

169. year

Quarterly Report 2011

Quarterly Report 2nd quarter 2011



Sparebanken
Øst

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Financial highlights - Group

	30.06.2011	30.06.2010	31.12.2010	31.12.2009
Average equity, excl. dividends (NOK mill.)	1.820,7	1.607,8	1.632,2	1.343,4
Average total assets (NOK mill.)	25.639,6	22.697,0	23.515,3	23.556,2
Post-tax profit as %-age of average total assets	0,99	1,97	1,30	1,25
Profit before losses as % of average bank total assets	1,32	2,32	1,66	1,81
Net interest as %-age	1,68	1,90	1,78	2,05
Return on capital (%)	13,99	27,81	18,70	21,92
Net loans (NOK mill.)	21.072,5	17.573,9	19.475,3	16.619,0
Deposits (NOK mill.)	8.424,0	7.310,3	7.630,2	7.296,8
Capital adequacy as %-age	15,67	15,43	17,16	17,11
Core capital coverage as %-age	13,94	12,92	15,39	14,15
Fulltime equivalent positions	254	267	261	267

Interim Report Q2 2011 - Sparebanken Øst

Loans to customers have seen a 19.9 percent increase in the last 12 months. During the same period, deposits increased by 15.2 percent. Net interest is maintained at the same level as for the same period last year. Costs in the Group have increased marginally, simultaneously with costs in the Parent bank seeing a decline. Losses on loans are still very limited.

PROFIT

After Q2 2011 the Group reported a pre-tax profit of NOK 163.6 million compared to NOK 264.3 for the same period last year. The profit for the first half of 2010 was impacted by once-off effects linked to changes in the AFP scheme of NOK 29.2 million, and a total of NOK 79.5 million recognised as income from the merger between PBS Holding AS (now Nets Holding AS) and Nordito AS.

Net interest remains at the same level as for the same period last year. Losses on loans are still limited and associated primarily to losses on customers in subsidiary AS Flanciering.

As a percentage of average total assets, profit before tax was 1.29 percent, compared with 2.35 percent for the same period the previous year.

Profit after tax shows a surplus of NOK 126.3 million compared to NOK 221.7 million for the same period last year, giving a return on equity of 13.99 percent.

Net interest income

Net interest and credit commission incomes amounted to NOK 214.2 million and are at the same level as for the same period last year, and on par with the last quarter. Compared with Q4 2010 net interest and commission incomes show an increase of NOK 2.4 million. There are no hedge fund fees accruing in 2011.

Net interest and credit commission income is equivalent to 1.68 percent of average total assets, compared with 1.90 percent at the end of Q2 2010, i.e. a decline of 0.22 percentage points.

Operating income

Dividends received from equity capital instruments amount to NOK 30.9 million at the end of Q2 2011 as compared with NOK 53.7 million for the same period last year. The largest single entry relates to dividends from Eksportfinans ASA of NOK 24.2

million compared to NOK 33.9 million last year. In the 1st half of 2010 the closure of the share premium account in Nordito AS, in connection with the merger, with repayments to shareholders, was also posted to income as dividends of NOK 11.3 million.

Dividends received from Eksportfinans ASA are covered by the exemption method and taxed at 0.84 percent (3 percent of 28 percent). The tax effect of these entries is included for Q2 and contributes to low tax costs in Q2.

Commission income and income from banking services amounted to NOK 48.1 million, showing an increase of NOK 6.9 million compared to the same period last year and an increase of NOK 8.3 million compared to the previous quarter. The increase is mainly attributed to one business customer. Commission income is derived from traditional banking services.

Net value changes and gains/losses on financial assets gives an income of NOK 26.5 million at the end of Q2 2011, as compared to NOK 73.9 for the same period last year. Of the items posted to income as at 30.06.10, the recognition of gains linked to the merger between Nordito AS and PBS Holding AS (Nets Holding AS) amount to NOK 68.1 million.

Other operating income amounts to NOK 9.5 million and shows an increase of NOK 1.4 million compared to the same period last year.

Operating costs

Total operating costs amounted to NOK 161.3 million, which corresponds to 1.27 percent of average total assets. In comparison total operating income for the same period last year amounted to NOK 128.8 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 at the end of Q2 2010 amounted to NOK 158.0 million, representing 1.40 percent of average total assets.

This amounts to an increase of 2.1 percent compared to the end of Q2 2010. For the Parent bank, however, total operating expenses is reduced by NOK 5.2 million.

Commission costs and cost for banking services amount to NOK 15.3 million, showing an increase of NOK 3.4 million compared to the same period last year. The increase in commission costs come entirely from agency commissions in AS Financiering.

Salaries and general administration costs amount to NOK 111.8 million at the end of Q2 2011. In comparison salaries and general administration costs, excluding the recognition of the AFP scheme as income, amounted to NOK 111.5 million at the end of Q2 2010. The number of FTEs at the end of Q2 2011 was 254 compared to 267 at the end of the same period last year. Other operating costs amount to NOK 28.4 million and are at the same level as the same period last year.

Losses on loans and guarantees

The Group's recorded losses on loans and guarantees amount to NOK 4.3 million at the end of Q2 2011, compared to net reversed (income) of NOK 2.7 million for the same period last year. Costs related to losses can be linked to losses on customers in subsidiary AS Financiering.

Individual impairment on losses on loans and guarantees to customers increased by NOK 4.9 million from the end of the year, and amounted to NOK 124.0 million at the end of Q2 2011.

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

Gross defaults and non-performing loans amount to NOK 374.4 million as opposed to NOK 357.7 million at the end of the year. Net defaults and non-performing loans amount to NOK 250.4 million, showing an increase of NOK 21.6 million compared with 31.12.10.

BALANCE SHEET

Bank total assets have increased by NOK 1,899.3 million since the end of the year and amounts to NOK 26,645.8 million by the end of Q2 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 72.5 million since the end of the year.

Net loans to credit institutions have increased by 19.2 million since 31.12.10 and amounts to NOK 107.7 million as at 30.06.11.

Net loans to customers amounted to NOK 21,072.5 million, which represents growth of NOK 1,597.2 million since the beginning of the year. Gross loans to private customers made up 74.8 percent of total loans to customers.

