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Information on the Internet

SpareBank 1 SR-Bank's homepage

www.sr-bank.no

Financial Calendar 2012

Preliminary results 2011:	Wednesday 8 February Presentation and webcast 08.15 am Location: Oslo
Annual General Meeting 2012:	Thursday 29 March
Ex-dividend:	Friday 30 March
Dividend payment date:	Thursday 12 April
1st quarter 2012:	Thursday 3 May Presentation 08.15 am Location: Oslo
Extraordinary General Meeting:	Wednesday 9 May
2nd quarter 2012:	Thursday 9 August Presentation and webcast Location: Oslo
3rd quarter 2012:	Thursday 1 November Presentation 08.15 am Location: Oslo

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1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q1 2012

- Profit before tax: NOK 393 million (NOK 336 million)
 - Profit after tax: NOK 316 million (NOK 265 million)
 - Return on equity after tax: 12.9% (11.2%)
 - Profit per share: NOK 1.58 (NOK 1.32)
 - Net interest income: NOK 401 million (NOK 424 million)
 - Net commission and other income: NOK 302 million (NOK 281 million)
 - Net income from financial investments: NOK 202 million (NOK 128 million)
 - Operating expenses: NOK 478 million (NOK 446 million)
 - Impairment losses on loans: NOK 34 million (NOK 51 million)
 - Total lending growth over the last 12 months: 10.3% (12.5%)
 - Growth in deposits over past 12 months: 7.1 % (17.5 %)
 - Core capital ratio: 10.5 % (10.2 %)
 - Pure core capital cover: 8.2 % (8.8 %)
- (Figures for Q1 2011 are shown in parentheses)

Income statement

MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Net interest income	401	448	457	427	424	1.756	1.742
Net commission and other income	302	305	281	325	281	1.192	1.101
Net return on investment securities	202	111	7	73	128	319	571
Total income	905	864	745	825	833	3.267	3.414
Total operating expenses	478	329	462	396	446	1.633	1.566
Operating profit before losses	427	535	283	429	387	1.634	1.848
Losses on loans and guarantees	34	45	30	13	51	139	234
Operating profit before tax	393	490	253	416	336	1.495	1.614
Tax expense	77	153	79	111	71	414	297
Profit after tax	316	337	174	305	265	1.081	1.317

SpareBank 1 SR-Bank has a solid financial position and a leading position in the country's region of strongest growth. On the 8th of February 2012 SpareBank 1 SR-Bank released its plans to issue new equity. The background to the bank wishing to procure new capital through a public rights offering of up to NOK 1.5 billion is to strengthen its ability to meet the financing needs of its customers in an offensive manner, as well as to strengthen the capital adequacy in advance of anticipated increased capital requirements in the banking sector. In addition, a private placement of up to NOK 130 million towards employees is planned.

Further information on the offerings will be released through Oslo Børs.

Key figures

	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Return on equity ¹⁾	12,9 %	13,9 %	7,2 %	12,6 %	11,2 %	11,2 %	15,5 %
Cost ratio ²⁾	52,8 %	38,1 %	62,0 %	48,0 %	53,5 %	50,0 %	45,9 %
Deposit-to-loan ratio	66,8 %	63,2 %	61,9 %	60,2 %	59,8 %	63,2 %	57,4 %
Growth in loans	-4,1 %	-4,2 %	3,6 %	11,5 %	8,6 %	-4,2 %	13,2 %
Growth in loans incl. Sp 1 Boligkreditt and Næringskreditt	10,3 %	11,2 %	15,3 %	14,5 %	12,5 %	11,2 %	11,6 %
Growth in deposits	7,1 %	5,4 %	15,5 %	15,8 %	17,5 %	5,4 %	11,8 %
Average total assets, MNOK	132.949	132.392	134.579	133.469	133.916	133.629	128.830
Total assets, MNOK	134.683	131.142	132.965	134.715	132.555	131.142	134.778
Impairment losses ratio ³⁾	0,13	0,18	0,11	0,05	0,19	0,13	0,23
Capital adequacy ratio	11,0	11,4	11,2	11,5	11,8	11,4	12,4
Core capital ratio	10,5	10,6	9,6	10,0	10,2	10,6	10,2
Market price	41,00	40,70	40,70	51,50	57,00	40,70	57,00
EPS (group) ⁴⁾	1,58	1,73	0,86	1,51	1,32	5,42	6,84

¹⁾ Net profit as a percentage of average equity.

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 divided by average number of share outstanding.

SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per share.

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

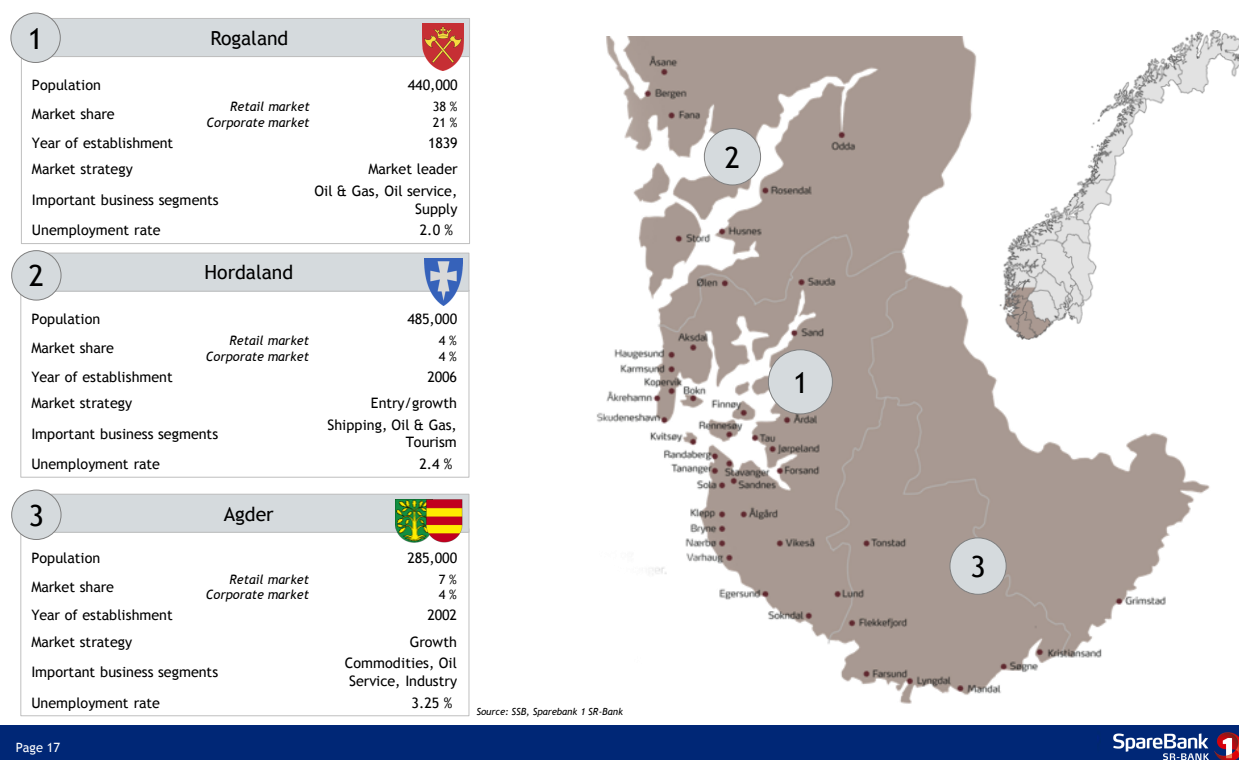


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank ASA is located in the South-Western part of Norway and is the second largest of the Norwegian-owned banks (after DNB) with assets on-balance sheet totalling NOK 133 billion as at 31 March 2012. Head office is in Stavanger. The market areas are the counties of Rogaland, Agder and Hordaland. SpareBank 1 SR-Bank ASA has about 1 200 employees and provides a full range of 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 Market, Corporate Market and Capital Market.

Retail Market

SpareBank 1 SR-Bank ASA is the leading retail customer bank in Rogaland, with about 262,000 retail customers and a market share in Rogaland of about 40 per cent. The division also serves 15,000 agricultural clients, sole proprietorships and associations.

Corporate Market

SpareBank 1 SR-Bank ASA service about 7,500 customers in the business sector and public sector. These also include small businesses, agricultural customers, societies and associations. About 40 per cent of all businesses in the bank's traditional market list SpareBank 1 SR-Bank ASA as their main bank.

Capital Market

The Capital Market division comprises the group's securities activities, SR-Markets and the subsidiary SR-Forvaltning that manage customers' and the bank's own assets in the form of securities, mutual funds and property. SR-Markets primarily serve the group's customers and selected customer in defined market areas in the country as a whole.

SRBANK's activities

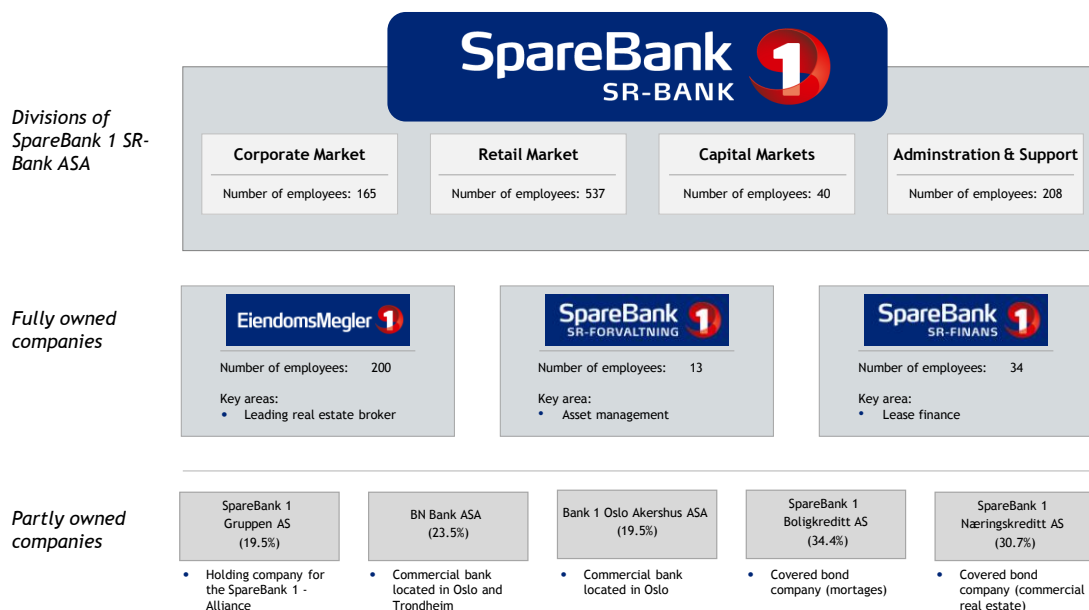


Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

MNOK	Retail market		Corporate market		Capital market	
	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011
Operating profit before tax 1st quarter only	200	179	140	133	54	43
Gross loans to customers excl. SpareBank 1 Boligkreditt and Næringskreditt as per 31 March 2012	47.947	56.031	45.591	42.209	-	-
Gross loans sold to SpareBank 1 Boligkreditt og SpareBank 1 Næringskreditt	48.205	23.895	694	17	-	-
Deposits from customers as per 31 March 2012	37.776	33.938	29.250	28.512	-	-

* not including SpareBank 1 SR-Finans AS

Vision and strategy

Our vision: Recommended by customers

Primary objective	Financial targets
<ul style="list-style-type: none">• SpareBank 1 SR-Bank ASA is committed to value creation in the bank`s core market area• Sustainable contribution to the value creation process in the region through;<ul style="list-style-type: none">• Sustainable an profitable business model• Owner friendly and stable dividend policy	<ul style="list-style-type: none">• ROE 13-15 % in a normalized market• Top 50 % ROE and cost/income in a Nordic benchmark• Pure core capital ratio at minimum 9 %
Strategic goals	Strategic focus
<ul style="list-style-type: none">• Most attractive and preferred partner for financial services in South-Western Norway, based on;<ul style="list-style-type: none">• Good customer experience• Strong team spirit and professionalism• Local anchoring and local decisions• Solvency, profitability and trust by the market	<ul style="list-style-type: none">• Targeted customer growth and increased product mix• Innovative and continuing focus on efficiency• Expertise adapted to future customer needs• Sustainable and diversified funding mix

Figure 1.2.3: *Vision and strategy*

Legal and organizational structure

SpareBank 1 SR-Banks's various management and control bodies have all been established with respect to Norwegian legislation. The figure below shows an overview of current management and control bodies:

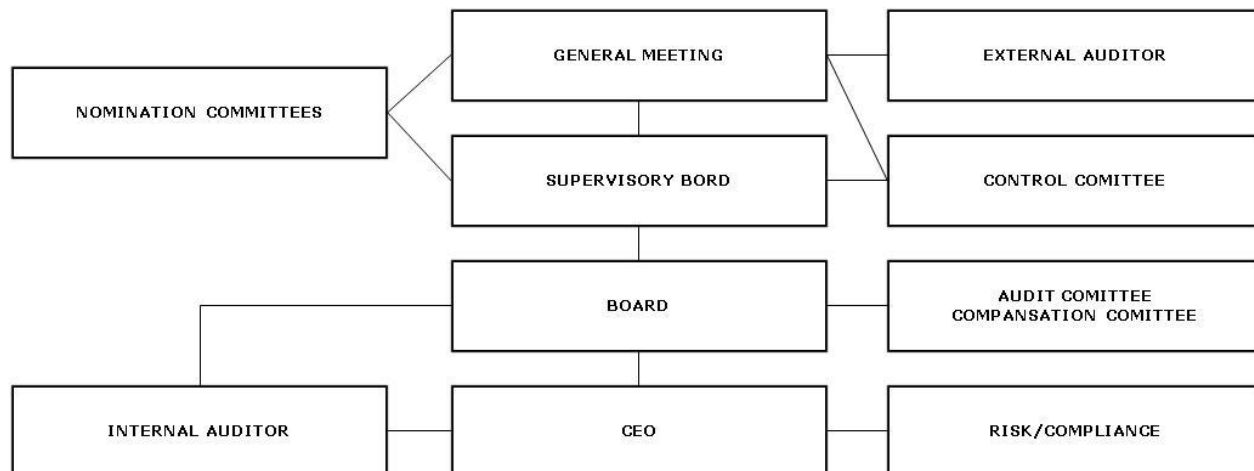


Figure 1.2.4: Overview of management and control bodies

General Meeting

Through the General Meeting, the shareholders exercise the highest level of authority at SpareBank 1 SR-Bank ASA. The Ordinary General Meeting elects the members of the Supervisory Board, the Control Committee and the Nomination Committee, as well as approving the annual financial statements, including the allocation of a surplus or coverage of a deficit for a year.

Supervisory Board

The Supervisory Board consists of 30 members and 15 deputy members. A total of 22 members and 11 deputy members are elected from among the shareholders and eight members and four deputy members are elected by and from among the employees.

The Supervisory Board conducts supervision of the administration by the Board of Directors and the CEO, elects the members and deputy members of the Board of Directors, elects the Nominating Committee, elects the auditor or auditing company, receives information on the operation and reviews extracts of SpareBank 1 SR-Bank's accounts and reports from the Control Committee, reviews the annual financial statements, annual report and auditor's report, and makes a statement to the General Meeting concerning the Board's proposal for the annual financial statements, and the Board's proposal for allocation of a surplus or coverage of a deficit as well as adopting decisions on remuneration for officers and auditors as well as compensation/wages for the CEO.

Control Committee

The Control Committee consists of three members and one deputy member who are elected for terms of two years at a time.

The Control Committee must see to it that the activities of SpareBank 1 SR-Bank are conducted in an appropriate manner, including co-operation and having on-going contact with other possible control committees of group companies, and conducting supervision that the Board and CEO have adequate supervision and control of the subsidiaries.

Board of Directors

The Board of Directors consists of nine members and two deputy members, of which two members and one deputy member are elected by the employees.

The Board of Directors is responsible for the administration of the Bank's business. This includes making decisions on individual credit cases. The Board must ensure a satisfactory organisation of the Bank's operations, including ensuring that accounting and asset management are subjected to proper scrutiny.

Board committees

The Board of Directors has established a Compensation Committee and an Audit Committee. The committees shall assist the Board of Directors in preparing cases, but the decision shall be made jointly by the Board of Directors. Both committees, on their own initiative, are able to conduct meetings and processes cases without participation by the administration.

Instructions for the committees are established by the Board of Directors.

Organisation of SpareBank 1 SR-Bank ASA

The Bank's operational structure is illustrated in the figure below.

