

171st year

# QUARTERLY REPORT 2013

Quarterly report 2nd. quarter 2013



Sparebanken Øst

Netto  
utbytte utgjør Tall  
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utlån kvartal  
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Mørbank  
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## Financial Highlights - Group

	30.06.2013	30.06.2012	31.12.2012	31.12.2011
Average equity, excluding dividends (NOK million)	2.139,0	1.909,9	1.960,6	1.814,5
Average total assets (NOK million)	29.834,1	28.349,1	28.698,8	26.502,2
After-tax result as a percentage of average total assets	0,94	0,89	0,91	0,59
Result before losses as a ratio of average total assets	1,32	1,25	1,34	0,86
Net interest ratio	1,78	1,74	1,78	1,66
Costs as a ratio of average total assets	0,96	1,03	1,02	1,09
Costs as a ratio of income excluding returns on financial investments	46,50	50,16	48,48	55,77
Return on equity (%)	13,11	13,21	13,38	8,58
Net loans to customers (NOK million)	24.263,4	22.599,3	22.560,2	22.183,5
Deposits from customers (NOK million)	12.241,6	9.435,8	11.687,9	8.932,7
Deposit-to-loan ratio	50,45	41,75	51,81	40,27
Deposit-to-loan ratio (parent bank)	80,83	66,33	89,42	61,88
Capital adequacy ratio	15,12	14,86	15,68	15,77
Tier 1 capital adequacy ratio	14,34	13,37	14,85	14,23
Actual Tier 1 capital adequacy ratio	12,34	11,35	12,76	12,07
Full-time equivalent positions	228	235	224	252

The key figures for 2012 have been adjusted as a consequence of the implementation of revised IAS 19. The capital adequacy figures have not been adjusted.

## Interim Report Q2 2013 – Sparebanken Øst

- **Strong banking operations**
- **Increased growth rate for PM lending**
- **Sound equity position**
- **Return on equity of 13.1 per cent**

### ACCOUNTING POLICES

The quarterly accounts are prepared in accordance with IFRS (including IAS 34 Interim Financial Reporting). As from 1 January 2013, adjustments have been made to the recognition of pensions, after the introduction of revised IAS 19. Historical figures for 2012 have been adjusted on the basis of revised IAS 19 for the Statement of Income and overall result, Balance Sheet, changes in equity, Cash Flow Statement, Notes and key ratios. In the Directors' report the comparative figures for the previous year have been adjusted. Reference is made to the notes concerning the accounting policies for the implementation consequences of the introduction of revised IAS 19.

### PROFIT

The Group achieved a profit before tax of NOK 189.3 million for the first half of 2013, compared with NOK 171.4 million for the same period last year. The change is due to the increase in net interest and dividend income, as well as reduced expenses. At the same time, income recognition from net value changes and gains/losses on financial investments was reduced.

As a percentage of average total assets, the profit before tax amounts to 1.28 per cent, compared to 1.22 per cent for the same period last year.

The result after tax is a profit of NOK 139.1 million, compared to NOK 125.5 million for the same period last year, giving a return on equity of 13.11 per cent.

The result after tax for the parent company is a profit of NOK 150.3 million for the first half of 2013, compared to NOK 95.2 million for the equivalent period of 2012. The reason that the result of the parent bank exceeds the Group's result for the first half of 2013 is that, for the

parent bank, Group contributions from subsidiaries of NOK 71 million after tax are recognised in Q1 2013. The parent bank has granted an equivalent amount as Group contributions to subsidiaries.

### Net interest income

Net interest and credit commission income amounts to NOK 263.5 million, showing an increase of NOK 18.0 million compared with the same period last year. For Q2 in isolated terms, net interest and credit commission income shows an increase of NOK 10.8 million compared with the same period last year, and an increase of NOK 14.9 million compared with Q1 2013. Net interest in Q2 is less burdened by costs than in Q1, as a consequence of the re-purchase of bank debt. In addition, the guarantee scheme tax is charged at NOK 4.5 million in the first half of 2013. There was no guarantee scheme tax in 2012.

The bank has invested in money market funds as an element of its liquidity management. This is an alternative to direct investment in fixed-income securities. Income from money market funds is recognised as net value changes and gains/losses on financial investments, and is not included in net interest income.

Net interest and credit commission income in the first half of 2013 is equivalent to 1.78 per cent of the average total assets. For comparison, net interest and credit commission income amounted to 1.78 per cent for 2012, but 1.74 per cent at the end of Q2 2012.

### Operating income

The parent bank has recognised NOK 98.7 million before tax as Group contributions received from subsidiaries in Q1 2013. The amount is eliminated at Group level. Dividend

received from other companies amounts to NOK 12.6 million so far in 2013.

Commission income and income from banking services amount to NOK 37.6 million, which is a reduction of NOK 3.3 million compared with the same period last year. The reduction is related to individual commercial customers. Commission income is derived from traditional banking services.

Commission expenses and expenses associated with banking services amount to NOK 19.1 million, which is an increase of NOK 0.7 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.

Net value changes and gains/losses on financial assets give recognised income of NOK 20.0 million for the first half of 2013. Of this amount, recognised income concerning the guarantee to Eksportfinans ASA amounts to NOK 2.1 million, while recognised income otherwise consists of net value changes and realised gains/losses from bonds, shares, money market funds, currency and derivatives. For comparison, recognised income on net value changes and gains/losses on financial assets amounted to NOK 25.3 million in the first half of 2012. Of this amount, recognised income concerning the guarantee to Eksportfinans ASA amounted to NOK 21.5 million.

Other operating income amounts to NOK 23.4 million and shows an increase of NOK 1.3 million compared to the same period last year.

### **Operating costs**

Total operating costs amount to NOK 142.0 million, which corresponds to 0.96 per cent of average total assets. By comparison, total operating costs for the same period last year amounted to NOK 145.5 million, representing 1.03 per cent of the average total assets.

Payroll and general administrative costs amount to NOK 105.4 million in the first half of 2013, compared to NOK 110.8 million for the same period last year. The number of FTEs in the Group at the end of Q2 2013 was 228, compared to 235 at the end of the same period last year. The number of FTEs in the parent bank at the end of Q2 2013 was 197, compared to 206 at the end of the same period last year. As of 31.12.12, the number of FTEs

was 224 for the Group, and 195 for the parent bank.

Depreciation and amortisation amount to NOK 8.7 million in the first half of 2013, compared to NOK 8.2 million in the first half of 2012.

Other operating costs amount to NOK 27.9 million, compared to NOK 26.5 million in the same period last year.

### **Losses on loans and guarantees**

The Group's recorded losses on loans and guarantees amount to NOK 6.7 million at the end of Q2 2013, compared to NOK 5.3 million for the same period last year.

Individual impairment write-downs on loans and guarantees to customers have decreased by NOK 4.6 million from the end of 2012, amounting to NOK 99.8 million at the end of Q2 2013.

Impairment write-downs on groups of loans to customers amount to NOK 43.4 million at the end of Q2 2013, and are unchanged from the end of 2012.

Gross defaults and non-performing exposures amount to NOK 485.7 million, compared to NOK 426.7 million at the turn of the year and NOK 400.6 million at the end of Q2 2012. Net defaults and non-performing exposures amount to NOK 385.9 million, showing an increase of NOK 63.5 million from 31.12.12, and an increase of NOK 84.8 million from the end of Q2 2012. There are no significant new defaults or non-performing exposures in Q2 2013. The increase in defaults and non-performing exposures is distributed on private customers and industrial customers.

### **BALANCE SHEET**

Total assets have increased by NOK 729.4 million since the end of 2012, and amount to NOK 30,367.3 million at the end of Q2 2013.

Cash and receivables at central banks have increased by NOK 126.4 million since the end of 2012 and amount to NOK 829.7 million as at 30.06.13. In the same period, Treasury bills were reduced by NOK 197.6 million, amounting to NOK 297.0 million at the end of Q2 2013.

Net loans to credit institutions have increased by NOK 1.0 million since 31.12.12 and amount

to NOK 5.1 million as at 30.06.13. All new loans to credit institutions are inter-bank loans in Norway.

Net loans to customers amount to NOK 24,263.4 million. Net lending grew by 7.4 per cent over the preceding 12 months. Net loans to customers have increased by NOK 1,703.2 million since the end of 2012. Net lending to private customers increased by 11.3 per cent, while net lending to business customers declined by 6.1 per cent.

Gross lending to private customers accounted for 80.1 per cent of total lending to customers.

Holdings of certificates and bonds (including Treasury bills) have declined by NOK 804.2 million since the end of 2012 and now amount to NOK 3,638.4 million.

The liquidity portfolio, including Treasury bills and money market funds, amounts to a nominal value of NOK 3,866.9 million and a market value of NOK 3,899.5 million.

The weighted average maturity of the liquidity portfolio until the agreed due date is estimated at 2.71 years.

Deposits from customers amount to NOK 12,241.6 million as at 30.06.13 and have increased by NOK 2,805.8 million over the last 12 months, equivalent to 29.7 per cent. Since the beginning of the year, customer deposits have increased by NOK 553.7 million.

Liabilities arising from the issuance of securities amount to NOK 13,659.6 million, showing an increase of NOK 47.6 million since the end of 2012.

So far this year, funding has been via senior bond loans and preferential bonds. The bank is enjoying good access to the Norwegian bond market at prices in line with comparable banks.

Other long-term loan agreements amount to NOK 864.7 million at the end of Q2 2013, showing an increase of NOK 20.2 million since the end of 2012. The Group has no F loans at Norges Bank at the end of Q2 2013.

In 2009, the bank participated in the government exchange scheme for an amount of NOK 915.4 million, and by Q4 of 2012 had redeemed NOK 421.9 million of this amount.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounts to NOK 2,529.1 million.

## LIQUIDITY

The bank has its own framework for liquidity buffers that entail a robust liquidity strategy. This means that the bank must at all times have sufficient liquidity to manage 12 months' normal operations without the injection of new liquidity. The liquidity prognosis for the bank shows adequate liquidity, which is in line with the objective of 12 months' operations.

Sparebanken Øst Boligkreditt AS is an integrated part of the Group's financing structure, which provides opportunities to issue bonds with preferential rights (OMF). This further strengthens the bank's funding situation.

## FINANCIAL RISKS

Credit risk related to loans to customers remained unchanged in Q2 2013. Credit risk is measured by classifying customers according to their ability to service their debt, their solvency and security.

Interest rate risk is held within fixed limits and is limited in that assets and liabilities have variable interest rates, or are swapped to variable interest rate terms.

Currency risk is hedged through the use of forward contracts or basic swaps.

Exposure to equity instruments excluding the bank's subsidiaries and strategic investments is limited.

## CAPITAL ADEQUACY

Net subordinate capital amounts to NOK 2,314.2 million at the end of Q2 2013, of which the Group's net tier 1 capital amounts to NOK 2,194.5 million. With a calculation basis of NOK 15,302.3 million, this represents capital adequacy of 15.12 per cent, of which 14.34 per cent is tier 1 capital adequacy.

In Q4 2012 the bank redeemed a subordinate loan for NOK 100 million, and in April 2013 raised a new subordinate loan for NOK 200 million that replaces an equivalent subordinate loan falling due in May 2013.

Tier 1 capital adequacy amounts to 12.34 per cent. The bank applies the standard method in the Basel II rules to the calculation of the minimum requirement of subordinate capital for credit risk. The calculation related to operational risk is made using the basic method.

