

Investor Relations

Supplementary information

Fourth Quarter 2009



Chief Executive, CEO

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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 2010

Preliminary results	4. February
First Quarter	29. April
Second Quarter	11. August
Third Quarter	28. October

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1. SpareBank 1 SR-Bank

1.1 Financial highlights

2009 – the year

- Group profit after tax: NOK 1 111 million (NOK 480 million)
- Return on equity after tax: 17,5 % (8,0 %)
- Losses on loans and guarantees: NOK 368 million (NOK 386 million)
- Net interest income: NOK 1 676 million (NOK 1 644 million)
- Net commission and other income: NOK 998 million (NOK 796 million)
- Net return on investment securities: NOK 705 million (NOK 42 million)
- Growth in lending last 12 months: 5,3 % (20,2 %)
- Growth in deposits last 12 months: 2,4 % (5,5 %)
- Earnings per equity capital certificate: NOK 6,88 (NOK 3,00)
- Core capital ratio 9,6 % (6,4 %)

(Figures for 2008 are shown in parentheses)

4th quarter 2009

- Group profit after tax: NOK 330 million kr (NOK 33 million)
- Return on equity after tax: 18,2 % (2,0 %)
- Losses on loans and guarantees: NOK 74 million (NOK 318 million)
- Net interest income: NOK 455 million (NOK 431 million)
- Net commission and other income: NOK 285 million (NOK 176 million)
- Net return on investment securities: NOK 209 million (NOK 108 million)
- Earnings per equity capital certificate: NOK 1,95 (NOK 0,19)

(Figures for 4th quarter 2008 are shown in parentheses)

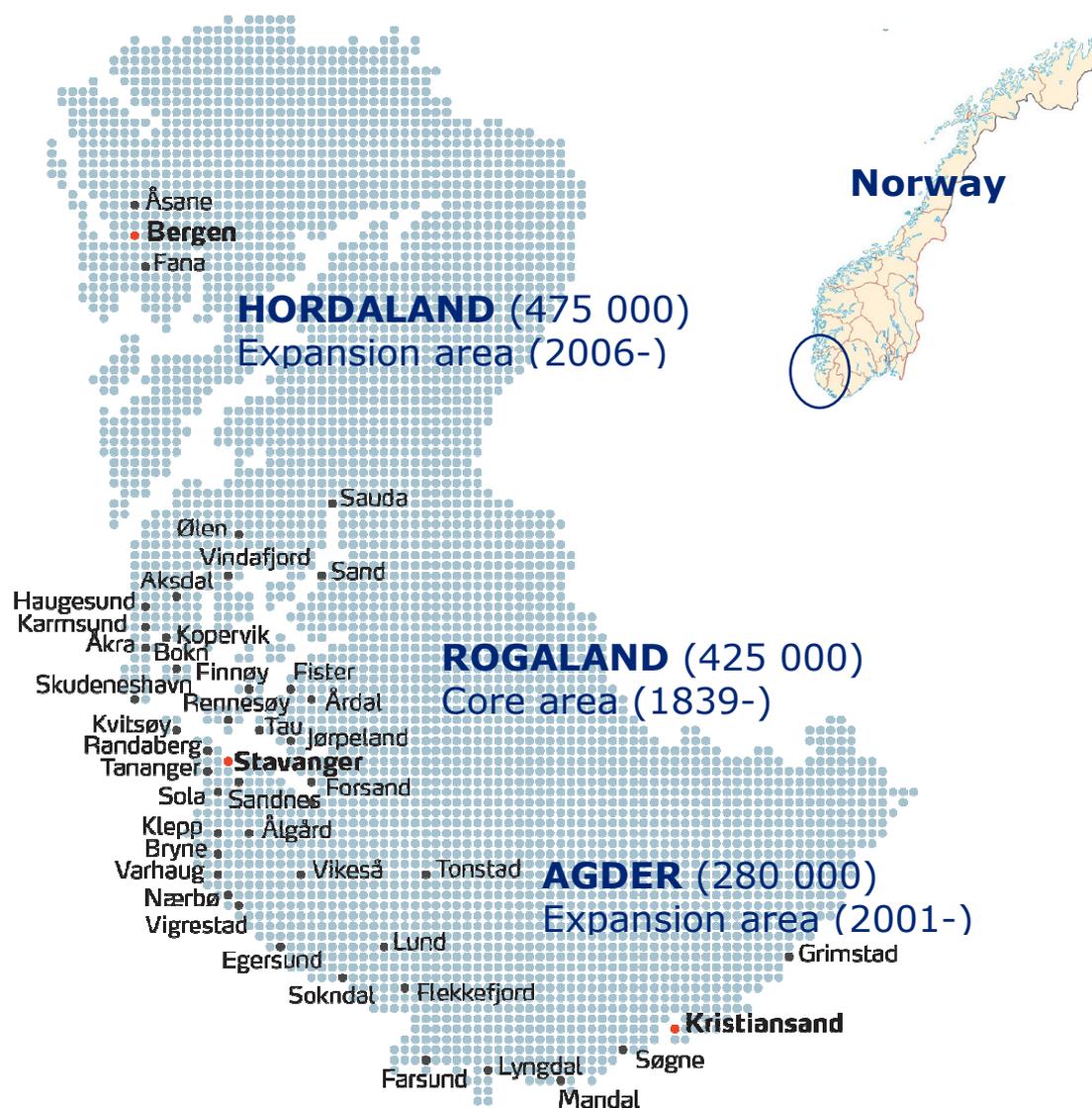
Income statement

MNOK	2009	2008	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08
Net interest income	1 676	1 644	455	465	407	349	431
Net commission and other income	998	796	285	262	243	208	176
Net return on investment securities	705	42	209	237	201	58	108
Total income	3 379	2 482	949	964	851	615	715
Total operating expenses	1 579	1 453	438	376	396	369	387
Operating profit before losses	1 800	1 029	511	588	455	246	328
Loss on loans and guarantees	368	386	74	85	77	132	318
Operating profit before tax and min. int.	1 432	643	437	503	378	114	10
Tax expense	321	163	107	104	77	33	-23
Net profit	1 111	480	330	399	301	81	33
Of which minority interests	2	11	0	0	0	2	2

Key figures

	2009	Q4 09	2008	Q4 08	2007
Return on equity after tax	17,5 %	18,2 %	8,0 %	2,0 %	19,4 %
Net interest margin	1,35 %	1,46 %	1,49 %	1,46 %	1,42 %
Cost ratio	46,7 %	46,2 %	58,5 %	54,1 %	51,7 %
Loss percentage	0,38 %	0,38 %	0,41 %	0,41 %	0,01 %
Non-performing and other problem commitments in % of gross loans	1,23 %	1,23 %	1,61 %	1,61 %	0,84 %
Annual growth in loans to customers, gross (incl Boligkreditt)	5,3 %	5,3 %	20,2 %	20,2 %	19,8 %
Annual growth in deposits from customers	2,4 %	2,4 %	5,5 %	5,5 %	18,0 %
Deposit-to-loan ratio	58,1 %	58,1 %	53,1 %	53,1 %	56,9 %
Total assets, BNOK	125	125	126	126	103
Mortgage loans transferred to SpareBank 1 Boligkreditt, BNOK	25	25	12	12	5
Capital adequacy ratio	11,9 %	11,9 %	9,8 %	9,8 %	9,8 %
Core capital ratio	9,6 %	9,6 %	6,4 %	6,4 %	7,4 %
Finanstilsynet's liquidity indicator (excl. draw. facil.)	102,7 %	102,7 %	102,2 %	102,2 %	94,6 %
Market price per equity certificate (EC) at end of period, NOK	50,0	50,0	27,1	27,1	55,2
Result per equity certificate (EC), NOK	6,9	2,0	3,0	0,2	6,6
Book value per equity certificate (EC), NOK	42,1	42,1	37,2	37,2	37,6
Number of certificates issued, millions	121	121	90	90	85

1.2 Business description: leading financial institution in Rogaland, Hordaland and Agder (population in parenthesis)



SpareBank 1 SR-Bank is located in the South-Western part of Norway and is the second largest of the Norwegian-based banks (after DnB NOR) with assets totalling NOK 125 billion at the end of 2009. Head office is in Stavanger. The group's market areas are the counties of Rogaland, Agder and Hordaland. The Group has about 1 100 employees. The bank 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 division.

Retail Market

SpareBank 1 SR-Bank has more than 200 000 customers and is the leading retail customer bank in Rogaland. Market shares in Hordaland and Agder are increasing. In addition to the retail customers, the division also serves small business, agricultural customers, clubs and associations. The market share within lending in the traditional market area (Rogaland) is approximately 45 percent. The market share within deposit is about 40 percent.

Corporate Market

SpareBank 1 SR-Bank has more than 7 000 customers in the business sector and the public sector. In addition, there are small businesses and agricultural customers being served by the retail division. The market share (both lending and deposits) within the traditional market area (Rogaland) is approximately 25 percent.

Capital Market

This division comprises specialized areas outside of traditional banking and has brought together the group's licenses and activities in the fields of securities, capital management and product procurement. The security market activities are organized in SR-Markets, which includes trading for customers' accounts and trading in interest rate products and foreign exchange, and Corporate Finance. Capital management is primarily organized through separate subsidiaries and also includes management of the bank's own investments in securities.

Segment results

MNOK	Full year					
	Retail market		Corporate market		Capital market	
	2009	2008	2009	2008	2009	2008
Operating profit before tax	789	661	349	381	150	-102
Loans to customers	45 222	51 222	43 661	44 356	-	-
Deposits from customers	25 230	24 511	29 282	29 172	-	-

Organization

Figure 1.2.1 illustrates the organizational structure of SpareBank 1 SR-Bank. The Supervisory Board is the Bank's highest 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 interest groups. In the case of a savings bank that has issued equity capital certificates, between one-fifth and two-fifths of the Supervisory Board's members must be elected by the holders of equity capital certificates.

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

savings banks in Norway), and the Norwegian Confederation of Trade Unions (LO). SpareBank 1 Alliance structure is shown in figure 1.2.2.

Figure 1.2.1 SpareBank 1 SR-Bank organizational chart

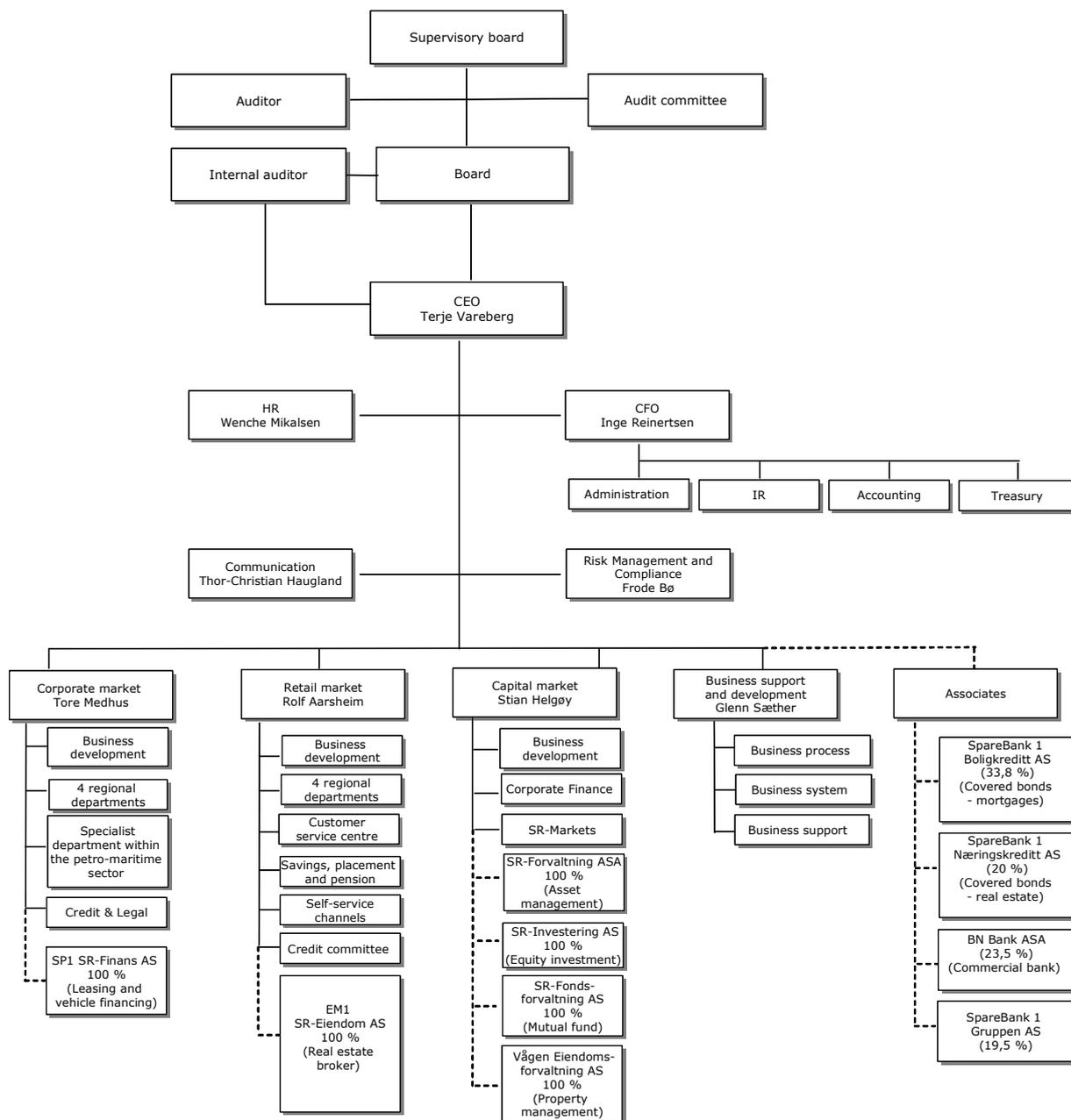
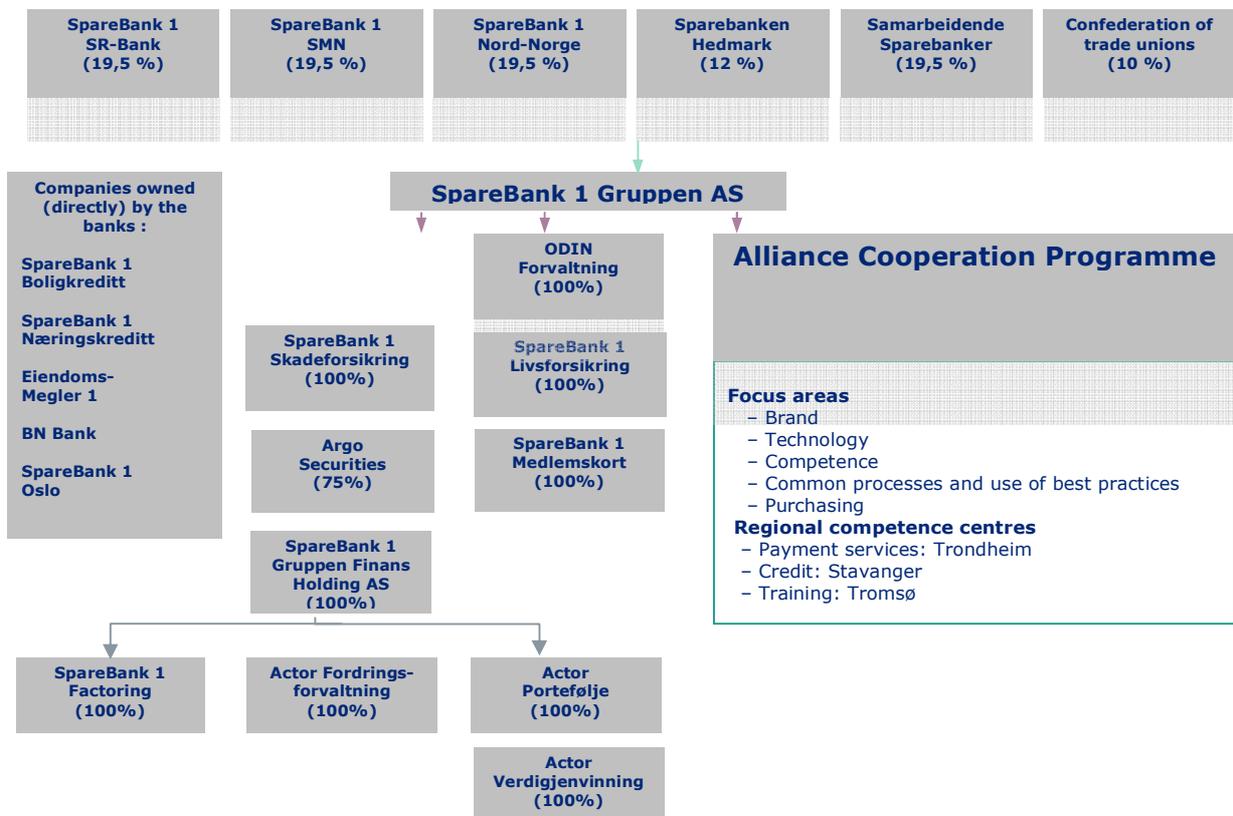


