

4. QUARTER 2011
SPAREBANK 1 SR-BANK GROUP



Chief Executive, CEO

Arne Austreid

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Information on the Internet

SpareBank 1 SR-Bank's homepage www.sr-bank.no

Financial Calendar 2012

Preliminary results 2011:	Wednesday 8 February Presentation and webcast 08.15 am Location: Oslo
Annual General Meeting 2012:	Thursday 29 March
Ex-dividend:	Friday 30 March
Dividend payment date:	Thursday 12 April
1st quarter 2012:	Thursday 3 May Presentation 08.15 am Location: Oslo
Extraordinary General Meeting:	Wednesday 9 May
2nd quarter 2012:	Thursday 9 August Presentation and webcast Location: Oslo
3rd quarter 2012:	Thursday 1 November Presentation 08.15 am Location: Oslo

Contents

1. SpareBank 1 SR-Bank ASA	4
1.1 Financial highlights	4
1.2 Business description: leading financial institution in Rogaland, Hordaland and Agder.....	6
Retail Market.....	7
Corporate Market	7
Capital Market.....	7
Vision and strategy	7
Legal and organizational structure	8
The SpareBank 1 Alliance.....	9
1.3 From ROGG to SRBANK.....	10
Historical performance of the EC.....	10
Investor relations policy	11
Shareholder and dividend policy.....	12
Ownership structure	12
1.4 Credit ratings.....	13
2. Financial results and balance sheet	14
2.1 Net interest income	19
2.2 Net other operating income	21
2.3 Operating expenses.....	23
2.4 Losses on loans and loss provisions	26
2.5 Loans	27
2.6 Risk profile	28
2.7 Risk profile in bond portefolio	31
2.8 Capital adequacy.....	32
3. Business areas	35
3.1 Business segments - Financial performance	35
3.2 Retail Market	36
3.3 Corporate Market	38
3.4 Capital Market	40
3.5 Subsidiaries.....	41
EiendomsMegler 1 SR-Eiendom AS.....	41
SpareBank 1 SR-Finans AS	42
SR-Forvaltning AS.....	43
SR-Investering AS.....	44
4. Norwegian Economic Outlook	45

1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q4 2011

- Pre-tax profit: NOK 490 million (NOK 414 million)
- Net profit for the period: NOK 337 million (NOK 381 million)
- Return on equity after tax: 13.9% (16.9%)
- Earnings per share (EPS): NOK 1.73 (NOK 1.94)
- Net interest income: NOK 448 million (NOK 442 million)
- Net commissions and other operating income: NOK 305 million (NOK 283 million)
- Net income from financial investments: NOK 111 million (NOK 183 million)
- Operating costs: NOK 329 million (NOK 423 million)
- Impairment losses on loans: NOK 45 million (NOK 71 million)

(Q4 2010 in brackets)

Preliminary 2011

- Pre-tax profit: NOK 1,495 million (NOK 1,614 million)
- Net profit: NOK 1,081 million (NOK 1,317 million)
- Return on equity after tax: 11.2% (15.5%)
- Earnings per share (EPS): NOK 5.42 (NOK 6.84)
- The Board proposes a dividend of NOK 1.50 (NOK 2.75) per share.
- Net interest income: NOK 1,756 million (NOK 1,742 million)
- Net commissions and other operating income: NOK 1,192 million (NOK 1,101 million)
- Net income from financial investments: NOK 319 million (NOK 571 million)
- Operating costs: NOK 1,633 million (NOK 1,566 million)
- Impairment losses on loans: NOK 139 million (NOK 234 million)
- Growth in lending (including loans sold to Sp 1 Boligkreditt and Sp 1 Næringskreditt) over the past 12 months: 11.2% (11.6%)
- Growth in deposits over the past 12 months: 5.4% (11.8%)
- Core capital adequacy: 10.7% (10.2%)
- Pure core capital adequacy: 8.3% (8.7%)

(2010 in brackets)

Income statement

MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Net interest income	448	457	427	424	442	1 756	1 742
Net commission and other income	305	281	325	281	283	1 192	1 101
Net return on investment securities	111	7	73	128	183	319	571
Total income	864	745	825	833	908	3 267	3 414
Total operating expenses	329	462	396	446	423	1 633	1 566
Operating profit before losses	535	283	429	387	485	1 634	1 848
Losses on loans and guarantees	45	30	13	51	71	139	234
Operating profit before tax	490	253	416	336	414	1 495	1 614
Tax expense	153	79	111	71	33	414	297
Profit after tax	337	174	305	265	381	1 081	1 317

Key figures

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Return on equity ¹⁾	13,9 %	7,2 %	12,6 %	11,2 %	16,9 %	11,2 %	15,5 %
Cost ratio ²⁾	38,1 %	62,0 %	48,0 %	53,5 %	46,6 %	50,0 %	45,9 %
Deposit-to-loan ratio	63,2 %	61,9 %	60,2 %	59,8 %	57,4 %	63,2 %	57,4 %
Growth in loans	-4,2 %	3,6 %	11,5 %	8,6 %	13,2 %	-4,2 %	13,2 %
Growth in loans incl. SB 1 Boligkreditt and SB 1 Næringskreditt	11,2 %	15,3 %	14,5 %	12,5 %	11,6 %	11,2 %	11,6 %
Growth in deposits	5,4 %	15,5 %	15,8 %	17,5 %	11,8 %	5,4 %	11,8 %
Average total assets, MNOK	132 392	134 579	133 469	133 916	133 557	133 629	128 830
Total assets, MNOK	131 142	132 965	134 715	132 555	134 778	131 142	134 778
Impairment losses ratio ³⁾	0,18	0,11	0,05	0,19	0,28	0,13	0,23
Capital adequacy ratio	11,5	11,2	11,5	11,8	12,4	11,5	12,4
Core capital ratio	10,7	9,6	10,0	10,2	10,2	10,7	10,2
Market price	40,70	40,70	51,50	57,00	57,00	40,70	57,00
EPS (group) ⁴⁾	1,73	0,86	1,51	1,32	1,94	5,42	6,84

¹⁾ Net profit as a percentage of average equity

²⁾ Total operating expenses as a percentage of total operating income

³⁾ Net losses expressed as a percentage of average gross lending year to date annualized

⁴⁾ Net profit multiplied by the number of shares outstanding

SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute EPS.

The issued equity certificates were converted to shares on 2 January 2012. The key figures as at 31 December 2011 are presented proforma as if the conve

1.2 Business description: leading financial institution in Rogaland, Hordaland and Agder

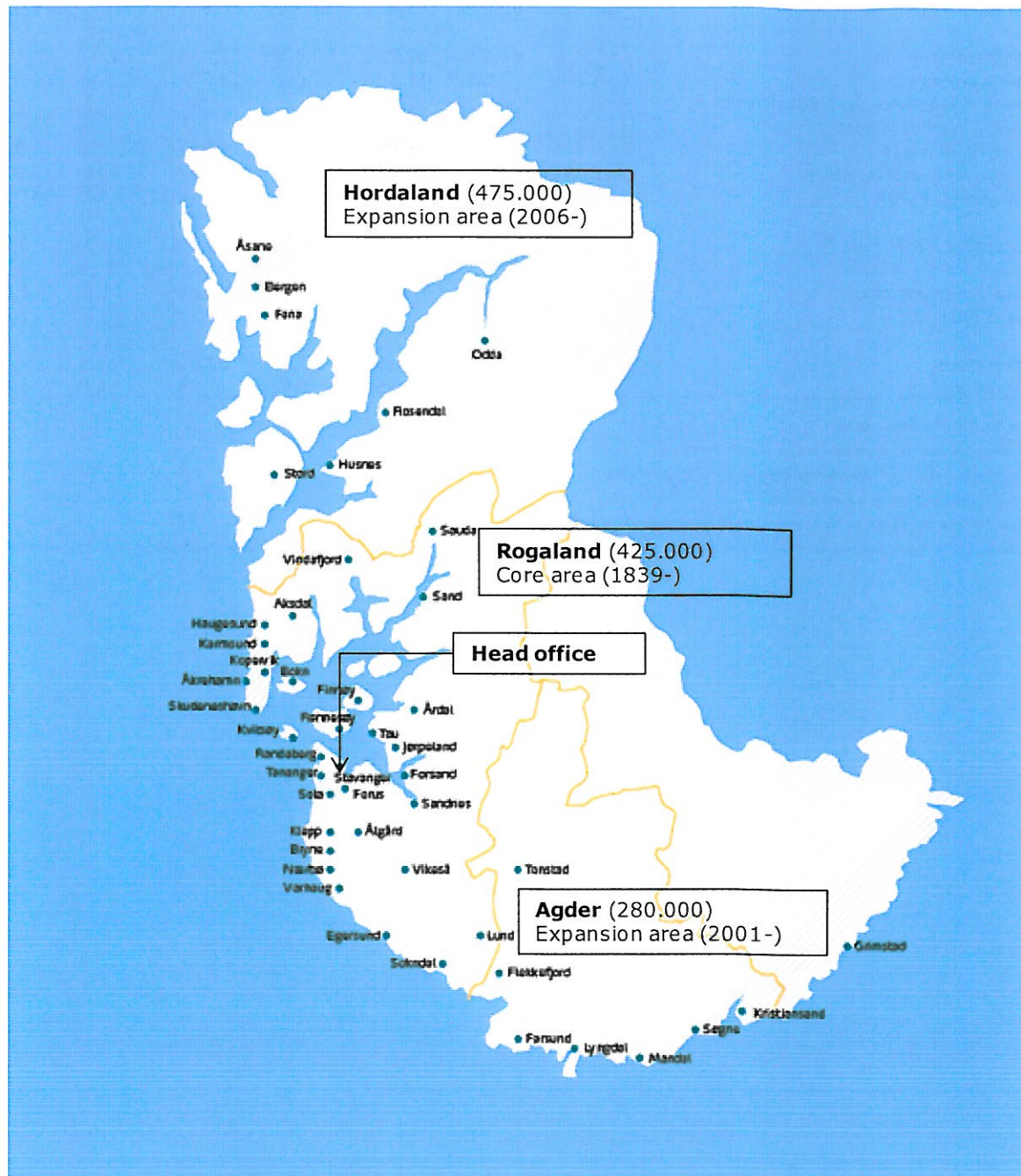


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank ASA is located in the South-Western part of Norway and is the second largest of the Norwegian-owned banks (after DnB) with assets on-balance sheet totalling NOK 131 billion as at year end 2011. Head office is in Stavanger. The market areas are the counties of Rogaland, Agder and Hordaland. SpareBank 1 SR-Bank ASA has about 1 200 employees and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

The customer-oriented activity is organized in three divisions; Retail Market, Corporate Market and Capital Market.

Retail Market

SpareBank 1 SR-Bank ASA is the leading retail customer bank in Rogaland, with about 262,000 retail customers and a market share in Rogaland of about 40 per cent. The division also serves 15,000 agricultural clients, sole proprietorships and associations.

Corporate Market

SpareBank 1 SR-Bank ASA service about 7,500 customers in the business sector and public sector. These also include small businesses, agricultural customers, societies and associations. About 40 per cent of all businesses in the bank's traditional market list SpareBank 1 SR-Bank ASA as their main bank.

Capital Market

The Capital Market division comprises the group's securities activities, SR-Markets and the subsidiary SR-Forvaltning that manage customers' and the bank's own assets in the form of securities, mutual funds and property. SR-Markets primarily serve the group's customers and selected customer in defined market areas in the country as a whole.

Segment operating profit*

<i>MNOK</i>	Retail market		Corporate market		Capital market	
	2011	2010	2011	2010	2011	2010
Operating profit before tax 4th quarter only	155	181	193	123	44	23
Operating profit before tax per 31 December	711	783	679	564	147	140
Gross loans to customers excl. SpareBank 1 Boligkreditt and Næringskreditt as per 31 December 2011	49 655	58 430	45 147	40 694	-	-
Deposits from customers as per 31 December 2011	36 694	33 478	23 525	21 745	-	-

* not including SpareBank 1 SR-Finans AS and portfolios in covered bond companies.

Vision and strategy

The purpose of SpareBank 1 SR-Bank

"To create values for the region of which we are a part"

Vision

"Recommended by the customer"

Strategy

SpareBank 1 SR-Bank is to be the most attractive supplier of financial services in the South-Western part of Norway based on:

- Good customer experiences
- A strong team feeling and professionalism
- Local roots and decision-making powers
- Financial strength, profitability and market trust

Legal and organizational structure

The Supervisory Board is the Bank's supreme body and consists of 40 members, 16 of which represents the equity capital certificate holders, four from the county councils in Rogaland, Hordaland and Vest- and Aust-Agder, 10 are customers and 10 are employees. The members are elected for four years at a time. Pursuant to the legislation, it is considered important that the elected members together reflect the savings bank's customer structure and other stakeholders. In the case of a savings bank that has issued equity capital certificates (ECs), between one-fifth and two-fifths of the Supervisory Board's members must be elected by the holders of ECs.

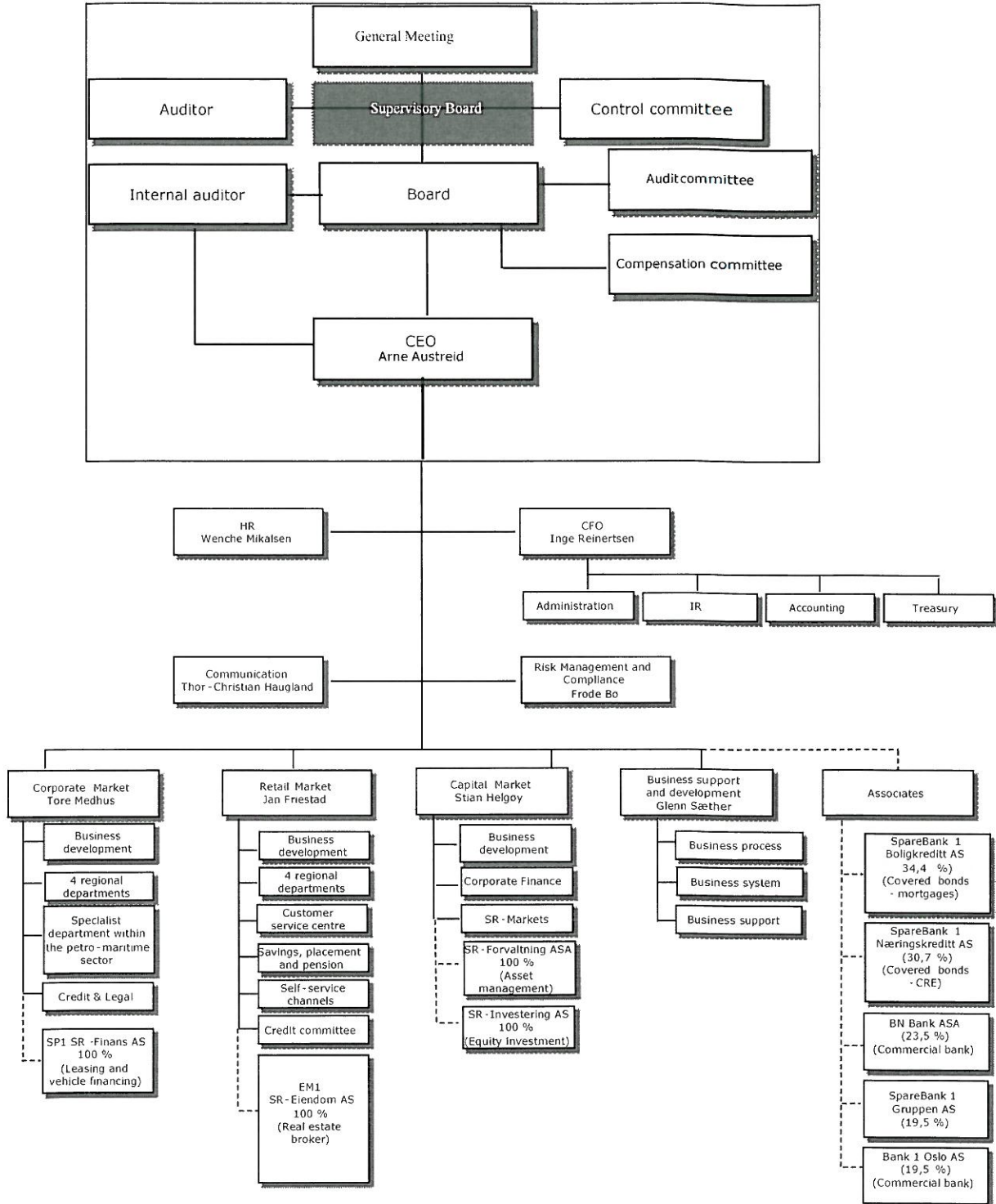


Figure 1.2.2: Organizational structure of SpareBank 1 SR-Bank

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the founding partners of the SpareBank 1 Gruppen (“the Alliance”) in 1996. The purpose of the Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and higher quality, so that customers get the best advice and the best services on competitive terms. The member banks in the Alliance work in part through common projects and in part through the jointly owned holding company; SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen AS is owned by Sparebanken Nord-Norge, Sparebanken 1 SMN, Sparebanken Hedmark, Samarbeidende Sparebanker AS (14 local savings banks in southern Norway) and the Norwegian Confederation of Trade Unions (LO).

