

FOURTH QUARTER 2012
SUPPLEMENTARY INFORMATION
FOR INVESTORS & ANALYSTS

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

Financial Calendar 2013

Preliminary result and fourth quarter 2012	8 February
First quarter 2013	2 May
Second quarter 2013	14 August
Third quarter 2013	31 October

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1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q4 2012

- Profit before tax: NOK 458 million (NOK 490 million)
- Profit after tax: NOK 344 million (NOK 337 million)
- Return on equity after tax: 11.2 % (13.9 %)
- Earnings per share: NOK 1.35 (NOK 1.73)
- Net interest income: NOK 480 million (NOK 448 million)
- Net commission and other income: NOK 411 million (NOK 305 million)
- Net income from financial investments: NOK 97 million (NOK 111 million)
- Operating expenses: NOK 504 million (NOK 329 million)
- Impairment losses on loans: NOK 26 million (NOK 45 million)
(Q4 2011 in parentheses)

As at 31 December 2012

- Profit before tax: NOK 1,761 million (NOK 1,495 million)
- Profit after tax: NOK 1,361 million (NOK 1,081 million)
- Return on equity after tax: 12.4 % (11.2 %)
- Earnings per share: NOK 5.32 (NOK 5.42)
- The Board proposes a dividend of NOK 1.50 (NOK 1.50) per share
- Net interest income: NOK 1,742 million (NOK 1,756 million)
- Net commission and other income: NOK 1,466 million (NOK 1,192 million)
- Net income from financial investments: NOK 578 million (NOK 319 million)
- Operating expenses: NOK 1,888 million (NOK 1,633 million)
- Impairment losses on loans: NOK 137 million (NOK 139 million)
- Growth in lending over the last 12 months: 7.8 % (11.2 %)
- Growth in deposits over the last 12 months: 5.5 % (5.4 %)
- Core capital ratio: 12.1 % (10.6 %)
- Core Tier 1 capital: 10.0 % (8.3 %)
(Full year 2011 in parentheses)

Income statement

<i>MNOK</i>	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Net interest income	480	448	413	401	448	1.742	1.756
Net commission and other income	411	374	379	302	305	1.466	1.192
Net return on investment securities	97	192	87	202	111	578	319
Total income	988	1.014	879	905	864	3.786	3.267
Total operating expenses	504	466	440	478	329	1.888	1.633
Operating profit before losses	484	548	439	427	535	1.898	1.634
Losses on loans and guarantees	26	43	34	34	45	137	139
Operating profit before tax	458	505	405	393	490	1.761	1.495
Tax expense	114	107	102	77	153	400	414
Profit after tax	344	398	303	316	337	1.361	1.081

Key figures

	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Return on equity ¹⁾	11,2 %	13,6 %	11,8 %	12,9 %	13,9 %	12,4 %	11,2 %
Cost ratio ²⁾	51,0 %	46,0 %	50,1 %	52,8 %	38,1 %	49,9 %	50,0 %
Deposit-to-loan ratio	61,7 %	66,2 %	67,6 %	66,8 %	63,2 %	61,7 %	63,2 %
Growth in loans	8,0 %	0,6 %	-2,3 %	-4,1 %	-4,2 %	8,0 %	-4,2 %
Growth in loans incl. SB1 Boligkreditt and SB1 Næringskreditt	7,8 %	8,5 %	9,3 %	10,3 %	11,2 %	7,8 %	11,2 %
Growth in deposits	5,5 %	7,6 %	9,7 %	7,1 %	5,4 %	5,5 %	5,4 %
Average total assets, MNOK	140.555	139.002	136.674	132.949	132.392	137.212	133.629
Total assets, MNOK	141.543	138.663	139.615	134.683	131.142	141.543	131.142
Impairment losses ratio ³⁾	0,10	0,16	0,13	0,13	0,18	0,13	0,13
Capital adequacy ratio	13,1	12,0	11,9	11,0	11,4	13,1	11,4
Core capital ratio	12,1	11,5	11,4	10,5	10,6	12,1	10,6
Market price	37,20	36,90	32,10	41,00	40,70	37,20	40,70
EPS (group) ⁴⁾	1,35	1,56	1,19	1,58	1,73	5,32	5,42

¹⁾ Net profit as a percentage of average equity.

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

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

⁴⁾ Number of shares was increased on 18 June 2012 from 199,489,689 to 255,751,082 as a result of a capital expansion. Earnings per share as from 2nd quarter 2012 are calculated based on the new number of shares.

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

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

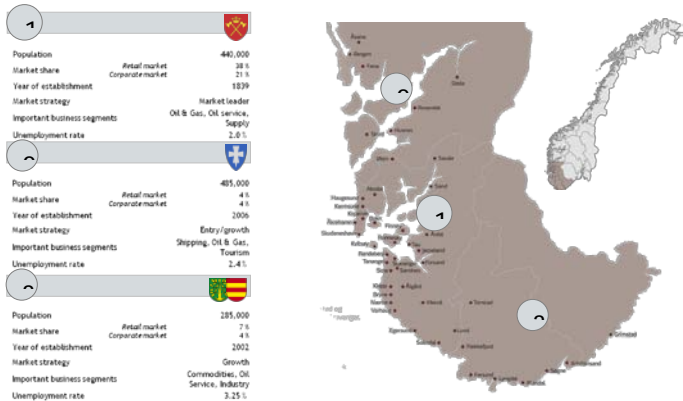


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank ASA is located in the South-Western part of Norway and is the second largest of the Norwegian-owned banks (after DNB) with gross lending including covered bond companies of NOK 158 billion as at 31 December 2012. Head office is in Stavanger. The market areas are the counties of Rogaland, Agder and Hordaland. SpareBank 1 SR-Bank ASA has about 1 200 employees and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

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

Retail Market

SpareBank 1 SR-Bank ASA is the leading retail customer bank in Rogaland, with about 255,000 retail customers and a market share in Rogaland of about 40 per cent. The division also serves agricultural clients, sole proprietorships and associations.

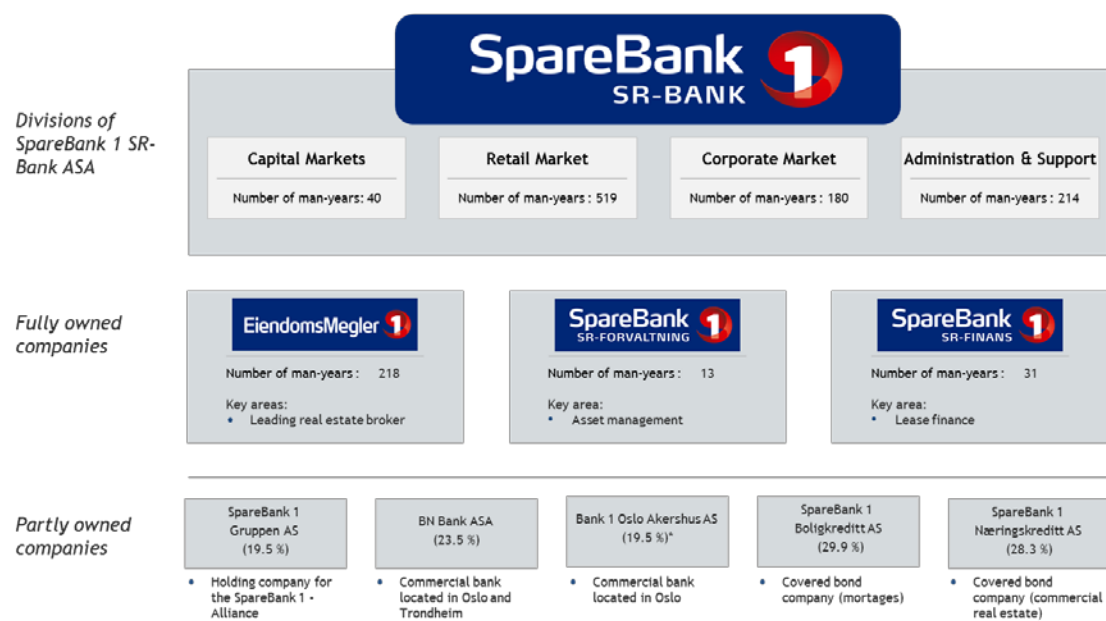
Corporate Market

SpareBank 1 SR-Bank ASA service about 8,600 customers in the business sector and public sector. These also include small businesses, agricultural customers, societies and associations. About 40 per cent of all businesses in the bank’s traditional market list SpareBank 1 SR-Bank ASA as their main bank.

Capital Market

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

SRBANK's activities



* As of 17.01.13 SpareBank 1 SR-Bank owns 4,8 % of Bank 1 Oslo Akershus AS

Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

MNOK	Retail market		Corporate market		Capital market	
	2012	2011	2012	2011	2012	2011
Operating profit before tax 4th quarter only	286	159	209	170	41	44
Operating profit before tax as at 31 December	1.038	717	777	671	196	147
Gross loans to customers excl. SB1 Boligkreditt and SB1 Næringskreditt as at 31 December 2012	54.526	49.655	47.148	45.147	0	0
Deposits from customers as at 31 December 2012	38.865	36.689	25.391	23.530	0	0

* not including subsidiaries

Vision and strategy

Our vision: Recommended by customers

Primary objective	Financial targets
<ul style="list-style-type: none">• SpareBank 1 SR-Bank ASA is committed to value creation in the bank's core market area• Sustainable contribution to the value creation process in the region through;<ul style="list-style-type: none">• Sustainable and profitable business model• Owner friendly and stable dividend policy	<ul style="list-style-type: none">• ROE 13-15 % in a normalized market• Top 50 % ROE and cost/income in a Nordic benchmark• Core Tier 1 capital coverage at minimum 10 %
Strategic goals	Strategic focus
<ul style="list-style-type: none">• Most attractive and preferred partner for financial services in South-Western Norway, based on;<ul style="list-style-type: none">• Good customer experience• Strong team spirit and professionalism• Local anchoring and local decisions• Solvency, profitability and trust by the market	<ul style="list-style-type: none">• Targeted customer growth and increased product mix• Innovative and continuing focus on efficiency• Expertise adapted to future customer needs• Sustainable and diversified funding mix

Figure 1.2.3: Vision and strategy

Legal and organizational structure

SpareBank 1 SR-Banks's various management and control bodies have all been established with respect to Norwegian legislation. The figure below shows an overview of current management and control bodies:

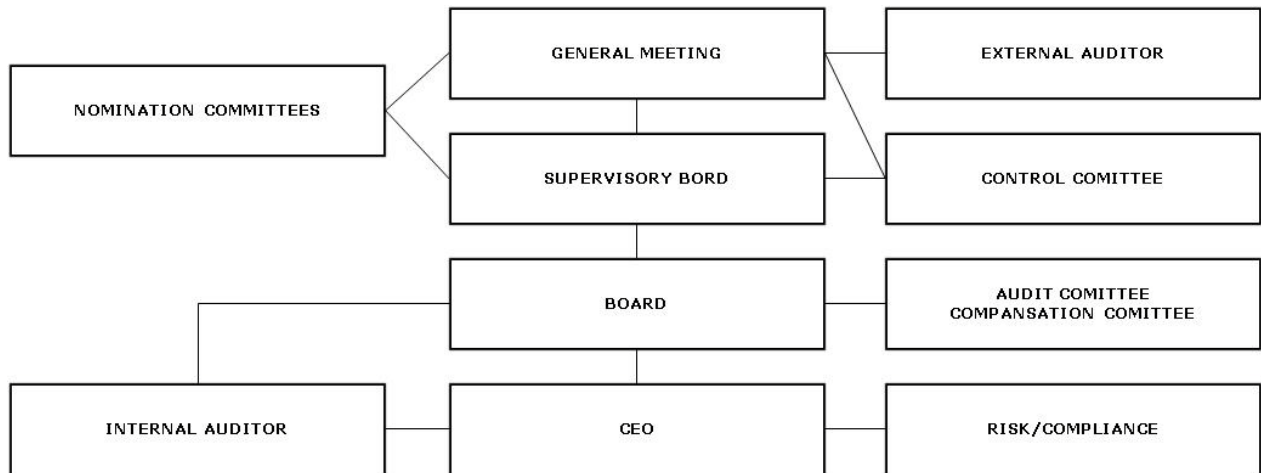


Figure 1.2.4: Overview of management and control bodies

General Meeting

Through the General Meeting, the shareholders exercise the highest level of authority at SpareBank 1 SR-Bank ASA. The Ordinary General Meeting elects the members of the Supervisory Board, the Control Committee and the Nomination Committee, as well as approving the annual financial statements, including the allocation of a surplus or coverage of a deficit for a year.

Supervisory Board

The Supervisory Board consists of 30 members and 15 deputy members. A total of 22 members and 11 deputy members are elected from among the shareholders and eight members and four deputy members are elected by and from among the employees.

The Supervisory Board conducts supervision of the administration by the Board of Directors and the CEO, elects the members and deputy members of the Board of Directors, elects the Nominating Committee, elects the auditor or auditing company, receives information on the operation and reviews extracts of SpareBank 1 SR-Bank's accounts and reports from the Control Committee, reviews the annual financial statements, annual report and auditor's report, and makes a statement to the General Meeting concerning the Board's proposal for the annual financial statements, and the Board's proposal for allocation of a surplus or coverage of a deficit as well as adopting decisions on remuneration for officers and auditors as well as compensation/wages for the CEO.

Control Committee

The Control Committee consists of three members and one deputy member who are elected for terms of two years at a time.

The Control Committee must see to it that the activities of SpareBank 1 SR-Bank are conducted in an appropriate manner, including co-operation and having on-going contact with other possible control committees of group companies, and conducting supervision that the Board and CEO have adequate supervision and control of the subsidiaries.

Board of Directors

The Board of Directors consists of nine members and two deputy members, of which two members and one deputy member are elected by the employees.

The Board of Directors is responsible for the administration of the Bank's business. This includes making decisions on individual credit cases. The Board must ensure a satisfactory organisation of the Bank's operations, including ensuring that accounting and asset management are subjected to proper scrutiny.

Board committees

The Board of Directors has established a Compensation Committee and an Audit Committee. The committees shall assist the Board of Directors in preparing cases, but the decision shall be made jointly by the Board of Directors. Both committees, on their own initiative, are able to conduct meetings and processes cases without participation by the administration.

Instructions for the committees are established by the Board of Directors.

Organisation of SpareBank 1 SR-Bank ASA

The Bank's operational structure is illustrated in the figure below.

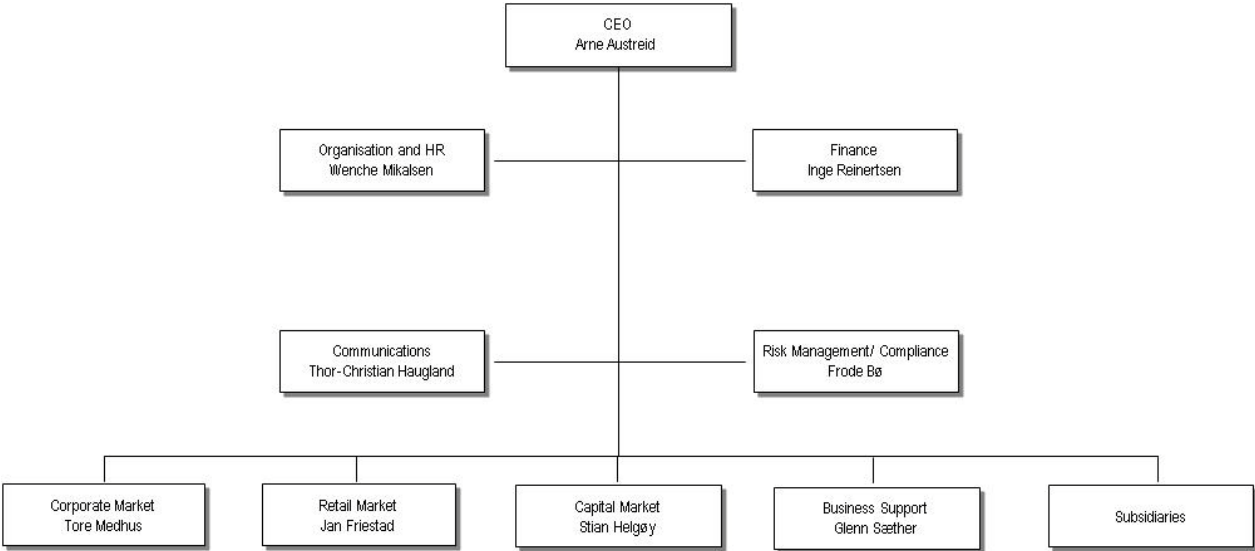


Figure 1.2.5: Organizational structure of SpareBank 1 SR-Bank

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the founding partners of the SpareBank 1 Gruppen ("the Alliance") in 1996. Through participation in the Alliance, SpareBank 1 SR-Bank is linked together in an alliance of independent and locally anchored banks. The purpose of the Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and higher quality, so that customers get the best advice and the best services on competitive terms. As shown in the figure below the Alliance has a wide distribution all over Norway.

