

Quarterly
presentation 2022

Q1



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Appendix

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.



SR-Bank at a glance

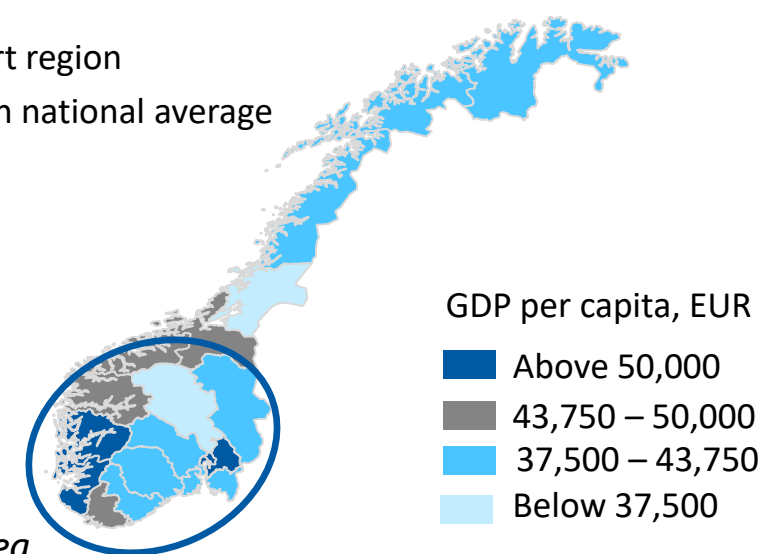
- Second largest Norwegian bank
- Market cap: NOK 34.3 Billion
- Total assets: NOK 318.3 Billion
- Total lending: NOK 233.6 Billion
- Total deposits: NOK 142.0 Billion
- No. of branches: 35
- Employees: 1,530



- **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 ASA	37.1%
2	SpareBank 1 SR-Bank ASA	4.0%
3	SpareBank 1 SMN	3.4%
4	SpareBank 1 Østlandet	2.9%
5	Sparebanken Vest	2.8%

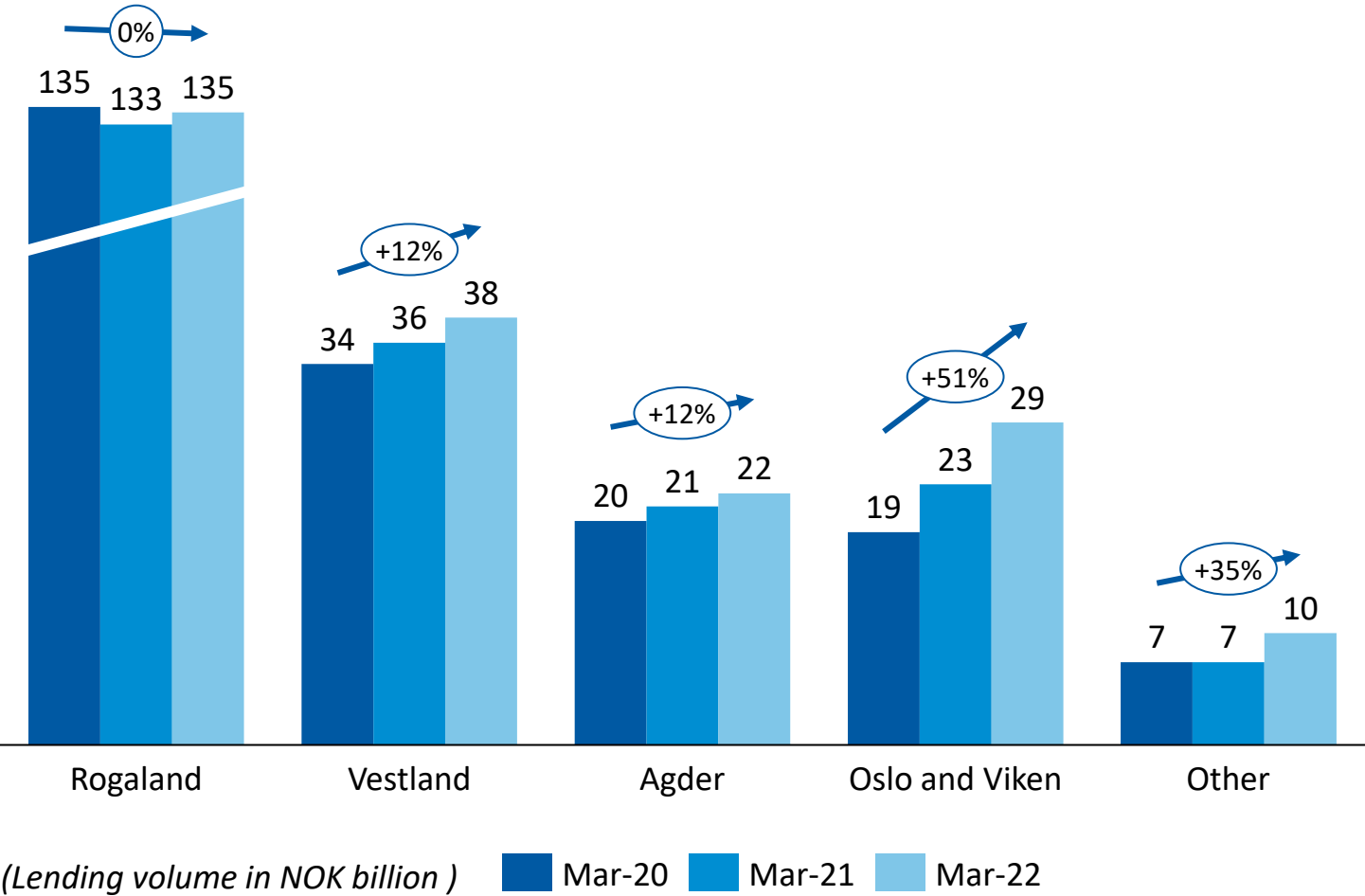
- Norway’s largest export region
- Unemployment rate on national average



SR-Bank’s market area

Source: Finans Norge (2020), Statistics Norway, Norges Bank.

Finance group for South of Norway



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

A result with good underlying operations, growth and positive development for business

Return on equity after tax

11.4%

Operating profit before tax

NOK 921 million

Impairments on lending and financial commitments

NOK 15 million

(0.03% of gross lending)

12 months lending growth

5.6%

Retail market 5.4%

Corporate market 5.6%

SME and Agriculture 5.0%

Cost to income ratio

42.6%

12 months deposit growth

10.8%

Retail market 10.5%

Corporate market 9.2%

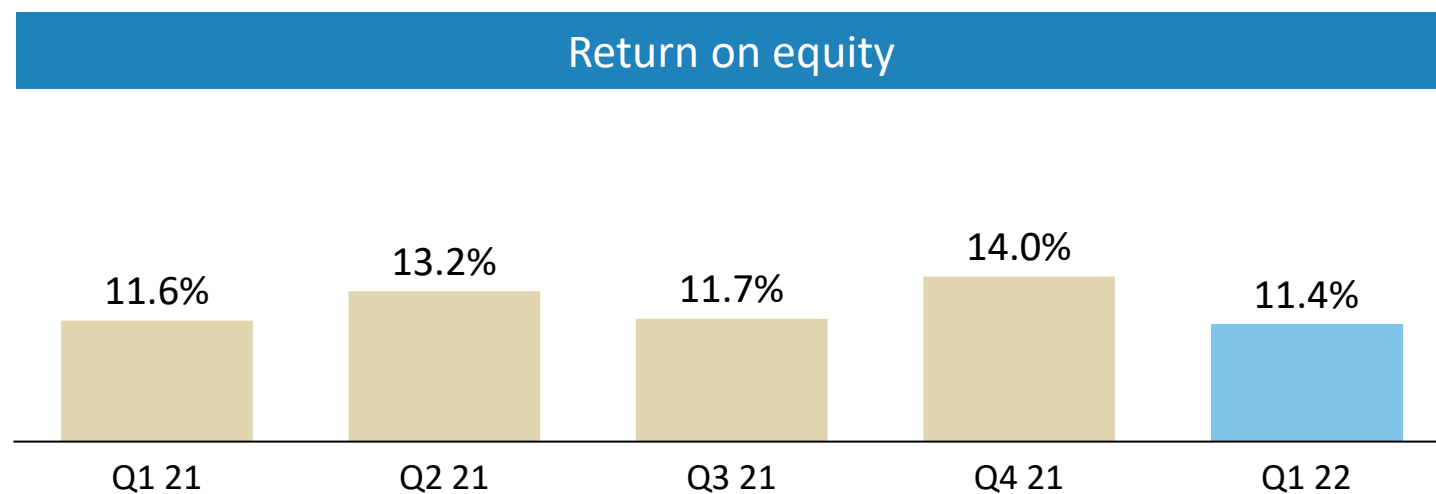
SME and Agriculture 15.4%

CET 1 capital ratio

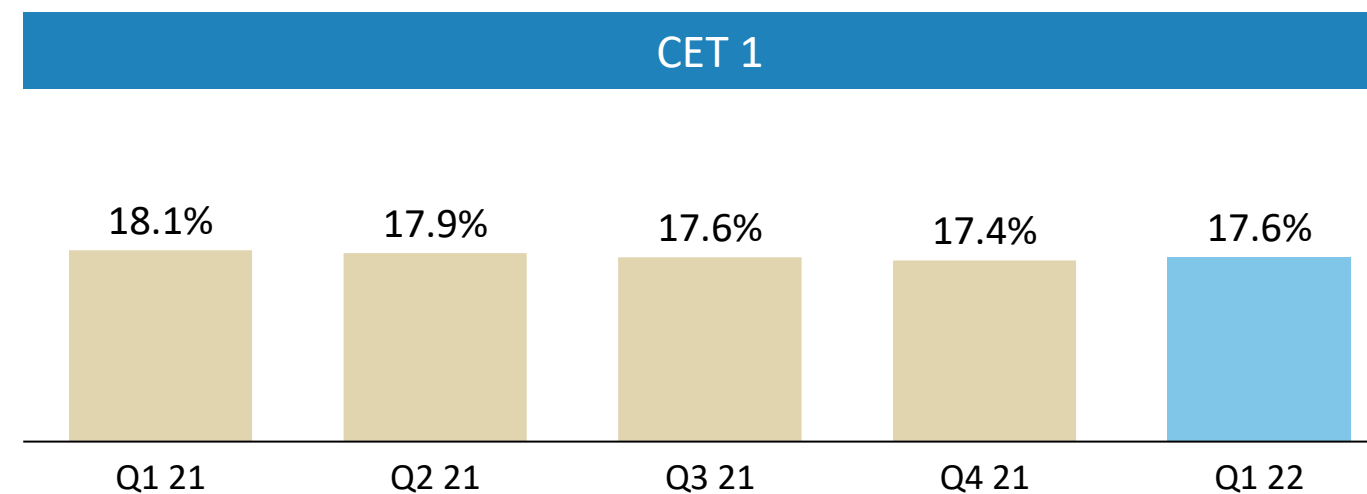
17.6%

Key figures – quarterly development

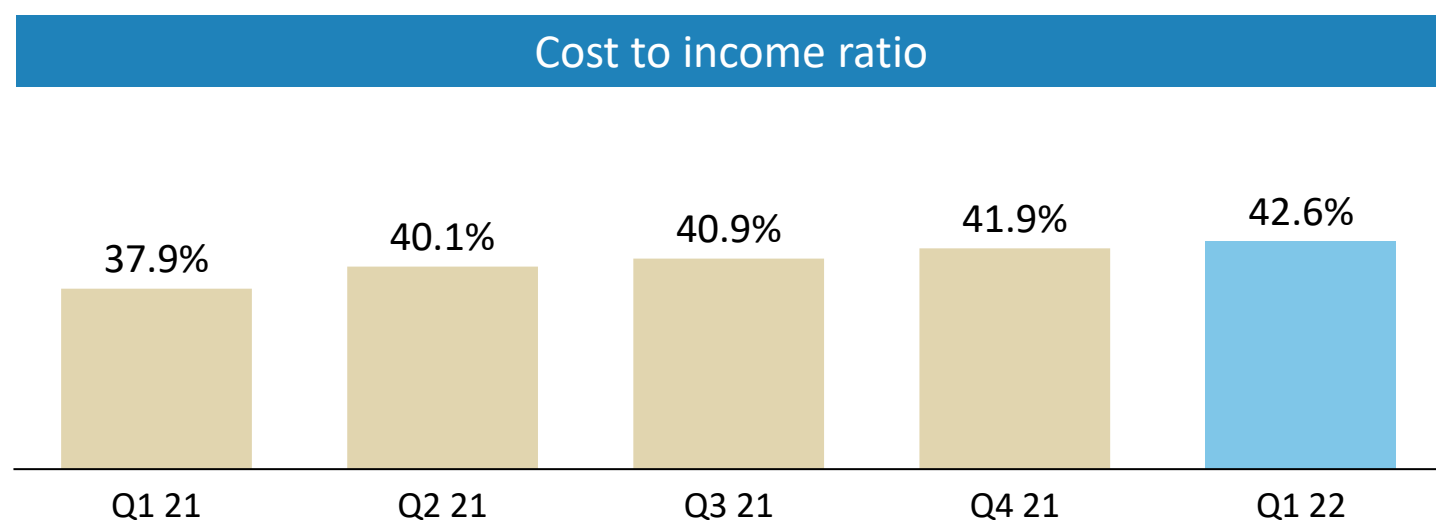
Return on equity



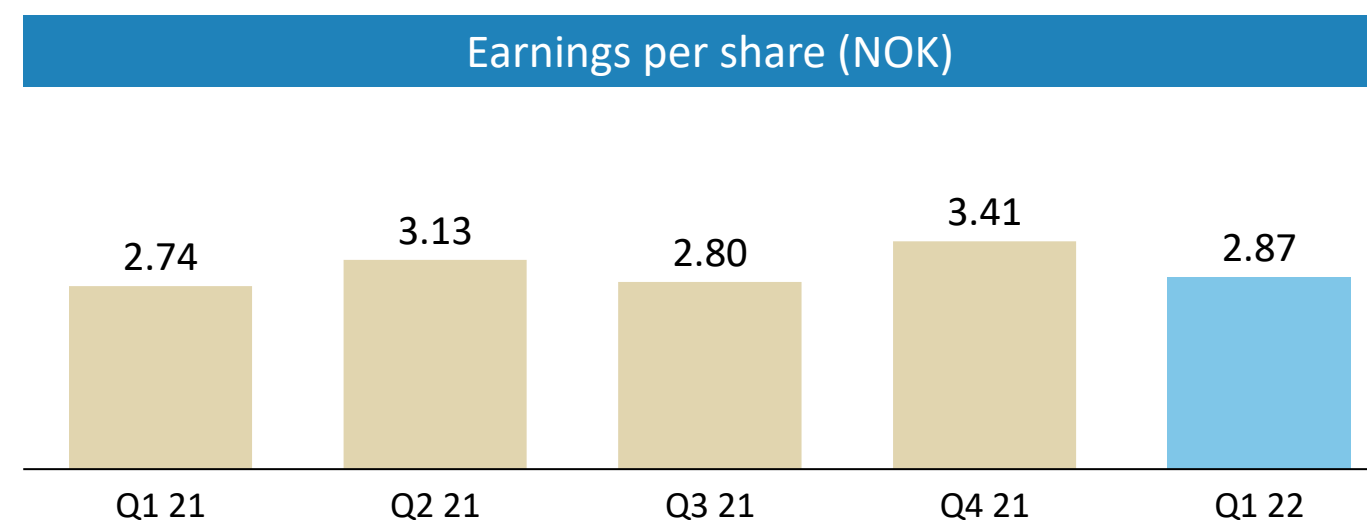
CET 1



Cost to income ratio

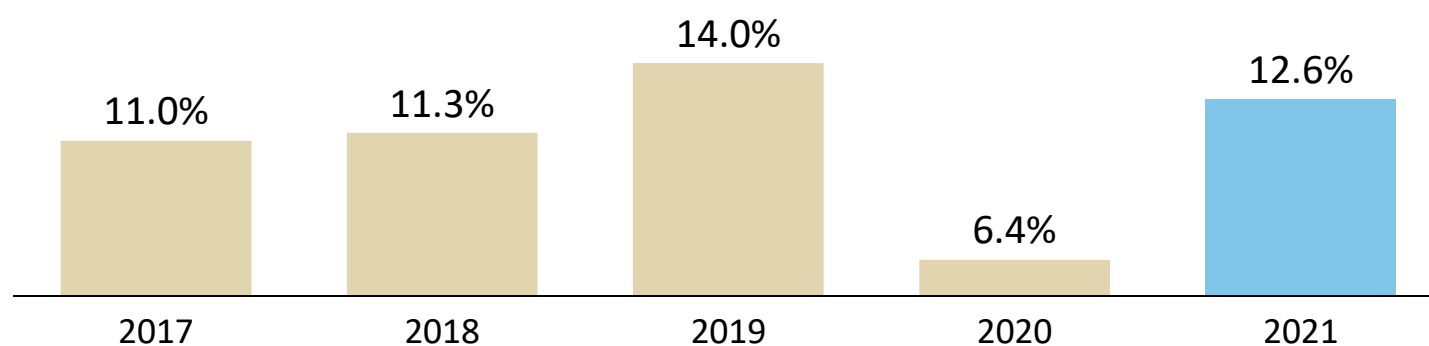


Earnings per share (NOK)