Holdings of certificates and bonds amounted to NOK 2,712.8 million, which is an increase of NOK 186.3 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 920.7 million.

The liquidity portfolio, including treasury bills, represents a nominal value of NOK 3,328.5 million with a market value of NOK 3,334.3 million. The investment portfolio represents a nominal value of NOK 354.0 million with a market value of NOK 299.2 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 2.27 years, whilst it is 2.23 years for the investment portfolio.

Customer deposits have increase by NOK 793.8 million since the end of the year and amounts to NOK 8,424.0 million as at 30.06.11.

Liabilities arising from issuance of securities amounted to NOK 12,543.7 million, an increase of NOK 1,076.9 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 has been reduced by NOK 8.7 million net since the end of the year and amounts to NOK 1,884.1 million at the end of Q2 2011. The bank has drawn a total of 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 30.06.11.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounted to NOK 2,519.0 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 18 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 the first half of 2011. Net defaults and non-performing loans is increasing somewhat compared to the end of the year, but is at the same level as this time last year. Assessment of individual and group write-downs as at 30.06.2011 has not revealed any needs for additional write-downs and shows that the quality of the portfolio is stable, even if defaults are increasing in isolation in the first half of the 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 though entering into forward contracts 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 2,090.1 million at the end of Q2 2011, of which the Group's tier 2 capital amounted to NOK 1,859.6 million. With a calculation basis of NOK 13,337.0 million this represents capital adequacy of 15.67 percent of which tier 1 capital adequacy represents 13.94 percent.

Using ICAAP/TKV (total capital assessment), the Board of the bank assess 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 Q2 2011. The bank has no plans at present to enter into other subordinated debt.

DinBANK.no

DinBANK.no is Sparebanken Øst's internet initiative started on 4 September 2006. DinBANK.no and has been established as an extremely easy-to-use, efficient and practical 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 1,399.1 million at the end of Q2 2011. Of the loans granted by DinBANK.no, NOK 1,891.4 million was transferred to the mortgage company on 30.06.11. Total loans from DinBANK.no amount to NOK 3,290.5 million at the end of Q2 2011. Customer deposits amount to NOK 362.9 million. DinBANK.no shows a pre-tax profit of NOK 2.9 million, compared to NOK 4.7 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 4,936.7 million as at 30.06.11, 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 0.9 million at the end of Q2 2011, compared to NOK 1.9 million 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 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 8.9 million at the end of Q2 2011, compared to NOK 10.9 million surplus for the same period last year. The company's total assets were NOK 1,217.9 million. At the end of Q2, the company had 26 employees, corresponding to 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 10.3 million at the end of Q2 2011 compared to NOK 10.0 million for the same period last year. Profit after tax shows a surplus of NOK 0.4 million at the end of Q2 2011, compared to NOK 1.0 million for the same period last year. The company has 6 employees and share capital amounts to NOK 35.1 million.

Øst Prosjekt AS's 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 at the end of Q2 2011. The surplus is primarily due to gains from the sale of shares. For the same period last year the profit after tax was NOK 0.2 million.

FUTURE PROSPECTS

Sparebanken Øst Group expects fairly stable quarterly results throughout 2011. Net interest and credit commission income measured in percent is expected to be put under pressure by increasing competition in the private and corporate market. Measured in NOK, the net interest and credit commission income is expected to increase somewhat as a result of budgeted growth in the Group. The bank plans to focus heavily on sales of insurance products moving forward. The focus is long-term in nature and the scope of earnings will increase even more in the years ahead. The Group expects limited additional reversals of previous unrealised losses on securities and the guarantee given to Eksportfinans ASA. However fluctuations in market values cannot be precluded. It is expected that losses on loans to customers will be clearly within our long-term key performance indicators.

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 growth in loans to customers in 2011.

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 dividends and donations, consideration will be taken of the bank's profit development, market situation, stability of dividends 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, 30.06.2011
Drammen, 14.07.2011

Jorund Rønning Indreliid
Chairman

Knut Smedsrud
Vice Chairman

Ingebjørg Mæland

Roar Nordheim

Sverre Nedberg

Leif Ove Sørby

Hanne Solem

Ann Kristin Plomås
Employee representative

Pål Strand
CEO

Profit and Loss Account

Group 30.06.2011	Group 30.06.2010	Group 2010	(Figures in NOK mill.)	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 2010
545,8	479,5	1.006,8	Interest income and similar income	465,8	434,9	903,2
331,6	266,0	588,3	Interest expenses and similar expenses	296,4	261,2	564,8
214,2	213,5	418,5	Net interest and credit commission income	169,4	173,7	338,4
30,9	53,7	54,9	Dividends and other income from securities with variable yields	30,9	53,5	54,7
48,1	41,2	86,1	Commission income and income from banking services	50,0	44,0	93,0
15,3	11,9	26,5	Commission costs and costs of banking services	7,3	7,3	15,3
26,5	73,9	121,8	Net value changes and gains/losses on financial investments	21,2	73,9	121,8
9,5	8,1	16,2	Other operating income	2,9	2,0	4,6
79,7	49,0	141,6	Salaries, etc.	68,7	38,8	118,0
32,1	33,3	69,2	Administration costs	27,2	30,2	62,4
5,8	6,2	12,6	Depreciation/writedowns and value changes to non-financial asset	3,2	4,0	7,9
28,4	28,4	57,2	Other operating costs	24,8	26,9	51,8
167,9	261,6	390,4	PROFIT BEFORE LOSSES	143,2	239,9	357,1
4,3	-2,7	10,1	Losses on loans and guarantees	-0,3	-5,1	2,8
163,6	264,3	380,3	PRE-TAX PROFIT	143,5	245,0	354,3
37,3	42,6	75,0	Tax costs	33,1	37,2	67,6
126,3	221,7	305,3	PROFIT FOR THE YEAR	110,4	207,8	286,7
2,80	5,25	7,22	Profit per equity certificate	2,45	4,92	6,78
2,80	5,25	7,22	Diluted profit per equity certificate	2,45	4,92	6,78

