

169. year

# Quarterly Report 2011

Quarterly Report 1st quarter 2011



Sparebanken  
Øst

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## Financial highlights - Group

	31.03.2011	31.03.2010	31.12.2010	31.12.2009
Average equity, excl. dividends (NOK mill.)	1.782,8	1.540,8	1.632,2	1.343,4
Average total assets (NOK mill.)	25.513,8	22.333,9	23.515,3	23.556,2
Post-tax profit as %-age of average total assets	0,80	1,59	1,30	1,25
Profit before losses as %-age of average total assets	1,11	2,15	1,66	1,81
Net interest as %-age	1,71	1,96	1,78	2,05
Return on capital (%)	11,49	23,06	18,70	21,92
Net loans (NOK mill.)	20.089,0	16.800,4	19.475,3	16.619,0
Deposits (NOK mill.)	8.025,6	7.026,1	7.630,2	7.296,8
Capital adequacy as %-age	16,62	16,11	17,16	17,11
Core capital coverage as %-age	14,85	13,48	15,39	14,15
Fulltime equivalent positions	259	268	261	267

## Interim Report Q1 2011 - Sparebanken Øst

**Net interest remains at the same level as for the same period last year and increased in comparison to Q4 2010. Loans to customers increased by 19.6 percent over the last 12 months. During the same period, deposits increased by 14.2 percent. Total operating expenses are in line with the budget.**

### PROFIT

The Group achieved NOK 68.6 million in profit before tax in Q1 2011 compared with NOK 119.2 million for the same period last year. Profits in Q1 2010 were impacted by once-off effects associated with changes to the AFP pension scheme to the tune of NOK 29.2 million. The decline is otherwise primarily due to reduced profit and loss recognition of value changes and gains/losses on the bank's financial investments compared to the same period last year. Net interest remains at the same level as for the same period last year. Business loan losses are still only limited in nature and private customer loan losses are virtually non-existent.

In percentage of average total assets, profit before tax amounts to 1.09 percent as compared to 2.16 percent for the same period last year. (1.63 percent when correcting for AFP effect.)

Profit after tax shows a surplus of NOK 50.5 million compared to NOK 87.6 million for the same period last year, and gives an 11.49 percent return on net capital.

### Net interest income

Net interest and commission income amount to NOK 107.8 million and are at the same level for the corresponding period last year. Compared with Q4 2010 net interest and commission incomes show an increase of NOK 3.8 million.

Net interest and credit commission income is equivalent to 1.71 percent of average total assets, compared with 1.96 percent at the end of Q1 2010, i.e. an increase of 0.25 percentage points.

### Operating income

Commission income and income from banking services amounted to NOK 19.9 million, which is an increase of NOK 0.5 million compared with the same period the previous year and a decline of NOK 2.7 million in the previous quarter. Commission income is derived from traditional banking services.

Net value changes and gains/losses on financial assets give an income of NOK 22.8 million for Q1 2011, as compared to NOK 39.7 million for Q1 2010.

Other operating income amounts to NOK 4.8 million and shows an increase of NOK 1.0 million compared to the same period last year.

### Operating costs

Total operating costs amounted to NOK 85.4 million, which corresponds to 1.36 percent of average total assets. In comparison total operating income for the same period last year amounted to NOK 53.1 million. Reversal of the AFP commitment in Q1 last year served to reduce expenses by NOK 29.2 million. With the exclusion of this reversal total operating expenses for Q1 2010 amounted to NOK 82.3 million, corresponding to 1.49 percent of average total assets. This amounts to an increase of 3.76 percent compared to the same quarter in 2010. For the parent bank, however, total operating expenses is reduced by NOK 1.8 million.

Commission income and expenses associated with banking services amounted to NOK 7.3 million, which is an increase of NOK 1.3 million compared with the same period last year. The difference between the Parent bank and the Group is entirely due to agency fees in AS Financiering.

Payroll and general administration costs amounted to NOK 60.2 million in Q1 2011. In comparison, payroll and general administration costs, excluding income recognition of the AFP scheme, amounted to NOK 59.5 million in Q1 2010. The number of FTEs at the end of Q1 2011 was 259 compared to 268 at the end of the same period last year. Other operating income amount to NOK 15.0 million, which is an increase of NOK 1.4 million compared with the same period last year.

## Losses on loans and guarantees

The Group's recorded losses on loans and guarantees amount to NOK 1.4 million in Q1 2011, compared to net reversed (income) of NOK 0.6 million for the same time last year.

Individual write-downs on loans and guarantees to customers is at the same level as at the end of the year and amounts to NOK 128.7 million at the end of Q1 2011.

Write-downs on groups of loans to customers amount to NOK 37.9 million at the end of 1. Q2 2011, a reduction of NOK 2.9 million since the end of the year.

Gross defaults and non-performing loans amount to NOK 339.0 million as opposed to NOK 357.7 million at the end of the year. Net defaults and non-performing loans amount to NOK 210.3 million, showing an increase of NOK 18.5 million compared with 31.12.10.

## BALANCE SHEET

Bank total assets have increased by NOK 499.1 million since the end of the year and amounts to NOK 25,245.6 million by the end of Q1 2011. The increase is mainly due to growth in customer loans.

Cash and receivables at central banks, as well as treasury bills, seen in total, have increased by NOK 193.9 million since the end of the year.

Net loans to credit institutions have declined by NOK 5.8 million since 31.12.10, and amount to NOK 82.7 million as at 31.03.11.

Net loans to customers amounted to NOK 20,089.0 million, which represents growth of NOK 613.7 million since the beginning of the year. Gross loans to private customers made up 75.1 percent of total loans to customers.

Holdings of certificates and bonds amounted to NOK 2,637.9 million, which is an increase of NOK 111.4 million since the beginning of the year. The increase can be attributed in its entirety to the liquidity portfolio. There are also treasury bills to the value of NOK 919.6 million.

The liquidity portfolio, including treasury bills, amount nominally to NOK 3,224.5 million with a market value of NOK 3,227.9 million. The investment portfolio represents a nominal value of NOK 390.2 million with a market value of NOK 329.6 million. In comparison the investment portfolio at the end of the year, amounted to respectively NOK 403.1 million nominal value and NOK 331.4 million market value.

The estimated weighted average maturity of the liquidity portfolio is 2.13 years, whilst it is 2.33 years for the investment portfolio.

Customer deposits have increased by NOK 395.4 million and amount to NOK 8,025.6 million as at 31.03.11.

Liabilities arising from issuance of securities amounted to NOK 11,522.3 million, an increase of NOK 55.5 million since the beginning of the year. The bank is enjoying good access to the Norwegian bond market at prices in line with comparable banks.

Other long term borrowing is at the same level as at the end of the year and amounts to NOK 1,894.4 million at the end of Q1 2011. The bank has drawn NOK 1,000 million in F-loans.

The bank participated in the government exchange scheme to the tune of NOK 915.4 million as at 31.03.11.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounted to NOK 2,549.0 million.

## LIQUIDITY

The bank has its own framework for liquidity buffers that provide a robust liquidity strategy. This means that the bank must have sufficient liquidity at all times to manage 12 month's normal operations without the injection of new liquidity. The bank's liquidity forecast shows sufficient liquidity for the next 23 months.

The setting up of its own housing credit company has altered the Group's funding structure through the option to issue preferential bonds (OMF). This has further strengthened the bank's funding situation.