Using ICAAP (total capital assessment), the bank's management continuously assesses the equity requirement. The assessments are based on the overall level of risk at Group level and the development therein over a 12-month period (capital plan). Based on planned growth in the bank's total assets and budgeted results, the Board finds the bank's equity level to be satisfactory at the end of Q2 2013. The bank has no current plans for new equity issues. The bank closely monitors any new capital adequacy requirements.

## SUBSIDIARIES

**Sparebanken Øst Boligkreditt AS** is a wholly owned subsidiary of Sparebanken Øst. The company was established on 14 April 2009 with the object of granting or acquiring home mortgage loans, property mortgage loans and loans secured by liens on other registered assets or public loans, and of financing lending activities mainly by issuing preferential bonds. At the end of Q2 2013 the loan to value ratio of the security portfolio is 45.9 per cent. For comparison, the equivalent ratios were 46.4 per cent at the end of Q2 2012 and 45.3 per cent at the end of 2012.

The company's assets total NOK 8,067.2 million as at 30.06.13, and mainly consist of first priority mortgages on homes, which are financed via preferential bonds and drawing rights on the parent company. The company's paid-in equity capital is NOK 450.0 million, of which NOK 266.5 million is share capital and NOK 183.5 million constitutes the share premium reserve. The result after tax is a profit of NOK 38.8 million at the end of Q2 2013, compared to NOK 15.7 million for the same period last year. The company has no employees, but procures services from Sparebanken Øst. Sparebanken Øst Boligkreditt AS was rated AAA by Moody's in Q1 2011.

**AS Financiering** is a wholly owned financing subsidiary of Sparebanken Øst. Its main product is car financing, with the primary emphasis on second-hand cars. The company achieved a profit after tax of NOK 17.8 million at the end of Q2 2013, compared to NOK 13.2

million for the same period last year. The company's assets total NOK 1,637.9 million. At the end of Q2, the company had 26 employees, corresponding to 24 FTEs.

**Sparebanken Øst Eiendom AS'** primary objective is standard property operations, including purchase, sale, rental and development of real estate, as well as the purchase and sale of movable property within various business areas. Operating income amounts to NOK 24.7 million at the end of Q2 2013, compared with NOK 23.6 million for the same period last year. The result after tax is a profit of NOK 3.1 million for the first half of 2013, compared to a profit of NOK 2.6 million for the same period last year. The company has 7 employees and the share capital amounts to NOK 35.1 million.

The primary objective of **Øst Prosjekt AS** is to take over projects and to undertake 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. The result after tax is a loss of NOK 0.1 million in the first half of 2013, compared to a break-even result in the first half of 2012.

## FUTURE PROSPECTS

Net interest and credit commission income is influenced by the climate of competition in the banking market. When competition intensifies, the margins on the bank's loan products are subject to pressure. The bank expects relatively stable funding costs during 2013.

The bank assumes a nominal decrease in costs compared with 2012. Losses on loans to customers cannot be excluded, but are expected to lie within the long-term target figures.

Fluctuations in the market values of the guarantee to Eksportfinans ASA and securities in general cannot be excluded. The company is being sued by investors in Japanese Samurai bonds. As of today, it is not possible to predict the outcome of this action.

## DIVIDEND POLICY

Sparebanken Øst's financial goal for its activities is to achieve results that provide a good and stable return on the bank's equity and create value for equity certificate holders, with competitive returns in the form of

dividends and capital gains on equity certificates.

The profit for the year will be divided between equity certificate holders and primary capital, in accordance with their respective ratios of the bank's equity. Sparebanken Øst will endeavour to pay 50-75 per cent of the profit allocated to the equity certificate holders as dividend. In a normal year, around 10 per cent will be allocated for donation purposes.

On determining the dividend and donations, allowance will be made for 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 rate from profits in a particular year, efforts will nevertheless be made to pay a competitive dividend by transferring the necessary funds from the equalisation reserve.

Hokksund, 30 June 2013  
Drammen, 11 July 2013

Jorund Rønning Indrelid  
Chairman

Knut Smedsrud  
Vice Chairman

Morten André Yttreide

Roar Norheim Larsen

Sverre Nedberg

Elly Therese Thoresen

Hanne Solem

Inger Helen Pettersen  
Employee representative

Pål Strand  
CEO

## Statement of Income

Group 30.06.2013	Group 30.06.2012	Group 2012	(Figures in NOK million)	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 2012
617,0	631,7	1.254,6	Interest income and similar income	437,1	472,1	919,6
353,5	386,2	745,1	Interest expenses and similar expenses	286,1	301,0	584,3
263,5	245,5	509,5	<b>Net interest and credit commission income</b>	151,0	171,1	335,3
12,6	6,8	11,4	Dividends and other income from securities with variable yields	111,2	6,8	59,4
37,6	40,9	86,1	Commission income and income from banking services	42,6	45,4	95,4
19,1	18,4	38,3	Commission costs and costs of banking services	6,5	6,6	13,6
20,0	25,3	62,3	Net value changes and gains/losses on financial investments	19,7	26,9	66,3
23,4	22,1	46,7	Other operating income	3,4	3,3	7,4
76,8	80,4	163,6	Salaries, etc.	64,6	68,9	138,9
28,6	30,4	61,6	Administration costs	24,6	26,1	53,0
8,7	8,2	16,7	Depreciation/write-downs and value changes to non-financial assets	3,1	2,7	5,4
27,9	26,5	50,9	Other operating costs	22,8	22,4	42,9
196,0	176,7	384,9	<b>PROFIT BEFORE LOSSES</b>	206,3	126,8	310,0
6,7	5,3	25,3	Losses on loans and guarantees	1,5	-2,8	7,3
189,3	171,4	359,6	<b>PRE-TAX PROFIT</b>	204,8	129,6	302,7
50,2	45,9	97,3	Tax costs	54,5	34,4	71,4
139,1	125,5	262,3	<b>INTERIM RESULT</b>	150,3	95,2	231,3
2,90	2,72	5,69	Profit per equity certificate	3,14	2,07	5,02
2,90	2,72	5,69	Diluted profit per equity certificate	3,14	2,07	5,02

## Total profit/loss

Group 30.06.2013	Group 30.06.2012	Group 2012	(Figures in NOK million)	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 2012
139,1	125,5	262,3	<b>INTERIM RESULT</b>	150,3	95,2	231,3
			<b>Items that will not be reclassified to the Statement of Income</b>			
0,0	0,0	29,9	Actuarial gains and losses on performance plans	0,0	0,0	26,7
0,0	0,0	-8,4	Tax effect of actuarial gains and losses on performance plans	0,0	0,0	-7,5
			<b>Items that may later be reclassified to the Statement of Income</b>			
-5,1	0,0	5,3	Changes in fair value of investments available for sale	-5,1	0,0	5,3
134,0	125,5	289,1	<b>TOTAL PROFIT/LOSS</b>	145,2	95,2	255,8

## Balance Sheet

Group 30.06.2013	Group 30.06.2012	Group 2012	(Figures in NOK million)	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 2012
829,7	563,7	703,3	Cash and receivables at central banks	829,7	563,7	703,3
5,1	10,9	4,1	Loans to and receivables from credit institutions	2.013,4	2.024,2	2.915,2
24.406,6	22.742,3	22.708,0	Loans to and receivables from customers	15.219,7	14.316,6	13.142,6
99,8	99,6	104,4	- Individual write-downs	44,2	51,0	50,3
43,4	43,4	43,4	- Write-downs on groups of loans	40,1	40,1	40,1
3.638,4	4.170,6	4.442,6	Certificates, bonds and other fixed-income securities	4.819,1	5.109,1	5.423,8
733,4	580,1	981,9	Shares, units and other variable-yield securities	733,4	580,1	981,9
194,1	151,9	235,9	Financial derivatives	135,5	114,9	184,8
0,0	0,0	0,0	Ownership interests in Group companies	687,2	376,3	616,2
0,0	7,5	0,0	Deferred tax assets	10,6	40,9	10,6
450,3	465,1	457,1	Investment properties	0,0	0,0	0,0
123,3	119,5	122,4	Fixed capital assets	68,5	62,6	67,6
41,7	36,4	41,7	Other assets	14,2	13,0	25,2
87,9	87,9	88,7	Prepayments for non-accrued costs and accrued income not receive	71,9	69,9	74,6
30.367,3	28.792,9	29.637,9	<b>TOTAL ASSETS</b>	24.518,9	23.180,2	24.055,4
864,7	861,3	844,5	Liabilities to credit institutions	991,6	906,9	940,8
12.241,6	9.435,8	11.687,9	Deposits from and liabilities to customers	12.233,9	9.435,3	11.670,7
493,5	915,4	493,5	Liabilities to the government, exchange of OMF preferential bonds	493,5	915,4	493,5
33,8	39,7	51,7	Financial derivatives	33,8	39,7	51,7
13.659,6	14.601,3	13.612,0	Liabilities incurred on the issue of securities	7.944,3	9.168,4	8.204,6
153,3	138,8	152,0	Other liabilities	100,9	113,6	112,0
160,3	177,7	107,8	Accruals and deferred income	137,1	148,8	81,3
26,0	53,8	26,0	Provisions for accrued costs and liabilities	22,7	42,9	22,6
21,7	0,0	21,4	Deferred tax liability	0,0	0,0	0,0
505,3	599,9	508,4	Subordinate loan capital	505,3	599,9	508,4
28.159,8	26.823,7	27.505,2	<b>Total liabilities</b>	22.463,1	21.370,9	22.085,6
595,1	595,1	595,1	Invested equity	595,1	595,1	595,1
1.473,3	1.248,6	1.537,6	Accrued equity	1.310,4	1.119,0	1.374,7
139,1	125,5	0,0	Non-appropriated profit	150,3	95,2	0,0
2.207,5	1.969,2	2.132,7	<b>Total equity</b>	2.055,8	1.809,3	1.969,8
30.367,3	28.792,9	29.637,9	<b>TOTAL LIABILITIES AND EQUITY</b>	24.518,9	23.180,2	24.055,4



## Changes in equity - Group

(Figures in NOK million)

	Total equity	Equity share certificates	Share premium reserve	Equalisation reserve	Primary capital	Endowment fund	Available for sale reserve	Other equity	Non-appropriated profit/loss
<b>Q2 2013</b>									
Reported equity as at 31/12/2012	2.132,7	207,3	387,8	260,7	1.012,7	27,4	73,9	162,9	0,0
Total profit/loss items	139,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	139,1
Changes in fair value for investments TFS	-5,1	0,0	0,0	0,0	0,0	0,0	-5,1	0,0	0,0
Total profit/loss	134,0	0,0	0,0	0,0	0,0	0,0	-5,1	0,0	139,1
Dividend 2012 finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0	0,0
Change in the endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0	0,0
<b>Equity as at 30/06/2013</b>	<b>2.207,5</b>	<b>207,3</b>	<b>387,8</b>	<b>198,5</b>	<b>1.012,7</b>	<b>30,4</b>	<b>68,8</b>	<b>162,9</b>	<b>139,1</b>

