

172nd. year

QUARTERLY REPORT 2014

Quarterly report 2. quarter 2014



Sparebanken Øst

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Financial highlights - Group

	30.06.2014	30.06.2013	31.12.2013	31.12.2012
Average equity, excluding dividend (NOK million)	2.564,5	2.139,0	2.268,1	1.960,6
Average total assets (NOK million)	32.566,0	29.834,1	30.178,7	28.698,8
Profit after tax as a percentage of average total assets	1,00	0,94	0,94	0,91
Profit before losses as a percentage of average total assets	1,42	1,32	1,34	1,34
Net interest income in %	1,87	1,78	1,87	1,78
Costs as a percentage of average total assets	0,89	0,96	0,97	1,02
Costs as a percentage of income excluding returns on financial investments	41,98	46,50	44,55	48,48
Return on equity (%)	12,73	13,11	12,46	13,38
Net lending to customers (NOK million)	27.916,9	24.263,4	25.707,9	22.560,2
Deposits from customers (NOK million)	12.795,4	12.241,6	12.539,2	11.687,9
Deposit-to-loan ratio	45,83	50,45	48,78	51,81
Deposit-to-loan ratio (parent bank)	73,38	80,83	74,04	89,42
Capital adequacy in %	15,27	15,12	18,41	15,68
Core capital adequacy in %	13,31	14,34	15,75	14,85
Core tier 1 capital adequacy in %	12,14	12,34	13,23	12,76
Core tier 1 capital adequacy including 50% of unallocated profit in %	12,62	12,80	13,23	12,76
Total full-time equivalents	223	228	233	224

The key figures for 2012 have been adjusted as a consequence of the implementation of the amendments to IAS 19. The capital ad

Interim Report Q2 2014 - Sparebanken Øst

- **Sound equity position**
- **Good return on equity**
- **Strong growth in lending to private customers**

RESULTS

The Group achieved NOK 216.6 million in profit before tax in the first half of 2014, compared with NOK 189.3 million for the same period of last year. The improvement is due to an increase in net interest and credit commission income, as well as the profit on the sale of shares in Frende Holding AS.

As a percentage of average total assets, the profit before tax constitutes 1.34 per cent, compared to 1.28 per cent for the same period of last year.

The result after tax is a profit of NOK 161.9 million, compared to NOK 139.1 million for the same period of last year, giving a return on equity of 12.73 per cent.

The result after tax of the parent bank is a profit of NOK 160.4 million for the first half of 2014, compared to NOK 150.3 million for the first half of 2013. In Q1 2014, the parent bank received dividend from subsidiaries amounting to NOK 60.0 million. This dividend is eliminated in the Group's result. Group contributions from subsidiaries of NOK 71.0 million, net after tax, were recognised by the parent bank in Q1 2013.

Net interest income

Net interest and credit commission income amounted to NOK 302.4 million, showing an increase by NOK 38.9 million compared with the same period of last year. In monetary terms, net interest and credit commission income has remained stable at around NOK 150 million per quarter during the last four quarters. Net interest as a percentage of the average total assets declined during the quarter, but net interest in NOK was maintained in Q2, as a consequence of an increase in the lending volume.

Hedge fund fees totalling NOK 5.3 million were charged in the first half of 2014, compared to NOK 4.5 million in the first half of 2013.

In the first half of 2014, net interest and credit commission income corresponds to 1.87 per cent of the average total assets. For comparison, net interest and credit commission income comprised 1.95 per cent at the end of Q1 2014, 1.87 per cent at the end of 2013, and 1.78 per cent at the end of Q2 2013.

Operating income

Dividend received from equity instruments amounts to NOK 7.3 million and mainly relates to dividend from Nets Holding AS. Dividend received from equity instruments is NOK 5.3 million lower so far this year compared to the same period of the previous year. The decrease is mainly due to dividend from Nordito Property AS in 2013. In addition, NOK 60.0 million in dividend received from subsidiaries is recognised in the parent bank in 2014. This amount is eliminated at Group level.

Commission income and income from banking services amounted to NOK 40.1 million, which is an increase by NOK 2.5 million compared with the same period of last year. Commission income is derived from traditional banking services.

Commission income and expenses associated with banking services amounted to NOK 21.8 million, which is an increase by NOK 2.7 million compared with the same period of last year. This increase is due to agency fees.

Net value changes and gains/losses on financial assets provide recognised income of NOK 24.8 million for the first half of 2014. Of this amount, the realised gains on divestment from Frende Holding AS amount to NOK 11.7 million. Frende Holding AS is classified as "available for sale". Recognised income relating to the guarantee to Eksportfinans ASA amounts to NOK 10.0 million. For comparison, the income recognised on net value changes and gains/losses on financial assets in the first half of last year totalled NOK 20.0 million. Of this amount, NOK 2.1 million related to the Eksportfinans ASA guarantee.

Other operating income amounted to NOK 20.2 million in the first half of 2014, which is a decrease by NOK 3.2 million compared with the same period of last year and a decrease by NOK 0.6 million from Q1 2014. In Q4 2013, viewed in isolation, other operating income amounted to NOK 20.9 million, and was affected by the recognition of the profit on the sale of property from Sparebanken Øst Eiendom AS.

Operating expenses

Total operating expenses amount to NOK 143.1 million, which corresponds to 0.89 per cent of the average total assets. For comparison, total operating expenses for the same period of last year amounted to NOK 142.0 million, equivalent to 0.96 per cent of the average total assets.

Payroll and general administrative costs amounted to NOK 104.9 million for the first half of 2014, compared to NOK 105.4 million for the same period of last year. The number of active FTEs in the Group at the end of Q2 2014 was 223, compared to 228 at the end of the same period of last year, and 233 at the end of 2013. The number of active FTEs in the parent bank at the end of Q2 2014 was 194, compared with 197 at the end of the same period of last year, and 202 as at 31.12.13.

Depreciation amounted to NOK 9.7 million in the first half of 2014, compared with NOK 8.7 million in the first half of 2013. The increase is related mainly to a new portfolio of IT systems in the bank.

Other operating expenses amounted to NOK 28.5 million, compared to NOK 27.9 million for the same period of last year.

Losses on loans and guarantees

The Group's recognised losses on loans and guarantees amounted to NOK 13.3 million in the first half of 2014, compared to NOK 6.7 million for the same period of last year. The largest share of the losses relates to AS Financiering.

Individual write-downs on loans and guarantees to customers have increased by NOK 2.9 million since the end of 2013, and amounted to NOK 100.9 million at the end of Q2 2014.

Write-downs on groups of loans to customers amounted to NOK 43.4 million at the end of Q2 2014, and are unchanged since the start of the year.

Gross defaults and non-performing loans amounted to NOK 493.7 million, compared with NOK 487.4 million at the end of 2013 and NOK 485.6 million at the end of Q2 2013. Net defaults

and non-performing loans amounted to NOK 392.8 million, which shows an increase by NOK 3.4 million compared with 31.12.13 and an increase by NOK 8.0 million compared with the end of Q2 2013.

BALANCE SHEET

Total assets have increased by NOK 3,571.6 million since the beginning of the year, and amounted to NOK 34,648.9 million at the end of Q2 2014.

Cash and balances at central banks have increased by NOK 257.5 million since the beginning of the year, and amounted to NOK 615.0 million as at 30.06.14.

Net lending to credit institutions amounted to NOK 483.7 million at the end of Q2 2014, showing an increase by NOK 475.1 million since 31.12.13. The increase concerns the investment of F deposits (with Norges Bank) of NOK 475.0 million. All new loans to credit institutions are inter-bank loans in Norway.

Net loans to customers amounted to NOK 27,916.9 million. The net growth in lending over the last 12 months was 15.06 per cent. Net loans to customers have increased by NOK 2,209.0 million since the end of last year. Net lending to private customers increased by 21.6 per cent, while net lending to business customers declined by 11.5 per cent.

Gross loans to private customers accounted for 84.5 per cent of all loans to customers.

Holdings of certificates and bonds (including Treasury bills) have increased by NOK 496.8 million since the beginning of the year, and amount to NOK 3,999.4 million. These holdings consist exclusively of the liquidity portfolio and amount to NOK 3,952.0 million in nominal terms.

The weighted average maturity of the liquidity portfolio up to the agreed due date is estimated at 2.48 years.

The bank's shares in Nets Holding AS, Frende Holding AS and Eksportfinans ASA are classified as "available for sale".

In Q1 2014 an agreement was established for the sale of the ownership interest in Nets Holding AS, for completion in Q3 2014. Sale of the shares in Nets Holding AS took place with final effect and settlement as of 9 July 2014. The total remuneration for the bank's ownership interest is NOK 231.1 million. The net financial gain will be NOK 134.7 million and will be recognised in "net value change and profit/loss on financial

investments" in the ordinary profit for Q3 2014. The accumulated value adjustment previously recognised in comprehensive income will then be reversed.

The valuation of the shares in Frende Holding AS is based on the price at the last transaction and amounts to NOK 200.8 million at the end of Q2 2014. An equivalent valuation per share was the basis as at 31.12.13. The profit concerning the sold shares is recognised in the ordinary profit in Q1 2014 and the previous value adjustment concerning the sold shares is reversed to comprehensive income on an equivalent basis.

The holding of shares in Eksportfinans ASA is recognised in the balance sheet at NOK 208.3 million. As at the end of Q2 2014 there are no circumstances indicating any changes in the valuation of these shares.

Deposits from customers amounted to NOK 12,795.4 million as at 30.06.14, having increased by NOK 553.8 million over the past 12 months, equivalent to 4.5 per cent. Since the beginning of the year, customer deposits have increased by NOK 256.2 million. At the end of Q2 2014 the deposit-to-loan ratio was 45.8 per cent, compared to 48.8 per cent at the end of 2013 and 50.5 per cent at the end of Q2 2013.

Liabilities arising from the issuance of securities amounted to NOK 17,874.2 million, which is an increase by NOK 3,837.2 million since the beginning of the year.

Other long-term loan agreements amounted to NOK 341.4 million at the end of Q2 2014, showing a reduction by NOK 432.1 million since the beginning of the year.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounted to NOK 2,449.0 million.