The SpareBank 1 Alliance

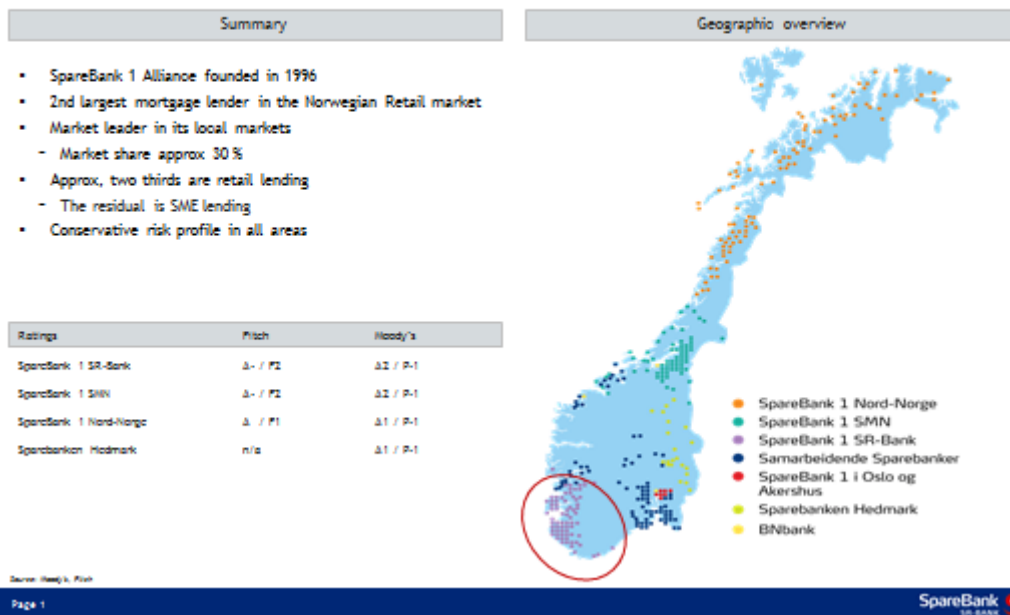


Figure 1.2.6: Geographic overview of the SpareBank 1 Alliance

The member banks in the Alliance work in part through common projects and in part through the jointly owned holding company; SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen AS is owned by Sparebanken Nord-Norge, Sparebanken 1 SMN, Sparebanken Hedmark, Samarbeidende Sparebanker (14 local savings banks in southern Norway) and the Norwegian Confederation of Trade Unions (LO).

SpareBank 1 Gruppen AS owns all of the shares in SpareBank 1 Livsforsikring AS (life insurance), SpareBank 1 Skadeforsikring AS (non-life insurance), ODIN Forvaltning AS (asset management), SpareBank 1 Medlemskort (membership cards) and SpareBank 1 Gruppen Finans Holding AS (collection of bad debts). The company also owns 97.25 per cent of SpareBank 1 Markets AS (previously named Argo Securities AS).

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

The SpareBank 1 Alliance structure is illustrated below in figure 1.2.7.

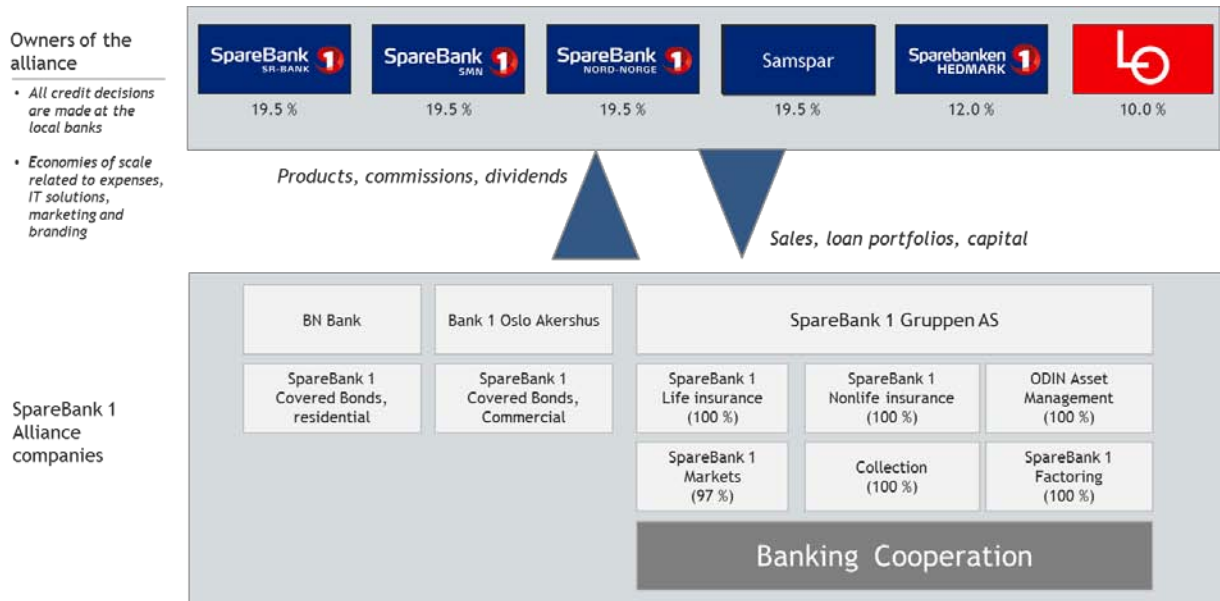


Figure 1.2.7: Structure of SpareBank 1 Alliance

More information on the SpareBank 1 Alliance can be found on www.sparebank1.no.

1.3 Shareholder information - SRBANK

SpareBank 1 SR-Bank's former Equity Certificates (EC) was listed on the Oslo stock exchange from 1994 until end 2011 under the ticker of ROGG. From 1 January 2012 the EC's were converted to ordinary shares.

There were 127.31 million ECs outstanding before the conversion was registered on 2 January 2012. The new share capital laid down in the articles of association was NOK 4 987 241 725, made up of 199 489 669 shares, each with a face value of NOK 25.

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

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

On 7 February 2012, the Board proposed that equity should be strengthened through emissions of up to NOK 1.63 billion. The capital increase related to the rights issue and the employee issue was adopted by the general meeting in SpareBank 1 SR-Bank ASA on 9 May 2012. At the end of the subscription period, SpareBank 1 SR-Bank had received subscriptions for 71,474,534 new shares in the rights issue. 55,555,555 were offered, and the rights issue was thus oversubscribed by 28.65 %. In the employee issue, SpareBank 1 SR-Bank received subscriptions for a total of 705,858 new shares divided between 260 employees.

The proceeds amounted to NOK 1.52 billion, and were registered in the Register of Business Enterprises on 18 June 2012. The new share capital in SpareBank 1 SR-Bank is NOK 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.

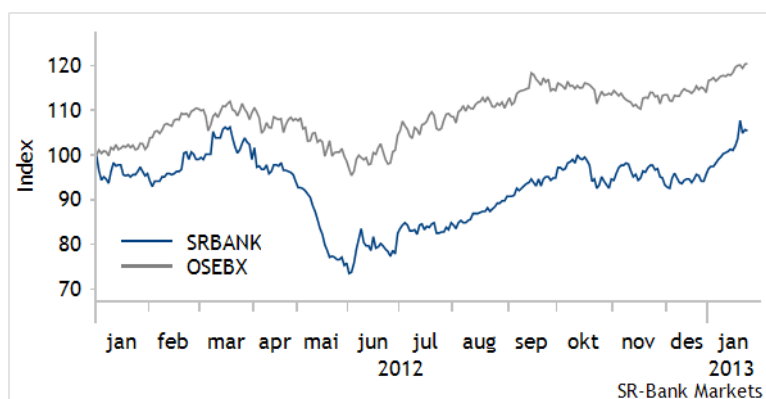


Figure 1.3.1: Relative performance; SRBANK vs OSEBX 1.1. – 31.01.2013

The former ticker code ROGG was replaced by SRBANK and from 3 January 2012, SRBANK was included in the OSEAX All-Share index and sector index OSE40 Financials/OSE4010 Banks. Figure 1.3.1 shows the relative performance of SRBANK compared to OSEBX in 2012.

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of shareholders who represent customers, regional interests, as well as Norwegian and international investors. Figure 1.3.2 shows how daily liquidity has developed in the period from 1 January 2010 to 31 January 2013. A general observation is that liquidity has increased after the conversion and issue of new shares.

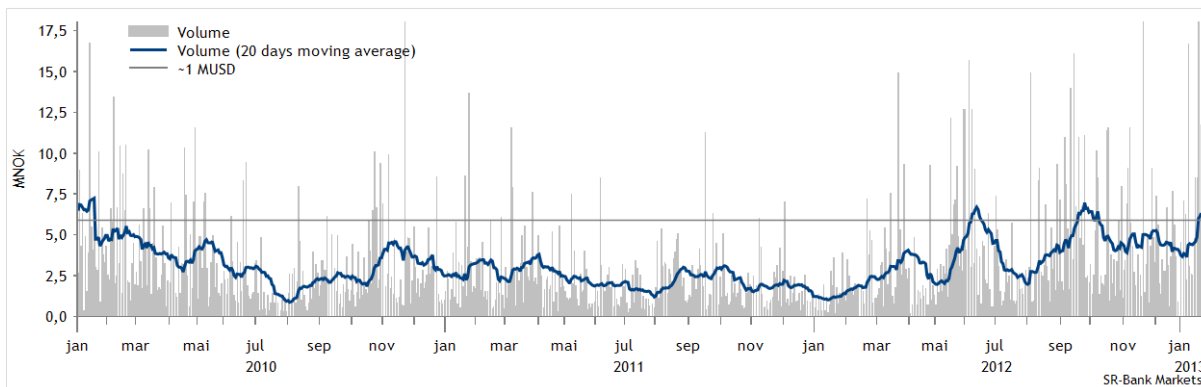


Figure 1.3.2 Development in liquidity; SRBANK 1.1.2010 – 31.01.2013

Figure 1.3.3 shows the share price movements and Price/Book development from 01.01.2012 to 31.01.2013.



Figure 1.3.3: Share price and development in P/B; 1.1.2012 – 31.01.2013

Detailed calculation of the former EC holder's share of the bank's equity capital upon conversion is shown in the report for the first quarter 2012.

Investor relations policy

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

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

Arctic Securities, Fridtjof Berents: + 47 21 01 32 21, fridtjof.berents@articsec.no

SpareBank 1 Markets, Nils Kristian Øyen: + 47 24 14 74 00 nils.oyen@sb1.markets.no

First Securities, Bengt Kirkøen +47 23 23 82 65 bk@first.no

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Shareholder and dividend policy

Shareholder policy

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

Dividend policy

The financial objective of SpareBank 1 SR-Bank's operations is to achieve earnings that yield adequate, stable returns on the bank's equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

In determining the size of the annual dividend, considerations will be made toward the group's capital, including capital adequacy requirements and the group's goals and strategic plans. Unless capital requirements otherwise dictate, the goal of the board is that approximately half of the annual profit after tax is distributed.

Ownership structure

Investor	Number	Stake
Sparebankstiftelsen SR-Bank	79.735.551	31,2 %
Gjensidige Forsikring ASA	26.483.470	10,4 %
SpareBank 1-stiftinga Kvinnherad	6.226.583	2,4 %
Folketrygdfondet	6.132.293	2,4 %
Odin Norge	5.513.510	2,2 %
Frank Mohn AS	5.372.587	2,1 %
Odin Norden	4.148.475	1,6 %
Skagen Global	3.661.486	1,4 %
Clipper AS	2.178.837	0,9 %
JPMorgan Chase Bank, U.K.	2.043.467	0,8 %
Fondsfinans Spar	1.700.000	0,7 %
JPMCB, Sverige	1.554.054	0,6 %
Skagen Global II	1.402.174	0,5 %
Tveteraas Finans AS	1.391.492	0,5 %
Vpf Nordea Norge Verdi	1.373.529	0,5 %
Westco AS	1.321.817	0,5 %
Køhlergruppen AS	1.292.803	0,5 %
FLPS, U.S.A.	1.250.000	0,5 %
Varma Mutual Pension Insurance, Finland	1.248.017	0,5 %
State Street Bank and Trust, U.S.A.	1.145.849	0,4 %
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Top 5		48,5 %
Top 10		55,3 %
Top 20		60,7 %

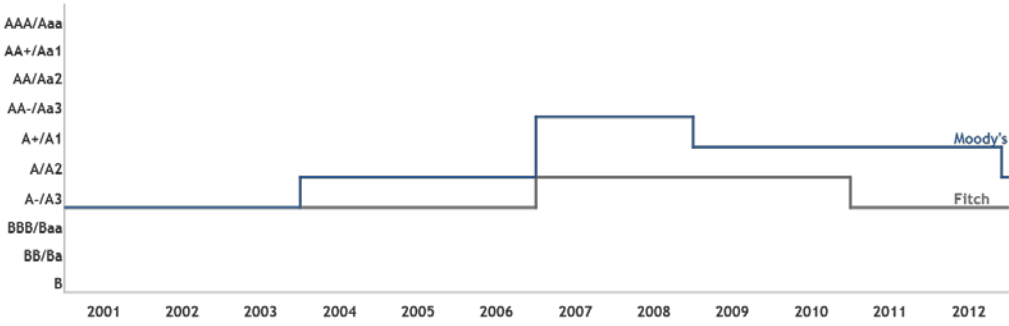
Table 1.3.2: 20 largest shareholders as at 31 December 2012

1.4 Credit ratings

Current credit rating status as at 31 December 2012 was as follows:

Moody's		Fitch	
Long-term debt	A2	Long-term IDR	A-
Outlook	On review	Outlook	Stable Outlook
Updated	6 th December 2012	Updated	24 th February 2012

Ratinghistory



2. Financial results and balance sheet

Income statement

<i>MNOK</i>	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Interest income	1.331	1.323	1.319	1.327	1.378	5.300	5.287
Interest expense	851	875	906	926	930	3.558	3.531
Net interest income	480	448	413	401	448	1.742	1.756
Commission income	330	280	273	222	211	1.105	834
Commission expenses	17	19	20	20	12	76	71
Other operating income	98	113	126	100	106	437	429
Net commission and other income	411	374	379	302	305	1.466	1.192
Dividend income	0	1	21	3	1	25	21
Income from investment in associates	22	90	53	100	67	265	209
Net gains/losses on financial instruments	75	101	13	99	43	288	89
Net return on investment securities	97	192	87	202	111	578	319
Total income	988	1.014	879	905	864	3.786	3.267
Personnel expenses	292	271	244	275	100	1.082	828
Administrative expenses	107	105	99	106	111	417	410
Other operating expenses	105	90	97	97	118	389	395
Total operating expenses	504	466	440	478	329	1.888	1.633
Operating profit before losses	484	548	439	427	535	1.898	1.634
Losses on loans and guarantees	26	43	34	34	45	137	139
Operating profit before tax	458	505	405	393	490	1.761	1.495
Tax expense	114	107	102	77	153	400	414
Profit after tax from continuing operations	344	398	303	316	337	1.361	1.081

Key figures

	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Return on equity ¹⁾	11,2 %	13,6 %	11,8 %	12,9 %	13,9 %	12,4 %	11,2 %
Cost ratio ²⁾	51,0 %	46,0 %	50,1 %	52,8 %	38,1 %	49,9 %	50,0 %
Net interest margin	1,36 %	1,28 %	1,22 %	1,21 %	1,34 %	1,27 %	1,31 %
Gross loans to customers	109.513	104.521	105.428	100.463	101.368	109.513	101.368
Gross loans to customers incl. SpareBank 1 Boligkreditt and Næringskreditt	158.201	155.962	153.329	149.363	146.697	158.201	146.697
Deposits from customers	67.594	69.195	71.285	67.108	64.042	67.594	64.042
Deposit-to-loan ratio	61,7 %	66,2 %	67,6 %	66,8 %	63,2 %	61,7 %	63,2 %
Growth in loans	8,0 %	0,6 %	-2,3 %	-4,1 %	-4,2 %	8,0 %	-4,2 %
Growth in loans incl. SpareBank 1 Boligkreditt and Næringskreditt	7,8 %	8,5 %	9,3 %	10,3 %	11,2 %	7,8 %	11,2 %
Growth in deposits	5,5 %	7,6 %	9,7 %	7,1 %	5,4 %	5,5 %	5,4 %
Average total assets	140.555	139.002	136.674	132.949	132.392	137.212	133.629
Total assets	141.543	138.663	139.615	134.683	131.142	141.543	131.142
Impairment losses ratio ³⁾	0,10	0,16	0,13	0,13	0,18	0,13	0,13
Non-performing commitments as a percentage of gross loans	0,42	0,54	0,49	0,44	0,41	0,42	0,41
Other doubtful commitments as a percentage of gross loans	0,72	0,87	0,82	0,89	0,69	0,72	0,69
Capital adequacy ratio	13,1	12,0	11,9	11,0	11,4	13,1	11,4
Core capital ratio	12,1	11,5	11,4	10,5	10,6	12,1	10,6
Core Tier 1 capital	10,0	9,4	9,2	8,2	8,3	10	8,3
Core capital	13.507	12.746	12.514	10.960	10.846	13.507	10.846
Net equity and subordinated loan capital	14.568	13.273	13.041	11.425	11.681	14.568	11.681
Minimum subordinated capital requirement	8.897	8.856	8.797	8.333	8.167	8.897	8.167
Number of branches	53	53	53	53	53	53	53
Man-years (permanent)	1.207	1.221	1.222	1.207	1.213	1.207	1.213
Market price	37,20	36,90	32,10	41,00	40,70	37,20	40,70
Market capitalisation	9.514	9.437	8.210	8.179	5.182	9.514	5.182
Book equity per share (including dividends) (group)	49,48	46,68	44,76	49,10	48,75	49,48	48,75
Earnings per share (group) ⁴⁾	1,35	1,56	1,19	1,58	1,73	5,32	5,42
Dividends per share	n.a.	n.a.	n.a.	n.a.	n.a.	1,50	1,50
Price / Earnings per share	6,89	5,91	6,74	6,49	5,88	6,99	7,51
Price / Book equity (group)	0,75	0,79	0,72	0,84	0,83	0,75	0,83
Equity certificate ratio	n.a.	n.a.	n.a.	n.a.	63,8 %	n.a.	63,8 %