Figure 1.2.2 Structure of SpareBank 1 Alliance



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 (8 September 2009):

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

FitchRatings (28 September 2009):

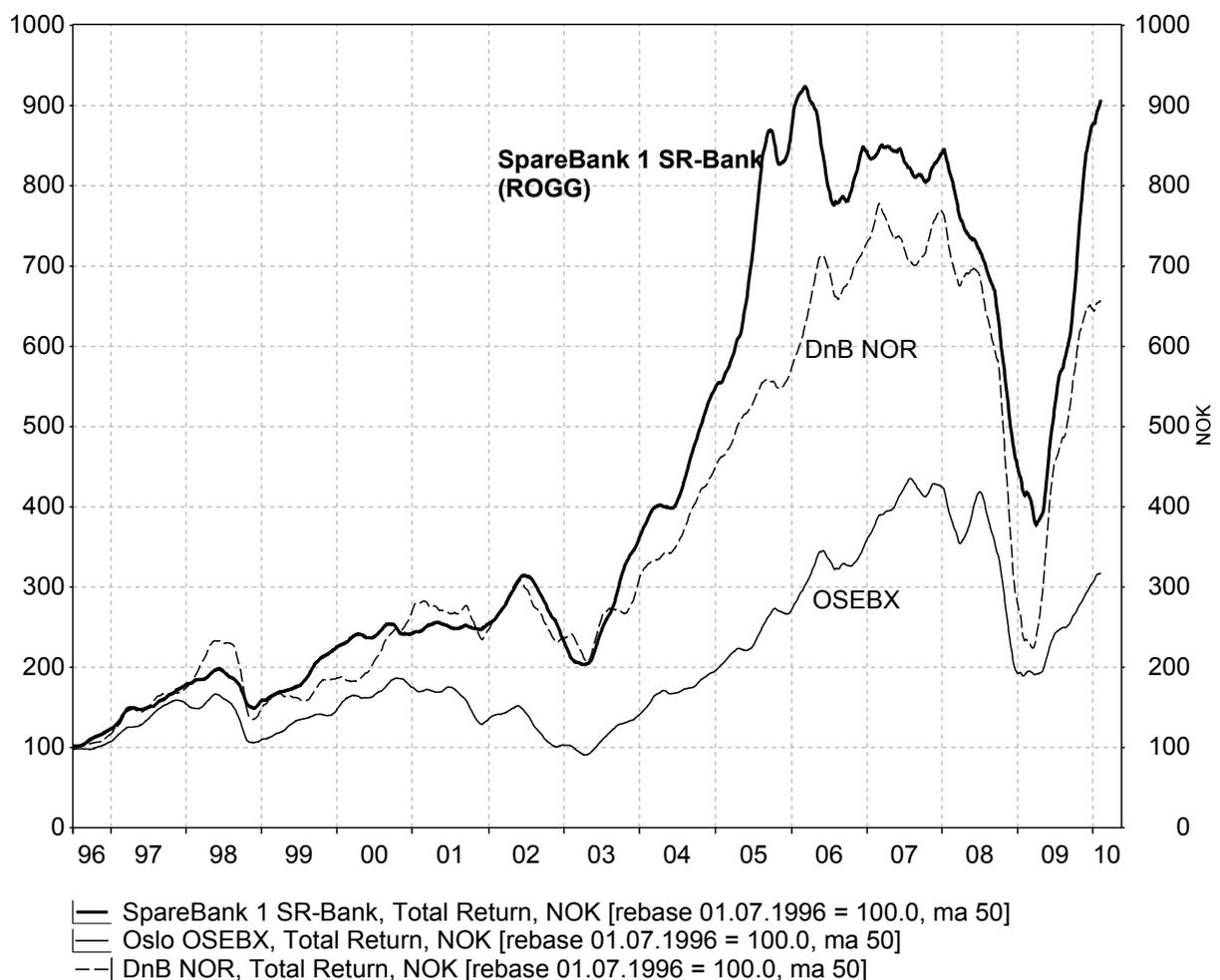
- Long-term Issuer Default Rating (IDR) affirmed at 'A', negative outlook
- Senior debt affirmed at 'A'
- Short-term IDR affirmed at 'F1'
- Support rating affirmed at '3'
- Support Rating Floor affirmed at 'BB+'
- Individual rating affirmed at 'B/C'
- Subordinated debt affirmed at 'A-'

1.4 Equity certificate capital

ECs and the stock market

SpareBank 1 SR-Bank's equity instrument (EC) was listed on the Oslo stock exchange in 1994. The ticker is ROGG. The development in ROGG, Oslo stock exchange benchmark index (OSEBX) and DnB NOR (the largest bank in Norway) is shown in figure 1.4.1.

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

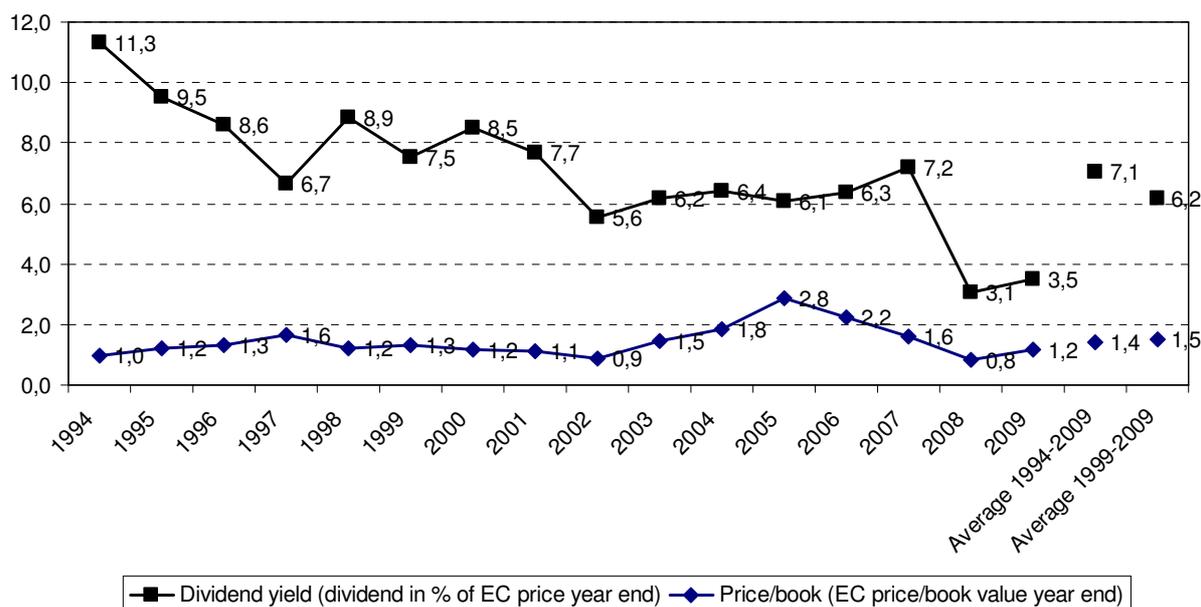


ROGG was at NOK 50 per 31.12.2009. There were 120,93 million equity certificates outstanding at year-end.

Financial analysts with coverage of ROGG:

ABG Sundal Collier, Jan Erik Gjerland, tlf +47 22 01 60 54
 Argo, Geir Kristiansen, tlf + 47 24 14 74 75
 Carnegie, Thomas Svendsen, tlf + 47 22 00 93 54
 DnB NOR, Geir Grønseth and Odd Weidel, tlf +47 22 94 89 92 and + 47 22 94 89 49
 First, Nils Christian Øyen, tlf + 47 23 23 82 48
 Fondsinans, Bengt Kirkøen, tlf + 47 21 01 31 00
 Pareto, Haakon Bønes and Søren Clausen, tlf + 47 24 13 21 18 and +47 24 13 21 49

Figure 1.4.2 Dividend yield and price/book. 1994-2009.
 (For 2009 the Board's dividend proposal of NOK 1.75 per EC is illustrated)



Dividend policy

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

SpareBank 1 SR-Bank's dividend policy is as follows:

"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 equity certificate holders through competitive returns in the form of dividends and equity certificate appreciation.

The profit for the year will be divided between equity certificate 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 equity certificate 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 equity certificate holders.”

The share of EC's profit which has been paid out as dividend (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 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 62,9 per cent by the end 4th quarter 2009 (taken into account the proposed dividend). 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 1994-2009 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 mergers and acquisitions in the sector.

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 23 percent by year-end 2009), while the share of future profit is 63 percent.

Figure 1.4.3 Capital structure. Favourable priority for equity certificate holders

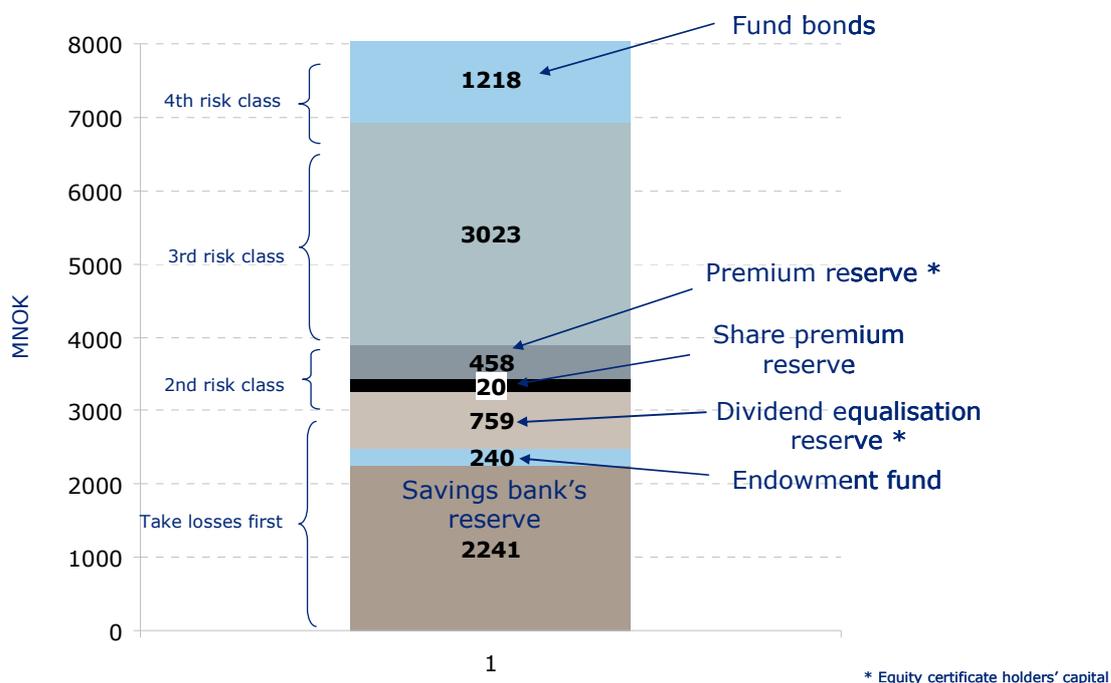


Table 1.4.1 Calculation of EC holder's share of the bank's equity capital (EC ratio)

MNOK	31.12.09	31.12.08
Equity certificates	3 014	1 865
Dividend equalisation reserve	759	838
Premium reserve	458	92
A. The equity certificate owners' capital	4 231	2 795
Savings bank's reserve	2 241	2 066
Share premium reserve	20	-
Endowment fund	240	122
B. The savings bank's reserve	2 501	2 188
Fund for unrealised gains	127	69
Equity excl proposed dividend	6 859	5 052
Equity certificate ratio (A/(A+B))	62,9 %	56,1 %

Figure 1.4.4 EC ratio and payout ratio. 1994-2009

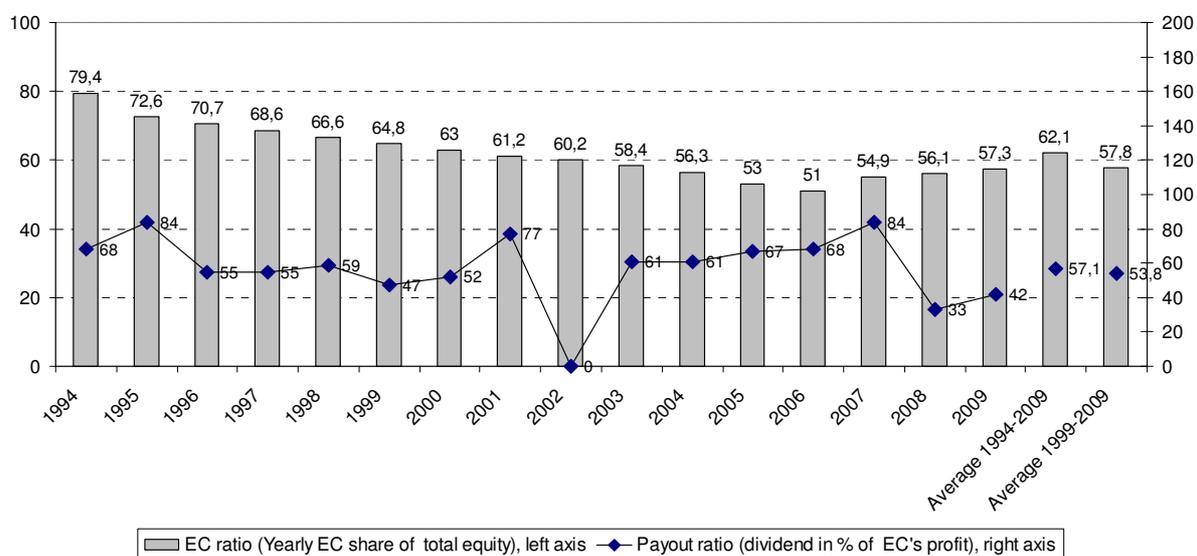


Table 1.4.2. 20 largest EC holders. 31.12.2009

20 largest EC holders per 31.12.09	Number	Stake
Gjensidige Forsikring	20 713 065	17.1%
Odin Norge	2 341 693	1.9%
Odin Norden	2 319 625	1.9%
Køhlergruppen AS	1 923 657	1.6%
Coil Investment Group AS	1 904 993	1.6%
Clipper AS	1 685 357	1.4%
Frank Mohn AS	1 666 142	1.4%
Trygve Stangeland	1 622 428	1.3%
State Street Bank and Trust, U.S.A.	1 414 363	1.2%
Lærdal AS	1 222 915	1.0%
Grunnfond Invest AS	1 100 000	0.9%
Brown Brothers Harriman, U.S.A.	1 061 327	0.9%
The Northern Trust, U.K.	1 021 456	0.8%
Verdipapirfondet Nordea Norge	893 740	0.7%
Bjergsted Investering AS	839 497	0.7%
Westco AS	829 968	0.7%
Solvang Shipping AS	701 034	0.6%
Forsand Kommune	682 230	0.6%
Bank of New York, U.S.A.	675 128	0.6%
Tveteraas Finans AS	673 587	0.6%
Total 20 largest holders	45 292 205	37,5%

