

2001 ANNUAL REPORT

C O N T E N T

3	THIS IS SPAREBANK 1 SR-BANK
4	IMPORTANT EVENTS IN 2001
6	HIGHLIGHTS
7	MAIN FIGURES AND KEY FIGURES
8	MANAGING DIRECTOR'S ARTICLE
10	ANNUAL REPORT 2001
18	PROFIT AND LOSS ACCOUNT
21	ACCOUNTING PRINCIPLES
24	NOTES
46	AUDITORS REPORT FOR 2001
48	KEY FIGURES
52	THE CUSTOMER HAS THE CHOICE
54	THE RECOMMENDED INVESTMENT BANK
56	CLOSE TIES TO BUSINESS AND INDUSTRY
58	EMPLOYEES AND COMPETENCE ENHANCEMENT
60	OVERVIEW OF OFFICES
61	ORGANIZATIONAL CHART
62	GOVERNING BODIES
63	ADDRESSES

Front page photo: Art and technology go hand in hand in Jill Tonje Holter's education as she is studying to become a wig and make-up artist at the Dramatiska Institutet (University College of Film, Radio, Television and Theatre) in Sweden. Jill Tonje was awarded a scholarship of NOK 25 000 from G9alt.



G9ALT – ENDOWMENT FUND FOR YOUNG TALENTS

SpareBank 1 SR-Bank wants to stimulate growth and creativity in our community. That is why we established the endowment fund G9alt to distribute NOK 6 million over a five-year period to gifted youth aged 16 to 25 in Rogaland and Agder. Scholarships totaling NOK 1.2 million were awarded to 26 promising young talents during the ceremony in October.

T H I S I S S P A R E B A N K 1 S R - B A N K

SR-Bank was founded in 1976 by 22 savings banks in Rogaland. After 25 years of operations and the merger of 39 savings banks in total, SpareBank 1 SR-Bank has emerged as the leading bank in the region. In November 1996, SR-Bank helped establish SpareBank 1 Gruppen AS. SpareBank 1 Gruppen AS is a product company owned 65 % by the SpareBank 1 banks, 25 % by FöreningsSparbanken in Sweden and 10 % by LO (the Norwegian Confederation of Trade Unions). The other Norwegian banks in the alliance are SpareBank 1 Vest, SpareBank 1 Midt-Norge, SpareBank 1 Nord-Norge and Samarbeidende Sparebanker AS (15 local savings banks in eastern and northwestern Norway).

The Norwegian banks in the alliance have entered into a binding collaboration that will represent a competitive and regional full-service alternative to the national financial institutions with headquarters in Oslo and abroad.

SpareBank 1 SR-Bank is today organized into six regions, of which one is a pure corporate organization for Northern Jæren. The headquarter is in Stavanger. In the fall of 2000 we took over Vår Bank og Forsikring A/S' activities in Rogaland and the Agder counties, and are currently represented with 53 offices from Ølen in Northern Rogaland to Arendal in Aust-Agder county.

The group has 915 employees and consists of the finance company Westbroker Finans AS, the real estate business EiendomsMegler 1 Rogaland AS and the investment company SR-Forvaltning ASA in addition to the bank.

BUSINESS CONCEPT

SpareBank 1 SR-Bank shall be viewed by the customer as the recommended and preferred partner.

We shall:

- offer competitive financial products and services that meet the needs of the customer.

- offer our products through modern, easily accessible and local distribution channels, which ensure that the customer receives good quality and service.
- secure the bank's position as the recommended and leading bank by ensuring that our employees are service-minded and competent
- actively participate in the effort to strengthen growth and development within our market.
- be a profitable and independent bank with local ties and a regional alternative to the competing financial conglomerates through the SpareBank 1 alliance.

STRATEGIC GOALS

SpareBank 1 SR-Bank has an ambitious goal: We want to be the recommended bank. Through proximity and local ties we shall endeavour to offer our customers financial solutions that make the customers regard us as the preferred bank.

SpareBank 1 SR-Bank will retain its local perspective through local bank branches. We focus on direct, personal contact with the customers. Regardless of how many Internet banks might be introduced or how digital the world becomes, SpareBank 1 SR-Bank is first and foremost the people who work there - and the people we work for.

FINANCIAL CALENDAR 2002

1st quarterly result 25 April. 2nd quarterly result 8 August. 3rd quarterly result 24 October

VISION

"SpareBank 1 SR-Bank – the Recommended Bank".

I M P O R T A N T E V E N T S I N 2 0 0 1



Photo: Tove Elin Berg



THREE NEW BANK OFFICES

The bank established new offices in Klepp, Sauda and Mandal. These establishments mean that we now have a physical presence in all municipalities in Rogaland with the exception of Utsira. In the Agder counties we are represented in Sirdal, Flekkefjord, Mandal, Kristiansand and Arendal. (From March 2002 in Lyngdal as well).

CLOSE TIES TO BUSINESS AND INDUSTRY AND ESTABLISHMENT OF NEW BUSINESS CENTER

The bulk of the bank's corporate market units in Sandnes, Sola and Stavanger have been gathered in a business center at Forus, together with the bank's finance company Westbroker Finans and commercial real estate business in EiendomsMegler 1 Rogaland AS. A new business market profile has been introduced during the course of the year - Close ties to corporate and industry. The objective is for the customer to perceive the bank as a full-service supplier of customized financial solutions.

SPAREBANK 1 - SIGNS 2 BILLION EURO LOAN AGREEMENT

SpareBank 1 Nord-Norge, SpareBank 1 SR-Bank, SpareBank 1 Midt-Norge and SpareBank 1 Vest collaborate on a joint loan program for the purpose of obtaining capital from the international bond market.

The loan program is unique in international terms as it is the first time independent banks introduce this type of joint international loan program.

NEW INVESTMENT COMPANY BEING ESTABLISHED

Together with Hitec Vision, Lyse Energi, Telenor Innovasjon and the inter-municipal ARNE company (Arena for innovation and entrepreneurship), SpareBank 1 SR-Bank was the initiator for establishing the investment company Energivekst AS. The purpose of the Energivekst company is to initiate and further develop energy-related companies, both regionally, nationally and internationally.

HELSE VEST PICKS SPAREBANK 1 SR-BANK AS ITS PARTNER

Helse Vest is one of the five new health regions in Norway, and includes all hospitals and somatic hospitals in the counties Rogaland, Hordaland and Sogn og Fjordane.

MAIN SPONSOR FOR THE YEAR OF GARBORG

SpareBank 1 SR-Bank provided support to the Year of Garborg Foundation in the amount of NOK 1 million, making an extensive celebration of the life achievements



Photo: S. Sjåbjørnsen



Tett på Næringslivet



25 år

Det handler om samarbeid

of Hulda and Arne Garborg possible during the year of celebration. The motto for the celebration was "The courage of conviction - the strength to create".

GRANTS FROM THE ENDOWMENT FUND "G9ALT" (GENIUS)

26 scholarship recipients received a total of NOK 1.2 million through SpareBank 1 SR-Bank's endowment fund "G9alt". The fund will award NOK 6 million over five years to young talents aged 16 to 25 with ties to Rogaland and the Agder counties.

IMPROVED INTERNET BANK

A new and improved version of the Internet bank was launched with an integrated concept for Internet users with the Internet bank, share and funds trade all in one package. At the end of the year, 53 000 of our customers used the Internet bank.

MAIN SPONSOR FOR "KVINNER VISER VEI"

SpareBank 1 SR-Bank was one of the main sponsors for the Kvinner Viser Vei fair. The fair takes place every second year, this time it was in Stavanger. The purpose of the fair is to demonstrate the expertise of women within all areas of society, and more than 20 000 women participated at the fair.

SPAREBANK 1 SR-BANK CELEBRATED ITS 25-YEAR ANNIVERSARY

SpareBank 1 SR-Bank celebrated its 25-year anniversary by awarding grants and publishing a new anniversary book. The award of grants is based on the fact that the UN has designated 2001 the "Year of Volunteers". The UN wants to highlight the significant work performed by voluntary organizations for society in general and for the local community in particular. Recipients of a total of NOK 2 million were brass bands, scouts, rural youth associations, 4H and "Natteravnene" (organizations providing adult presence at night in downtown areas). In addition, the missionary Liv Kyllingstad Godin received a grant of NOK 500 000 for establishing an out-patient clinic in Congo.

CUP WINNER: VIKING FOOTBALL CLUB

SpareBank 1 SR-Bank is one of the sponsors of both Viking Football Club and Bryne Football Club. Viking brought home the cup title from Ullevaal Football Stadium with its victory over the neighboring Bryne Football Club.



H I G H L I G H T S

- Operating profit of NOK 422 million before tax
 - Growth in deposits of NOK 1.9 billion (9 %)
 - Growth in lending of NOK 4.4 billion (11 %)
 - 48 % growth in net commission income
 - Continued cost-effective operations, cost percentage at 1.71
 - 11.2 % return on equity capital after tax
- NOK 24.7 in profit on primary capital certificates
- A dividend of NOK 19 per primary capital certificate

M A I N F I G U R E S

SpareBank 1 SR-Bank group (NOK million)	2001	2000	1999	1998	1997
Net interest income	979	934	895	797	667
Net other operating income	397	332	381	179	259
Total operating income	1 376	1 266	1 276	976	926
Total operating costs	785	705	622	527	493
Profit before losses and write-downs	591	561	654	449	433
Losses and write-downs	169	-72	56	72	-5
Profit from ordinary activities	422	633	598	377	438

K E Y F I G U R E S

SpareBank 1 SR-Bank group	2001	2000	1999	1998	1997
Total assets December 31	48 471	43 624	36 397	31 232	26 946
Net loans to customers	43 120	38 789	32 378	28 181	23 790
Deposits from customers	24 011	22 120	19 211	17 481	15 199
Annual growth in loans to customers (gross)	11 %	20 %	15 %	18 %	18 %
Annual growth in deposits from customers	9 %	15 %	10 %	15 %	8 %
Capital adequacy ratio	12,69	11,65	12,12	11,49	15,08
Core capital ratio	7,92	8,15	8,63	8,18	9,55
Net equity and subordinated loan capital	4 059	3 444	3 037	2 548	2 647
Return on equity (9)	11,2	19,5	21,8	14,9	19,1
Income per cost krone (10)	1,71	1,72	1,86	1,92	1,76
Number of man-years	807	711	677	669	667
Number of offices	53	50	57	57	56
Market price at the close of the year	247	247	253	192	240
Profit per primary capital certificate (4)	24,7	40,4	40,4	26,5	30,0
Dividends per primary capital certificate	19	21,0	19,0	17,0	16,0
Profit per primary capital certificate (2)	8,1	5,3	41,0	-13,0	47,0
RISK-amount as of 1 January	10,4	18,5	28,4	27,7	26,2

Referring to page 48-51 for a complete list of key figures and definitions.

"Working in a market increasingly characterized by fierce competition makes appealing and positive visibility vis-à-vis the customers more important than ever."



"THE COURAGE OF CONVICTION - THE STRENGTH TO CREATE"

SpareBank 1 SR-Bank increased its customer base with 3 930 new customers in 2001, further consolidating its position as the region's leading bank.

During the course of the year we have opened new offices in Sauda, Klepp and Mandal and have enjoyed a warm welcome from the locals. We interpret our market position development as a clear vote of confidence from our customers. This gives us the inspiration and drive to continue to develop financial concepts that are even better adapted to the needs of our customers.

All businesses rely on securing the confidence of his customers, not least businesses whose purpose is to look after the customers' savings and counsel the customers so that they find the best financial solutions. It is a question of the customers' confidence in the bank, but even more so, the individual customers' confidence in the bank's representatives.

In SpareBank 1 SR-Bank we work hard every day to make sure we deserve the customers' confidence. We are concerned with making sure that everyone working in the group has some fundamental common values to serve as guidelines for all customer relations and internal relations between employees.

CORPORATE VALUES

SR-Bank was the main sponsor of the Garborg Anniversary in 2001. "The courage of conviction, the strength to create" was the motto for the celebration. Through their

writing and other activities, Arne and Hulda Garborg reflected many of the basic values that we would like our activities to be based upon. Arne Garborg was a "man from Jæren and a European". We want to combine the best of our local roots and the best of an extensive national and international banking collaboration in the same manner.

Thus, the SpareBank 1 SR-Bank group wants an organization with a value base that ensures:

"The courage of conviction, the strength to create" through:

- having a long-term perspective
- being open and honest and through showing
- responsibility and respect
- will and ability to improve

Working in a market increasingly characterized by fierce competition makes appealing and positive visibility vis-à-vis the customers more important than ever. It also requires a stronger sense of identity in the entire organization.

We also want to strengthen and further develop the winning culture in SR-Bank and clarify those values that we want to distinguish the organization and our way of working - interacting - together. We would therefore like to express the joint value base that will form the foundation for our daily work and our conduct in a manner that is concise and easy to communicate.

Our value base will be like a navigation system that will help us behave predictably and be regarded in the same manner by the various groups that the bank relates to.

WE WILL BE OPEN AND HONEST IN ALL OUR DEALINGS.

Results require dedication. We must strive for an organization that is vital, that dares take a hard look at difficult issues and has the ability to make decisions and move on. That is why we want an organization that is open and honest and has "the courage of conviction".

The bank's oldest history dates back to 1839. Many times adversity has proved an inspiration for a new effort and new positions. SR-Bank's organization is characterized by a willingness and ability to handle change. The bank's ability to implement and willingness to try new methods and measures have been essential for achieving the bank's strong position in the market. These are qualities in the organization that we want to support and develop further. That is why we want an organization that has "the strength to create".

No matter the focus on products and technology - businesses are created by people. Our people skills are therefore essential to our success. This means that we sell solutions that make everyday living easier and more profitable for our customers. All long-term business is based on trust between us as a bank and the individual customer. Trust is not something we can demand. Trust is only earned through actions in accordance with an explicit value base.

SAVINGS BANK - A GOOD BUSINESS CONCEPT

Increased focus on private savings and insurance provide the basic elements of the savings bank concept with an updated content well suited to today's needs. Through our extensive network of local offices, SpareBank 1 SR-Bank's customer consultants can obtain first-hand information about the individual private customer's and business person's needs and prepare customized solutions.

SpareBank 1 SR-Bank emphasizes proximity to the customers and local ties. At a time when the Norwegian financial services industry is characterized by mergers and acquisitions, we are concerned with being a banking alternative managed and operated from the location where the business operates and available where the customers live. We place great importance on familiarity with the customers and expertise and knowledge about their activities.

In this perspective, the savings bank concept emphasizing local and regional ties is a good business concept for both the customers and the bank.

ACCESS TO A HEALTHY EQUITY MARKET

A precondition for our regional ties is that SpareBank 1 SR-Bank has access to a healthy equity market.

The authorities are preparing an amendment to the (Norwegian) Savings Bank Act that allows savings banks to convert to companies listed on the stock exchange. In connection with this, the Government has stated that it will also consider measures to strengthen the primary capital certificate as an equity instrument. This has been an essential precondition for us supporting the proposed amendment.

SpareBank 1 SR-Bank has been listed on the Oslo stock exchange since 1994. The bank's primary capital certificates have provided good returns for investors. The market's continuous measurement of performance has been and continues to be beneficial for the development of the bank. The bank wants the primary capital certificate to remain an attractive equity capital instrument.

Regardless of future business form, SpareBank 1 SR-Bank will always choose solutions for the bank that emphasize continued proximity to the customers and local ties while safeguarding the interests of the primary capital certificate owners.

STAVANGER, FEBRUARY 2002



TERJE VAREBERG
MANAGING DIRECTOR

A N N U A L R E P O R T 2 0 0 1

The SpareBank 1 SR-Bank group achieved a profit before tax of NOK 422 million. The profit is NOK 211 million less than last year's profit. The profit after tax was NOK 294 million, compared with NOK 463 million in 2000. The return on equity capital after tax was 11.2 percent compared with 19.5 percent in 2000. The bank still has good basic earnings from the banking operation. The main reason for the reduced group profit is the absence of extraordinary gains, which in 2000 amounted to NOK 214 million, poorer results in the SpareBank 1 group as well as a weak securities market.

It is proposed that NOK 143 million of the profit be distributed as cash dividend, equal to NOK 19 per primary capital certificate. NOK 78 million has been proposed for the equalization reserve. It is also proposed that NOK 117 million be allocated to the savings bank's reserves and NOK 12 million to endowment funds.

The group's lending and deposit volumes showed good development with a growth of 11 percent and 9 percent respectively in 2001.

The interest margin is somewhat reduced, while net commission income has increased by 48 percent. The profit reflects good and efficient operations, but is to a large extent influenced by the negative development in the securities markets in 2001.

Net losses of NOK 159 million constitute an increase of NOK 22 million compared with 2000. Losses compared with total lending are on par with 2000.

It is the opinion of the board that this distribution strategy will contribute to increased competitiveness and profitability.

In light of the market conditions, the Board is very satisfied with the development and profit in 2001.

THE GROUP'S DEVELOPMENT

SpareBank 1 SR-Bank has consolidated its position as the market leader in Rogaland in 2001.

The activity has been substantial both as regards own market activities as well as activities related to collaboration in the SpareBank 1 alliance.

As regards the retail market, the bank has made great strides in the savings market in 2001. 45 000 of the bank's customers now save in mutual funds/unit trusts, and as many as 28 000 of these have monthly savings agreements.

A new and improved Internet bank was launched in 2001, and 53 000 of the bank's customers are now signed up with the Internet bank.

The bank has strengthened its network of offices in 2001 and established new offices in Mandal, Klepp and Sauda. A well-developed network of offices together with increased emphasis on special expertise leads to more sales, high customer satisfaction and customer loyalty. The increase in Other Income's share of the total income is a clear indication of this.

The bank's subsidiaries EiendomsMegler 1 Rogaland AS, Westbroker Finans AS and SR-Forvaltning ASA provided important contributions to the group's profit in 2001.

The bank has increased its commitment to and specialization within the corporate market in 2001. Competence, enhancement and recruitment are important measures. A customer center for the corporate market has been established at Forus in cooperation with EiendomsMegler 1 Rogaland AS and Westbroker Finans AS.

The objective of the bank is to have close ties to corporate customers through providing good solutions and making decisions quickly and as close to the customer as possible. Experience from 2001 shows that proximity, local ties as well as easy access to decision-makers are of great importance for the business customers.

First Securities was established in Stavanger in 2001, and has already achieved a significant standing in the local market. Good cooperation has been established and good synergies achieved through collaboration on several major projects in the past year.

Market surveys in 2001 show that SpareBank 1 SR-Bank continues to strengthen its position as the district's leading bank with increased market shares and high customer satisfaction within both the corporate market and the retail market.

The bank's distribution strategy includes the bank's offices, the Internet bank as well as customer service by telephone.

G9ALT WINNER: TALE DOLVEN

Tale Dolven is a talented ballet dancer, who is currently a student at the Norwegian College of Ballet in Oslo. In spring 2001, Tale won the Eurovision Contest in Norway, and was Norway's representative at the international final in London. Tale was awarded a scholarship of NOK 100 000 from G9alt.





CHAIRMAN
GEIR WORUM



OLE GLADHAUG



VICE-CHAIRMAN
TOR HAVER

This distribution strategy provides the customers with a range of options, high level of service and easy access to competent employees. It is the opinion of the board that this distribution strategy will contribute to increased competitiveness and profitability.

DEVELOPMENTS IN ROGALAND

Rogaland is by far the dominating county within petroleum-related industry. As of August 2001, 34 700 people were employed in this sector, just over 20 % of total employment in Rogaland, and approximately half of the total number of people employed in the petroleum industry in Norway. The petroleum industry is currently characterized by a high level of activity and optimism, and the number of people employed increased by 5 % from 2000 to 2001.

However, a lower investment level on the Norwegian shelf in the years to come may result in reduced activity for the supplier industry within the development market. The operations and maintenance market on the Norwegian shelf is very important for Rogaland, and it is expected that this market will remain stable in the next few years.

Distributive trades constitute the second largest industry group in the county with approximately 13 % of the employment. Retailing in Rogaland is concentrated in the largest cities, and Kvadrat Shopping Center in Sandnes is now the largest in the country.

Agriculture in Rogaland is varied with a great deal of live-stock and dairy production as well as producing 80 % of the country's tomatoes. Agriculture employs approximately 5 % of the workforce in the county, but the number of people employed in agriculture has been reduced by almost 25 % over the last 15 years. After suffering lower product prices in 1999 and 2000, it appears that income in this sector has increased somewhat in 2001.

Housing construction in Rogaland was somewhat lower in 2001, but approximately on par with the activity in 2000. As regards commercial construction, it is expected that 2001 will result in the highest number of commercial building starts in 13 years. We expect a somewhat lower number of housing and commercial building starts in 2002.

At the end of December 2001, 3.1 % were without a job in Rogaland, a reduction from 3.5 % in December 2000. A lower unemployment rate is believed to be the result of increased petroleum investments and increased activity levels within parts of the engineering industry. On the national level, unemployment has increased by 7 % over the course of 2001.

As of the third quarter of 2001, Rogaland experienced an annual population growth of 0.6 %. The population growth in Rogaland was approximately twice the national average during the period 1995-1998. In 1999 and 2000 the growth was reduced, but it appears that the growth will again inch above the national average for 2001.

PROFIT PERFORMANCE

2001 has been characterized by unrest in the securities markets and poorer framework conditions. Taking this into consideration, the opinion of the board is that the group's profit performance has been satisfactory.

The strategy chosen by the group, with a customer and market oriented organization with a strong focus on sales and measuring performance, has yielded good results. The bank's balanced score card is an important incentive in this regard. Through balanced management by objectives, we maintain focus on important value drivers for attaining the bank's overall objectives, both as regards income, costs and portfolio quality. The group's profit has been secured through good growth in deposits and lending, good growth in net commission income as well as continued high cost-effectiveness.



KRISTIAN EIDESVIK



ÅSE HOLMANE



JOHN P. HERNES

The interest margin was reduced from 2.33 percent to 2.13 percent in 2001. The reasons are mainly stiff competition, new expanded business involvement with lower risk, insufficient price differentiation between low risk and high risk commitments as well as the introduction of full guarantee fund charge to the Savings Banks' Guarantee Fund, which in itself constituted 1/3 of the reduced interest margin. We have implemented measures for improving the lending margin in 2002. Net interest income for the group increased by NOK 45 million, an increase of 5 percent.

