

Quarterly presentation 2021

Q3

# 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

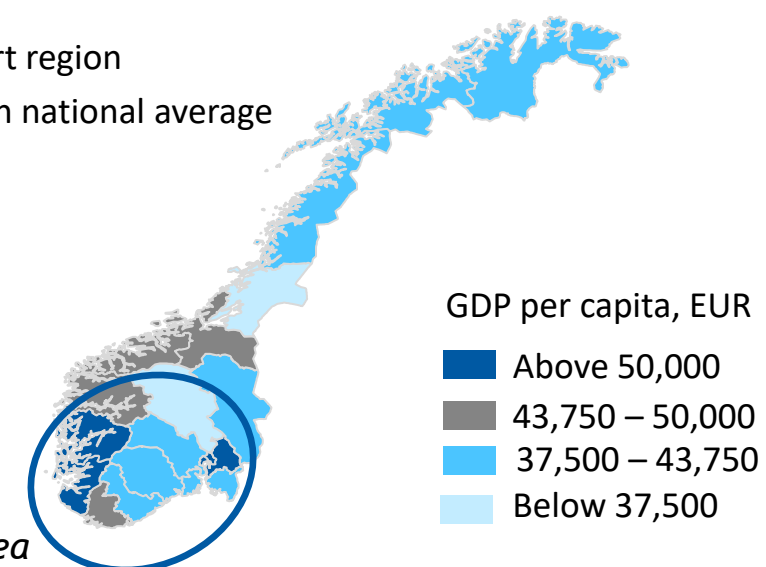
- Second largest Norwegian bank
- Market cap: NOK 31.1 Billion
- Total assets: NOK 297.0 Billion
- Total lending: NOK 227.0 Billion
- Total deposits: NOK 132.3 Billion
- No. of branches: 34
- Employees: 1,533



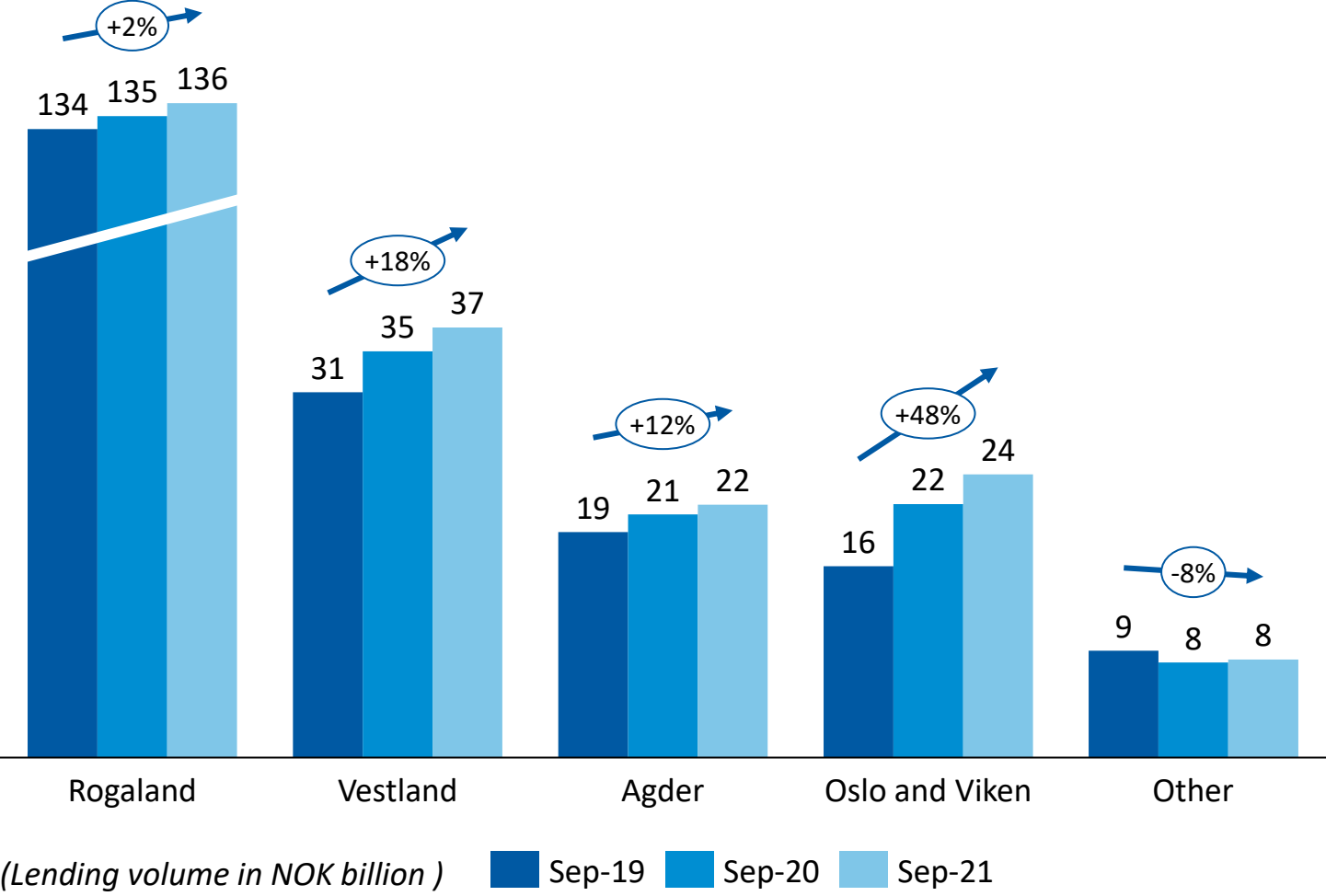
- **1839:** The first bank that today forms part of SpareBank 1 SR-Bank was established.
- **1976:** 24 savings banks merge to form Sparebanken Rogaland.
- **1994:** SR-Bank (Sparebanken Rogaland) lists its primary capital certificates on the Oslo Stock Exchange.
- **1996:** SR-Bank is one of the founders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

	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



# Finance group for 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	
<b>Capital Market</b> Number of man-years: 28	<b>EiendomsMegler 1</b> Leading real estate broker Number of man-years: 186	<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>Retail Market</b> Number of man-years: 479	<b>SR-Forvaltning</b> Asset management Number of man-years: 13	<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>Corporate Market</b> Number of man-years: 164	<b>SpareBank 1 SR-Bank ForretningsPartner*</b> Accounting and advisory Number of man-years: 352	<b>Monner</b> Digital loan-platform for small businesses Number of man-years: 12	<b>SpareBank 1 Betaling**</b> (19.8%) The company behind mobile payment solution	<b>SpareBank 1 Forvaltning</b> (24.9%) Manages portfolio of savings products
<b>Administration &amp; Support</b> Number of man-years: 297				

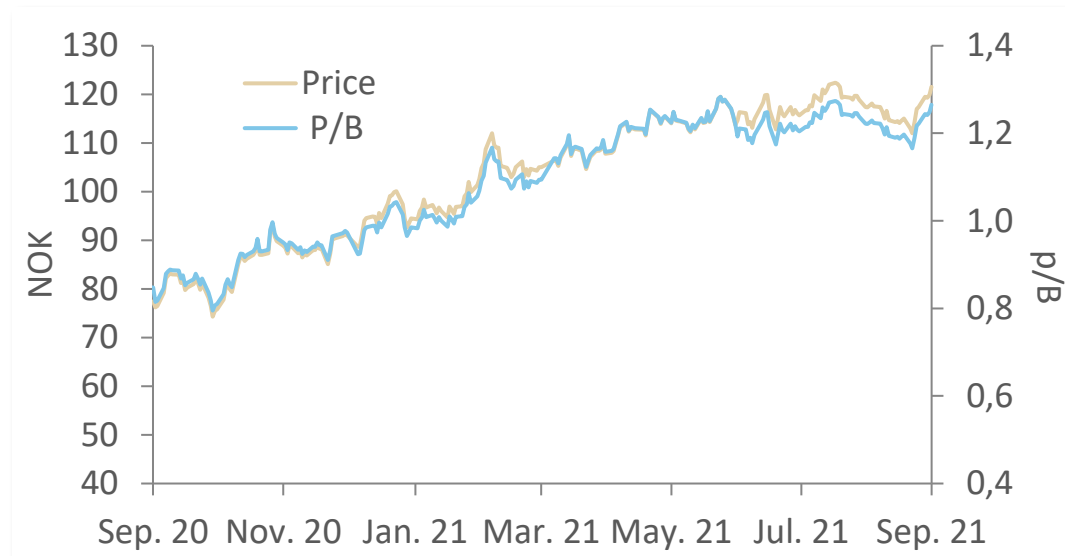
\*SpareBank 1 SR-Bank ForretningsPartner have acquired Tveit Regnskap with effect from 15 April 2021.

\*\*Owns 22.4% in Vipps AS.

# SRBNK share

- International ownership is 22.46% per 3. quarter 2021.
- Total market value at 3. quarter 2021 is NOK 31.1 billion.

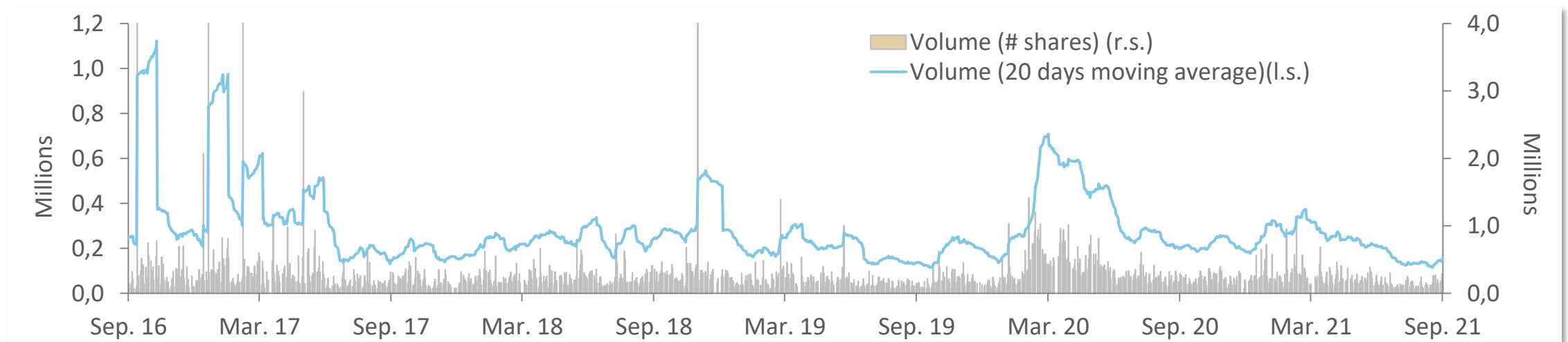
Development in Price/Book



Relativ share price development



Trading volume development



## 20 largest shareholders as at 30 September 2021

- Ownership interests as at 30 September 2021:
  - From Rogaland, Agder, Vestland, Oslo and Viken: 65.5% (66.4%)
  - International: 22.5% (22.3%)
  - 10 largest: 48.7% (51.3%)
  - 20 largest: 56.8% (58.8%)
- Number of shareholders 30 September 2021: 15,830 (13,286)
- Employees owning 1.7% (1.7%) as at 30 September 2021

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72,419,305	28.3%
Folketrygdfondet		19,207,477	7.5%
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	4,708,833	1.8%
Verdipapirfondet Alfred Berg Gambak		3,561,467	1.4%
Odin Norge		3,423,133	1.3%
Vpf Nordea Norge Verdi		3,112,435	1.2%
JPMorgan Chase Bank N.A., U.S.A.	Nominee	2,956,304	1.2%
Danske Invest Norske Instit. II		2,770,967	1.1%
Pareto Aksje Norge		2,740,221	1.1%
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	2,319,150	0.9%
Clipper AS		2,097,500	0.8%
Verdipapirfondet Alfred Berg Norge		2,003,621	0.8%
JPMorgan Bank Luxembourg	Nominee	1,959,103	0.8%
Westco AS		1,796,737	0.7%
KLP Aksjenorge Indeks		1,785,936	0.7%
Pareto Invest AS		1,756,834	0.7%
The Bank of New York Mellon SA, Irland	Nominee	1,710,603	0.7%
Top 5		108,767,985	42.5 %
Top 10		124,592,291	48.7 %
Top 20		145,177,396	56.8 %

Figures in parentheses as at 30 September 2020.



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# A strong result characterised by good operations and significant lower impairment provisions

## Result 3. quarter 2021

11.7%

Return on equity after tax

Pre-tax profit NOK 926 million

NOK 37 million

Impairments on lending and financial commitments

0.07% of gross lending (annualised)

## Result 30 September 2021

12.1%

Return on equity after tax

Pre-tax profit NOK 2,765 million

39.7%

Cost to income ratio

17.6%\*

Common equity tier 1 capital ratio  
as at 30 September 2021

3.1%

12 months lending growth

Retail market 4.6%

Corporate market 0.1%

16.8%

12 months deposit growth

Retail market 7.5%

Corporate market 27.3%

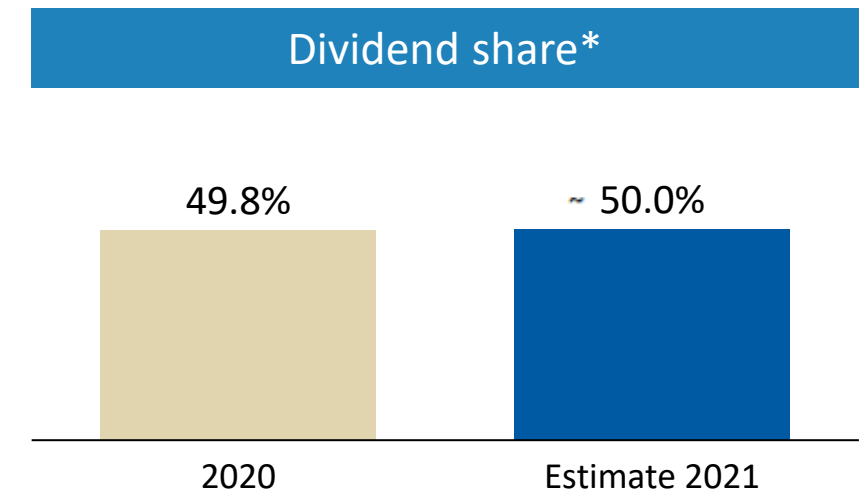
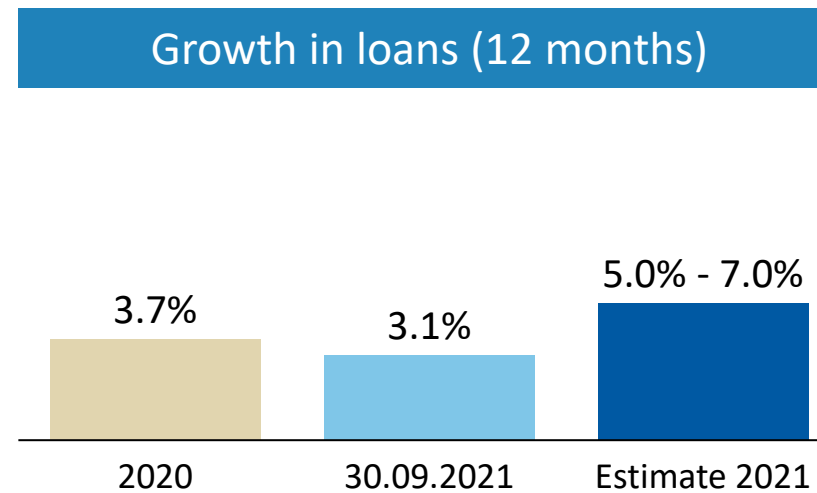
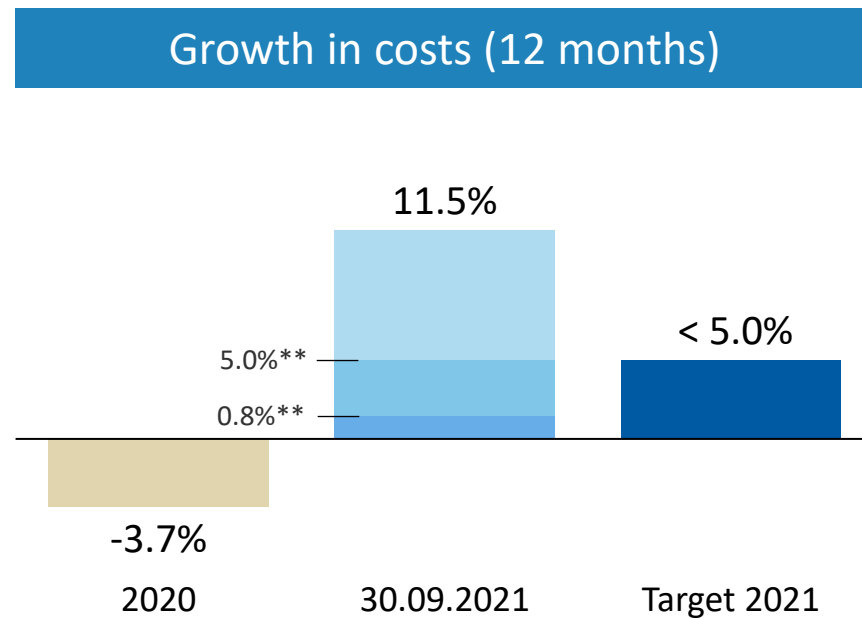
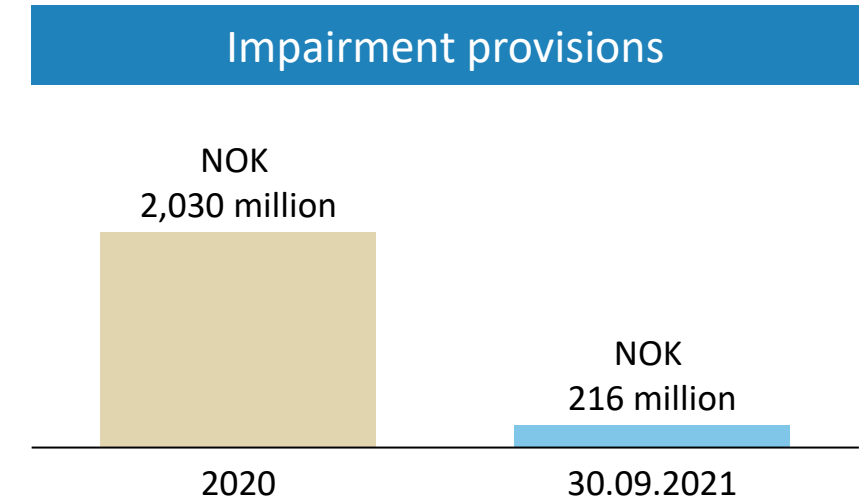
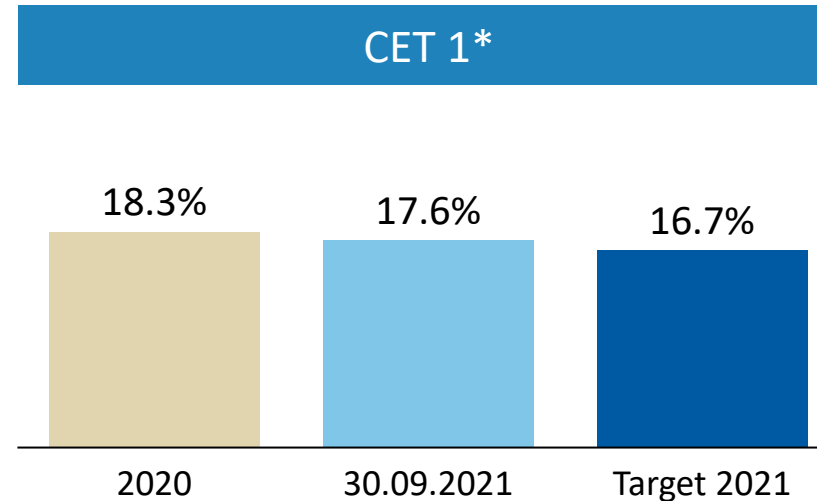
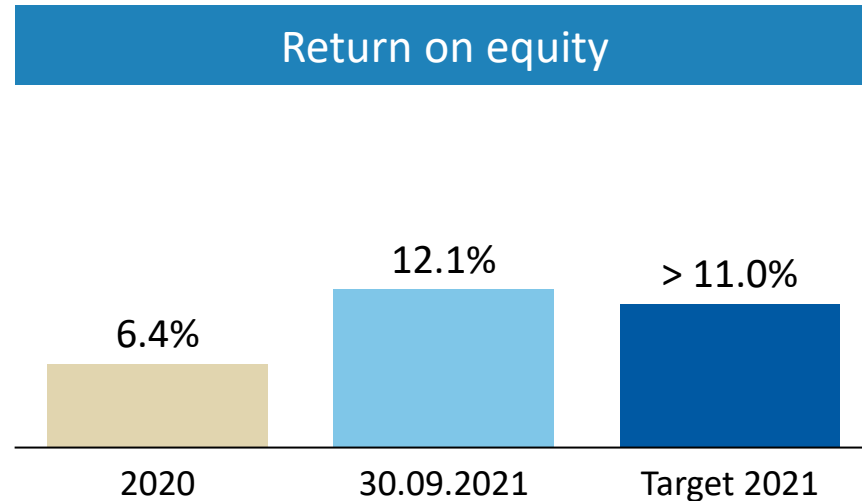
NOK 216 million

Impairments on lending and financial commitments

0.13% of gross lending (annualised)

*\*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.*

# Key figures and financial targets for 2021

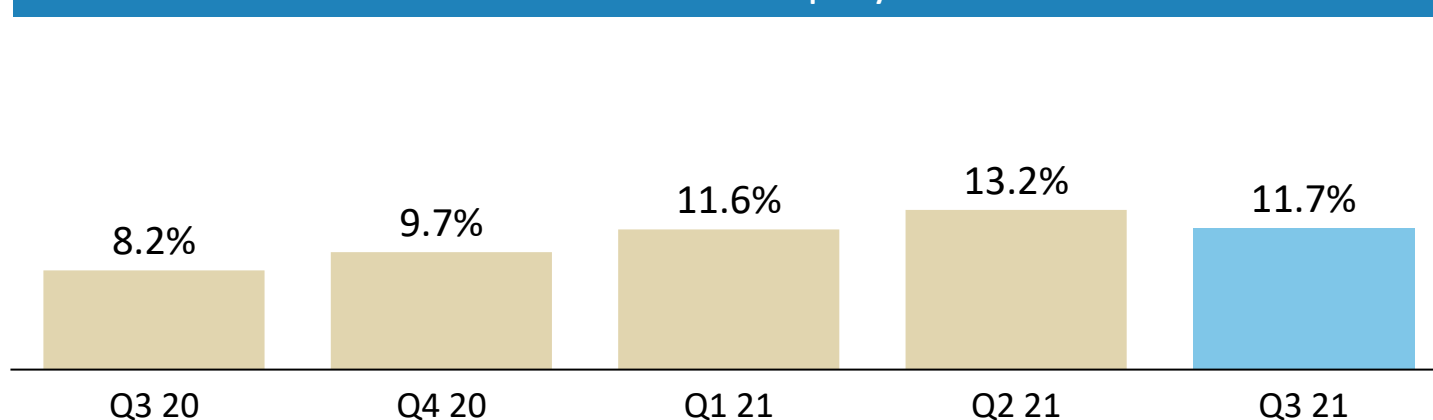


\*The board exercised its special authorisation from April 2020, and at the board meeting on 10 February 2021 a dividend of NOK 5.50 per share was approved for the 2019 financial year, which was paid out on 19 March 2021. The board also exercised its special authorisation from April 2021, and at the 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.

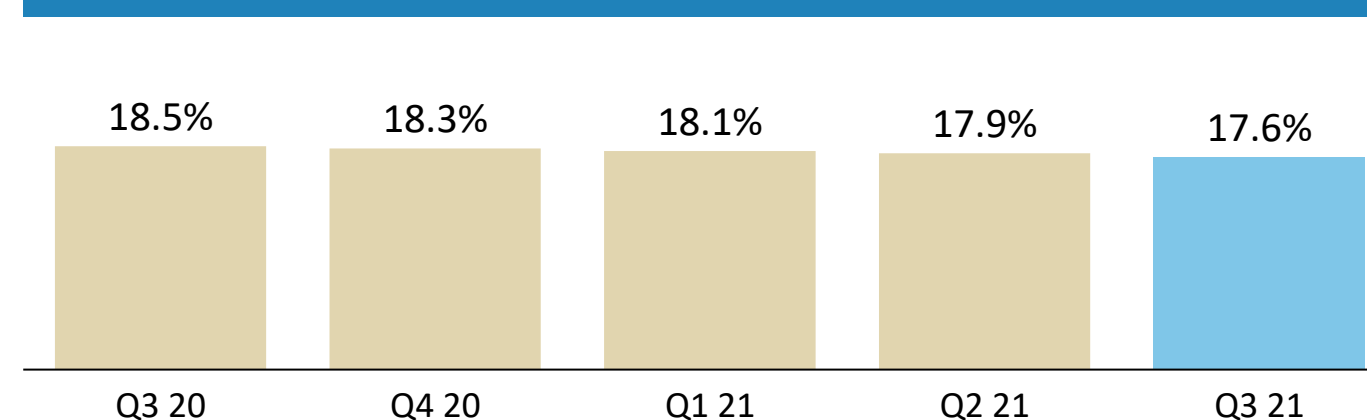
\*\*Growth in cost excl. SpareBank 1 SR-Bank ForretningsPartner and EiendomsMegler 1 SR-Eiendom is 5.0%. If we additionally exclude variable remuneration in the parent bank the growth in cost is 0.8%.