SpareBank 1 Gruppen AS owns all of the shares in SpareBank 1 Livsforsikring AS (life insurance), SpareBank 1 Skadeforsikring AS (non-life insurance), ODIN Forvaltning AS (asset management), SpareBank 1 Medlemskort (membership cards) and SpareBank 1 Gruppen Finans Holding AS (collection of bad debts). The company also owns 97,25 per cent of SpareBank 1 Markets AS (previously named Argo Securities AS).

The banks that are part of the Alliance also jointly own the two covered bond companies SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS, EiendomsMegler 1 (chain of real estate brokers), Alliansesamarbeidet SpareBank 1 Utvikling DA, and the two commercial banks; Bank 1 Oslo/Akershus AS and BN Bank ASA.

The SpareBank 1 Alliance structure is shown in figure 1.2.3.

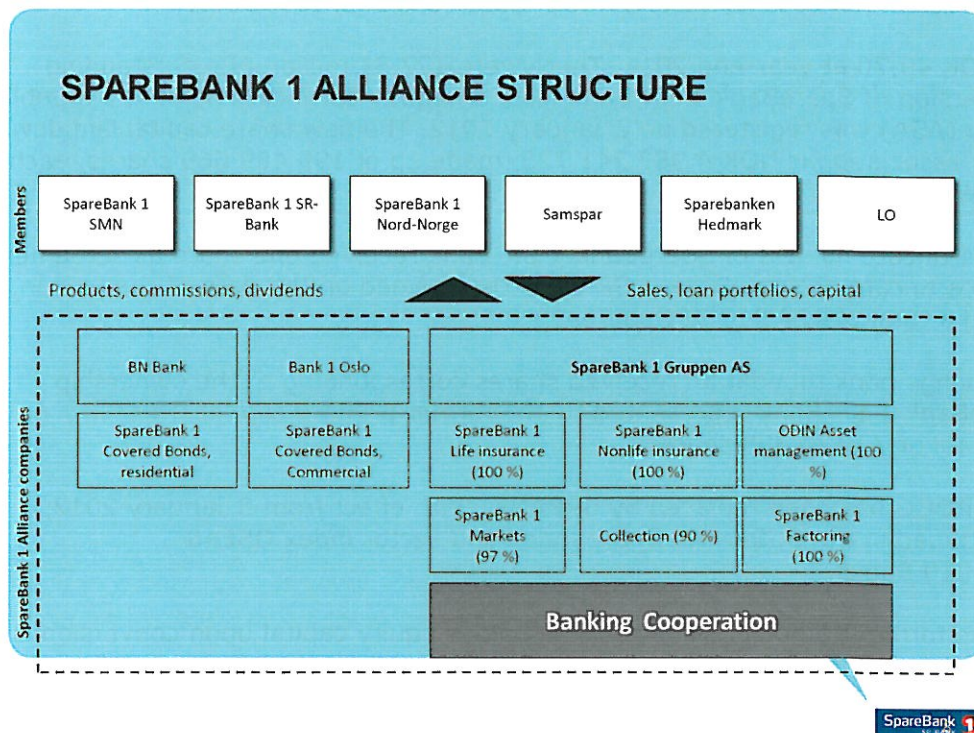


Figure 1.2.3: Structure of SpareBank 1 Alliance

1.3 From ROGG to SRBANK

Historical performance of the EC

SpareBank 1 SR-Bank's ECs was listed on the Oslo stock exchange from 1994 until 2011 under the ticker of ROGG. The historical relative performance of ROGG, compared to Oslo Stock Exchange Benchmark Index (OSEBX) and DnB (the largest bank in Norway) is shown in figure 1.3.1. below.

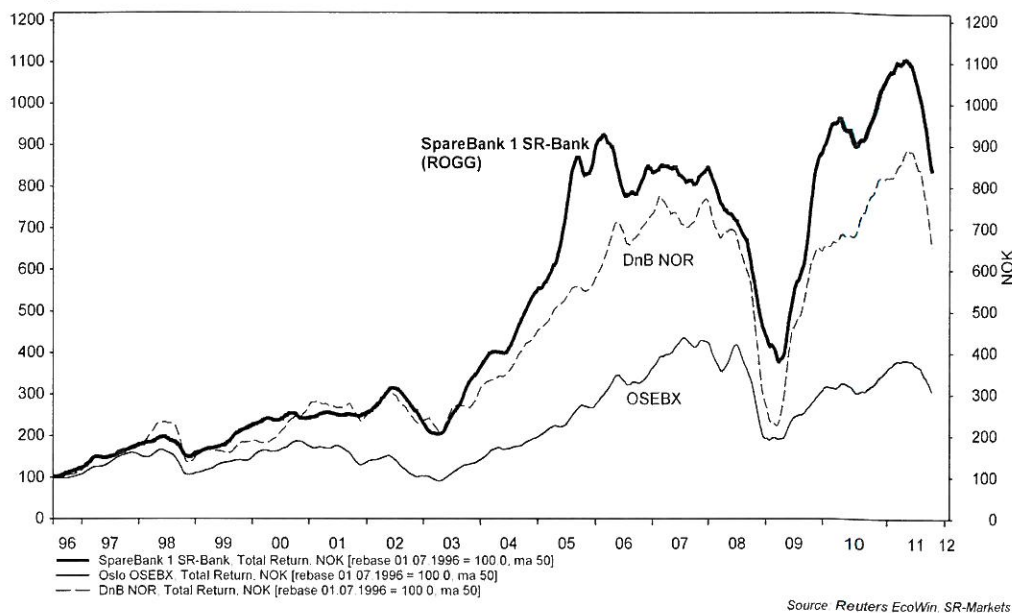


Figure 1.3.1: Total return (dividend reinvested) ROGG, OSEBX and DnB. 1996-2011.

ROGG was at NOK 40,70 at year-end 2011. There were 127.31 million ECs outstanding before the conversion of SpareBank 1 SR-Bank from an equity certificate bank into a public limited company (ASA) was registered on 2 January 2012. The new share capital laid down in the articles of association is NOK 4 987 241 725, made up of 199 489 669 shares, each with a face value of NOK 25.

Former equity certificate holders of SpareBank 1 SR-Bank received one share as settlement for each equity certificate of SpareBank 1 SR-Bank they owned on the date of conversion. This represented a total of 127 313 361 shares.

The SR-Bank savings bank foundation received shares corresponding to the ownership holding in SpareBank 1 SR-Bank represented by the former primary capital. This represented a total of 72 176 308 shares.

The ticker code ROGG has been replaced by SRBANK. With effect from 3 January 2012, SRBANK was included in the OSEAX All-Share index and sector index OSE40 Financials/OSE4010 Banks.

Calculation of the former EC holder's share of the bank's equity capital upon conversion is shown below.

<i>MNOK</i>	31.12.11	31.12.10
Equity certificates	3 180	3 180
Dividend equalisation reserve	1 480	1 175
Premium reserve	625	625
A. The equity certificate owners' capital	5 285	4 980
Savings bank's reserve	2 649	2 477
Compensation fund	55	55
Endowment fund	293	372
B. The savings bank's reserve	2 997	2 904
Fund for unrealised gains	43	43
Equity excl proposed dividend	8 325	7 927
Equity certificate ratio (A/(A+B))	63,8 %	63,2 %

Table 1.3.1: *EC ratio - calculation of EC holder's share of the bank's equity capital before conversion to shares*

Investor relations policy

It is crucial to SpareBank 1 SR-Bank that accurate, relevant and timely information about the bank's development and result inspires confidence in the investor market. Information is conveyed to the market through quarterly investor presentations, websites, press releases and accounting reports. Regular presentations are also held for international partners, lenders and investors, mainly in the domestic and European market.

It is in SpareBank 1 SR-Bank's own interest to publish current financial analyses of the highest possible quality. All analysts, irrespective of their recommendations and viewpoints regarding the stock are treated equally. As of today the following financial analysts have official coverage of SRBANK:

Arctic Securities, Fridtjof Berents: +47 21 01 32 21, fridtjof.berents@articsec.no
SpareBank 1 Markets, Nils Kristian Øyen + 47 24 14 74 00 nils.oyen@sb1.markets.no
Carnegie, Thomas Svendsen: +47 22 00 93 54, ts@carnegie.no
First Securities, Bengt Kirkøen +47 23 23 82 65 bk@first.no
Fondsfinans, Arild Nysæther +47 23 11 30 82 an@fondsfinans.no
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DnB NOR Markets, TBN: + 47 94 89 49,
Keefe, Bruyette & Woods, Ronny Rehn: +44 207 663 3214, rrehn@kbw.com

Shareholder and dividend policy

Shareholder policy

SpareBank 1 SR-Bank's objective is to manage the bank's resources in such a manner that shareholders receive a yield in the form of dividends and a value increase which is competitive in relation to comparable investments.

Dividend policy

The financial objective of SpareBank 1 SR-Bank's operations 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 size of the annual dividend, considerations will be made toward the group's capital, including capital adequacy requirements and the group's goals and strategic plans. Unless capital requirements otherwise dictate, the goal of the board is that approximately half of the annual profit after tax is distributed.

Ownership structure

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of holders who represent customers, regional investors, as well as Norwegian and international investors. The 20 largest equity capital holders owned 61,6 per cent of the issued shares after the conversion took place at 2 January 2012.

20 largest share holders per 02.01.12	Number	Stake
SPAREBANKSTIFTELSEN SR-BANK	72 176 308	36,2%
GJENSIDIGE FORSIKRING ASA	20 713 065	10,4%
SPAREBANK 1-STIFTINGA KVINNHERRAD	6 069 934	3,0%
ODIN NORGE	3 598 122	1,8%
ODIN NORDEN	3 091 553	1,5%
CLIPPER A/S	1 685 357	0,8%
FRANK MOHN A/S	1 666 142	0,8%
TRYGVE STANGELAND DØDSBO	1 632 048	0,8%
JPMORGAN CHASE BANK	1 598 223	0,8%
VARMA MUTUAL PENSION INSURANCE	1 496 091	0,7%
STATE STREET BANK AND TRUST CO.	1 080 213	0,5%
TRYGVES HOLDING AS	1 070 939	0,5%
SHB STOCKHOLM CLIENTS ACCOUNT	1 070 000	0,5%
FIDELITY LOW-PRICED STOCK FUND	1 061 327	0,5%
WESTCO AS	1 030 091	0,5%
KØHLERGRUPPEN AS	1 000 000	0,5%
FORSAND KOMMUNE	769 230	0,4%
TVETERAAS FINANS AS	722 000	0,4%
SOLVANG SHIPPING A/S	701 034	0,4%
LEIF INGE SLETHEI AS	672 772	0,3%
Total 20 largest holders	122 904 449	61,6%

Table 1.3.2: 20 largest shareholders as at 2 January 2012

1.4 Credit ratings

Current credit rating status as at year-end 2011 was as follows:

	Moody's		Fitch	
	Long-term	Short-term	Long-term	Short-term
SpareBank 1 SR-Bank	A1	P-1	A-	F2

The graph below illustrates the long-term rating history of SpareBank 1 SR-Bank:



2. Financial results and balance sheet

Income statement

MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Interest income	1.378	1.362	1.290	1.257	1.282	5.287	4.820
Interest expense	930	905	863	833	840	3.531	3.078
Net interest income	448	457	427	424	442	1.756	1.742
Commission income	211	200	221	202	194	834	796
Commission expenses	-12	-21	-19	-19	-15	-71	-71
Other operating income	106	102	123	98	104	429	376
Net commission and other income	305	281	325	281	283	1.192	1.101
Dividend income	1	1	13	6	0	21	47
Income from investment in associates	67	33	58	51	94	209	267
Net gains/losses on financial instruments	43	-27	2	71	89	89	257
Net return on investment securities	111	7	73	128	183	319	571
Total income	864	745	825	833	908	3.267	3.414
Personnel expenses	100	273	200	255	223	828	870
Administrative expenses	111	99	100	100	109	410	362
Other operating expenses	118	90	96	91	91	395	334
Total operating expenses	329	462	396	446	423	1.633	1.566
Operating profit before losses	535	283	429	387	485	1.634	1.848
Losses on loans and guarantees	45	30	13	51	71	139	234
Operating profit before tax	490	253	416	336	414	1.495	1.614
Tax expense	153	79	111	71	33	414	297
Profit after tax from continuing operations	337	174	305	265	381	1.081	1.317

