

SpareBank 1 SR-Bank Group

3rd quarter 2009

23rd October 2009

Q3 2009 in brief

- Boosting equity by approx. NOK 1.2 billion in a private placing with Gjensidige Forsikring BA as well as a public rights issue and equity certificate issue aimed at employees
- Good earnings performance
- Higher net interest income
- Excellent financial income
- Moderate loss performance
- Pre-tax profit in Q3 is NOK 503 million (NOK 112 million in Q3 2008), corresponding to a return on equity after tax of 25.2% (3.8%)
- Pre-tax profit at 30 Sept. 2009 is NOK 995 million (NOK 633 million at 30 Sept. 2008), corresponding to a return on equity after tax of 16.9% (10.0%)

The capital situation will be strengthened by issues in Q4 2009

- Issues in Q4 2009 will considerably strengthen the capital situation
- Private placings with Gjensidige of around NOK 870 million
- Gjensidige's stake will be 17.3 %
- Gjensidige is a long-term and financially strong owner
- In addition, a rights issue of NOK 330 million and an issue aimed at employees of up to NOK 90 million
- In all, equity will be increased by approx. NOK 1.2 billion. The private placing with Gjensidige of approx. NOK 800 million will be done at a price of NOK 42.55, and the other three issues will be done at a price of NOK 35.0
- Preparing to obtain hybrid capital (perpetual capital security) totalling NOK 500-900 million
- Estimated core capital adequacy ratio at the end of 2009 will be 9.5-10.0%

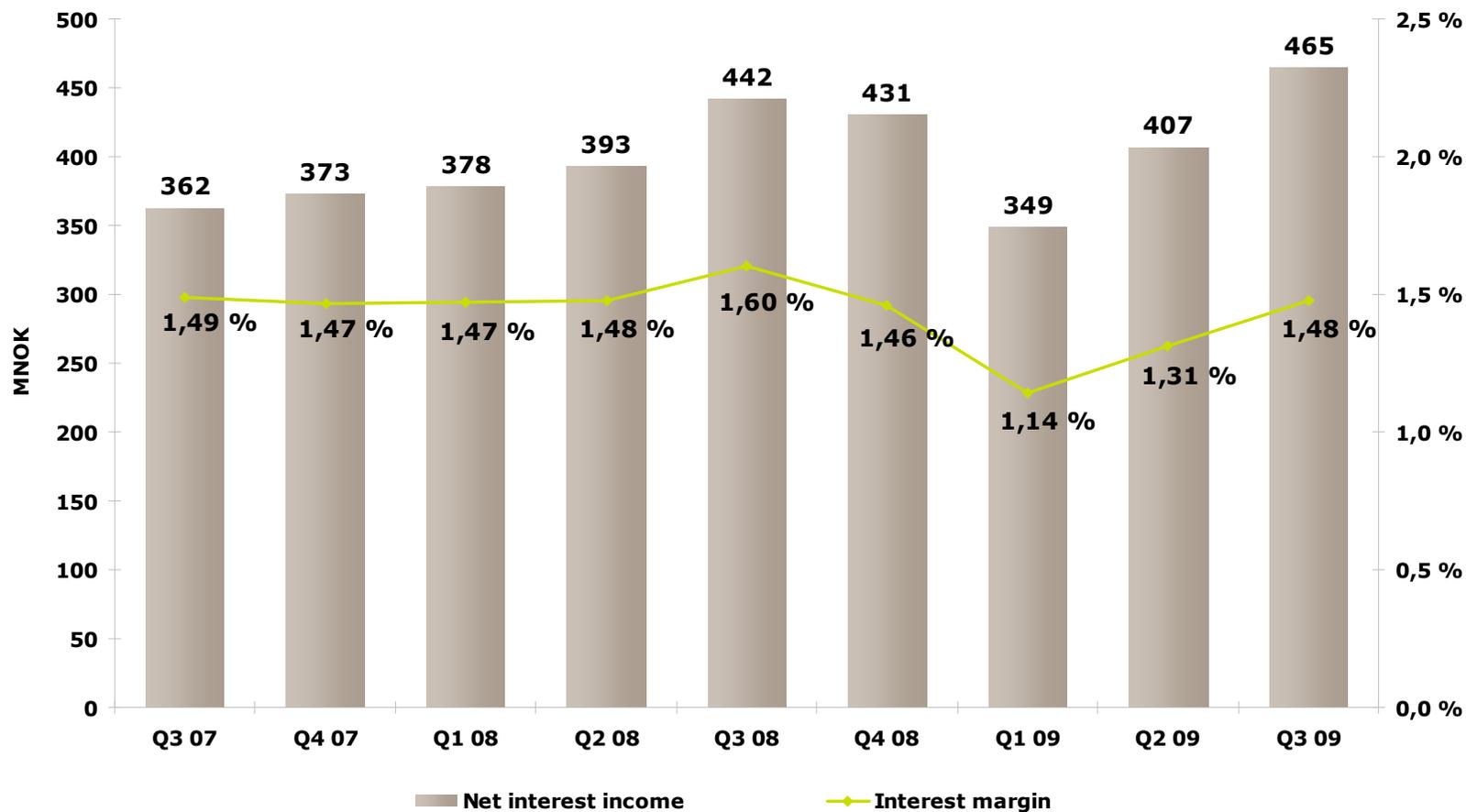
Income statement

<i>MNOK</i>	30.09 2009	30.09 2008	Q3 09	Q2 09	Q1 09	Q4 08	Q3 08
Net interest income	1 221	1 213	465	407	349	431	442
Net commission and other income	713	620	262	243	208	176	199
Net return on investment securities	496	-66	237	201	58	108	-140
Total income	2 430	1 767	964	851	615	715	501
Total operating expenses	1 141	1 066	376	396	369	387	348
Operating profit before losses	1 289	701	588	455	246	328	153
Loss on loans and guarantees	294	68	85	77	132	318	41
Operating profit before tax and min. int.	995	633	503	378	114	10	112
Tax expense	214	186	104	77	33	-23	52
Net profit	781	447	399	301	81	33	60
Of which minority interests	2	9	0	0	2	2	3

Key figures

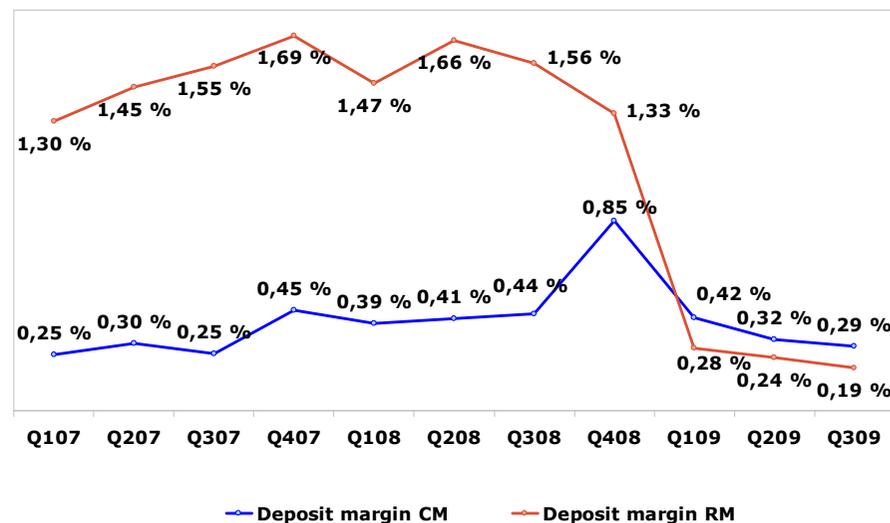
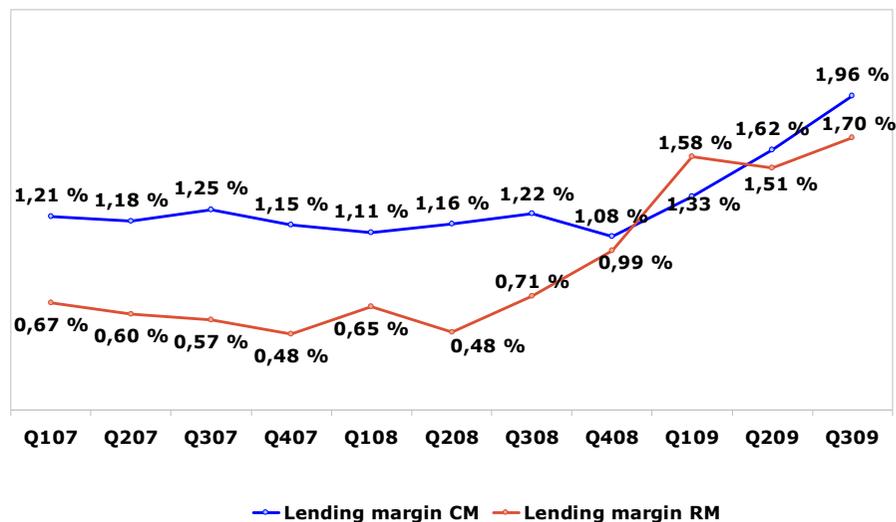
	30.09 2009	Q3 2009	30.09 2008	Q3 2008	31.12 2008
Return on equity after tax	16,9 %	25,2 %	10,0 %	3,8 %	8,0 %
Net interest margin	1,31 %	1,48 %	1,52 %	1,60 %	1,49 %
Cost ratio	47,0 %	39,0 %	60,3 %	69,5 %	58,5 %
Loss percentage	0,41 %	0,41 %	0,10 %	0,10 %	0,41 %
Non-performing and other problem commitments in % of gross loans	1,04 %	1,04 %	0,70 %	0,70 %	1,61 %
Annual growth in loans to customers, gross (incl Boligkreditt)	8,8 %	8,8 %	19,5 %	19,5 %	20,2 %
Annual growth in deposits from customers	-0,3 %	-0,3 %	10,1 %	10,1 %	5,5 %
Deposit-to-loan ratio	57,9 %	57,9 %	56,1 %	56,1 %	53,0 %
Total assets, BNOK	122	122	109	109	126
Mortgage loans transferred to SpareBank 1 Boligkreditt, BNOK	24	24	11	11	12
Capital adequacy ratio	9,3 %	9,3 %	10,1 %	10,0 %	9,8 %
Core capital ratio	6,9 %	6,9 %	7,2 %	7,2 %	6,4 %
Kredittilsynet's liquidity indicator (excl. draw. facil.)	103,2 %	103,2 %	93,6 %	93,6 %	102,2 %
Number of employees (annualised)	1 094	1 094	1 103	1 103	1 117
Market price per equity certificate (EC) at end of period, NOK	44,0	44,0	32,1	32,1	27,1
Result per equity certificate (EC), NOK	4,9	2,5	2,8	0,4	3,0
Book value per equity certificate (EC), NOK	40,5	40,5	37,1	37,1	37,2

