

Quarterly  
presentation 2021

Q4



# Disclaimer

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

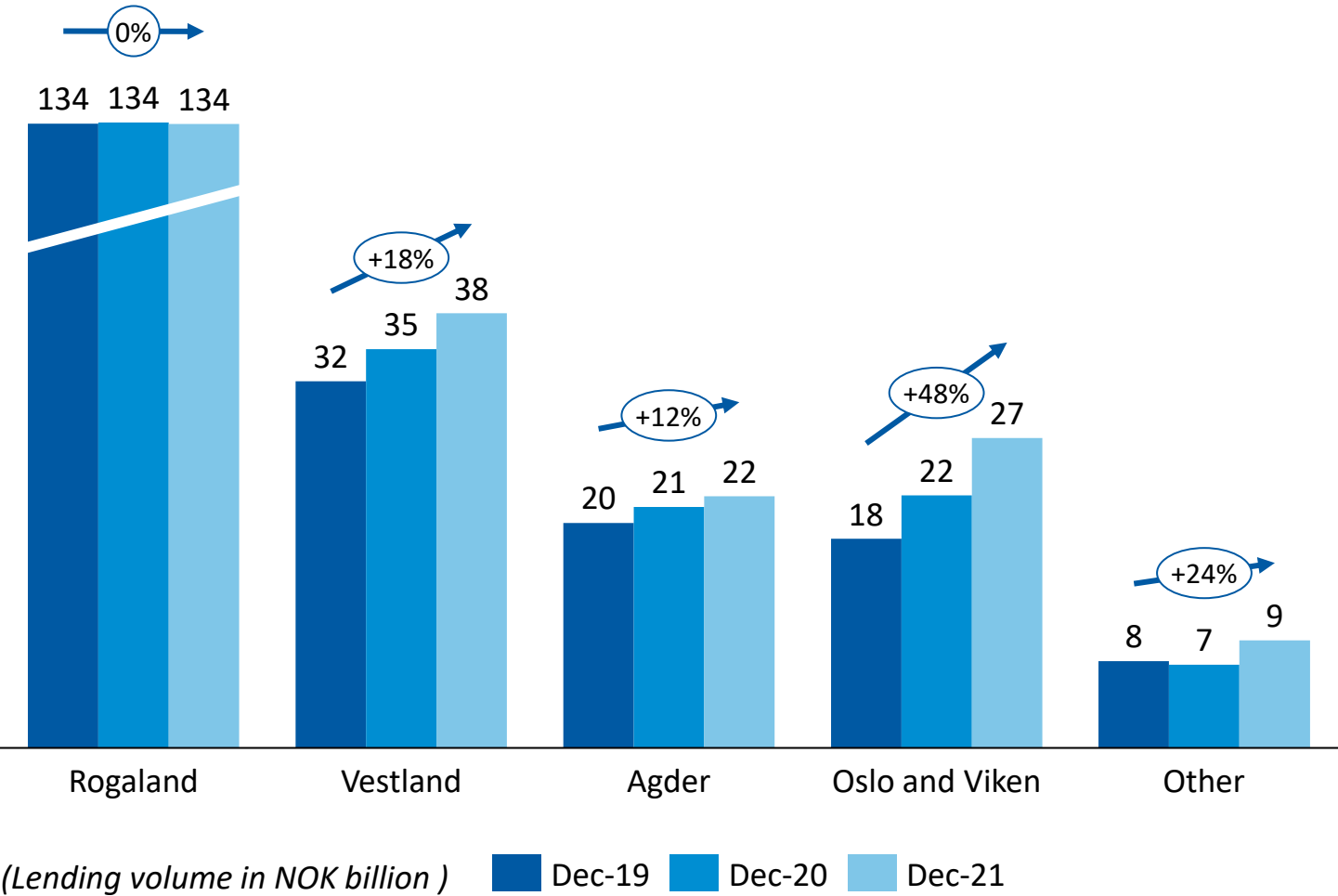
Although SpareBank 1 SR-Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements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



# Finance group for South of Norway



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

# Strong results characterised by good underlying operations and significantly lower impairment provisions

## Result 4. quarter 2021

14.0%

Return on equity after tax

Pre-tax profit NOK 1,073 million

NOK -24 million

Impairments on lending and financial commitments

-0.04% of gross lending

## Result 31 December 2021

12.6%

Return on equity after tax

Pre-tax profit NOK 3,838 million

NOK 192 million

Impairments on lending and financial commitments

0.09% of gross lending

5.1%

12 months lending growth

Retail market 4.6%

SME and Agriculture 3.1%

Corporate market 6.4%

16.5%

12 months deposit growth

Retail market 8.9%

SME and Agriculture 10.7%

Corporate market 26.7%

17.4%\*

CET 1 capital ratio

40.2%

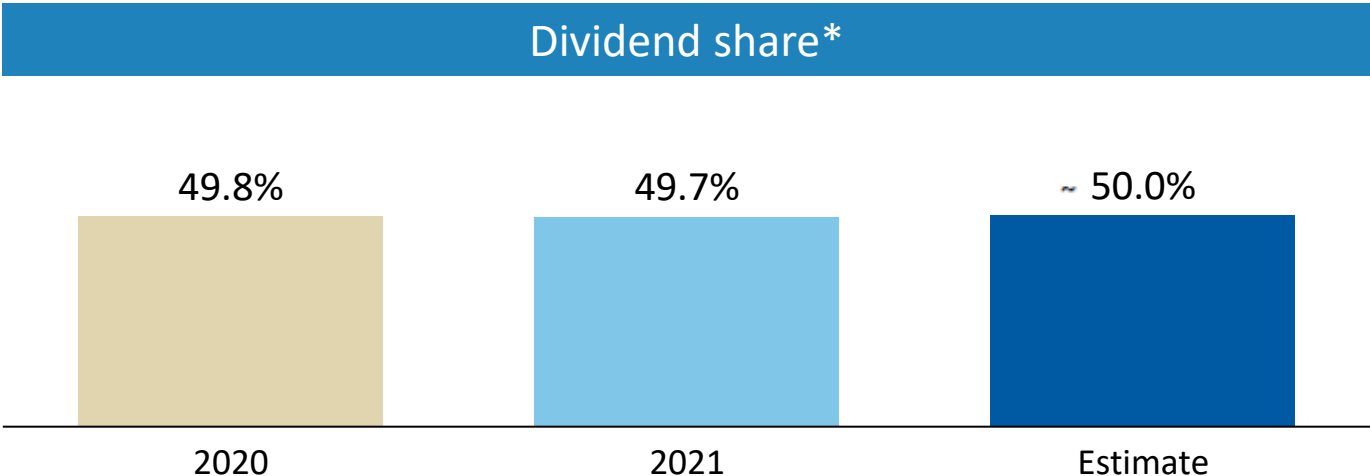
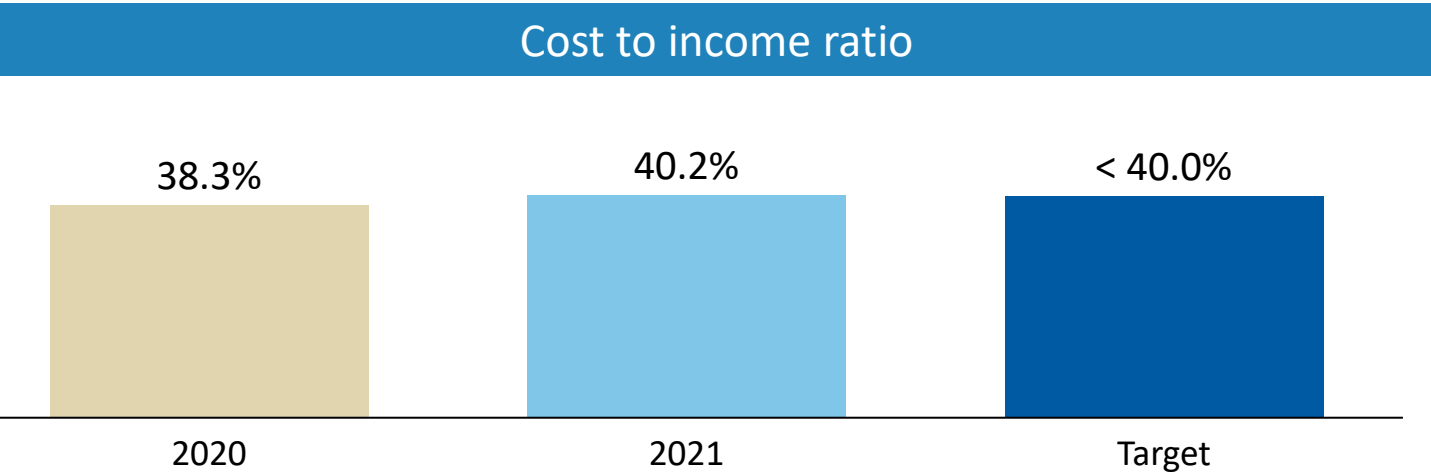
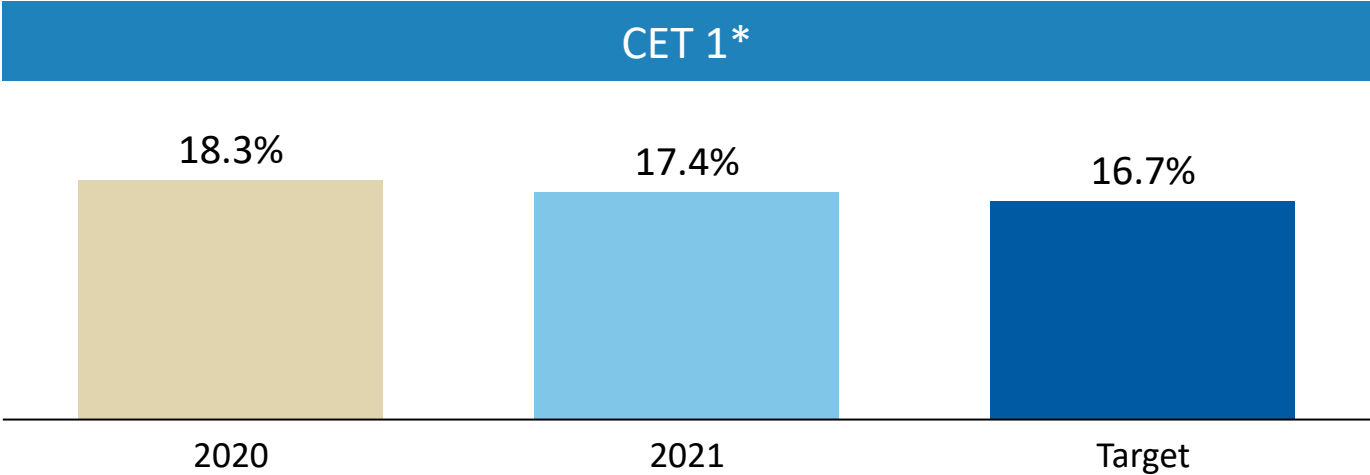
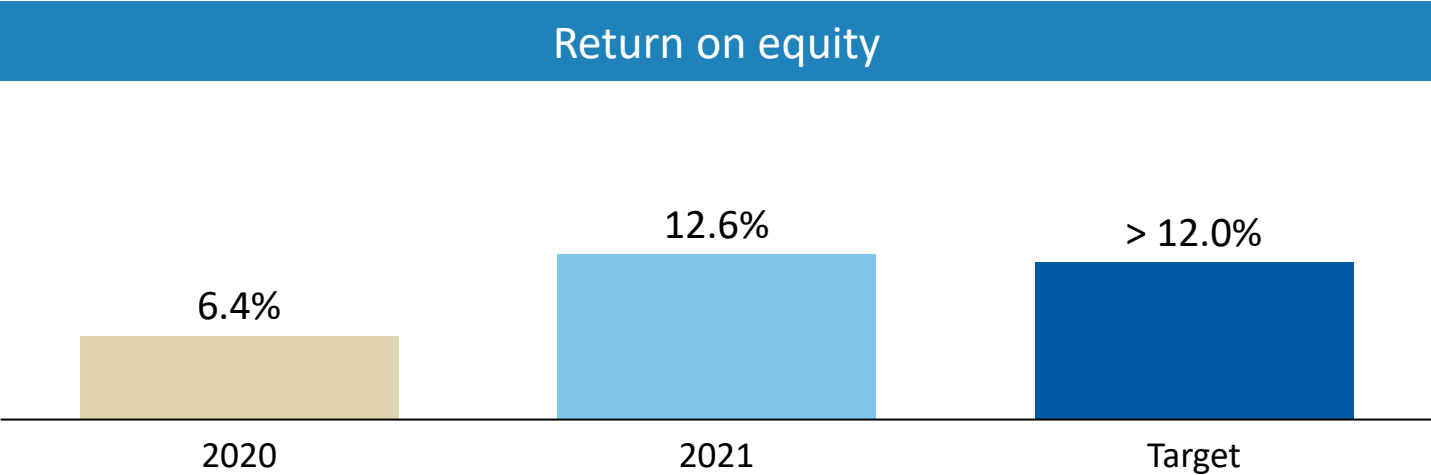
Cost to income ratio

NOK 6.0 per share

In proposed dividend

\*The board exercised its special authorisation from April 2021, and at the board meeting on 30 September 2021 a dividend of NOK 3.10 per share was approved for the 2020 financial year, which was paid out on 13 October 2021. The dividend in total of NOK 793 million has reduced the equity as at 31 December 2021.

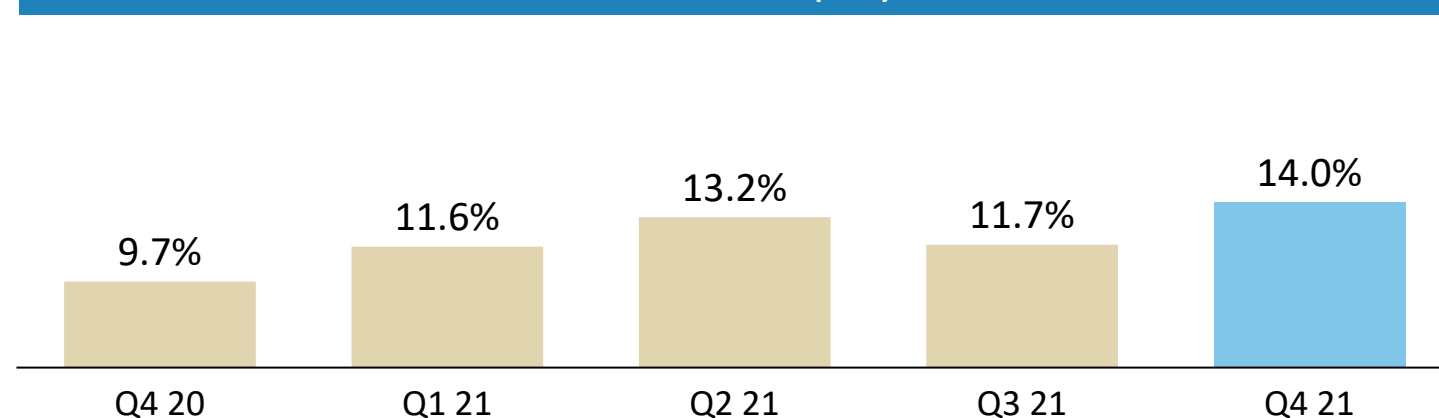
# Key figures and financial targets



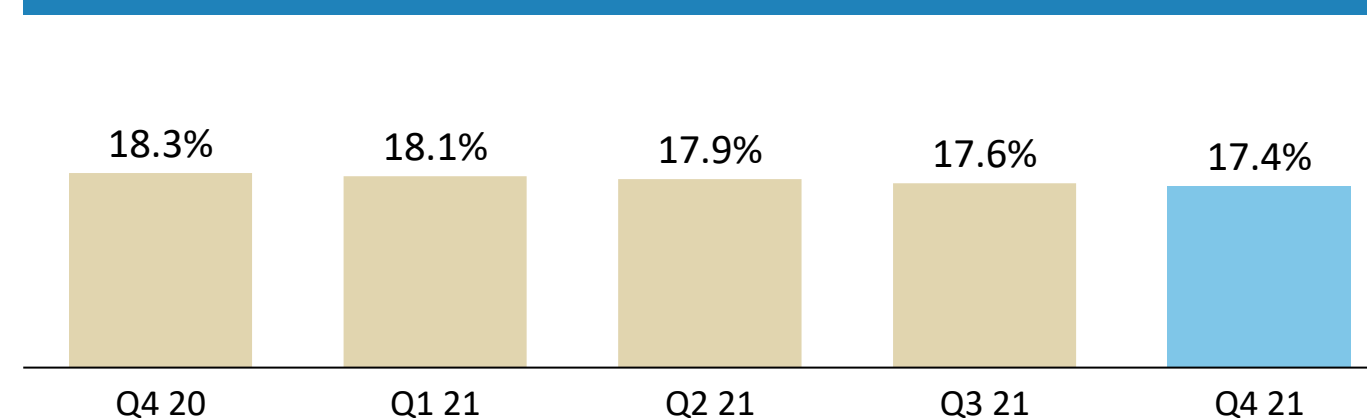
*\*The board exercised its special authorisation from April 2020, and at the board meeting on 10 February 2021 a dividend of NOK 5.50 per share was approved for the 2019 financial year, which was paid out on 19 March 2021. The board also exercised its special authorisation from April 2021, and at the board meeting on 30 September 2021 a dividend of NOK 3.10 per share was approved for the 2020 financial year, which was paid out on 13 October 2021. The dividend in total of NOK 793 million has reduced the equity as at 31 December 2021.*

