

From Field
to Dining.

Interim Financial Statements Q2 2015

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Key figures SpareBank 1 SR-Bank Group

MAIN FIGURES	01.01.15 - 30.06.15		01.01.14 - 30.06.14		2014	
	MNOK	%	MNOK	%		
Net interest income	1.266	1,44	1.128	1,40	2.404	1,45
Net commission and other income	807	0,92	924	1,15	1.732	1,04
Net income on financial investments	305	0,35	520	0,65	778	0,47
Total income	2.378	2,71	2.572	3,19	4.914	2,96
Total operating costs	1.066	1,22	1.006	1,25	2.056	1,24
Operating profit before impairment losses	1.312	1,50	1.566	1,94	2.858	1,72
Impairment losses on loans and guarantees	132	0,15	95	0,12	257	0,15
Pre-tax profit	1.180	1,35	1.471	1,83	2.601	1,57
Tax expense	253	0,29	278	0,34	506	0,30
Profit after tax	927	1,06	1.193	1,48	2.095	1,26

	30.06.15	30.06.14	2014
PROFITABILITY			
Return on equity ¹⁾	11,7 %	16,5 %	14,2 %
Cost ratio ²⁾	44,8 %	39,1 %	41,8 %
Combined weighted total average spread for lending and deposits ³⁾	1,44 %	1,40 %	1,45 %
BALANCE SHEET			
Gross loans to customers	150.245	135.335	141.620
Gross loans to customers including SB1 Boligkreditt og Næringskreditt	181.440	168.624	174.492
Growth in loans ⁴⁾	11,0 %	17,5 %	17,7 %
Growth in loans incl SB1 Boligkreditt and Næringskreditt	7,6 %	3,6 %	4,7 %
Deposits from customers	90.788	81.728	81.489
Deposit-to-loan ratio	60,4 %	60,4 %	57,5 %
Growth in deposits	11,1 %	11,5 %	13,7 %
Total assets	181.889	167.273	174.926
Average total assets	176.898	162.502	166.017
LOSSES AND NON-PERFORMING COMMITMENTS			
Impairment losses ratio, annualized ⁵⁾	0,18 %	0,15 %	0,20 %
Non-performing commitments as a percentage of gross loans	0,27 %	0,40 %	0,30 %
Other doubtful commitments as a percentage of gross loans	0,51 %	0,41 %	0,36 %
SOLIDITY			
Common equity Tier 1 capital ratio	12,3 %	11,4 %	11,5 %
Tier 1 capital ratio	13,1 %	13,2 %	12,3 %
Capital ratio	15,3 %	14,6 %	14,5 %
Tier 1 capital	15.771	14.978	14.828
Risk weighted balance	120.363	113.725	120.189
Leverage ratio	6,3 %		6,1 %
BRANCHES AND STAFF			
Number of branches	50	48	50
Number of employees (annualised)	1.133	1.126	1.106

SpareBank 1 SR-Bank share	30.06.15	31.12.14	31.12.13	31.12.12	31.12.11
Market price	52,25	52,50	60,25	37,20	40,70
Market capitalisation	13.363	13.427	15.409	9.514	5.182
Book equity per share(including dividends) (group)	62,56	60,28	55,00	49,48	48,75
Earnings per share, NOK	3,63	8,20	7,28	5,33	5,42
Dividends per share	n.a.	2,00	1,60	1,50	1,50
Price / Earnings per share	7,20	6,40	8,28	6,98	7,51
Price / Book equity (group)	0,84	0,87	1,10	0,75	0,83
Effective return ⁶⁾	3,3 %	-10,2 %	66,0 %	-4,9 %	-23,8 %

¹⁾ Operating result as a percentage of average equity

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

³⁾ Net interest income as a percentage of average total assets

⁴⁾ High growth in loans is attributable to a buy-back of loans from SpareBank 1 Boligkreditt AS

⁵⁾ Impairment losses on loans as a percentage of average gross loans, annualised

⁶⁾ Percentage change in the market price in the last period, including paid share dividend

A good result distinguished by investment in new activities and modest losses

Q2 2015

- Pre-tax profit: NOK 552 million (NOK 684 million)
- Net profit for the period: NOK 431 million (NOK 534 million)
- Return on equity after tax: 10.8% (14.5%)
- Earnings per share: NOK 1.69 (NOK 2.09)
- Net interest income: NOK 639 million (NOK 581 million)
- Net commissions and other operating income: NOK 399 million (NOK 444 million)
- Net income from financial investments: NOK 94 million (NOK 201 million)
- Operating costs: NOK 536 million (NOK 501 million)
- Impairment losses on loans: NOK 44 million (NOK 41 million)

(Figures for Q2 2014 are shown in parentheses)

H1 2015

- Pre-tax profit: NOK 1,180 million (NOK 1,471 million)
- Net profit for the period: NOK 927 million (NOK 1,193 million)
- Return on equity after tax: 11.7% (16.5%)
- Earnings per share: NOK 3.63 (NOK 4.67)
- Net interest income: NOK 1,266 million (NOK 1,128 million)
- Net commissions and other operating income: NOK 807 million (NOK 924 million)
- Net income from financial investments: NOK 305 million (NOK 520 million)
- Operating costs: NOK 1,066 million (NOK 1,006 million)
- Impairment losses on loans: NOK 132 million (NOK 95 million)
- Total lending growth over last 12 months: 7.6% (3.6%)
- Growth in deposits over last 12 months: 11.1% (11.5%)
- Common equity tier 1 capital ratio: 12.3% (11.4%)
- Tier 1 capital ratio: 13.1% (13.2%)

(Figures for H1 2014 are shown in parentheses)

Financial performance Q2 2015

The group's pre-tax profit was NOK 552 million (NOK 684 million), NOK 76 million lower than in the first quarter of 2015. The return on equity after tax for the quarter was 10.8% (14.5%) compared with 12.7% in the first quarter of 2015. The drop in profit from the first quarter of 2015 was primarily attributable to a NOK 117 million reduction in income from financial investments. The effect of the lower financial income was to some extent counteracted by impairment losses on loans being reduced by NOK 44 million in the second quarter of 2015 compared with the previous quarter. The results from underlying operations were stable and solid.

Net interest income totalled NOK 639 million (NOK 581 million) compared with NOK 627 million in the first quarter of 2015. The average interest margin (net interest income as a percentage of average total

assets) was 1.44% in the second quarter of 2015 (1.41%) compared with 1.45% in the first quarter of 2015. The rise in net interest income in the last quarter was mainly due to an extra interest day in the second quarter. The strong competition in the market has continued to squeeze the interest margin for loans. Interest rates in the retail market division were lowered across the board with effect from 10 March 2015 and the full effect of this was seen in the second quarter of 2015. However, continued reduced funding costs counteracted some of the impact of the contracted interest margin.

Net commissions and other operating income was NOK 399 million (NOK 444 million) compared with NOK 408 million in the first quarter of 2015. Commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt amounted to NOK 66 million (NOK 120

million), NOK 18 million lower than in the first quarter of 2015.

Net income from financial investments was NOK 94 million (NOK 201 million) compared with NOK 211 million in the first quarter of 2015. The positive effects of basis swaps linked to borrowing, which amounted to NOK 67 million, were the most important reason for the higher income in the first quarter of 2015, while in the second quarter of 2015 a NOK 35 million capital loss, including IFRS effects, was recognised for securities. The share of the result from associated companies was also NOK 32 million lower in the second quarter of 2015 than in the previous quarter.

Operating costs totalled NOK 536 million (NOK 501 million), an increase of NOK 6 million compared with the first quarter of 2015. The increase in operating costs of NOK 35 million (7.0%) from the second quarter of 2014 is a consequence of the bank's acquisition in the first quarter of 2015 of Swedbank's branch in Stavanger and the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet. Adjusted for the higher non-recurring and fixed costs associated with this acquisition, total operating costs rose by around NOK 21 million (4.2%) compared with the second quarter of 2014. This was primarily due to higher pension costs, ICT costs, and higher other operating costs.

Impairment losses on loans were NOK 44 million (NOK 41 million) compared with NOK 88 million in the first quarter of 2015, NOK 19 million of which was due to increased collective impairment losses in the second quarter of 2015.

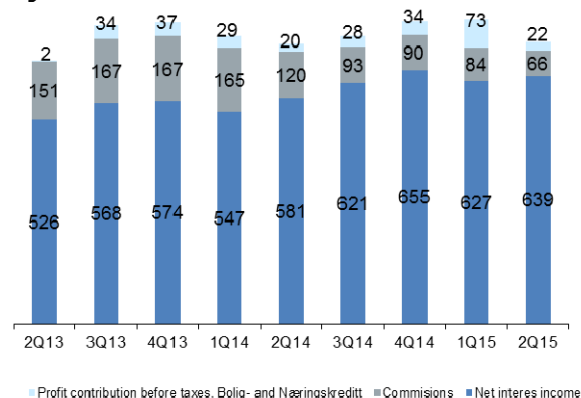
Financial performance H1 2015

Net interest income

The group's net interest income in the first half of 2015 amounted to NOK 1,266 million (NOK 1,128 million). Net interest income must be viewed in the context of commissions and profit contributions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. Commissions from these companies in the first half of 2015 amounted to NOK 150 million (NOK 285 million), whilst profit contributions before tax amounted to NOK 95 million (NOK 49 million). The increased profit contribution primarily came from SpareBank 1 Boligkreditt, which recognised a total of NOK 286 million as income for the company from the positive effects of basis swaps linked to borrowing in the first

half of 2015. Net interest income, commissions, and profit contributions before tax increased by a total of NOK 49 million in the first half of 2015 compared with the first half of 2014.

Fig. 1 Interest income



The average interest margin was 1.44% in the first half of 2015 compared with 1.40% in the first half of 2014.

