



168th year

# Quarterly Report 2010

1st quarter





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## Key figures - Group

	31.03.2010	31.03.2009	31.12.2009	31.12.2008
Average equity, excl. dividends (NOK mill.)	1.540,8	1.128,6	1.343,4	1.305,4
Average total assets (NOK mill.)	22.333,9	24.704,2	23.556,2	22.885,9
Profit after tax as % of average total assets	1,59	0,49	1,25	-1,69
Profit before losses as % of average total assets	2,15	0,74	1,81	-1,15
Net interest as %	1,96	2,07	2,05	1,91
Return on equity (%)	23,06	10,82	21,92	-29,56
Net loans (NOK mill.)	16.800,4	16.961,0	16.619,0	17.486,9
Deposits (NOK mill.)	7.026,1	7.427,5	7.296,8	7.638,4
Capital adequacy as %-age	16,11	12,15	17,11	11,51
Core capital coverage as %-age	13,48	8,76	14,15	8,39
Number of FTEs	277	272	277	278

# Interim Report 1st Quarter 2010 - Sparebanken Øst

**The financial statements for Q1 2010 show sustainable bank operations, with the downscaling of the financial investment portfolio developing according to plan.**

**Net interest and credit commission income is back at the same level as before the financial crisis. Costs are in line with the budget, and losses continue to be minimal. Changes to AFP legislation have reduced the bank's pension obligations and increased revenue by NOK 29.2 million before tax.**

## EARNINGS

The Group's profit before tax amounted to NOK 119.2 million in Q1 2010, compared with NOK 43.5 million in the same period the previous year. The improvement is due to positive value development for the bank's financial investments and revenue recognition as a result of changes to the AFP scheme. Net interest declined during the period and is back at its level before the financial crisis. Losses on loans to companies continued to be limited and were positively affected in the first quarter by the settlement of a previously identified loss from Finance Credit AS. Losses on loans to private customers are virtually non-existent.

Profit before tax as a percentage of total assets was 2.16 percent, compared with 0.71 percent for the same period the previous year.

Profit after tax was NOK 87.6 million, compared with NOK 30.1 million for the same period the previous year, and corresponds to a return on equity of 23.06 percent.

## Net interest

Net interest and commission income amounted to NOK 107.8 million, which is a decline of NOK 18.5 million compared with the same period the previous year. This also represented a decline of NOK 11.6 million on the figure for Q4 2009.

Regular refinancing of funding with very favourable margins affects interest expense. Competition in the banking market has, so far, limited the possibility of fully compensating for the increased cost of funding by increasing customer interest.

Net interest and credit commission income corresponds to 1.96 percent of average total assets, compared with 2.07 percent at the end of Q1 2009, i.e. a decline of 0.11 percentage points.

## Operating income

Commission income and income from banking services amounted to NOK 19.4 million, which is a decline of NOK 1.5 million compared with the same period the previous year and a decline of NOK 1.7 million on the previous quarter. Commission income comes from traditional banking services.

Net value changes and gains/losses on financial assets increased revenue by NOK 39.7 million in Q1 2010. The equivalent figure for Q1 2009 was a loss of NOK 24.5 million.

Other operating amounted to NOK 3.8 million, which is a decline of NOK 0.4 million compared with the same period the previous year.

## Operating expenses

In accordance with the Norwegian Accounting Standards Board's recommendations, the bank recognised revenue of NOK 29.2 million in the form of reduced payroll costs as a result of changes to the AFP scheme. This resulted in total operating expenses of NOK 53.1 million. Without recognition of the AFP obligation as revenue, total operating expenses were NOK 82.3 million, which corresponds to 1.49 percent of average total assets. By comparison, total operating expenses amounted to NOK 81.8 million at the end of Q1 2009. The trend shows the bank has been successful in applying the required cost control.

Commission costs and costs of banking services amounted to NOK 6.0 million, which was on a par with the same period the previous year. The difference between the parent bank and the group is entirely due to agency fees in AS Financiering.

Payroll and general administrative expenses (not including recognition of revenue associated with the AFP scheme) amounted to

NOK 59.5 million, which was at the same level as in Q1 2009. The number of FTEs at the end of Q1 2010 was 277, compared with 272 at the end of the same period the previous year. In the first quarter of 2010, a surplus amount of approx. NOK 0.6 million in the profit-sharing provision was recognised as revenue. Other operating income amounted to NOK 13.6 million, which is an increase of NOK 0.8 million compared with the same period last year.

### Losses on loans and guarantees

Net reversals (recognised) of losses on loans and guarantees at the end of the quarter amounted to NOK 0.6 million in Q1 2010.

### Losses on loans and guarantees to credit institutions

Total impairment for Icelandic banks amounted to NOK 144.9 million at 31/12/2009. There were no losses on loans and guarantees to credit institutions in Q1 2010.

The bank's reported exposure to Icelandic banks after loss write-downs was just NOK 3.8 million.

The bank's exposure to Eastern Europe at the end of the quarter was limited to two banks with a total of NOK 21.9 million in outstanding loans. The risk of losses is considered minimal, and impairment of groups of loans amounts to NOK 1.2 million, which is the same as at 31/12/2009.

### Losses on loans and guarantees to customers

Net reversals of loans and guarantees to customers amounted to NOK 0.6 million in Q1 2010. A settlement of approx. NOK 6.0 million from Finance Credit AS was recognised.

Individual impairment losses on loans and guarantees to customers increased by NOK 7.3 million in the period from the beginning of the year, and ended the quarter on NOK 103.7 million.

Impairment of groups of loans to customers amounted to NOK 53.7 million at the end of Q1 2010, which is a decline of NOK 4.3 million since the beginning of the year.

Gross defaults and non-performing loans amounted to NOK 288.9 million, compared with NOK 254.1 million at the beginning of the

year. Net defaults and non-performing loans amounted to NOK 185.2 million, which is a decline of NOK 27.4 million compared with 31/12/2009.

### BALANCE SHEET

Total assets increased by NOK 827.4 million since the beginning of the year, and stood at NOK 22,794.6 million at the end of the first quarter. The rise is largely due to an increase in cash in hand at the end of Q1 2010, growth in loans to customers and an increase in the liquidity portfolio.

Cash and receivables at central banks increased by NOK 461.4 million since the beginning of the year. As part of the bank's refinancing programme for outstanding bond debt, cash and receivables at central banks may fluctuate from the normal level, which we estimate at NOK 300- 500 million.

Net loans to credit institutions declined by NOK 139.6 million since 31/12/2009, and stood at NOK 262.2 million at 31/03/2010. Syndicated loans exclusively in Denmark and Norway amounted to just NOK 25.7 million at the end of March.

Net loans to customers amounted to NOK 16,800.4 million, an increase of NOK 181.4 million since the beginning of the year. Gross loans to customers account for 75.2 percent of total loans to customers.

Holdings of certificates and bonds increased by NOK 224.4 million since the beginning of the year and amounted to NOK 3,326.0 million at the end of the period. The increase is entirely associated with the liquidity portfolio. Treasury bills amounted to NOK 721.0 million.

The Group's portfolio at 31/03/2010:

	Nominal	Fair value
<b>Government</b>	<b>350.0</b>	<b>356.7</b>
<b>Treasury bills</b>	<b>726.0</b>	<b>721.0</b>
<b>State guar./other public issuer</b>	<b>422.0</b>	<b>427.2</b>
<b>Subord. loan finance</b>	<b>97.5</b>	<b>92.7</b>
<b>Other finance</b>	<b>1,311.5</b>	<b>1,317.4</b>
<i>Offshore</i>	103.6	85.1
<i>Oil</i>	54.2	36.4
<i>Shipping</i>	92.0	70.3
<i>Industry</i>	200.2	170.8
<i>Power</i>	355.0	355.9
<i>Property</i>	96.0	86.4
<i>Other</i>	329.0	327.1
<b>Total other</b>	<b>1,230.0</b>	<b>1,132.0</b>
<b>Total</b>	<b>4,137.0</b>	<b>4,047.0</b>

The nominal value of the liquidity portfolio is NOK 3,533.0 million and its fair value is NOK 3,545.2 million. The nominal value of the investment portfolio is 604.0 million and its fair value is NOK 501.8 million. At the beginning of the year, the nominal value of the investment portfolio was NOK 679.0 million and the fair value NOK 529.9 million.

