

SpareBank 1 SR-Bank ASA

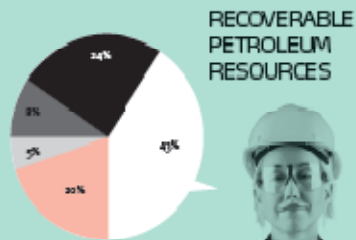
4th quarter 2011

Preliminary annual accounts 2011
8th February 2012

Arne Austreid, CEO
Inge Reinertsen, CFO

NORWAY'S LARGEST GROWTH REGION

24,9% OF NORWAY'S GDP IS PRODUCED IN THE REGION

- UNDISCOVERED RESOURCES
- CONTINGENT RESOURCES IN DISCOVERIES
- CONTINGENT RESOURCES IN FIELDS
- RESERVES
- SOLD AND DELIVERED



HIGH CULTURAL CAPITAL



170 YEARS OF WEALTH CREATION



CENTRE FOR OIL AND GAS ACTIVITIES ON THE NORWEGIAN CONTINENTAL SHELF

2.100.000 BARRELS OF OIL ARE PRODUCED EVERY DAY



206.000 EMPLOYED IN INDUSTRY

GREAT DEMAND FOR MANPOWER



NORWAY'S LARGEST EXPORT-REGION

UNEMPLOYMENT RATE BARELY

2%



JOHAN SVERDRUP contains resources totalling between 1.7 and 3.3 billion barrels of oil and may prove to be Norway's third largest oil discovery of all time.

HEALTHIEST ECONOMY IN EUROPE



STRONG AND STABILISING PUBLIC ECONOMY



GOVERNMENT BUDGET SURPLUS

18,7%

1,6%
BNP GROWTH

EARLY USE OF NEW TECHNOLOGY



NBIM manages the Government Pension Fund Global and some of Norges Bank's foreign exchange reserves. As of 1 February 2012 more than

NOK **720.000**
per capita

CURRENT ACCOUNT SURPLUS

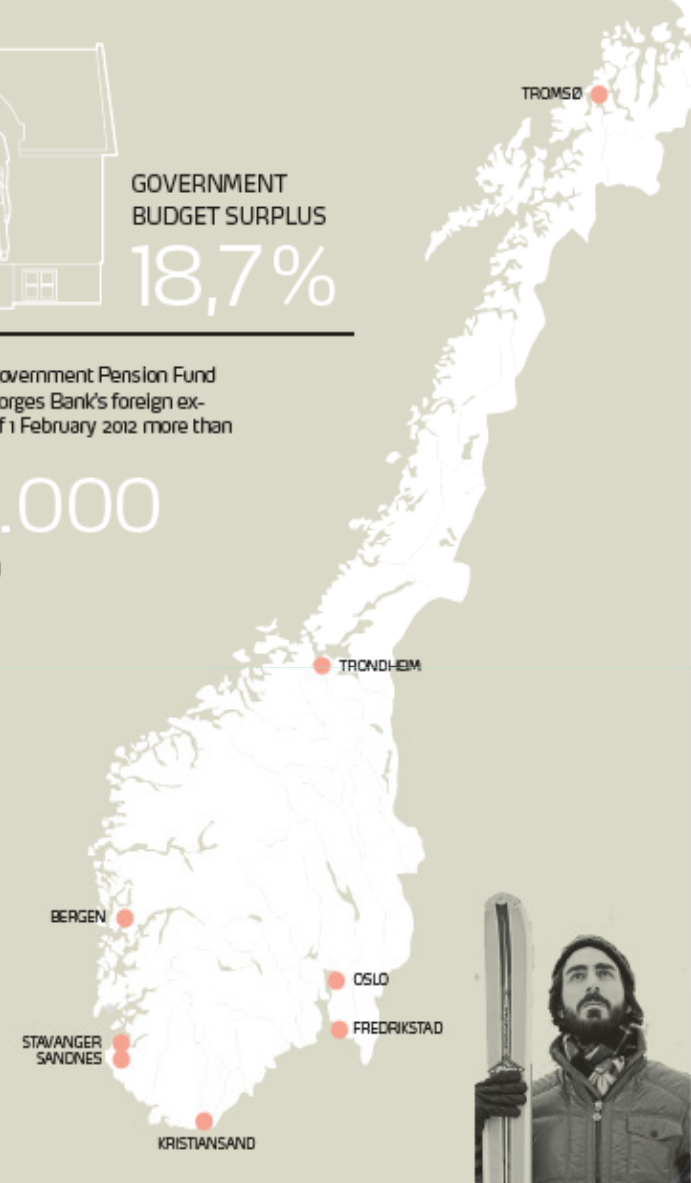
NOK **426.000.000.000**

1,3%

GROWTH IN THE CONSUMER PRICE



GDP PER CAPITA
NOK **480.000**



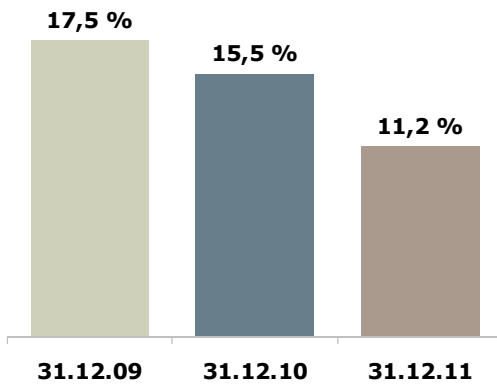
HIGHLIGHTS Q4 AND FULL YEAR 2011

- Pre-tax profit was NOK 1,495 million (NOK 1,614 million)
 - Return on equity after tax: 11.2% (15.5%)
- Pre-tax profit for Q4 was NOK 490 million (NOK 414 million)
 - Return on equity after tax: 13.9% (16.9%)
- Moderate increase in net interest income
- Lending growth of 11.2% and growth in deposits of 5.4% over the past 12 months
- Good growth in commissions and other operating income
 - Increased product sales and higher number of brokerage assignments in EiendomsMegler 1
 - Solid growth in the capital market division
- Reduction in income from financial investments
- Low impairment loss on loans and reduction in non-performing and impaired commitments

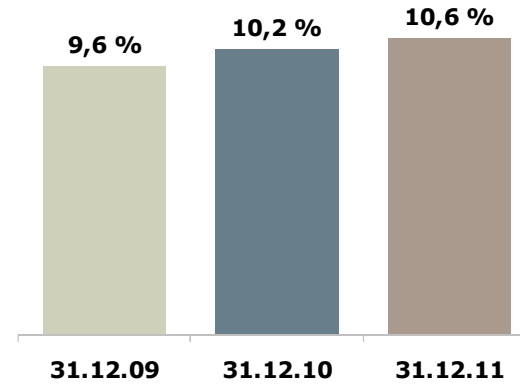
(Figures in brackets are for same period in 2010. The issued equity certificates were converted to shares on 2 January 2012. The key figures as at 31 December 2011 are presented proforma as if the conversion took place at year-end 2011).

KEY FIGURES

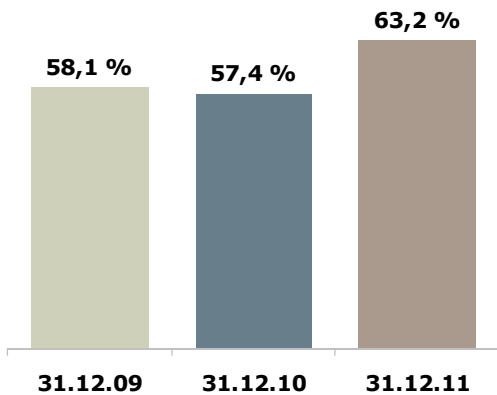
Return on equity



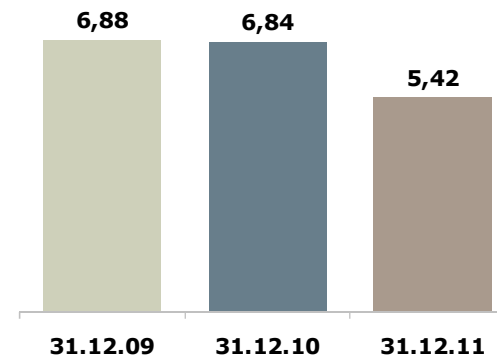
Core capital ratio



Deposit-to-loan



Earnings per share



PROPOSED ALLOCATION OF PROFIT FOR 2011

	2011
Parent company profit after tax	936
Transferred from reserve for valuation varian	0
Available	936
Dividend	299
Retained earnings	637
Total	936
Proposed dividend per share (NOK)	1,50

The dividend is based on the parent bank's result.

In determining the size of the annual dividend, consideration will be given to the Group's capital needs, including capital adequacy requirements and the Group's goals and strategic plans. Unless capital requirements otherwise dictate, the goal of the Board is for approximately half of the annual net profit for the period to be distributed as dividends.

The Board proposes a dividend of NOK 1.50 per share.

Corresponds to a dividend ratio of 32%.

OUTLOOK

- A high oil price, major new oil finds, low unemployment and increasing house building in the bank's core area.
- Good credit quality and low non-performance; expecting continued low losses and writedowns.
- See opportunity for new business with solid customers in markets with somewhat better margins and weaker competition, especially from international actors.
- International uncertainty and possible negative consequences for the Norwegian economy as well - regulatory changes and increased capitalisation in European banking.
- Will maintain our strong financial position and leading position in the region in Norway enjoying the strongest growth - strengthening capital via a fully guaranteed public rights issue of up to NOK 1,500 million and a private placement to employees of up to NOK 130 million.