Net commissions and other operating income

Net commissions and other operating income totalled NOK 807 million in the first half of 2015 (NOK 924 million). NOK 135 million of the NOK 117 million year-on-year reduction is attributable to lower commissions from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. The reduction was due to the group reducing the proportion of sold loans to the mortgage companies by a total of NOK 15.1 billion in 2014 and the year-to-date. Other commissions increased by 2.8% from the first half of 2014. The growth primarily came from guarantee commissions, insurance income, and management fees. Income from estate agency dropped by almost NOK 12 million compared with the first half of 2014.

Net income from financial investments

Net income from financial investments in the first half of 2015 totalled NOK 305 million (NOK 520 million). The capital losses on securities amounted to NOK 62 million (capital gains of NOK 223 million). The capital gains from interest and currency trading amounted to NOK 118 million (capital gains of NOK 54 million). NOK 70 million (NOK 8 million) was from the positive effects of basis swaps linked to borrowing, NOK 37 million of which were realised in the first half of 2015. Furthermore, income from ownership interests totalled NOK 234 million (NOK 218 million) and dividends totalled NOK 15 million (NOK 25 million).

Capital losses on securities, including IFRS effects, totalling NOK 62 million in the first half of 2015 were primarily attributable to capital losses of NOK 95 million in the interest portfolio, which were counteracted to some extent by positive IFRS effects. The capital losses from the interest portfolio were mainly due to a reduction linked to the estimation of the value of covered bonds, mainly held as liquidity reserves. These are bought in today's market at a price of more than 100 and must therefore be written down to 100 over the term to maturity. There were only minor changes in the portfolio of equities and equity certificates.

Income from ownership interests increased by NOK 16 million compared with the first half of 2014.

Table 1, The share of net profit

The share of net profit after tax	30.06.15	30.06.14
SpareBank 1 Gruppen	128	149
SpareBank 1 Boligkreditt	57	20
SpareBank 1 Næringskreditt	12	16
BN Bank	25	39
Other	12	-6
Total income from ownership interests	234	218

The share of the net profit from SpareBank 1 Gruppen fell by NOK 21 million in the first half of 2015 due to somewhat weaker results from insurance activities, while other activities experienced stable and positive development.

The share of the net profit from SpareBank 1 Boligkreditt increased by NOK 37 million in the first half of 2015 due to the fact that SpareBank 1 Boligkreditt recognised positive effects from basis swaps on borrowing in the first half of 2015, which amounted to NOK 286 million for the company.

Operating costs

The group's operating costs totalled NOK 1,066 million in the first half of 2015. This represents an increase of NOK 60 million (6.0%) compared with the first half of 2014. Personnel costs rose by NOK 23 million (3.9%) to NOK 610 million, while other costs increased by NOK 37 million (8.9%) to NOK 456 million.

The rise in costs was largely a consequence of the bank's acquisition in the first quarter of 2015 of Swedbank's branch in Stavanger and the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet. Larger one-time investments have also been made in connection with the establishment of a special section for international cash management in the corporate

market division. Adjusted for the costs associated with these investments, personnel costs rose by almost NOK 1 million (0.1%) from the first half of 2014 to the first half of 2015, while other costs rose by around NOK 25 million (5.9%). The growth in other costs was primarily attributable to higher ICT costs and higher other operating costs.

Adjusted for the higher non-recurring and fixed costs associated with the acquisition of Swedbank's branch in Stavanger and the Rogaland branch of SpareBank 1 Regnskapshuset Østlandet, the establishment of a new international cash management unit, and extraordinary pension costs of NOK 7.5 million in the first half of 2014, total operating costs increased by around NOK 33 million (3.3%) compared with the first half of 2014. This growth in costs exceeds the total target for the year, but the group is continuously working on efficiency increasing measures and the annual, normalised costs growth from continued business is expected to be around 2%.

The group's cost/income ratio, costs measured as a percentage of income, was 44.8% in the first half of 2015 (39.1%). In the first half of 2014, the cost/income ratio, adjusted for income of NOK 202 million linked to the write-up of the shares in Nets Holding AS, was 42.5%.

Impairment losses on loans and non-performance

In the first half of 2015, the group recognised net impairment losses on loans totalling NOK 132 million (NOK 95 million). This corresponds to impairments as a percentage of gross loans of 0.18% (0.15%). Continued low oil prices and an assessment of the development of future local and national economic conditions provided a basis for increasing collective impairment losses and collective impairment losses on loans were increased by NOK 39 million in the first half of 2015.

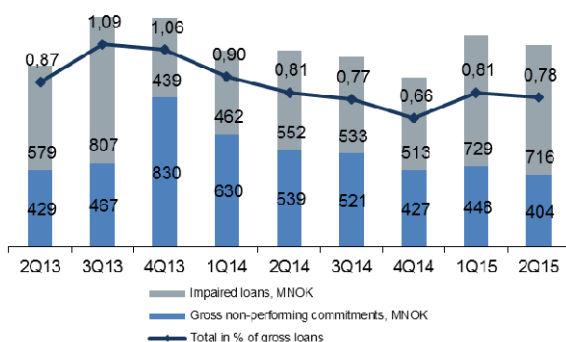
Closely monitoring customers and preventive work are important tools in maintaining this good credit quality, and contribute to the continued moderate write-downs on loans.

Gross non-performing commitments at the end of the first half of 2015 amounted to NOK 404 million (NOK 539 million). This corresponds to 0.27% (0.40%) of gross loans. The portfolio of impaired (not non-performing) loans totalled NOK 716 million (NOK 552 million). This corresponded to 0.51% (0.41%) of gross loans. Total non-performing and impaired loans at the

end of the first half of 2015 came to NOK 1,120 million (NOK 1,091 million). In terms of gross loans, this represents a reduction over the last 12 months from 0.81% to 0.78%.

The loan loss provision ratios, measured as individual impairment losses as a percentage of non-performing and impaired loans, was 27% (30%) and 35% (36%) at the end of the first half of 2015. In the last 12 months, collective impairment losses have increased by a total of NOK 123 million, and the loan loss provision ratio, measured as collective impairment losses as a percentage of gross loans, increased to 0.28% at the end of the first half of 2015 (0.22%).

Fig 2. Impairment losses

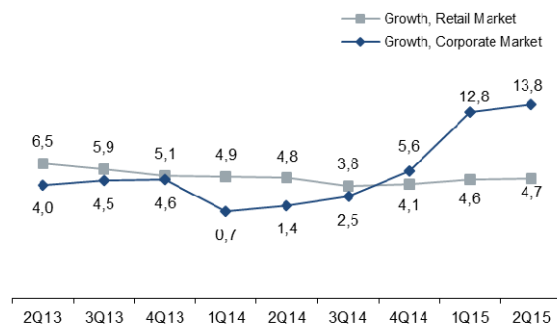


Loans to and deposits from customers

Gross loans at the end of the first half of 2015 amounted to NOK 150.2 billion (NOK 135.3 billion). Including loans totalling NOK 31.2 billion (NOK 33.3 billion) sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, gross loans amounted to NOK 181.4 billion (NOK 168.6 billion) at the end of the first half of 2015. Gross lending growth over the last 12 months was 7.6% (3.6%). The effect of exchange rate fluctuations accounted for NOK 1.7 billion (1.0%) of the NOK 12.8 billion growth in gross loans over the last 12 months.

Loans to the retail market accounted for 62.4% (63.9%) of total loans (including loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt) at the end of the first half of 2015.

Fig. 3 12 month lending growth (%)



The group's total loan exposure of NOK 181.4 billion included a majority of commitments with a probability of default of less than 0.5%. These commitments represented 58% of the portfolio. The total lending portfolio primarily consisted of commitments of less than NOK 10 million. These accounted for around 67% of loan exposure and approximately 98 % of customers. 19.8% of the total loan exposure was to customers who had loans in excess of NOK 100 million. The credit quality of this part of the portfolio was better than in the rest of the portfolio.

Deposits from customers rose by 11.1% (11.5%) over the last 12 months to NOK 90.8 billion (NOK 81.7 billion). Deposits from the corporate market and public sector accounted for 53.0% (51.0%) of the group's customer deposits at the end of the first half of 2015.

In addition to good growth in ordinary customer deposits, the group also increased the capital under management in alternative investment products from NOK 15.3 billion to NOK 17.1 billion at the end of the first half of 2015. This management is primarily performed by SR-Forvaltning AS and ODIN Forvaltning AS.

The deposit coverage ratio at the end of the first half of 2015, measured as deposits as a percentage of gross loans, was 60.4% (60.4%). The group has continued its policy of having a high proportion of long-term funding in the last year, and the Financial Supervisory Authority of Norway's Funding Indicator 1 (ratio of illiquid assets financed by debt with a duration of more than 1 year) is 110.1% for the parent bank and 111.1% on a consolidated basis.

Business areas

SpareBank 1 SR-Bank's financial management is based on different business areas that are defined on the basis of their form of distribution, products and

customers. The reporting format is based on the risk and return profile of the assets and is split into the retail market (including the self-employed), corporate market, capital market and subsidiaries of significant importance.

Retail market division¹

The retail market division's contribution before impairment losses on loans was NOK 637 million at the end of the first half of 2015. The result was NOK 70 million lower than last year due to lower net interest income and reduced commissions from SpareBank 1 Boligkreditt. Other commissions continued to enjoy good growth, particularly within insurance and investment services. Commissions, excluding commissions from SpareBank 1 Boligkreditt, increased by NOK 12 million compared with the first half of 2014. In particular, the good portfolio quality within P&C insurance and high level of subscriptions within fund products accounted for a good proportion of the increase.

The division's costs increased by 2.0% compared with the corresponding period last year. The number of employees in the division has been reduced through continuous restructuring. The division expects continued low costs growth going forward.

The 12-month lending growth figure at the end of the first half of 2015 was 4.9%, while deposits grew by 5.9% over the previous 12 months. The proportion of non-performing loans was 0.28% of total loans and impairment losses on loans are still low.