## FINANCIAL RISKS

Credit risk linked to loans to customers remains unchanged in Q1 2011. Net defaults and non-performing loans is somewhat reduced compared to the end of last year. Credit risk is measured by classifying customers according to their debt servicing capacity, solidity and security.

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

Currency risk is hedged through the use of forward trades or basis swaps.

Exposure to equity instruments excluding the bank's subsidiary and strategic investments is limited. The limit for investments for trading is limited to up to NOK 60 million.

## CAPITAL ADEQUACY

Net subordinated capital amounted to NOK 2,072.6 million at the end of Q2 2011, of which the Group's tier 1 capital amounted to NOK 1,851.7 million. With a calculation basis of NOK 12,470.9 million, this represents a capital adequacy of 16.62 percent, of which 14.85 percentage points is tier 1 capital adequacy.

Using ICAAP, the bank's management continuously assesses the need for equity. The assessments are based on the total level of risk at Group level and the development thereof over a 12 month period (capital plan). Based on planned growth of the bank's total capital and budgeted results, the Board finds the bank's equity level to be satisfactory at the end of Q1 2011. The bank has no plans at present to enter into other subordinated debt.

## DinBANK.no

DinBANK.no is Sparebanken Øst's online service which started up on 4. September 2006. DinBANK.no is now established as a very simple, efficient and reasonable banking alternative for self-service customers. Din BANK.no has mainly provided loans for customers with security in property up to a level of 70 percent of value. Its customer base is across Norway, with a majority of customers in the counties of Oslo, Akershus and Buskerud. DinBANK.no had a loan volume of NOK 1,606.6 million at the end of Q1 2011. Of the loans granted by DinBANK.no, NOK 1,497.3 million was transferred to the mortgage company on 31.03.11. Total loans attributable to DinBANK.no amounts to NOK 3,103.9 million at the end of Q1 2011.

Customer deposits amount to NOK 329.7 million. Results from DinBANK.no show a pre-tax profit of NOK 1.7 million compared to NOK 2.2 million for the same period last year.

## SUBSIDIARIES

**Sparebanken Øst Boligkreditt AS** is a wholly owned subsidiary of Sparebanken Øst. The company was established on 14 April 2004 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 4,051.2 million as at 31.03.11, 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 paid-in capital is NOK 160.0 million, of which NOK 106.6 million is share capital and NOK 53.4 million is share premium account. Profit after tax shows a surplus of NOK 0 million at the end of Q1 2011, compared to NOK 1.4 million surplus for the same period last year.

Sparebanken Øst Boligkreditt AS was founded in Q1 2011 and rated AAA by Moody's.

**AS Financiering** is a wholly owned financing subsidiary of Sparebanken Øst. Its main product is car financing, with the main emphasis on used cars. The company achieved profit after tax of NOK 3.8 million at the end of Q1 2011, compared to NOK 5.3 million surplus for the same period last year. Subordinated capital amounts to NOK 1,091.5 million. At the end of Q1 the company has 24 employees representing 22 FTEs.

The main objective of **Sparebanken Øst Eiendom AS** is standard property operations, including purchases, sales, rental and development of real estate, as well of purchases and sales of fixtures and fittings within various business areas. Operating income amounted to NOK 5.0 million in Q1 2011 against NOK 4.8 million for the same period last year. The company posted a loss of NOK 0.3 million after tax in Q1 2011, compared to a surplus of NOK 0.3 million for the same period last year. The company has 6 employees and share capital amounts to NOK 35.1 million.

**Øst Prosjekt AS'** main object is taking over projects and undertaking industrial and commercial activities to hedge and realise exposed positions in the Parent bank. The company has no employees and the share capital amounts to NOK 12.0 million. Profit after tax shows a surplus of NOK 5.7 million in Q1 2011. The surplus is primarily due to gains from the sale of shares. The same period last year showed a profit after tax of NOK 0 million.

## FUTURE PROSPECTS

The Sparebanken Øst Group expects relatively stable quarterly results throughout 2011. Net interest and credit commission income, measured in percentage, is expected however to be put

under pressure by increased competition in the private and corporate markets. Measured in NOK, the net interest and credit commission income is expected to increase somewhat as a result of budgeted growth. The bank plans to additionally strengthen efforts in the sale of insurance products in 2011. This is a long-term initiative and the scope of income will increase even more in coming years. The Group expects limited reversals of previous unrealised losses on securities and the guarantee given to Eksportfinans ASA. However fluctuations in fair values cannot be precluded. Strict cost control will give a reduction in total operating costs compared to 2010. Losses on customer loans are expected to lie well within the long-term goals.

The Group's solidity is still very strong. The ability to withstand continued uncertainties in the international economy and financial markets is still well in place. In 2011 the Group will continue with a long-term and robust liquidity policy with sufficient reserves. The Sparebanken Øst Group has the solidity and liquidity to enable continued growth in loans to customers in 2011.

In Q2 the bank received dividends amounting to a total of around NOK 28 million from Eksportfinans ASA and Nets Holding AS.

## **DIVIDEND POLICY**

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

The 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 per cent of profits allocated to the equity certificate holders as a dividend. In a normal year around 10 per cent will be allocated for donation purposes.

When determining the dividend and donations consideration will be made of 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 nevertheless be made to pay a competitive dividend by the transfer of the necessary funds from the equalisation reserve.

Hokksund, 31.03.2011  
Drammen, 10.05.2011

Jorund Rønning Indrelid  
Chairman

Knut Smedsrud  
Vice Chairman

Ingebjørg Mæland

Roar Norheim Larsen

Sverre Nedberg

Leif Ove Sørby

Hanne Solem

Ann Kristin Plomås  
Employee representative

Trond Tostrup  
CEO

## Profit and Loss Account

Group 31.03.2011	Group 31.03.2010	Group 2010	(Figures in NOK mill.)	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 2010
268,3	234,1	1.006,8	Interest income and similar income	233,1	211,5	903,2
160,5	126,3	588,3	Interest expenses and similar expenses	147,4	124,7	564,8
107,8	107,8	418,5	<b>Net interest and credit commission income</b>	85,7	86,8	338,4
0,1	1,0	54,9	Dividends and other income from securities with variable yields	0,1	1,0	54,7
19,9	19,4	86,1	Commission income and income from banking services	20,6	20,6	93,0
7,3	6,0	26,5	Commission costs and costs of banking services	3,8	3,8	15,3
22,8	39,7	121,8	Net value changes and gains/losses on financial investments	17,5	39,7	121,8
4,8	3,8	16,2	Other operating income	1,4	1,0	4,6
43,6	13,8	141,6	Payroll, etc.	37,1	7,8	118,0
16,6	16,5	69,2	Administration costs	13,9	14,9	62,4
2,9	3,2	12,6	Depreciation/writedowns and value changes to non-financial assets	1,6	2,0	7,9
15,0	13,6	57,2	Other operating costs	12,7	13,2	51,8
70,0	118,6	390,4	<b>PROFIT BEFORE LOSSES</b>	56,2	107,4	357,1
1,4	-0,6	10,1	Losses on loans and guarantees	-1,4	-2,1	2,8
68,6	119,2	380,3	<b>PRE-TAX PROFIT</b>	57,6	109,5	354,3
18,1	31,6	75,0	Tax costs	16,3	28,9	67,6
50,5	87,6	305,3	<b>PROFIT FOR THE YEAR</b>	41,3	80,6	286,7
1,12	2,07	7,22	Profit per equity certificate	0,92	1,91	6,78
1,12	2,07	7,22	Diluted profit per equity certificate	0,92	1,91	6,78

