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Information on the Internet

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

Financial Calendar 2011

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

Contents

1. SpareBank 1 SR-Bank.....	4
1.1 Financial highlights	4
1.2 Business description: leading financial institution in Rogaland, Hordaland and Agder	6
Retail Market.....	7
Corporate Market	7
Capital Market.....	7
Organization	8
The SpareBank 1 Alliance.....	9
1.3 Credit ratings.....	10
1.4 Equity capital certificate - EC.....	11
ECs and the stock market	11
Dividend policy	12
History and capital structure	12
Possible conversion to a limited liability company (ASA)	13
2. Financial results and balance sheet.....	17
2.1 Net interest income	21
2.2 Net other operating income.....	23
2.3 Operating expenses.....	25
2.5 Losses on loans and loss provisions.....	29
2.6 Loans	30
2.7 Risk profile.....	31
2.8 Capital adequacy.....	34
3. Business areas	37
3.1 Business segments - Financial performance.....	37
3.2 Retail Market	38
3.3 Corporate Market.....	39
3.4 Capital Market.....	40
3.5 Subsidiaries.....	41
EiendomsMegler 1 SR-Eiendom AS.....	41
SpareBank 1 SR-Finans AS	42
SR-Forvaltning ASA	43
SR-Investering AS.....	44
SR-Fondsforvaltning AS	45
4. Norwegian and regional economy	46

1. SpareBank 1 SR-Bank

1.1 Financial highlights

Per 30.09.2010

- Group profit before tax: NOK 1,200 million (NOK 995 million)
- Group profit after tax: NOK 936 million (NOK 781 million)
- Return on equity after tax: 15.1 % (16.9 %)
- Impairment losses on loans and guarantees: NOK 163 million (NOK 294 million)
- Net interest income: NOK 1,300 million (NOK 1,221 million)
- Net commission and other income: NOK 818 million (NOK 713 million)
- Net return on investment securities: NOK 388 million (NOK 496 million)
- The core capital ratio: 9.3 % (6.9 %)

3rd quarter 2010

- Group profit before tax: NOK 386 million (NOK 503 million)
- Group profit after tax: NOK 300 million (NOK 399 million)
- Return on equity after tax: 14.3 % (25.2 %)
- Impairment losses on loans and guarantees: NOK 43 million (NOK 85 million)
- Net interest income: NOK 436 million (NOK 465 million)
- Net commission and other income: NOK 264 million (NOK 262 million)
- Net return on investment securities: NOK 137 million (NOK 237 million)

(Comparable figures for 2009 in parentheses)

Income statement

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2010
Net interest income	436	427	437	455	465	1.300	1.221	1.676
Net commission and other income	264	294	260	285	262	818	713	998
Net return on investment securities	137	172	79	209	237	388	496	705
Total income	837	893	776	949	964	2.506	2.430	3.379
Total operating expenses	408	423	312	438	376	1.143	1.141	1.579
Operating profit before losses	429	470	464	511	588	1.363	1.289	1.800
Losses on loans and guarantees	43	51	69	74	85	163	294	368
Operating profit before tax and minority interests	386	419	395	437	503	1.200	995	1.432
Tax expense	86	81	97	107	104	264	214	321
Profit after tax from continuing operations	300	338	298	330	399	936	781	1.111
Attributable to majority interests	300	338	298	330	399	936	779	1.109
Attributable to minority interests	0	0	0	0	0	0	2	2

Key figures

	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2010
Return on equity ¹⁾	14,3 %	16,5 %	14,8 %	18,2 %	25,2 %	15,1 %	16,9 %	17,5 %
Cost ratio ²⁾	48,7 %	47,4 %	40,2 %	46,2 %	39,0 %	45,6 %	47,0 %	46,7 %
Deposit-to-loan ratio	55,5 %	58,0 %	55,3 %	58,1 %	57,9 %	55,5 %	57,9 %	58,1 %
Growth in loans	8,0 %	-0,7 %	-1,6 %	-6,6 %	-3,3 %	8,0 %	-3,3 %	-6,6 %
Growth in loans including SpareBank 1 Boligkreditt	6,6 %	6,0 %	5,8 %	5,3 %	8,8 %	6,6 %	8,8 %	5,3 %
Growth in deposits	3,7 %	3,1 %	-0,9 %	2,4 %	-0,3 %	3,7 %	-0,3 %	2,4 %
Average total assets, MNOK	128.799	127.627	124.888	123.755	124.508	127.010	124.273	124.283
Total assets, MNOK	129.524	128.653	126.508	124.909	122.081	129.524	122.081	124.909
Impairment losses ratio ³⁾	0,23	0,25	0,28	0,38	0,41	0,23	0,41	0,38
Capital adequacy ratio	11,6	11,5	11,6	11,9	9,3	11,6	9,3	11,9
Core capital ratio	9,3	9,1	9,4	9,6	6,9	9,3	6,9	9,6
Market price	53,00	46,10	48,80	50,00	44,00	53,00	44,00	50,00
Book equity per EC (including dividends) (group)	44,11	42,44	41,47	42,07	40,51	44,11	40,51	42,07
Earnings per EC (group) ⁴⁾	1,56	1,76	1,55	1,95	2,50	4,87	4,88	6,88

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

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

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

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

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



Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank is located in the South-Western part of Norway and is the second largest of the Norwegian-owned banks (after DnB NOR) with assets totalling NOK 129 billion at the end of 3rd quarter 2010. Head office is in Stavanger. The group's market areas are the counties of Rogaland, Agder and Hordaland. The Group has about 1 100 employees and provides products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

The customer-oriented activity is organized in three divisions; retail, corporate and capital market.

Retail Market

SpareBank 1 SR-Bank is the leading retail customer bank in Rogaland, with 178 000 customers and a market share of about 40 per cent. In addition to the retail customers the division also serves 9 100 small business and agricultural customers and 2 800 clubs and associations.

Corporate Market

SpareBank 1 SR-Bank has about 7 300 customers in the business sector and public sector. About 40 per cent of all businesses in the bank's traditional market list SpareBank 1 SR-Bank as their main bank. In addition, there are small businesses and agricultural customers being served by the Retail market division.

Capital Market

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

Segment results

MNO ^K	3rd quarter					
	Retail market		Corporate market		Capital market	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
Operating profit before tax	188	211	149	135	36	-22
Per 30.09						
MNO ^K	Retail market		Corporate market		Capital market	
	2010	2009	2010	2009	2010	2009
	600	572	434	246	117	122
Gross loans to customers excl. SpareBank 1 Boligkreditt	51.882	43.544	43.736	44.372	-	-
Deposits from customers	26.794	25.123	29.062	27.995	-	-

Organization

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

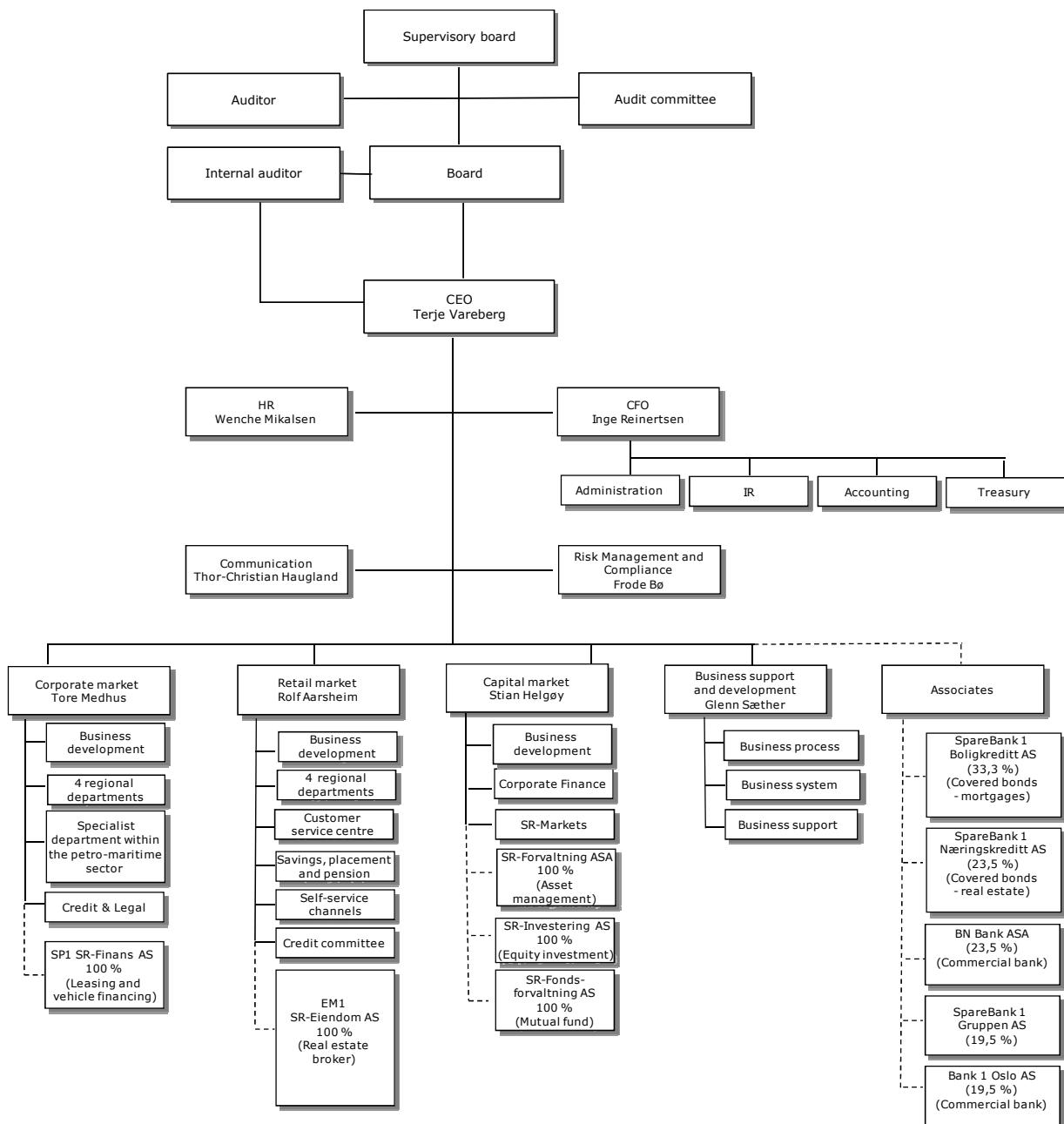


Figure 1.2.2: SpareBank 1 SR-Bank organizational chart

The SpareBank 1 Alliance

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

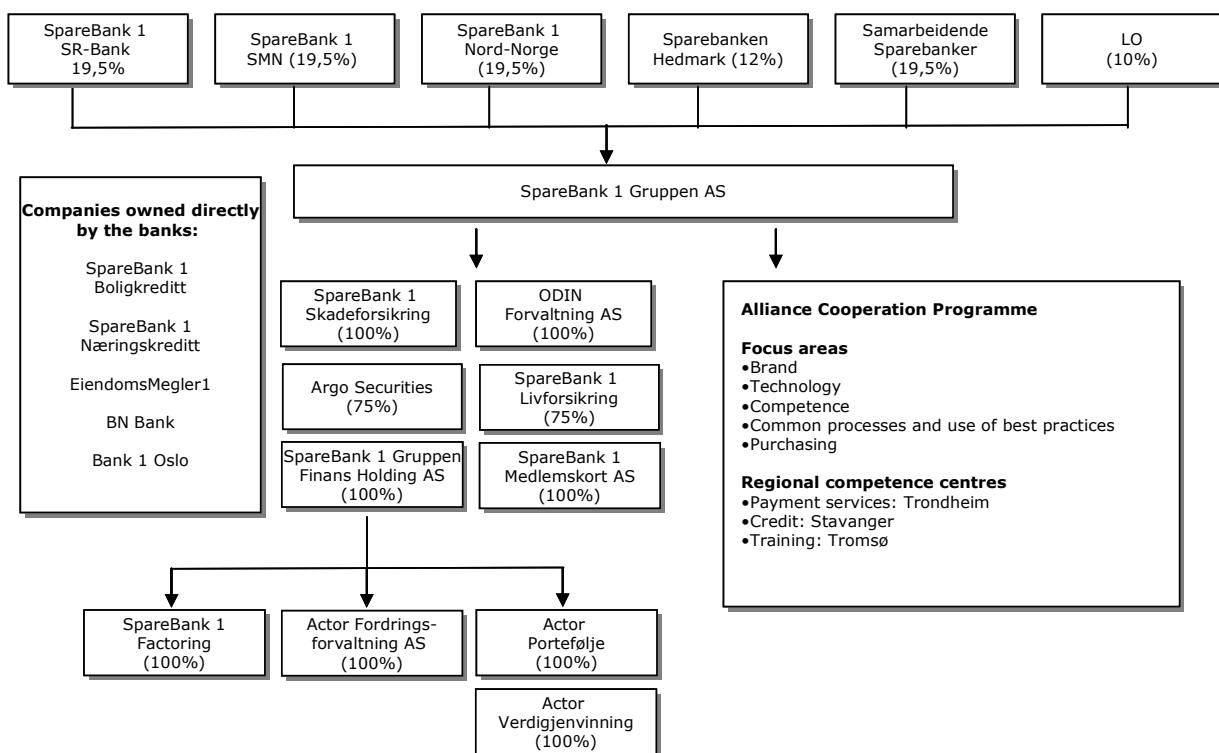


Figure 1.2.3: Structure of SpareBank 1 Alliance

1.3 Credit ratings

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

Moody's Investors Service (7 September 2010):

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

Fitch Ratings (12 March 2010):

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

1.4 Equity capital certificate - EC

ECs and the stock market

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

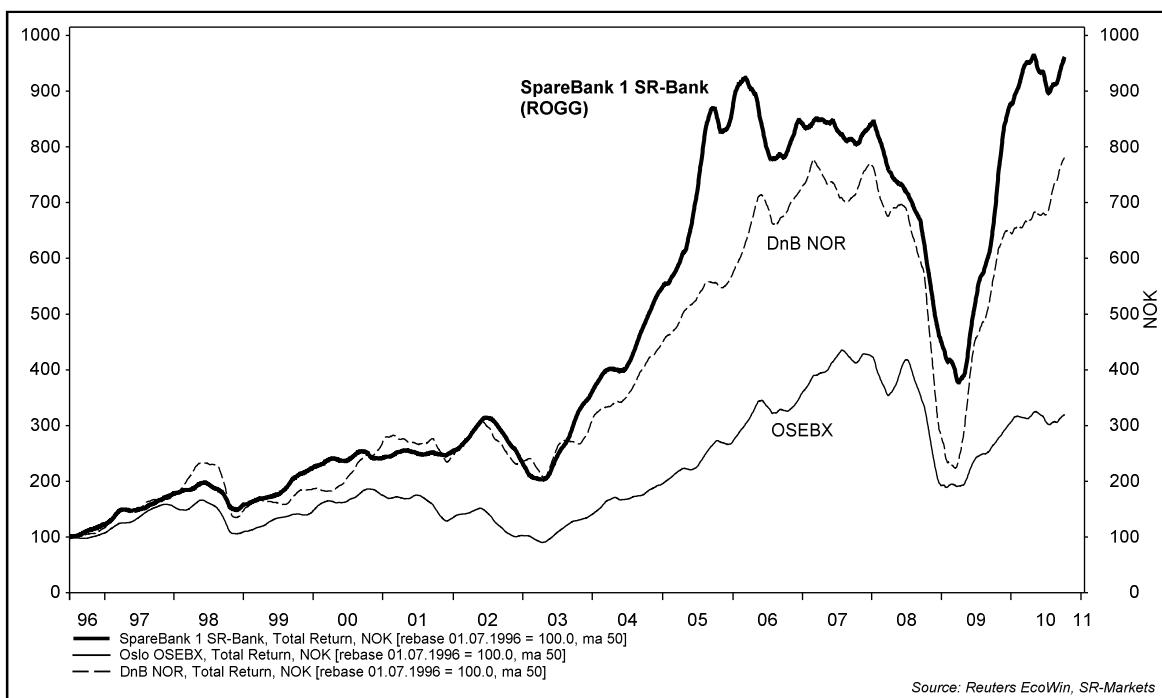


Figure 1.4.1: Total return (dividend reinvested) ROGG, OSEBX and DnB NOR. 1996-2010.