Total profit/loss

Group 30.06.2011	Group 30.06.2010	Group 2010	(Figures in NOK mill.)	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 2010
126,3	221,7	305,3	PROFIT FOR THE YEAR	110,4	207,8	286,7
0,0	0,0	68,9	Changes in fair value of investments held for sale	0,0	0,0	68,9
126,3	221,7	374,2	TOTAL PROFIT/LOSS	110,4	207,8	355,6

Balance Sheet

Group 30.06.2011	Group 30.06.2010	Group 2010	(Figures in NOK mill.)	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 2010
767,8	640,8	696,5	Cash and receivables at central banks	767,8	640,8	696,5
920,7	1.066,8	919,5	Treasury bills	920,7	1.066,8	919,5
107,7	436,3	88,5	Loans and receivables from credit institutions	1.653,8	1.717,9	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
21.234,4	17.726,8	19.645,0	Loans and receivables with customers	15.321,5	14.613,4	15.934,3
124,0	103,5	128,9	- Individual writedowns	78,6	59,9	83,6
37,9	49,4	40,8	- Writedowns on groups of loans	35,0	46,5	37,9
2.712,8	3.076,4	2.526,5	Certificates, bonds and other interest-bearing securities with regul	3.712,3	4.075,9	3.526,0
488,5	416,3	504,5	Shares and other securities with variable return	488,5	416,3	504,5
0,0	0,0	0,0	Ownership interests in group companies	286,2	286,2	286,2
408,8	299,3	347,6	Fixed capital assets	57,9	61,8	59,9
13,7	42,2	13,7	Deferred tax assets	34,9	63,7	34,9
43,3	78,8	58,1	Financial derivatives	43,3	78,8	58,1
32,5	35,4	39,6	Other assets	14,0	18,0	17,1
77,5	83,5	76,7	Prepayments non-accrued expenses and earned income not recei	65,1	75,5	68,7
26.645,8	23.603,6	24.746,5	TOTAL ASSETS	23.252,4	22.862,6	23.172,3
1.884,1	2.369,6	1.892,8	Liabilities to credit institutions	1.920,4	2.517,8	1.934,6
8.424,0	7.310,3	7.630,2	Deposits from and liabilities to customers	8.415,6	7.275,6	7.621,9
915,4	915,4	915,4	Liabilities to the state, exchange of OMF preferential bonds	915,4	915,4	915,4
12.543,7	10.148,1	11.466,8	Liabilities incurred when issuing securities	9.293,8	9.399,0	10.020,2
50,4	105,8	85,3	Financial derivatives	50,4	105,7	85,3
139,1	151,3	125,5	Other liabilities	112,0	158,7	87,8
175,3	188,8	129,2	Accruals and deferred income	153,6	178,1	112,6
35,8	41,6	35,8	Provisions for accrued costs and liabilities	30,9	36,8	30,9
599,2	659,0	599,3	Subordinate loan capital	599,2	659,0	599,3
24.767,0	21.889,9	22.880,3	Total liabilities	21.491,3	21.246,1	21.408,0
595,1	595,1	595,1	Invested equity	595,1	595,1	595,1
1.157,4	896,9	1.271,1	Accrued equity	1.055,6	813,6	1.169,2
126,3	221,7	0,0	Unappropriated profit	110,4	207,8	0,0
1.878,8	1.713,7	1.866,2	Total equity	1.761,1	1.616,5	1.764,3
26.645,8	23.603,6	24.746,5	TOTAL LIABILITIES AND EQUITY	23.252,4	22.862,6	23.172,3

Changes in equity group

(Figures in NOK 1,000)

2nd quarter 2011	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary equity capital	Endowment fund	Available for sale reserve	Other equity	Inappropriated 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	126.288	0	0	0	0	0	0	0	126.288
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
Equity as at 30.06.2011	1.878.824	207.312	387.778	137.782	826.429	22.447	68.922	101.866	126.288

2nd quarter 2010	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary equity capital	Endowment fund	Available for sale reserve	Other equity	Inappropriated 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	221.739	0	0	0	0	0	0	0	221.739
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
Equity as at 30.06.2010	1.713.698	207.312	387.778	100.807	695.351	17.447	0	83.264	221.739

2010	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary equity capital	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
Equity as at 31.12.2010	1.866.192	207.312	387.778	241.438	826.429	32.447	68.922	101.866

Changes in equity parent bank

(Figures in NOK 1,000)

2nd quarter 2011	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Grunnfonds-capital	Endowment fund	Available for sale reserve	Inappropriated 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	110.401	0	0	0	0	0	0	110.401
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
Equity as at 30.06.2011	1.761.071	207.312	387.778	137.782	826.429	22.447	68.922	110.401

2nd quarter 2010	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Grunnfonds-capital	Endowment fund	Available for sale reserve	Inappropriated 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	207.784	0	0	0	0	0	0	207.784
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
Equity as at 30.06.2010	1.616.479	207.312	387.778	100.807	695.351	17.447	0	207.784

2010	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Grunnfonds-capital	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
Equity as at 31.12.2010	1.764.326	207.312	387.778	241.438	826.429	32.447	68.922

Cash Flow Statement

Group 30.06.2011	Group 30.06.2010	Group 31.12.2010	(Figures in NOK mill.)	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010
Operating activities						
163,6	264,3	380,3	Profit before tax	143,5	245,0	354,3
Adjusted for:						
-1.877,2	-799,6	-1.977,7	Changes in assets in connection with operations	-121,1	-79,6	-473,2
852,9	83,3	-154,6	Changes in assets in connection with operations	845,1	199,6	-175,6
2,0	10,6	25,3	Non-cash items included in profit before tax	-1,1	8,2	18,4
-0,2	-68,4	-64,4	Net gains from investment activities	-0,2	-68,2	-64,3
-54,5	-25,0	-33,5	Taxes paid for the period	-42,6	-22,1	-22,1
-913,4	-534,8	-1.824,6	Net cash flow from operating activities	A	823,6	282,9
Investment activities						
-67,5	-20,2	-75,1	Purchase of fixed assets	-1,3	-1,8	-3,9
0,6	2,3	2,6	Proceeds from sale of fixed assets	0,3	0,3	0,6
96,9	-23,2	-46,5	Net proceeds/expenses from sale/purchase of financial investments.	96,9	-108,2	-131,5
30,0	-41,1	-119,0	Net cash flow from investment activities	B	95,9	-109,7
Financing activities						
0,0	0,0	-58,8	Net incoming/outgoing for loans to/from credit institutions	0,0	0,0	-58,8
-1.504,0	-1.333,5	-2.411,1	Payments for repayment of securities	-1.504,0	-1.333,5	-2.406,9
2.602,1	2.664,9	5.082,5	Proceeds from securities issued	799,2	1.915,8	3.632,0
0,0	0,0	0,0	Proceeds from issuance of equity certificates	0,0	0,0	0,0
-103,6	-82,9	-82,9	Payment of dividends	-103,6	-82,9	-82,9
994,5	1.248,5	2.529,7	Net cash flow from financing activities	C	-808,4	499,4
111,1	672,6	586,1	Net change in cash and cash equivalents	A+B+C	111,1	672,6
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
1.740,8	1.716,2	1.629,7	Cash and cash equivalent reserves at end of period	1.740,8	1.716,2	1.629,7