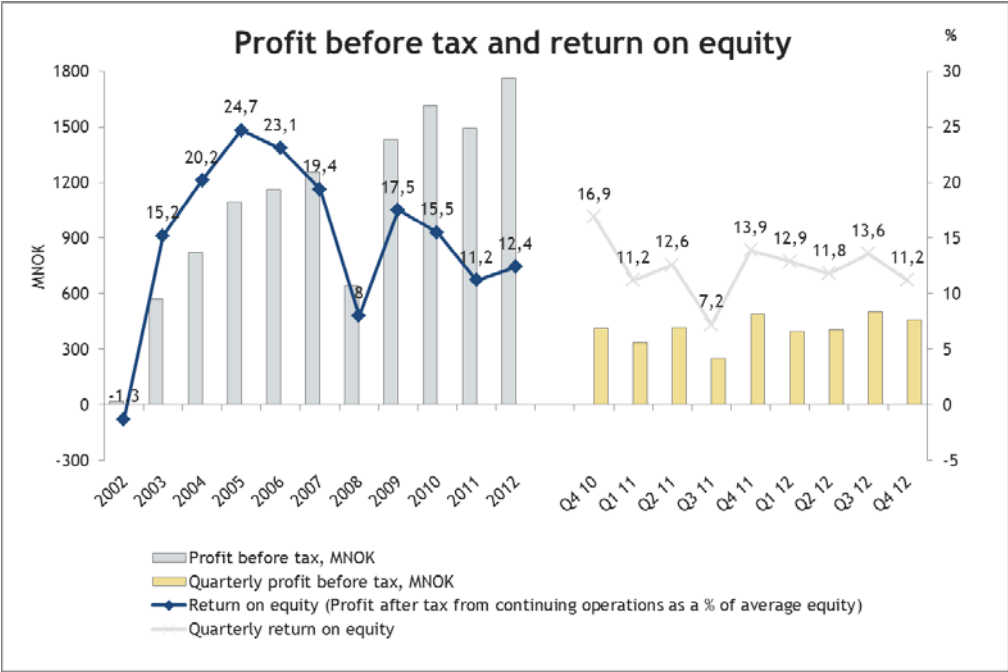
¹⁾ Net profit as a percentage of average equity.

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

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

⁴⁾ Number of shares was increased on 18 June 2012 from 199,489,689 to 255,751,082 as a result of a capital expansion. Earnings per share as from 2nd quarter 2012 are calculated based on the new number of shares.

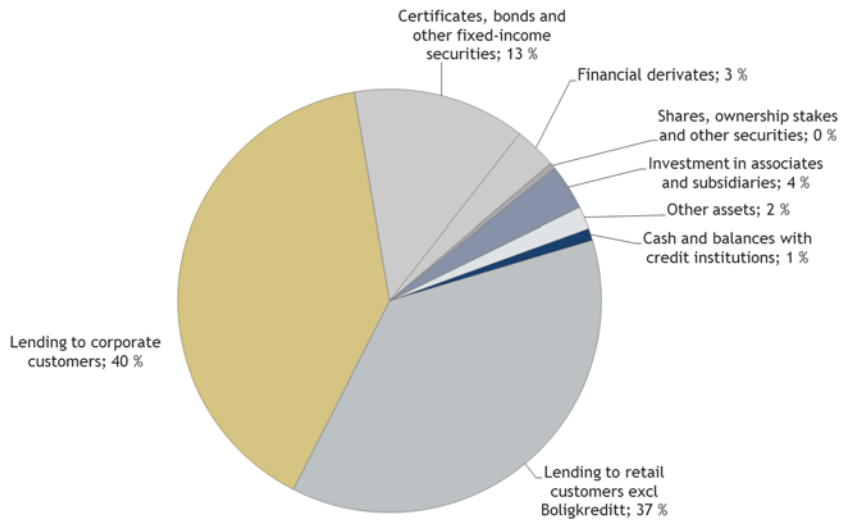
SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per share.



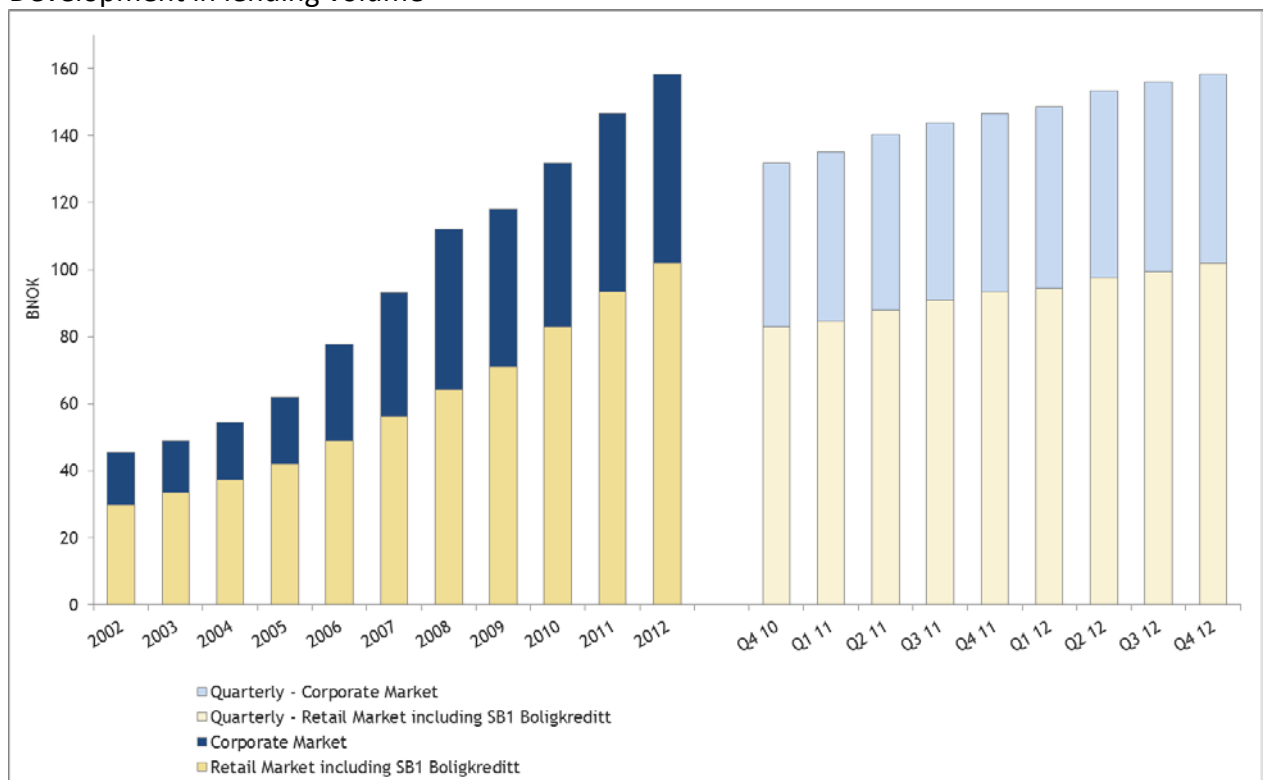
Balance sheet

<i>MNOK</i>	31.12 2012	30.09 2012	30.06 2012	31.03 2012	31.12 2011
Cash and balances with central banks	1.314	224	290	218	263
Balances with credit institutions	1.087	481	1.160	1.142	723
Net loans to customers	108.758	103.671	104.597	99.662	100.588
Certificates, bonds and other fixed-income sec.	18.677	22.156	22.539	21.817	19.850
Financial derivatives	4.578	4.769	4.102	3.955	3.716
Shares, ownership stakes and other securities	671	546	623	644	631
Business available for sale	85	85	85	85	85
Investment in associates	4.964	5.182	4.944	4.891	4.389
Other assets	1.409	1.549	1.275	2.269	897
Total assets	141.543	138.663	139.615	134.683	131.142
Balances with credit institutions	4.522	3.657	3.418	3.791	4.782
Public sector deposits regarding the covered bonds swap agreement	7.299	7.299	7.299	7.395	7.395
Deposits from customers	67.594	69.195	71.285	67.108	64.042
Listed debt securities	40.691	37.935	38.101	38.447	36.338
Financial derivatives	2.282	2.665	2.158	2.081	2.010
Other liabilities	2.295	2.284	2.262	2.485	1.843
Additional Tier 1 and Tier 2 capital instruments	4.223	3.706	3.661	3.595	4.975
Total liabilities	128.906	126.741	128.184	124.902	121.385
Share capital	6.394	6.394	6.394	4.987	3.183
Holding of own shares	-9	-9	-9	-7	-3
Premium reserve	1.587	1.588	1.587	1.506	625
Proposed dividend	384	0	0	0	299
Fund for unrealised gains	72	43	43	43	43
Other equity	4.209	2.889	2.797	2.936	1.183
Dividend equalisation reserve	0	0	0	0	1.448
Savings bank's reserve	0	0	0	0	2.631
Share premium reserve	0	0	0	0	55
Endowment fund	0	0	0	0	293
Profit/loss at period end	0	1.017	619	316	0
Total equity	12.637	11.922	11.431	9.781	9.757
Total liabilities and equity	141.543	138.663	139.615	134.683	131.142

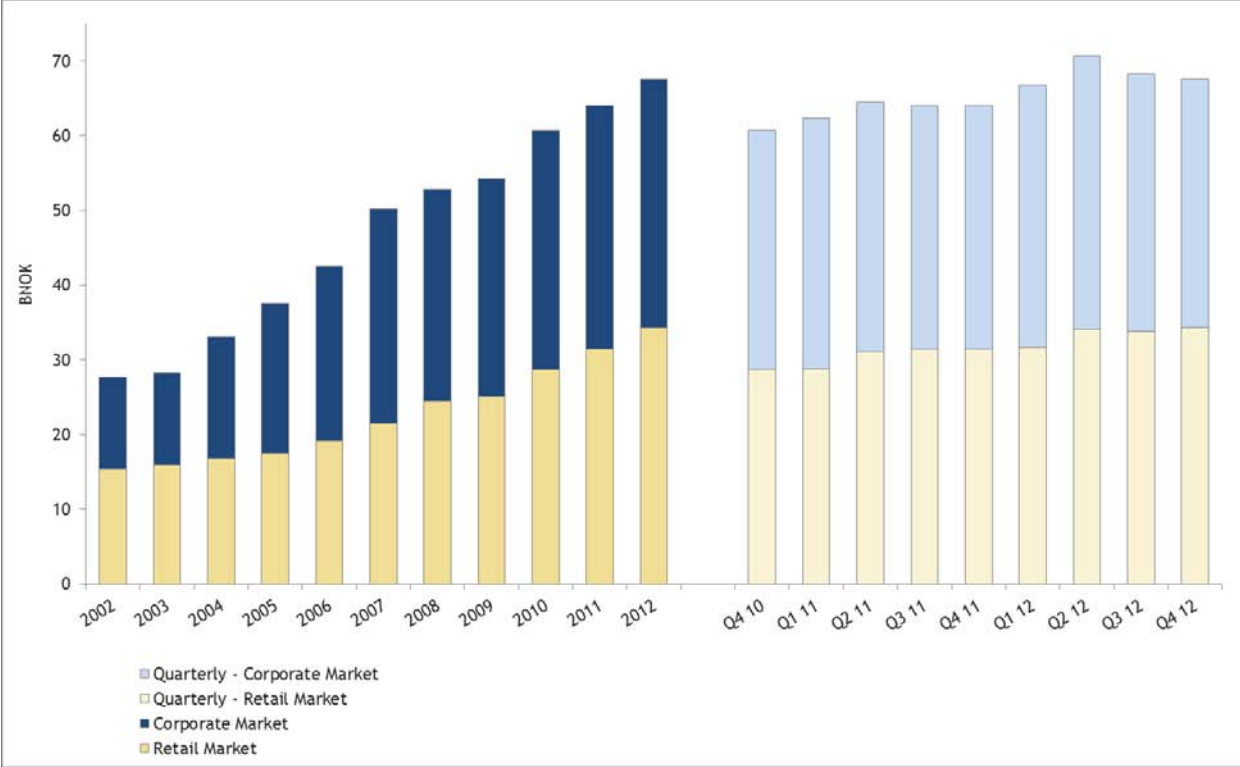
Total assets as at 31 December 2012:



Development in lending volume

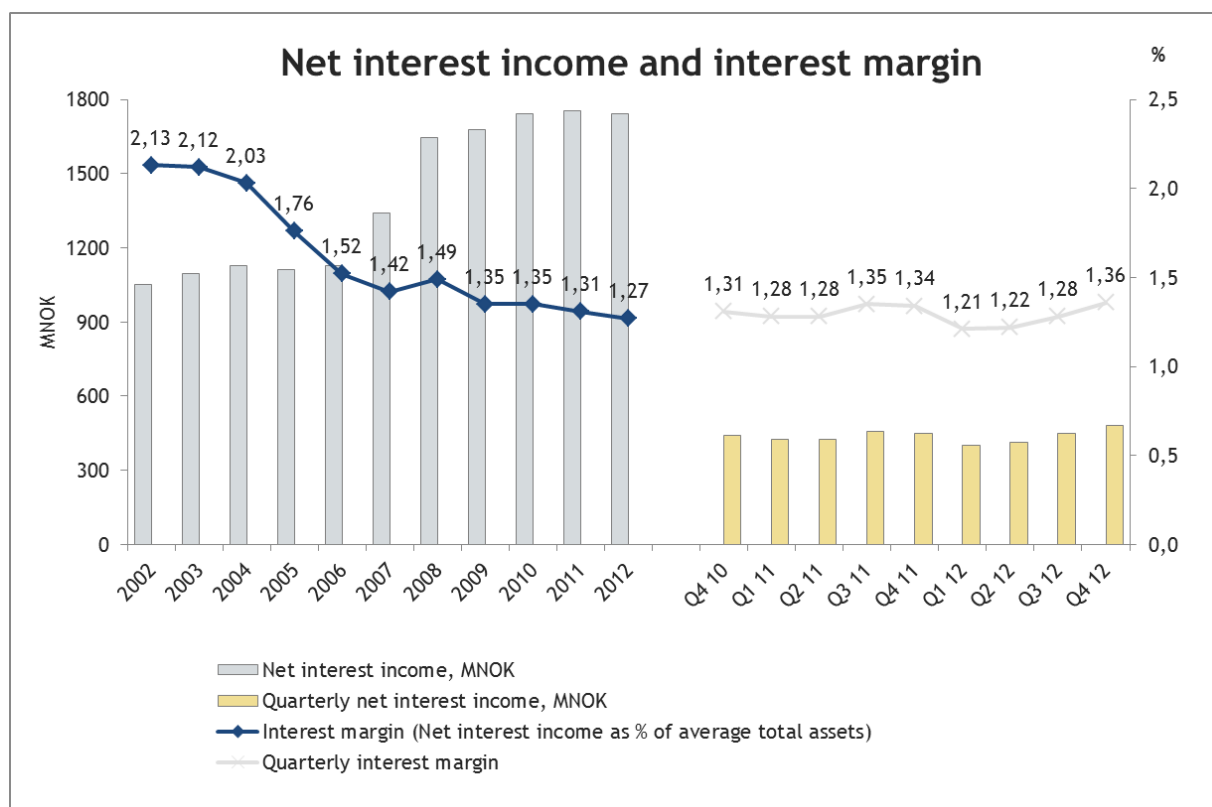


Development in deposit volume

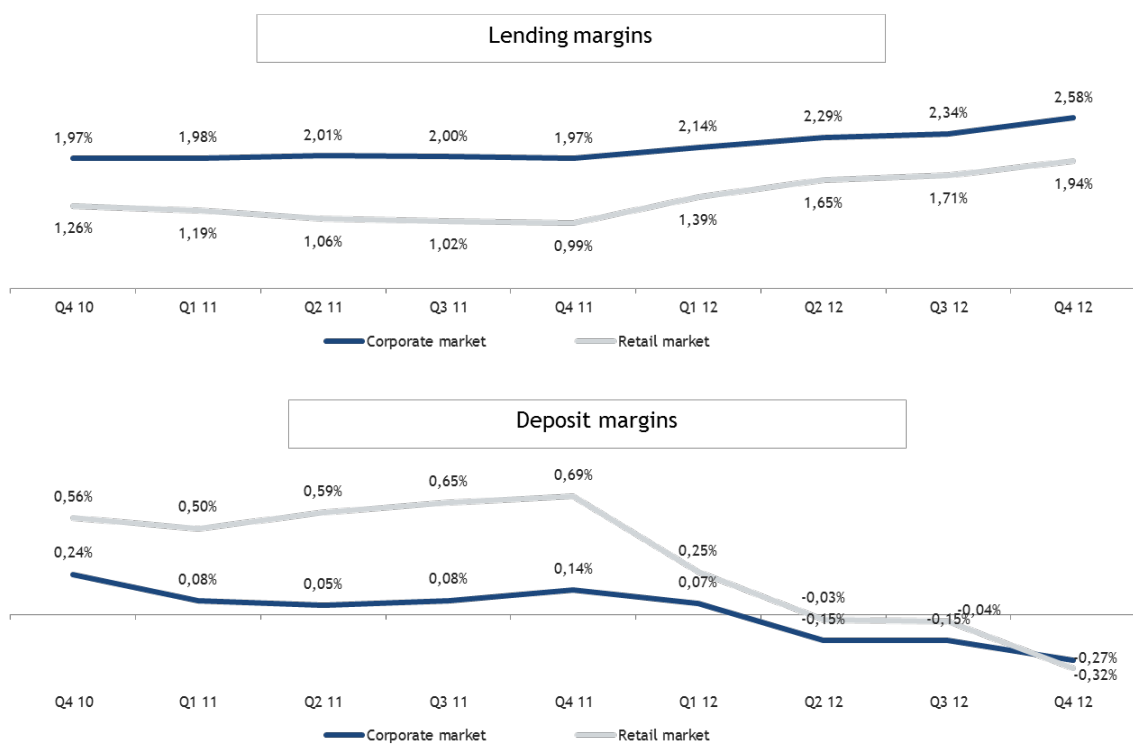


2.1 Net interest income

	Q4	Q3	Q2	Q1	Q4	31.12	31.12
MNOK	2012	2012	2012	2012	2011	2012	2011
Interest income	1.331	1.323	1.319	1.327	1.378	5.300	5.287
Interest expense	851	875	906	926	930	3.558	3.531
Net interest income	480	448	413	401	448	1.742	1.756
As % of average total assets	1,36 %	1,28 %	1,22 %	1,21 %	1,34 %	1,27 %	1,31 %



