

CREDIT PROFILE OF SR-BANK

5 February 2020

SR-Bank is a Norwegian savings bank rated A1 / A-

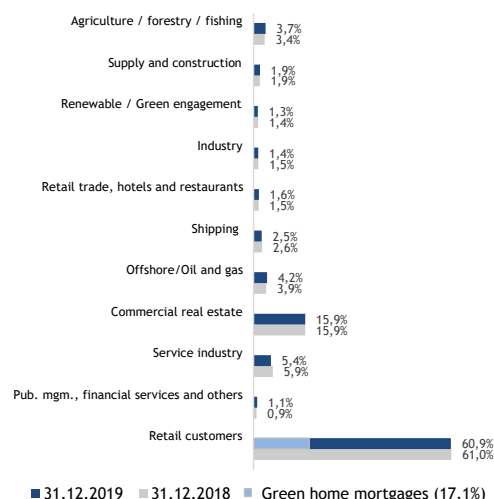
SR-Bank in brief

- SR-Bank is a Norwegian bank concentrating on the market in the South of Norway. The Bank traces its roots to 1839 and business lines focus mainly on traditional savings and mortgages.
- SR-Bank is the market leader in the Rogaland county with about 35% market share. Our market share is underpinned by strong brand recognition and local presence. In recent years our presence has continued to grow in the adjacent Vestland, Oslo and Agder.
- SR-Bank has three principal business areas: Retail Division, Corporate Division and Capital Markets Division. In addition, five fully owned subsidiaries, specialize in real estate brokerage, asset management, accounting services, crowdfunding and Fintech. SR-Bank is also the owner of the covered bond institution SR-Boligkreditt.
- SR-Bank operates as an independent financial institution within the SpareBank 1 Alliance. The Alliance was formed in 1996 as a strategic partnership with six other regional Norwegian banks in order to realize synergies with regards to expenses, IT solutions, marketing and branding.
- SR-Bank's long-term rating is A1/A- and short term rating is P-1/F2 from Moody's and Fitch. SR-Bank's outlook is stable from Moody's and stable from Fitch.

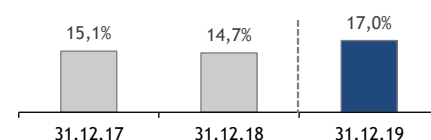
| Key figures | Q4 2019 | Q4 2018 | 2019 | 2018 | 2017 |
|-------------------------------|---------|---------|------|------|------|
| Net interest margin (%) | 1,64 | 1,59 | 1,61 | 1,54 | 1,52 |
| Net loans to customers (BNOK) | 207 | 192 | 207 | 192 | 173 |
| Impairments on loans (%) | 0,27 | 0,20 | 0,12 | 0,18 | 0,33 |
| Total assets (BNOK) | 256 | 234 | 256 | 234 | 217 |
| Total equity (BNOK) | 24,8 | 21,6 | 24,8 | 21,6 | 19,9 |

| Income statement (MNOK) | Q4 2019 | Q4 2018 | 2019 | 2018 | 2017 |
|---------------------------------|---------|---------|-------|-------|-------|
| Net interest income | 1.062 | 926 | 3.987 | 3.439 | 3.162 |
| Net commission and other income | 359 | 350 | 1.416 | 1.437 | 1.524 |
| Net investment income | 22 | 68 | 1.127 | 569 | 634 |
| Total income | 1.443 | 1.344 | 6.530 | 5.445 | 5.320 |
| Total operating expenses | 678 | 576 | 2.478 | 2.229 | 2.167 |
| Operating profit | 765 | 768 | 4.052 | 3.216 | 3.153 |
| Impairments | 139 | 92 | 235 | 324 | 543 |
| Net profit | 485 | 527 | 3.124 | 2.296 | 2.086 |

Lending portfolio (in per cent)

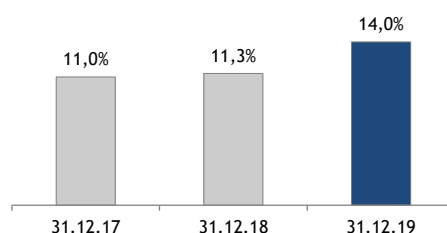


CET 1 capital ratio



Historical figures subject to the Basel I requirement. As of 31.12.2019 CRR/CRD requirements apply.