Profit per quarter - parent bank

(Figures in NOK mill.)

	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Interest income and similar income	232,7	233,1	233,3	235,0	223,4
Interest expenses and similar expenses	149,0	147,4	149,3	154,3	136,5
Net interest and credit commission income	83,7	85,7	84,0	80,7	86,9
Dividends and other income from securities with variable yields	30,8	0,1	0,0	1,2	52,5
Commission income and income from banking services	29,4	20,6	24,9	24,1	23,4
Commission costs and costs of banking services	3,5	3,8	4,0	4,0	3,5
Net value changes and gains/losses on financial investments	3,7	17,5	3,4	44,5	34,2
Other operating income	1,5	1,4	1,3	1,3	1,0
Salaries, etc.	31,6	37,1	37,1	42,1	31,0
Administration costs	13,3	13,9	18,3	13,9	15,3
Depreciation/impairment/writedowns and value changes to non-finan	1,6	1,6	1,8	2,1	2,0
Other operating costs	12,1	12,7	13,0	11,9	13,7
PROFIT BEFORE LOSSES	87,0	56,2	39,4	77,8	132,5
Losses on loans and guarantees	1,1	-1,4	17,3	-9,4	-3,0
PRE-TAX PROFIT	85,9	57,6	22,1	87,2	135,5
Tax cost (calculated at interim accounts)	16,8	16,3	5,2	25,2	8,3
PROFIT FOR THE PERIOD	69,1	41,3	16,9	62,0	127,2
Profit per equity certificate (per quarter)	1,53	0,92	0,39	1,47	3,01
Diluted profit per equity certificate (per quarter)	1,53	0,92	0,39	1,47	3,01

Profit per quarter - Group

(Figures in NOK mill.)

	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Interest income and similar income	277,5	268,3	264,4	262,9	245,4
Interest expenses and similar expenses	171,1	160,5	160,4	161,9	139,7
Net interest and credit commission income	106,4	107,8	104,0	101,0	105,7
Dividends and other income from securities with variable yields	30,8	0,1	0,0	1,2	52,7
Commission income and income from banking services	28,2	19,9	22,6	22,3	21,8
Commission costs and costs of banking services	8,0	7,3	7,6	7,0	5,9
Net value changes and gains/losses on financial investments	3,7	22,8	3,4	44,5	34,2
Other operating income	4,7	4,8	4,2	3,9	4,3
Salaries, etc.	36,1	43,6	44,1	48,5	35,2
Administration costs	15,5	16,6	20,6	15,3	16,8
Depreciation/impairment/writedowns and value changes to non-finan	2,9	2,9	3,2	3,2	3,0
Other operating costs	13,4	15,0	15,8	13,0	14,8
PROFIT BEFORE LOSSES	97,9	70,0	42,9	85,9	143,0
Losses on loans and guarantees	2,9	1,4	19,5	-6,7	-2,1
PRE-TAX PROFIT	95,0	68,6	23,4	92,6	145,1
Tax cost (calculated at interim accounts)	19,2	18,1	5,7	26,7	11,0
PROFIT FOR THE PERIOD	75,8	50,5	17,7	65,9	134,1
Profit per equity certificate (per quarter)	1,68	1,12	0,41	1,56	3,18
Diluted profit per equity certificate (per quarter)	1,68	1,12	0,41	1,56	3,18

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 2010 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 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Individual writedowns						
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	2.957	291	2.863	4.398	1.636	5.065
+ Increases in individual writedowns for the period	2.222	2.548	5.765	4.570	4.487	8.518
+ New individual writedowns for the period	4.914	8.915	36.142	9.776	16.423	49.369
- Reversed individual writedowns for the period	9.177	4.276	8.426	14.892	12.152	20.276
= Individual writedowns at the end of the period	78.596	59.872	83.594	123.963	103.483	128.907
Writedowns on groups of loans						
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	-8.606	-17.222	-2.875	-8.606	-17.222
= Writedowns on groups of loans at the end of the period	35.022	46.513	37.897	37.891	49.382	40.766
Loss costs for the period						
Changes to individual writedowns for the period	-4.998	6.896	30.618	-4.944	7.122	32.546
+/- Changes in write-downs on groups of loans for the period	-2.875	-8.606	-17.222	-2.875	-8.606	-17.222
+ Actual losses for the period, where there have previously been Individual writedowns	3.882	798	4.667	5.324	2.143	6.869
+ Actual losses for the period where no individual writedowns were made in previous years.	599	502	1.098	5.432	2.501	6.777
- Addition of previously identified losses for the period	1.305	6.898	7.620	3.020	8.030	10.184
+/- Amortisation costs for the period impairment	4.437	2.161	4.909	4.437	2.161	4.909
= Losses on loans and guarantees	-260	-5.147	16.450	4.354	-2.709	23.695

Losses on loans and guarantees to credit institutions

(Figures in NOK 1,000)	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Individual writedowns						
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
= Individual writedowns at the end of the period	0	144.920	0	0	144.920	0
Writedowns on groups of loans						
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
= Writedowns on groups of loans at the end of the period	0	1.200	0	0	1.200	0
Loss costs for the period						
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
= Losses on loans and guarantees	0	0	-13.630	0	0	-13.630

Defaults and non-performing loans customers

(Figures in NOK 1,000)

