

ANNUAL REPORT



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SPAREBANKEN FOR HELE REGIONEN

This is Sparebanken Rogaland

Sparebanken Rogaland is the leading bank in south-western Norway, with a network of 57 offices in 26 municipalities from Ølen in Hordaland to Flekkefjord in Vest-Agder. The Bank consists of 39 former, local savings banks, with roots going back to 1839.

Sparebanken Rogaland is today organized in five district regions. The Bank's Head Office is situated in Stavanger.

Sparebanken Rogaland is the dominant bank in south-western Norway and the market leader within the areas of retail banking, public entities, commerce and industry.

The SR-BANK Group, consisting of Sparebanken Rogaland and various subsidiaries, is Norway's sixth largest banking group with total assets of NOK 20 billion.

Our vision and basic concept

Sparebanken Rogaland is to be the leading bank in Rogaland and its neighbouring municipalities, its business and reputation built on trust, strong capitalization and solid, local roots.

The bank

Sparebanken Rogaland is to be the bank for the region, with strong roots in the various municipalities.

The market

Sparebanken Rogaland is to be a natural partner and link, for private persons, primary industries, small and medium-sized firms as well as public institutions.

Products and services

Sparebanken Rogaland will offer bank related products and services. Through availability and accessibility, simplicity and quality, these products and services will provide the Bank's customers with a secure and longstanding linkage to the Bank, and through counselling and advisory services our clients will be given every assistance enabling them to make better use of their financial resources.

Service

Sparebanken Rogaland will be developing a positive corporate culture through the enhancement of overall competence levels, service and a customer oriented approach and philosophy.

The community

Sparebanken Rogaland will participate actively in the work aimed at strengthening overall growth and development within the region.

Against this background of a well defined business concept and a self-imposed standard of unimpeachable business ethics, Sparebanken Rogaland will become known as an important, effective and profitable district bank, which is prepared to adopt a very responsible and caring attitude towards all its retail and corporate customers, trying to help solve their problems and meet their requirements, and at the same time being aware of the part our bank has to play in the local communities.

Main Features 1995

- A good result for the SR-BANK Group
- Satisfactory lending growth
- Average interest margin under pressure
- NOK 30 million set aside for restructuring
- Alliance with three other regional savings banks
- Local commerce and industry doing well

Main Figures

	SR-BANK Group			
	1995		1994	
	NOK mill.	%	NOK mill.	%
Net interest income	695	3.52	732	4.00
Other income	224	1.13	95	0.52
Total income	919	4.65	827	4.52
Total costs	578	2.93	512	2.80
Results before losses and write-downs	341	1.73	315	1.72
Losses and write-downs	16	0.08	(11)	(0.06)
Result from ordinary operations	325	1.65	326	1.79
Taxation cost	50	0.25	0	0.00
Profit for the year	275	1.39	326	1.79
Average assets	19,756		18,276	
Capital adequacy ratio		12.55		12.62
Total assets as at 31.12	20,098		18,754	
Net lending	17,805		16,491	
Deposits from customers	13,883		13,927	
Net equity capital	1,650		1,563	
Return on equity capital*		22.10		30.40
Amount of income earned from each krone spent on costs**	1.56		1.77	
Number of man-years	711		715	
Number of branches	57		57	
PCC price at year-end	147		115	
Dividend	14		13	
Amount of equity per PCC in the accounts***	121		118	
PCC ratio****	73,00		79,00	

* Result after losses and tax, as a percentage of average equity capital.

** The amount of income earned from each krone spent on costs is defined as the total income, exclusive of net trading gains/losses on current assets, divided by total operating costs.

*** PCC capital plus Dividend Equalisation Fund divided by the number of PCCs. The PCC rules and regulations were changed in April 1995; PCC owners now also have proportional right of ownership as far as the Dividend Equalisation Fund is concerned.

**** The PCC ratio is defined as the sum of the PCC capital and the Dividend Equalisation Fund as a percentage of the total equity capital for the Group as a whole.

In 1996, quarterly results will be published on 2 May, 29 August and 31 October. Preliminary annual result for 1996 will be published on 30 January 1997.

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The photograph on the front page shows bicycle production at Øglænd DBS.

The Board of Directors' Annual Report 1995

Result and growth

In 1995, the SR-BANK Group achieved a result amounting to NOK 325 million from ordinary operations, including an amount of NOK 30 million which has been set aside for planned measures in respect of change and restructuring during 1996. The comparable result at this level in 1994 was NOK 326 million. After estimated tax of NOK 50 million, the profit for the year under review ended up at NOK 275 million. At the end of 1995, total assets stood at NOK 20.1 billion. In comparison with 1994, this involved overall growth of 7.2 per cent. The Group's equity and related capital increased by NOK 87 million, totalling NOK 1,650 million at the end of 1995. This produced a capital adequacy ratio of 12.55 per cent.

1995 was characterised by increased competition, producing a narrower average interest margin. The Board of Directors is pleased with the way in which the Group has developed and progressed during 1995 and considers the result for the year to be good. This result was achieved against the background of good lending growth and a good improvement in other income, coupled with low net credit losses. In addition, the Group has further strengthened and enhanced its communication and contact with a broadly based and loyal customer base.

The Norwegian economy

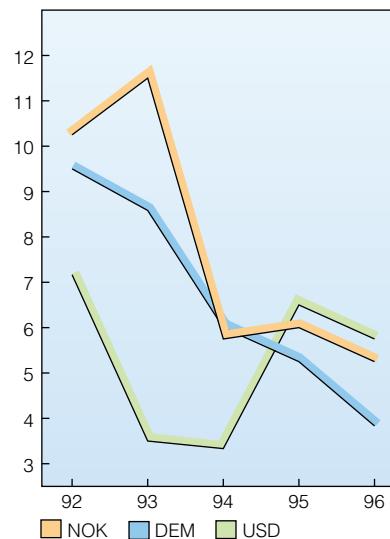
During 1995 too, the Norwegian economy did well, although the overall rate of growth was distinctly lower than in 1993 and 1994. Demand from mainland Norway slowed down during the course of the year and the upturn in production showed signs of becoming weaker. This development largely

follows the overall trends within the international economy. Differences between the various countries are to some extent considerable, but one common feature is that domestic demand impulses have not to a sufficiently large extent taken over as a driving force in the economy after export-led growth abated. The international economic development has resulted in reduced demand for Norwegian goods from our most important trading partners. In spite of this, the Norwegian export industry had a very good year. Inflation and wage increases have been estimated at 2.5 and 3.6 per cent respectively. At the end of 1995, the level of unemployment amounted to 4.9 per cent. The deceleration in the international and domestic economies is partly due to tight monetary policies, aimed at tackling public expenditure and budget deficits.

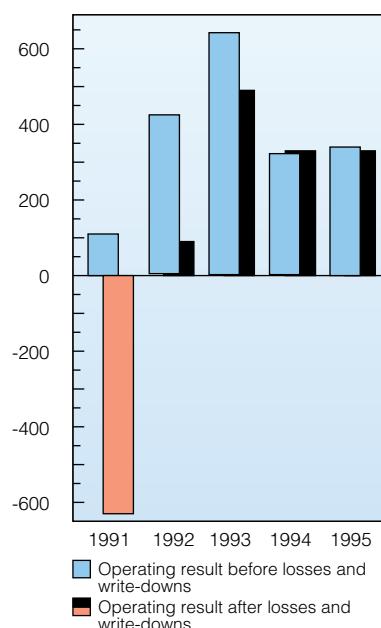
The underlying, favourable aspects of the Norwegian economy – a current account surplus, a state budget surplus and a low rate of inflation – have strengthened the value of the Norwegian krone in relation to European currencies compared with the levels during 1994. Norwegian money market rates in 1995 largely followed the movements in European interest rates, falling since the beginning of the year. Short-term interest rates have fallen slightly, but, in the case of 3 months' Nibor, have been around 5.5 per cent. Long-term interest rates have come down from about 8 to 6.5 per cent.

Regional development

Industry and commerce in Rogaland are dynamic and capable of strong growth. The primary industries within agriculture and fisheries



Interest rate developments during the last 4 years, showing, Norwegian kroner, German marks and US Dollars. The 3-month money market rates have been used in this graph.



SR-BANK's operating result before losses and provisions for bad and doubtful debts, in NOK million.

provide a basis for good diversification within the business sectors of this region. A good infrastructure means that there are good opportunities for diversified growth within commerce and industry, both land-based and off-shore-related. By and large, 1995 turned out to be a good year for the business community in Rogaland. Commerce benefitted from a positive trend, especially as far as capital goods, such as cars and furniture, were concerned, whereas consumer goods, such as clothes and footwear, showed a weaker development than expected.

The oil-related industry enjoyed good activity levels during 1995, particularly within the areas of operations and maintenance. The technological and structural development provides the basis for innovation and the establishment of new businesses. Within the sector of field development, increased competition domestically and internationally, coupled with a switch to new development methods, has had a negative impact in the case of two of the region's larger employers, Rosenberg Verft and Norwegian Contractors.

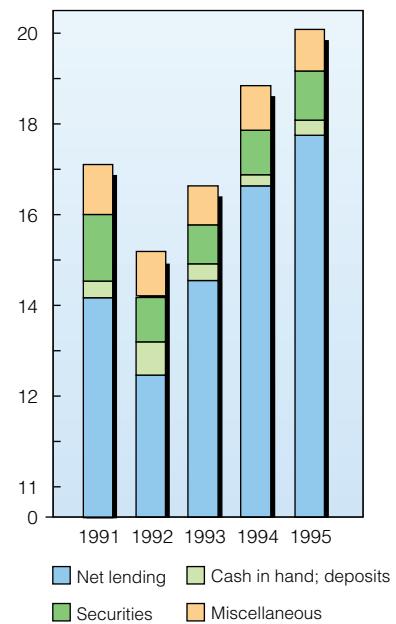
Developments within the building and construction sector were relatively weak, especially for dwelling houses. Excess capacity has been producing downward pressure on overall margins and low earnings. The cost increases for building materials brought about a rise in the prices of new dwelling units which was high in relation to the market for existing homes. This has resulted in heavy turnover of existing dwellings, forcing prices to rise. For commercial property, rents have been stable in central areas; there has been some increase in the construction of new commercial

property. Competition within the residential construction sector is expected to remain fierce.

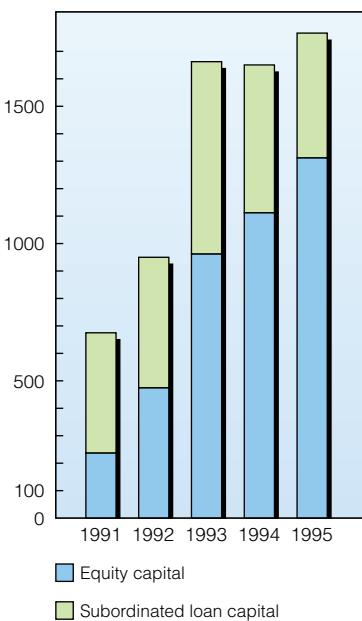
Framework conditions for primary commerce and industry have been good. Developments within agriculture have been good, including agriculturally-based industry. However, over-production and future adjustment to the European market have brought about uncertainty. Within the fisheries and the processing industries the overall development has been good. After the investment and development during the last few years, particularly at Egersund and on Karmøy, the region has gained a considerable overall capacity both as far as receiving raw materials and processing fish products are concerned. However, increasing competition for raw materials means uncertainty in the future. 1995 proved to be a good year for the farming of salmon, but over-production, market access and minimum prices add up to uncertainty during 1996. There are also signs suggesting that developments within other regions, involving fewer and larger fish farm units, will now begin to have an impact in Rogaland, too.

The SR-BANK Group's overall development and progress

The SR-BANK Group did well in 1995. After a period of strong growth and increasing market shares, last year's efforts were aimed at maintaining and consolidating the Group's strong position in the market. Competition within the region has become fiercer, more players have arrived and branches have been established in central areas. The Bank tries to



SR-BANK Group assets – amounts in NOK billion.



*Equity capital and subordinated loan capital at SR-BANK Group during the last 5 years.
Amounts in NOK million.*

compensate for shrinking margins by increasing its business volumes. Especially within the corporate market it would sometimes appear as if average interest margins do not reflect the overall risks of the commitments in question. However, this situation has given the customers reduced prices for loans and other banking products and services. The Group will continue to strengthen its customer- and market-oriented approach, and at the same time make its operations more efficient.

In order to safeguard the Bank's independence and enhance its competitive powers, the SR-BANK Group has entered into an agreement of co-operation with Sparebanken Nord-Norge, Sparebanken Midt-Norge and Sparebanken Vest. The aggregate assets of these four banks amount to some NOK 76 billion. Through this regional co-operation, SR-BANK will ensure that its customers will be able to access the right products and services at the right terms and conditions. This alliance represents an obvious regional alternative to the dominant, Oslo-based financial environment. The Group is of the opinion that Norway's various regions will benefit from larger, stronger and independent regional financial groups. The regional group of four banks has submitted an application to the Ministry of Finance for permission to own jointly other financial entities, involving equity stakes of up to 25 per cent in the case of each of the four participating regional savings banks. In addition, this regional co-operation will ensure that the participating banks become a force to be reckoned with in the market place; at the same time,

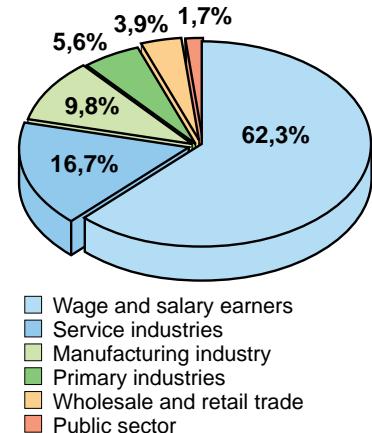
such an alliance will also produce overall gains derived from making these banks more effective operationally. The Board of Directors expects a great deal from this co-operation.

During the course of the year under review, work has continued in order to be able to make the fullest possible use of the available information technology. Customer systems have been improved. A new credit system has been implemented; at the same time, the customer handling system has been converted to a PC basis. The degree of overall automation within the Bank is increasing. Giro by letter has been introduced; at the end of the year, 50 per cent of the total giro volume was handled outside the Bank. As the degree of automation increases, the Group is transformed in such a way that it is able to offer its customers improved overall service, ensuring that the Bank will be close to its customers in the future.

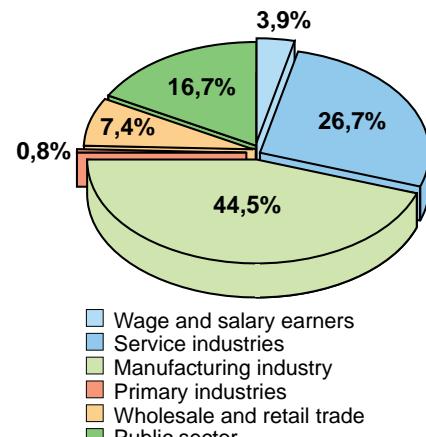
Even though the SR-BANK Group benefits from relatively low cost levels compared with most other larger banks, the Board of Directors has deemed it necessary to continue with its efforts to further enhance the Group's overall internal operational efficiency. In this connection, a larger project has been initiated, the purpose of which will be to further trim the Bank's relative cost level during the course of the year. In order to ensure that this project will be successfully implemented, the Board of Directors decided to set aside NOK 30 million in the 1995 accounts.

Result

The SR-BANK Group achieved a good operating result in 1995. The Group's result from ordinary



Gross lending at SR-BANK Group of NOK 18,418 million, broken down by wage and salary earners and corporate sectors.



Guarantees at SR-BANK Group of NOK 663 million broken down by wage and salary earners and corporate sectors.

operations amounted to NOK 325 million. This performance is to be viewed against the background of a growing market, increased competition and shrinking margins. Net interest income for the Group as a whole amounted to NOK 695 million, a reduction of NOK 37 million compared with 1994. Measured against average assets, net interest income totalled 3.52 per cent in 1995, as against 4.00 per cent in 1994. The shrinkage in the average interest margin was largest during the second quarter and stabilised towards the end of the year.