ROGG was at NOK 53,00 per 30.09.2010. There were 120.93 million ECs outstanding at the end of third quarter.

Financial analysts with official coverage of ROGG:

Arctic Securities, Fridtjof Berents, tel +47 21 01 32 21, e-mail: Fridtjof.berents@articsec.no
Argo Securities ASA, Geir Kristiansen, tel + 47 24 14 74 75, e-mail: Geir.kristiansen@argosec.no
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Fondsfirman ASA, Bengt Kirkøen, tel +47 23 11 30 42, e-mail: Bengt.kirkkoen@fondsfirman.no
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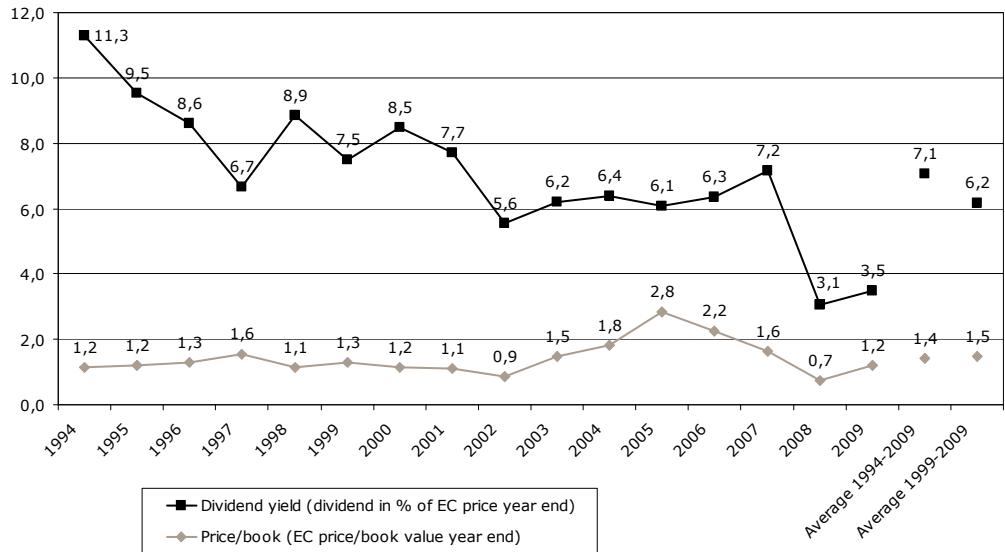


Figure 1.4.2 *Dividend yield and price/book. 1994-2009.*

Dividend policy

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

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

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

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

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

History and capital structure

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

banks that have issued EC have two types of equity capital: self-owned capital (savings banks reserve/fund) and ECs.

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

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

Figure 1.4.3 illustrates SpareBank 1 SR-Bank's capital structure and the more favourable priority for ECs than ordinary shares. Furthermore, retained earnings belonging to the EC owners (transferred to the dividend equalisation reserve) will initially have the same priority as savings banks reserve which implies that EC owners share of a potential deficit is 22 per cent by the end of 3rd quarter 2010), while the share of future profit is 63 per cent.

Possible conversion to a limited liability company (ASA)

On the 28th of June 2010 the Supervisory Board requested that the Board of Directors evaluated the pros and cons of a possible conversion of SpareBank 1 SR-Bank into a limited liability savings bank.

SpareBank 1 SR-Bank has a strong position in its market. Profitability has been good for many years and the group is extremely well positioned for further profitable growth. However, access to capital may be a scarcity factor.

The Board of Directors has made a concrete overall assessment of all relevant issues affecting the bank. The Board has stressed maintaining the bank's regional roots, and that the savings bank activities shall continue to be developed in a close interaction with the region's social and business development.

Based on the current capital situation and a total weighing up of interests, the Board of Directors has concluded that a reorganisation of the activities into a limited liability company is best suited for continuing and developing the bank's business as a whole. The Board has stressed in particular the need to deal with sudden changes and major fluctuations in the capital market in best possible manner.

The Board of Directors has therefore on the 28th of October this year decided to recommend that the Supervisory Board resolves a conversion to a limited liability company (ASA). Any such conversion shall absorb and continue the regional roots, the savings bank traditions and the bank's history.

A conversion to a limited liability savings bank takes place by establishing a public limited company that acquires the banking license, and takes SpareBank 1 SR-Bank's assets and

liabilities. Owners of equity capital certificates will have these converted into a similar number of shares. Simultaneously, a savings bank foundation is established that becomes the owner of the shares in the new limited liability savings bank that are not assigned to existing owners.

On establishment, the savings bank foundation will own approximately one-third of the bank's shares. It will be the bank's largest owner by far. Pursuant to law, the objects of the foundation will be to act as a long-term owner of the limited liability savings bank and to engage in charitable activities.

The Supervisory Board will deal with the matter at its ordinary meeting on 25th of November 2010. Any subsequent conversion calls for the approval of the authorities.

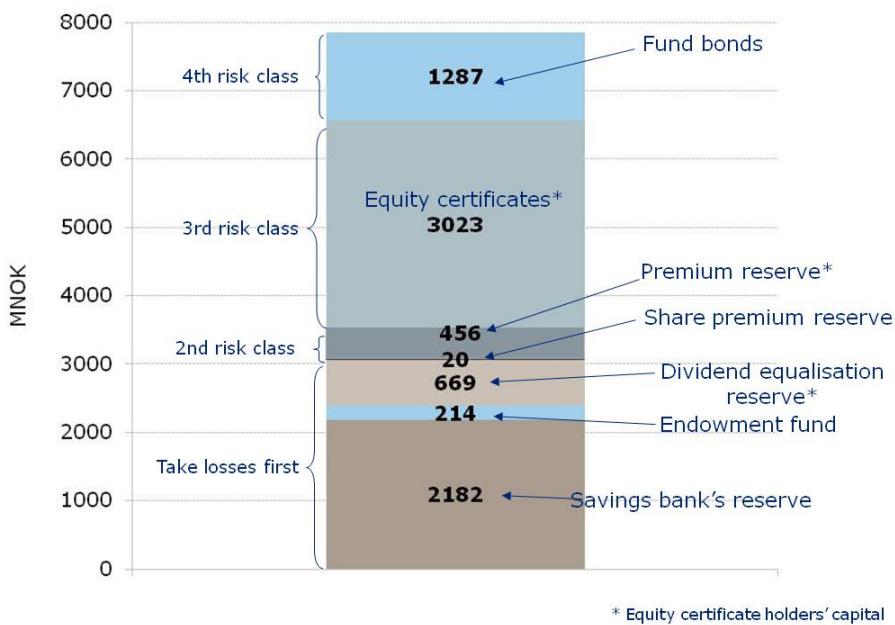


Figure 1.4.3: Capital structure per 30.09.2010

MNOK	30.09.10	31.12.09
Equity certificates	3.020	3.014
Dividend equalisation reserve	669	759
Premium reserve	456	458
A. The equity certificate owners' capital	4.145	4.231
Savings bank's reserve	2.182	2.241
Compensation fund	20	20
Endowment fund	214	240
B. The savings bank's reserve	2.416	2.501
Fund for unrealised gains	127	127
Equity excl proposed dividend	6.688	6.859
Equity certificate ratio (A/(A+B))	63,2 %	62,9 %

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

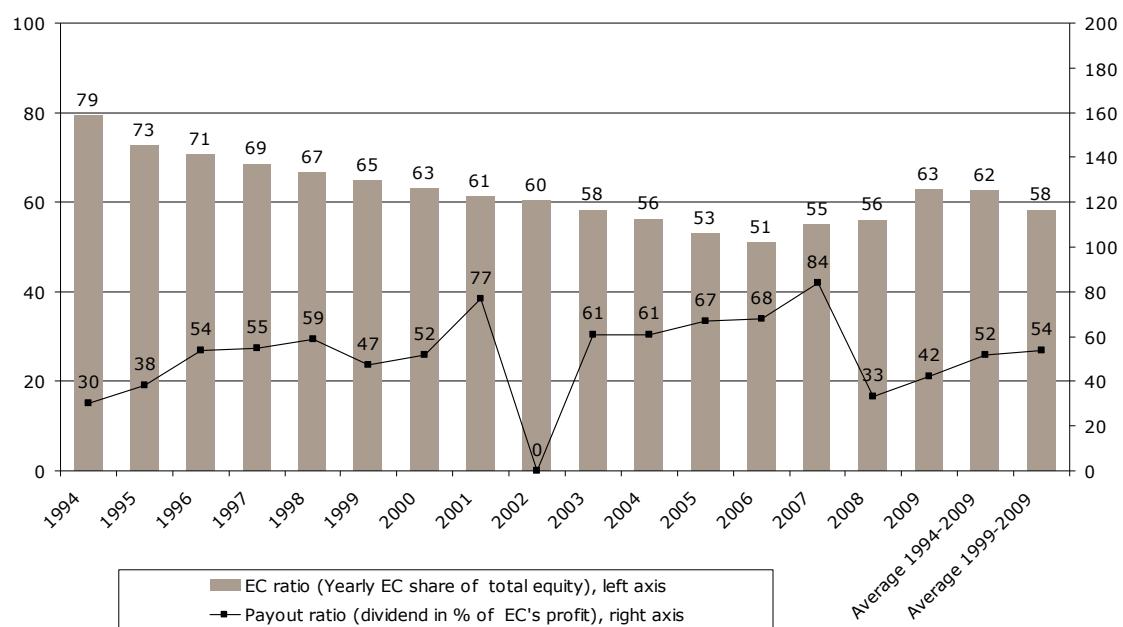


Figure 1.4.4: *EC ratio and payout ratio. 1994-2009ff*

20 largest EC holders per 30.09.10	Number	Stake
Gjensidige Forsikring	20.713.065	17,1%
Odin Norge	3.248.293	2,7%
Odin Norden	3.066.553	2,5%
Køhlergruppen AS	1.923.657	1,6%
Coil Investment Group AS	1.904.993	1,6%
Clipper AS	1.685.357	1,4%
Frank Mohn AS	1.666.142	1,4%
Trygve Stangeland	1.632.048	1,3%
State Street Bank and Trust, U.S.A.	1.480.474	1,2%
Lærdal AS	1.222.915	1,0%
Brown Brothers Harriman, U.S.A.	1.061.327	0,9%
The Northern Trust, U.K.	1.005.116	0,8%
Nordea Bank Norge ASA	969.841	0,8%
Westco AS	885.352	0,7%
SHB Stockholm Clients Account, Sverige	865.000	0,7%
Trygves Holding AS	770.939	0,6%
Bank of New York, U.S.A.	765.403	0,6%
Bjergsted Investering AS	720.055	0,6%
Solvang Shipping AS	701.034	0,6%
Forsand Kommune	682.230	0,6%

Table 1.4.2: 20 largest EC holders per 30.09.2010

2. Financial results and balance sheet

Income statement

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2010
Interest income	1.231	1.185	1.122	1.107	1.122	3.538	3.908	5.015
Interest expense	795	758	685	652	657	2.238	2.687	3.339
Net interest income	436	427	437	455	465	1.300	1.221	1.676
Commission income	189	206	207	219	201	602	541	760
Commission expenses	-20	-16	-20	-20	-24	-56	-67	-87
Other operating income	95	104	73	86	85	272	239	325
Net commission and other income	264	294	260	285	262	818	713	998
Dividend income	1	46	0	17	1	47	6	23
Income from investment in associates	70	54	49	128	98	173	170	298
Net gains/losses on financial instruments	66	72	30	64	138	168	320	384
Net return on investment securities	137	172	79	209	237	388	496	705
Total income	837	893	776	949	964	2.506	2.430	3.379
Personnel expenses	250	244	153	223	218	647	658	881
Administrative expenses	82	90	81	92	83	253	254	346
Other operating expenses	76	89	78	123	75	243	229	352
Total operating expenses	408	423	312	438	376	1.143	1.141	1.579
Operating profit before losses	429	470	464	511	588	1.363	1.289	1.800
Losses on loans and guarantees	43	51	69	74	85	163	294	368
Operating profit before tax and minority interests	386	419	395	437	503	1.200	995	1.432
Tax expense	86	81	97	107	104	264	214	321
Profit after tax from continuing operations	300	338	298	330	399	936	781	1.111
Attributable to majority interests	300	338	298	330	399	936	779	1.109
Attributable to minority interests	0	0	0	0	0	0	2	2