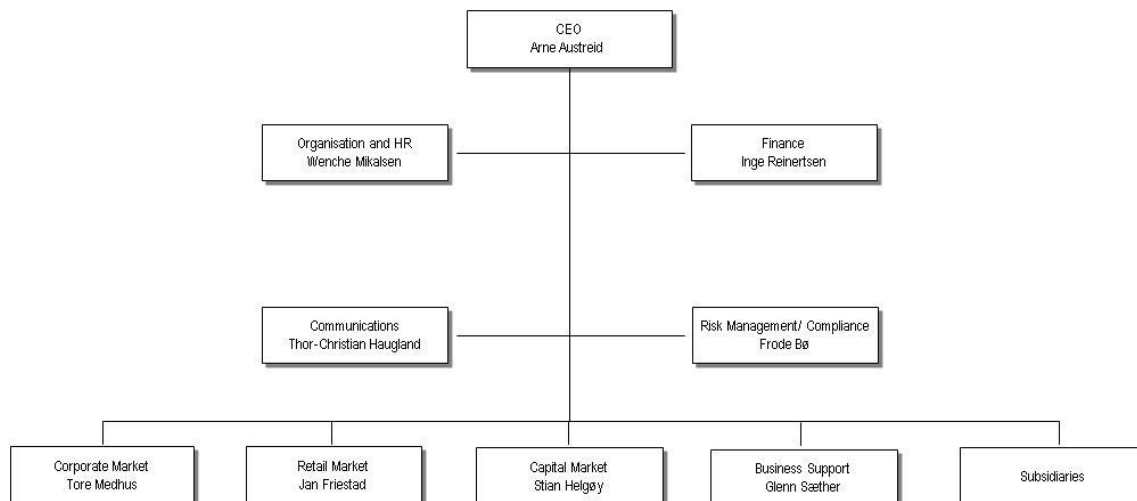


Figure 1.2.5: *Organizational structure of SpareBank 1 SR-Bank*

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the founding partners of the SpareBank 1 Gruppen ("the Alliance") in 1996. The purpose of the Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and higher quality, so that customers get the best advice and the best services on competitive terms. The member banks in the Alliance work in part through common projects and in part through the jointly owned holding company; SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen AS is owned by Sparebanken Nord-Norge, Sparebanken 1 SMN, Sparebanken Hedmark, Samarbeidende Sparebanker AS (14 local savings banks in southern Norway) and the Norwegian Confederation of Trade Unions (LO).

SpareBank 1 Gruppen AS owns all of the shares in SpareBank 1 Livsforsikring AS (life insurance), SpareBank 1 Skadeforsikring AS (non-life insurance), ODIN Forvaltning AS

(asset management), SpareBank 1 Medlemskort (membership cards) and SpareBank 1 Gruppen Finans Holding AS (collection of bad debts). The company also owns 97,25 per cent of SpareBank 1 Markets AS (previously named Argo Securities AS).

The banks that are part of the Alliance also jointly own the two covered bond companies SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS, EiendomsMegler 1 (chain of real estate brokers), Alliansesamarbeidet SpareBank 1 Utvikling DA, and the two commercial banks; Bank 1 Oslo/Akershus AS and BN Bank ASA.

The SpareBank 1 Alliance structure is illustrated below in figure 1.2.3.

SpareBank 1 Alliance

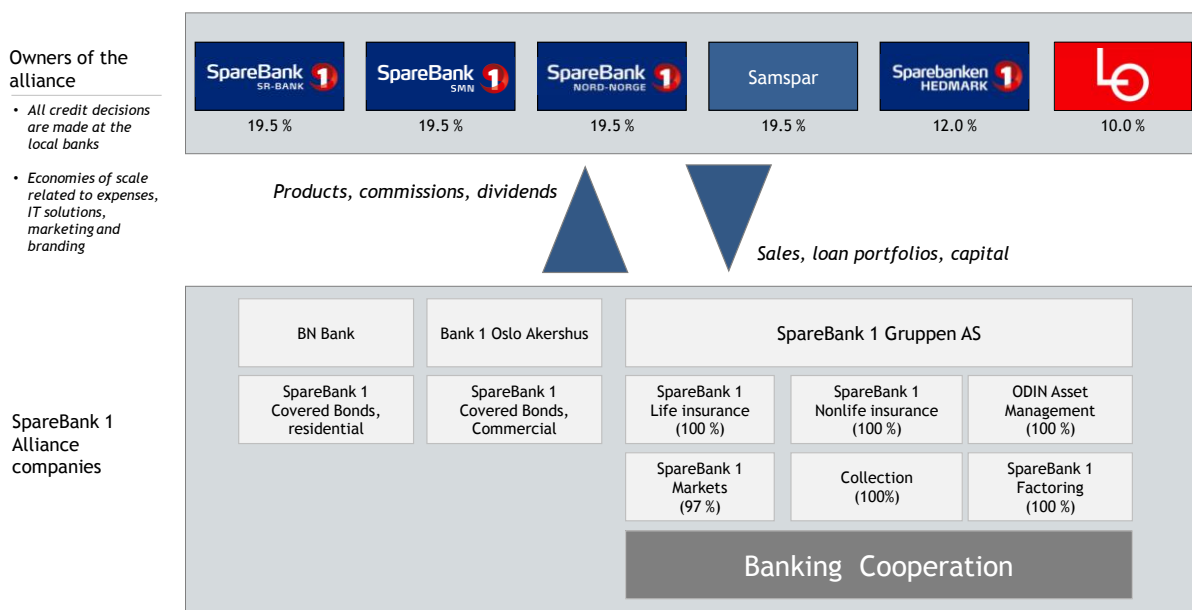


Figure 1.2.6: Structure of SpareBank 1 Alliance

1.3 From ROGG to SRBANK

Historical performance of the EC and the conversion to shares

SpareBank 1 SR-Bank's ECs was listed on the Oslo stock exchange from 1994 until 2011 under the ticker of ROGG. The historical relative performance of ROGG, compared to Oslo Stock Exchange Benchmark Index (OSEBX) and DnB (the largest bank in Norway) is shown in figure 1.3.1. below.

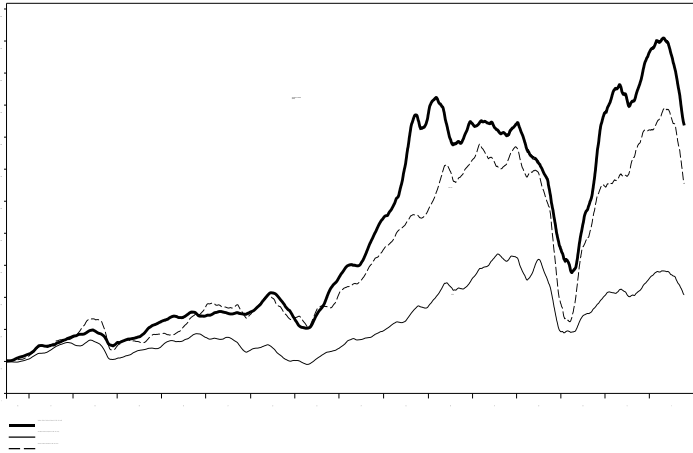


Figure 1.3.1: Total return (dividend reinvested) ROGG, OSEBX and DNB. 1996-2011.

ROGG was at NOK 40,70 at year-end 2011. There were 127.31 million ECs outstanding before the conversion of SpareBank 1 SR-Bank from an equity certificate bank into a public limited company (ASA) was registered on 2 January 2012. The new share capital laid down in the articles of association is NOK 4 987 241 725, made up of 199 489 669 shares, each with a face value of NOK 25.

Former equity certificate holders of SpareBank 1 SR-Bank received one share as settlement for each equity certificate of SpareBank 1 SR-Bank they owned on the date of conversion. This represented a total of 127 313 361 shares.

The SR-Bank savings bank foundation received shares corresponding to the ownership holding in SpareBank 1 SR-Bank represented by the former primary capital. This represented a total of 72 176 308 shares.

The ticker code ROGG has been replaced by SRBANK. With effect from 3 January 2012, SRBANK was included in the OSEAX All-Share index and sector index OSE40 Financials/OSE4010 Banks.

Calculation of the former EC holder's share of the bank's equity capital upon conversion is shown below.

<i>MNOK</i>	31.12.11	31.12.10
Equity certificates	3 180	3 180
Dividend equalisation reserve	1 480	1 175
Premium reserve	625	625
A. The equity certificate owners' capital	5 285	4 980
Savings bank's reserve	2 649	2 477
Compensation fund	55	55
Endowment fund	293	372
B. The savings bank's reserve	2 997	2 904
Fund for unrealised gains	43	43
Equity excl proposed dividend	8 325	7 927
Equity certificate ratio (A/(A+B))	63,8 %	63,2 %

Table 1.3.1: *EC ratio - calculation of EC holder's share of the bank's equity capital before conversion to shares*

Investor relations policy

It is crucial to SpareBank 1 SR-Bank that accurate, relevant and timely information about the bank's development and result inspires confidence in the investor market. Information is conveyed to the market through quarterly investor presentations, websites, press releases and accounting reports. Regular presentations are also held for international partners, lenders and investors, mainly in the domestic and European market.

It is in SpareBank 1 SR-Bank's own interest to publish current financial analyses of the highest possible quality. All analysts, irrespective of their recommendations and viewpoints regarding the stock are treated equally. As of today the following financial analysts have official coverage of SRBANK:

Arctic Securities, Fridtjof Berents: +47 21 01 32 21, fridtjof.berents@articsec.no
SpareBank 1 Markets, Nils Kristian Øyen + 47 24 14 74 00 nils.oyen@sb1.markets.no
Carnegie, TBN: +47 22 00 93 54,
First Securities, Bengt Kirkøen +47 23 23 82 65 bk@first.no
Fondsfinans, Arild Nysæther +47 23 11 30 82 an@fondsfinans.no
Pareto Securities, Vegard Eid Mediaas: +47 22 87 88 24, vegard.eid.mediaas@pareto.no
DnB NOR Markets, Håkon Reistad Fure: + 47 22 94 89 12, hakon.reistad.fure@dnb.no
Keefe, Bruyette & Woods, Ronny Rehn: +44 207 663 3214, rrehn@kbw.com
Warren Securities, Mille Fjeldstad: +47 99 03 89 16, mille.fjeldstad@warren.no

Shareholder and dividend policy

Shareholder policy

SpareBank 1 SR-Bank's objective is to manage the bank's resources in such a manner that shareholders receive a yield in the form of dividends and a value increase which is competitive in relation to comparable investments.

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 equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

In determining the size of the annual dividend, considerations will be made toward the group's capital, including capital adequacy requirements and the group's goals and strategic plans. Unless capital requirements otherwise dictate, the goal of the board is that approximately half of the annual profit after tax is distributed.

Ownership structure

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of shareholders who represent customers, regional investors, as well as Norwegian and international investors. The 20 largest shareholders owned 59.2 per cent of the issued shares as at 9 May 2012.

#	Investor	Number of shares	% stake
1	Sparebankstiftelsen SR-Bank	61,676,308	30.92 %
2	Gjensidige Forsikring ASA	20,713,065	10.38 %
3	SpareBank 1-stiftinga Kvinnherad	6,069,934	3.04 %
4	Folketrygdfondet	4,554,921	2.28 %
5	Odin Norge	4,263,384	2.14 %
6	Frank Mohn AS	4,202,587	2.11 %
7	Odin Norden	3,221,664	1.61 %
8	Clipper AS	1,685,357	0.84 %
9	JPMorgan Chase Bank, U.K.	1,598,223	0.80 %
10	Maaseide Promotion AS	1,100,000	0.55 %
11	FLPS, U.S.A.	1,061,327	0.53 %
12	Olav Stangeland	1,039,034	0.52 %
13	Westco AS	1,030,091	0.52 %
14	SHB Stockholm Clients Account, Sverige	1,009,500	0.51 %
15	Køhlergruppen AS	1,000,000	0.50 %
16	Varma Mutual Pension Insurance, Finland	976,091	0.49 %
17	Forsand kommune	769,230	0.39 %
18	Fondsfinans Spar	750,000	0.38 %
19	Tveteraas Finans AS	722,000	0.36 %
20	Vpf Nordea Norge Verdi	709,764	0.36 %

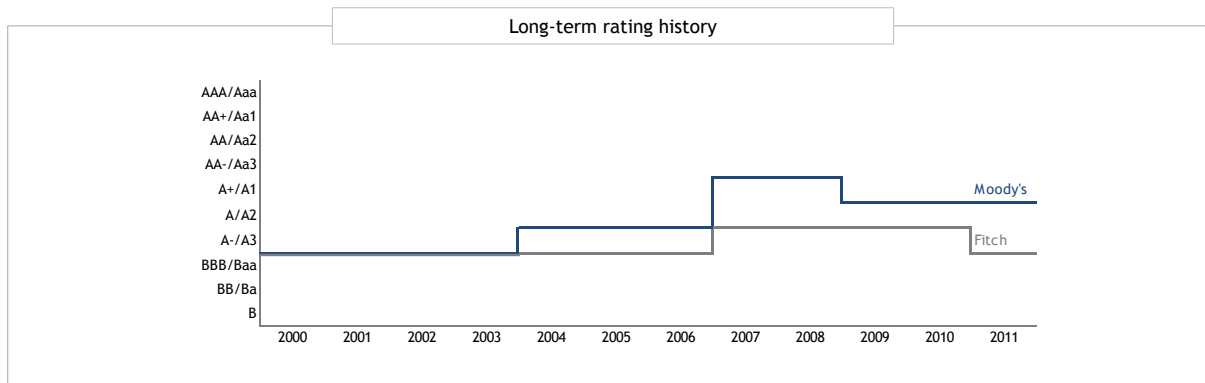
Top 5	97,277,612	48.76 %
Top 10	109,085,443	54.68 %
Top 20	118,152,480	59.23 %

Table 1.3.2: 20 largest shareholders as at 9 May 2012

1.4 Credit ratings

Current credit rating status as at 31 March 2012 was as follows:

Moody's		Fitch	
Long-term debt	A1	Long-term IDR	A-
Outlook	Under review	Outlook	Stable Outlook
Updated	9 th March 2012	Updated	24 th February 2012



2. Financial results and balance sheet

Income statement

<i>MNOK</i>	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Interest income	1.327	1.378	1.362	1.290	1.257	5.287	4.820
Interest expense	926	930	905	863	833	3.531	3.078
Net interest income	401	448	457	427	424	1.756	1.742
Commission income	222	211	200	221	202	834	796
Commission expenses	-20	-12	-21	-19	-19	-71	-71
Other operating income	100	106	102	123	98	429	376
Net commission and other income	302	305	281	325	281	1.192	1.101
Dividend income	3	1	1	13	6	21	47
Income from investment in associates	100	67	33	58	51	209	267
Net gains/losses on financial instruments	99	43	-27	2	71	89	257
Net return on investment securities	202	111	7	73	128	319	571
Total income	905	864	745	825	833	3.267	3.414
Personnel expenses	275	100	273	200	255	828	870
Administrative expenses	106	111	99	100	100	410	362
Other operating expenses	97	118	90	96	91	395	334
Total operating expenses	478	329	462	396	446	1.633	1.566
Operating profit before losses	427	535	283	429	387	1.634	1.848
Losses on loans and guarantees	34	45	30	13	51	139	234
Operating profit before tax	393	490	253	416	336	1.495	1.614
Tax expense	77	153	79	111	71	414	297
Profit after tax from continuing operations	316	337	174	305	265	1.081	1.317

Key figures

	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Return on equity ¹⁾	12,9 %	13,9 %	7,2 %	12,6 %	11,2 %	11,2 %	15,5 %
Cost ratio ²⁾	52,8 %	38,1 %	62,0 %	48,0 %	53,5 %	50,0 %	45,9 %
Net interest margin	1,21 %	1,34 %	1,30 %	1,28 %	1,28 %	1,31 %	1,35 %
Gross loans to customers	100.463	101.368	103.930	107.914	104.771	101.368	105.792
Gross loans to customers incl. SpareBank 1 Boligkreditt and Næringskreditt	149.363	146.697	143.747	140.223	135.433	146.697	131.953
Deposits from customers	67.108	64.042	64.323	64.982	62.662	64.042	60.770
Deposit-to-loan ratio	66,8 %	63,2 %	61,9 %	60,2 %	59,8 %	63,2 %	57,4 %
Growth in loans	-4,1 %	-4,2 %	3,6 %	11,5 %	8,6 %	-4,2 %	13,2 %
Growth in loans incl. SpareBank 1 Boligkreditt and Næringskreditt	10,3 %	11,2 %	15,3 %	14,5 %	12,5 %	11,2 %	11,6 %
Growth in deposits	7,1 %	5,4 %	15,5 %	15,8 %	17,5 %	5,4 %	11,8 %
Average total assets	132.949	132.392	134.579	133.469	133.916	133.629	128.830
Total assets	134.683	131.142	132.965	134.715	132.555	131.142	134.778
Impairment losses ratio ³⁾	0,13	0,18	0,11	0,05	0,19	0,13	0,23
Non-performing commitments as a percentage of gross loans	0,44	0,41	0,57	0,40	0,40	0,41	0,42
Other doubtful commitments as a percentage of gross loans	0,89	0,69	0,68	0,82	1,01	0,69	0,72
Capital adequacy ratio	11,0	11,4	11,2	11,5	11,8	11,4	12,4
Core capital ratio	10,5	10,6	9,6	10,0	10,2	10,6	10,2
Core capital	10.960	10.846	9.523	9.760	9.734	10.846	9.442
Net equity and subordinated loan capital	11.425	11.681	11.114	11.200	11.235	11.681	11.482
Minimum subordinated capital requirement	8.333	8.167	7.921	7.778	7.611	8.167	7.400
Number of branches	53	53	54	54	54	53	54
Man-years (permanent)	1.207	1.213	1.204	1.175	1.175	1.213	1.163
Equity certificate ratio	n.a	63,8 %	63,8 %	63,3 %	63,2 %	63,8 %	63,2 %
Market price	41,00	40,70	40,70	51,50	57,00	40,70	57,00
Market capitalisation	8.179	5.182	5.182	6.557	7.257	5.182	7.257
Book equity per share (including dividends) (group)	49,10	48,75	47,67	48,48	47,17	48,75	47,45
Earnings per share (group) ⁴⁾	1,58	1,73	0,86	1,51	1,32	5,42	6,84
Dividends per share	n.a	n.a	n.a.	n.a.	n.a.	1,25	2,75
Price / Earnings per share	6,49	5,88	11,83	8,53	10,80	7,51	8,33
Price / Book equity (group)	0,84	0,83	0,85	1,06	1,21	0,83	1,20

