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Information on the Internet

SpareBank 1 SR-Bank's homepage	www.sr-bank.no
Information of Equity Certificate in general:	www.egenkapitalbevis.no

Financial Calendar 2010/2011

Preliminary results 2009	4. February
First quarter	29. April
Second quarter	11. August
Third quarter	28. October
Fourth quarter	3. February

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1. SpareBank 1 SR-Bank

1.1 Financial highlights

1st half 2010

- Group profit before tax: NOK 814 million (NOK 492 million)
- Group profit after tax: NOK 636 million (NOK 382 million)
- Return on equity after tax: 15.6 % (12.6 %)
- Losses on loans and guarantees: NOK 120 million (NOK 209 million)
- Net interest income: NOK 864 million (NOK 756 million)
- Net commission and other income: NOK 554 million (NOK 451 million)
- Net return on investment securities: NOK 251 million (NOK 259 million)
- The core capital ratio: 9.1 % (7.0 %)

2nd quarter 2010

- Group profit before tax: NOK 419 million (NOK 378 million)
- Group profit after tax: NOK 338 million (NOK 301 million)
- Return on equity after tax: 16.5 % (19.9 %)
- Losses on loans and guarantees: NOK 51 million (NOK 77 million)
- Net interest income: NOK 427 million (NOK 407 million)
- Net commission and other income: NOK 294 million (NOK 243 million)
- Net return on investment securities: NOK 172 million (NOK 201 million)

(Comparable figures for 2009 in parentheses)

Income statement

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2010
Net interest income	427	437	455	465	407	864	756	1.676
Net commission and other income	294	260	285	262	243	554	451	998
Net return on investment securities	172	79	209	237	201	251	259	705
Total income	893	776	949	964	851	1.669	1.466	3.379
Total operating expenses	423	312	438	376	396	735	765	1.579
Operating profit before losses	470	464	511	588	455	934	701	1.800
Losses on loans and guarantees	51	69	74	85	77	120	209	368
Operating profit before tax and minority interests	419	395	437	503	378	814	492	1.432
Tax expense	81	97	107	104	77	178	110	321
Profit after tax from continuing operations	338	298	330	399	301	636	382	1.111
Attributable to majority interests	338	298	330	399	301	636	380	1.109
Attributable to minority interests	0	0	0	0	0	0	2	2

Key figures

	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2010
Return on equity ¹⁾	16,5 %	14,8 %	18,2 %	25,2 %	19,9 %	15,6 %	12,6 %	17,5 %
Cost ratio ²⁾	47,4 %	40,2 %	46,2 %	39,0 %	46,5 %	44,0 %	52,2 %	46,7 %
Deposit-to-loan ratio	58,0 %	55,3 %	58,1 %	57,9 %	55,9 %	58,0 %	55,9 %	58,1 %
Growth in loans	-0,7 %	-1,6 %	-6,6 %	-3,3 %	6,0 %	-0,7 %	6,0 %	-6,6 %
Growth in loans incl Boligkreditt	6,0 %	5,8 %	5,3 %	8,8 %	12,6 %	6,0 %	12,6 %	5,3 %
Growth in deposits	3,1 %	-0,9 %	2,4 %	-0,3 %	-6,2 %	3,1 %	-6,2 %	2,4 %
Average total assets, MNOK	127.627	124.888	123.755	124.508	124.703	126.222	124.294	124.283
Total assets, MNOK	128.653	126.508	124.909	122.081	125.357	128.653	125.357	124.909
Impairment losses ratio ³⁾	0,25	0,28	0,38	0,41	0,43	0,25	0,43	0,38
Capital adequacy ratio	11,5	11,6	11,9	9,3	9,5	11,5	9,5	11,9
Core capital ratio	9,1	9,4	9,6	6,9	7,0	9,1	7,0	9,6
Market price	46,10	48,80	50,00	44,00	32,90	46,10	32,90	50,00
Book equity per EC (including dividends) (group) *	42,44	41,47	42,07	40,51		42,44		42,07
Earnings per EC (group) ⁴⁾	1,76	1,55	1,95	2,50	1,88	3,31	2,38	6,88

¹⁾ Net profit (of which minority interests are deducted) as a percentage of average equity. For 2009 the equity are weighted per month instead of quarterly. This because of the issue in November 2009.

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⁾ Net profit multiplied by the equity certificate percentage divided by the average number of certificates outstanding.

* Key figure not calculated in previous quarterly periods

SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per EC (equity certificate).

1.2 Business description

- the leading financial institution in Rogaland, Hordaland and Agder



(population in parenthesis)

SpareBank 1 SR-Bank is located in the South-Western part of Norway and is the second largest of the Norwegian-based banks (after DnB NOR) with assets totalling NOK 129 billion at the end of 2nd quarter 2010. Head office is in Stavanger. The group's market areas are the counties of Rogaland, Agder and Hordaland. The Group has about 1 100 employees. The bank provides 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, corporate and capital market division.

Retail Market

SpareBank 1 SR-Bank is the leading retail customer bank in Rogaland, with 178 000 customers and a market share of about 40 per cent. In addition to the retail customers the division also serves 9 100 small business and agricultural customers and 2 800 clubs and associations.

Corporate Market

SpareBank 1 SR-Bank has about 7 300 customers in the business sector and public sector. About 40 per cent of all businesses in the bank's traditional market list SpareBank 1 SR-Bank as their main bank. In addition, there are small businesses and agricultural customers being served by the Retail market division.

Capital Market

The capital market division comprises the group's securities activities, SR-Markets and the subsidiaries that manage customers' and the group's assets in the form of securities, securities funds and property. SR-Markets serve primarily the group's customers and selected customer in a separate market area and in the country as a whole.

The financial performance of the three divisions for the second quarter and first half year 2010 can be summed up as follows:

<i>MNOK</i>	Retail market		Corporate market		Capital market	
	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Q2 2010	Q2 2009
Operating profit before tax	209	190	155	115	42	115
Gross loans to customers excl. SpareBank 1 Boligkreditt	48.185	47.445	43.959	45.058	-	-
Deposits from customers	27.510	26.288	28.782	28.223	-	-

<i>MNOK</i>	Half-year					
	Retail market		Corporate market		Capital market	
	2010	2009	2010	2009	2010	2009
Operating profit before tax	412	361	285	111	81	144
Gross loans to customers excl. SpareBank 1 Boligkreditt	48.185	47.445	43.959	45.058	-	-
Deposits from customers	27.510	26.288	28.782	28.223	-	-

Organization

Figure 1.2.1 illustrates the organizational structure of SpareBank 1 SR-Bank. The Supervisory Board is the Bank's highest body and consists of 40 members, 16 of which represents the equity capital certificate holders, four from the county councils in Rogaland, Hordaland and Vest- and Aust-Agder, 10 are customers and 10 are employees. The members are elected for four years at a time. Pursuant to the legislation, it is considered important that the elected members together reflect the savings bank's customer structure and other stakeholders. In the case of a savings bank that has issued equity capital certificates (ECs), between one-fifth and two-fifths of the Supervisory Board's members must be elected by the holders of ECs.

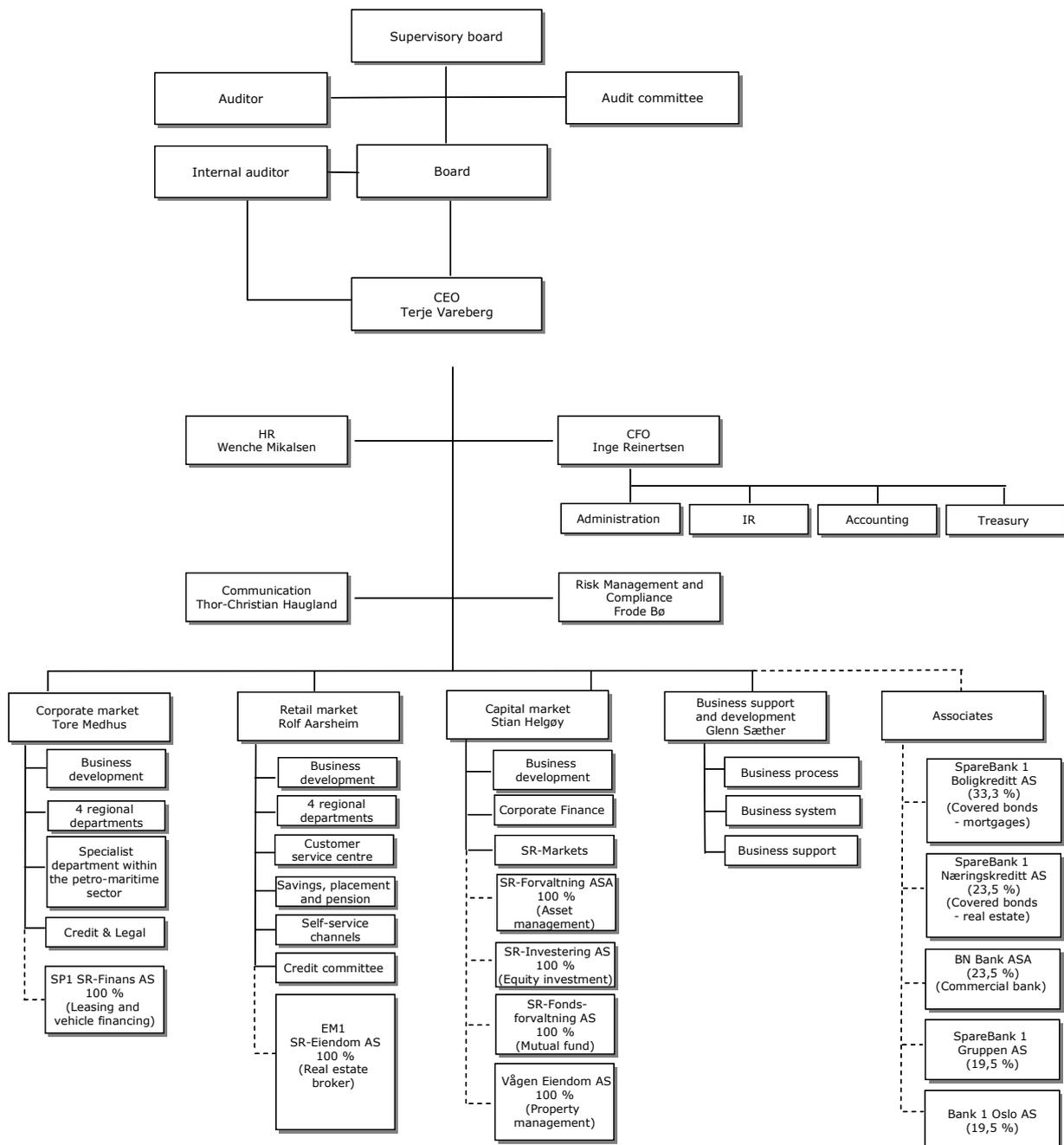


Figure 1.2.1 SpareBank 1 SR-Bank organizational chart

The SpareBank 1 Alliance

SpareBank 1 SR-Bank is one of the banks that founded the SpareBank 1 Gruppen (Alliance) in 1996. The purpose of the SpareBank 1 Alliance is to develop, procure and supply competitive financial services and products and to exploit economies of scale in the form of lower costs and/or higher quality, so that customers get the best advice and the best services at competitive terms. The banks in the alliance cooperate partly through common projects and partly through the jointly owned holding company SpareBank 1 Gruppen AS. In addition to SpareBank 1 SR-Bank, SpareBank 1 Gruppen is owned by SpareBank 1 Nord-Norge, SpareBank 1 SMN, Sparebanken Hedmark, Samarbeidende Sparebanker AS (16 smaller savings banks in Norway), and the Norwegian Confederation of Trade Unions (LO). The structure of the SpareBank 1 Alliance is shown in figure 1.2.2 below.

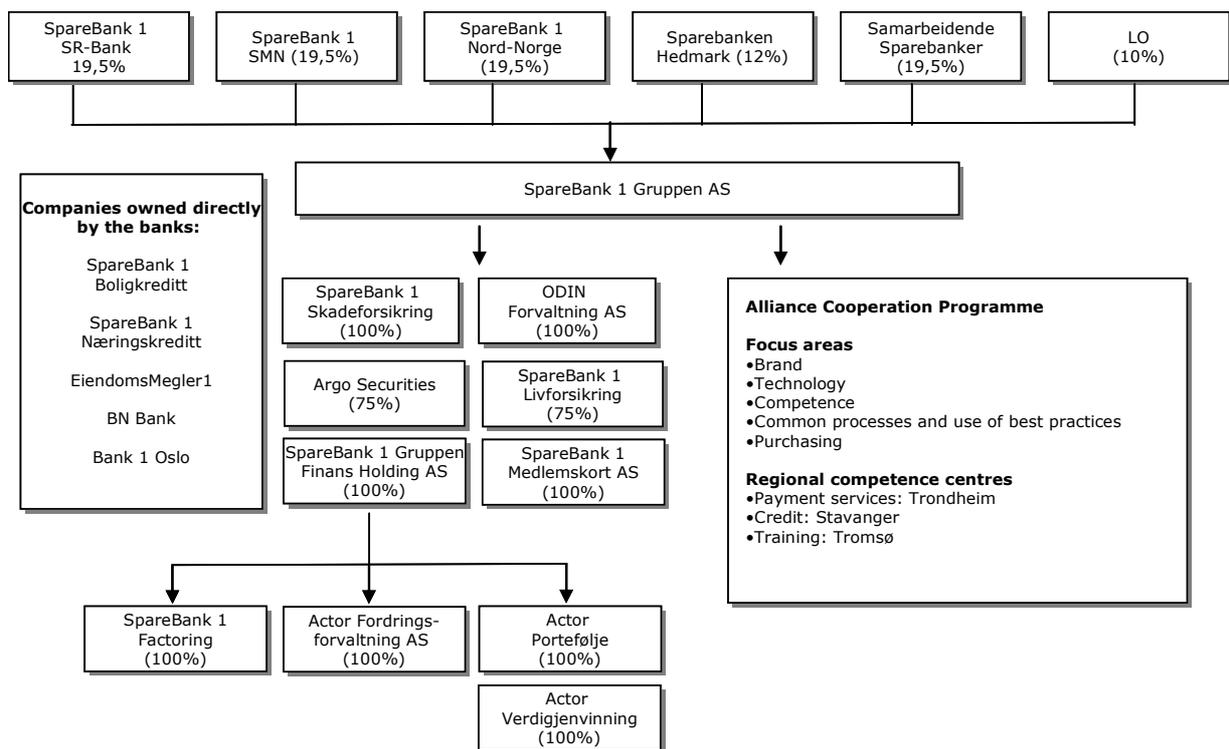


Figure 1.2.2 Structure of the SpareBank 1 Alliance

1.3 Credit ratings

SpareBank 1 SR-Bank has credit ratings from Moody's Investor Service and FitchRatings. The ratings are as follows:

Moody's Investors Service (5 October 2009):

- Long-term deposit, senior unsecured and issuer ratings confirmed at A1, negative outlook
- Subordinate ratings confirmed at A2, negative outlook
- Preferred stock ratings confirmed at A3, negative outlook
- BFSR C-
- Prime-1 short rating

Fitch Ratings (12 March 2010):

- Long-term Issuer Default Rating (IDR) affirmed at 'A', negative outlook
- Short-term IDR affirmed at 'F1'
- Support rating affirmed at '3'
- Support Rating Floor affirmed at 'BB+'
- Individual rating affirmed at 'B/C'

1.4 Equity capital certificate - EC

ECs and the stock market

SpareBank 1 SR-Bank's ECs was listed on the Oslo stock exchange in 1994. The ticker is ROGG. The relative performance of ROGG, compared to the Oslo Stock Exchange Benchmark Index (OSEBX) and DnB NOR (the largest bank in Norway) is shown in figure 1.4.1. below.

