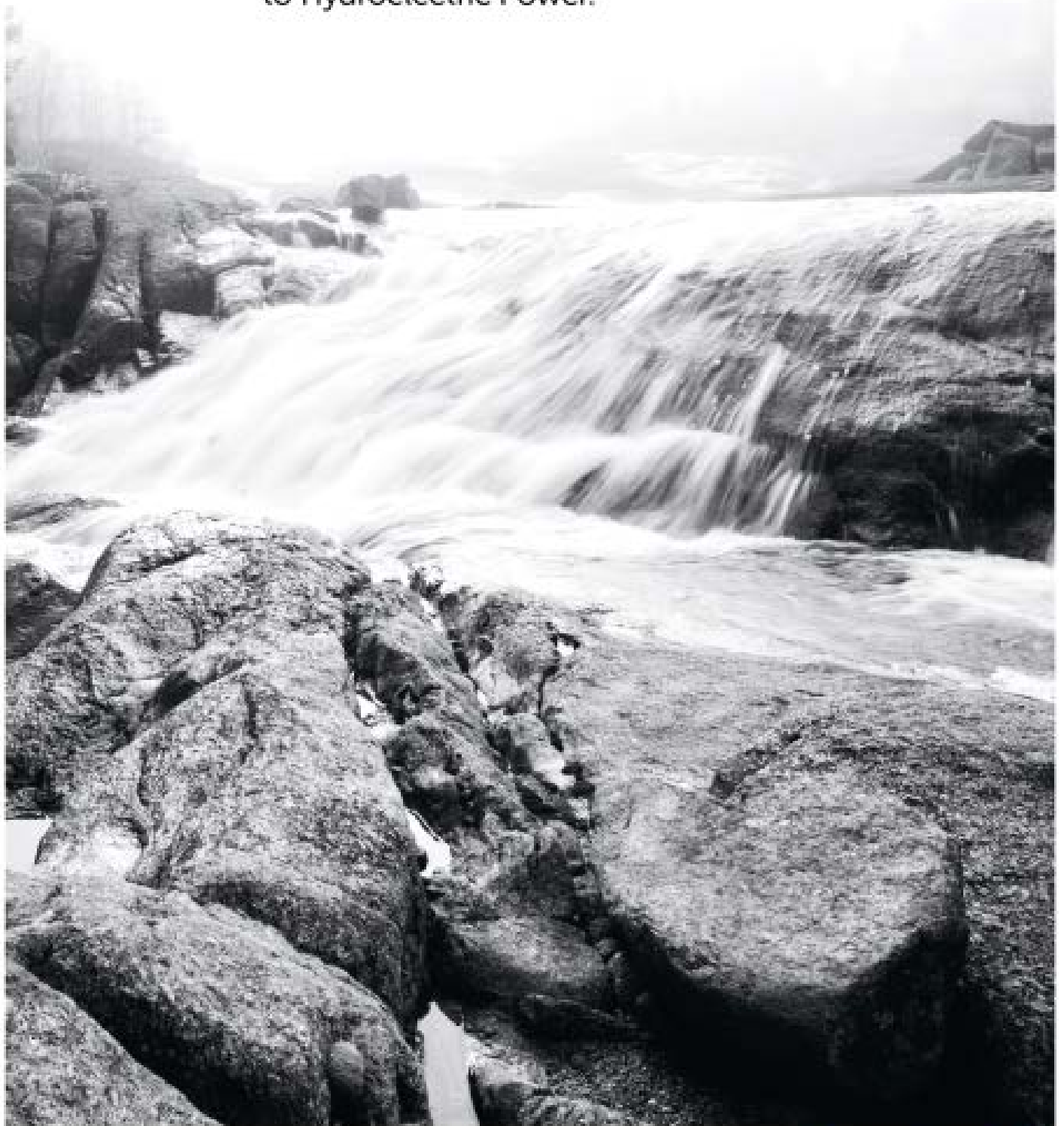


From Rain
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Interim Financial Statements Q4 2014

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Key figures SpareBank 1 SR-Bank Group

MAIN FIGURES	01.01.14 - 31.12.14		01.01.13 - 31.12.13	
	MNOK	%	MNOK	%
Net interest income	2.404	1,45	2.119	1,42
Net commission and other income	1.732	1,04	1.824	1,22
Net income on financial investments	778	0,47	555	0,37
Total income	4.914	2,96	4.498	3,01
Total operating costs	2.056	1,24	2.019	1,35
Operating profit before impairment losses	2.858	1,72	2.479	1,66
Impairment losses on loans and guarantees	257	0,15	132	0,09
Pre-tax profit	2.601	1,57	2.347	1,57
Tax expense	506	0,30	487	0,33
Profit after tax	2.095	1,26	1.860	1,24

	31.12.14	31.12.13
PROFITABILITY		
Return on equity ¹⁾	14,2 %	14,0 %
Cost ratio ²⁾	41,8 %	44,9 %
Combined weighted total average spread for lending and deposits ³⁾	1,45 %	1,42 %
BALANCE SHEET		
Gross loans to customers	141.620	120.273
Gross loans to customers including SB1 Boligkreditt og Næringskreditt	174.492	166.662
Growth in loans ⁴⁾	17,7 %	9,8 %
Growth in loans incl SB1 Boligkreditt and Næringskreditt	4,7 %	5,3 %
Deposits from customers	81.489	71.667
Deposit-to-loan ratio	57,5 %	59,6 %
Growth in deposits	13,7 %	6,0 %
Total assets	174.926	156.985
Average total assets	166.017	149.554
LOSSES AND NON-PERFORMING COMMITMENTS		
Impairment losses ratio, annualized ⁵⁾	0,20 %	0,11 %
Non-performing commitments as a percentage of gross loans	0,30 %	0,69 %
Other doubtful commitments as a percentage of gross loans	0,36 %	0,37 %
SOLIDITY		
Common equity Tier 1 capital ratio	11,5 %	11,1 %
Tier 1 capital ratio	12,3 %	12,8 %
Capital ratio	14,5 %	14,1 %
Tier 1 capital	14.828	14.511
Risk weighted balance	120.189	113.075
BRANCHES AND STAFF		
Number of branches	48	52
Number of employees (annualised)	1.106	1.165

SpareBank 1 SR-Bank share	31.12.14	31.12.13	31.12.12	31.12.11	31.12.10
Market price	52,50	60,25	37,20	40,70	57,00
Market capitalisation	13.427	15.409	9.514	5.182	7.257
Book equity per share (including dividends) (group)	60,28	55,00	49,48	48,75	47,45
Earnings per share, NOK	8,20	7,28	5,33	5,42	6,84
Dividends per share	2,00	1,60	1,50	1,50	2,75
Price / Earnings per share	6,40	8,28	6,98	7,51	8,33
Price / Book equity (group)	0,87	1,10	0,75	0,83	1,20
Effective return ⁶⁾	-10,2 %	66,0 %	-4,9 %	-23,8 %	17,5 %

¹⁾ Operating result as a percentage of average equity

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

³⁾ Net interest income as a percentage of average total assets

⁴⁾ High growth in loans is attributable to a buy-back of loans from SpareBank 1 Boligkreditt AS

⁵⁾ Impairment losses on loans as a percentage of average gross loans, annualised

⁶⁾ Percentage change in the market price in the last period, including paid share dividend

Strong result with higher income, moderat losses and good cost control

Q4 2014

- Pre-tax profit: NOK 553 million (NOK 674 million)
 - Net profit for the period: NOK 448 million (NOK 567 million)
 - Return on equity after tax: 11.7% (16.2%)
 - Earnings per share: NOK 1.75 (NOK 2.22)
 - Net interest income: NOK 655 million (NOK 574 million)
 - Net commissions and other operating income: NOK 405 million (NOK 489 million)
 - Net income from financial investments: NOK 116 million (NOK 195 million)
 - Operating costs: NOK 530 million (NOK 534 million)
 - Impairment losses on loans: NOK 93 million (NOK 50 million)
- (Figures for Q4 2013 are shown in brackets)*

Preliminary annual result for 2014

- Pre-tax profit: NOK 2,601 million (NOK 2,347 million)
 - Net profit for the period: NOK 2,095 million (NOK 1,860 million)
 - Return on equity after tax: 14.2% (14.0%)
 - Earnings per share: NOK 8.20 (NOK 7.28)
 - The board proposes a dividend of NOK 2.0 (NOK 1.6)
 - Net interest income: NOK 2,404 million (NOK 2,119 million)
 - Net commissions and other operating income: NOK 1,732 million (NOK 1,824 million)
 - Net income from financial investments: NOK 778 million (NOK 555 million)
 - Operating costs: NOK 2,056 million (NOK 2,019 million)
 - Impairment losses on loans: NOK 257 million (NOK 132 million)
 - Total lending growth over the last 12 months: 4.7% (5.3%)
 - Growth in deposits over the last 12 months: 13.7% (6.0%)
 - Common equity tier 1 capital ratio: 11.5% (11.1%)
 - Tier 1 capital ratio: 12.3% (12.8%)
- (As at 31 December 2013 in brackets)*

Financial performance Q4 2014

The group's pre-tax profit was NOK 553 million (NOK 674 million), NOK 24 million lower than in the third quarter of 2014. The return on equity after tax for the quarter was 11.7% (16.2%) compared with 12.2% in the third quarter of 2014. The lower result for the quarter was primarily attributable to the NOK 61.2 million fall in the value of the group's bond portfolio, with offshore commercial paper being particularly affected.

Net interest income totalled NOK 655 million (NOK 574 million) compared with NOK 621 million in the third quarter of 2014. The average interest margin (net interest income as a percentage of average total assets) was 1.51% in the fourth quarter of 2014 (1.46%) compared with 1.48% in the third quarter of 2014. The higher net interest income in the last quarter was primarily attributable to lower interest costs on external funding. Subordinated loans and tier 1 capital instruments were redeemed early in the

fourth quarter and replaced by more reasonable sources of funding.

Net commissions and other operating income was NOK 405 million (NOK 489 million) compared with NOK 403 million in the third quarter of 2014. Commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt amounted to NOK 90 million (NOK 167 million), NOK 3 million lower than in the third quarter of 2014.

Net income from financial assets totalled NOK 116 million (NOK 195 million) compared with NOK 142 million in the third quarter of 2014. The main reason for the reduced income in the fourth quarter of 2014 was the fall in value of the bond portfolio.