OTHER INCOME

The group's net commission income increased by 48 percent from NOK 190 million to NOK 282 million in 2001. Commission income from insurance increased by as much as 220 percent to NOK 49 million as a result of the take-over of the insurance portfolio and employees in connection with the Vår acquisition as well as good sales of insurance products. Increased income from sale of securities funds shows an increase of 51 percent in spite of a weak securities market. This is a result of the bank's strong commitment to the savings area.

The bank's holdings of shares and primary capital certificates (circulation) amounted to NOK 294 million at the end of 2001. The return on the securities portfolio amounted to - 0.1 percent. Due to a weak securities market in 2001, the bank's holdings of shares and primary capital certificates have provided a lower return than in 2000. However, the portfolio of shares has provided a return that is 14.5 percentage points higher than the main index on the Oslo Stock Exchange. Currency transactions provided a total income of NOK 28 million in 2001 compared with NOK 31 million in 2000.

The bank's share of the loss in the SpareBank 1 group AS for 2001 amounted to NOK 57,7 million, compared with a loss of NOK 10 million in 2000. This is mainly due to a weak securities market, poor results in the non-life company,

as well as significant write-down of goodwill in connection with the Vår acquisition.

OPERATING COSTS

The operating costs in the group constituted NOK 785 million. This is an increase of NOK 80 million compared with 2000. The largest increase for the group is related to human resources and is mainly due to the take-over of 55 employees associated with the banking and insurance activities of Vår Bank og Forsikring in Rogaland and the Agder counties. Other costs also shows a significant increase, primarily as a result of increased use of external consultants in connection with various projects in the bank including a new processing system and credit rating system for the business market.

Another item showing a significant increase is temporary help, which became subject to VAT from 1 July. The relatively strong growth in depreciation and amortization expenses is mainly due to investments in connection with establishing new offices. In total, the introduction of value added tax on services from 1 July increased the group's costs by approximately NOK 6 million in 2001. On an annual basis, the costs will increase by approximately NOK 12 million.

LOSSES AND DEFAULT

The 2001 default trends for the group are satisfactory. The group's gross default as a percentage of gross lending for the year amounted to 0.70 percent, compared with 0.81 percent in 2000. The group's net losses in 2001 amounted to NOK 159 million. This figure includes an unspecified loss allocation of NOK 48 million. Total unspecified loss allocations amounted to NOK 356 million at the end of last year, or 0.8 percent of total lending. The bulk of the losses in 2001 are due to loss allocations for corporate customers. Net losses as a percentage of average gross lending constituted 0.38 percent in 2001, unchanged from 2000.



MAGNE VATHNE



MAIN EMPLOYEE REPR.
TORSTEIN PLENER



MANAGING DIRECTOR
TERJE VAREBERG

BALANCE SHEET

The group's total assets increased by 11 percent in 2001 to NOK 48.5 billion. The increase for the bank constituted NOK 5.4 billion. Lending to the retail market increased by NOK 2.2 billion, an increase of 8 percent compared with last year. The growth in lending to the corporate market and public sector amounted to NOK 2.2 billion, corresponding to an increase of 16 percent. Total growth in lending was 11 percent. Deposits from the retail market increased by 11 percent to (NOK 1.3 billion), while deposits from the corporate market and public sector increased by 6 percent to NOK 0.6 billion. In total, customer deposits increased by 9 percent.

The Board will emphasize a more balanced development for deposits and loans. The growth in lending has decreased during 2001, and the rate of growth is reduced from 20 percent in 2000 to 11 percent in 2001, while the growth in deposits was 9 percent.

Net capital market funding constituted NOK 20.4 billion of the balance sheet at the end of last year. SpareBank 1 SR-Bank, together with the three other major banks in the SpareBank 1 alliance, established an international loan program in April 2001. Under this loan program the bank raised a new perpetual subordinated loan in the amount of USD 75 million in the second quarter. In addition, approximately NOK 1.75 billion in funding with a term of 3-5 years was raised over the course of 2001. Moreover, we raised approximately NOK 1.25 billion in funding in 2001 with a term of 4-10 years in the domestic market, of which approximately NOK 213 million is share-indexed bonds.

RISK MANAGEMENT

Good risk management is an important precondition for the bank reaching its strategic objectives. Thus, risk management is a key element as regards management philosophy, organization, procedures and systems, including good management by objectives through balanced score cards.

The board has stipulated guidelines for risk exposure related to the credit area, including lending authorizations, as well as risk exposure in connection with funding from the capital market, foreign currency and securities. The guidelines are administered through fixed routines for credit appraisal, currency and securities trading. Capital market funding is carried out in accordance with a strategy approved by the board. The individual risks are reported to the board each month in accordance with specific guidelines and framework. Investments in equity capital securities are at a modest level compared with the bank's balance sheet figures. In the opinion of the board, the overall risk related to the above areas is moderate.

The two international rating agencies Moody's and Fitch IBCA have maintained their ratings of the bank in 2001, A3 and A- respectively. The bank has had a special risk classification system for business customers for ten years. The customers are classified according to earnings, solidity and security. The risk classification system has been used actively in connection with issuing credit as well as management and monitoring of the portfolio.

At the beginning of 2002, the bank is in the process of introducing a new processing system for the business market. This has a new risk classification model. The system has been developed with the aim of conforming to the expected Basel II requirements regarding this area. The system functions in accordance with expectations, and the board expects that this will improve the quality of the credit assessments even further.

As regards operational risks, which the Basel committee also has focused on, they include potential sources of loss associated with the daily operation of the bank. This comprises, among other things, system and procedure failures, errors due to lack of competence and various types of assaults on the bank, such as robberies, check forgeries, embezzlement, fire and computer crime.

In 2002, the bank will start the process of adapting to the framework for operational risk management as described in Basel II. Basel II will enter into force on 1 January 2005, and the objective is to ensure that banks with international activities and their regulatory authorities will be able to carry out more exact risk assessments when calculating requirements related to appropriation of risk capital. Thus, the capital requirement will to a greater extent than is the case with current rules be in line with the bank's risk exposure within the areas of credit, market and operational risk.

In accordance with the Internal Control Regulations, the bank has performed a review of the bank's most important risk areas in 2001, with increased emphasis on the operational risks associated with operations and internal management. The board emphasizes measures for preventing and reducing the group's operational risk.

SUBSIDIARIES

EiendomsMegler 1 Rogaland AS had good results in 2001 as well. The company brokered real estate for a total value of NOK 4.1 billion. Income increased to NOK 95 million, and the company's profit before tax amounted to NOK 11.2 million compared with NOK 11.8 million in 2000.

Westbroker Finans AS had total assets amounting to NOK 1.7 billion at the end of the year. This is a reduction of NOK 890 million as the company sold the entire housing loan portfolio totaling NOK 1.2 billion to Bank 1 Oslo AS and SpareBank 1 SR-Bank. This is due to a changed strategy for the company that entails cultivating leasing and project financing. Westbroker Finans AS achieved a profit before tax of NOK 31.9 million compared with NOK 22.1 million in 2000.

SR-Forvaltning ASA, the bank's new company for active investment management, has had a very positive development and managed NOK 1.4 billion at the end of 2001. The profit for 2001 constituted NOK 6 million.

CAPITAL ADEQUACY RATIO

The group's capital adequacy was 12.69 percent at year-end, of which 7.92 percent was core capital. Corresponding key figures for the parent bank at the end of the year were 13.59 percent and 7.78 percent respectively. The amended capital adequacy ratio rules, which entered into force as of 1 April 2001, improved the capital adequacy ratio for the parent bank by 0.57 percentage points as of 31 December 2001. In addition, the bank raised a new perpetual subordinated loan in the amount of USD 75 million in the second quarter, which has improved the capital adequacy ratio.

THE SPAREBANK 1 ALLIANCE

The SpareBank 1 Alliance is a Scandinavian bank and product collaboration where the SpareBank 1 banks in Norway cooperate through the jointly owned holding company SpareBank 1 Gruppen AS. FöreningsSparbanken AB (publ) in Sweden is the largest owner in SpareBank 1 Gruppen AS.

The paramount goal of the SpareBank 1 alliance is to secure the individual bank's independence and regional ties through robust competitiveness, profitability and solidity. At the same time, the SpareBank 1 alliance represents a good competitive alternative on the national and Scandinavian levels.

The strategy for the banking collaboration and establishment of SpareBank 1 Gruppen AS has been reviewed in 2001. In the opinion of the board, the strategy has been successful so far, but the market potential is still significant, placing great demands on the entire alliance for exploiting the potential.

The ownership interest in SpareBank 1 Gruppen AS must be regarded as participation in a joint venture, and is booked based on the equity method in the bank's accounts. This means that the bank has included a share of 13 percent of the result of SpareBank 1 Gruppen AS in its 2001 financial reporting. For 2001, the bank's share of the result totaled minus NOK 57.7 million. The ownership interest is listed under "Shares and ownership interests" with a figure corresponding to 13 percent of the equity capital of SpareBank 1 Gruppen AS (see also Note 15).

FöreningsSparbanken has arrived at the conclusion that the collaboration with the Norwegian branch of the SpareBank 1 alliance must be modernized and developed further. Thus, on 17 December 2001 FöreningsSparbanken AS served notice that it terminated the agreement, while at the same time inviting a renegotiation of the framework agreements. Should these negotiations fail, the agreement will lapse on 31 December 2002. If this is the case, the Norwegian owners are entitled but not obligated to redeem the ownership interest of FöreningsSparbanken. In accordance with the framework agreements, FöreningsSparbanken is no longer represented on the board of directors and supervisory board with effect from the date of the notice.

At the end of 2001, the SpareBank 1-Alliance (excluding FöreningsSparbanken) had total assets of approximately NOK 225 billion and approximately 370 offices throughout the country.

NEW AUDITOR

Since 1995 the Banking, Insurance and Securities Commission of Norway and the bank's auditor, Arthur Andersen & Co, have discussed whether Arthur Andersen & Co's internal control and internal audit assignments are compatible with the role of the bank's external auditor. In a letter of November 2001 to Arthur Andersen & Co, with a copy to the bank, the Banking, Insurance and Securities Commission stated that Arthur Andersen & Co had to resign as the external auditor of SpareBank 1 SR-Bank.

SpareBank 1 SR-Bank acknowledges the order of the Banking, Insurance and Securities Commission. With effect from the accounting year 2002, the new auditor will be selected at the supervisory board meeting on 21 March 2002.

EMPLOYEES AND WORKING ENVIRONMENT

At the end of 2001, the group had a total of 915 employees, corresponding to 807 man-years. The bank's staffing increased by 16 man-years to 690 man-years during the course of the year. This increase comes in addition to the increase in connection with the acquisition of Vår Bank og Forsikring, which resulted in a net increase of 55 man-years. The bank has also this year conducted annual organization and working environment surveys, which show that our employees have a good relationship with the bank as an employer. The bank is distinguished by employees with a highly developed focus on sales as well as the ability and willingness to adapt, together with a desire for acquiring new skills. The group's employees have a great deal of job satisfaction and value their working environment. Absence due to illness is still low compared with other financial institutions, but has increased slightly compared with previous years. Total absence due to illness was at 4.7 percent in 2001. This amounts to 52 635 hours. The corresponding figure in 2000 was 4.2 percent.

The bank has a proactive attitude towards health, safety and environment. We continuously work on strengthening the bank's security systems. The bank has not suffered any robberies in 2001.

In the opinion of the board, the bank's activities do not pollute the external environment.

The board would like to thank all employees for another great effort in 2001, and not least thank everyone for the contribution to a good working environment.

BANK ADVISORY COUNCILS

Bank advisory councils have been established in all municipalities where the bank has a presence. Members function as ambassadors and listening posts in the bank's market

area and provide good input regarding the bank's activities in the local communities. Each year, the local bank councils are granted funds earmarked for stimulation of measures in the local communities.

STATUS OF PRIMARY CAPITAL CERTIFICATES

In June 2000, Gjensidige NOR Sparebank stated that the bank would apply to the Ministry of Finance for permission to convert from a savings bank to a limited savings bank companies, while at the same time indicating that it would like to continue operations as a savings bank. Gjensidige NOR Sparebank wanted this permission to convert to be issued as a special act.

Based on this, the board of the Norwegian Savings Banks' Association has re-evaluated the issue of savings banks' converting to limited companies and has, based on an overall assessment, arrived at the conclusion that it will not object to the Ministry of Finance consenting to Gjensidige Nor Sparebank's application for a conversion.

The Norwegian Savings Banks' Association is of the opinion that this must take place through a general permission for savings banks to convert to limited savings banks companies.

The Norwegian Savings Banks' Association's basis is the assumption that the regulations in connection with the permission to convert contribute to a strengthened position for savings bank foundations as well as primary capital certificates.

In Storting White Paper No. 6 (2001-2002) (the Credit White Paper), the Ministry of Finance states that one should issue an amendment that makes it possible for savings banks to convert to limited companies, but that this become a general right. The Ministry will propose such a bill and intends to regulate the savings bank foundation in order to prevent undesirable acquisitions. In parallel with the regulatory work, measures will be considered for improving the framework conditions for smaller savings banks. One option is to strengthen the primary capital certificate scheme.

The opinion of the Ministry of Finance is in line with the opinion of the Norwegian Savings Banks' Association, which is also supported by the board of SpareBank 1 SR-Bank. SpareBank 1 SR-Bank will continuously consider the consequences of the ongoing restructuring of the finance industry for the bank. The bank would like to continue to operate as a bank listed on the stock exchange based on primary capital certificates as the equity instrument. Being able to ensure regional control of decisions related

to investment brokering and lending is an important basis for continued regional ties and ownership. The savings bank foundation will ensure that the bank will not become a target of acquisitions contrary to the desire of the region. Regardless of future business forms for the savings banks, SpareBank 1 SR-Bank will always choose solutions for the bank that emphasize continued proximity to the customers and local ties while safeguarding the interests of the primary capital certificate owners.

PRIMARY CAPITAL

In 2001, primary capital certificates equivalent to 20 percent of the bank's primary capital were sold. This is an increase from 19 percent the previous year. The number of owners of primary capital certificates increased from 6 363 at the beginning of the year to 6 438 at year-end. The percentage of primary capital certificates owned by foreigners was 15.1 percent, while 47.4 percent were owned by Rogaland investors. The 20 largest owners controlled 33.4 percent of the primary capital at year-end.

Based on the decision of the supervisory board on 23 March 2000, we had a private bank employee placing in 2001 as well. 465 employees subscribed for a total of 48 508 certificates. The total issue sum amounted to NOK 11.4 million, of which NOK 4.9 million was added to the primary capital and NOK 6.5 million was added to the premium fund. SpareBank 1 SR-Bank places emphasis on competitive dividends. In the proportionate distribution between cash dividend and the equalization reserve, the consideration for the bank's equity development is emphasized. In accordance with the bank's dividend policy, the profit for the year and the core capital situation, the board proposes payment of NOK 19 in dividends, as well as allocation of NOK 10.4 per primary capital certificate to the equalization reserve for the accounting year 2001. After this allocation, the equalization reserve amounts to NOK 105.6 per certificate. The RISK amount as of 1 January 2001 was fixed at NOK 18.5 per primary capital certificate. The RISK amount as of 1 January 2002 is calculated at NOK 10.4 per primary capital certificate.

CONTINUED OPERATIONS

The profit outlook for 2002 and the long-term budget for the years to come provide good prospects for continued prosperity for the group. The group has good solidity. The core capital and capital adequacy ratio are well above the authorities' requirements. The annual report and accounts have been issued based on the assumption of continued operations.

DISPOSITION OF PROFIT/DIVIDEND

The board proposes that the profit for the year for Sparebanken Rogaland, NOK 294 million, be applied as follows:

	NOK million
Profit for the year	294
Valuation difference fund	56
For allocation	350
Dividend (NOK 19 per certificate)	143
Equalization reserve	78
The savings bank's reserve	117
Endowment fund	12
Total	350

OUTLOOK FOR THE FUTURE

The Board expects positive economic development in the region in 2002, although this will vary from sector to sector.

The bank will also maintain focus on the customer in the future and will further develop customer relations by offering additional products and services through competent employees with a level of service in line with our vision of being the recommended bank for our customers in Rogaland and the Agder counties.

At present, the bank has a good influx of new customers and will continue to contribute to innovation and development in Rogaland and the Agder counties.

In 2002, the Board will maintain focus on cost-effectiveness and a good balance between the bank's growth in lending and deposits, price differentiation between commitments with low and high risk as well as sales of savings and insurance products.

The activity level and economic outlook for the region lead the board to expect yet another year with good results in 2002.

Stavanger, 21 February 2002


The Board of Sparebanken Rogaland

P R O F I T A N D L O S S A C C O U N T


SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group				
1999	2000	2001		NOTE	2001	2000	1999
2 440	2 813	3 410	Interest income	1	3 559	2 977	2 625
1 607	1 935	2 488	Interest costs	1	2 580	2 043	1 730
833	878	922	Net interest income		979	934	895
64	39	20	Dividends	2	-14	14	27
229	260	331	Commission income	2	356	264	231
-63	-71	-80	Commission costs	2	-74	-74	-66
120	52	32	Net exchange and capital gains/losses	2	32	52	120
18	8	11	Other operating income	2	97	76	69
368	288	314	Net other operating income		397	332	381
1 201	1 166	1 236	Total operating income		1 376	1 266	1 276
452	518	531	Wages and general administration costs	3	622	585	505
41	46	55	Depreciation and write-downs	16	61	49	42
69	60	82	Other operating costs	4	102	71	75
562	624	668	Total operating costs		785	705	622
639	542	568	Profit before losses and write-downs		591	561	654
100	125	151	Loss on loans and guarantees	5, 13	159	137	102
-44	-207	10	Loss/gain financial fixed assets	6	10	-209	-46
583	624	407	Result of ordinary activities		422	633	598
132	161	113	Taxes	7	127	170	147
451	463	294	Profit for the year Including minority interests		295 1	463	451
-141	-157	-143	Dividends		-143	-157	-141
-56	-11	56	Valuation difference fund		56	-11	-56
-125	-139	-78	Equalization reserve		-78	-139	-125
-119	-141	-117	Transferred to the savings bank's reserve		-117	-141	-119
-10	-15	-12	Transferred to the endowment fund		-12	-15	-10
-451	-463	-294	Total allocation of profit for the year		-294	-463	-451
40,4	40,4	24,7	Profit per primary capital certificate		24,7	40,4	40,4


CHAIRMAN
GEIR WORUM


OLE GLADHAUG


VICE CHAIRMAN
TOR HAVER


KRISTIAN EIDESVIK


ÅSE HOLMANE


JOHN P. HERNES


MAGNE VATHNE


MAIN EMPLOYEE REPR.
TORSTEIN PLENER


MANAGING DIRECTOR
TERJE VAREBERG

B A L A N C E S H E E T

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group			
1999	2000	2001	NOTE	2001	2000	1999
Assets						
684	613	667		667	613	684
739	1 154	477		352	186	161
30 450	36 851	42 631	9,11,12,29	43 766	39 383	32 873
-256	-270	-282	10	-290	-286	-262
-222	-296	-341	10	-356	-308	-233
29 972	36 285	42 008		43 120	38 789	32 378
Net loans to customers						
2	12	3	16	6	21	5
1 902	1 737	1 916	14	1 916	1 737	1 902
778	1 549	1 557	15	1 351	1 346	578
34	78	75	16	118	105	38
331	315	310	16	321	321	335
119	165	302	17	338	212	116
200	298	279	18	282	294	200
34 761	42 206	47 594		48 471	43 624	36 397
Total assets						
Liabilities and equity						
3 922	5 183	6 380	19	5 875	5 177	3 921
18 045	21 022	22 900	20, 29	24 011	22 120	19 211
21 967	26 205	29 280		29 886	27 297	23 132
Total deposits						
4 330	4 850	4 345		4 345	4 850	4 330
4 421	6 274	8 592	21	8 592	6 292	4 684
8 751	11 124	12 937		12 937	11 142	9 014
Debt established on issue of securities						
366	458	386		520	613	430
285	310	254		346	387	354
95	114	132	22, 23	135	118	98
1 081	1 456	1 919	24	1 959	1 528	1 153
744	749	748		748	749	744
0	8	15		15	8	0
163	189	132		132	189	163
709	850	967		967	850	709
14	18	28		28	18	14
586	725	796		796	725	586
Minority interests						
2 216	2 539	2 686	25	2 688	2 539	2 216
2 216	2 539	2 686		2 688	2 539	2 216
34 761	42 206	47 594		48 471	43 624	36 397
Total liabilities and equity						

See Notes 26 and 27 for off-balance sheet items.

G9ALT WINNER: ERLEND VETNES

Erlend Vetnes feels at home in the water. He is great swimmer, defending norwegian champion in the 100 meter butterfly. He has also been a finalist in several Grand Prix events in Europe. Erlend was awarded a scholarship of NOK 25 000 from G9alt.



A C C O U N T I N G P R I N C I P L E S

GENERAL

The annual accounts for 2001 have been prepared in accordance with applicable statutes, regulations and generally accepted accounting principles. All figures are stated in NOK million unless otherwise indicated. The same accounting principles are applied to the parent bank's and the group's accounts.

CONSOLIDATION, SUBSIDIARIES

The group accounts include SpareBank 1 SR-Bank and companies in which SpareBank 1 SR-Bank directly and indirectly owns more than 50% of the shares or has controlling influence on the company's operations. The investments in subsidiaries have been consolidated according to the acquisition method in the group accounts and the equity method in the company's accounts.

AFFILIATED COMPANIES

Affiliated companies are defined as companies in which the bank has a long-term investment with an ownership interest of 20 to 50 percent and in which the bank has significant influence. Such investments are appraised according to the equity method both in the company's accounts and the group accounts.

JOINTLY CONTROLLED OPERATIONS

Jointly controlled operations are financial operations governed by an agreement between the bank and one or more participants, so that the bank and the participants have joint control of the operations. No participants have controlling influence alone.