# Key figures – quarterly development

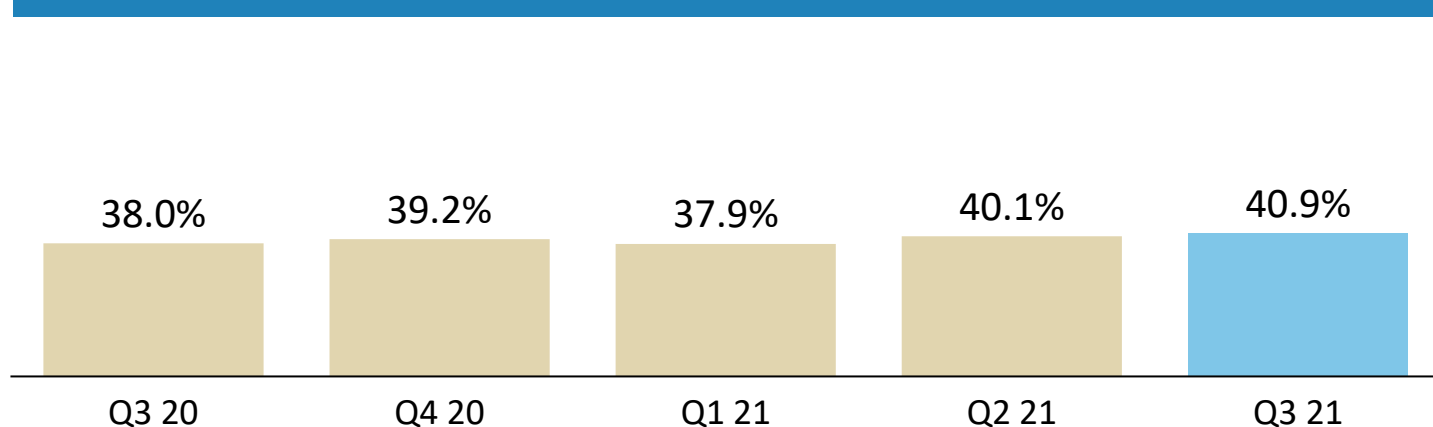
Return on equity



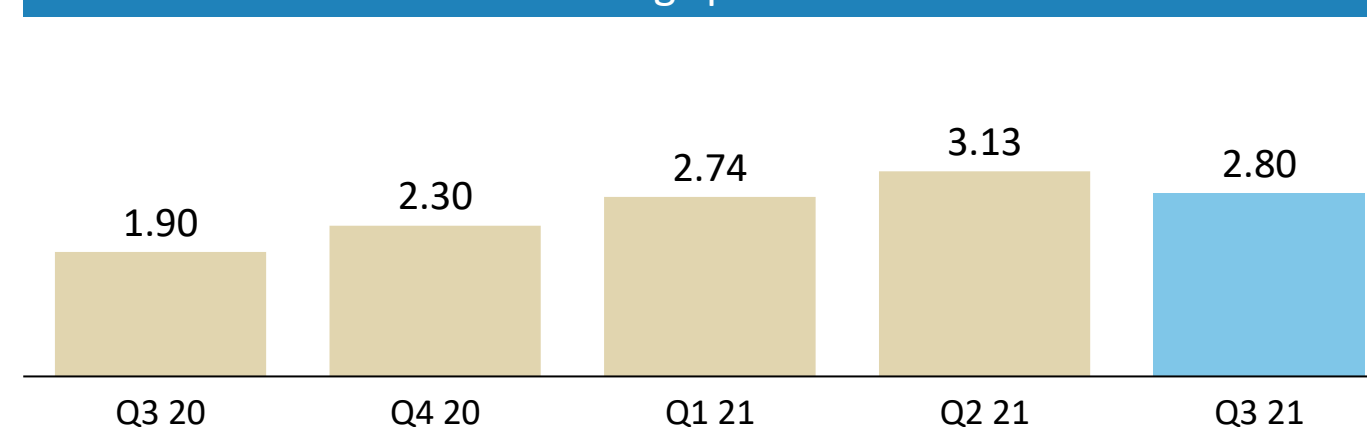
CET 1\*



Cost to income ratio



Earnings per share

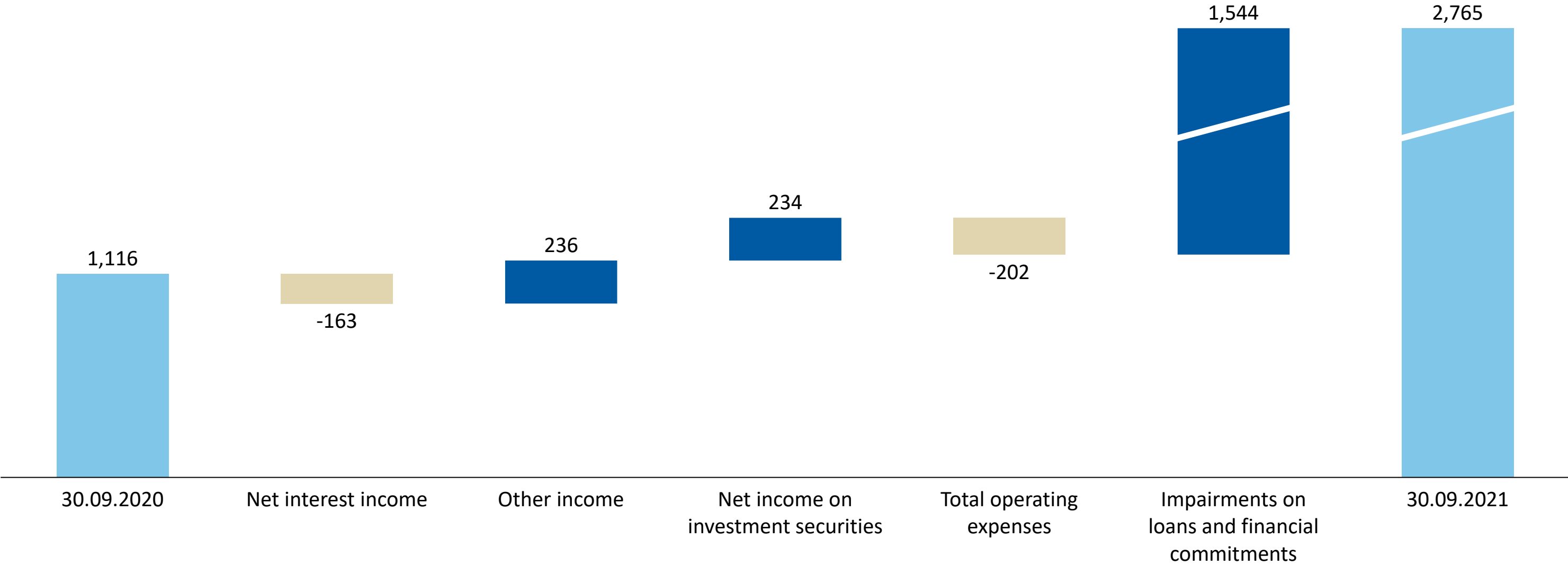


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# Income statement

Group Income Statement (MNOK)	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net interest income	2,985	3,148	989	1,001	995	994	1,041
Net commission and other income	1,262	1,026	406	454	402	370	336
Net income on investment securities	693	459	234	243	216	240	190
<b>Total income</b>	<b>4,940</b>	<b>4,633</b>	<b>1,629</b>	<b>1,698</b>	<b>1,613</b>	<b>1,604</b>	<b>1,567</b>
<b>Total operating expenses</b>	<b>1,959</b>	<b>1,757</b>	<b>666</b>	<b>681</b>	<b>612</b>	<b>629</b>	<b>595</b>
Operating profit before impairments	2,981	2,876	963	1,017	1,001	975	972
Impairments on loans and financial commitments	216	1,760	37	58	121	270	369
<b>Operating profit before tax</b>	<b>2,765</b>	<b>1,116</b>	<b>926</b>	<b>959</b>	<b>880</b>	<b>705</b>	<b>603</b>
Tax expense	498	134	193	143	162	97	98
<b>Net profit after tax</b>	<b>2,267</b>	<b>982</b>	<b>733</b>	<b>816</b>	<b>718</b>	<b>608</b>	<b>505</b>

# Change in profit 30 September 2020 – 30 September 2021

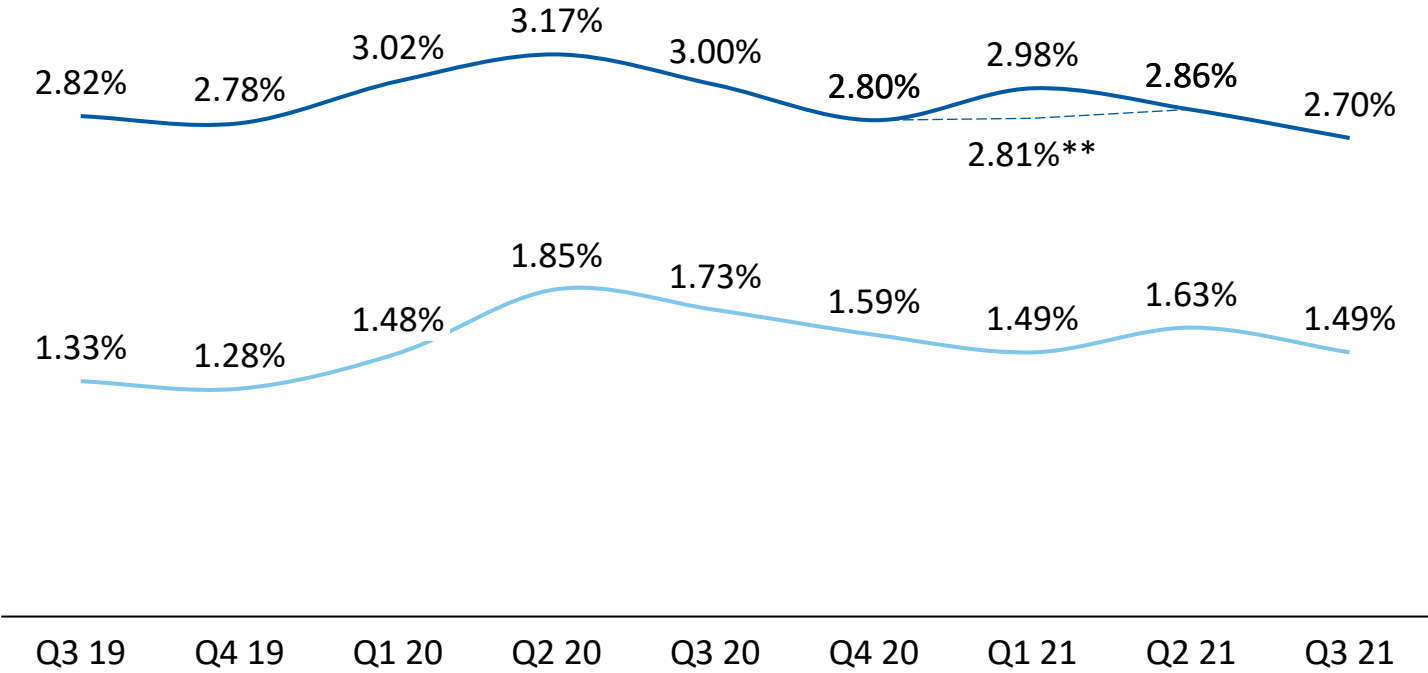


# Key figures

	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Return on equity after tax (%)	12.1	5.2	11.7	13.2	11.6	9.7	8.2
Net interest margin (%)	1.36	1.54	1.31	1.36	1.40	1.40	1.48
Impairments on loans in % of gross loans incl. covered bond company	0.13	1.08	0.07	0.10	0.22	0.49	0.67
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments incl. covered bond company	1.78	1.57	1.78	1.79	1.91	1.90	1.57
Cost to income ratio	39.7	37.9	40.9	40.1	37.9	39.2	38.0
Annual growth in loans to customers, gross incl. covered bond company (%)	3.1	4.9	3.1	3.3	2.3	3.7	4.9
Annual growth in deposit from customers (%)	16.8	10.8	16.8	22.5	21.4	14.6	10.8
Total assets (BNOK)	297.0	280.3	297.0	299.9	296.5	287.0	280.3
Loans to customers, gross incl. covered bond company (BNOK)	227.0	220.2	227.0	225.8	221.3	219.2	220.2
Risk weighted assets (BNOK)	126.6	121.5	126.6	127.4	123.9	121.3	121.5
Liquidity Coverage Ratio (LCR) (%)	160	154	160	167	141	157	154
Earnings per share (NOK)	8.68	3.84	2.80	3.13	2.74	2.30	1.90
Book value per share (NOK)	95.82	93.51	95.82	96.08	93.12	95.97	93.51

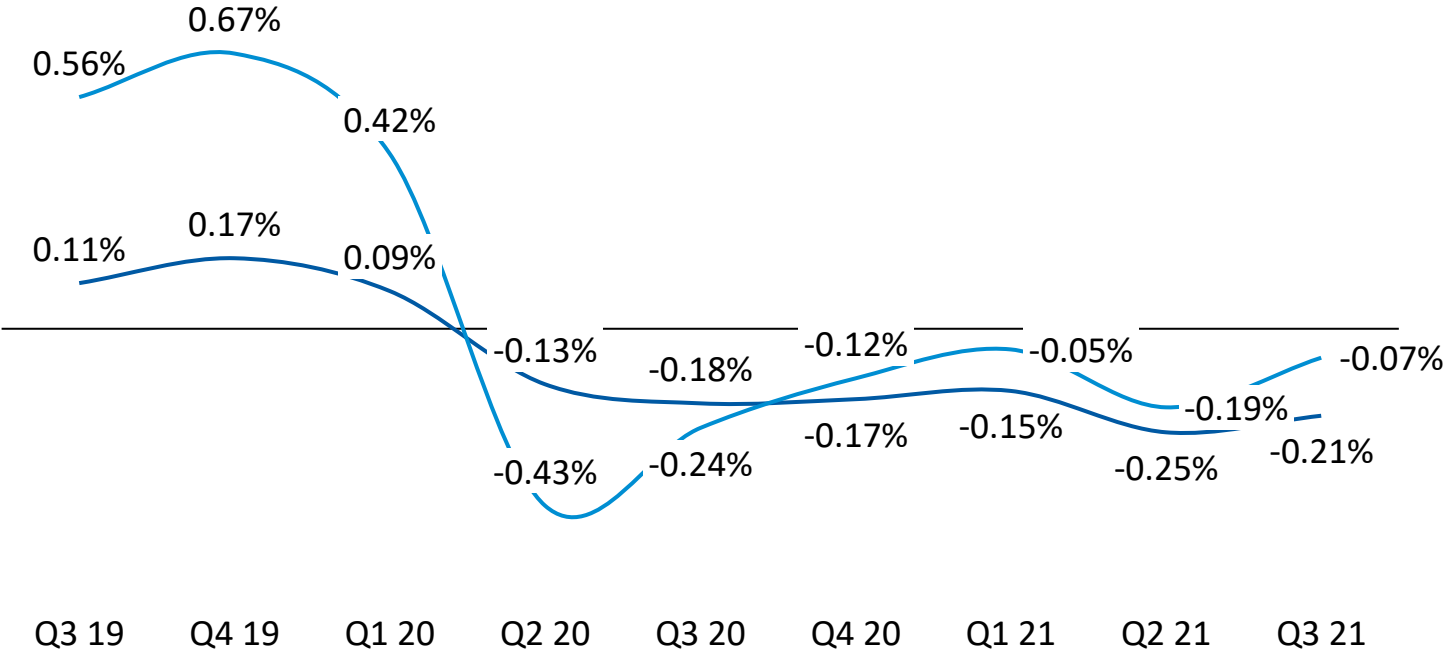
# Lending and deposit margins

Lending margins\*



— Corporate market — Retail market

Deposit margins



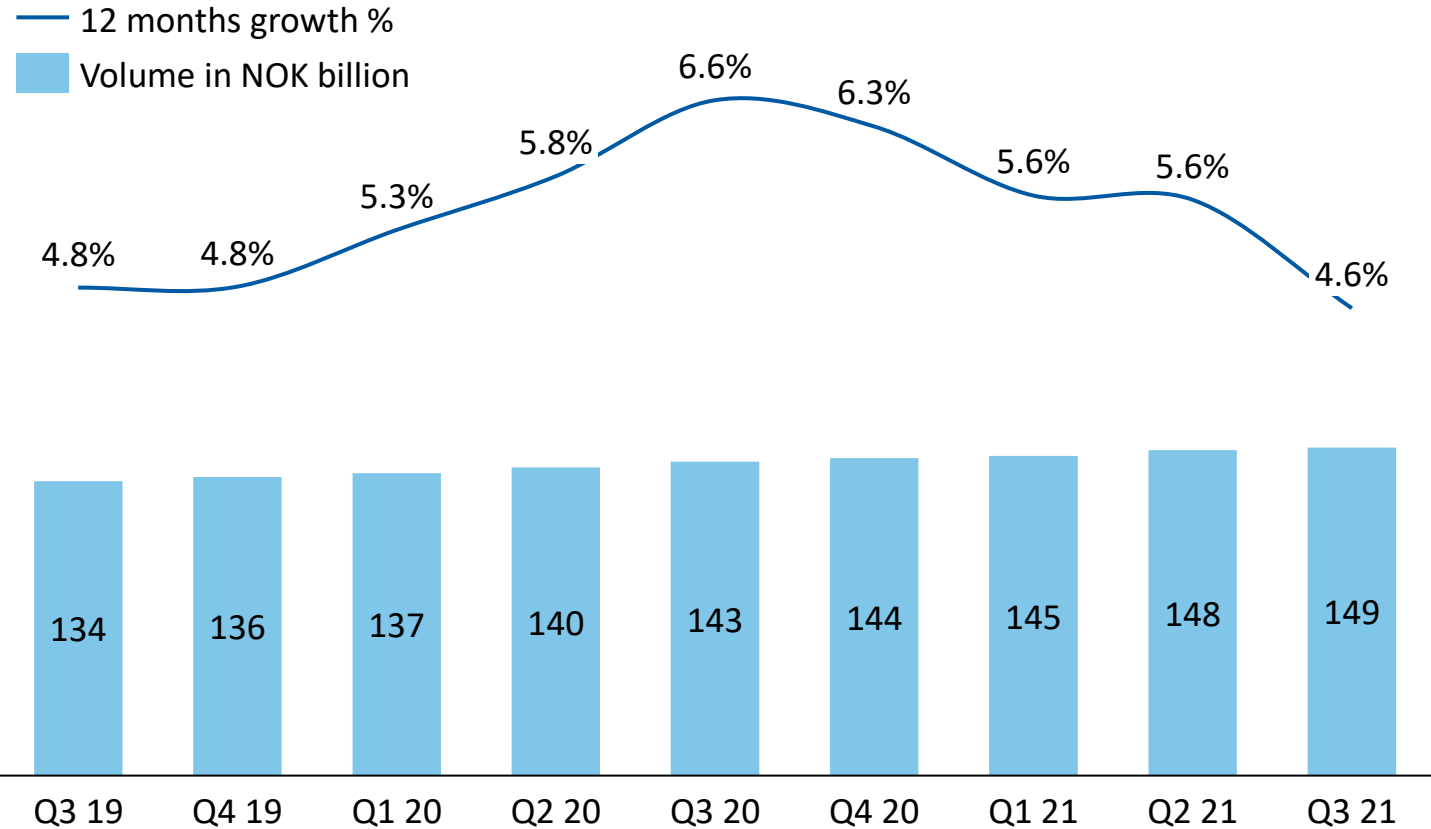
— Corporate market — Retail market

**Definition:** Average customer rate measured against 3-months NIBOR.  
 \*Lending margins include loan portfolio in covered bond companies.  
 \*\*The corporate market's lending margin, excluding one-time interest income of NOK 30 million in the first quarter of 2021.

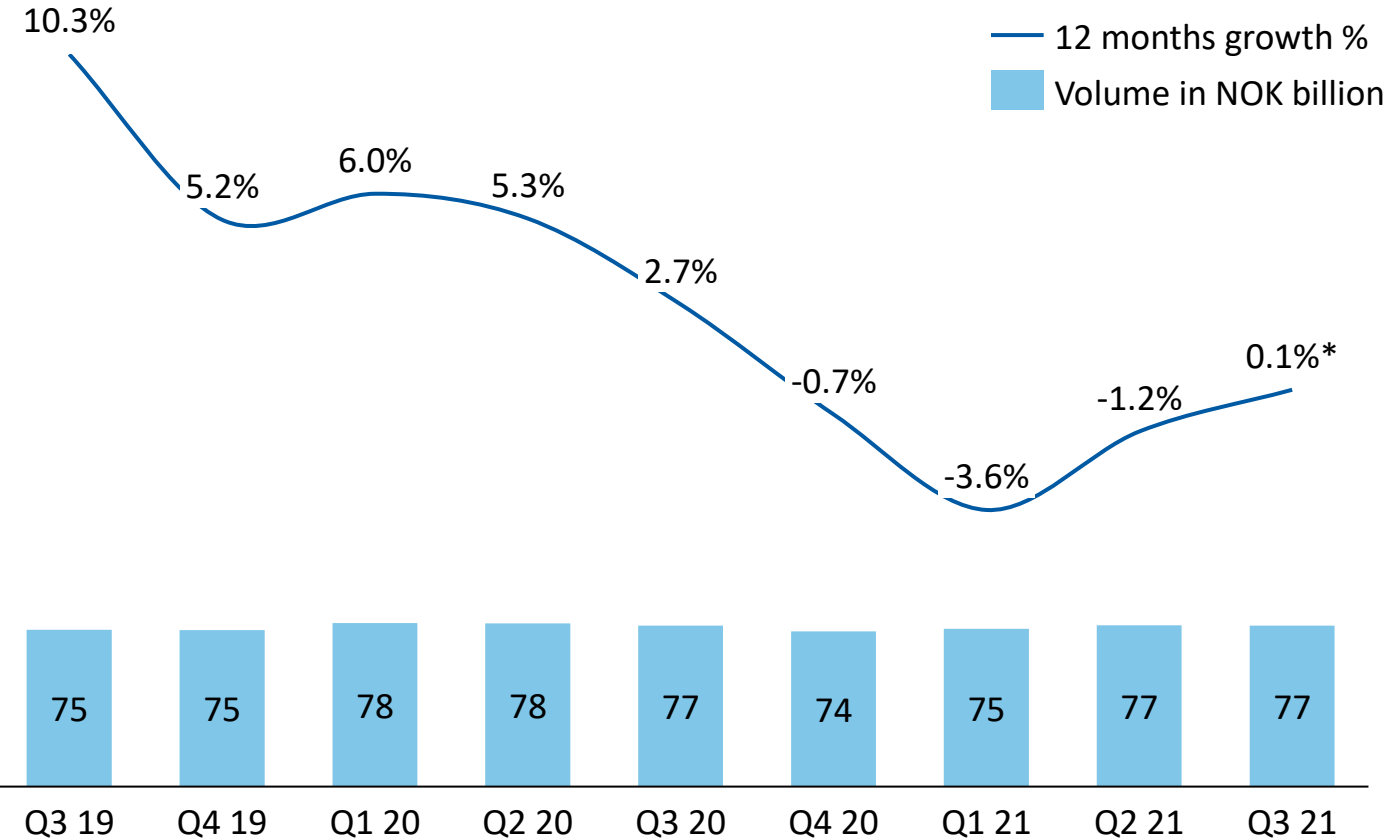


# Lending volume and 12 months growth

## Retail Market



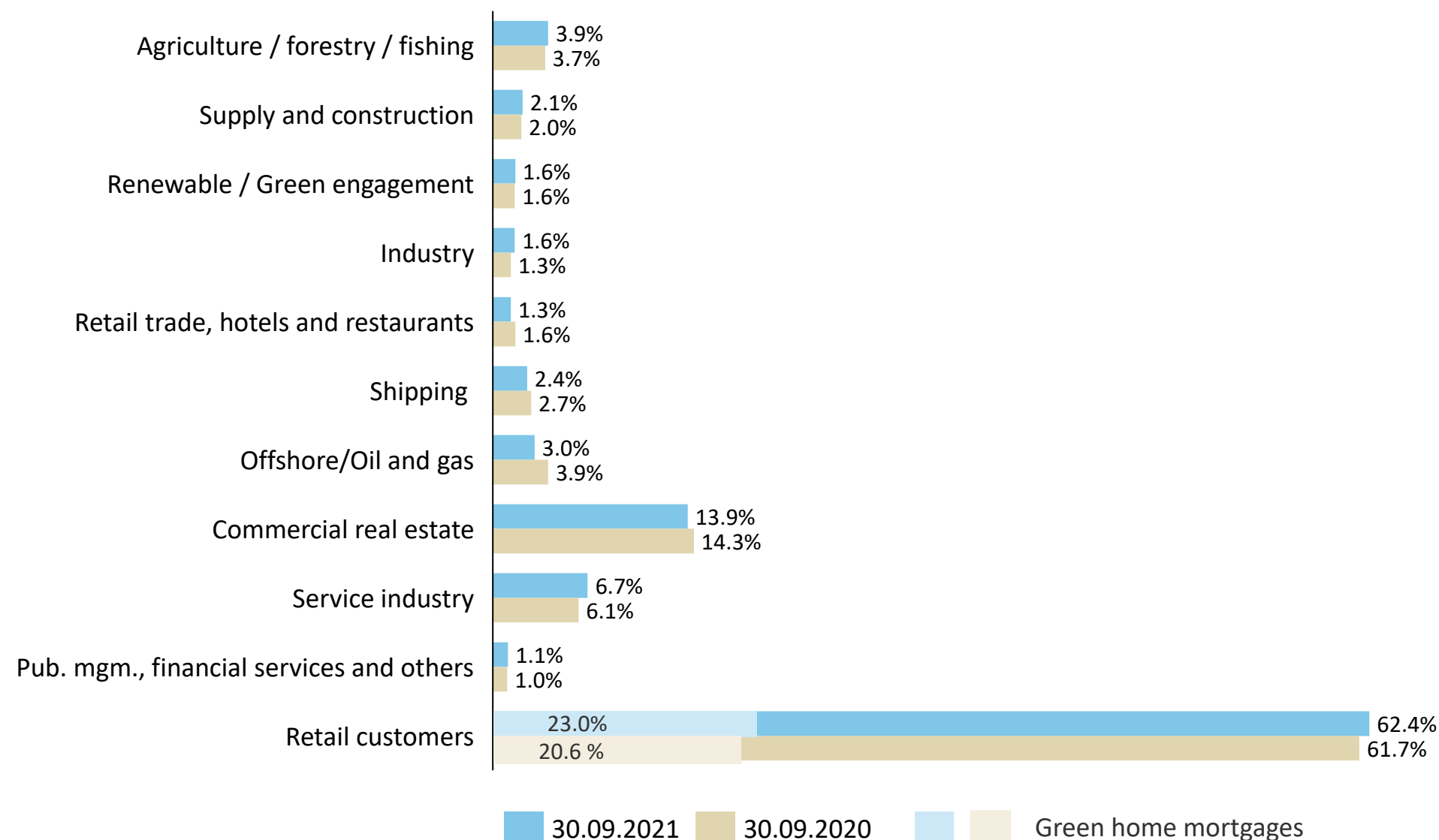
## Corporate Market



Figures incl. loan portfolio in covered bond companies.  
 \*12 months lending growth in Corporate Market excluding currency effect is 0.8%

# Loan portfolio as at 30 September 2021

- Gross loans (incl. covered bond company) increased to NOK 227.0 billion as at 30 September 2021 from NOK 220.2 billion at the same time the year before.
- 12-month growth in loans of 3.1%.
- Loans to retail customers account for 62.4% of total loans. Of this green home mortgages accounts for 23.0%.