RISK

Credit risk

Sparebanken Øst has drawn up a credit risk strategy that concerns various types of credit risk relating to lending, credits and guarantees granted to customers in the private and business markets, as well as the counterparty risk on securities.

The credit strategy is intended to help to ensure that the bank's credit-granting activities are in line with the regulatory frameworks and guidelines that derive from the bank's overall business concept and strategic plans, including that the activities are responsible with regard to the bank's ability and willingness to undertake risk. The

strategy will further contribute to ensuring that the bank's established credit portfolio is of a quality and structure that can ensure the bank's profitability in the short and long term, and that the bank's credit risk is handled in accordance with statutory and regulatory requirements, circulars from the authorities and other regulatory provisions.

The principles in the strategy document are included in the bank's credit manuals, as well as the bank's established instructions.

Within the private and business markets, the ability and willingness to pay are key aspects of credit assessment. The risk on lending to customers is measured via customer risk classification. Risk classification is established as an integral element of the credit process. The development in credit risk is monitored on an ongoing basis via quarterly reports to the Management and the Board of Directors.

The bank's geographical catchment area offers both the private and business departments a large market area with flexibility in terms of customers and markets.

Geographically, the bank's lending portfolio to private customers and companies is spread across the central southeastern area of Norway.

A small ratio of lending to business customers contributes to a low concentration risk for the bank. The exposure to properties and property development accounts for a relatively large share of the business portfolio, but a limited share of the bank's total lending portfolio.

As a general rule, loans and credit are only granted to private customers against adequate security. The bank has low exposure to loans/credits without related security.

The bank also takes a credit risk in its management of liquidity reserves and surplus liquidity. The bank intends to hold low-credit-risk interest-bearing securities for liquidity purposes (reserves for disposal as required), or as the basis for deposits to raise loans from the central bank, or for both purposes.

The bank's credit risk is monitored continuously and there are updated overviews of the bank's overall counterparty risk.

Market risk

Sparebanken Øst pursues a financial strategy that will help to ensure that the bank's activities in the financial area are in line with the framework conditions and guidelines that are a consequence of the bank's overall business concept, strategic plans and budgets, and that the activities are

responsible in relation to the bank's ability and willingness to undertake risks.

The financial strategy must also help to ensure that the bank manages financial risk in line with the requirements laid down in statutory and regulatory requirements, circulars from the authorities and other regulatory provisions.

Sparebanken Øst has a liquidity portfolio consisting of interest-bearing securities that are mainly issued by other Norwegian banks, credit institutions, municipalities, the state and state-guaranteed enterprises. On this basis, the bank takes a credit spread risk.

The liquidity portfolio entails a low risk and is within the adopted framework for the credit spread risk.

Interest rate risk is held within fixed limits, and is limited so that the majority of assets and liabilities have variable interest rates or have been swapped to variable interest rate terms.

Currency risk is reduced by entering into forward contracts or basis swaps. The bank is exposed to very little risk on interest rates and currencies via its balance sheet. Exposure to equity instruments beyond the bank's subsidiaries and strategic investments is limited.

Liquidity risk

Sparebanken Øst takes a conservative approach to liquidity risk and manages its risk according to a fixed framework. At any given time, the bank must have sufficient liquidity to manage normal operations for 12 months without the need for additional financing, and non-liquid assets are financed on a long-term basis. Sparebanken Øst issues covered bonds via the bank's wholly-owned credit institution. In principle, covered bonds with long maturities are issued, while senior bond loans are issued with maturities that match the existing maturity profile at all times.

Operational risk

Operational risk is managed and controlled via annual reviews of the bank's key processes, established internal control, with semi-annual confirmation from managers that internal control has taken place, and quarterly reporting to the Board of Directors of registered incidents and assessments of the risk level. The Group has not registered any significant losses due to the failure of internal processes or systems, human error, or unforeseen events, in the first half of 2014.

CAPITAL ADEQUACY

Net subordinate capital amounted to NOK 2,589.8 million at the end of Q2 2014, of which the Group's net tier 1 capital amounted to NOK

2,257.7 million. With a calculation basis of NOK 16,959.1 million, this represents capital adequacy of 15.27 per cent, of which core capital adequacy is 13.31 per cent.

Core tier 1 capital adequacy amounts to 12.14 per cent. Core tier 1 capital adequacy, including 50 per cent of the non-allocated result, amounts to 12.62 per cent. The bank applies the standard method in the Basel II rules to calculate the minimum requirement for subordinate capital for credit risk. The calculation related to operational risk is performed according to the basis method.

RATING

On 05.03.14 Moody's downgraded Sparebanken Øst's "long-term deposit rating" from A3 to Baa1. Sparebanken Øst's "bank financial strength rating" (BFSR) and the bank's "short-term deposit rating" are unchanged at C- and Prime-2, respectively, which reflects how, in isolated terms, the bank is assessed to be unchanged. The background to the downgrading is that Moody's has changed its assessment of official support for Sparebanken Øst from high to moderate.

As an element of Moody's assessment of the new EU crisis management directive, 82 banks in Europe were added to "negative outlook" on 30 May 2014. On this basis, all Norwegian banks have the "negative outlook" rating.

In the draft new crisis resolution framework, covered bonds are explicitly exempt from "bail-in". On this basis, Moody's has increased the rating basis for Sparebanken Øst Boligkreditt AS. Previously, Moody's starting point was the parent bank's rating, while now it is the parent bank's rating, plus one notch. This means that, despite the parent bank's downgrading, as stated above, Sparebanken Øst Boligkreditt AS still has "leeway" for its AAA rating.

SUBSIDIARIES

Sparebanken Øst Boligkreditt AS is a wholly owned subsidiary of Sparebanken Øst. The company was established on 14 April 2009 with the object of granting or acquiring home mortgage loans, property mortgage loans, loans secured by liens on other registered assets or public loans, and of financing lending activities, mainly by issuing covered bonds. At the end of Q2 2014, the loan to value ratio (LTV) of the security portfolio was 47.6 per cent. By way of comparison, the equivalent figure at the end of Q2 2013 was 45.9 per cent; and 47.0 per cent at the end of 2013.

The company's total assets amounted to NOK 9,423.2 million as at 30.06.14, consisting mainly of first-priority home mortgages, which are

financed via covered bonds and drawing rights from the parent company. The company's paid-in capital is NOK 450.0 million, of which NOK 266.5 million is share capital and NOK 183.5 million makes up the share premium account. The result after tax is a profit of NOK 45.0 million at the end of Q2 2014, compared to NOK 38.8 million for the same period of last year. The company has no employees, but procures services from Sparebanken Øst. In Q1 2011, Sparebanken Øst Boligkreditt AS was rated AAA by Moody's.

AS Finansiering is a financing company that is wholly owned by Sparebanken Øst. Its main product is car financing, with the main emphasis on second-hand cars. The company achieved a profit after tax of NOK 14.1 million at the end of Q2 2014, compared to NOK 17.8 million for the same period of last year. Total assets amount to NOK 1,684.3 million. At the end of Q2 2014, the company had 25 employees, corresponding to 24 full-time equivalents.

Sparebanken Øst Eiendom AS' primary object is standard property operations, including purchases, sales, rentals and development of real estate, as well as the purchase and sale of fixtures and fittings within various business areas. Operating income amounted to NOK 21.8 million at the end of Q2 2014, compared to NOK 24.7 million for the same period of last year. The result after tax is a profit of NOK 3.4 million for the first half of 2014, compared to a profit of NOK 3.1 million for the same period of last year. The company has 6 employees. The share capital amounts to NOK 35.1 million

Øst Prosjekt AS' primary object is to take over projects and undertake industrial and commercial activities in order 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 for the first half of 2014. The company achieved equivalent results in the first half of 2013. The company has no employees.

ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with IFRS (including IAS 34 Interim Financial Reporting). Interim financial statements are not audited.

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 capital certificate owners with competitive returns in the form of dividend and the capital appreciation of equity certificates.

The profit for the year will be distributed to equity certificate holders and primary capital in accordance with their respective shares 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, account will be taken of the development in the bank's results, as well as its market situation, dividend stability and tier 1 capital requirements.

OUTLOOK

Several market players have signalled an increased willingness to expand their lending for housing purposes in 2014, via a reduction of lending rates for selected market segments. Net interest and credit commission income will be influenced by these changes. Enhanced competition for the bank's lending products will reduce revenue compared to the level in 2013. The future development in housing prices will continue to be affected by uncertainty and fluctuations. Declining housing prices in the future cannot be excluded. Declining housing prices may reduce the banks' willingness to expand and thereby the competitive situation in the market for housing loans.

The bank assumes a moderate to low demand for lending to companies. In recent years the bank has chosen to exercise caution with regard to the corporate market. It is expected that the bank will stabilise its loan volume towards business customers in the future. Pressure on margins in the market for loans to small and medium-sized enterprises cannot be ruled out during 2014, even without any significant growth in demand.

Market-value fluctuations in the guarantee to Eksportfinans ASA and securities in general may occur. The lawsuit against Eksportfinans ASA in Japan was settled in March and the company states that the ruling is final, as the petitioner did not file an appeal before the deadline. This significantly reduces the uncertainty concerning the company's future operation. The market value of interest-bearing securities is generally affected by the development in margins for individual securities, as well as the general liquidity situation in the market.

The bank assumes an unchanged cost level in 2014, compared with 2013. Declining housing prices and weaker growth in the Norwegian economy may result in increased losses in the banking sector in the future.

The bank has adapted to the new capital adequacy rules and closely monitors the development in the market's capital expectations beyond the regulatory requirements. Calculations show that the bank will comply with the expected capital requirements up to and including 2016. The bank's core tier 1 capital adequacy objective is 14.5 per cent as from 1 July 2016. This capital level ensures the ability to grow, room for manoeuvre in relation to the regulatory requirements, competitiveness in the bond market and the opportunity for a return on equity in line with the adopted objective. In future, the bank will seek to optimise the combination of equity, hybrid capital and subordinate loans.

