THIRD QUARTER 2014

SPAREBANK 1 SR-BANK

Interim financial statements

A good result and a stable continuous growth

Q3 2014

- Pre-tax profit: NOK 577 million (NOK 661 million)
- Net profit for the period: NOK 454 million (NOK 516 million)
- Return on equity after tax: 12.2% (15.6%)
- Earnings per share: NOK 1.78 (NOK 2.02)
- Net interest income: NOK 621 million (NOK 568 million)
- Net commissions and other operating income: NOK 403 million (NOK 466 million)
- Net income from financial investments: NOK 142 million (NOK 137 million)
- Operating costs: NOK 520 million (NOK 478 million)
- Impairment losses on loans: NOK 69 million (NOK 32 million)

(Figures for Q3 2013 are shown in parentheses)

As at 30 September 2014

- Pre-tax profit: NOK 2,048 million (NOK 1,673 million)
- Net profit for the period: NOK 1,647 million (NOK 1,293 million)
- Return on equity after tax: 15.0% (13.2%)
- Earnings per share: NOK 6.45 (NOK 5.06)
- Net interest income: NOK 1,749 million (NOK 1,545 million)
- Net commissions and other operating income: NOK 1,327 million (NOK 1,335 million)
- Net income from financial investments: NOK 662 million (NOK 360 million)
- Operating costs: NOK 1,526 million (NOK 1,485 million)
- Impairment losses on loans: NOK 164 million (NOK 82 million)
- Total lending growth over the last 12 months: 3.5% (5.5%)
- Growth in deposits the over last 12 months: 14.9% (2.2%)
- Common equity tier 1 capital ratio: 11.3% (10.5%)
- Tier 1 capital ratio: 13.1% (12.2%)

(As at 30 September 2013 in parentheses)

Financial performance - Q3 2014

The group's pre-tax profit was NOK 577 million (NOK 661 million), NOK 107 million lower than in the second quarter of 2014. The return on equity after tax for the quarter was 12.2% (15.6%) compared with 14.5% in the second quarter of 2014. Net interest income increased in the last quarter. Nonetheless, the operating result was lower than for the previous quarter, primarily because of a drop in the value of financial items.

Net interest income totalled NOK 621 million (NOK 568 million) compared with NOK 581 million in the second quarter of 2014. The net interest margin (net interest income as a percentage of average total assets) was 1.48% in the third quarter of 2014 (1.49%) compared with 1.41% in the second quarter of 2014. The higher interest income was primarily attributable to the buy-back of loans from SpareBank 1 Boligkreditt worth a total of NOK 12 billion completed during the second quarter of 2014, but where the full effect of the interest income was felt in the third quarter.

Net commissions and other operating income was NOK 403 million (NOK 466 million) compared with NOK 444 million in the second quarter of 2014. Commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt amounted to NOK 93 million (NOK 167 million), NOK 27 million lower than in the second quarter of 2014. The reduction is largely attributable to a buy-back of loans from SpareBank 1 Boligkreditt by the bank, as mentioned above.

Net income from financial investments was NOK 142 million (NOK 137 million) compared with NOK 201 million in the second quarter of 2014.

Operating costs totalled NOK 520 million (NOK 478 million) compared with NOK 501 million in the second quarter of 2014. Costs increased by NOK 19 million from the second quarter of 2014, primarily due to a

NOK 14.6 million write-down of goodwill (linked to EiendomsMegler 1 Forvaltning AS).

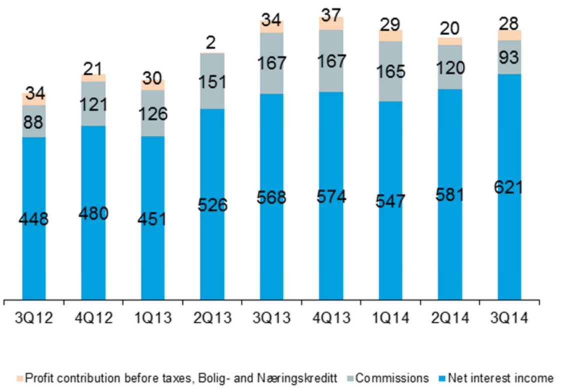
Impairment losses on loans were NOK 69 million (NOK 32 million) compared with NOK 41 million in the second quarter of 2014, NOK 21 million of which was due to increased group write-downs.

Financial performance as at 30 September 2014

The group's pre-tax profit was NOK 2,048 million (NOK 1,673 million), NOK 375 million higher than in the same period last year. The return on equity for the year-to-date was 15.0% (13.2%) and the cost/income ratio was reduced to 40.8% at the end of the third quarter of 2014, compared with 45.8% at the same time last year. The improved result is due to a combination of higher net interest income, good cost control and profit from the realisation of the shares in Nets Holding AS. The better result has helped build up the capital necessary to satisfy the capital requirements set by the authorities.

Net interest income

As at 30 September 2014, the group's net interest income amounted to NOK 1,749 million (NOK 1,545 million). Net interest income must be viewed in the context of commissions and profit contributions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. Commissions from these companies as at 30 September 2014 amounted to NOK 378 million (NOK 444 million), whilst profit contributions before tax amounted to NOK 77 million (NOK 66 million). In the year-to-date, net interest income, commissions and profit contributions before tax have increased by a total of NOK 149 million compared with the same time last year.



The net interest margin was 1.43% as at 30 September 2014, compared with 1.40% as at 30 September 2013.

Net commissions and other operating income

As at 30 September 2014, net commissions and other operating income totalled NOK 1,327 million (NOK 1,335 million).

Net commissions as at 30 September 2014 totalled NOK 989 million (NOK 1,000 million). NOK 66 million of the NOK 11 million year-on-year reduction is attributable to lower commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, see the comments under 'Net interest income'. Other commissions rose by around 8% compared with the same period last year, primarily due to higher income from arrangement fees.

Other operating income amounted to NOK 338 million (NOK 335 million) as at 30 September 2014, with the majority of this income stemming from real estate brokering.

Net income from financial investments

As at 30 September 2014, net income from financial investments was NOK 662 million (NOK 360 million). Capital gains on securities amounted to NOK 177 million (capital losses of NOK 94 million) and capital gains on interest rate and currency trading amounted to NOK 82 million (capital gains of NOK 159 million). Furthermore, income from ownership interests totalled NOK 368 million (NOK 260 million) and from dividends it totalled NOK 35 million (NOK 35 million).

Capital gains on securities of NOK 177 million as at 30 September 2014 were derived from capital losses of NOK 31 million from the interest portfolio and capital gains of NOK 208 million from the portfolio of shares and equity certificates, of which the profit from realising the shares in Nets Holding AS accounted for NOK 202 million. The sale of SpareBank 1 SR-Bank's 2.9% stake in Nets Holding AS was completed in July 2014.

Income from ownership interests as at 30 September 2014 amounted to NOK 368 million (NOK 260 million). The share of the net profit from SpareBank 1 Gruppen was NOK 258 million (NOK 158 million). The higher result in SpareBank 1 Gruppen was primarily due to the improvement in SpareBank 1 Skadeforsikring's result due to a reduction in the year's paid compensation and the recognition of profit prior years as income. The share of the net profit from SpareBank 1 Boligkreditt amounted to NOK 32 million (NOK 42 million), from SpareBank 1 Næringskreditt it amounted to NOK 24 million (NOK 5 million), and from BN Bank it amounted to NOK 56 million (NOK 48 million).

Operating costs

The group's operating costs amounted to NOK 1,526 million as at 30 September 2014, and have risen by NOK 41 million (2.8%) since the same time last year. Personnel costs rose by NOK 21 million (2.4%) to NOK 894 million, while other costs increased by NOK 20 million (3.3%) to NOK 632 million.

The higher personnel costs were due to a NOK 15 million increase in pension costs, a NOK 10 million increase in bonus provisions and non-recurring costs of NOK 5.5 million for a celebration marking the group's 175th anniversary. Other personnel costs were reduced by a total of NOK 9 million as at 30 September 2014. The group has adjusted the resources allocated to its network of branches so that it can focus more heavily on digital distribution channels going forward. Personnel costs as at 30 September 2014 were charged with non-recurring costs of NOK 10.3 million linked to pensions and personnel-related restructuring costs. Last year's personnel costs as at 30 September 2013 were similarly affected by non-recurring costs of NOK 10.8 million related to restructuring.

Other operating costs increased by NOK 20 million. NOK 17 million of this was due to ICT costs and NOK 14.6 million was due to a write-down of goodwill (linked to EiendomsMegler 1 Forvaltning AS). Other administration and operating costs were either unchanged or reduced.

The group's cost/income ratio, costs measured as a percentage of income, was 40.8% (45.8%) as at 30 September 2014. Adjusted for income of NOK 202 million linked to the write-up of the shares in Nets Holding AS, the cost/income ratio for the group was 43.2%. Corrected for non-recurring costs linked to pensions and personnel-related restructuring costs mentioned above, as well as the write-down of goodwill, total operating costs increased by NOK 28 million (1.9%) compared with the same period last year. The annual normalised growth in costs is expected to be about 2%.