Key figures

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Return on equity ¹⁾	13,9 %	7,2 %	12,6 %	11,2 %	16,9 %	11,2 %	15,5 %
Cost ratio ²⁾	38,1 %	62,0 %	48,0 %	53,5 %	46,6 %	50,0 %	45,9 %
Net interest margin	1,34 %	1,30 %	1,28 %	1,28 %	1,31 %	1,31 %	1,35 %
Gross loans to customers	101.368	103.930	107.914	104.771	105.792	101.368	105.792
Gross loans to customers incl. SB 1 Boligkreditt and Næringskreditt	146.697	143.747	140.223	135.433	131.953	146.697	131.953
Deposits from customers	64.042	64.323	64.982	62.662	60.770	64.042	60.770
Deposit-to-loan ratio	63,2 %	61,9 %	60,2 %	59,8 %	57,4 %	63,2 %	57,4 %
Growth in loans	-4,2 %	3,6 %	11,5 %	8,6 %	13,2 %	-4,2 %	13,2 %
Growth in loans incl. SB 1 Boligkreditt and Næringskreditt	11,2 %	15,3 %	14,5 %	12,5 %	11,6 %	11,2 %	11,6 %
Growth in deposits	5,4 %	15,5 %	15,8 %	17,5 %	11,8 %	5,4 %	11,8 %
Average total assets	132.392	134.579	133.469	133.916	133.557	133.629	128.830
Total assets	131.142	132.965	134.715	132.555	134.778	131.142	134.778
Impairment losses ratio ³⁾	0,18	0,11	0,05	0,19	0,28	0,13	0,23
Non-performing commitments as a percentage of gross loans	0,41	0,57	0,40	0,40	0,42	0,41	0,42
Other doubtful commitments as a percentage of gross loans	0,69	0,68	0,82	1,01	0,72	0,69	0,72
Capital adequacy ratio	11,5	11,2	11,5	11,8	12,4	11,5	12,4
Core capital ratio	10,7	9,6	10,0	10,2	10,2	10,7	10,2
Core capital	10.896	9.523	9.760	9.734	9.442	10.896	9.442
Net equity and subordinated loan capital	11.731	11.114	11.200	11.235	11.482	11.731	11.482
Minimum subordinated capital requirement	8.197	7.921	7.778	7.611	7.400	8.197	7.400
Number of branches	53	54	54	54	54	53	54
Man-years (permanent)	1.213	1.204	1.175	1.175	1.163	1.213	1.163
Equity certificate ratio (upon conversion)	63,8 %	63,8 %	63,3 %	63,2 %	63,2 %	63,8 %	63,2 %
Market price	40,70	40,70	51,50	57,00	57,00	40,70	57,00
Market capitalisation	8.119	5.182	6.557	7.257	7.257	5.182	7.257
Book equity per share (including dividends) (group)	48,75	47,67	48,48	47,17	47,45	48,75	47,45
Earnings per share (group) ⁴⁾	1,73	0,86	1,51	1,32	1,94	5,42	6,84
Dividends per share	n.a.	n.a.	n.a.	n.a.	n.a.	1,50	2,75
Price / Earnings per share	5,88	11,83	8,53	10,80	7,35	7,51	8,33
Price / Book equity (group)	0,83	0,85	1,06	1,21	1,20	0,83	1,20

The issued equity certificates were converted to shares on 2 January 2012. The key figures as at 31 December 2011 are presented proforma as if the conversion took place at year-end 2011).

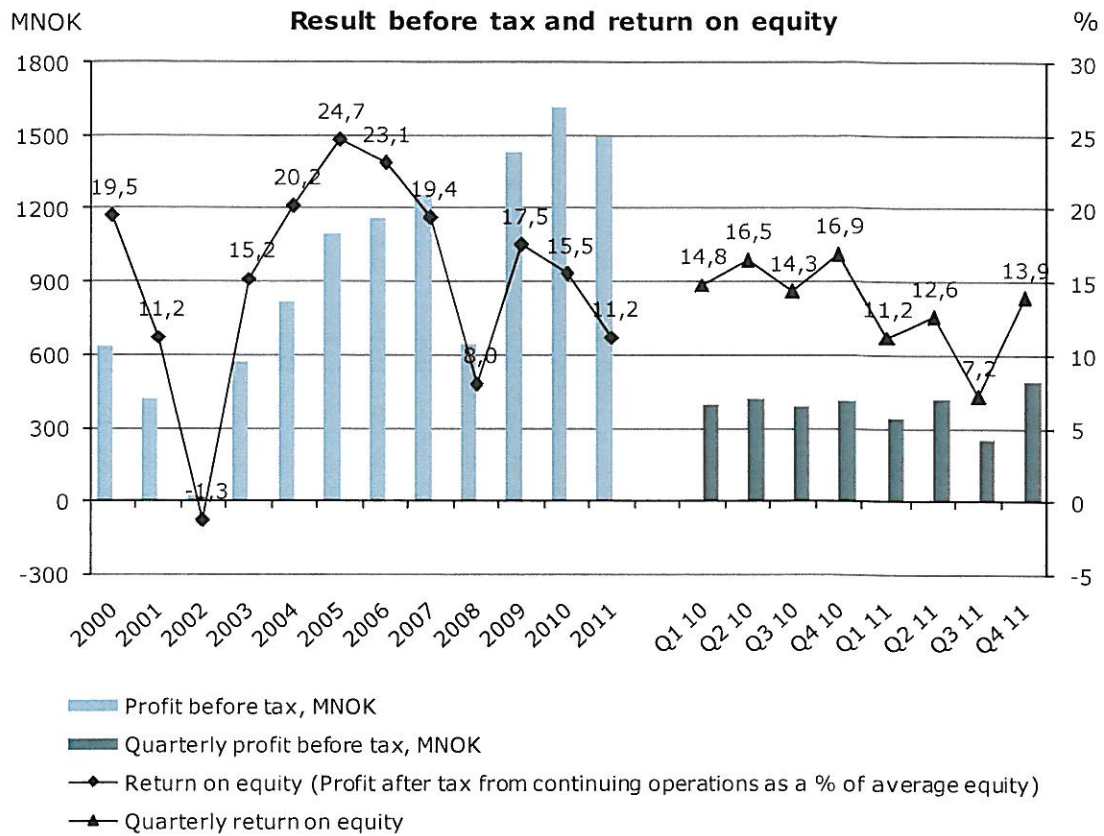
¹⁾ Net profit as a percentage of average equity

²⁾ Total operating expenses as a percentage of total operating income

³⁾ Net losses expressed as a percentage of average gross lending year to date, annualized

⁴⁾ Net profit divided by the number of shares outstanding at YE.

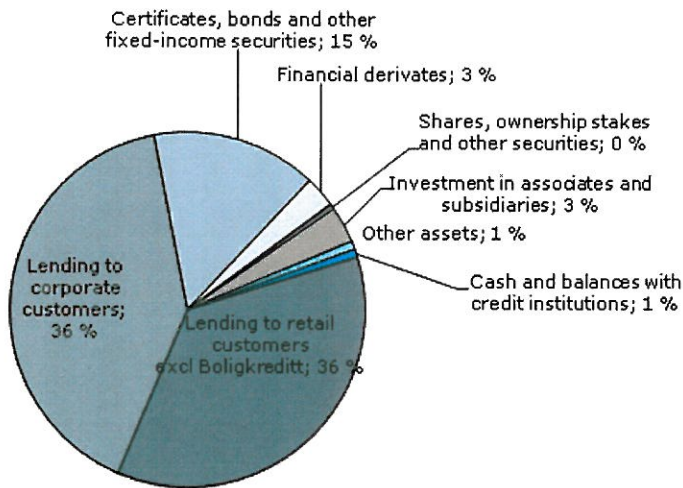
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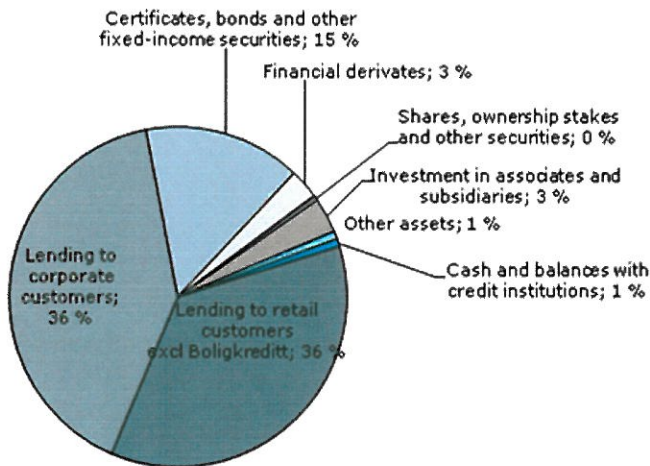
Balance sheet

<i>MNOK</i>	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010
Cash and balances with central banks	263	249	838	936	1.235
Balances with credit institutions	723	1.175	650	1.445	1.273
Net loans to customers	100.588	103.174	107.164	103.973	105.033
Certificates, bonds and other fixed-income sec.	19.850	18.265	17.484	17.827	18.742
Financial derivatives	3.716	4.267	2.781	2.724	3.241
Shares, ownership stakes and other securities	632	628	659	712	661
Investment in associates	4.389	3.924	3.897	3.745	3.499
Business available for sale	84	76	90	93	93
Other assets	897	1.207	1.152	1.100	1.001
Total assets	131.142	132.965	134.715	132.555	134.778
Balances with credit institutions	4.782	5.917	6.087	5.221	7.359
Public sector deposits regarding the covered bonds swap agreement	7.395	8.832	8.832	8.832	8.832
Deposits from customers	64.042	64.323	64.982	62.662	60.770
Listed debt securities	36.338	36.451	38.559	39.007	40.307
Financial derivatives	2.010	2.076	1.440	1.400	2.212
Other liabilities	1.843	2.001	1.427	1.878	1.752
Subordinated loan capital	4.975	3.804	3.604	4.015	4.144
Total liabilities	121.385	123.404	124.931	123.015	125.376
Equity certificates	3.183	3.183	3.183	3.183	3.183
Holding of own equity certificates	-3	-3	-3	-3	-3
Premium reserve	625	625	625	625	625
Dividend equalisation reserve	1.480	1.077	1.256	1.284	1.175
Proposed dividend	159	0	0	0	336
Savings bank's reserve	2.649	2.420	2.525	2.541	2.477
Compensation fund	55	55	55	55	55
Endowment fund	293	293	351	370	372
Avsatt utbytte Sparebankstiftelsen SR-Bank	90	0	0	0	0
Fund for unrealised gains	43	43	43	43	43
Other equity	1.183	1.124	1.179	1.177	1.139
Profit/loss at period end	0	744	570	265	0
Total equity	9.757	9.561	9.784	9.540	9.402
Total liabilities and equity	131.142	132.965	134.715	132.555	134.778

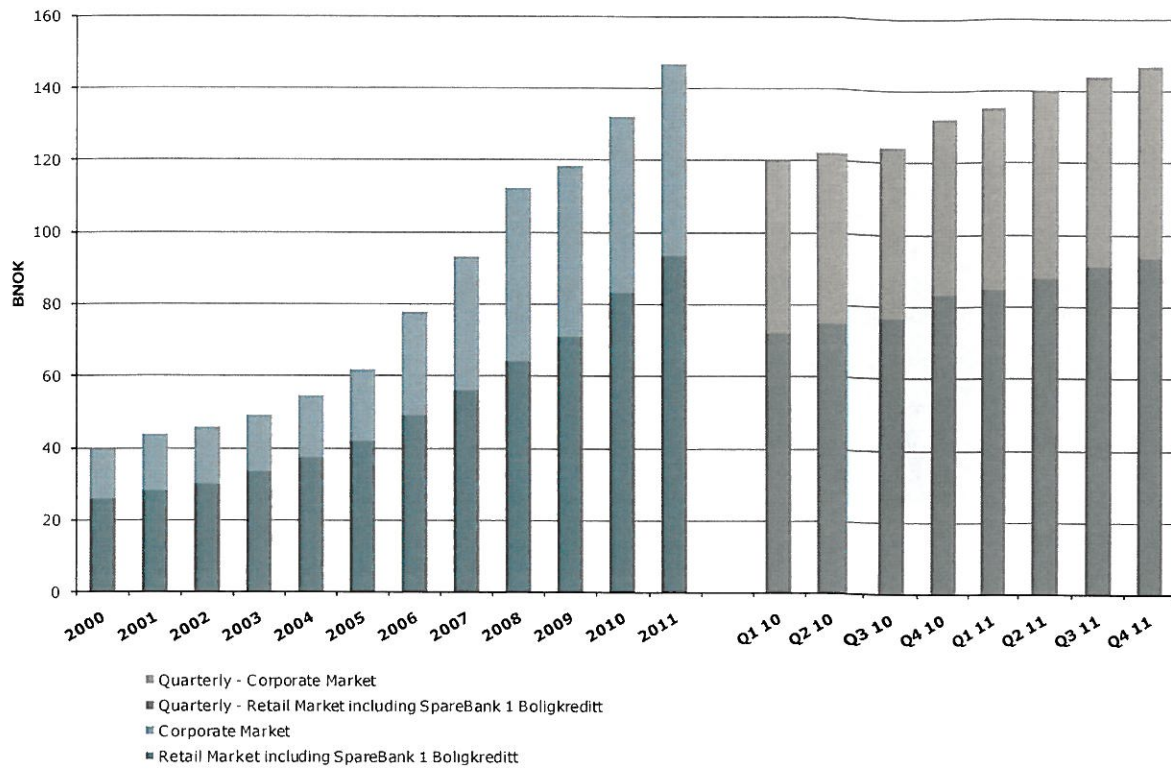
Total assets as at year-end 2011:



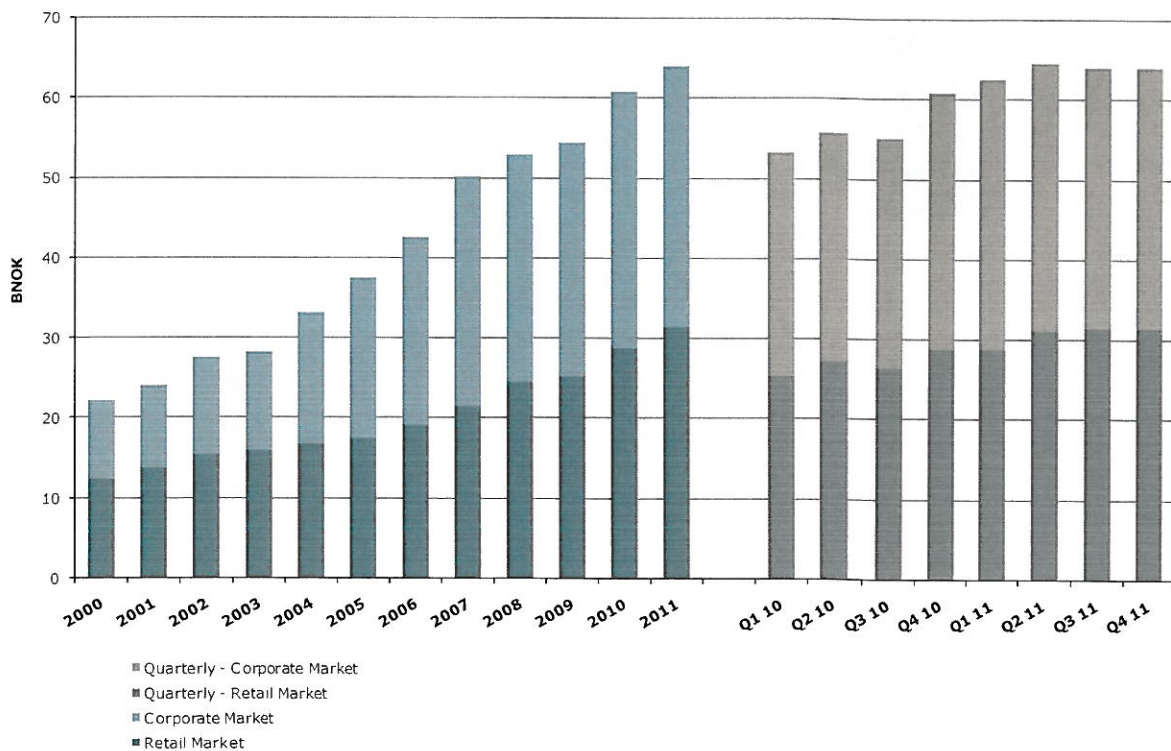
Total liabilities and equity as at year-end 2011:



Development in lending volume

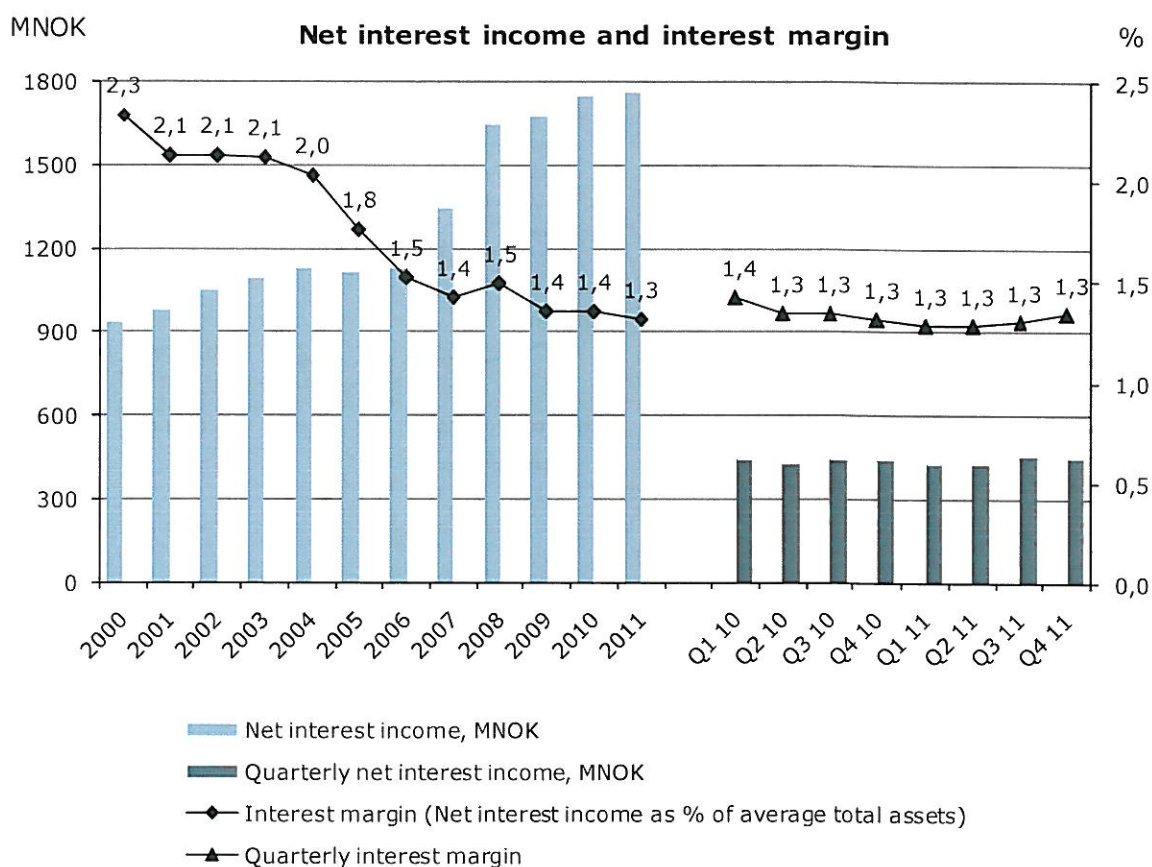


Development in deposit volume



2.1 Net interest income

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	30.12 2010
<i>MNOK</i>							
Interest income	1.378	1.362	1.290	1.257	1.282	5.287	4.820
Interest expense	930	905	863	833	840	3.531	3.078
Net interest income	448	457	427	424	442	1.756	1.742
As % of average total assets	1,34 %	1,35 %	1,28 %	1,28 %	1,31 %	1,31 %	1,35 %

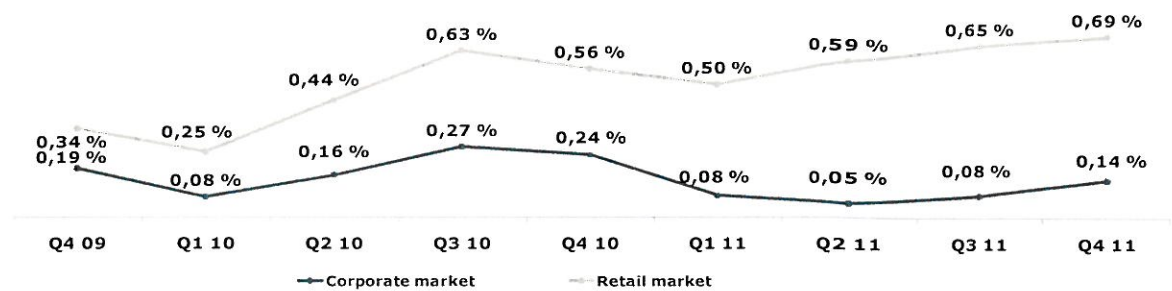


Lending and deposit margins¹

Development in margins on lending:



Development in margins on deposits:



¹ Definition margin: Average customer interest minus 3 months average nibor (funding cost is not included)

2.2 Net other operating income

<i>MNOK</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Net commission and other income	305	281	325	281	283	1.192	1.101
Net return on investment securities	111	7	73	128	183	319	571
Net other operating income	416	288	398	409	466	1.511	1.672
As % of total income	48 %	39 %	48 %	49 %	51 %	46 %	49 %

Net commission and other income

<i>MNOK</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Payment facilities	52	53	51	48	50	205	200
Savings/placements	34	31	37	38	34	136	136
Insurance products	53	34	34	33	33	153	113
Commission income real estate (EM1)	106	102	122	96	87	426	365
Guarantee commission	19	23	17	18	15	78	57
Arrangement fees	25	9	28	14	12	78	35
Other	2	7	13	6	24	28	38
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	291	259	302	253	254	1.105	944
Commission income SB1 Boligkreditt and SB1 Næringskreditt	14	22	23	28	29	87	157
Net commission and other income incl. SB1 Boligkreditt og SB1 Næringskreditt	305	281	325	281	283	1.192	1.101
As % of total income	35 %	38 %	39 %	34 %	31 %	36 %	32 %

Change in net commission and other income

<i>MNOK</i>	Per 31.12		
	2011	Change	2010
Net commission and other income	1192	91	1101
Payment facilities		5	
Savings/placements		0	
Insurance products		40	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		61	
Guarantee commission		21	
Arrangement fees		43	
Other		-10	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		-70	

Net return on investment securities

MNOK	Q4	Q3	Q2	Q1	Q4	31.12	31.12
	2011	2011	2011	2011	2010	2011	2010
Dividend	1	1	13	6	-	21	47
Investment income, associates	65	33	58	51	94	207	267
Securities gains/losses	6	-34	-36	17	53	-48	146
- of which capital change in shares and certificates	8	-38	-33	28	71	-35	135
- of which capital change in certificates and bonds	-3	4	-3	-11	-18	-13	11
Currency/interest gains/losses	38	7	38	54	36	137	111
- of which currency customer- and own-account trading	33	40	31	30	28	134	131
- of which IFRS-effects	5	-33	7	24	8	3	-21
Net return on investment securities	109	7	73	128	183	317	571
As % of total income	13 %	1 %	9 %	15 %	20 %	10 %	17 %

Change in net return on investment securities

MNOK	Per 31.12		
	2011	Change	2010
Net return on investment securities	317	-254	571
Dividend		-26	
Investment income, associates		-60	
Securities gains/losses		-194	
- of which capital change in shares and certificates		-170	
- of which capital change in certificates and bonds		-24	
Currency/interest gains/losses		26	
- of which currency customer- and own-account trading		3	
- of which IFRS-effects		24	

2.3 Operating expenses

<i>MNOK</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Wages	221	204	194	182	165	801	672
Pension expenses	-167	27	-36	32	21	-144	53
Other personnel expenses	46	42	42	42	37	171	145
Total personnel expenses	100	273	200	256	223	828	870
IT expenses	61	54	54	53	51	223	184
Marketing expenses	27	17	23	22	25	88	76
Other administrative expenses	23	28	23	25	33	99	102
Write-offs	23	19	19	19	20	79	72
Expenses real property	28	9	11	12	13	60	37
Other operating expenses	67	63	66	61	58	256	224
Other expenses	229	189	196	191	200	805	695
Total operating expenses	329	462	396	446	423	1.633	1.565

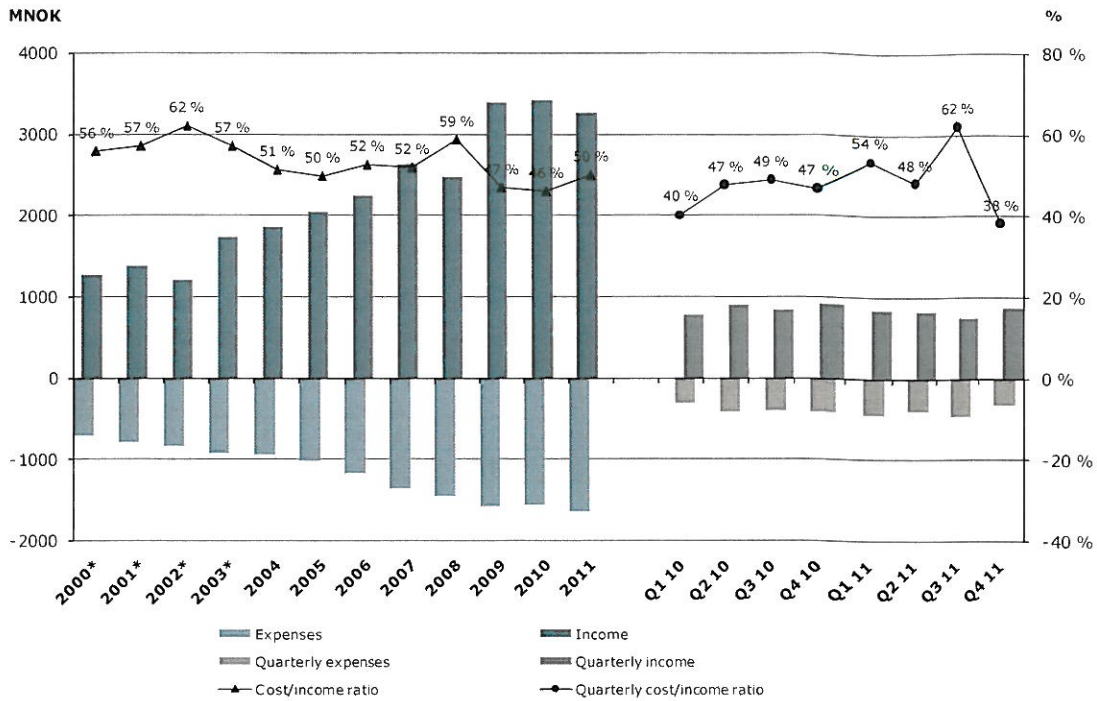
Change in operating expenses

<i>MNOK</i>	Per 31.12		
	2011	Change	2010
Total	1.633	68	1.565
Personnel expenses		-42	
IT expenses		39	
Marketing expenses		12	
Other administrative expenses		-3	
Write-offs		7	
Expenses real property		23	
Other operating expenses		32	

Cost/income ratio

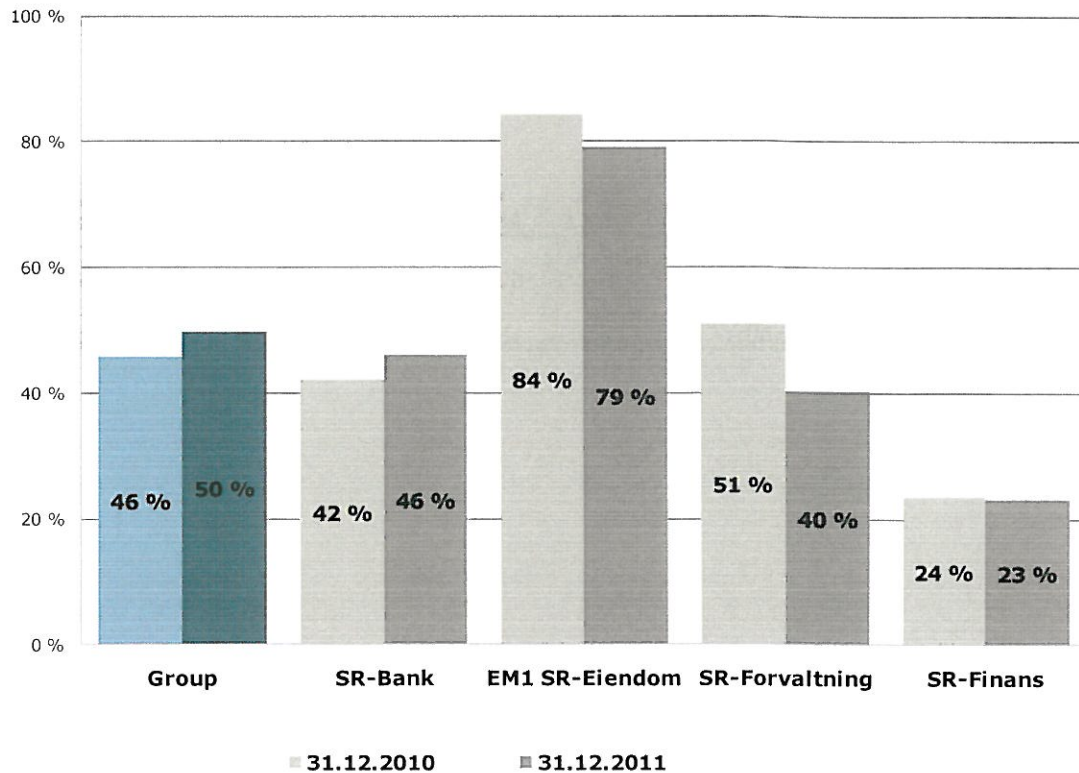
<i>MNOK</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Operating expenses	329	462	396	446	423	1.633	1.566
Cost/income ratio	38,1 %	62,0 %	48,0 %	53,5 %	46,6 %	50,0 %	45,9 %
Growth in expenses last 12 months	-22,2 %	13,2 %	-6,4 %	42,9 %	-3,4 %	4,3 %	-0,8 %

Development in cost/income ratio



* In accordance with the Generally Accepted Accounting Principles in Norway - IFRS from 2004