INCOME STATEMENT

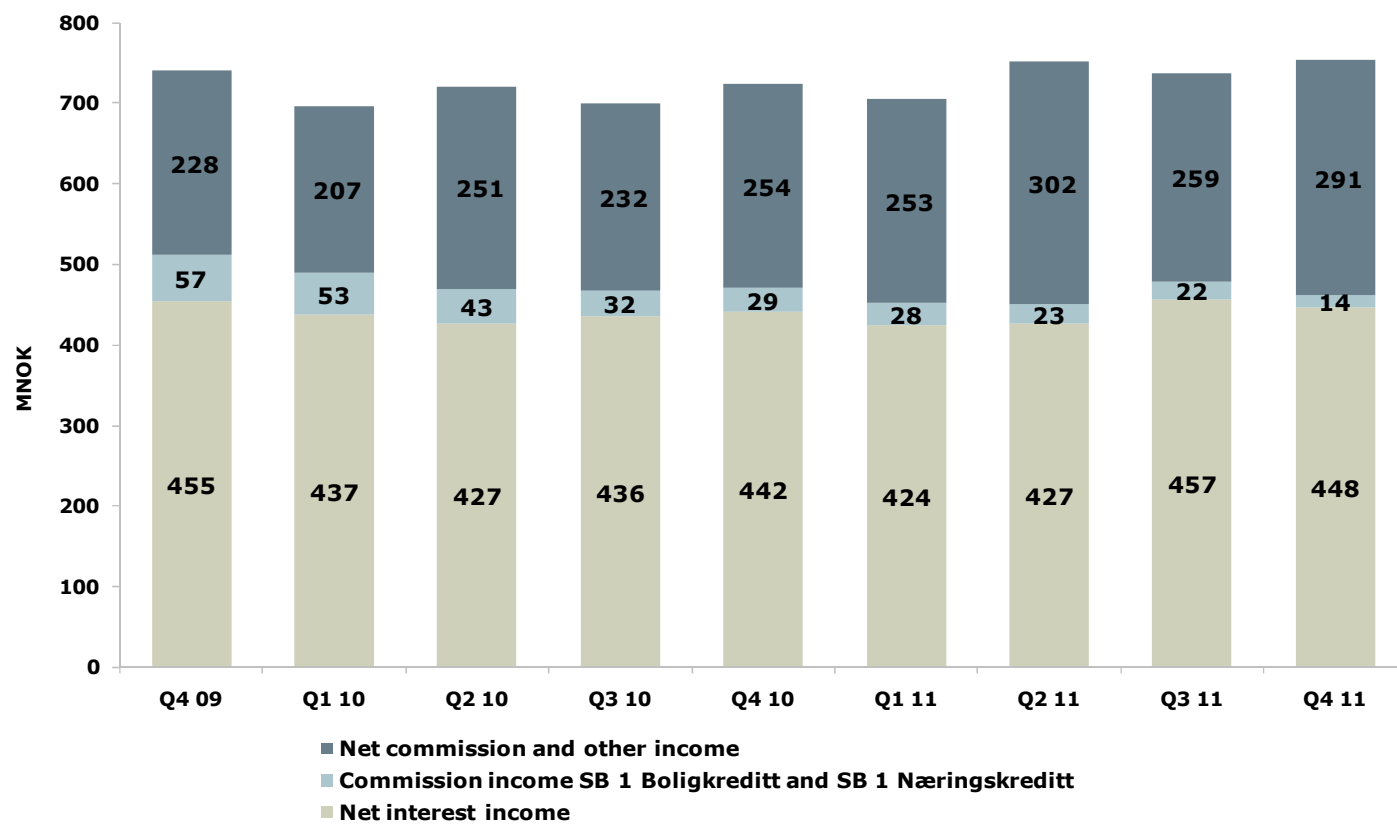
<i>Group Income Statement (MNOK)</i>	31.12 2011	31.12 2010	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10
Net interest income	1 756	1 742	448	457	427	424	442
Net commission and other income	1192	1101	305	281	325	281	283
Net return on investment securities	319	571	111	7	73	128	183
Total income	3 267	3 414	864	745	825	833	908
Total operating expenses	1 633	1 566	329	462	396	446	423
Operating profit before losses	1 634	1 848	535	283	429	387	485
Impairment losses on loans and guarantees	139	234	45	30	13	51	71
Operating profit before tax	1 495	1 614	490	253	416	336	414
Tax expense	414	297	153	79	111	71	33
Net profit	1 081	1 317	337	174	305	265	381

KEY FIGURES

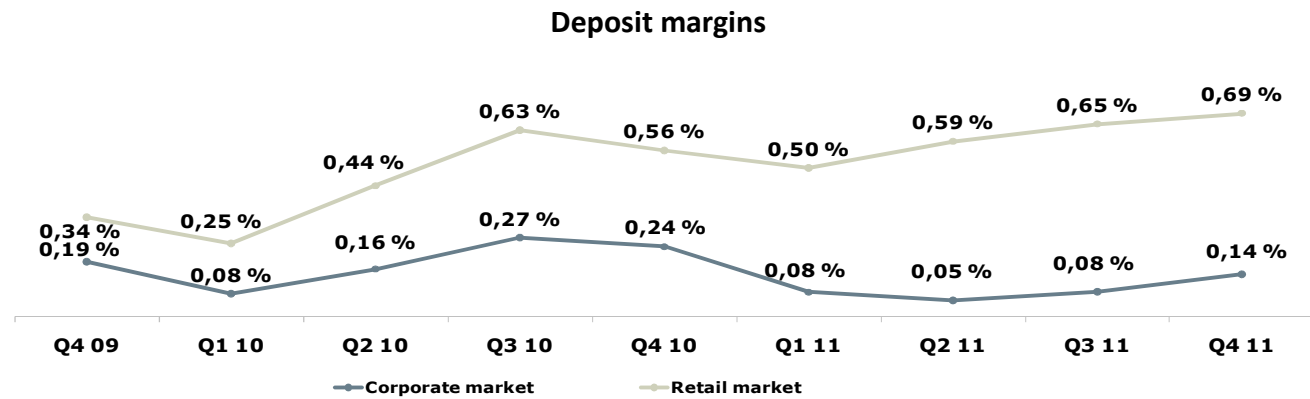
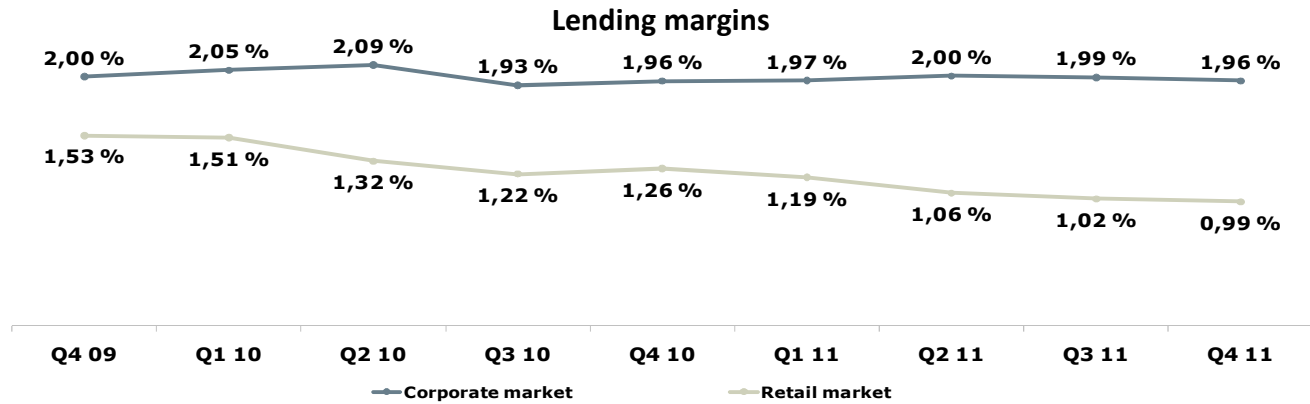
	31.12 2011	31.12 2010	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10
Return on equity after tax (%)	11,2	15,5	13,9	7,2	12,6	11,2	16,9
Net interest margin (%)	1,31	1,35	1,34	1,35	1,28	1,28	1,31
Impairment losses on loans and guarantees in % of gross loans	0,13	0,23	0,18	0,11	0,05	0,19	0,28
Impairment losses on loans and guarantees in % of gross loans incl. SB 1 Boligkreditt and SB 1 Næringskreditt	0,10	0,19	0,12	0,08	0,04	0,15	0,22
Non-performing and other problem commitments in % of gross loans	1,10	1,14	1,10	1,25	1,22	1,41	1,14
Non-performing and other problem commitments in % of gross loans incl. SB 1 Boligkreditt and SB 1 Næringskreditt	0,76	0,91	0,76	0,90	0,94	1,09	0,91
Cost ratio (%)	50,0	45,9	38,1	62,0	48,0	53,5	46,6
Annual growth in loans to customers, gross incl. SpareBank 1 Boligkreditt (%)	11,2	11,6	11,2	15,6	14,5	12,5	11,6
Annual growth in deposits from customers (%)	5,4	11,8	5,4	15,5	15,8	17,5	11,8
Total assets (BNOK)	131	135	131	133	135	133	135
Mortgage loans transferred to SB 1 Boligkreditt and SB 1 Næringskreditt (BNOK)	45	26	45	40	32	31	26
Result per share (NOK)	5,42	6,84	1,73	0,86	1,51	1,32	1,94
Book value per share (NOK)	48,8	47,5	48,8	47,7	48,5	47,2	47,5
Number of shares issued (millions)	199	127	199	127	127	127	127

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.

THE GROUP'S INCOME PROFILE

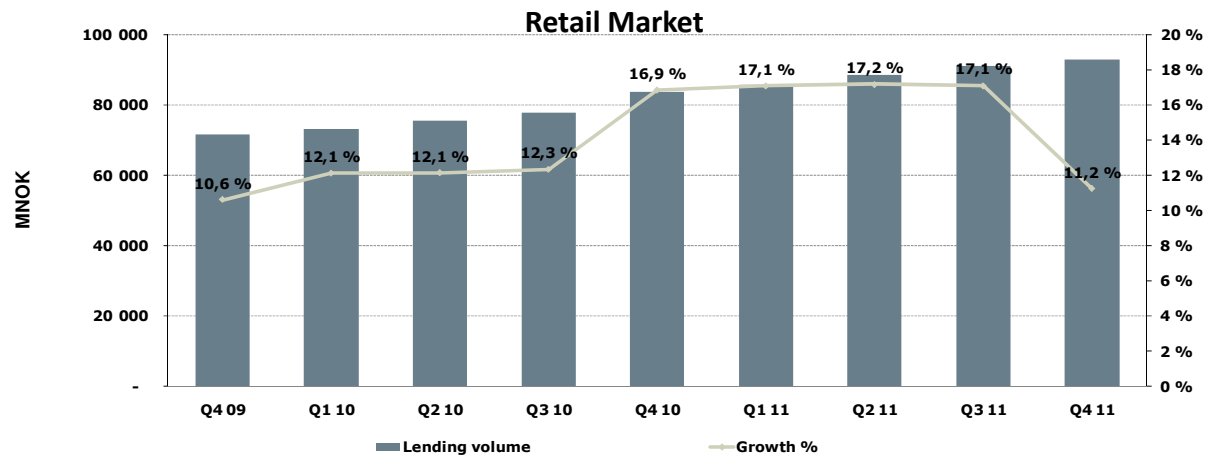
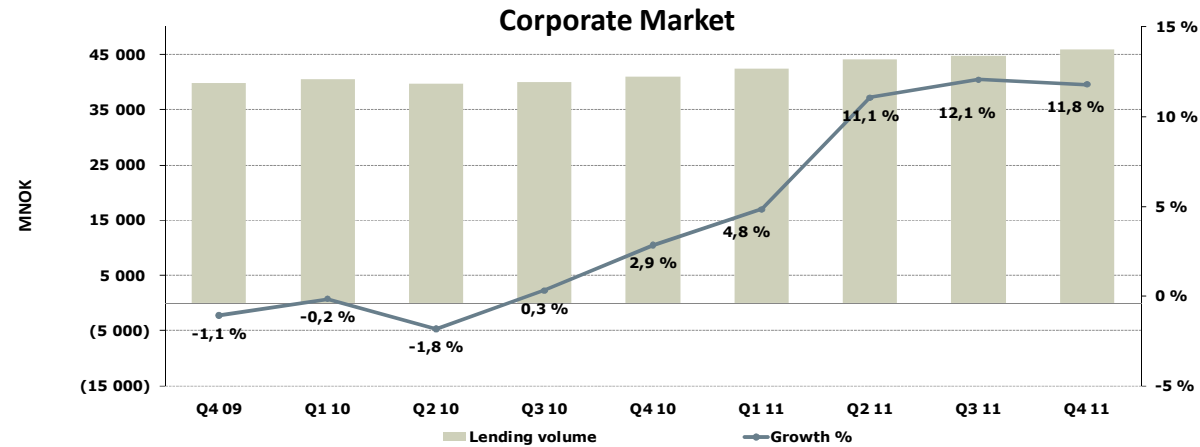