Net interest income and margin



Net interest margin – Net interest income/average total assets

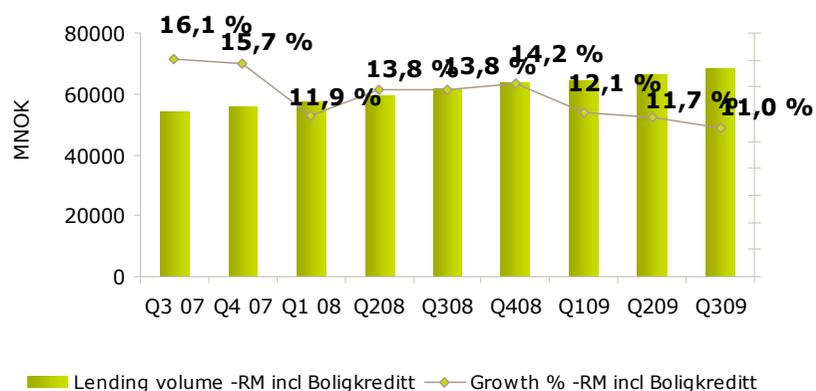
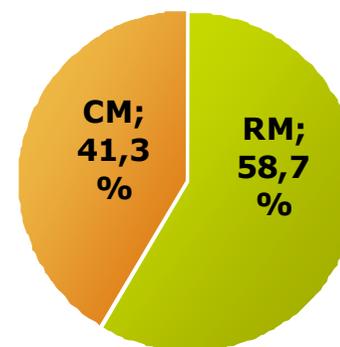
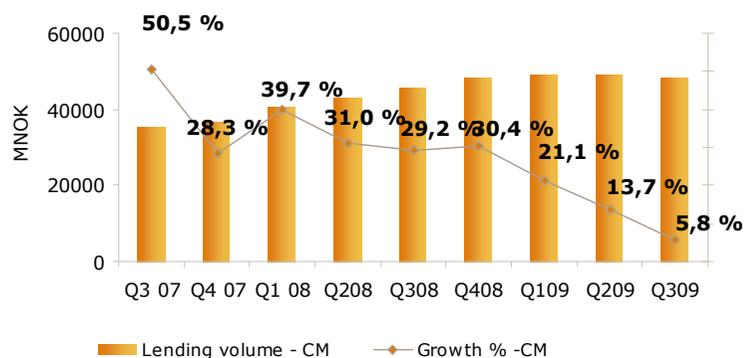
Lending and deposit margins



Definition: Average customer interest minus 3 months average nibor

Lending growth (12 months)

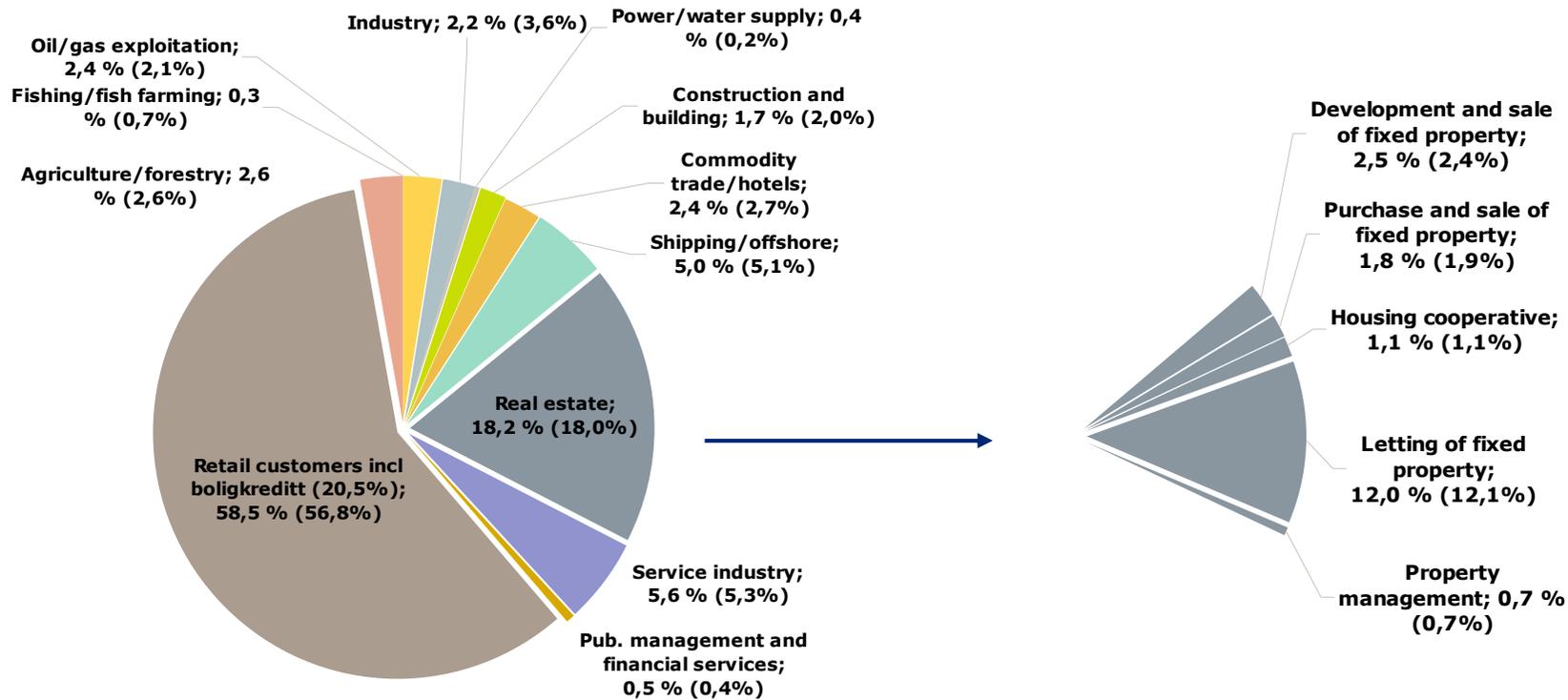
Volume (incl Boligkreditt) 30.09.09



- Growth in loans in CM year to date 0,1 % (of which growth in Q3 -1,4 %)
- Growth in loans in RM year to date 6,9 % (of which growth in Q3 2,9 %)

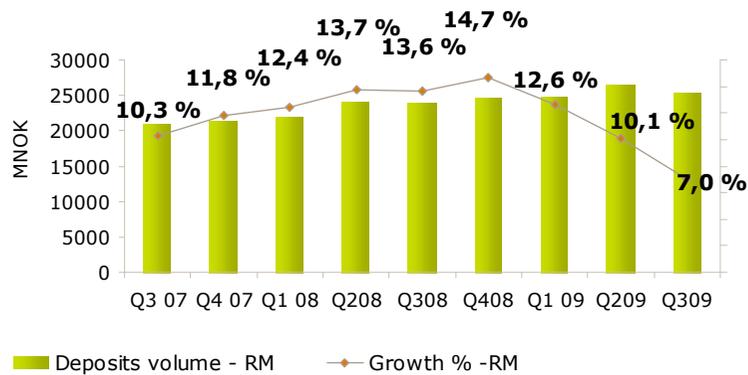
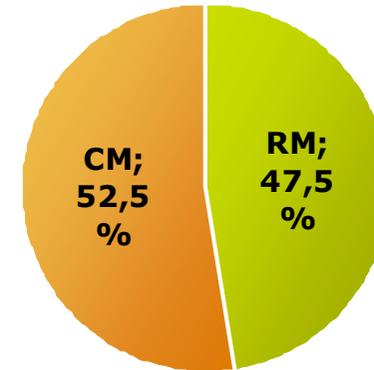
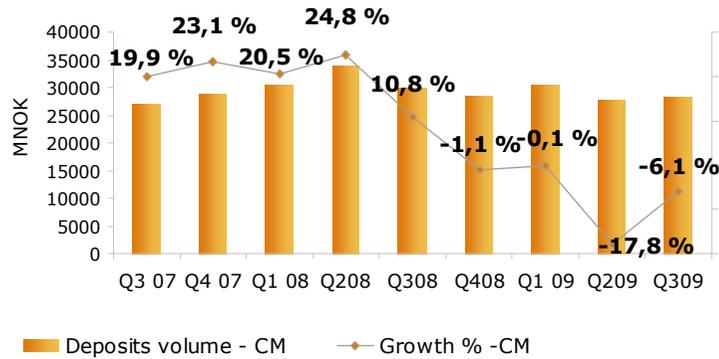
Loans by industry

As of 30.09.2009 (as of 31.12.2008). Incl. mortgage transferred to Boligkreditt.