Lending and deposit margins¹



¹ Definition margin: Average customer interest rate measured against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in SB1 Boligkreditt and SB1 Næringskreditt

2.2 Net other operating income

	Q4	Q3	Q2	Q1	Q4	31.12	31.12
<i>MNOK</i>	2012	2012	2012	2012	2011	2012	2011
Net commission and other income	411	374	379	302	305	1.466	1.192
Net return on investment securities	97	192	87	202	111	578	319
Net other operating income	508	566	466	504	416	2.044	1.511
As % of total income	51 %	56 %	53 %	56 %	48 %	54 %	46 %

Net commission and other income

	Q4	Q3	Q2	Q1	Q4	31.12	31.12
<i>MNOK</i>	2012	2012	2012	2012	2011	2012	2011
Payment facilities	47	61	50	47	52	205	205
Savings/placements	36	33	36	35	34	140	136
Insurance products	51	36	35	34	53	156	153
Commission income real estate (EM1)	99	105	124	99	106	427	426
Guarantee commission	21	24	22	22	19	89	78
Arrangement fees	31	13	24	7	25	75	78
Other	5	14	5	11	2	35	29
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	290	286	295	256	291	1.127	1.105
Commission income SB1 Boligkreditt and SB1 Næringskreditt	121	88	84	46	14	339	87
Net commission and other income incl. SB1 Boligkreditt og SB1 Næringskreditt	411	374	379	302	305	1.466	1.192
As % of total income	42 %	37 %	43 %	33 %	35 %	39 %	36 %

Change in net commission and other income

	Q4	Change	Q4
<i>MNOK</i>	2012		2011
Net commission and other income	411	106	305
Payment facilities		-5	
Savings/placements		2	
Insurance products		-2	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		-7	
Guarantee commission		2	
Arrangement fees		6	
Other		3	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		107	
		106	

Net return on investment securities

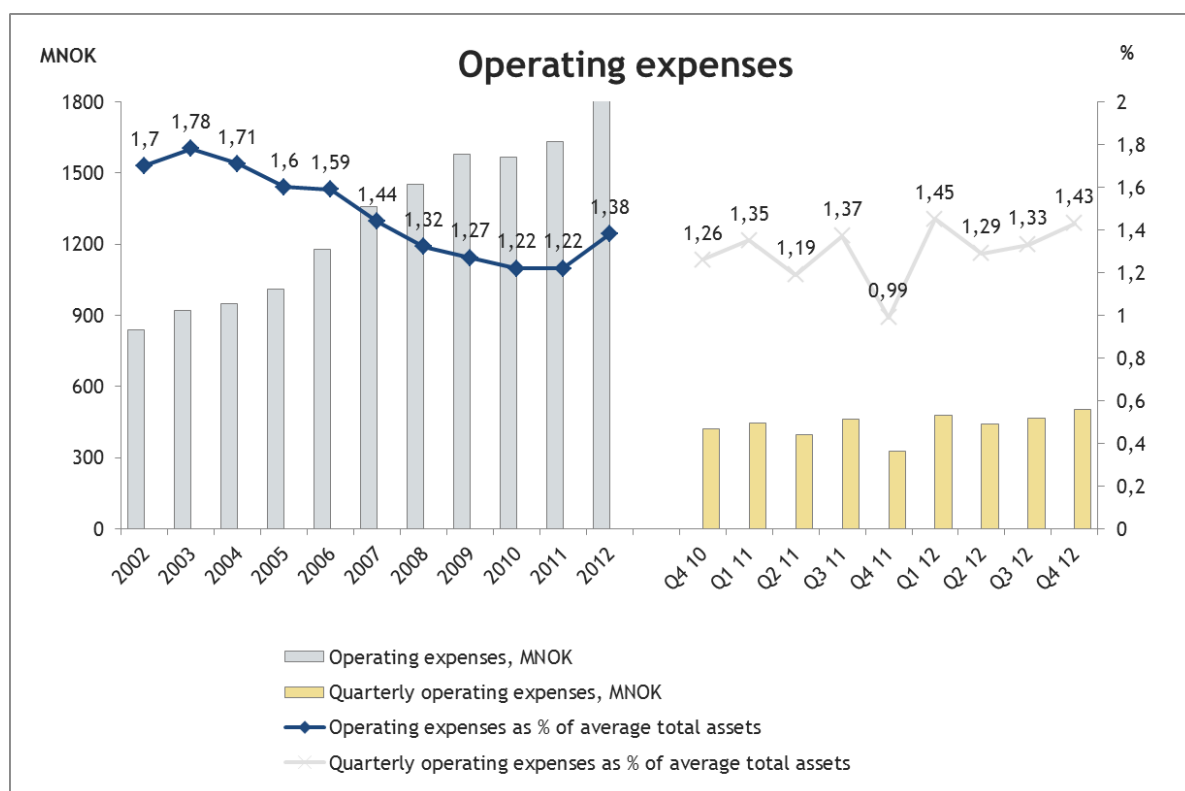
<i>MNOK</i>	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Dividend	0	1	21	3	1	25	21
Investment income, associates	22	90	53	100	67	265	209
Securities gains/losses	23	62	-23	68	5	130	-48
- of which capital change in shares and certificates	46	35	-34	15	8	61	-35
- of which capital change in certificates and bonds	-23	27	11	54	-3	69	-13
Currency/interest gains/losses	52	39	37	31	38	158	137
- of which currency customer- and own-account trading	33	33	34	36	33	136	137
- of which IFRS-effects	19	5	3	-6	5	22	0
Net return on investment securities	97	192	87	202	111	578	319
As % of total income	10 %	19 %	10 %	22 %	13 %	15 %	10 %

Change in net return on investment securities

<i>MNOK</i>	Q4 2012	Change	Q4 2011
Net return on investment securities	97	-14	111
Dividend		-1	
Investment income, associates		-45	
Securities gains/losses		18	
- of which capital change in shares and certificates		38	
- of which capital change in certificates and bonds		-20	
Currency/interest gains/losses		14	
- of which currency customer- and own-account trading		0	
- of which IFRS-effects		14	

2.3 Operating expenses

	Q4	Q3	Q2	Q1	Q4	31.12	31.12
MNOK	2012	2012	2012	2012	2011	2012	2011
Wages	236	208	205	199	221	848	801
Pension expenses	8	21	-9	27	-167	46	-144
Other personnel expenses	49	42	48	49	46	188	171
Total personnel expenses	292	271	244	275	100	1.082	828
IT expenses	59	61	49	58	61	227	223
Marketing expenses	23	16	21	21	27	81	88
Other administrative expenses	25	28	29	27	23	109	99
Write-offs	30	19	19	19	23	87	79
Expenses real property	10	11	10	13	28	44	60
Other operating expenses	65	60	68	65	67	258	256
Other expenses	212	195	196	203	229	806	805
Total operating expenses	504	466	440	478	329	1.888	1.633



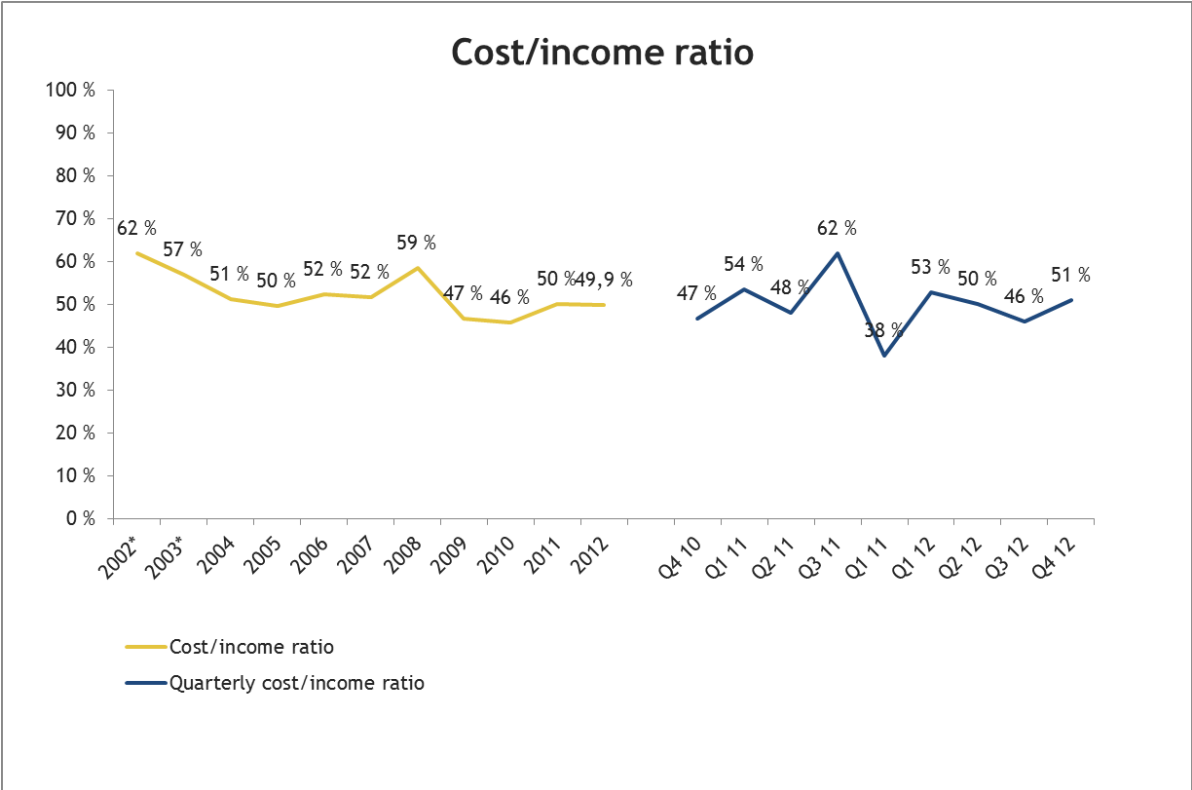
Change in operating expenses

<i>MNOK</i>	Q4 2012	Change	Q4 2011
Total	504	175	329
Personnel expenses		192	
IT expenses		-2	
Marketing expenses		-4	
Other administrative expenses		2	
Write-offs		7	
Expenses real property		-18	
Other operating expenses		-2	

Cost/income ratio

<i>MNOK</i>	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Operating expenses	504	466	440	478	329	1.888	1.633
Cost/income ratio	51,0 %	46,0 %	50,1 %	52,8 %	38,1 %	49,9 %	50,0 %
Growth in expenses last 12 months	53,2 %	0,9 %	11,1 %	7,2 %	-22,2 %	15,6 %	4,3 %

Development in cost/income ratio

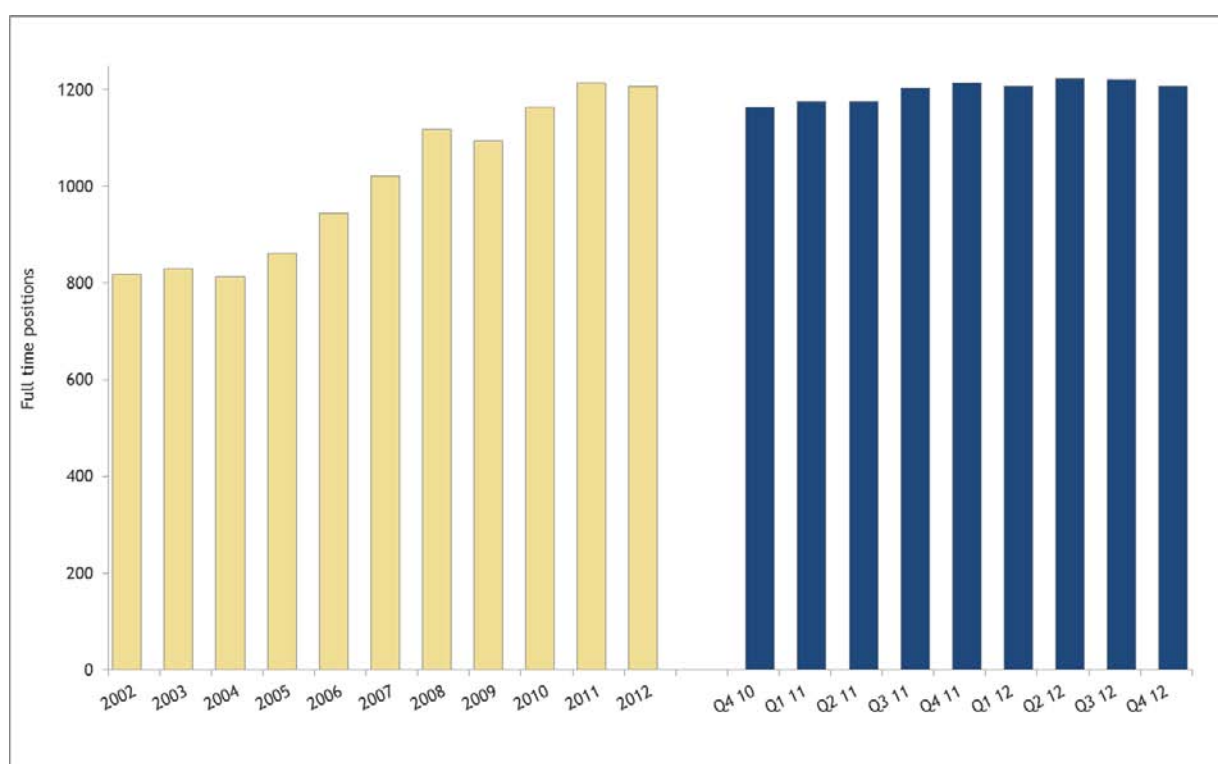


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

Number of full time positions (permanent employees, contracted staff not included)

<i>Full time positions</i>	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
SpareBank 1 SR-Bank	945	961	964	950	952
EiendomsMegler 1 SR-Eiendom AS	218	217	213	209	211
SR-Forvaltning AS	13	13	12	13	13
SR-Finans AS	31	31	33	33	34
Other	0	0	0	2	3
Total	1.207	1.221	1.222	1.207	1.213

Full time positions 2002 – Q4 2012 (*permanent employees, contracted staff not included*)



