

SECOND QUARTER 2013

SUPPLEMENTARY INFORMATION
FOR INVESTORS & ANALYSTS

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

Financial Calendar 2013

Second quarter 2013	14 August
Third quarter 2013	31 October

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1. SpareBank 1 SR-Bank ASA

1.1 Financial highlights

Q2 2013

- Pre-tax profit: NOK 511 million (NOK 405 million)
- Profit after tax: NOK 383 million (NOK 303 million)
- Return on equity after tax: 11.8 % (11.8 %)
- Earnings per share: NOK 1.50 (NOK 1.19)
- Net interest income: NOK 526 million (NOK 413 million)
- Net commission and other income: NOK 465 million (NOK 379 million)
- Net income from financial investments: NOK 62 million (NOK 87 million)
- Operating expenses: NOK 517 million (NOK 440 million)
- Impairment losses on loans and guarantees: NOK 25 million (NOK 34 million)
(Q2 2012 in parentheses)

1st half 2013

- Pre-tax profit: NOK 1,012 million (NOK 798 million)
- Profit after tax: NOK 777 million (NOK 619 million)
- Return on equity after tax: 12.1 % (12.3 %)
- Earnings per share: NOK 3.04 (NOK 2.42)
- Net interest income: NOK 977 million (NOK 814 million)
- Net commission and other income: NOK 869 million (NOK 681 million)
- Net income from financial investments: NOK 223 million (NOK 289 million)
- Operating expenses: NOK 1,007 million (NOK 918 million)
- Impairment losses on loans and guarantees: NOK 50 million (NOK 68 million)
- Total lending growth over past 12 months: 6.1 % (9.3 %)
- Growth in deposits over past 12 months: 2.8 % (9.7 %)
- Tier 1 capital ratio: 12.0 % (11.4 %)
- CET 1 capital ratio: 10.3 % (9.2 %)
(1st half 2012 in parentheses)

Income statement

<i>MNOK</i>	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Net interest income	526	451	480	448	413	977	814
Net commission and other income	465	404	411	374	379	869	681
Net return on investment securities	62	161	97	192	87	223	289
Total income	1.053	1.016	988	1.014	879	2.069	1.784
Total operating expenses	517	490	504	466	440	1.007	918
Operating profit before losses	536	526	484	548	439	1.062	866
Losses on loans and guarantees	25	25	26	43	34	50	68
Operating profit before tax	511	501	458	505	405	1.012	798
Tax expense	128	107	114	107	102	235	179
Profit after tax	383	394	344	398	303	777	619

Key figures

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Return on equity ¹⁾	11,8 %	12,3 %	11,2 %	13,6 %	11,8 %	12,1 %	12,3 %
Cost ratio ²⁾	49,1 %	48,2 %	51,0 %	46,0 %	50,1 %	48,7 %	51,5 %
Deposit-to-loan ratio	63,6 %	61,1 %	61,7 %	66,2 %	67,6 %	63,6 %	67,6 %
Growth in loans	9,3 %	11,8 %	8,0 %	0,6 %	-2,3 %	9,3 %	-2,3 %
Growth in loans incl. SB1 Boligkreditt and SB1 Næringskreditt	6,1 %	7,4 %	7,8 %	8,5 %	9,3 %	6,1 %	9,3 %
Growth in deposits	2,8 %	2,2 %	5,5 %	7,6 %	9,7 %	2,8 %	9,7 %
Average total assets, MNOK	147.331	144.265	140.555	139.002	136.674	145.721	134.830
Total assets, MNOK	151.110	146.124	141.543	138.663	139.615	151.110	139.615
Impairment losses ratio ³⁾	0,09	0,09	0,10	0,16	0,13	0,09	0,13
Capital ratio	12,9	12,9	13,1	12,0	11,9	12,9	11,9
Core equity Tier 1 capital ratio	10,3	10,1	10,0	9,4	9,2	12,0	11,4
Market price	47,50	50,00	37,20	36,90	32,10	47,50	32,10
EPS (group) ⁴⁾	1,50	1,54	1,35	1,56	1,19	3,04	2,42

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⁾ Number of shares was increased on 18 June 2012 from 199,489,689 to 255,751,082 as a result of a capital expansion. Earnings per share as from 2nd quarter 2012 are calculated based on the new number of shares.

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

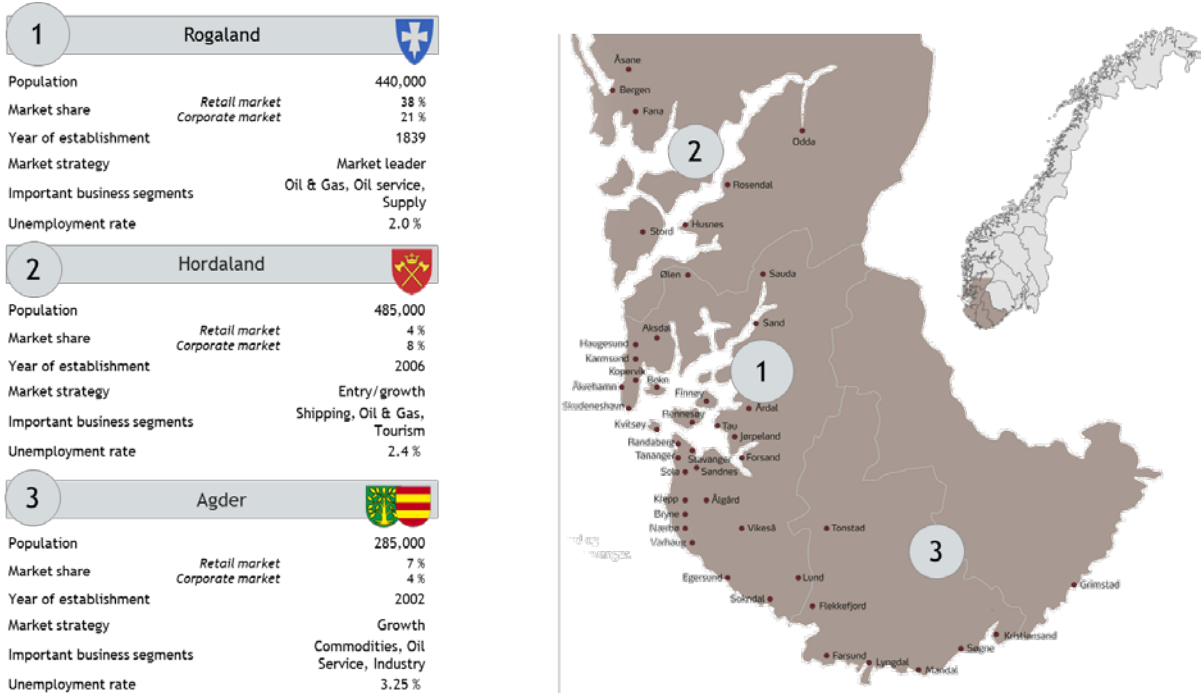


Figure 1.2.1: Operating areas, figures as per YE 2012

SpareBank 1 SR-Bank is Norway’s largest regional bank and the second largest Norwegian-owned bank (after DNB) with gross lending including covered bond companies of NOK 162 billion as at 30 June 2013. 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 255,000 retail customers and a market share in Rogaland of about 40 per cent. The division also serves agricultural clients, sole proprietorships and associations.

Corporate Market

SpareBank 1 SR-Bank ASA service about 8,600 customers in the business sector and public sector. These also include small businesses, agricultural customers, societies and associations. About 40 per cent of all businesses in the bank’s traditional market list SpareBank 1 SR-Bank ASA as their main bank.

Capital Market

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

Divisions of SpareBank 1 SR-Bank ASA



Fully owned companies



Partly owned companies

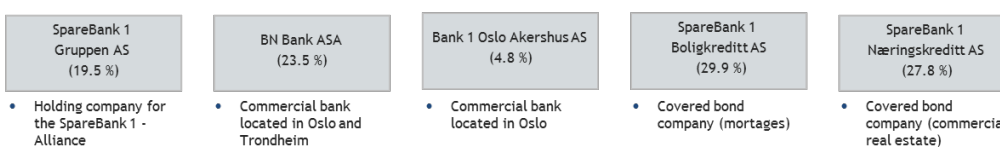


Figure 1.2.2: SpareBank 1 SR-Bank's activities

Segment operating profit*

MNOK	Retail market		Corporate market		Capital market	
	2013	2012	2013	2012	2013	2012
Operating profit before tax 2nd quarter only	354	275	232	218	33	57
Operating profit before tax as at 30 June	619	478	394	385	71	110
Gross loans to customers excl. SB1 Boligkreditt and SB1 Næringskreditt as at 30 June	58.205	51.165	48.386	46.882	0	0
Deposits from customers as at 30 June	42.561	39.894	26.824	26.512	0	0

* not including subsidiaries

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 and 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• Core equity Tier 1 capital ratio at minimum 10 %
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:

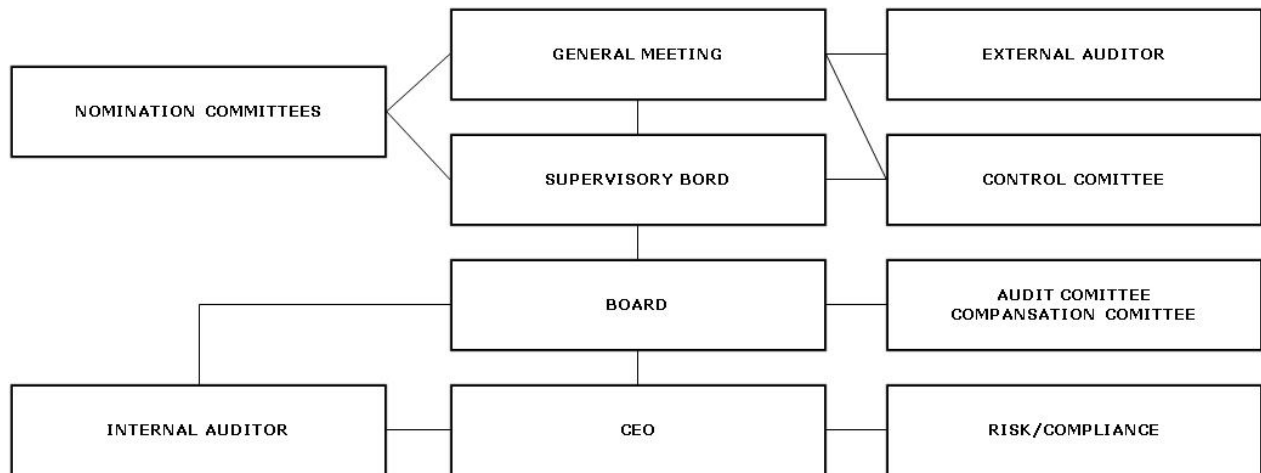


Figure 1.2.4: Overview of management and control bodies

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 for the CEO.

Control Committee

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

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

Board of Directors

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

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

Board committees

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

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

Organisation of SpareBank 1 SR-Bank ASA

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

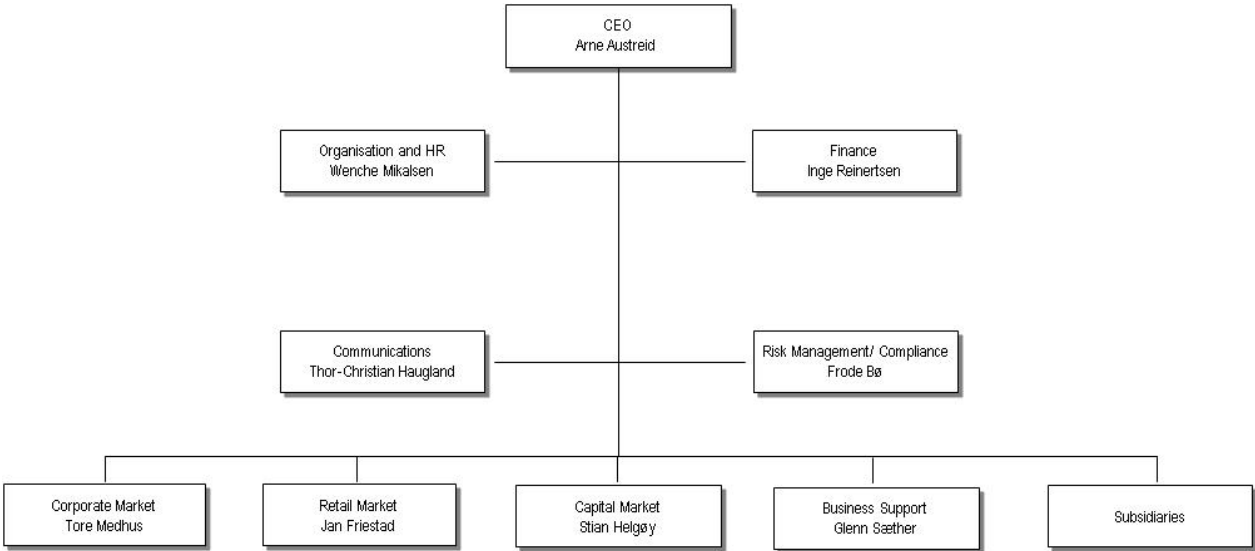
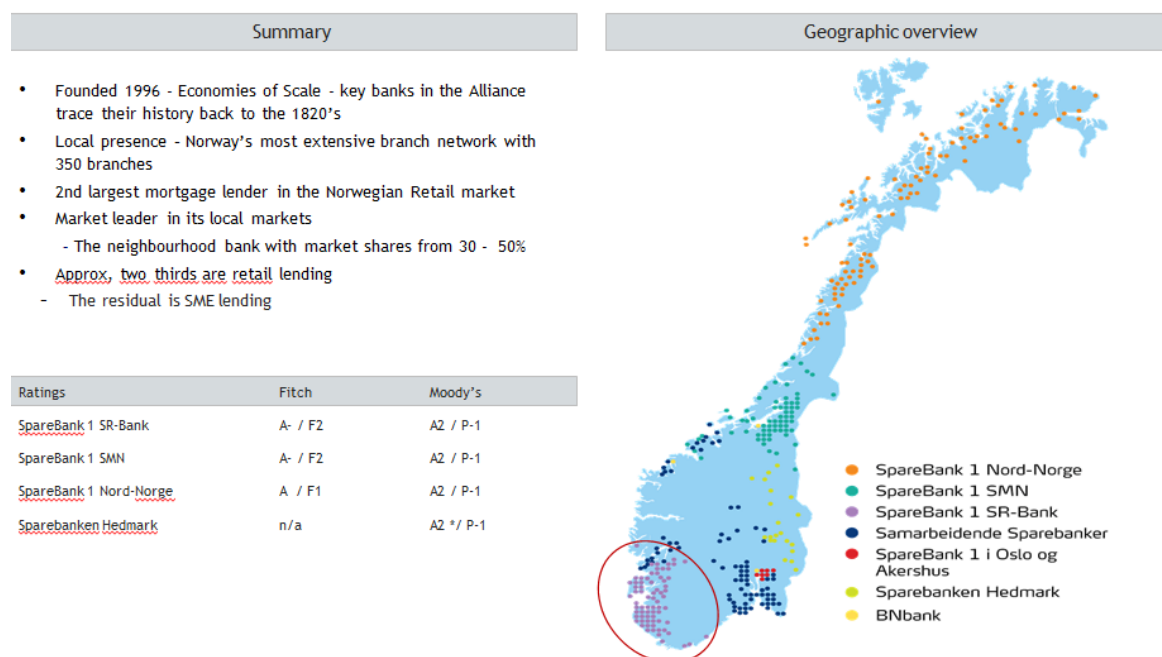


Figure 1.2.5: Organizational structure of SpareBank 1 SR-Bank

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the founding partners of the SpareBank 1 Gruppen ("the Alliance") in 1996. Through participation in the Alliance, SpareBank 1 SR-Bank is linked together in an alliance of independent and locally anchored banks. The purpose of the Alliance is for members to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and higher quality, so that customers get the best advice and the best services on competitive terms. As shown in the figure below the Alliance has a wide distribution all over Norway.

The SpareBank 1 Alliance



* Rating under review for possible downgrade to A3

Figure 1.2.6: Geographic overview of the SpareBank 1 Alliance

The member banks in the Alliance work in part through common projects and in part through the jointly owned holding company; SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen AS is owned by Sparebanken Nord-Norge, Sparebanken 1 SMN, Sparebanken Hedmark, Samarbeidende Sparebanker (14 local savings banks in southern Norway) and the Norwegian Confederation of Trade Unions (LO).

SpareBank 1 Gruppen AS owns all of the shares in SpareBank 1 Livsforsikring AS (life insurance), SpareBank 1 Skadeforsikring AS (non-life insurance), ODIN Forvaltning AS (asset management), SpareBank 1 Medlemskort (membership cards) and SpareBank 1 Gruppen Finans Holding AS (collection of bad debts). The company also owns 97.25 per cent of SpareBank 1 Markets AS¹.

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

The SpareBank 1 Alliance structure is illustrated below in figure 1.2.7.