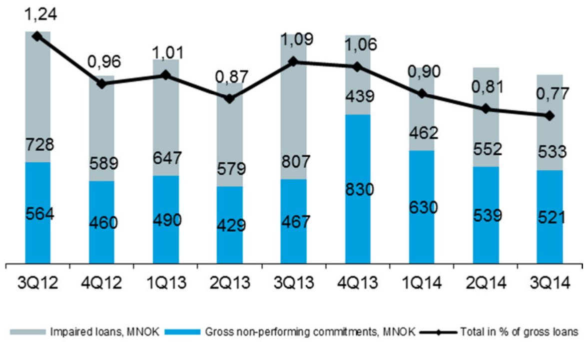
Impairment losses on loans and non-performance

As at 30 September 2014, the group had recognised net impairment losses on loans totalling NOK 164 million (NOK 82 million). This corresponds to impairments as a percentage of gross loans of 0.17% (0.10%). Impairments on groups of loans had increased by NOK 13 million as at 30 September 2014.

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

Gross non-performing commitments amounted to NOK 521 million as at 30 September 2014 (NOK 467 million). This corresponds to 0.38% (0.40%) of gross loans. The portfolio of impaired[1] (not non-performing) loans totalled NOK 533 million (NOK 807 million). This corresponded to 0.39% (0.69%) of gross loans. Total non-performing and impaired loans as at 30 September 2014 came to NOK 1,054 million (NOK 1,274 million). In terms of gross loans, this is a reduction over the last 12 months from 1.09% to 0.77%.

The loan loss provision ratios, measured as individual write-downs as a percentage of non-performing and impaired loans, were 25% (28%) and 41% (33%) as at 30 September 2014.

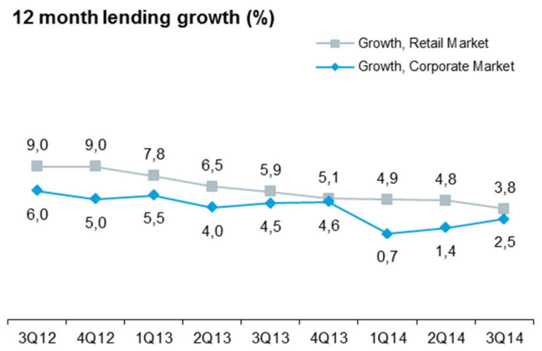


Loans to and deposits from customers

Gross loans totalled NOK 137.3 billion (NOK 116.7 billion) as at 30 September 2014. Including loans totalling NOK 32.9 billion (NOK 47.8 billion) sold to SpareBank 1 Boligkreditt and SpareBank 1

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

Næringskreditt, gross loans amounted to NOK 170.3 billion (NOK 164.5 billion) as at 30 September 2014. Gross lending growth over the last 12 months was 3.5% (5.5%). The group has fulfilled its goal of reducing lending growth as one of several measures implemented to satisfy new, stricter capital requirements. Loans to the retail market increased from 63.4% to 63.6% of total loans (including loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt) as at 30 September 2014.



The group's total loan exposure of NOK 170.3 billion includes a majority of commitments with a probability of default of less than 0.5%. These commitments represent 56% of the portfolio. The total lending portfolio primarily consists of commitments of less than NOK 10 million. These account for around 68% of loan exposure and approximately 99% of customers. 18.4% of loan exposure is to customers who have loans in excess of NOK 100 million. The credit quality of this part of the portfolio is better than the rest of the portfolio.

Deposits from customers rose by 14.9% (2.2%) over the last 12 months to NOK 81.2 billion (NOK 70.7 billion). Deposits from the corporate market and public sector comprised 52.1% (49.2%) of the group's customer deposits as at 30 September 2014.

In addition to good growth in ordinary customer deposits, the group also increased the capital under management in alternative investment products from NOK 13.2 billion to NOK 15.3 billion as at 30 September 2014. This management is primarily performed by SR-Forvaltning AS and ODIN Forvaltning AS.

The deposit coverage ratio, measured as deposits as a percentage of gross loans as at 30 September 2014 was 59.1% (60.6%). The group has continued its policy of having a high proportion of long-term funding in the last year, and the Financial Supervisory Authority of Norway's Funding Indicator 1 (ratio of illiquid assets financed by debt with a duration of more than 1 year) is 106.5% for the parent bank and to 106.4% on a consolidated basis.

Business areas

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

Retail market division[2]

The retail market division's contribution before impairment losses on loans was NOK 1,057 million at the end of the third quarter of 2014. The improvement of NOK 61 million from last year was due to higher net interest, an increase in commissions, and good cost management. Commissions are growing at a moderate pace within payment systems and insurance, while growth within investment services is strong. The division expects somewhat lower net interest income going forward due to price changes for home mortgages. Impairment losses on loans remain low. The percentage of non-performing loans is 0.29% of total loans.

The quality of the retail market portfolio is considered very good. SpareBank 1 SR-Bank has tightened requirements in the last year in order to reduce the risk associated with new home mortgages. The proportion of loan exposure (including the portfolio in SpareBank 1 Boligkreditt) within a loan-to-collateral value ratio of 85% is stable, at a very high level, and currently stands at around 98.2%. The IRB risk weightings are developing positively over time and reflect underlying positive growth in the portfolio. However, a regulatory increase in the LGD floor, from 10% to 20%, was introduced from the first quarter of

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

2014 for calculating risk weightings for home mortgages. The Financial Supervisory Authority of Norway has warned that regulatory home mortgage weightings will be further tightened from 2015.

The division practises good costs management and costs had been reduced by 2.9% as at 30 September 2014. The number of employees in the division has been reduced through continuous restructuring. The division expects continued low costs growth going forward.

The 12-month lending growth figure at the end of the third quarter of 2014 was 3.8%, while deposits grew by 7.9% over the previous 12 months. In addition to tightening its credit lines the reduced lending growth is in part due to the competition situation and a weaker housing market in parts of Rogaland. The growth within deposits, unit trusts and money market funds is good. This is the result of a long-term focus on investment advice.

The division gained a net 4,700 new customers aged above 13 in the third quarter. The growth in customers was stronger than in the equivalent period last year. The proportion of bank customers who use digital channels is extremely high and at the end of the third quarter the division has gained almost 12,000 active new mobile bank users.

Corporate market division [2 3]

The corporate market division's contribution before impairment losses on loans was NOK 806 million at the end of the third quarter of 2014. The NOK 110 million improvement in the result compared with the third quarter of 2013 is attributable to an increase in net interest income and other operating income, at the same time as costs have been reduced.

Over the last 12 months, the division's lending has increased by 2.4%. The competition, especially for new customers, intensified in the last quarter. The division has strengthened its focus on deposits and has in the last 12 months enjoyed 27.9% growth here. The division is actively pushing across-the-board sales of the group's products, and commissions and other operating income are up compared with last year.

Net individual write-downs of NOK 140 million were recognised at the end of the third quarter of 2014, compared with NOK 44 million at the same time last year. Impairment losses on loans remain at low levels. The division's ordinary pre-tax profit (after losses) was NOK 8 million higher than at the end of the third quarter of 2013.

The quality of the corporate market portfolio is considered good. The average probability of default has developed positively over time, largely due to the stronger risk profile of the existing customer base. The proportion of commitments with a probability of default of less than 2.5% was 75.1% of the portfolio as at 30 September 2014. The property management portfolio represents the group's largest concentration in a single sector and accounts for 15.6% of total loan exposure, including retail customers. A large portion of this portfolio consists of financing commercial properties for leasing. The portfolio is characterised by long-term leases with financially solid tenants.

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

Capital market division [3]

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and equities, analysis and corporate finance services. Capital management is performed via a separate subsidiary, SR-Forvaltning AS.

At the end of the third quarter of 2014, SR-Bank Markets had achieved an operating result before the allocation of customer income to other business areas of NOK 95 million. This is an improvement of NOK 30 million compared with the same period last year. The pre-tax profit was NOK 55 million.

The bulk of this income came from customer trading in fixed income and foreign exchange instruments, where good activity has resulted in the share of the profit growing so far this year. Towards the end of the quarter, credit spreads expanded and resulted in a drop in the value of parts of the bank's bond portfolio. Increased activity in relation to facilitating bond issues and other transactions contributed to good growth in income from corporate finance, while

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

income from trading equities and bonds has been relatively stable.

Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

The company's pre-tax profit amounted to NOK 46.6 million at the end of the third quarter of 2014 (NOK 37.8 million). The result for the third quarter was NOK 10.5 million, compared with NOK 6.9 million for the same quarter last year. The improved result is an effect of cost reducing measures.

In the third quarter of 2014, 1,817 (1,752) properties with a total value of around NOK 5.3 billion were sold. The supply of new assignments is good and on a par with last year.

There are significant differences in the regional markets, both with respect to price and turnover times. The housing market in Bergen is very good with record low turnover times and a slight rise in prices from the year before. Turnover times in the Stavanger region have almost doubled since the same period last year, while prices have fallen somewhat. In Kristiansand, the fall in house prices ended and we are now seeing a marginal rise in prices. Of the major cities, Kristiansand has the longest turnover time for housing at around 60 days. However, the number of sold homes has increased throughout our entire market area in relation to last year, and indicates that the property market is functioning well.

