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Information on the Internet

SpareBank 1 SR-Bank's homepage	www.sr-bank.no
Information of Equity Certificate in general:	www.egenkapitalbevis.no

Financial Calendar 2011

4 th quarter 2010	3. February 2011
1 st quarter 2011	28. April 2011
2 nd quarter 2011	10. August 2011
3 rd quarter 2011	27. October 2011

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1. SpareBank 1 SR-Bank

1.1 Financial highlights

4th quarter 2010

- Group profit before tax: NOK 414 million (NOK 437 million)
- Group profit after tax: NOK 381 million (NOK 330 million)
- Return on equity after tax: 16.9 % (18.2 %)
- Impairment losses on loans and guarantees: NOK 71 million (NOK 74 million)
- Net interest income: NOK 442 million (NOK 455 million)
- Net commission and other income: NOK 283 million (NOK 285 million)
- Net return on investment securities: NOK 183 million (NOK 209 million)

Per 31.12.2010

- Group profit before tax: NOK 1,614 million (NOK 1,432 million)
- Group profit after tax: NOK 1,317 million (NOK 1,111 million)
- Return on equity after tax: 15.5 % (17.5 %)
- Impairment losses on loans and guarantees: NOK 234 million (NOK 368 million)
- Net interest income: NOK 1,742 million (NOK 1,676 million)
- Net commission and other income: NOK 1,101 million (NOK 998 million)
- Net return on investment securities: NOK 571 million (NOK 705 million)
- The core capital ratio: 10.2 % (9.6 %)

(Comparable figures for 2009 in parentheses)

Income statement

MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Net interest income	442	436	427	437	455	1.742	1.676
Net commission and other income	283	264	294	260	285	1.101	998
Net return on investment securities	183	137	172	79	209	571	705
Total income	908	837	893	776	949	3.414	3.379
Total operating expenses	423	408	423	312	438	1.566	1.579
Operating profit before losses	485	429	470	464	511	1.848	1.800
Losses on loans and guarantees	71	43	51	69	74	234	368
Operating profit before tax and minority interests	414	386	419	395	437	1.614	1.432
Tax expense	33	86	81	97	107	297	321
Profit after tax from continuing operations	381	300	338	298	330	1.317	1.111
Attributable to majority interests	381	300	338	298	330	1.317	1.109
Attributable to minority interests	0	0	0	0	0	0	2

Key figures

	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Return on equity ¹⁾	16,9 %	14,3 %	16,5 %	14,8 %	18,2 %	15,5 %	17,5 %
Cost ratio ²⁾	46,6 %	48,7 %	47,4 %	40,2 %	46,2 %	45,9 %	46,7 %
Deposit-to-loan ratio	57,4 %	55,5 %	58,0 %	55,3 %	58,1 %	57,4 %	58,1 %
Growth in loans	13,2 %	8,0 %	-0,7 %	-1,6 %	-6,6 %	13,2 %	-6,6 %
Growth in loans including SpareBank 1 Boligkreditt	11,6 %	6,6 %	6,0 %	5,8 %	5,3 %	11,6 %	5,3 %
Growth in deposits	11,8 %	3,7 %	3,1 %	-0,9 %	2,4 %	11,8 %	2,4 %
Average total assets, MNOK	133.557	128.799	127.627	124.888	123.755	128.830	124.283
Total assets, MNOK	134.778	129.524	128.653	126.508	124.909	134.778	124.909
Impairment losses ratio ³⁾	0,28	0,17	0,21	0,29	0,32	0,23	0,38
Capital adequacy ratio	12,4	11,6	11,5	11,6	11,9	12,4	11,9
Core capital ratio	10,2	9,3	9,1	9,4	9,6	10,2	9,6
Market price	57,00	53,00	46,10	48,80	50,00	57,00	50,00
Earnings per EC (group) ⁴⁾	1,94	1,56	1,76	1,55	1,95	6,84	6,88

¹⁾ Net profit (of which minority interests are deducted) as a percentage of average equity. For 2009 the equity are weighted per month instead of quarterly. This because of the issue in November 2009.

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

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

⁴⁾ Net profit multiplied by the equity certificate percentage divided by the average number of certificates outstanding.

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

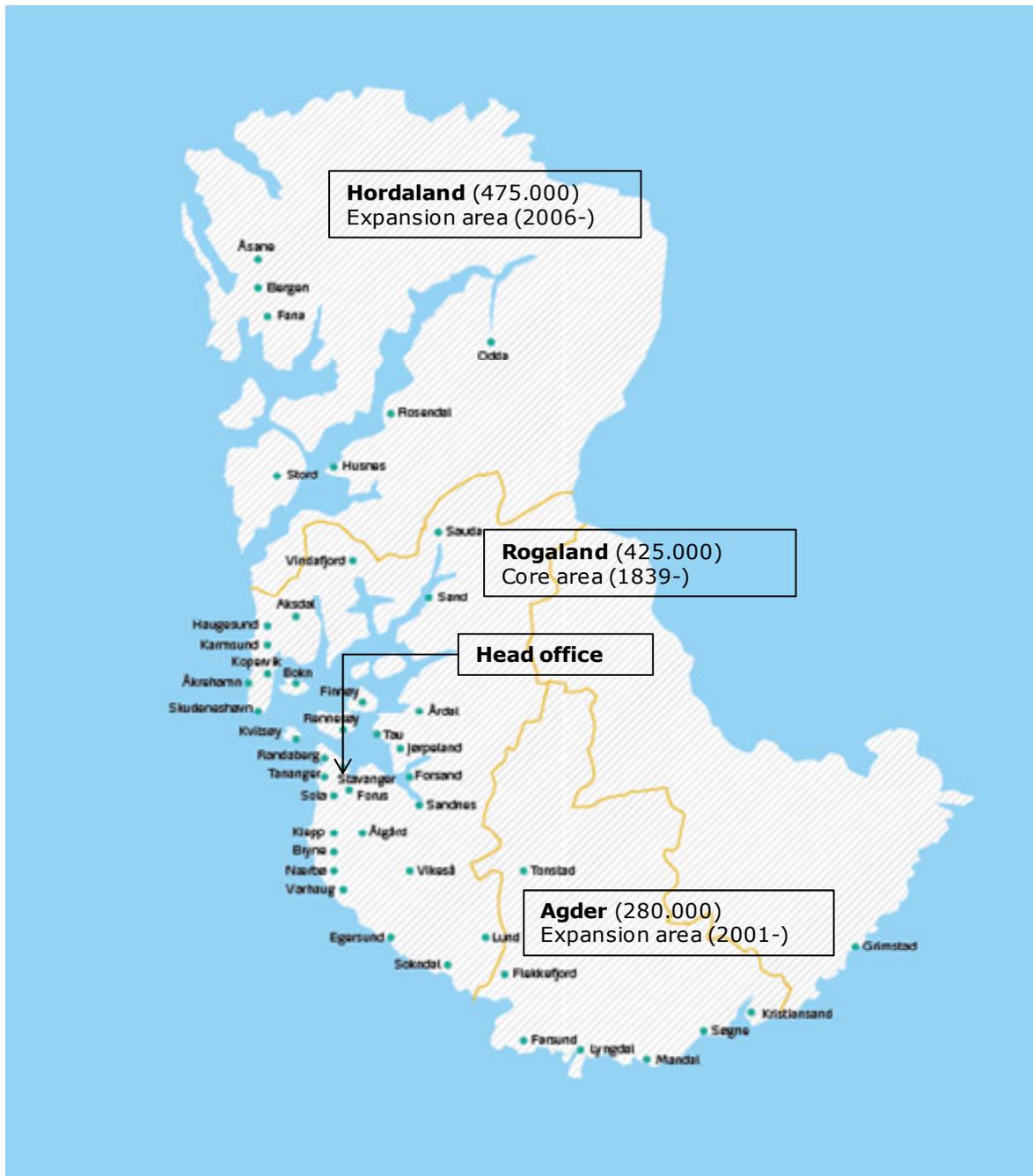


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank is located in the South-Western part of Norway and is the second largest of the Norwegian-owned banks (after DnB NOR) with assets totalling NOK 135 billion at the end of 4th quarter 2010. Head office is in Stavanger. The group's market areas are the counties of Rogaland, Agder and Hordaland. The Group has about 1 160 employees and provides 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, corporate and capital market.

Retail Market

SpareBank 1 SR-Bank is the leading retail customer bank in Rogaland, with 263,000 customers and a market share of about 40 per cent. In addition to the retail customers the division also serves 14,900 small business and agricultural customers and about 3,100 clubs and associations.

Corporate Market

SpareBank 1 SR-Bank has about 8,500 customers in the business sector and public sector. About 40 per cent of all businesses in the bank's traditional market list SpareBank 1 SR-Bank as their main bank. In addition, there are small businesses and agricultural customers being served by the Retail market division.

Capital Market

The capital market division comprises the group's securities activities, SR-Markets and the subsidiaries that manage customers' and the group's assets in the form of securities, securities funds and property. SR-Markets serve primarily the group's customers and selected customer in a separate market area and in the country as a whole.

Segment operating contribution

	4th quarter					
	Retail market		Corporate market		Capital market	
	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009
<i>MNOK</i>						
Operating profit before tax	175	217	115	103	22	28

	Per 31.12					
	Retail market		Corporate market		Capital market	
	2010	2009	2010	2009	2010	2009
<i>MNOK</i>						
Operating profit before tax	775	789	549	349	139	150
Gross loans to customers excl. SpareBank 1 Boligkreditt	55.697	44.950	45.032	43.661	-	-
Deposits from customers	28.699	25.179	32.240	29.282	-	-

Organization

Figure 1.2.2 illustrates the organizational structure of SpareBank 1 SR-Bank. The Supervisory Board is the Bank's supreme body and consists of 40 members, 16 of which represents the equity capital certificate holders, four from the county councils in Rogaland, Hordaland and Vest- and Aust-Agder, 10 are customers and 10 are employees. The members are elected for four years at a time. Pursuant to the legislation, it is considered important that the elected members together reflect the savings bank's customer structure and other stakeholders. In the case of a savings bank that has issued equity capital certificates (ECs), between one-fifth and two-fifths of the Supervisory Board's members must be elected by the holders of ECs.

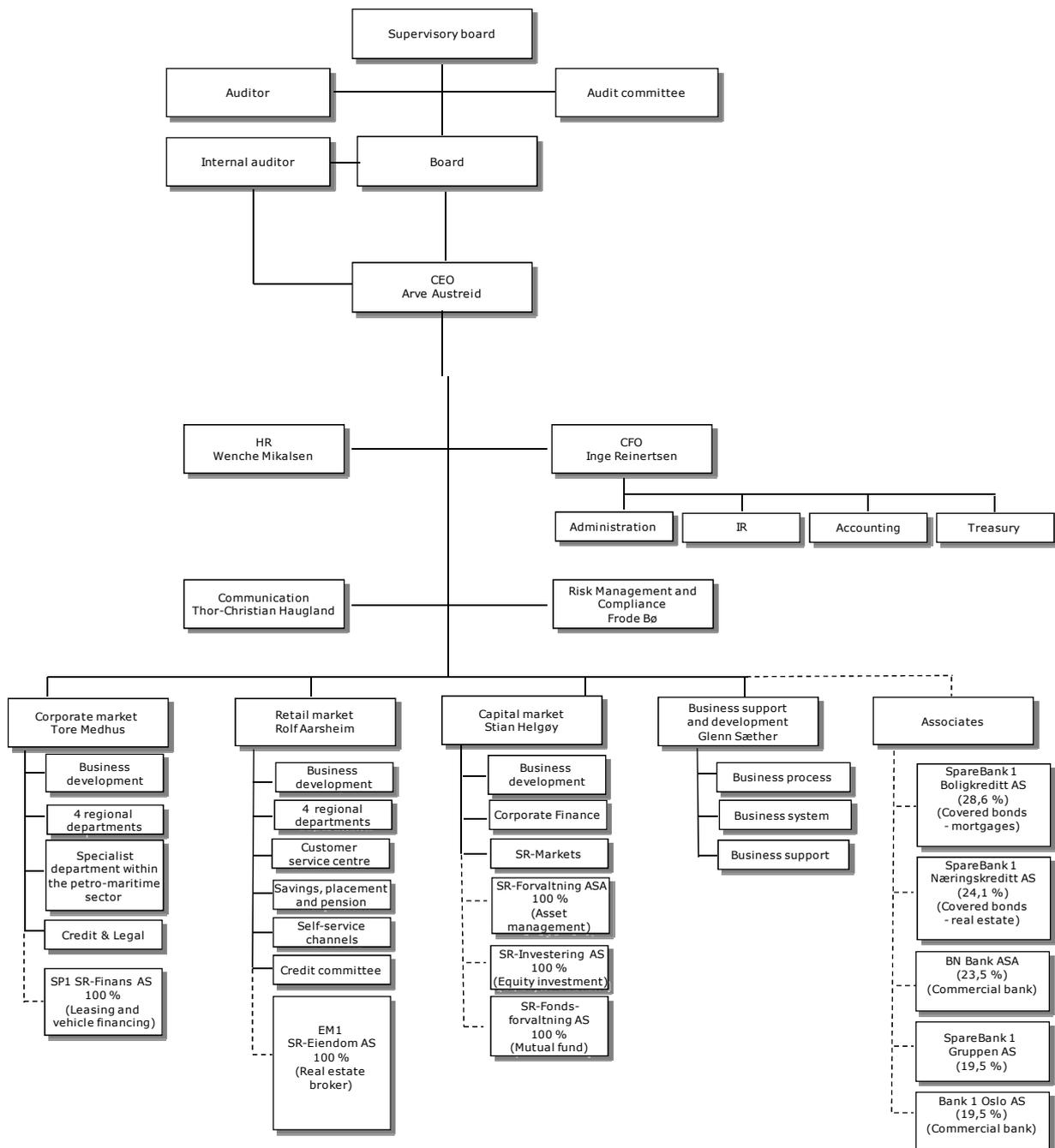


Figure 1.2.2: SpareBank 1 SR-Bank organizational chart

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the banks that founded the SpareBank 1 Gruppen (Alliance) in 1996. The purpose of the SpareBank 1 Alliance is to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and/or higher quality, so that customers get the best advice and the best services at competitive terms. The banks in the alliance cooperate partly through common projects and partly through the jointly owned holding company SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen is owned by SpareBank 1 Nord-Norge, SpareBank 1 SMN, Sparebanken Hedmark, Samarbeidende Sparebanker AS (16 smaller savings banks in Norway), and the Norwegian Confederation of Trade Unions (LO). The SpareBank 1 Alliance structure is shown in figure 1.2.3.

