	Nominee	6.612.187	2.6%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2.4%
State Street Bank and Trust Co, U.S.A.	Nominee	6.005.407	2.3%
Vpf Nordea Norge Verdi		4.933.097	1.9%
Danske Invest Norske Instit. II		3.550.817	1.4%
Odin Norge		3.423.133	1.3%
Verdipapirfondet Alfred Berg Gambak		3.311.467	1.3%
Pareto Aksje Norge		3.193.790	1.2%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	2.887.077	1.1%
Clipper AS		2.211.000	0.9%
Verdipapirfondet Alfred Berg Norge		2.012.771	0.8%
KLP Aksjenorge Indeks		1.988.704	0.8%
State Street Bank and Trust Co, U.S.A.	Nominee	1.934.397	0.8%
JPMorgan Bank Luxembourg	Nominee	1.812.377	0.7%
Westco AS		1.797.687	0.7%
Pareto Invest AS		1.712.275	0.7%
The Bank of New York Mellon, Irland	Nominee	1.685.603	0.7%
Forsvarets Personellservice		1.625.811	0.6%
Top 5		112.341.594	43.9%
Top 10		130.753.898	51.1%
Top 20		150.421.600	58.8%

Figures in parentheses as at 31.12.2019.

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

Result 4. quarter 2020

9.7%

Return on equity after tax

Pre-tax profit NOK 705 million

NOK 270 million

Impairments on gross lending and financial commitments

Equivalent 0.49% of gross lending and financial commitments (annualized)

Result 2020

6.4%

Return on equity after tax

Pre-tax profit NOK 1.821 million

18.3%*

Common equity tier 1 capital ratio

-3.7%

12 months costs growth

Cost to income ratio is 38.3%

3.7%

12 months lending growth

Of which retail market 6.3% and corporate market (incl. capital marked) -0.7%

14.6%

12 months deposit growth

Of which retail market 9.6% and corporate market (incl. capital marked) 19.9%

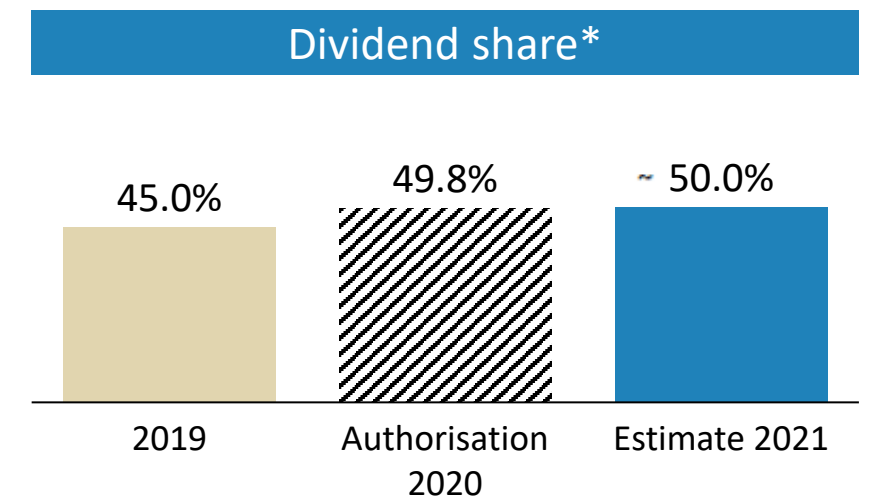
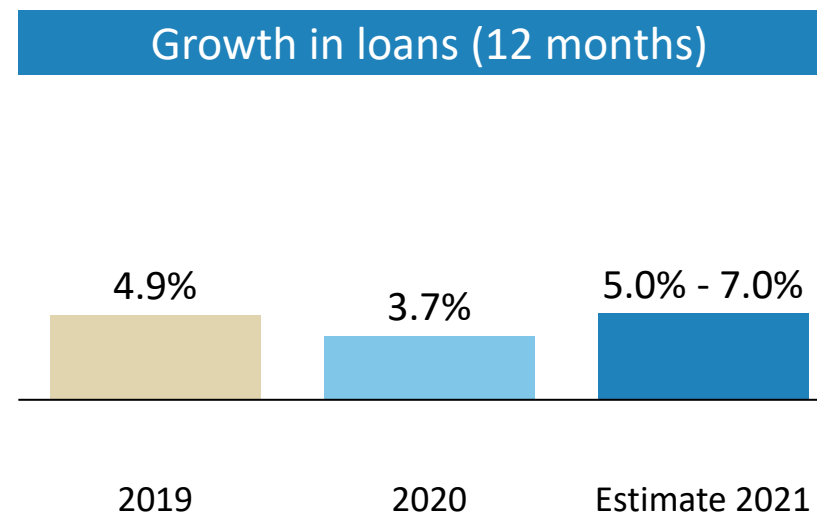
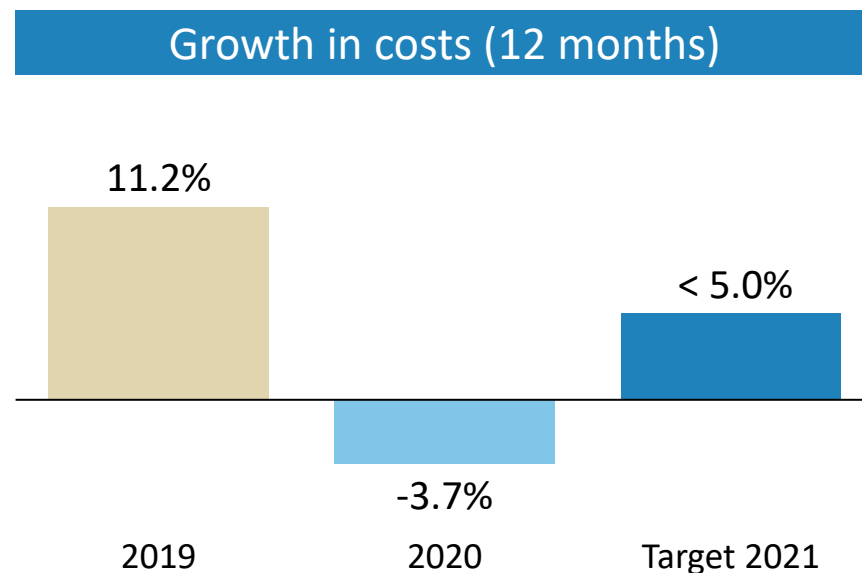
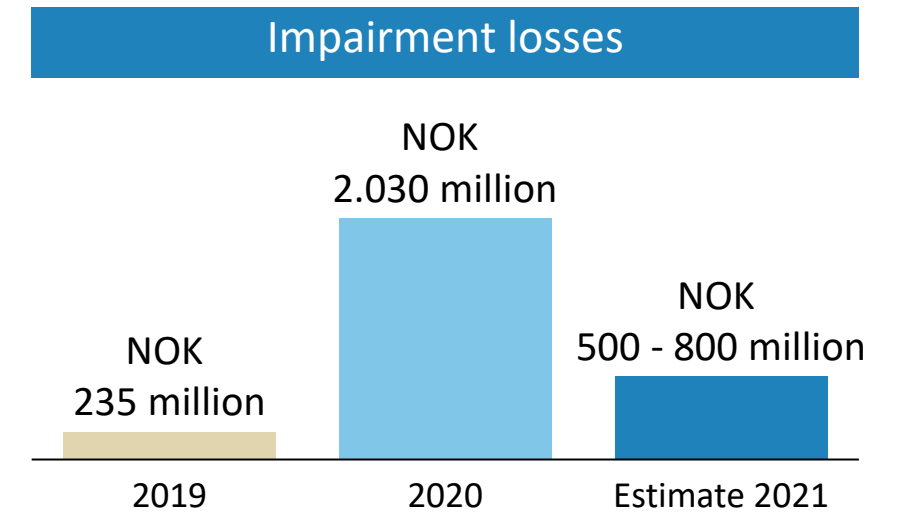
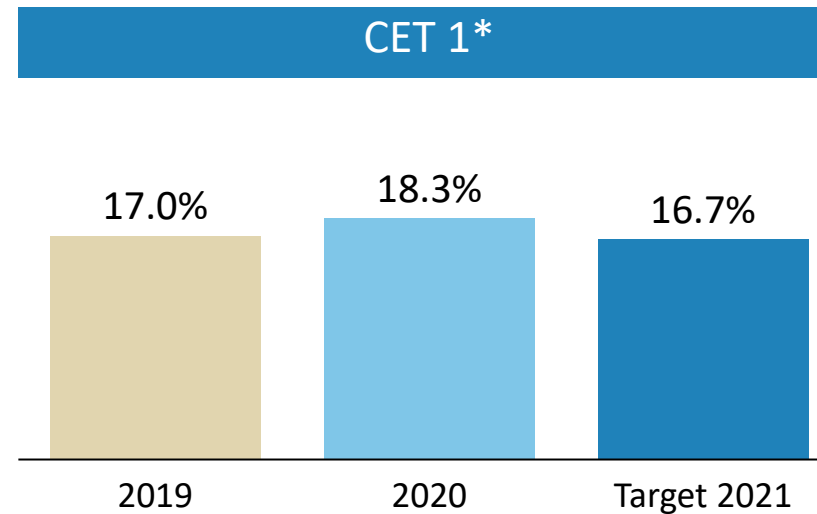
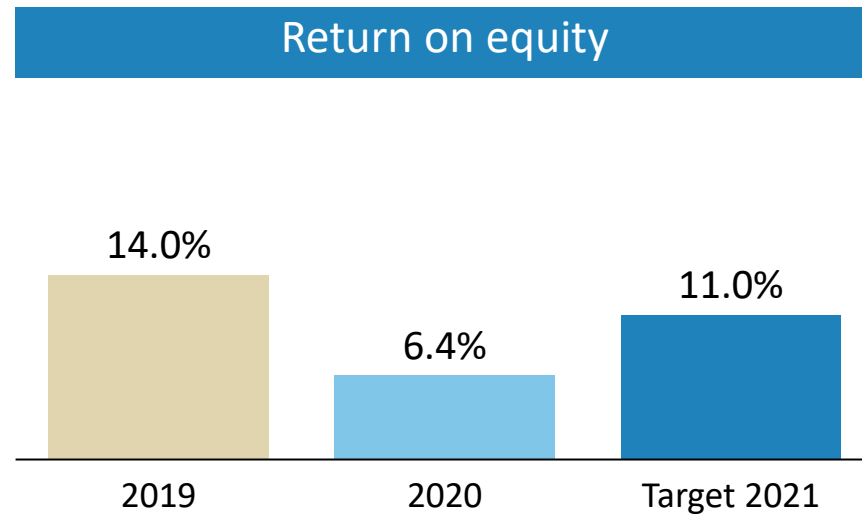
NOK 5.50*

per share in dividend for the financial year 2019

A dividend of up to NOK 3.10 per share is proposed for the 2020 financial year

**On 23 April 2020, the annual general meeting approved the board's proposal that no dividend be paid out for 2019. At the same meeting, the board was authorised to make a decision concerning the distribution, at some later point in time, of a dividend of up to NOK 5.50 per share based on the bank's approved annual financial statements for 2019. The board has exercised this authority and approved payment of a dividend of NOK 5.50 per share for the financial year 2019. The Common Equity Tier 1 capital ratio of 18.3% for 2020 takes account of the dividend for the 2019 financial year. As far as the dividend for 2020 is concerned, the board will ask the annual general meeting for authorisation to approve payment of this dividend at a later date too, according to applicable regulations.*

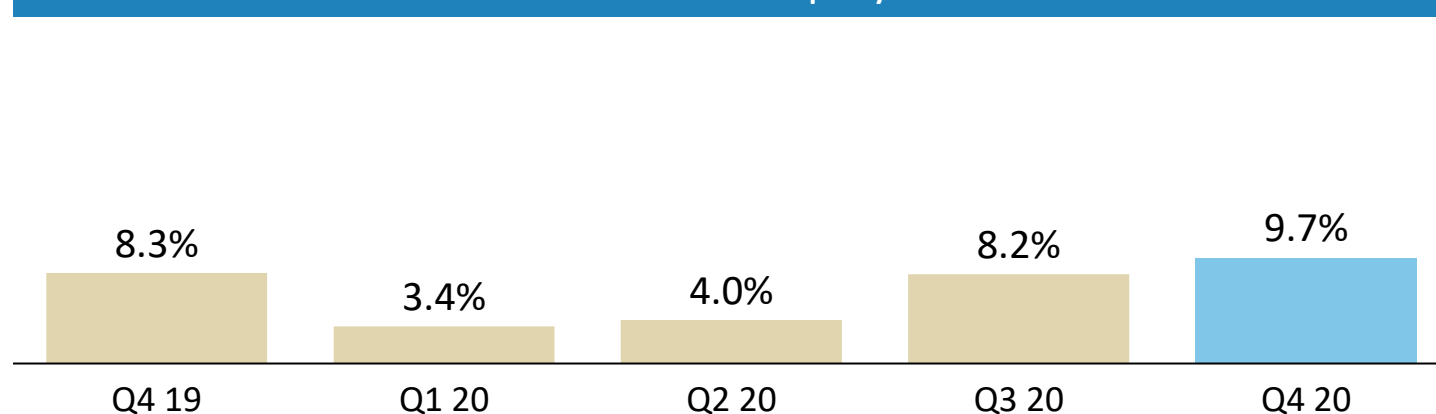
Key figures 2020 and financial targets for 2021



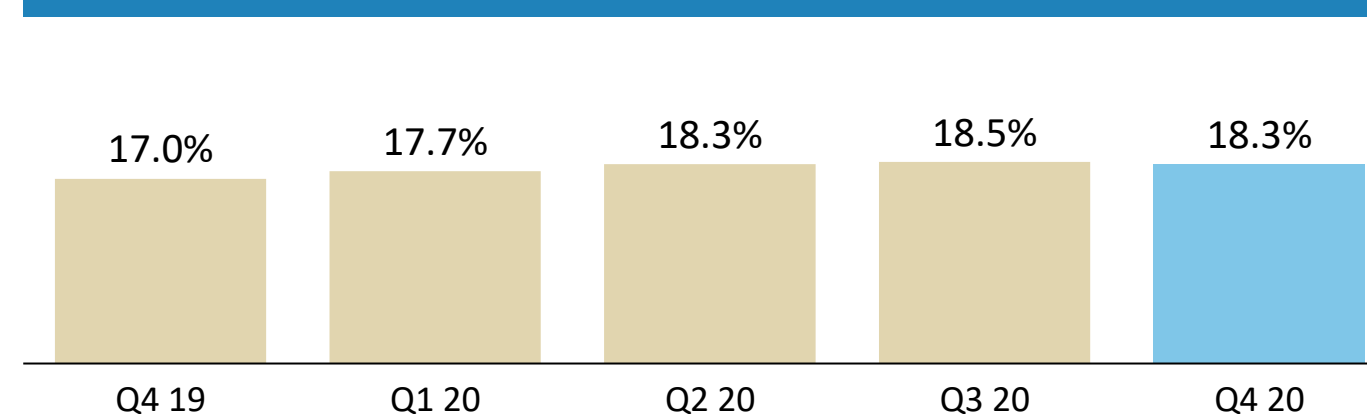
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Key figures – quarterly development

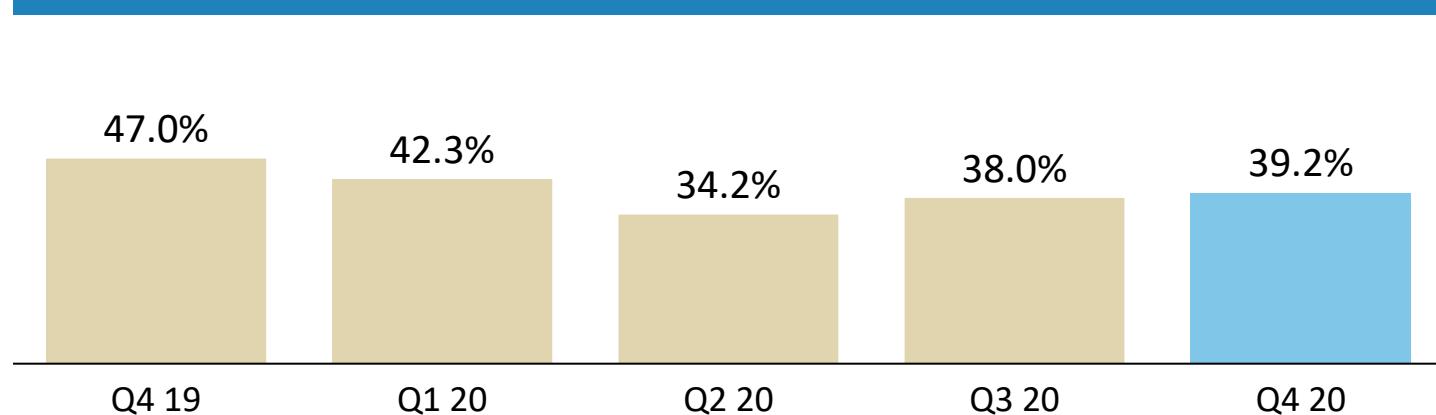
Return on equity



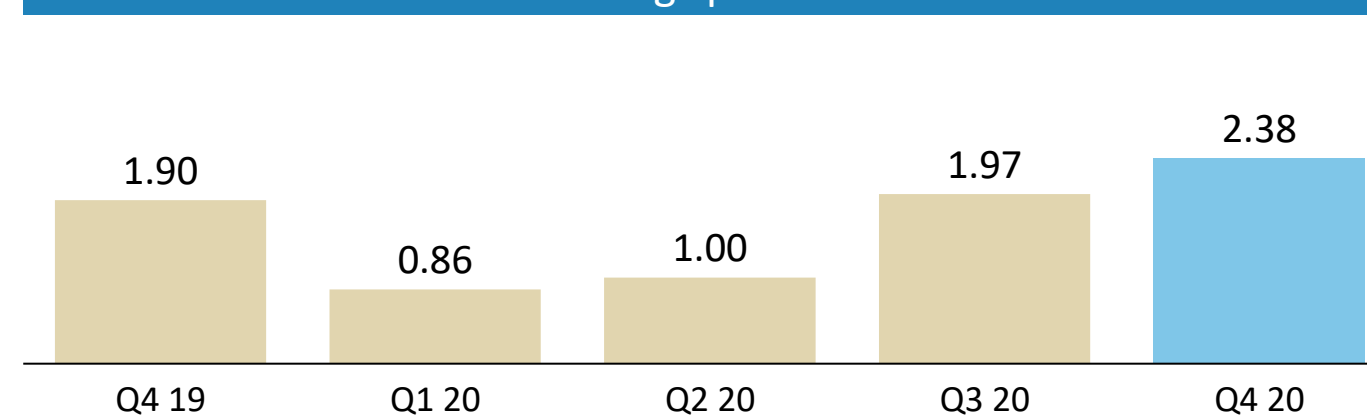
CET 1*



Cost to income ratio



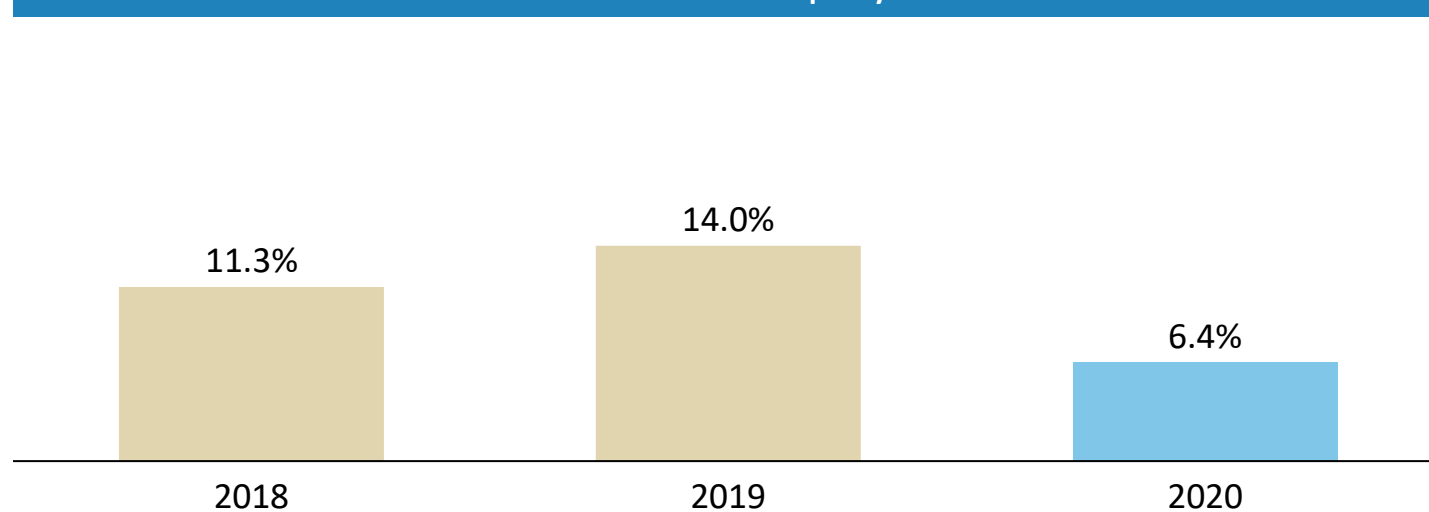
Earnings per share



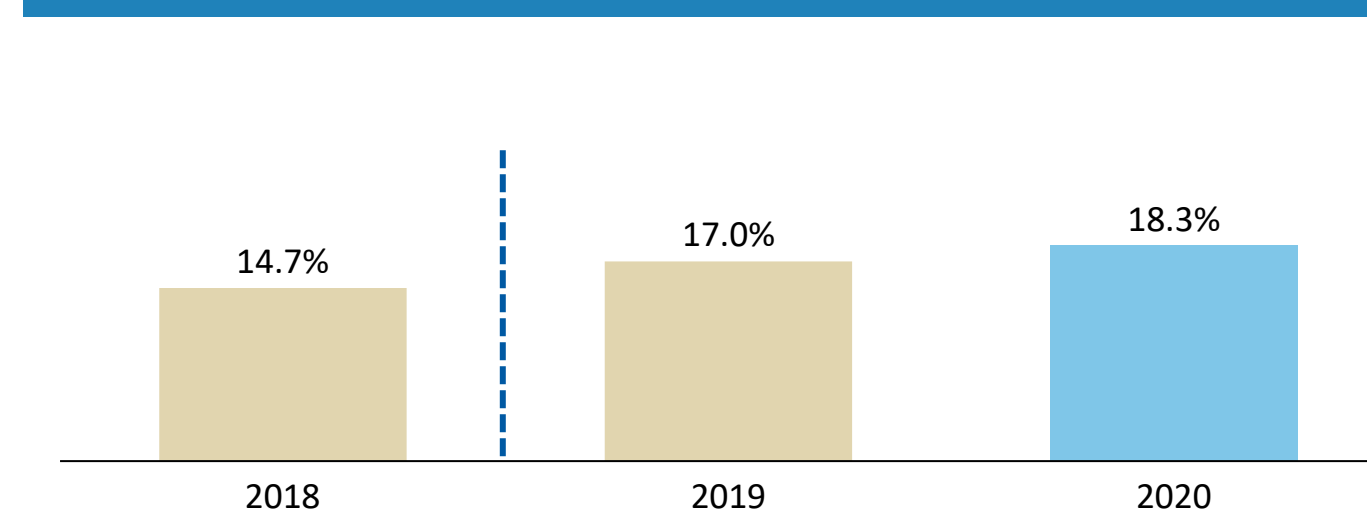
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Key figures – annual development

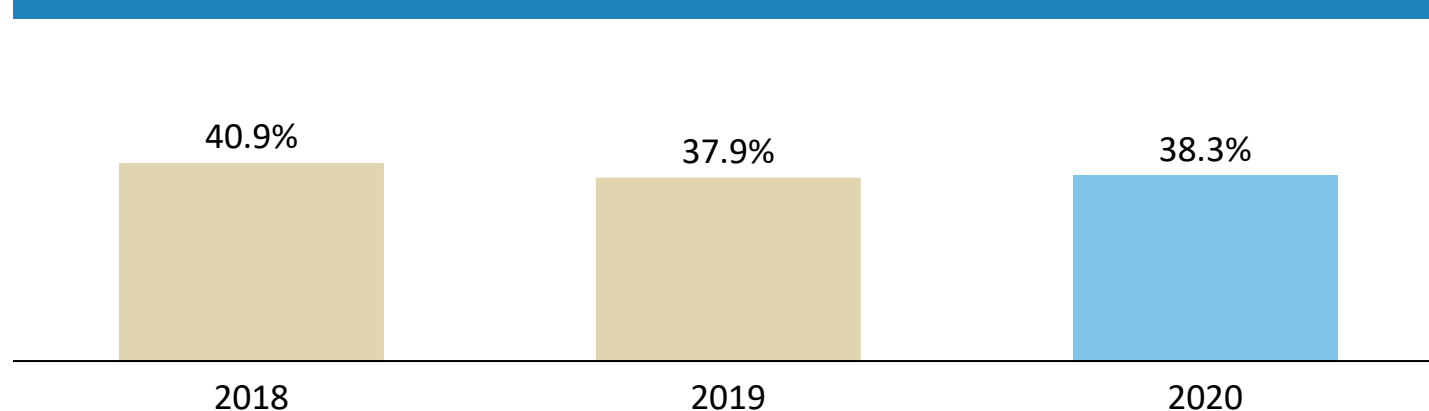
Return on equity



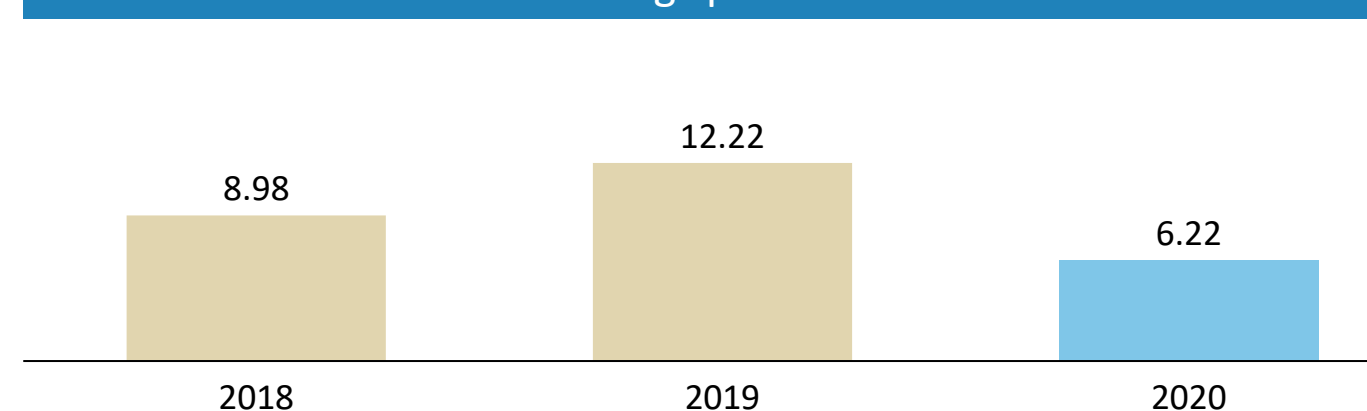
CET 1*



Cost to income ratio



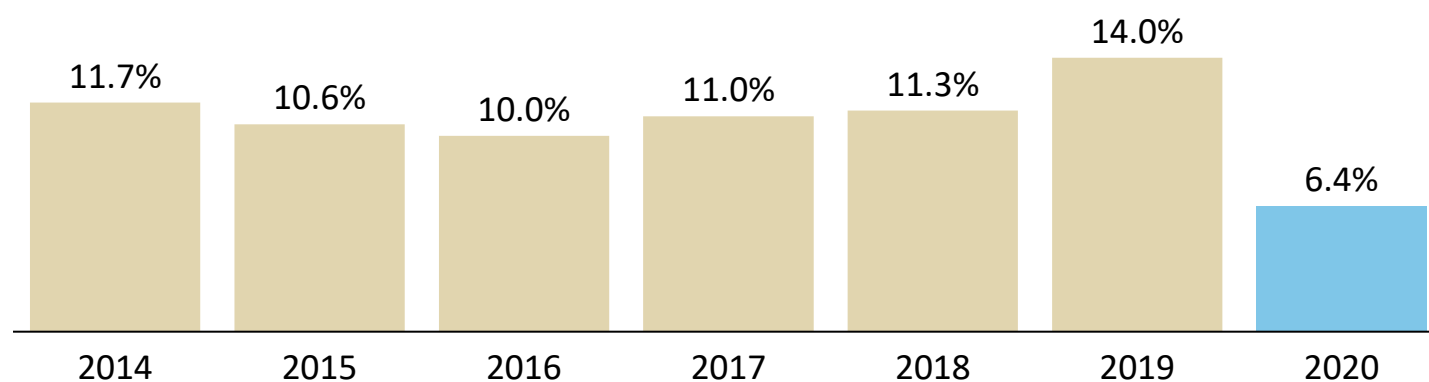
Earnings per share



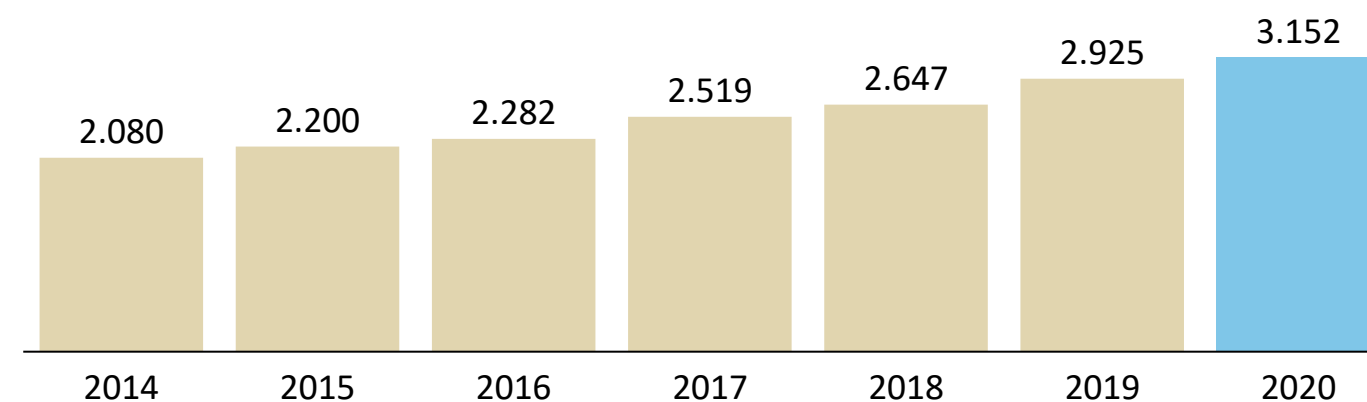
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Key figures – annual development