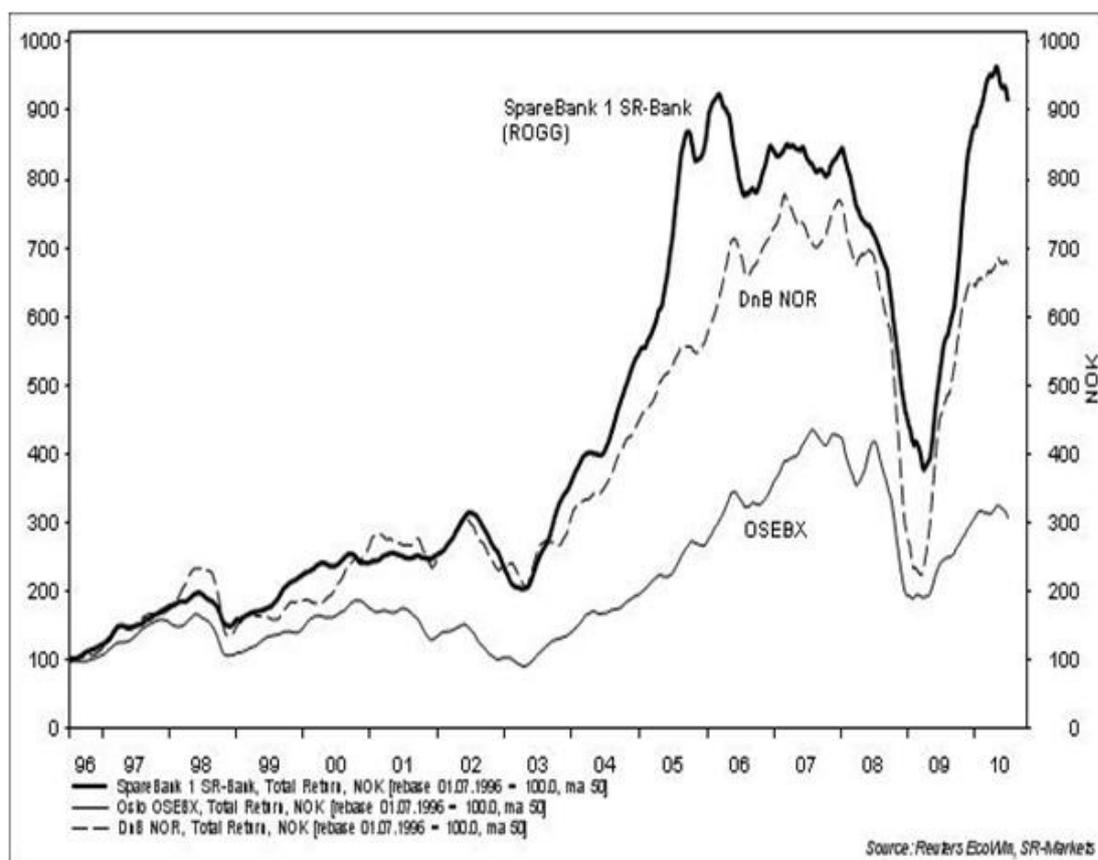


Figure 1.4.1 Total return (dividend reinvested); ROGG, OSEBX and DnB NOR; 1996-2010.

ROGG stood at NOK 46.10 as per 30.06.2010. There were 120.93 million ECs outstanding at the end of second quarter.

Financial analysts with official coverage of ROGG:

ABG Sundal Collier ASA, Jan Erik Gjerland, tlf +47 22 01 60 54

Argo Securities ASA, Geir Kristiansen, tlf + 47 24 14 74 75

Carnegie, Thomas Svendsen, tlf + 47 22 00 93 54

DnB NOR Markets, Geir Grønseth/Odd Weidel, tlf +47 22 94 89 92/+ 47 22 94 89 49

First Securities ASA, Nils Christian Øyen, tlf + 47 23 23 82 48

Fondsfinans ASA, Bengt Kirkøen, tlf + 47 21 01 31 00

Pareto Securities ASA, Haakon Bønes/Søren Clausen, tlf + 47 24 13 21 18/+47 24 13 21 49

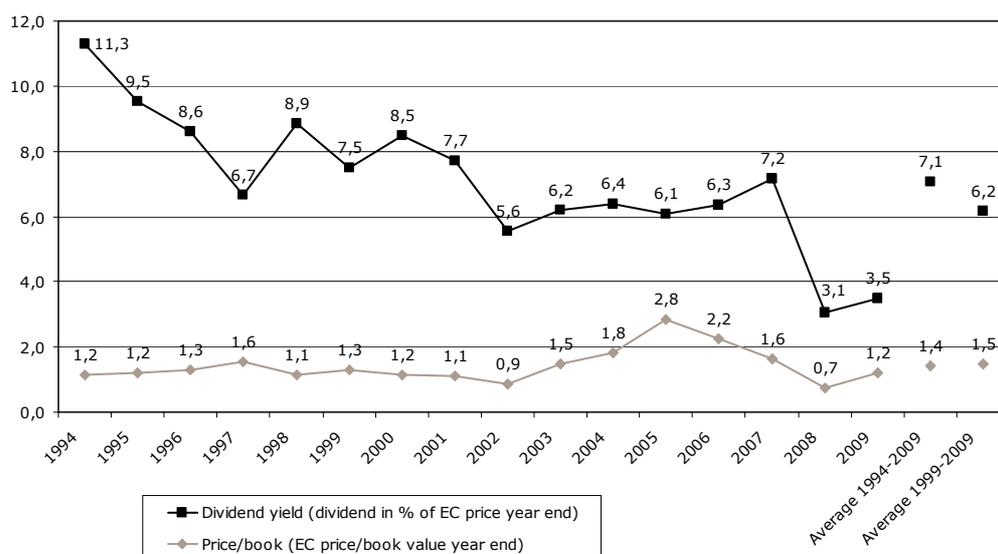


Figure 1.4.2 Dividend yield and price/book. 1994-2009.

Dividend policy

It is the parent bank's available profit after tax which is the basis for distribution of dividends.

SpareBank 1 SR-Bank's dividend policy is as follows:

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

The profit for the year will be divided between EC holders and the savings bank's funds in proportion to their share of the bank's equity. SpareBank 1 SR-Bank aims for around half of the profits allocated to EC holders shall normally be paid as a dividend and around half of the profit allocated to the savings bank fund shall be paid out as gifts or transferred to a foundation benefiting the public, provided that capital adequacy is satisfactory. In determining dividends and gifts, account will be taken of the bank's earnings performance, the market situation, stability in dividends as well as the need for core capital. In assessing a distribution of the profit for the year to dividend and gifts, respectively, importance will be attached to keeping stable the proportion of total equity (ownership fraction) held by EC holders.

The share of EC's profit which has been paid out as dividends (payout ratio EC) is shown in figure 1.4.4.

History and capital structure

The history of Norwegian savings banks goes back to 1820s when the first savings banks were founded as self-owned foundations. The roots of SpareBank 1 SR-Bank go back to 1839. Due to the organizational form, the savings banks equity capital comprised of donations and retained earnings until 1987 when the savings banks legislation was amended and enabled savings banks to raise capital in the equity market by ECs. Therefore savings banks that have issued EC have two types of equity capital: self-owned capital (savings banks reserve/fund) and ECs.

ECs are very similar to shares. The main differences are 1) the capital structure where ECs have better priority than the self-owned capital, 2) ECs give ownership to specific parts of a bank's equity capital and 3) governing bodies of a savings bank will have broader representation than a commercial bank. The representation of the EC owners in SpareBank 1 SR-Bank's governing body is 40 per cent. The share of the bank's equity capital belonging to EC owners (EC ratio) was 63.1 per cent by the end 2nd quarter 2010. EC owners are each year entitled to their share of total profits (according to the EC ratio for the year). Table 1.4.1 shows the calculation of the EC ratio. Figure 1.4.4 shows the EC ratio from 1994-2010 and annual share of EC's yearly profit which has been paid out as dividend.

One important recent feature regarding ECs is that the Norwegian saving bank legislation was amended with effect from 1 July 2009. The amendments have important implications for the ECs, hereby making it more similar to stocks and possibilities to avoid the so-called dilution effect. The name was changed from Primary Capital Certificate (PCC) to Equity Certificate (EC). There were also significant improvements in the legislation regarding possible structures for mergers and acquisitions among savings banks.

Figure 1.4.3 illustrates SpareBank 1 SR-Bank's capital structure and the more favourable priority for ECs than ordinary shares. Furthermore, retained earnings belonging to the EC owners (transferred to the dividend equalisation reserve) will initially have the same priority as savings banks reserve which implies that EC owners share of a potential deficit is 21 per cent by year-end 2009), while the share of future profit is 63 per cent.

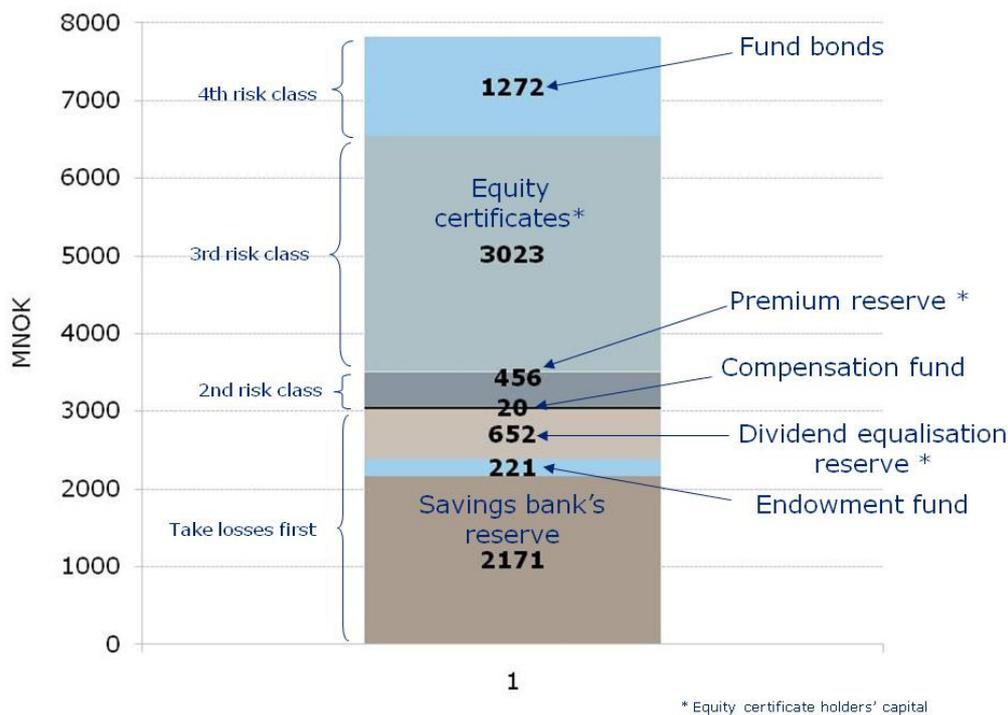


Figure 1.4.3 Capital structure per 30.06.2010. Favourable priority for holders of ECs.

<i>MNOK</i>	30.06.10	31.12.09
Equity certificates	3.020	3.014
Dividend equalisation reserve	652	759
Premium reserve	456	458
A. The equity certificate owners' capital	4.128	4.231
Savings bank's reserve	2.171	2.241
Compensation fund	20	20
Endowment fund	221	240
B. The savings bank's reserve	2.412	2.501
Fund for unrealised gains	127	127
Equity excl proposed dividend	6.667	6.859
Equity certificate ratio (A/(A+B))	63,1 %	62,9 %

Table 1.4.1 EC ratio - calculation of EC holder's share of the bank's equity capital

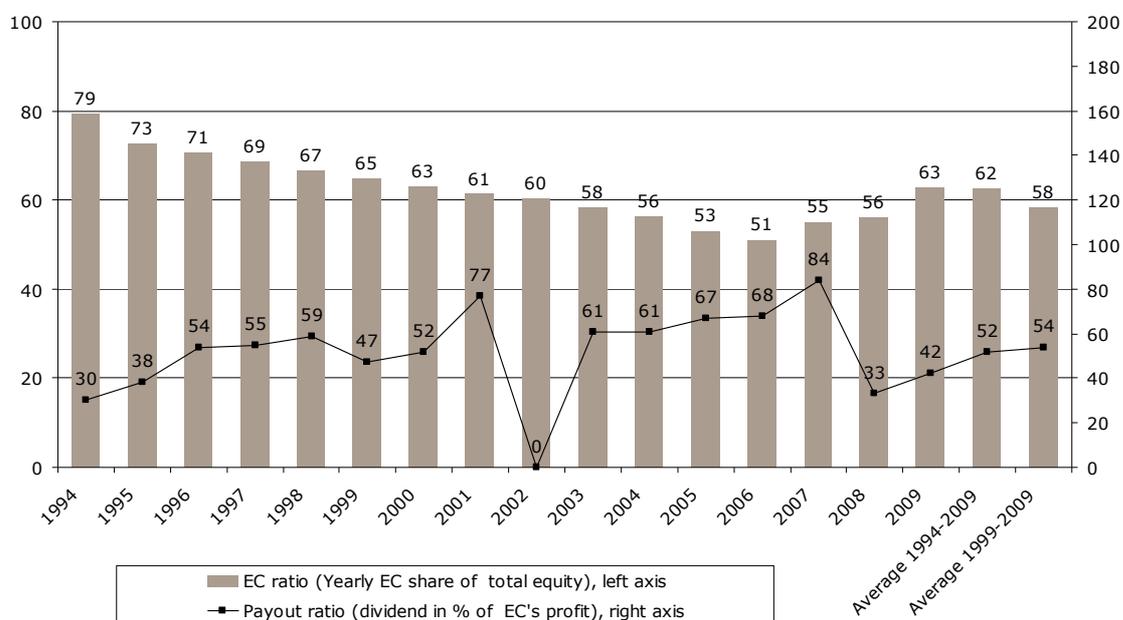


Figure 1.4.4 EC ratio and payout ratio. 1994-2009ff

20 largest EC holders per 30.06.10	Number	Stake
Gjensidige Forsikring	20.713.065	17,1%
Odin Norge	3.211.293	2,7%
Odin Norden	2.979.325	2,5%
Køhlergruppen AS	1.923.657	1,6%
Coil Investment Group AS	1.904.993	1,6%
Clipper AS	1.685.357	1,4%
Frank Mohn AS	1.666.142	1,4%
Trygve Stangeland	1.622.428	1,3%
State Street Bank and Trust, U.S.A.	1.482.226	1,2%
Lærdal AS	1.222.915	1,0%
Brown Brothers Harriman, U.S.A.	1.061.327	0,9%
The Northern Trust, U.K.	1.005.116	0,8%
Grunnfond Invest AS	960.000	0,8%
Westco AS	885.352	0,7%
Verdipapirfondet Nordea Norge	781.645	0,6%
Bank of New York, U.S.A.	726.595	0,6%
Bjergsted Investering AS	720.055	0,6%
Solvang Shipping AS	701.034	0,6%
Forsand Kommune	682.230	0,6%
Tveteraas Finans AS	673.587	0,6%
Total 20 largest holders	46.608.342	38,5%

Table 1.4.2 Largest EC holders per 30.06.2010

2. Financial results and balance sheet

Income statement

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2010
Interest income	1.185	1.122	1.107	1.122	1.272	2.307	2.786	5.015
Interest expense	758	685	652	657	865	1.443	2.030	3.339
Net interest income	427	437	455	465	407	864	756	1.676
Commission income	206	207	219	201	177	413	340	760
Commission expenses	-16	-20	-20	-24	-20	-36	-43	-87
Other operating income	104	73	86	85	86	177	154	325
Net commission and other income	294	260	285	262	243	554	451	998
Dividend income	46	0	17	1	2	46	5	23
Income from investment in associates	54	49	128	98	71	103	72	298
Net gains/losses on financial instruments	72	30	64	138	128	102	182	384
Net return on investment securities	172	79	209	237	201	251	259	705
Total income	893	776	949	964	851	1.669	1.466	3.379
Personnel expenses	244	153	223	218	227	397	440	881
Administrative expenses	90	81	92	83	88	171	171	346
Other operating expenses	89	78	123	75	81	167	154	352
Total operating expenses	423	312	438	376	396	735	765	1.579
Operating profit before losses	470	464	511	588	455	934	701	1.800
Losses on loans and guarantees	51	69	74	85	77	120	209	368
Operating profit before tax and minority interests	419	395	437	503	378	814	492	1.432
Tax expense	81	97	107	104	77	178	110	321
Profit after tax from continuing operations	338	298	330	399	301	636	382	1.111
Attributable to majority interests	338	298	330	399	301	636	380	1.109
Attributable to minority interests	0	0	0	0	0	0	2	2

Key figures

	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2010
Return on equity ¹⁾	16,5 %	14,8 %	18,2 %	25,2 %	19,9 %	15,6 %	12,6 %	17,5 %
Cost ratio ²⁾	47,4 %	40,2 %	46,2 %	39,0 %	46,5 %	44,0 %	52,2 %	46,7 %
Gross loans to customers	96.812	96.481	93.473	92.849	97.473	96.812	97.473	93.473
Gross loans to customers incl. SpareBank 1 Boligkreditt	122.426	120.352	118.227	116.750	115.516	122.426	115.516	118.227
Deposits from customers	56.137	53.323	54.336	53.725	54.448	56.137	54.448	54.336
Deposit-to-loan ratio	58,0 %	55,3 %	58,1 %	57,9 %	55,9 %	58,0 %	55,9 %	58,1 %
Growth in loans	-0,7 %	-1,6 %	-6,6 %	-3,3 %	6,0 %	-0,7 %	6,0 %	-6,6 %
Growth in loans incl Boligkreditt	6,0 %	5,8 %	5,3 %	8,8 %	12,6 %	6,0 %	12,6 %	5,3 %
Growth in deposits	3,1 %	-0,9 %	2,4 %	-0,3 %	-6,2 %	3,1 %	-6,2 %	2,4 %
Average total assets	127.627	124.888	123.755	124.508	124.703	126.222	124.294	124.283
Total assets	128.653	126.508	124.909	122.081	125.357	128.653	125.357	124.909
Impairment losses ratio ³⁾	0,25	0,28	0,38	0,41	0,43	0,25	0,43	0,38
Non-performing commitments as a percentage of gross loans	0,36	0,54	0,42	0,53	0,68	0,36	0,68	0,42
Other doubtful commitments as a percentage of gross loans	1,01	0,80	0,81	0,51	0,72	1,01	0,72	0,81
Capital adequacy ratio	11,5	11,6	11,9	9,3	9,5	11,5	9,5	11,9
Core capital ratio	9,1	9,4	9,6	6,9	7,0	9,1	7,0	9,6
Core capital	8.243	8.196	8.130	5.632	5.609	8.243	5.609	8.130
Net equity and subordinated loan capital	10.352	10.112	10.029	7.568	7.696	10.352	7.696	10.029
Minimum subordinated capital requirement	7.226	7.001	6.768	6.545	6.459	7.226	6.459	6.768
Number of branches	50	51	51	53	53	50	53	51
Man-years (permanent)	1.093	1.083	1.093	1.094	1.109	1.093	1.109	1.093
Equity certificate ratio	63,1 %	62,9 %	62,9 %	56,6 %	56,6 %	63,1 %	56,6 %	62,9 %
Market price	46,10	48,80	50,00	44,00	32,90	46,10	32,90	50,00
Market capitalisation	5.575	5.902	6.047	3.955	2.957	5.575	2.957	6.047
Book equity per EC (including dividends) (group) *	42,44	41,47	42,07	40,51	42,44	42,44	42,07	42,07
Earnings per EC (group) ⁴⁾	1,76	1,55	1,95	2,50	1,88	3,31	2,38	6,88
Dividends per EC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,75
Price / Earnings per EC	6,55	7,87	6,41	4,40	4,38	6,96	6,91	7,27
Price / Book equity (group) *	1,09	1,18	1,19	1,09		1,09		1,19

¹⁾ Net profit (of which minority interests are deducted) as a percentage of average equity. For 2009 the equity are weighted per month instead of quarterly. This because of the issue in November 2009.