Building activity is high and the supply of new housing is good. Sales of new housing are however weaker than in last year, but activity did increase towards the end of the third quarter of 2014. A weak improvement in sales of new homes is expected in the fourth quarter measured against the same period last year. The influx of orders within commercial property for both premises for lease and sale is very good. The number of transactions has also risen significantly compared with the same period last year. We are noting a rise in the number of vacant office premises in the Forus area, and this may have a negative effect on the commercial property market. The rental market for housing is being affected by the consolidation within the oil and oil services industries. Prices for rented housing have flattened out and the turnover rate is significantly slower than in the last few years.

The company expects the level of activity to remain stable in Hordaland and the Agder counties for the remainder of the year. The situation in Rogaland is somewhat more uncertain. Rationalisation measures in the oil sector and the risk of a further fall in the price of oil may impact sentiment in the housing market and have a negative effect on the level of activity and home prices. At the start of the fourth quarter the housing market has so far been unaffected by this.

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

SpareBank 1 SR-Finans AS

The company's main products are lease financing for the business sector and car and boat loans for retail customers. SpareBank 1 SR-Finans is the leading leasing company in Rogaland with total assets of NOK 6.7 billion.

The company had achieved a pre-tax profit of NOK 110.2 million at the end of the third quarter of 2014 (NOK 120.7 million). The reduction in pre-tax profit in 2014 is primarily attributable to the fact that the result in 2013 was affected by lower losses due to a reversal of previous impairment losses on loans. Profit before impairments and losses was NOK 112.1 million (NOK 109.8 million).

Net lending has increased by 5.9% in the last 12 months and at the end of the third quarter of 2014 it amounted to NOK 6,637 million (NOK 6,265 million). 5,254 new contracts have been established in the year-to-date 2014 (5,374 contracts) with a total volume of NOK 1,945 million (NOK 1,848 million).

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

SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are licensed mortgage companies that issue covered bonds secured by home mortgage loan or commercial real estate portfolios sold by the owner banks. The companies are owned by the savings banks that make up the SpareBank 1 Alliance and help ensure the owner banks have access to stable, long-term funding at competitive rates.

SpareBank 1 Boligkreditt's total lending volume at the end of the third quarter of 2014 amounted to NOK 159.8 billion, NOK 32.3 billion (NOK 47.1 billion) of which were home mortgages bought from SpareBank 1 SR-Bank. In the first and second quarter, the bank completed a buy-back of loans worth a total of NOK 14.5 billion from SpareBank 1 Boligkreditt. The bank currently owns a 20.4% stake in the company. This is normally updated at the end of each year in line with the volume sold.

SpareBank 1 Næringskreditt's total lending volume at the end of the third quarter of 2014 amounted to NOK 15.8 billion, NOK 0.6 billion (NOK 0.7 billion) of which were loans bought from SpareBank 1 SR-Bank. The bank owns a 26.8% stake in the company.

Funding

A number of measures have been implemented to stimulate growth in the eurozone. The European Central Bank (ECB) has lowered rates further and announced that they will increase their balance sheet by buying covered bonds to keep interest rates low and liquidity good. We have noted that the ECB's targeted long term refinancing operation (TLTRO) has not been used as much as expected by the European banks, and the plan to stimulate cheaper credit for companies has not come to fruition. The reported macro figures show that the combined measures have yet to have the desired effect on the economy.

However, the growth measures that are being implemented are having an effect on prices in the financial markets and, together with the low supply of bonds, the prices for the banks' funding costs are being kept down. SpareBank 1 SR-Bank had good liquidity at the end of the third quarter of 2014 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer[4] amounted to NOK 16.6 billion at the end of the third quarter of 2014. NOK 8.2 billion of the bank's external funding will fall due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 26.1 billion in home mortgages ready for covered bond funding.

The Board of Directors in SpareBank 1 SR-Bank ASA has decided to forward a licence application for the establishment of a 100 % owned covered bond mortgage company. This company will represent a supplement to SpareBank 1 Boligkreditt, which will continue to be the main vehicle for the alliance banks' funding in the covered bond market. The Bank may sell additional loans to the new covered bond company due to different qualifying criteria, including fixed rate mortgages. Additionally, the establishment of a 100 % owned covered bond mortgage company will eliminate problems related to regulatory restrictions with regard to maximum liabilities size between SpareBank 1 SR-Bank and SpareBank 1 Boligkreditt.

Capital adequacy

At the end of the third quarter of 2014, the common equity tier 1 capital ratio was 11.3%, up from 10.5% at the same time last year. The tier 1 capital ratio has in the same period increased from 12.2% to 13.1% and the total capital ratio from 13.1% to 15.4%. Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80% of the corresponding figure calculated according to the Basel I regulations. Until 30 June 2014 the transitional rule was binding for SpareBank 1 SR-Bank and will apply again when IRB A approval is granted for the corporate portfolio.

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

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

On 12 May 2014, the Ministry of Finance issued regulations concerning systemically important financial institutions (SIFI). Institutions with total

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

assets of at least 10% of Mainland Norway's GDP, or at least a 5% share of the market for loans, will be covered by this definition. Upon implementation, DNB, Nordea Bank Norway and Kommunalbanken Norway were defined as systemically important. The three SIFI banks will thus be subject to a special capital buffer requirement from 1 July 2015. From 1 July 2016, when the new capital requirements have been fully implemented, the systemically important institutions must satisfy a minimum requirement for their common equity tier 1 capital ratio of 12%, while the minimum requirement for other institutions will be 10%. The countercyclical capital buffer comes on top of this. SpareBank 1 SR-Bank is close to the SIFI requirement concerning market share and takes account of this in its capital planning.

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

The bank's shares

The bank's share price (SRBANK) was NOK 61.00 at the end of the third quarter of 2014. This is a rise of 2.1% since the end of the second quarter of 2014. The main Oslo Stock Exchange index fell by 1.4% in the same period. 3.0% (3.1%) of outstanding SRBANK shares were traded in the third quarter of 2014.

There were 10,621 (11,387) shareholders of SRBANK at the end of the third quarter of 2014. The proportion owned by foreign companies and residents was 23.1%, whilst 48.6% were based or resident in Rogaland, the Agder counties and Hordaland. The 20 largest shareholders owned 64.7% of the shares. The bank holds 231,043 treasury shares, while group employees owned 1.8%. The table below shows the 20 largest shareholders as at 30 September 2014:

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,32 %
Gjensidige Forsikring ASA	26.483	10,36 %
Folketrygdfondet	9.896	3,87 %
Morgan Stanley & Co, U.S.A.	9.562	3,74 %
State Street Bank and Trust, U.S.A.	8.693	3,40 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,43 %
Wimoh Invest AS	4.321	1,69 %
Odin Norge	3.954	1,55 %
Skagen Global	3.820	1,49 %
The Bank of New York Mellon, U.S.A.	2.619	1,02 %
State Street Bank and Trust, U.S.A.	2.599	1,02 %
J.P. Morgan Chase Bank, U.K.	2.341	0,92 %
Clipper AS	2.100	0,82 %
J.P. Morgan Chase Bank, U.K.	2.083	0,81 %
J.P. Morgan Chase Bank, Sverige	2.014	0,79 %
Skandinaviska Enskilda Banken, Sverige	1.707	0,67 %
FLPS, U.S.A.	1.350	0,53 %
Westco AS	1.322	0,52 %
State Street Bank and Trust, U.S.A.	1.224	0,48 %
Skagen Global II	1.197	0,47 %
Total 20 largest	165.929	64,88 %

Accounting policies

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

Events after the balance sheet date

No material events have been registered after 30 September 2014 that affect the interim financial statements as prepared.

Future prospects

The strong rise in oil prices in the last 10 years, combined with increased output and investment levels, have had a stimulating effect on the Norwegian economy. Oil investments have increased by an average of almost 9% in each of the last three years. This year oil investments are flattening out at a high level, while a reduction of up to 15% is expected in 2015. Both oil companies and the supply industry are in the process of rationalizing operations and reducing costs, and the price of oil has also fallen strongly in the last few months. The risk of lower growth in the Norwegian economy than previously expected has consequently increased, but estimates vary from this having just a minor negative impact to it having somewhat more serious consequences for employment.

In the least year, the Stavanger region has seen somewhat weaker rises in house prices than the rest of the country.The volume of sales is however still high. This development must be seen in the context of house prices having grown much more in recent years in Stavanger and Rogaland than in the rest of the country. A somewhat higher degree of uncertainty about how the economy will develop may contribute to dampening the demand for loans, while continued low interest rates and wages growth have the opposite effect. Non-performance and loan loss provisions are therefore expected to remain relatively low in 2014 as well. The board would like to stress that a certain level of uncertainty is associated with assessments of future conditions.

Competition in the banking market is increasing and significantly so with respect to home mortgage customers. The group therefore warned at the end of September that home mortgage rates is decided to be reduced by up to 0.25 percentage points. The negative effect on the group's net interest margin will partly be countered by the terms for deposits also being adjusted.

