

Annual report 2000

SpareBank 1
SR-Bank

Idea and design: PRINTERS • Photo: Emile Ashley • Printing: Bryne Offset



SpareBank 1
SR-Bank

Contents

2	The Bank and operations	46	Five-year Overviews in key figures
3	Major events in 2000	47	Five-year Overviews in Graphs
4	The year in brief	48	Primary Capital Certificates
5	Main and key figures	50	Recommended for private customers
6	Where customers come first	52	Recommended for corporate customers
8	Report for 2000	54	Employees and development of expertise
16	Annual Accounts for 2000	56	Map of branch offices
18	Accounting Principles	57	Organisational Chart
22	Notes	58	Representatives
43	Cash flow analysis	59	Addresses Overview
44	Auditors' and The Audit Committee's Report	60	The Bank Councils
45	Deposits, Loans and Profits		

Financial calendar

1st quarterly result	26th april 2001
2nd quarterly result	9th august 2001
3rd quarterly result	25th october 2001

«SpareBank 1 SR-Bank shall be regarded by the customer as the recommended and leading bank within it's market.»



The bank and operations

History

In October 1976, 22 savings banks in Rogaland merged to form Sparebanken Rogaland. The objective was clear: One bank that offers all forms of banking services, regardless of where in the county a customer finds an SR Bank office. The former Egersund Sparebank was formed in 1839 and is the oldest part of the bank. Several other banks have joined gradually. Today the bank consists of 39 former savings banks and emerges as the region's leading bank.

In November 1996 Sparebanken Rogaland took part in establishing SpareBank 1 together with Sparebanken Midt-Norge, Sparebanken Nord-Norge, Sparebanken Vest and Samarbeidende Sparebanker A/S (now consists of 15 local saving banks in the eastern and northwestern part of Norway). Sparebank 1 was established to secure a nationwide and regional alternative to the major financial conglomerates with headquarters in Oslo.

Vision

«SpareBank 1 SR-Bank shall be regarded by the customer as the recommended and leading bank within its market.»

Business idea

SpareBank 1 SR-Bank shall be viewed by the customer as the recommended and preferred partner.

SpareBank 1 SR-Bank shall offer competitive financial products and services that meet the needs of the customer.

SpareBank 1 SR-Bank shall offer its products through modern, easily accessible and local distribution channels, which ensure that the customer receives good quality and service.

SpareBank 1 SR-Bank shall secure the bank's position as the recommended and leading bank by ensuring that its employees are customer-oriented and qualified.

SpareBank 1 SR-Bank shall actively participate in the effort to strengthen growth and development within its market.

SpareBank 1 SR-Bank shall be a profitable and independent bank with local ties, and shall be a regional alternative to the competing financial conglomerates through the SpareBank 1 alliance.

Strategic goals

SpareBank 1 SR-Bank has an ambitious goal: We want to be the recommended bank for our customers. Every second inhabitant of Rogaland is our customer and this entails a commitment for us. As the region's leading bank we view the principle of the savings bank idea as a very good business idea. Through proximity and local ties we shall endeavor to offer our customers financial solutions that make the customers regard us as the preferred bank.

SpareBank 1 SR-Bank will retain its local perspective through local bank branches. We prioritize direct, personal contact with the customers. Regardless of how many Internet banks might crop up or how digital the world becomes, SpareBank 1 SR-Bank is first and foremost the people who work there - and the people we work for.

Operations:

SpareBank 1 SR-Bank is today organized into five regions (Haugalandet, Ryfylke, Stavanger, Jæren and South) with headquarters in Stavanger. We have 50 offices from Ølen in Hordaland to Arendal in Aust-Agder.

The group also consists of the bank's two subsidiaries EiendomsMegler 1 Rogaland A/S and the finance company Westbroker Finans A/S. First Securities will also be established in Stavanger in the spring of 2001.

The SpareBank 1 alliance SpareBank 1's vision

«SpareBank 1 shall satisfy the customers' individual expectations regarding proximity, local ties and cooperation.»

The SpareBank 1 alliance is a Scandinavian banking and product alliance where SpareBank 1 banks in Norway and FöreningsSparbanken AB (publ) in Sweden collaborate through the jointly owned SpareBank 1 Gruppen AS. The agreement with FöreningsSparbanken strengthens the regional competitiveness and we have access to expertise and capital that enables us to compete with the other major Norwegian and Scandinavian banks in our market.

SpareBank 1 Gruppen AS owns the product companies SpareBank 1 Livsforsikring AS, SpareBank 1 Skadeforsikring AS, SpareBank 1 Fondsforsikring AS, Sparebankutvikling AS, SpareBank 1 Finans, SpareBank 1 Aktiv Forvaltning, Odin Forvaltning AS and the commercial bank Bank 1 Oslo AS. The group also has a 51 percent ownership interest in First Securities ASA and 65 percent in EnterCard A/S. Norway's largest real estate agency chain, EiendomsMegler 1, is also part of the alliance.

In connection with the SpareBank 1 group's acquisition of Vår the Norwegian Confederation of Trade Unions (LO) purchased 10 percent of the shares in SpareBank 1 Gruppen AS. FöreningsSparbanken now owns 25 percent and Sparebanken Nord-Norge, Sparebanken Midt-Norge, Sparebanken Vest, Samarbeidende Sparebanker AS and Sparebanken Rogaland own 13 percent each. At the end of 2000 the SpareBank 1 group had total assets of about NOK 210 billion (excluding FöreningsSparbanken) and about 400 offices located all over the country.

Major events in 2000

JANUARY

The board of the bank presents historical results for 1999 – the best ever for the bank. The profit for the bank amounted to NOK 598 million before tax. The board proposes a dividend of NOK 19 per primary capital certificate.

Terje Vareberg assumes the position of managing director as of 1 January 2000.

FEBRUARY

The sale of shares in Fellesdata gives the bank a gain of NOK 177 million.

MARCH

The bank introduces a new product – home loans with savings in mutual funds/unit trusts. The objective is to stimulate savings by investing part of the installments on principal in mutual funds/unit trusts.

APRIL

Moody's Investor Service upgrades SpareBank 1 SR-Bank's rating (Long Term Bank Deposit) from Baa1 to A3. The upgrade reflects the bank's position in the SpareBank 1 alliance. The bank's strength in sales and solidity are also decisive factors.

MAY

Rogaland Theater and SpareBank 1 SR-Bank sign an agreement on cooperation. The purpose of the agreement is to profile SpareBank 1 SR-Bank as one of Rogaland Theater's business partners, and to provide the theater with artistic freedom and the possibility of increasing its program for the public.

The bank establishes a new department for customer service with 26 positions. Among other things, the department will work on handling responses to inquiries and assignments via the Internet bank and telephone service.

JUNE

The Ministry of Finance grants the SpareBank 1 Group permission to acquire shares in VÅR Gruppen ASA and integration of VÅR Gruppen ASA into the SpareBank 1 Group. The SpareBank 1 Group is granted permission to own 100% of the shares in VÅR Gruppen ASA.

Sveinung Hestnes took over as deputy managing director following Gunnar Dolven, who became the new managing director of Bank 1 Oslo AS.

In order to increase its commitment to the savings and investment area, the bank hired 15 investment specialists to serve the bank's overall area of operations

JULY

The bank's 25% interest in Garde ASA is sold to Pareto. An agreement is signed with First Securities ASA regarding establishing a separate division in Stavanger.

AUGUST

The board of the bank decides to allocate NOK 10 million from the bank's endowment reserve to the University Fund in Rogaland. Managing Director Terje Vareberg presents the gift at the opening of the semester at Stavanger College.

The bank carries out a private placement aimed at bank employees. 540 employees subscribed for a total of NOK 13.1 million.

OCTOBER

The bank's board presents what is clearly the best result ever for the bank, with a profit before tax of NOK 556 million for the third quarter. This is NOK 97 million more than for the third quarter of 1999.

The executive board of the City of Stavanger decides that SpareBank 1 SR-Bank will become the new banking partner for the City of Stavanger for the next four years, starting from January 2001.

NOVEMBER

SpareBank 1 SR-Bank launches the talent fund G9alt. During the course of a five-year period, the bank will give away as much as NOK 6 million to talented young residents of Rogaland. The goal of G9alt is to stimulate young people to develop their talents and interests to ensure that the region is supplied with creativity, innovation and expertise in all walks of society and the business world.

The objective was clear:
One bank that offers all
forms of banking services,
regardless of where in the
county a customer finds
an SR Bank office.

The year in brief

Record growth in deposits and very good results

- Operating profit of NOK 633 million before tax
- SpareBank 1 SR-Bank is the district's savings bank
- 15% growth in deposits
- NOK 1,192 million in sales of securities products
- 20% growth in lending
- 70% increase in commission revenues from the sale of insurance and securities
- Cost percentage of 1.64%
- 19.5% return on equity capital after tax
- NOK 40.40 in profit on primary capital certificates
- NOK 21 om dividends per primary capital certificate

Main figures

SpareBank 1 SR-Bank group NOK mill	2000	1999	1998	1997	1996
Net interest income	934	895	797	667	647
Net other operating income	332	381	179	259	220
Total operating income	1 266	1 276	976	926	867
Total operating costs	705	622	527	493	524
Profit before losses and write-downs	561	654	449	433	343
Losses and write-downs	-72	56	72	-5	-27
Result of ordinary activities	633	598	377	438	370

Key figures

SpareBank 1 SR-Bank group NOK mill	2000	1999	1998	1997	1996
Total assets December 31	43 624	36 397	31 232	26 946	22 531
Net loans to customers	38 789	32 378	28 181	23 790	20 130
Deposits from customers	22 120	19 211	17 481	15 199	14 030
Annual growth in loans to customers (gross)	20%	15%	18%	18%	12%
Annual growth in deposits from customers	15%	10%	15%	8%	1%
Capital adequacy ratio	11.65	12.12	11.49	15.08	12.21
Core capital ratio	8.15	8.63	8.18	9.55	10.06
Net equity and subordinated loan capital	3 444	3 037	2 548	2 647	1 793
Return on equity (9)	19.5	21.8	14.9	19.1	20.3
Income per cost krone (10)	1.72	1.86	1.92	1.76	1.55
Number of man-years	711	677	669	667	666
Number of offices	50	57	57	56	57
Market price at the close of the year	247	253	192	240	174
Profit per primary capital certificate (Parent bank) (4)	40.4	40.4	26.5	30.0	27.4
Dividends per primary capital certificate	21.0	19.0	17.0	16.0	15.0
Profit per primary capital certificate (2)	5.3	41.0	-13.0	47.0	28.0
RISK-amount as of Jan 01 following year	18.5	28.4	27.7	26.2	29.1

Referring to page 46 and 49 for a complete list of key figures and definitions.

Where customers come first

SpareBank 1 SR-Bank acquired 8,000 new customers in 2000, consolidating its position as the region's leading bank for both private customers and business and industry. We perceive our market position as an expression of confidence in our staff at 50 offices throughout the region, as well as in the bank that has served this region for more than 161 consecutive years. This gives us the drive and inspiration to continue to develop products and concepts that are even better adapted to the needs of our customers.

We believe, however, that our commitment to a very high level of service will pay off in more satisfied customers.

More choices for customers

We believe that the relationship between customer and bank is founded on personal contact, mutual respect and confidence. Therefore, we have never been interested in following a strategy that would replace personal contact with automation. Nevertheless, technological developments have provided us with opportunities for offering financial services in such a way that the customers themselves can choose how they want to utilize the bank's services.

By using the office, telephone-based customer service or the Internet bank, the customers can choose where and when they wish to use the bank's services. The bank office will also offer personal counseling, which cannot be easily provided by means of the Internet bank or telephone service.

We know that it is expensive to allow customers to choose freely among our various distribution channels. We believe, however, that our commitment to a very high level of service will pay off in more satisfied customers.

Private savings will become more important

The importance of long-term savings is gaining increasing recognition in society. Various stages of life entail different financial needs. More than one million Norwegians have no other pension benefits beyond what is provided by the National Insurance Fund. Therefore, many people are uncertain regarding how well their future pension needs will be met. This particularly applies to women, who have often earned inadequate pension benefits. This means that private savings will become an even more important part of our counseling. We want to help people feel secure in their old age, and protect them against the consequences of illness by offering suitable savings and insurance products adapted to individual needs.

The bank has built up substantial expertise in assets management through management of its own securities. This expertise is now being offered to the bank's customers through the establishment of a separate unit for active assets management.



SpareBank1 SR-Bank, a savings bank with strong regional roots

Through increased focus on private savings and insurance, the fundamental ideas of the savings bank concept gain a renewed content which is well suited to today's needs.

Sparebanken Rogaland's oldest roots date back to 1839 when Egersund Sparebank was founded. With continuous operations up to the present day, the bank has worked both in and for its region. Settlement, business and industrial development and employment are inextricably linked. In a time when we are experiencing a strong drive towards centralization, we believe that there is a need for a bank with solid regional roots.

Through its close identification with the people of the region, as well as the region's business and industry, SpareBank1 SR-Bank's activities comprise an important part of the region's infrastructure, making it attractive to live, work and do business here. In practical terms, this means that the bank's decisions are made as close to the customers as possible, and always here in our region. Not least, this has a great impact on our ability to be a good financial partner for regional business and industry, both in good economic times and bad. By means of proximity to our customers, we want to contribute to creativity and innovation in business and industry.

As a savings bank with regional roots, the bank also serves the public good. Last year, the board allocated NOK 10 million to the work to develop Stavanger College towards university status. The bank views a strengthening of higher education and research as an important, long-term instrument in regional development.

Sparebanken Rogaland has been listed on the stock exchange since 1994. The bank's primary capital certificates have provided good returns for investors. The market's continuous measuring of the bank's performance is beneficial for the development of the bank. A debate is now underway regarding the future of the primary capital certificate and whether or not it should be possible for the savings banks to be converted into limited companies.

In order to remain competitive in the market and to deliver the products the customers need, SpareBank 1 SR-Bank is dependent on both the regional roots and access to a healthy equity market. The regional commitment constitutes the bank's conceptual foundation, while providing the bank with a unique profile in the market. Characteristics of this include proximity to the customers, rapid decisions and products that are highly adapted to the customers' needs. Sparebanken Rogaland will reject solutions that impair proximity to its customers and regional commitment.

The bank views a strengthening of higher education and research as an important, long-term instrument in regional development.

Stavanger, February 2001

Terje Vareberg
Managing Director

Report for 2000

The SpareBank 1 SR-Bank group achieved a profit before tax of NOK 633 million, an increase of NOK 35 million compared with last year and the best result ever for the group. The profit after tax was NOK 463 million, compared with NOK 451 million in 1999. The return on equity capital after tax was 19.5 percent compared with 21.8 percent in 1999.

It is proposed that NOK 157 million of the profit be distributed as cash dividend, equal to NOK 21 per primary capital certificate. In addition, it is proposed that NOK 139 million be allocated to the equalization reserve.

The bank showed very strong growth in 2000 with a 20 percent increase in lending and a 15 percent increase in deposits. This is a result of the development in the region and the fact that the bank has increased its market shares.

The interest margin has narrowed to a certain extent, while there has been an increase in net commission income of 15 percent. The result reflects good and efficient operations, as well as good solidity in the customer portfolio with small losses.

Motivated and enthusiastic employees have made significant contribution to the group's profit. The board is very satisfied with the group's development and profit in 2000.

Earnings and growth

The SpareBank 1 SR-Bank group's profit before losses and write-downs was NOK 561 million. After net losses of NOK 137 million and gains from capital assets worth NOK 209 million, the group profit before tax was NOK 633 million compared with NOK 598 million in 1999. Tax costs are estimated at NOK 170 million, which gives a profit for the year of NOK 463 million.

The group presents an unprecedented profit after tax. Strong growth, higher net commission revenues combined with considerable gains from financial fixed assets are the main reasons for this. Negative factors have included reduced gains from securities, a decline in the interest margin and extraordinary costs related to internal reorganization and conversion to a common IT platform in the SpareBank 1 banks. The growth in deposits of 15 percent and the growth in lending of 20 percent have resulted in increased market shares, both in the private and the business markets.

Total assets increased by 20 percent in 2000 to NOK 43.6 billion.

Norwegian economy and framework conditions

After a relatively high level of activity during the first half of 2000, the growth rate in the Norwegian economy now appears to be leveling off somewhat, and lower growth incentives are expected going into next year. However, the annual growth in gross national product for the Norwegian mainland was somewhat stronger last year than in 1999. Lower employment in oil-related industry has resulted in a small increase in unemployment towards the close of the year, while there is a shortage of labor in major portions of the Norwegian economy. The labor market is expected to remain tight in the years to come.

Lower oil investments and significant free capacity in the offshore-related supplier industry distinguish the overall view of the industry. However, the increase in the price of oil has contributed to substantial cash flows to the oil companies, and to the public purse in particular. It is therefore expected that the higher oil price will lead to renewed

investment in new and existing fields. The strong growth in world trade has also contributed to high product prices and good growth conditions in large portions of the domestic export industry. Nevertheless, the growth in export industries is limited by the fact that many companies are already producing near capacity.

The development in Rogaland

As expected, the decline in oil investments has had a negative impact on Rogaland. In addition to the fact that the decline has affected offshore activities in general, the engineering industry in particular has struggled with weak production trends. The relatively high oil price starting in the autumn of 1999 is, however, a factor that is expected to contribute to a gradual return to investments in the petroleum activities.

Positive signals from abroad, continued growth in the aquaculture industry, increased investment in homes and some growth in private services are positive factors for the county's development. An abundance of precipitation has led to record-breaking production of electricity in Rogaland during 2000. In spite of high consumption of electricity throughout the year, 2000 will achieve the largest export surplus of electricity in ten years.

Employment in the county has remained more or less steady for the past two years, as compared with moderate growth for the country as a whole. There has been a clear decline in industrial employment in Rogaland during the past year. Employment in the primary industries and in construction and building activities has also decreased, while there has been a slight growth in private services. During the course of the year, unemployment in Norway rose to 3.5 percent. In December the county had the country's third highest employment, trailing Finnmark and Nord-Trøndelag.

The group's development

The group has had a very high level of activity in 2000. The activity has been substantial both as regards own market



Today's young people are the hope of the future. In Rogaland, active efforts are underway to secure university status for Stavanger College. The bank's board donated NOK 10 million to the University Fund in Rogaland. A university will provide many opportunities for the students of the future. Higher education and research are important commitment factors to build the informed society of the future.



Geir Worum, chairman

activities, as well as the collaboration in the SpareBank 1 alliance. The cooperation with the alliance and the acquisition of Vår Bank og Forsikring allow the bank to emerge as a competitive full-service supplier of financial services.

The group has enjoyed great success with Nettbanken (the Internet bank) in the private market, with 40,000 users as of 31 December 2000. This means that 43 percent of the customers who are members of the bank's preferred customer programs are now on the Internet. A strengthening of the bank's network of offices, as well as a commitment to special expertise within the fields

of investment and insurance, allow us to exploit our proximity to the customers to achieve additional sales and a higher rate of product coverage per customer. The increase in deposits, investments, lending and commissions are clear indications of this. Furthermore, our proximity contributes to a high degree of loyalty among our customers.

Within the corporate market, reorganization and increased internationalization are among the factors that entail greater demands on expertise. The bank has aimed its efforts at an increased degree of specialization and the gathering of specialized expertise in larger environments, including the establishment of a customer center for the corporate market at Forus in cooperation with EiendomsMegler 1 and Westbroker Finans. Measures aimed at enhancing expertise and new recruitment are important elements in this scenario. First Securities will be setting up a separate department in Stavanger in the spring of 2001 in cooperation with SpareBank 1 SR-Bank, with whom it will also share offices.

Through our collaboration in the Norwegian and Scandinavian alliance we have been able to take over new, larger customers and projects that demand a high level of expertise and significant capital inflow in sectors such as the aquaculture industry and the utility industry. The bank has also strengthened its commitment to the public sector so as to emerge as a competent partner for a sector that is facing considerable challenges, and where the bank has a significant market share. Together with the SpareBank 1 alliance, the bank has continued its work on streamlining and reinforcing expertise, thus also strengthening the group's competitiveness.

The competition within the finance sector in Rogaland remains strong. Increased concentration and the entry of Scandinavian banks, as well as new players, particularly in the investment sector, are major contributors to this trend. In connection with the acquisition of Vår Bank og Forsikring's operations in the Agder counties, the bank has

decided to make a commitment in selected areas of the Agder counties.

Market surveys conducted in 2000 confirm that SpareBank 1 SR-Bank has strengthened its position as the district's leading bank with steadily increasing market shares. The surveys also show that customer satisfaction is good and on the rise. The bank gives high priority to maintaining and improving customer satisfaction.