Deposit growth (12 months)

Volume 30.09.09

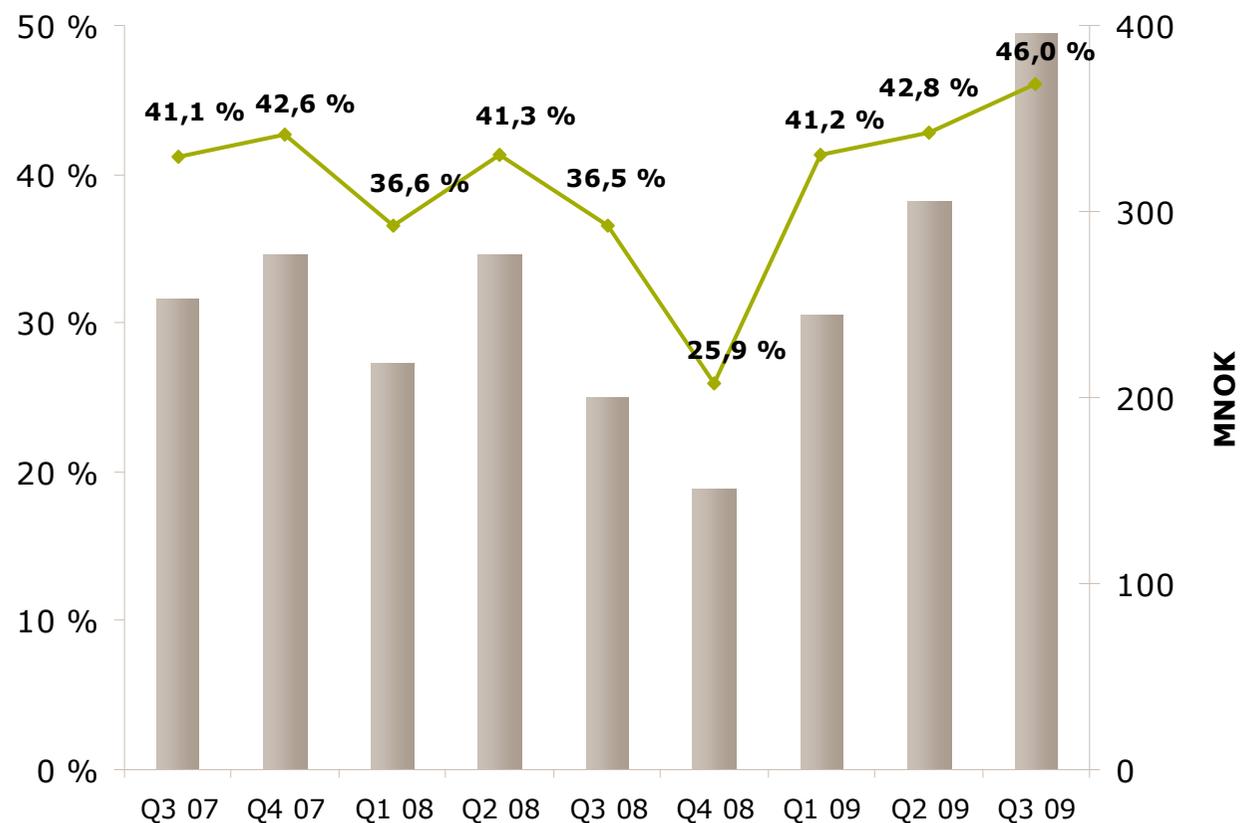


- Growth in deposits CM year to date -0,8 % (of which growth in Q3 1,3 %)
- Growth in deposits RM year to date 3,7 % (of which growth in Q3 -4,1 %)

Net commission income and other income

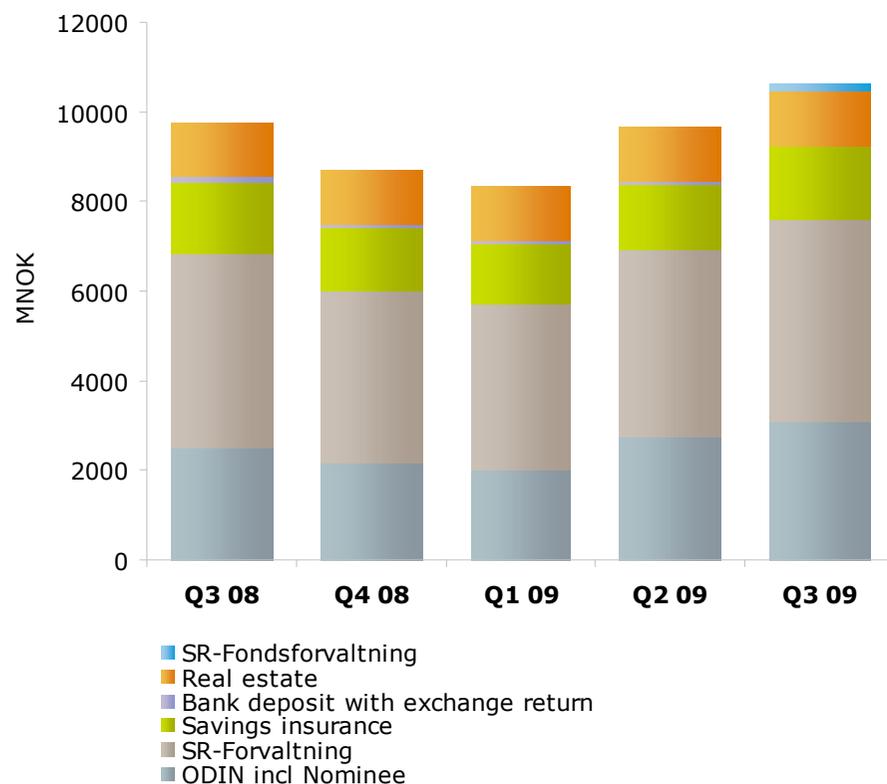
<i>MNOK</i>	30.09 2009	30.09 2008	Q3 09	Q2 09	Q1 09	Q4 08	Q3 08
Payment facilities	143	147	53	46	44	41	49
Savings/placements	76	107	24	29	23	26	30
Insurance products	74	72	25	24	24	24	24
Commission income real estate (EM1)	237	190	83	86	67	42	55
Commission income SpareBank 1 Boligkreditt	89	24	43	24	22	8	10
Guarantee commission	37	31	11	14	12	11	12
Salesprofit, building	0	7	0	0	0	0	3
Arrangement- and customer fees	26	19	8	10	8	17	7
Income Vågen Eiendom	10	8	3	3	3	5	2
Other	21	15	11	6	4	2	7
Net commission and other income	713	620	262	243	208	176	199

Other operating income in % of total income



Def.: $\frac{\text{Net commission and other income} + \text{Currency/interest gains/losses}}{\text{Net interest income} + \text{Net commission and other income} + \text{Currency/interest gains/losses}}$

Savings/placements – portfolio development



- The group had NOK 10,6 billion (NOK 9,7 billion by the end of 3rd quarter 2008) to manage through mainly ODIN-funds and SR-Forvaltning by the end of 3rd quarter 2009

Net return on investment securities

MNOK	30.09 2009	30.09 2008	Q3 09	Q2 09	Q1 09	Q4 08	Q3 08
Dividend	6	14	1	2	3	1	-
Investment income, associates	170	62	98	71	1	199	9
Securities gains/losses	186	-271	103	66	17	-67	-204
- of which capital change in shares and certificates	71	-91	36	39	-4	-81	-80
- of which capital change in certificates and bonds	115	-180	67	27	21	14	-124
Currency/interest gains/losses	134	129	35	62	37	-25	55
- of which currency customer- and own-account trading	102	111	30	36	36	51	41
- of which IFRS-effects	32	18	5	26	1	-76	14
Net return on investment securities	496	-66	237	201	58	108	-140

Bondportfolio per 30.06.09

BNOK 18,9, maturity 3 years (1,5 years exclusive Norwegian covered bonds used in the swap scheme)

Assets class	BNOK	Share	Of which, securities classified to amortised cost BNOK
Norwegian state/municipal	1,5	8 %	0,1
Norwegian bank/finance	3,2	17 %	0,9
Norwegian industry	0,3	2 %	0,0
Norwegian other	0,2	1 %	0,1
Foreign bank and finance	2,5	13 %	1,4
Other Norwegian covered bonds	11,1	59 %	9,6
Total	18,9	100 %	12,2

Subsidiaries and owner interests

<i>MNOK</i>	30.09.2009	30.09.2008
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	4 444	4 028
Operating profit before taxes	37,2	31,9
SpareBank 1 SR-Finans AS		
Total assets, NOK billion	5,0	4,8
Operating profit before taxes	74,1	40,9
SR-Forvaltning ASA		
Portfolio, NOK billion	5,4	5,3
Operating profit before taxes	16,3	36,3
SR-Investering AS		
Investmentportfolio	97	194
Operating profit before taxes	-8,0	-3,7
Vågen Eiendomsforvaltning		
Operating profit before taxes	1,7	1,5
SR-Fondsforvaltning		
Operating profit before taxes	-4,6	-
Owner interests		
Result after tax	170,5	61,7

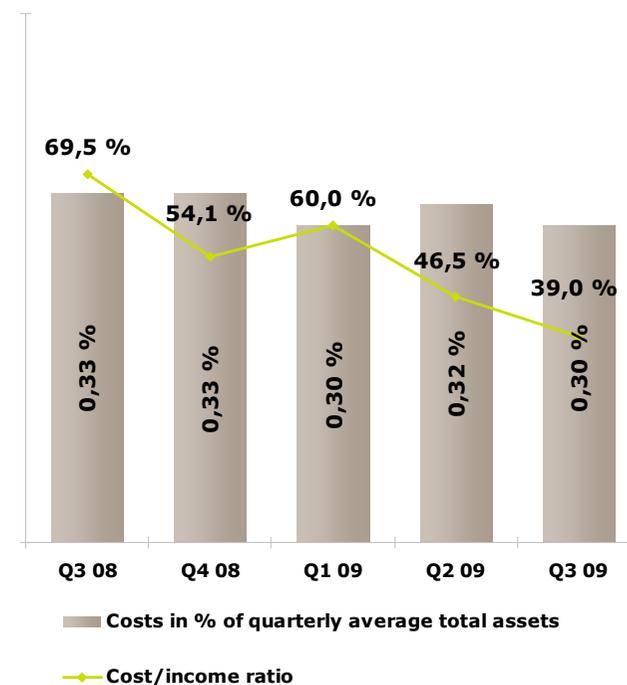
**includes SpareBank 1 Gruppen, BNbank and SpareBank 1 Boligkreditt*