LENDING AND DEPOSIT MARGINS

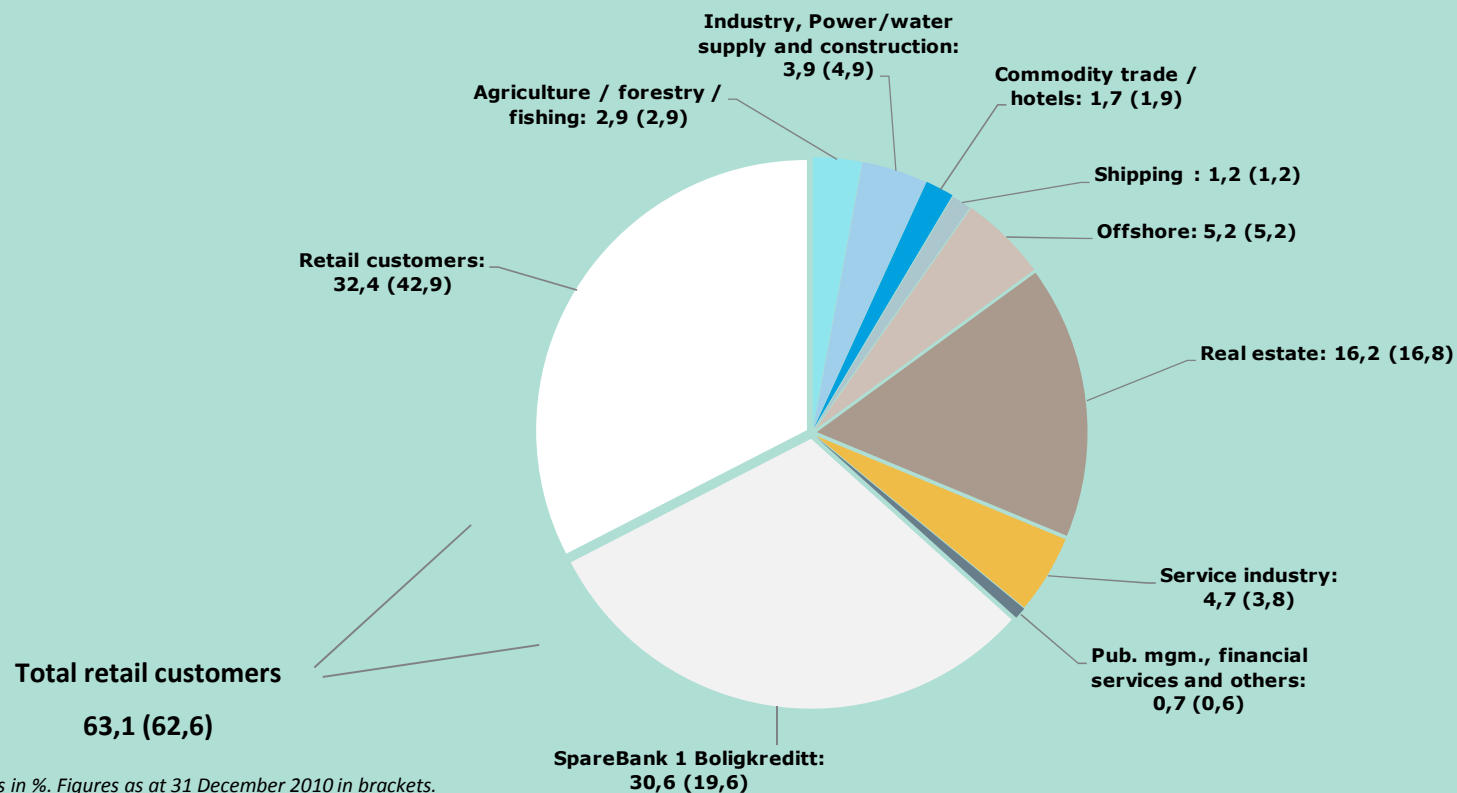


*Definition: Average customer interest rate less 3-month moving average for 3-month NIBOR
Lending margins include margins from mortgage companies*

LENDING VOLUME AND 12 MONTH GROWTH

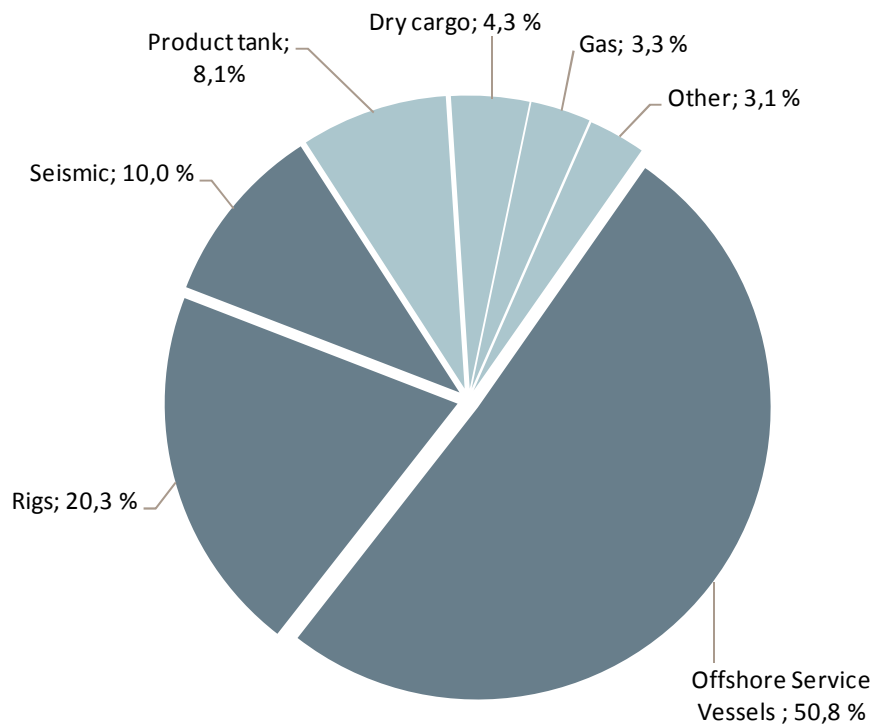


LOAN PORTFOLIO AS AT 31 DECEMBER 2011



All figures in %. Figures as at 31 December 2010 in brackets.
 Lending before individual writedowns, nominal amounts, and excluding unallocated accrued interest.
 Sector allocation in accordance with the standard categories from Statistics Norway.

EXPOSURE TO SHIPPING/OFFSHORE



Exposure in the segment includes both loans and guarantees.

Total exposure (loans and guarantees) to shipping and offshore is NOK 11.2 billion

81% of this exposure is to the offshore segment and includes:

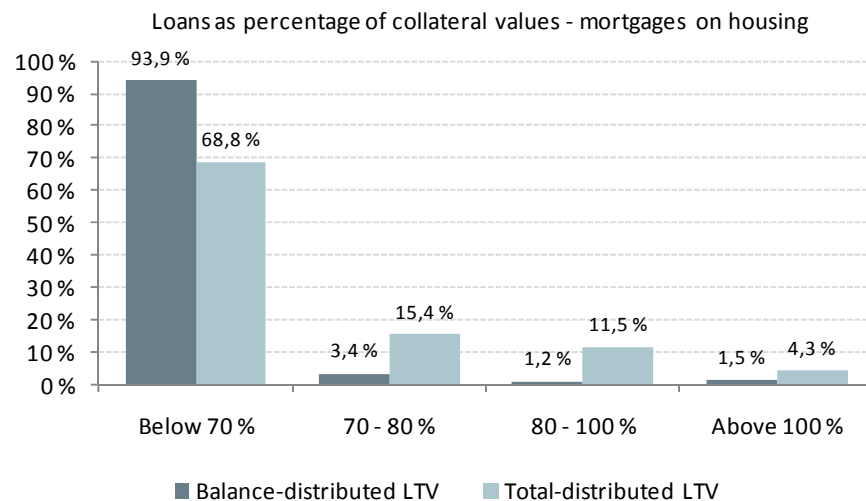
- Offshore Service Vessels (OSV)
- Rigs
- Seismic

Exposure to conventional shipping amounts to 19%, corresponding to 1,2% of total loans.

All exposure to the rig segment is via participation in syndicates.

LOAN TO COLLATERAL VALUE RATIO MORTGAGE LOANS

MODERATE BORROWING IN GENERAL IN RELATION TO THE VALUE OF THE COLLATERAL



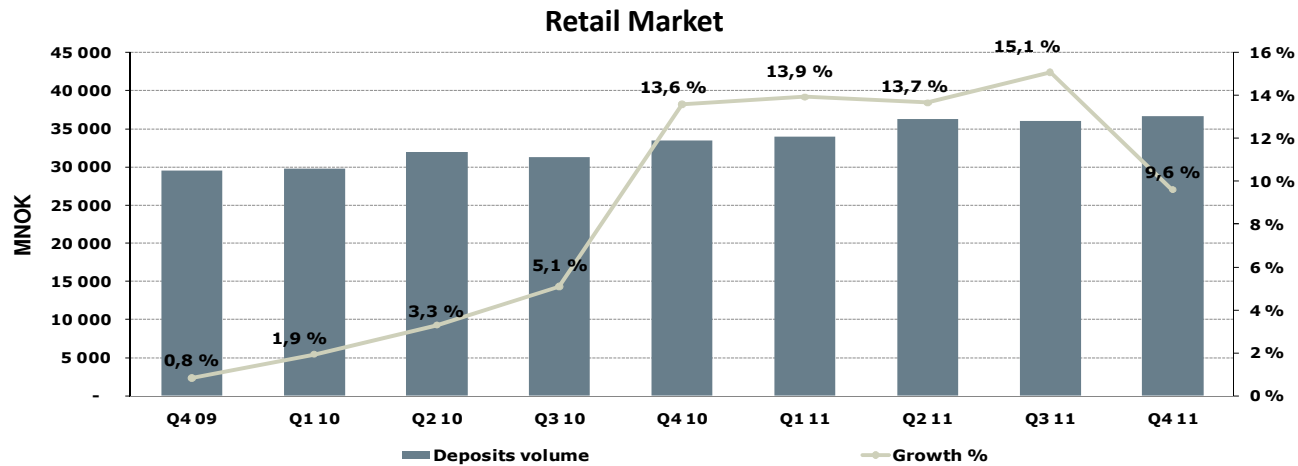
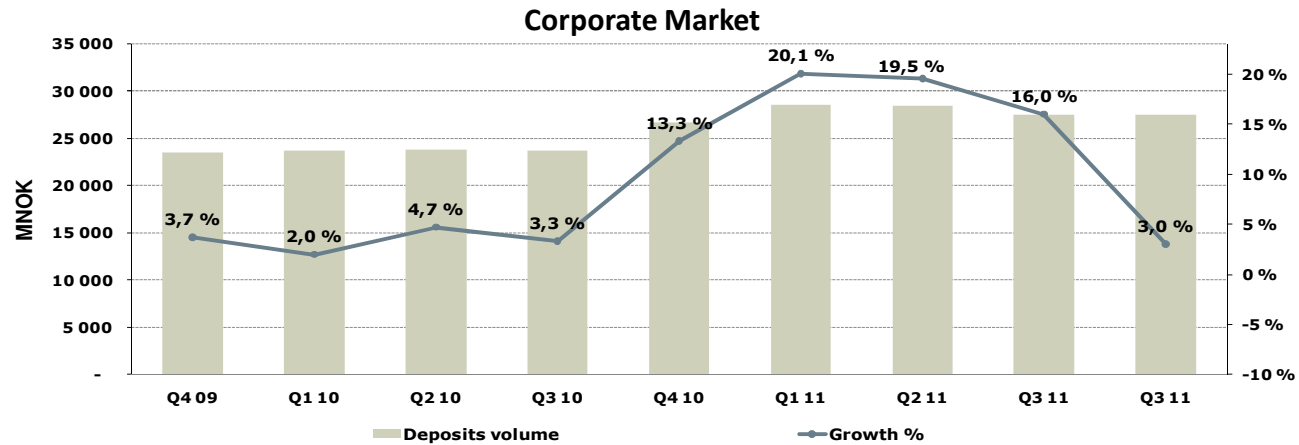
Around 6 % of the exposure exceeds 70% of the collateral value.

