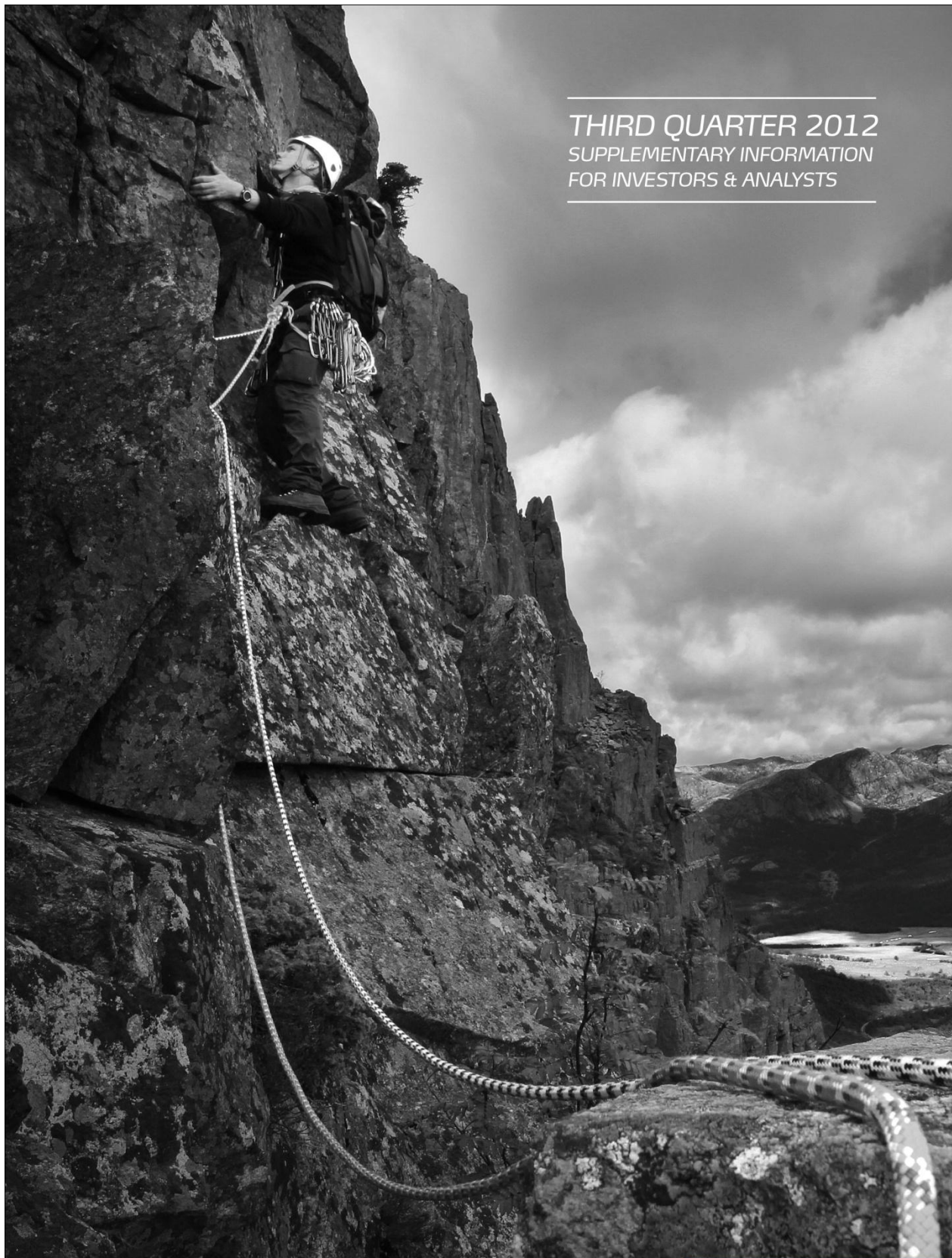

THIRD QUARTER 2012
SUPPLEMENTARY INFORMATION
FOR INVESTORS & ANALYSTS



Chief Executive, CEO

Arne Austreid

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SpareBank 1 SR-Bank Switchboard: +47 915 02002

Information on the Internet

SpareBank 1 SR-Bank's homepage	www.sr-bank.no
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Financial Calendar 2013

Preliminary results and fourth quarter 2012	8 February
Annual general meeting 2013	25 April
Ex-dividend date 2013	26 April
First quarter 2013	2 May
Second quarter 2013	14 August
Third quarter 2013	31 October

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1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q3 2012

- Profit before tax: NOK 505 million (NOK 253 million)
 - Profit after tax: NOK 398 million (NOK 174 million)
 - Return on equity after tax: 13.6 % (7.2 %)
 - Profit per share: NOK 1.56 (NOK 0.86)
 - Net interest income: NOK 448 million (NOK 457 million)
 - Net commission and other income: NOK 374 million (NOK 281 million)
 - Net income from financial investments: NOK 192 million (NOK 7 million)
 - Operating expenses: NOK 466 million (NOK 462 million)
 - Impairment losses on loans: NOK 43 million (NOK 30 million)
- (Figures for Q3 2011 are shown in parentheses)*

As at 30 September 2012

- Profit before tax: NOK 1,303 million (NOK 1,005 million)
 - Profit after tax: NOK 1,017 million (NOK 744 million)
 - Return on equity after tax: 12.8 % (10,4 %)
 - Earnings per share: NOK 3.98 (NOK 3.69)
 - Net interest income: NOK 1,262 million (NOK 1,308 million)
 - Net commission and other income: NOK 1,055 million (NOK 887 million)
 - Net income from financial investments: NOK 481 million (NOK 208 million)
 - Operating expenses: NOK 1,384 million (NOK 1,304 million)
 - Impairment losses on loans: NOK 111 million (NOK 94 million)
 - Growth in lending over the last 12 months: 8.5 % (15.3 %)
 - Growth in deposits over the last 12 months: 7.6 % (15.5 %)
 - Core capital ratio: 11.5 % (9.6 %)
 - Core Tier 1 capital: 9.4 % (8.2 %)
- (Figures as at 30 September 2011 are shown in parentheses)*

Income statement

<i>MNOK</i>	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Net interest income	448	413	401	448	457	1.262	1.308
Net commission and other income	374	379	302	305	281	1.055	887
Net return on investment securities	192	87	202	111	7	481	208
Total income	1.014	879	905	864	745	2.798	2.403
Total operating expenses	466	440	478	329	462	1.384	1.304
Operating profit before losses	548	439	427	535	283	1.414	1.099
Losses on loans and guarantees	43	34	34	45	30	111	94
Operating profit before tax	505	405	393	490	253	1.303	1.005
Tax expense	107	102	77	153	79	286	261
Profit after tax	398	303	316	337	174	1.017	744

Key figures

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Return on equity ¹⁾	13,6 %	11,8 %	12,9 %	13,9 %	7,2 %	12,8 %	10,4 %
Cost ratio ²⁾	46,0 %	50,1 %	52,8 %	38,1 %	62,0 %	49,5 %	54,3 %
Deposit-to-loan ratio	66,2 %	67,6 %	66,8 %	63,2 %	61,9 %	66,2 %	61,9 %
Growth in loans	0,6 %	-2,3 %	-4,1 %	-4,2 %	3,6 %	0,6 %	3,6 %
Growth in loans incl. SB 1 Boligkreditt and SB 1 Næringskreditt	8,5 %	9,3 %	10,3 %	11,2 %	15,3 %	8,5 %	15,3 %
Growth in deposits	7,6 %	9,7 %	7,1 %	5,4 %	15,5 %	7,6 %	15,5 %
Average total assets, MNOK	139.002	136.674	132.949	132.392	134.579	136.021	134.059
Total assets, MNOK	138.663	139.615	134.683	131.142	132.965	138.663	132.965
Impairment losses ratio ³⁾	0,16	0,13	0,13	0,18	0,11	0,14	0,12
Capital adequacy ratio	12,0	11,9	11,0	11,4	11,2	12,0	11,2
Core capital ratio	11,5	11,4	10,5	10,6	9,6	11,5	9,6
Market price	36,90	32,10	41,00	40,70	40,70	36,90	40,70
EPS (group) ⁴⁾	1,56	1,19	1,58	1,73	0,86	3,98	3,69

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⁾ Issued equity certificates were converted to shares on January 2nd 2012.

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

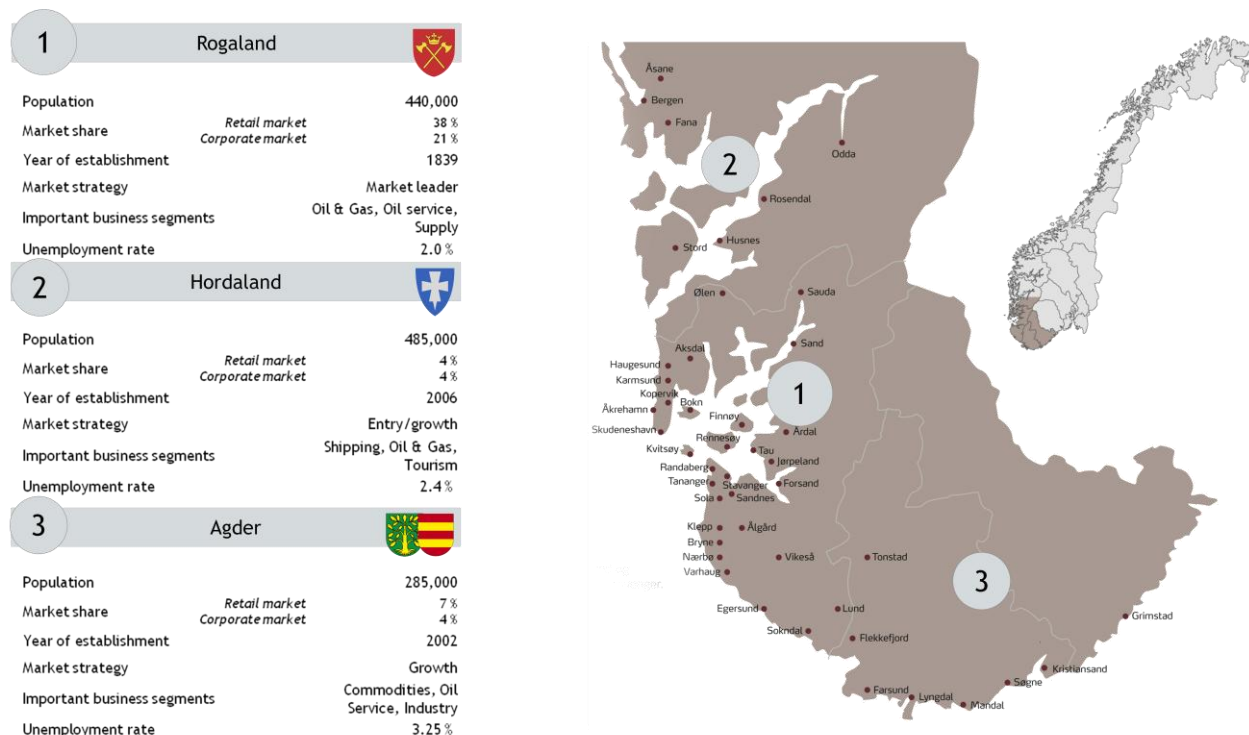


Figure 1.2.1: Operating areas

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 gross lending including covered bond companies of NOK 156 billion as at 30 September 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 properties. SR-Markets primarily serve the group's customers and other selected customer in defined market areas in the country as a whole.

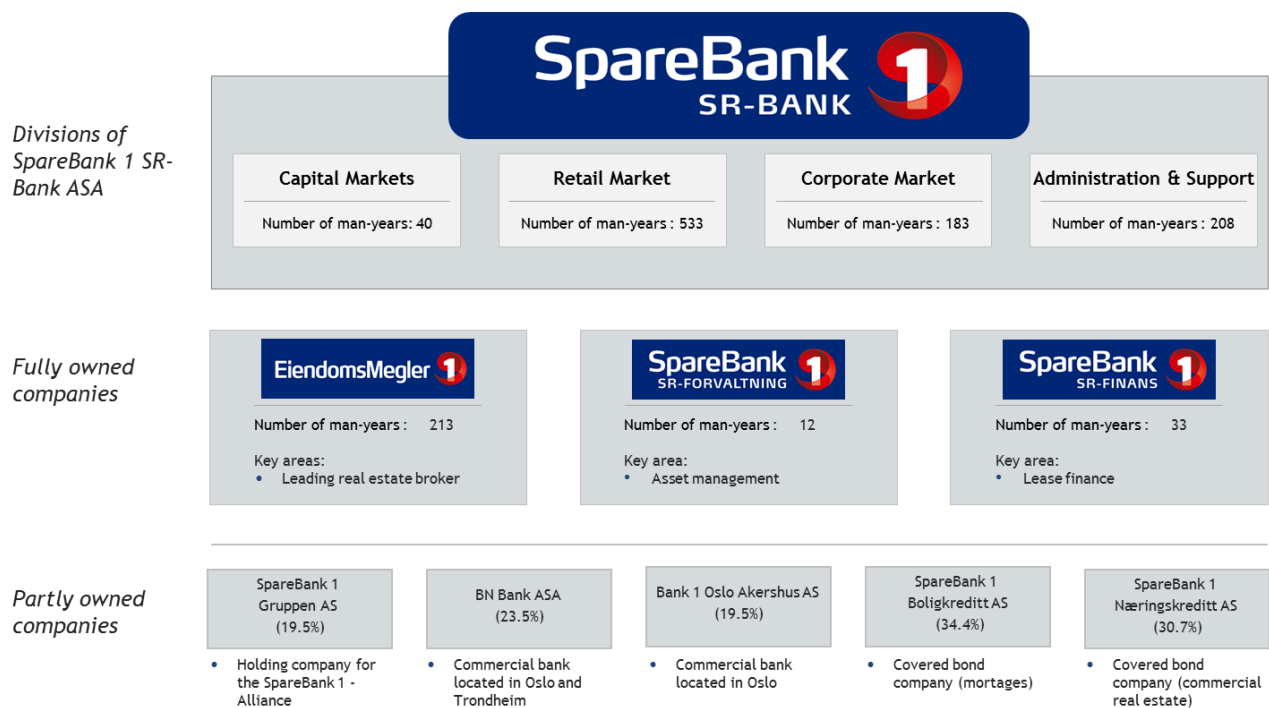


Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

MNOK	Retail market		Corporate market		Capital market	
	2012	2011	2012	2011	2012	2011
Operating profit before tax 3rd quarter only	276	194	180	192	45	16
Operating profit before tax as at 30 September	754	564	535	479	155	102
Gross loans to customers excl. SB1 Boligkreditt and SB1 Næringskreditt as at 30 September 2012	49.601	52.737	46.866	44.440	0	0
Deposits from customers as at 30 September 2012	39.909	36.005	25.184	22.900	0	0

* 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:

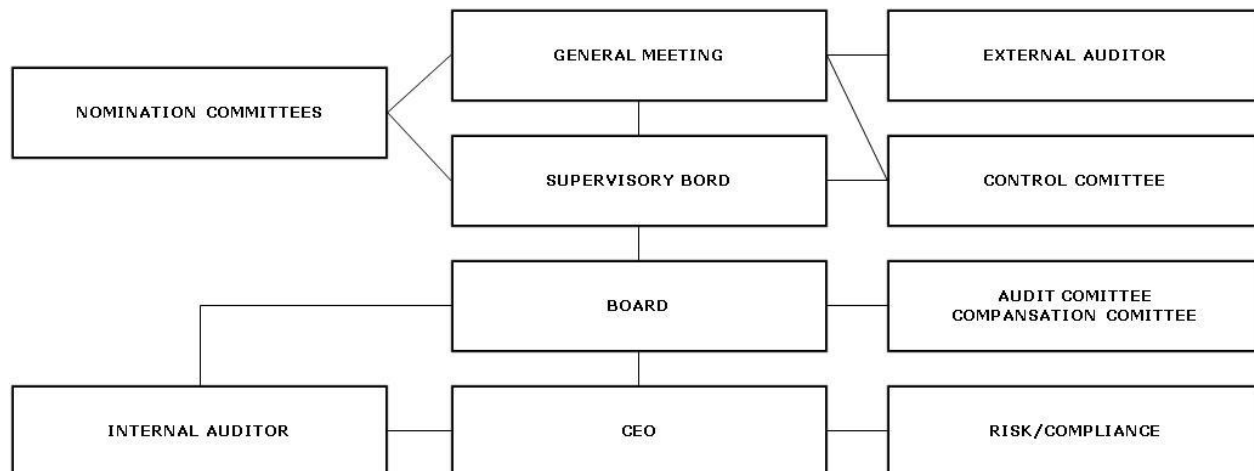


Figure 1.2.4: Overview of management and control bodies

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.