Adjustment and distribution

In 2000, the bank adapted its organization with a view towards increased customer and market focus within the business and private markets.

In order to become an even better bank for the customers, the bank will undergo a comprehensive reorganization process in the next few years. The strategy chosen is a relatively costly distribution strategy. The customers will be able to choose between the bank's network of offices, telephone service and the Internet bank. The strategy entails a very high level of service and access to competent personnel. In 2001, the bank will establish five new offices in Agder and Rogaland. It is the board's opinion that this strategy will contribute to increased profitability.

The SpareBank 1 alliance

The SpareBank 1 alliance is a Scandinavian bank and products collaboration in which the SpareBank 1 banks in Norway and FöreningsSparbanken AB (publ) in Sweden cooperate through the jointly-owned holding company SpareBank 1 Gruppen AS. The agreement with FöreningsSparbanken strengthens the regional competitiveness and



Tor Haver, vice-chairman

ensures that we have access to expertise and capital which enable us to compete with the other major Norwegian and Scandinavian banks in our market.

The paramount goal of the SpareBank 1 alliance is to secure the individual bank's independence and local ties through robust competitiveness,

profitability and solidity. At the same time, the SpareBank 1 alliance represents a good competitive alternative on the national and Scandinavian levels. Today the alliance emerges as a strong, Scandinavian alliance with solid finances, a very broad base of customers and a good range of products.



Ole Gladhaug

The consent for purchase of Vår Bank og Forsikring ASA was granted in June 2000. SpareBank 1 SR-Bank took over Vår's banking and insurance portfolio in Agder and Rogaland as of 13 November 2000. In connection with the acquisition of Vår, LO (the Norwegian Confederation of Trade Unions) purchased ten percent of the shares in SpareBank 1 Gruppen AS. FöreningsSparbanken now owns 25 percent and Sparebanken Nord-Norge, Sparebanken Midt-Norge, Sparebanken Vest, Samarbeidende Sparebanker AS and Sparebanken Rogaland own 13 percent each. At the end of 2000, the

banks in the SpareBank 1 group had total assets of approximately NOK 210 billion (excl. FöreningsSparbanken) and about 400 offices located throughout the country.

Profit performance

The SpareBank 1 SR-Bank group's development in 2000 has been good. Even in a period with a somewhat weaker level of economic activity and a market with rising interest rates, the bank has had a positive development, both in the private and the business markets, and has strengthened

its position as the district's leading bank. The strategy chosen by the group, with a customer and market oriented organization with a strong focus on sales and measurement, has yielded very good results. Continuous prioritization of the customers' needs, together with local ties, a good sales organization and efficient credit management have contributed to a very strong growth in deposits and lending. The growth in deposits is particularly gratifying in a time when an increasingly larger share of savings are placed in mutual funds/unit trusts and other securities.

The group has achieved these results as a consequence of robust growth, high cost-effectiveness, good growth in net commission income and significant gains on financial fixed assets, including gains on the sale of shares in Fellesdata AS in the amount of NOK 177 million, and Garde ASA in the amount of NOK 11 million, as well as an issue gain of NOK 26 million in connection with a reduced ownership interest in SpareBank 1 Gruppen AS.

The interest margin was reduced from 2.63 percent to 2.33 percent. This is largely due to a lag in connection with rising interest rates, greater business involvement with lower risk, as well as effects of the competitive situation. The interest margin is also affected by the fact that income from the bank's investment in interest-bearing securities in the amount of NOK 570 million, which was previously placed in bonds, is now entered as dividend.

Net interest income for the group increased by NOK 39 million, an increase of 4 percent.

Other income

The group's net commission income increased by 15 percent in 2000. The growth in income from payment services amounts to 7 percent. The somewhat weak growth is due inter alia to fee exemption through the bank's program for preferred private customers, as well as a change in customer behavior within payment services through the transition to more automated payment services, including NettBank. The commission income from the sale of securities and insurance shows an increase of 70 percent and amounted to NOK 62 million. Intermediary commission costs mainly related to foreign exchange loans are deducted from net commission income, and have contributed to lower growth in 2000.

The bank's holding of securities was NOK 3,286 million at the end of the year. Price gains on securities were NOK 12 million, compared with NOK 95 million in 1999. The bank's portfolio has been managed with a return of 7.4 percent that is 9 percent higher than the overall return on the Oslo Stock Exchange. Currency transactions related to customer and own transactions provided a gain of NOK 31 million in 2000, which is nearly double that measured last year. The bank's share of the loss in SpareBank 1 Gruppen AS is NOK 10 million, which is largely due to substantial added value and goodwill depreciation in connection with the acquisition of Vår Bank og Forsikring, as well as weaker results in the non-life company.

Operating costs

The group's operating costs amounted to NOK 705 million, an increase of NOK 83 million compared with 1999. The operating costs include reorganization costs totaling NOK 47 million, of which NOK 20 million was for internal reorganization measures regarding personnel and NOK 27 million was for costs related to conversion to a common IT platform in the SpareBank 1 banks. The group has good cost-effectiveness with a cost percentage for ordinary operations of 1.64 percent compared with 1.80 percent in 1999.

Losses and default

Default trends are still satisfactory. The group's gross default as a percentage of gross lending amounted to 0.81 percent, compared with 0.86 percent in 1999.

Net losses of NOK 137 million include an increase in unspecified loss allocations of NOK 66 million. During 2000, default over 90 days increased by NOK 36 million to NOK 320 million.



Magne Vatne

The balance sheet

The group's total assets increased by 20 percent in 2000 to NOK 43.6 billion. The increase for the bank was NOK 7.4 billion. Lending to the private market has increased throughout the year by NOK 4.8 billion (23 percent) and to the business and public sectors by NOK 1.7 billion (14 percent). This gives a total growth in lending of 20 percent.

Deposits from customers increased in 2000 by 2.9 billion (15 percent), distributed between NOK 1.5 billion from private customers (14 percent) and NOK 1.4 billion from the business and public sectors (17 percent). The board has implemented measures to further strengthen the growth in deposits with a view towards achieving a better balance between the growth in lending and the growth in deposits. This will entail curbing the growth of lending in 2001.

Risk management

The board has stipulated guidelines for risk related to the credit area, funding from the capital market, foreign currency and securities.

The guidelines are administered through fixed routines for credit appraisal, currency and securities trading. A separate strategy has also been prepared for capital market funding.

The holding of bonds is adjusted to the authorities' requirements for liquidity reserves. Risk associated with currency, securities, funding from the capital market and bonds is reported to the board each month in accordance with specific guidelines and frameworks. The investments in equity securities are at a modest level compared with the bank's balance sheet figures. The overall risk related to the above areas is regarded as being moderate.

The bank has had a special risk classification system for business customers for nearly ten years. The customers are classified according to earnings, solidity and security. The system is used actively in connection with providing credit, management and control of the portfolio. The bank has prepared objectives for high-risk customers, who are followed up on a frequent and regular basis.

Two international rating agencies have updated their credit appraisal of the bank in 2000. Fitch IBCA maintained its rating, while Moody's upgraded the bank.

This has had a positive impact on the bank's funding from the capital markets. The bank has once again conducted a review of the bank's most important risk areas in 2000, in which particular attention was given to the operational risks associated with operations and internal control, as well as financial risks. The individual managers are responsible for the most important risk areas, as well as for preparing

and implementing measures to reduce the identified risks.

It is the opinion of the board that the international work that is now underway under the direction of the Basel committee for the purpose of coordinating the regulations that relate to capital adequacy requirements and equity and subordinated loan capital, may have an impact on the bank. The new proposals are founded on three pillars:

- Minimum requirements for equity and subordinated loan capital
- Active supervision of the bank's risk areas and capital needs
- Market discipline

It is assumed that the new guidelines will inter alia be adjusted so that they reward banks with good risk management so that the capital requirement corresponds to the bank's risk areas to a greater extent than is the case today. This is an area that the board will watch closely in the future.

Subsidiaries

The development for the bank's subsidiaries has again been good in 2000. During the course of the year, EiendomsMegler 1 Rogaland AS has expanded its activities to Agder, and has acquired new branches in Lyngdal, Mandal and Kristiansand. A total of 2,815 properties changed hands for a total value of NOK 3.4 billion. Operating income increased to NOK 72 million, giving a profit before tax of NOK 11.8 million. The EiendomsMegler 1 chain has exhibited a good trend in 2000 and is the country's largest real estate chain. Overall, the chain sold more than 9,600 properties. EiendomsMegler 1 Rogaland AS was responsible for 30 percent of these sales.

Westbroker Finans AS is Rogaland's leading finance company, with total assets of NOK 2,609 million at the end of the year. The increase in total assets was NOK 159 million, or 6.5%. The main products are leasing, special financing, loans with mortgage on real property and vehicles. The company offers products to businesspeople, the public sector and private individuals. During the past year, the company has entered into a collaboration with SpareBank 1 Vest, and offers leasing products in their market area. The company achieved a profit before tax of NOK 22.1 million.



Åse Holmane

Capital adequacy and capital market funding

The group's capital adequacy was 11.65 percent at year-end, of which 8.15 percent was core capital. Corresponding key figures for the bank at the end of the year were 12.58 percent and 7.93 percent respectively.

In the third quarter, the bank took up a new subordinated loan in the amount of NOK 300 million, with a term of five years. In July 2000, the bank took up a five-year bond issue in the amount of EUR 225 million, which was listed on the Frankfurt Stock Exchange. This was the first time that the bank issued a public bond issue in the European market, and the placement was a success. Otherwise in 2000, approximately NOK 1 billion was brought in via long-term funding (1-3 years) in the domestic market. A certificate program in the amount of SEK 1.5 billion was also established in cooperation with FöreningsSparbanken.

Employees and working environment

At the end of 2000, the group had a total of 777 employees, corresponding to 711 man-years. The bank's staffing increased by 15 man-years to 619 man-years during the course of the year.

Since 1993, the bank has conducted annual organization and working environment surveys which show that our employees have a good relationship with the bank and faith in the bank's competitiveness. SpareBank 1 SR-Bank is distinguished by employees with a highly developed sense of service, focus on sales, ability and willingness to adapt and great satisfaction with regard to job content and well-being. Absence due to illness remains low compared with other financial institutions (4 percent). Cooperation with the employees and their organizations has been excellent.

A large number of our employees have participated in measures to enhance expertise in 2000. Today more than 70 percent of the bank's employees have college level training.

The bank works actively within the areas of health, environment and safety. Continuous efforts are aimed at strengthening the bank's security system.



Torstein Plener

The board wishes to thank all employees for their excellent efforts throughout the year. This has contributed to a further improvement of service and quality vis-à-vis the customer, and a very good financial result for the group.

In the opinion of the board, the bank's activities do not pollute the external environment.

The bank advisory councils

The local bank councils ensure close contact with the local communities in the bank's market areas. The bank councils provide good feedback from the individual market area and contribute to capturing new opportunities and implementing local market measures. Each year, the local bank councils are granted funds earmarked for stimulation of measures in the local communities.

Status of primary capital certificates

Gjensidige Nor has applied to the Ministry of Finance for permission to undertake a conversion to a listed limited company. When this issue was first raised in 1998, SpareBank 1 SR-Bank took a negative view of the conversion. This view coincided with the view of the majority of the Norwegian Savings Banks' Association.

Gjensidige Nor's application has created a new situation. The board has initiated a comprehensive study to analyze the bank's position if Gjensidige Nor should secure the authorities' approval to convert to a limited company.

SpareBank 1 SR-Bank's activities depend on proximity to the customers and local ties, together with access to a healthy equity market. So far, the primary capital certificate has been an appropriate equity instrument. A potential conversion of Gjensidige Nor may, however, create uncertainty regarding the suitability of the primary capital certificate as an equity instrument.

The board takes a negative view of Gjensidige Nor possibly being allowed to undertake a conversion through a new special act and would emphasize in this connection the importance of equal treatment of the players in the savings bank industry. The question of a potential change of ownership in the savings banks raises a number of issues related to the future ownership structure and competitive situation in the Norwegian banking industry. This will require broad and comprehensive discussion.

In its assessment work the board will also emphasize the analyses and evaluations prepared by the Norwegian



Kristian Eidesvik



Dominkus N. Bjordal



Terje Vareberg, Managing Director

Savings Banks' Association. Regardless of future business forms for the savings banks, SpareBank 1 SR-Bank will always choose solutions for the bank that emphasize continued proximity to the customers and local ties. At the same time, the interests of the primary capital certificate owners will be safeguarded to as to ensure competitive access to the equity market.

Primary capital

In 2000, primary capital certificates equivalent to 19 percent of the bank's primary capital were sold. This is a decline of 39 percent

compared with the previous year. The number of owners of primary capital certificates increased from 5,901 at the beginning of the year to 6,363 at year-end. The percentage of primary capital certificates owned by foreigners was 10.8 percent, while 46.6 percent were owned by Rogaland investors. The 20 largest owners controlled 31.6 percent of the primary capital at year-end.

On 23 March 2000, the supervisory board of SpareBank 1 SR-Bank decided to carry out a private placement towards the employees of the bank. 540 employees subscribed for a total of 49,686 primary capital certificates. The total issue sum amounted to NOK 13.1 million, of which NOK 5 million was added to the primary capital and NOK 8.1 million was added to the premium fund.

SpareBank 1 SR-Bank places emphasis on competitive dividends. The bank's equity development will be emphasized in the proportionate distribution between cash dividend and the dividend adjustment fund. In accordance with the bank's dividend policy, the result for the year and the core capital situation, the board proposes payment of NOK 21 in dividends, as well as allocation of NOK 18.50 per primary capital certificate to the equalization reserve for the 2000 accounting year. After this allocation, the equalization reserve amounts to NOK 97 per certificate. The RISK amount as of 1 January 2000 was fixed at NOK 28.44 per primary capital certificate. The RISK amount as of 1 January 2001 is calculated at NOK 18.50. According to the new rules for RISK adjustment, the calculation of the RISK amount is limited to the part of the profit that is transferred to the equalization reserve.

Continued operations

The profit outlook for 2001 and the long-term budget for the years to come provide good prospects for continued prosperity. The group has good solidity and core capital,

and the capital adequacy is well above the both the authorities' requirements. The annual settlement has been submitted under these assumptions.

Disposition of profit/dividend

The board proposes that the profit for the year for Sparebanken Rogaland, NOK 463 million, be applied as follows:

NOK mill.	
Profit for the year	463
Valuation difference fund	- 11
For allocation	452
Dividend, NOK 21 per certificate	157
Equalization reserve	139
Endowment fund	15
Sparebanken reserve	141
Total	452

Outlook for the future

The board expects some improvement in the economic development in the region in 2001. In connection with the acquisition of Vår Bank og Forsikring's office network, the bank has great expectations in regard to the potential inherent in a further development of the customer portfolio both in Rogaland and the Agder counties. In 2001 the bank will establish five new offices in Rogaland and the Agder counties.

The bank will continue its active contribution to innovation and development in Rogaland and Agder. An increased commitment in the savings and investment area will contribute to a growth in market shares in 2001.

The finance industry is subject to less favorable framework conditions for 2001. The altered value-dating rules in the (Norwegian) Financial Agreements Act will have a full impact on the current year; value added tax on services will entail increased costs as of 1 July 2001, and the Savings Banks' Guarantee Fund will probably charge a full fee for 2001.

Steps will be taken in 2001 to maintain the bank's good cost-effectiveness, which the board regards as being an important competition parameter in the years to come.

The activity level and economic outlook for the region lead the board to expect yet another year with satisfactory results in 2001.

Stavanger, 22 February 2001

The Board of Sparebanken Rogaland

SpareBank 1 SR-Bank became the City of Stavanger's new bank for the next four years, starting from January 2001. Overall, the bank now serves 16 of 26 municipalities in Rogaland. We will prioritize efforts to prove ourselves as a good partner for this important customer group. The Department of Public Sanitation is a good ambassador for the municipal services, and is quite visible in our daily environment.



Geir Worum
Geir Worum
Chairman

Tor Håver
Tor Håver
Vice-chairman

Magne Vathne
Magne Vathne

Kristian Eidesvik
Kristian Eidesvik

Ole Gladhaug
Ole Gladhaug

Dominikus N. Bjordal
Dominikus N. Bjordal

Ase Holmane
Ase Holmane

Torstein Plener
Torstein Plener

Terje Vareberg
Terje Vareberg
Managing Director

Profit and loss account

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group				
1998	1999	2000	Amounts in NOK million	Note	2000	1999	1998	
1 873	2 440	2 813	Interest income	1	2 977	2 625	2 036	
1 135	1 607	1 935	Interest costs	1	2 043	1 730	1 239	
738	833	878	Net interest income		934	895	797	
45	64	39	Dividends	2	14	27	17	
210	229	260	Commission income	2	264	231	213	
-53	-63	-71	Commission costs	2	-74	-66	-57	
-38	120	52	Net exchange and capital gains/losses	2	52	120	-38	
10	18	8	Other operating income	2	76	69	44	
174	368	288	Net other operating income		332	381	179	
912	1 201	1 166	Total operating income		1 266	1 276	976	
376	452	518	Wages and general administration costs	3	585	505	416	
35	41	46	Depreciation and write-downs	16	49	42	37	
67	69	60	Other operating costs	4	71	75	74	
478	562	624	Total operating costs		705	622	527	
434	639	542	Profit before losses and write-downs		561	654	449	
75	100	125	Loss on loans and guarantees	5, 13	137	102	76	
-5	-44	-207	Loss/gain financial fixed assets	6	-209	-46	-4	
364	583	624	Result of ordinary activities		633	598	377	
89	132	161	Taxes	7	170	147	102	
275	451	463	Profit for the year		463	451	275	
-126	-141	-157	Dividends		-157	-141	-126	
-5	0	0	Paid group contribution		0	0	0	
12	-56	-11	Valuation difference fund		-11	-56	12	
-74	-125	-139	Transferred to dividend equalization reserve		-139	-125	-74	
-77	-119	-141	Transferred to the savings bank's reserve		-141	-119	-77	
-10	-10	-15	Transferred to other equity		-15	-10	-10	
-280	-451	-463	Total allocation of profit for the year		-463	-451	-275	
26.5	40.4	40.4	Profit per primary capital certificate		40.4	40.4	26.5	

The figures for 1998 have been converted to reflect the new accounting act.


Geir Worum
Chairman


Tor Håver
Vice-chairman


Magne Vathne


Kristian Eidesvik


Ole Gladhaug


Dominikus N. Bjordal


Ase Holmane


Torstein Plener


Terje Vareberg
Managing director

Balance sheet

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group				
1998	1999	2000	Amounts in NOK million	Note	2000	1999	1998	
Assets								
318	684	613	Cash and claims on central banks		613	684	318	
217	739	1 154	Loans and claims on credit institutions	8	186	161	92	
26 299	30 450	36 851	Gross loans to customers	9, 11, 12, 29	39 383	32 873	28 617	
-239	-256	-270	Specified loss provisions	10	-286	-262	-243	
-182	-222	-296	Unspecified loss provisions	10	-308	-233	-193	
25 878	29 972	36 285	Net loans to customers		38 789	32 378	28 181	
2	2	12	Acquired assets	16	21	5	3	
1 517	1 902	1 737	Certificates and bonds	14	1 737	1 902	1 517	
630	778	1 549	Shares and ownership stakes	15	1 346	578	431	
55	34	78	Immaterial assets	16	105	38	63	
360	331	315	Fixed assets	16	321	335	363	
80	119	165	Other assets	17	212	116	68	
190	200	298	Advance payments and accrued income	18	294	200	196	
29 247	34 761	42 206	Total assets		43 624	36 397	31 232	
Liabilities and equity								
4 021	3 922	5 183	Debt to credit institutions	19	5 177	3 921	4 443	
16 547	18 045	21 022	Deposits from customers	20, 29	22 120	19 211	17 481	
20 568	21 967	26 205	Total deposits		27 297	23 132	21 924	
2 090	4 330	4 850	Certificates and other short-term borrowings		4 850	4 330	2 140	
3 358	4 421	6 274	Bond debt and other long-term loans	21	6 292	4 684	3 658	
5 448	8 751	11 124	Debt established on issue of securities		11 142	9 014	5 798	
334	366	458	Other debt		613	430	468	
194	285	310	Accrued costs and income paid in advance		387	354	264	
85	95	114	Allocation to commitments and costs	22, 23	118	98	88	
702	1 081	1 456	Subordinated loan capital	24	1 528	1 153	774	
744	744	749	Primary-capital-certificate capital		749	744	744	
0	0	8	Premium reserve		8	0	0	
106	163	189	Valuation difference fund		189	163	106	
590	709	850	Savings bank's reserve		850	709	590	
15	14	18	Endowment fund		18	14	15	
461	586	725	Dividend equalization reserve		725	586	461	
1 916	2 216	2 539	Total equity	25	2 539	2 216	1 916	
29 247	34 761	42 206	Total liabilities and equity		43 624	36 397	31 232	

See Notes 26 and 27 for off-balance sheet items.