¹ SpareBank 1 Markets will effective from the third quarter of 2013, have a new ownership structure through SpareBank 1 Gruppen's divestment of its shares in the company. SpareBank 1 Markets will thereby be directly owned by SpareBank 1 SMN (24%), SpareBank 1 Nord-Norge (24%), Samarbeidende Sparebanker (24%), Sparebanken Hedmark (15%), LO (12%) and employees (2%). SpareBank 1 SR-Bank has opted not to acquire an ownership stake in SpareBank 1 Markets.

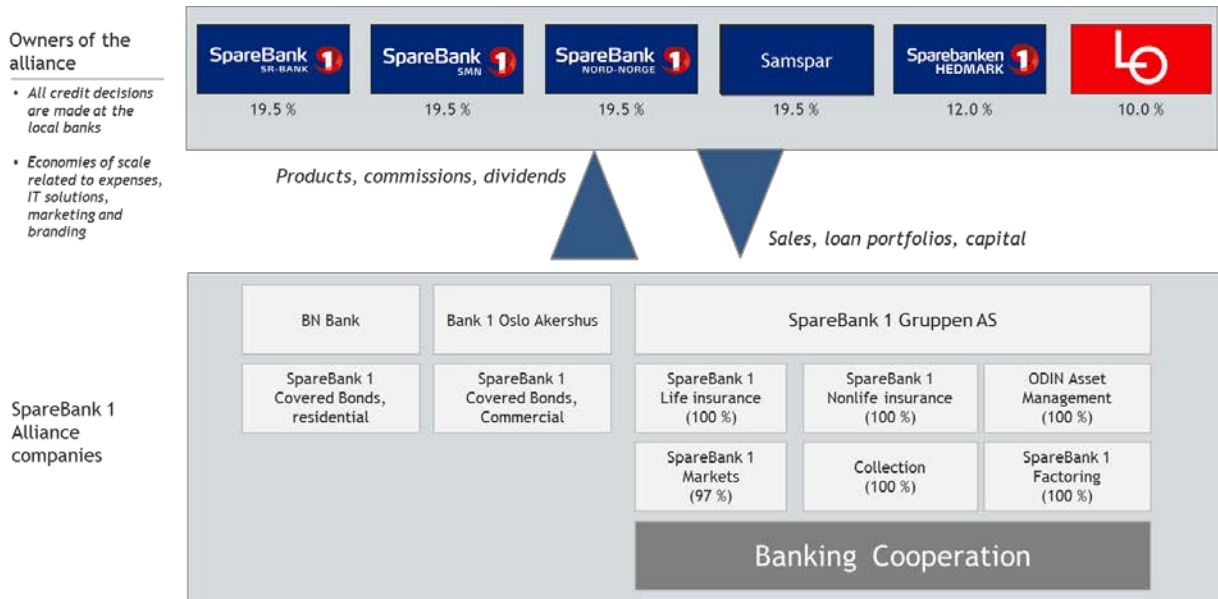


Figure 1.2.7: Structure of SpareBank 1 Alliance as per 30 June 2013

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

1.3 Shareholder information - SRBANK

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

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 1 SR-Bank ASA on 9 May 2012. At the end of the subscription period, SpareBank 1 SR-Bank had received subscriptions for 71,474,534 new shares in the rights issue. 55,555,555 were offered, and the rights issue was thus oversubscribed by 28.65 %. In the employee issue, SpareBank 1 SR-Bank received subscriptions for a total of 705,858 new shares divided between 260 employees.

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

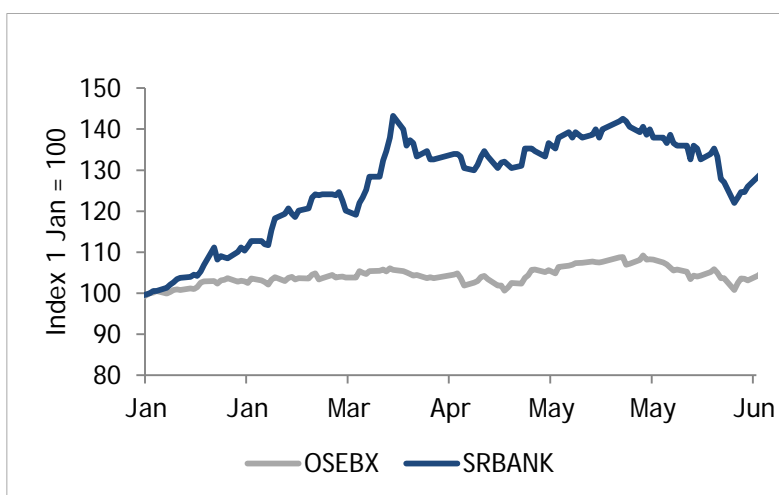


Figure 1.3.1: Relative performance; SRBANK vs OSEBX 1.1. – 31.03.2013

The former ticker code ROGG was replaced by SRBANK and from 3 January 2012, SRBANK was included in the OSEAX All-Share index and sector index OSE40 Financials/OSE4010 Banks. Figure 1.3.1 shows the relative performance of SRBANK compared to OSEBX from 1 January 2012 to 30 June 2013.

SpareBank 1 SR-Bank aims to ensure good liquidity in its shares and achieve a good diversity of shareholders who represent customers, regional interests, as well as Norwegian and international investors. Figure 1.3.2 shows how daily liquidity has developed in the period from 1 January 2010 to 30 June 2013. A general observation is that liquidity has increased after the conversion and issue of new shares.

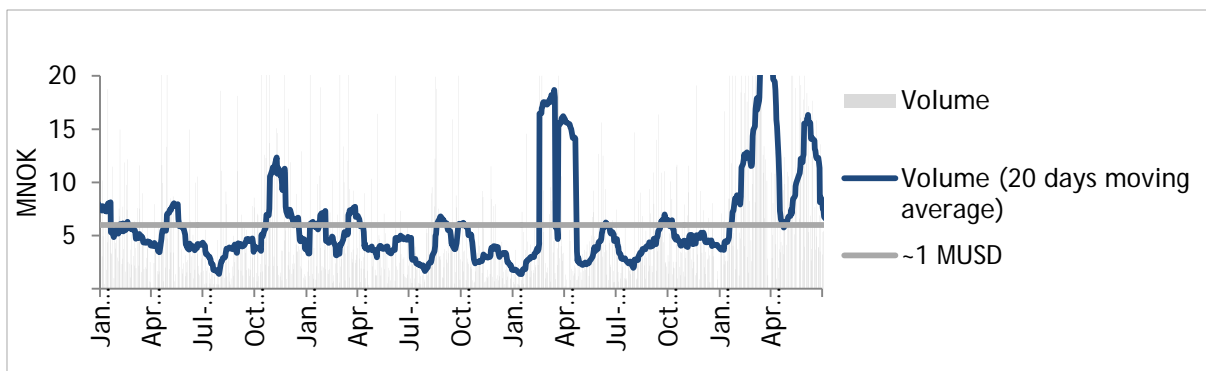


Figure 1.3.2 Development in liquidity; SRBANK 1.1.2010 – 30.06.2013

Figure 1.3.3 shows the share price movements and Price/Book development from 01.01.2012 to 30.06.2013.

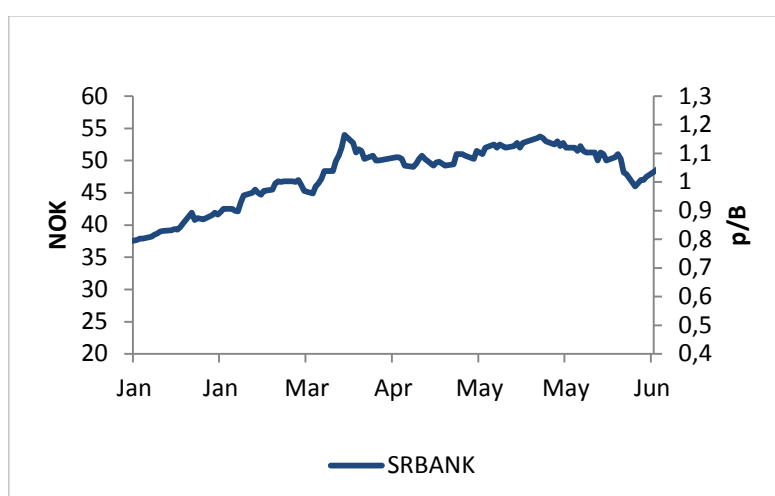


Figure 1.3.3: Share price and development in P/B; 1.1.2012 – 31.06.2013

Investor relations policy

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

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

Arctic Securities, Fridtjof Berents: + 47 21 01 32 21, fridtjof.berents@articsec.no

SpareBank 1 Markets, Nils Kristian Øyen: + 47 24 14 74 00 nils.oyen@sb1.markets.no

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Norne Securities, Andrius Valivonis: +47 55 55 91 30, andrius.valivonis@norne.no

Warren Securities, Mille Fjeldstad: +47 99 03 89 16, mille.fjeldstad@warren.no

Shareholder and dividend policy

Shareholder policy

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

Dividend policy

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

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

Ownership structure

Investor	Number	Stake
Sparebankstiftelsen SR-Bank	76.835.551	30,0 %
Gjensidige Forsikring ASA	26.483.470	10,4 %
Folketrygdfondet	7.909.328	3,1 %
SpareBank 1-stiftinga Kvinnherad	6.226.583	2,4 %
Odin Norge	5.896.605	2,3 %
Frank Mohn AS	5.372.587	2,1 %
Odin Norden	4.148.475	1,6 %
Skagen Global	3.883.743	1,5 %
State Street Bank and Trust, U.S.A.	2.227.157	0,9 %
Clipper AS	2.178.837	0,9 %
J.P. Morgan Chase Bank, U.K.	2.099.017	0,8 %
J.P. Morgan Chase Bank, Sverige	2.014.054	0,8 %
Fondsfinans Spar	1.670.936	0,7 %
The Bank of New York Mellon, U.S.A.	1.573.775	0,6 %
Tveteraas Finans AS	1.391.492	0,5 %
Westco AS	1.321.817	0,5 %
Skagen Global II	1.316.174	0,5 %
Køhlergruppen AS	1.292.803	0,5 %
FLPS, U.S.A.	1.250.000	0,5 %
Varma Mutual Pension Insurance, Finland	1.248.017	0,5 %
Top 5	123.351.537	48,2 %
Top 10	141.162.336	55,2 %
Top 20	156.340.421	61,1 %

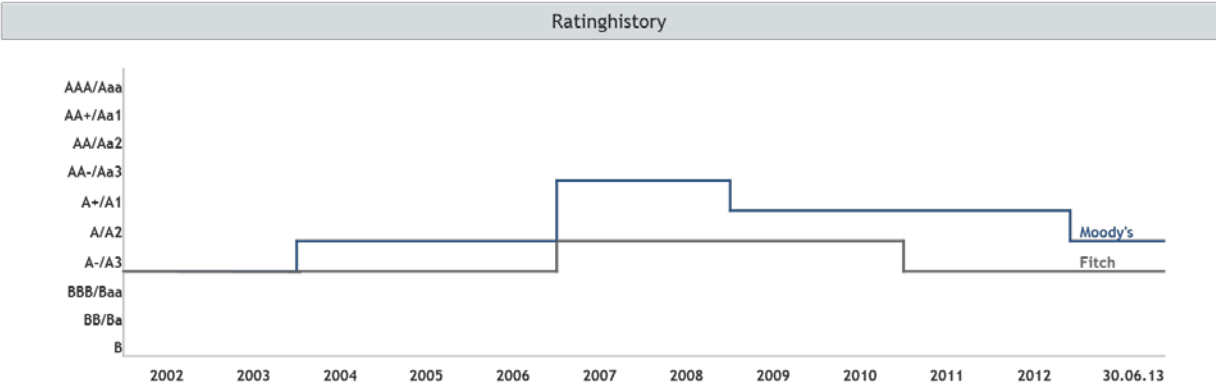
Table 1.3.2: 20 largest shareholders as at 30 June 2013

1.4 Credit ratings

Current credit rating status as at 30 June 2013 was as follows:

Moody's	
Long-term debt	A2
Outlook	Stable
Updated	5. March 2013

Fitch	
Long-term IDR	A-
Outlook	Stable
Updated	19. February 2013



2. Financial results and balance sheet

Income statement

<i>MNOK</i>	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Interest income	1.406	1.321	1.331	1.323	1.319	2.727	2.646
Interest expense	880	870	851	875	906	1.750	1.832
Net interest income	526	451	480	448	413	977	814
Commission income	349	325	330	280	273	674	495
Commission expenses	18	19	17	19	20	37	-40
Other operating income	134	98	98	113	126	232	226
Net commission and other income	465	404	411	374	379	869	681
Dividend income	32	0	0	1	21	32	24
Income from investment in associates	31	99	22	90	53	130	153
Net gains/losses on financial instruments	-1	62	75	101	13	61	112
Net return on investment securities	62	161	97	192	87	223	289
Total income	1.053	1.016	988	1.014	879	2.069	1.784
Personnel expenses	297	292	292	271	244	589	519
Administrative expenses	118	101	107	105	99	219	205
Other operating expenses	102	97	105	90	97	199	194
Total operating expenses	517	490	504	466	440	1.007	918
Operating profit before losses	536	526	484	548	439	1.062	866
Losses on loans and guarantees	25	25	26	43	34	50	68
Operating profit before tax	511	501	458	505	405	1.012	798
Tax expense	128	107	114	107	102	235	179
Profit after tax from continuing operations	383	394	344	398	303	777	619

Key figures

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Return on equity ¹⁾	11,8 %	12,3 %	11,2 %	13,6 %	11,8 %	12,1 %	12,3 %
Cost ratio ²⁾	49,1 %	48,2 %	51,0 %	46,0 %	50,1 %	48,7 %	51,5 %
Net interest margin	1,43 %	1,27 %	1,36 %	1,28 %	1,22 %	1,35 %	1,21 %
Gross loans to customers	115.214	112.314	109.513	104.521	105.428	115.214	105.428
Gross loans to customers incl. SpareBank 1 Boligkreditt and Næringskredit	162.714	160.445	158.201	155.962	153.329	162.714	153.329
Deposits from customers	73.281	68.605	67.594	69.195	71.285	73.281	71.285
Deposit-to-loan ratio	63,6 %	61,1 %	61,7 %	66,2 %	67,6 %	63,6 %	67,6 %
Growth in loans	9,3 %	11,8 %	8,0 %	0,6 %	-2,3 %	9,3 %	-2,3 %
Growth in loans incl. SpareBank 1 Boligkreditt and Næringskredit	6,1 %	7,4 %	7,8 %	8,5 %	9,3 %	6,1 %	9,3 %
Growth in deposits	2,8 %	2,2 %	5,5 %	7,6 %	9,7 %	2,8 %	9,7 %
Average total assets	147.331	144.265	140.555	139.002	136.674	145.751	134.830
Total assets	151.110	146.124	141.543	138.663	139.615	151.110	139.615
Impairment losses ratio ³⁾	0,09	0,09	0,10	0,16	0,13	0,09	0,13
Non-performing commitments as a percentage of gross loans	0,37	0,44	0,42	0,54	0,49	0,37	0,49
Other doubtful commitments as a percentage of gross loans	0,77	0,81	0,72	0,87	0,82	0,77	0,82
Capital ratio	12,9	12,9	13,1	12,0	11,9	12,9	11,9
Tier 1 capital ratio	12,0	12,2	12,1	11,5	11,4	12,0	11,4
Core equity Tier 1 capital ratio	10,3	10,1	10,0	9,4	9,2	10,3	9,2
Core capital	13.691	13.673	13.507	12.746	12.514	13.691	12.514
Net equity and subordinated loan capital	14.721	14.452	14.568	13.273	13.041	14.721	13.041
Minimum subordinated capital requirement	9.135	8.956	8.897	8.856	8.797	9.135	8.797
Number of branches	53	53	53	53	53	53	53
Man-years (permanent)	1.196	1.214	1.207	1.221	1.222	1.196	1.222
Market price	47,50	50,00	37,20	36,90	32,10	47,50	32,10
Market capitalisation	12.148	12.788	9.514	9.437	8.210	12.148	8.210
Book equity per share (including dividends) (group)	50,89	50,92	49,48	46,68	44,76	50,89	44,76
Earnings per share (group) ⁴⁾	1,50	1,54	1,35	1,56	1,19	3,04	3,05
Dividends per share	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Price / Earnings per share	7,92	8,12	6,89	5,91	6,74	7,81	5,26
Price / Book equity (group)	0,93	0,98	0,75	0,79	0,72	0,93	0,72

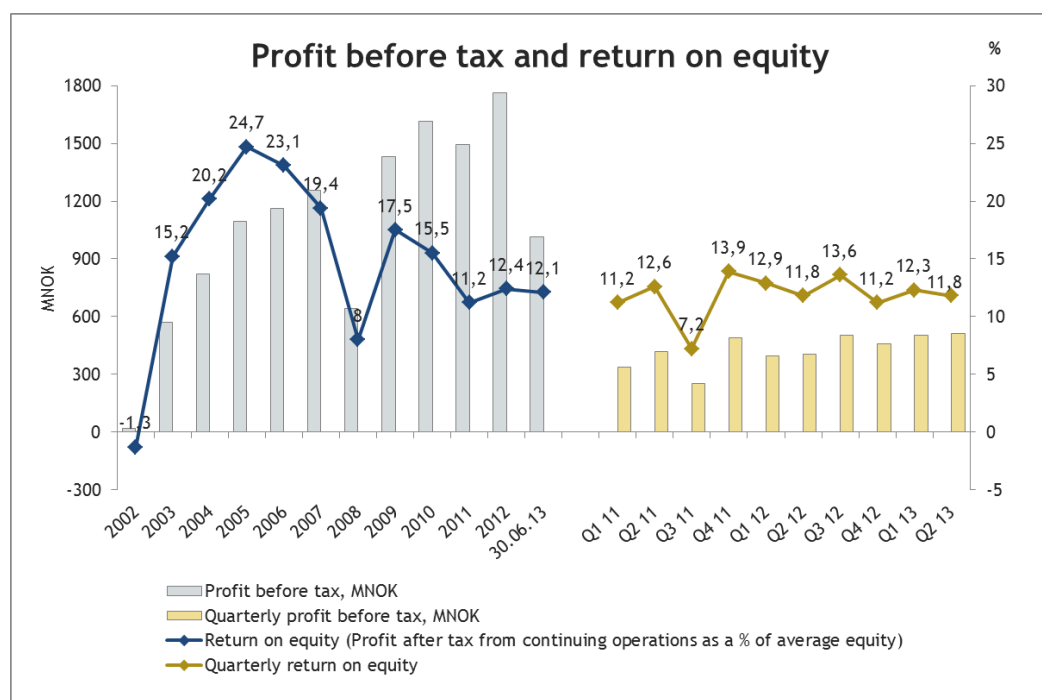
¹⁾ Net profit as a percentage of average equity.