## Total profit/loss

Group 31.03.2011	Group 31.03.2010	Group 2010	(Figures in NOK mill.)	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 2010
50,5	87,6	305,3	<b>PROFIT FOR THE YEAR</b>	41,3	80,6	286,7
0,0	0,0	68,9	Changes in fair value of investments available for sale	0,0	0,0	68,9
50,5	87,6	374,2	<b>TOTAL PROFIT/LOSS</b>	41,3	80,6	355,6

## Balance Sheet

Group 31.03.2011	Group 31.03.2010	Group 2010	(Figures in NOK mill.)	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 2010
502,5	822,1	696,5	Cash and receivables at central banks	502,5	822,1	696,5
919,6	721,0	919,5	Treasury bills	919,6	721,0	919,5
82,7	408,3	88,5	Loans and receivables from credit institutions	1.424,7	2.099,6	1.188,1
0,0	144,9	0,0	- Individual writedowns	0,0	144,9	0,0
0,0	1,2	0,0	- Writedowns on groups of loans	0,0	1,2	0,0
20.255,6	16.957,8	19.645,0	Loans and receivables with customers	15.318,7	13.908,5	15.934,3
128,7	103,7	128,9	- Individual writedowns	82,8	59,7	83,6
37,9	53,7	40,8	- Writedowns on groups of loans	35,0	50,8	37,9
2.637,9	3.326,0	2.526,5	Certificates, bonds and other interest-bearing securities with regular	3.637,4	4.325,5	3.526,0
488,3	345,4	504,5	Shares and other securities with variable return	488,3	345,4	504,5
0,0	0,0	0,0	Ownership interests in Group companies	286,2	201,2	286,2
361,2	291,3	347,6	Fixed capital assets	58,4	62,5	59,9
13,7	42,2	13,7	Deferred tax assets	34,9	63,7	34,9
27,6	53,1	58,1	Financial derivatives	27,6	53,1	58,1
33,0	31,7	39,6	Other assets	14,9	15,1	17,1
90,1	99,2	76,7	Prepayments and accrued income	78,0	89,6	68,7
25.245,6	22.794,6	24.746,5	<b>TOTAL ASSETS</b>	22.673,4	22.450,7	23.172,3
1.894,4	2.270,9	1.892,8	Liabilities to credit institutions	1.932,3	2.311,1	1.934,6
8.025,6	7.026,1	7.630,2	Deposits from and liabilities to customers	8.015,1	6.992,4	7.621,9
915,4	915,4	915,4	Liabilities to the state, exchange of OMF preferential bonds	915,4	915,4	915,4
11.522,3	9.879,7	11.466,8	Liabilities incurred when issuing securities	9.076,3	9.629,2	10.020,2
57,9	74,1	85,3	Financial derivatives	57,9	74,1	85,3
255,5	208,5	125,5	Other liabilities	238,3	213,2	87,8
138,1	139,7	129,2	Accruals and deferred income	117,7	130,2	112,6
35,8	41,6	35,8	Provisions for accrued costs and liabilities	30,9	36,8	30,9
597,5	659,0	599,3	Subordinate loan capital	597,5	659,0	599,3
23.442,5	21.215,0	22.880,3	<b>Total liabilities</b>	20.981,4	20.961,4	21.408,0
595,1	595,1	595,1	Invested equity	595,1	595,1	595,1
1.157,5	896,9	1.271,1	Accrued equity	1.055,6	813,6	1.169,2
50,5	87,6	0,0	Unappropriated profit	41,3	80,6	0,0
1.803,1	1.579,6	1.866,2	<b>Total equity</b>	1.692,0	1.489,3	1.764,3
25.245,6	22.794,6	24.746,5	<b>TOTAL LIABILITIES AND EQUITY</b>	22.673,4	22.450,7	23.172,3

## Changes in equity group

(Figures in NOK 1,000)

1st Quarter 2011	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Available for sale reserve	Other equity	Unappropriated profit/loss
Equity as at 31.12.2010	1.866.192	207.312	387.778	241.438	826.429	32.447	68.922	101.866	0
Total profit/loss	50.529	0	0	0	0	0	0	0	50.529
2010 dividend finally adopted	-103.656	0	0	-103.656	0	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0	0
<b>Equity as at 31.03.2011</b>	<b>1.803.065</b>	<b>207.312</b>	<b>387.778</b>	<b>137.782</b>	<b>826.429</b>	<b>22.447</b>	<b>68.922</b>	<b>101.866</b>	<b>50.529</b>

1st Quarter 2010	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Available for sale reserve	Other equity	Unappropriated profit/loss
Equity as 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 as 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>

2010	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Available for sale reserve	Other equity
Equity as at 31.12.2009	1.584.884	207.312	387.778	183.732	695.351	27.447	0	83.264
Total profit/loss	374.233	0	0	140.631	131.078	15.000	68.922	18.602
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 as at 31.12.2010</b>	<b>1.866.192</b>	<b>207.312</b>	<b>387.778</b>	<b>241.438</b>	<b>826.429</b>	<b>32.447</b>	<b>68.922</b>	<b>101.866</b>

## Changes in equity parent bank

(Figures in NOK 1,000)

1st Quarter 2011	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Available for sale reserve	Unappropriated profit/loss
Equity as at 31.12.2010	1.764.326	207.312	387.778	241.438	826.429	32.447	68.922	0
Total profit/loss	41.277	0	0	0	0	0	0	41.277
2010 dividend finally adopted	-103.656	0	0	-103.656	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0
<b>Equity as at 31.03.2011</b>	<b>1.691.947</b>	<b>207.312</b>	<b>387.778</b>	<b>137.782</b>	<b>826.429</b>	<b>22.447</b>	<b>68.922</b>	<b>41.277</b>

1st Quarter 2010	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Available for sale reserve	Unappropriated profit/loss
Equity as 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 as 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>

2010	Total equity	Equity share certificate	Share premium reserve	Equalisation fund	Savings bank fund	Endowment fund	Available for sale reserve
Equity as at 31.12.2009	1.501.620	207.312	387.778	183.732	695.351	27.447	0
Total profit/loss	355.631	0	0	140.631	131.078	15.000	68.922
2009 dividend finally adopted	-82.925	0	0	-82.925	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0
<b>Equity as at 31.12.2010</b>	<b>1.764.326</b>	<b>207.312</b>	<b>387.778</b>	<b>241.438</b>	<b>826.429</b>	<b>32.447</b>	<b>68.922</b>



