

PRESS RELEASE

The result in the third quarter is strongly affected by unrealized losses on securities in the bank and write-downs in the SpareBank 1 group

- Group profit of NOK 121 million (NOK 308 million) before tax
- Negative contribution from the SpareBank 1 group of NOK 124 million so far this year (NOK -40 million)
- Unrealized losses on current portfolio of shares and primary capital certificates in the amount of NOK 91 million (NOK -26 million)
- Profit from underlying banking operations is NOK 478 million (NOK 460 million) before losses
- Stable interest margin of 2.08 % (2.11 %)
- Good cost-effectiveness, cost percentage at 1.68 (1.69)
- Slower growth in lending, 12-month growth of 6 % (13 %)
- Good growth in deposits, 12-month growth of 16 % (8 %)
- Rate of loss at 0.4, steady default
- Profit per primary capital certificate after tax of NOK 4.5 (NOK 18.0)
- Return on equity capital after tax of 2.8 % (10.8 %)

The SpareBank 1 SR-Bank group achieved a profit before tax of NOK 121 million after the third quarter, compared with NOK 308 million after the corresponding period last year. The underlying banking operation contributed with a profit before losses of NOK 478 million so far this year, an improvement of NOK 18 million compared with last year. The group's return on equity capital is 2.8 % after tax, compared with 10.8 % after the third quarter of 2001.

There is a loss of NOK 74 million before tax in the third quarter of 2002. The corresponding quarter last year showed a profit of NOK 64 million.

So far this year, the bank's current portfolio of shares and primary capital certificates has had a yield of -27.2 % compared with -9.6 % by the end of the third quarter last year.

The group's ordinary activities show an interest margin (2.08 %) after the third quarter of 2002 at about the same level as for the corresponding period last year (2.11 %). Net commission income has increased by 17 % compared with last year. The cost-effectiveness remains good, and measured in relation to average total assets, costs constituted 1.68 after the third quarter compared with 1.69 % last year. So far this year the group has posted net losses of NOK 140 million, which is NOK 50 million more than last year. Net losses amount to approximately 0.4 % of gross annual lending. The default volume is stable.

The growth in lending continues to level off with a 12-month growth of 6 %, down from 11 % as of 31 December 2001. The volume in deposits shows a 12-month growth of 16 %, compared with 9 % at the end of last year. The deposit coverage has been strengthened from 54.9 % at the beginning of the year to 59.0 % as of 30 September 2002.

The bank is still strong with a core capital of 7.66 % and a capital adequacy ratio of 11.58 % not including the result so far this year. SpareBank 1 SR-Bank has a target for the core capital of 8 % and a capital adequacy ratio of 12 %.

Other operating income

The group's net commission income amounted to NOK 221 million at the end of the third quarter, an increase of NOK 32 million compared with the corresponding period last year. Payment services, insurance and underwriting commission in particular contribute to the growth. The commission costs have been reduced, mainly as a result of reduced intermediary commission costs. Income from sale of mutual funds/unit trusts and guaranteed products so far this year is approximately at the same level as for the same period last year.

Total dividends and income from ownership interests have been reduced by NOK 105 million compared with last year. The negative share of the result from the SpareBank 1 group so far this year amounts to NOK 124 million, compared with NOK -40 million as of the third quarter last year. In addition, investments in Odin money market funds have so far this year yielded NOK 21 million less than last year.

The total capital loss of NOK 73 million consists of a loss of NOK 91 million on the current portfolio of shares and primary capital certificates, gains of NOK 20 million in the currency sector and a capital loss of NOK 2 million on certificates and bonds. The market value of the current portfolio of shares and primary capital certificates was NOK 215 million as of 30 September 2002.