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

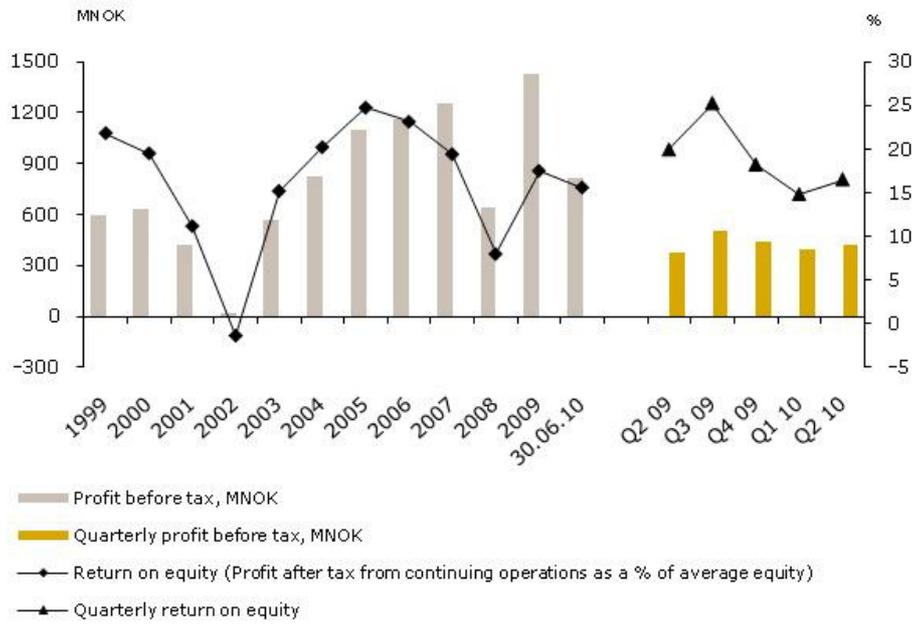
³⁾ Net losses expressed as a percentage of average gross lending year to date, annualized

⁴⁾ Net profit multiplied by the equity certificate percentage divided by the average number of certificates outstanding.

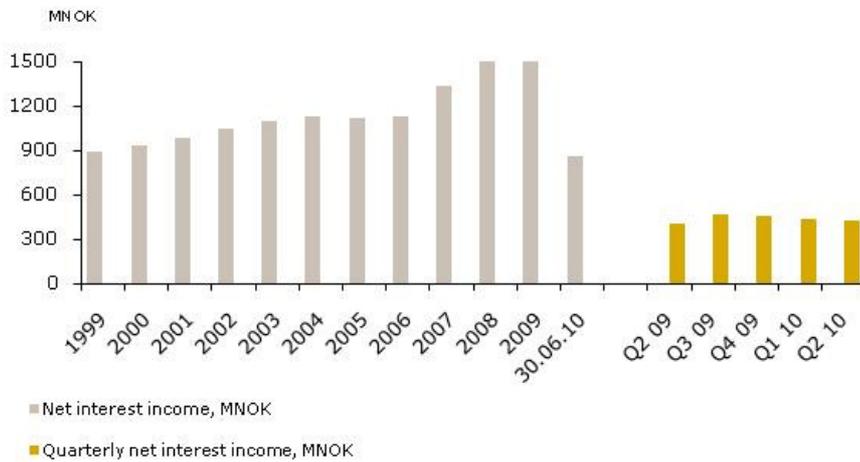
* Key figure not calculated in previous periods

SpareBank 1 SR-Bank does not have any forward cover contracts or other circumstances that can dilute earning per EC (equity certificate).

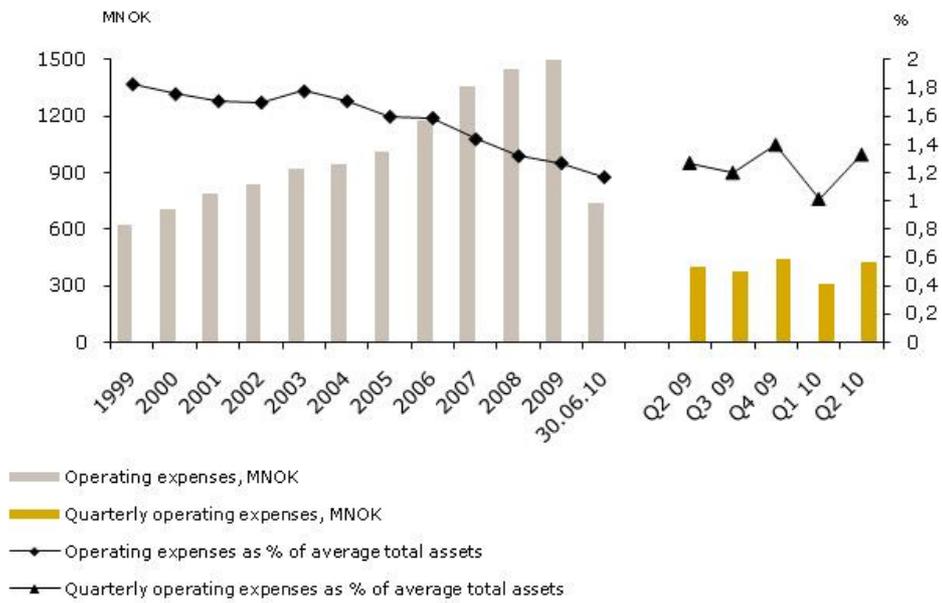
Result before tax and return on equity



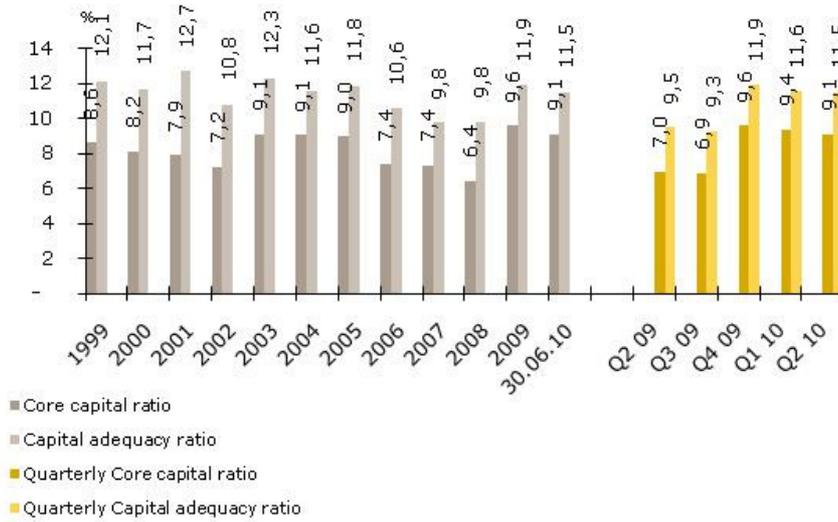
Net interest income



Operating expenses



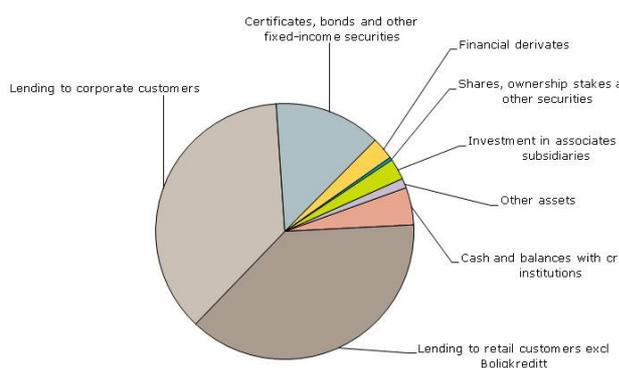
Core capital and capital adequacy ratio



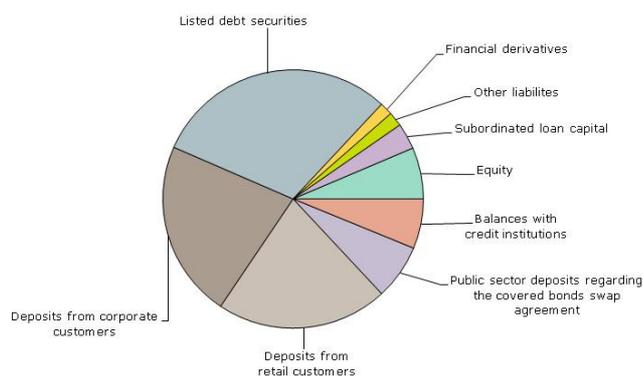
Balance sheet

MNOK	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Cash and balances with central banks	2.624	1.404	781	2.093	950
Balances with credit institutions	3.484	1.646	1.301	1.364	618
Gross loans to customers	96.812	96.481	93.473	92.849	97.473
- individual impairment losses on loans	-376	-341	-329	-290	-397
- collective impairment losses on loans	-338	-331	-320	-307	-257
Net loans to customers	96.098	95.809	92.824	92.252	96.819
Certificates, bonds and other fixed-income securities	17.311	19.187	22.582	18.933	20.242
Financial derivatives	3.643	3.016	2.438	2.753	3.245
Shares, ownership stakes and other securities	493	445	439	413	255
Investment in associates	3.451	3.385	3.127	2.792	2.269
Investment in subsidiaries	-	-	-	-	-
Business available for sale	23	23	23	638	638
Other assets	1.526	1.593	1.394	843	321
Total assets	128.653	126.508	124.909	122.081	125.357
Balances with credit institutions	7.982	8.516	8.852	7.699	11.970
Public sector deposits regarding the covered bonds swap agreement	8.832	8.832	8.832	8.832	6.304
Deposits from customers	56.137	53.323	54.336	53.725	54.448
Listed debt securities	38.891	39.896	37.523	38.770	39.989
Financial derivatives	2.057	1.969	1.576	1.857	1.681
Other liabilities	2.300	1.923	1.846	1.521	1.497
Business available for sale	0	-	-	55	55
Subordinated loan capital	4.197	3.961	3.871	3.132	3.267
Total liabilities	120.396	118.420	116.836	115.591	119.211
Equity certificates	3.023	3.023	3.023	2.247	2.247
Holding of own equity certificates	-3	-3	-9	-9	-9
Premium reserve	456	456	458	42	42
Dividend equalisation reserve	652	735	759	443	474
Proposed dividend	-	0	212	-	-
Savings bank's reserve	2.171	2.220	2.241	2.005	2.032
Compensation fund	20	20	20	-	-
Endowment fund	221	240	240	82	83
Fund for unrealised gains	127	127	127	69	69
Other equity	954	972	1.002	832	828
Profit/loss at period end	636	298	-	779	380
Minority interests	-	-	-	-	-
Total equity	8.257	8.088	8.073	6.490	6.146
Total liabilities and equity	128.653	126.508	124.909	122.081	125.357