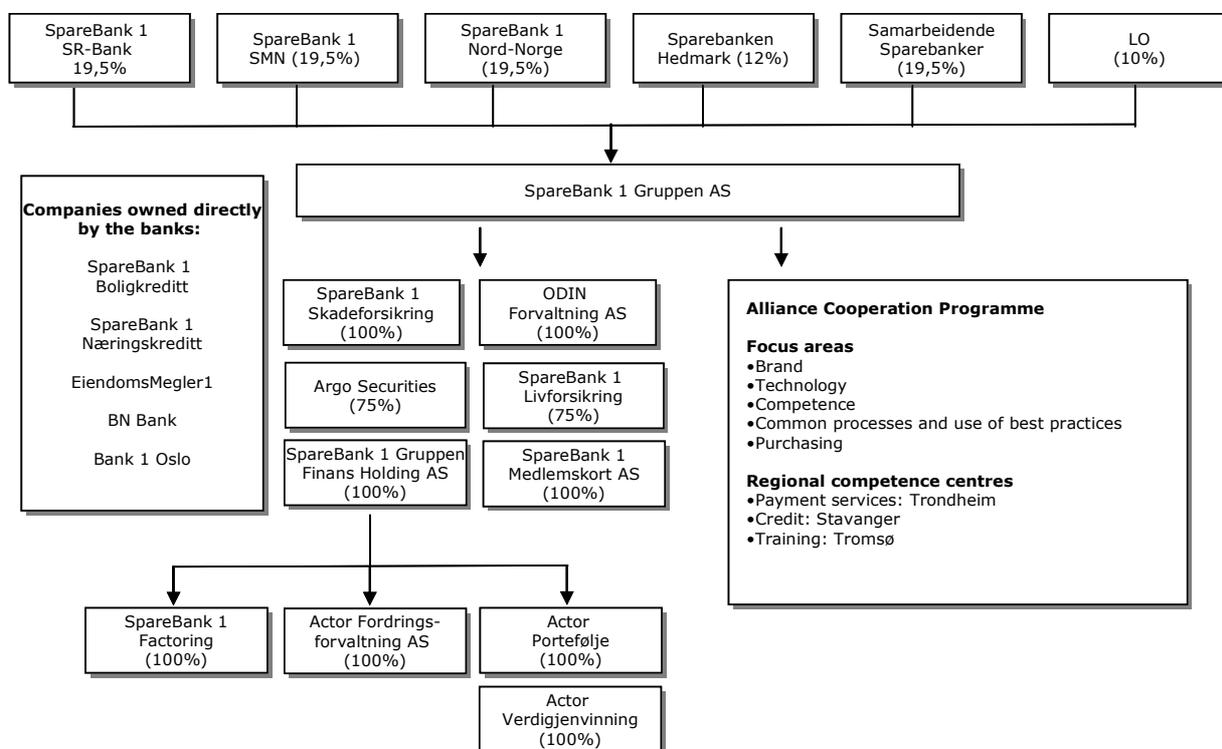


Figure 1.2.3: Structure of SpareBank 1 Alliance

1.3 Credit ratings

SpareBank 1 SR-Bank has credit ratings from Moody's Investor Service and FitchRatings. The ratings are as follows:

Moody's Investors Service (7 September 2010):

- Long-term deposit, senior unsecured and issuer ratings confirmed at A1, stable outlook
- Subordinate ratings confirmed at A2, stable outlook
- Preferred stock ratings confirmed at A3, stable outlook
- BFSR C-
- Prime-1 short rating

Fitch Ratings (12 March 2010):

- Long-term Issuer Default Rating (IDR) affirmed at 'A', negative outlook
- Short-term IDR affirmed at 'F1'
- Support rating affirmed at '3'
- Support Rating Floor affirmed at 'BB+'
- Individual rating affirmed at 'B/C'

1.4 Equity capital certificate - EC

ECs and the stock market

SpareBank 1 SR-Bank's ECs was listed on the Oslo stock exchange in 1994. The ticker is ROGG. The relative performance of ROGG, compared to Oslo Stock Exchange Benchmark Index (OSEBX) and DnB NOR (the largest bank in Norway) is shown in figure 1.4.1. below.

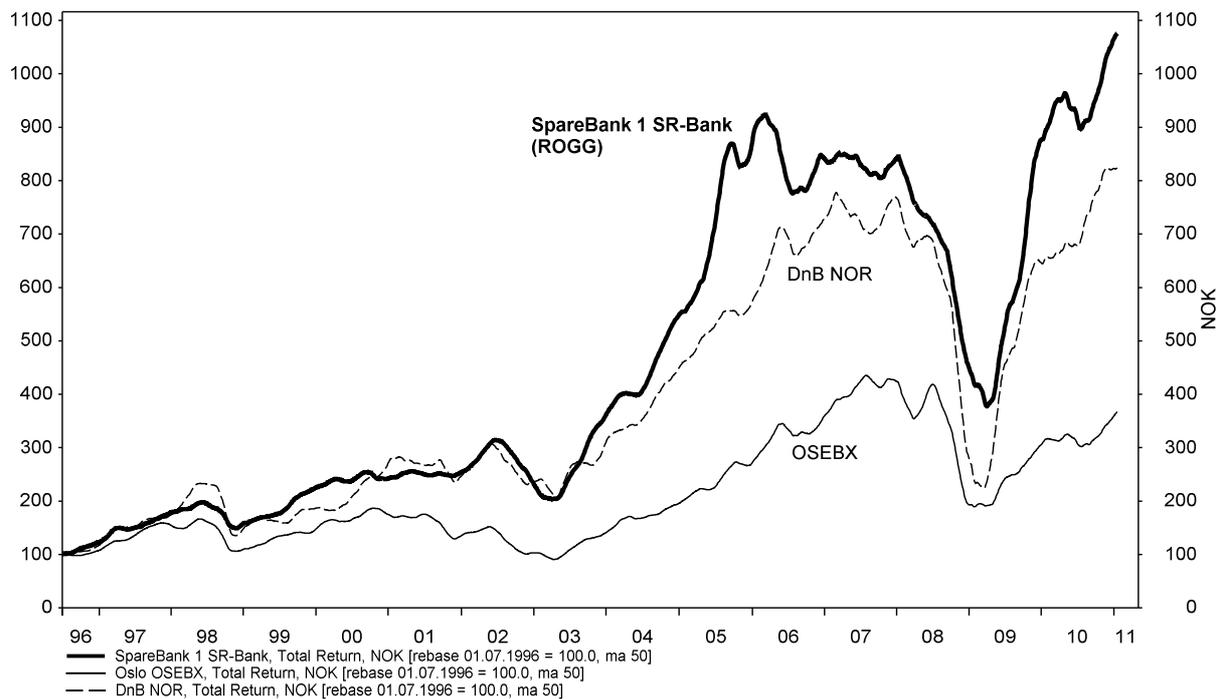


Figure 1.4.1: Total return (dividend reinvested) ROGG, OSEBX and DnB NOR. 1996-2010.

ROGG was at NOK 57,00 per 31.12.2010. There were 127.31 million ECs outstanding at the end of fourth quarter. The number of EC's was increased from 120.93 million in November 2010 due to the acquisition of Kvinnherad Sparebank.

Financial analysts with official coverage of ROGG:

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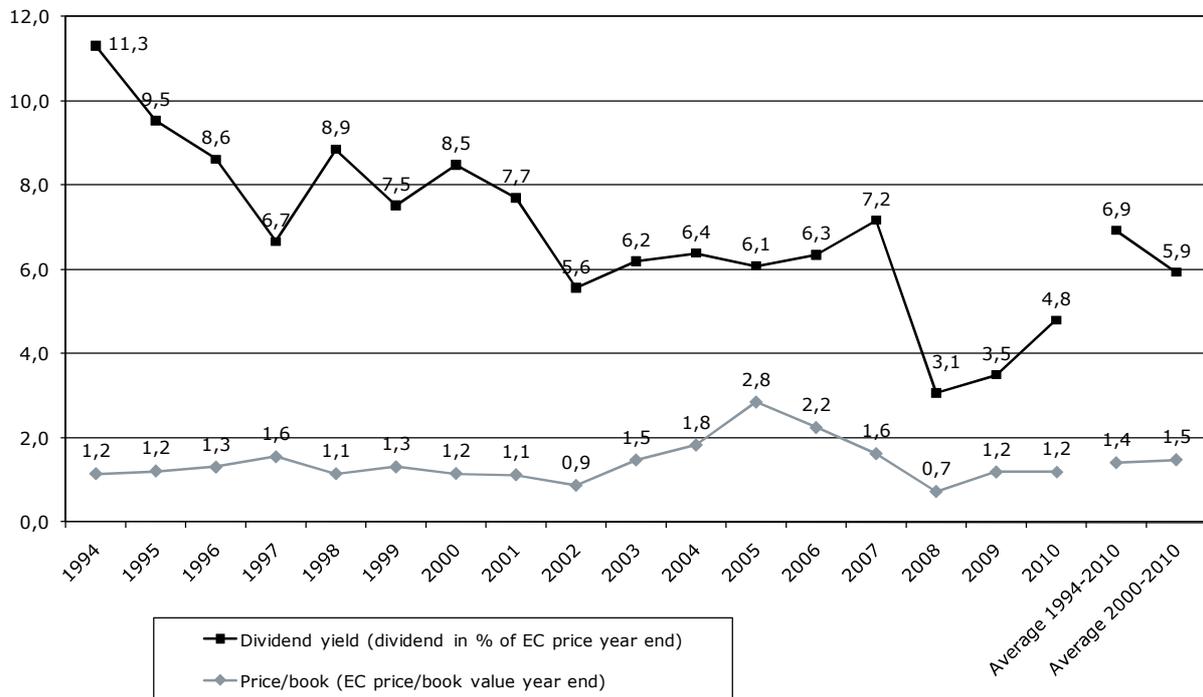


Figure 1.4.2 Dividend yield and price/book. 1994-2010.

Dividend policy

It is the parent bank's available profit after tax which is the basis for distribution of dividend.

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

The profit for the year will be divided between EC holders and the savings bank's funds in proportion to their share of the bank's equity. SpareBank 1 SR-Bank aims for around half of the profits allocated to EC holders shall normally be paid as a dividend and around half of the profit allocated to the savings bank fund shall be paid out as gifts or transferred to a foundation benefiting the public, provided that capital adequacy is satisfactory. In determining dividends and gifts, account will be taken of the bank's earnings performance, the market situation, stability in dividends as well as the need for core capital. In assessing a distribution of the profit for the year to dividend and gifts, respectively, importance will be attached to keeping stable the proportion of total equity (ownership fraction) held by EC holders.

The share of EC's profit which has been paid out as dividends (payout ratio EC) is shown in figure 1.4.4.

History and capital structure

The history of Norwegian savings banks goes back to 1820s when the first savings banks were founded as self-owned foundations. The roots of SpareBank 1 SR-Bank go back to 1839. Due to the organizational form, the savings banks equity capital comprised of donations and retained earnings until 1987 when the savings banks legislation was amended and enabled savings banks to raise capital in the equity market by ECs. Therefore savings banks that have issued EC have two types of equity capital: self-owned capital (savings banks reserve/fund) and ECs.

ECs are very similar to shares. The main differences are 1) the capital structure where ECs have better priority than the self-owned capital, 2) ECs give ownership to specific parts of a bank's equity capital and 3) governing bodies of a savings bank will have broader representation than a commercial bank. The representation of the EC owners in SpareBank 1 SR-Bank's governing body is 40 per cent. The share of the bank's equity capital belonging to EC owners (EC ratio) was 63.2 per cent by the end of 4th quarter 2010. EC owners are each year entitled to their share of total profits (according to the EC ratio for the year). Table 1.4.1 shows the calculation of the EC ratio. Figure 1.4.4 shows the EC ratio from 1994-2010 and annual share of EC's yearly profit which has been paid out as dividend.

One important recent feature regarding ECs is that the Norwegian saving bank legislation was amended with effect from 1 July 2009. The amendments have important implications for the ECs, hereby making it more similar to stocks and possibilities to avoid the so-called dilution effect. The name was changed from Primary Capital Certificate (PCC) to Equity Certificate (EC). There were also significant improvements in the legislation regarding possible structures for mergers and acquisitions amongst savings banks.

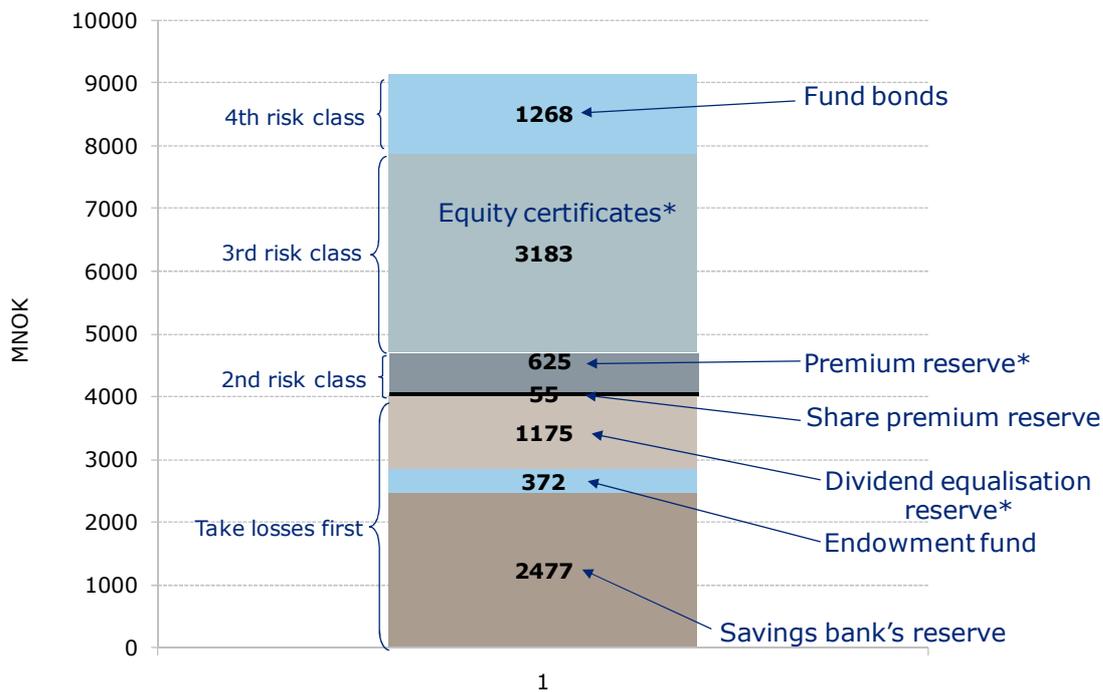
Figure 1.4.3 illustrates SpareBank 1 SR-Bank's capital structure and the more favourable priority for ECs than ordinary shares. Furthermore, retained earnings belonging to the EC owners (transferred to the dividend equalisation reserve) will initially have the same priority as savings banks reserve which implies that EC owners share of a potential deficit is 29 per cent by the end of 4th quarter 2010), while the share of future profit is 63 per cent.

Possible conversion to a limited liability company (ASA)

On 25 November 2010 the Supervisory Board of SpareBank 1 SR-Bank unanimously passed the board's recommendation to restructure the bank as a public share corporation (ASA) in line with the summons published in the announcement to the stock exchange on 5 November.

The strong development of the bank over the course of several years has been decisive for providing the region with the required capital. A continued profitable and healthy bank, with good access to both equity and debt capital, will be of great importance for continued growth and development in the region.

An application for restructuring was therefore submitted to the Financial Supervisory Authority as advisory authority in December 2010. Final permission is dependent on approval by the Ministry of Finance.