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⁾ Number of shares was increased on 18 June 2012 from 199,489,689 to 255,751,082 as a result of a capital expansion. Earnings per share as from 2nd quarter 2012 are calculated based on the new number of shares.

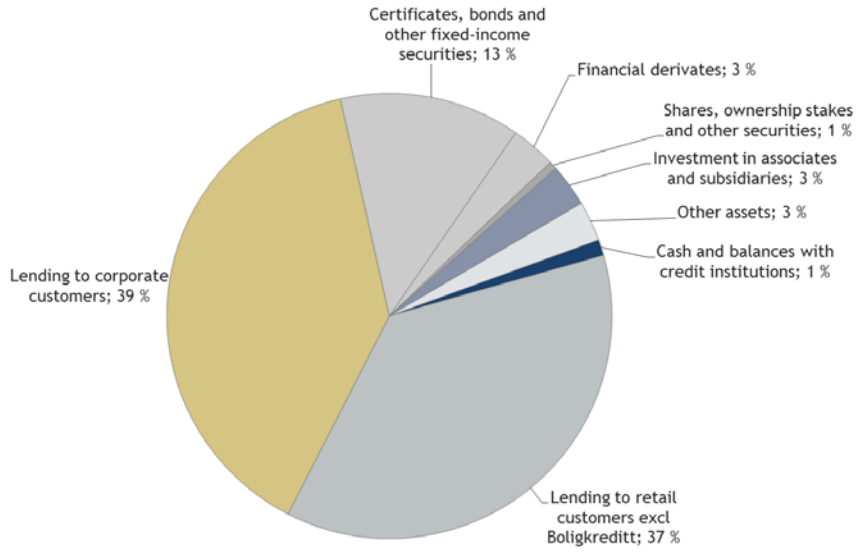
SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per share.



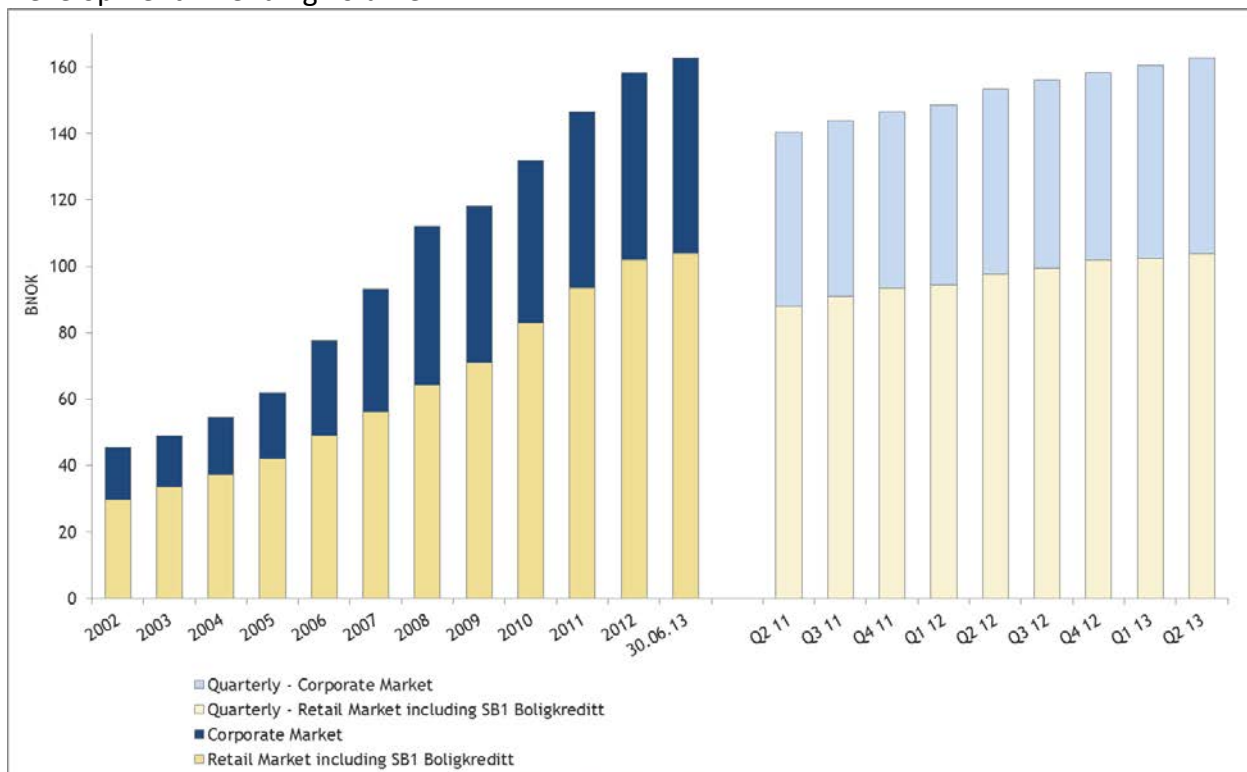
Balance sheet

<i>MNOK</i>	30.06 2013	31.03 2013	31.12 2012	30.09 2012	30.06 2012
Cash and balances with central banks	1.762	802	1.314	224	290
Balances with credit institutions	2.612	1.055	1.087	481	1.160
Net loans to customers	114.493	111.551	108.758	103.671	104.597
Certificates, bonds and other fixed-income sec.	19.852	20.286	18.677	22.156	22.539
Financial derivatives	4.936	4.536	4.578	4.769	4.102
Shares, ownership stakes and other securities	879	676	671	546	623
Business available for sale	85	428	85	85	85
Investment in associates	4.682	4.708	4.964	5.182	4.944
Other assets	1.809	2.082	1.409	1.549	1.275
Total assets	151.110	146.124	141.543	138.663	139.615
Balances with credit institutions	4.681	5.959	4.522	3.657	3.418
Public deposits related to covered bond swap scheme	6.429	6.429	7.299	7.299	7.299
Deposits from customers	73.281	68.605	67.594	69.195	71.285
Listed debt securities	45.006	42.972	40.691	37.935	38.101
Financial derivatives	2.486	2.481	2.282	2.665	2.158
Other liabilities	2.264	2.659	2.295	2.284	2.262
Additional Tier 1 and Tier 2 capital instruments	3.958	4.027	4.223	3.706	3.661
Total liabilities	138.105	133.132	128.906	126.741	128.184
Share capital	6.394	6.394	6.394	6.394	6.394
Holding of own shares	-5	-15	-9	-9	-9
Premium reserve	1.592	1.587	1.587	1.588	1.587
Proposed dividend	0	384	384	0	0
Fund for unrealised gains	72	72	72	43	43
Other equity	4.175	4.176	4.209	2.889	2.797
Profit/loss at period end	777	394	0	1.017	619
Total equity	13.005	12.992	12.637	11.922	11.431
Total liabilities and equity	151.110	146.124	141.543	138.663	139.615

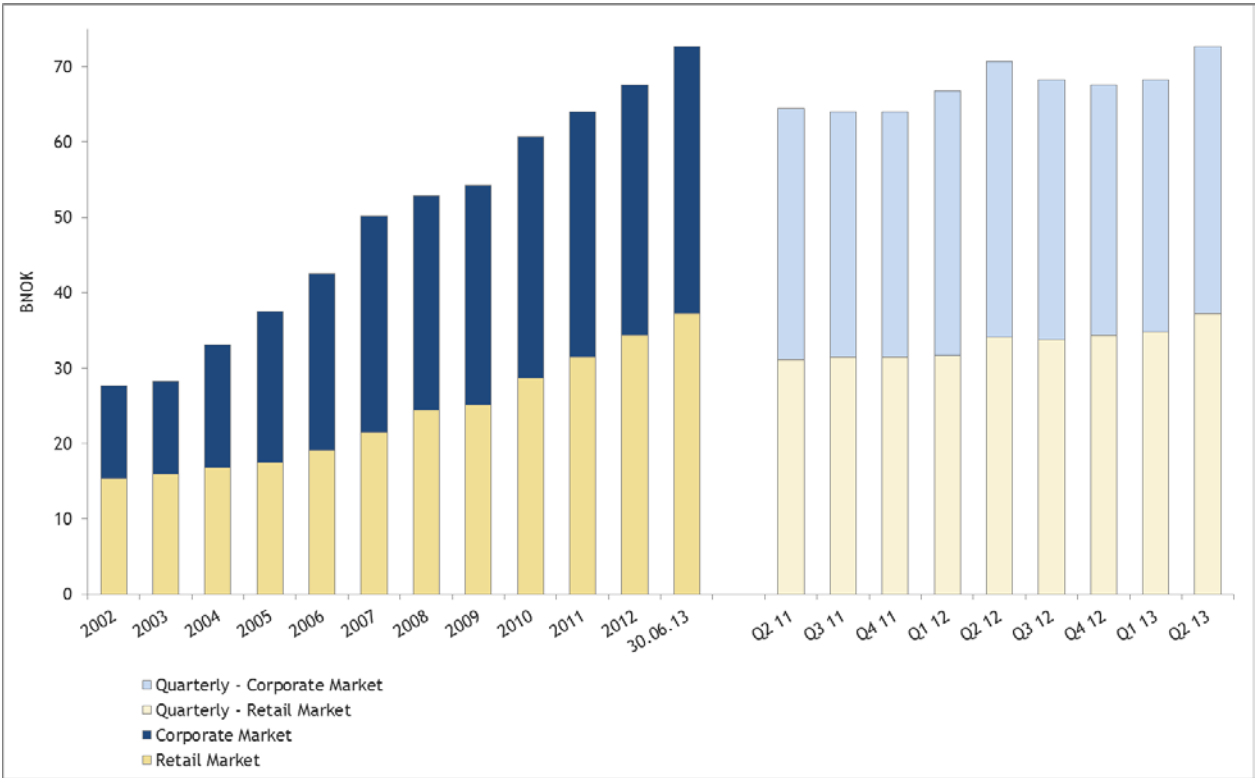
Total assets as at 30 June 2013:



Development in lending volume



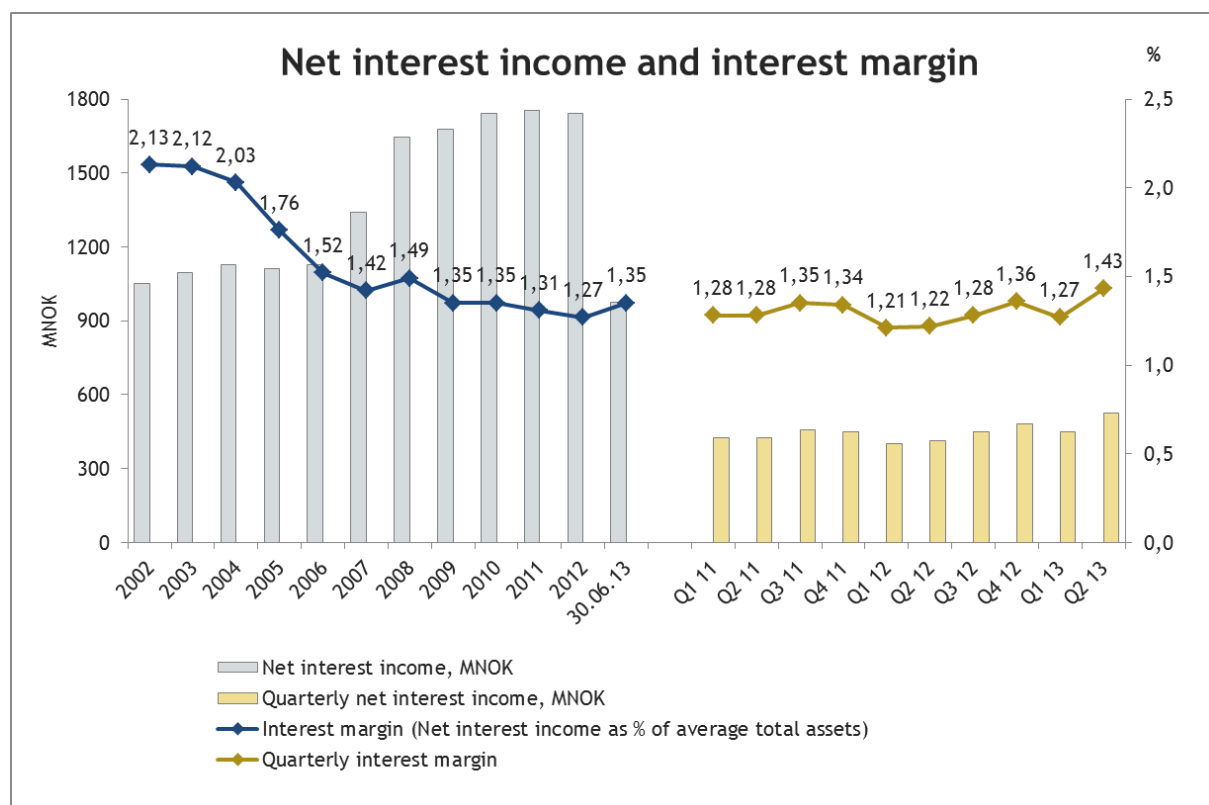
Development in deposit volume



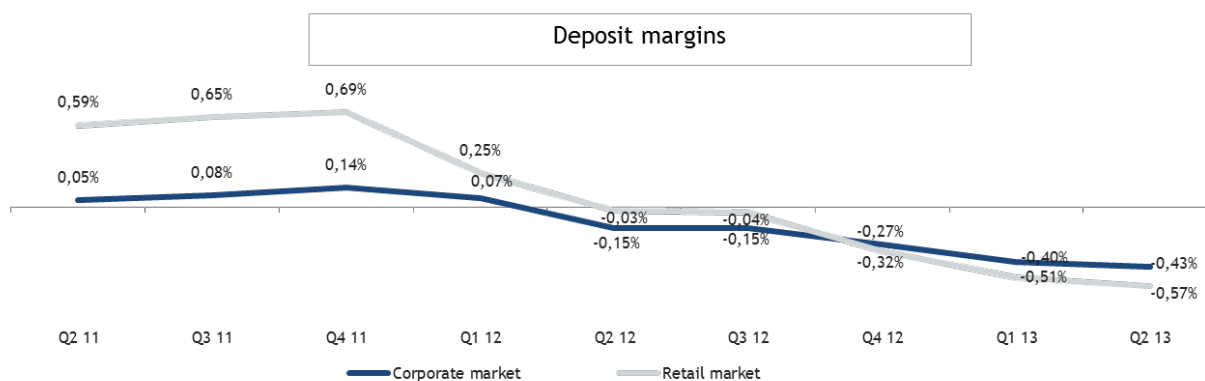
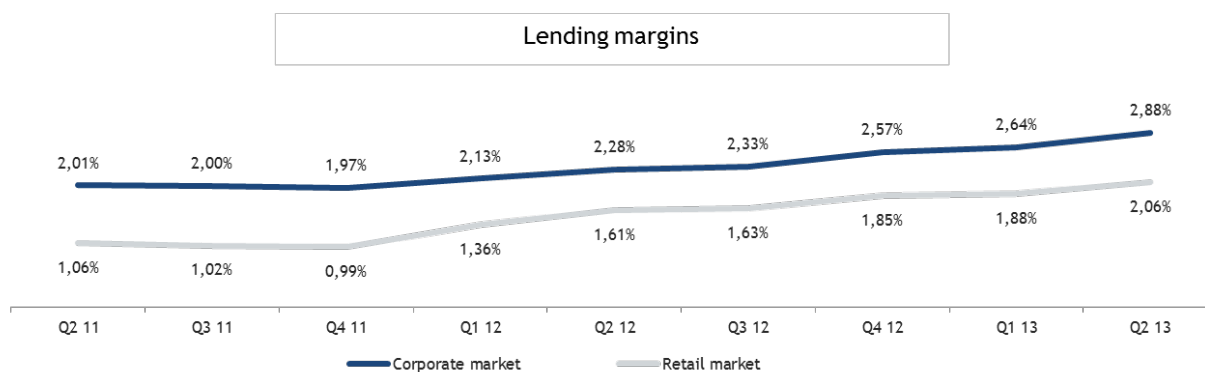
The Guarantee Fund is an important element of the security net within the banking sector. The main task of the Norwegian Banks' Guarantee Fund is to cover deposits in member banks. The law states that deposits in a bank are absolutely guaranteed up to a total amount of NOK 2 million. As at 30 June 2013 NOK 44.8 billion (corresponding to appr. 61 % of total deposit base) was covered by the Guarantee Fund.