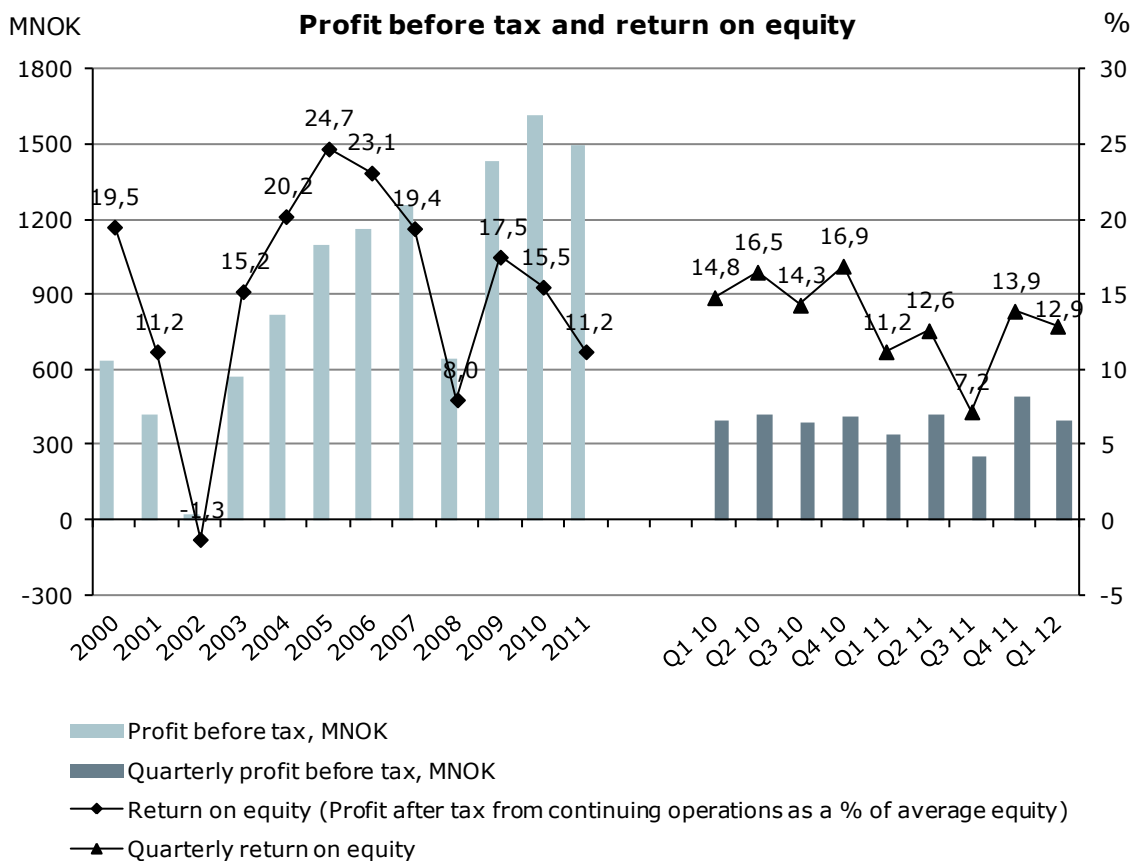
¹⁾ Net profit as a percentage of average equity.

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 divided by the average number of shares outstanding.

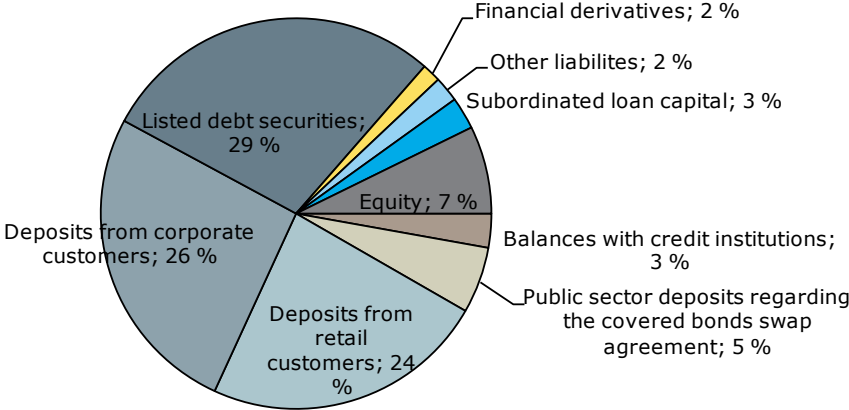
SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per share.



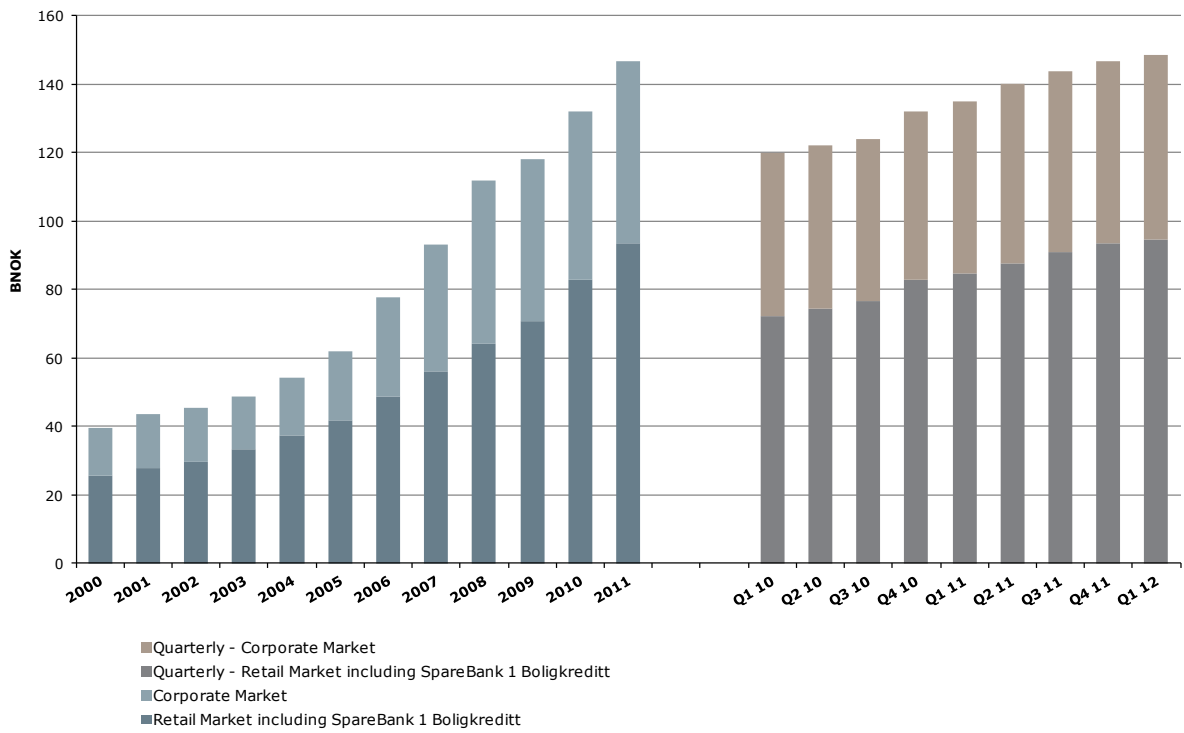
Balance sheet

<i>MNOK</i>	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Cash and balances with central banks	218	263	249	838	936
Balances with credit institutions	1.142	723	1.175	650	1.445
Net loans to customers	99.662	100.588	103.174	107.164	103.973
Certificates, bonds and other fixed-income sec.	21.817	19.850	18.265	17.484	17.827
Financial derivatives	3.955	3.716	4.267	2.781	2.724
Shares, ownership stakes and other securities	644	632	628	659	712
Investment in associates	4.891	4.389	3.924	3.897	3.745
Business available for sale	85	84	76	90	93
Other assets	2.269	897	1.207	1.152	1.100
Total assets	134.683	131.142	132.965	134.715	132.555
Balances with credit institutions	3.791	4.782	5.917	6.087	5.221
Public sector deposits regarding the covered bonds swap agreement	7.395	7.395	8.832	8.832	8.832
Deposits from customers	67.108	64.042	64.323	64.982	62.662
Listed debt securities	38.447	36.338	36.451	38.559	39.007
Financial derivatives	2.081	2.010	2.076	1.440	1.400
Other liabilities	2.485	1.843	2.001	1.427	1.878
Subordinated loan capital	3.595	4.975	3.804	3.604	4.015
Total liabilities	124.902	121.385	123.404	124.931	123.015
Share capital (former ECs)	4.987	3.183	3.183	3.183	3.183
Holding of own shares/ECs	-7	-3	-3	-3	-3
Premium reserve	1.506	625	625	625	625
Dividend equalisation reserve	na	1.448	1.077	1.256	1.284
Proposed dividend	0	299	0	0	0
Savings bank's reserve	na	2.631	2.420	2.525	2.541
Compensation fund	na	55	55	55	55
Endowment fund	na	293	293	351	370
Fund for unrealised gains	43	43	43	43	43
Other equity	2.936	1.183	1.124	1.179	1.177
Profit/loss at period end	316	0	744	570	265
Total equity	9.781	9.757	9.561	9.784	9.540
Total liabilities and equity	134.683	131.142	132.965	134.715	132.555

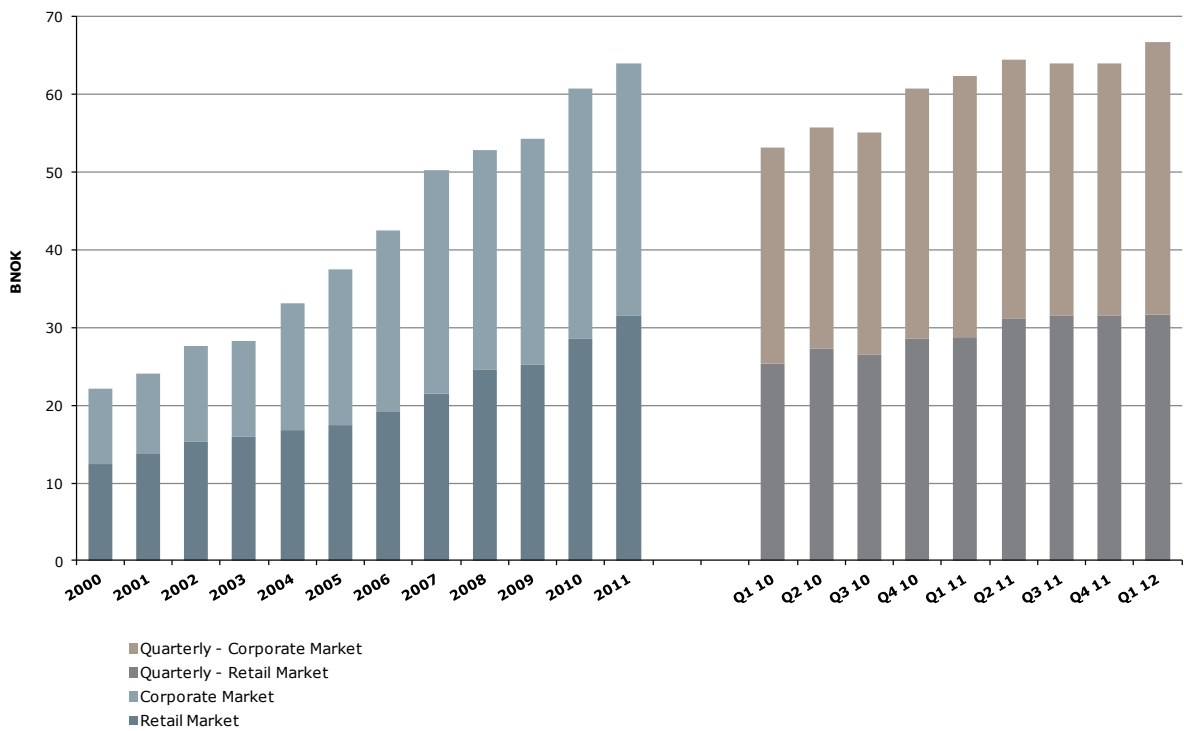
Total assets as at 31 March 2012:



Development in lending volume

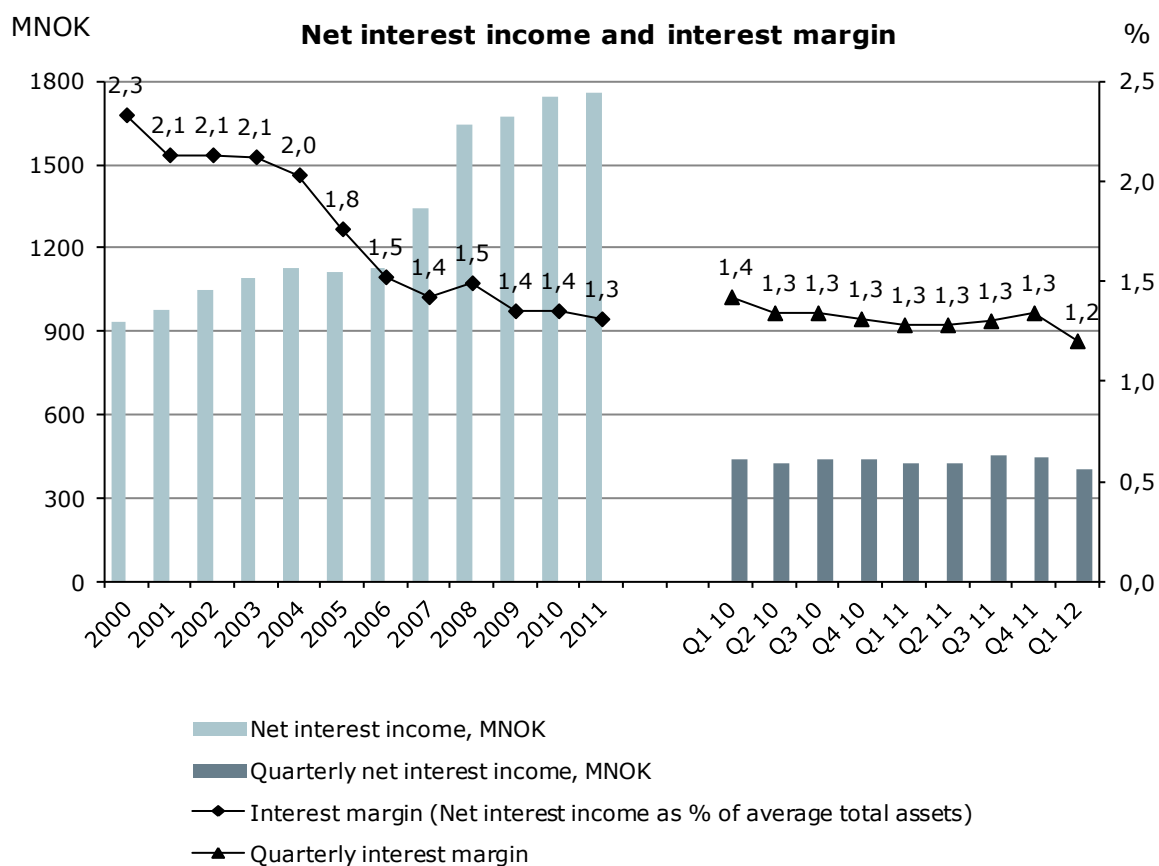


Development in deposit volume

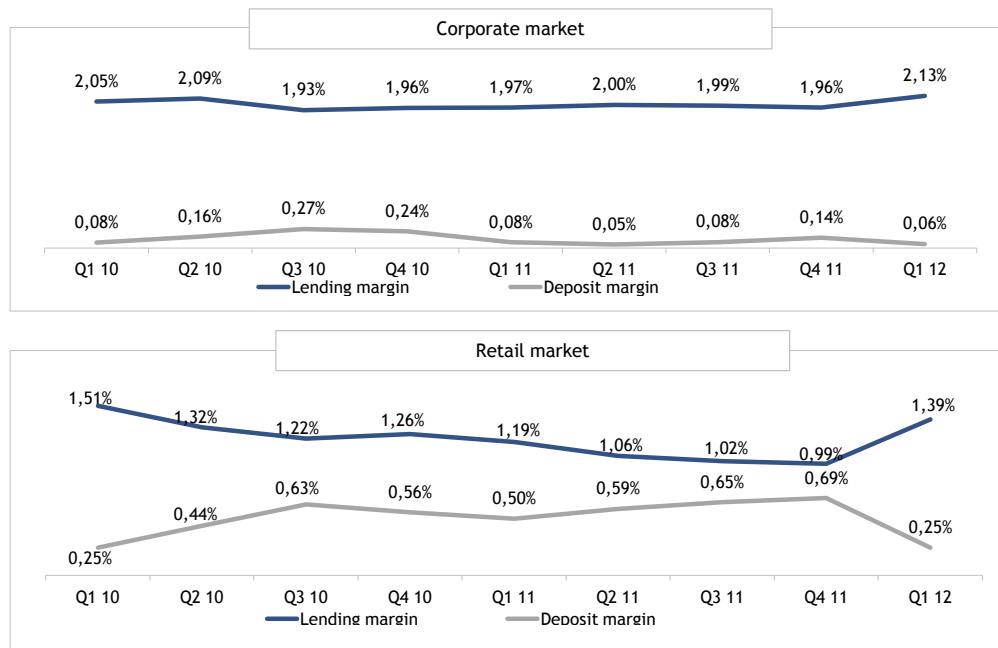


2.1 Net interest income

MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	30.12 2010
Interest income	1.327	1.378	1.362	1.290	1.257	5.287	4.820
Interest expense	926	930	905	863	833	3.531	3.078
Net interest income	401	448	457	427	424	1.756	1.742
As % of average total assets	1,21 %	1,34 %	1,35 %	1,28 %	1,28 %	1,31 %	1,35 %