The estimated weighted average maturity of the liquidity portfolio is 1.74 years, while the corresponding average maturity for the investment portfolio is 2.55 years.

Customer deposits fell by NOK 270.7 million since the beginning of the year and amounted to NOK 7,026.1 million at 31/03/2010.

Liabilities arising from the issuance of securities amounted to NOK 9,879.7 million, an increase of NOK 1,128.0 million since the beginning of the year. The bank is experiencing good access to the Norwegian bond market, with prices on a par with other comparable banks.

Other long-term loan agreements declined by NOK 109.4 million (net) since the beginning of the year, and ended the period on NOK 2,270.9 million. The bank has drawn a total of NOK 1,500 million in F loans.

The bank's participation in the government exchange scheme amounted to NOK 915.4 million at 31/03/2010.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounted to NOK 3,537.8 million.

## **LIQUIDITY**

The bank has its own framework for liquidity buffers, providing a robust liquidity strategy. This means, among other things, that the bank must have sufficient liquidity to manage 12 months of normal operations without the addition of new liquidity. The bank's liquidity forecast shows sufficient liquidity until Q2 2011, provided total assets remain unchanged. Against this background, the bank is comfortable with the liquidity situation.

The establishment of its own housing credit company has changed the Group's funding structure in that it now has the facility to issue preferential bonds (OMF). This has further strengthened the bank's funding situation.

## **FINANCIAL RISKS**

Credit risk associated with loans to customers was stable during Q1 2010. There has been no clear sign of a decline in quality, although defaults have increased slightly. Credit risk is measured by classifying customers according to their debt servicing capacity, financial position and security.

Credit risk associated with financial investments is considered minimal as a result of the improved economic situation. The increased price of oil made a positive contribution to operations in companies in which the bank has invested (bonds). Credit risk associated with the bank's liquidity portfolio is low and has remained unchanged to-date this year. This type of risk is managed within conservative limits with regard to counterparty, sector and term.

Interest risk is kept within fixed limits and is limited, as assets and liabilities have variable interest rates or have been swapped for variable interest rate terms.

Currency risk is hedged by means of forward contracts or basis swaps.

Exposure to equity instruments over and above the bank's subsidiaries and strategic investments is minimal. The limit for investments for trading is limited to NOK 60 million.

## **CAPITAL ADEQUACY**

Net subordinated capital amounted to NOK 1,932.4 million at the end of Q1 2010, with the Group's net tier 1 capital amounting to NOK 1,617.3 million. Using a calculation basis of NOK 11,995.9 million, this results in capital adequacy of 16.11 percent, of which 13.48 percentage points represents tier 1 capital.

In 2009, the bank's management assessed the need to strengthen the bank's equity through the Norwegian State Finance Fund. The assessment was based on a projection involving moderate growth in total assets with loans to private persons and companies, stable margin development and limited loan losses. Based on the above assumptions, the projected income statements and balance sheets for 2010 and 2011 show the bank's capital level will easily exceed internal targets. Consequently, the bank's Board of Directors decided not to increase equity through the Norwegian State Finance Fund.

## **DinBANK.no**

DinBANK.no is Sparebanken Øst's online service, which was launched on 4 September 2006. DinBANK.no is now established as a very simple, efficient and reasonable banking alternative for self-service customers. DinBANK.no has mainly provided customers loans secured by property, with a maximum loan to collateral ratio of 70 percent. Its customer base is across Norway, with the majority of customers in the counties of Oslo, Akershus and Buskerud. At the end of Q1 2010, DinBANK.no had a lending volume of NOK 1,053.0 million. Certain loans granted in DinBANK.no were transferred to Sparebanken Øst Boligkreditt AS. Deposits from customers amounted to NOK 374.5 million. DinBANK.no achieved a profit before tax of NOK 2.2 million, compared with NOK 1.4 million in the same period the previous year.

## **SUBSIDIARIES**

**Sparebanken Øst Boligkreditt AS** is a wholly-owned subsidiary of Sparebanken Øst. The company was established on 14 April 2009 with the object of granting or acquiring home mortgage loans, property mortgage loans, loans secured by liens on other registered assets or public loans, and to finance lending business mainly through the issuing of preferential bonds. The company's total assets were NOK 2,312.6 million at 31/03/2010, and mainly consisted of first priority mortgages in homes, which are financed through preferential bonds and drawing rights on the parent company. The company's equity amounts to NOK 75.0 million. Profit after tax was NOK 1.4 million in Q1 2010.

**AS Financiering** is a wholly-owned subsidiary of Sparebanken Øst, and is a financing company. Its main product is car financing, with the main emphasis on used cars. In 2009, the company's earnings were very sound, which more than offset the increased losses during the period. The Group reported profit before tax of NOK 5.3 million in Q1 2010, compared with NOK 4.7 million in the same period the previous year. Total assets amounted to NOK 881.7 million. At the end of 2009, the company had 27 employees, corresponding to 24 full-time equivalents.

### **Sparebanken Øst Eiendom AS**

The main objective of Sparebanken Øst Eiendom AS is standard property operation, including purchases, sales, property renting

and development, and the purchase and sale of fixtures and fittings in various business areas. Operating income amounted to NOK 4.8 million in Q1 2010, compared with NOK 5.1 million in the same period the previous year. Profit after tax was NOK 0.3 million, compared with NOK 1.1 million in the same period the previous year. The company has 6 employees and share capital of NOK 35.1 million.

### **Øst Prosjekt AS**

The main objective of the company is the taking over of projects and undertaking industrial and commercial activities to hedge and realise exposed positions in the parent bank. The company has no employees and its share capital amounts to NOK 12.0 million. Profit after tax amounted to NOK 0.0 million in Q1 2010, compared with NOK 0.1 million in the same period the previous year.

## **GUARANTEE - EKSPORTFINANS ASA**

Sparebanken Øst's liability to Eksportfinans ASA amounted to NOK 127.3 million at 31/12/2008. Over NOK 100 million of this amount is covered by a counter-guarantee with a major Nordic bank. At 30/12/2009 the liability had been reduced to NOK 46.6 million. The liability was further reduced during the period, and amounted to NOK 38.1 million at the end of the first quarter.

## **FUTURE PROSPECTS**

The Sparebanken Øst Group expects good results in 2010. The results of the bank's ordinary business are expected to be stable during the year. However, there is expected to be continuing pressure on net interest and credit commission income. Continuing tight cost control will result in no increase, or only a marginal increase, in overall operating expenses. It is expected that losses on loans to customers will be clearly within our long-term key performance indicators.

The Group expects limited reversals of previous unrealised losses on securities and the guarantee given to Eksportfinans ASA compared with 2009. However fluctuations in fair values cannot be ruled out. In Q2 2010, the bank has received a dividend of NOK 33.9 million from Eksportfinans ASA. Accounting treatment of the merger between Nordito AS and PBS Holding AS has resulted in revenue recognition of approx. NOK 80.0 million in Q2 2010.

The Group's financial position is stronger than in many years. The bank therefore has the ability to withstand any "double dip" in the Norwegian and international economies. In 2010, the Group will continue its long-term and robust liquidity policy with the reserves to survive at least 12 months without the supply of new capital. The Sparebanken Øst Group has the financial position and liquidity to allow future growth in loans to customers.

## **DIVIDEND POLICY**

Sparebanken Øst's financial goal for its activities is to achieve results that provide a good and stable return on bank equity and create value for equity certificate holders at a competitive return in the form of dividends and capital appreciation on equity certificates.