Operating costs

The group's operating costs have amounted to NOK 619 million so far this year. Compared with total assets, this amounts to 1.68 % compared with 1.69 % for the same period last year. The corresponding figures for the parent bank so far this year and last year is 1.46 % and 1.47 % respectively. The group's nominal operating costs so far this year are NOK 46 million (+8 %) higher than last year's. Personnel costs are the main contributor to this growth. The reasons are the general wage increases, the effect of newly established banking offices so far this year and increased activity in EiendomsMegler 1 over the course of 2001. The average total man-years has increased from 791 last year to 800 so far this year.

Subsidiaries

Westbroker Finans AS has a profit before tax of NOK 13 million so far this year. The corresponding figure last year was NOK 24 million, and the reduction is mainly due to the sale of the housing loan portfolio in the fourth quarter of 2001. The activity in the company is aimed at leasing and project financing. The profit before tax in EiendomsMegler 1 amounts to NOK 12 million so far this year compared with NOK 10 million last year. There is still a good trend as regards the number of sales in the private market, while the commercial market is somewhat down.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS had a loss of NOK 954.5 million after tax in the third quarter 2002. This is the result among other things of extraordinary write-downs of goodwill and added value in the amount of NOK 593 million and the negative development in the securities markets. The

loss in SpareBank 1 Livsforsikring as of the third quarter constituted NOK 696.2 million. The group has entered to income additional allocations of NOK 354 million before tax relating to the life insurance company. SpareBank 1 SR-Bank's share of the negative contribution amounts to NOK 124 million so far this year compared with NOK -40 million as of 30 September 2001.

The SpareBank 1 group has now implemented a comprehensive program for improving the efficiency. The objective is to realize annual efficiency gains of NOK 234 million, with full effect from 2004. The program will also require a staff reduction of 125 man-years.

New initiatives

The bank has implemented a comprehensive improvement program – "Best in Banking" – to strengthen the underlying banking operations further. The program involves all employees, and the purpose is to identify all possibilities for improvement as regards costs, income, quality and customer service.

We have great expectations for the effect of this action plan with the objective of making the bank one of the premier banks in Norway as regards return on equity capital and customer satisfaction.

The bank's primary capital certificates

At the end of September, the market price for the bank's primary capital certificates was NOK 238, compared with NOK 247 at the beginning of the year. The number of primary capital certificate owners was reduced by 54 in the third quarter to 6 080. The bank has purchased 33 150 of its own primary capital certificates in the third quarter. However, on 2 October the bank sold 44 623 of its own primary capital certificates to employees in connection with employee placings. At the end of the quarter, the percentage owned by foreigners was 16.2 %, while 44.4 % of the owners are linked to Rogaland. The 20 largest owners owned 37.3 % of the certificates.

Outlook for the future

Based on the very weak development in the securities markets so far this year as well as extraordinary write-downs in the SpareBank 1 group, the Board does not anticipate a satisfactory return for 2002. However, the underlying operations are good and are expected to provide a good contribution also in the fourth quarter of 2002.

The Board is pleased with the measures that have been implemented for improving the operations and competitiveness of SpareBank 1 Gruppen AS. Based on the internal improvement programs in SpareBank 1 SR-Bank, the Board expects additional improvement of the group's underlying operations.

Business and industry in the region are influenced by the conditions for activities exposed to international competition. A sustained development with a combination of a strong Norwegian currency, high increases in wage costs and a big interest difference in relation to the euro area will reduce the possibilities as regards creation of value and employment.

Stavanger, 24 October 2002

The Board of Directors of Sparebanken Rogaland

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www.sr-bank.no

Highlights

The result in the third quarter is strongly affected by unrealized losses on securities in the bank and write-down

Group profit of NOK 121 million (NOK 308 million) before tax

Negative contribution from the SpareBank 1 group of NOK 124 million so far this year (NOK -40 million)

Unrealized losses on current portfolio of shares and primary capital certificates in the amount of NOK 91 million (NOK 124 million)

Profit from underlying banking operations is NOK 478 million (NOK 460 million) before losses