With the exception of one larger commitment, Forus Trelast, credit losses and commitments in default developed in a positive manner. In relation to gross lending, gross loans in default for the Bank were cut back from 4.4 per cent to 3.6 per cent. Gross losses amounted to NOK 138 million. Of this, corporate clients and retail customers accounted for NOK 113 million and NOK 25 million respectively. Recoveries in respect of losses and previous loss provisioning totalled NOK 109 million, producing net losses of NOK 29 million.

Commitments in default for more than 30 days increased during the year from NOK 735 million to NOK 918 million. This increase is ascribable to the bankruptcy of Forus Trelast and will gradually be reduced during the first half of 1996. The overall loss risk relating to commitments in default is reflected in loss provisioning totalling NOK 352 million. In addition, an amount of NOK 128 million has been set aside to take care of doubtful commitments, not yet in default. There is no change in the level of non-specific loss provisions of NOK 133 million.

Subsidiaries

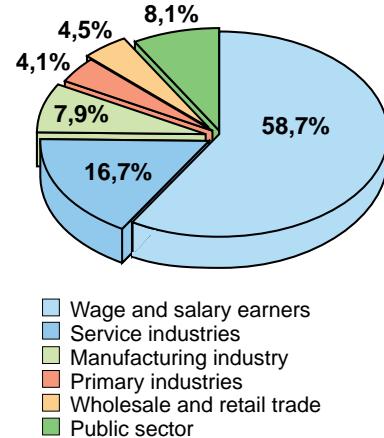
The Bank's subsidiaries are active in markets connected with financial activities. As in the case of the parent bank, the subsidiaries have done well. High turnover of dwelling units and a favourable development within the leasing business produced good results for SR-Eiendom and Westbroker Finans, these companies earning NOK 9.1 million and NOK 35.5 million respectively in 1995. The Bank's investment and support in respect of SR-Fonds has also produced dividends, that company achieving a result of NOK 4.7 million in 1995.

Balance Sheet

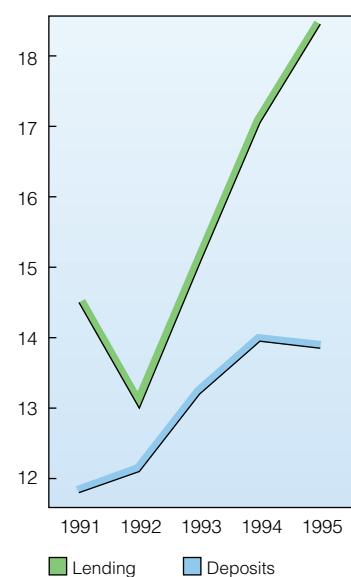
Group total assets expanded by 7.2 per cent to NOK 20.1 billion in 1995, the increase for the Bank being 7.7 per cent, to NOK 18.9 billion. During the year under review, retail lending rose by NOK 800 million, 7.2 per cent, the corporate and public sectors adding NOK 500 million, 8 per cent. This amounted to an annualised rate of growth of 7.4 per cent for the Group's aggregate lending. Deposits from customers developed in a stable manner, finishing up at the same level as in 1994.

Regional Bank Advisory Councils (RBACs)

The co-operation with the RBACs ensures that the Bank stays close to its local environment, and to the problems with which its customers are faced. The RBACs also act as an important link in the ongoing process of change, including everything from payments and transfers to advisory services.



Deposits of NOK 13,883 million, at SR-BANK Group, according to wage and salary earners and corporate sectors.



Deposits from customers and net lending at SR-BANK Group during the last 5 years.

The automation of the Bank's products and services makes big demands as far as new information channels and systems are concerned; the RBACs are going to play an important part contributing to the overall development of the bank of the future.

Personnel and working environment

The Group's organisation is based on the principles of line responsibility and delegated authority, coupled with being close to and knowing a great deal about the Group's customers and the local environment. The organisation is therefore adapted to the regional structure and divided into five regional units, with central support functions. Manning levels at the turn of the year totalled 711 man-years for the Group as a whole, following a shrinkage of 4 man-years during the course of the year. During 1995, the Bank's personnel was trimmed by 10 man-years to 653 man-years, the equivalent of 733 employees.

The level of competition and the structural changes within the financial industry put a big premium on operational efficiency, professional skills and overall competence. The BI Business School is the Bank's most important partner as far as the development aimed at professional skills, customer orientation, service and management are concerned.

The Bank's working environment is regarded as satisfactory. Surveys which have been conducted amongst the Bank's staff, and the far below average level of absenteeism through illness, confirm this. During the course of 1995, measures relating to

internal control, health, environment, safety and security have been implemented.

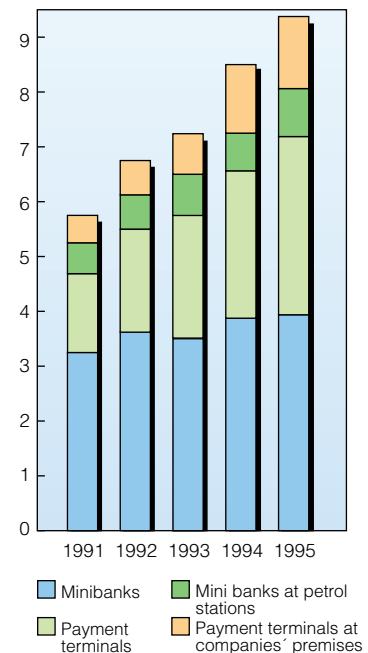
Capital adequacy

As at 31 December, 1995, Group capital adequacy amounted to 12.55 per cent, of which primary/core capital accounted for 9.91 per cent. At the end of the year, corresponding key ratios for the Bank amounted to 12.73 per cent and 9.89 per cent.

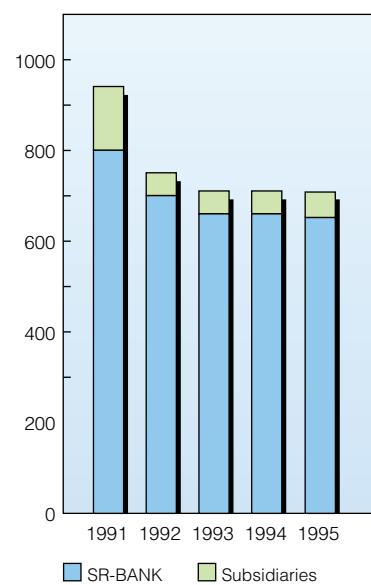
The Bank's PCC capital

In line with the Bank's results, the Bank's PCC price has developed in a stable and even manner. The liquidity in the PCCs has been good, and at the turn of the year, the number of PCC holders had risen from 1,375 to 2,214. Of these investors, 26 per cent were domiciled in Rogaland. PCCs owned by foreigners and Norwegians domiciled abroad amounted to 9.3 per cent. The 20 largest PCC holders accounted for 52.6 per cent of the total.

In accordance with the Bank's dividend policy, the Board of Directors proposes payment of a dividend of NOK 14 per PCC for the 1995 financial year. The level of dividend has been calculated on the basis of the profit for the year for the Group as a whole, after allowing for estimated tax. In addition, an amount of NOK 20 million has been set aside for the Dividend Equalisation Fund. The socalled RISK amount for 1994 was fixed at NOK 13 per PCC. If the National Assembly approves the latest proposed legislation concerning RISK amount calculations, the RISK amount for 1995 will be NOK 2.69 per PCC.



Transactions (in NOK million) involving electronically transmitted payments at SR-BANK Group.



Number of man-years at SR-BANK and at the Bank's subsidiaries during the last five years.

Allocation of profit for the year/Dividend

The Board of Directors proposes that Sparebanken Rogaland's profit for the year – amounting to NOK 313 million – is allocated as follows:

Profit for the year	313 NOK million
Group contributions made to and received from subsidiaries	48 NOK million
Available for allocation	265 NOK million
Dividend, NOK 14 per PCC	104 NOK million
The Savings Bank's Fund	141 NOK million
Dividend Equalisation Fund	20 NOK million
Total	265 NOK million

Future prospects

The Board of Directors expects that local commerce and industry will continue to develop in a positive way during 1996. This will provide a good basis for the Group's overall business. In spite of the increasingly tough competition, the Board of Directors anticipates another satisfactory result, although it is likely to end up a little lower than that which was achieved in 1995.

The Board of Directors

Front from left Arild Marvik, Hallvard Bakka,

Terje Vareberg, Arne Norheim and Elin Garborg.

Back from left Olav Friestad, Einar Strømsvåg, Henning M. Stephansen, Dominikus Nagell Bjordal and Karl A. Naley.



Stavanger, 7 March 1996

Terje Vareberg
Chairman

Einar Strømsvåg
Deputy Chairman

Arild Marvik

Dominikus N. Bjordal

Hallvard Bakka

Henning M. Stephansen

Olav Friestad

Elin Garborg

Arne Norheim
Managing Director

Statement of Income

(Amounts in NOK million)	Notes	1995	SR-BANK 1994	SR-BANK Group 1995	1994
Interest income and similar revenues	(1)	1,485	1,357	1,502	1,459
Interest costs and similar expenditure	(2)	747	666	807	727
Net interest income and credit commissions		738	691	695	732
Net trading gains/losses on current assets	(3)	21	(79)	21	(79)
Commission income	(4)	130	122	174	145
Other operating income	(5)	22	24	29	29
Other operating income		173	67	224	95
Total operating income		911	758	919	827
Wages, salaries, emoluments and other personnel costs	(6)	262	228	293	253
Ordinary depreciation	(23)	37	34	43	40
Other operating costs	(7)	230	212	242	219
Total operating costs		529	474	578	512
Write-downs and losses/gains re fixed asset reductions	(8)	(11)	(5)	(13)	(1)
Losses on loans and guarantees	(9,17)	34	(3)	29	(10)
Result from ordinary operations		359	292	325	326
Result before taxation		359	292	325	326
Taxation charge/minority interests	(10)	46	0	50	0
Profit for the year		313	292	275	326
Group contributions from/to subsidiaries		(48)	6	0	0
Dividend		(104)	(97)	(104)	(97)
Transferred to Dividend Equalisation Fund		(20)	(45)	(20)	(45)
Transferred to the Savings Bank's Fund		(141)	(156)	(141)	(156)
Transferred to other Funds		0	0	(10)	(28)
Total allocation of profit for the year		(313)	(292)	(275)	(326)

Balance Sheet

Assets (Amounts in NOK million)	Notes	SR-BANK		SR-BANK Group	
		1995	1994	1995	1994
Cash in hand, postal giro deposits and deposits with Bank of Norway		180	102	180	102
Certificates and bearer bonds	(11)	1,016	1,042	1,016	1,042
Ordinary shares and participations	(12)	74	22	76	22
Deposits with and loans to other financial institutions	(13,15)	209	284	65	131
Total deposits and short-term placements		1,479	1,450	1,337	1,297
Gross lending	(14,15,16,17,37)	17,026	15,754	18,418	17,146
– Specific loss provisions	(18)	(471)	(509)	(480)	(522)
– Non-specific loss provisioning	(18)	(125)	(125)	(133)	(133)
Net lending		16,430	15,120	17,805	16,491
Other claims	(19)	171	123	163	133
Repossessed assets	(20)	90	105	118	138
Long-term placements in shares and participations	(21)	207	276	98	176
Bonds	(22)	99	0	99	0
Goodwill	(23,24,26)	0	0	9	9
Machinery, equipment and vehicles	(23,24)	54	49	59	51
Buildings and other real estate	(23,24)	364	381	362	380
Deferred taxation benefit	(10)	19	19	19	19
Other fixed assets	(25)	28	58	29	60
Total fixed assets		771	783	675	695
Total assets		18,941	17,581	20,098	18,754
Liabilities and equity capital					
Loans and deposits from other financial institutions	(27)	1,264	1,222	1,276	1,227
Deposits from customers	(28,37)	12,907	12,908	13,883	13,927
Total deposits		14,171	14,130	15,159	15,154
Certificates and other short-term borrowings		925	415	925	415
Bond debt and other long-term borrowings	(29)	1,632	1,033	1,632	1,033
Total loans raised through the issuance of securities		2,557	1,448	2,557	1,448
Taxation payable	(10)	47	1	48	2
Deferred tax	(10)	19	19	19	19
Other debt and amounts set aside for liabilities	(30,31)	484	433	555	485
Total other liabilities		550	453	622	506
Subordinated loan capital	(32)	428	445	445	470
PCC capital		744	744	744	744
Dividend Equalisation Fund		153	133	153	133
The Savings Bank's Fund		335	225	335	225
Donation Fund		3	3	3	3
Other Funds		0	0	80	71
Total equity capital	(33)	1,235	1,105	1,315	1,176
Total liabilities and equity capital		18,941	17,581	20,098	18,754

For off-balance items, please see Notes 34, 35, 36

Accounting Principles

Group accounts

The figures for SR-BANK and its subsidiaries, SR-Eiendom A/S, Westbroker Finans A/S, Bjergsted Boliger A/S and SR-Fonds A/S, have been incorporated into the SR-BANK Group accounts.

Investments in subsidiaries have been consolidated in accordance with the acquisition method. Goodwill acquired through the purchase of subsidiaries is to be written off over a period of between 5 to 10 years. All internal, inter-group transactions have been netted out against each other.

Associated companies have been included in the Group accounts on the basis of the equity method. Their applicable shares of the result and balance sheet totals have been incorporated in the overall accounts in accordance with Preliminary Norwegian Accounting Standard relating to the accounting treatment of associated companies and subsidiaries.

The accounts of smaller property management companies and companies which have been temporarily repossessed as a result of certain lending commitments have not been consolidated.

Holdings of securities and participations in general and limited partnerships

Shares and participations in equity funds which are classified as current assets have been assessed at the lower of aggregate acquisition cost and total market value. The aggregate portfolio of bonds and certificates has been assessed

in a corresponding manner, based on the principle of the lower of the two applicable total values.

Shares and PCCs which have been classified as fixed assets have been valued at purchase cost. Long-term holdings of shares and PCCs are written down when the actual value is substantially lower than the acquisition cost involved and when the depreciation in value is considered not to be of a temporary nature.

Participations in general and limited partnerships where the Bank does not have any significant influence have been assessed in accordance with the cost method, at the lower of acquisition cost and actual value.

Lending, loans in default and losses

Loans have been assessed at nominal values, with the exception of doubtful loans, loans in default and renegotiated loans.

Specific loss provisions and confirmed losses

Specific loss provisions are made against expected losses on loans and guarantees which have been identified as doubtful on the accounting date in question.

As far as corporate lending is concerned, a loss assessment is made in the case of individual commitments which have been in default for more than 60 days, and in the case of commitments which are otherwise regarded as doubtful based on information available on the accounting date in question. The loss assessment is made

against the background of the overall size of the commitment, and on the basis of the value of the collateral pledged as security, also taking into consideration the ability of the customer to service his debt. All retail loans which have been in default for 60 days or more are subjected to loss assessment. In the main, in the case of personal loans, only the available collateral pledged as security therefor is taken into consideration, whereas the customer's financial ability to service his/her loans is taken into account to a limited extent.

In addition, some provisioning has been raised based on the Bank's experience of different degrees of time lagging impact relating to the loss assessment procedures.

Specific loss provisioning is raised in respect of guarantees which are regarded as doubtful. Such provisions are included as liabilities in the balance sheet.

Generally speaking, a great deal of uncertainty is attached to the assessment of perceived default, the value of collateral pledged as security, and the customer's financial ability to service his or her debts.

Confirmed losses on commitments are losses which are considered to be final. This category comprises losses where the Bank has lost its claims against the customers after declared bankruptcy, official agreement with the creditors, a legal levy made against the assets of the borrower which has not been successful, legally valid judgment, or otherwise in cases where the loss is very likely to be final.

Non-specific loss provisions

In accordance with the rules and regulations relating to credit losses laid down by the Banking, Insurance and Securities Commission (BISC), reference Circular Letter no. 46/92, non-specific loss provisions have been made in the case of loan groups which are clearly to be regarded as doubtful on the basis of facts and figures and other relevant aspects on the accounting day in question.