Profit for the year will be divided between equity certificate holders and the Savings bank fund in accordance with their share of the bank's equity. Sparebanken Øst will endeavour to pay 50-75 percent of profit allocated to equity certificate holders as a dividend. In a normal year approx. 10 percent will be allocated for donation purposes.

When determining dividends and donations, consideration will be given to the bank's profit development, market situation, dividend stability and tier 1 capital requirements. If there are insufficient funds for the payment of a competitive dividend from profits in a particular year, efforts will still be made to pay a competitive dividend by transferring the necessary funds from the equalisation reserve.

Hokksund, 31 March 2010  
Drammen, 27 April 2010

Jorund Rønning Indreliid  
Chairman

Knut Smedsrud  
Vice Chairman

Ingebjørg Mæland

Roar Norheim Larsen

Sverre Nedberg

Leif Ove Sørby

Vidar Ullenrød

Inger Helen Pettersen  
Employee representative

Trond Tostrup  
CEO



## Income statement

Group 31.03.2010	Group 31.03.2009	Group 2009	(Figures in NOK mill.)	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 2009
234,1	377,9	1.164,5	Interest and similar income	211,5	358,4	1.080,6
126,3	251,6	682,6	Interest and similar expense	124,7	251,8	683,1
107,8	126,3	481,9	<b>Net interest and credit commission income</b>	86,8	106,6	397,5
1,0	0,0	6,2	Dividends and other income from securities with variable yields	1,0	0,0	6,0
19,4	20,9	83,5	Commission income and income from banking services	20,6	20,4	84,7
6,0	6,2	24,3	Commission costs and costs of banking services	3,8	4,0	15,5
39,7	-24,5	171,5	Net value changes and gains/losses on financial investments	39,7	-24,5	171,5
3,8	4,2	16,9	Other operating income	1,0	1,0	4,1
13,8	43,0	176,8	Payroll, etc.	7,8	37,1	153,5
16,5	16,5	67,1	Administrative expenses	14,9	14,6	60,5
3,2	3,3	13,1	Depreciation, amortisation and impairment of non-financial assets	2,0	2,2	8,8
13,6	12,8	52,3	Other operating expenses	13,2	13,2	49,7
118,6	45,1	426,4	<b>PROFIT BEFORE LOSSES</b>	107,4	32,4	375,8
-0,6	1,6	25,0	Losses on loans and guarantees	-2,1	-3,0	11,1
119,2	43,5	401,4	<b>PROFIT BEFORE TAX</b>	109,5	35,4	364,7
31,6	13,4	107,0	Tax expense	28,9	11,1	96,7
87,6	30,1	294,4	<b>PROFIT AFTER TAX</b>	80,6	24,3	268,0
2,07	3,41	9,36	Earnings per equity certificate	1,91	2,75	8,52
2,07	3,41	9,36	Diluted earnings per equity certificate	1,91	2,75	8,52

## Statement of comprehensive income ( IAS 1)

Group 31.03.2010	Group 31.03.2009	Group 2009	(Figures in NOK mill.)	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 2009
87,6	30,1	294,4	<b>PROFIT AFTER TAX</b>	80,6	24,3	268,0
0,0	0,0	0,0	Changes in fair value of investments held for sale	0,0	0,0	0,0
87,6	30,1	294,4	<b>TOTAL PROFIT/LOSS</b>	80,6	24,3	268,0

## Balance Sheet

Group 31.03.2010	Group 31.03.2009	Group 2009	(Figures in NOK mill.)	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 2009
822,1	2.603,1	360,7	Cash and receivables at central banks	822,1	2.603,1	360,7
721,0	0,0	671,8	Treasury bills	721,0	0,0	671,8
408,3	916,5	547,9	Loans and receivables, credit institutions	2.099,6	1.696,0	1.805,4
144,9	97,9	144,9	- Individual impairment losses	144,9	97,9	144,9
1,2	50,5	1,2	- Impairment of groups of loans	1,2	50,5	1,2
16.957,8	17.113,6	16.773,4	Loans and receivables, customers	13.908,5	16.332,3	14.151,3
103,7	82,7	96,4	- Individual impairment losses	59,7	45,6	53,0
53,7	69,9	58,0	- Impairment of groups of loans	50,8	67,0	55,1
3.326,0	3.356,9	3.101,6	Certificates, bonds and other interest-bearing securities with fixed ret	4.325,5	3.356,9	4.351,6
345,4	285,7	320,6	Shares and other securities with variable return	345,4	285,7	320,6
0,0	0,0	0,0	Ownership interests in Group companies	201,2	126,2	201,2
291,3	288,4	287,4	Fixed capital assets	62,5	65,1	64,3
42,2	111,2	42,2	Deferred tax assets	63,7	133,8	63,7
53,1	273,0	45,8	Financial derivatives	53,1	272,9	45,8
31,7	37,1	29,1	Other assets	15,1	26,1	15,3
99,2	146,7	87,2	Prepaid non-accrued costs and earned not received income	89,6	139,5	78,0
22.794,6	24.831,2	21.967,2	<b>TOTAL ASSETS</b>	22.450,7	24.776,6	21.875,5
2.270,9	5.072,4	2.380,3	Liabilities to credit institutions	2.311,1	5.077,6	2.434,3
7.026,1	7.427,5	7.296,8	Deposits from and liabilities to customers	6.992,4	7.428,7	7.242,1
915,4	0,0	915,4	Liabilities to state, exchange of OMF preferential bonds	915,4	0,0	915,4
9.879,7	9.993,6	8.751,7	Liabilities incurred when issuing securities	9.629,2	9.993,6	8.751,7
74,1	190,3	92,0	Financial derivatives	74,1	190,2	92,0
208,5	67,4	91,3	Other liabilities	213,2	81,1	97,1
139,7	205,0	123,5	Accruals and deferred income	130,2	196,5	114,8
41,6	69,5	70,8	Provisions for accrued costs and liabilities	36,8	66,0	66,0
659,0	661,9	660,5	Subordinated loan capital	659,0	661,9	660,5
21.215,0	23.687,6	20.382,3	<b>Total liabilities</b>	20.961,4	23.695,6	20.373,9
595,1	413,2	595,1	Invested equity	595,1	413,2	595,1
896,9	700,3	989,8	Accrued equity	813,6	643,5	906,5
87,6	30,1	0,0	Unappropriated earnings	80,6	24,3	0,0
1.579,6	1.143,6	1.584,9	<b>Total equity</b>	1.489,3	1.081,0	1.501,6
22.794,6	24.831,2	21.967,2	<b>TOTAL LIABILITIES AND EQUITY</b>	22.450,7	24.776,6	21.875,5

## Changes in equity, Group

(Figures in NOK 1,000)

	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Fund for unrealised gains	Other equity	Unappropriated profit/loss
<b>1st Quarter 2010</b>									
Equity at 31.12.2009	1.584.884	207.312	387.778	183.732	695.351	27.447	0	83.264	0
Total profit/loss	87.626	0	0	0	0	0	0	0	87.626
2009 dividend finally adopted	-82.925	0	0	-82.925	0	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0	0
<b>Equity at 31.03.2010</b>	<b>1.579.585</b>	<b>207.312</b>	<b>387.778</b>	<b>100.807</b>	<b>695.351</b>	<b>17.447</b>	<b>0</b>	<b>83.264</b>	<b>87.626</b>

	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Fund for unrealised gains	Other equity	Unappropriated profit/loss
<b>1st Quarter 2009</b>									
Equity at 31.12.2008	1.113.524	387.932	25.235	50.721	580.358	12.447	0	56.831	0
Total profit/loss	30.120	0	0	0	0	0	0	0	30.120
Write-down of nominal value from NOK 100 to NOK 20	0	-310.346	310.346	0	0	0	0	0	0
<b>Equity at 31.03.2009</b>	<b>1.143.644</b>	<b>77.586</b>	<b>335.581</b>	<b>50.721</b>	<b>580.358</b>	<b>12.447</b>	<b>0</b>	<b>56.831</b>	<b>30.120</b>