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

Stavanger, 29 October 2014
The Board of Directors of SpareBank 1 SR-Bank ASA

Key figures SpareBank 1 SR-Bank Group

MAIN FIGURES	01.01.14 - 30.09.14 MNOK	%	01.01.13 - 30.09.13 MNOK	%	2013 MNOK	%
Net interest income	1.749	*1,43*	1.545	*1,40*	2.119	*1,42*
Net commission and other income	1.327	*1,08*	1.335	*1,21*	1.824	*1,22*
Net income on financial investments	662	*0,54*	360	*0,33*	555	*0,37*
Total income	**3.738**	***3,05***	**3.240**	***2,94***	**4.498**	***3,01***
Total operating costs	**1.526**	***1,25***	**1.485**	***1,35***	**2.019**	***1,35***
Operating profit before impairment losses	**2.212**	***1,81***	**1.755**	***1,59***	**2.479**	***1,66***
Impairment losses on loans and guarantees	164	*0,13*	82	*0,07*	132	*0,09*
Pre-tax profit	**2.048**	***1,67***	**1.673**	***1,52***	**2.347**	***1,57***
Tax expense	401	*0,33*	380	*0,34*	487	*0,33*
Profit after tax	**1.647**	***1,34***	**1.293**	***1,17***	**1.860**	***1,24***

	30.09.14	30.09.13	2013
PROFITABILITY			
Return on equity [1)]	15,0 %	13,2 %	14,0 %
Cost ratio [2)]	40,8 %	45,8 %	44,9 %
Combined weighted total average spread for lending and deposits [3)]	1,43 %	1,40 %	1,42 %
BALANCE SHEET			
Gross loans to customers	137.343	116.720	120.273
Gross loans to customers including SB1 Boligkreditt og Næringskreditt	170.270	164.538	166.662
Growth in loans [4)]	17,7 %	11,7 %	9,8 %
Growth in loans incl SB1 Boligkreditt and Næringskreditt	3,5 %	5,5 %	5,3 %
Deposits from customers	81.228	70.714	71.667
Deposit-to-loan ratio	59,1 %	60,6 %	59,6 %
Growth in deposits	14,9 %	2,2 %	6,0 %
Total assets	168.310	153.639	156.985
Average total assets	163.782	147.588	149.554
LOSSES AND NON-PERFORMING COMMITMENTS			
Impairment losses ratio, annualized [5)]	0,17 %	0,10 %	0,11 %
Non-performing commitments as a percentage of gross loans	0,38 %	0,40 %	0,69 %
Other doubtful commitments as a percentage of gross loans	0,39 %	0,69 %	0,37 %
SOLIDITY			
Common equity Tier 1 capital ratio	11,3 %	10,5 %	11,1 %
Tier 1 capital ratio	13,1 %	12,2 %	12,8 %
Capital ratio	15,4 %	13,1 %	14,1 %
Tier 1 capital	15.304	13.974	14.511
Risk weighted balance	117.278	115.038	113.075
BRANCHES AND STAFF			
Number of branches	48	53	52
Number of employees (annualised)	1.117	1.182	1.165

SpareBank 1 SR-Bank share	30.09.14	31.12.13	31.12.12	31.12.11	31.12.10
Market price	61,00	60,25	37,20	40,70	57,00
Market capitalisation	15.601	15.409	9.514	5.182	7.257
Book equity per share(including dividends) (group)	59,21	55,00	49,48	48,75	47,45
Earnings per share, NOK	6,45	7,28	5,33	5,42	6,84
Dividends per share	n.a.	1,60	1,50	1,50	2,75
Price / Earnings per share	7,09	8,28	6,98	7,51	8,33
Price / Book equity (group)	1,03	1,10	0,75	0,83	1,20
Effective return [7)]	3,9 %	66,0 %	-4,9 %	-23,8 %	17,5 %

[*)] *See page 29 of the interim report for definition of key figures*

Income statement

Parent bank						Note	Group				
2013	**Q3 2013**	**Q3 2014**	**01.01.13 - 30.09.13**	**01.01.14 - 30.09.14**	**Income statement (MNOK)**		**01.01.14 - 30.09.14**	**01.01.13 - 30.09.13**	**Q3 2014**	**Q3 2013**	**2013**
5.442	1.398	1.513	4.026	4.388	Interest income		4.549	4.178	1.568	1.451	5.644
3.535	885	951	2.639	2.804	Interest expense		2.800	2.633	947	883	3.525
1.907	513	**562**	1.387	**1.584**	**Net interest income**		**1.749**	1.545	**621**	568	2.119
1.409	373	304	1.022	1.008	Commission income		1.048	1.060	317	386	1.452
73	20	18	54	55	Commission expenses		59	60	20	23	72
12	1	2	11	5	Other operating income		338	335	106	103	444
1.348	354	**288**	979	**958**	**Net commission and other income**		**1.327**	1.335	**403**	466	1.824
33	2	3	33	24	Dividend income		35	35	10	3	33
412	0	0	412	443	Income from investment in associates		368	260	150	130	355
249	3	-10	151	180	Net gains/losses on financial instruments		259	65	-18	4	167
694	5	**-7**	596	**647**	**Net income on financial investments**		**662**	360	**142**	137	555
3.949	872	**843**	2.962	**3.189**	**Total income**		**3.738**	3.240	**1.166**	1.171	4.498
906	214	230	665	674	Personnel expenses	14	894	873	307	284	1.196
381	91	100	284	298	Administrative expenses		340	323	114	104	432
251	55	55	182	180	Other operating costs		292	289	99	90	391
1.538	360	**385**	1.131	**1.152**	**Total operating costs**		**1.526**	1.485	**520**	478	2.019
2.411	512	**458**	1.831	**2.037**	**Operating profit before impairment losses**		**2.212**	1.755	**646**	693	2.479
116	34	65	79	162	Impairment losses on loans and guarantees	2, 3 and 4	164	82	69	32	132
2.295	478	**393**	1.752	**1.875**	**Pre-tax profit**	12	**2.048**	1.673	**577**	661	2.347
457	130	110	340	352	Tax expense		401	380	123	145	487
1.838	348	**283**	1.412	**1.523**	**Profit after tax**		**1.647**	1.293	**454**	516	1.860
					Other comprehensive income						
-67	0	-74	-43	-266	Unrecognised actuarial gains and losses		-278	-47	-74	0	-72
19	0	20	12	72	Deferred tax concerning changed estimates/pension plan changes		75	13	20	0	20
-1	0	0	0	0	Change in value of financial assets available for sale		0	0	0	0	-1
-49	0	-54	-31	-194	**Total items not reclassified through profit or loss**		-203	-34	-54	0	-53
-6	0	0	0	0	Tax change actuarial gains/losses		0	0	0	0	-6
0	0	0	0	0	Share of profit associated companies and joint ventures		16	1	4	3	4
-6	0	0	0	0	**Total items reclassified through profit or loss**		16	1	4	3	-2
-55	0	-54	-31	-194	**Other comprehensive income**		-187	-33	-50	3	-55
1.783	348	229	1.381	1.329	**Total comprehensive income**		1.460	1.260	404	519	1.805
					Earnings per share (group)		6,45	5,06	1,78	2,02	7,28

Balance sheet

Parent bank				Note	Group		
31.12.13	30.09.13	30.09.14	Balance sheet (MNOK)		30.09.14	30.09.13	31.12.13
1.265	588	336	Cash and balances with central banks		336	588	1.265
6.669	7.212	7.971	Balances with credit institutions		2.216	1.732	1.253
113.312	109.737	130.212	Loans to customers	3, 8	136.685	115.992	119.525
21.052	22.402	16.789	Certificates, bonds and other fixed-income securities	13	16.802	22.408	21.065
4.929	4.892	4.027	Financial derivatives	10	4.023	4.887	4.923
780	725	466	Shares, ownership stakes and other securities	17	623	880	938
84	84	65	Business available for sale		65	85	85
3.552	3.743	3.242	Investment in associates		4.601	4.804	4.710
950	897	1.099	Investment in subsidiaries		0	0	0
2.998	2.053	2.539	Other assets	5	2.959	2.263	3.221
155.591	152.333	**166.746**	**Total assets**	12	**168.310**	153.639	156.985
3.746	4.721	5.496	Balances with credit institutions		5.493	4.719	3.742
6.429	6.429	0	Public sector deposits regarding the covered bonds swap agreement		0	6.429	6.429
71.840	70.865	81.436	Deposits from customers	7	81.228	70.714	71.667
52.328	50.124	56.009	Listed debt securities	11	56.009	50.124	52.328
2.013	2.235	3.146	Financial derivatives	10	3.146	2.235	2.013
2.527	2.060	2.927	Other liabilities	6	3.195	2.310	2.746
4.004	3.597	4.109	Subordinated loan capital	11	4.109	3.597	4.004
142.887	140.031	**153.123**	**Total liabilities**		**153.180**	140.128	142.929
6.394	6.394	6.394	Share capital		6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve		1.587	1.587	1.587
409	0	0	Proposed dividend		0	0	409
162	72	162	Fund for unrealised gains		162	72	162
4.152	2.837	3.957	Other equity		5.340	4.165	5.504
0	1.412	1.523	Profit/loss at period end		1.647	1.293	0
12.704	12.302	**13.623**	**Total equity**		**15.130**	13.511	14.056
155.591	152.333	**166.746**	**Total liabilities and equity**	12	**168.310**	153.639	156.985