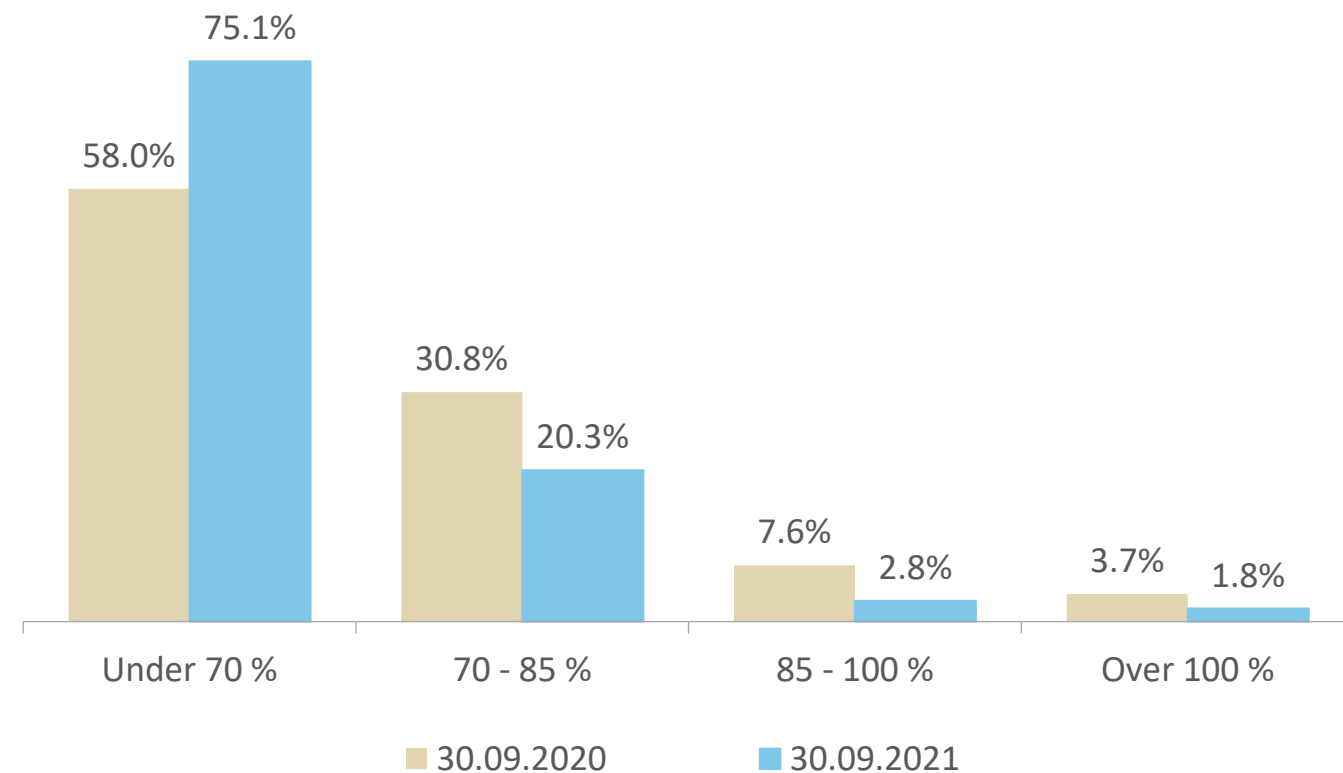


*Loans before impairments, nominal amounts. Sector allocation in accordance with the standard categories from Statistics Norway. Some customers' classifications were changed in the third quarter of 2021, which resulted in changes to historical figures.*

# Loan to value ratio and RWA on home mortgage loans

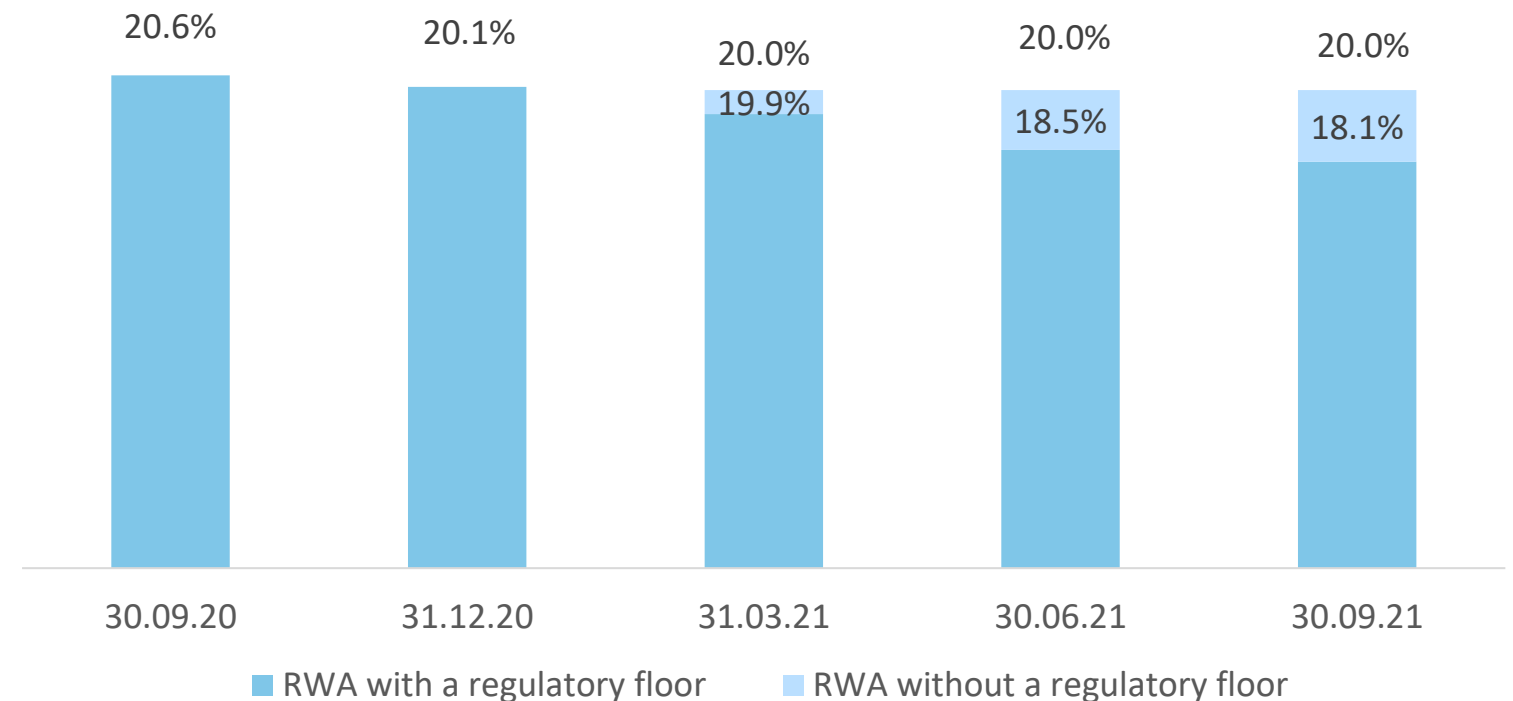
## Loan to value ratio on home mortgage loans

- 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.
- 95.4% of the exposure is within 85% of the assessed value of collateral.



## RWA home mortgages

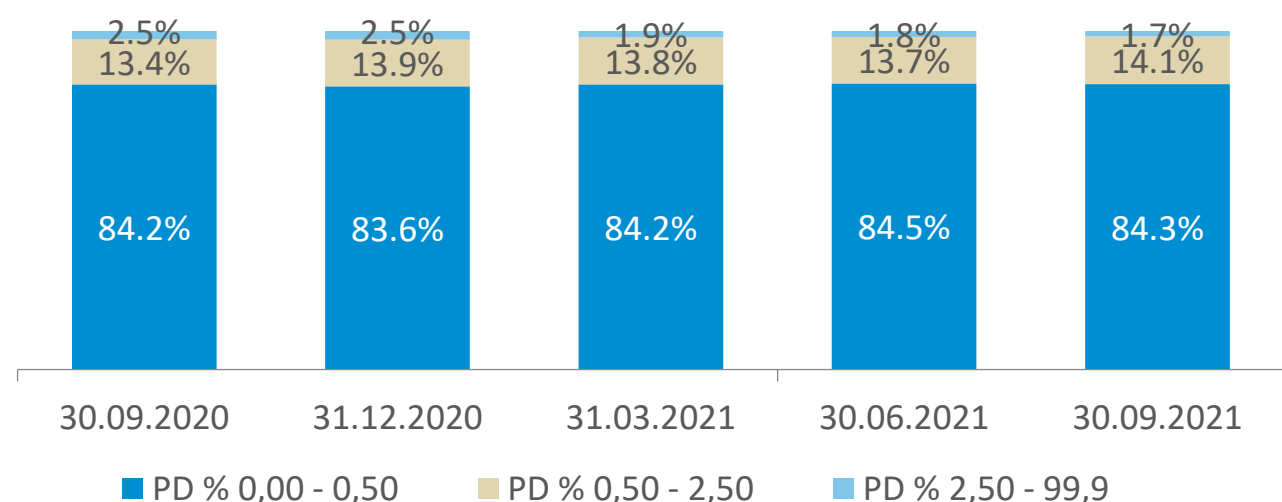
- RWA on home mortgages reflects a solid portfolio with a moderate loan-to-value ratio and low potential loss.
- Risk weights on home mortgage loans are subject to a regulatory floor of 20%. Without this floor, the risk weight of these mortgages would have been lower than 20% in the last quarters.



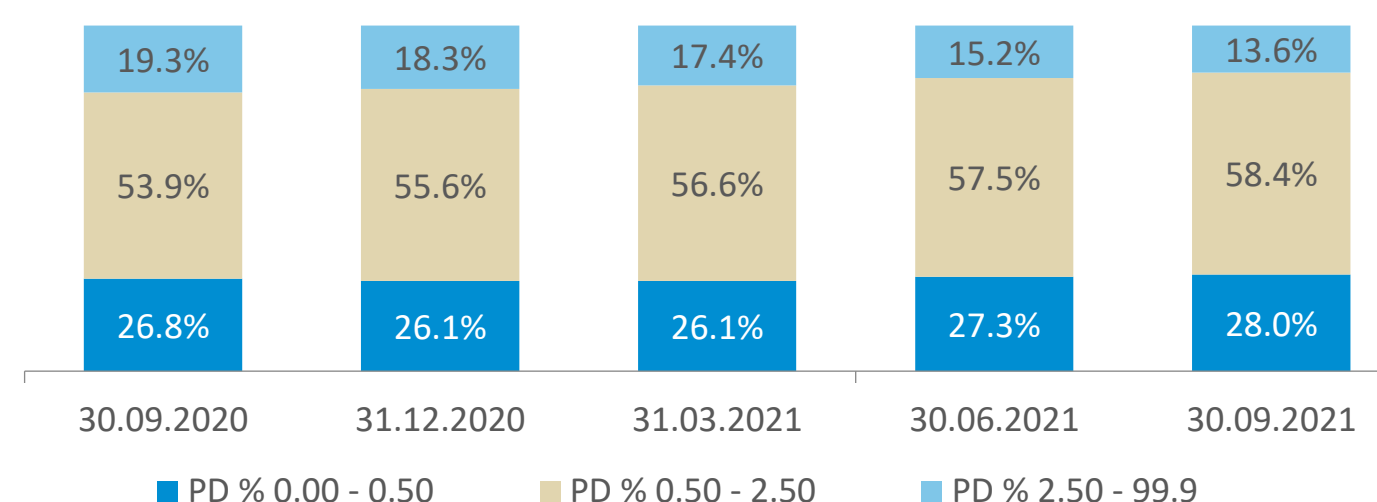
*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.  
Home mortgages as defined in the Norwegian IRB framework; residential property must be at least 30% of a loan's security.  
The figures include the loan portfolio in the covered bond companies.*

# Risk profile – Lending to the retail and corporate market

Retail market portfolio distributed by risk class



Corporate lending portfolio distributed by risk class



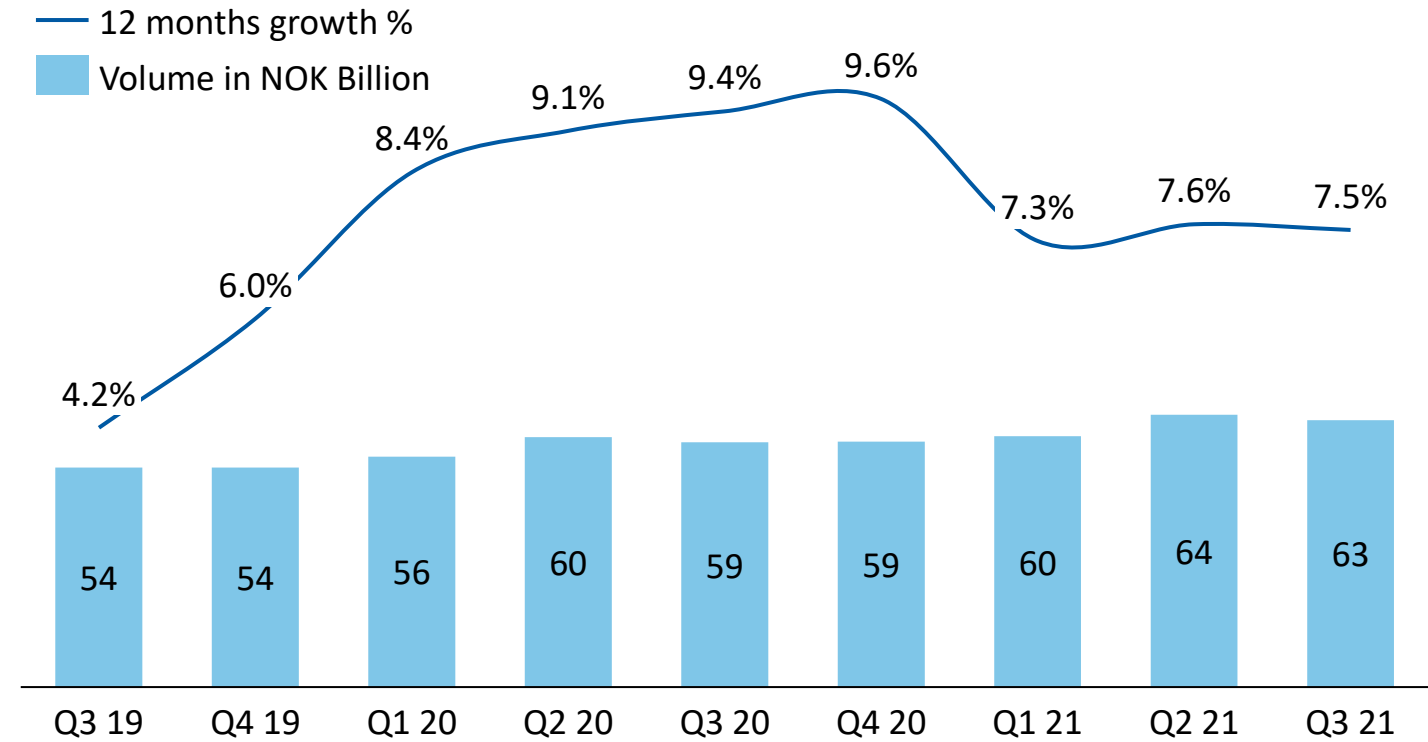
- The quality of the retail market portfolio is considered to be good and has low potential losses.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate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

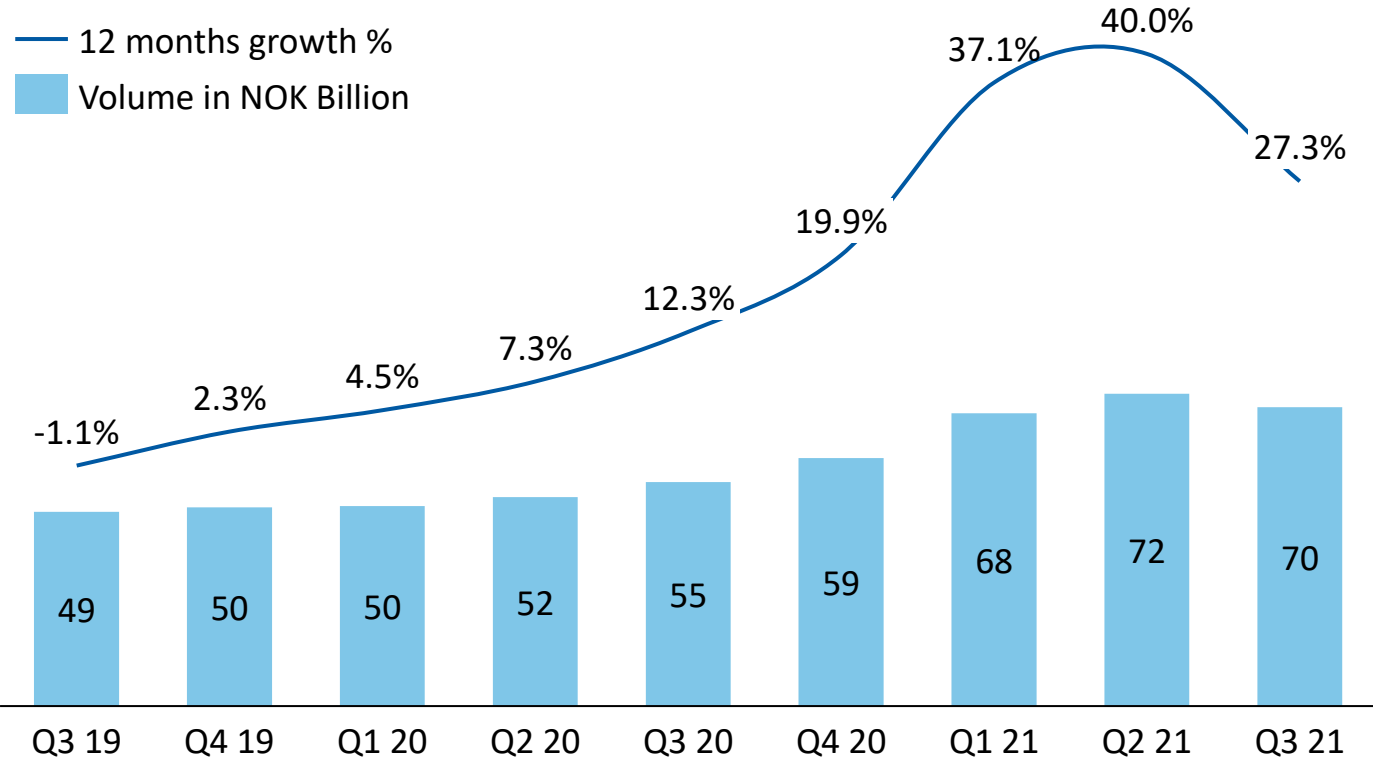
Probability of default (PD) through a full cycle of loss.  
The figures include the loan portfolio in the covered bond companies.

# Deposit volume and 12 months growth

## Retail Market



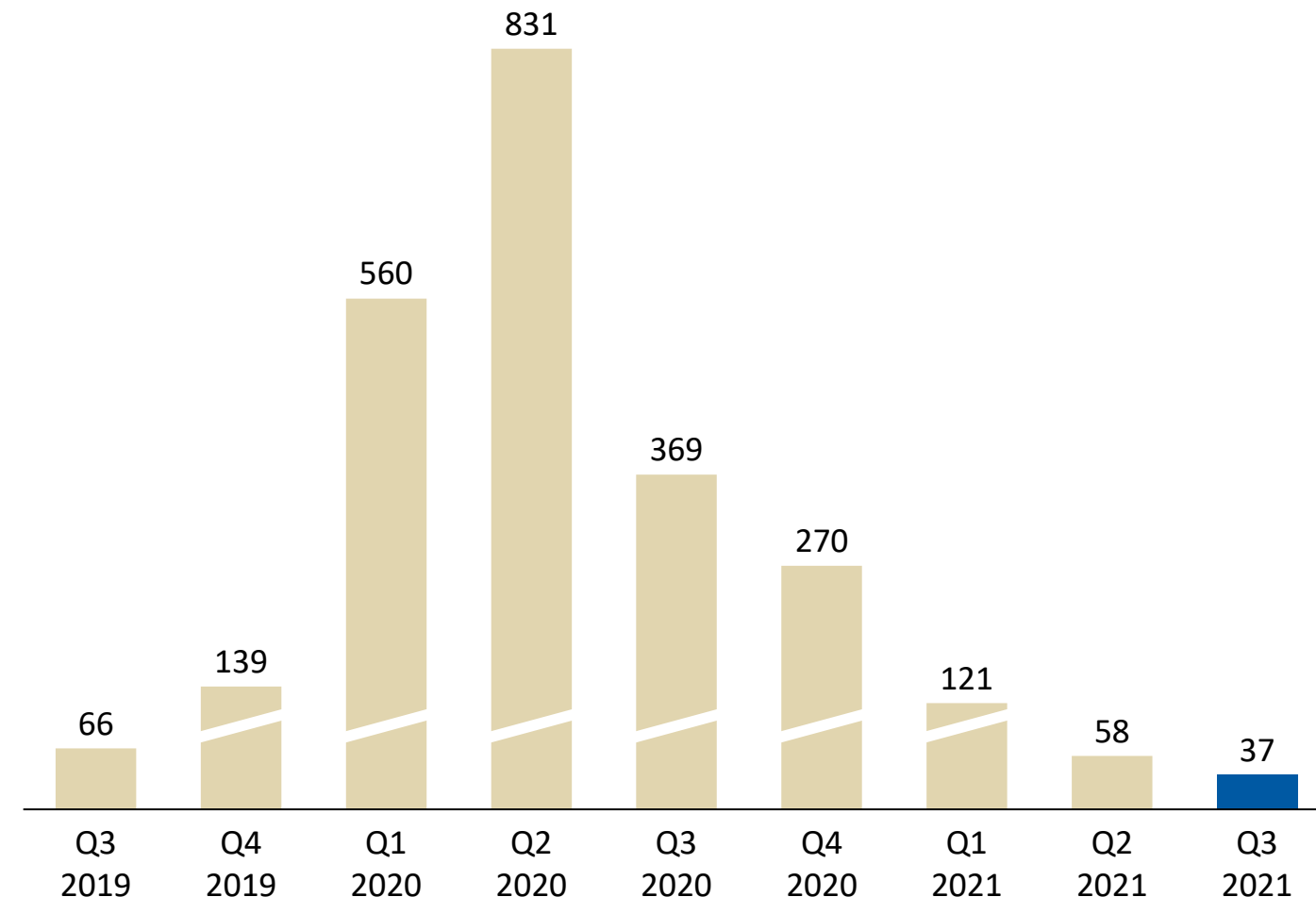
## Corporate Market



- In the last 12 months the total deposit volume has increased by NOK 19.0 billion to NOK 132.3 billion (16.8%).
  - Deposit growth is 13.1% excl. public sector.
- Volatility in deposit growth in the corporate market is mainly due to changes in deposit from public sector.

# Impairments per quarter

- The group's net impairments on loans and financial liabilities were reduced from NOK 1,760 million as at 30 September 2020 to NOK 216 million as at 30 September 2021. This represents a reduction of NOK 1,544 million.
- Of gross loans the impairment provisions were reduced by 0.95%-points from 30 September 2020 to 0.13% as at 30 September 2021 (annualised).
- The group's customers have coped well with the outbreak of Covid-19. Customers have in a little degree made 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.