Lending and deposit margins¹



Definition: Average customer interest rate less 3-month moving average for 3-month NIBOR
Lending margins include margins from mortgage companies

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

2.2 Net other operating income

	Q1	Q4	Q3	Q2	Q1	31.12	31.12
<i>MNOK</i>	2012	2011	2011	2011	2011	2011	2010
Net commission and other income	302	305	281	325	281	1.192	1.101
Net return on investment securities	202	111	7	73	128	319	571
Net other operating income	504	416	288	398	409	1.511	1.672
As % of total income	56 %	48 %	39 %	48 %	49 %	46 %	49 %

Net commission and other income

	Q1	Q4	Q3	Q2	Q1	31.12	31.12
<i>MNOK</i>	2012	2011	2011	2011	2011	2011	2010
Payment facilities	57	52	53	51	48	205	200
Savings/placements	35	34	29	37	38	136	136
Insurance products	34	53	34	34	33	153	113
Commission income real estate (EM1)	99	106	102	122	96	426	365
Guarantee commission	22	19	24	17	18	78	57
Arrangement fees	7	25	11	28	14	78	35
Other	1	2	7	13	6	28	38
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	256	291	260	302	253	1.105	944
Commission income SB1 Boligkreditt and SB1 Næringskreditt	46	14	22	23	28	87	157
Net commission and other income incl. SB1 Boligkreditt og SB1 Næringskreditt	302	305	282	325	281	1.192	1.101
As % of total income	33 %	35 %	38 %	39 %	34 %	36 %	32 %

Change in net commission and other income

	Pr Q1		
<i>MNOK</i>	2012	Change	2011
Net commission and other income	302	21	281
Payment facilities		9	
Savings/placements		-3	
Insurance products		2	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		3	
Guarantee commission		4	
Arrangement fees		-7	
Other		-5	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		18	

Net return on investment securities

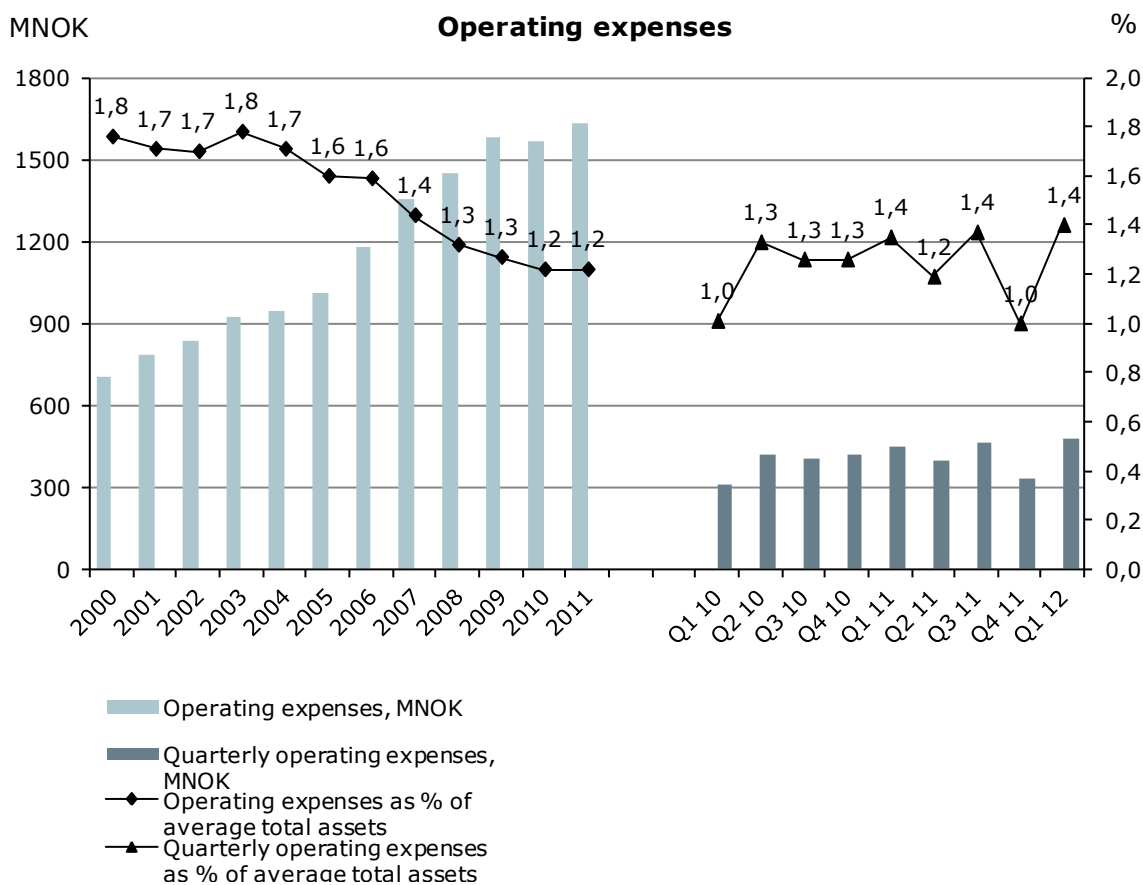
<i>MNOK</i>	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Dividend	3	1	1	13	6	21	47
Investment income, associates	100	67	33	58	51	209	267
Securities gains/losses	68	6	-34	-36	17	-48	146
- of which capital change in shares and certificates	15	8	-38	-33	28	-35	135
- of which capital change in certificates and bonds	54	-3	4	-3	-11	-13	11
Currency/interest gains/losses	31	38	7	38	54	137	111
- of which currency customer- and own-account trading	36	33	40	31	30	134	131
- of which IFRS-effects	-6	5	-33	7	24	3	-21
Net return on investment securities	202	111	7	73	128	319	571
As % of total income	22 %	13 %	1 %	9 %	15 %	10 %	17 %

Change in net return on investment securities

<i>MNOK</i>	Pr Q1		
	2012	Change	2011
Net return on investment securities	202	74	128
Dividend		-3	
Investment income, associates		49	
Securities gains/losses		51	
- of which capital change in shares and certificates		-13	
- of which capital change in certificates and bonds		65	
Currency/interest gains/losses		-23	
- of which currency customer- and own-account trading		6	
- of which IFRS-effects		-30	

2.3 Operating expenses

MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Wages	199	221	204	194	182	801	672
Pension expenses	27	-167	27	-36	32	-144	53
Other personnel expenses	49	46	42	42	42	171	145
Total personnel expenses	275	100	273	200	256	828	870
IT expenses	58	61	54	54	53	223	184
Marketing expenses	21	27	17	23	22	88	76
Other administrative expenses	27	23	28	23	25	99	102
Write-offs	19	23	19	19	19	79	72
Expenses real property	13	28	9	11	12	60	37
Other operating expenses	65	67	63	66	61	256	224
Other expenses	203	229	189	196	191	805	695
Total operating expenses	478	329	462	396	446	1.633	1.565



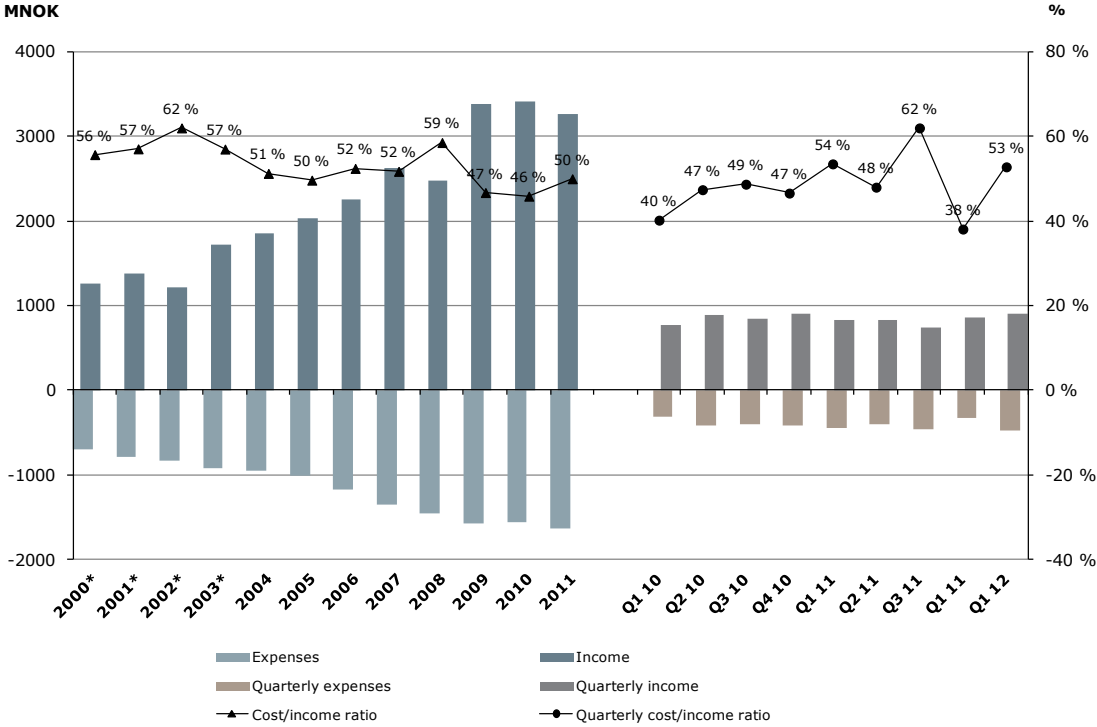
Change in operating expenses

<i>MNOK</i>	Pr Q1		
	2012	Change	2011
Total	478	31	446
Personnel expenses		19	
IT expenses		4	
Marketing expenses		0	
Other administrative expenses		2	
Write-offs		0	
Expenses real property		1	
Other operating expenses		5	

Cost/income ratio

<i>MNOK</i>	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Operating expenses	478	329	462	396	446	1.633	1.566
Cost/income ratio	52,8 %	38,1 %	62,0 %	48,0 %	53,5 %	50,0 %	45,9 %
Growth in expenses last 12 months	-1,3 %	-22,2 %	13,2 %	-6,4 %	42,9 %	4,3 %	-0,8 %

Development in cost/income ratio

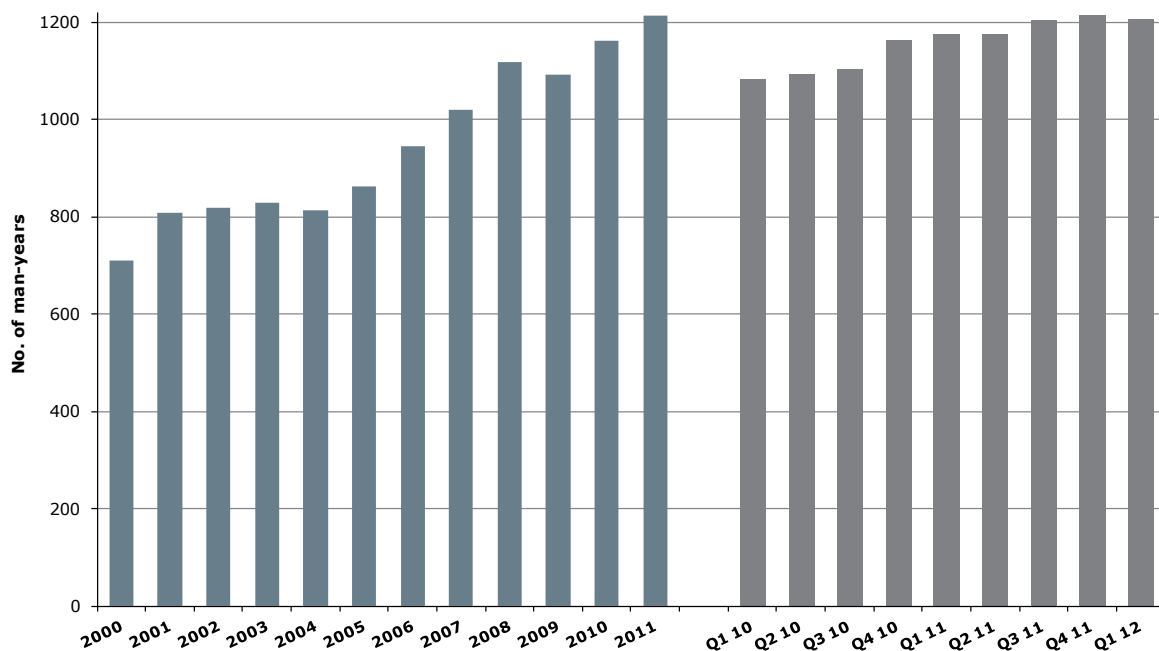


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

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

<i>No. of man-years</i>	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
SpareBank 1 SR-Bank	950	952	952	926	933
EiendomsMegler 1 SR-Eiendom AS	209	211	203	200	195
SR-Forvaltning ASA	13	13	12	13	11
SR-Finans AS	33	34	34	33	33
Other	2	3	3	3	3
Total	1.207	1.213	1.204	1.175	1.175

Man-labour years 2000 – Q1 2012 (permanent employees, contracted staff not included)



2.4 Losses on loans and loss provisions

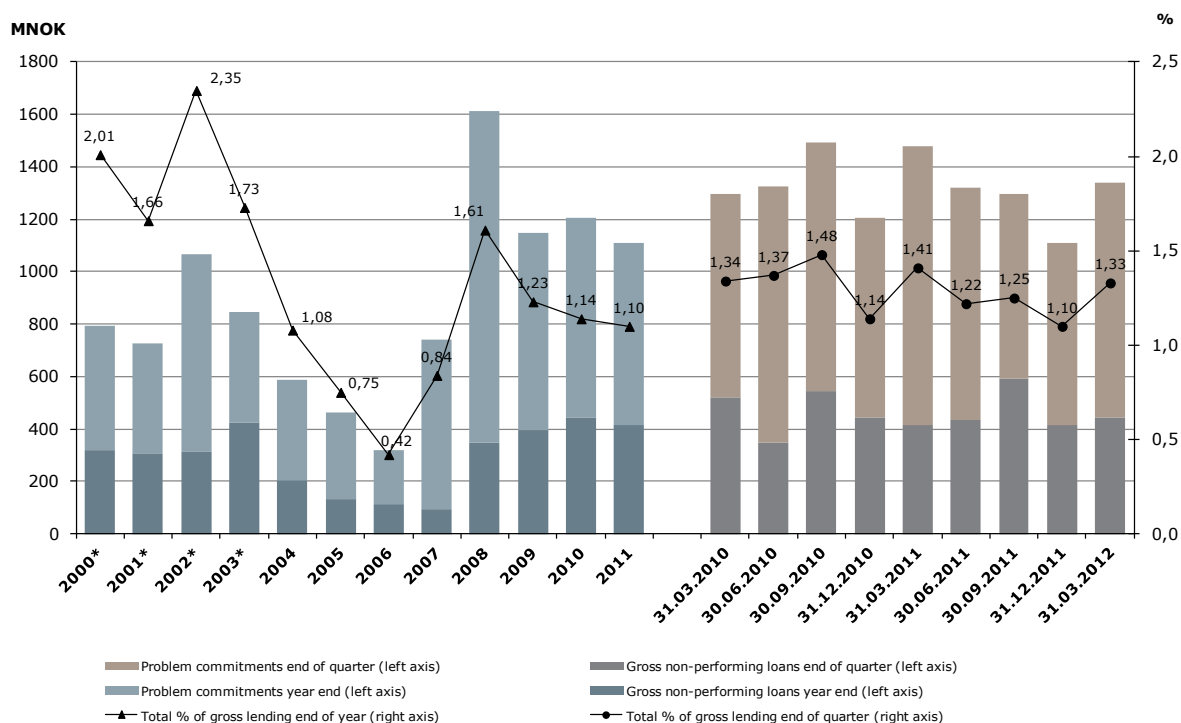
Losses on loans and guarantees

MNOK	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Change in individual individual impairment losses provisions for the period	51	16	16	23	69
Change in collective impairment loss provisions for the period	-30	5	-17	-29	-29
Amortised cost	3	6	2	1	0
Actual loan losses on commitments for which provisions have been made	11	66	55	41	15
Actual loan losses on commitments for which no provision has been made	2	74	49	25	1
Change in assets take-over	0	7	17	27	7
Recoveries on commitments previously written-off	-3	-35	-29	-24	-12
The period's net losses/(reversals) on loans and advances	34	139	94	64	51