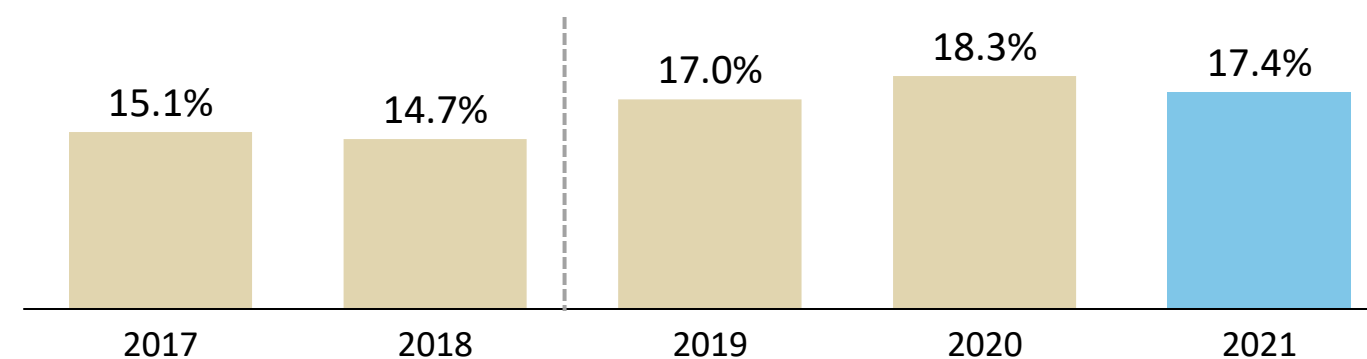


Key figures – annual development

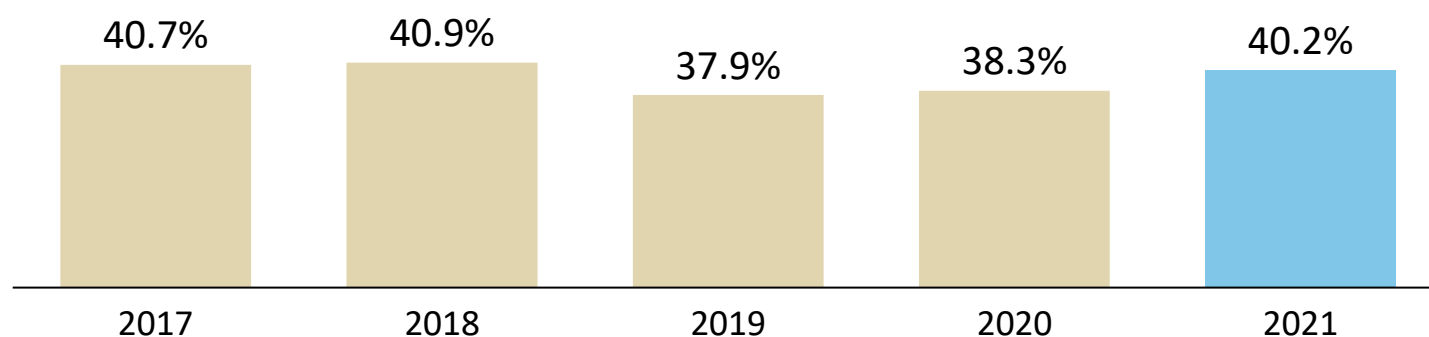
Return on equity



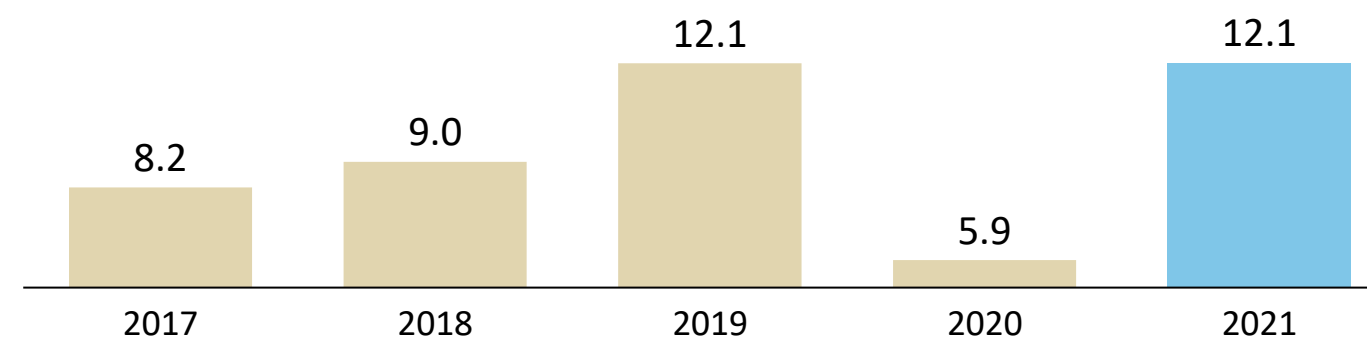
CET 1*



Cost to income ratio

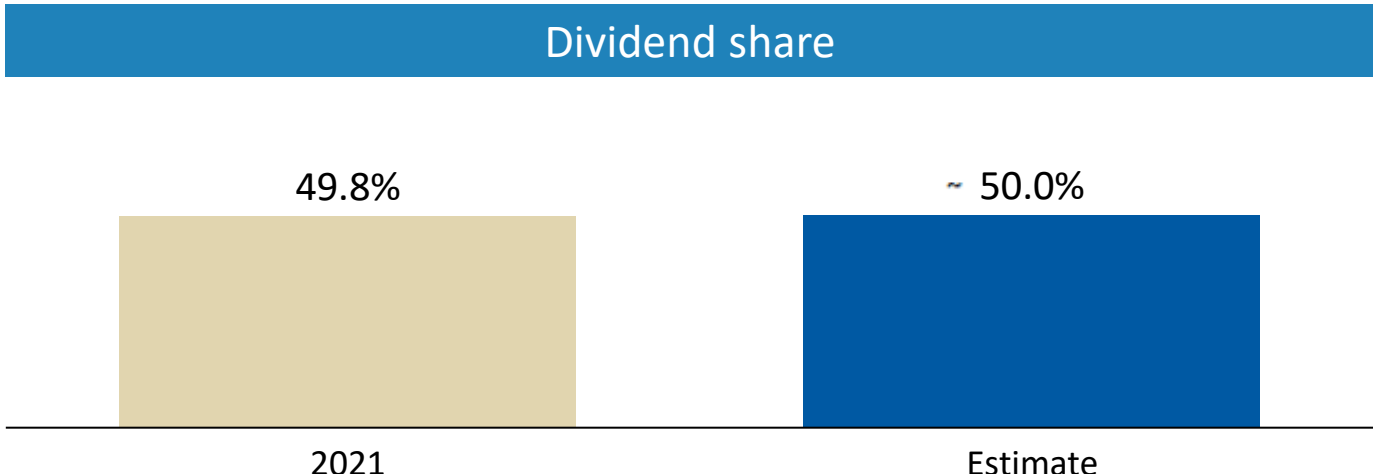
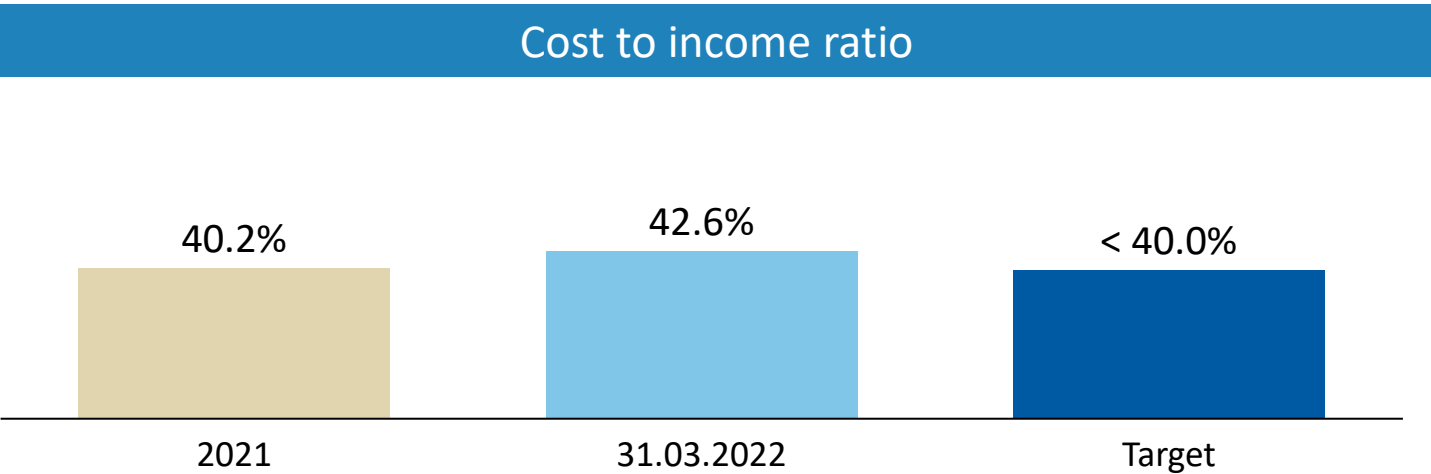
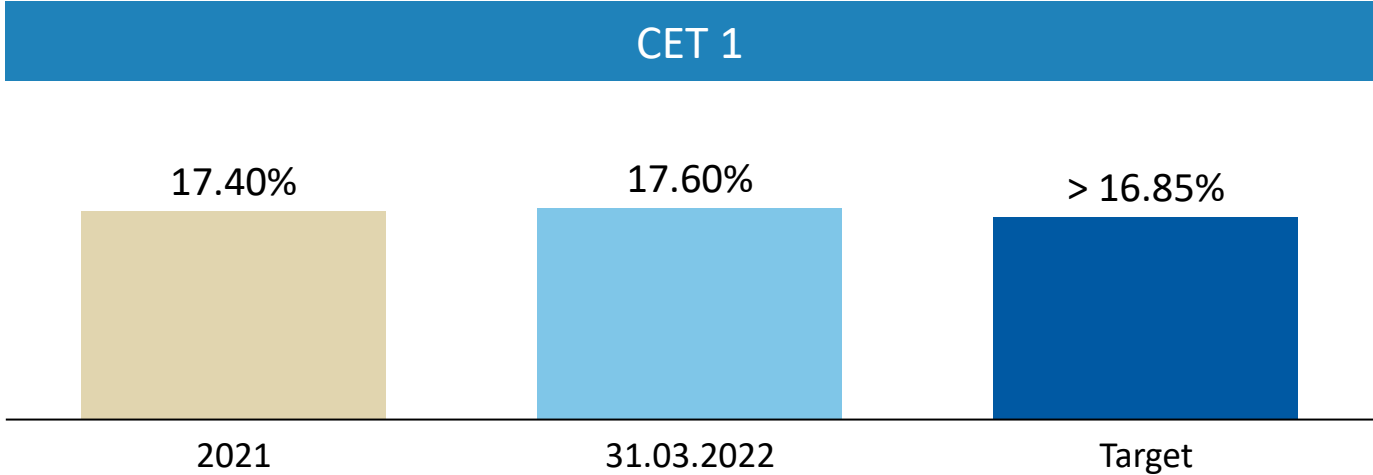
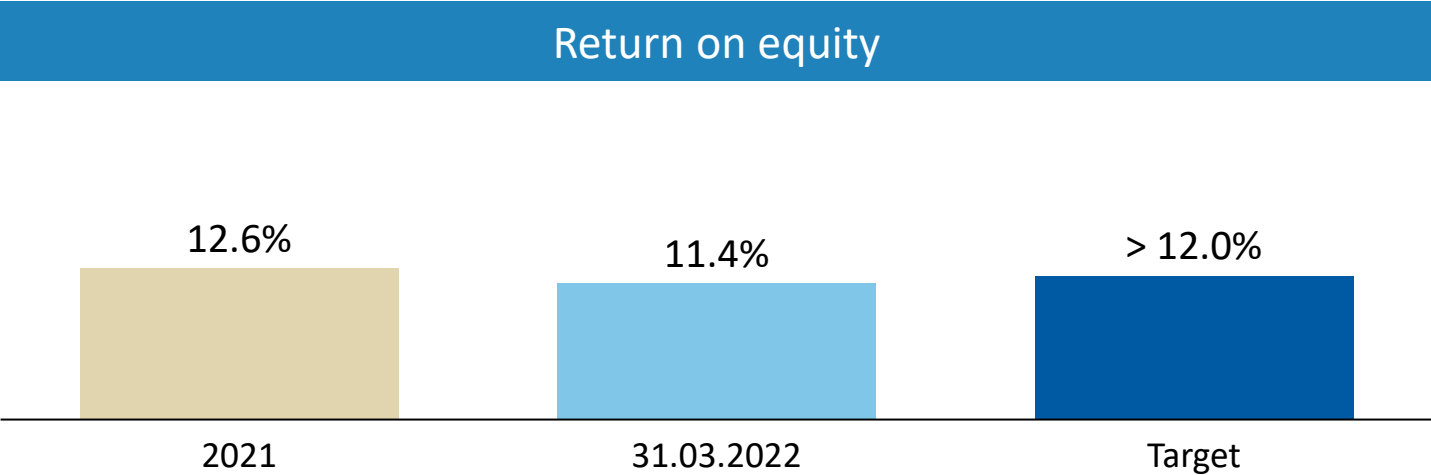


Earnings per share (NOK)



*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.

Key figures and financial targets

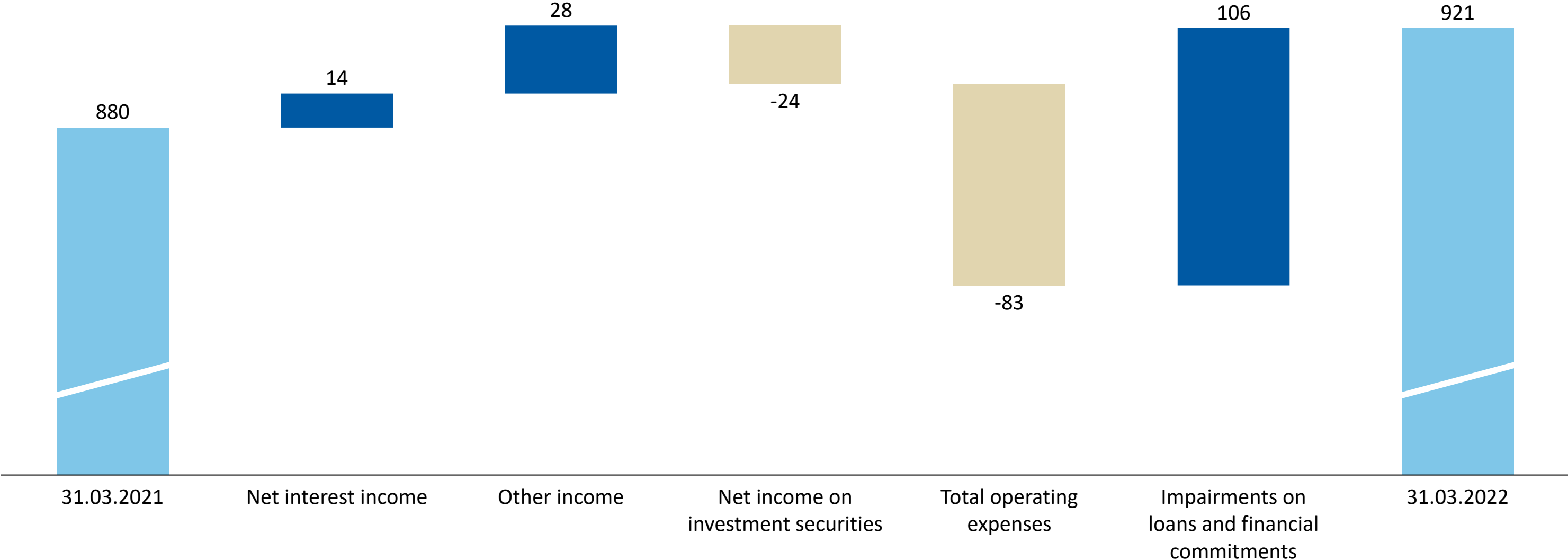


Income statement

Group Income Statement (MNOK)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net interest income	1,009	1,005	989	1,001	995
Net commission and other income	430	455	406	454	402
Net income on investment securities	192	344	234	243	216
Total income	1,631	1,804	1,629	1,698	1,613
Total operating expenses	695	755	666	681	612
Operating profit before impairments	936	1,049	963	1,017	1,001
Impairments on loans and financial commitments	15	-24	37	58	121
Operating profit before tax	921	1,073	926	959	880
Tax expense	168	184	193	143	162
Net profit after tax	753	889	733	816	718

Change in profit 31.03.2021 – 31.03.2022

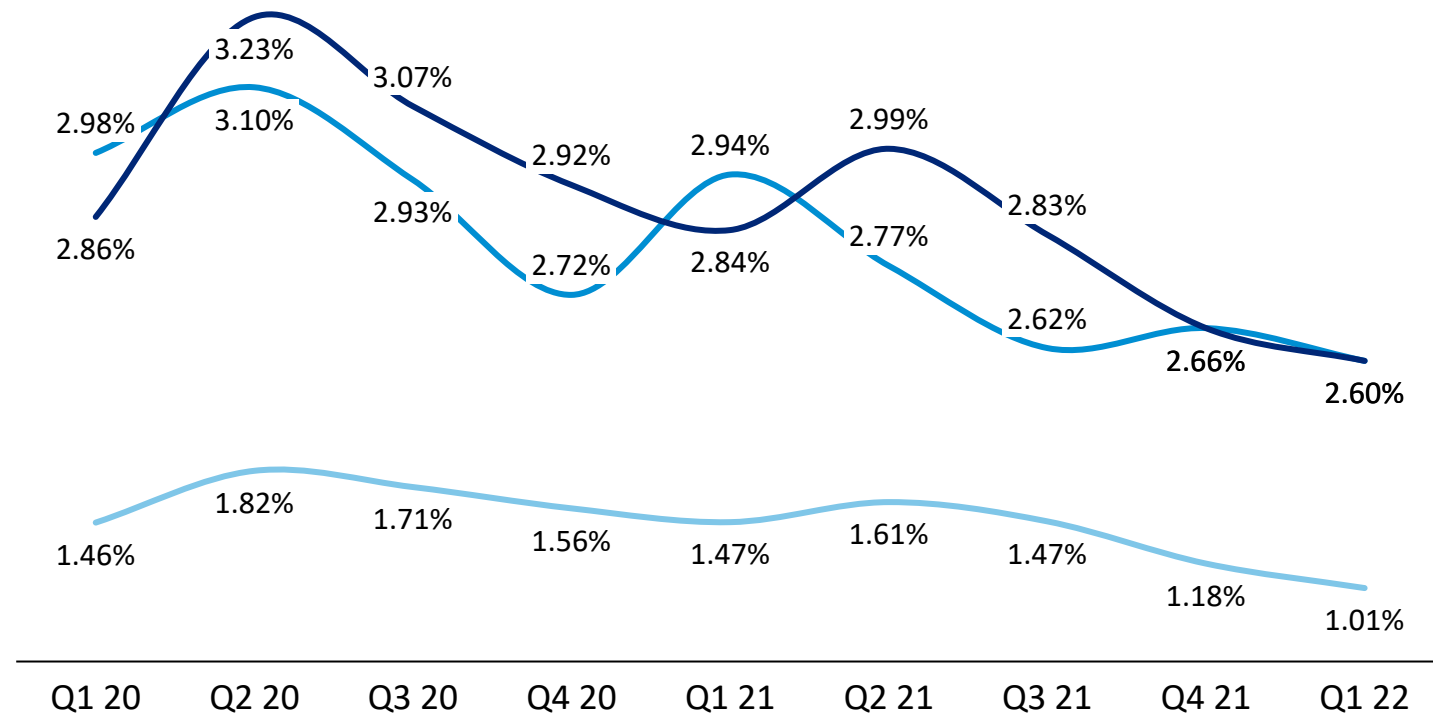
(NOK million)



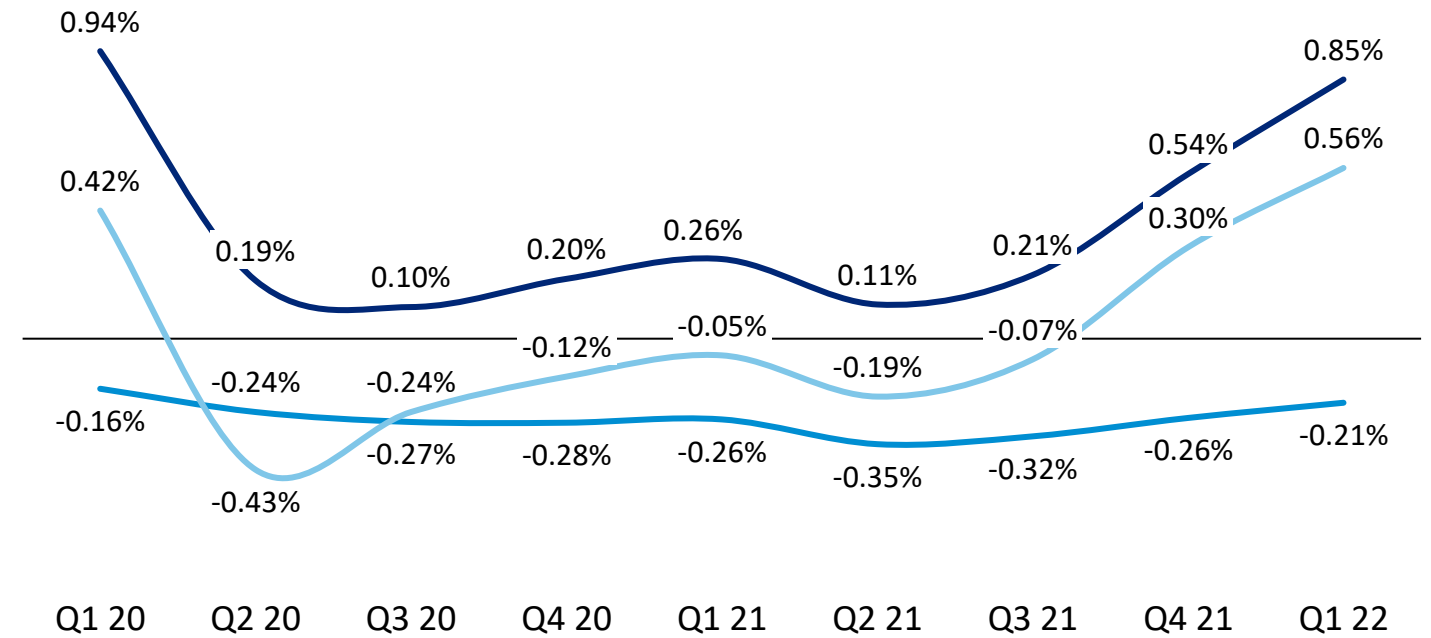
Lending and deposit margins

— Corporate market — SME and Agriculture — Retail market

Lending margins



Deposit margins

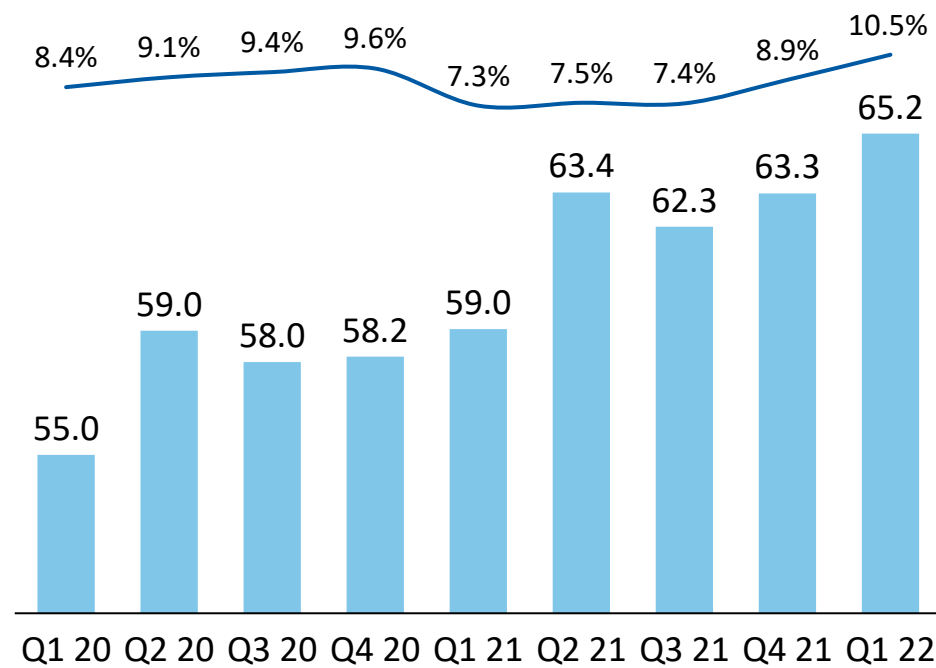


Definition: Average customer rate measured against 3-months NIBOR.

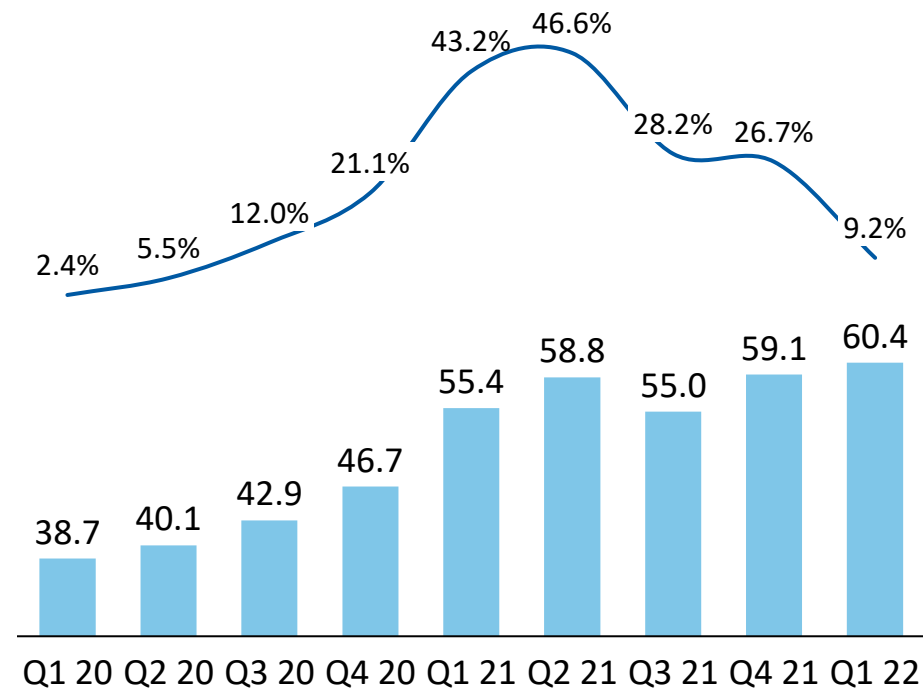
Deposit volume and 12 months growth

■ Volume in NOK billion — 12 months growth %

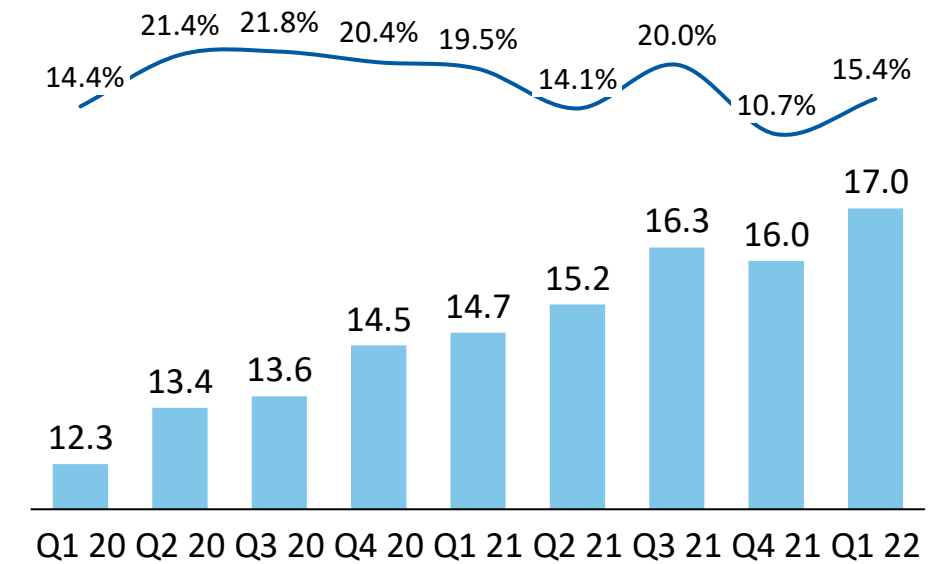
Retail market



Corporate market



SME and Agriculture

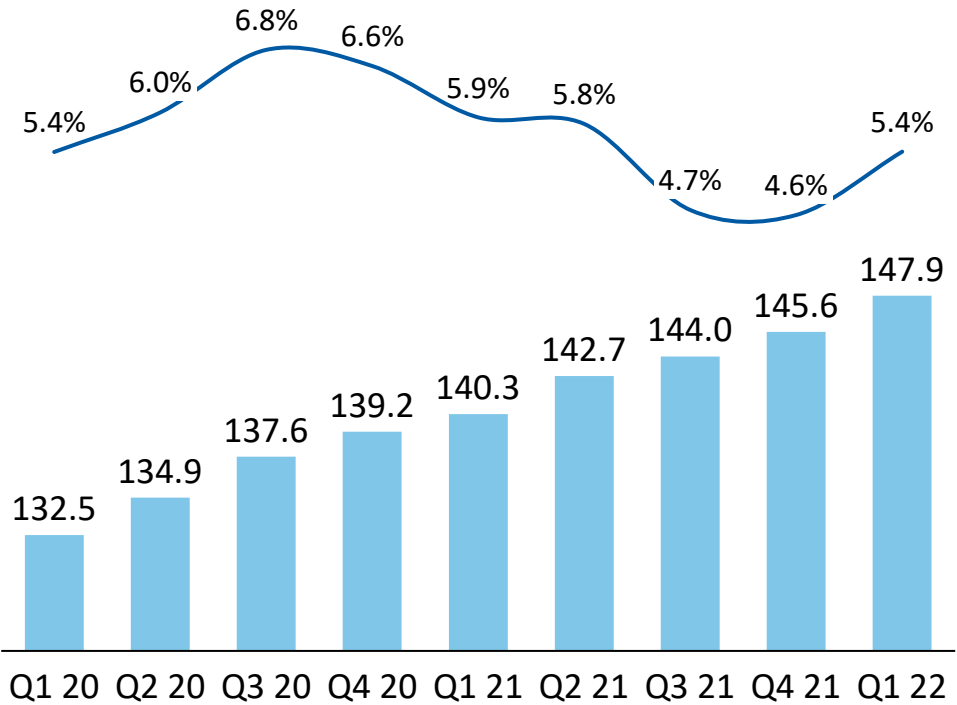


- In the last 12 months the total deposit volume has increased by NOK 13.9 billion to NOK 142 billion (10.8%).
- Deposit growth is 12.2% excl. public sector.
- Volatility in deposit growth in the Corporate market is mainly due to changes in deposit from public sector.