## Cash Flow Statement

Group 31.03.2011	Group 31.03.2010	Group 31.12.2010	(Figures in NOK mill.)	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010
			<b>Operating activities</b>			
68,6	119,2	380,3	Profit before tax	57,6	109,5	354,3
			Adjusted for:			
-751,1	-300,6	-1.977,7	Changes in assets in connection with operations	232,4	-53,5	-473,2
420,3	-389,9	-154,6	Changes in assets in connection with operations	426,9	-382,4	-175,6
2,1	10,0	25,3	Non-cash items included in profit before tax	0,0	8,2	18,4
-5,3	0,0	-64,4	Net gains from investment activities	0,0	0,0	-64,3
-16,8	-0,5	-33,5	Taxes paid for the period	-11,0	0,0	-22,1
<b>-282,2</b>	<b>-561,8</b>	<b>-1.824,6</b>	<b>Net cash flow from operating activities</b>	<b>A</b>	<b>705,9</b>	<b>-362,5</b>
			<b>Investment activities</b>			
-16,5	-7,4	-75,1	Purchase of fixed assets	-0,1	-0,5	-3,9
0,0	0,3	2,6	Proceeds from sale of fixed assets	0,0	0,3	0,6
5,3	-22,2	-46,5	Net proceeds/expenses from sale/purchase of financial investments	0,0	-22,2	-131,5
<b>-11,2</b>	<b>-29,3</b>	<b>-119,0</b>	<b>Net cash flow from investment activities</b>	<b>B</b>	<b>-0,1</b>	<b>-134,8</b>
			<b>Financing activities</b>			
0,0	0,0	-58,8	Net incoming/outgoing for loans to/from credit institutions	0,0	0,0	-58,8
-1.504,0	-779,0	-2.411,1	Outgoing for repayment of securities	-1.504,0	-779,0	-2.406,9
1.598,4	1.875,5	5.082,5	Incoming for issue of securities	599,2	1.625,0	3.632,0
0,0	0,0	0,0	Proceeds from issuance of equity certificates	0,0	0,0	0,0
0,0	0,0	-82,9	Payment of dividends	0,0	0,0	-82,9
<b>94,4</b>	<b>1.096,5</b>	<b>2.529,7</b>	<b>Net cash flow from financing activities</b>	<b>C</b>	<b>-904,8</b>	<b>1.083,4</b>
-199,0	505,4	586,1	Net change in cash and cash equivalents	<b>A+B+C</b>	-199,0	505,4
1.629,7	1.043,6	1.043,6	Cash and cash equivalents as at 01.01.	1.629,7	1.043,6	1.043,6
<b>1.430,7</b>	<b>1.549,0</b>	<b>1.629,7</b>	<b>Reserves of cash and cash equivalents as at 31.03.</b>	<b>1.430,7</b>	<b>1.549,0</b>	<b>1.629,7</b>

## Profit per quarter - parent bank

(Figures in NOK mill.)	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Interest income and similar income	233,1	233,3	235,0	223,4	211,5
Interest expenses and similar expenses	147,4	149,3	154,3	136,5	124,7
<b>Net interest and credit commission income</b>	<b>85,7</b>	<b>84,0</b>	<b>80,7</b>	<b>86,9</b>	<b>86,8</b>
Dividends and other income from securities with variable yields	0,1	0,0	1,2	52,5	1,0
Commission income and income from banking services	20,6	24,9	24,1	23,4	20,6
Commission costs and costs of banking services	3,8	4,0	4,0	3,5	3,8
Net value changes and gains/losses on financial investments	17,5	3,4	44,5	34,2	39,7
Other operating income	1,4	1,3	1,3	1,0	1,0
Payroll, etc.	37,1	37,1	42,1	31,0	7,8
Administration costs	13,9	18,3	13,9	15,3	14,9
Depreciation/impairment/writedowns and value changes to non-financ	1,6	1,8	2,1	2,0	2,0
Other operating costs	12,7	13,0	11,9	13,7	13,2
<b>PROFIT BEFORE LOSSES</b>	<b>56,2</b>	<b>39,4</b>	<b>77,8</b>	<b>132,5</b>	<b>107,4</b>
Losses on loans and guarantees	-1,4	17,3	-9,4	-3,0	-2,1
<b>PRE-TAX PROFIT</b>	<b>57,6</b>	<b>22,1</b>	<b>87,2</b>	<b>135,5</b>	<b>109,5</b>
Tax cost (calculated at interim accounts)	16,3	5,2	25,2	8,3	28,9
<b>PROFIT FOR THE PERIOD</b>	<b>41,3</b>	<b>16,9</b>	<b>62,0</b>	<b>127,2</b>	<b>80,6</b>
Profit per equity certificate (per quarter)	0,92	0,39	1,47	3,01	1,91
Diluted profit per equity certificate (per quarter)	0,92	0,39	1,47	3,01	1,91

## Profit per quarter - Group

(Figures in NOK mill.)	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Interest income and similar income	268,3	264,4	262,9	245,4	234,1
Interest expenses and similar expenses	160,5	160,4	161,9	139,7	126,3
<b>Net interest and credit commission income</b>	<b>107,8</b>	<b>104,0</b>	<b>101,0</b>	<b>105,7</b>	<b>107,8</b>
Dividends and other income from securities with variable yields	0,1	0,0	1,2	52,7	1,0
Commission income and income from banking services	19,9	22,6	22,3	21,8	19,4
Commission costs and costs of banking services	7,3	7,6	7,0	5,9	6,0
Net value changes and gains/losses on financial investments	22,8	3,4	44,5	34,2	39,7
Other operating income	4,8	4,2	3,9	4,3	3,8
Payroll, etc.	43,6	44,1	48,5	35,2	13,8
Administration costs	16,6	20,6	15,3	16,8	16,5
Depreciation/impairment/writedowns and value changes to non-financ	2,9	3,2	3,2	3,0	3,2
Other operating costs	15,0	15,8	13,0	14,8	13,6
<b>PROFIT BEFORE LOSSES</b>	<b>70,0</b>	<b>42,9</b>	<b>85,9</b>	<b>143,0</b>	<b>118,6</b>
Losses on loans and guarantees	1,4	19,5	-6,7	-2,1	-0,6
<b>PRE-TAX PROFIT</b>	<b>68,6</b>	<b>23,4</b>	<b>92,6</b>	<b>145,1</b>	<b>119,2</b>
Tax cost (calculated at interim accounts)	18,1	5,7	26,7	11,0	31,6
<b>PROFIT FOR THE PERIOD</b>	<b>50,5</b>	<b>17,7</b>	<b>65,9</b>	<b>134,1</b>	<b>87,6</b>
Profit per equity certificate (per quarter)	1,12	0,41	1,56	3,18	2,07
Diluted profit per equity certificate (per quarter)	1,12	0,41	1,56	3,18	2,07

## Accounting policies

The consolidated quarterly accounts have been prepared in accordance with the IFRS (including IAS 34 Interim Financial Reporting). Interim accounts are prepared according to the same accounting principles as those used in the annual accounts. Refer to the 2009 annual report for a more detailed description of the accounting policies. The accounts are presented in Norwegian kroner, which is also the Group's functional currency.