* Equity certificate holders' capital

Figure 1.4.3: Capital structure per 31.12.2010

MNOK	31.12.10	31.12.09
Equity certificates	3.180	3.014
Dividend equalisation reserve	1.175	759
Premium reserve	625	458
A. The equity certificate owners' capital	4.980	4.231
Savings bank's reserve	2.469	2.241
Compensation fund	55	20
Endowment fund	380	240
B. The savings bank's reserve	2.904	2.501
Fund for unrealised gains	43	127
Equity excl proposed dividend	7.927	6.859
Equity certificate ratio (A/(A+B))	63,2 %	62,9 %

Table 1.4.1: EC ratio - calculation of EC holder's share of the bank's equity capital

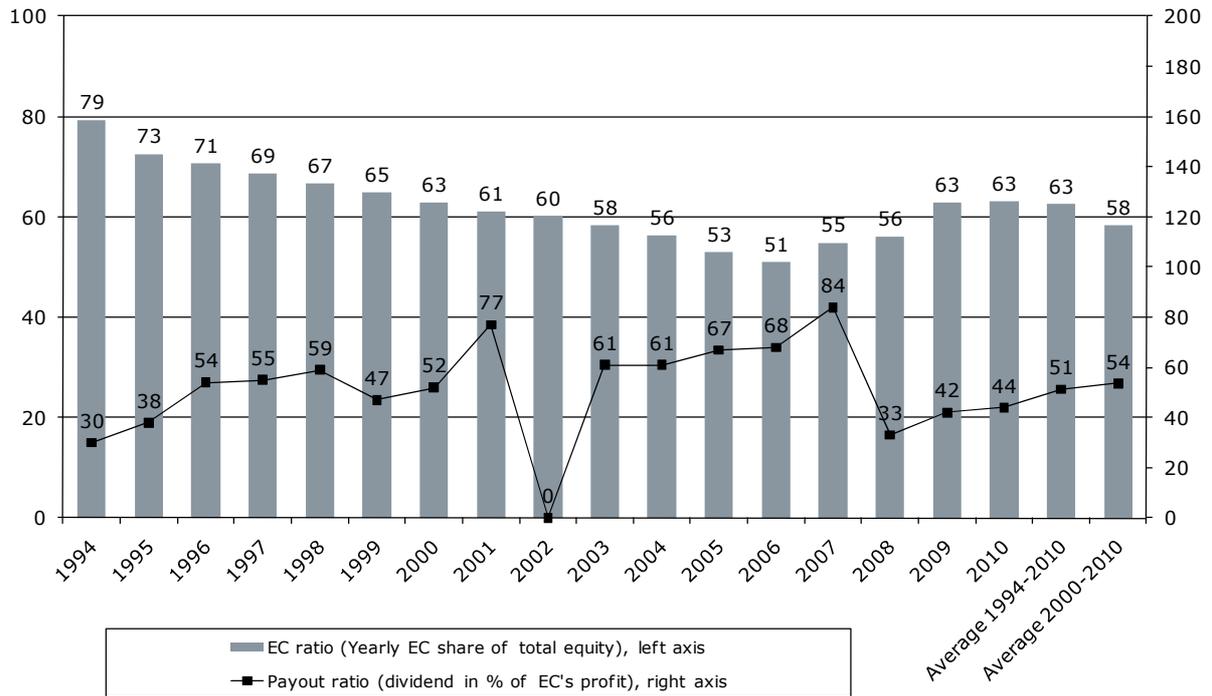


Figure 1.4.4: *EC ratio and payout ratio. 1994-2010*

20 largest EC holders per 31.12.10	Number	Stake
Gjensidige Forsikring	20.713.065	16,3%
SpareBank 1-stiftinga Kvinnherad	6.069.934	4,8%
Odin Norge	3.197.672	2,5%
Odin Norden	3.066.253	2,4%
Køhlergruppen AS	1.923.657	1,5%
Clipper AS	1.685.357	1,3%
Frank Mohn AS	1.666.142	1,3%
Trygve Stangeland	1.632.048	1,3%
State Street Bank and Trust, U.S.A.	1.355.970	1,1%
SHB Stockholm Clients Account, Sverige	1.340.000	1,1%
JPMorgan Chase Bank, U.K.	1.221.914	1,0%
Trygves Holding AS	1.070.939	0,8%
Brown Brothers Harriman, U.S.A.	1.061.327	0,8%
The Northern Trust, U.K.	1.005.116	0,8%
Bank of New York, U.S.A.	984.594	0,8%
Coil Investment Group AS	954.993	0,8%
Nordea Bank Norge ASA	918.892	0,7%
Westco AS	885.352	0,7%
Bjergsted Investering AS	720.055	0,6%
Solvang Shipping AS	701.034	0,6%
Total 20 largest holders	52.174.314	43,0%

Table 1.4.2: 20 largest EC holders per 31.12.2010

2. Financial results and balance sheet

Income statement

MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Interest income	1282	1.231	1.185	1.122	1.107	4.820	5.015
Interest expense	840	795	758	685	652	3.078	3.339
Net interest income	442	436	427	437	455	1.742	1.676
Commission income	194	189	206	207	219	796	760
Commission expenses	-15	-20	-16	-20	-20	-71	-87
Other operating income	104	95	104	73	86	376	325
Net commission and other income	283	264	294	260	285	1.101	998
Dividend income	0	1	46	0	17	47	23
Income from investment in associates	94	70	54	49	128	267	298
Net gains/losses on financial instruments	89	66	72	30	64	257	384
Net return on investment securities	183	137	172	79	209	571	705
Total income	908	837	893	776	949	3.414	3.379
Personnel expenses	223	250	244	153	223	870	881
Administrative expenses	109	82	90	81	92	362	346
Other operating expenses	91	76	89	78	123	334	352
Total operating expenses	423	408	423	312	438	1.566	1.579
Operating profit before losses	485	429	470	464	511	1.848	1.800
Losses on loans and guarantees	71	43	51	69	74	234	368
Operating profit before tax and minority interests	414	386	419	395	437	1.614	1.432
Tax expense	33	86	81	97	107	297	321
Profit after tax from continuing operations	381	300	338	298	330	1.317	1.111
Attributable to majority interests	381	300	338	298	330	1.317	1.109
Attributable to minority interests	0	0	0	0	0	0	2

Key figures

	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Return on equity ¹⁾	16,9 %	14,3 %	16,5 %	14,8 %	18,2 %	15,5 %	17,5 %
Cost ratio ²⁾	46,6 %	48,7 %	47,4 %	40,2 %	46,2 %	45,9 %	46,7 %
Net interest margin	1,31 %	1,30 %	1,30 %	1,40 %	1,46 %	1,35 %	1,35 %
Gross loans to customers	105.792	100.289	96.812	96.481	93.473	105.792	93.473
Gross loans to customers including SpareBank 1 Boligkreditt	131.953	124.398	122.426	120.352	118.227	131.953	118.227
Deposits from customers	60.770	55.703	56.137	53.323	54.336	60.770	54.336
Deposit-to-loan ratio	57,4 %	55,5 %	58,0 %	55,3 %	58,1 %	57,4 %	58,1 %
Growth in loans	13,2 %	8,0 %	-0,7 %	-1,6 %	-6,6 %	13,2 %	-6,6 %
Growth in loans including SpareBank 1 Boligkreditt	11,6 %	6,6 %	6,0 %	5,8 %	5,3 %	11,6 %	5,3 %
Growth in deposits	11,8 %	3,7 %	3,1 %	-0,9 %	2,4 %	11,8 %	2,4 %
Average total assets	133.557	128.799	127.627	124.888	123.755	128.830	124.283
Total assets	134.778	129.524	128.653	126.508	124.909	134.778	124.909
Impairment losses ratio ³⁾	0,28	0,17	0,21	0,29	0,32	0,23	0,38
Non-performing commitments as a percentage of gross loans	0,42	0,54	0,36	0,54	0,42	0,42	0,42
Other doubtful commitments as a percentage of gross loans	0,72	0,94	1,01	0,80	0,81	0,72	0,81
Capital adequacy ratio	12,4	11,6	11,5	11,6	11,9	12,4	11,9
Core capital ratio	10,2	9,3	9,1	9,4	9,6	10,2	9,6
Core capital	9.442	8.433	8.243	8.196	8.130	9.442	8.130
Net equity and subordinated loan capital	11.482	10.450	10.352	10.112	10.029	11.482	10.029
Minimum subordinated capital requirement	7.400	7.241	7.226	7.001	6.768	7.400	6.768
Number of branches	54	49	50	51	51	54	51
Man-years (permanent)	1.163	1.112	1.093	1.083	1.093	1.163	1.093
Equity certificate ratio	63,2 %	63,2 %	63,1 %	62,9 %	62,9 %	63,2 %	62,9 %
Market price	57,00	53,00	46,10	48,80	50,00	57,00	50,00
Market capitalisation	7.257	6.409	5.575	5.902	6.047	7.257	6.047
Book equity per EC (including dividends) (group)	47,45	44,19	42,44	41,47	42,07	47,45	42,07
Earnings per EC (group) ⁴⁾	1,94	1,56	1,76	1,55	1,95	6,84	6,88
Dividends per EC	n.a.	n.a.	n.a.	n.a.	n.a.	2,75	1,75
Price / Earnings per EC	7,35	8,49	6,55	7,87	6,41	8,33	7,27
Price / Book equity (group)	1,20	1,20	1,09	1,18	1,19	1,20	1,19

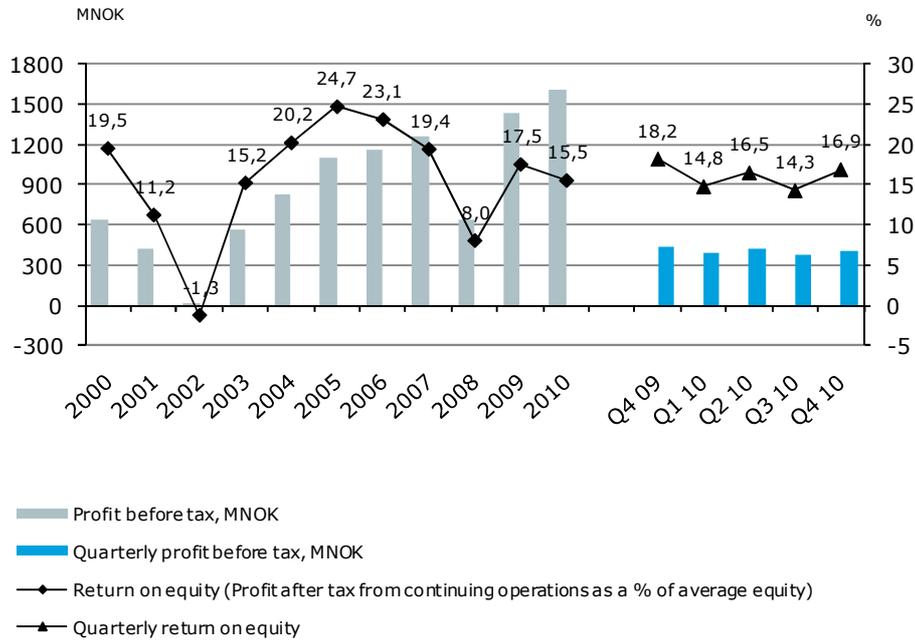
¹⁾ Net profit (of which minority interests are deducted) as a percentage of average equity. For 2009 the equity are weighted per month instead of quarterly. This because of the issue in November 2009.

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

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

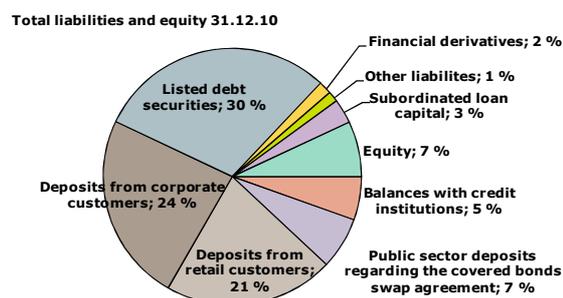
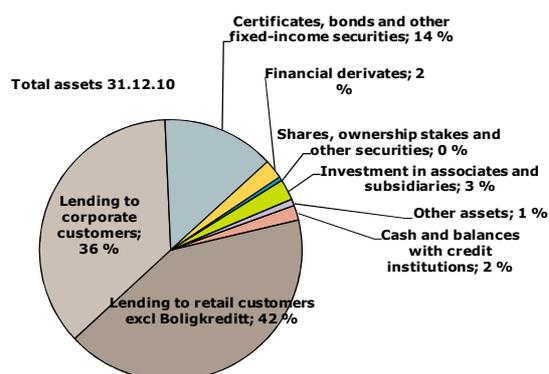
⁴⁾ Net profit multiplied by the equity certificate percentage divided by the average number of certificates outstanding.

