

CREDIT PROFILE OF SR-BANK

7 May 2020

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

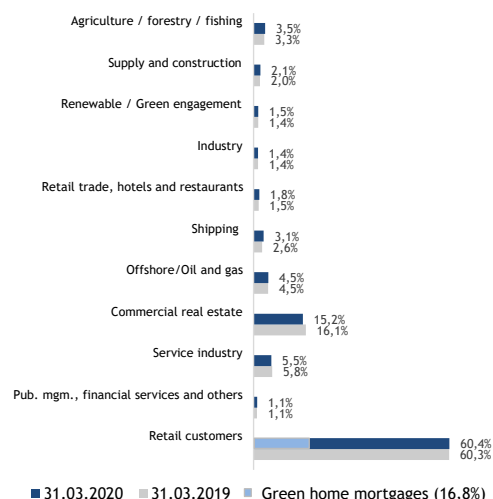
SR-Bank in brief

- 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 negative from Fitch.

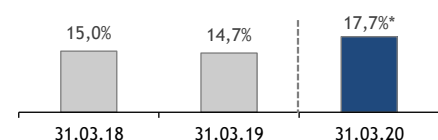
Key figures	Q1 2020	Q1 2019	2019	2018	2017
Net interest margin (%)	1,64	1,60	1,61	1,54	1,52
Net loans to customers (BNOK)	212	196	207	192	173
Impairments on loans (%)	1,07	0,10	0,12	0,18	0,33
Total assets (BNOK)	279	242	256	234	217
Total equity (BNOK)	25,0	23,1	24,8	21,6	19,9

Income statement (MNOK)	Q1 2020	Q1 2019	2019	2018	2017
Net interest income	1.081	938	3.987	3.439	3.162
Net commission and other income	346	341	1.416	1.437	1.524
Net investment income	-28	676	1.127	569	634
Total income	1.399	1.955	6.530	5.445	5.320
Total operating expenses	592	583	2.478	2.229	2.167
Operating profit	807	1.372	4.052	3.216	3.153
Impairments	560	49	235	324	543
Net profit	221	1.146	3.124	2.296	2.086

Lending portfolio (in per cent)

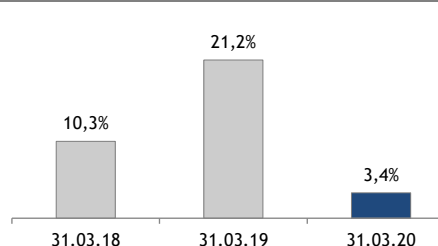


CET 1 capital ratio



Historical figures subject to the Basel I requirement. As of 31.12.2019 CRR/CRD requirements apply.
*At this time no dividend will be paid for 2019.

Return on equity

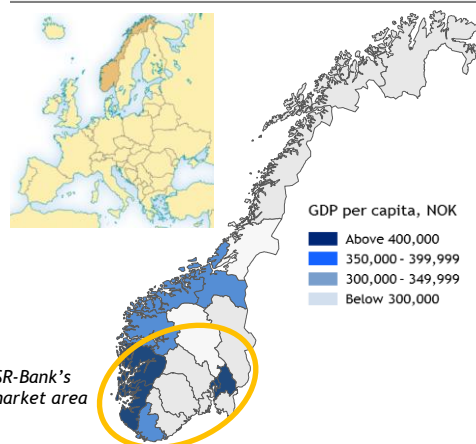


SR-Bank operates in an attractive region of one of Europe's strongest economies

Market characteristics

- The Norwegian economy remains one of the strongest globally. Given both the low oil prices and the ongoing Covid-19 situation, uncertainty remains about how both the Norwegian and the global economy will develop. The Norwegian state is particularly well-equipped to contribute financially, and extensive measures aimed at both the private sector and business will mitigate the effects of the Covid-19 outbreak.
- 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. 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

