

Quarterly Supplementary Information

Contents

1. SpareBank 1 SR-Bank ASA	4
1.1 Financial highlights	4
1.2 Business description: leading financial institution in Rogaland, Hordaland and Agder	6
Retail Market	6
Corporate Market	6
Capital Market	7
Vision and strategy	8
Legal and organizational structure	9
Board of Directors	10
Board committees	10
Organisation of SpareBank 1 SR-Bank ASA	10
The SpareBank 1 Alliance	10
1.3 Shareholder information - SRBANK	12
Investor relations policy	12
Shareholder and dividend policy	13
Ownership structure	13
1.4 Credit ratings	14
2. Financial results and balance sheet.....	15
2.1 Net interest income	21
2.2 Net other operating income	23
2.3 Operating expenses	25
2.4 Losses on loans and loss provisions	29
2.5 Loans	30
2.6 Risk profile	31
2.7 Risk profile in bond and equity portfolios	34
2.8 Capital adequacy	35
3. Business areas	41
3.1 Business segments - Financial performance	41
3.2 Retail Market	42
3.3 Corporate Market	44
3.4 Capital Market	46
3.5 Subsidiaries	47
EiendomsMegler 1 SR-Eiendom AS	47
SpareBank 1 SR-Finans AS	48
SR-Forvaltning AS	49
SR-Investering AS	50
4. Norwegian Economic Outlook.....	51

1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q2 2012

- Profit before tax: NOK 405 million (NOK 416 million)
 - Profit after tax: NOK 303 million (NOK 305 million)
 - Return on equity after tax: 11.8 % (12.6 %)
 - Profit per share: NOK 1.19 (NOK 1.51)
 - Net interest income: NOK 413 million (NOK 427 million)
 - Net commission and other income: NOK 379 million (NOK 325 million)
 - Net income from financial investments: NOK 87 million (NOK 73 million)
 - Operating expenses: NOK 440 million (NOK 396 million)
 - Impairment losses on loans: NOK 34 million (NOK 13 million)
- (Figures for Q2 2011 are shown in parentheses)*

1st half 2012

- Profit before tax: NOK 798 million (NOK 752 million)
 - Profit after tax: NOK 619 million (NOK 570 million)
 - Return on equity after tax: 12.3 % (11.9 %)
 - Profit per share: NOK 2,42 (NOK 2,83)
 - Net interest income: NOK 814 million (NOK 851 million)
 - Net commission and other income: NOK 681 million (NOK 606 million)
 - Net income from financial investments: NOK 289 million (NOK 201 million)
 - Operating expenses: NOK 918 million (NOK 842 million)
 - Impairment losses on loans: NOK 68 million (NOK 64 million)
 - Growth in lending over the last 12 months: 9.3 % (14.5 %)
 - Growth in deposits over the last 12 months: 9.7 % (15.8 %)
 - Core capital ratio: 11.4 % (10.0 %)
 - Pure core capital ratio: 9.2 % (8.6 %)
- (Figures for 1st half 2011 are shown in parentheses)*

Income statement

<i>MNOK</i>	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Net interest income	413	401	448	457	427	814	851
Net commission and other income	379	302	305	281	325	681	606
Net return on investment securities	87	202	111	7	73	289	201
Total income	879	905	864	745	825	1.784	1.658
Total operating expenses	440	478	329	462	396	918	842
Operating profit before losses	439	427	535	283	429	866	816
Losses on loans and guarantees	34	34	45	30	13	68	64
Operating profit before tax	405	393	490	253	416	798	752
Tax expense	102	77	153	79	111	179	182
Profit after tax	303	316	337	174	305	619	570

Key figures

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Return on equity ¹⁾	11,8 %	12,9 %	13,9 %	7,2 %	12,6 %	12,3 %	11,9 %
Cost ratio ²⁾	50,1 %	52,8 %	38,1 %	62,0 %	48,0 %	51,5 %	50,8 %
Deposit-to-loan ratio	67,6 %	66,8 %	63,2 %	61,9 %	60,2 %	67,6 %	60,2 %
Growth in loans	-2,3 %	-4,1 %	-4,2 %	3,6 %	11,5 %	-2,3 %	11,5 %
Growth in loans incl. SB 1 Boligkreditt and SB 1 Næringskreditt	9,3 %	10,3 %	11,2 %	15,3 %	14,5 %	9,3 %	14,5 %
Growth in deposits	9,7 %	7,1 %	5,4 %	15,5 %	15,8 %	9,7 %	15,8 %
Average total assets, MNOK	136.674	132.949	132.392	134.579	133.469	134.830	133.855
Total assets, MNOK	139.615	134.683	131.142	132.965	134.715	139.615	134.715
Impairment losses ratio ³⁾	0,13	0,13	0,18	0,11	0,05	0,13	0,12
Capital adequacy ratio	11,9	11,0	11,4	11,2	11,5	11,9	11,5
Core capital ratio	11,4	10,5	10,6	9,6	10,0	11,4	10,0
Market price	32,10	41,00	40,70	40,70	51,50	32,10	51,50
EPS (group) ⁴⁾	1,19	1,58	1,73	0,86	1,51	2,42	2,83

¹⁾ Net profit as a percentage of average equity.

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

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

⁴⁾ Issued equity certificates were converted to shares on January 2nd 2012.

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

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

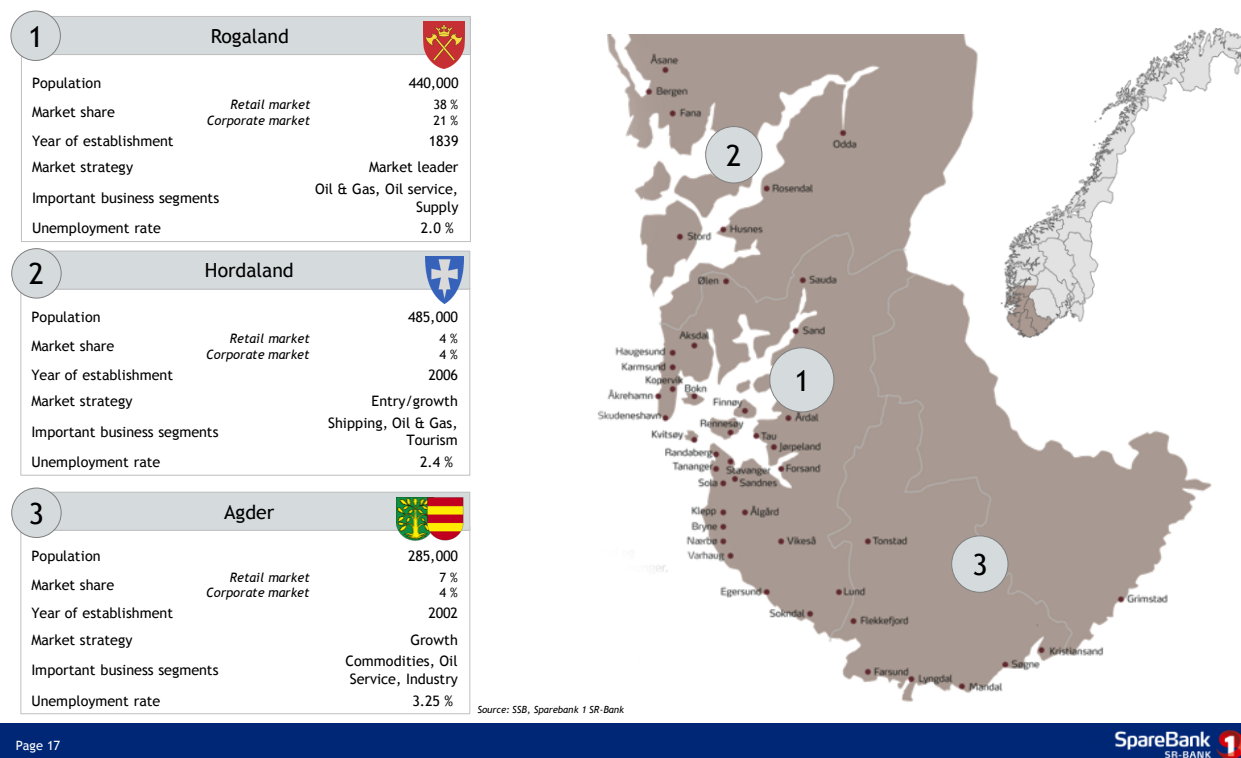


Figure 1.2.1: Operating areas

SpareBank 1 SR-Bank ASA is located in the South-Western part of Norway and is the second largest of the Norwegian-owned banks (after DNB) with assets on-balance sheet totalling NOK 140 billion as at 30 June 2012. Head office is in Stavanger. The market areas are the counties of Rogaland, Agder and Hordaland. SpareBank 1 SR-Bank ASA has about 1 200 employees and provides a full range of products and services within financing, investments, money transfers, pensions as well as life and non-life insurance.

The customer-oriented activity is organized in three divisions; Retail Market, Corporate Market and Capital Market.

Retail Market

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

Corporate Market

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

Capital Market

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

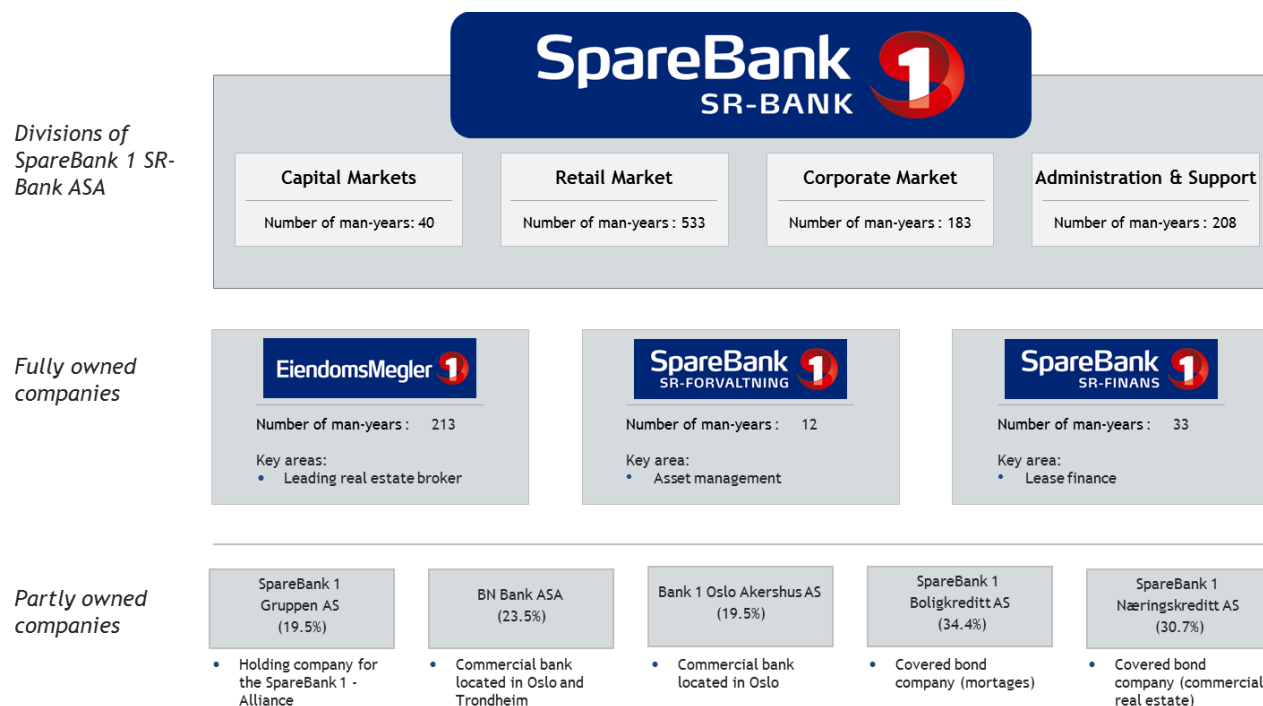


Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

MNOK	Retail market		Corporate market		Capital market	
	2012	2011	2012	2011	2012	2011
Operating profit before tax 2nd quarter only	273	187	220	159	57	44
Operating profit before tax first half year	473	366	360	292	110	87
Gross loans to customers excl. SpareBank 1 Boligkreditt and Næringskreditt as per 30 June 2012	51.167	57.369	46.880	43.841	-	-
Deposits from customers as per 30 June 2012	39.955	36.333	26.452	22.718	-	-

* not including SpareBank 1 SR-Finans AS

Vision and strategy

Our vision: Recommended by customers

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

Figure 1.2.3: Vision and strategy

Legal and organizational structure

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

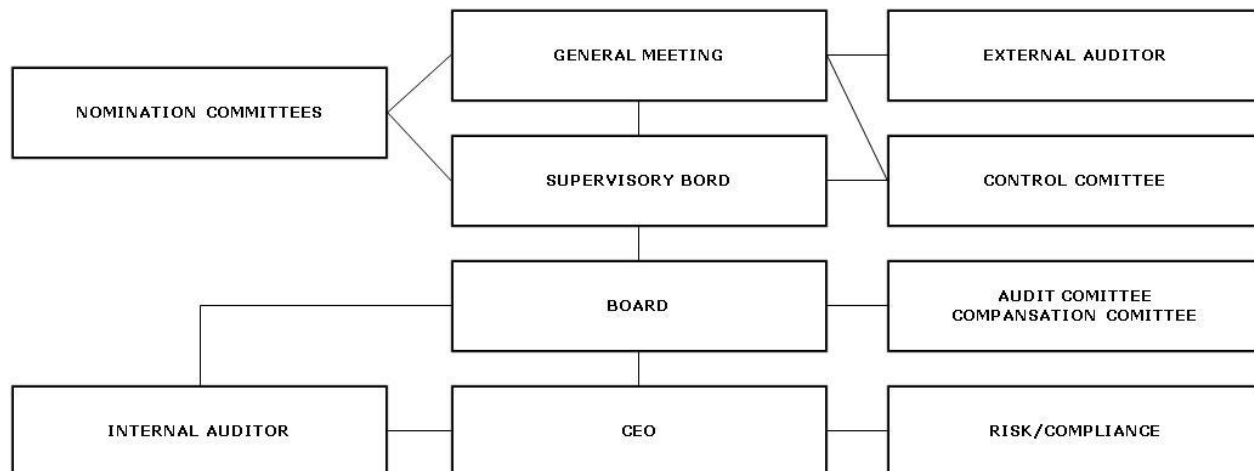


Figure 1.2.4: Overview of management and control bodies

General Meeting

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

Supervisory Board

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

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

Control Committee

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

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

Board of Directors

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

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

Board committees

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

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

Organisation of SpareBank 1 SR-Bank ASA

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

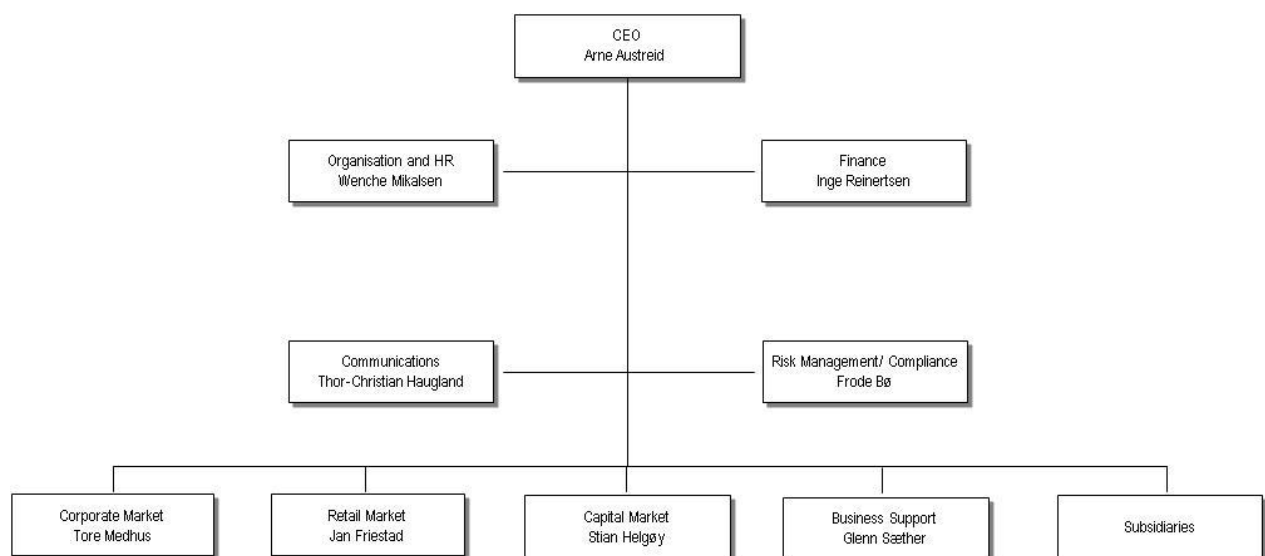


Figure 1.2.5: *Organizational structure of SpareBank 1 SR-Bank*

The SpareBank 1 Alliance

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

SpareBank 1 Gruppen AS owns all of the shares in SpareBank 1 Livsforsikring AS (life insurance), SpareBank 1 Skadeforsikring AS (non-life insurance), ODIN Forvaltning AS (asset management), SpareBank 1 Medlemskort (membership cards) and SpareBank 1 Gruppen Finans Holding AS (collection of bad debts). The company also owns 97,25 per cent of SpareBank 1 Markets AS (previously named Argo Securities AS).