The quality of the retail market portfolio is considered to be very good with low potential risk. The proportion of loan exposure (including the portfolio in SpareBank 1 Boligkreditt) within a loan-to-collateral value ratio of 85% amounted to 90.3% (91.5%) at the end of the first half of 2015. The IRB risk weightings for home mortgages reflect the solid, stable portfolio. The risk weightings increased slightly in the first half of 2015 due to the Financial Supervisory Authority of Norway's stricter rules for home mortgage models.

The development of the housing market has been varied in the market area. There was strong growth in Bergen, somewhat lower growth in the Stavanger region, and in Kristiansand the market has developed

positively after a period of long turnover times. The unemployment rate remained low, but restructuring and downsizing in the oil sector has increased the level of uncertainty.

At the end of the first half of 2015, the number of customers in the division is developing well. The number of bank customers who used the mobile bank in June was a record high.

Corporate market division^{1 2}

The corporate market division's contribution before impairment losses on loans was NOK 553 million in the first half of 2015, NOK 5 million higher than at the same time last year.

Over the last 12 months, the division's lending has increased by 13.7%. The increase in volume due to exchange rate fluctuations amounted to NOK 1.2 billion. Adjusting for this, the 12-month growth would have been 11.3%. The growth occurred both in the existing customer base and through the influx of new customers. The division has not lost any key customers in the last 12 months. Lower growth is expected in the rest of 2015. Orders on hand at the end of the first half of 2015 were at a substantially lower level than at the same time last year. The division has strengthened its focus on deposits and has in the last 12 months enjoyed 16.6% growth here.

The division's lending increased by NOK 3.9 billion, equivalent to 7.4%, in the first half of 2015. If the increase in volume due to exchange rate fluctuations is excluded, the lending growth in the first half of 2015 was 6.7%. Deposits have increased by NOK 5.1 billion in the year-to-date, which is equivalent to 15.7%.

The quality of the corporate market portfolio is considered to be good. The average probability of default has developed positively over time, largely due to the stronger risk profile of the existing customer base. The proportion of commitments with a probability of default of less than 2.5% was 77.3% (73.6%) of the portfolio at the end of the first half of 2015. The property sector portfolio represents the group's largest concentration in a single sector and accounted for 15.6% (15.8%) of total loan exposure, including retail customers. A large portion of this portfolio consisted of financing commercial properties

premium). Differences between the group's actual funding costs and the interest applied on intercompany receivables are eliminated at the group level.

¹ The interest on intercompany receivables for the retail market division and the corporate market division is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit

for leasing. The portfolio is characterised by long-term leases and financially solid tenants.

Net individual impairment losses of NOK 77 million were recognised, compared with NOK 102 million in individual impairment losses in the corresponding period last year. The division's ordinary pre-tax profit (after losses) was NOK 19 million lower than in the corresponding period last year.

Balanced, profitable volume growth, good customer relations, and a well-developed range of products are priority areas for the division, as is closely monitoring the development of risk in the portfolio.

Capital market division²

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and equities, analysis and corporate finance services.

SR-Bank Markets's pre-tax profit was NOK 29 million in the first half of 2015, NOK 20 million lower than in the corresponding period last year. The income generated is recognised as income in the business areas to which the customers are assigned, primarily the corporate market division.

Prior to the allocation of customer income to other business areas, SR-Bank Markets achieved operating income of NOK 94 million in the first half of 2015. This represents a decrease of NOK 23 million from the same period in 2014 and is primarily attributable to lower income from interest and currency instruments, as well as the fall in value of the bank's bond portfolio. The pre-tax profit before the allocation of customer income amounted to NOK 48 million in the first half of 2015, a reduction of NOK 35 million compared with the corresponding period last year.

The bulk of this income came from customer trading in fixed income and foreign exchange instruments. The bank's trading portfolio experienced a slight, positive increase in value in the first half of 2015. The income from sales of shares and bonds has been relatively stable. A number of advice mandates were signed within corporate finance.

² The capital market division serves customers throughout the group and customer income is now recognised, in its entirety, in the business area to which the customer belongs.

Subsidiaries and associated companies

EiendomsMegler 1 SR-Eiendom AS

The company achieved a pre-tax profit of NOK 30.2 million in the first half of 2015 (NOK 36.1 million). The lower result was due to somewhat lower sales figures due to a weaker housing market in the Stavanger region.

In the first half of 2015, 3,723 (3,976) properties with a total value of around NOK 11.7 billion were sold. The supply of new assignments remained satisfactory in the first half of 2015 given the market situation, but overall it was around 10% lower than in the corresponding period last year.

There have been and still are, significant differences in the regional markets, both with respect to price and turnover times. The housing market in Bergen was very good, with turnover times of fewer than 15 days and price rises of around 10% over the last 12 months. The housing market in the Stavanger region has to some extent been impacted by downsizing and a fall in the level of activity within the oil industry. Prices have remained almost unchanged in the last 12 months, although there has been a weak downwards trend. The turnover time for used housing was more than 40 days. The housing market in Kristiansand has been significantly energised in the last 12 months after many years of stagnation. This good development has continued and prices have risen by around 7.5% in the last 12 months. Turnover times have been fewer than 40 days.

The overall market saw growth in both Hordaland and Agder, but the opposite was the case in Rogaland. Here, fewer homes were sold in the first half of the year than in the corresponding period last year.

The supply of new homes is good, but turnover figures have been lower than wished for. The new homes market is sensitive to economic cycles and the situation in oil-oriented activities is having a negative impact on sales of new homes, especially in the Stavanger region. The market for new homes is expected to remain difficult for the nearest time.

There was a good supply of commercial property for both lease and sale. The vacancy rate for office premises has risen significantly in the last 12 months

in the Stavanger region and a steadily increasing number of tenants are looking for premises suitable for the expected level of activity going forward. Greater interest in financing for commercial property combined with lasting low interest rates mean that the transaction market for commercial property is satisfactory. The levels of activity in Bergen are very good within both the sale and leasing of commercial properties and the company has established itself as a leading player in commercial estate agency in the Bergen region.

The company expects continued good activity in the housing market in both Agder and Hordaland, but here too there is some uncertainty concerning developments due to both of these counties being home to significant activities within the oil sector. The housing market in Rogaland is already being impacted by weak price growth and a weaker development in the overall market. This development is expected to continue for the rest of the year, although the impact is not expected to be dramatic. The overall market is expected to be around 10% smaller than last year and a slight drop in prices is expected. This means that the level of prices for used homes in Stavanger is expected to be on a par with Bergen and Trondheim.

SpareBank 1 SR-Finans AS

The company's main products are lease financing for the business sector and car and boat loans for retail customers. SpareBank 1 SR-Finans is the leading leasing company in Rogaland with total assets of NOK 6.9 billion.

The company achieved a profit before losses of NOK 86.2 million in the first half of 2015 (NOK 72.0 million). The improvement in the result is primarily attributable to higher net interest income due to both a higher lending volume and higher interest margin compared with the first half of 2014. Net losses at the end of the first half of 2015 amounted to NOK 11.4 million and are still considered to be low. The pre-tax profit was NOK 74.8 million in the first half of 2015 (NOK 74.0 million).

Net lending has increased by 7.6% in the last 12 months and at the end of the first half of 2015 it amounted to NOK 6,880 million (NOK 6,400 million). 3,848 new contracts have been established in the year-to-date (3,325 contracts) with a total volume of NOK 1,206 million (NOK 1,086 million). The market is highly competitive and new leasing sales are expected to fall slightly.

Good growth is still expected in car loans for retail customers, while lease financing for the corporate market is expected to remain stable.

SR-Boligkreditt AS

SR-Boligkreditt AS is a wholly owned subsidiary and was established in the second quarter of 2015. The purpose of the company is to purchase home mortgages from SpareBank 1 SR-Bank and it funds this by issuing covered bonds. SR-Boligkreditt enables SpareBank 1 SR-Bank to diversify and optimise its funding. Moody's has given SR-Boligkreditt AS its best rating, AAA.

The company issued its first bond in June 2015 and it has, as of the end of the first half of 2015, two outstanding benchmarks in the Norwegian market worth a combined NOK 5 billion. SR-Boligkreditt has purchased loans equivalent to NOK 5.2 billion from SpareBank 1 SR-Bank.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS is a holding company that develops and delivers common IT/mobile solutions, brands and marketing concepts, business concepts, products and services, expertise, analyses, processes, best practice solutions and purchases for the banks in the SpareBank 1 Alliance. Its subsidiaries produce, deliver and distribute SpareBank 1 Gruppen products within P&C insurance, life insurance, fund management, factoring, debt collection and long-term monitoring.

SpareBank 1 Gruppen achieved a net profit of NOK 653 million for the first half of 2015 (NOK 785 million). The lower result for the year-to-date is primarily attributable to weaker results from the insurance business, while the other activities are enjoying stable, positive development.

SpareBank 1 SR-Bank owned a 19.5% (19.5%) stake in SpareBank 1 Gruppen at the end of the first half of 2015.

SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt are licensed mortgage companies that issue covered bonds secured by home mortgage loan or commercial real estate portfolios sold by the owner banks. The companies are owned by the savings banks that make up the SpareBank 1 Alliance and help ensure the owner banks have access to stable, long-term funding at competitive rates.

SpareBank 1 Boligkreditt's total lending volume at the end of the first half of 2015 amounted to NOK 161.1 billion, NOK 30.6 billion (NOK 32.7 billion) of which were home mortgages bought from SpareBank 1 SR-Bank. The bank owned a 20.1% stake in the company. This is normally updated at the end of each year in line with the volume sold.

SpareBank 1 Næringskreditt's total lending volume at the end of the first half of 2015 amounted to NOK 15.4 billion, NOK 0.6 billion (NOK 0.6 billion) of which were loans bought from SpareBank 1 SR-Bank. The bank owned a 26.8% stake in the company.