# Key figures – quarterly development

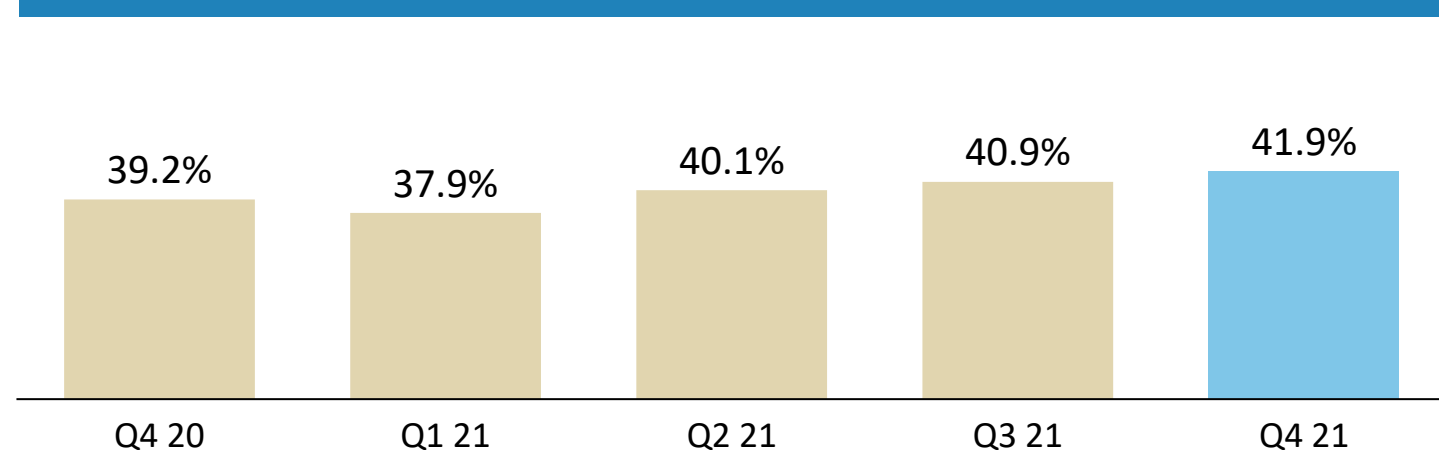
Return on equity



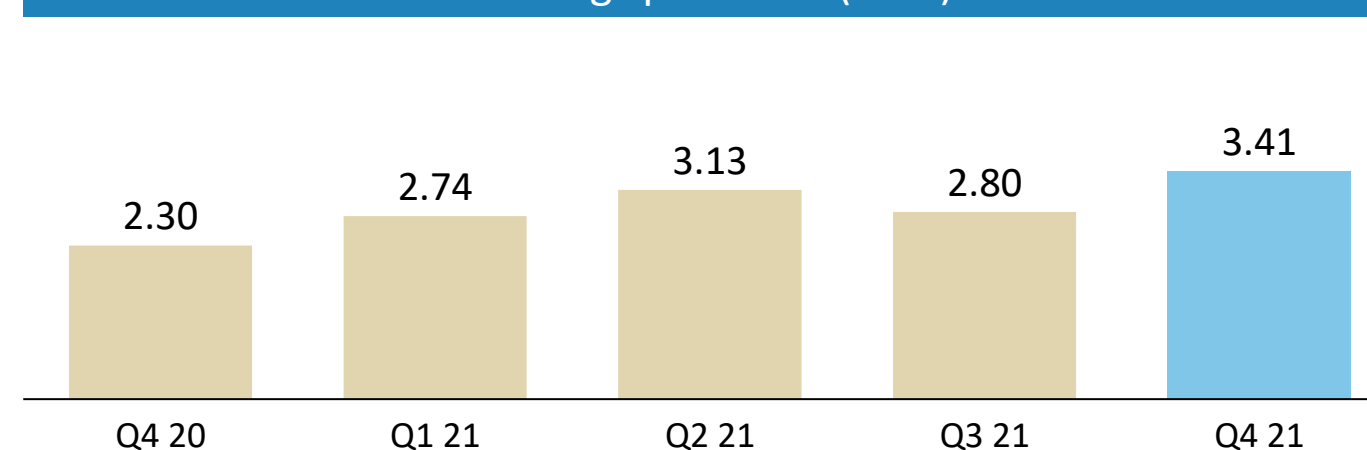
CET 1\*



Cost to income ratio



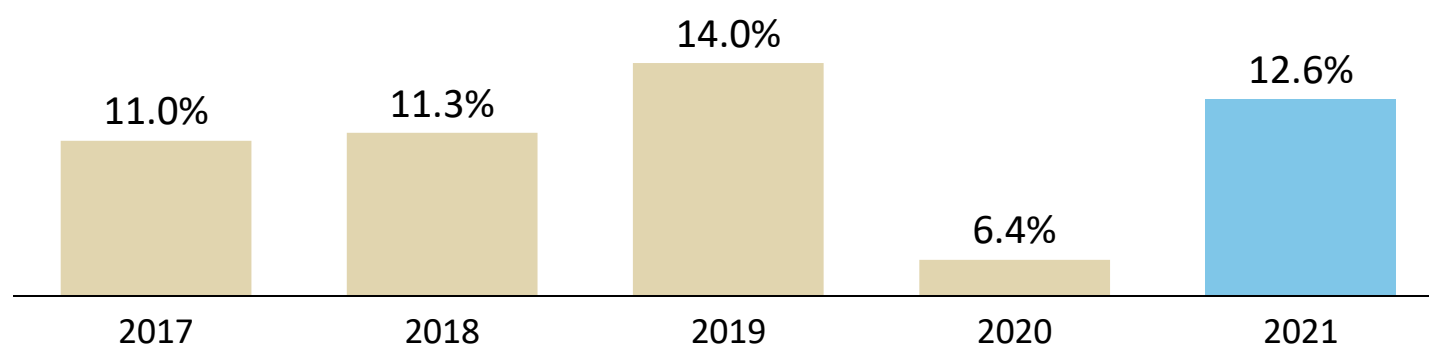
Earnings per share (NOK)



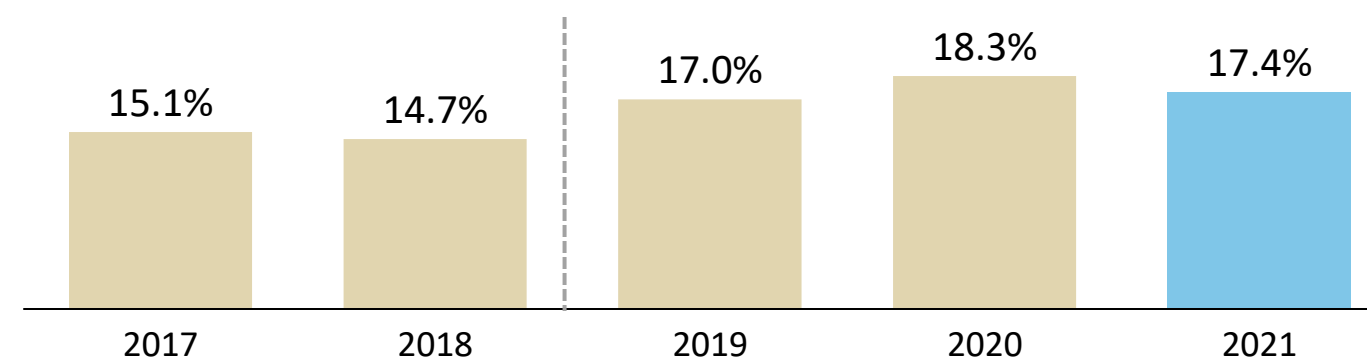
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# Key figures – annual development

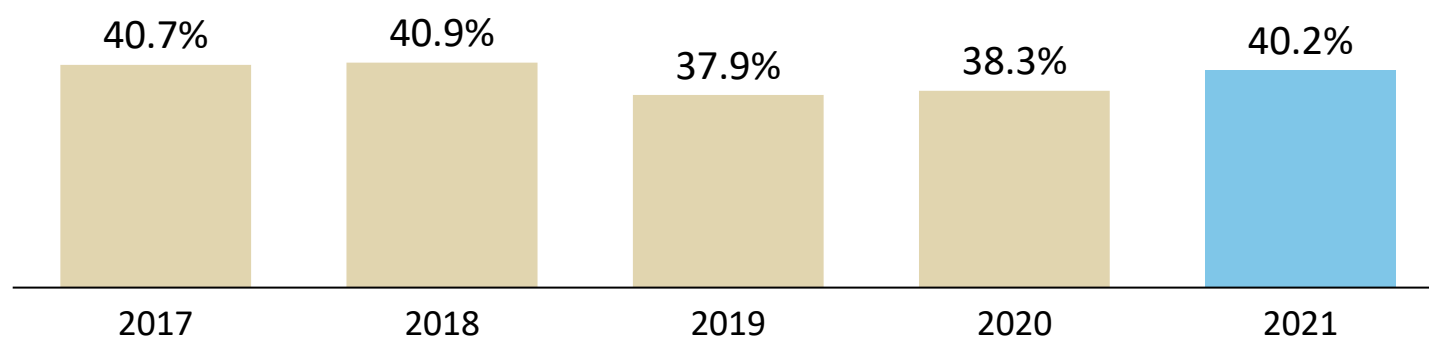
Return on equity



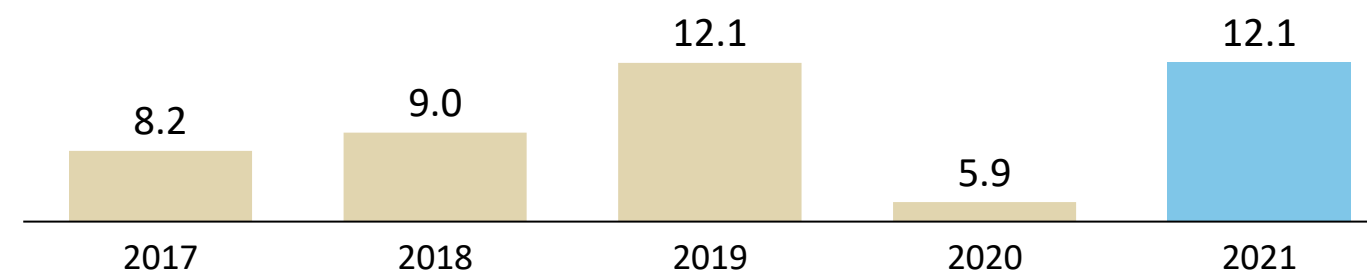
CET 1\*



Cost to income ratio



Earnings per share (NOK)



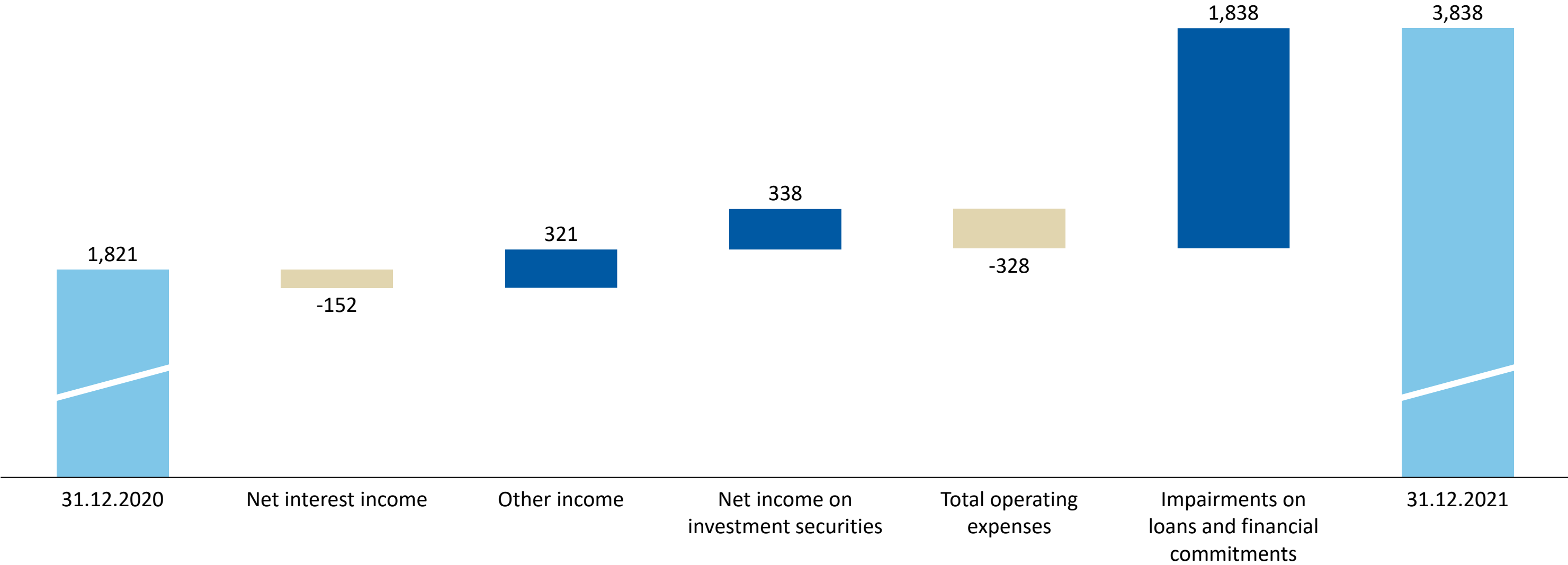
\*The board exercised its special authorisation from April 2020, and at the board meeting on 10 February 2021 a dividend of NOK 5.50 per share was approved for the 2019 financial year, which was paid out on 19 March 2021. The board also exercised its special authorisation from April 2021, and at the board meeting on 30 September 2021 a dividend of NOK 3.10 per share was approved for the 2020 financial year, which was paid out on 13 October 2021. The dividend in total of NOK 793 million has reduced the equity as at 31 December 2021. CET 1 ratio is based on the IRB regulations from 2019.

# Income statement

Group Income Statement (MNOK)	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net interest income	3,990	4,142	1,005	989	1,001	995	994
Net commission and other income	1,717	1,396	455	406	454	402	370
Net income on investment securities	1,037	699	344	234	243	216	240
<b>Total income</b>	<b>6,744</b>	<b>6,237</b>	<b>1,804</b>	<b>1,629</b>	<b>1,698</b>	<b>1,613</b>	<b>1,604</b>
<b>Total operating expenses</b>	<b>2,714</b>	<b>2,386</b>	<b>755</b>	<b>666</b>	<b>681</b>	<b>612</b>	<b>629</b>
Operating profit before impairments	4,030	3,851	1,049	963	1,017	1,001	975
Impairments on loans and financial commitments	192	2,030	-24	37	58	121	270
<b>Operating profit before tax</b>	<b>3,838</b>	<b>1,821</b>	<b>1,073</b>	<b>926</b>	<b>959</b>	<b>880</b>	<b>705</b>
Tax expense	682	231	184	193	143	162	97
<b>Net profit after tax</b>	<b>3,156</b>	<b>1,590</b>	<b>889</b>	<b>733</b>	<b>816</b>	<b>718</b>	<b>608</b>



# Change in profit 31 December 2020 – 31 December 2021



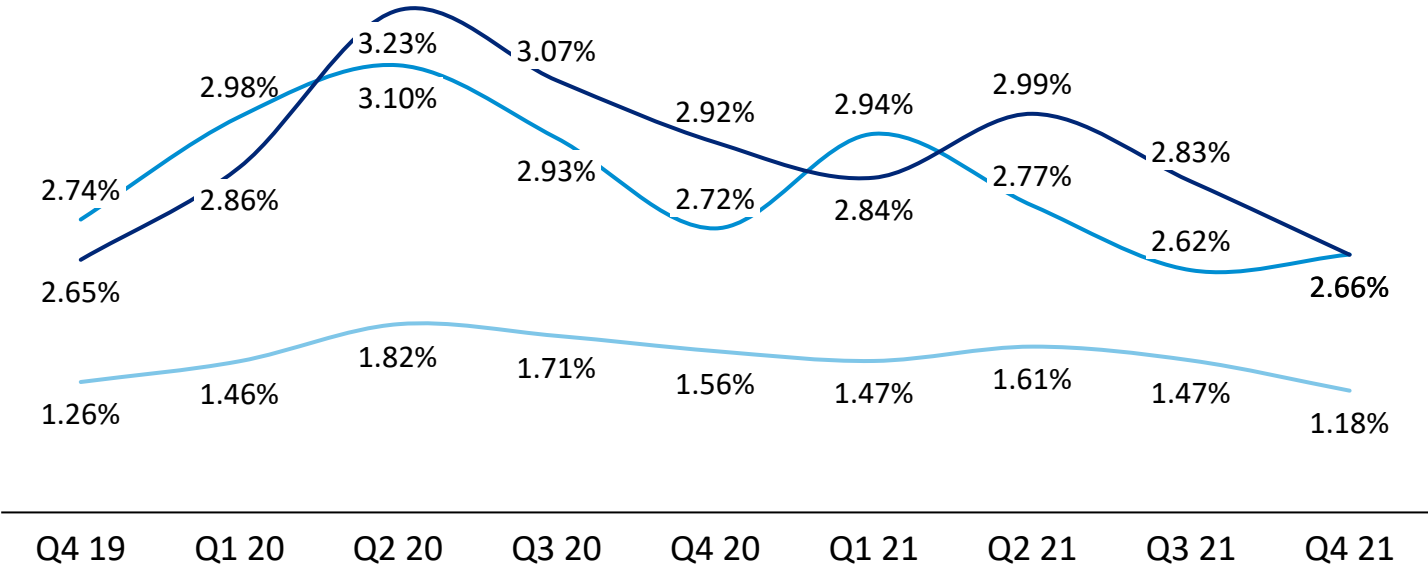
## Key figures

	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Return on equity after tax (%)	12.6	6.4	14.0	11.7	13.2	11.6	9.7
Net interest margin (%)	1.35	1.50	1.32	1.31	1.36	1.40	1.40
Impairments on loans in % of gross loans	0.09	0.95	-0.04	0.07	0.10	0.22	0.50
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments	1.46	1.90	1.46	1.78	1.79	1.91	1.90
Cost to income ratio (%)	40.2	38.3	41.9	40.9	40.1	37.9	39.2
Annual growth in loans to customers, gross incl. covered bond company (%)	5.1	3.7	5.1	3.1	3.3	2.3	3.7
Annual growth in deposit from customers (%)	16.5	14.6	16.5	16.8	22.5	21.4	14.6
Total assets (BNOK)	304.4	287.0	304.4	297.0	299.9	296.5	287.0
Loans to customers, gross (BNOK)	230.3	219.2	230.3	227.0	225.8	221.3	219.2
Risk weighted assets (BNOK)	128.0	121.3	128.0	126.6	127.4	123.9	121.3
Liquidity Coverage Ratio (LCR) (%)	168	157	168	160	167	141	157
Earnings per share (NOK)	12.08	5.87	3.41	2.80	3.13	2.74	2.30
Book value per share (NOK)	99.05	95.97	99.05	95.82	96.08	93.12	95.97

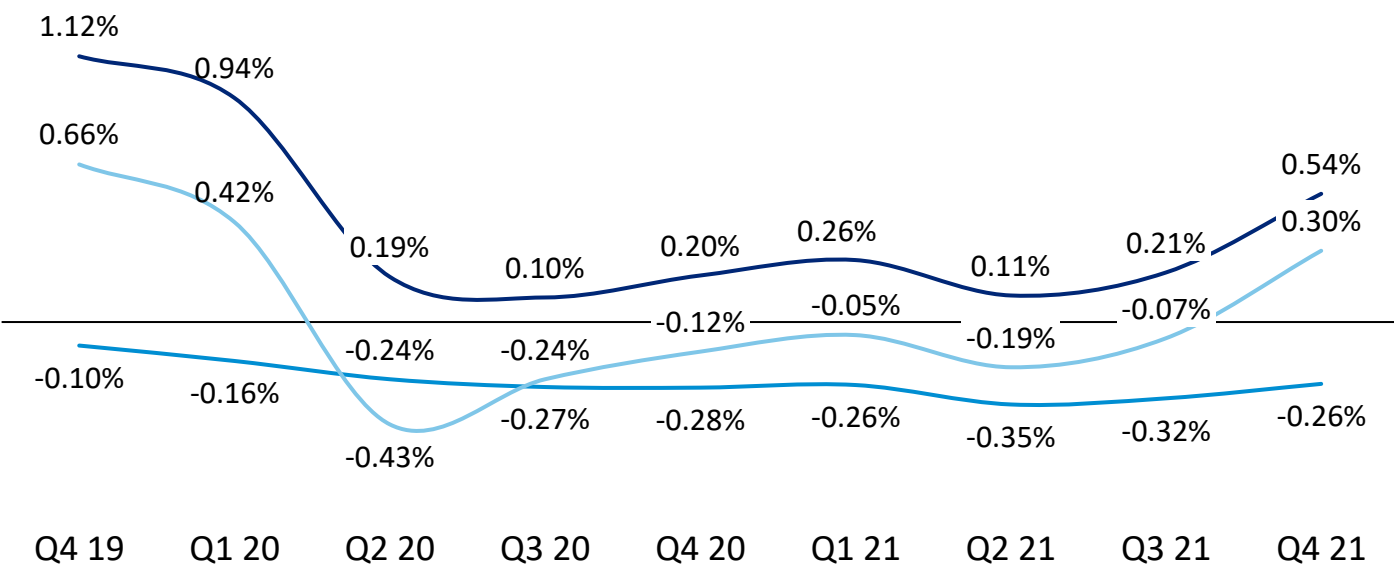
# Lending and deposit margins

— Corporate market — SME and Agriculture — Retail market

Lending margins



Deposit margins

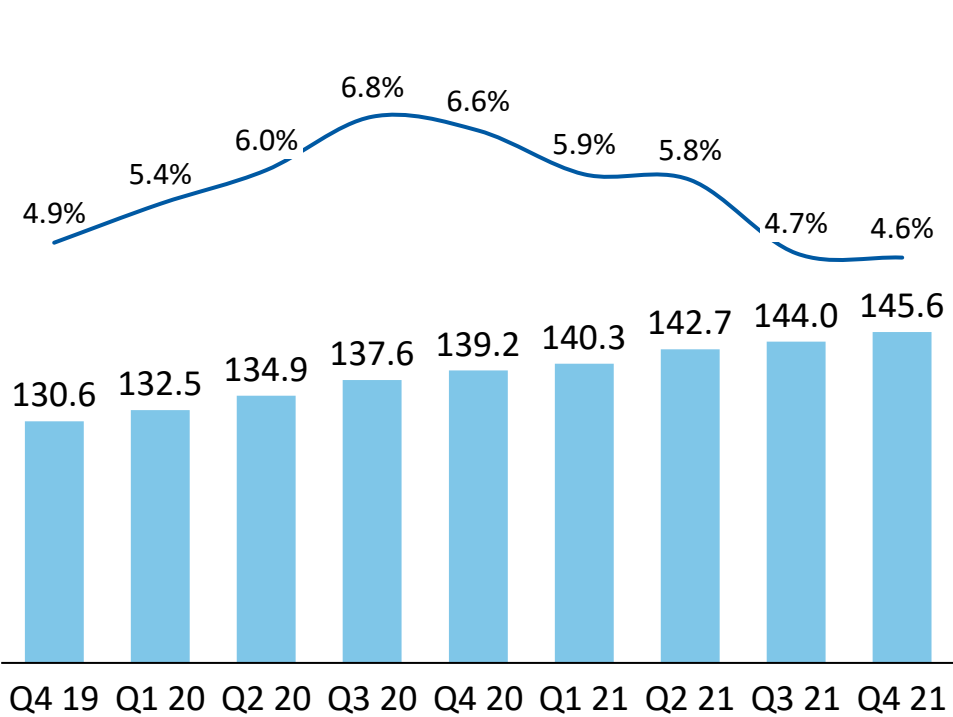


Definition: Average customer rate measured against 3-months NIBOR.