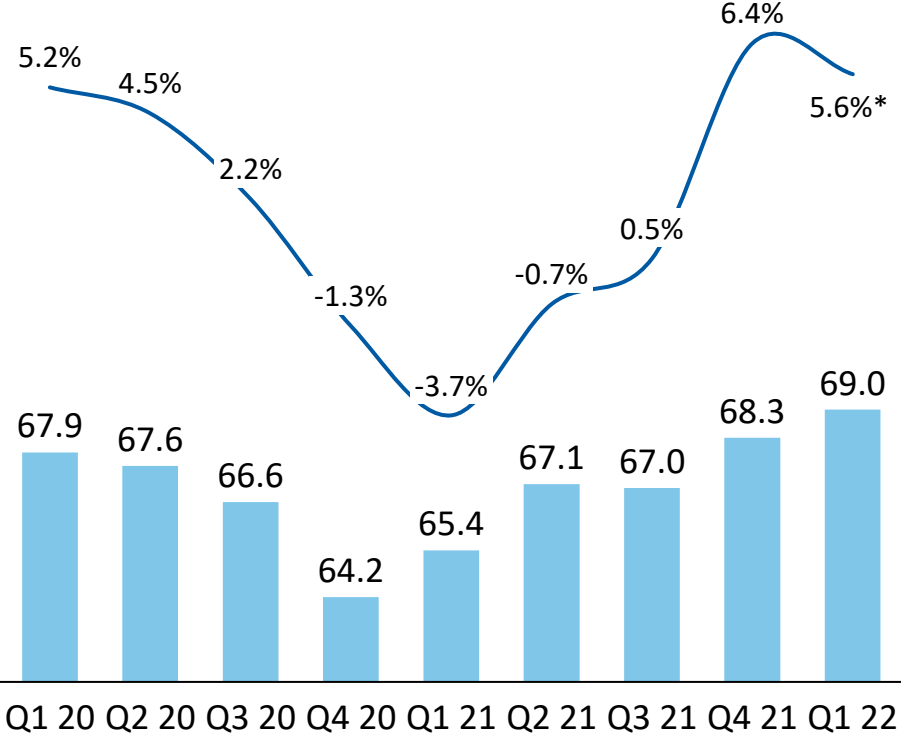
Lending volume and 12 months growth

■ Volume in NOK billion — 12 months growth %

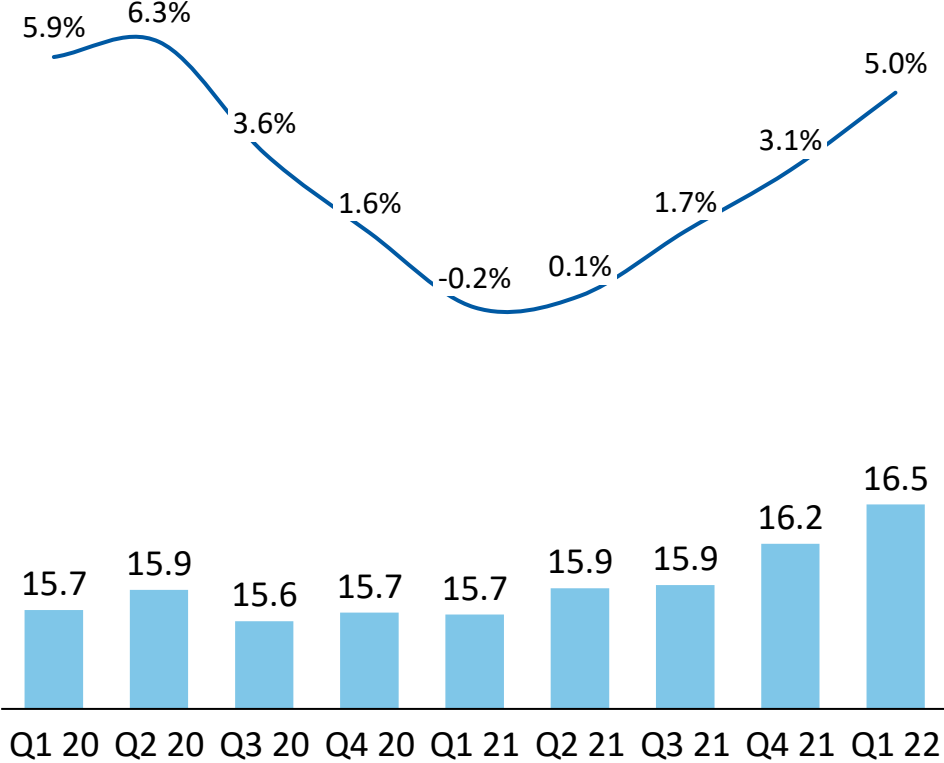
Retail market



Corporate market



SME and Agriculture



*12 months lending growth in Corporate market excluding currency effect is 5.5%

Net commission and other income

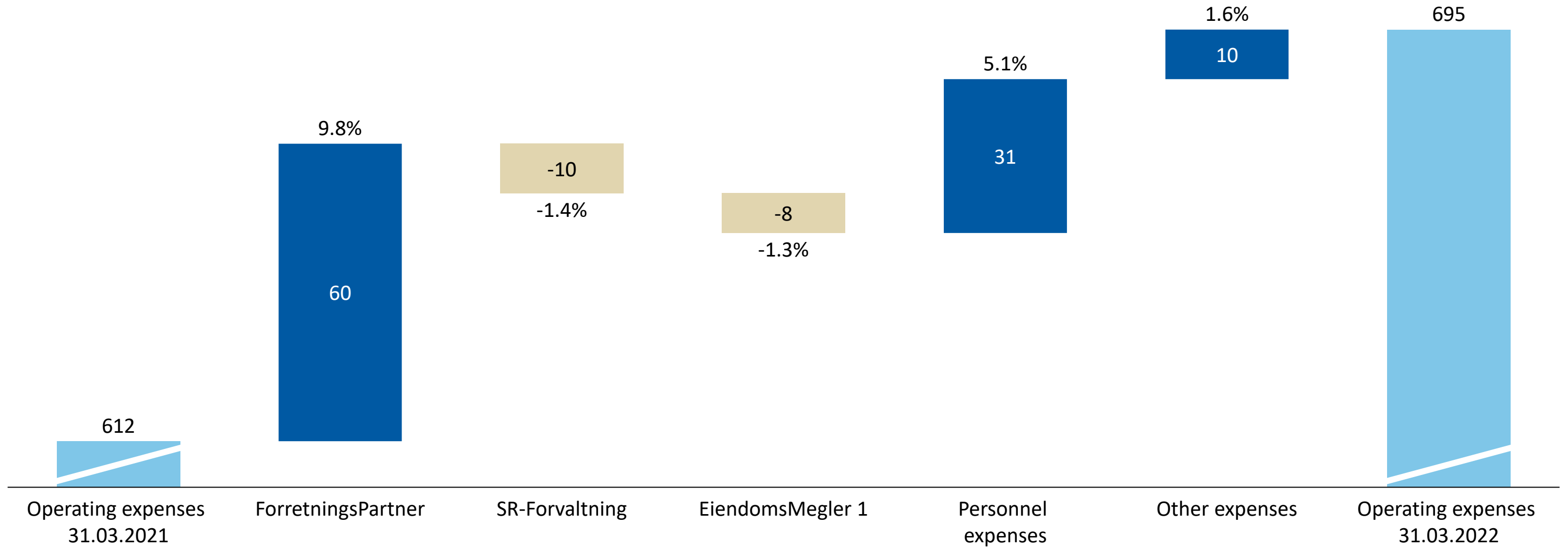
MNOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Payment facilities	70	70	64	56	55
Savings/placements	31	52	50	61	53
Insurance products	63	61	60	56	56
Commission income EiendomsMegler 1	88	96	101	132	110
Guarantee commission	32	28	30	24	24
Arrangement- and customer fees	33	50	18	23	51
Commission income ForretningsPartner	104	91	79	95	50
Other	9	7	4	7	3
Net commission and other income	430	455	406	454	402

Operating expenses

MNOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Total personnel expenses	445	485	432	423	382
IT expenses	97	99	93	97	92
Marketing	21	26	18	19	18
Administrative expenses	18	21	17	15	13
Operating expenses from real estate	11	10	10	9	8
Other operating expenses	53	72	53	72	55
Total operating expenses	200	228	191	212	186
Depreciation and impairments	50	42	43	46	44
Total operating expenses	695	755	666	681	612

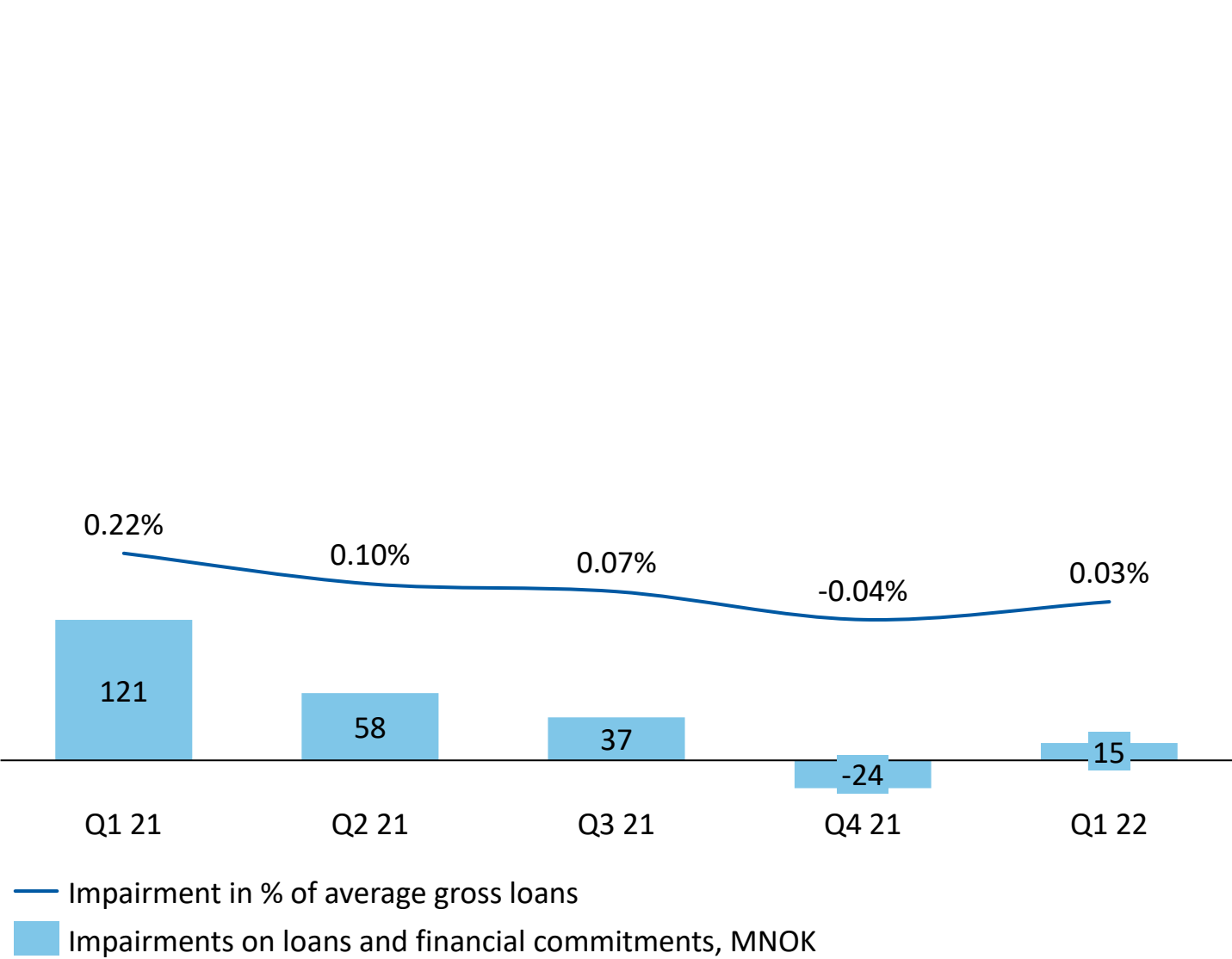
Changes in operating expenses 31.03.2021-31.03.2022

(NOK million)

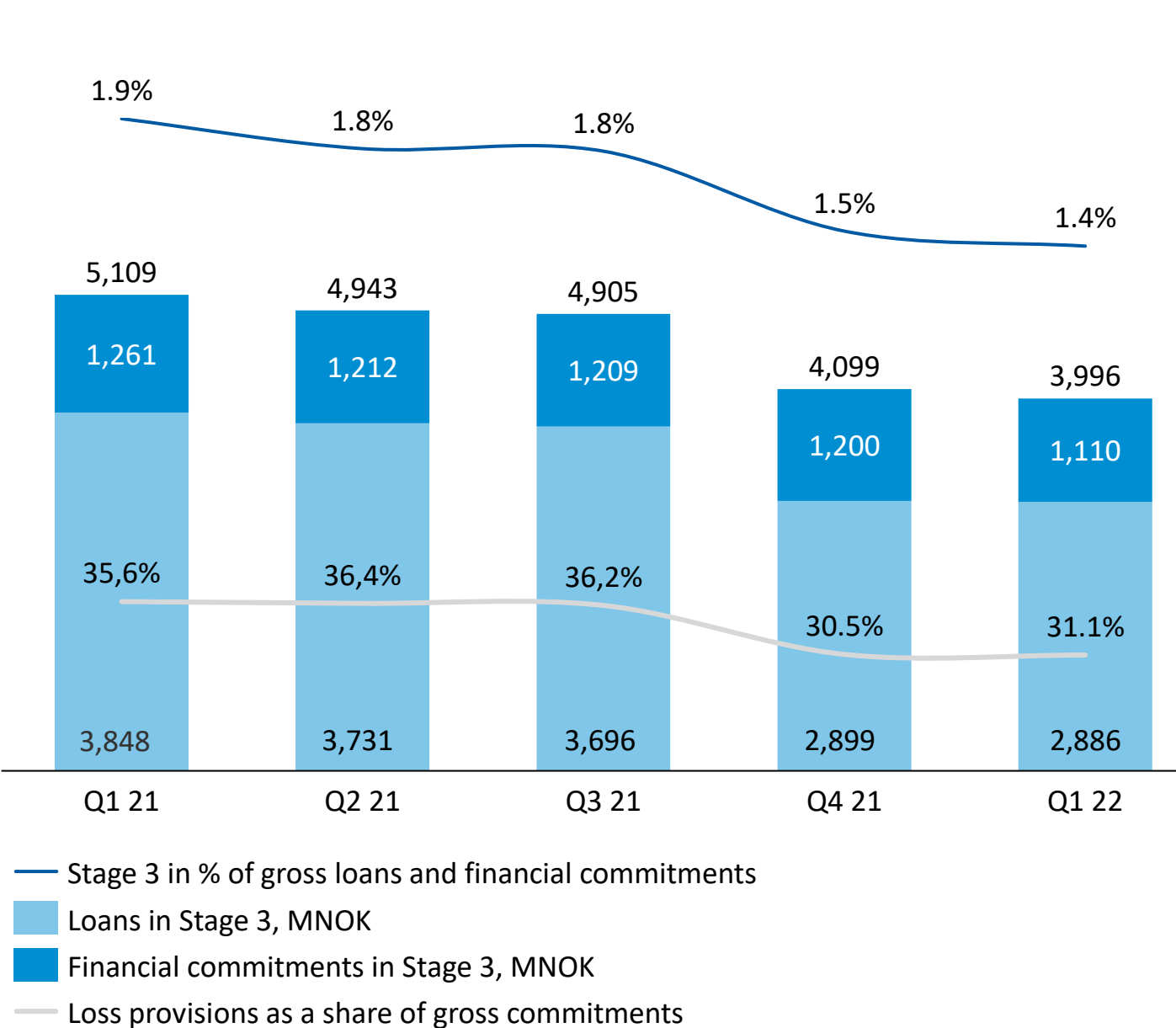


Impairments on loans and financial commitments / Loans and financial commitments defined as Stage 3

Impairments on loans and financial commitments



Changes in gross loans and financial commitments defined as Stage 3



Impairments on loans and financial commitments

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

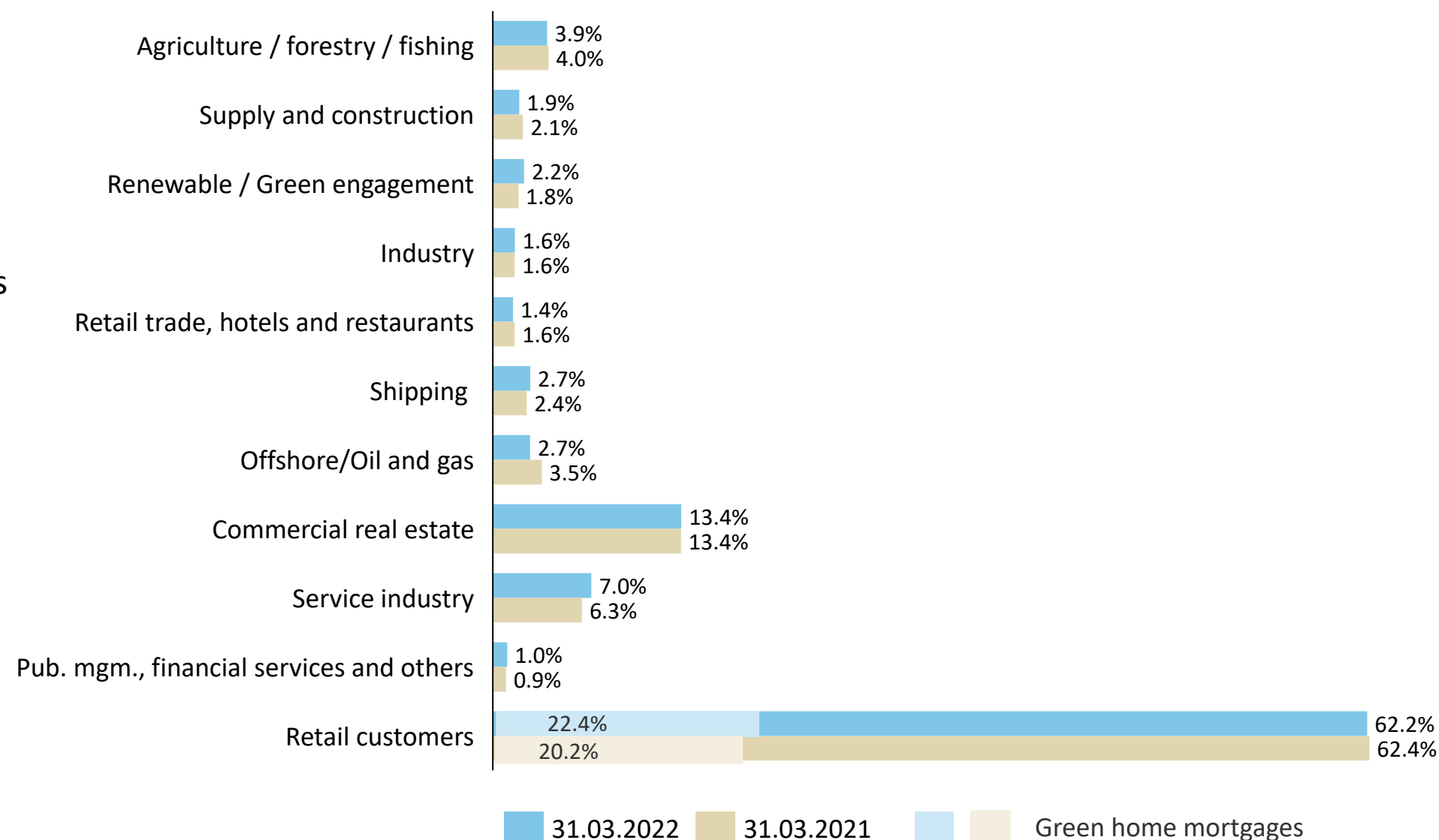
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Corporate market	27	26	35	52	115
SME and Agriculture	-11	-21	11	7	6
Retail market	-1	-29	-9	-1	0
Total impairments	15	-24	37	58	121

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

	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021
Corporate market	1,516	1,495	2,113	2,135	2,132
SME and Agriculture	198	211	231	229	228
Retail market	168	168	180	197	205
Total impairments	1,882	1,874	2,524	2,561	2,565

Loan portfolio as at 31 March 2022

- Gross loans increased to NOK 233.6 billion from NOK 221.3 billion at the same time the year before
- 12-month growth in loans of 5.6%
- Loans to retail customers account for 62.2% of total loans. Of this green home mortgages accounts for 22.4%

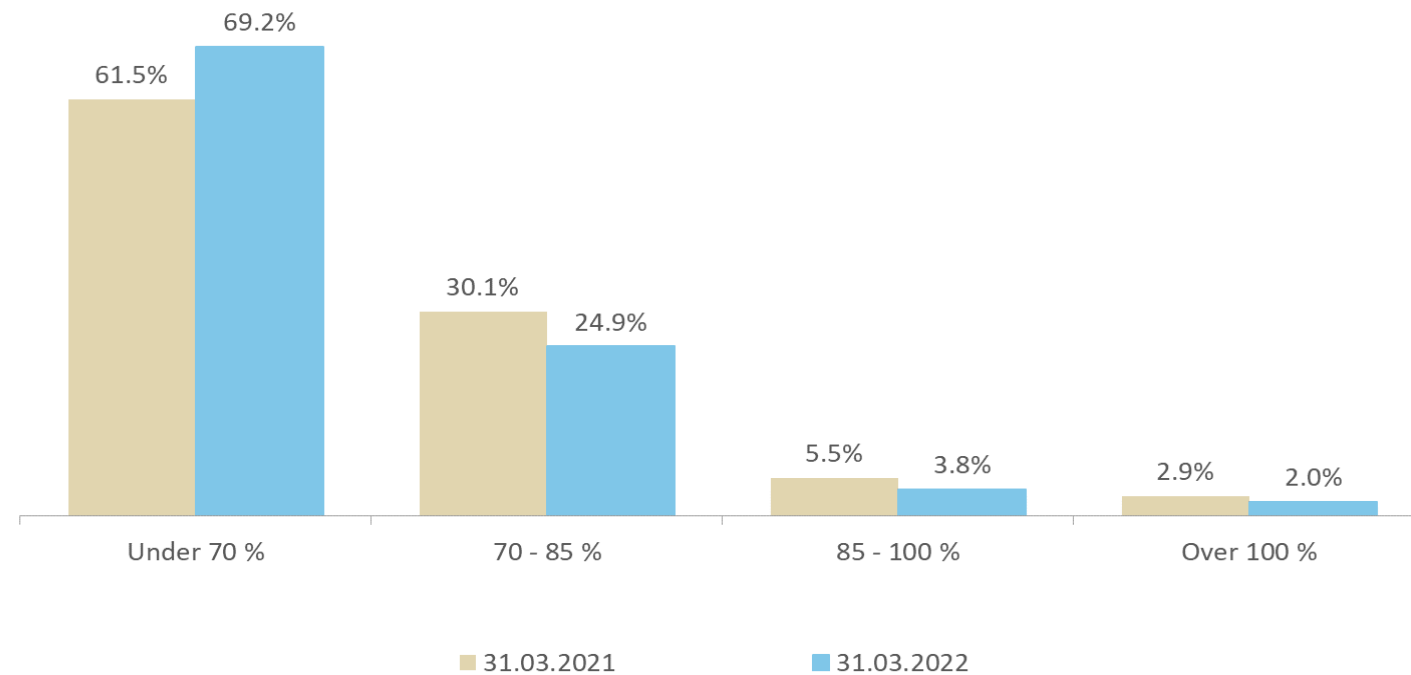


Loans before impairments, nominal amounts. Sector allocation in accordance with the standard categories from Statistics Norway. Some customers' classifications were changed in the first quarter of 2022, which resulted in changes to historical figures.

Loan to value ratio and RWA on home mortgage loans

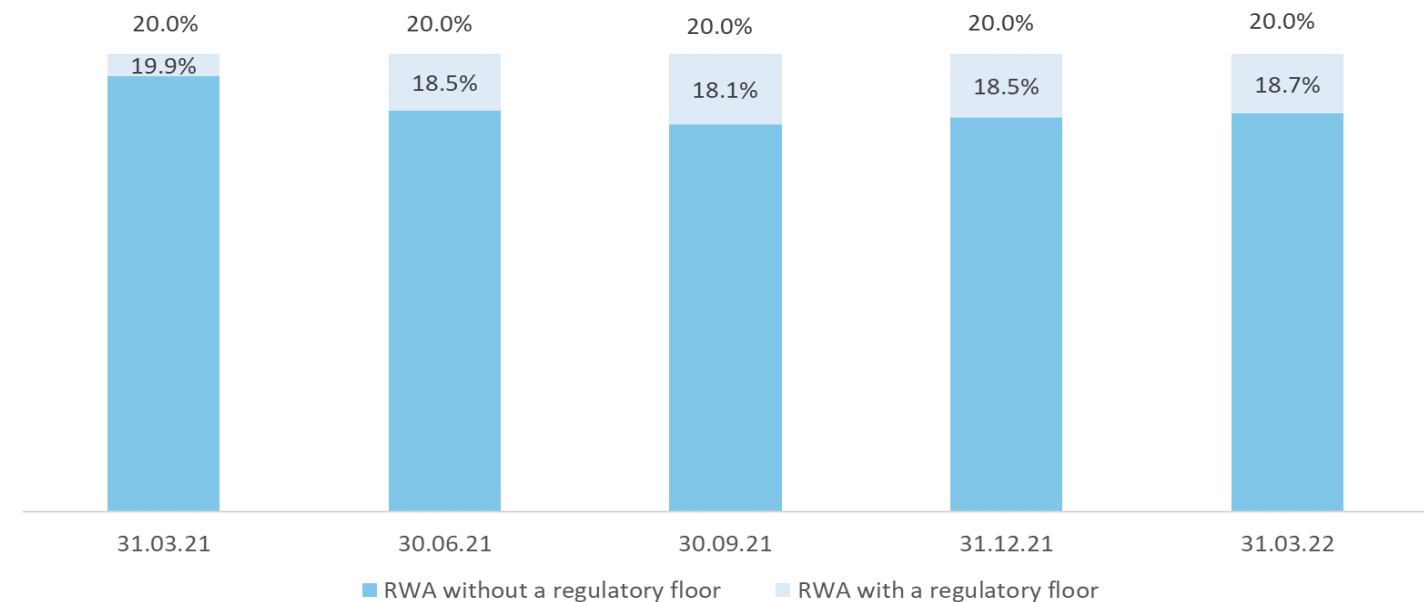
Loan to value ratio on home mortgage loans

- Increased share of volume with LTV below 70% is mainly due to increased market values of collateral (housing) in the bank's market area.
- 94.1% of the exposure is within 85% of the assessed value of collateral.