## Losses on loans and guarantees

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
<b>Individual writedowns</b>						
Individual writedowns as at 01.01.	83.594	52.976	52.976	128.907	96.361	96.361
- Actual losses for the period, where there have previously been Individual writedowns	626	0	2.863	1.754	653	5.065
+ Increases in individual writedowns for the period	5	1.010	5.765	1.441	2.283	8.518
+ New individual writedowns for the period	4.915	6.351	36.142	9.198	10.370	49.369
- Reversed individual writedowns for the period	5.098	631	8.426	9.047	4.674	20.276
= <b>Individual writedowns as at 31.03.</b>	<b>82.790</b>	<b>59.706</b>	<b>83.594</b>	<b>128.745</b>	<b>103.687</b>	<b>128.907</b>
<b>Writedowns on groups of loans</b>						
Writedowns on groups of loans as at 01.01.	37.897	55.119	55.119	40.766	57.988	57.988
+/- Changes in write-downs on groups of loans for the period	-2.875	-4.301	-17.222	-2.875	-4.301	-17.222
= <b>Writedowns on groups of loans as at 31.03.</b>	<b>35.022</b>	<b>50.818</b>	<b>37.897</b>	<b>37.891</b>	<b>53.687</b>	<b>40.766</b>
<b>Loss costs for the period</b>						
Changes to individual writedowns for the period	-804	6.730	30.618	-162	7.326	32.546
+/- Changes in write-downs on groups of loans for the period	-2.875	-4.301	-17.222	-2.875	-4.301	-17.222
+ Actual losses for the period, where there have previously been Individual writedowns	627	0	4.667	1.756	653	6.869
+ Actual losses for the period where no individual writedowns were made in previous years.	434	389	1.098	2.399	1.052	6.777
- Addition of previously identified losses for the period	885	6.222	7.620	1.791	6.657	10.184
+/- Amortisation costs for the period impairment	2.076	1.347	4.909	2.076	1.347	4.909
= <b>Losses on loans and guarantees</b>	<b>-1.427</b>	<b>-2.057</b>	<b>16.450</b>	<b>1.403</b>	<b>-580</b>	<b>23.695</b>

## Losses on loans and guarantees to credit institutions

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
<b>Individual writedowns</b>						
Individual writedowns as at 01.01.	0	144.920	144.920	0	144.920	144.920
- Actual losses for the period, where there have previously been Individual writedowns	0	0	132.490	0	0	132.490
+ Increases in individual writedowns for the period	0	0	0	0	0	0
+ New individual writedowns for the period	0	0	0	0	0	0
- Reversed individual writedowns for the period	0	0	12.430	0	0	12.430
= <b>Individual writedowns as at 31.03.</b>	<b>0</b>	<b>144.920</b>	<b>0</b>	<b>0</b>	<b>144.920</b>	<b>0</b>
<b>Writedowns on groups of loans</b>						
Writedowns on groups of loans as at 01.01.	0	1.200	1.200	0	1.200	1.200
+/- Changes in write-downs on groups of loans for the period	0	0	-1.200	0	0	-1.200
= <b>Writedowns on groups of loans as at 31.03.</b>	<b>0</b>	<b>1.200</b>	<b>0</b>	<b>0</b>	<b>1.200</b>	<b>0</b>
<b>Loss costs for the period</b>						
Changes to individual writedowns for the period	0	0	-144.920	0	0	-144.920
+/- Changes in write-downs on groups of loans for the period	0	0	-1.200	0	0	-1.200
+ Actual losses for the period, where there have previously been Individual writedowns	0	0	132.490	0	0	132.490
+ Actual losses for the period where no individual writedowns were made in previous years.	0	0	0	0	0	0
- Addition of previously identified losses for the period	0	0	0	0	0	0
+/- Amortisation costs for the period impairment	0	0	0	0	0	0
= <b>Losses on loans and guarantees</b>	<b>0</b>	<b>0</b>	<b>-13.630</b>	<b>0</b>	<b>0</b>	<b>-13.630</b>

## Defaults and non-performing loans customers

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
<b>Gross participations in breach (over 90 days)</b>						
Industry	78.127	127.404	91.103	86.776	137.958	98.524
+ Personal	55.474	62.039	71.254	122.981	126.968	137.630
= Gross defaults	133.601	189.443	162.357	209.757	264.926	236.154
- Individual writedowns	54.108	51.811	58.942	99.023	94.692	102.940
= <b>Net defaults</b>	<b>79.493</b>	<b>137.632</b>	<b>103.415</b>	<b>110.734</b>	<b>170.234</b>	<b>133.214</b>
<b>Non-performing (not defaults on) loans</b>						
Industry	118.052	8.386	109.129	119.366	11.352	111.265
+ Personal	9.418	12.108	9.824	9.902	12.599	10.309
= Gross non-performing loans	127.470	20.494	118.953	129.268	23.951	121.574
- Individual writedowns	28.682	7.895	24.652	29.722	8.995	25.967
= <b>Net non-performing loans</b>	<b>98.788</b>	<b>12.599</b>	<b>94.301</b>	<b>99.546</b>	<b>14.956</b>	<b>95.607</b>
<b>Gross defaults and non-performing loans</b>						
Industry	196.179	135.790	200.232	206.142	149.310	209.789
+ Personal	64.892	74.147	81.078	132.883	139.567	147.939
= Gross defaults and non-performing loans	261.071	209.937	281.310	339.025	288.877	357.728
- Individual writedowns	82.790	59.706	83.594	128.745	103.687	128.907
= <b>Net defaults and non-performing loans</b>	<b>178.281</b>	<b>150.231</b>	<b>197.716</b>	<b>210.280</b>	<b>185.190</b>	<b>228.821</b>

## Defaults and non-performing loans credit institutions

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
<b>Gross participations in breach (over 90 days)</b>						
Norway	78.127	127.404	91.103	86.776	137.958	98.524
Denmark	55.474	62.039	71.254	122.981	126.968	137.630
Iceland	0	148.749	1.400	0	148.749	1.400
+ Ukraine	0	4.977	0	0	4.977	0
= Gross defaults	0	153.726	1.400	0	153.726	1.400
- Individual writedowns	0	144.920	0	0	144.920	0
= <b>Net defaults</b>	<b>0</b>	<b>8.806</b>	<b>1.400</b>	<b>0</b>	<b>8.806</b>	<b>1.400</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 writedowns	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	78.127	127.404	91.103	86.776	137.958	98.524
Denmark	55.474	62.039	71.254	122.981	126.968	137.630
Iceland	0	148.749	1.400	0	148.749	1.400
+ Ukraine	0	4.977	0	0	4.977	0
= Gross defaults and non-performing loans	0	153.726	1.400	0	153.726	1.400
- Individual writedowns	0	144.920	0	0	144.920	0
= <b>Net defaults and non-performing loans</b>	<b>0</b>	<b>8.806</b>	<b>1.400</b>	<b>0</b>	<b>8.806</b>	<b>1.400</b>

## Operational segments

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

(Figures in NOK mill.)