Funding

SpareBank 1 SR-Bank's access to market funding has been very good. The risk premium the bank pays above the money market rate was stable during the second quarter. The bank's wholly owned home mortgage company has been established and issued covered bonds worth a combined NOK 5 billion during the second quarter of 2015.

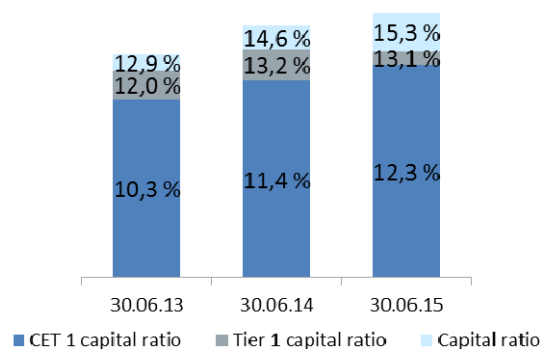
SpareBank 1 SR-Bank had good liquidity at the end of the first half of 2015 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer³ amounted to NOK 18.9 billion at the end of the first half of 2015. NOK 6.6 billion of the bank's external funding will fall due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 23.8 billion in home mortgages ready for covered bond funding.

Capital adequacy

At the end of the first half of 2015, the common equity tier 1 capital ratio was 12.3%, up from 11.4% at the same time last year. The tier 1 capital ratio was 13.1% (13.2%), while the total capital ratio rose from 14.6% to 15.3%.

³ Liquidity buffer: cash, short-term investments, and drawing rights in Norges Bank (bonds including covered bonds).

Fig. 4 Capital adequacy



All capital adequacy figures are based on the transitional rule (Basel I floor) that states that the capital requirement for using internal methods cannot be less than 80% of the capital requirement according to the Basel I regulations.

The common equity tier 1 capital ratio requirement is 10.0% and the capital ratio requirement is 13.5%. SpareBank 1 SR-Bank therefore fulfils the requirements by a good margin.

In addition to this, there will be a countercyclical capital buffer requirement in Norway in the range of 0-2.5% in the form of common equity tier 1 capital. On 18 June 2015, on the advice of Norges Bank, the Ministry of Finance set the buffer at 1 percentage point from 30 June 2015. At the same time, the Ministry of Finance decided to increase the buffer requirement to 1.5 percentage points from 30 June 2016. The common equity tier 1 capital ratio requirement will after this be 11.5% for non-systemically important financial institutions and 13.5% for systemically important institutions.

On 12 May 2014, the Ministry of Finance issued regulations concerning systemically important financial institutions (SIFI). Institutions with total assets of at least 10% of Mainland Norway's GDP, or at least a 5% share of the market for loans, will be covered by this definition. Upon implementation, DNB, Nordea Bank Norway and Kommunalbanken Norway were defined as systemically important. The three SIFI banks will thus be subject to a special capital buffer requirement from 1 July 2015. From 1 July 2016, when the new capital requirements have been fully implemented, the systemically important institutions

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

must satisfy a minimum requirement for their common equity tier 1 capital ratio of 12%, while the minimum requirement for other institutions will be 10%. The countercyclical capital buffer comes on top of this. SpareBank 1 SR-Bank is close to the SIFI requirement concerning market share and takes account of this in its capital planning.

In February 2015, SpareBank 1 SR-Bank received permission to use Advanced IRB to calculate regulatory capital requirements for credit risk for the corporate market. Based on this permission the bank uses internal models for calculating the necessary requirements for compulsory savings. This in turn means that the regulatory capital requirements will better suit the actual credit risk the bank is bearing in its overall loan portfolio.

The bank's shares

The bank's share price (SRBANK) was NOK 52.25 at the end of the first half of 2015. This represents a decrease of 3.6% from the end of the first quarter of 2015, corrected for paid dividends. The main Oslo Stock Exchange index rose by 1.6% in the same period. 5.6% (5.5%) of outstanding SRBANK shares were traded in the second quarter of 2015.

There were 10,070 (10,695) shareholders of SRBANK at the end of the first half of 2015. The proportion owned by foreign companies and individuals was 19.3%, whilst 49.1% were owned by residents of Rogaland, the Agder counties and Hordaland. The 20 largest shareholders owned a combined 62.4% of the shares. The bank holds 25,398 treasury shares, while group employees owned 1.8%.

The table below shows the 20 largest shareholders as of 30 June 2015:

Table 2, 20 largest shareholders

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,3 %
Gjensidige Forsikring ASA	26.748	10,5 %
State Street Bank and Trust Co, U.S.A.	9.764	3,8 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,4 %
Wimoh Invest AS	5.761	2,3 %
Vpf Nordea Norge Verdi	5.330	2,1 %
Odin Norge	4.575	1,8 %
State Street Bank and Trust Co, U.S.A.	2.973	1,2 %
State Street Bank and Trust Co, U.S.A.	2.784	1,1 %
Morgan Stanley & Co LLC, U.S.A.	2.702	1,1 %
Clipper AS	2.565	1,0 %
MSCO Equity Firm Account, U.S.A.	2.348	0,9 %
Danske Invest Norske Instit. II	2.250	0,9 %
The Bank of New York Mellon, U.S.A.	2.151	0,8 %
Pareto Aksje Norge	2.069	0,8 %
Folketrygdfondet	2.067	0,8 %
State Street Bank and Trust Co, U.S.A.	1.874	0,7 %
Vpf Nordea Kapital	1.653	0,6 %
Vpf Nordea Avkastning	1.630	0,6 %
Westco	1.578	0,6 %
Total 20 largest	159.468	62,4 %

Accounting policies

Please refer to note 1 for a description of the accounting policies applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements.

Events after the balance sheet date

The Board of Directors of BN Bank ASA resolved on 10 August 2015 to cultivate the bank as a retail bank and to discontinue the corporate banking business, which consists of commercial property lending. This business will be discontinued over the coming years. Portions of BN Bank's corporate market portfolio are funded through SpareBank 1 Næringskreditt AS. SpareBank 1 SR-Bank owns 23.5% of BN Bank ASA and 26.8% of SpareBank 1 Næringskreditt AS. Of SpareBank 1 SR Bank's risk-weighted balance sheet of NOK 120 billion, approximately NOK 6 billion is linked to the corporate market commitments of BN Bank ASA and BN Bank ASA's commitments sold to SpareBank 1 Næringskreditt AS. For SpareBank 1 SR-Bank, this represents approximately 60 basis points of the core equity tier 1 ratio.

Otherwise, no material events have been registered after 30 June 2015 that affect the interim financial statements as prepared.

Future prospects

Oil prices fell dramatically in the latter half of 2014 and the low prices have lasted into 2015. The drop in oil

prices has resulted in greater uncertainty, especially in the petroleum sector. Oil investments flattened out in 2014 after having increased by almost 9% annually in each of the preceding 3 years. A reduction in oil investments in the petroleum sector of about 15% in relation to 2014 is expected in 2015. Both oil companies and the supplier industry are in the process of rationalising operations and reducing costs. The risk of lower growth in the Norwegian economy has consequently increased. Estimates vary from simply a minor negative effect to more serious consequences for employment, all depending on whether oil prices remain low over time or not. The unemployment rate in the Stavanger region was 3.1% at the end of the first half of 2015. This is higher than the rate of 2.1% at the same time last year. The unemployment rate is now above the national average, which is 2.8%.

In the last year, the Stavanger region has seen weaker house price development than the rest of the country with house prices rising by 0.2% compared with the national average of 8.1%. However, the volume of sales remains high, although 9.0% fewer homes have been sold in the year-to-date than were in the corresponding period in 2014. This development must be seen in the context of house prices having grown much more in recent years in Stavanger and Rogaland than in the rest of the country. A higher degree of uncertainty about how the economy will develop may contribute to dampening the demand for loans, while

lower interest rates have the opposite effect. Non-performance and loan loss provisions are expected to remain moderate in 2015 as well. The board would like to stress that a certain level of uncertainty is associated with assessments of future conditions.

Competition in the banking market is increasing and significantly so with respect to home mortgage customers. The group therefore reduced home mortgages rates by up to 0.45 %-points with effect from 10 March 2015 and interest rates will be further reduced by up to 0.35 %-points with effect from 4 August. The negative effect on the group's interest margin will partly be counteracted by the terms for deposits being adjusted at the same time, as well as falling costs for the group's external funding.

SpareBank 1 SR-Bank is a solid, profitable group, but must, like other banks, continue to strengthen its solidity in line with the authorities' new capital requirements. Because of its good earnings from a business model with good breadth and efficient operations, the group well positioned to implement the necessary build-up of capital, while ensuring strong competitiveness.