In the case of new customers, the market value of the mortgage object is updated for the first time 3 years after being granted. After 3 years the market value is updated on a monthly basis.

The LTV is calculated based on the market value of the collateral. In a balance-distributed LTV, for loans that exceed 60% of the collateral's market value, the excess amount is distributed among the other intervals. In a total-distributed LTV, the entire loan is allocated to one and the same interval.

The figures includes portfolios sold to SpareBank 1 Boligkreditt AS.

DEPOSITS VOLUME AND 12 MONTH GROWTH



NET COMMISSION AND OTHER INCOME

<i>MNOK</i>	31.12 2011	31.12 2010	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10
Payment facilities	205	200	52	53	51	48	50
Savings/placements	136	135	34	29	37	36	34
Insurance products	153	113	53	34	34	33	33
Commission income real estate (EM1)	426	369	106	102	122	96	97
Guarantee commission	78	57	19	24	17	19	15
Arrangement- and customer fees	78	34	25	11	28	14	11
Other	28	36	2	6	14	6	14
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	1 105	944	291	259	302	253	254
Commission income SB1 Boligkreditt and SB1 Næringskreditt	87	157	14	22	23	28	29
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	1 192	1 101	305	281	325	281	283

NET RETURN ON INVESTMENT SECURITIES

<i>MNOK</i>	31.12 2011	31.12 2010	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10
Dividend	21	47	1	1	13	6	0
Investment income, associates	209	267	67	33	58	51	94
Securities gains/losses	-48	146	6	-34	-36	17	53
- of which capital change in shares and certificates	-35	135	8	-38	-33	28	71
- of which capital change in certificates and bonds	-13	11	-3	4	-3	-11	-18
Currency/interest gains/losses	137	111	37	7	38	54	36
- of which currency customer- and own-account trading	137	132	33	43	31	30	28
- of which IFRS-effects	-	-21	4	-36	7	25	8
Net return on investment securities	319	571	111	7	73	128	183

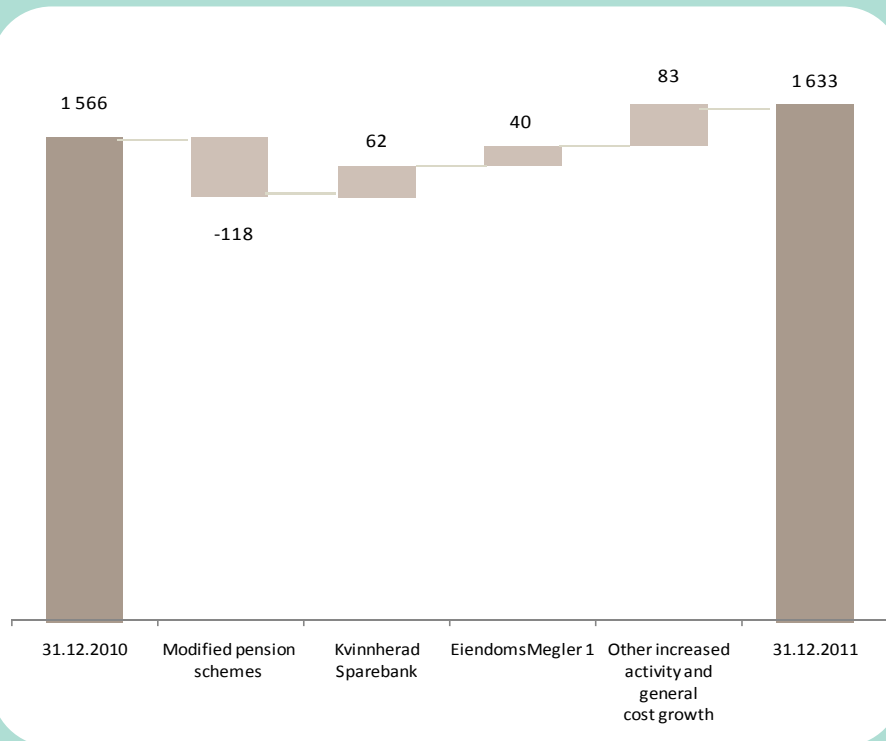
SUBSIDIARIES

<i>MNOK</i>	31.12.11	31.12.10
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	7 502	7 183
Operating profit before taxes	91,0	58,6
SpareBank 1 SR-Finans AS		
Total assets (BNOK)	5,4	5,0
Operating profit before taxes	99,9	77,8
SR-Forvaltning AS		
Portfolio (BNOK)	5,9	6,2
Operating profit before taxes	27,4	20,9
Other		
Operating profit before taxes	13,3	0

OWNERSHIP INTERESTS

<i>MNOK</i>	31.12.11	31.12.10
SpareBank 1 Gruppen AS <i>(19,5% interest ownership)</i>		
Profit after tax	95,9	165,8
SpareBank 1 Boligkreditt AS <i>(34,4 % interest ownership)</i>		
Profit after tax	23,8	25,2
SpareBank 1 Næringskreditt AS <i>(30,7 % interest ownership)</i>		
Profit after tax	7,3	1,7
Bank 1 Oslo AS <i>(19,5% interest ownership)</i>		
Profit after tax	15,2	36,9
BN Bank ASA <i>(23,5% interest ownership)</i>		
Profit after tax	36,1	33,1
Amortised	28,2	6,8
Other		
Operating profit after tax	2,3	-2,7
Total owner interests		
Profit after tax	208,8	269,5

OPERATING COSTS – GROUP



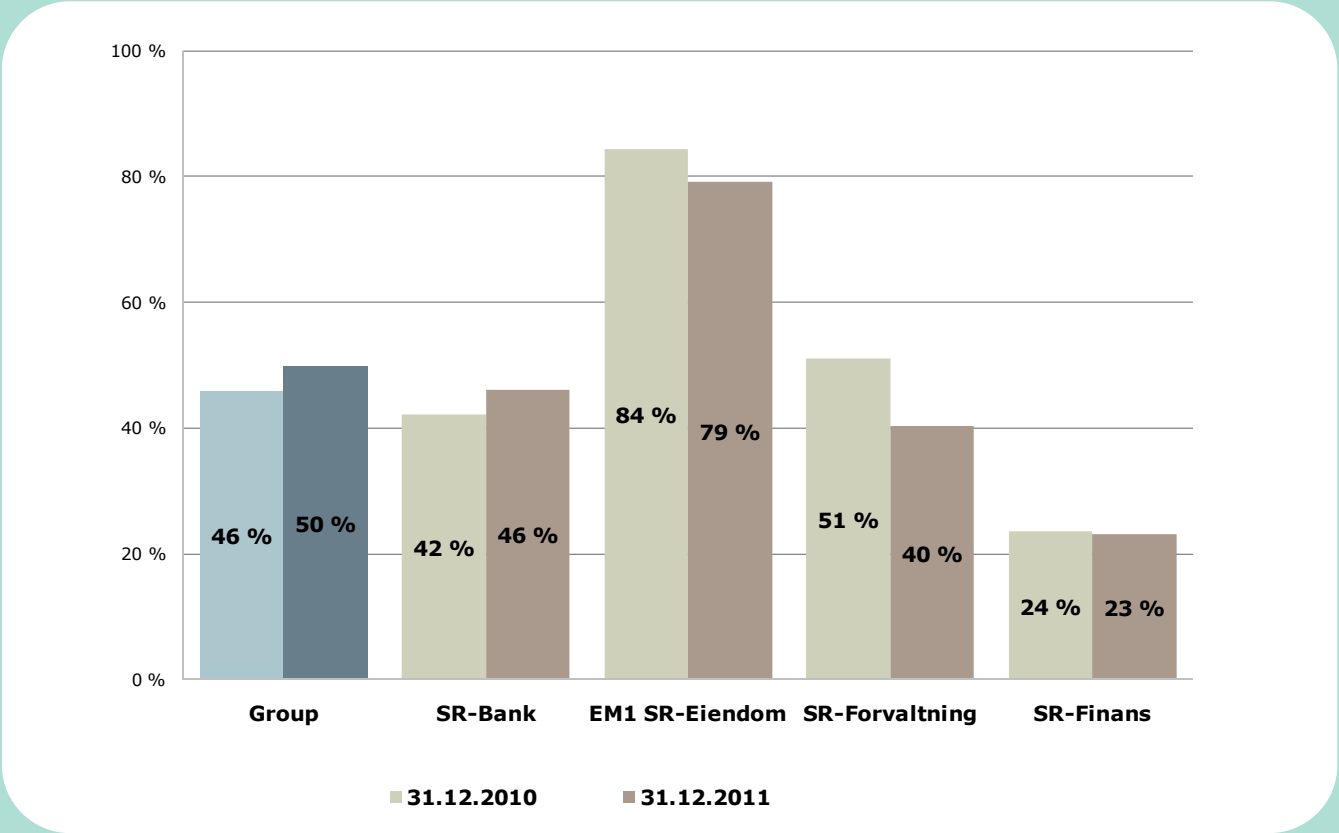
Changed provisions/net contractual pension (AFP) items and one-time effects linked to the new pension schemes in 2011 reduced personnel costs in 2010 and 2011 by NOK 106 million and NOK 224 million, respectively.

A large proportion of the Group's increase in costs can be attributed to the merger with Kvinnherad Sparebank and increased costs in EiendomsMegler 1 SR-Eiendom AS related to acquisitions and a higher level of activity.

An increased level of activity in the parent bank's divisions also resulted in higher costs.

The underlying growth in costs from 2010 to 2011 was approx. 5%.