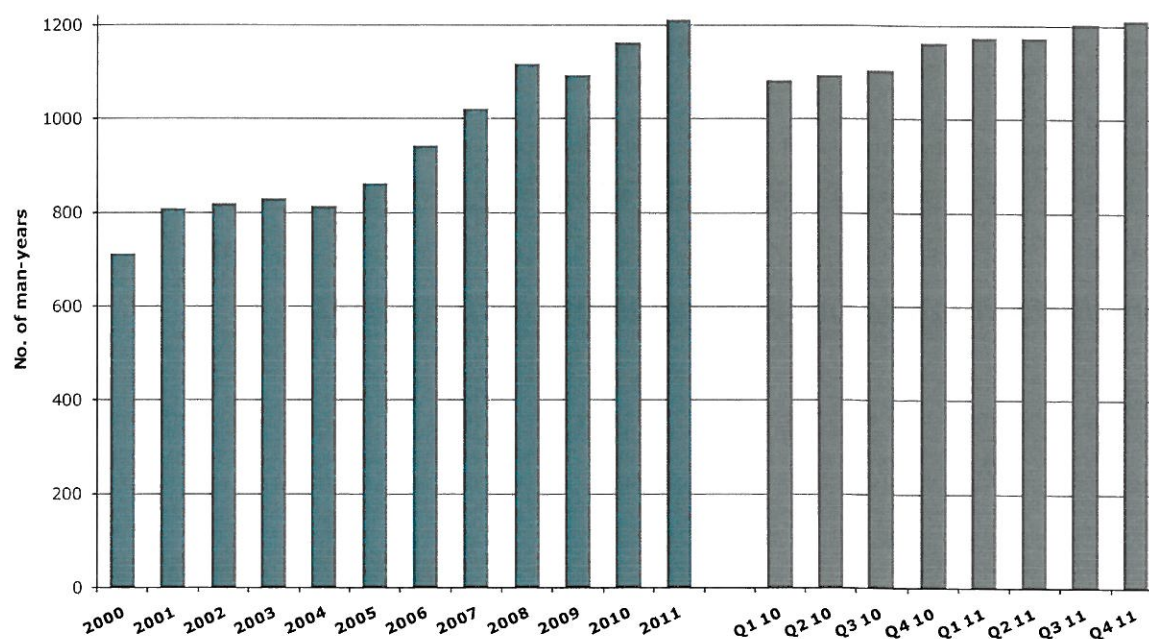
Cost ratio as a total for the Group, the Parentbank and the individual subsidiaries



Number of man-labour years (permanent employees, contracted staff not included)

<i>No. of man-years</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
SpareBank 1 SR-Bank	952	952	926	933	930
EiendomsMegler 1 SR-Eiendom AS	211	203	200	195	184
SR-Forvaltning ASA	13	12	13	11	11
SR-Finans AS	34	34	33	33	33
Other	3	3	3	3	5
Total	1.213	1.204	1.175	1.175	1.163

Man-labour years 2000 – 2011 (permanent employees, contracted staff not included)



2.4 Losses on loans and loss provisions

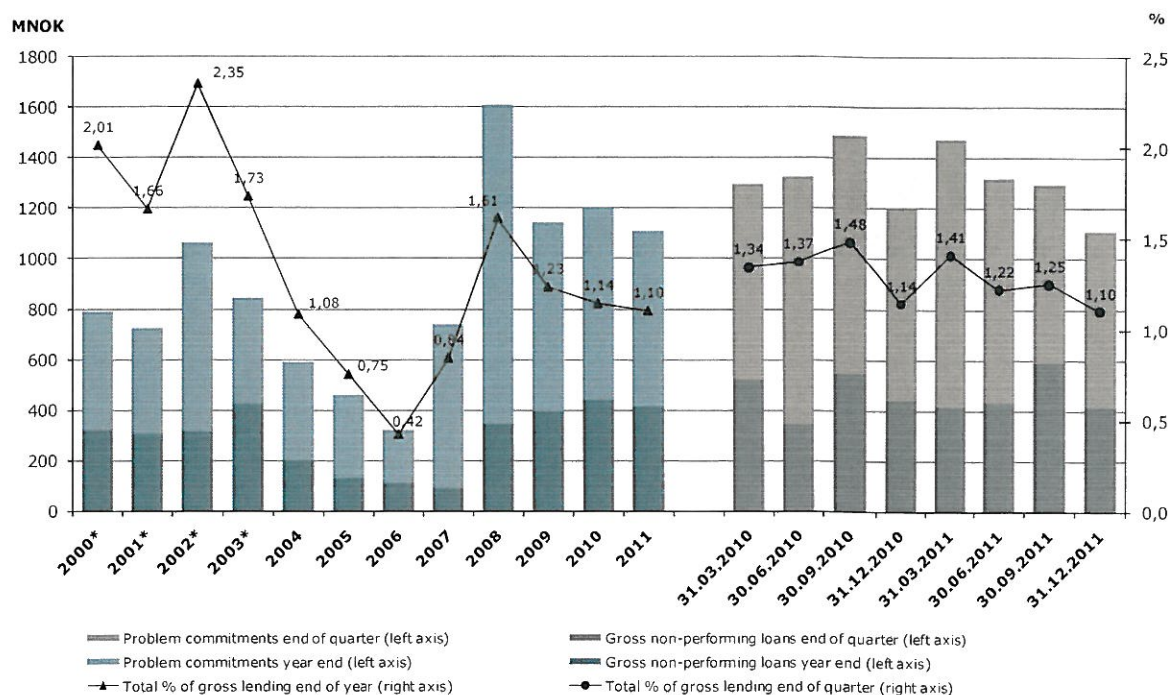
Losses on loans and guarantees

MNOK	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Change in individual individual impairment losses provisions for the period	16	16	23	69
Change in collective impairment loss provisions for the period	5	-17	-29	-29
Amortised cost	6	2	1	0
Actual loan losses on commitments for which provisions have been made	66	55	41	15
Actual loan losses on commitments for which no provision has been made	74	49	25	1
Change in assets take-over	7	17	27	7
Recoveries on commitments previously written-off	-35	-29	-24	-12
The period's net losses/(reversals) on loans and advances	139	94	64	51

Provisions for impairment losses on loans and guarantees

MNOK	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Provisions for individual impairment losses at start of period	402	402	402	402
Kvinnerad acquisition	-	-	-	-
Increases in previous provisions for individual impairment losses	32	23	25	14
Reversal of provisions from previous periods	-108	-78	-50	-37
New provisions for individual impairment losses	158	126	88	105
Amortised cost	1	-3	-1	1
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-65	-55	-42	-15
Provisions for individual impairment losses at the end of period	420	415	422	470

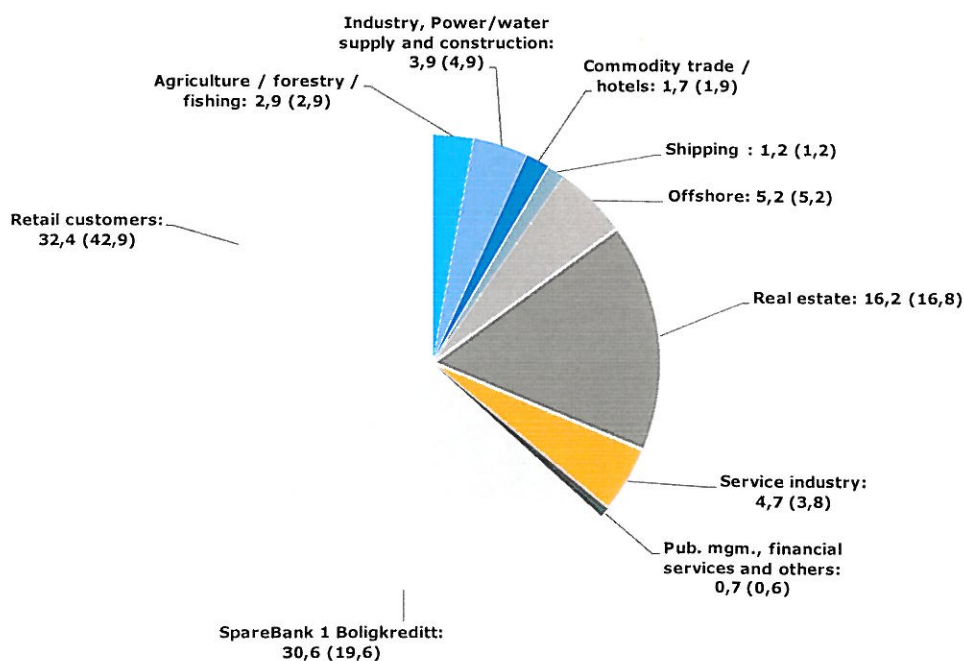
Non-performing loans and problem commitments



* In accordance with the Generally Accepted Accounting Principles in Norway - IFRS from 2004

2.5 Loans

MNOK	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Agriculture and forestry	3.773	3.664	3.583	3.537
Fishing				52
Fishfarming	416	352	332	245
Oil/gas exploitation	2.728	2.922	2.773	2.392
Production of food				198
Graphic business				33
Industry	1.686	1.673	1.674	2.062
Shipyards				469
Power and water supply				569
Building and construction	4.022	3.944	7.119	3.489
Commodity trade				2.486
Hotels and restaurants	2.487	2.804	2.824	353
Shipping	6.553	6.003	6.286	5.421
Transportation				1.141
Real estate	23.749	23.749	20.294	22.497
Business services and management	6.827	6.575	6.437	3.782
Social and private services and management	1.068	1.088	1.103	1.256
Finance				283
Central and local government				233
Retail customers	47.593	50.688	55.170	53.971
Unallocated (excess value fixed interest loans and amort. lending fees)	150	156	22	2
Accrued interests corporate sector and retail customers	316	312	297	302
Gross loans	101.368	103.930	107.914	104.771
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	45.239	39.817	32.308	30.662
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	146.607	143.747	140.222	135.433

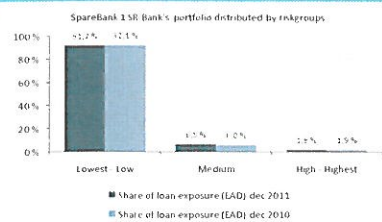


All figures in percentages. Figures as at 2010 in parentheses.

Lending before individual write-downs, nominal amounts, and excluding unallocated accrued interest. Sector allocation in accordance with the standard categories from Statistics Norway.

2.6 Risk profile

RISK PROFILE OF SPAREBANK 1 SR-BANK PORTFOLIO IS DOMINATED BY COMMITMENTS WITH LOW RISK

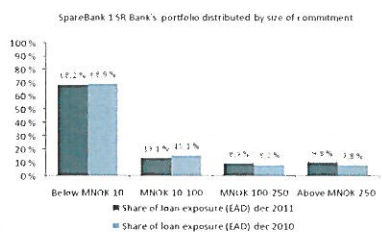


92% of the bank's loan exposure satisfies the criteria for low and lowest risk. Expected losses in this portion of the portfolio are very limited and account for 0.04%.

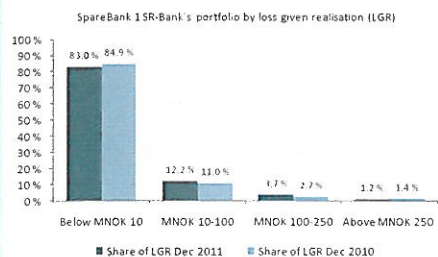
Exposure to high or highest risk accounts for 2% of the bank's loan exposure. Expected losses in this portion of the portfolio are 4.2%.

68% of the bank's loan exposure is to commitments that account for less than NOK 10 million. This corresponds to 99% of all customers.

19% of the bank's loan exposure is to customers that have an exposure in excess of NOK 100 million. The credit quality in this portion of the portfolio is better than in the rest of the corporate market portfolio.



RISK PROFILE OF SPAREBANK 1 SR-BANK PORTFOLIO IS DOMINATED BY COMMITMENTS WITH LOW RISK



At the end of the Q4 2011, SpareBank 1 SR-Bank had a total of 27 commitments with a loss potential exceeding NOK 100 million.

These commitments represent around 5% of loan exposure.

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.

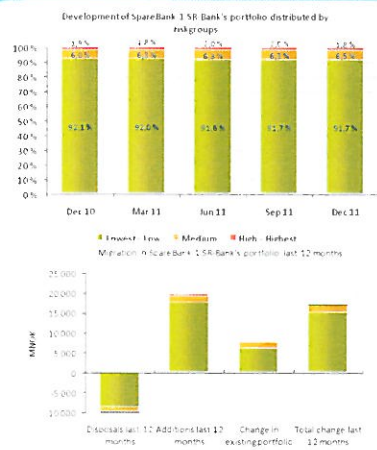
LGR (loss given realisation): Calculated potential loss of an individual commitment. Equals LGD without statistical corrections for individual non-performing commitments that start to perform again before recovery. The calculation is based on the potential value of pledged collateral in an economic downturn.

The figures include portfolios sold to SpareBank 1 Boligkredit AS and SpareBank 1 Næringsmiddel AS.



SPAREBANK 1 SR-BANK'S RISK PROFILE

THE GOOD CREDIT QUALITY IN THE GROUP'S PORTFOLIO HAS BEEN MAINTAINED.



The Group's moderate risk profile remains unchanged.

The market area is marked by a high level of activity and low unemployment. In combination with a continuous focus on risk management, this helps to maintain the portfolio's good credit quality in accordance with the Group's overall goal.

Measurement of risk exposure is based on a long-term average over a business cycle. This implies greater stability in default estimates.

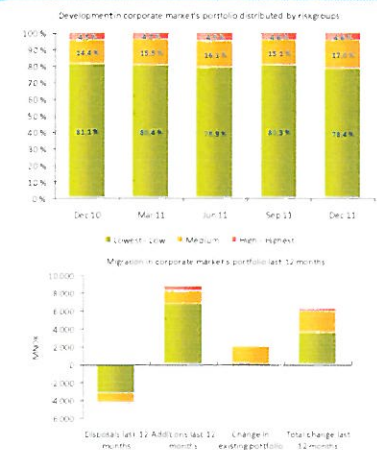
The figures include the portfolio transferred to SpareBank 1 Boligkreditt AS.

- Lowest - Low risk, expected losses 0% - 0.50%
- Medium risk, expected losses 0.50% - 2.00%
- High - Highest risk, expected losses over 2.00%



RISK PROFILE IN THE CORPORATE MARKET PORTFOLIO

THE QUALITY OF THE PORTFOLIO IS GOOD

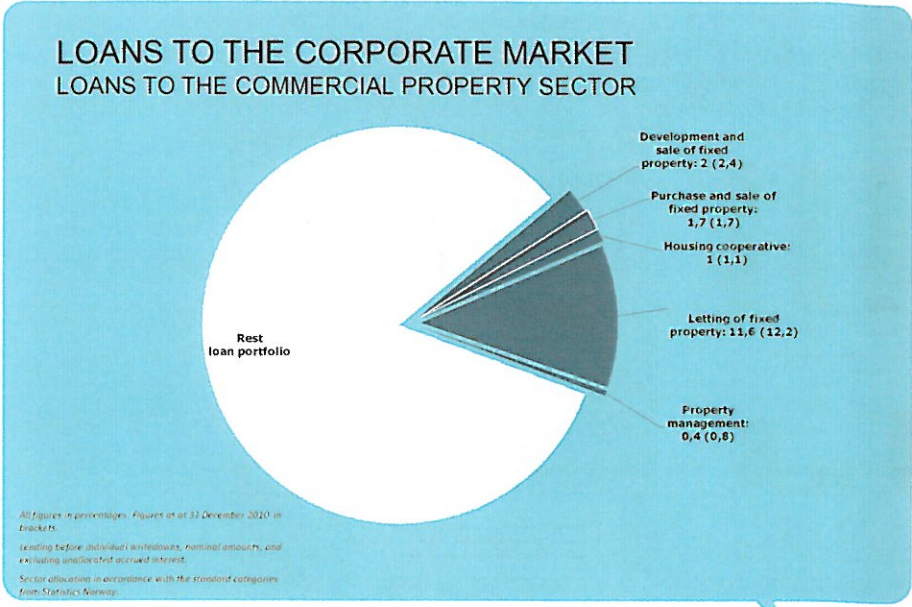


The quality of the corporate market portfolio is considered good.