31.03.2011	DinBANK.no	PM	BM	Housing Credit	AS Financiering	Spb øst Eiendom	Undistributed	Elimination	Group
Net external interest and commission income	1,8	31,3	47,9	13,3	27,8	0,0	-14,3	0,0	107,8
Net internal interest and commission income	0,0	0,0	1,1	-10,4	-7,5	-1,2	18,0	0,0	0,0
<b>Net interest and commission income</b>	<b>1,8</b>	<b>31,3</b>	<b>49,0</b>	<b>2,9</b>	<b>20,3</b>	<b>-1,2</b>	<b>3,7</b>	<b>0,0</b>	<b>107,8</b>
Net other external income	0,8	13,1	5,2	0,0	-3,0	2,9	21,3	0,0	40,3
Net other internal income	0,0	0,0	0,0	-1,1	0,0	2,1	1,3	-2,3	0,0
<b>Total income</b>	<b>2,6</b>	<b>44,4</b>	<b>54,2</b>	<b>1,8</b>	<b>17,3</b>	<b>3,8</b>	<b>26,3</b>	<b>-2,3</b>	<b>148,1</b>
Payroll and general administration costs	0,9	18,5	5,2	0,1	7,3	1,8	26,4	0,0	60,2
Depreciation	0,0	0,0	0,0	0,0	0,4	1,0	1,5	0,0	2,9
Other external operating costs	0,0	0,2	0,1	1,6	1,5	1,3	10,3	0,0	15,0
Other internal operating costs	0,0	0,0	0,0	0,1	0,0	0,0	2,2	-2,3	0,0
<b>Total operating costs</b>	<b>0,9</b>	<b>18,7</b>	<b>5,3</b>	<b>1,8</b>	<b>9,2</b>	<b>4,1</b>	<b>40,4</b>	<b>-2,3</b>	<b>78,1</b>
<b>Profit before losses</b>	<b>1,7</b>	<b>25,7</b>	<b>48,9</b>	<b>0,0</b>	<b>8,1</b>	<b>-0,3</b>	<b>-14,1</b>	<b>0,0</b>	<b>70,0</b>
Losses on loans, guarantees, etc.	0,0	0,2	-1,3	0,0	2,8	0,0	-0,3	0,0	1,4
<b>Profit before tax</b>	<b>1,7</b>	<b>25,5</b>	<b>50,2</b>	<b>0,0</b>	<b>5,3</b>	<b>-0,3</b>	<b>-13,8</b>	<b>0,0</b>	<b>68,6</b>
Tax on ordinary profit	0,0	0,0	0,0	0,0	1,5	0,0	16,6	0,0	18,1
<b>After-tax profit</b>	<b>1,7</b>	<b>25,5</b>	<b>50,2</b>	<b>0,0</b>	<b>3,8</b>	<b>-0,3</b>	<b>-30,4</b>	<b>0,0</b>	<b>50,5</b>

31.03.2010	DinBANK.no	PM	BM	Housing Credit	AS Financiering	Spb øst Eiendom	Undistributed	Elimination	Group
Net external interest and commission income	2,2	35,3	45,5	13,5	23,0	-0,2	-11,5	0,0	107,8
Net internal interest and commission income	0,0	0,0	1,1	-9,9	-4,6	-0,9	14,3	0,0	0,0
<b>Net interest and commission income</b>	<b>2,2</b>	<b>35,3</b>	<b>46,6</b>	<b>3,6</b>	<b>18,4</b>	<b>-1,1</b>	<b>2,8</b>	<b>0,0</b>	<b>107,8</b>
Net other external income	0,9	13,5	5,1	0,0	-1,7	2,8	37,3	0,0	57,9
Net other internal income	0,0	0,0	0,0	-1,7	0,0	2,0	1,7	-2,0	0,0
<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 administration costs	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 external operating costs	0,0	0,2	0,1	0,0	1,6	0,8	10,9	0,0	13,6
Other internal operating costs	0,0	0,0	0,0	0,0	0,0	0,0	2,0	-2,0	0,0
<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>After-tax profit</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>

31.03.2011	DinBANK.no	PM	BM	Spb øst Housing Credit	AS Financiering	Spb øst Eiendom	Undistributed	Elimination	Group
Loans and receivables with customers	1.606,6	7.369,9	5.830,5	4.015,3	1.056,7	0,0	393,9	-183,9	20.089,0
Other assets	1,9	20,1	20,3	35,9	34,8	293,4	7.450,9	-2.700,7	5.156,6
<b>Total assets</b>	<b>1.608,5</b>	<b>7.390,0</b>	<b>5.850,8</b>	<b>4.051,2</b>	<b>1.091,5</b>	<b>293,4</b>	<b>7.844,8</b>	<b>-2.884,6</b>	<b>25.245,6</b>
Deposits from and liabilities to customers	329,7	3.894,6	3.145,9	0,0	42,2	0,0	645,0	-31,8	8.025,6
Other liabilities	924,3	48,1	64,2	3.887,0	937,0	192,8	11.930,1	-2.566,6	15.416,9
<b>Total liabilities per segment</b>	<b>1.254,0</b>	<b>3.942,7</b>	<b>3.210,1</b>	<b>3.887,0</b>	<b>979,2</b>	<b>192,8</b>	<b>12.575,1</b>	<b>-2.598,4</b>	<b>23.442,5</b>
Total equity	0,0	0,0	0,0	164,2	112,3	100,6	1.712,2	-286,2	1.803,1
<b>Total liabilities and equity</b>	<b>1.254,0</b>	<b>3.942,7</b>	<b>3.210,1</b>	<b>4.051,2</b>	<b>1.091,5</b>	<b>293,4</b>	<b>14.287,3</b>	<b>-2.884,6</b>	<b>25.245,6</b>

31.03.2010	DinBANK.no	PM	BM	Spb øst Housing Credit	AS Financiering	Spb øst Eiendom	Undistributed	Elimination	Group
Loans and receivables with 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
<b>Total liabilities per segment</b>	<b>1.297,9</b>	<b>3.698,6</b>	<b>2.812,3</b>	<b>2.233,3</b>	<b>786,0</b>	<b>134,8</b>	<b>13.152,6</b>	<b>-2.900,5</b>	<b>21.215,0</b>
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>

## Customer deposits divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
Salaried employees	4.260.667	4.141.433	4.311.536	4.270.569	4.154.515	4.319.951
Public administration	188.797	129.168	151.750	188.797	129.168	151.750
Agriculture, forestry, fishing etc	111.727	115.211	116.721	111.727	115.211	116.721
Industry and mining, power and water supplies	194.431	191.585	194.494	194.508	191.638	194.571
Construction and civil engineering	335.400	323.785	370.924	337.491	324.844	373.347
Retail, hotel and catering	371.299	382.531	431.394	374.155	387.698	434.210
Transport/communication	134.585	130.953	129.399	135.198	131.333	130.006
Financial service business	1.255.926	525.182	827.611	1.267.210	536.480	838.836
Other service industries	556.811	578.106	528.806	567.266	583.416	539.259
Real estate turnover and operations	553.134	432.201	511.389	526.331	429.545	483.672
Foreign	52.356	42.263	47.853	52.356	42.263	47.853
<b>Total</b>	<b>8.015.133</b>	<b>6.992.418</b>	<b>7.621.877</b>	<b>8.025.608</b>	<b>7.026.111</b>	<b>7.630.176</b>

## Gross loans to customers divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
Salaried employees	10.218.486	9.680.093	11.393.688	15.205.577	12.746.599	15.168.113
Agriculture, forestry, fishing etc	185.362	177.941	184.192	189.052	180.216	185.099
Industry and mining, power and water supplies	133.460	153.003	135.712	139.625	155.764	139.704
Construction and civil engineering	605.977	424.338	563.292	619.297	433.166	572.696
Retail, hotel and catering	531.754	481.376	490.740	575.348	521.928	529.837
Transport/communication	97.634	111.242	91.119	105.236	116.860	96.372
Financial service business	250.981	218.513	254.460	259.346	224.356	261.211
Other service industries	371.911	302.592	326.648	401.927	326.883	350.509
Real estate turnover and operations	2.904.745	2.322.492	2.472.193	2.739.356	2.213.958	2.316.984
Foreign	18.377	36.957	22.312	20.867	38.082	24.442
<b>Total</b>	<b>15.318.687</b>	<b>13.908.547</b>	<b>15.934.356</b>	<b>20.255.631</b>	<b>16.957.812</b>	<b>19.644.967</b>

## Debt securities and subordinated debt

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
<b>Debt securities</b>						
Certificates, nominal value	0	0	0	0	0	0
Bonds, nominal value	9.087,5	9.607,0	9.991,5	11.538,0	9.857,5	11.442,0
Value adjustments (including o/u rate)	-11,2	22,2	28,7	-15,7	22,2	24,8
<b>Total debt securities</b>	<b>9.076,3</b>	<b>9.629,2</b>	<b>10.020,2</b>	<b>11.522,3</b>	<b>9.879,7</b>	<b>11.466,8</b>

Changes to debt securities Group	31.03.2011	Issued	Matured/red eemed	Changes to exchange rates	31.12.2010
Certificates, nominal value	0	0	0	0	0
Bonds, nominal value	9.087,5	600,0	1.504,0	0	9.991,5
Preferential bonds (OMF), nominal value	2.450,5	1.000,0	0	0	1.450,5
Value adjustments (including o/u rate)	-15,7	0	0	0	24,8
<b>Total debt securities</b>	<b>11.522,3</b>	<b>1.600,0</b>	<b>1.504,0</b>	<b>0</b>	<b>11.466,8</b>

The difference between the parent bank and the group is preferential bonds (OMF), nominal value NOK 2,450.5 million.