Statement of changes in equity

SpareBank 1 SR-Bank Group (Amounts in NOK million)	Share-capital	Premium reserve	Other equity	Reserve for unrealised gains	Total equity
Equity as of 31.12.2012	6.385	1.587	4.593	72	12.637
Reclassification of treasury shares	9		-9		0
Profit after tax			1.769	91	1.860
Unrecognised actuarial gains and losses after tax			-58		-58
Change in value of financial assets available for sale				-1	-1
Share of profit associated companies and joint ventures			4		4
Total items not reclassified through profit or loss			1.715	90	1.805
Adjusted equity accosiates			-11		-11
Dividend 2012, resolved in 2013			-384		-384
Purchase/sale of own shares			9		9
Items reclassified through profit or loss	0	0	-375	0	-375
Equity as of 31.12.2013	**6.394**	**1.587**	**5.913**	**162**	**14.056**
Profit after tax			1.647		1.647
Unrecognised actuarial gains and losses after tax			-203		-203
Change in value of financial assets available for sale					0
Share of profit associated companies and joint ventures			16		16
Total items not reclassified through profit or loss			1.460	0	1.460
Adjusted equity accosiates			24		24
Dividend 2013, resolved in 2014			-409		-409
Purchase/sale of own shares			-1		-1
Items reclassified through profit or loss	0	0	-410	0	-410
Equity as of 30.09.2014	**6.394**	**1.587**	**6.987**	**162**	**15.130**

Cash flow statement

Parent bank				Group		
2013	01.01.13 - 30.09.13	01.01.14 - 30.09.14	**Cash flow statement**	01.01.14 - 30.09.14	01.01.13 - 30.09.13	2013
-10.382	-6.796	-16.806	Change in gross lending to customers	-17.098	-7.208	-10.760
4.724	3.485	3.858	Interest receipts from lending to customers	4.118	3.752	5.116
4.084	3.109	9.596	Change in deposits from customers	9.561	3.120	4.073
-1.777	-432	-310	Interest payments on deposits from customers	-295	-421	-1.764
-2.220	-1.788	-5.471	Change in receivables and deby from credit institutions	-5.121	-1.522	-2.048
-327	-234	-174	Interest on receivables and debt to financial institutions	-309	-362	-501
-2.380	-3.730	4.263	Change in certificates and bonds	4.263	-3.732	-2.388
530	381	368	Interest receipts from commercial paper and bonds	368	381	530
893	600	1.341	Commission receipts	1.709	966	1.405
125	138	292	Capital gains from sale of trading	292	138	125
-1.376	-1.020	-1.090	Payments for operations	-1.432	-1.343	-1.837
-132	-185	-280	Taxes paid	-355	-255	-209
1.530	-834	-41	Other accruals	-141	-656	1.552
-6.708	-7.306	**-4.454**	**A Net change in liquidity from operations**	**-4.440**	-7.142	-6.706
-61	-42	-39	Investments in tangible fixed assets	-49	-51	-73
15	15	47	Receipts from sale of tangible fixed assets	47	15	15
-177	-192	-270	Change in long-term investments in equities	-284	-179	-203
338	170	785	Receipts from sales of long-term investments in equities	794	170	363
442	442	467	Dividends from long-term investments in equities	478	264	442
557	393	**990**	**B Net cash flow, investments**	**986**	219	544
15.830	12.390	13.068	Debt raised by issuance of securities	13.068	12.390	15.830
-8.330	-5.045	-8.650	Repayments - issuance of securities	-8.650	-5.045	-8.330
-820	-646	-894	Interest payments on securities issued	-894	-646	-820
499	0	44	Additional subordinated loan capital issued	44	0	499
-694	-231	0	Repayments - additional capital instruments	0	-231	-694
-220	-118	-114	Interest payments on subordinated loans	-114	-118	-220
0	0	0	Issue shares	0	0	0
-384	-384	-409	Dividend to share holders	-409	-384	-384
5.881	5.966	**3.045**	**C Net cash flow, financing**	**3.045**	5.966	5.881
-270	-947	**-419**	**A+B+C Net cash flow during the period**	**-409**	-957	-281
1.796	1.796	1.526	Cash and cash equivalents as at 1 January	1.542	1.823	1.823
1.526	849	1.107	Cash and cash equivalents as at 31 March	1.133	866	1.542
			Cash and cash equivalents specified			
1.265	588	336	Cash and balances with central banks	336	588	1.265
261	261	771	Balances with credit institutions	797	278	277
1.526	849	**1.107**	**Cash and cash equivalents**	**1.133**	866	1.542

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

Note 1 Accounting policies, critical estimates and judgements concerning the use of accounting policies

1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 30 September 2014. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

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

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

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

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

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

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

1.2 Critical accounting estimates and judgements

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

Note 2 Losses on loans and guarantees

Parent bank				Group		
2013	01.01.13 - 30.09.13	01.01.14 - 30.09.14		01.01.14 - 30.09.14	01.01.13 - 30.09.13	2013
-31	-81	-83	Change in individual impairment losses provisions for the period	-100	-26	23
-40	0	11	Change in collective impairment loss provisions for the period	13	0	-30
11	3	6	Amortised cost	6	3	11
101	75	181	Actual loan losses on commitments for which provisions have been made	188	84	111
95	30	50	Actual loan losses on commitments for which no provision has been made	61	37	108
31	76	0	Change in assets taken over for the period	0	16	-30
-51	-24	-3	Recoveries on commitments previously written-off	-4	-32	-61
116	79	**162**	**The period's net losses / (reversals) on loans and advances**	**164**	82	132

Note 3 Provisions for impairment losses on loans and guarantees

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
436	436	405	Provisions for Individual impairment losses at start of period	446	423	423
130	77	28	Increases in previous provisions for individual impairment losses	29	77	131
-239	-189	-28	Reversal of provisions from previous periods	-47	-132	-183
179	108	97	New provisions for individual impairment losses	105	115	186
0	-2	1	Amortised cost	1	-2	0
-101	-75	-181	Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-188	-84	-111
405	355	**322**	**Provisions for Individual impairment losses at period end**	**346**	397	446
196	105	**231**	**Net losses**	**249**	121	219

Note 4 Non-performing and problem commitments

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
			Non-performing loans and advances			
804	445	483	Gross non-performing loans above 90 days	521	467	830
210	125	127	Provisions for Individual impairment losses	129	130	212
594	320	**356**	**Net non-performing loans and advances**	**392**	337	618
26 %	28 %	**26 %**	**Loan loss provision ratio**	**25 %**	28 %	26 %
			Other problem commitments			
378	745	491	Problem commitments	533	807	439
195	230	195	Provisions for Individual impairment losses	217	267	234
183	515	**296**	**Net other problem commitments**	**316**	540	205
52 %	31 %	**40 %**	**Loan loss provision ratio**	**41 %**	33 %	53 %

Note 5 Other assets

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
0	0	0	Intangible assets	25	43	39
336	333	280	Tangible fixed assets	313	358	362
847	759	440	Income earned but not received from SpareBank 1 Bolig- and Næringskreditt	440	759	847
22	34	46	Prepaid expences	49	37	24
35	35	35	Capital contribution SR-Pensjonskasse	35	35	35
1.599	770	1.683	Unsettled trades	1.683	770	1.599
159	122	55	Other assets	414	261	315
2.998	2.053	**2.539**	**Total other assets**	**2.959**	2.263	3.221

Note 6 Other liabilities

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
309	275	323	Accrued expenses and prepaid revenue	419	368	391
707	532	556	Deferred tax	565	593	671
223	191	480	Pension liabilities	512	208	242
1	1	3	Other specified provisions	3	1	1
280	287	346	Taxes payable	447	334	377
756	403	907	Unsettled trades	907	403	756
251	371	312	Other liabilities	342	403	308
2.527	2.060	**2.927**	**Total other liabilities**	**3.195**	2.310	2.746

Note 7 Customer deposits by sectors and industry

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
1.078	1.120	1.151	Agriculture/forestry	1.151	1.120	1.078
265	222	285	Fishing/Fish farming	285	222	265
1.513	743	3.054	Mining/extraction	3.054	743	1.513
1.527	1.091	1.021	Industry	1.021	1.091	1.527
1.915	2.271	1.777	Power and water supply/building and construction	1.777	2.271	1.915
1.963	1.872	1.937	Retail trade, hotels and restaurants	1.937	1.872	1.963
1.452	948	1.119	Foreign trade shipping, pipeline transport and other transport activities	1.119	948	1.452
4.954	5.262	6.472	Real estate	6.472	5.262	4.954
8.858	7.747	9.221	Service industry	9.014	7.747	8.685
12.122	13.240	15.958	Public sector and financial services	15.958	13.089	12.122
35.647	34.516	**41.995**	**Total corporate sector**	**41.788**	34.365	35.474
36.190	35.438	**38.420**	**Retail customers**	**38.420**	35.438	36.190
3	911	1.021	Accrued interests corporate sector and retail customers	1.020	911	3
71.840	70.865	**81.436**	**Deposits from customers**	**81.228**	70.714	71.667