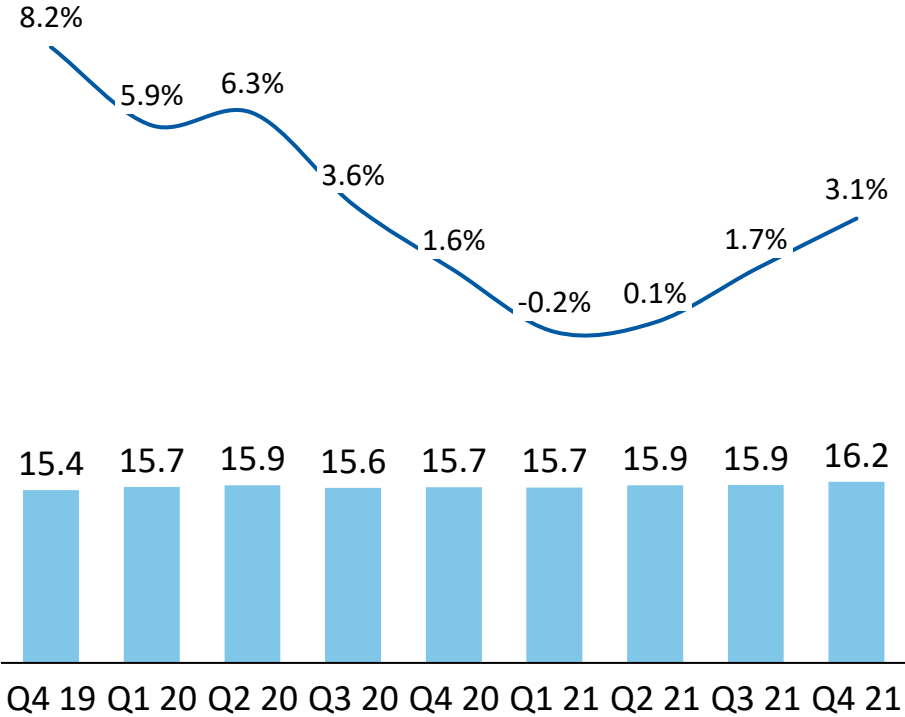
# Lending volume and 12 months growth

— 12 months growth %    ■ Volume in NOK billion

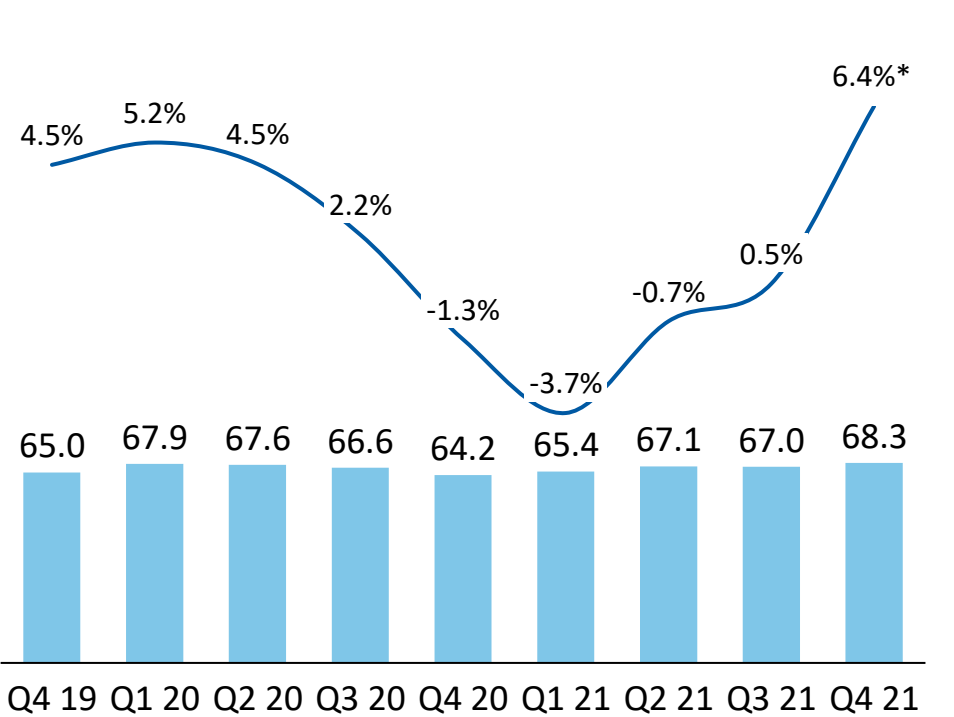
Retail market



SME and Agriculture



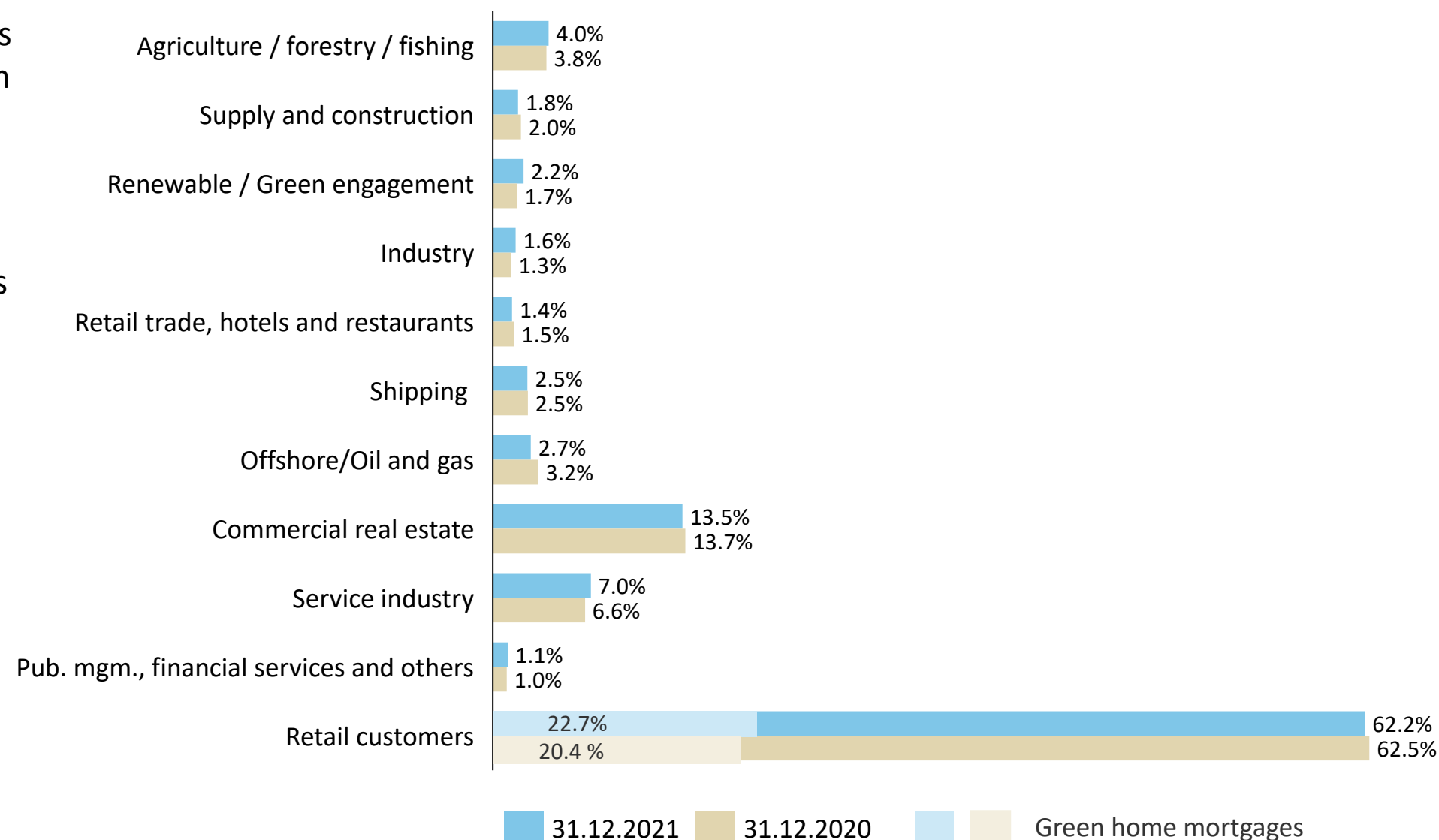
Corporate market



\*12 months lending growth in Corporate market excluding currency effect is 6.2%

# Loan portfolio as at 31 December 2021

- Gross loans increased to NOK 230.3 billion as at 31 December 2021 from NOK 219.2 billion at the same time the year before.
- 12-month growth in loans of 5.1%.
- Loans to retail customers account for 62.2% of total loans. Of this green home mortgages accounts for 22.7%.

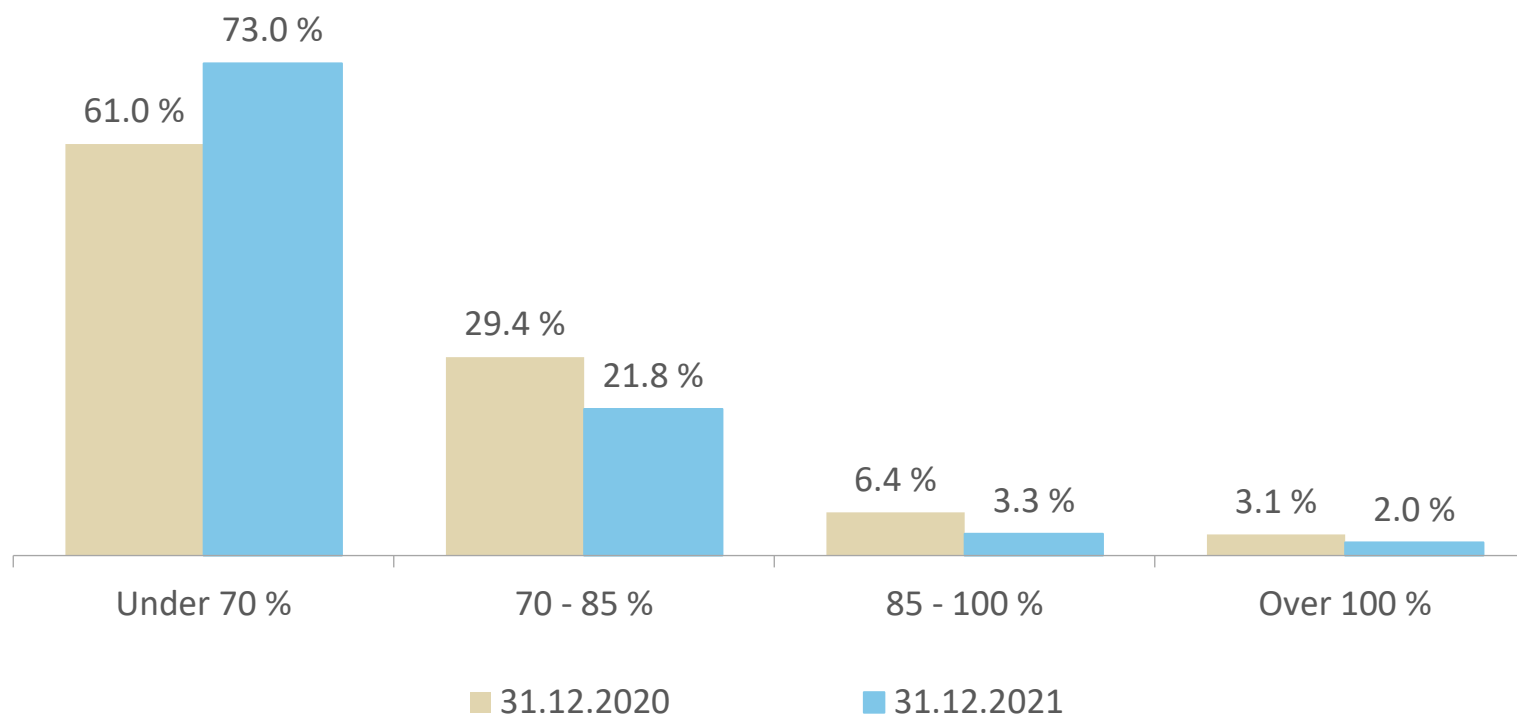


*Loans before impairments, nominal amounts. Sector allocation in accordance with the standard categories from Statistics Norway. Some customers' classifications were changed in the fourth quarter of 2021, which resulted in changes to historical figures.*

# Loan to value ratio and RWA on home mortgage loans

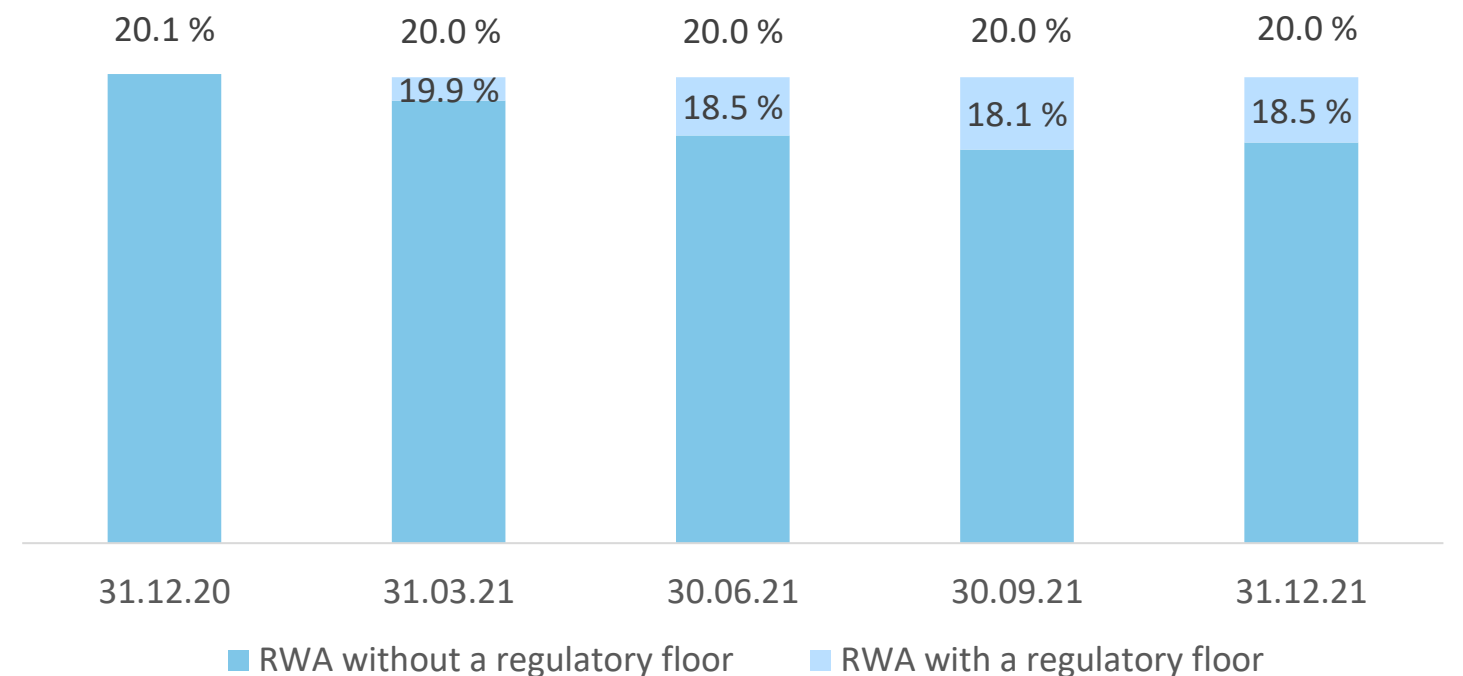
## Loan to value ratio on home mortgage loans

- Increased share of volume with LTV below 70 per cent is due to increased market values of collateral (housing) in the bank's market area combined with a transition to quarterly updating of the collateral.
- 94.8% 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.
- Risk weights on home mortgage loans are subject to a regulatory floor of 20%. Without this floor, the risk weight of these mortgages would have been lower than 20% in the year.