Key figures

	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2010
Return on equity ¹⁾	14,3 %	16,5 %	14,8 %	18,2 %	25,2 %	15,1 %	16,9 %	17,5 %
Cost ratio ²⁾	48,7 %	47,4 %	40,2 %	46,2 %	39,0 %	45,6 %	47,0 %	46,7 %
Net interest margin	1,3 %	1,3 %	1,4 %	1,5 %	1,5 %	1,4 %	1,3 %	1,4 %
Gross loans to customers	100.289	96.812	96.481	93.473	92.849	100.289	92.849	93.473
Gross loans to customers including SpareBank 1 Boligkreditt	124.398	122.426	120.352	118.227	116.750	124.398	116.750	118.227
Deposits from customers	55.703	56.137	53.323	54.336	53.725	55.703	53.725	54.336
Deposit-to-loan ratio	55,5 %	58,0 %	55,3 %	58,1 %	57,9 %	55,5 %	57,9 %	58,1 %
Growth in loans	8,0 %	-0,7 %	-1,6 %	-6,6 %	-3,3 %	8,0 %	-3,3 %	-6,6 %
Growth in loans including SpareBank 1 Boligkreditt	6,6 %	6,0 %	5,8 %	5,3 %	8,8 %	6,6 %	8,8 %	5,3 %
Growth in deposits	3,7 %	3,1 %	-0,9 %	2,4 %	-0,3 %	3,7 %	-0,3 %	2,4 %
Average total assets	128.799	127.627	124.888	123.755	124.508	127.010	124.273	124.283
Total assets	129.524	128.653	126.508	124.909	122.081	129.524	122.081	124.909
Impairment losses ratio ³⁾	0,23	0,25	0,28	0,38	0,41	0,23	0,41	0,38
Non-performing commitments as a percentage of gross loans	0,54	0,36	0,54	0,42	0,53	0,54	0,53	0,42
Other doubtful commitments as a percentage of gross loans	0,94	1,01	0,80	0,81	0,51	0,94	0,51	0,81
Capital adequacy ratio	11,6	11,5	11,6	11,9	9,3	11,6	9,3	11,9
Core capital ratio	9,3	9,1	9,4	9,6	6,9	9,3	6,9	9,6
Core capital	8.433	8.243	8.196	8.130	5.632	8.433	5.632	8.130
Net equity and subordinated loan capital	10.450	10.352	10.112	10.029	7.568	10.450	7.568	10.029
Minimum subordinated capital requirement	7.241	7.226	7.001	6.768	6.545	7.267	6.545	6.768
Number of branches	49	50	51	51	53	49	53	51
Man-years (permanent)	1.112	1.093	1.083	1.093	1.094	1.112	1.094	1.093
Equity certificate ratio	63,2 %	63,1 %	62,9 %	62,9 %	56,6 %	63,2 %	56,6 %	62,9 %
Market price	53,00	46,10	48,80	50,00	44,00	53,00	44,00	50,00
Market capitalisation	6.409	5.575	5.902	6.047	3.955	6.409	3.955	6.047
Book equity per EC (including dividends) (group)	44,19	42,44	41,47	42,07	40,51	44,19	40,51	42,07
Earnings per EC (group) ⁴⁾	1,56	1,76	1,55	1,95	2,50	4,87	4,88	6,88
Dividends per EC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,75
Price / Earnings per EC	4,49	6,55	7,87	6,41	4,40	8,16	6,76	7,27
Price / Book equity (group)	1,20	1,09	1,18	1,19	1,09	1,20	1,09	1,19

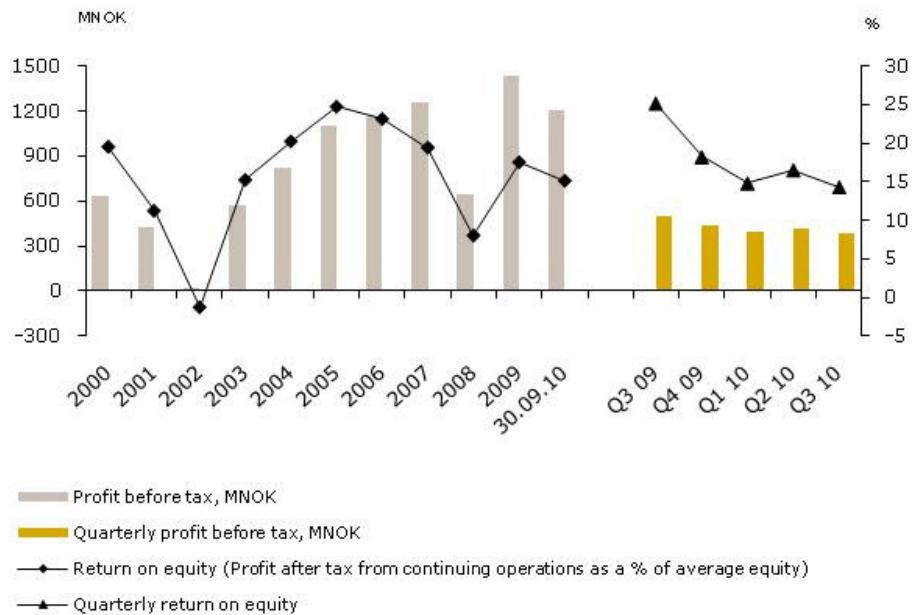
¹⁾ Net profit (of which minority interests are deducted) as a percentage of average equity. For 2009 the equity are weighted per month instead of quarterly. This because of the issue in November 2009.

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

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

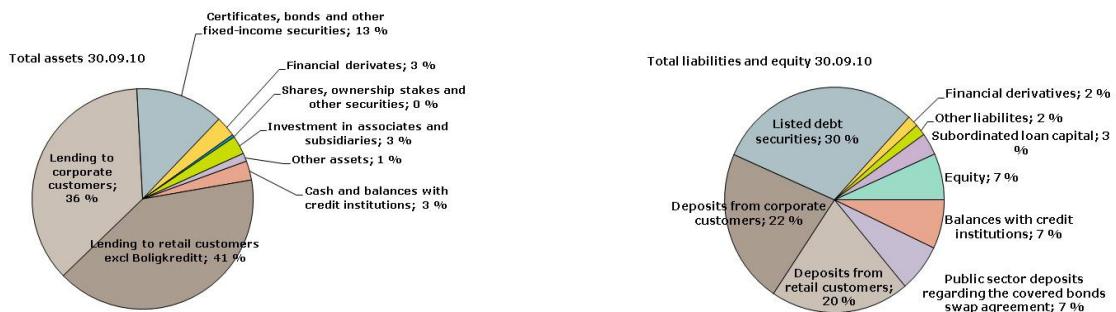
⁴⁾ Net profit multiplied by the equity certificate percentage divided by the average number of certificates outstanding.

Result before tax and return on equity

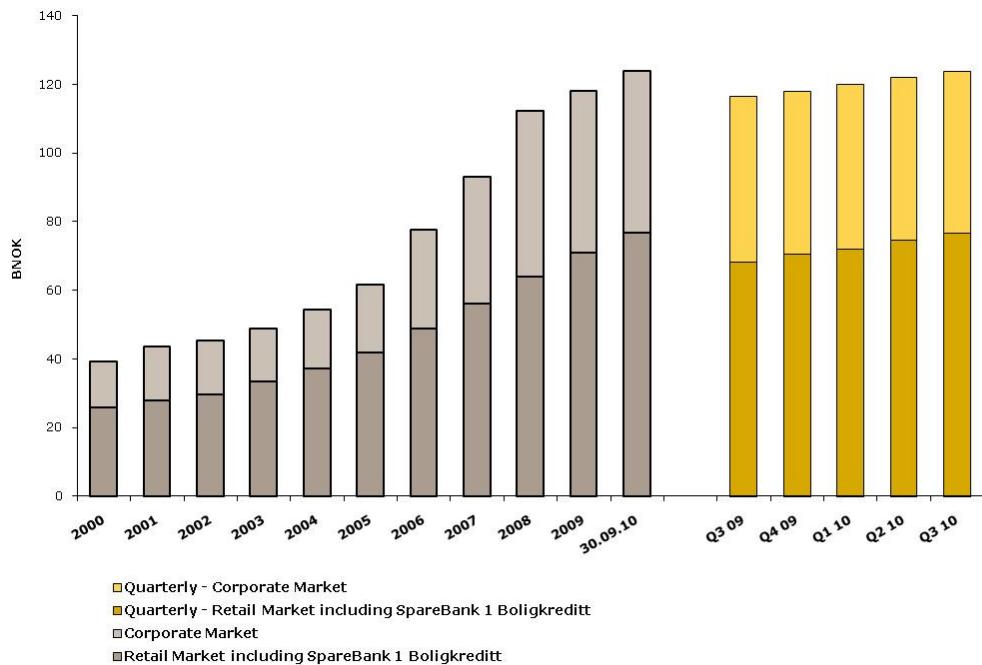


Balance sheet

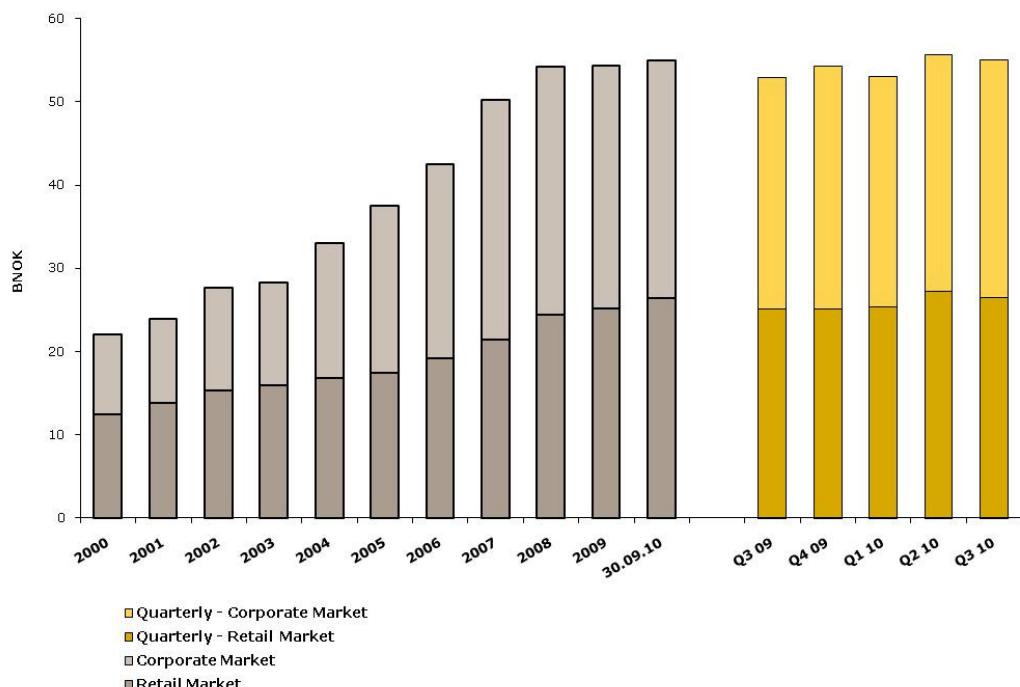
MNOK	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009
Cash and balances with central banks	2.497	2.624	1.404	781	2.093
Balances with credit institutions	1.145	3.484	1.646	1.301	1.364
Gross loans to customers	100.289	96.812	96.481	93.473	92.849
- individual impairment losses on loans	-405	-376	-341	-329	-290
- collective impairment losses on loans	-341	-338	-331	-320	-307
Net loans to customers	99.543	96.098	95.809	92.824	92.252
Certificates, bonds and other fixed-income securities	16.868	17.311	19.187	22.582	18.933
Financial derivatives	3.897	3.643	3.016	2.438	2.753
Shares, ownership stakes and other securities	514	493	445	439	413
Investment in associates	3.507	3.451	3.385	3.127	2.792
Investment in subsidiaries	-	-	-	-	-
Business available for sale	23	23	23	23	638
Other assets	1.530	1.526	1.593	1.394	843
Total assets	129.524	128.653	126.508	124.909	122.081
 Balances with credit institutions	9.022	7.982	8.516	8.852	7.699
Public sector deposits regarding the covered bonds swap agreement	8.832	8.832	8.832	8.832	8.832
Deposits from customers	55.703	56.137	53.323	54.336	53.725
Listed debt securities	39.093	38.891	39.896	37.523	38.770
Financial derivatives	2.075	2.057	1.969	1.576	1.857
Other liabilities	2.135	2.300	1.923	1.846	1.521
Business available for sale	-	-	-	-	55
Subordinated loan capital	4.093	4.197	3.961	3.871	3.132
Total liabilities	120.953	120.396	118.420	116.836	115.591
 Equity certificates	3.023	3.023	3.023	3.023	2.247
Holding of own equity certificates	-3	-3	-3	-9	-9
Premium reserve	456	456	456	458	42
Dividend equalisation reserve	669	652	735	759	443
Proposed dividend	-	-	-	212	-
Savings bank's reserve	2.182	2.171	2.220	2.241	2.005
Compensation fund	20	20	20	20	-
Endowment fund	214	221	240	240	82
Fund for unrealised gains	127	127	127	127	69
Other equity	947	954	972	1.002	832
Profit/loss at period end	936	636	298	-	779
Minority interests	-	-	-	-	-
Total equity	8.571	8.257	8.088	8.073	6.490
 Total liabilities and equity	129.524	128.653	126.508	124.909	122.081



Lending volume



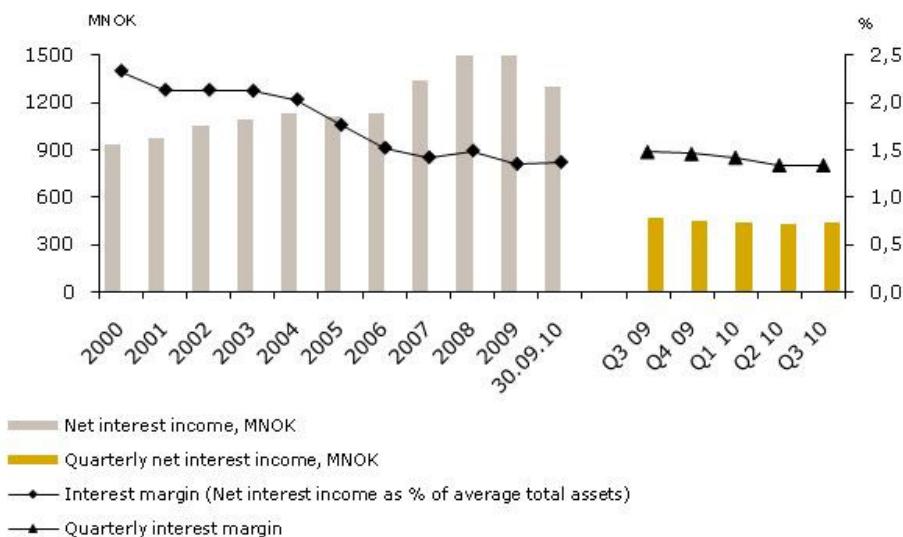
Deposit volume



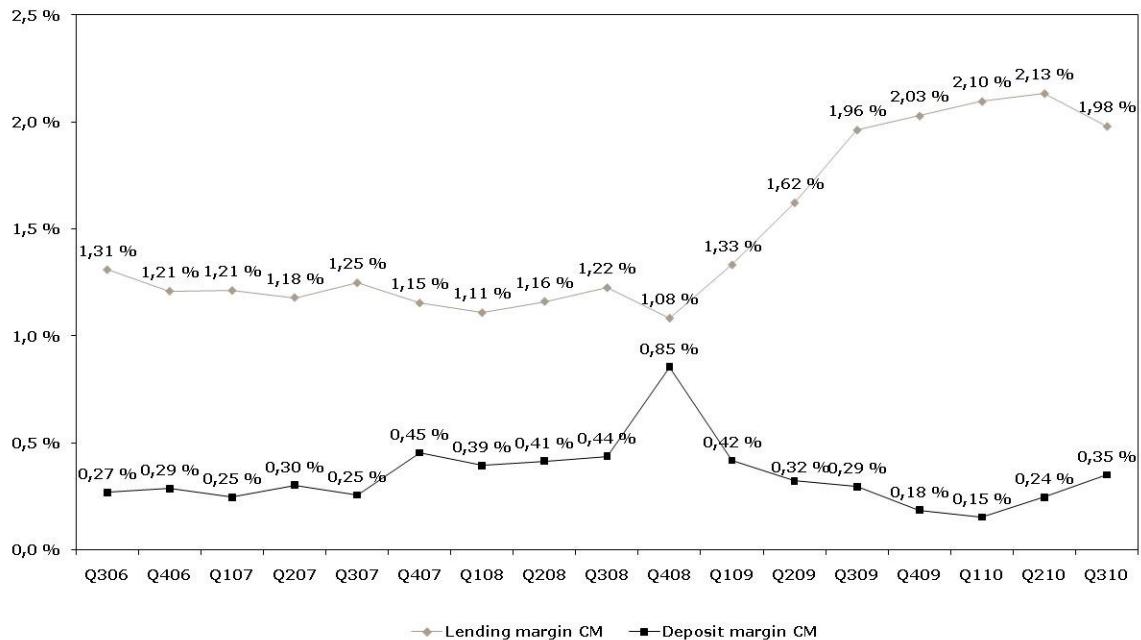
2.1 Net interest income

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Interest income	1.231	1.185	1.122	1.107	1.122	3.538	3.908	5.015
Interest expense	795	758	685	652	657	2.238	2.687	3.339
Net interest income	436	427	437	455	465	1.300	1.221	1.676
As % of average total assets	1,34 %	1,34 %	1,42 %	1,46 %	1,48 %	1,37 %	1,31 %	1,35 %