2.1 Net interest income

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
<i>MNOK</i>							
Interest income	1.406	1.321	1.331	1.323	1.319	2.727	2.646
Interest expense	880	870	851	875	906	1.750	1.832
Net interest income	526	451	480	448	413	977	814
As % of average total assets	1,43 %	1,27 %	1,36 %	1,28 %	1,22 %	1,35 %	1,21 %



Lending and deposit margins²



² Definition margin: Average customer interest rate measured against 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>	2013	2013	2012	2012	2012	2013	2012
Net commission and other income	465	404	411	374	379	869	681
Net return on investment securities	62	161	97	192	87	223	289
Net other operating income	527	565	508	566	466	1092	970
As % of total income	50 %	56 %	51 %	56 %	53 %	53 %	54 %

Net commission and other income

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
<i>MNOK</i>	2013	2013	2012	2012	2012	2013	2012
Payment facilities	56	52	47	61	50	108	97
Savings/placements	37	35	36	33	36	72	71
Leasing and car loans SR-Finans	0	0	0	0	0	0	0
Insurance products	42	40	51	36	35	82	69
Commission income real estate (EM1)	127	96	99	105	124	223	223
Guarantee commission	26	27	21	24	22	53	44
Arrangement fees	14	17	31	13	24	31	30
Other	12	11	5	14	4	23	16
Net commission and other income excl. SB1 Boligkreditt og SB1 Næringskreditt	314	278	290	286	295	592	551
Commission income SB1 Boligkreditt and SB1 Næringskreditt	151	126	121	88	84	277	130
Net commission and other income incl. SB1 Boligkreditt og SB1 Næringskreditt	465	404	411	374	379	869	681
As % of total income	44 %	40 %	42 %	37 %	43 %	42 %	38 %

Change in net commission and other income

	Q2	Change	Q2
<i>MNOK</i>	2013		2012
Net commission and other income	465	86	379
Payment facilities		6	
Savings/placements		1	
Insurance products		7	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		3	
Guarantee commission		4	
Arrangement fees		-10	
Other		8	
Commission income SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt		67	

Net return on investment securities

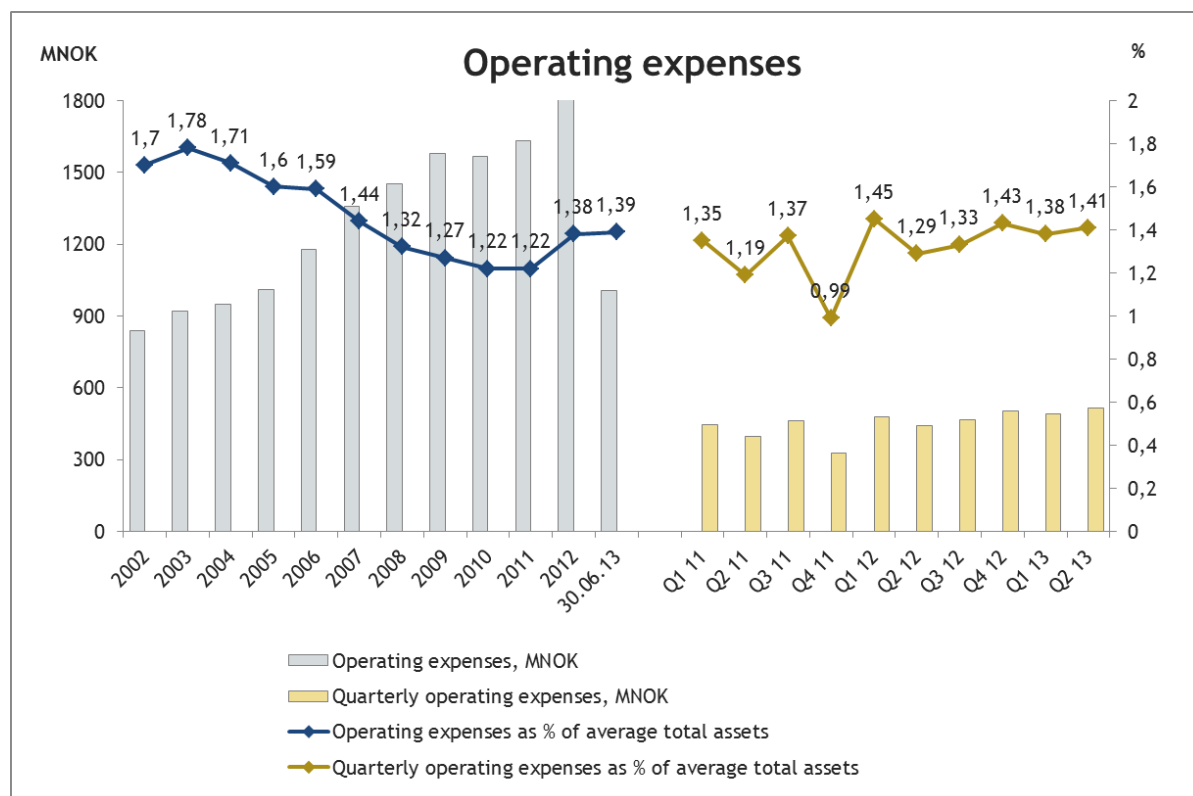
<i>MNOK</i>	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Dividend	32	0	0	1	21	32	24
Investment income, associates	31	99	22	90	53	130	153
Securities gains/losses	-55	-1	23	62	-23	-56	45
- of which capital change in shares and certificates	-28	21	46	35	-34	-7	-19
- of which capital change in certificates and bonds	-27	-22	-23	27	11	-49	65
Currency/interest gains/losses	54	63	52	39	37	117	68
- of which currency customer- and own-account trading	35	30	33	33	34	65	70
- of which IFRS-effects	19	33	19	5	3	52	-3
Net return on investment securities	62	161	97	192	87	223	289
As % of total income	6 %	16 %	10 %	19 %	10 %	11 %	16 %

Change in net return on investment securities

<i>MNOK</i>	Q2 2013	Change	Q2 2012
Net return on investment securities	62	-25	87
Dividend		11	
Investment income, associates		-22	
Securities gains/losses		-32	
- of which capital change in shares and certificates		6	
- of which capital change in certificates and bonds		-38	
Currency/interest gains/losses		17	
- of which currency customer- and own-account trading		1	
- of which IFRS-effects		16	

2.3 Operating expenses

MNOK	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Wages	225	219	236	208	205	425	404
Pension expenses	27	26	8	21	-9	52	17
Other personnel expenses	45	47	49	42	48	112	98
Total personnel expenses	297	292	292	271	244	589	519
IT expenses	63	59	59	61	49	121	107
Marketing expenses	29	19	23	16	21	46	42
Other administrative expenses	25	23	25	28	29	47	56
Write-offs	18	18	30	19	19	36	38
Expenses real property	13	12	10	11	10	25	24
Other operating expenses	72	66	65	60	68	143	132
Other expenses	220	198	212	195	196	418	399
Total operating expenses	517	490	504	466	440	1.007	918



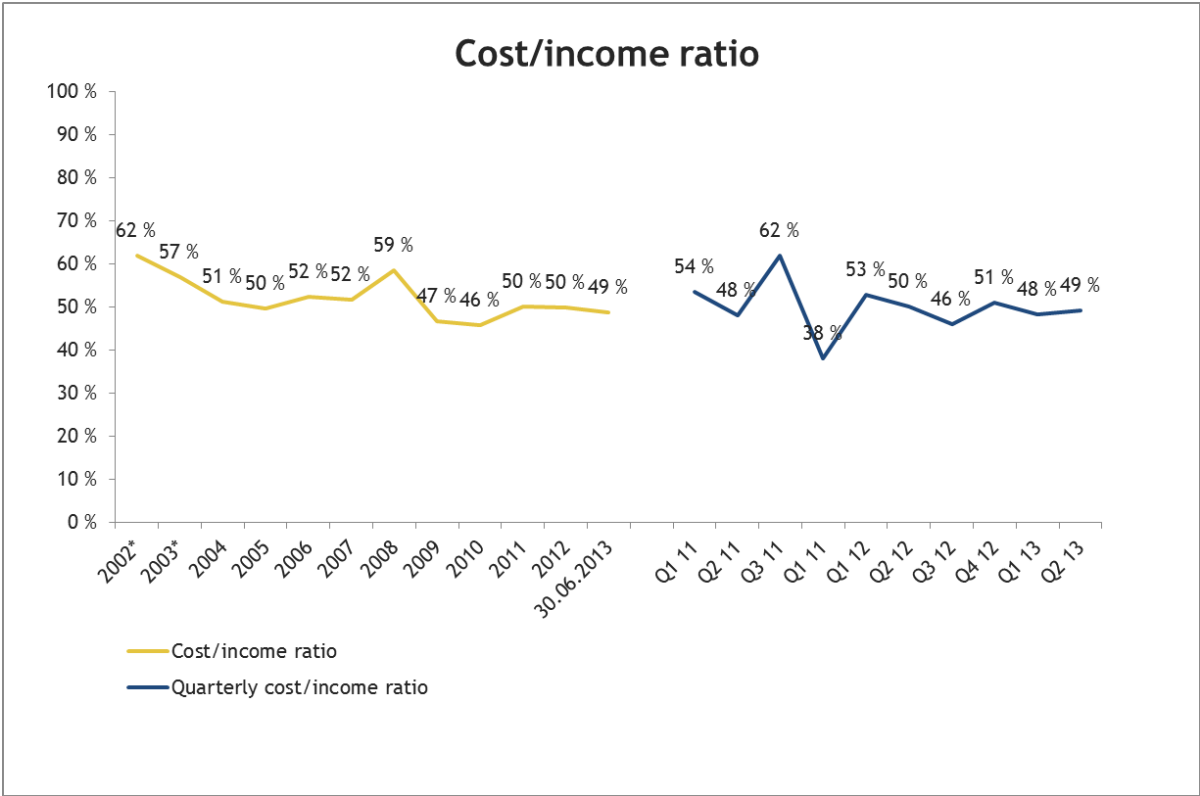
Change in operating expenses

<i>MNOK</i>	Q2 2013	Change	Q2 2012
Total	517	77	440
Personnel expenses		53	
IT expenses		14	
Marketing expenses		8	
Other administrative expenses		-4	
Write-offs		-1	
Expenses real property		3	
Other operating expenses		4	

Cost/income ratio

<i>MNOK</i>	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Operating expenses	517	490	504	466	440	1.007	918
Cost/income ratio	49,1 %	48,2 %	51,0 %	46,0 %	50,1 %	48,7 %	51,5 %
Growth in expenses last 12 months	17,5 %	2,5 %	53,2 %	0,9 %	11,1 %	9,7 %	9,0 %

Development in cost/income ratio

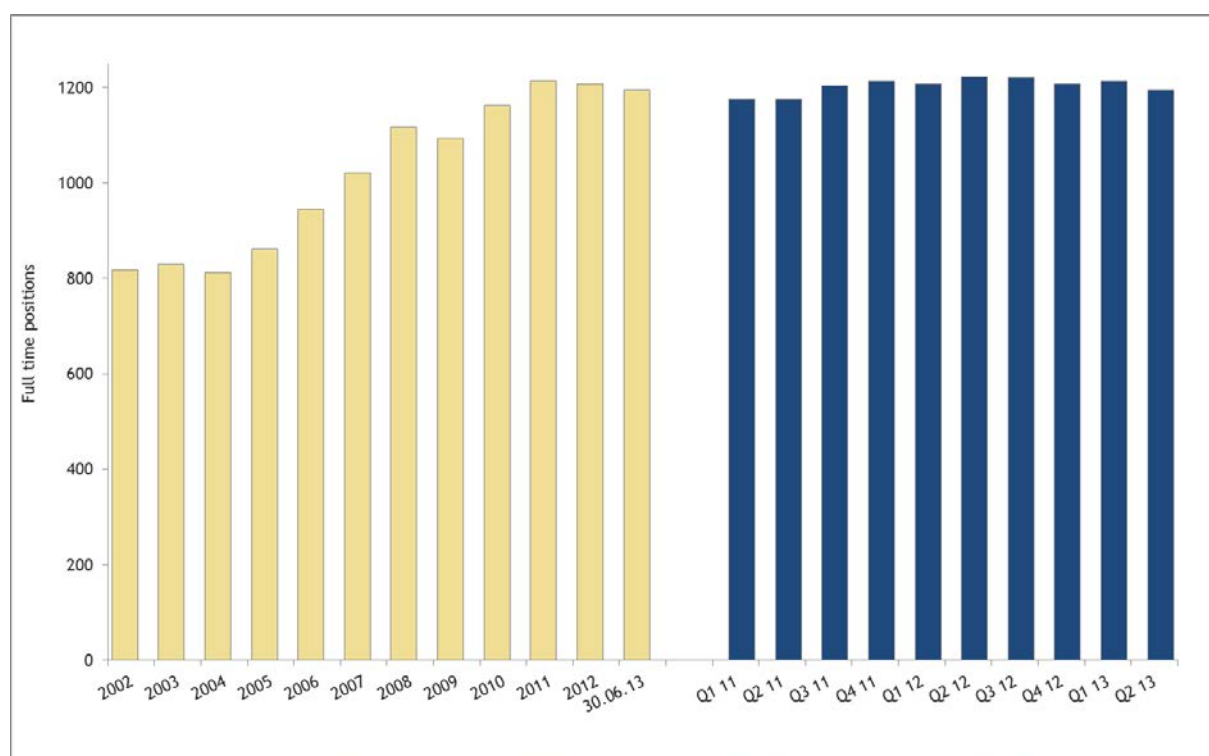


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

Number of full time positions (permanent employees, contracted staff not included)

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
<i>Full time positions</i>					
SpareBank 1 SR-Bank	933	947	945	961	964
EiendomsMegler 1 SR-Eiendom AS	221	224	218	217	213
SR-Forvaltning AS	12	12	13	13	12
SR-Finans AS	30	31	31	31	33
Total	1.196	1.214	1.207	1.221	1.222

Full time positions 2002 – Q2 2013 (*permanent employees, contracted staff not included*)



2.4 Losses on loans and loss provisions

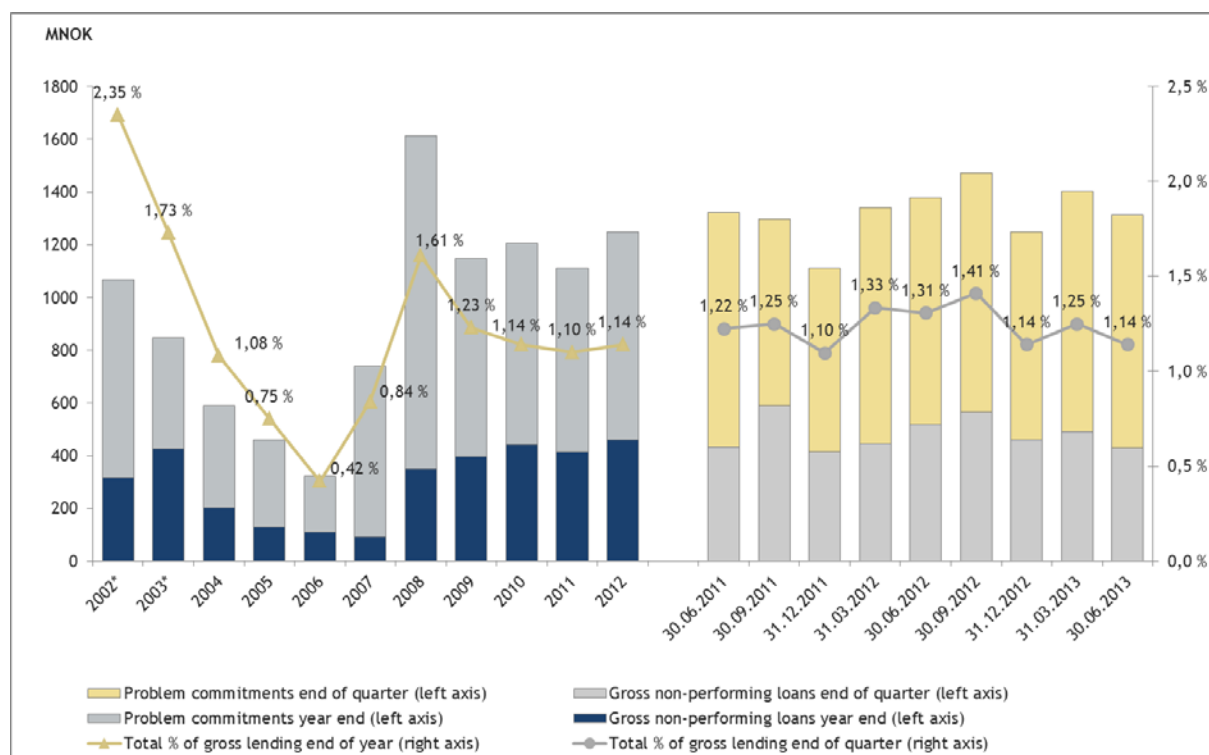
Losses on loans and guarantees

MNOK	30 June 2013	31 March 2013	31 Dec. 2012	30 Sept. 2012	30 June 2012
Change in individual individual impairment losses provisions for the period	-31	8	78	100	80
Change in collective impairment loss provisions for the period	0	0	-30	-30	-30
Amortised cost	3	1	5	5	4
Actual loan losses on commitments for which provisions have been made	53	14	105	31	11
Actual loan losses on commitments for which no provision has been made	30	4	24	11	9
Change in assets take-over for the period	13	1	9	0	0
Recoveries on commitments previously written-off	-18	-4	-54	-6	-6
The period's net losses/(reversals) on loans and advances	50	25	137	111	68