The bank owns SpareBank 1 Gruppen AS in collaboration with SpareBank 1 Nord-Norge, SpareBank 1 Midt-Norge, SpareBank 1 Vest and Samarbeidende Sparebanker AS. Each of the parties owns 13 percent of the shares in the company. In addition, the Swedish FöreningsSparbanken AB owns 25 percent of the shares, and the Norwegian Confederation of Trade Unions (LO) and trade unions associated with LO own 10 percent. The management structure for the SpareBank 1 collaboration is governed by an agreement between the owners.

In the accounts for SpareBank 1 SR-Bank the shares in SpareBank 1 Gruppen have been appraised according to the equity method, both in the company's accounts and the group accounts, as the operations of SpareBank 1

Gruppen are considerably different than the bank's other operations where the use of the gross method would provide accounting information that is not easily accessible.

ENTERING INCOME AND COSTS

Interest and fees are entered in the profit and loss account as they are earned as income or accrued as costs. Fees that are a direct payment for services rendered are taken to income when they are earned. Arrangement fees are taken to income in accordance with the costs that accrue for arranging loans. The accruals principle is applied to prepaid income and accrued non-paid costs at the end of the year, which are entered as debt in the balance sheet. Accrued income is taken to income and entered as receivables in the balance sheet. Dividends are taken to income in the year they are received. Dividends and group contributions from subsidiaries, affiliated companies and jointly controlled businesses are deducted deferred tax and entered directly against book ownership interest in the associated business. Dividend from money market funds are classified in the same manner.

SECURITIES , SHARES

Shares, primary capital certificates and shares in unit trusts that are traded on the stock exchange or in a regulated market and have good ownership diversification and liquidity, are included in the trading portfolio and are appraised at market value on the balance sheet date. Securities that are not listed on the stock exchange are appraised at the lower of original cost or market value. Long-term shareholdings are appraised at original cost. If the real value is considerably lower than the original cost, and the decline in value is not deemed to be of a temporary nature, the share is written down to the real value. The write-down is reversed when there no longer is a basis for the write-down.

CERTIFICATES AND BONDS

Certificates and bonds classified as current assets are appraised at market value on the balance sheet date. Long-dated bonds that have been purchased to be held until maturity have been entered at cost adjusted for amortised premiums or discounts. Premiums and/or discounts are accrued linearly over the remaining life of the bond as a correction to the nominal interest rate.

FOREIGN CURRENCY

The bank's assets and liabilities in foreign currency are converted to middle rates as of 31 December. Income and costs in foreign currency are converted to NOK at the rates at the time of the transaction. The currency items are mainly hedged against corresponding items on the opposite side of the balance sheet or by hedging transactions off the balance sheet.

FINANCIAL INSTRUMENTS

Financial instruments include negotiable financial asset and liability items plus financial derivatives. Financial instruments in the balance sheet include shares, primary capital certificates, bonds, certificates and shares in money market instruments as well as financial derivatives. Financial derivatives are agreements that are entered into with financial institutions or customers to set financial values in the form of interest terms, foreign exchange rates and the value of equity instruments for definite periods of time. These agreements include forward exchange contracts, interest rate swaps (currency swaps), currency and interest rate options, and agreements to set future interest terms (FRAs).

A distinction is made between agreements that are a stage in own-account transactions in order to achieve earnings through price differences and price changes (the trading portfolio) and agreements that are entered into in the ordinary business. Interest rate and monetary agreements are classified at the time they are entered into as part of the trading portfolio or banking business depending on the individual agreement. The trading portfolio consists of certificates and bonds, shares and primary capital certificates in the bank's balance sheet, plus currency, interest and equity instruments not included in the balance sheet.

The off-balance sheet portfolios are appraised according to the market value method, and changes in market values are entered in the profit and loss account under the item of net profit and loss on exchange. Agreements that are entered into to reduce the bank's exposure to fluctuations in interest and/or exchange rates for items in the balance sheet, are defined as hedging transactions.

In order for monetary or interest rate agreements to be defined as hedging transactions, the expected trend in the value of the hedging transactions must be closely associated with the balance sheet item that is hedged.

Income and expenses related to the hedging agreements

and their respective balance sheet items are entered in the accounts as accruals and classified in the same way.

LOSSES ON LOANS

Loans are appraised at nominal value with the exception of problem, non-performing and renegotiated loans.

NON-PERFORMING/PROBLEM LOANS

A customer's aggregate loans are regarded as non-performing and included in the bank's overviews of non-performing loans when the installment or interest due has not been paid within 90 days after the due date or when the line of credit has been overdrawn for 90 or more days.

Loans and other commitments that are not non-performing, but where the customer's financial situation makes it likely that the bank will incur a loss, are classified as problem loans.

SPECIFIED LOSS PROVISIONS

When loans have been non-performing for more than 60 days or are classified as problem loans, credited interest is reversed and further crediting is halted unless the loan is covered by underlying collateral. The difference between the loan's nominal value and the value of the securities plus the customer's assumed debt servicing capacity is charged as an expense under losses on loans and guarantees. There is generally a great deal of uncertainty associated with the appraisal of loans that are presumed to be problem loans, the value of securities and the customer's debt servicing capacity.

UNSPECIFIED LOSS PROVISIONS

Unspecified loss provisions are to cover losses that, on the basis of conditions that prevail on the balance sheet date, are expected to come in addition to losses that have been identified and estimated for individual customers. Such provisions are estimated on the basis of appraisals of portfolios, experience and general development trends. Changes in the size of the lending portfolio are taken into consideration.

ACTUAL LOAN LOSSES

When it is highly likely that the losses are final, the losses are classified as actual loan losses. Actual loan losses that are covered by specified loss provisions that have previously been made are charged against these provisions.

Actual loan losses without coverage by loan loss provisions as well as over or under coverage in relation to previous loss provisions are entered in the profit and loss account.

ACQUIRED ASSETS

As part of the handling of non-performing loans and guarantees, the bank in some cases acquires assets that have been furnished as security for these commitments. At the time of acquisition, the assets are appraised at the assumed realisation value. Acquired assets that are to be realised are classified as current assets. Any losses and/or gains at the time of disposal or reappraisal of the value of these assets are entered as a loss or reduction in the loss on the loan.

LEASING

The leasing portfolio is classified for accounting purposes as leasing agreements under the main category of loans to and claims on customers. Leasing income is entered as leasing income under interest income and the expenditures as interest costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets are entered in the accounts at cost with the addition of previous revaluation, and the deduction of write-downs and ordinary accumulated depreciation. Ordinary depreciation is based on the cost price and the depreciation is distributed linearly over the useful life of the assets.

If the actual value of a tangible fixed asset is considerably less than the book value, and the decrease in value cannot be expected to be temporary, the asset is written down to the actual value. The write-down is reversed when there no longer is a basis for the write-down.

ISSUED BONDS AND OTHER LOANS

Issued bonds are entered in the balance sheet at nominal value with premiums added and discounts deducted. Premiums are taken to income and discounts are charged against income according to a schedule as an adjustment of the current interest costs until the bond matures or until the first time the interest rate is adjusted. Capital discount when raising other long-term loans are handled in a similar manner. Direct costs related to raising bonds loans and other loans are charged against income according to a schedule as an adjustment to the current interest cost until the bond or loan matures.

PENSION LIABILITIES

Pension costs and liabilities are calculated according to linear earnings based on assumptions regarding discount interest, future wage adjustments, pensions and benefits from the National Insurance Scheme, future return on pension assets as well as actuarial assumptions related to mortality, attrition, etc. On the balance sheet net pension funds in the group plan are treated as fixed assets, whereas net unfunded pension liabilities are classified as long-term debt. The employer's National Insurance contributions that will accrue at the current rates are also included in the amount for unfunded pension liabilities. Net pension costs are classified in their entirety under wage costs in the profit and loss account, and include the earned pension for the period and interest costs on the liabilities minus the estimated return on the pension funds. The economic effects of changes in pension plans are amortised over the average remaining earning time. Other changes and differences are evaluated in total against the highest value of the total pension liabilities and total pension funds. If total changes and estimated differences represent more than 10 percent of this basis at the end of the fiscal year, the surplus will be amortised over the remaining earning time in the profit and loss account.

TAXES

The annual tax expenditures in the profit and loss account consist of taxes payable on the income for the year adjusted for surplus or deficit allocated from previous years plus changes in deferred taxes. Deferred taxes are calculated on the basis of temporary differences between accounting and tax values at the close of the accounting year. The nominal tax rate is employed in the calculation. Positive and negative differences are appraised against each other and are shown as net in the balance sheet. Deferred tax benefits arise if there are temporary differences that give rise to tax deductions in the future.

LIABILITIES

Liabilities are entered at original cost. Interest is continuously carried to expense in the profit and loss account.

BUSINESS AREAS

SpareBank 1 SR-Bank appraises business in the bank as an aggregate business area.

N O T E S

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group		
1999	2000	2001	NOTE 1 Interest income and interest costs	2001	2000	1999
58	106	96	Interest on claims on credit institutions	45	65	38
2 280	2 586	3 164	Interest on loans to customers	3 362	2 791	2 485
102	121	150	Interest on certificates and bonds	152	121	102
2 440	2 813	3 410	Interest income	3 559	2 977	2 625
270	353	380	Interest on debt to credit institutions	376	364	285
839	945	1 256	Interest on deposits from customers	1 346	1 023	920
429	541	701	Interest on issued securities	701	554	450
58	96	120	Interest on subordinated loan capital	126	102	64
11	0	31	Other interest costs	31	0	11
1 607	1 935	2 488	Interest costs	2 580	2 043	1 730
1999	2000	2001	NOTE 2 Net other operating income	2001	2000	1999
13	24	42	Income on shares	42	24	13
14	-10	-56	Income on ownership stakes in affiliated companies	-56	-10	14
37	25	34	Income on ownership stakes in Group companies	0	0	0
64	39	20	Dividends	-14	14	27
23	21	22	Interbank commissions	22	21	23
12	11	14	Underwriting commission	15	11	12
144	154	163	Payment facilities/payment terminals	163	154	144
26	47	61	Securities trading and management	71	47	26
10	15	49	Insurance products	49	15	10
14	12	22	Other commissions and fees	36	16	16
229	260	331	Commission income	356	264	231
16	16	16	Interbank commissions	16	16	16
39	41	41	Payment facilities	41	41	39
8	14	23	Other commissions	17	17	11
63	71	80	Commission costs	74	74	66
9	4	1	Net profit/loss on certificates and bonds	1	4	9
86	8	-5	Net profit/loss on shares and primary capital certificates	-5	8	86
25	40	36	Net profit/loss on exchange and financial derivatives	36	40	25
120	52	32	Net exchange and capital gains	32	52	120
6	6	5	Operating income, real estate	4	5	6
12	2	6	Other operating income	6	3	14
0	0	0	Real estate sales	87	68	49
18	8	11	Other operating income	97	76	69
368	288	314	Net other operating income	397	332	381

The item Other operating income, is profit on the sale of buildings.

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group		
1999	2000	2001	NOTE 3 Wages and gen. adm. costs	2001	2000	1999
227	236	246	Wages	304	278	261
22	25	32	Pensions	35	27	24
27	29	35	Social costs	43	35	31
15	17	23	Other personnel costs	25	19	17
291	307	336	Personnel costs	407	359	333
80	123	93	IT-costs	94	125	82
29	29	32	Marketing	41	34	33
22	25	31	Postage/Telephone	34	27	23
23	23	23	Travel/meetings/accessories	28	26	25
7	11	16	Other administrative costs	18	14	9
161	211	195	General administrative costs	215	226	172
452	518	531	Wages and general administrative costs	622	585	505
1999	2000	2001	Staff	2001	2000	1999
604	619	690	Number of man-years as of 31 December	807	711	677
664	671	739	Average number of employees	856	762	741

Remuneration to the Board of Directors NOK 935 000
Remuneration to the Audit Committee NOK 301 000
Remuneration to the Supervisory Board NOK 473 000

Managing Director compensation has been fixed at NOK 1 813 thousand.
Upon reaching the age of 62 the managing director may retire with a pension corresponding to 70 % of his salary at the time of retirement. There is no contractual bonus scheme, option scheme or compensation upon termination of the employment relationship for the managing director, the chairman of the board, the individual directors or employees in management positions.

Loans and security furnished to employees in management positions

Loan balance in NOK 1000

Managing Director	4 569
Chairman of the Board	0
Chairman of the Supervisory Board	250
Representantskapets formann	8

Board members with loans in the bank

Tor Haver	1 633
Åse Holmane	521
Torstein Plener	426

Employees in management positions

Deputy Managing Dir.	1 490
Financial Manager	1 338
Operational Manager	757
General Manager, Corporate Market	1 355
General Manager, Private Market	1 021
Regional General Manager, Sør	1 266
Regional General Manager, Jæren	1 354
Regional General Manager, Ryfylke	498
Regional General Manager, Haugalandet	0
Regional General Manager, Stavanger	1 455

Audit Committee 0

The Supervisory Board 53 049

No security has been furnished. Loan conditions do not differ from the general conditions for employees.

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group		
1999	2000	2001	NOTE 4 Other operating costs	2001	2000	1999
17	19	23	Operating costs, real estate	24	20	18
19	10	16	External remunerations	20	11	20
33	31	43	Other operating costs	58	40	37
69	60	82	Other operating costs	102	71	75

The bank's remuneration to Arthur Andersen & Co. for auditing and other attest services totalled NOK 675 000 (NOK 998 000 for the Group). In addition, NOK 2 660 000 has been paid for independent confirmation statements and other assistance (NOK 2 765 000 for the Group).

1999	2000	2001	NOTE 5 Loss on loans and guarantees	2001	2000	1999
65	71	116	The period's change in specified loss provisions	121	83	68
40	65	45	The period's change in unspecified loss provisions	48	66	40
4	6	4	+ Actual loan losses on commitments for which no provision has been made	6	7	5
-9	-17	-14	- Recoveries on previous actual loan losses	-16	-19	-11
100	125	151	Loss on issued loans and guarantees	159	137	102
48	60	104	Actual loan losses on commitments for which specified loss provisions have been made previous years	117	62	50
4	6	4	+ Actual loan losses on commitments for which provisions have not been made previous years	6	7	5
52	66	108	Actual loan losses	123	69	55

1999	2000	2001	NOTE 6 Loss/gain financial fixed assets	2001	2000	1999
9	-3	11	Value regulation, securities	11	-3	8
-53	-204	-1	Net price gains on securities	-1	-206	-54
-44	-207	10	Loss/gain financial fixed assets	10	-209	-46

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group		
1999	2000	2001	NOTE 7 Taxes	2001	2000	1999
			Taxable profit SpareBank 1 SR-Bank			
583	624	407	Profit before taxes	456	633	598
-121	-68	1	Permanent differences	1	-44	-82
		-1	Group contribution			
-70	76	22	Change in temporary differences	76	128	-86
392	632	429	Taxable profit for the year	533	717	430
110	177	120	Income tax for the year	149	201	120
1999	2000	2001	Taxes	2001	2000	1999
110	177	120	Income tax	149	201	120
3	4	3	Wealth tax	3	4	3
20	-21	-6	Change in deferred tax	-21	-36	24
-1	1	-4	Insufficient/excess tax allocated in previous year	-4	1	0
132	161	113	Taxes	127	170	147
1999	2000	2001	Temporary differences	2001	2000	1999
-53	-66	-72	Accelerated depreciation of fixed assets	-184	-128	-63
35	34	32	Revaluation of fixed assets	32	34	35
20	31	45	Pension funds	47	32	21
22	-32	-51	Securities	-51	-32	21
-95	-102	-126	Pension liabilities	-130	-105	-98
-26	-37	-23	Other negative differences	-26	-38	-26
-97	-172	-195	Net temporary differences	-312	-237	-110
-27	-48	-55	Deferred tax/(benefit)	-88	-66	-31
1999	2000	2001	Explanation as to why taxes for the year do not amount to 28% of the profit before tax	2001	2000	1999
163	175	113	28% tax on profit before tax	127	177	167
-33	-19	0	28% on permanent differences*	0	-12	-23
-1	1	-3	Too much/little tax allocated in previous years	-3	1	0
3	4	3	Wealth tax	3	4	3
132	161	113	Estimated taxes	127	170	147

* includes dividends, non-deductible costs, risk on securities sold and deduction for share of profit related to affiliated companies (the share of profit is taken out as it has already been taxed in the individual companies).

Risk-regulation

The RISK regulation amount as of 1 January 2001 for the bank's primary capital certificates has been stipulated at NOK 18.47. It is expected that the RISK regulation amount will be stipulated at about plus NOK 10.4 per primary capital certificate as of 1 January 2002.

1999	2000	2001	NOTE 8 Claims on credit institutions	2001	2000	1999
78	21	104	Claims w/o stipulated loan per. or notice of withdrawal	104	21	78
661	1 133	373	Claims with stipulated loan per. and notice of withdrawal	248	165	83
739	1 154	477	Claims on credit institutions	352	186	161

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group		
1999	2000	2001	NOTE 9 GROSS LOANS TO CUSTOMERS	2001	2000	1999
2 007	1 845	2 492	Overdrafts	2 492	1 845	2 007
698	926	922	Building loans	922	926	698
27 745	34 080	39 217	Amortised loans	39 265	35 584	29 192
0	0	0	Leasing agreements	1 087	1 028	976
30 450	36 851	42 631	Gross loans to customers	43 766	39 383	32 873
			Hereby subordinated loan capital			
8	8	0	Subordinated loan capital in credit institutions	0	0	0
17	17	17	Subordinated loan capital in other financial institutions	17	17	17
0	33	33	Other subordinated loan capital	33	33	1
25	58	50	Subordinated loan capital posted under loans	50	50	18

1999	2000	2001	Loans to employees	2001	2000	1999
365	439	523	Loans to employees	618	495	401
11	13	15	Interest subsidies	18	15	12

There are no special terms for these loans beyond ordinary terms for employees.

1999	2000	2001	NOTE 10 Loss provisions	2001	2000	1999
239	259	270	Specified loss provisions: Specified loss provisions, January 1	286	265	244
-48	-60	-104	- Actual loan losses during the period for which specified loss provisions have been made previously	-117	-62	-50
65	71	116	+/- The period's specified loss provisions	121	83	68
256	270	282	Specified loss provisions, December 31	290	286	262
182	231	296	Unspecified loss provisions: Unspecified loss provisions, January 1	308	242	193
40	65	45	+/- The period's changes in unspecified loss provisions	48	66	40
222	296	341	Unspecified loss provisions, December 31	356	308	233

The opening balance for 2000 includes specified/unspecified loss allocations from Vår Bank.

SpareBank 1 SR-Bank

SpareBank 1 SR-Bank group

1997	1998	1999	2000	2001	NOTE 11 Non-performing, problem and non-accrual loans	2001	2000	1999	1998	1997
Non-performing loans for which loss provisions have been made										
Retail market:										
144	131	118	147	164	Gross non-performing loans	166	157	136	155	167
77	70	60	59	71	Specified loss provisions	72	59	61	71	79
67	61	58	88	93	Net non-perf. retail market loans	94	98	75	84	88
53 %	53 %	51 %	40 %	43 %	Loan loss prov. ratio, retail market	43 %	38 %	45 %	46 %	47 %
Corporate:										
103	79	134	140	132	Gross non-performing loans	141	163	148	84	110
39	45	57	61	57	Specified loss provisions	59	73	60	46	40
64	34	77	79	75	Net non-perf. loans, corporate	82	90	88	38	70
38 %	57 %	43 %	44 %	43 %	Loan loss prov. ratio, corporate	42 %	45 %	41 %	55 %	36 %
Total:										
247	210	252	287	296	Gross non-performing loans	307	320	284	239	277
116	115	117	120	128	Specified loss provisions	131	132	121	117	119
131	95	135	167	168	Net non-performing loans	176	188	163	122	158
47 %	55 %	46 %	42 %	43 %	Loan loss provision ratio	43 %	41 %	43 %	49 %	43 %
Of which gross non-accrual loans:										
106	89	78	76	97	Retail customers	99	84	89	92	107
69	46	61	67	35	Corporate customers	40	88	70	47	72
175	135	139	143	132	Total	139	172	159	139	179
Performing loans for which loss provisions have been made										
Retail market:										
68	69	69	71	99	Perf. loans for which loss prov. have been made	99	72	69	70	69
35	43	35	34	37	Specified loss provisions	37	35	35	44	36
33	26	34	37	62	Net retail-market loans for which loss provisions have been made	62	37	34	26	33
51 %	62 %	51 %	48 %	37 %	Loan loss prov. ratio, priv. market	37 %	49 %	51 %	63 %	52 %
Corporate:										
346	375	300	393	306	Perf. loans for which loss prov. have been made	322	400	306	385	347
107	81	104	116	117	Specified loss provisions	122	119	106	82	107
239	294	196	277	189	Net corporate loans for which loss provisions have been made	200	281	200	303	240
31 %	22 %	35 %	30 %	38 %	Loan loss prov. ratio, corporate	38 %	30 %	35 %	21 %	31 %
Total:										
414	444	369	464	405	Perf. loans for which loss prov. have been made	421	472	375	455	416
142	124	139	150	154	Specified loss provisions	159	154	141	126	143
272	320	230	314	251	Net loans for which loss provisions have been made	262	318	234	329	273
34 %	28 %	38 %	32 %	38 %	Loan loss provision ratio	38 %	33 %	38 %	28 %	34 %

The total loans for a customer are regarded as non-performing and included in the bank's overviews of non-performing loans when due instalments or interest payments have not been paid within 90 days after the due date or a line of credit is overdrawn for 90 days or more. Loss assessments are made of loans that are non-performing for more than 60 days.

Changes in interest on loans not recorded in income in the course of the year:	2000	2001
Accrued interest on loans not recorded in income and entered in the balance sheet as of 1 January 2001	40	44
- the period's recording in income of previous period's interest on loans	-9	-14
- accrued interest on loans not recorded in income and that have gone out of the balance sheet	-3	-6
+ the period's accrued interest on problem loans not recorded in income	16	16
Accrued interest on loans not recorded in income and entered in the balance sheet as of 31 December 2001	44	40

NOTE 12 Risk classification of loans

Corporate sector

The bank's risk classification system for corporate customers has been developed to control the bank's portfolio of commitments to the corporate sector in line with the strategy chosen by the bank and in accordance with the paramount guidelines laid down in the license regulations and credit policy. The risk classification system stipulates clear requirements for processes and assessments to be applied to the work with corporate commitments. The bank has resolved to divide corporate customers into the following groups: Low risk (green) - Normal risk (yellow) - High risk (red).