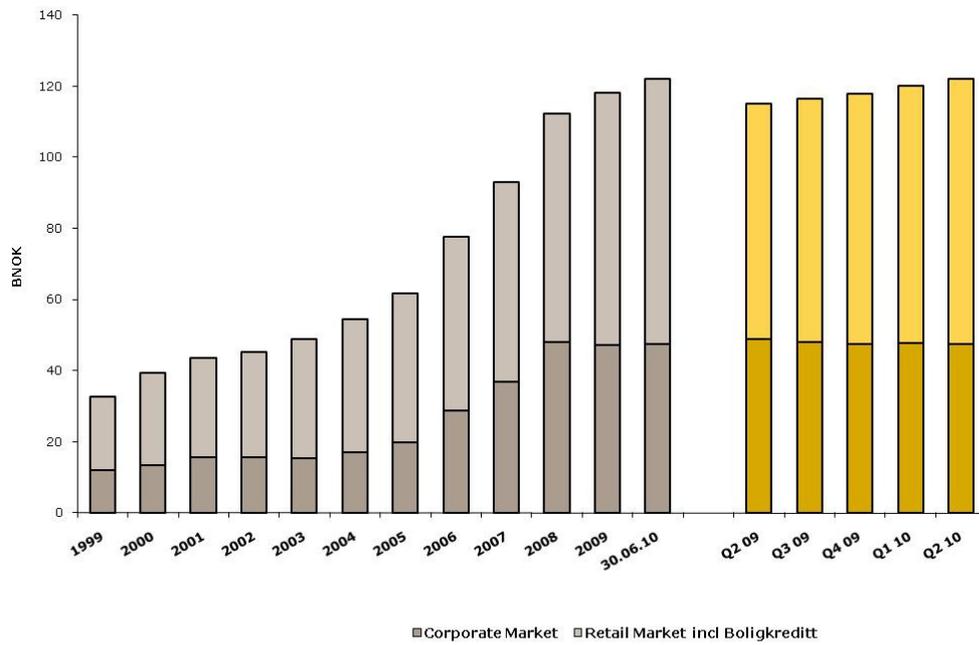
Total assets 30.06.10



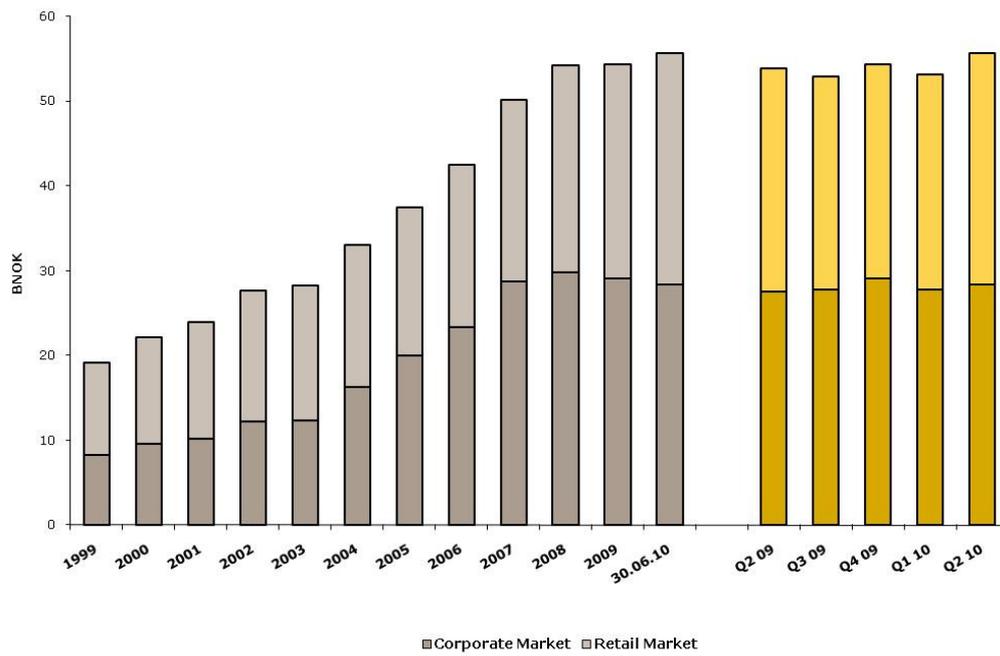
Total liabilities and equity 30.06.10



Lending volume



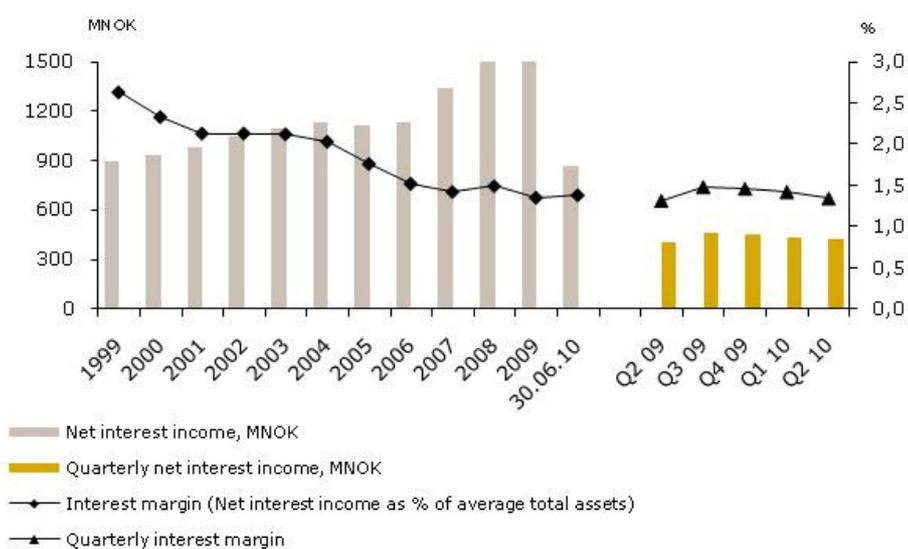
Deposit volume



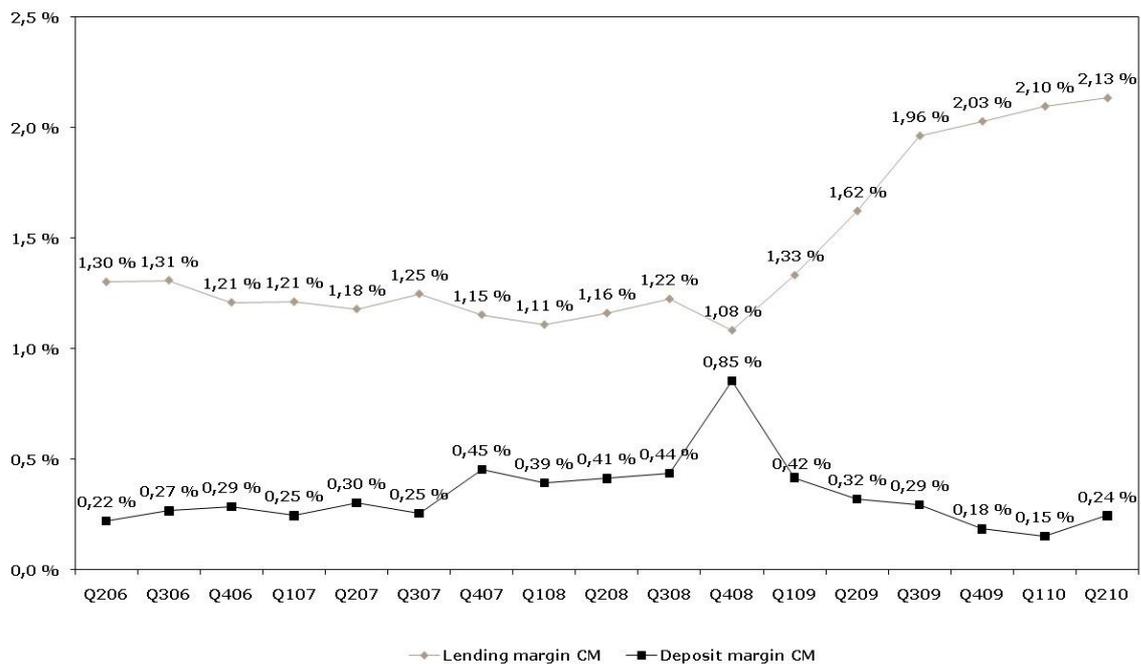
2.1 Net interest income

<i>MNOK</i>	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	1.185	1.122	1.107	1.122	1.272	2.307	2.786	5.015
Interest expense	758	685	652	657	865	1.443	2.030	3.339
Net interest income	427	437	455	465	407	864	756	1.676
As % of average total assets	1,34 %	1,42 %	1,46 %	1,48 %	1,31 %	1,38 %	1,23 %	1,35 %

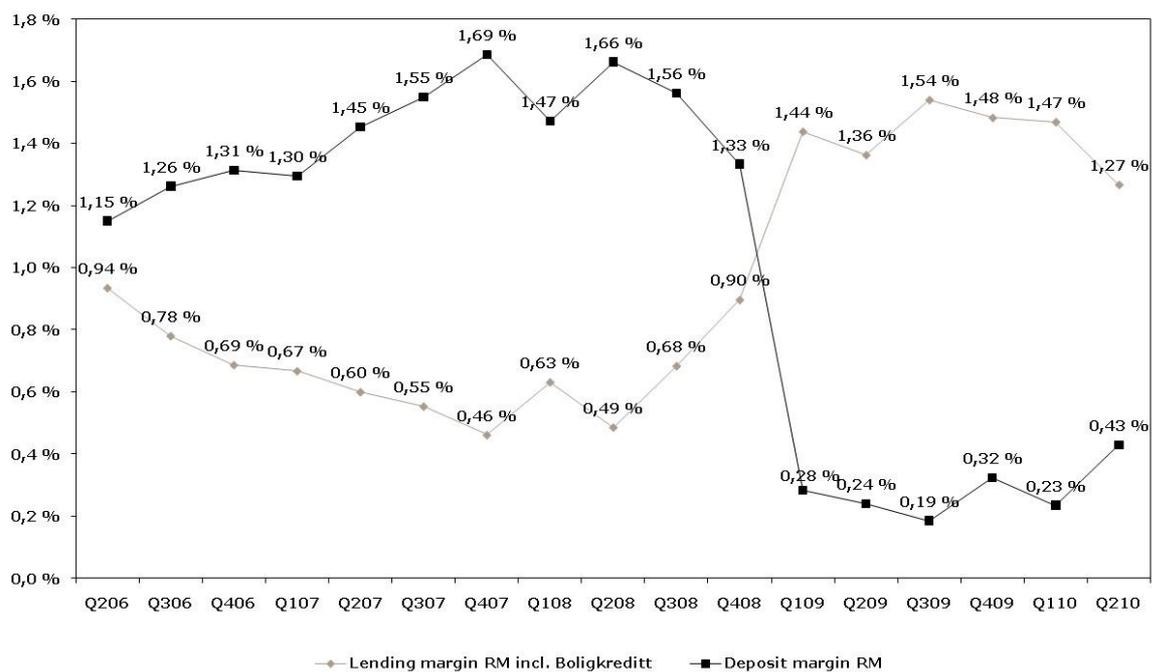
Net interest income and interest margin



Lending and deposit margins¹ – Corporate Market



Lending and deposit margins – Retail Market incl. SpareBank 1 Boligkreditt



¹ Definition margin: Average customer interest minus 3 months average nibar (funding cost is not included)

2.2 Net other operating income

<i>MNOK</i>	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Net commission and other income	294	260	285	262	243	554	451	998
Net return on investment securities	172	79	209	237	201	251	259	705
Net other operating income	466	339	494	499	444	805	710	1.703
As % of total income	52 %	44 %	52 %	52 %	52 %	48 %	48 %	50 %

Net commission and other income

<i>MNOK</i>	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Payment facilities	50	48	45	53	46	98	90	188
Savings/placements	41	32	32	32	28	72	52	116
Insurance products	29	27	34	26	25	55	48	109
Commission income real estate (EM1)	105	72	79	83	86	177	153	315
SpareBank 1 Boligkreditt	43	53	57	43	24	96	46	146
Guarantee commission	13	12	10	11	14	25	26	47
Salesprofit, building	0	-	8	-	-	0	0	8
Arrangement fees	9	9	15	8	15	18	18	44
Vågen Eiendom	4	4	3	3	3	8	7	13
Other	2	3	2	3	2	5	10	12
Net commission and other income	294	260	285	262	243	554	451	998
As % of total income	33 %	34 %	30 %	27 %	29 %	33 %	31 %	30 %

Change in net commission and other income

<i>MNOK</i>	Per 30.06		
	2010	Change	2009
Net commission and other income	554	103	451
Payment facilities		8	
Savings/placements		19	
Insurance products		7	
Commission income real estate (EiendomsMegler 1 SR-Eiendom)		24	
Commission income SpareBank 1 Boligkreditt		50	
Guarantee commission		-1	
Salesprofit, building		-	
Arrangement fees		-	
Vågen Eiendom		1	
Other		-5	

Net return on investment securities

MNOK	Q2	Q1	Q4	Q3	Q2	30.06	30.06	31.12
	2010	2010	2009	2009	2009	2010	2009	2009
Dividend	46	0	17	1	2	46	5	23
Investment income, associates	54	49	128	98	71	103	72	298
Securities gains/losses	41	21	8	103	66	62	83	194
- of which capital change in shares and certificates	45	7	1	36	39	52	35	72
- of which capital change in certificates and bonds	-5	15	7	67	27	10	48	122
Currency/interest gains/losses	31	9	56	35	62	40	99	190
- of which currency customer- and own-account trading	31	37	45	30	36	68	72	147
- of which IFRS-effects	0	-28	11	5	26	-28	27	43
Net return on investment securities	172	79	209	237	201	251	259	705
As % of total income	19 %	10 %	22 %	25 %	24 %	15 %	18 %	21 %

Change in net return on investment securities

MNOK	Per 30.06		
	2010	Change	2009
Net return on investment securities	251	-8	259
Dividend		41	
Investment income, associates		31	
Securities gains/losses		-21	
- of which capital change in shares and certificates		17	
- of which capital change in certificates and bonds		-38	
Currency/interest gains/losses		-59	
- of which currency customer- and own-account trading		-4	
- of which IFRS-effects		-55	

2.3 Operating expenses

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Wages	173	161	157	157	165	334	319	633
Pension expenses*	35	-43	34	29	29	-8	57	119
Other personnel expenses	36	35	33	32	32	71	64	129
Total personnel expenses**	244	153	224	218	227	397	440	881
IT expenses	45	44	50	45	46	89	85	180
Marketing expenses	21	17	17	11	15	38	35	63
Other administrative expenses	24	20	24	28	26	44	51	103
Write-offs	16	19	17	19	17	35	34	70
Expenses real property	10	8	46	5	9	18	19	70
Other operating expenses	63	51	59	50	56	114	101	211
Other expenses	179	159	215	158	169	338	325	697
Total operating expenses	423	312	438	376	396	735	765	1.579

* Ordinary pension expenses 1st quarter 2010 would amount to NOK 35 million before the reversal of provisions of contractual pension (AFP)

** Reversal of provisions for contractual pension (AFP) of NOK 78 million in Q1 2010 has impact on net operating expenses, where before the reversal the expenses would amount to NOK 231 million

Change in operating expenses

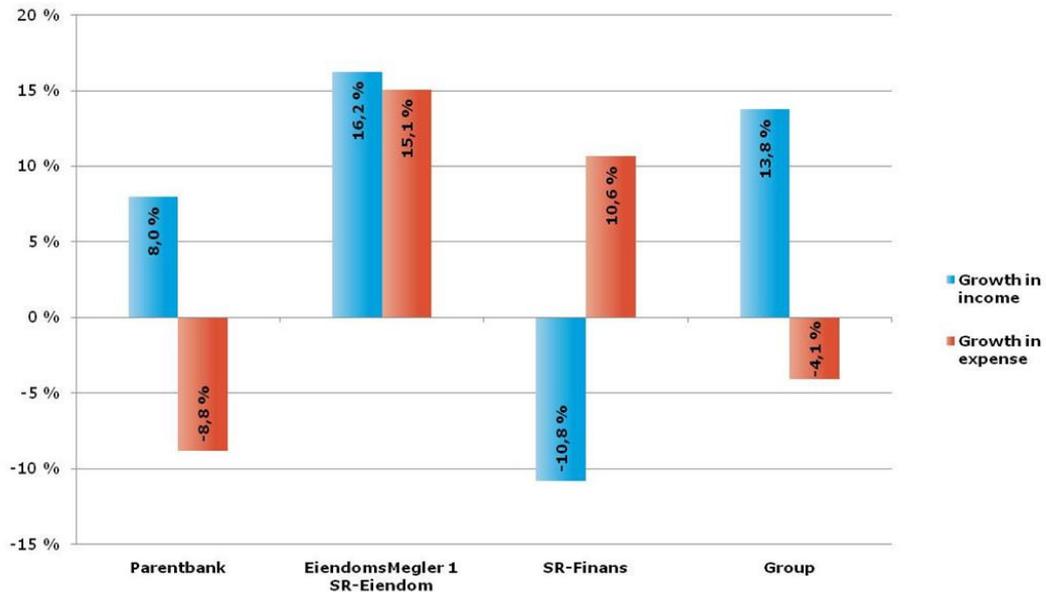
MNOK	Per 30.06		
	2010	Change	2009
Total	735	-30	765
Personnel expenses		-43	
IT expenses		4	
Marketing expenses		3	
Other administrative expenses		-7	
Write-offs		1	
Expenses real property		-1	
Other operating expenses		13	

Cost/income ratio

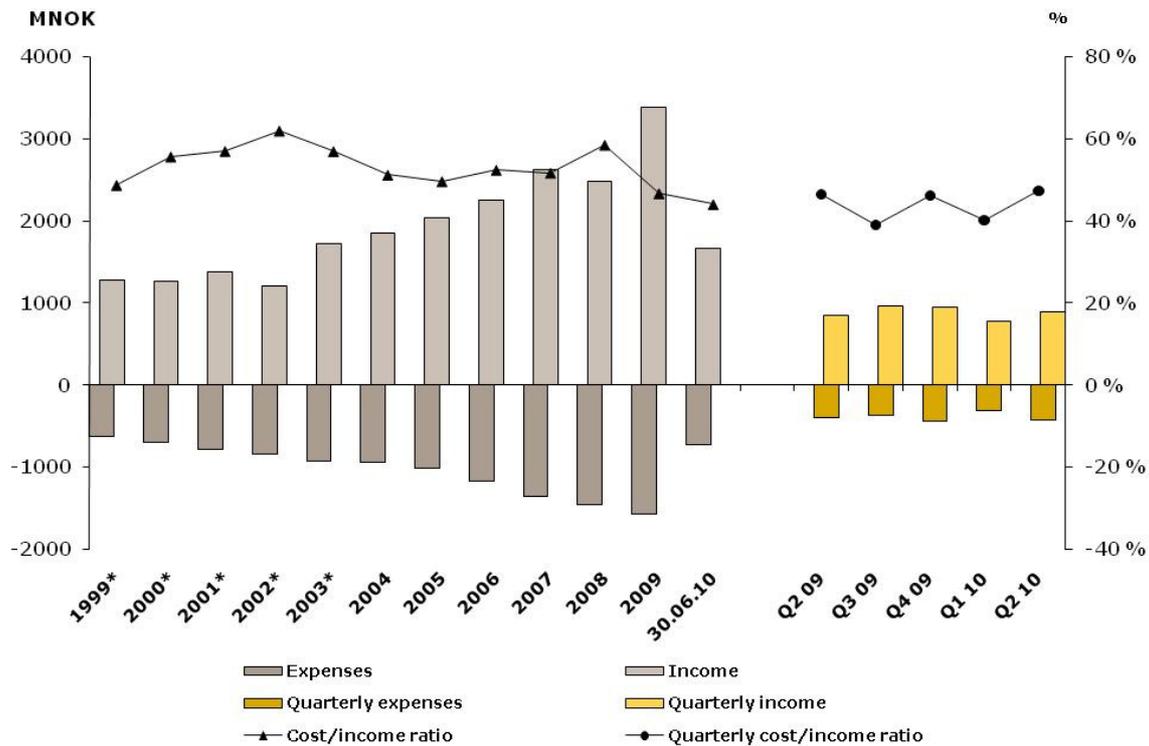
MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Operating expenses	423	312	438	376	396	735	765	1.579
Cost/income ratio*	47 %	40 %	46 %	39 %	47 %	44 %	52 %	47 %
Growth in expenses last 12 months	7 %	-16 %	9 %	7 %	7 %	-4 %	7 %	9 %

* 50 per cent corrected for reversal of provisions for contractual pension (AFP) of NOK 78 million in Q1 2010