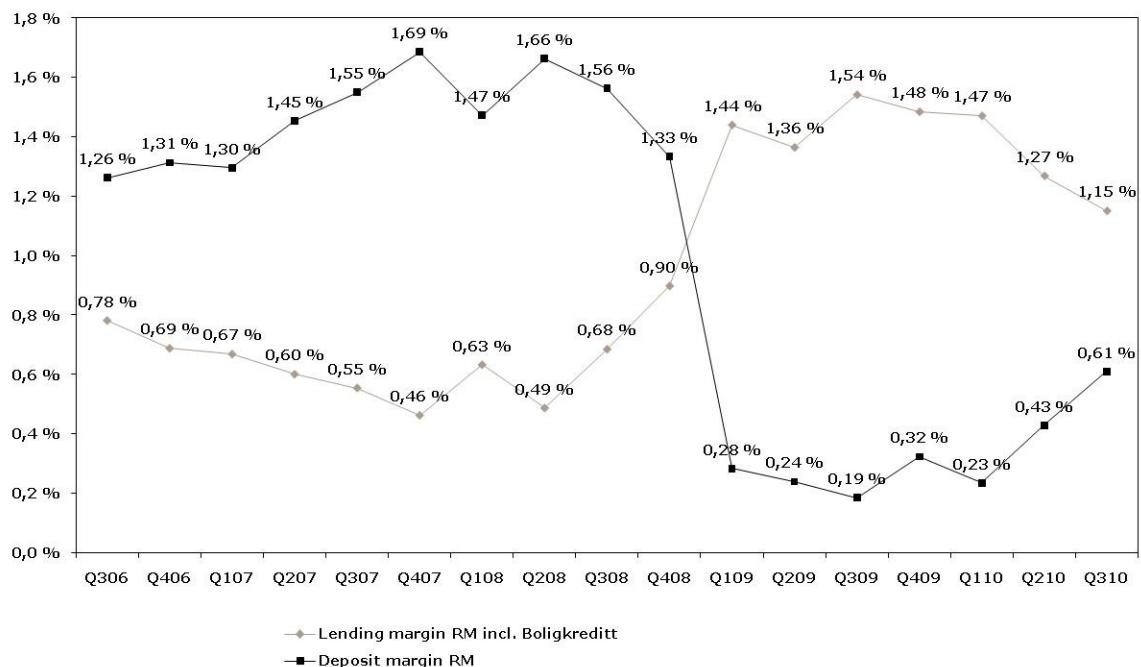
Net interest income and interest margin



Lending and deposit margins¹ – Corporate Market



Lending and deposit margins – Retail Market including SpareBank 1 Boligkreditt



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

2.2 Net other operating income

MNOK	Q3	Q2	Q1	Q4	Q3	30.09	30.09	31.12
	2010	2010	2010	2009	2009	2010	2009	2009
Net commission and other income	264	294	260	285	262	818	713	998
Net return on investment securities	137	172	79	209	237	388	496	705
Net other operating income	401	466	339	494	499	1.206	1.209	1.703
As % of total income	48 %	52 %	44 %	52 %	52 %	48 %	50 %	50 %

Net commission and other income

MNOK	Q3	Q2	Q1	Q4	Q3	30.09	30.09	31.12
	2010	2010	2010	2009	2009	2010	2009	2009
Payment facilities	53	50	48	45	53	150	143	188
Savings/placements	29	41	32	32	32	102	76	116
Insurance products	25	29	27	34	26	80	84	109
Commission income real estate (EM1)	93	109	76	82	86	278	247	328
SpareBank 1 Boligkreditt	32	43	53	57	43	128	89	146
Guarantee commission	17	13	12	10	11	42	37	47
Salesprofit, building	2	-	-	8	-	2	-	8
Arrangement fees	6	9	9	15	8	24	29	44
Other	8	2	3	2	3	13	7	12
Net commission and other income	264	294	260	285	262	818	713	998
As % of total income	32 %	33 %	34 %	30 %	27 %	33 %	29 %	30 %

Change in net commission and other income

MNOK	Per 30.09		
	2010	Change	2009
Net commission and other income	818	105	713
Payment facilities		8	
Savings/placements		25	
Insurance products		-4	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		31	
Commission income SpareBank 1 Boligkreditt		39	
Guarantee commission		5	
Salesprofit, building		2	
Arrangement fees		-5	
Other		6	

Net return on investment securities

MNOK	Q3	Q2	Q1	Q4	Q3	30.09	30.09	31.12
	2010	2010	2010	2009	2009	2010	2009	2009
Dividend	1	46	0	17	1	47	6	23
Investment income, associates	70	54	49	128	98	173	170	298
Securities gains/losses	32	41	21	8	103	94	186	194
- of which capital change in shares and certificates	12	45	7	1	36	64	71	72
- of which capital change in certificates and bonds	20	-5	15	7	67	30	115	122
Currency/interest gains/losses	35	31	9	56	35	74	134	190
- of which currency customer- and own-account trading	35	31	37	45	30	103	102	147
- of which IFRS-effects	-1	0	-28	11	5	-29	32	43
Net return on investment securities	137	172	79	209	237	388	496	705
As % of total income	16 %	19 %	10 %	22 %	25 %	15 %	20 %	21 %

Change in net return on investment securities

MNOK	Per 30.09		
	2010	Change	2009
Net return on investment securities	388	-108	496
Dividend		41	
Investment income, associates		3	
Securities gains/losses		-92	
- of which capital change in shares and certificates		-7	
- of which capital change in certificates and bonds		-85	
Currency/interest gains/losses		-60	
- of which currency customer- and own-account trading		1	
- of which IFRS-effects		-61	

2.3 Operating expenses

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Wages	173	173	161	157	157	507	477	633
Pension expenses	40	35	-43	34	29	32	86	119
Other personnel expenses	37	36	35	33	32	108	95	129
Total personnel expenses*	250	244	153	224	218	647	658	881
IT expenses	44	45	44	50	45	133	130	180
Marketing expenses	13	21	17	17	11	52	46	63
Other administrative expenses	25	24	20	24	28	69	79	103
Write-offs	17	16	19	17	19	53	53	70
Expenses real property	8	10	8	46	5	26	24	70
Other operating expenses	51	63	51	59	50	163	151	211
Other expenses	158	179	159	215	158	496	483	697
Total operating expenses	408	423	312	438	376	1.143	1.141	1.579

* Reversal of provisions for contractual pension (AFP) of net NOK 64 million as of 30.09.10 has impact on net operating expenses and the Group's ordinary expenses amount to NOK 1,207 million.

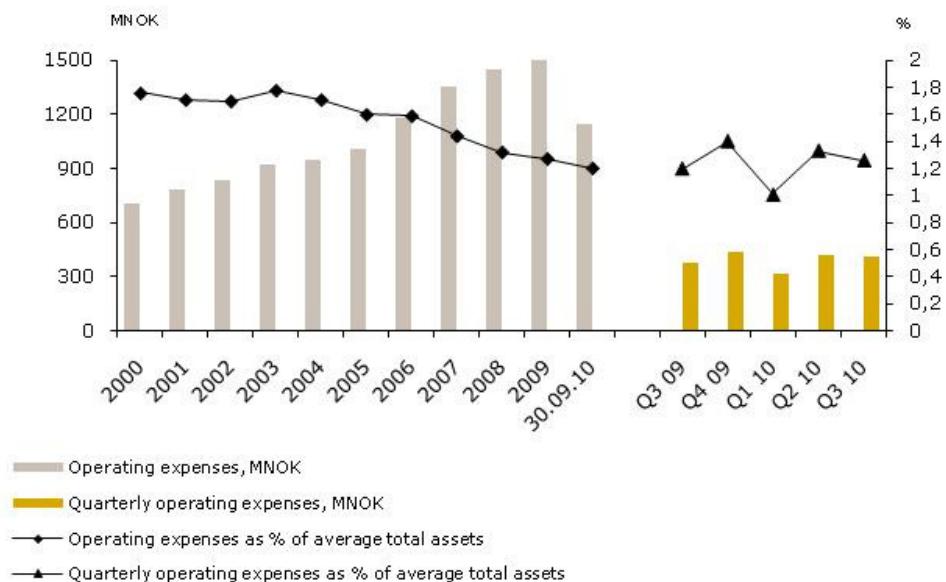
Change in operating expenses

MNOK	Per 30.09		
	2010	Change	2009
Total	1.143	2	1.141
Personnel expenses		54	
Reversal of provisions for contractual pension (AFP)		-64	
IT expenses		3	
Marketing expenses		6	
Other administrative expenses		-10	
Write-offs		0	
Expenses real property		2	
Other operating expenses		12	

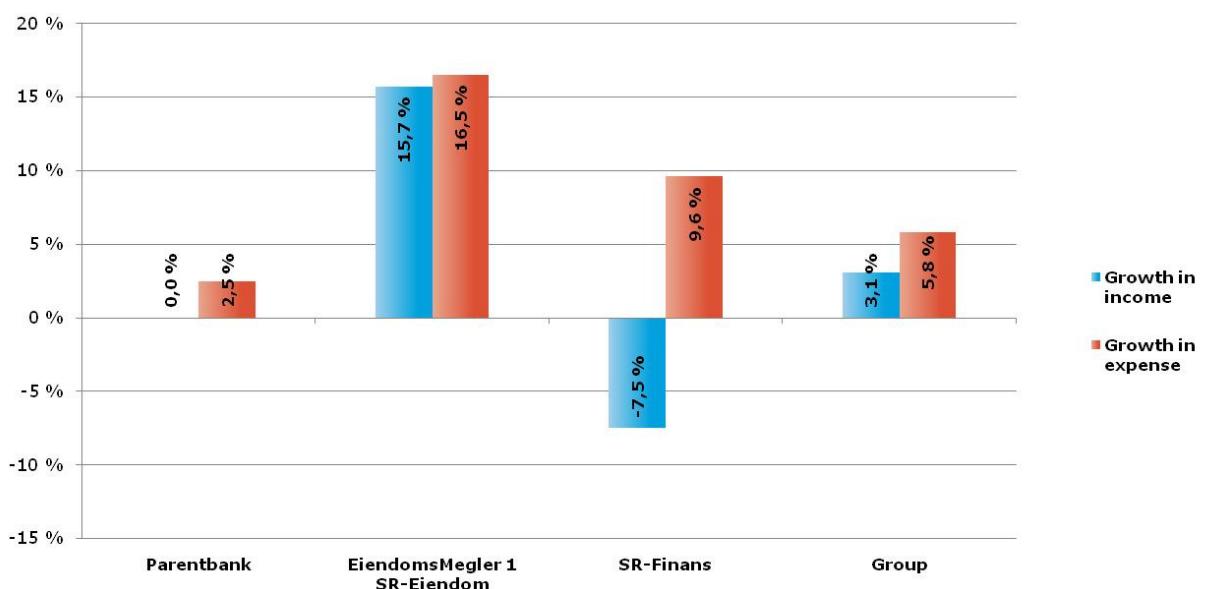
Cost/income ratio

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Operating expenses	408	423	312	438	376	1.143	1.141	1.579
Cost/income ratio	48,7 %	47,0 %	40,2 %	46,2 %	39,0 %	45,6 %	47,0 %	46,7 %
Growth in expenses last 12 months	8,5 %	6,8 %	-15,5 %	9,0 %	7,0 %	0,2 %	7,0 %	9,0 %