The bank considers a long-term, robust liquidity situation that provides security for long-term operations to be extremely important. The bank's aim regarding liquidity is for non-liquid assets to be financed by long term debt of between 103 per

cent and 107 per cent, with the goal of 105 per cent long-term financing over time. The bank assumes that access to liquidity will be satisfactory in 2014. The bank closely monitors the development in regulatory LCR and has positioned its liquidity management in line with the coming requirements.

Reduced risk and an increased equity ratio will affect the rate of return over time. The bank's goal for its return on equity has been set at 10 per cent over time. In recent years, earnings in the banking sector have been affected by the need to build up equity. Clarification of the banks' capital situation will result in an increased appetite for expansion, with pressure on margins and lower rates of return in the future.

Losses on customer loans cannot be excluded, but are expected to lie within the long-term target figures.

Hokksund, 30 June 2014
Drammen, 15 July 2014

Jorund Rønning Indrelid
Chair

Knut Smedsrud
Deputy Chair

Morten André Yttreide

Roar Norheim Larsen

Sverre Nedberg

Elly Therese Thoresen

Hanne Solem

Inger Helen Pettersen
Employee representative

Pål Strand
CEO

Income statement

Group 30.06.2014	Group 30.06.2013	Group 2013	(Figures in NOK million)	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 2013
662,0	617,0	1.273,4	Interest income and similar income	464,3	437,1	899,8
359,6	353,5	708,9	Interest expenses and similar expenses	284,2	286,1	570,2
302,4	263,5	564,5	Net interest and credit commission income	180,1	151,0	329,6
7,3	12,6	13,0	Dividend and other income from securities with variable yields	67,3	111,2	111,6
40,1	37,6	80,4	Commission income and income from banking services	45,3	42,6	90,3
21,8	19,1	40,6	Commission expenses and expenses relating to banking services	8,8	6,5	14,6
24,8	20,0	26,4	Net value changes and gains/losses on financial investments	26,2	19,7	26,7
20,2	23,4	55,2	Other operating income	3,0	3,4	6,4
77,2	76,8	164,2	Payroll, etc.	65,1	64,6	137,4
27,7	28,6	56,7	Administration costs	23,0	24,6	49,7
9,7	8,7	17,9	Depreciation/write-downs and value changes on non-financial asse	4,1	3,1	6,7
28,5	27,9	55,0	Other operating expenses	23,9	22,8	46,5
229,9	196,0	405,1	PROFIT BEFORE LOSSES	197,0	206,3	309,7
13,3	6,7	16,2	Losses on loans and guarantees	4,7	1,5	1,8
216,6	189,3	388,9	PROFIT BEFORE TAX	192,3	204,8	307,9
54,7	50,2	106,2	Tax expenses	31,9	54,5	84,4
161,9	139,1	282,7	PROFIT AFTER TAX	160,4	150,3	223,5
3,24	2,90	5,90	Earnings per equity certificate	3,21	3,14	4,67
3,24	2,90	5,90	Diluted earnings per equity certificate	3,21	3,14	4,67

Total profit/loss

Group 30.06.2014	Group 30.06.2013	Group 2013	(Figures in NOK million)	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 2013
161,9	139,1	282,7	PROFIT AFTER TAX	160,4	150,3	223,5
			Items that will not be reclassified to the income statement			
0,0	0,0	-9,8	Actuarial gains and losses on defined benefit plans	0,0	0,0	-11,1
0,0	0,0	2,7	Tax effect of actuarial gains and losses on defined benefit plans	0,0	0,0	3,1
			Items that may be reclassified to the income statement at a later date			
40,5	-5,1	178,8	Changes in fair value of investments available for sale	40,5	-5,1	178,8
202,4	134,0	454,4	TOTAL PROFIT/LOSS	200,9	145,2	394,3

Balance

Group 30.06.2014	Group 30.06.2013	Group 2013	(Figures in NOK mill.)	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 2013
615,0	829,7	357,5	Cash and balances with central banks	615,0	829,7	357,5
483,7	5,1	8,6	Loans to and receivables from credit institutions	2.981,0	2.013,4	2.101,7
28.060,7	24.406,6	25.848,3	Loans to and receivables from customers	17.543,8	15.219,7	17.031,0
100,4	99,8	97,0	- Individual write-downs	37,5	44,2	38,3
43,4	43,4	43,4	- Write-downs on groups of loans	40,1	40,1	40,1
3.798,8	3.437,6	3.301,9	Certificates, bonds, etc. at fair value	4.326,8	4.618,3	3.543,6
681,5	733,4	650,9	Shares and other securities at variable yields	681,5	733,4	650,9
294,3	194,1	192,8	Financial derivatives	182,3	135,5	132,6
200,6	200,8	200,7	Certificates and bonds, held to maturity	200,6	200,8	200,7
0,0	0,0	0,0	Ownership interests in Group companies	687,3	687,2	687,2
0,0	0,0	0,0	Deferred tax assets	4,0	10,6	4,0
400,3	450,3	403,5	Investment properties	0,0	0,0	0,0
131,5	123,3	126,4	Fixed assets	77,3	68,5	72,8
40,0	41,7	40,0	Other assets	12,5	14,2	13,4
86,3	87,9	87,1	Prepaid expenses and accrued income	66,1	71,9	67,9
34.648,9	30.367,3	31.077,3	TOTAL ASSETS	27.300,6	24.518,9	24.784,9
341,4	864,7	773,5	Debt to credit institutions	524,5	991,6	989,0
12.795,4	12.241,6	12.539,2	Deposits from and debt to customers	12.816,0	12.233,9	12.552,1
0,0	493,5	0,0	Debt to the state, exchange of covered bonds	0,0	493,5	0,0
32,7	33,8	24,0	Financial derivatives	32,7	33,8	24,0
17.874,2	13.659,6	14.037,0	Liabilities incurred on the issuance of securities	10.643,4	7.944,3	7.861,6
162,1	153,3	159,2	Other liabilities	121,8	100,9	91,3
164,4	160,3	97,1	Accrued expenses and prepaid income	139,0	137,1	73,9
38,1	26,0	38,6	Provisions for accrued expenses and liabilities	36,4	22,7	36,9
29,1	21,7	29,5	Deferred tax liabilities	0,0	0,0	0,0
548,3	505,3	851,3	Subordinate loan capital	548,3	505,3	851,3
31.985,7	28.159,8	28.549,4	Total liabilities	24.862,1	22.463,1	22.480,1
595,1	595,1	595,1	Paid-up capital	595,1	595,1	595,1
1.906,2	1.473,3	1.932,8	Retained earnings	1.683,0	1.310,4	1.709,7
161,9	139,1	0,0	Unallocated ordinary profit	160,4	150,3	0,0
2.663,2	2.207,5	2.527,9	Total equity	2.438,5	2.055,8	2.304,8
34.648,9	30.367,3	31.077,3	TOTAL LIABILITIES AND EQUITY	27.300,6	24.518,9	24.784,9

Changes in equity - Group

(Figures in NOK million)

Q2 2014	Total Equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital Capital	Endowment account	Available for sale reserve	Other Equity	Unallocated Profit/loss
Equity as at 31.12.2013	2.527,9	207,3	387,8	291,7	1.129,9	35,4	252,7	223,1	0,0
Profit/loss	161,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	161,9
Changes in fair value for TFS investments	40,5	0,0	0,0	0,0	0,0	0,0	40,5	0,0	0,0
Total profit/loss	202,4	0,0	0,0	0,0	0,0	0,0	40,5	0,0	161,9
2013 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	-5,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0	0,0
Equity as at 30.06.2014	2.663,2	207,3	387,8	229,5	1.129,9	30,4	293,2	223,1	161,9

Q2 2013	Total Equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital Capital	Endowment account	Available for sale reserve	Other Equity	Unallocated profit/loss
Equity as at 31.12.2012, adjusted	2.132,7	207,3	387,8	260,7	1.012,7	27,4	73,9	162,9	0,0
Profit/loss	139,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	139,1
Changes in fair value for TFS investments	-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
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0	0,0
Equity as at 30.06.2013	2.207,5	207,3	387,8	198,5	1.012,7	30,4	68,8	162,9	139,1

2013	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital capital	Endowment account	Available for sale reserve	Other Equity
Equity as at 31.12.2012, adjusted	2.132,7	207,3	387,8	260,7	1.012,7	27,4	73,9	162,9
Profit/loss for the year	282,7	0,0	0,0	96,7	121,7	5,0	0,0	59,3
Changes in fair value for TFS investments	178,8	0,0	0,0	0,0	0,0	0,0	178,8	0,0
Actuarial gains and losses on defined benefit plans	-7,1	0,0	0,0	-3,5	-4,5	0,0	0,0	0,9
Total profit/loss	454,4	0,0	0,0	93,2	117,2	5,0	178,8	60,2
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes in endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0
Equity as at 31.12.2013	2.527,9	207,3	387,8	291,7	1.129,9	35,4	252,7	223,1

Changes in equity - parent bank

(Figures in NOK million)

Q2 2014	Total Equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital capital	Endowment account	Available for sale reserve	Unallocated Profit/loss
Equity as at 31.12.2013	2.304,8	207,3	387,8	291,7	1.129,9	35,4	252,7	0,0
Profit/loss	160,4	0,0	0,0	0,0	0,0	0,0	0,0	160,4
Changes in fair value for TFS investments	40,5	0,0	0,0	0,0	0,0	0,0	40,5	0,0
Total profit/loss	200,9	0,0	0,0	0,0	0,0	0,0	40,5	160,4
2013 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes in endowment fund	-5,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0
Equity as at 30.06.2014	2.438,5	207,3	387,8	229,5	1.129,9	30,4	293,2	160,4

Q2 2013	Total Equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital Capital	Endowment account	Available for sale Reserve	Unallocated Profit/loss
Equity as at 31.12.2012, adjusted	1.969,8	207,3	387,8	260,7	1.012,7	27,4	73,9	0,0
Profit/loss	150,3	0,0	0,0	0,0	0,0	0,0	0,0	150,3
Changes in fair value for TFS investments	-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
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes in endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0
Equity as at 30.06.2013	2.055,8	207,3	387,8	198,5	1.012,7	30,4	68,8	150,3