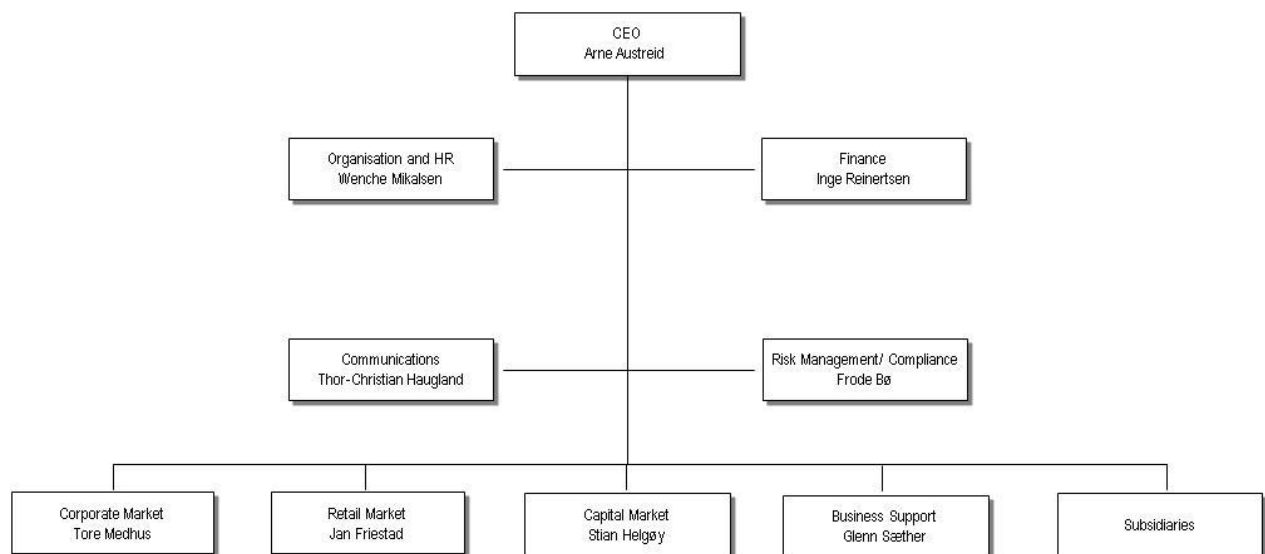


Figure 1.2.5: *Organizational structure of SpareBank 1 SR-Bank*

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the founding partners of the SpareBank 1 Gruppen ("the Alliance") in 1996. Through participation in the Alliance, SpareBank 1 SR-Bank is linked together in an alliance of independent and locally anchored banks. 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. As shown in the figure below the Alliance has a wide distribution all over Norway.

The SpareBank 1 Alliance

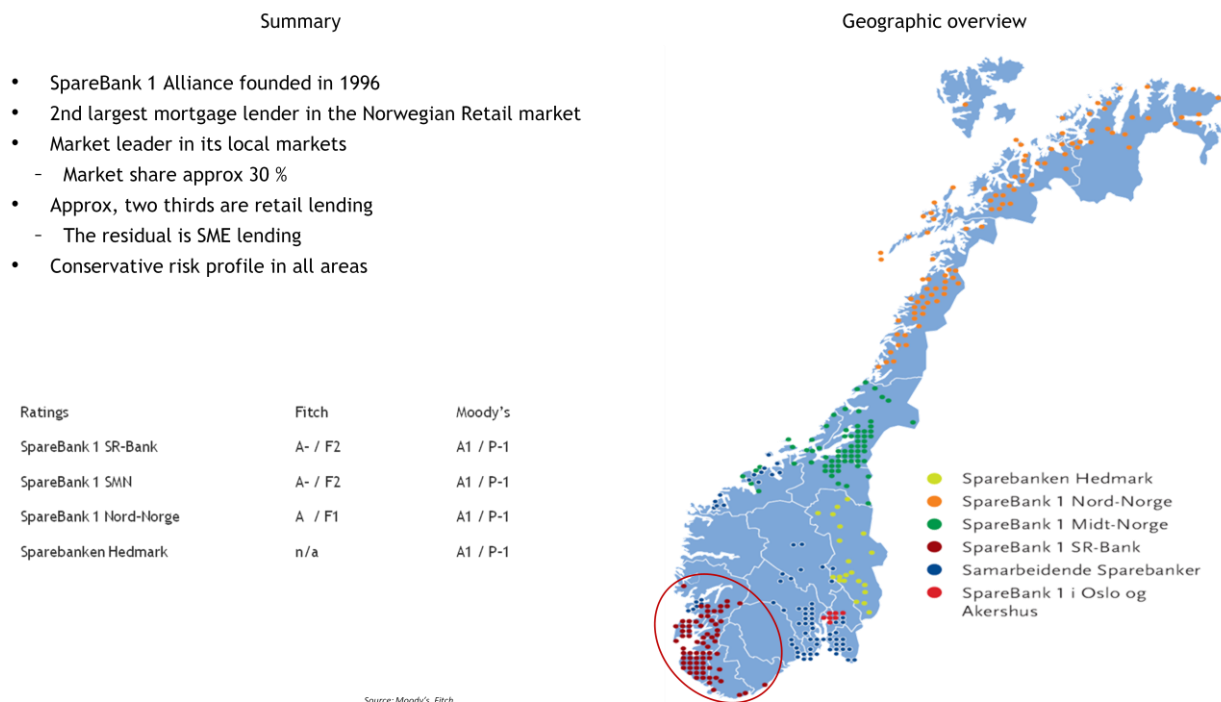


Figure 1.2.6: *Geographic overview of the SpareBank 1 Alliance*

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 (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 1.2.7.

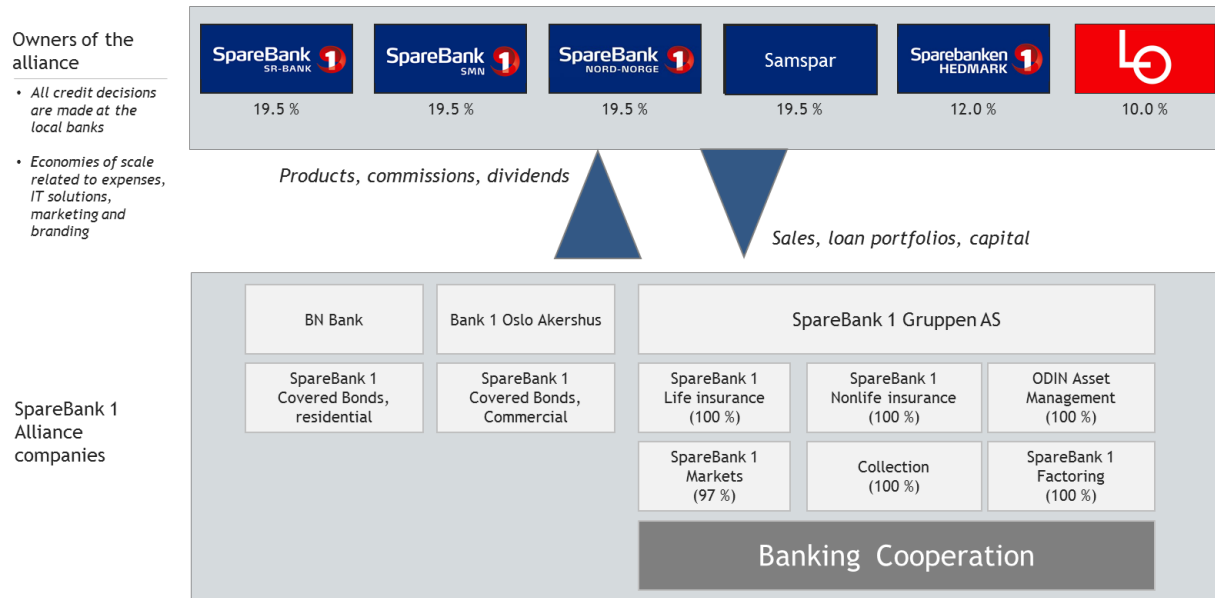


Figure 1.2.7: Structure of SpareBank 1 Alliance

More information on the SpareBank 1 Alliance can be found on www.sparebank1.no.

1.3 Shareholder information - SRBANK

SpareBank 1 SR-Bank's former Equity Certificates (EC) was listed on the Oslo stock exchange from 1994 until end 2011 under the ticker of ROGG. From 1 January 2012 the EC's were converted to ordinary shares.

There were 127.31 million ECs outstanding before the conversion was registered on 2 January 2012. The new share capital laid down in the articles of association was 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.

On 7 February 2012, the Board proposed that equity should be strengthened through emissions of up to NOK 1.63 billion. The capital increase related to the rights issue and the employee issue was adopted by the general meeting in SpareBank i SR-Bank ASA on 9 May 2012. At the end of the subscription period, SpareBank 1 SR-Bank had received subscriptions for 71,474,534 new shares in the rights issue. 55,555,555 were offered, and the rights issue was thus oversubscribed by 28.65 %. In the employee issue, SpareBank 1 SR-Bank received subscriptions for a total of 705,858 new shares divided between 260 employees.

The proceeds amounted to NOK 1.52 billion, and were registered in the Register of Business Enterprises on 18 June 2012. The new share capital in SpareBank 1 SR-Bank is NOK 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.

The former 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. Figure 1.3.1 shows the relative performance of SRBANK compared to OSEBX in 2012.



Figure 1.3.1: Relative performance; SRBANK vs OSEBX 1.1. – 30.09.2012

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. Figure 1.3.2 shows how daily liquidity has developed in the period from 1 January 2011 and to 30 September 2012. A general observation is that liquidity has increased after the conversion and issue of new shares.

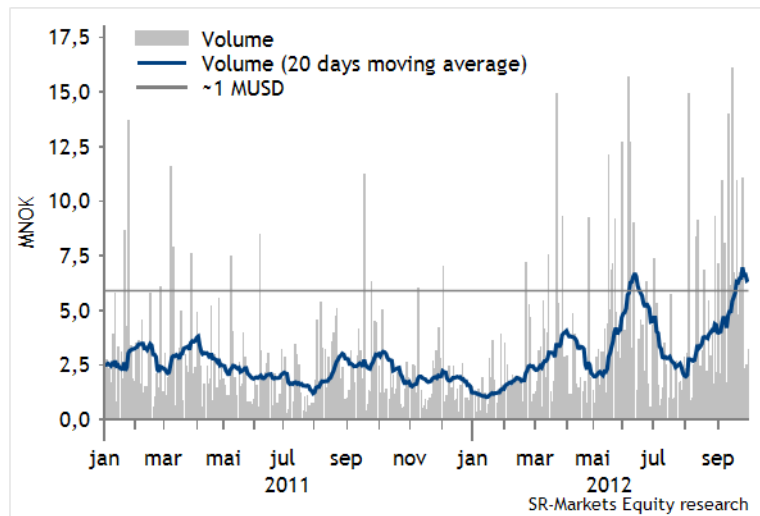


Figure 1.3.2: Development in liquidity; SRBANK 1.1.2011 – 30.09.2012

Figure 1.3.3 shows the share price movements and Price/Book development in 2012.

Detailed calculation of the former EC holder's share of the bank's equity capital upon conversion is shown in the report for the first quarter 2012.

Investor relations policy

It is crucial to SpareBank 1 SR-Bank that accurate, relevant and timely information about the group's development and result inspires confidence in the investor market. Information is conveyed to the market mainly 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.



Figure 1.3.3: Share price and development in P/B; 1.1. – 30.09.2012

It is in SpareBank 1 SR-Bank's own interest that financial analyses are published with 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
 First Securities, Bengt Kirkøen +47 23 23 82 65 bk@first.no
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 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

#	Investor	Number	Stake
1	Sparebankstiftelsen SR-Bank	79.735.551	31,2 %
2	Gjensidige Forsikring ASA	26.483.470	10,4 %
3	SpareBank 1-stiftinga Kvinnherad	6.226.583	2,4 %
4	Folketrygdfondet	6.117.293	2,4 %
5	Odin Norge	5.507.410	2,2 %
6	Frank Mohn AS	5.373.376	2,1 %
7	Odin Norden	4.141.940	1,6 %
8	Skagen Global	3.611.486	1,4 %
9	Clipper AS	2.178.837	0,9 %
10	JPMorgan Chase Bank, U.K.	2.043.467	0,8 %
11	SHB Stockholm Clients Account, Sverige	1.609.554	0,6 %
12	Fondsfinans Spar	1.435.000	0,6 %
13	Westco AS	1.321.817	0,5 %
14	Køhlergruppen AS	1.292.803	0,5 %
15	FLPS, U.S.A.	1.250.000	0,5 %
16	Varma Mutual Pension Insurance, Finland	1.248.017	0,5 %
17	Skagen Global II	1.214.956	0,5 %
18	Vpf Nordea Norge Verdi	1.182.661	0,5 %
19	Maaseide Promotion AS	1.100.000	0,4 %
20	State Street Bank and Trust, U.S.A.	1.003.321	0,4 %
	Top 5		48,5 %
	Top 10		55,3 %
	Top 20		60,3 %

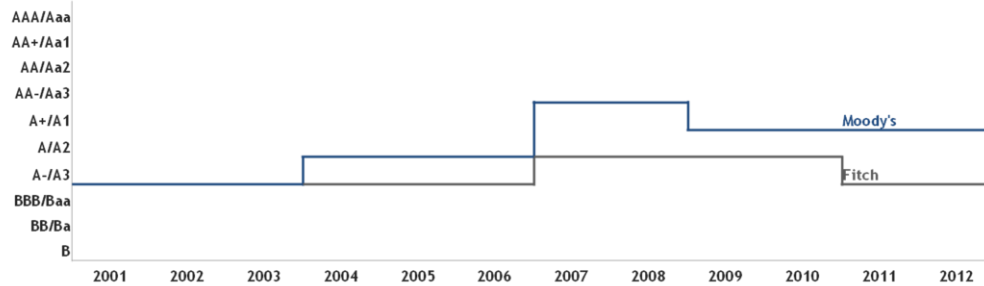
Table 1.3.2: 20 largest shareholders as at 30 September 2012

1.4 Credit ratings

Current credit rating status as at 30 September 2012 was as follows:

	Moody's		Fitch
Long-term debt	A1	Long-term IDR	A-
Outlook	On review	Outlook	Stable Outlook
Updated	9 th march 2012	Updated	24 th february 2012

Rating history



2. Financial results and balance sheet

Income statement

<i>MNOK</i>	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Interest income	1.323	1.319	1.327	1.378	1.362	3.969	3.909
Interest expense	875	906	926	930	905	2.707	2.601
Net interest income	448	413	401	448	457	1.262	1.308
Commission income	280	273	222	211	200	775	623
Commission expenses	-19	-20	-20	-12	-21	-59	-59
Other operating income	113	126	100	106	102	339	323
Net commission and other income	374	379	302	305	281	1.055	887
Dividend income	1	21	3	1	1	25	20
Income from investment in associates	90	53	100	67	33	243	142
Net gains/losses on financial instruments	101	13	99	43	-27	213	46
Net return on investment securities	192	87	202	111	7	481	208
Total income	1.014	879	905	864	745	2.798	2.403
Personnel expenses	271	244	275	100	273	790	728
Administrative expenses	105	99	106	111	99	310	299
Other operating expenses	90	97	97	118	90	284	277
Total operating expenses	466	440	478	329	462	1.384	1.304
Operating profit before losses	548	439	427	535	283	1.414	1.099
Losses on loans and guarantees	43	34	34	45	30	111	94
Operating profit before tax	505	405	393	490	253	1.303	1.005
Tax expense	107	102	77	153	79	286	261
Profit after tax from continuing operations	398	303	316	337	174	1.017	744