The figures for 1998 have been converted to reflect the new Accounting Act.

Accounting principles

General

The annual accounts for 2000 have been prepared in accordance with applicable statutes, regulations and generally accepted accounting principles. All figures are stated in NOK million unless otherwise indicated. The same accounting principles are applied to the parent bank's and the group's accounts.

Consolidation Subsidiaries

The group accounts include SpareBank 1 SR-Bank and companies in which SpareBank 1 SR-Bank directly and indirectly owns more than 50% of the shares or has controlling influence on the company's operations. The investments in subsidiaries have been consolidated according to the acquisition method in the group accounts and the equity method in the company's accounts.

Affiliated Companies

Affiliated companies are defined as companies in which the bank has a long-term investment with an ownership interest of 20 to 50 percent and in which the bank has significant influence. Such investments are appraised according to the equity method both in the company's accounts and the group accounts.

Joint ventures

Joint ventures are financial operations governed by an agreement between the bank and one or more participants, so that the bank and the participants have joint control of the operations. No participants have controlling influence alone.

The bank owns SpareBank 1 Gruppen AS in collaboration with SpareBank 1 Nord-Norge, SpareBank 1 Midt-Norge, SpareBank 1 Vest and Samarbeidende Sparebanker AS. Each of the parties own 13% of the shares in the company. In addition, the Swedish FöreningsSparbanken AB owns 25% of the shares, and the Norwegian Confederation of Trade Unions (LO) and trade unions associated with LO own 10%. The management structure for the SpareBank 1 collaboration is governed by an agreement between the owners.

In the accounts for SpareBank 1 SR-Bank the shares in SpareBank 1 Gruppen have been appraised according to the equity method, both in the company's accounts and the group accounts, as the operations of SpareBank 1 Gruppen are considerably different than the bank's other operations where the use of the gross method would provide accounting information that is not easily accessible.

Entering Income and Costs

Interest and fees are entered in the profit and loss account as they are earned as income or accrue as costs. Fees that are a direct payment for services rendered are taken to income when they are earned. Arrangement fees are taken to income in accordance with the costs that accrue for arranging loans. The accruals principle is applied to prepaid income and accrued non-paid costs at the end of the year, which are entered as debt in the balance sheet. Accrued income is taken to income and entered as receivables in the balance sheet. Dividends are taken to income in the year they are received. Dividends and group contributions from subsidiaries, affiliated companies and jointly controlled businesses are deducted deferred tax and entered directly against book ownership interest in the associated business. Dividend from money market funds are classified in the same manner.

Securities Shares

Shares, primary capital certificates and shares in unit trusts that are traded on the stock exchange or in a regulated market and have good ownership diversification and liquidity, are included in the trading portfolio and are appraised at market value on the balance sheet date. Securities that are not listed on the stock exchange are appraised at the lower of original cost or market value. Long-term shareholdings are appraised at original cost. If the real value is considerably lower than the original cost, and the decline in value is not deemed to be of a temporary nature, the share is written down to the real value. The write-down is reversed when there no longer is a basis for the write-down.

Certificates and Bonds

Certificates and bonds classified as current assets are appraised at market value on the balance sheet date. Long-dated bonds that have been purchased to be held until maturity have been entered at cost adjusted for amortised premiums or discounts. Premiums and/or discounts are accrued linearly over the remaining life of the bond as a correction to the nominal interest rate.

Foreign Currency

The bank's assets and liabilities in foreign currency are converted to middle rates as of 31 December. Income and costs in foreign currency are converted to NOK at the rates at the time of the transaction. The currency items are mainly hedged against corresponding items

on the opposite side of the balance sheet or by hedging transactions off the balance sheet.

Financial Instruments

Financial instruments include negotiable financial asset and liability items plus financial derivatives. Financial instruments in the balance sheet include shares, primary capital certificates, bonds, certificates and shares in money market instruments as well as financial derivatives. Financial derivatives are agreements that are entered into with financial institutions or customers to set financial values in the form of interest terms, foreign exchange rates and the value of equity instruments for definite periods of time. These agreements include forward exchange contracts, interest rate swaps (currency swaps), currency and interest rate options, and agreements to set future interest terms (FRAs).

A distinction is made between agreements that are a stage in own-account transactions in order to achieve earnings through price differences and price changes (the trading portfolio) and agreements that are entered into in the ordinary business. Interest rate and monetary agreements are classified at the time they are entered into as part of the trading portfolio or banking business depending on the individual agreement. The trading portfolio consists of certificates and bonds, shares and primary capital certificates in the bank's balance sheet, plus currency, interest and equity instruments not included in the balance sheet.

The off-balance sheet portfolios are appraised according to the market value method, and changes in market values are entered in the profit and loss account under the item of net profit and loss on exchange. Agreements that are entered into to reduce the bank's exposure to fluctuations in interest and/or exchange rates for items in the balance sheet, are defined as hedging transactions.

In order for monetary or interest rate agreements to be defined as hedging transactions, the expected trend in the value of the hedging transactions must be closely associated with the balance sheet item that is hedged.

Income and expenses related to the hedging agreements and their respective balance sheet items are entered in the accounts as accruals and classified in the same way.

Losses on Loans

Loans are appraised at nominal value with the exception of problem, non-performing and renegotiated loans.

Non-performing/Problem Loans

A customer's aggregate loans are regarded as non-performing and included in the bank's overviews of non-performing loans when the installment or interest due has not been paid within 90 days after the due date or when the line of credit has been overdrawn for 90 or more days.

Loans and other commitments that are not non-performing, but where the customer's financial situation makes it likely that the bank will incur a loss, are classified as problem loans.

Specified Loss Provisions

When loans have been non-performing for more than 60 days or are classified as problem loans, credited interest is reversed and further crediting is halted unless the loan is covered by underlying collateral. The difference between the loan's nominal value and the value of the securities plus the customer's assumed debt servicing capacity is charged as an expense under losses on loans and guarantees. There is generally a great deal of uncertainty associated with the appraisal of loans that are presumed to be problem loans, the value of securities and the customer's debt servicing capacity.

Unspecified Loss Provisions

Unspecified loss provisions are to cover losses that, on the basis of conditions that prevail on the balance sheet date, are expected to come in addition to losses that have been identified and estimated for individual customers. Such provisions are estimated on the basis of appraisals of portfolios, experience and general development trends. Changes in the size of the lending portfolio are taken into consideration.

Actual Loan Losses

When it is highly likely that the losses are final, the losses are classified as actual loan losses. Actual loan losses that are covered by specified loss provisions that have previously been made are charged against these provisions. Actual loan losses without coverage by loan loss provisions as well as over or under coverage in relation to previous loss provisions are entered in the profit and loss account.

Acquired Assets

As part of the handling of non-performing loans and guarantees, the bank in some cases acquires assets that have been furnished as security for these commitments. At the time of acquisition, the assets are appraised at the assumed realisation value. Acquired assets that are to be realised are classified as current

assets. Any losses and/or gains at the time of disposal or reappraisal of the value of these assets are entered as a loss or reduction in the loss on the loan.

Leasing

The leasing portfolio is classified for accounting purposes as leasing agreements under the main category of loans to and claims on customers. Leasing income is entered as leasing income under interest income and the expenditures as interest costs.

Tangible Fixed Assets

Tangible fixed assets are entered in the accounts at cost with the addition of previous revaluation, and the deduction of write-downs and ordinary accumulated depreciation. Ordinary depreciation is based on the cost price and the depreciation is distributed linearly over the useful life of the assets.

If the actual value of a tangible fixed asset is considerably less than the book value, and the decrease in value cannot be expected to be temporary, the asset is written down to the actual value. The write-down is reversed when there no longer is a basis for the write-down.

Issued Bonds and Other Loans

Issued bonds are entered in the balance sheet at nominal value with premiums added and discounts deducted. Premiums are taken to income and discounts are charged against income according to a schedule as an adjustment of the current interest costs until the bond matures or until the first time the interest rate is adjusted. Capital discount when raising other long-term loans are handled in a similar manner. Direct costs related to raising bonds loans and other loans are charged against income according to a schedule as an adjustment to the current interest cost until the bond or loan matures.

Pension Liabilities

Pension costs and liabilities are calculated according to linear earnings based on assumptions regarding discount interest, future wage adjustments, pensions and benefits from the National Insurance Scheme, future return on pension assets as well as actuarial assumptions related to mortality, attrition, etc. On the balance sheet net pension funds in the group plan are treated as fixed assets, whereas net unfunded pension liabilities are classified as long-term debt. The employer's National Insurance contributions that will accrue at the current rates are also included in the amount for unfunded pension liabilities. Net pension costs are classified in their entirety under wage costs in the profit and loss account, and include the earned pension for the period and interest costs on the liabilities minus the estimated return on the pension funds. The economic effects of

changes in pension plans are amortised over the average remaining earning time. Other changes and differences are evaluated in total against the highest value of the total pension liabilities and total pension funds. If total changes and estimated differences represent more than 10 percent of this basis at the end of the fiscal year, the surplus will be amortised over the remaining earning time in the profit and loss account.

Taxes

The annual tax expenditures in the profit and loss account consist of taxes payable on the income for the year adjusted for surplus or deficit allocated from previous years plus changes in deferred taxes. Deferred taxes are calculated on the basis of temporary differences between accounting and tax values at the close of the accounting year. The nominal tax rate is employed in the calculation. Positive and negative differences are appraised against each other and are shown as net in the balance sheet. Deferred tax benefits arise if there are temporary differences that give rise to tax deductions in the future.

Liabilities

Liabilities are entered at original cost. Interest is continuously carried to expense in the profit and loss account.

Business Areas

SpareBank 1 SR-Bank appraises business in the bank as an aggregate business area.

Individual Transactions

During the year, SpareBank 1 SR-Bank has sold all its shares in Fellesdata AS and Garde ASA. The ownership interests in these companies were 7.4% and 25% respectively. The sales generated a total gain of NOK 188 million distributed between NOK 177 million for Fellesdata AS and NOK 11 million for Garde ASA.

SpareBank 1 SR-Bank had a non-taxable accounting profit of NOK 26 million in connection with the reduction of its ownership interest in SpareBank 1 Gruppen. This was due to SpareBank 1 Gruppen's purchase of Vår Bank og Forsikring and associated private placing vis-à-vis FöreningsSparbanken AB (1%) and the Norwegian Confederation Trade Unions (LO) and trade unions associated with LO (10%).

SpareBank 1 SR-Bank acquired Vår Bank og Forsikring's branches in Stavanger and Kristiansand. Earned profit in the period between the signing of the agreement and the implementation of the purchase in terms of accounting has been entered directly against the equity. Depreciation of added value and goodwill has been handled in the same manner. In addition, the share of the profit in Vår Gruppen ASA that has been entered directly against equity in the SpareBank 1 Gruppen, has in the same manner been entered directly against the equity in SpareBank 1 SR-Bank.

Last year, SpareBank 1 SR-Bank and Rogaland Theatre entered into a cooperation agreement, among other things to promote the theatre's artistic freedom and increase the productions offered to the public. The theatre is taking new paths in its communication of culture. Jeppe emerged in a more modern form in the figure of Espen Hana. The bank has now made it possible for Rogaland Theatre to take its productions on the road while awaiting completion of a new theatre building.



Notes

SpareBank 1 SR-Bank			Amounts in NOK million		SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 1 INTEREST INCOME AND INTERST COSTS	2000	1999	1998	
31	58	106	Interest on claims on credit institutions	65	38	19	
1 774	2 280	2 586	Interest on loans to customers	2 791	2 485	1 949	
68	102	121	Interest on certificates and bonds	121	102	68	
1 873	2 440	2 813	Interest income	2 977	2 625	2 036	
196	270	353	Interest on debt to credit institutions	364	285	226	
615	839	945	Interest on deposits from customers	1 023	920	668	
253	429	541	Interest on issued securities	554	450	270	
62	58	96	Interest on subordinated loan capital	102	64	66	
9	11	0	Other interest costs	0	11	9	
1 135	1 607	1 935	Interest costs	2 043	1 730	1 239	

1998	1999	2000	NOTE 2 NET OTHER OPERATING INCOME	2000	1999	1998
14	13	24	Income on shares	24	13	14
3	14	-10	Income on ownership stakes in affiliated companies	-10	14	3
28	37	25	Income on ownership stakes in Group companies	0	0	0
45	64	39	Dividends	14	27	17
21	23	21	Interbank commissions	21	23	21
11	12	11	Underwriting commission	11	12	11
127	144	154	Payment facilities/payment terminals	154	144	127
29	26	47	Securities trading and management	47	26	29
6	10	15	Insurance products	15	10	6
16	14	12	Other commissions and fees	16	16	19
210	229	260	Commission income	264	231	213
16	16	16	Interbank commissions	16	16	16
33	39	41	Payment facilities	41	39	33
4	8	14	Other commissions	17	11	8
53	63	71	Commission costs	74	66	57
-7	9	4	Net profit/loss on certificates and bonds	4	9	-7
-61	86	8	Net profit/loss on shares and primary capital certificates	8	86	-61
30	25	40	Net profit/loss on exchange and financial derivatives	40	25	30
-38	120	52	Net exchange and capital gains	52	120	-38
7	6	6	Operating income, real estate	5	6	6
3	12	2	Other operating income	3	14	3
0	0	0	Real estate sales	68	49	35
10	18	8	Other operating income	76	69	44
174	368	288	Net other operating income	332	381	179

The item Other operating income, is profit on the sale of buildings.
The corresponding figure for 1999 and 1998 was NOK 14 million and NOK 2 million.

SpareBank 1 SR-Bank			Amounts in NOK million		SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 3 WAGES AND GEN. ADM. COSTS	2000	1999	1998	
193	227	236	Wages	278	261	218	
18	22	25	Pensions	27	24	19	
25	27	29	Social costs	35	31	29	
11	15	17	Other personnel costs	19	17	13	
247	291	307	Personnel costs	359	333	279	
58	80	123	IT-costs	125	82	59	
23	29	29	Marketing	34	33	26	
21	22	25	Postage/Telephone	27	23	22	
20	23	23	Travel/meetings/accessories	26	25	22	
7	7	11	Other administrative costs	14	9	8	
129	161	211	General administrative costs	226	172	137	
376	452	518	Wages and general administrative costs	585	505	416	
1998	1999	2000	STAFF	2000	1999	1998	
600	604	619	Number of man-years as of 31 Dec.	711	677	669	
659	664	671	Average number of employees	762	741	733	

Remuneration to the Board of Directors NOK 813,000
Remuneration to the Audit Committee NOK 270,000
Remuneration to the Supervisory Board NOK 501,000

Managing Director Terje Vareberg's compensation has been fixed at NOK 1.469 million.
Upon reaching the age of 62 the managing director may retire with a pension corresponding to 70% of his salary at the time of retirement. There is no contractual bonus scheme, option scheme or compensation upon termination of the employment relationship for the managing director, the chairman of the board, the individual directors or employees in management positions.

LOANS AND SECURITY FURNISHED TO EMPLOYEES IN MANAGEMENT POSITIONS

Loan balance in NOK 1,000

Managing Director	3 421
Chairman of the Board	0
Chairman of the Supervisory Board	2 037
Board members with loans in the bank	
Tor Haver	1 674
Torstein Plener	520
Employees in management positions	
Deputy Managing Dir.	1 430
Financial Manager	3 480
Operational Manager	264
General Manager, Corporate Market	762
General Manager, Private Market	1 063
Regional General Manager, Jæren	1 371
Regional General Manager, Ryfylke	536
Regional General Manager, Haugalandet	1 747
Regional General Manager, Sør	1 303
Audit Committee	634
The Supervisory Board	46 137

No security has been furnished. Loan conditions do not differ from the general conditions for employees.

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 4 OTHER OPERATING COSTS	2000	1999	1998
21	17	19	Operating costs, real estate	20	18	22
9	19	10	External remunerations	11	20	10
37	33	31	Other operating costs	40	37	42
67	69	60	Other operating costs	71	75	74

The bank's remuneration to Arthur Andersen & Co. for auditing and other attest services totalled NOK 656 000 (NOK 878 000 for the Group). In addition, NOK 2 397 200 has been paid for independent confirmation statements and other assistance (NOK 2 616 700 for the Group).

1998	1999	2000	NOTE 5 LOSS ON LOANS AND GUARANTEES	2000	1999	1998
56	65	71	The period's change in specified loss provisions	83	68	57
30	40	65	The period's change in unspecified loss provisions	66	40	32
			+ Actual loan losses on commitments			
3	4	6	for which no provision has been made	7	5	3
-14	-9	-17	- Recoveries on previous actual loan losses	-19	-11	-16
75	100	125	Loss on issued loans and guarantees	137	102	76
			Actual loan losses on commitments for which specified			
81	48	60	loss provisions have been made previous years	62	50	81
			+ Actual loan losses on commitments for which			
3	4	6	provisions have not been made previous years	7	5	3
84	52	66	Actual loan losses	69	55	84

1998	1999	2000	NOTE 6 LOSS/GAIN FINANCIAL FIXED ASSETS	2000	1999	1998
-2	9	-3	Value regulation, securities	-3	8	-2
-3	-53	-204	Net price gains on securities	-206	-54	-2
-5	-44	-207	Loss/gain financial fixed assets	-209	-46	-4

LARGE SINGLE TRANSACTIONS

During the course of the year, SpareBank 1 SR-Bank has sold all of its shares in Fellesdata AS and Garde ASA. The ownership interests in these companies were 7.4% og 25% respectively. The sales provided the bank with a total gain of NOK 188 million; NOK 177 million from Fellesdata AS and NOK 11 million from Garde ASA.

SpareBank 1 SR-Bank achieved an accounting gain of NOK 26 million in connection with a reduction of its ownership interest in the SpareBank 1 Group. This is a consequence of the SpareBank 1 Group's purchase of Vår Bank og Forsikring and the associated private placement aimed at FöreningsSparbanken AB (1%) and the Norwegian Confederation of Trade Unions (LO) and LO member associations (10%).

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 7 TAXES	2000	1999	1998
			Taxable profit SpareBank 1 SR-Bank			
364	583	624	Profit before taxes	633	598	377
-54	-121	-68	Permanent differences	-44	-82	-20
74	-70	76	Change in temporary differences	128	-86	35
384	392	632	Taxable profit for the year	717	430	392
108	110	177	Income tax for the year	201	120	110

1998	1999	2000	Taxes	2000	1999	1998
108	110	177	Income tax	201	120	110
3	3	4	Wealth tax	4	3	3
-21	20	-21	Change in deferred tax	-36	24	-10
-1	-1	1	Insufficient/excess tax allocated in previous year	1	0	-1
89	132	161	Taxes	170	147	102

1998	1999	2000	Temporary differences	2000	1999	1998
-63	-53	-66	Accelerated depreciation of fixed assets	-128	-63	-88
38	35	34	Revaluation of fixed assets	34	35	38
3	20	31	Pension funds	32	21	5
-37	22	-32	Securities	-32	21	-39
-86	-95	-102	Pension liabilities	-105	-98	-89
-22	-26	-37	Other negative differences	-38	-26	-23
-167	-97	-172	Net temporary differences	-237	-110	-196
-47	-27	-48	Deferred tax/(benefit)	-66	-31	-55

1998	1999	2000	Explanation as to why taxes for the year do not amount to 28% of the profit before tax	2000	1999	1998
102	163	175	28% tax on profit before tax	177	167	106
-15	-33	-19	28% on permanent differences*	-12	-23	-6
-1	-1	1	Too much/little tax allocated in previous years	1	0	-1
3	3	4	Wealth tax	4	3	3
89	132	161	Estimated taxes	170	147	102

* includes dividends, non-deductible costs, risk on securities sold and deduction for share of profit related to affiliated companies (the share of profit is taken out as it has already been taxed in the individual companies). Furthermore, the sale of ownership interests in SpareBank 1 Gruppen is treated as a permanent difference as the net present value of the associated deferred tax is estimated at 0. Book gain is NOK 26 million.

RISK REGULATION

The RISK regulation amount as of 1 January 2000 for the bank's primary capital certificates has been stipulated at NOK 28.44. It is expected that the RISK regulation amount will be stipulated at about plus NOK 18.50 per primary capital certificate as of 1 January 2001.