2. Financial results and balance sheet

Income statement

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Interest income	1 107	1 122	1 272	1 514	2 060	5 015	7 415	5 100
Interest expense	652	657	865	1 165	1 629	3 339	5 771	3 760
Net interest income	455	465	407	349	431	1 676	1 644	1 340
Commission income	219	201	177	163	154	760	634	675
Commission expenses	-20	-24	-20	-23	-19	-87	-80	-81
Other operating income	86	85	86	68	41	325	242	301
Net commission and other income	285	262	243	208	176	998	796	895
Dividend income	17	1	2	3	1	23	15	12
Income from investment in associates	128	98	71	1	199	298	261	234
Net gains/losses on financial instruments	64	138	128	54	-92	384	-234	142
Net return on investment securities	209	237	201	58	108	705	42	388
Total income	949	964	851	615	715	3 379	2 482	2 623
Personnel expenses	223	218	227	213	177	881	776	751
Administrative expenses	92	83	88	83	118	346	390	339
Other operating expenses	123	75	81	73	92	352	287	267
Total operating expenses	438	376	396	369	387	1 579	1 453	1 357
Operating profit before losses	511	588	455	246	328	1 800	1 029	1 266
Losses on loans and guarantees	74	85	77	132	318	368	386	10
Operating profit before tax and minority interests	437	503	378	114	10	1 432	643	1 256
Tax expense	107	104	77	33	-23	321	163	249
Profit after tax from continuing operations	330	399	301	81	33	1 111	480	1 007
Attributable to majority interests	330	399	301	79	31	1 109	469	994
Attributable to minority interests	0	0	0	2	2	2	11	13

Key figures

	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Return on equity ¹⁾	18,2 %	25,2 %	19,9 %	5,3 %	2,0 %	17,5 %	8,0 %	19,4 %
Cost ratio ²⁾	46,2 %	39,0 %	46,5 %	60,0 %	54,1 %	46,7 %	58,5 %	51,7 %
Gross loans to customers	93 473	92 849	97 473	98 040	100 071	93 473	100 071	88 428
Gross loans to customers incl. SpareBank 1 Boligkreditt	118 227	116 750	115 516	113 758	112 297	118 227	112 297	93 418
Deposits from customers	54 336	53 725	54 448	53 791	53 050	54 336	53 050	50 276
Deposit-to-loan ratio	58,1 %	57,9 %	55,9 %	56,3 %	53,0 %	58,1 %	53,0 %	56,9 %
Growth in loans	-6,6 %	-3,3 %	6,0 %	9,00 %	13,2 %	-6,6 %	13,2 %	14,0 %
Growth in loans incl Boligkreditt	5,3 %	8,8 %	12,6 %	15,80 %	20,2 %	5,3 %	20,2 %	19,8 %
Growth in deposits	2,4 %	-0,3 %	-6,2 %	2,50 %	5,5 %	2,4 %	5,5 %	18,0 %
Average total assets	123 755	124 508	124 703	123 744	117 526	124 283	110 244	94 246
Total assets	124 909	122 081	125 357	123 731	125 858	124 909	125 858	103 249
Impairment losses ratio ³⁾	0,38	0,41	0,43	0,53	0,41	0,38	0,41	0,01
Non-performing commitments as a percentage of gross loans	0,42	0,53	0,68	0,80	0,35	0,42	0,35	0,10
Other doubtful commitments as a percentage of gross loans	0,81	0,51	0,72	0,61	1,26	0,81	1,26	0,73
Capital adequacy ratio	11,9	9,3	9,5	9,0	9,8	11,9	9,8	9,8
Core capital ratio	9,6	6,9	7,0	6,6	6,4	9,6	6,4	7,4
Core capital	8 130	5 632	5 609	5 494	5 667	8 130	5 667	5 167
Net equity and subordinated loan capital	10 029	7 568	7 696	7 517	8 621	10 029	8 621	6 874
Minimum subordinated capital requirement	6 768	6 545	6 459	6 706	7 041	6 768	7 041	5 626
Number of branches	51	53	53	53	53	51	53	54
Man-years (permanent)	1 093	1 094	1 109	1 117	1 117	1 093	1 117	1 021
Equity certificate ratio	62,9 %	56,6 %	56,6 %	56,2 %	56,1 %	62,9 %	56,1 %	54,9 %
Market price	50,00	44,00	32,90	23,50	27,08	50,00	27,08	55,21
Market capitalisation	6 047	3 955	2 957	2 112	2 434	6 047	2 434	4 702
Book equity per EC (including dividends) (group) *	42,07	40,51				42,07	37,23	37,64
Earnings per EC (group) ⁴⁾	1,95	2,50	1,88	0,50	0,19	6,88	3,00	6,54
Dividends per EC	n.a.	n.a.	n.a.	n.a.	n.a.	1,75	0,83	3,96
Price / Earnings per EC	6,41	4,40	4,38	11,75	35,33	7,27	9,03	8,44
Price / Book equity (group) *	1,19	1,09				1,19	0,73	1,47

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

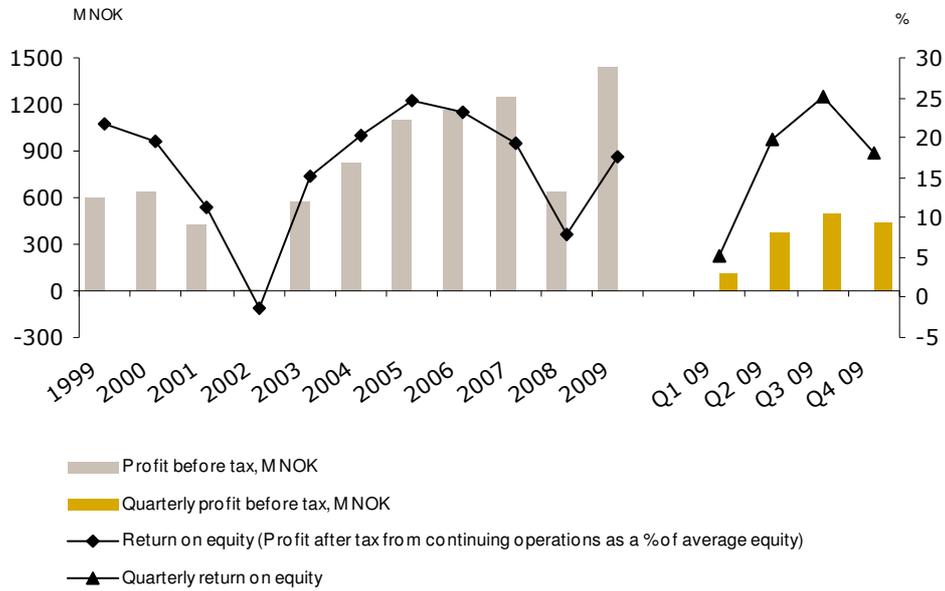
³⁾ Net losses expressed as a percentage of average gross lending year to date, annualized

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

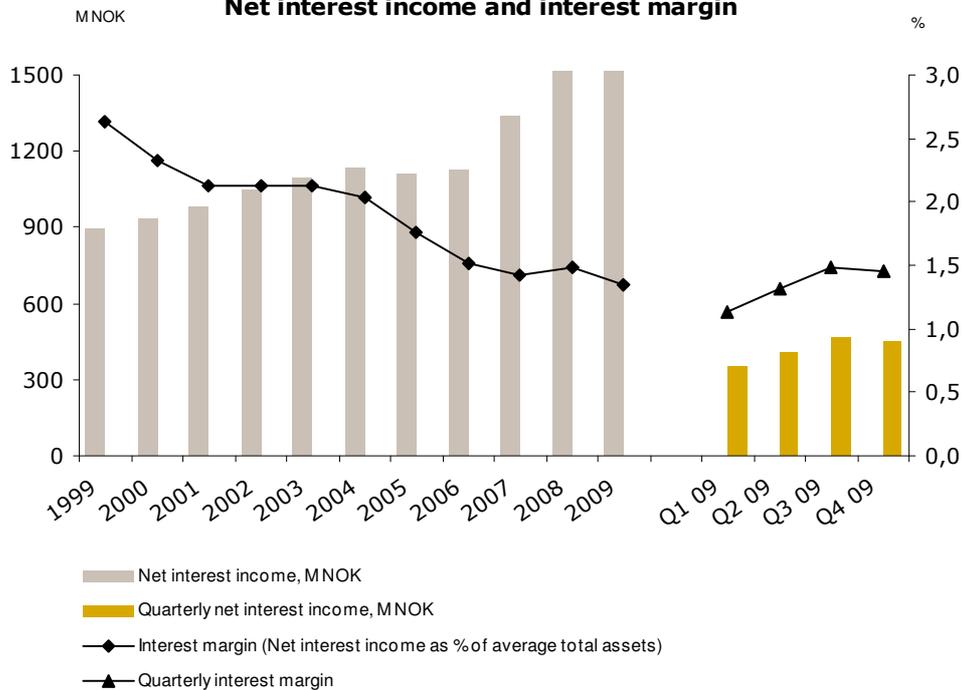
* Key figure not calculated in previous periods

SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per EC (equity certificate).