2013	Total Equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital capital	Endowment account	Available for sale reserve
Equity as at 31.12.2012, adjusted	1.969,8	207,3	387,8	260,7	1.012,7	27,4	73,9
Profit/loss for the year	223,5	0,0	0,0	96,7	121,7	5,0	0,0
Changes in fair value for TFS investments	178,8	0,0	0,0	0,0	0,0	0,0	178,8
Actuarial gains and losses on defined benefit plans	-8,0	0,0	0,0	-3,5	-4,5	0,0	0,0
Total profit/loss	394,3	0,0	0,0	93,2	117,2	5,0	178,8
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0
Changes in endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0
Equity as at 31.12.2013	2.304,8	207,3	387,8	291,7	1.129,9	35,4	252,7

Cash Flow Statement

Group 30.06.2014	Group 30.06.2013	Group 31.12.2013	(Figures in NOK million)	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013
			Operating activities			
216,6	189,3	388,9	Profit before tax	192,3	204,8	307,9
			Adjusted for:			
-475,0	0,0	0,0	Changes in gross loans to credit institutions	-879,2	902,8	818,2
-2.212,5	-1.698,6	-3.140,3	Changes in gross loans to customers	-512,8	-2.077,1	-3.888,4
-496,9	554,3	393,0	Changes in certificates and bonds at fair value	-783,2	354,8	1.132,5
13,7	277,9	538,5	Changes in other assets in connection with operations	15,6	290,8	553,7
1,3	1,1	-21,9	Changes in deposits from credit institutions	-31,2	31,7	71,8
256,2	553,7	851,3	Changes in customer deposits	263,9	563,2	881,4
108,1	87,0	-12,2	Changes in other liabilities in connection with operations	111,4	45,0	-45,0
14,1	10,3	23,6	Non-cash items included in profit before tax	3,5	2,5	4,1
-11,7	-2,1	-13,0	Net gains from investment activities	-11,7	-0,1	-0,1
7,1	0,0	0,0	Net losses from financing activities	7,1	0,0	0,0
-98,4	-80,1	-80,9	Taxes paid for the period	-53,2	-51,7	-51,7
-2.677,4	-107,2	-1.073,0	Net cash flow from operating activities	A	-1.677,5	266,7
			Investing activities			
-11,6	-7,2	-17,2	Payment on purchase of fixed assets	-8,6	-4,0	-12,3
0,0	6,5	61,9	Proceeds from sale of fixed assets	0,0	0,1	0,5
25,1	50,0	54,0	Net proceeds/payments on the sale/purchase of financial investments	25,1	-21,0	-17,0
13,5	49,3	98,7	Net cash flow from investing activities	B	16,5	-28,8
			Financing activities			
-432,1	0,0	-579,1	Net proceeds/payments on loans to/from credit institutions and debt to th	-432,1	0,0	-553,5
-1.570,8	-1.684,1	-3.125,1	Payments on repayment of securities	-1.273,8	-1.684,1	-2.881,8
4.986,6	1.732,2	3.903,0	Proceeds on issuance of securities	3.686,7	1.432,5	2.904,4
0,0	0,0	0,0	Proceeds on issuance of equity certificates	0,0	0,0	0,0
-62,2	-62,2	-62,2	Payment of dividend	-62,2	-62,2	-62,2
2.921,5	-14,1	136,6	Net cash flow from financing activities	C	1.918,6	-313,8
257,6	-72,0	-837,7	Net change in cash and cash equivalents	A+B+C	257,6	-72,0
366,1	1.203,8	1.203,8	Cash and cash equivalents as at 01.01.	366,1	1.203,6	1.203,6
623,7	1.131,8	366,1	Cash and cash equivalents at end of period	623,7	1.131,6	366,1

Profit/loss per quarter - Group

(Figures in NOK million)

	Q2	Q1	Q4	Q3	Q2
	2014	2014	2013	2013	2013
Interest income and similar income	335,8	326,2	329,8	326,6	314,6
Interest expenses and similar expenses	185,1	174,5	179,6	175,8	175,4
Net interest and credit commission income	150,7	151,7	150,2	150,8	139,2
Dividend and other income from securities with variable yields	0,6	6,7	0,0	0,4	12,6
Commission income and income from banking services	22,1	18,0	22,0	20,8	19,9
Commission expenses and expenses relating to banking services	10,9	10,9	10,8	10,7	9,7
Net value changes and gains/losses on financial investments	0,8	24,0	4,1	2,3	7,5
Other operating income	9,8	10,4	20,9	10,9	13,0
Payroll, etc.	35,1	42,1	44,2	43,2	33,6
Administration costs	13,2	14,5	14,2	13,9	14,2
Depreciation/write-downs/value changes on non-financial assets	5,0	4,7	4,6	4,6	4,4
Other operating expenses	14,7	13,8	15,7	11,4	13,2
PROFIT BEFORE LOSSES	105,1	124,8	107,7	101,4	117,1
Losses on loans and guarantees	5,3	8,0	11,8	-2,3	6,9
PROFIT BEFORE TAX	99,8	116,8	95,9	103,7	110,2
Taxes (calculated for the interim accounts)	26,1	28,6	26,9	29,1	28,6
PROFIT FOR THE PERIOD	73,7	88,2	69,0	74,6	81,6
Earnings per equity certificate (per quarter)	1,48	1,76	1,44	1,56	1,70
Diluted profit per equity certificate (per quarter)	1,48	1,76	1,44	1,56	1,70

Total profit/loss

PROFIT FOR THE PERIOD	73,7	88,2	69,0	74,6	81,6
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined benefit plans	0,0	0,0	-9,8	0,0	0,0
Tax effect of actuarial gains and losses on defined benefit plans	0,0	0,0	2,7	0,0	0,0
Items that may be reclassified to the income statement at a later date					
Changes in fair value of investments available for sale	0,0	40,5	183,8	0,1	-5,1
TOTAL PROFIT/LOSS	73,7	128,7	245,7	74,7	76,5

Profit per quarter - Parent bank

(Figures in NOK million)

	Q2	Q1	Q4	Q3	Q2
	2014	2014	2013	2013	2013
Interest income and similar income	233,9	230,4	233,6	229,1	223,1
Interest expenses and similar expenses	144,9	139,3	143,2	140,9	141,7
Net interest and credit commission income	89,0	91,1	90,4	88,2	81,4
Dividend and other income from securities with variable yields	0,6	66,7	0,0	0,4	12,5
In connection with the rating process for Sparebanken Øst Boligkredi	24,9	20,4	24,4	23,3	22,4
Commission expenses and expenses relating to banking services	4,5	4,3	4,1	4,0	3,3
Net value changes and gains/losses on financial investments	2,3	23,9	3,9	3,1	7,2
Other operating income	1,1	1,9	1,6	1,4	1,8
Payroll, etc.	30,3	34,8	37,2	35,6	29,0
Administration costs	11,1	11,9	12,8	12,3	12,4
Depreciation/write-downs/value changes on non-financial assets	2,1	2,0	1,8	1,8	1,6
Other operating expenses	12,8	11,1	13,8	9,9	10,4
PROFIT BEFORE LOSSES	57,1	139,9	50,6	52,8	68,6
Losses on loans and guarantees	0,8	3,9	4,9	-4,6	3,5
PROFIT BEFORE TAX	56,3	136,0	45,7	57,4	65,1
Taxes (calculated for the interim accounts)	14,3	17,6	13,8	16,1	15,9
PROFIT FOR THE PERIOD	42,0	118,4	31,9	41,3	49,2
Earnings per equity certificate (per quarter)	0,84	2,37	0,67	0,86	1,03
Diluted profit per equity certificate (per quarter)	0,84	2,37	0,67	0,86	1,03

Total profit/loss

PROFIT FOR THE PERIOD	42,0	118,4	31,9	41,3	49,2
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined benefit plans	0,0	0,0	-11,1	0,0	0,0
Tax effect of actuarial gains and losses on defined benefit plans	0,0	0,0	3,1	0,0	0,0
Items that may be reclassified to the income statement at a later date					
Changes in fair value of investments available for sale	0,0	40,5	183,8	0,1	-5,1
TOTAL PROFIT/LOSS	42,0	158,9	207,7	41,4	44,1

Accounting principles

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 principles applied to the presentation of the financial statements is presented in the Annual Report for 2013. The accounting principles and calculation methods are generally unchanged from those applied to the presentation of the 2013 financial statements. Amendments to IFRS standards that came into effect as of 1 January 2014 have not had a significant impact on the Group's financial position, profit and/or financial information. Reference is made to the Annual Report for 2013, Note 2: Accounting principles, item 17: future changes to the accounting principles. The financial statements are presented in Norwegian kroner, which is also the Group's functional currency. Interim financial statements are not audited.

Assessments and the use of estimates

In the preparation of the consolidated accounts, the management must make estimates and discretionary assessments and assumptions that may affect the accounting principles applied and thereby also the booked amounts for assets, liabilities, income and expenses. For further details, please see the Annual Report for 2013, Note 3: Assessments and the use of estimates.

Losses on loans and guarantees

(Figures in NOK million)

	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013	Group 30.06.2014	Group 30.06.2013	Group 31.12.2013
Individual write-downs						
Individual write-downs as at 01.01.	39,3	51,3	51,3	98,0	105,4	105,4
- Realised losses during the period for which individual write-downs have previously been made	2,0	1,9	3,6	4,0	3,7	7,7
+ Increased individual write-downs during the period	0,4	0,2	0,4	4,6	3,4	4,8
+ New individual write-downs during the period	9,5	0,7	5,5	18,6	9,9	22,1
- Reversed individual write-downs during the period	9,2	5,0	14,3	16,3	14,2	26,6
= Individual write-downs at the end of the period*)	38,0	45,3	39,3	100,9	100,8	98,0
Write-downs on groups of loans						
Write-downs on groups of loans as at 01.01.	40,1	40,1	40,1	43,4	43,4	43,4
+/- Changes in write-downs on groups of loans during the period	0,0	0,0	0,0	0,0	0,0	0,0
= Write-downs on groups of loans at the end of the period	40,1	40,1	40,1	43,4	43,4	43,4
Cost of losses for the period						
Changes to individual write-downs during the period	-1,3	-6,0	-12,0	2,9	-4,6	-7,4
+/- Changes to write-downs on groups of loans during the period	0,0	0,0	0,0	0,0	0,0	0,0
+ Realised losses during the period for which individual write-downs have previously been made	4,8	3,0	5,7	6,8	4,7	9,9
+ Realised losses during the period for which individual write-downs have not been made in previous years	0,6	0,5	0,8	5,2	5,4	11,6
- Recovery of previously identified losses during the period	5,2	1,1	1,8	7,4	3,9	7,0
+/- Amortisation cost of write-downs during the period	5,8	5,1	9,1	5,8	5,1	9,1
= Losses on loans and guarantees - customers	4,7	1,5	1,8	13,3	6,7	16,2

*) Individual write-downs on guarantee commitments amounted to NOK 0.5 million as at 30.06.14 and NOK 1.0 million as at 31.12.13 and as at 30.06.13, and are entered to the balance sheet as liabilities under "Provisions for accrued expenses and liabilities".