The extent of the non-specific provisioning to be made is largely based on as good an estimate as is possible to arrive at in the circumstances.

The provisions are made against identified lending categories, including commercial and industrial sections and big commitments, which are regarded as doubtful even though some of the commitments in question have been examined on an individual basis and the conclusion has been reached that there is no predominant likelihood of loss occurring as far as the individual commitment is concerned. Non-specific provisioning is calculated as a percentage of the overall shortfall involved within each category.

When calculating non-specific loss provisions, any time lags involved have also been taken into consideration, such time lags being independent of the method used for the examination of losses, in view of the fact the the Bank would not have available updated information on the customer's overall situation on the accounting day in question.

The inclusion in the accounts

of interest income in respect of commitments in default and doubtful commitments

The inclusion in the accounts of interest income relating to commitments in default and other doubtful commitments is made on the basis of an evaluation of the customer's ability to service his/her outstanding debts. Interest income included in the accounts, but not capitalised, is reversed out of the accounts, applying the date on which the loss provisioning in question was made.

Repossessed properties

In some cases, in connection with the handling and treatment of loans and guarantees in default, the Bank repossesses assets which have been pledged as collateral for such commitments. The repossessed assets are classified as current assets. Such assets are assessed, on the basis of a best possible estimate, at their actual value on the accounting date in question. The initial basis for such an assessment is provided by the realisation values calculated on the basis of expected cash flows. Write-downs of values in respect of repossessed properties are treated in the accounts as losses on loans. Maintenance costs and rental income in connection with repossessed properties are entered into the profit and loss account as ordinary expenditure and revenues.

Leasing

The leasing portfolio is treated as financial leasing and is classified in the accounts as financial rental agreements under the main

category of loans to customers. Leasing revenues are booked as financial rental income under interest income and similar income, and the costs relating thereto as interest expenditure.

Bank buildings and other fixed assets

Bank buildings and other fixed assets in the Bank's balance sheet are valued at acquisition cost, deducting accumulated, ordinary depreciation and any write-downs.

Ordinary depreciation relating to the Bank's operations is based on the estimated economic life of the assets in question, calculated on a straight line basis.

Write-downs are made when the difference between the actual value and the book value of a property is substantial, and when the depreciation in value is considered not to be of a temporary nature.

Assets and liabilities in foreign currencies

Assets and liabilities in foreign currencies have been converted into Norwegian kroner based on Bank of Norway's official rates of exchange at the end of the accounting year.

Taxation

In the profit and loss account, the taxation charge for the year consists of the tax payable on the profit for the year, adjusted for any excess amount of tax set aside in previous years and any change in deferred tax. Deferred tax is calculated against

the background of temporary differences between taxable and accounting amounts at the end of the financial year. The valuation is based on a nominal rate of tax. Positive and negative differences are assessed against each other within the same time periods. Certain items are nevertheless assessed separately, such as pension commitments and write-ups. A deferred tax benefit may arise if there are temporary differences which would provide a basis for taxable deductions in the future. A deferred tax benefit is included under assets in the balance sheet, maximised at the amount of deferred tax which has been incorporated in the balance sheet.

Apportionment over time of income and expenses relating to interest and fees

Interest and fees are included in the profit and loss account when they accrue as income, or as they are incurred, in the case of expenses. Fees representing direct payment for services rendered are included in the accounts as income when they are paid. Front-end fees are spread over the appropriate time period involved, to the extent that they exceed the costs associated with the establishment of the different loans.

BISC's limits for the inclusion of income in the accounts and the appropriate apportionment of the relevant items over the time periods involved form the basis for the way

in which the accounting in this respect is done.

Costs incurred when raising bond loans and subordinated loan capital are charged in their entirety to the profit and loss account at the time of the borrowing, and are not spread over the life of the loan.

Currency and interest rate instruments

Currency and interest rate instruments are agreements which are entered into with other banks or with customers involving the fixing of future terms and conditions relating to interest rates and foreign exchange rates. Such agreements comprise forward contracts in respect of foreign currencies, interest rate and foreign currency swaps, and FRAs.

The accounting treatment of this type of agreement follows the intentions behind and reasons for entering into such agreements. At their inception, the agreements are defined either as hedging or trading transactions. Agreements which have been entered into in order to reduce the Bank's overall exposure to swings in interest rates and/or foreign exchange rates involving items in the balance sheet are defined as hedging transactions. Other contracts which have been made with customers and other banks are classified as trading deals.

In order that a currency or interest rate agreement may be termed a

hedging transaction, the expected way in which the value thereof develops is required to have a close connection with the balance sheet item which is being hedged. Revenues and expenses relating to such hedging agreements and the related balance sheet items are spread over the time periods involved and are classified in the same way.

Trading transactions are assessed in accordance with the mark-to-market principle and any changes in the market values are included in the profit and loss account under the item, net gains/losses on foreign exchange in respect of current assets.

Pensions

SR-BANK adheres to Preliminary Norwegian Accounting Standard for pension costs. Net pension costs are in their entirety classified under the item, wages etc., in the profit and loss account, comprising the period's pension accruals and interest costs relating to the liability involved, with deduction of the estimated return on the pension resources. In the balance sheet, net pension resources within group pension schemes are shown as fixed assets, whereas net, uncovered pension commitments are classified as long-term debt. The employers' social security contributions at the currently applicable rates are also included in the amount of uncovered pension commitments.

Notes

NOTE 1 Interest income

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Interest income and credit commissions from loans and other claims on customers	1,294	1,257	1,362	1,330
Interest earned from deposits with and loans to other financial institutions	27	24	17	13
Interest from bearer bonds	13	57	13	57
Interest from certificates	52	14	52	14
Leasing revenues	0	0	42	40
Share dividends and interest from ordinary shares and PCCs	1	4	1	4
Share dividends and interest from long-term placements in shares and PCCs	98	1	15	1
Total interest income and similar revenues	1,485	1,357	1,502	1,459

NOTE 2 Interest expenditure

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Interest paid on deposits from customers	501	475	559	535
Interest paid on deposits and loans from other financial institutions	64	64	64	63
Interest and credit commission relating to bonds	77	53	77	53
Interest paid on certificates	55	11	55	11
Interest paid on subordinated loan capital	46	49	48	51
Other interest and deposits costs	4	14	4	14
Total interest costs and similar expenditure	747	666	807	727

NOTE 3 Net trading gains/losses on current assets

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Net trading gains/losses on short-term placements in shares and PCCs	(1)	4	(1)	4
Net trading gains/losses on bonds	3	(101)	3	(101)
Net trading gains/losses on certificates	5	0	5	0
Total trading gains/losses on foreign exchange and financial instruments	14	18	14	18
Total gains/losses on current assets	21	(79)	21	(79)

NOTE 4 Other commission and fee income

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Fees from payments and transfers	94	89	94	89
Guarantee commissions	10	10	10	10
Loan brokerage	0	0	3	2
Securities and management thereof	7	5	21	5
Real estate brokerage	0	0	24	19
Other commissions and fees	19	18	22	20
Total other commission and fee income	130	122	174	145

NOTE 5 Other operating income

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Operating income from real estate	10	10	7	8
Other operating income	12	14	22	21
Total other operating income	22	24	29	29

NOTE 6 Personnel costs

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Fees for elected representatives	1	1	1	1
Wages and salaries	200	178	223	196
Social costs	37	30	41	33
Sundry	24	19	28	23
Total	262	228	293	253

Under the item, wages etc., is included an amount of NOK 30 million in respect of planned restructuring measures for the Bank's staff during 1996. Fees for the Directors of the Board totalled NOK 441,881. Remuneration for the Managing Director amounted to NOK 963,291. The Bank's Managing Director, Mr. Arne Norheim, is entitled to retire at the age of 62 years with a pension of 70% of the salary applicable at the time of his leaving the Bank.

Fees paid to Arthur Andersen & Co. in respect of auditing and other related services amounted to

NOK 960,700 (NOK 1,210,700 for the Group as a whole). In addition, an amount of NOK 1,407,200 was paid to the Auditor for independent statements of confirmation and other services (NOK 1,467,700 for the Group as a whole).

Total loans and guarantees provided for the Chairman of the Supervisory Board, members of the Board of Directors or Control Committee, or for companies of which any of the aforementioned persons are directors or general partners, amounted to NOK 10.6 million in loans and NOK 0 million in guarantees.

Total lending to the Bank's staff was

NOK 312 million. The Bank's interest income has been reduced by NOK 2.7 million as a result of subsidised staff loans (compared with an average market rate of 6.35 per cent in 1995).

At the end of the year, staff numbers for SR-BANK and the SR-BANK Group were 653 and 711 man-years respectively.

Total lending to the Group's staff was NOK 344 million. The Group's interest income has been reduced by NOK 2.9 million as a result of subsidised staff loans (compared with an average market rate of 6.35 per cent in 1995).

NOTE 7 Other operating costs

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Electronic data processing	77	67	78	68
Operating costs re real estate	23	21	24	21
Interbank fees	17	19	17	19
Marketing	16	14	18	15
Levies and charges; membership fees	3	3	3	3
Levy paid to the SBCF	23	22	23	22
Administration costs	56	51	62	56
Rental costs for premises/expenses re repossessed properties	12	13	13	13
Other losses	3	2	4	2
Total other operating costs	230	212	242	219

NOTE 8 Write-downs and losses/gains re disposal of fixed assets

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Write-down of long-term placements in shares	0	1	0	1
Write-down of fixed assets				
Write-down of real estate	0	3	0	3
Losses from disposals	1	0	1	0
Gains from disposals	(12)	(9)	(14)	(5)
Total write-downs and losses/gains re disposal of fixed assets	(11)	(5)	(13)	(1)

NOTE 9 Losses on loans and guarantees

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Provisions against losses on loans and guarantees as at 31.12.	596	643	613	664
- Provisions against losses on loans and guarantees as at 01.01.	(643)	(713)	(664)	(739)
+ Confirmed losses during the period	99	94	100	98
- Recoveries re previously confirmed losses	(18)	(27)	(21)	(33)
Losses on loans and guarantees	34	(3)	29	(10)

NOTE 10 Taxes

Result – taxable income for SR-BANK

A breakdown is given below of the difference between the accounting result before taxation and the year's taxation basis. (Amounts in NOK million)

	1995	1994
Result before taxes	359	292
+/- Permanent differences	1	6
+/- Changes in temporary differences	6	(252)
Dividend	(99)	(2)
Group contributions to/from subsidiaries	(48)	6
- Application of loss carried forward	(50)	(50)
Taxation basis for the year	169	0

Taxation charge for the year, based on a 28 per cent tax rate

Taxation charge for the year, adjusted for excess amounts of tax set aside in previous years

	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Revaluation of fixed assets	68	69	68	69
Pension Premium Fund	15	45	17	47
Total, positive differences	83	114	85	116

Negative differences				
Write-down of bonds	0	(10)	0	(10)
Write-down of ordinary shares	0	(1)	0	(1)
Provisioning according to good accounting practice	(37)	(14)	(37)	(14)
Tax-related surplus value, fixed assets	(97)	(110)	(222)	(237)
Profit and loss account	(14)	(14)	(29)	(49)
Uncovered pension commitments	(57)	(49)	(58)	(49)
Loss carried forward	0	(50)	0	(119)
Total, negative differences/Loss carried forward	(205)	(248)	(346)	(479)
Net temporary differences	(122)	(134)	(261)	(363)

Estimate of deferred tax/deferred tax benefit (these calculations have been made on the basis of a tax rate of 28%)

Deferred tax	19	19	19	19
Deferred tax benefit	(19)	(19)	(19)	(19)
Of which relates to pension commitments	(16)	(14)	(16)	(14)

There are net negative differences, and the tax benefit arising therefrom cannot be included in the Bank's balance sheet under assets to the extent that the amount of such tax benefit exceeds the amount of deferred tax liability. The amount of NOK 19 million in respect of deferred tax liability incorporated in the Bank's balance sheet relates to deferred tax regarding write-ups, and this item has not been netted out against negative differences.

NOTE 11 Certificates and bearer bonds

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Certificates:				
Risk weighting 0%	873	793	873	793
Total certificates	873	793	873	793
Bearer bonds:				
Risk weighting 0%	141	173	141	173
20%	0	19	0	19
100%	2	17	2	17
Securities/subordinated loan capital	0	40	0	40
Total bearer bonds	143	249	143	249
Total certificates and bearer bonds	1,016	1,042	1,016	1,042

The market value of the certificate and bond portfolio as at 31 December, 1995, was NOK 1,018 million.

NOTE 12 Ordinary shares and participations

Short-term placements in shares, participations and PCCs (Amounts in NOK thousand) SR-BANK	Total share capital	Percentage equity stake	Number of shares	Nominal value	Book value
Solvang	110,338	0.3	76,000	380	1,125
Stavanger Aftenblad	7,500	1.1	8,341	83	1,549
Den Norske Bank	6,405,000	0.0	140,000	1,400	3,025
Odin Norden			17,622	1,762	4,000
Odin Finland			3,777	378	2,000
Odin Norge			11,080	1,108	4,000
Sparebanken Nord-Norge	644,345	6.1	394,900	39,490	47,388
Sparebanken Midt-Norge	600,000	1.4	85,700	8,570	10,284
Miscellaneous				120	380
Total, SR-BANK				53,291	73,751

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Short-term placements in shares, participations and PCCs (Amounts in NOK thousand)	The comp. share cap.	Percentage equity stake	Number of shares	Nominal value	Book value
Subsidiaries					
Benor Tankers (USD)	215	0.1	27,000	0	823
Hafslund B	502,676	0.0	2,000	10	326
Tschudi-Eitzen	339,466	0.0	30,000	120	208
Miscellaneous					1,155
Total, subsidiaries					2,512
Total, SR-BANK Group					76,263

The total market value of SR-BANK's portfolio of ordinary shares amounted to NOK 83.3 million as at 31.12.1995; the corresponding figure for the SR-BANK Group was 85.8 million.

NOTE 13 Deposits with and loans to other financial institutions				
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(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Deposits with and loans to other Norwegian financial institutions	187	240	43	87
Deposits with and loans to foreign financial institutions	22	44	22	44
Total deposits with and loans to other financial institutions	209	284	65	131

NOTE 14 Gross lending to customers				
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(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Overdraft and working credit facilities	1,246	1,001	1,234	983
Building loans	794	738	822	765
Instalment loans	14,986	14,015	15,852	14,960
Leasing agreements	0	0	510	438
Gross lending	17,026	15,754	18,418	17,146

NOTE 15 Subordinated loan capital participations in other companies				
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(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1994	1994
Subordinated loan capital booked under loans	38		30	
Total	38		30	
Of which subordinated loan capital participations in other financial institutions	21		13	

NOTE 16 Loans in default, doubtful loans, and loans which have been put on a non-accrual basis

Loans in default, against which provisions have been made (Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Retail market:				
Gross loans in default	340	336	372	370
Specific loss provisions	156	191	164	200
Net retail loans in default	184	145	208	170
Extent of provisions made against retail loans	46%	57%	44%	54%
Corporate market:				
Gross loans in default	533	362	545	365
Specific loss provisions	187	176	188	178
Net corporate loans in default	346	186	357	187
Extent of provisions made against corporate loans	35%	49%	34%	49%
Total loans:				
In default from 30 to 60 days	66	57	88	70
In default from 60 to 90 days	22	22	34	34
In default for more than 90 days	786	619	796	631
Gross commitments in default	874	698	918	735
Specific loss provisions	343	367	352	378
Net commitments in default	531	331	566	357
Extent of loan loss provisions made	39%	53%	38%	51%
Of which gross non-performing loans accounted for:				
Corporate clients	188	196	189	197
Retail customers	338	221	340	221
Total	526	417	529	418
Loans not in default, but against which provisions have been made				
Retail market:				
Loans not in default, but against which provisions have been made	93	104	93	107
Specific loss provisions	36	41	36	42
Net provisions made against retail loans	57	63	57	65
Extent of provisions made against retail loans	39%	39%	39%	39%
Corporate market:				
Loans not in default, but against which provisions have been made	390	399	391	403
Specific loss provisions	92	110	92	111
Net provisions made against corporate loans	298	289	299	292
Extent of provisions made against corporate loans	24%	28%	24%	28%
Total loans:				
Loans not in default, but against which provisions have been made	483	503	484	510
Specific loss provisions	128	151	128	153
Net commitments, against which loss provisions have been made	355	352	356	357
Extent of loan loss provisions made	27%	30%	26%	30%

The total amount of commitments in respect of one customer is deemed to be in default, and is included in the Bank's summaries of commitments in default, when repayments or interest due remain unpaid 30 days or longer, or when credit facilities have been overdrawn in excess of 30 days.