Key figures

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Return on equity ¹⁾	13,6 %	11,8 %	12,9 %	13,9 %	7,2 %	12,8 %	10,4 %
Cost ratio ²⁾	46,0 %	50,1 %	52,8 %	38,1 %	62,0 %	49,5 %	54,3 %
Net interest margin	1,28 %	1,22 %	1,21 %	1,34 %	1,35 %	1,24 %	1,30 %
Gross loans to customers	104.521	105.428	100.463	101.368	103.930	104.521	103.930
Gross loans to customers incl. SpareBank 1 Boligkreditt and Næringskreditt	155.962	153.329	149.363	146.697	143.747	155.962	143.747
Deposits from customers	69.195	71.285	67.108	64.042	64.323	69.195	64.323
Deposit-to-loan ratio	66,2 %	67,6 %	66,8 %	63,2 %	61,9 %	66,2 %	61,9 %
Growth in loans	0,6 %	-2,3 %	-4,1 %	-4,2 %	3,6 %	0,6 %	3,6 %
Growth in loans incl. SpareBank 1 Boligkreditt and Næringskreditt	8,5 %	9,3 %	10,3 %	11,2 %	15,3 %	8,5 %	15,3 %
Growth in deposits	7,6 %	9,7 %	7,1 %	5,4 %	15,5 %	7,6 %	15,5 %
Average total assets	139.002	136.674	132.949	132.392	134.579	136.021	134.059
Total assets	138.663	139.615	134.683	131.142	132.965	138.663	132.965
Impairment losses ratio ³⁾	0,16	0,13	0,13	0,18	0,11	0,14	0,12
Non-performing commitments as a percentage of gross loans	0,54	0,49	0,44	0,41	0,57	0,54	0,57
Other doubtful commitments as a percentage of gross loans	0,87	0,82	0,89	0,69	0,68	0,87	0,68
Capital adequacy ratio	12,0	11,9	11,0	11,4	11,2	12,0	11,2
Core capital ratio	11,5	11,4	10,5	10,6	9,6	11,5	9,6
Core capital	12.746	12.514	10.960	10.846	9.523	12.746	9.523
Net equity and subordinated loan capital	13.273	13.041	11.425	11.681	11.114	13.273	11.114
Minimum subordinated capital requirement	8.856	8.797	8.333	8.167	7.921	8.856	7.921
Number of branches	53	53	53	53	54	53	54
Man-years (permanent)	1.221	1.222	1.207	1.213	1.204	1.221	1.204
Equity certificate ratio	n.a.	n.a.	n.a.	63,8 %	63,8 %	n.a.	63,8 %
Market price	36,90	32,10	41,00	40,70	40,70	36,90	40,70
Market capitalisation	9.437	8.210	8.179	5.182	5.182	9.437	5.182
Book equity per share (including dividends) (group)	46,68	44,76	49,10	48,75	47,67	46,68	47,67
Earnings per share (group) ⁴⁾	1,56	1,19	1,58	1,73	0,86	3,98	3,69
Dividends per share	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Price / Earnings per share	5,91	6,74	6,49	5,88	11,83	6,95	8,27
Price / Book equity (group)	0,79	0,72	0,84	0,83	0,85	0,79	0,85

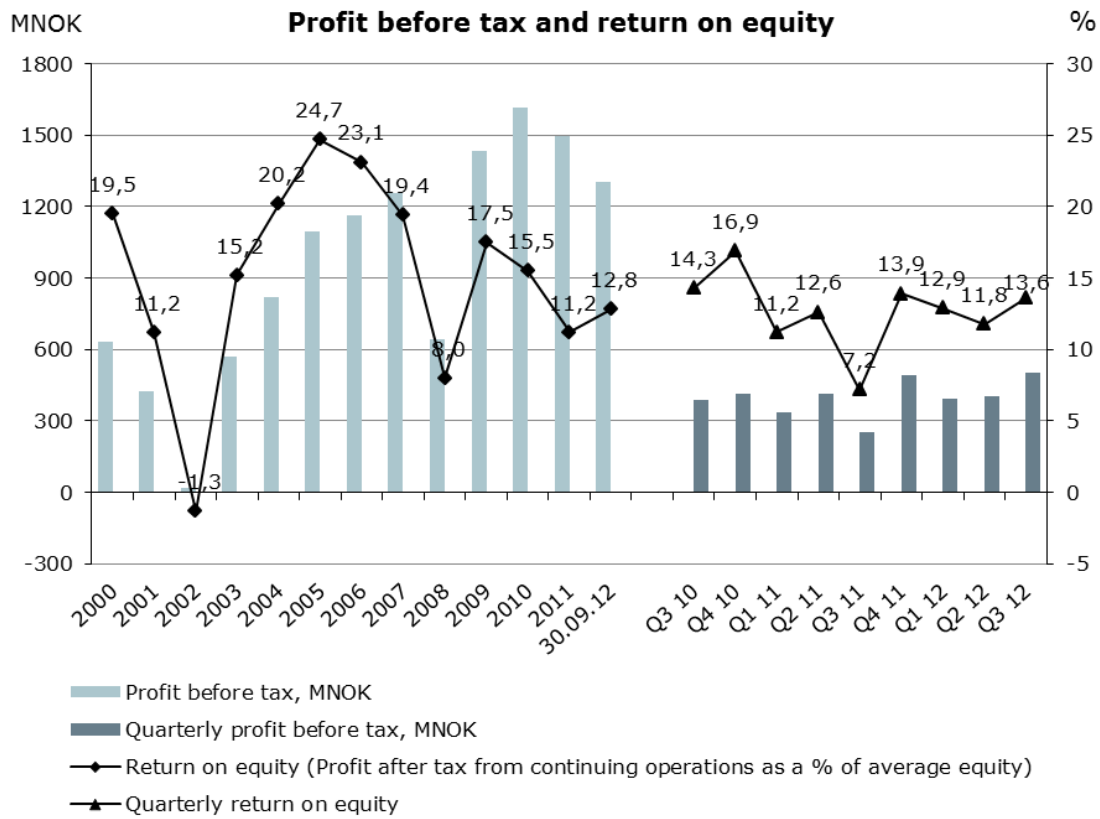
¹⁾ Net profit as a percentage of average equity.

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⁾ Issued equity certificates were converted to shares on January 2nd 2012.

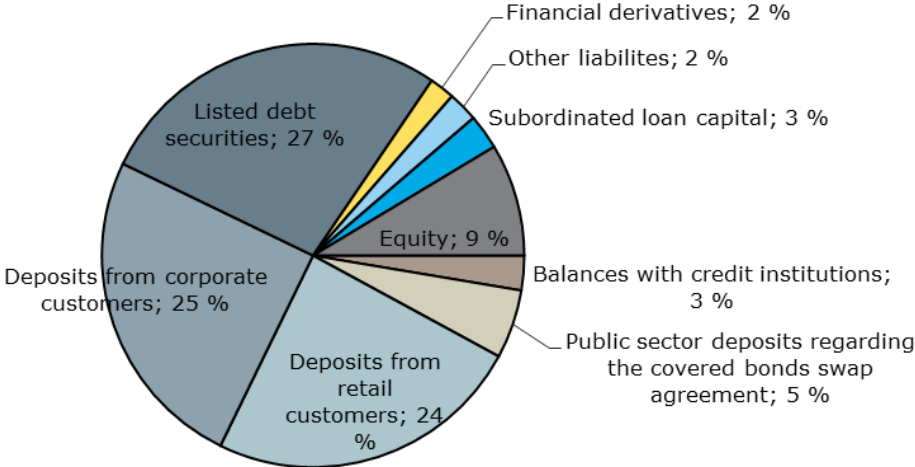
SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per share.



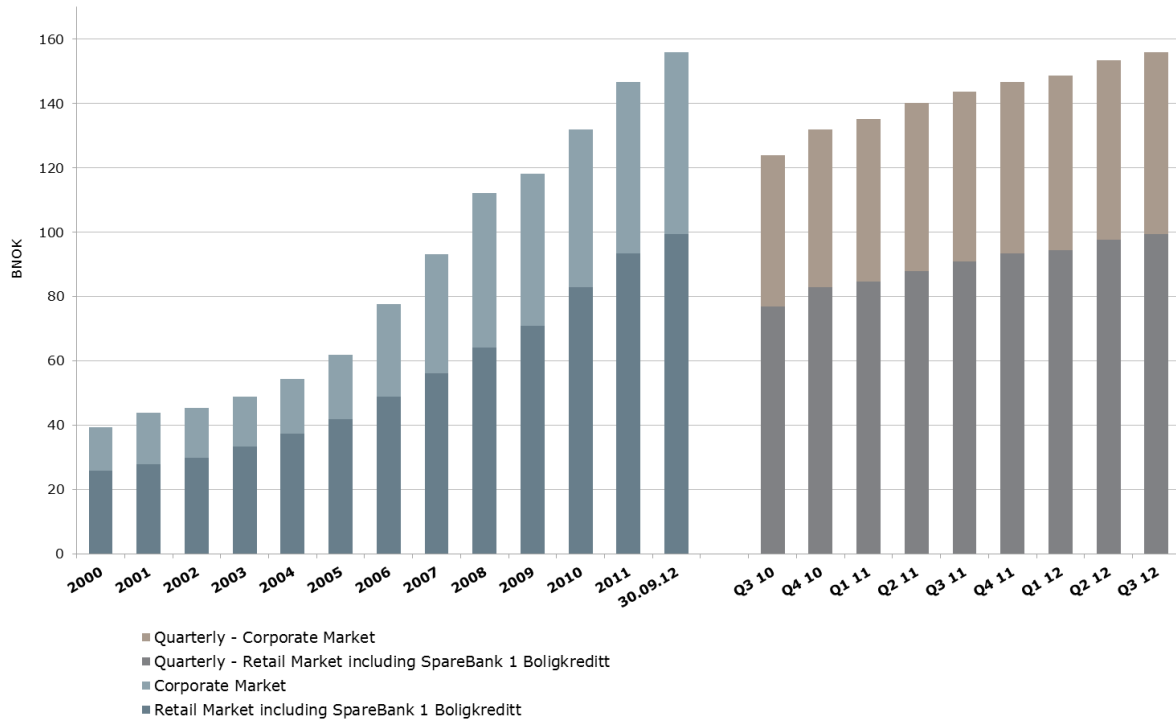
Balance sheet

<i>MNOK</i>	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Cash and balances with central banks	224	290	218	263	249
Balances with credit institutions	481	1.160	1.142	723	1.175
Net loans to customers	103.671	104.597	99.662	100.588	103.174
Certificates, bonds and other fixed-income sec.	22.156	22.539	21.817	19.850	18.265
Financial derivatives	4.769	4.102	3.955	3.716	4.267
Shares, ownership stakes and other securities	546	623	644	632	628
Business available for sale	85	85	85	84	76
Investment in associates	5.182	4.944	4.891	4.389	3.924
Other assets	1.549	1.275	2.269	897	1.207
Total assets	138.663	139.615	134.683	131.142	132.965
Balances with credit institutions	3.657	3.418	3.791	4.782	5.917
Public sector deposits regarding the covered bonds swap agreement	7.299	7.299	7.395	7.395	8.832
Deposits from customers	69.195	71.285	67.108	64.042	64.323
Listed debt securities	37.935	38.101	38.447	36.338	36.451
Financial derivatives	2.665	2.158	2.081	2.010	2.076
Other liabilities	2.284	2.262	2.485	1.843	2.001
Subordinated loan capital	3.706	3.661	3.595	4.975	3.804
Total liabilities	126.741	128.184	124.902	121.385	123.404
Share capital (former ECs)	6.394	6.394	4.987	3.183	3.183
Holding of own shares/ECs	-9	-9	-7	-3	-3
Premium reserve	1.588	1.587	1.506	625	625
Proposed dividend	0	0	0	299	0
Fund for unrealised gains	43	43	43	43	43
Other equity	2.889	2.797	2.936	1.183	1.124
Dividend equalisation reserve	0	0	na	1.448	1.077
Savings bank's reserve	0	0	na	2.631	2.420
Share premium reserve	0	0	na	55	55
Endowment fund	0	0	na	293	293
Profit/loss at period end	1.017	619	316	0	744
Total equity	11.922	11.431	9.781	9.757	9.561
Total liabilities and equity	138.663	139.615	134.683	131.142	132.965

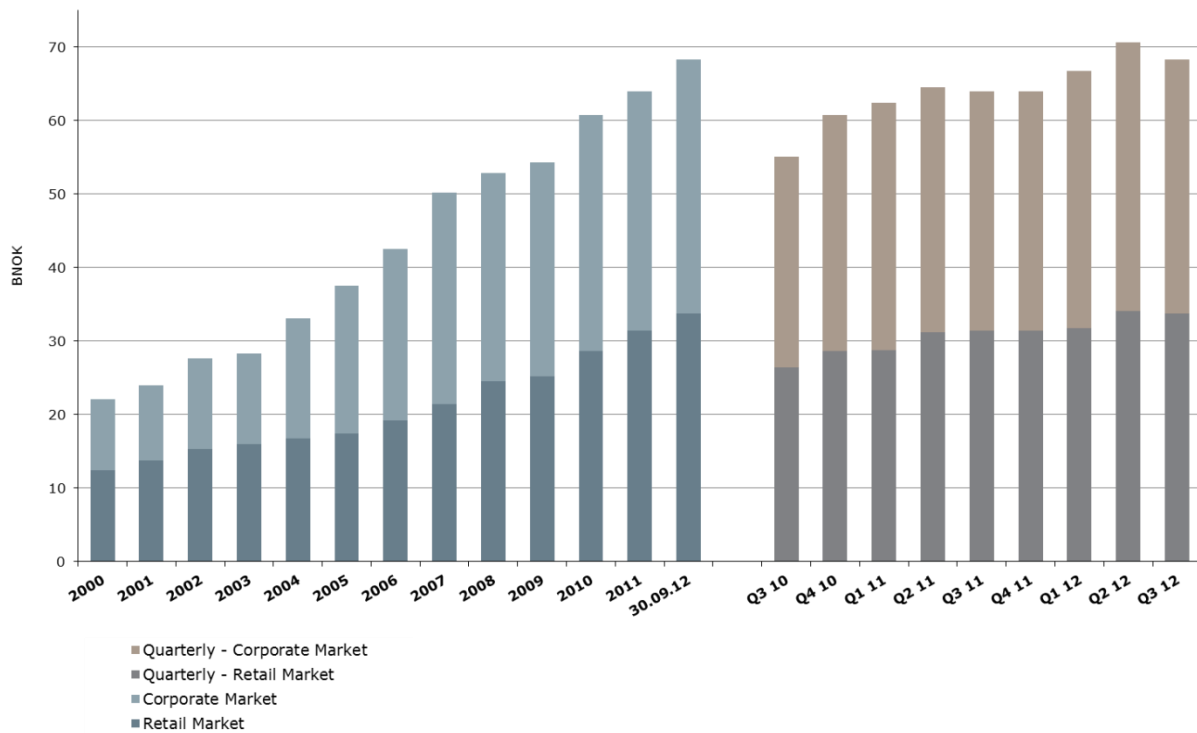
Total assets as at 30 September 2012:



Development in lending volume

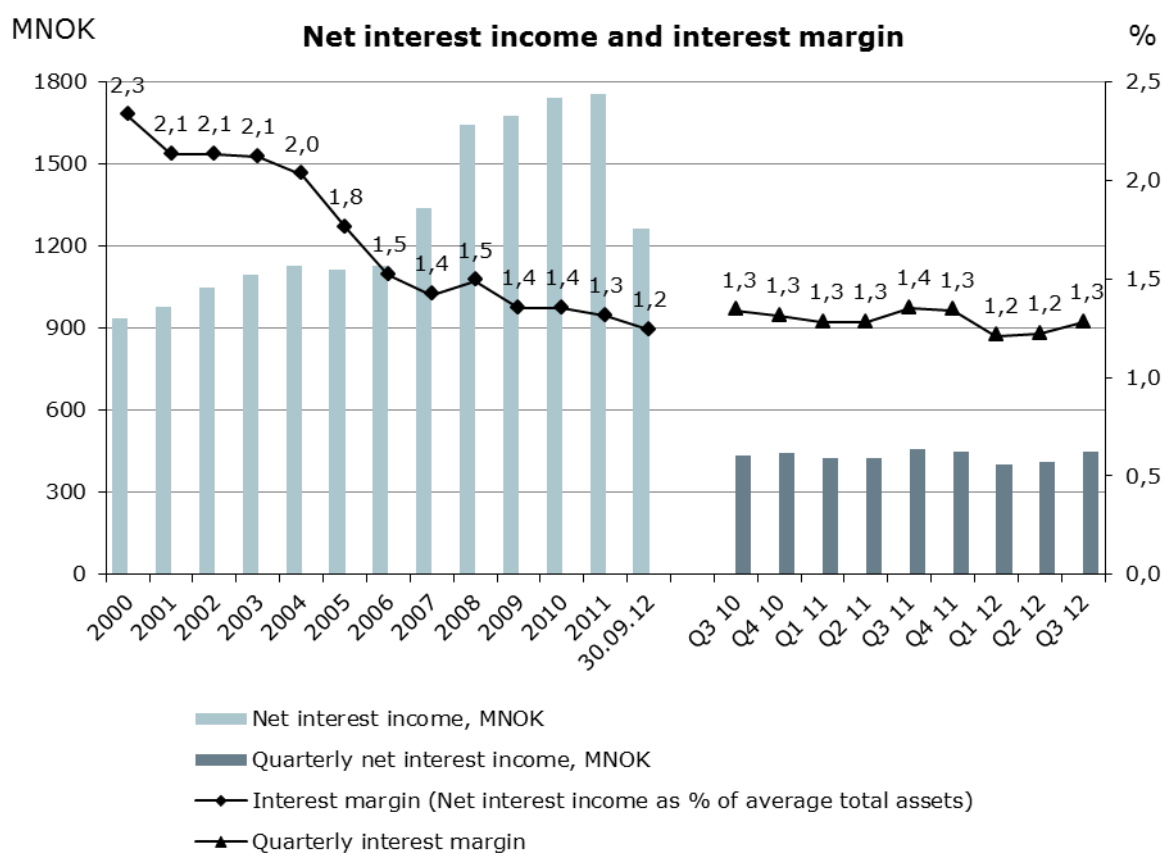


Development in deposit volume

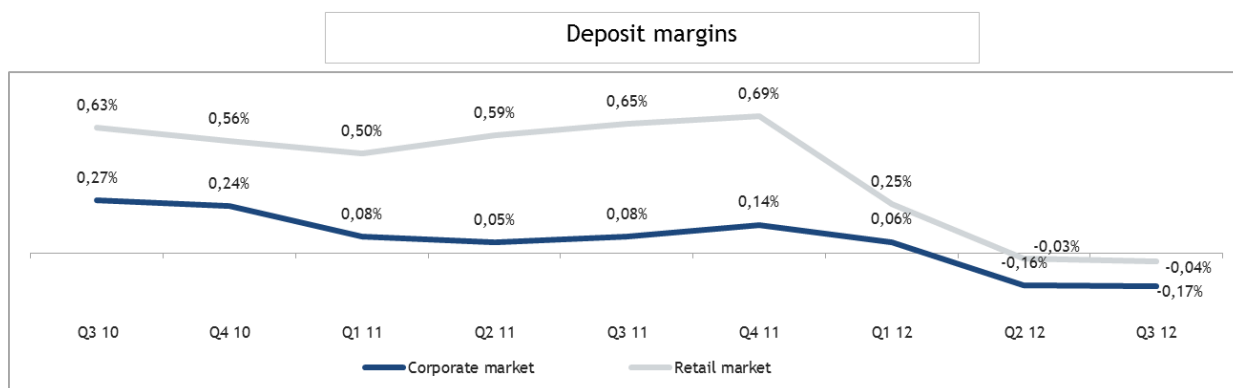
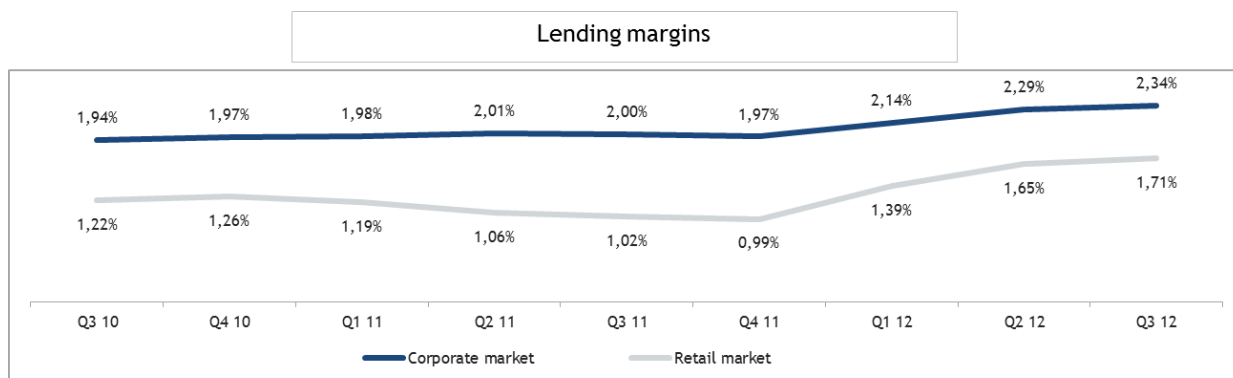


2.1 Net interest income

	Q3	Q2	Q1	Q4	Q3	30.09	30.09
MNOK	2012	2012	2012	2011	2011	2012	2011
Interest income	1.323	1.319	1.327	1.378	1.362	3.969	3.909
Interest expense	875	906	926	930	905	2.707	2.601
Net interest income	448	413	401	448	457	1.262	1.308
As % of average total assets	1,28 %	1,22 %	1,21 %	1,34 %	1,35 %	1,24 %	1,30 %



Lending and deposit margins¹



¹ Definition margin: Average customer interest rate less 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in SB1 Boligkreditt and SB1 Næringskreditt

2.2 Net other operating income

<i>MNOK</i>	Q3	Q2	Q1	Q4	Q3	30.09	30.09
	2012	2012	2012	2011	2011	2012	2011
Net commission and other income	374	379	302	305	281	1.055	887
Net return on investment securities	192	87	202	111	7	481	208
Net other operating income	566	466	504	416	288	1.536	1.095
As % of total income	56 %	53 %	56 %	48 %	39 %	55 %	46 %

Net commission and other income

<i>MNOK</i>	Q3	Q2	Q1	Q4	Q3	30.09	30.09
	2012	2012	2012	2011	2011	2012	2011
Payment facilities	61	50	47	52	53	158	152
Savings/placements	33	36	35	34	29	104	106
Insurance products	36	35	34	53	34	105	101
Commission income real estate (EM1)	104	124	99	106	102	328	320
Guarantee commission	24	23	22	19	24	68	58
Arrangement fees	14	23	7	25	11	44	51
Other	15	5	11	2	7	31	26
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	286	295	256	291	259	837	814
Commission income SB1 Boligkreditt and SB1 Næringskreditt	88	84	46	14	22	218	73
Net commission and other income incl. SB1 Boligkreditt og SB1 Næringskreditt	374	379	302	305	281	1.055	887
As % of total income	37 %	43 %	33 %	35 %	38 %	38 %	37 %

Change in net commission and other income

<i>MNOK</i>	Pr Q3		
	2012	Change	2011
Net commission and other income	374	93	281
Payment facilities		8	
Savings/placements		4	
Insurance products		2	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		2	
Guarantee commission		0	
Arrangement fees		3	
Other		9	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		66	

Net return on investment securities

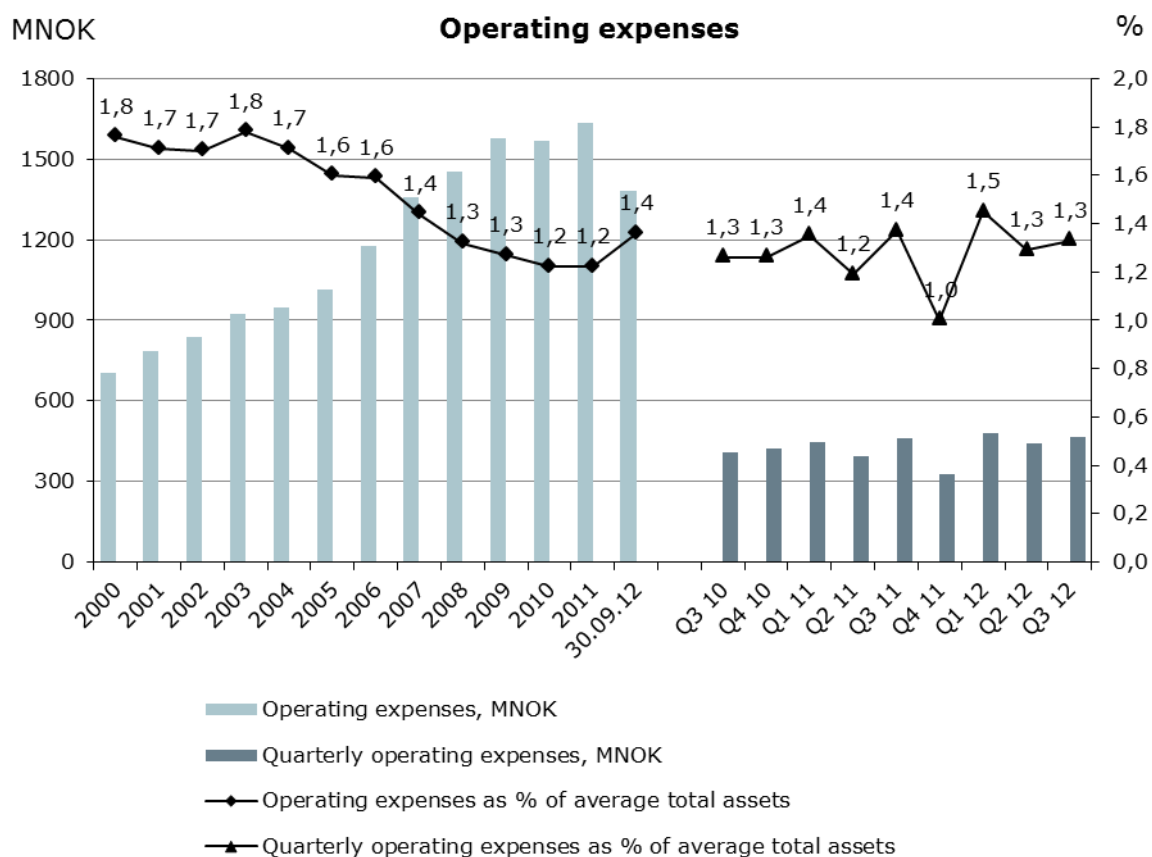
<i>MNOK</i>	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Dividend	1	21	3	1	1	25	20
Investment income, associates	90	53	100	67	33	243	142
Securities gains/losses	62	-23	68	5	-34	107	-53
- of which capital change in shares and certificates	35	-34	15	8	-38	15	-43
- of which capital change in certificates and bonds	27	11	54	-3	4	92	-10
Currency/interest gains/losses	39	37	31	38	7	106	99
- of which currency customer- and own-account trading	33	34	36	33	40	103	101
- of which IFRS-effects	5	3	-6	5	-33	3	-2
Net return on investment securities	192	87	202	111	7	481	208
As % of total income	19 %	10 %	22 %	13 %	1 %	17 %	9 %

Change in net return on investment securities

<i>MNOK</i>	Pr Q3		
	2012	Change	2011
Net return on investment securities	192	185	7
Dividend		0	
Investment income, associates		57	
Securities gains/losses		96	
- of which capital change in shares and certificates		73	
- of which capital change in certificates and bonds		23	
Currency/interest gains/losses		32	
- of which currency customer- and own-account trading		-7	
- of which IFRS-effects		38	

2.3 Operating expenses

MNOK	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Wages	208	205	199	221	204	612	580
Pension expenses	21	-9	27	-167	27	38	22
Other personnel expenses	42	48	49	46	42	139	125
Total personnel expenses	271	244	275	100	273	790	728
IT expenses	62	49	58	61	54	168	161
Marketing expenses	16	21	21	27	17	58	61
Other administrative expenses	28	29	27	23	28	84	76
Write-offs	19	19	19	23	19	57	56
Expenses real property	11	11	13	28	9	34	32
Other operating expenses	60	68	65	67	63	193	189
Other expenses	196	196	203	229	189	594	576
Total operating expenses	466	440	478	329	462	1.384	1.304



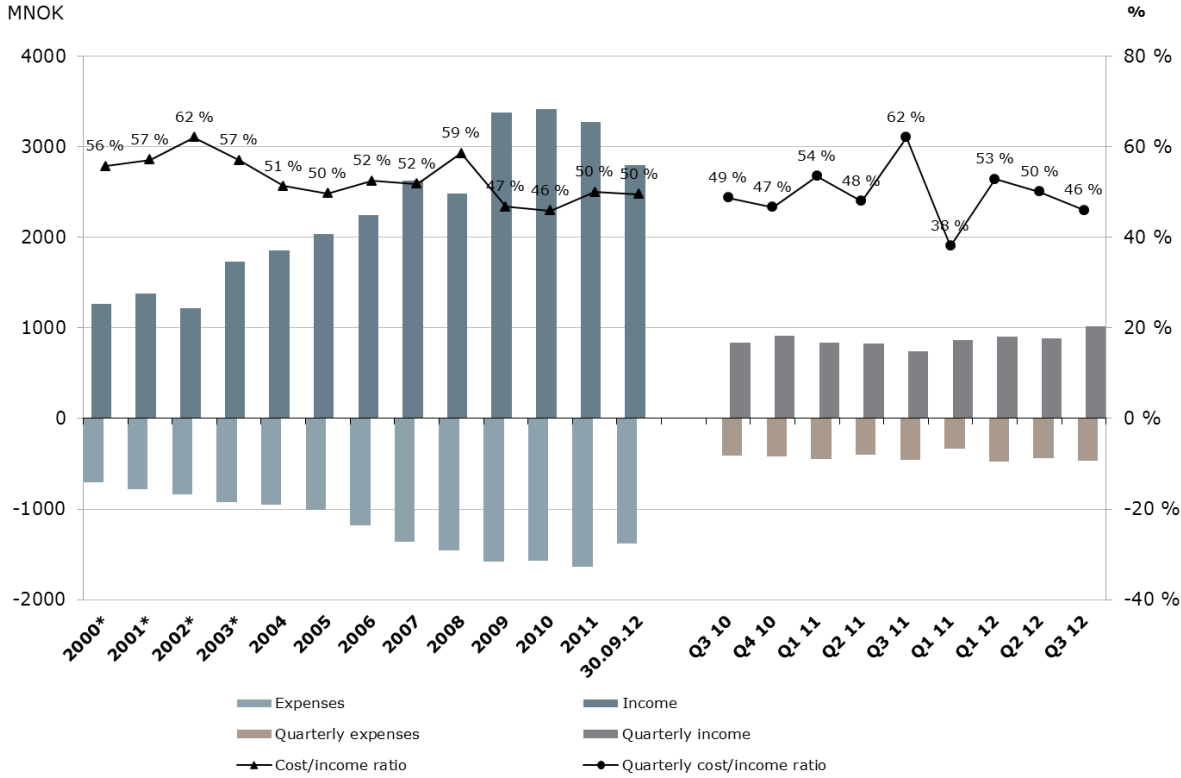
Change in operating expenses

<i>MNOK</i>	Pr Q3		
	2012	Change	2011
Total	466	4	462
Personnel expenses		-2	
IT expenses		8	
Marketing expenses		-1	
Other administrative expenses		0	
Write-offs		0	
Expenses real property		2	
Other operating expenses		-3	

Cost/income ratio

<i>MNOK</i>	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Operating expenses	466	440	478	329	462	1.384	1.304
Cost/income ratio	46,0 %	50,1 %	52,8 %	38,1 %	62,0 %	49,5 %	54,3 %
Growth in expenses last 12 months	0,9 %	11,1 %	7,2 %	-22,2 %	13,2 %	6,1 %	14,1 %