	Total equity	Equity share certificates	Share premium reserve	Equalisation reserve	Primary capital	Endowment fund	Available for sale reserve	Other equity	Non-appropriated profit/loss
<b>Q2 2012</b>									
Reported equity as at 31/12/2011	1.907,9	207,3	387,8	195,8	887,4	29,4	68,6	131,6	0,0
Adjustment as at 31/12/2011 on the introduction of IAS 19R	-15,8	0,0	0,0	-6,0	-7,8	0,0	0,0	-2,0	0,0
Adjusted equity 01/01/2012 in accordance with IAS 19R	1.892,1	207,3	387,8	189,8	879,6	29,4	68,6	129,6	0,0
Profit as at 30/06/2012 adjusted in accordance with IAS 19R	125,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	125,5
Total profit/loss items	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total profit/loss	125,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	125,5
Dividend 2011 finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	0,0	0,0
Distribution from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	0,0	0,0
<b>Equity as at 30/06/2012, adjusted</b>	<b>1.969,2</b>	<b>207,3</b>	<b>387,8</b>	<b>148,3</b>	<b>879,6</b>	<b>22,4</b>	<b>68,6</b>	<b>129,6</b>	<b>125,5</b>

	Total equity	Equity share certificates	Share premium reserve	Equalisation reserve	Primary capital	Endowment fund	Available for sale reserve	Other equity	
<b>2012</b>									
Reported equity as at 31/12/2011	1.907,9	207,3	387,8	195,8	887,4	29,4	68,6	131,6	
Adjustment as at 31/12/2011 on the introduction of IAS 19R	-15,8	0,0	0,0	-6,0	-7,8	0,0	0,0	-2,0	
Adjusted equity 01/01/2012 in accordance with IAS 19R	1.892,1	207,3	387,8	189,8	879,6	29,4	68,6	129,6	
Profit for 2012 adjusted in accordance with IAS 19R	262,3	0,0	0,0	104,1	122,2	5,0	0,0	31,0	
Changes in fair value for investments TFS	5,3	0,0	0,0	0,0	0,0	0,0	5,3	0,0	
Actuarial gains and losses on performance plans	21,5	0,0	0,0	8,3	10,9	0,0	0,0	2,3	
Profit for 2012 adjusted in accordance with IAS 19R	289,1	0,0	0,0	112,4	133,1	5,0	5,3	33,3	
Dividend 2011 finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	0,0	
Distribution from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	0,0	
<b>Equity as at 31/12/2012, adjusted</b>	<b>2.132,7</b>	<b>207,3</b>	<b>387,8</b>	<b>260,7</b>	<b>1.012,7</b>	<b>27,4</b>	<b>73,9</b>	<b>162,9</b>	

## Changes in equity - parent bank

(Figures in NOK million)

	Total equity	Equity share certificates	Share premium reserve	Equalisation reserve	Primary capital	Endowment fund	Available for sale reserve	Non-appropriated profit/loss
<b>Q2 2013</b>								
Reported equity as at 31/12/2012	1.969,8	207,3	387,8	260,7	1.012,7	27,4	73,9	0,0
Total profit/loss items	150,3	0,0	0,0	0,0	0,0	0,0	0,0	150,3
Changes in fair value for investments TFS	-5,1	0,0	0,0	0,0	0,0	0,0	-5,1	0,0
Total profit/loss	145,2	0,0	0,0	0,0	0,0	0,0	-5,1	150,3
Dividend 2012 finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes in the endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0
<b>Equity as at 30/06/2013</b>	<b>2.055,8</b>	<b>207,3</b>	<b>387,8</b>	<b>198,5</b>	<b>1.012,7</b>	<b>30,4</b>	<b>68,8</b>	<b>150,3</b>

	Total equity	Equity share certificates	Share premium reserve	Equalisation reserve	Primary capital	Endowment fund	Available for sale reserve	Non-appropriated profit/loss
<b>Q2 2012</b>								
Reported equity as at 31/12/2011	1.776,3	207,3	387,8	195,8	887,4	29,4	68,6	0,0
Adjustment as at 31/12/2011 on the introduction of IAS 19R	-13,8	0,0	0,0	-6,0	-7,8	0,0	0,0	0,0
Adjusted equity 01/01/2012 in accordance with IAS 19R	1.762,5	207,3	387,8	189,8	879,6	29,4	68,6	0,0
Profit as at 30/06/2012 adjusted in accordance with IAS 19R	95,2	0,0	0,0	0,0	0,0	0,0	0,0	95,2
Total profit/loss items	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total profit/loss	95,2	0,0	0,0	0,0	0,0	0,0	0,0	95,2
Dividend 2011 finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	0,0
Distribution from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	0,0
<b>Equity as at 30/06/2012, adjusted</b>	<b>1.809,3</b>	<b>207,3</b>	<b>387,8</b>	<b>148,3</b>	<b>879,6</b>	<b>22,4</b>	<b>68,6</b>	<b>95,2</b>

	Total equity	Equity share certificates	Share premium reserve	Equalisation reserve	Primary capital	Endowment fund	Available for sale reserve	
<b>2012</b>								
Reported equity as at 31/12/2011	1.776,3	207,3	387,8	195,8	887,4	29,4	68,6	
Adjustment as at 31/12/2011 on the introduction of IAS 19R	-13,8	0,0	0,0	-6,0	-7,8	0,0	0,0	
Adjusted equity 01/01/2012 in accordance with IAS 19R	1.762,5	207,3	387,8	189,8	879,6	29,4	68,6	
Profit for 2012 adjusted in accordance with IAS 19R	231,3	0,0	0,0	104,1	122,2	5,0	0,0	
Changes in fair value for investments TFS	5,3	0,0	0,0	0,0	0,0	0,0	5,3	
Actuarial gains and losses on performance plans	19,2	0,0	0,0	8,3	10,9	0,0	0,0	
Profit for 2012 adjusted in accordance with IAS 19R	255,8	0,0	0,0	112,4	133,1	5,0	5,3	
Dividend 2011 finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	
Distribution from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	
<b>Equity as at 31/12/2012, adjusted</b>	<b>1.969,8</b>	<b>207,3</b>	<b>387,8</b>	<b>260,7</b>	<b>1.012,7</b>	<b>27,4</b>	<b>73,9</b>	

# Cash Flow Statement

Group 30.06.2013	Group 30.06.2012	Group 31.12.2012	(Figures in NOK million)	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012
			<b>Operating activities</b>			
189,3	171,4	359,6	Profit before tax	204,8	129,6	302,7
			Adjusted for:			
-866,4	-661,5	-1.547,9	Changes in assets in connection with operations	-528,7	132,8	-565,2
641,8	551,7	2.708,0	Changes in liabilities in connection with operations	639,9	587,0	2.785,9
10,3	11,3	27,8	Non-cash items included in profit before tax	2,5	2,1	6,5
-2,1	-1,5	-7,8	Net gains from investment activities	-0,1	0,0	-0,2
-80,1	-56,6	-56,7	Taxes paid for the period	-51,7	-48,5	-48,6
-107,2	14,8	1.483,0	<b>Net cash flow from operating activities</b>	<b>A</b>	266,7	803,0
			<b>Investment activities</b>			
-7,2	-34,8	-70,4	Purchase of fixed assets	-4,0	-2,7	-10,4
6,5	34,1	72,6	Proceeds from sale of fixed assets	0,1	0,0	0,2
50,0	0,0	-7,7	Net proceeds/expenses from sale/purchase of financial investments	-21,0	-0,1	-247,7
49,3	-0,7	-5,5	<b>Net cash flow from investment activities</b>	<b>B</b>	-24,9	-257,9
			<b>Financing activities</b>			
0,0	-1.050,0	-1.471,9	Net incoming/outgoing for loans to/from credit institutions and debt to the central government	0,0	-1.050,0	-1.471,9
-1.684,1	-1.100,0	-2.532,7	Payments for repayment of securities	-1.684,1	-1.040,0	-2.431,8
1.732,2	1.781,8	2.083,7	Proceeds from securities issued	1.432,5	937,2	1.238,7
0,0	0,0	0,0	Proceeds from equity certificates issued	0,0	0,0	0,0
-62,2	-41,5	-41,5	Payment of dividend	-62,2	-41,5	-41,5
-14,1	-409,7	-1.962,4	<b>Net cash flow from financing activities</b>	<b>C</b>	-313,8	-1.194,3
-72,0	-395,6	-484,9	Net change in cash and cash equivalents	<b>A+B+C</b>	-72,0	-394,1
1.203,8	1.688,7	1.688,7	Cash and cash equivalents as at 01.01.	1.203,6	1.686,9	1.686,9
<b>1.131,8</b>	<b>1.293,1</b>	<b>1.203,8</b>	<b>Reserves of cash and cash equivalent reserves as at 30.6</b>	<b>1.131,6</b>	<b>1.292,8</b>	<b>1.203,6</b>

Liquidity reserves include cash and deposits with central banks, Treasury bills and loans to and deposits with credit institutions relating to placements.

## Interim result - parent bank

(Figures in NOK million)

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Interest income and similar income	223,1	214,0	218,3	229,2	228,0
Interest expenses and similar expenses	141,7	144,4	139,1	144,2	142,1
<b>Net interest and credit commission income</b>	<b>81,4</b>	<b>69,6</b>	<b>79,2</b>	<b>85,0</b>	<b>85,9</b>
Dividends and other income from securities with variable yields	12,5	98,7	52,4	0,2	6,7
Commission income and income from banking services	22,4	20,2	23,5	26,5	23,3
Commission costs and costs of banking services	3,3	3,2	3,4	3,6	3,3
Net value changes and gains/losses on financial investments	7,2	12,5	9,3	30,1	0,2
Other operating income	1,8	1,6	1,7	2,4	1,6
Salaries, etc.	29,0	35,6	34,2	35,8	32,0
Administration costs	12,4	12,2	13,8	13,1	13,0
Depreciation/write-downs and value changes to non-financial assets	1,6	1,5	1,4	1,3	1,3
Other operating costs	10,4	12,4	10,6	9,9	10,9
<b>PROFIT BEFORE LOSSES</b>	<b>68,6</b>	<b>137,7</b>	<b>102,7</b>	<b>80,5</b>	<b>57,2</b>
Losses on loans and guarantees	3,5	-2,0	5,9	4,2	3,7
<b>PRE-TAX PROFIT</b>	<b>65,1</b>	<b>139,7</b>	<b>96,8</b>	<b>76,3</b>	<b>53,5</b>
Tax cost (calculated at interim accounts)	15,9	38,6	15,0	22,0	13,8
<b>INTERIM RESULT</b>	<b>49,2</b>	<b>101,1</b>	<b>81,8</b>	<b>54,3</b>	<b>39,7</b>
Profit per equity certificate (per quarter)	1,03	2,11	1,78	1,18	0,86
Diluted profit per equity certificate (per quarter)	1,03	2,11	1,78	1,18	0,86

## Total profit/loss

<b>INTERIM RESULT</b>	<b>49,2</b>	<b>101,1</b>	<b>81,8</b>	<b>54,3</b>	<b>39,7</b>
<b>Items that will not be reclassified to the Statement of Income</b>					
Actuarial gains and losses on performance plans	0,0	0,0	26,7	0,0	0,0
Tax effect of actuarial gains and losses on performance plans	0,0	0,0	-7,5	0,0	0,0
<b>Items that may later be reclassified to the Statement of Income</b>					
Changes in fair value of investments available for sale	-5,1	0,0	5,3	0,0	0,0
<b>TOTAL PROFIT/LOSS</b>	<b>44,1</b>	<b>101,1</b>	<b>106,3</b>	<b>54,3</b>	<b>39,7</b>

## Interim result - Group

(Figures in NOK million)