RWA home mortgages

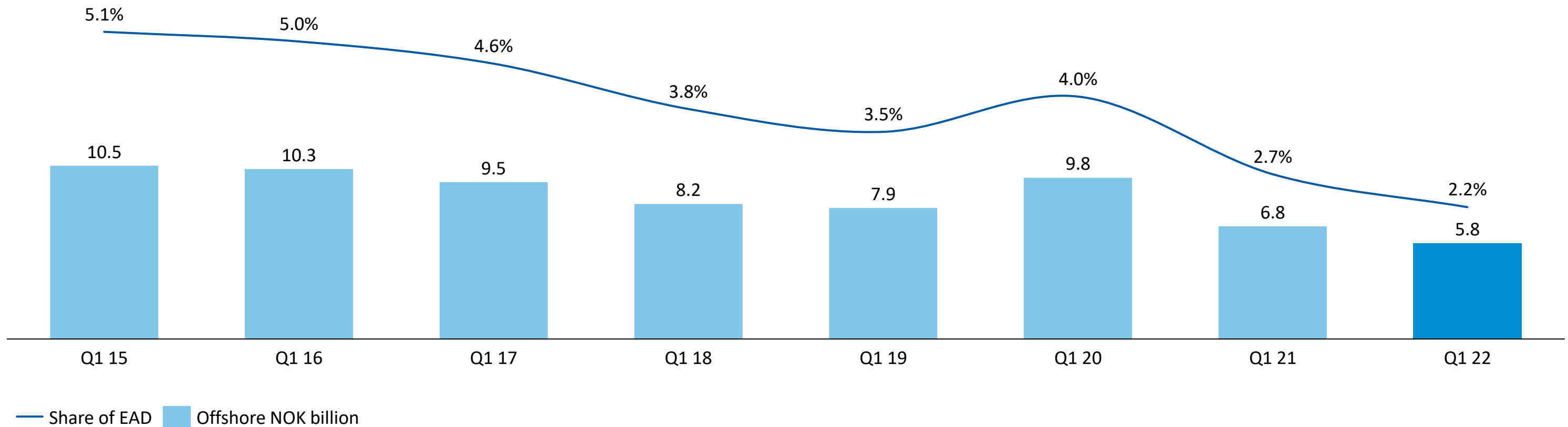
- RWA on home mortgages reflects a solid portfolio with a moderate loan-to-value ratio and low potential loss.
- Risk weights on home mortgage loans are subject to a regulatory floor of 20%. Without this floor, the risk weight of these mortgages would have been lower than 20% in the year.



*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.*

Reduced exposure to the offshore sector

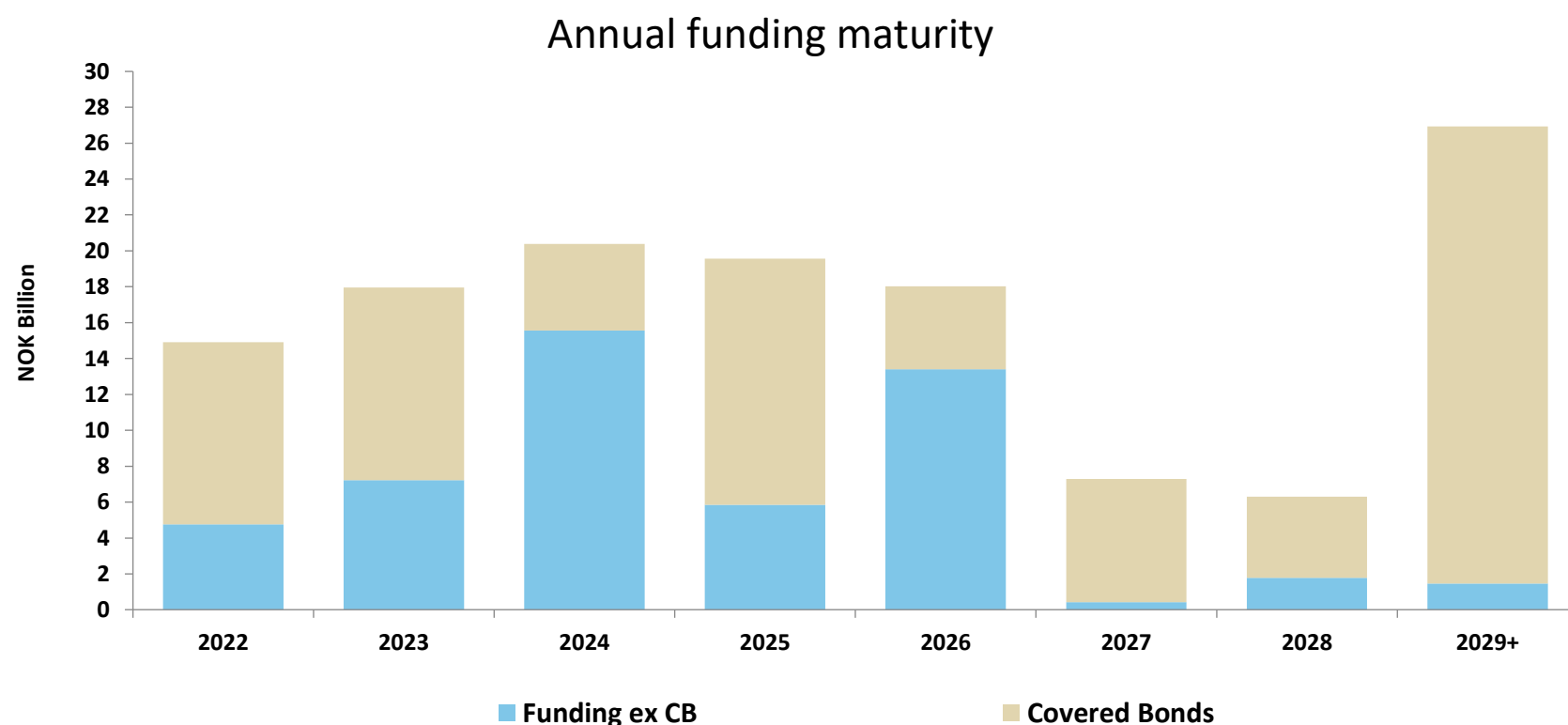
- Offshore
 - EAD NOK 5.8 billion, 2.2% of the bank's total EAD*
 - Exposure primarily to industrial oriented shipping companies with integrated organisation (Offshore service vessels, Rig and Seismic vessels)



*EAD: Exposure at default.

Funding

- NSFR* 121%
- LCR** 155%
- NOK 20.6 billion net refinancing need over the next 12 months
- Deposit to loans ratio 60.8%
- 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

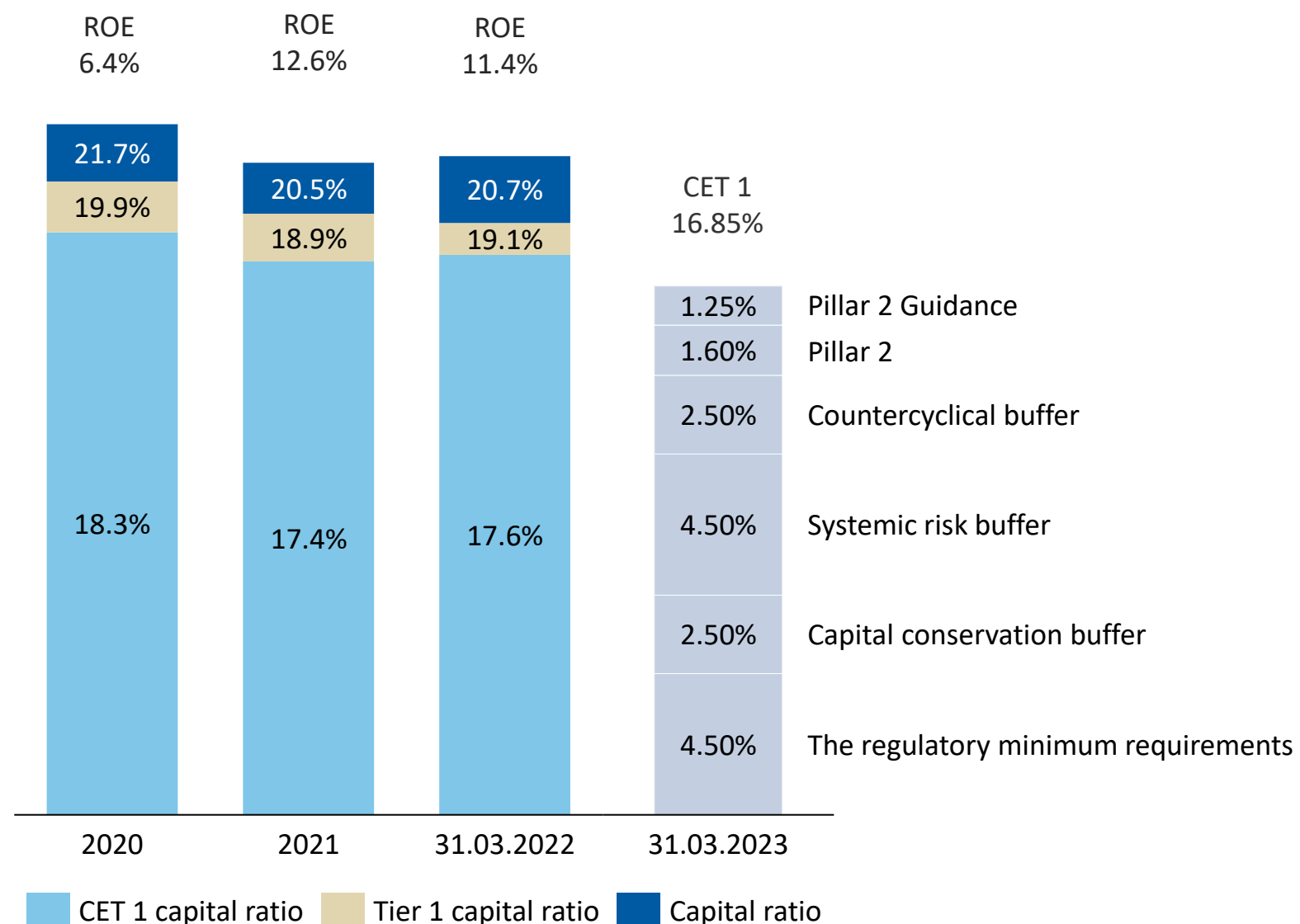
Euro Medium Term Covered Note Programme

*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

- At the end of the first quarter of 2022, the total requirement for the Common Equity Tier 1 capital ratio of 15.2% was met by a good margin
- Norges Bank increased the countercyclical buffer to it's maximum of 2.5% with effect from 31 March 2023
- In April 2022, The Norwegian FSA granted the group an individual Pillar 2 premium of 1.6%, down from 1.7%. The Norwegian FSA also expects the group to have a Pillar 2 Guidance ("management buffer") margin of 1.25%, up from 1.0%. The Norwegian FSA's decision will be valid from 30 April 2022
- The board has adopted a new Common Equity Tier 1 capital ratio target at minimum 16.85% (incl. 2.5% countercyclical buffer)
- The leverage ratio is 7.1% as at 31 March 2022, well above the minimum requirement at 5.0%



Key figures

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Return on equity after tax (%)	11.4	14.0	11.7	13.2	11.6
Net interest margin (%)	1.33	1.32	1.31	1.36	1.40
Impairments on loans in % of gross loans	0.03	-0.04	0.07	0.10	0.22
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments	1.40	1.46	1.78	1.79	1.91
Cost to income ratio	42.6	41.9	40.9	40.1	37.9
Annual growth in loans to customers, gross incl. Covered bond company (%)	5.6	5.1	3.1	3.3	2.3
Annual growth in deposit from customers (%)	10.8	16.5	16.8	22.5	21.4
Total assets (BNOK)	318.3	304.4	297.0	299.9	296.5
Loans to customers, gross (BNOK)	233.6	230.3	227.0	225.8	221.3
Risk weighted assets (BNOK)	129.2	128.0	126.6	127.4	123.9
Liquidity Coverage Ratio (LCR) (%)	155	168	160	167	141
Earnings per share (NOK)	2.87	3.41	2.80	3.13	2.74
Book value per share (NOK)	102.32	99.05	95.82	96.08	93.12

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2 **SR-Boligkreditt**

3 **Norwegian economy**

4 **Sustainability and Green Bond framework**

5 **Appendix**

Overview SR-Boligkreditt



- SR-Boligkreditt is a wholly owned subsidiary of SR-Bank and a dedicated covered bond company. Its objective is to purchase mortgages and to finance these by issuing covered bonds.
- Loans are transferred to SR-Boligkreditt as true sale on a non-recourse basis.
- **Rated Aaa by Moody's**
 - Cover Bond anchor: SR-Bank, rated A1 (stable)
 - CR assessment: A1, TPI leeway of 3 notches
 - Minimum OC-requirement 3.5%
 - The minimum level of over-collateralization is set at 2.0% in SR-Boligkreditt's Covered Bond Programme
- SR-Boligkreditt has implemented the common Harmonised Transparency Template of the European Covered Bond Council which is available on website: www.sr-bank.no/sr-boligkreditt

Eligibility criteria



Type of properties	<ul style="list-style-type: none">• Primary residential property in Norway (including detached houses, terraced houses, apartments and cooperative housing units)• The mortgage property shall not be "buy-to-let" (mortgages to individuals owning more than 3 properties)
Collateral	<ul style="list-style-type: none">• Max 75% LTV or less at the time of transfer (max 60% LTV for flexible loans/revolving credits)• The valuation of the mortgage property must be no less than 36 months old and carried out by an independent third party• Quarterly valuation of the mortgages in the pool from an independent source
Credit criteria	<ul style="list-style-type: none">• No adverse credit history the previous year• Probability of default max 2.5%
Type of products	<ul style="list-style-type: none">• Amortising loans (straight line or annuity)• Non-amortising loans (flexible loans/revolving credits)

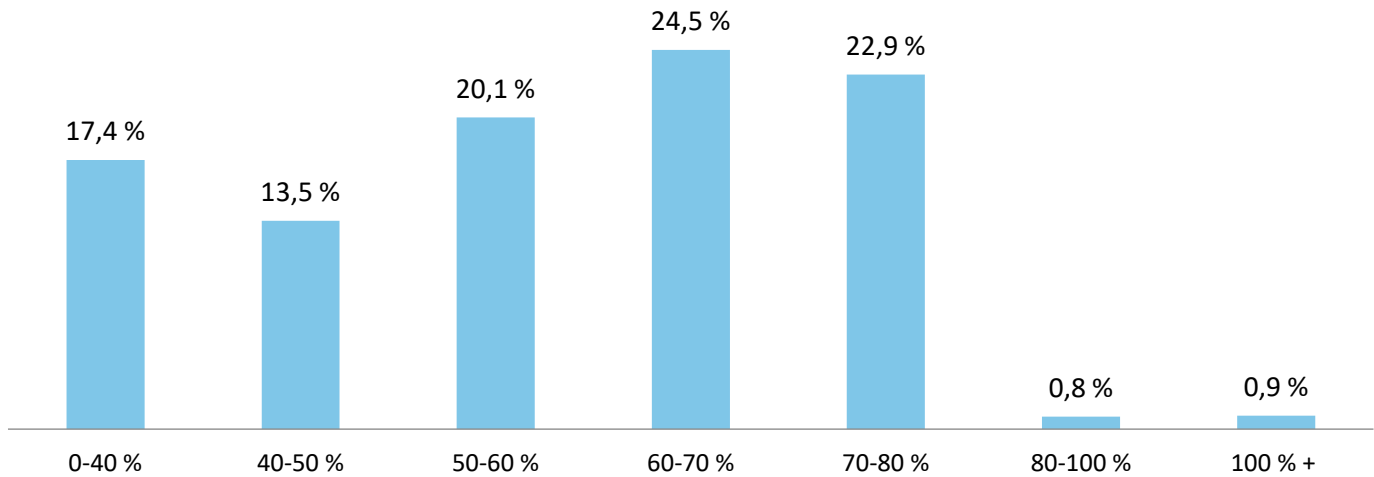
Cover pool characteristics (nominal values)

Assets/status	<ul style="list-style-type: none"> • 100 % mortgages on Norwegian private residential properties • 100 % performing loans
Cover pool	<ul style="list-style-type: none"> • NOK 96.0 bn: Residential mortgages 94.2 (98.2%), Substitute assets 1.8 bn (1.8%)
Mortgages and rate	<ul style="list-style-type: none"> • 50,104 loans at a weighted average interest rate of 2.2%
Average loan balance	<ul style="list-style-type: none"> • 1 880 850
Weighted average original LTV	<ul style="list-style-type: none"> • 61.7%
Weighted average current LTV	<ul style="list-style-type: none"> • 56.7%
Weighted average seasoning	<ul style="list-style-type: none"> • 8.6
Weighted average life	<ul style="list-style-type: none"> • 15.3 years
Principal payment frequency	<ul style="list-style-type: none"> • Amortizing 79.2%, non-amortizing 20.8%
Rate type	<ul style="list-style-type: none"> • 100 % floating rate loans
OC-level	<ul style="list-style-type: none"> • 12.9%
OC-level if house prices drop 20 %	<ul style="list-style-type: none"> • 5.8%