1998	1999	2000	NOTE 8 CLAIMS ON CREDIT INSTITUTIONS	2000	1999	1998
73	78	21	Claims without stipulated loan period or notice of withdrawal	21	78	73
144	661	1 133	Claims with stipulated loan period and notice of withdrawal	165	83	19
217	739	1 154	Claims on credit institutions	186	161	92

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 9 GROSS LOANS TO CUSTOMERS	2000	1999	1998
1 830	2 007	1 845	Overdrafts	1 845	2 007	1 830
726	698	926	Building loans	926	698	726
23 743	27 745	34 080	Amortised loans	35 584	29 192	25 084
0	0	0	Leasing agreements	1 028	976	977
26 299	30 450	36 851	Gross loans to customers	39 383	32 873	28 617
Hereby subordinated loan capital						
8	8	8	Subordinated loan capital in credit institutions	0	0	0
20	17	17	Subordinated loan capital in other financial institutions	17	17	20
0	0	33	Other subordinated loan capital	33	1	0
28	25	58	Subordinated loan capital posted under loans	50	18	20
Loans to employees						
1998	1999	2000	Loans to employees	2000	1999	1998
325	365	439	Loans to employees	495	401	361
7	11	13	Interest	15	12	8

There are no special terms for these loans beyond ordinary terms for employees.

1998	1999	2000	NOTE 10 LOSS PROVISIONS	2000	1999	1998
Specified loss provisions:						
258	239	259	Specified loss provisions, January 1	265	244	262
-81	-48	-60	- Actual loan losses during the period for which specified loss provisions have been made previously	-62	-50	-81
62	65	71	+/- The period's specified loss provisions	83	68	62
239	256	270	Specified loss provisions, December 31	286	262	243
Unspecified loss provisions:						
152	182	231	Unspecified loss provisions, January 1	242	193	161
30	40	65	+/- The period's changes in unspecified loss provisions	66	40	32
182	222	296	Unspecified loss provisions, December 31	308	233	193

The opening balance for 2000 includes specified/unspecified loss allocations from Vår Bank.

SpareBank 1 SR-Bank					Amounts in NOK million	SpareBank 1 SR-Bank group				
1996	1997	1998	1999	2000	NOTE 11 NON-PERFORMING, PROBLEM AND NON-ACCRUAL LOANS	2000	1999	1998	1997	1996
NON-PERFORMING LOANS FOR WHICH LOSS PROVISIONS HAVE BEEN MADE										
Private market:										
189	144	131	118	147	Gross non-performing loans	157	136	155	167	191
97	77	70	60	59	Specified loss provisions	59	61	71	79	101
92	67	61	58	88	Net non-perf. priv. market loans	98	75	84	88	90
51%	53%	53%	51%	40%	Loan loss prov. ratio, priv. market	38%	45%	46%	47%	53%
Corporate:										
208	103	79	134	140	Gross non-performing loans	163	148	84	110	212
79	39	45	57	61	Specified loss provisions	73	60	46	40	80
129	64	34	77	79	Net non-perf. loans, corporate	90	88	38	70	132
38%	38%	57%	43%	44%	Loan loss prov. ratio, corporate	45%	41%	55%	36%	38%
Total:										
397	247	210	252	287	Gross non-performing loans	320	284	239	277	403
176	116	115	117	120	Specified loss provisions	132	121	117	119	181
221	131	95	135	167	Net non-performing loans	188	163	122	158	222
44%	47%	55%	46%	42%	Loan loss provision ratio	41%	43%	49%	43%	45%
Of which gross non-accrual loans:										
138	106	89	78	76	Private customers	84	89	92	107	140
147	69	46	61	67	Corporate customers	88	70	47	72	151
285	175	135	139	143	Total	172	159	139	179	291
PERFORMING LOANS FOR WHICH LOSS PROVISIONS HAVE BEEN MADE										
Private market:										
74	68	69	69	71	Perf. loans for which loss prov. have been made	72	69	70	69	74
40	35	43	35	34	Specified loss provisions	35	35	44	36	40
34	33	26	34	37	Net private-market loans for which loss provisions have been made	37	34	26	33	34
54%	51%	62%	51%	48%	Loan loss prov. ratio, priv. market	49%	51%	63%	52%	54%
Corporate:										
297	346	375	300	393	Perf. loans for which loss prov. have been made	400	306	385	347	301
116	107	81	104	116	Specified loss provisions	119	106	82	107	117
181	239	294	196	277	Net corporate loans for which loss provisions have been made	281	200	303	240	184
39%	31%	22%	35%	30%	Loan loss prov. ratio, corporate	30%	35%	21%	31%	39%
Total:										
371	414	444	369	464	Perf. loans for which loss prov. have been made	472	375	455	416	375
156	142	124	139	150	Specified loss provisions	154	141	126	143	157
215	272	320	230	314	Net loans for which loss provisions have been made	318	234	329	273	218
42%	34%	28%	38%	32%	Loan loss provision ratio	33%	38%	28%	34%	42%

The total loans for a customer are regarded as non-performing and included in the bank's overviews of non-performing loans when due instalments or interest payments have not been paid within 90 days after the due date or a line of credit is overdrawn for 90 days or more. Loss assessments are made of loans that are non-performing for more than 60 days.

Changes in interest on loans not recorded in income in the course of the year:	2000
Accrued interest on loans not recorded in income and entered in the balance sheet as of 1 January 2000	40
- the period's recording in income of previous period's interest on loans	-9
- accrued interest on loans not recorded in income and that have gone out of the balance sheet	-3
+ the period's accrued interest on problem loans not recorded in income	16
Accrued interest on loans not recorded in income and entered in the balance sheet as of 31 December 2000	44

NOTE 12, RISK CLASSIFICATION OF LOANS

CORPORATE SECTOR

The bank's risk classification system for corporate customers has been developed to control the bank's portfolio of commitments to the corporate sector in line with the strategy chosen by the bank and in accordance with the paramount guidelines laid down in the license regulations and credit policy. The risk classification system stipulates clear requirements for processes and assessments to be applied to the work with corporate commitments. The bank has resolved to divide corporate customers into the following groups: Low risk (green) – Normal risk (yellow) – High risk (red).

The risk classification systems differentiates the customers based on cash flow and financial strength in accordance with the latest audited accounts (A to E) and security (1 to 5). A commitment may contain the balance of the loan, the credit ceiling, the guarantee ceiling, accrued interest and credit exposure for foreign currency and interest rate futures. On the basis of the above-mentioned regulations, all corporate customers are placed in the following matrix:

	A	B	C	D	E
1	Green	Green	Green	Green	Yellow
2	Green	Green	Yellow	Yellow	Red
3	Green	Yellow	Yellow	Red	Red
4	Green	Yellow	Red	Red	Red
5	Green	Yellow	Red	Red	Red

Extract of the bank's risk classification system for corporate sector commitments of more than NOK 250,000 in 1999 and 2000.

Category	1999 Volume	2000 Volume	1999 %	2000 %
High risk	1 770	2 165	11.81%	11.94%
Normal risk	4 819	4 580	32.15%	25.27%
Low risk	8 402	11 380	56.05%	62.79%
Total	14 991	18 125	100.00%	100.00%

The risk matrix has had a growth in volume of a little over 21 percent in the last year. This growth has had a positive effect on the matrix in that a larger part of the bank's commitments are in the high and normal risk categories. The main reason for this displacement is the implementation of more stringent routines and assessment requirements for calculation of security assets.

The bank endeavors to price its commitments on the basis of adopted risk classification. High-risk commitments have the highest pricing and a tighter follow-up routine that requires a total review of the commitments every quarter as a minimum.

RISK GROUP SPECIFICATIONS

	1999		2000		1999		2000	
	Loan	Loan	Credit	Credit	Guarantees	Guarantees	Loan loss provisions	Loan loss provisions
High	1 163	1 485	405	616	202	64	151	163
Medium	3 069	2 979	1 615	1 261	135	340	10	14
Low	4 628	6 070	2 604	3 932	1 170	1 378	0	0
Total	8 860	10 534	4 624	5 809	1 507	1 782	161	177

Unspecified loan loss provisions have not been assigned to the individual risk groups.

The bank's risk classification system places all corporate commitments in separate business areas. There are separate committees for most business areas that follow up the market and structural development of the business area concerned. The business area committees are also a body for exchange of business area experience, both internally and within the SpareBank 1 alliance.

The bank's credit policy is derived from the bank's strategy and contains long-term objectives, annual guidelines and credit ceilings. The following business area categories are in the bank's risk classification system:

Distributed by business areas	1999		2000		1999		2000	
	Loan	Loan	Credit	Credit	Guarantee	Guarantee	Total	Total
Fish farming	281	418	200	309	13	31	494	758
Fishing	196	251	115	78	17	10	328	339
Fish processing	77	91	74	117	29	29	180	237
Meat production	37	25	22	28	0	0	59	53
Printing/publishing	75	135	72	32	5	3	152	170
Industry	637	636	490	388	395	307	1 522	1 331
Oil-related businesses	388	600	123	48	15	73	526	721
Building and construction	431	612	380	617	427	483	1 238	1 712
Commerce	623	553	640	645	152	205	1 415	1 403
Hotels and restaurants	224	259	16	27	9	3	249	289
Shipping	1 009	1 180	44	65	36	193	1 089	1 438
Real estate	2 238	2 839	527	769	50	162	2 815	3 770
Commercial service industry	848	656	399	405	43	29	1 290	1 090
Transportation and storage	175	173	28	34	33	19	236	226
Social/private service industry	334	320	172	168	25	15	531	503
Agriculture	966	1 034	351	386	11	3	1 328	1 423
Public sector	70	76	581	1 097	0	0	651	1 173
Other	251	676	390	596	247	217	888	1 489
Total	8 860	10 534	4 624	5 809	1 507	1 782	14 991	18 125

	1999 Default	2000 Default	1999 Loan loss prov.	2000 Loan loss prov.
Fish farming	0	0	0	0
Fishing	69	89	8	10
Fish processing	0	27	0	6
Meat production	0	7	0	2
Printing/publishing	0	1	0	0
Industry	28	19	8	6
Oil-related businesses	0	2	0	1
Building and construction	23	20	11	6
Commerce	51	32	26	18
Hotels and restaurants	20	26	4	6
Shipping	45	117	16	43
Real estate	161	124	53	25
Commercial service industry	0	37	0	14
Transportation and storage	9	4	3	1
Social/private service industry	17	12	7	8
Agriculture	11	16	5	4
Public sector	0	0	0	0
Other	0	0	20	27
Total	434	533	161	177

AVERAGE ANNUAL EXPECTED LOSS LEVEL FOR CORPORATE SECTOR

The bank has made calculations of the expected loss level for corporate customers. These calculations are based on empirical figures from Norwegian banks through a trade cycle of 12 years in addition to the regional correlation between the customer's business area and the quality and diversification in the bank's portfolio. The calculations show that the bank presumes a higher loss level for the corporate sector commitments over a trade cycle.

PRIVATE MARKET

The credit policy is to contribute towards strengthening the portfolio of private customer commitments in line with the strategy chosen by the bank and the guidelines stipulated. This entails that clearly set out requirements be stipulated for the processes and assessments to be used in work with private customer commitments. Granting of loans and credit shall be based on the customer's financial ability and determination to service their loans. Security is the bank's guarantee if the ability to service a loan should nevertheless fail.

The bank has resolved to divide private customer commitments into the following groups:

Low risk (green) – Normal risk (yellow) – High risk (red).

Income, assets and determination are synthesized into financial ability expressed in A-D. The bank's security is expressed in 1-5. A commitment may contain the balance of the loan, the credit ceiling, the guarantee ceiling and accrued interest.

On the basis of the above-mentioned regulations, all private customer commitments are placed in the following matrix:

	A	B	C	D
1	Green	Green	Green	Green
2	Green	Green	Green	Green
3	Green	Yellow	Yellow	Yellow
4	Green	Yellow	Red	Red
5	Green	Yellow	Red	Red

Extract of the bank's risk classification system for private customer commitments in 1999 and 2000.

Category	1999 Volume	2000 Volume	1999 %	2000 %
High risk	1 371	2 426	8.45%	11.42%
Normal risk	2 878	2 656	17.74%	12.50%
Low risk	11 976	16 169	73.81%	76.09%
Total	16 225	21 251	100.00%	100.00%

The risk classification system for the private market is in a development phase and contains 83% and 87% respectively of the loans to the private market for the years 1999 and 2000.

The total commitment has increased by 31 percent over the last year. The percentage of total lending within the bank's risk areas has shown a negative development last year. This is mainly due to the bank's focus on loans to young people getting established (På Egne Ben), which will largely be classified as high risk loans.

NOTE 13 LOSS ON LOANS AND GUARANTEES IN 2000 BROKEN DOWN INTO BUSINESS AREAS

SpareBank 1 SR-Bank group	Loans and guarantees	Gross losses	Recoveries	Net losses	Loss percentage
Agriculture/forestry	1 294	2	1	1	0.08%
Fishing/fish farming	875	9	0	9	1.03%
Mining/extraction	654	1	0	1	0.15%
Industry	1 513	9	3	6	0.40%
Power and water supply/building and construction	1 611	4	1	3	0.19%
Commodity trade, hotel and restaurant business	1 538	28	5	23	1.50%
Foreign trade shipping, pipeline transport and other transport activities	1 561	35	2	33	2.11%
Real estate business	4 647	18	16	2	0.04%
Service industry	659	4	5	-1	-0.15%
Public sector and financial services	514	0	0	0	0.00%
Unspecified loss provisions	0	66	0	66	
Total corporate sector	14 866	176	33	143	0.96%
Private customers	25 793	24	30	-6	-0.02%
Total	40 659	200	63	137	0.34%

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 14 CERTIFICATES AND BONDS	2000	1999	1998
1 507	1 379	430	Certificates and bonds issued by the government	430	1 379	1 507
10	523	1 307	Certificates and bonds issued by others	1 307	523	10
1 517	1 902	1 737	Certificates and bonds	1 737	1 902	1 517
1 417	1 902	1 737	Trade portfolio	1 737	1 902	1 417
100	0	0	Long-term	0	0	100
1 524	1 902	1 737	Original cost	1 737	1 902	1 524
97%	71%	57%	Portion listed on stock exchange	57%	71%	97%
1 517	1 902	1 737	NOK	1 737	1 902	1 517
4.8%	5.8%	5.9%	Average effective interest rate	5.9%	5.8%	4.8%
442	978	430	Public sector	430	978	442
1 075	889	1 210	Financial businesses	1 210	889	1 075
0	35	97	Non-financial businesses	97	35	0
1 517	1 902	1 737	Certificates and bonds	1 737	1 902	1 517

1998	1999	2000	NOTE 15 SHARES AND OWNERSHIP STAKES	2000	1999	1998
265	358	1 003	Shares, units and primary capital certificates	1 003	361	266
165	217	343	Ownership interests in associated companies	343	217	165
179	181	181	Ownership interests in credit institutions	0	0	0
21	22	22	Ownership interests in other Group companies	0	0	0
630	778	1 549	Shares and ownership stakes	1 346	578	431

SHORT-TERM PLACEMENTS IN SHARES, UNITS AND PRIMARY CAPITAL CERTIFICATES

Amounts in NOK thousand	The company's share	Ownership capital stake in percent	Number of share	Original cost	Book value/ market value
Listed companies					
Nordlandsbanken	362 976	0.7	49 850	9 993	11 964
Kredittbanken	235 000	0.8	91 000	3 616	3 731
Kongsberg Gruppen	150 000	0.3	88 000	8 744	7 524
Storebrand	1 387 737	0.1	155 000	9 861	9 998
Pan Fish	64 284	0.2	263 000	15 617	15 780
Roxar	4 595	0.6	133 000	3 809	3 724
Prosafe	261 789	0.4	92 450	12 421	12 758
TGS Nopec Geophysical Company	24 419	0.3	76 800	8 884	8 294
Solstad Offshore	71 588	0.6	205 112	5 411	7 692
Fjord Seafood	70 229	0.1	94 900	4 795	3 416
Bonheur	57 450	0.1	14 050	4 163	2 670
Elkem	985 600	0.1	46 750	6 796	6 802
Norske Skogindustrier B	251 724	0.3	39 800	9 900	11 661
Kverneland	97 153	1.0	94 300	9 972	6 601
Merkantildata	184 616	0.1	220 600	14 173	7 654
Rieber & Sønn	409 309	0.2	73 000	3 969	3 504
Norsk Hydro	5 331 933	0.0	26 400	8 946	9 821
Photocure	8 558	0.4	65 700	8 471	4 895
Nycomed Amersham	7 092	0.1	85 000	6 230	6 163
SAS Sverige	705 000	0.1	60 000	5 134	5 035
Infocus Corporation	0.2	0.3	49 920	18 079	6 639
Canargo Energy Corporation	14 674	0.8	608 600	5 459	5 173
Nordic Water Supply	7 505	0.4	58 000	1 955	1 914
Odin Norge			11 080	4 000	9 351
Odin Pengemarked			569 334	570 825	571 196
DNB Holding	7 786 578	0.0	200	9	10
Sparebanken Nord-Norge	659 702	1.3	86 650	14 649	15 164
Sparebanken Vest	250 000	0.6	14 450	2 532	1 864
Sparebanken Møre	552 615	0.3	14 450	2 620	2 818
Gjensidige Nor Sparebank	4 688 936	0.1	69 250	14 165	17 832
Sparebanken Midt-Norge	605 310	1.2	73 900	14 824	13 818
Option secured shares					
Sparebanken Midt-Norge	605 310	0.3	20 000	3 873	3 873
Sparebanken Nord-Norge	659 702	0.2	10 000	1 635	1 635
Prosafe	261 789	0.0	3 000	395	395
Royal Caribbean Cruises	863	0.0	37 000	7 462	7 462
Hydralift A	3 515	0.9	154 000	9 953	9 953
Nera	246 381	0.1	115 000	5 996	5 996
Igroup No	7 372	2.0	1 500 000	3 023	3 023
Telecomputing	4 886	0.5	130 000	30 039	30 039
Smedvig B	41 781	0.2	50 000	3 567	3 567
Norske Skogindustrier B	251 724	0.1	17 500	4 970	4 970
Nordlandsbanken	362 976	0.1	10 000	2 123	2 123
Nordic Water Supply	7 505	0.3	50 000	2 150	2 150
Other option secured shares				13 287	13 287
Total option secured shares				88 473	88 473
Other listed				26 583	17 215
Total listed companies				925 078	901 154
Marine Farms	7 694	1.4	11 150	4 338	4 338
Duplo Data	1 130	3.5	40 000	4 000	4 000
Other option secured shares				962	962
Other unlisted companies				2 237	1 486
Total unlisted companies				11 537	10 786
Total short-term placement in shares, units and primary capital certificates				936 615	911 940
Long-term placement in shares, units and primary capital certificates					
Listed companies					
Sparebanken Nord-Norge	659 702	1.1	70 000		8 400
Sparebanken Vest	250 000	0.1	2 650		345
Sandnes Sparebank	260 000	1.3	33 200		5 312
Sparebanken Midt-Norge	605 310	1.2	70 000		8 400
FöreningsSparbanken	10 556 177	0.1	345 000		46 657
Kverneland	97 153	0.4	37 800		2 570
Total listed companies					71 684

CONT. NOTE 15

Amounts in NOK thousand

	The company's share	Ownership capital stake in percent	Number of share	Original cost	Book value/ market value
Unlisted companies					
BBS/Bank-Axcept Holding	165 000	4.3	283 830		4 940
Steinsvik Maskin	20 000	8.6	17 140		3 000
Norsk Oppgjørssentral	15 801	1.4	223 950		616
Data Design System	3 401	7.2	245 000		2 450
Såkorinvest	12 781	9.6	12 250		2 545
Other					5 502
Total unlisted companies					19 053
Total long-term placements in shares, units and primary capital certificates					
Total SpareBank 1 SR-Bank shares, units and primary capital certificates					1 002 677
Sales of projects	300	3.5	105		400
Total SpareBank 1 SR-Bank Group shares, units and primary capital certificates					1 003 077

Ownership stakes in affiliated and jointly controlled companies

				Book value
Byggekompaniet				519
Admi-Senteret				0
SpareBank 1 Gruppen				342 427
Total SpareBank 1 SR-Bank				342 946

Shares in subsidiaries

	The company's share	Ownership capital stake in percent	Number of share	Original cost	Book value/ market value
SpareBank 1 SR-Bank					
Westbroker Finans	67000	100	134000	67000	181 292
Total ownership in credit institutions				67000	181 292
EiendomsMegler 1 Rogaland	1500	100	150	1500	12 736
Bjergsted Boliger	50	100	50	50	8 692
A/S Bankbygg	600	62.5	375	375	375
Jernbaneveien	50	100	10	50	0
Total ownership in other Group companies				1975	21 803
A/S Bankbygg	600	62.5	375	375	375
Total SpareBank 1 SR-Bank Group				375	375

Voting interest and ownership stake are the same for all companies.