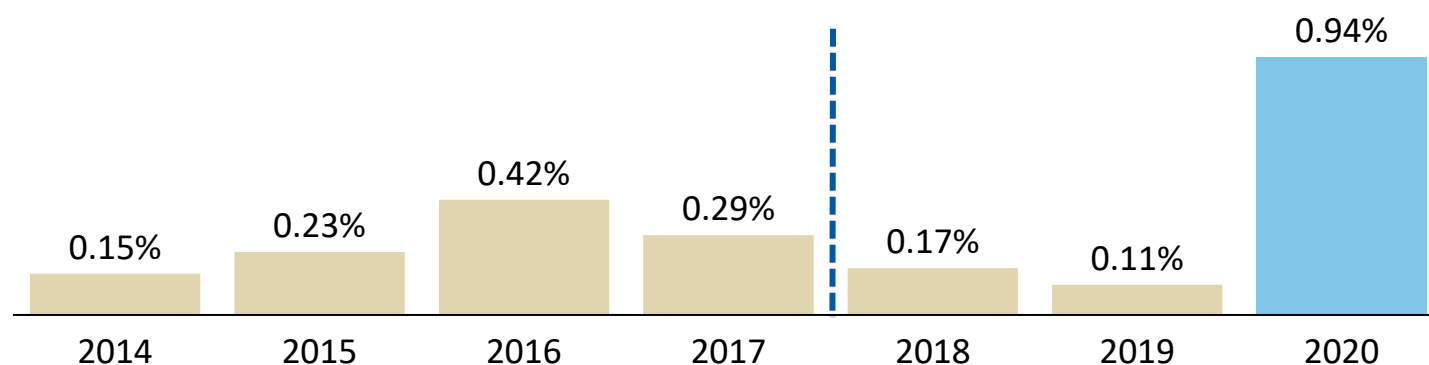
Return on equity



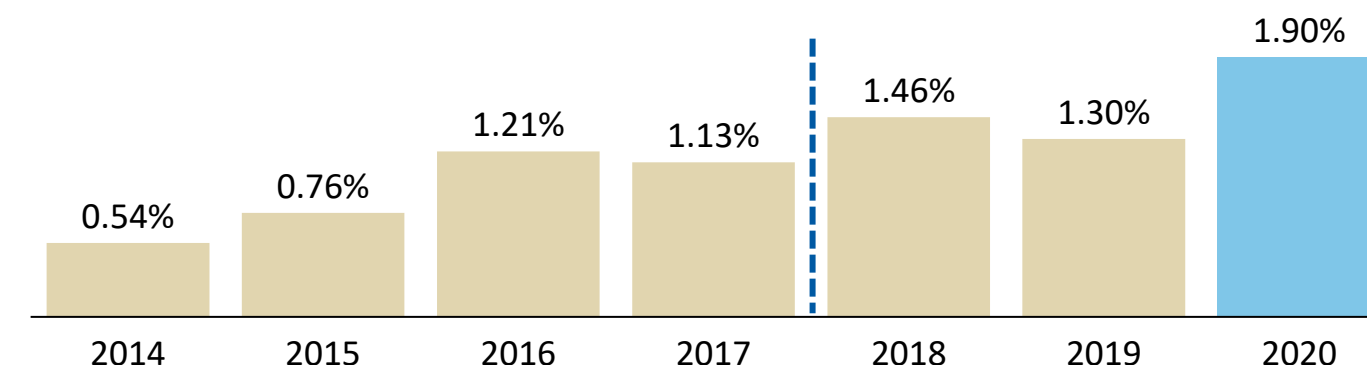
Core operating result (MNOK)



Impairments on loans/impairments in % of average gross loans



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



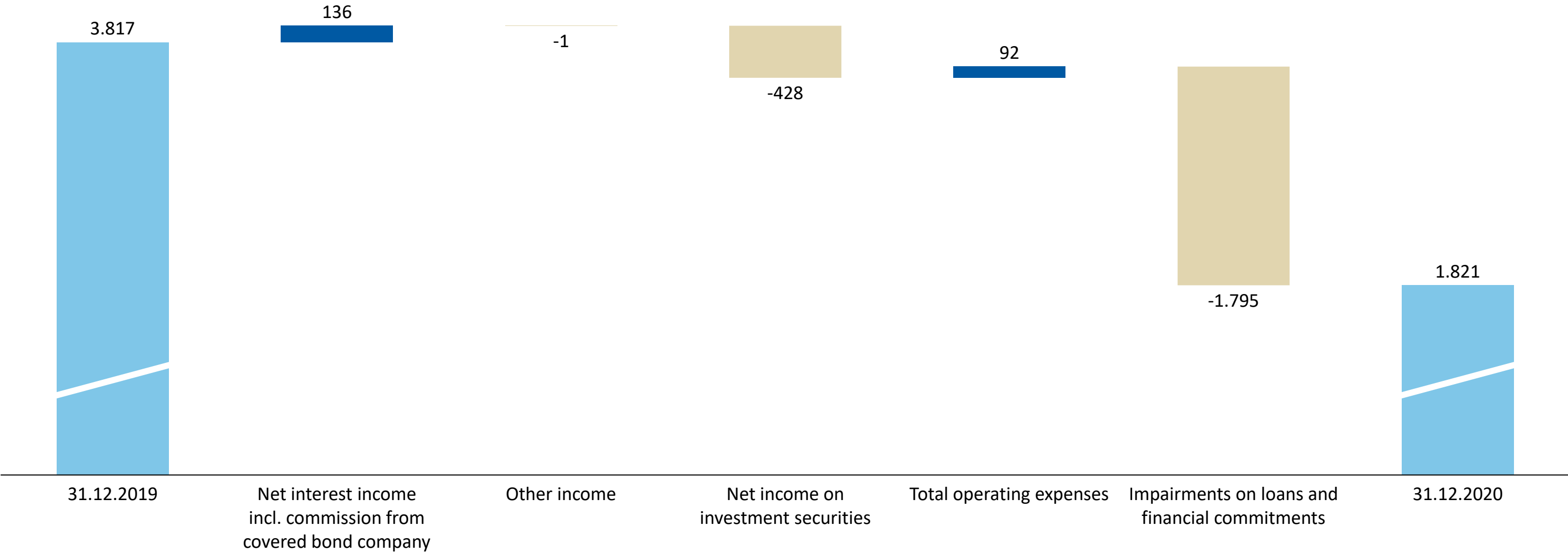
Key figures

	31.12.2020	31.12.2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Return on equity after tax (%)	6.4	14.0	9.7	8.2	4.0	3.4	8.3
Net interest margin (%)	1.50	1.61	1.40	1.48	1.50	1.64	1.64
Impairments on loans in % of gross loans incl. covered bond company	0.94	0.11	0.49	0.67	1.53	1.05	0.26
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments incl. covered bond company	1.90	1.30	1.90	1.57	1.84	1.40	1.30
Cost to income ratio	38.3	37.9	39.2	38.0	34.2	42.3	47.0
Annual growth in loans to customers, gross incl. covered bond company (%)	3.7	4.9	3.7	4.9	5.4	5.3	4.9
Annual growth in deposit from customers (%)	14.6	4.3	14.6	10.8	8.3	6.6	4.3
Total assets (BNOK)	287.0	255.9	287.0	280.3	278.7	278.6	255.9
Portfolio of loans in covered bond company (BNOK)	0.0	4.2	0.0	3.4	4.2	4.2	4.2
Risk weighted assets (BNOK)	121.3	121.7	121.3	121.5	121.9	125.8	121.7
Liquidity Coverage Ratio (LCR) (%)	157	155	157	154	159	135	155
Earnings per share (NOK)	6.22	12.22	2.38	1.97	1.00	0.86	1.90
Book value per share (NOK)	95.97	89.90	95.97	93.51	91.32	90.55	89.90

Income statement

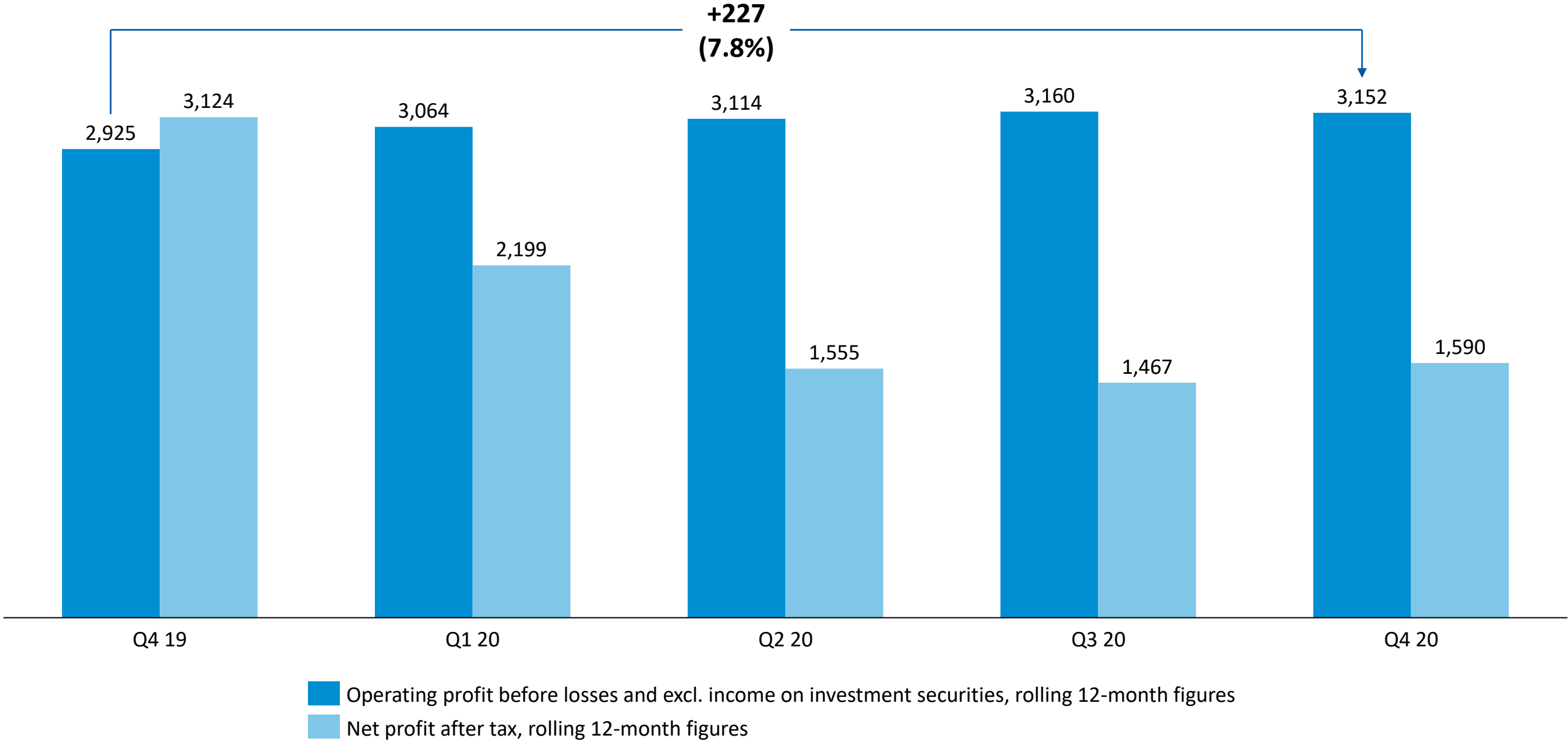
Group Income Statement (MNOK)	31.12.2020	31.12.2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net interest income	4.142	3.987	994	1.041	1.026	1.081	1.062
Net commission and other income	1.396	1.416	370	336	344	346	359
Net income on investment securities	699	1.127	240	190	297	-28	22
Total income	6.237	6.530	1.604	1.567	1.667	1.399	1.443
Total operating expenses	2.386	2.478	629	595	570	592	678
Operating profit before impairments	3.851	4.052	975	972	1.097	807	765
Impairments on loans and financial commitments	2.030	235	270	369	831	560	139
Operating profit before tax	1.821	3.817	705	603	266	247	626
Tax expense	231	693	97	98	10	26	141
Net profit after tax	1.590	3.124	608	505	256	221	485

Change in profit 31.12.2019 – 31.12.2020



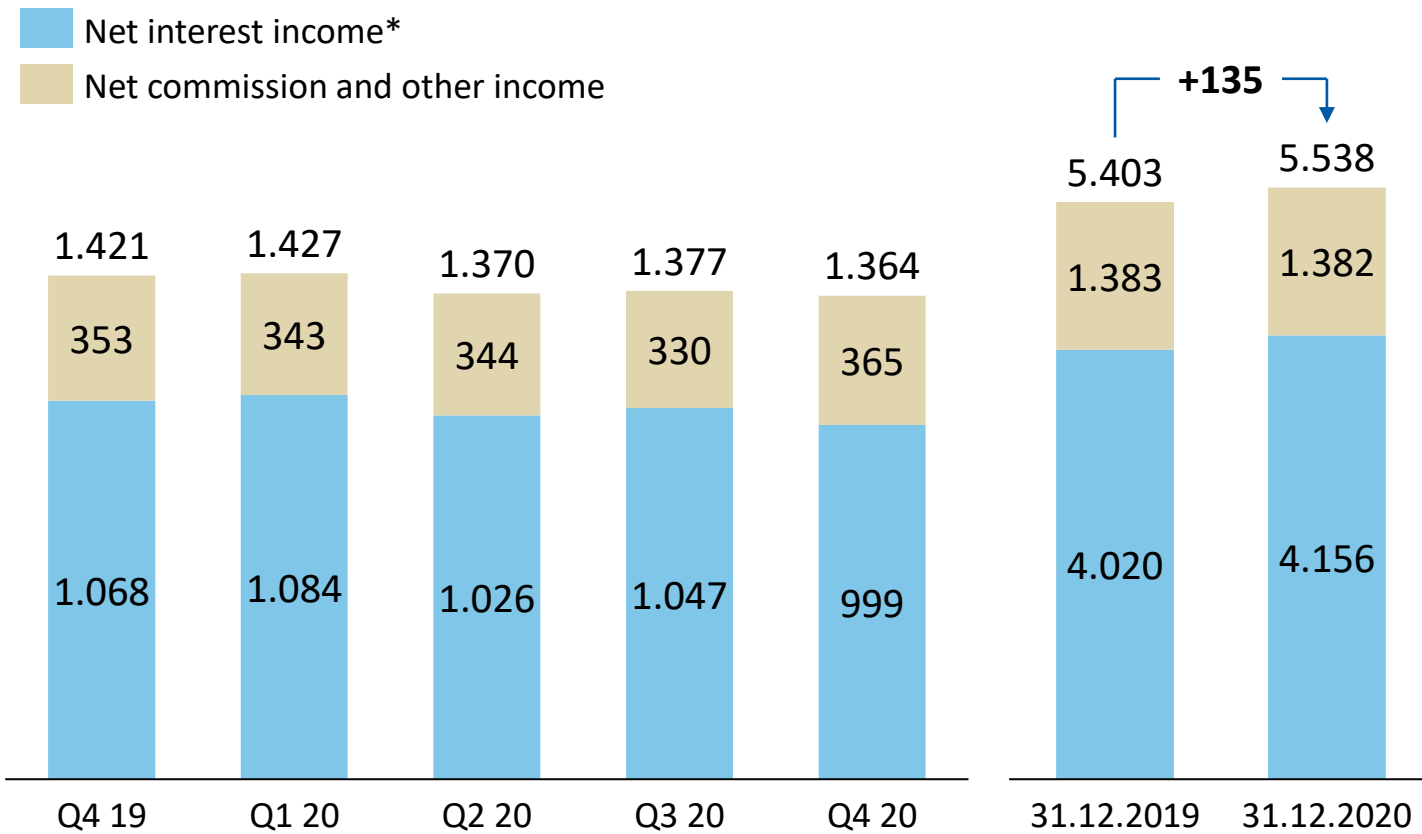
Operating profit before losses and excl. income on investment securities

(Rolling 12-month figures)

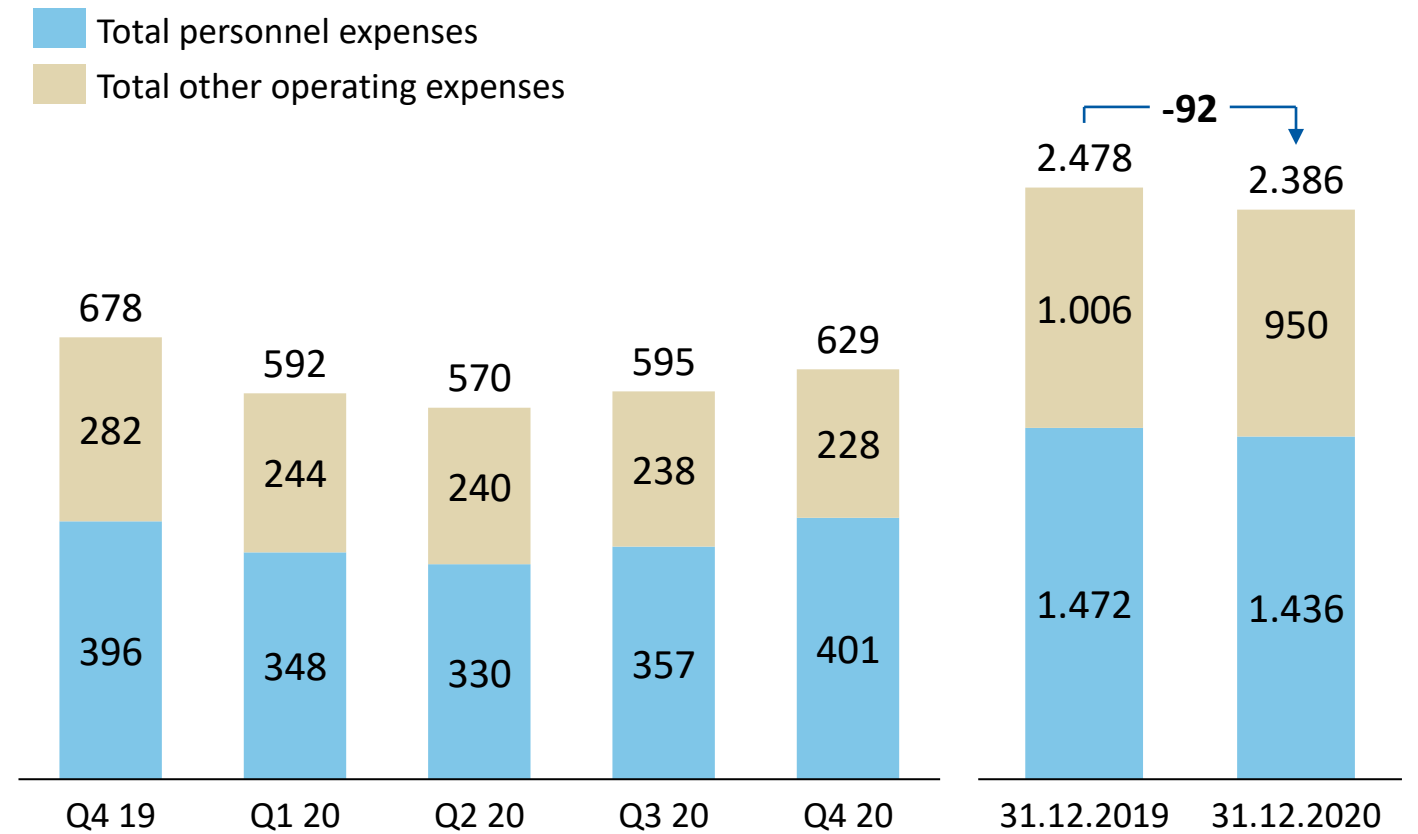


Consolidated income and cost profile

Income profile



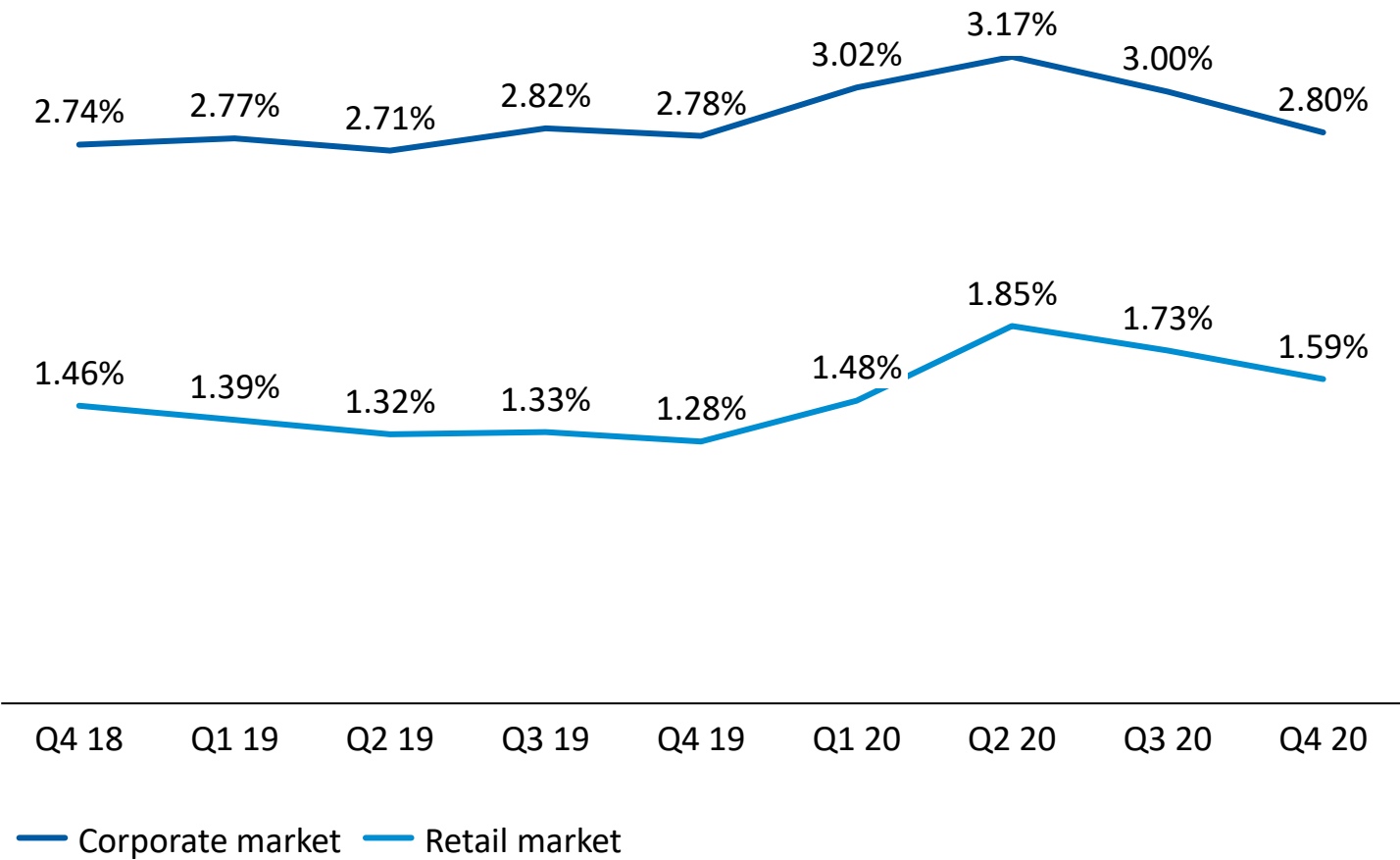
Cost profile



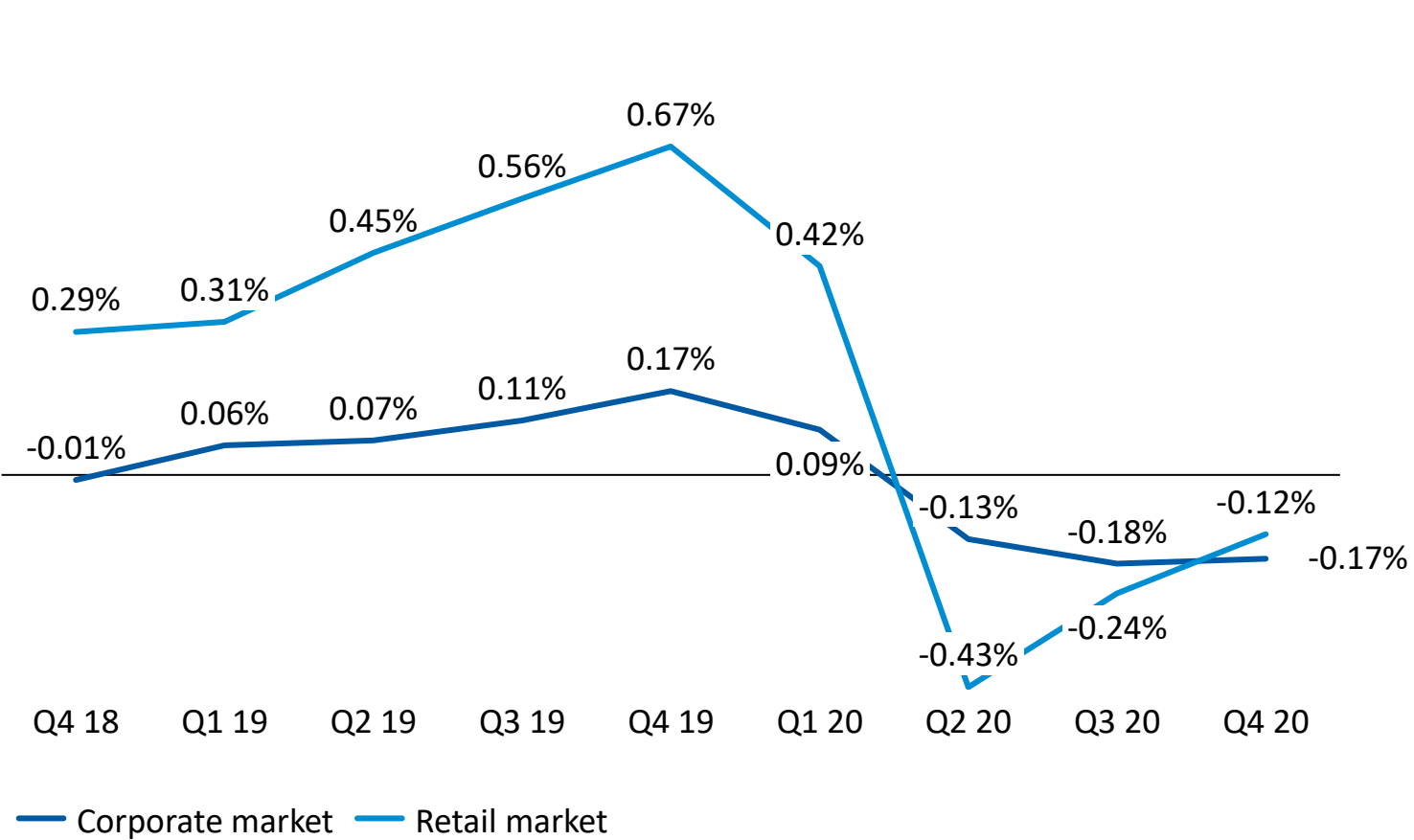
*Income profile consists of net interest income, incl. commission income from covered bond companies, and net commission and other income excl. financial income.