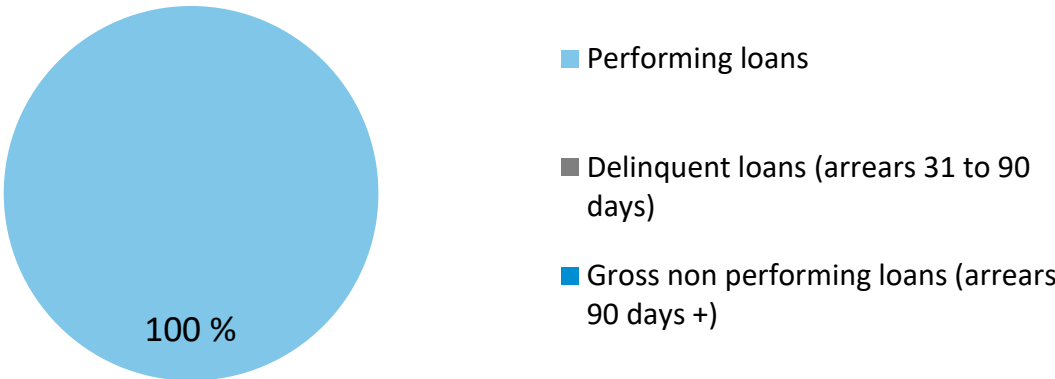
Cover pool characteristics



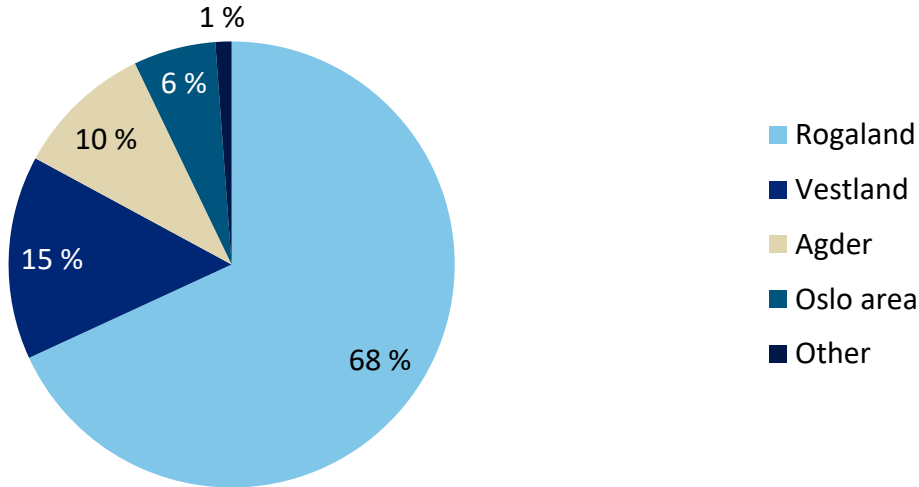
Current LTV



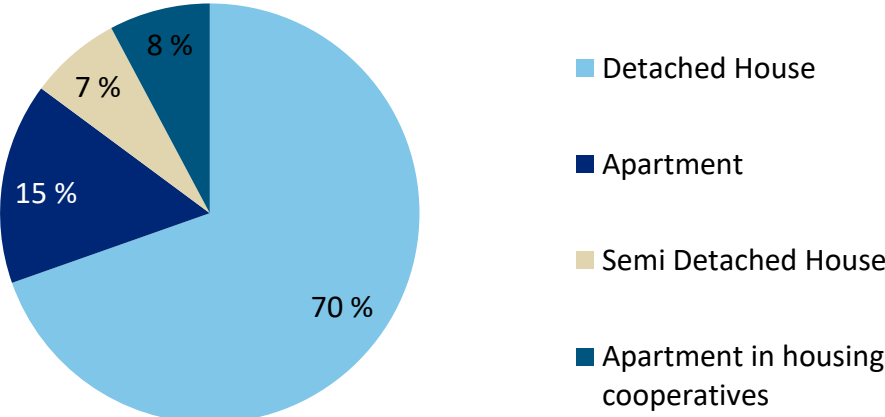
Loan performance



By geography



By property type



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Appendix

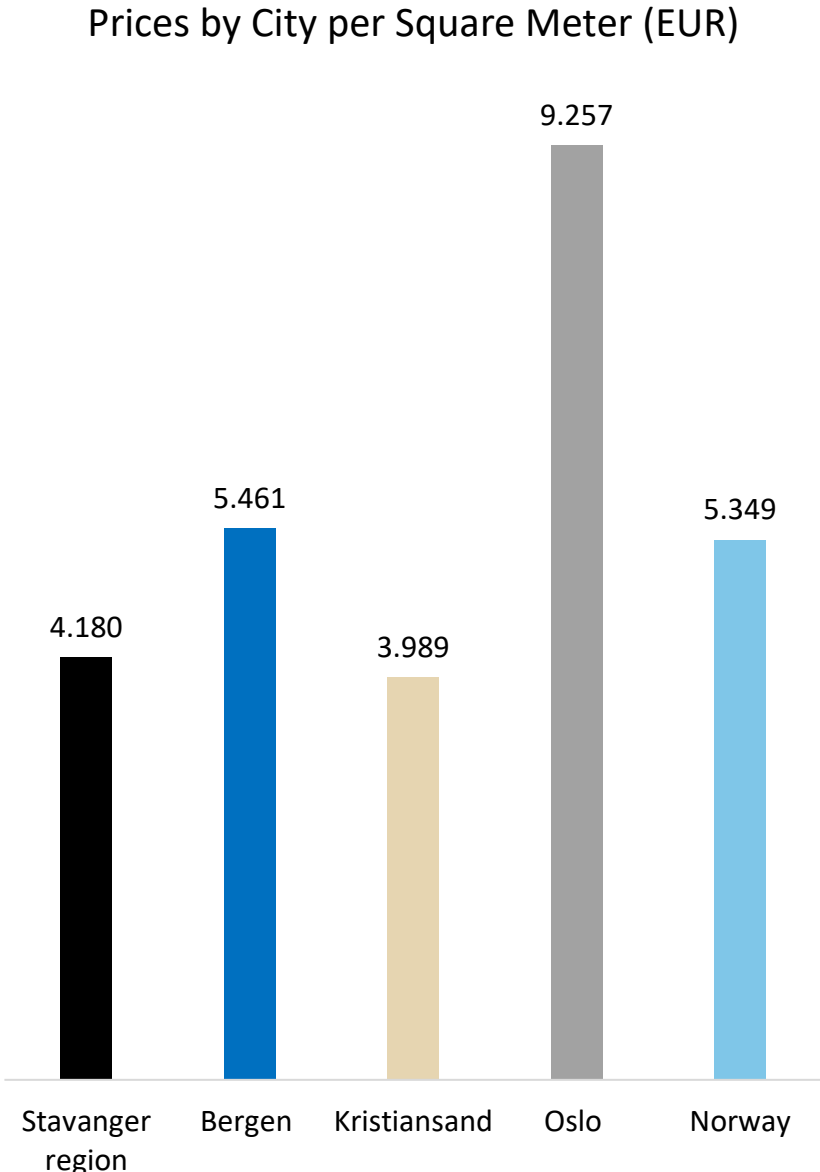
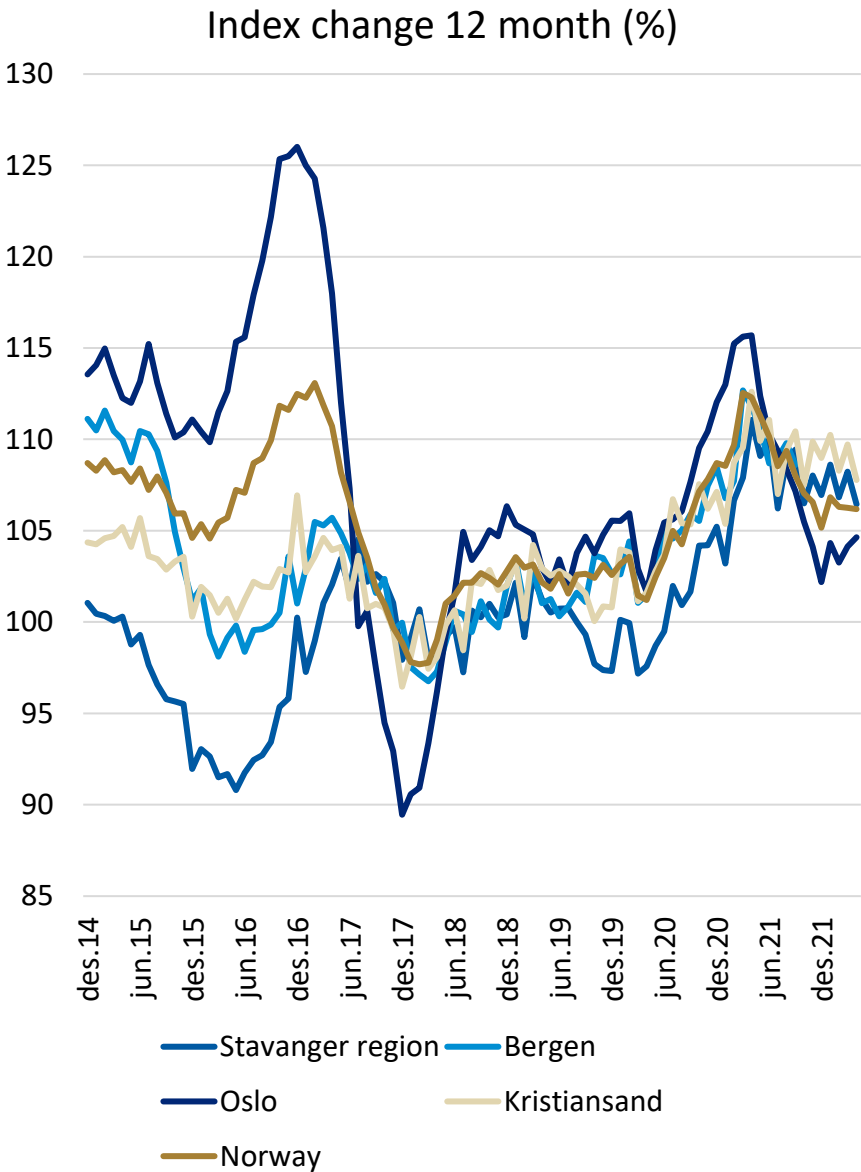
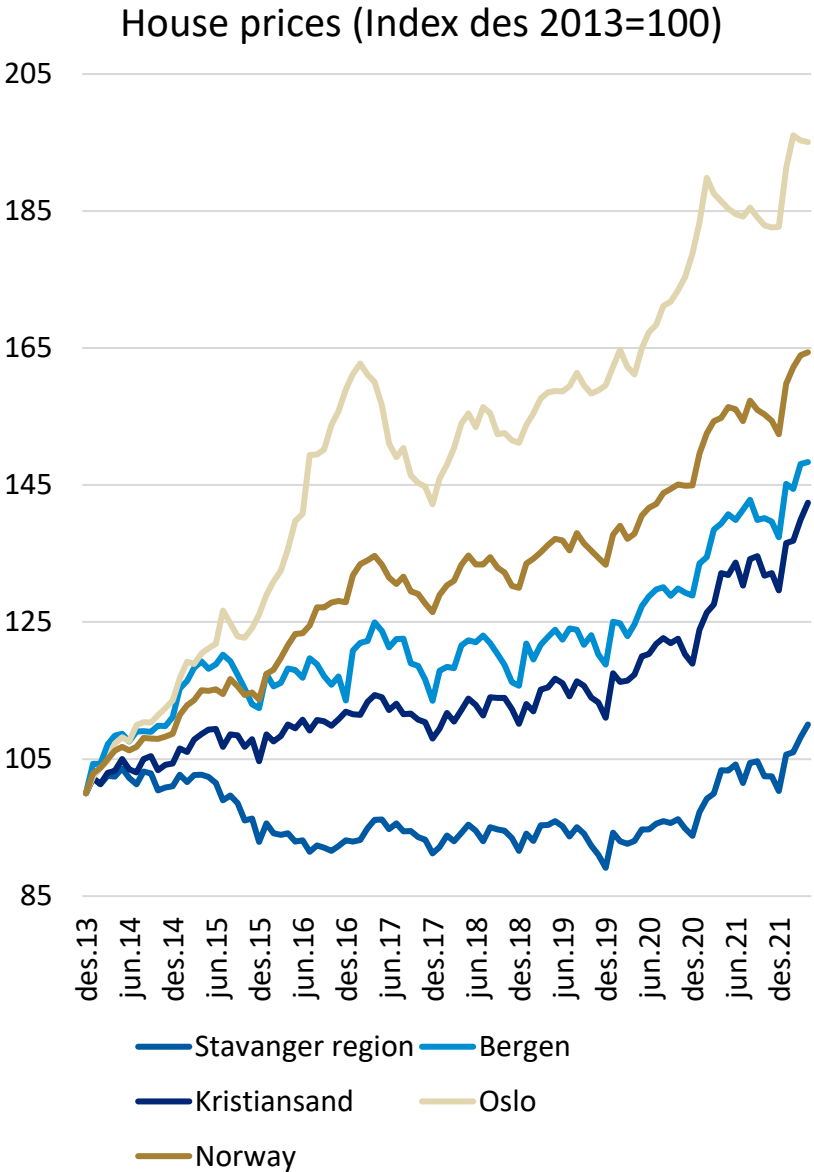
Key economic indicators



Economic Indicators (%)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021P	2022P	2023P	2024P
GDP mainland, annual change (%)	1,9	3,7	2,3	2,2	1,4	0,9	2,0	2,2	2,0	-2,3	4,2	3,6	2,5	2,1
Household consumption, annual change (%)	2,4	3,5	2,8	2,1	2,7	1,1	2,2	1,6	1,1	-6,6	5,0	7,8	3,3	2,0
Public consumption, annual change (%)	1,1	1,5	1,0	2,7	2,4	2,3	1,9	0,5	1,3	1,8	3,9	1,0	1,2	2,0
Investment mainland, annual change (%)	5,0	7,4	2,9	0,4	-0,2	9,0	6,8	1,5	6,3	-3,6	0,8	4,6	3,4	2,5
Investment public sector	1,1	-1,8	11,8	4,5	0,2	6,4	2,6	8,1	7,5	-1,1	-3,1	2,2	1,2	3,0
Investment offshore oil and gas, annual change (%)	11,4	14,6	19,0	-1,8	-12,2	-16,0	-5,4	0,7	14,3	-4,1	-2,8	-6,0	9,0	6,5
Housing prices	8,0	6,8	4,0	2,7	6,1	7,0	5,0	1,4	2,5	3,9	10,5	4,8	3,6	2,4
Oil price, USD/bbl. Actual	111	112	109	100	53	45	55	72	64	43	71	98	86	80
Inflation rate (CPI) %	1,2	0,8	2,1	2,0	2,1	3,6	1,8	2,7	2,2	1,3	3,5	3,3	1,8	1,9
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	2,6	3,1	3,5
Household savings ratio	5,8	6,9	7,2	7,7	9,8	6,9	6,6	5,9	7,0	14,2	13,1	8,5	8,6	9,0
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	2,0	1,8	2,0
HH sector real disposable income, annual change (%)	4,3	4,4	4,0	2,3	5,4	-1,6	2,0	1,0	2,1	2,1	2,1	2,9	2,9	1,9
Current account surplus, share of GDP (%)	12,4	12,6	10,3	10,8	8,0	4,5	5,5	8,0	2,9	1,1	15,3	21,7	16,7	13,1
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 18 March 2022

Housing market

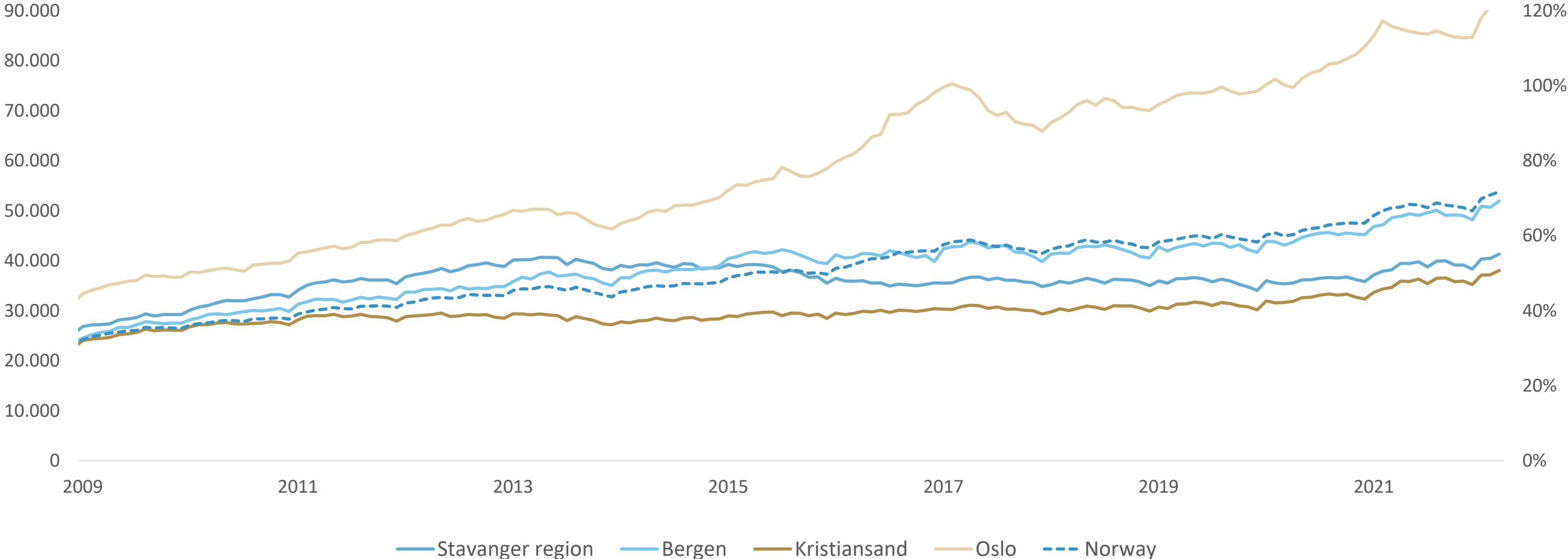


Source: Eiendom Norge and Eiendomsverdi

Norwegian house prices have increased by 6% last 12 months

High number of sales in 2021 has contributed to a low supply of homes for sale

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

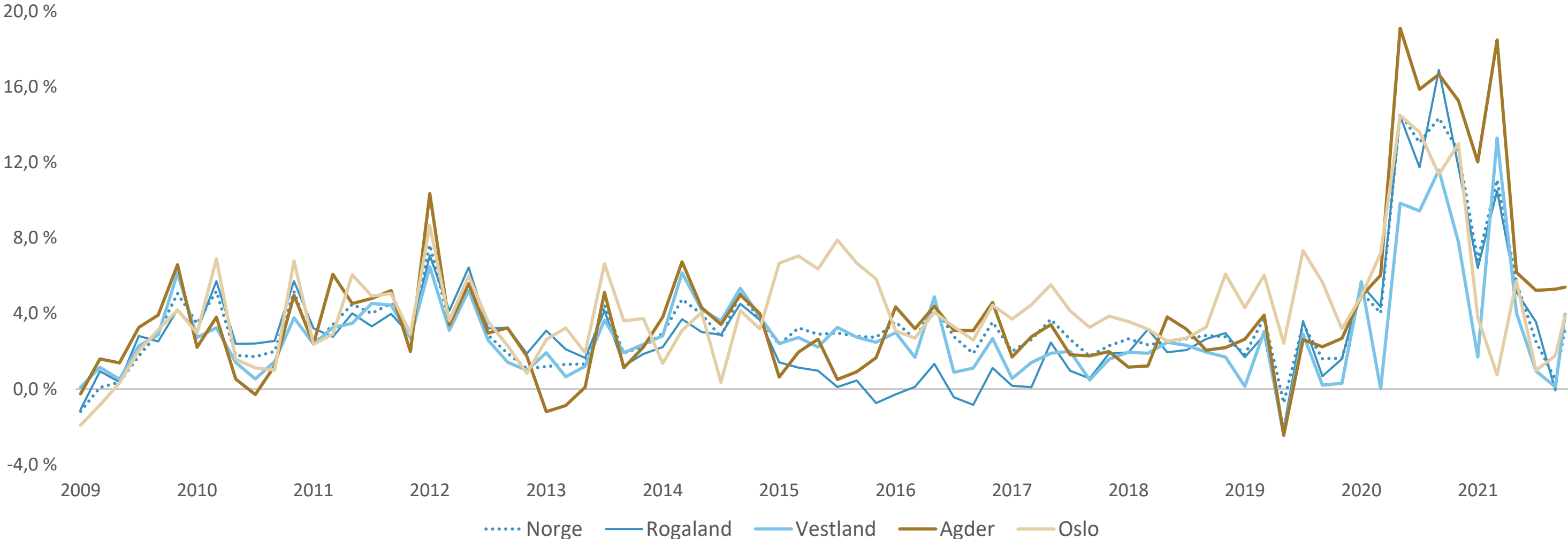


Source : Finn.no, Eiendom Norge og Eiendomsverdi.

Growth in Norwegian retail trade has slowed

Covid-19 has had a big impact. Groceries increased a lot, but have fallen recently

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



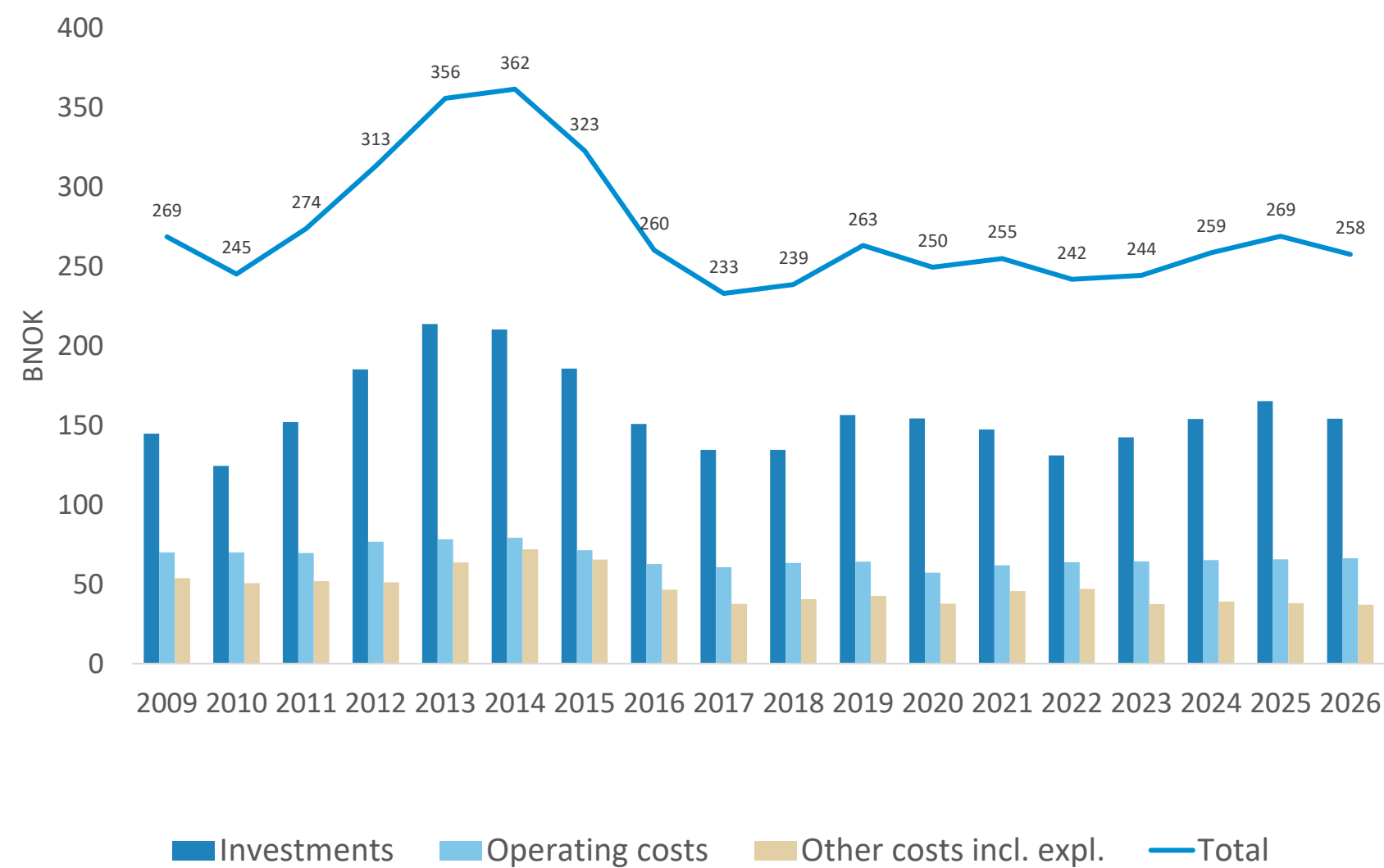
Source: SSB.

Stable petroleum activity in Norway – somewhat higher towards 2025

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

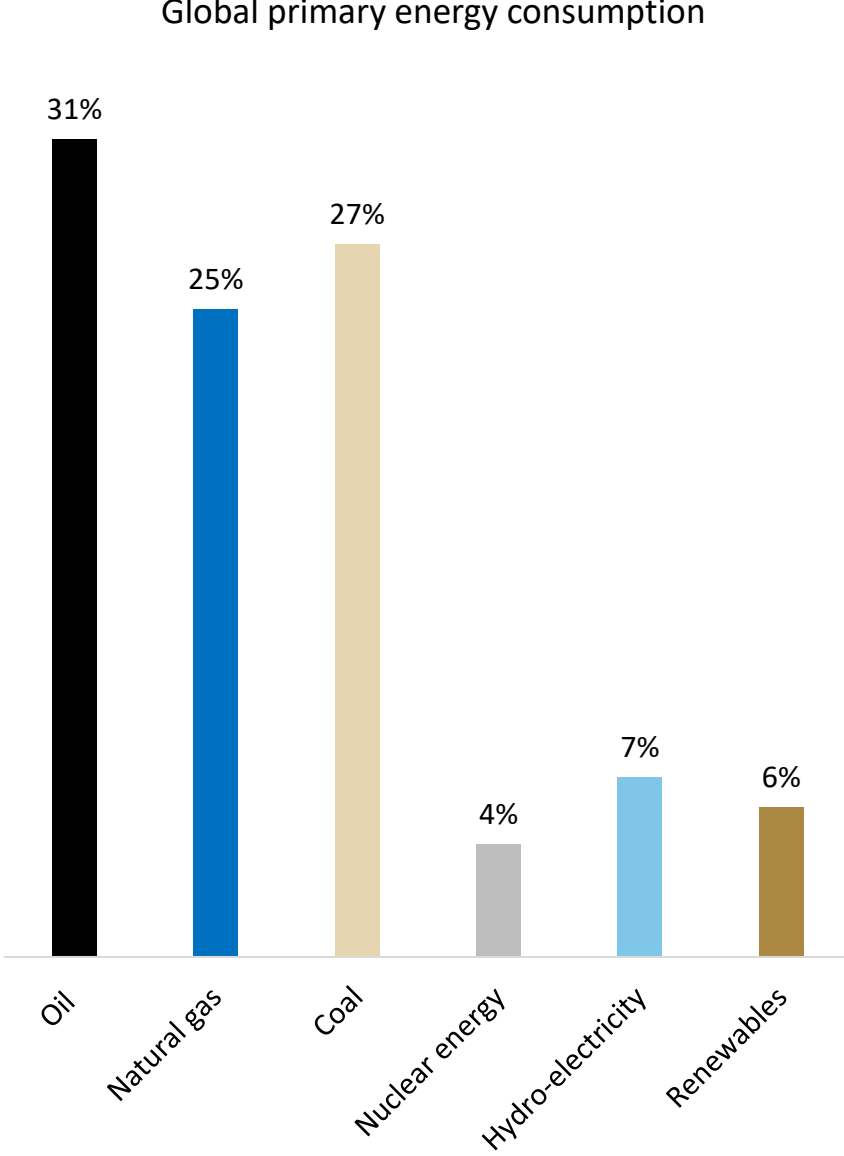
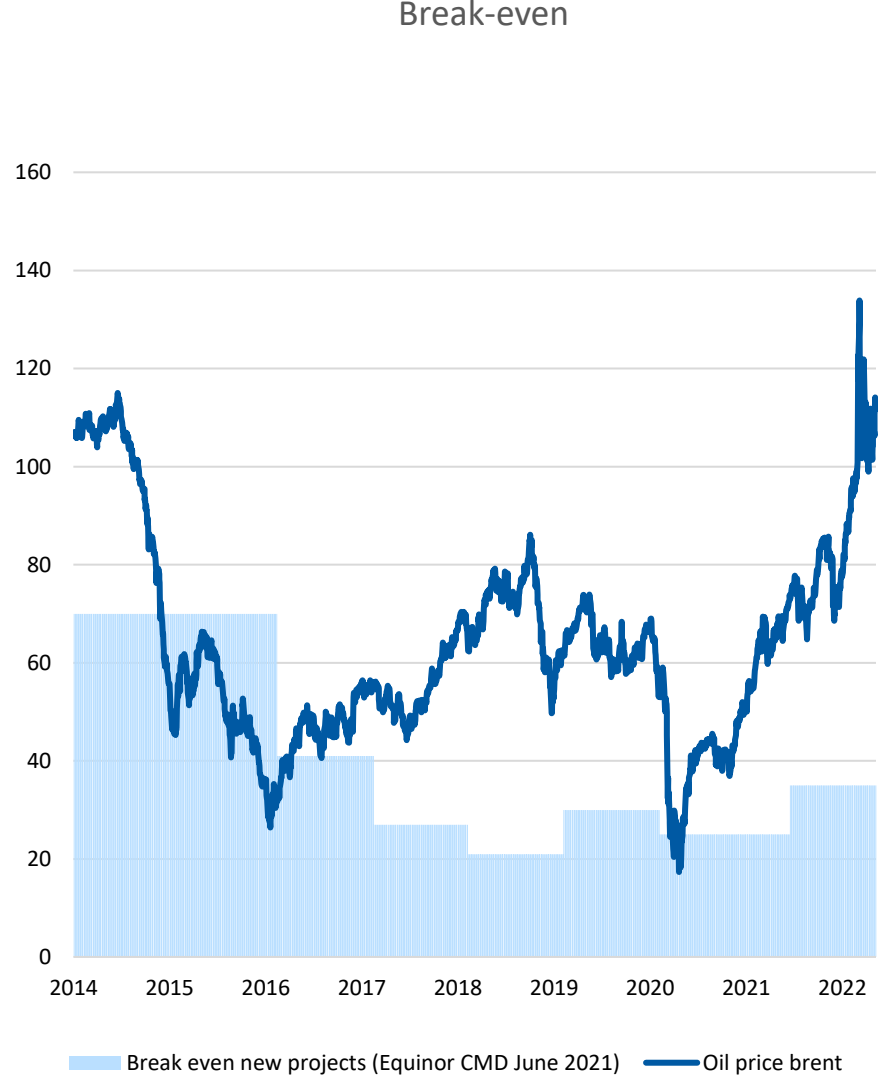
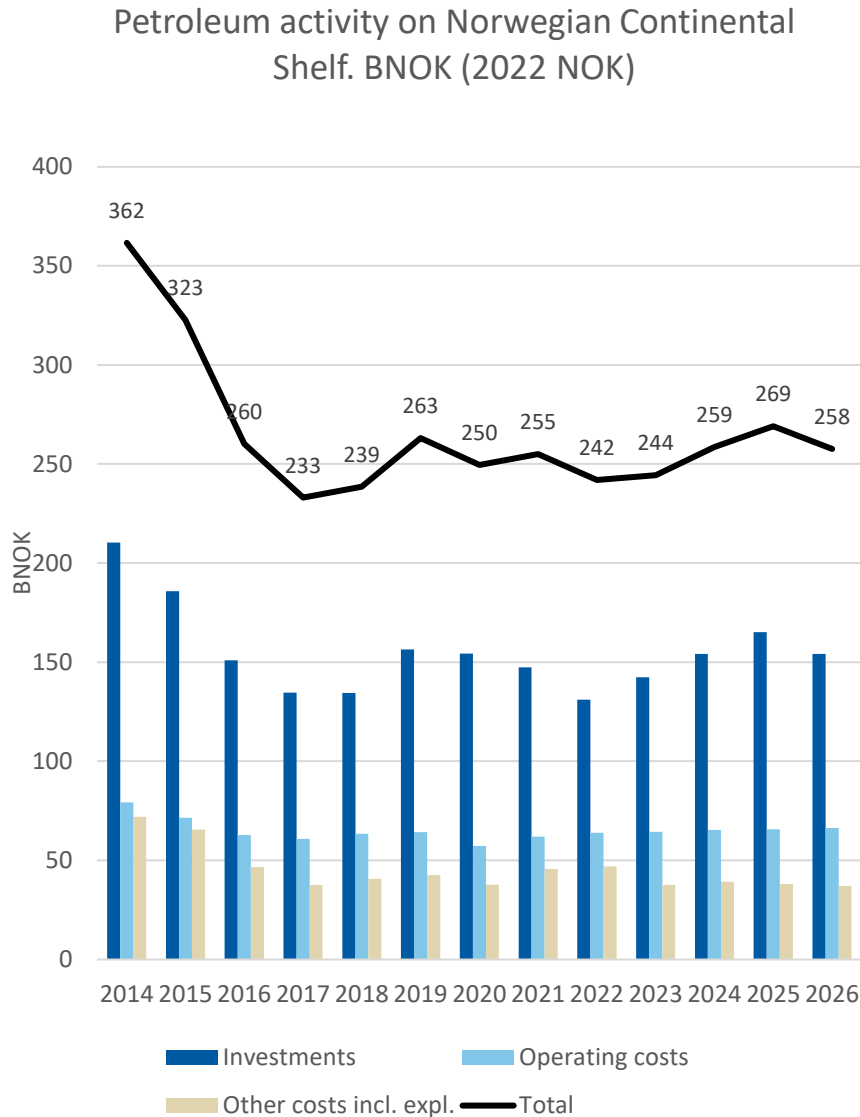
- There have been large fluctuations in activity on the Norwegian shelf. It was high growth from 2010 to 2014 and thereafter marked reduction to 2017.
- The pandemic led to high uncertainty, but the tax package in June 2020 accelerated projects and increased activity. Activity has been close to sideways from 2020 to 2021. Increasing prices have also lifted 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