Key figures EiendomsMegler 1

	At Sept. 2009	At Sept. 2008	% change
Number of engagements RM	5 727	5 783	-1,0
Number of engagements BM	188	195	-3,6
Number of sales RM	4 386	3 904	12,3
Number of sales BM	58	124	-53,2
Value provided (NOK billion)	9,9	9,3	6,5 %

Operating costs and development

<i>MNOK</i>	30.09 2009	30.09 2008	Q3 09	Q2 09	Q1 09	Q4 08	Q3 08
Personnel expenses	658	599	218	227	213	177	204
Administrative expenses	254	272	83	88	83	118	91
- of this IT-costs	130	121	45	46	39	56	43
- of this marketing costs	46	68	11	15	20	30	21
Write-offs	53	43	19	17	17	20	15
Other operating expenses	177	152	57	64	56	72	38
Total operating expenses	1 141	1 066	376	396	369	387	348
Number of employees	1 094	1 103	1 094	1 109	1 117	1 117	1 103



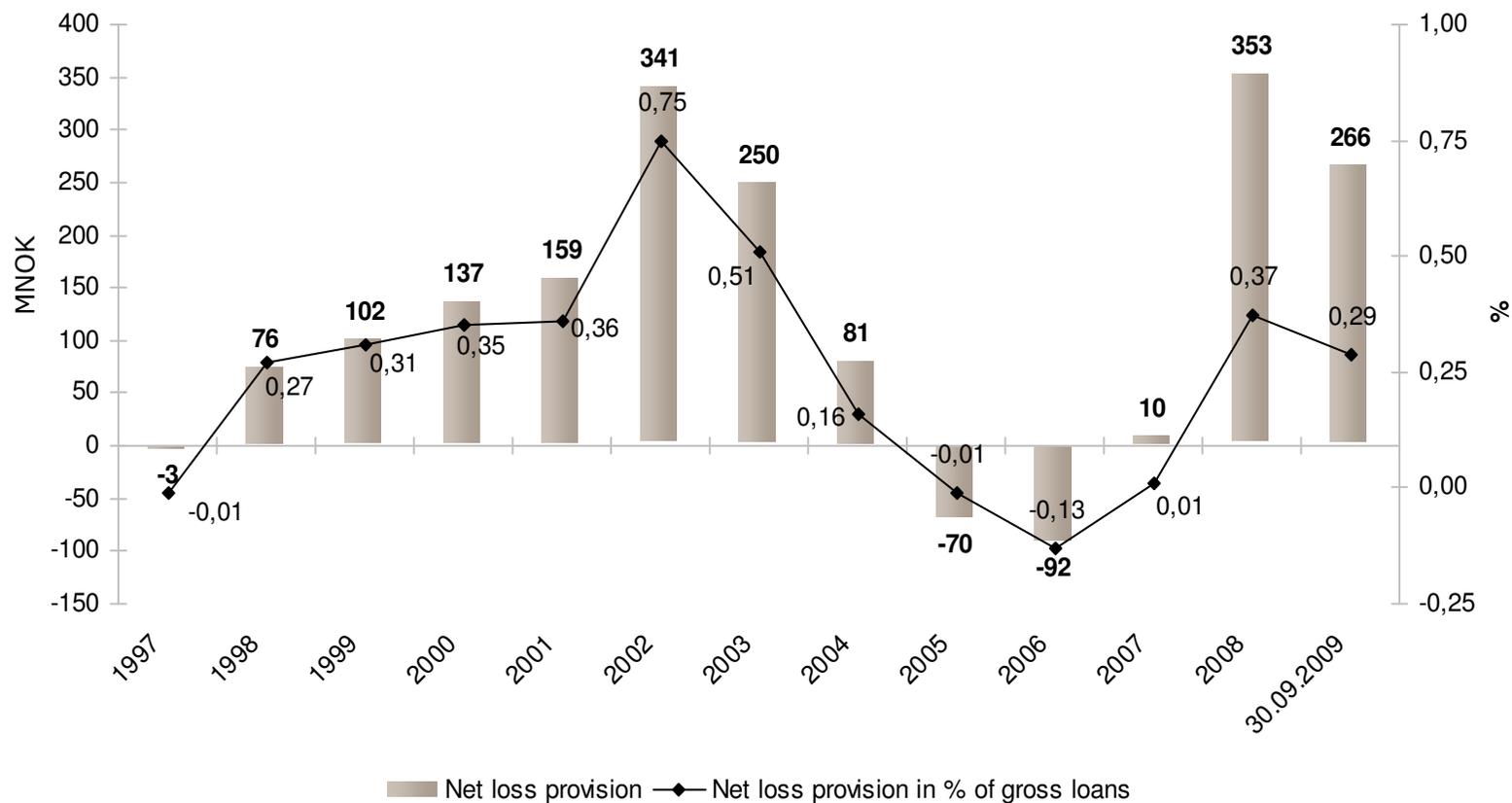
Net losses on loans and guarantees

<i>MNOK</i>	Jan-Sep 2009	Q3 09	Jan-Jun 2009	Jan-Mar 2008	Jan-Dec 2008	Jan-Sep 2008
Retail customers	11	6	5	4	35	16
Corporate customers	283	79	204	128	351	52
Net losses	294	85	209	132	386	68

<i>MNOK</i>	Jan-Sep 2009	Q3 09	Jan-Jun 2009	Jan-Mar 2009	Jan-Dec 2008	Jan-Sep 2008
New specified losses	414	84	330	163	421	105
Reversed losses	-120	1	-121	-31	-35	-37
Net losses	294	85	209	132	386	68
Loss percentage (annualized)	0,41	0,37	0,43	0,53	0,41	0,1

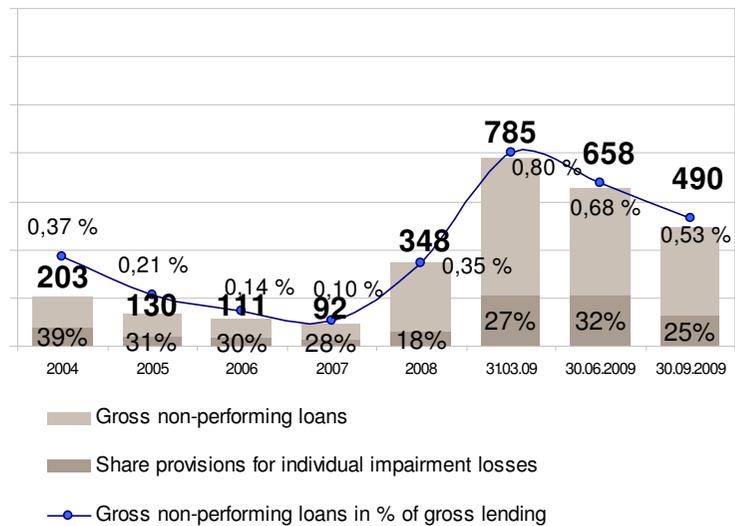
<i>MNOK</i>	Sep 2009	Jun 2009	Mar 2009	Dec 2008	Sep 2008
Specified loss provisions	298	398	414	349	152
Unspecified loss provisions	307	257	229	229	121
Total loss provisions	605	655	643	578	273

Net losses in parentbank last 12 years

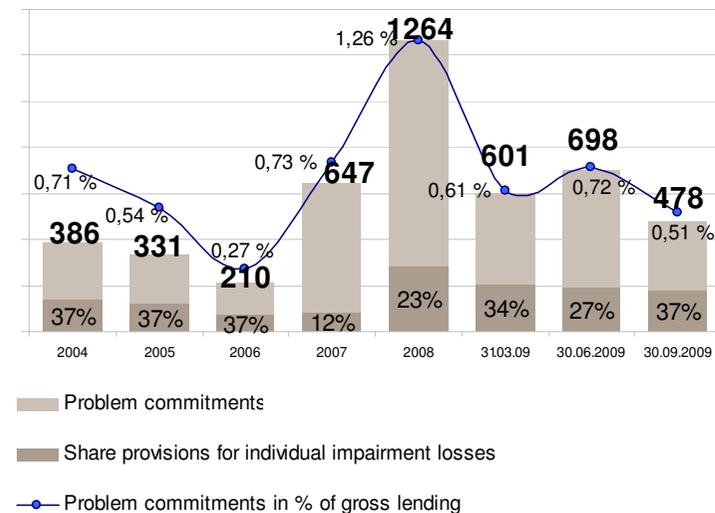


Provision rate for problem and gross non-performing commitments at 30 Sept. 2009

Gross non-performing commitments



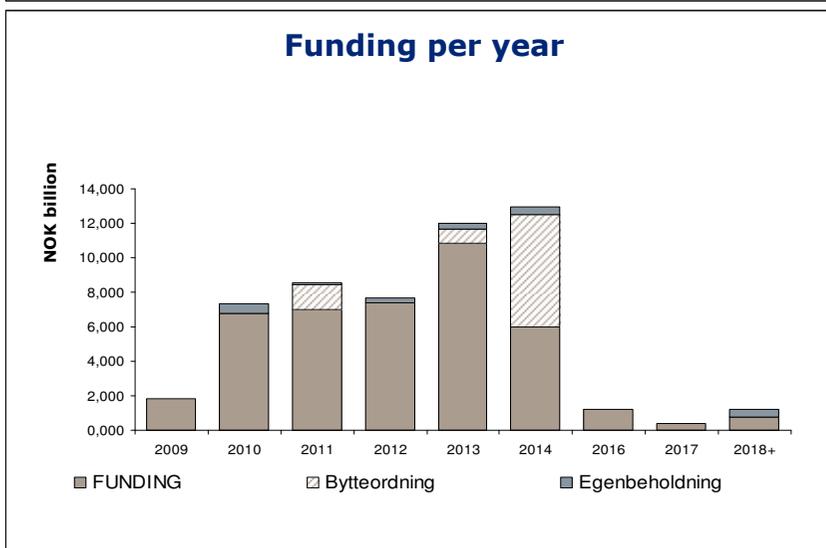
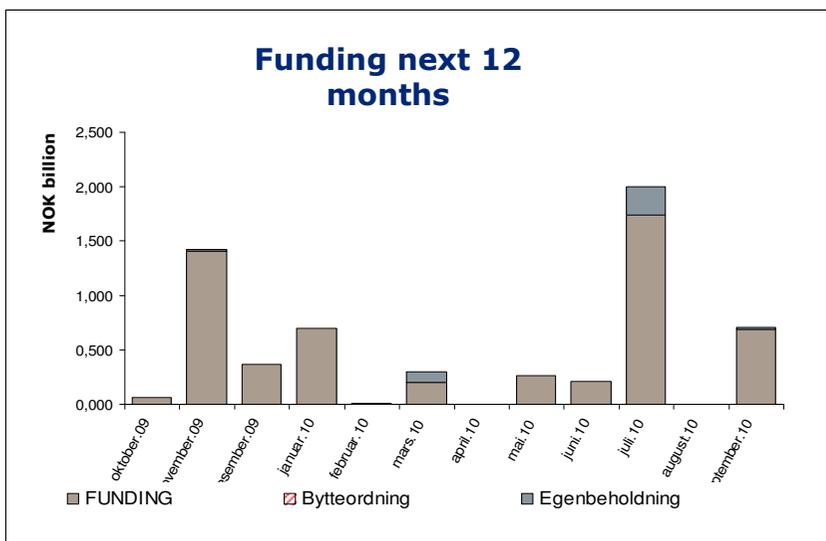
Problem commitments (not non-performing)