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

The SpareBank 1 Alliance structure is illustrated below in figure 1.2.6.

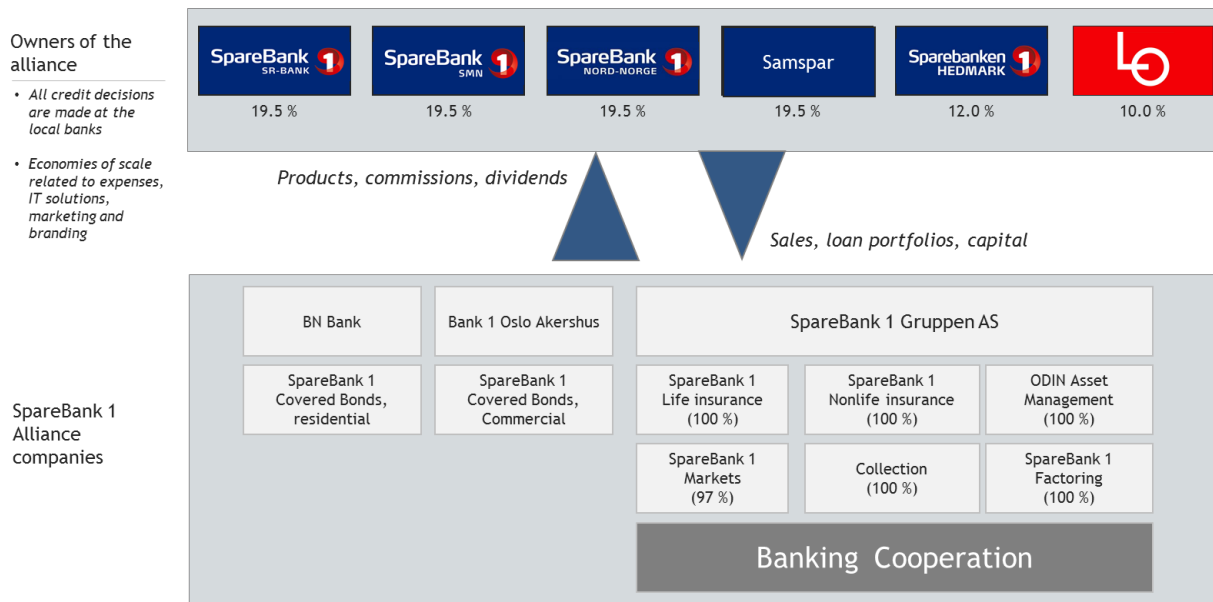


Figure 1.2.6: Structure of SpareBank 1 Alliance

1.3 Shareholder information - SRBANK

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

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

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

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

The ticker code ROGG has been replaced by SRBANK. With effect from 3 January 2012, SRBANK was included in the OSEAX All-Share index and sector index OSE40 Financials/OSE4010 Banks. Figure 1.3.1 below shows the total return for SRBANK compared to peers from 31.10.2011.

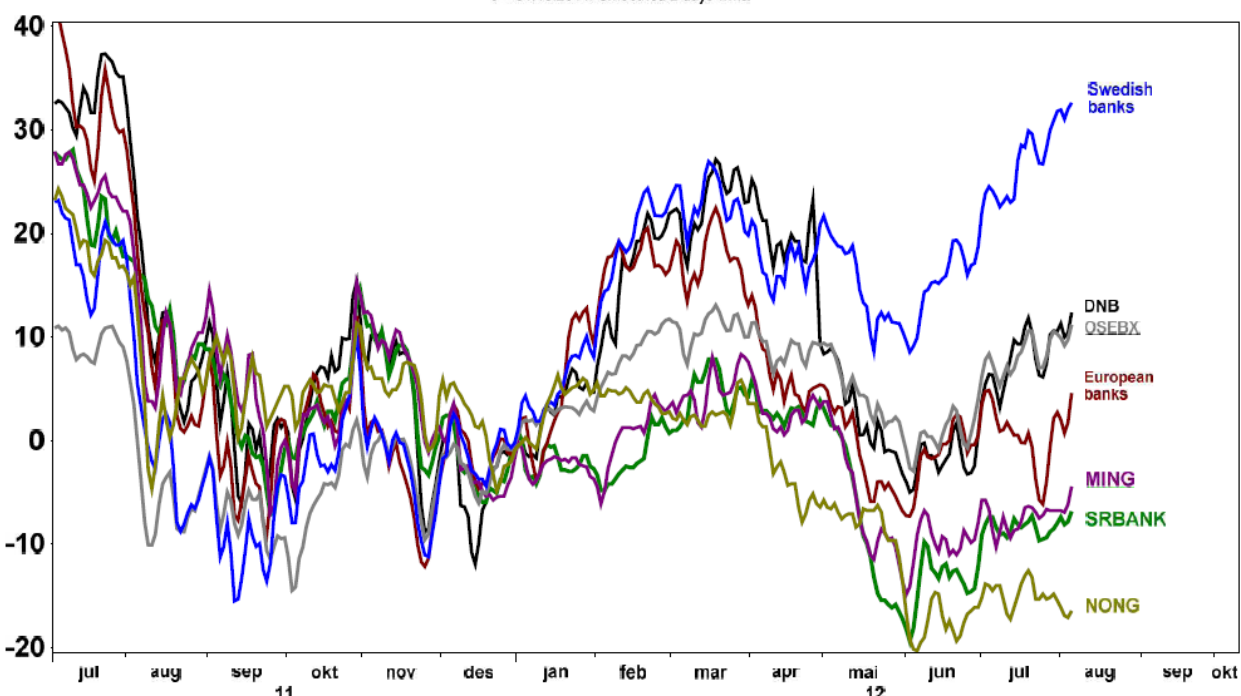


Figure 1.3.1: Total return (0=31.10.2011. Smoothed 2 days wma). Source: SpareBank 1 Markets

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

Investor relations policy

It is crucial to SpareBank 1 SR-Bank that accurate, relevant and timely information about the bank's development and result inspires confidence in the investor market. Information is conveyed to the market through quarterly investor presentations, websites, press releases

and accounting reports. Regular presentations are also held for international partners, lenders and investors, mainly in the domestic and European market.

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

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

Shareholder and dividend policy

Shareholder policy

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

Dividend policy

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

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

Ownership structure

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of shareholders who represent customers, regional investors, as well as Norwegian and international investors. The 20 largest shareholders owned 60.0 per cent of the issued shares as at 30 June 2012.

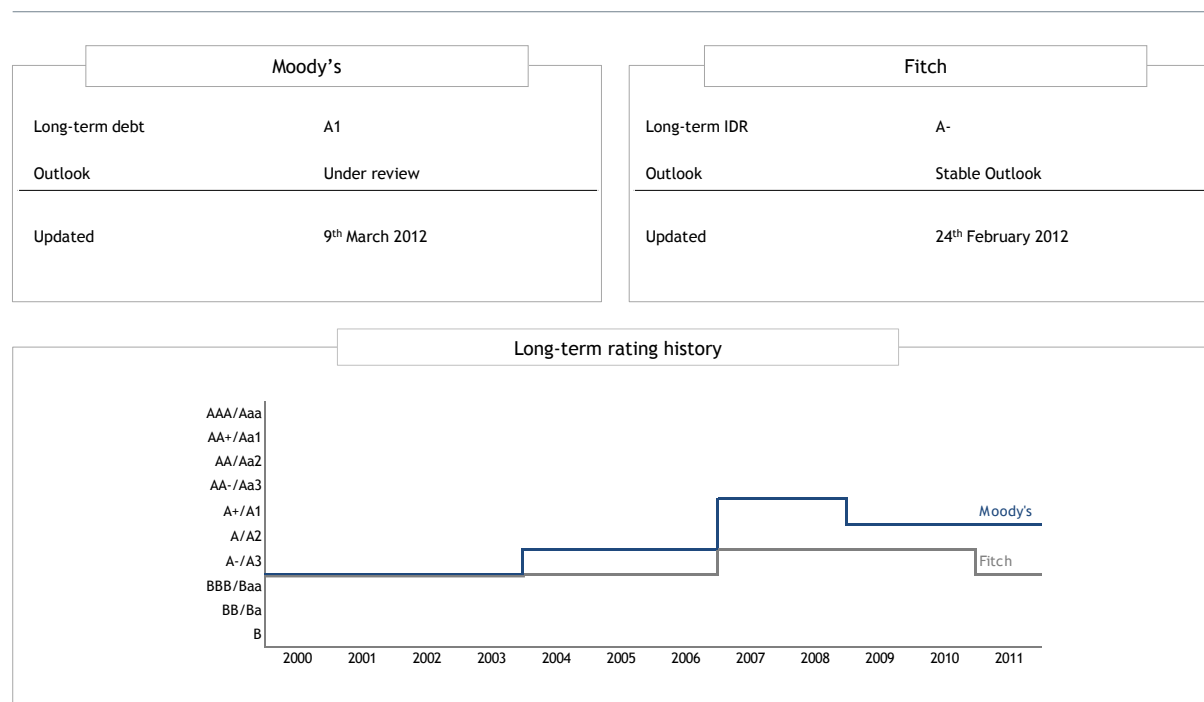
#	Investor	Number	Stake
1	Sparebankstiftelsen SR-Bank	79.735.551	31,2 %
2	Gjensidige Forsikring ASA	26.483.470	10,4 %
3	SpareBank 1-stiftinga Kvinnherad	6.226.583	2,4 %
4	Folketrygdfondet	5.922.914	2,3 %
5	Odin Norge	5.497.410	2,1 %
6	Frank Mohn AS	5.373.376	2,1 %
7	Odin Norden	4.142.580	1,6 %
8	Skagen Global	3.284.235	1,3 %
9	Clipper AS	2.178.837	0,9 %

10	JPMorgan Chase Bank, U.K.	2.043.467	0,8 %
11	SHB Stockholm Clients Account, Sverige	1.553.554	0,6 %
12	FLPS, U.S.A.	1.356.998	0,5 %
13	Olav Stangeland	1.328.694	0,5 %
14	Westco AS	1.321.817	0,5 %
15	Køhlergruppen AS	1.292.803	0,5 %
16	Varma Mutual Pension Insurance, Finland	1.248.017	0,5 %
17	Vpf Nordea Norge Verdi	1.127.661	0,4 %
18	Tveteraas Finans AS	1.121.492	0,4 %
19	Maaseide Promotion AS	1.100.000	0,4 %
20	Skagen Global II	1.095.702	0,4 %
Top 5			48,4 %
Top 10			55,1 %
Top 20			60,0 %

Table 1.3.2: 20 largest shareholders as at 30 June 2012

1.4 Credit ratings

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



2. Financial results and balance sheet

Income statement

<i>MNOK</i>	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Interest income	1.319	1.327	1.378	1.362	1.290	2.646	2.547
Interest expense	906	926	930	905	863	1.832	1.696
Net interest income	413	401	448	457	427	814	851
Commission income	273	222	211	200	221	495	423
Commission expenses	-20	-20	-12	-21	-19	-40	-38
Other operating income	126	100	106	102	123	226	221
Net commission and other income	379	302	305	281	325	681	606
Dividend income	21	3	1	1	13	24	19
Income from investment in associates	53	100	67	33	58	153	109
Net gains/losses on financial instruments	13	99	43	-27	2	112	73
Net return on investment securities	87	202	111	7	73	289	201
Total income	879	905	864	745	825	1.784	1.658
Personnel expenses	244	275	100	273	200	519	455
Administrative expenses	99	106	111	99	100	205	200
Other operating expenses	97	97	118	90	96	194	187
Total operating expenses	440	478	329	462	396	918	842
Operating profit before losses	439	427	535	283	429	866	816
Losses on loans and guarantees	34	34	45	30	13	68	64
Operating profit before tax	405	393	490	253	416	798	752
Tax expense	102	77	153	79	111	179	182
Profit after tax from continuing operations	303	316	337	174	305	619	570

Key figures

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Return on equity ¹⁾	11,8 %	12,9 %	13,9 %	7,2 %	12,6 %	12,3 %	11,9 %
Cost ratio ²⁾	50,1 %	52,8 %	38,1 %	62,0 %	48,0 %	51,5 %	50,8 %
Net interest margin	1,22 %	1,21 %	1,34 %	1,30 %	1,28 %		1,28 %
Gross loans to customers	105.428	100.463	101.368	103.930	107.914	105.428	107.914
Gross loans to customers incl. SpareBank 1 Boligkreditt and Næringskreditt	153.329	149.363	146.697	143.747	140.223	153.329	140.223
Deposits from customers	71.285	67.108	64.042	64.323	64.982	71.285	64.982
Deposit-to-loan ratio	67,6 %	66,8 %	63,2 %	61,9 %	60,2 %	67,6 %	60,2 %
Growth in loans	-2,3 %	-4,1 %	-4,2 %	3,6 %	11,5 %	-2,3 %	11,5 %
Growth in loans incl. SpareBank 1 Boligkreditt and Næringskreditt	9,3 %	10,3 %	11,2 %	15,3 %	14,5 %	9,3 %	14,5 %
Growth in deposits	9,7 %	7,1 %	5,4 %	15,5 %	15,8 %	9,7 %	15,8 %
Average total assets	136.674	132.949	132.392	134.579	133.469	134.830	133.855
Total assets	139.615	134.683	131.142	132.965	134.715	139.615	134.715
Impairment losses ratio ³⁾	0,13	0,13	0,18	0,11	0,05	0,13	0,12
Non-performing commitments as a percentage of gross loans	0,49	0,44	0,41	0,57	0,40	0,49	0,40
Other doubtful commitments as a percentage of gross loans	0,82	0,89	0,69	0,68	0,82	0,82	0,82
Capital adequacy ratio	11,9	11,0	11,4	11,2	11,5	11,9	11,5
Core capital ratio	11,4	10,5	10,6	9,6	10,0	11,4	10,0
Core capital	12.514	10.960	10.846	9.523	9.760	12.514	9.760
Net equity and subordinated loan capital	13.041	11.425	11.681	11.114	11.200	13.041	11.200
Minimum subordinated capital requirement	8.797	8.333	8.167	7.921	7.778	8.797	7.778
Number of branches	53	53	53	54	54	53	54
Man-years (permanent)	1.222	1.207	1.213	1.204	1.175	1.222	1.175
Equity certificate ratio	n.a	n.a	63,8 %	63,8 %	63,3 %	n.a.	63,3 %
Market price	32,10	41,00	40,70	40,70	51,50	32,10	51,50
Market capitalisation	8.210	8.179	5.182	5.182	6.557	8.210	6.557
Book equity per share (including dividends) (group)	44,76	49,10	48,75	47,67	48,48	44,76	48,48
Earnings per share (group) ⁴⁾	1,19	1,58	1,73	0,86	1,51	3,05	2,83
Dividends per share	n.a.	n.a	n.a	n.a.	n.a.	n.a.	n.a.
Price / Earnings per share	6,74	6,49	5,88	11,83	8,53	5,26	9,10
Price / Book equity (group)	0,72	0,84	0,83	0,85	1,06	0,72	1,06