Development in cost/income ratio

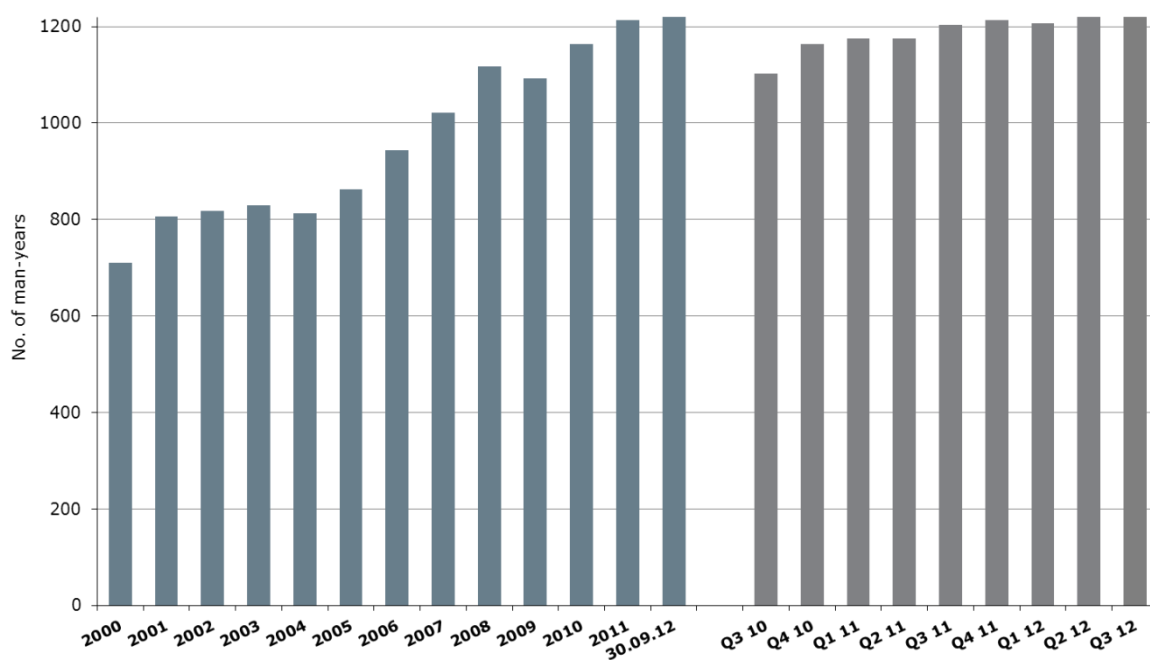


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

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

<i>No. of man-years</i>	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
SpareBank 1 SR-Bank	961	964	950	952	952
EiendomsMegler 1 SR-Eiendom AS	217	213	209	211	203
SR-Forvaltning AS	13	12	13	13	12
SR-Finans AS	31	33	33	34	34
Other	0	0	2	3	3
Total	1.221	1.222	1.207	1.213	1.204

Man-labour years 2000 – Q3 2012 (permanent employees, contracted staff not included)



2.4 Losses on loans and loss provisions

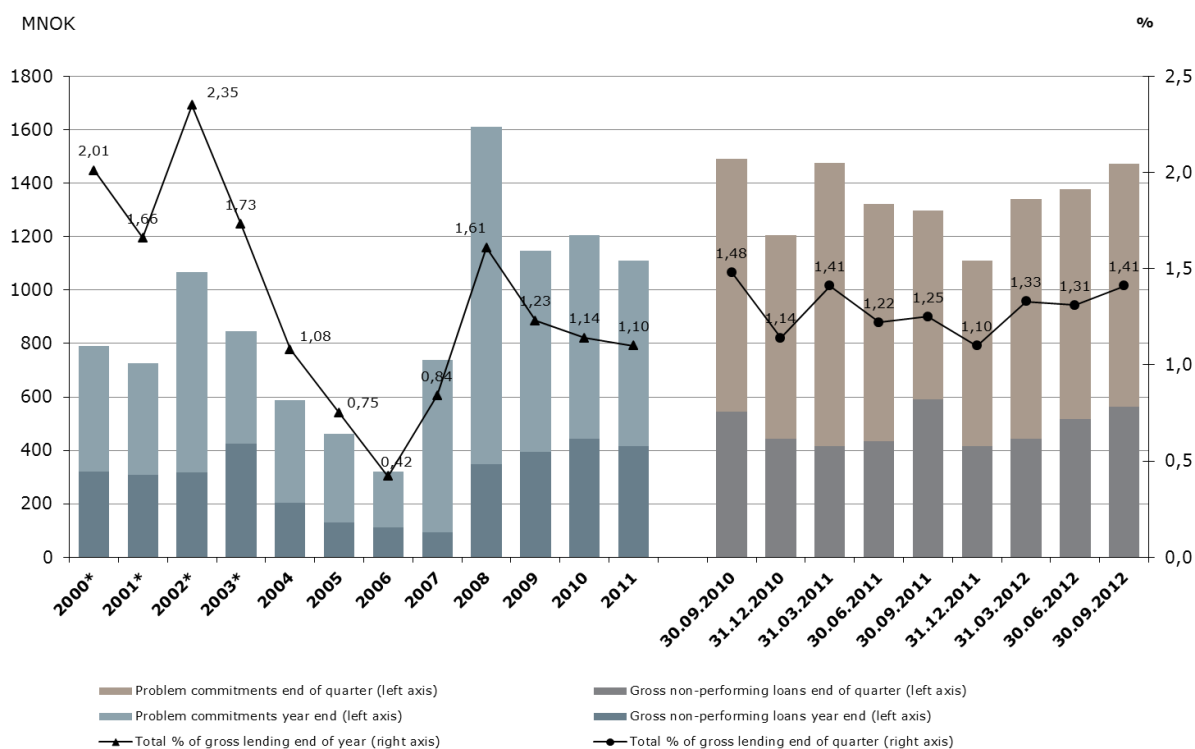
Losses on loans and guarantees

MNOK	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Change in individual individual impairment losses provisions for the period	100	80	51	16	16
Change in collective impairment loss provisions for the period	-30	-30	-30	5	-17
Amortised cost	5	4	3	6	2
Actual loan losses on commitments for which provisions have been made	31	11	11	66	55
Actual loan losses on commitments for which no provision has been made	11	9	2	74	49
Change in assets take-over	0	0	0	7	17
Recoveries on commitments previously written-off	-6	-6	-3	-35	-29
The period's net losses/(reversals) on loans and advances	111	68	34	139	94

Provisions for impairment losses on loans and guarantees

MNOK	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Provisions for individual impairment losses at start of period	420	420	420	402	402
Increases in previous provisions for individual impairment losses	56	66	34	32	23
Reversal of provisions from previous periods	-90	-87	-51	-108	-78
New provisions for individual impairment losses	170	124	79	158	126
Amortised cost	-4	-3	1	1	-3
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-32	-20	-11	-65	-55
Provisions for individual impairment losses at the end of period	520	500	472	420	415

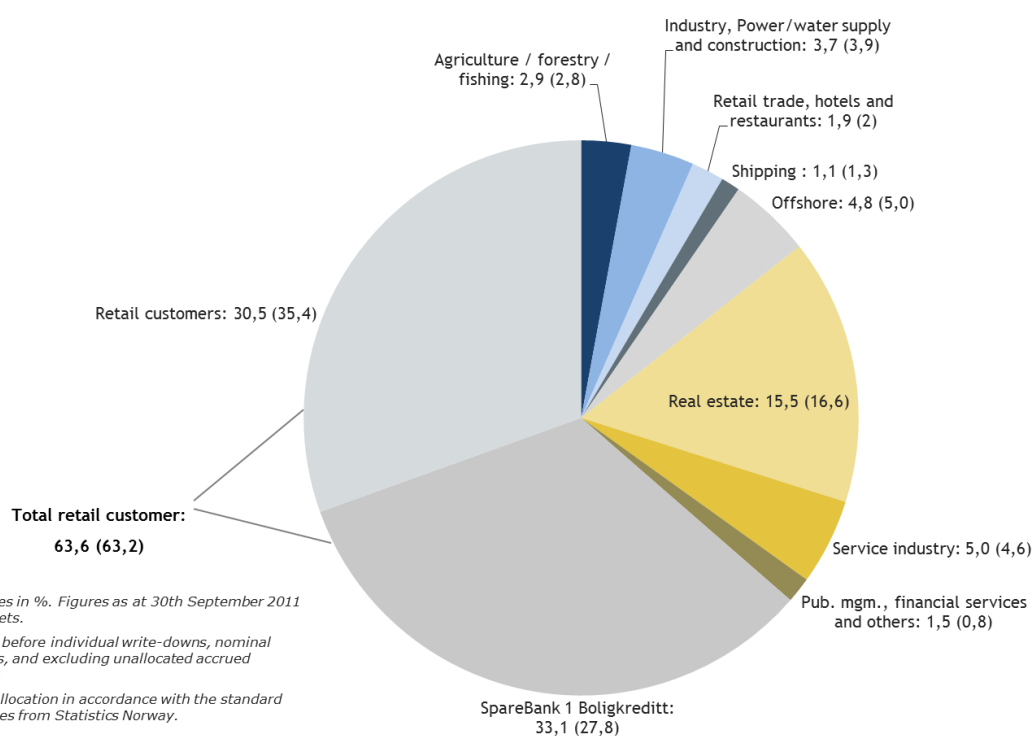
Non-performing loans and problem commitments



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

2.5 Loans

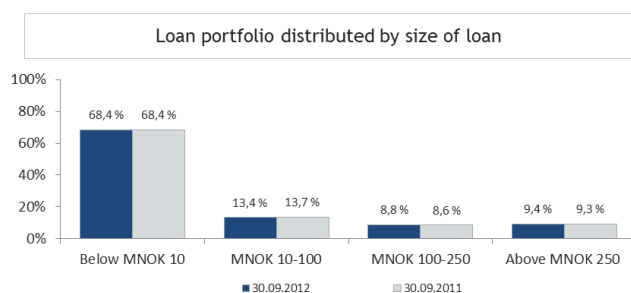
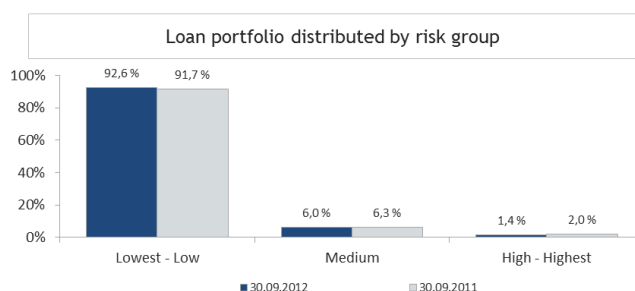
MNOK	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Agriculture/forestry	3.994	3.909	3.826	3.773	3.664
Fishing/Fish farming	539	421	428	416	352
Mining/extraction	2.962	2.807	2.707	2.728	2.922
Industry	1.997	2.100	1.867	1.686	1.673
Power and water supply/building and construction	3.819	4.045	4.203	4.022	3.944
Retail trade, hotel and restaurant business	2.940	2.982	2.473	2.487	2.804
Foreign trade shipping, pipeline transport and other transport activities	6.216	6.531	6.199	6.553	6.003
Real estate business	24.033	23.356	23.775	23.749	23.749
Service industry	7.849	7.469	7.291	6.827	6.575
Public sector and financial services	2.277	2.163	1.407	1.068	1.088
Retail customers	47.453	49.107	45.842	47.593	50.688
Unallocated (excess value fixed interest loans and amort. lending fees)	69	179	121	150	156
Accrued interests corporate sector and retail customers	373	359	324	316	312
Gross loans	104.521	105.428	100.463	101.368	103.930
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	51.441	47.901	48.900	45.329	39.817
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	155.962	153.329	149.363	146.697	143.747



2.6 Risk profile

Risk profile of the loan portfolio

- 92.6 % of the bank's loan exposure satisfies the criteria for low and the lowest risk. Expected losses* in this portion of the portfolio are very limited at 0.04 %.
- Exposure to high or the highest risk accounts for 1.4 % of the bank's loan exposure. Expected losses* in this portion of the portfolio are 4.1 %.
- 68.4 % of the bank's loan exposure is to loans constituting less than NOK 10 million. This corresponds to 99 per cent of all customers.
- 18.2 % of the bank's loan exposure is to customers who 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.



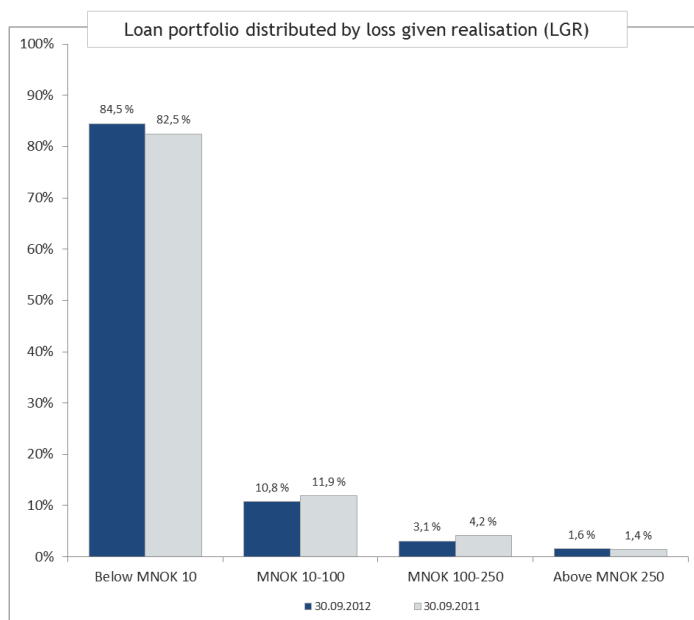
* Expected loss through a business cycle

The loan portfolio has a low concentration of large individual commitments

- At the end of the third quarter of 2012, SpareBank 1 SR-Bank has 26 loans with a loss potential exceeding NOK 100 million if realised.
- These commitments represent 4.7 % of the 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.

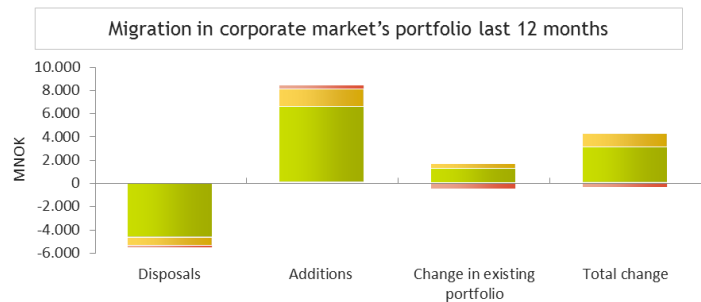
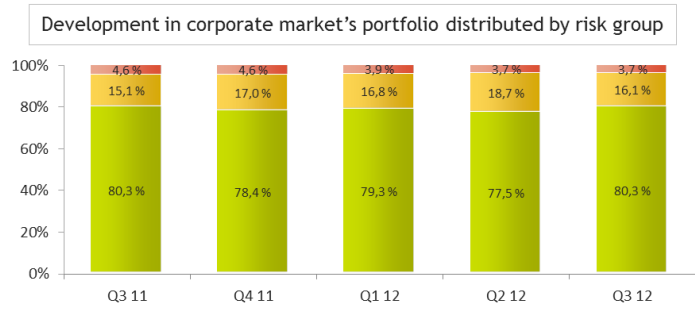
LGR (Loss given realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic downturn.

The figures include lending portfolios in SB1 Boligkreditt and SB1 Næringskreditt.