Gross non-performing commitments – non-performing loans before deduction of loss provisions. Non-performing over 90 days.

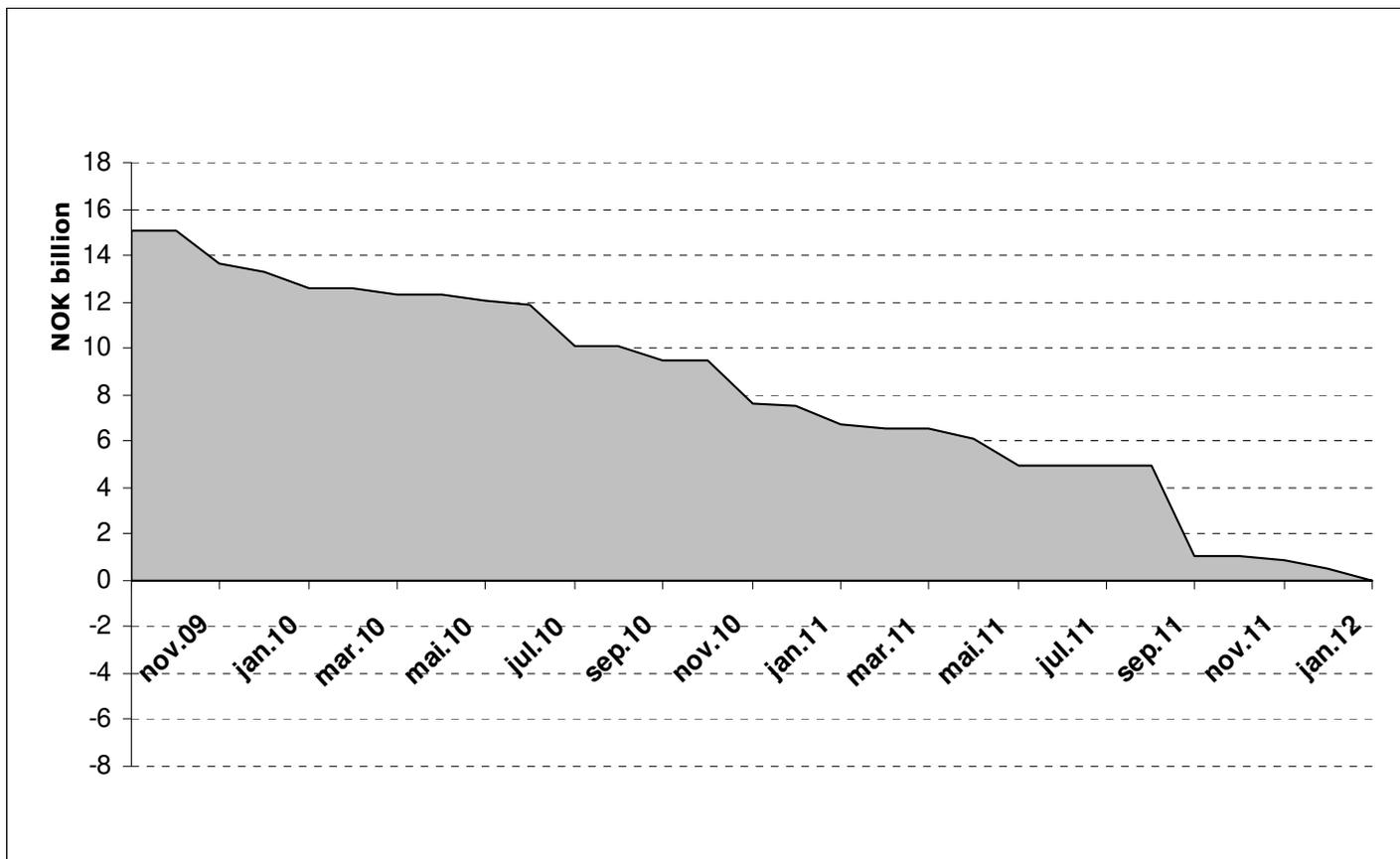
Problem commitments – Commitments that are not non-performing for which a loss provision has been made

Funding and liquidity management



- Good liquidity
- Liquidity buffer of NOK 15,2 billion as of 30.09.09
 - Loans prequalified for transfer to SpareBank 1 Boligkreditt total NOK 2.3 billion
- Net refinancing needs the remainder of the year NOK 1.8 billion
- In the swap arrangement with Norges Bank NOK 16.2 billion has been used year to date
 - NOK 9,3 billion via own covered bonds
 - NOK 6,9 billion via SpareBank 1 Boligkreditt
- The government has decided to scale back the swap arrangement
 - Ordinary funding markets are functioning more normally

Liquidity buffer



Liquidity buffer: cash, short-term placements, drawing rights in Norges Bank (bonds including covered bonds) and home loans that currently are ready to be transferred to Boligkreditt.

Provided deposits and lending remain unchanged, with no new borrowing during the period.

Financial targets

	30.09.2009
Return on equity after tax	16,9 %
Core capital ratio	6,9 %
Capital adequacy ratio	9,3 %

- The aim of SpareBank 1 SR-Bank is to be among the top third in return on equity of comparable banks
- Estimated core capital adequacy at the end of 2009 will be 9.5 – 10.0 % after the implementation of equity certificate issues and planned issue of perpetual capital securities

Rating

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A
Outlook	Negative Outlook	Outlook	Negative Outlook
Last updated	9. september 2009		28. september 2009

New savings bank rules and dividend policy

- The government issued new savings bank rules in June 2009
- In spring 2010 SpareBank 1 SR-Bank plans to present an overall assessment of how the new rules can best be utilised for owners, customers and the bank
- Among other things the regulations entail equity certificates becoming more comparable to shares
- The bank's dividend policy will reflect this

New savings bank rules and dividend policy

- On 19 September 2009 the Board approved a revised dividend policy:

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

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

In assessing a distribution of the profit for the year to dividend and gifts, respectively, importance will be attached to keeping stable the proportion of total equity (ownership fraction) held by equity certificate holders."

Outlook

- The performance of the world economy and the Norwegian economy has been better than feared
- In our market area activity levels remain high, housing prices are rising and unemployment low
- A considerable strengthening of equity in Q4 2009 will help to position the Group for further growth

Appendix

Equity certificate - ROGG

- Owner shares as at 30.09.09:
 - From Rogaland, Agder and Hordaland: 62,4 % (64,2 %)
 - Non-domestic: 7,7 % (7,8 %)
 - Largest 10: 17,6 % (18,3 %)
 - Largest 20: 25,0 % (26,1 %).
- No. of ROGG owners as at 30.09.09: 11 671 (11 326)
- Employees in the group owns 3,9 % of the equity certificates.
- Turnover 3rd quarter 2009: 3,4 % (6,0 %).