Provisions for impairment losses on loans and guarantees

MNOK	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Provisions for individual impairment losses at start of period	420	402	402	402	402
Kvinnherad acquisition	-	-	-	-	-
Increases in previous provisions for individual impairment losses	34	32	23	25	14
Reversal of provisions from previous periods	-51	-108	-78	-50	-37
New provisions for individual impairment losses	79	158	126	88	105
Amortised cost	1	1	-3	-1	1
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-11	-65	-55	-42	-15
Provisions for individual impairment losses at the end of period	472	420	415	422	470

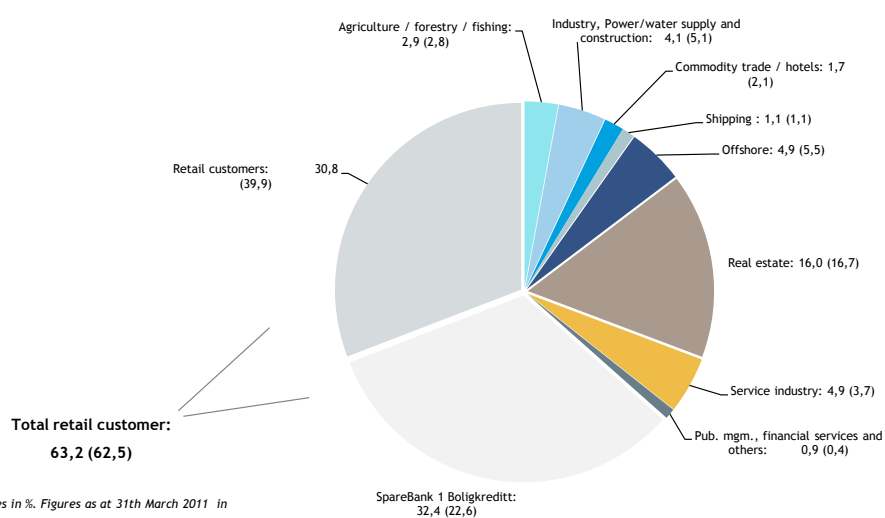
Non-performing loans and problem commitments



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

2.5 Loans

MNOK	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
Agriculture/forestry	3.826	3.773	3.664	3.583	3.537
Fishing/Fish farming	428	416	352	332	296
Mining/extraction	2.707	2.728	2.922	2.773	2.392
Industry	1.867	1.686	1.673	1.674	2.762
Power and water supply/building and construction	4.203	4.022	3.944	7.119	4.057
Commodity trade, hotel and restaurant business	2.473	2.487	2.804	2.824	2.839
Foreign trade shipping, pipeline transport and other transport activities	6.199	6.553	6.003	6.286	6.562
Real estate business	23.775	23.749	23.749	20.294	22.497
Service industry	7.291	6.827	6.575	6.437	5.038
Public sector and financial services	1.407	1.068	1.088	1.103	516
Retail customers	45.842	47.593	50.688	55.170	53.971
Unallocated (excess value fixed interest loans and amort. lending fees)	121	150	156	22	2
Accrued interests corporate sector and retail customers	324	316	312	297	302
Gross loans	100.463	101.368	103.930	107.914	104.771
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	48.900	45.329	39.817	32.308	30.662
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	149.363	146.697	143.747	140.222	135.433



All figures in %. Figures as at 31th March 2011 in brackets.

Lending before individual writedowns, nominal amounts, and excluding unallocated accrued interest.

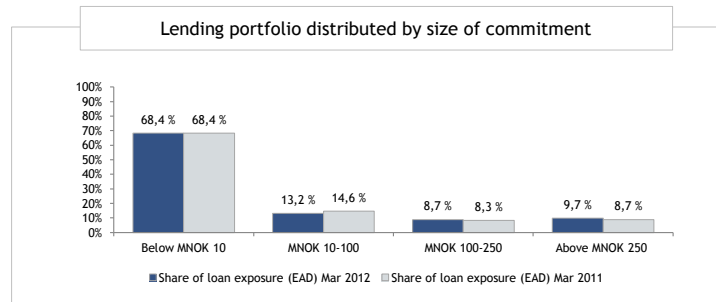
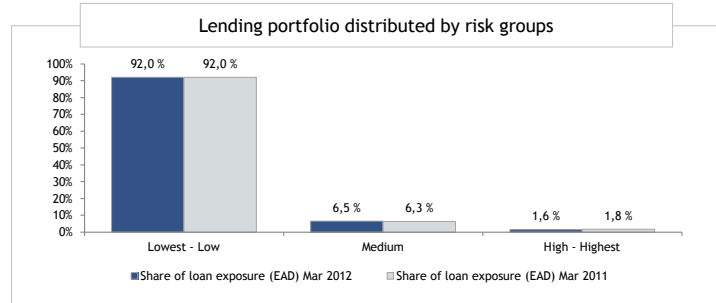
Sector allocation in accordance with the standard categories from Statistics Norway.

2.6 Risk profile

Risk profile of SpareBank 1 SR-Bank

- 92 % of the bank's loan exposure satisfies the criteria for low and lowest risk. Expected losses in this portion of the portfolio are very limited and account for 0.04 %
- Exposure to high or highest risk accounts for 1,6% of the bank's loan exposure. Expected losses* in this portion of the portfolio are 4.1 %
- 68 % of the bank's loan exposure is to commitments that account for less than NOK 10 million. This corresponds to 99 % of all customers
- 18.4 % of the bank's loan exposure is to customers that have an exposure in excess of NOK 100 million. The credit quality in this portion of the portfolio is better than in the rest of the corporate market portfolio.

* Expected loss through a business cycle

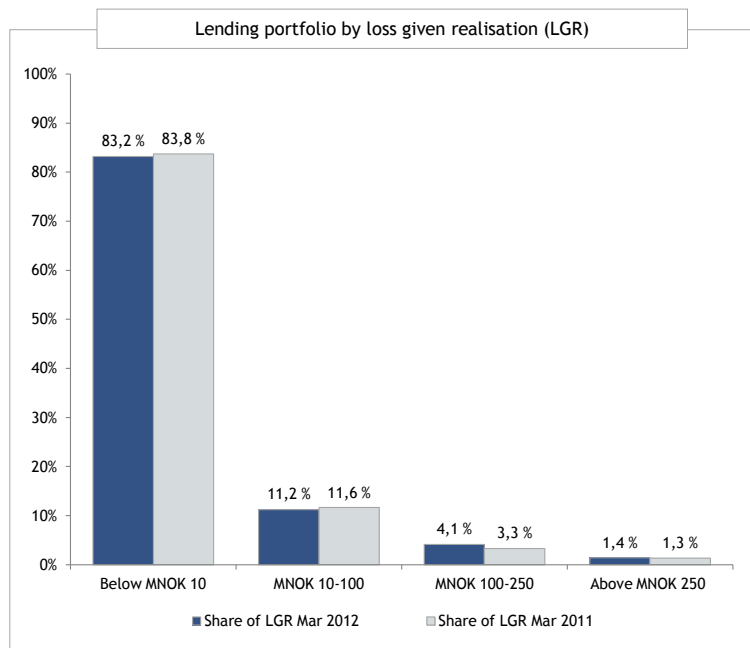


Risk profile of SpareBank 1 SR-Bank

- At the end of the Q1 2012, SpareBank 1 SR-Bank had a total of 30 commitments with a loss potential exceeding NOK 100 million
- These commitments represent around 5.5 % of loan exposure
- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk

LGR (Loss given realisation). Calculated potential loss of an individual commitment. Equals LGD without statistical correction for individual non-performing commitments that start to perform again before recovery. The calculation is based on the potential value of pledged collateral in an economic downturn

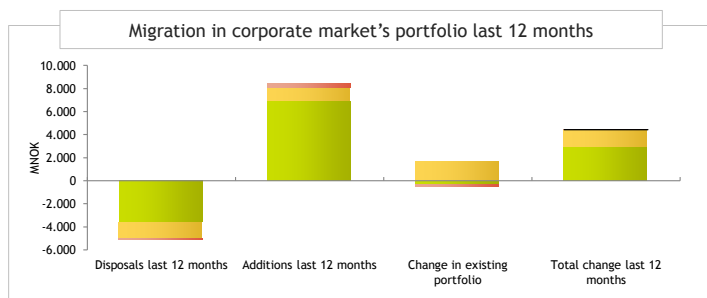
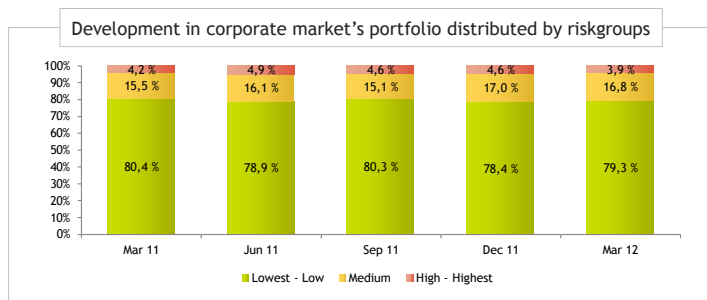
The figures includes portfolios sold to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS



Risk profile in the corporate market portfolio

- The quality of the corporate market portfolio is considered good and moderate improved during the last 12 months
- The portfolio's risk profile continues to show relatively stable trend in which about 80 % of the portfolio has expected loss less than 0.5 %
- Share of loans with expected losses over 2 % is reduced and is at the end of the quarter 3.9 %

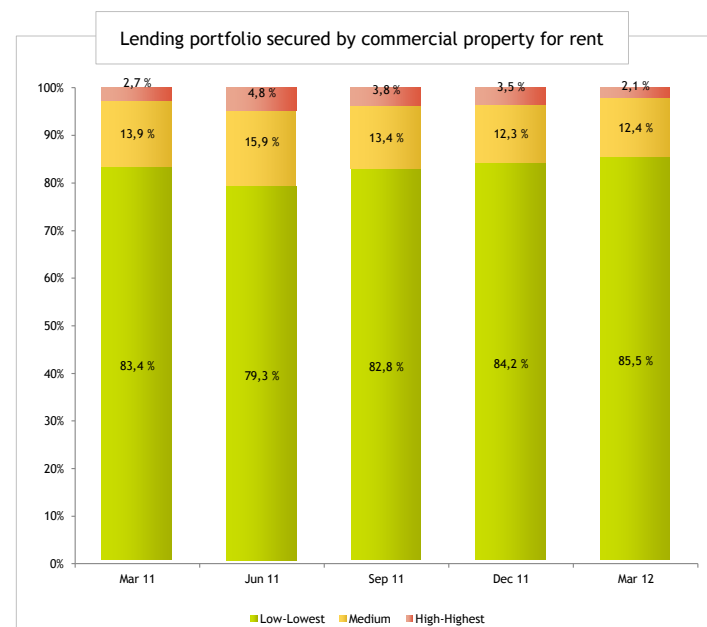
Lowest - Low risk, expected losses	0 % - 0.50 %
Medium risk, expected losses	0.50 % - 2.00 %
High - Highest risk, expected losses	over 2.00 %



Risk profile in the portfolio of commercial property for rent

- The portfolio of commercial property for rent represents the Group's largest concentration in a single sector and accounts for around 10% of the total exposure (EAD) including retail market customers
- The portfolio of commercial property for rent is dominated by low risk commitments. 85 % of the exposure is classified as low risk, while 2 % is classified as high risk
- The portfolio is marked by long-term leases with financially solid tenants. The vacancy rate is low. Interest rates for a significant portion of the portfolio have been hedged

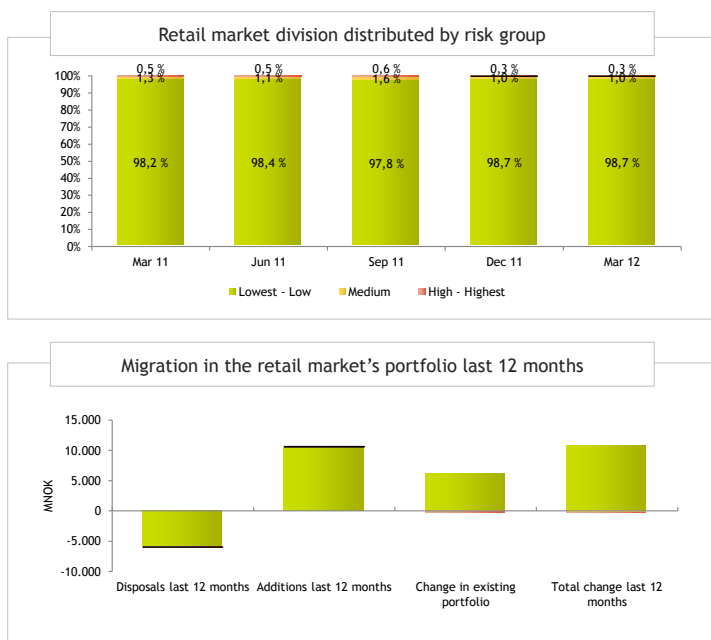
Lowest - Low risk, expected losses	0 % - 0.50 %
Medium risk, expected losses	0.50 % - 2.00 %
High - Highest risk, expected losses	over 2.00 %



Risk profile in the retail market portfolio

- The quality of the retail market portfolio is very good
- The development is characterised by stability and the low risk profile has been maintained at 98.7% of the portfolio
- Most of the portfolio is secured by mortgages on real estate, and the LTV is, for the most part, moderate. This implies that potential losses are limited as long as the values are not significantly impaired

■ Lowest - Low risk, expected losses	0% - 0.50%
■ Medium risk, expected losses	0.50% - 2.00%
■ High - Highest risk, expected losses	over 2.00%



* Incl loan portfolio in SB1 Boligkreditt and SB1 Næringskreditt

Further information regarding risk capital management can be found in Pillar III reports, see www.sr-bank.no under "Investor Relations".

2.7 Risk profile in bond and equity portfolios

Securities investments

- *The treasury portfolio has a very low risk*
- *The bank has no exposure to the sovereign debt of peripheral EU countries*

Risk profile in bond portfolio

Total portfolio			
Risk categories	Rating	Market value NOK million	Percentage Total
Swap facility	AAA	7.844	34 %
Very low risk	AAA, AA+, AA and AA-	13.129	58 %
Low risk	A+, A and A-	926	4 %
Moderat risk	BBB+, BBB and BBB-	329	1 %
High risk	BB+, BB and BB-	359	2 %
Very high risk	B+ and lower	175	1 %
Total		22.761	100 %

Treasury			
Risk categories	Rating	Market value NOK million	Percentage Treasury
Swap facility	AAA	7.844	35 %
Very low risk	AAA, AA+, AA and AA-	13.129	59 %
Low risk	A+, A and A-	918	4 %
Moderat risk	BBB+, BBB and BBB-	326	1 %
High risk	BB+, BB and BB-	31	0 %
Very high risk	B+ and lower	0	0 %
Total		22.248	100 %

Trading/Sales			
Risk categories	Rating	Market value NOK million	Percentage Trading
Very low risk	AAA, AA+, AA and AA-	0	0 %
Low risk	A+, A and A-	8	2 %
Moderat risk	BBB+, BBB and BBB-	3	1 %
High risk	BB+, BB and BB-	327	64 %
Very high risk	B+ and lower	175	34 %
Total		513	100 %

Stock and Equity certificate

	Market value MNOK
Sandnes Sparebank	44
Investor AB	13
SpareBank 1 Nord-Norge	13
Statoil ASA	13
SpareBank 1 SMN	10
Kongsberg Gruppen ASA	9
Telenor ASA	9
Transocean ASA	8
Norsk Hydro ASA	8
Austevoll Seafood ASA	8
Other	51
Total	185

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 for calculating capital needs for different types of risks. Using Internal Rating Based (IRB) methods for calculating capital requirements requires a formal approval from the FSAN (Finanstilsynet) on standards regarding organisation, competence, risk-modelling and risk-management systems.