	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Gross participations in breach (over 90 days)						
Industry	157.642	123.603	91.103	164.467	133.844	98.524
+ Personal	63.850	94.683	71.254	129.137	161.657	137.630
= Gross defaults	221.492	218.286	162.357	293.604	295.501	236.154
- Individual writedowns	56.786	53.532	58.942	101.113	96.043	102.940
= Net defaults	164.706	164.754	103.415	192.491	199.458	133.214
Non-performing (not defaults on) loans						
Industry	69.049	7.921	109.129	70.911	10.702	111.265
+ Personal	9.387	16.263	9.824	9.872	16.755	10.309
= Gross non-performing loans	78.436	24.184	118.953	80.783	27.457	121.574
- Individual writedowns	21.810	6.340	24.652	22.850	7.440	25.967
= Net non-performing loans	56.626	17.844	94.301	57.933	20.017	95.607
Gross defaults and non-performing loans						
Industry	226.691	131.524	200.232	235.378	144.546	209.789
+ Personal	73.237	110.946	81.078	139.009	178.412	147.939
= Gross defaults and non-performing loans	299.928	242.470	281.310	374.387	322.958	357.728
- Individual writedowns	78.596	59.872	83.594	123.963	103.483	128.907
= Net defaults and non-performing loans	221.332	182.598	197.716	250.424	219.475	228.821

Defaults and non-performing loans credit institutions

(Figures in NOK 1,000)

	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Gross participations in breach (over 90 days)						
Norway	0	0	0	0	0	0
Denmark	0	0	0	0	0	0
Iceland	0	148.749	1.400	0	148.749	1.400
+ Ukraine	0	4.932	0	0	4.932	0
= Gross defaults	0	153.681	1.400	0	153.681	1.400
- Individual writedowns	0	144.920	0	0	144.920	0
= Net defaults	0	8.761	1.400	0	8.761	1.400
Non-performing (not defaults on) loans						
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
= Net non-performing loans	0	0	0	0	0	0
Gross defaults and non-performing loans						
Norway	0	0	0	0	0	0
Denmark	0	0	0	0	0	0
Iceland	0	148.749	1.400	0	148.749	1.400
+ Ukraine	0	4.932	0	0	4.932	0
= Gross defaults and non-performing loans	0	153.681	1.400	0	153.681	1.400
- Individual writedowns	0	144.920	0	0	144.920	0
= Net defaults and non-performing loans	0	8.761	1.400	0	8.761	1.400

Operational segments

Segment reporting is based on the bank's internal reporting format, in which the Parent bank is divided into DinBANK.no, the private and the business markets. In addition there are subsidiaries and a non-reportable segment with items that are not split as in other segments.

(Figures in NOK mill.)

30.06.2011	DinBANK.no	PM	BM	Housing Credit	AS Financiering	Spb Øst Eiendom	Undistribute d	Elimination	Group
Net interest and commission income external	3,1	60,6	97,3	30,0	56,3	0,0	-33,1	0,0	214,2
Net interest and commission income internal	0,0	0,0	2,2	-23,7	-15,6	-2,3	39,4	0,0	0,0
Net interest and commission income	3,1	60,6	99,5	6,3	40,7	-2,3	6,3	0,0	214,2
Total net other income external	1,6	29,0	16,5	0,0	-7,0	6,1	53,5	0,0	99,7
Total net other income internal	0,0	0,0	0,0	-2,8	0,0	4,2	3,1	-4,5	0,0
Total income	4,7	89,6	116,0	3,5	33,7	8,0	62,9	-4,5	313,9
Salaries and general administration costs	1,8	30,0	8,3	0,1	13,1	2,6	55,9	0,0	111,8
Depreciation	0,0	0,0	0,0	0,0	0,8	1,9	3,1	0,0	5,8
Other operational expenses external	0,0	0,3	0,1	2,0	2,8	3,0	20,2	0,0	28,4
Other operational expenses internal	0,0	0,0	0,0	0,2	0,0	0,0	4,3	-4,5	0,0
Total operating costs	1,8	30,3	8,4	2,3	16,7	7,5	83,5	-4,5	146,0
Profit before losses	2,9	59,3	107,6	1,2	17,0	0,5	-20,6	0,0	167,9
Losses on loans, guarantees, etc.	0,0	0,2	-0,1	0,0	4,6	0,0	-0,4	0,0	4,3
Profit before tax	2,9	59,1	107,7	1,2	12,4	0,5	-20,2	0,0	163,6
Tax on ordinary profit	0,0	0,0	0,0	0,3	3,5	0,1	33,4	0,0	37,3
After-tax profit	2,9	59,1	107,7	0,9	8,9	0,4	-53,6	0,0	126,3

30.06.2010	DinBANK.no	PM	BM	Housing Credit	AS Financiering	Spb Øst Eiendom	Undistribute d	Elimination	Group
Net interest and commission income external	4,5	70,6	93,2	29,3	45,0	0,0	-29,1	0,0	213,5
Net interest and commission income internal	0,0	0,0	2,2	-22,5	-9,7	-2,3	32,3	0,0	0,0
Net interest and commission income	4,5	70,6	95,4	6,8	35,3	-2,3	3,2	0,0	213,5
Total net other income external	1,8	30,1	9,7	0,0	-3,7	6,0	121,0	0,1	165,0
Total net other income internal	0,0	0,0	0,0	-3,7	0,0	4,0	3,8	-4,1	0,0
Total income	6,3	100,7	105,1	3,1	31,6	7,7	128,0	-4,0	378,5
Payroll and general administration costs	1,6	32,2	8,5	0,1	10,7	2,4	26,8	0,0	82,3
Depreciation	0,0	0,0	0,0	0,0	0,4	1,8	4,0	0,0	6,2
Other operational expenses external	0,0	0,4	0,1	0,4	2,9	2,1	22,4	0,1	28,4
Other operational expenses internal	0,0	0,0	0,0	0,0	0,0	0,0	4,1	-4,1	0,0
Total operating costs	1,6	32,6	8,6	0,5	14,0	6,3	57,3	-4,0	116,9
Profit before losses	4,7	68,1	96,5	2,6	17,6	1,4	70,7	0,0	261,6
Losses on loans, guarantees, etc.	0,0	0,4	-5,6	0,0	2,4	0,0	0,1	0,0	-2,7
Profit before tax	4,7	67,7	102,1	2,6	15,2	1,4	70,6	0,0	264,3
Tax on ordinary profit	0,0	0,0	0,0	0,7	4,3	0,4	37,2	0,0	42,6
After-tax profit	4,7	67,7	102,1	1,9	10,9	1,0	33,4	0,0	221,7