## Changes in equity parent bank

(Figures in NOK 1,000)

	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Fund for unrealised gains	Unappropriated profit/loss
<b>1st Quarter 2010</b>								
Equity at 31.12.2009	1.501.620	207.312	387.778	183.732	695.351	27.447	0	0
Total profit/loss	80.599	0	0	0	0	0	0	80.599
2009 dividend finally adopted	-82.925	0	0	-82.925	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0
<b>Equity at 31.03.2010</b>	<b>1.489.294</b>	<b>207.312</b>	<b>387.778</b>	<b>100.807</b>	<b>695.351</b>	<b>17.447</b>	<b>0</b>	<b>80.599</b>

	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Fund for unrealised gains	Unappropriated profit/loss
<b>1st Quarter 2009</b>								
Equity at 31.12.2008	1.056.693	387.932	25.235	50.721	580.358	12.447	0	0
Total profit/loss	24.264	0	0	0	0	0	0	24.264
Write-down of nominal value from NOK 100 to NOK 20	0	-310.346	310.346	0	0	0	0	0
<b>Equity at 31.03.2009</b>	<b>1.080.957</b>	<b>77.586</b>	<b>335.581</b>	<b>50.721</b>	<b>580.358</b>	<b>12.447</b>	<b>0</b>	<b>24.264</b>

# Cash Flow Statement

Group 31.03.2010	Group 31.03.2009	Group 31.12.2009	(Figures in NOK mill.)	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009
<b>Operating activities</b>						
119,2	43,5	401,4	Profit before tax	109,5	35,4	364,7
Adjusted for:						
-297,5	802,9	1.472,9	Changes in assets in connection with operations	-50,4	816,7	1.604,2
-389,9	828,6	-995,8	Changes in liabilities in connection with operations	-382,4	825,4	-1.006,4
6,9	2,8	14,6	Non-cash items included in profit before tax	5,1	-2,2	0,1
0,0	0,0	0,0	Net gains from investment activities	0,0	0,0	0,0
-0,5	-0,9	4,7	Taxes paid for the period	0,0	0,0	5,6
<b>-561,8</b>	<b>1.676,9</b>	<b>897,8</b>	<b>Net cash flow from operating activities</b>	<b>A</b>	<b>-318,2</b>	<b>1.675,3</b>
<b>Investing activities</b>						
-7,4	-3,0	-12,2	Purchase of fixed assets	-0,5	-1,4	-7,4
0,3	0,3	0,7	Proceeds from sale of fixed assets	0,3	0,3	0,5
-22,2	-22,2	220,0	Net proceeds/expenses from sale/purchase of financial investments	-22,2	-22,2	145,0
<b>-29,3</b>	<b>-24,9</b>	<b>208,5</b>	<b>Net cash flow from investing activities</b>	<b>B</b>	<b>-22,4</b>	<b>138,1</b>
<b>Financing activities</b>						
1.096,5	-703,0	-1.924,7	Net proceeds/expenses for issue/repayment of securities	846,0	-703,0	-1.924,7
0,0	0,0	181,9	Proceeds from issuance of equity certificates	0,0	0,0	181,9
0,0	0,0	0,0	Payment of dividends	0,0	0,0	0,0
<b>1.096,5</b>	<b>-703,0</b>	<b>-1.742,8</b>	<b>Net cash flow from financing activities</b>	<b>C</b>	<b>846,0</b>	<b>-1.742,8</b>
505,4	949,0	-636,5	Net change in cash & cash equivalents	<b>A+B+C</b>	505,4	949,0
1.043,6	1.680,1	1.680,1	Cash & cash equivalents at 01.01.	1.043,6	1.680,1	1.680,1
<b>1.549,0</b>	<b>2.629,1</b>	<b>1.043,6</b>	<b>Cash &amp; cash equivalents at end of period</b>	<b>1.549,0</b>	<b>2.629,1</b>	<b>1.043,6</b>

## Profit per quarter - Parent bank

(Figures in NOK mill.)

	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Interest and similar income	211,5	214,6	228,6	279,0	358,4
Interest and similar expense	124,7	117,0	138,7	175,6	251,8
<b>Net interest and credit commission income</b>	<b>86,8</b>	<b>97,6</b>	<b>89,9</b>	<b>103,4</b>	<b>106,6</b>
Dividends and other income from securities with variable yields	1,0	4,7	0,0	1,3	0,0
Commission income and income from banking services	20,6	22,1	22,1	20,1	20,4
Commission costs and costs of banking services	3,8	3,9	3,6	4,0	4,0
Net value changes and gains/losses on financial investments	39,7	42,7	95,0	58,3	-24,5
Other operating income	1,0	1,2	1,1	0,8	1,0
Payroll, etc.	7,8	44,8	38,6	33,0	37,1
Administrative expenses	14,9	16,1	14,5	15,3	14,6
Depreciation/amortisation and impairment of non-financial assets	2,0	2,2	2,2	2,2	2,2
Other operating expenses	13,2	10,4	13,4	12,7	13,2
<b>PROFIT BEFORE LOSSES</b>	<b>107,4</b>	<b>90,9</b>	<b>135,8</b>	<b>116,7</b>	<b>32,4</b>
Losses on loans and guarantees	-2,1	4,3	11,7	-1,9	-3,0
<b>PROFIT BEFORE TAX</b>	<b>109,5</b>	<b>86,6</b>	<b>124,1</b>	<b>118,6</b>	<b>35,4</b>
Tax expense (calculated for interim accounts)	28,9	18,3	35,4	31,9	11,1
<b>PROFIT FOR THE PERIOD</b>	<b>80,6</b>	<b>68,3</b>	<b>88,7</b>	<b>86,7</b>	<b>24,3</b>
Earnings per equity certificate (per quarter)	1,91	2,17	2,82	2,76	2,75
Diluted earnings per equity certificate (per quarter)	1,91	2,17	2,82	2,76	2,75

## Profit per quarter - Group

(Figures in NOK mill.)

	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Interest and similar income	234,1	236,5	251,1	299,0	377,9
Interest and similar expense	126,3	117,1	138,7	175,2	251,6
<b>Net interest and credit commission income</b>	<b>107,8</b>	<b>119,4</b>	<b>112,4</b>	<b>123,8</b>	<b>126,3</b>
Dividends and other income from securities with variable yields	1,0	4,6	0,3	1,3	0,0
Commission income and income from banking services	19,4	21,1	21,1	20,4	20,9
Commission costs and costs of banking services	6,0	6,0	5,9	6,2	6,2
Net value changes and gains/losses on financial investments	39,7	42,7	95,0	58,3	-24,5
Other operating income	3,8	4,5	4,0	4,2	4,2
Payroll, etc.	13,8	52,1	44,6	37,1	43,0
Administrative expenses	16,5	18,2	15,9	16,5	16,5
Depreciation/amortisation and impairment of non-financial assets	3,2	3,3	3,2	3,3	3,3
Other operating expenses	13,6	11,9	13,9	13,7	12,8
<b>PROFIT BEFORE LOSSES</b>	<b>118,6</b>	<b>100,8</b>	<b>149,3</b>	<b>131,2</b>	<b>45,1</b>
Losses on loans and guarantees	-0,6	9,1	13,4	0,9	1,6
<b>PROFIT BEFORE TAX</b>	<b>119,2</b>	<b>91,7</b>	<b>135,9</b>	<b>130,3</b>	<b>43,5</b>
Tax expense (calculated for interim accounts)	31,6	19,8	38,7	35,1	13,4
<b>PROFIT FOR THE PERIOD</b>	<b>87,6</b>	<b>71,9</b>	<b>97,2</b>	<b>95,2</b>	<b>30,1</b>
Earnings per equity certificate (per quarter)	2,07	2,29	3,09	3,03	3,41
Diluted earnings per equity certificate (per quarter)	2,07	2,29	3,09	3,03	3,41

## Accounting policies

The consolidated quarterly accounts for the Parent bank and Group have been prepared in accordance with the IFRS (including IAS 34 Interim Financial Reporting). The interim accounts have been prepared in accordance with the same accounting policies used in preparing the annual financial statements. A more detailed description of the accounting policies can be found in the 2009 annual report. The accounts are presented in Norwegian kroner, which is also the Group's functional currency.