2.4 Losses on loans and loss provisions

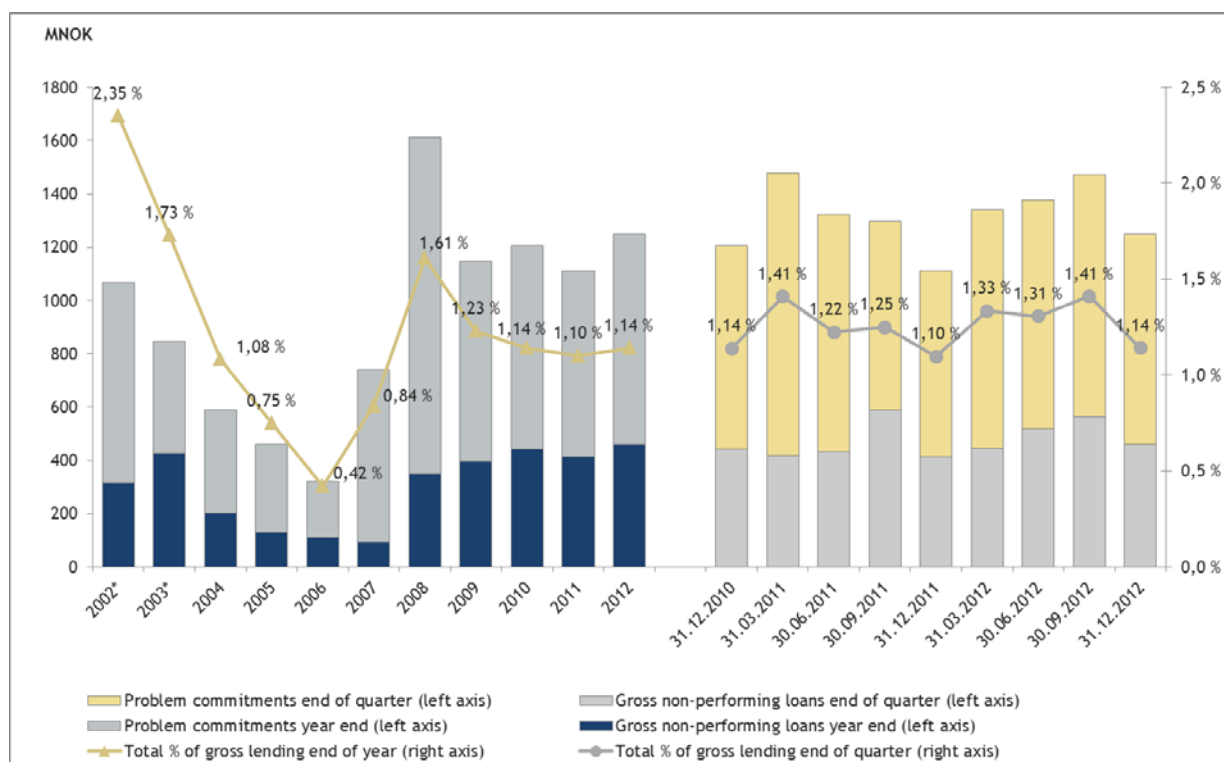
Losses on loans and guarantees

MNOK	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Change in individual individual impairment losses provisions for the period	78	100	80	51	16
Change in collective impairment loss provisions for the period	-30	-30	-30	-30	5
Amortised cost	5	5	4	3	6
Actual loan losses on commitments for which provisions have been made	105	31	11	11	66
Actual loan losses on commitments for which no provision has been made	24	11	9	2	74
Change in assets take-over for the period	9	0	0	0	7
Recoveries on commitments previously written-off	-54	-6	-6	-3	-35
The period's net losses/(reversals) on loans and advances	137	111	68	34	139

Provisions for impairment losses on loans and guarantees

MNOK	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Provisions for individual impairment losses at start of period	420	420	420	420	402
Increases in previous provisions for individual impairment losses	79	56	66	34	32
Reversal of provisions from previous periods	-89	-90	-87	-51	-108
New provisions for individual impairment losses	120	170	124	79	158
Amortised cost	-2	-4	-3	1	1
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-105	-32	-20	-11	-65
Provisions for individual impairment losses at the end of period	423	520	500	472	420
Net losses	129	42	20	13	140

Non-performing loans and problem commitments

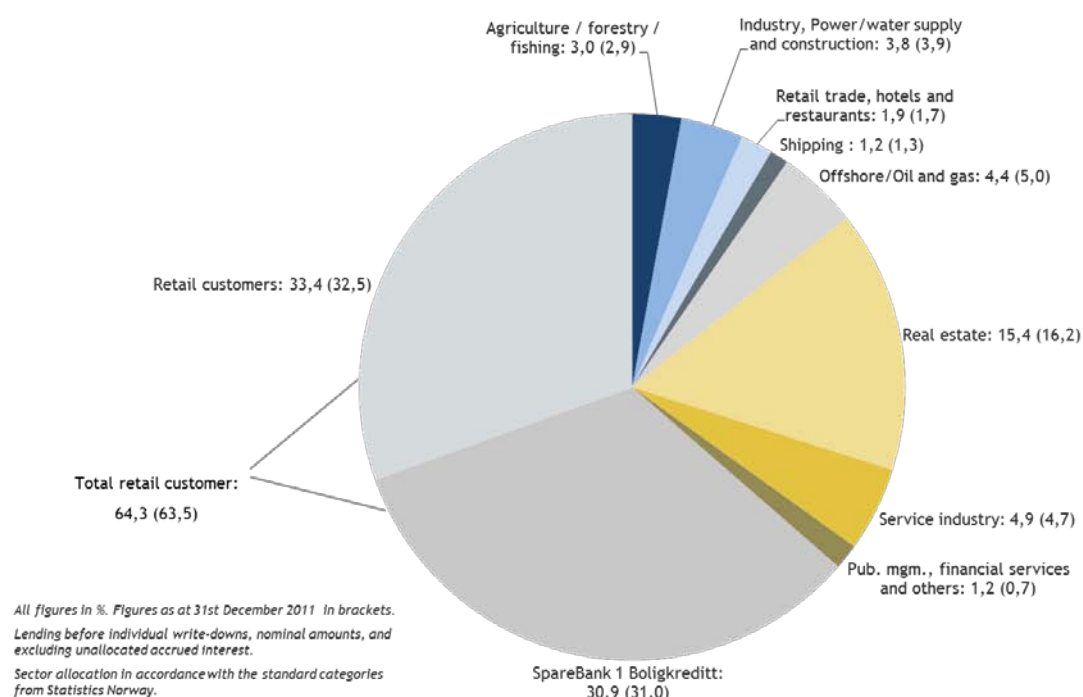


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

2.5 Loans

MNOK	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Agriculture/forestry	4.141	3.994	3.909	3.826	3.773
Fishing/Fish farming	597	539	421	428	416
Mining/extraction	2.351	2.962	2.807	2.707	2.728
Industry	2.135	1.997	2.100	1.867	1.686
Power and water supply/building and construction	3.804	3.819	4.045	4.203	4.022
Retail trade, hotel and restaurant business	2.975	2.940	2.982	2.473	2.487
Foreign trade shipping, pipeline transport and other transport activities	6.451	6.216	6.531	6.199	6.553
Real estate business	24.306	24.033	23.356	23.775	23.749
Service industry	7.650	7.849	7.469	7.291	6.827
Public sector and financial services	1.949	2.277	2.163	1.407	1.068
Retail customers	52.569	47.453	49.107	45.842	47.593
Unallocated (excess value fixed interest loans and amort. lending fees)	292	69	179	121	150
Accrued interests corporate sector and retail customers	293	373	359	324	316
Gross loans	109.513	104.521	105.428	100.463	101.368
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	48.688	51.441	47.901	48.900	45.329
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	158.201	155.962	153.329	149.363	146.697

Loan portfolio as at 31.12.2012

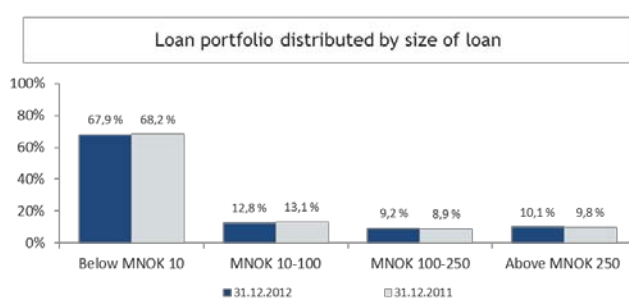
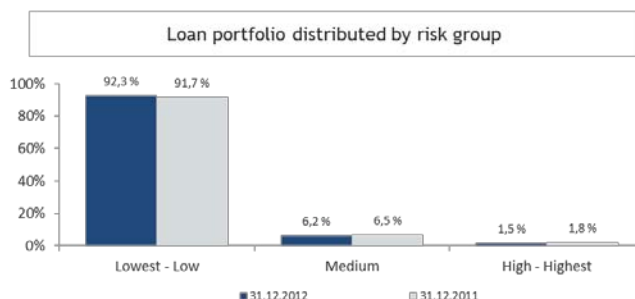


2.6 Risk profile

Risk profile of the loan portfolio

- 92.3 % of the bank's loan exposure satisfies the criteria for low and the lowest risk. Expected losses in this portion of the portfolio are very limited at 0.04 %.
- Exposure to high or the highest risk accounts for 1.5 % of the bank's loan exposure. Expected losses in this portion of the portfolio are 4.3 %.
- 67.9 % of the bank's loan exposure is to loans constituting less than NOK 10 million. This corresponds to 99 % of all customers.
- 19.3 % of the bank's loan exposure is to customers who 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.

* Expected loss through a business cycle

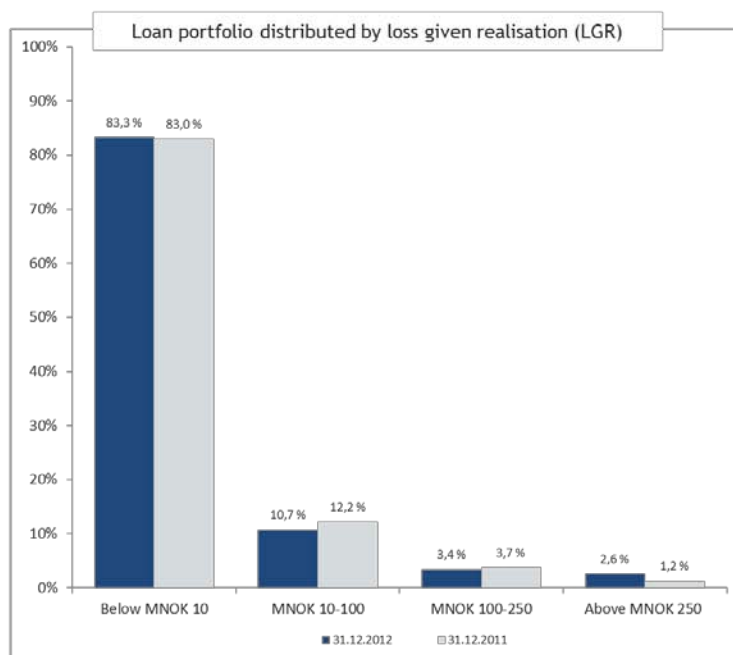


The loan portfolio has a low concentration of large individual commitments

- At the end of the Q4 2012, SpareBank 1 SR-Bank had a total of 32 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 6 % of the 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.

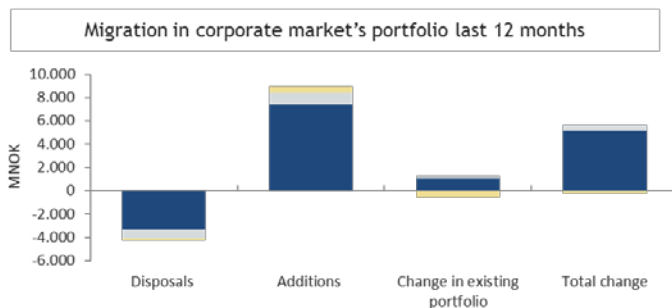
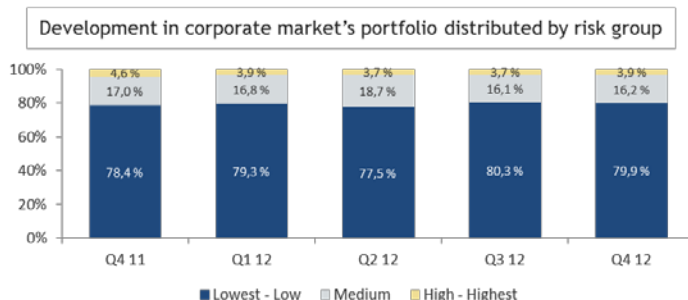
LGR (Loss given realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic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

The figures include lending portfolios in SB1 Boligkreditt and SB1 Næringskreditt.



Risk profile - Lending in the corporate market

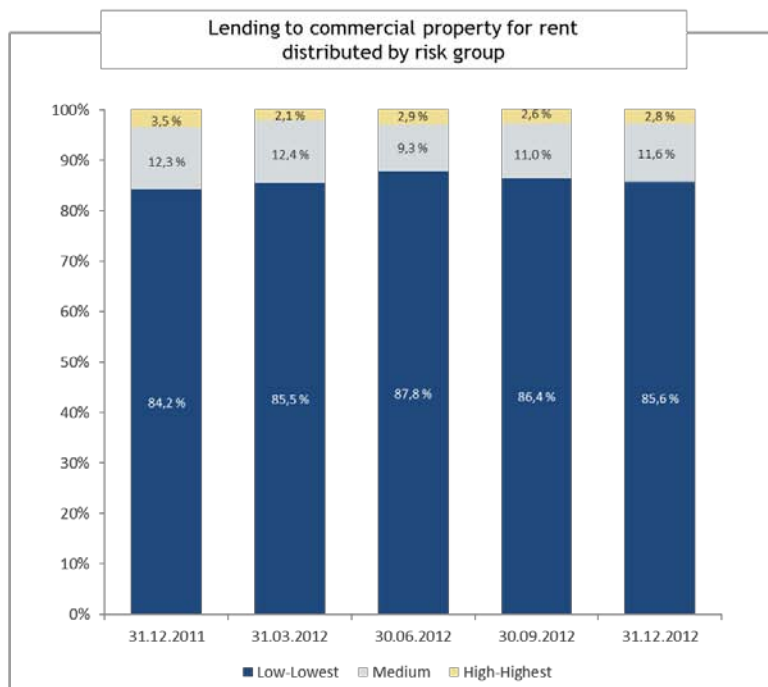
- The quality of the corporate market portfolio is considered to be good.
- The risk profile has seen a relatively stable development over time, in which nearly 80 % of commitments have expected losses of less than 0.5 %.
- The proportion of loans with expected losses in excess of 2 % at the end of the quarter represent 3.9 %.



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 - Lending in the corporate market

- 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. 85.6 % of the exposure is classified as low risk, while 2.8 % is classified as high risk.
- The portfolio is characterised by commercial properties with long-term lease contracts and financially solid tenants. The vacancy rate is low. Interest rates for a significant portion of the portfolio have been hedged.

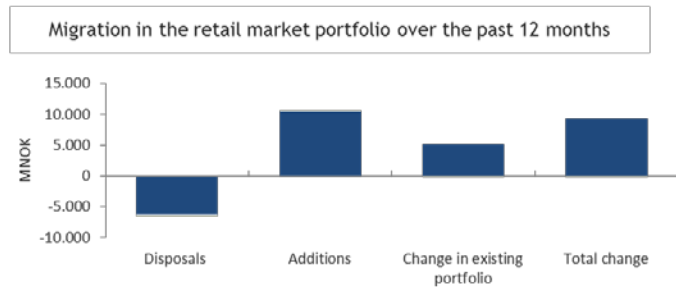
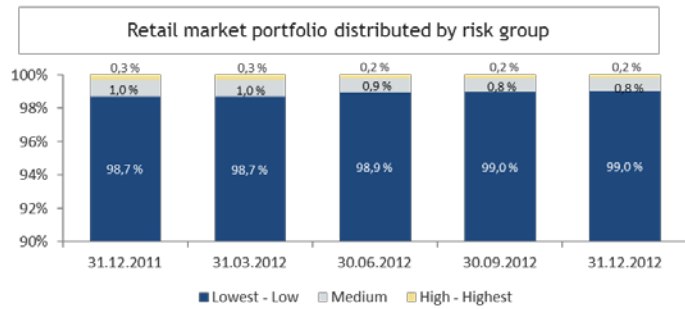


Lowest - Low risk, expected losses	0% - 0.50%
Medium risk, expected losses	0.50% - 2.00%
High - Highest risk, expected losses	over 2.00%

Risk profile - Lending in the retail market

- The quality of the retail market portfolio is considered very good and with low potential losses.
- The development is characterised by stability, and 99.0 % are assessed to represent a low or the lowest risk for the bank.
- Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to security value.

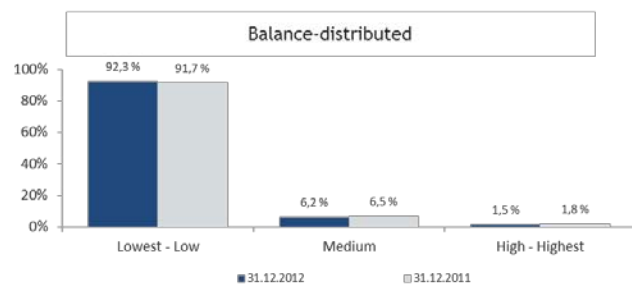
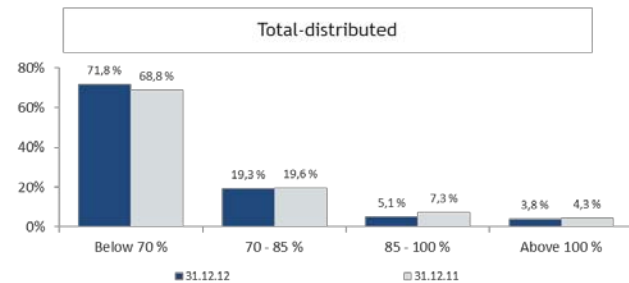
■ Lowest - Low risk, expected losses	0% - 0.50%
■ Medium risk, expected losses	0.50% - 2.00%
■ High - Highest risk, expected losses	over 2.00%



Figures include the portfolio transferred to SpareBank 1 Boligkreditt AS.