Stable interest margin of 2.08 % (2.11 %)

Good cost-effectiveness, cost percentage at 1.68 (1.69)

Slower growth in lending, 12-month growth of 6 % (13 %)

Good growth in deposits, 12-month growth of 16 % (8 %)

Rate of loss at 0.4, steady default

Profit per primary capital certificate after tax of NC

Return on equity capital after tax of 2.8 % (10.8 %)

MAIN FIGURES	30.09.	30.09.	30.09.	30.09.	Year-end	
	2002	2002	2001	2001	2001	2001
	NOK mill	%	NOK mill	%	NOK mill	%
Net interest income	770	2,08	716	2,11	979	2,13
Net other operating income	126	0,34	271	0,80	397	0,87
Total operating income	896	2,43	987	2,90	1 376	3,00
Total operating costs	619	1,68	573	1,69	785	1,71
Result before losses and write-downs	277	0,75	414	1,22	591	1,29
Losses and write-downs	156	0,42	106	0,31	169	0,37
Result of ordinary activities	121	0,33	308	0,91	422	0,92
Taxes	64	0,17	93	0,27	127	0,28
Profit	57	0,15	215	0,63	295	0,64
Including minority interest:	1	0,00			1	0,00

Key figures SpareBank 1 SR-Bank Group

	30.09.	30.09.	Year-end
	2002	2001	2001
Average total assets	49 241	45 306	45 866
Total assets	49 239	47 071	48 471
Net loans to customers	44 591	42 226	43 120
Deposits from customers	26 756	23 116	24 011
Growth in loans	6 %	13 %	11 %
Growth in deposits	16 %	8 %	9 %
Capital adequacy ratio	11,58	12,95	12,69
Core capital ratio	7,66	7,78	7,92
Net equity and subordinated loan capital	3 809	3 977	4 059
Return on equity *	2,8	10,8	11,2
Cost percentage **	63,9	58,0	58,4
Number of man-years	798	795	807
Number of offices	53	53	53
Market price at the close of the quarter	238	235	247
Profit per primary capital certificate ***	4,5	18,0	24,7

* Profit as a percentage of average equity

** Profit income (excluding net exchange and capital gains/losses) divided by total operating costs.

*** Profit for the year multiplied by the primary capital certificate percentage and divided by the number of primary capital certificates.

PROFIT AND LOSS ACCOUNT

Year-end						Year-end
2001	30.09.2001	30.09.2002	(Amount in NOK million)	30.09.2002	30.09.2001	2001
3 410	2 539	2 649	Interest income	2 726	2 657	3 559
2 488	1 868	1 914	Interest costs	1 956	1 941	2 580
922	671	735	Net interest income	770	716	979
42	46	26	Dividends	26	46	42
-22	-13	-105	Income from ownership interests	-124	-40	-56
331	233	257	Commission income	273	247	356
-80	-57	-51	Commission costs	-52	-58	-74
32	0	-73	Net exchange and capital gains	-73	0	32
11	7	6	Other operating income	76	76	97
314	216	60	Net other operating income	126	271	397
1 236	887	795	Total operating income	896	987	1 376
531	385	430	Wages and general administration costs	503	455	622
137	100	98	Other operating costs	116	118	163
668	485	528	Total operating costs	619	573	785
568	402	267	Profit before losses and write-downs	277	414	591
10	16	16	Loss/gain finansiel fixed assets	16	16	10
151	90	138	Loss on loans and guarantees	140	90	159
407	296	113	Result og ordinary activities	121	308	422
113	82	57	Taxes	64	93	127
					0	
294	214	56	Profit	57	215	295
			Including minority interests	1		1
24,7	18,0	4,5	Profit per primary capital certificate	4,5	18,0	24,7