**Growth in income and expense as at 30.06.2010
- development last 12 month**

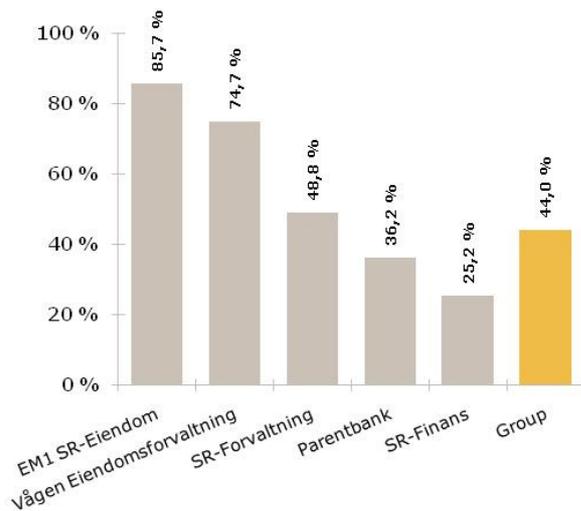


Development cost/income ratio



* In accordance with the Generally Accepted Accounting Principles in Norway

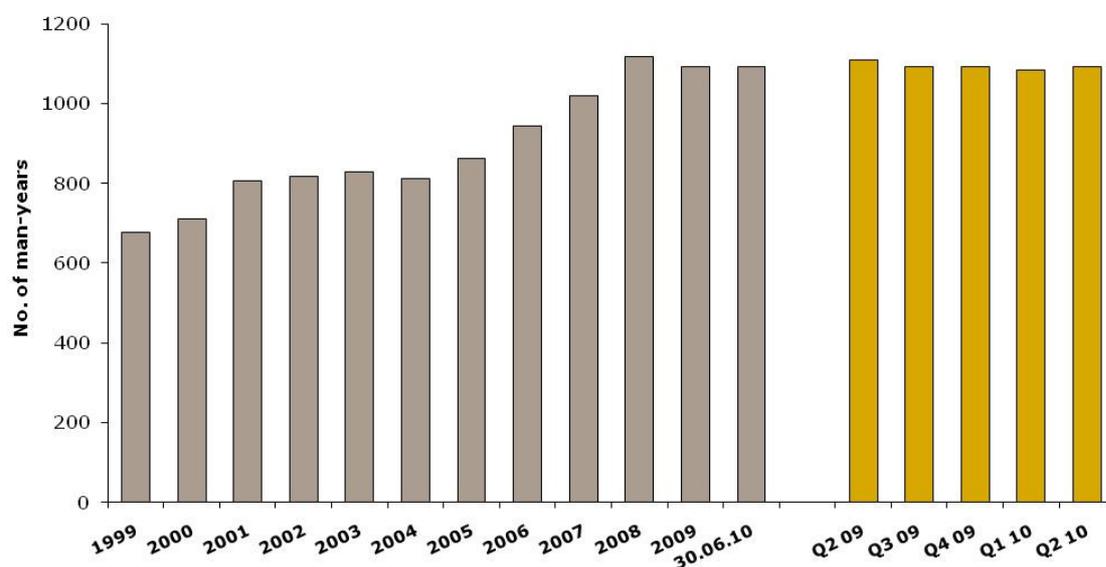
Cost ratio as a total for the Group, the Parentbank and the individual subsidiaries



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

<i>No. of man-years</i>	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
SpareBank 1 SR-Bank	863	854	867	870	883
EiendomsMegler 1 SR-Eiendom AS	167	168	164	164	161
SR-Forvaltning ASA	11	10	11	10	11
SR-Finans AS	28	30	32	33	34
Other	24	22	19	18	20
Total	1.093	1.083	1.093	1.094	1.109

Man-labour years 1999-2nd quarter 2010 (permanent employees, contracted staff not included)



2.5 Losses on loans and loss provisions

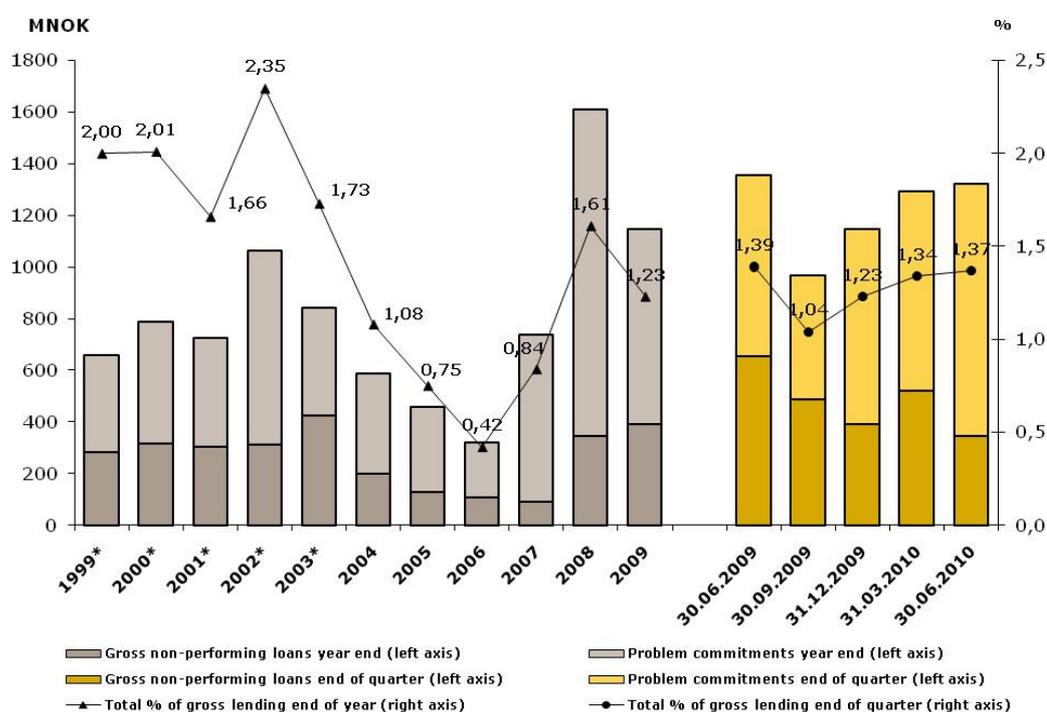
Losses on loans and guarantees

MNOK	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Change in individual individual impairment losses provisions for the period	50	16	-12	-56	60
Change in collective impairment loss provisions for the period	18	11	91	78	28
Amortised cost	5	-	17	3	-
Actual loan losses on commitments for which provisions have been made	61	37	227	229	83
Actual loan losses on commitments for which no provision has been made	13	7	63	43	39
Recoveries on commitments previously written-off	-27	-2	-18	-3	-1
The period's net losses/(reversals) on loans and advances	120	69	368	294	209

Provisions for impairment losses on loans and guarantees

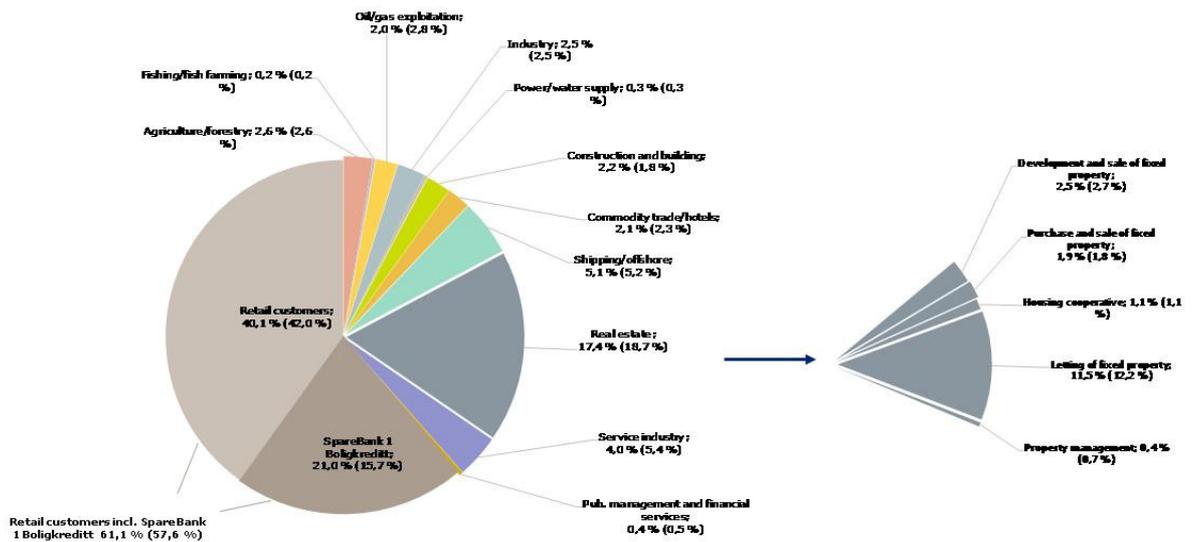
MNOK	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Provisions for individual impairment losses at start of period	337	337	349	349	349
Increases in previous provisions for individual impairment losses	40	76	99	152	116
Reversal of provisions from previous periods	-71	-61	-127	-120	-120
New provisions for individual impairment losses	141	39	226	141	146
Amortised cost	-3	-5	16	5	-11
Actual loan losses during the period for which provisions for individual impairment losses have been made previously	-61	-37	-226	-229	-82
Provisions for individual impairment losses at the end of period	383	349	337	298	398

Non-performing loans and problem commitments



2.6 Lending portfolio

MNOK	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Agriculture and forestry	3.191	3.134	3.176	3.089	3.010
Fishing	52	50	51	50	49
Fishfarming	246	432	532	252	187
Oil/gas exploitation	2.452	2.517	2.124	2.761	3.261
Production of food	205	148	147	232	164
Graphic business	238	445	428	62	63
Industry	2.352	2.110	2.064	2.024	2.021
Shipyards	299	471	377	237	611
Power and water supply	401	417	373	416	309
Building and construction	2.704	1.952	1.953	1.941	2.087
Commodity trade	2.270	2.726	2.555	2.460	2.396
Hotels and restaurants	339	331	325	313	305
Shipping	4.498	4.571	4.578	5.167	4.727
Transportation	1.716	1.721	1.064	713	1.311
Real estate	21.269	21.099	21.610	21.286	21.507
Business services and management	3.762	4.326	4.495	5.477	5.179
Social and private services and management	1.063	1.018	1.037	1.055	1.034
Finance	194	151	192	333	318
Central and local government	235	240	268	244	245
Retail customers	48.938	48.252	45.847	44.438	48.313
Unallocated (excess value fixed interest loans and amort. lending fees)	199	163	102	65	146
Accrued interests corporate sector and retail customers	189	207	175	234	230
Gross loans	96.812	96.481	93.473	92.849	97.473
SpareBank 1 Boligkreditt	25.614	23.871	24.754	23.901	18.043
Gross loans incl SpareBank 1 Boligkreditt	122.426	120.352	118.227	116.750	115.516

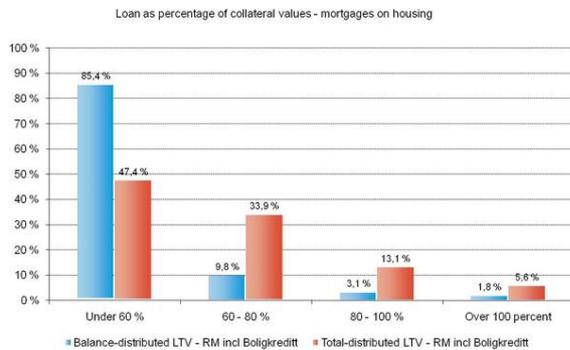


(Figures for corresponding period in 2009 are showed in parentheses)

2.7 Risk profile

Loan to value ratio – LTV

Collateral security is very good for housing properties



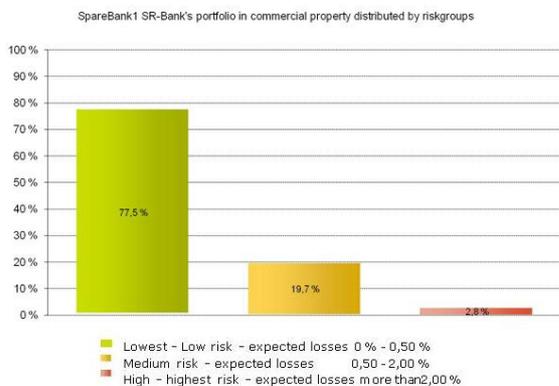
The calculation of LTV is based on the market value of the collateral. In the case of balance-distributed LTV, loans that exceed 60% of the collateral's market value the excess amount is distributed among the other intervals. In the case of totally distributed LTV the entire loan is allocated to one and the same interval.

The figures include the portfolio transferred to Boligkredit.

- There is still considerable focus on measuring potential losses in terms of loan exposure as a percentage of the market value of the collateral lodged. The figure shows an overall moderate borrowing in terms of collateral values. Less than 2% of the exposure exceeds 100% of collateral values.
- Internally, the group focuses commitment based loss ratio when assessing loss potential. The realisation value of the collateral lodged is then used as the starting point. This is considerably lower than the market value (for home mortgages the reduction factor used is 20%) and this shall reflect a secure value in the case of realisation in an economic downturn.

Commercial property portfolio

Dominated by commitments with low risk



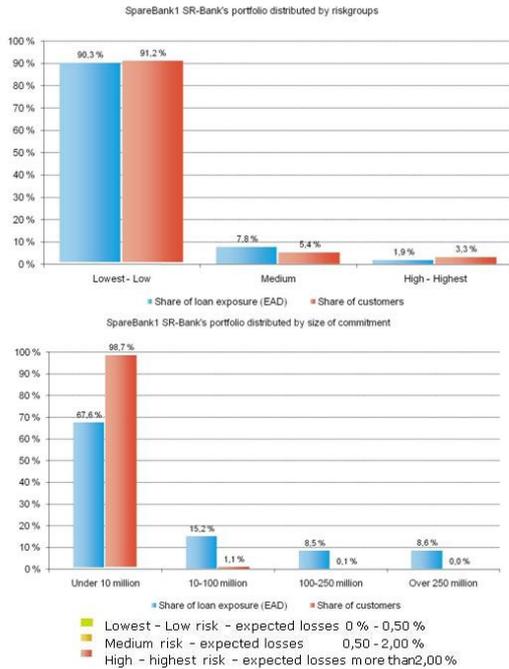
- The portfolio of commercial property represents the group's largest concentration on a single sector
 - Accounts for approx. 15% of total exposure (EAD) including retail market customers
- The commercial property portfolio is dominated by low risk commitments. The credit quality is stable and this has tended to strengthen over the last quarter
 - 78% of the exposure is now classified as "low risk", whilst less than 3% is classified as "high risk"

A significant part of the portfolio is interest-hedged, mainly by way of hedging contracts with a term of more than 5 years

- The portfolio is characterised by long-term leases with financially sound tenants. The vacant area is limited

SpareBank1 SR-Bank's Risk Profile

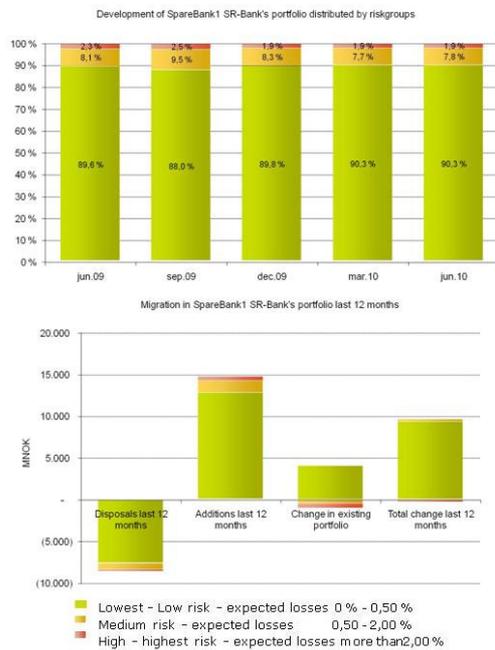
High share of commitments with low risk



- The upper figure shows that 90% of the loan exposure, corresponding to 91% of the customers, meets the criteria for low or lowest risk. Expected losses in this part of the portfolio is extremely limited, amounting to 0.05%
- Exposure to high or highest risk corresponds to 2% of the loan exposure or 3% of the customers. Expected losses on this part of the portfolio amounts to about 3.5%
- The lower figure shows that 99% of the customers, corresponding to 68% of the loan exposure involve commitments of less than NOK 10 million. A limited number of customers have an exposure in excess of NOK 100 million. These have a lower default probability than the portfolio average

SpareBank1 SR-Bank's Risk Profile

Moderate risk profile, stable trends in credit quality



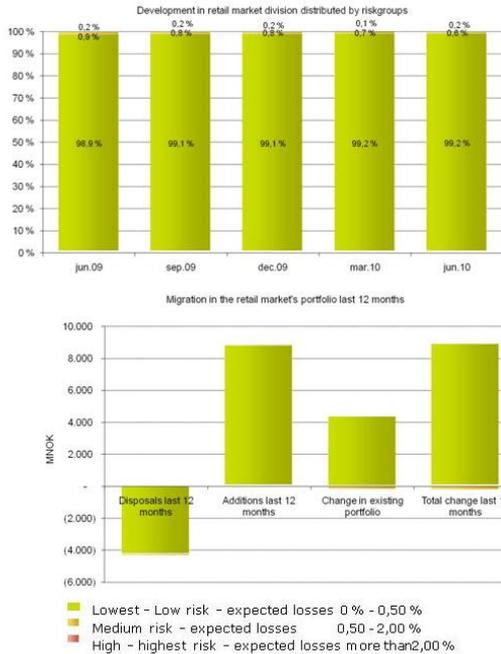
- The group has a moderate risk profile
- The downturn in the Norwegian economy has been limited, and low interest rates have contributed to a higher activity level and rising housing prices. At the same time, unemployment has stayed low
- These trends, together with ongoing internal focus on risk-reducing measures contribute to maintaining the sound credit quality in the group's portfolio

Measurements of risk exposure are based on a long-term average throughout the business cycle. This implies greater stability in default estimates. The bank decided to change the long-term average in the corporate market portfolio with effect from the turn of the year. The effect of this has been incorporated in all data.