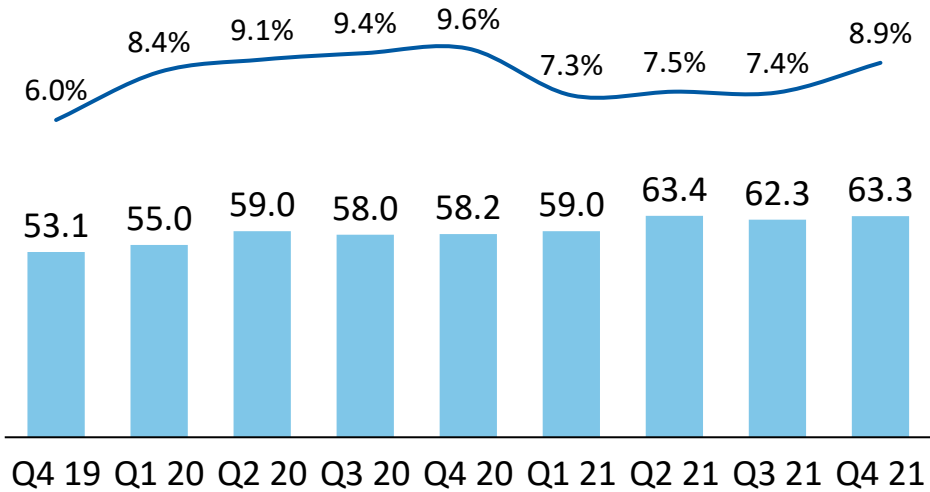


*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.  
Home mortgages as defined in the Norwegian IRB framework; residential property must be at least 30% of a loan's security.  
The figures include the loan portfolio in the covered bond companies (SB1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

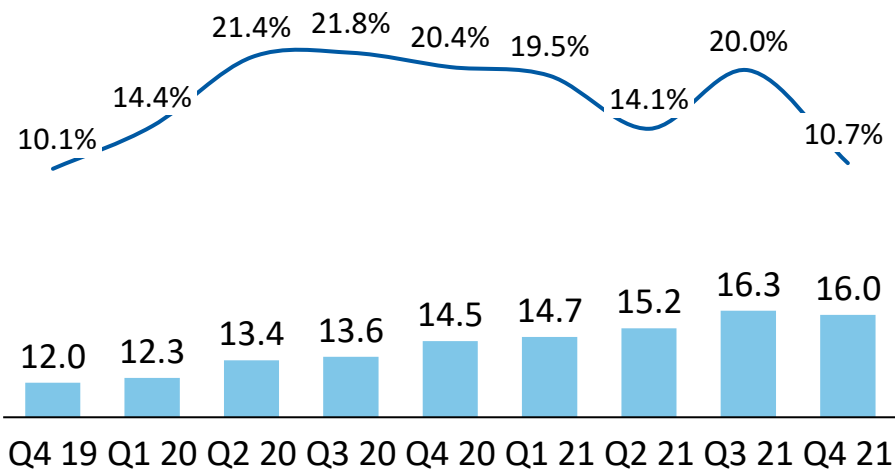
# Deposit volume and 12 months growth

— 12 months growth %    ■ Volume in NOK Billion

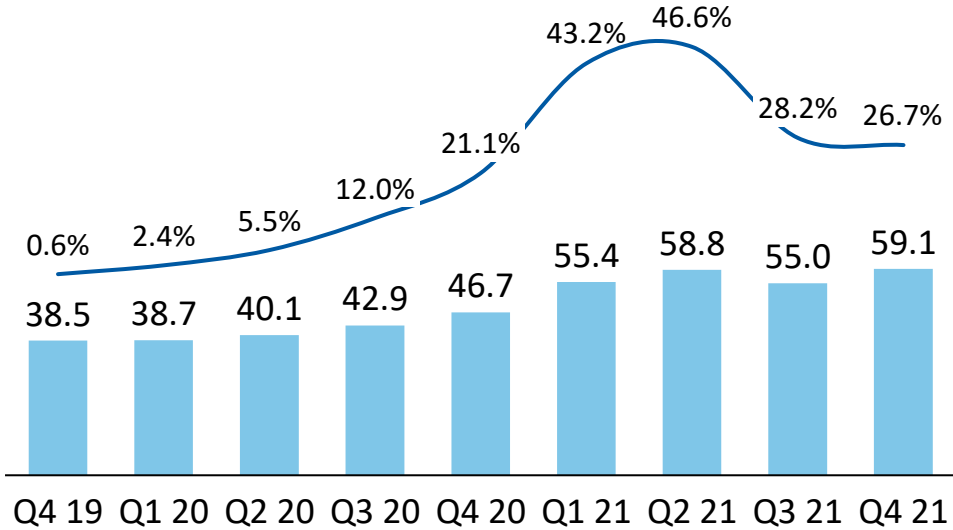
## Retail market



## SME and Agriculture



## Corporate market



- In the last 12 months the total deposit volume has increased by NOK 19.5 billion to NOK 137.7 billion (16.5%).  
- Deposit growth is 12.1% excl. public sector.
- Volatility in deposit growth in the Corporate market is mainly due to changes in deposit from public sector.

## Net commission and other income

MNOK	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Payment facilities	245	248	70	64	56	55	64
Savings/placements	216	195	52	50	61	53	51
Insurance products	233	208	61	60	56	56	54
Commission income EiendomsMegler 1	439	396	96	101	132	110	100
Guarantee commission	106	96	28	30	24	24	26
Arrangement- and customer fees	142	72	50	18	23	51	28
Commission income ForretningsPartner	315	154	91	79	95	50	38
Other	21	13	7	4	7	3	4
<b>Net commission and other income excl. covered bond company</b>	<b>1,717</b>	<b>1,382</b>	<b>455</b>	<b>406</b>	<b>454</b>	<b>402</b>	<b>365</b>
Commission income SB1 Boligkreditt	0	14	0	0	0	0	5
<b>Net commission and other income incl. covered bond company</b>	<b>1,717</b>	<b>1,396</b>	<b>455</b>	<b>406</b>	<b>454</b>	<b>402</b>	<b>370</b>



# Net income on investment securities

MNOK	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
<b>Dividends</b>	<b>30</b>	<b>57</b>	<b>21</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>39</b>
<b>Investment income, associates</b>	<b>676</b>	<b>663</b>	<b>223</b>	<b>151</b>	<b>193</b>	<b>109</b>	<b>129</b>
<b>Securities gains/losses</b>	<b>192</b>	<b>-141</b>	<b>56</b>	<b>4</b>	<b>26</b>	<b>106</b>	<b>-1</b>
- of which capital change in shares and certificates*	296	-49	96	27	68	105	7
- of which capital change in certificates and bonds	-561	29	-146	-135	-113	-167	-137
- of which derivatives; certificates and bonds	457	-121	106	112	71	168	129
<b>Currency/interest gains/loans</b>	<b>139</b>	<b>120</b>	<b>44</b>	<b>79</b>	<b>15</b>	<b>1</b>	<b>73</b>
- of which currency customer- and own-account trading	142	138	41	38	36	27	41
- of which value change basisswap spread	-24	13	12	20	-32	-24	29
- of which counterparty risk derivatives including CVA	4	-47	0	1	0	3	2
- of which IFRS-effects	17	16	-9	20	11	-5	1
<b>Net income on investment securities</b>	<b>1,037</b>	<b>699</b>	<b>344</b>	<b>234</b>	<b>243</b>	<b>216</b>	<b>240</b>

*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.*

*\*Including gains from the sale of SR-Forvaltning, in the fourth quarter 2021, of NOK 92 million in the group.*

# Subsidiaries

	MNOK	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
EiendomsMegler 1 SR-Eiendom AS	Number of sales	7,367	6,707	1,558	1,713	2,185	1,911	1,633
	Operating profit before tax	60	50	9	5	30	16	9
SR-Forvaltning AS	Capital under management (BNOK)	16	14	16	16	15	15	14
	Operating profit before tax	34	19	9	9	9	7	5
FinStart Nordic AS	Operating profit before tax	85	-113	13	3	4	65	-24
SpareBank 1 SR-Bank Forretningspartner AS*	Operating profit before tax	35	21	5	12	7	11	4
SR-Boligkreditt AS	Operating profit before tax	839	811	274	311	144	110	277
Monio AS	Operating profit before tax	49	-17	-5	-4	63	-5	-4
Rygir Industrier AS and other	Operating profit before tax	-24	13	-9	-2	-4	-9	7
<b>Total subsidiaries</b>	<b>Profit before tax</b>	<b>1,078</b>	<b>784</b>	<b>296</b>	<b>334</b>	<b>253</b>	<b>195</b>	<b>274</b>

\*SpareBank 1 SR-Bank ForretningsPartner have acquired Tveit Regnskap with effect from 15 April 2021. The result in ForretningsPartner includes amortisation of intangible assets of NOK 5.5 million (NOK 2.9 million as at 31 December 2020).

# Ownership interests

Companies	MNOK	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
SpareBank 1 Gruppen AS	Interest ownership (%)	19.5	19.5	19.5	19.5	19.5	19.5	19.5
	<b>Profitshare after tax</b>	<b>471</b>	<b>194</b>	<b>173</b>	<b>83</b>	<b>148</b>	<b>67</b>	<b>87</b>
	Profit effect merger	0	340	0	0	0	0	0
BN Bank ASA	Interest ownership (%)	35.0	35.0	35.0	35.0	35.0	35.0	35.0
	<b>Profitshare after tax</b>	<b>164</b>	<b>120</b>	<b>42</b>	<b>40</b>	<b>42</b>	<b>40</b>	<b>36</b>
SpareBank 1 Forvaltning*	Interest ownership (%)	36.3	-	36.3	19.5	19.5	-	-
	<b>Profitshare after tax</b>	<b>40</b>	-	<b>18</b>	<b>16</b>	<b>6</b>	-	-
	Adj. profit contribution previous year	-4	-	-4	0	0	-	-
SpareBank 1 Næringskreditt AS**	Interest ownership (%)	0.0	15.6	0.0	0.0	15.3	15.3	15.6
	<b>Profitshare after tax</b>	<b>6</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
SpareBank 1 Kreditt AS	Interest ownership (%)	17.1	17.7	17.1	17.1	17.1	17.1	17.7
	<b>Profitshare after tax</b>	<b>11</b>	<b>2</b>	<b>1</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>
SpareBank 1 Betaling AS	Interest ownership (%)	19.2	19.8	19.2	19.7	19.8	19.8	19.8
	<b>Profitshare after tax</b>	<b>-12</b>	<b>-2</b>	<b>-6</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>1</b>
	Adj. profit contribution previous year	-2	0	-2	0	0	0	0
Others	<b>Profitshare after tax</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>
<b>Total ownership interests</b>	<b>Profitshare after tax</b>	<b>677</b>	<b>667</b>	<b>223</b>	<b>149</b>	<b>195</b>	<b>110</b>	<b>129</b>
FinStart Nordic AS***	<b>Profitshare after tax</b>	<b>-1</b>	<b>-4</b>	<b>0</b>	<b>2</b>	<b>-2</b>	<b>-1</b>	<b>0</b>
<b>Total ownership interests in the Group</b>	<b>Profitshare after tax</b>	<b>676</b>	<b>663</b>	<b>223</b>	<b>151</b>	<b>193</b>	<b>109</b>	<b>129</b>

\*The establishment of the SpareBank 1 Forvaltning Group was approved by The Norwegian FSA in the spring of 2021, and the company was transferred from SpareBank 1 Gruppen to the alliance banks in May 2021.

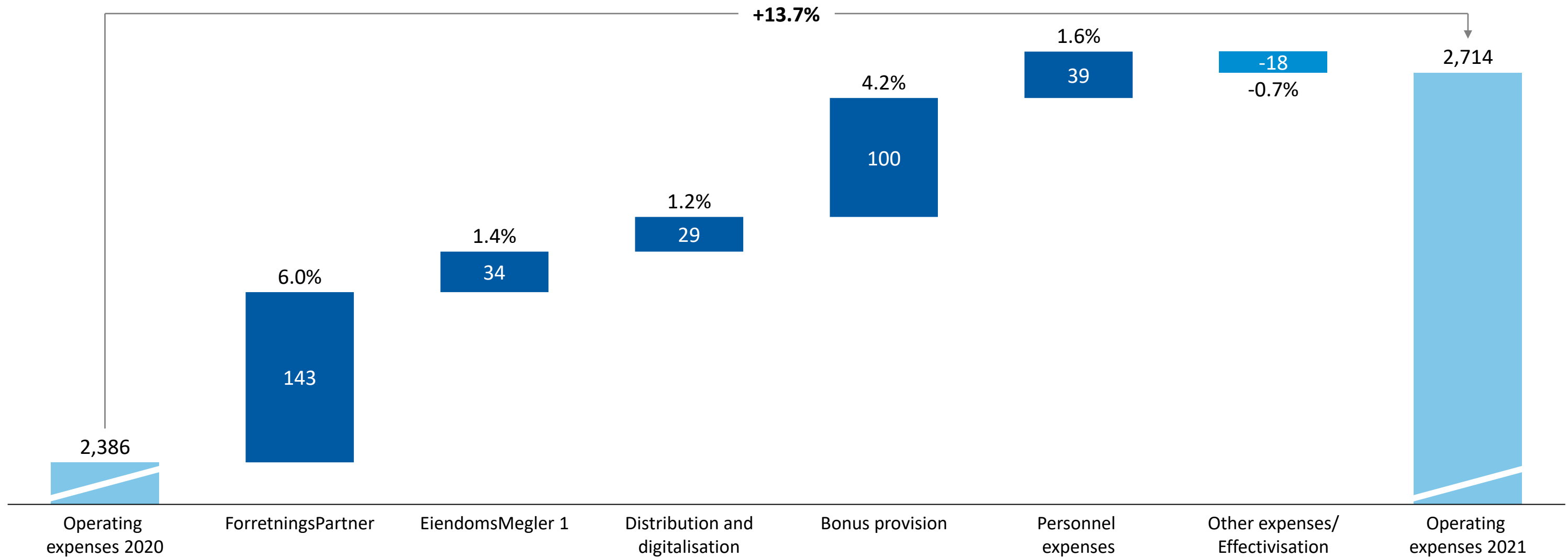
\*\*SR-Bank has no assets in SpareBank 1 Næringskreditt as at 31 December 2021, however the result is included up to this date.

\*\*\*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

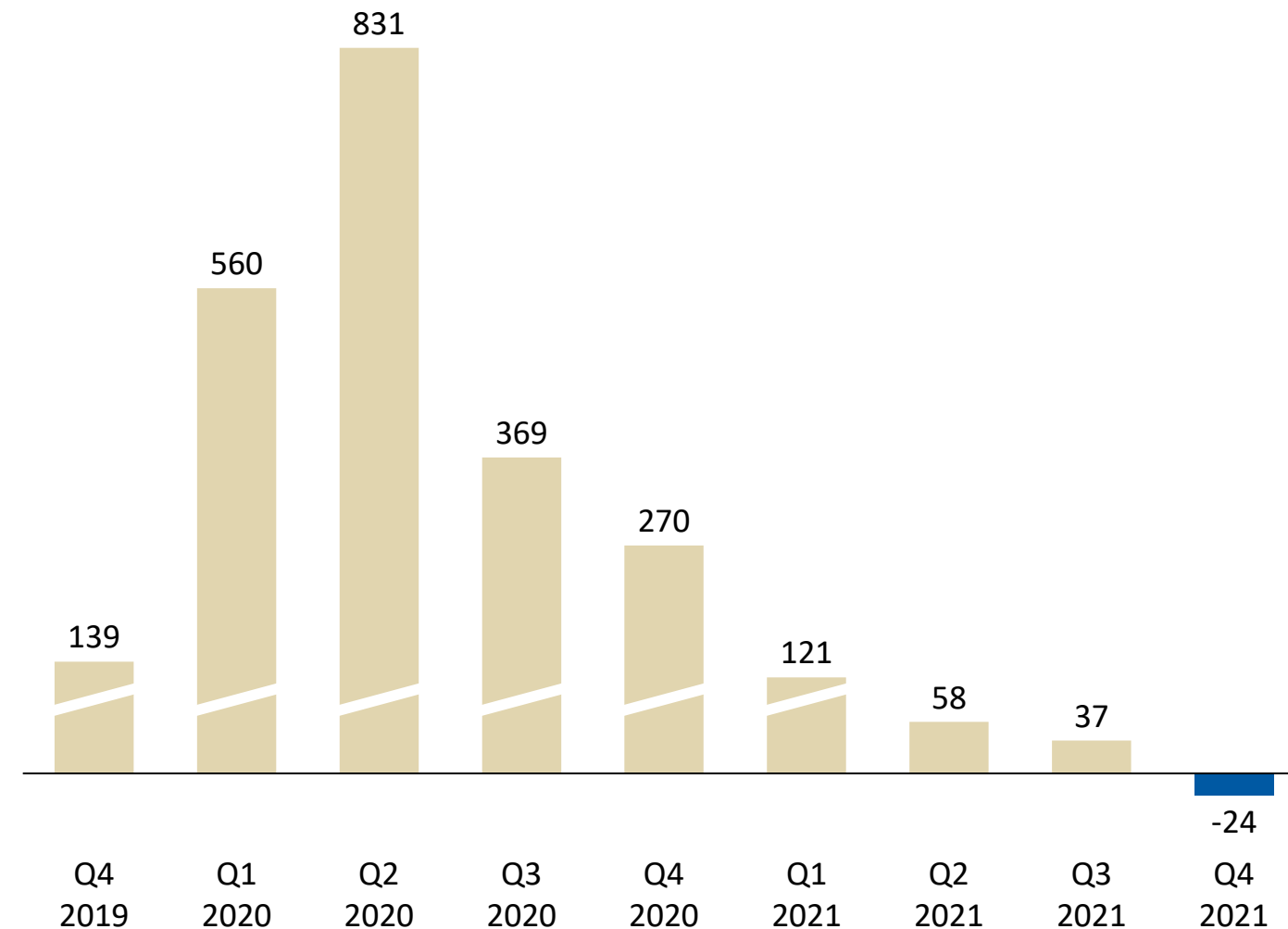
MNOK	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Payroll and pensions	1,311	1,184	371	330	326	284	332
Other staff expenses	411	252	114	102	97	98	69
<b>Total personnel expenses</b>	<b>1,722</b>	<b>1,436</b>	<b>485</b>	<b>432</b>	<b>423</b>	<b>382</b>	<b>401</b>
IT expenses	381	373	99	93	97	92	88
Marketing	81	73	26	18	19	18	19
Administrative expenses	66	71	21	17	15	13	14
Operating expenses from real estate	37	31	10	10	9	8	8
Other operating expenses	252	214	72	53	72	55	53
<b>Total operating expenses</b>	<b>817</b>	<b>762</b>	<b>228</b>	<b>191</b>	<b>212</b>	<b>186</b>	<b>182</b>
<b>Depreciation and impairments</b>	<b>175</b>	<b>188</b>	<b>42</b>	<b>43</b>	<b>46</b>	<b>44</b>	<b>46</b>
<b>Total operating expenses</b>	<b>2,714</b>	<b>2,386</b>	<b>755</b>	<b>666</b>	<b>681</b>	<b>612</b>	<b>629</b>