Defaults and non-performing loans - customers

(Figures in NOK million)

	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013	Group 30.06.2014	Group 30.06.2013	Group 31.12.2013
Gross defaults (over 90 days)						
Industry	280,3	200,7	279,7	285,5	208,1	285,8
+ Private	93,9	125,6	76,4	186,7	203,8	160,6
= Gross defaults	374,2	326,3	356,1	472,2	411,9	446,4
- Individual write-downs	27,6	25,7	24,4	90,5	80,9	82,9
= Net defaults	346,6	300,6	331,7	381,7	331,0	363,5
Non-performing (not defaulted) loans						
Business	16,4	67,5	34,6	16,4	68,0	35,8
+ Private	5,1	5,2	5,1	5,1	5,7	5,2
= Gross non-performing loans	21,5	72,7	39,7	21,5	73,7	41,0
- Individual write-downs	10,4	19,6	14,9	10,4	19,9	15,1
= Net non-performing loans	11,1	53,1	24,8	11,1	53,8	25,9
Gross defaults and non-performing loans						
Business	296,7	268,2	314,3	301,9	276,1	321,6
+ Private	99,0	130,8	81,5	191,8	209,5	165,8
= Gross defaults and non-performing loans	395,7	399,0	395,8	493,7	485,6	487,4
- Individual write-downs	38,0	45,3	39,3	100,9	100,8	98,0
= Net defaults and non-performing loans	357,7	353,7	356,5	392,8	384,8	389,4

Operating segments

Segment reporting is based on the bank's internal reporting format, in which the parent bank and mortgage credit company are split into the private market, the business market and finance.

There are also other subsidiaries, as well as a non-reportable segment with items that are not distributed across other segments.

(Figures in NOK million)

30.06.2014	PM	BM	Finance	Financierin g	Spb Øst Eiendom	Undistribut ed	Elimination	Group
Net interest and commission income, external	296,1	120,4	34,5	76,3	0,0	-224,9	0,0	302,4
Net interest and commission income, internal	-140,8	-25,6	-48,2	-18,0	-6,1	238,7	0,0	0,0
Net interest and commission income	155,3	94,8	-13,7	58,3	-6,1	13,8	0,0	302,4
Total net other income, external	24,8	8,6	11,7	-12,1	17,9	19,7	0,0	70,6
Total net other income, internal	0,0	0,0	0,0	0,0	3,9	1,3	-5,2	0,0
Total income	180,1	103,4	-2,0	46,2	15,7	34,8	-5,2	373,0
Payroll and general administration costs	29,5	10,6	0,0	13,6	3,0	48,2	0,0	104,9
Depreciation	0,0	0,0	0,0	1,2	4,4	4,1	0,0	9,7
Other operating expenses, external	0,5	0,0	0,0	3,4	3,6	21,0	0,0	28,5
Other operating expenses, internal	0,0	0,0	0,0	0,1	0,0	3,8	-3,9	0,0
Total operating expenses	30,0	10,6	0,0	18,3	11,0	77,1	-3,9	143,1
In connection with the rating process for Sparebank1	150,1	92,8	-2,0	27,9	4,7	-42,3	-1,3	229,9
Losses on loans, guarantees, etc.	-0,1	4,7	0,0	8,6	0,0	0,1	0,0	13,3
Profit before tax	150,2	88,1	-2,0	19,3	4,7	-42,4	-1,3	216,6
Tax expenses	0,0	0,0	0,0	5,2	1,3	48,6	-0,4	54,7
Profit after tax	150,2	88,1	-2,0	14,1	3,4	-91,0	-0,9	161,9
30.06.2013	PM	BM	Finance	Financierin g	Spb Øst Eiendom	Undistribut ed	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
Net interest and commission income	127,2	105,9	-28,8	58,9	-8,3	8,6	0,0	263,5
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	-0,2	-3,7	0,0
Total income	154,2	113,4	-15,5	47,0	16,4	26,2	-3,7	338,0
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 expenses, external	0,6	0,1	0,0	2,8	4,3	20,1	0,0	27,9
Other operating expenses, internal	0,0	0,0	0,0	0,3	0,2	3,5	-4,0	0,0
Total operating expenses	29,6	10,2	0,0	17,1	12,1	77,0	-4,0	142,0
Profit before losses	124,6	103,2	-15,5	29,9	4,3	-50,8	0,3	196,0
Losses on loans, guarantees, etc.	0,2	1,3	0,0	5,2	0,0	0,0	0,0	6,7
Profit before tax	124,4	101,9	-15,5	24,7	4,3	-50,8	0,3	189,3
Tax expenses	0,0	0,0	0,0	6,9	1,2	42,0	0,1	50,2
Profit after tax	124,4	101,9	-15,5	17,8	3,1	-92,8	0,2	139,1
30.06.2014	PM	BM	Finance	Financierin g	Spb Øst Eiendom	Undistribut ed	Elimination	Group
Loans to and receivables from customers	20.696,0	5.104,6	0,0	1.657,7	0,0	766,7	-308,1	27.916,9
Other assets	41,5	27,5	5.642,5	26,6	497,8	2.700,4	-2.204,3	6.732,0
Total assets	20.737,5	5.132,1	5.642,5	1.684,3	497,8	3.467,1	-2.512,4	34.648,9
Deposits from and liabilities to customers	8.328,6	3.300,9	1.075,3	17,3	0,0	108,6	-35,3	12.795,4
Other liabilities	179,9	115,0	39,7	1.477,1	365,9	19.307,6	-2.294,9	19.190,3
Inter-company accounts	12.229,0	1.716,2	4.527,5	0,0	0,0	-18.472,7	0,0	0,0
Total liabilities per segment	20.737,5	5.132,1	5.642,5	1.494,4	365,9	943,5	-2.330,2	31.985,7
Total equity	0,0	0,0	0,0	189,9	131,9	2.523,6	-182,2	2.663,2
Total liabilities and equity	20.737,5	5.132,1	5.642,5	1.684,3	497,8	3.467,1	-2.512,4	34.648,9
30.06.2013	PM	BM	Finance	Financierin g	Spb Øst Eiendom	Undistribut ed	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	2.338,3	-2.788,8	6.103,9
Total assets	16.508,0	5.787,9	5.929,2	1.637,9	526,2	3.093,2	-3.115,1	30.367,3
Deposits from and debt to customers	7.653,1	3.326,1	1.151,6	22,0	0,0	99,8	-11,0	12.241,6
Other liabilities	657,0	157,0	14,5	1.445,4	410,7	16.182,2	-2.948,6	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	1.016,2	-2.959,6	28.159,8
Total equity	0,0	0,0	0,0	170,5	115,5	2.077,0	-155,5	2.207,5
Total liabilities and equity	16.508,0	5.787,9	5.929,2	1.637,9	526,2	3.093,2	-3.115,1	30.367,3

Customer deposits by sector and industry

(Figures in NOK million)

	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013	Group 30.06.2014	Group 30.06.2013	Group 31.12.2013
Salaried employees	8.403,0	7.804,1	7.828,3	8.413,0	7.812,9	7.837,7
Public administration	134,0	191,3	228,5	134,0	191,3	228,5
Agriculture, forestry, fishing, etc.	119,2	121,7	130,2	119,2	121,7	130,2
Industry and mining, power and water sup	462,1	463,5	478,3	462,1	463,5	478,3
Construction and civil engineering	333,5	378,2	401,9	334,4	379,2	402,9
Retail/hotels and restaurants	350,2	399,8	412,5	350,4	400,1	412,7
Transport/communication	135,5	143,2	154,3	135,7	143,5	154,6
Commercial financial services	1.357,3	1.297,6	1.393,2	1.361,0	1.306,8	1.396,9
Other service industries	597,0	560,2	573,2	598,4	561,5	574,6
Sale and operation of real estate	820,6	773,2	841,7	783,6	760,0	812,8
Abroad	103,6	101,1	110,0	103,6	101,1	110,0
Total	12.816,0	12.233,9	12.552,1	12.795,4	12.241,6	12.539,2

Gross loans to customers by sector and industry

(Figures in NOK million)

	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013	Group 30.06.2014	Group 30.06.2013	Group 31.12.2013
Salaried employees	13.012,1	10.153,7	12.459,5	23.719,1	19.539,1	21.471,0
Agriculture, forestry, fishing, etc.	148,1	175,1	164,8	149,4	177,8	166,9
Industry and mining, power and water sup	106,7	111,0	97,2	111,3	115,0	101,0
Construction and civil engineering	509,9	591,7	493,2	524,8	609,3	509,2
Retail/hotels and restaurants	344,0	420,4	344,9	374,1	455,7	375,2
Transport/communication	61,8	84,6	64,8	75,5	104,5	81,7
Commercial financial services	111,5	163,4	132,0	122,8	172,7	141,3
Other service industries	461,1	455,2	450,8	478,9	477,8	468,7
Sale and operation of real estate	2.767,7	3.050,8	2.810,8	2.468,0	2.737,9	2.515,5
Abroad	20,9	13,8	13,0	36,8	16,8	17,8
Total	17.543,8	15.219,7	17.031,0	28.060,7	24.406,6	25.848,3