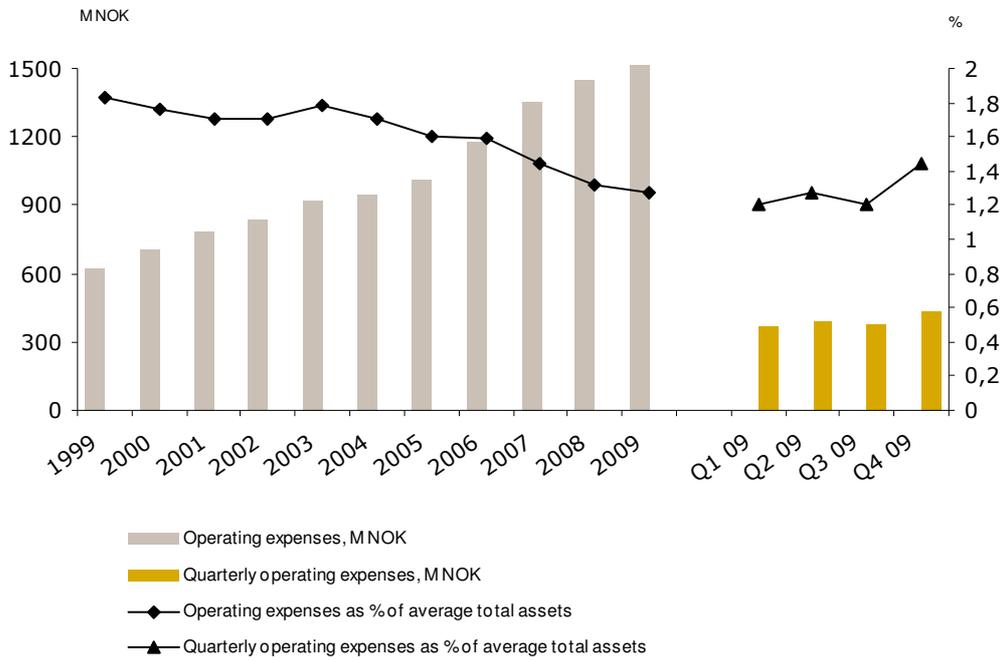
Result before tax and return on equity



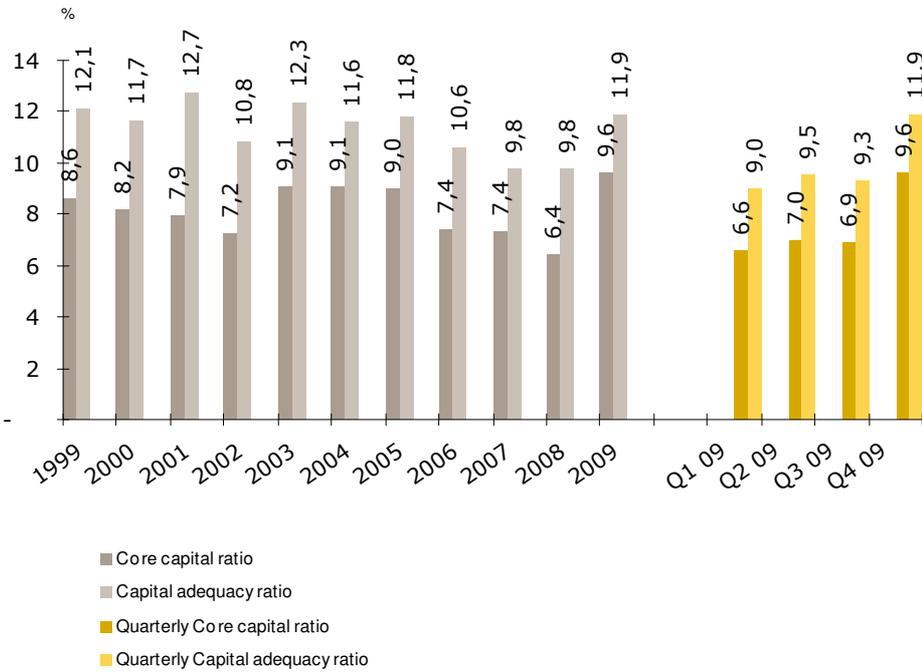
Net interest income and interest margin



Operating expenses



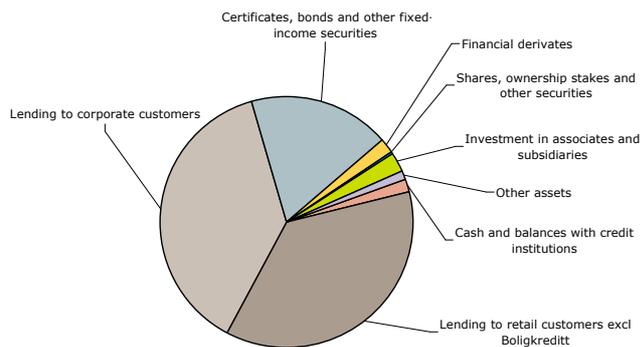
Core capital and capital adequacy ratio



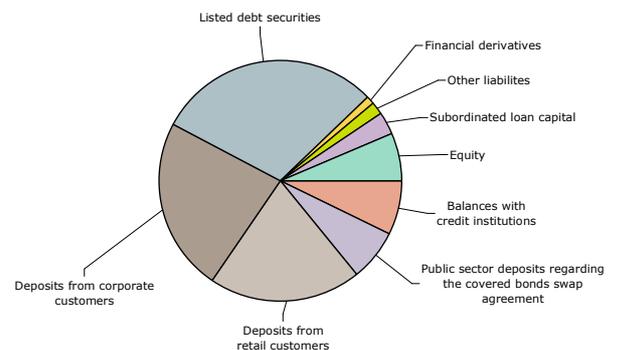
Balance sheet

MNOK	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	31 Dec. 2007
Cash and balances with central banks	781	2 093	950	1 141	6 998	2 622
Balances with credit institutions	1 301	1 364	618	2 352	1 416	3 357
Gross loans to customers	93 473	92 849	97 473	98 040	100 071	88 428
- individual impairment losses on loans	-329	-290	-397	-414	-345	-98
- collective impairment losses on loans	-320	-307	-257	-229	-229	-131
Net loans to customers	92 824	92 252	96 819	97 397	99 497	88 199
Certificates, bonds and other fixed-income securities	22 582	18 933	20 242	15 204	9 131	5 477
Financial derivatives	2 438	2 753	3 245	3 623	5 047	1 007
Shares, ownership stakes and other securities	439	413	255	401	404	589
Investment in associates	3 127	2 792	2 269	2 204	1 953	1 345
Investment in subsidiaries	-	-	-	-	-	-
Business available for sale	23	638	638	638	638	43
Other assets	1 394	843	321	771	774	610
Total assets	124 909	122 081	125 357	123 731	125 858	103 249
Balances with credit institutions	8 852	7 699	11 970	13 726	11 170	5 827
Public sector deposits regarding the covered bonds swap agreement	8 832	8 832	6 304	-	1 436	-
Deposits from customers	54 336	53 725	54 448	55 227	53 050	50 276
Listed debt securities	37 523	38 770	39 989	41 937	46 229	36 043
Financial derivatives	1 576	1 857	1 681	1 996	2 093	758
Other liabilities	1 846	1 521	1 497	1 483	1 657	1 658
Business available for sale	-	55	55	55	55	-
Subordinated loan capital	3 871	3 132	3 267	3 358	4 202	2 846
Total liabilities	116 836	115 591	119 211	117 782	119 892	97 408
Equity certificates	3 023	2 247	2 247	2 247	1 872	1 774
Holding of own equity certificates	-9	-9	-9	-9	-7	-10
Premium reserve	458	42	42	42	92	7
Dividend equalisation reserve	759	443	474	514	838	777
Proposed dividend	212	-	-	-	75	337
Savings bank's reserve	2 241	2 005	2 032	2 066	2 066	1 970
Endowment fund	20	-	-	-	-	-
Premium reserve savings bank's reserve	240	82	83	112	122	124
Fund for unrealised gains	127	69	69	69	69	139
Other equity	1 002	832	828	825	827	707
Profit/loss at period end	-	779	380	79	-	-
Minority interests	-	-	-	4	12	16
Total equity	8 073	6 490	6 146	5 949	5 966	5 841
Total liabilities and equity	124 909	122 081	125 357	123 731	125 858	103 249

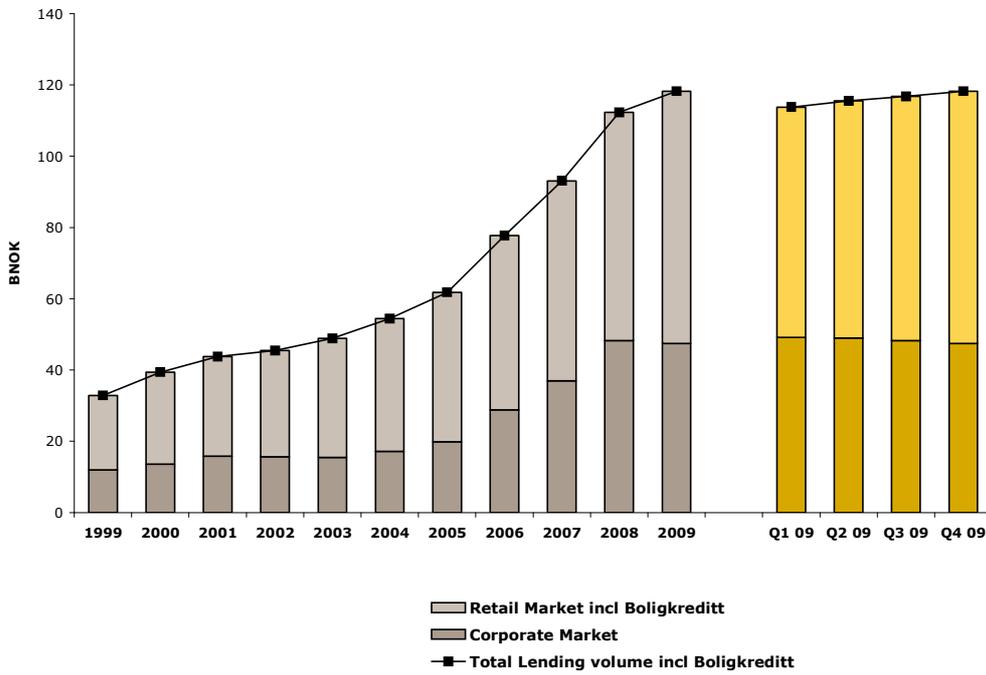
Total assets 31.12.09



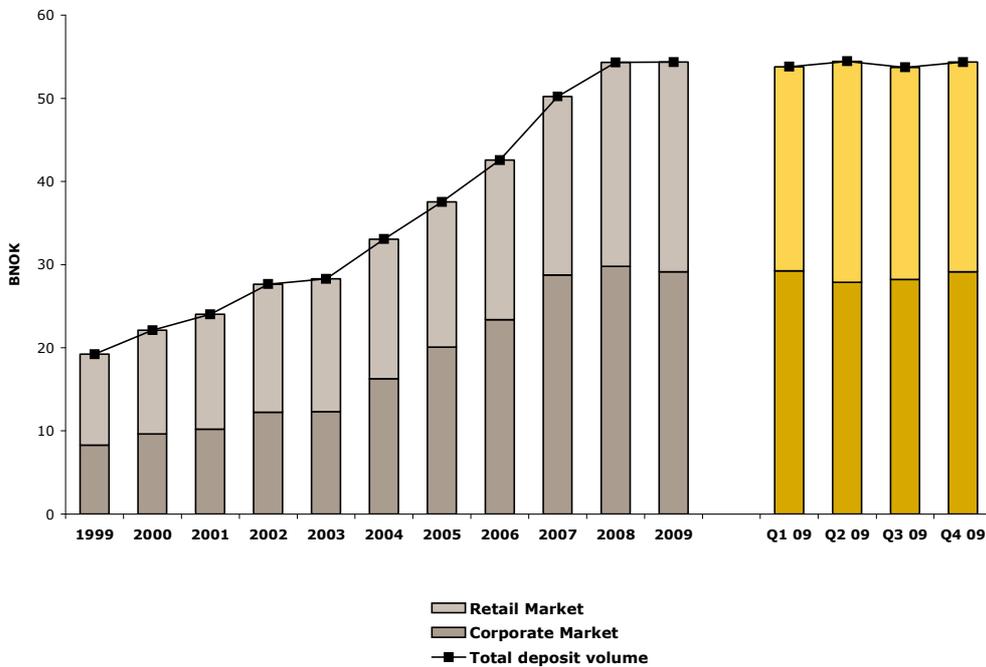
Total liabilities and equity 31.12.09



Lending volume

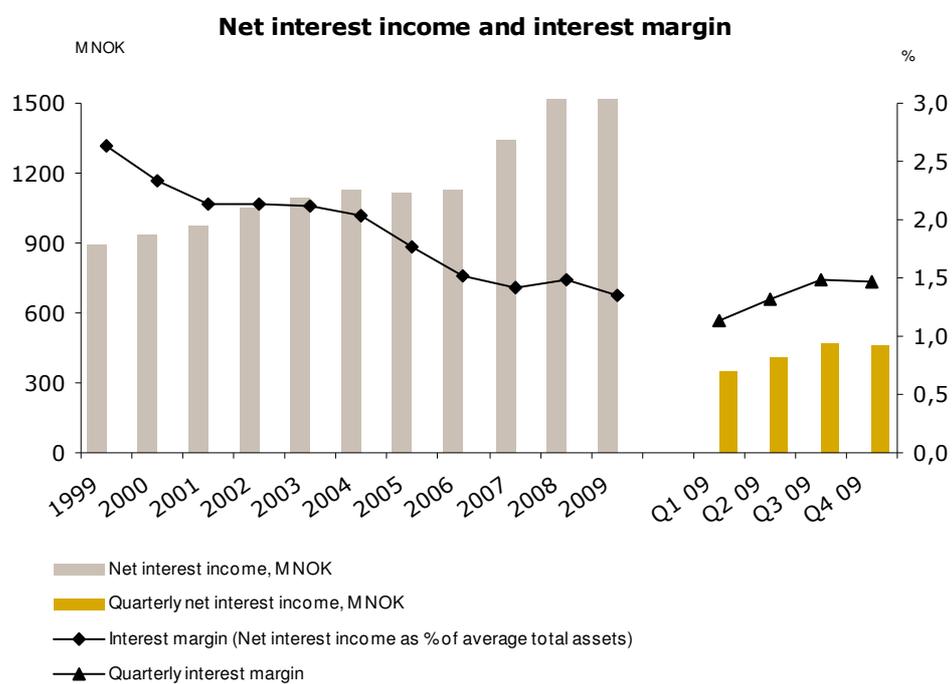


Deposit volume

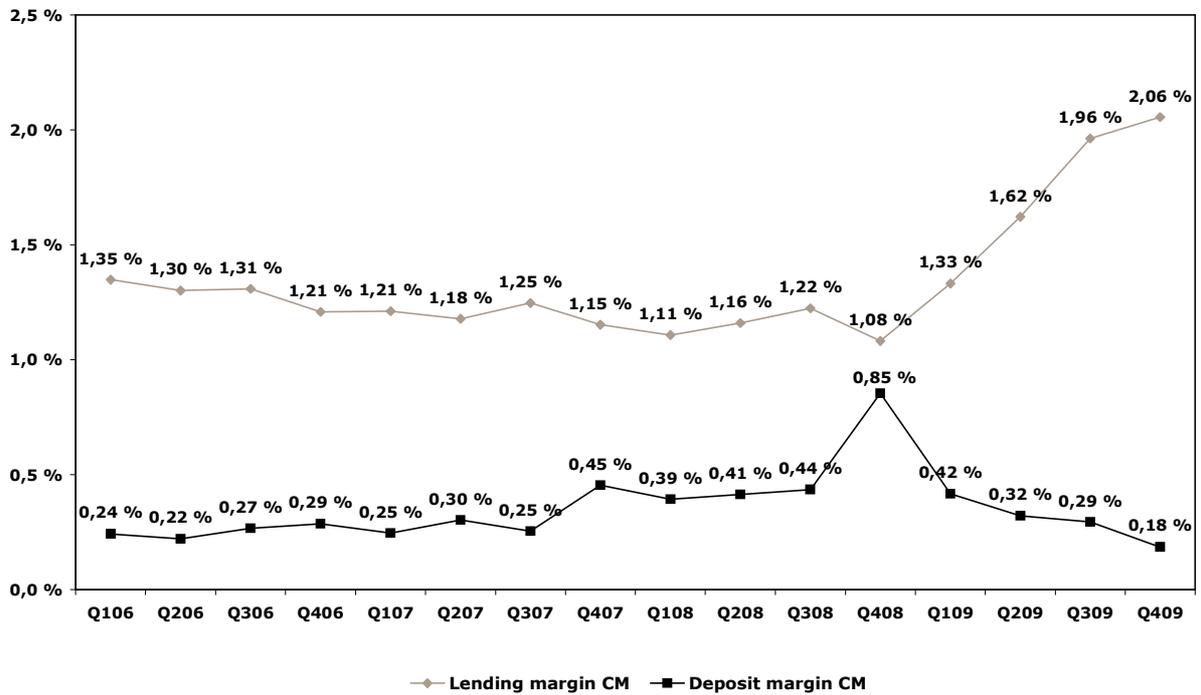


2.1 Net interest income

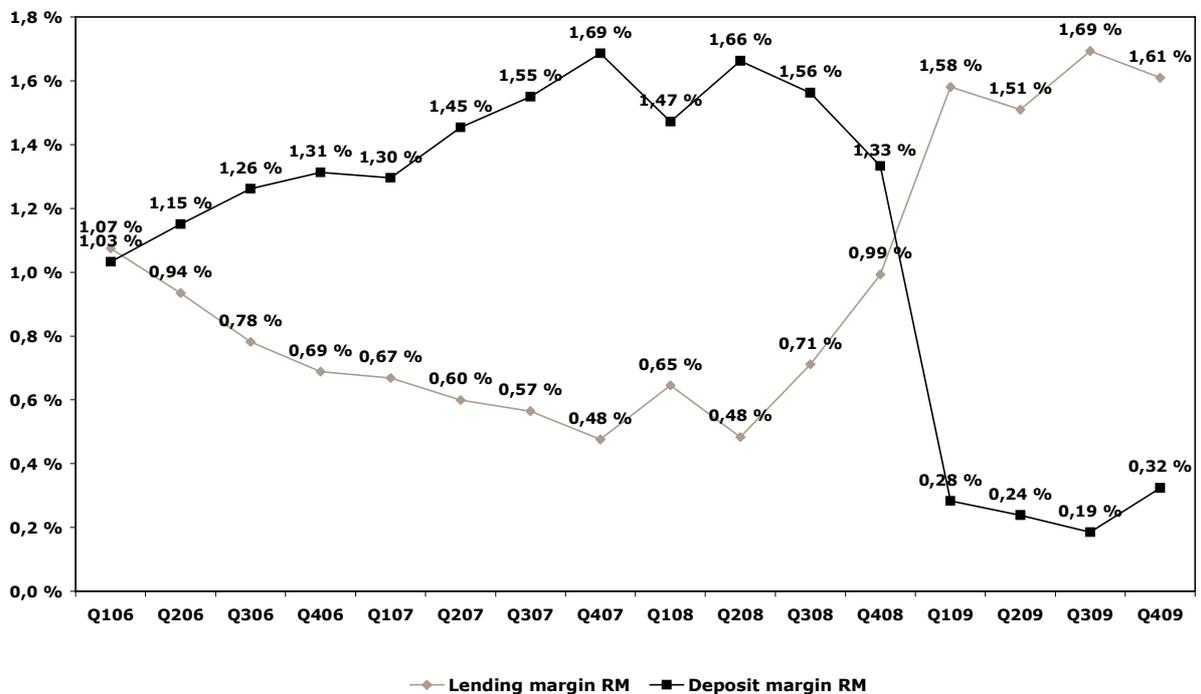
MNOK	Q4	Q3	Q2	Q1	Q4	Full year		
	2009	2009	2009	2009	2008	2009	2008	2007
Interest income	1 107	1 122	1 272	1 514	2 060	5 015	7 415	5 100
Interest expense	652	657	865	1 165	1 629	3 339	5 771	3 760
Net interest income	455	465	407	349	431	1 676	1 644	1 340
As % of average total assets	1,46 %	1,48 %	1,31 %	1,14 %	1,46 %	1,35 %	1,49 %	1,42 %