# Changes in operating expenses 2020-2021



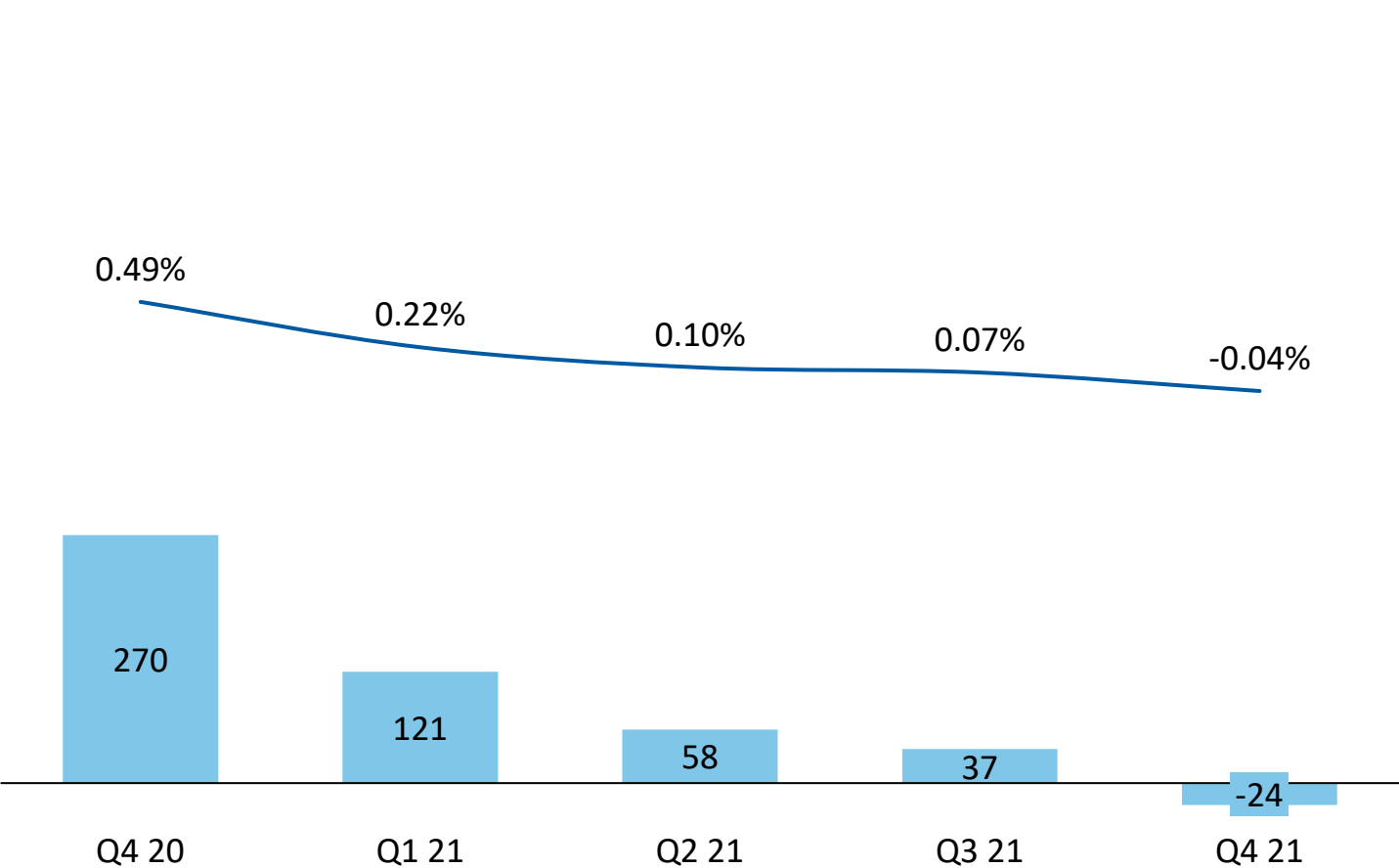
# Impairments per quarter

- The group's net impairments on loans and financial liabilities were reduced from NOK 2,030 million as at 31 December 2020 to NOK 192 million as at 31 December 2021
- Of gross loans the impairment provisions were reduced from 0.95% as at 31 December 2020 to 0.09% as at 31 December 2021
- Changes have been made to the internal regulations in order to reduce unsystematic risk going forward. 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 exposures has been reduced. This is intended to improve the group's robustness in order to provide it with financial leeway in any new challenging situations
- The group's customers have coped well with the outbreak of Covid-19. Customers made limited use of the option to defer payment deadlines and a large proportion of liquidity loans granted in connection with the pandemic have been repaid
- Closely monitoring customers and prevention work have been important tools in maintaining a good risk profile in the group's loan portfolio. Offshore exposure has been heavily reduced in the last 5 years



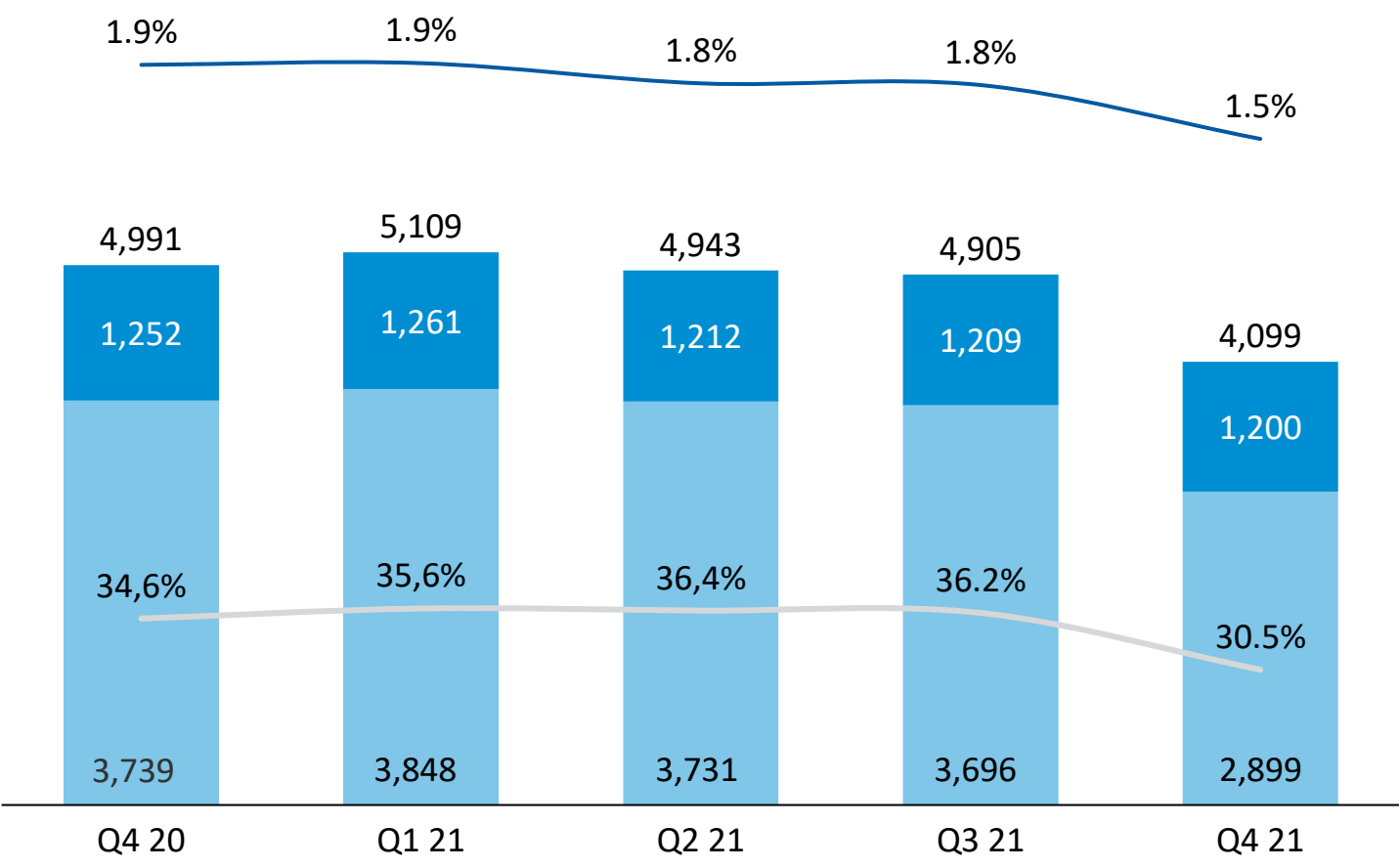
# Impairments on loans and financial commitments / Loans and financial commitments defined as Stage 3

Impairments on loans and financial commitments



— Impairment in % of average gross loans  
 ■ Impairments on loans and financial commitments, MNOK

Changes in gross loans and financial commitments defined as Stage 3



— Stage 3 in % of gross loans and financial commitments  
 ■ 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)

	31.12.2021	31.12.2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Corporate market	228	1,854	26	35	52	115	248
SME and Agriculture	3	87	-21	11	7	6	18
Retail market	-39	89	-29	-9	-1	0	4
<b>Total impairments</b>	<b>192</b>	<b>2,030</b>	<b>-24</b>	<b>37</b>	<b>58</b>	<b>121</b>	<b>270</b>

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

	31.12.2021	31.12.2020	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Corporate market	1,495	2,035	1,495	2,113	2,135	2,132	2,035
SME and Agriculture	211	226	211	231	229	228	226
Retail market	168	210	168	180	197	205	210
<b>Total impairments</b>	<b>1,874</b>	<b>2,471</b>	<b>1,874</b>	<b>2,524</b>	<b>2,561</b>	<b>2,565</b>	<b>2,471</b>

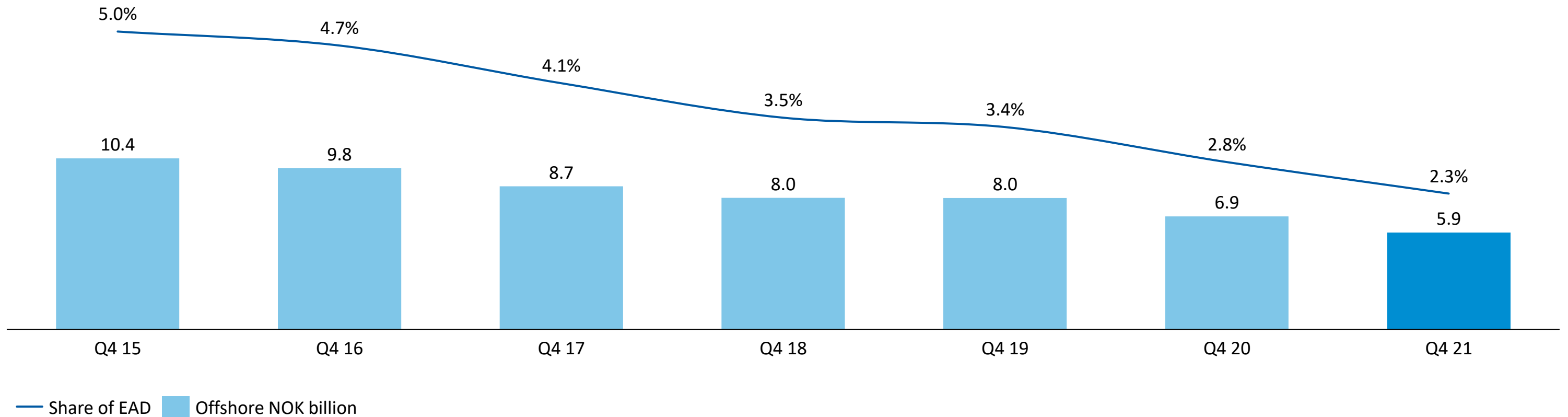


# Reduced exposure to the offshore sector

Total EAD related to offshore is reduced to 2.3% in 4. quarter 2021 from 5.0% in 4. quarter 2015

- Offshore

- EAD NOK 5.9 billion (NOK 10.4 billion), 2.3% of the bank's total EAD
- Exposure primarily to industrial oriented shipping companies with integrated organisation (Offshore service vessels, Rig and Seismic vessels)



\*EAD: Exposure at default.

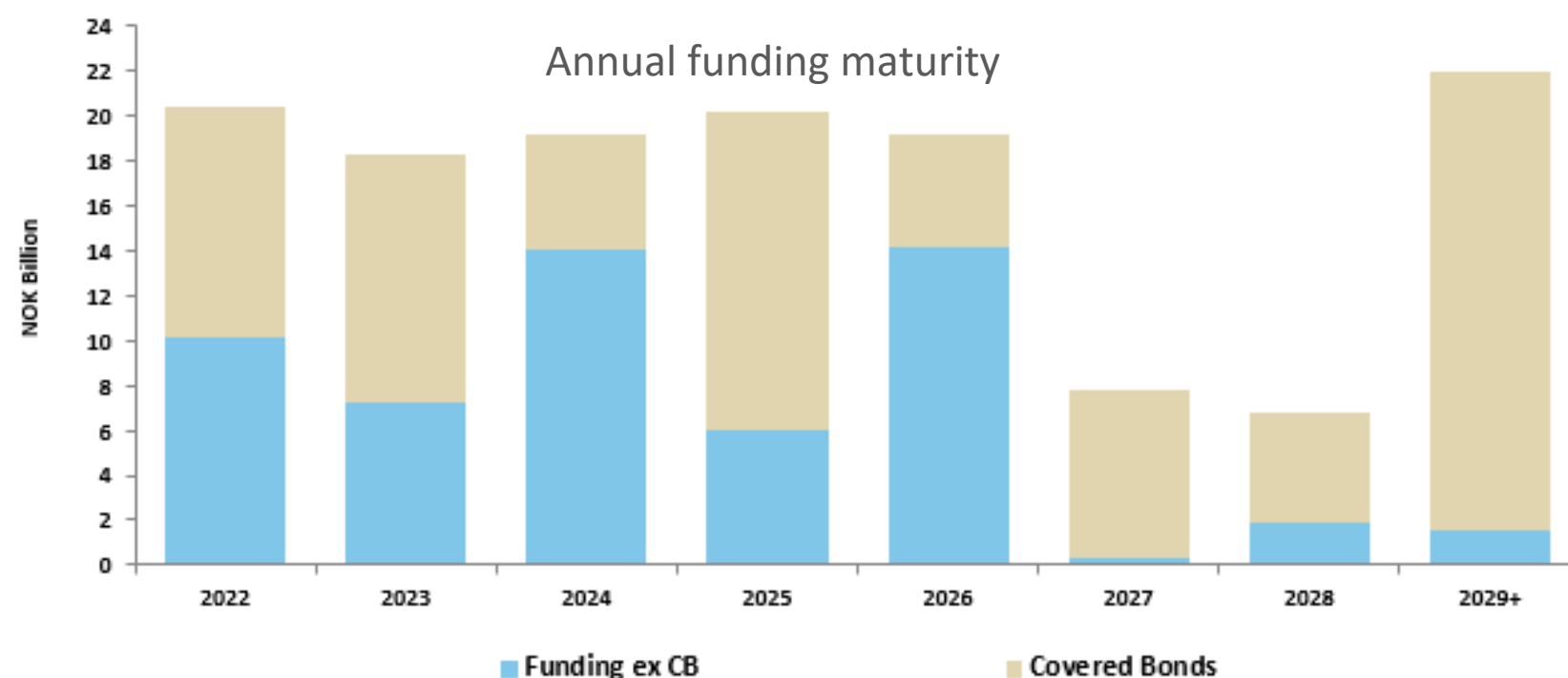
# Funding

- NSFR\* 124%
- LCR\*\* 168%
- NOK 20.4 billion net refinancing need over the next 12 months
- Deposit to loans ratio 59.8%
- MREL requirement 34.4%

**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)*  
**€20,000,000,000**  
**Euro Medium Term Covered Note Programme**

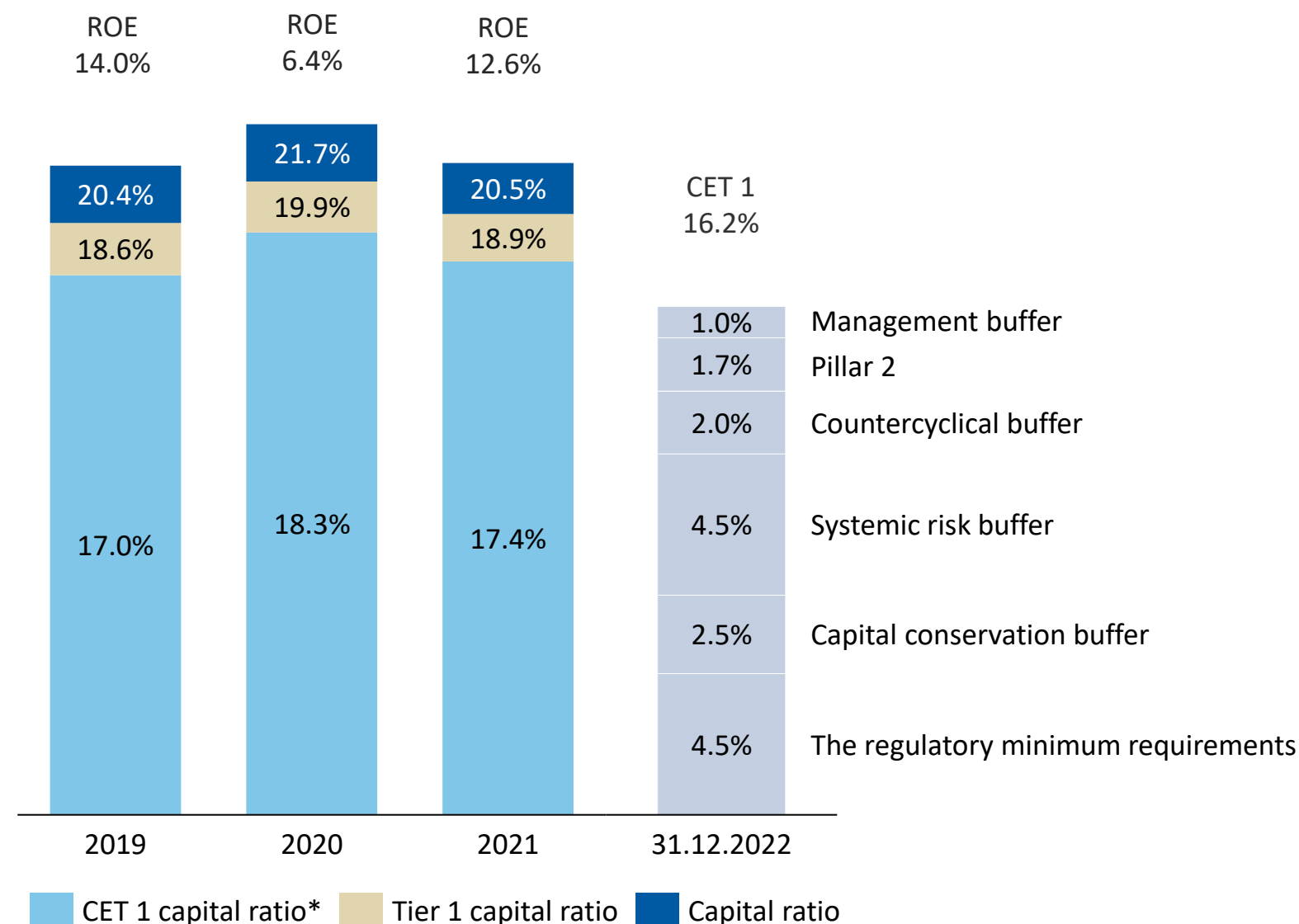


\*The net stable funding ratio (NSFR) is defined as available stable funding relative to necessary stable funding. NSFR is calculated in accordance with guidelines from the Financial Supervisory Authority of Norway.

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

# Solid capital ratio

- The authorities' minimum requirement for the CET 1 capital ratio is 15.2%, incl. 1.0% management buffer as at 31 December 2021
- The group's CET 1 capital ratio target is 16.7% incl. 1.0% in management buffer and maximum countercyclical buffer of 2.5%
- In June 2021, a decision was made to increase the countercyclical buffer requirement by 0.5 %-points to 1.5% with effect from 30 June 2022. In December 2021, a decision was made to increase this by a further 0.5 %-points to 2.0% with effect from 31 December 2022
- SpareBank 1 SR-Bank has not been identified as a systemically important financial institution (SIFI)
- The leverage ratio is 7.2% as at 31 December 2021, well above the minimum requirement at 5.0%



\*A decision was made in April 2020 not to pay a dividend for 2019 at that time. The figures reported as at 31 December 2019 have not been restated. The board exercised its special authorisation from April 2020, and at the board meeting on 10 February 2021 a dividend of NOK 5.50 per share was approved for the 2019 financial year, which was paid out on 19 March 2021. The board also exercised its special authorisation from April 2021, and at the board meeting on 30 September 2021 a dividend of NOK 3.10 per share was approved for the 2020 financial year, which was paid out on 13 October 2021. The dividend in total of NOK 793 million has reduced the equity as at 31 December 2021.