Result before tax and return on equity

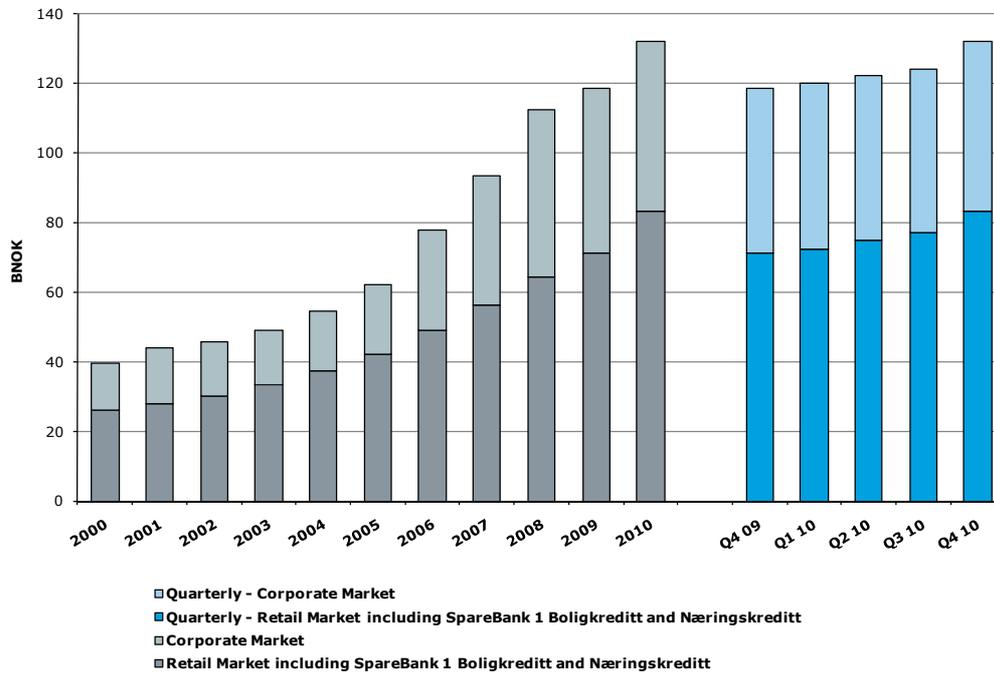


Balance sheet

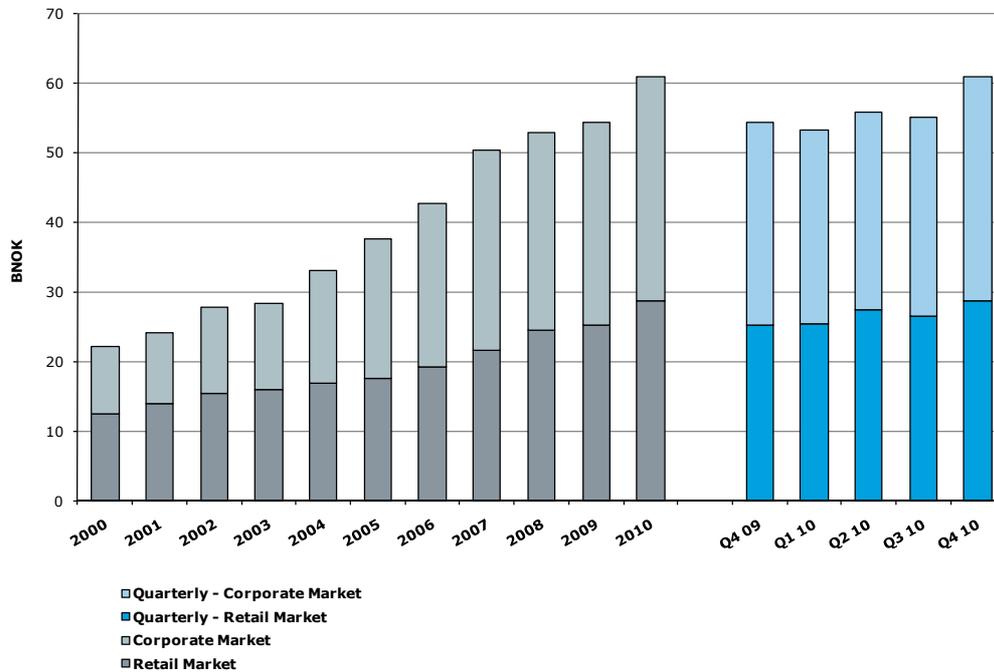
MNOK	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Cash and balances with central banks	1.235	2.497	2.624	1.404	781
Balances with credit institutions	1.273	1.145	3.484	1.646	1.301
Gross loans to customers	105.792	100.289	96.812	96.481	93.473
- individual impairment losses on loans	-402	-405	-376	-341	-329
- collective impairment losses on loans	-357	-341	-338	-331	-320
Net loans to customers	105.033	99.543	96.098	95.809	92.824
Certificates, bonds and other fixed-income securities	18.742	16.868	17.311	19.187	22.582
Financial derivatives	3.241	3.897	3.643	3.016	2.438
Shares, ownership stakes and other securities	661	514	493	445	439
Investment in associates	3.518	3.507	3.451	3.385	3.127
Business available for sale	93	23	23	23	23
Other assets	982	1.530	1.526	1.593	1.394
Total assets	134.778	129.524	128.653	126.508	124.909
Balances with credit institutions	7.359	9.022	7.982	8.516	8.852
Public sector deposits regarding the covered bonds swap agreement	8.832	8.832	8.832	8.832	8.832
Deposits from customers	60.770	55.703	56.137	53.323	54.336
Listed debt securities	40.307	39.093	38.891	39.896	37.523
Financial derivatives	2.212	2.075	2.057	1.969	1.576
Other liabilities	1.752	2.135	2.300	1.923	1.846
Subordinated loan capital	4.144	4.093	4.197	3.961	3.871
Total liabilities	125.376	120.953	120.396	118.420	116.836
Equity certificates	3.183	3.023	3.023	3.023	3.023
Holding of own equity certificates	-3	-3	-3	-3	-9
Premium reserve	625	456	456	456	458
Dividend equalisation reserve	1.175	669	652	735	759
Proposed dividend	336	-	-	-	212
Savings bank's reserve	2.477	2.182	2.171	2.220	2.241
Compensation fund	55	20	20	20	20
Endowment fund	372	214	221	240	240
Fund for unrealised gains	43	127	127	127	127
Other equity	1.139	947	954	972	1.002
Profit/loss at period end	-	936	636	298	-
Minority interests	-	-	-	-	-
Total equity	9.402	8.571	8.257	8.088	8.073
Total liabilities and equity	134.778	129.524	128.653	126.508	124.909



Lending volume



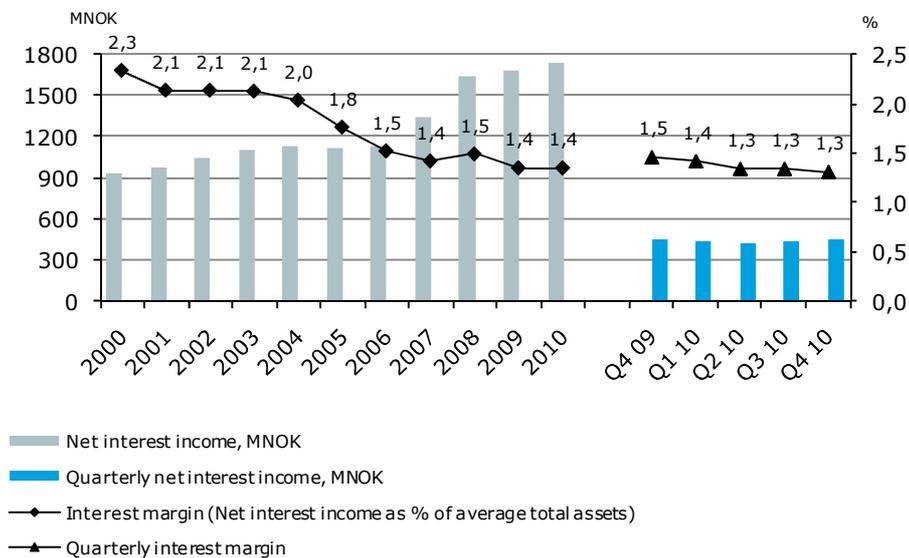
Deposit volume



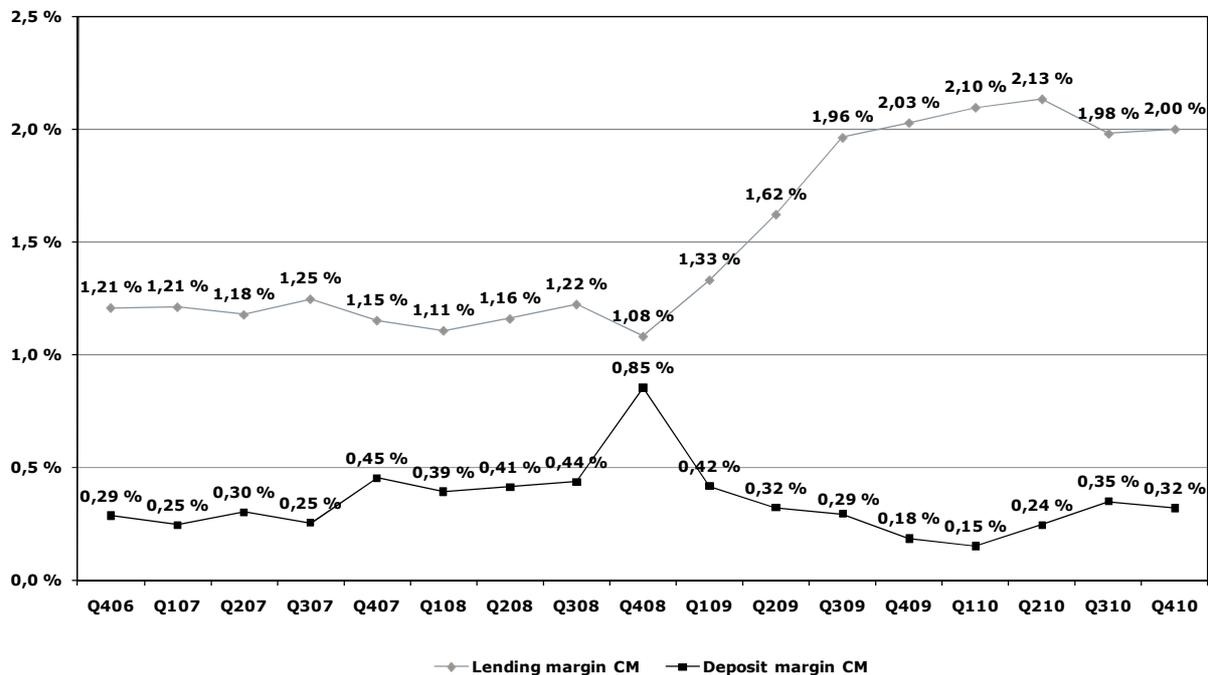
2.1 Net interest income

	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
<i>MNOK</i>							
Interest income	1.282	1.231	1.185	1.122	1.107	4.820	5.015
Interest expense	840	795	758	685	652	3.078	3.339
Net interest income	442	436	427	437	455	1.742	1.676
As % of average total assets	1,31 %	1,34 %	1,34 %	1,42 %	1,46 %	1,35 %	1,35 %

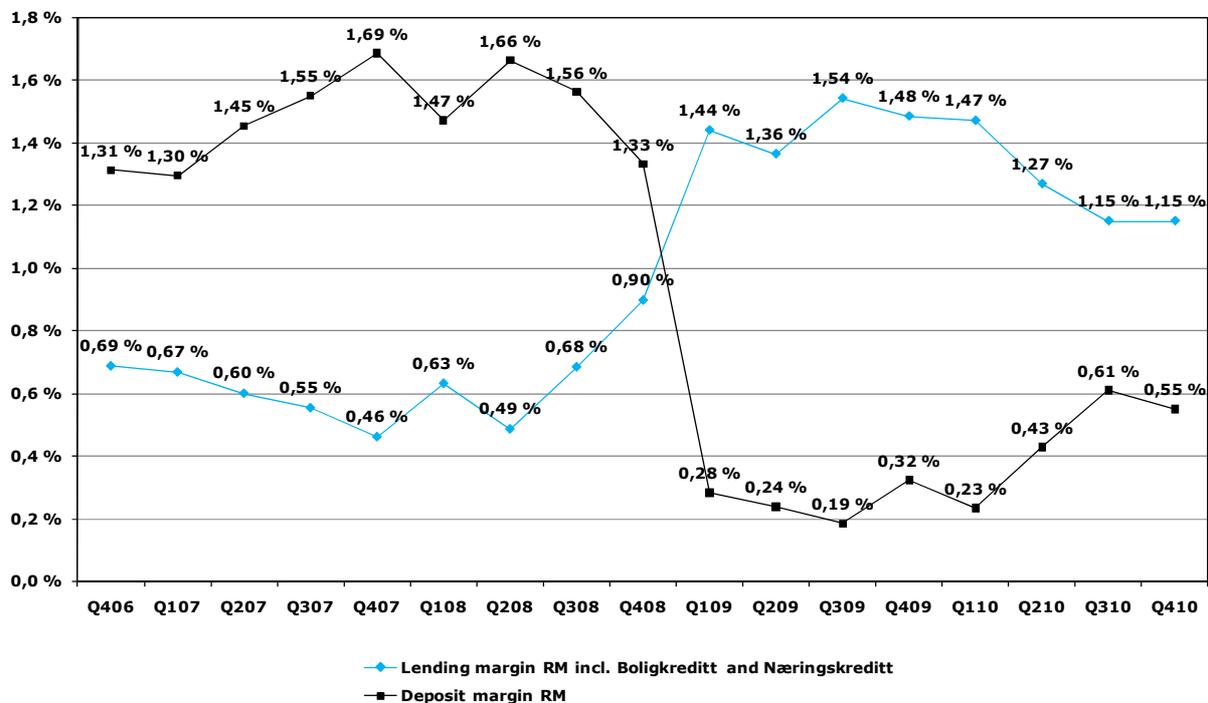
Net interest income and interest margin



Lending and deposit margins¹ – Corporate Market



Lending and deposit margins – Retail Market including SpareBank 1 Boligkreditt



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

2.2 Net other operating income

<i>MNOK</i>	Q4	Q3	Q2	Q1	Q4	31.12	31.12
	2010	2010	2010	2010	2009	2010	2009
Net commission and other income	283	264	294	260	285	1.101	998
Net return on investment securities	183	137	172	79	209	571	705
Net other operating income	466	401	466	339	494	1.672	1.703
As % of total income	51 %	48 %	52 %	44 %	52 %	49 %	50 %

Net commission and other income

<i>MNOK</i>	Q4	Q3	Q2	Q1	Q4	31.12	31.12
	2010	2010	2010	2010	2009	2010	2009
Payment facilities	50	53	50	48	46	200	188
Savings/placements	34	29	41	32	22	136	116
Insurance products	33	25	29	27	34	113	109
Commission income real estate (EM1)	87	93	109	76	78	365	328
SpareBank 1 Boligkreditt	29	32	43	53	57	157	146
Guarantee commission	15	17	13	12	13	57	47
Salesprofit, building	8	2	-	-	8	10	8
Arrangement fees	12	6	9	9	10	35	44
Other	15	8	2	3	17	28	12
Net commission and other income	284	264	294	260	285	1.101	998
As % of total income	31 %	32 %	33 %	34 %	30 %	32 %	30 %

Change in net commission and other income

<i>MNOK</i>	Per 31.12		
	2010	Change	2009
Net commission and other income	1101	103	998
Payment facilities		12	
Savings/placements		20	
Insurance products		4	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		37	
Commission income SpareBank 1 Boligkreditt		11	
Guarantee commission		10	
Salesprofit, building		2	
Arrangement fees		-9	
Other		16	

Net return on investment securities

<i>MNOK</i>	Q4	Q3	Q2	Q1	Q4	31.12	31.12
	2010	2010	2010	2010	2009	2010	2009
Dividend	-	1	46	0	17	47	23
Investment income, associates	94	70	54	49	128	267	298
Securities gains/losses	53	32	41	21	8	146	194
- of which capital change in shares and certificates	71	12	45	7	1	135	72
- of which capital change in certificates and bonds	-18	20	-5	15	7	11	122
Currency/interest gains/losses	36	35	31	9	56	111	190
- of which currency customer- and own-account trading	28	35	31	37	45	131	147
- of which IFRS-effects	8	-1	0	-28	11	-20	43
Net return on investment securities	183	137	172	79	209	571	705
As % of total income	20 %	16 %	19 %	10 %	22 %	17 %	21 %

Change in net return on investment securities

<i>MNOK</i>	Per 31.12		
	2010	Change	2009
Net return on investment securities	571	-134	705
Dividend		24	
Investment income, associates		-31	
Securities gains/losses		-48	
- of which capital change in shares and certificates		63	
- of which capital change in certificates and bonds		-111	
Currency/interest gains/losses		-79	
- of which currency customer- and own-account trading		-16	
- of which IFRS-effects		-63	

2.3 Operating expenses

<i>MNOK</i>	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Wages	165	173	173	161	157	672	633
Pension expenses	21	40	35	-43	34	53	119
Other personnel expenses	37	37	36	35	33	145	129
Total personnel expenses*	223	250	244	153	224	870	881
IT expenses	51	44	45	44	50	184	180
Marketing expenses	25	13	21	17	17	76	63
Other administrative expenses	33	25	24	20	24	102	103
Write-offs	20	17	16	19	17	72	70
Expenses real property	13	8	10	8	46	39	70
Other operating expenses	58	51	63	51	59	223	211
Other expenses	200	158	179	159	215	696	697
Total operating expenses	423	408	423	312	438	1.566	1.579