Provisions for impairment losses on loans and guarantees

MNOK	30 June 2013	31 March 2013	31 Dec. 2012	30 Sept. 2012	30 June 2012
Provisions for individual impairment losses at start of period	423	423	420	420	420
Increases in previous provisions for individual impairment losses	82	12	79	56	66
Reversal of provisions from previous periods	-103	-23	-89	-90	-87
New provisions for individual impairment losses	45	33	120	170	124
Amortised cost	-1	0	-2	-4	-3
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-54	-14	-105	-32	-20
Provisions for individual impairment losses at the end of period	392	431	423	520	500
Net losses	83	19	129	42	20

Non-performing loans and problem commitments

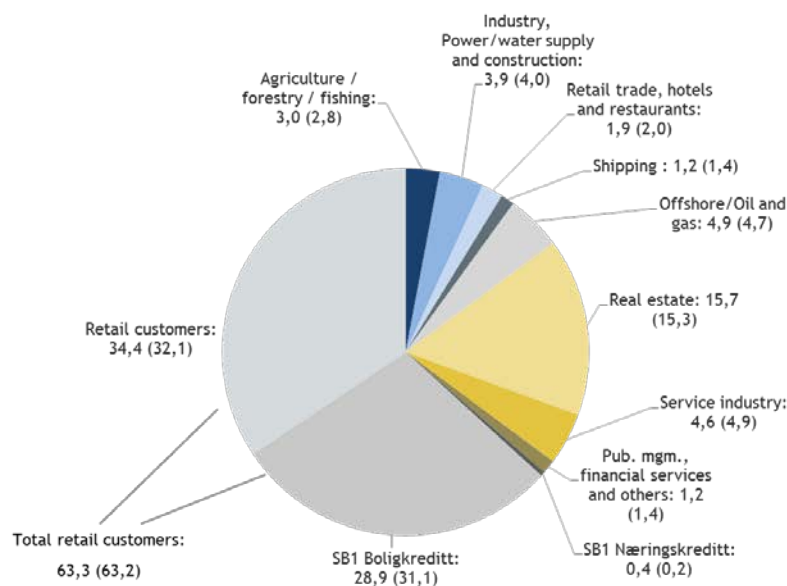


* In accordance with the Generally Accepted Accounting Principles in Norway – IFRS from 2004

2.5 Loans

MNOK	30 June 2013	31 March 2013	31 Dec. 2012	30 Sept. 2012	30 June 2012
Agriculture/forestry	4.265	4.104	4.141	3.994	3.909
Fishing/Fish farming	569	589	597	539	421
Mining/extraction	2.625	2.572	2.351	2.962	2.807
Industry	2.930	2.820	2.135	1.997	2.100
Power and water supply/building and construction	3.335	3.662	3.804	3.819	4.045
Retail trade, hotel and restaurant business	3.104	3.049	2.975	2.940	2.982
Foreign trade shipping, pipeline transport and other transport activities	7.135	6.995	6.451	6.216	6.531
Real estate business	25.424	24.442	24.306	24.033	23.356
Service industry	7.479	7.948	7.650	7.849	7.469
Public sector and financial services	1.970	1.767	1.949	2.277	2.163
Retail customers	55.790	53.715	52.569	47.453	49.107
Unallocated (excess value fixed interest loans and amort. lending fees)	203	280	292	69	179
Accrued interests corporate sector and retail customers	385	371	293	373	359
Gross loans	115.214	112.314	109.513	104.521	105.428
SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	47.500	48.131	48.688	51.441	47.901
Gross loans incl SpareBank 1 Boligkreditt and Næringskreditt	162.714	160.445	158.201	155.962	153.329

Loan portfolio as at 30.06.2013



All figures in %. Figures as at 30.06.2012 in brackets.

Lending before individual write-downs, nominal amounts, and excluding unallocated accrued interest.

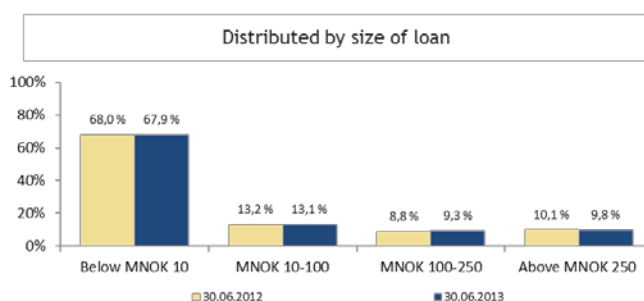
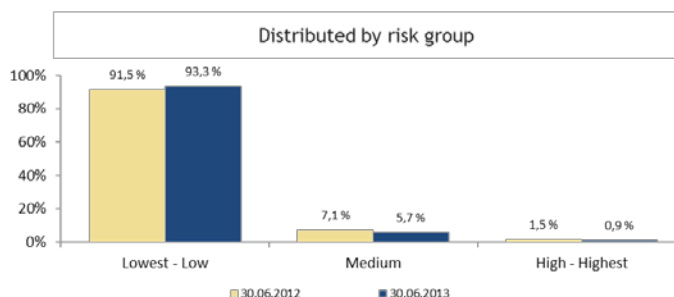
Sector allocation in accordance with the standard categories from Statistics Norway.

2.6 Risk profile

Risk profile of the loan portfolio

- 93.3 % 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 0.03 %.
- Exposure to high or the highest risk accounts for 0.9 % of the bank's loan exposure. Expected losses in this portion of the portfolio are 4.2 %.
- 67.9 % of the bank's loan exposure is to loans constituting less than NOK 10 million. This corresponds to 99 % of all customers.
- 19.0 % 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

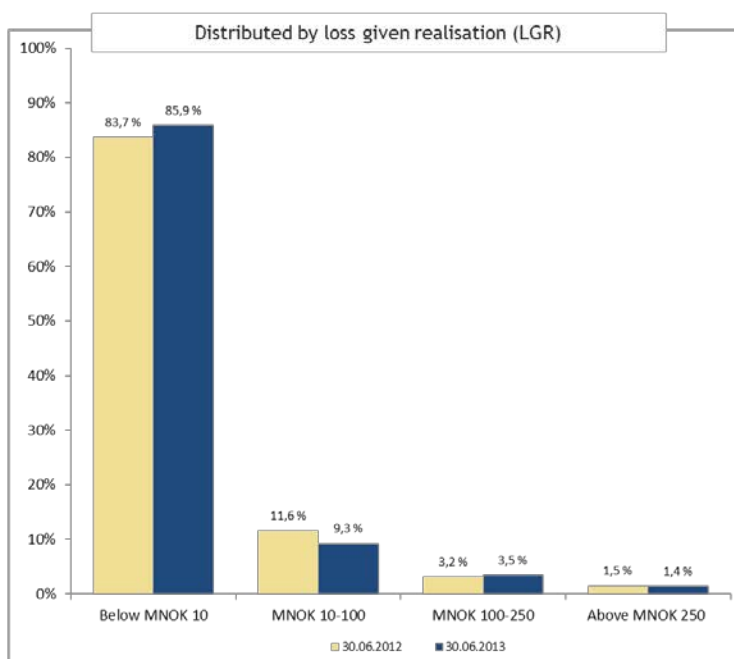


Low concentration of individual LGRs in the lending portfolio

- At the end of the second quarter of 2013, SpareBank 1 SR-Bank had a total of 27 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent less than 5 % of the loan exposure.
- This is a reduction compared with the previous quarter in which there were 24 such commitments, which accounted for 5 % of the loan exposure.
- There is a clearly defined strategy behind this portfolio composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

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

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



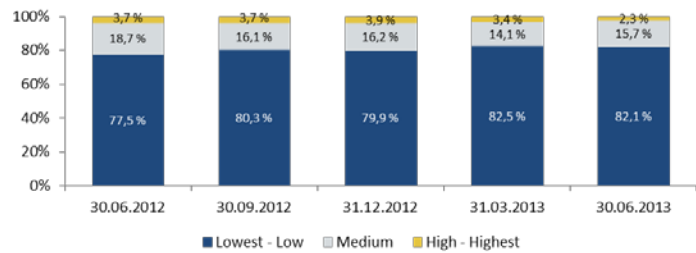
Lending to the corporate market - risk profile

- The quality of the corporate market portfolio is considered to be good.
- The risk profile has seen a relatively stable development over time. The proportion of loans with expected losses of less than 0.5 % at the end of the quarter represent 82.1 %.
- The proportion of loans with expected losses in excess of 2 % at the end of the quarter represent 2.3 %.

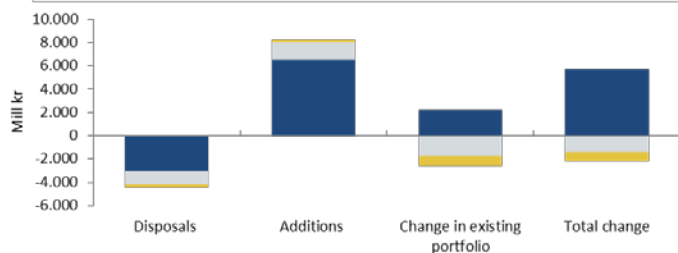
* SpareBank 1 SR-Bank implemented an improved version of the scoring model for the corporate market portfolio in the first quarter of 2013. The effect of this is limited, but it means that historic figures are not fully comparable.

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

Development in corporate market's portfolio distributed by risk group



Migration in corporate market's portfolio last 12 months



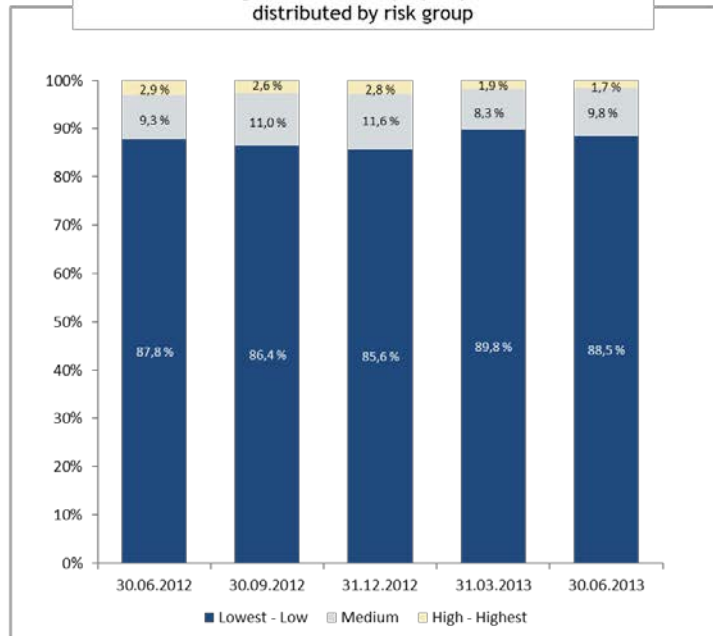
Risk profile - Lending in the corporate market

- The portfolio of commercial property for rent represents the Group's largest concentration in a single sector and accounts for around 10 % of the total exposure (EAD) including retail market customers.
- The portfolio of commercial property for rent is dominated by low risk commitments. 88.5 % of the exposure is classified as low risk, while 1.7 % is classified as high risk*.
- The portfolio is characterised by commercial properties with long-term lease contracts and financially solid tenants. The vacancy rate is low. Interest rates for a significant portion of the portfolio have been hedged.

* SpareBank 1 SR-Bank implemented an improved version of the scoring model for the corporate market portfolio in the first quarter of 2013. The effect of this is limited, but it means that historic figures are not fully comparable.

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

Lending to commercial property for rent distributed by risk group

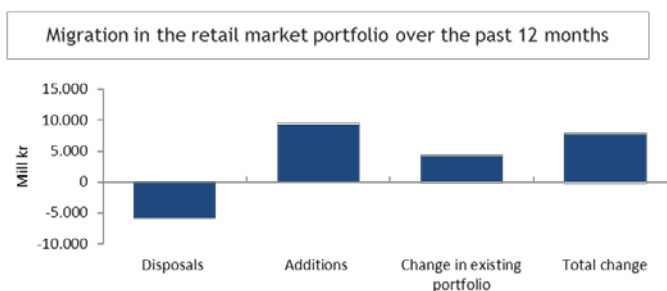
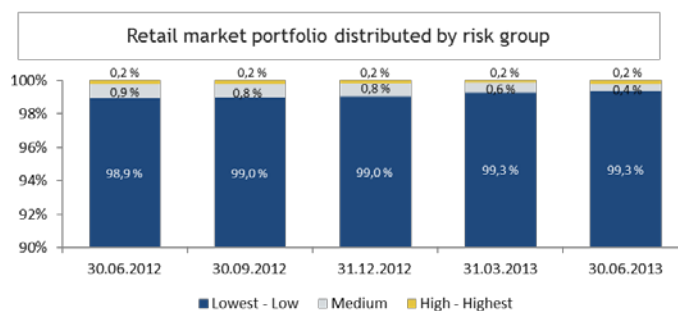


Lending to the retail market - risk profile

- The quality of the retail market portfolio is considered very good and with low potential losses.
- The development is characterised by stability, and 99.3 % 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.

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

Figures include the portfolio transferred to SpareBank 1 Boligkreditt AS.

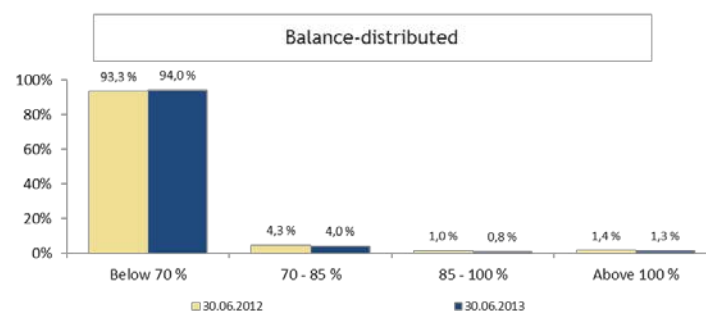
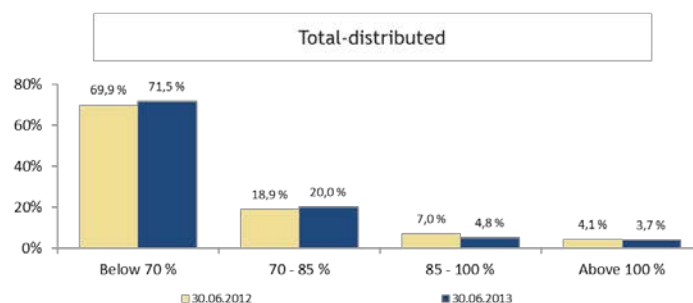


Loan to value ratio on home mortgage loans

- There is an increasing proportion of loans within a 70 % loan to value ratio during the last year and a diminishing proportion of loans that have a loan to value ratio exceeding 85 %.
- 97.9 % of the exposure is within 85 % of the collateral's value, and only around 2.1 % of the exposure exceeds 85 % of the collateral's value.

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

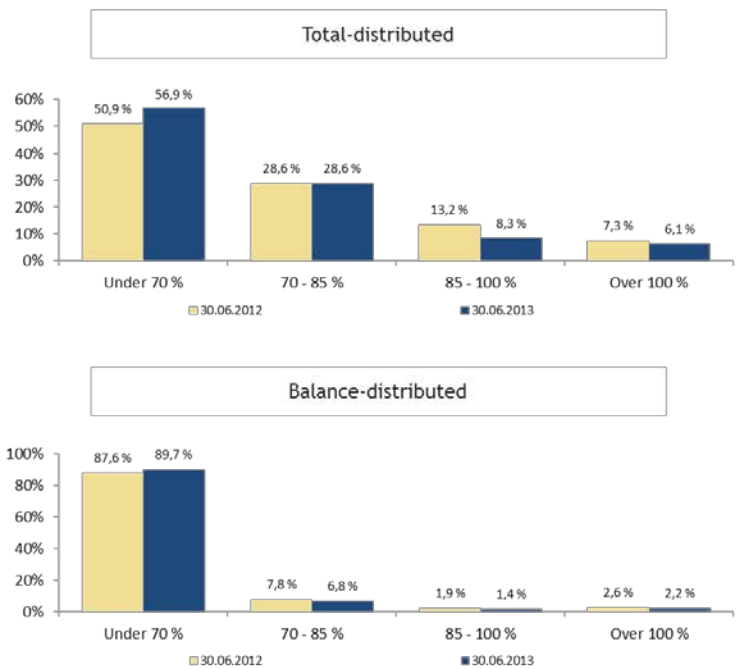
The figures include the loan portfolio in SB1 Boligkreditt.