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Interest income and similar income	314,6	302,4	307,9	315,0	312,0
Interest expenses and similar expenses	175,4	178,1	174,8	184,1	183,6
<b>Net interest and credit commission income</b>	<b>139,2</b>	<b>124,3</b>	<b>133,1</b>	<b>130,9</b>	<b>128,4</b>
Dividends and other income from securities with variable yields	12,6	0,0	4,4	0,2	6,7
Commission income and income from banking services	19,9	17,7	21,0	24,2	21,0
Commission costs and costs of banking services	9,7	9,4	9,9	10,0	9,4
Net value changes and gains/losses on financial investments	7,5	12,5	7,1	29,9	0,4
Other operating income	13,0	10,4	14,9	9,7	11,8
Salaries, etc.	33,6	43,2	40,2	43,0	36,5
Administration costs	14,2	14,4	16,0	15,2	15,1
Depreciation/write-downs and value changes to non-financial assets	4,4	4,3	4,4	4,1	4,1
Other operating costs	13,2	14,7	13,6	10,8	12,5
<b>PROFIT BEFORE LOSSES</b>	<b>117,1</b>	<b>78,9</b>	<b>96,4</b>	<b>111,8</b>	<b>90,7</b>
Losses on loans and guarantees	6,9	-0,2	12,3	7,7	8,1
<b>PRE-TAX PROFIT</b>	<b>110,2</b>	<b>79,1</b>	<b>84,1</b>	<b>104,1</b>	<b>82,6</b>
Tax cost (calculated at interim accounts)	28,6	21,6	21,6	29,8	21,9
<b>INTERIM RESULT</b>	<b>81,6</b>	<b>57,5</b>	<b>62,5</b>	<b>74,3</b>	<b>60,7</b>
Profit per equity certificate (per quarter)	1,70	1,20	1,36	1,61	1,32
Diluted profit per equity certificate (per quarter)	1,70	1,20	1,36	1,61	1,32

## Total profit/loss

<b>INTERIM RESULT</b>	<b>81,6</b>	<b>57,5</b>	<b>62,5</b>	<b>74,3</b>	<b>60,7</b>
<b>Items that will not be reclassified to the Statement of Income</b>					
Actuarial gains and losses on performance plans	0,0	0,0	29,9	0,0	0,0
Tax effect of actuarial gains and losses on performance plans	0,0	0,0	-8,4	0,0	0,0
<b>Items that may later be reclassified to the Statement of Income</b>					
Changes in fair value of investments available for sale	-5,1	0,0	5,3	0,0	0,0
<b>TOTAL PROFIT/LOSS</b>	<b>76,5</b>	<b>57,5</b>	<b>89,3</b>	<b>74,3</b>	<b>60,7</b>

## Accounting Policies

The quarterly accounts for the Group and the parent company have been prepared in accordance with IFRS (including IAS 34 Interim Financial Reporting).

A description of the accounting policies applied to the presentation of the financial statements is presented in the Annual Report for 2012.

The accounting policies and calculation methods are generally unchanged from the 2012 financial statements.

The financial statements are presented in Norwegian kroner, which is also the Group's functional currency. Interim financial statements are not audited.

### IAS 1 Presentation of financial statements

As from Q1 2013, items presented under other income and expenses in the Statement of Income are grouped in two categories: items that may be reclassified to Statement of Income at a later future time, and items that will not be reclassified.

### Revised IAS 19 Payments to employees

As from 1 January 2013, the Group has applied the revised IAS 19. According to the revised IAS 19, the corridor method is no longer permitted. The lapse of the corridor method entails that actuarial gains and losses must be recognised in other income and expenses in the Statement of Income for the period in which they arise. The changes in IAS 19 also affect et pension costs in the result from ordinary operations since the expected yield on pension funds must be calculated at the same interest rate as used to discount the pension obligation. The changes entail that the opening balance sheet and comparative figures for 2012 have been adjusted (retrospective use). The effects of the implementation and conversion of comparative figures for 2012 and the first half of 2012 are presented in the table below for the Group. For Q1 2012, reference is made to the interim report for Q1 2013. The effects of the conversion of the parent bank do not deviate substantially from the Group, and are not presented.

As of 01/01/12, non-amortised estimated deviations amounted to NOK 22.0 million, and the pension obligation as of 01/01/12 increases by this amount in the adjusted figures. Equity is reduced equivalently by NOK 15.8 million, and the deferred tax assets are increased by NOK 6.2 million.

As of 31/12/12, non-amortised estimated deviations amounted to NOK -5.4 million, and the pension obligation as of 31/12/12 is reduced by this amount in the adjusted figures. Equity is increased equivalently by NOK 3.9 million, and the deferred tax obligation is increased by NOK 1.5 million.

### Result for the Group

(Figures in NOK million)

	Reported	Change	Adjusted	Reported	Change	Adjusted
	30.06.2012		30.06.2012	2012		2012
<b>Net interest and credit commission income</b>	<b>245,5</b>		<b>245,5</b>	<b>509,5</b>		<b>509,5</b>
Salaries, etc.	79,2	1,2	80,4	161,1	2,5	163,6
<b>PROFIT BEFORE LOSSES</b>	<b>177,9</b>	<b>-1,2</b>	<b>176,7</b>	<b>387,4</b>	<b>-2,5</b>	<b>384,9</b>
Losses on loans and guarantees	5,3		5,3	25,3		25,3
<b>PRE-TAX PROFIT</b>	<b>172,6</b>	<b>-1,2</b>	<b>171,4</b>	<b>362,1</b>	<b>-2,5</b>	<b>359,6</b>
Tax cost (calculated at interim accounts)	46,3	-0,4	45,9	98,0	-0,7	97,3
<b>INTERIM RESULT</b>	<b>126,3</b>	<b>-0,8</b>	<b>125,5</b>	<b>264,1</b>	<b>-1,8</b>	<b>262,3</b>

### Total profit/loss

<b>INTERIM RESULT</b>	<b>126,3</b>		<b>125,5</b>	<b>264,1</b>		<b>262,3</b>
Actuarial gains and losses on performance plans	0,0		0,0	0,0	29,9	29,9
Tax effect of actuarial gains and losses on performance plans	0,0		0,0	0,0	-8,4	-8,4
Changes in fair value of investments available for sale	0,0		0,0	5,3		5,3
<b>TOTAL PROFIT/LOSS</b>	<b>126,3</b>		<b>125,5</b>	<b>269,4</b>	<b>21,5</b>	<b>289,1</b>

### Balance Sheet, Group

(Figures in NOK million)

	Reported	Change	Adjusted	Reported	Change	Adjusted
	30.06.12		30.06.12	31.12.12		31.12.12
Deferred tax assets	0,9	6,6	7,5	0,0		0,0
<b>TOTAL ASSETS</b>	<b>28.786,3</b>	<b>6,6</b>	<b>28.792,9</b>	<b>29.637,9</b>	<b>0,0</b>	<b>29.637,9</b>
Provisions for accrued costs and liabilities	30,6	23,2	53,8	31,4	-5,4	26,0
Deferred tax liability	0,0		0,0	19,9	1,5	21,4
<b>Total liabilities</b>	<b>26.800,5</b>	<b>23,2</b>	<b>26.823,7</b>	<b>27.509,1</b>	<b>-3,9</b>	<b>27.505,2</b>
Accrued equity	1.264,4	-15,8	1.248,6	1.533,7	3,9	1.537,6
Non-appropriated profit	126,3	-0,8	125,5	0,0		0,0
<b>Total equity</b>	<b>1.985,8</b>	<b>-16,6</b>	<b>1.969,2</b>	<b>2.128,8</b>	<b>3,9</b>	<b>2.132,7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28.786,3</b>	<b>6,6</b>	<b>28.792,9</b>	<b>29.637,9</b>	<b>0,0</b>	<b>29.637,9</b>

### Classification of Treasury bills

As from Q2 2013, Treasury bills are classified in the item "Certificates, bonds and other fixed-income securities with fixed yields" in the Balance Sheet.

Historical figures are adjusted equivalently. As before, returns on Treasury bills are included in interest income in the Statement of Income.

## Losses on loans and guarantees

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
<b>Individual write-downs</b>						
Individual write-downs as at 01.01.	51.334	55.078	55.078	105.383	100.672	100.672
- Actual losses for the period, where there have previously been individual write-downs	1.956	104	4.816	3.664	1.668	8.035
+ Increased individual write-downs for the period	209	2.833	7.290	3.364	5.524	11.164
+ New individual write-downs for the period	689	184	5.031	9.899	8.692	21.555
- Reversed individual write-downs for the period	5.004	6.462	11.249	14.173	13.162	19.973
= <b>Individual write-downs at the end of the period *)</b>	<b>45.272</b>	<b>51.529</b>	<b>51.334</b>	<b>100.809</b>	<b>100.058</b>	<b>105.383</b>
<b>Write-downs on groups of loans</b>						
Write-downs on groups of loans as at 01.01.	40.055	40.055	40.055	43.424	43.424	43.424
+/- Changes in write-downs on groups of loans for the period	0	0	0	0	0	0
= <b>Write-downs on groups of loans at the end of the period</b>	<b>40.055</b>	<b>40.055</b>	<b>40.055</b>	<b>43.424</b>	<b>43.424</b>	<b>43.424</b>
<b>Cost of losses for the period</b>						
Changes in individual write-downs for the period	-6.062	-3.549	-3.744	-4.574	-614	4.711
+/- Changes in write-downs on groups of loans for the period	0	0	0	0	0	0
+ Actual losses for the period, where there have previously been individual write-downs	3.023	1.491	9.608	4.730	3.056	12.827
+ Actual losses for the period where no individual write-downs were made in previous years.	535	3.601	4.277	5.367	8.530	13.489
- Received on previously identified losses for the period	1.078	7.291	10.264	3.915	8.635	13.136
+/- Write-downs on amortisation costs for the period	5.049	2.950	6.030	5.049	2.950	6.030
= <b>Losses on loans and guarantees - customers</b>	<b>1.467</b>	<b>-2.798</b>	<b>5.907</b>	<b>6.657</b>	<b>5.287</b>	<b>23.921</b>
+ Actual losses for the period where no individual write-downs have previously been made - credit instit	0	0	1.399	0	0	1.399
= <b>Losses on loans and guarantees - credit institutions</b>	<b>0</b>	<b>0</b>	<b>1.399</b>	<b>0</b>	<b>0</b>	<b>1.399</b>
= <b>Losses on loans and guarantees</b>	<b>1.467</b>	<b>-2.798</b>	<b>7.306</b>	<b>6.657</b>	<b>5.287</b>	<b>25.320</b>

\*) Individual write-downs on guarantee commitments of TNOK 1,031 as at 30/06/13 and 31/12/12 and TNOK 500 as at 30/06/12 are stated in the Balance Sheet as liabilities under "Provisions for accrued costs and liabilities".