NOTE 17 Losses on loans and guarantees in 1995, broken down by industrial and commercial sectors

SR-BANK Group	Loans and guarantees	Gross losses	Recoveries	Net losses	Loss percentage
Agriculture	837	0	1	(1)	-0.1
Fisheries	197	1	1	0	0.0
Oil and oil-related industries	117	0	0	0	0.0
Mining industry/lumber trade	89	0	6	(6)	-6.7
Miscellaneous production	837	4	5	(1)	-0.1
Building and construction industry	911	59	4	55	6.0
Retail and wholesale trade and hotel industry	762	8	7	1	0.1
Shipping	141	6	15	(9)	-6.4
Stores and service sector	2,390	25	28	(3)	-0.1
Social and private services	866	3	3	0	0.0
Sundry	418	7	0	7	1.6
Total for above corporate sectors	7,566	113	70	43	0.6
Retail clients	11,516	25	39	(14)	-0.1
Total	19,082	138	109	29	0.2

NOTE 18 Loan loss provisions

Specific loss provisions (Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Specific provisions against losses on loans and guarantees at 01.01.	518	563	531	582
- Confirmed losses during the period in respect of loans and guarantees, where specific provisioning has previously been raised	(95)	(71)	(97)	(74)
+/- Period's specific provisions against losses on loans and guarantees	48	26	46	23
Specific provisions against losses on loans and guarantees as at 31.12.	471	518	480	531
- Specific provisions against losses on guarantees as at 31.12.	0	(9)	0	(9)
Specific provisions against losses on loans as at 31.12.	471	509	480	522
Non-specific loss provisions				
Non-specific provisions against losses on loans and guarantees at 01.01.	125	150	133	158
+/- Period's non-specific provisioning against losses on loans and guarantees	0	(25)	0	(25)
Non-specific provisions against losses on loans and guarantees as at 31.12.	125	125	133	133

NOTE 19 Other claims

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Accrued income not yet paid and prepaid costs not yet incurred	111	105	122	109
Other claims	60	18	41	24
Total other claims	171	123	163	133

NOTE 20 Repossessed assets

SR-BANK	Number of units	Annual rental NOK	Number of sq.mtrs.	NOK per sq.m.	Book value
Type of asset (Amounts in NOK million)					
Commercial and industrial buildings					
Over 50% let	10	5,186	14,342	2,920	42
Under 50% let	8	934	12,573	1,899	24
Dwelling houses					
Houses forming part of a project	18	1,356	1,664	3,488	6
Detached houses	5	426	807	4,537	4
Sites	7	313	57,625	254	14
Total, repossessed assets	48	8,215	87,011		90

SR-BANK Group

Commercial and industrial buildings	Number of units	Annual rental NOK	Number of sq.mtrs.	NOK per sq.m.	Book value
Type of asset (Amounts in NOK million)					
Commercial and industrial buildings					
Over 50% let	12	6,680	18,662	3,001	56
Under 50% let	8	934	12,573	1,899	24
Dwelling houses					
Houses forming part of a project	39	3,902	3,344	5,980	20
Detached houses	5	426	807	4,537	4
Sites	7	313	57,625	258	14
Total, repossessed assets	71	12,255	93,011		118

NOTE 21 Long-term placements in shares and participations

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Shares and participations in subsidiaries	111	102	0	0
Shares and participations in associated companies	9	6	11	7
Other long-term placements in shares, participations and PCCs	86	168	87	169
Total long-term placements in shares and participations	207	276	98	176

Shares in subsidiaries					
SR-BANK (Amounts in NOK thousand)	Company's share capital	Percentage equity stake	Number of shares	Nominal value	Book value
Westbroker Finans A/S	67,000	100	134,000	67,000	93,400
SR-Eiendom A/S	1,500	100	150	1,500	8,000
Bjergsted Boliger A/S	50	100	50	50	0
A/S Bankbygg	600	62.5	375	375	375
Jernbaneveien A/S	50	100	10	50	0
SR-Fonds A/S	11,000	53.0	58,300	5,830	9,485
SR-BANK				74,805	111,260
Shares and participations in subsidiaries, SR-BANK Group					
Nye Olman International A/S	50	100	50	50	50
Custos Sør Leasing A/S	50	100	500	50	50
Teigen Butikksenter A/S	150	100	1,500	150	0
A/S Bankbygg	600	62.5	375	375	375
Total, SR-BANK Group					475
Shares and participations held in associated companies					
SR-BANK		Percentage equity stake		Result included in the accounts	Book value
K/S Aksdal Eiendomsselskap		28.1		0	1,290
Byggekompaniet A/S		33.3		0	2,000
Admi-senteret A/S		50.0		0	1,000
Rogaland Industriutvikling		49.7		0	5,000
Total, SR-BANK				0	9,290
SR-BANK Group					
K/S Aksdal Eiendomsselskap		28.1		0	1,290
Byggekompaniet A/S		33.3		1,553	3,553
Admi-senteret A/S		50.0		0	1,000
Rogaland Industriutvikling		49.7		0	5,000
Total, SR-BANK Group				1,553	10,843
Other long-term placements in shares, participations and PCCs					
SR-BANK	Company's share capital	Percentage equity stake	Number of shares	Nominal value	Book value
Varhaug Eiendom	3,730	14.2	5,300	530	530
Fellesdata A/S	60,000	7.4	110,651	4,426	5,790
Four Seasons Venture	127,887	9.4	24,000	12,000	6,000
BBS/Bank-Axept A/S	363,629	4.3	630,657	15,766	10,977
Steinsvik Maskin	20,000	8.6	17,140	1,714	3,000
Rogaland Investering	37,000	20.0	75,000	7,500	7,500
Norsk Opsjonssentral	17,072	1.3	22,395	223	985
Stavanger Aftenblad	7,500	1.1	8,341	83	1,549
David A/S	66,300	10.0	66,300	6,630	16,020
Sola Havn A/S	15,000	13.7	205	2,050	2,100
Sparebanken Nord-Norge	644,345	1.6	100,000	10,000	12,000
Sparebanken Vest	250,000	2.0	50,000	5,000	5,250
Sparebanken Midt-Norge	600,000	1.7	100,000	10,000	12,000
Sundry				4,751	2,347
Total, SR-BANK				80,673	86,048

Long-term placements in shares, Subsidiaries	Company's share capital	Percentage equity stake	Number of shares	Nominal value	Book value
Rogalandsdata Holding A/S	14,500	3.0	4,350	435	700
Viking Sport A/S	6,400	1.3	890	89	11
Total, subsidiaries				524	711
Total, SR-BANK Group					86,759

NOTE 22 Bonds which are to be held until maturity

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
State and state-guaranteed bonds:				
Risk weighting 0%	99	0	99	0
Total, bonds to be held until maturity	99	0	99	0
Additional information				
Purchase price	99	0	99	0
Discount	1	0	1	0
Nominal value (par)	100	0	100	0
Market value	105	0	105	0
Unrealised gains	5	0	5	0

According to the Bank's plan in this connection, a discount of NOK 1 million is booked as income each year until redemption date. The income is booked as an adjustment of the interest income derived from bonds.

NOTE 23 Fixed assets

(Amounts in NOK Million)	SR-BANK	Machinery, fixtures and transport equipment	Bank buildings and other real estate	Total	Write-up of bank buildings and other real estate
Acquisition cost as at 01.01.1995		278	559	837	77
Additions in 1995		34	2	36	
Disposals in 1995		1	10	11	
Aggregate write-offs and write-downs at 31.12.95	257		187	444	10
Book value as at 31.12.1995	54		364	418	67
Year's ordinary depreciation		28	9	37	2
Depreciation rate		20/33.3	2		

Write-ups relating to bank buildings and other real estate are also included in the item, 'bank buildings and other real estate'.

(Amounts in NOK million)	Machinery, fixtures and transport equipment	Bank buildings and other real estate	Goodwill	Total
SR-BANK Group				
Acquisition cost as at 01.01.1995	294	557	40	891
Additions in 1995	37	2	4	43
Disposals in 1995	3	10	0	13
Aggregate write-offs and write-downs at 31.12.95	269	187	35	491
Book value as at 31.12.1995	59	362	9	430
Year's ordinary depreciation	29	9	5	43
Depreciation rate	20/33.3	2	10/20/50	

NOTE 24 Disposal/investment in fixed assets during the last 5-year period

(Amounts in NOK million)	Machinery, fixtures and transport equipment		Bank buildings and other real estate		Goodwill	Total
	Acquired	Sold	Acquired	Sold		
SR-BANK						
1991	15	5	37	2		
1992	8	1	18	4		
1993	26	4	3	4		
1994	31	1	21	6		
1995	34	1	2	10		

(Amounts in NOK million)	Machinery, fixtures and transport equipment		Bank buildings and other real estate		Goodwill	Total
	Acquired	Sold	Acquired	Sold		
SR-BANK Group						
1991	18	6	16	2	0	4
1992	9	6	18	4	0	0
1993	27	5	3	4	0	0
1994	32	2	5	6	0	0
1995	37	2	2	10	5	0

NOTE 25 Other fixed assets

(Amounts in NOK million)	Percentage equity stake	1995	1994
SR-BANK			
K/S Skagen Hotell	17.1	2	3
SR-BANK Pension Fund		10	10
Total		12	13
Net pension resources		16	45
Total other fixed assets		28	58
Subsidiaries		1995	1994
Net pension resources		1	2
Total, subsidiaries		1	2
Total, SR-BANK Group		29	60

NOTE 26 Goodwill

As at 31.12.1995 the book value of the goodwill for the SR-BANK Group was NOK 9 million. The goodwill is related to the Bank's subsidiaries, Westbroker Finans A/S, SR-Fonds A/S and SR-Eiendom A/S.

NOTE 27 Loans and deposits from other financial institutions

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Loans and deposits from Bank of Norway	50	12	50	12
Loans and deposits from other Norwegian financial institutions	940	771	952	776
Loans and deposits from foreign financial institutions	274	439	274	439
Total loans and deposits from other financial institutions	1,264	1,222	1,276	1,227

NOTE 28 Deposits from customers

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Call deposits	8,415	9,037	8,376	9,024
Time deposits	4,492	3,871	5,507	4,903
Total deposits from customers	12,907	12,908	13,883	13,927

NOTE 29 Bond loans

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Bond loans maturing in:				
1998	300	0	300	0
1999	1,030	1,030	1,030	1,030
2000	300	0	300	0
Premium	2	3	2	3
Total bond loans	1,632	1,033	1,632	1,033

Any premium arising from a new bond issue is booked as income, appropriately apportioned during the life of the loan. All loans are bullet loans. As at 31.12.1995, the Bank did not hold any of its own bonds.

NOTE 30 Other debt and provisions against liabilities

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Costs accrued, not yet due, and prepaid income	194	159	218	180
Other short-term debt	194	180	233	211
Minority interests	0	0	8	0
Other long-term debt	39	36	39	36
Specific provisions against guarantee liability	0	9	0	9
Pension commitments	57	49	57	49
Total other debt and provisions against liabilities	484	433	555	485

NOTE 31 Pension arrangements

The SR-BANK Group has a group occupational pension scheme for its staff. The pension schemes for SR-BANK and SR-Eiendom A/S are covered through the Bank's pension fund, whereas Westbroker Finans A/S's arrangement is taken care of by Uni Storebrand. SR-BANK and SR-Eiendom A/S have uniform schemes, according to which the main terms and conditions involve 30 years' accrued pensionable earnings, with 70% pension payable in relation to the applicable pension basis on 1 January of the year in which one reaches one's 67th birthday; the pension scheme also covers disability, spouse and children's pension. All pension benefits are coordinated with the expected benefits due from the National Insurance Fund.

If changes were to occur relating to the national insurance entitlements, resulting in reduced payments from this source, in that case such shortages will not be made up from the Bank's pension scheme. As at 31 December, 1995, 999 (SR-BANK - 958) people belonged to this pension scheme.

Westbroker A/S's pension scheme has the same accrued pensionable earnings period, but a somewhat lower cover than the schemes covered by the Bank's pension scheme. In all, Westbroker A/S's pension scheme has 31 members. In addition to the pension commitments which are covered through the insurance schemes, the Group has uncovered pension commitments which cannot be met from the funds of the group pension

schemes. These commitments involve people who have not joined the insurance schemes, supplementary pensions over and above '12G', ordinary early retirement pensions and early retirement pensions according to 'AFP' (contractually agreed early retirement pension).

When assessing the amounts of pension resources and when evaluating the accrued commitments, estimated values are applied. These estimates are adjusted each year in accordance with the actual values of the pension resources contained in the pension fund, statements detailing the pension resources' transfer value from the assurance company in question, and actuarial calculations of the amounts of the commitments involved.

In connection with the assessment of future pensions, the following assumptions have been applied:

	31.12.95	31.12.94
Rate of discounting	7.00%	7.00%
Estimated return on the funds involved	7.75%	7.75%
Wage and salary adjustments	3.30%	3.30%
'G'-adjustment/inflation	2.50%	2.50%
Pension adjustment	2.50%	2.50%

In order to be able to calculate the contractually agreed early retirement pension, it has been assumed that all members of staff qualifying for this scheme will make use of it at the age of 64 years.

The aggregate pension cost for the year is arrived at in the following manner: (Amounts in NOK million)	SR-BANK 31.12.1995	SR-BANK 31.12.1994	SR-BANK Group 31.12.1995	SR-BANK Group 31.12.1994
Present value of the year's pensionable earnings accruals	11,227	8,172	11,890	8,712
Interest cost relating to accrued pension commitment	13,922	10,418	14,478	10,873
Estimated return on the pension resources	(13,048)	(13,033)	(13,704)	(13,705)
The financial impact of changes in estimates and discrepancies between actual and expected return included in the profit and loss account	0	0	10	0
Employer's levy charged to the profit and loss account	809	384	833	384
Pension cost	12,910	5,941	13,507	6,264

Pension resources and pension commitments relating to group pension schemes: (Amounts in NOK million)

Estimated accrued commitments	176	134	184	142
Estimated value of pension resources	179	179	188	189
Net pension resources included in the balance sheet	3	45	4	47
The financial impact of changes in estimates and discrepancies between actual and expected return not included in the profit and loss account	12	0	13	0
Net pension resources included in the balance sheet	15	45	17	47
Employer's levy payable, as calculated	0	0	0	0
Pension resources included in the balance sheet, as calculated	15	45	17	47

Pension commitments contained in uncovered schemes: (Amounts in NOK million)	31.12.1995	SR-BANK 31.12.1994	SR-BANK Group 31.12.1995	31.12.1994
Estimated, accrued pension commitments	50	43	51	43
The financial impact of changes in estimates and discrepancies between actual and expected return not included in the profit and loss account	(1)	0	(1)	0
Net pension commitments incorporated in the balance sheet	49	43	50	43
Employer's levy payable, as calculated	7	6	7	6
Pension commitments included in the balance sheet, as calculated	57	49	57	49

The pension resources are managed in accordance with the guidelines which have been laid down by the pension fund's Board of Directors. These resources largely consist of bearer bonds and mortgage loans, such collateral being within 60% of the appropriate, professionally estimated value thereof. In 1994, the actual rate of return on these resources was 2.2 per cent.

The financial impact of changes in estimates and discrepancies between actual and expected return is included in the profit and loss account during the average remaining accrual period (estimated at 17 years) only when the accumulated effect exceeds 10 per cent of the largest of the applicable resources' pension commitment in respect of the covered arrangements and 10 per cent of the commitments relating to the uncovered arrangements.