### Losses on loans and guarantees, customers

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
<b>Individual impairment losses</b>						
Individual impairment losses at 01.01.	52.976	41.030	41.030	96.361	74.321	74.321
- Identified losses for the period, where individual impairment losses have previously been recognised	0	640	14.915	653	904	16.115
+ Increases in individual impairment losses for the period	1.010	6.108	920	2.283	8.224	4.701
+ New individual impairment losses for the period	6.351	2.521	30.333	10.370	8.579	45.290
- Reversal of individual impairment losses for the period	631	624	4.392	4.674	4.736	11.836
= <b>Individual impairment losses at end of period *)</b>	<b>59.706</b>	<b>48.395</b>	<b>52.976</b>	<b>103.687</b>	<b>85.484</b>	<b>96.361</b>
<b>Impairment losses on groups of loans</b>						
Group impairment at 01.01.	55.119	78.153	78.153	57.988	81.022	81.022
+/- Changes in impairment of groups of loans for the period	-4.301	-11.130	-23.034	-4.301	-11.130	-23.034
= <b>Impairment losses on groups of loans at end of period</b>	<b>50.818</b>	<b>67.023</b>	<b>55.119</b>	<b>53.687</b>	<b>69.892</b>	<b>57.988</b>
<b>Loss expenses for the period:</b>						
Changes to individual impairment losses for the period	6.730	7.365	11.946	7.326	11.163	22.040
+/- Changes in impairment of groups of loans for the period	-4.301	-11.130	-23.034	-4.301	-11.130	-23.034
+ Identified losses for the period, where individual impairment losses have previously been recognised	0	640	14.915	653	904	16.115
+ Identified losses for the period where no individual impairment losses were recognised in prior years	389	883	6.853	1.052	1.643	11.101
- Settlement of previously identified losses for the period	6.222	499	929	6.657	712	2.582
+/- Amortisation costs for the period's impairment losses	1.347	1.298	5.282	1.347	1.297	5.282
= <b>Losses on loans and guarantees</b>	<b>-2.057</b>	<b>-1.443</b>	<b>15.033</b>	<b>-580</b>	<b>3.165</b>	<b>28.922</b>

\*) Individual impairment losses on guarantee commitments of NOK 2,750 thousand at 31/03/2009 have been recognised in the Balance Sheet under "provisions and obligations".

### Losses on loans and guarantees, credit institutions

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
<b>Individual impairment losses</b>						
Individual impairment losses at 01.01.	144.920	0	0	144.920	0	0
- Identified losses for the period, where individual impairment losses have previously been recognised	0	0	0	0	0	0
+ Increases in individual impairment losses for the period	0	0	0	0	0	0
+ New individual impairment losses for the period	0	97.933	144.920	0	97.933	144.920
- Reversal of individual impairment losses for the period	0	0	0	0	0	0
= <b>Individual impairment losses at end of period *)</b>	<b>144.920</b>	<b>97.933</b>	<b>144.920</b>	<b>144.920</b>	<b>97.933</b>	<b>144.920</b>
<b>Impairment losses on groups of loans</b>						
Group impairment at 01.01.	1.200	150.000	150.000	1.200	150.000	150.000
+/- Changes in group impairment losses for the period	0	-99.500	-148.800	0	-99.500	-148.800
= <b>Impairment losses on groups of loans at end of period</b>	<b>1.200</b>	<b>50.500</b>	<b>1.200</b>	<b>1.200</b>	<b>50.500</b>	<b>1.200</b>
<b>Loss expenses for the period:</b>						
Changes to individual impairment losses for the period	0	97.933	144.920	0	97.933	144.920
+/- Changes in impairment of groups of loans for the period	0	-99.500	-148.800	0	-99.500	-148.800
+ Identified losses for the period, where individual impairment losses have previously been recognised	0	0	0	0	0	0
+ Identified losses for the period where no individual impairment losses were recognised in prior years	0	0	0	0	0	0
- Settlement of previously identified losses for the period	0	0	0	0	0	0
+/- Amortisation costs for the period's impairment losses	0	0	0	0	0	0
= <b>Losses on loans and guarantees</b>	<b>0</b>	<b>-1.567</b>	<b>-3.880</b>	<b>0</b>	<b>-1.567</b>	<b>-3.880</b>

## Defaults and non-performing loans, customers

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
<b>Gross defaults (over 90 days)</b>						
Business	127.404	81.698	106.720	137.958	90.584	114.622
+ Personal	62.039	82.993	48.790	126.968	144.804	112.152
= Gross defaults	189.443	164.691	155.510	264.926	235.388	226.774
- Individual impairment losses	51.811	34.520	48.536	94.692	58.258	90.799
= <b>Net defaults</b>	<b>137.632</b>	<b>130.171</b>	<b>106.974</b>	<b>170.234</b>	<b>177.130</b>	<b>135.975</b>
<b>Non-performing (not defaults on) loans</b>						
Business	8.386	30.699	16.479	11.352	32.960	19.648
+ Personal	12.108	9.311	7.203	12.599	9.812	7.702
= Gross non-performing loans	20.494	40.010	23.682	23.951	42.772	27.350
- Individual impairment losses	7.895	11.125	4.440	8.995	24.476	5.562
= <b>Net non-performing loans</b>	<b>12.599</b>	<b>28.885</b>	<b>19.242</b>	<b>14.956</b>	<b>18.296</b>	<b>21.788</b>
<b>Gross defaults and non-performing loans</b>						
Business	135.790	112.397	123.199	149.310	123.544	134.270
+ Personal	74.147	92.304	55.993	139.567	154.616	119.854
= Gross defaults and non-performing loans	209.937	204.701	179.192	288.877	278.160	254.124
- Individual impairment losses	59.706	45.645	52.976	103.687	82.734	96.361
= <b>Net defaults and non-performing loans</b>	<b>150.231</b>	<b>159.056</b>	<b>126.216</b>	<b>185.190</b>	<b>195.426</b>	<b>157.763</b>

## Defaults and non-performing loans, credit institutions

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
<b>Gross defaults (over 90 days)</b>						
Norway	0	0	0	0	0	0
Denmark	0	0	0	0	0	0
Iceland	148.749	135.806	151.129	148.749	135.806	151.129
+ Ukraine	4.977	0	5.777	4.977	0	5.777
= Gross defaults	153.726	135.806	156.906	153.726	135.806	156.906
- Individual impairment losses	144.920	97.933	144.920	144.920	97.933	144.920
= <b>Net defaults</b>	<b>8.806</b>	<b>37.873</b>	<b>11.986</b>	<b>8.806</b>	<b>37.873</b>	<b>11.986</b>
<b>Non-performing (not defaults on) loans</b>						
Norway	0	0	0	0	0	0
Denmark	0	0	0	0	0	0
Iceland	0	0	0	0	0	0
+ Ukraine	0	0	0	0	0	0
= Gross non-performing loans	0	0	0	0	0	0
- Individual impairment losses	0	0	0	0	0	0
= <b>Net non-performing loans</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross defaults and non-performing loans</b>						
Norway	0	0	0	0	0	0
Denmark	0	0	0	0	0	0
Iceland	148.749	135.806	151.129	148.749	135.806	151.129
+ Ukraine	4.977	0	5.777	4.977	0	5.777
= Gross defaults and non-performing loans	153.726	135.806	156.906	153.726	135.806	156.906
- Individual impairment losses	144.920	97.933	144.920	144.920	97.933	144.920
= <b>Net defaults and non-performing loans</b>	<b>8.806</b>	<b>37.873</b>	<b>11.986</b>	<b>8.806</b>	<b>37.873</b>	<b>11.986</b>

## Operating segments

Segment reporting is based on the bank's internal reporting format, whereby the parent bank is divided into DinBANK.no, the private market and the business market. In addition there are the subsidiaries, and a non-reportable segment with items not allocated to other segments.