Change in operating expenses

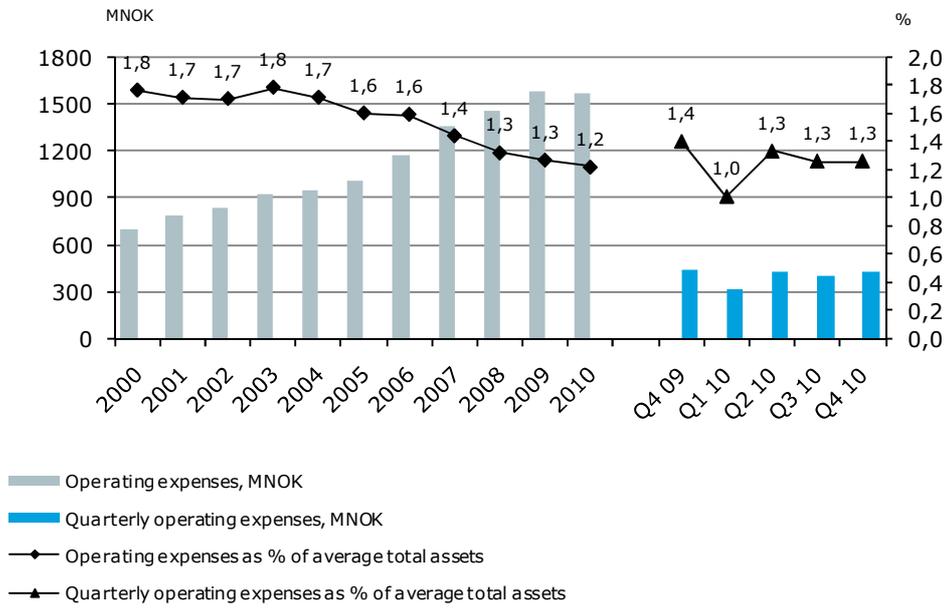
<i>MNOK</i>	Per 31.12		
	2010	Change	2009
Total	1.566	-13	1.579
Personnel expenses		-12	
IT expenses		4	
Marketing expenses		13	
Other administrative expenses		-1	
Write-offs		2	
Expenses real property		-32	
Other operating expenses		12	

Cost/income ratio*

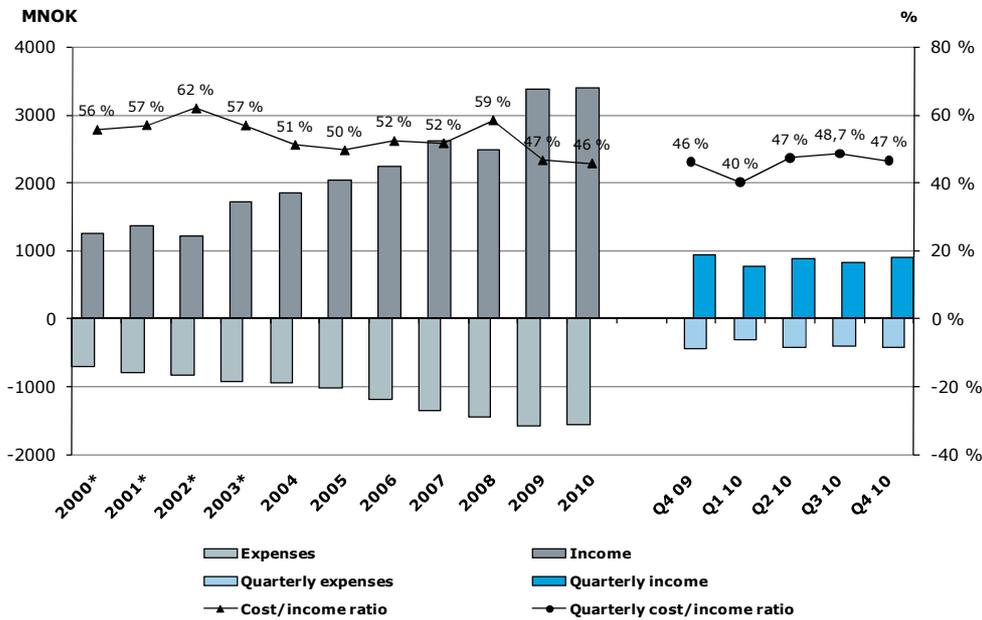
<i>MNOK</i>	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Operating expenses	423	408	423	312	438	1.566	1.579
Cost/income ratio	46,6 %	48,7 %	47,0 %	40,2 %	46,2 %	45,9 %	46,7 %
Growth in expenses last 12 months	-3,4 %	8,5 %	6,8 %	-15,5 %	9,0 %	-0,8 %	9,0 %

*The group's ordinary operating expenses totalled NOK 1,672 million in 2010. However, recognised operating expenses were lower, totalling NOK 1,566 million, as a result of reversing NOK 106 million in contractual pensions (AFP) provisions. In 2009, recognised operating expenses totalled NOK 1,579 million. Taking into account extraordinary project costs of NOK 36 million in Q4 2009, ordinary operating expenses amounted to NOK 1,543 million in 2009.

Operating expenses

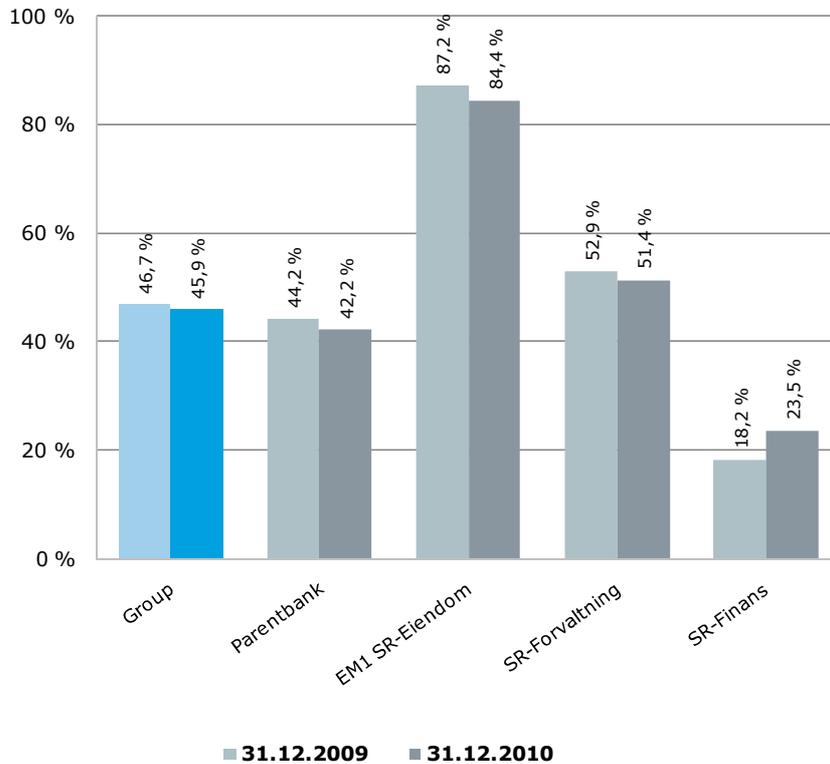


Development cost/income ratio



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

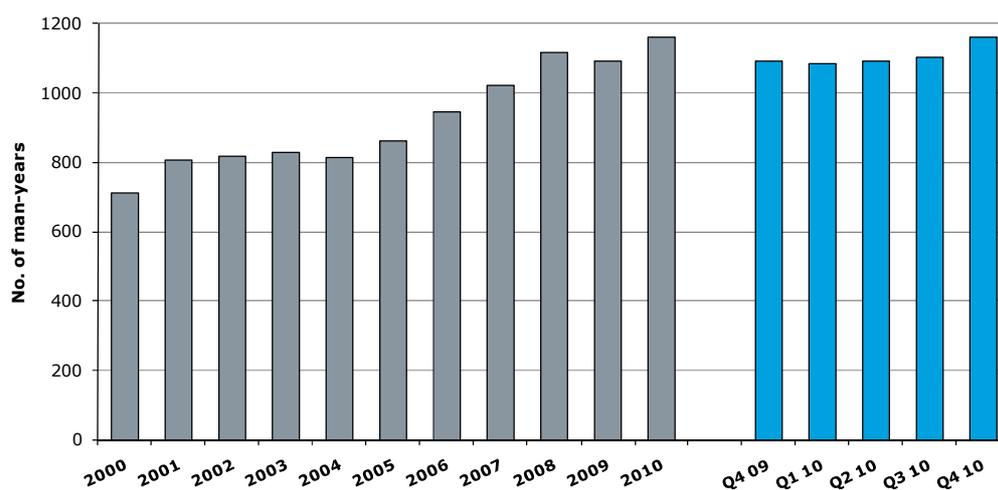
Cost ratio as a total for the Group, the Parentbank and the individual subsidiaries



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

<i>No. of man-years</i>	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
SpareBank 1 SR-Bank	930	876	863	854	867
EiendomsMegler 1 SR-Eiendom AS	184	181	167	168	164
SR-Forvaltning ASA	11	11	11	10	11
SR-Finans AS	33	29	28	30	32
Other	5	6	24	22	19
Total	1.163	1.103	1.093	1.083	1.093

Man-labour years 2000-4th quarter 2010 (permanent employees, contracted staff not included)



2.5 Losses on loans and loss provisions

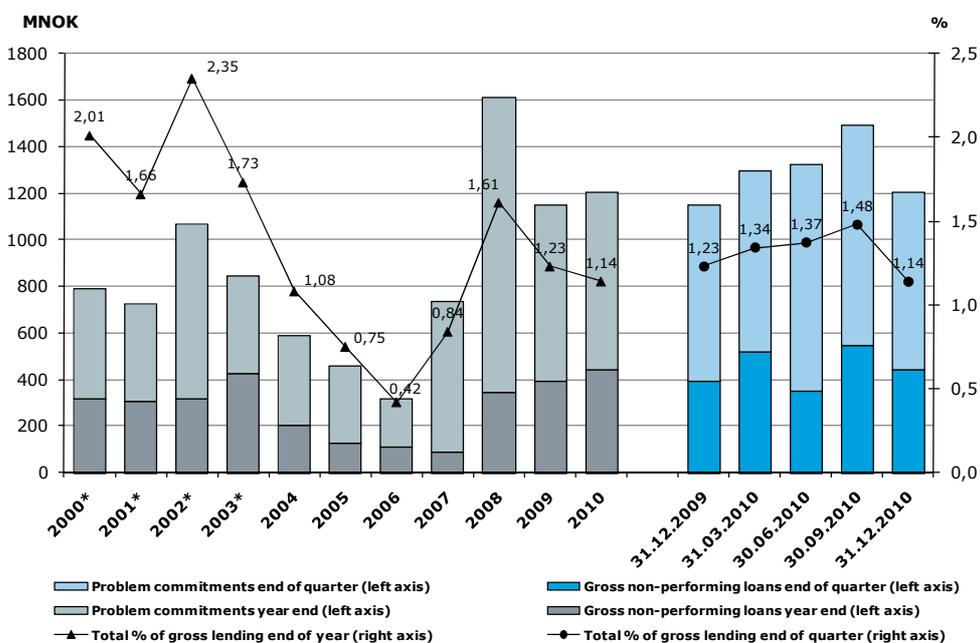
Losses on loans and guarantees

MNOK	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Change in individual individual impairment losses provisions for the period	38	82	50	16	-12
Change in collective impairment loss provisions for the period	24	21	18	11	91
Amortised cost	6	7	5	-	17
Actual loan losses on commitments for which provisions have been made	175	69	61	37	227
Actual loan losses on commitments for which no provision has been made	25	13	13	7	63
Change in assets take-over	5	-	-	-	-
Recoveries on commitments previously written-off	-39	-29	-27	-2	-18
The period's net losses/(reversals) on loans and advances	234	163	120	69	368

Provisions for impairment losses on loans and guarantees

MNOK	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Provisions for individual impairment losses at start of period	337	337	337	337	349
Kvinnerhad over-take	35	-	-	-	-
Increases in previous provisions for individual impairment losses	67	47	40	76	99
Reversal of provisions from previous periods	-83	-76	-71	-61	-127
New provisions for individual impairment losses	229	179	141	39	226
Amortised cost	-8	-6	-3	-5	16
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-175	-69	-61	-37	-226
Provisions for individual impairment losses at the end of period	402	412	383	349	337

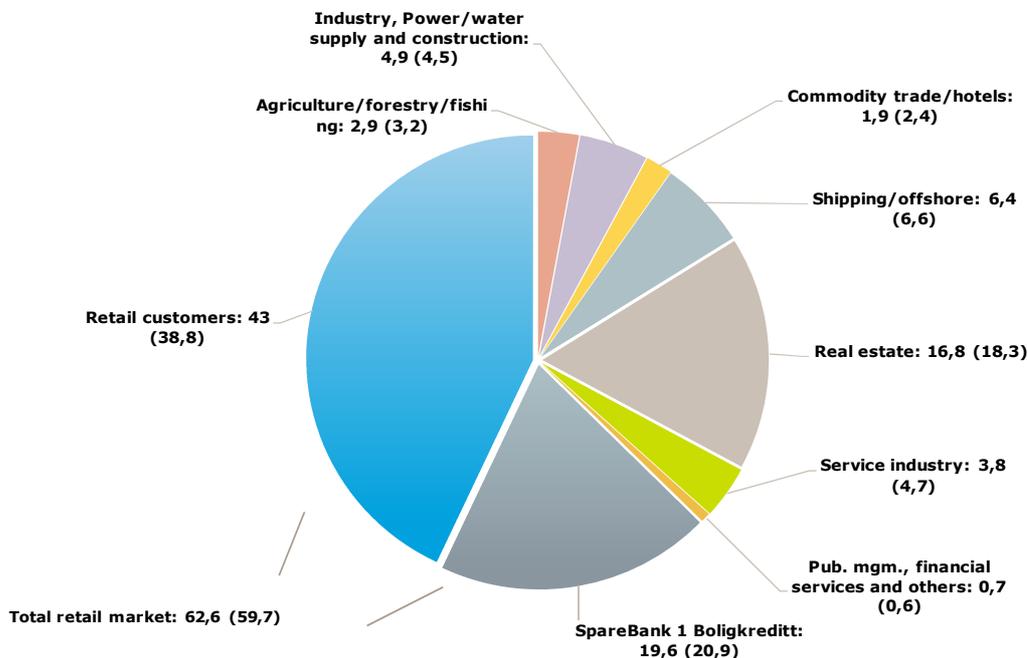
Non-performing loans and problem commitments