Stavanger, 11 August 2015

The Board of Directors of SpareBank 1 SR-Bank ASA

Income statement

Parent bank					Note	Group				
2014	Q2 2014	Q2 2015	01.01.14 - 30.06.14	01.01.15 - 30.06.15		01.01.15 - 30.06.15	01.01.14 - 30.06.14	Q2 2015	Q2 2014	2014
Income statement (MNOK)										
5.918	1.490	1.365	2.875	2.781		2.913	2.981	1.436	1.543	6.137
3.736	962	796	1.853	1.648		1.647	1.853	797	962	3.733
2.182	528	569	1.022	1.133		1.266	1.128	639	581	2.404
1.319	322	283	704	585		845	960	418	462	1.804
73	18	18	37	35		40	39	20	19	78
6	1	2	3	3		2	3	1	1	6
1.252	305	267	670	553		807	924	399	444	1.732
24	6	8	21	14		15	25	8	7	36
473	443	530	443	530		234	218	101	137	506
125	-21	-42	190	29	13	56	277	-15	57	236
622	428	496	654	573		305	520	94	201	778
4.056	1.261	1.332	2.346	2.259		2.378	2.572	1.132	1.226	4.914
900	220	225	444	460	14	610	587	300	293	1.202
412	105	107	198	210		241	226	122	120	468
244	55	77	125	146		215	193	114	88	386
1.556	380	409	767	816		1.066	1.006	536	501	2.056
2.500	881	923	1.579	1.443		1.312	1.566	596	725	2.858
248	44	41	97	121	2, 3 and 4	132	95	44	41	257
2.252	837	882	1.482	1.322	12	1.180	1.471	552	684	2.601
446	129	102	242	218		253	278	121	150	506
1.806	708	780	1.240	1.104		927	1.193	431	534	2.095
Other comprehensive income										
-415	-112	148	-192	175		185	-204	156	-118	-444
112	31	-40	52	-47		-50	55	-42	32	120
0	0	0	0	0		0	0	0	0	0
-303	-81	108	-140	128		135	-149	114	-86	-324
0	0	0	0	0		25	12	30	-3	5
0	0	0	0	0		25	12	30	-3	5
-303	-81	108	-140	128		160	-137	144	-89	-319
1.503	627	888	1.100	1.232		1.087	1.056	575	445	1.776
Earnings per share (group)						3,63	4,67	1,69	2,09	8,20

* From and including the first quarter of 2015, income from real estate sales has been transferred from other operating income to commissions. The historical figures have been correspondingly restated.

Balance sheet

Parent bank				Note	Group		
31.12.14	30.06.14	30.06.15	Balance sheet (MNOK)		30.06.15	30.06.14	31.12.14
1.847	1.985	2.841	Cash and balances with central banks		2.841	1.985	1.847
8.117	7.886	8.287	Balances with credit institutions		2.224	2.333	2.222
134.158	128.445	137.431	Loans to customers	3, 8	149.472	134.680	140.920
15.248	16.597	17.301	Certificates, bonds and other fixed-income securities		16.116	16.610	15.261
7.344	4.657	4.880	Financial derivatives	10	4.878	4.653	7.340
477	1.012	383	Shares, ownership stakes and other securities	17	523	1.176	626
22	84	129	Business available for sale		129	84	22
3.250	3.218	3.255	Investment in associates		4.677	4.422	4.727
1.226	1.099	1.723	Investment in subsidiaries		0	0	0
1.605	885	645	Other assets	5	1.029	1.330	1.961
173.294	165.868	176.875	Total assets	12	181.889	167.273	174.926
6.145	4.209	4.190	Balances with credit institutions		3.874	4.207	6.139
81.723	81.906	90.982	Deposits from customers	7	90.788	81.728	81.489
63.253	58.105	59.192	Listed debt securities	11	62.992	58.105	63.253
3.317	2.191	2.766	Financial derivatives	10	2.766	2.191	3.317
2.095	1.970	2.236	Other liabilities	6	2.491	2.222	2.361
2.964	4.094	2.980	Subordinated loan capital	11	2.980	4.094	2.964
159.497	152.475	162.346	Total liabilities		165.891	152.547	159.523
6.394	6.394	6.394	Share capital		6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve		1.587	1.587	1.587
512	0	0	Proposed dividend		0	0	512
59	162	59	Fund for unrealised gains		59	162	59
5.245	4.010	5.385	Other equity		7.031	5.390	6.851
0	1.240	1.104	Profit/loss at period end		927	1.193	0
13.797	13.393	14.529	Total equity		15.998	14.726	15.403
173.294	165.868	176.875	Total liabilities and equity	12	181.889	167.273	174.926

Statement of changes in equity

SpareBank 1 SR-Bank Group (Amounts in NOK million)	Share- capital	Premium reserve	Other equity	Reserve for unrealised gains	Total equity
Equity as of 31.12.2013	6.394	1.587	5.913	162	14.056
Profit after tax			2.198	-103	2.095
Unrecognised actuarial gains and losses after tax			-324		-324
Share of profit associated companies and joint ventures			5		5
Total items not reclassified through profit or loss			1.879	-103	1.776
Adjusted equity accosiates			-19		-19
Dividend 2013, resolved in 2014			-409		-409
Purchase/sale of own shares			-1		-1
Items reclassified through profit or loss	0	0	-410	0	-410
Equity as of 31.12.2014	6.394	1.587	7.363	59	15.403
Profit after tax			927		927
Unrecognised actuarial gains and losses after tax			135		135
Share of profit associated companies and joint ventures			25		25
Total items not reclassified through profit or loss			1.087	0	1.087
Adjusted equity accosiates			8		8
Dividend 2014, resolved in 2015			-512		-512
Purchase/sale of own shares			12		12
Items reclassified through profit or loss	0	0	-500	0	-500
Equity as of 30.06.2015	6.394	1.587	7.958	59	15.998

Cash flow statement

Parent bank			Cash flow statement	Group		
2014	01.01.14 - 30.06.14	01.01.15 - 30.06.15		01.01.15 - 30.06.15	01.01.14 - 30.06.14	2014
-20.812	-15.052	-3.352	Change in gross lending to customers	-8.577	-15.093	-21.347
5.214	2.494	2.495	Interest receipts from lending to customers	2.698	2.657	5.570
9.883	10.066	9.259	Change in deposits from customers	9.299	10.061	9.822
-1.760	-201	-174	Interest payments on deposits from customers	-182	-192	-1.734
-4.602	-6.148	-2.914	Change in receivables and debt from credit institutions	-2.161	-7.140	-4.129
-256	-102	-169	Interest on receivables and debt to financial institutions	-231	-190	-438
5.804	4.455	-2.053	Change in certificates and bonds	-855	4.455	5.804
480	250	185	Interest receipts from commercial paper and bonds	185	249	480
2.075	992	516	Commission receipts	802	1.243	2.557
267	29	-15	Capital gains from sale of trading	-15	29	267
-1.537	-758	-791	Payments for operations	-1.085	-996	-2.084
-280	-280	-102	Taxes paid	-118	-377	-377
1.487	799	1.184	Other accruals	259	712	1.563
-4.037	-3.456	4.069	A Net change in liquidity from operations	19	-4.582	-4.046
-70	-26	-66	Investments in tangible fixed assets	-92	-29	-81
47	47	0	Receipts from sale of tangible fixed assets	0	47	47
-456	-120	-342	Change in long-term investments in equities	-34	-133	-466
870	417	2	Receipts from sales of long-term investments in equities	2	425	884
497	464	543	Dividends from long-term investments in equities	534	467	509
888	782	137	B Net cash flow, investments	410	777	893
15.659	11.159	3.278	Debt raised by issuance of securities	7.078	11.159	15.659
-8.292	-5.541	-5.868	Repayments - issued securities	-5.868	-5.541	-8.292
-1.058	-749	-860	Interest payments on securities issued	-860	-749	-1.058
44	44	0	Additional subordinated loan capital issued	0	44	44
-1.115	0	0	Repayments - additional capital instruments	0	0	-1.115
-222	-75	-39	Interest payments on subordinated loans	-39	-75	-222
0	0	0	Issue shares	0	0	0
-409	-409	-512	Dividend to share holders	-512	-409	-409
4.607	4.429	-4.001	C Net cash flow, financing	-201	4.429	4.607
1.458	1.755	205	A+B+C Net cash flow during the period	228	624	1.454
1.526	1.526	2.984	Cash and cash equivalents as at 1 January	2.996	1.542	1.542
2.984	3.281	3.189	Cash and cash equivalents as at 31 March	3.224	2.166	2.996
			Cash and cash equivalents specified			
1.847	1.985	2.841	Cash and balances with central banks	2.841	1.985	1.847
1.137	1.296	348	Balances with credit institutions	383	181	1.149
2.984	3.281	3.189	Cash and cash equivalents	3.224	2.166	2.996

The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by SpareBank 1 SR-Bank and SpareBank 1 SR-Bank Group.

Notes to the financial statements

(in MNOK)

Note 1 Accounting policies

1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 30 June 2015. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for 2014.

Effects of applying IFRIC 21 for reporting in the first half of 2015

IFRIC 21 Levies regulates the recognition of obligations to pay levies that fall within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The interpretation deals with what events trigger levies being recognised as a liability.

Following the introduction of the standard, there has been some debate about whether or not the annual charge for the Norwegian Banks Guarantee Fund for 2015 should be charged as a cost in its entirety in the first quarter of 2015. The charge for the Norwegian Banks Guarantee Fund is normally based on the average guaranteed deposit and average basis for calculation for previous quarters. The extent to which a withdrawal from the scheme would entail a repayment of any overpaid charge has not been regulated. The practice has been a pro-rata charge upon enrolment. The practice and the principle of equal treatment indicate pro-rata upon disenrolment. The Ministry of Finance will determine this through individual decisions. This is of significance when recognising the charge in the accounts. SpareBank 1 SR-Bank has in the first half continued its previous practice of monthly accrual accounting for the charge, and the cost amounted to NOK 31 million in the first half of 2015. If the charge for the Norwegian Banks Guarantee Fund had been recognised as a cost in its entirety in the first half, this would increase interest costs by NOK 31 million.

New standards and interpretations that have not been adopted yet

A number of new standards, amendments to standards and interpretations will be compulsory in future annual financial statements. Among those the group has chosen not to apply early are the two most important standards, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The group is currently assessing the effects of these standards.

There are no other standards or interpretations which are not currently in effect and would be expected to have a material effect on the consolidated financial statements.