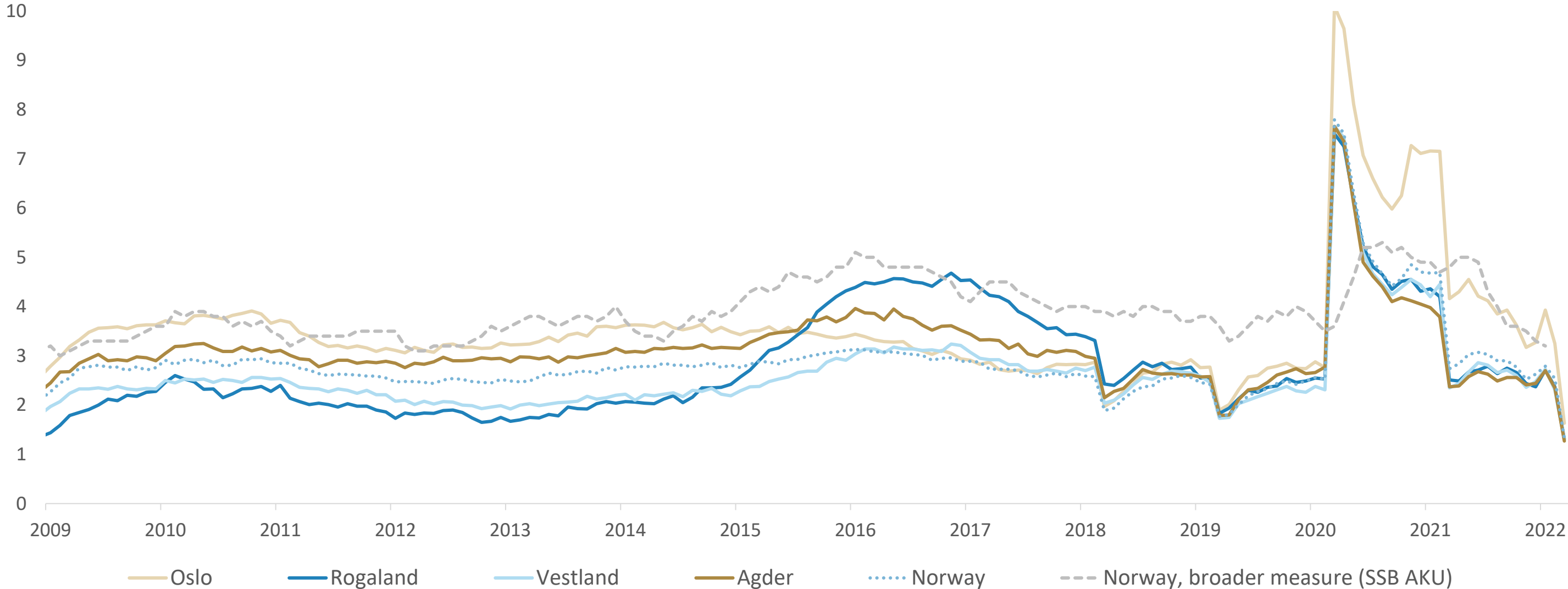
Source: Oljedirektoratet/Norwegian Petroleum Directorate (NPD).

Petroleum activity in Norway



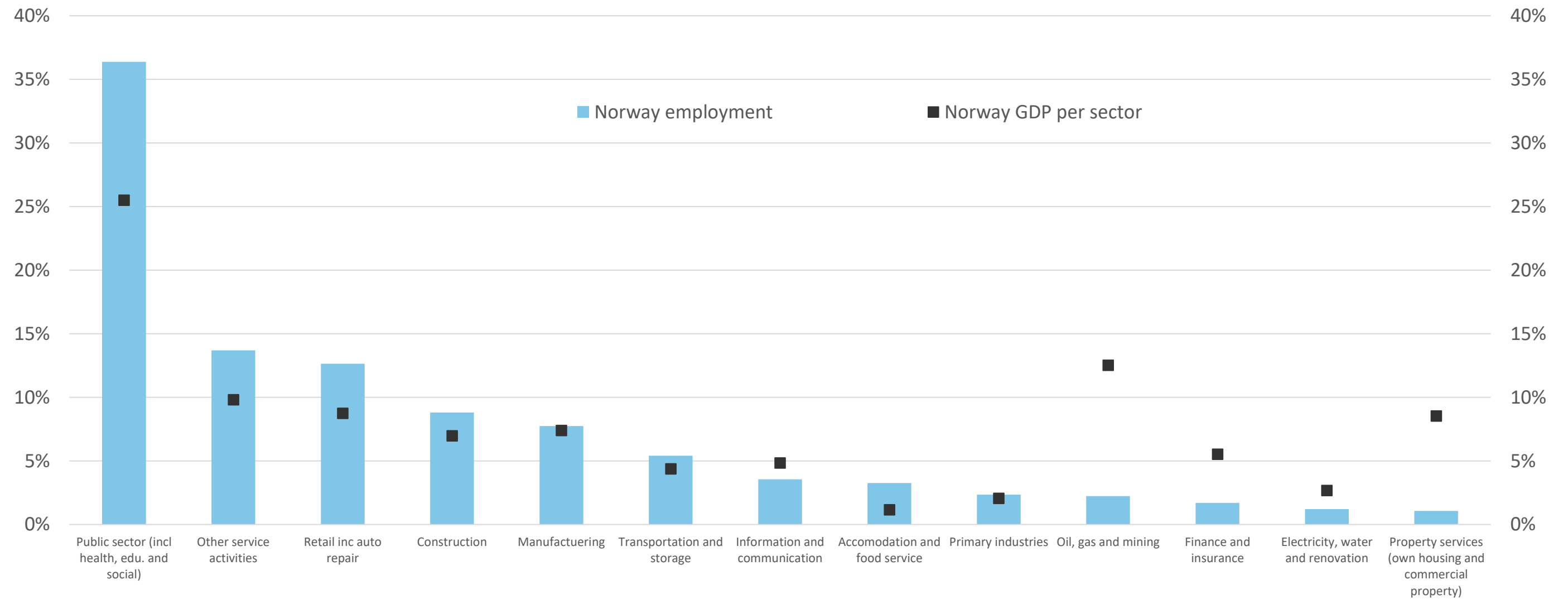
Unemployment has halved in the last year due to reopening

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



Source: NAV og SSB.

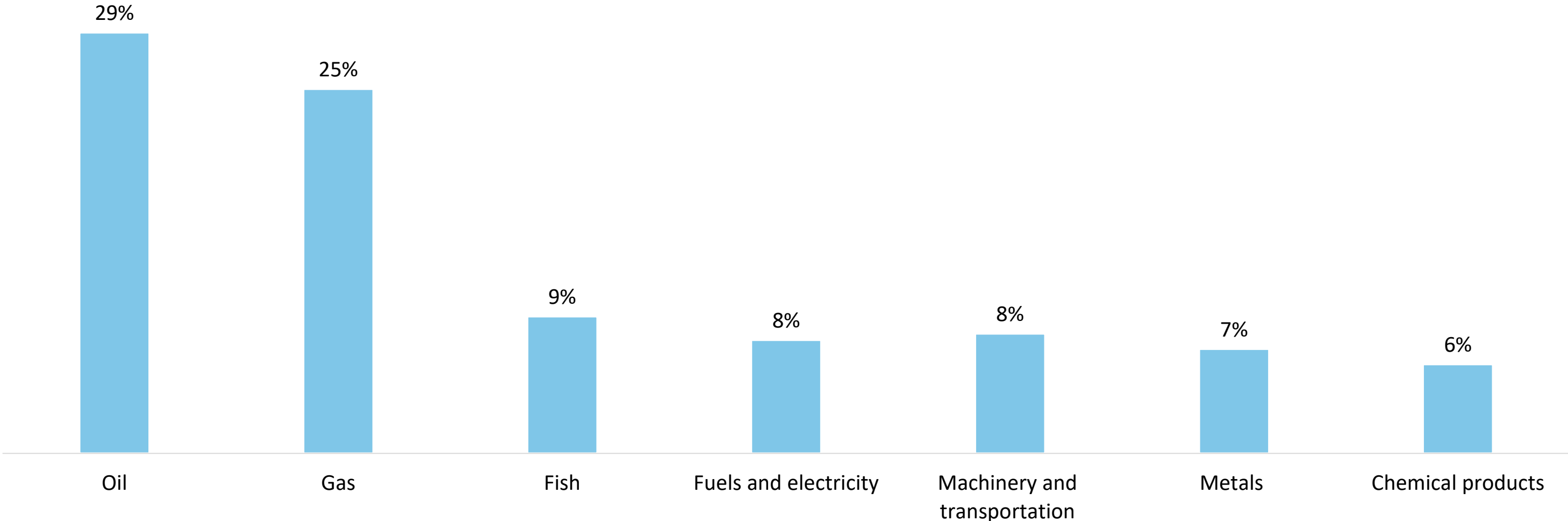
Employment and GDP by sector



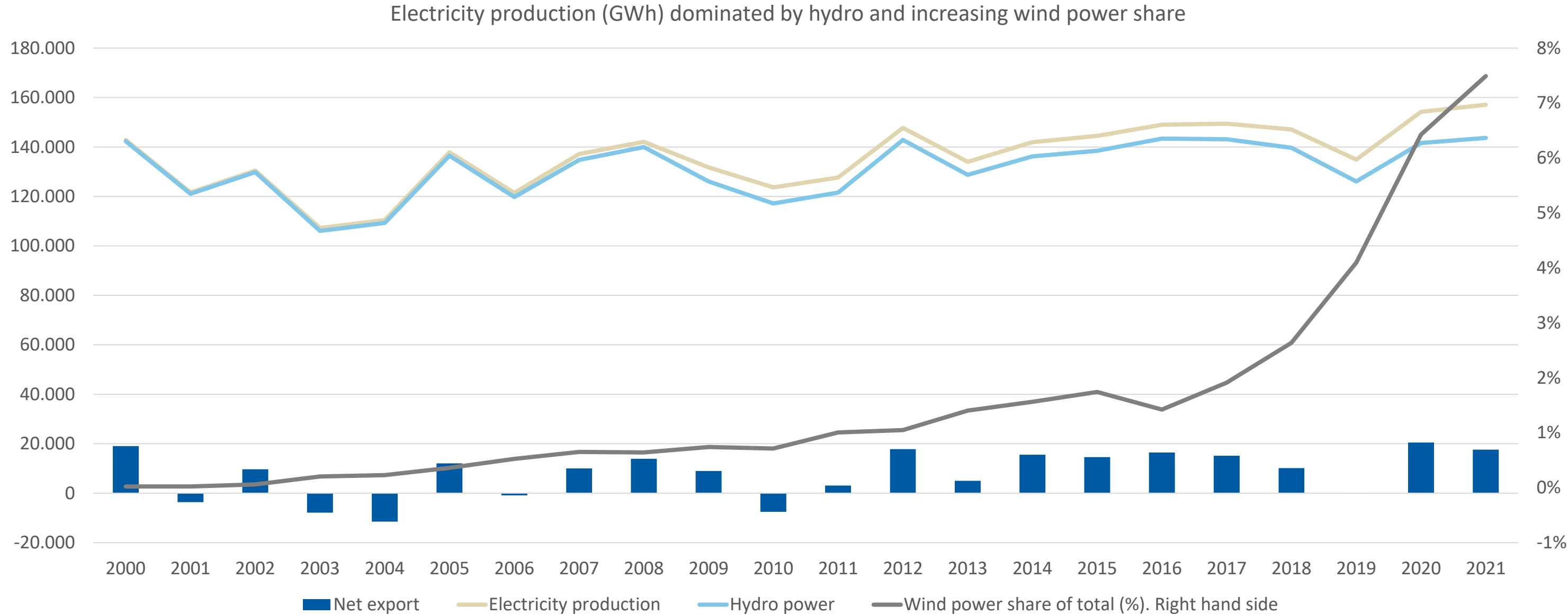
Source: Statistics Norway.

Norwegian exports

Norwegian exports (Aug 2021)



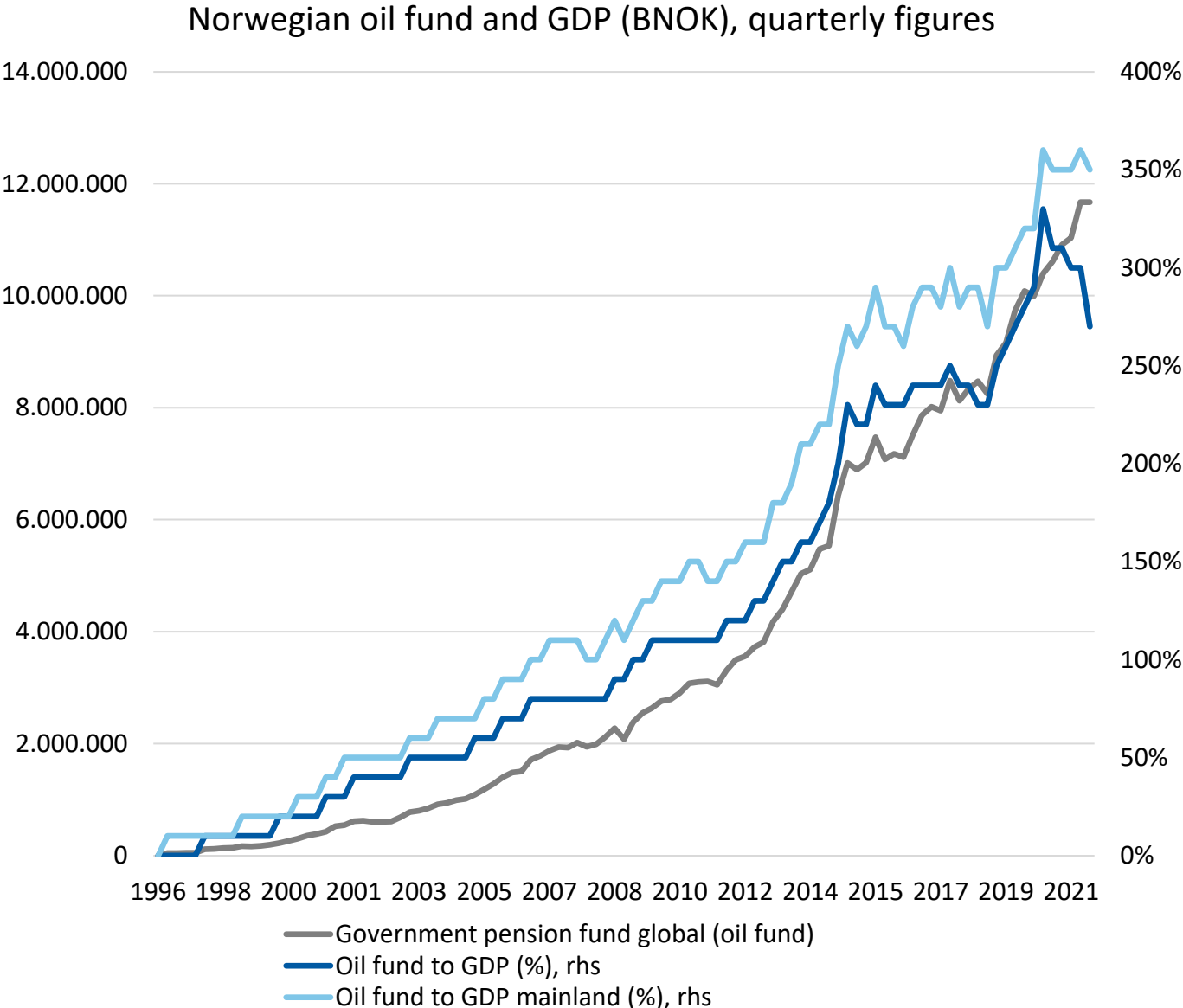
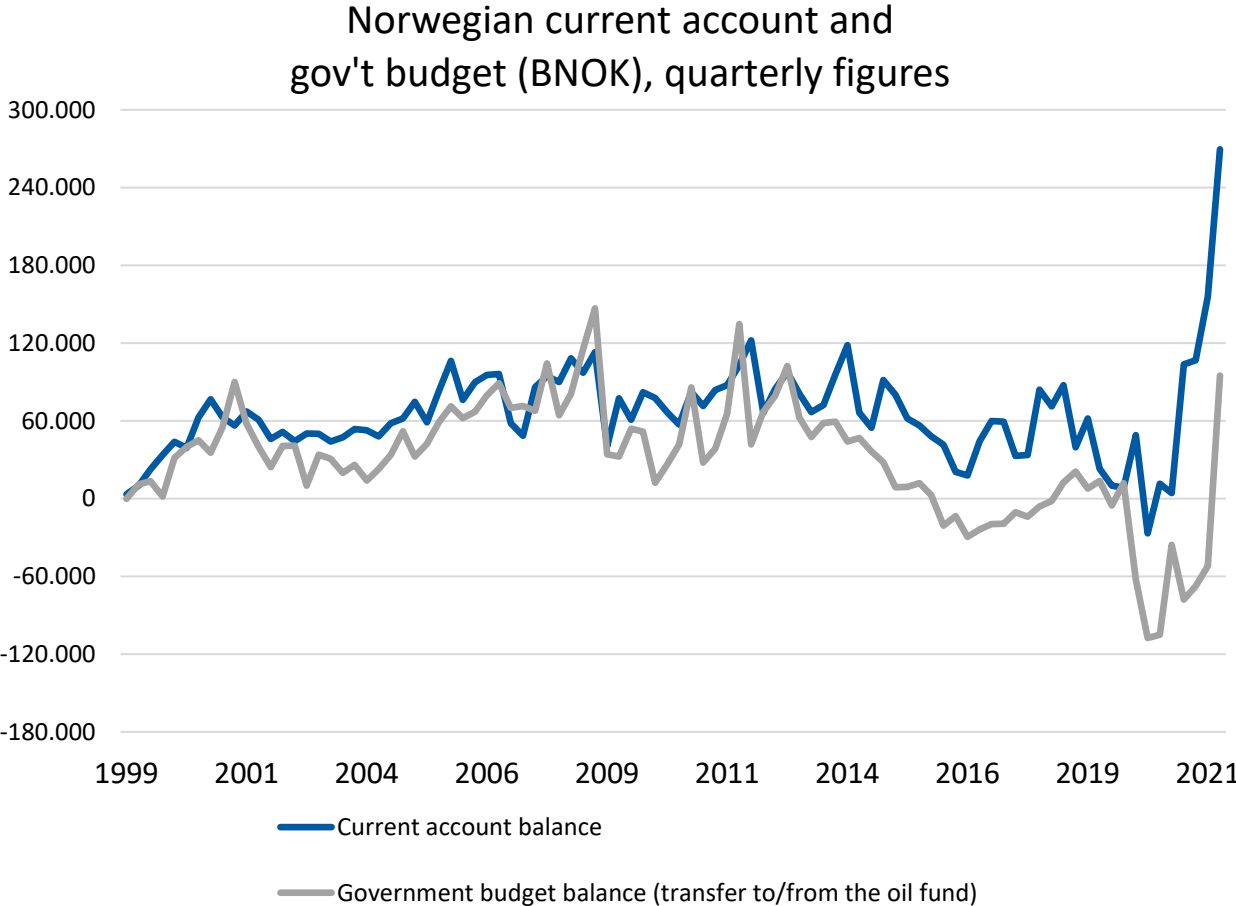
Hydro dominates power generation in Norway, but wind is increasing



Source: SSB.

Government finances and the sovereign wealth fund

- Cash flow from the petroleum sector (taxes, ownership) is channeled into the sovereign wealth fund
- Fiscal spending rule is 3 % of the fund.



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Appendix

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**

Financing sustainable activities



Sustainable loans for Corporate market

Corporate Market has per 1. quarter 2022 financed approximately NOK 5.2 billion qualified as sustainable.



Facilitation through SR-Markets

Transactions totalling more than NOK 485 million linked to renewable energy, drone technology and food security.

ESG ratings

CDP	B
Sustainalytics	16.1 (low risk)
ISS	C- (2 nd decile)
MSCI	AA



In ISS's latest ESG assessment of SR-Bank they awarded a score of **C-**. SR-Bank is ranked **in the 2nd decile** indicating high relative performance to those in the same industry.

We score **particularly high in the Social and Governance, staff and suppliers and corporate governance and business ethics categories**.

In July 2021, Sustainalytics rated SR-Bank's Overall **ESG Score at 16.1**. SR-Bank is ranked **in 20th position within the Regional Banks subindustry for ESG Risk** and 120/998 position within the Banks industry group.

SR-Bank is located within the **13th Percentile** for banks **6th Percentile** for regional banks.

In December 2021, MSCI rated SR-Bank's Overall **ESG Score at AA** an **improvement from its last ranking of A**.

SR Bank scored **particularly high in the areas of corporate governance and financing environmental impact**.

Use of Proceeds overview

SR-Boligkreditt

Green Covered Bonds

Green buildings

- Loans to finance or refinance new or existing energy efficient residential buildings in Norway



New Buildings belonging to the **top 15%** most energy-efficient buildings of the local building stock and refurbished buildings which **achieved energy savings of at least 30%** in comparison to the baseline performance of the building before the renovation.

SR-Bank

Green Senior Bonds

Green buildings

- Loans to finance or refinance new or existing energy efficient commercial and residential buildings in Norway



New Buildings belonging to the **top 15%** most energy-efficient buildings of the local building stock and refurbished buildings which **achieved energy savings of at least 30%** in comparison to the baseline performance of the building before the renovation.