Note 8 Loans by sectors and industry

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
4.082	4.039	4.171	Agriculture/forestry	4.404	4.290	4.326
421	395	428	Fishing/Fish farming	558	518	541
2.741	2.479	3.422	Mining/extraction	3.550	2.571	2.829
2.674	2.134	1.882	Industry	2.563	2.869	3.403
2.260	2.519	2.614	Power and water supply/building and construction	3.439	3.389	3.100
2.429	2.564	2.172	Retail trade, hotels and restaurants	2.638	3.022	2.877
6.733	6.684	6.756	Foreign trade shipping, pipeline transport and other transport activities	7.348	7.232	7.297
25.575	25.294	26.861	Real estate	27.013	25.450	25.740
5.782	5.843	5.491	Service industry	7.155	7.626	7.545
2.277	2.155	1.915	Public sector and financial services	2.105	2.155	2.277
54.974	54.106	**55.712**	**Total corporate sector**	**60.773**	59.122	59.935
58.481	55.795	**74.473**	**Retail customers**	**75.975**	57.128	59.848
205	164	287	Unallocated (excess value fixed interest loans and amort. lending fees)	276	158	209
304	313	317	Accrued interests corporate sector and retail customers	319	312	281
113.964	110.378	**130.789**	**Gross loans**	**137.343**	116.720	120.273
-405	-354	-319	- Individual impairment losses provisions	-343	-396	-446
-247	-287	-258	- Collective impairment losses provisions	-315	-332	-302
113.312	109.737	**130.212**	**Loans to customers**	**136.685**	115.992	119.525

Note 9 Capital adequacy

New capital adequacy ratio regulations have been adopted in Norway from 1 January 2007 (Basel II - the EU's new directive on capital adequacy ratios). SpareBank 1 SR-Bank was granted permission by the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk from 1 January 2007. Consequently, the statutory minimum capital adequacy ratio requirement is more risk sensitive, so that the capital requirement will correspond more closely to the risk in the underlying portfolios. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems. The transitional arrangements are set out in the regulations promulgated by the Financial Supervisory Authority of Norway in which IRB banks will not receive the full effect of reduced regulatory capital requirements for the time being. A limited audit of the income statement and balance sheet has been conducted in accordance with the regulations.

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

Parent bank				Group		
31.12.13	30.09.13	30.09.14		30.09.14	30.09.13	31.12.13
6.394	6.394	6.394	Share capital	6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve	1.587	1.587	1.587
409	0	0	Allocated to dividend	0	0	409
162	72	162	Reserve for unrealised gains	162	72	162
4.152	2.837	3.957	Other equity	5.340	4.165	5.504
12.704	10.890	**12.100**	**Total book equity**	**13.483**	12.218	14.056
			Tier 1 capital			
0	0	0	Deferred taxes, goodwill and other intangible assets	-28	-55	-43
0	-1	0	Fund for unrealized gains, available for sale	0	-1	0
-409	0	0	Deduction for allocated dividends	0	0	-409
-401	-395		50% deduction for subordinated capital in other financial institutions		-51	-104
-353	-219	-681	Deduction for expected losses on IRB, net of write-downs	-719	-223	-356
0	0		50 % capital adequacy reserve		-518	-587
		0	Deduction for common equity Tier 1 capital in essential investments in financial institutions	-252		
		-33	Value of derivative liabilities at fair value	-42		
0	706	762	Year-to-date profit included in core capital (50%)	823	647	0
		0	Deduction for Tier 1 capital instruments in essential investments in financial institutions	-1		
1.823	1.824	1.821	Tier 1 capital instruments	2.040	1.957	1.954
13.364	12.805	**13.969**	**Total Tier 1 capital**	**15.304**	13.974	14.511
			Tier 2 capital			
0	0	0	Tier 2 capital - Tier 1 capital instruments in excess of 15%	0	0	0
2.100	1.645	2.143	Term subordinated loan capital	2.776	1.852	2.451
-401	-395	0	50% deduction for investment in capital instruments in other financial institutions	0	-51	-104
-353	-219	0	50% deduction for expected losses on IRB, net of write-downs	0	-223	-356
		0	Deduction for essential investments in financial institutions	-43		
0	0	0	50 % capital adequacy reserve	0	-518	-587
1.346	1.031	**2.143**	**Total Tier 2 capital**	**2.733**	1.060	1.404
14.710	13.836	**16.112**	**Net primary capital**	**18.037**	15.034	15.915
			Credit risk Basel II			
28.175	29.463	31.401	Specialised lending exposure	33.689	29.462	28.175
27.238	27.150	27.336	Other corporations exposure	27.764	27.150	27.238
550	513	1.050	SME exposure	1.181	625	650
5.763	5.263	14.079	Retail mortage exposure (properties)	20.261	10.450	10.713
663	825	827	Other retail exposure	849	913	762
8.275	8.263	6.519	Equity investments	0	0	0
70.663	71.475	**81.212**	**Total credit risk IRB**	**83.744**	68.600	67.538
2.288	2.500	2.209	Debt risk	2.099	2.288	2.088
675	675	670	Equity risk	670	675	675
0	0	0	Currency risk	0	0	0
2.525	2.550	4.936	Participations calculated after other market risk	6.598	3.525	3.675
0		546	Credit value adjustment risk (CVA)	1.709		
4.738	4.738	4.760	Operational risk	6.222	5.713	5.713
0	0	0	Transitional scheme	0	14.862	14.487
5.400	5.625	5.652	Participations calculated using standard method	16.909	20.575	20.362
-800	-788	0	Deductions	-673	-1.200	-1.463
85.488	86.775	**99.985**	**Risk weighted balance**	**117.278**	115.038	113.075
17,21 %	15,94 %	16,11 %	Capital ratio	15,38 %	13,07 %	14,07 %
15,63 %	14,76 %	13,97 %	Tier 1 capital ratio	13,05 %	12,15 %	12,83 %
1,57 %	1,19 %	2,14 %	Tier 2 capital ratio	2,33 %	0,92 %	1,24 %
13,50 %	12,65 %	12,15 %	Common equity Tier 1 capital ratio	11,31 %	10,45 %	11,11 %
15,63 %	14,76 %	13,97 %	Tier 1 capital ratio, IRB	13,05 %	13,95 %	14,72 %
13,50 %	12,65 %	12,15 %	Common equity Tier 1 capital ratio, IRB	11,31 %	12,00 %	12,74 %

Note 10 Financial derivatives

At fair value through profit and loss	Contract amount 30.09.14	Fair value at 30.09.14 Assets	Liabilities
Currency instruments			
Currency forward contracts	4.659	77	44
Currency swaps	24.774	93	430
Currency options	378	0	0
Total currency instruments	**29.811**	**170**	**474**
Interest rate instruments			
Interest rate swaps(including cross-currency)	46.746	1.216	1.497
Other interest rate contracts	0	0	0
Total interest rate instruments	**46.746**	**1.216**	**1.497**
Hedging / Interest rate instruments			
Interest rate swaps (including cross currency)	72.701	1.826	748
Total hedging / Interest rate instruments	**72.701**	**1.826**	**748**
Accrued interests			
Accrued interests		811	427
Total accrued interests		**811**	**427**
Total currency and interest rate instruments			
Total currency instruments	29.811	170	474
Total interest rate instruments	119.447	3.042	2.245
Total accrued interests		811	427
Total	**149.258**	**4.023**	**3.146**

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits. The contract sum and effect of reinvestment costs covered by offsetting agreements amounted to NOK 119,1 billion and NOK 1,5 billion as of the third quarter of 2014.

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

Note 11 Issuance of unsecured debt and additional capital instruments

Debt raised through issuance of securities	Balance as at 30.09.14	30.09.13	Balance as at 31.12.13
Bonds, nominal amount	53.387	47.456	49.387
Adjustments	1.917	2.069	2.261
Accrued interests	705	599	680
Total debt raised through issuance of securities	**56.009**	**50.124**	**52.328**

Change in debt raised through issuance of securities	Balance as at 30.09.14	Issued/ sale own 2014	Past due/ redeemed 2014	FX rate- and other changes 2014	31.12.13
Bonds, nominal amount	53.387	13.068	-8.650	-418	49.387
Adjustments	1.917	0	0	-344	2.261
Accrued interests	705	0	0	25	680
Total debt raised through issuance of securities	**56.009**	**13.068**	**-8.650**	**-737**	**52.328**

Additional Tier 1 and Tier 2 capital instruments	30.09.14	30.09.13	31.12.13
Term subordinated loan capital, nominal amount	2.141	1.645	2.100
Perpetual subordinated loan capital, nominal amount	0	0	0
Tier 1 capital instruments, nominal amount	1.825	1.824	1.823
Adjustments	71	58	60
Accrued interests	72	70	21
Total additional Tier 1 and Tier 2 capital instruments	**4.109**	**3.597**	**4.004**

Change in additional Tier 1 and Tier 2 capital instruments	Balance as at 30.09.14	Issued/ sale own 2014	Past due/ redeemed 2014	FX rate- and other changes 2014	31.12.13
Term subordinated loan capital, nominal amount	2.141	44	0	-3	2.100
Perpetual subordinated loan capital, nominal amount	0	0	0	0	0
Tier 1 capital instruments, nominal amount	1.825	0	0	2	1.823
Adjustments	71	0	0	11	60
Accrued interests	72	0	0	51	21
Total additional Tier 1 and Tier 2 capital instruments	**4.109**	**44**	**0**	**61**	**4.004**

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

Note 12 Segment reporting

Management has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between the retail market (including self-employed people), the corporate market, the capital market and subsidiaries of considerable siginificance. The Bank's own investment activities are not a separate reportable segment and they appear under the item "Other activities" together with activities that cannot be allocated to the retail market, corporate market, capital market or subisidiaries of considerable significance. Staff/support parent bank concists of administration, management, investment services, strategy and ownership, treasury and finance function. Commision income from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are included under "Net commission and other income".