## Defaults and non-performing loans - customers

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
<b>Gross defaulted loans (over 90 days)</b>						
Industry	200.717	129.096	160.184	208.095	136.556	166.016
+ Private	125.652	112.803	105.648	203.813	187.042	183.813
= <b>Gross defaulted loans</b>	<b>326.369</b>	<b>241.899</b>	<b>265.832</b>	<b>411.908</b>	<b>323.598</b>	<b>349.829</b>
- Individual write-downs	24.638	30.134	29.163	79.835	78.363	82.722
= <b>Net defaulted loans</b>	<b>301.731</b>	<b>211.765</b>	<b>236.669</b>	<b>332.073</b>	<b>245.235</b>	<b>267.107</b>
<b>Non-performing (not defaulted) loans</b>						
Industry	67.508	70.961	70.136	67.975	71.718	71.080
+ Private	5.189	5.243	5.225	5.774	5.298	5.825
= <b>Gross non-performing loans</b>	<b>72.697</b>	<b>76.204</b>	<b>75.361</b>	<b>73.749</b>	<b>77.016</b>	<b>76.905</b>
- Individual write-downs	19.603	20.895	21.139	19.943	21.195	21.629
= <b>Net non-performing loans</b>	<b>53.094</b>	<b>55.309</b>	<b>54.222</b>	<b>53.806</b>	<b>55.821</b>	<b>55.276</b>
<b>Gross defaults and non-performing loans</b>						
Industry	268.225	200.057	230.320	276.070	208.274	237.096
+ Private	130.841	118.046	110.873	209.587	192.340	189.638
= <b>Gross defaults and non-performing loans</b>	<b>399.066</b>	<b>318.103</b>	<b>341.193</b>	<b>485.657</b>	<b>400.614</b>	<b>426.734</b>
- Individual write-downs	44.241	51.029	50.302	99.778	99.558	104.351
= <b>Net defaults and non-performing loans</b>	<b>354.825</b>	<b>267.074</b>	<b>290.891</b>	<b>385.879</b>	<b>301.056</b>	<b>322.383</b>

## Operational segments

Segment reporting is based on the bank's internal reporting format, in which the parent bank and the mortgage credit company are split into the private and business markets, and finance. In addition there are the other subsidiaries, and a non-reportable segment with items that are not distributed on other segments.

(Figures in NOK million)

30.06.2013	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Net interest and commission income, external	218,2	144,0	50,0	76,4	-0,5	-224,6	0,0	263,5
Net interest and commission income, internal	-91,0	-38,1	-78,8	-17,5	-7,8	233,2	0,0	0,0
<b>Net interest and commission income</b>	<b>127,2</b>	<b>105,9</b>	<b>-28,8</b>	<b>58,9</b>	<b>-8,3</b>	<b>8,6</b>	<b>0,0</b>	<b>263,5</b>
Total net other income, external	27,0	7,5	13,3	-11,9	20,8	17,8	0,0	74,5
Total net other income, internal	0,0	0,0	0,0	0,0	3,9	99,1	-103,0	0,0
<b>Total income</b>	<b>154,2</b>	<b>113,4</b>	<b>-15,5</b>	<b>47,0</b>	<b>16,4</b>	<b>125,5</b>	<b>-103,0</b>	<b>338,0</b>
Payroll and general administration costs	29,0	10,1	0,0	12,9	3,1	50,3	0,0	105,4
Depreciation	0,0	0,0	0,0	1,1	4,5	3,1	0,0	8,7
Other operating costs, external	0,6	0,1	0,0	2,8	4,3	20,1	0,0	27,9
Other operating costs, internal	0,0	0,0	0,0	0,3	0,2	4,2	-4,7	0,0
<b>Total operating costs</b>	<b>29,6</b>	<b>10,2</b>	<b>0,0</b>	<b>17,1</b>	<b>12,1</b>	<b>77,7</b>	<b>-4,7</b>	<b>142,0</b>
<b>Profit before losses</b>	<b>124,6</b>	<b>103,2</b>	<b>-15,5</b>	<b>29,9</b>	<b>4,3</b>	<b>47,8</b>	<b>-98,3</b>	<b>196,0</b>
Losses on loans, guarantees, etc.	0,2	1,3	0,0	5,2	0,0	0,0	0,0	6,7
<b>Profit before tax</b>	<b>124,4</b>	<b>101,9</b>	<b>-15,5</b>	<b>24,7</b>	<b>4,3</b>	<b>47,8</b>	<b>-98,3</b>	<b>189,3</b>
Tax costs	0,0	0,0	0,0	6,9	1,2	69,6	-27,5	50,2
<b>After-tax profit</b>	<b>124,4</b>	<b>101,9</b>	<b>-15,5</b>	<b>17,8</b>	<b>3,1</b>	<b>-21,8</b>	<b>-70,8</b>	<b>139,1</b>

30.06.2012	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Net interest and commission income, external	250,7	156,0	64,8	74,4	-0,5	-299,9	0,0	245,5
Net interest and commission income, internal	-150,6	-48,5	-85,3	-20,4	-8,5	313,3	0,0	0,0
<b>Net interest and commission income</b>	<b>100,1</b>	<b>107,5</b>	<b>-20,5</b>	<b>54,0</b>	<b>-9,0</b>	<b>13,4</b>	<b>0,0</b>	<b>245,5</b>
Total net other income, external	27,3	10,2	5,9	-11,0	19,4	24,9	0,0	76,7
Total net other income, internal	0,0	0,0	0,0	0,0	4,2	2,2	-6,4	0,0
<b>Total income</b>	<b>127,4</b>	<b>117,7</b>	<b>-14,6</b>	<b>43,0</b>	<b>14,6</b>	<b>40,5</b>	<b>-6,4</b>	<b>322,2</b>
Payroll and general administration costs	29,2	10,3	0,0	13,2	2,5	55,6	0,0	110,8
Depreciation	0,0	0,0	0,0	0,8	4,7	2,7	0,0	8,2
Other operating costs, external	0,6	0,0	-0,2	2,8	4,0	19,3	0,0	26,5
Other operating costs, internal	0,0	0,0	0,0	0,0	0,0	4,8	-4,8	0,0
<b>Total operating costs</b>	<b>29,8</b>	<b>10,3</b>	<b>-0,2</b>	<b>16,8</b>	<b>11,2</b>	<b>82,4</b>	<b>-4,8</b>	<b>145,5</b>
<b>Profit before losses</b>	<b>97,6</b>	<b>107,4</b>	<b>-14,4</b>	<b>26,2</b>	<b>3,4</b>	<b>-41,9</b>	<b>-1,6</b>	<b>176,7</b>
Losses on loans, guarantees, etc.	0,5	-3,3	0,0	8,1	0,0	0,0	0,0	5,3
<b>Profit before tax</b>	<b>97,1</b>	<b>110,7</b>	<b>-14,4</b>	<b>18,1</b>	<b>3,4</b>	<b>-41,9</b>	<b>-1,6</b>	<b>171,4</b>
Tax costs	0,0	0,0	0,0	5,0	0,8	40,5	-0,4	45,9
<b>After-tax profit</b>	<b>97,1</b>	<b>110,7</b>	<b>-14,4</b>	<b>13,1</b>	<b>2,6</b>	<b>-82,4</b>	<b>-1,2</b>	<b>125,5</b>

30.06.2013	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Loans to and receivables from customers	16.472,0	5.757,5	0,0	1.605,3	0,0	754,9	-326,3	24.263,4
Other assets	36,0	30,4	5.929,2	32,6	526,2	3.618,4	-4.068,9	6.103,9
<b>Total assets</b>	<b>16.508,0</b>	<b>5.787,9</b>	<b>5.929,2</b>	<b>1.637,9</b>	<b>526,2</b>	<b>4.373,3</b>	<b>-4.395,2</b>	<b>30.367,3</b>
Deposits from and liabilities to customers	7.653,1	3.326,1	1.151,6	22,0	0,0	103,5	-14,7	12.241,6
Other liabilities	657,0	157,0	14,5	1.445,4	410,7	16.925,6	-3.692,0	15.918,2
Inter-company accounts	8.197,9	2.304,8	4.763,1	0,0	0,0	-15.265,8	0,0	0,0
Total liabilities per segment	16.508,0	5.787,9	5.929,2	1.467,4	410,7	1.763,3	-3.706,7	28.159,8
Total equity	0,0	0,0	0,0	170,5	115,5	2.610,0	-688,5	2.207,5
<b>Total liabilities and equity</b>	<b>16.508,0</b>	<b>5.787,9</b>	<b>5.929,2</b>	<b>1.637,9</b>	<b>526,2</b>	<b>4.373,3</b>	<b>-4.395,2</b>	<b>30.367,3</b>

30.06.2012	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Loans to and receivables from customers	14.717,2	6.317,9	0,0	1.485,4	0,0	423,3	-344,5	22.599,3
Other assets	31,5	31,3	5.821,1	30,6	505,1	3.225,8	-3.451,8	6.193,6
<b>Total assets</b>	<b>14.748,7</b>	<b>6.349,2</b>	<b>5.821,1</b>	<b>1.516,0</b>	<b>505,1</b>	<b>3.649,1</b>	<b>-3.796,3</b>	<b>28.792,9</b>
Deposits from and liabilities to customers	5.289,9	3.045,0	1.000,8	26,4	0,0	99,7	-26,0	9.435,8
Other liabilities	1.052,7	154,7	29,1	1.351,9	399,8	17.793,8	-3.394,1	17.387,9
Inter-company accounts	8.406,1	3.149,5	4.791,2	0,0	0,0	-16.346,8	0,0	0,0
Total liabilities per segment	14.748,7	6.349,2	5.821,1	1.378,3	399,8	1.546,7	-3.420,1	26.823,7
Total equity	0,0	0,0	0,0	137,7	105,3	2.102,4	-376,2	1.969,2
<b>Total liabilities and equity</b>	<b>14.748,7</b>	<b>6.349,2</b>	<b>5.821,1</b>	<b>1.516,0</b>	<b>505,1</b>	<b>3.649,1</b>	<b>-3.796,3</b>	<b>28.792,9</b>

## Customer deposits by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
Salaried employees	7.804.118	5.368.969	7.050.133	7.812.831	5.379.190	7.059.537
Public administration	191.259	96.291	137.097	191.259	96.291	137.097
Agriculture, forestry, fishing etc.	121.746	115.266	124.826	121.746	115.266	124.826
Industry and mining, power and water supplies	463.514	388.661	370.780	463.514	388.661	370.780
Construction and civil engineering	378.163	422.287	432.469	379.239	423.166	433.363
Retail/hotel and catering	399.840	395.248	461.645	400.066	397.935	463.928
Transport/communication	143.230	130.024	143.237	143.504	130.415	143.511
Financial services	1.297.646	1.223.554	1.429.786	1.306.802	1.233.262	1.438.942
Other service industries	560.151	543.396	601.785	561.523	544.750	603.167
Real estate turnover and operations	773.161	699.418	848.437	760.015	674.678	842.169
Foreign	101.102	52.165	70.537	101.102	52.165	70.537
<b>Total</b>	<b>12.233.930</b>	<b>9.435.279</b>	<b>11.670.732</b>	<b>12.241.601</b>	<b>9.435.779</b>	<b>11.687.857</b>

## Gross loans to customers by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
Salaried employees	10.153.689	8.971.003	7.969.542	19.539.217	17.574.451	17.712.199
Agriculture, forestry, fishing etc.	175.132	191.925	189.780	177.794	194.503	192.639
Industry and mining, power and water supplies	111.031	131.079	107.365	114.981	137.172	111.966
Construction and civil engineering	591.656	532.719	611.006	609.260	553.131	629.246
Retail/hotel and catering	420.436	425.583	368.685	455.658	472.490	409.338
Transport/communication	84.645	74.554	83.815	104.461	96.494	105.998
Financial services	163.400	256.458	229.544	172.741	265.606	238.880
Other service industries	455.161	389.836	436.915	477.818	424.169	466.259
Real estate turnover and operations	3.050.769	3.327.975	3.129.163	2.737.872	3.001.351	2.818.669
Foreign	13.795	15.476	16.803	16.753	22.958	22.849
<b>Total</b>	<b>15.219.714</b>	<b>14.316.608</b>	<b>13.142.618</b>	<b>24.406.555</b>	<b>22.742.325</b>	<b>22.708.043</b>