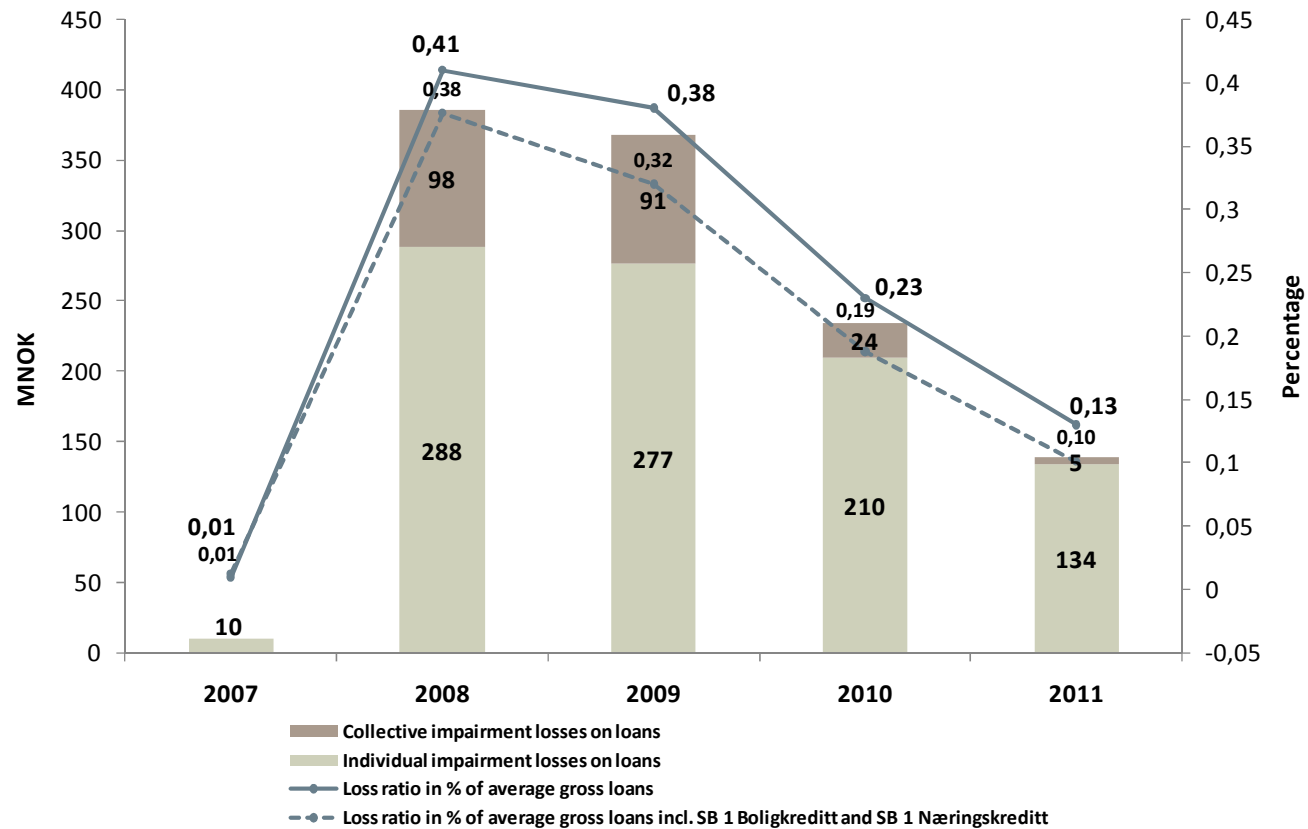
COST RATIO



IMPAIRMENT LOSSES ON LOANS AND GUARANTEES

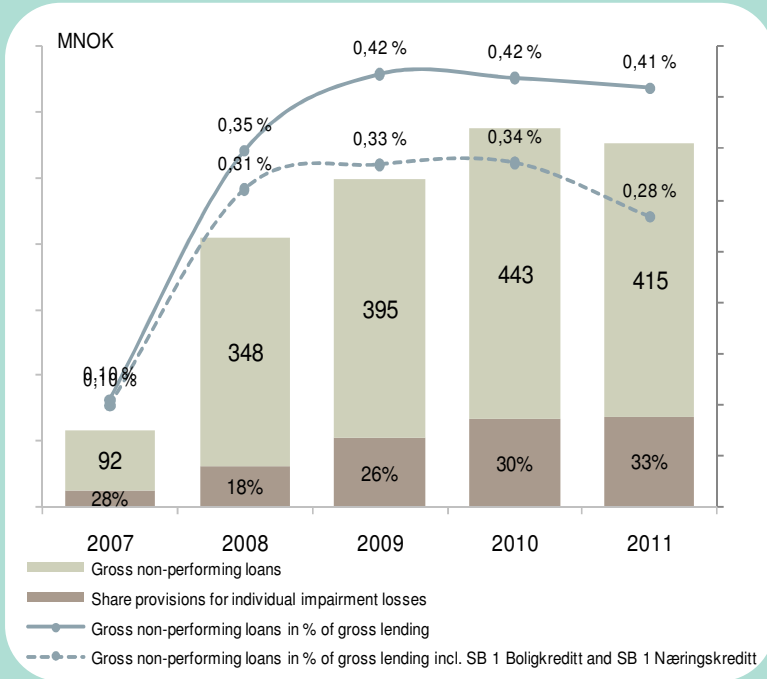
<i>Losses on loans in income statement (MNOK)</i>	31.12 2011	31.12 2010	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Corporate customers	87	200	-11	14	10	75	66
Retail customers	47	10	35	3	3	5	2
Change in collective impairment losses on loans	5	24	21	13	-	-29	3
Net impairment losses on loans	139	234	45	30	13	51	71
	31.12 2011	31.12 2010	31.12 2011	30.09 2011	30.06 2011	31.03 2011	31.12 2010
<i>Impairment losses on loans (MNOK)</i>							
Individual impairment losses on loans	420	402	420	415	422	470	402
Collective impairment losses on loans	362	357	362	341	328	328	357
Total impairment losses on loans	782	759	782	756	750	798	759

IMPAIRMENT LOSSES ON LOANS

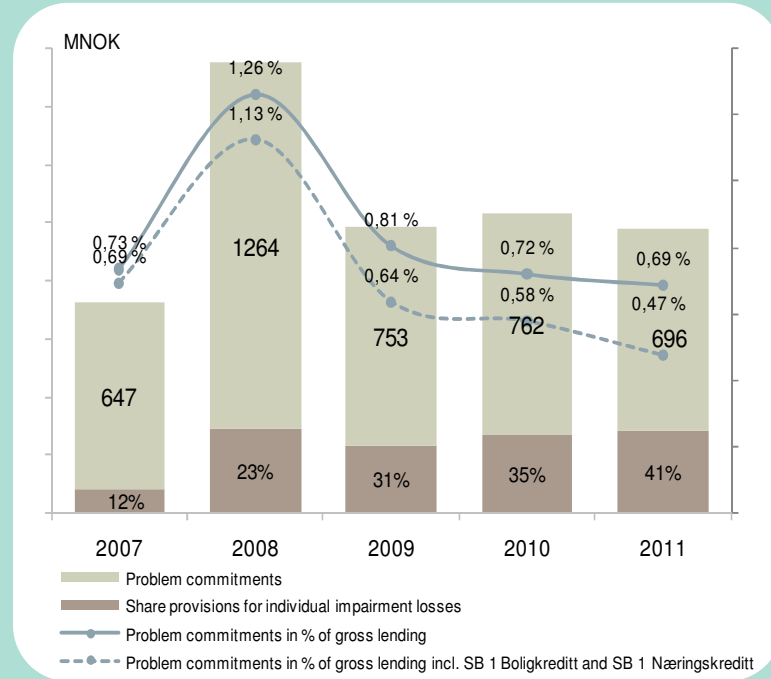


PROBLEM AND NON-PERFORMING COMMITMENTS

Non-performing commitments



Performing problem commitments

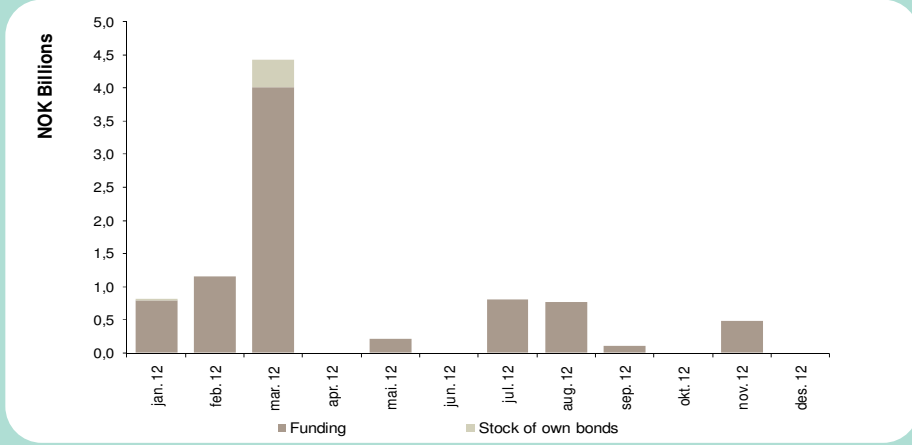


Gross non-performing commitments – non-performing loans before deduction of individual write-downs. Non-performing loans in default over 90 days

Problem commitments – commitments that have been written down, but are not in default, where there is objective proof of an impairment in value as a result of loss incidents registered for the debtor that are assessed to reduce the loan's future cash flow.

FUNDING AND LIQUIDITY MANAGEMENT

Funding maturity over the next 12 months

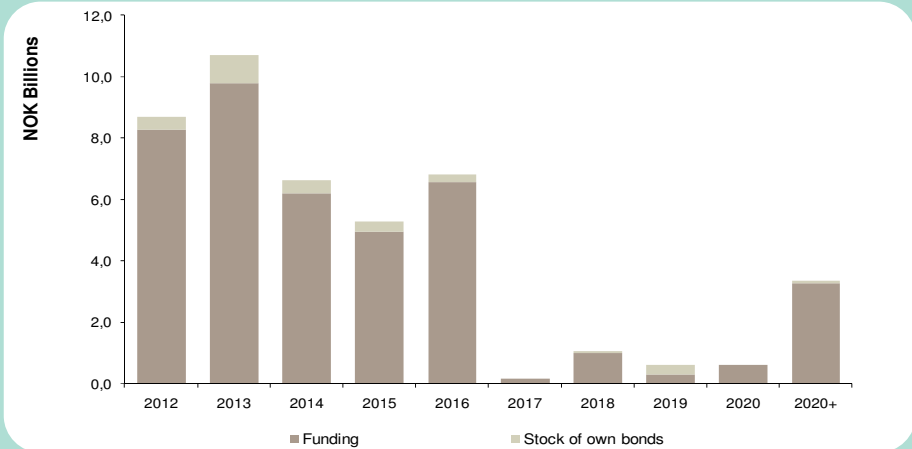


Good liquidity and access to the market.

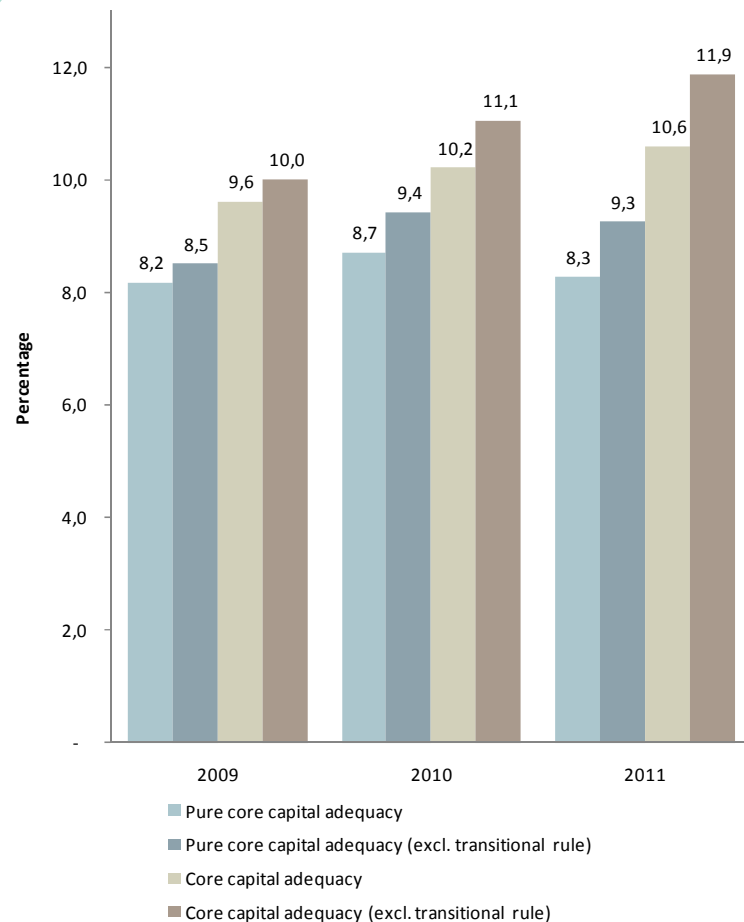
Liquidity buffer of NOK 18.2 billion as at 31 December 2011.

Net refinancing need over the next 12 months is NOK 8.3 billion.

Annual funding maturity



SOLVENCY



At year-end 2011, the core capital ratio was 10.6 %.