	SpareBank 1 SR-Bank Group 01.01.14 - 30.09.14								
Income statement (MNOK)	**Retail Market**	**Corporate Market**	**Capital Market**	**Staff/support parent bank**	**Eiendoms-Megler 1**	**SR-Finans**	**Other activities**	**Elimi-nations**	**Total**
Interest income	1.552	1.218	863	754	15	293	1	-148	4.549
Interest expense	791	505	828	680	11	128	0	-143	2.800
Net interest income [1]	761	713	35	74	4	165	1	-5	**1.749**
Commission income [1]	731	250	26	1	0	3	76	-39	1.048
Commission expenses	30	20	3	2	0	16	21	-33	59
Other operating income	0	0	0	5	333	0	1	-1	338
Net commission and other income	701	230	23	4	333	-13	56	-7	**1.327**
Dividend income	0	0	3	21	0	0	11	0	35
Income from investment in associates	0	0	0	443	0	0	0	-75	368
Net gains/losses on financial instruments [1]	7	17	48	108	0	0	0	79	259
Net income on investment securities	7	17	51	572	0	0	11	4	**662**
Personnel expenses	261	121	41	251	179	24	22	-5	894
Administrative expenses	80	16	10	192	32	6	4	0	340
Other operating expenses	71	17	3	88	79	10	15	8	292
Total operating expenses	412	154	54	531	290	40	41	3	**1.526**
Operating profit before losses	1.057	806	55	119	47	112	27	-11	**2.212**
Change in individual write-downs in the period	11	140	0	0	0	0	0	0	151
Change in group write-downs in the period	5	6	0	0	0	2	0		13
Pre-tax profit	**1.041**	**660**	**55**	**119**	**47**	**110**	**27**	**-11**	**2.048**
Net interest income [1]									
External net interest income	761	713	36	74	-11	-128	0	304	1.749
Internal net interest income	0	0	0	0	15	293	1	-309	0
Net interest income	761	713	36	74	4	165	1	-5	1.749
				0					
Balance sheet (MNOK)				0					
Loans to customers	77.924	49.931	521	2.413	0	6.719	0	-165	137.343
Individual loss provisions	-58	-261	0	0	0	-24	0	0	-343
Group loss provisions	-39	-219	0	0	0	-57	0	0	-315
Other assets	63	763	7.324	28.384	230	19	414	-5.572	31.625
Total assets	**77.890**	**50.214**	**7.845**	**30.797**	**230**	**6.657**	**414**	**-5.737**	**168.310**
				0					
Deposits from customers	44.192	32.977	1.741	2.525	0	0	0	-207	81.228
Other debt and equity [2]	33.698	17.237	6.104	28.272	230	6.657	414	-5.530	87.082
Total debt and equity	**77.890**	**50.214**	**7.845**	**30.797**	**230**	**6.657**	**414**	**-5.737**	**168.310**
Loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	**32.298**	**629**							**32.927**

	SpareBank 1 SR-Bank Group 01.01.13 - 30.09.13								
Income statement (MNOK)	Retail Market	Corporate Market	Capital Market	Staff/support parent bank	Eiendoms-Megler 1	SR-Finans	Other activities	Elimi-nations	Total
Interest income	1.418	1.112	666	830	12	289	1	-149	4.178
Interest expense	759	449	625	806	8	128	0	-142	2.633
Net interest income [1)]	659	662	41	24	4	161	1	-7	**1.545**
Commission income [1)]	778	218	26	0	0	3	60	-24	1.060
Commission expenses	27	21	3	3	0	15	16	-24	60
Other operating income	0	0	0	11	325	0	0	-1	335
Net commission and other income	751	198	23	8	325	-12	44	-1	**1.335**
Dividend income	0	0	3	30	0	0	0	2	35
Income from investment in associates	0	0	0	412	0	0	0	-152	260
Net gains/losses on financial instruments [1)]	10	6	56	79	0	0	9	-95	65
Net income on investment securities	10	6	59	521	0	0	9	-245	**360**
Personnel expenses	274	131	40	219	173	24	17	-6	873
Administrative expenses	88	20	10	167	30	7	2	0	323
Other operating expenses	62	19	3	97	88	9	6	4	289
Total operating expenses	425	170	53	483	291	40	25	-2	**1.485**
Operating profit before losses	996	696	70	70	38	109	29	-251	**1.755**
Change in individual write-downs in the period	24	44	11	0	0	-11	0	15	83
Change in group write-downs in the period	0	0	0	0	0	0	0	0	0
Pre-tax profit	**972**	**652**	**59**	**70**	**38**	**120**	**29**	**-266**	**1.673**
Net interest income [1)]									
External net interest income	659	662	41	24	-8	-128	0	295	1.545
Internal net interest income	0	0	0	0	12	289	1	-302	0
Net interest income	659	662	41	24	4	161	1	-7	1.545
Balance sheet (MNOK)									
Loans to customers	59.459	48.700	431	1.787	0	6.353	0	-10	116.720
Individual loss provisions	-79	-264	-11	0	0	-42	0	0	-396
Group loss provisions	-23	-264	0	0	0	-45	0	0	-332
Other assets	75	16	5.961	36.544	196	7	249	-5.401	37.647
Total assets	**59.432**	**48.188**	**6.381**	**38.331**	**196**	**6.273**	**249**	**-5.411**	**153.639**
						0			
Deposits from customers	40.956	25.792	1.783	2.334	0	0	0	-151	70.714
Other debt and equity [2)]	18.476	22.396	4.598	35.997	196	6.273	249	-5.260	82.925
Total debt and equity	**59.432**	**48.188**	**6.381**	**38.331**	**196**	**6.273**	**249**	**-5.411**	**153.639**
Loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	**47.100**	**708**							**47.808**

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

[2)] Other liabilities contain allocated arrangements between the segments.

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

Note 13 Reclassification of financial assets

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

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

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

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

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

As at 30.09.2014	Group			
Certificates and bonds recognised as:	Book value	Amortising as interest this year	Reclassification effect	Fair value
At fair value through profit and loss	16.696	0	0	16.696
Held to maturity	0	0	0	0
Covered Bonds	0	0	0	0
Accrued interests	106	0	0	106
Total certificates and bonds	**16.802**	**0**	**0**	**16.802**

	Group		
Bonds reclassified as receivable and hold to maturity	**31.12.13**	**30.09.13**	**30.09.14**
Book value	41	81	0
Nominal value	42	81	0
Observable market value	41	81	0

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

Note 14 Pension

Sparebank 1 SR-Bank has two types of pension schemes - defined benefits schemes and defined contribution scheme. For further details on the calculation of the pension obligation and assumptions please refer to note 1 above or note 24 in the 2013 annual financial statements.

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

For defined benefit schemes the following economic assumptions have been made when calculating pension liabilities:

Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Parent bank and group
3,95 %	4,00 %	3,70 %	3,25 %	3,00 %	Discount rate
3,95 %	4,00 %	3,70 %	3,25 %	3,00 %	Expected return on assets
3,75 %	3,75 %	3,75 %	3,75 %	3,25 %	Forecast salary increase
3,50 %	3,50 %	3,50 %	3,50 %	3,00 %	National Insurance scheme's basic amount
2,00 %	2,00 %	2,00 %	2,00 %	2,00 %	Pension adjustment

Change in pension obligations (NOK million):

				Parent bank		Group				
2013	Q3 2013	Q3 2014	01.01.13 - 30.09.13	01.01.14 - 30.09.14		01.01.14 - 30.09.14	01.01.13 - 30.09.13	Q3 2014	Q3 2013	2013
162	177	444	162	223	Net obligations opening balance	242	176	477	193	176
67	0	74	43	266	Actuarial liabilities and losses recognised in comprehensive income	278	47	75	0	72
62	16	21	48	61	Net pension cost	65	51	23	17	67
-56	0	-56	-56	-56	Company contributions	-59	-60	-59	0	-60
-12	-2	-3	-6	-9	Payments from operations	-9	-6	-4	-2	-13
0	0	0	0	-5	Curtailments and settlements included in the income statement	-5	0	0	0	0
223	191	**480**	191	**480**	**Net pension obligations closing balance**	**512**	208	**512**	208	242

Note 15 SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

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

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

Note 16 Liquidity risk

Liquidity risk is the risk that the bank is unable to refinance its debts or is unable to fund an increase in assets. The bank's framework for liquidity risk management shall reflect its conservative risk profile. The Board has adopted internal frameworks to ensure that the bank has the best maturity structure possible for its funding. A stress test is conducted for different maturities for bank-specific crises, system crises and the combination of these, and we have also created an emergency preparedness plan for the management of liquidity crises. The average term to maturity for the portfolio of senior bond funding was 3.8 years at the end of Q3 2014.