1.2 Critical accounting estimates and judgements

The preparation of the consolidated financial statements entails the group executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2014 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

Note 2 Impairment losses on loans and guarantees recognised in the income statement

Parent bank				Group		
01.01.14 - 31.12.14	01.01.14 - 30.06.14	01.01.15 - 30.06.15		01.01.15 - 30.06.15	01.01.14 - 30.06.14	01.01.14 - 31.12.14
-103	-73	42	Change in individual impairment losses provisions for the period	36	-85	-124
69	-7	39	Change in collective impairment loss provisions for the period	39	-8	75
11	5	5	Amortised cost	5	5	11
217	129	31	Actual loan losses on commitments for which provisions have been made	38	135	228
60	46	7	Actual loan losses on commitments for which no provision has been made	19	52	74
0	0	0	Change in assets taken over for the period	0	0	0
-6	-3	-3	Recoveries on commitments previously written-off	-5	-4	-7
248	97	121	The period's net losses / (reversals) on loans and advances	132	95	257

Note 3 *Impairment losses on loans and guarantees recognised in the balance sheet*

Parent bank				Group		
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
405	405	302	Provisions for Individual impairment losses at start of period	322	446	446
42	30	22	Increases in previous provisions for individual impairment losses	22	31	42
-35	-26	-34	Reversal of provisions from previous periods	-37	-40	-54
109	56	89	New provisions for individual impairment losses	93	63	118
-2	-4	-4	Amortised cost	-4	-4	-2
-217	-129	-31	Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-38	-135	-228
302	332	344	Provisions for Individual impairment losses at period end	358	361	322
277	175	38	Net losses	57	187	302

Note 4 *Non-performing and impaired loans*

Parent bank				Group		
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
Non-performing loans and advances						
395	504	382	Gross non-performing loans above 90 days	404	539	427
91	161	108	Provisions for Individual impairment losses	109	164	93
304	343	274	Net non-performing loans and advances	295	375	334
23 %	32 %	28 %	Loan loss provision ratio	27 %	30 %	22 %
Other problem commitments						
481	500	690	Problem commitments	716	552	513
211	171	236	Provisions for Individual impairment losses	249	197	229
270	329	454	Net other problem commitments	467	355	284
44 %	34 %	34 %	Loan loss provision ratio	35 %	36 %	45 %

Note 5 *Other assets*

Parent bank				Group		
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
0	0	3	Intangible assets	50	39	20
295	283	321	Tangible fixed assets	377	310	327
29	512	20	Income earned but not received from SpareBank 1 Bolig- and Næringskredit	20	512	29
16	35	39	Prepaid expenses	32	40	17
35	35	35	Capital contribution SR-Pensjonskasse	35	35	35
1.053	-73	122	Unsettled trades	122	-73	1.053
177	93	105	Other assets	393	467	480
1.605	885	645	Total other assets	1.029	1.330	1.961

Note 6 *Other liabilities*

Parent bank				Group		
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
264	287	249	Accrued expenses and prepaid revenue	330	367	363
855	576	829	Deferred tax	871	585	821
625	444	429	Pension liabilities	468	477	674
1	0	2	Other specified provisions	2	0	1
102	236	218	Taxes payable	254	323	206
0	45	103	Unsettled trades	103	45	0
248	382	406	Other liabilities	463	425	296
2.095	1.970	2.236	Total other liabilities	2.491	2.222	2.361

Note 7 Customer deposits by sector and industry

Parent bank				Group		
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
1.121	1.200	1.244	Agriculture/forestry	1.244	1.200	1.121
252	294	271	Fishing/Fish farming	271	294	252
2.135	1.587	2.540	Mining/extraction	2.540	1.587	2.135
1.403	1.108	992	Industry	992	1.108	1.403
2.030	1.705	1.861	Power and water supply/building and construction	1.861	1.705	2.030
2.210	1.928	2.073	Retail trade, hotels and restaurants	2.073	1.928	2.210
1.369	1.405	1.785	Foreign trade shipping, pipeline transport and other transport activities	1.785	1.405	1.369
6.883	6.438	7.346	Real estate	7.346	6.438	6.883
9.730	9.270	10.267	Service industry	10.083	9.092	9.496
15.043	16.942	19.602	Public sector and financial services	19.602	16.942	15.043
42.176	41.877	47.981	Total corporate sector	47.797	41.699	41.942
39.545	39.342	42.421	Retail customers	42.421	39.342	39.545
2	687	580	Accrued interests corporate sector and retail customers	570	687	2
81.723	81.906	90.982	Deposits from customers	90.788	81.728	81.489

Note 8 Loans by sector and industry

Parent bank				Group		
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
4.225	4.125	4.089	Agriculture/forestry	4.326	4.366	4.458
467	409	578	Fishing/Fish farming	744	542	596
4.210	3.172	4.380	Mining/extraction	4.565	3.301	4.341
1.973	2.043	2.174	Industry	2.825	2.728	2.650
2.681	2.567	2.823	Power and water supply/building and construction	3.686	3.408	3.520
2.174	2.337	2.234	Retail trade, hotels and restaurants	2.606	2.812	2.529
7.642	6.470	8.996	Foreign trade shipping, pipeline transport and other transport activities	9.557	6.984	8.239
27.020	26.404	28.225	Real estate	28.342	26.562	27.163
5.845	5.393	6.311	Service industry	8.318	6.917	7.860
1.686	1.923	1.951	Public sector and financial services	2.134	2.113	1.877
57.923	54.843	61.761	Total corporate sector	67.104	59.733	63.233
76.107	73.564	75.795	Retail customers	82.576	75.001	77.651
423	282	253	Unallocated (excess value fixed interest loans and amort. lending fees)	238	272	411
323	328	319	Accrued interests corporate sector and retail customers	328	329	325
134.776	129.017	138.128	Gross loans	150.245	135.335	141.620
-302	-332	-342	- Individual impairment losses provisions	-356	-361	-322
-316	-240	-355	- Collective impairment losses provisions	-417	-294	-378
134.158	128.445	137.431	Loans to customers	149.472	134.680	140.920

Note 9 Capital adequacy

On 22 August 2014, the Ministry of Finance stipulated amendments to the capital requirements regulations with effect from 30 September 2014. The amendments are adjustments implemented to comply with the EU's new capital adequacy regulations for banks and securities undertakings (CRD IV/CRR) and entail the minimum requirement for common equity Tier 1 capital ratio gradually increasing in the run up to 1 July 2016.

SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems. In February 2015, SpareBank 1 SR-Bank was granted permission by the Financial Supervisory Authority of Norway to switch to Advanced IRB for the corporate portfolio, which was previously reported in accordance with Foundation IRB.

Investments in associated companies and joint ventures are recognised in the group using the equity method and in accordance with the acquisition method in the parent bank. The investments are treated identically for the purposes of determining the capital adequacy ratio except for the group's investments in SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt and BN Bank. A proportionate consolidation is carried out for the group's capital adequacy.

Parent bank			Group			
31.12.14	30.06.14	30.06.15		30.06.15	30.06.14	31.12.14
6.394	6.394	6.394	Share capital	6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve	1.587	1.587	1.587
512	0	0	Allocated to dividend	0	0	512
59	162	59	Reserve for unrealised gains	59	162	59
5.245	4.010	5.385	Other equity	7.031	5.390	6.851
	1.240	1.104	Profit for the period	927	1.193	
13.797	13.393	14.529	Total book equity	15.998	14.726	15.403
			Tier 1 capital			
0	0	-3	Deferred taxes, goodwill and other intangible assets	-55	-42	-24
0	0	0	Fund for unrealised gains, available for sale	0	0	0
-512	0	0	Deduction for allocated dividends	0	0	-512
	-454		50% deduction for subordinated capital in other financial institutions		-149	
-622	-359	-404	Deduction for expected losses on IRB, net of write-downs	-446	-376	-676
	0	0	50 % capital adequacy reserve		-619	
	-620	-552	Profit for the period that cannot be included in total Tier 1 capital	-464	-597	
0	0	0	Deduction for common equity Tier 1 capital in essential investments in financial institutions	-226	0	-326
-35		-35	Value of derivative liabilities at fair value	-47	0	-48
12.628	11.960	13.535	Total Common equity Tier 1 capital	14.760	12.943	13.817
794	1.824	794	Tier 1 capital instruments	1.011	2.035	1.011
13.422	13.784	14.329	Total Tier 1 capital	15.771	14.978	14.828
			Tier 2 capital			
0	0	0	Tier 2 capital - Tier 1 capital instruments in excess of 15%	0	0	0
2.069	2.142	2.065	Term subordinated loan capital	2.693	2.750	2.697
	-454		50% deduction for investment in capital instruments in other financial institutions		-149	
	-359		50% deduction for expected losses on IRB, net of write-downs		-376	
-60		-61	Deduction for essential investments in financial institutions	-61		-60
	0		50 % capital adequacy reserve		-619	
2.009	1.329	2.004	Total Tier 2 capital	2.632	1.606	2.637
15.431	15.113	16.333	Net primary capital	18.403	16.584	17.465
			Credit risk Basel II			
21.786	18.539	14.490	SME exposure	14.496	18.539	21.789
30.354	30.438	21.723	Specialised lending exposure	23.941	33.018	32.685
8.429	8.186	6.086	Other corporations exposure	6.432	8.878	8.789
1.011	1.050	1.044	SME retail exposure	1.169	1.175	1.144
14.468	14.050	19.677	Retail mortgage exposure (properties)	25.424	19.915	20.661
823	875	987	Other retail exposure	1.030	900	845
6.944	8.300	7.031	Equity investments	0	0	0
83.815	81.438	71.038	Total credit risk IRB	72.492	82.425	85.913
2.086	2.113	2.144	Debt risk	1.917	2.000	1.978
598	675	607	Equity risk	607	675	598
0	0	0	Currency risk	0	0	0
2.994	1.551	3.477	Participations calculated after other market risk	4.104	2.270	3.642
2.786	1.012		Financial derivatives	2.576	1.280	3.227
524		497	Credit value adjustment risk (CVA)	982		1.127
4.760	4.763	5.295	Operational risk	6.811	6.237	6.220
0	0	1.635	Transitional scheme	11.429	4.575	0
5.296	5.250	6.638	Participations calculated using standard method	19.445	15.850	17.484
0	-913	0	Deductions	0	-1.587	0
102.859	95.888	93.698	Risk weighted balance	120.363	113.725	120.189
4.629		4.216	Minimum requirement for common equity Tier 1 capital ratio 4,5 %	5.416		5.409
			Buffer requirement			
2.571		2.342	Capital conservation buffer 2,5 %	3.009		3.005
3.086		2.811	Systemic risk buffer 3 %	3.611		3.606
5.657		5.153	Total buffer requirement to common equity Tier 1 capital ratio	6.620		6.610
2.342		4.165	Available common equity Tier 1 capital ratio after buffer requirement	2.724		1.798
15,00 %	15,76 %	17,43 %	Capital ratio	15,29 %	14,58 %	14,53 %
13,05 %	14,38 %	15,29 %	Tier 1 capital ratio	13,10 %	13,17 %	12,34 %
1,95 %	1,39 %	2,14 %	Tier 2 capital ratio	2,19 %	1,41 %	2,19 %
12,28 %	12,47 %	14,45 %	Common equity Tier 1 capital ratio	12,26 %	11,38 %	11,50 %
15,00 %	15,76 %	17,74 %	Capital ratio, IRB	16,89 %	15,19 %	14,53 %
13,05 %	14,38 %	15,56 %	Tier 1 capital ratio, IRB	14,48 %	13,72 %	12,34 %
12,28 %	12,47 %	14,70 %	Common equity Tier 1 capital ratio, IRB	13,55 %	11,86 %	11,50 %
7,30 %		7,50 %	Leverage Ratio	6,28 %		6,11 %