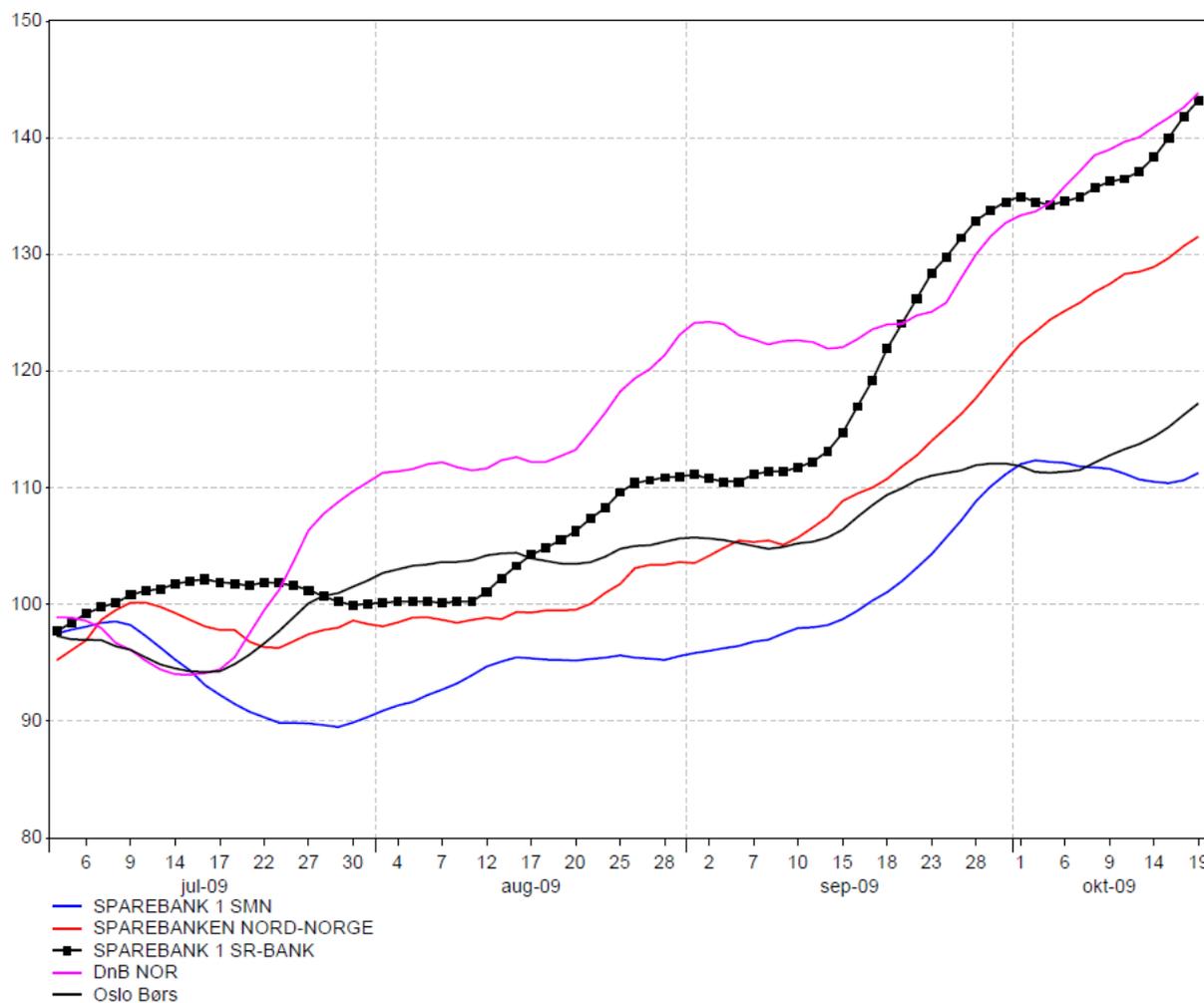
(Figures for corresponding period in 2008 are shown in parantheses)

	30.09.09	2008	2007	2006
EC percentage	56,6 %	56,1 %	54,9 %	51,0 %
Market price	44,0	27,1	55,2	57,0
Stock value (NOK million)	3 955	2 434	4 702	4 274
Book value per EC, NOK (group)	40,51	37,23	37,64	
Book value per EC, NOK (parentbank)	35,30	32,06	34,02	29,09
Earnings per EC	4,88	3,00	6,54	6,48
Dividend per EC	n.a.	0,83	3,96	3,62
P/E	6,76	9,03	8,44	8,80
P/BV (group)	1,09	0,73	1,47	
P/BV (parentbank)	1,25	0,84	1,62	1,96

20 largest equity certificate holders

20 largest EC holders per 30.09.09	Number	Stake
Coil Investment Group AS	4 549 993	5.1%
Køhlergruppen AS	1 740 000	1.9%
Clipper AS	1 704 643	1.9%
Frank Mohn AS	1 485 915	1.7%
Trygve Stangeland	1 446 931	1.6%
Lærdal AS	1 106 160	1.2%
The Northern Trust, U.K.	1 084 014	1.2%
Brown Brothers Harriman, U.S.A.	960 000	1.1%
Bank of New York, U.S.A.	874 964	1.0%
Bjergsted Investering AS	839 497	0.9%
Grunnfond Invest AS	838 711	0.9%
Westco AS	787 897	0.9%
Verdipapirfondet Nordea Norge	767 233	0.9%
Olav T. Stangeland	713 570	0.8%
Forsand Kommune	682 230	0.8%
Solvang Shipping AS	634 105	0.7%
Leif Inge Slethei AS	600 000	0.7%
Pareto AS	569 031	0.6%
Helland AS	545 672	0.6%
Tveteraas Finans AS	533 338	0.6%
Total 20 largest holders	22 463 904	25,0%

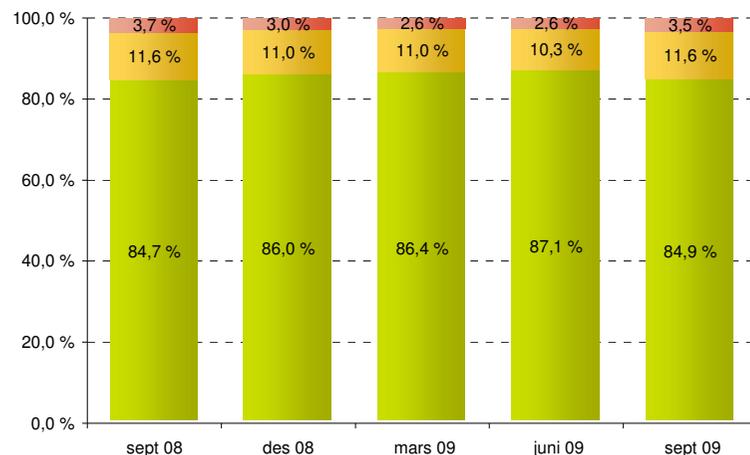
Price performance Q3 2009 (ten-day average)



Source: Reuters EcoWin

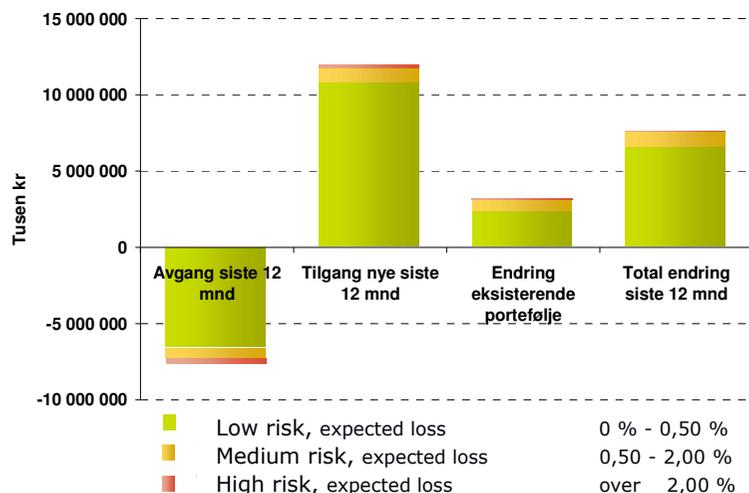
Risk profile of SpareBank1 SR-Bank

Moderate risk profile, but somewhat weaker credit quality in most recent quarter



- The Group has a moderate risk profile
- Somewhat weaker credit quality reflects a business sector plagued by below-trend earnings compared with the past few years
- Signs that the economic downturn will be milder than expected

Migrering i SpareBank 1 SR-Banks portefølje (EAD) siste 12 mndr

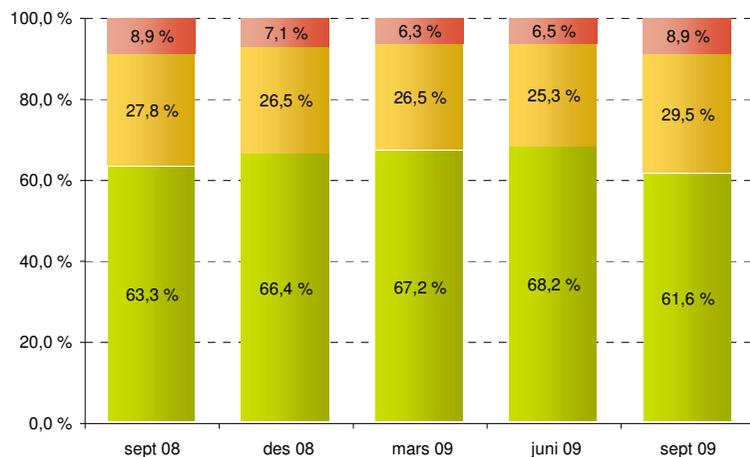


Measurement of risk exposure is based on a long-term average over a business cycle. It results in greater stability in the estimates of non-performing loans.

The figures include the portfolio transferred to Boligkreditt.

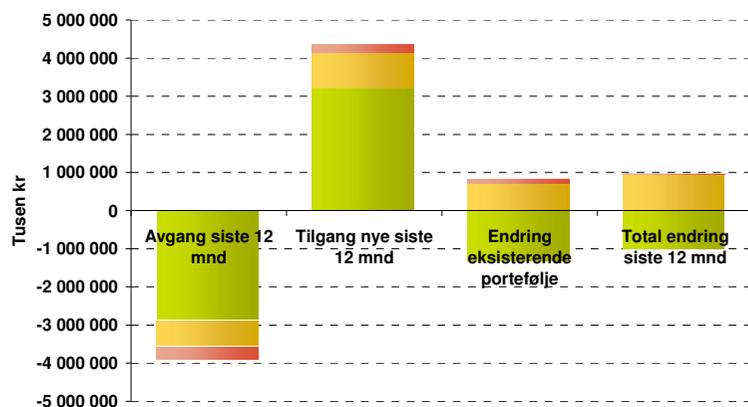
Risk profile in the Corporate Market Portfolio

Somewhat weaker portfolio quality in most recent quarter



- Portfolio quality considered to be good
- Somewhat weaker credit quality reflects a business sector plagued by below-trend earnings compared with the past few years
- Lending growth is slow and expected to be moderate going forward as well
- Signs that the downturn will be milder than expected – meaning that credit quality will weaken less going forward than previously assumed