Lending and deposit margins

Lending margins*



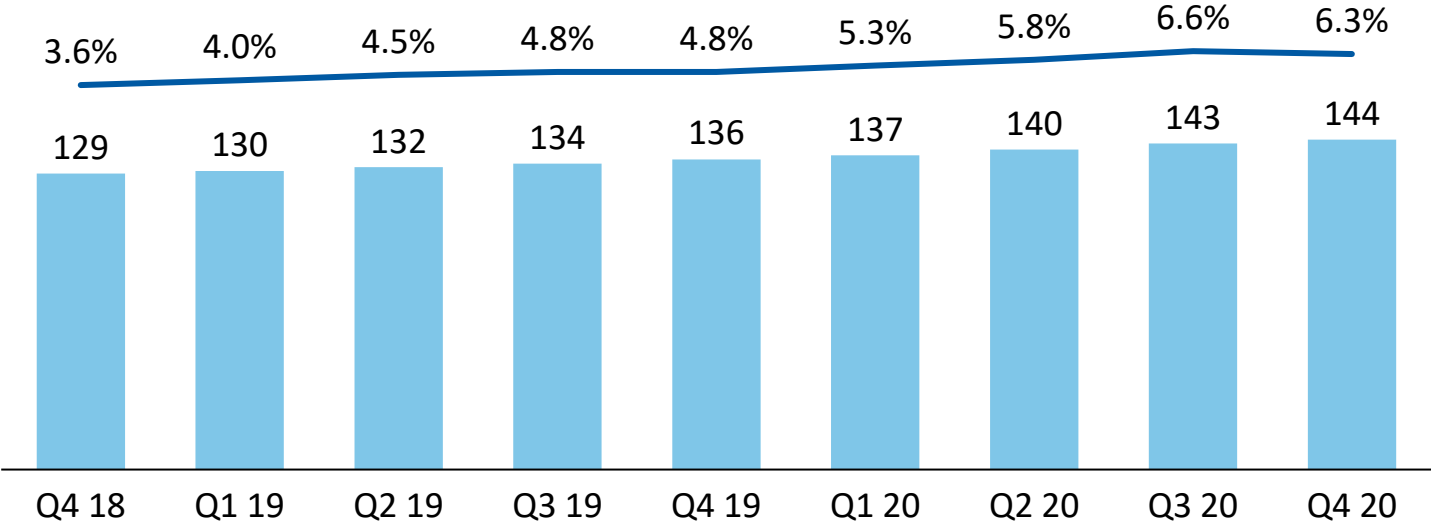
Deposit margins



Definition: Average customer rate measured against 3-months NIBOR.
 *Lending margins include loan portfolio in covered bond companies.

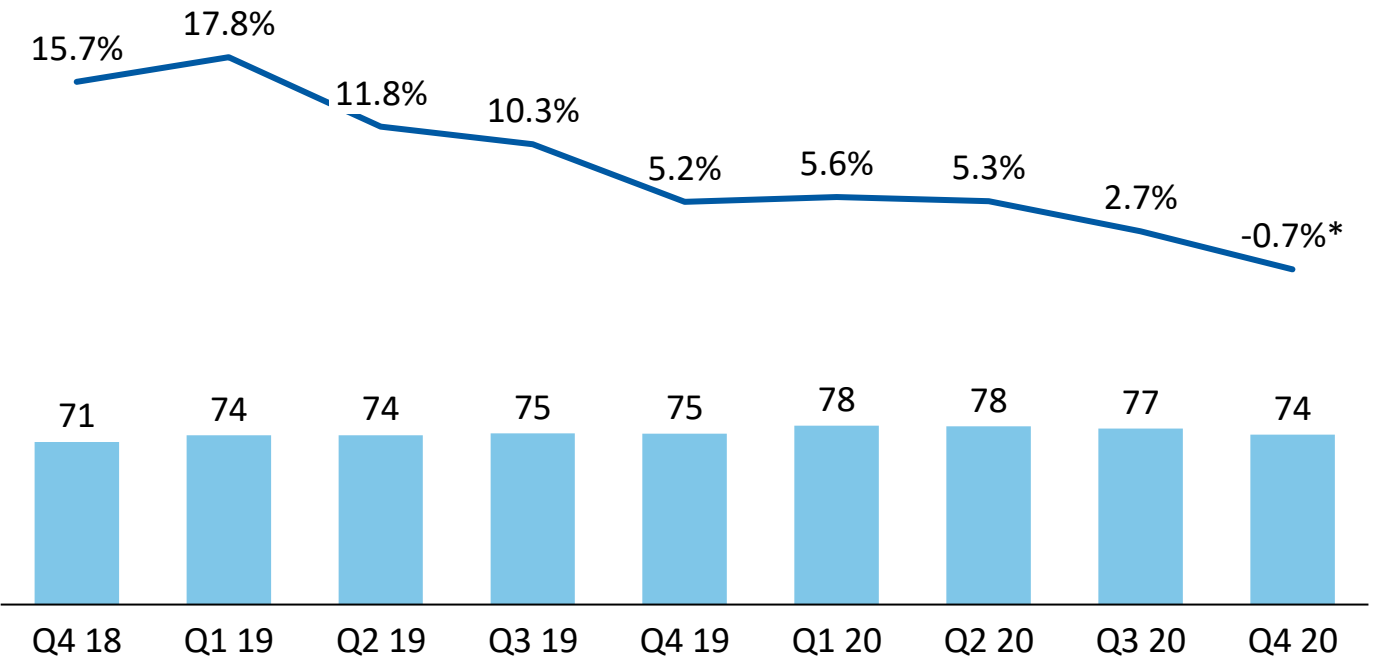
Lending volume and 12 months growth

Retail Market



■ Volume in NOK billion — Growth %

Corporate Market (incl. Capital Market)

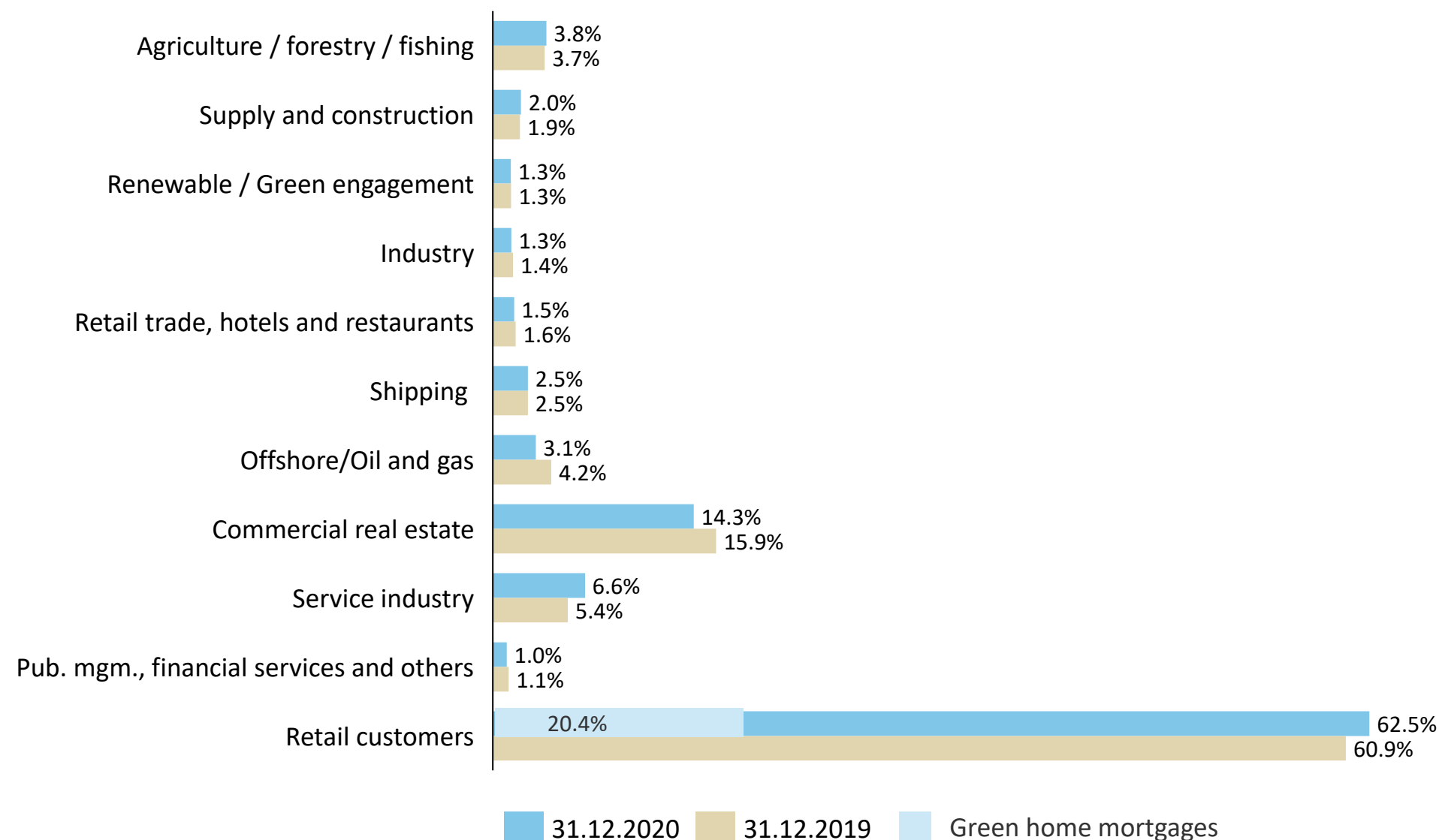


■ Volume in NOK billion — Growth %

Figures incl. loan portfolio in covered bond companies.
 *12 months lending growth in Corporate Market excluding currency effect is -0.6%

Loan portfolio as at 31.12.2020

- Gross loans (incl. covered bond company) as at 31 December 2020 is increased to NOK 219.2 billion from NOK 211.4 billion at the same time the year before.
- 12-month growth in loans of 3.7%.
- Loans to retail customers incl. covered bond company account for 62.5% of total loans. Of this green home mortgages accounts for 20.4%.



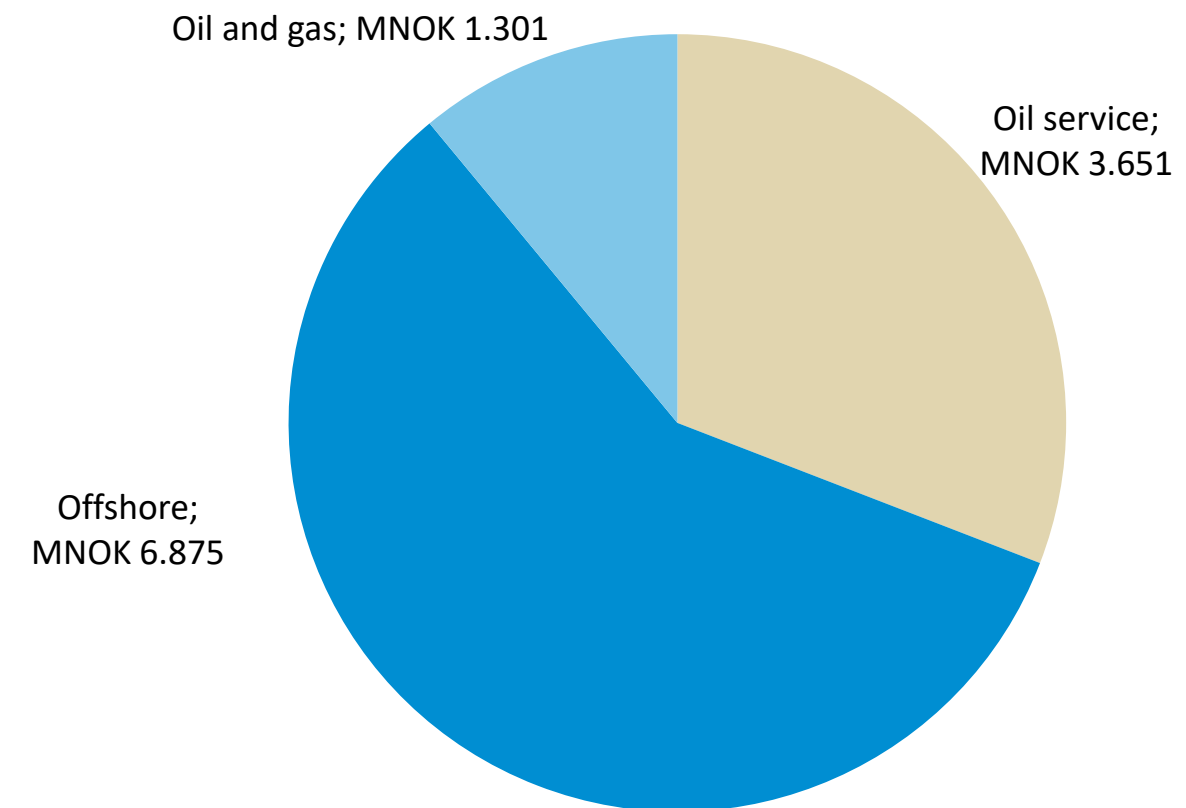
Loans before impairments, nominal amounts. Sector allocation in accordance with the standard categories from Statistics Norway.

Reduced exposure to oil and offshore

4.9% (NOK 11.8 billion) of total EAD* is related to oil operations

Sum EAD reduced from NOK 14.5 billion to NOK 11.8 billion throughout 2020

- Oil services
 - EAD NOK 3.6 billion (NOK 3.6 billion), 1.5% of the bank's total EAD
 - Funding of operating capital through current and fixed assets, as well as guarantees
- Exploration and production companies
 - EAD NOK 1.3 billion (NOK 2.0 billion), 0.5% of the bank's total EAD
 - Exposure primarily to companies with activities on the Norwegian continental shelf
- Offshore
 - EAD NOK 6.9 billion (NOK 9.0 billion), 2.9% of the bank's total EAD
 - Exposure primarily to industrial-oriented shipping companies with integrated organization (Offshore service vessels, Rig and Seismic vessels)

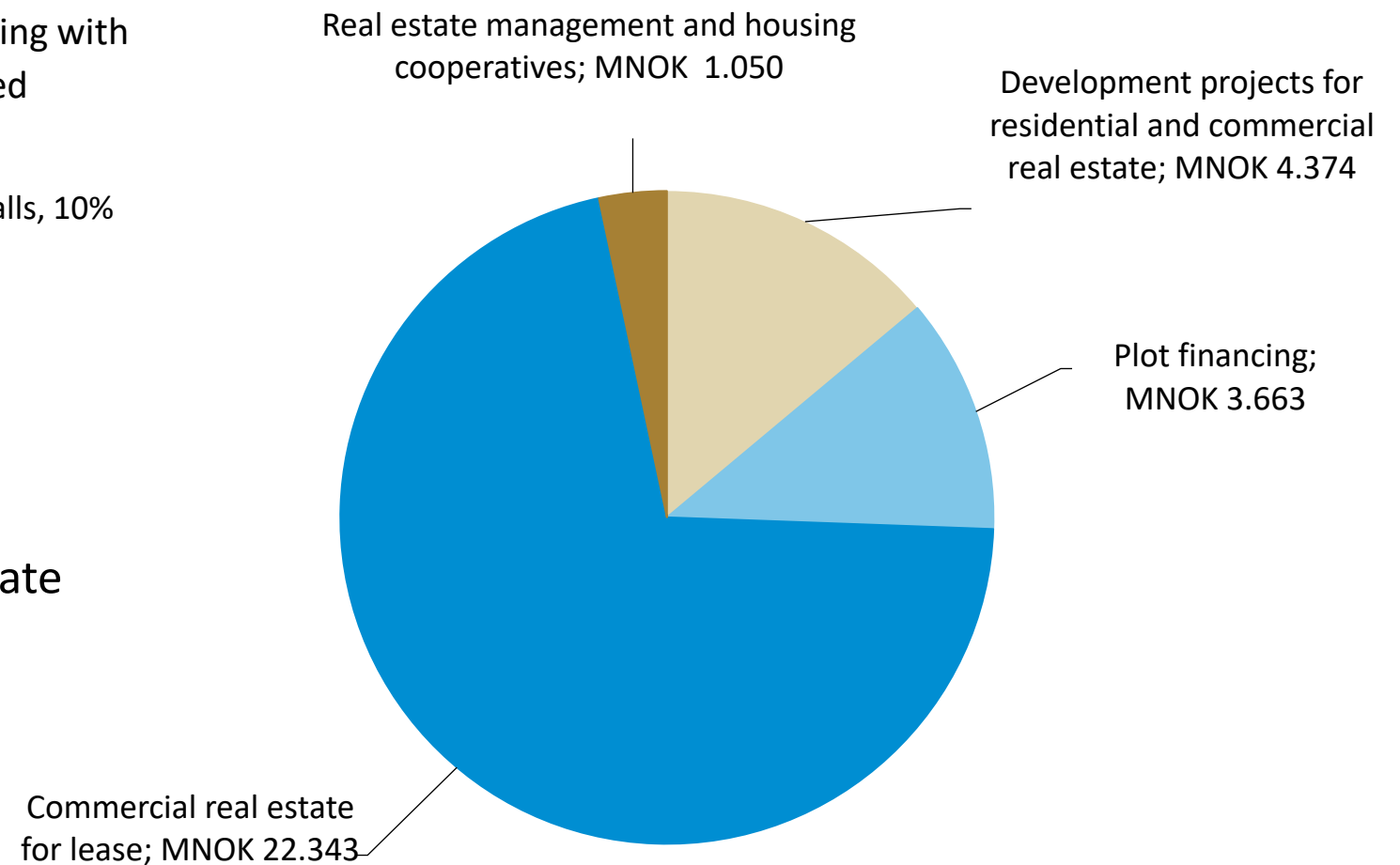


*EAD: Exposure at default
Figures in parentheses as at 31.12.2019.

Lending to commercial real estate

13.0% (NOK 31.4 billion) of total EAD* is related to commercial real estate

- Commercial real estate for lease
 - EAD NOK 22.3 billion, 9.3% of the bank's total EAD
 - The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited
 - Financing by type of premises:
 - 42% Office buildings, 26% Industrial buildings, 20% Retail stores and shopping malls, 10% Hotels, 2% Other
- Plot financing
 - EAD NOK 3.7 billion, 1.5% of the bank's total EAD
 - Average funding ratio is below 50%
- Development projects for residential and commercial real estate
 - EAD NOK 4.4 billion, 1.8% of the bank's total EAD
 - Minimum pre-sale requirement is 70%
- Real estate management and housing cooperatives
 - EAD NOK 1.0 billion, 0.4% of the bank's total EAD

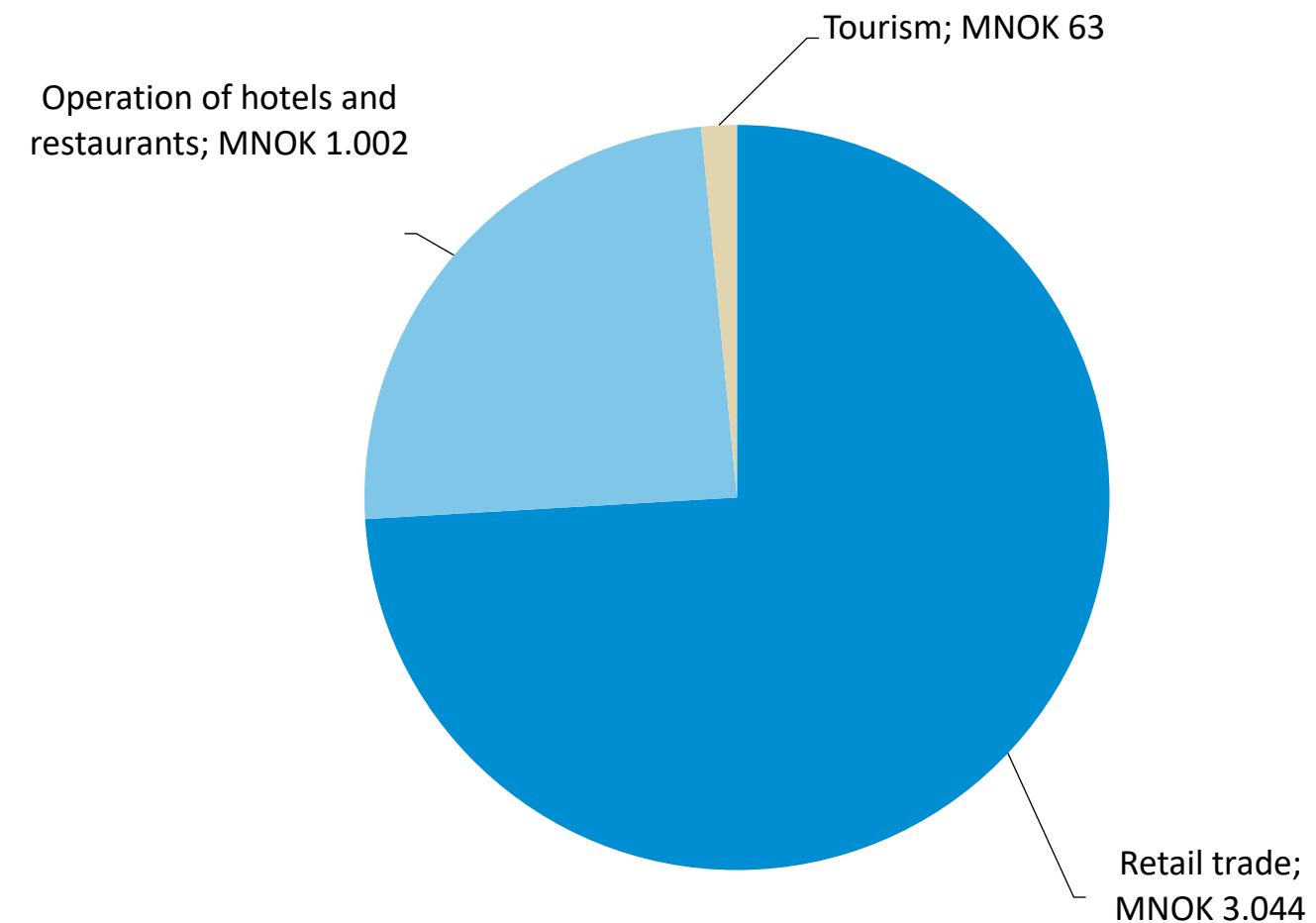


*EAD: Exposure at default

Lending to retail trade, hotels and restaurants

1.7% (NOK 4.1 billion) of total EAD* is related to retail trade, hotels and restaurants

- Retail trade
 - EAD NOK 3.0 billion, 1.3% of the bank's total EAD
- Operation of hotels and restaurants
 - EAD NOK 1.0 billion, 0.4% of the bank's total EAD
- Tourism
 - EAD NOK 0.1 billion, 0.03% of the bank's total EAD