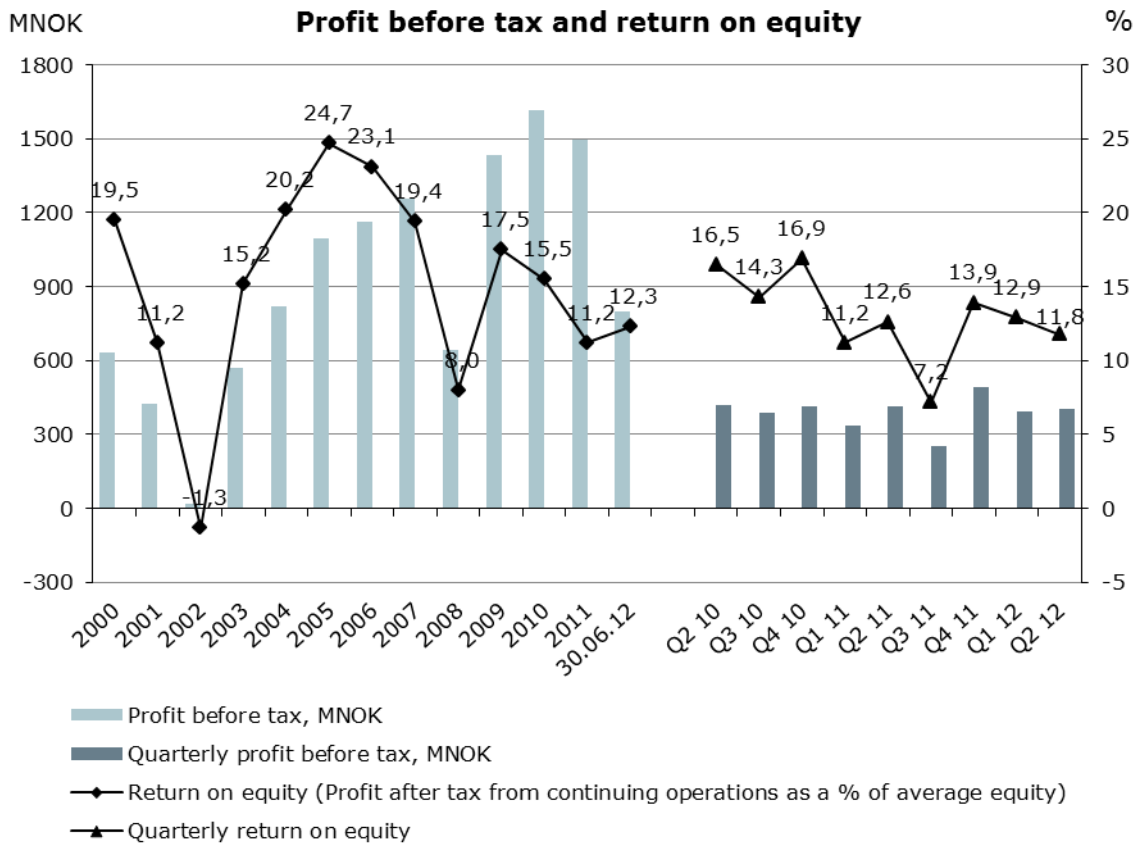
¹⁾ Net profit as a percentage of average equity.

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

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

⁴⁾ Issued equity certificates were converted to shares on January 2nd 2012.

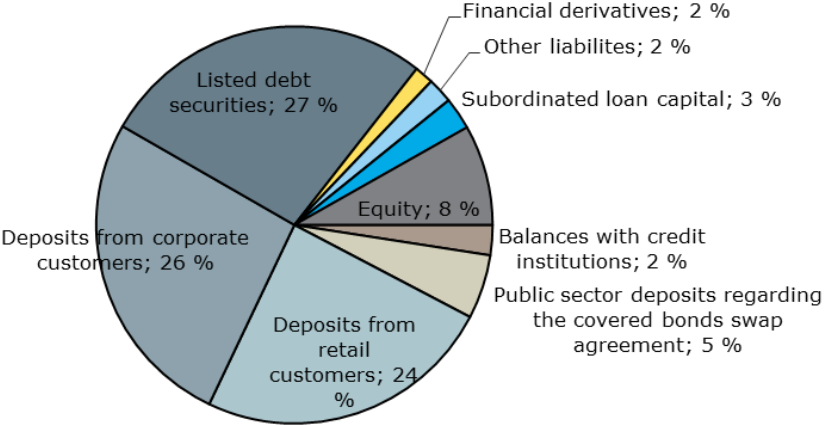
SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per share.



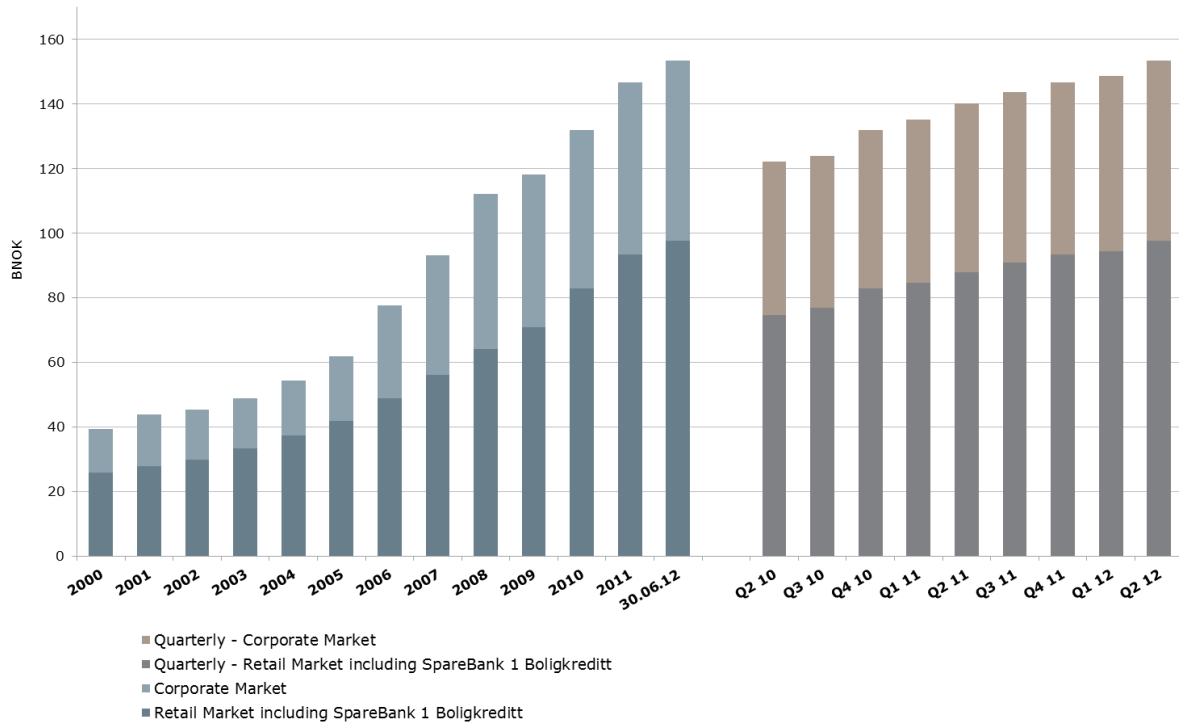
Balance sheet

<i>MNOK</i>	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011
Cash and balances with central banks	290	218	263	249	838
Balances with credit institutions	1.160	1.142	723	1.175	650
Net loans to customers	104.597	99.662	100.588	103.174	107.164
Certificates, bonds and other fixed-income sec.	22.539	21.817	19.850	18.265	17.484
Financial derivatives	4.102	3.955	3.716	4.267	2.781
Shares, ownership stakes and other securities	623	644	632	628	659
Business available for sale	85	85	84	76	90
Investment in associates	4.944	4.891	4.389	3.924	3.897
Other assets	1.275	2.269	897	1.207	1.152
Total assets	139.615	134.683	131.142	132.965	134.715
Balances with credit institutions	3.418	3.791	4.782	5.917	6.087
Public sector deposits regarding the covered bonds swap agreement	7.299	7.395	7.395	8.832	8.832
Deposits from customers	71.285	67.108	64.042	64.323	64.982
Listed debt securities	38.101	38.447	36.338	36.451	38.559
Financial derivatives	2.158	2.081	2.010	2.076	1.440
Other liabilities	2.262	2.485	1.843	2.001	1.427
Subordinated loan capital	3.661	3.595	4.975	3.804	3.604
Total liabilities	128.184	124.902	121.385	123.404	124.931
Share capital (former ECs)	6.394	4.987	3.183	3.183	3.183
Holding of own shares/ECs	-9	-7	-3	-3	-3
Premium reserve	1.587	1.506	625	625	625
Proposed dividend	0	0	299	0	0
Fund for unrealised gains	43	43	43	43	43
Other equity	2.797	2.936	1.183	1.124	1.179
Dividend equalisation reserve	0	na	1.448	1.077	1.256
Savings bank's reserve	0	na	2.631	2.420	2.525
Share premium reserve	0	na	55	55	55
Endowment fund	0	na	293	293	351
Profit/loss at period end	619	316	0	744	570
Total equity	11.431	9.781	9.757	9.561	9.784
Total liabilities and equity	139.615	134.683	131.142	132.965	134.715

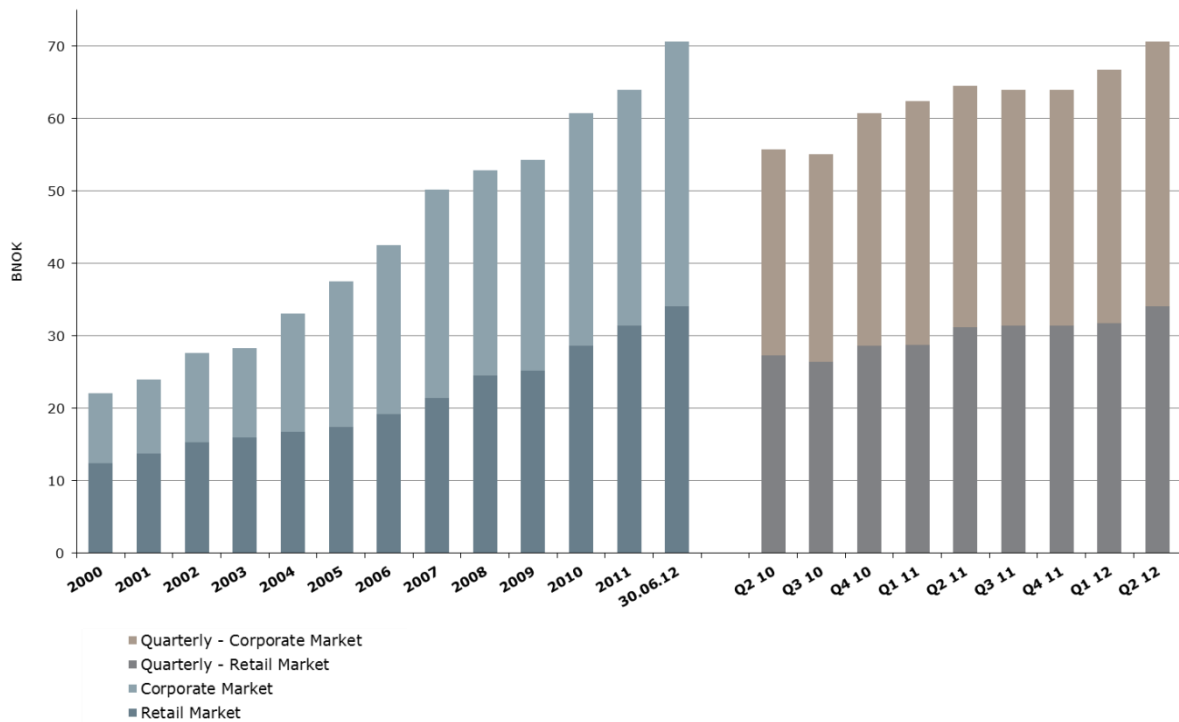
Total assets as at 30 June 2012:



Development in lending volume

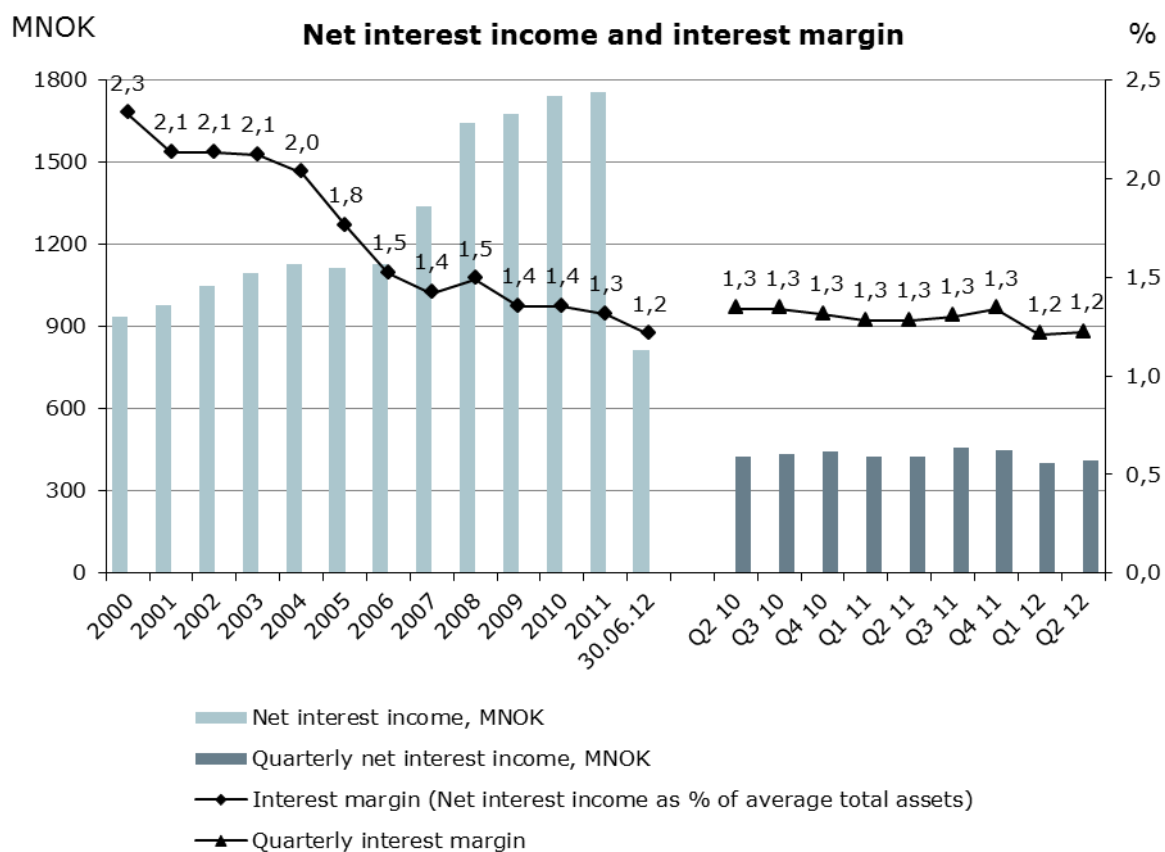


Development in deposit volume

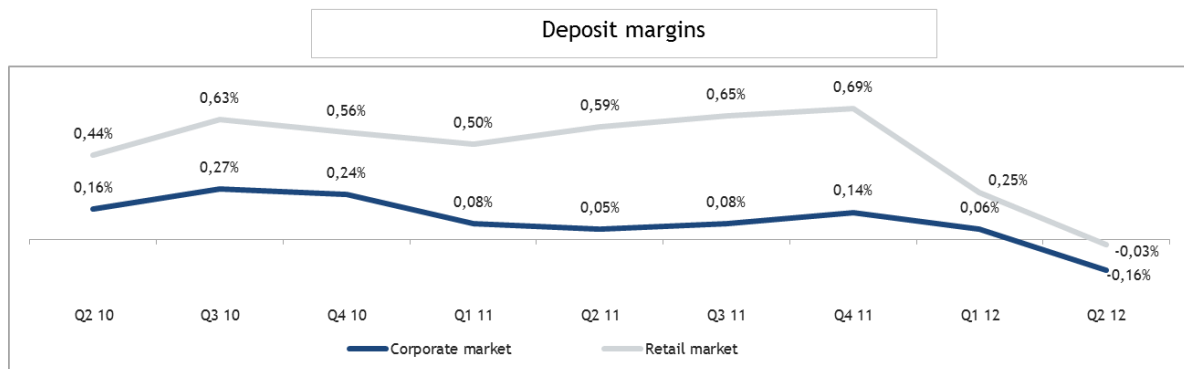
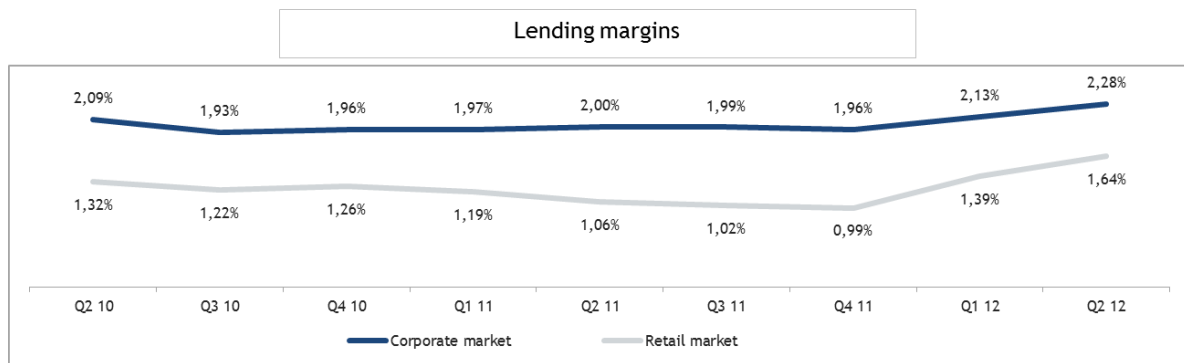


2.1 Net interest income

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
MNOK	2012	2012	2011	2011	2011	2012	2011
Interest income	1.319	1.327	1.378	1.362	1.290	2.646	2.547
Interest expense	906	926	930	905	863	1.832	1.696
Net interest income	413	401	448	457	427	814	851
As % of average total assets	1,22 %	1,21 %	1,34 %	1,35 %	1,28 %	1,21 %	1,28 %



Lending and deposit margins¹



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

2.2 Net other operating income

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
<i>MNOK</i>	2012	2012	2011	2011	2011	2012	2011
Net commission and other income	379	302	305	281	325	681	606
Net return on investment securities	87	202	111	7	73	289	201
Net other operating income	466	504	416	288	398	970	807
As % of total income	53 %	56 %	48 %	39 %	48 %	54 %	49 %

Net commission and other income

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
<i>MNOK</i>	2012	2012	2011	2011	2011	2012	2011
Payment facilities	50	47	52	53	51	97	99
Savings/placements	36	35	34	29	37	71	75
Insurance products	35	34	53	34	34	69	67
Commission income real estate (EM1)	124	99	106	102	122	223	218
Guarantee commission	23	22	19	24	17	44	35
Arrangement fees	23	7	25	11	28	30	42
Other	5	11	2	7	13	16	19
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	295	256	291	260	302	551	555
Commission income SB1 Boligkreditt and SB1 Næringskreditt	84	46	14	22	23	130	51
Net commission and other income incl. SB1 Boligkreditt og SB1 Næringskreditt	379	302	305	282	325	681	606
As % of total income	43 %	33 %	35 %	38 %	39 %	38 %	34 %

Change in net commission and other income

<i>MNOK</i>	Per 30.06		
	2012	Change	2011
Net commission and other income	681	75	606
Payment facilities		-2	
Savings/placements		-4	
Insurance products		2	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		5	
Commission income SpareBank 1 Boligkreditt		9	
Guarantee commission		-12	
Arrangement fees		-3	
Other		79	

Net return on investment securities

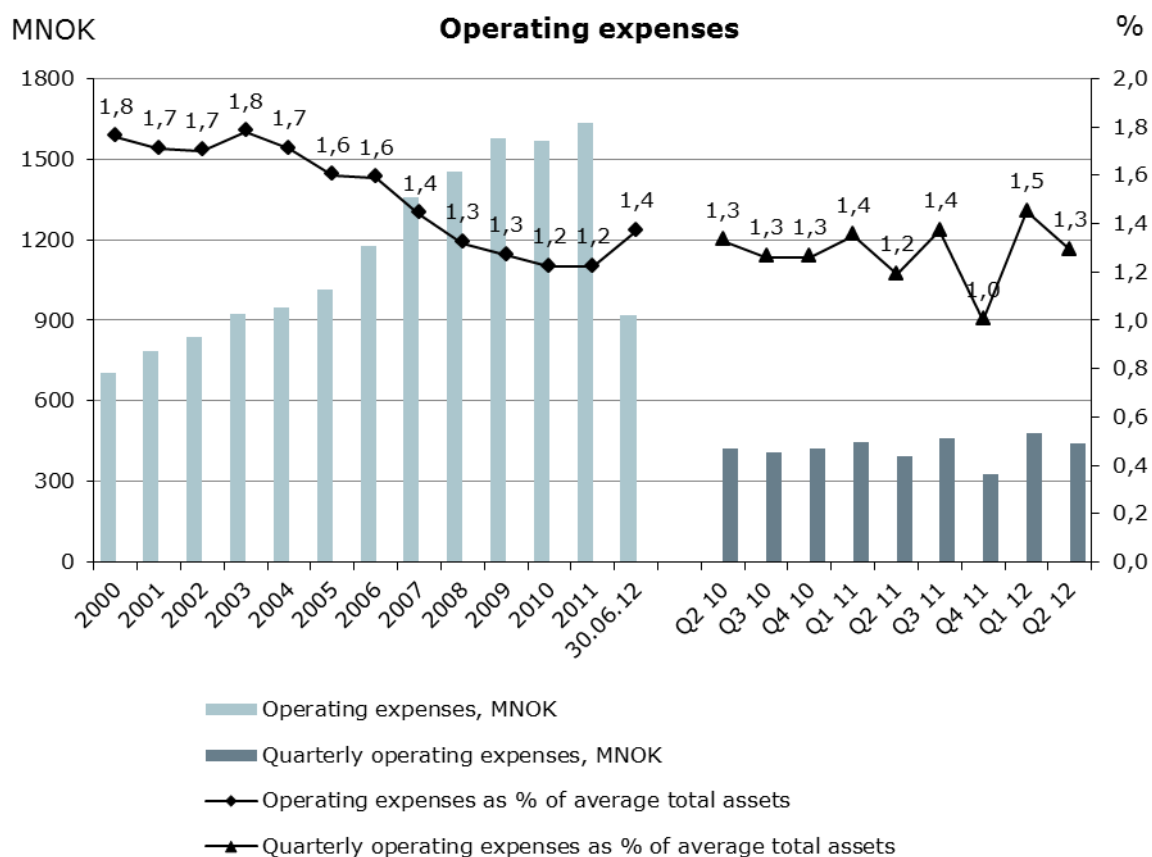
MNOK	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Dividend	21	3	1	1	13	24	19
Investment income, associates	53	100	67	33	58	153	109
Securities gains/losses	-23	68	6	-34	-36	45	-19
- of which capital change in shares and certificates	-34	15	8	-38	-33	-19	-5
- of which capital change in certificates and bonds	11	54	-3	4	-3	65	-14
Currency/interest gains/losses	37	31	38	7	38	68	92
- of which currency customer- and own-account trading	34	36	33	40	31	70	61
- of which IFRS-effects	3	-6	5	-33	7	-3	31
Net return on investment securities	87	202	111	7	73	289	201
As % of total income	10 %	22 %	13 %	1 %	9 %	16 %	12 %

Change in net return on investment securities

MNOK	Per 30.06		
	2011	Change	2010
Net return on investment securities	289	88	201
Dividend		5	
Investment income, associates		44	
Securities gains/losses		64	
- of which capital change in shares and certificates		-14	
- of which capital change in certificates and bonds		79	
Currency/interest gains/losses		-24	
- of which currency customer- and own-account trading		9	
- of which IFRS-effects		-34	

2.3 Operating expenses

MNOK	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Wages	205	199	221	204	194	404	376
Pension expenses	-9	27	-167	27	-36	17	-4
Other personnel expenses	48	49	46	42	42	98	84
Total personnel expenses	244	275	100	273	200	519	455
IT expenses	49	58	61	54	54	107	107
Marketing expenses	21	21	27	17	23	42	45
Other administrative expenses	29	27	23	28	23	56	48
Write-offs	19	19	23	19	19	38	38
Expenses real property	11	13	28	9	11	24	23
Other operating expenses	68	65	67	63	66	132	126
Other expenses	196	203	229	189	196	399	386
Total operating expenses	440	478	329	462	396	918	842



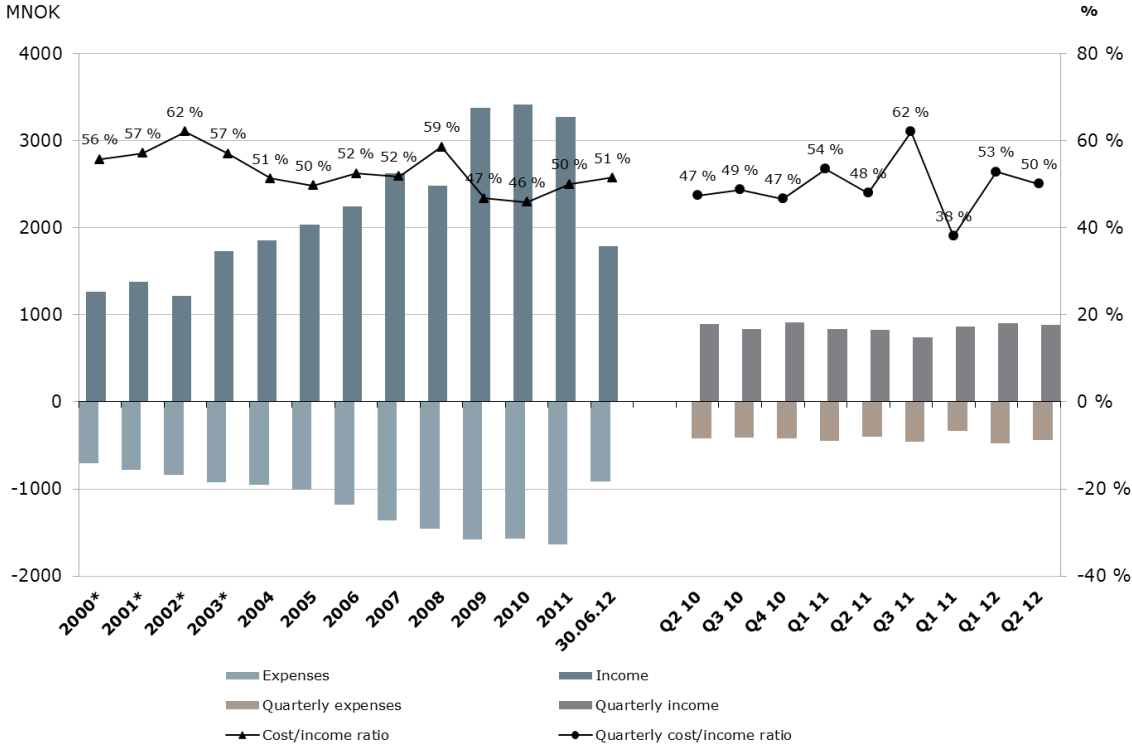
Change in operating expenses

<i>MNOK</i>	Per 30.06		
	2011	Change	2010
Total	918	76	842
Personnel expenses		64	
IT expenses		0	
Marketing expenses		-3	
Other administrative expenses		8	
Write-offs		0	
Expenses real property		1	
Other operating expenses		6	

Cost/income ratio

<i>MNOK</i>	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Operating expenses	440	478	329	462	396	918	842
Cost/income ratio	50,1 %	52,8 %	38,1 %	62,0 %	48,0 %	51,5 %	50,8 %
Growth in expenses last 12 months	4,4 %	-1,3 %	-22,2 %	13,2 %	-6,4 %	9,0 %	14,6 %

Development in cost/income ratio

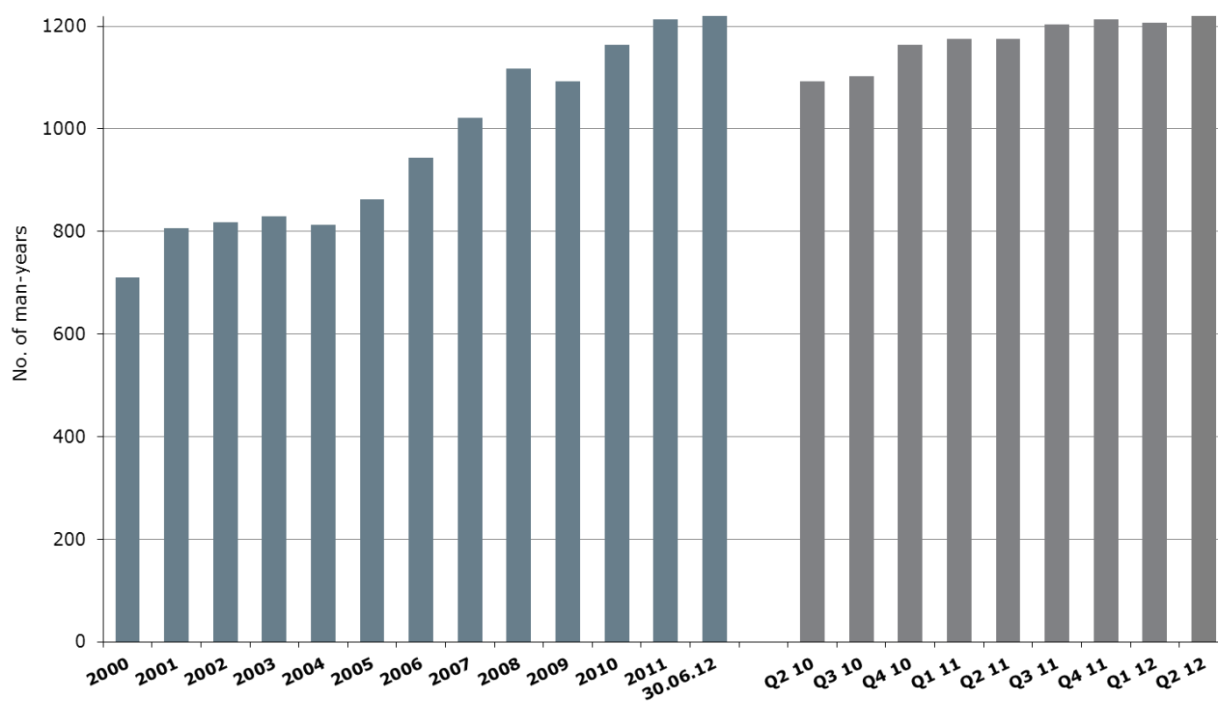


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

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

<i>No. of man-years</i>	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
SpareBank 1 SR-Bank	964	950	952	952	926
EiendomsMegler 1 SR-Eiendom AS	213	209	211	203	200
SR-Forvaltning ASA	12	13	13	12	13
SR-Finans AS	33	33	34	34	33
Other	0	2	3	3	3
Total	1.222	1.207	1.213	1.204	1.175