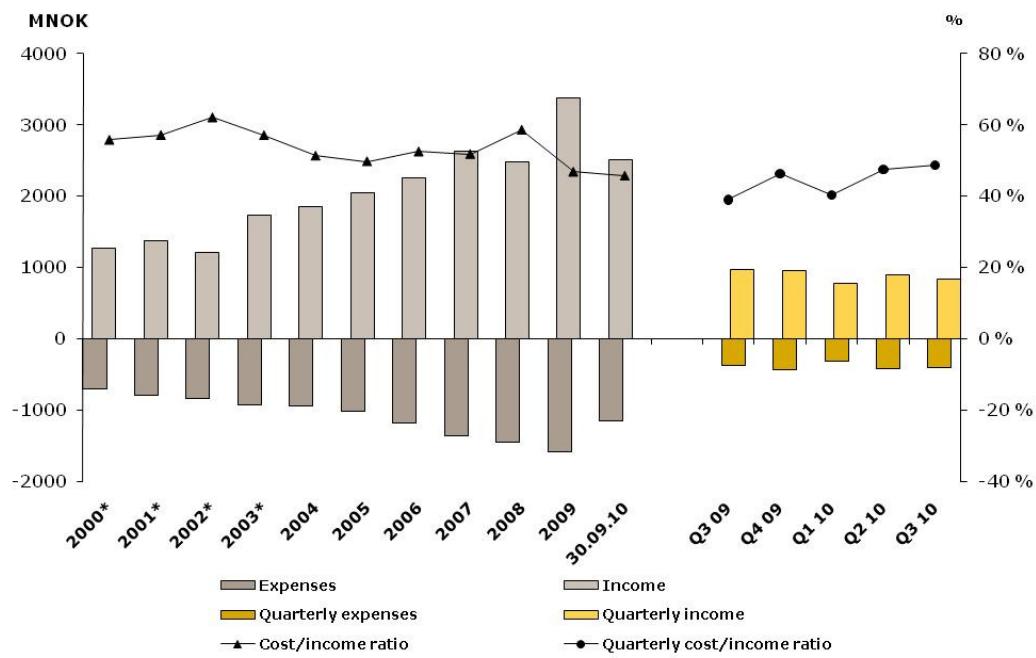
Operating expenses



Growth in income and expense as at 30.09.2010 - development last 12 month

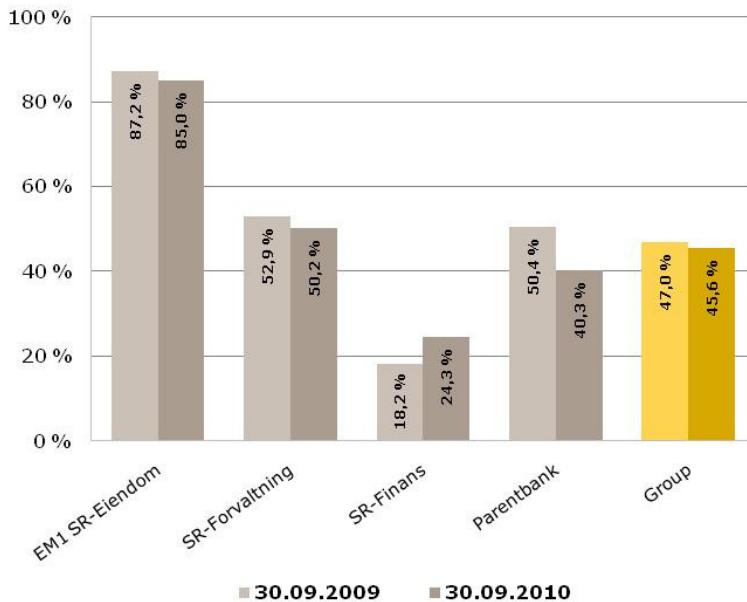


Development cost/income ratio



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

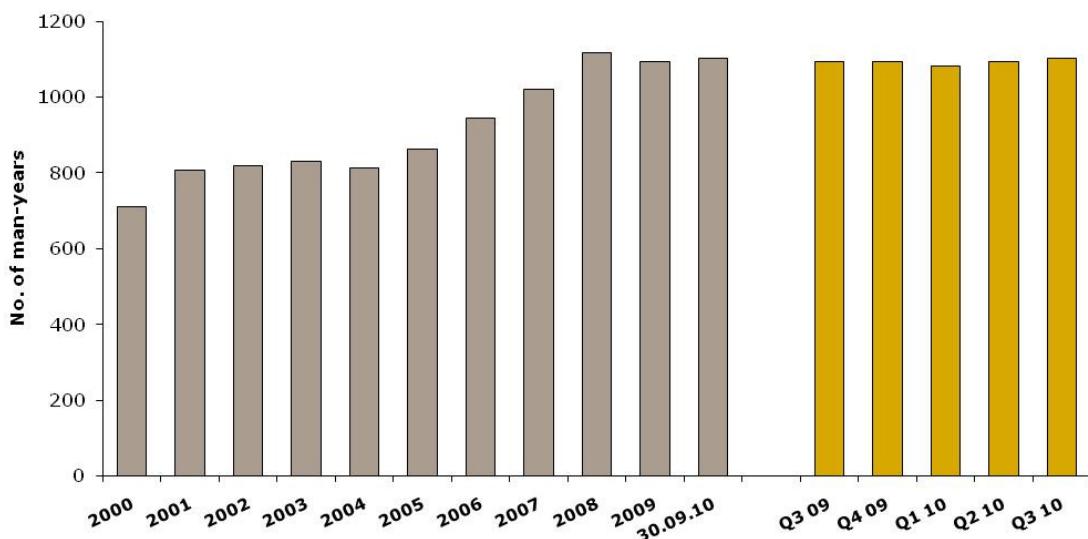
Cost ratio as a total for the Group, the Parentbank and the individual subsidiaries



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

No. of man-years	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
SpareBank 1 SR-Bank	876	863	854	867	870
EiendomsMegler 1 SR-Eiendom AS	181	167	168	164	164
SR-Forvaltning ASA	11	11	10	11	10
SR-Finans AS	29	28	30	32	33
Other	6	24	22	19	18
Total	1.103	1.093	1.083	1.093	1.094

Man-labour years 2000-3rd quarter 2010 (permanent employees, contracted staff not included)



2.5 Losses on loans and loss provisions

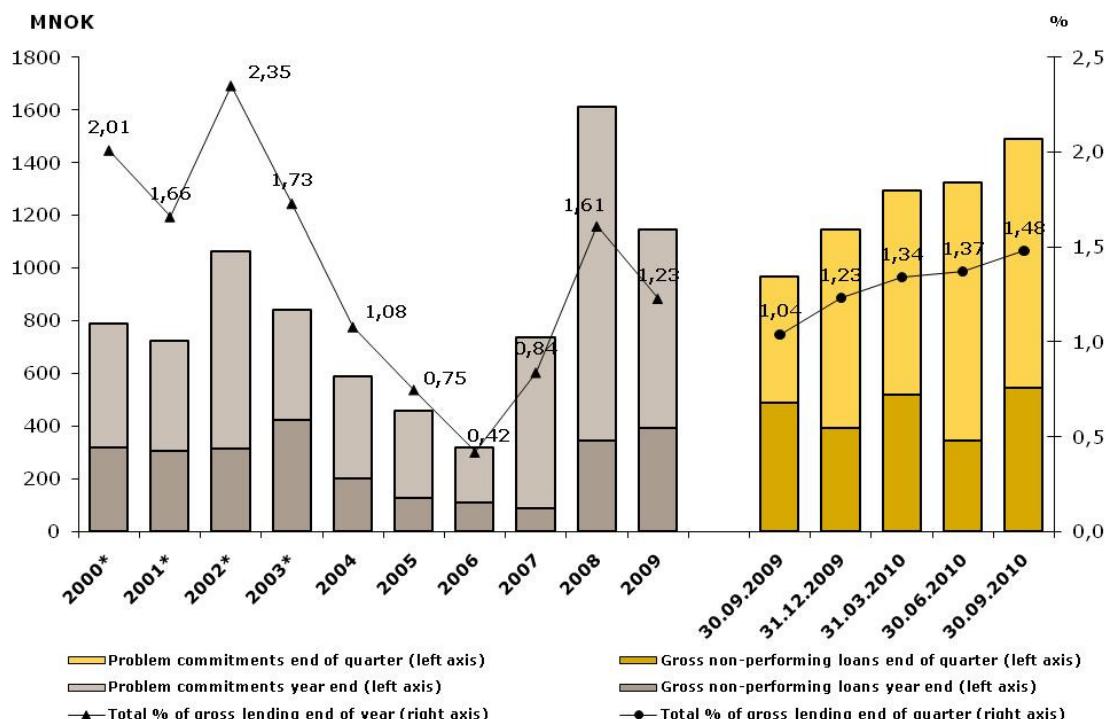
Losses on loans and guarantees

MNOK	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009
Change in individual individual impairment losses provisions for the period	82	50	16	-12	-56
Change in collective impairment loss provisions for the period	21	18	11	91	78
Amortised cost	7	5	-	17	3
Actual loan losses on commitments for which provisions have been made	69	61	37	227	229
Actual loan losses on commitments for which no provision has been made	13	13	7	63	43
Recoveries on commitments previously written-off	-29	-27	-2	-18	-3
The period's net losses/(reversals) on loans and advances	163	120	69	368	294

Provisions for impairment losses on loans and guarantees

MNOK	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009
Provisions for individual impairment losses at start of period	337	337	337	349	349
Increases in previous provisions for individual impairment losses	47	40	76	99	152
Reversal of provisions from previous periods	-76	-71	-61	-127	-120
New provisions for individual impairment losses	179	141	39	226	141
Amortised cost	-6	-3	-5	16	5
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-69	-61	-37	-226	-229
Provisions for individual impairment losses at the end of period	412	383	349	337	298

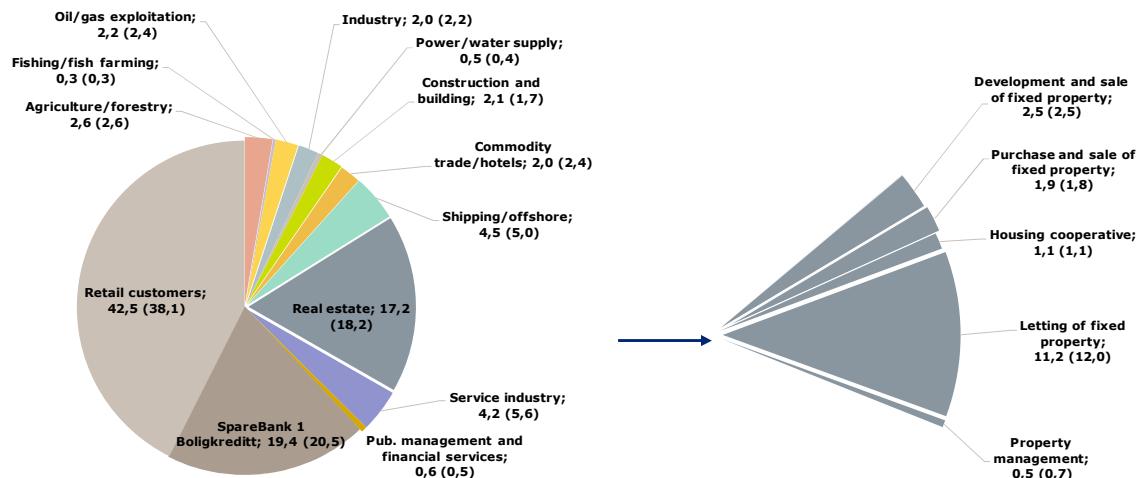
Non-performing loans and problem commitments



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

2.6 Loans

MNOK	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009
Agriculture and forestry	3.276	3.191	3.134	3.176	3.089
Fishing	49	52	50	51	50
Fishfarming	276	246	432	532	252
Oil/gas exploitation	2.685	2.452	2.517	2.124	2.761
Production of food	204	205	148	147	232
Graphic business	44	238	445	428	62
Industry	2.031	2.352	2.110	2.064	2.024
Shipyard	189	299	471	377	237
Power and water supply	566	401	417	373	416
Building and construction	2.602	2.704	1.952	1.953	1.941
Commodity trade	2.250	2.270	2.726	2.555	2.460
Hotels and restaurants	277	339	331	325	313
Shipping	4.417	4.498	4.571	4.578	5.167
Transportation	1.136	1.716	1.721	1.064	713
Real estate	21.349	21.269	21.099	21.610	21.286
Business services and management	4.106	3.762	4.326	4.495	5.477
Social and private services and management	1.086	1.063	1.018	1.037	1.055
Finance	456	194	151	192	333
Central and local government	233	235	240	268	244
Retail customers	52.646	48.938	48.252	45.847	44.438
Unallocated (excess value fixed interest loans and amort. lending fees)	195	199	163	102	65
Accrued interests corporate sector and retail customers	216	189	207	175	234
Gross loans	100.289	96.812	96.481	93.473	92.849
SpareBank 1 Boligkreditt	24.109	25.614	23.871	24.754	23.901
Gross loans incl SpareBank 1 Boligkreditt	124.398	122.426	120.352	118.227	116.750

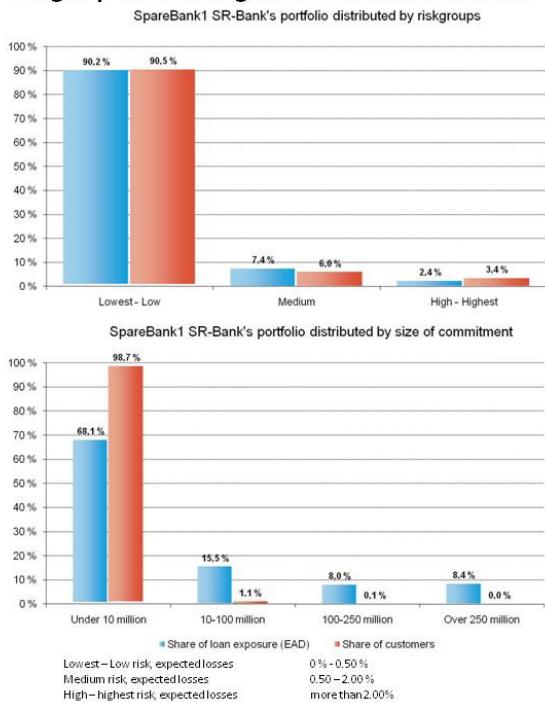


(Figures for corresponding period in 2009 are showed in parentheses)

2.7 Risk profile

Risk profile – total loan portfolio

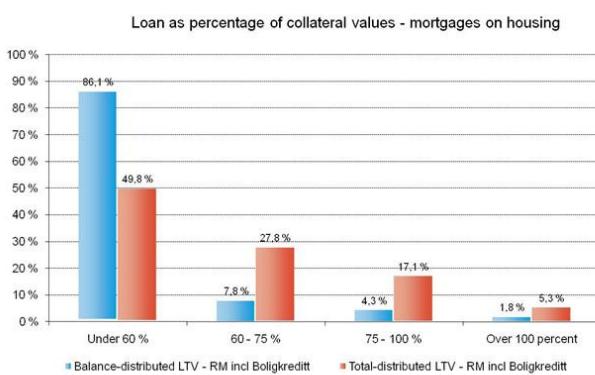
High percentage of commitments with low risk



- 90% of the loan exposure, corresponding to 91% of the customers, meets the criteria for low or lowest risk. Expected losses in this part of the portfolio are extremely limited, amounting to 0.04%
- Exposure to high or highest risk corresponds to 2% of the loan exposure or 3% of the customers. Expected losses on this part of the portfolio amount to about 3.6%
- 99% of the customers, corresponding to 68% of the loan exposure, involve commitments of less than NOK 10 million. A limited number of customers have an exposure in excess of NOK 100 million. These have a lower default probability than the portfolio average

Portfolio of housing loans- LTV

Very good collateral cover for loans with mortgages on residential property



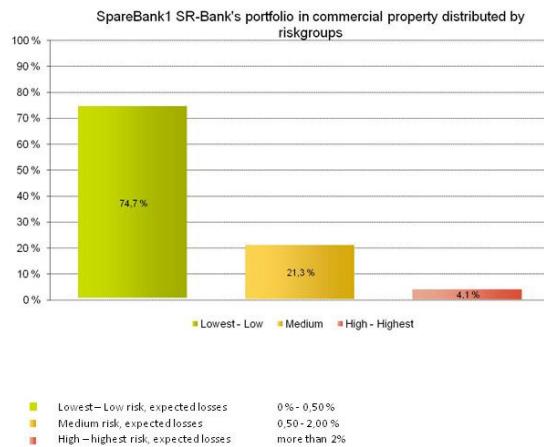
- FSAN defines our guidelines for acceptable lending practice for housing loans. The main requirements relate to a thorough process, especially regarding the borrower's ability to service the loan and that the loan shall not exceed 90 per cent of the value of the property.
- The bank's lending practice complies with FSAN guidelines.
- Only 6 per cent of the exposure exceeds 75 per cent of the collateral values.
 - There have been no significant changes in LTV during the last quarter.