Loan to value ratio on home mortgage loans

- There is an increasing proportion of loans within a 70 % loan to value ratio during the last year and a diminishing proportion of loans that have a loan to value ratio exceeding 85 %.
- 97.8 % of the exposure is within 85 % of the collateral's value, and only around 2.1 % of the exposure exceeds 85 % of the collateral's value.



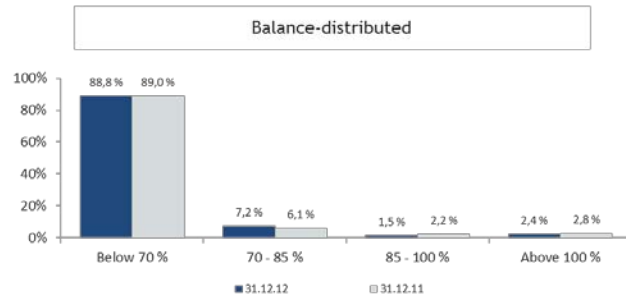
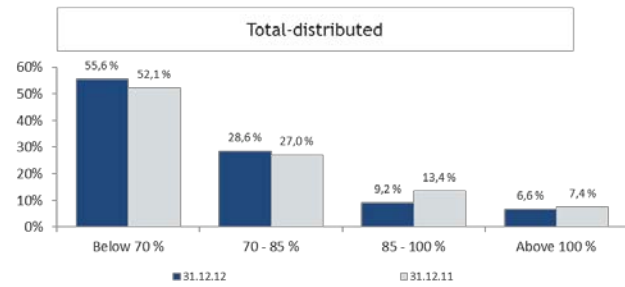
In a balance-distributed loan to value ratio, for loans that exceed 70% of the collateral's estimated market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

The figures include the loan portfolio in SB1 Boligkreditt.

Loan to value ratio on home mortgage loans (excl Boligkreditt)

- SpareBank 1 SR-Bank has in the last year introduced restrictions to reduce the risk associated with new mortgages. These include stricter mortgage deposit requirements and liquidity assessments when buying property, as well as more thorough risk assessments.
- There is an increasing proportion of loans within a 70 % loan to value ratio during the last year and a diminishing proportion of loans that have a loan to value ratio exceeding 85 %.
- 96 % of the exposure is within 85 % of the collateral's value, and about 3.9 % of the exposure exceeds 85 % of the collateral's value.

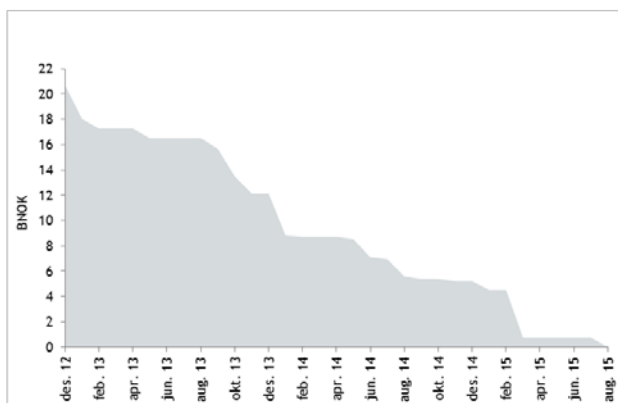
In a balance-distributed loan to value ratio, for loans that exceed 70 % of the collateral's estimated market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.



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

2.7 Risk profile in bond and equity portfolios

Liquidity buffer - survival period



Bond portfolio

Bond investments	Market value, MNOK	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	10	0 %	0
SSA/Foreign guaranteed	2.945	27 %	0
Covered bonds (Norwegian/foreign)	6.897	63 %	0
Norwegian bank/finance	261	2 %	0
Foreign bank/finance	258	2 %	218
Industry/Other	499	5 %	0
Total	10.871	100 %	218

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.

2.8 Capital adequacy

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

In the autumn of 2009, the authorities resolved to postpone the final transition to the IRB rules from 1 January 2010 to 1 January 2012. It has later been proposed to continue the transitional rule stating that the capital requirement using IRB cannot be less than 80% of the capital requirement under Basel I ("Basel I floor") until 2015. Without the transitional rule, the core capital ratio at the end of 2012 stood at 13.5 %.

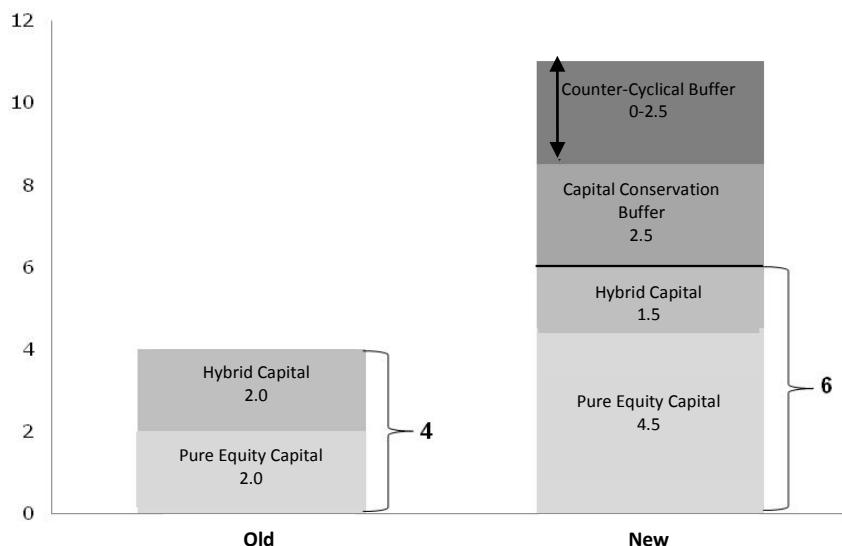
Risk	Portfolio	Regulatory method
Credit risk	Government	Standard method
	Institutions	Standard method
	Enterprise	IRB-Basic
	Mass market	IRB-Mass market
	SpareBank 1 Boligkreditt AS (mass market)	IRB-Mass market
	Other subsidiaries and associates	Standard method
Market risk	Equity risk	Standard method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

Figure 2.8.1: *Methods currently used for calculating capital adequacy*

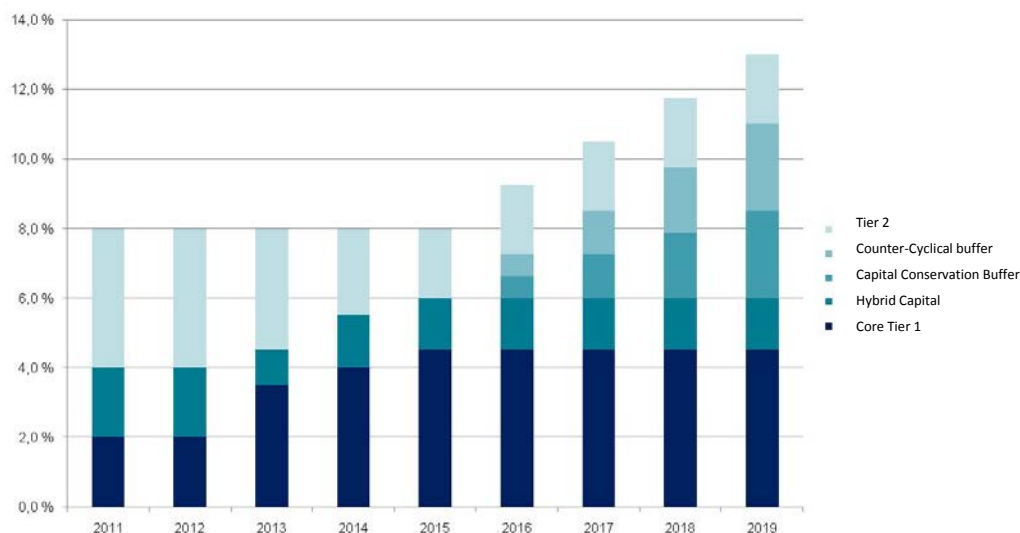
Introduction to the proposed new regulations – Basel III

On 20 July 2011 the EU Commission presented its proposals for implementation of Basel III in the EU (CRD IV). These correspond to the Basel Committee's new minimum requirements for banks' capital adequacy (Basel III). The new minimum requirements will most likely apply from 1 January 2013 with various transitional arrangements that mean that they will have full effect from 1 January 2019. CRD IV is proposed as a so-called full harmonization directive, i.e. it will not be possible for national options and deviation unless the directive specifically allows this.

The following figure illustrates the changes in the requirements for core capital in Basel III. For more details on Basel III/CRD IV, please see our website where the report "Risk and Capital Management"



The proposed, gradual implementation period will provide the following developments in capital requirements over time:



The Basel Committee will also introduce requirements on the unweighted equity ratio (“leverage ratio”) as a supplement to the risk-based capital requirements. This requirement will be finally drawn up in 2017 and introduced in 2018. The transitional period will be used to test a requirement that core capital should amount to at least 3 percent of a bank’s exposure, where off-balance sheet items are included to a varying extent. The proposal on the CRD IV directive in the EU does not involve the introduction of a requirement on a leverage ratio, but the supervisory authorities will be able to apply a leverage ratio as a pillar 2 tool from 2013, i.e. to require individual banks to fulfil such a requirement. Banks will further be required to publish their leverage ratio with effect from 2015. In the preamble to the directive it is further stated that it has been decided to introduce this as a regulatory minimum requirement from 01.01.2018 as Basel III proposes.

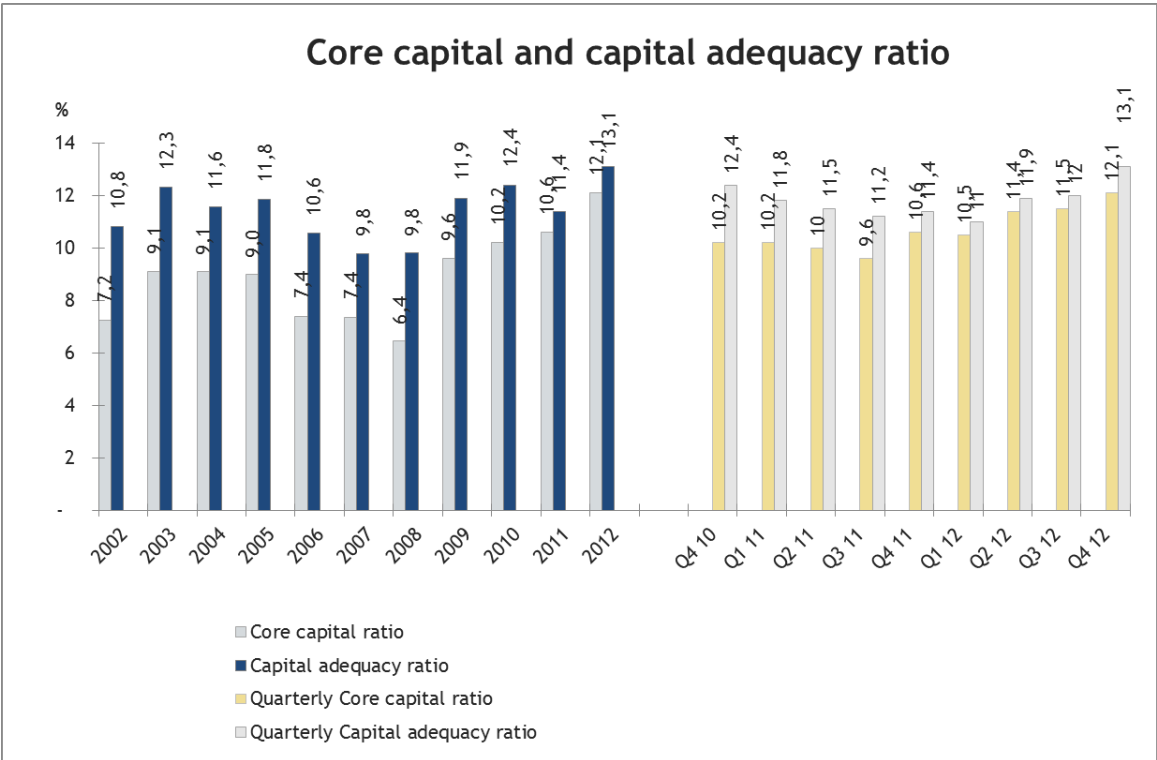
The Basel Committee will also introduce quantitative liquidity requirements and aims to introduce the short-term liquidity indicator, Liquidity Coverage Ratio (“LCR”) in 2015 and the long-term Net Stable Funding Ratio (“NSFR”) in 2018. Neither of these two requirements is being introduced through the proposal for CRD IV, but in the same manner as for the leverage ratio the introduction to the draft directive states that there is a definite intention to introduce these two requirements respectively as of 01.01.2015 and 01.01.2018. CRD IV introduces however reporting requirements related to financing structures and reporting requirements related to LCR. In addition CRD IV introduces a general liquidity requirement for banks with effect from 2013. This means that banks are obliged to maintain holdings of liquid funds that at least correspond to net negative cash

flow in a stressed situation. In the event of a breach or expected breach of this requirement a bank is required to present a plan to the supervisory authority and report daily on its liquidity situation.

EBA requirement for 9 percent core Tier 1 capital cover for systemically important banks

As a result of the debt crisis in Europe and the increased systemic risk that follows from this, the joint body for European banking supervisory authorities, the EBA, has proposed the introduction of a requirement for systemically important banks to maintain a core Tier 1 capital ratio of at least 9 percent of the risk-weighted balance sheet by 30.06.2012 (including the IRB floor). The buffer is not to be used to take losses on sovereign risks, but to withstand stress/shocks and in order subsequently to be able to maintain an acceptable capital ratio.

The FSN states that all banks and finance companies should have at least 9 percent core Tier 1 capital by the end of June 2012. Banks and finance companies that have a lower capital ratio, or are around 9 percent, will be followed up individually. SpareBank 1 SR-Bank was compliant as of 30 June 2012.



On 7 February 2012, the Board proposed that equity should be strengthened through emissions of up to NOK 1.63 billion. The capital increase related to the rights issue and the employee issue was adopted by the general meeting in SpareBank i SR-Bank ASA on 9 May 2012. The proceeds amounted to NOK 1.52 billion, and were registered in the Register of Business Enterprises on 18 June 2012. The new share capital in SpareBank 1 SR-Bank is 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.

Since the introduction of IFRS in 2005 and pursuant to IAS 19, SpareBank 1 SR-Bank has recognised pension liabilities in accordance with an on-going fair value assessment and has recognised estimate deviation directly in equity. As at 30 September 2012, a discount rate of 2.2 % was used for the measurement of the pension liability. The discount rate for pension liabilities has been discussed for a long time and the Norwegian Accounting Standards Board amended 30 November 2012 its guidance. Based on the growth of the market for covered bonds (OMF) and the development of market conditions for government bonds it is now permitted to use the OMF-rate as the discount rate. Applied discount rate as of 31.12.2012 is 3.9 %. For SpareBank 1 SR-Bank changing pension assumptions involves an improvement of the CT1 of 0.3 %.