Return on equity

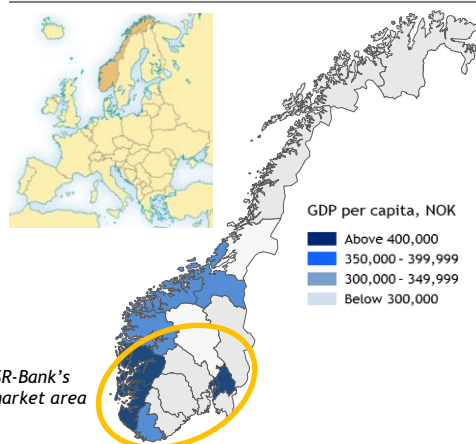


SR-Bank operates in an attractive region of one of Europe's strongest economies

Market characteristics

- The Norwegian economy remains one of the strongest globally, by a number of key metrics;
 - Registered unemployment rate of 2.3%
 - GDP 2.5% in 2019, expected growth 2.4% in 2020
 - Sovereign wealth fund exceeding 300% of mainland GDP
 - Among the highest GDP per capita in Europe
- SR-Bank is the finance group for the entire South of Norway, where the principal regions is Rogaland, Vestland, Agder, Oslo & Viken. This region is Norway's most populous, containing 49% of the country's population.
- Stavanger, the regional capital of Rogaland and SR-Bank's headquarters, is the centre of the Norwegian oil industry. The petroleum sector is simplifying processes and reducing costs to increase profitability. Oil investments on the Norwegian continental shelf are expected rise in 2020. Low interest rates and a weak exchange rate, will contribute to growth in traditional export industries and other sectors as well.
- In addition to the strong commercial development in the region, government infrastructure investments continue to remain significant and are planned to reach 100 - 150 BNOK within the next years.

Geographical focus



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CREDIT PROFILE OF SPAREBANK 1 SR-BANK

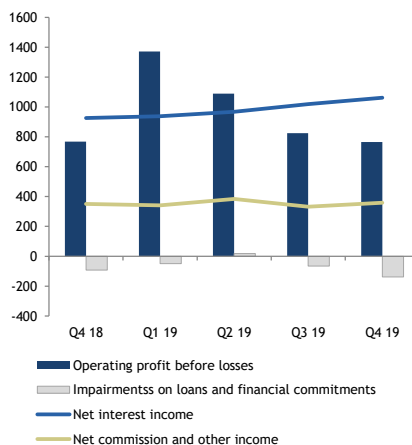
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| Financial highlights | Measure | 2019 | 2018 | 2017 |
|--|---|-------|-------|-------|
| Good earnings from underlying operations and good cost control | Pre-tax profit (MNOK) | 3.817 | 2.892 | 2.610 |
| | Net interest margin (%) | 1,61 | 1,54 | 1,52 |
| | Return on equity after tax (%) | 14,0 | 11,3 | 11,0 |
| Low write-downs on loans and impaired loans | Impairments on loans and financial commitments (% of gross loans) | 0,12 | 0,18 | 0,33 |
| Continued focus on cost structure and efficiency | Cost ratio | 37,9 | 40,9 | 40,7 |
| SR-Bank has experienced a solid growth in customers underpinned by strong brand recognition and local presence | Annual growth in loans to customers, gross | 4,9 | 7,6 | 2,6 |
| | Annual growth in deposits from customers (%) | 4,3 | 3,6 | 11,0 |
| Strong capital generation allowed an improved CET 1 while increase in balance sheet | Total assets on balance sheet (BNOK) | 256 | 234 | 217 |
| | CET 1 capital ratio (%)* | 17,0 | 14,7 | 15,1 |

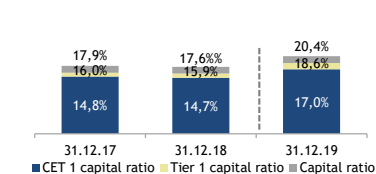
*Historical figures subject to the Basel I requirement. As of 31.12.2019 CRR/CRD requirements apply.