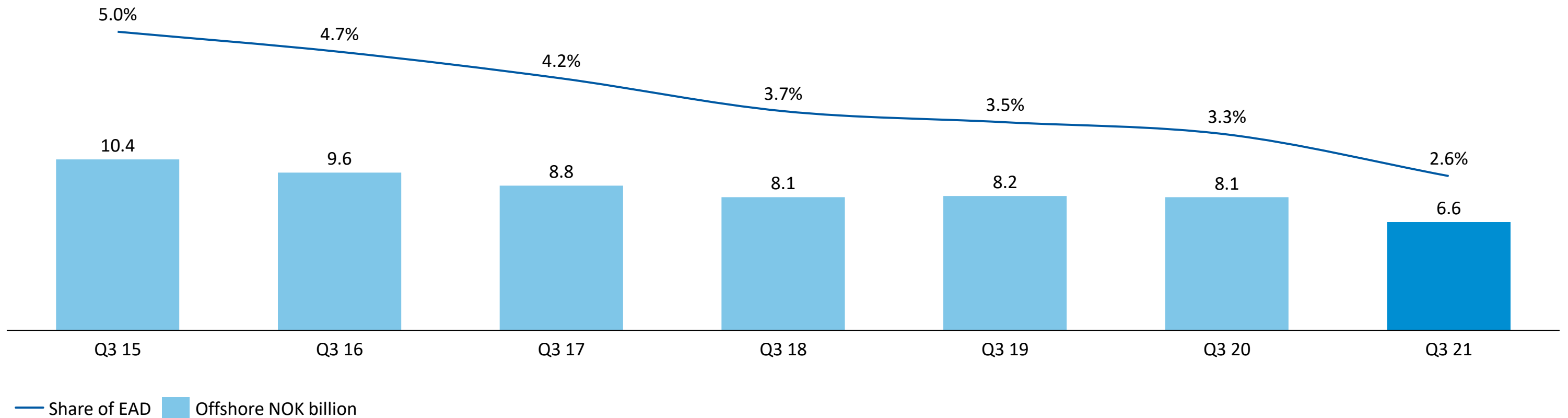


# Reduced exposure against offshore sector

Total EAD related to offshore is reduced to 2.6% in 3. quarter 2021 from 5.0% in 3. quarter 2015

- Offshore

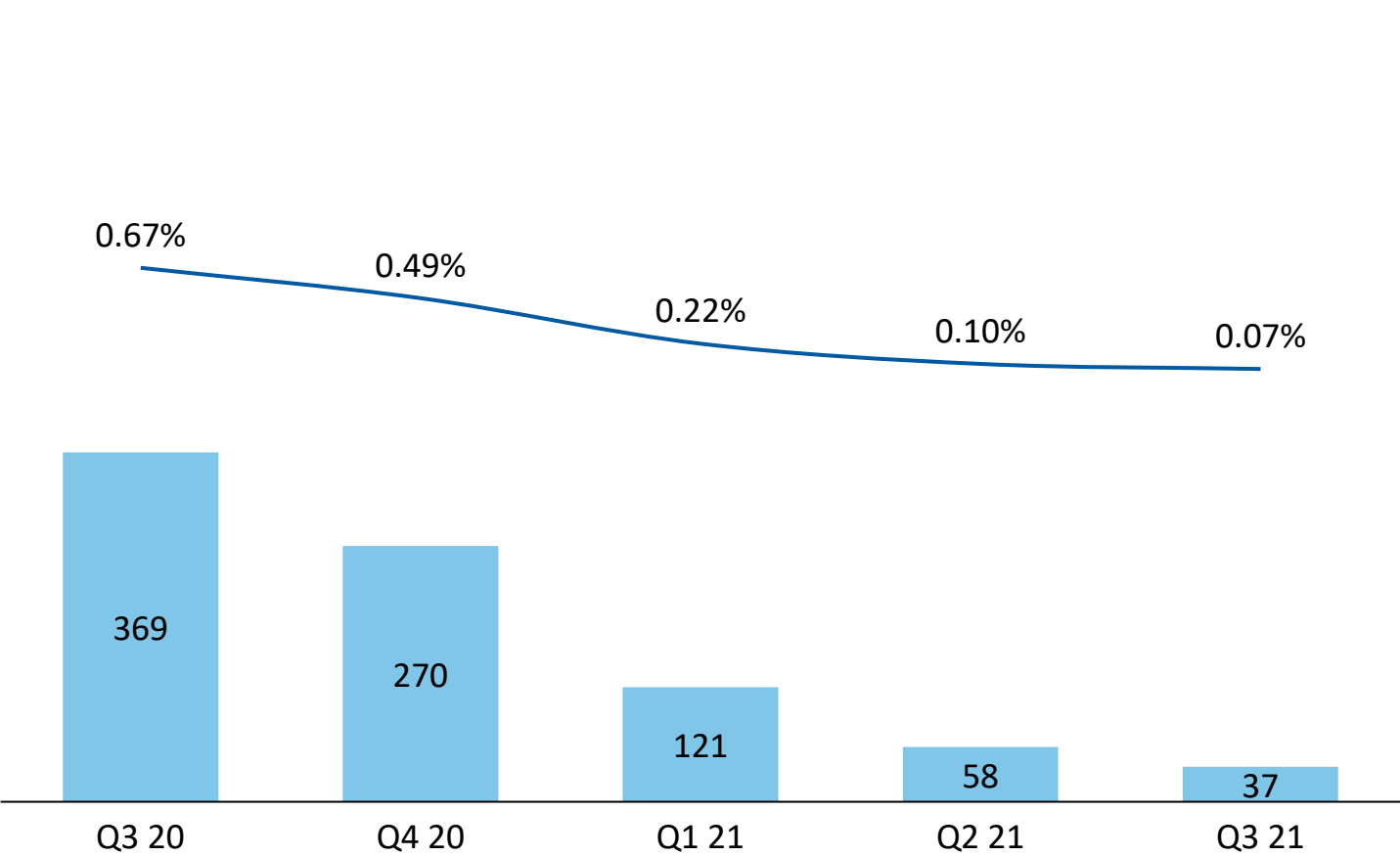
- EAD NOK 6.6 billion (NOK 10.4 billion), 2.6% of the bank's total EAD
- Exposure primarily to industrial oriented shipping companies with integrated organization (Offshore service vessels, Rig and Seismic vessels)



EAD: Exposure at default.

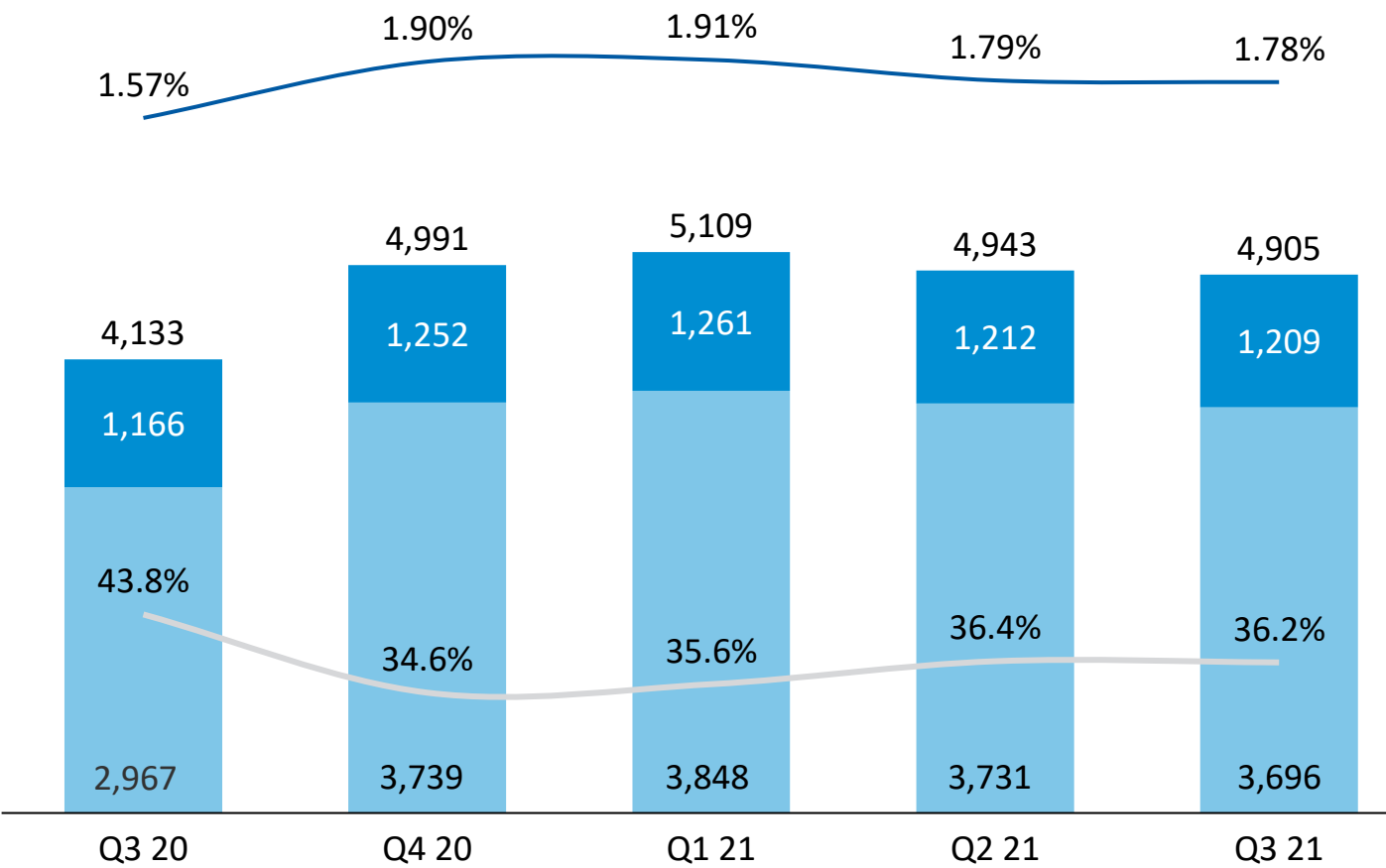
# Impairments on loans and financial commitments / Loans and financial commitments defined as Stage 3

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)

	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Corporate customers	226	1.675	46	59	121	266	360
Retail customers	-10	85	-9	-1	0	4	9
<b>Total impairments</b>	<b>216</b>	<b>1,760</b>	<b>37</b>	<b>58</b>	<b>121</b>	<b>270</b>	<b>369</b>

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

	30.09.2021	30.09.2020	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
Corporate customers	2,341	2,352	2,341	2,363	2,359	2,258	2,352
Retail customers	181	216	181	198	206	213	216
<b>Total impairments</b>	<b>2,522</b>	<b>2,568</b>	<b>2,522</b>	<b>2,561</b>	<b>2,565</b>	<b>2,471</b>	<b>2,568</b>

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# Funding

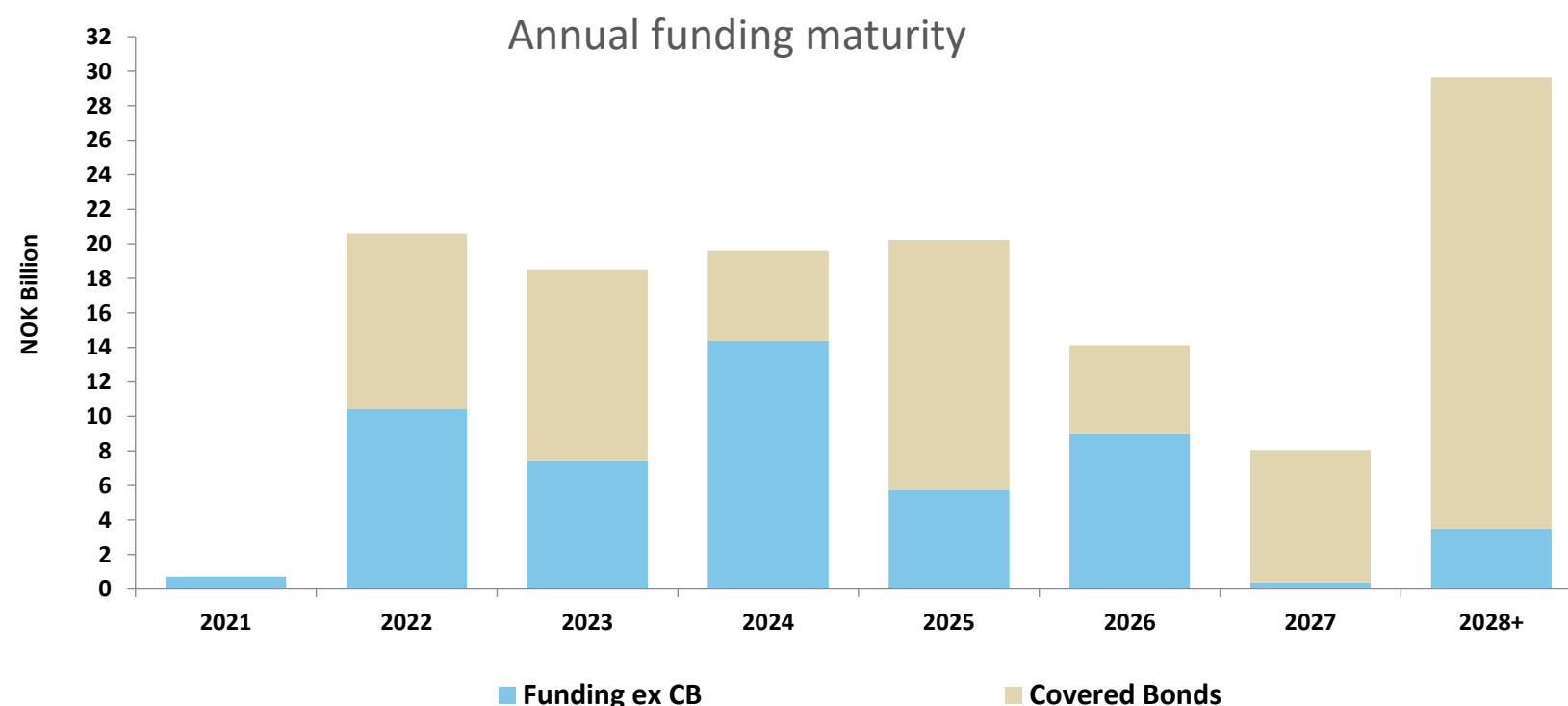
- NSFR 125%
- LCR 160%
- NOK 16.3 billion net refinancing need over the next 12 months
- Deposit to loans ratio 58.3%
- MREL requirement 34.9%, subordination cap 27.9% (incl. increased countercyclical buffer with effect from 30 June 2022)

**SRBANK**

**SPAREBANK 1 SR-BANK ASA**  
*(incorporated with limited liability in Norway)*

**€10,000,000,000**

**Euro Medium Term Note Programme**



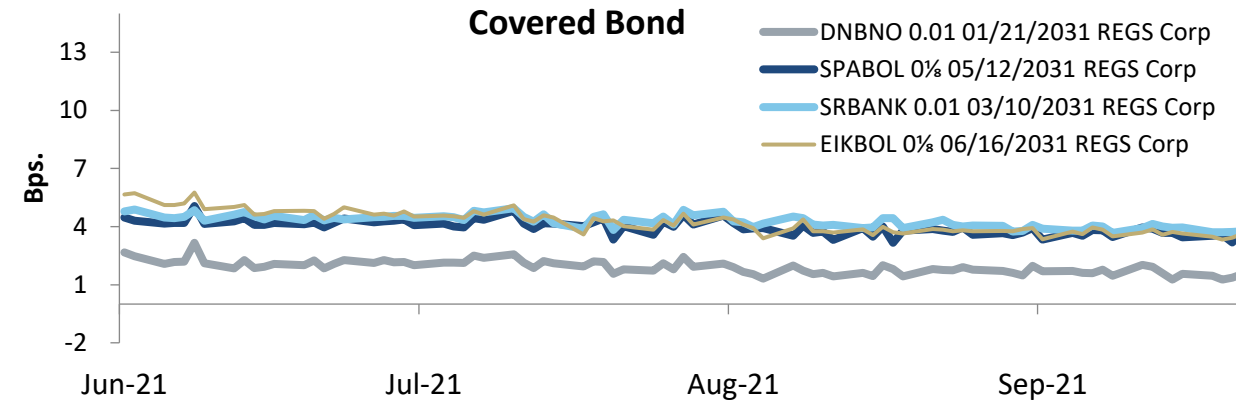
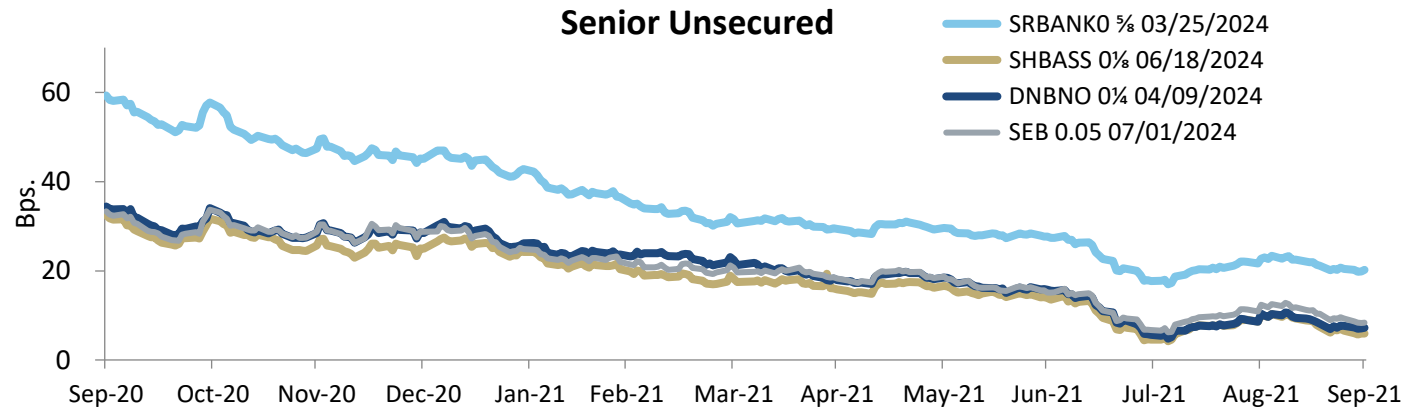
## SR-Boligkreditt

**SR-BOLIGKREDITT AS**  
*(incorporated with limited liability in Norway)*

**€10,000,000,000**

**Euro Medium Term Covered Note Programme**

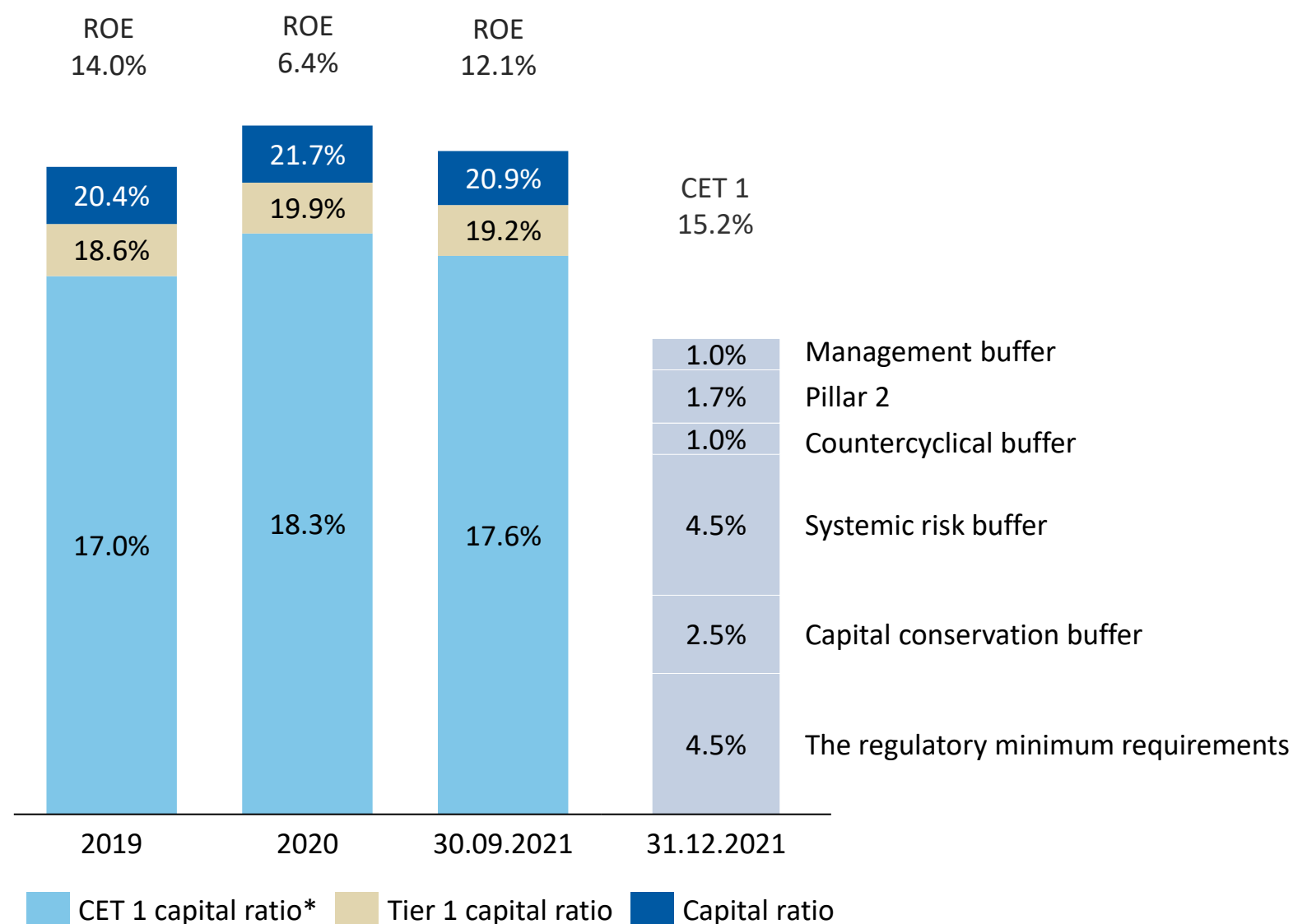
# An established borrower in the Euromarket



Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SRBANK	0.375%	EUR500mn	10-February-2022	XS1516271290
SR-Bank / SRBANK	0.625%	EUR750mn	25-March-2024	XS1967582831
SR-Bank / SRBANK	0.375%	EUR500mn	15-July-2027	XS2363982344
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	08-September-2028	XS2384580218
SR-BOL / SRBANK	0.01%	EUR500mn	25-February-2030	XS2124046678
SR-BOL / SRBANK	0.01%	EUR1.000mn	10-March-2031	XS2312584779
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 CET 1 requirement is 15.2% incl. 1.0% in management buffer.
- Internal target CET 1 is set to 16.7% incl. 1.0% in management buffer and maximum countercyclical buffer of 2.5%.
- The countercyclical buffer was reduced from 2.5% to 1.0% in March 2020. On 17 June 2021, the Ministry of Finance decided to increase the capital requirement for the countercyclical capital buffer by 0.5 %-points to 1.5% with effect from 30 June 2022, in line with Norges Bank's advice.
- SpareBank 1 SR-Bank is not defined as a systemically important financial institution (SIFI).
- The leverage ratio was 7.3% as at 30 September 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.