Figures include the portfolio transferred to Boligkredit.

Retail market – Risk Profile

The quality of the portfolio is very good and potential losses are low



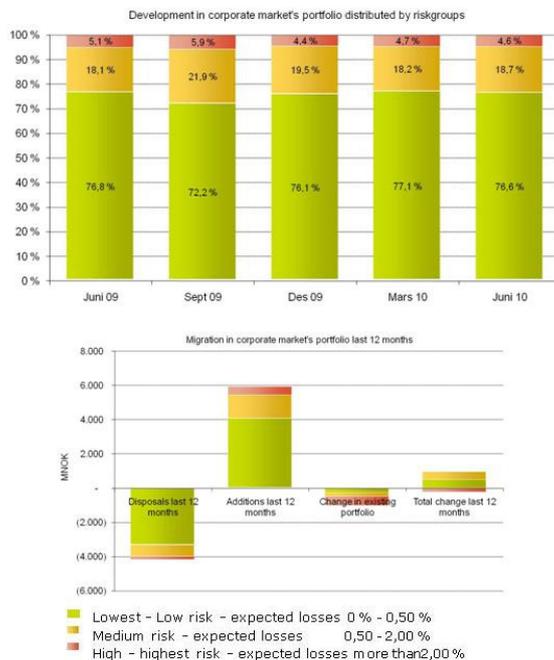
- The quality of the portfolio is very good and the development in the portfolio quality is stable
- Most of the portfolio is secured by way of mortgages on real estate. Collateral coverage is good, which implies limited potential losses so long as the value of the collateral is not significantly impaired

Measurements of risk exposure are based on a long-term average throughout the business cycle. This implies greater stability in default estimates.

Figures include the portfolio transferred to Boligkredit.

Corporate market portfolio – Risk Profile

The portfolio quality is good, but growth in lending is still low

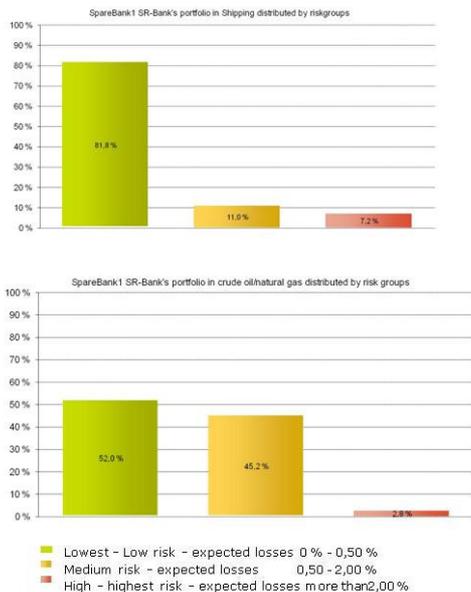


- The portfolio credit quality is good with stable development
- There are general signs of improvement in the earnings of companies, which has a positive impact on credit quality
- Growth in lending remains low because of the low level of investment willingness and credit demand from trade and industry

Measurements of risk exposure are based on a long-term average throughout the business cycle. This implies greater stability in default estimates. The bank decided to change the long-term average in the corporate market portfolio with effect from the turn of the year. The effect of this has been incorporated in all data.

Shipping and crude oil/natural gas portfolio

The portfolio is dominated by commitments with low risk



- In the shipping sector the group has a total exposure of NOK 5.4 billion. A significant part of this exposure is to the offshore service vessels, with good contractual coverage involving North Sea operations
- The exposure to chemical carriers and product tankers is moderate and involves a relatively modern fleet of vessels built at well-renowned yards
- To a limited extent the group is exposed to gas tankers, primarily LNG carriers with long-term charters. The group is not exposed to any large degree to dry cargo carriers, container vessels, ro-ro vessels or tankers
- In the field of crude oil and natural gas the total exposure is NOK 2.8 billion. Most commitments involve, in their entirety, operations and maintenance, rather than newbuildings

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

2.8 Capital adequacy

Basel II was introduced in Norway from 1 January 2007. Figure 2.8 shows the methods used by SpareBank 1 SR-Bank. Using IRB demands high standards regarding organisation, competence, risk-models and risk-management systems.

Interim regulations have been issued by Finanstilsynet (The Financial Supervisory Authority of Norway). From 2009, a reduction (from the earlier capital adequacy rules – Basel I) of the risk-weighted basis of calculation of 20% was allowed, while the corresponding figure for 2008 was 10%. "Transitional arrangements" in Table 2.8.2 illustrates this effect.

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

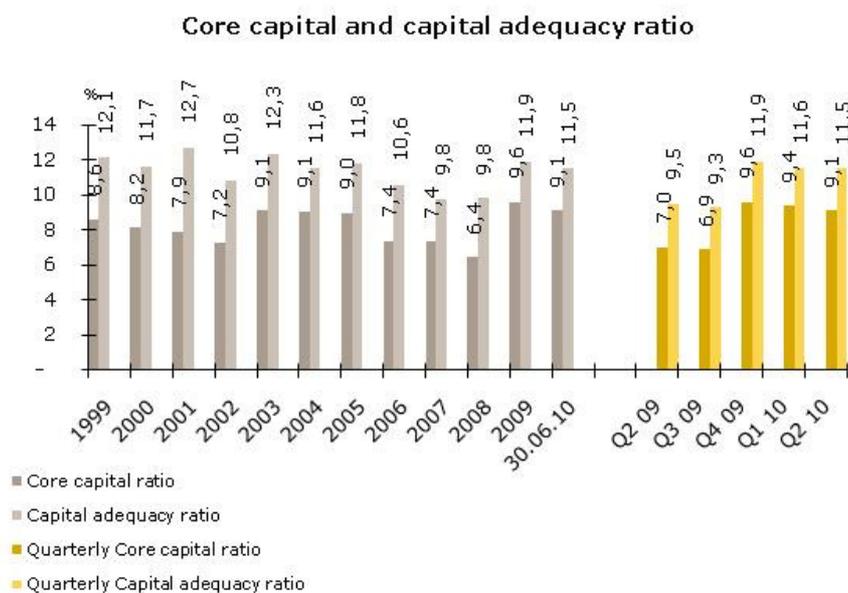
Figure 2.8 Methods used for calculating capital adequacy

<i>MNOK</i>	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Equity capital certificates	3.023	3.023	3.023	2.247	2.247
- Own equity capital certificates	-3	-3	-9	-9	-9
Premium reserve	456	456	478	42	42
Equalisation reserve	652	735	759	443	474
Allocated to dividend	-	-	212	-	-
Savings bank's reserve	2.171	2.220	2.241	2.005	2.032
Compensation fund	20	20	-	-	-
Endowment fund	221	240	240	82	83
Reserve for unrealised gains	127	127	127	69	69
Other equity	954	972	1.002	832	828
Total book equity	7.621	7.790	8.073	5.711	5.766
Deferred taxes, goodwill and other intangible assets	-54	-54	-42	-43	-42
Fund for unrealized gains, available for sale	-1	-1	-1	-1	-1
Deduction for allocated dividends	-	-	-212	-	-
50% deduction for subordinated capital in other financial institutions	-32	-17	-17	-17	-17
50% deduction for expected losses on IRB, net of write-downs	-311	-335	-337	-341	-288
50 %Capital adequacy reserve	-570	-570	-552	-499	-480
Share of non-performing, non-amortized estimate deviations	-	-	-	-	-
Year-to-date profit included in core capital (50%)	318	149	-	389	190
Hybrids	1.272	1.234	1.218	433	480
Total core capital	8.243	8.196	8.130	5.632	5.609
<i>Supplementary capital in excess of core capital</i>					
Perpetual subordinated capital	818	779	760	764	814
Non-perpetual subordinated capital	2.204	2.059	2.045	2.029	2.058
50% deduction for subordinated capital in other financial institutions	-32	-17	-17	-17	-17
50% deduction for expected losses on IRB, net of write-downs	-311	-335	-337	-341	-288
50 % capital adequacy reserve	-570	-570	-552	-499	-480
Total supplementary capital	2.109	1.916	1.899	1.936	2.087
Net subordinated capital	10.352	10.112	10.029	7.568	7.696

Table 2.8.1 Capital overview

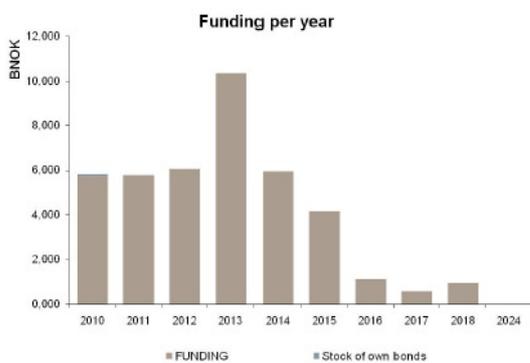
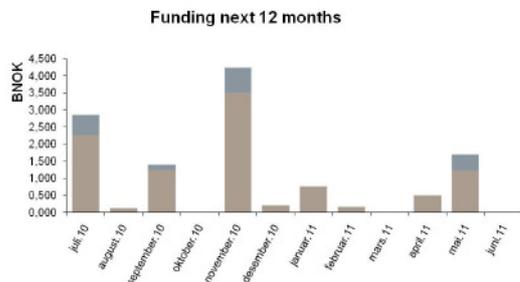
<i>MNOK</i>	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Specialized Lending exposure	1.976	1.988	2.045	2.000	1.826
Other corporations exposure	1.940	1.905	1.755	1.923	1.760
SME exposure	34	33	33	33	32
Retail mortgage exposure	656	653	614	568	577
Other retail exposure	73	63	93	99	121
Equity investments	-	-	-	-	-
Total credit risk IRB	4.679	4.642	4.540	4.623	4.316
Debt risk	99	85	82	95	88
Equity risk	31	47	47	48	36
Currency risk	-	-	-	-	7
Operational risk	374	374	320	320	320
Transitional arrangements	439	255	264	46	382
Exposures calculated using the standardised approach	1.700	1.692	1.605	1.495	1.389
Deductions	-96	-94	-91	-82	-79
Minimum requirements subordinated capital	7.226	7.001	6.767	6.545	6.459
Capital adequacy ratio	11,46 %	11,55 %	11,86 %	9,25 %	9,53 %
Core capital ratio	9,13 %	9,37 %	9,61 %	6,88 %	6,95 %
Supplementary capital ratio	2,33 %	2,19 %	2,26 %	2,38 %	2,59 %

Table 2.8.2 Capital requirements



3. Funding

Funding and liquidity management



- Very good liquidity
- Liquidity buffer of NOK 17.9 billion at 30.06.2010
- Net refinancing needs in 2010 is NOK 5.8 billion
- OMF (covered bonds) equalling NOK 16.2 billion used in the swap agreement in 2009
 - NOK 9.3 billion via own covered bonds
 - NOK 6.9 billion via SpareBank 1 Boligkreditt
 - Majority of these will mature in 2014
- The authorities' swap scheme has been phased out and the ordinary funding markets have functioned more normally, but a great deal of unrest was seen in the 2nd quarter

4. Business areas

4.1 Business segments - Financial performance

Extracts from income statement, first half-year and second quarter

	SpareBank 1 SR-Bank Group Q2 10													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09
<i>MNOK</i>														
Net interest income	239	173	187	143	5	4	2	1	41	44	-47	42	427	407
Net commission and other income	84	121	38	41	43	41	105	86	-2	-2	27	-44	294	243
Net return on investment securities	0	0	0	0	6	79	0	0	0	0	166	122	172	201
Operating expenses	113	102	32	32	12	9	85	73	10	9	171	171	423	396
Operating contribution before losses	210	192	193	153	42	115	21	14	29	33	-25	-52	470	455
Losses on loans and guarantees	1	2	38	38	0	0	0	0	8	10	-10	27	51	77
Operating contribution before tax	209	190	155	115	42	115	21	14	21	23	-15	-79	419	378
Gross loans to customers excl. Boligkreditt	48.185	47.445	43.959	45.058	0	0	0	0	5.117	5.063	-449	-93	96.812	97.473
Deposits from customers	27.510	26.288	28.782	28.223	0	0	0	0	1	2	-156	-65	56.137	54.448

	SpareBank 1 SR-Bank Group per 30.06.10													
	Retail Market		Corporate Market		Capital Market		Eiendoms-Megler 1		SR-Finans		Other*		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<i>MNOK</i>														
Net interest income	488	398	357	260	9	7	3	2	83	91	-76	-2	864	756
Net commission and other income	164	193	76	82	79	71	177	153	-5	-5	63	-43	554	451
Net return on investment securities	0	0	0	0	11	84	0	0	0	0	240	175	251	259
Operating expenses	238	225	72	72	18	18	154	134	20	18	233	298	735	765
Operating profit before losses	414	366	361	270	81	144	26	21	58	68	-6	-168	934	701
Losses on loans and guarantees	2	5	76	159	0	0	0	0	27	18	0	27	120	209
Operating profit before tax	412	361	285	111	81	144	26	21	31	50	-6	-195	814	492
Loans to customers	48.185	47.445	43.959	45.058	0	0	0	0	5.117	5.063	-449	-93	96.812	97.473
Deposits from customers	27.510	26.288	28.782	28.223	0	0	0	0	1	2	-156	-65	56.137	54.448

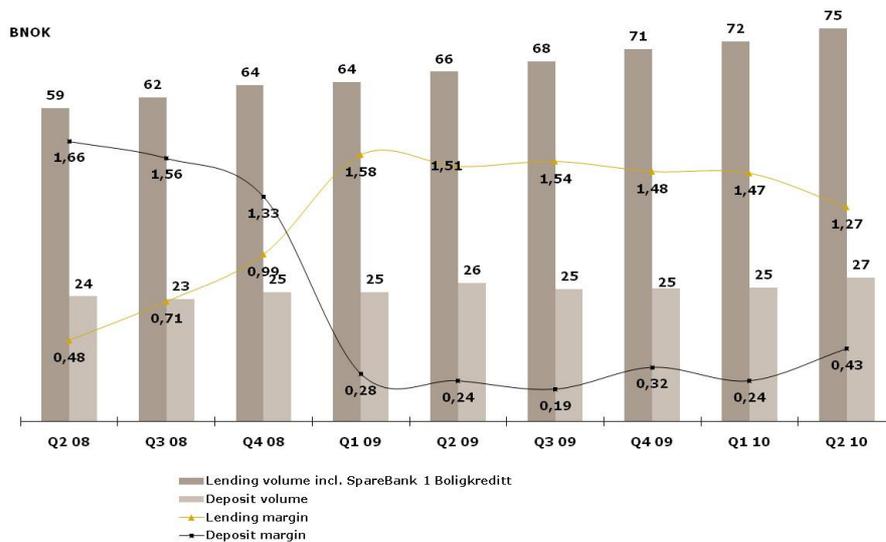
* Includes SR-Forvaltning, SR-Investering, SR-Fondsforvaltning and Vågen Eiendom

4.2 Retail Market

Financial performance in the retail market segment

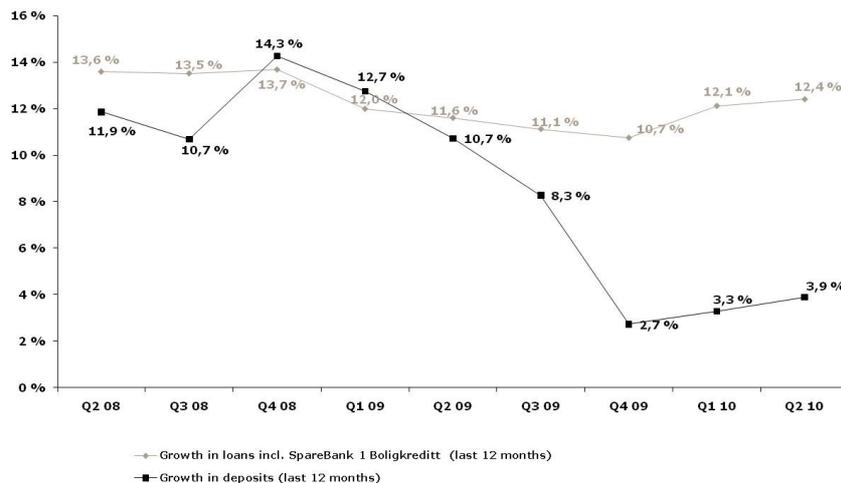
MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Net interest income	239	249	264	256	219	488	398	964
Net other operating income	84	80	89	87	75	164	193	323
Total income	323	329	354	343	295	652	591	1.287
Total operating expenses	113	125	140	128	103	238	225	493
Operating contribution before losses	210	204	213	215	192	414	366	794
Losses on loans and guarantees	1	2	-4	4	2	2	5	5
Operating contribution before tax	209	202	217	211	190	412	361	789