Changes to subordinated debt and fund bonds	31.03.2011	Issued	Matured/red eemed	Changes to exchange rates	31.12.2010
Ordinary subordinated debt, nominal value	300,0	0	0	0	300,0
Fund bonds, nominal value	300,0	0	0	0	300,0
Value adjustments (including o/u rate)	-2,5	0	0	0	-0,7
<b>Total subordinated debt and fund bonds</b>	<b>597,5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>599,3</b>

## Capital adequacy

(Figures in NOK 1,000)

	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
Equity capital certificate	207.312	207.312	207.312	207.312	207.312	207.312
Premium reserve	387.778	387.778	387.778	387.778	387.778	387.778
Sparebankens fund	826.429	695.351	826.429	826.429	695.351	826.429
Other reserves not included in tier 1 capital	160.229	118.254	273.885	262.094	201.518	375.750
Fund notes up to 15%	272.975	237.347	274.740	294.696	255.741	296.463
Other tier 1 capital	0	0	0	0	0	0
Deductions in tier 1 capital	-34.888	-63.726	-138.544	-13.668	-42.250	-117.311
50/50-deduction in tier 1 capital	-119.064	-93.386	-126.270	-112.910	-88.150	-120.115
<b>Net tier 1 capital</b>	<b>1.700.771</b>	<b>1.488.930</b>	<b>1.705.330</b>	<b>1.851.731</b>	<b>1.617.300</b>	<b>1.856.306</b>
Fund notes exceeding 15%	24.994	62.158	25.085	3.273	43.764	3.362
Subordinate loan capital	299.504	359.483	299.445	299.504	359.483	299.445
Unrealised gains IFRS	31.015	0	31.015	31.015	0	31.015
50/50-deduction in supplementary capital	-119.064	-93.386	-126.270	-112.910	-88.150	-120.115
<b>Net supplementary capital</b>	<b>236.449</b>	<b>328.255</b>	<b>229.275</b>	<b>220.882</b>	<b>315.097</b>	<b>213.707</b>
<b>Net subordinated capital</b>	<b>1.937.220</b>	<b>1.817.185</b>	<b>1.934.605</b>	<b>2.072.613</b>	<b>1.932.397</b>	<b>2.070.013</b>
<b>Calculation base</b>						
Calculation basis for balance sheet items	9.681.543	9.865.855	9.770.962	11.335.730	10.785.758	11.016.630
Calculation basis for off-balance sheet items	1.121.058	614.172	593.010	539.868	614.172	537.078
Calculation basis for foreign exchange risk	0	0	0	0	0	0
Calculation basis for operational risk	795.016	716.820	716.820	896.942	827.159	827.159
Deductions from the calculation base	-311.057	-238.790	-328.344	-301.617	-231.186	-318.903
<b>Total calculation basis (risk-weighted assets)</b>	<b>11.286.560</b>	<b>10.958.057</b>	<b>10.752.448</b>	<b>12.470.923</b>	<b>11.995.903</b>	<b>12.061.964</b>
<b>Capital adequacy</b>	<b>17,16%</b>	<b>16,58%</b>	<b>17,99%</b>	<b>16,62%</b>	<b>16,11%</b>	<b>17,16%</b>
<b>Tier 1 capital adequacy</b>	<b>15,07%</b>	<b>13,59%</b>	<b>15,86%</b>	<b>14,85%</b>	<b>13,48%</b>	<b>15,39%</b>

## Guarantee liabilities and other off Balance Sheet items

(Figures in NOK 1,000)

Guarantee liabilities	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010	Group 31.03.2011	Group 31.03.2010	Group 31.12.2010
Payment guarantees	192.504	152.860	217.350	193.835	156.105	218.681
Contract guarantees	170.891	176.533	185.767	170.891	176.533	185.767
Loan guarantees	44.588	37.989	27.739	44.663	38.064	27.814
Other guarantee liabilities	31.480	33.197	31.561	31.480	33.197	31.561
<b>Total customer guarantees</b>	<b>439.463</b>	<b>400.579</b>	<b>462.417</b>	<b>440.869</b>	<b>403.899</b>	<b>463.823</b>
Guarantees to Eksporthfinans ASA	66.212	61.939	59.731	66.212	61.939	59.731
Guarantees to the Norwegian Banks' Guarantee Fund	0	8.280	8.280	0	8.280	8.280
<b>Total guarantee liabilities</b>	<b>505.675</b>	<b>470.798</b>	<b>530.428</b>	<b>507.081</b>	<b>474.118</b>	<b>531.834</b>

In connection with the rating process in Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee for all preferential bond (OMF) commitments in the housing mortgage company.

### Pledges

Bonds, nominal value, put up as collateral for access to loans in Norges Bank	3.038.500	1.759.900	2.926.500	3.038.500	1.759.900	2.926.500
<b>Pledges *)</b>	<b>3.038.500</b>	<b>1.759.900</b>	<b>2.926.500</b>	<b>3.038.500</b>	<b>1.759.900</b>	<b>2.926.500</b>
<b>Preferential exchange scheme</b>	<b>938.500</b>	<b>999.500</b>	<b>999.500</b>	<b>938.500</b>	<b>999.500</b>	<b>999.500</b>
<b>Preference in terms of sections 2-35 of the Financ</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.450.500</b>	<b>999.500</b>	<b>1.450.500</b>

\*) Debt secured against pledges are F-loans with a nominal value of MNOK 1.000 issued by Norges Bank.