Change in holding of fixed assets SpareBank 1 SR-Bank

Book value 1 Jan. 2000	778
Additions/disposals Odin Pengemarked	571
Additions/disposals other shares, units og primary capital certificates	76
Additions/disposals affiliated companies	127
Reclassification	0
Write-down/reversal	-3
Book value 31 Dec. 2000	1 549

SUBSIDIARIES, AFFILIATED AND JOINTLY CONTROLLED COMPANIES

Company	Year of acquisition	Registered office	Ownership interest in %
Westbroker Finans 1	1987	Stavanger	100.00
EiendomsMegler 1 Rogaland	1990	Stavanger	100.00
Bjergsted Boliger	1990	Stavanger	100.00
Sparebank 1 Gruppen	1996	Oslo	13.00
Byggekompaniet	1992	Stavanger	33.33
Admi-senteret	1984	Jørpeland	50.00

Investment in all companies are assessed according to the equity method**Investment in subsidiaries****Excess value analysis**

	Westbroker Finans 1	Eiendoms-Megler 1	Bjergsted Boliger
Equity entered in balance sheet at time of purchase	53 400	8 000	50
Goodwill	40 000		
Original cost	93 400	8 000	50

Calculation of value entered in balance sheet as of 31 Dec. 2000

Opening balance as of 1 Jan. 2000	181 228	12 736	9 170
Profit for the year	15 864	8 465	326
Transferred to/from companies (dividends/group contribution)	-15 800	-8 465	-804
Closing balance as of 31 Dec. 2000	181 292	12 736	8 692

Investments in affiliated and jointly controlled businesses**Excess value analysis**

	SpareBank 1 Gruppen	Byggekompaniet	Admi-Senteret
Capitalized equity at time of purchase	145 900	2 000	1 000
Goodwill			
Original cost	145 900	2 000	1 000

Calculation of value capitalized as of 31 Dec. 2000

Opening balance as of 1 Jan. 2000	200 017	2 843	0
Share of profit for the year	-10 205	-124	0
Repaied share capital	111 891	-2 200	
Dilution gains VÅR	26 484		
Profit from VÅR Jan-Oct 2000 (capitalized)	14 240		
Closing balance as of 31 Dec. 2000	342 427	519	0

Joint ventures

The bank owns SpareBank 1 Gruppen AS in collaboration with SpareBank 1 Nord-Norge, SpareBank 1 Midt-Norge, SpareBank 1 Vest and Samarbeidende Sparebanker AS. Each of the parties own 13% of the shares in the company. In addition, the Swedish Förenings-Sparbanken AB owns 25% of the shares, and the Norwegian Confederation of Trade Unions (LO) and trade unions associated with LO own 10%. The management structure for the SpareBank 1 collaboration is governed by an agreement between the owners. The holding is regarded as participation in joint ventures.

SpareBank 1 Gruppen AS was finally granted a license to acquire VÅR Gruppen ASA in June 2000. The settlement took place in September. The Norwegian Confederation of Trade Unions (LO) and trade unions associated with LO purchased 10% of the shares in SpareBank 1 Gruppen AS through a private placing. In the second quarter, FöreningsSparbanken AB increased its holding from 24% to 25%. As a consequence of this, SpareBank 1 SR-Bank has reduced its ownership interest from 15.2% to 13%. SpareBank 1 SR-Bank now owns 13% of the book equity in SpareBank 1 Gruppen AS.

The investment in SpareBank 1 Gruppen AS has been entered in the accounts based on the equity method. The composite dilution gain and gain as a result of the increase in the equity capital in SpareBank 1 Gruppen AS when it acquired VÅR Gruppen ASA, resulted in a profit for SpareBank 1 SR-Bank in the amount of NOK 26 million for 2000.

The result has been entered in the accounts of the parent bank under «Gain from sale of financial fixed assets» with contra entry «Ownership interest in other affiliated companies» on the balance sheet. The reason for entering the gain under «Gain from sale of financial fixed assets» is that this represents an equity capital transaction, a sell-down (issue), that does not have any connection with the ordinary income from the ownership interests in affiliated companies. The earned profit from VÅR Gruppen ASA for the period 1 January to 30 September has been entered directly against the equity capital.

Company name	Company's share capital (NOK mill)	Ownership	Number of votes
SpareBank 1 Gruppen AS	930.4 mill	13.0%	13.0%

SpareBank 1 SR-Bank has provided a subordinated loan to SpareBank 1 Gruppen AS in the amount of NOK 16.6 million with a term ending in 2006. The interest rate will be 3 month NIBOR + 110 basis points. SpareBank 1 Gruppen has raised a new subordinated loan in the amount of NOK 400 million in connection with the acquisition of VÅR Gruppen ASA. This loan has in its entirety been provided to the Norwegian Confederation of Trade Unions (LO) and trade unions associated with LO.

In connection with the acquisition of VÅR Gruppen ASA, SpareBank 1 SR-Bank has provided a debenture loan to SpareBank 1 Gruppen AS in the amount of NOK 182 million. The due date for the loan is 15 June 2005 and the interest rate is 6 month NIBOR + 0.5 percent p.a. The joint ventures consist of the parent company SpareBank 1 Gruppen AS, SpareBank 1 Livsforsikring AS, SpareBank 1 Skadeforsikring AS, SpareBank 1 Fondsforsikring AS, Bank 1 Oslo AS, Sparebankutvikling AS, ODIN Forvaltning AS, SpareBank 1 Aktiv Forvaltning ASA, SpareBank 1 Finans AS, Enter Card AS (65%), and First Securities ASA (51%). The subsidiaries are engaged in business within banking, insurance, brokering and securities management activities. All transactions between the bank and the subsidiaries in the SpareBank 1 Gruppen have been based on business-like terms. Internal compensation between the bank and SpareBank 1 Gruppen AS that is not related to sales and portfolio counseling, is based on the full cost principle.

The table below shows a summary of the result in the SpareBank 1 Gruppen group.

Profit/loss amounts in NOK mill	100%	13,0%
Profit/loss ODIN Forvaltning AS	21.2	2.8
Profit/loss SpareBank 1 Livsforsikring AS	83.0	10.8
Profit/loss SpareBank 1 Gruppen AS	-117.0	-15.2
Profit/loss SpareBank 1 Skadeforsikring AS	-60.0	-7.8
Profit/loss SpareBank 1 Fondsforsikring AS	-8.5	-1.1
Profit/loss Bank 1 Oslo AS incl. SpareBank 1 Finans AS	243.0	31.6
Profit/loss Enter Card AS	-28.4	-3.7
Profit/loss First Securities ASA	94.0	12.2
Profit/loss SpareBank 1 Aktiv Forvaltning ASA	0.0	0.0
Elimination of share of result, subsidiaries	81.2	10.6
Minority share	-40.7	-5.3
Goodwill depreciation	-64.6	-8.4
Excess value depreciation	-21.4	-2.8
Profit from VÅR	-187.8	-24.4
Correction interest reset	32.2	4.2
Write-downs by gain for the sold loan portfolio	-143.1	-18.6
Group profit/loss	-116.9	-15.2

NOTE 16 FIXED ASSETS

SpareBank 1 SR-Bank	Machines, fixtures & transport vehicles	Bank buildings & other real estate prop.	Revaluation of bank buildings & other real estate prop.	
			Total	
Acquisition cost January 1, 2000	293	326	619	44
Additions 2000	29	0	29	0
Disposals 2000	1	0	1	0
Total depreciation and write-downs Dec. 31, 2000	237	95	332	9
Book value December 31, 2000	84	231	315	35

Revaluation of bank buildings and other real property are part of the item bank buildings and other real property. Of the total book value of bank buildings, NOK 227 million is for use in the banking business.

SpareBank 1 SR-Bank Group	Machines, fixtures & transport vehicles	Bank buildings & other real estate prop.	Total
Acquisition cost January 1, 2000	308	326	634
Additions 2000	32	0	32
Disposals 2000	1	0	1
Total depreciation and write-downs Dec. 31, 2000	249	95	344
Book value December 31, 2000	90	231	321

Intangible assets	SpareBank 1 SR-Bank	SpareBank 1 SR-Bank group
	Goodwill	
Acquisition cost January 1, 2000	9	9
Additions 2000	25	34
Disposals 2000	0	0
Total depreciation and write-downs Dec. 31, 2000	4	5
Book value Dec. 31, 2000	30	38
Deferred tax advantage	48	67
Total	78	105

Goodwill is related to the acquisition of Fokus Bank, Vår Bank og Forsikring and the purchase of the brokerage business with NOK 5.25 and NOK 8 million.

Depreciations and write-downs	Depreciation rate	SpareBank 1 SR-Bank	SpareBank 1 SR-Bank Group
Machines, fixtures and transport vehicles	20/33.3%	37	39
Bank buildings and other real estate property	2%	7	7
Goodwill	10/20%	2	3
Depreciations and write-downs		46	49

Real property of importance for the bank:

Geographical location	Type	Total sq. meters	Rental portion
Stavanger center	Bank building	3 085	930
Stavanger Bjergsted	Bank building	9 200	250
Sola center	Bank building	3 783	1 850
Randaberg center	Bank building	1 903	1 088
Haugesund center	Bank building	3 536	363
Aksdalsenteret Tysvær	Bank building	2 288	811

Acquired assets	SpareBank 1 SR-Bank	SpareBank 1 SR-Bank group
	Real property, Haugesund	10
Acquired stocks	2	2
Apartments, Bjergsted Terrasse	0	3
Acquired operating equipment	0	6
Total	12	21

Real property in Haugesund equals 2.568 sqm, where 866 sqm is for rent.

SpareBank 1 SR-Bank			Amounts in NOK million			SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 17 OTHER ASSETS			2000	1999	1998
10	10	10	Equity, SpareBank 1 SR-Bank pension fund			10	10	10
40	33	26	Dividends not receivable from subsidiaries			0	0	0
30	76	129	Other assets			202	106	58
80	119	165	Other assets			212	116	68

SpareBank 1 SR-Bank			NOTE 18 ADVANCE PAYMENTS AND ACCRUED INCOME			SpareBank 1 SR-Bank group		
1998	1999	2000	2000	1999	1998	2000	1999	1998
187	180	267	Accrued, unpaid income and non-accrued costs paid in advance			261	178	192
3	20	31	Net pension funds			33	22	4
190	200	298	Advance payments and accrued income			294	200	196

SpareBank 1 SR-Bank			NOTE 19 DEBT TO CREDIT INSTITUTIONS			SpareBank 1 SR-Bank group		
1998	1999	2000	2000	1999	1998	2000	1999	1998
246	200	106	Debt without agreed loan period or notice of withdrawal			100	195	215
3 775	3 722	5 077	Debt with agreed loan period or notice of withdrawal			5 077	3 726	4 228
4 021	3 922	5 183	Debt to credit institutions			5 177	3 921	4 443
5.5%	4.7%	5.1%	Average interest rate			5.1%	4.9%	5.5%
			Debt allocated to the most essential currencies					
	2 951	3 755	USD					

The average interest rate is calculated on the basis of the actual interest cost per year in percent of average debt to credit institutions.

SpareBank 1 SR-Bank			NOTE 20 DEPOSITS FROM CUSTOMERS			SpareBank 1 SR-Bank group		
1998	1999	2000	2000	1999	1998	2000	1999	1998
10 005	10 525	11 763	Deposits from customers without agreed term			11 629	10 441	9 860
6 542	7 520	9 259	Deposits from customers with agreed term			10 491	8 770	7 621
16 547	18 045	21 022	Deposits from customers			22 120	19 211	17 481
3.9%	4.9%	4.9%	Average interest rate			5.0%	5.0%	4.0%

Deposits from customers are mainly in NOK.

Average interest rate is calculated on the basis of the actual interest cost per year in percent of average deposits from customers.

SpareBank 1 SR-Bank			NOTE 21 BOND DEBT AND OTHER LONG-TERM LOANS			SpareBank 1 SR-Bank group		
1998	1999	2000	Maturity dates			2000	1999	1998
940	0	0	1999			0	0	940
1 000	1 000	0	2000			0	1 213	1 250
0	550	600	2001			618	600	50
625	1 025	1 475	2002			1 475	1 025	625
700	1 750	2 050	2003			2 050	1 750	700
100	100	100	2004			100	100	100
0	0	1 854	2005			1 854	0	0
0	0	226	2006			226	0	0
1	2	1	Premium			1	2	1
0	0	-21	Holdings of own bonds			-21	0	0
-8	-6	-11	Capitalized costs in connection with bond loans			-11	-6	-8
3 358	4 421	6 274	Bond debt and other long-term loans			6 292	4 684	3 658
5.8%	6.6%	6.0%	Average interest rate			6.0%	6.6%	5.8%
			Debt divided among significant foreign currencies					
		4 420	NOK					
		1 854	EURO 225 mill.					

Premium on borrowing is taken to income over the term of the loan. All loans mature without installments.

Average interest rate is calculated on the basis of the actual interest cost per year in percent of average bond holding.

SpareBank 1 SR-Bank			NOTE 22 ALLOC. TO COMMITM. AND COSTS			SpareBank 1 SR-Bank group		
1998	1999	2000	2000	1999	1998	2000	1999	1998
85	95	114	Uncovered pension liabilities			117	98	88
0	0	0	Other allocations to commitments and costs			1	0	0
85	95	114	Allocations to commitments and costs			118	98	88

NOTE 23 PENSION SCHEMES

The SpareBank 1 SR-Bank Group has group occupational pension schemes for its employees. The pension schemes for SpareBank 1 SR-Bank and for SR-Eiendom AS are covered by the bank's pension fund, while Westbroker Finans AS has its scheme covered in Storebrand. SpareBank 1 SR-Bank and SR-Eiendom AS have uniform schemes whereby the main terms are 30 years' accrual, 70% pension with respect to the pensionable income as of January 1 of the year of reaching 67 years of age as well as disablement, spouse's and children's pension. All pension benefits are co-ordinated with expected benefits from social security. If social security amendments are made entailing reduced benefits, said reductions will not be compensated from the pension schemes. As of December 31, 2000, the pension schemes had 754 active members (SR-Bank 707) and 154 pensioners (SR-Bank 152). The pension scheme at Westbroker Finans AS has the same accrual time, but a somewhat lower coverage than the schemes covered by the pension fund. In all, the scheme at Westbroker Finans AS includes 23 active members and 6 pensioners. In addition to the pension liabilities covered through the insurance schemes, the Group has unfunded pension liabilities that cannot be covered by the funds in the group schemes. The liabilities concern persons not enrolled in the insurance schemes, additional pensions beyond 12G (base), ordinary early-retirement pensions and early-retirement pensions according to the AFP arrangement (Contractual early-retirement pension). Estimated values are used for valuating the pension funds and measuring accrued liabilities. Said estimates are corrected each year according to the actual value of the pension money in the pension fund, statements of the pension funds' transfer value from the insurance company, and actuary calculation of the size of the liabilities.

In calculating future pensions, the following assumptions are applied:

	31.12.00	31.12.99	31.12.98
Discount rate	7.00%	7.00%	7.00%
Expected yield on the funds	7.75%	7.75%	7.75%
Wage adjustment	3.30%	3.30%	3.30%
G (base) adjustment/inflation	2.50%	2.50%	2.50%
Pension adjustments	2.50%	2.50%	2.50%

The calculations are based on standardised requisites regarding trends in fatality and disablement rates and other demographic factors calculated by the Association of Norwegian Insurance Companies. Also stipulated is a resignation/retirement rate on 2 percent until 45 years and 0 for age group 45 years and older. For calculating the AFP (contractual early-retirement pension) liability, it is stipulated that 30 percent of those entitled to the scheme will use it upon reaching 62 years of age, and the remaining 70 percent will use it upon reaching 64 years of age.

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group			
The annual pension costs are derived as follows:						
1998	1999	2000	Amounts in NOK thousand	2000	1999	1998
12	13	15	Current value of the year's pension earnings	17	13	13
21	24	26	Interest costs of accrued pension liabilities	27	24	21
-15	-15	-18	Expected yield on the pension fund	-20	-16	-16
0	0	0	Effects of pension plan changes taken to profits	0	0	0
			Estimate changes and deviations between			
0	0	1	actual and expected yield taken to profits	1	1	0
0	1	1	Employer's National Insurance contributions charged to profits	2	1	1
18	23	25	Pension costs	27	23	19

Pension funds and pension liabilities in group schemes:

1998	1999	2000	Amounts in NOK million	2000	1999	1998
-226	-242	-276	Est. accrued liabilities incl. employer's National Insurance contrib.	-292	-254	-237
213	234	271	Estimated value of pension funds	287	247	225
-13	-8	-5	Estimated net pension funds	-5	-7	-12
			Effect, not taken to profits, of estimate changes and			
15	25	32	differences between expected and actual yield	33	26	16
1	1	1	Effect, not taken to profits, of change in scheme	0	1	1
0	2	4	Employer's social security contribution	4	2	0
3	20	32	Net pension funds capitalized	32	22	5

Pension liabilities in unfunded schemes:

1998	1999	2000	Amounts in NOK million	2000	1999	1998
-94	-114	-135	Est. accrued liabilities incl. employer's National Insurance contrib.	-139	-118	-97
			Effect, not taken to profits, of estimate changes and			
3	14	16	differences between expected and actual yield	3	15	3
5	5	5	Effect, not taken to profits, of change in schemes	19	6	7
			Net pension liabilities capitalized,			
-86	-95	-114	including employer's National Insurance contribution	-117	-97	-87

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 24 SUBORDINATED LOAN CAPITAL	2000	1999	1998
			Time of maturity/interest rate			
0	0	0	2006 - 3 months Nibor + margin	32	32	32
0	0	0	2007 - 3 months Nibor + margin	40	40	40
0	802	885	2009 - USD 100 mill. 3 months Nibor + margin	885	802	0
250	250	250	Perpetual 3 months Nibor + margin	250	250	250
457	0	0	USD 3 months Nibor + margin	0	0	457
0	0	300	2010 - 3 months Libor + margin	300	0	0
-5	-1	-2	Capitalized costs in connection with subordinated loans	-2	-1	-5
0	30	23	Premium	23	30	0
702	1 081	1 456	Subordinated loan capital	1 528	1 153	774

Subordinated loan capital in foreign currency (USD 100 million as of December 31, 2000) is included in the bank's total forex position, so that there is no currency risk linked to the loan. See note 27. The loan may be redeemed in 2004. A subordinated loan in the Group of NOK 32 million maturing in 2006 may be redeemed in 2001, while a subordinated loan of NOK 40 million may be redeemed in 2002. Of the total subordinated loan capital in the bank of NOK 1 456 million, NOK 1 330 million counts as additional capital as of December 31, 2000. Corresponding figures for the Group are NOK 1 402 million. Premium when raising a loan is taken to income over the term of the loan.

NOTE 25

MOVEMENT IN EQUITY

SpareBank 1 SR-Bank/SR-Bank group	Primary capital certificate capital	Premium reserve	Valuation difference funds	Savings bank's Endowment reserve	Dividend equalization fund	Dividend reserve	Total equity
Equity as of 1 Jan. 2000	744		163	709	14	586	2 216
Profit from VÅR			14				14
Transfers					-11		-11
Private placement vis à vis the employees	5	8					13
Profit for the year			11	298	15	139	463
Dividends				-157			-157
Balance sheet as at December 31, 2000	749	8	189	850	18	725	2 539

THE 20 LARGEST PRIMARY CAPITAL CERTIFICATE OWNERS AS AT DECEMBER 31, 2000 ARE:

Owner	Number of primary capital certificates	Share percentage
Swedbank Markets	741 950	9.9%
Folketrygdfondet	366 600	4.9%
Tveteraas Finans AS	191 351	2.6%
Sparebanken NOR	101 750	1.4%
SpareBank 1 Midt-Norge	94 674	1.3%
Arne B. Corneliussen Invest AS	80 000	1.1%
Clipper Shipping AS	80 000	1.1%
Frank Mohn AS	79 250	1.1%
Otto B. Morcken	65 000	0.9%
Stiftelsen UNI	60 600	0.8%
Solvang Shipping ASA	60 000	0.8%
Institusjonen Fritt Ord	59 400	0.8%
Audley AS	55 000	0.7%
Ringerikes Sparebank	50 700	0.7%
Westco AS	50 400	0.7%
Oslo Kommunale Pensjonskasse	50 350	0.7%
Helland AS	50 000	0.7%
Erik Otter Steen	45 100	0.6%
Verdipapirfondet Avanse Finans	43 900	0.6%
Forsand Kommune	42 200	0.6%
20 largest owners	2 368 225	31.6%
Other owners	5 121 461	68.4%
Issued primary capital certificates	7 489 686	100.0%

The total number of primary capital certificate owners was 6 363 as of 31 December 2000, an increase of 462 from last year. The percentage of primary capital certificates owned by people residing in Rogaland was 47 percent, while 11 percent are foreign-owned. See also the overview of primary capital certificate owners on the board and the supervisory board.