The risk classification systems differentiates the customers based on cash flow and financial strength in accordance with the latest audited accounts (A to E) and security (1 to 5). A commitment may contain the balance of the loan, the credit ceiling, the guarantee ceiling, accrued interest and credit exposure for foreign currency and interest rate futures. On the basis of the above-mentioned regulations, all corporate customers are placed in the following matrix:



Extract of the bank's risk classification system for corporate sector commitments of more than NOK 250,000 in 2000 and 2001.

Figures in NOK million	2000	2001	2000	2001
Kategori	Volume	Volume	%	%
High risk	2 165	2 305	11,94 %	11,28 %
Normal risk	4 580	5 594	25,27 %	27,38 %
Low risk	11 380	12 530	62,79 %	61,34 %
Total	18 125	20 429	100,00 %	100,00 %

The risk matrix has had a growth in volume of a little over 12 percent in the last year. This growth has had a little effect on the matrix. The bank has a restrictive practice with regard to granting new high-risk commitments and measures have been implemented to improve the existing high-risk portfolio. The bank endeavors to price its commitments on the basis of adopted risk classification. High-risk commitments have the highest pricing and more stringent follow-up routines that require a complete review of the commitments on a quarterly basis.

Distributed by business areas	2000	2001	2000	2001	2000	2001	2000	2001
	Loan	Loan	Credit	Credit	Guarantees	Guarantees	Loan loss prov.	Loan loss prov.
High	1 496	1 613	616	613	53	79	163	154
Medium	3 105	3 160	1 261	2 054	214	380	14	0
Low	6 475	7 032	3 932	4 463	973	1 035	0	0
Total	11 076	11 805	5 809	7 130	1 240	1 494	177	154

Unspecified loan loss provisions have not been assigned to the individual risk groups.

The bank's risk classification system places all corporate commitments in separate business areas. There are separate committees for most business areas that follow up the market and structural development of the business area concerned. The business area committees are also a body for exchange of corporate area experience, both internally and within the SpareBank 1 alliance. The bank's credit policy is derived from the bank's strategy and contains long-term objectives, annual guidelines and credit ceilings. The following corporate area categories are in the bank's risk classification system:

Distributed by corporate areas	2000	2001	2000	2001	2000	2001	2000	2001
	Loan	Loan	Credit	Credit	Guarantees	Guarantees	Total	Total
Farming	1 040	1 094	386	398	2	2	1 428	1 494
Fishing	350	246	86	89	10	1	446	336
Fish processing	75	428	515	414	20	24	610	866
Oil/gas extraction	621	615	26	227	4	51	651	893
Meat production	418	174	218	236	84	100	720	510
Printing/publishing	146	408	33	39	3	3	182	450
Industry	510	765	274	301	55	60	839	1 126
Shipbuilding	80	49	71	239	6	92	157	380
Power and water supply	125	108	225	239	135	185	485	532
Building and construction	603	502	595	589	401	421	1 599	1 512
Commodity trade	576	914	681	756	206	248	1 463	1 918
Hotel and restaurant	255	236	27	29	4	6	286	271
Shipping	1 386	1 441	65	401	4	2	1 455	1 844
Transportation	179	186	105	92	26	33	310	311
Real estate	2 844	3 177	769	951	161	121	3 774	4 249
Commercial service industry	821	838	363	427	27	74	1 211	1 339
Social/private service industry	305	324	146	191	12	18	463	533
Finance	666	199	127	419	80	53	873	671
Public sector	76	101	1 097	1 093	0	0	1 173	1 194
Total	11 076	11 805	5 809	7 130	1 240	1 494	18 125	20 429

	2000 Default	2001 Default	2000 Loan loss prov.	2001 Loan loss prov.
Farming	16	11	4	4
Fishing	117	37	17	14
Fish processing	0	12	0	5
Oil/gas extraction	2	0	1	0
Meat production	12	1	2	1
Printing/publishing	1	1	0	1
Industry	8	19	3	7
Ship building	11	0	3	0
Power and water supply	0	0	0	0
Building and construction	20	30	7	8
Commodity trade	35	49	19	22
Hotel og restaurant	26	48	6	15
Shipping	118	97	69	27
Transportation	2	12	1	6
Real estate	118	62	25	9
Commercial service industry	38	56	14	33
Social/private service industry	9	3	6	2
Finance	0	0	0	0
Public sector	0	0	0	0
Total	533	438	177	154

Average annual expected loss level for corporate sector

The bank has made calculations of the expected loss level for corporate customers. These calculations are based on empirical figures from Norwegian banks through a trade cycle of 12 years in addition to the regional correlation between the customer's business area and the quality and diversification in the bank's portfolio. The calculations show that the bank presumes a higher loss level for the corporate sector commitments over a trade cycle. (Estimated per 30 September).

Retail market

The credit policy is to contribute towards strengthening the portfolio of retail customer commitments in line with the strategy chosen by the bank and the guidelines stipulated. This entails that clearly set out requirements be stipulated for the processes and assessments to be used in work with retail customer commitments. Granting of loans and credit shall be based on the customer's financial ability and determination to service their loans. Security is the bank's guarantee if the ability to service a loan should nevertheless fail.

The bank has resolved to divide retail customer commitments into the following groups: Low risk (green) - Normal risk (yellow) - High risk (red).

Income, assets and determination are synthesized into financial ability expressed in A-D. The bank's security is expressed in 1-5. A commitment may contain the balance of the loan, the credit ceiling, the guarantee ceiling and accrued interest. On the basis of the above-mentioned regulations, all retail customer commitments are placed in the following matrix:

	A	B	C	D
1				
2				
3				
4				
5				

Extract of the bank's risk classification system for retail customer commitments in 2000 and 2001.

Kategori	2000 Volume	2001 Volume	2000 %	2001 %
High risk	2 426	2 632	11,42 %	9,95 %
Normal risk	2 656	2 990	12,50 %	11,30 %
Low risk	16 169	20 836	76,09 %	78,75 %
Total	21 251	26 458	100,00 %	100,00 %

The risk classification system for the retail market is in a development phase and contains 87 % and 95 % respectively of the loans to the private market for the years 2000 and 2001.

The total commitment has increased by 14 % over the last year. The percentage of total lending within the bank's risk areas has shown a negative development last year. This is mainly due to the bank's focus on loans to young people getting established (På Egne Ben), which will largely be classified as high risk loans.

NOTE 13 Loss on loans and guarantees in 2001 broken down into corporate areas

SpareBank 1 SR-Bank group	Loans and guarantees	Cross losses	Recoveries	Net losses	Loss percentage
Agriculture/forestry	1 403	3	2	1	0,07 %
Fishing/fish farming	1 105	19	9	10	0,90 %
Mining/extraction	921	0	0	0	0,00 %
Industry	2 068	8	2	6	0,29 %
Power and water supply/building and construction	1 620	6	3	3	0,19 %
Commodity trade, hotel and restaurant business	1 862	39	7	32	1,72 %
Foreign trade shipping, pipeline transport and other transport activities	1 808	25	13	12	0,66 %
Real estate business	5 072	40	10	30	0,59 %
Service industry	652	2	4	-2	-0,31 %
Public sector and financial services	880	0	0	0	0,00 %
Unspecified loss provisions	0	48	0	48	
Total corporate sector	17 391	190	50	140	0,81 %
Retail customers	27 964	46	27	19	0,07 %
Total	45 355	236	77	159	0,35 %

SpareBank 1 SR-Bank			NOTE 14 Certificates and bonds	SpareBank 1 SR-Bank group		
1999	2000	2001		2001	2000	1999
1 379	430	350	Certificates and bonds issued by the government	350	430	1 379
523	1 307	1 566	Certificates and bonds issued by others	1 566	1 307	523
1 902	1 737	1 916	Certificates and bonds	1 916	1 737	1 902
1 902	1 737	1 916	Trade portfolio	1 916	1 737	1 902
1 902	1 737	1 915	Original cost	1 915	1 737	1 902
71 %	57 %	71 %	Portion listed on stock exchange	71 %	57 %	71 %
1 902	1 737	1 916	NOK	1 916	1 737	1 902
5,8 %	5,9 %	7,3 %	Average effective interest rate	7,3 %	5,9 %	5,8 %
978	430	352	Public sector	352	430	978
889	1 210	1 288	Financial businesses	1 288	1 210	889
35	97	276	Non-financial businesses	276	97	35
1 902	1 737	1 916	Certificates and bonds	1 916	1 737	1 902
1999	2000	2001	NOTE 15 Shares and ownership stakes	2001	2000	1999
358	1 003	1 024	Shares, units and primary capital certificates	1 025	1 003	361
217	343	326	Ownership interests in associated companies	326	343	217
181	181	181	Ownership interests in credit institutions	0	0	0
22	22	26	Ownership interests in other Group companies	0	0	0
778	1 549	1 557	Shares and ownership stakes	1 351	1 346	578

Placement in shares, units and primary capital certificates

Amounts in NOK thousand	The company's share capital	Ownership stake in percent	Number of share	Original cost	Book value/ market value
Short-term placements in shares, units and primary capital certificates					
Listed companies					
Nordlandsbanken	372 562	0,8	56 380	11 964	12 347
Kredittbanken	253 229	1,2	149 000	5 704	4 545
Kongsberg Gruppen	150 000	0,3	97 500	9 707	9 702
Hydralift A	4 021	0,4	110 000	8 377	7 260
Roxar	5 162	1,0	253 450	7 161	3 548
Prosafe	337 229	0,3	109 500	14 383	13 250
TGS Nopec Geophysical Company	24 477	0,4	108 560	14 146	13 516
Solstad Offshore	71 588	0,6	202 112	5 332	7 983
Smedvig A	550 140	0,2	92 100	6 685	6 723
Tomra Systems	178 223	0,0	51 200	4 623	4 326
Telenor	10 816 384	0,0	332 860	11 877	12 848
DOF	139 578	1,6	1 117 000	10 296	9 059
Kverneland	99 786	1,0	96 263	10 152	10 348
Statoil	5 473 964	0,0	120 000	7 135	7 380
Rieber & Søn	795 757	0,2	193 600	8 265	9 099
Norsk Hydro	5 331 933	0,0	27 245	9 085	10 244
Photocure	8 643	0,5	86 610	10 175	10 350
Frontier Drilling	492 288	0,7	3 566 250	7 196	4 993
Infocus Corporation	USD 0,1	0,2	20 000	4 170	4 080
DNB Holding	7 786 579	0,0	347 700	13 355	13 978
Fred Olsen Energy	1 206 000	0,2	92 400	4 757	4 066
Vmetro	12 441	0,2	48 500	3 389	3 516
Sparebanken Nord-Norge	659 702	1,3	86 070	14 637	15 105
Sparebanken Møre	552 615	0,7	40 580	7 415	8 157
Gjensidige NOR Sparebank	4 688 936	0,2	101 250	23 778	27 641
Sparebanken Midt-Norge	609 943	1,3	77 480	15 101	15 457
Option secured shares					
Sandnes Sparebank	390 000	0,8	30 000	3 900	3 900
DNO	206 329	0,5	260 000	5 846	5 846
Norsk Skogindustri A	1 331 371	0,0	30 000	4 985	4 985
Royal Caribbean Cruises	USD 760	0,0	15 000	3 083	3 083
Hydralift A	4 021	0,0	6 000	464	464
Pan Fish	77 128	0,2	316 359	8 320	8 320
DOF	139 578	1,4	1 000 000	11 175	11 175
Sense Communications International	19 482	1,7	1 300 000	7 183	7 183
Northern Offshore	USD 26 170	0,4	450 000	3 690	3 690
Total option secured shares				48 646	48 646
Other listed companies				55 578	29 333
Total listed companies				353 089	327 500
Unlisted companies					
Marine Farms	7 694	3,6	275 200	10 852	6 880
Duplo Data	1 130	3,5	40 000	4 000	4 000
Safisco	7 360	9,5	350 000	3 500	3 500
Øvrige ikke børsnoterte selskaper				3 275	1 822
Total unlisted companies				21 627	16 202
Shares in fund					
Odin Pengemarked			599 216	598 581	598 581
Total shares in fund			599 216	598 581	598 581
Total short-term placement in shares, units and primary capital certificates				973 297	942 283
Long-term placement in shares, units and primary capital certificates					
Listed companies					
Sparebanken Nord-Norge	659 702	1,1	70 000		8 400
Sparebanken Vest	250 000	0,1	2 650		313
Sandnes Sparebank	390 000	0,9	33 200		4 299
Sparebanken Midt-Norge	609 943	1,1	70 000		8 400
FöreningsSparbanken	SEK 10 556 177	0,1	345 000		38 589
Kverneland	99 786	0,4	37 800		4 064
Total listed companies					64 065

Cont. NOTE 15

Amounts in NOK thousand	The company's share capital	Owners stake in percent	Number of share	Original cost	Book value/ market value
Unlisted companies					
BBS/Bank-Asept Holding	165 000	4,3	283 830		4 940
Steinsvik Maskin	20 000	8,6	17 140		3 000
NOS	15 983	1,4	223 950		616
Data Design System	3 473	7,1	245 000		1 225
Såkorinvest	12 781	10,6	13 500		2 670
Other					5 639
Total unlisted companies					18 090
Total long-term placements in shares, units and primary capital certificates					
Total SpareBank 1 SR-Bank shares, units and primary capital certificates					1 024 438
EiendomsMegler 1 Sunnhordaland	200	50,0	100		108
Prosjektsalg	300	3,5	105		100
Total SpareBank 1 SR-Bank Group shares, units and primary capital certificates					1 024 646
Ownership stakes in affiliated and jointly controlled companies					Book value
Byggekompaniet					554
Admi-Senteret					0
SpareBank 1 Group					325 594
Total SpareBank 1 SR-Bank					326 148

Shares in subsidiaries	The company's share capital	Owners stake in percent	Number of share	Original cost	Book value/ market value
SpareBank 1 SR-Bank					
Westbroker Finans	67 000	100	134 000	67 000	181 292
Total ownership in credit institutions				67 000	181 292
EiendomsMegler 1 Rogaland	1 500	100	150	1 500	12 736
Bjergsted Boliger	50	100	50	50	8 411
SR-Forvaltning	6 000	66,7	6 000	1 000	4 044
AS Bankbygg	600	62,5	375	375	375
Jernbaneveien	50	100	10	50	0
Total ownership in other Group companies				2 975	25 566
AS Bankbygg	600	62,5	375	375	375
Total SpareBank 1 SR-Bank Group				375	375

Voting interest and ownership stake are the same for all companies.

Change in holding of fixed assets SpareBank 1 SR-Bank

Book value 1 Jan. 2001	1 549
Additions/disposals other shares, units og primary capital certificates	14
Additions/disposals affiliated companies	-17
Write-down/reversal	11
Book value 31 Dec. 2001	1 557

Subsidiaries, affiliated and jointly controlled companies

Company	Year of acquisition	Registered office	Ownership interest in %
Westbroker Finans	1987	Stavanger	100,00
EiendomsMegler 1 Rogaland	1990	Stavanger	100,00
Bjergsted Boliger	1990	Stavanger	100,00
Sparebank 1 Gruppen	1996	Oslo	13,00
Byggekompaniet	1992	Stavanger	33,33
Admi-senteret	1984	Jørpeland	50,00
SR-Forvaltning	2001	Stavanger	66,67

Investment in all companies are assessed according to the equity method

Investment in subsidiaries	Westbroker Finans	Eiendoms Megler 1	-Bjergsted Boliger	SR-Forvaltning
Excess value analysis				
Equity entered in balance sheet at time of purchase	53 400	8 000	50	4 000
Goodwill	40 000			18
Original cost	93 400	8 000	50	4 018

Calculation of value entered in balance sheet as of 31 Dec. 2001

Opening balance as of 1 Jan. 2001	181 292	12 736	8 692	
Share capital deposit				4 018
Profit for the year	22 828	8 011	117	2 888
Transferred to/from companies (dividends/group contribution)	-22 828	-8 011	-398	-2 862
Closing balance as of 31 Dec. 2001	181 292	12 736	8 411	4 044

Investments in affiliated and jointly controlled businesses

Excess value analysis	SpareBank 1 Gruppen	Byggekompaniet	Admi-Senteret
Capitalized equity at time of purchase	145 900	2 000	1 000
Goodwill			
Original cost	145 900	2 000	1 000
Calculation of value capitalized as of 31 Dec. 2001			
Opening balance as of 1 January 2001	342 427	519	0
Share of profit for the year	-57 691	35	0
Profit adjusted 2000	1 841		
Share capital deposit	39 017		
Closing balance as of 31 Dec. 2001	325 594	554	0

SpareBank 1 Gruppen

The bank owns SpareBank 1 Gruppen AS i collaboration with SpareBank 1 Nord-Norge, SpareBank 1 Midt-Norge, SpareBank 1 Vest and Samarbeidende Sparebanker AS. Each of the parties owns 13 % of the shares in the company. In addition, the Swedish FöreningsSparbanken AB owns 25 % of the shares, and the Norwegian Confederation of Trade Unions (LO) and trade unions associated with LO own 10 %. The management structure for the SpareBank 1 collaboration is governed by an agreement between the owners. The holding is regarded as participation in joint ventures.

Company name	Company's share capital	Ownership	Number of votes
SpareBank 1 Gruppen AS	997 600	13 %	13 %

SpareBank 1 SR-Bank has provided a subordinated loan to SpareBank 1 Gruppen AS in the amount of NOK 16.6 million with a term ending in 2006. The interest rate will be 3 month NIBOR + 1.1 percentage point p.a. In connection with the acquisition of VÅR Gruppen ASA, SpareBank 1 SR-Bank has provided a debenture loan to SpareBank 1 Gruppen AS in the amount of NOK 182 million. The due date for the loan is 15 June 2005 and the interest rate is 6 month NIBOR + 0.5 percent p.a.

The joint ventures consist of the parent company SpareBank 1 Gruppen AS, SpareBank 1 Livsforsikring AS, SpareBank 1 Skadeforsikring AS, SpareBank 1 Fondsforsikring AS, Bank 1 Oslo AS, Sparebankutvikling AS, ODIN Forvaltning AS, SpareBank 1 Aktiv Forvaltning ASA, SpareBank 1 Finans AS, Enter Card AS (65 %), and First Securities ASA (51 %). The subsidiaries are engaged in business within banking, insurance, brokering and securities management activities. All transactions between the bank and the subsidiaries in the SpareBank 1 Gruppen AS have been based on business-like terms. Internal compensation between the bank and SpareBank 1 Gruppen AS that is not related to sales and portfolio counseling, is based on the full cost principle.

	2000		2001	
Profit	100 %	13 %	100 %	13 %
Profit after tax	197,5		-144,2	
Goodwill- and value added write-downs	-86,0		-249,5	
Profit from VÅR added to equity (01.01. -30.09.)	-187,8			
Minority share	-40,7		-50,2	
Loss for the year	-117,0	-15,2	-443,9	-57,7

NOTE 16 Fixed assets	Machines, & fixtures & transport vehicles	Bank buildings & other real estate prop.	Total	Revaluation of bank buildings & other real estate prop.
SpareBank 1 SR-Bank				
Acquisition cost 1 January 2001	274	367	641	44
Additions 2001	52	4	56	0
Disposals 2001	5	18	23	2
Total depreciation and write-downs 31 December 2001	231	133	364	10
Book value 31 December 2001	90	220	310	32

Revaluation of bank buildings and other real property are part of the item bank buildings and other real property. Of the total book value of bank buildings, NOK 213 million is for use in the banking business.

SpareBank 1 SR-Bank	Machines, & fixtures & transport vehicles	Bank buildings & other real estate prop.	Total
Acquisition cost 1 January 2001	292	367	659
Additions 2001	60	4	64
Disposals 2001	5	18	23
Total depreciation and write-downs 31 December 2001	246	133	379
Book value 31 December 2001	101	220	321

Intangible assets Goodwill	SpareBank 1 SR-Bank	SpareBank 1 SR-Bank group
Acquisition cost 1 January 2001	36	45
Additions 2001	3	7
Disposals 2001	7	7
Total depreciation and write-downs 31 December 2001	12	15
Book value 31 December 2001	20	30
Deferred tax advantage	55	88
Total	75	118

Depreciations and write-downs	Depreciation rate	SpareBank 1 SR-Bank	SpareBank 1 SR-Bank group
Machines, fixtures and transport vehicles	14 - 33%	43	47
Bank buildings and other real estate property	2%	6	6
Goodwill	10 - 20%	6	8
Depreciations and write-downs		55	61

Real property of importance for the bank:

Geographical location	Type	Total sq. meters	Rental portion sq.meters
Stavanger sentrum	Bank building	3 085	930
Stavanger Bjergsted	Bank building	9 200	704
Sola sentrum	Bank building	3 783	1 850
Randaberg sentrum	Bank building	1 903	1 088
Haugesund sentrum	Bank building	3 536	363
Aksdalsenteret Tysvær	Bank building	2 288	811

Acquired assets	SpareBank 1 SR-Bank	SpareBank 1 SR-Bank group
Acquired stocks	3	3
Acquired properties	0	3
Total	3	6

SpareBank 1 SR-Bank			NOTE 17 Other assets	SpareBank 1 SR-Bank group		
1999	2000	2001		2001	2000	1999
10	10	10	Equity, SpareBank 1 SR-Bank pension fund	10	10	10
33	26	35	Dividends not receivable from subsidiaries	0	0	0
76	129	257	Other assets	328	202	106
119	165	302	Other assets	338	212	116

1999	2000	2001	NOTE 18 Advance payments and accrued income	2001	2000	1999
180	267	234	Accrued, unpaid income and non-accrued costs paid in advance	236	261	178
20	31	45	Net pension funds	46	33	22
200	298	279	Advance payments and accrued income	282	294	200

1999	2000	2001	NOTE 19 Debt to credit institutions	2001	2000	1999
200	106	617	Debt without agreed loan period or notice of withdrawal	112	100	195
3 722	5 077	5 763	Debt with agreed loan period or notice of withdrawal	5 763	5 077	3 726
3 922	5 183	6 380	Debt to credit institutions	5 875	5 177	3 921
4,7 %	5,5 %	4,8 %	Average interest rate	4,8 %	5,5 %	4,9 %
2 951	3 755	3 878	Debt allocated to the most essential currencies	3 878	3 755	2 951
		785	USD	785		
			EURO			

The average interest rate is calculated on the basis of the actual interest cost per year in percent of average debt to credit institutions.