(Figures in NOK mill.)

31.03.2010	DinBANK.no	PM	Spb Øst		AS	Spb Øst		Elimination	Group
			BM	Boligkreditt	Finansiering	Eiendom	Unallocated		
Net interest and commission income	2,2	35,3	46,6	3,6	18,4	-1,1	2,8	0,0	107,8
Total other income	0,9	13,5	5,1	-1,7	-1,7	4,8	39,0	-2,0	57,9
<b>Total income</b>	<b>3,1</b>	<b>48,8</b>	<b>51,7</b>	<b>1,9</b>	<b>16,7</b>	<b>3,7</b>	<b>41,8</b>	<b>-2,0</b>	<b>165,7</b>
Payroll and general administrative expenses	0,9	19,9	5,2	0,0	6,0	1,6	-3,3	0,0	30,3
Depreciation	0,0	0,0	0,0	0,0	0,2	0,9	2,1	0,0	3,2
Other operating expenses	0,0	0,2	0,1	0,0	1,6	0,8	12,9	-2,0	13,6
<b>Total operating costs</b>	<b>0,9</b>	<b>20,1</b>	<b>5,3</b>	<b>0,0</b>	<b>7,8</b>	<b>3,3</b>	<b>11,7</b>	<b>-2,0</b>	<b>47,1</b>
<b>Profit before losses</b>	<b>2,2</b>	<b>28,7</b>	<b>46,4</b>	<b>1,9</b>	<b>8,9</b>	<b>0,4</b>	<b>30,1</b>	<b>0,0</b>	<b>118,6</b>
Losses on loans, guarantees, etc.	0,0	0,3	-2,4	0,0	1,5	0,0	0,0	0,0	-0,6
<b>Profit before tax</b>	<b>2,2</b>	<b>28,4</b>	<b>48,8</b>	<b>1,9</b>	<b>7,4</b>	<b>0,4</b>	<b>30,1</b>	<b>0,0</b>	<b>119,2</b>
Tax on ordinary profit	0,0	0,0	0,0	0,5	2,1	0,1	28,9	0,0	31,6
<b>Profit after tax</b>	<b>2,2</b>	<b>28,4</b>	<b>48,8</b>	<b>1,4</b>	<b>5,3</b>	<b>0,3</b>	<b>1,2</b>	<b>0,0</b>	<b>87,6</b>

31.03.2009	DinBANK.no	PM	Spb Øst		AS	Spb Øst		Elimination	Group
			BM	Boligkreditt	Finansiering	Eiendom	Unallocated		
Net interest and commission income	1,8	49,9	47,3	0,0	20,8	-1,2	7,7	0,0	126,3
Total other income	0,3	13,5	4,9	0,0	-1,7	5,1	-25,9	-1,8	-5,6
<b>Total income</b>	<b>2,1</b>	<b>63,4</b>	<b>52,2</b>	<b>0,0</b>	<b>19,1</b>	<b>3,9</b>	<b>-18,2</b>	<b>-1,8</b>	<b>120,7</b>
Payroll and general administrative expenses	0,6	18,2	5,4	0,0	6,3	1,6	27,4	0,0	59,5
Depreciation	0,1	0,0	0,0	0,0	0,2	0,8	2,2	0,0	3,3
Other operating expenses	0,0	0,5	0,1	0,0	1,4	0,0	12,6	-1,8	12,8
<b>Total operating costs</b>	<b>0,7</b>	<b>18,7</b>	<b>5,5</b>	<b>0,0</b>	<b>7,9</b>	<b>2,4</b>	<b>42,2</b>	<b>-1,8</b>	<b>75,6</b>
<b>Profit before losses</b>	<b>1,4</b>	<b>44,7</b>	<b>46,7</b>	<b>0,0</b>	<b>11,2</b>	<b>1,5</b>	<b>-60,4</b>	<b>0,0</b>	<b>45,1</b>
Losses on loans, guarantees, etc.	0,0	0,0	-1,4	0,0	4,6	0,0	-1,6	0,0	1,6
<b>Profit before tax</b>	<b>1,4</b>	<b>44,7</b>	<b>48,1</b>	<b>0,0</b>	<b>6,6</b>	<b>1,5</b>	<b>-58,8</b>	<b>0,0</b>	<b>43,5</b>
Tax on ordinary profit	0,0	0,0	0,0	0,0	1,9	0,4	11,1	0,0	13,4
<b>Profit after tax</b>	<b>1,4</b>	<b>44,7</b>	<b>48,1</b>	<b>0,0</b>	<b>4,7</b>	<b>1,1</b>	<b>-69,9</b>	<b>0,0</b>	<b>30,1</b>

31.03.2010	DinBANK.no	PM	Spb Øst		AS	Spb Øst		Elimination	Group
			BM	Boligkreditt	Finansiering	Eiendom	Unallocated		
Loans and receivables, customers	1.053,0	7.061,7	5.317,3	2.270,8	852,7	0,0	366,0	-121,1	16.800,4
Other assets	1,3	19,1	27,1	41,8	29,0	236,8	8.619,7	-2.980,6	5.994,2
<b>Total assets</b>	<b>1.054,3</b>	<b>7.080,8</b>	<b>5.344,4</b>	<b>2.312,6</b>	<b>881,7</b>	<b>236,8</b>	<b>8.985,7</b>	<b>-3.101,7</b>	<b>22.794,6</b>
Deposits from and liabilities to customers	374,5	3.698,5	2.771,1	0,0	49,3	0,0	148,3	-15,6	7.026,1
Other liabilities	923,4	0,1	41,2	2.233,3	736,7	134,8	13.004,3	-2.884,9	14.188,9
Total liabilities per segment	1.297,9	3.698,6	2.812,3	2.233,3	786,0	134,8	13.152,6	-2.900,5	21.215,0
Total equity	0,0	0,0	0,0	79,3	95,7	102,0	1.503,8	-201,2	1.579,6
<b>Total liabilities and equity</b>	<b>1.297,9</b>	<b>3.698,6</b>	<b>2.812,3</b>	<b>2.312,6</b>	<b>881,7</b>	<b>236,8</b>	<b>14.656,4</b>	<b>-3.101,7</b>	<b>22.794,6</b>

31.03.2009	DinBANK.no	PM	Spb Øst		AS	Spb Øst		Elimination	Group
			BM	Boligkreditt	Finansiering	Eiendom	Unallocated		
Loans and receivables, customers	2.059,1	8.255,3	5.581,0	0,0	857,6	0,0	324,2	-116,2	16.961,0
Other assets	4,4	28,9	32,7	0,0	29,8	225,8	8.505,5	-956,9	7.870,2
<b>Total assets</b>	<b>2.063,5</b>	<b>8.284,2</b>	<b>5.613,7</b>	<b>0,0</b>	<b>887,4</b>	<b>225,8</b>	<b>8.829,7</b>	<b>-1.073,1</b>	<b>24.831,2</b>
Deposits from and liabilities to customers	546,6	3.749,4	2.990,2	0,0	16,7	0,0	142,7	-18,1	7.427,5
Other liabilities	10,0	45,3	48,4	0,0	796,6	125,3	16.163,4	-928,9	16.260,1
Total liabilities per segment	556,6	3.794,7	3.038,6	0,0	813,3	125,3	16.306,1	-947,0	23.687,6
Total equity	0,0	0,0	0,0	0,0	74,1	100,5	1.095,1	-126,1	1.143,6
<b>Total liabilities and equity</b>	<b>556,6</b>	<b>3.794,7</b>	<b>3.038,6</b>	<b>0,0</b>	<b>887,4</b>	<b>225,8</b>	<b>17.401,2</b>	<b>-1.073,1</b>	<b>24.831,2</b>