BALANSE

SpareBank 1 SR-Bank Group

31.12. 2001	30.09. 2001	30.09. 2002	(Amount in NOK million)	30.09. 2002	30.09. 2001	31.12. 2001
Assets						
667	425	326	Cash and claims on central banks	326	425	667
477	1 088	388	Claims on credit institutions	263	274	352
42 631	40 504	44 046	Gross loans to customers	45 315	42 845	43 766
-282	-290	-349	-Specified loss provisions	-360	-296	-290
-341	-311	-350	- Unspecified loss provisions	-365	-323	-356
42 008	39 903	43 347	Net loans to customers	44 590	42 226	43 120
3	12	1	Acquired assets	4	17	6
3 473	3 467	3 379	Securities	3 214	3 241	3 267
385	388	385	Fixed assets	436	427	439
581	346	352	Other assets	406	461	620
47 594	45 629	48 178	Total assets	49 239	47 071	48 471
Liabilities and equity						
6 380	5 941	5 721	Debt to credit institutions	5 560	5 930	5 875
22 900	21 954	25 850	Deposits from customers	26 756	23 116	24 011
12 937	11 541	11 020	Debt established on issue of securities	11 020	11 541	12 937
772	1 501	1 363	Other debt	1 636	1 717	1 001
1 919	1 952	1 506	Subordinated loan capital	1 546	2 024	1 959
2 686	2 526	2 662	Equity	2 662	2 526	2 686
			Minority interests	3	3	
		56	Profit	56		
47 594	45 629	48 178	Total liabilities and equity	49 239	47 071	48 471
Off-balance-sheet:						
1 589	1 503	2 356	Contingent liabilities (guarantees)	2 356	1 503	1 589

Loans for which loss provisions have been made

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank Group			
31.12. 2001	30.09. 2001	30.09. 2002	(Amounts in NOK million)	30.09. 2002	30.09. 2001	31.12. 2001
Non-performing loans for which loss provisions have been made						
296	320	284	Gross non-performing loans	305	352	307
128	105	103	Specified loss provisions	106	108	131
168	215	181	Net non-performing loans	199	244	176
43 %	33 %	36 %	Loan loss provision ratio	35 %	31 %	43 %
132	124	122	Of which gross non-accrual loans	130	134	139
Performing loans for which loss provisions have been made						
405	397	505	Performing loans with loss provision	525	401	421
154	185	246	Specified loss provisions	254	188	159
251	212	259	Net performing loans	271	213	262
38 %	47 %	49 %	Loan loss provision ratio	48 %	47 %	38 %

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.

Loss provisions

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank Group			
31.12. 2001	30.09. 2001	30.09. 2002	(Amounts in NOK million)	30.09. 2002	30.09. 2001	31.12. 2001
Specified loss provisions:						
270	270	282	Specified loss provision pr. 01.01.	290	286	286
-104	-68	-76	- Actual loan losses during the period for which specified loss provisions have been made previously	-76	-79	-117
116	88	143	+/- The period's specified loss provisions	146	89	121
282	290	349	Specified loss provisions	360	296	290
Unspecified loss provisions:						
296	296	341	Unspecified loss provisions pr. 01.01.	356	308	308
45	15	9	+/- The period's change in unspecified loss provision	9	15	48
341	311	350	Unspecified loss provisions	365	323	356

Loans and losses in 2002

SpareBank 1 SR-Bank Group		Gross loans	Recoveries of losses	Net loss	Loss ratio
(Amounts in NOK million) Loans and guarantees					
Corporate	18 170	148	31	117	0,64 %
Private customers	29 501	33	19	14	0,05 %
Transferred to unspesified		9	0	9	
Sum	47 671	190	50	140	0,29 %