## Additional information for Cash Flow Statement

Group 31.03.2011	Group 31.03.2010	Group 31.12.2010	(Figures in NOK mill.)	Parent bank 31.03.2011	Parent bank 31.03.2010	Parent bank 31.12.2010
<b>Cash and cash equivalents</b>						
502,5	822,1	696,5	Cash and receivables at central banks	502,5	822,1	696,5
919,6	721,0	919,5	Treasury bills	919,6	721,0	919,5
8,6	5,9	13,7	Loans to and receivables on credit institutions that are clean placements	8,6	5,9	13,7
<b>1.430,7</b>	<b>1.549,0</b>	<b>1.629,7</b>	<b>Total</b>	<b>1.430,7</b>	<b>1.549,0</b>	<b>1.629,7</b>
<b>Changes in assets in connection with operations</b>						
16,2	-2,6	-4,4	Net changes in financial assets held for the purposes of trade	16,2	-2,6	-4,4
-41,6	-9,5	-3,4	Net changes in financial derivatives (net assets and liabilities)	-41,6	-9,5	-3,4
-112,2	-225,1	572,2	Net change in financial assets at fair value as determined by the result.	-112,2	25,4	822,7
3,9	135,6	329,5	Changes in gross loans to credit institutions	-238,5	-298,2	487,4
-610,6	-184,4	-2.871,6	Changes in gross loans to credit institutions	615,6	242,8	-1.783,0
-6,8	-14,6	0,0	Net changes to other assets	-7,1	-11,4	7,5
<b>-751,1</b>	<b>-300,6</b>	<b>-1.977,7</b>	<b>Total</b>	<b>232,4</b>	<b>-53,5</b>	<b>-473,2</b>
<b>Changes in assets in connection with operations</b>						
395,4	-270,7	333,4	Changes in customer deposits	393,2	-249,7	379,8
0,0	0,0	0,0	Change in liabilities to the state, swap of OMF preferential bonds	0,0	0,0	0,0
0,0	-99,4	-469,9	Changes in debt to credit institutions	-3,0	-113,2	-482,1
24,9	-19,8	-18,1	Changes in other liabilities	36,7	-19,5	-73,3
<b>420,3</b>	<b>-389,9</b>	<b>-154,6</b>	<b>Total</b>	<b>426,9</b>	<b>-382,4</b>	<b>-175,6</b>
<b>Non-cash items included in profit before tax</b>						
2,9	3,2	12,6	Writedowns on fixed assets	1,6	2,0	7,9
0,8	0,7	2,9	Amortisation of financial investments held to maturity	0,8	0,7	2,9
-3,1	3,0	1,7	Writedown of financial assets	-3,7	2,4	-0,2
1,5	3,1	8,1	Amortisation of financing activities measured at amortised cost	1,3	3,1	7,8
<b>2,1</b>	<b>10,0</b>	<b>25,3</b>	<b>Total</b>	<b>0,0</b>	<b>8,2</b>	<b>18,4</b>

## Transactions with related parties

### Parent bank

These are transactions between the Parent bank and wholly owned subsidiaries. The transactions are eliminated in the consolidated accounts.

(Figures in NOK mill.)

	31.03.2011	31.03.2010	31.12.2010
<b>Result</b>			
Interest income from subsidiaries	13,2	9,6	45,1
Interest certificates and preferential bonds from subsidiaries	7,6	6,4	29,4
Interest costs of subsidiaries	0,3	0,4	1,8
Rent to subsidiaries	2,0	1,9	7,8
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	1,2	1,7	8,9
Other costs to subsidiaries	0,1	0,1	0,4
<b>Balance Sheet</b>			
Loans to subsidiaries	1.526,0	1.812,5	1.261,1
Investments OMF in subsidiaries	999,5	999,5	999,5
Accrued interest income (OMF) from subsidiaries	1,4	1,3	1,4
Accrued interest income from subsidiaries	0,9	1,1	1,5
Deposits from subsidiaries	69,6	55,8	74,0
Accrued interest costs of subsidiaries	0,0	0,0	0,0
Other commitments of subsidiaries	0,8	30,3	0,3

### Group

Apart from loans and deposits and related interest income and interest costs on corporate management, the Board and control committee, the Group has no other related parties. Refer to note 12 in the annual financial statements.



## Profit per equity certificate

Profit per equity certificate is calculated by dividing that part of the profit after tax which falls to the equity capital certificate owners by the weighted average of number of outstanding certificates in the course of the year. If the annual results show a deficit this is covered by a proportionate transfer from the savings bank fund, donation fund and equalisation fund. Profit per equity certificated is calculated in such instances, based on the amount of deficit that is debited to the equalisation fund.

Sparebanken Øst has not issued options or other instruments that can lead to a dilution of profit per equity certificate. Diluted profits per equity certificated is therefore not the same as profit per equity certificate.

(Figures in NOK mill.)	<b>Parent bank</b>	<b>Group</b>
	<b>31.03.2011</b>	<b>31.03.2011</b>
After-tax profit	41,3	50,5
Profit after tax allocated to equity certificate owners	19,0	23,3
Weighted average of number of outstanding equity certificates	20,7	20,7
Profit per equity certificate	0,92	1,12

## Fractional ownership parent bank

(Figures in NOK mill.)	<b>01.01.2011</b>	<b>01.01.2010</b>
Equity instruments	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	137,8	100,8
Available for sale reserve	31,7	-
<b>Total numerator (A)</b>	<b>764,6</b>	<b>695,9</b>
Total equity (this year's allocation for dividends excluded)	1.660,7	1.418,7
<b>Sum denominator(B)</b>	<b>1.660,7</b>	<b>1.418,7</b>
<b>Fractional ownership(A/B) in %</b>	<b>46,04</b>	<b>49,05</b>

## Equity instruments

### Various key figures equity certificates:

	31.03.2011	2010	2009	2008	2007
Profit per certificate after tax (Group) NOK 1)	4,55	7,22	7,05	-8,05	19,84
Profit per certificate after tax (parent bank) NOK 1)	3,72	6,78	6,42	-8,15	17,95
Fractional ownership 2)	46,04 %	49,05 %	49,63 %	33,39 %	34,87 %
No. of equity certificates (millions)	20,73	20,73	20,73	3,88	3,64
Book equity per certificate NOK 3)	40,27	39,14	35,56	124,47	134,14
Dividend NOK	-	5,00	4,00	-	15,00
Turnover rate (realised/issued)	52,25 %	45,09 %	103,10 %	8,21 %	12,57 %

1) Equity share capital of the bank's profit after tax per outstanding equity capital certificates as at 31.12.09.

2) Bankens resultat etter skatt dividert på gjennomsnittlig antall bevis (delårstall omregnet til årsbasis).

2) Equity share capital+equalisation fund+share premium account in % of the Parent bank's total equity allocated for annual dividends. (For 2009 weighted after issue).

3) Equity share capital (group) divided by number of equity certificates. This year's allocation for dividends held apart from calculation.

## Sparebanken Øst (SPOG)



## The 20 largest equity certificate holders as at 31.03.2011

Name	Quantity	%	Name	Quantity	%
1 MP Pensjon	2.073.100	10,00 %	11 Høibraaten, Claus Jørgen	200.000	0,96 %
2 Skagen Vekst	1.500.000	7,24 %	12 Hustadlitt AS	200.000	0,96 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Terra Utbytte VPF	198.609	0,96 %
4 Hansen, Asbjørn Rudolf	466.443	2,25 %	14 Julius Johannessen & Sønner AS	175.000	0,84 %
5 Storetind AS	428.631	2,07 %	15 Anna A/S	162.280	0,78 %
6 Nordisk Finans Invest AS	427.323	2,06 %	16 Andersen, Gunnar	157.262	0,76 %
7 Sparebankstiftelsen DnB NOR	308.320	1,49 %	17 Løkke, Helge Arnfinn	148.433	0,72 %
8 AS Andersen Eiendomsselskap	249.500	1,20 %	18 Teigen, Helliik	120.400	0,58 %
9 Foretakskonsulenter AS	243.600	1,18 %	19 Gjensidige Forsikring Nordmøre og Romø	120.000	0,58 %
10 Teleplan Holding AS	239.665	1,16 %	20 Profond AS	120.000	0,58 %