Renewable Energy

- Loans aiming at financing the equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources from



- Hydro power (Run-of-river, small scale hydro power plants, refurbishment or refinancing of existing medium or large hydropower plants – all **<100gCO₂e / kWh**)
- Onshore and offshore energy **wind** projects
- **Solar** projects (Photovoltaic energy projects)

Clean Transportation

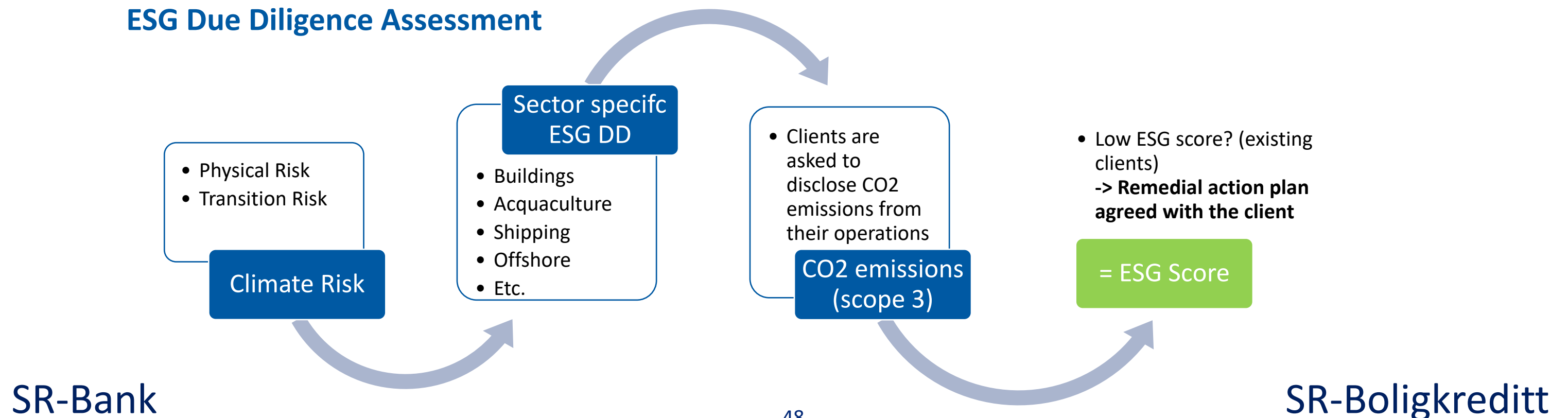
- Loans aiming at financing or refinancing production, establishment, acquisition, expansion, upgrades, maintenance and operation of low carbon vehicles and related infrastructures



- Low carbon vehicles (**EVs only in asset pool**)
- Low carbon transportation infrastructure: infrastructure related to electric transportation of passengers such as charging stations for electric vehicles

Sector specific ESG Due Diligence at loan origination

- For corporate clients with an **exposure larger than NOK 50 million**, we have developed an **ESG due diligence questionnaire**, which **must be completed prior to any credit being granted**
- The assessment includes questions that directly target a customer's climate risk: **both physical risk and transitional risk**
- **Additional questions for selected industries** like property, aquaculture, shipping and offshore, and oil and gas. Customers are also **encouraged to report their CO2 emissions**
- This results in an ESG score. ESG scoring is a long-term approach to managing and reporting industry-specific climate risk. The scoring and assessment is used to **assess the group's sustainability risk** and as a **tool for advisers in the dialogue with customers**.
- For existing customers with a low ESG score, a tailored action plan is made to address shortcomings together with an SR-Bank adviser.



Translating climate risk into financial risk – FY20

Emissions Analysis

SR-Bank reports greenhouse gas emissions in line with the GHG Protocol.

- In 2020, the group conducted an analysis to estimate the CO2 emissions associated with the loan portfolio in the corporate market.
- Total CO2 emissions per industry in Norway was compared with how much has been loaned per industry in Norway.
- Scope 3 emissions for 2020 were 109.8 tonnes CO2e down 75.5% from 2019

Corporate Market Portfolio Analysis

The corporate portfolio's climate risk (physical, transitional and liability risk) was also mapped at a sector level in 2020.

- **high and medium climate risk** accounts for **11.6% of SR-Bank's exposure.**
- **slightly elevated climate risk** accounts for **12.1% of SR-Bank's exposure.**
- **low climate risk** accounts for **76.3% of SR-Bank's exposure.**

The group has completed an impact analysis for the loan portfolios in both the corporate market and the retail market using tools developed by UNEP FI.

- SR-Bank's core activities stimulate a healthy and inclusive economy.
- The group has a negative impact in three areas: resource efficiency, the climate and biodiversity.

The emissions analysis plus the corporate market portfolio analysis provide the basis for setting our targets for the credit portfolio in 2021.

- Target setting enables SR-Bank to facilitate its overarching sustainability objective of **taking a proactive approach to sustainability in all of its operations contributing to solutions to the climate and environmental challenges society faces.**

INDUSTRY	SR-Bank's lending to industries (MNOK)	SR-Bank's share of total financing for industries	Total emissions to air per industry (1000 tonnes CO2e)	Industry's share of total emissions	Estimated emissions via corporate portfolio (1000 tonnes CO2e)
Aquaculture	2,841	1.70%	367	1%	6
Industry	2,830	0.90%	7,039	12%	61
Agriculture/forestry	5,372	3.50%	588	1%	21
Service sector	13,458	4.30%	454	1%	19
Wholesale and retail trade, hotels and restaurants	3,547	1.40%	1,129	2%	16
Energy, oil and gas	3,846	5.70%	19,454	34%	1,105
Building and construction	4,482	4.00%	1,912	3%	77
Power and water supply	1,175	0.40%	1,844	3%	8
Real estate	31,507	1.60%	103	0%	2
Shipping and other transport	13,092	4.60%	23,275	41%	1,066
Public sector and financial services	2,275	2.30%	253	0%	6
Total emissions	84,425	2.10%	56,418	100%	2,387
The corporate portfolio's share of CO2 emissions					4.20%

Green product offerings

Green Mortgage Product & Renovation Product

- The Green mortgage product was launched in 2021. A Green mortgage is secured by energy efficient housing with favorable loan interest rates. Loan criteria: **EPC A or B label**
- With a green mortgage, customers **typically get lower interest rates of 0,4%** compared to a non-green mortgage
- We also offer **financial support to customers when they improve their energy use** in their home, as part of a renovation

Green Car Loan Product & Insurance Product (EVs)

- Loan criteria: **fully electric vehicles**
- With a green car loan, customers **typically get lower interest rates of 0,3%** compared to a non-green car loan
- We also offer a green insurance product for electric vehicles

Other Products:

- We offer a **green loan for agriculture**, which is primarily designed for investments in solar panel systems
- SR-Forvaltning (asset management arm), assessed the opportunities for green product development and will, in line with SR-Forvaltning's climate strategy, establish its own **green equities fund**.



EU Taxonomy: TSC, DNSH & MS – high level assessment

Eligible green asset category	Wind Power	Hydro Power	Clean Transportation	Green Buildings (Residential & Commercial)
Geography	Norway			
Eligibility criteria	Electricity generation from wind power	Electricity generation from hydro power	Transport by motorbikes, passenger cars and light commercial vehicles	Acquisition & ownership of buildings: <ul style="list-style-type: none"> • Top 15% - (via Building code / EPC) • BREEAM certificate
Alignment with the Technical Screening criteria of the EU Taxonomy Climate Delegated Act (April 2021)	100% TSC alignment	100% TSC alignment (only facilities with <100gCO ₂ e/KWh life cycle emissions)	100% TSC alignment (only EVs)	<ul style="list-style-type: none"> • Top 15% - 100% (all buildings in the pool currently built pre-2021) • BREEAM certificate Excellent/Outstanding = 1,225 NOKm = 19.3% of commercial portfolio ➤ Residential: 100% TSC alignment ➤ Commercial: 80.6% TSC alignment
Do No Significant Harm & Social Safeguards	SR-Bank ensures that all eligible loans comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. It is part of SR-Bank's loan approval process to ensure that all its loans comply with internal environmental and social directives, including those financed with the proceeds of the Green Bonds. These eligibility criteria and minimum requirements and ESG related matters are continuously developed and renewed in our external and internal policy frameworks. SR-Bank's environmental and social policies can be found on: https://www.sparebank1.no/en/sr-bank/about-us/Sustainability/our-sustainability-guidelines.html			

➤ High-level (non-accredited) EU Taxonomy alignment assessment: **97% aligned (NOK 39.2bn aligned out of NOK 40.5bn total portfolio)**

Allocation Report – Q1 2021

Eligible Green Loan Portfolio		Green Funding			
	Amount (NOK m)	Instrument (ISIN)	Issuance Date	Due Date	Amount (NOK m)***
Green Residential Buildings	32.496	XS2063288190	okt.19	okt.26	4.992
SR Bank	12.287	XS2363982344*	jul.21	jul.26	4.992
SR Boligkreditt	20.209	XS2406010285**	nov.21	nov.26	4.992
Green Commercial Buildings	6.339				
Renewable Energy	1.450				
Clean Transportation	170				
Total	40.455			Total	14.976

* Incl in report 15 July 2021

** Incl in report 9 November 2021

*** EURNOK 31 December 2021

Impact Report – Q1 2021

Eligible Project Category	Eligible portfolio (NOK m)	Share of Total Green Covered Bond Financing	Share of Total Green Senior Bond Financing	Eligibility for Green Bonds	Estimated reduced energy (in GWh/year)	Direct emissions avoided vs baseline in tons of CO2 /year (Scope 1)	Indirect emissions avoided vs baseline in tons of CO2 /year (Scope 2)	Expected power production (in GWh/year)	Total annual reduced emissions in tons of CO2 /year
a/	b/	c/	c/	d/	e/	e/	e/	e/	e/
Green Residential Buildings	32,496	100.00%	77.55%	100%	204	N/A	N/A	N/A	25,500
Green Commercial Buildings	6,339	0.00%	17.88%	100%	46	N/A	N/A	N/A	5,700
Renewable Energy	1,450	0.00%	4.09%	100%	N/A	N/A	N/A	817	105,500
Clean Transportation	170	0.00%	0.48%	100%	N/A	977	-508	N/A	469
Total	40,455	100%	100%	100%	250	977	-508	817	137,169

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Sustainability and Green Bond framework

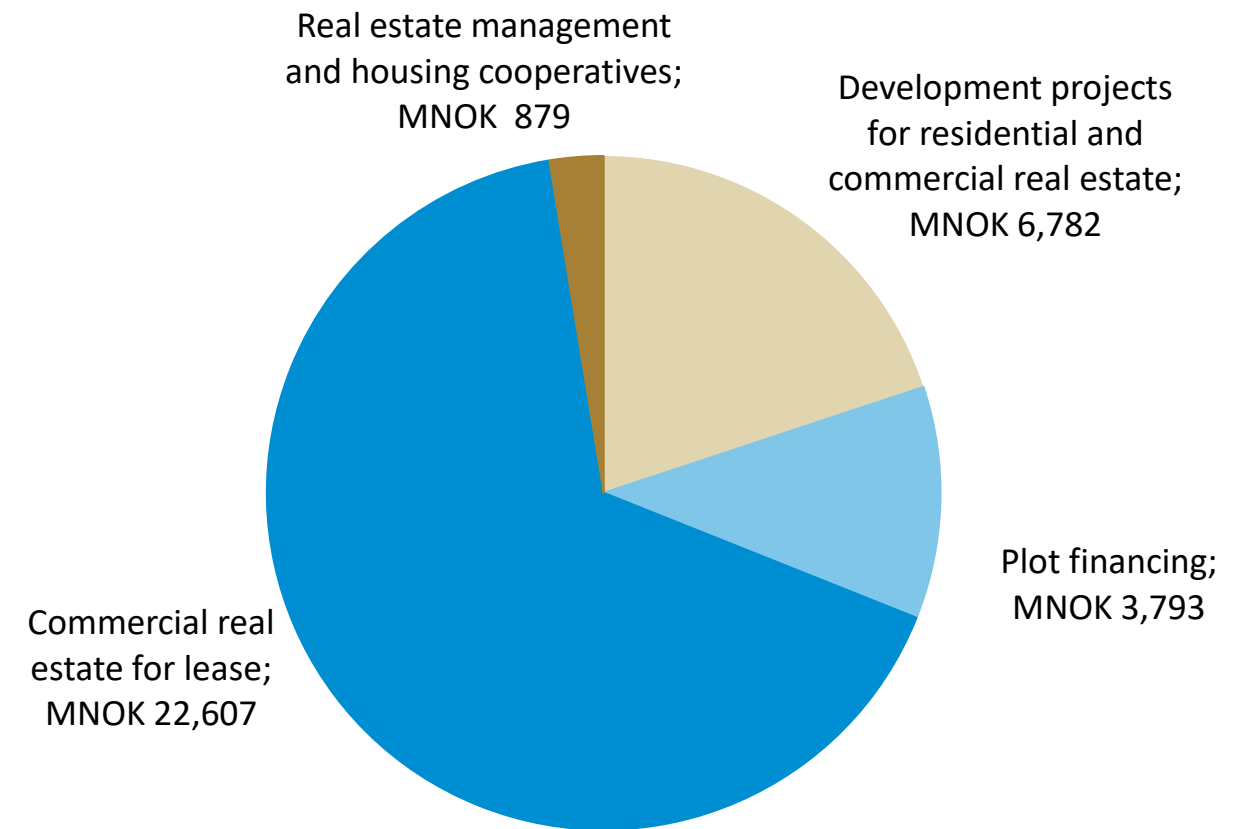
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Appendix

Lending to commercial real estate

13.1% (NOK 34.1 billion) of total EAD* is related to commercial real estate

- Commercial real estate for lease
 - EAD NOK 22.6 billion, 8.7% of the bank's total EAD
 - The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited
 - Financing by type of premises:
 - 42% Office buildings, 26% Industrial buildings, 20% Retail stores and shopping malls, 10% Hotels, 2% Other
- Plot financing
 - EAD NOK 3.8 billion, 1.5% of the bank's total EAD
 - Average funding ratio is below 50%
- Development projects for residential and commercial real estate
 - EAD NOK 6.8 billion, 2.6% 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

1.6% (NOK 4.1 billion) of total EAD* is related to retail trade, hotels and restaurants

- Retail trade
 - EAD NOK 3.0 billion, 1.2% 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

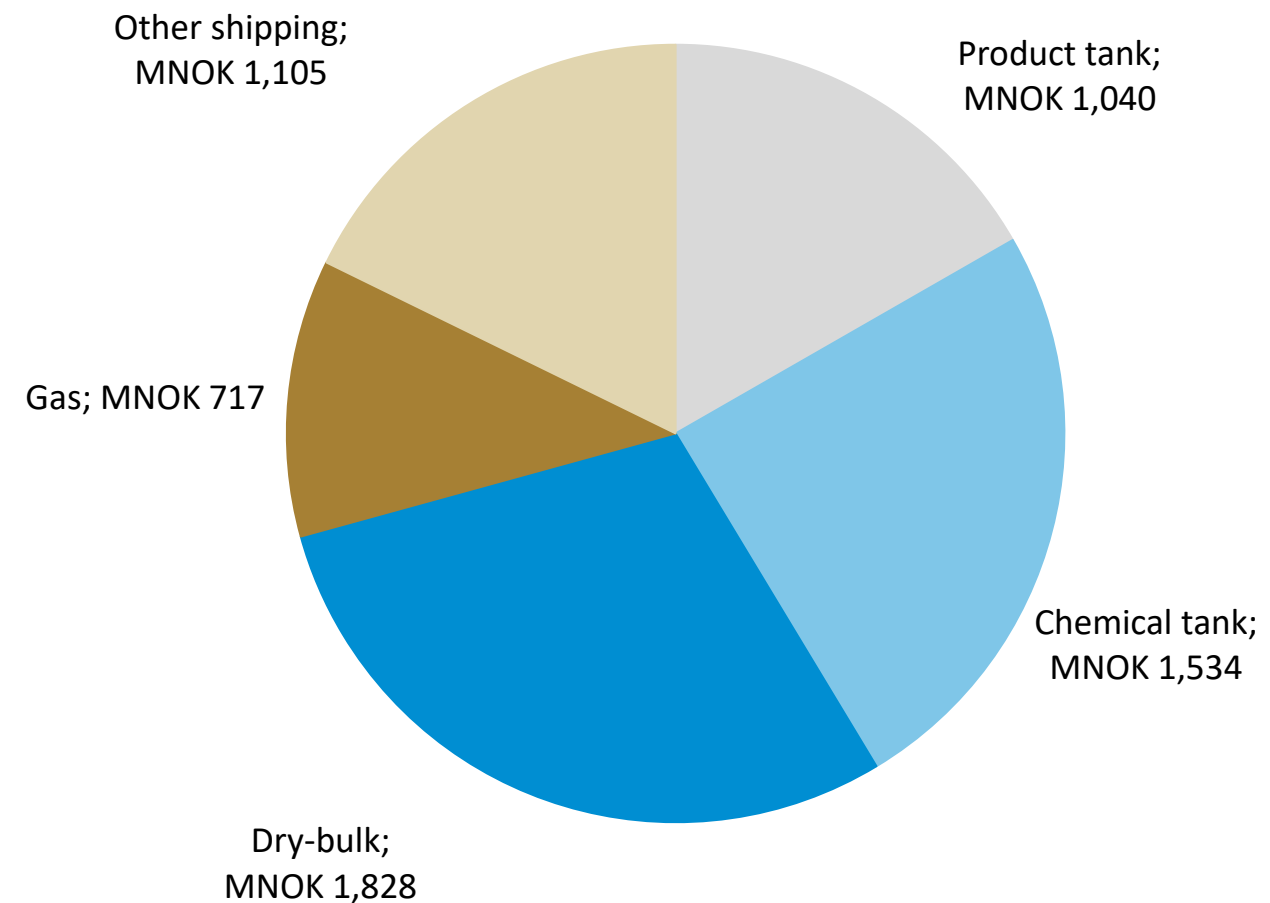


*EAD: Exposure at default

Lending to shipping

2.4% (NOK 6.2 billion) of total EAD* is related to shipping

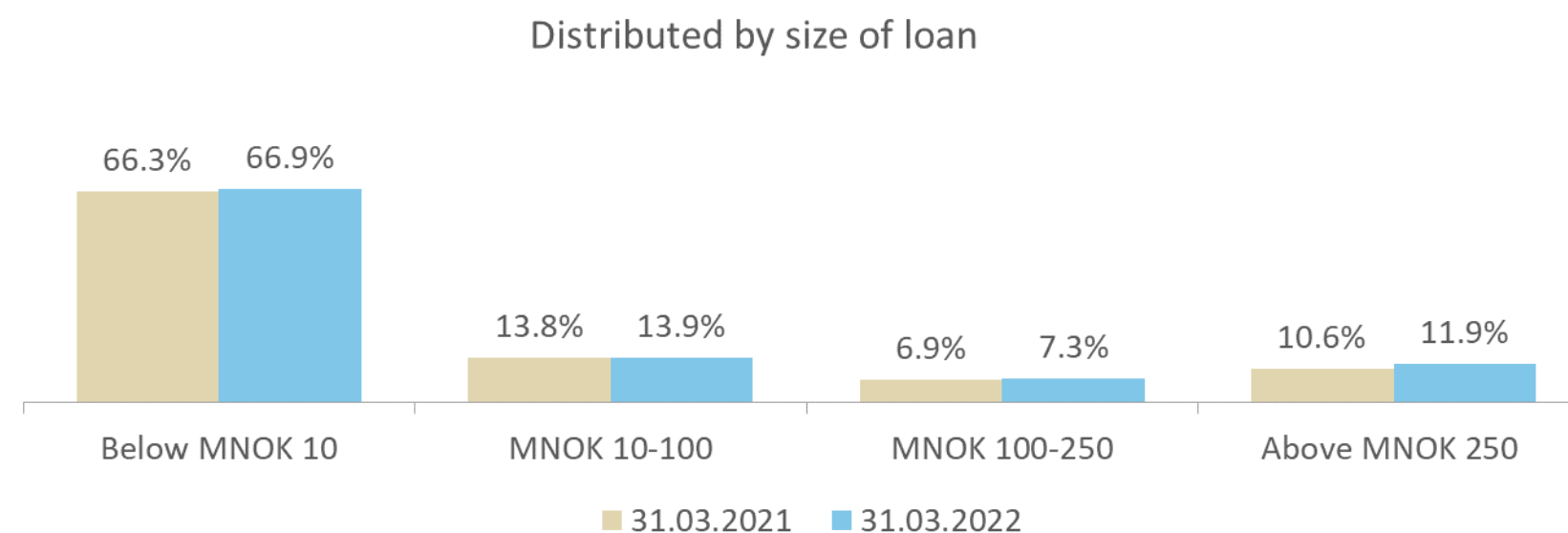
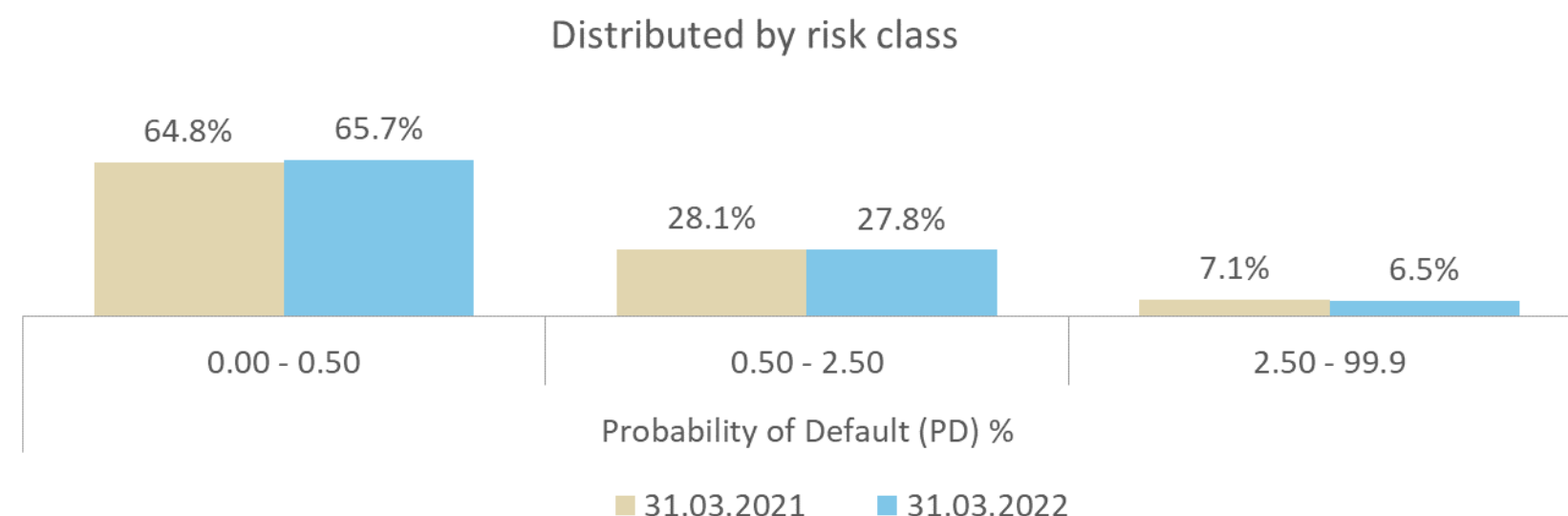
- Product tank
 - EAD NOK 1.0 billion, 0.4% of the bank's total EAD
- Chemical tank
 - EAD NOK 1.5 billion, 0.6% of the bank's total EAD
- Dry-bulk
 - EAD NOK 1.8 billion, 0.7% of the bank's total EAD
- Gas
 - EAD NOK 0.7 billion, 0.3% of the bank's total EAD
- Other shipping
 - EAD NOK 1.1 billion, 0.4% of the bank's total EAD



*EAD: Exposure at default

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.