Migrering i BM Divisjonens portefølje (EAD) siste 12 mndr

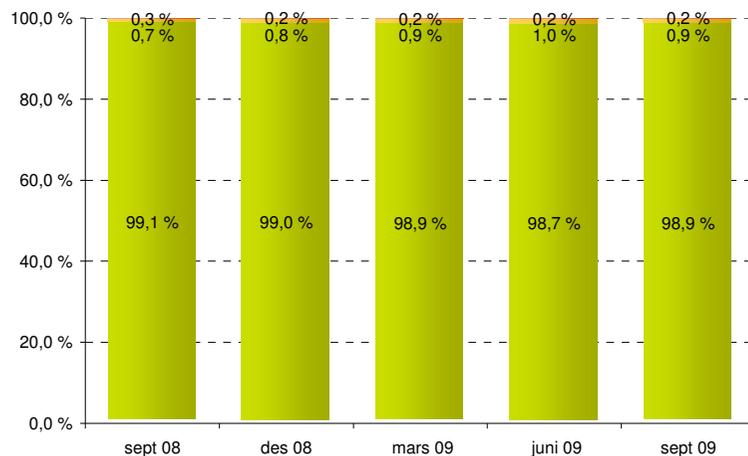


Low risk, expected loss	0 % - 0,50 %
Medium risk, expected loss	0,50 - 2,00 %
High risk, expected loss	over 2,00 %

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

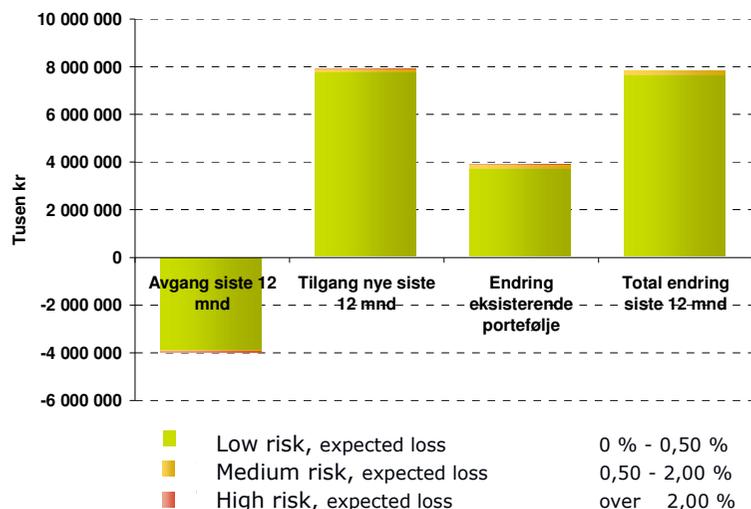
Risk profile in the Retail Market Portfolio

Portfolio quality is excellent and the loss potential limited



- Portfolio quality is excellent, and the performance of the portfolio's credit quality is stable
- Low interest rates and rising housing prices are having a positive impact on the portfolio
- Most of the portfolio is secured by mortgages on real estate
- Security coverage is good, indicating a limited loss potential

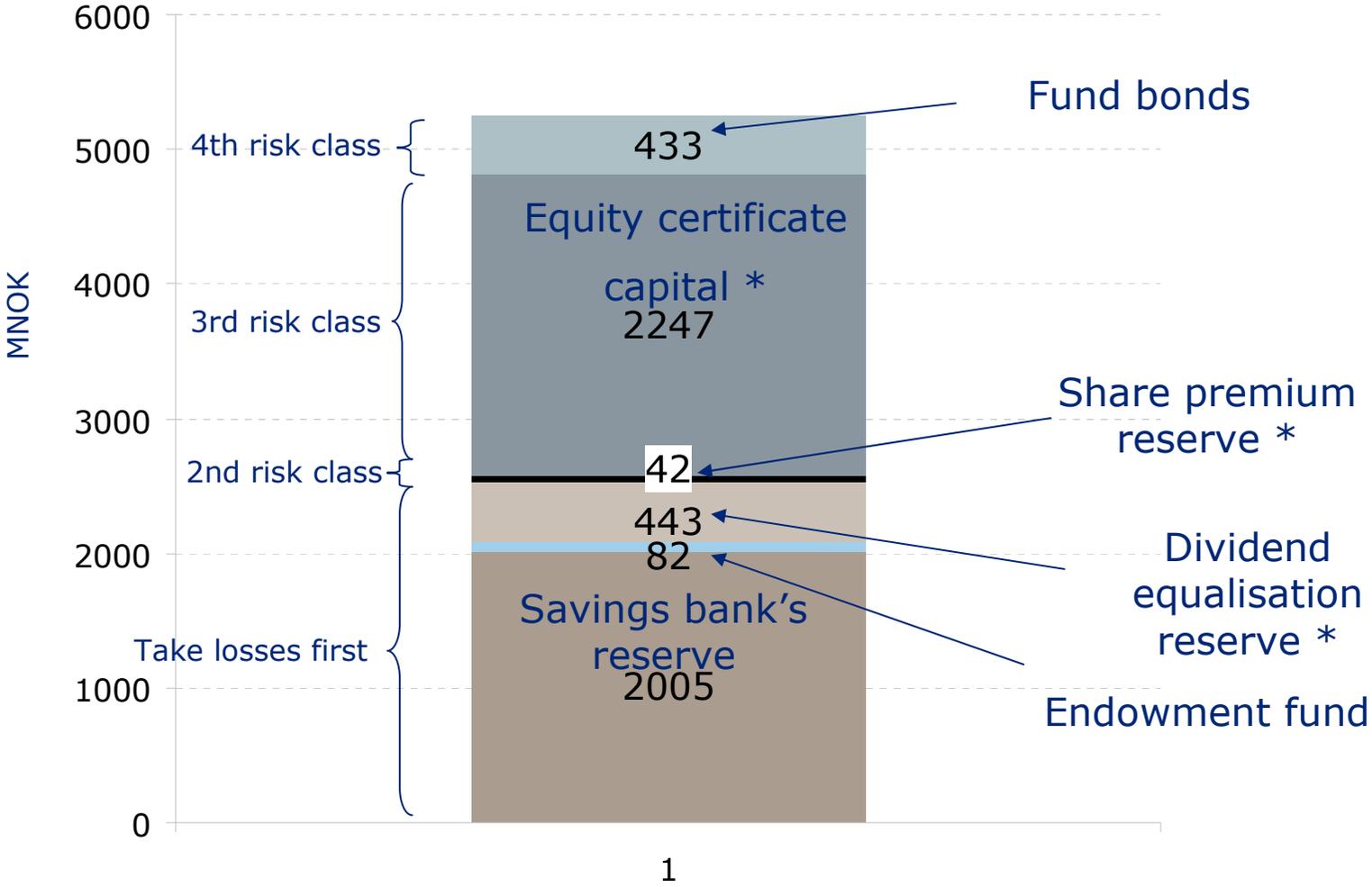
Migrering i PM Divisjonens portefølje (EAD) siste 12 mndr



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The figures include the portfolio transferred to Boligkreditt.

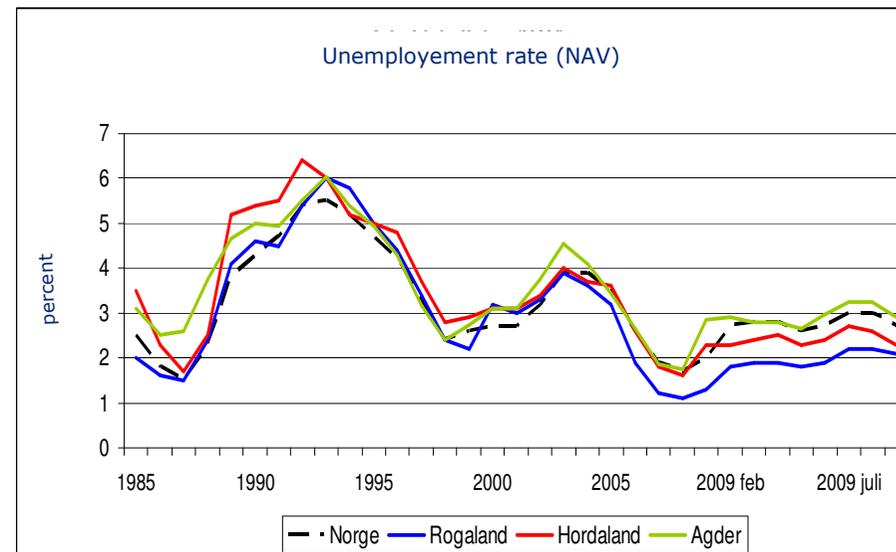
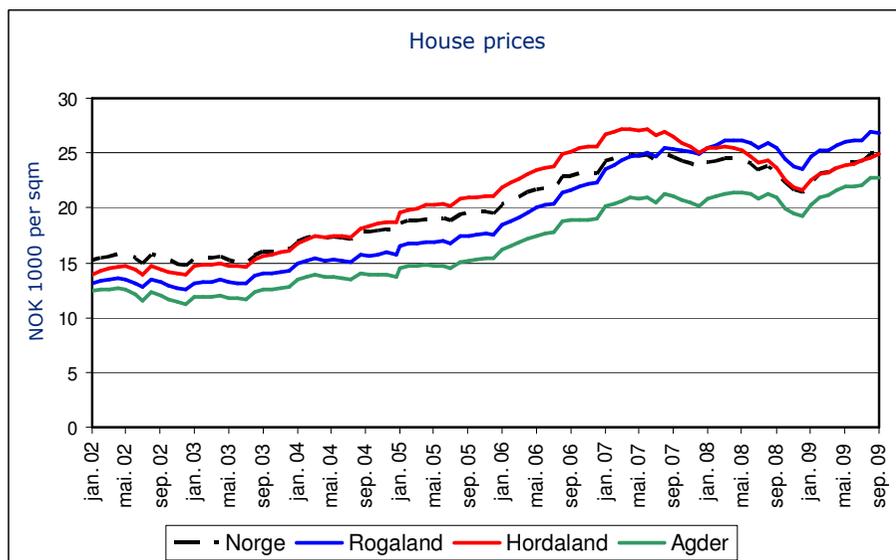
Core capital – favourable priority for equity certificate holders