## Customer deposits by sector and industry

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
Salaried employees	4.141.433	4.396.371	4.219.468	4.154.515	4.402.435	4.232.622
Public administration	129.168	137.945	162.866	129.168	137.945	162.866
Agriculture, forestry, fishing etc	115.211	106.328	116.980	115.211	106.328	116.980
Industry and mining, power and water suppli	191.585	207.680	219.988	191.638	207.732	220.041
Construction and civil engineering	323.785	397.747	381.540	324.844	397.997	382.485
Retail, hotel and catering	382.531	362.698	412.544	387.698	364.027	417.635
Transport/communication	130.953	119.763	129.613	131.333	123.763	129.914
Financial service business	525.182	494.346	515.116	536.480	495.158	543.166
Other service industries	578.106	529.037	553.306	583.416	532.719	558.614
Property sale and management	432.201	639.464	488.424	429.545	622.027	490.200
Foreign	42.263	37.339	42.294	42.263	37.339	42.294
<b>Total</b>	<b>6.992.418</b>	<b>7.428.718</b>	<b>7.242.139</b>	<b>7.026.111</b>	<b>7.427.471</b>	<b>7.296.817</b>

## Gross loans to customers divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
Salaried employees	9.680.093	12.014.241	9.972.688	12.746.598	12.812.650	12.613.442
Agriculture, forestry, fishing etc	177.941	209.108	191.911	180.216	209.149	192.962
Industry and mining, power and water suppli	153.003	123.914	143.865	155.764	124.379	146.335
Construction and civil engineering	424.338	591.604	441.857	433.166	594.852	452.695
Retail, hotel and catering	481.376	474.741	465.326	521.928	500.567	500.944
Transport/communication	111.242	97.419	98.072	116.860	102.585	104.441
Financial service business	218.513	246.928	224.728	224.356	307.387	228.513
Other service industries	302.592	301.584	290.590	326.883	301.990	313.595
Property sale and management	2.322.492	2.244.708	2.298.809	2.213.958	2.130.821	2.195.873
Foreign	36.957	28.061	23.422	38.082	29.230	24.534
<b>Total</b>	<b>13.908.547</b>	<b>16.332.308</b>	<b>14.151.268</b>	<b>16.957.811</b>	<b>17.113.610</b>	<b>16.773.334</b>



## Capital adequacy

(Figures in NOK 1,000)

	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
Equity capital certificate	207.312	77.586	207.312	207.312	77.586	207.312
Premium reserve	387.778	335.581	387.778	387.778	335.581	387.778
The Savings bank fund	695.351	580.357	695.351	695.351	580.357	695.351
Other reserves not included in tier 1 capital	118.254	63.168	211.179	201.518	119.999	294.443
Fund notes up to 15%	237.347	164.387	239.112	255.741	170.483	257.598
Other tier 1 capital	0	8.646	0	0	8.952	0
Deductions in tier 1 capital	-63.726	-133.814	-146.651	-42.250	-156.405	-125.162
<b>Core capital before 50/50 deductions</b>	<b>1.582.316</b>	<b>1.095.911</b>	<b>1.594.081</b>	<b>1.705.450</b>	<b>1.136.553</b>	<b>1.717.320</b>
Fund notes exceeding 15%	62.158	131.886	59.853	43.764	125.790	41.367
Subordinated loan capital	359.483	365.619	361.570	359.483	365.619	361.570
Unrealised gains IFRS	0	0	0	0	0	0
<b>Supplementary capital before 50/50 deductions</b>	<b>421.641</b>	<b>497.505</b>	<b>421.423</b>	<b>403.247</b>	<b>491.409</b>	<b>402.937</b>
Deductions for subordinated capital in other financial institutions	-186.772	-170.558	-120.051	-176.298	-167.103	-112.571
<b>Net subordinated capital</b>	<b>1.817.185</b>	<b>1.422.858</b>	<b>1.895.453</b>	<b>1.932.399</b>	<b>1.460.859</b>	<b>2.007.686</b>
<b>Risk-weighted balance</b>	<b>10.958.065</b>	<b>11.420.063</b>	<b>10.660.552</b>	<b>11.995.905</b>	<b>12.019.899</b>	<b>11.735.289</b>
<b>Capital adequacy</b>	<b>16,58 %</b>	<b>12,46 %</b>	<b>17,78 %</b>	<b>16,11 %</b>	<b>12,15 %</b>	<b>17,11 %</b>
<b>Tier 1 capital adequacy</b>	<b>13,59 %</b>	<b>8,85 %</b>	<b>14,39 %</b>	<b>13,48 %</b>	<b>8,76 %</b>	<b>14,15 %</b>

## Guarantee liabilities and other off Balance Sheet items

(Figures in NOK 1,000)

<b>Guarantee liabilities</b>	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009	Group 31.03.2010	Group 31.03.2009	Group 31.12.2009
Payment guarantees	152.860	132.022	153.488	156.105	134.260	156.059
Contract guarantees	176.533	89.463	168.538	176.533	89.463	168.538
Loan guarantees	37.989	43.639	39.545	38.064	43.714	39.620
Other guarantee commitments	95.136	30.616	88.947	95.136	30.616	88.947
<b>Total customer guarantees</b>	<b>462.518</b>	<b>295.740</b>	<b>450.518</b>	<b>465.838</b>	<b>298.053</b>	<b>453.164</b>
Guarantees to the Norwegian Banks' Guarantee Fund	8.280	14.709	14.709	8.280	14.709	14.709
<b>Total guarantee liabilities</b>	<b>470.798</b>	<b>310.449</b>	<b>465.227</b>	<b>474.118</b>	<b>312.762</b>	<b>467.873</b>
<b>Pledged assets</b>						
Bond, nominal value, pledged as security for borrowing facilities at Norges Bank	1.759.900	1.799.500	1.875.400	1.759.900	1.799.500	1.875.400
<b>Pledged assets*)</b>	<b>1.759.900</b>	<b>1.799.500</b>	<b>1.875.400</b>	<b>1.759.900</b>	<b>1.799.500</b>	<b>1.875.400</b>
<b>Rights according to the Financial Institutions Act, section 2-35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>999.500</b>	<b>0</b>	<b>999.500</b>

\*) Liability secured by collateral is F loan of NOK 1,500 million issued by Norges Bank.

## Additional information to the cash flow statement

Group 31.03.2010	Group 31.03.2009	Group 31.12.2009	(Figures in NOK mill.)	Parent bank 31.03.2010	Parent bank 31.03.2009	Parent bank 31.12.2009
<b>Cash &amp; cash equivalents</b>						
822,1	2.603,1	360,7	Cash and receivables at central banks	822,1	2.603,1	360,7
721,0	0,0	671,8	Treasury bills	721,0	0,0	671,8
5,9	26,0	11,1	Loans and receivables, credit institutions, that apply to investments	5,9	26,0	11,1
<b>1.549,0</b>	<b>2.629,1</b>	<b>1.043,6</b>	<b>Total</b>	<b>1.549,0</b>	<b>2.629,1</b>	<b>1.043,6</b>
<b>Changes in assets in connection with operations</b>						
-2,6	8,6	-18,5	Net changes in financial assets held for trading	-2,6	8,6	-18,5
-6,4	-31,6	-83,7	Net changes in financial derivatives (net assets and liabilities)	-6,4	-31,6	-83,7
-225,1	124,7	127,5	Net change in financial assets at fair value through profit or loss	25,4	124,7	-1.122,5
135,6	130,1	474,2	Changes in gross loans to credit institutions	-298,2	156,5	22,6
-184,4	526,6	866,8	Changes in gross loans to credit customers	242,8	515,8	2.696,8
-14,6	44,5	106,6	Net changes to other assets	-11,4	42,7	109,5
<b>-297,5</b>	<b>802,9</b>	<b>1.472,9</b>	<b>Total</b>	<b>-50,4</b>	<b>816,7</b>	<b>1.604,2</b>
<b>Changes in liabilities in connection with operations</b>						
-270,7	-210,9	-341,6	Changes in customer deposits	-249,7	-216,2	-402,8
0,0	0,0	915,4	Changes in liabilities to the state, swap of OMF preferential bonds	0,0	0,0	915,4
-99,4	1.028,1	-1.495,0	Changes in liabilities to credit institutions	-113,2	1.026,8	-1.447,5
-19,8	11,4	-74,6	Changes in other liabilities	-19,5	14,8	-71,5
<b>-389,9</b>	<b>828,6</b>	<b>-995,8</b>	<b>Total</b>	<b>-382,4</b>	<b>825,4</b>	<b>-1.006,4</b>
<b>Non-cash items included in profit before tax</b>						
3,2	3,3	13,1	Impairment of property, plant & equipment	2,0	2,2	8,8
0,7	1,8	4,3	Amortisation of financial investments held to maturity	0,7	1,8	4,3
3,0	-2,3	-2,8	Impairment of financial assets	2,4	-6,2	-13,0
<b>6,9</b>	<b>2,8</b>	<b>14,6</b>	<b>Total</b>	<b>5,1</b>	<b>-2,2</b>	<b>0,1</b>