The portfolio's risk profile continues to show relatively stable development.

- Lowest - Low risk, expected losses 0% - 0.50%
- Medium risk, expected losses 0.50% - 2.00%
- High - Highest risk, expected losses over 2.00%





*Further information regarding risk capital management can be found in **Pilar III** reports, see www.sr-bank.no under "Investor Relations".*

2.7 Risk profile in bond portefolio

Bond portefolio by category

Stocks/Equity certificate	Market value MNOK
Sandnes Sparebank	43
SpareBan 1 Nord-Norge	13
Statoil ASA	13
Investor AB	12
Kongsberg Gruppen ASA	10
SpareBan 1 SMN	9
Telenor ASA	8
Norsk Hydro ASA	7
Austevoll Seafood ASA	5
Other	56
Total	176

Risk profile in bond portefolio

Risk profile in bond portefolio			
Risk categories	Rating	Market value NOK million	Percentage Total
Swap facility	AAA	7 816	40 %
Very low risk	AAA, AA+, AA and AA-	10 206	52 %
Low risk	A+, A and A-	695	4 %
Moderat risk	BBB+, BBB and BBB-	554	3 %
High risk	BB+, BB and BB-	280	1 %
Very high risk	B+ and lower	177	1 %
Total		19 729	100 %

Treasury			
Risk categories	Rating	Market value NOK million	Percentage Treasury
Swap facility	AAA	7 816	41 %
Very low risk	AAA, AA+, AA and AA-	10 206	53 %
Low risk	A+, A and A-	685	4 %
Moderat risk	BBB+, BBB and BBB-	438	2 %
High risk	BB+, BB and BB-	33	0 %
Very high risk	B+ and lower	0	0 %
Total		19 178	100 %

Trading/Sales			
Risk categories	Rating	Market value NOK million	Percentage Trading
Very low risk	AAA, AA+, AA and AA-	0	0 %
Low risk	A+, A and A-	10	2 %
Moderat risk	BBB+, BBB and BBB-	117	21 %
High risk	BB+, BB and BB-	247	45 %
Very high risk	B+ and lower	177	32 %
Total		551	100 %

2.8 Capital adequacy

Basel II was introduced in Norway from 1 January 2007. Figure 2.8 shows the methods used by SpareBank 1 SR-Bank for calculating capital needs for different types of risks. Using Internal Rating Based (IRB) methods for calculating capital requirements requires a formal approval from the FSA (Finanstilsynet) on standards regarding organisation, competence, risk-modelling and risk-management systems.

In the autumn of 2009, the authorities resolved to postpone the final transition to the IRB rules from 1 January 2010 to 1 January 2012. It has later been proposed to continue the transitional rule stating that the capital requirement using IRB cannot be less than 80% of the capital requirement under Basel I ("Basel I floor") until 2015. Without the transitional rule, the core capital ratio at the end of 2011 would have been 11,9 %.

Risk	Portfolio	Regulatory method
Credit risk	Government	Standard method
	Institutions	Standard method
	Enterprise	IRB-Basic
	Mass market	IRB-Mass market
	SpareBank 1 Boligkreditt AS (mass market)	IRB-Mass market
	Other subsidiaries and associates	Standard method
Market risk	Equity risk	Standard method
	Debt risk	Standard method
	Currency risk	Standard method
Operational risk	SpareBank 1 SR-Bank incl. subsidiaries	Standardised approach
	Associates	Standard method

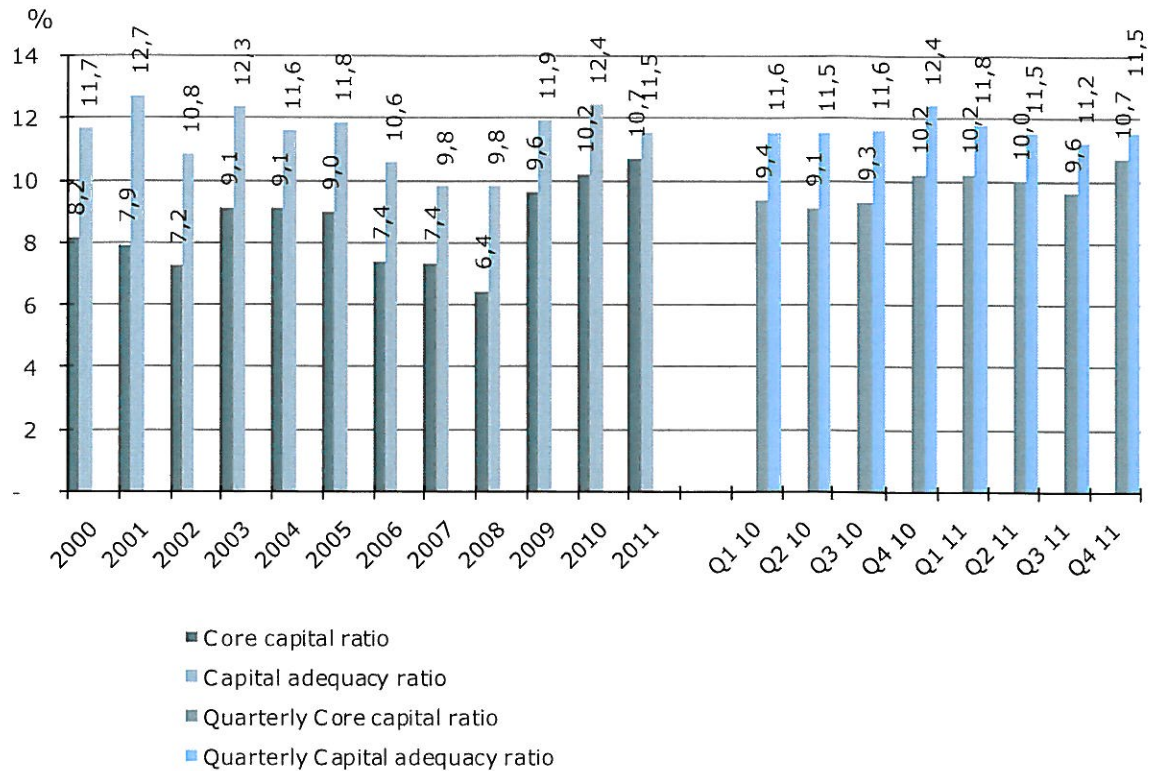
Figure 2.8: *Methods currently used for calculating capital adequacy*

Basel III - proposals for new capital requirements

The Basel Committee has published specific proposals for new capital requirements to be implemented in the years 2013 to 2018 ("Basel III"). The European Commission recently published its proposal for follow up within the EU in the form of a revised Capital Requirements Directive (CRD IV). Stricter requirements will in future be placed on financial institutions' capital adequacy to bring it more into line with the risk borne by such institutions and with the costs inflicted on society by financial crisis. Qualitative and quantitative requirements are also being introduced on financial institutions' liquidity to ensure that they have sufficient liquidity available in a crisis-like situation to honour their obligations in the short term and ensure funding that assures stability in the longer term.

SpareBank 1 SR-Bank is already in compliance with the basic Tier 1 capital requirements in the proposed Basel III. However, the new additional requirement of a capital conservation buffer of 2.5 per cent with effect from 2016-2018 will entail a new obligation for banks in Norway as elsewhere.

Core capital and capital adequacy ratio



SpareBank 1 SR-Bank is in a strong financial position and is a market leader in the region in Norway enjoying the strongest growth. In addition to increased retained earnings, the Board of Directors proposed on the 8th of February this year that the equity is strengthened through issues worth up to NOK 1.63 billion. The proposed capital raising exercise will strengthen SpareBank 1 Sr-Bank's ability to continue meeting the financial needs of its customers in a proactive manner, as well as adjusting to the EBA requirement of 9% pure core capital by 30 June 2012.

There is also a certain degree of regulatory uncertainty with regard to possibly increased capital requirements from supervisory authorities prior to the final clarification and implementation of Basel III, and the proposed capital raising exercise will help strengthen the Group's capital adequacy ahead of possible changes.

<i>MNOK</i>	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010
Equity certificates	3 183	3 183	3 183	3 183	3 183
- Own equity certificates	-3	-3	-3	-3	-3
Premium reserve	625	625	625	625	625
Equalisation reserve	1 480	1 077	1 256	1 284	1 175
Allocated to dividend	249	-	-	-	336
Savings bank's reserve	2 649	2 420	2 525	2 541	2 477
Share premium reserve	55	55	55	55	55
Endowment fund	293	293	351	370	372
Reserve for unrealised gains	43	43	43	43	43
Other equity	1 183	1 124	1 179	1 177	1 139
Total book equity	9 757	8 817	9 214	9 275	9 402
Deferred taxes, goodwill and other intangible assets	-71	-76	-78	-79	-77
Fund for unrealised gains, available for sale	-2	-2	-2	-2	-2
Deduction for allocated dividends	-249	-	-	-	-336
50% deduction for subordinated capital in other financial institutions	-21	-21	-31	-23	-21
50% deduction for expected losses on IRB, net of write-downs	-255	-294	-318	-278	-268
50% capital adequacy reserve	-665	-664	-665	-657	-645
Share of other equity in ownership interests	-	-	-	-	-
Year-to-date profit included in core capital (50%)	-	372	285	133	-
Hybrid Tier 1 bonds	2 402	1 391	1 355	1 365	1 389
Total core capital	10 896	9 523	9 760	9 734	9 442
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	0	340	340	346	783
Non-perpetual subordinated capital	1 776	2 230	2 114	2 113	2 191
50% deduction for subordinated capital in other financial institutions	-21	-21	-31	-23	-21
50% deduction for expected losses on IRB, net of write-downs	-255	-294	-318	-278	-268
50 % capital adequacy reserve	-665	-664	-665	-657	-645
Total supplementary capital	835	1 591	1 440	1 501	2 040
Net subordinated capital	11 731	11 114	11 200	11 235	11 482

Table 2.8.1: *Capital overview*

Basis for calculation Basel I

Minimum requirements subordinated capital, Basel II

<i>MNOK</i>	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010
Specialised lending exposure	2 060	2 017	2 010	1 930	1 953
Other corporations exposure	2 104	2 217	2 214	2 183	2 042
SME exposure	37	36	36	38	38
Retail mortgage exposure	758	660	675	675	680
Other retail exposure	78	112	81	77	87
Equity investments	-	-	-	-	-
Total credit risk IRB	5 037	5 042	5 016	4 903	4 800
Debt risk	94	135	111	115	116
Equity risk	47	36	40	42	34
Currency risk	-	-	-	-	-
Operational risk	408	408	408	408	374
Transitional arrangements	861	537	580	541	566
Exposures calculated using the standardised approach	1 829	1 872	1 734	1 711	1 617
Deductions	-110	-109	-111	-109	-107
Minimum requirements subordinated capital	8 166	7 921	7 778	7 611	7 400
Capital adequacy ratio	11,49 %	11,22 %	11,52 %	11,81 %	12,41 %
Core capital ratio	10,67 %	9,62 %	10,04 %	10,23 %	10,21 %
Supplementary capital ratio	0,82 %	1,61 %	1,48 %	1,58 %	2,21 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

	SpareBank 1 SR-Bank Q4 11													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q4 11	Q4 10	Q4 11	Q4 10	Q4 11	Q4 10	Q4 11	Q4 10	Q4 11	Q4 10	Q4 11	Q4 10	Q4 11	Q4 10
<i>MVOK</i>														
Net interest income	234	253	198	186	14	15	2	2	45	45	-31	-30	462	471
Net commission and other income	104	88	65	44	38	30	106	97	0	-1	-22	-4	291	254
Net return on investment securities	0	0	0	0	12	-9	0	0	0	0	99	192	111	183
Operating expenses	170	159	57	48	20	13	66	82	2	9	14	112	329	423
Operating contribution before losses	167	182	206	182	44	23	43	17	42	35	33	46	535	485
Losses on loans and guarantees	12	1	13	59	0	0	0	0	-1	10	21	3	45	71
Operating contribution before tax	155	181	193	123	44	23	43	17	43	25	12	43	490	414
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	49 655	58 430	45 147	40 694	0	0	0	0	5 420	5 065	1 146	1 603	101 368	105 792
Deposits from customers	36 694	33 478	23 525	21 745	0	0	0	0	0	0	3 823	5 547	64 042	60 770

	SpareBank 1 SR-Bank 31.12.11													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<i>MVOK</i>														
Net interest income	948	983	738	720	32	29	9	7	160	169	-44	-9	1 843	1 899
Net commission and other income	380	335	209	163	170	135	426	369	-7	-6	-73	-52	1 105	944
Net return on investment securities	0	0	0	0	12	16	0	0	0	0	307	555	319	571
Operating expenses	580	528	185	154	67	40	345	317	35	38	421	489	1 633	1 566
Operating profit before losses	747	790	762	729	147	140	91	59	117	125	-230	5	1 634	1 848
Losses on loans and guarantees	36	7	83	165	0	0	0	0	17	47	3	15	139	234
Operating profit before tax	711	783	679	564	147	140	91	59	100	78	-233	-10	1 495	1 614
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	49 655	58 430	45 147	40 694	0	0	0	0	5 420	5 065	1 146	1 603	101 368	105 792
Deposits from customers	36 694	33 478	23 525	21 745	0	0	0	0	0	0	3 823	5 547	64 042	60 770

Management has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between the retail market, the corporate market, the capital market and subsidiaries of considerable significance. The Bank's own investment activities are not a separate reportable segment and they appear under the item 'Other' together with activities that cannot be categorized into the corporate market, capital market or subsidiaries of considerable significance. The figures for business areas and geography are based on internal management reporting. Commissions from SB1 Boligkreditt and SB1 Næringskreditt is reported within the official accounts are included under 'Net commission and other income'.