Quarterly financial development



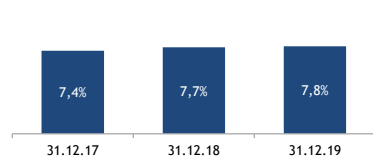
SR-Bank displays high solidity

Solvency

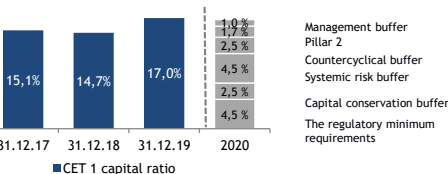


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Leverage ratio

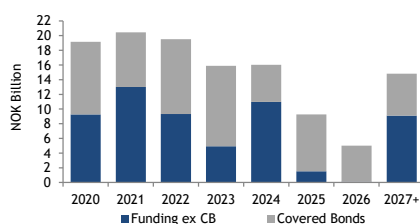


Regulatory capital

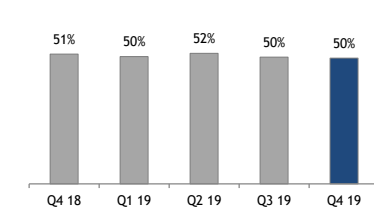


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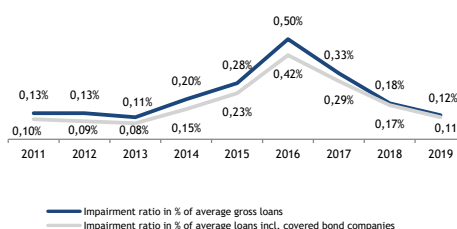
Annual funding maturity



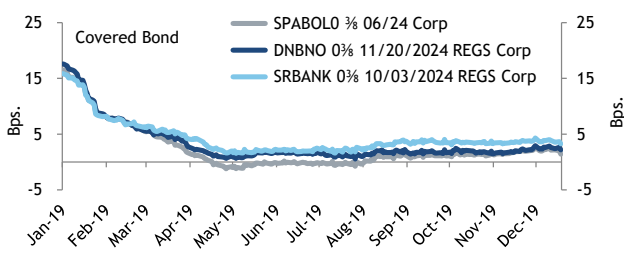
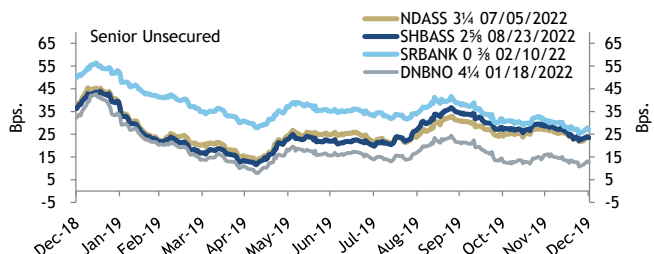
Deposit to loan ratio



Impairments



SR-Bank's outstanding bonds offer pick-up to Nordic peers



| Issuer / Ticker | Coupon | Amount | Maturity | ISIN |
|------------------|------------|------------|-------------------|--------------|
| SR-Bank / SRBANK | 2,125% | EUR500mn | 03-February-2020 | XS0876758664 |
| SR-Bank / SRBANK | 2,125% | EUR750mn | 14-April-2021 | XS1055536251 |
| SR-Bank / SRBANK | 0,375% | EUR500mn | 10-February-2022 | XS1516271290 |
| SR-Bank / SRBANK | 0,625% | EUR750mn | 25-March-2024 | XS1967582831 |
| SR-BOL / SRBANK | 0,500% | EUR500mn | 28-September-2020 | XS1297977115 |
| SR-BOL / SRBANK | 0,125% | EUR750mn | 8-September-2021 | XS1429577791 |
| SR-BOL / SRBANK | 0,750% | EUR600mn | 18-January-2023 | XS1344895450 |
| SR-BOL / SRBANK | 0,375% | 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 | 2,500% | USD600mn | 12-April-2022 | XS1596016847 |
| SR-BOL / SRBANK | Nibor3m+34 | NOK5.000mm | 25-November-2019 | NO0010779176 |
| SR-BOL / SRBANK | Nibor3m+35 | NOK5.000mm | 10-September-2020 | NO0010740152 |
| SR-BOL / SRBANK | Nibor3m+29 | NOK5.000mm | 17-November-2022 | NO0010841380 |
| SR-BOL / SRBANK | Nibor3m+29 | NOK5.000mm | 29-May-2023 | NO0010823255 |