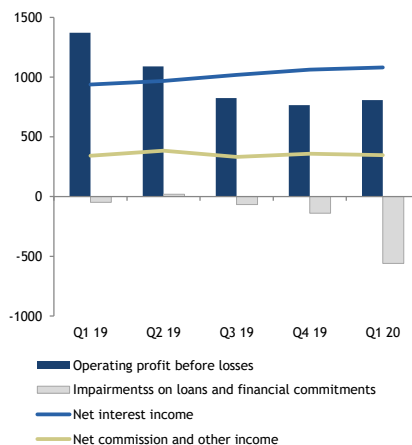
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Financial highlights	Measure	31.03.2020	2019	2018
Good earnings from underlying operations and good cost control. Financial income in Q1 2020 affected by Covid-19.	Pre-tax profit (MNOK)	247	3.817	2.892
	Net interest margin (%)	1,64	1,61	1,54
	Return on equity after tax (%)	3,4	14,0	11,3
Increased write-downs on loans and impaired loans	Impairments on loans and financial commitments (% of gross loans)	1,07	0,12	0,18
Continued focus on cost structure and efficiency	Cost ratio	42,3	37,9	40,9
SR-Bank has experienced a solid growth in customers underpinned by strong brand recognition and local presence	Annual growth in loans to customers, gross	5,3	4,9	7,6
	Annual growth in deposits from customers (%)	6,6	4,3	3,6
Strong capital generation allowed an improved CET 1 while increase in balance sheet	Total assets on balance sheet (BNOK)	279	256	234
	CET 1 capital ratio (%)	17,7*	17,0	14,7

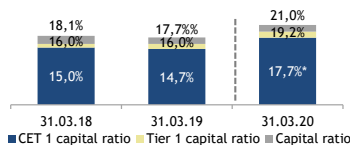
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Quarterly financial development



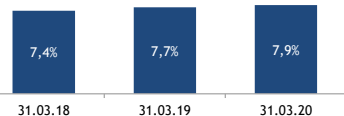
SR-Bank displays high solidity

Solvency

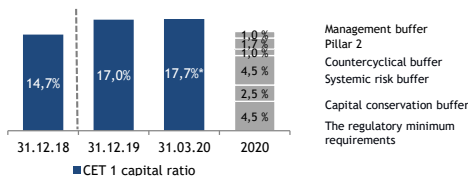


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Leverage ratio

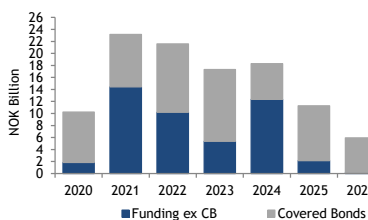


Regulatory capital

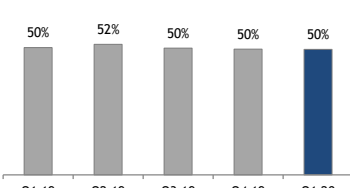


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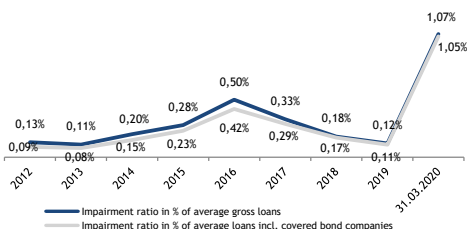
Annual funding maturity



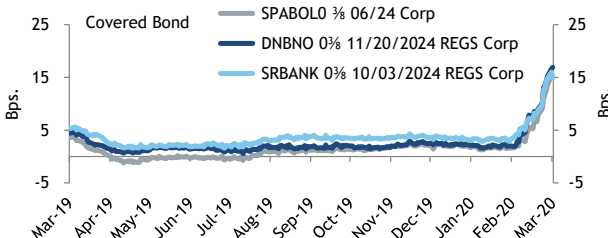
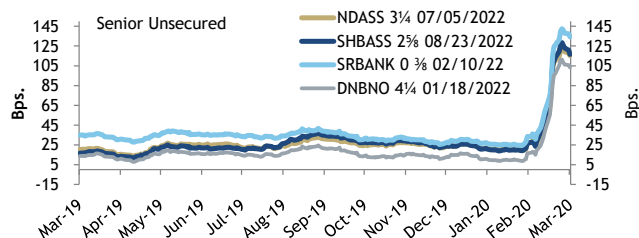
Deposit to loan ratio



Impairments



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



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	2,125%	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	0,01%	EUR500mn	25-February-2030	XS2124046678
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