Due to transitional rules the minimum capital adequacy requirements may up to 2015 be reduced to no less than 80% in accordance with the Basel I rules.

SpareBank 1 SR-Bank's target for core capital adequacy during 2012 is that it should be a minimum of 10%, while pure core capital adequacy should be a minimum of 9%.

Pensions are booked in accordance with IAS 19 and resulted in increased volatility in book equity and capital adequacy.

Proforma pure core capital adequacy as at 31 December 2011, incl. issue of around 9.7%.

SHARE ISSUE

- Fully guaranteed rights issue of up to NOK 1,500 million.
- Sparebankstiftelsen SR-Bank, Gjensidige ASA and companies in the SpareBank 1 Alliance are primary guarantors. The bank's other largest shareholders will be offered a place in the future syndication of the primary guarantee.
- The employee issue of up to NOK 130 million is not guaranteed. The previous employee issue in 2009 raised around NOK 30 million.
- The final subscription terms will be set immediately prior to the start of the subscription period, which is expected in the second half of May. The subscription price will be adjusted to conditions in the market.
- Effect directly on core capital adequacy from middle of June.
- SR-Markets, Arctic Securities, Pareto Securities and SpareBank 1 Markets will facilitate it. SR-Markets coordinator and issue manager
- Extensive marketing to bank's 12,000 shareholders to ensure everyone takes advantage of the value of the subscription rights.

INDICATIVE TIMETABLE

11 April

Expected payment of dividend for 2011 accounting year

3 May

Presentation of result for Q1 2012

9 May

Board proposes final subscription terms for issue

9 May

Extraordinary general meeting in Sparebank 1 SR-Bank ASA adopts issue and subscription terms

10 May

Existing shares sold excl. rights issue

18 May – 1 June

Roadshow and subscription period, sales period of rights issue

7 June

Allocation of shares in rights issue and employee issue

12 June

Payment of subscribed and allocated shares

Approx. 19 June

Registration of new share capital and issuing of new shares

Approx. 19 June

First trading day for new shares on Oslo Børs

APPENDIX

FROM ROGG TO SRBANK 2 JANUARY 2012

CONVERSION FROM EQUITY CERTIFICATES TO SHARES

Ownership interests as at 31 December 2011:

- From Rogaland, Agder counties and Hordaland: 46.8% (47.5%)
- From abroad: 9.6% (9.7%)
- 10 largest: 33.5% (33.5%)
- 20 largest: 40.3% (43.0%)

Number of owners as at 31 December 2011: 11,887 (12,031)

Group employees owned 3.5% of the equity certificates at year-end 2011.

Trading volume in Q4 2011: 3.4% (3.3%) of the total number of outstanding certificates

	31.12.2011	2010	2009	2008	2007
Market price	40,70	57,00	50,00	27,08	55,21
Stock value (MNOK)	8 119	7 257	6 047	2 434	4 702
Book value per share, NOK (group)	48,75	47,45	42,07	37,23	37,64
Book value per share, NOK (parentbank)	42,81	41,80	36,85	32,06	34,02
Earnings per share	5,42	6,84	6,88	3,00	6,54
Dividend per share	1,50	2,75	1,75	0,83	3,96
P/E	7,51	8,33	7,27	9,03	8,44
P/BV (group)	0,83	1,20	1,19	0,73	1,47
P/BV (parentbank)	0,95	1,36	1,36	0,84	1,62

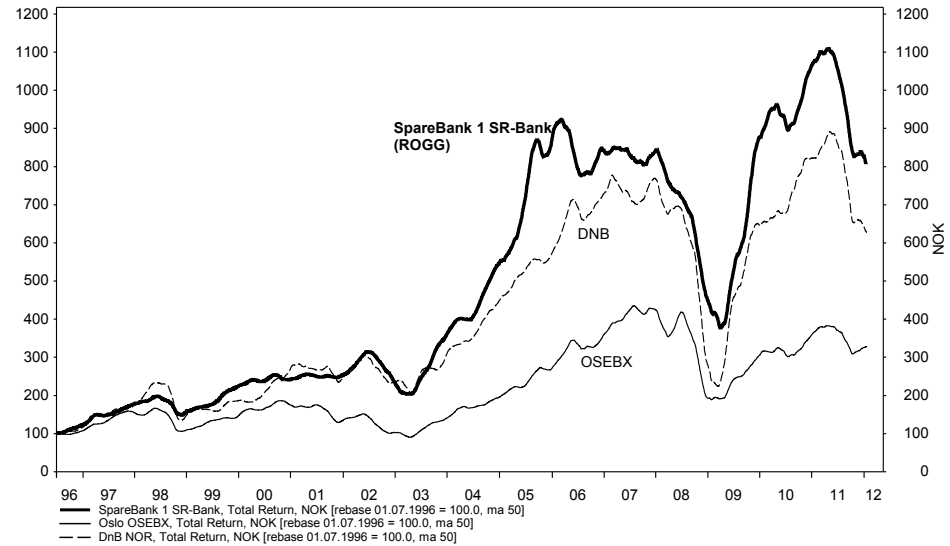
(Figures in brackets are for same period in 2010)

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).

20 LARGEST SHAREHOLDERS AS 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 KVINNHERAD	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%

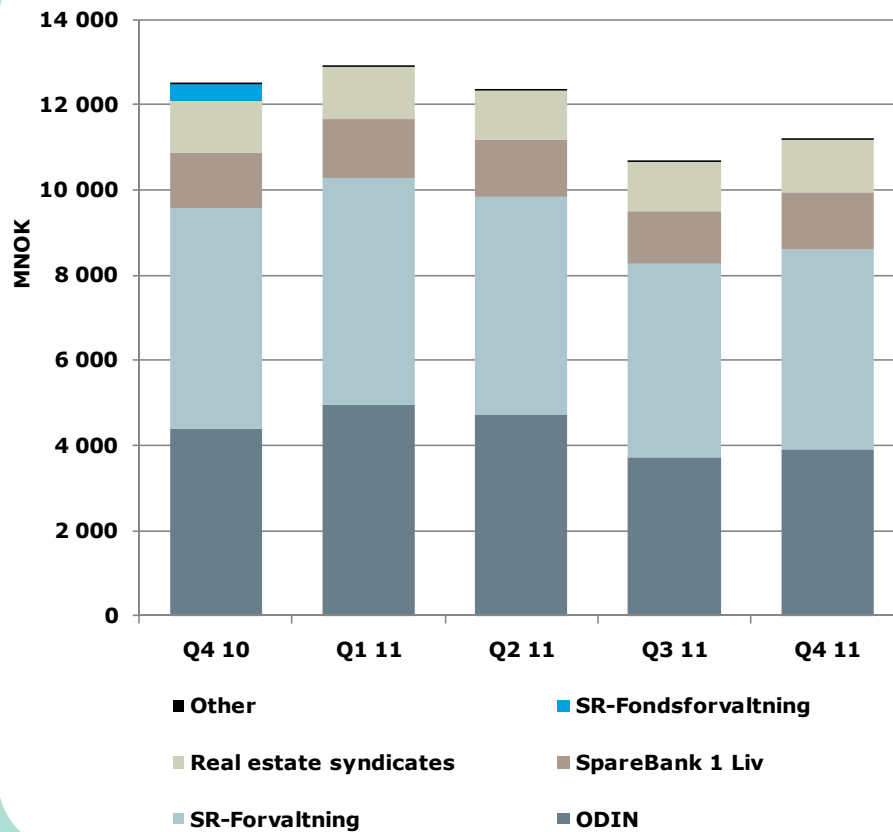
PRICE PERFORMANCE 1996–2011 EFFECTIVE RETURN (DIVIDENDS REINVESTED)



RATING

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Stable	Outlook	Stable Outlook
	9th january 2012		25th march 2011

SAVINGS/PLACEMENTS – PORTFOLIO DEVELOPMENT



Assets under management of NOK 11.2 billion

as at 31 December 2011

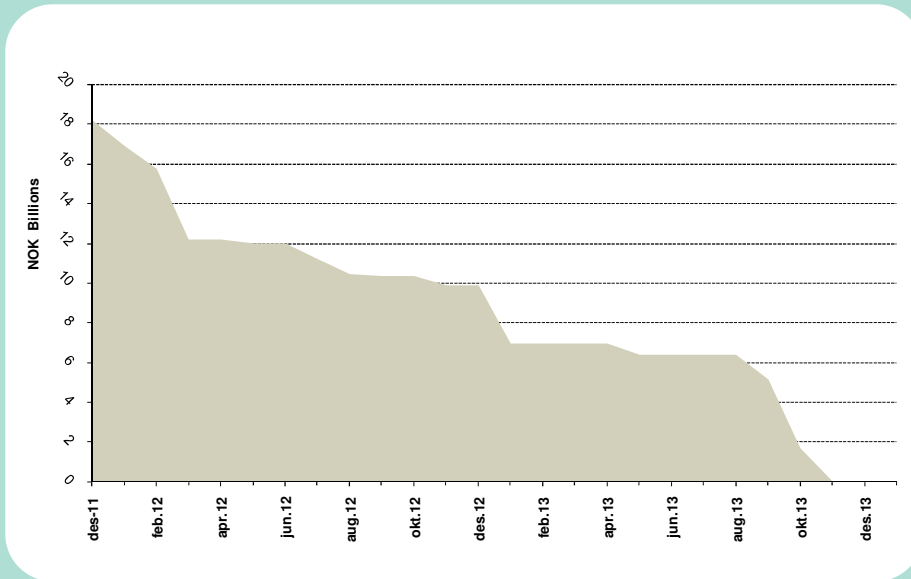
- Reduced from NOK 12.5 billion as at 31 December 2010
- 56,955 active savings contracts - NOK 44.0 million in monthly savings

Most of the assets are managed by SR-Forvaltning and ODIN Forvaltning

SR-Fondsforvaltning sold to ODIN Forvaltning with effect from 1 January 2011

LIQUIDITY BUFFER AND BOND PORTFOLIO

Liquidity buffer - survival period



Liquidity buffer: cash, short-term investments, drawing rights in Norges Bank (bonds, including covered bonds) and home mortgage loans that are currently ready to be transferred to Boligkreditt.

Providing deposits and lending remain unchanged, with no new borrowing during the period.