RESULTAT FRA KVARTALSREGNSKAPENE

(Beløp i millioner kroner)	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.
SpareBank 1 SR-Bank konsern	2002	2002	2002	2001	2001	2001	2001	2000	2000
Netto renteinntekter	262	255	253	263	251	236	229	248	244
Netto andre driftsinntekter	-72	77	121	126	58	113	100	63	111
Sum driftsinntekter	190	332	374	389	309	349	329	311	355
Sum driftskostnader	206	211	202	212	200	187	186	189	168
Resultat før tap og nedskrivninger	-16	121	172	177	109	162	143	122	187
Tap og nedskrivninger	58	54	44	63	45	21	40	45	4
Resultat av ordinær drift	-74	67	128	114	64	141	103	77	183
Skatt og minoritetsinteresser	8	21	36	34	25	38	31	26	46
Overskudd	-82	46	92	80	39	103	72	51	137

BALANSETALL FRA KVARTALSREGNSKAPENE

(Beløp i millioner kroner)	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.
SpareBank 1 SR-Bank konsern	2002	2002	2002	2001	2001	2001	2001	2000	2000
Innskudd fra kunder	26 756	27 647	25 366	24 011	23 116	23 482	22 850	22 120	21 378
Brutto utlån til kunder	45 315	44 755	44 217	43 766	42 845	42 039	40 278	39 383	37 823
Tapsavsetninger	724	695	669	646	619	582	573	594	547
Netto utlån til kunder	44 591	44 060	43 548	43 120	42 226	41 457	39 705	38 789	37 276
Forvaltningskapital	49 239	49 874	49 000	48 471	47 071	46 132	44 674	43 624	41 737
Gj.snittlig forvaltningskapital	49 241	49 162	48 821	45 866	45 306	44 747	44 162	40 010	39 003

MISLIGHOLDTE ENGASJEMENTER OG NULLSTILLTE LÅN

(Beløp i millioner kroner)	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.
SpareBank 1 SR-Bank konsern	2002	2002	2002	2001	2001	2001	2001	2000	2000
Brutto misligholdte engasjementer	305	329	333	307	352	307	296	320	299
Spesifiserte tapsavsetninger	-106	-118	-111	-131	-108	-101	-104	-132	-119
Netto misligholdte engasjementer	199	211	222	176	244	206	192	188	180
Brutto nullstilte lån	130	128	117	139	134	127	136	172	114
Netto nullstilte lån	51	52	48	55	59	57	50	60	39

KAPITALDEKNING

(Beløp i millioner kroner)	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.
SpareBank 1 SR-Bank konsern	2002	2002	2002	2001	2001	2001	2001	2000	2000
Bankens fond	1 075	1 080	1 094	1 094	1 024	1 024	1 033	1 033	847
Grunnfondsbeviskapital	746	749	754	748	743	749	749	749	749
Annen kjernekapital	697	700	704	693	622	627	625	628	582
Kjernekapital	2 518	2 529	2 552	2 535	2 389	2 400	2 407	2 410	2 178
Tilleggskapital	1 568	1 562	1 858	1 876	1 956	2 077	1 402	1 402	1 339
Fradrag	-277	-321	-347	-352	-368	-351	-354	-368	-384
Netto ansvarlig kapital	3 809	3 770	4 063	4 059	3 977	4 126	3 455	3 444	3 133
Totalt beregningsgrunnlag	32 891	32 461	32 390	31 989	30 708	30 125	30 188	29 565	28 586
Kapitaldekning	11,58 %	11,61 %	12,55 %	12,69 %	12,95 %	13,70 %	11,44 %	11,65 %	10,96 %

NØKKELTALL FOR 7.538.194 GRUNNFONDSBEVIS

(Beløp i millioner kroner)	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.	2 kv.	1 kv.	4 kv.	3 kv.
SpareBank 1 SR-Bank konsern	2002	2002	2002	2001	2001	2001	2001	2000	2000
Børskurs ved kvartalslutt	238	265	264	247	235	233	237	247	250
Bokført egenkapital pr. grunnfond	219	219	219	219	214	214	214	214	195
Grunnfondsbevisprosent	61,2	61,2	61,2	61,2	63,0	63,0	63,0	63,0	65,3