Operating costs totalled NOK 530 million (NOK 534 million) compared with NOK 520 million in the third quarter of 2014. Costs were up by NOK 10 million compared with the third quarter of 2014. NOK 10 million in personnel-related restructuring costs was

recognised in the fourth quarter of 2014. Other costs increased in line with expectations in the last quarter.

Impairment losses on loans were NOK 93 million (NOK 50 million) compared with NOK 69 million in the third quarter of 2014, NOK 62 million of which was due to increased group write-downs. The group has increased group write-downs due to external market conditions and greater uncertainty because of lower oil prices.

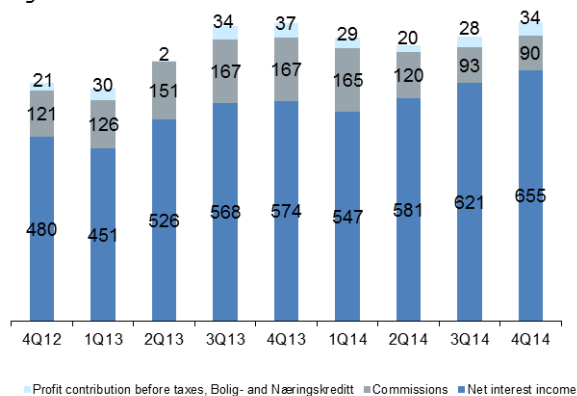
Preliminary annual result for 2014

The group's pre-tax profit for 2014 was NOK 2,601 million (NOK 2,347 million), up NOK 254 million compared with 2013. The return on equity for the year increased to 14.2% (14.0%) and the cost/income ratio was reduced to 41.8% at year-end 2014, compared with 44.9% in 2013. The improved result is due to a combination of higher net interest income, good cost control and profit of NOK 202 million from the realisation of the shares in Nets Holding AS. The better result has helped build up the capital necessary to satisfy the capital requirements set by the authorities.

Net interest income

The group's net interest income amounted to NOK 2,404 million in 2014 (NOK 2,119 million). Net interest income must be viewed in the context of commissions and profit contributions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. Commissions from these companies amounted to NOK 468 million in 2014 (NOK 611 million), whilst profit contributions before tax were NOK 111 million (NOK 103 million). Net interest income, commissions and profit contributions before tax increased by a total of NOK 150 million in 2014 compared with 2013.

Fig. 1 Interest income



The average net interest margin was 1.45% in 2014 compared with 1.42% in 2013.

Net commissions and other operating income

Net commissions and other operating income totalled NOK 1,732 million in 2014 (NOK 1,824 million).

Net commissions totalled NOK 1,292 million in 2014 (NOK 1,380 million). NOK 143 million of the NOK 88 million year-on-year reduction is attributable to lower commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. The reduction was due to the group reducing the proportion of sold loans to the mortgage companies by a total of NOK 13.5 billion in 2014 compared with year-end 2013. Other commissions were up by around 7% from 2013, with the growth in income primarily due to arrangement fees, brokerage commissions and insurance income.

Other operating income amounted to NOK 440 million in 2014 (NOK 444 million), with the majority of this income stemming from real estate brokering.

Net income from financial investments

Net income from financial investments was NOK 778 million in 2014 (NOK 555 million). Capital gains on securities amounted to NOK 140 million (capital losses of NOK 81 million) and capital gains on interest rate and currency trading amounted to NOK 96 million (capital gains of NOK 248 million). Furthermore, income from ownership interests totalled NOK 506 million (NOK 355 million) and dividends totalled NOK 36 million (NOK 33 million).

Capital gains on securities of NOK 140 million in 2014 were derived from capital losses of NOK 92 million from the interest portfolio and capital gains of NOK 232 million from the portfolio of shares and equity certificates, of which the profit from realising the shares in Nets Holding AS accounted for NOK 202 million. The sale of SpareBank 1 SR-Bank's 2.9% stake in Nets Holding AS was completed in July 2014. The capital losses from the interest portfolio were primarily attributable to the fall in the estimation of the value of high yield bonds in SR-Bank Markets, with offshore commercial paper being particularly affected, where the largest fall came in the fourth quarter due to lower oil prices.

Income from ownership interests increased by NOK 151 million compared with 2013.

Table 1, The share of net profit

The share of net profit after tax	31.12.14	31.12.13
SpareBank 1 Gruppen	356	216
SpareBank 1 Boligkreditt	49	66
SpareBank 1 Næringskreditt	32	7
BN Bank	66	59
Other	3	7
Total income from ownership interests	506	355

The share of the net profit from SpareBank 1 Gruppen increased by NOK 140 mill in 2014 and accounted for the largest proportion of higher income from ownership interests. The higher result in SpareBank 1 Gruppen was primarily due to the improvement in SpareBank 1 Skadeforsikring's result due to a reduction in the year's paid compensation and the recognition of profit prior years as income.

The share of the net profit from SpareBank 1 Næringskreditt increased by NOK 25 million in 2014. The increase is primarily attributable to the introduction of a target of an 8% return after tax on B shares (loans to BN Bank) from and including 1 January 2014, which means in reality that BN Bank pays more to SpareBank 1 Næringskreditt. No such requirement applied to the return in 2013.

Operating costs

The group's operating costs totalled NOK 2,056 million in 2014. This represents an increase of NOK 37 million (1.8%) compared with 2013. Personnel costs rose by NOK 6 million (0.5%) to NOK 1,202 million, while other costs increased by NOK 31 million (3.7%) to NOK 854 million.

The change in personnel costs was due to a NOK 24 million increase in pension costs, a NOK 4 million increase in bonus provisions and non-recurring costs of NOK 5.5 million in connection with marking the group's 175th anniversary. Other personnel costs were reduced by a total of NOK 27 million in 2014 due to the number of full time equivalent positions in the group being reduced by 59 over the last year. The group has continuously adjusted the resources assigned to the office network to enable it to focus more heavily on digital distribution channels in the future and has, during the last two years, reduced its number of full time equivalent positions by 109. Personnel costs in 2014 were charged with non-recurring costs of NOK 15.3 million linked to pensions and personnel-related restructuring costs. Personnel costs in 2013 were similarly affected by non-

recurring costs of NOK 37 million related to restructuring costs.

Other operating costs increased by NOK 30 million. NOK 26 million of this was due to ICT costs and NOK 19.1 million was due to the liquidation of goodwill in connection with the sale of EiendomsMegler 1 Forvaltning AS. Other administration and operating costs were either unchanged or reduced.

The group's cost/income ratio, costs measured as a percentage of income, was 41.8% (44.9%) for 2014. Adjusted for income of NOK 202 million linked to the write-up of the shares in Nets Holding AS, the cost/income ratio for the group was 43.6 %. Corrected for non-recurring costs linked to pensions and the personnel-related restructuring costs mentioned above, as well as the write-down of goodwill, total operating costs increased by NOK 39 million (2.0%) compared with 2013. The annual normalised growth in costs in ordinary operations is expected to be around 2%.

Impairment losses on loans and non-performance

In 2014, the group recognised net impairment losses on loans totalling NOK 257 million (NOK 132 million). This corresponds to impairments as a percentage of gross loans of 0.20% (0.11%). Impairments on groups of loans increased by NOK 75 million in 2014. The group has increased group write-downs due to external market conditions and greater uncertainty because of lower oil prices.

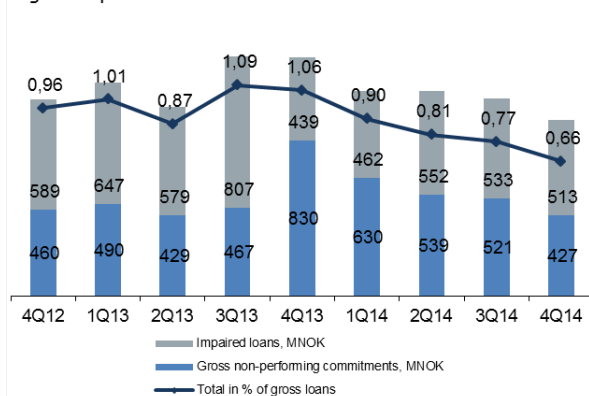
Closely monitoring customers and preventive work are important tools in maintaining this good credit quality, and contribute to the continued moderate write-downs on loans.

Gross non-performing commitments amounted to NOK 427 million at year-end 2014 (NOK 830 million). This corresponds to 0.30% (0.69%) of gross loans. The portfolio of impaired¹ (not non-performing) loans totalled NOK 513 million (NOK 439 million). This corresponded to 0.36% (0.37%) of gross loans. Total non-performing and impaired loans at year-end 2014 came to NOK 940 million (NOK 1,269 million). In terms of gross loans, this represents a reduction over the last 12 months from 1.06% to 0.66%.

¹ From and including the second quarter of 2014, non-performing loans in the 30-90 days interval are not included as impaired loans. The historical figures have been revised.

The loan loss provision ratios, measured as individual write-downs as a percentage of non-performing and impaired loans, were 22% (26%) and 45% (53%) at year-end 2014.

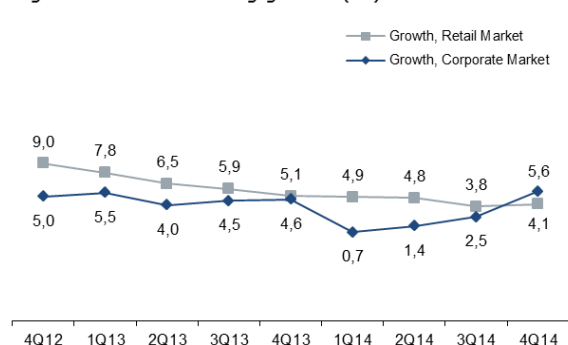
Fig 2. Impairment losses



Loans to and deposits from customers

Gross loans at year-end 2014 amounted to NOK 141.6 billion (NOK 120.3 billion). Including loans totalling NOK 32.9 billion (NOK 46.4 billion) sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, gross loans amounted to NOK 174.5 billion at year-end 2014 (NOK 166.7 billion). Gross lending growth over the last 12 months was 4.7% (5.3%). The group has fulfilled its goal of reducing lending growth as one of several measures implemented to satisfy new, stricter capital requirements. Loans to the retail market dropped from 63.4% to 63.0% of total loans (including loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt) in 2014.