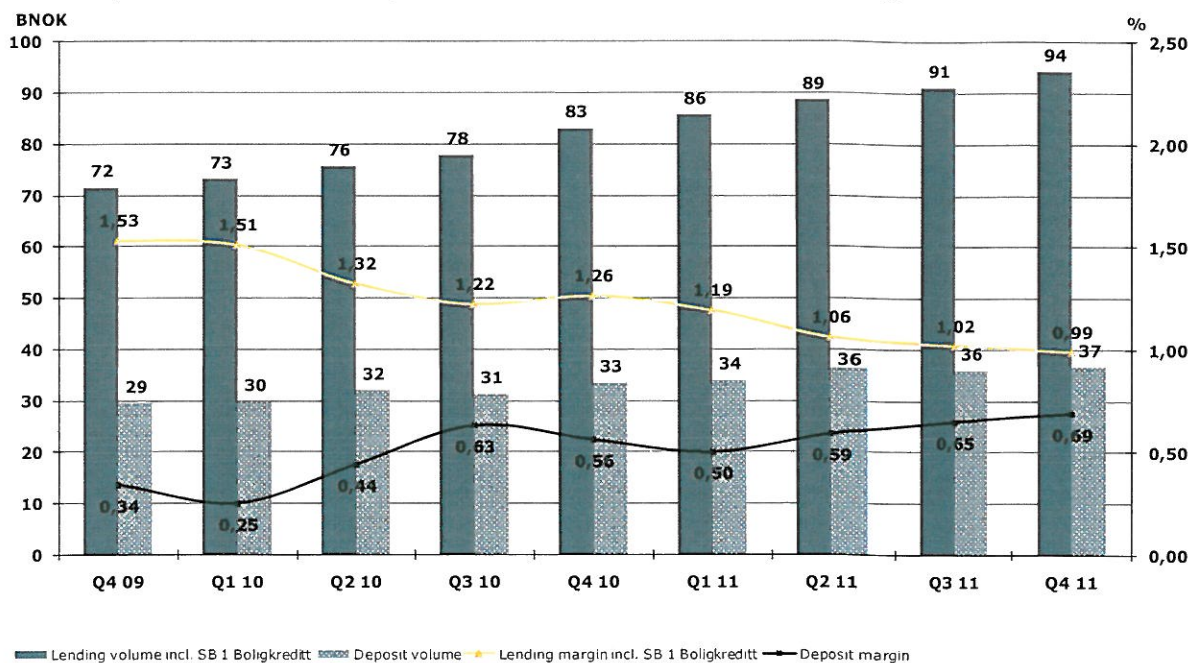
* Includes SR-Forvaltning and SR-Investering

3.2 Retail Market

Financial performance in the retail market segment

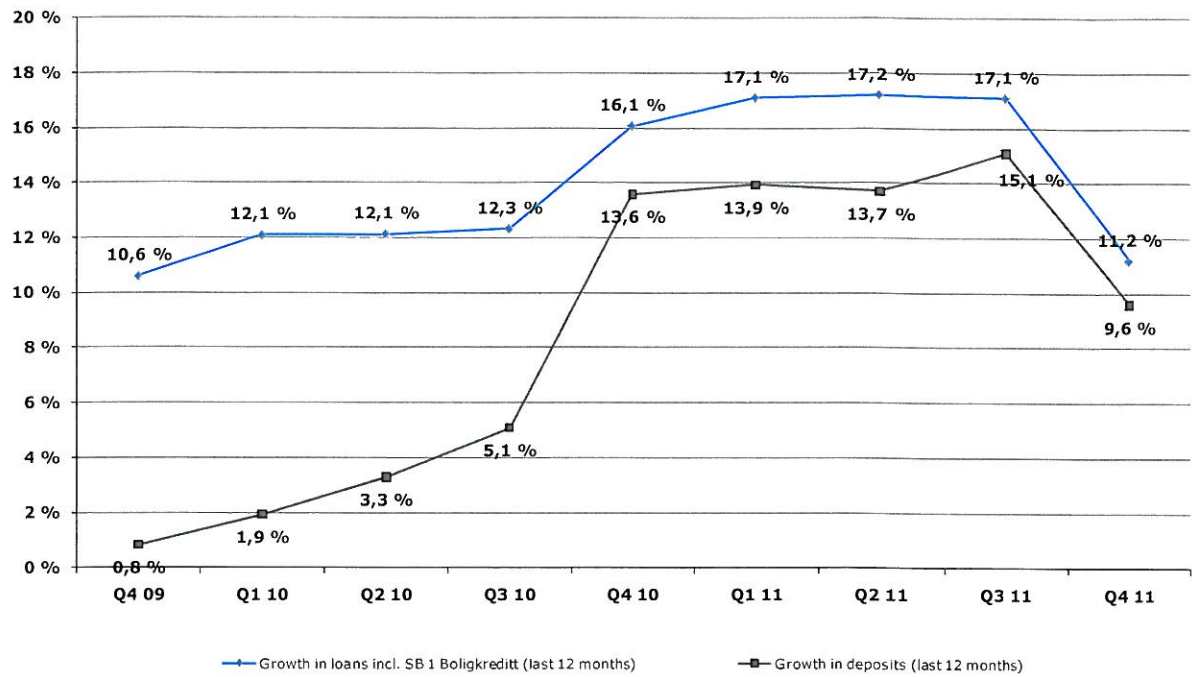
MNOK	Q4	Q3	Q2	Q1	Q4	31.12	31.12
	2011	2011	2011	2011	2010	2011	2010
Net interest income	233	240	232	242	253	948	983
Net other operating income	104	95	90	91	88	380	335
Total income	337	335	322	333	341	1 328	1 318
Total operating expenses	170	141	121	148	159	580	528
Operating contribution before losses	168	194	201	185	182	747	790
Losses on loans and guarantees	12	4	14	6	2	36	7
Operating contribution before tax	155	190	187	179	180	712	783

Development in average volume and interest margin*



*Definition margin: Average customer interest minus 3 months average nibor

Growth in loans and deposits

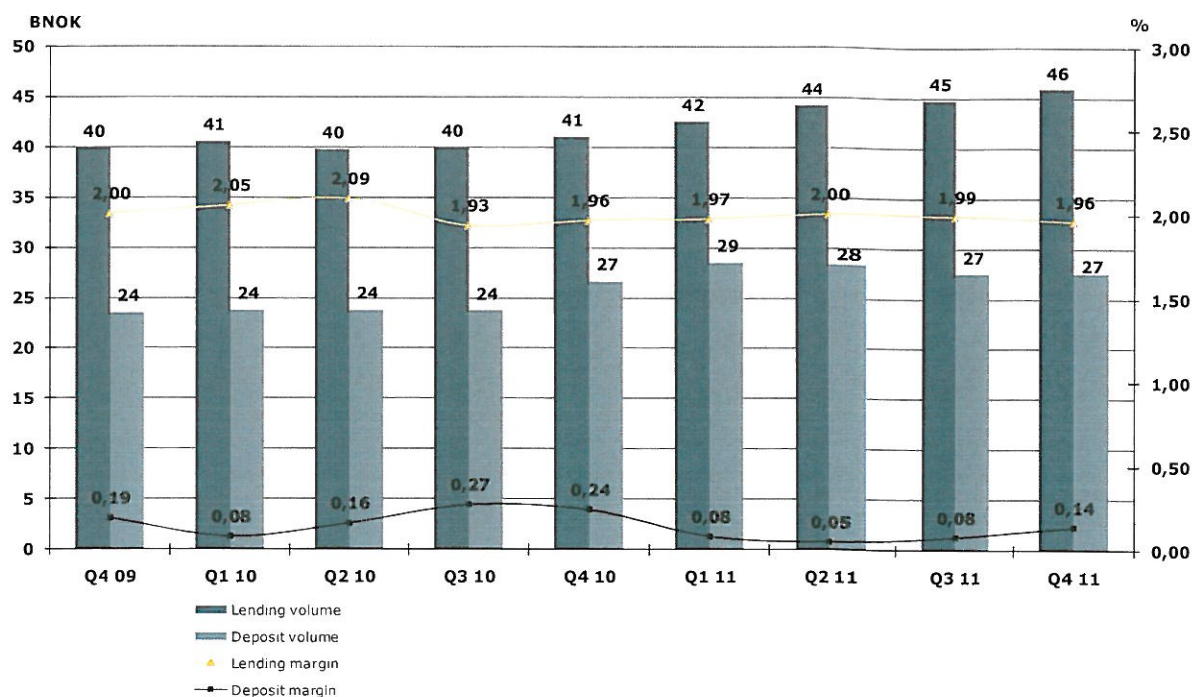


3.3 Corporate Market

Financial performance in the corporate market segment

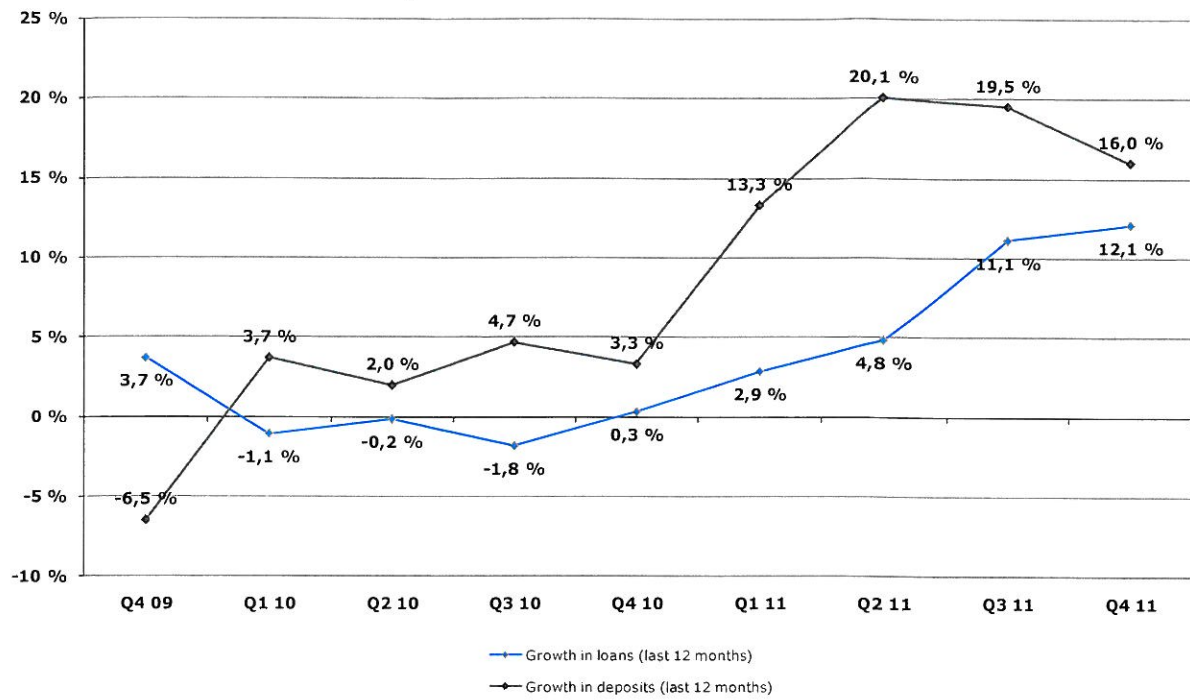
MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Net interest income	198	190	180	170	186	738	720
Net other operating income	66	54	49	41	44	209	163
Total income	264	244	229	211	230	947	883
Total operating expenses	57	45	37	46	48	185	154
Operating contribution before losses	206	199	192	165	181	762	729
Losses on loans and guarantees	13	5	33	32	59	83	165
Operating contribution before tax	193	194	159	133	122	679	564

Development in average volume and interest margin*



*Definition margin: Difference between average customer interest rate and 3 months average nibor

Growth in loans and deposits



3.4 Capital Market

The Capital market division was established as a separate division in the spring of 2007. The aim was to reinforce and to develop and establish products and services that generate earnings from activities other than traditional banking activities. These other earnings are important to increase the group's earnings opportunities beyond the usual banking activities and give the group a more diversified basis of income. The Capital market division is organised in four speciality areas: Trade/Sales/Operations, Corporate Finance, Business development/acquisition and Asset Management.

Financial performance in the capital market segment

<i>MNOK</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Net interest income	14	6	8	4	7	32	29
Net other operating income	50	29	52	51	28	182	151
Total income	64	35	60	55	35	214	180
Total operating expenses	20	19	14	14	13	67	40
Operating contribution before losses	44	16	46	41	22	147	140
Losses on loans and guarantees	0	0	0	0	0	0	0
Operating contribution before tax	44	16	46	41	22	147	140

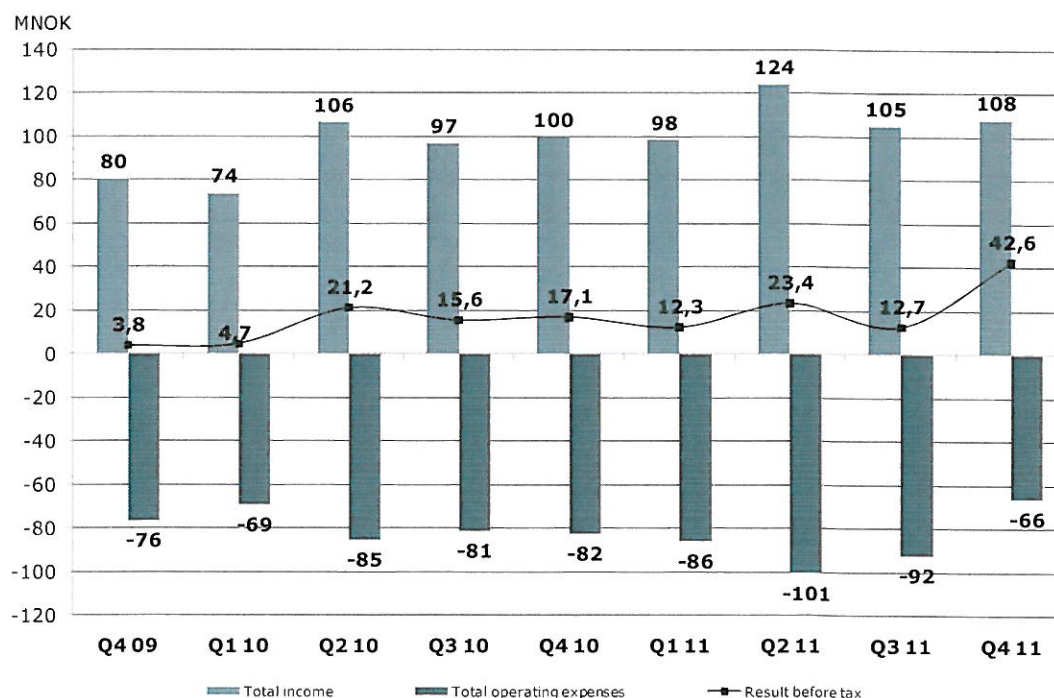
3.5 Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is our region's market leader and the largest company in the nationwide EiendomsMegler 1 chain. This chain is the largest chain of real estate agents in Norway. During 2011, the company sold 7 502 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Interest income	2	3	3	2	2	9	7
Other income	106	102	122	97	97	426	369
Total income	108	105	124	98	100	435	376
Personal expenses	29	58	59	52	47	197	190
Other expenses	37	34	42	34	35	147	128
Total operating expenses	66	92	101	86	82	344	318
Result before tax	43	13	23	12	17	91	59