30.06.2011	DinBANK.no	PM	BM	Housing Credit	AS Financiering	Spb Øst Eiendom	Undistribute d	Elimination	Group
Loans and receivables with customers	1.399,1	7.258,3	6.135,6	4.893,2	1.183,9	0,0	414,8	-212,4	21.072,5
Other assets	1,5	17,3	19,4	43,5	34,0	339,5	8.026,8	-2.908,7	5.573,3
Total assets	1.400,6	7.275,6	6.155,0	4.936,7	1.217,9	339,5	8.441,6	-3.121,1	26.645,8
Deposits from and liabilities to customers	362,9	5.476,8	3.177,2	0,0	37,3	0,0	-601,3	-28,9	8.424,0
Other liabilities	926,2	97,2	129,8	4.771,6	1.063,2	238,2	11.922,8	-2.806,0	16.343,0
Total liabilities per segment	1.289,1	5.574,0	3.307,0	4.771,6	1.100,5	238,2	11.321,5	-2.834,9	24.767,0
Total equity	0,0	0,0	0,0	165,1	117,4	101,3	1.781,2	-286,2	1.878,8
Total liabilities and equity	1.289,1	5.574,0	3.307,0	4.936,7	1.217,9	339,5	13.102,7	-3.121,1	26.645,8

30.06.2010	DinBANK.no	PM	BM	Housing Credit	AS Financiering	Spb Øst Eiendom	Undistribute d	Elimination	Group
Loans and receivables with customers	1.179,1	7.398,5	5.553,6	2.316,2	882,2	0,0	375,8	-131,5	17.573,9
Other assets	1,2	19,9	25,9	152,5	28,5	247,8	8.323,4	-2.769,5	6.029,7
Total assets	1.180,3	7.418,4	5.579,5	2.468,7	910,7	247,8	8.699,2	-2.901,0	23.603,6
Deposits from and liabilities to customers	396,1	3.967,9	2.761,0	0,0	52,0	0,0	150,6	-17,3	7.310,3
Other liabilities	928,7	42,5	106,6	2.303,9	757,4	145,1	12.892,9	-2.597,5	14.579,6
Total liabilities per segment	1.324,8	4.010,4	2.867,6	2.303,9	809,4	145,1	13.043,5	-2.614,8	21.889,9
Total equity	0,0	0,0	0,0	164,8	101,3	102,7	1.631,1	-286,2	1.713,7
Total liabilities and equity	1.324,8	4.010,4	2.867,6	2.468,7	910,7	247,8	14.674,6	-2.901,0	23.603,6

Customer deposits divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Salaried employees	4.657.943	4.443.893	4.311.536	4.672.590	4.453.078	4.319.951
Public administration	187.267	148.829	151.750	187.267	148.829	151.750
Agriculture, forestry, fishing etc	108.922	117.816	116.721	108.922	117.816	116.721
Industry and mining, power and water sup	210.267	186.354	194.494	210.267	186.354	194.571
Construction and civil engineering	333.927	320.054	370.924	336.064	322.367	373.347
Retail, hotel and catering	358.110	359.138	431.394	360.971	363.882	434.210
Transport/communication	125.270	125.323	129.399	125.886	125.704	130.006
Financial service business	1.290.417	513.127	827.611	1.301.739	523.824	838.836
Other service industries	556.099	572.055	528.806	557.563	582.496	539.259
Real estate turnover and operations	584.472	447.731	511.389	559.875	444.691	483.672
Foreign	2.852	41.255	47.853	2.851	41.255	47.853
Total	8.415.546	7.275.575	7.621.877	8.423.995	7.310.296	7.630.176

Gross loans to customers divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Salaried employees	9.891.813	10.171.183	11.393.688	15.880.774	13.312.543	15.168.113
Agriculture, forestry, fishing etc	188.977	178.739	184.192	191.987	179.681	185.099
Industry and mining, power and water sup	143.270	145.187	135.712	150.040	147.786	139.704
Construction and civil engineering	616.286	545.683	563.292	628.237	554.047	572.696
Retail, hotel and catering	524.506	487.628	490.740	566.742	531.758	529.837
Transport/communication	87.889	101.847	91.119	98.762	106.863	96.372
Financial service business	335.397	236.317	254.460	345.222	242.621	261.211
Other service industries	387.182	320.515	326.648	420.045	340.801	350.509
Real estate turnover and operations	3.125.279	2.391.076	2.472.193	2.929.127	2.272.190	2.316.984
Foreign	20.886	35.198	22.312	23.491	38.467	24.442
Total	15.321.485	14.613.373	15.934.356	21.234.427	17.726.757	19.644.967

Debt securities and subordinated debt

(Figures in NOK mill.)

	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Debt securities						
Certificates, nominal value	0	0	0	0	0	0
Bonds, nominal value	9.287,5	9.346,5	9.991,5	12.538,0	10.097,0	11.442,0
Value adjustments (including o/u rate)	6,3	52,5	28,7	5,7	51,1	24,8
Total debt securities	9.293,8	9.399,0	10.020,2	12.543,7	10.148,1	11.466,8

Changes to debt securities Group	30.06.2011	Issued	Matured/red eemed	Changes to exchange rates	31.12.2010
Certificates, nominal value	0	0	0	0	0
Bonds, nominal value	9.287,5	800,0	1.504,0	0	9.991,5
Preferential bonds (OMF), nominal value	3.250,5	1.800,0	0	0	1.450,5
Value adjustments (including o/u rate)	5,7	0	0	0	24,8
Total debt securities	12.543,7	2.600,0	1.504,0	0	11.466,8

Forskjellen mellom morbank og konsern er OMF, pålydende 3.250,5 mill kroner.