Man-labour years 2000 – Q2 2012 (permanent employees, contracted staff not included)



2.4 Losses on loans and loss provisions

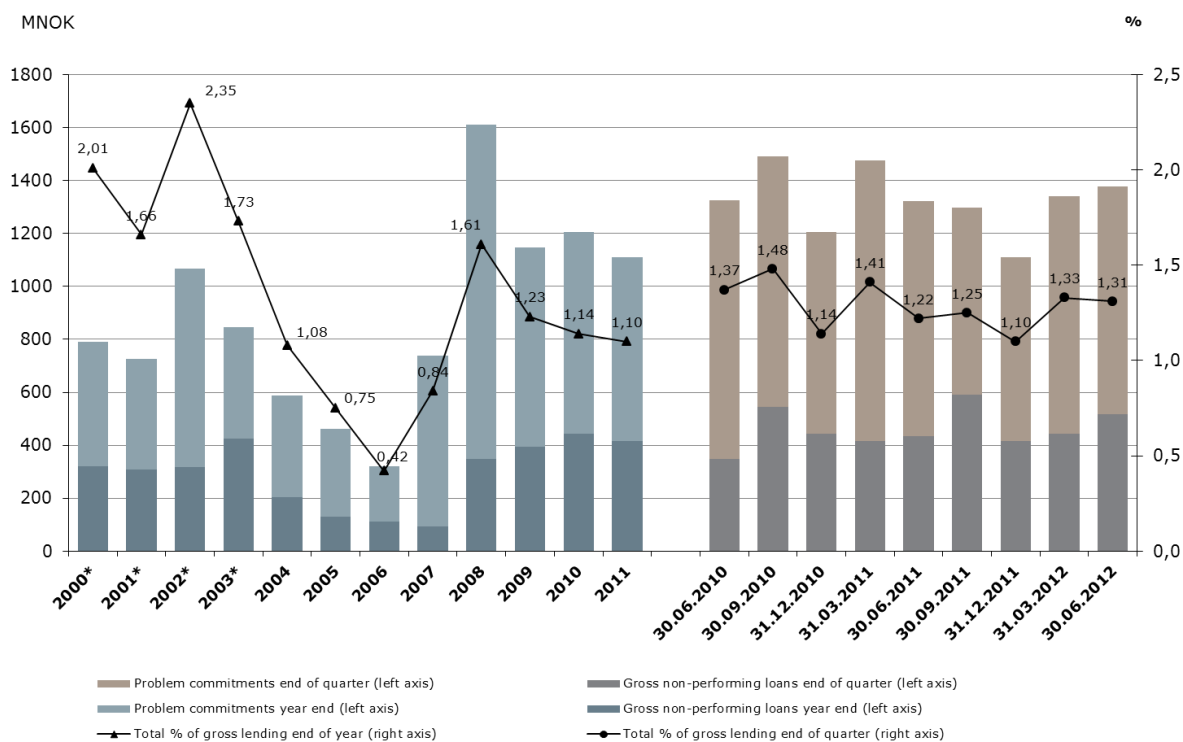
Losses on loans and guarantees

MNOK	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011
Change in individual individual impairment losses provisions for the period	80	51	16	16	23
Change in collective impairment loss provisions for the period	-30	-30	5	-17	-29
Amortised cost	4	3	6	2	1
Actual loan losses on commitments for which provisions have been made	11	11	66	55	41
Actual loan losses on commitments for which no provision has been made	9	2	74	49	25
Change in assets take-over	0	0	7	17	27
Recoveries on commitments previously written-off	-6	-3	-35	-29	-24
The period's net losses/(reversals) on loans and advances	68	34	139	94	64

Provisions for impairment losses on loans and guarantees

MNOK	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011
Provisions for individual impairment losses at start of period	420	420	402	402	402
Kvinnerad acquisition	-	-	-	-	-
Increases in previous provisions for individual impairment losses	66	34	32	23	25
Reversal of provisions from previous periods	-87	-51	-108	-78	-50
New provisions for individual impairment losses	124	79	158	126	88
Amortised cost	-3	1	1	-3	-1
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-20	-11	-65	-55	-42
Provisions for individual impairment losses at the end of period	500	472	420	415	422

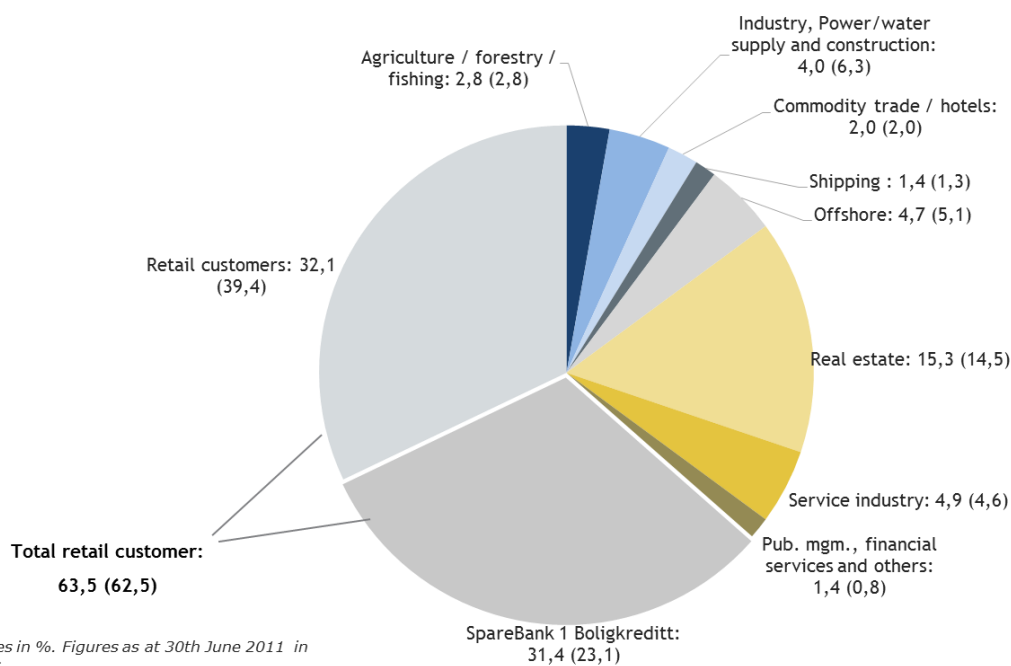
Non-performing loans and problem commitments



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

2.5 Loans

MNOK	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011
Agriculture/forestry	3.909	3.826	3.773	3.664	3.583
Fishing/Fish farming	421	428	416	352	332
Mining/extraction	2.807	2.707	2.728	2.922	2.773
Industry	2.100	1.867	1.686	1.673	1.674
Power and water supply/building and construction	4.045	4.203	4.022	3.944	7.119
Commodity trade, hotel and restaurant business	2.982	2.473	2.487	2.804	2.824
Foreign trade shipping, pipeline transport and other transport activities	6.531	6.199	6.553	6.003	6.286
Real estate business	23.356	23.775	23.749	23.749	20.294
Service industry	7.469	7.291	6.827	6.575	6.437
Public sector and financial services	2.163	1.407	1.068	1.088	1.103
Retail customers	49.107	45.842	47.593	50.688	55.170
Unallocated (excess value fixed interest loans and amort. lending fees)	179	121	150	156	22
Accrued interests corporate sector and retail customers	359	324	316	312	297
Gross loans	105.428	100.463	101.368	103.930	107.914
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	47.901	48.900	45.329	39.817	32.308
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	153.329	149.363	146.697	143.747	140.222



All figures in %. Figures as at 30th June 2011 in brackets.

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

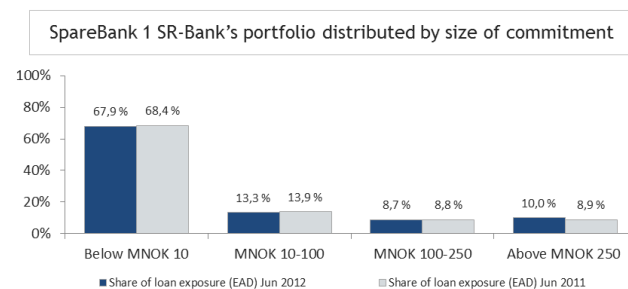
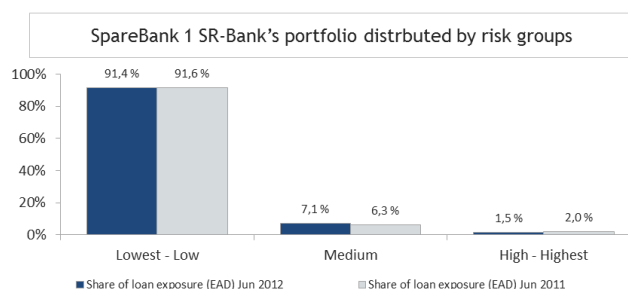
Sector allocation in accordance with the standard categories from Statistics Norway.

2.6 Risk profile

Risk profile of SparBank 1 SR-Bank

- 91.4 % of the bank's loan exposure satisfies the criteria for low and the lowest risk. Expected losses* in this portion of the portfolio are very limited at 0.04 %.
- Exposure to high or the highest risk accounts for 1.5 % of the bank's loan exposure. Expected losses* in this portion of the portfolio are 3.8 %.
- 68 % of the bank's loan exposure is to commitments that account for less than NOK 10 million. This corresponds to 99 per cent of all customers.
- 18.7 % of the bank's loan exposure is to customers who have an exposure in excess of NOK 100 million. The credit quality in this portion of the portfolio is better than in the rest of the corporate market portfolio.

* Expected loss through a business cycle

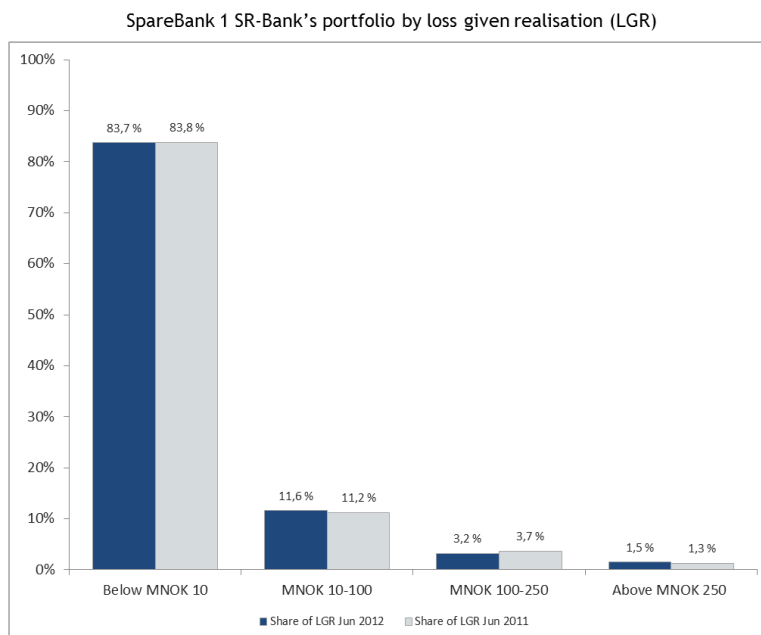


Risk profile of SparBank 1 SR-Bank

- At the end of the second quarter of 2012, SpareBank 1 SR-Bank had 28 commitments with a loss potential exceeding NOK 100 million if realised.
- These commitments represent 4.7% of the loan exposure.
- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

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

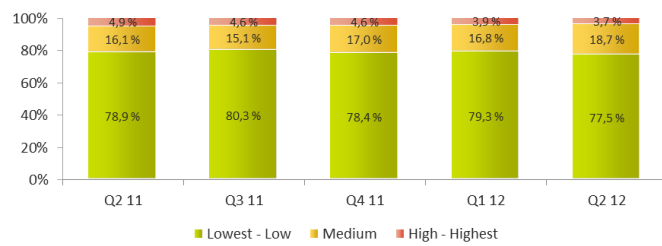
The figures includes portfolios sold to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS.



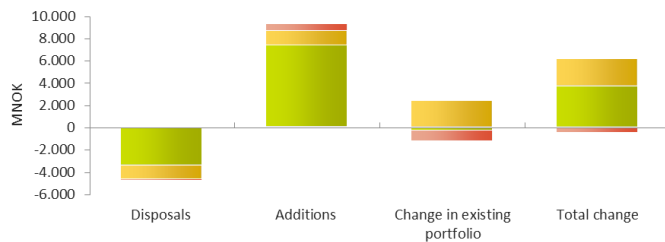
Risk profile in the corporate market portfolio

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

Development in corporate market's portfolio distributed by riskgroups



Migration in corporate market's portfolio last 12 months

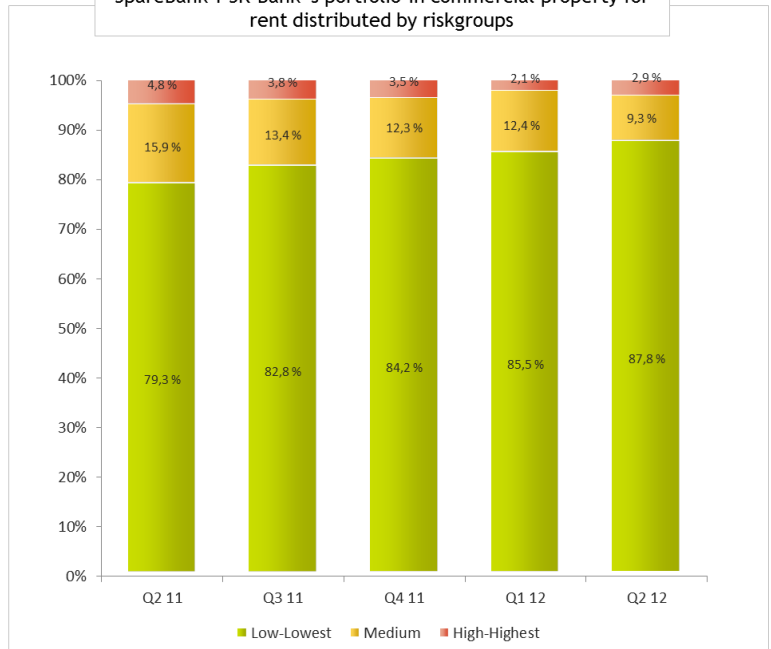


- Lowest - Low risk, expected losses 0% - 0.50%
- Medium risk, expected losses 0.50% - 2.00%
- High - Highest risk, expected losses over 2.00%

Risk profile in the portfolio of commercial property for rent

- The portfolio in real estate business represents the group's largest concentration in a single sector, and accounts for 15 % of the total loan exposure including retail market customers. A significant portion of the portfolio consist of commercial property for rental.
- The portfolio of commercial property for rental is dominated by commitments with low risk. 87.8 % of the exposure is classified as low risk, while 2.9 % is classified as high risk.
- The portfolio is characterised by commercial properties with long-term contracts and financially solid tenants. The vacancy rate is low. Interest rates for a significant portion of the portfolio have been hedged.