<i>MNOK</i>	31 Dec. 2012	30 Sept. 2012	31 June 2012	31 March 2012	31 Dec. 2011
Share capital	6.394	6.394	6.394	4.987	3.183
- Own shares	-9	-9	-9	-7	-3
Premium reserve	1.587	1.588	1.587	1.506	625
Equalisation reserve	0	0	0	0	1.448
Allocated to dividend	384	0	0	0	299
Savings bank's reserve	0	0	0	0	2.631
Share premium reserve	0	0	0	0	55
Endowment fund	0	0	0	0	293
Reserve for unrealised gains	72	43	43	43	43
Other equity	4.209	2.889	2.797	2.936	1.183
Total book equity	12.637	10.905	10.812	9.465	9.757
Deferred taxes, goodwill and other intangible assets	-56	-65	-65	-66	-71
Fund for unrealized gains, available for sale	-1	-2	-2	-2	-2
Deduction for allocated dividends	-384	0	0	0	-299
50% deduction for subordinated capital in other financial institutions	-17	-17	-18	-21	-21
50% deduction for expected losses on IRB, net of write-downs	-319	-260	-237	-271	-255
50% capital adequacy reserve	-727	-700	-685	-680	-665
Year-to-date profit included in core capital (50%)	0	508	309	158	0
Additional Tier 1 capital	2.374	2.377	2.400	2.377	2.402
Total core capital	13.507	12.746	12.514	10.960	10.846
<i>Supplementary capital in excess of core capital</i>					
Perpetual Tier 2 capital	0	0	0	0	0
Tier 2 capital - excess of 15 % additional Tier 1 capital	0	0	0	0	0
Non-perpetual additional capital	2.124	1.504	1.467	1.437	1.776
50% deduction for investment in capital instruments in other financial institutions	-17	-17	-18	-21	-21
50% deduction for expected losses on IRB, net of write-downs	-319	-260	-237	-271	-255
50 % capital adequacy reserve	-727	-700	-685	-680	-665
Total supplementary capital	1.061	527	527	465	835
Net subordinated capital	14.568	13.273	13.041	11.425	11.681

Table 2.8.1: *Capital overview*

Basis for calculation Basel I

Minimum requirements subordinated capital, Basel II

<i>MNOK</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Specialised lending exposure	2.328	2.234	2.202	2.100	2.060
Other corporations exposure	2.346	2.328	2.286	2.260	2.104
SME exposure	39	39	38	38	37
Retail mortgage exposure (properties)	796	793	836	786	758
Other retail exposure	58	61	70	76	78
Equity investments	0	0	0	0	0
Total credit risk IRB	5.567	5.455	5.432	5.260	5.037
Debt risk	149	193	172	95	107
Equity risk	44	32	47	49	47
Currency risk	0	0	0	0	0
Operational risk	447	447	447	447	408
Transitional arrangements	908	944	894	757	861
Exposures calculated using the standardised approach	1.901	1.900	1.917	1.837	1.817
Deductions	-119	-115	-112	-112	-110
Minimum requirements subordinated capital	8.897	8.856	8.797	8.333	8.167
Capital adequacy ratio	13,10 %	11,99 %	11,86 %	10,97 %	11,44 %
Core capital ratio	12,15 %	11,51 %	11,38 %	10,52 %	10,62 %
Supplementary capital ratio	0,95 %	0,48 %	0,48 %	0,45 %	0,82 %
Core Tier 1 capital, transitional arrangements	10,01 %	9,37 %	9,20 %	8,24 %	8,27 %
Tier 1 capital coverage	13,53 %	12,89 %	12,67 %	11,57 %	11,88 %
Core Tier 1 capital coverage	11,15 %	10,48 %	10,24 %	9,06 %	9,25 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

MNOK	SpareBank 1 SR-Bank Group													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q4 12	Q4 11	Q4 12	Q4 11	Q4 12	Q4 11	Q4 12	Q4 11	Q4 12	Q4 11	Q4 12	Q4 11	Q4 12	Q4 11
Net interest income	230	215	228	197	16	14	1	2	51	44	-46	-24	480	448
Net commission and other income	220	119	73	61	14	13	98	106	-2	0	8	5	411	305
Net return on investment securities	2	3	2	5	32	37	0	0	0	0	60	66	97	111
Operating expenses	168	166	66	61	21	20	95	65	12	2	142	13	504	329
Operating profit before losses	284	171	237	202	41	44	4	43	37	42	-119	32	484	535
Change in individual write-downs in the period	-2	12	28	13	0	0	0	0	-1	-1	0	0	26	24
Change in group write-downs in the period	0	0	0	19	0	0	0	0	0	2	0	0	0	21
Operating profit before tax	286	159	209	170	41	44	4	43	38	41	-119	32	458	490
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	54.526	49.655	47.148	45.147	0	0	0	0	6.073	5.420	1.766	1.146	109.513	101.368
Deposits from customers	38.865	36.689	25.391	23.530	0	0	0	0	0	0	3.338	3.823	67.594	64.042

MNOK	SpareBank 1 SR-Bank Group													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net interest income	898	847	866	736	58	32	6	9	183	160	-269	-28	1.742	1.756
Net commission and other income	727	469	233	190	55	63	426	426	-11	-7	36	51	1.466	1.192
Net return on investment securities	10	12	18	21	156	119	0	0	0	0	394	167	578	319
Operating expenses	588	569	221	196	73	67	346	344	48	36	612	421	1.888	1.633
Operating profit before losses	1.047	759	896	751	196	147	86	91	124	117	-451	-231	1.898	1.634
Change in individual write-downs in the period	6	36	152	83	0	0	0	0	9	17	0	0	167	136
Change in group write-downs in the period	3	6	-33	-3	0	0	0	0	0	0	0	0	-30	3
Operating profit before tax	1.038	717	777	671	196	147	86	91	115	100	-451	-231	1.761	1.495
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	54.526	49.655	47.148	45.147	0	0	0	0	6.073	5.420	1.766	1.146	109.513	101.368
Deposits from customers	38.865	36.689	25.391	23.530	0	0	0	0	0	0	3.338	3.823	67.594	64.042

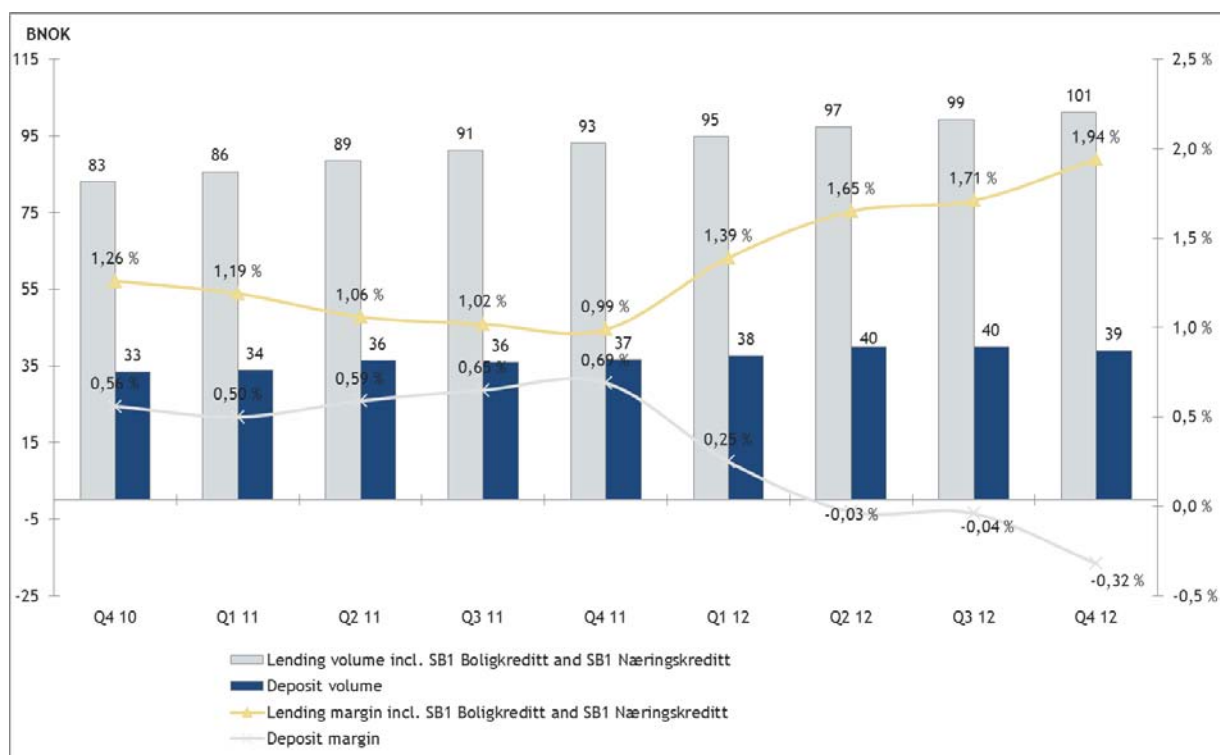
* Includes SR-Forvaltning and SR-Investering

3.2 Retail Market²

Financial performance in the retail market segment

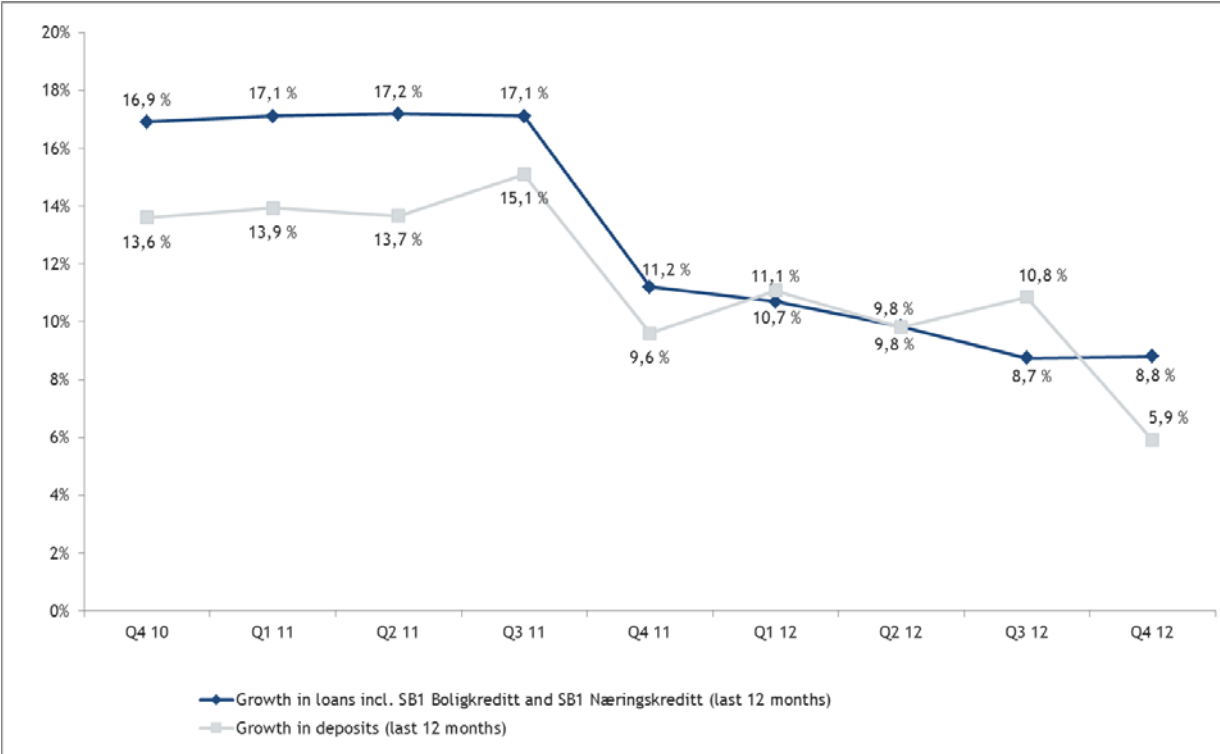
MNOK	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Net interest income	230	233	221	213	215	898	847
Net other operating income	222	194	183	137	122	737	481
Total income	452	427	404	350	337	1.635	1.328
Total operating expenses	168	153	120	147	166	588	569
Operating profit before losses	284	275	284	203	171	1.047	759
Change in individual write-downs in the period	-2	-1	9	0	12	6	36
Change in group write-downs in the period	0	0	0	3	0	3	6
Operating profit before tax	286	276	275	200	159	1.038	717

Development in average volume and interest margin



² 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. In the year to date, the group's real financing cost has been higher than the interest on intercompany receivables, principally due to the falling NIBOR.

Growth in loans and deposits

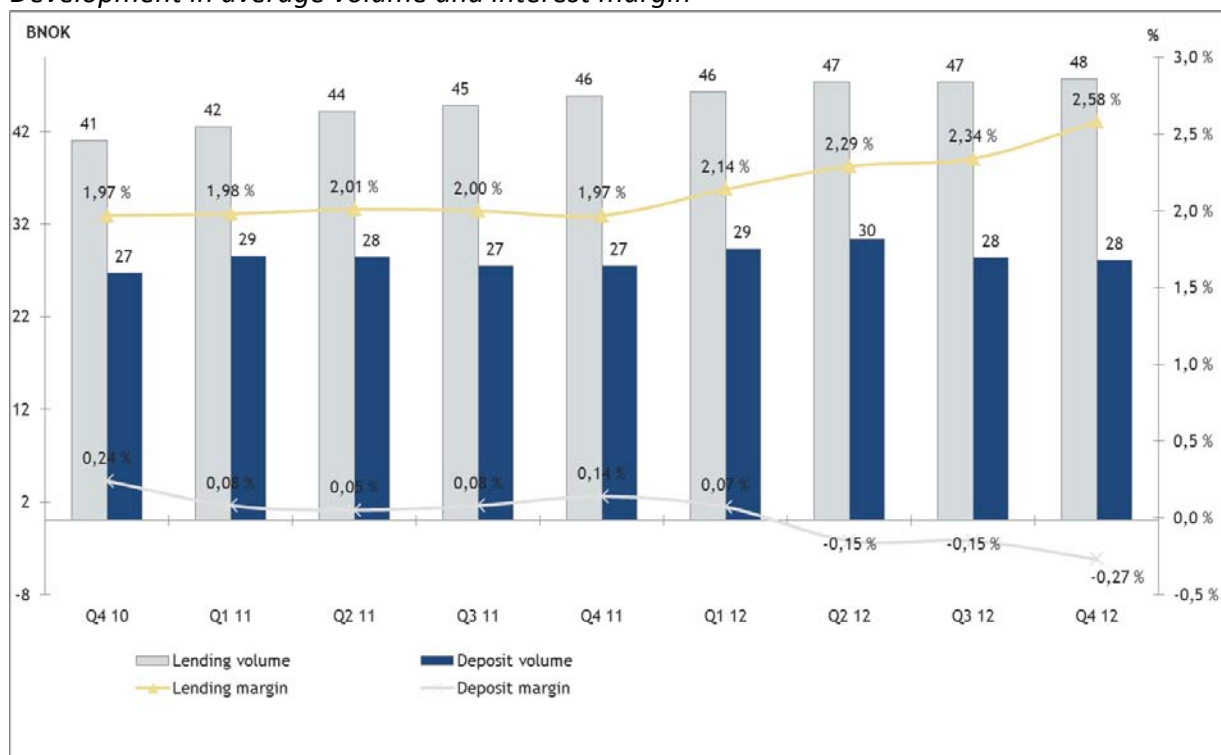


3.3 Corporate Market

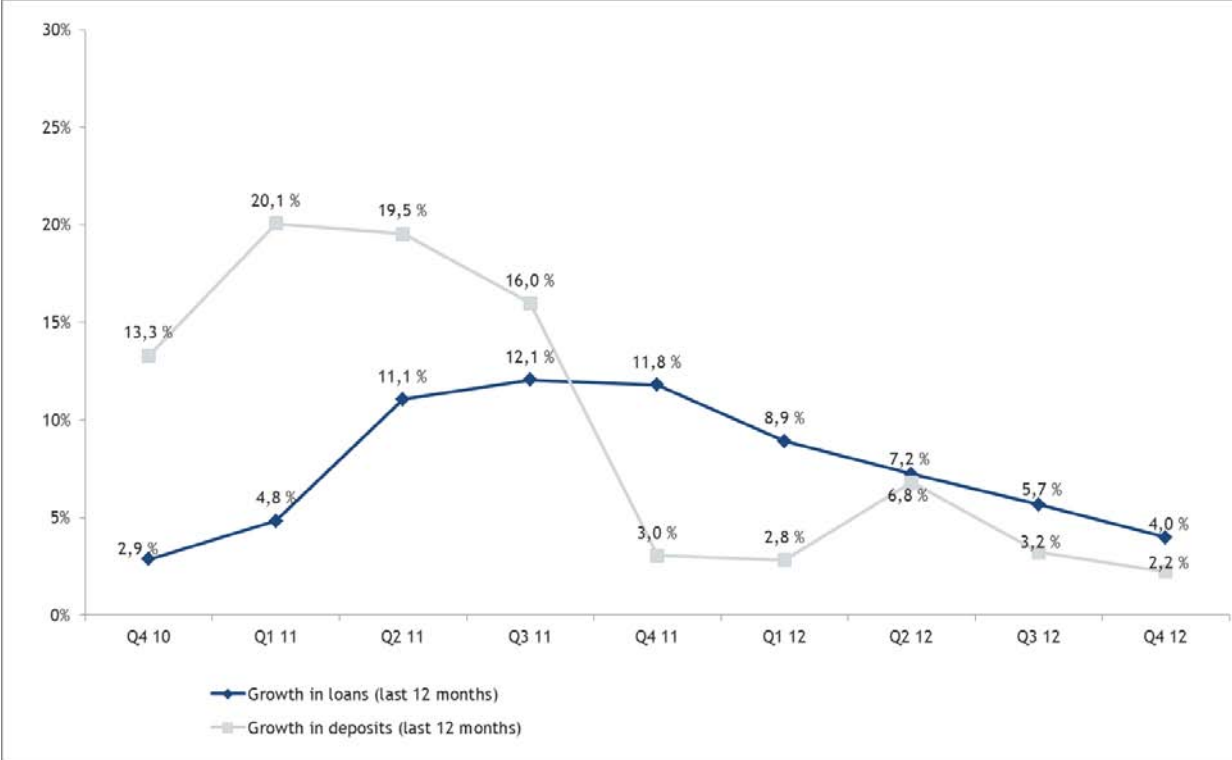
Financial performance in the corporate market segment

MNOK	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Net interest income	228	213	218	207	197	866	736
Net other operating income	75	63	64	49	66	251	211
Total income	303	275	283	256	263	1.117	947
Total operating expenses	66	56	43	57	61	221	196
Operating profit before losses	237	219	240	200	202	896	751
Change in individual write-downs in the period	28	39	22	63	13	152	83
Change in group write-downs in the period	0	0	0	-33	19	-33	-3
Operating profit before tax	209	180	218	170	169	777	671

Development in average volume and interest margin



Growth in loans and deposits



3.4 Capital Market

The securities activities are organised under the SR-Markets brand and include own account and customer trading in interest rate instruments, foreign exchange and equities, and corporate finance services, as well as settlement and administrative securities services. Management is organised in a separate subsidiary, SR-Forvaltning AS.