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 26 GUARANTEE LIABILITIES/SECURED DEBT	2000	1999	1998
608	671	709	Payment guarantees	709	671	608
391	412	455	Contract guarantees	455	412	391
2	28	81	Loan guarantees	81	28	2
4	16	18	Guarantee for taxes	18	16	4
13	22	13	Other guarantees	13	22	13
1 018	1 149	1 276	Total	1 276	1 149	1 018

The bank does not have secured debt of significant value.

1998	1999	2000	NOTE 27 FOREX POSITION AND EXCHANGE AND INTEREST AGREEMENTS	2000	1999	1998
Net position in foreign currency:						
1 493	2 066	4 144	Assets in foreign currency	4 144	2 066	1 493
3 690	3 319	4 542	Forward purchases in foreign currency	4 542	3 319	3 690
4 218	4 633	8 026	Debt in foreign currency	8 026	4 633	4 218
976	677	685	Forward sales in foreign currency	685	677	976

Currency risk:

Currency risk may be defined as the risk which the bank has for incurring losses due to changes in exchange rates. The bank has a policy of limited currency risk on its own books. The bank's board of directors has set limits on the size of the currency position the bank may have, both for individual currencies and in total. Furthermore, the bank may only take a currency risk in those currencies for which the bank of Norway has a daily exchange rate determination. Seen in relation to the bank's size, the currency risk has been low throughout 2000. At the end of the year the total currency position was NOK 62 million. The largest positions were in euro at NOK 34 million, GBP kroner at NOK 19 million, and Swiss francs at NOK 17 million. There were only minor positions in other currencies. All currency items are converted according to market rates as of 31 December 2000.

Interest and currency instruments off-balance-sheet (Financial derivatives)	Nominal amount Dec. 31, 2000	Nominal amount average for 2000	Book value Dec. 31, 2000
Trading portfolio:			
Interest	1 209	1 374	0
Currency	1 437	2 717	19
Hedging portfolio:			
Interest	4 977	5 116	(11)
Currency	5 493	2 747	44
Share swaps	833	650	0

The nominal amount equals the principal sum of the contract.

Off-balance sheet interest, currency and equity capital related instruments (Financial derivatives)

Trade with financial derivatives is mainly conducted to reduce the interest and currency risk in the balance sheet. For trade with customers the board has stipulated clearly set out limits on the size of the risk permitted in the trade portfolio for both currency and interest derivatives. Seen in relation to the size of the bank, the limits for trade with derivatives are regarded as being conservative, and the market risk associated with trade with these products is thus small. Equity capital related instruments such as share options are not used to any great extent, and no equity capital related derivatives were outstanding at the end of the year. Derivatives are mainly transacted with solid Norwegian and international banks as the opposite party. The credit risk is therefore regarded as being small. Transactions with customers are part of the bank's continuous credit assessment of individual commitments. All instruments used through the year are subject to daily sales in liquid markets. These are described below:

Interest instruments mainly include:

Interest rate swaps, which are contracts for swapping interest terms on nominal amounts with customers or banks. FRA contracts, which are contracts that set an interest rate at a nominal amount for a future period. Interest rate options, which are contracts that entitle the buyer to claim the difference between the interest rate in the money market and the agreed interest rate paid by the seller. The difference is calculated on the basis of the principal amount.

Currency instruments mainly include:

Forward exchange contracts, which are contracts for the purchase or sale of a specific currency amount at a future date at an agreed rate of exchange against another currency. Currency swaps, which are agreements with customers or banks on swapping currency amounts at a pre-agreed rate of exchange and to pay interest on these for an agreed period.

Share agreements basically comprise

Share swaps guarantee the buyer a specific rate of return on certain share indexes and/or units trusts in return for payment of floating/fixed interest for a pre-determined period of time.

NOTE 28 CONTINGENT LIABILITIES

The Group is party to several lawsuits with a total financial scope that is not assessed as being significant, taking into account the fact that the bank has made loss provisions in those cases where it is thought to be a preponderant probability that the bank will suffer losses as a result of the lawsuits.

NOTE 29 DISTRIBUTION OF LOANS, GUARANTEES AND DEPOSITS IN BUSINESS AREAS

SpareBank 1 SR-Bank group	Amounts in NOK million	Loans	Guarantees	Deposits
Agriculture/forestry		1 290	4	578
Fishing/fish farming		843	32	56
Mining/extraction		650	4	347
Industry		1 361	152	677
Construction and water supply/building and construction		1 071	540	835
Commodity trade, hotel and restaurant business		1 328	210	1 088
Foreign-trade shipping, pipeline transport and other transport activities		1 531	30	972
Real estate business		4 458	189	1 802
Service industry		647	12	1 511
Public sector and financial services		434	80	1 778
Total corporate sector		13 613	1 253	9 644
Private customers		25 770	23	12 476
Total		39 383	1 276	22 120

Distribution of loans, guarantees and deposits in geographical areas

SpareBank 1 SR-Bank group	Loans	Guarantees	Deposits
Greater Oslo area	2 586	236	608
Vest-Agder	1 129	34	565
Rogaland	33 489	952	19 945
Hordaland	1 208	43	419
Other domestic	732	11	122
Foreign countries	239	0	461
Total	39 383	1 276	22 120

NOTE 30 TRANSACTIONS WITH SUBSIDIARIES

Amounts in NOK million

Income and expenses:	2000	1999	1998
Interest income from subsidiaries	42	20	13
Interest costs to subsidiaries	2	2	1
Commission income from subsidiaries	0	1	1
Other income from subsidiaries	1	1	1
Other costs to subsidiaries	0	1	0
Claims on subsidiaries:			
Overdraft	1	2	0
Other loans	967	576	125
Other claims	32	37	40
Total claims	1 000	615	165
Debt to subsidiaries:			
Deposits from subsidiaries	144	92	178
Total liabilities	144	92	178

Fordringer og gjeld til tilknyttede selskaper

Amounts in NOK million	Loans	Deposits	Guarantees
Byggekompaniet A/S	0	2	1
Admi-Senteret A/S	24	0	0
SpareBank 1 Gruppen A/S	199	78	3

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000	NOTE 31 CAPITAL ADEQUACY RATIO	2000	1999	1998
574	727	850	Savings bank's reserve	1 038	838	672
-2	-15	-23	- Pension fund	-23	-15	-3
744	744	749	Primary-capital-certificate capital	749	744	744
15	14	18	Endowment reserve	18	14	15
0	0	8	Premium reserve	8	0	0
430	620	725	Dividend equalization reserve	725	620	430
-24	-34	-78	Goodwill and other intangible assets	-105	-38	-43
1 737	2 056	2 249	Core capital	2 410	2 163	1 815
707	250	250	Perpetual subordinated loan capital	250	250	707
			Reductions in perpetual subordinated loan capital due to exchange rate fluctuations	-105	-22	-36
-36	-22	-105				
0	802	1 185	Time-limited subordinated loan capital	1 257	874	72
671	1 030	1 330	Additional capital	1 402	1 102	743
2 408	3 086	3 579	Gross equity and subordinated loan capital	3 812	3 265	2 558
0	0	0	Capital adequacy reserve acc. to §2a-9	-358	-218	0
-10	-10	-10	Equity and subordinated loan capital in other finance inst. acc. to § 7e	-10	-10	-10
-10	-10	-10	Deduction in equity and subordinated loan capital	-368	-228	-10
2 398	3 076	3 569	Net equity and subordinated loan capital	3 444	3 037	2 548
20 161	23 153	27 427	Total assets (weighted)	28 820	24 525	21 766
499	597	740	Total off-balance-sheet items (weighted)	740	597	499
368	652	968	Currency risk and items in the trade balance	968	653	365
-10	-10	-10	Deductions made according to §§ 7e-f	-10	-10	-10
-421	-478	-566	Loss prov. not incl. in equity and subordinated loan capital	-594	-495	-436
0	0	0	Capital adequacy reserve according to §2A-9	-358	-218	0
0	-111	-188	Valuation difference fund			
20 597	23 803	28 371	Total basis for calculation	29 566	25 052	22 184
11.64%	12.92%	12.58%	Capital adequacy ratio	11.65%	12.12%	11.49%

The table shows SpareBank 1 SR-Bank's and the SpareBank 1 SR-Bank group's capital adequacy ratio. Capital adequacy ratio should be at least 8 percent. Time limited subordinated loan capital reduces the equity value by 20 percent each year for the past 5 years before it is due. Insofar as the bank has equity and subordinated loan capital in other financial institutions, it goes directly to deduction in the bank's own equity and subordinated loan capital for the portion exceeding 2 percent of the recipient financial institution's equity and subordinated loan capital. If the bank has equity and subordinated loan capital in other financial institution's constituting less than 2 percent of said financial institution's equity and subordinated loan capital, the total of said capital is deducted from the bank's equity and subordinated loan capital for the portion exceeding 10 percent of the bank's equity and subordinated loan capital.

The basis for calculation is weighted according to risk. There are 5 classes of risk: 0 percent, 10 percent, 20 percent, 50 percent and 100 percent, where the percentage indicates how large a portion of a balance sheet item to include in the basis for calculation.

NOTE 32 INTEREST LOCK-IN PERIOD AND RESIDUAL TERM SPAREBANK 1 SR-BANK							
Residual term SpareBank 1 SR-Bank	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Without term	Total
NOK:							
Cash and claims on central banks	598						598
Claims on credit institutions	933				59		992
Loans to customers	1 967	816	478	3 516	25 643		32 420
Certificates and bonds		34	880	761	62		1 737
Assets without residual term						2 265	2 265
Foreign currency:							
Cash and claims on central banks	15						15
Claims on credit institutions	162						162
Loans to customers	883	1 694	1 288				3 865
Certificates and bonds							0
Assets without residual term						152	152
Total assets	4 558	2 544	2 646	4 277	25 764	2 417	42 206

Cont. next page...

NOTE 32 INTEREST LOCK-IN PERIOD AND RESIDUAL TERM SPAREBANK 1 SR-BANK							
Residual term SpareBank 1 SR-Bank	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Without term	Total
NOK:							
Debt to credit institutions	185	200		30			415
Deposits from customers	18 107	771	1 284	632	8		20 802
Debt established on issue of securities	1 904	2 260	1 100	3 322	505		9 091
Debt without residual term						771	771
Subordinated loan capital						548	548
Total equity						2 539	2 539
Foreign currency:							
Debt to credit institutions	3 835	933					4 768
Deposits from customers	220						220
Debt established on issue of securities	186			1 847			2 033
Subordinated loan capital				908			908
Debt w/o term to maturity						111	111
Total liabilities and equity	24 437	4 164	2 384	6 739	1 061	3 421	42 206
Net total all items	-19 879	-1 620	262	-2 462	24 703	-1 004	
Interest lock-in period SpareBank 1 SR-Bank							
NOK:							
Cash and claims on central banks	598						598
Claims on credit institutions	932	9			51		992
Loans to customers	25 403	3 574	258	2 471	714		32 420
Certificates and bonds		487	1 000	222	28		1 737
Non-interest-bearing assets						2 265	2 265
Foreign currency:							
Cash and claims on central banks	15						15
Claims on credit institutions	162						162
Loans to customers	883	1 694	1 288				3 865
Certificates and bonds							0
Non-interest-bearing assets						152	152
Total assets	27 993	5 764	2 546	2 693	793	2 417	42 206
NOK:							
Debt to credit institutions	185	200		30			415
Deposits from customers	15 466	4 030	1 254	52			20 802
Debt established on issue of securities	1 904	2 835	1 100	3 047	205		9 091
Non-interest-bearing debt						771	771
Subordinated loan capital			548				548
Total equity						2 539	2 539
Foreign currency:							
Debt to credit institutions	3 835	933					4 768
Deposits from customers	220						220
Non-interest-bearing debt	2 033						2 033
Subordinated loan capital			908				908
Debt w/o term to maturity						111	111
Total liabilities and equity	23 643	9 454	2 354	3 129	205	3 421	42 206
Net interest exposure on the balance sheet	4 350	-3 690	192	-436	588	-1 004	
Finan. deriv. affect. the acc. which are not posted on the bal. sheet	275	-200	-137	76	-431		
Net int. exp. incl. off balance	4 625	-3 890	55	-360	157	-1 004	
- In percent of total assets	11%	-9%	0%	-1%	0%	-2%	0%

Bank overdraft has been included under the interval 0-1 months. The statement shows the remaining term of various balance sheet items. The Statement of interest lock-in periods shows how long the bank is bound to the applicable interest of various balance sheet items. The bank's interest risk has been low throughout the year compared with the bank's balance sheet. At the end of the year total interest sensitivity was such that a change in the interest rate of 1% would have yielded a little over NOK 19 million in the profit and loss account. All items in the balance sheet, and off-balance sheet items such as interest swaps, etc., are included in this calculation. The trade portfolio, which mainly consists of bonds and certificates, has had a low duration throughout the year. At the end of the year this portfolio had a duration of 0.6 and a change in the interest rate of 1% would have yielded nearly NOK 14 million in the profit and loss account.

NOTE 33 PROFIT SUMMARY FOR SUBSIDIARIES

Profit and loss account – subsidiaries	Westbroker	Eiendoms	Bjergsted	Total
	Finans	Megler 1	Boliger	subsidiaries
Amounts in NOK thousand				
Interest income	206 883	1 988	170	209 041
Interest costs	151 961	110	0	152 071
Net interest income	54 922	1 878	170	56 970
Dividends	0	0	0	0
Commission income	535	4 005	0	4 540
Commission costs	-2 889	0	0	-2 889
Net exchange and capital gains/losses	1	0	0	1
Other operating income	0	68 533	302	68 835
Net other operating income	-2 353	72 538	302	70 487
Total operating income	52 569	74 416	472	127 457
Wages and general administration costs	15 812	52 340	0	68 152
Depreciation and write-downs	577	2 822	0	3 399
Other operating costs	3 790	7 461	46	11 297
Total operating costs	20 179	62 623	46	82 848
Profit before losses and write-downs	32 390	11 793	426	44 609
Loss/gain financial fixed assets	-1 875	0	0	-1 875
Loss on loans and guarantees	12 172	0	0	12 172
Result of ordinary activities	22 093	11 793	426	34 312
Balance sheet – subsidiaries				
Assets:				
Cash and claims on central banks	6	9	0	15
Claims on credit institutions	6 731	134 020	3 500	144 251
Gross loans to customers	2 532 055	0	0	2 532 055
Specified loss provisions	-16 087	0	0	-16 087
Unspecified loss provisions	-12 400	0	0	-12 400
Net loans to customers	2 503 568	0	0	2 503 568
Acquired assets	5 387	0	0	5 387
Securities	0	0	400	400
Fixed assets	16 342	13 610	5 128	35 080
Advance payments and accrued income	76 558	2	0	76 560
Total assets	2 608 592	147 641	9 028	2 765 261
Liabilities and equity:				
Debt to credit institutions	959 741	0	0	959 741
Deposits from customers	1 235 508	0	0	1 235 508
Debt established on issue of securities	17 999	0	0	17 999
Accrued costs and income paid in advance	132 834	132 816	335	265 985
Allocation to commitments and costs	1 218	2 089	0	3 307
Subordinated loan capital	80 000	0	0	80 000
Total equity	181 292	12 736	8 693	202 721
Total liabilities and equity	2 608 592	147 641	9 028	2 765 261

Cash flow analysis

SpareBank 1 SR-Bank			Amounts in NOK million	SpareBank 1 SR-Bank group		
1998	1999	2000		2000	1999	1998
275	451	463	Profit for the year	463	451	275
-5	0	0	Group contribution from/to subsidiaries	0	0	0
12	-4	-11	Retained profit in subsidiaries and jointly controlled businesses	-11	0	0
-126	-141	-157	Dividend to owners of primary capital certificates	-157	-141	-126
33	37	25	Dividends from subsidiaries	0	0	0
-3	-53	-204	Loss/gain financial fixed assets	-206	-54	-2
-2	9	-3	Write-downs financial fixed assets	-3	8	-2
35	41	46	Deprecation and write-downs	49	42	37
75	100	125	Loss on loans	137	102	76
294	440	284	Transferred from the year's activity	272	408	258
-4 349	-4 251	-6 526	Change in gross loans to customers	-6 647	-4 358	-4 481
16	0	-10	Change in acquired assets	-16	-2	16
-41	-474	-471	Change in claims on credit institutions	-81	-21	-39
2 078	1 498	2 977	Change in deposits from customers	2 909	1 730	2 282
522	-74	1 461	Change in debt to credit institutions	1 455	-498	130
-195	-385	165	Change in certificates and bonds	165	-385	-195
-46	28	-78	Change in other claims	-122	26	-57
-50	120	50	Change in other short-term liabilities	136	54	69
-1 771	-3 098	-2 148	A Net change in liquidity from the activity	-1 929	-3 046	-2 017
-36	-11	-53	Change in fixed assets	-66	-14	-39
-2	-104	-563	Change in shares and ownership stakes	-560	-101	-2
-38	-115	-616	B Net change in liquidity, investments	-626	-115	-41
225	-25	-200	Change in deposits from Norges Bank	-200	-25	225
1 503	3 303	2 373	Change in debt established on issue of securities	2 128	3 216	1 703
-316	349	464	Change in other long-term liabilities	500	384	-267
1 412	3 627	2 637	C Net change in liquidity, financing	2 428	3 575	1 661
-397	414	-127	A+B+C Net change in liquidity during the year	-127	414	-397
745	348	762	Liquidity supply January 1st	762	348	745
348	762	635	Liquidity supply December 31st	635	762	348
-397	414	-127	Net change in liquidity during the year	-127	414	-397

The liquidity supply includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placements solely in credit institutions. The cash flow analysis shows how SpareBank 1 SR-Bank and SpareBank 1 SR-Bank Group respectively have acquired liquid funds and how these have been spent.

In all, the liquidity supply of the SpareBank 1 SR-Bank Group decreased by NOK 127 million. Operations in 2000 have been characterized by a substantial lending growth of NOK 6 647 million. This growth has been partially financed by the increase in customer deposits of NOK 2 909 million and partially by the increase in debt established on issue of securities of NOK 2 128 million.

Auditors report for 2000

To the Supervisory Board of Sparebanken Rogaland

We have audited the annual financial statements of Sparebanken Rogaland as of 31 December 2000, showing a profit of NOK 463 millions for the parent company and a profit of NOK 463 millions for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing

the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2000, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and good accounting practice
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit is consistent with the financial statements and comply with law and regulations.

Arthur Andersen & Co.


Finn Kinserdal
State Authorised Public Accountant (Norway)

Stavanger, 22 February 2001

The audit committee's report for 2000

The audit committee has carried out its assignment in accordance with the Savings Banks Act and the committee's instructions.

The bank's activities in 2000 have complied with the Savings Banks Act, the bank's articles of association and other rules that the bank is required to comply with.

The annual report and accounts have been submitted in accordance with the provisions of the Savings Banks Act and the Banking Insurance and Securities Commission. The supervisory Board can approve the profit and loss account and the balance sheet as the bank's accounts for 2000.