In the autumn of 2009, the authorities resolved to postpone the final transition to the IRB rules from 1 January 2010 to 1 January 2012. It has later been proposed to continue the transitional rule stating that the capital requirement using IRB cannot be less than 80% of the capital requirement under Basel I ("Basel I floor") until 2015. Without the transitional rule, the core capital ratio at the end of March 2012 would have been 11,6 %.

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 currently used for calculating capital adequacy*

Introduction to the proposed new regulations – Basel III

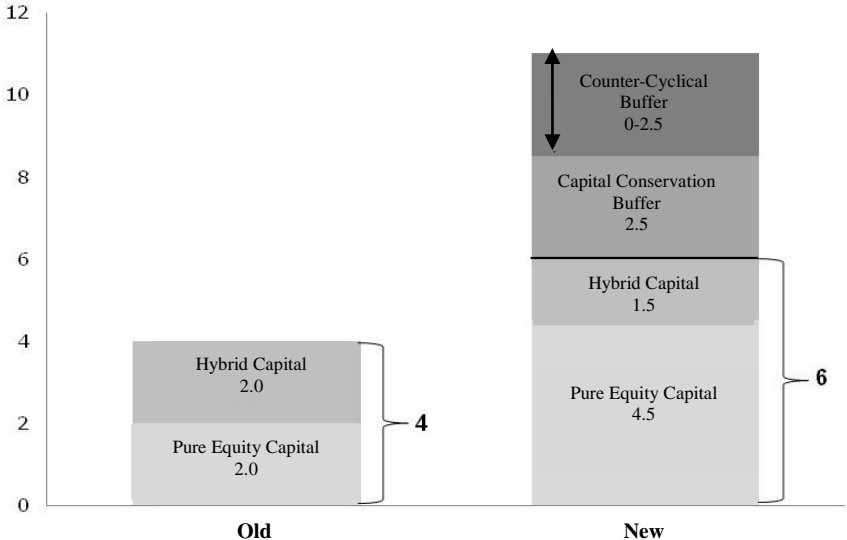
On 20 July 2011 the EU Commission presented its proposals for implementation of Basel III in the EU. These correspond to the Basel Committee's new minimum requirements for banks' capital adequacy (Basel III). The new minimum requirements will apply from 1 January 2013 with various transitional arrangements that mean that they will have full effect from 1 January 2019. CRD IV is expected to be approved in the EU during the spring of 2012. CRD IV is proposed as a so-called full harmonization directive, i.e. it will not be possible for national options and deviation unless the directive specifically allows this.

The Basel Committee has decided that pure core capital (common equity Tier 1) and core capital (Tier 1) shall amount to respectively 4.5 percent and 6 percent of the calculation base. Combined with the stricter qualitative requirements for core capital in general and pure core capital in particular this involves a clear toughening of the current minimum requirement of, respectively, 2 percent and 4 percent. The requirement for own funds is kept unchanged at 8 percent.

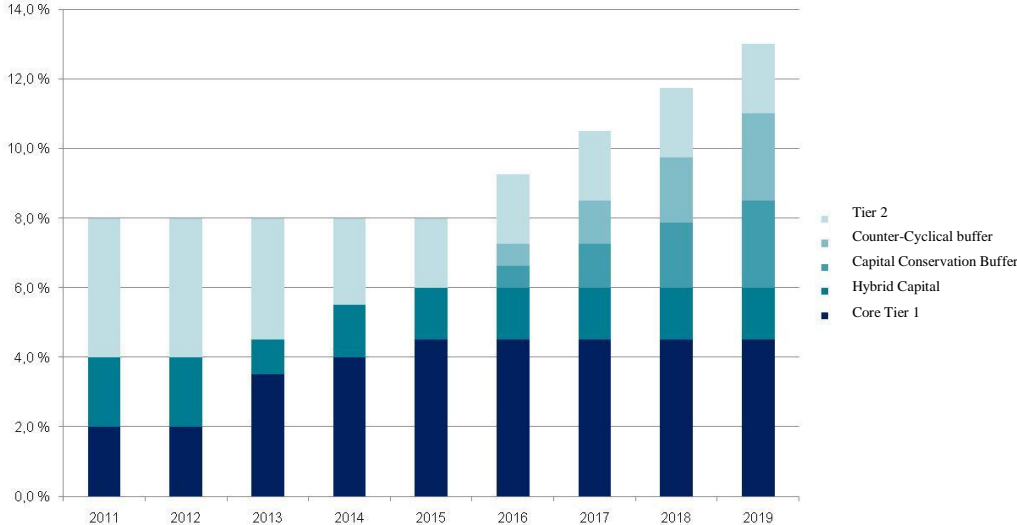
In order to prevent banks encountering problems in meeting the minimum requirements in periods with large losses in the banking sector, banks are required to maintain various capital buffers. The requirement for the preservation buffer ("capital conservation buffer") means that banks must hold pure core capital of 2.5 percent of the calculation base in addition to the minimum requirement.

In order to protect the banking system against the consequences of strong credit growth banks must also hold a counter-cyclical capital buffer ("counter-cyclical buffer") in periods of very strong credit growth. This will be in the size range 0-2.5 percentage points and must also be satisfied with pure core capital. The sum of the capital conservation buffer and the counter-cyclical buffer is described as the combined buffer requirement. Banks that do not fulfil the combined buffer requirement will face restrictions with regard to their dividend policy, bonus payments, distribution of bonus shares and repurchase of shares. These restrictions increase as the smaller the difference is between capital and the minimum requirements including the necessary buffers. Banks that do not fulfill the combined buffer requirement must also present a plan to the authorities as to how they will ensure fulfillment of the requirement.

The following figure illustrates the changes in the requirements for core capital in Basel III as described above:



The proposed, gradual implementation period will provide the following developments in capital requirements over time:



In the Basel III / CRD IV proposal there are also new requirements on hybrid capital that is to be eligible as core capital. Based on this proposal perpetual bonds as currently normally structured in Norwegian banks will not be eligible as core capital. As a transitional arrangement it is proposed that such bonds will be included with 90 percent

of their value in 2013, and subsequently this will be reduced by 10 percentage points annually. The same will apply for subordinated loans that today are included in supplementary capital but which do not fulfil the future quality requirements. The main difference both with regard to capital bonds and subordinated loans is that in future it will not be permitted to include incentives for repayment in the form of, for example, an increased coupon rate after call date.

Furthermore it is proposed that the regulatory deductions that today are applied as to 50 percent to core capital and 50 percent to supplemental capital will be a 100 percent deduction from core capital from the end of 2012. For SpareBank 1 SR-Bank this mainly applies to the deduction items for ownership risk in SpareBank 1 Gruppen, Bank 1 Oslo Akershus and the difference between "expected losses IRB" deducted loss provisions.

In addition, the regulatory deduction rules will be amended by the introduction of CRD IV. Deductions for ownership in other financial institutions will be made if the ownership exceeds 10 percent. In the current Norwegian regulation this limit is 2 percent. In addition a bank may hold an amount corresponding to 10 percent of its own funds before such deduction must be made, subject to a maximum of 15 percent of own funds in relation to the aggregate deductions for deferred tax receivables and material investments in other financial institutions. The current provisions on deductions from capital adequacy reserves are stricter than the rules on deductions under CRD IV. It is therefore proposed that the detailed provisions in the Norwegian legislation on this point are replaced by an authorisation to the FSAN to be able to require deductions from the capital adequacy reserves.

Internationally, in parallel with Basel III / CRD IV, a proposal has been developed on extra capital requirements for banks considered to be important for the global banking system. It is proposed that these are subject to a minimum capital requirement that is between 1 percent and 2.5 percentage points above the general minimum requirement. The FSAN proposes, as part of the proposed legislation for introducing CRD IV in Norway, a provision to impose additional requirements on institutions important for the banking system even though this regulation is not part of the CRD IV text.

The Basel Committee will also introduce requirements on the unweighted equity ratio ("leverage ratio") as a supplement to the risk-based capital requirements. This requirement will be finally drawn up in 2017 and introduced in 2018. The transitional period will be used to test a requirement that core capital should amount to at least 3 percent of a bank's exposure, where off-balance sheet items are included to a varying extent. The proposal on the CRD IV directive in the EU does not involve the introduction of a requirement on a leverage ratio, but the supervisory authorities will be able to apply a leverage ratio as a pillar 2 tool from 2013, i.e. to require individual banks to fulfil such a requirement. Banks will further be required to publish their leverage ratio with effect from 2015. In the preamble to the directive it is further stated that it has been decided to introduce this as a regulatory minimum requirement from 01.01.2018 as Basel III proposes.

The Basel Committee will also introduce quantitative liquidity requirements and aims to introduce the short-term liquidity indicator, Liquidity Coverage Ratio ("LCR") in 2015 and the long-term Net Stable Funding Ratio ("NSFR") in 2018. Neither of these two requirements is being introduced through the proposal for CRD IV, but in the same manner as for the leverage ratio the introduction to the draft directive states that there is a definite intention to introduce these two requirements respectively as of 01.01.2015 and 01.01.2018. CRD IV introduces however reporting requirements related to financing structures and reporting requirements related to LCR. In addition CRD IV introduces a general liquidity requirement for banks with effect from 2013. This means that banks are obliged to maintain holdings of liquid funds that at least correspond to net negative cash flow in a liquidity stressed situation. In the event of a breach or expected breach of this

requirement a bank is required to present a plan to the supervisory authority and report daily on its liquidity situation.

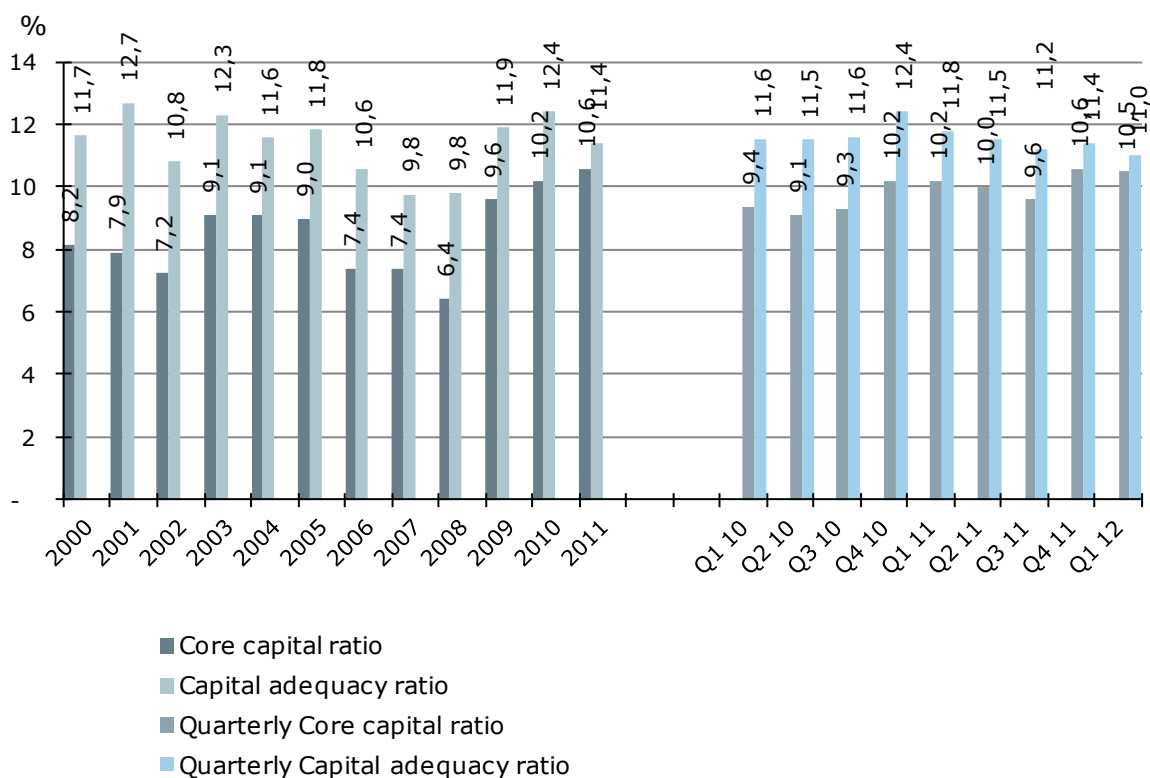
It should be emphasised, however, that Norges Bank and the FSAN have previously proposed an earlier introduction of the Basel III rules in Norway than elsewhere in Europe. In a consultation memorandum related to the proposed legislative changes for the introduction of CRD IV in Norway that was published on 10 October 2011, the FSAN states that it has not taken a position on a possible early introduction. A different implementation plan from Europe would involve competitive distortions.

Proposal from the EBA on a requirement for 9 percent core capital cover for systemically important banks

As a result of the debt crisis in Europe and the increased systemic risk that follows from this, the joint body for European banking supervisory authorities, the EBA, has proposed the introduction of a requirement for systemically important banks to maintain a pure core capital ratio of at least 9 percent of the risk-weighted balance sheet by 30.06.2012 (including the IRB floor). The buffer is not to be used to take losses on sovereign risks, but to withstand stress/shocks and in order subsequently to be able to maintain an acceptable capital ratio.

The introduction of the requirement is up to the Norwegian authorities as the EBA does not have authority to impose such a requirement on Norwegian institutions. The FSAN has expressed, however, that it supports the EBA's plan for increasing the capitalisation of the banks and will follow up the plans in Norway. The FSAN states that all banks and finance companies should have at least 9 percent pure core capital by the end of June 2012. Banks and finance companies that have a lower capital ratio, or are around 9 percent, will be followed up individually.

Core capital and capital adequacy ratio



SpareBank 1 SR-Bank is in a strong financial position and is a market leader in the region in Norway enjoying the strongest growth. In addition to increased retained earnings, the Board of Directors proposed on the 8th of February this year that the equity is strengthened through issues worth up to NOK 1.63 billion. The proposed capital raising exercise will strengthen SpareBank 1 SR-Bank's ability to continue meeting the financial needs of its customers in a proactive manner, as well as adjusting to the EBA requirement of 9% pure core capital by 30 June 2012.

There is also a certain degree of regulatory uncertainty with regard to possibly increased capital requirements from supervisory authorities prior to the final clarification and implementation of Basel III, and the proposed capital raising exercise will help strengthen the Group's capital adequacy ahead of possible changes.

	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
MNOK					
Share capital/ECs	4.987	3.183	3.183	3.183	3.183
- Own stock	-7	-3	-3	-3	-3
Premium reserve	1.506	625	625	625	625
Equalisation reserve	na	1.480	1.077	1.256	1.284
Allocated to dividend	0	249	-	-	-
Savings bank's reserve	na	2.649	2.420	2.525	2.541
Share premium reserve	na	55	55	55	55
Endowment fund	na	293	293	351	370
Reserve for unrealised gains	43	43	43	43	43
Other equity	2.936	1.183	1.124	1.179	1.177
Total book equity	9.465	9.757	8.817	9.214	9.275
Deferred taxes, goodwill and other intangible assets	-66	-71	-76	-78	-79
Fund for unrealized gains, available for sale	-2	-2	-2	-2	-2
Deduction for allocated dividends	0	-299	-	-	-
50% deduction for subordinated capital in other financial institutions	-21	-21	-21	-31	-23
50% deduction for expected losses on IRB, net of write-downs	-271	-255	-294	-318	-278
50% capital adequacy reserve	-680	-665	-664	-665	-657
Share of other equity in ownership interests	-	-	-	-	-
Year-to-date profit included in core capital (50%)	158	-	372	285	133
Hybrid Tier 1 bonds	2.377	2.402	1.391	1.355	1.365
Total core capital	10.960	10.846	9.523	9.760	9.734
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	0	0	340	340	346
Non-perpetual subordinated capital	1.437	1.776	2.230	2.114	2.113
50% deduction for subordinated capital in other financial institutions	-21	-21	-21	-31	-23
50% deduction for expected losses on IRB, net of write-downs	-271	-255	-294	-318	-278
50 % capital adequacy reserve	-680	-665	-664	-665	-657
Total supplementary capital	465	835	1.591	1.440	1.501
Net subordinated capital	11.425	11.681	11.114	11.200	11.235

Table 2.8.1: *Capital overview*

Basis for calculation Basel I

Minimum requirements subordinated capital, Basel II

	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011
MNOK					
Specialised lending exposure	2.100	2.060	2.017	2.010	1.930
Other corporations exposure	2.260	2.104	2.217	2.214	2.183
SME exposure	38	37	36	36	38
Retail mortgage exposure	786	758	660	675	675
Other retail exposure	76	78	112	81	77
Equity investments	-	-	-	-	-
Total credit risk IRB	5.260	5.037	5.042	5.016	4.903
Debt risk	95	94	135	111	115
Equity risk	49	47	36	40	42
Currency risk	-	-	-	-	-
Operational risk	447	408	408	408	408
Transitional arrangements	757	861	537	580	541
Exposures calculated using the standardised approach	1.837	1.830	1.872	1.734	1.711
Deductions	-112	-110	-109	-111	-109
Minimum requirements subordinated capital	8.333	8.167	7.921	7.778	7.611
Capital adequacy ratio	10,97 %	11,44 %	11,22 %	11,52 %	11,81 %
Core capital ratio	10,52 %	10,62 %	9,62 %	10,04 %	10,23 %
Supplementary capital ratio	0,45 %	0,82 %	1,61 %	1,48 %	1,58 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