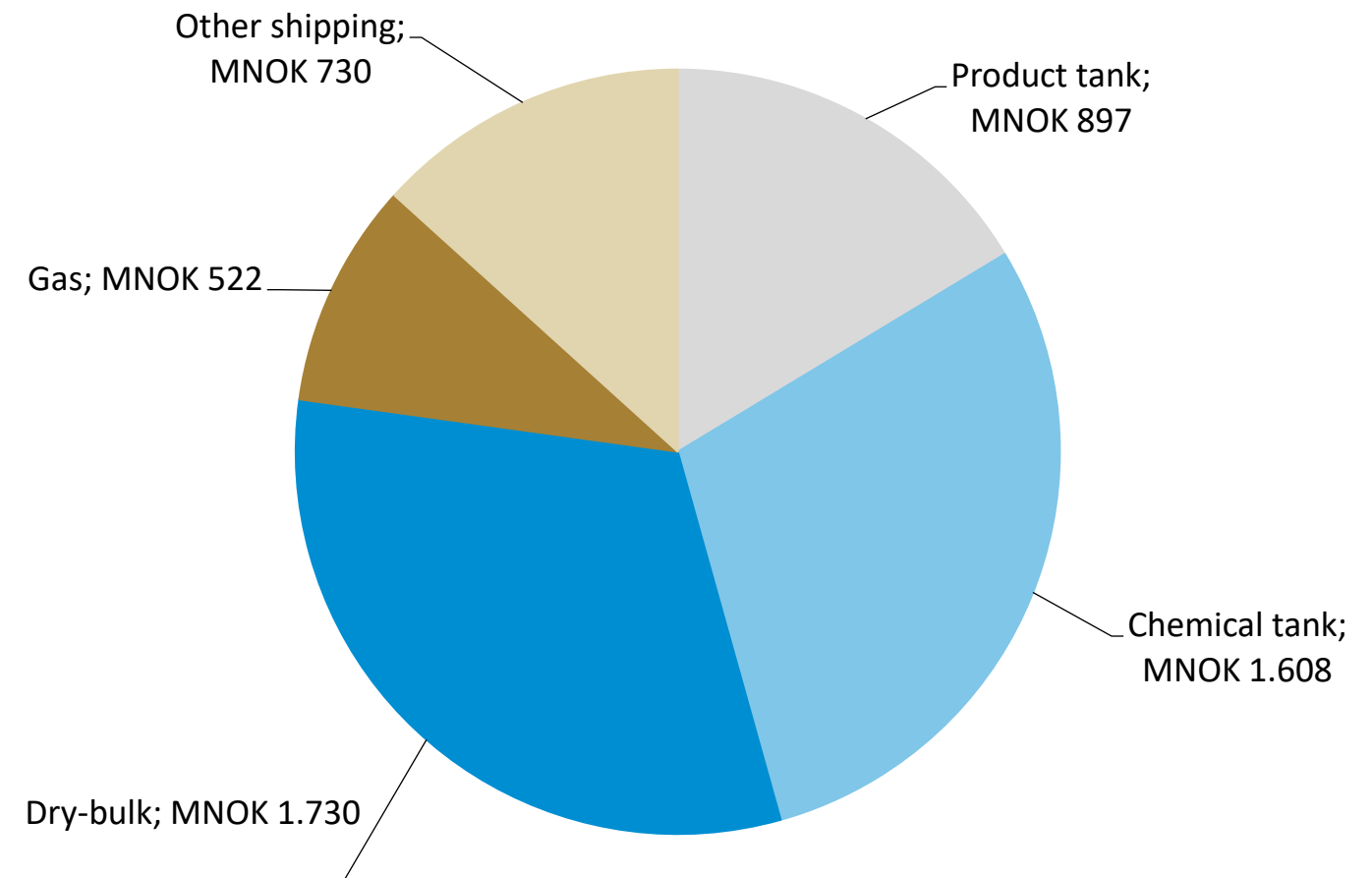


*EAD: Exposure at default

Lending to shipping

2.3% (NOK 5.4 billion) of total EAD* is related to shipping

- Product tank
 - EAD NOK 0.9 billion, 0.4% of the bank's total EAD
- Chemical tank
 - EAD NOK 1.6 billion, 0.7% of the bank's total EAD
- Dry-bulk
 - EAD NOK 1.7 billion, 0.7% of the bank's total EAD
- Gas
 - EAD NOK 0.5 billion, 0.2% of the bank's total EAD
- Other shipping
 - EAD NOK 0.7 billion, 0.3% of the bank's total EAD

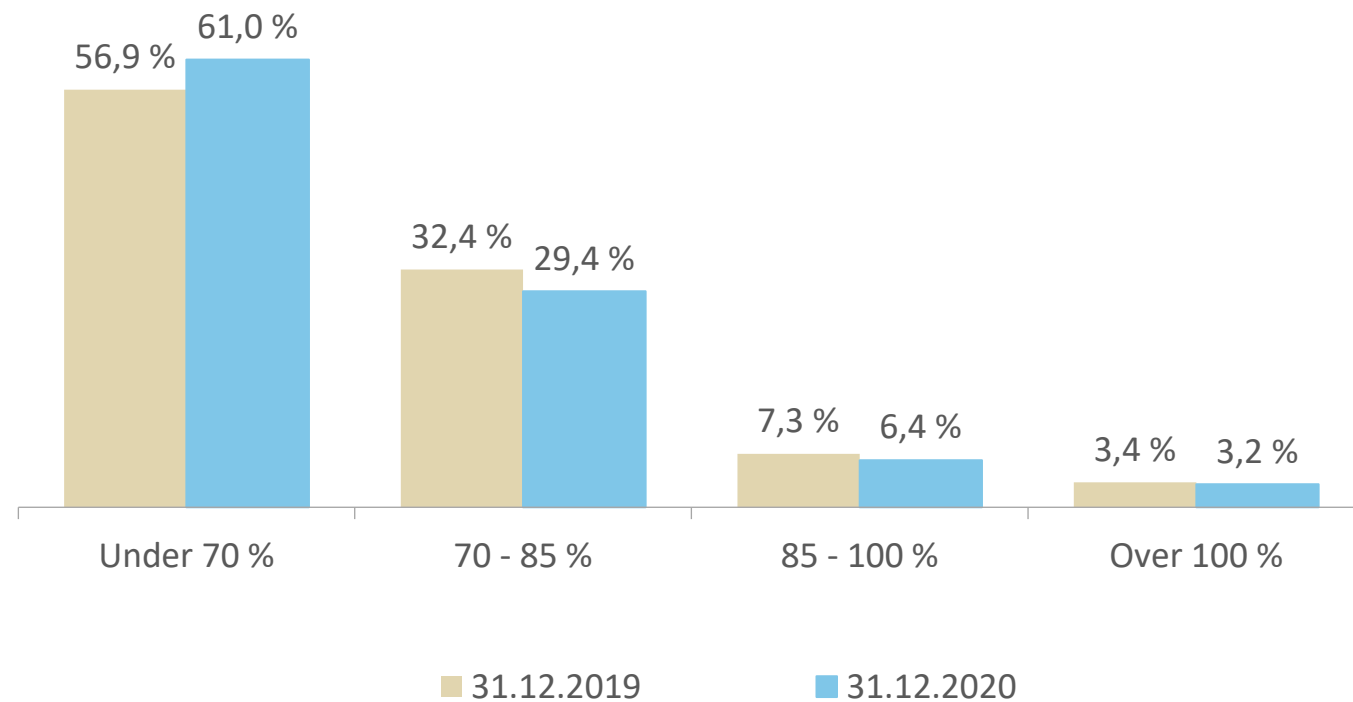


*EAD: Exposure at default

Loan to value ratio and RWA on home mortgage loans

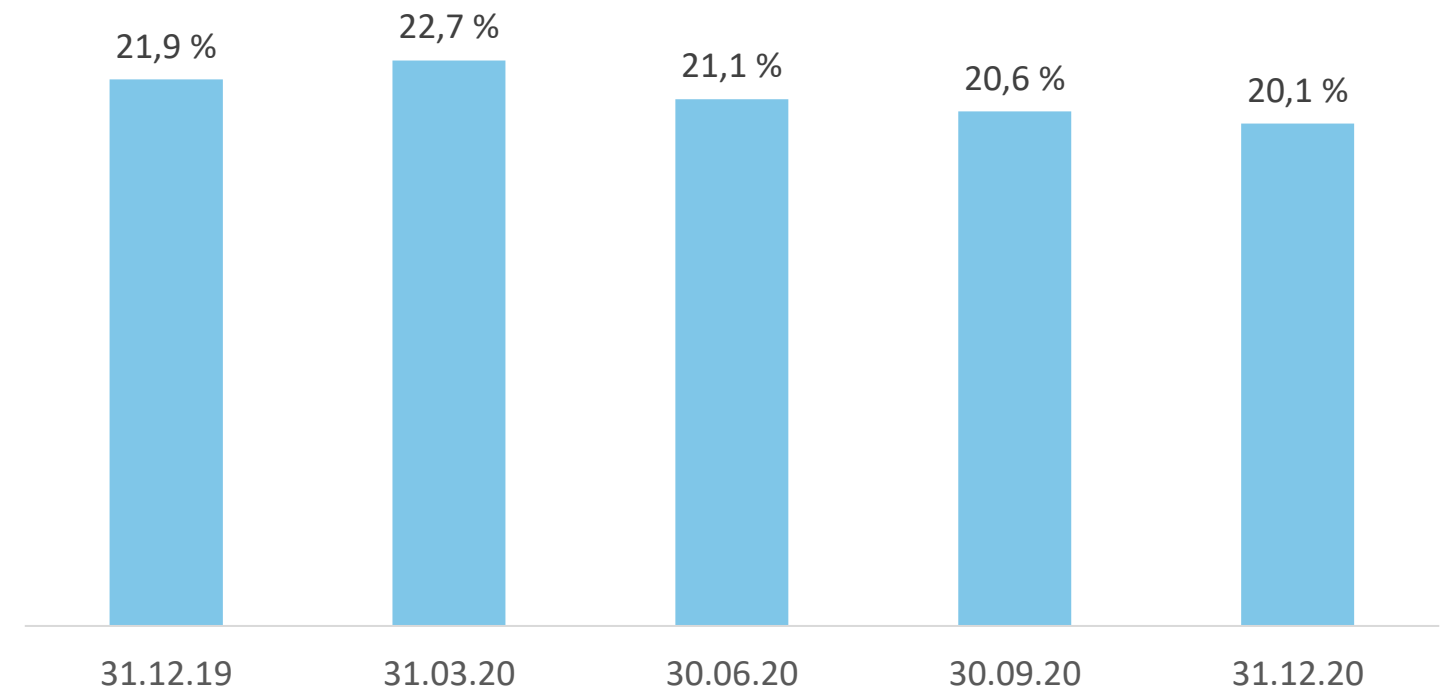
Loan to value ratio on home mortgage loans

- The proportion of loans with a loan-to-value ratio of less than 85% is high.
 - 90.4% of the exposure is within 85% of the assessed value of collateral.



RWA home mortgages

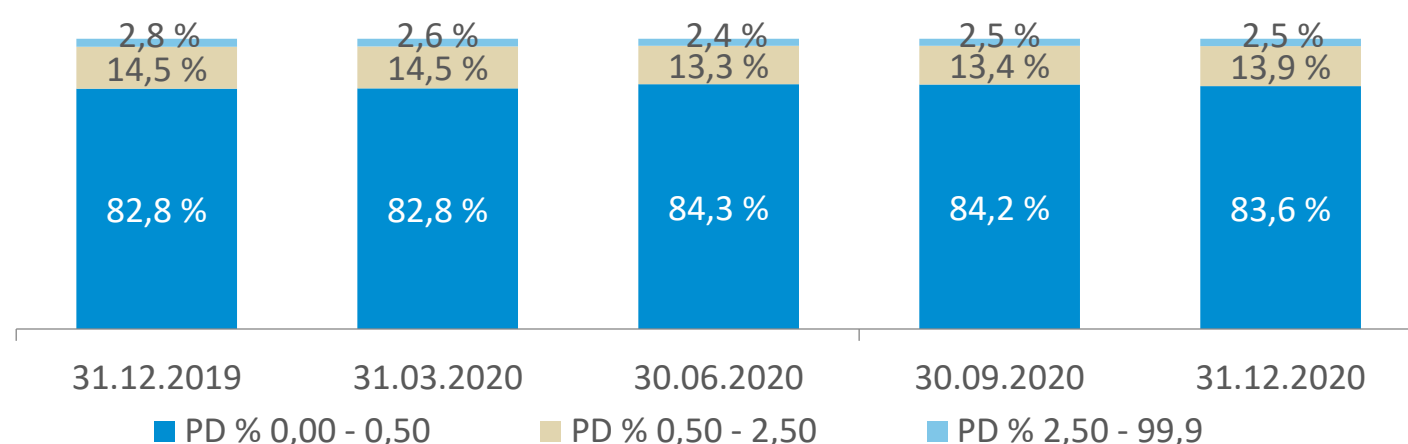
- RWA on home mortgages reflects a solid portfolio with a moderate loan-to-value ratio and low potential loss.



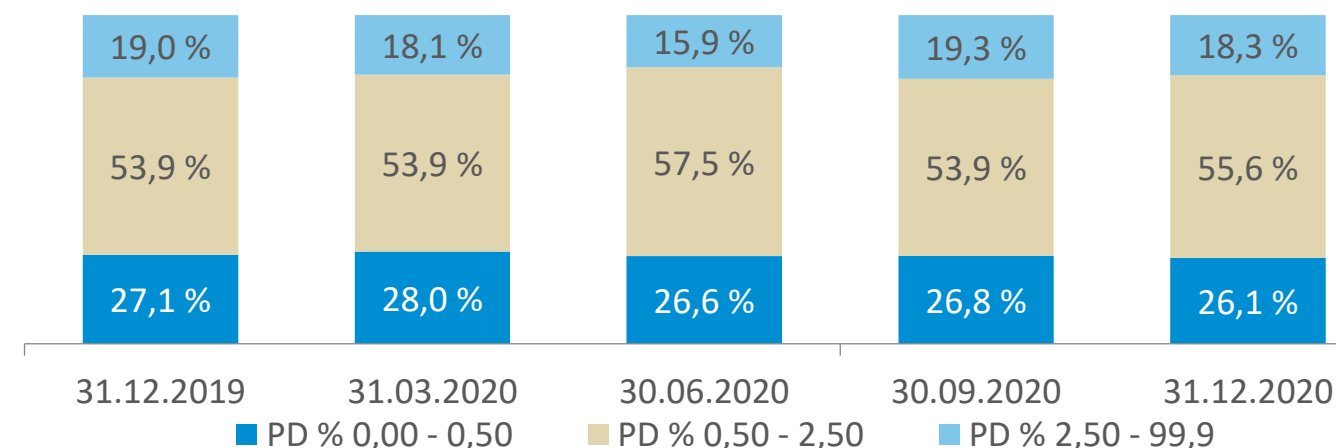
*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.
Home mortgages as defined in the Norwegian IRB framework; residential property must be at least 30% of a loan's security.
The figures include the loan portfolio in the covered bond companies SB1 Boligkreditt AS and SR-Boligkreditt AS.*

Risk profile – Lending to the retail and corporate market

Retail market portfolio distributed by risk class



Corporate lending portfolio distributed by risk class



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

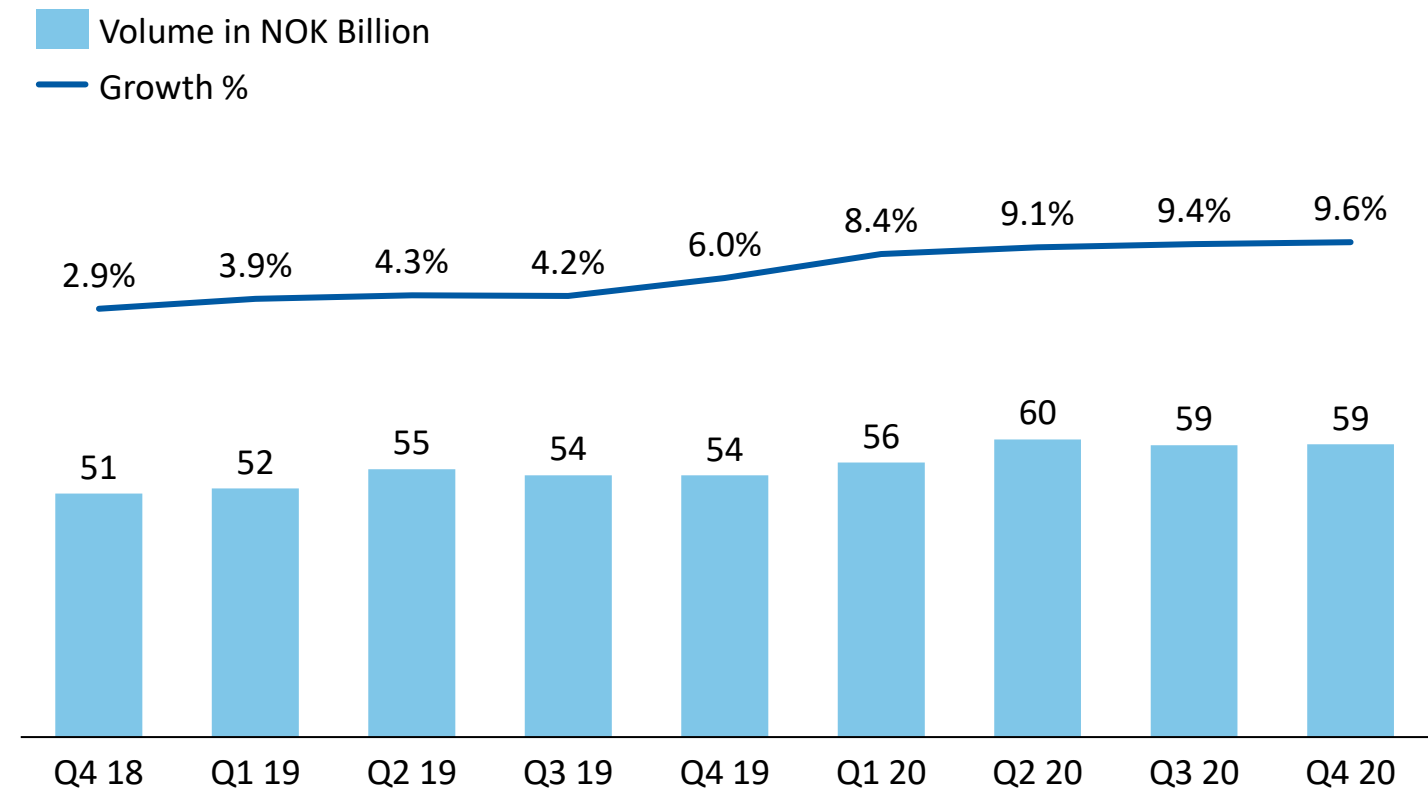
- The quality of the corporate market portfolio is good. Portfolio quality improved last year.
- There is a clearly defined framework that sets limit on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

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

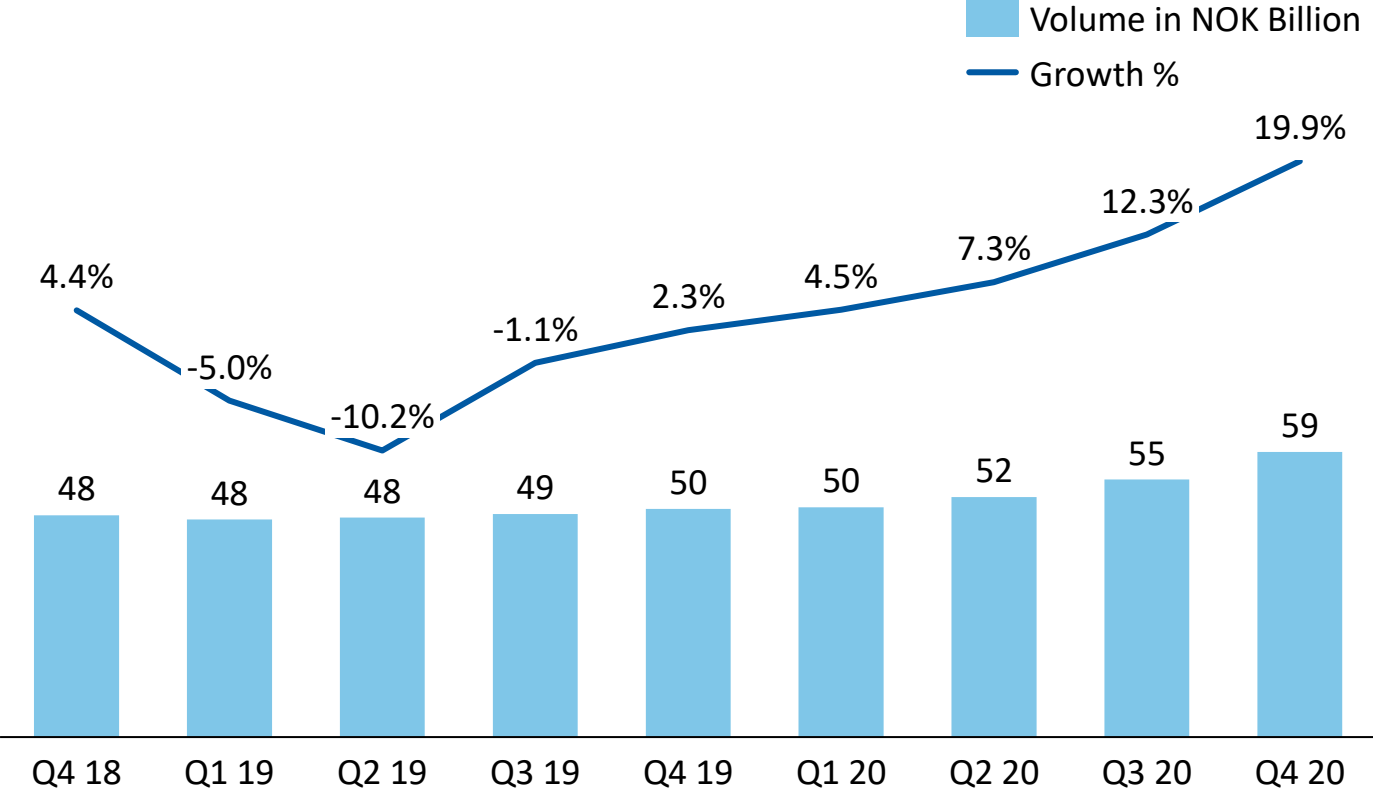
The figures include the loan portfolio in the covered bond companies (SB1 Boligkreditt AS and SR-Boligkreditt AS).

Deposit volume and 12 month growth

Retail Market



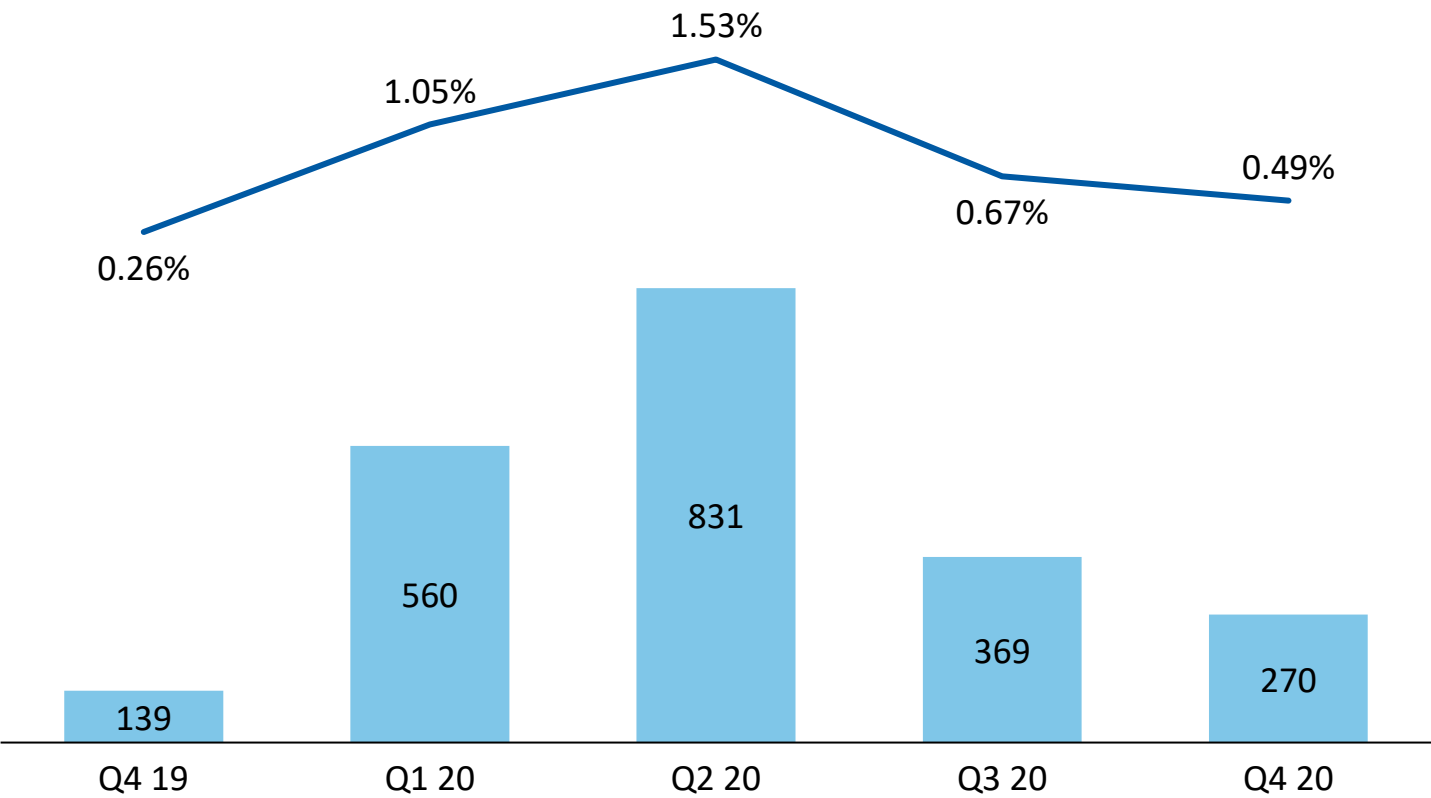
Corporate Market (incl. Capital Market)



- In the last 12 months the total deposit volume has increased by NOK 15.0 billion to NOK 118.2 billion (14.6%).
 - Deposit growth is 12.0% excl. public sector.
- Volatility in deposit growth in the corporate market (incl. capital market) is mainly due to changes in deposit from public sector.