Fig. 3 12 month lending growth (%)



The group's total loan exposure of NOK 174.5 billion includes a majority of commitments with a probability of default of less than 0.5%. These commitments represent 56% of the portfolio. The total lending portfolio primarily consists of

commitments of less than NOK 10 million. These account for around 68% of loan exposure and approximately 99% of customers. 19.6% of loan exposure is to customers who have loans in excess of NOK 100 million. The credit quality of this part of the portfolio is better than the rest of the portfolio.

Deposits from customers rose by 13.7% (6.0%) over the last 12 months to NOK 81.5 billion (NOK 71.7 billion). Deposits from the corporate market and public sector accounted for 52.5% (49.5%) of the group's customer deposits at year-end 2014.

In addition to good growth in ordinary customer deposits, the group also increased the capital under management in alternative investment products from NOK 13.9 billion to NOK 15.5 billion at year-end 2014. This management is primarily performed by SR-Forvaltning AS and ODIN Forvaltning AS.

The deposit coverage ratio at year-end 2014, measured as deposits as a percentage of gross loans, was 57.5% (59.6%). The group continued its policy of maintaining a high proportion of long-term funding in 2014, and the Financial Supervisory Authority of Norway's Funding Indicator 1 (ratio of illiquid assets financed by debt with a duration of more than 1 year) is 109.0% for the parent bank and 110.7% on a consolidated basis.

Business areas

SpareBank 1 SR-Bank's financial management is based on different business areas that are defined on the basis of their form of distribution, products and customers. The reporting format is based on the risk and return profile of the assets and is split into the retail market (including the self-employed), corporate market, capital market and subsidiaries of significant importance.

Retail market division²

The retail market division's profit contribution before impairment losses on loans amounted to NOK 1,370 million in 2014. This represents an improvement of NOK 44 million in the result from NOK 1,326 million

² The interest on intercompany receivables for the retail market division and the corporate market division is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit premium). Differences between the group's actual funding costs and the interest applied on intercompany receivables are eliminated at the group level.

last year and was due to improved net interest income, higher commissions and reduced costs. Commissions from payment systems grew weakly, while the growth within insurance and investment services was good. The division expects somewhat lower net interest income going forward due to competition on prices for home mortgages. Impairment losses on loans remain low. The percentage of non-performing loans was 0.30% of total loans.

The quality of the retail market portfolio is considered very good and with low potential losses. The group has tightened requirements in the last year in order to reduce the risk associated with new home mortgages. The proportion of loan exposure (including the portfolio in SpareBank 1 Boligkreditt) within a loan-to-collateral value ratio of 85% was stable, at a high level, and was 91.3%. The IRB risk weightings for home mortgages have developed stably in the last three quarters and reflect a solid portfolio. An increase in the regulatory LGD floor, from 10% to 20%, for calculating risk weightings for home mortgages was introduced from the first quarter of 2014. The Financial Supervisory Authority of Norway has warned that regulatory home mortgage weightings will be further tightened from 2015.

The division practises good costs management and costs were reduced by 5.4% in 2014. The number of employees in the division has been reduced through continuous restructuring.

The 12-month lending growth figure at year-end 2014 was 4.2%, while deposits grew by 8.9% over the previous 12 months. The low growth within loans was due in part to the competition situation and some weaker housing prices in Rogaland. The growth within deposits, unit trusts and money market funds was good. This is the result of a long-term focus on investment advice.

The division gained 5,900 new retail customers aged over 13 in 2014. The growth in customers was stronger than in 2013. The proportion of bank customers who use digital channels is very high and the focus on digital services and channels will continue. SpareBank 1 launched the first 'wristwatch bank' in Norway in the fourth quarter of 2014. This enables SpareBank 1 customers to check their balance and latest transactions using their smart watch.

Corporate market division^{2 3}

The corporate market division's profit contribution before impairment losses on loans amounted to NOK 1,082 million in 2014. The NOK 123 million improvement in the result compared with 2013 is attributable to an increase in net interest income and other operating income, at the same time as costs have been reduced.

Over the last 12 months, the division's lending has increased by 5.2%. The division has strengthened its focus on deposits and has in the last 12 months enjoyed 21.6% growth here. The growth in both loans and deposits was due to increases in both new and existing customers. The division is actively pushing across-the-board sales of the group's products, and commissions and other operating income are up compared with 2013.

The quality of the corporate market portfolio is considered good. The average probability of default has developed positively over time, largely due to the stronger risk profile of the existing customer base. The proportion of commitments with a probability of default of less than 2.5% was 73.3% of the portfolio at year-end 2014. The property management portfolio represents the group's largest concentration in a single sector and accounted for 15.6% of total loan exposure, including retail customers. A large portion of this portfolio consists of financing commercial properties for leasing. The portfolio is characterised by long-term leases and financially solid tenants. Despite the increasing vacancy rate in the group's market area, the proportion of vacant floor space in the group's loan portfolio remains limited. A special review of the portfolio has been conducted in order to uncover the potential effects of the recent fall in oil prices. The review confirmed the impression that the portfolio is robust.

Net individual write-downs of NOK 164 million were recognised in 2014, compared with NOK 130 million in 2013. In 2014, the division increased group write-downs due to external market conditions and greater uncertainty because of lower oil prices. The division's ordinary pre-tax profit (after losses) was NOK 27 million lower than in 2013.

Priority areas for the division are balanced and long-term volume growth, good customer relationships and a well-developed range of products.

Capital market division³

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and equities, analysis and corporate finance services.

In 2014, SR-Bank Markets achieved an operating result before the allocation of customer income to other business areas of NOK 71 million. This represents a decrease of NOK 36 million from the same period in 2013 and is primarily attributable to lower income from interest and currency instruments, as well as the fall in value of the bank's bond portfolio. The pre-tax profit after the allocation of customer income amounted to NOK 19 million in 2014, a reduction of NOK 76 million from 2013.

The bulk of this income came from customer trading in fixed income and foreign exchange instruments. Credit spreads for oil and offshore related bonds expanded strongly in the fourth quarter and resulted in a fall in the value of the bank's trading portfolio. Corporate finance has enjoyed good activity with more completed transactions, while income from the sale of equities and bonds has been relatively stable. Income from advice and sales of securities is expected to increase in 2015 as a result of SR-Bank Markets' acquisition of Swedbank's Stavanger office.

Subsidiaries and associated companies

EiendomsMegler 1 SR-Eiendom AS

The company's pre-tax profit amounted to NOK 55.5 million in 2014 (NOK 41.9 million). The improvement in the result is an effect of increased volume, cost reducing measures and more efficient operations.

In 2014, 7,540 (7,246) properties were sold with a total value of around NOK 22.5 billion. The supply of new assignments was good and on a par with 2013.

There are significant differences in the regional markets, both with respect to price and turnover times. The housing market in Bergen is very good

³ The capital market division serves customers throughout the group. Previously, most of the income this division generates was recognised in the division. The internal income recognition policy was changed on 1 January 2014 and income is now recognised, in its entirety, in the business area to which the customer belongs. Historical accounting figures have not been changed since the accounting effect is considered to be insignificant.

with record low turnover times and a rise in prices of almost 10% from the year before. Turnover times in the Stavanger region have stabilised at just over 30 days, while prices have risen moderately by 2.4%. In Kristiansand, the fall in house prices has halted and we are now seeing a rise in prices. Of the major cities, Kristiansand has the longest turnover time for housing at around 60 days. However, the number of sold homes has increased throughout our entire market area in relation to 2013, and indicates that the property market is functioning well.

Building activity remains high and the supply of new housing is good. Sales of new homes were on a par with 2013. A slight increase in sales of new homes is expected in 2015, stimulated by low interest rates. The influx of orders within commercial property for both premises for lease and sale is good. The number of transactions was on a par with 2013. We are noting a rise in the number of vacant office premises in the Forus area, and this may have a negative effect on the commercial property market. The rental market for housing is being affected by the consolidation within the oil and oil services industries. Prices for rented housing have fallen and the turnover rate is significantly slower than in the last few years.

The company expects the level of activity to remain stable in Hordaland and the Agder counties going forward. The situation in Rogaland is somewhat more uncertain. Rationalisation measures in the oil sector and the risk of a further fall in the price of oil may impact sentiment in the housing market and have a negative effect on the level of activity and home prices. The housing market has so far hardly been affected by this at the start of the first quarter of 2015.

The company has strengthened its market position since the same time in 2013. It holds a strong position in Rogaland with a market share of more than 40%. Its market positions in the Agder counties and Hordaland have also been strengthened in the same period.

SpareBank 1 SR-Finans AS

The company's main products are lease financing for the business sector and car and boat loans for retail customers. SpareBank 1 SR-Finans is the leading leasing company in Rogaland with total assets of NOK 7.0 billion.

The company achieved a pre-tax profit of NOK 145.9 million in 2014 (NOK 149.0 million). The reduction in pre-tax profit in 2014 is primarily attributable to the fact that the result in 2013 was affected by lower losses due to a reversal of previous impairment losses on loans. Profit before impairments and losses was NOK 155.1 million (NOK 149.9 million).

Net lending increased by 8.8% in 2014 and at year-end 2014 it amounted to NOK 6,771 million (NOK 6,224 million). 6,907 new contracts were established in 2014 (7,083 contracts) with a total volume of NOK 2,569 million (NOK 2,374 million).

Good growth is still expected in both car loans for retail customers and lease financing for the corporate market.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS is a holding company that develops and delivers common IT/mobile solutions, brands and marketing concepts, business concepts, products and services, expertise, analyses, processes, best practice solutions and purchases for the banks in the SpareBank 1 Alliance. Its subsidiaries produce, deliver and distribute SpareBank 1 Gruppen products within P&C insurance, life insurance, fund management, factoring, debt collection and long-term monitoring.

SpareBank 1 Gruppen achieved a net profit of NOK 1,849 million in 2014 (NOK 1,097 million). The improvement in the result was due to good profit performance in the group's major business areas. SpareBank 1 Skadeforsikring made a particularly significant contribution with a NOK 585 million improvement on its result from 2013. The good progress made by SpareBank 1 Skadeforsikring was due to an improvement in the insurance result because of lower compensation costs and higher profit prior years.

SpareBank 1 SR-Bank owned a 19.5% stake in SpareBank 1 Gruppen at year-end 2014.

SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are licensed mortgage companies that issue covered bonds secured by home mortgage loan or commercial real estate portfolios sold by the owner banks. The companies are owned by the savings banks that make up the SpareBank 1 Alliance

and help ensure the owner banks have access to stable, long-term funding at competitive rates.

SpareBank 1 Boligkreditt's total lending volume at year-end 2014 amounted to NOK 161.2 billion, NOK 32.3 billion (NOK 45.7 billion) of which were home mortgages bought from SpareBank 1 SR-Bank. In the first and second quarter, the bank completed a buy-back of loans worth a total of NOK 14.5 billion from SpareBank 1 Boligkreditt. The bank currently owns a 20.1% stake in the company. This is normally updated at the end of each year in line with the volume sold.

SpareBank 1 Næringskreditt's total lending volume at year-end 2014 amounted to NOK 16.1 billion, NOK 0.6 billion (NOK 0.6 billion) of which were loans bought from SpareBank 1 SR-Bank. The bank owns a 26.8% stake in the company.

Funding

The group had good access to funding at competitive prices in 2014. The volatility in the international market during the year did not noticeably effect the bank's funding.

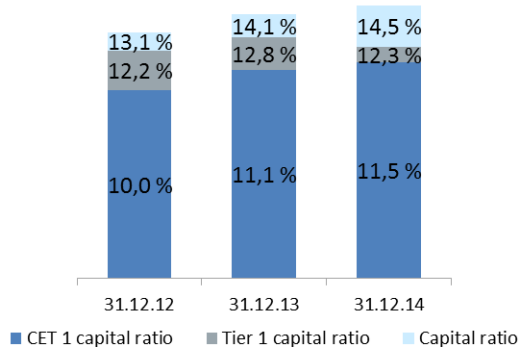
SpareBank 1 SR-Bank had good liquidity at the end of the fourth quarter of 2014 and believes it will continue to have good access to long-term funding at competitive prices. In the third quarter interim report the bank announced that the board had decided to apply for a licence for a wholly owned home mortgage company. The bank received the licence to be issued in the first quarter of 2015 and expects the newly established company to be in a position to issue covered bonds during the second quarter. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer⁴ amounted to NOK 18.2 billion at year-end 2014. NOK 5.7 billion of the bank's external funding will fall due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 27.4 billion in home mortgages ready for covered bond funding.

⁴ Liquidity buffer: cash, short-term investments, and drawing rights in Norges Bank (bonds including covered bonds). Providing deposits and lending remain unchanged, and no new borrowing during the period.

Capital adequacy

At year-end 2014, the common equity tier 1 capital ratio was 11.5%, up from 11.1% at the same time in 2013. In the same period, the tier 1 capital ratio dropped from 12.8% to 12.3%, due to redemption of Tier 1 capital instruments, while the total capital ratio rose from 14.1% to 14.5%. Because of the transitional rules, the minimum requirement for capital adequacy cannot amount to less than 80% of the corresponding amount calculated according to the Basel I rules. The transitional rule was binding for SpareBank 1 SR-Bank up to and including 30 June 2014 and may become applicable again when A-IRB approval is granted for corporate market loans. SpareBank 1 SR-Bank has applied to the Financial Supervisory Authority of Norway for approval to use A-IRB for corporate market loans and expects clarification during the first quarter of 2015.

Fig. 4 Capital adequacy



New, stricter capital adequacy regulations were adopted by the EU in June 2013. Norway has chosen to introduce the requirements slightly faster than it is required to by the implementation deadline in the international rules. From 1 July 2014, the common equity tier 1 capital ratio requirement is 10.0% and the capital ratio requirement is 13.5%, and these have thus been met by a good margin by SpareBank 1 SR-Bank.

In addition to this, there will be a countercyclical capital buffer requirement in Norway in the range of 0-2.5% in the form of common equity tier 1 capital. On 26 September 2014, on the advice of Norges Bank, the Ministry of Finance set the buffer at 1 percentage point from 30 June 2015.

On 12 May 2014, the Ministry of Finance issued regulations concerning systemically important financial institutions (SIFI). Institutions with total assets of at least 10% of Mainland Norway's GDP, or at least a 5% share of the market for loans, will be

covered by this definition. Upon implementation, DNB, Nordea Bank Norway and Kommunalbanken Norway were defined as systemically important. The three SIFI banks will thus be subject to a special capital buffer requirement from 1 July 2015. From 1 July 2016, when the new capital requirements have been fully implemented, the systemically important institutions must satisfy a minimum requirement for their common equity tier 1 capital ratio of 12%, while the minimum requirement for other institutions will be 10%. The countercyclical capital buffer comes on top of this. SpareBank 1 SR-Bank is close to the SIFI requirement concerning market share and takes account of this in its capital planning.

On 1 July 2014, the Financial Supervisory Authority of Norway published a circular on the further tightening of risk weighting for home mortgages for banks that use internal methods, so-called IRB methods. The tightening of probability of default models, combined with a higher minimum level for loss given default, the so-called LGD floor, from 1 January 2014 will increase the average risk weighting for SpareBank 1 SR-Bank's home mortgages portfolio to around 22-24%. The change must be reflected in capital adequacy reporting by no later than the first quarter of 2015. Meanwhile, the stricter requirements for foreign banks' branches in Norway will be implemented via Pillar 2, meaning that their reported financial strength will, seen in isolation, not be affected. Compared with other Nordic banks, Norwegian IRB banks will thereby appear to be relatively weaker capitalised. The stricter requirements will, for the time being, have little overall effect on capital adequacy in the Norwegian banking sector since most Norwegian IRB banks are still bound by the Basel I floor.

The bank's shares

The share price for the bank's shares (SRBANK) was NOK 52.50 at year-end 2014. This represents an increase of 12.8% since year-end 2013. The main Oslo Stock Exchange index rose by 4.9% in the same period. 7.7% (6.3%) of outstanding SRBANK shares were traded in the fourth quarter of 2014.

There were 10,422 (11,151) shareholders of SRBANK at year-end 2014. The proportion owned by foreign companies and individuals increased from 14.1% at year-end 2013 to 22.4% at year-end 2014, whilst 48.9% were owned by residents of Rogaland, the Agder counties and Hordaland. The 20 largest shareholders owned 64.4% of the shares. The bank

holds 231,043 treasury shares, while group employees owned 1.8%.

The table below shows the 20 largest shareholders as at 31 December 2014:

Table 2, 20 largest shareholders

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,32 %
Gjensidige Forsikring ASA	26.748	10,46 %
State Street Bank and Trust Co, U.S.A.	8.644	3,38 %
Morgan Stanley & Co LLC, U.S.A.	8.232	3,22 %
Folketrygdfondet	7.070	2,76 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,43 %
Wimoh Invest AS	5.761	2,25 %
Skandinaviska Enskilda Banken, Sverige	3.908	1,53 %
Vpf Nordea Norge Verdi	3.260	1,27 %
State Street Bank and Trust Co, U.S.A.	3.044	1,19 %
State Street Bank and Trust Co, U.S.A.	2.748	1,07 %
Clipper AS	2.525	0,99 %
MSCO Equity Firm Account, U.S.A.	2.287	0,89 %
J.P. Morgan Chase Bank N.A., U.K.	2.083	0,81 %
Danske Invest Norske Instit. II	1.925	0,75 %
The Bank of New York Mellon, U.S.A.	1.865	0,73 %
Westco	1.578	0,62 %
Pareto Aksje Norge	1.544	0,60 %
Odin Norge	1.474	0,58 %
FLPS-Princ All Sec Stock Sub, U.S.A.	1.434	0,56 %
Total 20 largest	164.775	64,43 %

Accounting policies

Please refer to note 1 for a description of the accounting policies applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements.

Events after the balance sheet date

In January 2015, the group agreed to acquire Swedbank's branch in Stavanger. In January 2015, the group acquired the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet AS, which includes three offices in Stavanger, Sandnes and Ålgård respectively. Both acquisitions were effective from the first quarter of 2015.

Otherwise, no material events have been registered after 31 December 2014.

Future prospects

Oil prices fell dramatically in the latter half of 2014 and the low prices continued at the start of 2015. The lower oil prices have increased the uncertainty, especially in the petroleum sector. Oil investments flattened out in 2014 after having increased by almost 9% annually in each of the preceding three

years. A reduction of nearly 15% in relation to 2014 is expected in 2015. Both oil companies and the supplier industry are in the process of rationalising operations and reducing costs. The risk of lower growth in the Norwegian economy has consequently increased. Estimates vary from simply a minor negative effect to more serious consequences for employment, all depending on whether oil prices remain low over time or not.

In the last year, the Stavanger region has seen somewhat weaker rises in house prices than the rest of the country, but the turnover volume is still high. This development must be seen in the context of house prices having grown much more in recent years in Stavanger and Rogaland than in the rest of the country. A higher degree of uncertainty about how the economy will develop may contribute to dampening the demand for loans, while lower interest rates and wages growth have the opposite effect. Non-performance and loan loss provisions are therefore expected to remain moderate in 2015 as well. The board would like to stress that a certain level of uncertainty is associated with assessments of future conditions.

Competition in the banking market is increasing and significantly so with respect to home mortgage customers. The group therefore announced at the beginning of January that it has decided to lower its home mortgage rate. The negative effect on the group's net interest margin will partly be countered by the terms for deposits also being adjusted, as well as falling funding costs in the group's funding portfolio.

SpareBank 1 SR-Bank is a solid, profitable group, but must, like other banks, continue to strengthen its solidity in line with the capital requirements set by the authorities. Because of its good earnings from a business model with good breadth and efficient operations, the group is well-positioned to implement the necessary build-up of capital, while ensuring good competitiveness.