	SpareBank 1 SR-Bank Group Q1 12													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q1 12	Q1 11	Q1 12	Q1 11	Q1 12	Q1 11	Q1 12	Q1 11	Q1 12	Q1 11	Q1 12	Q1 11	Q1 12	Q1 11
<i>MNOK</i>														
Net interest income	214	212	207	170	15	6	2	1	41	37	-78	-2	401	424
Net commission and other income	137	121	49	41	14	13	99	97	-2	-2	5	11	302	281
Net return on investment securities	0	0	0	0	43	38	0	0	0	0	159	90	202	128
Operating expenses	151	148	53	46	18	14	87	86	12	11	157	141	478	446
Operating contribution before losses	185	185	203	165	54	43	14	12	27	24	-56	-42	427	387
Losses on loans and guarantees	0	6	63	32	0	0	0	0	1	42	-30	-29	34	51
Operating contribution before tax	200	179	140	133	54	43	14	12	26	-18	-41	-13	393	336
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	47.947	56.031	45.591	42.209	0	0	0	0	5.551	5.066	1.374	1.465	100.463	104.771
Deposits from customers	37.776	33.938	29.250	28.512	0	0	0	0	0	0	82	212	67.108	62.662

* Includes SR-Forvaltning and SR-Investering

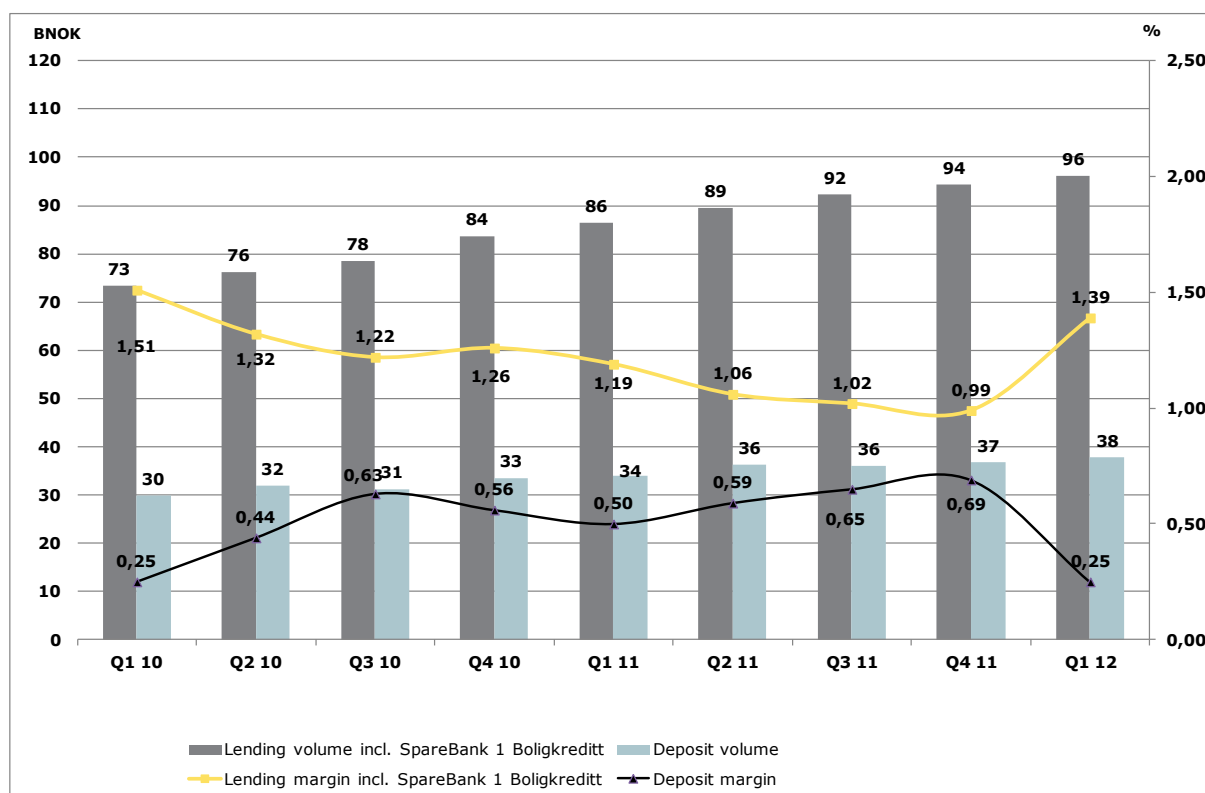
3.2 Retail Market

Financial performance in the retail market segment

MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Net interest income	265	233	240	232	242	948	983
Net other operating income	85	104	95	90	91	380	335
Total income	350	337	335	322	333	1.328	1.318
Total operating expenses	151	170	141	121	148	580	528
Operating contribution before losses	199	168	194	201	185	747	790
Losses on loans and guarantees	0	12	4	14	6	36	7
Operating contribution before tax	199	155	190	187	179	712	783

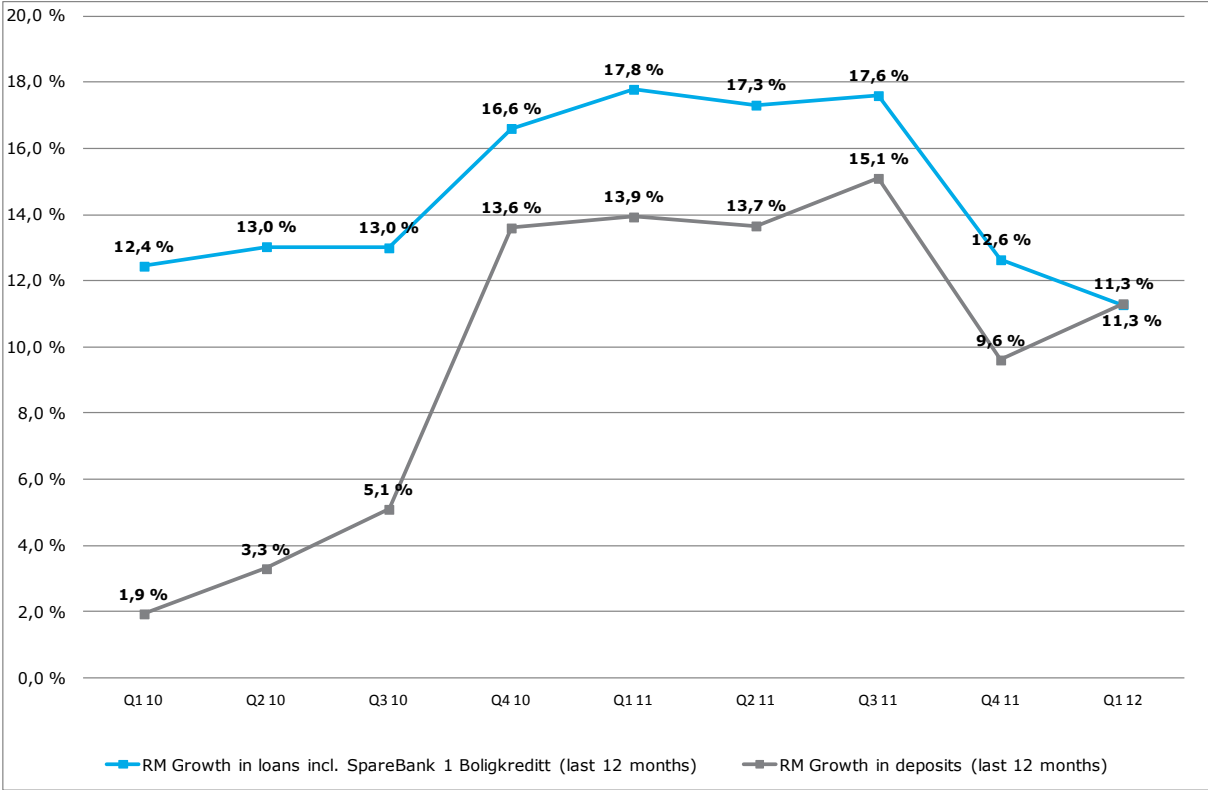
Based on internal reporting system. Provisions from SpareBank 1 Boligkreditt is included in Net interest income.

Development in average volume and interest margin*



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

Growth in loans and deposits

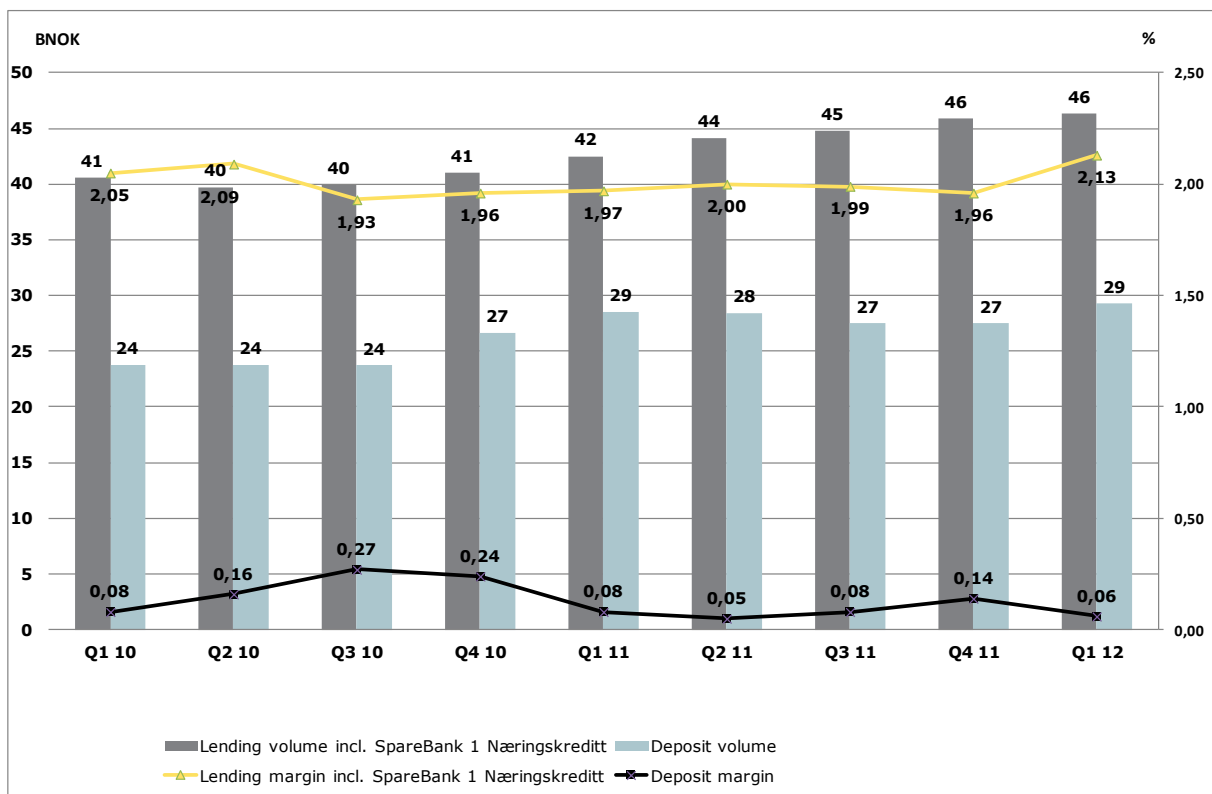


3.3 Corporate Market

Financial performance in the corporate market segment

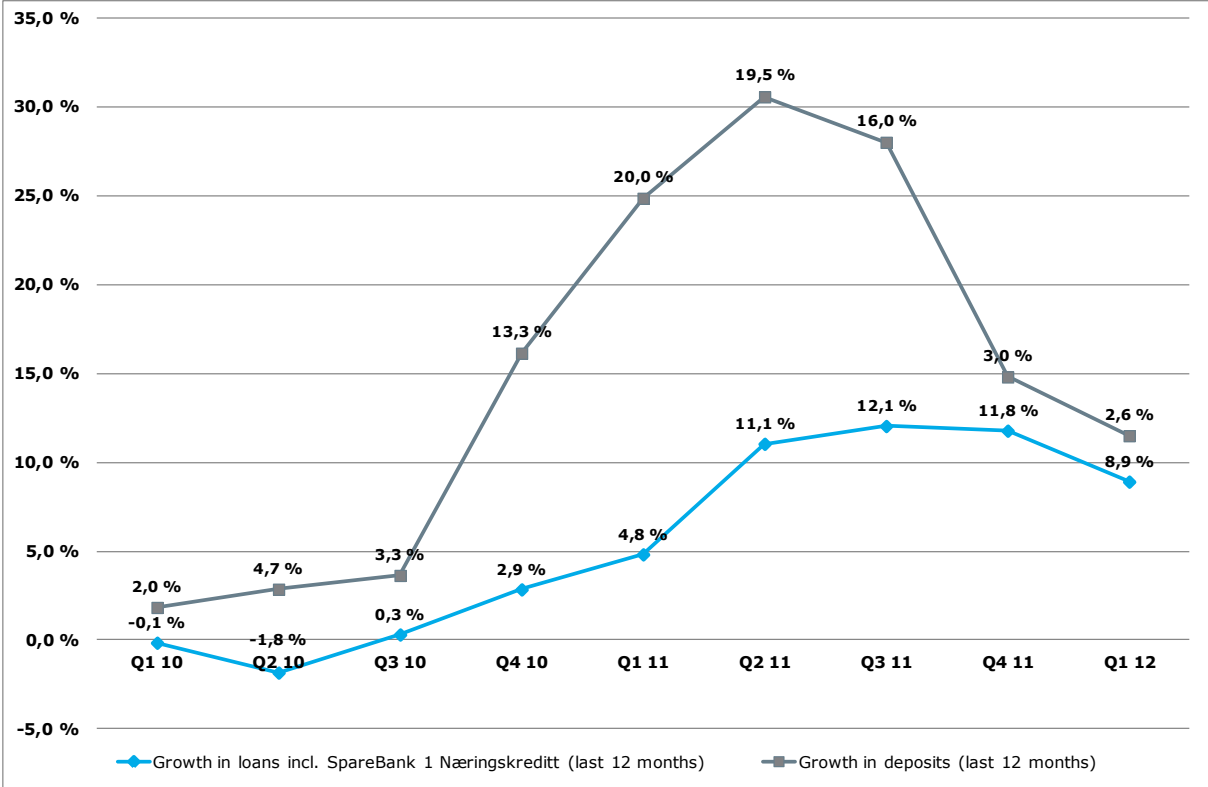
MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Net interest income	208	198	190	180	170	738	720
Net other operating income	49	66	54	49	41	209	163
Total income	257	264	244	229	211	947	883
Total operating expenses	53	57	45	37	46	185	154
Operating contribution before losses	204	206	199	192	165	762	729
Losses on loans and guarantees	63	13	5	33	32	83	165
Operating contribution before tax	141	193	194	159	133	679	564

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>	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Net interest income	15	14	4	8	6	32	29
Net other operating income	57	50	29	52	51	182	151
Total income	72	64	33	60	57	214	180
Total operating expenses	18	20	19	14	14	67	40
Operating contribution before losses	54	44	14	46	43	147	140
Losses on loans and guarantees	0	0	0	0	0	0	0
Operating contribution before tax	54	44	14	46	43	147	140