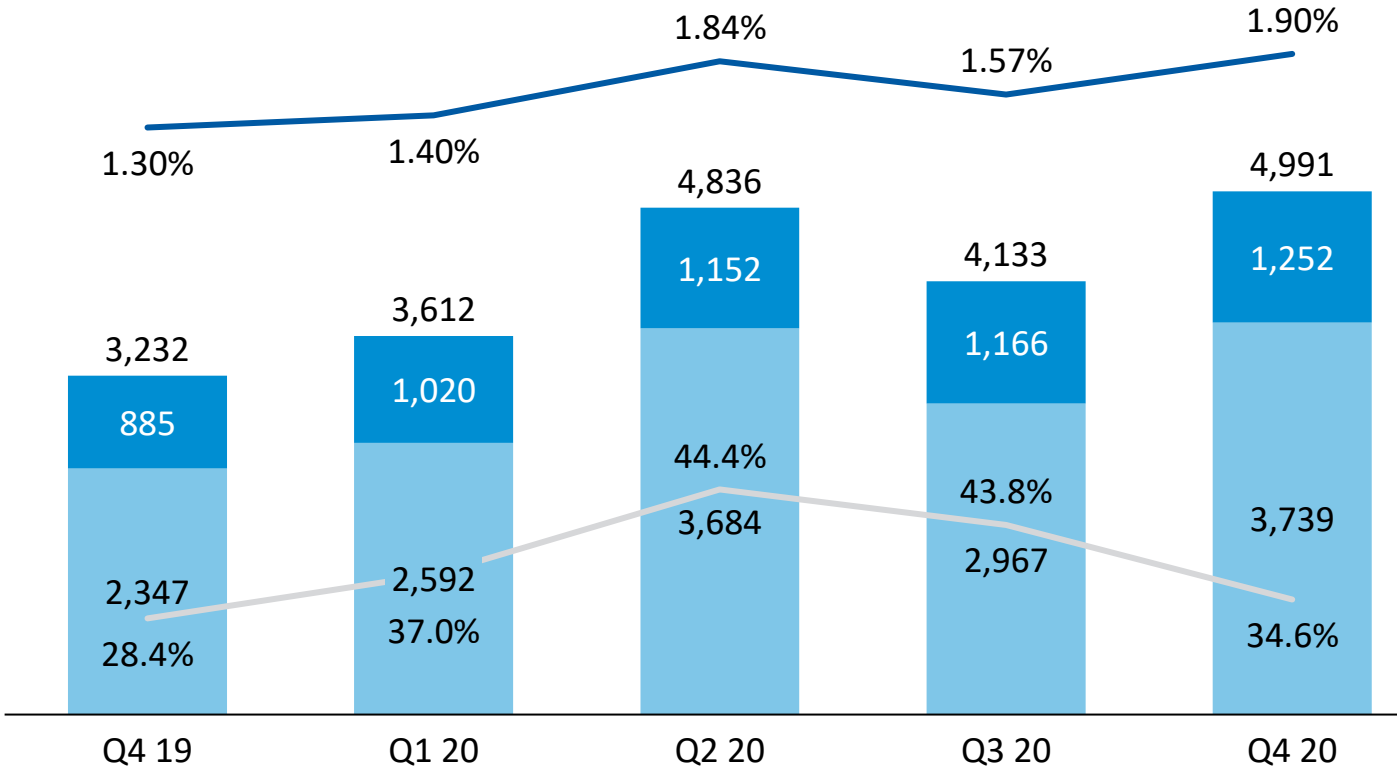
Impairments on loans and financial commitments / Loans and financial commitments defined as Stage 3

Impairments on loans and financial commitments



■ Impairments on loans and financial commitments, MNOK
 — Impairment in % of average gross loans incl. from covered bond company

Changes in gross loans and financial commitments defined as Stage 3



— Stage 3 in % of gross loans and financial commitments incl. covered bond company
 ■ Loans in Stage 3, MNOK
 ■ Financial commitments in Stage 3, MNOK
 — Loss provisions as a share of gross commitments

Impairments on loans and financial commitments

Impairments on loans and financial commitments in the income statement (MNOK)

	31.12.2020	31.12.2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Corporate customers	1.941	211	266	360	771	544	121
Retail customers	89	24	4	9	60	16	18
Total impairments	2.030	235	270	369	831	560	139

Impairments on loans and financial commitments in the balance sheet (MNOK)

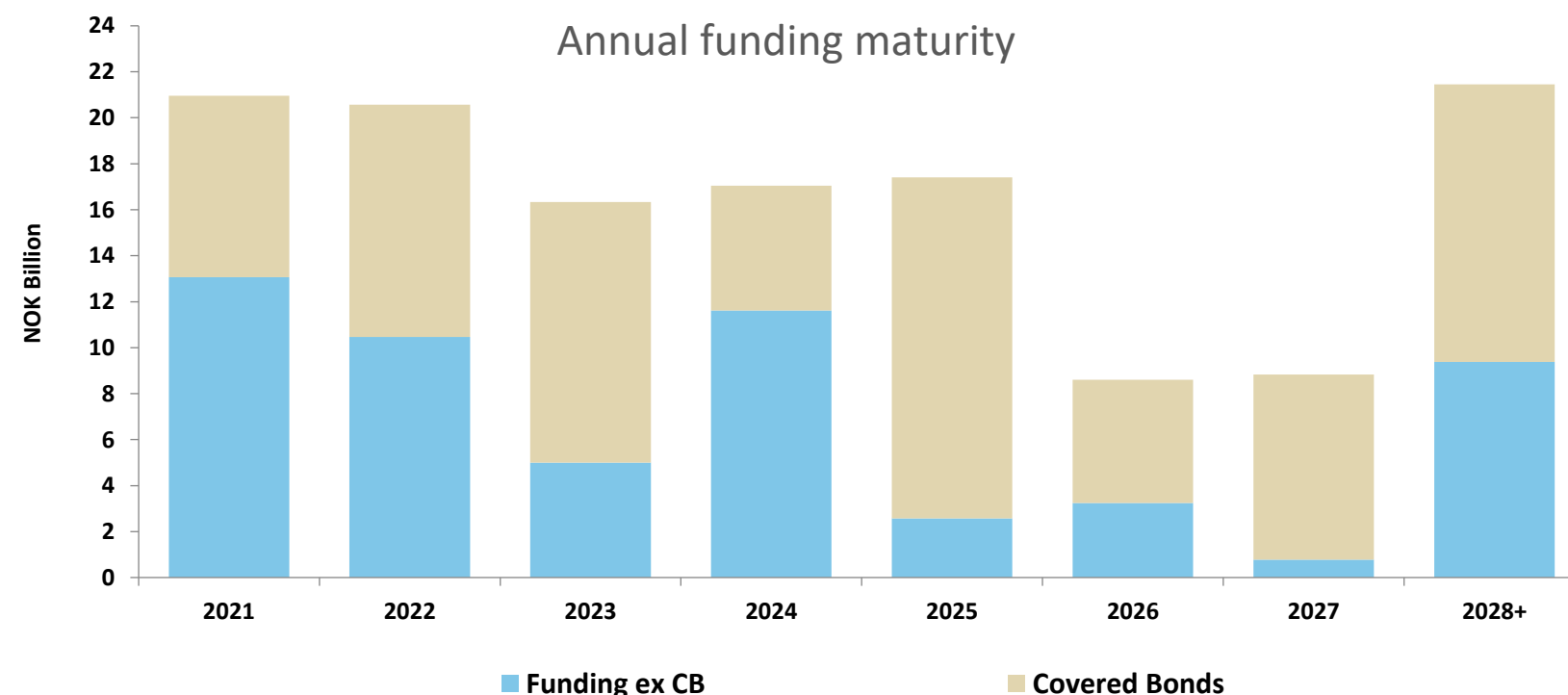
	31.12.2020	31.12.2019	31.12.2020	30.09.2020	30.06.2020	31.03.2020	31.12.2019
Corporate customers	2.258	1.396	2.258	2.352	2.695	1.930	1.396
Retail customers	213	160	213	216	218	168	160
Total impairments on loans and financial commitments	2.471	1.556	2.471	2.568	2.913	2.098	1.556

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

Funding

- NSFR* 123%
- LCR** 157%
- NOK 21.0 billion net refinancing need over the next 12 months
- Deposit to loans ratio 53.9%
- MREL requirement 34.4%
- The Norwegian FSA views that there is uncertainty regarding formalization of MREL subordination requirement, and until clarification they maintain a full subordination requirement.

SRBANK
SPAREBANK 1 SR-BANK ASA
(incorporated with limited liability in Norway)
€10,000,000,000
Euro Medium Term Note Programme



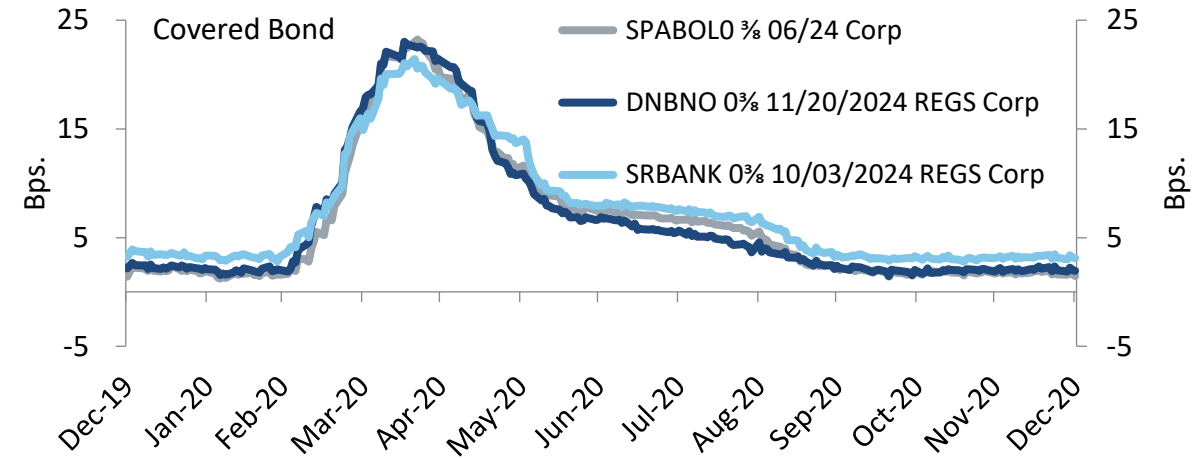
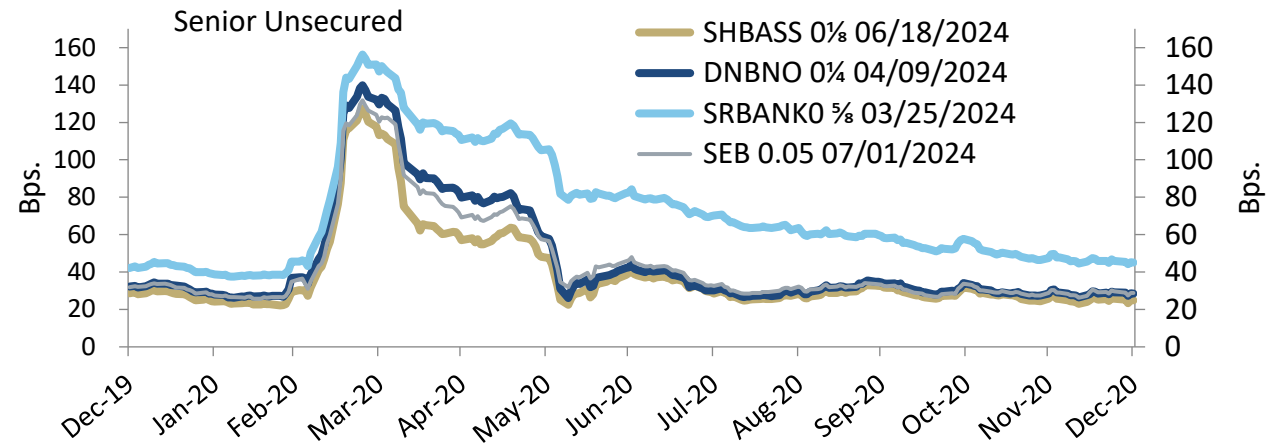
SR-Boligkreditt

SR-BOLIGKREDITT AS
(incorporated with limited liability in Norway)
€10,000,000,000
Euro Medium Term Covered Note Programme

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

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

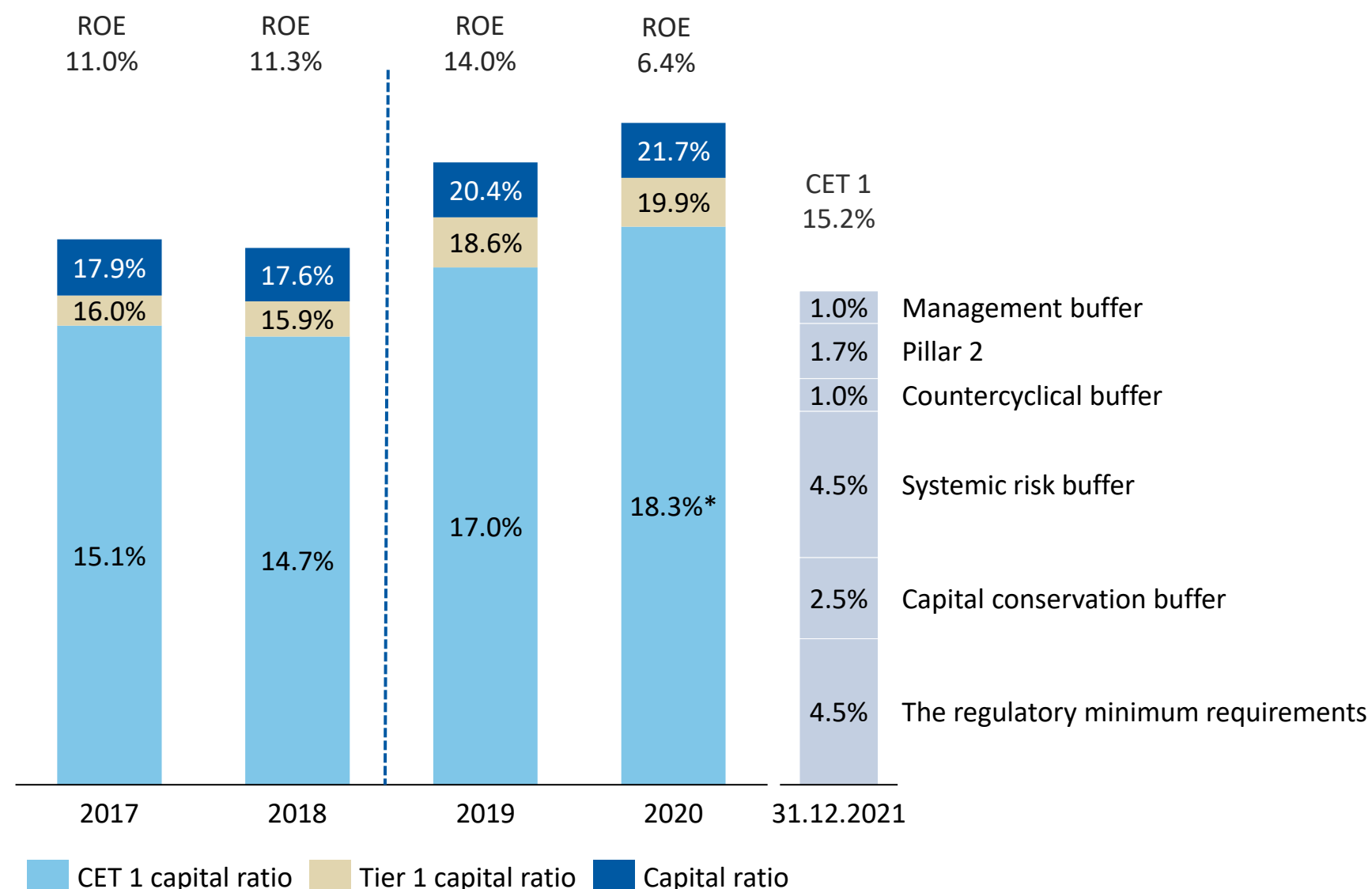
An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	2,125%	EUR750mn	14-April-2021	XS1055536251
SR-Bank / SRBANK	0,375%	EUR500mn	10-February-2022	XS1516271290
SR-Bank / SRBANK	0,625%	EUR750mn	25-March-2024	XS1967582831
SR-BOL / SRBANK	0,125%	EUR750mn	8-September-2021	XS1429577791
SR-BOL / SRBANK	0,750%	EUR600mn	18-January-2023	XS1344895450
SR-BOL / SRBANK	0,375%	EUR500mn	3-October-2024	XS1692489583
SR-BOL / SRBANK	0,750%	EUR750mn	17-October-2025	XS1894534343
SR-BOL / SRBANK	0,01%	EUR500mn	08-October-2026	XS2063288190
SR-BOL / SRBANK	0,01%	EUR750mn	26-June-2027	XS2194373077
SR-BOL / SRBANK	0,01%	EUR500mn	25-February-2030	XS2124046678
SR-BOL / SRBANK	2,500%	USD600mn	12-April-2022	XS1596016847
SR-BOL / SRBANK	Nibor3m +29	NOK5.000mm	17-November-2022	NO0010841380
SR-BOL / SRBANK	Nibor3m +29	NOK5.000mm	29-May-2023	NO0010823255
SR-BOL / SRBANK	Nibor3m +24	NOK 6.000mm	5-February-2024	NO0010891286

Solid capital ratio

- The EU's capital adequacy regulations (CRR/CRD IV) came into force on 31 December 2019. These entail, among other things, a reduction in the capital requirements for loans to small and medium-sized enterprises (SME) and the elimination of the so-called Basel I floor.
- The CET 1 requirement is 15.2% incl. 1.0% in management buffer after the countercyclical buffer was reduced from 2.5% to 1.0% in March and the systemic risk buffer was increased from 3.0% to 4.5% in December.
- Target CET 1 is set to 16.7% including 1.0% in management buffer and maximum countercyclical buffer of 2.5%.
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).
- The leverage ratio was 7.8% as at 31 December 2020, well above the minimum requirement at 5.0%.



*On 23 April 2020, the annual general meeting approved the board's proposal that no dividend be paid out for 2019. At the same meeting, the board was authorised to make a decision concerning the distribution, at some later point in time, of a dividend of up to NOK 5.50 per share based on the bank's approved annual financial statements for 2019. The board has exercised this authority and approved payment of a dividend of NOK 5.50 per share for the financial year 2019. The Common Equity Tier 1 capital ratio of 18.3% for 2020 takes account of the dividend for the 2019 financial year. As far as the dividend for 2020 is concerned, the board will ask the annual general meeting for authorisation to approve payment of this dividend at a later date too, according to applicable regulations. The Common Equity Tier 1 capital ratio as at the end of the fourth quarter of 2019 has not been restated following a decision in the first quarter of 2020 to temporarily withhold the dividend for 2019

Outlook

- The Covid-19 pandemic is still creating uncertainty surrounding developments in both Norway and the global economy. However, the uncertainty has been significantly reduced, including because several vaccines have now been approved. The Norwegian state is particularly well-equipped to contribute economically. Extensive measures aimed at both the retail and corporate sector has been effectuated, but lower levels of investment and demand for loans for corporates are expected.
- Norges Bank has cut its policy rate by 1.50 percentage points to 0.0%. The policy rate is expected to increase from 2022.
- SpareBank 1 SR-Bank's long-term target is a minimum return on equity of 12%, but as a consequence of the Covid-19 outbreak, target for 2021 is set to 11%.
- SpareBank 1 SR-Bank's focus on digitalization and automation has enabled almost all of the group's employees to work from home office. Customers have been looked after in an efficient and satisfactory manner.
- Geographic expansion, digitalization and growth will transform SpareBank 1 SR-Bank from a regional savings bank to a bank for the whole of Southern Norway.

APPENDIX

- 1) Macro
- 2) SpareBank 1 SR-Bank

Key economic indicators



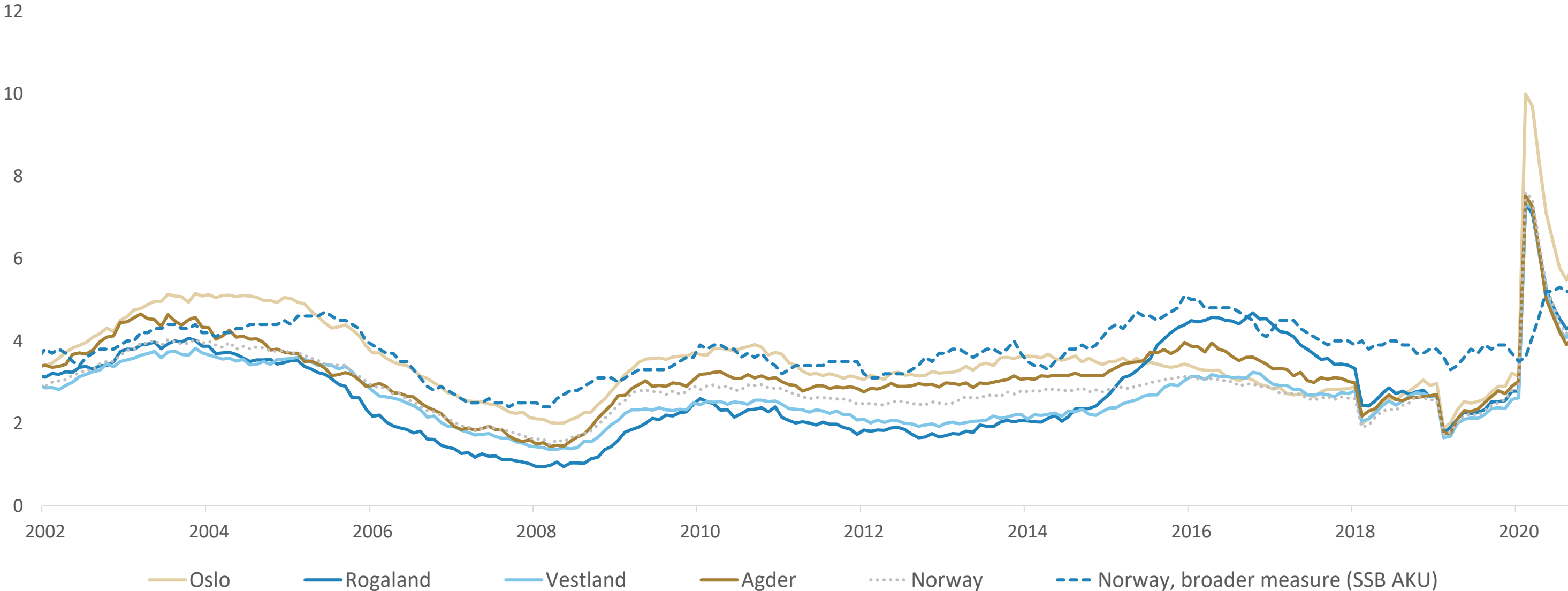
Economic Indicators (%)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020P	2021P	2022P	2023P
GDP mainland, annual change (%)	1,9	3,7	2,3	2,2	1,4	0,9	2,0	2,2	2,3	-3,0	3,6	3,6	2,9
Household consumption, annual change (%)	2,4	3,5	2,8	2,1	2,7	1,1	2,2	1,6	1,4	-8,0	8,1	5,9	3,1
Public consumption, annual change (%)	1,1	1,5	1,0	2,7	2,4	2,3	1,9	0,5	1,9	1,7	1,9	1,9	1,3
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	-0,2	9,0	6,8	1,5	4,0	-5,6	1,3	2,4	2,6
Investment public sector	1,1	-1,8	11,8	4,5	0,2	6,4	2,6	8,1	7,2	2,0	1,1	1,1	1,1
Investment offshore oil and gas, annual change (%)	11,4	14,6	19,0	-1,8	-12,2	-16,0	-5,4	0,7	12,6	-4,8	-6,0	-2,0	10,0
Oil price, USD/bbl. Actual	8,0	6,8	4,0	2,7	6,1	7,0	5,0	1,4	2,5	4,0	3,9	3,7	3,7
Housing prices, annual change (%)	111,0	112,0	109,0	99,0	53,0	45,0	55,0	72,0	64,0	43,4			
Inflation rate (CPI) %	1,2	0,8	2,1	2,0	2,1	3,6	1,8	2,7	2,2	1,3	2,5	2,4	2,1
3 month NIBOR %	2,9	2,2	1,8	1,7	1,3	1,1	0,9	1,1	1,6	0,7	0,5	0,8	1,2
Mortgage rate %	3,6	3,9	4,0	3,9	3,2	2,6	2,6	2,7	3,0	2,5	2,0	2,1	2,4
Household savings ratio	5,8	6,9	7,2	7,7	9,8	6,9	6,6	5,9	8,0	14,7	10,0	6,9	7,1
Unemployment rate (registered at labour office)*	2,6	2,6	2,7	2,7	3,0	3,0	2,7	2,5	2,3	5,0	3,2	2,5	2,4
HH sector real disposable income, annual change (%)	4,3	4,4	4,0	2,3	5,4	-1,6	2,0	1,0	3,1	0,3	2,6	2,0	2,9
Current account surplus, share of GDP (%)	12,4	12,6	10,3	10,8	8,0	4,5	4,6	8,0	2,5	0,9	2,6	3,5	4,3
Sovereign Wealth Fund, share of mainland-GDP (%). Actual	150,0	160,0	190,0	230,0	270,0	270,0	290,0	290,0	310,0	350,0			

Sources: Statistics Norway, Thomson Reuters Datastream and *Central Bank of Norway. As of 12 January 2021

Increased unemployment (NAV) as a result of Covid-19, but lower after March

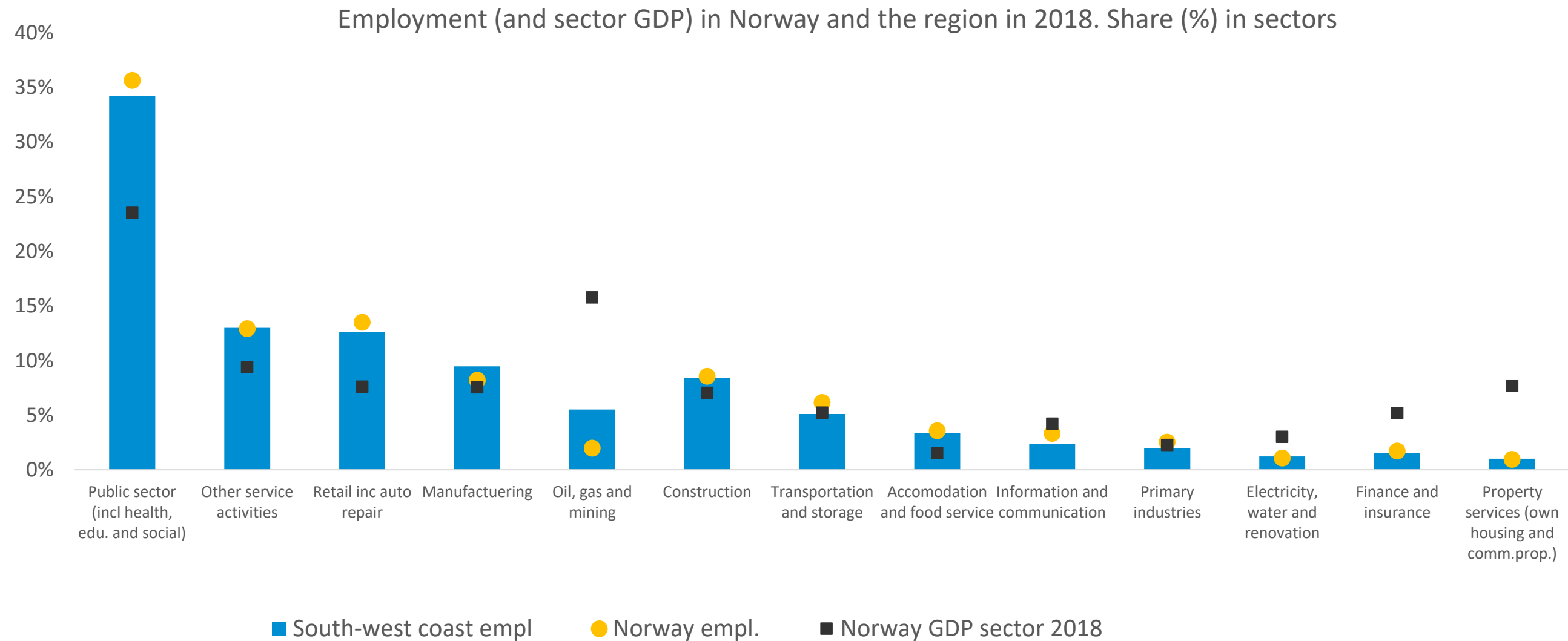
Unemployment increased from 3% to 8% in March. Since then, it has fallen to 4.8% throughout 2020. Still highest in Oslo.

Norwegian unemployment rate, %, registered (NAV), seasonal adj., monthly



Source: NAV og SSB.