Adjustment of the financial impact of the implementation of the preliminary accounting standard for pension costs in 1994
In a letter dated 20.12.1995, the Oslo Stock Exchange recommended that any corrections regarding the effect of the implementation in 1994 may be adjusted directly against equity capital at the beginning of the financial year.

The SR-BANK Group's equity capital as at 1.1.1995 has accordingly been reduced by NOK 32.7 million (NOK 31.9 million for SR-BANK) as a result of this. These corrections are partly due to the fact that direct and indirect commitments - as a result of the arrangement involving early retirement pension (AFP) - were undervalued in 1994 because of an insufficiently clear overall picture at the time of making the calculations in question. In addition, the financial impact of the assumption of different wage increases and socalled G-adjustment was underestimated in 1994.

If this had not been adjusted by deducting the appropriate amount from the equity capital at the beginning of the year under review, in that case the increased level of commitment would have been apportioned and charged against the profit and loss account over the average, expected remaining accrual period.

NOTE 32 Subordinated loan capital

(Amounts in NOK million)	1995	SR-BANK 1994	SR-BANK Group 1995	1994
Maturing in:				
1995	0	17	0	17
1996	26	26	26	26
1997	102	102	102	102
1998	0	0	17	25
2003	300	300	300	300
Total subordinated loan capital	428	445	445	470

Subordinated loan capital in foreign currency (USD 8 million as at 31.12.1995) forms part of the Bank's aggregate foreign exchange position; accordingly, there is no foreign currency risk in the case of this outstanding borrowing. Subordinated loans amounting to NOK 300 million due for repayment in 2003 may, if the Bank should wish to exercise its option in this respect, be redeemed early, in 1998.

The Bank's total subordinated loan capital amounted to NOK 428 million as at 31.12.1995; of this, an amount of NOK 320 million qualifies as supplementary capital.

NOTE 33 Movements in equity capital

SR-BANK (Amounts in NOK million)	PCC capital	Dividend Equalisation Fund	The Savings Bank's Fund	Donation Fund	Total equity capital
Balance as at 31.12.1994	744	133	225	3	1.105
Financial impact of new accounting standard relating to pension costs (See Note 31)			(31)		(31)
Result for the year		20	293		313
Group contributions from/to subsidiaries			(48)		(48)
Dividend			(104)		(104)
Balance as at 31.12.1995	744	153	335	3	1.235
SR-BANK Group (Amounts in NOK million)	PCC capital	Dividend Equalisation Fund	The Savings Bank's Fund	Donation Fund	Total equity capital
Balance as at 31.12.1994	744	133	228	71	1.176
Financial impact of new accounting standard relating to pension costs (See Note 31)			(32)		(32)
Result for the year		20	246	9	275
Dividend			(104)		(104)
Balance as at 31.12.1995	744	153	338	80	1,315

The 20 largest PCC holders as at 31.12.1995:	Number of PCCs held	Percentage
Fidelity funds	672,167	9.0
Arendal Fossekompani	640,800	8.6
Folketrygdfondet	366,600	4.9
Hafslund Invest A/S	346,200	4.7
Avanse fondene	324,400	4.4
Tveteraas Eiendomsselskap A/S	261,867	3.5
Clipper A/S	180,000	2.4
Sparebanken Vest	141,000	1.9
Norgeskredit	115,000	1.5
Sparebanken Midt-Norge	104,200	1.4
Teknisk Bureau A/S	103,934	1.4
Petter C.G. Sundt	100,000	1.3
Postbanken	100,000	1.3
Sparebanken Nord-Norge	80,000	1.1
Telespar A/L	80,000	1.1
Audley A/L	65,000	0.9
Arne B. Corneliusen Invest	63,000	0.8
Asker og Bærum Budstikke A/S	60,000	0.8
Røwde & Co A/S	58,000	0.8
Midelfart & Co A/S	51,700	0.7
The 20 largest PCC holders	3,913,868	52.6
Other PCC holders	3,526,132	47.4
Number of PCCs issued	7,440,000	100.0

The total number of PCC holders as at 31.12.1995 was 2,214. The ratio of PCCs owned by people or legal entities domiciled in Rogaland was 26 per cent at the end of 1995; foreign PCC holders accounted for 9 per cent. See also summary of PCC holders among the Directors of the Board and the Board of Trustees.

NOTE 34 Guarantee liabilities

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Payment guarantees	286	192	287	192
Contract guarantees	204	187	204	187
Loan guarantees	56	82	56	82
Guarantees for payment of tax	1	2	1	2
Other guarantees	26	44	26	44
SBCF	90	0	90	0
Total	663	507	664	507

NOTE 35 Collateral pledged as security/reposessed assets

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Collateral pledged as security:				
Bank buildings and other real estate of a total value of	2	3	2	3
Repossessed properties, of a total value of	4	7	4	7
Total collateral	6	10	6	10
Pledged as security for loans totalling	3	4	3	4

NOTE 36 Off-balance sheet transactions

(Amounts in NOK million)	SR-BANK		SR-BANK Group	
	1995	1994	1995	1994
Net position in foreign currencies:				
Assets in foreign currencies	315	558	315	542
Forward purchases in foreign currencies	738	1,592	738	1,592
Liabilities in foreign currencies	594	1,258	594	1,258
Forward sales in foreign currencies	458	868	458	868

Currency and interest rate instruments of an off-balance sheet nature

(Amounts in NOK million)	Sales	Purchases
Foreign exchange rate agreements/combined agreements:		
Duration less than 3 months	339	273

Duration from 3 to 12 months	119	465
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FRA's

Duration less than 3 months	2,525	2,525
Duration from 3 to 12 months	1,525	1,550

There are no outstanding contracts involving duration periods of more than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

Foreign exchange rate agreements/combined agreements mainly comprise the following:	agreements in respect of the swapping of interest rate terms and currency amounts. These financial instruments are used in particular in connection with the hedging of foreign exchange and interest rate risks relating to the Bank's own funding loans.	These types of transactions are included in the Bank's aggregate foreign exchange position which is adjusted on a daily basis. Such transactions are mainly done with strong Norwegian and international banks as counterparts. The risks involved are therefore regarded as small. Any transactions involving customers are incorporated in the Bank's ongoing credit assessment of individual outstanding commitments.
Foreign exchange forward contracts, or agreements relating to the purchase or sale of a certain amount of foreign currency at a future date at an agreed rate of exchange.		
Currency swaps are agreements to swap amounts of foreign currencies at a previously agreed price during an agreed time period.		
Interest rate and currency swaps are		

NOTE 37 Loans, guarantees and deposits by commercial and industrial categories

SR-BANK (Amounts in NOK million)	Loans	Guarantees	Deposits
Agriculture	833	4	523
Fisheries	197	1	52
Oil and oil-related industries	117	0	62
Mining industry/lumber trade	84	5	26
Miscellaneous production	773	65	410
Building and construction industry	690	220	529
Wholesale and retail trade; hotel industry	713	49	618
Shipping	135	6	66
Stores and service sector	2,252	136	1,128
Social and private services	826	41	1,193
Sundry	306	112	1,127
Total, commerce and industry	6,927	638	5,733
Retail customers	11,491	26	8,150
Total	18,418	664	13,883

Loans, guarantees and deposits by geographical areas

SR-BANK Group (Amounts in NOK million)	Loans	Guarantees	Deposits
Oslo and surrounding areas	795	4	352
Hedmark	12	0	1
Oppland	5	0	4
Buskerud	35	0	19
Vestfold	32	0	15
Telemark	23	0	7
Aust-Agder	13	0	14
Vest-Agder	299	7	301
Rogaland	16,622	620	12,669
Hordaland	353	3	276
Sogn and Fjordane	4	0	8
Møre to Finnmark	116	1	77
International	109	29	139
Total	18,418	664	13,883

NOTE 38 Outstanding court cases

Together with several other previous holders of certificates in Fearnley & Eger, SR-BANK was sued by Christiania Bank og Kredittkasse (CBK) in connection with a matter where CBK, due to an alleged error, carried out early redemption of a certificate loan involving Fearnley & Eger. The case has now been heard at the Oslo City Court, which found for the plaintiff, and SR-BANK has been ordered to pay

NOK 20 million, plus interest. SR-BANK has lodged an appeal with the Circuit Court against the judgment reached by the Oslo City Court, but the abovementioned amount of NOK 20 million has been provided for in the Bank's accounts; in addition, the amount of accrued interest has been charged to the profit and loss. In addition to the abovementioned legal dispute, the SR-BANK Group is

currently involved in several court cases, the total financial implications of which are not considered to be of any significant importance for the Bank's overall financial position, in view of the fact that the Bank has made appropriate provisions for any possible losses in the case of those situations where it is deemed to be more likely than not that the Bank will incur some losses as a result of the court cases involved.

NOTE 39 Transactions with subsidiaries

Income and expenditure (Amounts in NOK million)	1995	1994
Interest income and credit commissions from subsidiaries	11	13
Interest paid to subsidiaries	2	1
Other income from subsidiaries	4	4
Other costs in respect of subsidiaries	1	2
Claims on subsidiaries:		
Overdraft facilities	15	19
Other lending	142	153
Other claims	43	8
Total claims	200	180
Debt owed to subsidiaries:		
Deposits from subsidiaries	76	43
Total liabilities	76	43

NOTE 40 Capital adequacy as at 31 December 1995

(Amounts in NOK million)	SR-BANK	SR-BANK Group
The Savings Bank's Fund	335	415
- Pension Fund	(11)	(12)
PCC capital	744	744
Donation Fund	3	3
Dividend Equalisation Fund	153	153
Core/primary capital	1,224	1,303
Subordinated loan capital	428	445
Reductions in subordinated loans during the last 5 years	(108)	(123)
Supplementary capital	320	322
Non-specific loss provisions	42	44
Gross equity and related capital	1,586	1,669
Book value of goodwill	0	(9)
Equity participations in other financial institutions, in accordance with paragraph 7.e	(11)	(10)
Deduction made from equity capital	(11)	(19)
Net equity capital	1,575	1,650
Total assets (weighted)	12,640	13,431
Total off-balance sheet items (weighted)	301	301
Deductions made according to paragraphs 7. e-f	(11)	(10)
Loss provisions which do not form part of equity and related capital	(555)	(570)
Price adjustment account for securities	0	0
Total calculation basis	12,375	13,152
Capital adequacy ratio	12.73%	12.55%

The above summary shows SR-BANK's and the SR-BANK Group's capital adequacy figures. The authorities' requirement in this respect relating to financial institutions stipulate a minimum capital adequacy ratio of 8%; these rules and regulations came into force in 1992.

In the case of subordinated loan capital, the value of the Bank's equity capital is reduced by 20% each year during the last 5 years before maturity. To the extent that the Bank has equity participations in other financial institutions, such participations are duly deducted from the Bank's own equity and related capital, in respect of any parts which exceed 10% of the equity and related capital of the financial institutions receiving such participations.

If the bank has equity stakes in other financial institutions amounting to less than 2% of each financial institution's equity and related capital, in that case the total amount in respect of such capital will have to be deducted from the Bank's equity and related capital as far as that part which exceeds 10% of the Bank's equity and related capital is concerned.

The calculation basis is weighted according to risk. There are 5 risk categories: 0%, 10%, 20%, 50% and 100%, the percentage figure indicating the applicable part of a certain balance sheet item to be included in the computation basis.

NOTE 41 Interest rate fixing periods and remaining life – SR-BANK

Interest rate fixing periods – SR-BANK (Amounts in NOK million)	0-3 months	3-12 months	1-5 year	More than 5 years	Not sub-divided	Total
Certificates/bonds – NOK	660	338	4	113		1,115
Deposits with other financial institutions – NOK	53		133	2		188
Deposits with other financial institutions – FX	22					22
Overdraft facilities – NOK	1,216		135			1,351
Overdraft facilities – FX	21					21
Other loans – NOK	13,948	290	1,054	120		15,412
Other loans – FX	106	136				242
Other assets				590		590
Total assets	16,026	764	1,326	235	590	18,941
Deposits from other financial institutions – NOK	689	62				751
Deposits from other financial institutions – FX	193	270				463
Deposits from Bank of Norway	50					50
Deposits from customers – NOK	12,136	480	237			12,853
Deposits from customers – FX	54					54
Borrowings through the issuance of securities – NOK	1,415	110	1,032			2,557
Subordinated loan capital – NOK			377			377
Subordinated loan capital – FX		51				51
Other liabilities					1,785	1,785
Total liabilities	14,537	973	1,646		1,785	18,941
Remaining life – SR-BANK (Amounts in NOK million)	0-3 months	3-12 months	1-5 year	More than 5 years	Not sub-divided	Total
Certificates/bonds – NOK	535	338	4	238		1,115
Deposits with other financial institutions – NOK	53		133	2		188
Deposits with other financial institutions – FX	22					22
Overdraft facilities – NOK	1,216		135			1,351
Overdraft facilities – FX	8	13				21
Other loans – NOK	314	666	2,411	12,021		15,412
Other loans – FX	22	29	150	41		242
Other assets				590		590
Total assets	2,170	1,046	2,833	12,302	590	18,941
Deposits from other financial institutions – NOK	689	62				751
Deposits from other financial institutions – FX	193	81	189			463
Deposits from Bank of Norway	50					50
Deposits from customers – NOK	12,136	480	237			12,853
Deposits from customers – FX	54					54
Borrowings through the issuance of securities – NOK	815	110	1,632			2,557
Subordinated loan capital – NOK			377			377
Subordinated loan capital – FX			51			51
Other liabilities					1,785	1,785
Total liabilities	13,937	733	2,486		1,785	18,941

The above summary of interest-fixing periods shows for how long the Bank is tied to the currently valid rates of interest relating to various balance sheet items. In 1995, the Bank offered its customers both loans and deposits at fixed rates of interest. Loans totalling NOK 1.2 billion were granted with interest rates fixed for longer than one year. In order to reduce the overall interest rate risk relating to such lending the Bank has raised a bond loan of NOK 1 billion at a fixed rate of interest.

The summary of remaining life shows the remaining periods in respect of various balance sheet items. The securities portfolio consists mainly of short-term certificates with durations of less than one year. The sensitivity to changing interest rate levels has accordingly been reduced.