* Equity certificate holders' capital

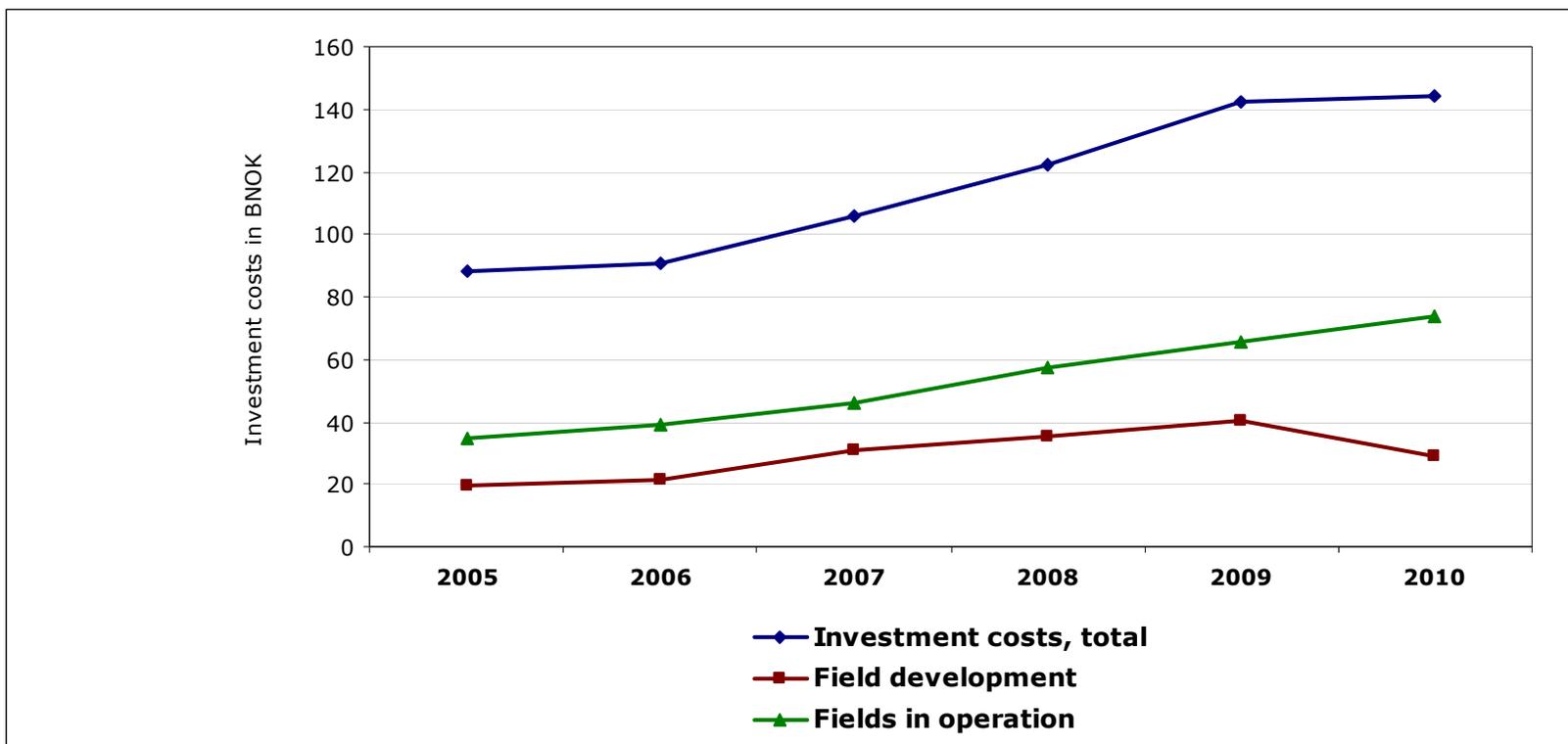
Per 30.09.09

Better development than expected in house- and labour market



Source: Norges Bank

Record-high oil investment in 2009 (NOK 144 billion) expected to continue in 2010 (NOK 145 billion)



Kilde: Norges Bank

SpareBank 1 SR-Bank

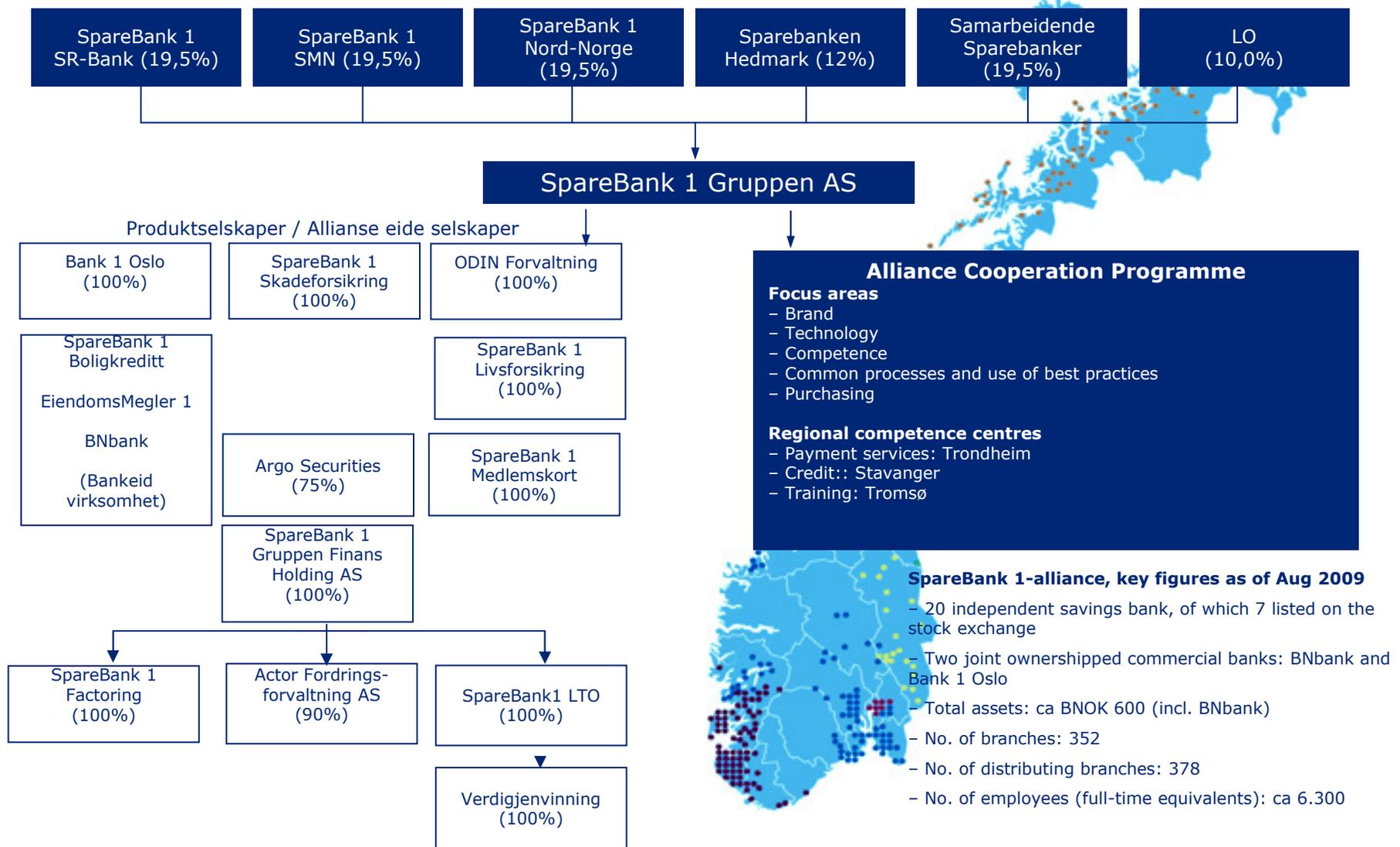
- Localised in Rogaland, Agder and Hordaland



- Established in 1839
- Head office in Stavanger
- 53 branches in South-Western Norway
- More than 200.000 customers
- Chairman of the Board: Kristian Eidesvik
- Chief Executive Officer: Terje Vareberg
- Chairman Supervisory Board: Svein Kjetil Søyland
- Chairman Audit Committee: Odd Rune Torstrup
- External auditor: PricewaterhouseCoopers

<p>EiendomsMegler 1 SR-Eiendom AS 100 %</p>	<p>SpareBank 1 SR-Finans AS 100 %</p>	<p>SR-Investering AS 100 %</p>	<p>SR-Forvaltning ASA 100 %</p>	<p>Vågen Eiendoms- forvaltning AS 100 %</p>
<ul style="list-style-type: none"> • Real-estate agency: <ul style="list-style-type: none"> • Houses • Business • Projects • Market leader in Rogaland 	<ul style="list-style-type: none"> • Leasing • Financing 	<ul style="list-style-type: none"> • Investment in long-term equity 	<ul style="list-style-type: none"> • Asset management 	<ul style="list-style-type: none"> • Property management
<p>SpareBank 1 Boligkreditt AS 33,8 %</p>	<p>SpareBank 1 Næringskreditt 20 %</p>	<p>BNbank ASA 20 %</p>	<p>SpareBank 1 Gruppen AS 19,5 %</p>	
<ul style="list-style-type: none"> • Mortgage company 			<ul style="list-style-type: none"> • ODIN forvaltning AS • SpareBank 1 Livsforsikring AS • SpareBank 1 Skadeforsikring AS • Bank 1 Oslo AS • Argo Securities • SpareBank 1 Gruppen Finans Holding AS • SpareBank 1 Factoring • Actor Fordringsforvaltning AS • SpareBank 1 LTO 	

SpareBank 1 Alliance structure



The recommended bank

SpareBank 1 SR-Bank strategy

SpareBank 1 SR-Bank shall, in our market area, have the industry's most attractive brand name and its hallmark shall be:

- to be the leading financial group in the region.
- to have satisfied customers that recommend our bank to others.
- to be best at creating value together with the customers.
- to be one of the best within the savings and pension market.
- to be the best with the ability to attract, challenge and develop the most competent employees.
- to be one of the most profitable finance institutions in the Nordic region.

Purpose

*SpareBank 1 SR-Bank
will add value to the region in which we
are a part of*

Values

*Courage to speak your mind,
strength to create*

*Able to view things in a long-term
perspective, and being
open and sincere*

*By showing responsibility and
respect, a will and ability
to improve*