# Around 20% of gross lending growth in Corporate market to sustainable activities

Goal: Finance and facilitate NOK 50 billion in sustainable activities by the end of 2030



## Sustainable loans for Corporate market

Of the gross lending growth in Corporate Market in 2021, around 20% – NOK 5 billion – qualified as sustainable.



## Facilitation through SR-Markets

Transactions totalling more than NOK 400 million linked to renewable energy, drone technology and food security.

# Outlook

- Significantly **reduced** impairment provisions from 2020 levels
- **Optimism and positive expectations** for 2022
- The group's long-term return on equity target is at a **minimum of 12%**
- Geographic **expansion and growth in the priority areas** will provide a basis for developing into a financial services group for South of Norway
- **Three interest rate hikes** of 0.25 %-points each are expected from Norges Bank in 2022

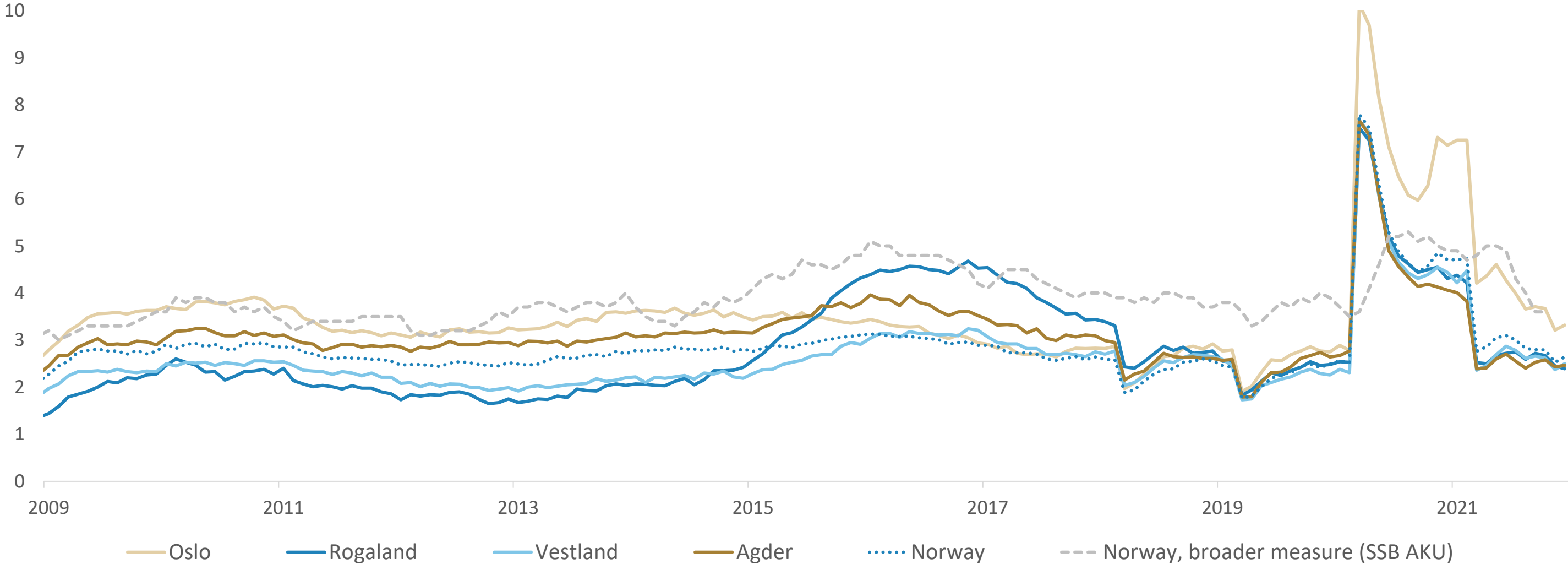
## APPENDIX

- 1) **Macro**
- 2) Loan portfolio
- 3) Risk
- 4) SpareBank 1 SR-Bank

# Lower unemployment due to reopening of the economy

Unemployed down to the level in February 2020. Slightly higher recently due to omicron

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

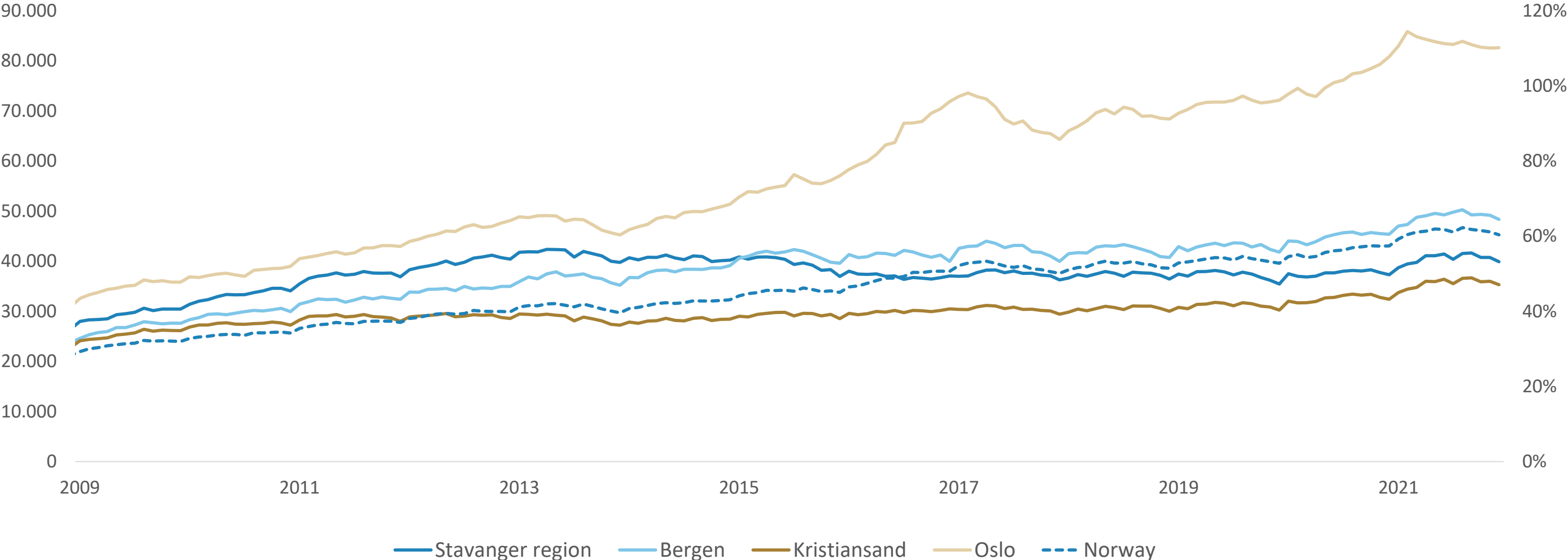


Source: NAV og SSB.

# Norwegian house prices have increased by 5% last 12 months

Growth in sales and prices since summer 2020, but somewhat less price pressure since spring 2021 esp in Oslo

House prices. NOK per sqm. Average all homes. Monthly



Source : Finn.no, Eiendom Norge og Eiendomsverdi.

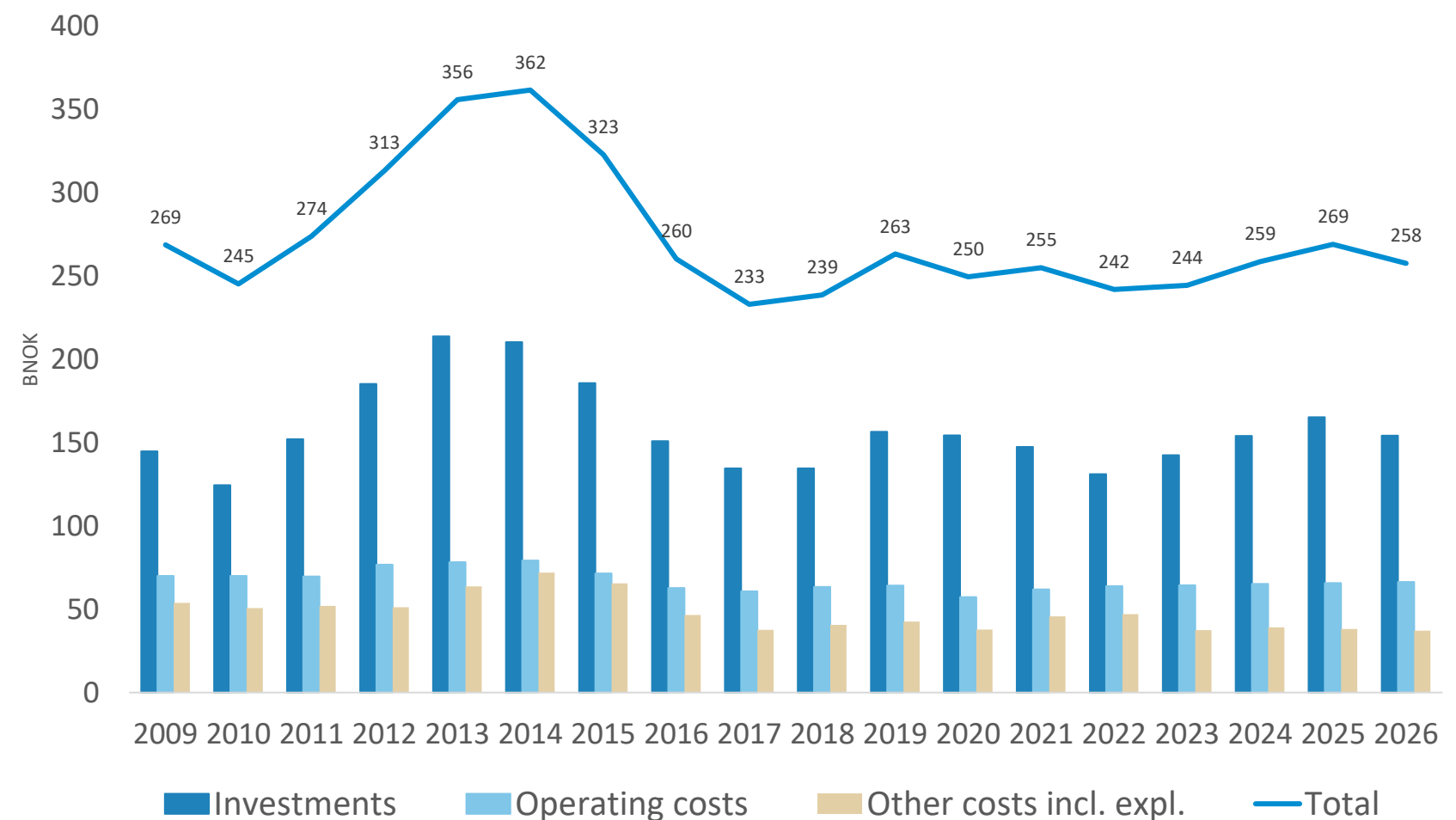


# Fairly stable petroleum activity in Norway – somewhat higher towards 2025

The tax package (June 2020) and higher prices support the outlook

- There have been large fluctuations in activity on the Norwegian shelf. Activity increased by 60% from 2007 to 2014, but lower prices contributed to activity falling by 35% compared to 2017. Thereafter, activity increased by 13% until 2019.
- The pandemic led to great uncertainty in the spring of 2020. The tax package in June 2020 helped to reduce uncertainty through incentives to accelerate projects and thus increased activity in the following years. The decline from 2019 to 2020 was 5%. In 2021, activity has been close to sideways. The price of oil, and especially the price of gas, increased in 2021 in helping to lift the outlook. The Norwegian Petroleum Directorate expects some decline in 2022 and then increased activity towards 2025.
- In addition to activity on the Norwegian continental shelf, international petroleum activity, as well as increased activity in connection with renewable energy and energy transformation, also provide market opportunities for the Norwegian-based energy industry.

Petroleum activity on Norwegian Continental Shelf. BNOK (2022 NOK). Source: NPD 13 January 2022

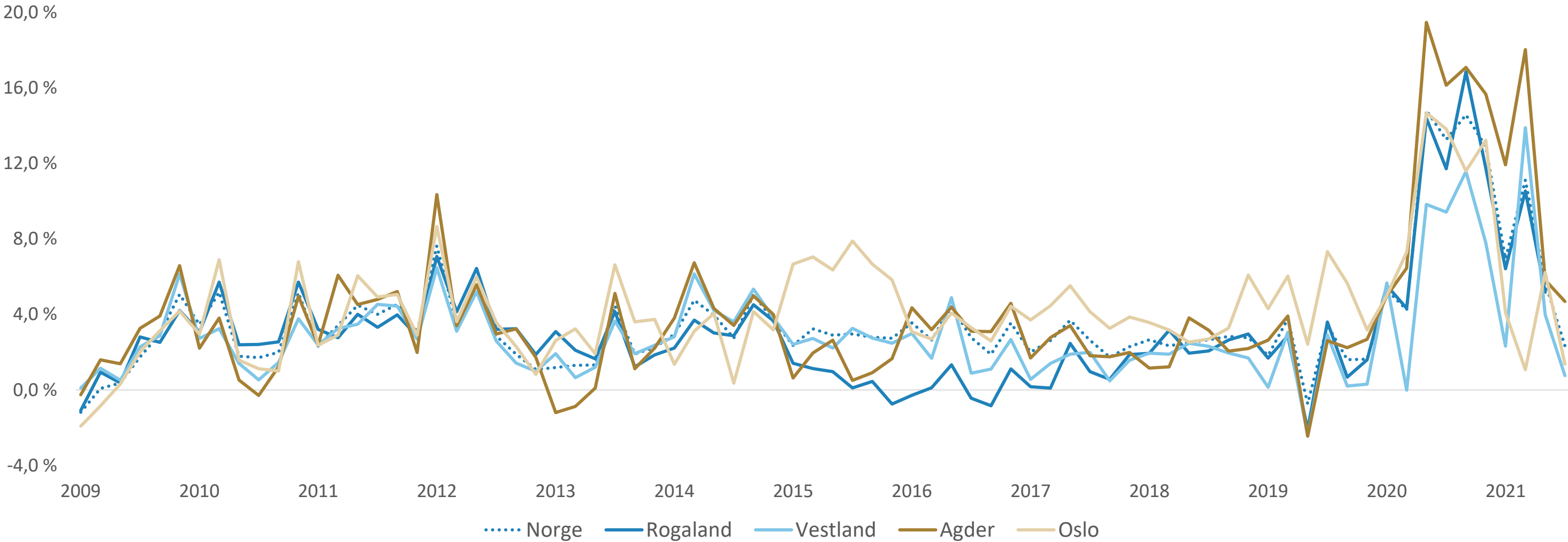


Source: Oljedirektoratet/Norwegian Petroleum Directorate (NPD).

# High growth in retail trade in Norway during the pandemic, but has slowed

Covid-19 has had a big impact. High growth in groceries have turned to negative growth

Retail sales (excl. auto), change in turn-over from same 2-month period previous year. Last obs: july-aug 2021



Source: SSB.

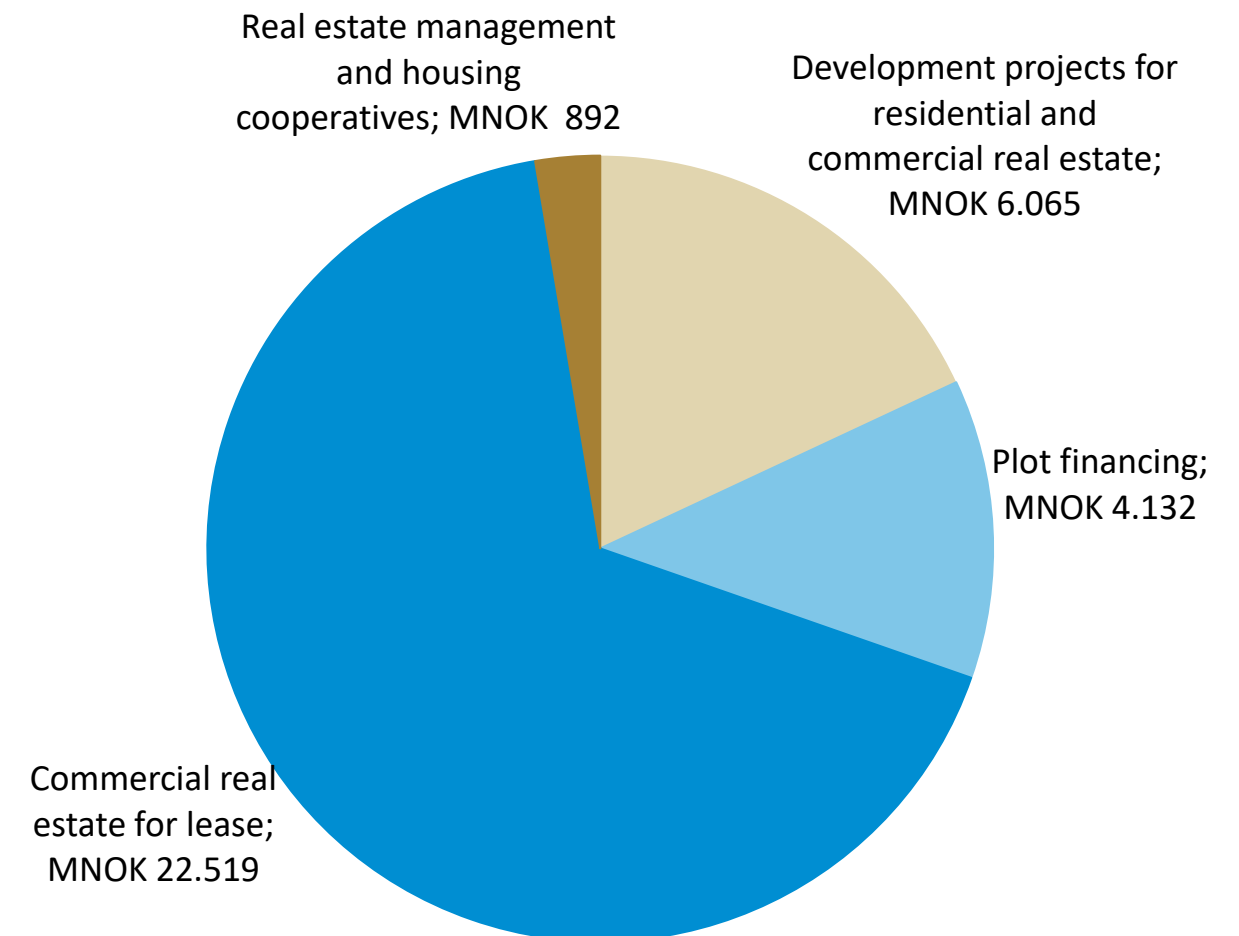
## APPENDIX

- 1) Macro
- 2) Loan portfolio**
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# Lending to commercial real estate