Stavanger, 26 February 2001


Harald Ribland, chairman


Odd Rune Torstrup


Berit Skjæveland


Svein Hodnefjell


Arnhild Skrunes

Deposits, loans and profits

Office	Amount in NOK million	Deposits	Growth in %	Loans	Growth in %	Profit	
						Before loss	After loss
Haugesund	1 013	23	2 173	19			
Næringsliv	118	22	995	-0			
Bokn	77	19	82	9			
Karmøy	912	1	1 733	10			
Tysvær	450	18	759	13			
Vindafjord	289	183	187	17			
Ølen	349	1	523	11			
Total Haugalandet Region	3 208	18	6 452	12	137	97	
Strand	633	13	1 035	21			
Finnøy	214	2	271	7			
Forsand	126	10	134	23			
Hjelmeland	158	7	454	5			
Kvitsøy	36	11	69	23			
Rennesøy	238	-6	487	19			
Suldal	615	21	683	12			
Total Ryfylke Region	2 018	11	3 133	15	70	65	
Sentrum	2 332	16	3 245	29			
Hundvåg	433	3	1 038	13			
Mariero	660	20	994	30			
Hillevåg	397	22	638	52			
Tasta	354	19	822	23			
Madla	609	21	1 065	27			
Forus	294	26	900	47			
Total Stavanger Region	5 079	17	8 703	29	180	182	
Randaberg	526	26	803	38			
Sola	1 149	7	2 016	21			
Flyplassen	11	9	17	30			
Bryne	217	22	725	23			
Gjesdal	391	18	737	18			
Sandnes	1 603	7	4 462	28			
Nærbø	422	17	524	8			
Varhaug	629	5	1 036	14			
Total Jæren Region	4 947	11	10 320	24	192	182	
Egersund	1 015	8	1 342	10			
Flekkfjord	241	9	492	29			
Lund	142	17	204	19			
Sirdal	284	13	269	34			
Sokndal	334	10	354	6			
Bjerkreim	240	10	260	23			
Kristiansand	54		383				
Total Sør Region	2 310	12	3 303	31	76	65	
Corporate Group/Stavanger	3 082	44	4 486	7	73	84	
Total Regions	20 644	18	36 396	20	727	675	
Total Bjergsted/Mariero	378	-25	455	229	-185	-51	
Total SpareBank1 SR-Bank	21 022	16	36 851	21	542	624	

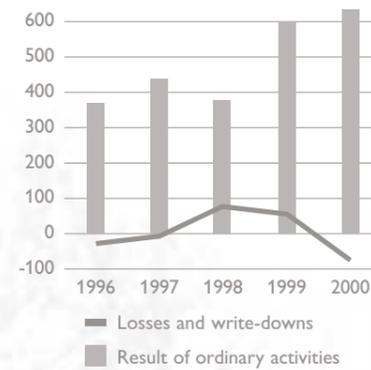
Key figures last 5 years

Key figures in SpareBank 1 SR-Bank group	2000	1999	1998	1997	1996
PROFIT AND LOSS ACCOUNT NOK million					
Net interest income	934	895	797	667	647
Net exchange and capital gains/losses	52	120	-38	59	40
Other operating income	280	261	217	200	180
Total operating income	1 266	1 276	976	926	867
Total operating costs	705	622	527	493	524
Profit before losses and write-downs	561	654	449	433	343
Losses and write-downs	-72	56	72	-5	-27
Result of ordinary activities	633	598	377	438	370
Taxes	170	147	102	120	86
Profit for the year	463	451	275	318	284
Profit and loss account (% of average total assets)					
Net interest income	2.33%	2.63%	2.73%	2.65%	3.03%
Net exchange and capital gains/losses	0.13%	0.35%	-0.13%	0.23%	0.19%
Other operating income	0.70%	0.77%	0.75%	0.80%	0.84%
Total operating income	3.16%	3.76%	3.35%	3.67%	4.06%
Total operating costs	1.76%	1.83%	1.81%	1.96%	2.45%
Profit before losses and write-downs	1.40%	1.93%	1.54%	1.72%	1.60%
Losses and write-downs	-0.18%	0.17%	0.25%	-0.02%	-0.13%
Result of ordinary activities	1.58%	1.76%	1.30%	1.74%	1.73%
Taxes	0.42%	0.43%	0.35%	0.48%	0.40%
Profit for the year	1.16%	1.33%	0.94%	1.26%	1.33%
Volumes (NOK million)					
Total assets	43 624	36 397	31 232	26 946	22 531
Loans to private customers	25 770	20 931	17 519	15 193	12 831
Loans to corporate sector	13 613	11 942	11 098	9 020	7 770
Deposits from private customers	12 476	10 951	9 815	8 719	8 277
Deposits from corporate sector	9 644	8 260	7 666	6 480	5 753
Growth in loans to private customers %	23.1	19.5	15.3	18.4	11.7
Growth in loans to corporate sector %	14.0	7.6	23.0	16.1	12.2
Growth in deposits from private customers %	13.9	11.6	12.6	5.3	1.6
Growth in deposits from corporate sector %	16.8	7.7	18.3	12.6	0.3
Equity (NOK million)					
Primary-capital-certificate capital	749	744	744	744	744
Savings bank's reserve	850	709	590	513	407
Dividend equalization reserve	725	586	461	387	244
Other equity	215	177	121	124	91
Total equity	2 539	2 216	1 916	1 768	1 486
Key-figures					
Return on equity % (9)	19.5	21.8	14.9	19.1	20.3
Income per cost krone (10)	1.72	1.86	1.92	1.76	1.55
Costs as a percentage of income	56	49	54	53	60
Number of man-years	711	677	669	667	666
Gross non-performing loans as a percentage of loans	0.8	0.9	0.8	1.1	2.0
Net non-performing loans as a percentage of loans	0.5	0.5	0.4	0.7	1.1
Unspecified loss provisions as a percentage of loans	0.8%	0.7%	0.7%	0.7%	0.7%
Capital adequacy ratio %	11.65%	12.12%	11.49%	15.08%	12.21%
Core capital ratio %	8.15%	8.63%	8.18%	9.55%	10.06%
Key-figures for primary capital certificates					
Market price at the close of the year	247	253	192	240	174
Primary capital certificate ratio (8)	63.0%	64.8%	66.6%	68.6%	70.7%
Dividends per primary capital certificate	21.0	19.0	17.0	16.0	15.0
Allocated to the dividend equalization reserve per primary capital certificate	18.5	21.4	9.5	14.0	12.4
Profit per primary capital certificate (Parent bank) (4)	40.4	40.4	26.5	30.0	27.4
Payout ratio, net	52%	47%	64%	53%	55%
RISK-amount as at Jan 1 following year	18.5	28.4	27.7	26.2	29.1
The figures for 1997 and 1998 have been converted to reflect the new accounting act.					
Average total assets	40 010	33 965	29 125	25 205	21 373

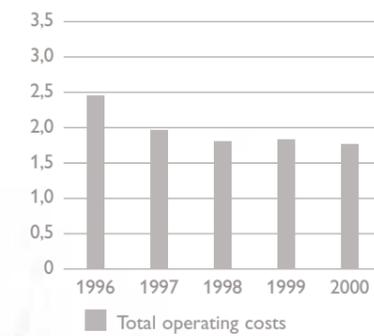
Definitions on page 49.

Graphic overlook last 5 years

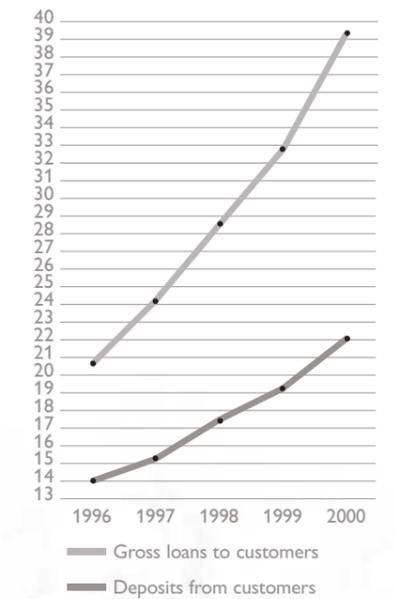
Profit and loss NOK million



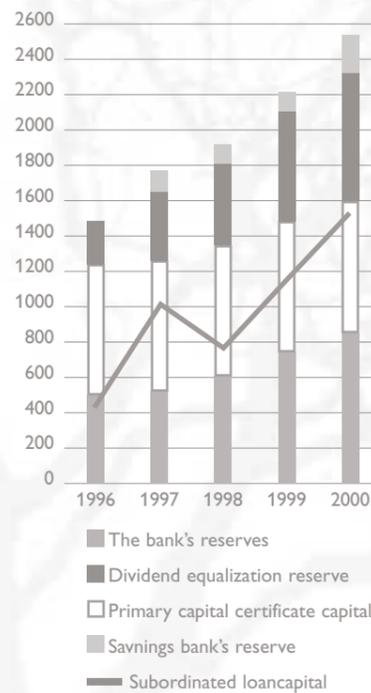
Total operating costs % of aver. total assets



Deposits and loans NOK billion



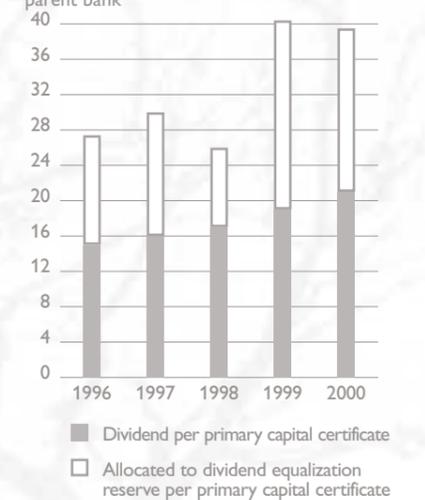
Equity NOK million



Return on equity %



Profit per primary capital certificate parent bank



The diagrams refer to SpareBank 1 SR-Bank if not differently stated.

Primary capital certificates

Primary capital

At the end of 2000, SpareBank 1 SR-Bank had a primary capital of NOK 749 million, divided among 7,489,686 primary capital certificates with a face value of NOK 100 each. The number of owners of primary capital certificates was 6,363 as of 31 December 2000. This is an increase of 462 compared with the same time in the previous year.

Dividend policy

SpareBank 1 SR-Bank's financial goal for its operations is to achieve results that yield a good and stable return on the bank's total equity. The bank's required return on net capital after tax is the long-term government bond rate after tax plus 6 percentage points risk premium.

SpareBank 1 SR-Bank's basis is that profit will be divided between the primary capital certificate owners and the savings banks' funds in accordance with their share of the bank's equity.

SpareBank 1 SR-Bank will place emphasis on achieving a competitive cash dividend. Variations may exist in the proportionate distribution between cash dividend and the dividend adjustment fund when the consideration for the bank's development of equity is emphasized.

In connection with the annual report and accounts for 2000, the primary capital certificate owners will be awarded NOK 40.40 per primary capital certificate. Of this amount, NOK 21 is cash dividend.

Investor policy

The bank places great emphasis on ensuring that correct, relevant and timely information regarding the bank's development and results will create confidence vis-à-vis the investor market. Information is provided to the market via quarterly investor presentations in Stavanger, Oslo and the Rogaland region, a web site on the Internet, press releases, and dispatch of all accounting reports to the owners. Regular presentations are also held vis-à-vis international partners, lenders and investors, mainly in London.

Important addresses for information

SpareBank 1 SR-Bank is also accessible via the Internet for information of interest to investors, the media and brokers. SpareBank 1 SR-Bank's web site on the Internet:

www.sr-bank.no

Other links to financial information:

www.huginonline.no

The financial calendar for 2001

1st quarter	26 April 2001
2nd quarter	9 August 2001
3rd quarter	25 October 2001

Ownership

SpareBank 1 SR-Bank's goal is to achieve good liquidity in the primary capital certificates, as well as to achieve a good diversity of owners that represent customers, regional investors, and Norwegian and foreign institutions. The number of owners has increased in 2000 by 462 to 6,363. The percentage of primary capital certificates owned by investors in Rogaland now amounts to 47 percent, compared with 44 percent in 1999. Other Norwegian investors make up 42 percent compared with 46 percent in 1999, while the percentage under foreign ownership increased from 10 percent to 11 percent as of 31 December 2000.

On 23 March 2000, the supervisory board of SpareBank 1 SR-Bank decided to carry out a private placement towards the employees of the bank. The subscription price was fixed as the average during the period 1-14 August and the subscription period was 15 August - 14 September. 540 employees subscribed for a total of 49,686 primary capital certificates at a subscription rate of NOK 211, including a subsidy of 20% the total sum was NOK 13.1 million. Of the issue sum, NOK 5 million was added to the primary capital and NOK 8.1 million was added to the premium fund.

Risk adjustment

In order to prevent double taxation of the bank and its owners, the tax-related original value for the Norwegian owners is adjusted each year. This takes place according to the RISK rules (RISK = Adjustment of Original Value with Taxable Capital). The RISK amount for 2000 is calculated to be NOK 18.50 compared with NOK 28.44 for 1999. The RISK adjustment of primary capital certificates has now been changed so that the RISK amount is limited to the percentage that is transferred to the primary capital certificate owners' equalization reserve. Previously, the RISK amount was calculated on the basis of the bank's total retained profits.

Market development for the bank's primary capital development in 2000

The market rate for Sparebank 1 SR-Bank's primary capital certificate (ROGG) ended up at NOK 247.5 per certificate at year-end. At the end of 1999/beginning of 2000, the rate was NOK 253. In spite of an effective yield of 5.3 percent (dividend adjusted), it has been somewhat weaker than the primary capital certificate index, which increased by 25.7 percent in 2000, but better than the overall index which showed a decline of 1.7 percent. The primary capital certificate index was particularly influenced by Sparebanken NOR in 2000, with an effective yield of approx. 47 percent. Sparebanken NOR's application for permission to convert into a limited company, new RISK rules and tax on

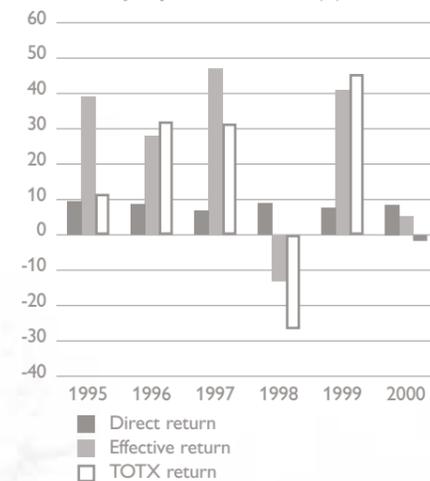
dividends are all factors that have affected the development of the primary capital certificates in 2000.

The liquidity in SpareBank 1 SR-Bank's primary capital certificates has been relatively stable, but low throughout the entire year, and 19 percent of the unsubscribed primary capital certificates were sold on the Oslo Stock Exchange. Sparebanken NOR has increased its share of the sale of primary capital certificates during 2000.

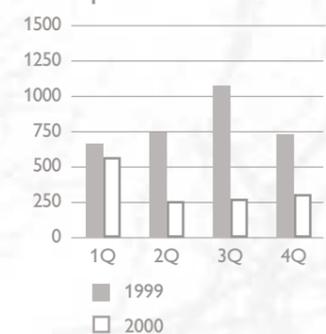
KEY FIGURES	2000	1999
Market price	247.5	253
Dividend per primary capital certificate	21	19
Direct yield (1)	8.5 %	7.5 %
Effective yield (2)	5.3 %	41 %
Book value per primary capital certificate (PCC) group (3)	214	193
Profit per PCC group (4)	40.4	40.4
Profit ratio per PCC, parent bank (5)	61.8	60.6
Payout ratio, net (6)	52%	47%
Payout ratio, gross (7)	34%	31%
Primary capital certificate percentage (8)	63.0%	64.8%
RISK amount	18.5	28.44

1. Dividend in percentage of market price at year end
2. Price increases throughout the year plus disbursed dividend as percentage of market price at the beginning of the year
3. Book equity multiplied by primary capital certificate percentage divided by number of certificates
4. The primary capital certificates' share of the group's profit after tax
5. The parent bank's profit after tax per certificate
6. Dividend per certificate as percentage of profit per certificate
7. Dividend per certificate as percent profit ratio per certificate
8. Primary capital and equalization reserve as percentage of parent bank's equity capital at year-end
9. Profit for the year as a percentage of average equity
10. Total operating income excluding net exchange and capital gains/losses divided by total operating costs

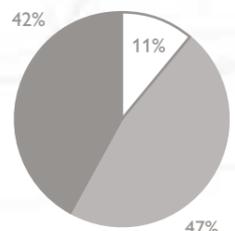
Return on the bank's Primary capital certificates (%)



Turnover of the bank's primary capital certificates Number



Distribution of primary capital certificates as of 31 Dec. 2000



- Foreign investors
- Investors from Rogaland
- Other Norwegian investors

Recommended for private customers

Year 2000 was yet another good year for the bank's private market, both as regards development of market share and earnings. The number of customers has increased by about 8,000 to approximately 173,000, and the growth has been relatively evenly distributed in all age segments. The result of the annual market survey under the direction of Norsk Gallup shows that the bank has maintained a very high level of customer satisfaction. We are pleased with these results, particularly in light of the fact that the organization has experienced major capacity challenges linked to the sharp growth in volume and substantial influx of new customers.

Trends for distribution of bank services

The market is undergoing continuous change in respect of customer behavior and preferred distribution channels. The banks offer different concepts based on different strategies and customers have never before enjoyed such freedom of choice. In recent years market analysts, both national and international, have asserted that traditional players with a relatively fine-meshed network of offices would be out-competed by players who went for pure Internet bank solutions in combination with call centers. As a consequence of this, prophecies of a grim future for the branch office network have prevailed. The year 2000 became the year when these same analysts were forced to acknowledge the fact that it is the market itself that rules, and not just forecasts based on technological possibilities. «No success without branch banks» has been the dominant headline throughout the year. At the beginning of 2001, SpareBank 1 SR-Bank has just as many branch offices as it had ten years ago. Physical location, conceptual content and the way we work have all changed, but our faith in the premise that most customers appreciate the proximity and knowledge of a local bank stands firm. New offices are planned in a total of five locations in Rogaland and the Agder counties during the coming year.

The bank has decided to implement a new office concept. It encompasses both the physical and profile design, as well as how we are to work to create the best possible experience for those who visit the new marketplace. The neighborhood bank in Hillevåg will be the first office to put the new concept to use, starting during the summer.

Almost 40,000 customers are currently linked to our Internet bank. In February we will introduce a new solution that, for all practical purposes, provides the customer with full-service banking directly from their own

PC. The number of Internet bank users is expected to increase to 50,000-60,000 during the course of the year. SpareBank 1 SR-Bank has worked thoroughly and systematically to ensure that the interaction between the Internet bank, the bank's newly established Customer Service and office network will provide customers with an overall good experience. The challenges facing the organization are great, and we clearly have an opportunity to further strengthen our profile in the private market.

The investment bank

In 2000 there has been a significant maturation on the part of the customer in relation to investing surplus liquid assets outside of traditional savings in a bank. The market for securities funds has veritably "exploded". Customers increasingly ask for so-called guaranteed products and a growing number choose to reduce repayment of debt in order to invest in the stock market. This is a trend that has developed over time, but last year may have marked a turning point. SpareBank 1 SR-Bank has assumed an active interest in relation to the opportunities that lie in the rapidly growing investment market and several different measures have been initiated. However, we must note that it would have been beneficial if the commitment that has taken place in 2000 and that which will occur in the year to come had started at an earlier point in time, viewed in relation to the way the market has developed.

Balanced scorecard

During the course of the year, the balanced scorecard was introduced in SpareBank 1 SR-Bank. This means that the bank measures elements that affect its result, such as quality and customer satisfaction, etc., culminating in a measurement of whether or not the financial objectives have been achieved. The balanced scorecard is linked to the calculation of bonus for the bank's employees in 2001. Historically, SpareBank 1 SR-Bank may have been the player with the best developed measurement system for optimizing efforts towards the customer. The further development of the balanced scorecard gives us reason to believe that we have an instrument here that can give us even more competitive advantages through achieving a goal-oriented organization.



Nettbanken (the Internet bank) is a concept that allows everyone to be their own bank manager. In many instances, it is quite practical for a family to conduct its banking business from their own PC. In other situations, it is good to know that you can contact our customer adviser in the bank and by telephone. At the end of the year, nearly 40,000 customers were linked to our Internet bank.

Recommended for corporate customers

Many people embarked upon the year 2000 with some concern. This concern was based both on the negative prophecies related to the Y2K issue, but also on the situation for certain sectors of corporate and industry at the beginning of the new year. When we look back on the year now behind us, most areas have performed substantially better than many had feared. The price of oil has remained at a steady and high level. For this reason among others, the prospects for the oil sector appear to be more positive than they have been for quite some time. We have maintained a relatively high interest rate throughout the year, but corporate and industry have adapted to these framework conditions. People also flocked to invest in «the new economy» last year, which for many turned out to be an expensive experience.

As a bank, we reflect the activities in the society around us. This is particularly true in the corporate market. We are perceived by the market as being an attractive partner, which is illustrated by the increase in both lending and deposits over the past year. Our market share is approximately 40 % in the corporate market (measured in number of customers, does not apply to the Agder counties).

The bank's vision of emerging as the recommended and leading bank is an ambitious vision, placing great demands on our daily work. To be recommended by our existing corporate customers to new, interesting enterprises is our most important marketing channel. We can have no better ambassadors than satisfied customers. Each year, we measure the satisfaction of our corporate customers. The results of the survey provide the bank with feedback that allows us to adjust our activities to our customers' needs and desires.

Organizational changes – for the benefit of our customers

As a step in our efforts to accommodate our customers' needs, we have implemented organizational changes in the past year that serve to sharpen our focus on the customers. Our new region, Northern Jæren, was operative in new offices in Forus as of 1 April. Here the bank's staff can gather in sector-oriented groups that are to work closely with our own specialists in foreign currency, finance and payment services. The operations in Westbroker Finans AS and commercial real estate activities in EiendomsMegler 1 will share the same location. This provides our corporate customers with access to a complete range of services with the financial sector. Starting on 1 March, First Securities AS will also share the same offices. This provides the bank with good opportunities for being an active partner within services such as transfer of family businesses from one generation to the next, purchase/sale of enterprises and corporate assignments.