The calculation of LTV is based on the market value of the collateral. In the case of balance-distributed LTV, loans that exceed 60% of the collateral's market value are distributed among the other intervals. In the case of totally distributed LTV the entire loan is allocated to one and the same interval.

The figures include the portfolio transferred to Boligkredit.

Lending against mortgages in commercial property

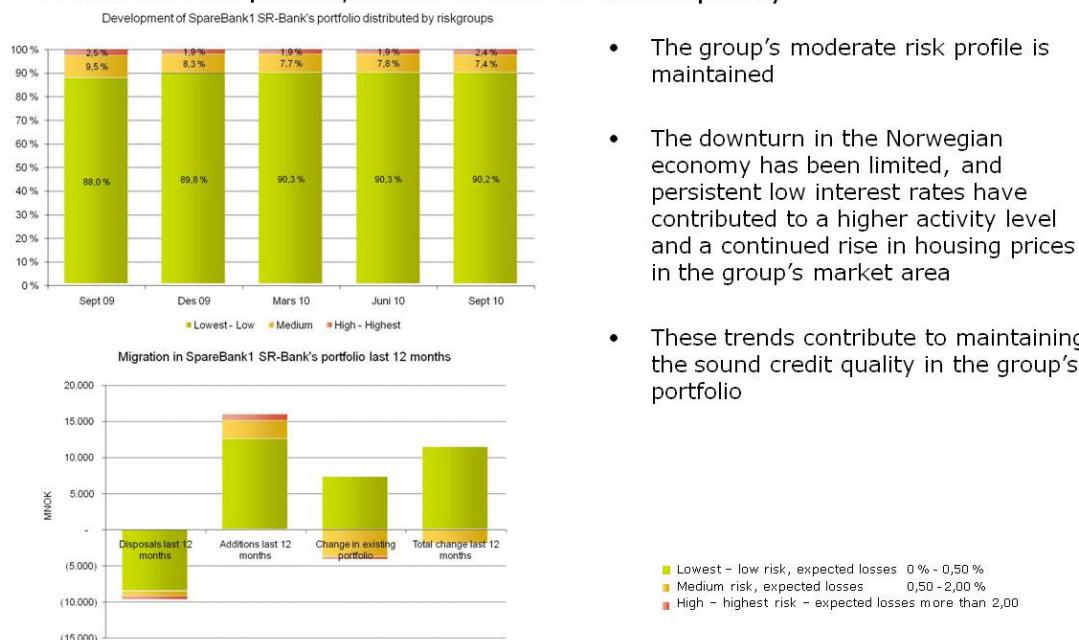
The portfolio is dominated by commitments with low risk



- The portfolio of commercial property represents the group's largest concentration on a single sector
 - Accounts for approx. 14% of total exposure (EAD) including retail market customers
- The commercial property portfolio is dominated by low risk commitments and the credit quality is relatively stable
 - 75% of the exposure is now classified as low risk, whilst 4% is classified as high risk
- A significant part of the portfolio is interest-hedged, mainly by way of hedging contacts with a term of more than 5 years
- The portfolio is characterised by long-term leases with financially sound tenants. Vacant space is limited

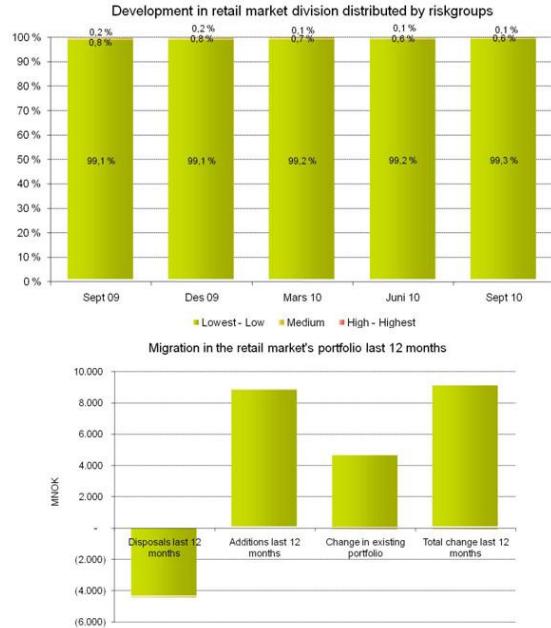
SpareBank1 SR-Bank's Risk Profile

Moderate risk profile, stable trends in credit quality



Risk profile in retail market portfolio

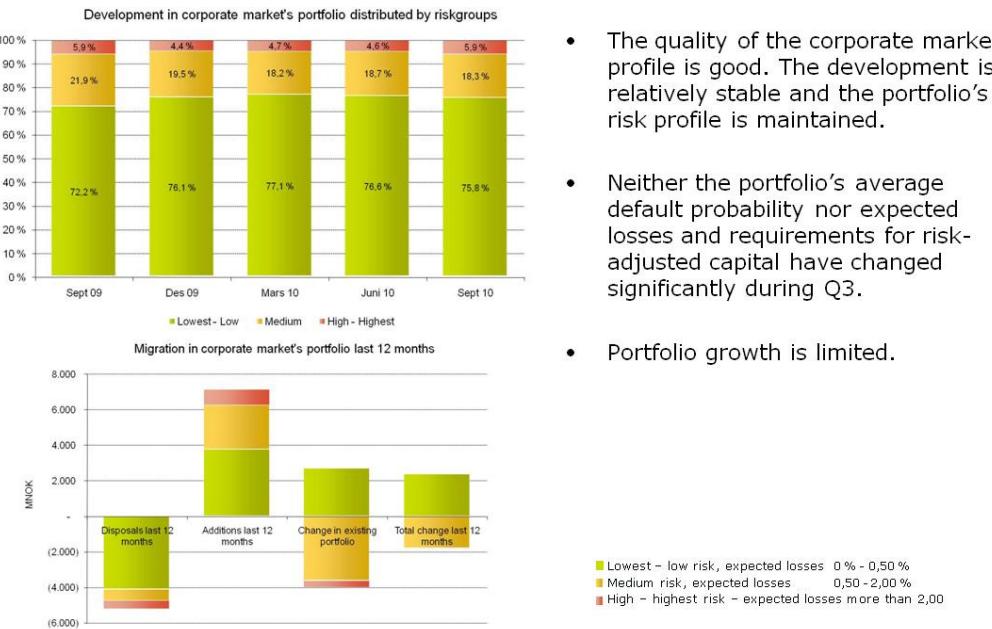
Portfolio quality is very good and potential losses are limited



- The quality of the retail market portfolio is very good. Credit quality is characterised by the stable development
- The ongoing good portfolio growth over a lengthy period has not had any impact on the portfolio's credit quality
- Most of the portfolio is secured by way of mortgages on real estate. Collateral coverage is good, which implies limited potential losses so long as the value of the collateral is not significantly impaired

Risk Profile - Corporate market portfolio

The portfolio quality is good, but growth in lending is still low



- The quality of the corporate market profile is good. The development is relatively stable and the portfolio's risk profile is maintained.
- Neither the portfolio's average default probability nor expected losses and requirements for risk-adjusted capital have changed significantly during Q3.
- Portfolio growth is limited.

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

2.8 Capital adequacy

Basel II was introduced in Norway from 1 January 2007. Figure 2.8 shows the methods used by SpareBank 1 SR-Bank. Using IRB demands high standards regarding organisation, competence, risk-models and risk-management systems.

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

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

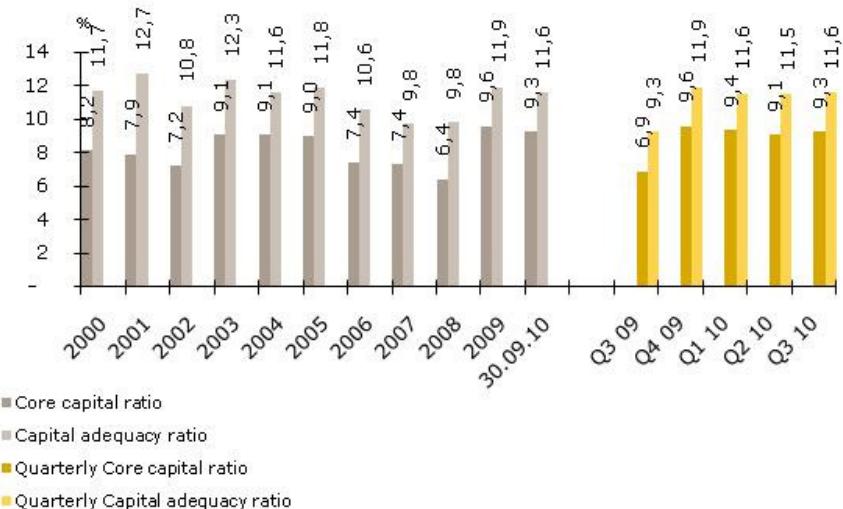
Figure 2.8: Methods used for calculating capital adequacy

Basel III - proposals for new capital requirements

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

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

Core capital and capital adequacy ratio



MNOK	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009
Equity capital certificates	3.023	3.023	3.023	3.023	2.247
- Own equity capital certificates	-3	-3	-3	-9	-9
Premium reserve	456	456	456	478	42
Equalisation reserve	669	652	735	759	443
Allocated to dividend	-	-	-	212	-
Savings bank's reserve	2.182	2.171	2.220	2.241	2.005
Compensation fund	20	20	20	-	-
Endowment fund	214	221	240	240	82
Reserve for unrealised gains	127	127	127	127	69
Other equity	947	954	972	1.002	832
Total book equity	7.635	7.621	7.790	8.073	5.711
Deferred taxes, goodwill and other intangible assets	-82	-54	-54	-42	-43
Fund for unrealized gains, available for sale	-1	-1	-1	-1	-1
Deduction for allocated dividends	-	-	-	-212	-
50% deduction for subordinated capital in other financial institutions	-31	-32	-17	-17	-17
50% deduction for expected losses on IRB, net of write-downs	-302	-311	-335	-337	-341
50 %Capital adequacy reserve	-578	-570	-570	-552	-499
Share of non-performing, non-amortized estimate deviations	37	-	-	-	-
Year-to-date profit included in core capital (50%)	468	318	149	-	389
Hybrids	1.287	1.272	1.234	1.218	433
Total core capital	8.433	8.243	8.196	8.130	5.632
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	783	818	779	760	764
Non-perpetual subordinated capital	2.145	2.204	2.059	2.045	2.029
50% deduction for subordinated capital in other financial institutions	-31	-32	-17	-17	-17
50% deduction for expected losses on IRB, net of write-downs	-302	-311	-335	-337	-341
50 % capital adequacy reserve	-578	-570	-570	-552	-499
Total supplemental capital	2.017	2.109	1.916	1.899	1.936
Net subordinated capital	10.450	10.352	10.112	10.029	7.568

Table 2.8.1: Capital overview

<i>MNOK</i>	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009
Specialized Lending exposure	1.925	1.976	1.988	2.045	2.000
Other corporations exposure	1.881	1.940	1.905	1.755	1.923
SME exposure	34	34	33	33	33
Retail mortgage exposure	676	656	653	614	568
Other retail exposure	64	73	63	93	99
Equity investments	-	-	-	-	-
Total credit risk IRB	4.580	4.679	4.642	4.540	4.623
Debt risk	87	99	85	82	95
Equity risk	19	31	47	47	48
Currency risk	-	-	-	-	-
Operational risk	374	374	374	320	320
Transitional arrangements	568	439	255	264	46
Exposures calculated using the standardised approach	1.710	1.700	1.692	1.605	1.495
Deductions	-97	-96	-94	-91	-82
Minimum requirements subordinated capital	7.241	7.226	7.001	6.767	6.545
Capital adequacy ratio	11,55 %	11,46 %	11,55 %	11,86 %	9,25 %
Core capital ratio	9,32 %	9,13 %	9,37 %	9,61 %	6,88 %
Supplementary capital ratio	2,23 %	2,33 %	2,19 %	2,26 %	2,38 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

Extracts from income statement, per 30.09.10 and third quarter

	SpareBank 1 SR-Bank Group Q3 10													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
MNOK	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09
Net interest income	242	302	175	170	5	10	2	1	41	46	-29	-64	436	465
Net commission and other income	83	41	44	33	26	36	95	83	0	-3	16	72	264	262
Net return on investment securities	0	0	0	0	14	-57	0	0	0	0	123	294	137	237
Operating expenses	131	128	40	40	9	11	81	68	9	9	138	120	408	376
Operating contribution before losses	194	215	179	163	36	-22	16	16	32	34	-28	182	429	588
Losses on loans and guarantees	6	4	30	28	0	0	0	0	10	10	-3	43	43	85
Operating contribution before tax	188	211	149	135	36	-22	16	16	22	24	-25	139	386	503
Gross loans to customers excl. Boligkreditt	51.882	43.544	43.736	44.372	0	0	0	0	5.119	5.109	-448	-176	100.289	92.849
Deposits from customers	26.794	25.123	29.062	27.995	0	0	0	0	0	1	-153	606	55.703	53.725

	SpareBank 1 SR-Bank Group per 30.09.10													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
MNOK	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income	730	700	532	430	14	17	5	3	124	137	-105	-66	1.300	1.221
Net commission and other income	247	234	120	115	105	107	272	236	-5	-8	79	29	818	713
Net return on investment securities	0	0	0	0	25	27	0	0	0	0	363	469	388	496
Operating expenses	369	353	112	112	27	29	235	202	29	27	371	418	1.143	1.141
Operating profit before losses	608	581	540	433	117	122	42	37	90	102	-34	14	1.363	1.289
Losses on loans and guarantees	8	9	106	187	0	0	0	0	37	28	12	70	163	294
Operating profit before tax	600	572	434	246	117	122	42	37	53	74	-46	-56	1.200	995
Loans to customers	51.882	43.544	43.736	44.372	0	0	0	0	5.119	5.109	-448	-176	100.289	92.849
Deposits from customers	26.794	25.123	29.062	27.995	0	0	0	0	0	1	-153	606	55.703	53.725