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

2.6 Loans

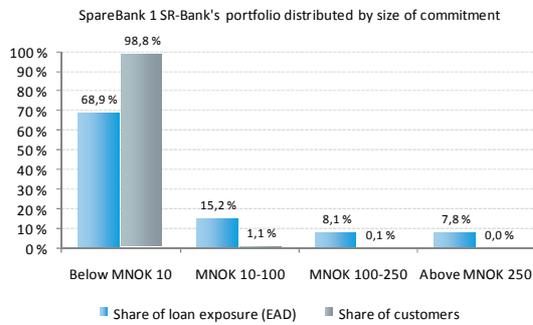
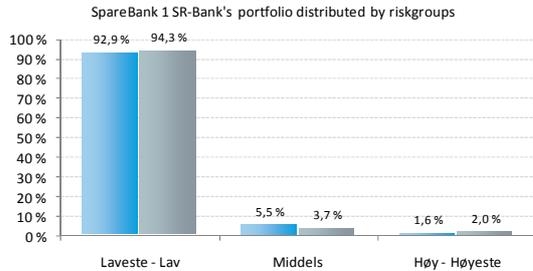
MNOK	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Agriculture and forestry	3.430	3.276	3.191	3.134	3.176
Fishing	55	49	52	50	51
Fishfarming	310	276	246	432	532
Oil/gas exploitation	2.236	2.685	2.452	2.517	2.124
Production of food	194	204	205	148	147
Graphic business	33	44	238	445	428
Industry	1.995	2.031	2.352	2.110	2.064
Shipyard	369	189	299	471	377
Power and water supply	815	566	401	417	373
Building and construction	3.067	2.602	2.704	1.952	1.953
Commodity trade	2.183	2.250	2.270	2.726	2.555
Hotels and restaurants	321	277	339	331	325
Shipping	4.960	4.417	4.498	4.571	4.578
Transportation	1.167	1.136	1.716	1.721	1.064
Real estate	22.105	21.349	21.269	21.099	21.610
Business services and management	3.703	4.106	3.762	4.326	4.495
Social and private services and management	1.308	1.086	1.063	1.018	1.037
Finance	485	456	194	151	192
Central and local government	241	233	235	240	268
Retail customers	56.498	52.646	48.938	48.252	45.847
Unallocated (excess value fixed interest loans and amort. lending fees)	76	195	199	163	102
Accrued interests corporate sector and retail customers	241	216	189	207	175
Gross loans	105.792	100.289	96.812	96.481	93.473
SpareBank 1 Boligkreditt	26161	24.109	25.614	23.871	24.754
Gross loans incl SpareBank 1 Boligkreditt	131.953	124.398	122.426	120.352	118.227



(Figures for corresponding period in 2009 are showed in parentheses)

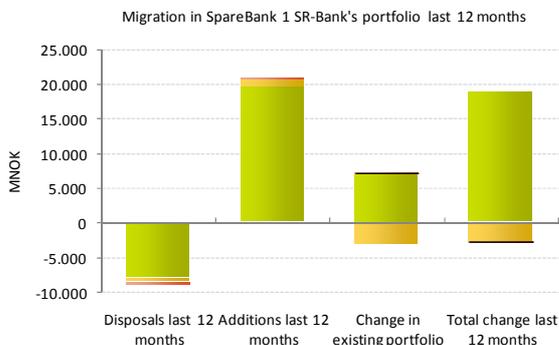
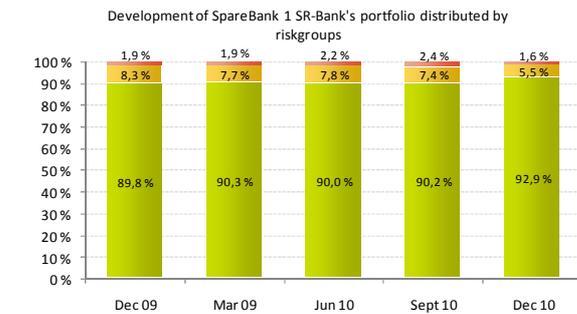
2.7 Risk profile

Risk profile in SpareBank 1 SR-Bank High percentage of low-risk commitments



- 93 per cent of the loan exposure corresponding to 94 per cent of customers satisfies the criteria for low and lowest risk. Expected losses in this part of the portfolio are very limited, accounting for 0.05 per cent.
- Exposure to high and highest risk accounts for 1.6 per cent of the loan exposure or 2 per cent of customers. Expected losses in this part of the portfolio account for 4.4 per cent.
- 99 per cent of the customers corresponding to 69 per cent of the loan exposure is toward commitments that make up less than NOK 10 million. A limited number of customers have an exposure exceeding NOK 100 million. They have a lower probability of default than the average of the corporate portfolio.

Risk profile in SpareBank 1 SR-Bank Moderate risk profile, positive development of credit quality



- The group's moderate risk profile remains in place.
- The persistently low interest rate levels are contributing to a high level of activity, low unemployment and still climbing housing prices in the group's market area.
- These factors, together with an ongoing focus on risk-reducing measures, have helped maintain the credit quality of group's portfolio at a good level.

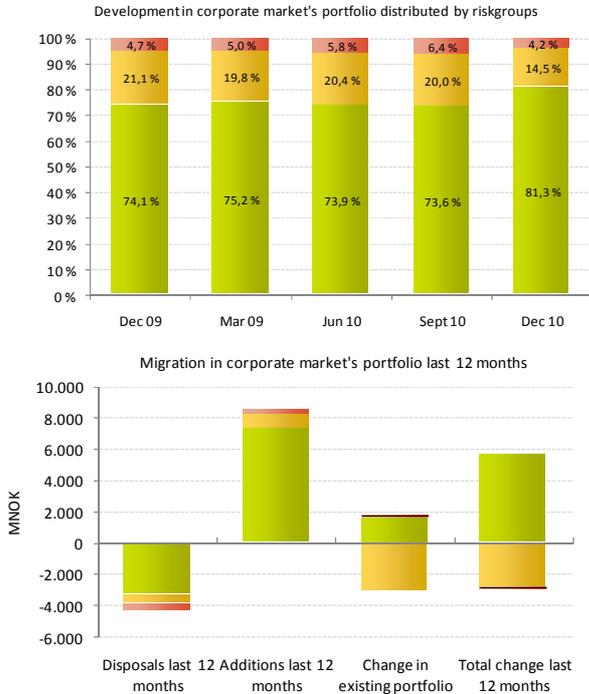
Measurement of risk exposure is based on a long-term average through a business cycle. It results in greater stability in the estimates of non-performing loans.

The numbers include portfolios transferred to SpareBank 1 Boligkreditt AS.

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

Risk profile in the Corporate Market portfolio

The quality of the portfolio is good, and the risk profile has been strengthened



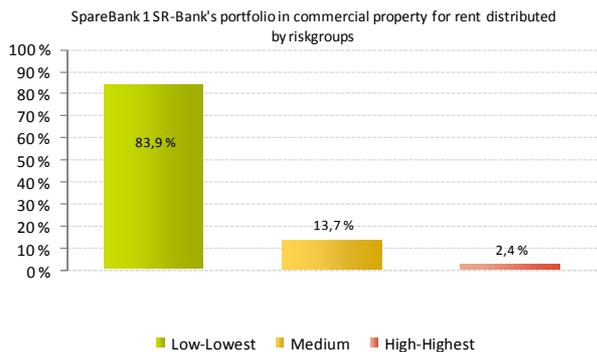
- The quality of the corporate market portfolio is good. Performance is positive and the risk profile of the portfolio was bolstered throughout Q4.
- The addition of new commitments with low risk profile is larger than disposals, and the existing portfolio is marked by positive migration.
- The portfolio's average default probability, its expected loss and risk-adjusted capital requirement moved in a positive direction in Q4.

Measurement of risk exposure is based on a long-term average through a business cycle. It results in greater stability in the estimates of non-performing loans.

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

Portfolio of commercial properties for lease

The portfolio is dominated by low-risk commitments

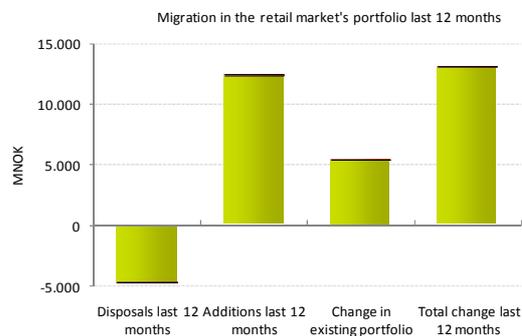
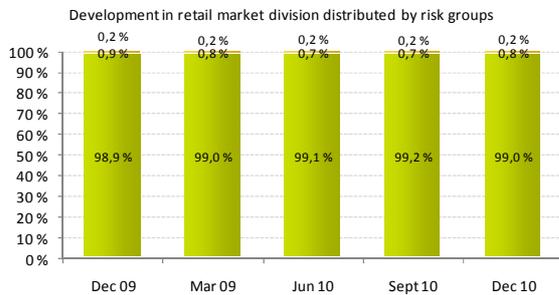


- The portfolio of commercial properties for lease represents the group's largest concentration in a single sector, and accounts for about 11 per cent of total exposure (EAD) including retail market customers.
- The portfolio of commercial properties for lease is dominated by low-risk commitments. 84 per cent of the exposure is classified as low risk while 2.4 per cent is classified as high risk.
- A substantial part of the portfolio is interest rate-hedged, mainly by interest rate hedge contracts with a duration of more than five years.
- The portfolio is characterised by long-term leases with financially solid tenants. The vacancy rate is limited.

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

Risk profile in the Retail Market Portfolio

The quality of the portfolio is excellent and the loss potential is limited



- The quality of the retail market portfolio is very good. Its performance is characterised by sustained stability.
- The healthy growth of the portfolio that the group has enjoyed for a prolonged period has not affected the risk profile of the portfolio.
- Most of the portfolio is secured by way of mortgages on real estate. Collateral coverage is good, which would indicate that there is only a limited risk of loss so long as the values of the collateral pledged are not significantly impaired.

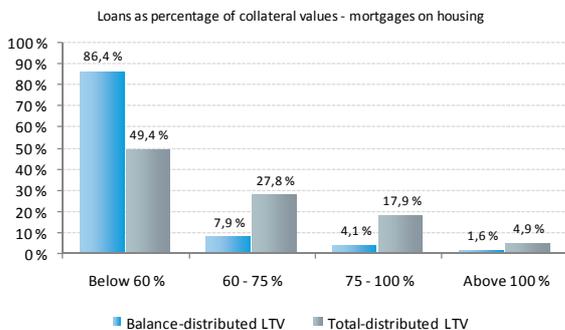
Measurement of risk exposure is based on a long-term average through a business cycle. It results in greater stability in the estimates of non-performing loans.

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

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

Loan to Value ratio – LTV

Collateral security is very good for loans secured by a residential property mortgage



- Lending is consistently moderate seen in light of the value of assets pledged as collateral. Only 5.7 per cent of the exposure exceeds 75 per cent of the value of assets pledged as collateral. There were no substantial changes in LTV values in the last quarter.
- Internally, the group focuses on a commitment's estimated loss level when the loss potential is to be assessed. The starting point is the *realisation value* of the pledged assets. This is considerably lower than the market value (a reduction factor of 20% is applied to mortgages in homes) and shall reflect the security value when realised during a recession.

The calculation of LTV is based on the market value of the collateral. In the case of balance-distributed LTV, with loans that exceed 60% of the collateral's market value the excess amount is distributed among the other intervals.

In the case of totally distributed LTV the entire loan is allocated to one and the same interval.

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

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

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. Using IRB demands high standards regarding organisation, competence, risk-models and risk-management systems.

Interim regulations have been issued by Finanstilsynet (The Financial Supervisory Authority of Norway). From 2009, a reduction (from the earlier capital adequacy rules – Basel I) of the risk-weighted basis of calculation of 20% was allowed, while the corresponding figure for 2008 was 10%. "Transitional arrangements" in Table 2.8.2 illustrates this effect.

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

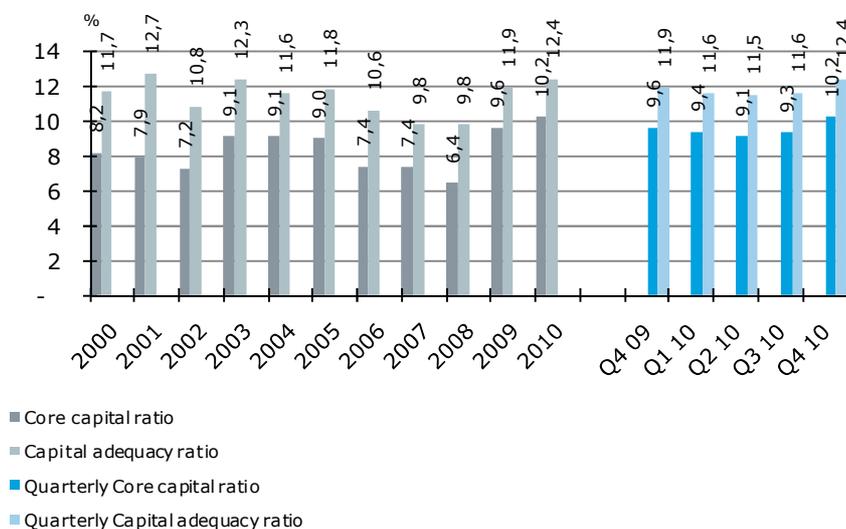
Figure 2.8: Methods used for calculating capital adequacy

Basel III - proposals for new capital requirements

The Basel Committee recently published concrete proposals for new capital requirements to be implemented in the years 2013 to 2018 ("Basel III"). The European Commission is in early 2011 expected to publish its proposal for follow up within the EU in the form of a revised Capital Requirements Directive (CRDIV). Stricter requirements will in future be placed on financial institutions' capital adequacy to bring it more into line with the risk borne by such institutions and with the costs inflicted on society by financial crisis. Qualitative and quantitative requirements are also being introduced on financial institutions' liquidity to ensure that they have sufficient liquidity available in a crisis-like situation to honour their obligations in the short term and ensure funding that assures stability in the longer term.