Stavanger, 4 February 2015

The Board of Directors of SpareBank 1 SR-Bank ASA

Income statement

Parent bank				Note	Group			
Q4 2013	Q4 2014	01.01.13 - 31.12.13	01.01.14 - 31.12.14		01.01.14 - 31.12.14	01.01.13 - 31.12.13	Q4 2014	Q4 2013
					Income statement (MNOK)			
1.416	1.530	5.442	5.918		6.137	5.644	1.588	1.466
896	932	3.535	3.736		3.733	3.525	933	892
520	598	1.907	2.182		2.404	2.119	655	574
387	311	1.409	1.319		1.370	1.452	322	392
19	18	73	73		78	72	19	12
1	1	12	6		440	444	102	109
369	294	1.348	1.252		1.732	1.824	405	489
0	0	33	24		36	33	1	-2
0	30	412	473		506	355	138	95
98	-55	249	125		236	167	-23	102
98	-25	694	622		778	555	116	195
987	867	3.949	4.056		4.914	4.498	1.176	1.258
241	226	906	900	14	1.202	1.196	308	323
97	114	381	412		468	432	128	109
69	64	251	244		386	391	94	102
407	404	1.538	1.556		2.056	2.019	530	534
580	463	2.411	2.500		2.858	2.479	646	724
37	86	116	248	2, 3 and 4	257	132	93	50
543	377	2.295	2.252	12	2.601	2.347	553	674
117	94	457	446		506	487	105	107
426	283	1.838	1.806		2.095	1.860	448	567
					Other comprehensive income			
-24	-149	-67	-415		-444	-72	-166	-25
7	40	19	112		120	20	45	7
-1	0	-1	0		0	-1	0	-1
-18	-109	-49	-303		-324	-53	-121	-19
-6	0	-6	0		0	-6	0	-6
0	0	0	0		5	4	-11	3
-6	0	-6	0		5	-2	-11	-3
-24	-109	-55	-303		-319	-55	-132	-22
402	174	1.783	1.503		1.776	1.805	316	545
					Earnings per share (group)			
					8,20	7,28	1,75	2,22

Balance sheet

Parent bank			Note	Group	
31.12.13	31.12.14	Balance sheet (MNOK)		31.12.14	31.12.13
1.265	1.847	Cash and balances with central banks		1.847	1.265
6.669	8.117	Balances with credit institutions		2.222	1.253
113.312	134.158	Loans to customers	3, 8	140.920	119.525
21.052	15.248	Certificates, bonds and other fixed-income securities	13	15.261	21.065
4.929	7.344	Financial derivatives	10	7.340	4.923
780	477	Shares, ownership stakes and other securities	17	626	938
84	22	Business available for sale		22	85
3.552	3.250	Investment in associates		4.727	4.710
950	1.226	Investment in subsidiaries		0	0
2.998	1.605	Other assets	5	1.961	3.221
155.591	173.294	Total assets	12	174.926	156.985
3.746	6.145	Balances with credit institutions		6.139	3.742
6.429	0	Public sector deposits regarding the covered bonds swap agreement		0	6.429
71.840	81.723	Deposits from customers	7	81.489	71.667
52.328	63.253	Listed debt securities	11	63.253	52.328
2.013	3.317	Financial derivatives	10	3.317	2.013
2.527	2.095	Other liabilities	6	2.361	2.746
4.004	2.964	Subordinated loan capital	11	2.964	4.004
142.887	159.497	Total liabilities		159.523	142.929
6.394	6.394	Share capital		6.394	6.394
1.587	1.587	Premium reserve		1.587	1.587
409	512	Proposed dividend		512	409
162	59	Fund for unrealised gains		59	162
4.152	5.245	Other equity		6.851	5.504
0	0	Profit/loss at period end		0	0
12.704	13.797	Total equity		15.403	14.056
155.591	173.294	Total liabilities and equity	12	174.926	156.985

Statement of changes in equity

SpareBank 1 SR-Bank Group (Amounts in NOK million)	Share- capital	Premium reserve	Other equity	Reserve for unrealised gains	Total equity
Equity as of 31.12.2012	6.385	1.587	4.593	72	12.637
Reclassification of treasury shares	9		-9		0
Profit after tax			1.769	91	1.860
Unrecognised actuarial gains and losses after tax			-58		-58
Change in value of financial assets available for sale				-1	-1
Share of profit associated companies and joint ventures			4		4
Total items not reclassified through profit or loss			1.715	90	1.805
Adjusted equity accosiates			-11		-11
Dividend 2012, resolved in 2013			-384		-384
Purchase/sale of own shares			9		9
Items reclassified through profit or loss	0	0	-375	0	-375
Equity as of 31.12.2013	6.394	1.587	5.913	162	14.056
Profit after tax			2.198	-103	2.095
Unrecognised actuarial gains and losses after tax			-324		-324
Change in value of financial assets available for sale			0		0
Share of profit associated companies and joint ventures			5		5
Total items not reclassified through profit or loss			1.879	-103	1.776
Adjusted equity accosiates			-19		-19
Dividend 2013, resolved in 2014			-409		-409
Purchase/sale of own shares			-1		-1
Items reclassified through profit or loss	0	0	-410	0	-410
Equity as of 31.12.2014	6.394	1.587	7.363	59	15.403

Cash flow statement

Parent bank			Group	
01.01.13 - 31.12.13	01.01.14 - 31.12.14	Cash flow statement	01.01.14 - 31.12.14	01.01.13 - 31.12.13
-10.382	-20.812	Change in gross lending to customers	-21.347	-10.760
4.724	5.214	Interest receipts from lending to customers	5.570	5.116
4.084	9.883	Change in deposits from customers	9.822	4.073
-1.777	-1.760	Interest payments on deposits from customers	-1.734	-1.764
-2.220	-4.602	Change in receivables and debt from credit institutions	-4.129	-2.048
-327	-256	Interest on receivables and debt to financial institutions	-438	-501
-2.380	5.804	Change in certificates and bonds	5.804	-2.388
530	480	Interest receipts from commercial paper and bonds	480	530
893	2.076	Commission receipts	2.557	1.405
125	267	Capital gains from sale of trading	267	125
-1.376	-1.537	Payments for operations	-2.084	-1.837
-132	-280	Taxes paid	-377	-209
1.530	1.486	Other accruals	1.563	1.552
-6.708	-4.037	A Net change in liquidity from operations	-4.046	-6.706
-61	-70	Investments in tangible fixed assets	-81	-73
15	47	Receipts from sale of tangible fixed assets	47	15
-177	-456	Change in long-term investments in equities	-466	-203
338	870	Receipts from sales of long-term investments in equities	884	363
442	497	Dividends from long-term investments in equities	509	442
557	888	B Net cash flow, investments	893	544
15.830	15.659	Debt raised by issuance of securities	15.659	15.830
-8.330	-8.292	Repayments - issuance of securities	-8.292	-8.330
-820	-1.058	Interest payments on securities issued	-1.058	-820
499	44	Additional subordinated loan capital issued	44	499
-694	-1.115	Repayments - additional capital instruments	-1.115	-694
-220	-222	Interest payments on subordinated loans	-222	-220
0	0	Issue shares	0	0
-384	-409	Dividend to share holders	-409	-384
5.881	4.607	C Net cash flow, financing	4.607	5.881
-270	1.458	A+B+C Net cash flow during the period	1.454	-281
1.796	1.526	Cash and cash equivalents as at 1 January	1.542	1.823
1.526	2.984	Cash and cash equivalents as at 31 March	2.996	1.542
		Cash and cash equivalents specified		
1.265	1.847	Cash and balances with central banks	1.847	1.265
261	1.137	Balances with credit institutions	1.149	277
1.526	2.984	Cash and cash equivalents	2.996	1.542

The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by Sparebank 1 SR-Bank and Sparebank 1 SR-Bank Group.

Notes to the financial statements

(in MNOK)

Note 1 Accounting policies

1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 31 December 2014. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for 2013.

With effect from 1 January 2014, SpareBank 1 SR-Bank ASA implemented IFRS 10, 11 and 12 and associated amendments, IAS 27 (2011), IAS 28 (2011), amendments to IAS 32, amendments to IAS 39, and IFRIC 21.

IFRS 10 Consolidated Financial Statements is based on the current principle of using the control concept as the key criterion for determining whether a company should be included in the consolidated financial statements. The standard provides expanded guidance on determining whether control exists in cases where this is difficult.

IFRS 11 Joint Arrangements focuses on the rights and obligations of the parties to the arrangement more than its legal structure. The joint arrangements are divided into two kinds: jointly controlled operational arrangements and joint ventures. Joint operations occur when participants have rights in relation to the assets and are liable for the obligations in the arrangement. A participant in a joint operation recognises its share of assets, liabilities, income and costs. Joint ventures occur when participants have rights in relation to net assets in the arrangement. Such arrangements are recognised using the equity method. The so-called gross method or proportional consolidation is no longer permitted.

IFRS 12 Disclosure of Interests in Other Entities contains all disclosures about interests in other entities, including joint arrangements, associated companies, structured entities and other companies that cannot be consolidated.

None of the new accounting standards or interpretations have had a material effect on the financial statements.

1.2 Critical accounting estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and costs. The annual financial statements for 2013 provide a detailed account of critical estimates and judgements in relation to the application of accounting policies in note 3.

Note 2 Impairment losses on loans and guarantees recognised in the income statement

Parent bank			Group	
01.01.13 - 31.12.13	01.01.14 - 31.12.14		01.01.14 - 31.12.14	01.01.13 - 31.12.13
-31	-103	Change in individual impairment losses provisions for the period	-124	23
-40	69	Change in collective impairment loss provisions for the period	75	-30
11	11	Amortised cost	11	11
101	217	Actual loan losses on commitments for which provisions have been made	228	111
95	60	Actual loan losses on commitments for which no provision has been made	74	108
31	0	Change in assets taken over for the period	0	-30
-51	-6	Recoveries on commitments previously written-off	-7	-61
116	248	The period's net losses / (reversals) on loans and advances	257	132

Note 3 Impairment losses on loans and guarantees recognised in the balance sheet

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
436	405	Provisions for Individual impairment losses at start of period	446	423
130	42	Increases in previous provisions for individual impairment losses	42	131
-239	-35	Reversal of provisions from previous periods	-54	-183
179	109	New provisions for individual impairment losses	118	186
0	-2	Amortised cost	-2	0
-101	-217	Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-228	-111
405	302	Provisions for Individual impairment losses at period end	322	446
196	277	Net losses	302	219

Note 4 Non-performing and impaired loans

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
		Non-performing loans and advances		
804	395	Gross non-performing loans above 90 days	427	830
210	91	Provisions for Individual impairment losses	93	212
594	304	Net non-performing loans and advances	334	618
26 %	23 %	Loan loss provision ratio	22 %	26 %
		Other problem commitments		
378	481	Problem commitments	513	439
195	211	Provisions for Individual impairment losses	229	234
183	270	Net other problem commitments	284	205
52 %	44 %	Loan loss provision ratio	45 %	53 %