Risk profile - Lending in the corporate market

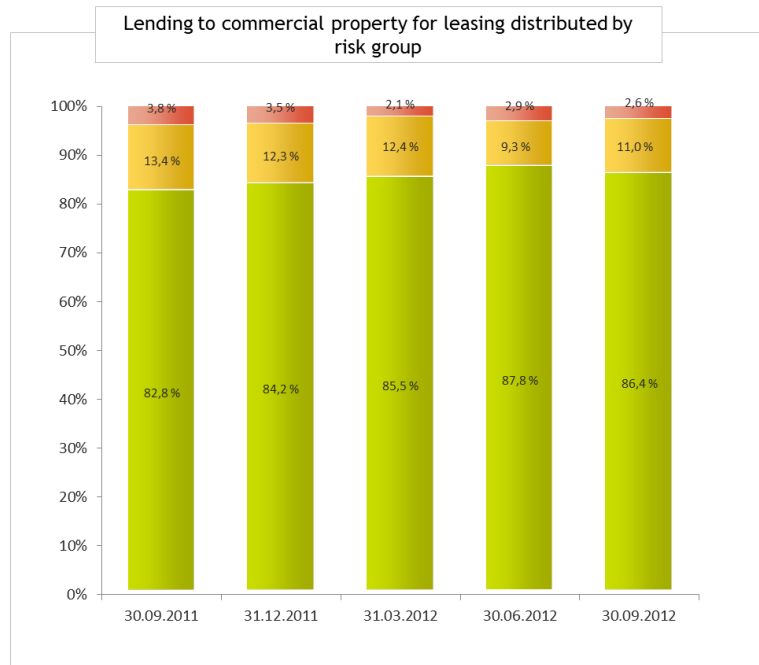
- The quality of the corporate market portfolio is considered to be good.
- The risk profile has seen a relatively stable development over time, in which nearly 80 % of commitments have expected losses of less than 0.5 %.
- The proportion of loans with expected losses in excess of 2 % at the end of the quarter represent 3.7 %.



- 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 - Lending in the corporate market

- The portfolio of commercial property for leasing 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 leasing is dominated by loans with low risk. 86.4 % of the exposure is classified as low risk, while 2.6 % is classified as high risk.
- The portfolio is characterised by commercial properties with long-term lease contracts and financially solid tenants. The vacancy rate is low. Interest rates for a significant portion of the portfolio have been hedged.



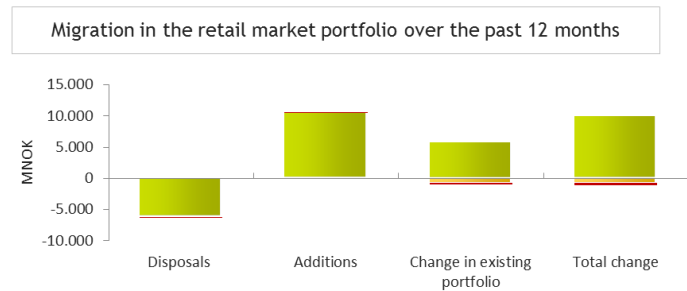
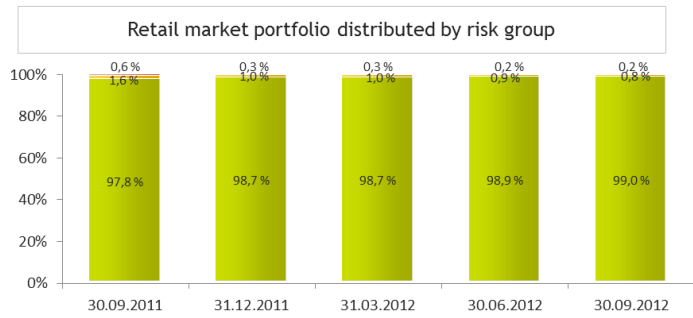
- Lowest - Low risk, expected losses 0% - 0.50%
- Medium risk, expected losses 0.50% - 2.00%
- High - Highest risk, expected losses over 2.00%

Risk profile - Lending in the retail market

- The quality of the retail market portfolio is considered very good and with low potential losses.
- The development is characterised by stability, and 99.0 % are assessed to represent a low or the lowest risk for the bank.
- Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to security value. 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%

Figures include the portfolio transferred to SpareBank 1 Boligkreditt AS.

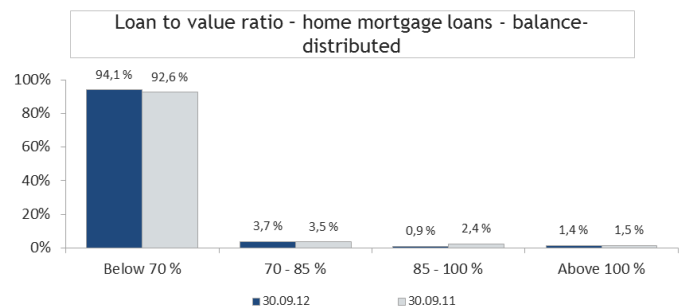
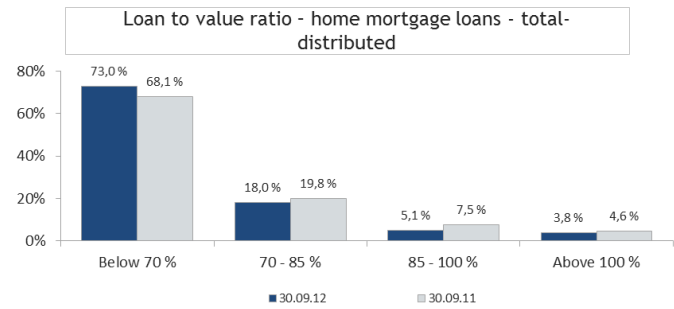


Loan to value ratio on home mortgage loans

- There is an increasing proportion of loans within a 70 % loan to value ratio during the last year and a diminishing proportion of loans that have a loan to value ratio exceeding 85 %.
- Approximately 2.3 % of the exposure exceeds 85 % of the collateral value.
- The value of assets pledged as security for loans in SB 1 Boligkreditt is updated quarterly.
- The value of assets pledged as security for home mortgage loans on the bank's own balance sheet is updated at least triennially.

In a balance-distributed loan to value ratio, for loans that exceed 70% of the collateral's estimated market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

The figures include the loan portfolio in SB1 Boligkreditt.

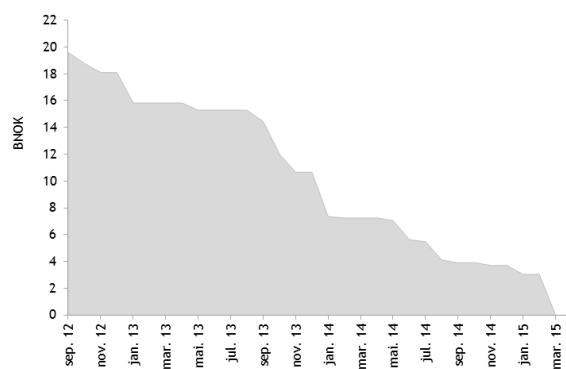


Further information regarding risk capital management can be found in Pilar III reports, see www.sr-bank.no under "Investor Relations".

2.7 Risk profile in bond and equity portfolios

Liquidity buffer and bond portfolio

Liquidity buffer - survival period



Bond portfolio

Bond investments	Market value	Share	Of which, securities classified to amortised cost
Norwegian state/municipal	3.551	25 %	0
Foreign covered bonds	2.318	16 %	0
Norwegian covered bonds	6.877	48 %	0
Norwegian bank/finance	932	6 %	25
Foreign bank/finance	365	3 %	325
Industry	330	2 %	0
Total	14.373	100 %	350

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

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

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 September 2012 stands at 12.9 %.

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 2.8.1: *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 (CRD IV). These correspond to the Basel Committee's new minimum requirements for banks' capital adequacy (Basel III). The new minimum requirements will most likely apply from 1 January 2013 with various transitional arrangements that mean that they will have full effect from 1 January 2019. 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.

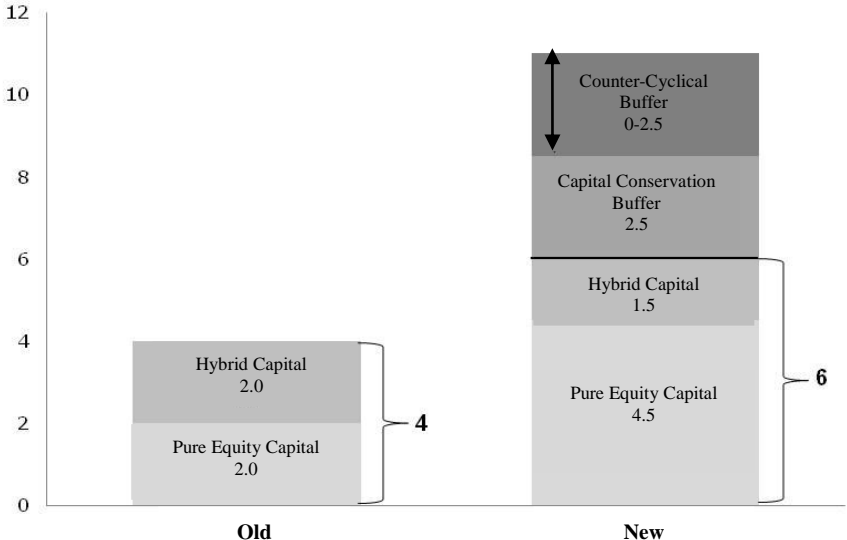
The Basel Committee has decided that pure core capital (common equity Tier 1) and core capital (Tier 1) shall amount to respectively 4.5 percent and 6 percent of the calculation base. Combined with the stricter qualitative requirements for core capital in general and pure core capital in particular this 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.

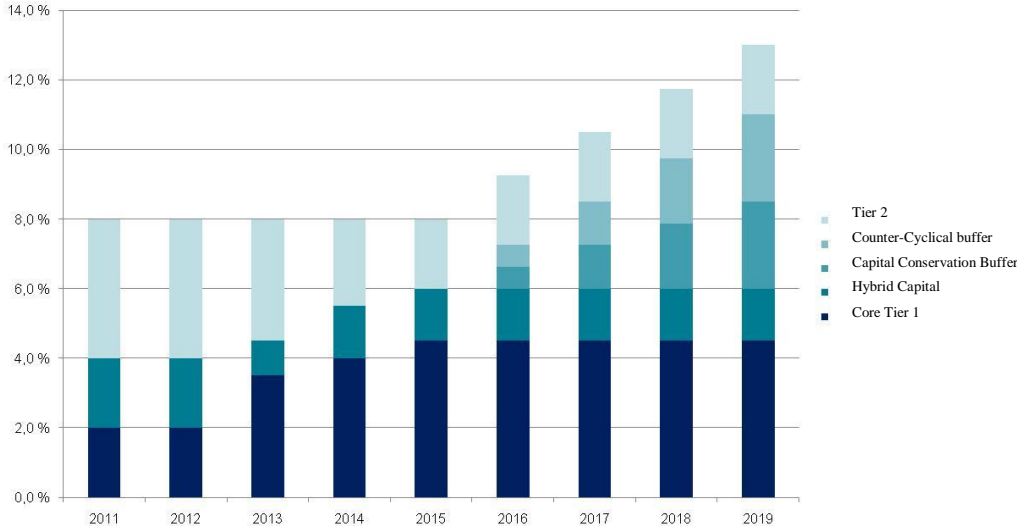
In order to protect the banking system against the consequences of strong credit growth banks must also hold a counter-cyclical capital buffer ("counter-cyclical buffer") in

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.

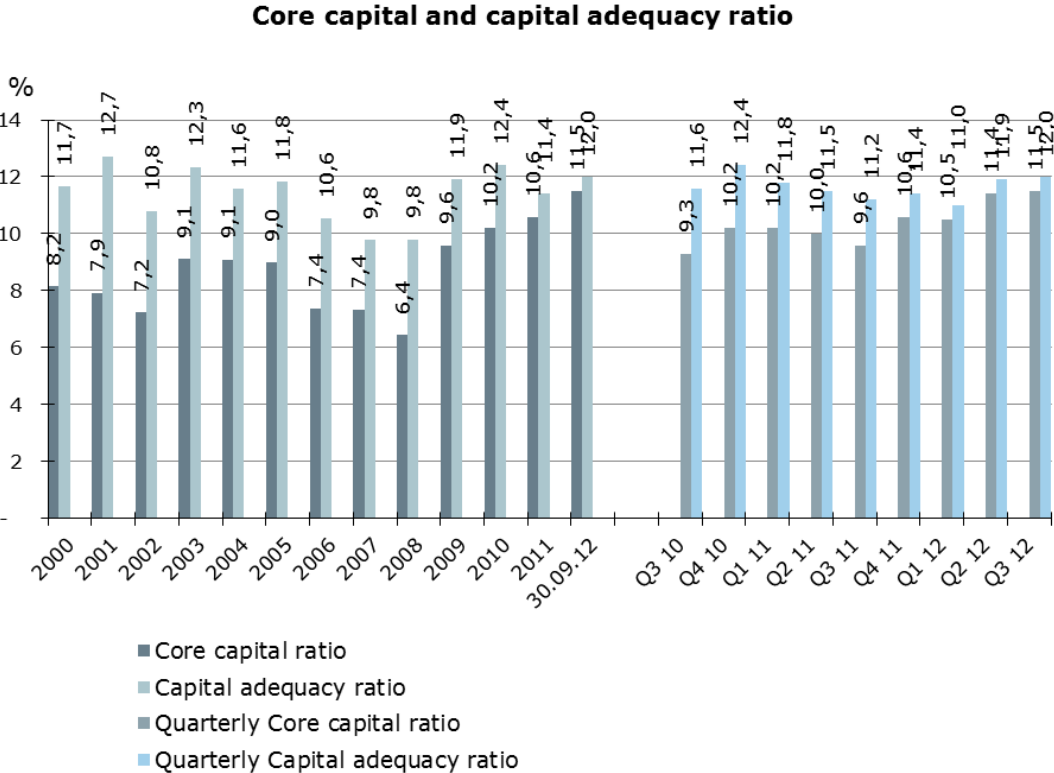
The Basel Committee will also introduce quantitative liquidity requirements and aims to introduce the short-term liquidity indicator, Liquidity Coverage Ratio ("LCR") in 2015 and the long-term Net Stable Funding Ratio ("NSFR") in 2018. Neither of these two requirements is being introduced through the 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 could involve competitive distortions.

EBA 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.



On 7 February 2012, the Board proposed that equity should be strengthened through emissions of up to NOK 1.63 billion. The capital increase related to the rights issue and the employee issue was adopted by the general meeting in SpareBank i SR-Bank ASA on 9 May 2012. At the end of the subscription period, SpareBank 1 SR-Bank had received subscriptions for 71,474,534 new shares in the rights issue. 55,555,555 were offered,

and the rights issue was thus oversubscribed by 28.65 %. In the employee issue, SpareBank 1 SR-Bank received subscriptions for a total of 705,858 new shares divided between 260 employees.

The proceeds amounted to NOK 1.52 billion, and were registered in the Register of Business Enterprises on 18 June 2012. The new share capital in SpareBank 1 SR-Bank is 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.

Since the introduction of IFRS in 2005 and pursuant to IAS 19, SpareBank 1 SR-Bank has recognised pension liabilities in accordance with an ongoing fair value assessment and has recognised estimate deviation directly in equity. As at 30 September 2012, a discount rate of 2.2 % was used for the measurement of the pension liability. The low discount rate reflects the development of long-term Norwegian government rates. Until 1 January 2013, listed companies can choose whether to use the ongoing fair value assessment and recognition in equity method or use the 'corridor method', in which the estimate deviation is not reflected in the company's equity on an ongoing basis. As of 1 January 2013, all listed companies must recognise pension liabilities in accordance with IAS 19.

From 2005 and until the end of third quarter of 2012, SpareBank 1 SR-Bank has had a net reduction of equity of approximately NOK 600 million related to increased pension liabilities, primarily as a result of falling interest rates and reduced discount rates. At the beginning of 2005, SpareBank 1 SR-Bank used a 4.5 % discount rate, compared to 2.2 % at the end of third quarter of 2012. The approximately NOK 500 million increase in pension liabilities affects pure core capital adequacy negatively with about 0.5 % as at 30 September 2012.