Loan to value ratio on home mortgage loans (excl Boligkreditt)

- SpareBank 1 SR-Bank has in the last year introduced restrictions to reduce the risk associated with new mortgages. These include stricter mortgage deposit requirements and liquidity assessments when buying property, as well as more thorough risk assessments.
- There is an increasing proportion of loans within a 70 % loan to value ratio during the last year and a diminishing proportion of loans that have a loan to value ratio exceeding 85 %.
- 96 % of the exposure is within 85 % of the collateral's value, and about 3.6 % of the exposure exceeds 85 % of the collateral's value.

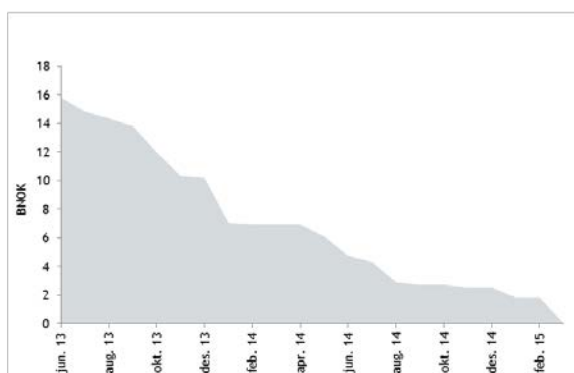
In a balance-distributed loan to value ratio, for loans that exceed 70 % of the collateral's estimated market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.



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 - survival period



- Liquidity buffer at the end of the quarter: NOK 15.8 billion
- Other liquid assets:
 - Home mortgages prepared for transfer to mortgage company: NOK 9.4 billion
 - Commercial paper and bonds in the trading portfolio: NOK 0.6 billion

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 Baligkredit.

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

Bond portfolio

Bond investments	Market value, MNOK	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	694	6 %	0
SSA/Foreign guaranteed	2.871	23 %	0
Covered bonds (Norwegian/foreign)	8.325	67 %	0
Norwegian bank/finance	188	2 %	0
Foreign bank/finance	118	1 %	117
Industry/Other	209	2 %	0
Total	12.405	100 %	117

2.8 Capital adequacy

Basel II was introduced in Norway from 1 January 2007. Figure 2.8 shows the methods currently used by SpareBank 1 SR-Bank for calculating capital requirements 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 Q1 2013 stood at 13.6 %.

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

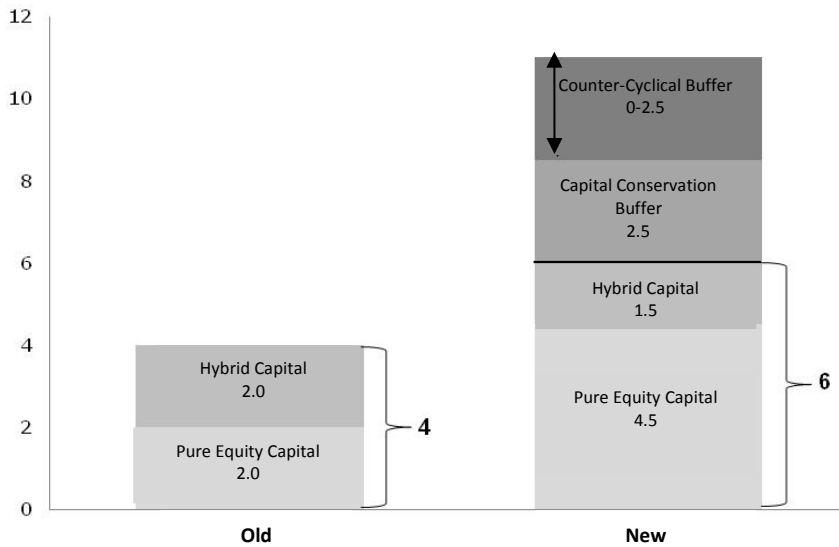
Figure 2.8.1: *Methods currently used for calculating capital adequacy*

Introduction to new banking regulations – Basel III

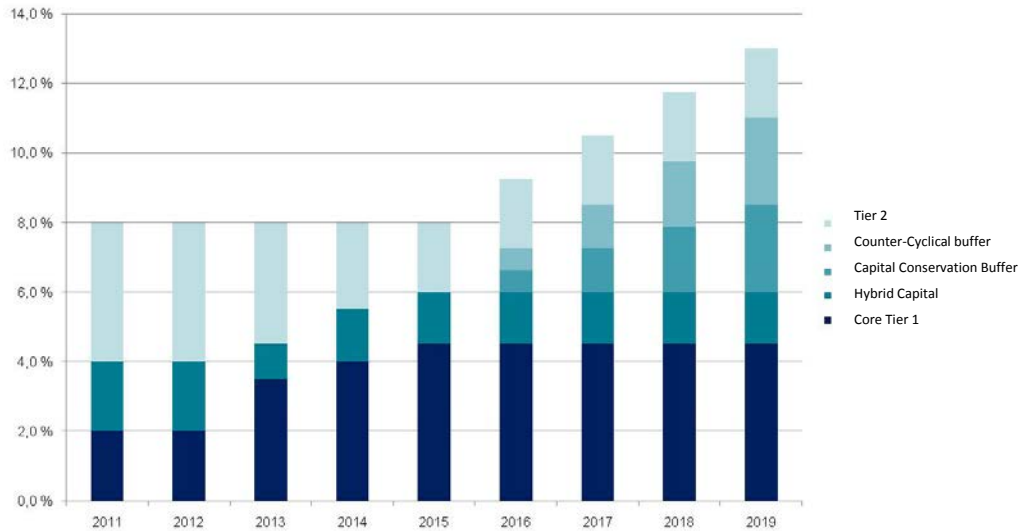
On 20 July 2011 the EU Commission presented its proposals for implementation of Basel III in the EU (CRD IV). These correspond to the Basel Committee's new minimum requirements for banks' capital adequacy (Basel III). CRD IV was approved by the EU Parliament on 16 April 2013 and allows EU member states some flexibility, such as the right to require their domestic banks to set aside more capital than is required by the legislation, e.g. to cushion them against property price crashes. CRD IV will have effect also in Norway through the EEA-agreement.

The new minimum requirements will be gradually phased in from 1 January 2014 with various transitional arrangements until full effect from 1 January 2019.

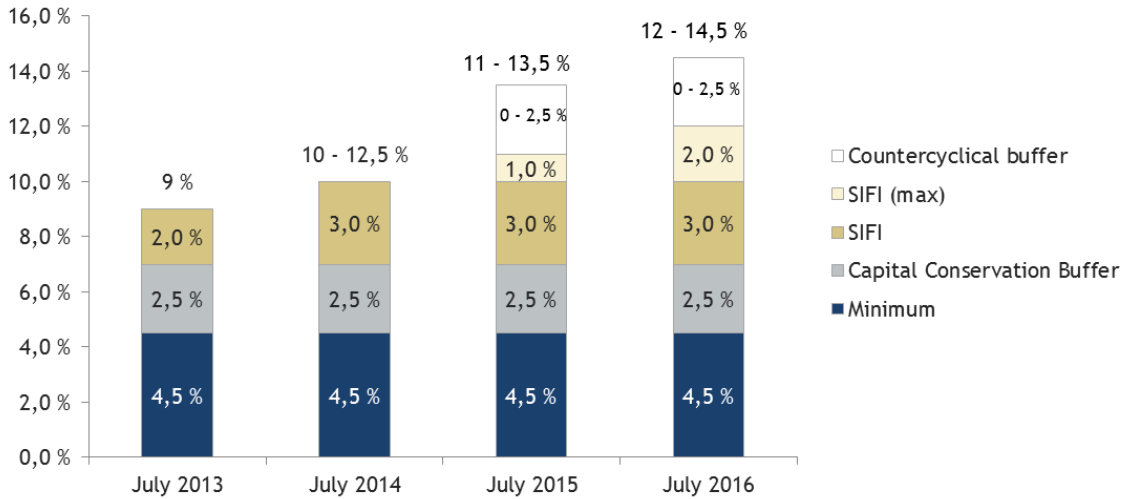
The following figure illustrates the changes in the requirements for core capital in Basel III/CRD IV. For more details on Basel III/CRD IV, please see our website where the report "Risk and Capital Management" is published.



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

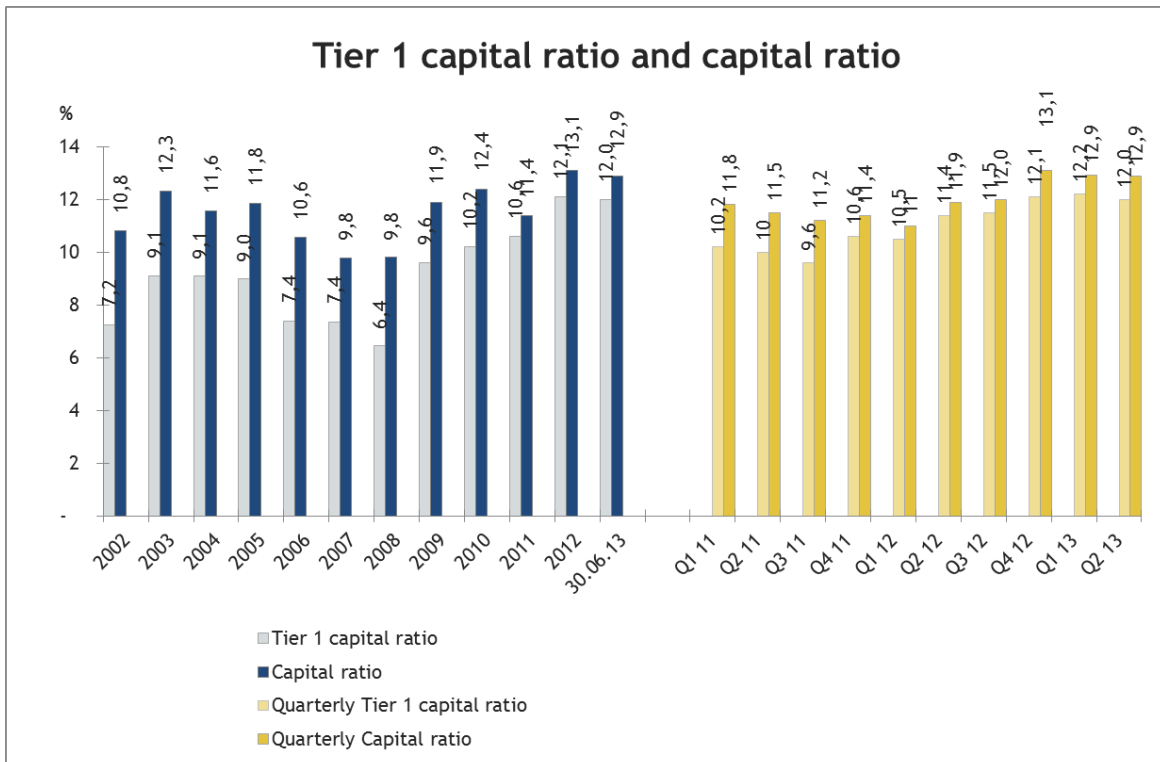


Bank regulation is largely harmonised across the EEA, and the process will continue further once the new capital and liquidity requirements are adopted by the EU. Based on the agreement reached in the EU on the new capital adequacy framework (CRD IV) the Ministry of Finance has proposed new statutory rules on capital requirements for Norwegian banks with a view to enter into force on 1 July 2013 and a gradual step-up in the period to 2016. As mentioned above, there will be scope for national adjustments to accommodate specific national characteristics and economic conditions. This applies in regard to requirements on systemic risk buffers, which can be set for groups of institutions; to capital requirements for systemically important banks; to increases of the risk weights used in banks' models; and to supervisory authorities' determination of capital requirements through pillar 2. In Norway the FSAN has stated that this flexibility will be utilized to foster well capitalised, liquid Norwegian banks.



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 is expected to 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 Basel Committee will also introduce quantitative liquidity requirements and aims to introduce the short-term liquidity indicator, Liquidity Coverage Ratio (“LCR”) and the long-term Net Stable Funding Ratio (“NSFR”). Uncertainty still prevails regarding the final content of the new liquidity requirements. Several important changes regarding the short-term liquidity requirement, LCR, were announced in January 2013. The European Banking Authority, EBA, will use the observation period in 2013 to assess the effects of the new rules for European banks. Based on the EBA’s report, the EU Commission will present a final proposal regarding LCR to the EU. Over the next couple of years, these bodies will also continue to work on the long-term liquidity requirement, NSFR.



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 1 SR-Bank ASA on 9 May 2012. The proceeds amounted to NOK 1.52 billion, and were registered in the Register of Business Enterprises on 18 June 2012. The new share capital in SpareBank 1 SR-Bank is 6,393,777,050 divided between 255,751,082, each with a nominal value of NOK 25.

Since the introduction of IFRS in 2005 and pursuant to IAS 19, SpareBank 1 SR-Bank has recognised pension liabilities in accordance with an on-going fair value assessment and has recognised estimate deviation directly in equity. The discount rate for pension liabilities has been discussed for a long time and the Norwegian Accounting Standards Board amended 30 November 2012 its guidance. Based on the growth of the market for covered bonds (OMF) and the development of market conditions for government bonds it is now permitted to use the OMF-rate as the discount rate.

MNOK	30 June 2013	31 March 2013	31 Dec. 2012	30 Sept. 2012	31 June 2012
Share capital	6.394	6.394	6.394	6.394	6.394
- Own shares	-5	-15	-9	-9	-9
Premium reserve	1.592	1.587	1.587	1.588	1.587
Allocated to dividend	0	384	384	0	0
Reserve for unrealised gains	72	72	72	43	43
Other equity	4.175	4.176	4.209	2.889	2.797
Total book equity	12.228	12.598	12.637	10.905	10.812
Deferred taxes, goodwill and other intangible assets	-55	-55	-56	-65	-65
Fund for unrealised gains, available for sale	-1	-1	-1	-2	-2
Deduction for allocated dividends	0	-384	-384	0	0
50% deduction for subordinated capital in other financial institutions	-49	-23	-17	-17	-18
50% deduction for expected losses on IRB, net of write-downs	-272	-317	-319	-260	-237
50% capital adequacy reserve	-503	-737	-727	-700	-685
Year-to-date profit included in core capital (50%)	388	197	0	508	309
Additional Tier 1 capital	1.955	2.395	2.374	2.377	2.400
Total core capital	13.691	13.673	13.507	12.746	12.514
<i>Supplementary capital in excess of core capital</i>					
Non-perpetual additional capital	1.854	1.856	2.124	1.504	1.467
50% deduction for investment in capital instruments in other financial institutions	-49	-23	-17	-17	-18
50% deduction for expected losses on IRB, net of write-downs	-272	-317	-319	-260	-237
50 % capital adequacy reserve	-503	-737	-727	-700	-685
Total supplementary capital	1.030	779	1.061	527	527
Net subordinated capital	14.721	14.452	14.568	13.273	13.041

Table 2.8.1: *Capital overview*

Basis for calculation Basel I

Minimum requirements subordinated capital, Basel II

<i>MNOK</i>	30 June 2013	31 March 2013	31 Dec. 2012	30 Sept. 2012	30 June 2012
Specialised lending exposure	2.365	2.275	2.328	2.234	2.202
Other corporations exposure	2.236	2.354	2.346	2.328	2.286
SME exposure	49	40	39	39	38
Retail mortgage exposure (properties)	861	838	796	793	836
Other retail exposure	58	47	58	61	70
Equity investments	0	0	0	0	0
Total credit risk IRB	5.569	5.554	5.567	5.455	5.432
Debt risk	179	176	149	193	172
Equity risk	53	45	44	32	47
Participations calculated after other market risk	278	285	277	276	270
Operational risk	457	457	447	447	447
Transitional arrangements	982	907	908	944	894
Exposures calculated using the standardised approach	1.705	1.653	1.624	1.624	1.647
Deductions	-88	-121	-119	-115	-112
Minimum requirements subordinated capital	9.135	8.956	8.897	8.856	8.797
Capital ratio	12,89 %	12,91 %	13,10 %	11,99 %	11,86 %
Tier 1 capital ratio	11,99 %	12,21 %	12,15 %	11,51 %	11,38 %
Tier 2 capital ratio	0,90 %	0,70 %	0,95 %	0,48 %	0,48 %
Core equity Tier 1 capital ratio, transitional rules	10,28 %	10,07 %	10,01 %	9,37 %	9,20 %
Tier 1 capital ratio, IRB	13,43 %	13,59 %	13,53 %	12,89 %	12,67 %
Core equity Tier 1 capital ratio, IRB	11,52 %	11,21 %	11,15 %	10,48 %	10,24 %