Throughout the year, we have also set up separate units for the public sector and shipping/offshore. It is extremely

gratifying to see that our efforts within the public sector are bearing fruit. A concrete example of this is that SpareBank 1 SR-Bank will once again assume the position as the main bank for the City of Stavanger starting from 1 January 2001. This is one of the most extensive activities in our area and we will strive to prove ourselves a good partner for this important customer group. Overall, we serve 16 of 26 municipalities in Rogaland. The regional corporate market milieu have also been strengthened through the year. We do this to reinforce our fundamental concept of serving the customer as close to the market as possible and in the best possible manner. The centrally-located specialist groups are easily accessible to our customers throughout the corporate market area.

New this year is our commitment to the Agder counties. We have a quite different position in Agder than that which we have built up over many years in Rogaland. Our commitment to this area will also be a long-term one. Our ambition here is also to become the recommended bank in the market. We know these efforts will take time, but with the overall resources we possess, we have great faith that we will succeed.

Expertise

Altogether there are about 110 people working directly as consultants or customer service representatives in the corporate market area. In order to become the recommended bank, it is crucial that our staff succeeds in customer follow-up. Through annual training and development of expertise, we take the necessary steps to ensure that we will emerge as a proactive partner for the customers. We will further intensify these efforts in 2001 when 75 of our corporate consultants will undergo training to contribute to helping our customers realize their plans and ideas.

We also enjoy increasingly close cooperation with our partners in the SpareBank 1 alliance. There is strength to be found in a network of more than 600 business consultants spread over all of Norway. Our customers experience the advantages of this by having access to a national banking network with more than 400 offices. This also enables us to meet the largest customers' need for financial strength. Our goal is that all of these factors together will help us to become the recommended and preferred bank.

Throughout the year, we have gathered large groups of customers in a common meeting place on several occasions. These occasions have included breakfast meetings, topical meetings, presentations of economic barometers and local professional events. Several hundred business leaders have found a meeting place for professional updating in the bank throughout the year. These efforts are greatly appreciated by our customers and we plan to intensify these activities in the current year.

A recommendation from our customers to new, interesting enterprises is the bank's most important marketing channel. Simon Møkster Shipping is one of our long-standing strategic partners. Managing Director Per Haram needs a good financial ally in order to reach the shipping company's objectives.



Employees and development of expertise

The changes we have seen in the banking industry in the past few years have been substantial. Recent technological innovations have led to a dramatic change in the everyday tasks of our customer consultants, where counseling and sales play a steadily increasing role.

In the years to come, our customers will use the NettBank to an even greater degree, for general services and for overall information regarding their finances, credit availability, calculations, etc. The customers' access to their own banking activities via the Internet will probably lead to a further increase in the need for counseling in the bank. The customer consultants working in the offices must have an expertise which adds additional value to the automatic services by means of providing more extensive counseling as regards investment and financing.

In order to ensure that our bank will be able to deliver the products and services that the customers need, we have in recent years invested a substantial amount of the bank's time and resources on enhancing the expertise of our employees. Approximately NOK 5 million has been allocated to development of expertise in each of the last five years. We are of the firm opinion that the return on this investment is good, and we will continue to prioritize this in the future. As mentioned, experience shows that the customers' access to their own banking activities via the Internet will lead to an increased need for more "advanced" counseling in the bank. The tasks within the bank will become even more interesting and demanding, which will in turn lead to considerable challenges for the bank's employees. Through a committed effort in recent years, the bank's consultants have developed to become competent builders of long-term relationships. They are willing to take an initiative outside of the bank, to be sales and customer-oriented and they possess a high level of professional and theoretical expertise.

Post and continuing education

The bank provides for both internal and external courses. In the early 1990s, the bank entered into a collaboration with Handelshøyskolen BI (The Norwegian School of Management) regarding development of expertise. The agreement allows bank employees to take BI courses in the bank's offices together with their own colleagues. At the same time, they receive professional instruction tailored to our own business.

The collaboration with BI has been aimed at both managers and customer consultants in the private customer market. In the future, the courses will also be aimed at customer consultants in the corporate market. During the course of 2001, about 75 of our employees will attend

external courses. A corresponding number of examinations were taken in these types of courses in 2000.

Our employees can also apply for grants for their own continuing education. The requirement is that the education is aimed at the bank's own need for expertise. At the moment, about 40 of the bank's employees are engaged in personal continuing education. In recent years, the number of applications for Management programs at BI has been good.

The financial sector is characterized by rapid product development and many new systems, with the associated needs for training. In order to implement this training as efficiently as possible, the bank is testing electronic training for less complex products and services as well as Microsoft Office packages. During the course of 2000, all of our employees have completed at least one electronic training module, including exam. We also hold internal courses several times a week in order to increase expertise within various areas such as financing, investment, insurance and transaction of payments. In 2000, 500 of our employees attended a one-day course on the (Norwegian) Financial Agreements Act, 300 employees attended a one-day course on «LO-Favør» and 200 attended one-day courses on the topic of home loans with securities savings. Most of the bank's employees spent at least two days in the classroom last year, all in the interest of ensuring that customers have a good experience with SpareBank 1 SR-Bank.

Our corporate customers are becoming increasingly complex. This is the result of the customers' own development as well as the fact that the bank has acquired many new corporate customers. Therefore, we have initiated a major project to ensure that our business consultants acquire the expertise necessary to look after our customers. In the years to come, the bank will continue to place emphasis on developing the expertise of our own employees. The financial sector will continue its fast-paced development in the future. In order to safeguard the good relationships we enjoy with our customers, it is important that our customer consultants continue to develop themselves in both professional and personal terms.

Approximately NOK 5 million has been allocated to development of expertise in each of the last five years.



In SpareBank 1 SR-Bank, we take our commitment to building expertise and a sales culture very seriously. Sales mean cooperation, and in order to be good team players, we must also train in unfamiliar surroundings. Each year, all our sales managers and customer advisers gather to complete the bank's sales training program.

Representatives

Chairman: Ivar Kolnes, Stavanger 17 100
Vice-chairman
Magnhild Harboe Kleppa, Hjelmeland

Elected by the primary capital certificate owners

Ove Tveteraas, Stavanger 191 350
Gunnar Hagen, Stavanger 9 000
Harald Sig. Pedersen, Stavanger 38 300
Harald V. Hanssen, Stavanger 1 400
Kåre Johan Osen, Bergen 10 000
Arnstein Sunde, Jørpeland
Ole Gabrielsen, Sandnes 400
Trygve Stangeland, Sola 6 700
Jan Olav Steensland, Oslo 219 300
Bjørn M. Stangeland, Sandnes 2 450
Per Hedberg, Stavanger 15 133
Marta Gudmestad, Stavanger 4 350
Eivinn A. Enoksen, Stavanger 3 070
Birte Næsheim, Stavanger 3 600
Einar Risa, Stavanger 10 000
Finn Haugan, Trondheim 94 674
Alf Erevik, Hønefoss 50 700
Anne Elise Hystad, Karmøy 1 700
Erik Sture Larre, Oslo 16 500
Bjarne Risa, Nærbø 1 700
Bjarne Andersson, Oslo 366 600
Marit Borgen, Stavanger 600
Martin Ølberg, Stavanger 1 400
Jan S. Aske, Stavanger 2 000
Terje Ruud, Stavanger 9 150

Elected by the depositors

Odd Hovland, Egersund 4 750
Gunvald Surdal, Lund 880
Sigmund Skjæveland, Bjerkreim 95
Sigmund Lindeland, Sirdal
Svein Gunnar Larsen, Flekkefjord
Finn Nesvold, Sokndal 60
Jørgen Risdal, Hå
Torgeir Undheim, Gjesdal
Koll Kyllingstad, Sandnes
Arne Otto, Bryne
Egil Bue, Sola
Helge Todnem, Randaberg 100
Hallvard Ween, Stavanger
Ingeborg Søyland, Forsand
Rolf Ersdal, Strand 600
Johan Livastøl, Hjelmeland
Anbjørn Vaage, Suldal

Karin Vik, Finnøy 200
Bjarne Pedersen, Kvitsøy
Arild Sørheim, Rennesøy
Odd Broshaug, Karmøy
Helge Larsen, Haugesund
Berge Bustad, Tysvær
Trygve Haraldseid, Vats
Oddlaug Rødne, Ølen
Lindy Haram, Bokn

Elected by the municipalities

Kjell H. Fredriksen, Egersund
Øystein Hognestad, Lund
Peder Eikeland, Bjerkreim
Reidun Byberg Haughom, Sirdal
Magne Grøtteland, Flekkefjord
Randulf Skretting, Sokndal
Svein Lode, Hå 405
Svein Kj. Søyland, Gjesdal
Berit Skjæveland, Sandnes
Kjell Hognestad, Bryne
Håkon Rege, Sola
Einar Simonsen, Randaberg
John Petter Hernes, Stavanger
Rune Vidar Olsen, Forsand
Tor Egil Fjelde, Strand 1 300
Tormod Skeie, Suldal 3 929
Svein Kåre Eggebo, Finnøy
Kai Kvilstad, Kvitsøy
Svein Hodnefjell, Rennesøy
Dagny Matland, Karmøy 900
Jostein Havnerås, Haugesund
Arnhild Skrunes, Tysvær 2000
Haldor Skare, Vats
Arne Borgemyr, Ølen
Arne Hosaas, Bokn

Elected by the employees

Helga Vinje 290
Bertha Auestad 295
Børge Espeland 184
Leif Bø 195
Morten Erga
Gisle Høyland 95
Lars Sletten
Eli Lunde Wells 95
Birte Wereide 80
Geir Gundersen 95
Berly Sleire 131

Margot O. Kristoffersen 495
Jan M. Nilsen 95
Torstein Plener 95
Bjørn Berland 101
Harald Hamre 156
Mette Ulstrup Andersen 95
Atle Øvestad 210
Lars Magne Markhus 751
Arne Kjærstad 95
Gyrid Bakka 145
Roar Haualand 95
Margareth Helle Storesund 100
John Lervik 95
Erling Trædal
Arvid Ek

The board of directors

Manager Geir Worum, chairman
Attorney at Law Tor Haver, vice-chairman
Farmer Dominikus Nagell Bjordal 200
Shipowner Kristian Eidesvik
Business Manager Åse Holmane 1 000
Chief Financial Officer Ole Gladhaug 200
Managing Director Magne Vathne
Managing Director Terje Vareberg 3 183
Main Employee Repr. Torstein Plener 95
Dept. Employee Repr. Børge Espedal 184
(regularly attending deputy board member for the employees)

Audit committee

Local Tax Officer Harald Ribland, chairman
Attorney at Law Odd Rune Torstrup
Farmer Arnhild Skrunes
Manager Svein Hodnefjell
Farmer Berit Skjæveland

Auditor

Arthur Andersen & Co. by State Authorised
Public Accountant Finn Kinserdal
(The numbers indicate how many primary capital certificates the person in question owned in Sparebanken Rogaland as per 31 December 2000. Also included are primary capital certificates belonging to the nearest kin and well-known companies in which the person in question has decisive influence, cf. the Companies Act's § 1-2. Primary capital certificates belonging to the institution that the employee representative in question was chosen on behalf of are also included.)

Addresses

SpareBank 1 SR-Bank GROUP
MAIN SWITHCBOARD
+47 51 50 90 00

MAIN OFFICE:

Bjergsted Terrasse 1
P.O. box 218, 4001 Stavanger
Telefax 51 53 18 64
Telex 33 016 SRBK N
E-mail: sparebank1@sr-bank.no
Internet address: www.sr-bank.no

Management

Managing Director Terje Vareberg
Dept. Managing Dir. Sveinung Hestnes
Financial Director Tor Dahle
Company Secretary Rolf Simonsen

Projects

General Manager Aud Inger Haugland

Corporate market

General Manager Tore Medhus

Private customers

General Manager Rolf Aarsheim

Market

Marketing Manager Bjørnar Jacobsen

CORPORATE MARKET NORTHERN JÆREN

Petroleumsvn. 6, 4033 Stavanger
Regional Gen. Mngr. Jan Friestad

SERVICE CENTER

Langflåtveien 5, 4017 Stavanger

REGION HAUGALANDET

Regional Gen. Mngr. Bjarne Askevold

HAUGESUND

Telefax 52 71 24 91
Sørhauggata 150, P.O. box 473
5501 Haugesund
General Manager Arne Mo
Branch: Norheim/Oasen

BOKN

4290 Bokn
Branch Manager Olav Lande Rossebø

KARMØY

P.O. box 68, 4251 Kopervik
General Manager Anders Rundhaug
Brancher: Avaldsnes, Skudeneshavn

TYSVÆR

Aksdal, P.O. box 44,
5570 Grindafjord
General Manager Svein Hauge
Branch: Nedstrand

VINDAFJORD

5576 Øvre Vats
General Manager Arne Gjerde

ØLEN

P.O. box 33, 5580 Ølen
General Manager Magne Kr. Haugland

REGION SØR

Regional Gen. Mngr. Knut Sirevåg
Corporate Market Sør:
Per Inge Leidland

EGERSUND

Telefax 51 49 29 97
P.O. box 190, 4371 Egersund
General Manager Thrine Gabrielsen

BJERKREIM

P.O. box 10, 4389 Vikeså
General Manager Arne Geir Larsen

FLEKKEFJORD

P.O. box 98, 4401 Flekkefjord
General Manager Harald Nilsen

LUND

P.O. box 94, 4460 Moi
General Manager Wenche Netland
Branch: Hovsherad

SIRDAL

P.O. box 25, 4440 Tonstad
General Manager Roger Abusland

SOKNDAL

P.O. box 10, 4380 Hauge i Dalane
General Manager Henning Stålesen

REGION STAVANGER

Market PM
Regional General Manager
Thor Christian Haugland

DOMKIRKEPLASSEN

Telefax 51 89 50 60
Domkirkeplassen 1
P.O. box 218
4001 Stavanger
General Manager Lars Magne Markhus

FORUS

Petroleumsvn. 6, 4033 Stavanger
General Manager Grete Eide

HUNDVÅG

P.O. box 26, 4085 Hundvåg
General Manager Geir Gundersen

MADLA

P.O. box 525, 4090 Hafrsfjord
General Manager Rolf Inge Lura

TASTA

P.O. box 4052, 4004 Stavanger
General Manager Håkon Færaas
Branch: Stokka

MARIERO

Breidablikkn. 3a, 4017 Stavanger
General Manager Stig Bjørheim
Branch: Hinna

HILLEVÅG

Kilden, Gartnerveien 16, 4016 Stavanger
General Manager Kjetil Øygarden
Branch: Østre Bydel

REGION RYFYLKE

Regional Gen. Mngr. Gunnar Fatland
Corporate Market Ryfylke: Børge Oanes

STRAND

Telefax 51 74 91 60
P.O. box 8, 4100 Jørpeland
General Manager Olav Strand
Branch: Tau

FINNØY

P.O. box 25, 4160 Judaberg
General Manager Reimund Flesjø
Branch: Sjernerøy

FORSAND

4110 Forsand
General Manager Bendik Voll

HJELMELAND

P.O. box 55, 4137 Årdal i Ryfylke
General Manager Njål Skår
Branch: Fister

SULDAL

4230 SAND
General Manager Torfrid Baustad

RENNESØY

P.O. box 10, 4150 Rennesøy
General Manager Hugo Hansen

KVITSØY

4090 Kvitsøy
General Manager Astrid H. Throndsen

REGION JÆREN

Regional Gen. Mngr. Lars Enevoldsen

SANDNES

Telefax 51 62 52 25
P.O. box 33, 4301 Sandnes
General Manager Oddvar Rettedal
Branches: Ganddal, Kvadrat, Langgata

RANDABERG

P.O. box 90, 4070 Randaberg
General Manager Guttorm Sirnes

BRYNE

P.O. box 413, 4341 Bryne
General Manager Torvald Søiland

GJESDAL

P.O. box 55, 4330 Ålgård
General Manager Øyvind Sjøtrø
Branch: Gilja

NÆRBØ

P.O. box 205, 4350 Nærbø
General Manager Elin Garborg

SOLA

P.O. box 39, 4051 Sola
General Manager Bjørg Haarr
Branches: Tananger, Stavanger Lufthavn

VARHAUG

P.O. box 94, 4460 Varhaug
General Manager Mindor Jelsa
Branch: Vigrestad

VEST-AGDER

Rådhusgaten 12
4612 Kristiansand
General Manager Atle Grønås

AUST-AGDER

Insurance Office
Langbrygga 9, 4800 Arendal

Subsidiaries

EiendomsMegler 1 Rogaland AS
Telephone 51 50 90 90
Telefax 51 89 50 44
Domkirkeplassen 2
P.O. box 167, 4001 Stavanger
Managing Director Johannes Vold

Branches:

Madla, Mariero, Hundvåg, Sandnes,
Sola, Bryne, Egersund, Haugesund,
Kristiansand, Lyngdal og Mandal

Westbroker Finans AS

Telephone 51 95 65 00
Telefaks 51 50 92 01
Petroleumsvn. 6
4033 Stavanger
Managing Director Arne Gravdal

The bank councils in SpareBank 1 SR-Bank

As part of the bank's goals of being the recommended and leading bank in its market, bank councils have been set up in every municipality where the bank is represented. SpareBank 1 SR-Bank shall have local ties. In other words, the bank shall be a part of the local community. The bank councils are key players in this context, and their job is to ensure that the bank

lives up to this intention. The bank councils are to provide signals, i.e. be a listening post for the general perception of the local bank, and propose suggestions for improvement. Each year, funds are allocated to the bank councils for use in stimulating measures in the local communities.

Overview of the bank councils as of 31 December 2000.

STAVANGER

Ståle Bakke
Arne Joakimsen
Einar Risa
Kari Thu

SANDNES

Hans Øyvind Sagen
Astrid Sjurseike
Olav Skjørestad
Tor Jan Bredenebekk
Sven Ravndal

BRYNE

Arve Edland
Idar Hognestad
Per Kverneland

SOLA

Inge Haga
Torbjørg Stangeland
Ole H. Myklebust
Nils Østerhus

RANDABERG

Bjørn Vistnes
Ove Simonsen
Per Henning Roaldsen
Hilde Enger Nybø

GJESDAL

Alf Egil Jensen
Gunn Dirdal
Jesper Ravndal
Magnus Gilje

HÅ

Jørgen Risdal
Marit Møller Nærland
Brit Elisabeth Bratland
Asbjørn B. Voll

HAUGESUND

Helge Larsen
Helge Sveen
Gudvin Selsås
Terje Hansen
Martha Kold Bakkevig

KARMØY

Turid Grevstad Norheim
Jostein Veia
Karin Vedøy
Oskar Magne Gjesten
Trond Vikshåland

TYSVÆR

Mandrup Hovland
Solveig Bådsvik
Berge Bustad
Torleif Susort
Birger Johan Førre

BOKN

Arne Hosaas
Elisabeth Gundersen
Olav Alvestad
Leif Vatnaland

VINDAFJORD

Øyvind Nordtveit
Lars Berge Gjerde
Svein Aage Hjorteland
Marit Haslemo

ØLEN

Any Tordis Heggebø
Ole Martin Berge
Steinar Skartland
Ingrid Johannessen

EGERSUND

Turid G. Rasten
Thor Øgrey
Odd Hovland
Astrid Kongshavn
Kåre Hansen

BJERKREIM

Christoffer Songe
Bård Vassbø
Randi Gravdal
Anita Undheim

LUND

Kjell Erfjord
Kjell Andreas Heskestad
Aina Bjørkeland
Terje Nyland

FLEKKEFJORD

Sverre Larsen
Svein Gunnar Larsen
Lilly Marie Kongevold

SOKNDAL

Svein Mathisen
Bjørn Grastveit
Torunn Eia Espnes
Kristian Omdal
Helge Løgevik

SIRDAL

Lars Skeie
Jan Inge Bakken
Kjelfrid Helle
Erik Valevatn

STRAND

Bjørn Arvid Olsen
Leif Petter Skaar
Torunn Vestbø

SULDAL

Gunn B. Meling
Helge Hebnes
Solveig Sukka
Bjarne Østerhus
Lars Nessa

HJELMELAND

Håkon Helgøy
Hogne Fjellanger
André Seberg
Bjørn Hauge

FINNØY

Jorunn Strand Vestbø
Magnar Sandanger
Olav Reilstad

RENNESØY

Vigdis Fossåskaret
Ellinor Meling
Svein Hodnefjell

KVITSØY

Kai Kvilstad
Helene Haaland
Steinar Espevik

FORSAND

Rune Stangeland
Anne Tove Hagelin Holte
Eli Torgersen Kjærvoll