Margin¹ – Corporate Market



Margin – Retail Market



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

2.2 Net other operating income

MNOK	Q4	Q3	Q2	Q1	Q4	Full year		
	2009	2009	2009	2009	2008	2009	2008	2007
Net commission and other income	285	262	243	208	176	998	796	895
Net return on investment securities	209	237	201	58	108	705	42	388
Net other operating income	494	499	444	266	284	1 703	838	1 283
As % of total income	52 %	52 %	52 %	43 %	40 %	50 %	34 %	49 %

Net commission and other income

MNOK	Q4	Q3	Q2	Q1	Q4	Full year		
	2009	2009	2009	2009	2008	2009	2008	2007
Payment facilities	46	53	46	44	41	189	188	200
Savings/placements	22	24	29	23	26	98	133	217
Insurance products	33	25	24	24	24	107	96	96
Commission income real estate (EM1)	78	83	86	67	42	315	232	275
SpareBank 1 Boligkreditt	57	43	24	22	8	146	32	8
Guarantee commission	13	11	14	12	11	50	42	46
Salesprofit, building	8	-	-	-	-	8	7	22
Arrangement fees	10	8	10	8	17	36	36	5
Vågen Eiendom	3	3	3	3	5	13	13	9
Other	14	11	6	4	2	35	17	17
Net commission and other income	285	262	243	208	176	998	796	895
As % of total income	30 %	27 %	29 %	34 %	25 %	30 %	32 %	34 %

Change in net commission and other income

MNOK	2009	Change	2008
Net commission and other income	998	202	796
Payment facilities		1	
Savings/placements		-35	
Insurance products		11	
Commission income real estate (EM1)		83	
SpareBank 1 Boligkreditt		114	
Guarantee commission		8	
Salesprofit, building		1	
Arrangement fees		0	
Vågen Eiendom		0	
Other		3	

Net return on investment securities

MNOK	Q4	Q3	Q2	Q1	Q4	Full year		
	2009	2009	2009	2009	2008	2009	2008	2007
Dividend	17	1	2	3	1	23	15	12
Investment income, associates	128	98	71	1	199	298	261	234
Securities gains/losses	8	103	66	17	-67	194	-338	57
- of which capital change in shares and certificates	1	36	39	-4	-81	72	-166	89
- of which capital change in certificates and bonds	7	67	27	21	14	122	-172	-32
Currency/interest gains/losses	56	35	62	37	-25	190	104	85
- of which currency customer- and own-account trading	45	30	36	36	51	147	161	90
- of which IFRS-effects	11	5	26	1	-76	43	-57	-5
Net return on investment securities	209	237	201	58	108	705	42	388
As % of total income	22 %	25 %	24 %	9 %	15 %	21 %	2 %	15 %

Change in net return on investment securities

MNOK	2009	Change	2008
Net return on investment securities	705	663	42
Dividend		8	
Investment income, associates		37	
Securities gains/losses		532	
- of which capital change in shares and certificates		238	
- of which capital change in certificates and bonds		294	
Currency/interest gains/losses		86	
- of which currency customer- and own-account trading		-14	
- of which IFRS-effects		100	

2.3 Operating expenses

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Wages	157	157	165	154	118	633	554	568
Pension expenses	34	29	29	27	26	119	89	72
Other personnel expenses	33	32	32	32	33	129	132	111
Total personnel expenses	224	218	227	213	177	881	776	751
IT expenses	50	45	46	39	56	180	177	169
Marketing expenses	17	11	15	20	30	63	98	72
Other administrative expenses	24	28	26	25	33	103	115	99
Write-offs	17	19	17	17	20	70	64	52
Expenses real property	46	5	9	10	13	70	33	25
Other operating expenses	59	33	56	45	59	211	190	189
Other expenses	215	141	169	156	210	697	677	606
Total operating expenses	438	376	396	369	387	1 579	1 453	1 357

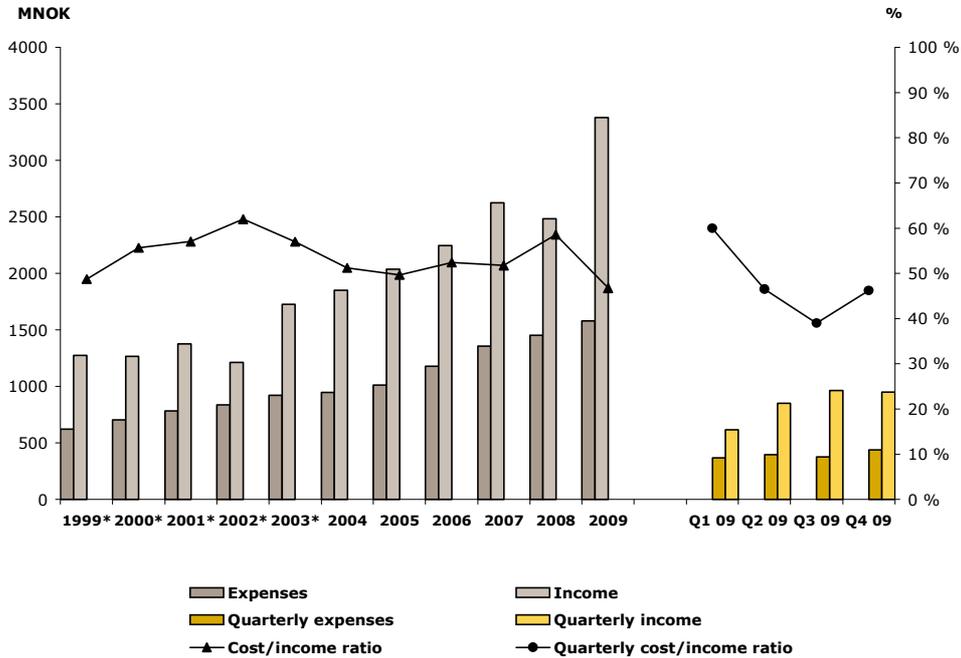
Change in operating expenses

MNOK	2009	Change	2008
Total	1 579	126	1 453
Total personnel expenses		105	
IT expenses		3	
Marketing expenses		-35	
Other administrative expenses		-12	
Write-offs		6	
Expenses real property		37	
Other operating expenses		21	

Cost/income ratio

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Operating expenses	438	376	396	369	387	1 579	1 453	1 357
Cost/income ratio	46 %	39 %	47 %	60 %	54 %	47 %	59 %	52 %
As % of average total assets	1,40 %	1,20 %	1,27 %	1,21 %	1,31 %	1,27 %	1,32 %	1,44 %
Growth in expenses last 12 months	9 %	7 %	7 %	6 %	7 %	9 %	7 %	15 %

Development cost/income ratio



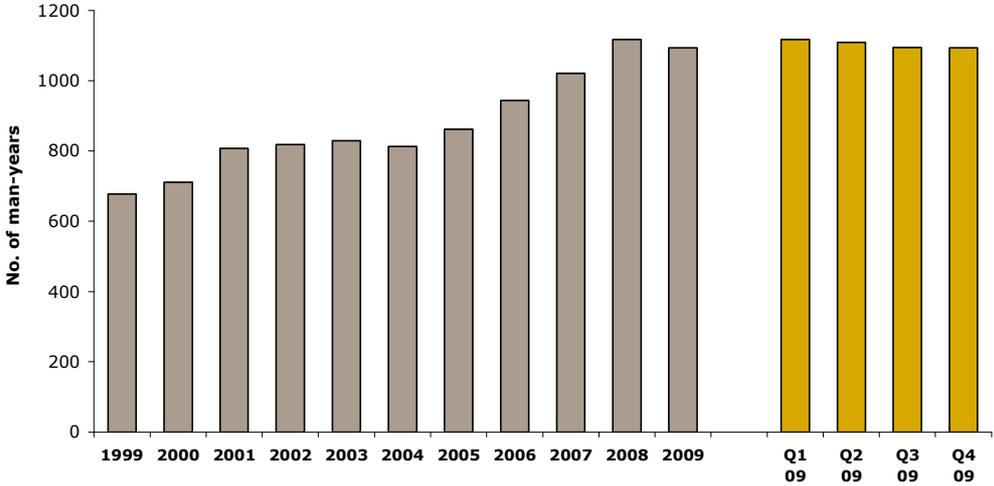
* In accordance with the Generally Accepted Accounting Principles in Norway

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

No. of man-years	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08
SpareBank 1 SR-Bank	867	870	883	889	881
EiendomsMegler 1 SR-Eiendom AS	164	164	161	162	167
SR-Forvaltning ASA	11	10	11	11	11
SR-Finans AS	32	33	34	36	36
Other	19	18	20	20	22
Total	1 093	1 094	1 109	1 117	1 117

The number of man-years has been cut during 2009. The number of permanent employees (see the table above) and the number of contracted staff were on the whole reduced by about 80 man-years (7 per cent) during the year.

Man-labour years 1999-2009 (permanent employees, contracted staff not included)



2.5 Losses on loans and loss provisions

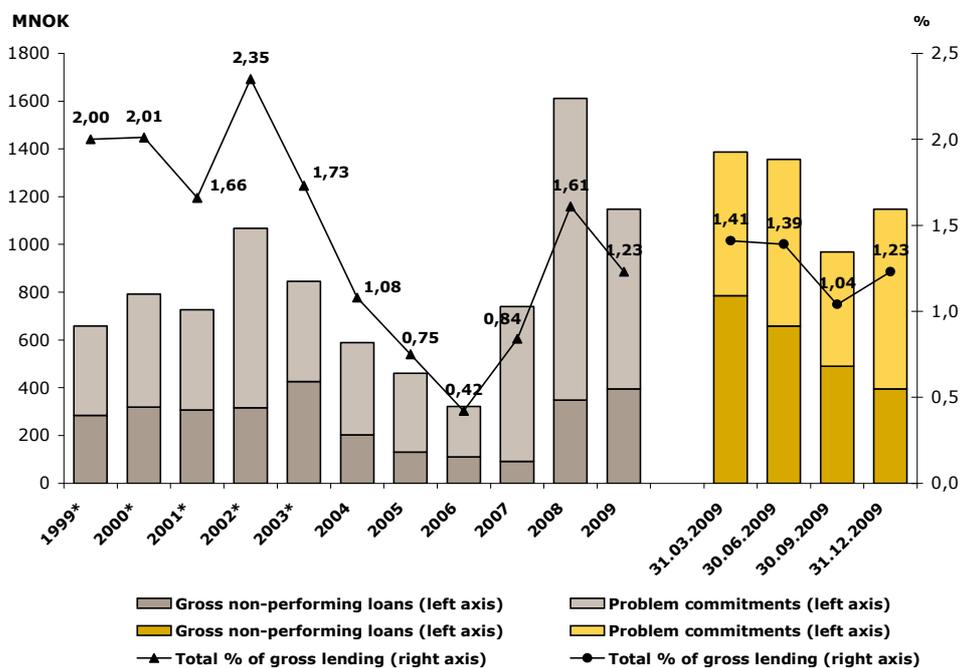
Losses on loans and guarantees

MNOK	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	31 Dec. 2007
Change in individual individual impairment losses provisions for the period	-12	-56	60	80	228	-6
Change in collective impairment loss provisions for the period	91	78	28	-	98	-
Amortised cost	17	3	-	-4	23	-
Actual loan losses on commitments for which provisions have been made	227	229	83	56	38	23
Actual loan losses on commitments for which no provision has been made	63	43	39	-	5	1
Recoveries on commitments previously written-off	-18	-3	-1	-	-6	-8
The period's net losses/(reversals) on loans and advances	368	294	209	132	386	10

Provisions for impairment losses on loans

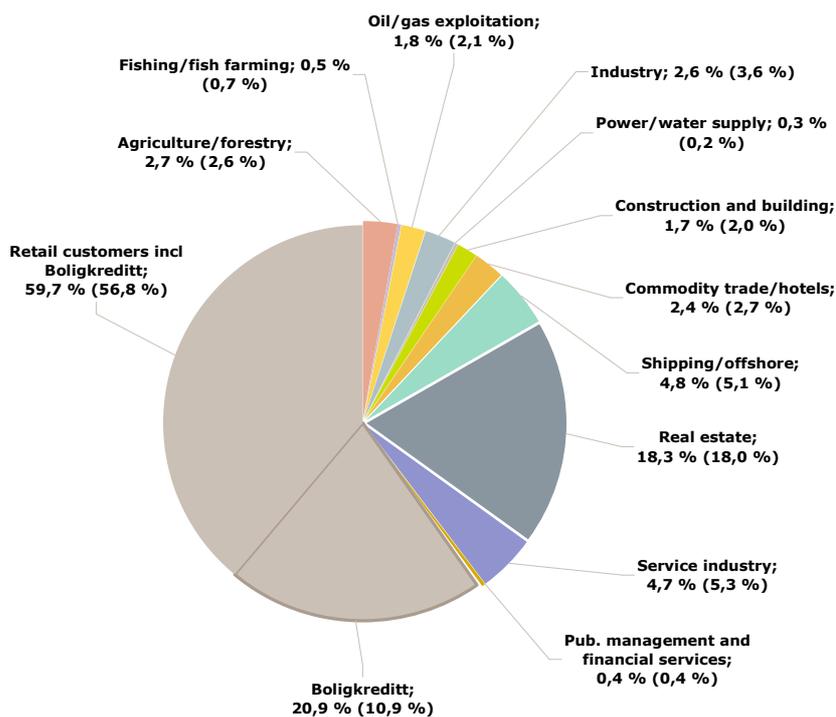
MNOK	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	31 Dec. 2007
Provisions for individual impairment losses at start of period	349	349	349	349	105	111
Increases in previous provisions for individual impairment losses	99	152	116	134	4	4
Reversal of provisions from previous periods	-127	-120	-120	-26	-30	-44
New provisions for individual impairment losses	226	141	146	29	292	57
Amortised cost	16	5	-11	-13	16	0
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-226	-229	-82	-56	-38	-23
Provisions for individual impairment losses at the end of period	337	298	398	417	349	105

Non-performing loans and problem commitments



2.6 Loans

MNOK	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	31 Dec. 2007
Agriculture and forestry	3 176	3 089	3 045	3 015	2 951	2 390
Fishing	51	50	49	110	105	101
Fishfarming	532	252	187	612	659	539
Oil/gas exploitation	2 124	2 761	3 261	2 727	2 772	2 497
Production of food	147	232	166	231	125	208
Graphic business	428	62	63	519	533	518
Industry	2 064	2 024	2 025	1 841	1 810	1 315
Shipyard	377	237	611	1 416	1 144	952
Power and water supply	373	416	309	354	181	292
Building and construction	1 953	1 941	2 099	2 103	2 196	1 554
Commodity trade	2 555	2 460	2 398	2 840	2 765	1 997
Hotels and restaurants	325	313	305	245	234	219
Shipping	4 578	5 167	4 727	4 571	4 638	3 140
Transportation	1 064	713	1 311	1 118	1 123	608
Real estate	21 610	21 286	21 507	20 577	20 263	15 914
Business services and management	4 495	5 477	5 203	5 012	4 826	3 049
Social and private services and management	1 037	1 055	1 042	1 154	1 159	1 162
Finance	192	333	318	331	228	469
Central and local government	268	244	245	216	251	187
Retail customers	45 847	44 438	66 260	64 244	51 528	51 096
Unallocated (excess value fixed interest loans and amort. lending fees)	102	65	146	176	139	-117
Accrued interests corporate sector and retail customers	175	234	230	346	441	338
Gross loans	93 473	92 849	115 507	113 758	100 071	88 428
SpareBank 1 Boligkredditt	24 754	23 901	18 043	15 718	12 226	4 990
Gross loans incl SpareBank 1 Boligkredditt	118 227	116 750	133 550	129 476	112 297	93 418