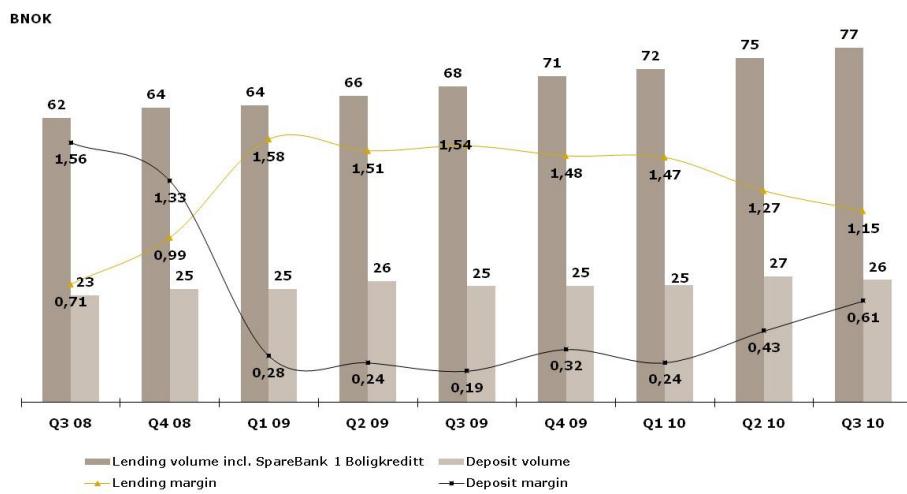
* Includes SR-Forvaltning, SR-Investering and SR-Fondsforvaltning

3.2 Retail Market

Financial performance in the retail market segment

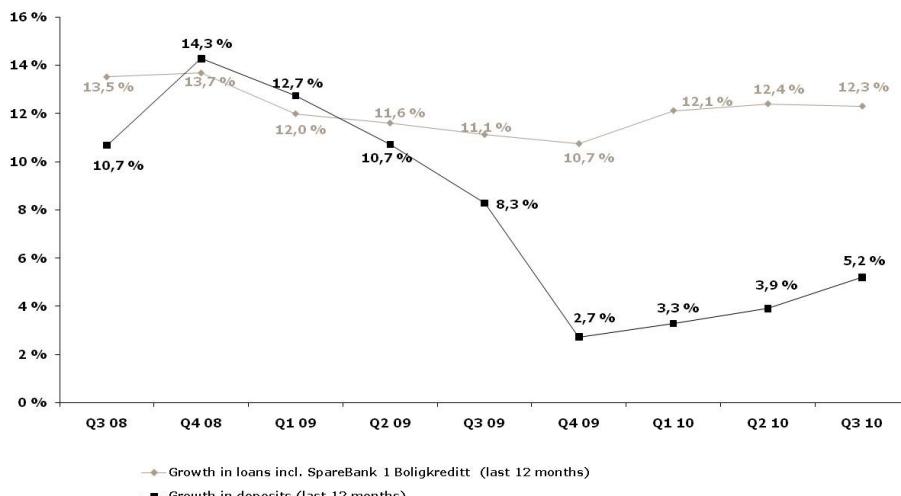
MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Net interest income	242	239	249	264	256	730	700	964
Net other operating income	83	84	80	89	87	247	234	323
Total income	325	323	329	354	343	977	0	1.287
Total operating expenses	131	113	125	140	128	369	353	493
Operating contribution before losses	194	210	204	213	215	608	581	794
Losses on loans and guarantees	6	1	2	-4	4	8	9	5
Operating contribution before tax	188	209	202	217	211	600	572	789

Development in average volume and interest margin*



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

Growth in loans and deposits

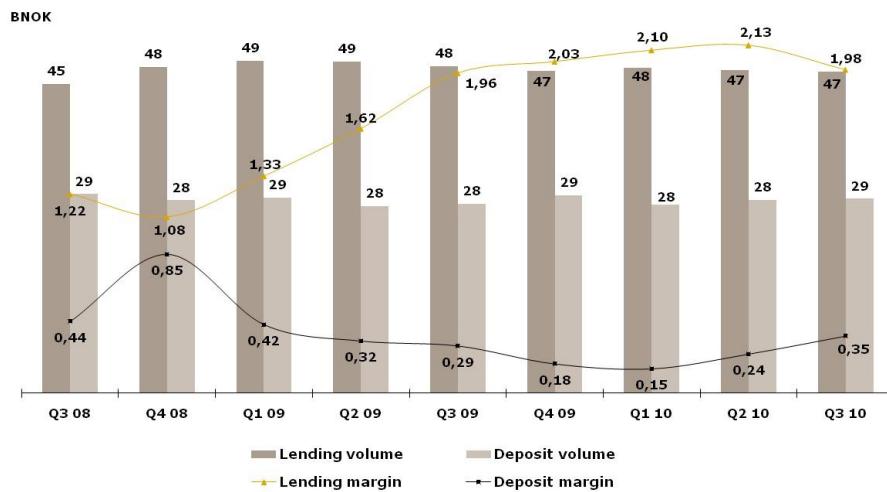


3.3 Corporate Market

Financial performance in the corporate market segment

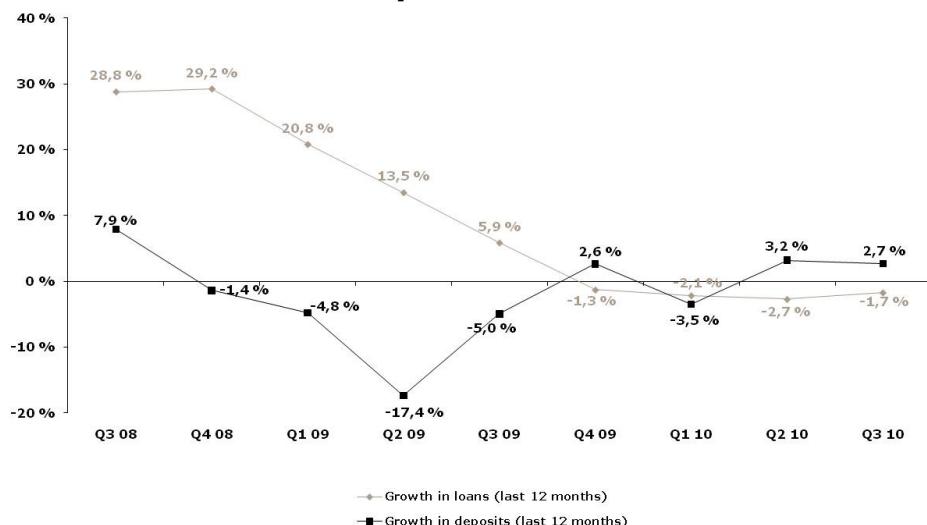
MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Net interest income	175	187	170	173	170	532	430	603
Net other operating income	44	38	38	37	33	120	115	152
Total income	219	225	208	210	204	652	545	755
Total operating expenses	40	32	40	46	40	112	112	158
Operating contribution before losses	179	193	168	164	164	540	433	597
Losses on loans and guarantees	30	38	38	61	27	106	187	248
Operating contribution before tax	149	155	130	103	136	434	246	349

Development in average volume and interest margin*



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

Growth in loans and deposits



3.4 Capital Market

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

Financial performance in the capital market segment

<i>MNOK</i>	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Net interest income	5	5	4	-2	9	14	17	14
Net other operating income	40	49	41	42	19	130	134	176
Total income	45	54	45	40	28	144	151	190
Total operating expenses	9	12	6	11	11	27	29	40
Operating contribution before losses	36	42	39	28	17	117	122	150
Losses on loans and guarantees	0	0	0	0	0	0	0	0
Operating contribution before tax	36	42	39	28	17	117	122	150

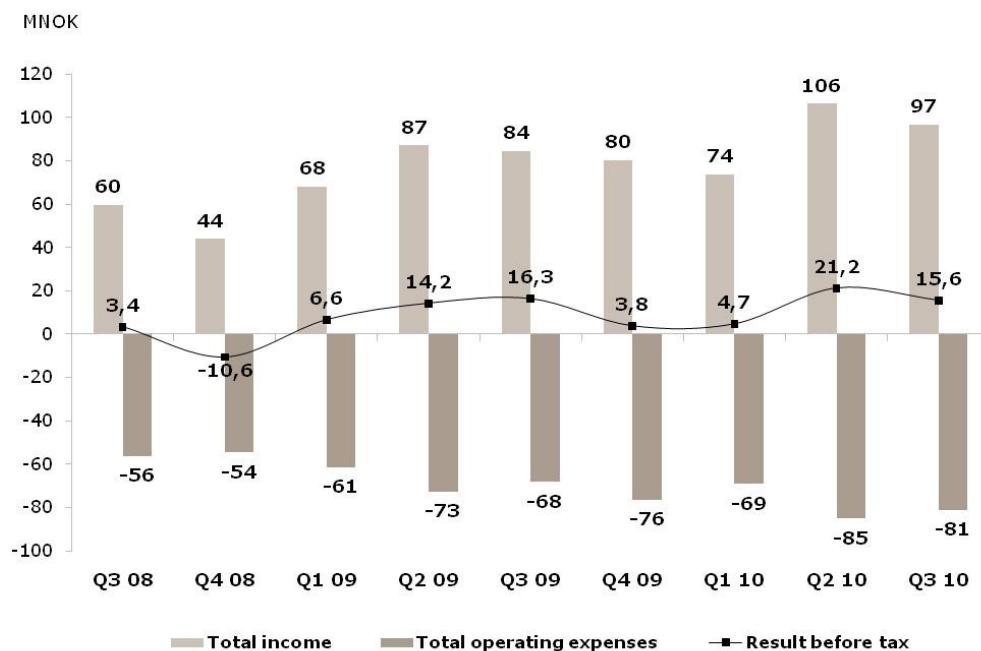
3.5 Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is our region's market leader and the largest company in the nationwide EiendomsMegler 1 chain. This chain is the largest chain of real estate agents in Norway. Per 30.09.2010, the company sold 5,280 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Interest income	2,0	1,8	1,4	1,7	1,0	5,2	2,7	4,4
Other income	94,7	104,5	72,4	78,5	83,4	271,6	236,7	315,2
Total income	96,7	106,3	73,8	80,2	84,4	276,8	239,4	319,5
Personal expenses	51,0	49,4	42,1	46,1	42,1	142,5	117,9	161,0
Other expenses	30,1	35,7	27,0	30,2	26,0	92,8	84,3	117,6
Total operating expenses	81,1	85,1	69,1	76,4	68,1	235,3	202,2	278,5
Result before tax	15,6	21,2	4,7	3,8	16,3	41,5	37,2	41,0

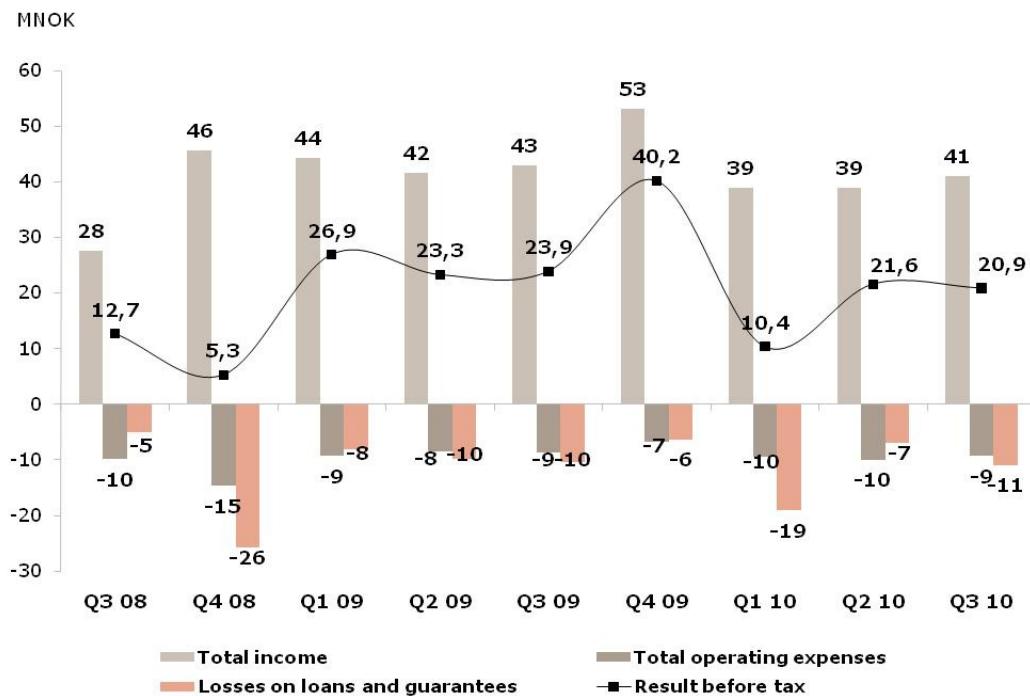


SpareBank 1 SR-Finans AS

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

Financial performance

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Interest income	41,7	41,2	41,5	57,1	45,8	124,5	137,1	194,2
Other income	-0,6	-2,1	-2,5	-4,0	-2,8	-5,3	-8,2	-12,1
Total income	41,1	39,1	38,9	53,2	43,0	119,2	128,9	182,1
Personal expenses	6,2	6,6	6,4	3,9	5,7	19,3	17,5	21,0
Other expenses	3,1	3,5	3,1	2,8	3,0	9,7	9,0	12,1
Total operating expenses	9,3	10,1	9,5	6,7	8,7	29,0	26,5	33,2
Ordinary operating profit	31,8	29,0	29,4	46,5	34,3	90,2	102,4	148,9
Loss on loans, guarantees etc.	10,9	7,4	19,0	6,3	10,5	37,4	28,3	34,6
Result before tax	20,9	21,6	10,4	40,2	23,9	52,8	74,1	114,3