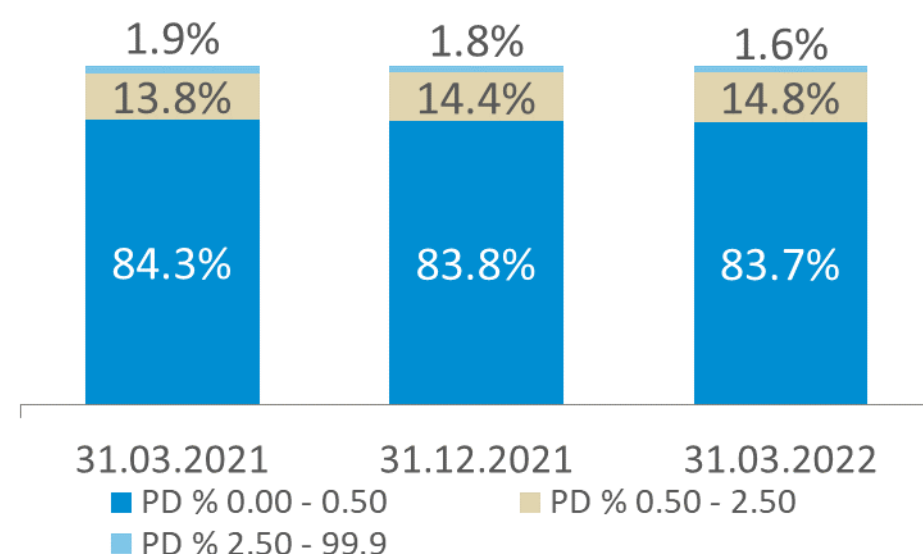


**Probability of default (PD) through a full cycle of loss.*

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

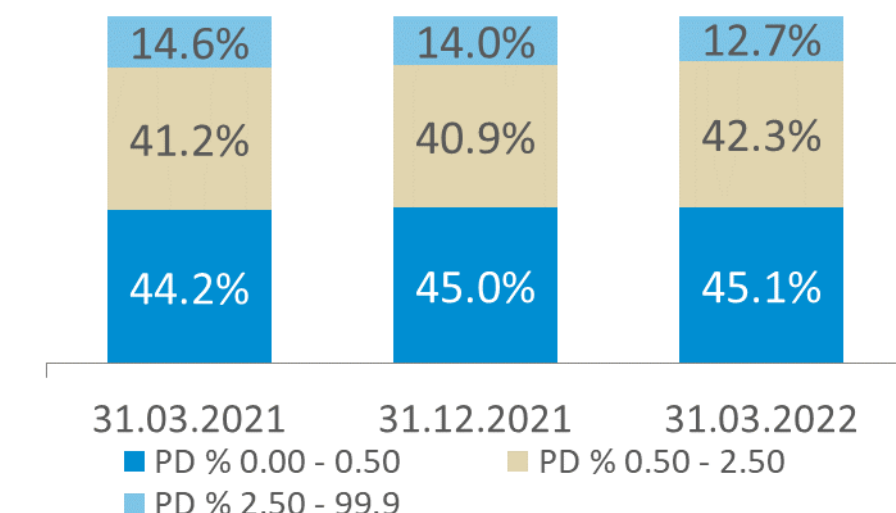
- Portfolio distributed by risk class

Retail market



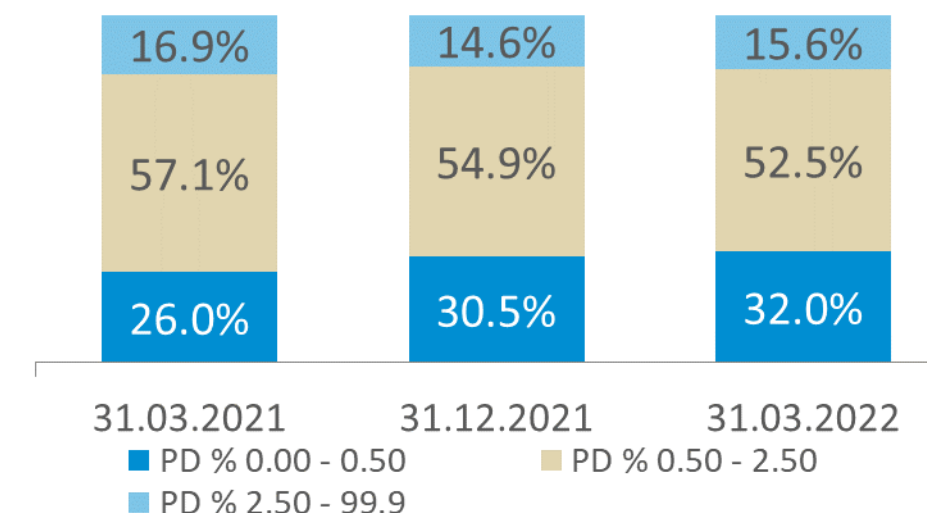
- The quality of the Retail market portfolio is considered to be very good and has low potential losses.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate.

SME and Agriculture



- The quality of the SME and Agriculture market portfolio is considered to be very good. Portfolio quality improved last year.

Corporate market



- 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.

SpareBank 1 SR-Bank ASA

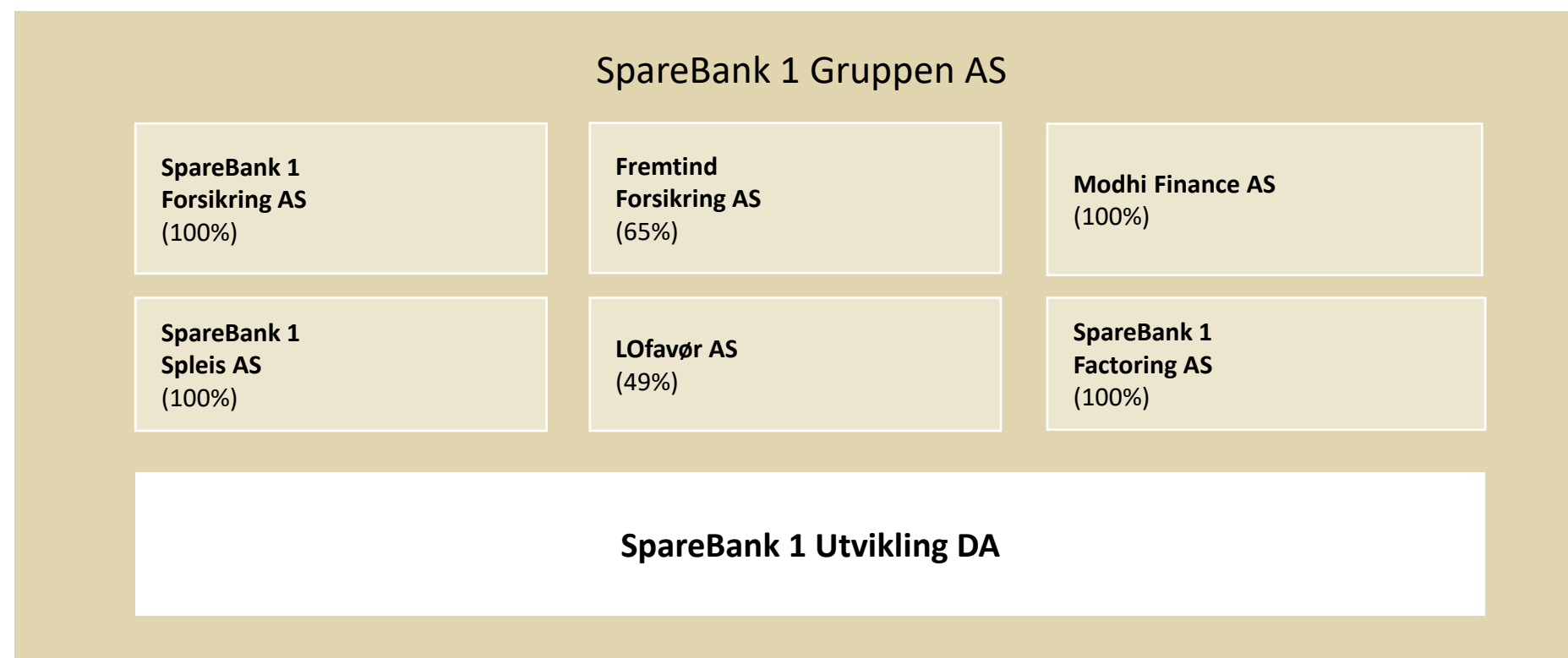
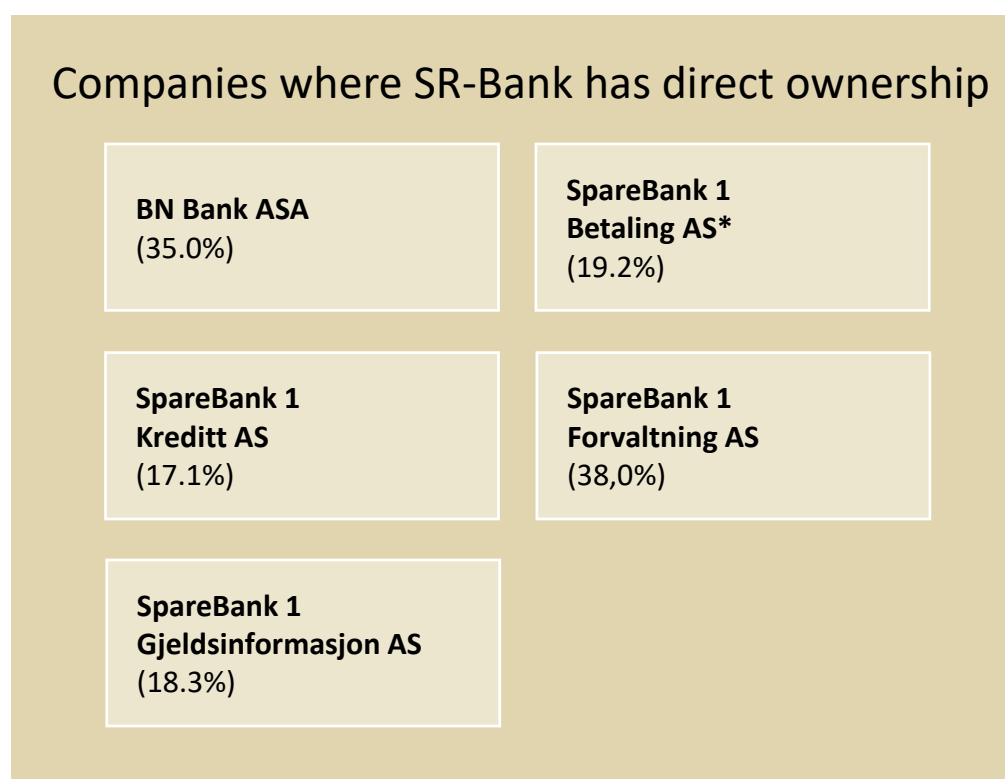
Business divisions	Fully owned companies		Partly owned companies	
Retail market Number of man-years: 464	EiendomsMegler 1 Leading real estate broker Number of man-years: 178	SR-Boligkreditt Covered Bond Funding Number of man-years: 1	BN Bank (35.0%) Commercial bank located in Oslo and Trondheim	SpareBank 1 Gruppen (19.5%) Holding company for the SpareBank 1 - Alliance
Corporate market Number of man-years: 96	SpareBank 1 SR-Bank ForretningsPartner Accounting and advisory Number of man-years: 350	FinStart Nordic Investmentportfolio FinTec Number of man-years: 1	SpareBank 1 Kreditt (17.1%) Credit card company located in Trondheim	SpareBank 1 Gjeldsinformasjon (18.3%) Obtains debt information from financial institutions
SME and Agriculture Number of man-years: 72	Monio Digital loan-platform for small businesses Number of man-years: 14		SpareBank 1 Betaling* (19.2%) The company behind mobile payment solution	SpareBank 1 Forvaltning (38.0%) Manages portfolio of savings products
Administration & Support Number of man-years: 326				

*Owns 23.1% in Vipps AS.

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.

We are here for the customers and society

- Very few of our business customers are directly affected by the war in Ukraine.
- Our customers in the retail market are indirectly affected by rising prices.
- We have intensified our work related to cybersecurity.
- We contribute to the society in a difficult situation.



Net income on investment securities

MNOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Dividends	19	21	0	9	0
Investment income, associates	74	223	151	193	109
Securities gains/losses	9	56	4	26	106
- of which capital change in shares and certificates	47	96	27	68	105
- of which capital change in certificates and bonds incl. derivatives	-38	-40	-23	-42	1
Currency/interest gains/loans	90	44	79	15	1
- of which currency customer- and own-account trading	54	41	38	36	27
- of which value change basiswap and other IFRS-effects	36	3	41	-21	-26
Net income on investment securities	192	344	234	243	216

When a basiswap 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

Company	MNOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
SR-Boligkreditt AS	Operating profit before tax	453	274	311	144	110
SpareBank 1 SR-Bank Forretningspartner AS*	Operating profit before tax	3	5	12	7	11
EiendomsMegler 1 SR-Eiendom AS	Number of sales	1,505	1,558	1,713	2,185	1,911
	Operating profit before tax	3	9	5	30	16
FinStart Nordic AS	Operating profit before tax	-2	13	3	4	65
Monio AS	Operating profit before tax	-5	-5	-4	63	-5
Others	Operating profit before tax	-	-9	-2	-4	-9
Total subsidiaries	Profit before tax	452	296	334	253	195

*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 1.6 million (NOK 0.8 million as at 31 March 2021).

Ownership interests

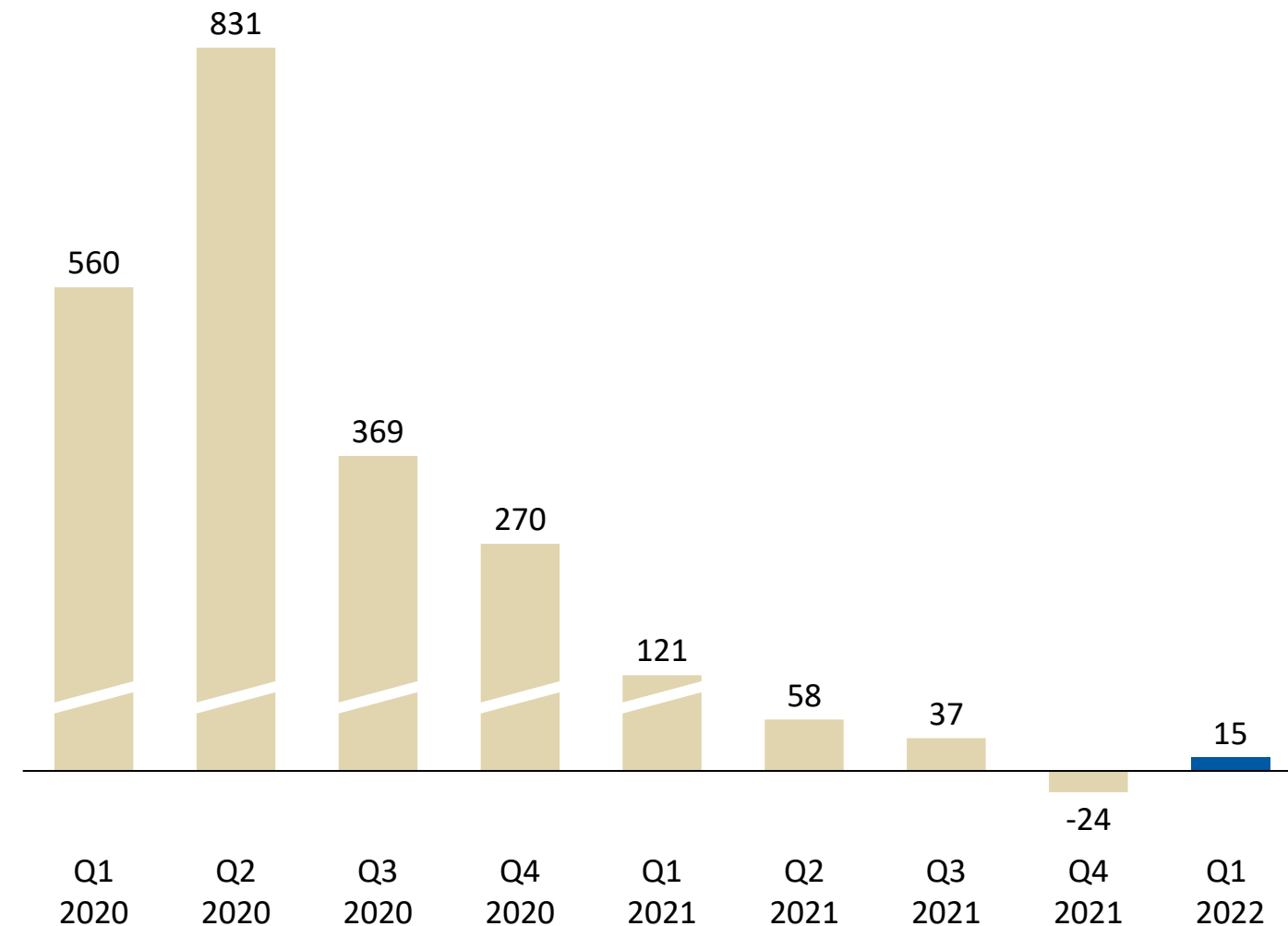
Companies	MNOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
SpareBank 1 Gruppen AS	Interest ownership (%)	19.5	19.5	19.5	19.5	19.5
	Profitshare after tax	13	173	83	148	67
BN Bank ASA	Interest ownership (%)	35.0	35.0	35.0	35.0	35.0
	Profitshare after tax	49	42	40	42	40
SpareBank 1 Forvaltning AS*	Interest ownership (%)	38.0	36.3	19.5	19.5	-
	Profitshare after tax	15	18	16	6	-
	Adj. profit contribution previous year	1	-4	0	0	-
SpareBank 1 Kreditt AS	Interest ownership (%)	17.1	17.1	17.1	17.1	17.1
	Profitshare after tax	3	1	9	1	0
SpareBank 1 Betaling AS	Interest ownership (%)	19.2	19.2	19.7	19.8	19.8
	Profitshare after tax	-5	-6	-1	-4	-1
	Adj. profit contribution previous year	0	-2	0	0	0
Others	Profitshare after tax	1	1	2	2	4
Total ownership interests	Profitshare after tax	77	223	149	195	110
FinStart Nordic AS**	Profitshare after tax	-3	0	2	-2	-1
Total ownership interests in the Group	Profitshare after tax	74	223	151	193	109

*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.

**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.

Impairments per quarter

- The group's net impairments on loans and financial liabilities were reduced with NOK 106 million (0.19% of gross lending) from 31 March 2021 to 31 March 2022
- 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 risks associated with the war in Ukraine are under continuous assessment. As at 31 March 2022 SpareBank 1 SR-Bank had no significant exposure to the involved countries
- 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



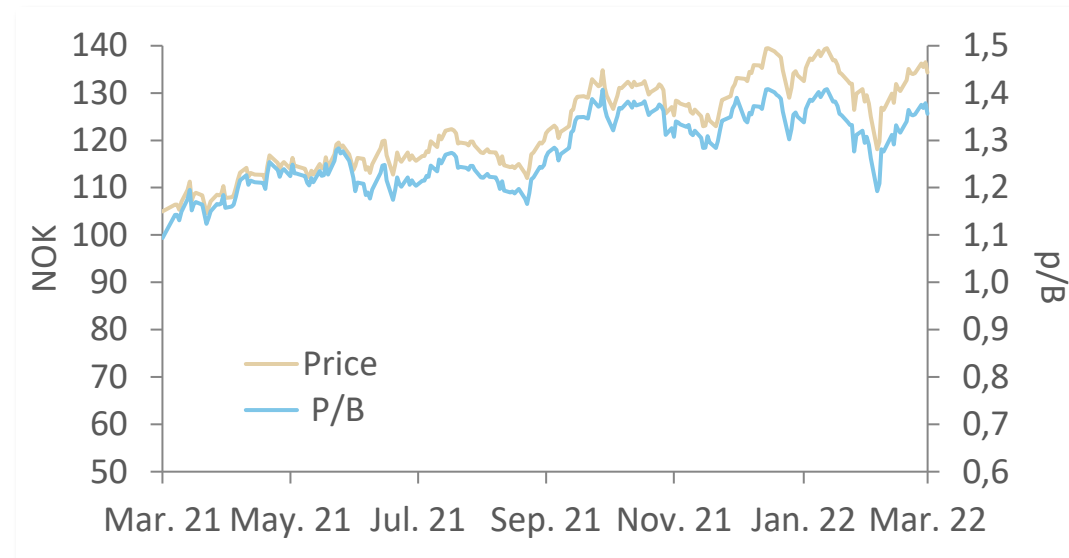
Balance sheet

Balance sheet (MNOK)	31.03.2022	31.03.2021
Cash and balances with central banks	88	132
Balances with credit institutions	8,509	11,397
Net loans to customers	231,861	218,985
Certificates and bonds	58,770	48,598
Financial derivatives	9,777	6,877
Shares, ownership stakes and other securities	1,051	957
Investment in associates	4,993	4,674
Other	3,246	4,872
Total assets	318,295	296,492
Balances with credit institutions	6,500	1,399
Deposit from customers	141,999	128,108
Listed debt securities	120,306	129,674
Financial derivatives	7,114	5,360
Other liabilities	5,166	2,015
Senior non-preferred bonds	7,077	2,143
Subordinated loan capital	2,117	2,132
Total liabilities	290,279	270,831
Total equity	28,016	25,661
Total liabilities and equity	318,295	296,492

SRBNK share

- International ownership is 22.8% per 1. quarter 2022
- Total market value at 1. quarter 2022 is NOK 34.3 billion

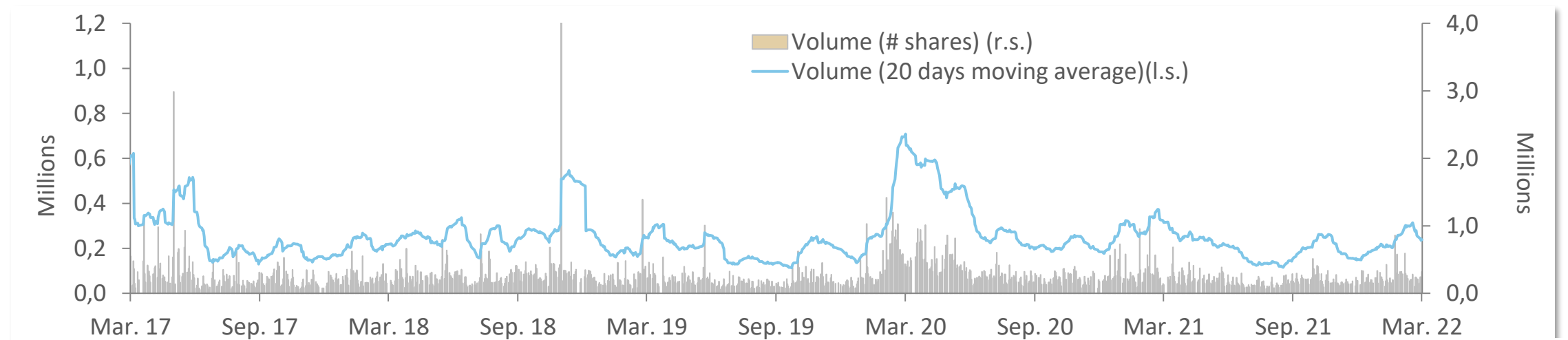
Development in Price/Book



Relative share price development



Trading volume development



20 largest shareholders as at 31 March 2022

- Ownership interests as at 31 March 2022:
 - From Rogaland, Agder, Vestland, Oslo and Viken: 65.4% (65.9%)
 - International: 22.8% (22.5%)
 - 10 largest: 48.1% (49.3%)
 - 20 largest: 55.9% (57.3%)
- Number of shareholders 31 March 2022: 17,714 (14,445)
- Employees owning 1.7% (1.7%) as at 31 March 2022

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72,419,305	28.3%
Folketrygdfondet		18,630,684	7.3%
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	4,814,504	1.9%
JPMorgan Chase Bank NA, U.S.A.	Nominee	3,369,669	1.3%
Verdipapirfondet Alfred Berg Gambak		3,111,467	1.2%
Odin Norge		3,019,485	1.2%
Pareto Aksje Norge		2,750,445	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	2,400,430	0.9%
J.P.Morgan SE, Luxembourg	Nominee	2,297,377	0.9%
Danske Invest Norske Instit. II		2,287,867	0.9%
Vpf Nordea Norge Verdi		2,063,055	0.8%
Spesialfondet Borea Utbytte		1,966,741	0.8%
AS Clipper		1,873,800	0.7%
Pareto Invest AS		1,841,509	0.7%
KLP Aksjenorge Indeks		1,809,932	0.7%
Westco AS		1,796,687	0.7%
Verdipapirfondet DNB Norge		1,766,778	0.7%
Top 5		108,296,863	42.3%
Top 10		122,963,329	48.1%
Top 20		143,067,505	55.9%

Figures in parentheses as at 31 March 2021.

SR-Bank as at 31 March 2022

SpareBank 1 SR-Bank share

	31.03.2022	2021	2020	2019	2018	2017	
Share price	134.30	133.20	91.00	100.00	89.20	87.00	• Number of shares issued 255.75 million
Stock value (MNOK)	34,347	34,066	23,273	25,575	22,813	22,250	• Trading volume in Q1 2022: 5.9% (7.2%)
Book value per share, (incl. dividends) (group)	102.32	99.05	95.97	89.90	82.27	77.24	• On 1 June 2017, the SR-Bank share was included in the Oslo Stock Exchange's main index
Earnings per share	2.87	12.08	5.87	12.06	8.96	8.15	
Dividend per share	-	6.00	3.10	5.50	4.50	4.25	
P/E	11.70	11.03	15.50	8.29	9.96	10.66	
P/BV	1.31	1.34	0.95	1.11	1.08	1.13	