## Earnings per equity certificate

Earnings per equity certificate is calculated by dividing the portion of profit after tax that goes to equity certificate holders by the weighted average number of outstanding equity certificates during the year. If the annual report shows a deficit, this is covered by transfers from the Savings bank fund, the endowment fund and the equalisation reserve. Earnings per equity certificate is calculated on the basis of the proportion of deficit that is drawn from the equalisation reserve.

Sparebanken Øst has not issued options or other instruments that can result in a dilution of earnings per equity certificate. Diluted earnings per equity certificate will therefore be the same as earnings per equity certificate.

(Figures in NOK mill.)	Parent bank 31.03.2010	Group 31.03.2010
Profit after tax	80,6	87,6
Profit after tax allocated to equity certificate owners	39,5	43,0
Weighted average of number of outstanding equity certificates	20,7	20,7
Earnings per equity certificate	1,91	2,07

## Fractional ownership, parent bank

(Figures in NOK mill.)	01.01.2010	01.01.2009
Equity certificates	207,3	388,0
Premium reserve	387,8	25,2
Equalisation reserve (excl. dividend)	100,8	50,7
Proportion of reserve for unrealised gains	-	-
Total numerator (A)	695,9	463,9
Total equity	1.418,7	1.056,7
Fund for unrealised gains	-	-
Total denominator(B)	1.418,7	1.056,7
<b>Fractional ownership (A/B) in %</b>	<b>49,05</b>	<b>43,90</b>

# Equity certificates

## Key figures - equity certificates:

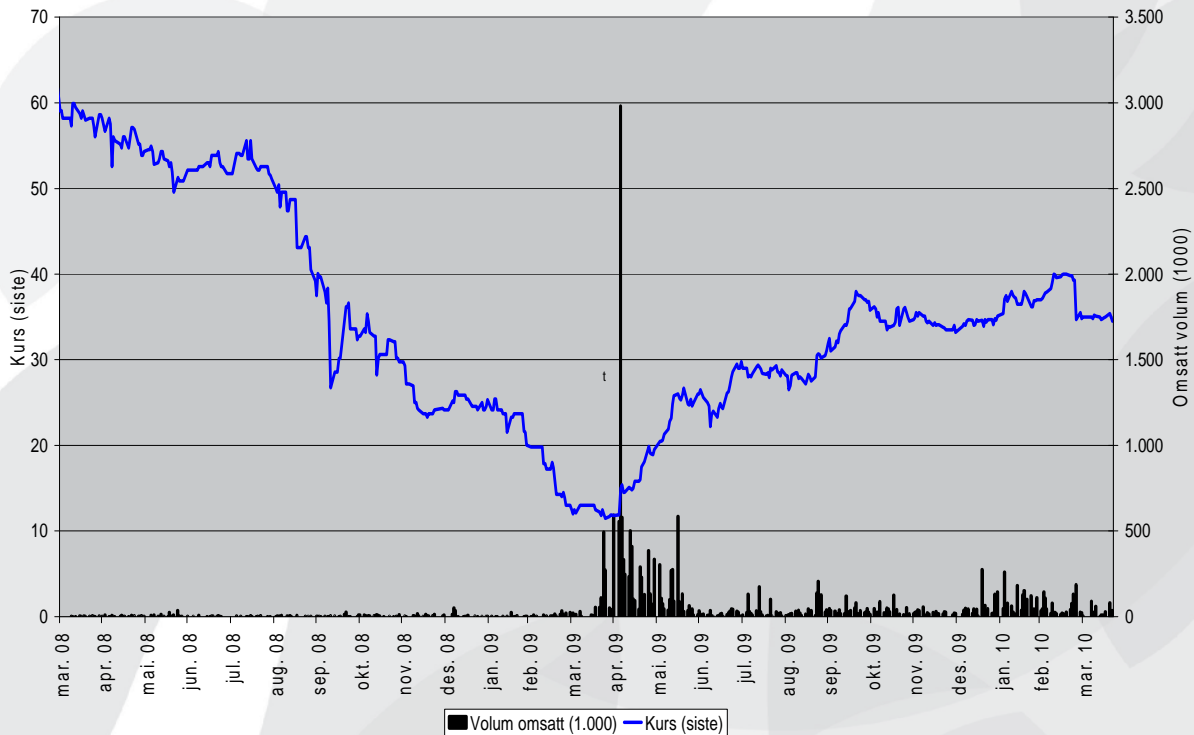
	31.03.2010	2009	2008	2007	2006
Earnings per certificate after tax (Group) NOK 1)	8,41	7,05	-8,05	19,84	9,73
Earnings per certificate after tax (parent bank) NOK 1)	7,73	6,42	-8,15	17,95	8,97
Fractional ownership 2)	49,05 %	49,63 %	33,39 %	34,87 %	37,21 %
No. of equity certificates (millions)	20,73	20,73	3,88	3,64	3,64
Equity per certificate NOK 3)	37,61	35,56	124,47	134,14	132,05
Dividend NOK	-	4,00	-	15,00	15,00
Turnover rate (realised/issued)	72,21 %	103,10 %	8,21 %	12,57 %	17,71 %

1) Equity certificates' share of the bank's post-tax profit (interim figures restated as annual).

2) Primary share certificate capital+equalisation reserve+share premium reserve as % of parent bank's total equity excl. provision for year's dividend.

3) Equity certificate holders' capital (group) divided by number of equity certificates. Results to-date this year have not been included.

## Sparebanken Øst (SPOG)



## The 20 largest equity certificate holders at 19.04.2010

Name	Number	%	Name	Number	%
1 MP Pensjon	2.073.100	10,00 %	11 Terra utbytte VPF	219.312	1,06 %
2 Skagen Vekst	1.480.400	7,14 %	12 Andenæsgården Bekkestua ANS	212.000	1,02 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Hustadliitt AS	182.400	0,88 %
4 Teleplan Holding AS	699.665	3,37 %	14 Tanja A/S	180.000	0,87 %
5 Grunnfond Invest AS	500.200	2,41 %	15 Tanja A/S	162.280	0,78 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Høibraaten, Claus Jørgen	150.000	0,72 %
7 Storetind AS	351.618	1,70 %	17 Andersen, Gunnar	147.262	0,71 %
8 Sparebankstiftelsen DnBNOR	308.320	1,49 %	18 Løkke, Helge Arnfinn	139.933	0,67 %
9 Krag Invest AS	248.843	1,20 %	19 Julius Johannessen & Jan W.	135.000	0,65 %
10 Helgeland Sparebank	225.243	1,09 %	20 Teigen, Helliik	120.400	0,58 %







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