Financial performance in the capital market segment

<i>MNOK</i>	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Net interest income	16	14	13	15	14	58	32
Net other operating income	46	49	57	57	50	210	182
Total income	62	63	71	72	64	268	214
Total operating expenses	21	19	14	18	20	72	67
Operating profit before losses	41	44	56	54	44	196	147
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	41	44	56	54	44	196	147

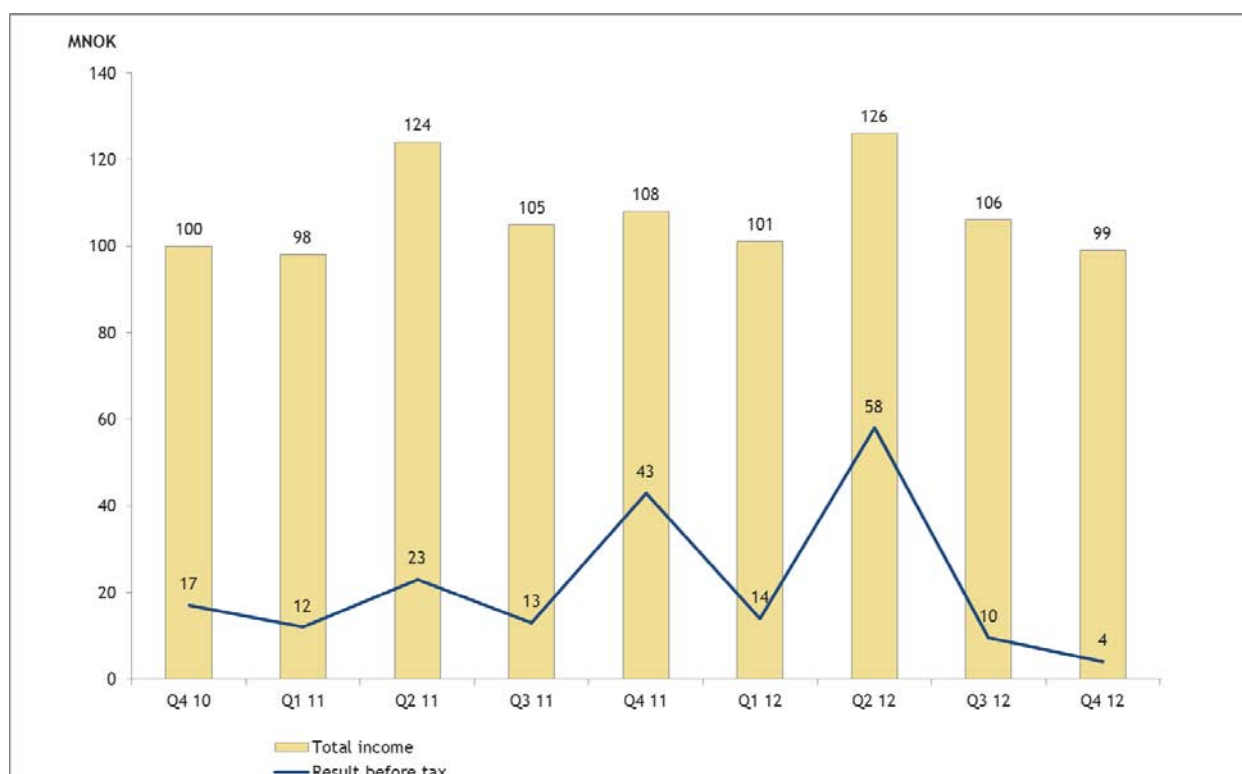
3.5 Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is our region's market leader and the largest company in the nationwide EiendomsMegler 1 chain. This chain is the largest chain of real estate agents in Norway. During 2012, the company sold 7 449 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

	Q4	Q3	Q2	Q1	Q4	31.12	31.12
<i>MNOK</i>	2012	2012	2012	2012	2011	2012	2011
Interest income	1	2	2	2	2	6	9
Other income	98	104	124	99	106	425	426
Total income	99	106	126	101	108	432	435
Total operating expenses	95	96	68	87	65	346	344
Operating profit before losses	4	10	58	14	43	86	91
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	4	10	58	14	43	86	91

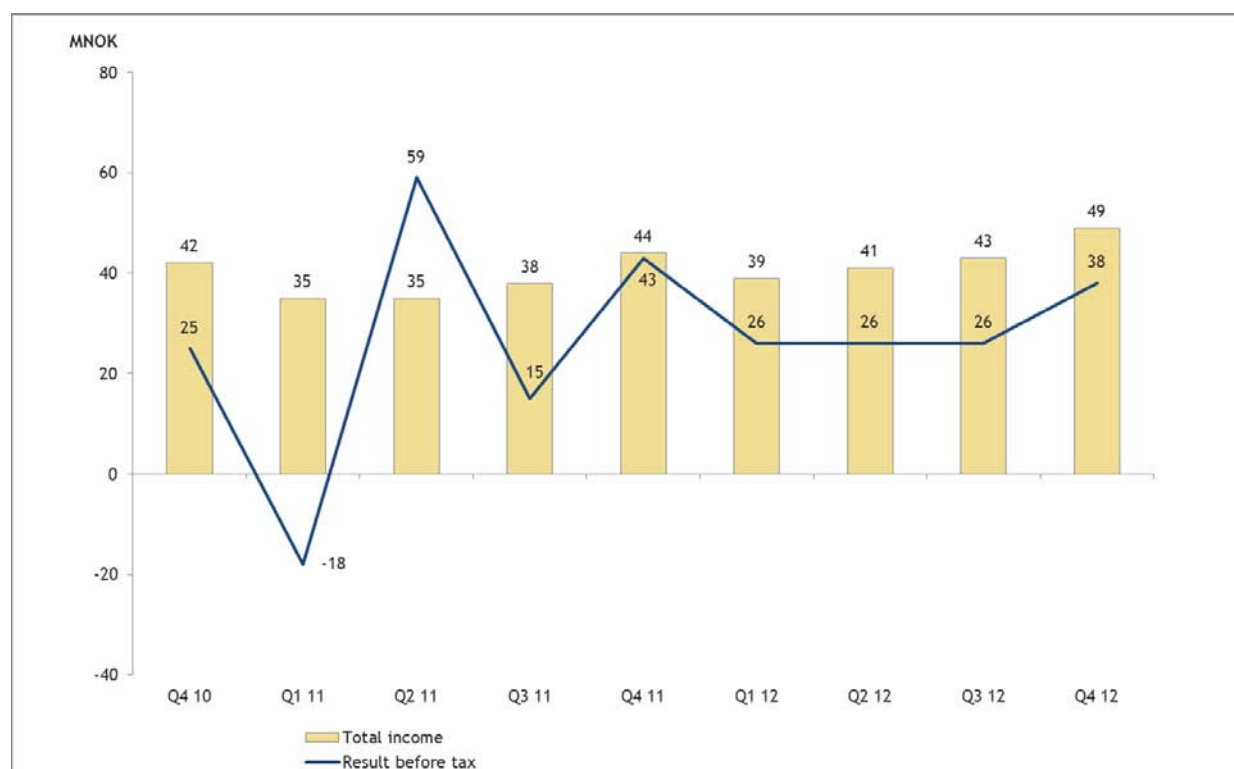


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 6.1 billion in total assets. The company's principal activities are lease financing for corporate customers and secured car loans for retail customers.

Financial performance

MNOK	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Interest income	51	46	44	41	44	183	160
Other income	-2	-4	-3	-2	0	-11	-7
Total income	49	43	41	39	44	172	153
Total operating expenses	12	11	12	12	2	48	36
Operating profit before losses	37	31	29	27	42	124	117
Change in individual write-downs in the period	-1	5	3	1	-1	9	17
Change in group write-downs in the period	0	0	0	0	2	0	0
Operating profit before tax	38	26	26	26	41	115	100

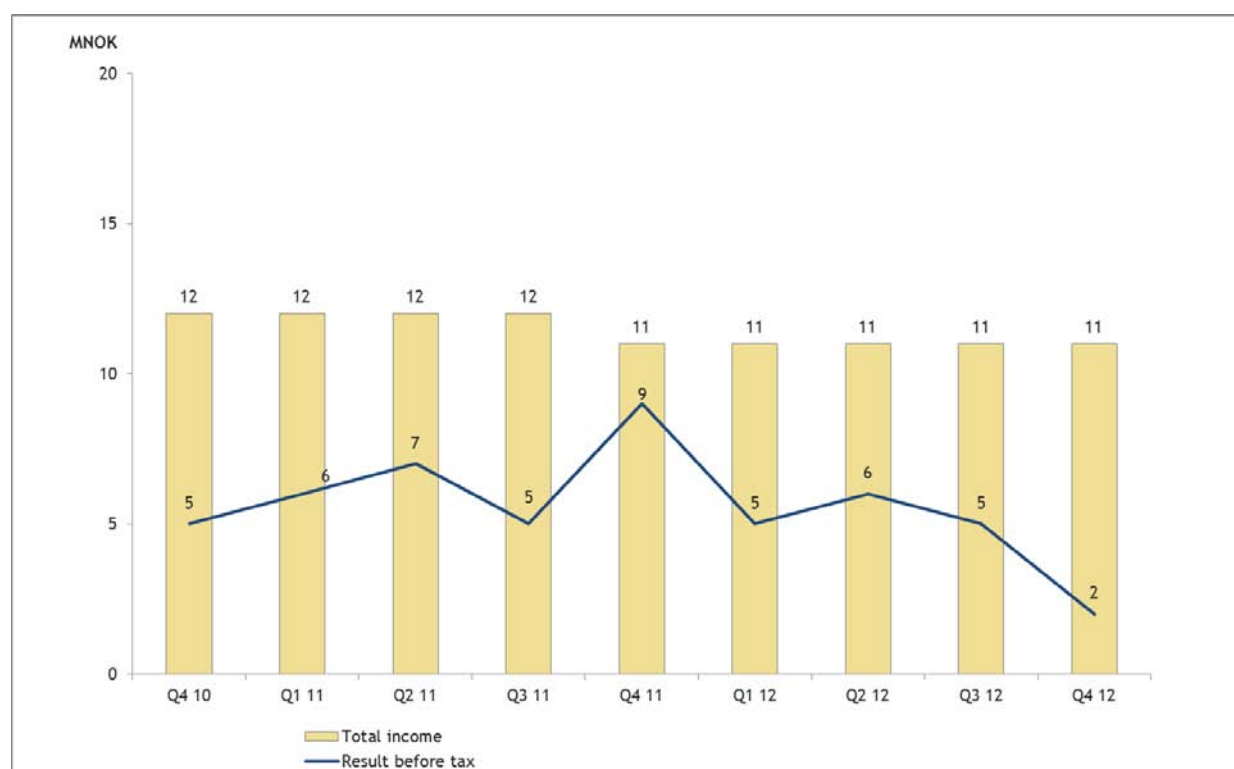


SR-Forvaltning AS

SR-Forvaltning AS is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 2,500 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 6.1 billion at the end of 2012. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
<i>MNOK</i>							
Interest income	0	0	0	0	0	1	1
Other income	11	11	10	11	10	43	44
Total income	11	11	11	11	11	44	45
Total operating expenses	9	6	4	6	2	26	18
Operating profit before losses	2	5	6	5	9	18	27
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	2	5	6	5	9	18	27

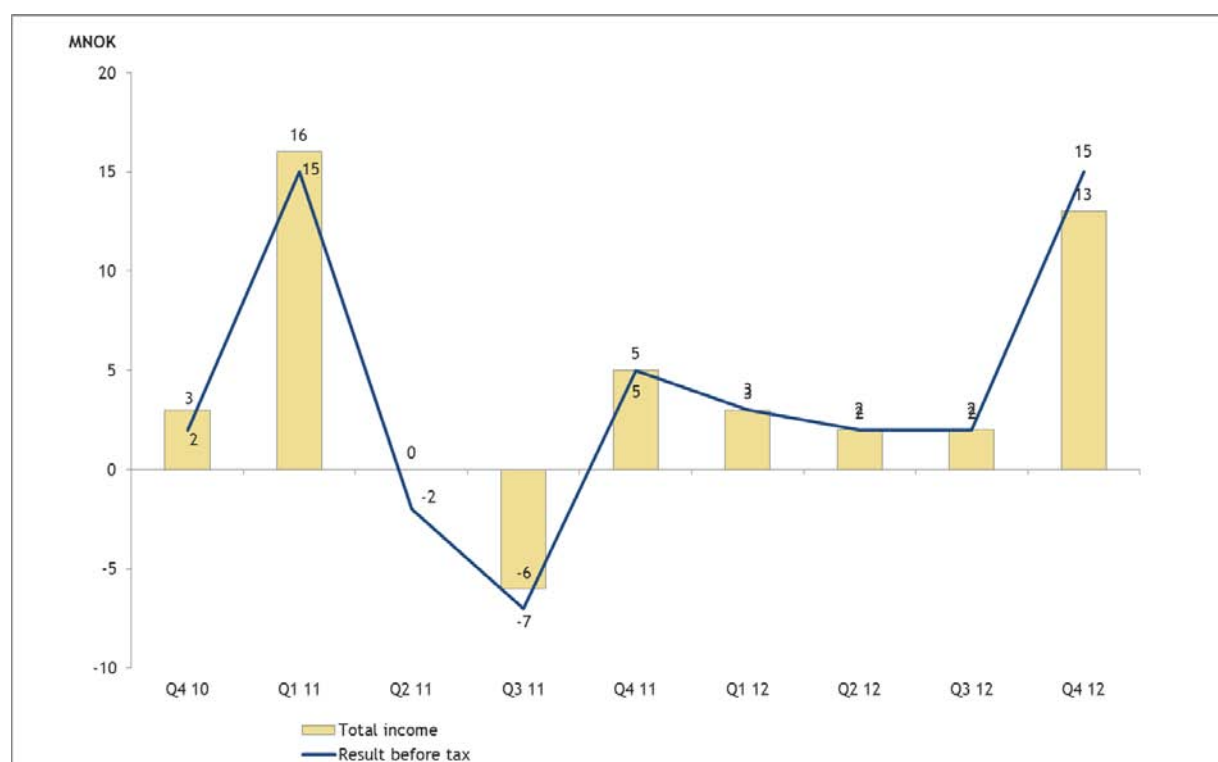


SR-Investering AS

The company's objective is to contribute to long-term value creation, through investment in business in the group's market segment. The company invests primarily in private equity funds and small and medium-sized companies that need capital to develop and grow further. The company is fully owned by SpareBank 1 SR-Bank.

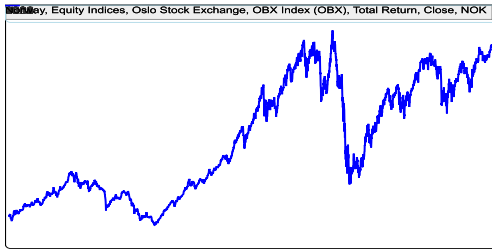
Financial performance

MNOK	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	31.12 2012	31.12 2011
Interest income	0	0	0	0	0	1	1
Other income	13	2	1	3	5	19	13
Total income	13	2	2	3	5	20	14
Total operating expenses	-2	0	0	1	0	-2	3
Operating profit before losses	15	2	2	3	5	22	11
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	15	2	2	3	5	115	11

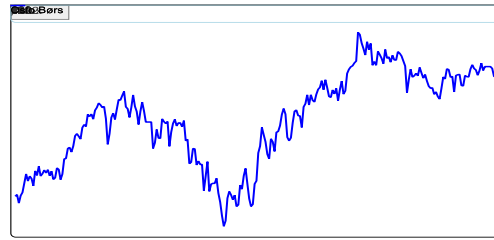


4. Norwegian Economic Outlook

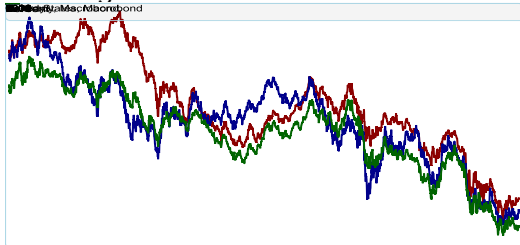
OSEBX - since 1999



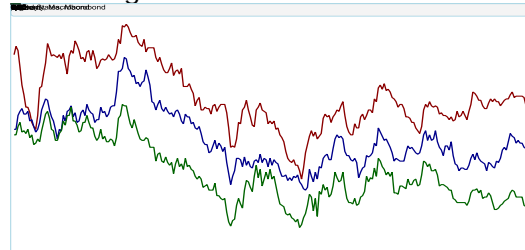
OSEBX – in 2012



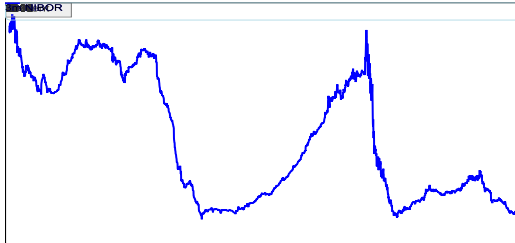
10Y government bonds – since 1999



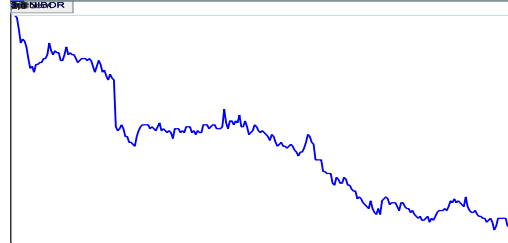
10Y government bonds – in 2012



3M NIBOR – since 1999



3M NIBOR – in 2012



Oil price – since 1999



Oil price – in 2012



Source: SpareBank 1