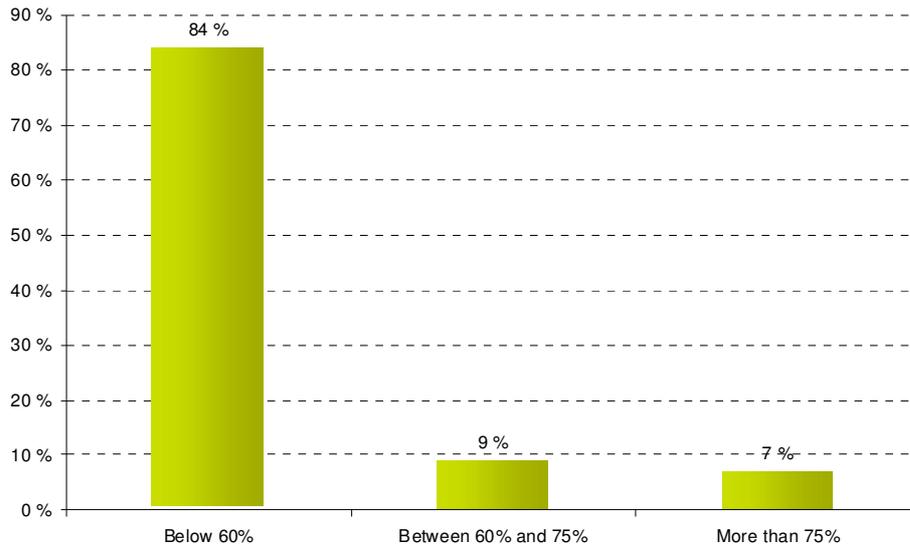


(Figures for corresponding period in 2008 are showed in parentheses)

2.7 Risk profile

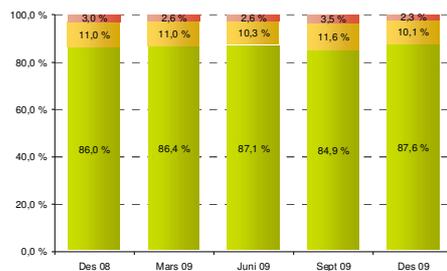
Loan to value Residential mortgages – SpareBank 1 Boligkreditt included per 31.12.09

- Security coverage is good

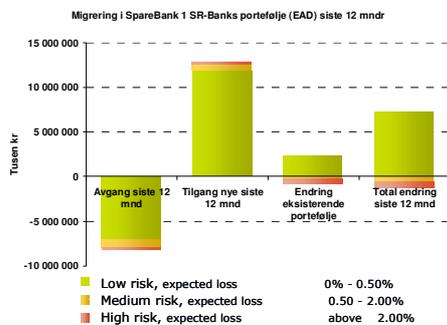


Risk profile in SpareBank1 SR-Bank

Moderate risk profile, positive change in credit quality in last quarter



- The Group has a moderate risk profile
- Credit quality took a positive direction in the last part of 2009

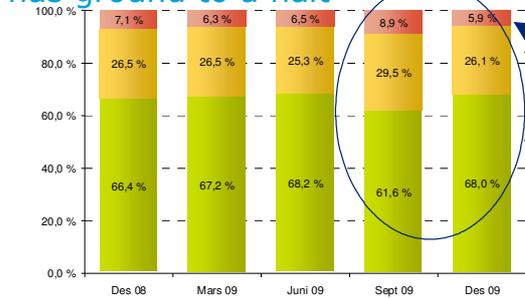


Measurement of risk exposure is based on a long-term average over a business cycle. It results in greater stability in the estimates of non-performing loans.

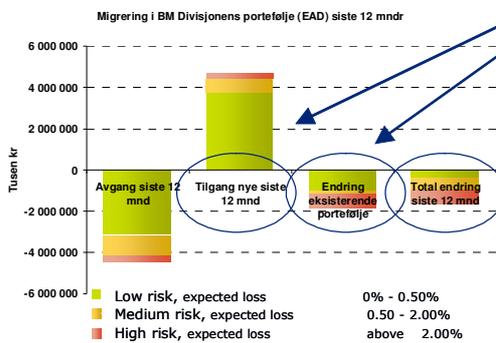
The figures include the portfolio transferred to Boligkreditt.

Risk profile in the Corporate Market Portfolio

The quality of the portfolio is growing stronger, while lending growth has ground to a halt



- Portfolio quality considered to be good
- Credit quality grew stronger in the last half of 2009, representing a break with the tendency toward weaker credit quality observed throughout 2009.

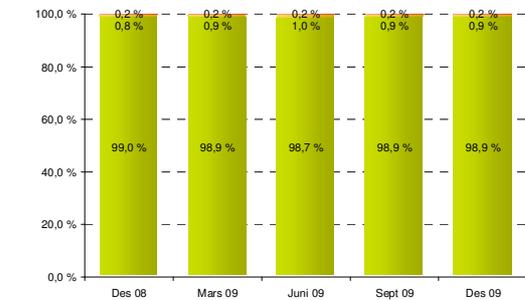


- Driving this change is an internal focus on risk-reducing measures and improved market outlook
- Lending growth has ground to a halt and is expected to be moderate in the months to come

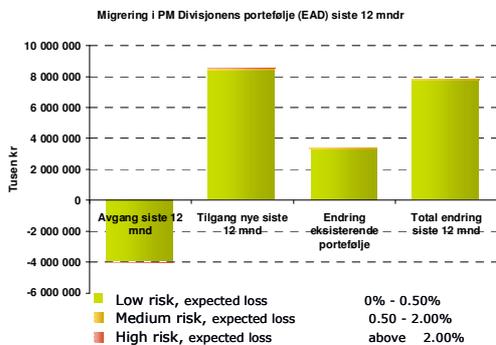
Measurement of risk exposure is based on a long-term average over a business cycle. It results in greater stability in the estimates of non-performing loans.

Risk profile in the Retail Market Portfolio

Portfolio quality is excellent and the loss potential limited



- Portfolio quality is excellent, and the performance of the portfolio's credit quality is stable
- Low interest levels, low unemployment and rising home prices are having a positive impact on the portfolio by maintaining customers' debt servicing capacity simultaneously as the value of assets pledged as collateral is increasing



- Most of the portfolio is secured by mortgages on real estate. Security is good, indicating limited loss potential as long as the value of the assets pledged as collateral does not deteriorate to a considerable degree

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

The figures include the portfolio transferred to Boligkreditt.

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.

Figure 2.8 Methods

	2008
Credit risk	
Government	Standard method *
Institutions	Standard method *
Enterprise	IRB basic **
Mass market	IRB ***
Equity	Standard method
Market risk	Standard method
Operational risk	Standardised approach

* SpareBank 1 SR-Bank has been granted approval for permanent exemption from the IRB method

** Some small portfolios are reported according to the standard method until further notice (leasing, housing associations, societies and association)

*** For the mass market, there is only one IRB method equal to the Advanced IRB method

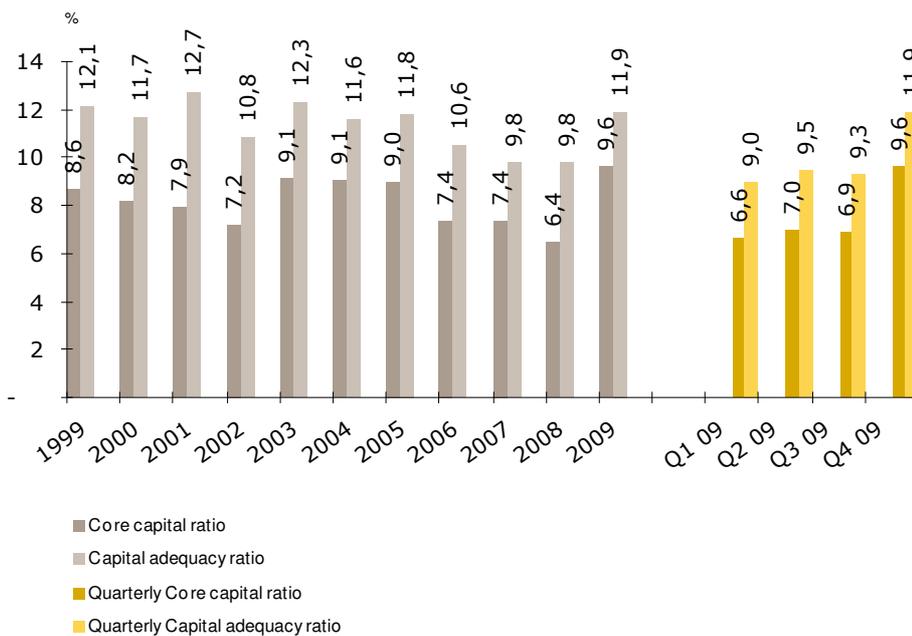
Table 2.8.1 Capital

	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	31 Dec. 2007
<i>MNOK</i>						
Equity capital certificates	3 023	2 247	2 247	2 247	1 872	1 774
- Own equity capital certificates	-9	-9	-9	-9	-7	-10
Premium reserve	478	42	42	42	92	7
Equalisation reserve	759	443	474	514	838	777
Allocated to dividend	212	0	0	0	75	337
Savings bank's reserve	2 241	2 005	2 032	2 066	2 066	1 970
Endowment fund	240	82	83	112	122	124
Reserve for unrealised gains	127	69	69	69	69	139
Other equity	1 002	832	828	825	827	560
Total book equity	8 073	5 711	5 766	5 866	5 954	5 678
Deferred taxes, goodwill and other intangible assets	-42	-43	-42	-25	-23	-26
Fund for unrealized gains, available for sale	-1	-1	-1	-1	-1	-2
Deduction for allocated dividends	-212	0	0	0	-75	-337
50% deduction for subordinated capital in other financial institutions	-17	-17	-17	-17	-17	-12
50% deduction for expected losses on IRB, net of write-downs	-337	-341	-288	-328	-188	-173
50 %Capital adequacy reserve	-552	-499	-480	-545	-547	-486
Share of non-performing, non-amortized estimate deviations	0	0	0	0	38	77
Year-to-date profit included in core capital (50%)	0	389	190	39	0	0
Fund bonds	1 218	433	480	505	526	448
Total core capital	8 130	5 632	5 609	5 494	5 667	5 167
<i>Supplementary capital in excess of core capital</i>						
Perpetual subordinated capital	760	764	814	835	872	739
Non-perpetual subordinated capital	2 045	2 029	2 058	2 078	2 834	1 639
50% deduction for subordinated capital in other financial institutions	-17	-17	-17	-17	-17	-12
50% deduction for expected losses on IRB, net of write-downs	-337	-341	-288	-328	-188	-173
50 % capital adequacy reserve	-552	-499	-480	-545	-547	-486
Total supplementary capital	1 899	1 936	2 087	2 023	2 954	1 707
Net subordinated capital	10 029	7 568	7 696	7 517	8 621	6 874

Table 2.8.2 Capital requirements

<i>MNOK</i>	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	31 Dec. 2007
Specialized Lending exposure	2 045	2 000	1 826	2 319	2 299	1 860
Other corporations exposure	1 755	1 923	1 760	1 437	1 368	1 037
SME exposure	33	33	32	33	32	31
Retail mortgage exposure	614	568	577	516	516	559
Other retail exposure	93	99	121	92	48	47
Equity investments	0	0	0	0	0	152
Total credit risk IRB	4 540	4 623	4 316	4 397	4 263	3 686
Debt risk	82	95	88	103	101	158
Equity risk	47	48	36	49	50	38
Currency risk	0	0	7	0	0	2
Operational risk	320	320	320	319	306	268
Transitional arrangements	262	46	382	0	657	806
Exposures calculated using the standardised approach	1 607	1 495	1 389	1 928	1 754	776
Deductions	-90	-82	-79	-90	-90	-108
Minimum requirements subordinated capital	6 768	6 545	6 459	6 706	7 041	5 626
Capital adequacy ratio	11,85 %	9,25 %	9,53 %	8,97 %	9,80 %	9,77 %
Core capital ratio	9,61 %	6,88 %	6,95 %	6,55 %	6,44 %	7,35 %
Supplementary capital ratio	2,25 %	2,38 %	2,59 %	2,42 %	3,37 %	2,44 %

Core capital and capital adequacy ratio



3. Business areas

3.1 Business areas - Financial performance

Extracts from income statement, fourth quarter

	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q4 09	Q4 08	Q4 09	Q4 08	Q4 09	Q4 08	Q4 09	Q4 08	Q4 09	Q4 08	Q4 09	Q4 08	Q4 09	Q4 08
<i>MNOK</i>														
Net interest income	206	232	173	166	-2	-2	2	2	57	46	75	-6	511	438
Net commission and other income	147	93	37	58	44	37	79	41	-4	0	-28	-8	275	220
Net return on investment securities	0	0	0	0	-2	-62	0	0	0	0	91	111	89	49
Operating expenses	140	148	46	47	11	12	76	54	7	15	158	116	438	392
Operating profit before losses	213	176	164	177	28	-40	4	-11	46	31	-19	-19	437	315
Losses on loans and guarantees	-4	-8	61	200	0	0	0	0	6	26	-64	100	-1	318
Operating profit before tax	217	184	103	-23	28	-40	4	-11	40	5	45	-120	437	-3

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

Extracts from income statement, full year

	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<i>MNOK</i>														
Net interest income	818	782	603	571	14	-26	4	12	194	123	-103	150	1 530	1 612
Net commission and other income	470	387	152	203	151	103	316	232	-12	-2	-21	-96	1 056	827
Net return on investment securities	0	0	0	0	25	-145	0	10	0	1	680	176	705	42
Operating expenses	493	487	158	147	40	35	279	232	33	43	576	508	1 579	1 452
Operating profit before losses	794	682	597	627	150	-103	41	22	149	79	69	-278	1 800	1 029
Losses on loans and guarantees	5	21	248	246	0	0	0	0	35	30	80	89	368	386
Operating profit before tax	789	661	349	381	150	-103	41	22	114	49	-11	-367	1 432	643
Loans to customers	44 950	50 672	43 661	44 491	0	0	0	0	5 038	4 915	-176	-7	93 473	100 071
Deposits from customers	25 179	24 511	29 282	30 429	0	0	0	0	1	0	-126	-1 890	54 336	53 050

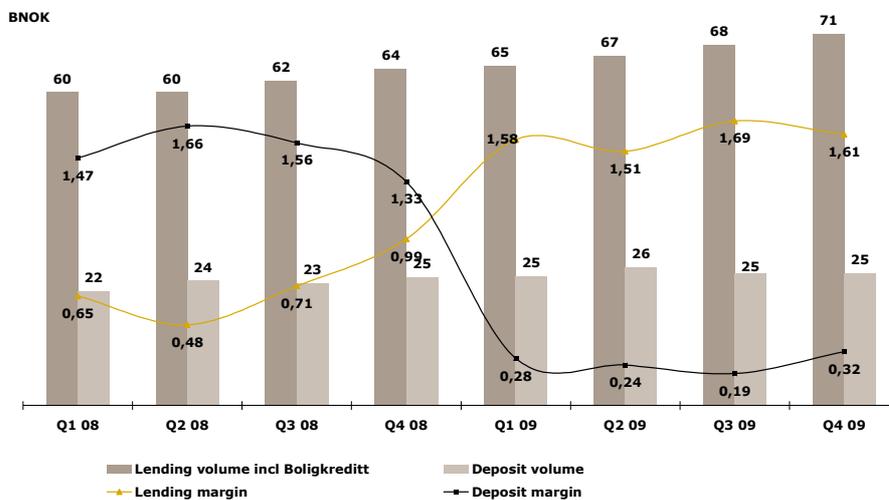
* Includes SR-Forvaltning, SR-Investering, SR-Fondsforvaltning, Vågen