Note 10 Financial derivatives

At fair value through profit and loss	Contract amount	Fair value at 30.06.15	
	30.06.15	Assets	Liabilities
Currency instruments			
Currency forward contracts	3.771	184	23
Currency swaps	32.590	498	298
Basiswapspreaden	0	44	0
Currency options	0	0	0
Total currency instruments	36.361	726	321
Interest rate instruments			
Interest rate swaps(including cross-currency)	66.693	1.770	2.018
Other interest rate contracts	0	0	0
Total interest rate instruments	66.693	1.770	2.018
Hedging / Interest rate instruments			
Interest rate swaps (including cross currency)	48.366	1.849	106
Total hedging / Interest rate instruments	48.366	1.849	106
Accrued interests			
Accrued interests		533	321
Total accrued interests		533	321
Total currency and interest rate instruments			
Total currency instruments	36.361	726	321
Total interest rate instruments	115.059	3.619	2.124
Total accrued interests		533	321
Total financial derivatives	151.420	4.878	2.766

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits. The contract sum and effect of reinvestment costs covered by offsetting agreements amounted to NOK 127,2 billion and NOK 2,2 billion as of the second quarter of 2015.

The note is approximately identical for the Parent Bank and the Group

Note 11 Issuance of unsecured debt and additional capital instruments

Debt raised through issuance of securities	Balance as at 30.06.15				Balance as at 31.12.14
Bonds and certificates, nominal val	60.590				59.942
Adjustments	1.906				2.468
Accrued interests	496				843
Total debt raised through issuance of securities	62.992				63.253
Change in debt raised through issuance of securities	Balance as at 30.06.15	Issued/ sale own 2015	Past due/ redeemed 2015	FX rate- and other changes 2015	31.12.14
Bonds and certificates, nominal val	60.590	7.078	-5.868	-562	59.942
Adjustments	1.906			-562	2.468
Accrued interests	496			-347	843
Total debt raised through issuance of securities	62.992	7.078	-5.868	-1.471	63.253
Additional Tier 1 and Tier 2 capital instruments	Balance as at 30.06.15				31.12.14
Term subordinated loan capital, nominal amount	2.070				2.069
Perpetual subordinated loan capital, nominal amount	0				0
Tier 1 capital instruments, nominal amount	794				794
Adjustments	73				89
Accrued interests	43				12
Total additional Tier 1 and Tier 2 capital instruments	2.980				2.964

The nominal value of the net outstanding covered bonds in SR-Boligkredit is NOK 3,800 million.

Change in additional Tier 1 and Tier 2 capital instruments	Balance as at 30.06.15	Issued/ sale own 2015	Past due/ redeemed 2015	FX rate- and other changes 2015	31.12.14
Term subordinated loan capital, nominal amount	2.070			1	2.069
Perpetual subordinated loan capital, nominal amount	0				0
Tier 1 capital instruments, nominal amount	794				794
Adjustments	73			-16	89
Accrued interests	43			31	12
Total additional Tier 1 and Tier 2 capital instruments	2.980	0	0	16	2.964

The note is approximately identical for the Parent Bank and the Group

Note 12 Segment reporting

Management has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between the retail market (including self-employed people), the corporate market, the capital market and subsidiaries of considerable significance. The Bank's own investment activities are not a separate reportable segment and they appear under the item "Other activities" together with activities that cannot be allocated to the retail market, corporate market, capital market or subsidiaries of considerable significance. Own account trading/support/staff parent bank consists of administration, management, investment services, strategy and ownership, treasury and finance function. SR-Boligkredit AS was established in the second quarter of 2015. The activities in SR-Boligkredit AS are divided between the retail market and own account trading/support in the parent bank segments. Commission income from SpareBank 1 Boligkredit and SpareBank 1 Næringskredit are included under "Net commission and other income".

SpareBank 1 SR-Bank Group 01.01.15 - 30.06.15									
Income statement (MNOK)	Retail Market	Corporate Market	Capital Market ¹⁾	Own account trading/support	Eiendoms-Megler 1	SR-Finans	Other activities	Eliminations	Total
Interest income	968	808	585	439	2	198	0	-87	2.913
Interest expense	435	325	548	352	0	71	0	-84	1.647
Net interest income ¹⁾	532	483	37	87	2	127	0	-2	1.266
Commission income ¹⁾	386	174	20	4	217	2	65	-23	845
Commission expenses	19	12	3	1	0	13	16	-24	40
Other operating income	0	0	0	2	0	0	1	-1	2
Net commission and other income	368	162	17	5	217	-11	49	-1	807
Dividend income	1	0	1	12	0	0	1	0	15
Income from investment in associates	0	40	0	490	0	0	0	-296	234
Net gains/losses on financial instruments ¹⁾	4	-22	19	29	0	-1	-12	39	56
Net income on investment securities	5	18	20	530	0	-1	-11	-256	305
Personnel expenses	164	76	34	187	112	17	21	-2	610
Administrative expenses	53	13	7	138	22	5	3	0	241
Other operating expenses	52	20	5	68	54	7	10	-1	215
Total operating expenses	269	109	46	393	189	29	34	-3	1.066
Operating profit before losses	637	553	29	229	30	86	4	-256	1.312
Change in individual write-downs in the period	5	77	0	0	0	11	0	-1	93
Change in group write-downs in the period	2	37	0	0	0	0	0	0	39
Pre-tax profit	630	439	29	229	30	75	4	-255	1.180
Net interest income ¹⁾									
External net interest income	532	483	37	87	0	198	0	-71	1.266
Internal net interest income	0	0	0	0	2	-71	0	69	0
Net interest income	532	483	37	87	2	127	0	-2	1.266
									0
Balance sheet (MNOK)									
Loans to customers	84.280	55.961	628	2.430	0	6.956	0	-9	150.245
Individual loss provisions	-64	-278	0	0	0	-14	0	-1	-356
Group loss provisions	-42	-313	0	0	0	-62	0	1	-417
Certificates/bonds/financial derivatives	0	0	5.607	15.843	0	0	15	-472	20.994
Other assets	61	976	583	16.665	206	30	541	-7.639	11.423
Total assets	84.235	56.347	6.817	34.938	206	6.910	556	-8.120	181.889
Deposits from customers	47.883	37.997	3.082	2.021	0	0	0	-194	90.788
Other debt and equity ²⁾	36.352	18.350	3.736	32.917	206	6.910	556	-7.925	91.101
Total debt and equity	84.235	56.347	6.817	34.938	206	6.910	556	-8.120	181.889
Loans sold to SpareBank 1 Boligkredit and SpareBank 1 Næringskredit	30.644	551							31.195

¹⁾ The capital market division serves customers throughout the group. Previously, most of the income this division generates was recognised in the division. From the 1 January 2014, the internal income recognition policy was changed and income is now recognised, in its entirety, in the business area to which the customer belongs.

²⁾ Other liabilities contain allocated arrangements between the segments.

Interest on intercompany receivables for the retail market division and the corporate market division is determined based on expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long term financing (credit premium). Deviations between the group's actual financing costs and the applied interest on intercompany receivables are eliminated at the group level.

Note 16 Liquidity risk

Liquidity risk is the risk that the group is not able to refinance its debt or is not able to finance an increase in assets. The bank's framework for managing liquidity risk shall reflect the bank's conservative risk profile. The board has adopted internal limits such that the bank has as balanced a maturity structure for its borrowing as possible. Stress testing is conducted for the various terms of maturity for bank-specific crises, system crises and combinations of these. A contingency plan has also been put in place to manage liquidity crises. The average remaining term to maturity in the portfolio of senior bond funding was 3.5 years at the end of the second quarter of 2015. LCR was 111% at the end of the second quarter of 2015, while the average LCR was 92% in the second quarter of 2015.

Note 17 Information about fair value

Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability.

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices) for the asset or liability.

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions).