Employment (and GDP) by sector



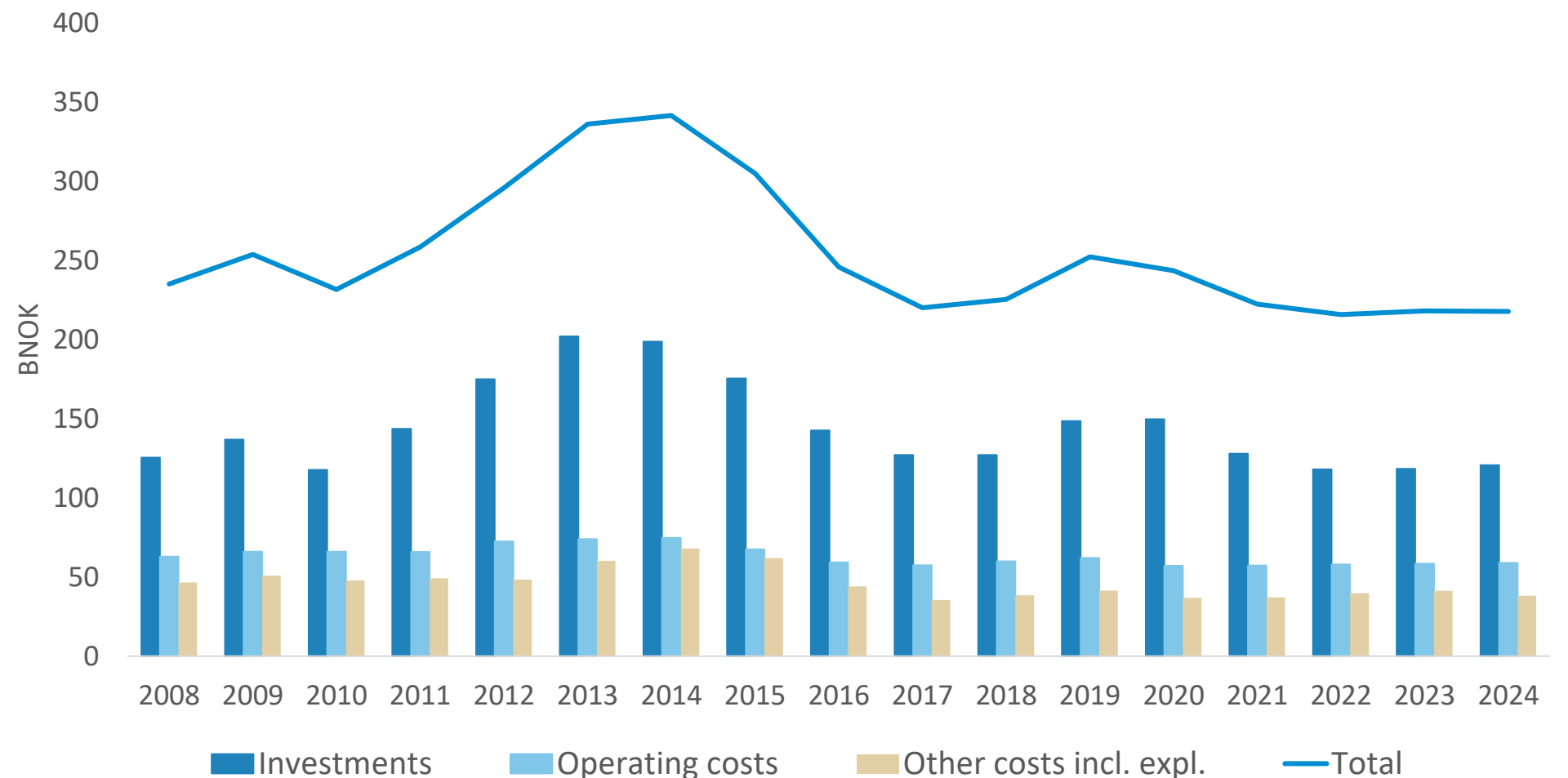
Source: Statistics Norway.

Petroleum activity in Norway somewhat lower in 2020

Uncertainty was high after Covid-19, but have decreased due to support package in June 2020 and more stable prices

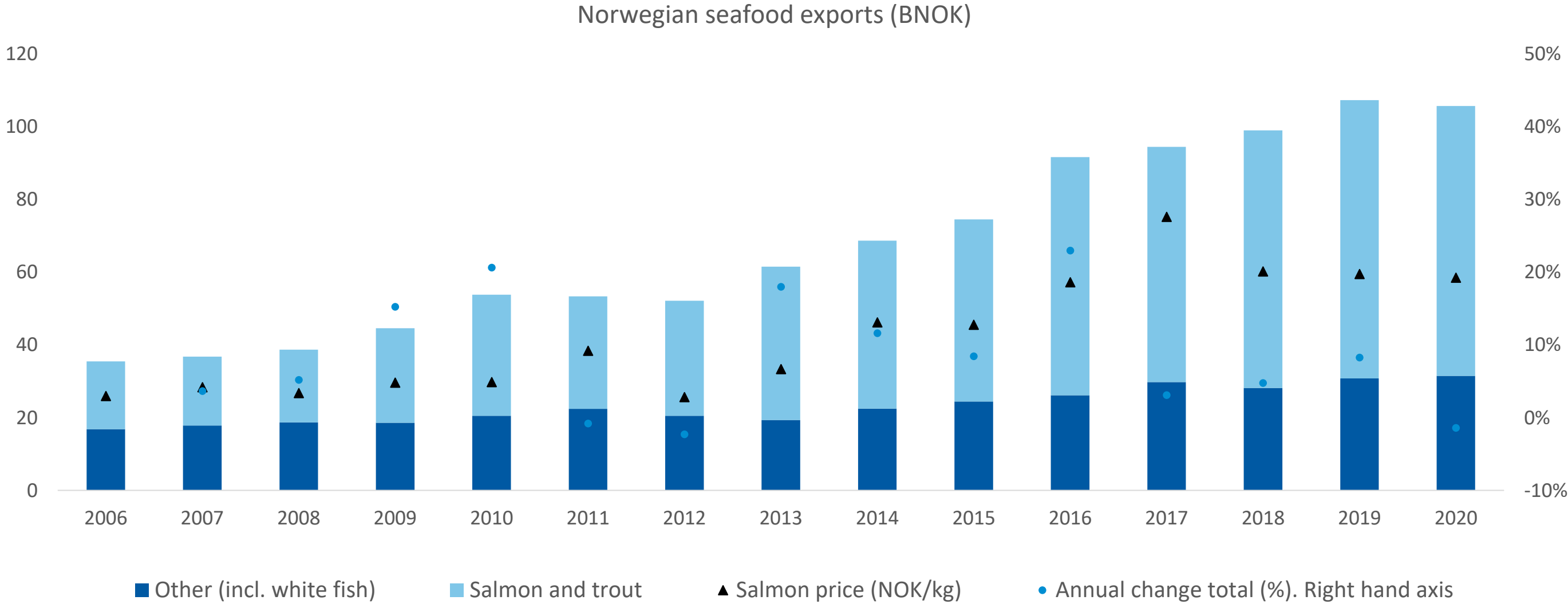
- Overall activity on the Norwegian Continental Shelf (NCS) increased by 60% from 2007 to 2014.
- Activity fell markedly in 2015-17 due to lower prices and rebounded in 2019.
- At the beginning of 2020, some increase in petroleum activity was expected in 2020. Covid-19 led to lower prices and increased uncertainty, but the support package in June 2020 and more stable prices support activity. NPD expects somewhat lower activity in 2021, but more stable outlook in 2022-2024.

Petroleum activity on Norwegian Continental Shelf. BNOK (2021 NOK). Source: NPD



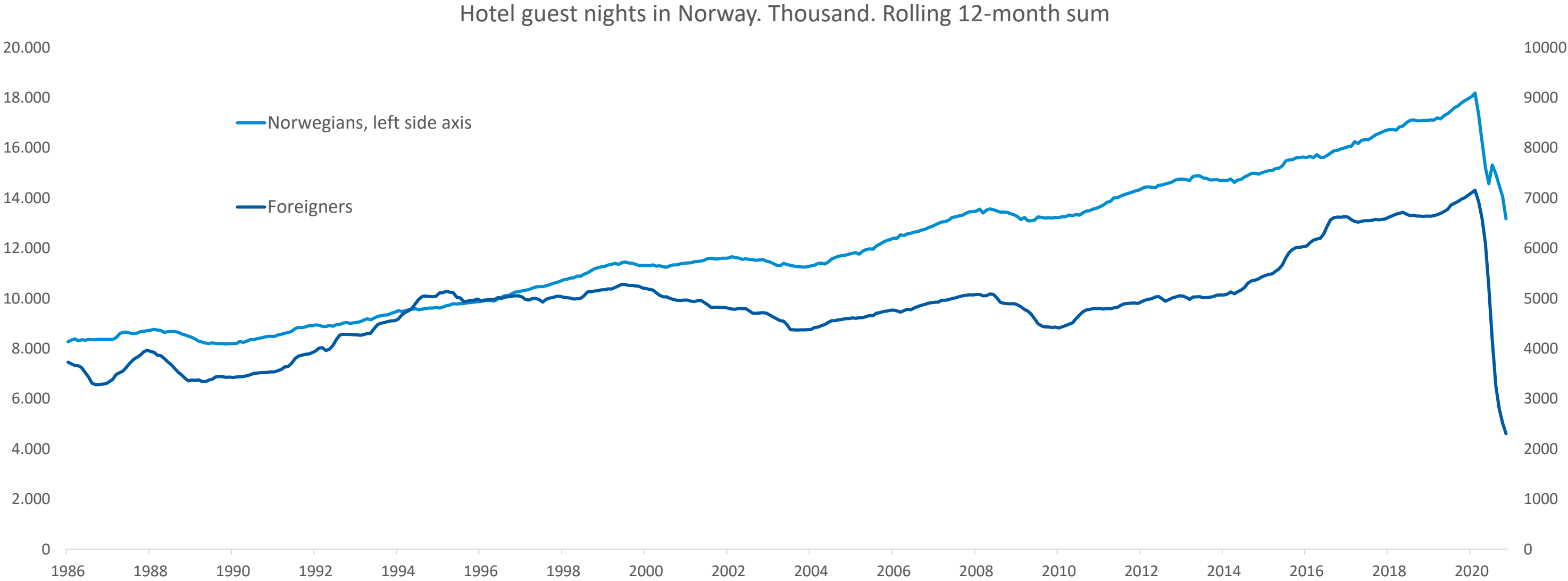
Source: Oljedirektoratet/Norwegian Petroleum Directorate (NPD).

Norwegian seafood exports doubled since 2012



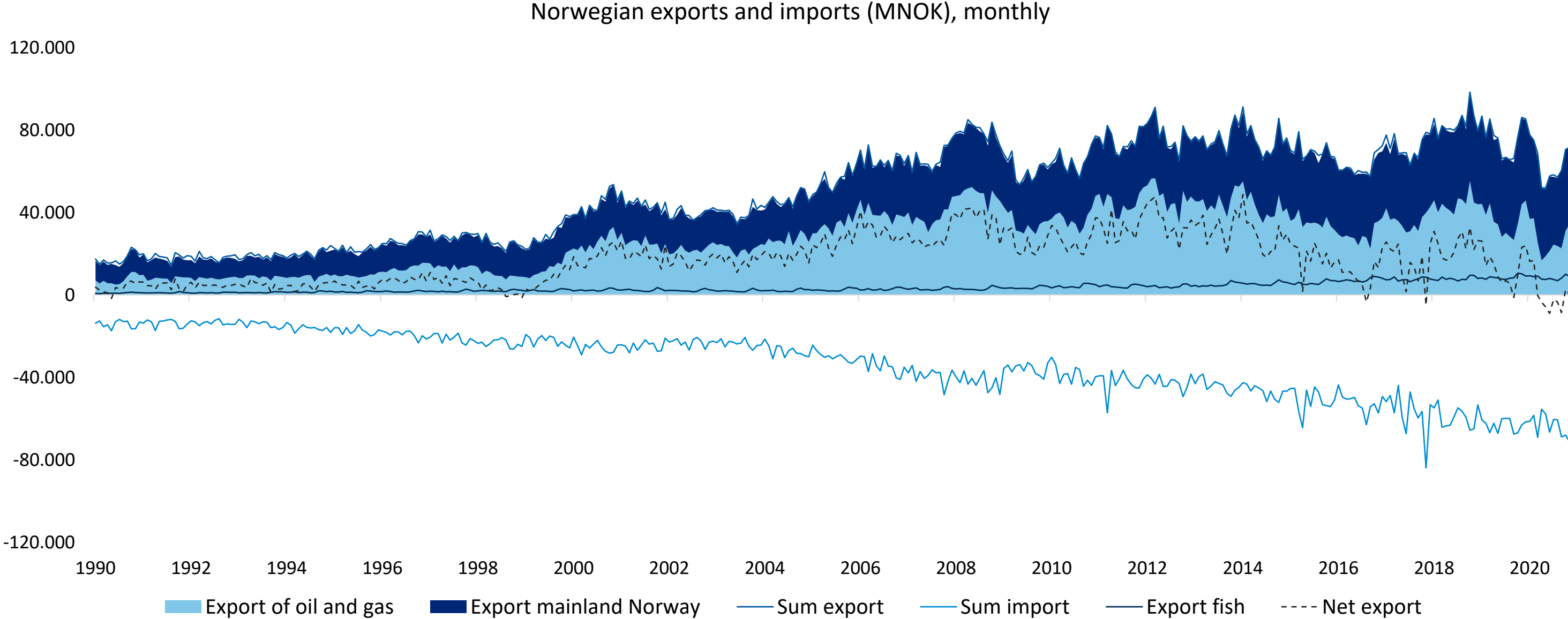
Source: Norwegian Seafood Council.

Norwegian hotels – guest nights by foreign and domestic



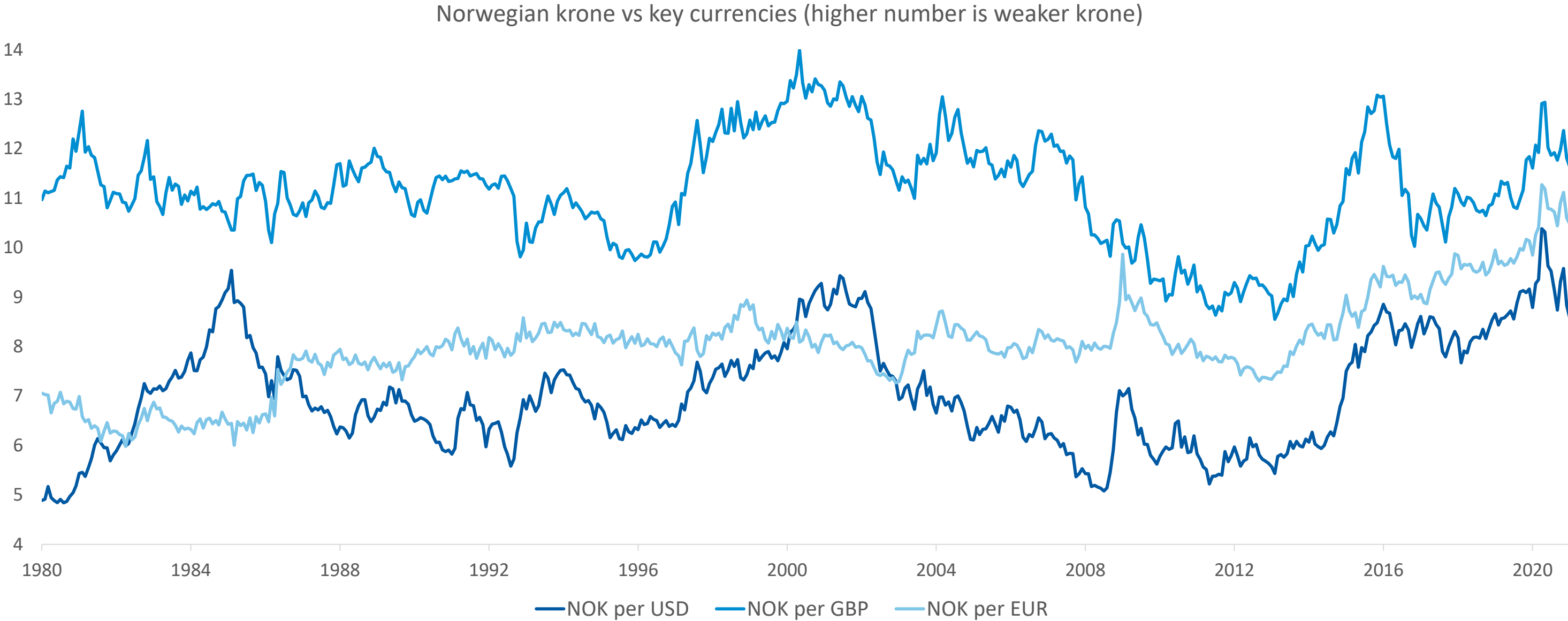
Source: Statistics Norway.

Norwegian exports and imports



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

Norwegian krone vs key currencies

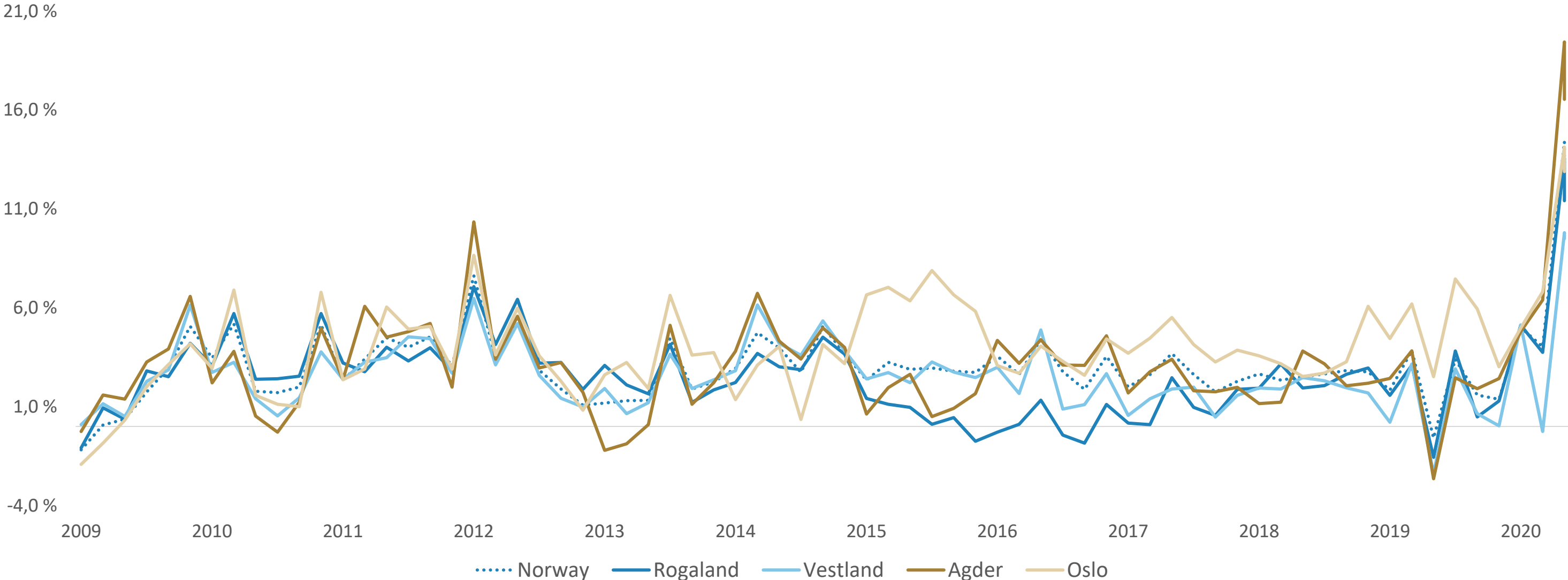


Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

High growth in retail trade in Norway following Covid-19

Covid-19 has had a big impact, especially lifting groceries, but also some other goods

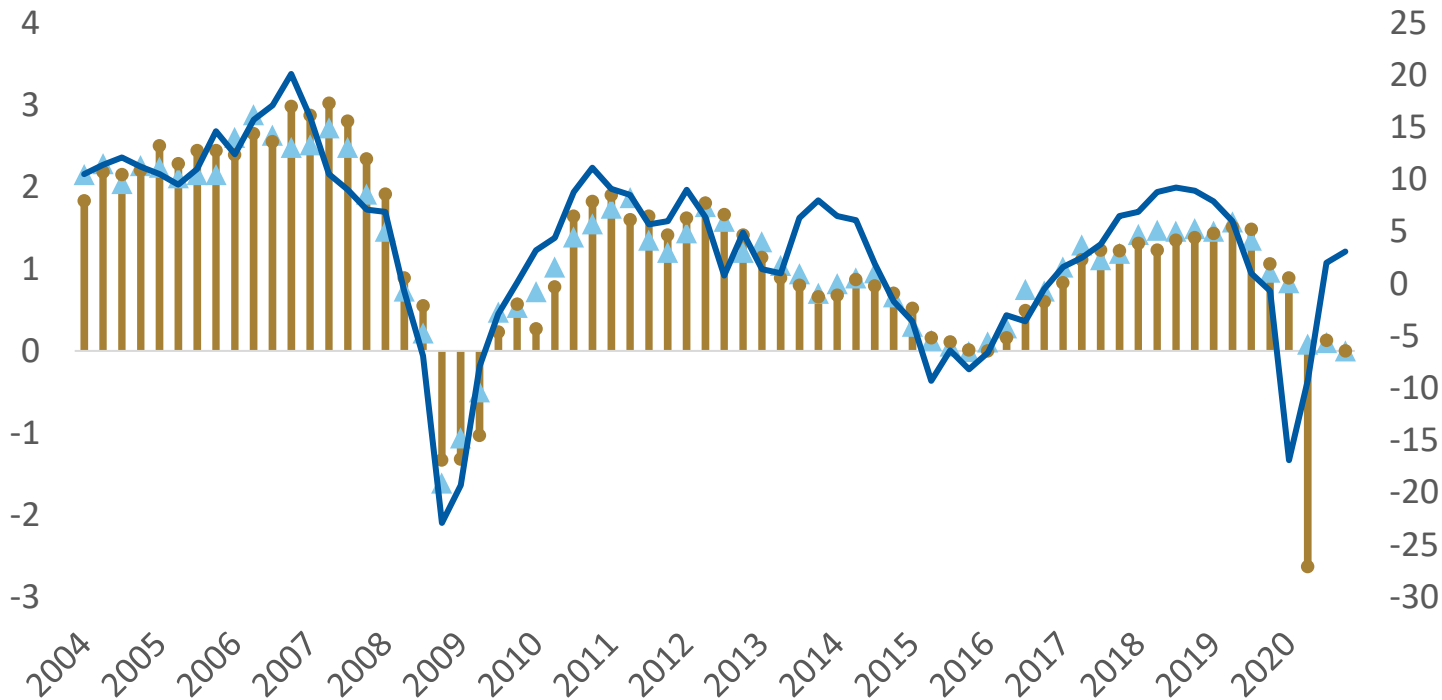
Retail sales (excl. auto), change in turn-over from same 2-month period previous year. Last obs: july-aug 2020



Source: SSB.