Changes to subordinated debt and fund bonds	30.06.2011	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)	-0,8	0	0	0	-0,7
Total subordinated debt and fund bonds	599,2	0	0	0	599,3

Capital adequacy

(Figures in NOK 1,000)

	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	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
Primary equity capital	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	294.694	255.858	296.463
Other tier 1 capital	0	0	0	0	0	0
Deductions in tier 1 capital	-34.888	-63.726	-138.544	-13.681	-42.264	-117.311
50/50-deduction in tier 1 capital	-111.206	-93.635	-126.270	-105.052	-88.399	-120.115
Net tier 1 capital	1.708.629	1.488.681	1.705.330	1.859.574	1.617.154	1.856.306
Fund notes exceeding 15%	26.678	62.557	25.085	4.959	44.046	3.362
Subordinate loan capital	299.563	359.119	299.445	299.563	359.119	299.445
Unrealised gains IFRS	31.015	0	31.015	31.015	0	31.015
50/50-deduction in supplementary capital	-111.206	-93.635	-126.270	-105.052	-88.399	-120.115
Net supplementary capital	246.050	328.041	229.275	230.485	314.766	213.707
Net subordinated capital	1.954.679	1.816.722	1.934.605	2.090.059	1.931.920	2.070.013
Calculation base						
Calculation basis for balance sheet items	10.069.214	10.337.281	9.770.962	12.105.545	11.257.672	11.016.630
Calculation basis for off-balance sheet items	1.203.884	661.037	593.010	620.392	661.037	537.078
Calculation basis for foreign exchange risk	0	0	0	0	0	0
Calculation basis for operational risk	796.891	716.820	716.820	896.942	827.159	827.159
Deductions from the calculation base	-295.340	-234.983	-328.344	-285.902	-227.379	-318.903
Total calculation basis (risk-weighted assets)	11.774.649	11.480.155	10.752.448	13.336.977	12.518.489	12.061.964
Capital adequacy	16,60%	15,82%	17,99%	15,67%	15,43%	17,16%
Tier 1 capital adequacy	14,51%	12,97%	15,86%	13,94%	12,92%	15,39%

Guarantee liabilities and other off Balance Sheet items

(Figures in NOK 1,000)

Guarantee liabilities	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010	Group 30.06.2011	Group 30.06.2010	Group 31.12.2010
Payment guarantees	255.917	176.911	217.350	257.248	178.926	218.681
Contract guarantees	144.796	172.316	185.767	144.796	172.316	185.767
Loan guarantees	42.265	28.556	27.739	42.340	28.631	27.814
Other guarantee liabilities	31.327	32.978	31.561	31.327	32.978	31.561
Total customer guarantees	474.305	410.761	462.417	475.711	412.851	463.823
Guarantee to Eksportfinans ASA	71.798	37.772	59.731	71.798	37.772	59.731
Guarantees to the Norwegian Banks' Guarantee Fund	0	8.280	8.280	0	8.280	8.280
Total guarantee liabilities	546.103	456.813	530.428	547.509	458.903	531.834

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

Pledges and preference

Bonds, nominal value, put up as collateral for access to loans in Norges Bank	2.968.500	3.020.900	2.926.500	2.968.500	3.020.900	2.926.500
Pledges *)	2.968.500	3.020.900	2.926.500	2.968.500	3.020.900	2.926.500
Pledges in swap scheme	938.500	999.500	999.500	938.500	999.500	999.500
Preference in terms of sections 2-35 of the Financi	0	0	0	3.250.500	750.500	1.450.500

*) 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 30.06.2011	Group 30.06.2010	Group 31.12.2010	(Figures in NOK mill.)	Parent bank 30.06.2011	Parent bank 30.06.2010	Parent bank 31.12.2010
Cash and cash equivalents						
767,8	640,8	696,5	Cash and receivables at central banks	767,8	640,8	696,5
920,7	1.066,8	919,5	Treasury bills	920,7	1.066,8	919,5
52,3	8,6	13,7	Loans to and receivables on credit institutions that are clean placements	52,3	8,6	13,7
1.740,8	1.716,2	1.629,7	Total	1.740,8	1.716,2	1.629,7
Changes in assets in connection with operations						
19,1	-4,3	-4,4	Net changes in financial assets held for the purposes of trade	19,1	-4,3	-4,4
-47,2	22,7	-3,4	Net changes in financial derivatives (net assets and liabilities)	-47,2	22,4	-3,4
-287,6	23,8	572,2	Net change in financial assets at fair value as determined by the result.	-287,6	274,3	822,7
21,6	114,4	329,5	Changes in gross loans to credit institutions	-424,9	90,3	487,4
-1.589,4	-953,4	-2.871,6	Changes in gross loans to credit institutions	612,8	-462,1	-1.783,0
6,3	-2,5	0,0	Net changes to other assets	6,7	-0,2	7,5
-1.877,2	-799,3	-1.977,7	Total	-121,1	-79,6	-473,2
Changes in assets in connection with operations						
793,8	13,5	333,4	Changes in customer deposits	793,7	33,5	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
-7,8	1,3	-469,9	Changes in debt to credit institutions	-13,3	95,5	-482,1
66,9	68,5	-18,1	Changes in other liabilities	64,7	70,6	-73,3
852,9	83,3	-154,6	Total	845,1	199,6	-175,6
Non-cash items included in profit before tax						
5,8	6,2	12,6	Writedowns on fixed assets	3,2	4,0	7,9
1,3	1,4	2,9	Amortisation of financial investments held to maturity	1,3	1,4	2,9
-7,8	-1,5	1,7	Writedown of financial assets	-7,9	-1,7	-0,2
2,7	4,5	8,1	Amortisation of financing activities measured at amortised cost	2,3	4,5	7,8
2,0	10,6	25,3	Total	-1,1	8,2	18,4

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.)