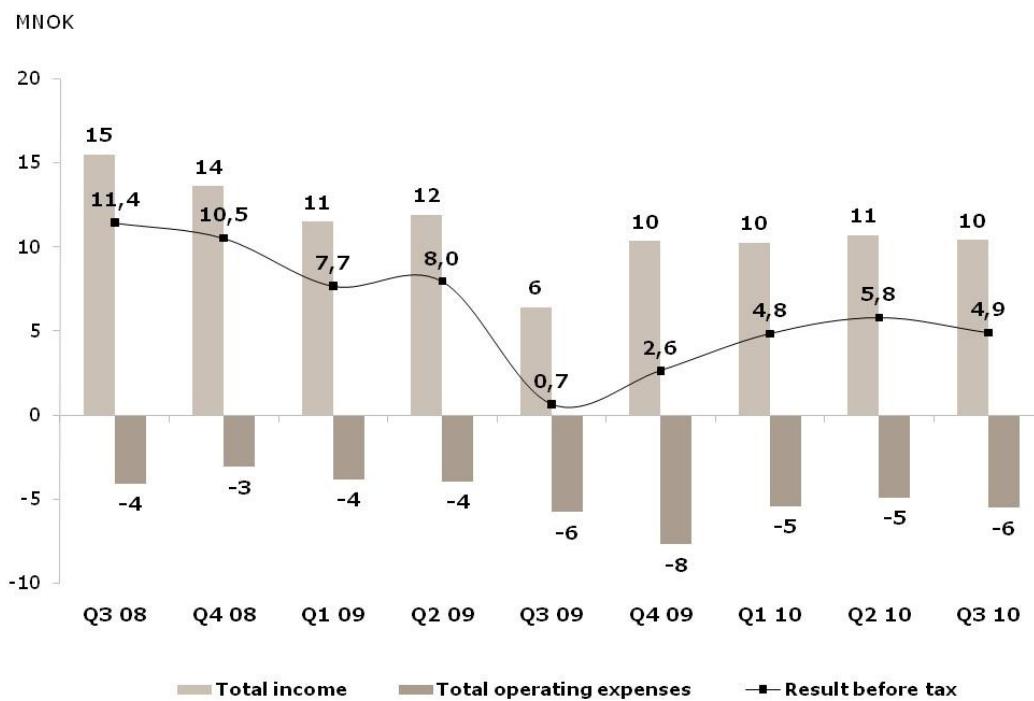


SR-Forvaltning ASA

SR-Forvaltning ASA is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 3,200 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 5.9 billion as per 30.09.2010. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Interest income	0,2	0,2	0,2	0,2	0,1	0,7	0,5	0,7
Other income	10,2	10,5	10,1	10,1	6,3	30,8	29,3	39,4
Total income	10,4	10,7	10,3	10,3	6,4	31,5	29,8	40,2
Personal expenses	4,1	3,5	4,0	6,0	4,4	11,6	9,7	15,8
Other expenses	1,4	1,4	1,4	1,7	1,4	4,2	3,8	5,5
Total operating expenses	5,5	4,9	5,4	7,7	5,8	15,8	13,5	21,2
Result before tax	4,9	5,8	4,8	2,7	0,7	15,7	16,3	18,9

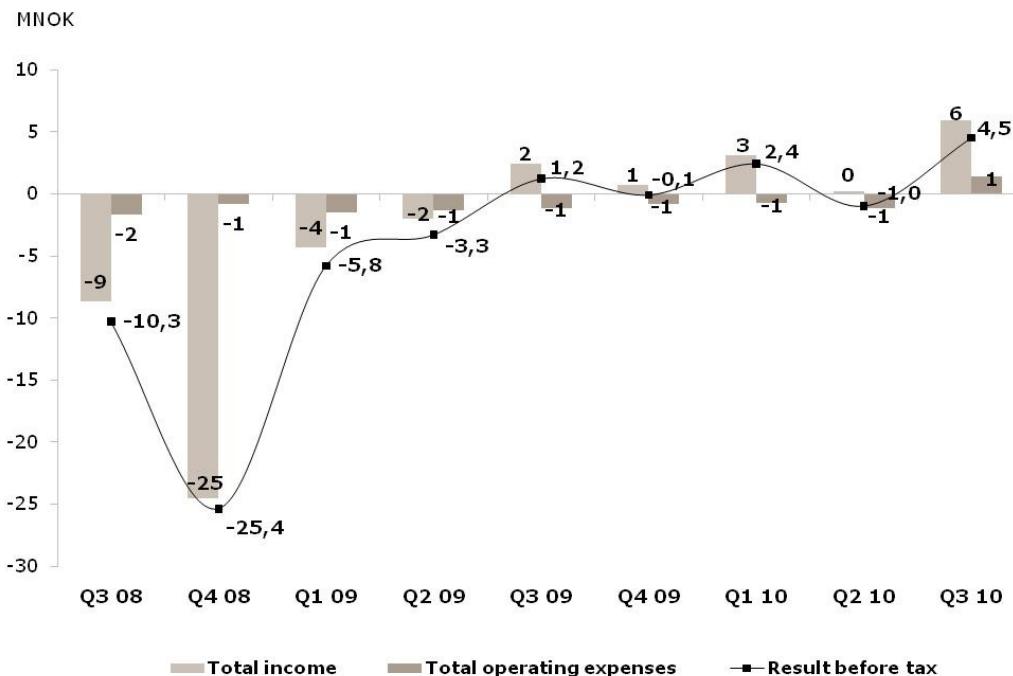


SR-Investerer AS

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

Financial performance

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Interest income	0,4	0,4	0,3	0,3	0,3	1,1	1,0	1,3
Other income	0,3	-	-	0,6	-	0,3	-	0,6
Net return on investment securities	5,2	-0,2	2,8	-0,2	2,1	7,8	-5,0	-5,2
Total income	5,9	0,2	3,1	0,7	2,4	9,2	-4,0	-3,2
Personal expenses	1,3	1,1	0,6	0,6	1,1	2,9	3,5	4,2
Other expenses	0,1	0,1	0,1	0,2	0,1	0,4	0,5	0,7
Total operating expenses	1,4	1,2	0,7	0,8	1,2	3,3	4,0	4,9
Result before tax	4,5	-1,0	2,4	-0,1	1,1	5,9	-8,0	-8,1

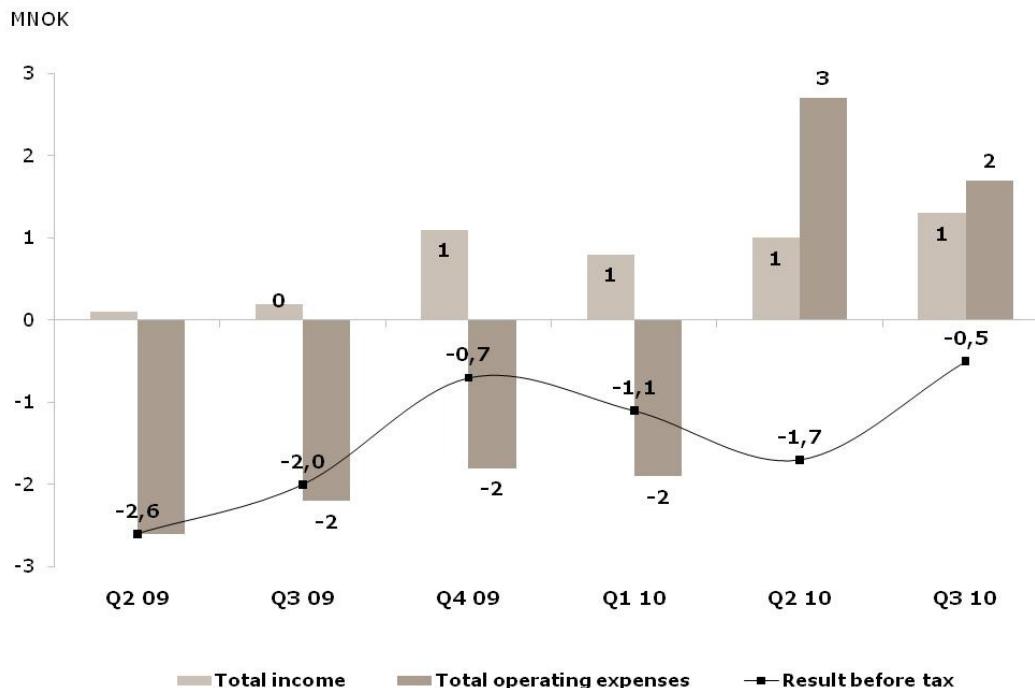


SR-Fondsforvaltning AS

SR-Fondsforvaltning got approval from the Financial Supervisory Authority of Norway (Finanstilsynet) to manage securities funds in May 2009. On 1 September 2009, the company launched three mutual funds. These were well received in the market. At the end of Q3 10 the funds' total assets totalled NOK 444 million. An agreement has been signed to sell the company to Odin Forvaltning AS with accounting effect from 1 January 2011.

Financial performance

MNOK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	30.09 2010	30.09 2009	31.12 2009
Interest income	0,1	0,0	0,0	0,0	0,0	0,1	0,1	0,1
Other income	1,2	1,0	0,8	1,1	0,2	2,9	0,2	1,3
Total income	1,3	1,0	0,8	1,1	0,2	3,0	0,3	1,4
Personal expenses	1,1	1,7	1,1	1,1	0,6	3,9	3,4	4,4
Other expenses	0,6	1,0	0,8	0,8	1,6	2,4	1,5	2,3
Total operating expenses	1,7	2,7	1,9	1,8	2,2	6,3	4,9	6,7
Result before tax	-0,5	-1,7	-1,1	-0,7	-2,0	-3,3	-4,6	-5,3



4. Norwegian and regional economy

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

	2010	2011	2012	2013
CPI	2 1/4 (-1/4)	1 1/4 (-1/4)	2 (-1/4)	2 1/4 (0)
CPI-ATE	1 1/2 (0)	1 1/4 (-1/2)	2 (-1/4)	2 1/4 (0)
CPIXE ¹⁾	1 3/4 (0)	1 1/2 (-1/2)	2 (-1/4)	2 1/4 (0)
Annual wage growth	3 1/2 (0)	3 3/4 (-1/4)	4 1/4 (-1/4)	4 1/2 (-1/4)
Mainland demand	1 3/4 (0)	4 (0)	3 1/4 (0)	2 1/4 (1/4)
GDP mainland Norway	1 3/4 (0)	3 (1/4)	3 (1/4)	2 3/4 (0)
Output gap mainland Norway ²⁾	-3/4 (0)	-1/4 (0)	1/4 (1/4)	1/2 (1/4)
Employment	0 (1/4)	1 (1/4)	1 1/4 (1/4)	3/4 (1/4)
LFS unemployment (rate)	3 (0)	2 3/4 (-1/4)	2 1/2 (-1/4)	2 1/2 (0)

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

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

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

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

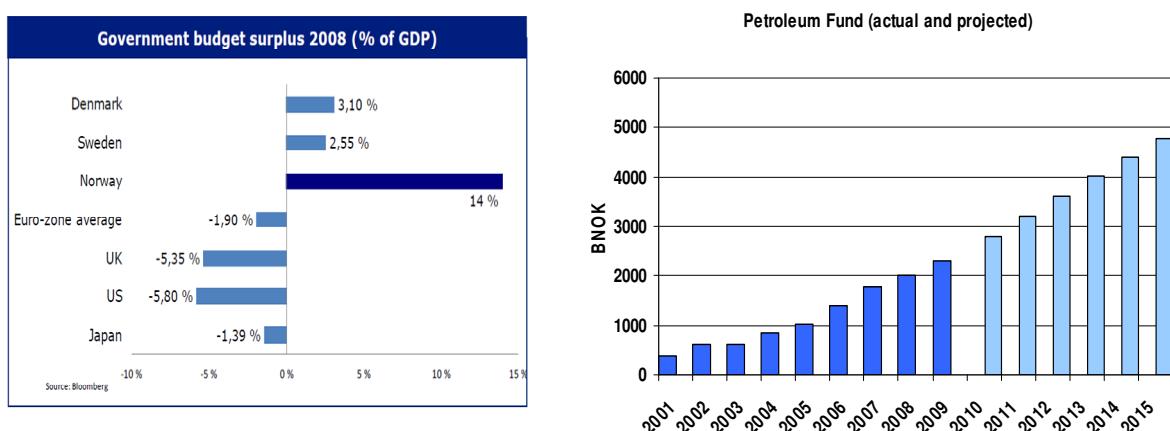


Figure 4.2: *Government budget surplus 2008 and Petroleum Fund*

SpareBank 1 SR-Bank is situated in the South-Western part of Norway. The majority of the bank's customers are in the county of Rogaland, and market shares are increasing in the

expansion areas of Agder and Hordaland. The bank's market area is within the strongest part of Norwegian economy outside of Oslo (by regional GDP per capita) and petroleum investments (which is important for the region) is expected to stay at high levels, see figure 4.3 and 4.4.

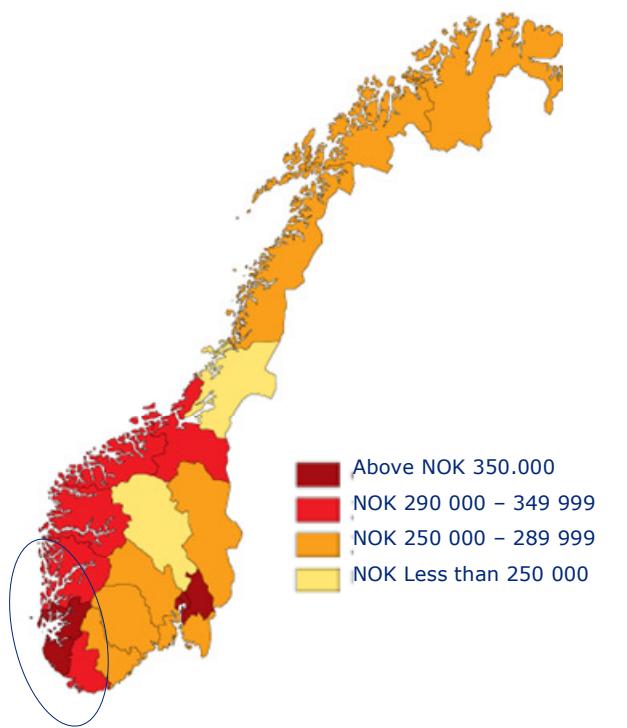


Figure 4.3: *Regional GDP per capita (2006)*

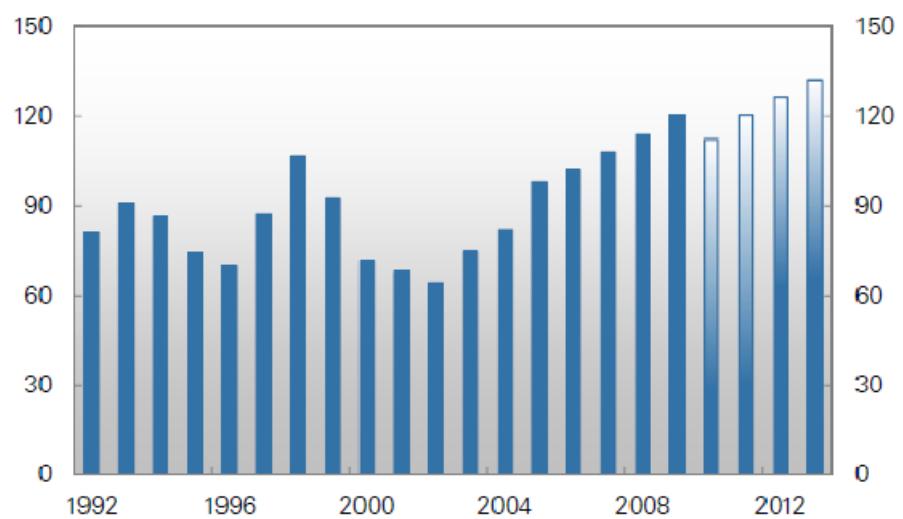


Figure 4.4: *Petroleum investments. Fixed 2007 prices. In billions of NOK. 2005-2013 (projections 2010-2013)* (Source: Norges Bank, MPR 2/10)

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