13.1% (NOK 33.6 billion) of total EAD\* is related to commercial real estate

- Commercial real estate for lease
  - EAD NOK 22.5 billion, 8.8% 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 4.1 billion, 1.6% of the bank's total EAD
  - Average funding ratio is below 50%
- Development projects for residential and commercial real estate
  - EAD NOK 6.1 billion, 2.4% of the bank's total EAD
  - Minimum pre-sale requirement is 70%
- Real estate management and housing cooperatives
  - EAD NOK 0.9 billion, 0.3% of the bank's total EAD

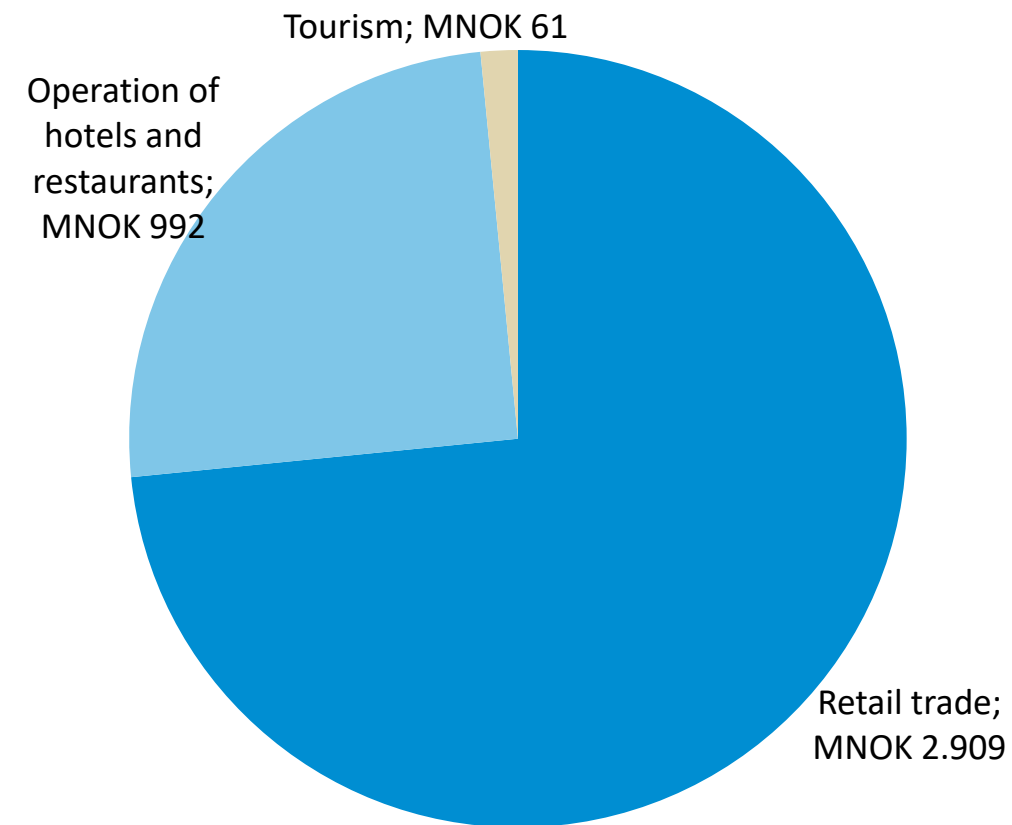


\*EAD: Exposure at default

# Lending to retail trade, hotels and restaurants

1.5% (NOK 3.9 billion) of total EAD\* is related to retail trade, hotels and restaurants

- Retail trade
  - EAD NOK 2.9 billion, 1.1% 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, 0.02% of the bank's total EAD

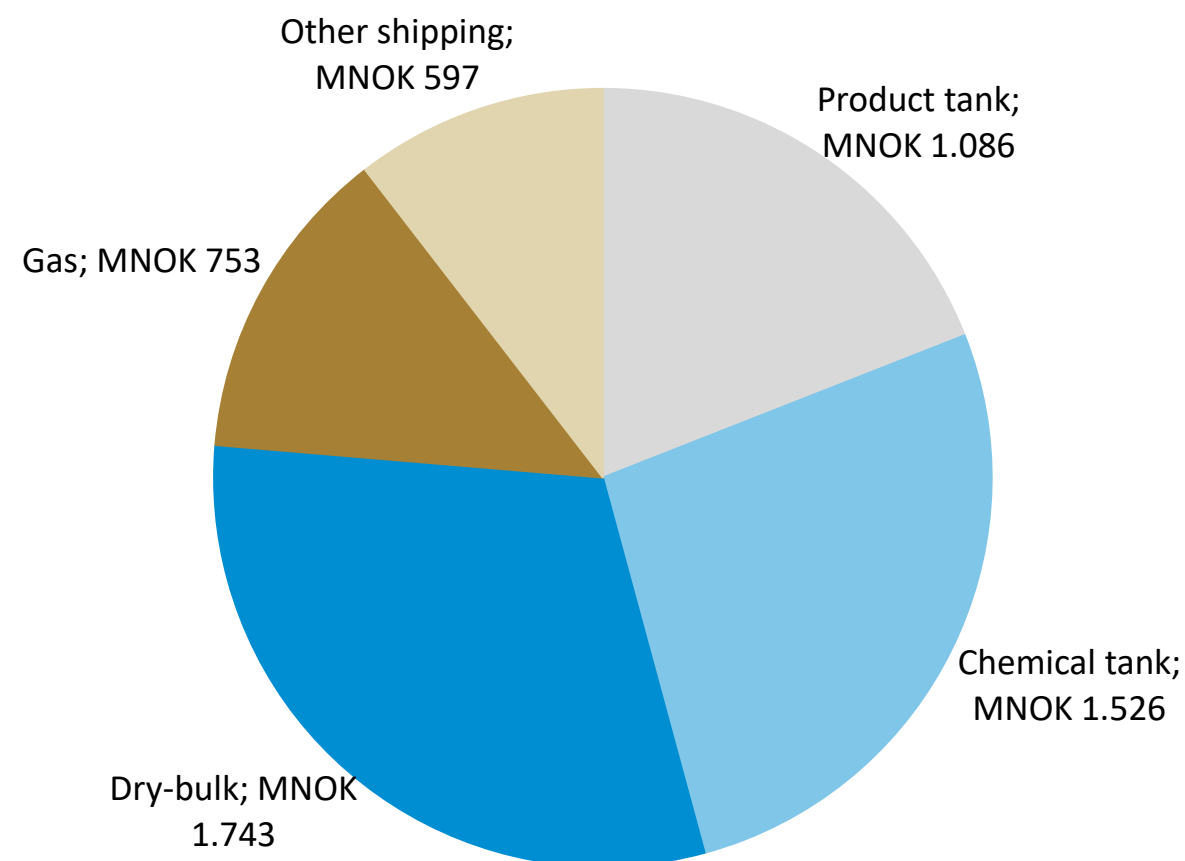


\*EAD: Exposure at default

# Lending to shipping

2.2% (NOK 5.7 billion) of total EAD\* is related to shipping

- Product tank
  - EAD NOK 1.1 billion, 0.4% of the bank's total EAD
- Chemical tank
  - EAD NOK 1.5 billion, 0.6% of the bank's total EAD
- Dry-bulk
  - EAD NOK 1.7 billion, 0.7% of the bank's total EAD
- Gas
  - EAD NOK 0.7 billion, 0.2% of the bank's total EAD
- Other shipping
  - EAD NOK 0.6 billion, 0.2% of the bank's total EAD



\*EAD: Exposure at default

## APPENDIX

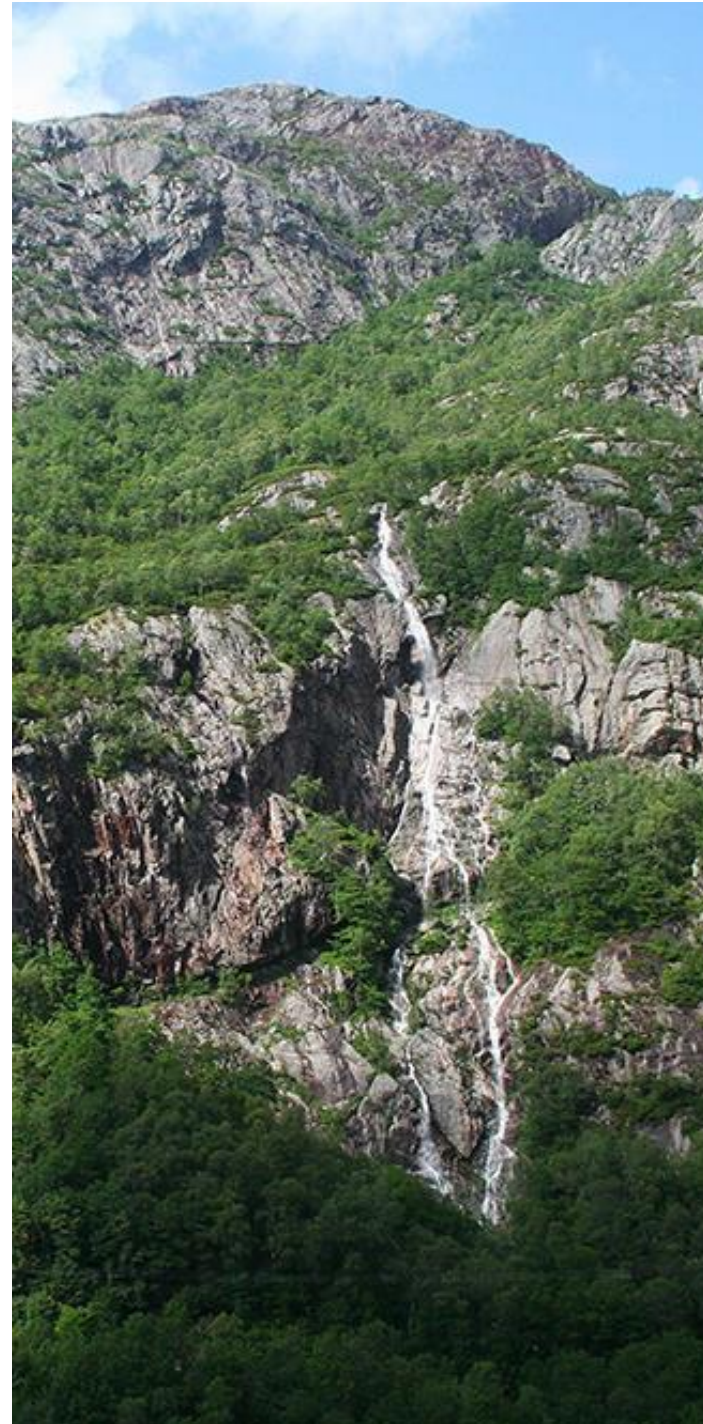
- 1) Macro
- 2) Loan portfolio
- 3) **Risk**
- 4) SpareBank 1 SR-Bank

**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, Vestland 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

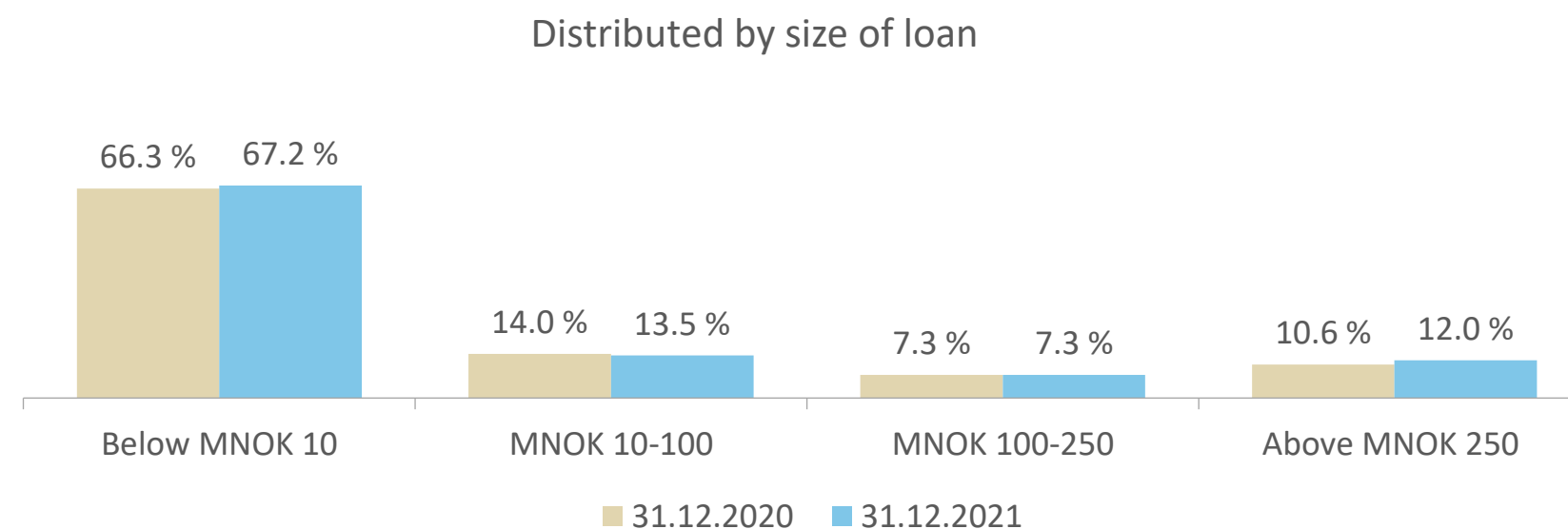
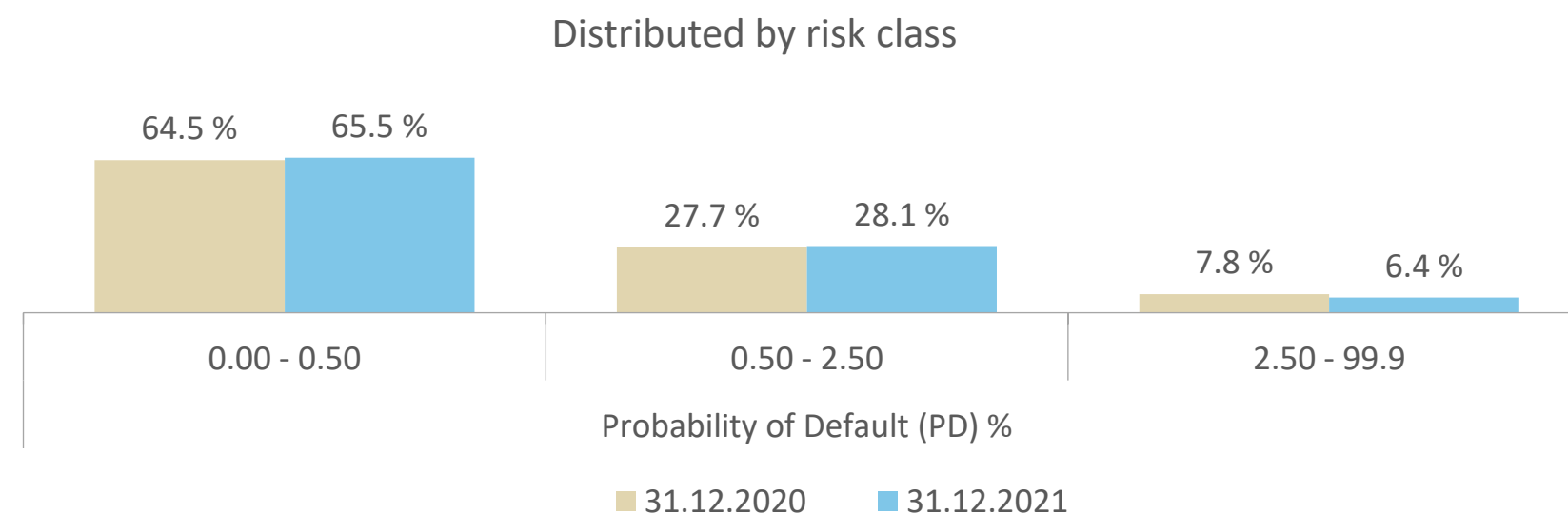


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
  - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
  - The maximum unsecured exposure to an individual customer must 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

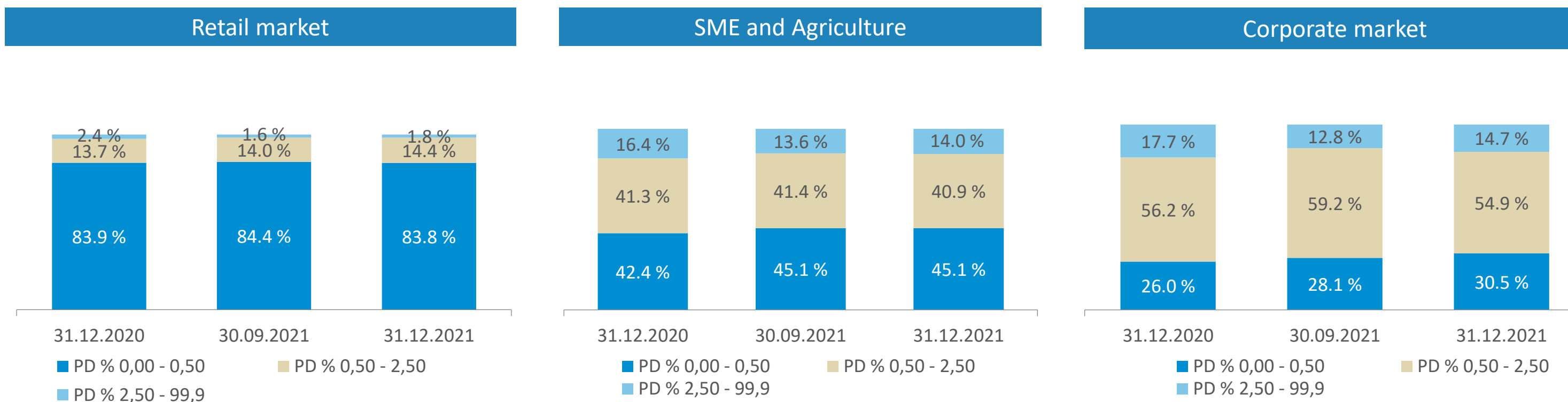
- SpareBank 1 SR-Bank has a solid loan portfolio. Portfolio quality improved last year.
- The loan portfolio consists mainly of small and medium-sized loans.



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

# Risk profile – Lending in Retail, SME and Agriculture and Corporate market

- Portfolio distributed by risk class



- The quality of the Retail market portfolio is considered to be very 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 SME and Agriculture market portfolio is considered to be very good and has relatively low potential losses

- 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.