Table 2.8.2: *Capital requirements*

3. Business areas

3.1 Business segments - Financial performance

MNOK	SpareBank 1 SR-Bank Group													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q2 13	Q2 12	Q2 13	Q2 12	Q2 13	Q2 12	Q2 13	Q2 12	Q2 13	Q2 12	Q2 13	Q2 12	Q2 13	Q2 12
Net interest income	222	221	226	218	15	14	1	2	54	44	8	-86	526	413
Net commission and other income	250	180	66	59	5	23	127	124	-4	-3	21	-4	465	379
Net return on investment securities	4	3	3	6	29	34	0	0	0	0	26	44	62	87
Operating expenses	120	120	47	43	16	14	106	67	13	12	215	184	517	440
Operating profit before losses	356	284	248	240	33	57	23	59	37	29	-161	-230	536	439
Change in individual write-downs in the period	2	9	16	23	0	0	0	0	-8	3	15	-1	25	34
Change in group write-downs in the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit before tax	354	275	232	217	33	57	23	59	45	26	-176	-229	511	405
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	58.205	51.165	48.386	46.882	0	0	0	0	6.262	5.805	2.361	1.576	115.214	105.428
Deposits from customers	42.561	39.894	26.824	26.512	0	0	0	0	0	0	3.896	4.879	73.281	71.285

MNOK	SpareBank 1 SR-Bank Group pr 30.06													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net interest income	415	434	415	425	27	28	3	3	106	85	11	-161	977	814
Net commission and other income	470	315	131	102	18	37	224	223	-7	-5	33	9	869	681
Net return on investment securities	6	5	5	11	60	78	0	0	0	0	152	195	223	289
Operating expenses	272	267	112	99	34	33	196	154	26	24	367	341	1.007	918
Operating profit before losses	620	487	439	440	71	110	31	72	72	56	-171	-299	1.062	866
Change in individual write-downs in the period	1	9	45	85	0	0	0	0	-10	4	14	0	50	98
Change in group write-downs in the period	0	0	0	-30	0	0	0	0	0	0	0	0	0	-30
Operating profit before tax	619	478	394	385	71	110	31	72	82	52	-185	-299	1.012	798
Gross loans to customers excl. SpareBank1 Boligkreditt and SpareBank1 Næringskreditt	58.205	51.165	48.386	46.882	0	0	0	0	6.262	5.805	2.361	1.576	115.214	105.428
Deposits from customers	42.561	39.894	26.824	26.512	0	0	0	0	0	0	3.896	4.879	73.281	71.285

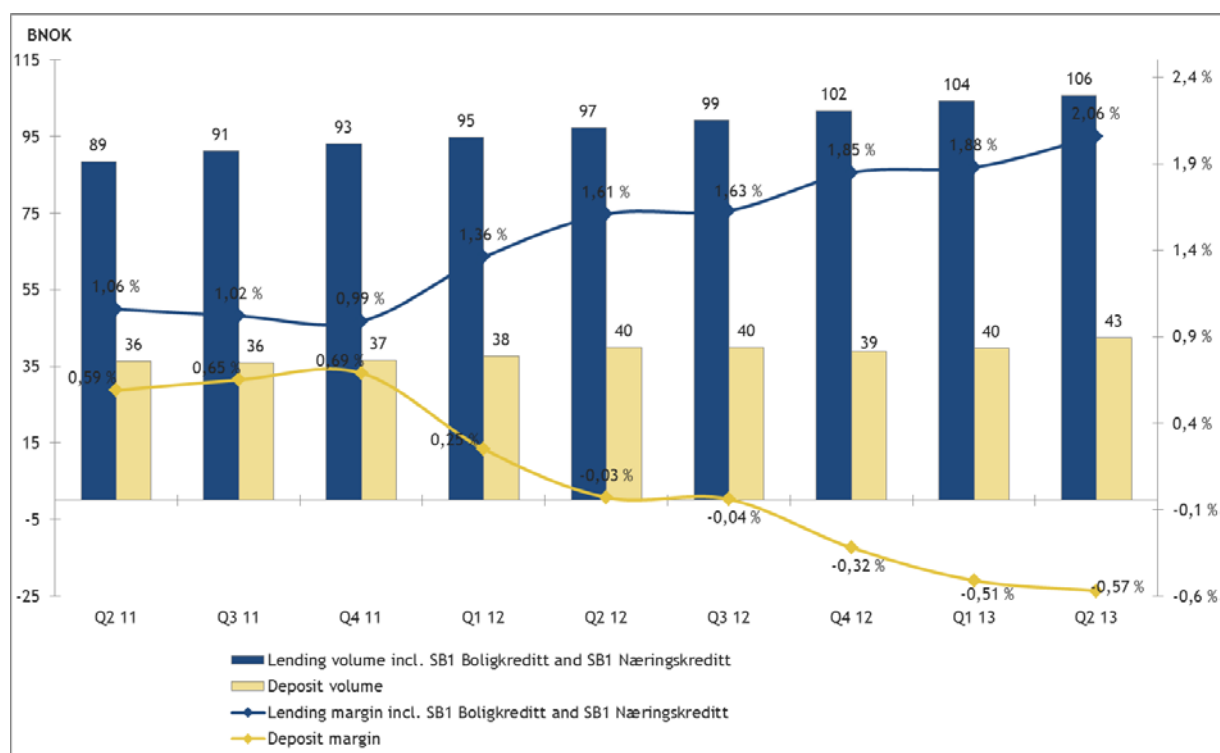
* Includes SR-Forvaltning and SR-Investering

3.2 Retail Market³

Financial performance in the retail market segment

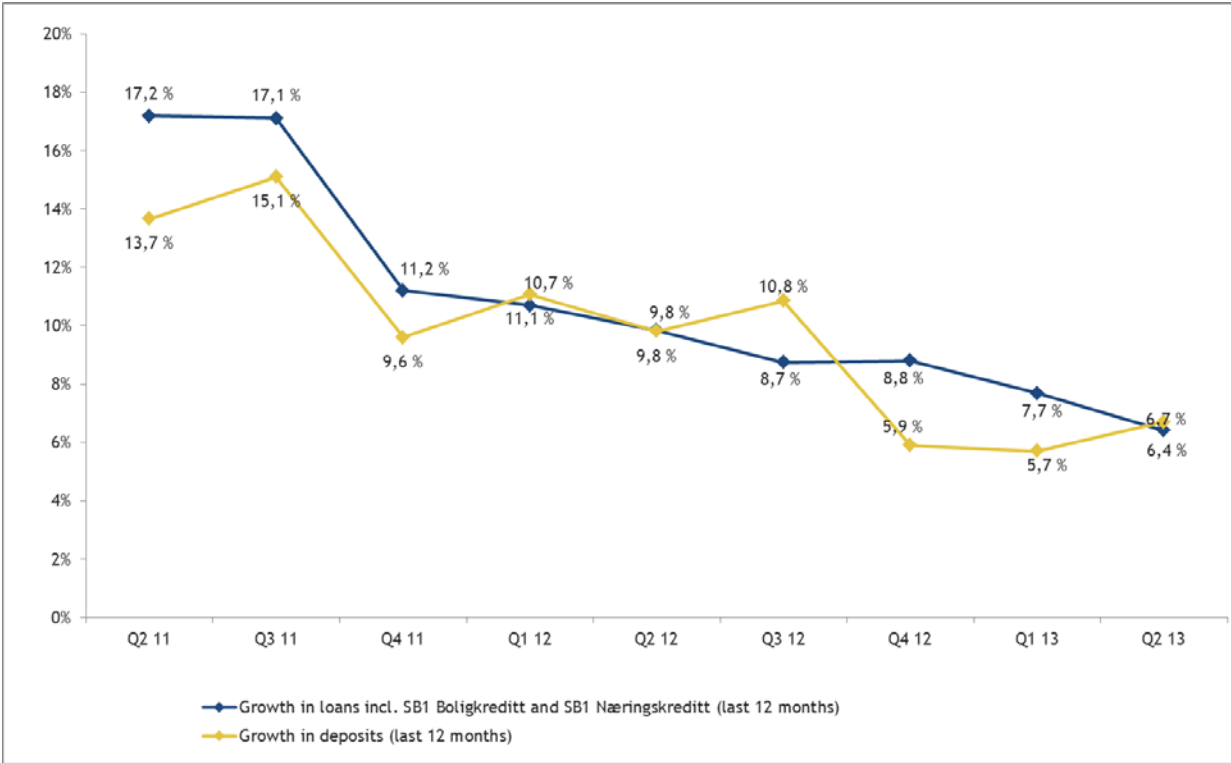
MNOK	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Net interest income	222	193	230	233	221	415	434
Net other income	254	223	222	194	183	476	320
Total income	476	416	452	427	404	891	754
Total operating expenses	120	152	168	153	120	272	267
Operating profit before losses	356	264	284	275	284	620	487
Change in individual write-downs in the period	2	-2	-2	-1	9	1	9
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	354	265	286	276	275	619	478

Development in average volume and interest margin



³ Interest on intercompany receivables for the retail market division and the corporate market division is determined based on expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long term financing (credit premium). Deviations between the group's actual financing costs and the applied interest on intercompany receivables are eliminated at the group level. In the year to date, the group's real financing cost has been higher than the interest on intercompany receivables, principally due to the falling NIBOR.

Growth in loans and deposits

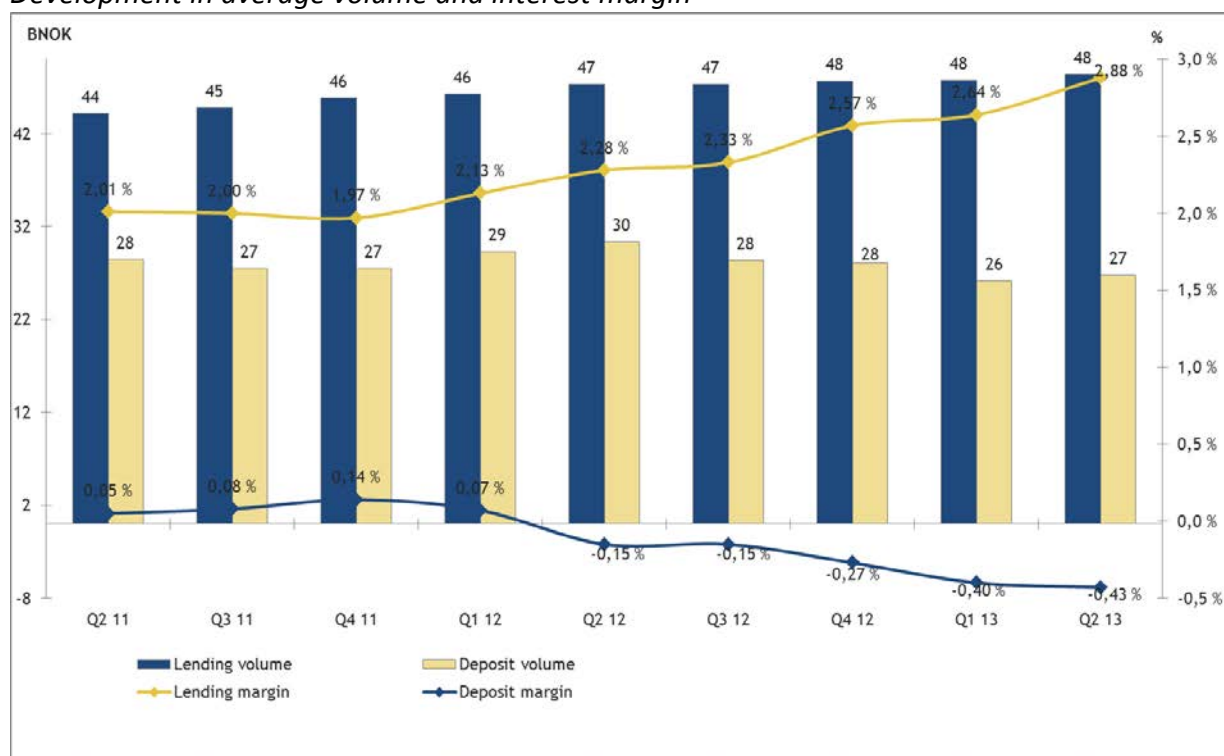


3.3 Corporate Market

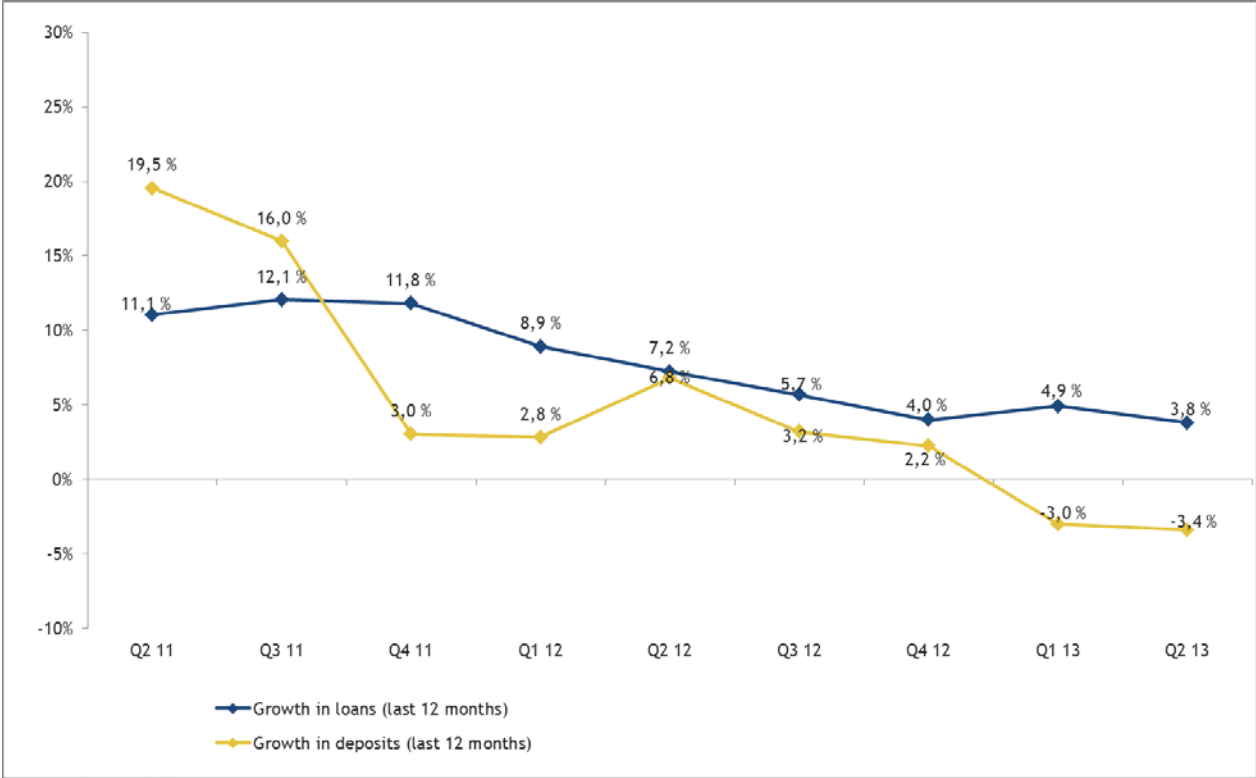
Financial performance in the corporate market segment

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
MNOK							
Net interest income	226	189	228	213	218	415	425
Net other income	69	66	75	63	64	136	113
Total income	295	255	303	275	283	551	538
Total operating expenses	47	65	66	56	43	112	99
Operating profit before losses	248	190	237	219	240	439	440
Change in individual write-downs in the period	16	28	28	39	22	45	85
Change in group write-downs in the period	0	0	0	0	0	0	-30
Operating profit before tax	232	162	209	180	218	394	385

Development in average volume and interest margin



Growth in loans and deposits



3.4 Capital Market

The securities activities are organised under the SR-Markets brand and include own account and customer trading in interest rate instruments, foreign exchange and equities, and corporate finance services, as well as settlement and administrative securities services. Management is organised in a separate subsidiary, SR-Forvaltning AS.