1999	2000	2001	NOTE 20 Deposits from customers	2001	2000	1999
14 869	16 731	16 575	Deposits from customers without agreed term	17 689	17 832	16 037
3 176	4 291	6 325	Deposits from customers with agreed term	6 322	4 288	3 174
18 045	21 022	22 900	Deposits from customers	24 011	22 120	19 211
4,9 %	4,9 %	5,8 %	Average interest rate	5,8 %	5,0 %	5,0 %

Deposits from customers are mainly in NOK. Average interest rate is calculated on the basis of the actual interest cost per year in percent of average deposits from customers.

1999	2000	2001	NOTE 21 Bond debt and other long-term loans	2001	2000	1999
Maturity dates						
1 000	0	0	2000	0	0	1 213
550	600	0	2001	0	618	600
1 025	1 475	1 475	2002	1 475	1 475	1 025
1 750	2 050	2 050	2003	2 050	2 050	1 750
100	100	1 750	2004	1 750	100	100
0	1 854	2 495	2005	2 495	1 854	0
0	226	303	2006	303	226	0
0	0	214	2007	214	0	0
0	0	340	2011	340	0	0
2	1	1	Premium	1	1	2
0	-21	-26	Holdings of own bonds	-26	-21	0
-6	-11	-10	Capitalized costs in connection with bond loans	-10	-11	-6
4 421	6 274	8 592	Bond debt and other long-term loans	8 592	6 292	4 684
6,6 %	6,0 %	7,4 %	Average interest rate	7,4 %	6,0 %	6,6 %
Debt divided among significant foreign currencies						
	4 420	5 070	NOK	5 070	4 420	
	1 854	3 522	EURO	3 522	1 854	

Premium on borrowing is taken to income over the term of the loan. All loans mature without installments.

Average interest rate is calculated on the basis of the actual interest cost per year in percent of average bond holding.

1999	2000	2001	NOTE 22 Alloc. to commitments and costs	2001	2000	1999
95	114	132	Uncovered pension liabilities	135	117	98
0	0	0	Other allocations to commitments and costs	0	1	0
95	114	132	Allocations to commitments and costs	135	118	98

NOTE 23 Pension schemes

The SpareBank 1 SR-Bank Group has group occupational pension schemes for its employees. The pension schemes for SpareBank 1 SR-Bank, SR-Forvaltning ASA and for EiendomsMegler 1 Rogaland AS are covered by the bank's pension fund, while Westbroker Finans AS has its scheme covered in Storebrand. SpareBank 1 SR-Bank and EiendomsMegler 1 Rogaland AS have uniform schemes whereby the main terms are 30 years' accrual, 70 percent pension with respect to the pensionable income as of January 1 of the year of reaching 67 years of age as well as disablement, spouses and children's pension. All pension benefits are coordinated with expected benefits from social security. If social security amendments are made entailing reduced benefits, said reductions will not be compensated from the pension schemes. As of December 31, 2001, the pension schemes had 833 active members (SR-Bank 758) and 184 pensioners (all in SR-Bank). The pension scheme at Westbroker Finans AS has the same accrual time, but a somewhat lower coverage than the schemes covered by the pension fund. In all, the scheme at Westbroker Finans AS includes 29 active members and 10 pensioners. In addition to the pension liabilities covered through the insurance schemes, the Group has unfunded pension liabilities that cannot be covered by the funds in the group schemes. The liabilities concern persons not enrolled in the insurance schemes, additional pensions beyond 12G (base), ordinary early-retirement pensions and early-retirement pensions according to the AFP arrangement (Contractual early-retirement pension). Estimated values are used for valuating the pension funds and measuring accrued liabilities. Said estimates are corrected each year according to the actual value of the pension money in the pension fund, statements of the pension funds' transfer value from the insurance company, and actuary calculation of the size of the liabilities. In calculating future pensions, the following assumptions are applied:

	31.12.2001	31.12.2000	31.12.1999
Discount rate	6,75 %	7,00 %	7,00 %
Expected yield on the funds	7,50 %	7,75 %	7,75 %
Wage adjustment	3,50 %	3,30 %	3,30 %
G (base) adjustment/inflation	2,50 %	2,50 %	2,50 %
Pension adjustments	2,50 %	2,50 %	2,50 %

The calculations are based on standardised requisites regarding trends in fatality and disablement rates and other demographic factors calculated by the Association of Norwegian Insurance Companies. Also stipulated is a resignation/retirement rate on 2 percent until 45 years and 0 percent for age group 45 years and older. For calculating the AFP (contractual early-retirement pension) liability, it is stipulated that 30 percent of those entitled to the scheme will use it upon reaching 62 years of age, and the remaining 70 percent will use it upon reaching 64 years of age.

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group			
The annual pension costs are derived as follows:						
1999	2000	2001		2001	2000	1999
13	15	19	Current value of the year's pension earnings	21	17	13
24	26	31	Interest costs of accrued pension liabilities	33	27	24
-15	-18	-24	Expected yield on the pension fund	-21	-20	-16
0	0	0	Effects of pension plan changes taken to profits	1	0	0
0	1	4	Estimate changes and deviations between actual and expected yield taken to profits	4	1	1
1	1	2	Employer's National Insurance contributions charged to profits	2	2	1
23	25	32	Pension costs	40	27	23
Pension funds and pension liabilities in group schemes:						
1999	2000	2001		2001	2000	1999
-242	-276	-339	Est. accrued liabilities incl. employer's National Ins. contrib.	-358	-292	-254
234	271	310	Estimated value of pension funds	328	287	247
-8	-5	-29	Estimated net pension funds	-30	-5	-7
25	32	68	Effect, not taken to profits, of estimate changes and differences between expected and actual yield	72	33	26
1	1	1	Effect, not taken to profits, of change in scheme	1	0	1
2	4	5	Employer's social security contribution	5	4	2
20	32	45	Net pension funds capitalized	48	32	22
Pension liabilities in unfunded schemes:						
1999	2000	2001		2001	2000	1999
-114	-135	-163	Est. accrued liabilities incl. employer's National Ins. contrib.	-172	-139	-118
14	16	27	Effect, not taken to profits, of estimate changes and differences between expected and actual yield	31	3	15
5	5	4	Effect, not taken to profits, of change in schemes	5	19	6
-95	-114	-132	Net pension liabilities capitalized, including employer's National Ins. contribution	-136	-117	-97

The pension funds are managed according to guidelines laid down by the board of the pension fund. The pension funds consist mainly of bearer bonds and stock funds.

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group				
1999	2000	2001	NOTE 24	Subordinated loan capital	2001	2000	1999
Time of maturity/interest rate							
0	0	0		2006 - 3 months Nibor + margin	0	32	32
0	0	0		2007 - 3 months Nibor + margin	40	40	40
802	885	803		2009 - USD 100 mill. 3 months Nibor + margin	803	885	802
250	250	250		Perpetual 3 months Nibor + margin	250	250	250
0	0	-84		USD 3 months Nibor + margin	-84	0	0
0	300	300		2010 - 3 months Libor + margin	300	300	0
0	0	676		Without term to maturity USD 75 mill. 3 mnd Libor + margin	676	0	0
-1	-2	-41		Capitalized costs in connection with subordinated loans	-41	-2	-1
30	23	15		Premium	15	23	30
1 081	1 456	1 919		Subordinated loan capital	1 959	1 528	1 153

Subordinated loan capital in foreign currency (USD 164 million as of December 31 2001) is included in the bank's total foreign position, so that there is no currency risk linked to the loan. See note 27. USD 89 million may be redeemed in 2004. A subordinated loan of NOK 300 million maturing in 2010 may be redeemed in 2005. A subordinated loan in the group of NOK 40 million maturing in 2007 may be redeemed in 2002. Of the total subordinated loan capital in the bank of NOK 1 919 million, NOK 1 837 million counts as additional capital as of 31 December 2001. Corresponding figures for the Group are NOK 1 876 million. Premium when raising a loan is taken to income over the term of the loan.

NOTE 25 Movement in equity

SpareBank 1 SR-Bank SR-Bank group	Primary capital certificate capital	Premium reserve	Valuation difference funds	Saving bank's reserve	Endowment fund	Dividend equalization fond	Total equity
Equity as of 1 Jan. 2001	749	8	189	850	18	725	2 539
Transfers					-2		-2
Private placement vis à vis the employees	5						5
Purchase of own primary capital certificates	-6	7				-7	-6
Profit for the year			-57	260	12	78	293
Dividends				-143			-143
Balance sheet as at 31 Dec. 2001	748	15	132	967	28	796	2 686
Minority interests							2
Balance sheet as of 31 December 2001 SR-BankGroup							2 688

The 20 largest primary capital certificate owners as of 31 Dec. 2001

Owner	Number of primary capital certificates	Share percentage
Swedbank Markets	741 950	9,8 %
Folketrygdfondet	366 600	4,9 %
Tveteraas Investering	191 351	2,5 %
Investors Bank & Trust Company	156 667	2,1 %
Sparebank 1 Midt-Norge	106 974	1,4 %
Kristiansands Tankrederi AS	102 250	1,4 %
Bank of New York, Brussel	94 500	1,3 %
Arne B. Corneliussen Invest AS	80 000	1,1 %
Posh AS	80 000	1,1 %
Frank Mohn AS	79 250	1,1 %
Otto B. Morcken	65 000	0,9 %
Solvang Shipping AS	60 000	0,8 %
Sparebanken Rogaland egne	56 000	0,7 %
Audley AS	55 000	0,7 %
Westco AS	50 750	0,7 %
Ringerikes Sparebank	50 700	0,7 %
Brown Brothers Harriman & Co, Boston	50 000	0,7 %
Erik Steen	45 100	0,6 %
Sentralinvest AS	44 500	0,6 %
Forsand Kommune	42 200	0,6 %
20 largest owners	2 518 792	33,4 %
Other owners	5 019 402	66,6 %
Issued primary capital certificates	7 538 194	100,0 %

The total number of primary capital certificate owners was 6 438 as of 31 December 2001, an increase of 75 from last year. The percentage of primary capital certificates owned by people residing in Rogaland was 47 percent, while 15 percent are foreign-owned. See also the overview of primary capital certificate owners on the board and the supervisory board.

SpareBank 1 SR-Bank				SpareBank 1 SR-Bank group		
1999	2000	2001	NOTE 26 Guarantee liabilities/Secured debt	2001	2000	1999
671	709	1 046	Payment guarantees	1 046	709	671
412	455	449	Contract guarantees	449	455	412
28	81	11	Loan guarantees	11	81	28
16	18	27	Guarantee for taxes	27	18	16
22	13	44	Other guarantees	44	13	22
0	0	12	Guarantee towards the Savingsbanks guarantee fund	12	0	0
1 149	1 276	1 589	Total	1 589	1 276	1 149

The bank does not have secured debt of significant value.

1999	2000	2001	NOTE 27 Forex position and exchange and interest agreements	2001	2000	1999
			Net position in foreign currency:			
2 066	4 144	5 906	Assets in foreign currency	5 906	4 144	2 066
3 319	4 542	6 135	Forward purchases in foreign currency	6 135	4 542	3 319
4 633	8 026	11 074	Debt in foreign currency	11 074	8 026	4 633
677	685	903	Forward sales in foreign currency	903	685	677

Currency risk:

Currency risk may be defined as the risk which the bank has for incurring losses due to changes in exchange rates. The bank has a policy of limited currency risk on its own books. The bank's board of directors has set limits on the size of the currency position the bank may have, both for individual currencies and in total. Furthermore, the bank may only take a currency risk in those currencies for which the bank of Norway has a daily exchange rate determination. Seen in relation to the bank's size, the currency risk has been low throughout 2001. At the end of the year the total currency position was NOK 102 million. The largest positions were in yen at NOK 58 million, dollar at NOK 38 million, and pund at NOK 2 million. There were only minor positions in other currencies. All currency items are converted according to market rates as of 31 December 2001.

Interest and currency instruments off-balance-sheet (Financial derivatives)

	Nominal amount Dec. 31, 2001	Nominal amount average for 2001	Book value Dec. 31, 2001
Trading portfolio:			
Interest	176	693	(1)
Currency	1 748	1 593	(2)
Hedging portfolio:			
Interest	4 867	4 922	7
Currency	8 970	7 232	22
Share swaps	1 333	1 083	1

The nominal amount equals the principal sum of the contract.

Off-balance sheet interest, currency and equity capital related instruments (Financial derivatives)

Trade with financial derivatives is mainly conducted to reduce the interest and currency risk in the balance sheet. For trade with customers the board has stipulated clearly set out limits on the size of the risk permitted in the trade portfolio for both currency and interest derivatives. Seen in relation to the size of the bank, the limits for trade with derivatives are regarded as being conservative, and the market risk associated with trade with these products is thus small. Equity capital related instruments such as share options are not used to any great extent, and no equity capital related derivatives were outstanding at the end of the year. Derivatives are mainly transacted with solid Norwegian and international banks as the opposite party. The credit risk is therefore regarded as being small. Transactions with customers are part of the bank's continuous credit assessment of individual commitments. All instruments used through the year are subject to daily sales in liquid markets. These are described below:

Interest instruments mainly include:

Interest rate swaps, which are contracts for swapping interest terms on nominal amounts with customers or banks. FRA-contracts, which are contracts that set an interest rate at a nominal amount for a future period. Interest rate options, which are contracts that entitle the buyer to claim the difference between the interest rate in the money market and the agreed interest paid by the seller. The difference is calculated on the basis of the principal amount.

Currency instruments mainly include:

Forward exchange contracts, which are contracts for the purchase or sale of a specific currency amount at a future date at an agreed rate of exchange against another currency. Currency swaps, which are agreements with customers or banks on swapping currency amounts at a pre-agreed rate of exchange and to pay interest on these for an agreed period.

Share agreements basically comprise

Share swaps guarantee the buyer a specific rate of return on certain share indexes and/or units trusts in return for payment of floating/fix interest for a pre-determined period of time.

NOTE 28 Contingent liabilities

The Group is party to several lawsuits with a total financial scope that is not assessed as being significant, taking into account the fact that the bank has made loss provisions in those cases where it is thought to be a preponderant probability that the bank will suffer losses as a result of the lawsuits.

NOTE 29 Distribution of loans, guarantees and deposits in business areas

SpareBank 1 SR-Bank group	Loans	Guarantees	Deposits
Agriculture/forestry	1 399	4	595
Fishing/fish farming	1 080	25	81
Mining/extraction	843	78	393
Industry	1 812	256	740
Construction and water supply/building and construction	1 001	619	793
Commodity trade, hotel and restaurant business	1 605	257	929
Foreign-trade shipping, pipeline transport and other transport activities	1 768	40	874
Real estate	4 852	220	2 036
Service industry	632	20	1 361
Public sector and financial services	839	41	2 394
Total corporate sector	15 831	1 560	10 196
Retail customers	27 935	29	13 815
Total	43 766	1 589	24 011

Distribution of loans, guarantees and deposits in geographical areas

SpareBank 1 SR-Bank group	Loans	Guarantees	Deposits
Greater Oslo area	2 019	184	1 281
Vest-Agder	1 724	19	813
Rogaland	37 384	1 323	21 028
Hordaland	1 239	56	524
Other domestic	1 119	6	87
Foreign countries	281	1	278
Total	43 766	1 589	24 011

NOTE 30 Transactions with subsidiaries

Income and expenses:	2001	2000	1999
Interest income from subsidiaries	52	42	20
Interest costs to subsidiaries	8	2	2
Commission income from subsidiaries	0	0	1
Commission costs from subsidiaries	6	0	0
Other income from subsidiaries	1	1	1
Other costs to subsidiaries	1	0	1
Claims on subsidiaries:			
Overdraft	11	1	2
Other loans	113	967	576
Other claims	34	32	37
Total claims	158	1 000	615
Debt to subsidiaries:			
Deposits from subsidiaries	633	144	92
Total liabilities	633	144	92

On-demand and loans to affiliated companies	Loan	Deposits	Guarantees	Subordinated Loans
Byggekompaniet AS	0	2	0	0
Admi- senteret AS	23	0	0	0
SpareBank 1 Gruppen AS	185	0	3	17

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group			
1999	2000	2001	NOTE 31 Capital adequacy ratio	2001	2000	1999
727	850	967	Savings bank's reserve	1 099	1 038	838
-15	-23	-33	Pension fund	-33	-23	-15
744	749	754	Primary capital certificate capital	754	749	744
0	0	-6	Own holding of primary capital certificates	-6	0	0
14	18	28	Endowment reserve	28	18	14
0	8	15	Premium reserve	15	8	0
620	725	796	Dividend equalization reserve	796	725	620
-34	-78	-75	Goodwill and other intangible assets	-118	-105	-38
2 056	2 249	2 446	Core capital	2 535	2 410	2 163
250	250	926	Perpetual subordinated loan capital	926	250	250
0	0	-84	- Own subordinated loans	-84	0	0
-22	-105	-108	Reductions in perpetual subordinated loan capital due to exchange rate fluctuations	-108	-105	-22
802	1 185	1 103	Time-limited subordinated loan capital	1 142	1 257	874
1 030	1 330	1 837	Additional capital	1 876	1 402	1 102
3 086	3 579	4 283	Gross equity and subordinated loan capital	4 411	3 812	3 265
0	0	0	Capital adequacy reserve acc. to §2a-9	-342	-358	-218
-10	-10	-10	Equity and subord. loan capital in other finance inst. acc. to § 7e	-10	-10	-10
-10	-10	-10	Deduction in equity and sub. loan capital	-352	-368	-228
3 076	3 569	4 273	Net equity and subordinated loan capital	4 059	3 444	3 037
23 153	27 427	30 178	Total assets (weighted)	30 959	28 820	24 525
597	740	923	Total off-balance-sheet items (weighted)	923	740	597
652	968	1 102	Currency risk and items in the trade balance	1 106	968	653
-10	-10	-10	Deductions made according to §§ 7e-f	-10	-10	-10
-478	-566	-624	Loss prov. not incl. in equity and subord. loan capital	-647	-594	-495
0	0	0	Capital adequacy reserve according to §2A-9	-342	-358	-218
-111	-188	-132	Valuation difference fund	0	0	0
23 803	28 371	31 437	Total basis for calculation	31 989	29 566	25 052
12,92 %	12,58 %	13,59 %	Capital adequacy ratio	12,69 %	11,65 %	12,12 %

The table shows SpareBank 1 SR-Bank's and the SpareBank 1 SR-Bank group's capital adequacy ratio. Capital adequacy ratio should be at least 8 percent. Time limited subordinated loan capital reduces the equity value by 20 percent each year for the past 5 years before it is due. Insofar as the bank has equity and subordinated loan capital in other financial institutions, it goes directly to deduction in the bank's own equity and subordinated loan capital for the portion exceeding 2 percent of the recipient financial institution's equity and subordinated loan capital. If the bank has equity and subordinated loan capital in other financial institution's constituting less than 2 percent of said financial institution's equity and subordinated loan capital, the total of said capital is deducted from the bank's equity and subordinated loan capital for the portion exceeding 10 percent of the bank's equity and subordinated loan capital. The basis for calculation is weighted according to risk. There are 5 classes of risk: 0 percent, 10 percent, 20 percent, 50 percent and 100 percent, where the percentage indicates how large a portion of a balance sheet item to include in the basis for calculation.

NOTE 32 Remaining – and fixed – interest periods SpareBank 1 SR-Bank

Remaining interest periods SpareBank 1 SR-Bank	Up to 1 month	1-3 month	3-12 month	1-5 years	More than 5 years	Without terms	Total
NOK							
Cash and claims on central banks	653						653
Claims on credit institutions	11						11
Loans to customers	3 115	769	939	3 717	28 183		36 723
Certificates and bonds	35	136	285	1 448	12		1 916
Assets without residual term						2 447	2 447
Foreign currency:							
Cash and claims on central banks	14						14
Claims on credit institutions	197	269					466
Loans to customers	729	2 444	2 112				5 285
Certificates and bonds							0
Assets without residual term						79	79
Total assets	4 754	3 618	3 336	5 165	28 195	2 526	47 594

Cont. next page...