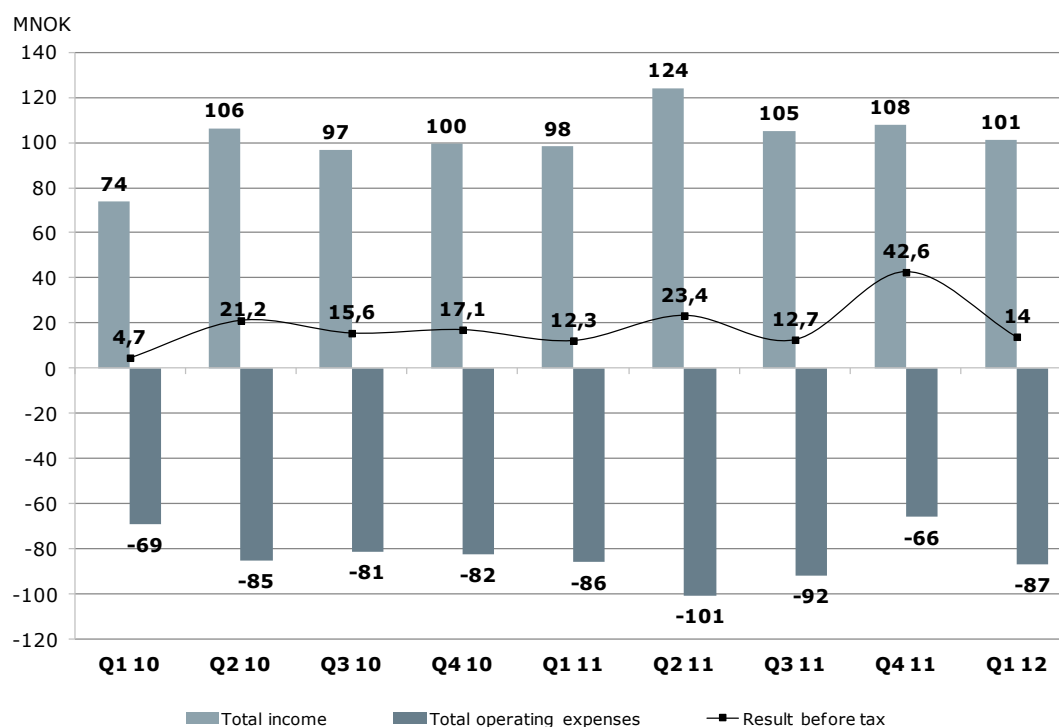
3.5 Subsidiaries

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. During 2011, the company sold 7 502 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The high level of activity has continued in 2012 and 1 710 properties was sold by the end of March. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Interest income	2	2	3	3	2	9	7
Other income	99	106	102	122	97	426	369
Total income	101	108	105	124	98	435	376
Personal expenses	52	29	58	59	52	197	190
Other expenses	35	37	34	42	34	147	128
Total operating expenses	87	66	92	101	86	344	318
Result before tax	14	43	13	23	12	91	59

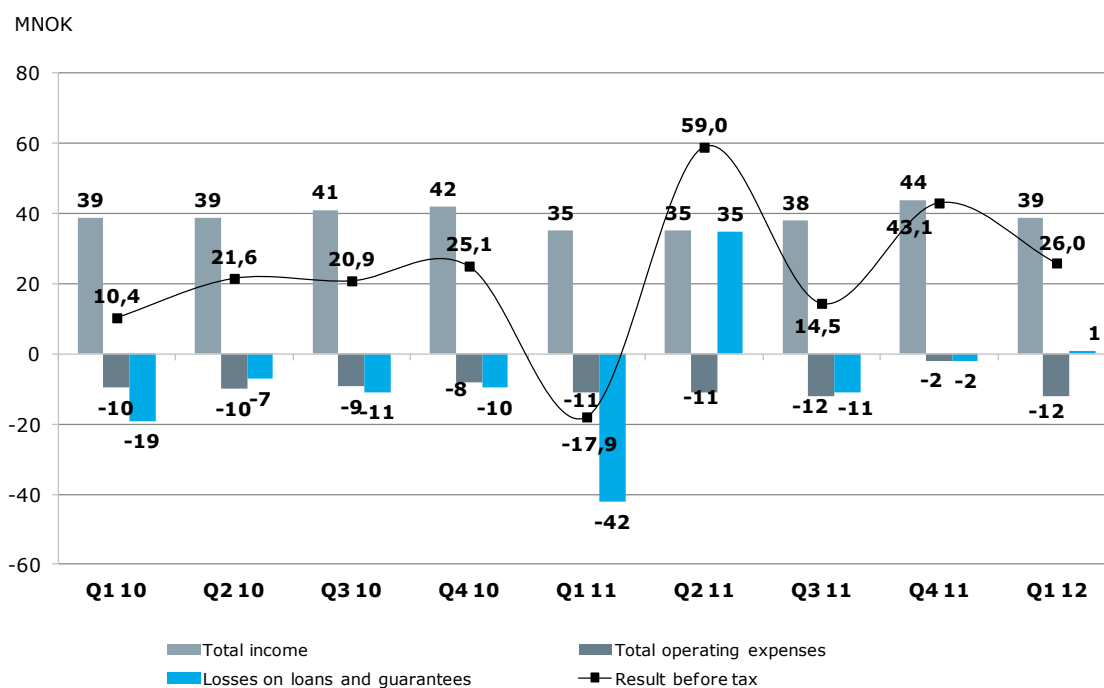


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 5.6 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	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Interest income	41	44	40	38	38	160	169
Other income	-2	0	-2	-2	-2	-7	-6
Total income	39	44	38	35	35	152	163
Personal expenses	8	-2	8	7	7	20	23
Other expenses	4	3	4	4	4	15	15
Total operating expenses	12	2	12	11	11	35	38
Ordinary operating profit	27	42	26	25	24	117	125
Loss on loans, guarantees etc.	1	-1	11	-35	42	17	47
Result before tax	26	43	15	60	-18	100	78

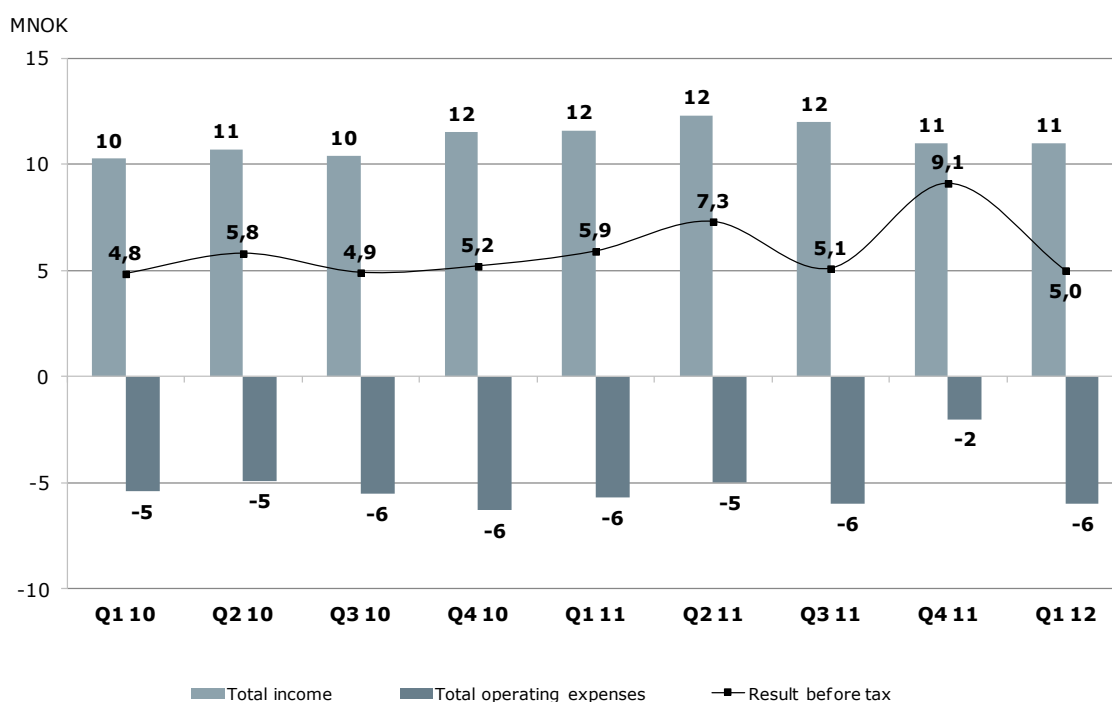


SR-Forvaltning AS

SR-Forvaltning AS 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 6.3 billion at the end of March 2012. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
Interest income	0	0	0	0	0	1	1
Other income	11	10	11	12	11	45	42
Total income	11	11	12	12	12	46	43
Personal expenses	5	0	5	4	5	13	17
Other expenses	2	2	2	1	1	6	5
Total operating expenses	6	2	6	5	6	19	22
Result before tax	5	9	5	7	6	27	21

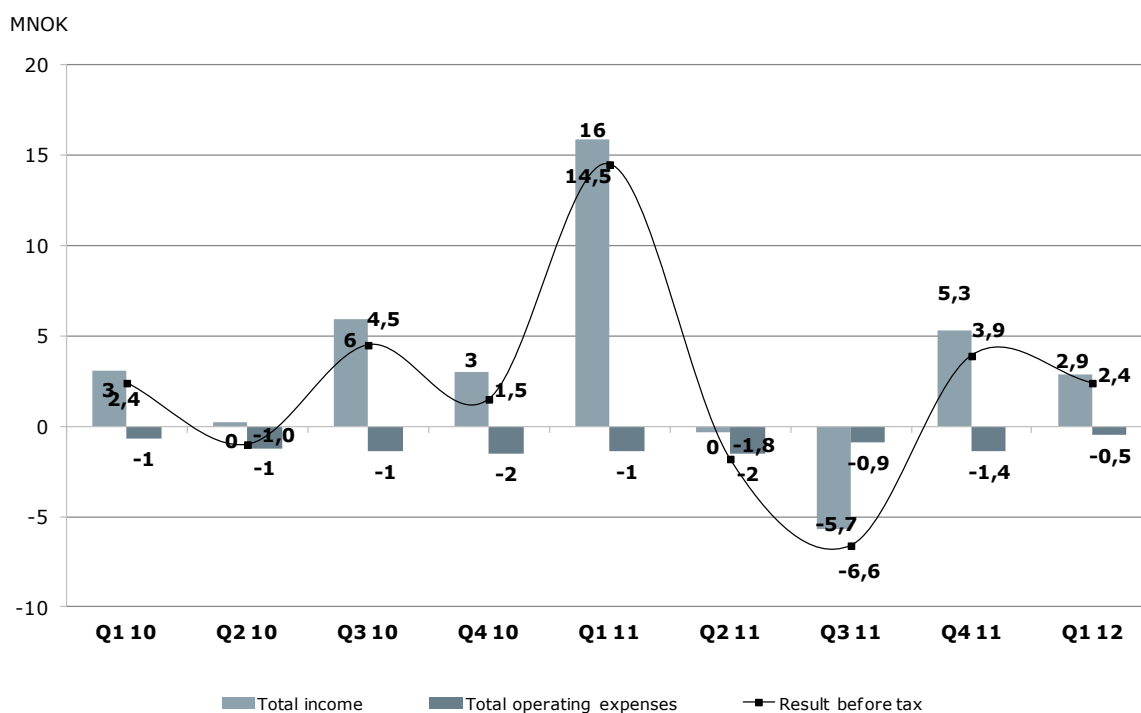


SR-Investering AS

The company's 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.

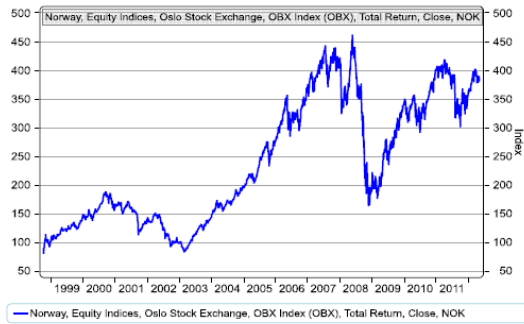
Financial performance

	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	31.12 2011	31.12 2010
<i>MNOK</i>							
Interest income	0,3	0,5	0,5	0,5	0,4	1,9	1,5
Other income	0,2	1,4	0,2	0	0	2,2	1,8
Net return on investment securities	2,4	3,4	-6,6	-1,1	15,3	11,0	9,0
Total income	2,9	5,3	-5,9	-0,3	15,9	15,1	12,3
Personal expenses	0,4	0,0	0,8	1,3	1,3	3,4	4,2
Other expenses	0,1	0,1	0,1	0,2	0,1	0,5	0,5
Total operating expenses	0,5	0,1	0,9	1,5	1,4	3,9	4,7
Result before tax	2,4	5,2	-6,8	-1,8	14,5	11,2	7,6

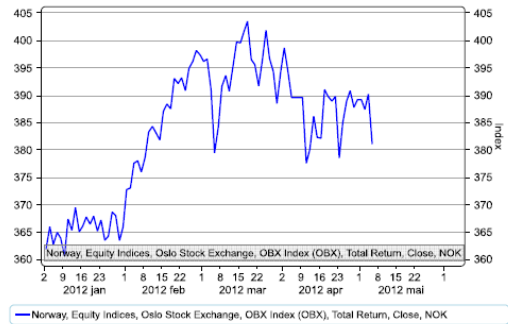


4. Norwegian Economic Outlook

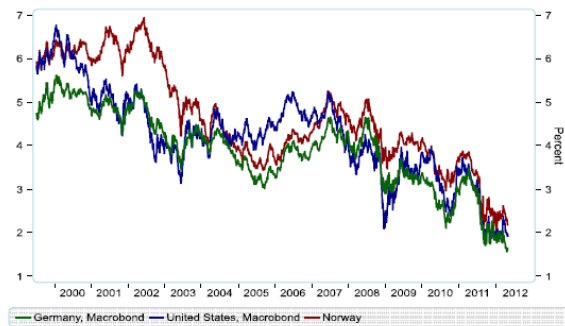
Norge – Oslo børs siden 1999



Norge – Oslo børs siden årsskiftet



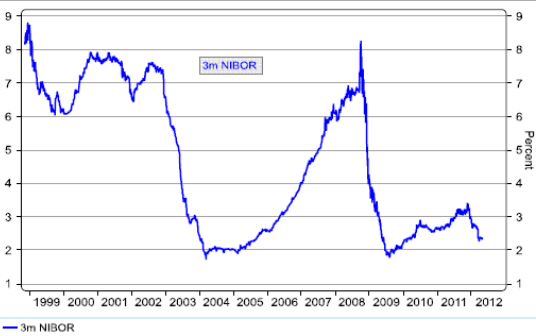
10 års statsrente – Norge, Euro, USA



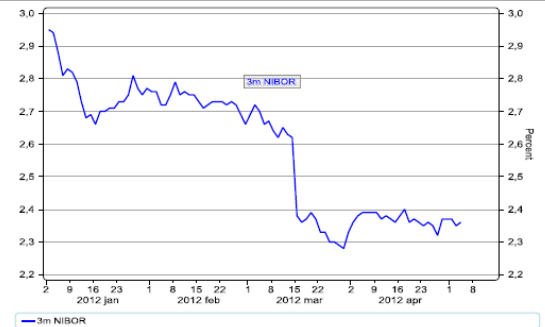
10 års statsrente – siden årsskifte



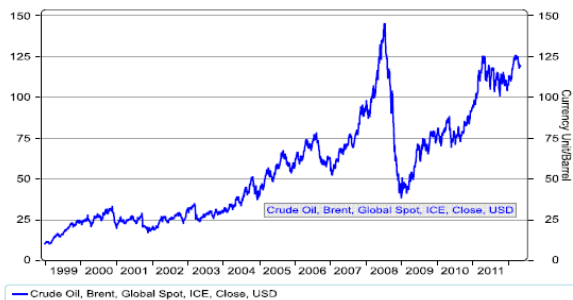
3 måneders interbankrente (NIBOR)



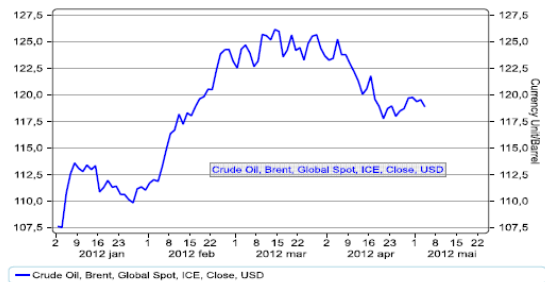
3 m NIBOR siden årsskifte



Oljeprisen siden 1999



Oljeprisen siden årsskifte



Source: SpareBank 1

Prognosis 2008 – 2013e (%)

GDP	2008	2009	2010	<i>Prognosis</i>		
				2011	2012	2013
US	0,0	-2,6	2,8	2,0	2,5	2,5
Euro-zone	0,5	-4,0	1,7	1,6	-1,0	-0,8
Germany	1,0	-4,7	3,6	3,0	0,5	1,0
Sweden	-0,2	-5,1	5,5	4,0	1,0	1,1
Norway (mainland)	1,4	-1,6	1,8	2,6	2,2	2,4
Key policy rate year end						
US	0-0,25	0-0,25	0-0,25	0-0,25	0-0,25	0-0,25
Euro-zone	2,50	1,00	1,00	1,00	0,5	0,5
Norway	3,00	1,75	2,00	2,0	1,5	1,5
Exchange rates against NOK year end						
USD	6,97	5,78	6,0	5,8	5,9	6,2
EURO	9,72	8,3	8,0	7,7	7,5	7,3
GBP	10,17	9,37	9,4	9,0	9,2	9,0
Inflation						
US	3,8	-0,3	1,1	2,0	1,8	1,8
Euro-zone	3,3	0,3	1,9	2,8	2,1	2,1
Germany	2,8	0,2	1,8	2,4	1,9	1,9
Norway – KPI-JAE	2,6	2,6	1,1	1,0	1,6	1,6
Unemployment						
US	5,8	9,3	9,7	8,6	8,0	7,5
Euro-zone	7,6	9,4	10,0	10,4	11,2	10,8
Germany	7,3	7,5	7,5	7,1	7,0	7,0
Norway	2,6	3,2	3,5	3,5	3,5	3,5

Source: SpareBank 1