## Purpose

# Our mission is to stimulate growth and development

People and companies have ideas, dreams, wishes and the opportunity to create. Our task is to contribute to the success of people and businesses so that there is growth, sustainable development and value creation in our society





# More than a bank

A financial services group for Southern Norway through being a **future-oriented relationship bank**

From sustainability as a standalone strategy to **sustainability as an integral** part of our operations

From a general ambition to be a financial services group for Southern Norway to **clear common growth targets** and prioritisations for how to realise that ambition

**More than a workplace** – An attractive workplace with future-oriented expertise and committed leadership

# Financial Targets



We want to contribute to the value creation process via a sustainable and profitable business model and concrete objectives such as being a **proactive ally in the transition** to a more sustainable society

**Profitable and selective growth**, a wider range of products and portfolio diversification

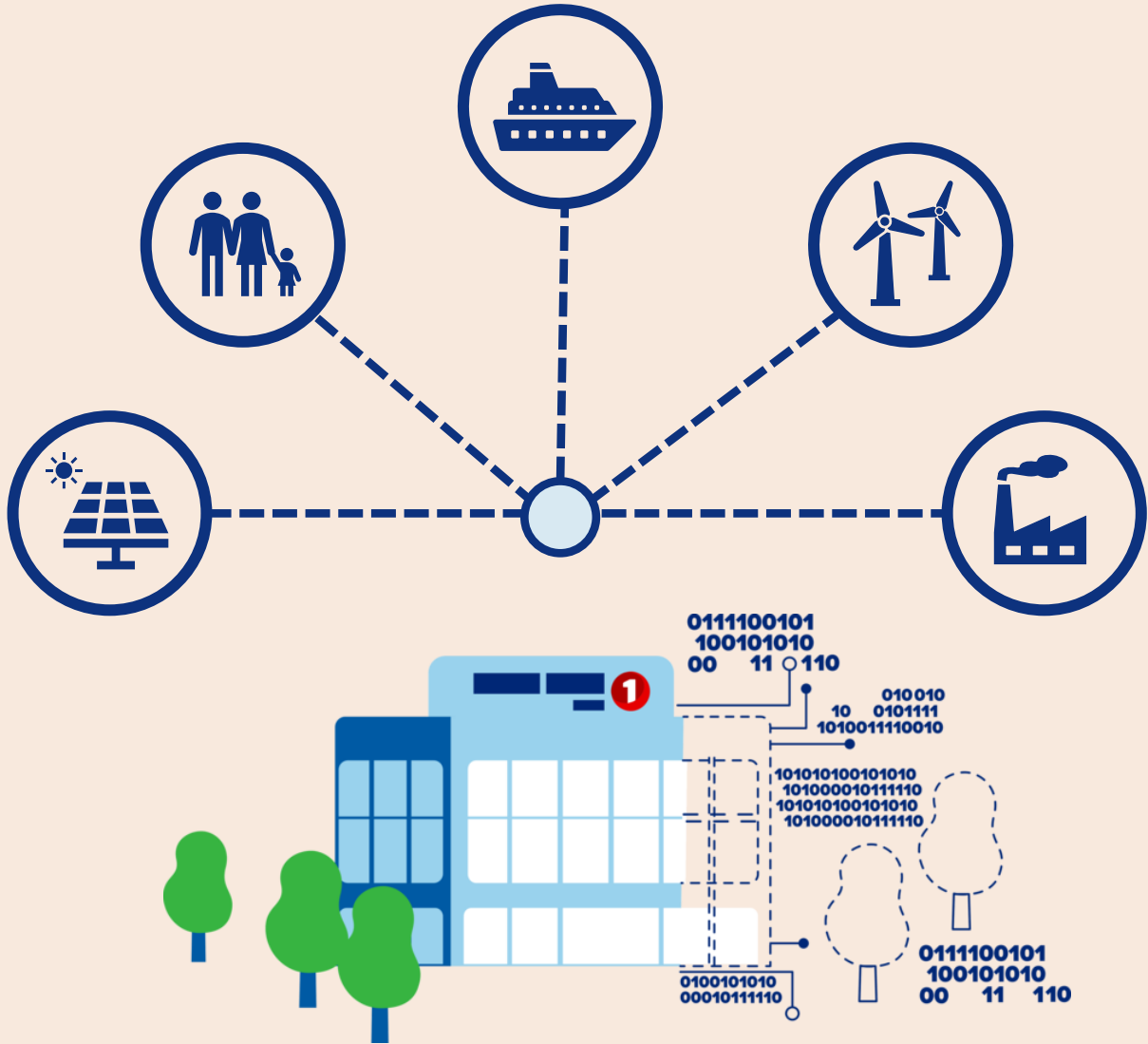
Long-term target of a **minimum ROE of 12%**

**A cost/income ratio of less than 40%** and among the top third of comparable banks

A shareholder friendly and **predictable dividend policy** (approx. 50% of the profit)



The potential for a bank to contribute to the green transition is **the sum of the potential of all its customers.**



# SpareBank 1 SR-Bank's sustainability targets

A pro-active ally to our clients in the transition to a more sustainable society

## Emission reductions

- **Climate neutrality** in own operations by the end of 2022
- **Net zero emissions** in our financing and investment activities by 2050

## Transition

- Financing and facilitation of **NOK 50 billion in sustainable activities** by the end of 2030
- Financing of **NOK 15 bn. in green properties** by the end of 2025
- Facilitating **new jobs** through entrepreneurship and innovation

## Equality and diversity

- **Gender balance (40/60)** on all management levels and material positions throughout the company by 2025
- **Equal pay** for genders – equal pay for equal work
- Through our advisory, products and services we will **strengthen economic equality**

## Combat financial crime

- Have **zero-tolerance** for all kinds of financial crime
- **Safeguard human rights** by contributing to transparency in supply chains
- Be known for a **high ethical standards**

# Green options for our customers



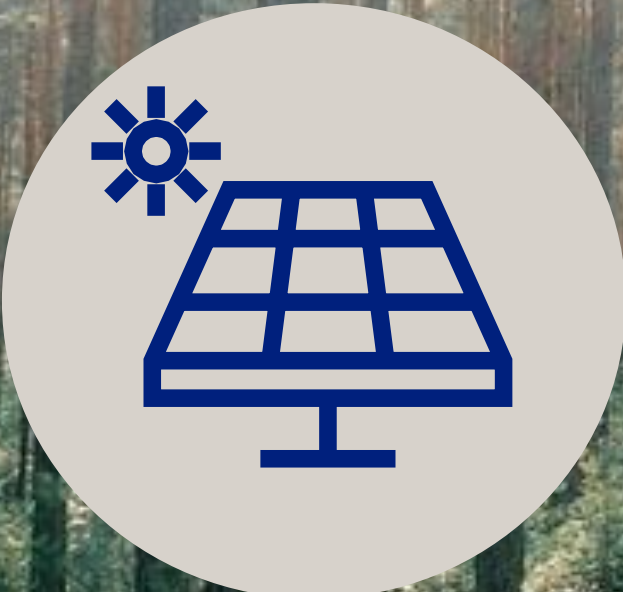
Green mortgages



Sustainable funds



Electric car loans



Eco-loans



ESG advisory services



Green loans for the corporate market

# We get involved

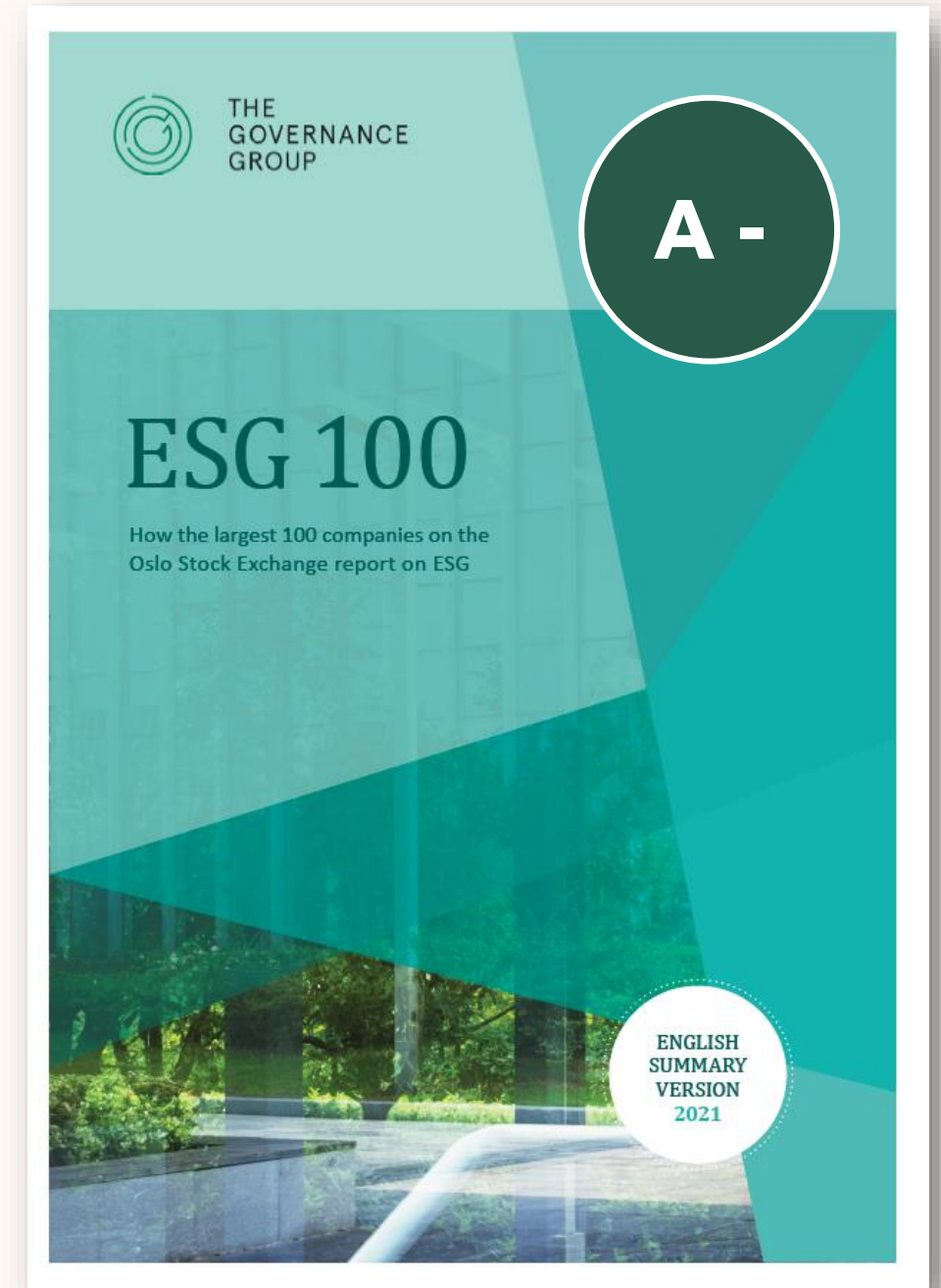
Memberships | Principles | Frameworks | Initiatives



PRINCIPLES FOR RESPONSIBLE BANKING



POSEIDON PRINCIPLES



# Outlook

- The global economy is expected to grow going forward and, due to the different vaccination rates, higher growth is expected in industrialised countries than in emerging economies
- A 0.25%-point increase in the policy rate from 0.25% to 0.50% is expected in December 2021, followed by a further three increases of 0.25%-points in 2022
- The group's long-term return on equity target is at least 12%
- The continued development of digitalisation and automation is providing better solutions for customers and employees
- The sustainability strategy has been integrated into the corporate strategy and entails the group helping to achieve the objectives of the Paris Agreement
- Geographic expansion and growth in priority areas will provide the basis for developing from a regional savings bank into a financial group for South Norway

# APPENDIX

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

# Key economic indicators



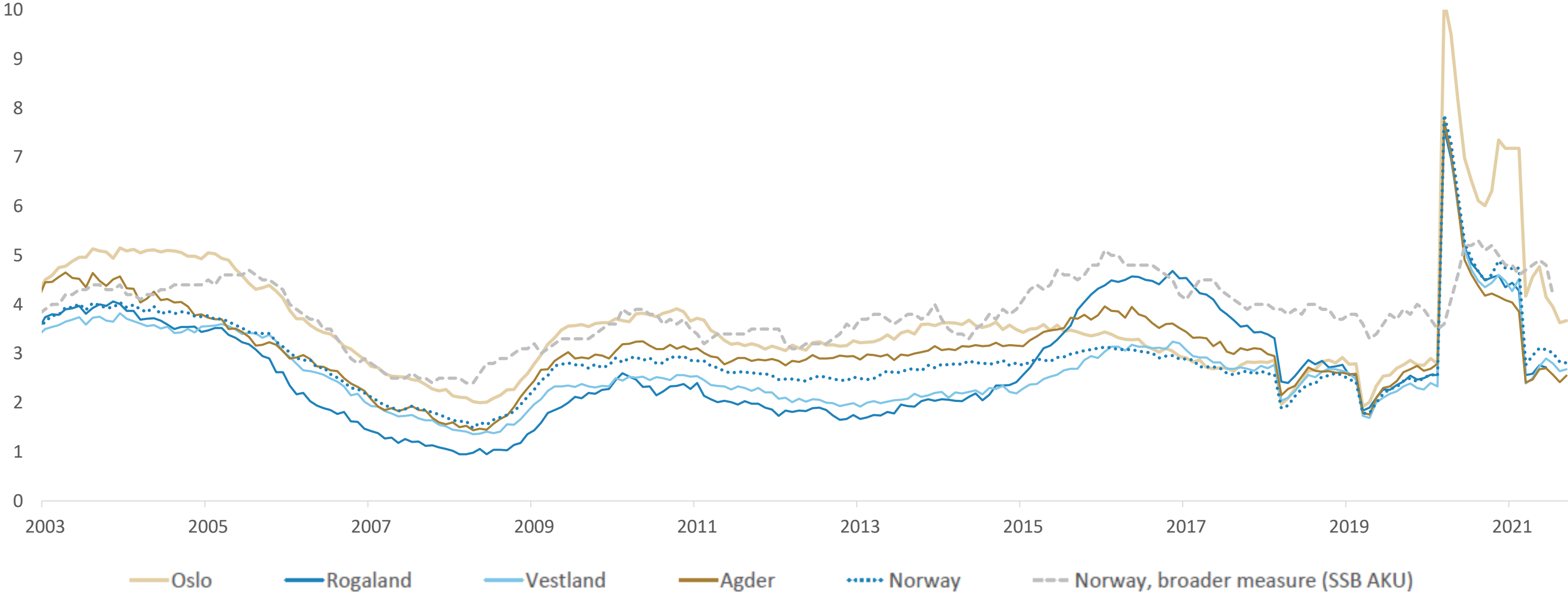
<b>Economic Indicators (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021P</b>	<b>2022P</b>	<b>2023P</b>	<b>2024P</b>
GDP mainland, annual change (%)	1,9	3,7	2,3	2,2	1,4	0,9	2,0	2,2	2,3	-2,5	3,6	3,8	2,6	2,3
Household consumption, annual change (%)	2,4	3,5	2,8	2,1	2,7	1,1	2,2	1,6	1,4	-6,9	4,1	7,8	4,0	3,5
Public consumption, annual change (%)	1,1	1,5	1,0	2,7	2,4	2,3	1,9	0,5	1,9	1,7	3,2	1,5	1,2	1,6
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	-0,2	9,0	6,8	1,5	4,0	-4,1	1,8	3,5	2,0	2,4
Investment public sector	1,1	-1,8	11,8	4,5	0,2	6,4	2,6	8,1	7,2	-1,0	-1,6	1,8	1,0	2,5
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	-4,1	-2,0	-6,0	10,0	5,0
Housing prices, annual change (%)	8,0	6,8	4,0	2,7	6,1	7,0	5,0	1,4	2,5	3,9	9,2	3,3	2,0	1,6
Oil price, USD/bbl	111	112	109	100	53	45	55	72	64	43	69	69	65	62
Inflation rate (CPI) %	1,2	0,8	2,1	2,0	2,1	3,6	1,8	2,7	2,2	1,3	3,3	1,9	1,5	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	1,2	1,7	2,0
Mortgage rate %	3,6	3,9	4,0	3,9	3,2	2,6	2,6	2,7	3,0	2,6	2,1	2,5	3,1	3,4
Household savings ratio	5,8	6,9	7,2	7,7	9,8	6,9	6,6	5,9	7,6	15,4	13,5	8,9	8,1	7,4
Unemployment rate (registered at labour office)*	2,6	2,6	2,7	2,7	3,0	3,0	2,7	2,5	2,3	4,9	3,1	2,2	2,1	2,2
HH sector real disposable income, annual change (%)	4,3	4,4	4,0	2,3	5,4	-1,6	2,0	1,0	2,3	2,5	2,2	2,2	2,5	2,4
Current account surplus, share of GDP (%)	12,4	12,6	10,3	10,8	8,0	4,5	5,5	8,0	2,8	2,0	8,3	11,1	10,8	9,1
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 11 October 2021

# Lower unemployment due to reopening of the economy

Fully unemployed has decreased towards the level in February 2020. Still highest in Oslo.

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

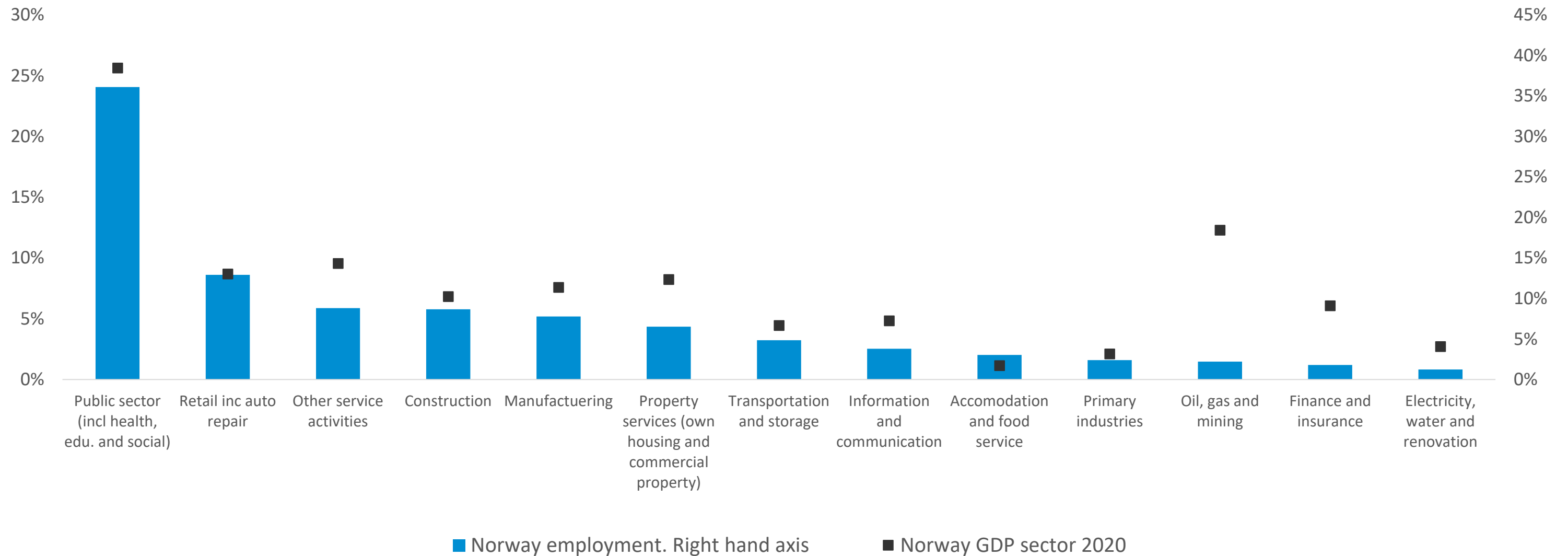


Kilde: NAV og SSB.



# Employment (and GDP) by sector

Norway - employment and GDP per sector 2020. Share (%) in sectors



Source: Statistics Norway.

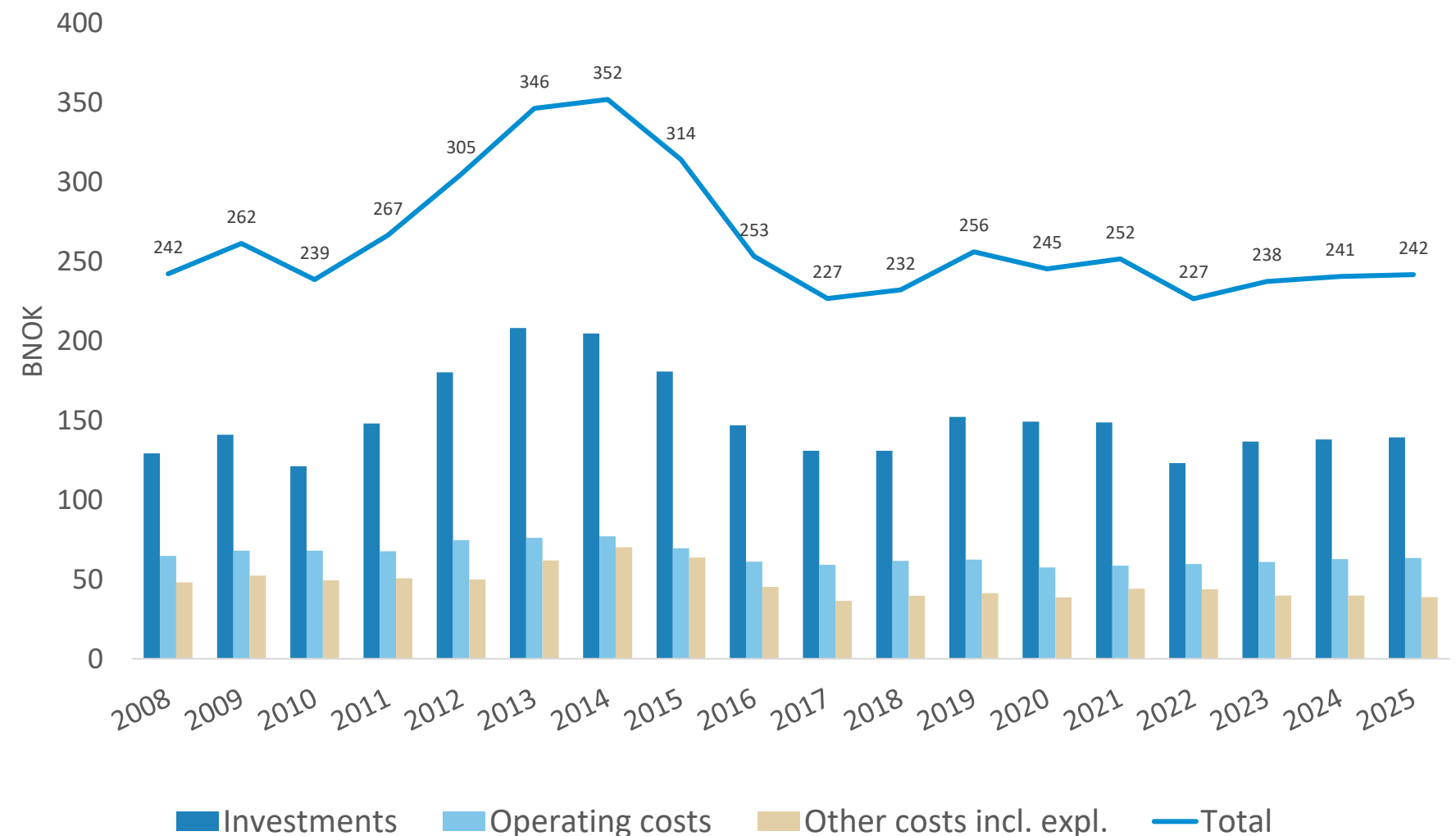
# Stable petroleum activity in Norway in 2021 and somewhat lower in 2022

Uncertainty was high after Covid-19, but decreased due to support package in June 2020 and higher 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 higher prices supported activity. Activity in 2020 was close the unchanged from 2019. NPD expects stable activity in 2021, somewhat lower in 2022 and higher in 2023. Higher petroleum prices and activity related to energy transition seem to contribute optimism in the value chain.

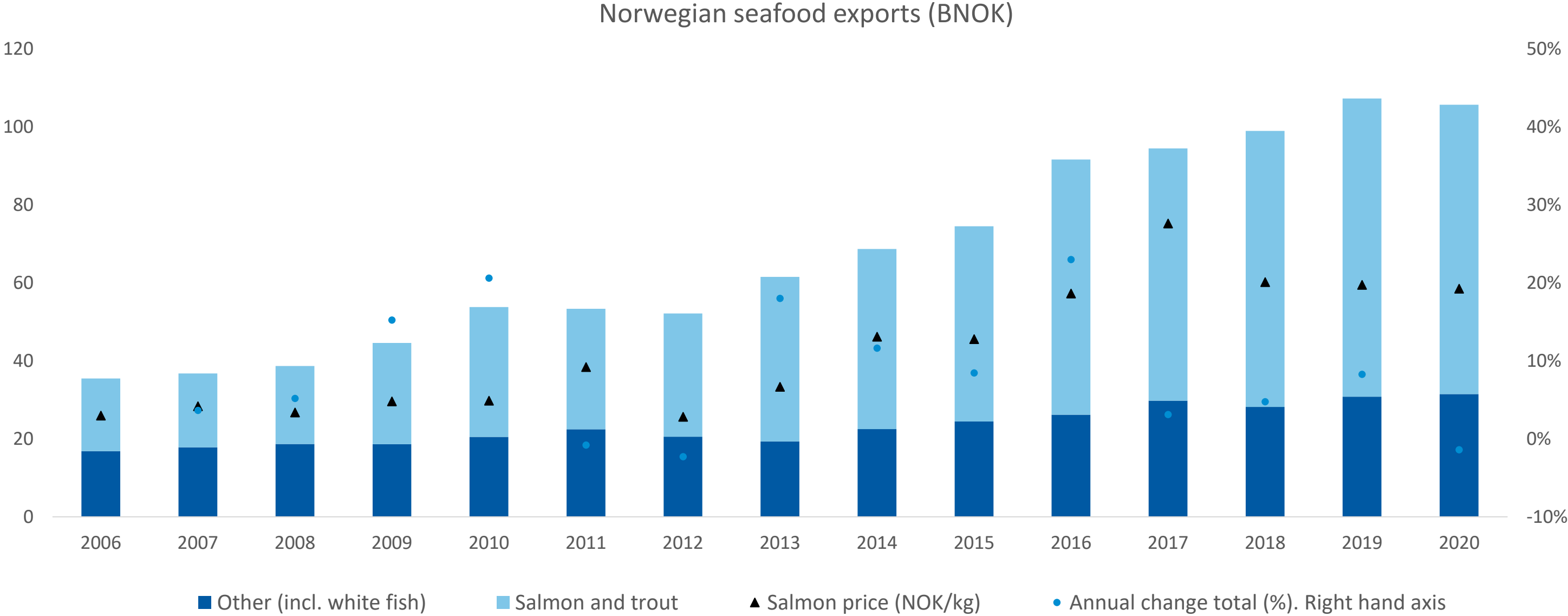
Petroleum activity on Norwegian Continental Shelf. BNOK (2021 NOK).