Remaining interest periods SpareBank 1 SR-Bank	Up to 1 month	1-3 month	3-12 month	1-5 years	More than 5 years	Without terms	Total
NOK:							
Debt to credit institutions	636						636
Deposits from customers	19 188	2 162	605	505	162		22 622
Debt established on issue of securities	920	3 425	1 475	3 208	394		9 422
Debt without residual term						614	614
Subordinated loan capital					465		465
Total equity						2 686	2 686
Foreign currency:							
Debt to credit institutions	1 154	3 689		901			5 744
Deposits from customers	278						278
Debt established on issue of securities				3 515			3 515
Subordinated loan capital					1 454		1 454
Debt w/o term to maturity						158	158
Total liabilities and equity	22 176	9 276	2 080	8 129	2 475	3 458	47 594
Net total all items	-17 422	-5 658	1 256	-2 964	25 720	-932	
Fixed interest periods SpareBank 1 SR-Bank							
	Up to 1 month	1-3 month	3-12 month	1-5 years	More than 5 years	Without terms	Total
NOK:							
Cash and claims on central banks	653						653
Claims on credit institutions	11						11
Loans to customers	27 725	5 411	554	2 434	599		36 723
Certificates and bonds	35	136	285	1 448	12		1 916
Non-interest-bearing assets						2 447	2 447
Foreign currency:							
Cash and claims on central banks	14						14
Claims on credit institutions	197	269					466
Loans to customers	729	2 444	2 112				5 285
Certificates and bonds							0
Non-interest-bearing assets						79	79
Total assets	29 364	8 260	2 951	3 882	611	2 526	47 594
Fixed interest periods SpareBank 1 SR-Bank							
	Up to 1 month	1-3 month	3-12 month	1-5 years	More than 5 years	Without terms	Total
NOK							
Debt to credit institutions	636						636
Deposits from customers	16 239	5 979	380	24			22 622
Debt established on issue of securities	2 297	4 300	1 775	1 050			9 422
Non-interest-bearing debt						614	614
Subordinated loan capital	166	299					465
Total equity						2 686	2 686
Foreign currency:							
Debt to credit institutions	1 154	3 689		901			5 744
Deposits from customers	278						278
Non-interest-bearing debt	1 390	2 125					3 515
Subordinated loan capital	778	676					1 454
Debt w/o term to maturity						158	158
Total liabilities and equity	22 938	17 068	2 155	1 975	0	3 458	47 594
Net interest exposure on the balance sheet	6 426	-8 808	796	1 907	611	-932	
Finan. deriv. affect. the acc. which are not posted on the bal. sheet	87	185	-325	-720	145		
Net int. exp. incl. off balance finance deriv.	6 513	-8 623	471	1 187	756	-932	
In percent of total assets	14 %	-18 %	1 %	2 %	2 %	-2 %	

Bank overdraft has been included under the interval 0-1 months. The statement shows the remaining term of various balance sheet items. The Statement of interest lock-in periods shows how long the bank is bound to the applicable interest of various balance sheet items. The bank's interest risk has been low throughout the year compared with the bank's balance sheet. At the end of the year total interest sensitivity was such that a change in the interest rate of 1 percent would have yielded a little over NOK 20 million in the profit and loss account. All items in the balance sheet, and off-balance sheet items such as interest swaps, etc., are included in this calculation. The trade portfolio, which mainly consists of bonds and certificates, has had a low duration throughout the year. At the end of the year this portfolio had a duration of 0.3 and a change in the interest rate of 1 percent would have yielded nearly NOK 7 million in the profit and loss account.

NOTE 33 Profit summary for subsidiaries

Amounts in NOK thousand Profit and loss account – subsidiaries	Westbroker Finans	Eiendoms Megler 1	Bjergsted Boliger	SR- Forvaltning	Total subsidiaries
Interest income	204 468	2 882	203	1 961	209 514
Interest costs	149 808	217	0	0	150 025
Net interest income	54 660	2 665	203	1 961	59 489
Commission income	12 399	7 271	0	11 322	30 992
Commission costs	-699	0	0	0	-699
Net exchange and capital gains/losses	-66	0	0	0	-66
Other operating income	40	87 851	325	0	88 216
Net other operating income	11 674	95 122	325	11 322	118 443
Total operating income	66 334	97 787	528	13 283	177 932
Wages and general administration costs	18 531	69 865	0	4 760	93 156
Depreciation and write-downs	844	4 966	0	358	6 168
Other operating costs	7 243	11 800	93	2 118	21 254
Total operating costs	26 618	86 631	93	7 236	120 578
Profit before losses and write-downs	39 716	11 156	435	6 047	57 354
Loss/gain financial fixed assets	0	0	300	0	300
Loss on loans and guarantees	7 862	0	0	0	7 862
Profit from ordinary activities	31 854	11 156	135	6 047	49 192
Balance sheet – subsidiaries					
Assets:					
Cash and claims on central banks	6	6	0	0	12
Claims on credit institutions	505 126	112 503	5 012	10 395	633 036
Gross loans to customers	1 134 511	0	0	0	1 134 511
Specified loss provisions	-8 166	0	0	0	-8 166
Unspecified loss provisions	-14 600	0	0	0	-14 600
Net loans to customers	1 111 745	0	0	0	1 111 745
Acquired assets	2 000	0	0	0	2 000
Securities	0	108	100	0	208
Fixed assets	31 710	18 530	3 311	1 474	55 025
Advance payments and accrued income	68 373	1 972	0	3 285	73 630
Total assets	1 718 960	133 119	8 423	15 154	1 875 656
Liabilities and equity:					
Debt to credit institutions	124 575	0	0	0	124 575
Deposits from customers	1 238 784	0	0	0	1 238 784
Debt established on issue of securities	132 444	119 333	12	8 983	260 772
Accrued costs and income paid in advance	1 865	1 050	0	132	3 047
Subordinated loan capital	40 000	0	0	0	40 000
Total equity	181 292	12 736	8 411	6 039	208 478
Total liabilities and equity	1 718 960	133 119	8 423	15 154	1 875 656

C A S H F L O W A N A L Y S I S

SpareBank 1 SR-Bank			SpareBank 1 SR-Bank group			
1999	2000	2001		2001	2000	1999
451	463	294	Profit for the year	294	463	451
-4	-11	56	Group contribution from/to subsidiaries	0	-11	0
-141	-157	-143	Retained profit in subsidiaries and jointly controlled businesses	-143	-157	-141
37	25	34	Dividend to owners of primary capital certificates	0	0	0
-53	-204	-1	Dividends from subsidiaries	-1	-206	-54
9	-3	11	Loss/gain financial fixed assets	11	-3	8
41	46	55	Write-downs financial fixed assets	61	49	42
100	125	151	Loss on loans	159	137	102
440	284	457	Transferred from the year's activity	381	272	408
-4 251	-6 526	-5 932	Change in gross loans to customers	-4 543	-6 647	-4 358
0	-10	9	Change in acquired assets	14	-16	-2
-474	-471	759	Change in claims on credit institutions	-84	-81	-21
1 498	2 977	1 878	Change in deposits from customers	1 891	2 909	1 730
-74	1 461	1 147	Change in debt to credit institutions	649	1 455	-498
-385	165	-178	Change in certificates and bonds	-178	165	-385
28	-78	-67	Change in other claims	-83	-122	26
120	50	-70	Change in other short-term liabilities	-81	136	54
-3 098	-2 148	-1 997	A Net change in liquidity from the activity	-2 034	-1 929	-3 046
-11	-53	-41	Change in fixed assets	-53	-66	-14
-104	-563	-18	Change in shares and ownership stakes	-15	-560	-101
-115	-616	-59	B Net change in liquidity, investments	-68	-626	-115
-25	-200	50	Change in deposits from Norges Bank	50	-200	-25
3 303	2 373	1 813	Change in debt established on issue of securities	1 795	2 128	3 216
349	464	329	Change in other long-term liabilities	393	500	384
3 627	2 637	2 192	C Net change in liquidity, financing	2 238	2 428	3 575
414	-127	136	A+B+C Net change in liquidity during the year	136	-127	414
348	762	635	Liquidity supply January 1st	635	762	348
762	635	771	Liquidity supply December 31st	771	635	762
414	-127	136	Net change in liquidity during the year	136	-127	414

The liquidity supply includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placements solely in credit institutions. The cash flow analysis shows how SpareBank 1 SR-Bank and SpareBank 1 SR-Bank Group respectively have acquired liquid funds and how these have been spent.

In all, the liquidity supply of the SpareBank 1 SR-Bank Group decreased by NOK 136 million. Operations in 2001 have been characterized by a substantial lending growth of NOK 4 543 million. This growth has been partially financed by the increase in customer deposits of NOK 1 891 million and partially by the increase in debt established on issue of securities of NOK 1 795 million.

A U D I T O R S R E P O R T F O R 2 0 0 1

TO THE SUPERVISORY BOARD OF SPAREBANKEN ROGALAND

We have audited the annual financial statements of Sparebanken Rogaland as of 31 December 2001, showing a profit of NOK 294 millions for the parent company and a profit of NOK 295 millions for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

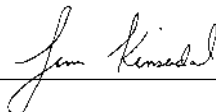
We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the

financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

IN OUR OPINION

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2001, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and good accounting practice
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit is consistent with the financial statements and comply with law and regulations.

ARTHUR ANDERSEN & CO.



FINN KINSERDAL
State Authorised Public Accountant (Norway)
Stavanger, 21 February 2002

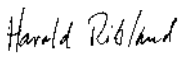
T H E A U D I T C O M M I T T E E S R E P O R T F O R 2 0 0 1


The audit committee has carried out its assignment in accordance with the Savings Banks Act and the committee's instructions.

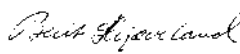
The bank's activities in 2001 have complied with the Savings Banks Act, the bank's articles of association and other rules that the bank is required to comply with.

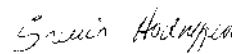
The annual report and accounts have been submitted in accordance with the provisions of the Savings Banks Act and the Banking Insurance and Securities Commission. The supervisory Board can approve the profit and loss account and the balance sheet as the bank's accounts for 2001.

Stavanger, 25 February 2002


HARALD RIBLAND
CHAIRMAN


ODD RUNE TORSTRUP


BERIT SKJÆVELAND


SVEIN HODNEFJELL


ARNHILD SKRUNES

G9ALT WINNER: NJÅL UNDHEIM

Architecture, design and industrial design are some of Njål Undheim's interests. He has for example designed and built several pieces of furniture.

Njål is studying architectural engineering in Trondheim. He was awarded a scholarship of NOK 200 000 from G9alt.



KEY FIGURES LAST 5 YEARS

Key figures in SpareBank 1 SR-Bank group	2001	2000	1999	1998	1997
Profit and loss account					
Net interest income	979	934	895	797	667
Net exchange and capital gains/losses	32	52	120	-38	59
Other operating income	365	280	261	217	200
Total operating income	1 376	1 266	1 276	976	926
Total operating costs					
	785	705	622	527	493
Profit before losses and write-downs	591	561	654	449	433
Losses and write-downs	169	-72	56	72	-5
Result of ordinary activities	422	633	598	377	438
Taxes	127	170	147	102	120
Profit for the year	295	463	451	275	318
Including minority interests	1				
Profit and loss account (% of average total assets)					
Net interest income	2,13 %	2,33 %	2,63 %	2,73 %	2,65 %
Net exchange and capital gains/losses	0,07 %	0,13 %	0,35 %	-0,13 %	0,23 %
Other operating income	0,80 %	0,70 %	0,77 %	0,75 %	0,80 %
Total operating income	3,00 %	3,16 %	3,76 %	3,35 %	3,67 %
Total operating costs	1,71 %	1,76 %	1,83 %	1,81 %	1,96 %
Profit before losses and write-downs	1,29 %	1,40 %	1,93 %	1,54 %	1,72 %
Losses and write-downs	0,37 %	-0,18 %	0,17 %	0,25 %	-0,02 %
Result of ordinary activities	0,92 %	1,58 %	1,76 %	1,30 %	1,74 %
Taxes	0,28 %	0,42 %	0,43 %	0,35 %	0,48 %
Profit for the year	0,64 %	1,16 %	1,33 %	0,94 %	1,26 %
Volumes (NOK million)					
Total assets	48 471	43 624	36 397	31 232	26 946
Loans to retail customers	27 935	25 770	20 931	17 519	15 193
Loans to corporate sector	15 831	13 613	11 942	11 098	9 020
Deposits from retail customers	13 815	12 476	10 951	9 815	8 719
Deposits from corporate sector	10 196	9 644	8 260	7 666	6 480
Growth in loans to retail customers %	8,4	23,1	19,5	15,3	18,4
Growth in loans to corporate sector %	16,3	14,0	7,6	23,0	16,1
Growth in deposits from retail customers %	10,7	13,9	11,6	12,6	5,3
Growth in deposits from corporate sector %	5,7	16,8	7,7	18,3	12,6
Equity (NOK million)					
Primary-capital-certificate capital	748	749	744	744	744
Savings bank's reserve	967	850	709	590	513
Dividend equalization reserve	796	725	586	461	387
Other equity	175	215	177	121	124
Minority interests	2				
Total equity	2 688	2 539	2 216	1 916	1 768
Key-figures					
Return on equity % (9)	11,2	19,5	21,8	14,9	19,1
Income per cost krone (10)	1,71	1,72	1,86	1,92	1,76
Costs as a percentage of income	57	56	49	54	53
Number of man-years	807	711	677	669	667
Gross non-performing loans as a percentage of loans	0,7	0,8	0,9	0,8	1,1
Net non-performing loans as a percentage of loans	0,4	0,5	0,5	0,4	0,7
Unspecified loss provisions as a percentage of loans	0,81 %	0,78 %	0,71 %	0,67 %	0,66 %
Capital adequacy ratio %	12,69 %	11,65 %	12,12 %	11,49 %	15,08 %
Core capital ratio %	7,92 %	8,15 %	8,63 %	8,18 %	9,55 %
Key-figures for primary capital certificates					
Market price at the close of the year	247	247	253	192	240
Primary capital certificate ratio (8)	61,2 %	63,0 %	64,8 %	66,6 %	68,6 %
Dividends per primary capital certificate	19	21	19	17	16
Allocated to the dividend equalization reserve per primary capital certificate	10,4	18,5	21,4	9,5	14,0
Profit per primary capital certificate (4)	24,7	40,4	40,4	26,5	30,0
Payout ratio, net (6)	77 %	52 %	47 %	64 %	53 %
RISK-amount as at Jan 1 following year	10,4	18,5	28,4	27,7	26,2

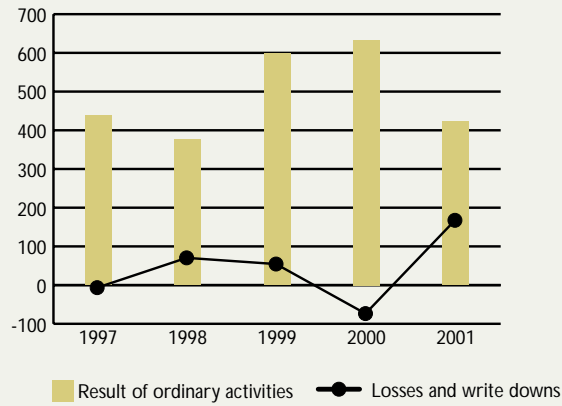
The figures for 1997 and 1998 have been converted to reflect the new accounting act.

Average total assets	45 866	40 010	33 965	29 125	25 205
----------------------	--------	--------	--------	--------	--------

Definitions on page 51

GRAPHIC OVERLOOK LAST 5 YEARS

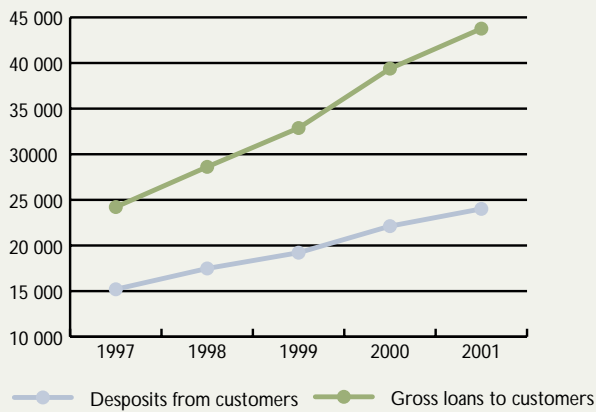
PROFIT AND LOSS (NOK million)



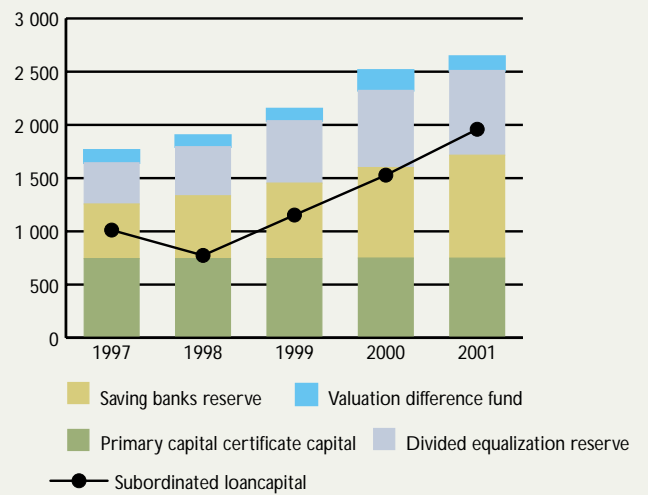
TOTAL OPERATING COSTS (% of aver. total assets)



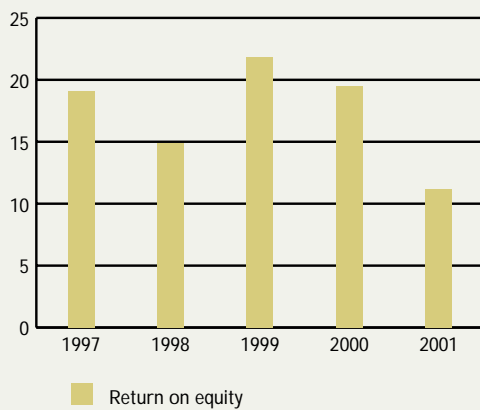
DEPOSIT AND LOANS (NOK million)



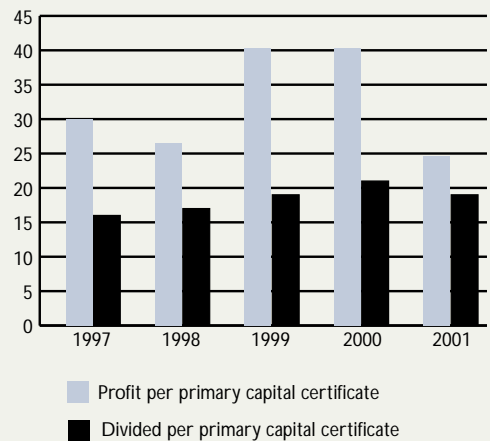
EQUITY (NOK million)



RETURN ON EQUITY (%)



PROFIT AND DIVIDED PER PRIMARY CAPITAL CERTIFICATE



PRIMARY CAPITAL CERTIFICATES

PRIMARY CAPITAL

At the end of 2001, SpareBank 1 SR-Bank had a primary capital of NOK 754 million, divided among 7 538,194 primary capital certificates with a face value of NOK 100 each. The equalization reserve has been increased by NOK 78 million to NOK 803 million as of 31 December 2001. As a result of employee placings, the premium fund is now at NOK 15 million. No deductions have been made in the primary capital and equalization reserve for own holdings.

DIVIDEND POLICY

SpareBank 1 SR-Bank's financial goals for its operations are to achieve results that yield a good and stable return on the bank's total equity. The bank's required return on net capital after tax is the long-term government bond rate after tax plus a risk premium of 6 percentage points.

SpareBank 1 SR-Bank's basis is that profit will be divided between the primary capital certificate owners and the savings bank's reserves in accordance with their share of the bank's equity.

SpareBank 1 SR-Bank will place emphasis on achieving a competitive cash dividend. Variations may exist in the proportionate distribution between cash dividend and the equalization reserve when the consideration for the bank's equity development is emphasized.

At the annual settlement for 2001, the primary capital certificate owners' share of the profit is NOK 24.70 per primary capital certificate. NOK 19 of this is cash dividend.

INVESTOR POLICY

The bank places great emphasis on ensuring that correct, relevant and timely information regarding the bank's development and results will create confidence vis-à-vis the investor market. Information is provided to the market via

quarterly investor presentations, web sites on the Internet, press releases, and dispatch of accounting reports to the owners. Regular presentations are also held vis-à-vis international partners, lenders and investors, mainly in London.

IMPORTANT ADDRESSES FOR FURTHER INFORMATION

SpareBank 1 SR-Bank is also accessible via the Internet for information of interest to investors, the media and brokers. SpareBank 1 SR-Bank's web site on the Internet:

www.sr-bank.no

Other links to financial information:

www.huginonline.no

FINANCIAL CALENDAR FOR 2002

1st quarter: 25 April 2002

2nd quarter: 8 August 2002

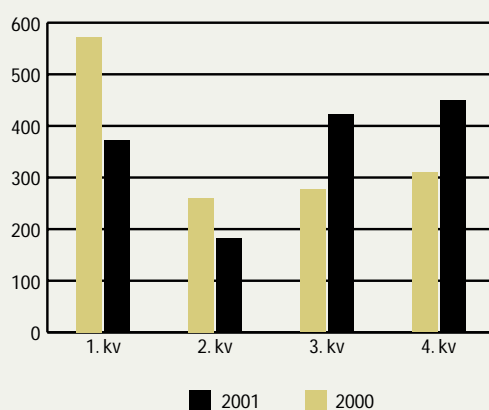
3rd quarter: 24 October 2002

OWNERSHIP

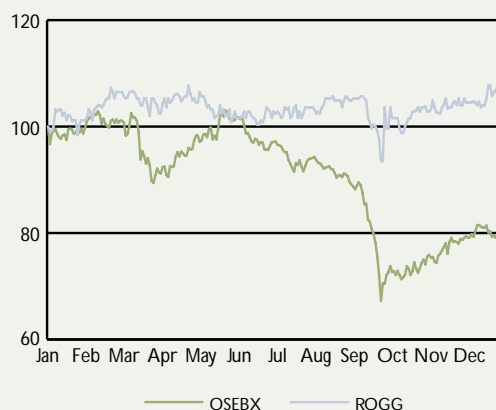
SpareBank 1 SR-Bank's goal is to secure good liquidity for the primary capital certificates and a good diversity of owners that represent customers and regional investors as well as Norwegian and foreign institutions. In the 3rd quarter of 2001, the bank purchased 56 000 of its own certificates in order to improve the liquidity.

The number of owners has increased by 75 to 6 438 in 2001. The share of primary capital certificates owned by investors in Rogaland now amounts to 47 percent, unchanged from 2000, while other Norwegian investors own 38 percent compared with 42 percent in 2000. The share under foreign ownership increased from 11 percent in 2000 to 15 percent in 2001.

TURNOVER OF THE BANK'S PRIMARY CAPITAL CERTIFICATE (NUMBER) (volume 1000 GFB)



MARKET PRICE TREND IN 2001



Based on the decision of the supervisory board of SpareBank 1 SR-Bank dated 23 March 2000, we had a private bank employee placing in 2001 as well. The subscription price was fixed as the average price during the period 1-14 August and the subscription period was 15 August - 14 September. The employees subscribed for a total of 48,508 primary capital certificates at a subscription price of NOK 188. The total came to NOK 11.4 million including a subsidy of 20 percent, of which NOK 4.9 million was allocated to the primary capital and NOK 6.5 million to the premium fund.