Financial performance in the capital market segment

<i>MNOK</i>	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
Net interest income	15	12	16	14	13	27	28
Net other operating income	34	44	46	49	57	78	114
Total income	49	56	62	63	71	105	143
Total operating expenses	16	18	21	19	14	34	33
Operating profit before losses	33	38	41	44	56	71	110
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	33	38	41	44	56	71	110

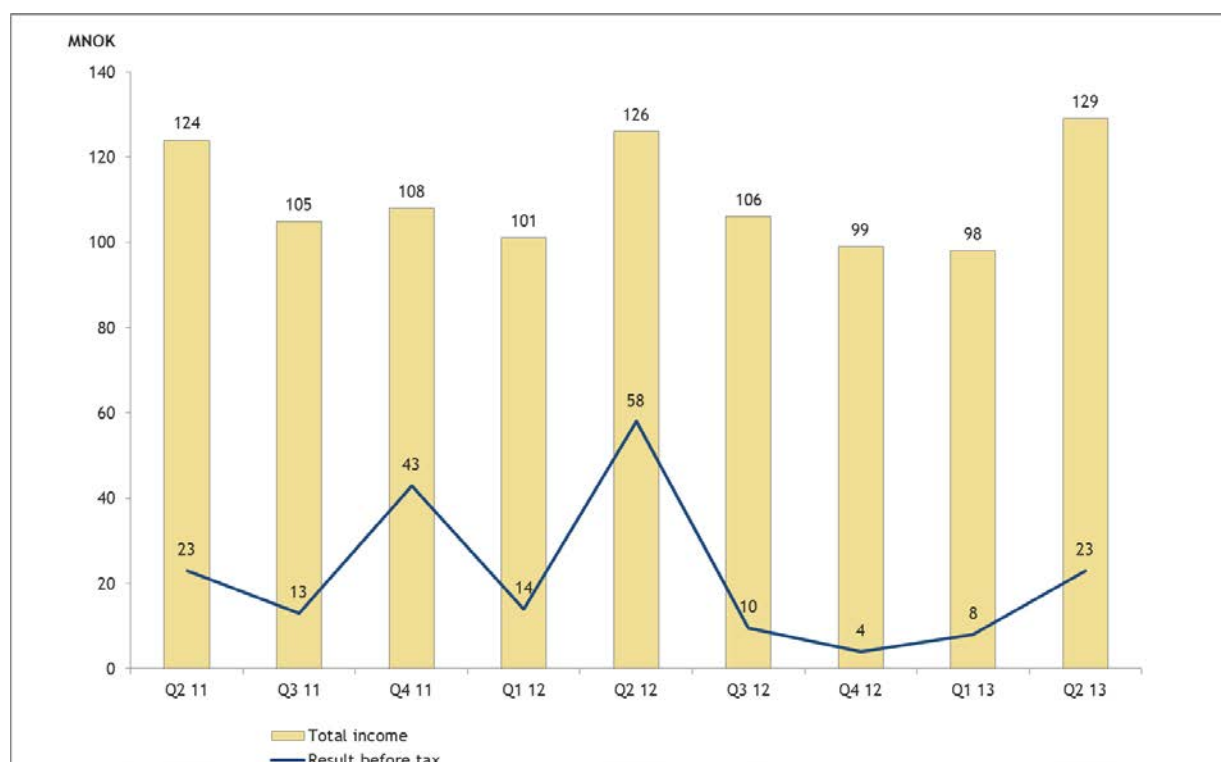
3.5 Subsidiaries

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 2012, the company sold 7 449 properties from its 30 real estate offices in Rogaland, Agder and Hordaland. The activities cover commercial real estate, holiday homes, housing rental and new-builds and used homes. Thus far in 2013 3 863 properties have been sold, up from 3 795 last year.

Financial performance

	Q2	Q1	Q4	Q3	Q2	30.06	30.06
<i>MNOK</i>	2013	2013	2012	2012	2012	2013	2012
Interest income	1	2	1	2	2	3	3
Other income	128	96	98	104	124	224	223
Total income	129	98	99	106	126	227	227
Total operating expenses	106	90	95	96	68	196	154
Operating profit before losses	23	8	4	10	58	31	72
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	23	8	4	10	58	31	72

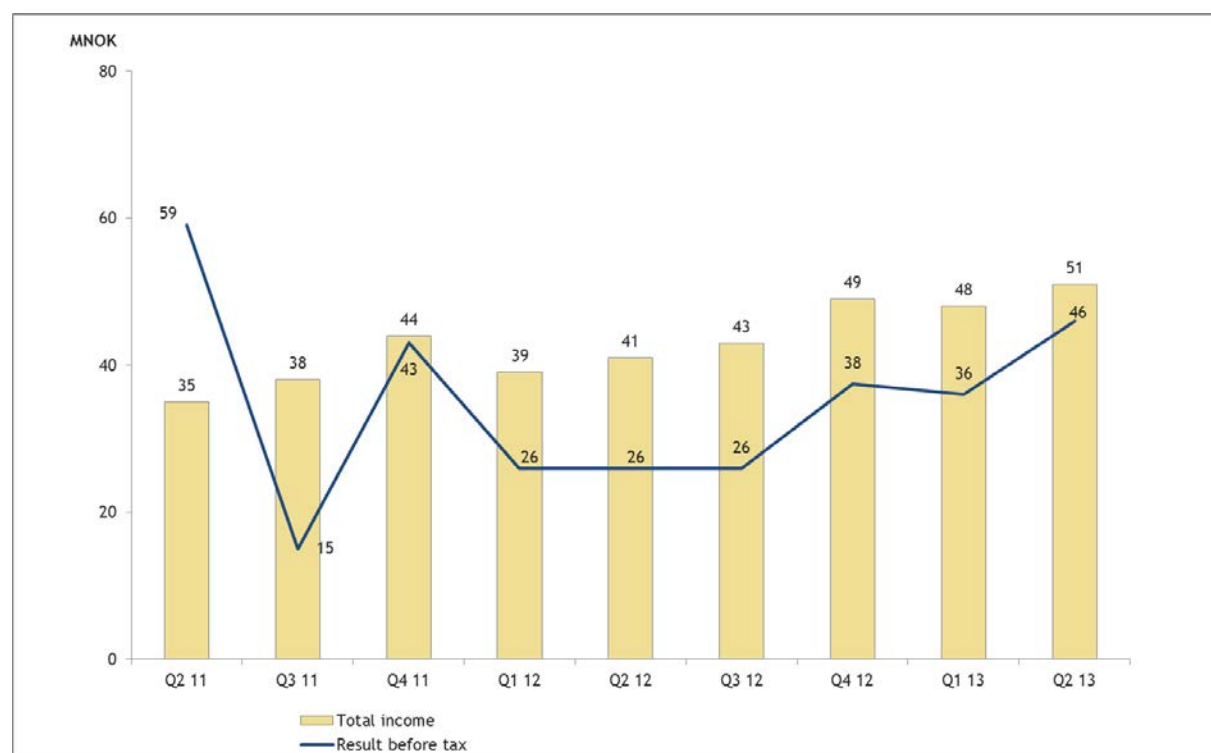


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 6.2 billion in total assets. The company's principal activities are lease financing for corporate customers and secured car loans for retail customers.

Financial performance

MNOK	Q2	Q1	Q4	Q3	Q2	30.06	30.06
	2013	2013	2012	2012	2012	2013	2012
Interest income	55	51	51	46	44	106	85
Other income	-4	-3	-2	-4	-3	-7	-5
Total income	51	48	49	43	41	99	80
Total operating expenses	13	13	12	11	12	26	24
Operating profit before losses	37	35	37	31	29	72	56
Change in individual write-downs in the period	-8	-1	-1	5	3	-10	4
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	46	36	38	26	26	82	52

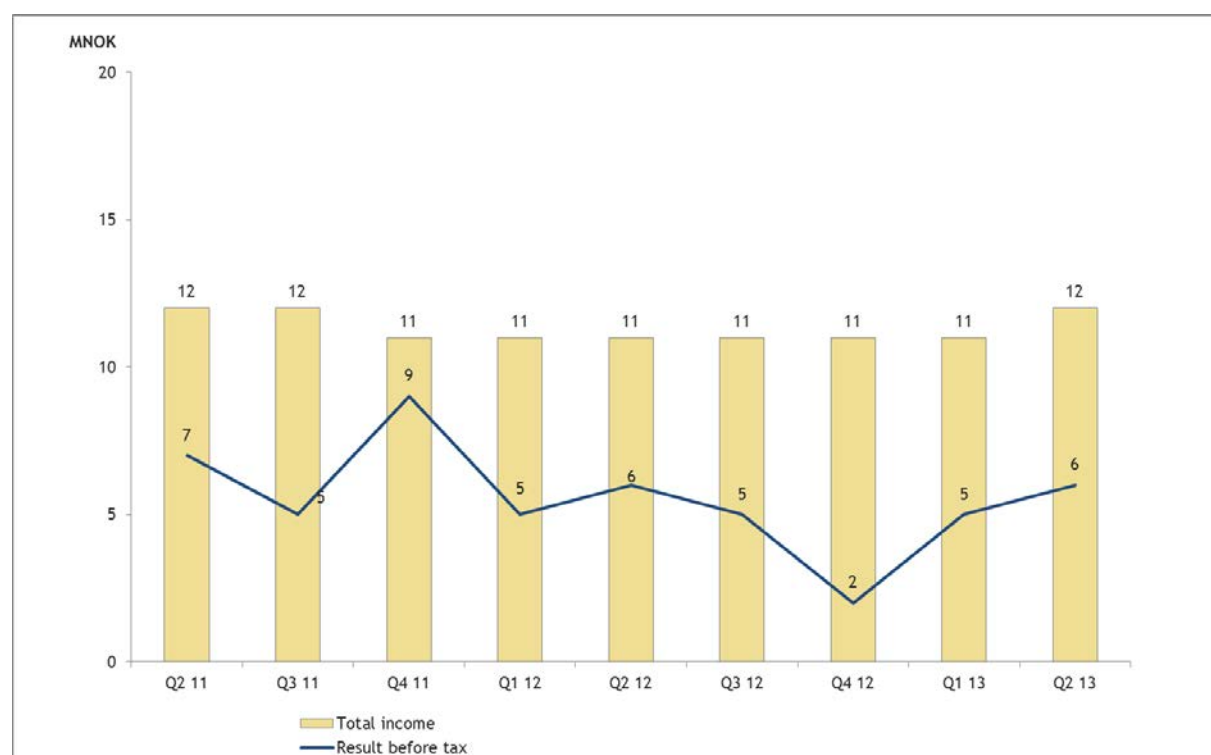


SR-Forvaltning AS

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 2,500 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 6.3 billion as at 30.06.2013. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	30.06 2013	30.06 2012
<i>MNOK</i>							
Interest income	0	0	0	0	0	0	1
Other income	12	11	11	11	10	23	21
Total income	12	11	11	11	11	23	22
Total operating expenses	6	6	9	6	4	12	10
Operating profit before losses	6	5	2	5	6	11	11
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	6	5	2	5	6	11	11

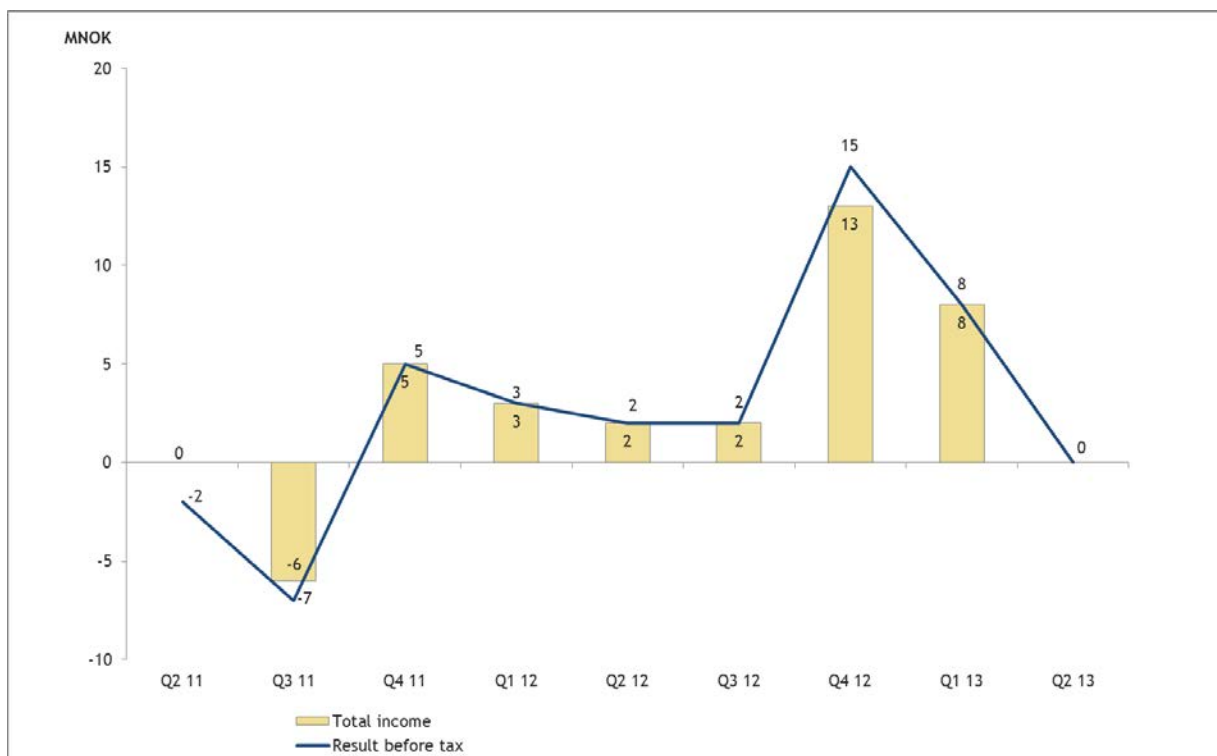


SR-Investering AS

The company's objective is to contribute to long-term value creation, through investment in business in the group's market segment. The company invests primarily in private equity funds and small and medium-sized companies that need 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	2013	2013	2012	2012	2012	2013	2012
Interest income	0	0	0	0	0	0	1
Other income	0	8	13	2	1	8	4
Total income	0	8	13	2	2	8	5
Total operating expenses	0	0	-2	0	0	0	1
Operating profit before losses	0	8	15	2	2	8	4
Change in individual write-downs in the period	0	0	0	0	0	0	0
Change in group write-downs in the period	0	0	0	0	0	0	0
Operating profit before tax	0	8	15	2	2	8	4

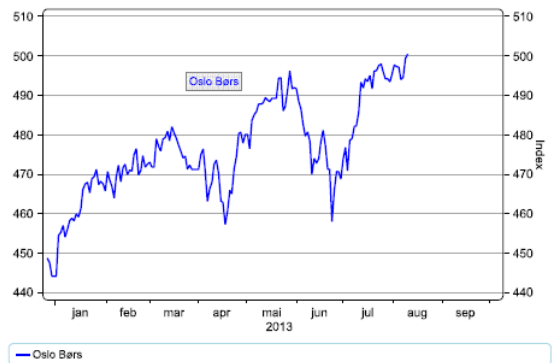


4. Norwegian Economic Outlook

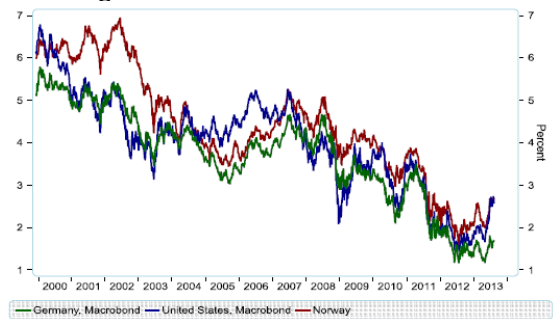
OSEBX - since 1999



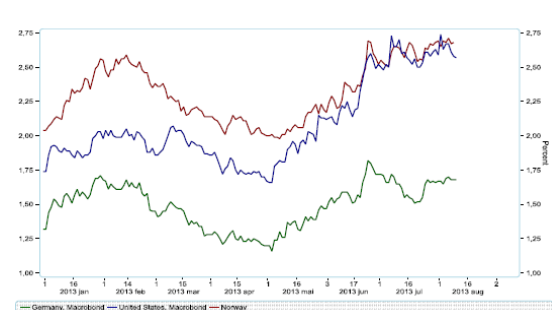
OSEBX – in 2013



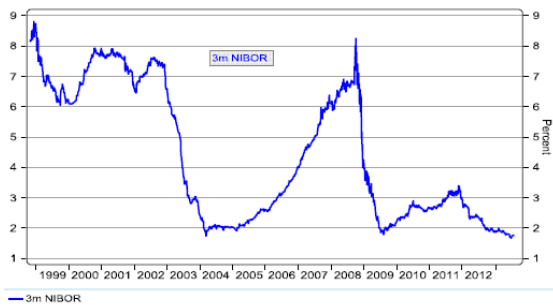
10Y government bonds – since 1999



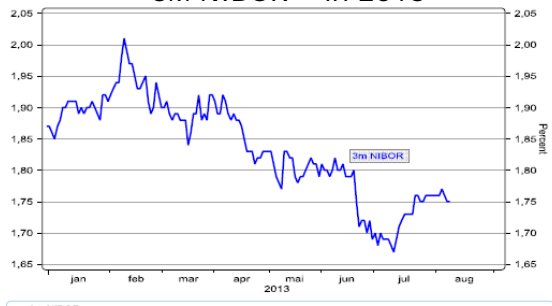
10Y government bonds – in 2013



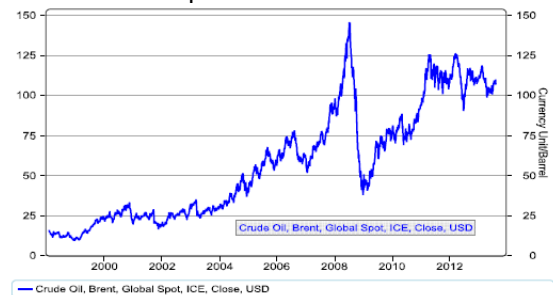
3M NIBOR – since 1999



3M NIBOR – in 2013



Oil price – since 1999



Oil price – in 2013



Source: SpareBank 1