## Geographical distribution of gross lending

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
Drammen	3.477.180	3.684.581	3.241.321	4.486.437	4.706.096	4.458.403
Nedre Eiker	1.594.185	1.437.043	1.366.366	2.392.087	2.272.189	2.327.195
Øvre Eiker	1.302.147	1.243.171	1.226.094	1.832.374	1.767.417	1.838.429
Other parts of Buskerud	1.426.018	1.146.372	1.246.876	1.981.073	1.665.746	1.807.578
Oslo	2.485.020	2.482.160	2.221.152	4.164.992	3.886.984	3.819.454
Akershus	2.264.592	2.027.232	1.789.839	4.097.666	3.756.961	3.704.085
Vestfold	1.373.408	1.270.162	1.195.035	2.109.311	1.933.136	1.986.774
Østfold	401.687	291.542	268.867	972.132	765.782	822.627
Rest of the country	881.682	718.869	570.265	2.353.730	1.965.055	1.920.649
Abroad	13.795	15.476	16.803	16.753	22.959	22.849
<b>Total</b>	<b>15.219.714</b>	<b>14.316.608</b>	<b>13.142.618</b>	<b>24.406.555</b>	<b>22.742.325</b>	<b>22.708.043</b>

## Securities debt and subordinate debt

(Figures in NOK million)

Securities debt	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	7.823,5	9.061,5	8.074,0	13.504,5	14.470,6	13.442,0
Value adjustments (including o/u par)	120,8	106,9	130,6	155,1	130,7	170,0
<b>Total securities debt</b>	<b>7.944,3</b>	<b>9.168,4</b>	<b>8.204,6</b>	<b>13.659,6</b>	<b>14.601,3</b>	<b>13.612,0</b>

Changes in securities debt, Group	30.06.2013	Issued	Matured/redeemed	Change in own holdings	Other changes, including currency	31.12.2012
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	7.823,5	1.200,0	1.480,5	30,0	0,0	8.074,0
Preferential bonds, nominal NOK	5.411,5	300,0	0,0	0,0	0,0	5.111,5
Preferential bonds, nominal SEK (converted to NOK)	269,5	0,0	0,0	0,0	13,0	256,5
Value adjustments (including o/u par)	155,1	0,0	0,0	0,0	-14,9	170,0
<b>Total securities debt</b>	<b>13.659,6</b>	<b>1.500,0</b>	<b>1.480,5</b>	<b>30,0</b>	<b>-1,9</b>	<b>13.612,0</b>

The difference between the parent bank and the Group is preferential bonds (OMF), nominal value NOK 5,681.0 million.

Changes to subordinate debt and fund note loans	30.06.2013	Issued	Matured/redeemed	Changes in exchange rates	31.12.2012
Ordinary subordinate debt, nominal value	200,0	200,0	200,0	0,0	200,0
Fund note loans, nominal value	300,0	0,0	0,0	0,0	300,0
Value adjustments (including o/u par)	5,3	0,0	0,0	0,0	8,4
<b>Total subordinate debt and fund note loans</b>	<b>505,3</b>	<b>200,0</b>	<b>200,0</b>	<b>0,0</b>	<b>508,4</b>

## Financial derivatives

30.06.2013

(Figures in NOK million)

Fair value via profit and loss	Parent bank Contract amounts	Parent bank Assets	Parent bank Liabilities	Group Contract amounts	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Forward foreign exchange contracts (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	38,5	0,0	4,4	38,5	0,0	4,4
<b>Total currency instruments</b>	<b>38,5</b>	<b>0,0</b>	<b>4,4</b>	<b>38,5</b>	<b>0,0</b>	<b>4,4</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate swaps)	989,9	1,9	10,4	989,9	1,9	10,4
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swap contracts (futures)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>989,9</b>	<b>1,9</b>	<b>10,4</b>	<b>989,9</b>	<b>1,9</b>	<b>10,4</b>
Guarantee to Eksportfinans ASA*)	242,0	2,6	0,0	242,0	2,6	0,0
<b>Total other derivatives</b>	<b>242,0</b>	<b>2,6</b>	<b>0,0</b>	<b>242,0</b>	<b>2,6</b>	<b>0,0</b>
<b>Used for hedge accounting</b>	<b>Parent bank Contract amounts</b>	<b>Parent bank Assets</b>	<b>Parent bank Liabilities</b>	<b>Group Contract amounts</b>	<b>Group Assets</b>	<b>Group Liabilities</b>
<i>Currency instruments</i>						
Forward foreign exchange contracts (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	292,1	0,0	16,1	544,2	17,4	16,1
<b>Total currency instruments</b>	<b>292,1</b>	<b>0,0</b>	<b>16,1</b>	<b>544,2</b>	<b>17,4</b>	<b>16,1</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate swaps)	3.795,5	131,0	2,9	4.695,5	172,3	2,9
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swap contracts (futures)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>3.795,5</b>	<b>131,0</b>	<b>2,9</b>	<b>4.695,5</b>	<b>172,3</b>	<b>2,9</b>
<b>Total derivatives</b>		<b>135,5</b>	<b>33,8</b>		<b>194,2</b>	<b>33,8</b>

\*) The amount of MNOK 2.6 is the net positive value adjustment of the guaranteed portfolio as of 30/06/13 after deduction of an annual swap amount. The value of the derivative without taking the swap amount into account was positive at MNOK 14,7 as at 30/06/13.



## Valuation of financial assets and liabilities at fair value

The bank uses the following valuation hierarchy to determine the fair value of financial instruments:

Level 1: Observable trading prices in active markets

Level 2: Observable trading prices in less active markets, or use of either directly or indirectly observable input

Level 3: Valuation techniques that are not based on observable market data

Reference is made to Note 22, Valuation of financial assets and liabilities at fair value in the financial statements, and the note Balance Sheet items at fair value

(Figures in NOK million)

Fair value as at 30/06/13 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Derivatives</i>				
Interest swap agreements	0,0	174,2	0,0	174,2
Forward foreign exchange contracts	0,0	0,0	0,0	0,0
Currency swap agreements	0,0	17,4	0,0	17,4
Other derivatives	0,0	2,6	0,0	2,6
<i>Financial instruments at fair value</i>				
Treasury bills	297,0	0,0	0,0	297,0
Certificates and bonds (incl. Treasury bills)	0,0	3.140,6	0,0	3.140,6
Shares and equity certificates	6,3	17,8	448,1	472,2
Money market funds	0,0	261,2	0,0	261,2
<b>Total financial assets</b>	<b>303,3</b>	<b>3.613,8</b>	<b>448,1</b>	<b>4.365,2</b>
<b>Financial liabilities</b>				
<i>Derivatives</i>				
Interest swap agreements	0,0	13,3	0,0	13,3
Forward foreign exchange contracts	0,0	0,0	0,0	0,0
Currency swap agreements	0,0	20,5	0,0	20,5
Other derivatives	0,0	0,0	0,0	0,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>33,8</b>	<b>0,0</b>	<b>33,8</b>

For the parent bank there are also preferential bonds of MNOK 1,180.7 in level 2

Fair value as at 30/06/12 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Derivatives</i>				
Interest swap agreements	0,0	142,4	0,0	142,4
Forward foreign exchange contracts	0,0	0,0	0,0	0,0
Currency swap agreements	0,0	5,5	0,0	5,5
Other derivatives	0,0	4,0	0,0	4,0
<i>Financial instruments at fair value</i>				
Treasury bills	720,1	0,0	0,0	720,1
Certificates and bonds	0,0	3.198,6	0,0	3.198,6
Shares and equity certificates	6,0	31,5	441,6	479,1
Money market funds	0,0	101,0	0,0	101,0
<b>Total financial assets</b>	<b>726,1</b>	<b>3.483,0</b>	<b>441,6</b>	<b>4.650,7</b>
<b>Financial liabilities</b>				
<i>Derivatives</i>				
Interest swap agreements	0,0	8,8	0,0	8,8
Forward foreign exchange contracts	0,0	0,0	0,0	0,0
Currency swap agreements	0,0	30,9	0,0	30,9
Other derivatives	0,0	0,0	0,0	0,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>39,7</b>	<b>0,0</b>	<b>39,7</b>

For the parent bank there are also preferential bonds of MNOK 938.5 in level 2

Fair value as at 31/12/12 - Group	Nivå 1	Nivå 2	Nivå 3	Totalt
<b>Financial assets</b>				
<i>Derivatives</i>				
Interest swap agreements	0,0	191,6	0,0	191,6
Forward foreign exchange contracts	0,0	0,0	0,0	0,0
Currency swap agreements	0,0	4,4	0,0	4,4
Other derivatives	0,0	39,9	0,0	39,9
<i>Financial instruments at fair value</i>				
Treasury bills	496,4	0,0	0,0	496,4
Certificates and bonds	0,0	3.694,9	0,0	3.694,9
Shares and equity certificates	5,1	17,4	454,6	477,1
Money market funds	0,0	504,8	0,0	504,8
<b>Total financial assets</b>	<b>501,5</b>	<b>4.453,0</b>	<b>454,6</b>	<b>5.409,1</b>
<b>Financial liabilities</b>				
<i>Derivatives</i>				
Interest swap agreements	0,0	13,6	0,0	13,6
Forward foreign exchange contracts	0,0	0,0	0,0	0,0
Currency swap agreements	0,0	38,1	0,0	38,1
Other derivatives	0,0	0,0	0,0	0,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>51,7</b>	<b>0,0</b>	<b>51,7</b>

For the parent bank there are also preferential bonds of MNOK 981,2 in level 2

### Movement in level 3:

There has been no addition/disposal in level 3 in the first half of 2013. Negative value change of MNOK 6.5 belongs to the available for sale category. Of this, MI concerns write-down and is included in "Net value change and gain/loss on financial investments" in the result, while MNOK 5.1 is negative value adjustment included in "Changes in fair value for investments available for sale" in the total result.

## Balance Sheet items at fair value

### Calculation of the fair value of financial instruments

Financial assets and liabilities in the Balance Sheet are measured at fair value, with the exception of loans and receivables, deposits, bonds classified as held to maturity, funding and issued bonds.

In the table below bonds in the held to maturity category and securities issued are valued at observable market rates.

The fair value of fixed-rate loans valued at amortised cost in the Balance Sheet is assessed as the discounted cash flows on the basis of the current market interest rates for loans with the same remaining maturity. The fair value of the bank's other loan portfolio at floating interest rates is subject to the influence of changes in the level of interest rates and credit margin, but may be re-priced on a current basis at short notice. The Financial Agreements Act gives access to re-pricing at six weeks' notice (less c in the bank's deposit rate). The bank's assessment of best estimate for the rest of the loan portfolio is that amortised cost is a good approximation of fair value.