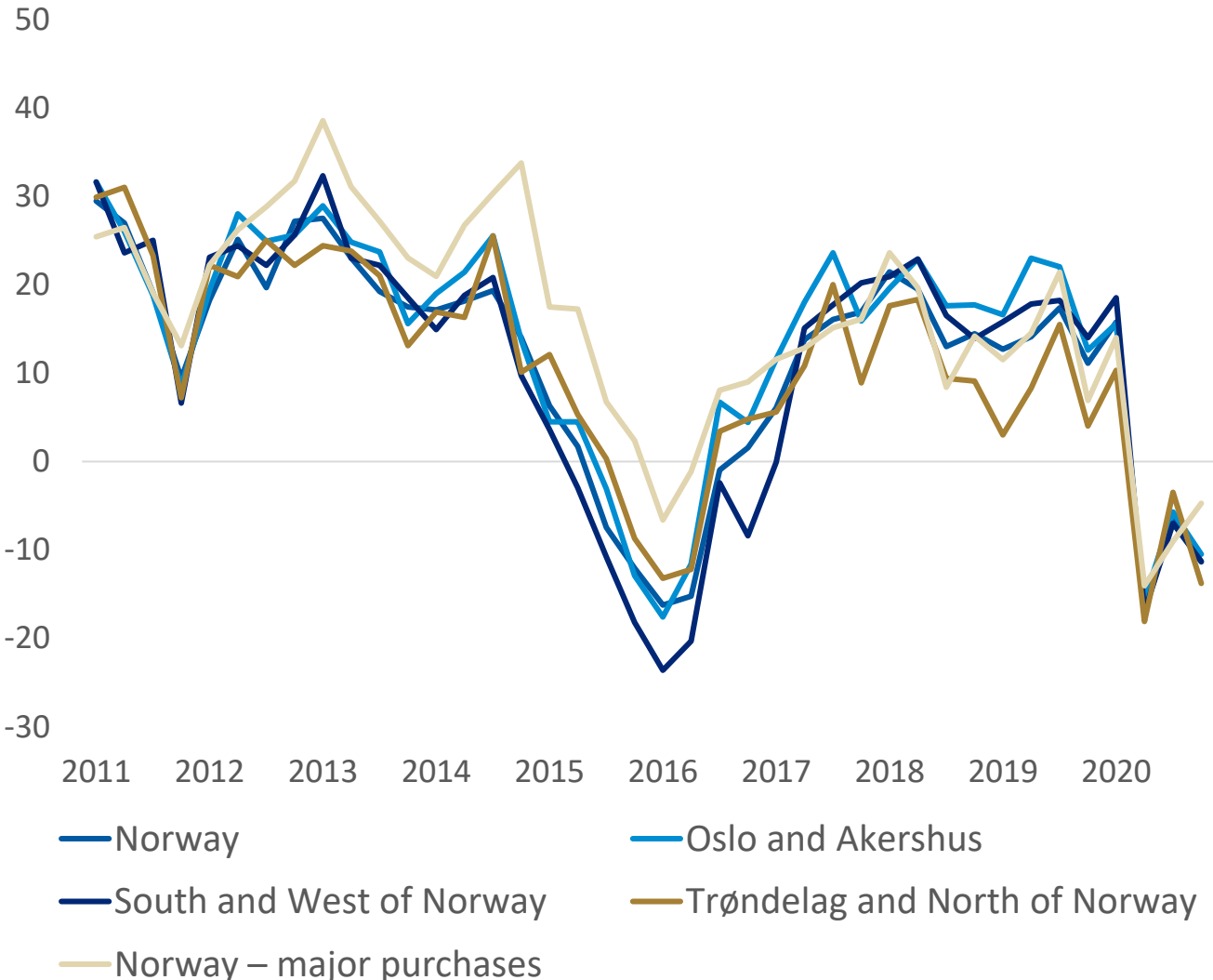
Norwegian economy impacted by Covid-19

Norwegian business survey



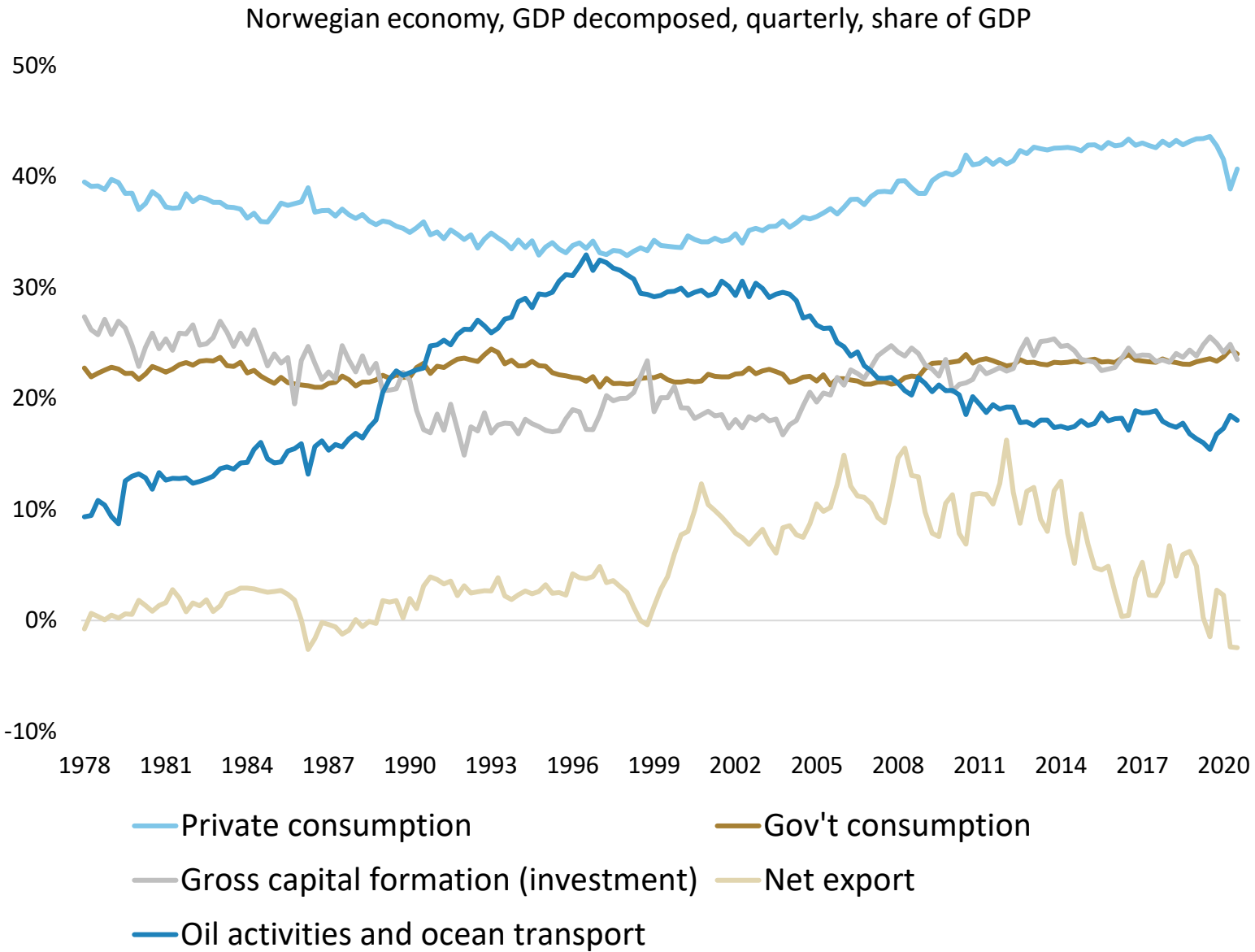
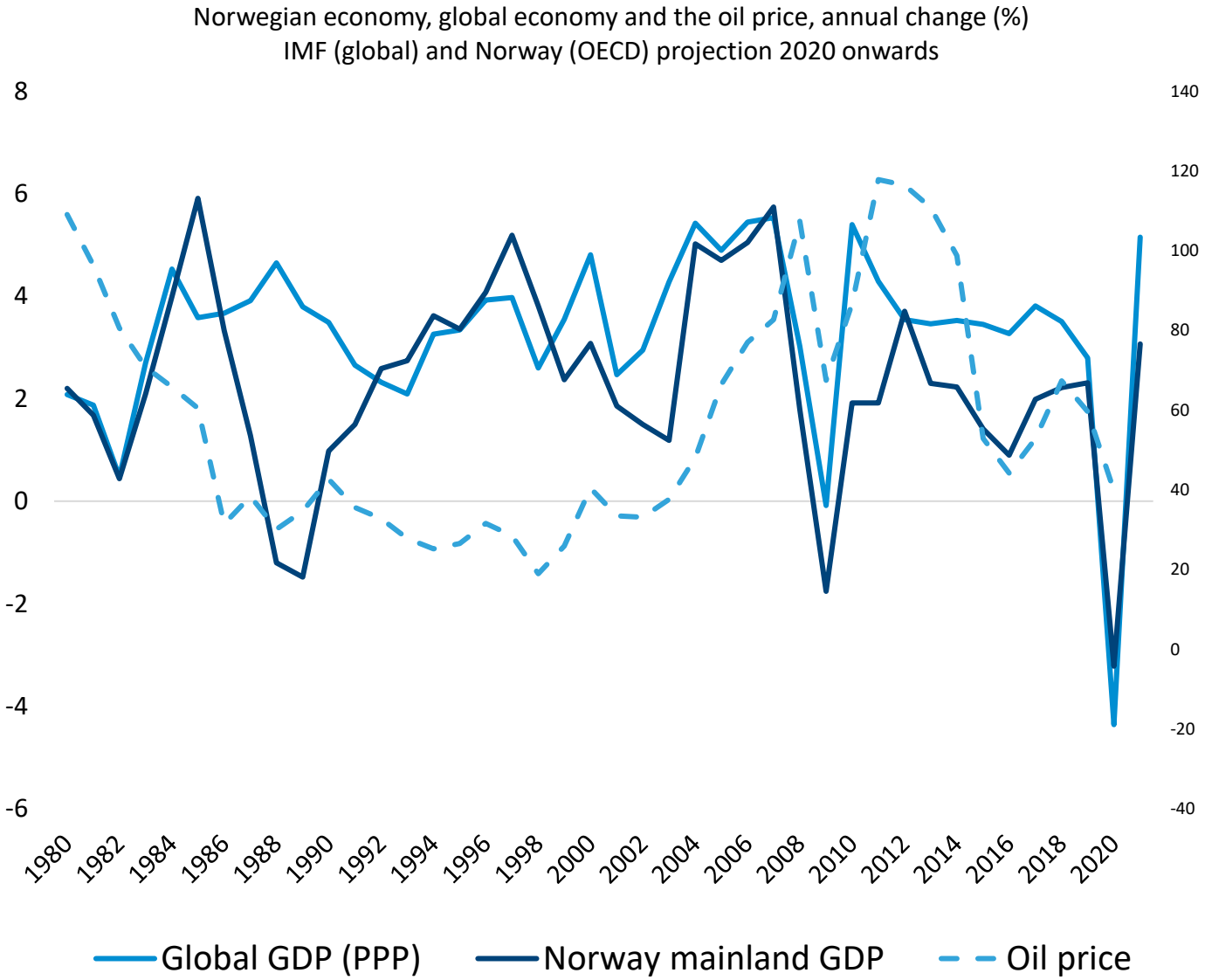
- ▲ Central Bank business survey. Production outlook coming 6 months. Left axis
- Central Bank business survey. Production last 3 months. Left axis
- Statistics Norway manufactuering survey. Main index. Right axis

Norway – consumer confidence indicator



Source: Refinitiv Datastream, SpareBank 1 SR-Bank.

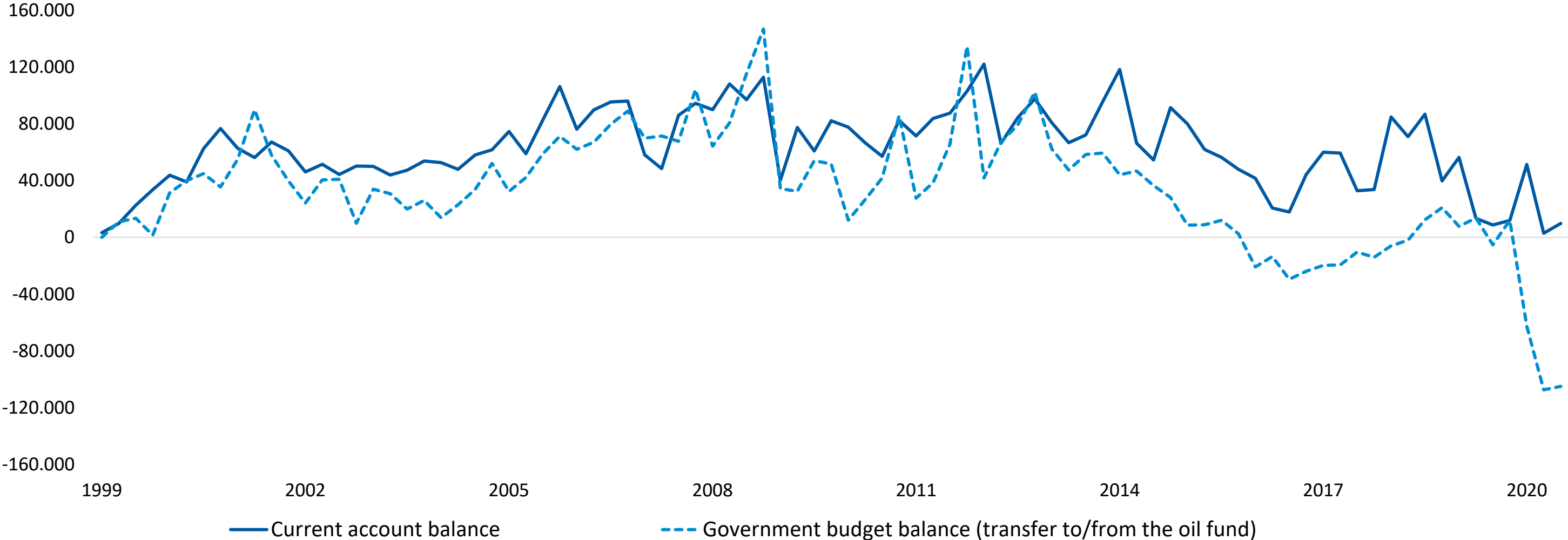
Norwegian Economy – GDP



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

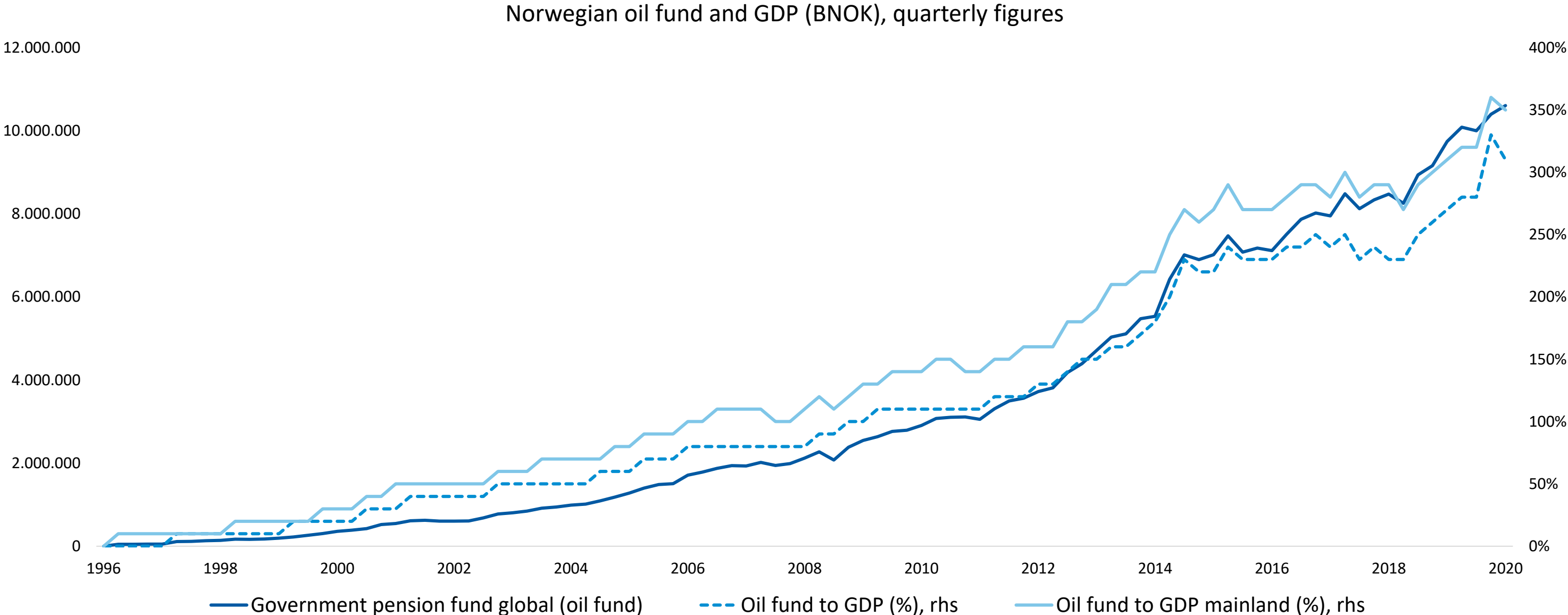
Norwegian current account and government budget

Norwegian current account and gov't budget (BNOK), quarterly figures



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

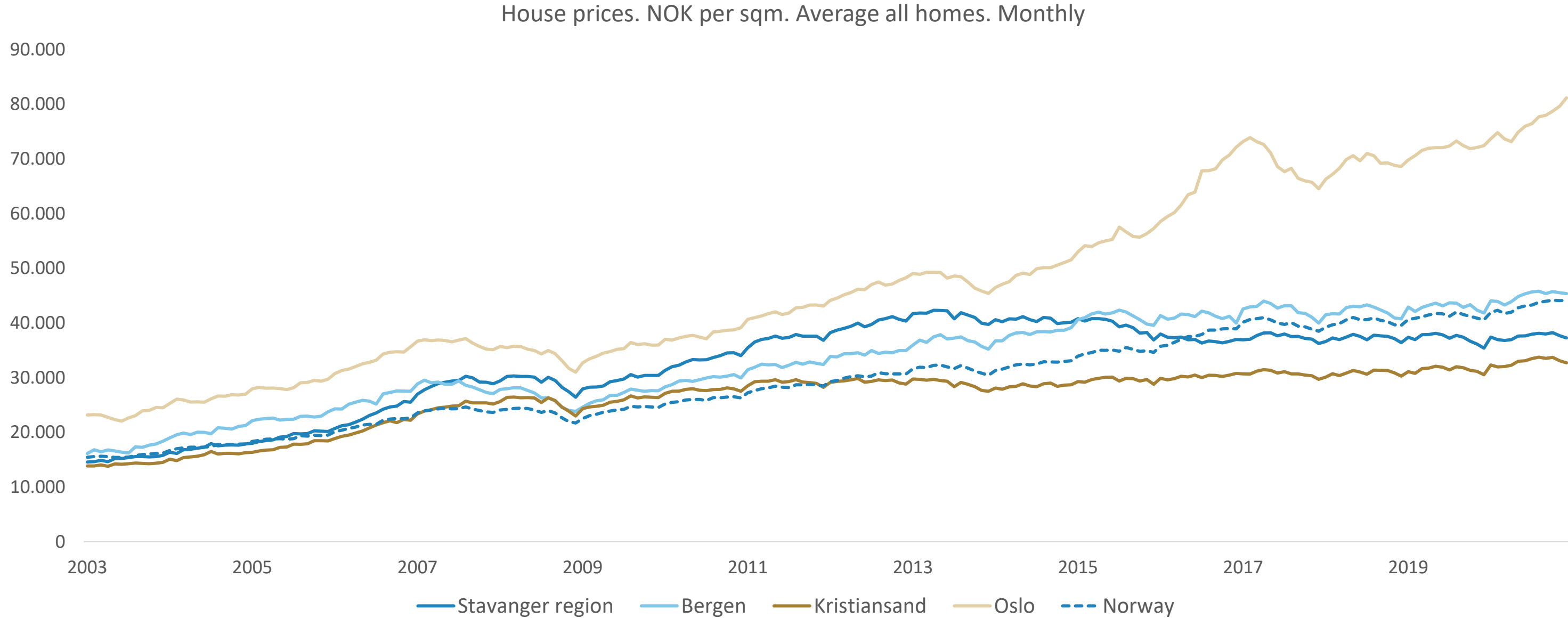
Norway oil fund and GDP



Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

Norwegian house prices have increased by 9% last 12 months

Impact from Covid-19 dampened the market, but sales and prices picked since the summer



Source : Finn.no, Eiendom Norge og Eiendomsverdi.

APPENDIX

- 1) Macro
- 2) SpareBank 1 SR-Bank

Our purpose: Strength to growth and development

Objectives

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

Strategic goals

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

Financial goals

- The longer term target for return on equity is a minimum of 12%.
- Top 50% return on equity and cost/income in a Nordic benchmark

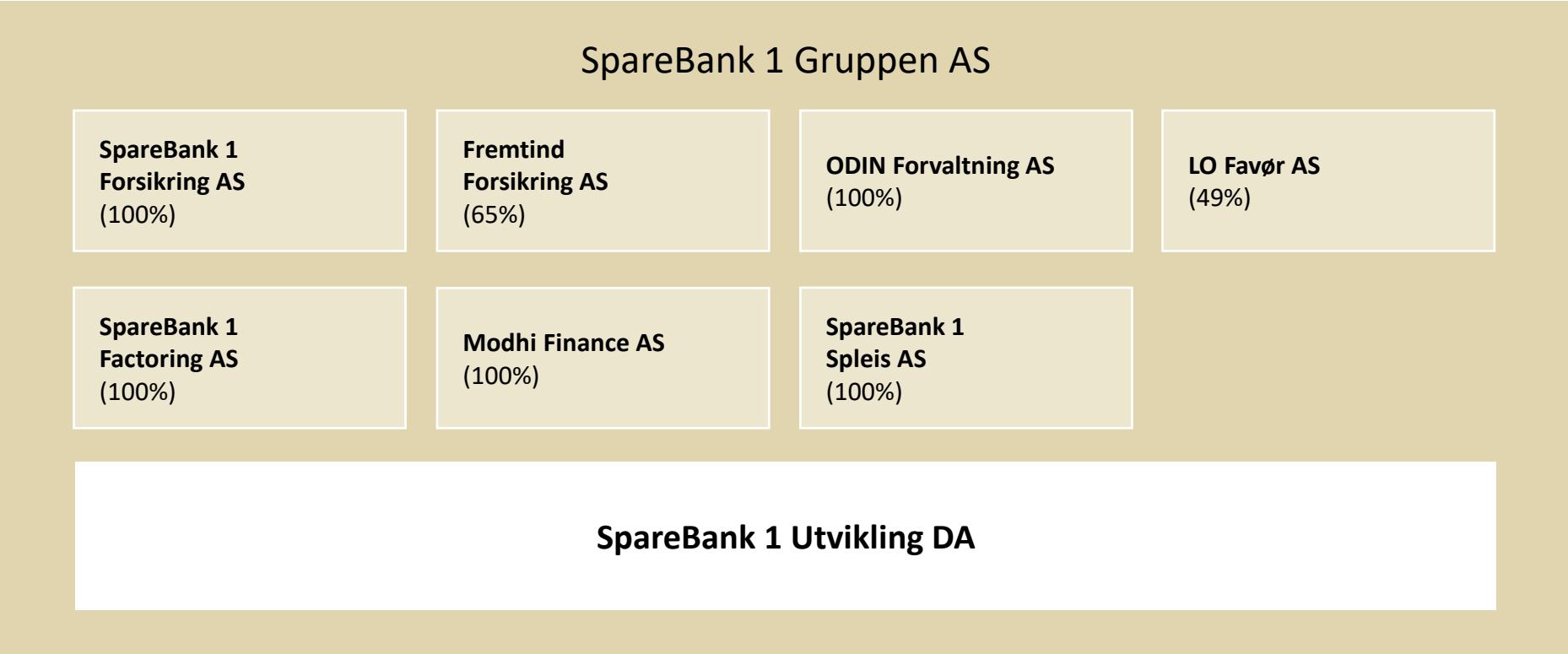
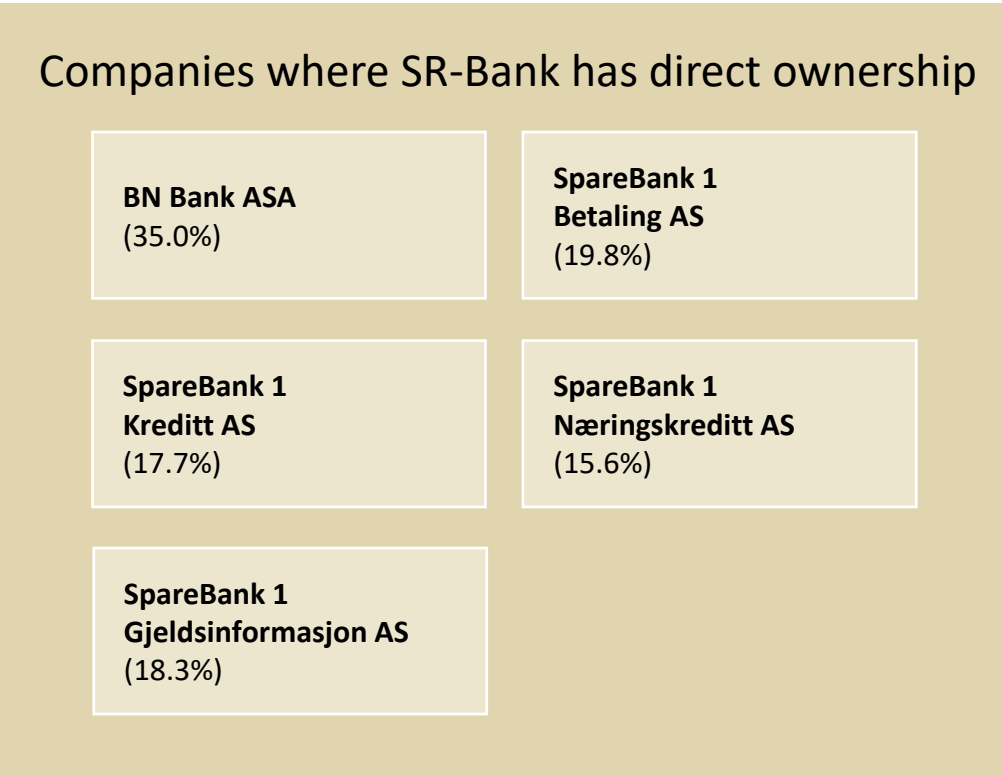
Strategic focus

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

SpareBank 1 Alliance



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



Owners of the alliance

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

Balance sheet

Balance sheet (MNOK)	31.12.2020	31.12.2019
Cash and balances with central banks	68	104
Balances with credit institutions	12.589	3.142
Net loans to customers	216.966	205.688
Certificates, bonds and other fixed-income securities	39.921	32.792
Financial derivatives	8.672	5.933
Shares, ownership stakes and other securities	908	920
Investment in associates	4.523	4.180
Other	3.402	3.136
Total assets	287.049	255.895
Balances with credit institutions	4.144	2.264
Deposit from customers	118.170	103.106
Listed debt securities	127.163	116.164
Financial derivatives	6.825	4.530
Other liabilities	2.200	2.872
Additional Tier 1 and Tier 2 capital instruments	2.154	2.125
Total liabilities	260.656	231.061
Total equity	26.393	24.834
Total liabilities and equity	287.049	255.895

Net commission and other income

MNOK	31.12.2020	31.12.2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Payment facilities	248	271	64	54	61	69	66
Savings/placements	195	192	51	48	48	48	47
Insurance products	208	192	54	53	50	51	50
Commission income real estate broking	396	399	100	107	104	85	101
Guarantee commission	96	93	26	22	23	25	24
Arrangement- and customer fees	72	90	28	11	13	20	23
Commission income SpareBank 1 SR-Bank Forretningspartner	154	126	38	33	42	41	31
Other	13	20	4	2	3	4	11
Net commission and other income excl. covered bond company	1.382	1.383	365	330	344	343	353
Commission income SB1 Boligkreditt	14	33	5	6	0	3	6
Net commission and other income incl. covered bond company	1.396	1.416	370	336	344	346	359

Net income on investment securities

MNOK	31.12.2020	31.12.2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Dividends	57	31	39	1	17	0	0
Investment income, associates	663	875	129	147	145	242	15
Securities gains/losses	-141	96	-1	36	122	-298	20
- of which capital change in shares and certificates	-49	111	7	38	27	-121	36
- of which capital change in certificates and bonds	29	-156	-137	-23	104	85	-96
- of which derivatives; certificates and bonds	-121	141	129	22	-9	-263	80
Currency/interest gains/loans	120	125	73	6	13	28	-13
- of which currency customer- and own-account trading	138	131	41	36	52	9	37
- of which value change basis swap spread	13	-10	29	-32	-48	64	-34
- of which counterparty risk derivatives including CVA	-47	0	2	1	-42	-8	1
- of which IFRS-effects	16	4	1	1	51	-37	-17
Net income on investment securities	699	1.127	240	190	297	-28	22

When a basis swap is designated a hedging instrument for hedging a specifically identified loan, changes in the value of the hedging instrument linked to changes in the "basis spread" are recognized through other comprehensive income.

Subsidiaries

Subsidiaries	MNOK	31.12.2020	31.12.2019
EiendomsMegler 1 SR-Eiendom AS	Number of sales	6.707	6.441
	Operating profit before tax	50	6
SR-Forvaltning AS	Capital under management (BNOK)	14	13
	Operating profit before tax	19	25
FinStart Nordic AS	Operating profit before tax*	-113	27
SpareBank 1 SR-Bank Forretningspartner AS	Operating profit before tax**	21	11
SR-Boligkreditt AS	Operating profit before tax	811	583
Monner AS	Operating profit before tax***	-17	-7
Rygir Industrier AS and other	Operating profit before tax	13	-15
Total subsidiaries	Operating profit before tax	784	630

* The result in FinStart Nordic is consolidated and includes result from subsidiaries Beaufort Solutions AS.

**SpareBank 1 SR-Bank Forretningspartner has taken over Fast Solutions with effect from 1 September 2020. The result in Forretningspartner includes amortization of intangible assets of NOK 2.9 million (NOK 2.5 million per 31.12.2019).

***SpareBank 1 SR-Bank ASA purchased 100% of the shares in Monner AS on 1 July 2019.

Ownership interests

Ownership interests	MNOK	31.12.2020	31.12.2019
SpareBank 1 Gruppen AS	Interest ownership	19.5%	19.5%
	Profit share after tax	194	252
	Profit effect merger	340	460
SpareBank 1 Boligkreditt AS	Interest ownership	0.0%	2.2%
	Profit share after tax	2	6
SpareBank 1 Næringskreditt AS	Interest ownership	15.6%	15.6%
	Profit share after tax	9	12
BN Bank ASA	Interest ownership	35.0%	35.0%
	Profit share after tax	120	109
SpareBank 1 Kreditt AS	Interest ownership	17.7%	17.8%
	Profit share after tax	2	13
SpareBank 1 Betaling AS	Interest ownership	19.8%	19.8%
	Profit share after tax	-2	-11
	Adjusted profit previous years	0	14
Other	Profit share after tax	2	-2
Total ownership interests	Profit share after tax	667	853
FinStart Nordic AS*	Profit share after tax	-4	22
Total ownership interests in the Group	Profit share after tax	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 here is included in the company's results on the previous page.