NOTE 42 Result summary for subsidiaries

Profit and loss account – subsidiaries (Amounts in NOK thousand)	SR-Fonds	Westbroker Finans	SR-Eiendom	Bjergsted Boliger	Total subsidiaries
Interest income and similar revenues	1,489	110,970	758	34	113,251
Interest expenditure and similar costs	465	70,310	4	1,163	71,942
Net interest and credit commission income	1,024	40,660	754	(1,129)	41,309
Trading gains from current assets	39	3	0	0	42
Commissions	18,493	1,742	28,470	0	48,705
Other income	0	3,866	154	3,746	7,766
Total other operating income	18,532	5,611	28,624	3,746	56,513
Total income	19,556	46,271	29,378	2,617	97,822
Personnel costs	8,647	11,313	13,044	77	33,081
Other direct operating costs	6,205	4,561	7,242	793	18,801
Total operating costs	14,852	15,874	20,286	870	51,882
Write-downs and gains/losses relating to fixed assets	26	(220)	0	(2,111)	(2,305)
Total costs	14,878	15,654	20,286	(1,241)	49,577
Result before losses	4,678	30,617	9,092	3,858	48,245
Losses	0	(4,846)	0	0	(4,846)
Net result	4,678	35,463	9,092	3,858	53,091

Balance sheet details – subsidiaries

Assets					
Cash in hand, deposits with the Postal Giro and Bank of Norway	10	6	6	0	22
Short-term placements in securities	2,513				2,513
Deposits with and loans to financial institutions	8,920	8,917	52,168	511	70,516
Gross lending		1,403,384	0	0	1,403,384
– Specific loss provisions		(9,433)	0	0	(9,433)
– Non-specific loss provisions		(7,515)	0	0	(7,515)
Net lending	0	1,386,436	0	0	1,386,436
Other claims	9,583	23,982	3,847	4,416	41,828
Other current assets		14,597	0	0	14,597
Fixed assets	2,212	3,105	1,649	14,427	21,393
Total assets	23,238	1,437,043	57,670	19,354	1,537,305

Liabilities and equity capital

Liabilities and equity capital					
Deposits from financial institutions	967	157,462	0	10,699	169,128
Deposits from customers		1,037,337	0	0	1,037,337
Other liabilities	6,420	57,674	50,382	248	114,724
Provisions made against liabilities		430	0	0	430
Subordinated loan capital		25,077	0	0	25,077
Equity capital	15,851	159,063	7,288	8,407	190,609
Total liabilities and equity capital	23,238	1,437,043	57,670	19,354	1,537,305

Cash Flow Analysis

(Amounts in NOK million)	SR-BANK 1995	1994	SR-BANK Group 1995	1994
Profit for the year	313	292	275	326
Group contributions from/to subsidiaries	(48)	6	0	0
Dividend paid to PCC holders	(104)	(97)	(104)	(97)
Dividend received from subsidiaries	84	0	0	0
Gains/losses on disposals	(11)	(10)	(13)	(6)
Ordinary depreciation	37	34	43	40
Write-downs	0	4	0	4
Losses on loans	28	(8)	17	(15)
Provided from the year's operations	299	221	218	252
Change in gross lending	(1,300)	(1,876)	(1,289)	(1,979)
Change in repossessed properties	15	37	19	50
Change in loans to financial institutions	(12)	(104)	(20)	11
Change in deposits from customers	(1)	732	(44)	689
Change in deposits from financial institutions	4	716	12	721
Change in ordinary securities	(25)	(120)	(28)	(120)
Change in other claims	(170)	(136)	(72)	(138)
Change in other short-term debt	40	171	50	87
A Net liquidity change from operations	(1,150)	(359)	(1,154)	(427)
Change in fixed operating assets	16	(27)	28	(15)
Changes in long-term securities	(30)	(134)	(38)	(153)
B Net liquidity change, investments	(14)	(161)	(10)	(168)
Change in deposits from Bank of Norway	38	(703)	38	(703)
Equity capital received	1,109	1,448	1,109	1,448
Change in other long-term debt	7	(185)	8	(110)
C Net liquidity change, financing/funding	1,154	560	1,155	635
A+B+C Net change in liquidity during the year	(10)	40	(9)	40
Liquid funds as at 01.01.	215	175	215	175
Liquid funds as at 31.12.	205	215	206	215
Net change in liquidity during the year	(10)	40	(9)	40

Liquid funds include the total of cash in hand, deposits with the Postal Giro and Bank of Norway, plus that part of total deposits with and loans to other financial institutions which is related to placements with such institutions.

The Cash Flow Analysis shows how SR-BANK and the SR-BANK Group respectively have received liquid funds, and how these funds have been used.

On a total basis, the SR-BANK Group experienced a reduction in liquidity amounting to NOK 9 million. In 1995, Group operations were characterised by a significant growth in lending, amounting to NOK 1,289 million. This expansion was largely funded by new loans raised by the Bank through the issuance of securities totalling NOK 1,109 million.

Audit Report for 1995 *(Translation from Norwegian)*

We have audited the annual accounts of SPAREBANKEN ROGALAND for 1995, showing net income of NOK 313 million for the bank and net income of NOK 275 million for the group. The annual accounts, which consist of the Board of Directors' report, statement of income, balance sheet, statement of cash flows, notes and the corresponding consolidated financial statements, are the responsibility of the Board of Directors and the Chief Executive Officer.

Our responsibility is to examine the Bank's annual accounts, its accounting records and the conduct of its affairs.

We have conducted our audit in accordance with applicable laws, regulations and generally accepted auditing standards. We have performed the auditing procedures we considered necessary to determine that the annual accounts are free of material errors or omissions. We have examined, on a test basis, the accounting material supporting the financial statements, the appropriateness of the accounting principles applied, the accounting estimates made by management and the overall presentation of the annual accounts. To the extent required by generally accepted auditing standards we have also evaluated the bank's asset management and the internal controls.

The appropriation of net income, as proposed by the Board of Directors, complies with the requirements of the Savings Banks Act.

In our opinion, the annual accounts have been prepared in conformity with the laws and regulations applicable for savings banks and present fairly the company's and the group's financial position as of 31 December 1995 and the result of its operations for the fiscal year in accordance with generally accepted accounting principles.

Stavanger, 7 March 1996

ARTHUR ANDERSEN & CO.

Olaf Thorheim

STATE AUTHORISED PUBLIC ACCOUNTANT (NORWAY)

Report of the Control Committee

The Control Committee has completed its task in accordance with the Savings Banks' Act and according to the instruction and guidelines laid down for the Committee.

The Bank's activities and business in 1995 have been conducted in accordance with the Savings Banks Act, the Bank's bye-laws and other regulations to which the Bank must adhere.

The annual financial statements presented comply with the regulations laid down by the Savings Banks Act and the Banking, Insurance and Securities Commission.

The Supervisory Board may adopt the Profit and Loss Account and the Balance Sheet as the Bank's formal accounts for 1995.

Stavanger, 7 March 1996

Harald Ribland

Harald Ribland

Tormod T. Våland

Tormod T. Våland

Egil Bue

Egil Bue

Odd W. Bøe

Odd W. Bøe

Turid Midbøe

Turid Midbøe

Deposits, Loans and Result at SR-BANK

(Amounts in NOK million)	DEPOSITS		LOANS		RESULT	
	NOK million	% growth	NOK million	% growth	% Before losses	After losses NOK million
Haugesund	557	2.4	1,105	21.0		
Bokn	50	1.3	55	14.5		
Karmøy	654	9.8	861	6.3		
Tysvær	353	39.7	382	14.5		
Vindafjord	119	(1.6)	93	(27.8)		
Ølen	228	6.7	320	35.1		
Total, Region Haugalandet	1,960	10.4	2,817	14.0	70	67
Strand	430	4.7	520	9.8		
Finnøy	154	3.7	132	4.8		
Forsand	129	50.5	53	18.3		
Hjelmeland	124	9.5	112	35.4		
Kvitsøy	32	2.3	20	(6.4)		
Rennesøy	175	8.6	218	11.6		
Suldal	340	(0.4)	265	(0.5)		
Total, Region Ryfylke	1,384	7.1	1,319	9.1	31	32
Domkirkeplassen	2,544	13.9	2,706	4.5		
Hundvåg	282	17.0	622	13.0		
Mariero	532	3.3	515	4.3		
Forus	276	6.8	376	3.5		
Tasta	148	8.9	276	25.6		
Madla	379	8.1	515	8.7		
Total, Region Stavanger	4,162	11.4	5,010	6.8	122	121
Sandnes	800	4.7	1,485	22.9		
Bryne	94	2.0	360	12.2		
Gjesdal	267	11.0	359	16.6		
Nærbø	267	6.0	289	11.4		
Randaberg	250	10.6	326	5.4		
Sola	848	6.5	1,030	8.9		
Varhaug	359	(6.6)	442	13.2		
Total, Region Jæren	2,886	4.7	4,291	14.7	88	94
Egersund	709	(2.5)	782	2.1		
Bjerkreim	180	3.8	141	10.3		
Flekkefjord	161	5.7	206	19.0		
Lund	98	8.2	108	13.9		
Sirdal	140	16.9	86	18.9		
Sokndal	251	1.5	246	1.2		
Total, Region South	1,539	1.9	1,568	6.2	36	36
Total for all regions	11,931	7.8	15,005	10.4	346	349
Head Office	976	(47.0)	2,021	(6.6)	47	10
Total, SR-BANK	12,907	0.0	17,026	8.1	393	359

5-year Financial Summary for the SR-BANK Group

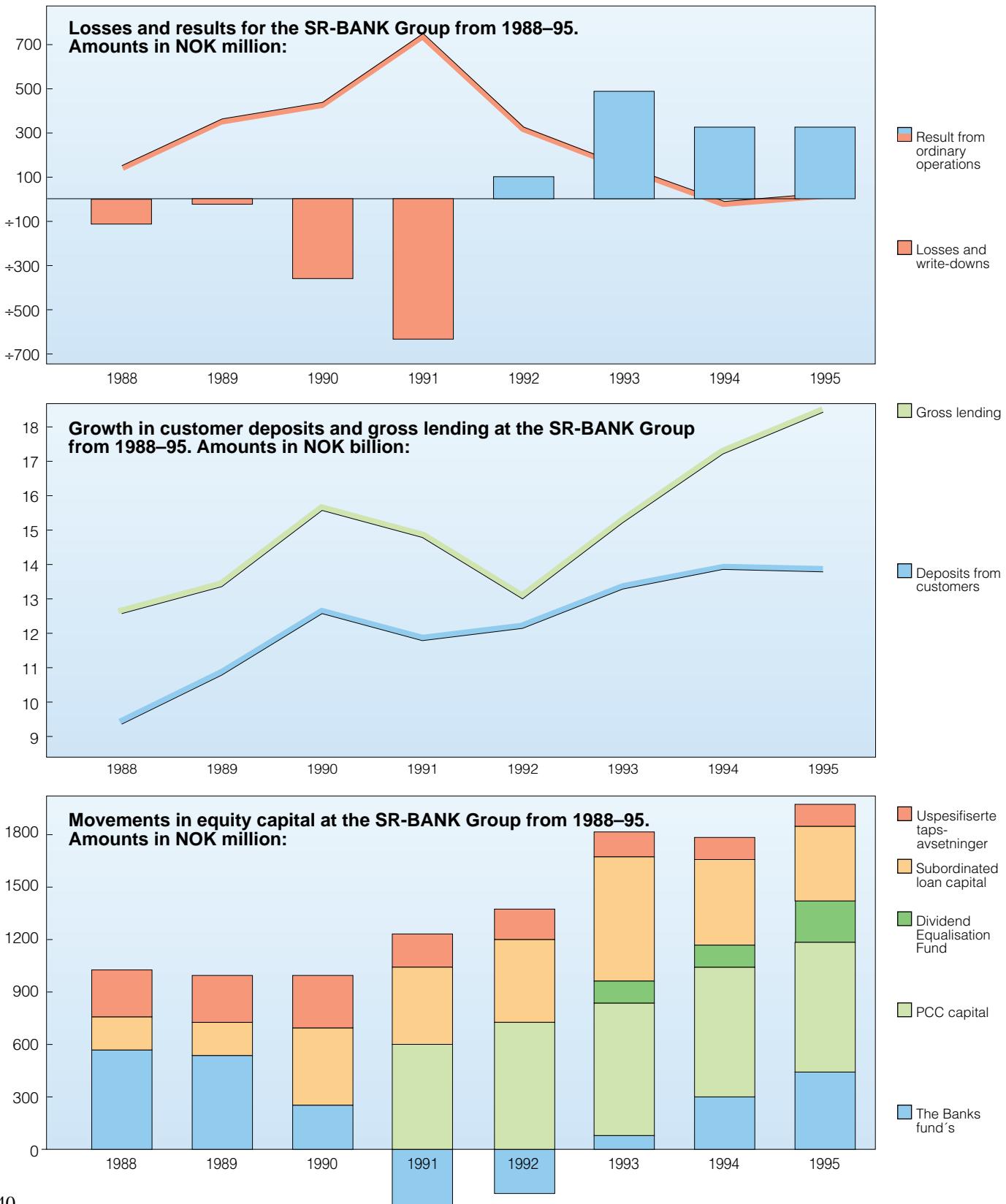
Profit and loss account (Amounts in NOK million)	1991	1992	1993	1994	1995
Interest and similar income	2,201	1,940	1,644	1,459	1,502
Interest and similar costs	1,610	1,192	859	727	807
Net interest and credit commission income	591	748	785	732	695
Net gains/losses on current assets	(8)	10	134	(79)	21
Commission income	178	150	158	145	174
Other operating income	22	36	37	29	29
Total other operating income	192	196	329	95	224
Wages, fees and other personnel costs	307	277	238	253	293
Ordinary depreciation	70	57	43	40	43
Other operating costs	294	190	198	219	242
Total other operating costs	671	524	479	512	578
Write-down and gains/losses on disposal of fixed assets	73	9	26	(1)	(13)
Losses on loans and guarantees	672	315	121	(10)	29
Result from ordinary operations	(633)	96	488	326	325

Balance sheet (Amounts in NOK million)	1991	1992	1993	1994	1995
Short-term claims	2,181	2,001	1,415	1,568	1,618
Net loans	13,948	12,236	14,414	16,491	17,805
Fixed assets	705	650	566	695	675
Total assets	16,834	14,887	16,395	18,754	20,098
Deposits from banks and customers	15,487	13,671	14,447	15,154	15,159
Borrowing through the issuance of securities	58	0	0	1,448	2,557
Other debt	617	278	286	506	622
Subordinated loan capital	436	459	696	470	445
Equity capital	236	479	966	1,176	1,315
Total liabilities and equity capital	16,834	14,887	16,395	18,754	20,098
Average assets	18,836	15,349	15,280	18,276	19,756

Performance figures (as a percentage of average assets)	1991	1992	1993	1994	1995
Interest and similar income	11.69	12.64	10.76	7.98	7.60
Interest and similar costs	8.55	7.77	5.62	3.98	4.08
Net interest and credit commission income	3.14	4.87	5.14	4.00	3.52
Total other operating income	1.02	1.28	2.15	0.52	1.13
Total operating costs	3.56	3.41	3.13	2.80	2.93
Total write-downs and gains/losses on disposal of fixed assets	0.39	0.07	0.17	-0.01	-0.07
Losses on loans and guarantees	3.57	2.05	0.79	-0.05	0.15
Result from ordinary operations	-3.36	0.62	3.19	1.79	1.65

The above profit and loss account and balance sheet figures have not been prepared in accordance with uniform accounting principles.

The SR-BANK Group 1988–95



SR-BANK Primary Capital Certificates (PCCs)

SR-BANK's PCCs were listed on the Oslo Stock exchange on 2 May, 1994. The stock exchange quotation was arranged after SBCF had sold its SR-BANK PCC holdings through a public offer of sale, involving a wide distribution basis, aimed at private investors both in Norway and abroad.

The Bank's PCC capital, amounting to NOK 744 million, comprises 7,440,000 certificates. The above sale attracted 1,162 investors. Changes in the rules and regulations relating to PCCs, brought in with effect from 19 April, 1995, improved the PCC holders' proportional rights of ownership to the Dividend Equalisation Fund.

The Banks's aim is to achieve a diversification of PCC ownership which is representative of the overall customer basis, local and regional investors, and international as well as domestic institutional investors. In 1995, the number of PCC holders increased from 1,375 to 2,214. 26% of the PCC holders were domiciled in Rogaland, 9.3% abroad, and the 20 largest PCC holders accounted for 52.6% of the total amount of certificates outstanding. By the end of February this year, the number of PCC owners had risen further, to 2,838. The price of the PCCs has developed in a steady manner, going up from NOK 115 to NOK 147 during the course of 1995. Liquidity in the PCCs has been good; daily traded volume increased from 8,600 to 13,900 in 1995. The turnover ratio (the number of PCCs traded as a percentage of the number of certificates issued) in 1995 was 47%.

SR-BANK's Board of Directors would want to have many local PCC holders, believing that such equity ownership and customer relations would bring about a mutually beneficial effect. At the same time, the Bank would wish its PCC holders to represent a broadly diversified base of investors, which would make the PCCs an appropriate vehicle and source in the case of any further equity capital to be

raised. Against this background, therefore, SR-BANK's overall aim is that its PCC holders should get a return on their investment which is both competitive and capable of being reliably forecast.

SR-BANK's dividend policy attaches particular importance to the following three factors:

- a competitive cash dividend
- a Dividend Equalisation Fund which provides a basis for stability as far as payment of annual dividends is concerned
- the continued strengthening of the Savings Bank's Fund.

At the time of the abovementioned public sale of PCCs, the Savings Bank's Fund and the Donations Fund totalled NOK 90 million, representing 14% of the Bank's equity capital. The formulation and implementation of SR-BANK's dividend policy has accordingly emphasised the Bank's need to consolidate its financial position and to improve its equity capital structure. The information provided by the Bank in this respect has been clearly and consistently described. The dividend policy applied by the Bank has provided a direct and effective return on the PCC holders' investment which has proved to be competitive. The Savings Bank's Fund, in addition to the Donations Fund, had increased to NOK 338 million by the end of 1995, equivalent to 27% of the Bank's equity capital.