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

Core capital and capital adequacy ratio



	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
<i>MNOK</i>					
Equity capital certificates	3.183	3.023	3.023	3.023	3.023
- Own equity capital certificates	-3	-3	-3	-3	-9
Premium reserve	625	456	456	456	478
Equalisation reserve	1.175	669	652	735	759
Allocated to dividend	336	-	-	-	212
Savings bank's reserve	2.477	2.182	2.171	2.220	2.241
Compensation fund	55	20	20	20	
Endowment fund	372	214	221	240	240
Reserve for unrealised gains	43	127	127	127	127
Other equity	1.139	947	954	972	1.002
Total book equity	9.402	7.635	7.621	7.790	8.073
Deferred taxes, goodwill and other intangible assets	-77	-82	-54	-54	-42
Fund for unrealized gains, available for sale	-2	-1	-1	-1	-1
Deduction for allocated dividends	-336	-	-	-	-212
50% deduction for subordinated capital in other financial institutions	-21	-31	-32	-17	-17
50% deduction for expected losses on IRB, net of write-downs	-268	-302	-311	-335	-337
50 %Capital adequacy reserve	-645	-578	-570	-570	-552
Share of non-performing, non-amortised estimate deviations	-	37	-	-	-
Year-to-date profit included in core capital (50%)	-	468	318	149	-
Hybrids	1.389	1.287	1.272	1.234	1.218
Total core capital	9.442	8.433	8.243	8.196	8.130
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	783	783	818	779	760
Non-perpetual subordinated capital	2.191	2.145	2.204	2.059	2.045
50% deduction for subordinated capital in other financial institutions	-21	-31	-32	-17	-17
50% deduction for expected losses on IRB, net of write-downs	-268	-302	-311	-335	-337
50 % capital adequacy reserve	-645	-578	-570	-570	-552
Total supplementary capital	2.040	2.017	2.109	1.916	1.899
Net subordinated capital	11.482	10.450	10.352	10.112	10.029

Table 2.8.1: Capital overview

<i>MNOK</i>	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Specialized Lending exposure	1.953	1.925	1.976	1.988	2.045
Other corporations exposure	2.042	1.881	1.940	1.905	1.755
SME exposure	38	34	34	33	33
Retail mortgage exposure	680	676	656	653	614
Other retail exposure	87	64	73	63	93
Equity investments	-	-	-	-	-
Total credit risk IRB	4.800	4.580	4.679	4.642	4.540
Debt risk	116	87	99	85	82
Equity risk	34	19	31	47	47
Currency risk	-	-	-	-	-
Operational risk	374	374	374	374	320
Transitional arrangements	566	568	439	255	264
Exposures calculated using the standardised approach	1.617	1.710	1.700	1.692	1.605
Deductions	-107	-97	-96	-94	-91
Minimum requirements subordinated capital	7.400	7.241	7.226	7.001	6.767
Capital adequacy ratio	12,41 %	11,55 %	11,46 %	11,55 %	11,86 %
Core capital ratio	10,21 %	9,32 %	9,13 %	9,37 %	9,61 %
Supplementary capital ratio	2,21 %	2,23 %	2,33 %	2,19 %	2,26 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

Extracts from income statement, per 31.12.10 and fourth quarter

	SpareBank 1 SR-Bank Group Q4 10													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09
<i>MNOK</i>														
Net interest income	245	264	182	173	7	-3	2	1	45	57	-39	-37	442	455
Net commission and other income	88	89	43	37	29	44	97	80	-1	-4	27	39	283	285
Net return on investment securities	0	0	0	0	-1	-2	0	0	0	0	184	211	183	209
Operating expenses	159	140	51	46	13	11	82	77	9	6	109	158	423	438
Operating contribution before losses	174	213	174	164	22	28	17	4	35	47	63	55	485	511
Losses on loans and guarantees	-1	-4	59	61	0	0	0	0	10	7	3	10	71	74
Operating contribution before tax	175	217	115	103	22	28	17	4	25	40	60	45	414	437
Gross loans to customers excl. Boligkreditt	55.697	44.950	45.032	43.661	0	0	0	0	5.065	5.038	-2	-176	105.792	93.473
Deposits from customers	28.699	25.179	32.240	29.282	0	0	0	0	0	1	-169	-126	60.770	54.336

	SpareBank 1 SR-Bank Group per 31.12.10													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<i>MNOK</i>														
Net interest income	975	964	714	603	21	14	7	4	169	194	-144	-103	1.742	1.676
Net commission and other income	335	323	163	152	134	151	369	316	-6	-12	106	68	1.101	998
Net return on investment securities	0	0	0	0	24	25	0	0	0	0	547	680	571	705
Operating expenses	528	493	163	158	40	40	317	279	38	33	480	576	1.566	1.579
Operating profit before losses	782	794	714	597	139	150	59	41	125	149	29	69	1.848	1.800
Losses on loans and guarantees	7	5	165	248	0	0	0	0	47	35	15	80	234	368
Operating profit before tax	775	789	549	349	139	150	59	41	78	114	14	-11	1.614	1.432
Loans to customers	55.697	44.950	45.032	43.661	0	0	0	0	5.065	5.038	-2	-176	105.792	93.473
Deposits from customers	28.699	25.179	32.240	29.282	0	0	0	0	0	1	-169	-126	60.770	54.336

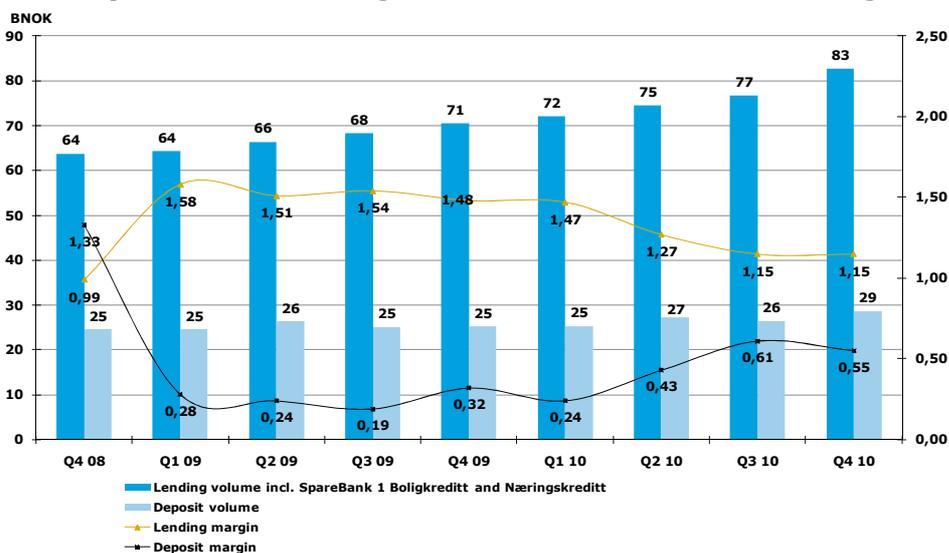
* Includes SR-Forvaltning, SR-Investering and SR-Fondsforvaltning

3.2 Retail Market

Financial performance in the retail market segment

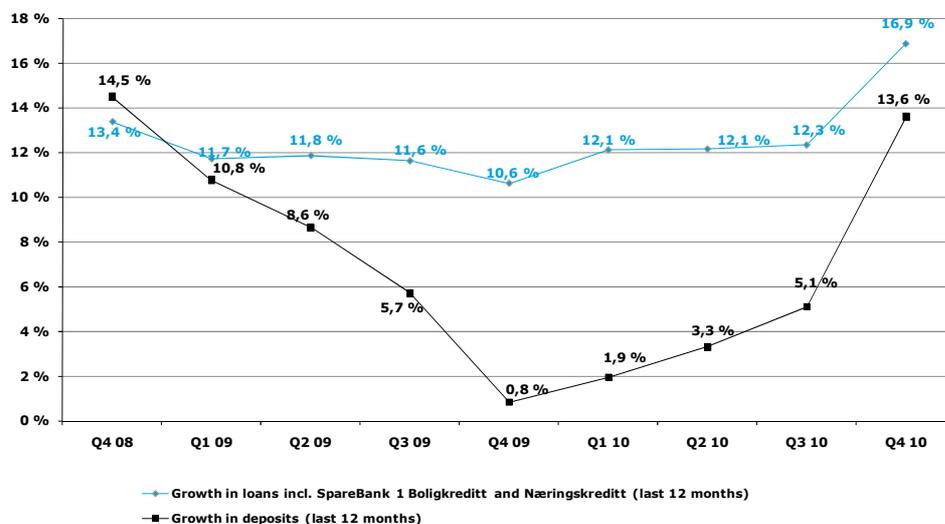
MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Net interest income	245	242	239	249	264	975	964
Net other operating income	88	83	84	80	89	335	323
Total income	333	325	323	329	354	1.310	1.287
Total operating expenses	159	131	113	125	140	528	493
Operating contribution before losses	174	194	210	204	213	782	794
Losses on loans and guarantees	-1	6	1	2	-4	7	5
Operating contribution before tax	175	188	209	202	217	775	789

Development in average volume and interest margin*



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

Growth in loans and deposits

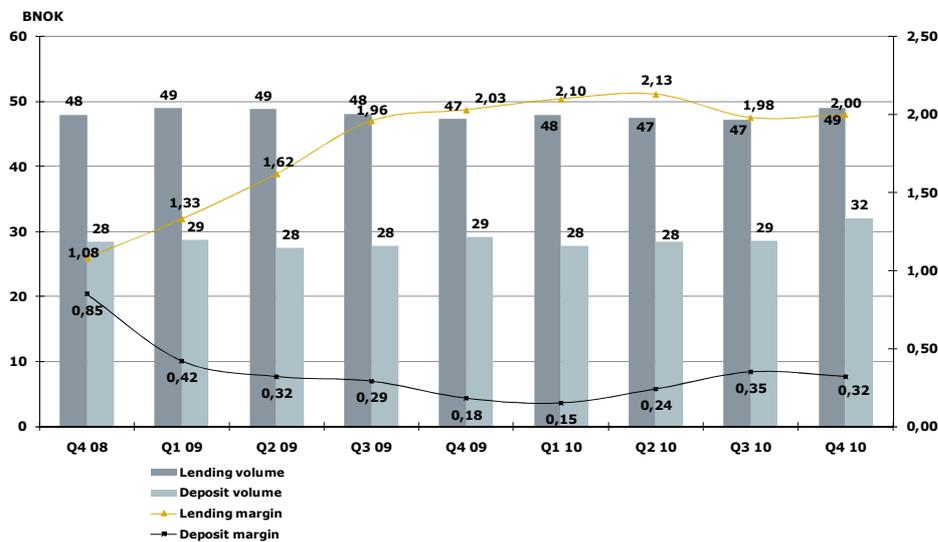


3.3 Corporate Market

Financial performance in the corporate market segment

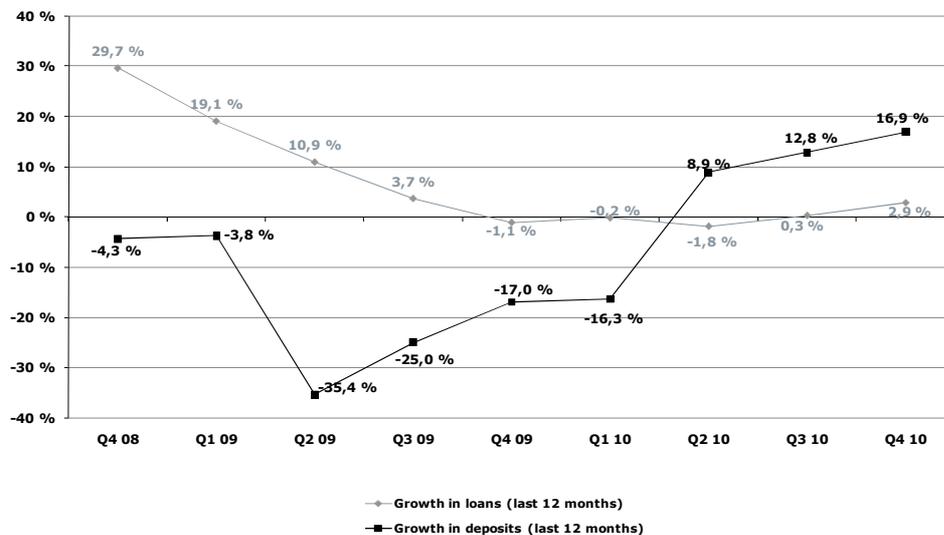
MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Net interest income	182	175	187	170	173	714	603
Net other operating income	43	44	38	38	37	163	152
Total income	225	219	225	208	210	877	755
Total operating expenses	51	40	32	40	46	163	158
Operating contribution before losses	174	179	193	168	164	714	597
Losses on loans and guarantees	59	30	38	38	61	165	248
Operating contribution before tax	115	149	155	130	103	549	349

Development in average volume and interest margin*



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

Growth in loans and deposits



3.4 Capital Market

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

Financial performance in the capital market segment

<i>MNOK</i>	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Net interest income	7	5	5	4	-2	21	14
Net other operating income	28	40	49	41	42	158	176
Total income	35	45	54	45	40	179	190
Total operating expenses	13	9	12	6	11	40	40
Operating contribution before losses	22	36	42	39	28	139	150
Losses on loans and guarantees	0	0	0	0	0	0	0
Operating contribution before tax	22	36	42	39	28	139	150

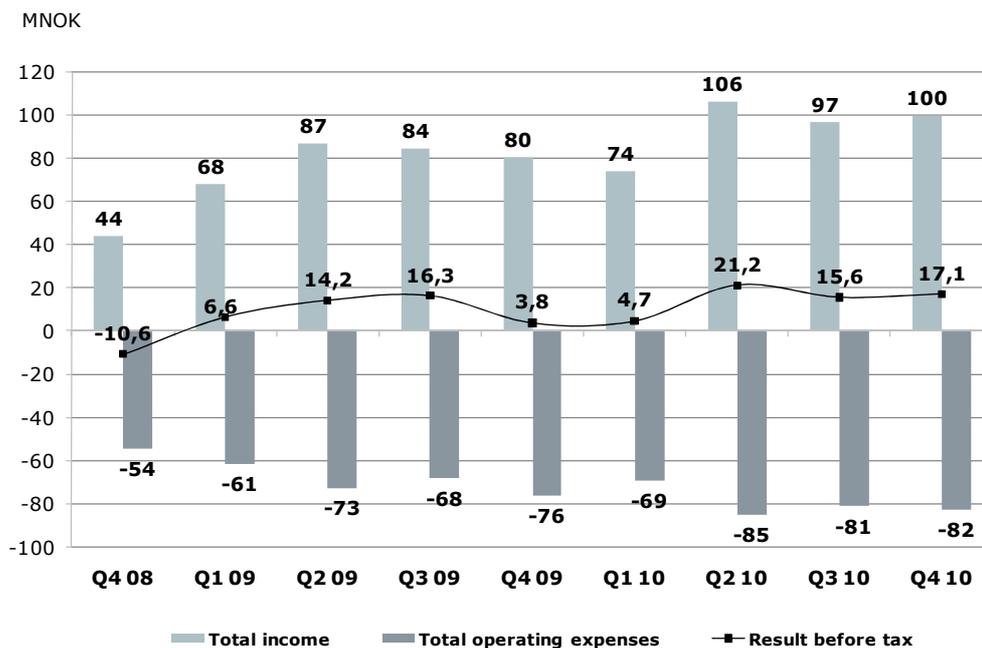
3.5 Subsidiaries

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. Per 31.12.2010, the company sold 7,153 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Interest income	2,2	2,0	1,8	1,4	1,7	7,4	4,4
Other income	97,3	94,7	104,5	72,4	78,5	369,0	315,2
Total income	99,5	96,7	106,3	73,8	80,2	376,4	319,5
Personal expenses	47,1	51,0	49,4	42,1	46,1	189,6	161,0
Other expenses	35,3	30,1	35,7	27,0	30,2	128,2	117,6
Total operating expenses	82,4	81,1	85,1	69,1	76,4	317,8	278,5
Result before tax	17,1	15,6	21,2	4,7	3,8	58,6	41,0