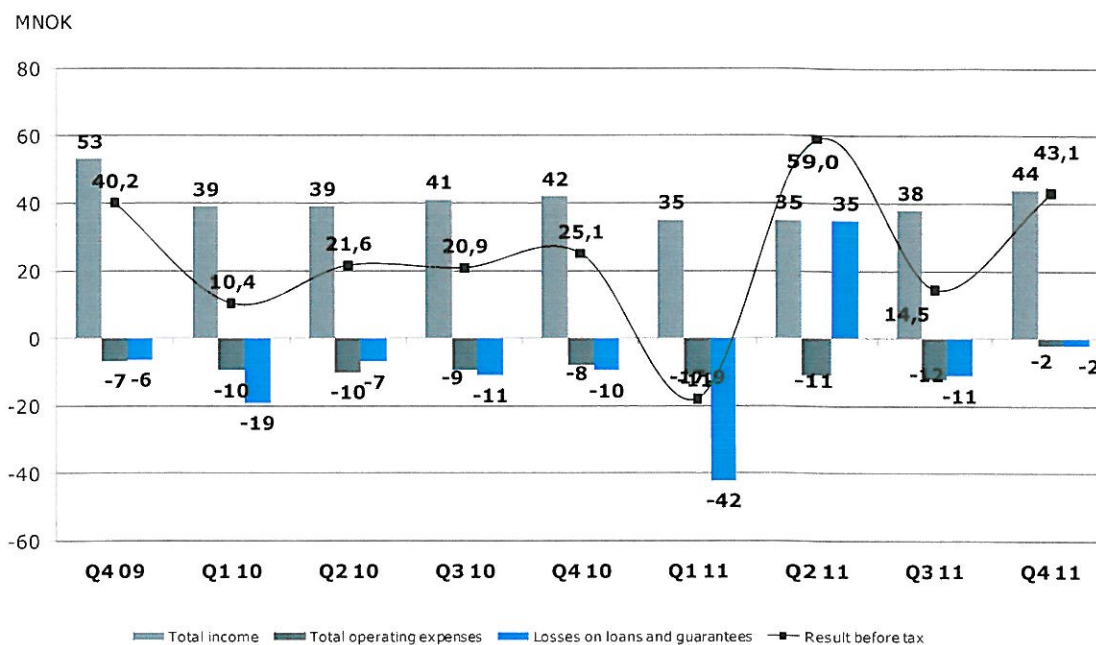


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 5.4 billion in total assets. Its main products are leasing to trade and industry and car loans to private customers. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Interest income	44	40	38	38	45	160	169
Other income	0	-2	-2	-2	-2	-7	-6
Total income	44	38	35	35	42	152	163
Personal expenses	-2	8	7	7	4	20	23
Other expenses	3	4	4	4	4	15	15
Total operating expenses	2	12	11	11	8	35	38
Ordinary operating profit	42	26	25	24	35	117	125
Loss on loans, guarantees etc.	-1	11	-35	42	10	17	47
Result before tax	43	15	60	-18	25	100	78

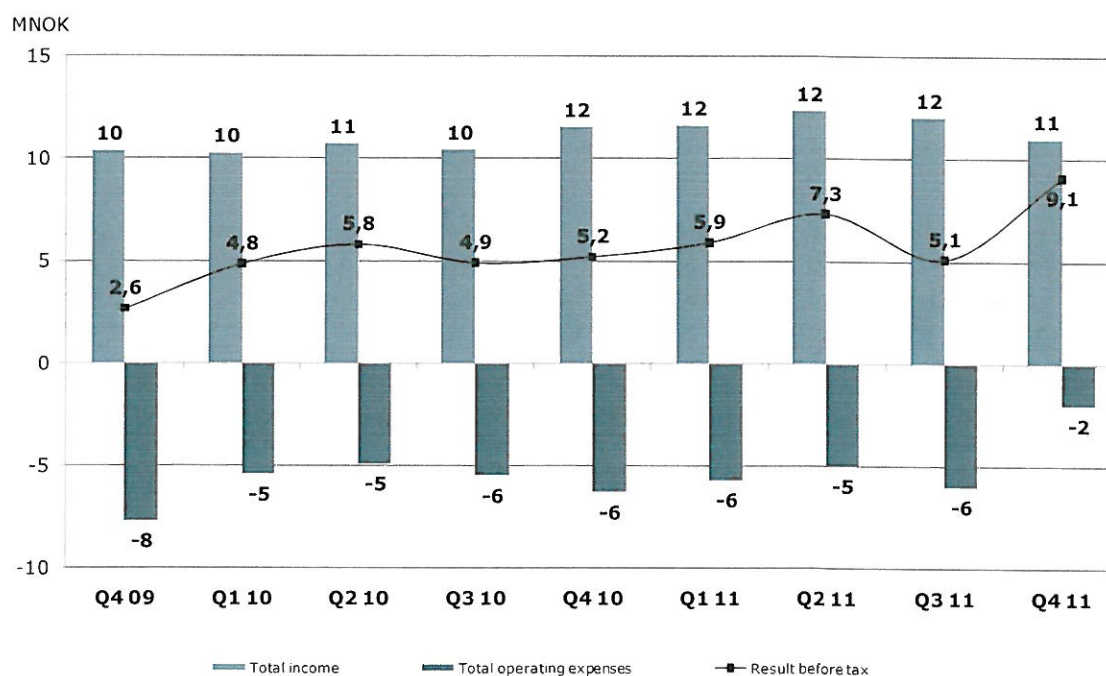


SR-Forvaltning AS

SR-Forvaltning AS is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 3,200 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 5,9 billion at year-end 2011. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Interest income	0	0	0	0	0	1	1
Other income	10	11	12	11	11	45	42
Total income	11	12	12	12	12	46	43
Personal expenses	0	5	4	5	6	13	17
Other expenses	2	2	1	1	1	6	5
Total operating expenses	2	6	5	6	6	19	22
Result before tax	9	5	7	6	5	27	21

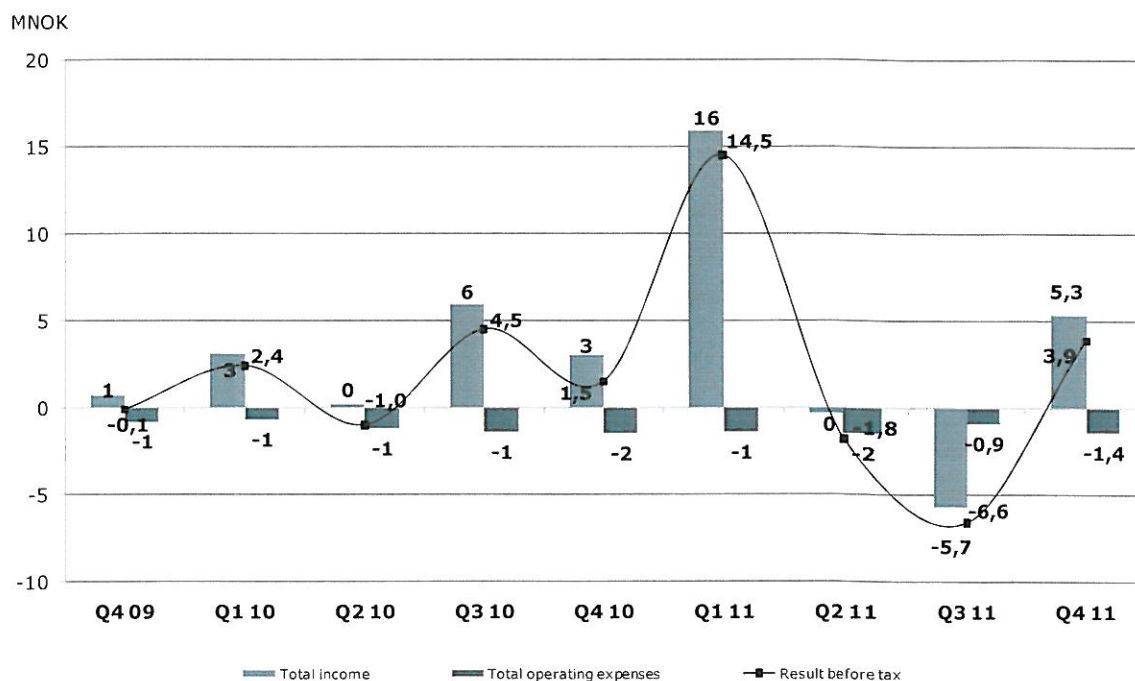


SR-Investering AS

SR-Investering AS' objective is to contribute to long-term value creation by investing in trade and industry in the group's market area. The company invests primarily in private equity funds and small and medium-sized companies that have a need for capital to develop and grow further. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	31.12 2011	31.12 2010
Interest income	0,5	0,5	0,5	0,4	0,4	1,9	1,5
Other income	1,4	0,2	0	0	1,4	2,2	1,8
Net return on investment securities	3,4	-6,6	-1,1	15,3	1,2	11,0	9,0
Total income	5,3	-5,9	-0,3	15,9	3,0	15,1	12,3
Personal expenses	0,0	0,8	1,3	1,3	1,3	3,4	4,2
Other expenses	0,1	0,1	0,2	0,1	0,2	0,5	0,5
Total operating expenses	0,1	0,9	1,5	1,4	1,5	3,9	4,7
Result before tax	5,2	-6,8	-1,8	14,5	1,5	11,2	7,6

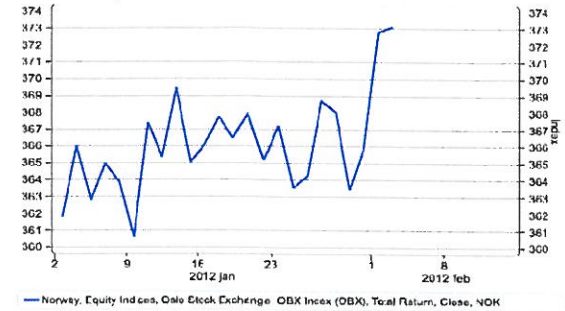


4. Norwegian Economic Outlook

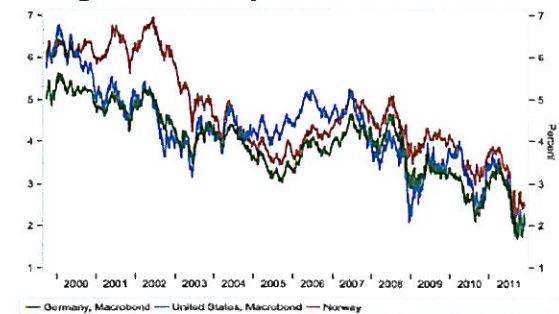
Norway – Oslo Børs since 1999



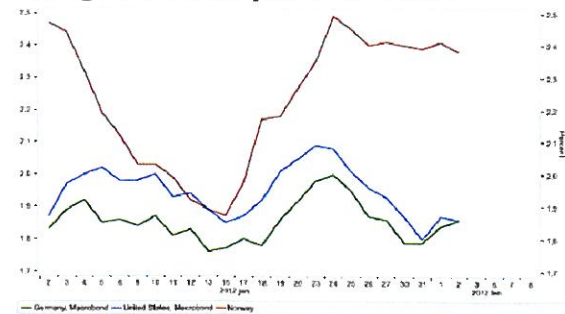
Norway – Oslo Børs in 2012



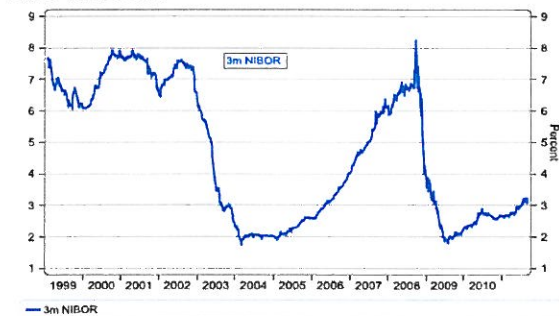
10Y government yields



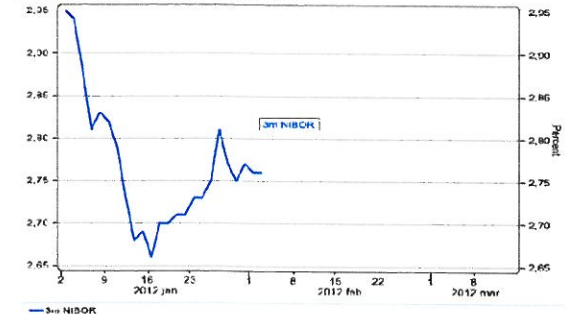
10Y government yields in 2012



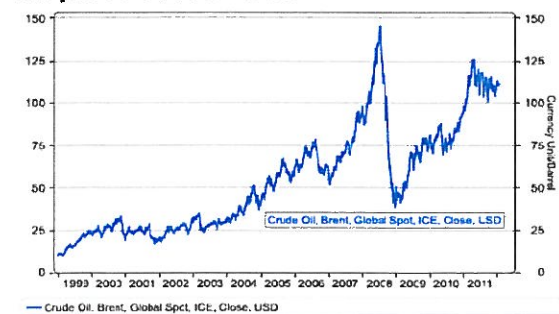
3m NIBOR



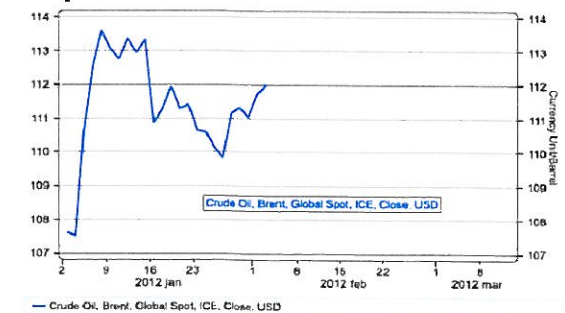
3m NIBOR in 2012



Oil price since 1999



Oil price in 2012



Prognosis 2008 – 2012e (%)

GDP	2008	2009	2010	<i>Prognosis</i>		
				2011	2012	2013
US	0,0	-2,6	2,8	2,0	2,5	2,5
Euro-zone	0,5	-4,0	1,7	1,6	-1,0	-0,8
Germany	1,0	-4,7	3,6	3,0	0,5	1,0
Sweden	-0,2	-5,1	5,5	4,0	1,0	1,1
Norway (mainland)	1,4	-1,6	1,8	2,6	2,2	2,4
Key policy rate year end						
US	0-0,25	0-0,25	0-0,25	0-0,25	0-0,25	0-0,25
Euro-zone	2,50	1,00	1,00	1,00	0,5	0,5
Norway	3,00	1,75	2,00	2,0	1,5	1,5
Exchange rates against NOK year end						
USD	6,97	5,78	6,0	5,8	5,9	6,2
EURO	9,72	8,3	8,0	7,7	7,5	7,3
GBP	10,17	9,37	9,4	9,0	9,2	9,0
Inflation						
US	3,8	-0,3	1,1	2,0	1,8	1,8
Euro-zone	3,3	0,3	1,9	2,8	2,1	2,1
Germany	2,8	0,2	1,8	2,4	1,9	1,9
Norway – KPI-JAE	2,6	2,6	1,1	1,0	1,6	1,6
Unemployment						
US	5,8	9,3	9,7	8,6	8,0	7,5
Euro-zone	7,6	9,4	10,0	10,4	11,2	10,8
Germany	7,3	7,5	7,5	7,1	7,0	7,0
Norway	2,6	3,2	3,5	3,5	3,5	3,5

Source: SpareBank 1