	30.06.2011	30.06.2010	31.12.2010
Result			
Interest income from subsidiaries	30,2	21,8	45,1
Interest certificates and preferential bonds from subsidiaries	15,4	13,6	29,4
Interest costs of subsidiaries	0,7	0,9	1,8
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	3,2	3,9	8,9
Rent to subsidiaries	4,0	3,9	7,8
Other costs to subsidiaries	0,2	0,2	0,4
Balance Sheet			
Loans to subsidiaries	1.758,5	1.413,1	1.261,1
Investments OMF in subsidiaries	999,5	999,5	999,5
Accrued interest income (OMF) from subsidiaries	1,5	1,4	1,4
Accrued interest income from subsidiaries	1,0	1,3	1,5
Deposits from subsidiaries	65,3	165,4	74,0
Accrued interest costs of subsidiaries	0,7	0,6	0,0
Other commitments of subsidiaries	8,4	33,4	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 party. 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.)	Parent bank	Group
	30.06.2011	30.06.2011
After-tax profit	110,4	126,3
Profit after tax allocated to equity certificate owners	50,8	58,1
Weighted average of number of outstanding equity certificates	20,7	20,7
Profit per equity certificate	2,45	2,80

Fractional ownership parent bank

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

Equity instruments

Various key figures equity certificates:

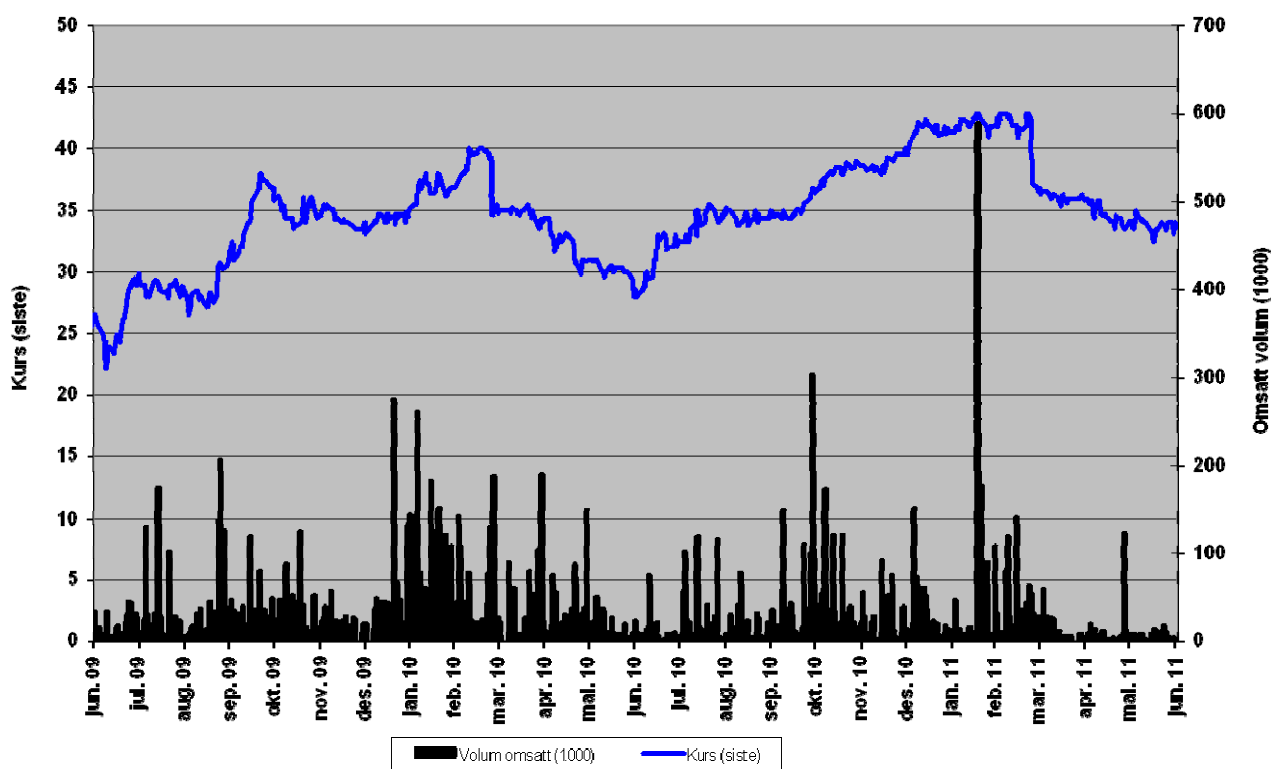
	30.06.2011	2010	2009	2008	2007
Profit per certificate after tax (Group) NOK 1)	5,66	7,22	7,05	-8,05	19,84
Profit per certificate after tax (parent bank) NOK 1)	4,94	6,78	6,42	-8,15	17,95
Fractional ownership 2)	46,04 %	49,05 %	49,63 %	33,39 %	34,87 %
No. of equity certificates (millions)	20,73	20,73	20,73	3,88	3,64
Book equity per certificate NOK 3)	41,95	39,14	35,56	124,47	134,14
Dividend NOK	-	5,00	4,00	-	15,00
Turnover rate (realised/issued)	33,12 %	45,09 %	103,10 %	8,21 %	12,57 %

1) Equity certificates' share of the bank's post-tax profit (part year figures transposed into annual).

2) Equity share capital+equalisation fund+share premium account in % of the parent bank's total equity allocated for annual dividends.

3) Equity share capital (group) divided by number of equity certificates. Results YTD are not included.

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders as at 30.06.2011

Name	Quantity	%	Name	Quantity	%
1 MP Pensjon	2.073.100	10,00 %	11 Teleplan Holding AS	239.665	1,16 %
2 Skagen Vekst VPF.	1.500.000	7,24 %	12 Høibraaten, Claus Jørgen	200.000	0,96 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Hustadliitt AS	200.000	0,96 %
4 Hansen, Asbjørn Rudolf	466.443	2,25 %	14 Terra utbytte VPF	196.649	0,95 %
5 Storetind AS	428.631	2,07 %	15 Julius Johannessen & Sønner AS	175.000	0,84 %
6 Sparebankstiftelsen DnB NOR	308.320	1,49 %	16 Anna AS	162.280	0,78 %
7 Nordea Bank Norge ASA	300.000	1,45 %	17 Andersen, Gunnar	157.262	0,76 %
8 Nordisk Finans Invest AS	297.323	1,43 %	18 Løkke, Helge Arnfinn	148.433	0,72 %
9 AS Andersen Eiendom	249.500	1,20 %	19 Teigen, Hellig	120.400	0,58 %
10 Foretaks konsulenter AS	243.600	1,18 %	20 Profond AS	120.000	0,58 %