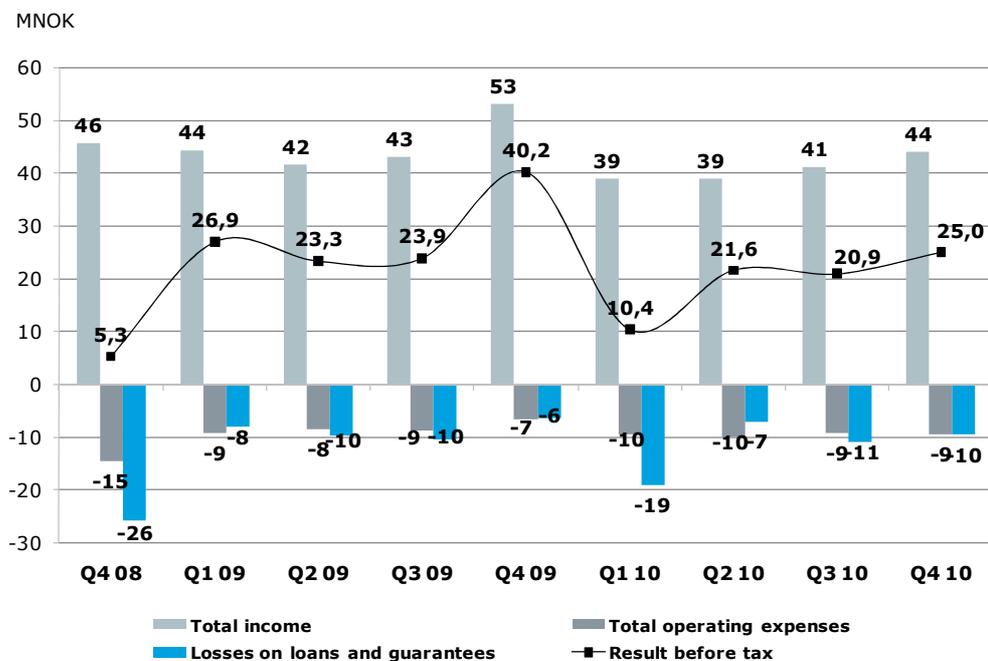


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 5.0 billion in total assets. Its main products are leasing to trade and industry and car loans to private customers. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Interest income	44,7	41,7	41,2	41,5	57,1	169,2	194,2
Other income	-0,7	-0,6	-2,1	-2,5	-4,0	-6,0	-12,1
Total income	44,0	41,1	39,1	38,9	53,2	163,2	182,1
Personal expenses	3,7	6,2	6,6	6,4	3,9	23,0	21,0
Other expenses	5,7	3,1	3,5	3,1	2,8	15,4	12,1
Total operating expenses	9,4	9,3	10,1	9,5	6,7	38,4	33,2
Ordinary operating profit	34,6	31,8	29,0	29,4	46,5	124,8	148,9
Loss on loans, guarantees etc.	9,6	10,9	7,4	19,0	6,3	47,0	34,6
Result before tax	25,0	20,9	21,6	10,4	40,2	77,8	114,3

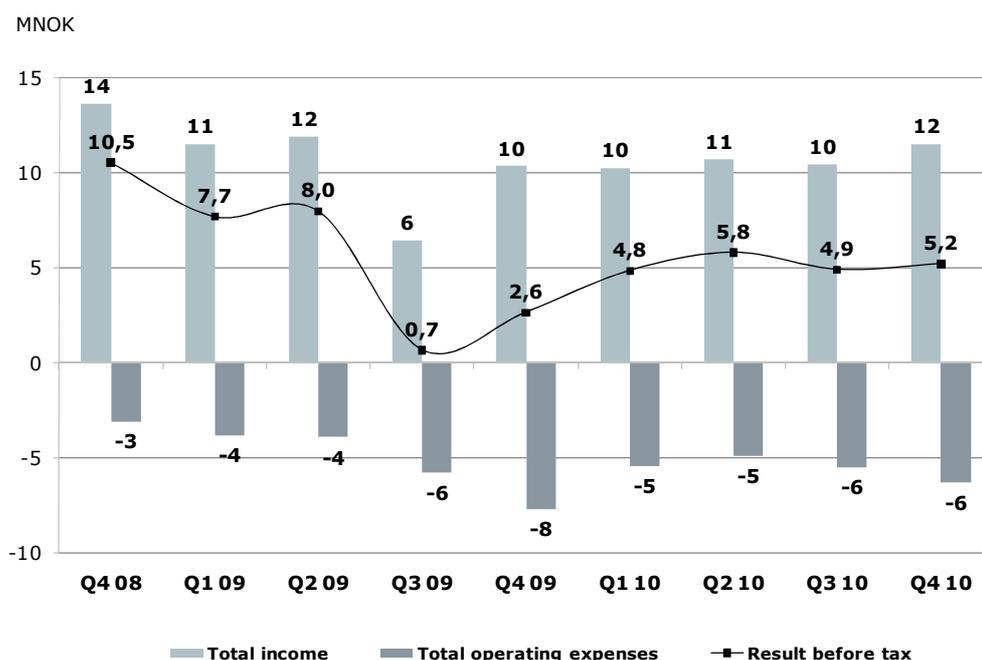


SR-Forvaltning ASA

SR-Forvaltning ASA is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 3,200 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 6.2 billion as per 31.12.2010. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Interest income	0,2	0,2	0,2	0,2	0,2	0,9	0,7
Other income	11,3	10,2	10,5	10,1	10,1	42,1	39,4
Total income	11,5	10,4	10,7	10,3	10,3	43,0	40,2
Personal expenses	5,6	4,1	3,5	4,0	6,0	17,1	15,8
Other expenses	0,7	1,4	1,4	1,4	1,7	5,0	5,5
Total operating expenses	6,3	5,5	4,9	5,4	7,7	22,1	21,2
Result before tax	5,2	4,9	5,8	4,8	2,7	20,9	18,9

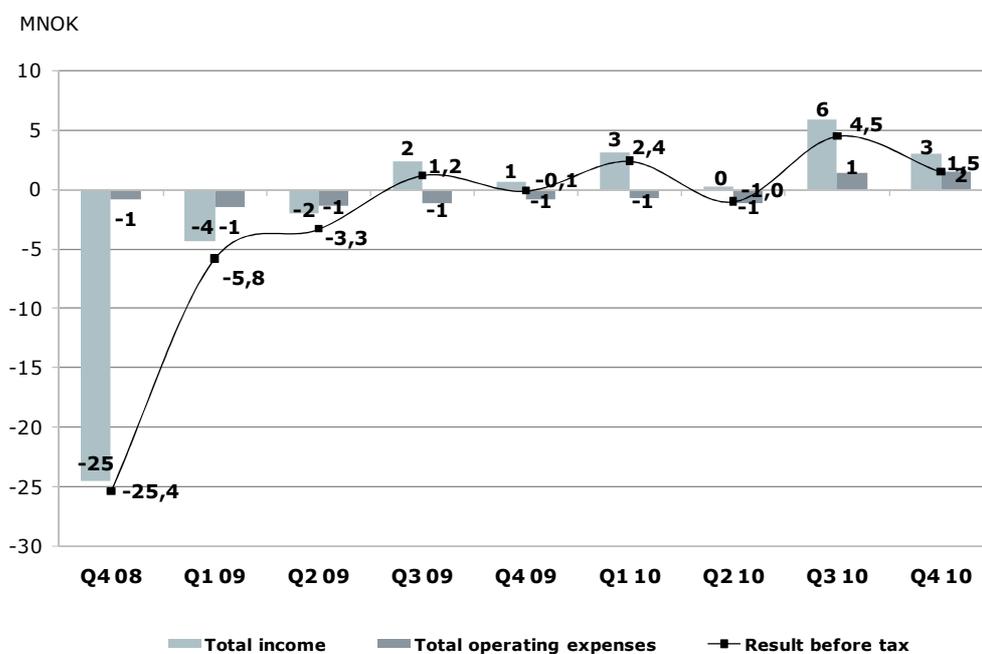


SR-Investering AS

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

Financial performance

MNOK	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	31.12 2010	31.12 2009
Interest income	0,4	0,4	0,4	0,3	0,3	1,5	1,3
Other income	1,4	0,3	-	-	0,6	1,8	0,6
Net return on investment securities	1,2	5,2	-0,2	2,8	-0,2	9,0	-5,2
Total income	3,0	5,9	0,2	3,1	0,7	12,3	-3,2
Personal expenses	1,3	1,3	1,1	0,6	0,6	4,2	4,2
Other expenses	0,2	0,1	0,1	0,1	0,2	0,5	0,7
Total operating expenses	1,5	1,4	1,2	0,7	0,8	4,7	4,9
Result before tax	1,5	4,5	-1,0	2,4	-0,1	7,6	-8,1



4. Norwegian and regional economy

The downturn in Norwegian economy in 2008 and 2009 was moderate compared to most other industrialised countries. GDP for mainland Norway fell moderately by 1.5 per cent in 2009 and unemployment rose slightly to 3.3 per cent. GDP rose modestly in 2010 and is also expected to do so going forward, and unemployment is expected to remain at low levels, see table 4.1.

	2010	2011	2012	2013
CPI	2¼ (-¼)	1¼ (-¼)	2 (-¼)	2¼ (0)
CPI-ATE	1½ (0)	1¼ (-½)	2 (-¼)	2¼ (0)
CPIXE ¹⁾	1¾ (0)	1½ (-½)	2 (-¼)	2¼ (0)
Annual wage growth	3½ (0)	3¾ (-¼)	4¼ (-¼)	4½ (-¼)
Mainland demand	1¾ (0)	4 (0)	3¼ (0)	2¼ (¼)
GDP mainland Norway	1¾ (0)	3 (¼)	3 (¼)	2¾ (0)
Output gap mainland Norway ²⁾	-¾ (0)	-¼ (0)	¼ (¼)	½ (¼)
Employment	0 (¼)	1 (¼)	1¼ (¼)	¾ (¼)
LFS unemployment (rate)	3 (0)	2¾ (-¼)	2½ (-¼)	2½ (0)

1) CPIXE: CPI adjusted for tax changes and excluding temporary changes in energy prices. See *Staff Memo 7/2008* and *Staff Memo 3/2009* from Norges Bank for a description of the CPIXE

2) The output gap measures the percentage deviation between mainland GDP and projected potential mainland GDP

Table 4.1: *Projections for macroeconomic aggregates in Norges Bank's Monetary Policy Report 3/10. Percentages change from previous year (unless otherwise stated). Change from report 2/10 in brackets. (Source: Norges Bank)*

The Norwegian state finances are very solid. Revenues from the petroleum sector have been important in the past and will contribute to increase the Petroleum Fund going forward, see figure 4.2.

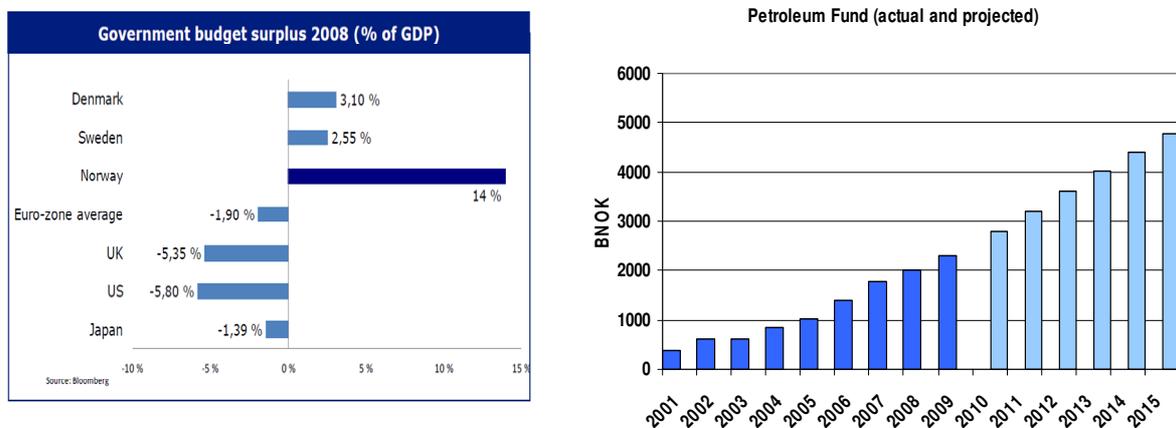


Figure 4.2: *Government budget surplus 2008 and Petroleum Fund*

SpareBank 1 SR-Bank is situated in the South-Western part of Norway. The majority of the bank's customers are in the county of Rogaland, and market shares are increasing in the expansion areas of Agder and Hordaland. The bank's market area is within the strongest part of Norwegian economy outside of Oslo (by regional GDP per capita) and petroleum investments (which is important for the region) is expected to stay at high levels, see figure 4.3 and 4.4.

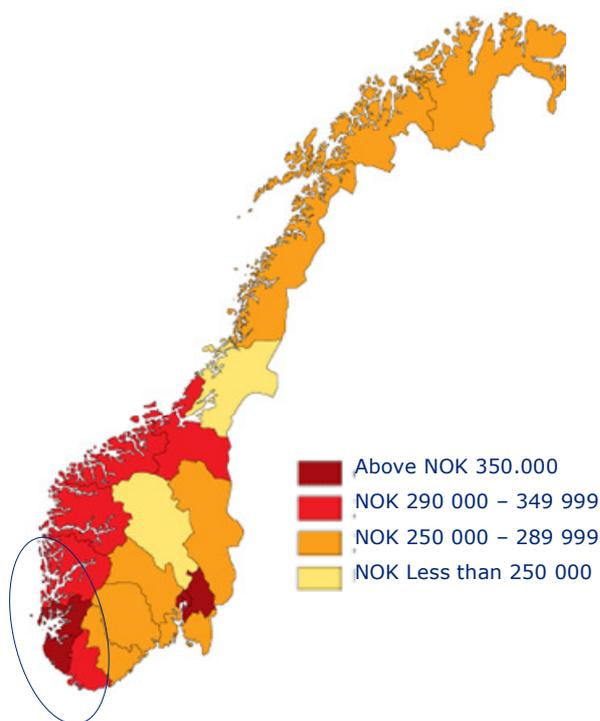


Figure 4.3: *Regional GDP per capita (2006)*

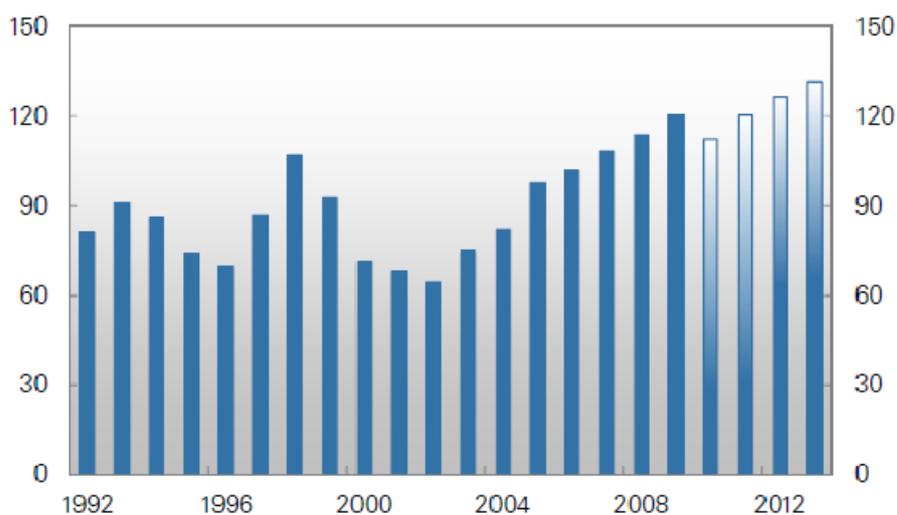


Figure 4.4: *Petroleum investments. Fixed 2007 prices. In billions of NOK. 1992-2013 (projections 2010-2013)* (Source: Norges Bank, MPR 3/10)

House prices in the market area saw a drop in the latter part of 2008 due to the financial disturbance, but have risen again for the last two years. The projection going forward is a fairly mild increase in house prices due to quite low new-building activity, a rising population and low levels of unemployment and interest rates.