Group 30.06.2013			(Figures in NOK million)	Parent bank 30.06.2013		
Book value	Fair value	Unrealised loss/gain		Book value	Fair value	Unrealised loss/gain
829,7	829,7	0,0	Cash and receivables from central banks	829,7	829,7	0,0
5,1	5,1	0,0	Loans to and receivables from credit institutions	2.013,4	2.013,4	0,0
24.263,4	24.272,8	9,4	Loans to and receivables from customers	15.135,4	15.144,8	9,4
3.437,6	3.437,6	0,0	Fixed-income securities at fair value via the Statement of Income	4.618,3	4.618,3	0,0
200,8	219,0	18,2	Fixed-income held-to-maturity investments	200,8	219,0	18,2
285,3	285,3	0,0	Shares and units at fair value via the Statement of Income	285,3	285,3	0,0
448,1	448,1	0,0	Shares available for sale	448,1	448,1	0,0
194,1	194,1	0,0	Financial derivatives	135,5	135,5	0,0
<b>29.664,1</b>	<b>29.691,7</b>	<b>27,6</b>	<b>Total assets</b>	<b>23.666,5</b>	<b>23.694,1</b>	<b>27,6</b>
864,7	864,7	0,0	Liabilities to credit institutions	991,6	991,6	0,0
12.241,6	12.241,6	0,0	Deposits from and liabilities to customers	12.233,9	12.233,9	0,0
493,5	493,5	0,0	Liabilities to the government, exchange of OMF preferential bonds	493,5	493,5	0,0
13.659,6	13.825,8	-166,2	Liabilities incurred on the issue of securities	7.944,3	8.047,7	-103,4
33,8	33,8	0,0	Financial derivatives	33,8	33,8	0,0
505,3	507,5	-2,2	Subordinate loan capital	505,3	507,5	-2,2
<b>27.798,5</b>	<b>27.966,9</b>	<b>-168,4</b>	<b>Total debt</b>	<b>22.202,4</b>	<b>22.308,0</b>	<b>-105,6</b>

Group 30.06.2012			(Figures in NOK million)	Parent bank 30.06.2012		
Book value	Fair value	Unrealised loss/gain		Book value	Fair value	Unrealised loss/gain
563,7	563,7	0,0	Cash and receivables from central banks	563,7	563,7	0,0
10,9	10,9	0,0	Loans to and receivables from credit institutions	2.024,2	2.024,2	0,0
22.599,3	22.605,9	6,6	Loans to and receivables from customers	14.225,5	14.232,1	6,6
3.918,7	3.918,7	0,0	Fixed-income securities at fair value via the Statement of Income	4.857,2	4.857,2	0,0
251,9	277,3	25,4	Fixed-income held-to-maturity investments	251,9	277,3	25,4
138,5	138,5	0,0	Shares and units at fair value via the Statement of Income	138,5	138,5	0,0
441,6	441,6	0,0	Shares available for sale	441,6	441,6	0,0
151,9	151,9	0,0	Financial derivatives	114,9	114,9	0,0
<b>28.076,5</b>	<b>28.108,5</b>	<b>32,0</b>	<b>Total assets</b>	<b>22.617,5</b>	<b>22.649,5</b>	<b>32,0</b>
861,3	861,3	0,0	Liabilities to credit institutions	906,9	906,9	0,0
9.435,8	9.435,8	0,0	Deposits from and liabilities to customers	9.435,3	9.435,3	0,0
915,4	915,4	0,0	Liabilities to the government, exchange of OMF preferential bonds	915,4	915,4	0,0
14.601,3	14.575,1	26,2	Liabilities incurred on the issue of securities	9.168,4	9.144,8	23,6
39,7	39,7	0,0	Financial derivatives	39,7	39,7	0,0
599,9	600,8	-0,9	Subordinate loan capital	599,9	600,8	-0,9
<b>26.453,4</b>	<b>26.428,1</b>	<b>25,3</b>	<b>Total debt</b>	<b>21.065,6</b>	<b>21.042,9</b>	<b>22,7</b>

Group 31.12.2012			(Figures in NOK million)	Parent bank 31.12.2012		
Book value	Fair value	Unrealised loss/gain		Book value	Fair value	Unrealised loss/gain
703,3	703,3	0,0	Cash and receivables from central banks	703,3	703,3	0,0
4,1	4,1	0,0	Loans to and receivables from credit institutions	2.915,2	2.915,2	0,0
22.560,2	22.569,4	9,2	Loans to and receivables from customers	13.052,3	13.061,5	9,2
4.191,3	4.191,3	0,0	Fixed-income securities at fair value via the Statement of Income	5.172,5	5.172,5	0,0
251,3	273,8	22,5	Fixed-income held-to-maturity investments	251,3	273,8	22,5
527,3	527,3	0,0	Shares and units at fair value via the Statement of Income	527,3	527,3	0,0
454,6	454,6	0,0	Shares available for sale	454,6	454,6	0,0
235,9	235,9	0,0	Financial derivatives	184,8	184,8	0,0
<b>28.928,0</b>	<b>28.959,7</b>	<b>31,7</b>	<b>Total assets</b>	<b>23.261,3</b>	<b>23.293,0</b>	<b>31,7</b>
844,5	844,5	0,0	Liabilities to credit institutions	940,8	940,8	0,0
11.687,9	11.687,9	0,0	Deposits from and liabilities to customers	11.670,7	11.670,7	0,0
493,5	493,5	0,0	Liabilities to the government, exchange of OMF preferential bonds	493,5	493,5	0,0
13.612,0	13.721,8	-109,8	Liabilities incurred on the issue of securities	8.204,6	8.266,6	-62,0
51,7	51,7	0,0	Financial derivatives	51,7	51,7	0,0
508,4	506,3	2,1	Subordinate loan capital	508,4	506,3	2,1
<b>27.198,0</b>	<b>27.305,7</b>	<b>-107,7</b>	<b>Total debt</b>	<b>21.869,7</b>	<b>21.929,6</b>	<b>-59,9</b>

## Capital adequacy

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
Equity capital certificates	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 certificate capital	1.012.660	887.406	1.010.476	1.012.660	887.406	1.010.476
Other reserves not included in tier 1 capital	228.940	176.766	286.468	391.874	308.365	449.361
Fund notes up to 15%	305.747	286.580	308.433	305.747	300.149	308.433
Other tier 1 capital	0	0	0	0	0	0
Deductions in tier 1 capital	-10.595	-35.312	-74.287	0	-905	-62.194
50/50-deduction in tier 1 capital	-102.756	-103.707	-102.750	-110.876	-111.310	-110.870
<b>Net tier 1 capital</b>	<b>2.029.086</b>	<b>1.806.823</b>	<b>2.023.430</b>	<b>2.194.495</b>	<b>1.978.795</b>	<b>2.190.296</b>
Fund notes exceeding 15%	0	13.569	0	0	0	0
Subordinate loan capital	199.609	299.801	199.919	199.609	299.801	199.919
Unrealised gains IFRS	30.950	30.866	33.245	30.950	30.866	33.245
50/50 deduction in additional capital	-102.756	-103.707	-102.750	-110.876	-111.310	-110.870
<b>Net additional capital</b>	<b>127.803</b>	<b>240.529</b>	<b>130.414</b>	<b>119.683</b>	<b>219.357</b>	<b>122.294</b>
<b>Net subordinate capital</b>	<b>2.156.889</b>	<b>2.047.352</b>	<b>2.153.844</b>	<b>2.314.178</b>	<b>2.198.152</b>	<b>2.312.590</b>
<b>Calculation basis</b>						
Calculation basis, Balance Sheet items	10.930.853	10.330.982	10.422.294	13.887.553	13.292.099	13.402.163
Calculation basis, off-Balance Sheet items	1.885.215	1.677.664	1.731.455	550.668	603.887	449.081
Calculation basis, currency risk	0	0	0	0	0	0
Calculation basis, operational risk	982.373	1.043.708	1.043.708	1.167.078	1.203.324	1.203.324
Deductions from the calculation basis	-283.394	-285.193	-286.187	-303.004	-303.768	-305.797
<b>Total calculation basis (risk-weighted Balance Sheet items)</b>	<b>13.515.047</b>	<b>12.767.161</b>	<b>12.911.270</b>	<b>15.302.295</b>	<b>14.795.542</b>	<b>14.748.771</b>
<b>Capital adequacy</b>	<b>15,96 %</b>	<b>16,04 %</b>	<b>16,68 %</b>	<b>15,12 %</b>	<b>14,86 %</b>	<b>15,68 %</b>
<b>Tier 1 capital adequacy</b>	<b>15,01 %</b>	<b>14,15 %</b>	<b>15,67 %</b>	<b>14,34 %</b>	<b>13,37 %</b>	<b>14,85 %</b>
<b>Actual tier 1 capital adequacy</b>	<b>12,75 %</b>	<b>11,91 %</b>	<b>13,28 %</b>	<b>12,34 %</b>	<b>11,35 %</b>	<b>12,76 %</b>

The comparative figures for 2012 for capital adequacy are not converted on the implementation of the revised IAS 19. Adjusted figures would have given capital adequacy for the Group of 15.71% as at 31/12/12 and 14.70% as at 30/06/12, and for the parent bank 16.72% as at 31/12/12 and 15.88% as at 30/06/12.

## Guarantee liabilities and other off Balance Sheet items

(Figures in NOK 1,000)

	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012	Group 30.06.2013	Group 30.06.2012	Group 31.12.2012
<b>Guarantee liabilities</b>						
Payment guarantees	78.605	113.325	70.738	79.365	114.037	71.498
Contract guarantees	97.224	139.642	69.641	97.224	139.642	69.641
Loan guarantees	10.287	58.502	46.457	10.362	58.577	46.532
Other guarantee liabilities	19.266	28.365	26.473	19.266	28.365	26.473
<b>Total guarantees to customers</b>	<b>205.382</b>	<b>339.834</b>	<b>213.309</b>	<b>206.217</b>	<b>340.621</b>	<b>214.144</b>
Guarantee to Eksportfinans ASA*	100.000	74.803	100.000	100.000	74.803	100.000
Guarantee to the Norwegian Banks' Guarantee Fund	8.962	0	0	8.962	0	0
<b>Total guarantee liabilities</b>	<b>314.344</b>	<b>414.637</b>	<b>313.309</b>	<b>315.179</b>	<b>415.424</b>	<b>314.144</b>

\* \* The bank has provided a guarantee for Eksportfinans ASA. The net guarantee liability is MNOK 100. The value of the derivative excluding the swap settlement was positive at NOK 14.7 million as at MNOK 10.7 as at 31/12/12. As at 30/06/12 it was negative at MNOK 25.2.

For the rating process in Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee for all preferential bond (OMF) commitments in the mortgage credit company. Preferential bond commitments amount to nominal MNOK 5,681.0 as at 30/06/13, MNOK 5,368.0 as at 31/12/12 and MNOK 5,409.1 as at 30/06/12. The parent bank's holdings of preferential bonds (OMF) of nominal MNOK 1,178.5 (MNOK 978.5 as at 31/12/12 and MNOK 938.5 as at 30/06/12) have been

### Pledges and preferential bonds

Bonds, nominal value, pledged as collateral

for access to loans in Norges Bank	1.945.000	2.181.000	2.020.000	1.945.000	2.181.000	2.020.000
<b>Pledges</b>	<b>1.945.000</b>	<b>2.181.000</b>	<b>2.020.000</b>	<b>1.945.000</b>	<b>2.181.000</b>	<b>2.020.000</b>

<b>Pledges in swap scheme</b>	<b>539.500</b>	<b>938.500</b>	<b>539.500</b>	<b>539.500</b>	<b>938.500</b>	<b>539.500</b>
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<b>Preference in terms of sections 2-35* of the Norwegian Bank Act</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.319.990</b>	<b>5.403.600</b>	<b>5.802.600</b>
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\* Including holding owned by the parent bank at a nominal value of MNOK 639 as at 30/06/13 and MNOK 439 as at 31/12/12.