<i>MNOK</i>	30 Sept. 2012	31 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Share capital/ECs	6.394	6.394	4.987	3.183	3.183
- Own stock	-9	-9	-7	-3	-3
Premium reserve	1.588	1.587	1.506	625	625
Equalisation reserve	0	0	0	1.480	1.077
Allocated to dividend	0	0	0	249	0
Savings bank's reserve	0	0	0	2.649	2.420
Share premium reserve	0	0	0	55	55
Endowment fund	0	0	0	293	293
Reserve for unrealised gains	43	43	43	43	43
Other equity	2.889	2.797	2.936	1.183	1.124
Total book equity	10.905	10.812	9.465	9.757	8.817
Deferred taxes, goodwill and other intangible assets	-65	-65	-66	-71	-76
Fund for unrealized gains, available for sale	-2	-2	-2	-2	-2
Deduction for allocated dividends	0	0	0	-299	0
50% deduction for subordinated capital in other financial institutions	-17	-18	-21	-21	-21
50% deduction for expected losses on IRB, net of write-downs	-260	-237	-271	-255	-294
50% capital adequacy reserve	-700	-685	-680	-665	-664
Year-to-date profit included in core capital (50%)	508	309	158	0	372
Hybrid Tier 1 bonds	2.377	2.400	2.377	2.402	1.391
Total core capital	12.746	12.514	10.960	10.846	9.523
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	0	0	0	0	340
Non-perpetual subordinated capital	1.504	1.467	1.437	1.776	2.230
50% deduction for subordinated capital in other financial institutions	-17	-18	-21	-21	-21
50% deduction for expected losses on IRB, net of write-downs	-260	-237	-271	-255	-294
50 % capital adequacy reserve	-700	-685	-680	-665	-664
Total supplementary capital	527	527	465	835	1.591
Net subordinated capital	13.273	13.041	11.425	11.681	11.114

Table 2.8.1: *Capital overview*

Basis for calculation Basel I
Minimum requirements subordinated capital, Basel II

	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
<i>MNOK</i>					
Specialised lending exposure	2.234	2.202	2.100	2.060	2.017
Other corporations exposure	2.328	2.286	2.260	2.104	2.217
SME exposure	39	38	38	37	36
Retail mortgage exposure	793	836	786	758	660
Other retail exposure	61	70	76	78	112
Equity investments	0	0	0	0	0
Total credit risk IRB	5.455	5.432	5.260	5.037	5.042
Debt risk	193	172	95	94	135
Equity risk	32	47	49	47	36
Currency risk	0	0	0	0	0
Operational risk	447	447	447	408	408
Transitional arrangements	944	894	757	861	537
Exposures calculated using the standardised approach	1.900	1.917	1.837	1.830	1.872
Deductions	-115	-112	-112	-110	-109
Minimum requirements subordinated capital	8.856	8.797	8.333	8.167	7.921
Capital adequacy ratio	11,99 %	11,86 %	10,97 %	11,44 %	11,22 %
Core capital ratio	11,51 %	11,38 %	10,52 %	10,62 %	9,62 %
Supplementary capital ratio	0,48 %	0,48 %	0,45 %	0,82 %	1,61 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

<i>MNOK</i>	SpareBank 1 SR-Bank Group Q3 12													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q3 12	Q3 11	Q3 12	Q3 11	Q3 12	Q3 11	Q3 12	Q3 11	Q3 12	Q3 11	Q3 12	Q3 11	Q3 12	Q3 11
Net interest income	233	215	213	189	14	6	2	3	46	40	-60	4	448	457
Net commission and other income	191	116	57	43	3	7	104	102	-4	-2	22	15	374	281
Net return on investment securities	3	4	5	11	46	22	0	0	0	0	138	-30	192	7
Operating expenses	153	138	56	47	19	19	96	92	11	11	132	155	466	462
Operating contribution before losses	275	197	219	196	45	16	10	13	31	27	-31	-166	548	283
Losses on loans and guarantees	-1	3	39	4	0	0	0	0	5	11	0	12	43	30
Operating contribution before tax	276	194	180	192	45	16	10	13	26	15	-31	-177	505	253
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	49.601	52.737	46.866	44.440	0	0	0	0	6.040	5.328	2.014	1.425	104.521	103.930
Deposits from customers	39.909	36.005	25.184	22.900	0	0	0	0	0	0	4.102	5.418	69.195	64.323

<i>MNOK</i>	SpareBank 1 SR-Bank Group per 30.09.12													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net interest income	667	633	638	539	42	18	5	7	132	116	-222	-5	1.262	1.308
Net commission and other income	507	349	160	129	40	50	328	320	-9	-7	29	46	1.055	887
Net return on investment securities	8	9	16	15	123	81	0	0	0	0	334	103	481	208
Operating expenses	420	403	155	135	51	47	251	279	36	34	472	406	1.384	1.304
Operating contribution before losses	762	588	659	548	155	103	82	48	87	75	-330	-262	1.415	1.100
Losses on loans and guarantees	8	24	124	70	0	0	0	0	10	18	-31	-18	111	94
Operating contribution before tax	754	564	535	478	155	103	82	48	77	57	-299	-245	1.304	1.005
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	49.601	52.737	46.866	44.440	0	0	0	0	6.040	5.328	2.014	1.425	104.521	103.930
Deposits from customers	39.909	36.005	25.184	22.900	0	0	0	0	0	0	4.102	5.418	69.195	64.323

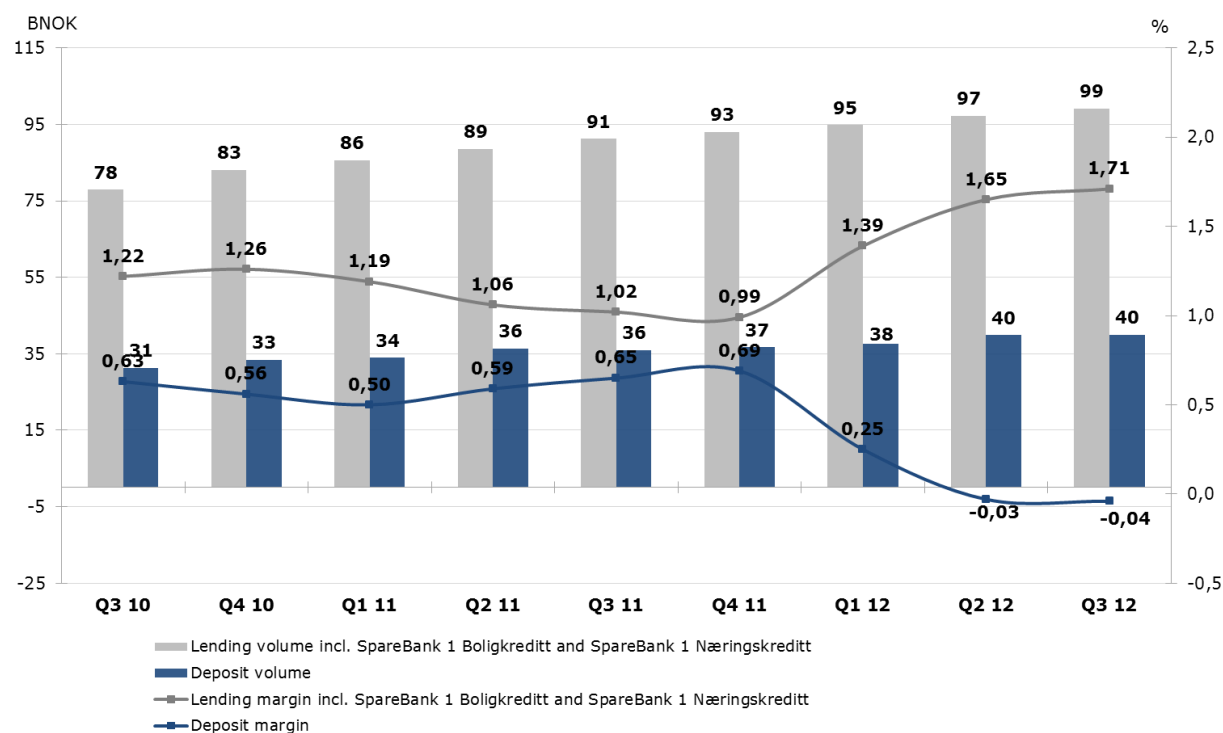
* Includes SR-Forvaltning and SR-Investering

3.2 Retail Market²

Financial performance in the retail market segment

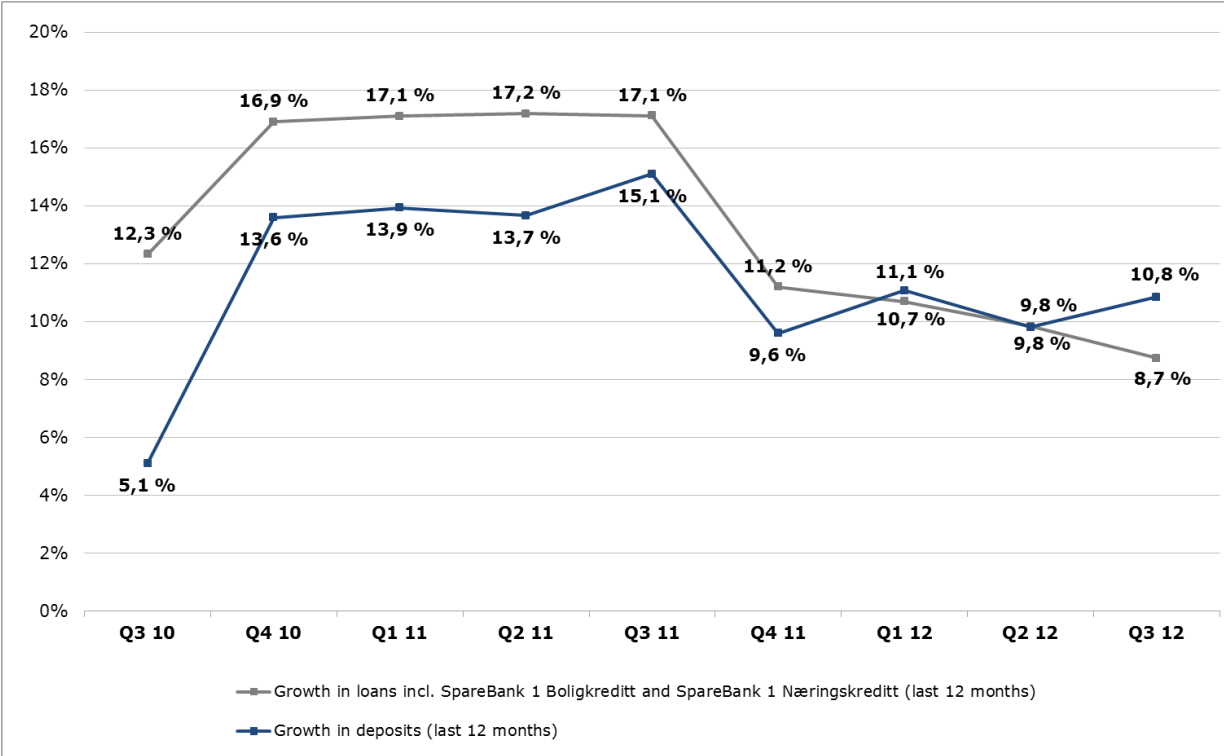
MNOK	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Net interest income	233	221	213	215	215	667	633
Net other operating income	194	183	137	123	120	515	358
Total income	427	404	350	338	335	1181	991
Total operating expenses	153	120	147	166	138	420	403
Operating contribution before losses	275	284	203	172	197	762	588
Losses on loans and guarantees	-1	9	0	12	3	8	24
Operating contribution before tax	276	275	203	160	194	754	564

Development in average volume and interest margin



² Interest on intercompany receivables for the retail market division and the corporate market division is determined based on expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long term financing (credit premium). Deviations between the group's actual financing costs and the applied interest on intercompany receivables are eliminated at the group level. In the year to date, the group's real financing cost has been higher than the interest on intercompany receivables, principally due to the falling NIBOR.

Growth in loans and deposits

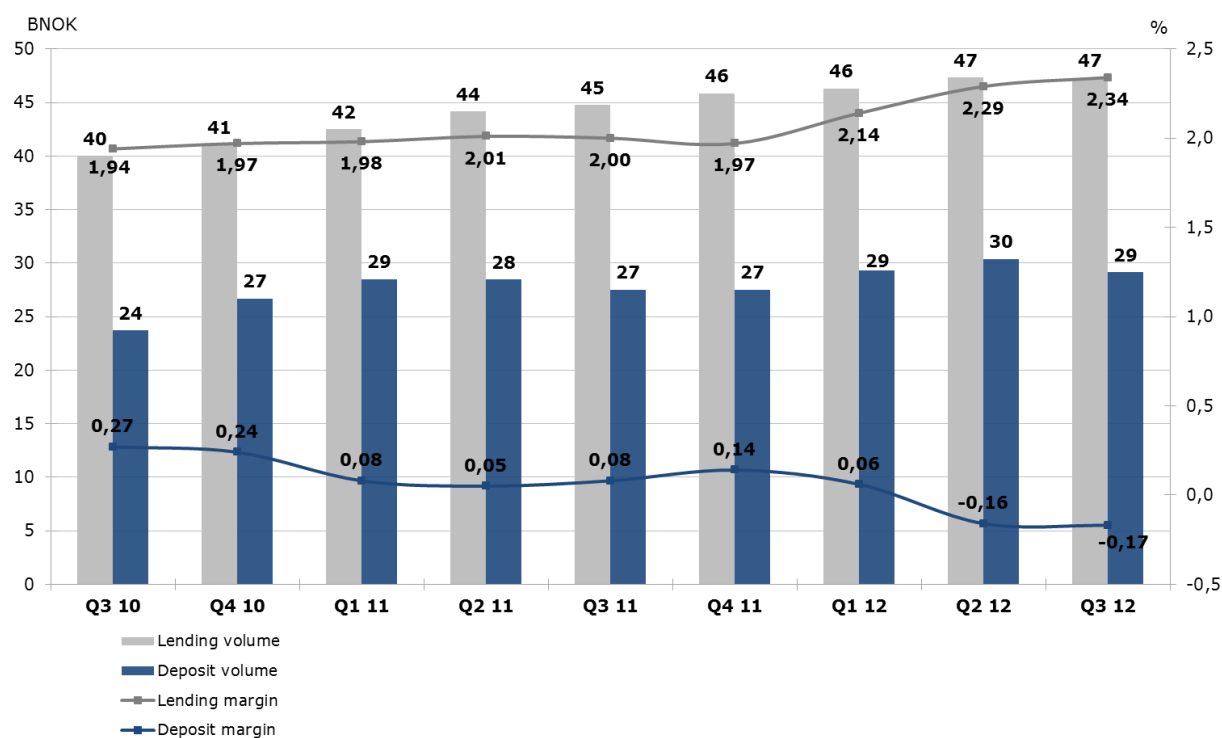


3.3 Corporate Market

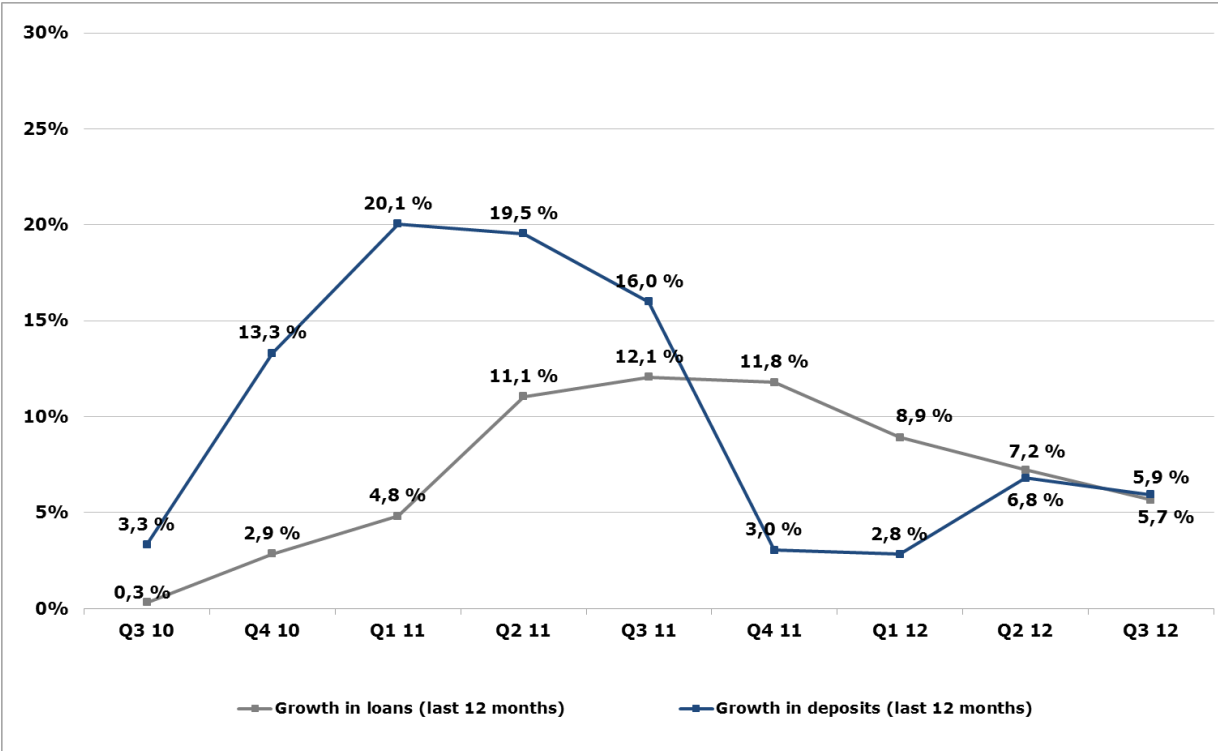
Financial performance in the corporate market segment