Development in average volume and interest margin*



*Definition margin: Average customer interest minus 3 months average nibor

Growth in loans and deposits

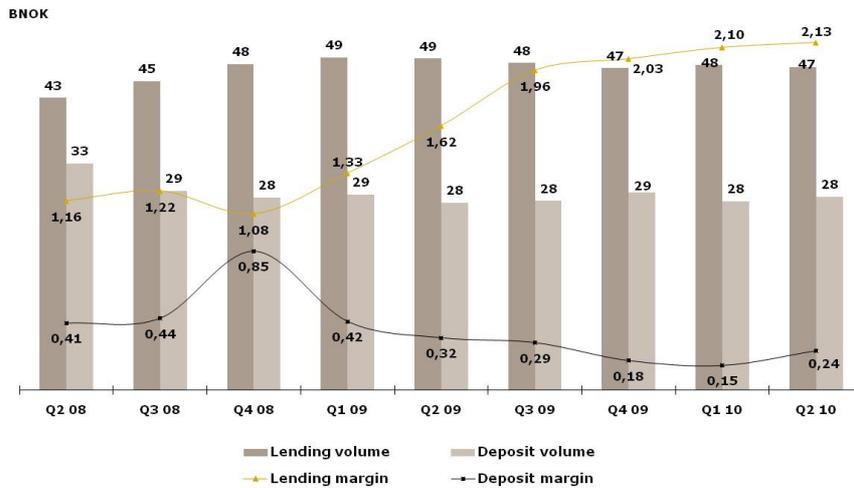


4.3 Corporate Market

Financial performance in the corporate market segment

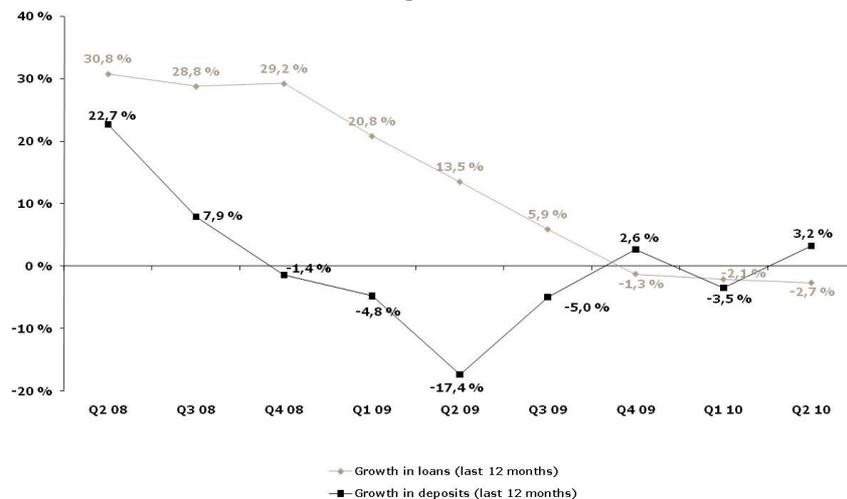
MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Net interest income	187	170	173	170	143	357	260	603
Net other operating income	38	38	37	33	41	76	82	152
Total income	225	208	210	204	185	433	342	755
Total operating expenses	32	40	46	40	32	72	72	158
Operating contribution before losses	193	168	164	164	153	361	270	597
Losses on loans and guarantees	38	38	61	27	38	76	159	248
Operating contribution before tax	155	130	103	136	115	285	111	349

Development in average volume and interest margin*



*Definition margin: Difference between average customer interest rate and 3 months average nibor

Growth in loans and deposits



4.4 Capital Market

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

Financial performance in the capital market segment

<i>MNOK</i>	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Net interest income	5	4	-2	9	5	9	7	14
Net other operating income	49	41	42	19	96	90	155	176
Total income	54	45	40	28	100	99	162	190
Total operating expenses	12	6	11	11	8	18	18	40
Operating contribution before losses	42	39	28	17	92	81	144	150
Losses on loans and guarantees	0	0	0	0	10	0	0	0
Operating contribution before tax	42	39	28	17	82	81	144	150

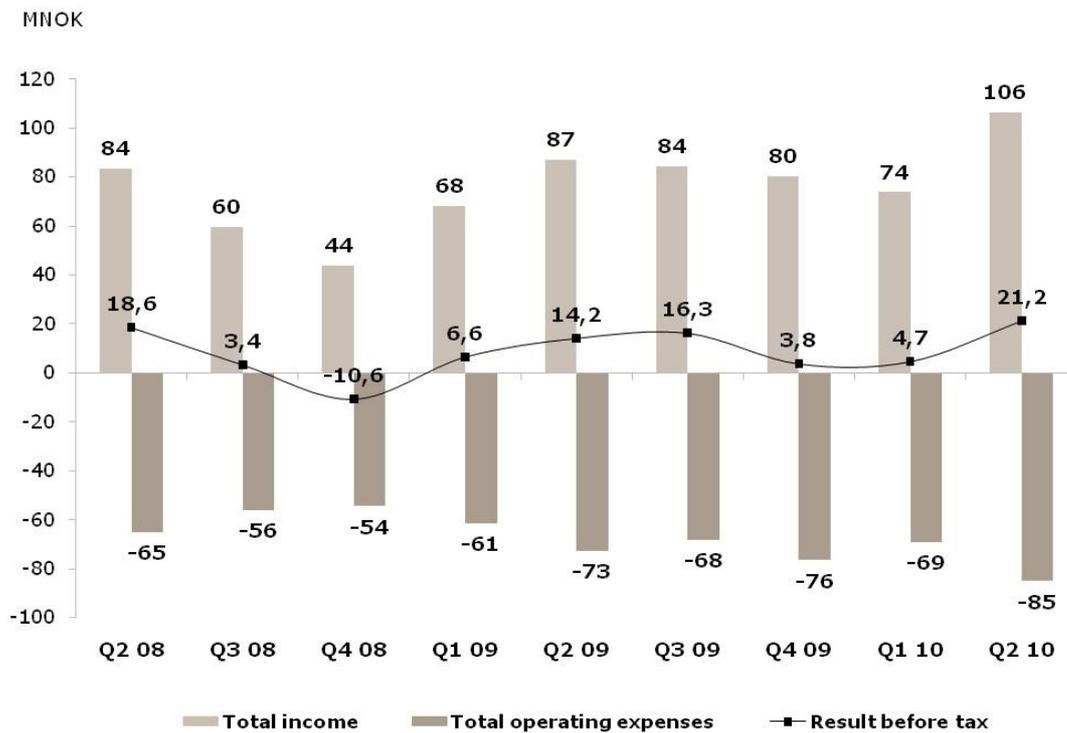
4.5 Subsidiaries

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. In the first half of 2010, the company sold 3.450 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.

Financial performance

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	1,8	1,4	1,7	1,0	0,8	3,2	1,6	4,4
Other income	104,5	72,4	78,5	83,4	86,1	176,9	153,3	315,2
Total income	106,3	73,8	80,2	84,4	86,9	180,1	154,9	319,5
Personal expenses	49,4	42,1	46,1	42,1	40,6	91,5	75,7	161,0
Other expenses	35,7	27,0	30,2	26,0	32,1	62,7	58,3	117,6
Total operating expenses	85,1	69,1	76,4	68,1	72,7	154,2	134,0	278,5
Result before tax	21,2	4,7	3,8	16,3	14,2	25,9	20,9	41,0

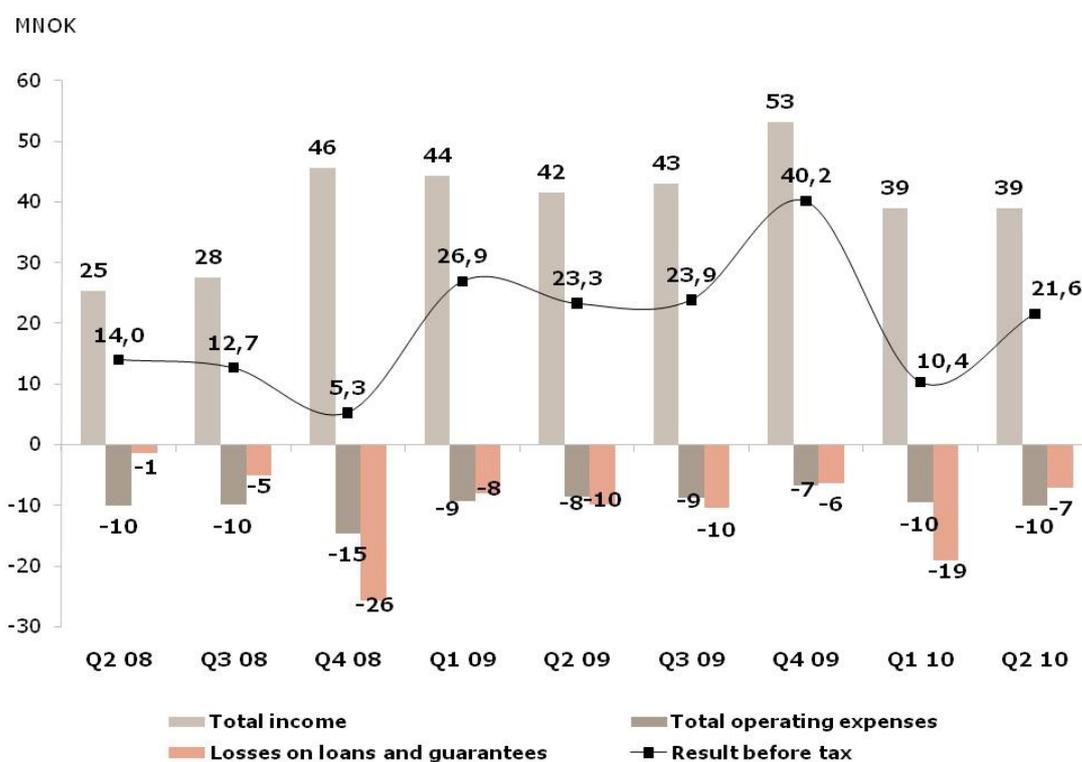


SpareBank 1 SR-Finans AS

SpareBank 1 SR-Finans AS is the leading leasing company in Rogaland with approximately NOK 5.0 billion in total assets. Its main products are leasing to trade and industry and car loans to private customers. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	41,2	41,5	57,1	45,8	44,2	82,7	91,2	194,2
Other income	-2,1	-2,5	-4,0	-2,8	-2,6	-4,6	-5,3	-12,1
Total income	39,1	38,9	53,2	43,0	41,6	78,1	85,9	182,1
Personal expenses	6,6	6,4	3,9	5,7	5,4	13,1	11,8	21,0
Other expenses	3,5	3,1	2,8	3,0	3,1	6,6	6,1	12,1
Total operating expenses	10,1	9,5	6,7	8,7	8,5	19,7	17,9	33,2
Ordinary operating profit	29,0	29,4	46,5	34,3	33,1	58,4	68,0	148,9
Loss on loans, quarantees etc.	7,4	19,0	6,3	10,5	9,8	26,4	17,8	34,6
Result before tax	21,6	10,4	40,2	23,9	23,3	32,0	50,2	114,3

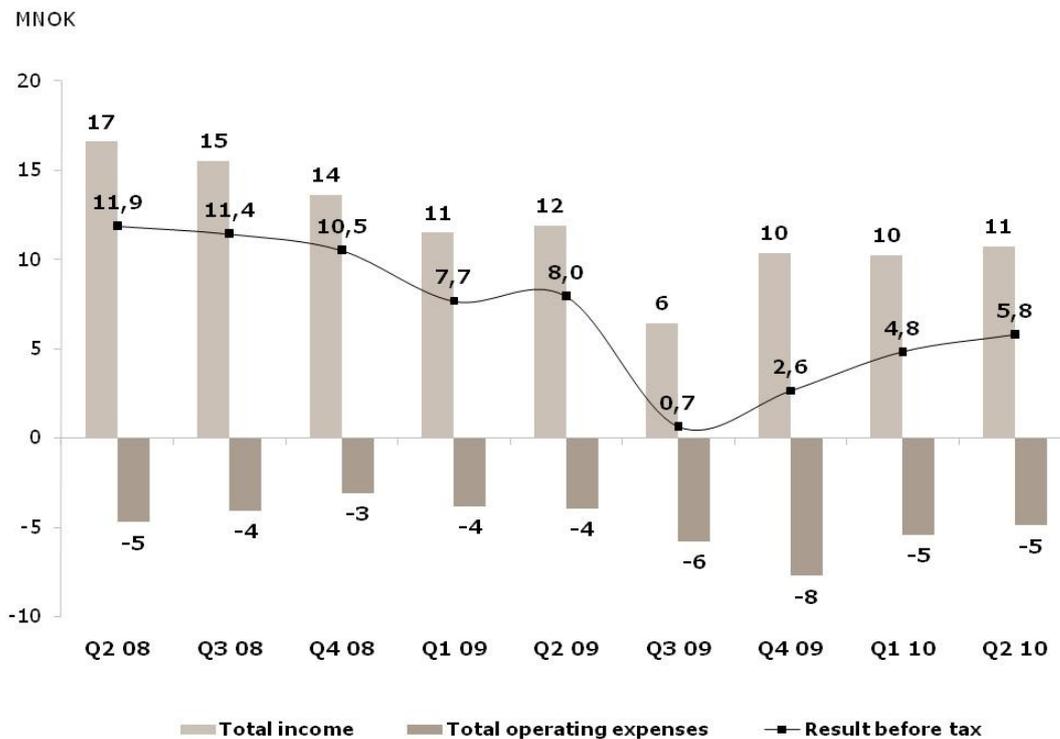


SR-Forvaltning ASA

SR-Forvaltning ASA is a securities firm with a licence to provide asset management services. The company's objective is to be a local alternative with a high level of expertise in financial management. The company manages portfolios for SpareBank 1 SR-Bank and SpareBank 1 SR-Bank's pension fund, in addition to portfolios for about 3.200 external customers. The external customer base is made up of pension funds, public and private enterprises and affluent private individuals. Total assets amount to approximately NOK 5.7 billion as per 30.06.2010. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	0,2	0,2	0,2	0,1	0,1	0,5	0,4	0,7
Other income	10,5	10,1	10,1	6,3	11,8	20,6	23,0	39,4
Total income	10,7	10,3	10,3	6,4	11,9	21,1	23,4	40,2
Personal expenses	3,5	4,0	6,0	4,4	3,0	7,4	5,3	15,8
Other expenses	1,4	1,4	1,7	1,4	0,9	2,9	2,4	5,5
Total operating expenses	4,9	5,4	7,7	5,8	3,9	10,3	7,7	21,2
Result before tax	5,8	4,8	2,7	0,7	7,9	10,8	15,7	18,9

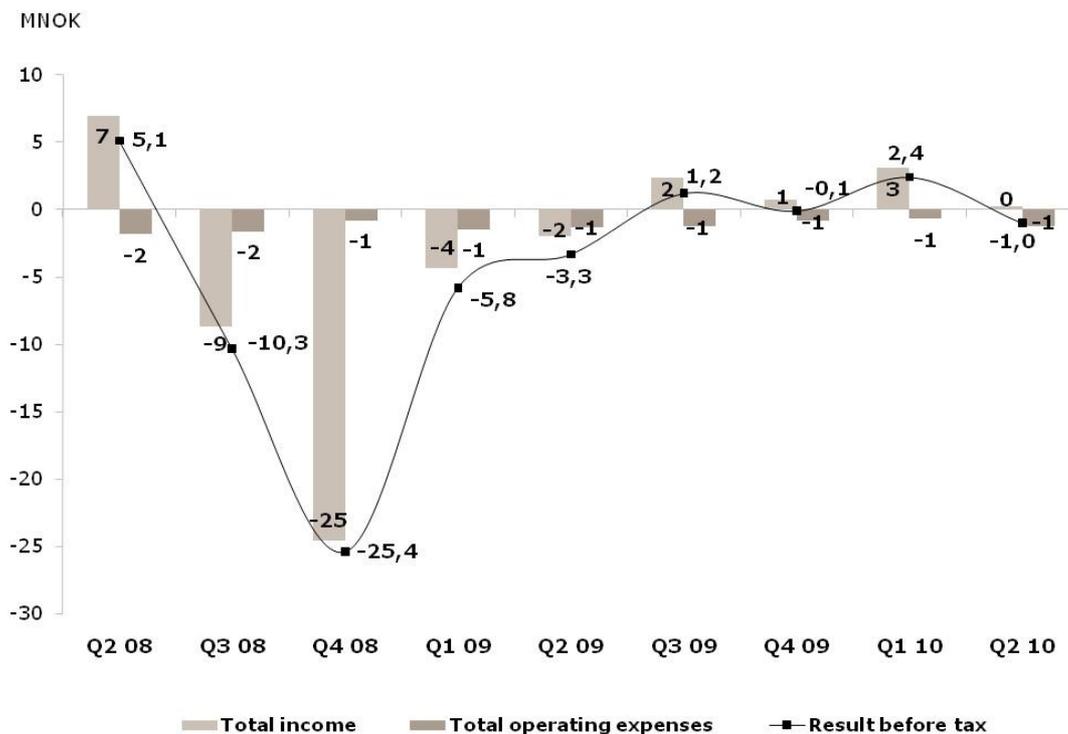


SR-Investering AS

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

Financial performance

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	0,4	0,3	0,3	0,3	0,3	0,7	0,7	1,3
Other income	-	-	0,6	-	-	-	-	0,6
Net return on investment securities	-0,2	2,8	-0,2	2,1	-2,3	2,6	-7,0	-5,2
Total income	0,2	3,1	0,7	2,4	-2,0	3,3	-6,3	-3,2
Personal expenses	1,1	0,6	0,6	1,1	1,1	1,6	2,4	4,2
Other expenses	0,1	0,1	0,2	0,1	0,2	0,3	0,4	0,7
Total operating expenses	1,2	0,7	0,8	1,2	1,3	1,9	2,8	4,9
Result before tax	-1,0	2,4	-0,1	1,1	-3,3	1,4	-9,1	-8,1