SpareBank 1 SR-Bank's portfolio in commercial property for rent distributed by riskgroups

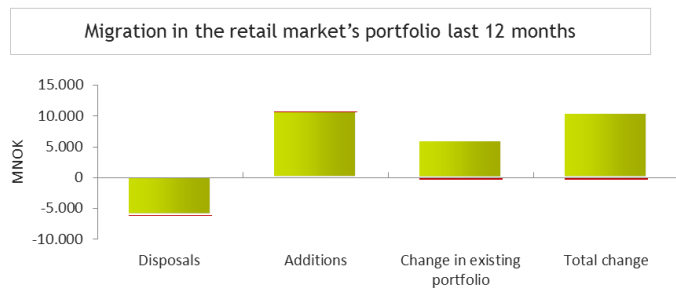
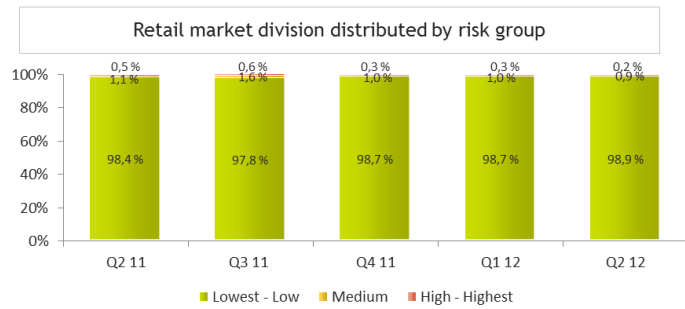


- Low-Lowest - Low risk, expected losses 0% - 0.50%
- Medium - Medium risk, expected losses 0.50% - 2.00%
- High-Highest - Highest risk, expected losses over 2.00%

Risk profile in the retail market portfolio

- *The quality of the retail market portfolio is considered very good and with low potential losses.*
- *The development is characterised by stability, and 98.9 % are assessed to represent a low or the lowest risk for the bank.*
- *Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to security value. This implies that potential losses are limited as long as the values are not significantly impaired.*

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



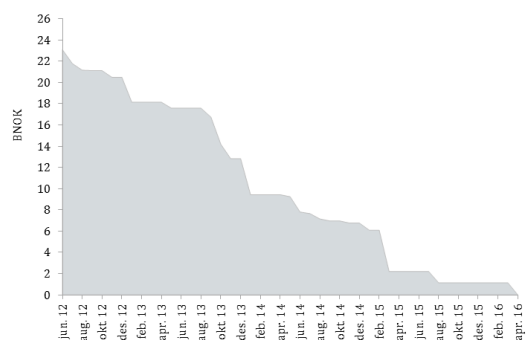
* Incl loan portfolio in SB1 Boligkreditt and SB1 Næringskreditt

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

2.7 Risk profile in bond and equity portfolios

Liquidity buffer and bond portfolio

Liquidity buffer - survival period



Bond portfolio

Bond investments	Market value	Share	Of which, securities classified to amortised cost
	MNOK		MNOK
Norwegian state/ municipal	4.680	21 %	0
Foreign covered bonds	1.720	8 %	0
Swap agreement	7.741	34 %	7.699
Norwegian covered bonds	6.242	28 %	0
Norwegian bank/ finance	987	4 %	75
Foreign bank/ finance	399	2 %	329
Industry	727	3 %	0
Total	22.496	100 %	8.103

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

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

2.8 Capital adequacy

Basel II was introduced in Norway from 1 January 2007. Figure 2.8 shows the methods used by SpareBank 1 SR-Bank for calculating capital needs for different types of risks. Using Internal Rating Based (IRB) methods for calculating capital requirements requires a formal approval from the FSAN (Finanstilsynet) on standards regarding organisation, competence, risk-modelling and risk-management systems.

In the autumn of 2009, the authorities resolved to postpone the final transition to the IRB rules from 1 January 2010 to 1 January 2012. It has later been proposed to continue the transitional rule stating that the capital requirement using IRB cannot be less than 80% of the capital requirement under Basel I ("Basel I floor") until 2015. Without the transitional rule, the core capital ratio at the end of June 2012 stands at 12.7 %.

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

Figure 2.8: *Methods currently used for calculating capital adequacy*

Introduction to the proposed new regulations – Basel III

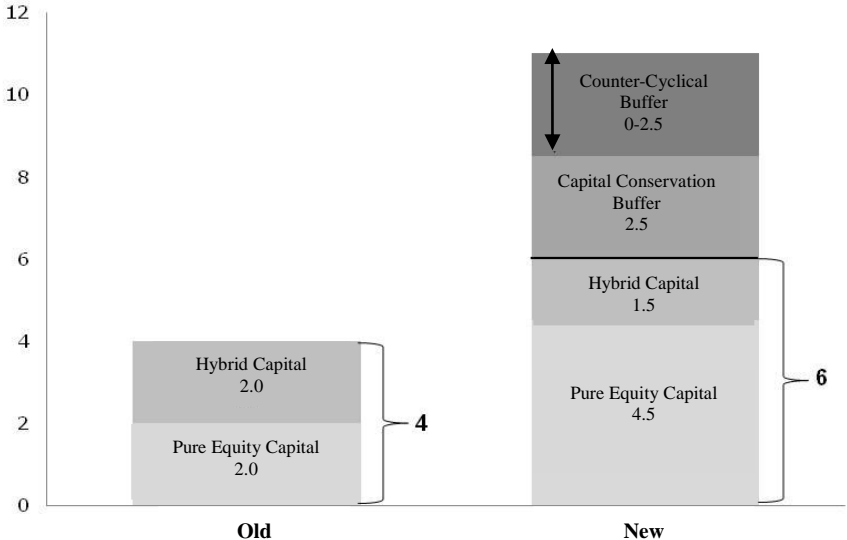
On 20 July 2011 the EU Commission presented its proposals for implementation of Basel III in the EU. These correspond to the Basel Committee's new minimum requirements for banks' capital adequacy (Basel III). The new minimum requirements will apply from 1 January 2013 with various transitional arrangements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

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

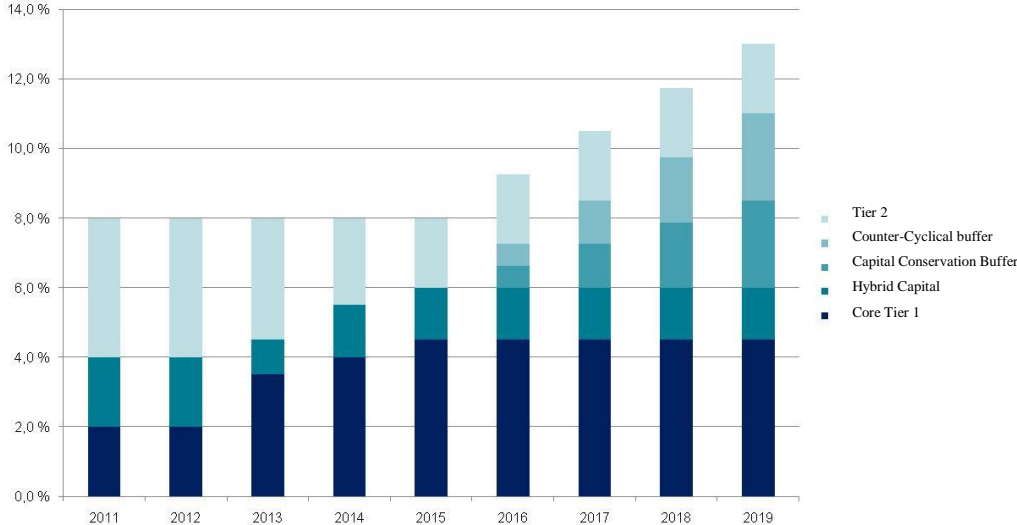
In order to prevent banks encountering problems in meeting the minimum requirements in periods with large losses in the banking sector, banks are required to maintain various capital buffers. The requirement for the preservation buffer ("capital conservation buffer") means that banks must hold pure core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

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

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



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



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

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

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

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

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

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

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

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

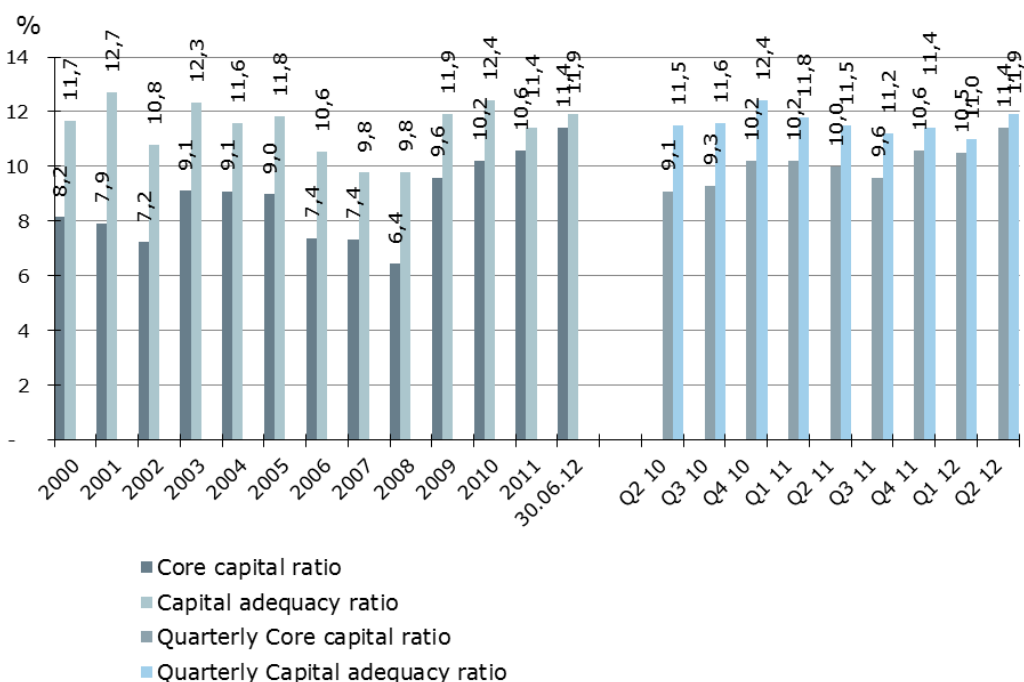
It should be emphasised, however, that Norges Bank and the FSAN have previously proposed an earlier introduction of the Basel III rules in Norway than elsewhere in Europe. In a consultation memorandum related to the proposed legislative changes for the introduction of CRD IV in Norway that was published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

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

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

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

Core capital and capital adequacy ratio



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

The proceeds amounted to NOK 1.52 billion, and were registered in the Register of Business Enterprises on 18 June 2012. The new share capital in SpareBank 2 SR-Bank is 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.

SpareBank 1 SR-Bank has a good financial status, and a leading position in the country's strongest growth area. The completed capital inflow boosts the group's ability to continue to meet the financing needs of customers offensively, and to meet the requirement for 9 % pure core capital adequacy by 30 June 2012. There is also some regulatory uncertainty linked to a possibly higher capital requirement from the supervisory authorities up to final clarification and implementation of Basel III/CRD IV. The capital increase will help strengthen the group's solvency ahead of possible changes.

Since the introduction of IFRS in 2005 and pursuant to IAS 19, SpareBank 1 SR-Bank has recognised pension liabilities in accordance with an ongoing fair value assessment and has recognised estimate deviation directly in equity. As at the first half of 2012, a discount rate of 2.1 % was used for the measurement of the pension liability. The low discount rate reflects the development of long-term Norwegian government rates. Until 1 January 2013, listed companies can choose whether to use the ongoing fair value assessment and recognition in equity method or use the 'corridor method', in which the estimate deviation is not reflected in the company's equity on an ongoing basis. As of 1 January 2013, all listed companies must recognise pension liabilities in accordance with IAS 19.

From 2005 and until the end of the first half of 2012, SpareBank 1 SR-Bank has had a net reduction of equity of approximately NOK 600 million related to increased pension liabilities, primarily as a result of falling interest rates and reduced discount rates. At the beginning of 2005, SpareBank 1 SR-Bank used a 4.5 % discount rate, compared to 2.1 % at the end of the first half of 2012.

The approximately NOK 600 million increase in pension liabilities affects pure core capital adequacy negatively with about 0.5 % as at 30 June 2012.

<i>MNOK</i>	31 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011
Share capital/ECs	6.394	4.987	3.183	3.183	3.183
- Own stock	-9	-7	-3	-3	-3
Premium reserve	1.587	1.506	625	625	625
Equalisation reserve	-	-	1.480	1.077	1.256
Allocated to dividend	-	-	249	-	-
Savings bank's reserve	-	-	2.649	2.420	2.525
Share premium reserve	-	-	55	55	55
Endowment fund	-	-	293	293	351
Reserve for unrealised gains	43	43	43	43	43
Other equity	2.797	2.936	1.183	1.124	1.179
Total book equity	10.812	9.465	9.757	8.817	9.214
Deferred taxes, goodwill and other intangible assets	-65	-66	-71	-76	-78
Fund for unrealized gains, available for sale	-2	-2	-2	-2	-2
Deduction for allocated dividends	-	-	-299	-	-
50% deduction for subordinated capital in other financial institutions	-18	-21	-21	-21	-31
50% deduction for expected losses on IRB, net of write-downs	-237	-271	-255	-294	-318
50% capital adequacy reserve	-685	-680	-665	-664	-665
Year-to-date profit included in core capital (50%)	309	158	-	372	285
Hybrid Tier 1 bonds	2.400	2.377	2.402	1.391	1.355
Total core capital	12.514	10.960	10.846	9.523	9.760
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	-	-	-	340	340
Non-perpetual subordinated capital	1.467	1.437	1.776	2.230	2.114
50% deduction for subordinated capital in other financial institutions	-18	-21	-21	-21	-31
50% deduction for expected losses on IRB, net of write-downs	-237	-271	-255	-294	-318
50 % capital adequacy reserve	-685	-680	-665	-664	-665
Total supplementary capital	527	465	835	1.591	1.440
Net subordinated capital	13.041	11.425	11.681	11.114	11.200

Table 2.8.1: *Capital overview*

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

<i>MNOK</i>	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011
Specialised lending exposure	2.202	2.100	2.060	2.017	2.010
Other corporations exposure	2.286	2.260	2.104	2.217	2.214
SME exposure	38	38	37	36	36
Retail mortgage exposure	836	786	758	660	675
Other retail exposure	70	76	78	112	81
Equity investments	-	-	-	-	-
Total credit risk IRB	5.432	5.260	5.037	5.042	5.016
Debt risk	172	95	94	135	111
Equity risk	47	49	47	36	40
Currency risk	-	-	-	-	-
Operational risk	447	447	408	408	408
Transitional arrangements	894	757	861	537	580
Exposures calculated using the standardised approach	1.917	1.837	1.830	1.872	1.734
Deductions	-112	-112	-110	-109	-111
Minimum requirements subordinated capital	8.797	8.333	8.167	7.921	7.778
Capital adequacy ratio	11,86 %	10,97 %	11,44 %	11,22 %	11,52 %
Core capital ratio	11,38 %	10,52 %	10,62 %	9,62 %	10,04 %
Supplementary capital ratio	0,48 %	0,45 %	0,82 %	1,61 %	1,48 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