Source: NPD 13 Oct 2021



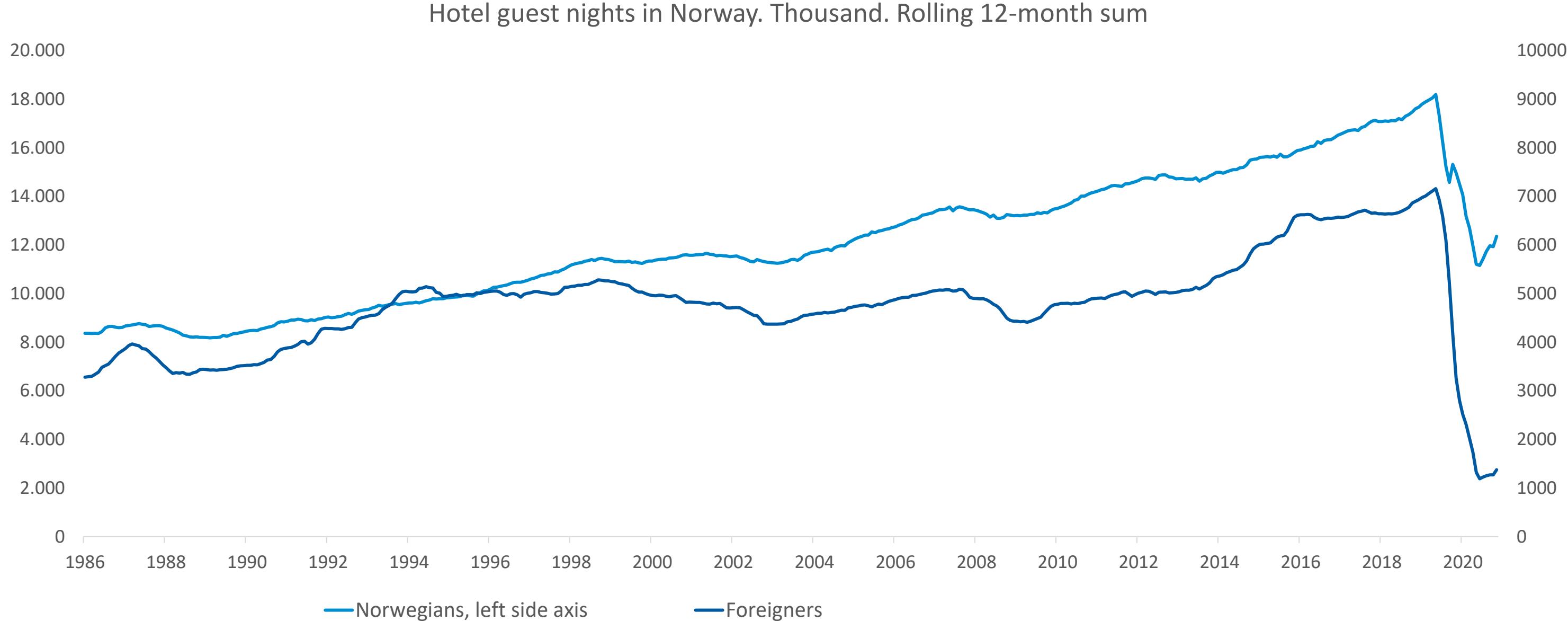
Source: Oljedirektoratet/Norwegian Petroleum Directorate (NPD).

# Norwegian seafood exports doubled since 2012



Source: Norwegian Seafood Council.

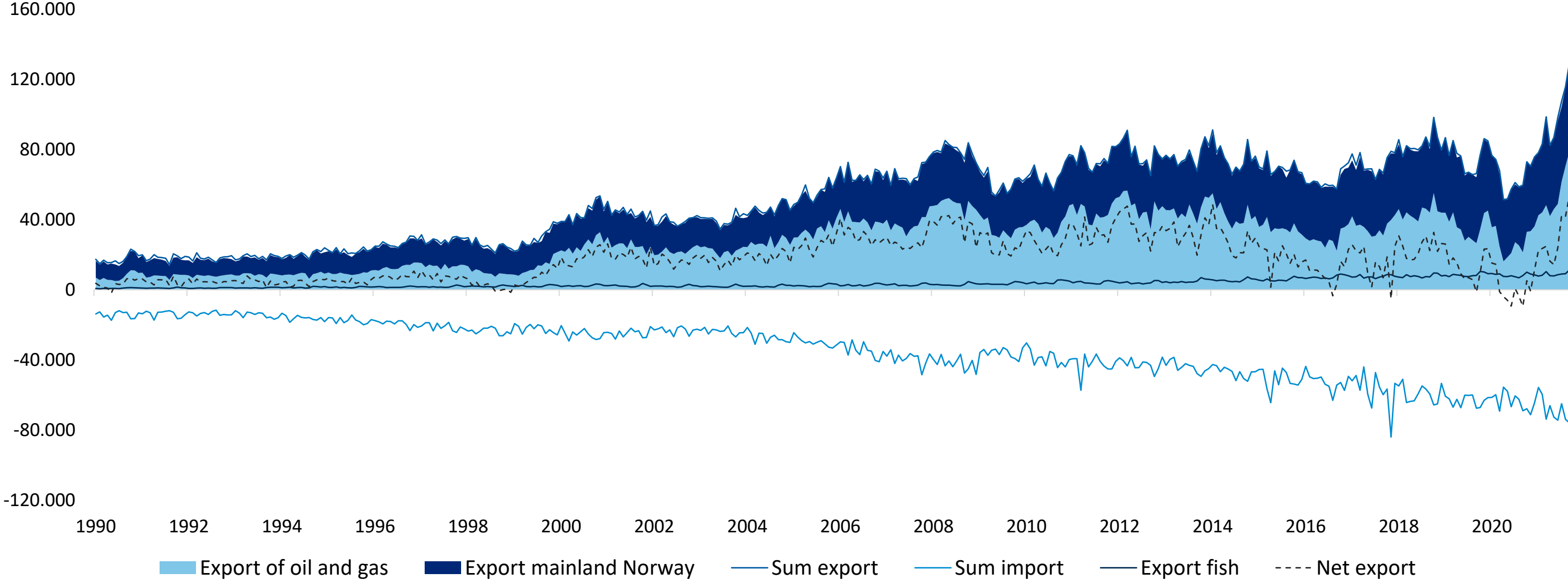
# Norwegian hotels – guest nights by foreign and domestic



Source: Statistics Norway.

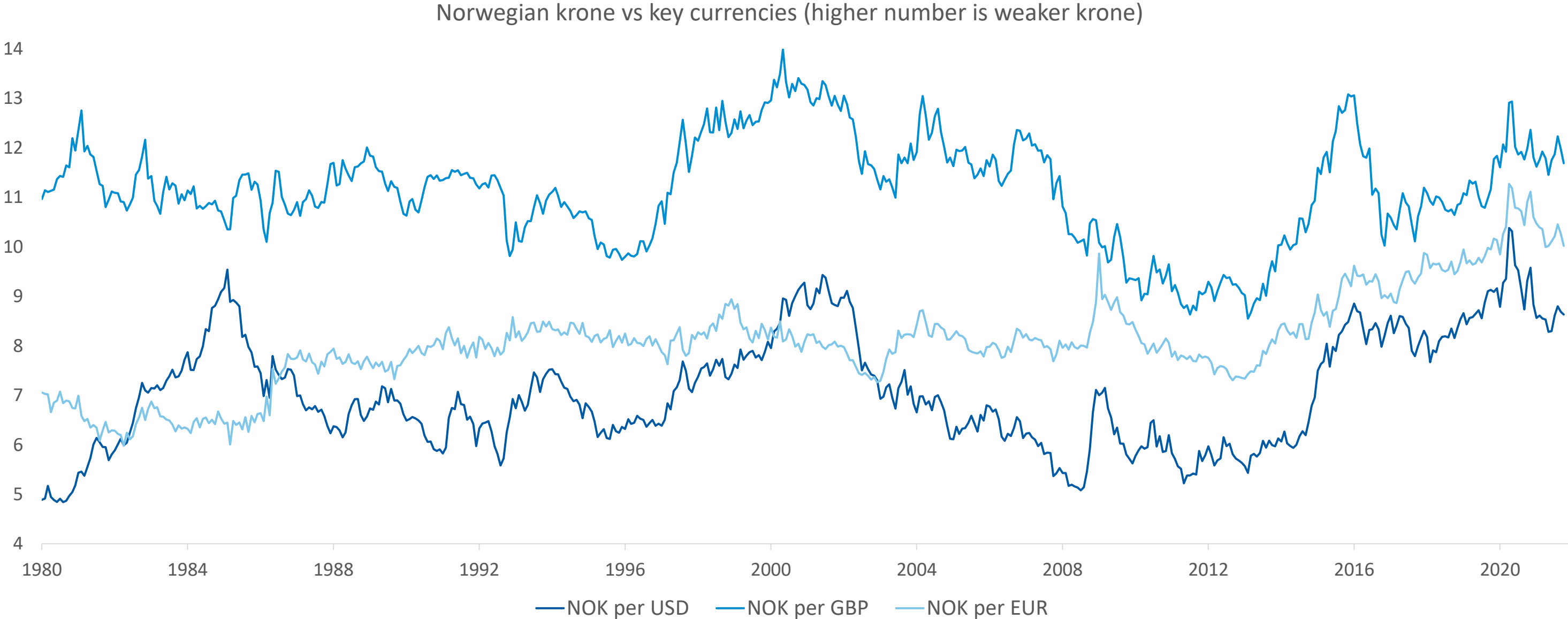
# Norwegian exports and imports

Norwegian exports and imports (MNOK), monthly



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

# Norwegian krone vs key currencies

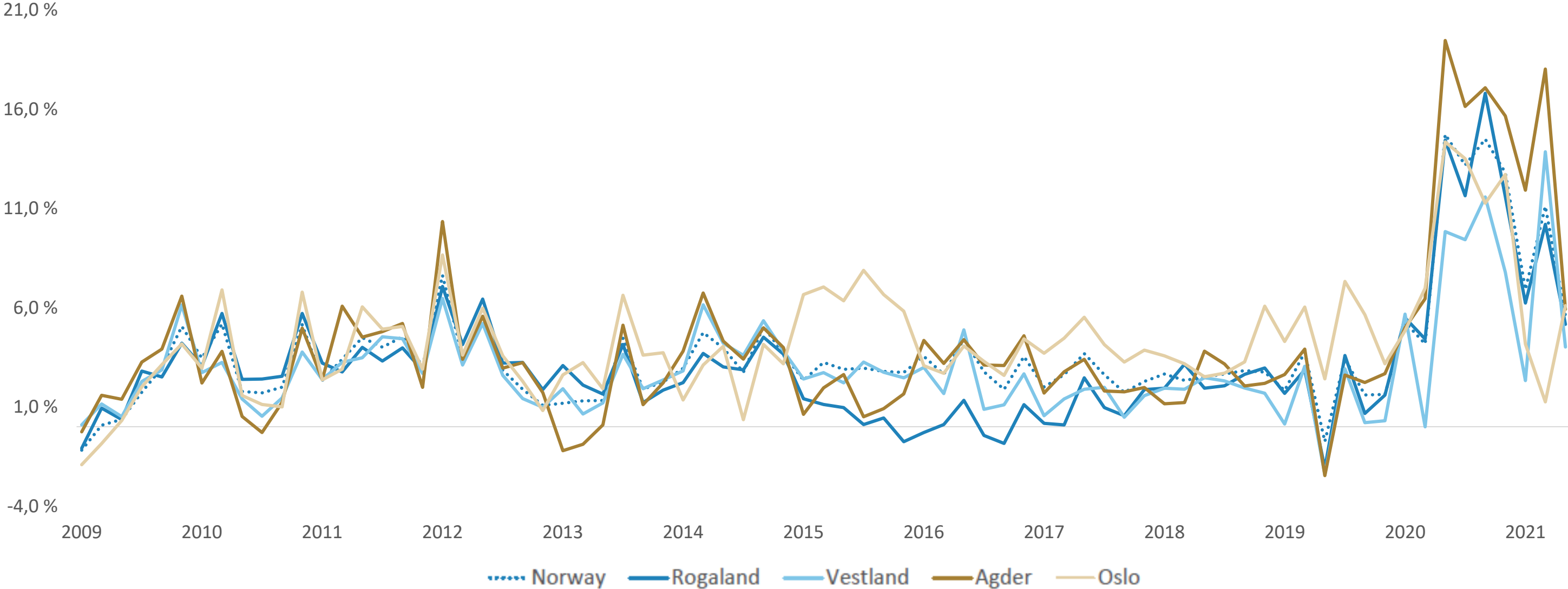


Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

# High growth in retail trade in Norway during the pandemic

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

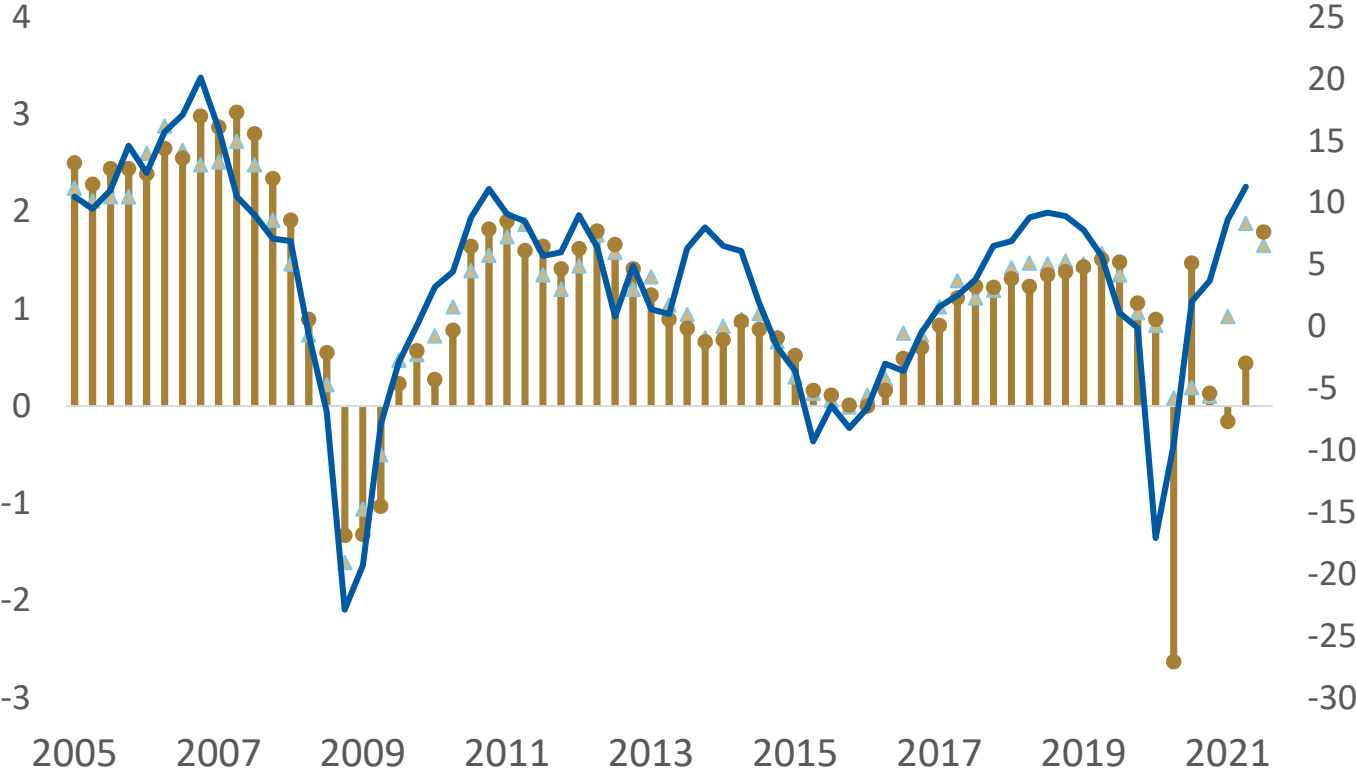
Retail sales (excl. auto), change in turn-over from same 2-month period previous year. Last obs: mai-jun 2021



Source: SSB.

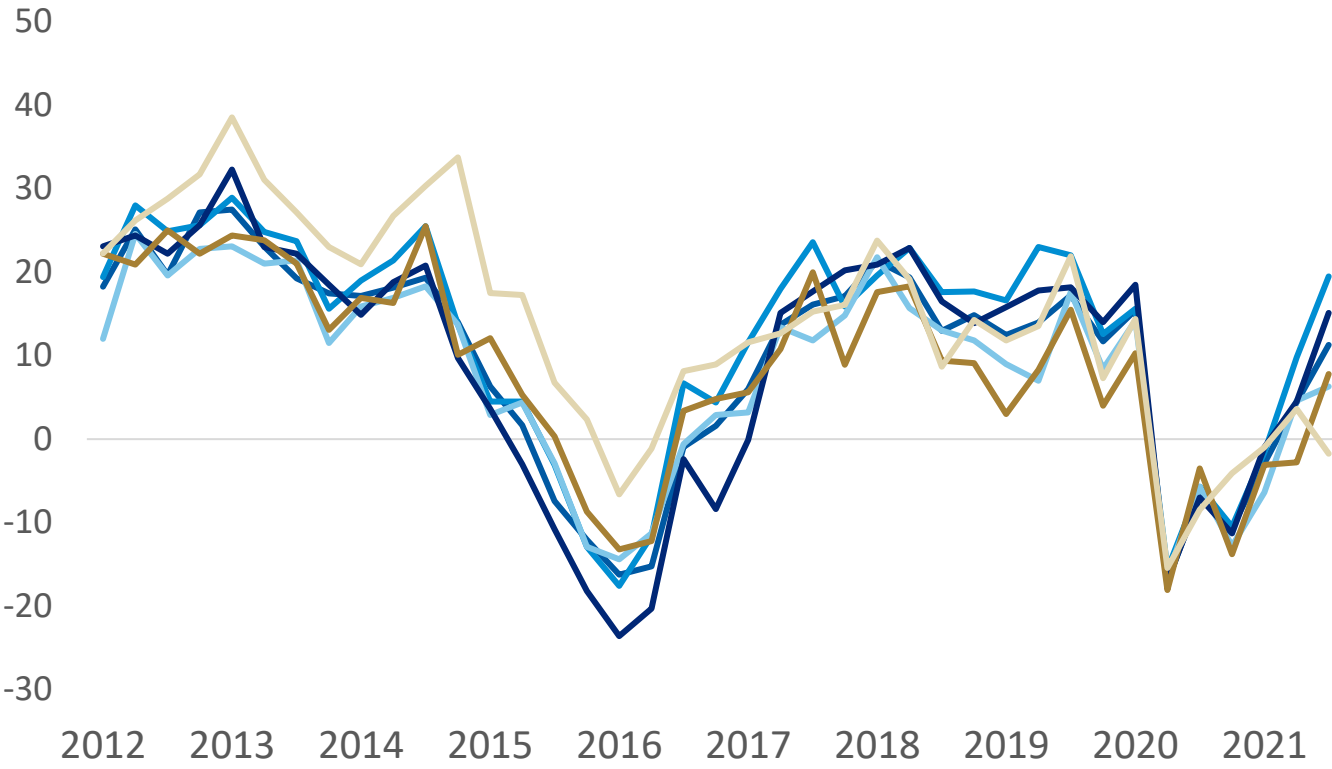
# Norwegian economy impacted by Covid-19

Norwegian business surveys



- ▲ Central Bank business survey, outlook coming 6 months (all sectors). Left axis
- Central Bank business survey, production last 3 months. Left axis
- Statistics Norway manufacturing. Main indicator. Right axis

Norway – consumer confidence indicator

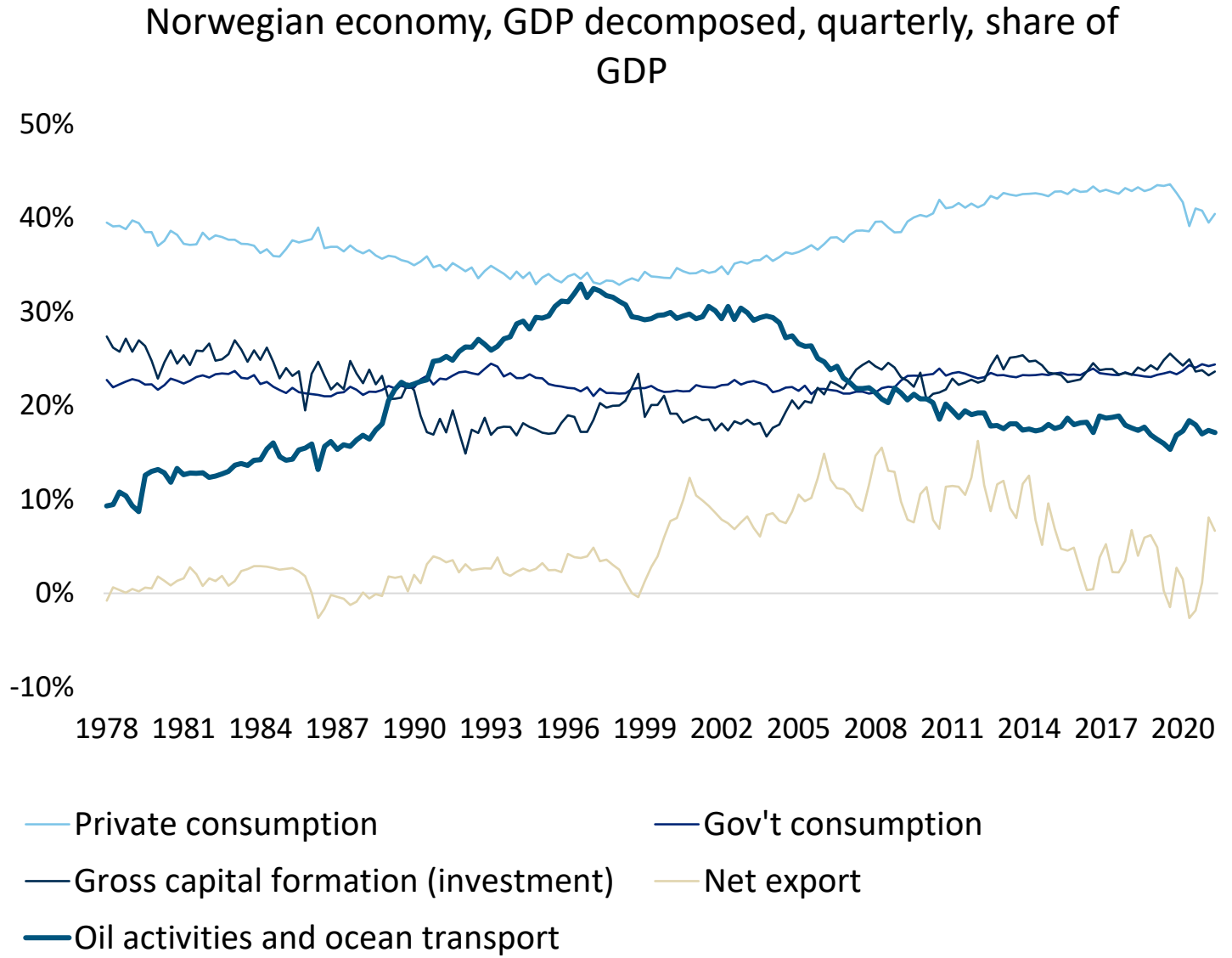
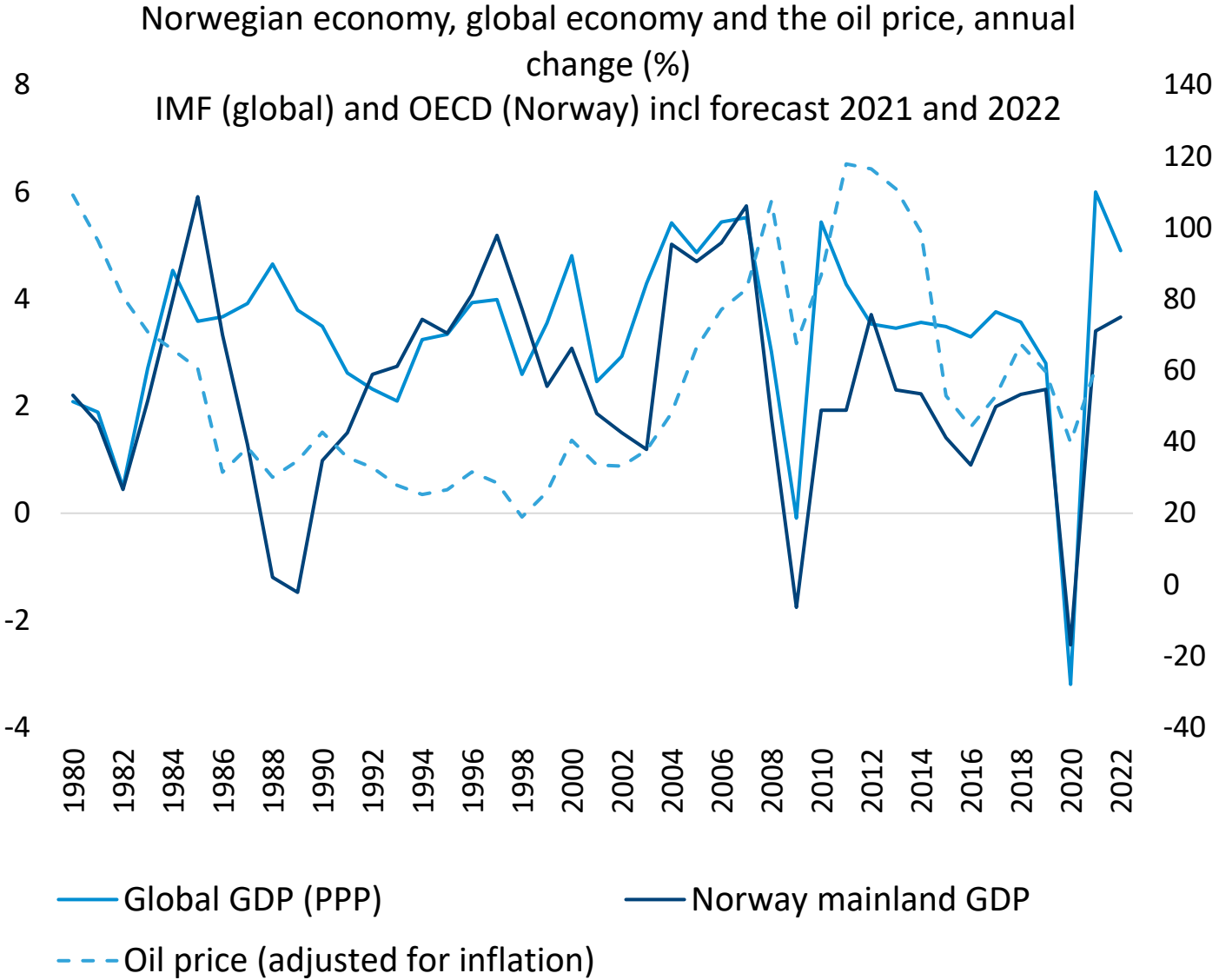


- Norway
- Østland excl Oslo
- Mid and north
- Oslo
- South and west
- Norway. Major purchases

Source: Refinitiv Datastream, SpareBank 1 SR-Bank.