Geographical breakdown of gross lending

(Figures in NOK million)

	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013	Group 30.06.2014	Group 30.06.2013	Group 31.12.2013
Drammen	3.428,8	3.477,1	3.642,8	4.357,3	4.486,4	4.478,5
Nedre Eiker	1.729,9	1.594,2	1.692,8	2.412,8	2.392,1	2.381,2
Øvre Eiker	1.501,5	1.302,0	1.418,4	1.976,0	1.832,4	1.890,2
Other parts of Buskerud	1.670,1	1.426,0	1.566,2	2.243,5	1.981,1	2.089,0
Oslo	2.901,1	2.484,9	2.839,0	5.157,5	4.165,0	4.526,4
In connection with the rating process for S	2.960,9	2.264,9	2.746,1	5.180,5	4.097,7	4.550,0
Vestfold	1.560,8	1.373,4	1.456,0	2.300,6	2.109,3	2.149,8
Østfold	560,5	401,7	510,3	1.170,3	972,1	1.066,0
Rest of the country	1.209,3	881,7	1.146,4	3.225,4	2.353,7	2.699,4
Abroad	20,9	13,8	13,0	36,8	16,8	17,8
Total	17.543,8	15.219,7	17.031,0	28.060,7	24.406,6	25.848,3

Classification of financial assets and liabilities

(Figures in NOK million)

30.06.2014 - Group	Value recognised in the income statement					Total
	Held for trading	Designated at fair value	Available for sale	Held to maturity	Amortised cost*	
Cash and balances with central banks	0,0	0,0	0,0	0,0	615,0	615,0
Net loans to and receivables from credit institutions	0,0	0,0	0,0	0,0	483,7	483,7
Net loans to and receivables from customers	0,0	0,0	0,0	0,0	27.916,9	27.916,9
Certificates, bonds, etc. at fair value	3.153,7	645,1	0,0	0,0	0,0	3.798,8
Shares, units and other variable-yield securities	27,0	0,0	654,5	0,0	0,0	681,5
Financial derivatives**	294,3	0,0	0,0	0,0	0,0	294,3
Certificates and bonds, held to maturity	0,0	0,0	0,0	200,6	0,0	200,6
Total financial assets	3.475,0	645,1	654,5	200,6	29.015,6	33.990,8
Debt to credit institutions	0,0	0,0	0,0	0,0	341,4	341,4
Deposits from and debt to customers	0,0	0,0	0,0	0,0	12.795,4	12.795,4
Liabilities incurred on the issuance of securities	0,0	0,0	0,0	0,0	17.874,2	17.874,2
Financial derivatives**	32,7	0,0	0,0	0,0	0,0	32,7
Subordinate loan capital	0,0	0,0	0,0	0,0	548,3	548,3
Total financial debt	32,7	0,0	0,0	0,0	31.559,3	31.592,0

* Includes secured debt

** Includes derivatives for which hedge accounting is used

30.06.2013 - Group	Value recognised in the income statement					Total
	Held for trading	Designated at fair value	Available for sale	Held to maturity	Amortised cost*	
Cash and balances with central banks	0,0	0,0	0,0	0,0	829,7	829,7
Net loans to and receivables from credit institutions	0,0	0,0	0,0	0,0	5,1	5,1
Net loans to and receivables from customers	0,0	0,0	0,0	0,0	24.263,4	24.263,4
Certificates, bonds, etc. at fair value	2.495,8	941,8	0,0	0,0	0,0	3.437,6
Shares, units and other variable-yield securities	285,3	0,0	448,1	0,0	0,0	733,4
Financial derivatives**	194,1	0,0	0,0	0,0	0,0	194,1
Certificates and bonds, held to maturity	0,0	0,0	0,0	200,8	0,0	200,8
Total financial assets	2.975,2	941,8	448,1	200,8	25.098,2	29.664,1
Debt to credit institutions	0,0	0,0	0,0	0,0	864,7	864,7
Deposits from and debt to customers	0,0	0,0	0,0	0,0	12.241,6	12.241,6
Liabilities to the state, exchange of covered bonds	0,0	0,0	0,0	0,0	493,5	493,5
Liabilities incurred on the issuance of securities	0,0	0,0	0,0	0,0	13.659,6	13.659,6
Financial derivatives**	33,8	0,0	0,0	0,0	0,0	33,8
Subordinate loan capital	0,0	0,0	0,0	0,0	505,3	505,3
Total financial debt	33,8	0,0	0,0	0,0	27.764,7	27.798,5

* Includes secured debt

** Includes derivatives for which hedge accounting is used

31.12.2013 - Group	Value recognised in the income statement					Total
	Held for trading	Designated at fair value	Available for sale	Held to maturity	Amortised cost*	
Cash and balances with central banks	0,0	0,0	0,0	0,0	357,5	357,5
Net loans to and receivables from credit institutions	0,0	0,0	0,0	0,0	8,6	8,6
Net loans to and receivables from customers	0,0	0,0	0,0	0,0	25.707,9	25.707,9
Certificates, bonds, etc. at fair value	2.591,8	710,1	0,0	0,0	0,0	3.301,9
Shares, units and other variable-yield securities	23,5	0,0	627,4	0,0	0,0	650,9
Financial derivatives**	192,8	0,0	0,0	0,0	0,0	192,8
Certificates and bonds, held to maturity	0,0	0,0	0,0	200,7	0,0	200,7
Total financial assets	2.808,1	710,1	627,4	200,7	26.074,0	30.420,3
Debt to credit institutions	0,0	0,0	0,0	0,0	773,5	773,5
Deposits from and debt to customers	0,0	0,0	0,0	0,0	12.539,2	12.539,2
Liabilities incurred on the issuance of securities	0,0	0,0	0,0	0,0	14.037,0	14.037,0
Financial derivatives**	24,0	0,0	0,0	0,0	0,0	24,0
Subordinate loan capital	0,0	0,0	0,0	0,0	851,3	851,3
Total financial debt	24,0	0,0	0,0	0,0	28.201,0	28.225,0

* Includes secured debt

** Includes derivatives for which hedge accounting is used

Securities debt and subordinate loan capital

(Figures in NOK million)	Parent bank	Parent bank	Parent bank	Group	Group	Group
Securities debt	30.06.2014	30.06.2013	31.12.2013	30.06.2014	30.06.2013	31.12.2013
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	10.466,0	7.823,5	7.748,0	17.613,7	13.504,5	13.902,2
Value adjustments (including premium/dis	177,4	120,8	113,6	260,5	155,1	134,8
Total securities debt	10.643,4	7.944,3	7.861,6	17.874,2	13.659,6	14.037,0

Changes to securities debt, Group	30.06.2014	Issued	Matured/rede emed	Change in own holdings	Other changes including currency	31.12.2013
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	10.466,0	3.685,0	959,0	8,0	0,0	7.748,0
Covered bonds, nominal value, NOK	6.873,0	1.300,0	12,0	285,0	0,0	5.870,0
Covered bonds, nominal value, SEK (con	274,7	0,0	0,0	0,0	-9,5	284,2
Value adjustments (including premium/dis	260,5	0,0	0,0	0,0	125,7	134,8
Total securities debt	17.874,2	4.985,0	971,0	293,0	116,2	14.037,0

The difference between the parent bank and the Group consists of covered bonds for a nominal value of NOK 7,147.7 million.

Changes in subordinate loan capital and subordinate bond loans	30.06.2014	Issued	Matured/rede emed	exchange rates	31.12.2013
Ordinary subordinate loan capital, nomine	350,0	0,0	0,0	0,0	350,0
Subordinate bond loans, nominal value	200,0	0,0	300,0	0,0	500,0
Value adjustments (including premium/dis	-1,7	0,0	0,0	0,0	1,3
Total subordinate debt and subordinat	548,3	0,0	300,0	0,0	851,3

Financial derivatives

30.06.2014 (Figures in NOK million)	Parent bank	Parent bank	Parent bank	Group	Group	Group
Fair value recognised in the income st:	Contracts	Assets	Liabilities	Contracts	Assets	Liabilities
<i>Currency instruments</i>						
Currency exchange contracts (forwards)	230,4	0,0	0,6	230,4	0,0	0,6
Currency swap contracts (currency swaps)	100,2	0,0	11,8	100,2	0,0	11,8
Total currency instruments	330,6	0,0	12,4	330,6	0,0	12,4
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate	695,4	0,0	20,3	695,4	0,0	20,3
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (fut	0,0	0,0	0,0	0,0	0,0	0,0
In connection with the rating process f	695,4	0,0	20,3	695,4	0,0	20,3
Guarantee to Eksportfinans ASA*)	242,0	9,7	0,0	242,0	9,7	0,0
Total other derivatives	242,0	9,7	0,0	242,0	9,7	0,0
Used for hedge accounting						
<i>Currency instruments</i>						
Currency exchange contracts (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	0,0	0,0	0,0	252,1	22,6	0,0
Total currency instruments	0,0	0,0	0,0	252,1	22,6	0,0
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate	5.045,0	172,6	0,0	6.545,0	262,0	0,0
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (fut	0,0	0,0	0,0	0,0	0,0	0,0
Total interest rate instruments	5.045,0	172,6	0,0	6.545,0	262,0	0,0
Total derivatives		182,3	32,7		294,3	32,7

*) The amount of NOK 9.7 million is the net positive value adjustment of the guaranteed portfolio as at 30.06.14 after deduction of an annual swap amount. The value of the derivative without taking the swap amount into account was positive at NOK 40.8 million as at 30.06.14.