Note 17 Information about fair value

Group

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

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

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

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

Fair value 30.09.14	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			10.232	**10.232**
Commercial paper and bonds at fair value	9.590	7.212		**16.802**
Financial derivatives		4.023		**4.023**
Equities, units and other equity interests	197	281	136	**614**
Operations that will be sold			65	**65**
Liabilities				
Financial derivatives		3.146		**3.146**

No transfers between levels 1 and 2

Fair value 30.09.13	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			11.771	**11.771**
Commercial paper and bonds at fair value	9.591	7.092		**16.683**
Financial derivatives		4.887		**4.887**
Equities, units and other equity interests	164	569	144	**877**
Operations that will be sold			85	**85**
Liabilities				
Financial derivatives		2.486		**2.486**

No transfers between levels 1 and 2

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

Group	**Loans to customers [1)]**	**Shares, ownership stakes and other securities**	**Business available for sale**
Balance 01.01	11.421	473	85
Additions	236	0	0
Disposals	-1.502	-351	-1
Transferred from or to measurement according to prices in an acti market or observable market data	0	0	0
Change in value [2)]	77	14	-19
Balance 30.09	**10.232**	**136**	**65**
Nominal value/cost price	9.868	81	84
Fair value adjustment	364	55	-19
Balance 30.09	**10.232**	**136**	**65**

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

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

[1] From and including the fourth quarter of 2013, loans to customers will be classified as other than observable market data

[2] Value changes are recognised in net income from financial instruments

Note 18 Events after the balance sheet date

No material events have been recorded after 30 september 2014 that affect the consolidated financial statements as prepared.

QUARTERLY INCOME STATEMENT

SpareBank 1 SR-Bank Group, MNOK	**Q3 2014**	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**	**Q4 2012**	**Q3 2012**
Interest income	1.568	1.543	1.438	1.466	1.451	1.406	1.321	1.331	1.323
Interest expense	947	962	891	892	883	880	870	851	875
Net interest income	**621**	**581**	**547**	**574**	**568**	**526**	**451**	**480**	**448**
Commission income	317	333	398	392	386	349	325	330	280
Commission expenses	20	19	20	12	23	18	19	17	19
Other operating income	106	130	102	109	103	134	98	98	113
Net commission and other income	**403**	**444**	**480**	**489**	**466**	**465**	**404**	**411**	**374**
Dividend income	10	7	18	-2	3	32	0	0	1
Income from investment in associates	150	137	81	95	130	31	99	22	90
Net gains/losses on financial instrument	-18	57	220	102	4	-1	62	75	101
Net income on financial investments	**142**	**201**	**319**	**195**	**137**	**62**	**161**	**97**	**192**
Total income	**1.166**	**1.226**	**1.346**	**1.258**	**1.171**	**1.053**	**1.016**	**988**	**1.014**
Personnel expenses	307	293	294	323	284	297	292	292	271
Administrative expenses	114	120	106	109	104	118	101	107	105
Other operating costs	99	88	105	102	90	102	97	105	90
Total operating cost	**520**	**501**	**505**	**534**	**478**	**517**	**490**	**504**	**466**
Operating profit before impairment losses	**646**	**725**	**841**	**724**	**693**	**536**	**526**	**484**	**548**
Impairment losses on loans and guarantees	69	41	54	50	32	25	25	26	43
Pre-tax profit	**577**	**684**	**787**	**674**	**661**	**511**	**501**	**458**	**505**
Tax expense	123	150	128	107	145	128	107	114	107
Profit after tax	**454**	**534**	**659**	**567**	**516**	**383**	**394**	**344**	**398**
Profitability									
Return on equity per quarter 1)	12,2 %	14,5 %	18,4 %	16,2 %	15,6 %	11,8 %	12,3 %	11,2 %	13,6 %
Cost percentage 2)	44,6 %	40,9 %	37,5 %	42,4 %	40,8 %	49,1 %	48,2 %	51,0 %	46,0 %
Combined weighted total average spread for lending and deposits 3)	1,48 %	1,41 %	1,40 %	1,46 %	1,49 %	1,43 %	1,27 %	1,36 %	1,28 %
Balance sheet figures from quarterly accounts									
Gross loans to customers	137.343	135.335	121.723	120.273	116.720	115.214	112.314	109.513	104.521
Gross loans to customers including SB1 Boligkreditt og Næringskreditt	170.270	168.624	166.593	166.662	164.538	162.714	160.445	158.201	155.962
Growth in loans over last 12 months 4)	17,7 %	17,5 %	8,4 %	-16,8 %	-11,2 %	-1,9 %	-8,7 %	8,0 %	0,6 %
Growth in loans incl SB1 Boligkreditt and Næringskreditt	3,5 %	3,6 %	3,8 %	5,3 %	5,5 %	6,1 %	7,4 %	7,8 %	8,5 %
Deposits from customers	81.228	81.728	74.440	71.667	70.714	73.281	68.605	67.594	69.195
Deposit-to-loan ratio	59,1 %	60,4 %	61,2 %	59,6 %	60,6 %	63,6 %	61,1 %	61,7 %	66,2 %
Growth in deposits over last 12 months	14,9 %	11,5 %	8,5 %	6,0 %	2,2 %	2,8 %	2,2 %	5,5 %	7,6 %
Total assets	168.310	167.273	157.752	156.985	153.639	151.110	146.124	141.543	138.663
Average total assets	166.894	164.949	158.867	155.489	151.683	147.331	144.265	140.555	139.002
Losses and non-performing commitments									
Impairment losses ratio, annualized 5)	0,20	0,13	0,18	0,17	0,11	0,09	0,09	0,10	0,16
Non-performing commitments as a percentage of total loans	0,38	0,40	0,52	0,69	0,40	0,37	0,44	0,42	0,54
Other doubtful commitments as a percentage of total loans	0,39	0,41	0,38	0,37	0,69	0,50	0,57	0,54	0,70
Solidity									
Common equity Tier 1 capital ratio	11,3	11,4	11,2	11,1	10,5	10,3	10,1	10,0	9,4
Tier 1 capital ratio	13,1	13,2	13,0	12,8	12,2	12,0	12,2	12,1	11,5
Capital ratio	15,4	14,6	14,5	14,1	13,1	12,9	12,9	13,1	12,0
Tier 1 capital	15.304	14.978	14.691	14.511	13.974	13.691	13.673	13.507	12.746
Net primary capital	18.037	16.584	16.407	15.915	15.034	14.721	14.452	14.568	13.273
Risk weighted balance	117.278	113.725	113.413	113.075	115.038	114.188	111.950	111.213	110.700

Se next page for definition of key figures

SpareBank 1 SR-Bank share	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Market price at end of quarter	61,00	59,75	60,75	60,25	47,70	47,50	50,00	37,20	36,90
Market capitalisation	15.601	15.281	15.537	15.409	12.199	12.148	12.788	9.514	9.437
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share(including dividends)	59,21	57,63	57,45	55,00	52,87	50,89	50,92	49,48	46,68
Earnings per share, NOK (annualised)	1,78	2,09	2,58	2,22	2,02	1,50	1,54	1,35	1,56
Price/earnings per share	8,57	7,15	5,89	6,78	5,90	7,92	8,12	6,89	5,91
Price / Book equity (group)	1,03	1,04	1,06	1,10	0,90	0,93	0,98	0,75	0,79
Annualised turnover rate in quarter 6)	3,0 %	5,5 %	7,6 %	6,3 %	3,1 %	5,0 %	7,6 %	4,2 %	3,1 %
Effective return 7)	2,1 %	1,0 %	0,8 %	26,3 %	0,4 %	-2,0 %	34,4 %	0,8 %	15,0 %

Key figure definitions

1) Operating result as a percentage of average equity

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

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

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

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

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

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

Contact Information

Address

Bjergsted Terasse 1
Postboks 250
N-4066 Stavanger

Tel. (+47) 915 02 002

www.sr-bank.no

Executive Management

Arne Austreid, CEO
Tel. (+47) 900 77 334
Email: arne.austreid@sr-bank.no

Inge Reinertsen, CFO
Tel. (+47) 909 95 033
Email: inge.reinertsen@sr-bank.no

Investor Relations

Vidar Torsøe, Investor Relations
Tel. (+47) 970 80 656
Email: vidar.torsoe@sr-bank.no

2014 Financial Calendar

Preliminary annual results for 2013	Friday 7 February
Annual General Meeting	Tuesday 29 April
Ex-dividend	Wednesday 30 April
Q1 2014	Tuesday 29 April
Q2 2014	Wednesday 13 August
Q3 2014	Thursday 30 October