	SpareBank 1 SR-Bank Group Q2 12													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q2 12	Q2 11	Q2 12	Q2 11	Q2 12	Q2 11	Q2 12	Q2 11	Q2 12	Q2 11	Q2 12	Q2 11	Q2 12	Q2 11
<i>MNOK</i>														
Net interest income	220	206	218	179	13	6	1	3	44	38	-83	-5	413	427
Net commission and other income	179	112	53	45	23	30	124	121	-3	-3	3	20	379	325
Net return on investment securities	5	4	11	5	35	21	0	0	0	0	36	43	87	73
Operating expenses	122	121	40	37	15	13	67	101	12	10	184	114	440	396
Operating contribution before losses	297	201	242	192	56	44	58	23	29	25	-243	-56	439	429
Losses on loans and guarantees	9	14	22	33	0	0	0	0	3	-35	0	1	34	13
Operating contribution before tax	273	187	220	159	56	44	58	23	26	60	-228	-57	405	416
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	51.167	57.369	46.880	43.841	0	0	0	0	5.805	5.206	1.576	1.498	105.428	107.914
Deposits from customers	39.955	36.333	26.452	22.718	0	0	0	0	0	0	4.878	5.931	71.285	64.982

	SpareBank 1 SR-Bank Group per 30.06.12													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>MNOK</i>														
Net interest income	434	418	425	349	28	12	3	4	85	75	-161	-7	814	851
Net commission and other income	316	233	102	86	37	43	223	218	-5	-5	8	31	681	606
Net return on investment securities	5	4	11	5	78	59	0	0	0	0	195	133	289	201
Operating expenses	273	269	93	83	33	27	154	187	24	21	341	255	918	842
Operating contribution before losses	482	386	445	357	110	87	72	35	56	49	-299	-98	866	816
Losses on loans and guarantees	9	20	85	65	0	0	0	0	4	7	-30	-28	68	64
Operating contribution before tax	473	366	360	292	110	87	72	35	52	42	-269	-70	798	752
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	51.167	57.369	46.880	43.841	0	0	0	0	5.805	5.206	1.576	1.498	105.428	107.914
Deposits from customers	39.955	36.333	26.452	22.718	0	0	0	0	0	0	4.878	5.931	71.285	64.982

* Includes SR-Forvaltning and SR-Investering

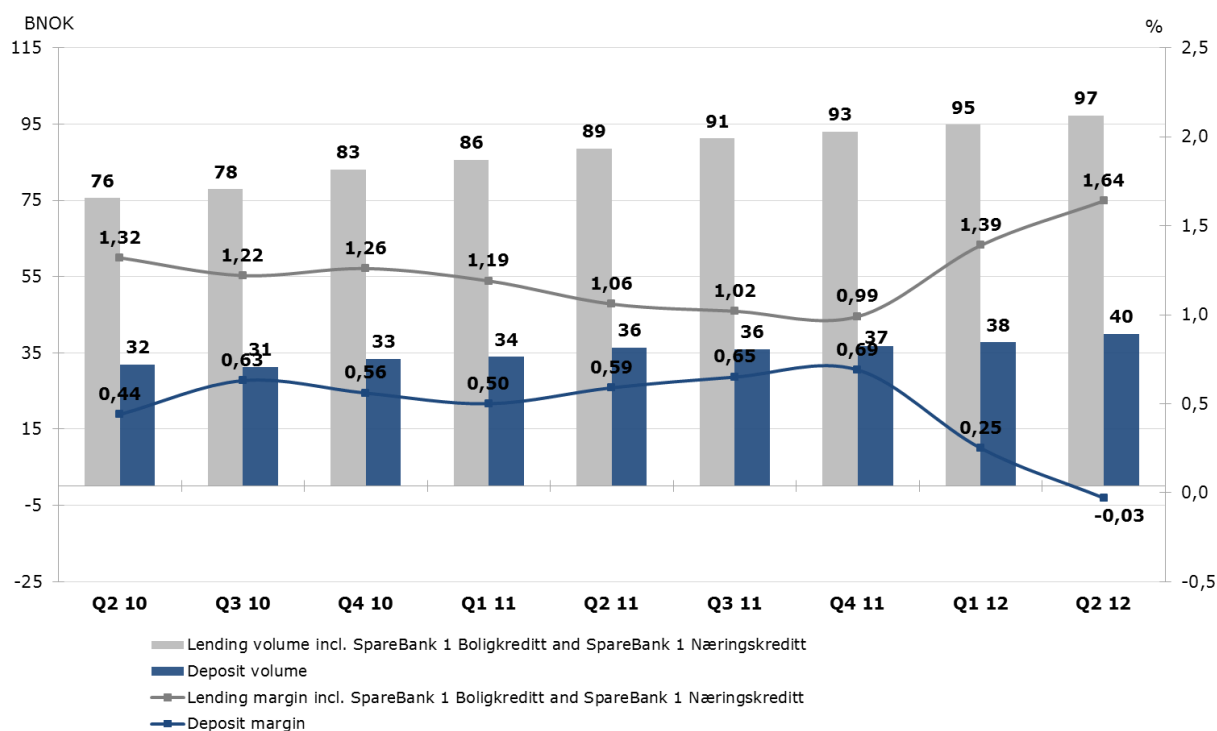
3.2 Retail Market

Financial performance in the retail market segment

MNOK	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Net interest income	310	265	233	240	232	575	474
Net other operating income	94	85	104	95	90	179	182
Total income	404	350	337	335	322	755	656
Total operating expenses	122	151	170	141	121	273	269
Operating contribution before losses	282	199	168	194	201	482	386
Losses on loans and guarantees	9	0	12	4	14	9	20
Operating contribution before tax	273	199	155	190	187	473	366

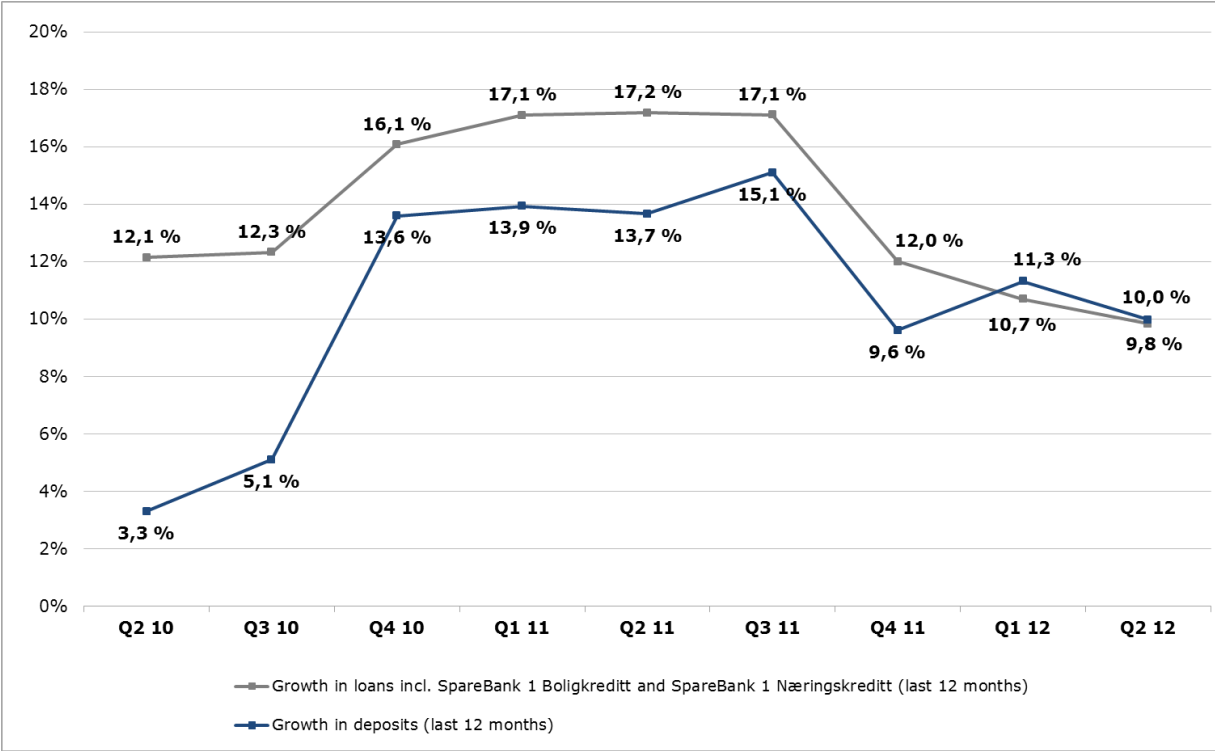
Based on internal reporting system. Provisions from SpareBank 1 Boligkreditt is included in Net interest income.

Development in average volume and interest margin*



*Definition margin: Average customer interest rate less 3-month moving average for 3-month NIBOR.

Growth in loans and deposits

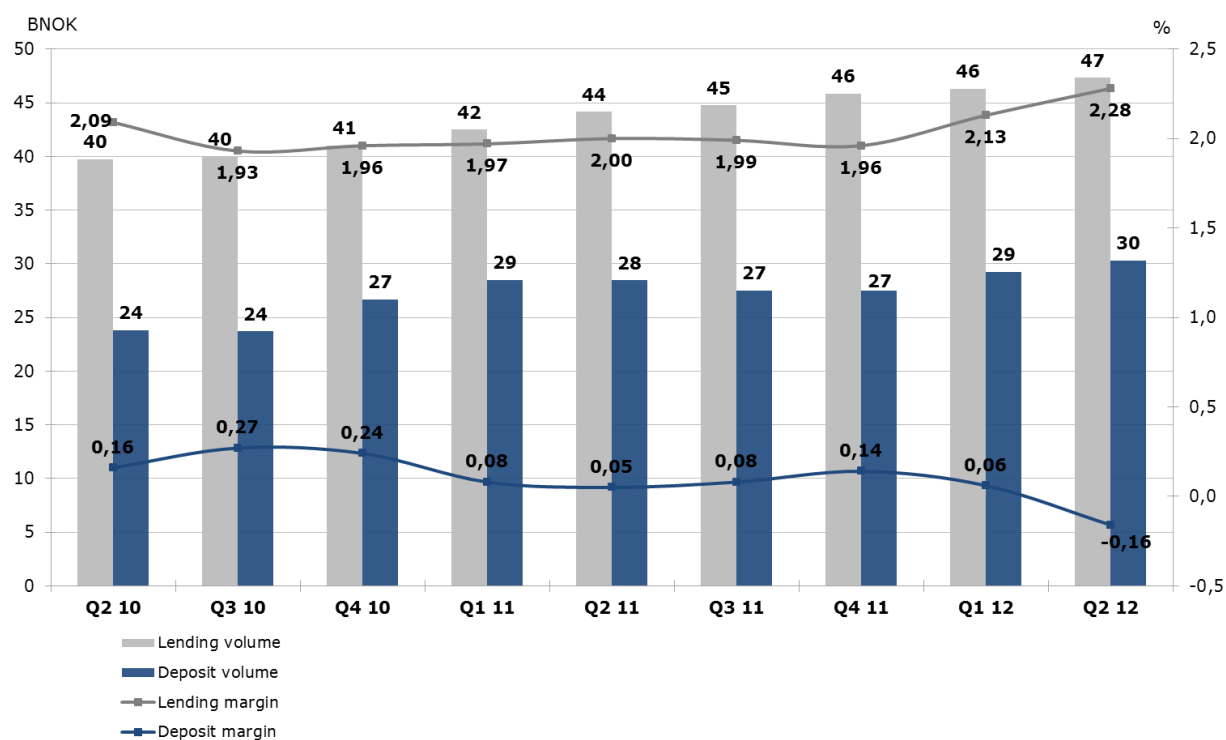


3.3 Corporate Market

Financial performance in the corporate market segment

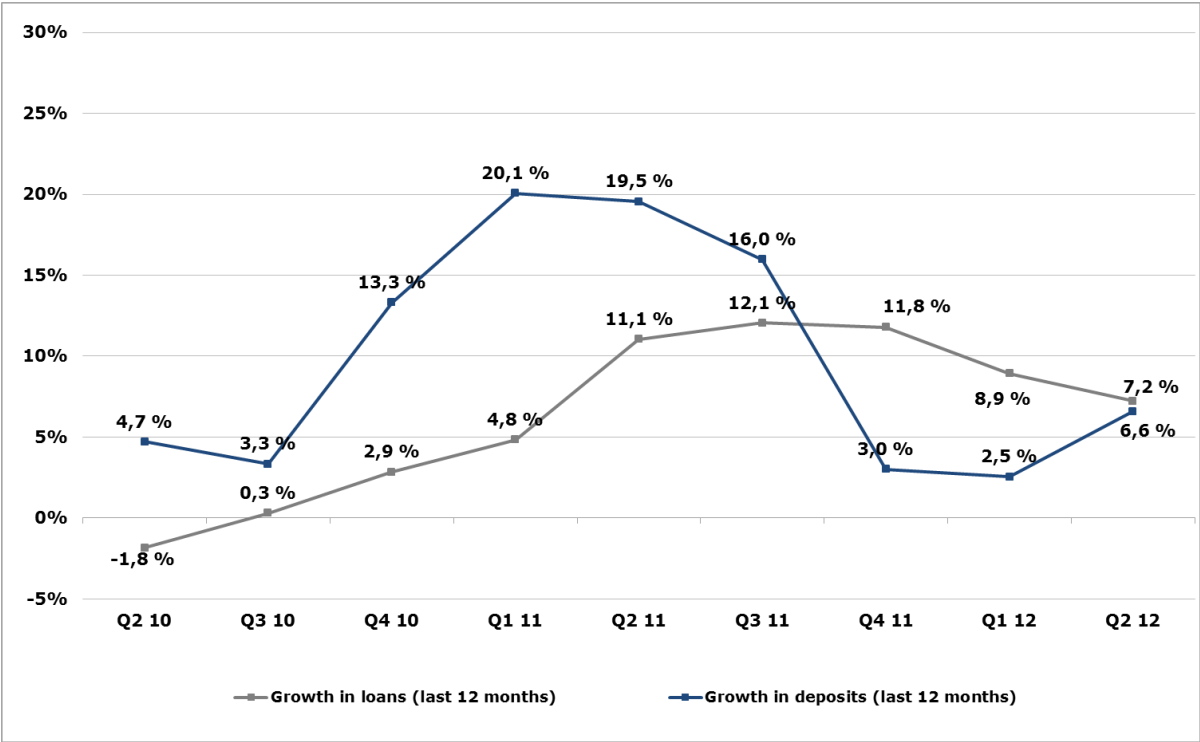
MNOK	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Net interest income	219	208	198	190	180	427	350
Net other operating income	63	49	66	54	49	112	90
Total income	282	257	264	244	229	539	440
Total operating expenses	40	53	57	45	37	94	83
Operating contribution before losses	242	204	206	199	192	445	357
Losses on loans and guarantees	22	63	13	5	33	85	65
Operating contribution before tax	220	141	193	194	159	360	292

Development in average volume and interest margin*



*Definition margin: Average customer interest rate less 3-month moving average for 3-month NIBOR.