## APPENDIX

- 1) Macro
- 2) Loan portfolio
- 3) Risk
- 4) **SpareBank 1 SR-Bank**

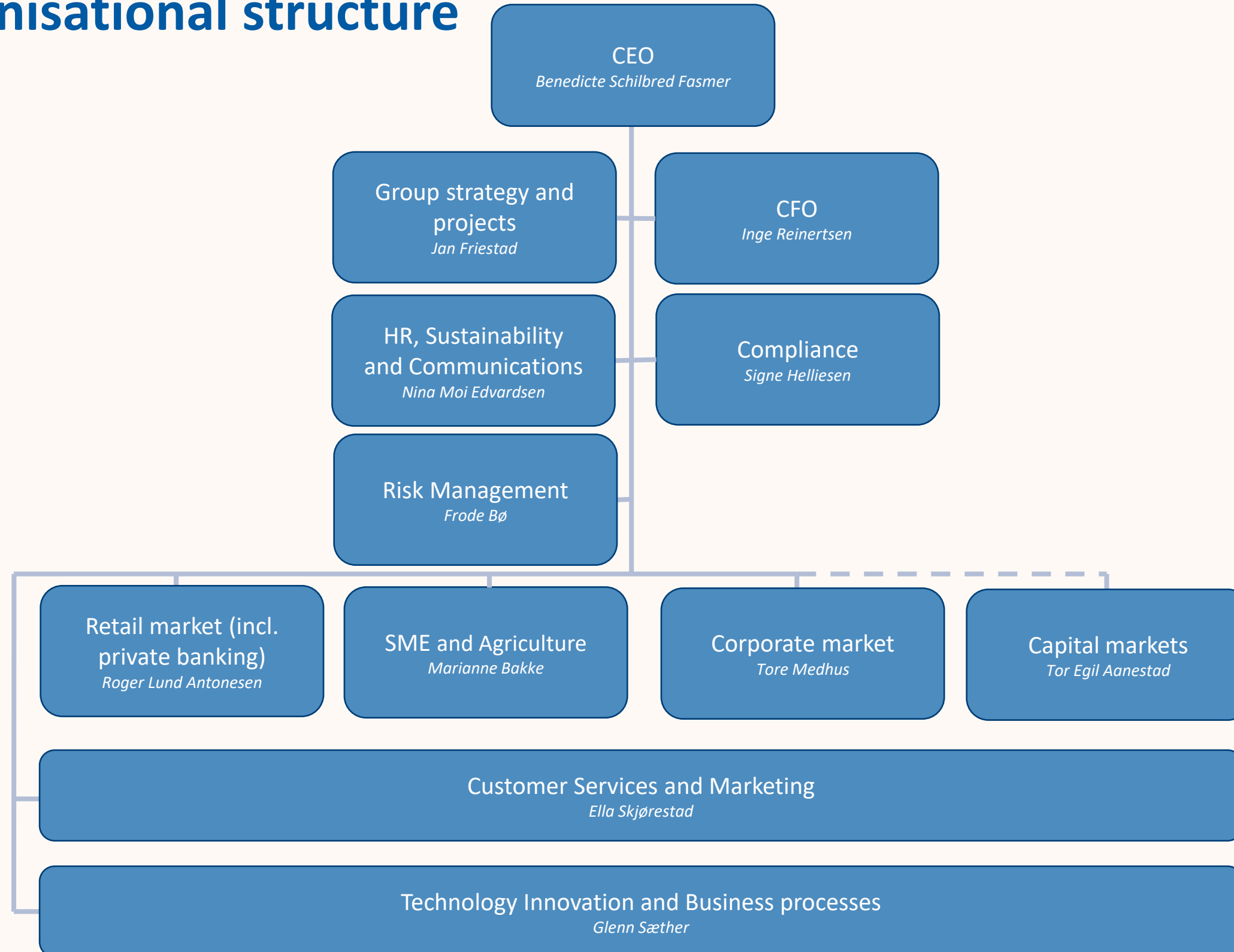
# SpareBank 1 SR-Bank ASA

Business divisions	Fully owned companies		Partly owned companies	
<b>Retail market</b> Number of man-years: 469	<b>EiendomsMegler 1</b> Leading real estate broker Number of man-years: 189	<b>SR-Boligkreditt</b> Covered Bond Funding Number of man-years: 1	<b>BN Bank</b> (35.0%) Commercial bank located in Oslo and Trondheim	<b>SpareBank 1 Gruppen</b> (19.5%) Holding company for the SpareBank 1 - Alliance
<b>Corporate market</b> Number of man-years: 91	<b>SR-Forvaltning</b> Asset management Number of man-years: 11	<b>FinStart Nordic</b> Investmentportfolio FinTec Number of man-years: 1	<b>SpareBank 1 Kreditt</b> (17.1%) Credit card company located in Trondheim	<b>SpareBank 1 Gjeldsinformasjon</b> (18.3%) Obtains debt information from financial institutions
<b>SME and Agriculture</b> Number of man-years: 73	<b>SpareBank 1 SR-Bank ForretningsPartner*</b> Accounting and advisory Number of man-years: 361	<b>Monio</b> Digital loan-platform for small businesses Number of man-years: 13	<b>SpareBank 1 Betaling**</b> (19.2%) The company behind mobile payment solution	<b>SpareBank 1 Forvaltning</b> (36.3 %) Manages portfolio of savings products
<b>Capital market</b> Number of man-years: 26				
<b>Administration &amp; Support</b> Number of man-years: 321				

\*SpareBank 1 SR-Bank ForretningsPartner have acquired Tveit Regnskap with effect from 15 April 2021.

\*\*Owns 23.1% in Vipps AS.

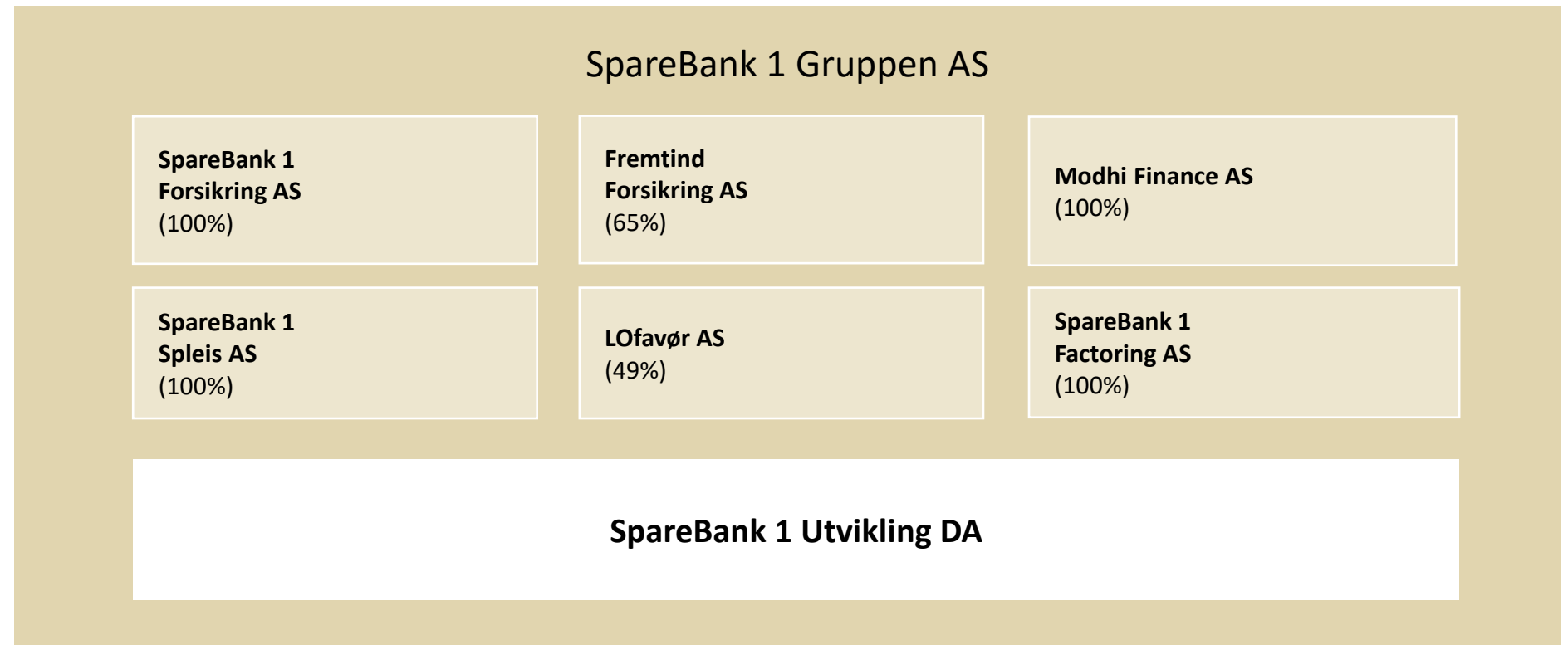
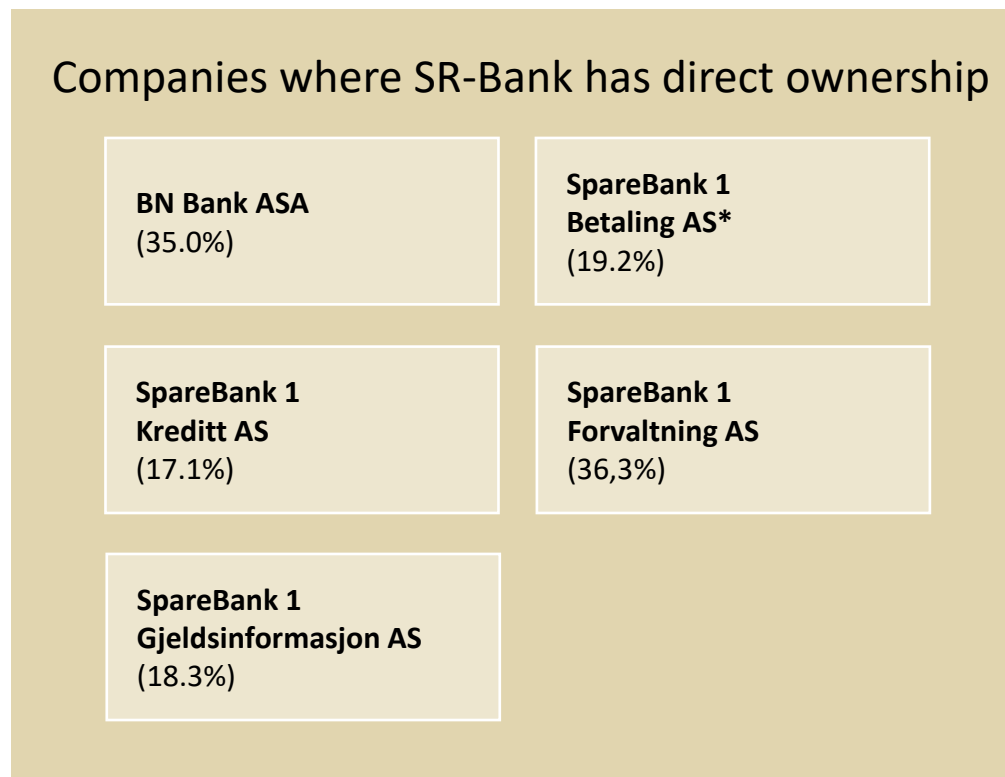
# New organisational structure



# 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

\*Owns 23.1% in Vipps AS.



# Balance sheet

Balance sheet (MNOK)	31.12.2021	31.12.2020
Cash and balances with central banks	78	68
Balances with credit institutions	5,366	12,589
Net loans to customers	228,578	216,966
Certificates, bonds and other fixed-income securities	56,266	39,921
Financial derivatives	5,053	8,672
Shares, ownership stakes and other securities	1,001	908
Investment in associates	4,894	4,523
Other	3,166	3,402
<b>Total assets</b>	<b>304,402</b>	<b>287,049</b>
Balances with credit institutions	2,634	4,144
Deposit from customers	137,664	118,170
Listed debt securities	122,276	126,763
Financial derivatives	3,203	6,825
Other liabilities	1,851	2,200
Senior non-preferred bonds	7,465	400
Subordinated loan capital	2,130	2,154
<b>Total liabilities</b>	<b>277,223</b>	<b>260,656</b>
<b>Total equity</b>	<b>27,179</b>	<b>26,393</b>
<b>Total liabilities and equity</b>	<b>304,402</b>	<b>287,049</b>

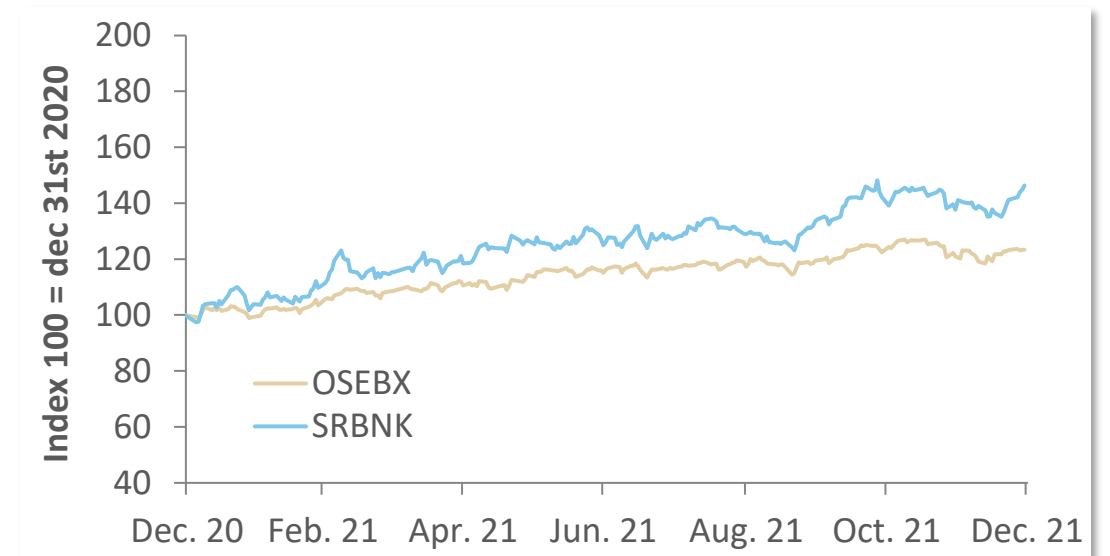
# SRBNK share

- International ownership is 22.2% per 4. quarter 2021.
- Total market value at 4. quarter 2021 is NOK 34.1 billion.

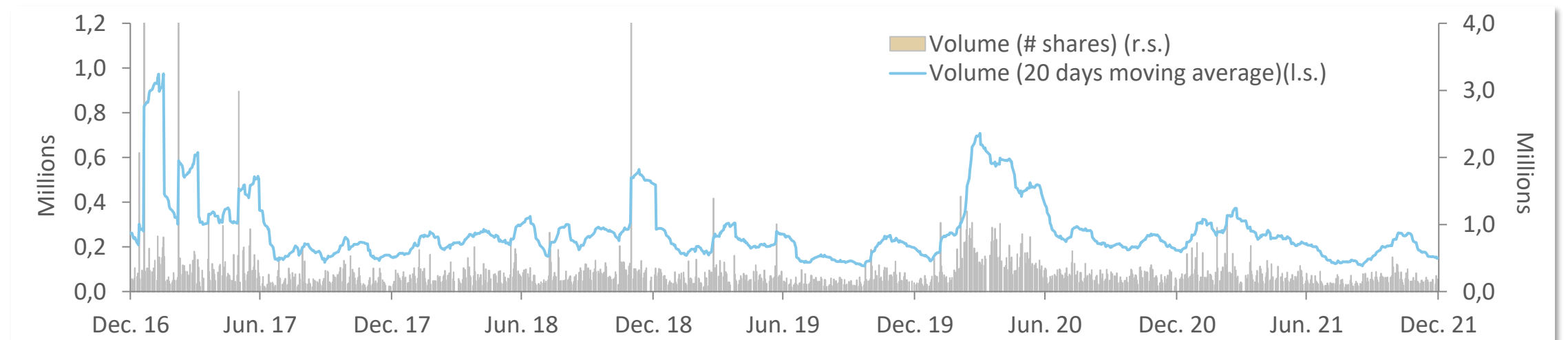
Development in Price/Book



Relativ share price development



Trading volume development



## 20 largest shareholders as at 31 December 2021

- Ownership interests as at 31 December 2021:
  - From Rogaland, Agder, Vestland, Oslo and Viken: 65.7% (66.2%)
  - International: 22.2% (21.8%)
  - 10 largest: 48.8% (51.1%)
  - 20 largest: 56.7% (58.8%)
- Number of shareholders 31 December 2021:  
16,826 (13,133)
- Employees owning 1.7% (1.7%) as at 31 December 2021

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72,419,305	28.3%
Folketrygdfondet		19,495,629	7.6%
SpareBank 1-stiftinga Kvinnherad		6,226,583	2.4%
Brown Brothers Harriman & Co, U.S.A.	Nominee	6,205,787	2.4%
State Street Bank and Trust Co, U.S.A.	Nominee	4,888,496	1.9%
Verdipapirfondet Alfred Berg Gambak		3,511,467	1.4%
Odin Norge		3,423,133	1.3%
JPMorgan Chase Bank NA, U.S.A.	Nominee	3,251,464	1.3%
Pareto Aksje Norge		2,738,521	1.1%
Danske Invest Norske Instit. II		2,619,067	1.0%
Vpf Nordea Norge Verdi		2,431,211	1.0%
State Street Bank and Trust Co, U.S.A.	Nominee	2,415,400	0.9%
State Street Bank and Trust Co, U.S.A.	Nominee	2,389,983	0.9%
Verdipapirfondet Alfred Berg Norge		2,003,621	0.8%
Clipper AS		1,945,800	0.8%
Pareto Invest AS		1,841,509	0.7%
KLP Aksjenorge Indeks		1,811,268	0.7%
Westco AS		1,796,737	0.7%
Verdipapirfondet DNB Norge		1,773,845	0.7%
The Bank of New York Mellon SA, Irland	Nominee	1,725,603	0.7%
Top 5		109,235,800	42.7%
Top 10		124,779,452	48.8%
Top 20		144,914,429	56.7%

Figures in parentheses as at 31 December 2020.

# SR-Bank as at 31 December 2021

## SpareBank 1 SR-Bank share

	2021	2020	2019	2018	2017	
Share price	133.20	91.00	100.00	89.20	87.00	• Number of shares issued 255.75 million
Stock value (MNOK)	34,066	23,273	25,575	22,813	22,250	• Trading volume in Q4 2021: 5.0% (5.3%)
Book value per share, NOK (group)	99.05	95.97	89.90	82.27	77.24	
Earnings per share	12.08	5.87	12.06	8.96	8.15	• On 1 June 2017, the SR- Bank share was included in the Oslo Stock Exchange's main index
Dividend per share	6.00	3.10	5.50	4.50	4.25	
P/E	11.03	15.50	8.29	9.96	10.66	
P/BV (group)	1.34	0.95	1.11	1.08	1.13	

*\*A decision was made in April 2020 not to pay a dividend for 2019 at that time. The figures reported as at 31 December 2019 have not been restated. The board exercised its special authorisation from April 2020, and at the board meeting on 10 February 2021 a dividend of NOK 5.50 per share was approved for the 2019 financial year, which was paid out on 19 March 2021. The board also exercised its special authorisation from April 2021, and at the board meeting on 30 September 2021 a dividend of NOK 3.10 per share was approved for the 2020 financial year, which was paid out on 13 October 2021. The dividend in total of NOK 793 million has reduced the equity as at 31 December 2021.*



# Contact Details

## Address

Christen Tranes Gate 35  
Postboks 250  
4068 Stavanger

Tel: +47 915 02002  
[www.sr-bank.no](http://www.sr-bank.no)

## Management



### **Benedicte Schilbred Fasmer**

CEO

Tel.: +47 950 60 034

E-post: [benedicte.fasmer@sr-bank.no](mailto:benedicte.fasmer@sr-bank.no)



### **Inge Reinertsen**

CFO

Tel.: +47 909 95 033

E-post: [inge.reinertsen@sr-bank.no](mailto:inge.reinertsen@sr-bank.no)

## Investor Relations



### **Stian Helgøy**

Investor Relations

Tel.: +47 906 52 173

E-post: [stian.helgoy@sr-bank.no](mailto:stian.helgoy@sr-bank.no)