Note 5 Other assets

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
0	0	Intangible assets	20	39
336	295	Tangible fixed assets	327	362
847	29	Income earned but not received from SpareBank 1 Bolig- and Næringskredit	29	847
22	16	Prepaid expences	17	24
35	35	Capital contribution SR-Pensjonskasse	35	35
1.599	1.053	Unsettled trades	1.053	1.599
159	177	Other assets	480	315
2.998	1.605	Total other assets	1.961	3.221

Note 6 Other liabilities

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
309	264	Accrued expenses and prepaid revenue	363	391
707	855	Deferred tax	821	671
223	625	Pension liabilities	674	242
1	1	Other specified provisions	1	1
280	102	Taxes payable	206	377
756	0	Unsettled trades	0	756
251	248	Other liabilities	296	308
2.527	2.095	Total other liabilities	2.361	2.746

Note 7 Customer deposits by sector and industry

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
1.078	1.121	Agriculture/forestry	1.121	1.078
265	252	Fishing/Fish farming	252	265
1.513	2.135	Mining/extraction	2.135	1.513
1.527	1.403	Industry	1.403	1.527
1.915	2.030	Power and water supply/building and construction	2.030	1.915
1.963	2.210	Retail trade, hotels and restaurants	2.210	1.963
1.452	1.369	Foreign trade shipping, pipeline transport and other transport activities	1.369	1.452
4.954	6.883	Real estate	6.883	4.954
8.858	9.730	Service industry	9.496	8.685
12.122	15.043	Public sector and financial services	15.043	12.122
35.647	42.176	Total corporate sector	41.942	35.474
36.190	39.545	Retail customers	39.545	36.190
3	2	Accrued interests corporate sector and retail customers	2	3
71.840	81.723	Deposits from customers	81.489	71.667

Note 8 Loans by sector and industry

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
4.082	4.225	Agriculture/forestry	4.458	4.326
421	467	Fishing/Fish farming	596	541
2.741	4.210	Mining/extraction	4.341	2.829
2.674	1.973	Industry	2.650	3.403
2.260	2.681	Power and water supply/building and construction	3.520	3.100
2.429	2.174	Retail trade, hotels and restaurants	2.529	2.877
6.733	7.642	Foreign trade shipping, pipeline transport and other transport activities	8.239	7.297
25.575	27.020	Real estate	27.163	25.740
5.782	5.845	Service industry	7.860	7.545
2.277	1.686	Public sector and financial services	1.877	2.277
54.974	57.923	Total corporate sector	63.233	59.935
58.481	76.107	Retail customers	77.651	59.848
205	423	Unallocated (excess value fixed interest loans and amort. lending fees)	411	209
304	323	Accrued interests corporate sector and retail customers	325	281
113.964	134.776	Gross loans	141.620	120.273
-405	-302	- Individual impairment losses provisions	-322	-446
-247	-316	- Collective impairment losses provisions	-378	-302
113.312	134.158	Loans to customers	140.920	119.525

Note 9 Capital adequacy

On 22 August 2014, the Ministry of Finance stipulated amendments to the capital requirements regulations with effect from 30 September 2014. The amendments are adjustments implemented to comply with the EU's new capital adequacy regulations for banks and securities undertakings (CRD IV/CRR) and entail the minimum requirement for common equity Tier 1 capital ratio gradually increasing in the run up to 1 July 2016.

SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems. In June 2013, SpareBank 1 SR-Bank applied for transition to Advanced IRB for the corporate portfolios that are currently reported according to Foundation IRB and a response to the application is expected during the first quarter of 2015.

Investments in associated companies and joint ventures are recognised in the group using the equity method and in accordance with the acquisition method in the parent bank. The investments are treated identically for the purposes of determining the capital adequacy ratio except for the group's investments in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt and BN Bank. A proportionate consolidation is carried out for the group's capital adequacy.

Parent bank			Group	
31.12.13	31.12.14		31.12.14	31.12.13
6.394	6.394	Share capital	6.394	6.394
1.587	1.587	Premium reserve	1.587	1.587
409	512	Allocated to dividend	512	409
162	59	Reserve for unrealised gains	59	162
4.152	5.245	Other equity	6.851	5.504
12.704	13.797	Total book equity	15.403	14.056
Tier 1 capital				
0	0	Deferred taxes, goodwill and other intangible assets	-24	-43
0	0	Fund for unrealized gains, available for sale	0	0
-409	-512	Deduction for allocated dividends	-512	-409
-401		50% deduction for subordinated capital in other financial institutions		-104
-353	-622	Deduction for expected losses on IRB, net of write-downs	-676	-356
0		50 % capital adequacy reserve		-587
	0	Deduction for common equity Tier 1 capital in essential investments in financial institu	-326	
	-35	Value of derivative liabilities at fair value	-48	
11.541	12.628	Total Common equity Tier 1 capital	13.817	12.557
1.823	794	Tier 1 capital instruments	1.011	1.954
13.364	13.422	Total Tier 1 capital	14.828	14.511
Tier 2 capital				
0	0	Tier 2 capital - Tier 1 capital instruments in excess of 15%	0	0
2.100	2.069	Term subordinated loan capital	2.697	2.451
-401		50% deduction for investment in capital instruments in other financial institutions		-104
-353		50% deduction for expected losses on IRB, net of write-downs		-356
	-60	Deduction for essential investments in financial institutions	-60	
0		50 % capital adequacy reserve		-587
1.346	2.009	Total Tier 2 capital	2.637	1.404
14.710	15.431	Net primary capital	17.465	15.915
Credit risk Basel II				
18.771	21.786	SME exposure	21.789	18.771
28.175	30.354	Specialised lending exposure	32.685	28.175
8.467	8.429	Other corporations exposure	8.789	8.467
550	1.011	SME retail exposure	1.144	650
5.763	14.468	Retail mortgage exposure (properties)	20.661	10.713
663	823	Other retail exposure	845	762
8.275	6.944	Equity investments	0	0
70.663	83.815	Total credit risk IRB	85.913	67.538
2.288	2.086	Debt risk	1.978	2.088
675	598	Equity risk	598	675
0	0	Currency risk	0	0
2.525	5.780	Participations calculated after other market risk	6.869	3.675
0	524	Credit value adjustment risk (CVA)	1.127	
4.738	4.760	Operational risk	6.220	5.713
0	0	Transitional scheme	0	14.487
5.400	5.296	Participations calculated using standard method	17.484	20.362
-800	0	Deductions	0	-1.463
85.488	102.859	Risk weighted balance	120.189	113.075
	4.629	Minimum requirement for common equity Tier 1 capital ratio 4,5 %	5.409	
		Buffer requirement		
	2.571	Capital conservation buffer 2,5 %	3.005	
	3.086	Systemic risk buffer 3 %	3.606	
	5.657	Total buffer requirement to common equity Tier 1 capital ratio	6.610	
	2.342	Available common equity Tier 1 capital ratio after buffer requirement	1.798	
17,21 %	15,00 %	Capital ratio	14,53 %	14,07 %
15,63 %	13,05 %	Tier 1 capital ratio	12,34 %	12,83 %
1,57 %	1,95 %	Tier 2 capital ratio	2,19 %	1,24 %
13,50 %	12,28 %	Common equity Tier 1 capital ratio	11,50 %	11,11 %
17,21 %	15,00 %	Capital ratio, IRB	14,53 %	16,14 %
15,63 %	13,05 %	Tier 1 capital ratio, IRB	12,34 %	14,72 %
13,50 %	12,28 %	Common equity Tier 1 capital ratio, IRB	11,50 %	12,74 %

Note 10 Financial derivatives

At fair value through profit and loss	Contract amount	Fair value at 31.12.14	
	31.12.14	Assets	Liabilities
Currency instruments			
Currency forward contracts	4.661	288	80
Currency swaps	32.235	1.332	498
Currency options	25	0	0
Total currency instruments	36.921	1.620	578
Interest rate instruments			
Interest rate swaps(including cross-currency)	69.404	2.528	2.334
Other interest rate contracts	0	0	0
Total interest rate instruments	69.404	2.528	2.334
Hedging / Interest rate instruments			
Interest rate swaps (including cross currency)	53.065	2.341	109
Total hedging / Interest rate instruments	53.065	2.341	109
Accrued interests			
Accrued interests		851	296
Total accrued interests		851	296
Total currency and interest rate instruments			
Total currency instruments	36.921	1.620	578
Total interest rate instruments	122.469	4.869	2.443
Total accrued interests		851	296
Total	159.390	7.340	3.317

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits. The contract sum and effect of reinvestment costs covered by offsetting agreements amounted to NOK 133,2 billion and NOK 4,0 billion as of the fourth quarter of 2014.

The note is approximately identical for the Parent Bank and the Group

Note 11 Issuance of unsecured debt and additional capital instruments

	Balance as at				Balance as at
	31.12.14				31.12.13
Debt raised through issuance of securities					
Bonds, nominal amount	59.942				49.387
Adjustments	2.468				2.261
Accrued interests	843				680
Total debt raised through issuance of securities	63.253				52.328
		Issued/ sale	Past due/	FX rate- and	
		own	redeemed	other changes	
		2014	2014	2014	
Change in debt raised through issuance of securities	31.12.14				31.12.13
Bonds, nominal amount	59.942	15.659	-8.292	3.188	49.387
Adjustments	2.468	0	0	207	2.261
Accrued interests	843	0	0	163	680
Total debt raised through issuance of securities	63.253	15.659	-8.292	3.558	52.328
Additional Tier 1 and Tier 2 capital instruments	31.12.14				31.12.13
Term subordinated loan capital, nominal amount	2.069				2.100
Perpetual subordinated loan capital, nominal amount	0				0
Tier 1 capital instruments, nominal amount	794				1.823
Adjustments	89				60
Accrued interests	12				21
Total additional Tier 1 and Tier 2 capital instruments	2.964				4.004
		Issued/ sale	Past due/	FX rate- and	
		own	redeemed	other changes	
		2014	2014	2014	
Change in additional Tier 1 and Tier 2 capital instruments	31.12.14				31.12.13
Term subordinated loan capital, nominal amount	2.069	44	-75	0	2.100
Perpetual subordinated loan capital, nominal amount	0	0	0	0	0
Tier 1 capital instruments, nominal amount	794	0	-1.040	11	1.823
Adjustments	89	0	0	29	60
Accrued interests	12	0	0	-9	21
Total additional Tier 1 and Tier 2 capital instruments	2.964	44	-1.115	31	4.004

The note is approximately identical for the Parent Bank and the Group

Note 12 Segment reporting

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 (including self-employed people), 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 activities" together with activities that cannot be allocated to the retail market, corporate market, capital market or subsidiaries of considerable significance. Staff/support parent bank consists of administration, management, investment services, strategy and ownership, treasury and finance function. Commission income from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are included under "Net commission and other income".