### Security in real estate

Liabilities with security in property	0	0	0	25.588	35.401	26.456
Book value of pledged properties	0	0	0	61.889	75.692	61.612

## Additional information for Cash Flow Statement

Group 30.06.2013	Group 30.06.2012	Group 31.12.2012	(Figures in NOK million)	Parent bank 30.06.2013	Parent bank 30.06.2012	Parent bank 31.12.2012
<b>Cash and cash equivalents</b>						
829,7	563,7	703,3	Cash and receivables at central banks	829,7	563,7	703,3
297,0	720,1	496,4	Treasury bills	297,0	720,1	496,4
5,1	9,3	4,1	Loans to and receivables from credit institutions that are solely placements	4,9	9,0	3,9
<b>1.131,8</b>	<b>1.293,1</b>	<b>1.203,8</b>	<b>Total</b>	<b>1.131,6</b>	<b>1.292,8</b>	<b>1.203,6</b>
<b>Changes in assets in connection with operations</b>						
242,0	-103,2	-492,0	Net change in financial assets held for the purposes of trade	242,0	-103,2	-492,0
35,1	-14,5	-45,7	Net change in financial derivatives (net assets and liabilities)	35,1	-14,5	-45,7
554,3	-180,1	-676,4	Net change in financial assets at fair value recognised in the Statement of I	354,8	-81,7	-620,7
0,0	52,7	54,3	Change in gross loans to credit institutions	902,8	122,4	-773,7
-1.698,6	-415,2	-380,9	Change in gross loans to customers	-2.077,1	204,3	1.378,3
0,8	-1,2	-7,2	Net change in other assets	13,7	5,5	-11,4
<b>-866,4</b>	<b>-661,5</b>	<b>-1.547,9</b>	<b>Total</b>	<b>-528,7</b>	<b>132,8</b>	<b>-565,2</b>
<b>Changes in liabilities in connection with operations</b>						
553,7	503,1	2.755,2	Change in customer deposits	563,2	508,9	2.744,3
1,1	0,8	-9,5	Change in debt to credit institutions	31,7	19,3	59,7
87,0	47,8	-37,7	Change in other liabilities	45,0	58,8	-18,1
<b>641,8</b>	<b>551,7</b>	<b>2.708,0</b>	<b>Total</b>	<b>639,9</b>	<b>587,0</b>	<b>2.785,9</b>
<b>Non-cash items included in profit before tax</b>						
8,7	8,2	16,7	Write-downs on fixed assets	3,1	2,7	5,4
0,5	0,7	1,3	Amortisation of financial investments held to maturity	0,5	0,7	1,3
-3,2	-0,6	4,2	Write-down of financial assets	-4,7	-3,6	-4,3
4,3	3,0	5,6	Amortisation of financing activities measured at amortised cost	3,6	2,3	4,1
<b>10,3</b>	<b>11,3</b>	<b>27,8</b>	<b>Total</b>	<b>2,5</b>	<b>2,1</b>	<b>6,5</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 million)

	30.06.2013	30.06.2012	31.12.2012
<b>Result</b>			
Interest income from subsidiaries	36,3	42,8	83,3
Interest income on certificates and preferential bonds (OMF) from subsidiaries	11,5	16,6	29,4
Interest expenses to subsidiaries	1,2	1,1	2,2
Received dividend/Group contributions from subsidiaries.	71,0	0,0	48,0
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	6,9	6,1	13,8
Rent to subsidiaries	3,7	4,0	7,9
Other costs to subsidiaries	0,1	0,1	0,2
<b>Balance Sheet</b>			
Loans to subsidiaries	2.334,8	2.358,0	3.238,3
Investments (OMF) in subsidiaries	1.178,7	938,5	978,9
Accrued interest income (OMF) from subsidiaries	1,1	1,2	0,9
Accrued interest income from subsidiaries	2,5	2,5	2,8
Other receivables from subsidiaries	3,7	0,0	3,9
Deposits from subsidiaries	167,1	107,0	130,4
Accrued interest expenses to subsidiaries	1,2	1,1	0,0
Other commitments to subsidiaries	2,4	11,8	5,4

As of Q1 2013 the parent bank has received Group contributions from subsidiaries of MNOK 71 and ceded Group contributions to subsidiaries for equivalent amounts.

### Group

Apart from loans and deposits and related interest income and interest costs concerning the corporate management, the Board of Directors and Control Committee, the Group has Reference is made to note 33 in the annual financial statements.

## Profit per equity certificate

Profit per equity certificate is calculated by dividing the part of the profit after tax which falls to the equity certificate holders by a weighted average of the number of outstanding equity certificates during the year. If the annual result is a loss this is covered by a pro rata transfer from the primary capital fund, the endowment fund and the equalisation fund, respectively. The result per equity certificate in this case is calculated on the basis of the proportion of the loss that is charged to the equalisation fund.

Sparebanken Øst has not issued options or other instruments that can lead to a dilution of the profit per equity certificate. The diluted profit per equity certificate is therefore equivalent to the profit per equity certificate.

(Figures in NOK million)	Parent bank 30.06.2013	Group 30.06.2013
After-tax profit	150,3	139,1
Ownership ratio	43,28 %	43,28 %
Profit after tax allocated to equity certificate holders	65,0	60,2
Weighted average number of outstanding equity certificates	20,7	20,7
Profit per equity certificate	3,14	2,90

## Ownership ratio, parent bank

(Figures in NOK million)	01.01.2013	01.01.2012
Equity capital certificates	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excluding dividend)	198,5	148,3
Amount available for sale reserve	32,0	30,8
Total numerator (A)	825,6	774,2
Total equity (excluding the year's dividend allocation)	1.907,6	1.721,0
Total denominator (B)	1.907,6	1.721,0
<b>Ownership ratio (A/B) in %</b>	<b>43,28</b>	<b>44,98</b>

## Equity certificates

### Various key figures for equity certificates:

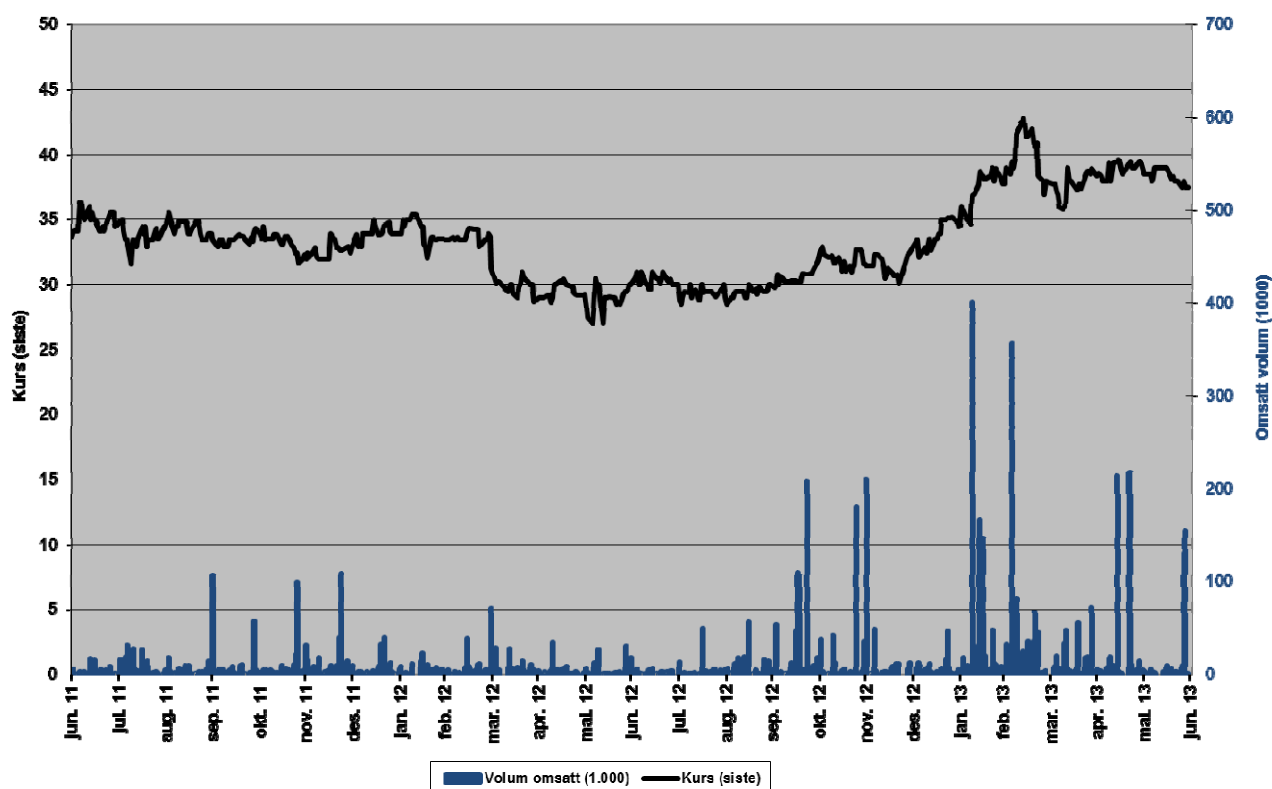
	30.06.2013	2012	2011	2010	2009
Profit per certificate after tax (Group) NOK 1)	5,86	5,69	3,46	7,22	7,05
Profit per certificate after tax (parent bank) NOK 1)	4,82	5,02	2,80	6,78	6,42
Ownership ratio 2)	43,28 %	44,98 %	46,04 %	49,05 %	49,63 %
No. of equity certificates (millions)	20,73	20,73	20,73	20,73	20,73
Book equity per certificate NOK 3)	46,02	43,22	40,49	39,14	35,56
Dividend NOK	-	3,00	2,00	5,00	4,00
Turnover rate (realised/issued)	31,84 %	11,69 %	21,61 %	45,09 %	103,10 %

1) Equity capital's share of the bank's profit after tax (interim figures adjusted to annual figures).

2) Equity capital+equalisation fund+share premium fund as a ratio of the parent bank's total equity excluding the amount allocated as dividend for the year.

3) Equity capital (Group) divided by number of equity certificates. Result so far this year is not included.

## Sparebanken Øst (SPOG)



## The 20 largest equity certificate holders as at 30/06/2013

Name	Quantity	%	Name	Quantity	%
1 MP Pensjon	2.049.218	9,88 %	11 Jag Holding AS	260.000	1,25 %
2 Skagen Vekst VPF	1.413.500	6,82 %	12 Foretakskonsulenter AS	243.600	1,18 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Teleplan Holding AS	239.665	1,16 %
4 Storeind AS	561.073	2,71 %	14 Citibank NA New York	216.968	1,05 %
5 Pareto AS	500.754	2,42 %	15 Wenaasgruppen AS	200.000	0,96 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Grete Evensen Øvrum AS	193.000	0,93 %
7 AS Andersen Eiendomsselskap	354.500	1,71 %	17 Brage Invest AS	176.316	0,85 %
8 Terra Utbytte VPF	324.035	1,56 %	18 Danske Bank AS	153.288	0,74 %
9 Sparebankstiftelsen	308.320	1,49 %	19 Rondane Holding AS	150.000	0,72 %
10 Hustadlitt AS	277.475	1,34 %	20 Løkke, Helge Arnfinn	148.433	0,72 %