3.2 Retail Market

Financial performance

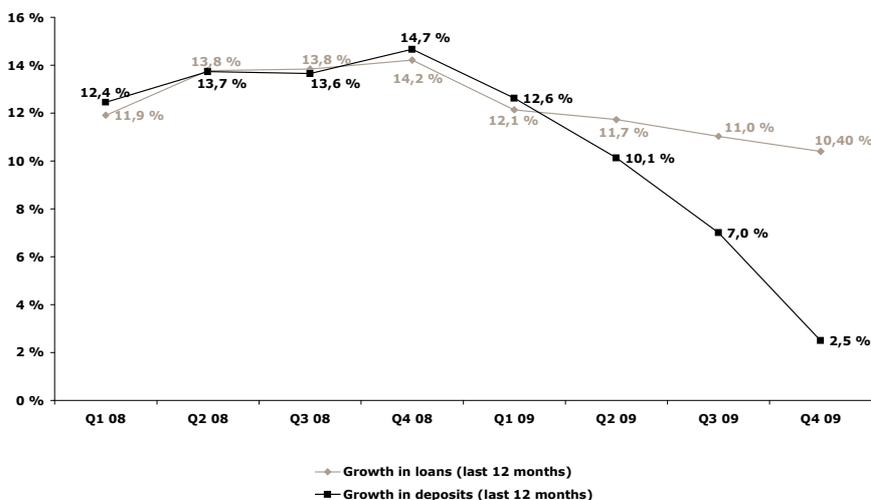
MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2 009	2008	2007
Net interest income	264	256	219	225	239	964	814	692
Net other operating income	89	87	75	72	85	323	356	440
Total income	354	343	295	296	324	1 287	1 169	1 132
Total operating expenses	140	128	103	123	148	493	488	418
Results	213	215	192	174	176	794	682	714
Losses on loans and guarantees	-4	4	2	3	-8	5	21	-16
Operating profit before tax	217	211	190	171	184	789	661	730

Development in average volume and interest margin*



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

Growth in loans and deposits

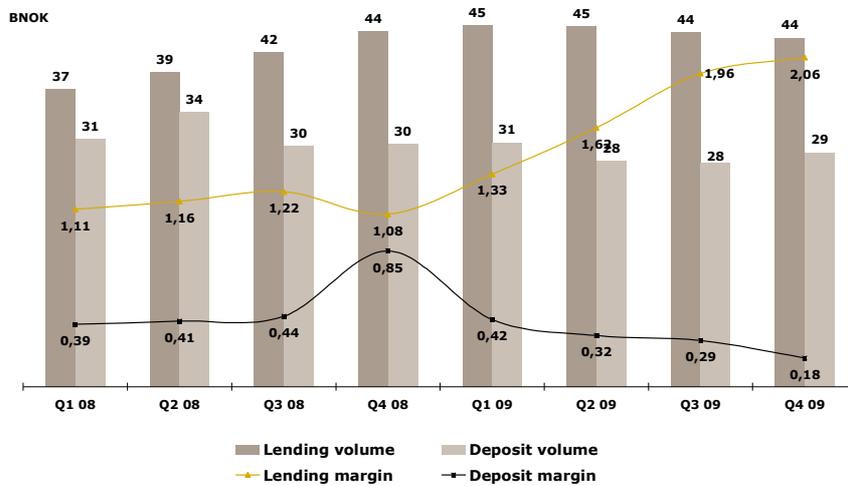


3.3 Corporate Market

Financial performance

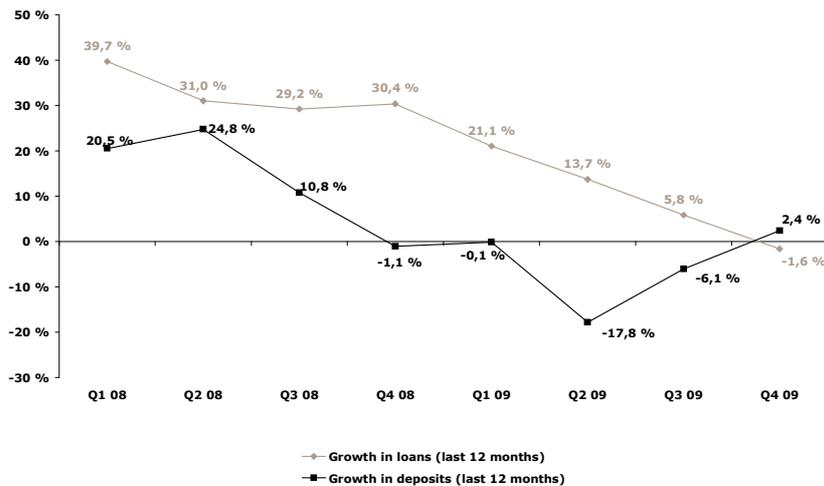
MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2 009	2008	2007
Net interest income	173	170	143	117	166	603	571	436
Net other operating income	37	33	41	41	58	152	203	158
Total income	210	204	185	157	225	755	774	594
Total operating expenses	46	40	32	40	47	158	147	126
Results	164	164	153	117	177	597	627	468
Losses on loans and guarantees	61	27	38	121	200	248	246	25
Operating profit before tax	103	136	115	-4	-23	349	381	443

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.

<i>MNOK</i>	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2 009	2008	2007
Net interest income	-2	9	5	3	-2	14	-26	-22
Net other operating income	42	19	96	20	-11	176	-42	98
Total income	40	28	100	23	-13	190	-68	76
Total operating expenses	11	11	8	9	12	40	35	22
Results	28	17	92	13	-25	150	-103	54
Losses on loans and guarantees	0	0	10	-10	15	0	0	0
Operating profit before tax	28	17	82	23	-40	150	-103	54

3.5 Subsidiaries

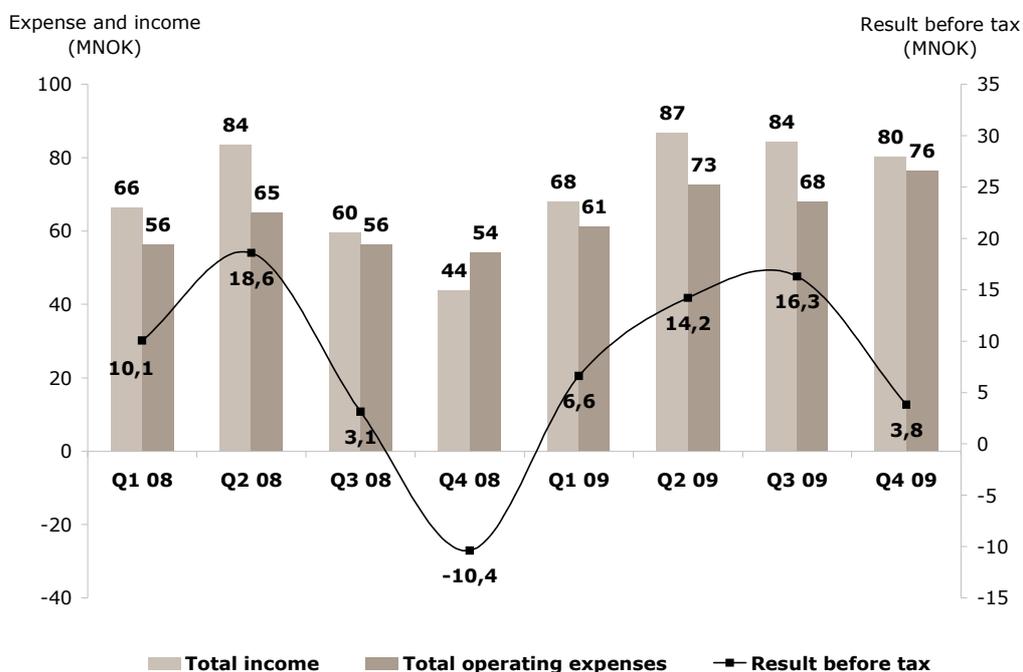
EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is the largest company in the nationwide EiendomsMegler 1-chain. The chain is the leading chain of real estate agents in Norway.

EiendomsMegler 1 SR-Eiendom AS has 30 departments in the counties of Rogaland, Agder and Hordaland. The operation comprises commercial brokerage, holiday homes, housing rental, new-builds and used homes. The company is the largest and leading real estate agency in Rogaland. The company has a leading position in several of the towns in Vest-Agder and aims to be the leading property broker in the two Agder counties within a few years. The operation in Hordaland is developing well and will be substantially strengthened.

Financial performance

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Interest income	1,7	1,0	0,8	0,8	2,5	4,4	12,3	10,7
Other income	78,5	83,4	86,1	67,2	41,4	315,2	241,2	274,9
Total income	80,2	84,4	86,9	68,0	43,8	319,5	253,5	285,6
Personal expenses	46,1	42,1	40,6	33,0	21,8	161,0	117,2	141,3
Other expenses	30,2	26,0	32,1	28,4	32,5	117,6	114,8	107,5
Total operating expenses	76,4	68,1	72,7	61,4	54,2	278,5	232,0	248,8
Result before tax	3,8	16,3	14,2	6,6	-10,4	41,0	21,5	36,8

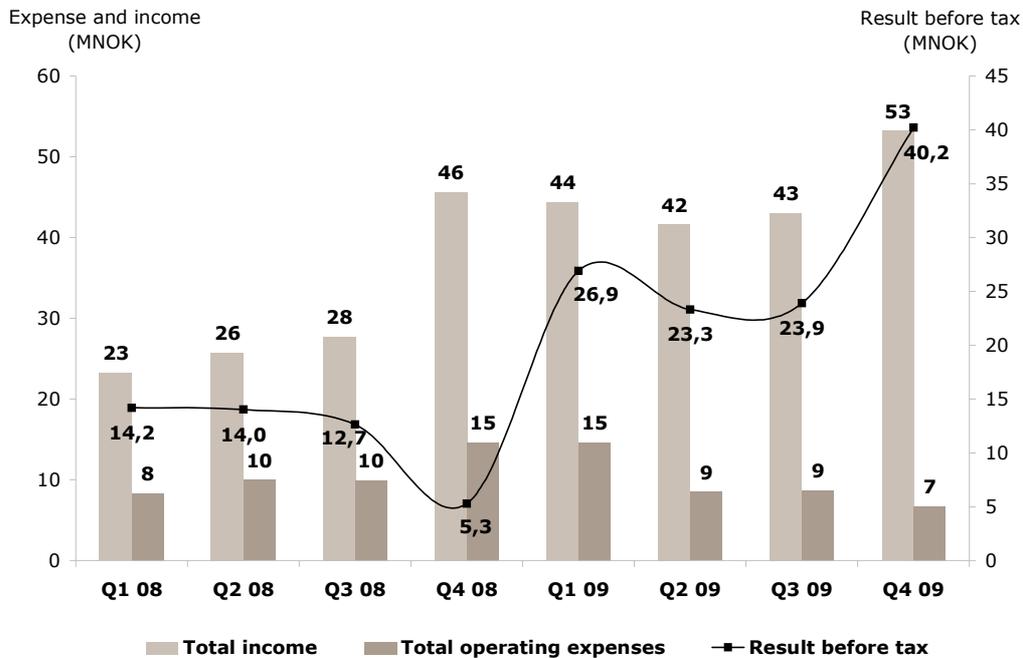


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 5,1 billion in total assets. The company's principal activities are lease financing for trade and industry and secured car loans. Over the last few years the business has developed favourably. SpareBank 1 SR-Bank owns the company with a 100 % share.

Financial performance

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Interest income	57,1	45,8	44,2	47,1	46,0	194,2	123,3	77,8
Other income	-4,0	-2,8	-2,6	-2,8	-0,4	-12,1	-1,4	0,6
Total income	53,2	43,0	41,6	44,3	45,6	182,1	121,9	78,4
Personal expenses	3,6	5,7	5,4	6,4	11,3	21,0	29,9	20,2
Other expenses	3,1	3,0	3,1	3,0	3,3	12,1	12,9	11,5
Total operating expenses	6,7	8,7	8,5	9,3	14,6	33,2	42,8	31,7
Ordinary operating profit	46,5	34,3	33,1	35,0	31,0	148,9	79,2	46,7
Loss on loans, guarantees etc.	6,3	10,5	9,8	8,0	25,7	34,6	33,0	3,2
Result before tax	40,2	23,9	23,3	26,9	5,3	114,3	46,2	43,5

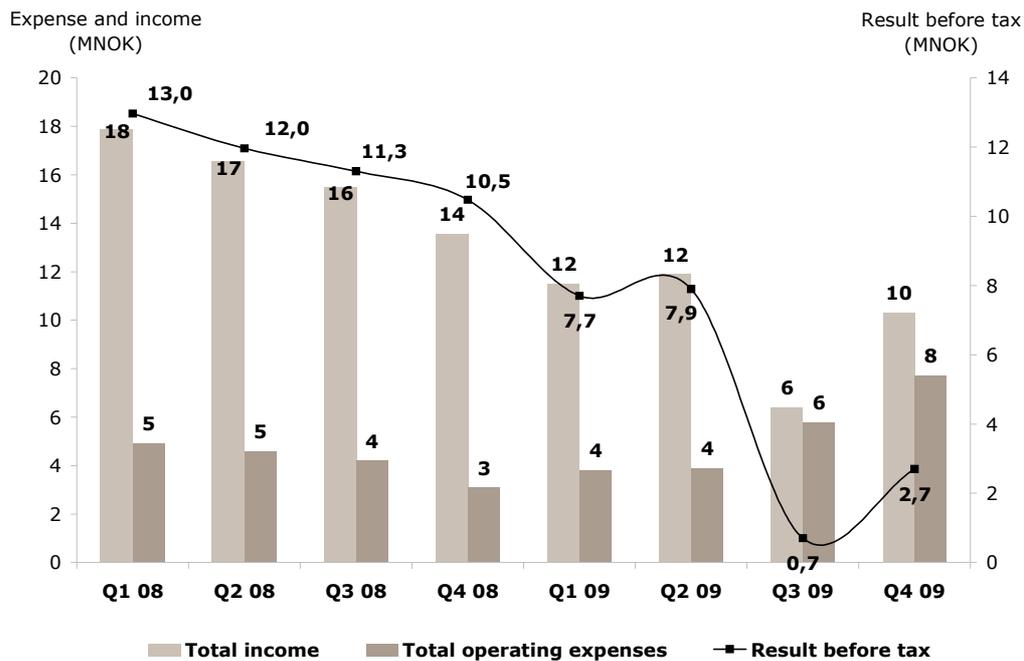


SR-Forvaltning ASA

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, and portfolios for about 3000 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 5,7 billion. SpareBank 1 SR-Bank owns the company with a 100 % share.