Key figures relating to the Bank's PCCs

	1994	1995
Price quoted on the Oslo Stock Exchange at year-end	115	147
Dividend per PCC	13	14
Direct rate of return	11%	10%
Effective yield	7%	40%
Book value of equity capital per PCC	100	121
PCC ratio	79	73
Dividend payment ratio	30	38
Result per PCC	44	37
Share of overall result per PCC	28	25



Price movements from January 1995, to January 1996.



Number of SR-BANK PCC-holders from January 1995, to January 1996.

Our Independence

Once again we have another good year behind us, the third good year in a row. The financial result is satisfactory and the restructuring taking place throughout the Bank is proceeding according to plan. The economic prospects for our region are bright and this ought to mean that we may look forward to a few more good years.

Why then have we sought an alliance with three other regional banks?

My own reply to this question is simple, pointing in two directions. Firstly, we have to make sure that we remain the preferred bank for the majority of the region's population and businesses. This means that we have to be better than other banks, have competitive products and services, conduct our banking business in a more effective manner and maintain an overall level of service and quality which exceeds the expectations of our customers. Secondly, I am convinced that this region needs a strong, independent financial group as a counterbalance to the concentration of capital in Oslo.

Our independence is important to us, not for our own sake, but in order to ensure that we are able to do a good job for this region. Our existence is totally dependent upon what is happening within our region. We are therefore prepared to put in a great deal of effort to safeguard growth and development. Being close to our customers and market focuses our minds on this important task.

It is precisely in order to be able to do this that we have decided to enter into an alliance with Sparebanken Vest, Spare-banken Midt-Norge and Sparebanken Nord-Norge. These

three banks are currently faced with the very same challenge. We do not compete against each other and we share the same views about the future. Together, we represent a factor of considerable power in the Norwegian financial industry. This gives us strength and opportunities, the benefit of which we can pass on to our customers.

The co-operation between the four regional savings banks is based on the fundamental assumption that the joint efforts involved will secure and safeguard each bank's independence and regional strength.

We will work together in the following areas:

- The creation and marketing of joint products and services through the development of the brand name concept.
- A sharing of development and operating costs within the areas of products and services, technology, distribution and communication.
- The establishment of jointly-owned companies within insurance, mortgage lending and credit, as well as fund management, in order to be able to offer our customers a comprehensive range of our own products and services.

Against the background of fiercer competition, developments within the domestic financial industry are taking off again, and not least because of the technical revolution which is currently taking place. This environment places very heavy demands on the banks' internal organisations, and on the systems which are going to enable us to do a better job for our customers. This all

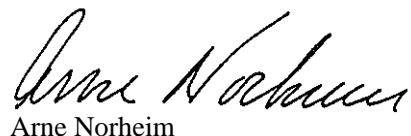
The Managing Directors of the four regional savings banks which have entered into an agreement of co-operation. From left to right: Hans Olav Karde, Sparebanken Nord-Norge; Knut Ravnå, Sparebanken Vest; Finn Haugan, Sparebanken Midt-Norge; and Arne Norheim, SR-BANK.



requires capital and human resources. Jointly, the four banks will have the necessary muscle and power to enter this competitive race in a forceful manner.

As we prepare ourselves for the future, by far the most important thing now is that our customers have access to a forward-looking bank which is able to offer them state-of-the-art banking products and first-class service. At the same time, we have to be careful that this 'train' of vast change does not move off too quickly, leaving the customers behind on the platform. This means that we need to have one foot in the old, office-based environment, and one in the new high-tech world which is now opening up. But sooner or later both feet have to be placed firmly on the ground of the future. Our regional co-operation is a step in that direction.

Stavanger, March 1996


Arne Norheim

The Stavanger Region – a Powerful Industrial Region in Norway

Kverneland's products are used all over the world by farmers running mechanised agricultural businesses.

This is Norway's most important industrial county, the country's oil capital representing the major element. Norway's most internationally-orientated commercial and industrial environment. Norway's largest agricultural county. An important county for the fisheries. A centre for several college institutions for higher education.

Rogaland tops the list within a great many aspects of commerce and industry when we describe the county as a pivotal force within the Norwegian economy. Stavanger and the Stavanger Region represent the locomotive and the muscle power, not just for the region, but for the whole of the country.

The oil capital

The resolution passed by the Norwegian parliament in 1972, which transformed Stavanger into the oil capital of Norway, brought about the largest industrial expansion of the century within this region; it turned out to be a period during which there were bigger changes than ever before in such a short space of time.

Today, this region's dependence on the oil industry is significant: Nearly 40 per cent of the jobs within Stavanger Region are directly or indirectly related to the oil and gas industry. A recent survey concluded that 66 per cent of the Stavanger Region's businesses are dependent upon the oil sector either to some extent or to a large extent.

Stavanger's main strength is to be found within the area of administration, operations and

maintenance work involving the petroleum industry. On the other hand, apart from the oil industry, at the present time it would hardly be possible to envisage and identify with certainty another industry which would still be going strong in 50 years' time.

Restructuring within the oil industry

'Norsok' is the important key to the future. This report on the Norwegian shelf's international competitiveness suggests measures to be introduced in order to reduce overall costs – preferably by as much as 50 per cent – in order to increase overall profitability along the Norwegian shelf. This would clearly involve savage cuts throughout the offshore industry, but it would also mean that it would be more profitable to develop new fields, small fields, also involving huge depths, with the help of new technological solutions. In order to make this possible, the Norsok report suggests that further investment is made in the case of existing bases, production and operating units. In this area, Stavanger benefits from big opportunities and advantages as far as competition for jobs within the oil industry is concerned. Other regions can only dream of the infrastructure, the levels of professional skills and competence among the workforce and the petro-technical environment which all exist in Stavanger.

Market development is moving towards underwater solutions, floating and movable installations, standardisation and cheaper solutions.



The Stavanger-based company, S.E. Labels is currently expanding in the European market, involving its advanced production of specially designed labels.

The large offshore companies, notably Kværner Rosenberg and Norwegian Contractors, have been renowned for the way in which they have produced unique solutions for big development projects, having notched up one world record after another. Today, the entire offshore industry's ability to change and restructure itself is being put to the test – will our local industry be good enough to compete successfully for development projects involving large depths and small fields, whilst being subjected to more open EEA-related competition, during a period of relatively low oil prices? Many local companies have already made substantial investments within these areas.

During the next five years, investments along the Norwegian shelf are estimated to be in the region of NOK 40 billion annually. This represents a shrinkage from NOK 60-70 billion a year during the last three years. However, reduced development costs may also trigger higher activity levels, once the threshold for profitable developments has been lowered.

Small fields, new geological areas and large, as yet undiscovered reservoirs of oil under the North Sea may bring about a continued, bright future for Stavanger as an oil city. There are promising signs for the southern part of the North Sea region, after the find recently made by Statoil in the Danish sector. In addition, the Directorate of Oil and Petroleum is of the opinion that the deposits of oil which have yet to be found in the North Sea sector are roughly equivalent in size to the so far undiscovered resources outside the Midt-Norge region.

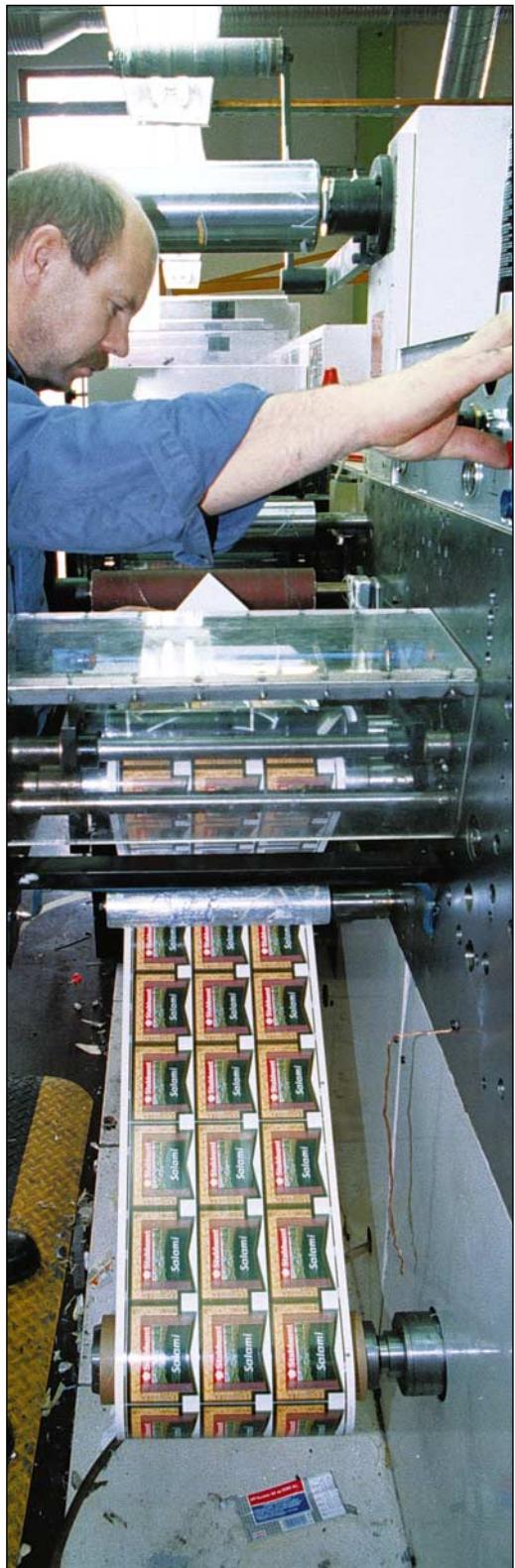
More than oil

However, the Stavanger region is also about much more than just oil. As a result of the oil boom, Stavanger and Sandnes have developed quick-growing urban communities, where considerable commercial and industrial activities continue to exist in addition to the oil industry – partly on a separate basis and not dependent upon the oil sector, and partly in a symbiotic relationship with that dominant industry.

The local graphics industry is an example of one industry which has had a good deal of help from the two most important industries in Stavanger this century; but the graphics industry also has a marked independent feature, being one of the really prominent local business sectors. Some observers even refer to Stavanger as the graphics capital of Norway. It all started with high quality labels for the canned food industry, and this industry was faced with big new demands with the advent of the oil adventure, that industry requiring printed material of first-class quality.

Stavanger is also a city where shipping continues to be of some importance. Simon Møkster Shipping is an example of this; this company is the largest in Northern Europe within the sector of offshore ships.

Industrial growth triggers a need for new buildings. After the bottoming out of this sector in 1991, the aggregate acreage in respect of new construction activity involving commercial and industrial property has been increasing during the last few years. In earlier years, new buildings for the retail and



wholesale trade, offices and commercial property dominated the construction and building industry. Recently, construction of buildings for industrial use represent the biggest segment. A great deal of construction and building activity is still expected. The limiting factor is the shortage of available building sites.

Most traditional sectors of industry continue to be represented in the district. Many of these businesses were in the doldrums during the 1970s and 1980s – as during that particular period all forms of resources, both economic and human, were absorbed by the oil industry. Today, many restructured manufacturing businesses are very much in evidence within Stavanger Region, in areas such as textiles, bicycles, wool products, cans, porcelain and the mechanical industry, these companies being important and viable entities within the local industry.

Two Stavanger flagship companies are Laerdal Medical, one of the few remaining industrial businesses located in the city centre, with a very profitable export business all over the world of highly sophisticated medical equipment, and T. Skretting A.s., which is the leading producer of fish feed in Norway and a real driving force within the fish farming industry. Skanem, manufacturers of packaging materials, a very traditional business, has completed some acquisitions and restructured its sector of business in Norway. Businesses, rich in tradition, such as Øglænd DBS, Øglænd Pioner, Hackman Designer department Polaris, Sandnes Uldvarefabrik and Figgjo, enjoy a continued existence, and are all doing well. Jæren's

industrial flagship is the Kverneland group and in this area there are numerous other mechanical engineering businesses.

Fagforum, for food and drink, is an example of an alliance between industry and the service sector; this is a company whose purpose is to boost the commercial and industrial activity levels within the food and drinks sectors. Rogaland gets the necessary raw materials from its unique agriculture and from the sea, the district has two internationally known brand names, King Oscar and Jarlsberg, a restaurant industry which is doing well, as well as service companies linked in various ways to food.

Trade and service industries

The traditional service industries are strongly represented: In Stavanger alone, wholesale- and retail trade,

hotels and restaurants employ nearly 10,000 people. Stavanger, a city providing a wide range of services, co-ordinates different measures aimed at creating a lively and active city centre, offering a variety of things of unique overall quality.

Following substantial investment within the municipal centres of Sola and Randaberg, these centres have captured market shares in local wholesale- and retail trade; this has meant that less trade is lost to the two big cities by these municipalities.

The tourist industry has enormous development potential. Business

Simon Møkster Shipping is actively involved in the North Sea sector; this shipping company is a leader within Europe in the field of offshore vessels.



The Ullandhaug college area – and Rogalandforskning's drilling rig.

visitors continue to account for the big volumes within the local travel industry, including large conferences. For quite some time now, the oil fair and congress, ONS 1996, has had a waiting list of firms wanting to participate as exhibitors. But Stavanger still has room for more guests attending congresses; and in the case of summer tourism, this region's achievements so far remain very modest compared with those of for instance Bergen.

Public, social and private service industries have been responsible for large and even growth in local employment. In Stavanger alone, some 21,000 people work in this sector. The area of care services is undoubtedly one of the future growth industries – both within the public and private sectors.

Stavanger Region acts like a magnet

Stavanger is at the very centre of things in this context – as may be expected from the capital of a region which has been blessed with the strongest economic growth in the country. This may be illustrated by the overall surplus of jobs. Only 60 per cent of the jobs in Stavanger are filled by the municipality's own inhabitants. Workers commute from Sandnes, Sola, Randaberg, Rennesøy and Strand – and quite a few workers come to the county's capital even from as far afield as the southern parts of Jæren. Stavanger Region is definitely one labour market in this connection.

In the Sola municipality too, there is a surplus of workplaces, partly because of the oil supply base at Risavika, oil companies situated within the municipality and a large

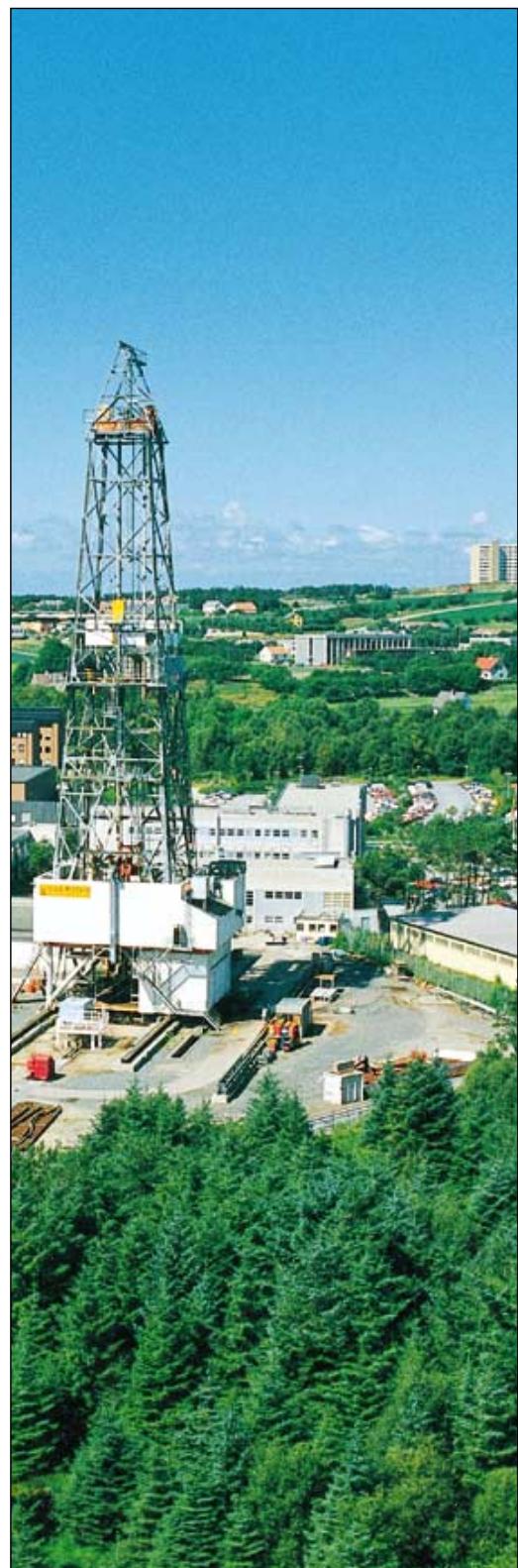
number of oil servicing businesses – from the drilling and rig giant, Transocean, down to the smallest family firms.