RISK ADJUSTMENT

In order to avoid double taxation of the bank and the owners, the tax-related original value for Norwegian owners is adjusted every year. This takes place according to the RISK rules (RISK = Adjustment of Original Value with Taxable Capital). The RISK amount for 2001 has been calculated at NOK 10.40 compared with NOK 18.50 for 2000.

MARKET DEVELOPMENT FOR THE BANK'S PRIMARY CAPITAL IN 2001

The market rate for SpareBank 1 SR-Bank's primary capital certificate (ROGG) ended up at NOK 246.50 per certificate at year-end. At the end of 2000, the market price was NOK 247.50. The actual return for the primary capital certificate was 8.1 percent, compared with an index return of 12.1 percent. Gjensidige NOR Sparebank had an effective yield of 12.5 percent, and has contributed to an increase in the index as this bank constitutes more than 60 percent of the market value of the primary capital certificates.

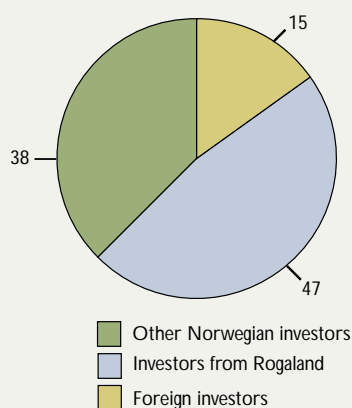
The liquidity in SpareBank 1 SR-Bank's primary capital certificates has been relatively stable compared with 2000. 20 percent of outstanding certificates were traded at the Oslo Stock Exchange.

KEY FIGURES	2001	2000
Market price	246.5	247.5
Dividend per primary capital certificate	19	21
Direct yield 1)	7.7 %	8.5 %
Effective yield 2)	8.1 %	5.3 %
Book value per primary capital certificate 3)	219	214
Earnings per primary capital certificate 4)	24,7	40,4
Profit ratio per primary capital certificate 5)	39,0	61,8
Payout ratio, net 6)	77 %	52 %
Payout ratio, gross 7)	49 %	34 %
Primary capital certificate percentage 8)	61,2 %	63,0 %
RISK amount	10,4	18,5

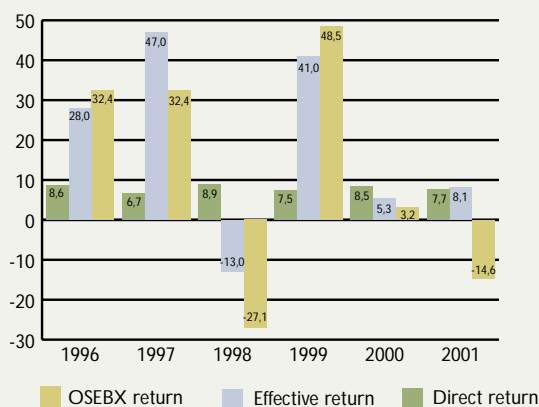
- 1) Dividend in percentage of market price at year-end.
- 2) Price increase through the year plus disbursed dividend as percentage of market price at the beginning of the year.
- 3) Posted equity capital (excluding deduction for own certificates) multiplied by primary capital certificate percentage divided by the number of certificates.
- 4) The primary capital certificates' share of profit after tax.
- 5) Profit after tax per certificate.

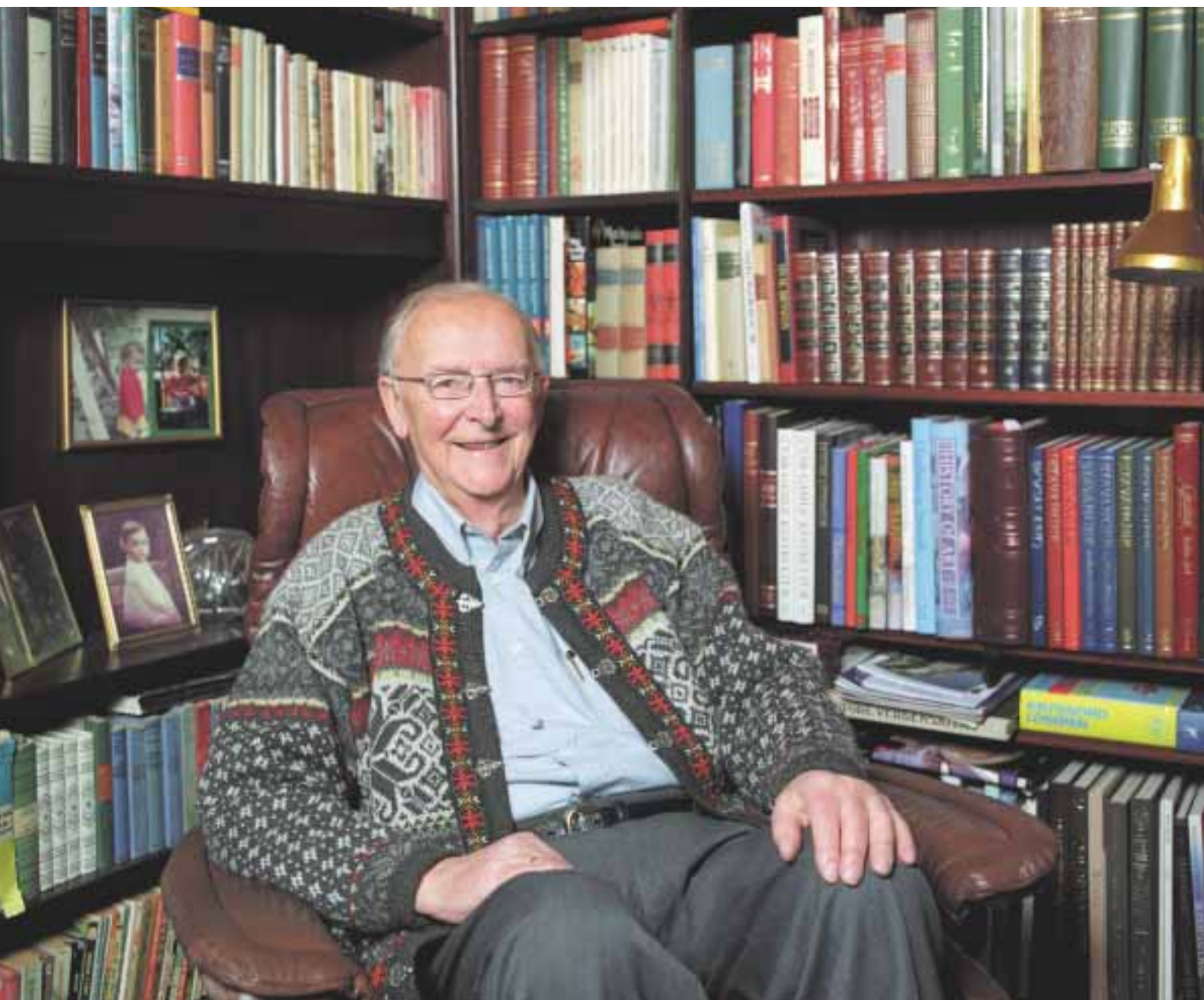
- 6) Dividend per certificate as percentage of profit per certificate.
- 7) Dividend per certificate as a percentage of the profit ratio per certificate.
- 8) The primary capital, equalization reserve and premium fund as a percentage of the parent bank's equity capital at the end of the year (excluding deduction for own certificates and valuation difference fund).

DISTRIBUTION OF PRIMARY CAPITAL CERTIFICATES AS OF 31 Dec. 2001



RETURN ON THE BANK'S PRIMARY CAPITAL CERTIFICATES (%)





TAKES CARE OF BANKING BUSINESS FROM HOME

In a brown villa with a magnificent view of Hafrsfjord and Stokkavannet lake, we are welcomed by one of the bank's oldest customers. While the light from the low winter sun cascades in through the living room windows, Dagfin Kommedal tells us that many years ago his uncle was a director of SpareBank 1 SR-Bank, probably known as Sparekassen back then.

"It was therefore natural that we should become customers 40 - 50 years ago - both myself and my wife. By the way, there were not many other alternatives in Stavanger at the time, so it was natural to apply to SR-Bank for a home loan. This is the very house that we sit in today, with a mortgage that was repaid years ago.

But we are still customers." "What do you like best about SR-Bank now?"

"That the bank stays on top of new developments," says Kommedal. "The telephone bank and Internet bank services make it easy to use the bank. All I have to do with bills, for example, is to register them on the Internet bank and then forget all about them."

"So this means that you do not stop by the bank often?"

"Very rarely. I handle everything using my PC," says Kommedal. And even though he has good relations with the Stokka branch, he does not miss those regular visits to the bank.

"I consider it a big advantage to be able to handle banking business from home. And that is probably how it will be for all of us in a while," concludes Dagfin Kommedal.

Not many 83-year olds are this young.

THE CUSTOMER HAS THE CHOICE - ONE-STOP BANKING

Customer loyalty to the banks is being challenged. Existing players in the finance industry are expanding to new markets. New players, independent Internet banks and niche players are getting established. "Non-banking players" are attempting to exploit their distribution systems and customer databases/relations for cross-sales of financial products.

The bank's multi-channel strategy means that the customer can decide where he or she wants to meet the bank based on his or her preferences. A critical element of this type of strategy is to ensure that the interplay between modern, technology-based distribution channels, such the Internet bank, telephone services and the Internet, function together in a optimum manner with the network of offices that is the very foundation of the strategy.

Multi-channel distribution requires integration of all channels when interfacing with the customer. This entails that the customers will be identified and supported regardless of channel. This again places large demands on technological concepts that we are trying to resolve through a joint SpareBank 1 collaboration.

THE OFFICE NETWORK

The ongoing reorganization effort to adapt to the needs and preferences of the customers while at the same time ensuring necessary cost-effectiveness has, among other things, been supported by an organizational development program. There has been a great need for restructuring. The results of the organization survey as of December 2001 show improvements for most parameters from an already high level. This is an important basis for being able to handle further reorganization in a good manner.

CUSTOMER SERVICE

This is the first full year in operation for the Customer Service Department. 30 man-years handle all incoming calls to the bank's central telephone number as well as inquiries via the Internet bank's dialogue function. Customer Service has a counseling team that, in terms of expertise, is on level with the offices, and its responsibilities include handling most follow-up of the bank's 60 000 insurance customers. The customer may choose whether he or she would like to have complicated issues solved on the spot or get an efficient referral to an advisor at a specific

office. Speedy replies to incoming telephone calls, efficient referral/transfers and response via the Internet bank have the highest priority. Customer Service plays a very important role as part of the bank's multi-channel strategy, and the first year of operation has shown that the basic model functions as intended.



Jostein Soland:

"The regional ties are the main reason for me being a customer of SpareBank 1 SR-Bank. In addition, the bank satisfies my need for 24 hour accessibility as it provides an Internet bank service."

NETTBANKEN (THE INTERNET BANK)

We now get positive feedback from the customers regarding both functionality and services offered. Unfortunately, operating problems delayed the launch of the new Internet bank. Feedback from customers in our bank and other SpareBank 1 banks is used actively for the purpose of ensuring better functionality and new solutions. The work on providing services that increase value in the Internet bank will still be emphasized.

MARKET DEVELOPMENTS

Net growth of 3 800 customers - customers that define SpareBank 1 as their main banking resource - and customer satisfaction at a high and stable level, show that the bank provides services that the market finds attractive. Due to changes in customer preferences in combination with ever more aggressive competition, we continuously work on improving all aspects of our activities.

FACTS ABOUT THE RETAIL MARKET

Number of bank customers: 177 000

Market share: 45 % (ex. Agder)

Number of employees: 500

Lending: NOK 28 billion

Deposits: NOK 13 billion

Funds invested outside of traditional bank savings: NOK 4 billion

Number of customers with savings agreements: 28 000

Number of customers with non-life insurance: 60 000

T H E R E C O M M E N D E D I N V E S T M E N T B A N K

A rapidly expanding market within the investment sector requires focus on customized counseling, products and distribution solutions. Over the long term and in particular during the course of the year, various measures have been implemented for the purpose of securing the position as the recommended investment bank in our market area. Sharp management focus and great enthusiasm in the organization have resulted in us being on schedule as regards our ambition level. During the course of the year we have achieved a significant lift as regards the general level of competency through wide-ranging measures. To a large extent we have been able to realize this expertise through customized counseling, resulting in a business volume in line with our budgets. This in spite of a market that has been strongly marked by extensive fluctuations, among other things due to the 9/11 incident in New York. Exploitation of the joint expertise through cooperation between the customer's advisor, various fields of expertise within the bank, subsidiaries and partly-owned companies in the SpareBank 1 group, has resulted in significant expertise and profit synergies.

SR-FORVALTNING ASA

In recent years, SpareBank 1 SR-Bank has expanded its internal expertise within the areas asset management and investment counseling. In 2001 this expertise field, totaling 6 man-years, was gathered in a separate subsidiary, SR-Forvaltning ASA. SR-Forvaltning manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, as well as portfolios for approximately 300 external customers. The external customer base consists of business customers, public institutions and affluent private individuals. The size of the portfolios vary from NOK 1 million to NOK 300 million. As of 31 December 2001, the managed funds amounted to approximately NOK 1.4 billion, of which approximately NOK 600 million is managed for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's Pension Fund. The growth in managed external funds in 2001 constituted approximately NOK 500 million.

Management and distribution of the customer's funds in accordance with customer needs and risk capacity SR-Forvaltning's primary products are three portfolio models with different risk profiles. These models constitute the point of departure for handling and adapting the management for the individual investor.

The central element of SR-Forvaltning's concept is employing several strategies at the same time in the interest of achieving additional return and reduced risk. SR-Forvaltning looks to secure the best elements from various investment alternatives and combine these in a favorable manner. Using investments in primary capital certificates


and interest instruments, continuous monitoring and selection of unit trusts as well as exploitation of short and long-term opportunities associated with individual shares, the objective is to deliver a good risk-adjusted profit to the customer.

SPECIALIZATION WITHIN THE BANK

During the course of the year, ten employees have been upgraded to a high level of competency and have been made available to the regions as well as for participation in meetings with customers to serve as a mentor for those that handle counseling in our office network. During 2002, an additional 25-30 advisors will be upgraded in the same manner and assigned specialist functions in the offices. The expertise milieu in SR-Forvaltning is a key element when carrying out this work. In combination with a continuous general upgrade of a significant number of advisors in the office network, this has resulted in higher quality counseling. This effort will be continued in 2002.

REALIZING THE OVERALL EXPERTISE

To ensure that the bank's overall expertise is utilized in an optimum manner for active counseling in 2002, we will build on our good experiences from 2001. This means that cooperation will be further emphasized, regardless of organizational ties and responsibility for delivering results. This applies to both the private market and the business market.



"It is paramount that we analyze the customer's need and expectations before we draw up the final solution. The customer is the key, not the products", says investment advisor Ingunn Frafjord.

RESULTS IN 2001

The product line has been expanded during the course of the year, and we are continuing work on development of good conceptual solutions as well as supplementing the line of products. Net new subscription of unit trusts and interest funds has been at a good level seen in relation to the market situation and other players. The redemption volume after September 11 has been relatively low, which we believe is the result of proactive and competent follow-up in a "nervous" market situation. Focus on a long-term perspective during the introductory period has also been a contributing factor. 28 000 private customers now save on a regular basis in unit trusts and Unit Link, and more than 45 000 customers have invested funds in instruments outside of traditional bank savings.

In the second half of the year, there was increased focus on hedge fund bonds resulting, for example, in NOK 210 million in new subscription in the fourth quarter.

The sale of deposit-based pension did not meet expectations. Compared with the competition, our sales have been good, but the volume has been low. We believe that deposit-based pension will be an issue during the collective wage bargaining in 2002 and that sales will increase steadily. On the basis of continued strong growth in the market and an additional increase in the bank's overall resource commitment, we assume continued good development within the investment sector.



C L O S E T I E S T O B U S I N E S S A N D I N D U S T R Y

We have made it through a year with considerable international turbulence. This has in turn resulted in greater emphasis on the local and home front perspectives, and several companies have clearly stated that they value our philosophy of being a player with regional ties within the finance industry.

During the past year, we have had a major focus on "Close ties to business and industry". This is reflected in our organization with the establishment of a new corporate center at Forus, with human resources from several different disciplines in a joint resource center for our customers. The regional corporate market departments have also been strengthened in the past year by the addition of new employees and a sharper focus.

The purpose is to be able to combine both personal relations and expertise in a manner so that our customers experience that we have "Close ties to business and industry". If we are successful with our approach, our customers will recommend us to their business associates!

VIGOROUS BUSINESS AND INDUSTRY

In order to ensure that we have vigorous business and industry, we would also like to contribute to innovations and development in the region. This effort will be focused on several arenas. Our contact with a network of private individuals and businesses in the region means that we naturally become involved in several exciting projects. However, it is a challenge to contribute in a manner that balances the risk associated with all the innovation and developments. We saw an increase in losses in the business market in 2001, and the reasons for this include the fact that we have assumed risk in projects that did not succeed as assumed.

NEW ESTABLISHMENTS

During the past year we have also contributed to the establishment of the investment company Energivekst AS and Innovasjon Rogaland, which is a regional collaboration between several major companies and organizations in the county. Both of these initiatives are important contributions if we are to succeed in creating a region that takes the lead in innovation.

Through the establishment of First Securities ASA in Rogaland, we are well equipped to handle complex capital market transactions in the region. We have completed several such transactions in cooperation with First Securities ASA during the past year.

In November 2001, we published a new economic barometer. Our intention is to discuss some central elements of the economy that we are affected by locally.

PSI'S UNIQUE REMOTE-CONTROLLED PLUGS

In the last year, the bank established customer relations with a number of interesting businesses in our area. One of these is the company PSI - Plugging Specialist International AS.

PSI's contribution to the petroleum industry is plugs that are guided into oil and gas pipelines by remote control to function as a "local anesthetic" to make it possible to repair or maintain them. The young company at Forus outside Stavanger is the only company in the world that provides this service.



Jostein Aleksandersen showing one of the plugs that has made PSI a world leader in its field.

Last year the company changed its banking partner, after a lengthy process in which several banks were evaluated. In the end, the choice was simple; SpareBank 1 SR-Bank was way ahead of the pack.

"We emphasized the chemistry with and confidence in the bank employees. In SR-Bank we met people that we felt comfortable with and who knew our industry," says Jostein Aleksandersen, Technical Manager in PSI.

He assures us that they do not regret changing banks: "SR-Bank provides extremely good service. Their emphasis is on making the customer feel comfortable and good cooperation, also after the agreement has been signed. Another advantage is the fact that they do listen to us, and that decisions are made quickly," concludes Aleksandersen.

FACTS ABOUT THE CORPORATE MARKET

Number of customers:	9 320
Number of employees:	120
Growth in lending:	18 %
Growth in deposits:	6 %
Market share (ex. Agder counties):	42%
Gross lending per 31 December 2001:	NOK 15 billion
Deposits per 31 December 2001:	NOK 10 billion



Ola Selvåg and Endre Selvåg grow 20 different types of roses in their nursery.

THOUSAND OF ROSES - EVERY DAY

It is the dead of winter, but the fragrances of summer abound inside the doors of the nursery Selvåg Gartneri. 15,000 square meters of roses grow at Krossberg in Stavanger, in one of South Rogaland's seven large rose nurseries. And we're not talking about puny little roses; these are proud, tall roses with full-bodied blossoms of all colors. We do not really need to ask, but do it anyway:

"Endre Selvåg, which color is the most popular?"

"More than 60 percent of all roses sold are red," he answers. "In second place, we have white roses. They have been popular for some years now. Then we have yellow and orange, as we like bright colors in Norway. We have not sold much of the pink ones since the 1980s, but actually these are popular on the Continent together with other delicate colors."

Each day the rose nursery sends 3,000 - 10,000 roses to stores from Kristiansand to the south to Tromsø to the north. They are cut at the moment they are about to open up. "People believe that it is better to buy buds. But a newly opened rose will last at least as long as a rose bud," says Endre Selvåg.

"And how long is that?"

"With a long cut in the stem, chlorine-treated vase and a preservation agent, it could last for 14 days."

From roses to banking. Selvåg Gartneri is a customer of SpareBank 1 SR-Bank. "Why?" we ask.

"It is part of our tradition. We have been a customer for more than 50 years, since the nursery was established. We have a good customer relationship, and benefit from innovations such as the Internet bank and currency loans," answers Endre Selvåg. And then we talk about roses some more.

"What is your favorite rose?"

"Hmm, that will have to be Grand Prix," says Selvåg. He shows us a beautiful, deep red rose that reminds us of velvet and silk and luscious draperies. He has a greenhouse full. "Do rose horticulturists receive roses for their birthdays and other such occasions?"

"No, but people give me other types of flowers. Lilies, for example," concludes Endre Selvåg.

EMPLOYEES AND COMPETENCE ENHANCEMENT

SpareBank 1 SR-Bank shall be regarded by the customer as the recommended bank within its market. Our operations are based on trust, local ties and close customer relations. One of the most important prerequisites for achieving this is our employees. The bank's ability to attract and further develop employees in line with the need for change will determine our success. We therefore emphasize that our employees not only display good professional qualities, but also have the ability to listen, understand and give advice; that our employees are human beings that care.

RECRUITMENT

155 vacant positions were advertised in SpareBank 1 SR-Bank in 2001. Most of these were only advertised within the company, while approximately 35 were also advertised externally. The bank emphasizes internal appointments whenever possible in consideration of individual development and not least for the purpose of achieving a general dissemination of expertise within the organization.

In general the bank wants new employees to have a minimum of a two-year college education to be taken into consideration. Important personal qualities are being proactive, showing initiative and being good at building relationships.

The bank has recruited many new employees in 2001, both on the management level and specialists.

Nina E. Mortensen (32) was hired as a marketing employee with special responsibility for communication. She comes from the same position in the Norwegian School of Management BI system, and has an education within the fields of communication/branding from BI's School of Marketing. Today Nina works on local publicity and branding seen in relation to the bank's strategy. "I have come to an organization that shows trust in its employees by delegating many challenging work tasks. My impression is that anyone showing initiative is awarded responsibility if this is what he or she want," she says.