Financial derivatives

30.06.2013

(Figures in NOK million)

Fair value recognised in the income sta	Parent bank Contracts	Parent bank Assets	Parent bank Liabilities	Group Contracts	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency 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
Total currency instruments	38,5	0,0	4,4	38,5	0,0	4,4
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate :	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
Standard interest rate swap contracts (futu	0,0	0,0	0,0	0,0	0,0	0,0
Total interest rate instruments	989,9	1,9	10,4	989,9	1,9	10,4
Guarantee to Eksportfinans ASA*)	242,0	2,6	0,0	242,0	2,6	0,0
Total other derivatives	242,0	2,6	0,0	242,0	2,6	0,0

Used for hedge accounting	Parent bank Contracts	Parent bank Assets	Parent bank Liabilities	Group Contracts	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency 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
Total currency instruments	292,1	0,0	16,1	544,2	17,4	16,1
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate :	3.795,5	131,0	2,9	4.695,5	172,2	2,9
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (futu	0,0	0,0	0,0	0,0	0,0	0,0
Total interest rate instruments	3.795,5	131,0	2,9	4.695,5	172,2	2,9
Total derivatives		135,5	33,8		194,1	33,8

*) The amount of NOK 2.6 million is the net positive value adjustment of the guaranteed portfolio as at 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 NOK 14.7 million as at 30.06.13.

Financial derivatives

31.12.2013

Fair value recognised in the income sta

Fair value recognised in the income sta	Parent bank Contracts	Parent bank Assets	Parent bank Liabilities	Group Contracts	Group Assets	Group Liabilities
<i>In connection with the rating process for Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee for all covered bond commitment</i>						
Currency exchange contracts (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	38,5	0,0	6,6	38,5	0,0	6,6
Total currency instruments	38,5	0,0	6,6	38,5	0,0	6,6
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate :	527,4	1,1	11,4	527,4	1,1	11,4
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (futu	0,0	0,0	0,0	0,0	0,0	0,0
Total interest rate instruments	527,4	1,1	11,4	527,4	1,1	11,4
Guarantee to Eksportfinans ASA*)	242,0	10,3	0,0	242,0	10,3	0,0
Total other derivatives	242,0	10,3	0,0	242,0	10,3	0,0

Used for hedge accounting	Parent bank Contracts	Parent bank Assets	Parent bank Liabilities	Group Contracts	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency exchange contracts (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	292,1	4,3	3,0	544,2	36,4	3,0
Total currency instruments	292,1	4,3	3,0	544,2	36,4	3,0
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate :	4.295,5	116,9	3,0	5.195,5	145,0	3,0
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (futu	0,0	0,0	0,0	0,0	0,0	0,0
Total interest rate instruments	4.295,5	116,9	3,0	5.195,5	145,0	3,0
Total derivatives		132,6	24,0		192,8	24,0

*) The amount of NOK 10.3 million is the net positive value adjustment of the guaranteed portfolio as at 31.12.13 after deduction of an annual swap amount. The value of the derivative without taking the swap amount into account was positive at NOK 22.4 million as at 31.12.13.

Financial assets and liabilities

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 the 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 23: Financial assets and liabilities in the Annual Report for 2013 for further details regarding the individual items.

30.06.2014 - Group

(Figures in NOK million)

	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and balances with central banks	615,0	0,0	0,0	615,0	615,0
Net loans to and receivables from credit institutions	475,0	0,0	8,7	483,7	483,7
Net loans to and receivables from customers	0,0	0,0	27.924,8	27.924,8	27.916,9
Certificates, bonds and other interest-bearing securities	0,0	215,8	0,0	215,8	200,6
Total assets at amortised cost	1.090,0	215,8	27.933,5	29.239,3	29.216,2
Debt to credit institutions	0,0	341,4	0,0	341,4	341,4
Deposits from and debt to customers	0,0	12.795,4	0,0	12.795,4	12.795,4
Liabilities incurred on the issuance of securities	0,0	18.089,1	0,0	18.089,1	17.874,2
Subordinate loan capital	0,0	558,3	0,0	558,3	548,3
Total liabilities at amortised cost	0,0	31.784,2	0,0	31.784,2	31.559,3
Fair value					
Certificates, bonds and other interest-bearing securities	0,0	3.798,8	0,0	3.798,8	3.798,8
Shares, units and other securities					
- at fair value recognised in the income statement	6,7	20,3	0,0	27,0	27,0
- available for sale	0,0	0,0	654,5	654,5	654,5
Financial derivatives	0,0	294,3	0,0	294,3	294,3
Total assets at fair value	6,7	4.113,4	654,5	4.774,6	4.774,6
Financial derivatives	0,0	32,7	0,0	32,7	32,7
Total liabilities at fair value	0,0	32,7	0,0	32,7	32,7

Movement at level 3

Fair value

In connection with the rating process for Sparebanken Øst Boligkreditt AS, the bank has i	627,4
Purchase of shares	0,0
Disposal	25,1
Change in value	52,2
Transferred from level 1 and 2	0,0
Balance as at 30.06.2014	654,5

Shares and units

Disposals at level 3 so far this year of NOK 25.1 million relate to divestment from Frende Holding AS that is classified as available for sale. The realised gains of NOK 11.7 million are recognised under "Net value changes and gains/losses on financial investments" in ordinary income, while the corresponding amount is reversed in comprehensive income. A positive change in value of NOK 52.2 million relates to Nets Holding AS, which is also classified in the available for sale category. The positive value adjustment is recognised in "Changes in fair value for investments available for sale" in comprehensive income.

At the end of Q2 2014, Frende Holding AS is valued at a total of NOK 200.8 million, Eksportfinans ASA at NOK 208.3 million, and Nets Holding AS at NOK 227.1 million. In Q1 2014 an agreement was established for the sale of the ownership interest in Nets Holding AS. This will take place in Q3 2014. Reference is made to the financial discussion.

30.06.2013 - Group

	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and balances with central banks	829,7	0,0	0,0	829,7	829,7
Net loans to and receivables from credit institutions	0,0	0,0	5,1	5,1	5,1
Net loans to and receivables from customers	0,0	0,0	24.272,8	24.272,8	24.263,4
Certificates, bonds and other interest-bearing securities	0,0	219,0	0,0	219,0	200,8
Total assets at amortised cost	829,7	219,0	24.277,9	25.326,6	25.299,0
Debt to credit institutions	0,0	864,7	0,0	864,7	864,7
Deposits from and debt to customers	0,0	12.241,6	0,0	12.241,6	12.241,6
Liabilities to the state, exchange of covered bonds	0,0	493,5	0,0	493,5	493,5
Liabilities incurred on the issuance of securities	0,0	13.817,8	0,0	13.817,8	13.659,6
Subordinate loan capital	0,0	506,7	0,0	506,7	505,3
Total liabilities at amortised cost	0,0	27.924,3	0,0	27.924,3	27.764,7
Fair value					
Certificates, bonds and other interest-bearing securities	297,0	3.140,6	0,0	3.437,6	3.437,6
Shares, units and other securities					
- at fair value recognised in the income statement	6,3	279,0	0,0	285,3	285,3
- available for sale	0,0	0,0	448,1	448,1	448,1
Financial derivatives	0,0	194,1	0,0	194,1	194,1
Total assets at fair value	303,3	3.613,7	448,1	4.365,1	4.365,1
Financial derivatives	0,0	33,8	0,0	33,8	33,8
Total liabilities at fair value	0,0	33,8	0,0	33,8	33,8

Movements at level 3	Fair value
Balance as at 01.01.13	454,6
Purchase of shares	0,0
Disposal	0,0
Change in value	-6,5
Transferred from level 1 and 2	0,0
Balance as at 30.06.2013	448,1

Shares and units

There were no additions/disposals at level 3 in the first half of 2013. The negative change in value of NOK 6.5 million belongs to the available for sale category. Of this amount, NOK 1.4 million is a write-down that is recognised in "Net value change and gains/losses on financial investments" via the income statement, while NOK 5.1 million is a negative value adjustment that is recognised in "Changes in fair value for investments available for sale" via comprehensive income.

31.12.2013 - Group	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and balances with central banks	357,5	0,0	0,0	357,5	357,5
Net loans to and receivables from credit institutions	0,0	0,0	8,6	8,6	8,6
Net loans to and receivables from customers	0,0	0,0	25.717,3	25.717,3	25.707,9
Certificates, bonds and other interest-bearing securities	0,0	215,6	0,0	215,6	200,7
Total assets at amortised cost	357,5	215,6	25.725,9	26.299,0	26.274,7
Debt to credit institutions	0,0	773,5	0,0	773,5	773,5
Deposits from and debt to customers	0,0	12.539,2	0,0	12.539,2	12.539,2
Liabilities incurred on the issuance of securities	0,0	14.196,8	0,0	14.196,8	14.037,0
Subordinate loan capital	0,0	851,9	0,0	851,9	851,3
Total liabilities at amortised cost	0,0	28.361,4	0,0	28.361,4	28.201,0

Fair value

Certificates, bonds and other interest-bearing securities	0,0	3.301,9	0,0	3.301,9	3.301,9
Shares, units and other securities					
- at fair value via the income statement	6,8	16,7	0,0	23,5	23,5
- available for sale	0,0	0,0	627,4	627,4	627,4
Financial derivatives	0,0	192,8	0,0	192,8	192,8
Total assets at fair value	6,8	3.511,4	627,4	4.145,6	4.145,6
Financial derivatives	0,0	24,0	0,0	24,0	24,0
Total liabilities at fair value	0,0	24,0	0,0	24,0	24,0

Movements at level 3

Balance as at 01.01.13	454,6
Purchase of shares	0,0
Disposal	4,0
Change in value	176,8
Transferred from level 1 and 2	0,0
Balance as at 31.12.13	627,4

Shares and units

Disposals of NOK 4 million in level 3 in 2013 relate to the repayment of paid-up capital in connection with the liquidation of a company. The positive change in value of NOK 176.8 million relates to the available for sale category. Of this amount, write-downs of NOK 1.9 million are recognised in "Net value on financial investments" via the income statement, while the net positive change in value of NOK 178.8 million is recognised in "Changes in fair value for changes and gains/losses investments available for sale" in the comprehensive income. The two largest individual items concern value adjustments for Frende Holding AS by NOK 105.2 million to NOK 226.9 million and for Nets Holding AS by NOK 78.5 million to NOK 174.9 million.

Netting of financial instruments

The Group's access to netting complies with the general rules in Norwegian legislation. Standardised and mainly bilateral ISDA agreements have been entered into with financial institutions and give the parties netting rights in the event of any default. Furthermore, additional agreements regarding the provision of collateral (CSA) have been entered into.