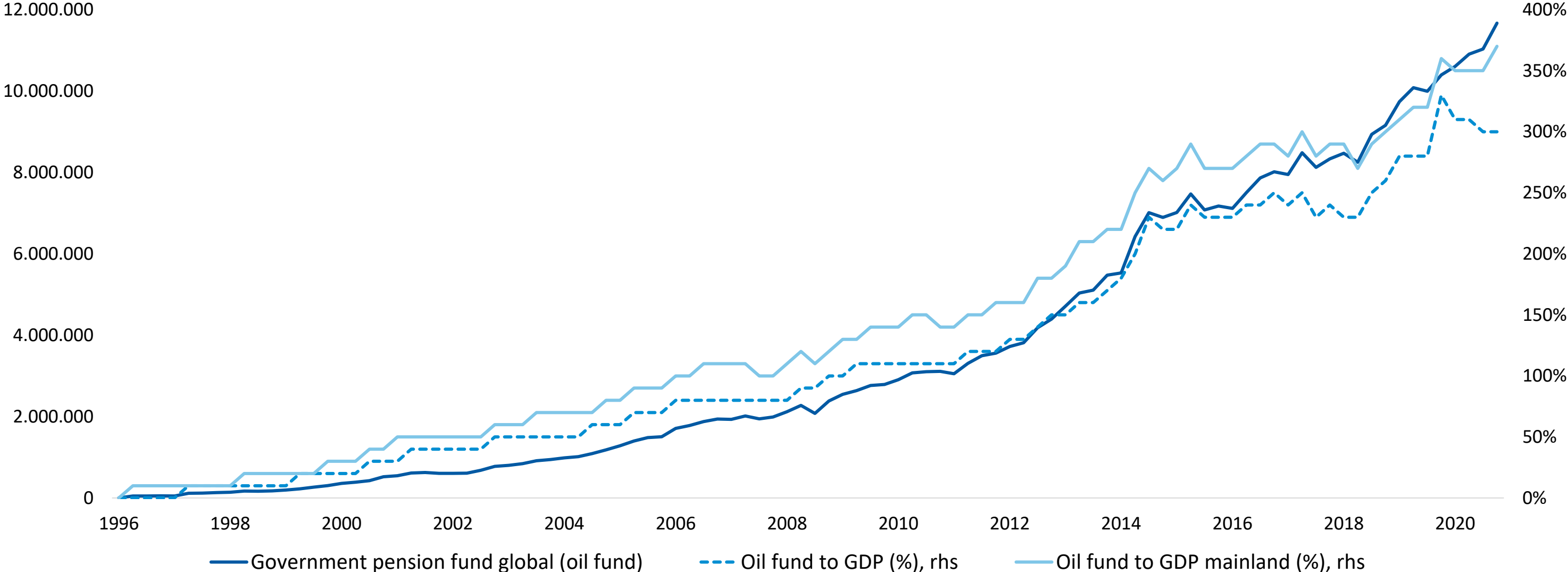
# Norwegian Economy – GDP



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

# Norway oil fund and GDP

Norwegian oil fund and GDP (BNOK), quarterly figures

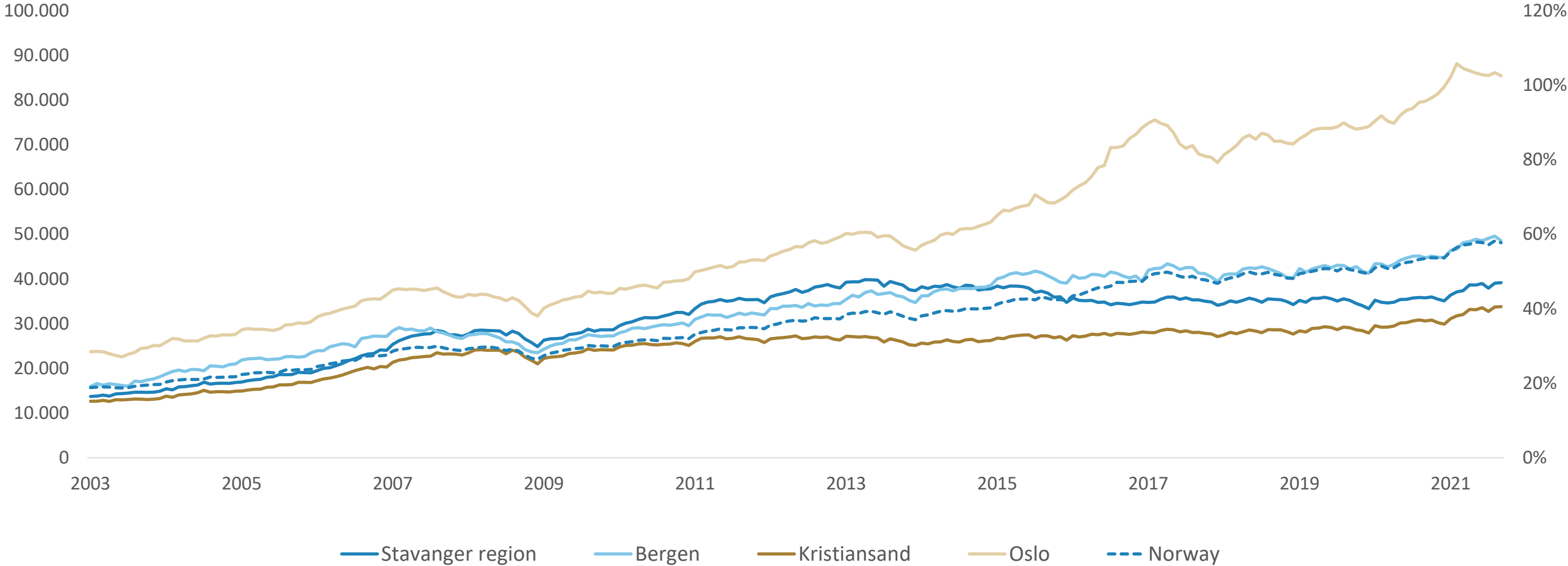


Source: Thomson Reuters Datastream and SpareBank 1 SR-Bank.

# Norwegian house prices have increased by 8% last 12 months

Sales and prices have increased from summer 2020, but somewhat less price pressure since spring 2021

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



Source : Finn.no, Eiendom Norge og Eiendomsverdi.

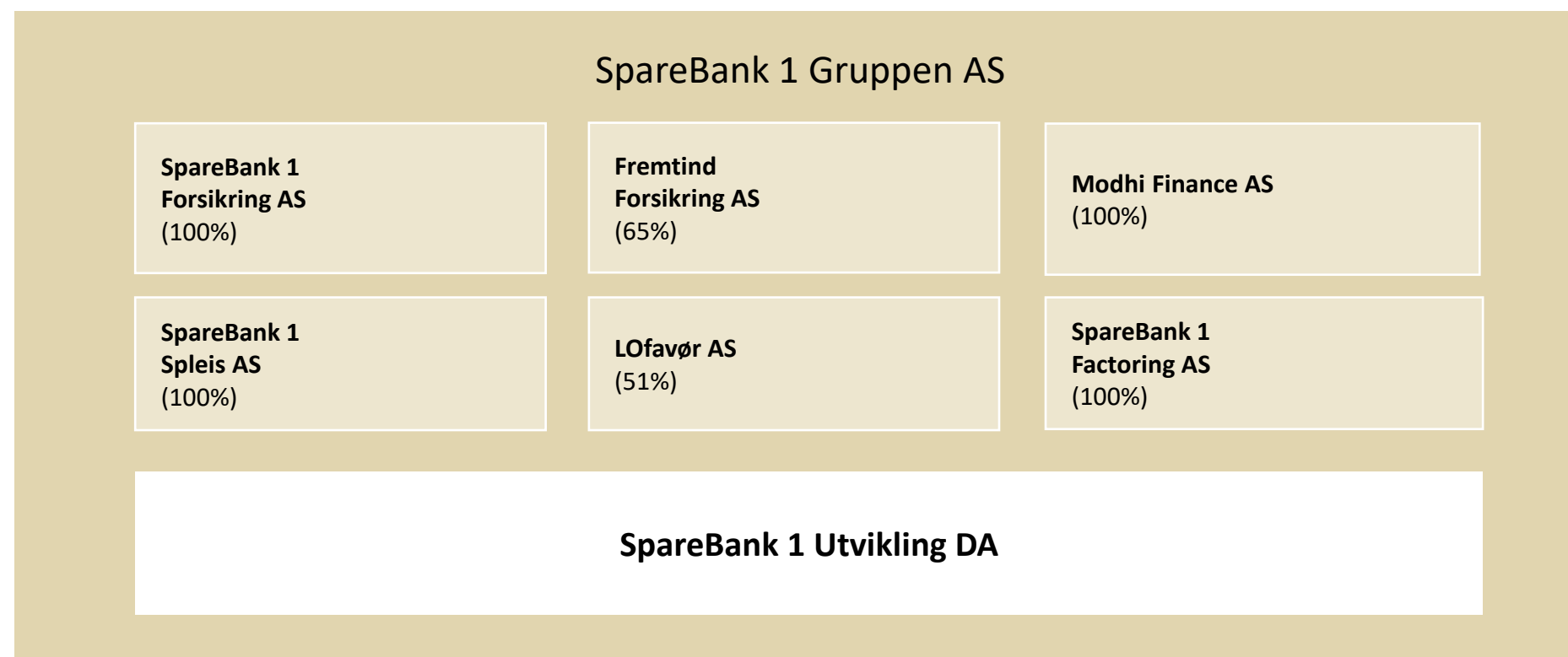
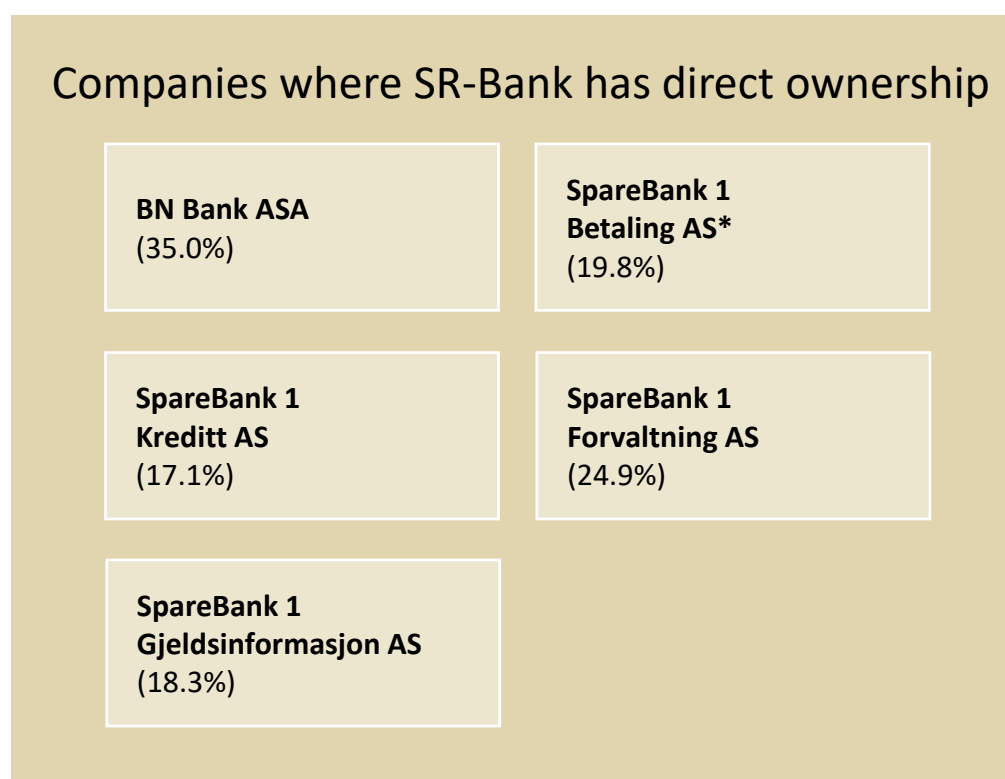
# APPENDIX

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

# SpareBank 1 Alliance



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



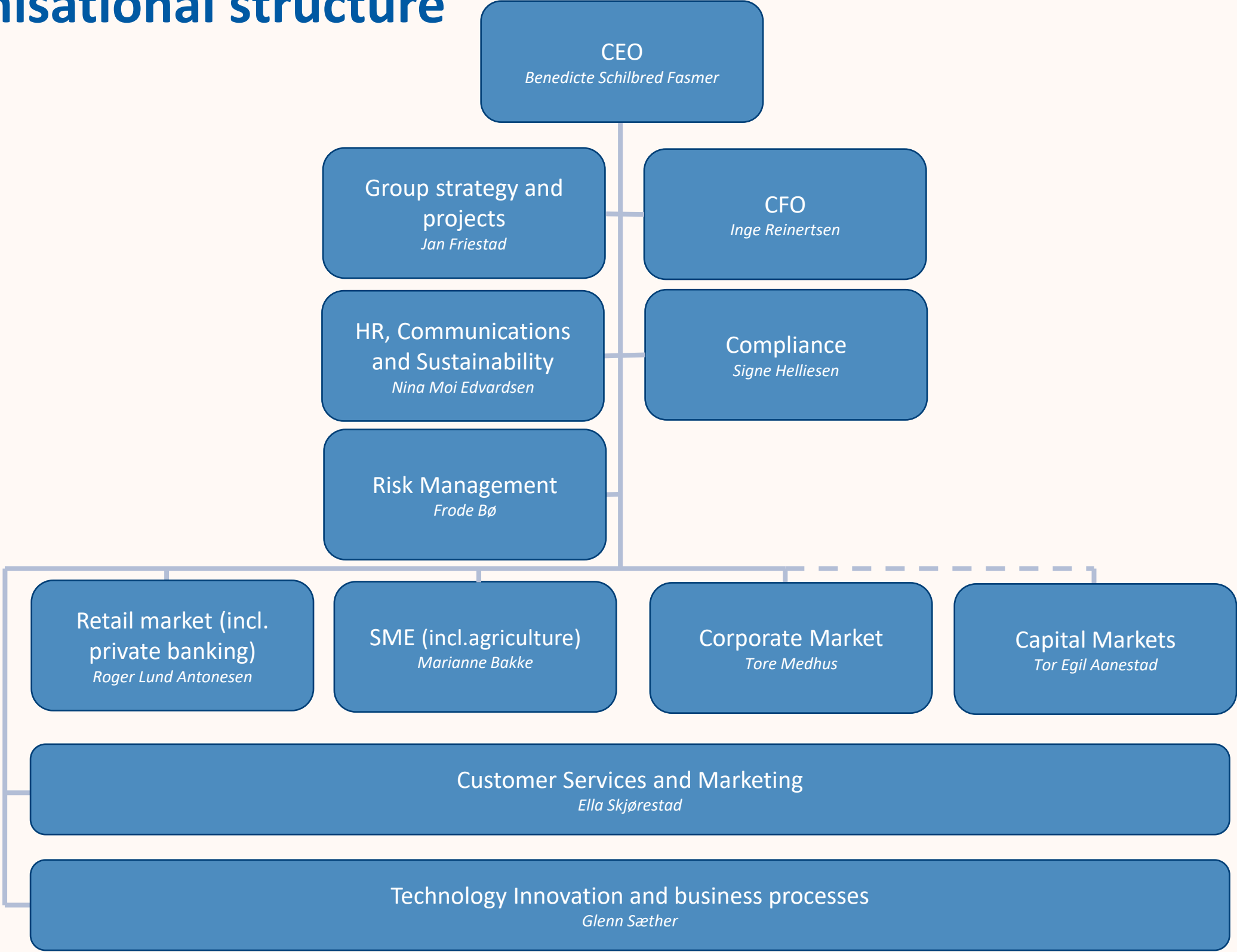
## Owners of the alliance

All credit decisions are made at the local banks

Economies of scale related to expenses, IT solutions, marketing and branding

\*Owns 22.4% in Vipps AS.

# New organisational structure



# Balance sheet

Balance sheet (MNOK)	30.09.2021	30.09.2020
Cash and balances with central banks	76	657
Balances with credit institutions	4.116	7.248
Loans to customers	224.597	214.490
Certificates and bonds	52.903	38.398
Financial derivatives	5.687	10.710
Shares, ownership stakes and other securities	970	915
Investment in associates	4.443	4.629
Other assets	4.195	3.291
<b>Total assets</b>	<b>296.987</b>	<b>280.338</b>
Balances with credit institutions	1.291	466
Deposits from customers	132.283	113.248
Listed debt securities	119.883	129.032
Financial derivatives	3.458	7.892
Other liabilities	3.965	1.750
Senior non-preferred bonds	7.614	-
Subordinated loan capital	2.142	2.186
<b>Total liabilities</b>	<b>270.636</b>	<b>254.574</b>
<b>Total equity</b>	<b>26.351</b>	<b>25.764</b>
<b>Total liabilities and equity</b>	<b>296.987</b>	<b>280.338</b>

## Net commission and other income

MNOK	30.09.2021	30.09.2020	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020
Payment facilities	175	184	64	56	55	64	54
Savings/placements	164	144	50	61	53	51	48
Insurance products	172	154	60	56	56	54	53
Commission income real estate broking	343	296	101	132	110	100	107
Guarantee commission	78	70	30	24	24	26	22
Arrangement- and customer fees	92	44	18	23	51	28	11
Customer fee ForretningsPartner	224	116	79	95	50	38	33
Other	14	9	4	7	3	4	2
<b>Net commission and other income excl. covered bond company</b>	<b>1,262</b>	<b>1,017</b>	<b>406</b>	<b>454</b>	<b>402</b>	<b>365</b>	<b>330</b>
Commission income SB1 Boligkreditt	0	9	0	0	0	5	6
<b>Net commission and other income incl. covered bond company</b>	<b>1,262</b>	<b>1,026</b>	<b>406</b>	<b>454</b>	<b>402</b>	<b>370</b>	<b>336</b>



# Net income on investment securities

MNOK	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
<b>Dividends</b>	<b>9</b>	<b>18</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>39</b>	<b>1</b>
<b>Investment income, associates</b>	<b>453</b>	<b>534</b>	<b>151</b>	<b>193</b>	<b>109</b>	<b>129</b>	<b>147</b>
<b>Securities gains/losses</b>	<b>136</b>	<b>-140</b>	<b>4</b>	<b>26</b>	<b>106</b>	<b>-1</b>	<b>36</b>
- of which capital change in shares and certificates	200	-56	27	68	105	7	38
- of which capital change in certificates and bonds	-415	166	-135	-113	-167	-137	-23
- of which derivatives; certificates and bonds	351	-250	112	71	168	129	22
<b>Currency/interest gains/loans</b>	<b>95</b>	<b>47</b>	<b>79</b>	<b>15</b>	<b>1</b>	<b>73</b>	<b>6</b>
- of which currency customer- and own-account trading	101	97	38	36	27	41	36
- of which value change basis swap spread	-36	-16	20	-32	-24	29	-32
- of which counterparty risk derivatives including CVA	4	-49	1	0	3	2	1
- of which IFRS-effects	26	15	20	11	-5	1	1
<b>Net income on investment securities</b>	<b>693</b>	<b>459</b>	<b>234</b>	<b>243</b>	<b>216</b>	<b>240</b>	<b>190</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.

# Subsidiaries

Subsidiaries	MNOK	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
EiendomsMegler 1 SR-Eiendom AS	Number of sales	5,809	5,074	1,713	2,185	1,911	1,633	1,890
	Operating profit before tax	51	41	5	30	16	9	15
SR-Forvaltning AS	Capital under management (BNOK)	16	13	16	15	15	14	13
	Operating profit before tax	25	14	9	9	7	5	4
FinStart Nordic AS	Operating profit before tax	72	-89	3	4	65	-24	-2
SpareBank 1 SR-Bank ForretningsPartner AS*	Operating profit before tax	30	17	12	7	11	4	2
SR-Boligkreditt AS	Operating profit before tax	565	534	311	144	110	277	185
Monner AS	Operating profit before tax	54	-13	-4	63	-5	-4	-5
Rygir Industrier AS and other	Operating profit before tax	-15	6	-2	-4	-9	7	-11
<b>Total subsidiaries</b>	<b>Profit before tax</b>	<b>782</b>	<b>510</b>	<b>334</b>	<b>253</b>	<b>195</b>	<b>274</b>	<b>188</b>

\*SpareBank 1 SR-Bank ForretningsPartner have acquired Fast Solutions with effect from 1 September 2020 and Tveit Regnskap with effect from 15 April 2021. The result in ForretningsPartner includes amortisation of intangible assets of NOK 3.9 million (NOK 2.1 million as at 30 September 2020).

# Associated Companies

Companies	MNOK	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
SpareBank 1 Gruppen AS	Interest ownership (%)	19.5	19.5	19.5	19.5	19.5	19.5	19.5
	<b>Profit after tax</b>	<b>298</b>	<b>107</b>	<b>83</b>	<b>148</b>	<b>67</b>	<b>87</b>	<b>114</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>Profit after tax</b>	<b>122</b>	<b>84</b>	<b>40</b>	<b>42</b>	<b>40</b>	<b>36</b>	<b>34</b>
SpareBank 1 Forvaltning AS*	Interest ownership (%)	24.9	-	19.5	19.5	-	-	-
	<b>Profit after tax</b>	<b>22</b>	-	<b>16</b>	<b>6</b>	-	-	-
SpareBank 1 Næringskreditt AS**	Interest ownership (%)	-	15.6	-	15.3	15.3	15.6	15.6
	<b>Profit after tax</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>
SpareBank 1 Kreditt AS	Interest ownership (%)	17.1	17.7	17.1	17.1	17.1	17.7	17.7
	<b>Profit after tax</b>	<b>10</b>	<b>2</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
SpareBank 1 Betaling AS	Interest ownership (%)	19.8	19.7	19.7	19.8	19.8	19.8	19.8
	<b>Profit after tax</b>	<b>-6</b>	<b>-3</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>1</b>	<b>-1</b>
Others	<b>Profit after tax</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>2</b>
<b>Total associated companies</b>	<b>Profit after tax</b>	<b>454</b>	<b>538</b>	<b>149</b>	<b>195</b>	<b>110</b>	<b>129</b>	<b>153</b>
FinStart Nordic AS***	<b>Profit shares</b>	<b>-1</b>	<b>-4</b>	<b>2</b>	<b>-2</b>	<b>-1</b>	<b>0</b>	<b>-4</b>
<b>Total associated companies in the Group</b>	<b>Profit after tax</b>	<b>453</b>	<b>534</b>	<b>151</b>	<b>193</b>	<b>109</b>	<b>129</b>	<b>149</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 30 September 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.