Category	Market value MNOK	Share	Of which, securities classified to amortised cost MNOK
Norwegian state/municipal	3 439	29 %	78
Foreign covered bonds	1 789	15 %	0
Norwegian covered bonds	4 927	41 %	0
Norwegian bank/finance	661	6 %	75
Foreign bank/finance	594	5 %	513
Other Norwegian bonds	454	4 %	0
Industry	50	0 %	50
Total	11 914	100 %	716

SECURITIES INVESTMENTS

Risk profile in bond portfolio

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

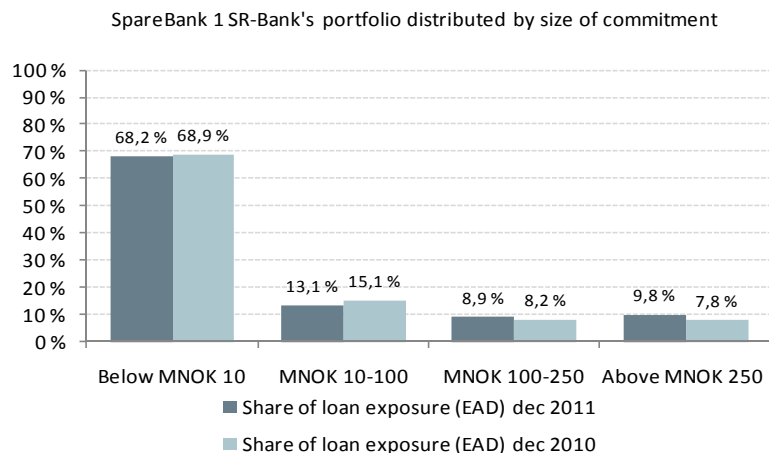
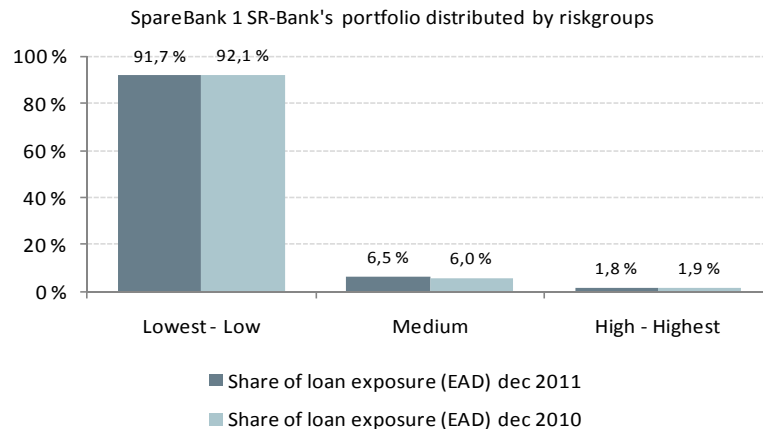
Risk categories	Rating	Market value NOK million	Percentage Trading
Very low risk	AAA, AA+, AA and AA-	0	0 %
Low risk	A+, A and A-	10	2 %
Moderat risk	BBB+, BBB and BBB-	117	21 %
High risk	BB+, BB and BB-	247	45 %
Very high risk	B+ and lower	177	32 %
Total		551	100 %

The bank has no exposure to the sovereign debt of peripheral EU countries

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 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%.

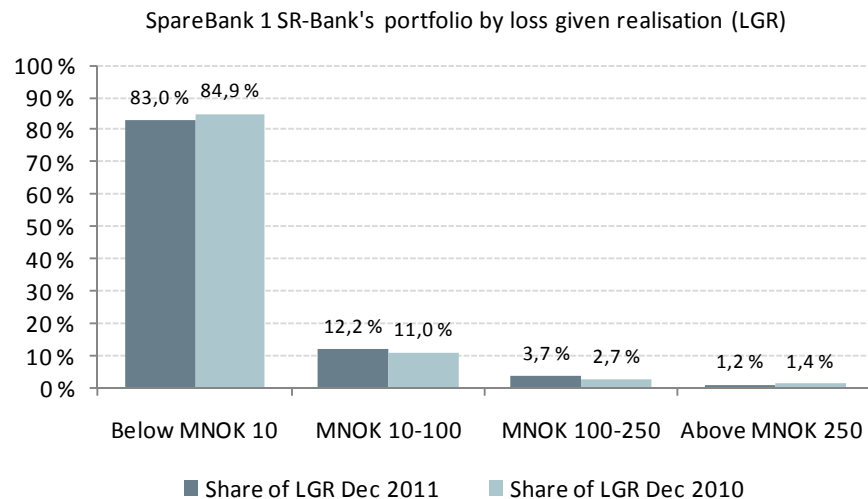
Exposure to high or highest risk accounts for 2% of the bank's loan exposure. Expected losses in this portion of the portfolio are 4.2%.

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.

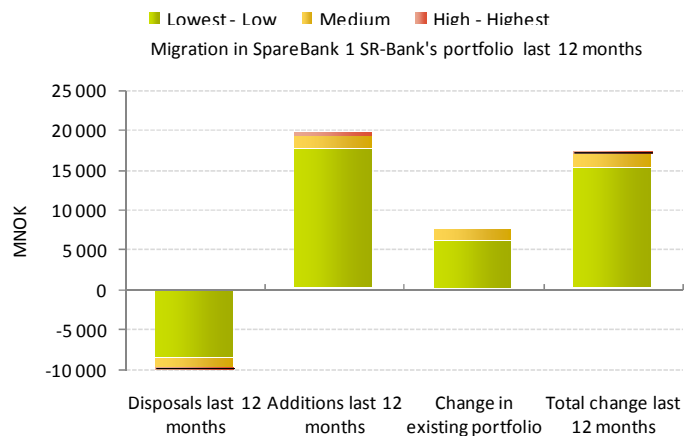
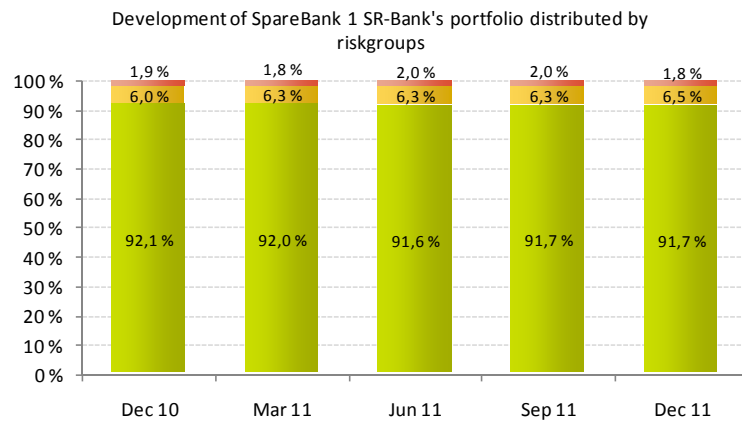
There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

LGR (Loss given realisation). Calculated potential loss of an individual commitment. Equals LGD without statistical correction 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 includes portfolios sold to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt 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.

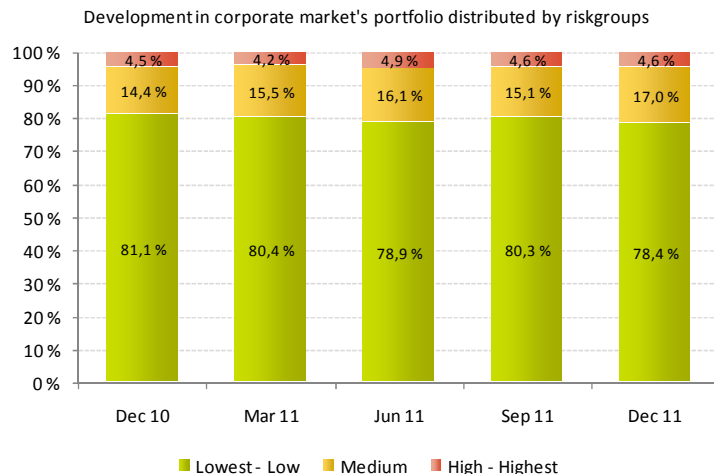
Measurement of risk exposure is based on a long-term average over a business cycle. This implies greater stability in default estimates.

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%

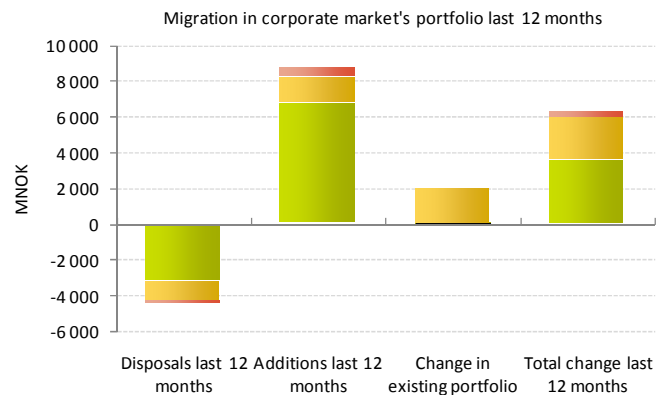
RISK PROFILE IN THE CORPORATE MARKET PORTFOLIO

THE QUALITY OF THE PORTFOLIO IS GOOD



The quality of the corporate market portfolio is considered good.

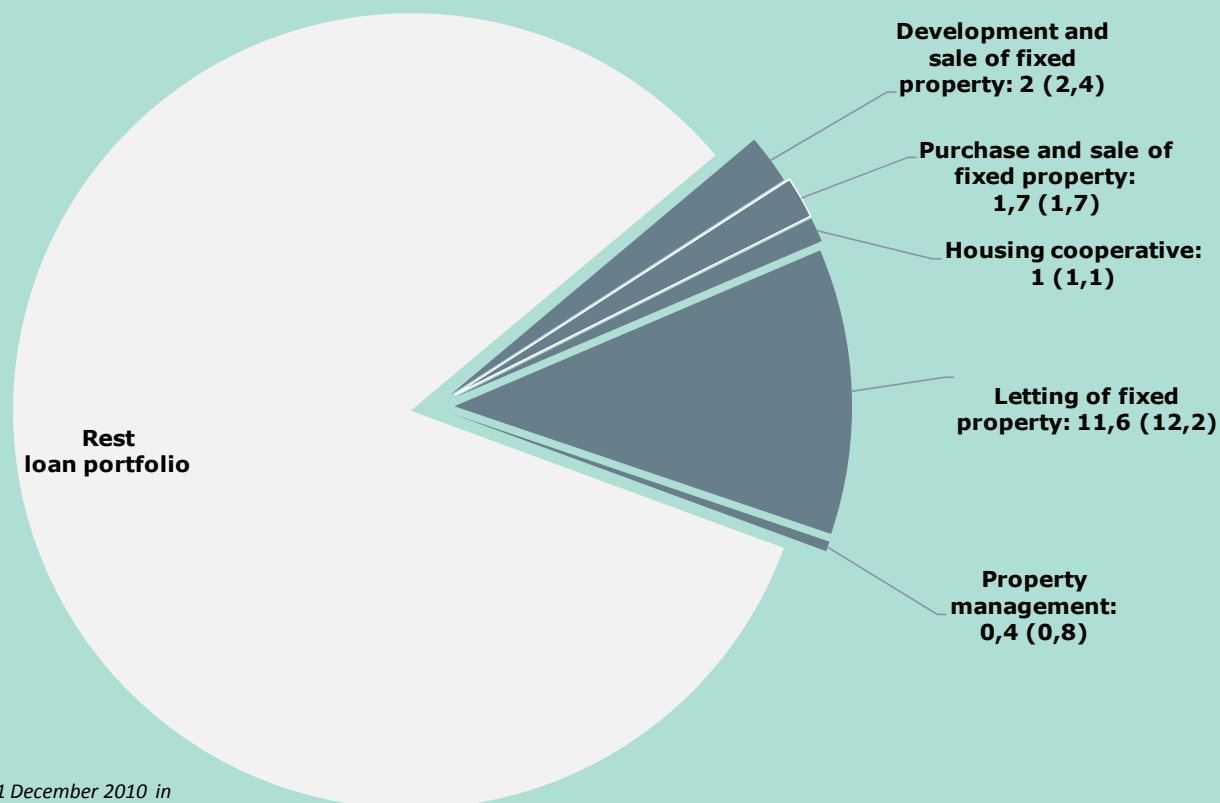
The portfolio's risk profile continues to show relatively stable development.