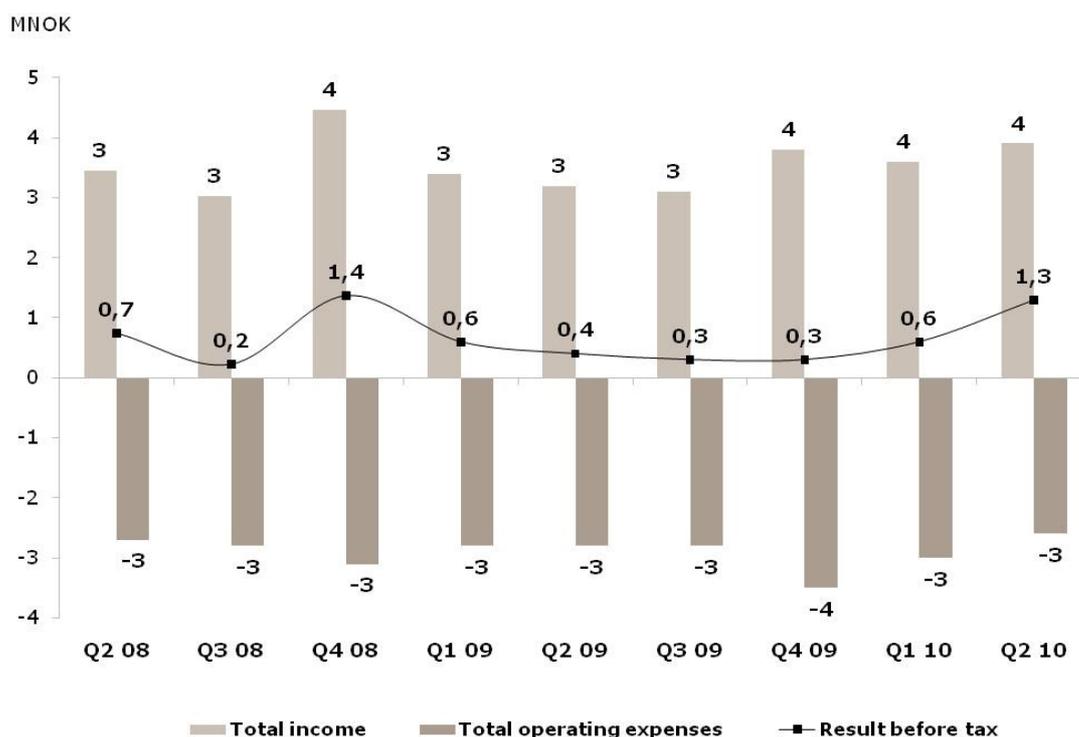
Vågen Eiendom AS

Vågen Eiendom (Vågen Eiendomsforvaltning AS and Vågen Drift AS) and Vågen Eiendomsmedling AS is a competence centre for commercial properties. The objective is to create values for customers by way of active management, development and real estate broking. Vågen Eiendomsforvaltning AS and Vågen Drift AS returned a half-yearly profit of NOK 1.9 million. Vågen Eiendomsmedling AS returned a half-yearly loss of NOK 1.5 million. The company is fully owned by SpareBank 1 SR-Bank.

With effect from 1 July 2010, Vågen Eiendomsmedling AS and Vågen Eiendomsforvaltning AS are part of EiendomsMegler 1 SR-Eiendom AS, whilst Vågen Drift AS becomes a subsidiary of EiendomsMegler 1 SR-Eiendom AS.

Financial performance Vågen Eiendom AS

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	0,0	-	0,1	0,0	0,0	0,0	0,0	0,1
Other income	3,9	3,6	3,7	3,0	3,1	7,5	6,5	13,3
Total income	3,9	3,6	3,8	3,1	3,2	7,5	6,5	13,4
Personal expenses	1,7	1,9	2,4	2,2	1,9	3,7	3,3	7,5
Other expenses	0,9	1,1	1,1	0,7	0,9	1,9	1,8	3,9
Total operating expenses	2,6	3,0	3,5	2,8	2,8	5,6	5,1	11,5
Result before tax	1,3	0,6	0,3	0,3	0,4	1,9	1,4	1,9

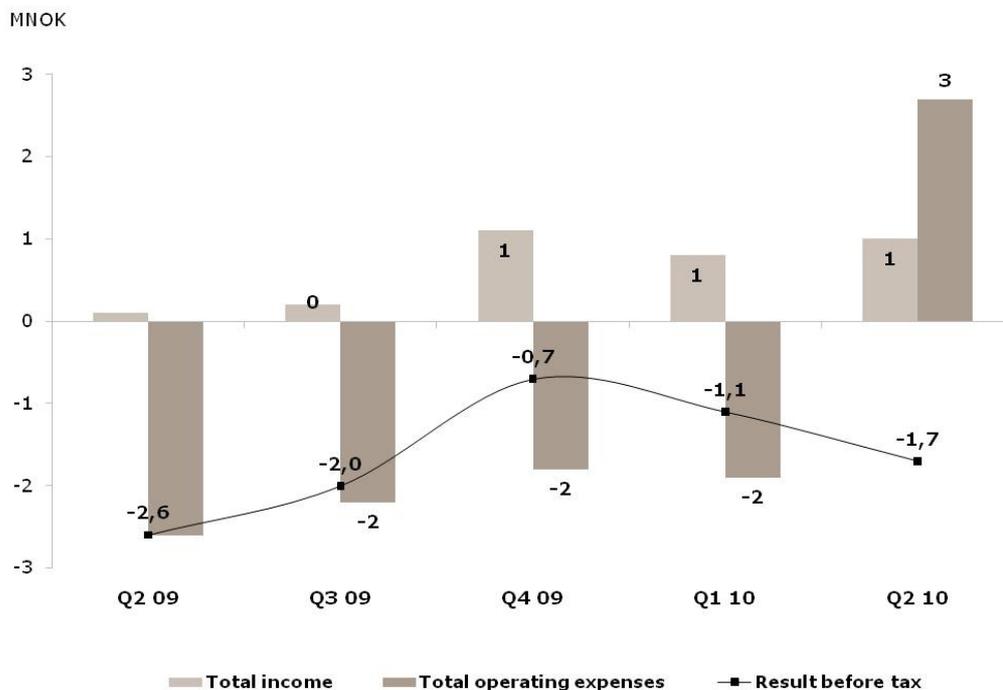


SR-Fondsforvaltning AS

SR-Fondsforvaltning got approval from the Financial Supervisory Authority of Norway (Finanstilsynet) to manage securities funds in May 2009. On 1 September 2009, the company launched three mutual funds. These were well received in the market. Total assets rose by more than 10 per cent during Q2 2010. The company is fully owned by SpareBank 1 SR-Bank.

Financial performance

MNOK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	30.06 2010	30.06 2009	31.12 2009
Interest income	0,0	0,0	0,0	0,0	0,1	0,0	0,1	0,1
Other income	1,0	0,8	1,1	0,2	0,0	1,7	0,0	1,3
Total income	1,0	0,8	1,1	0,2	0,1	1,7	0,1	1,4
Personal expenses	1,7	1,1	1,1	0,6	1,8	2,7	1,8	4,4
Other expenses	1,0	0,8	0,8	1,6	0,8	1,8	0,8	2,3
Total operating expenses	2,7	1,9	1,8	2,2	2,6	4,5	2,6	6,7
Result before tax	-1,7	-1,1	-0,7	-2,0	-2,6	-2,8	-2,6	-5,3



5. Norwegian and regional economy

The downturn in Norwegian economy in 2008 and 2009 was moderate compared to most other industrialised countries. GDP mainland Norway fell moderately by 1.5 per cent in 2009 and unemployment rose slightly to 3.3 per cent. GDP is expected to rise modestly in 2010 and unemployment is expected to remain at low levels.

	2010	2011	2012	2013
CPI	2½ (0)	1½ (-¼)	2¼ (-¼)	2¼ (-¼)
CPI-ATE	1½ (0)	1¾ (-¼)	2¼ (-¼)	2¼ (-¼)
CPIXE ¹⁾	1¾ (0)	2 (0)	2¼ (-¼)	2¼ (-¼)
Annual wage growth	3½ (-¼)	4 (-¼)	4½ (-¼)	4¾ (0)
Mainland demand	1¾ (-1¼)	4 (-¼)	3¼ (0)	2½ (¾)
Mainland GDP	1¾ (-½)	2¾ (0)	2¾ (¼)	2¾ (½)
Mainland output gap ²⁾	-¾ (0)	-¼ (0)	0 (¼)	¼ (¾)
Employment	-¼ (-¼)	¾ (0)	1 (0)	½ (0)
LFS unemployment (rate)	3½ (-¼)	3¾ (0)	3½ (0)	3½ (0)

1) CPIXE: CPI adjusted for tax changes and excluding temporary changes in energy prices. See Staff Memo 7/2008 and Staff Memo 3/2009 from Norges Bank for a description of the CPIXE

2) The output gap measures the percentage deviation between mainland GDP and projected potential mainland GDP

Table 5.1 Projections for macroeconomic aggregates in Norges Bank's Monetary Policy Report 2/10. Percentages change from previous year (unless otherwise stated). Change from report 1/10 in brackets. (Source: Norges Bank)

The Norwegian state finances are very solid. Revenues from the petroleum sector have been important in the past and will contribute to increase the Petroleum Fund going forward, see figure 5.2.

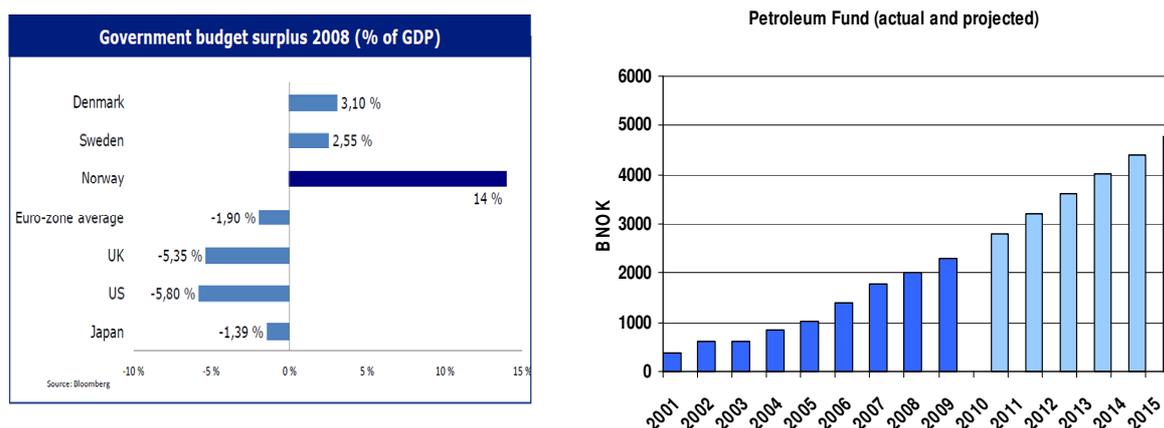


Figure 5.2 Government budget surplus 2008 and Petroleum Fund

SpareBank 1 SR-Bank is situated in the South-Western part of Norway. The majority of the bank's customers are in the county of Rogaland, and market shares are increasing in the expansion areas of Agder and Hordaland. The bank's market area is within the strongest part of Norwegian economy outside of Oslo (by regional GDP per capita) and petroleum investments (which is important for the region) is expected to stay at high levels, see figure 5.3 and 5.4.

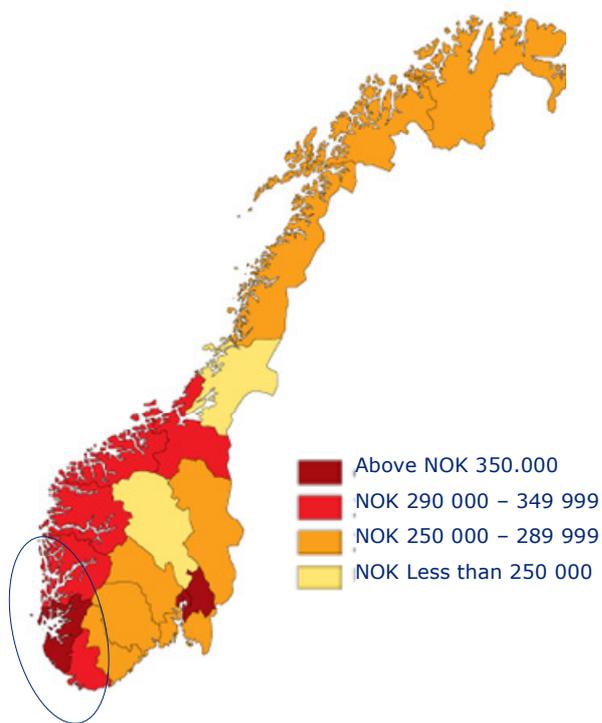
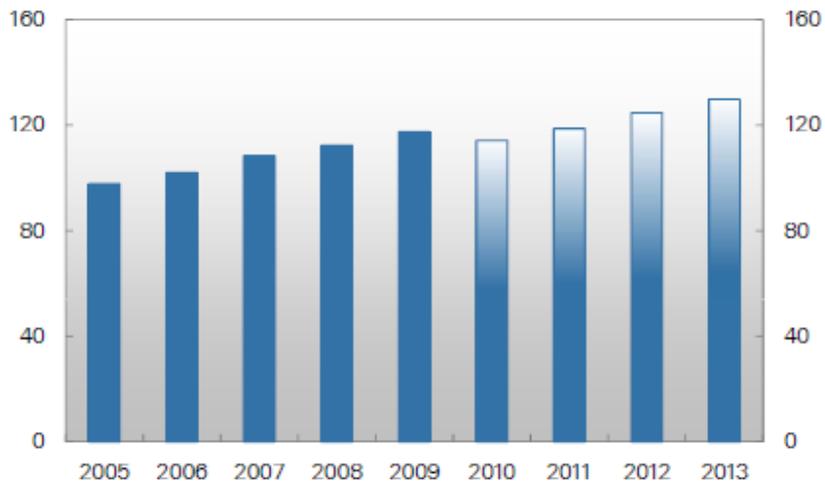


Figure 5.3 Regional GDP per capita (2006)



1) Projections for 2010 – 2013
Sources: Statistics Norway and Norges Bank

Figure 5.4 Petroleum investments. Fixed 2007 prices. In billions of NOK. 2005-2013 (projections 2010-2013) (Source: Norges Bank, MPR 2/10)

House prices in the market area have been fairly stable the last three years and unemployment rates have remained at low levels, see figure 5.5

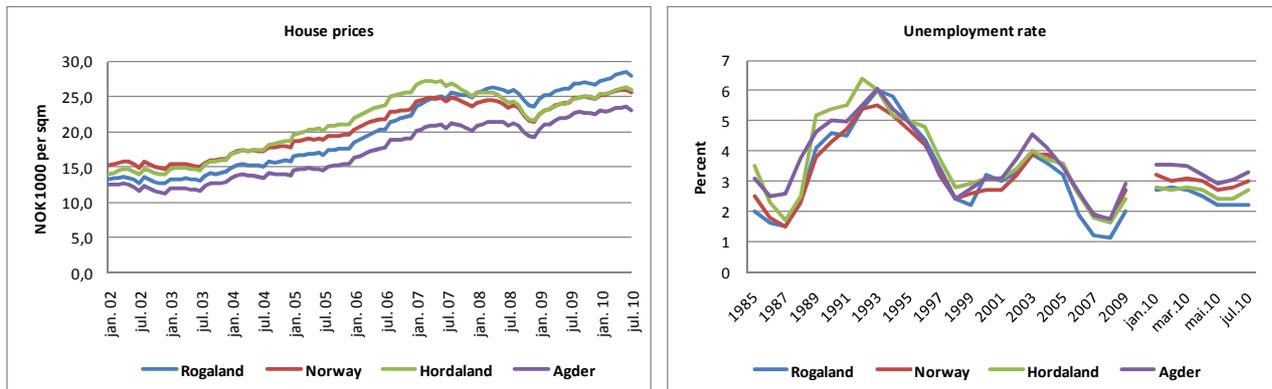


Figure 5.5 Regional house prices and unemployment rates