SpareBank 1 SR-Bank Group 01.01.14 - 31.12.14									
Income statement (MNOK)	Retail Market	Corporate Market	Capital Market	Staff/support parent bank	Eiendoms-Megler 1	SR-Finans	Other activities	Eliminations	Total
Interest income	2.086	1.651	1.184	997	23	394	2	-200	6.137
Interest expense	1.041	686	1.130	879	19	167	4	-193	3.733
Net interest income ¹⁾	1.045	965	54	118	4	227	-2	-7	2.404
Commission income ¹⁾	937	345	31	6	0	4	100	-53	1.370
Commission expenses	40	27	4	2	0	22	28	-45	78
Other operating income	0	0	0	6	434	0	1	-1	440
Net commission and other income	897	318	27	10	434	-18	73	-9	1.732
Dividend income	0	0	3	21	0	0	12	0	36
Income from investment in associates	0	0	0	473	0	0	0	33	506
Net gains/losses on financial instruments ¹⁾	9	25	8	83	7	0	5	99	236
Net income on investment securities	9	25	11	577	7	0	17	132	778
Personnel expenses	376	175	53	296	249	32	27	-7	1.202
Administrative expenses	108	25	16	264	40	9	7	0	468
Other operating expenses	97	26	4	117	100	13	19	10	386
Total operating expenses	581	226	73	677	389	54	53	3	2.056
Operating profit before losses	1.370	1.082	19	28	56	155	35	113	2.858
Change in individual write-downs in the period	15	164	0	0	0	3	0	0	182
Change in group write-downs in the period	6	63	0	0	0	6	0	0	75
Pre-tax profit	1.349	855	19	28	56	146	35	113	2.601
Net interest income ¹⁾									
External net interest income	1.045	965	54	118	-19	-167	-4	412	2.404
Internal net interest income	0	0	0	0	23	394	2	-419	0
Net interest income	1.045	965	54	118	4	227	-2	-7	2.404
									0
Balance sheet (MNOK)									
									0
Loans to customers	79.727	52.019	671	2.359	0	6.853	0	-9	141.620
Individual loss provisions	-60	-242	0	0	0	-20	0	0	-322
Group loss provisions	-40	-276	0	0	0	-62	0	0	-378
Other assets	163	1.464	9.188	28.321	209	251	573	-6.163	34.006
Total assets	79.790	52.965	9.859	30.680	209	7.022	573	-6.172	174.926
									0
Deposits from customers	44.681	32.837	1.700	2.505	0	0	0	-234	81.489
Other debt and equity ²⁾	35.109	20.128	8.159	28.175	209	7.022	573	-5.938	93.437
Total debt and equity	79.790	52.965	9.859	30.680	209	7.022	573	-6.172	174.926
Loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	32.288	584							32.872

SpareBank 1 SR-Bank Group 01.01.13 - 31.12.13

Income statement (MNOK)	Retail Market	Corporate Market	Capital Market	Staff/support parent bank	Eiendoms-Megler 1	SR-Finans	Other activities	Eliminations	Total
Interest income	1.920	1.507	923	1.094	15	387	1	-203	5.644
Interest expense	1.016	597	870	1.053	10	171	0	-192	3.525
Net interest income ¹⁾	904	910	53	41	5	216	1	-11	2.119
Commission income ¹⁾	1.059	308	39	2	0	4	82	-42	1.452
Commission expenses	36	28	4	5	0	19	22	-42	72
Other operating income	0	0	0	12	433	0	0	-1	444
Net commission and other income	1.023	280	35	9	433	-15	60	-1	1.824
Dividend income	0	0	3	30	0	0	0	0	33
Income from investment in associates	0	0	0	412	0	0	0	-57	355
Net gains/losses on financial instruments ¹⁾	13	10	83	143	0	0	12	-94	167
Net income on investment securities	13	10	86	585	0	0	12	-151	555
Personnel expenses	414	189	53	249	242	32	26	-9	1.196
Administrative expenses	115	27	12	227	39	8	3	1	432
Other operating expenses	85	25	5	136	115	11	9	5	391
Total operating expenses	614	241	70	612	396	51	38	-3	2.019
Operating profit before losses	1.326	959	104	23	42	150	35	-160	2.479
Change in individual write-downs in the period	17	130	10	0	0	-9	0	15	162
Change in group write-downs in the period	13	-53	0	0	0	10	0	0	-30
Pre-tax profit	1.296	882	95	23	42	149	35	-175	2.347
Net interest income ¹⁾									
External net interest income	904	910	53	41	-10	-171	0	392	2.119
Internal net interest income	0	0	0	0	15	387	1	-403	0
Net interest income	904	910	53	41	5	216	1	-11	2.119
Balance sheet (MNOK)									
Loans to customers	62.182	49.335	0	2.448	0	6.319	0	-11	120.273
Individual loss provisions	-64	-342	0	0	0	-40	0	0	-446
Group loss provisions	-34	-213	0	0	0	-55	0	0	-302
Other assets	0	0	545	41.734	186	160	387	-5.552	37.460
Total assets	62.084	48.780	545	44.182	186	6.384	387	-5.563	156.985
						0			
Deposits from customers	41.045	27.002	0	3.793	0	0	0	-173	71.667
Other debt and equity ²⁾	21.039	21.778	545	40.389	186	6.384	387	-5.390	85.318
Total debt and equity	62.084	48.780	545	44.182	186	6.384	387	-5.563	156.985
Loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	45.747	642							46.389

¹⁾ The capital market division serves customers throughout the group. Previously, most of the income this division generates was recognised in the division. From the 1 January 2014, the internal income recognition policy was changed and income is now recognised, in its entirety, in the business area to which the customer belongs. Historical accounting figures have not been changed as the effect on the accounts are considered to have an insignificant effect.

²⁾ Other liabilities contain allocated arrangements between the segments.

Interest on intercompany receivables for the retail market division and the corporate market division is determined based on expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long term financing (credit premium). Deviations between the group's actual financing costs and the applied interest on intercompany receivables are eliminated at the group level.

Note 13 Reclassification of financial instruments

Due to the extraordinary and negative development in the world's financial markets during 3rd quarter 2008 the IASB 13th October 2008 approved certain changes to IAS 39 and IFRS 7. The changes permit a reclassification of part of or the whole portfolio of financial assets held for trading retrospectively to 1st July 2008. SpareBank 1 SR-Bank has decided to adopt this opportunity and has, after due consideration, chosen to reclassify certain parts of the bond portfolio into categories recognised at amortised cost, i.e. "held to maturity" or "loans and receivables". No reclassifications have been adopted by any of the subsidiaries.

Listed instruments were classified as "held to maturity" while instruments with no observable market value and where the price has been recognised through alternative valuation methods according to IAS 39 were reclassified as "loans and receivables".

Reclassification was carried through due to the major and abnormal impairments that have arisen during the turbulent financial markets. A major part of the bank's bond portfolio has normally been kept in custody in Norges Bank and held to maturity. These bonds are normally of superior quality and exceptional changes in price is, according to the bank's opinion, disturbing the result unnecessarily. There is ability as well as will to keep the reclassified portfolio until maturity.

The survey below states the effect a non-reclassification would have in the accounts.

As at 1.7.2008				
Group				
Certificates and bonds recognised as:	Book value	Amortising as interest	Reclassification effect	Fair value
At fair value through profit and loss	3.041	0	0	3.041
Held to maturity ¹⁾	2.350	0	0	2.350
Receivables ¹⁾	578	0	0	578
Total certificates and bonds	5.969	0	0	5.969

As at 31.12.2014				
Group				
Certificates and bonds recognised as:	Book value	Amortising as interest this year	Reclassification effect	Fair value
At fair value through profit and loss	15.158	0	0	15.158
Held to maturity	0	0	0	0
Covered Bonds	0	0	0	0
Accrued interests	103	0	0	103
Total certificates and bonds	15.261	0	0	15.261

Group		
Bonds reclassified as receivable and hold to maturity	31.12.13	31.12.14
Book value	41	0
Nominal value	42	0
Observable market value	41	0

1) Net unrealised losses written back as at 1st July 2008 amounts to NOK 47.3 million. The amounts were amortised during the instruments economic life. Weighted remaining economic life at the time of reclassification was approximately 2.7 years.

Note 14 Pensions

The SpareBank 1 SR-Bank group has two types of pension scheme: defined benefit-based and contribution benefit-based pension schemes. For more information about the accounting treatment of the schemes see note 1 above and note 24 to the annual financial statements for 2013.

On 31 December 2013, SpareBank 1 SR-Bank switched to using the new K2013 mortality table, issued by the Financial Supervisory Authority of Norway on 8 March 2013, as its basis for calculations, adjusted for opening mortality and the decline in the mortality rate. The total gross effect for the 2013 financial year of the transition to a new mortality table amounted to NOK 125 million for the group, and this was treated in the accounts as a remeasurement and recognised in the comprehensive income statement.

The following economic assumptions have been used to calculate the obligations for the defined benefit-based pension scheme:

Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Parent bank and group
4,00 %	3,70 %	3,25 %	3,00 %	2,30 %	Discount rate
4,00 %	3,70 %	3,25 %	3,00 %	2,30 %	Expected return on assets
3,75 %	3,75 %	3,75 %	3,25 %	2,75 %	Forecast salary increase
3,50 %	3,50 %	3,50 %	3,00 %	2,50 %	National Insurance scheme's basic amount
2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	Pension adjustment

Change in pension obligations (NOK million):

		Parent bank			Group				
2014	Q4 2013	Q4 2014	01.01.13 - 31.12.13	01.01.14 - 31.12.14	01.01.14 - 31.12.14	01.01.13 - 31.12.13	Q4 2014	Q4 2013	2014
162	191	480	162	223	242	176	512	208	176
67	24	149	67	415	444	72	165	25	72
62	14	22	62	83	88	67	23	16	67
-56	0	-23	-56	-79	-82	-60	-23	0	-60
-12	-6	-3	-12	-12	-13	-13	-3	-7	-13
0	0	0	0	-5	-5	0	0	0	0
223	223	625	223	625	674	242	674	242	242

Note 15 SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

In the 3rd quarter of 2010, in association with the other owners of Sparebank 1 Boligkreditt, Sparebank 1 SR-Bank entered into an agreement to establish a liquidity facility for SpareBank 1 Boligkreditt. This implies that the banks undertake to buy mortgage bonds limited to a total value equal to 12 months' maturities in SpareBank 1 Boligkreditt. Each owner is primarily liable for its share of the need, secondarily for twice the amount of the primary liability under the same agreement. The bonds can be deposited with Norges Bank and represent, therefore, no significant increase in the bank's inherent risk.