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

LOANS TO THE CORPORATE MARKET

LOANS TO THE COMMERCIAL PROPERTY SECTOR



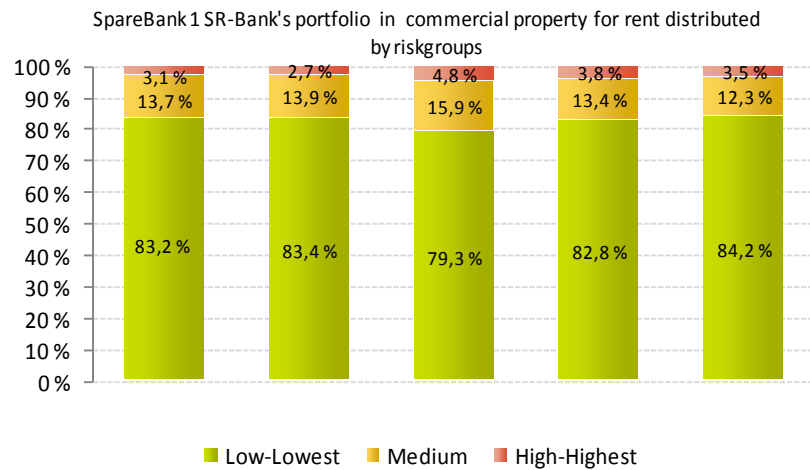
All figures in percentages. Figures as at 31 December 2010 in brackets.

Lending before individual writedowns, nominal amounts, and excluding unallocated accrued interest.

Sector allocation in accordance with the standard categories from Statistics Norway.

PORTFOLIO OF COMMERCIAL PROPERTY FOR RENT

THE PORTFOLIO IS DOMINATED BY LOW RISK COMMITMENTS.



The portfolio of commercial property for rent represents the Group's largest concentration in a single sector and accounts for around 10% of the total exposure (EAD) including retail market customers.

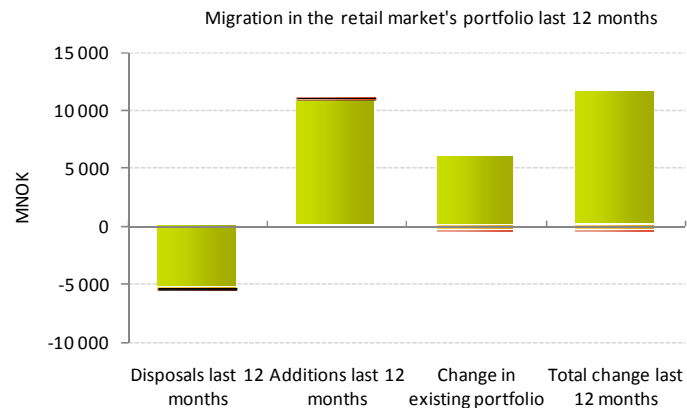
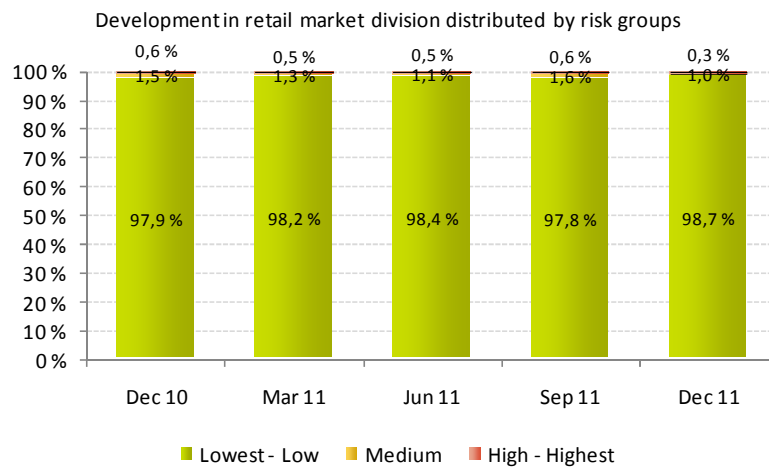
The portfolio of commercial property for rent is dominated by low risk commitments. 84% of the exposure is classified as low risk, while 4% is classified as high risk.

The portfolio is marked by long-term leases with financially solid tenants. The vacancy rate is low. Interest rates for a significant portion of the portfolio have been hedged.

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

RETAIL MARKET – RISK PROFILE

POTENTIAL LOSSES ARE LOW



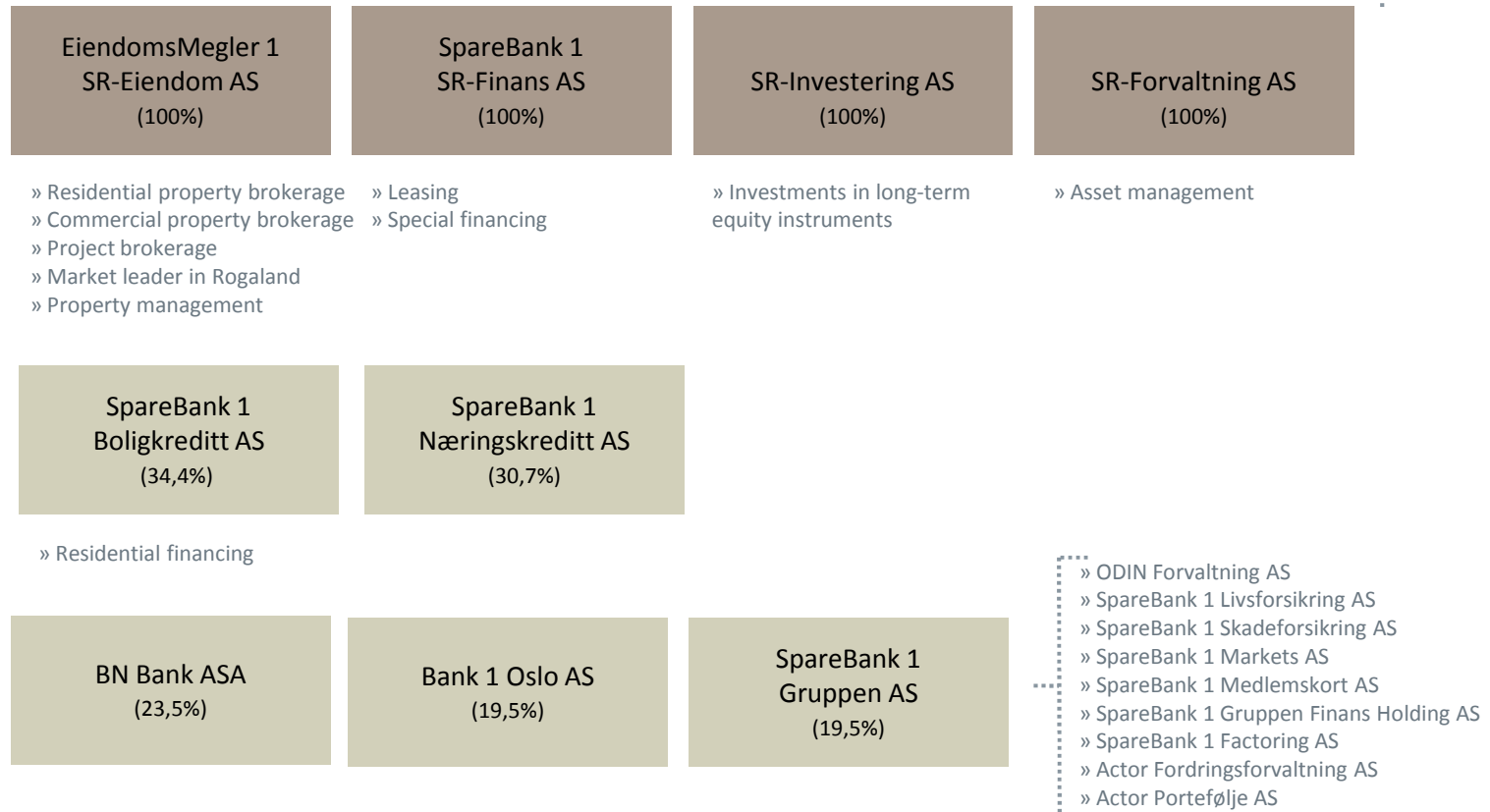
The quality of the retail market portfolio is very good.

The development is characterised by stability and the low risk profile has been maintained.

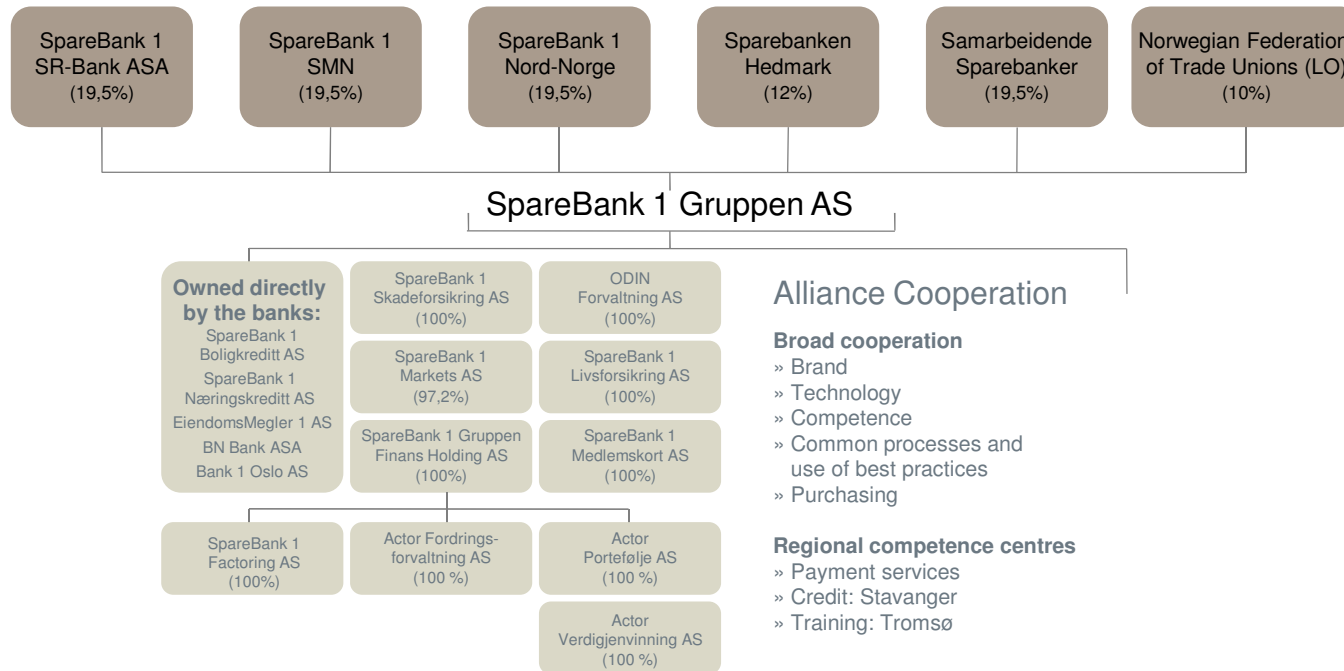
Most of the portfolio is secured by mortgages on real estate, and the LTV is, for the most part, moderate. This implies that potential losses are limited as long as the values are not significantly impaired.

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

SPAREBANK 1 SR-BANK



SPAREBANK 1 ALLIANCE STRUCTURE



RECOMMENDED BY THE CUSTOMER

SPAREBANK 1 SR-BANK'S STRATEGY

We shall be southern and western Norway's most attractive supplier of financial services

Based on:

- Good customer experiences
- Strong team spirit and professionalism
- Local roots and decisiveness
- Financial strength, profitability and confidence in the market

VÅR HENSIKT

SpareBank 1 SR-Bank shall create value for the region of which we are part

OUR VALUES

"Courage to speak your mind, strength to create"

By being

- Able to view things in a long-term perspective
- Open and sincere

By showing

- Responsibility and respect
- A will and an ability to improve

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