Randaberg has become part of the oil adventure: The oil company, Conoco, is situated at the Randaberg side of the municipal border, and several important oil servicing businesses have set up their offices in the municipality.

The municipalities of Stavanger Region have attracted qualified workers from all over the country – resulting in an enormous growth in the region's population. During the last 10 years, Sandnes's population has risen by an average 2.1 per cent each year, the overall increase totalling more than 50 per cent since 1970. Sola has experienced similar growth. Stavanger's population has increased by 40 per cent during the last 25 years. The development within the region illustrates that, compared with the rest of Norway, we have a young population, and that we live in the country's perhaps most international urban region, if the number of local residents of foreign origin is taken into consideration.

Culture and schools

Since the very start of the oil adventure, the stated strategy has been to combine growth within commerce and industry with expansion in the cultural and educational sectors. The visionary entrepreneurs in the seventies, within politics, bureaucracy, commerce and industry harboured ambitions for the entire urban community – not just for the business sectors. Rogaland Teater gradually became one of the



country's most interesting theatres and at Bjergsted new buildings appeared, housing a rich and varied music environment, comprising both professionals and amateurs.

The chamber music festival in August has met with a great deal of interest internationally and 'May Jazz' is regarded as one of the most important Norwegian festivals of its kind.

A young population means that there is a need for local investment within the educational field: At Sandnes alone, some NOK 200 million will be invested in school buildings during the next three years – representing the biggest development ever within this municipal sector.

Let us now move further up the educational ladder: The really big investment within the area in this respect is represented by the development of the college area at Ullandhaug. Today, the College of Stavanger represents the biggest college outside Oslo, with particular emphasis on, and expertise in subjects relating to the petroleum industry. The total offer of higher education at these college institutions comprises a wide range of subjects. The college is currently organised in different departments – for the humanities, arts, the education and training of teachers, health and social science, technical and natural sciences, economics, cultural and community subjects, as well as Norsk Hotellhøgskole (The Norwegian College for the Hotel and Catering Industry). The centre for research into reading and the centre for behavioural science have also built up a reputation for acknowledged expertise in their respective fields. There is a long-



From the 'Sandnes Week', where Langgata continues to be a central meeting place.

term strategy in place aimed at developing the College of Stavanger into Norway's fifth university.

Within this same environment we find Rogalandsforskning, which has strengthened and enhanced its position as one of the country's leading centres for polytechnical research, being Norway's third largest independent research institute, with a staff of 250. Research work involving specially commissioned projects is conducted, with special emphasis on petroleum, environment, as well as community, commercial and industrial development.

With research at the intersection of commerce, industry and education, we have now in many ways come full circle in our tour de force; a 'circle' which we hope will encapsulate the future development within our region, consisting of intellect, curiosity, creativity and science, coupled with the country's highest overall level of professional skills and competence, interacting with profitable and expansive local commerce and industry.

Supervisors, Directors and Control Committee

Supervisory Board

Jan Johnsen, Stavanger, Chairman	
Torfinn Hegdal, Sokndal	
Deputy Chairman	100

ELECTED BY THE PCC HOLDERS

Oluf Arntsen, Kristiansand	
Jan S. Aske, Stavanger	33 033
Erik Bøhler, Oslo	31 600
Kristian Eidesvik, Bømlo	1 000
Tor Arne Eng, Skudeneshavn	9 000
Gunnar Hagen, Stavanger	9 000
Harald V. Hanssen, Stavanger	20 000
Finn Haugan, Trondheim	104 200
Per Hedberg, Stavanger	15 133
Bernt Helland, Bryne	
Ivar Kolnes, Stavanger	27 100
Tor Lægreid, Tromsø	80 000
Terje Mjelde, Bergen	141 000
Erik Grundt Olsen, Oslo	41 600
Eyvin M. Olsen, Stavanger	103 934
Harald Sig. Pedersen, Stavanger	35 300
Einar Risa, Stavanger	10 000
Ivar Rusdal, Sandnes	4 900
Torbjørn Skarpnes, Oslo	65 800
Kåre Skogen, Stavanger	61 500
Bjørn M. Stangeland, Sandnes	50
Trygve Stangeland, Sola	40 000
Jan Olav Steensland, Oslo	327 600
Ove Tveteraas, Stavanger	261 867
Tron Vormeland, Stavanger	
Martin Ølberg, Sola	50 000

ELECTED BY THE DEPOSITORS

Helga Alvestad, Bokn	
Steinar Berntsen, Sokndal	
Sjur Bjørgo, Sandnes	100
Egil Bue, Sola	
Berge Bustad, Tysvær	
Marit Dalaker, Rennesøy	
Eivind Eidesen, Haugesund	
Rolf Ersdal, Strand	100
Ruth Fossan, Forsand	
Morten Glendrange, Flekkefjord	
Trygve Haraldseid, Vindafjord	
Dagfinn Helland, Suldal	
Åse Holmane, Hå	
Ragnhild Joddal, Sirdal	
Torstein Lauritzen, Gjesdal	
Kjell Moen, Lund	
Bjarne Mørch, Karmøy	
Arne Otto, Time	
Bjarne Pedersen, Kvitsøy	
Thor M. Pettersen, Egersund	
Oddlaug Rødne, Ølen	
Egil Svela, Bjerkreim	
Sigbjørn Vadla, Hjelmeland	
Karin Vik, Finnøy	200
Sven Viste, Randaberg	

ELECTED BY THE MUNICIPALITIES

Kolbjørn Anda, Randaberg	
Roar Marthom Barstad, Hå	
Henrik Bjordal, Haugesund	
Øivind Born, Stavanger	
Gitle G. Byberg, Sola	
Asbjørn Dalsmo, Sirdal	
Karl Johan Eie, Strand	100
Steinar Espvik, Kvitsøy	
Ingvild Sjo Fasting, Time	
Gunn Grønnestad, Bokn	
Jan Mikal Hanasand, Rennesøy	3 500
Andreas Haugeland, Egersund	
Staale Haakull, Sandnes	
Arild Karlsen, Ølen	
Øyvind Kleppa, Hjelmeland	
Sverre Larsen, Flekkefjord	100
Turid Midbøe, Karmøy	
Fridtjov Thorsen Norland, Forsand	500
Annbjørg Rudsdal, Lund	
Ottar Sandanger, Finnøy	20
Svein Skare, Vindafjord	200
Arnild Skrunes, Tysvær	400
Ingvar Solberg, Bjerkreim	
Sigurd Steine, Suldal	
Per Aalgaard, Gjesdal	

Board of Directors

Terje Vareberg, Chairman	700
Einar Strømsvåg, Deputy Chairman	
Hallvard Bakka	34
Dominikus Nagell Bjordal	200
Olav Friestad	
Arild Marvik	
M. Stephansen	
Arne Norheim	200
Employees representatives:	
Elin Garborg	
Karl A. Naley	

Control Committee

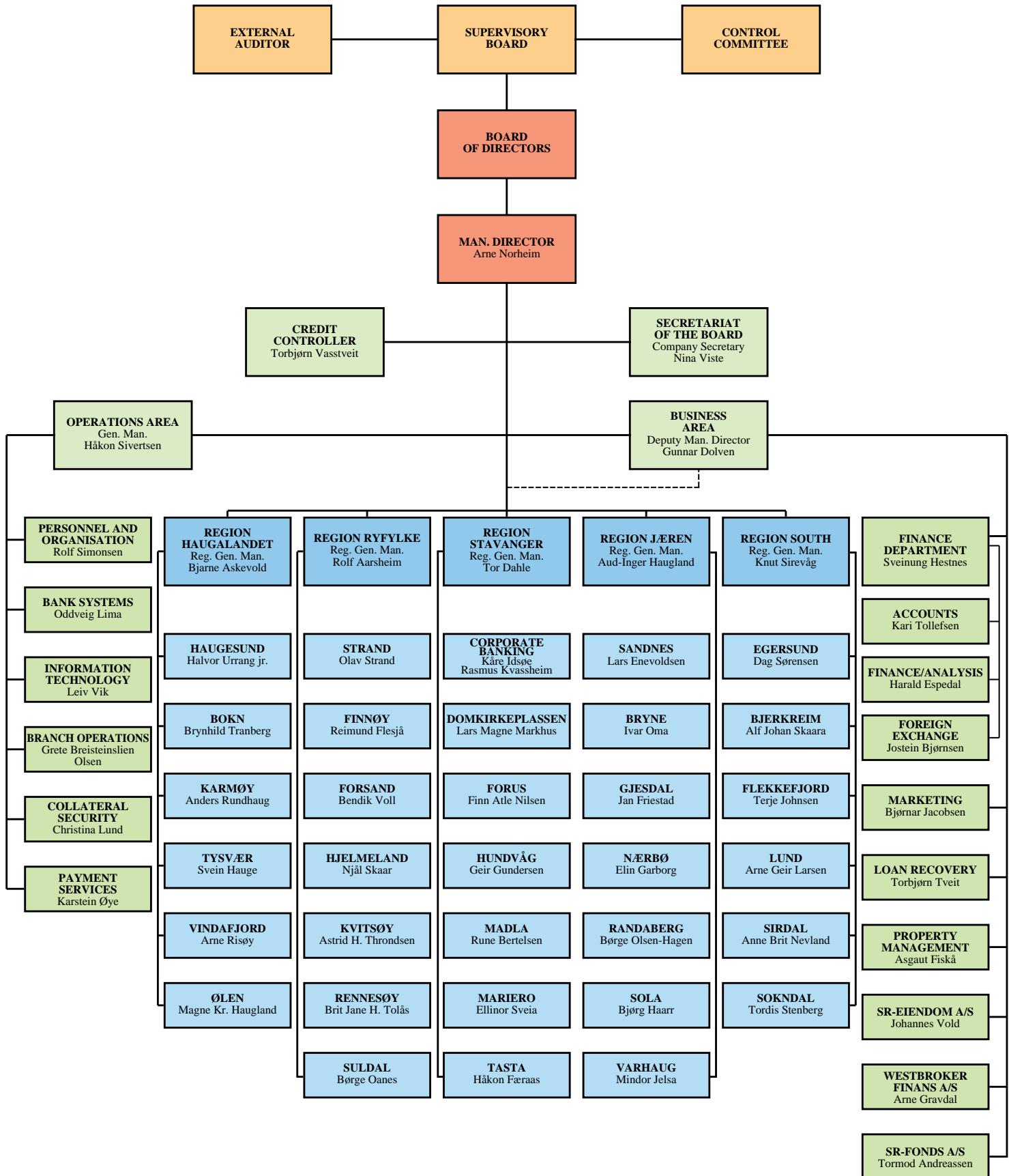
Harald Ribland, Chairman	300
Egil Bue	
Odd W. Bøe	
Turid Midbøe	
Tormod T. Vaaland	

External Auditor

Arthur Andersen & Co.,	
Olaf Thorsheim, CPA	

(PCCs personally owned by members of the Bank's board of directors and supervisory board, or by companies in which any of the abovementioned persons have a dominant interest as at 31.12.1995, are shown brackets.)

Organisation Chart



The SR-BANK Group

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Secretary of the Board
Company Secretary Nina Viste

Credit controller
Gen. Man. Torbjørn Vasstveit

Business Area
Deputy Man. Dir. Gunnar Dolven

Property Management
Lawyer Asgaut Fiskå

Loan recovery
Gen. Man. Torbjørn Tveit

Marketing
Gen. Man. Bjørnar Jacobsen

Finance Departement
Gen. Man. Sveinung Hestnes

Finance and analysis
Manager Harald Espedal

Accounts
Accounting Man.
Kari Tollefse

Foreign Exchange
Gen. Man. Jostein Bjørnsen

Operations Area
Gen. Man. Håkon Sivertsen

Bank systems
Branch Man. Oddveig Lima

Payment Services
Branch Man. Karstein Øye

Collateral/Security
Gen. Man. Christina Lund

Information Technology
IT-Man. Leiv Vik

Branch operations
Branch Man. Grete B. Olsen

Organisation and personnel
Gen. Man. Rolf Simonsen

Region

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Gen. Man. Øyvind Rønnevik

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Gen. Man. Anders Rundhaug

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Gen. Man. Arne Reiersen

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Rolf Aarsheim

Gen. Man. Sven K. Grødem

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Manager Leif Nordbø

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Gen. Man. Bendik Voll

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Gen. Man. Geir Gundersen

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4040 Hafrsfjord
Gen. Man. Rune Bertelsen

Sunde
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Branch Man. Geir Hoff

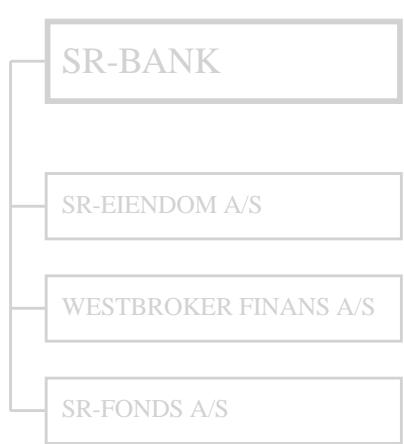
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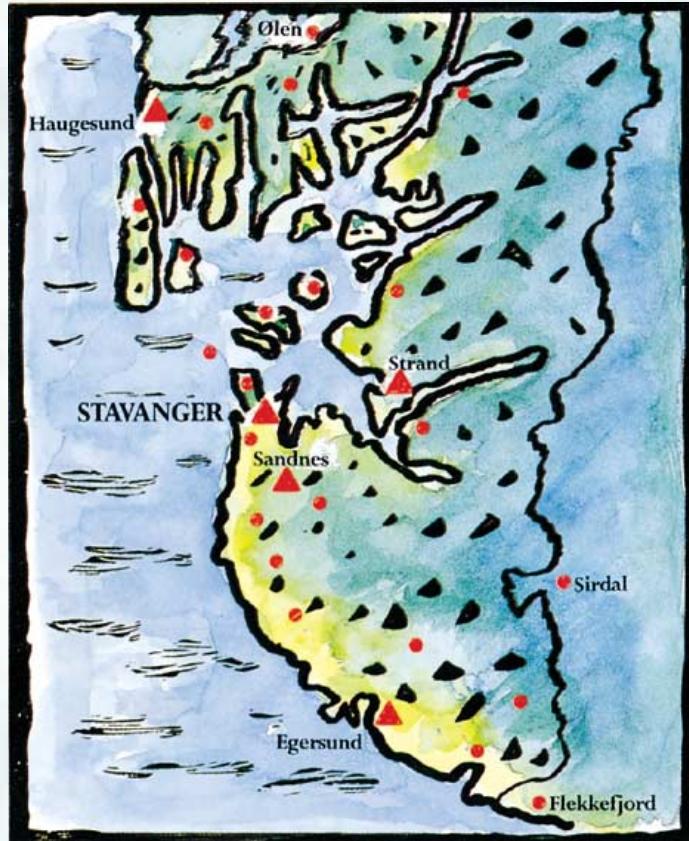
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Ualand, telephone 51 40 07 33**Bjerkreim**
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Man. Director
Tormod Andreassen**SR-BANK Group**



SPAREBANKEN FOR HELE REGIONEN

SR-BANK

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1995