Fair value 30.06.15	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			10.920	10.920
Commercial paper and bonds at fair value	10.246	5.870		16.116
Financial derivatives		4.878		4.878
Equities, units and other equity interests	215	21	286	522
Operations that will be sold			129	129
Liabilities				
Financial derivatives		2.766		2.766

No transfers between levels 1 and 2

Fair value 30.06.14	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers			10.550	10.550
Commercial paper and bonds at fair value	11.050	5.560		16.610
Financial derivatives		4.653		4.653
Equities, units and other equity interests	180	294	699	1.173
Operations that will be sold			84	84
Liabilities				
Financial derivatives		2.191		2.191

No transfers between levels 1 and 2

Change in holding during the financial year of assets valued on the basis of factors other than observat

Group	Loans to customers	Shares, ownership stakes and other securities	Business available for sale
Balance 01.01	9.994	288	22
Additions	2.326	2	
Disposals	-1.246		
Transferred from or to measurement according to prices in an active market or observable market data			
Change in value ¹⁾	-154	-4	
Balance 30.06	10.920	286	22
Nominal value/cost price	10.560	244	130
Fair value adjustment	360	42	-1
Balance 30.06	10.920	286	129

The stakes in Nordito Property and Bank 1 Oslo Akershus are valued every quarter by SpareBank 1 Gruppen and distributed to all of the alliance banks. A contract on the sale of the stakes in Nets Holding was signed in the first quarter of 2014. The value according to the sales contract was used in the interim financial statements and resulted in income of NOK 202 million in the first quarter of 2014. Valuations of the stakes in Nordito Property and Bank 1 Oslo Akershus are based on an average of five different methods in which the last known transaction price, earnings per share, dividends per share and EBITDA are input for the valuations.

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the applicable interest curve, having taken into account a market premium, which is adjusted for the profit margin. The conducted sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 34 million.

¹⁾ Value changes are recognised in net income from financial instruments

Note 18 Events after the balance sheet date

The Board of Directors of BN Bank ASA resolved on 10 August 2015 to cultivate the bank as a retail bank and to discontinue the corporate banking business, which consists of commercial property lending. This business will be discontinued over the coming years. Portions of BN Bank's corporate market portfolio are funded through SpareBank 1 Næringskreditt AS. SpareBank 1 SR-Bank owns 23.5% of BN Bank ASA and 26.8% of SpareBank 1 Næringskreditt AS. Of SpareBank 1 SR Bank's risk-weighted balance sheet of NOK 120 billion, approximately NOK 6 billion is linked to the corporate market commitments of BN Bank ASA and BN Bank ASA's commitments sold to SpareBank 1 Næringskreditt AS. For SpareBank 1 SR-Bank, this represents approximately 60 basis points of the core equity tier 1 ratio.

Otherwise, no material events that have influence on the prepared interim financial statements have been registered after 30 June 2015.

Statement by the Board of Directors and Chief Executive Officer

We confirm that the half-yearly report for the period 1 January to 30 June 2015 has, to the best of our knowledge, been prepared pursuant to applicable accounting standards, and that the information provided presents a true and fair picture of the company's and the group's assets, liabilities, financial positions and profit as a whole.

We also confirm that the interim accounts for the second quarter of 2015 provide a true and fair presentation of the performance, result and position of the company and group, together with a description of the most important risk and uncertainty factors that the company and the group are facing.

Stavanger, 11 August 2015

The Board of Directors of SpareBank 1 SR-Bank and Chief Executive Officer

Ingvald Løyning
(Chairman of the board)

Kate Henriksen

Birthe Cecilie Lepsøe

Siv Juvik Tveitnes

Odd Torland

Erling Øverland

Tor Dahle

Sally Lund-Andersen
(Employee representative)

Oddvar Rettedal
(Employee representative)

Arne Austreid
(Chief Executive Officer)

QUARTERLY INCOME STATEMENT

SpareBank 1 SR-Bank Group, MNOK	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Interest income	1.436	1.477	1.588	1.568	1.543	1.438	1.466	1.451	1.406
Interest expense	797	850	933	947	962	891	892	883	880
Net interest income	639	627	655	621	581	547	574	568	526
Commission income	418	427	423	421	462	498	500	487	477
Commission expenses	20	20	19	20	19	20	12	23	18
Other operating income	1	1	1	2	1	2	1	2	6
Net commission and other income	399	408	405	403	444	480	489	466	465
Dividend income	8	7	1	10	7	18	-2	3	32
Income from investment in associates	101	133	138	150	137	81	95	130	31
Net gains/losses on financial instrument	-15	71	-23	-18	57	220	102	4	-1
Net income on financial investments	94	211	116	142	201	319	195	137	62
Total income	1.132	1.246	1.176	1.166	1.226	1.346	1.258	1.171	1.053
Personnel expenses	300	310	308	307	293	294	323	284	297
Administrative expenses	122	119	128	114	120	106	109	104	118
Other operating costs	114	101	94	99	88	105	102	90	102
Total operating cost	536	530	530	520	501	505	534	478	517
Operating profit before impairment losses	596	716	646	646	725	841	724	693	536
Impairment losses on loans and guarantees	44	88	93	69	41	54	50	32	25
Pre-tax profit	552	628	553	577	684	787	674	661	511
Tax expense	121	132	105	123	150	128	107	145	128
Profit after tax	431	496	448	454	534	659	567	516	383

Profitability

Return on equity per quarter ¹⁾	10,8 %	12,7 %	11,7 %	12,2 %	14,5 %	18,4 %	16,2 %	15,6 %	11,8 %
Cost percentage ²⁾	47,3 %	42,5 %	45,1 %	44,6 %	40,9 %	37,5 %	42,4 %	40,8 %	49,1 %
Combined weighted total average spread for lending and deposits ³⁾	1,44 %	1,45 %	1,51 %	1,48 %	1,41 %	1,40 %	1,46 %	1,49 %	1,43 %

Balance sheet figures from quarterly accounts

Gross loans to customers	150.245	144.686	141.620	137.343	135.335	121.723	120.273	116.720	115.214
Gross loans to customers including SB1 Boligkreditt og Næringskreditt	181.440	178.750	174.492	170.270	168.624	166.593	166.662	164.538	162.714
Growth in loans over last 12 months ⁴⁾	11,0 %	18,9 %	17,7 %	17,7 %	17,5 %	8,4 %	-16,8 %	-11,2 %	-1,9 %
Growth in loans incl SB1 Boligkreditt and Næringskreditt	7,6 %	7,3 %	4,7 %	3,5 %	3,6 %	3,8 %	5,3 %	5,5 %	6,1 %
Deposits from customers	90.788	85.984	81.489	81.228	81.728	74.440	71.667	70.714	73.281
Deposit-to-loan ratio	60,4 %	59,4 %	57,5 %	59,1 %	60,4 %	61,2 %	59,6 %	60,6 %	63,6 %
Growth in deposits over last 12 months	11,1 %	15,5 %	13,7 %	14,9 %	11,5 %	8,5 %	6,0 %	2,2 %	2,8 %
Total assets	181.889	176.913	174.926	168.310	167.273	157.752	156.985	153.639	151.110
Average total assets	177.861	175.938	172.179	166.894	164.949	158.867	155.489	151.683	147.331

Losses and non-performing commitments

Impairment losses ratio, annualized ⁵⁾	0,12 %	0,25 %	0,27 %	0,20 %	0,13 %	0,18 %	0,17 %	0,11 %	0,09 %
Non-performing commitments as a percentage of total loans	0,27 %	0,31 %	0,30 %	0,38 %	0,40 %	0,52 %	0,69 %	0,40 %	0,37 %
Other doubtful commitments as a percentage of total loans	0,51 %	0,50 %	0,36 %	0,39 %	0,41 %	0,38 %	0,37 %	0,69 %	0,50 %

Solidity

Common equity Tier 1 capital ratio	12,3 %	12,1 %	11,5 %	11,3 %	11,4 %	11,2 %	11,1 %	10,5 %	10,3 %
Tier 1 capital ratio	13,1 %	12,9 %	12,3 %	13,1 %	13,2 %	13,0 %	12,8 %	12,2 %	12,0 %
Capital ratio	15,3 %	15,2 %	14,5 %	15,4 %	14,6 %	14,5 %	14,1 %	13,1 %	12,9 %
Tier 1 capital	15.771	15.206	14.828	15.304	14.978	14.691	14.511	13.974	13.691
Net primary capital	18.403	17.838	17.465	18.037	16.584	16.407	15.915	15.034	14.721
Risk weighted balance	120.363	117.589	120.189	117.278	113.725	113.413	113.075	115.038	114.188
Leverage ratio	6,3 %	6,1 %	6,1 %						

Se next page for definition of key figures

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
SpareBank 1 SR-Bank share	2015	2015	2014	2014	2014	2014	2013	2013	2013
Market price at end of quarter	52,25	56,25	52,50	61,00	59,75	60,75	60,25	47,70	47,50
Market capitalisation	13.363	14.386	13.427	15.601	15.281	15.537	15.409	12.199	12.148
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share(including dividends)	62,56	62,40	60,28	59,21	57,63	57,45	55,00	52,87	50,89
Earnings per share, NOK (annualised)	1,69	1,94	1,75	1,78	2,09	2,58	2,22	2,02	1,50
Price/earnings per share	7,73	7,25	7,50	8,57	7,15	5,89	6,78	5,90	7,92
Price / Book equity (group)	0,84	0,90	0,87	1,03	1,04	1,06	1,10	0,90	0,93
Annualised turnover rate in quarter ⁶⁾	5,6 %	7,4 %	7,7 %	3,0 %	5,5 %	7,6 %	6,3 %	3,1 %	5,0 %
Effective return ⁷⁾	-3,6 %	7,1 %	-13,9 %	2,1 %	1,0 %	0,8 %	26,3 %	0,4 %	-2,0 %

Key figure definitions

¹⁾ Operating result as a percentage of average equity

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

³⁾ Net interest income as a percentage of average total assets

⁴⁾ High growth in loans is attributable to a buy-back of loans from SpareBank 1 Boligkredit AS

⁵⁾ Impairment losses on loans as a percentage of average gross loans, annualised

⁶⁾ Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

⁷⁾ Percentage change in the market price in the last period, including paid share dividend

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2015 Financial Calendar

Preliminary annual results for 2014	Wednesday 4 February
Annual General Meeting	Tuesday 28 April
Ex-dividend	Wednesday 29 April
Q1 2015	Wednesday 29 April
Q2 2015	Wednesday 12 August
Q3 2015	Thursday 29 October