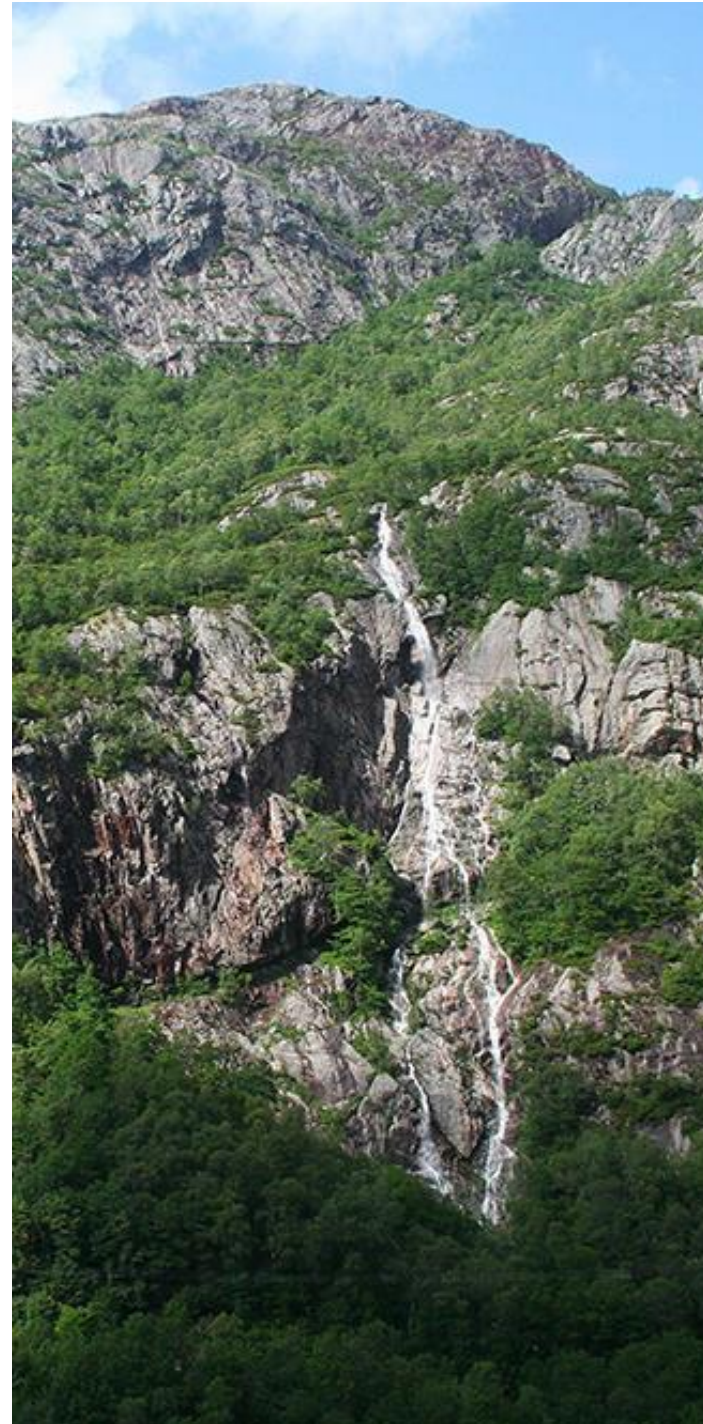
Operating expenses

MNOK	31.12.2020	31.12.2019	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Payroll and pensions	1.184	1.211	332	297	277	278	328
Other staff expenses	252	261	69	60	53	70	68
Total personnel expenses	1.436	1.472	401	357	330	348	396
IT expenses	373	364	88	95	98	92	91
Marketing	73	90	19	16	17	21	31
Other administrative expenses	71	101	14	15	15	27	30
Total administrative expenses	517	555	121	126	130	140	152
Depreciation	188	137	46	59	42	41	37
Operating expenses from real estate	31	35	8	7	8	8	12
Other operating expenses	214	279	53	46	60	55	81
Total other operating expenses	433	451	107	112	110	104	130
Total operating expenses	2.386	2.478	629	595	570	592	678

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



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

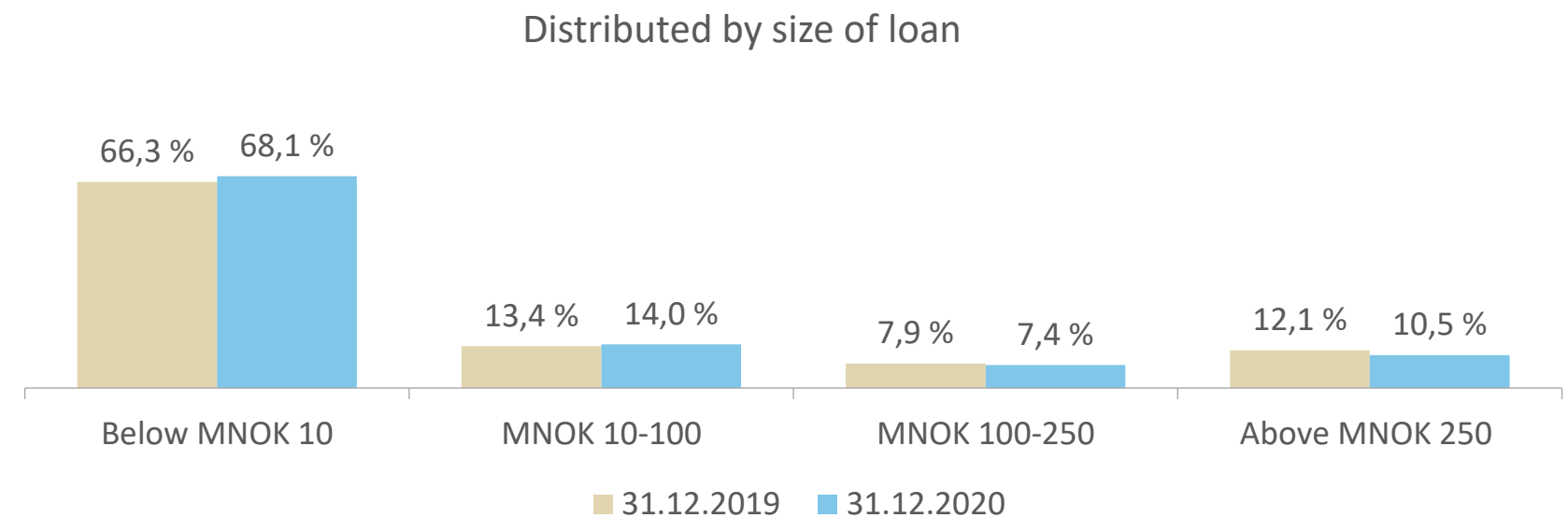
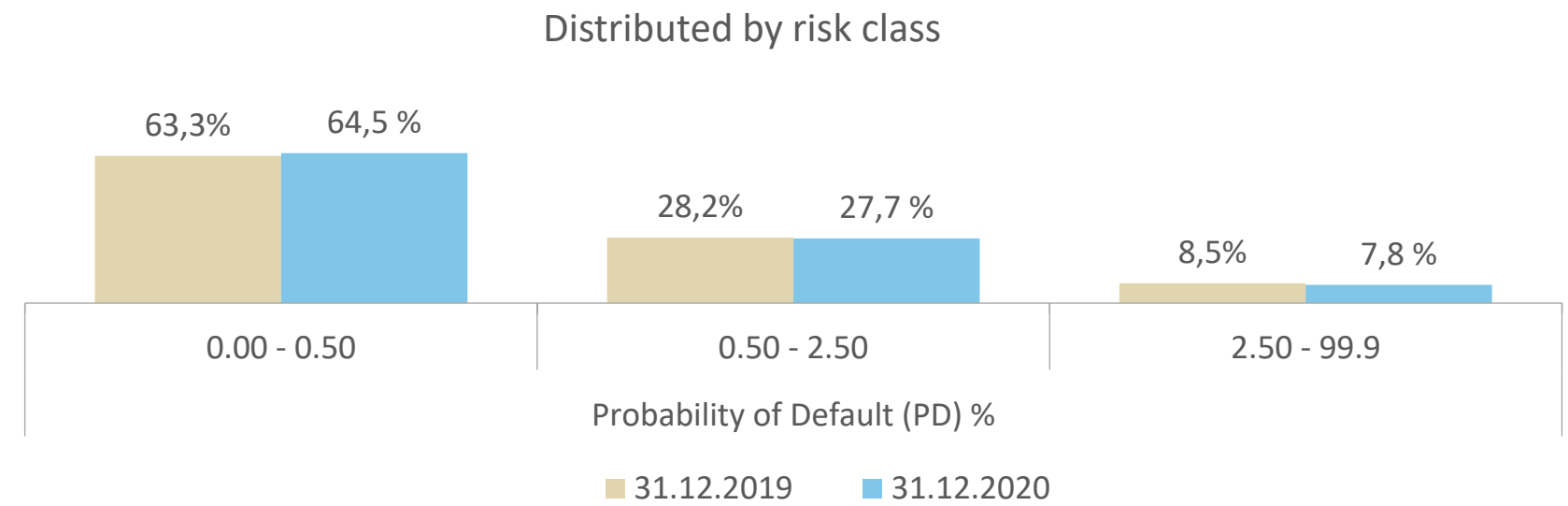


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
 - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
 - The maximum unsecured exposure to an individual customer must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



Risk profile of the loan portfolio

- SpareBank 1 SR-Bank has a solid loan portfolio. Portfolio quality improved last year.
- The loan portfolio consists mainly of small and medium-sized loans.



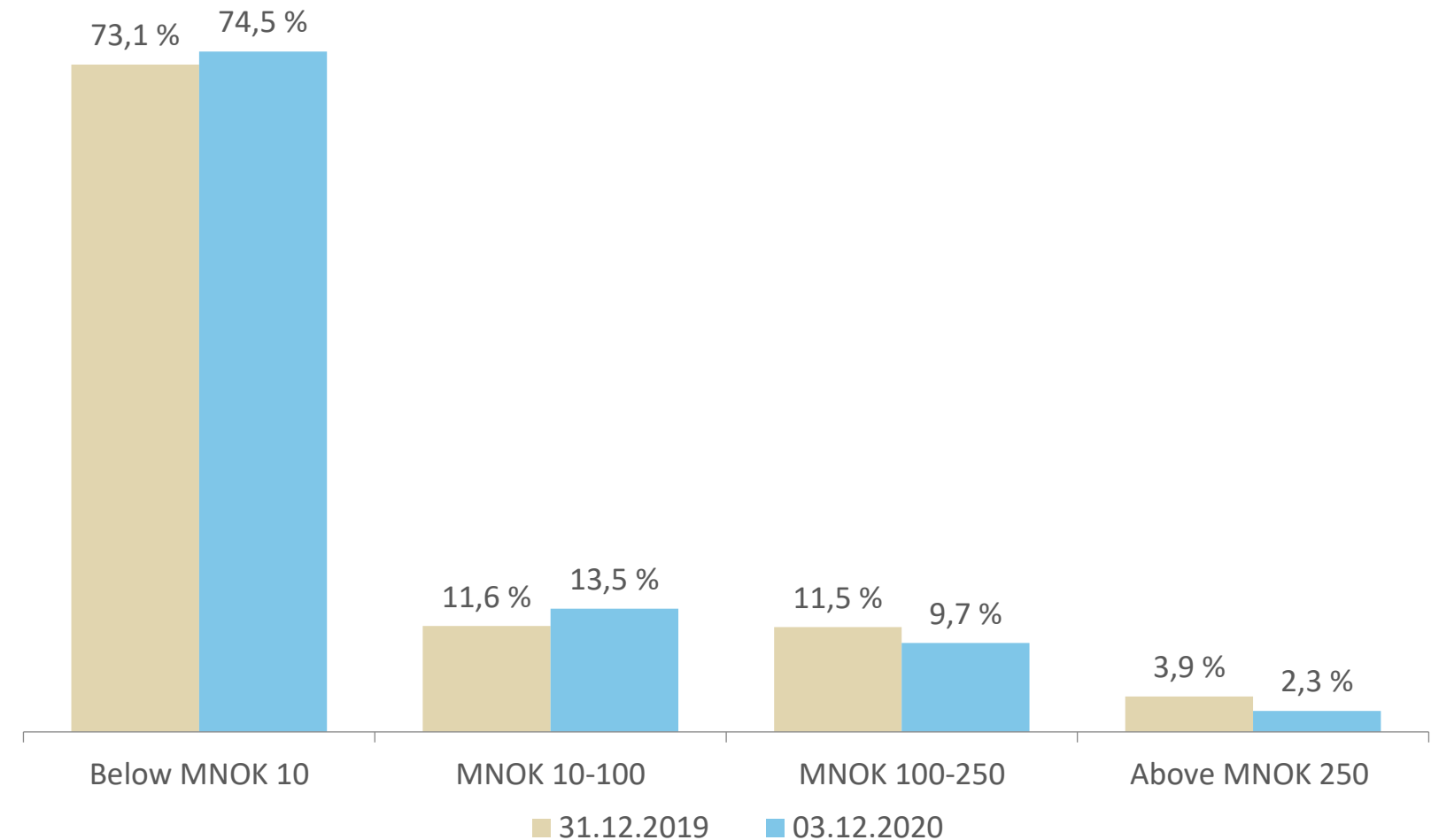
**Probability of default (PD) through a full cycle of loss.*

The figures include the loan portfolio in the covered bond companies (SB1 Boligkreditt AS and SR-Boligkreditt AS).

Low concentration of individual LGRs in the lending portfolio

- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

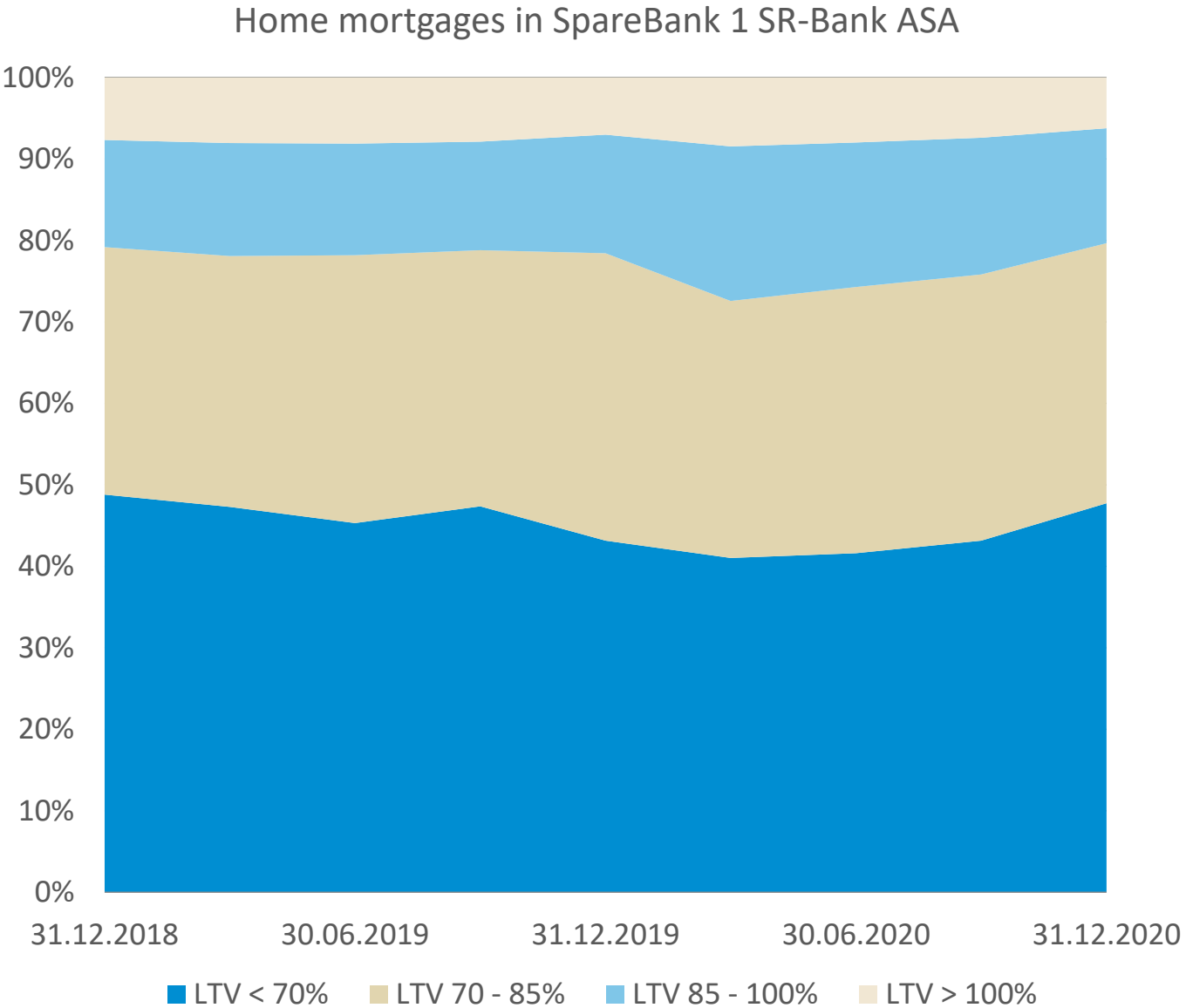
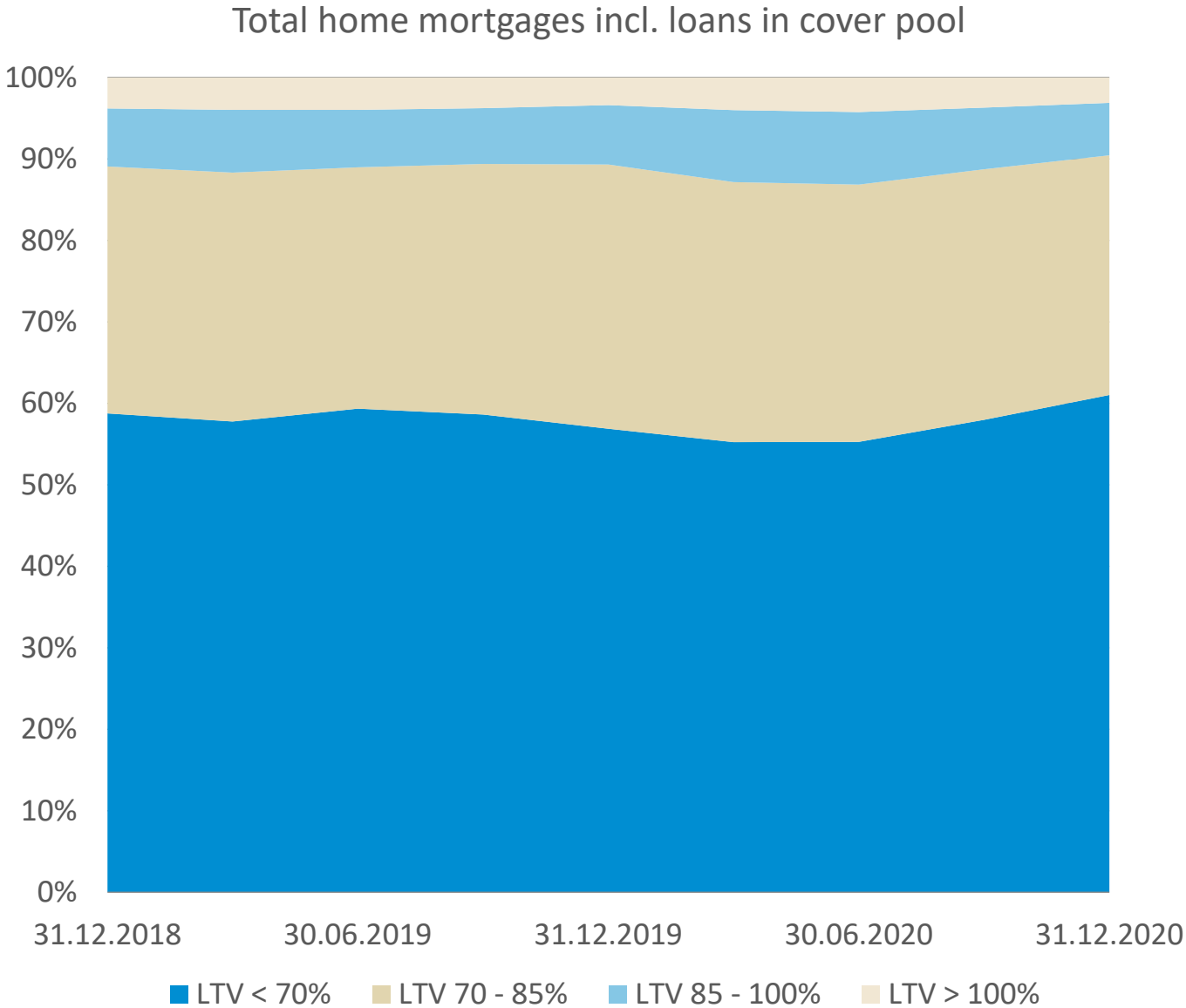
Distributed by loss given realisation (LGR)



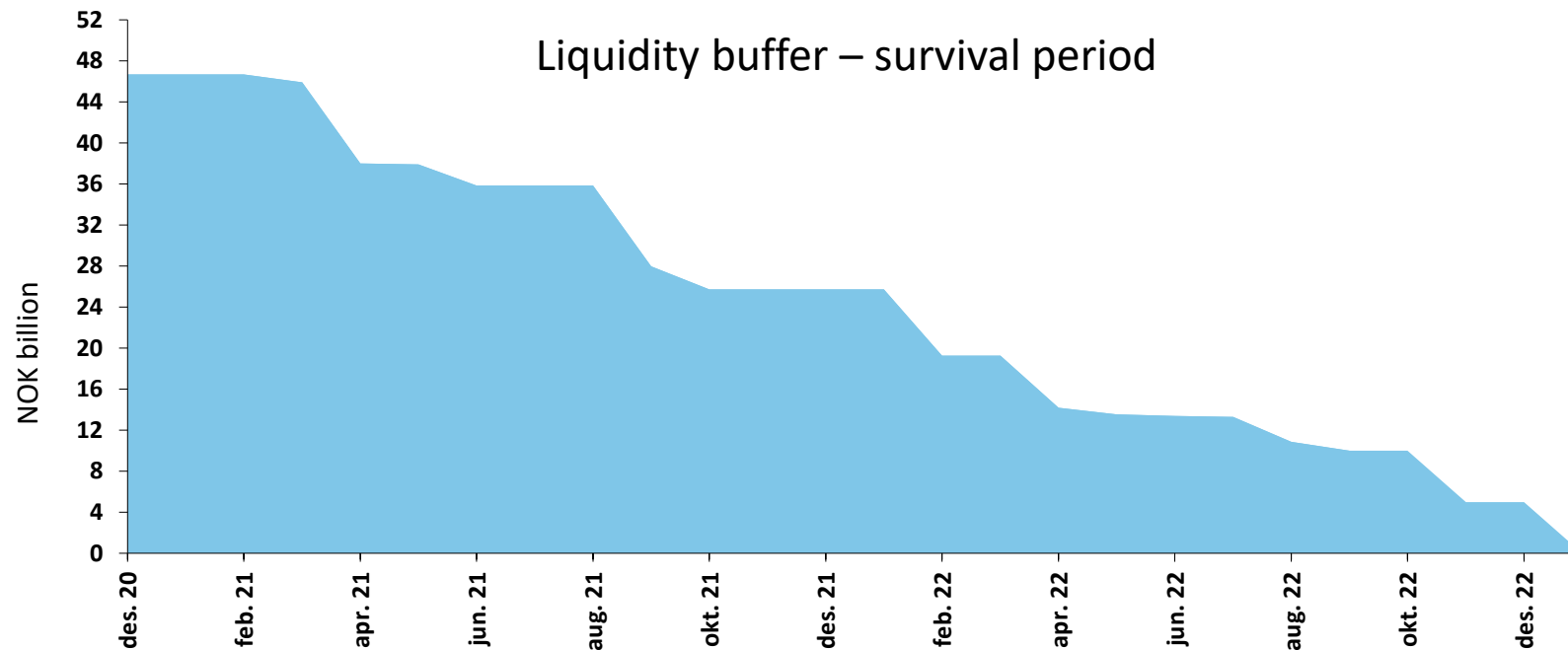
LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

The figure includes the loan portfolio in the covered bond companies (SB1 Boligkreditt AS and SR-Boligkreditt AS).

Historical LTV development for home mortgage loans



Liquidity portfolio



- Liquidity buffer at the end of the quarter: NOK 46.7 billion
- Other liquid assets:
 - Home mortgages eligible for covered bond funding: NOK 24.2 billion
 - Commercial paper and bonds in the trading portfolio: NOK 0.3 billion

Liquidity buffer: cash, highly liquid bonds.

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

Liquidity portfolio

Category	NOK million	Share %	Of which classified to amortised cost, MNOK
Norwegian government/municipal	601	1,5%	0
SSA/Foreign guaranteed	20.207	50,9%	2.938
Covered bonds (Norwegian/foreign)	18.870	47,6%	4.237
Total liquidity portfolio	39.678	100,0%	7.175

Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	39.678	99,2%
Low risk	A+, A and A-	0	0,0%
Moderate risk	Not rated	56	0,1%
High risk	Not rated	70	0,2%
Very high risk	Not rated	183	0,5%
<i>Total portfolio</i>		39.987	100,0%

Of which liquidity purposes:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	39.678	100,0%
Low risk	A+, A and A-	0	0,0%
Moderate risk	Not rated	18	0,0%
High risk	Not rated	0	0,0%
Very high risk	Not rated	0	0,0%
<i>Total liquidity purposes</i>		39.696	100,0%

Of which SR-Bank Markets:

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	0	0,0%
Low risk	A+, A and A-	0	0,0%
Moderate risk	Not rated	38	13,2%
High risk	Not rated	70	24,1%
Very high risk	Not rated	183	62,7%
<i>Total SR-Bank Markets portfolio*</i>		292	100,0%

*Including hybrid capital classified as equity in the balance sheet

Rating

Moody's

Long-term debt
Outlook

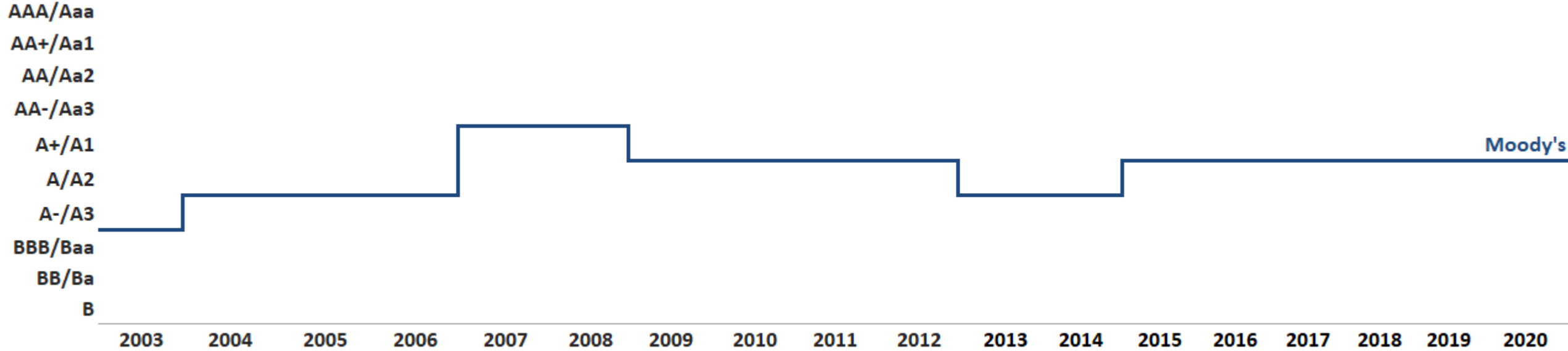
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Stable

Updated

24 September 2020

Ratinghistory



SR-Bank as of 31.12.2020

SpareBank 1 SR-Bank share

	2020	2019	2018	2017	2016	2015	2014
Share price	91.00	100.00	89.20	87.00	60.75	39.30	52.50
Stock value (MNOK)	23.273	25.575	22.813	22.250	15.537	10.051	13.427
Book value per share, NOK (group)	95.97	89.90	82.27	77.24	71.54	66.14	60.28
Earnings per share	6.22	12.22	8.98	8.16	6.87	6.83	8.20
Dividend per share*		5.50	4.50	4.25	2.25	1.50	2.00
P/E	14.63	8.18	9.93	10.66	8.84	5.75	6.40
P/BV (group)	0.95	1.11	1.08	1.13	0.85	0.59	0.87

- Number of shares issued 255.8 million
- Trading volume in Q4 2020: 5.3% (4.7%)
- On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index

**On 23 April 2020, the annual general meeting approved the board's proposal that no dividend be paid out for 2019. At the same meeting, the board was authorised to make a decision concerning the distribution, at some later point in time, of a dividend of up to NOK 5.50 per share based on the bank's approved annual financial statements for 2019. The board has exercised this authority and approved payment of a dividend of NOK 5.50 per share for the financial year 2019. As far as the dividend for 2020 is concerned, the board will ask the annual general meeting for authorisation to approve payment of this dividend at a later date too, according to applicable regulations.*

Dividend policy

“The financial objective of SpareBank 1 SR-Bank ASA is to achieve earnings that yield adequate, stable returns on the bank’s equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

In determining the level of the annual dividend, considerations will be made towards SpareBank 1 SR-Bank ASA’s future need for capital, including capital adequacy requirements, and strategic plans and targets. Unless capital requirements otherwise dictate, the Board of Directors’ aim is that approximately half of the EPS is paid out.”



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