Growth in loans and deposits



3.4 Capital Market

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

Financial performance in the capital market segment

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
<i>MNOK</i>	2012	2012	2011	2011	2011	2012	2011
Net interest income	14	15	14	4	8	28	12
Net other operating income	57	57	50	29	52	114	103
Total income	71	72	64	33	60	143	115
Total operating expenses	14	18	20	19	14	33	28
Operating contribution before losses	57	54	44	14	46	110	87
Losses on loans and guarantees	0	0	0	0	0	0	0
Operating contribution before tax	57	54	44	14	46	110	87

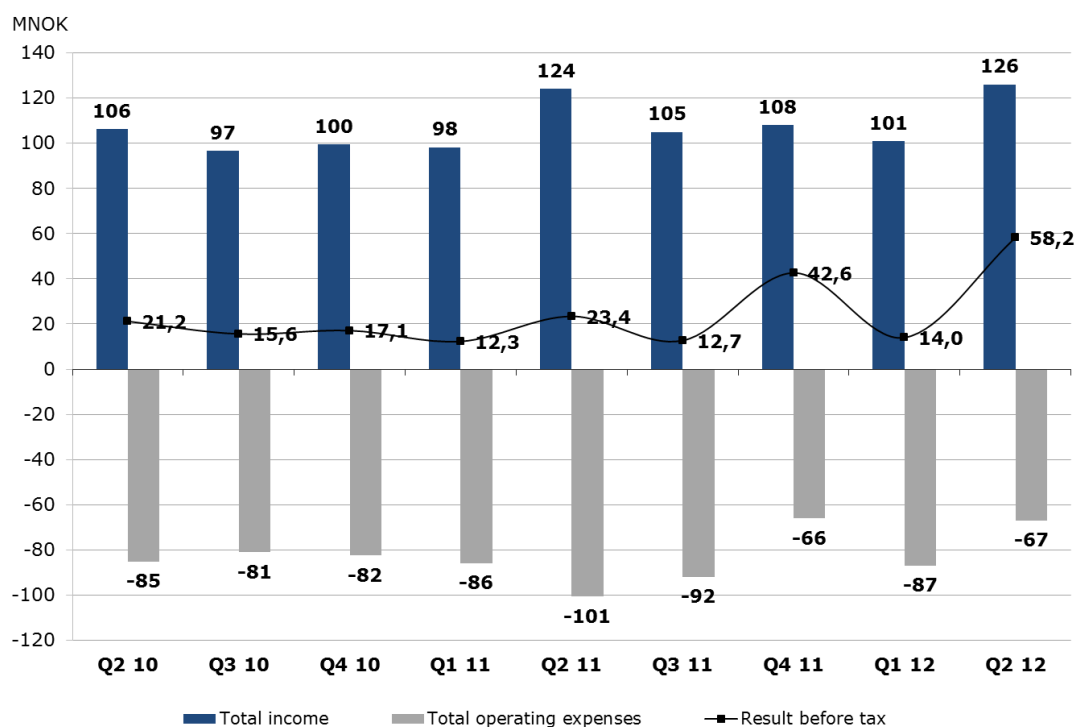
3.5 Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS, which is fully owned by SpareBank 1 SR-Bank, is our region's market leader and the largest company in the nationwide EiendomsMegler 1 chain. This chain is the largest chain of real estate agents in Norway. During 2011, the company sold 7 502 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The high level of activity has continued in 2012 and 3 806 properties was sold by the end of June. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes.

Financial performance

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
MNOK	2012	2012	2011	2011	2011	2012	2011
Interest income	1	2	2	3	3	3	4
Other income	124	99	106	102	122	223	218
Total income	126	101	108	105	124	227	222
Personal expenses	20	52	29	58	59	72	111
Other expenses	47	35	37	34	42	82	76
Total operating expenses	67	87	66	92	101	154	187
Result before tax	58	14	43	13	23	72	36

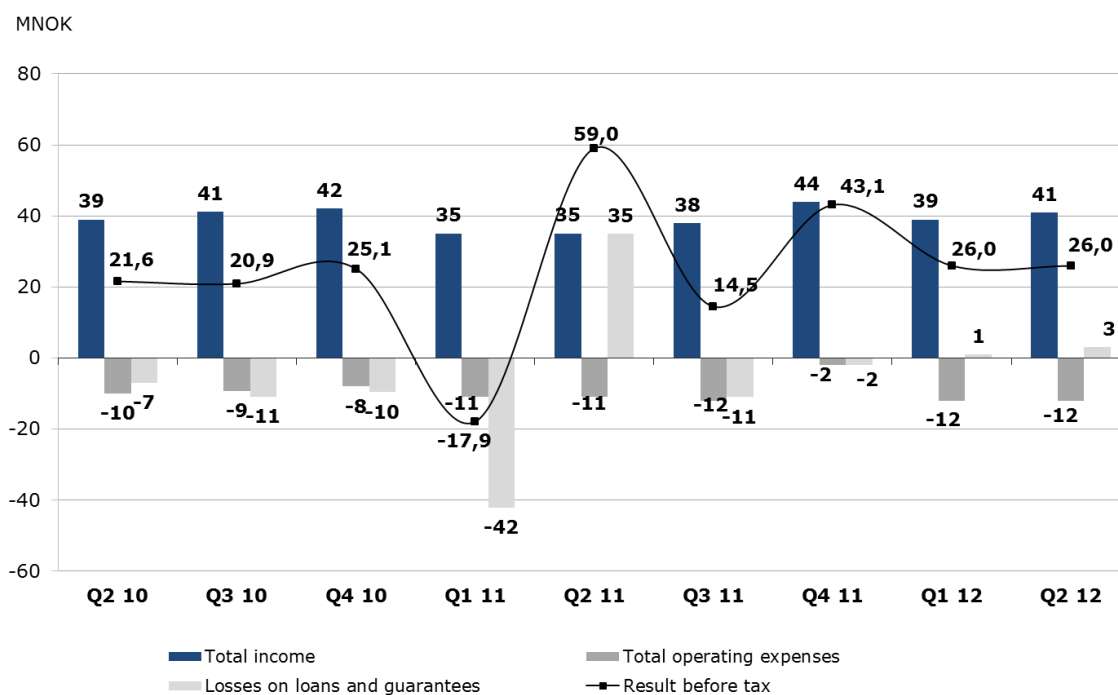


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 5.8 billion in total assets. Its main products are leasing to trade and industry and car loans to private customers. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Interest income	44	41	44	40	38	85	75
Other income	-3	-2	0	-2	-2	-5	-5
Total income	41	39	44	38	35	80	70
Personal expenses	7	8	-2	8	7	15	14
Other expenses	5	4	3	4	4	9	8
Total operating expenses	12	12	2	12	11	24	22
Ordinary operating profit	29	27	42	26	25	56	49
Loss on loans, guarantees	3	1	-1	11	-35	4	7
Result before tax	26	26	43	15	60	52	41

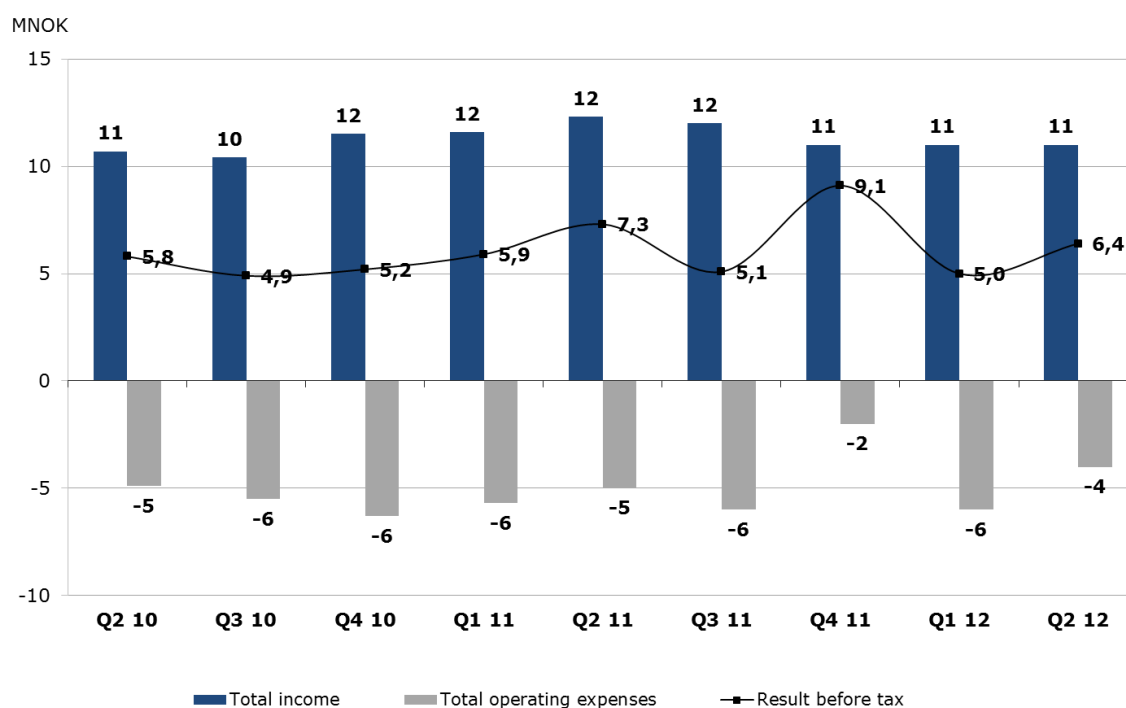


SR-Forvaltning AS

SR-Forvaltning AS is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 3,200 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 6.1 billion at the end of June 2012. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	30.06 2012	30.06 2011
Interest income	0	0	0	0	0	1	0
Other income	10	11	10	11	12	21	23
Total income	11	11	11	12	12	22	24
Personal expenses	3	5	0	5	4	7	8
Other expenses	2	2	2	2	1	3	2
Total operating expenses	4	6	2	6	5	10	11
Result before tax	6	5	9	5	7	11	13

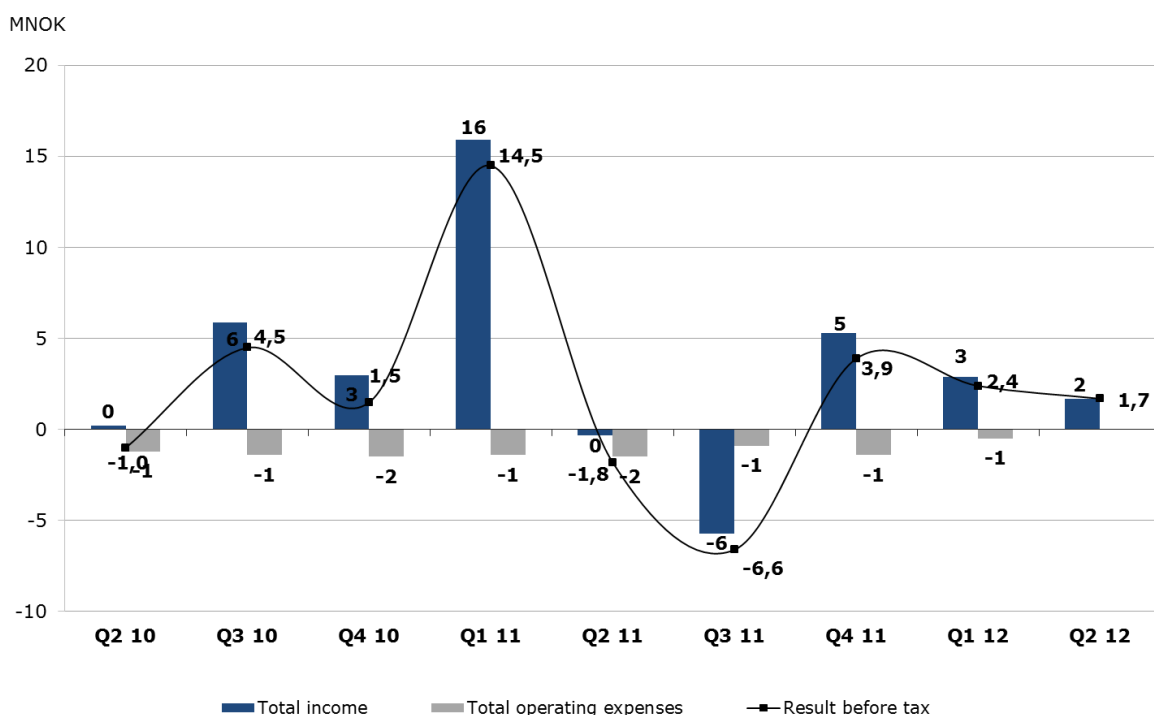


SR-Investering AS

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

Financial performance

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
MNOK	2012	2012	2011	2011	2011	2012	2011
Interest income	0,3	0,3	0,5	0,5	0,5	0,6	0,9
Other income	0,1	0,2	1,4	0,2	0,3	0,3	0,6
Net return on investment securities	1,4	2,4	3,4	-6,6	-1,1	3,8	14,2
Total income	1,7	2,9	5,3	-5,9	-0,3	4,7	15,6
Personal expenses	0,0	0,4	0,0	0,8	1,3	0,5	2,6
Other expenses	0,0	0,1	0,1	0,1	0,2	0,1	0,3
Total operating expenses	0,0	0,5	0,1	0,9	1,5	0,6	2,9
Result before tax	1,7	2,4	5,2	-6,8	-1,8	4,1	12,7

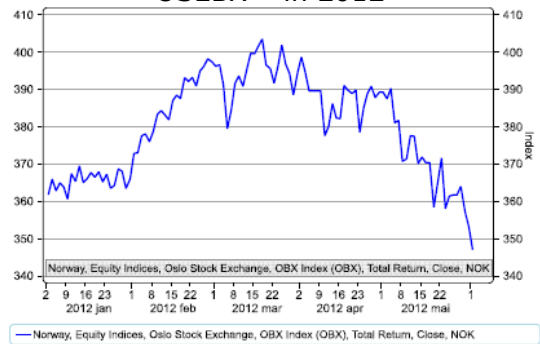


4. Norwegian Economic Outlook

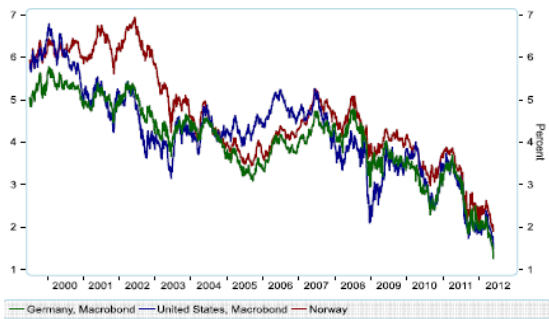
OSEBX - since 1999



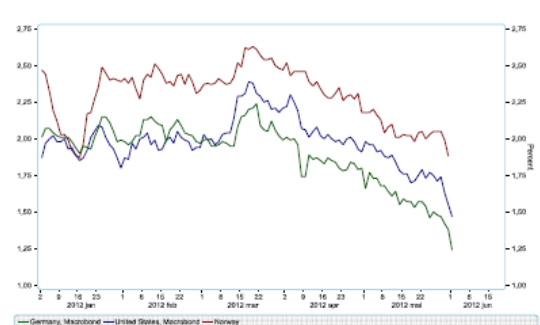
OSEBX - in 2012



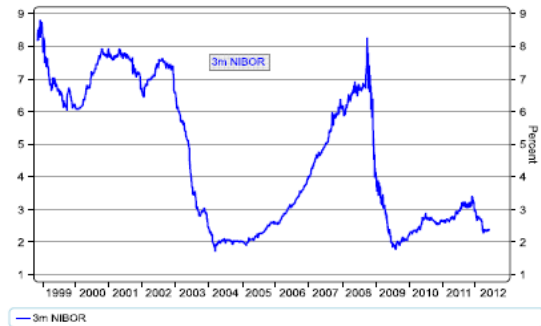
10Y government bonds - since 1999



10Y government bonds - in 2012



3M NIBOR - since 1999



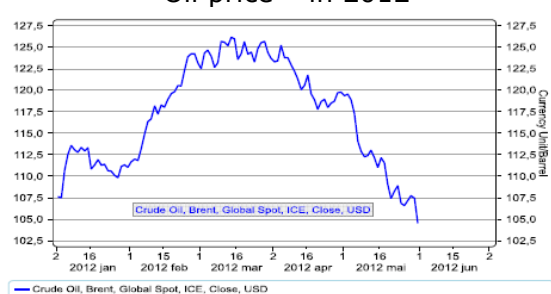
3M NIBOR - in 2012



Oil price - since 1999



Oil price - in 2012



Source: SpareBank 1

Prognosis 2008 – 2013e (%)

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

Source: SpareBank 1