Financial performance

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Interest income	0,2	0,1	0,1	0,3	0,5	0,7	2,3	1,7
Other income	10,1	6,3	11,8	11,2	13,1	39,4	61,2	68,2
Total income	10,3	6,4	11,9	11,5	13,6	40,2	63,5	69,9
Personal expenses	6,0	4,4	3,0	2,3	1,6	15,8	10,0	9,6
Other expenses	1,7	1,4	0,9	1,5	1,5	5,5	6,7	5,9
Total operating expenses	7,7	5,8	3,9	3,8	3,1	21,2	16,7	15,5
Result before tax	2,7	0,7	7,9	7,7	10,5	18,9	46,8	54,4

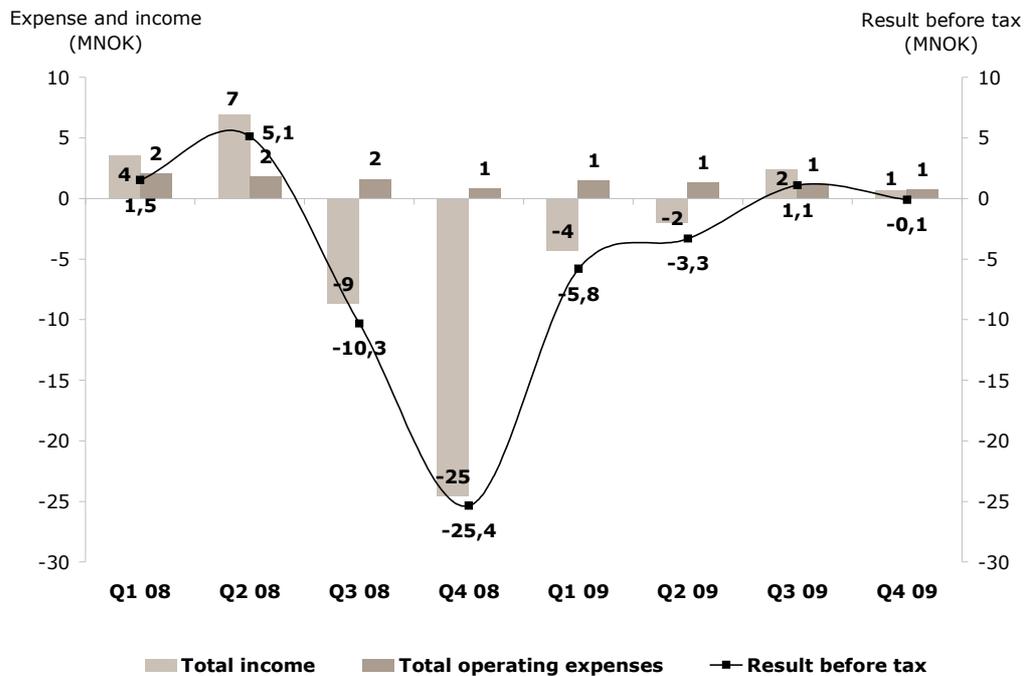


SR-Investering AS

SR-Investering AS' objective is to contribute to long-term creation of added value through investments in the group's market area. The company primarily invests in private equity funds and small and medium-sized companies that have a need for capital to develop and grow further. SpareBank 1 SR-Bank owns the company with a 100 % share.

Financial performance

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Interest income	0,3	0,3	0,3	0,4	0,7	1,3	2,5	3,0
Other income	0,4	2,1	-2,3	-4,7	-25,5	-4,5	-26,0	53,5
Total income	0,7	2,4	-2,0	-4,3	-24,8	-3,2	-22,7	56,5
Personal expenses	0,6	1,1	1,1	1,3	0,8	4,2	5,3	5,9
Other expenses	0,2	0,1	0,2	0,1	0,0	0,7	1,1	0,7
Total operating expenses	0,8	1,2	1,3	1,5	0,8	4,9	6,4	6,6
Result before tax	-0,1	1,1	-3,3	-5,8	-25,6	-8,1	-29,0	49,8

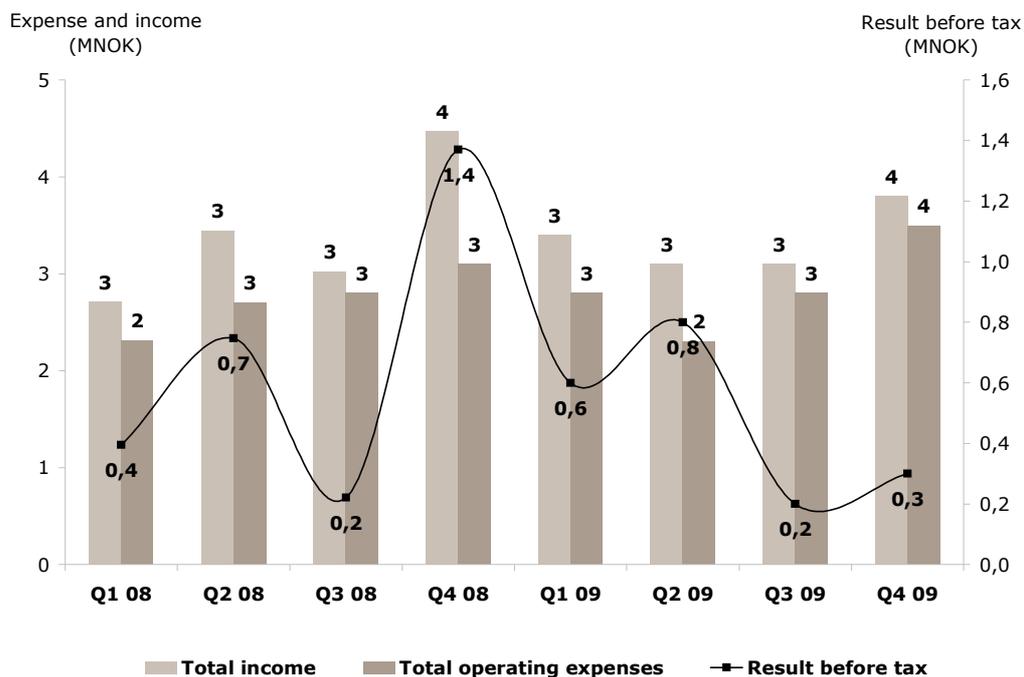


Vågen Eiendom AS

Vågen Eiendom consists of Vågen Eiendomsforvaltning AS, Vågen Drift AS and Vågen Eiendomsmegling AS. Vågen Eiendomsforvaltning AS is the region's largest commercial property manager and was acquired (100 %) by SpareBank 1 SR-Bank in 2007. The company manages about 50 properties with a total value of approximately NOK 4,5 billion. The company's management services are split into three main fields: business management services, technical operations, including caretaker services, and tenant follow-up. Vågen Eiendomsforvaltning owns Vågen Drift AS with a 100 % share. Vågen Eiendomsmegling (commercial real estate broker) is owned by SpareBank 1 SR-Bank with a 49 % share and AGM Holding AS with a 51 % share.

Financial performance

MNOK	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08	Full year		
						2009	2008	2007
Interest income	0,1	0,0	0,0	0,0	0,1	0,1	0,2	0,1
Other income	3,7	3,0	3,1	3,4	4,4	13,3	12,9	9,1
Total income	3,8	3,1	3,1	3,4	4,5	13,4	13,1	9,2
Personal expenses	2,2	2,1	1,3	1,9	2,0	7,5	6,7	5,3
Other expenses	1,3	0,7	1,0	0,9	1,1	3,9	3,5	2,3
Total operating expenses	3,5	2,8	2,3	2,8	3,1	11,5	10,2	7,6
Result before tax	0,3	0,2	0,8	0,6	1,4	1,9	2,9	1,5

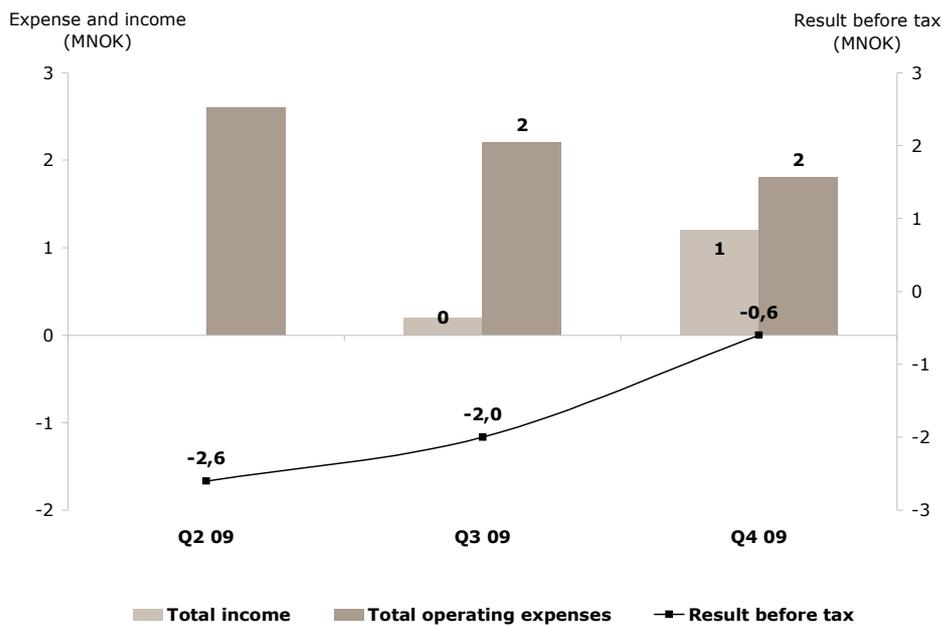


SR-Fondsforvaltning AS

SR-Fondsforvaltning got approval from Finanstilsynet to manage securities funds in May 2009. On 1 September 2009, the company launched three mutual funds. These funds have been well received in the market. At the end of 2009, 532 customers had purchased units, of which 362 had entered into monthly savings agreements. These funds had total assets of NOK 301 million by year-end 2009.

Financial performance

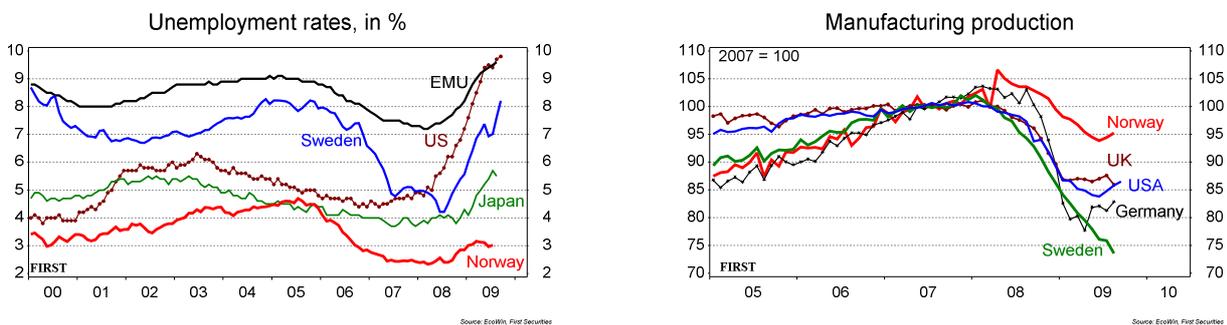
MNOK	Q4 09	Q3 09	Q2 09	Full year 2009
Interest income	0,0	0,0	0,0	0,1
Other income	1,1	0,2	0,0	1,3
Total income	1,2	0,2	0,0	1,4
Personal expenses	1,1	0,6	1,8	4,4
Other expenses	0,8	1,6	0,8	2,3
Total operating expenses	1,8	2,2	2,6	6,7
Result before tax	-0,6	-2,0	-2,6	-5,3



4. Norwegian and regional economy

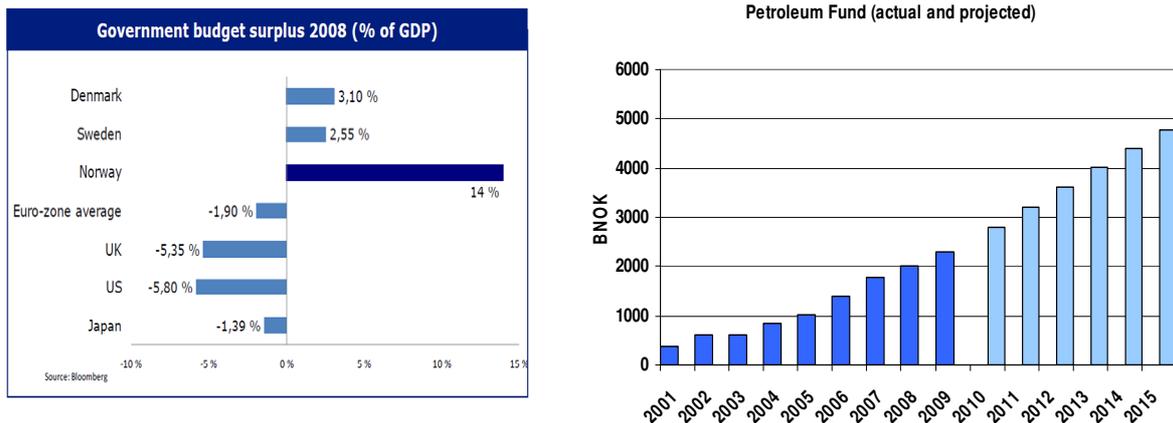
The downturn in Norwegian economy in 2008 and 2009 has been mild compared to many other countries. Unemployment has risen slightly from historically low levels and manufacturing production has declined moderately, see figure 4.1.

Figure 4.1 Unemployment and manufacturing production



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

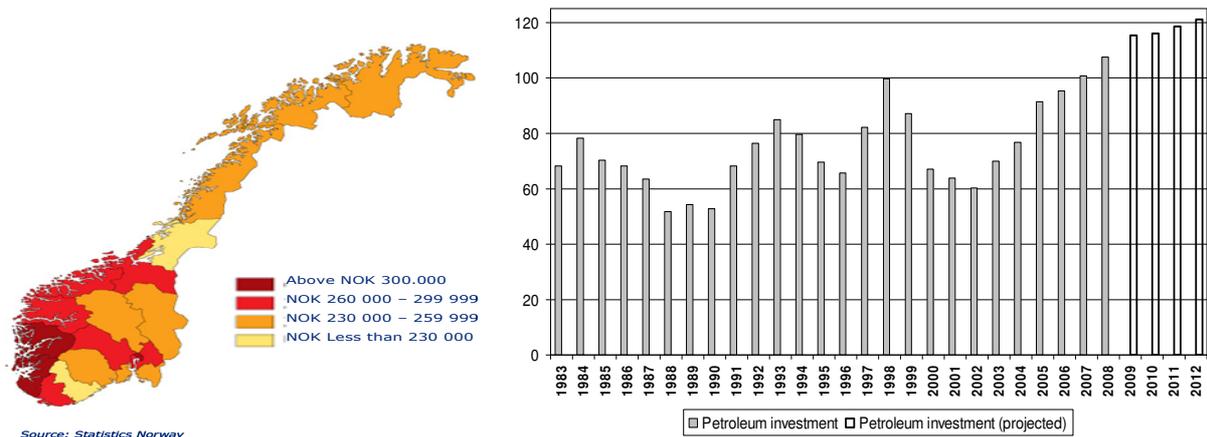
Figure 4.2 Government budget surplus 2008 and Petroleum Fund



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.

Figur 4.3. Regional GDP per capita (2005) and petroleum investments



House prices in the market area have been fairly stable the last three years and unemployment rates have remained at low levels, see figure 4.4.

Figur 4.4. Regional house prices and unemployment rate