Nina E. Mortensen



Torunn Reime
Driveklepp

EXPERTISE

SpareBank 1 SR-Bank is concerned with ensuring that all employees participate in a continuous learning process for the purpose of making sure that the bank is constantly developing in accordance with the needs of the customers. The individual manager is responsible for taking the necessary steps to ensure that all employees are given the opportunity to develop and acquire new skills. The individual employee is also responsible for his or her own development. The bank provides financial support, leave of absence with pay for taking courses and exams as well as

study time off from work when employees request this. The total training costs for 2001 amounted to NOK 6.5 million. This corresponds to NOK 7 000 per employee. The bank has developed its own training programs within the fields of professional and product development, but also collaborates extensively with the Norwegian School of Management BI within the fields of management and professional development. Approximately 100 of our employees have participated in one or more courses hosted by the Norwegian School of Management BI in 2001, mainly within investment management, insurance or topics of relevance for the business market.

Torunn Reime Driveklepp (39) is working as a customer consultant at the bank's office in Sandnes. Currently she has a 50 percent leave of absence with partial pay, and is completing her Bachelor of Management at the Norwegian School of Management BI over the course of two years. "I feel that we as employees of SpareBank 1 SR-Bank have plenty of opportunities for participating in both exciting and challenging training programs with good support from our employer. Through the education I selected, I get an opportunity to expand my formal expertise in order to become even better at handling the changes facing the finance industry. The customer demands that we have increasingly higher levels of expertise in our role as customer consultants, so this is a welcome opportunity," says Torunn.

Through the SpareBank 1 collaboration, the bank has committed considerable resources to development of e-education programs within the fields of investment management, insurance, financing and payment services

In 2001, all employees of the bank with daily customer contact have also been through at least two days of sales training and follow-up training through the bank's SESAM program. The program has been in continuous use since 1989, but has been continuously updated to suit current needs.

SPAREBANK 1 SR-BANK, AN ATTRACTIVE WORKPLACE

Based on the overall package we can offer as an employer, we want to be an attractive workplace for our employees. As part of this effort, we invited our employees to take part in a primary capital certificate issue specially aimed at our own employees in 2001 as well. All employees were given the opportunity to subscribe for up to NOK 20 000. Nearly 500 of our employees said yes to this opportunity.

We attempt to map the wishes and needs of our employees through the annual target and development discussions, and offer as much customization of topics, external training and, to some extent, managed career development as possible.

In the spring of 2001, the bank recruited 14 trainees, who were assigned to the local branches for the purpose of partaking in the daily work at the local bank. In addition, we offer a central training program running over 1 1/2 years that will provide them with the necessary insight into all professional fields that local branches are involved in so that they can become independent customer consultants with their own customer portfolios.

Edvard Aarsland (24) is a trained mechanical engineer and is in the process of completing his education as a graduate industrial economics engineer. He is doing his post-graduate thesis for the bank with an emphasis on "establishing new businesses". He is working within the business market in SpareBank 1 SR-Bank and mainly works with industrial and innovative businesses. "I have always been very interested in economics. Through my job at the bank, I have the opportunity to work closely with industry and commerce and build an extensive network within an exciting and challenging sector. Even though I have only been an employee here for less than one year, I see that the bank trusts its employees and gives them the opportunity to assume responsibility for their own work. I feel that the opportunity for further development is very good, which I appreciate", says Edvard Aarsland.



Kåre Idsøe



Edvard Aarsland

WORKING ENVIRONMENT

For several years the finance industry has been characterized by restructuring and streamlining. Many of our employees have had to deal with changed work tasks and new ways of working in 2001. The restructuring requires that the bank actively pursues preventive work within health, safety and the environment. The Working Environment Committee is responsible for this work and has conducted follow-up talks, through the regional safety delegates, with the employees concerning HSE. It is a paramount objective of the bank to ensure a good working environment. We have also conducted the annual working environment survey in 2001, in which working environment and well-being in general and in the individual branch is mapped. The results for 2001 were very good indeed.

Absence due to illness for 2001 was at 4.7 percent of total working hours compared with 4.2 percent last year. The bank has initiated measures for the purpose of improving this.

Kåre Idsøe (60) has been an employee of the bank for more than 40 years, and has always been in close contact with customers and the market. He took advantage of the bank's offer of further education in the early 1960s through the Norwegian College of Banking and was awarded the title Banking Economist. Kåre has recently taken his final exam (so far) at the Norwegian School of Management BI at the age of 60 years because, as he says, he always needs to keep up to date. "Through the years, SpareBank 1 SR-Bank has always been a good employer for me and given me many good years and experiences.

However, the employees' opportunity to obtain further education is one of the things I value the most, together with good colleagues and a chance to work with customers. It is the customers that provide us with our livelihood – and each one of them is so important for us that we must be able to understand his or her needs in our role as customer consultants. Through our strategy and organization, we have a competitive advantage that gives us the chance to work closely with the customer," says Kåre Idsøe, who spends his days working in the bank's department for asset management, business market.

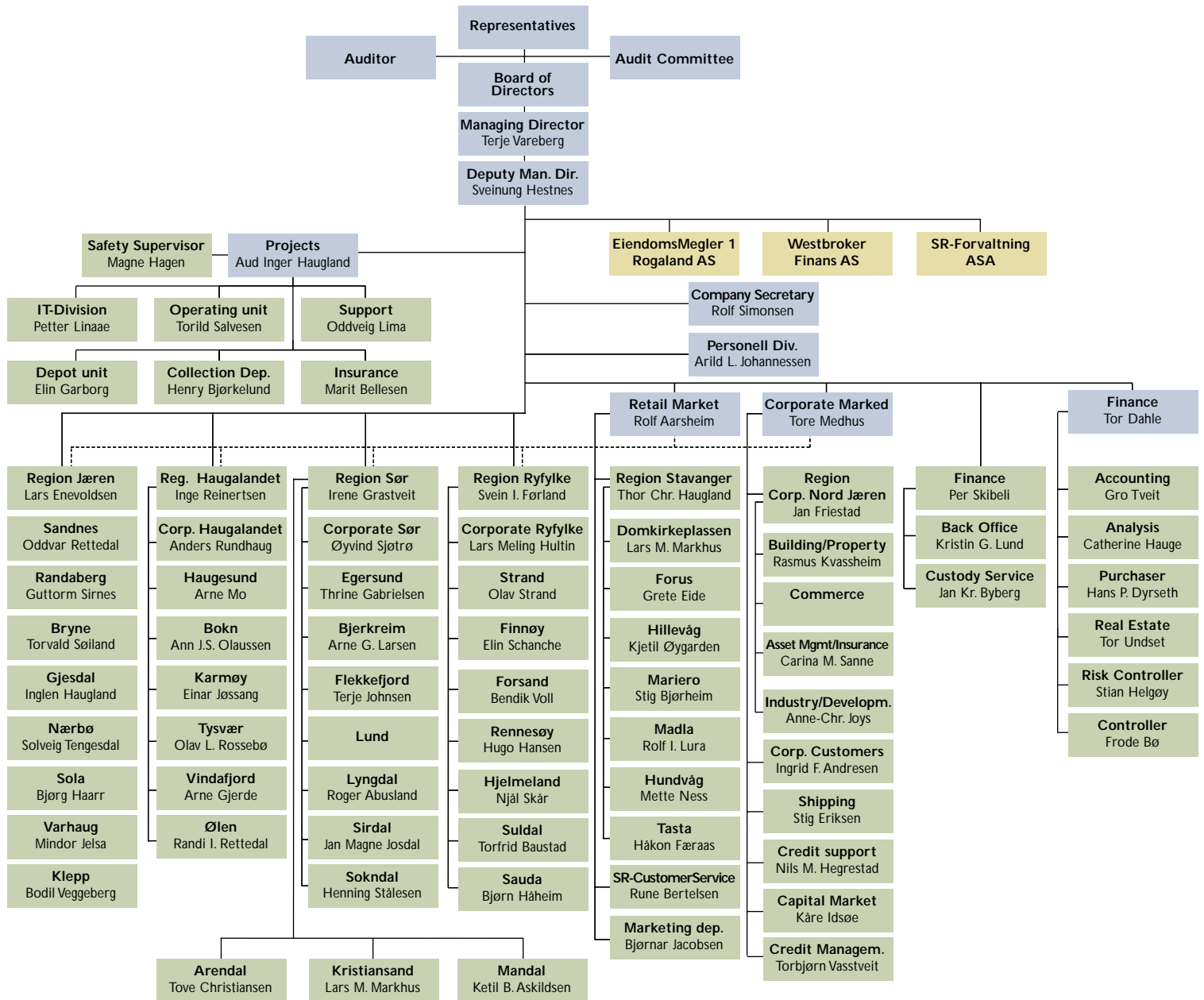
	GROUP	BANK
Number of employees 2001	915	789
Number of employees 2000	777	679
Total man-years 2001	808	690
Total man-years 2000	711	619
Average age	44.5 years	
Absence due to illness 2001	4.7 percent	
Absence due to illness 2000	4.2 percent	

Gender distribution 58.2 percent women, 41.8 percent men

BRANCH OFFICES



ORGANIZATIONAL CHART PER 01.03.2002



G O V E R N I N G B O D I E S

(The numbers indicate how many primary capital certificates the person in question owned in Sparebanken Rogaland as per 31 December 2001. Also included are primary capital certificates belonging to the nearest kin and well-known companies in which the person in question has decisive influence, cf. the Companies Act's § 1-2. Primary capital certificates belonging to the institution that the employee representative in question was chosen on behalf of are also included.)

REPRESENTATIVES

Elected by the primary capital certificate owners

Erik Sture Larre, Oslo (16 500)
Jan S. Aske, Stavanger (500)
Harald V. Hanssen, Stavanger (1 400)
Harald Sig. Pedersen, Stavanger (38 300)
Einar Risa, Stavanger, Chairman (10 000)
Anne Elise Hystad, Karmøy (1 700)
Ove Tveteraas, Stavanger (191 351)
Ole Gabrielsen, Sandnes
Bjarne Andersson, Oslo (366 600)
Martha Gudmestad, Stavanger (4 350)
Birte Næsheim, Stavanger (3 600)
Bjørn M. Stangeland, Sandnes (2 400)
Trygve Stangeland, Sola (41 300)
Marit Borgen, Stavanger (600)
Bjarne Risa, Nærbø (2 750)
Finn Haugan, Trondheim (106 974)
Eivinn A. Enoksen, Stavanger (3 070)
Gunnar Hagen, Stavanger (9 000)
Ivar Kolnes, Stavanger (17 100)
Martin Ølberg, Stavanger (1 400)
Jan Olav Steensland, Oslo (218 700)
Per Hedberg, Stavanger (15 350)
Terje Mjelde, Bergen
Trygve Jacobsen, Stavanger (50 750)
Terje Ruud, Stavanger (9 150),
Vice Chairman
2) Alf Erevik, Hønefoss (50 700)

Elected by the depositors

Arild Sørheim, Rennesøy
Gunvald Surdal, Lund (680)
Arne Otto, Bryne
Odd Hovland, Egersund (4 370)
Finn Nesvold, Sokndal (60)
Karin Vik, Finnøy (200)
Svein Gunnar Larsen, Flekkefjord
Helge Larsen, Haugesund
Odd Broshaug, Karmøy
Lindy Haram, Bokn
Bjarne Pedersen, Kvitsøy
Torgeir Undheim, Gjesdal (400)
Helge M. Todnem, Randaberg (100)
Berge Bustad, Tysvær
Ingeborg Søyland, Forsand

Oddlaug Rødne, Ølen
Rolf Ersdal, Strand (600)
Sigmund Skjæveland, Bjerkreim
Koll Kyllingstad, Sandnes
Hallvard Ween, Stavanger
Anbjørn Vaage, Suldal
Sølvi Lysen Nordtveit, Vats
Tore Hansen, Sirdal
Hogne Fjellanger, Hjelmeland (100)
Arne Joa jr., Sola (134)
Jørgen Risdal, Hå

Elected by the municipalities

Tormod Skeie, Suldal (3 929)
Arne Hosaas, Bokn
Arnhild Skrunes, Tysvær (1 200)
Kjell Hognestad, Bryne
Magnhild Harboe Kleppa, Hjelmeland
Randulf Skretting, Sokndal (2 000)
Kjell H. Fredriksen, Egersund
Arne Borgemyr, Ølen
Peder Eikeland, Bjerkreim
Dagny Matland, Karmøy (900)
Einar Simonsen, Randaberg
Øystein Hognestad, Lund
Svein Hodnefjell, Rennesøy
Kai Kvilstad, Kvitsøy
Svein Kj. Søyland, Gjesdal
Berit Skjæveland, Sandnes
Jostein Havnerås, Haugesund
Haldor Skare, Vats
Reidun Byberg Haughom, Sirdal
Hans Greger Aarenes, Flekkefjord
Tor Egil Fjelde, Strand (300)
Rune Vidar Olsen, Forsand
Svein Lode, Hå (405)
Svein Kåre Eggebø, Finnøy
Håkon Rege, Sola
John Peter Hernes, Stavanger

Elected by the employees

Birte Wereide, Stavanger (136)
Margot O. Kristoffersen, Stavanger (601)
Geir Gundersen, Stavanger (101)
Margareth Storesund, Haugalandet (206)
Leif Bø, Jæren (206)
Gyrid Bakka, Ryfylke (251)
Erling Trædal, Haugalandet (106)

John Lervik, Haugalandet (200)
Børge Espeland, Jæren (290)
1) Mette Ulstrup Andersen, Stavanger
Jan Michael Nilsen, Stavanger
Bjørn Berland, Stavanger (207)
1) Berly Sleire, Stavanger
Helga Vinje, Sør (390)
Eli Lunde Wells, Stavanger (95)
Bertha Auestad, Sør (401)
Morten Erga, Jæren
1) Gisle Høyland, Jæren
Lars Sletten, Jæren
Torstein Plener, Stavanger (202)
Harald Utvik Hamre, Stavanger (262)
Atle Øvestad, Stavanger (95)
Lars Magne Markhus, Stavanger (852)
Roar Haualand, Ryfylke
Arvid Ek, Haugalandet
Arne Kjærstad, Stavanger (200)

THE BOARD OF DIRECTORS

Manager Geir Worum, Chairman
Attorney at Law Tor Haver, Vice Chairm.
Man. Dir. John Peter Hernes
Shipowner Kristian Eidesvik (1 000)
Business Manager Åse Holmane (1 000)
Chief Fin. Officer Ole Gladhaug (800)
Man. Dir. Magne Vathne
Man. Dir. Terje Vareberg (3 289)
Main Employee Repr. Torstein Plener (202)
Regulrly attending deputy board member for the employees
Eli Lunde Wells

AUDIT COMMITTEE

Local Tax Officer Harald Ribland,
Chairman
Attorney at Law Odd Rune Torstrup
Farmer Arnhild Skrunes
Manager Svein Hodnefjell
Farmer Berit Skjæveland

AUDITOR

Arthur Andersen & Co.
State Authorised Public Accountant
Finn Kinserdahl

1) Resigned 2) Deputy member

A D D R E S S E S

SpareBank 1 SR-Bank
GROUP
MAIN SWITCHBOARD
+47 51 50 90 00

MAIN OFFICE :

Bjergsted Terrasse 1
P.O. box 218,
4001 Stavanger
Telefax 51 53 18 64
Telex 33 016 SRBK N
E-mail:
sparebank1@sr-bank.no
Internet address:
www.sr.bank.no

MANAGEMENT:

Managing Director
Terje Vareberg
Dept. Managing
Sveinung Hestnes
Financial Director Tor Dahle
Company Secretary
Rolf Simonsen

PROJECTS:

General Manager
Aud Inger Haugland

CORPORATE MARKET

General Manager
Tore Medhus

PRIVATE CUSTOMERS:

General Manager
Rolf Aarsheim

CORPORATE MARKET

NORTHERN JÆREN
Petroleumsv. 6,
4033 Stavanger
Regional Gen. Mngr.
Jan Friestad

SERVICE CENTER

Langflåtveien 5, 4017 Stavanger

REGION HAUGALANDET

Regional Gen. Manager
Inge Reinertsen
Corporate Market
Haugalandet
Anders Rundhaug

HAUGESUND

Telefax 52 71 24 91
Sorhaugata 150,
P.O. box 473, 5501 Haugesund
General Manager Arne Mo
Branch: Norheim/Oasen

BOKN

5561 Bokn
Manager Ann Jeanette
S. Olausen

KARMØY

Karmsundgt. 9. P.O. box 68,
4251 Kopervik
General Manager
Einar Jøssang
Brancher: Avaldsnes,
Skudeneshavn

TYSVÆR

Aksdal, P.O. box 44,
5570 Grindafjord
General Manager
Olav Lande Rossebø
Branch: Nedstrand

VINDAFJORD

5576 Øvre Vats
General Manager Arne Gjerde

ØLEN

P.O. box 33, 5580 Ølen
General Manager
Randi I. Rettedal

REGION SØR

Regional Gen. Mngr.
Irene Grastveit
Corporate Market Sør:
Øyvind Sjøtrø

EGERSUND

Nesgården. P.O. box 190,
4371 Egersund
Telefax 51 49 29 97
General Manager
Thrine Gabrielsen

BJERKREIM

P.O. box 10, 4389 Vikeså
General Manager
Arne Geir Larsen

FLEKKEFJORD

Elvegt. 14. P.O. box 98,
4401 Flekkefjord
General Manager
Terje Johnsen

LUND

Stasjonsveien
P.O. box 94, 4460 Moi

SIRDAL

P.O. box 25, 4440 Tonstad
General Manager
Jan Magne Josdal

SOKNDAL

P.O. box 10,
4380 Hauge i Dalane
General Manager
Henning Stålesen

REGION STAVANGER

Regional General Manager
Thor Christian Haugland

DOMKIRKEPLASSEN

Telefax 51 89 50 60
Domkirkeplassen 1,
P.O. box 218, 4001 Stavanger
General Manager
Lars Magne Markhus

FORUS

Petroleumsvn. 6, 4033 Stavanger
General Manager Grete Eide

HUNDVÅG

Hundvåg. 50 P.O. box 26,
4085 Hundvåg
General Manager Mette Ness

MADLA

Madlamarkveien 2
P.O. box 525, 4040 Hafsfjord
General Manager Rolf Inge Lura

TASTA

Randabergveien 45
P.O. box 4052, 4004 Stavanger
General Manager Håkon Færaas
Branch: Stokka

MARIERO

Breidablikkvn. 3a,
4017 Stavanger
General Manager Stig Bjørheim
Branch: Hinna

HILLEVÅG

Kilden, Gartnerveien 16
4016 Stavanger
General Manager
Kjetil Øygarden
Branch: Østre Bydel

REGION RYFYLKE

Regional Gen. Mngr.
Svein I. Førland
Corporate Market Ryfylke
Lars M. Hultin

STRAND

Telefax 51 74 91 60
P.O. box 8, 4100 Jørpeland
General Manager Olav Strand
Branch: Tau

FINNØY

P.O. box 25, 4160 Judaberg
General Manager
Elin Schanche
Branch: Sjernarøy

FORSAND

4110 Forsand
General Manager Bendik Voll

HJELMELAND

P.O. box 55,
4137 Årdal i Ryfylke
General Manager Njål Skår
Branch: Fister

SULDAL

4230 SAND
Gen. Manager Torfrid Baustad

SAUDA

4200 Sauda
General Manager
Bjørn Håheim

RENNESØY

Vikevåg
P.O. box 10, 4150 Rennesøy
General Manager
Hugo Hansen

REGION JÆREN

Regional Gen. Mngr.
Lars Enevoldsen

SANDNES

Haakon VII'sgt. 8
Telefax 51 62 52 25
P.O. box 33, 4301 Sandnes
General Manager
Oddvar Rettedal
Branches: Ganddal
- Kvadrat - Langgata

RANDABERG

Randabergveien 378
P.O. box 90, 4070 Randaberg
General Manager
Guttorm Sirnes
Branch: Kvitvåg

BRYNE

Storgt. 15
P.O. box 413, 4341 Bryne
General Manager
Torvald Søiland

KLEPP

Jærveien 537
P.O. box 234, 4352 Kleppe
General Manager
Bodil Veggeberg

GJESDAL

Ole Nielsensvei 28
P.O. box 55, 4330 Ålgård
General Manager
Inglén Haugland

NÆRBØ

Torggt. 9, P.O. box 205,
4350 Nærbø
General Manager
Solveig Tengesdal

SOLA

Solakrossen
P.O. box 39, 4051 Solå
General Manager Bjørg Haarr
Branch: Tananger,
Stavanger Lufthavn

VARHAUG

Stasjonsveien 20
P.O. box 94, 4460 Varhaug
General Manager
Mindor Jelsa
Branch: Vigrestad

VEST-AGDER

LYNGDAL

Sentrumsgården,
4580 Lyngdal
Gen. Manager Roger Abusland

MANDAL

Marnaveien 2
Postboks 156,
4502 Mandal
General Manager
Ketil B. Askildsen

KRISTIANSAND

Rådhusgaten 12
P.O. box 590
4665 Kristiansand
General Manager
Lars Magne Markhus

AUST-AGDER

ARENDAL

Insurance Office
Langbrygga 9, 4800 Arendal
Gen. Man. Tove Christiansen

SUBSIDIARIES

EiendomsMegler 1 Rogaland AS
Telephone 51 50 90 90
Telefax 51 89 50 44
Domkirkeplassen 2
P.O. box 167, 4001 Stavanger
Managing Director
Johannes Vold

BRANCHES:

Madla - Mariero - Hundvåg -
Forus - Sandnes - Haugesund -
Sola - Bryne - Klepp -
Egersund - Flekkefjord -
Lyngdal - Mandal - Kristiansand

Westbroker Finans AS

Telephone 51 95 65 00
Telefaks 51 50 92 01
Petroleumsv. 6
4033 Stavanger
Managing Director
Knut Sirevåg

SR-Forvaltning ASA

Bjergsted Terrasse 1
4009 Stavanger
Gen. Manager: Dag Sønsterud

SpareBank 1 SR-Bank

Bjergsted Terrasse 1. P.O.Box 218, 4001 Stavanger. Phone +47 51 50 90 00. Fax +47 51 53 18 64
www.sr-bank.no