MNOK	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Net interest income	213	218	207	197	189	638	539
Net other operating income	63	64	49	66	54	176	145
Total income	275	283	256	263	243	814	684
Total operating expenses	56	43	57	61	47	155	135
Operating contribution before losses	219	240	200	202	196	659	549
Losses on loans and guarantees	39	22	63	13	4,471	124	70
Operating contribution before tax	180	218	137	189	191	535	479

Development in average volume and interest margin



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 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2012
Net interest income	14	14	15	14	6	42	18
Net other operating income	49	57	57	50	29	164	131
Total income	63	71	72	64	35	206	149
Total operating expenses	19	14	18	20	19	51	47
Operating contribution before losses	45	57	54	44	16	155	102
Losses on loans and guarantees	0	0	0	0	0	0	0
Operating contribution before tax	45	57	54	44	16	155	102

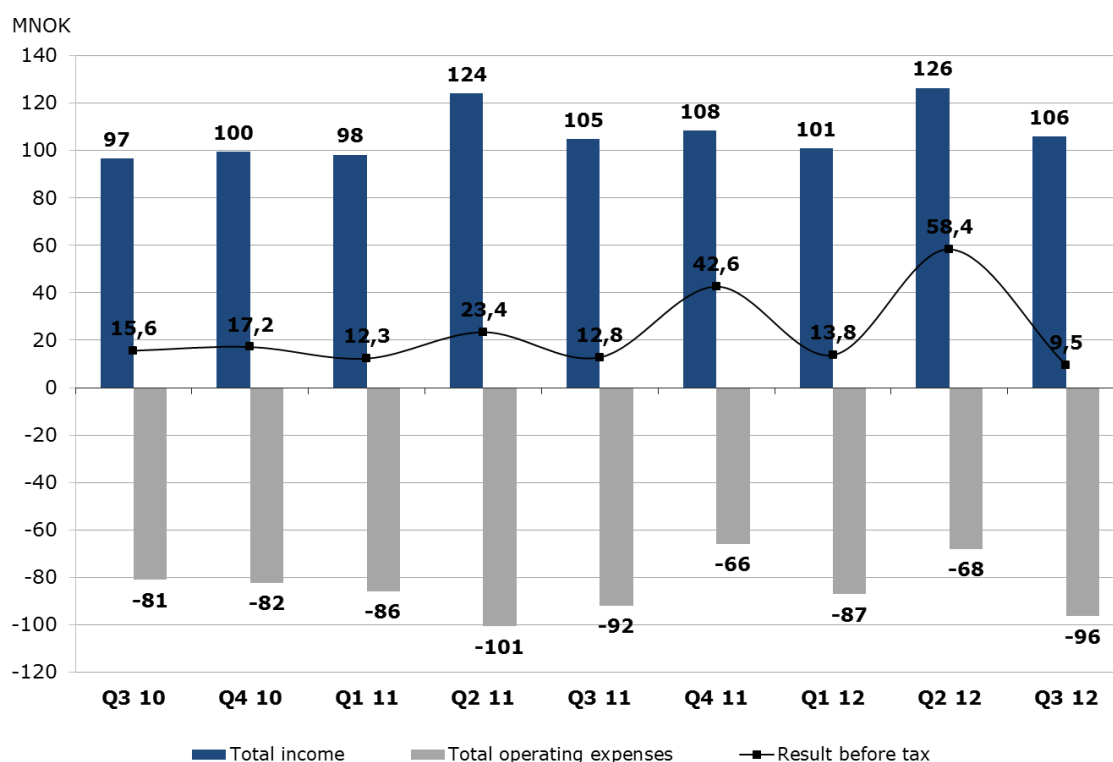
3.5 Subsidiaries

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 5 694 properties was sold by the end of September. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

	Q3	Q2	Q1	Q4	Q3	30.09	30.09
MNOK	2012	2012	2012	2011	2011	2012	2011
Interest income	2	2	2	2	3	5	7
Other income	104	124	99	106	102	328	320
Total income	106	126	101	108	105	333	327
Personal expenses	59	22	50	27	54	131	162
Other expenses	38	46	37	39	38	120	117
Total operating expenses	96	68	87	66	92	251	279
Result before tax	9	58	14	43	13	82	48

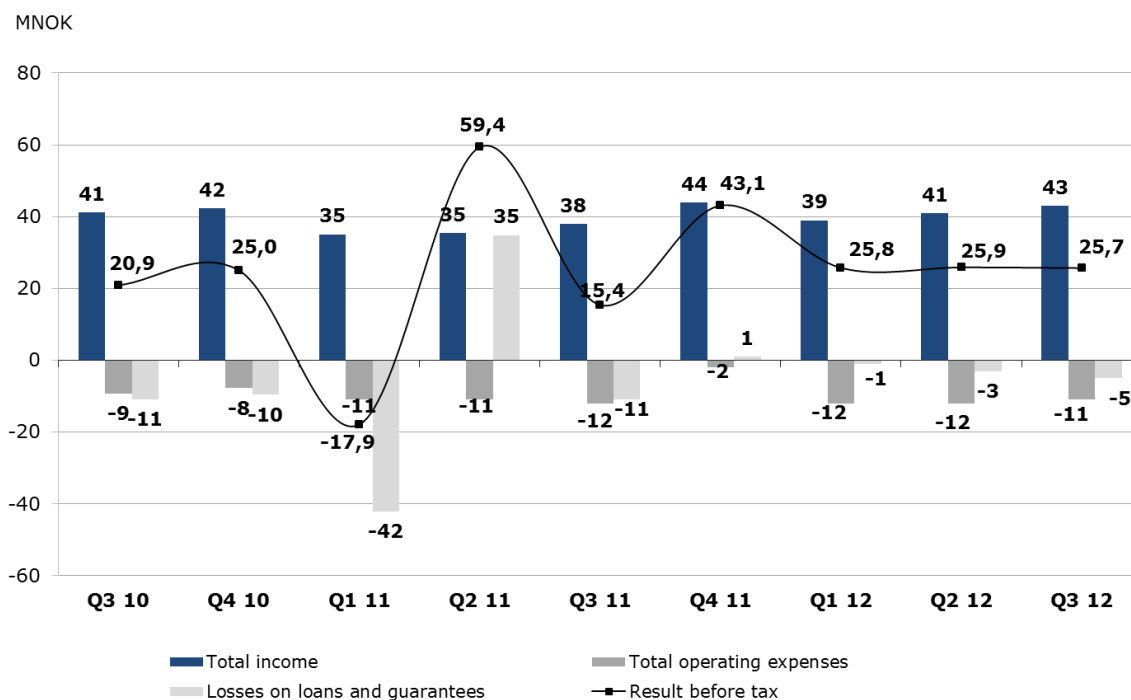


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 6.0 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 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Interest income	46	44	41	44	40	131	116
Other income	-4	-3	-2	0	-2	-9	-7
Total income	43	41	39	44	38	123	109
Personal expenses	7	7	8	-2	7	22	22
Other expenses	4	5	5	4	4	14	12
Total operating expenses	11	12	12	2	12	36	34
Ordinary operating profit	31	29	27	42	26	87	75
Loss on loans, guarantees etc.	5	3	1	-1	11	10	18
Result before tax	26	26	26	43	15	77	57

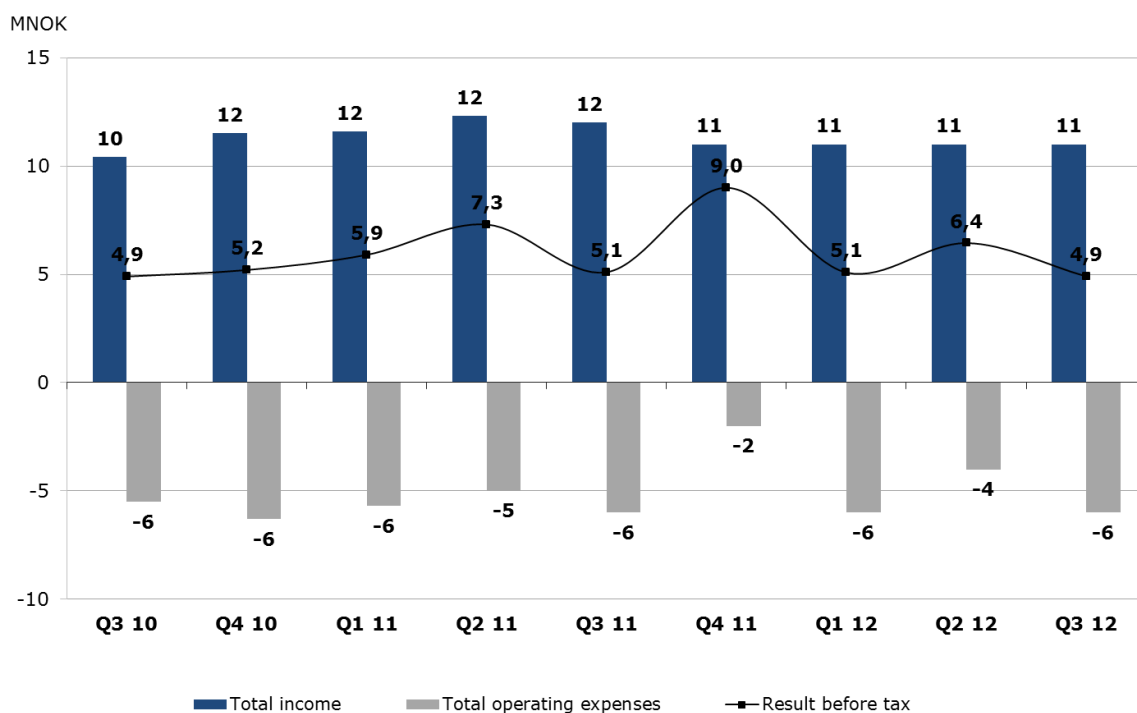


SR-Forvaltning AS

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 6.2 billion at the end of September 2012. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	30.09 2012	30.09 2011
Interest income	0	0	0	0	0	1	1
Other income	11	10	11	10	11	32	34
Total income	11	11	11	11	12	33	35
Personal expenses	4	3	5	0	5	12	13
Other expenses	2	2	2	2	2	5	4
Total operating expenses	6	4	6	2	6	16	17
Result before tax	5	6	5	9	5	16	18

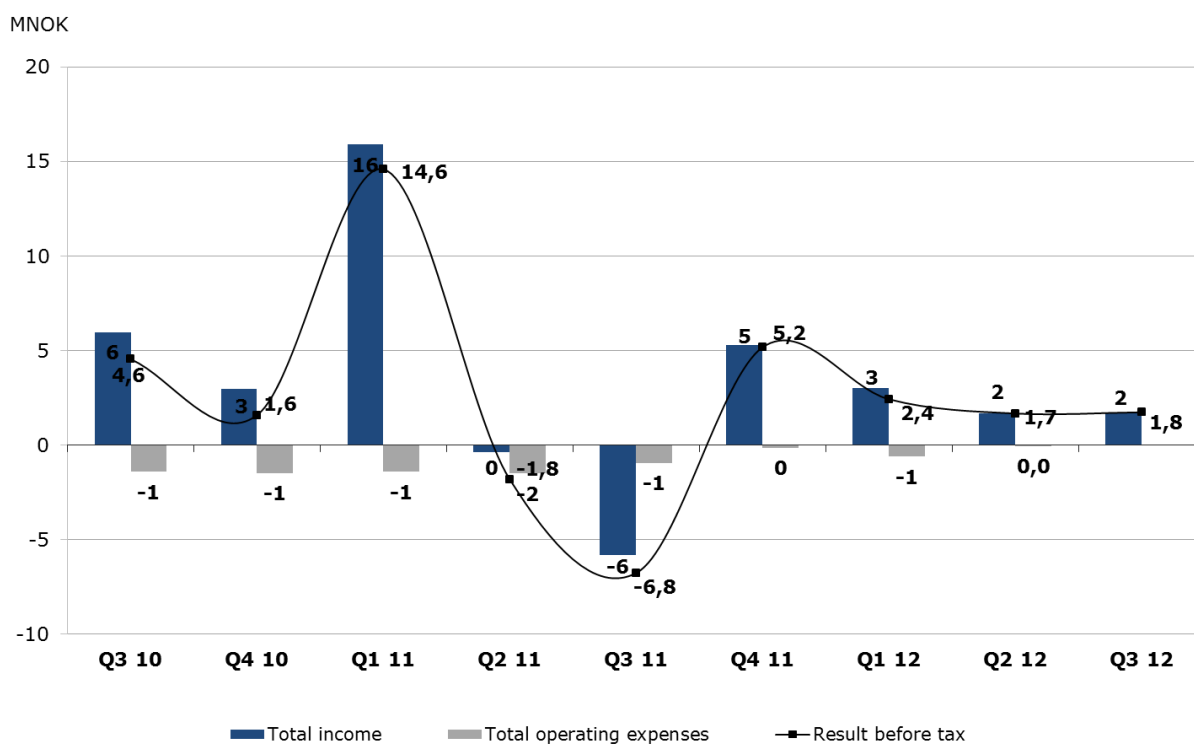


SR-Investering AS

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

	Q3	Q2	Q1	Q4	Q3	30.09	30.09
MNOK	2012	2012	2012	2011	2011	2012	2011
Interest income	0,2	0,3	0,3	0,5	0,5	0,8	1,4
Net commission and other income	-0,1	0,1	0,2	1,4	0,2	0,2	0,8
Net return on investment securities	1,6	1,4	2,5	3,5	-6,6	5,4	7,6
Total income	1,7	1,7	3,0	5,3	-5,8	6,5	9,8
Personal expenses	0,1	0,0	0,5	0,0	0,8	0,4	3,4
Other expenses	-0,1	0,0	0,1	0,1	0,1	0,2	0,4
Total operating expenses	0,0	0,0	0,6	0,1	0,9	0,6	3,8
Result before tax	1,8	1,7	2,4	5,2	-6,8	5,9	6,0



4. Norwegian Economic Outlook

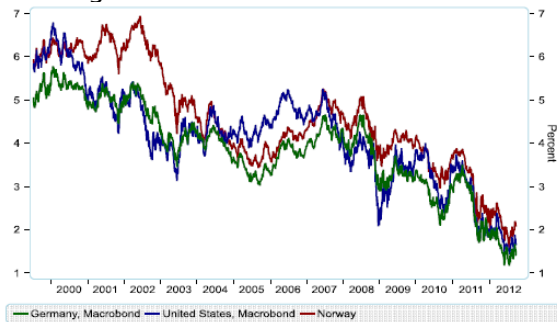
OSEBX - since 1999



OSEBX - in 2012



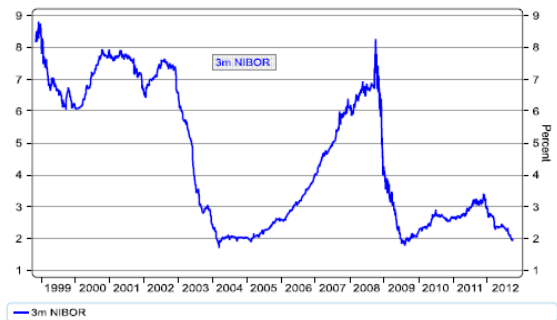
10Y government bonds - since 1999



10Y government bonds - in 2012



3M NIBOR - since 1999



3M NIBOR - in 2012



Oil price - since 1999



Oil price - in 2012



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