The bank has concluded agreements concerning the sale of loans with good security and collateral in real estate to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. For more information about the accounting treatment of the agreements see note 2 and note 9 in the 2013 annual financial statements.

Note 16 Liquidity risk

Liquidity risk is the risk that the bank is unable to refinance its debts or is unable to fund an increase in assets. The bank's framework for liquidity risk management shall reflect its conservative risk profile. The Board has adopted internal frameworks to ensure that the bank has the best maturity structure possible for its funding. A stress test is conducted for different maturities for bank-specific crises, system crises and the combination of these, and we have also created an emergency preparedness plan for the management of liquidity crises. The average term to maturity for the portfolio of senior bond funding was 3.6 years at the end of Q4 2014.

Note 17 Information about fair value

Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability.

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices) for the asset or liability.

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions).

Fair value 31.12.14	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			9.994	9.994
Commercial paper and bonds at fair value	14.203	1.058		15.261
Financial derivatives		7.340		7.340
Equities, units and other equity interests	217	267	139	623
Operations that will be sold			22	22
Liabilities				
Financial derivatives		3.317		3.317

No transfers between levels 1 and 2

Fair value 31.12.13	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			11.421	11.421
Commercial paper and bonds at fair value	11.430	2.798		14.228
Financial derivatives		4.923		4.923
Equities, units and other equity interests	173	285	473	931
Operations that will be sold			85	85
Liabilities				
Financial derivatives		2.013		2.013

No transfers between levels 1 and 2

Change in holding during the financial year of assets valued on the basis of factors other than observat

Group	Loans to customers	Shares, ownership stakes and other securities	Business available for sale
Balance 01.01	11.421	473	85
Additions	442	0	0
Disposals	-2.101	-352	-47
Transferred from or to measurement according to prices in an active market or observable market data	0	0	0
Change in value ¹⁾	232	18	-16
Balance 31.12	9.994	139	22
Nominal value/cost price	9.475	80	29
Fair value adjustment	519	59	-7
Balance 31.12	9.994	139	22

The stakes in Nets Holding, Nordito Property and Bank 1 Oslo Akershus are valued every quarter by SpareBank 1 Gruppen and distributed to all of the alliance banks. A contract for the sale of the stakes in Nets Holding was signed in the first quarter of 2014. The value according to the sales contract was used in the interim financial statements and resulted in income of NOK 202 million in the first quarter of 2014. The agreement to sell the stake in Nets Holding was approved and the sales sum was received in July. Valuations of the stakes in Nordito Property and Bank 1 Oslo Akershus are based on an average of five different methods in which the last known transaction price, earnings per share, dividends per share and EBITDA are input for the valuations.

Valuations of fixed rate loans are based on the interest rate agreed with the customer discounted by the market interest rate and an assessment of the change in credit risk at the end of the year.

¹⁾ Value changes are recognised in net income from financial instruments

Note 18 Events after the balance sheet date

In January 2015, the group agreed to acquire Swedbank's branch in Slavanger. In January 2015, the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet AS, which includes three offices in Slavanger, Sandnes and Ålgård respectively, was acquired. Both acquisitions were effective from the first quarter of 2015.

Otherwise, no material events have been registered after 31 December 2014.

QUARTERLY INCOME STATEMENT

SpareBank 1 SR-Bank Group, MNOK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2014	2014	2014	2014	2013	2013	2013	2013	2012
Interest income	1.588	1.568	1.543	1.438	1.466	1.451	1.406	1.321	1.331
Interest expense	933	947	962	891	892	883	880	870	851
Net interest income	655	621	581	547	574	568	526	451	480
Commission income	322	317	333	398	392	386	349	325	330
Commission expenses	19	20	19	20	12	23	18	19	17
Other operating income	102	106	130	102	109	103	134	98	98
Net commission and other income	405	403	444	480	489	466	465	404	411
Dividend income	1	10	7	18	-2	3	32	0	0
Income from investment in associates	138	150	137	81	95	130	31	99	22
Net gains/losses on financial instrument	-23	-18	57	220	102	4	-1	62	75
Net income on financial investments	116	142	201	319	195	137	62	161	97
Total income	1.176	1.166	1.226	1.346	1.258	1.171	1.053	1.016	988
Personnel expenses	308	307	293	294	323	284	297	292	292
Administrative expenses	128	114	120	106	109	104	118	101	107
Other operating costs	94	99	88	105	102	90	102	97	105
Total operating cost	530	520	501	505	534	478	517	490	504
Operating profit before impairment losses	646	646	725	841	724	693	536	526	484
Impairment losses on loans and guarantees	93	69	41	54	50	32	25	25	26
Pre-tax profit	553	577	684	787	674	661	511	501	458
Tax expense	105	123	150	128	107	145	128	107	114
Profit after tax	448	454	534	659	567	516	383	394	344

Profitability

Return on equity per quarter ¹⁾	11,7 %	12,2 %	14,5 %	18,4 %	16,2 %	15,6 %	11,8 %	12,3 %	11,2 %
Cost percentage ²⁾	45,1 %	44,6 %	40,9 %	37,5 %	42,4 %	40,8 %	49,1 %	48,2 %	51,0 %
Combined weighted total average spread for lending and deposits ³⁾	1,51 %	1,48 %	1,41 %	1,40 %	1,46 %	1,49 %	1,43 %	1,27 %	1,36 %

Balance sheet figures from quarterly accounts

Gross loans to customers	141.620	137.343	135.335	121.723	120.273	116.720	115.214	112.314	109.513
Gross loans to customers including SB1 Boligkreditt og Næringskreditt	174.492	170.270	168.624	166.593	166.662	164.538	162.714	160.445	158.201
Growth in loans over last 12 months ⁴⁾	17,7 %	17,7 %	17,5 %	8,4 %	-16,8 %	-11,2 %	-1,9 %	-8,7 %	8,0 %
Growth in loans incl SB1 Boligkreditt and Næringskreditt	4,7 %	3,5 %	3,6 %	3,8 %	5,3 %	5,5 %	6,1 %	7,4 %	7,8 %
Deposits from customers	81.489	81.228	81.728	74.440	71.667	70.714	73.281	68.605	67.594
Deposit-to-loan ratio	57,5 %	59,1 %	60,4 %	61,2 %	59,6 %	60,6 %	63,6 %	61,1 %	61,7 %
Growth in deposits over last 12 months	13,7 %	14,9 %	11,5 %	8,5 %	6,0 %	2,2 %	2,8 %	2,2 %	5,5 %
Total assets	174.926	168.310	167.273	157.752	156.985	153.639	151.110	146.124	141.543
Average total assets	172.179	166.894	164.949	158.867	155.489	151.683	147.331	144.265	140.555

Losses and non-performing commitments

Impairment losses ratio, annualized ⁵⁾	0,27	0,20	0,13	0,18	0,17	0,11	0,09	0,09	0,10
Non-performing commitments as a percentage of total loans	0,30	0,38	0,40	0,52	0,69	0,40	0,37	0,44	0,42
Other doubtful commitments as a percentage of total loans	0,36	0,39	0,41	0,38	0,37	0,69	0,50	0,57	0,54

Solidity

Common equity Tier 1 capital ratio	11,5	11,3	11,4	11,2	11,1	10,5	10,3	10,1	10,0
Tier 1 capital ratio	12,3	13,1	13,2	13,0	12,8	12,2	12,0	12,2	12,1
Capital ratio	14,5	15,4	14,6	14,5	14,1	13,1	12,9	12,9	13,1
Tier 1 capital	14.828	15.304	14.978	14.691	14.511	13.974	13.691	13.673	13.507
Net primary capital	17.465	18.037	16.584	16.407	15.915	15.034	14.721	14.452	14.568
Risk weighted balance	120.189	117.278	113.725	113.413	113.075	115.038	114.188	111.950	111.213

Se next page for definition of key figures

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
SpareBank 1 SR-Bank share	2014	2014	2014	2014	2013	2013	2013	2013	2012
Market price at end of quarter	52,50	61,00	59,75	60,75	60,25	47,70	47,50	50,00	37,20
Market capitalisation	13.427	15.601	15.281	15.537	15.409	12.199	12.148	12.788	9.514
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share(including dividends)	60,28	59,21	57,63	57,45	55,00	52,87	50,89	50,92	49,48
Earnings per share, NOK (annualised)	1,75	1,78	2,09	2,58	2,22	2,02	1,50	1,54	1,35
Price/earnings per share	7,50	8,57	7,15	5,89	6,78	5,90	7,92	8,12	6,89
Price / Book equity (group)	0,87	1,03	1,04	1,06	1,10	0,90	0,93	0,98	0,75
Annualised turnover rate in quarter ⁶⁾	7,7 %	3,0 %	5,5 %	7,6 %	6,3 %	3,1 %	5,0 %	7,6 %	4,2 %
Effective return ⁷⁾	-13,9 %	2,1 %	1,0 %	0,8 %	26,3 %	0,4 %	-2,0 %	34,4 %	0,8 %

Key figure definitions

¹⁾ Operating result as a percentage of average equity

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

³⁾ Net interest income as a percentage of average total assets

⁴⁾ High growth in loans is attributable to a buy-back of loans from SpareBank 1 Boligkredit AS

⁵⁾ Impairment losses on loans as a percentage of average gross loans, annualised

⁶⁾ Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

⁷⁾ Percentage change in the market price in the last period, including paid share dividend

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2015 Financial Calendar

Preliminary annual results for 2014	Wednesday 4 February
Annual General Meeting	Tuesday 28 April
Ex-dividend	Wednesday 29 April
Q1 2015	Wednesday 29 April
Q2 2015	Wednesday 12 August
Q3 2015	Thursday 29 October