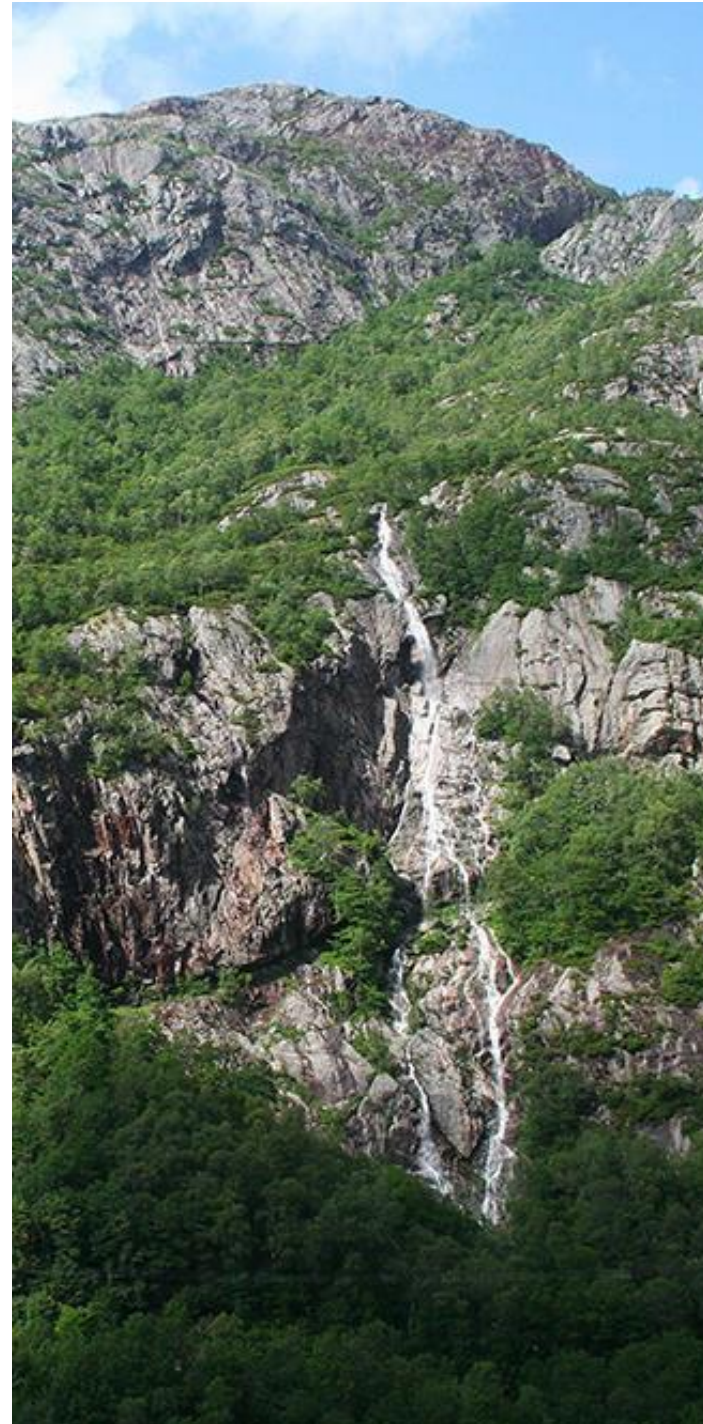
# Operating expenses

MNOK	30.09.2021	30.09.2020	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Payroll and pensions	940	852	330	326	284	332	297
Other staff expenses	297	183	102	97	98	69	60
<b>Total personnel expenses</b>	<b>1,237</b>	<b>1,035</b>	<b>432</b>	<b>423</b>	<b>382</b>	<b>401</b>	<b>357</b>
IT expenses	282	285	93	97	92	88	95
Marketing	55	54	18	19	18	19	16
Administrative expenses	45	57	17	15	13	14	15
Operating expenses from real estate	27	23	10	9	8	8	7
Other operating expenses	180	161	53	72	55	54	46
<b>Total operating expenses</b>	<b>589</b>	<b>580</b>	<b>191</b>	<b>212</b>	<b>186</b>	<b>183</b>	<b>179</b>
<b>Depreciation and impairments</b>	<b>133</b>	<b>142</b>	<b>43</b>	<b>46</b>	<b>44</b>	<b>45</b>	<b>59</b>
<b>Total operating expenses</b>	<b>1,959</b>	<b>1,757</b>	<b>666</b>	<b>681</b>	<b>612</b>	<b>629</b>	<b>595</b>

**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

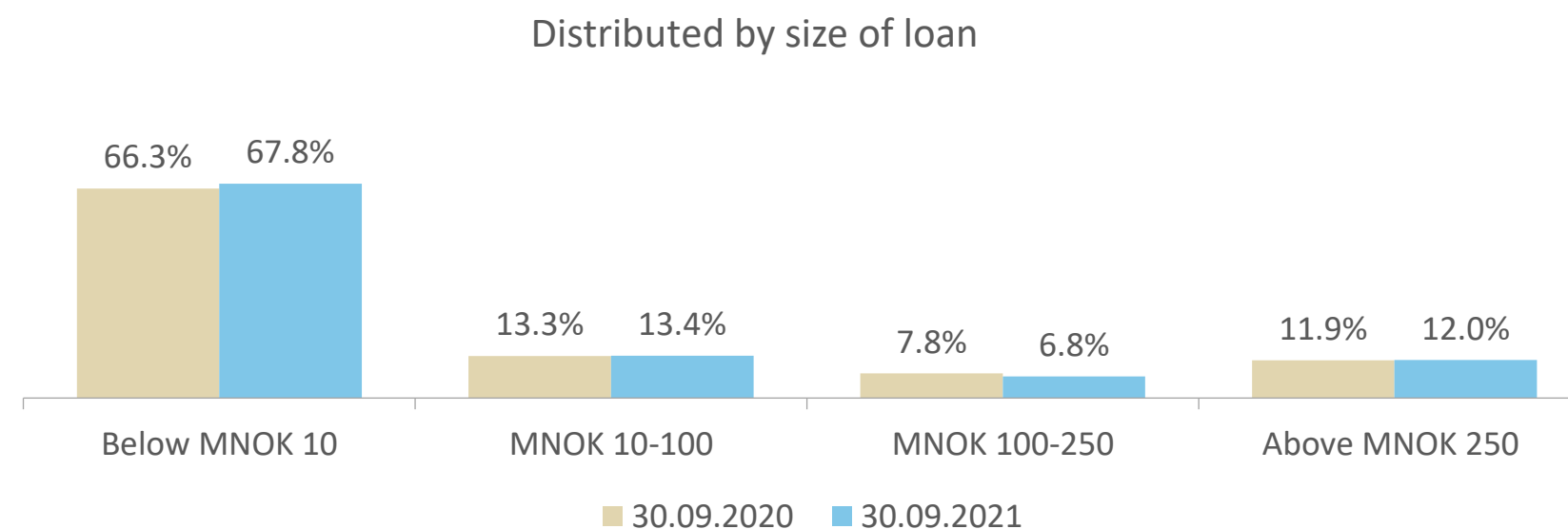
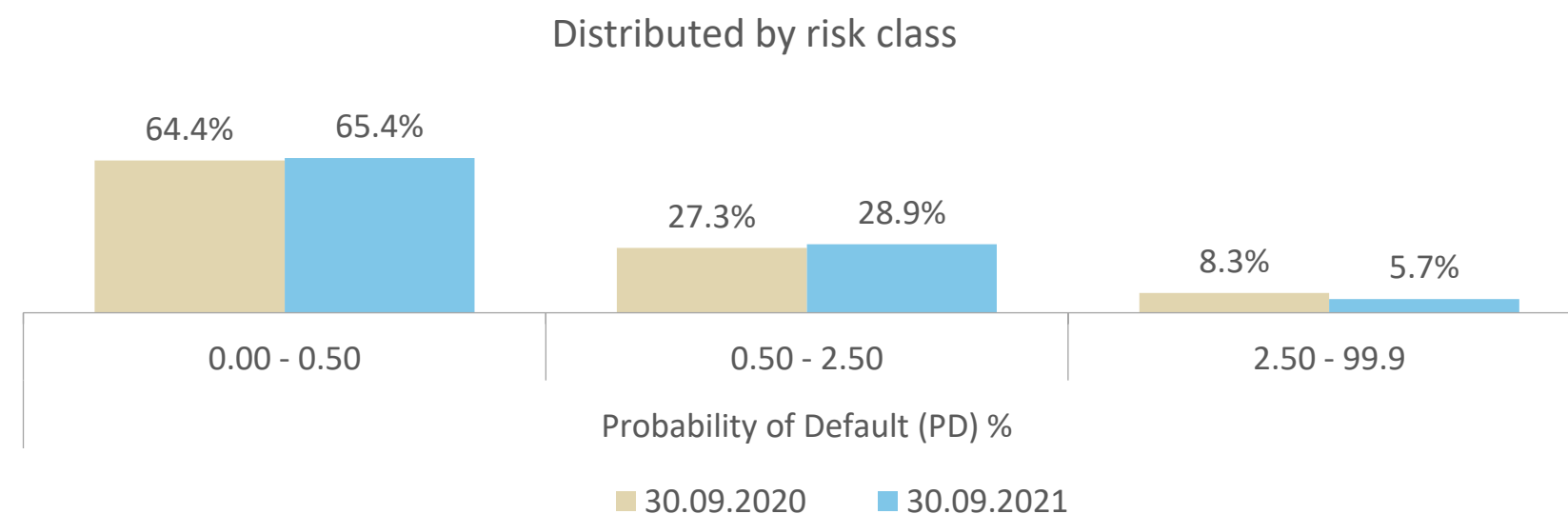


- The bank sets specific limits for the size of commitments as well as requirements concerning industry diversification
  - The maximum total exposure to an individual customer must be significantly lower than the regulatory requirements
  - The maximum unsecured exposure to an individual customer must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



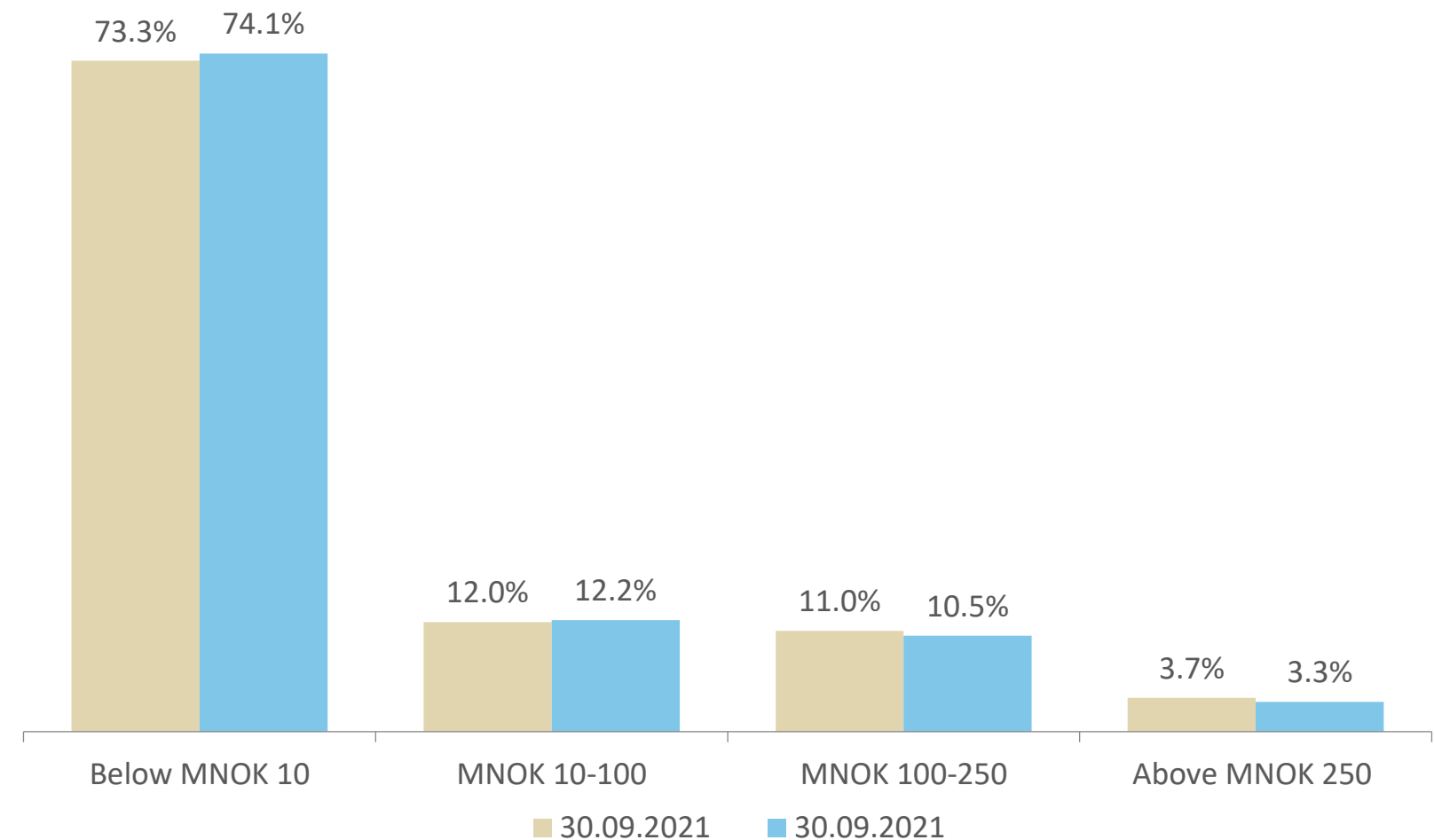
*Probability of default (PD) through a full cycle of loss.  
The figures include the loan portfolio in the covered bond companies.*



# 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.

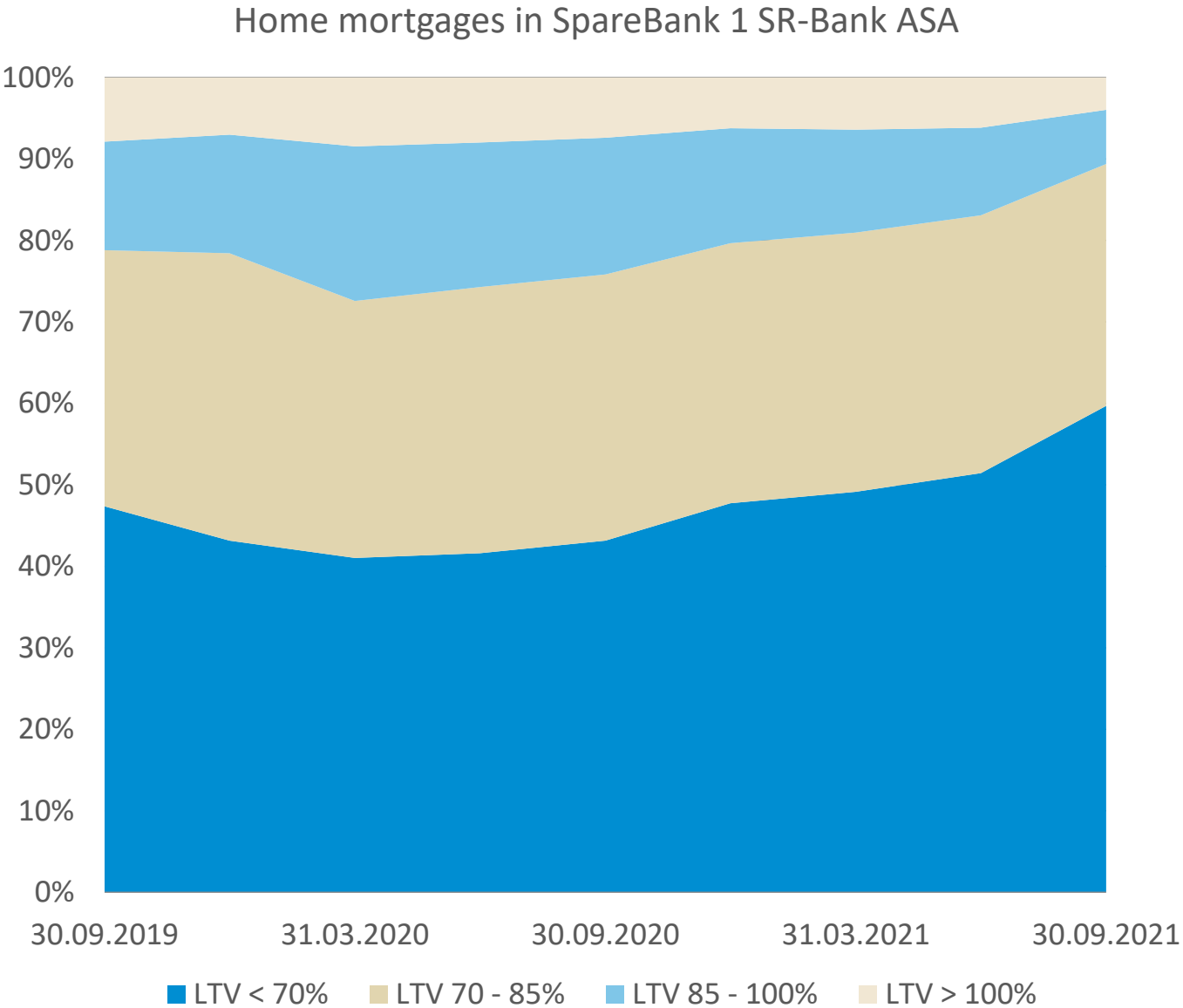
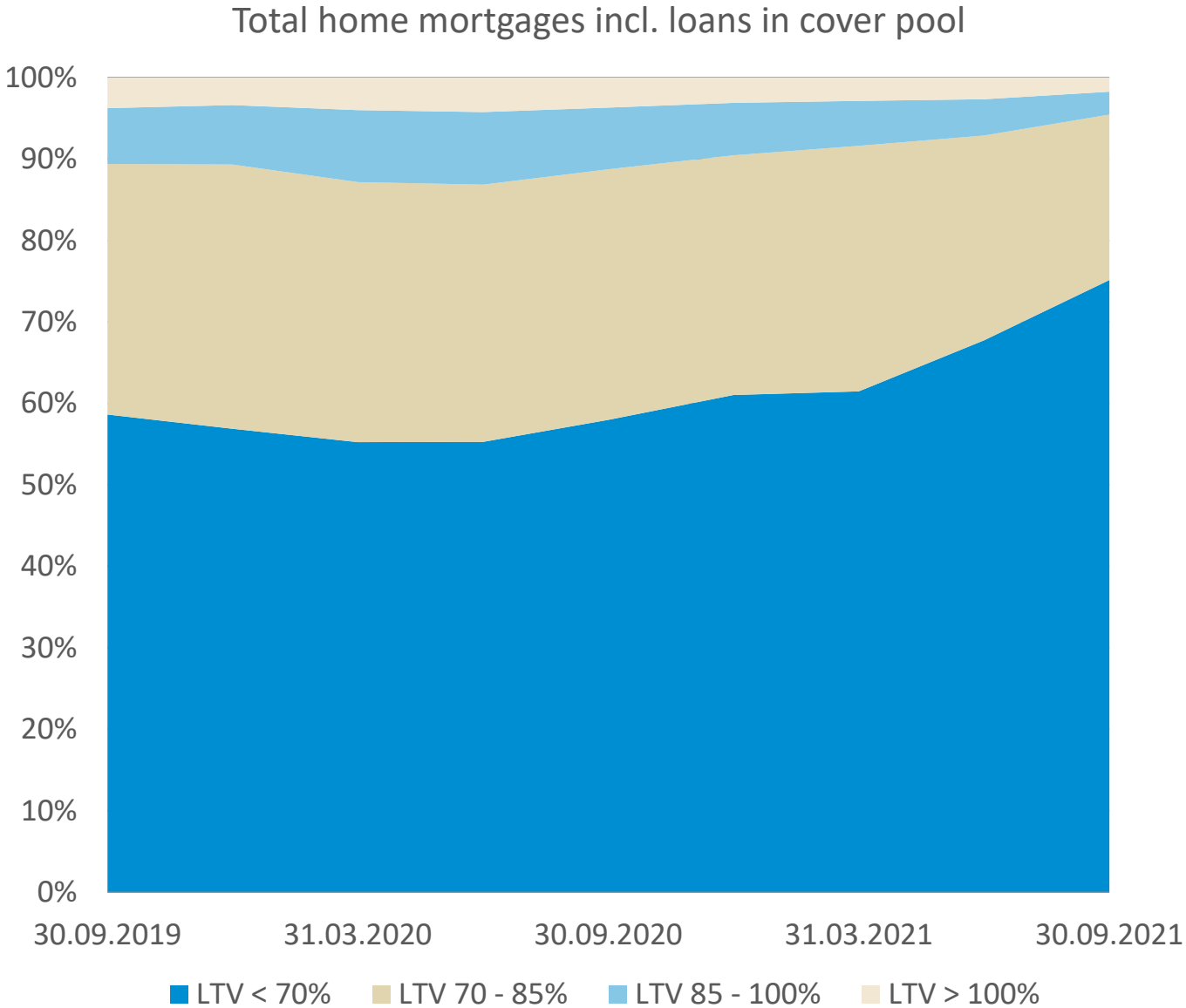
Distributed by loss given realisation (LGR)



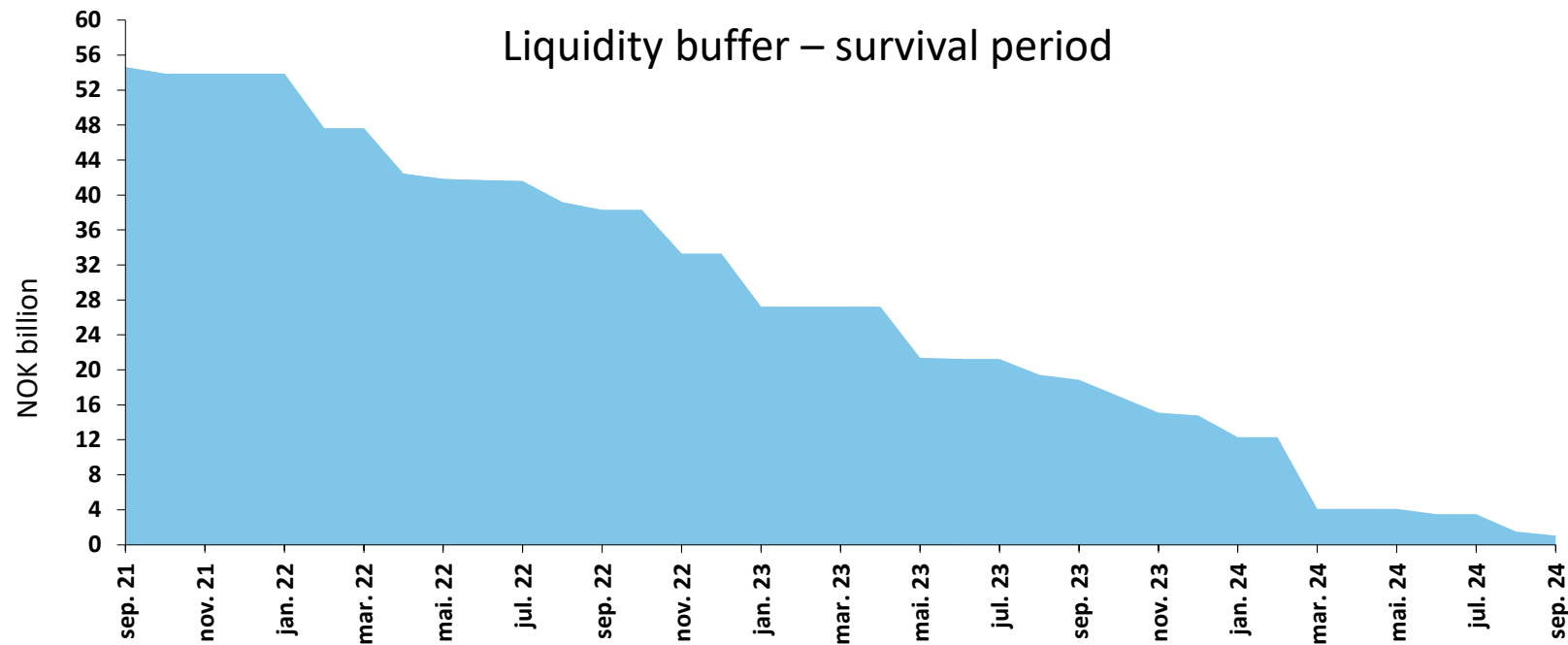
LGR (Loss Given Realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

The figure includes the loan portfolio in the covered bond companies.

# Historical LTV development for home mortgage loans



# Liquidity portfolio



- Liquidity buffer at the end of the quarter: NOK 54.6 billion
- Other liquid assets:
  - Home mortgages eligible for covered bond funding: NOK 23.1 billion
  - Bonds in the SR-Markets portfolio: NOK 0.2 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	0	0.0%	0
SSA/Foreign guaranteed	28,383	53.9%	3,835
Covered bonds (Norwegian/foreign)	24,294	46.1%	3,988
<b>Total liquidity portfolio</b>	<b>52,677</b>	<b>100.0%</b>	<b>7,823</b>

# Investments in bonds and certificates

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	52,677	99.5%
Low risk	A+, A and A-	0	0.0%
Moderate risk	Not rated	50	0.1%
High risk	Not rated	55	0.1%
Very high risk	Not rated	137	0.3%
<b>Total portfolio</b>		<b>52,919</b>	<b>100.0%</b>

*Of which liquidity purposes:*

Risk category	Rating	NOK Million	Share
Very low risk	AAA, AA+, AA and AA-	52,677	100.0%
Low risk	A+, A and A-	0	0.0%
Moderate risk	Not rated	32	0.1%
High risk	Not rated	0	0.0%
Very high risk	Not rated	0	0.0%
<b>Total liquidity purposes</b>		<b>52,708</b>	<b>100.0%</b>

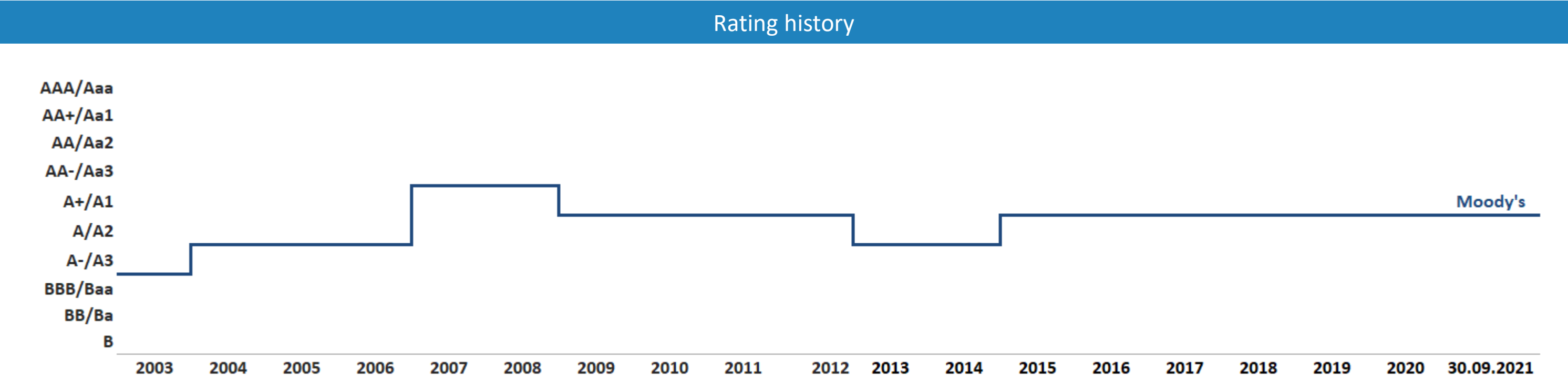
*Of which SR-Bank Markets:*

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	19	8.8%
High risk	Not rated	55	26.1%
Very high risk	Not rated	137	65.1%
<b>Total SR-Bank Markets portfolio*</b>		<b>210</b>	<b>100.0%</b>

\*Including hybrid capital classified as equity in the balance sheet

# Rating

Moody's	
Long-term debt	A1
Outlook	Stable
Updated	22 March 2021



# SR-Bank as at 30 September 2021

## SpareBank 1 SR-Bank share

	30.09.2021	2020	2019	2018	2017
Share price	121.50	91.00	100.00	89.20	87.00
Stock value (MNOK)	31,074	23,273	25,575	22,813	22,250
Book value per share, NOK (group)	95.82	95.97	89.90	82.27	77.24
Earnings per share	8.68	5.87	12.06	8.96	8.16
Dividend per share*	n.a	3.10	5.50	4.50	4.25
P/E	10.50	15.50	8.29	9.96	10.66
P/BV (group)	1.27	0.95	1.11	1.08	1.13

- Number of shares issued 255.7 million
- Trading volume in Q3 2021: 3.7% (6.1%)
- On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index

\*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.

## 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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