No set-off has been made to amounts recognised in the balance sheet in accordance with the netting disclosure requirement.

There are no agreements in the parent bank regarding netting rights in the event of any default or CSA agreements entered into.

Group (Figures in NOK million)

	Gross amount	Set-off	Balance sheet value	Amount subject to net settlement	Amount after possible net settlement
As at 31.06.14, the exposure was as follows:					
Financial derivatives, assets	112,0	0,0	112,0	0,0	112,0
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0
As at 31.06.13, the exposure was as follows:					
Financial derivatives, assets	58,7	0,0	58,7	0,0	58,7
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0
As at 31.12.13, the exposure was as follows:					
Financial derivatives, assets	60,3	0,0	60,3	0,0	60,3
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0

Capital adequacy

(Figures in NOK million)

	Parent bank	Parent bank	Parent bank	Group	Group	Group
	30.06.2014	30.06.2013	31.12.2013	30.06.2014	30.06.2013	31.12.2013
Equity certificate capital	207,3	207,3	207,3	207,3	207,3	207,3
Premium reserve	387,8	387,8	387,8	387,8	387,8	387,8
Primary capital	1.129,9	1.012,7	1.129,9	1.129,9	1.012,7	1.129,9
Other reserves included in tier 1 capital	259,9	228,9	327,1	483,1	391,9	550,3
Subordinate bond loans	199,1	305,8	350,3	199,1	305,7	390,4
Other tier 1 capital	0,0	0,0	0,0	0,0	0,0	0,0
Deductions in tier 1 capital	-4,5	-10,6	-66,9	-0,5	0,0	-62,8
50/50 deduction in tier 1 capital	-140,9	-102,8	-154,7	-149,0	-110,9	-162,9
Net tier 1 capital	2.038,6	2.029,1	2.180,8	2.257,7	2.194,5	2.440,0
Subordinate bond loans in additional capital	0,0	0,0	151,8	0,0	0,0	111,7
Subordinate loan capital	349,2	199,6	349,1	349,2	199,6	349,1
Unrealised gains, IFRS	131,9	31,0	113,7	131,9	31,0	113,7
50/50 deduction from additional capital	-140,9	-102,8	-154,7	-149,0	-110,9	-162,9
Net additional capital	340,2	127,8	459,9	332,1	119,7	411,6
Net subordinate capital	2.378,8	2.156,9	2.640,7	2.589,8	2.314,2	2.851,6
Calculation base						
Calculation base, balance sheet items	12.248,5	10.930,8	11.421,7	15.629,3	13.887,5	14.297,6
Calculation base, off-balance sheet items	2.172,6	1.885,2	1.934,6	648,0	550,7	532,2
Calculation base, exchange-rate risk	0,0	0,0	0,0	0,0	0,0	0,0
Calculation base, operational risk	952,9	982,4	982,4	1.184,5	1.167,1	1.167,1
Deductions from the calculation base	-483,1	-283,4	-488,5	-502,7	-303,0	-508,1
Total calculation base (risk-weighted balance)	14.890,9	13.515,0	13.850,2	16.959,1	15.302,3	15.488,8
Capital adequacy	15,97 %	15,96 %	19,07 %	15,27 %	15,12 %	18,41 %
Core capital adequacy	13,69 %	15,01 %	15,75 %	13,31 %	14,34 %	15,75 %
Core tier-1 capital adequacy	12,35 %	12,75 %	13,22 %	12,14 %	12,34 %	13,23 %

Guarantee liabilities and other off-balance sheet items

(Figures in NOK million)

	Parent bank	Parent bank	Parent bank	Group	Group	Group
	30.06.2014	30.06.2013	31.12.2013	30.06.2014	30.06.2013	31.12.2013
Guarantee liabilities						
Payment guarantees	96,0	78,6	67,8	96,7	79,4	68,6
Contract guarantees	96,9	97,2	92,6	96,9	97,2	92,6
Loan guarantees	7,2	10,3	2,2	7,2	10,4	2,2
Other guarantee liabilities	18,2	19,3	19,0	18,2	19,3	19,0
Total customer guarantees	218,3	205,4	181,7	219,0	206,2	182,4
Guarantee to Eksportfinans ASA*)	100,0	100,0	100,0	100,0	100,0	100,0
Total guarantee liabilities	318,3	305,4	281,7	319,0	306,2	282,4

* The bank has provided a guarantee to Eksportfinans ASA. The net guarantee liability is NOK 100 million. The guarantee is a derivative.

The value of the derivative excluding. Exchange settlement was positive at NOK 40.8 million as at 30.06.14, compared with NOK 22.4 million as at 31.12.13. As at 30.06.13 this was positive at NOK 14.7 million.

In connection with the rating process for Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee for all covered

bond commitments in the mortgage credit company. The covered bond commitments constitute a nominal amount of

NOK 7,147.7 million as at 30.06.14, NOK 6,154.2 million as at 31.12.13, and NOK 5,681.0 million as at 30.06.13.

The parent company's holdings of covered bonds for a nominal amount of NOK 525.0 million (NOK 240.0 million as at 31.12.13 and NOK 1,178.5 million as at 30.06.13) have been deducted from these totals.

Pledges and preferential rights

Bonds, nominal value, pledged as security

for access to loans at Norges Bank	1.425,0	1.945,0	1.620,0	1.425,0	1.945,0	1.620,0
Pledges	1.425,0	1.945,0	1.620,0	1.425,0	1.945,0	1.620,0
Pledges in swap scheme	0,0	539,5	0,0	0,0	539,5	0,0
Preferential rights in accordance with Section 2-35	0,0	0,0	0,0	7.672,7	6.320,0	6.394,2

* Including holdings owned by the parent bank at a nominal value of NOK 525.0 million as at 30.06.14, NOK 240.0 million as at 31.12.13 and NOK 1,178.5 million as at 30.06.13.

Security in real estate

Liabilities secured by mortgaged properties	0,0	0,0	0,0	0,0	25,6	0,0
Book value of pledged properties	0,0	0,0	0,0	0,0	61,9	0,0

Additional cash flow statement information

Group 30.06.2014	Group 30.06.2013	Group 31.12.2013	(Figures in NOK million)	Parent bank 30.06.2014	Parent bank 30.06.2013	Parent bank 31.12.2013
Cash and cash equivalents						
615,0	829,7	357,5	Cash and balances with central banks	615,0	829,7	357,5
In connection with	297,0	0,0	Treasury bills	0,0	297,0	0,0
8,7	5,1	8,6	Loans to and receivables from credit institutions relating to actual in	8,7	4,9	8,6
623,7	1.131,8	366,1	Total	623,7	1.131,6	366,1
Changes in other assets in connection with operations						
-3,5	242,0	503,8	Net changes in financial assets held for trading purposes	-3,5	242,0	503,8
16,4	35,1	31,4	Net changes in financial derivatives (net assets and liabilities)	16,4	35,1	31,4
0,8	0,8	3,3	Net changes in other assets	2,7	13,7	18,5
13,7	277,9	538,5	Total	15,6	290,8	553,7
Non-cash items included in the profit before tax						
9,7	8,7	17,9	Depreciation of fixed assets	4,1	3,1	6,7
0,1	0,5	0,6	Amortisation of financial investments held to maturity	0,1	0,5	0,6
3,4	-4,6	-5,4	Write-downs on financial assets	-0,8	-4,7	-10,1
0,9	5,7	10,5	Amortisation of financing activities measured at amortised cost	0,1	3,6	6,9
14,1	10,3	23,6	Total	3,5	2,5	4,1

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)

	30.06.2014	30.06.2013	31.12.2013
Result			
Interest income from subsidiaries	34,3	36,3	72,2
Interest income, certificates and covered bonds, from subsidiaries	4,1	11,5	17,3
Interest expenses to subsidiaries	1,9	1,2	2,9
Received dividend/Group contributions from subsidiaries	60,0	71,0	71,0
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	7,2	6,9	13,9
Rent to subsidiaries	3,8	3,7	7,3
Other costs to subsidiaries	0,1	0,1	0,2
Balance sheet			
Loans to subsidiaries	2.805,4	2.334,8	2.401,2
Investments in covered bonds in subsidiaries	528,0	1.178,7	241,8
Accrued interest income, covered bonds, from subsidiaries	1,5	1,1	0,6
Accrued interest income from subsidiaries	0,7	2,5	1,2
Other receivables from subsidiaries	1,1	3,7	0,0
Deposits from subsidiaries	221,4	167,1	245,7
Accrued interest costs to subsidiaries	1,9	1,2	0,0
Other liabilities to subsidiaries	15,7	2,4	1,1

In Q1 2014, the parent bank received dividend from subsidiaries amounting to NOK 60 million.

In Q1 2013, the parent bank received Group contributions from subsidiaries totalling NOK 71 million and provided Group contributions to subsidiaries for an equivalent amount.

Group

Apart from loans and deposits and associated interest income and interest expenses relating to senior management, the Board of Directors and the control committee, the Group has no other related parties. Reference is made to note 32 to the annual financial statements.

Earnings per equity certificate

Earnings per equity certificate are calculated by dividing the part of the profit after tax which falls to the equity capital certificate owners 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. In such a situation, the earnings per equity certificate are 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 may lead to the dilution of earnings per equity certificate. Diluted earnings per equity certificate are therefore not equivalent to earnings per equity certificate.

(Figures in NOK million)	Parent bank	Group
	30.06.2014	30.06.2014
Profit after tax	160,4	161,9
Ownership ratio	41,44 %	41,44 %
Profit after tax allocated to equity certificate owners	66,5	67,1
Weighted average of the number of outstanding equity certificates	20,7	20,7
Earnings per equity certificate	3,21	3,24

Ownership ratio, parent bank

(Figures in NOK million)	01.01.2014	01.01.2013
Equity certificate capital	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excluding dividends)	229,5	198,5
Amount available for sale reserve	104,7	32,0
Total numerator (A)	929,3	825,6
Total equity (excluding the year's allocation for dividends)	2.242,6	1.907,6
Total denominator (B)	2.242,6	1.907,6
In connection with the rating process for Sparebanken Øst Boligkreditt AS, the bank has issued	41,44	43,28

Equity certificates

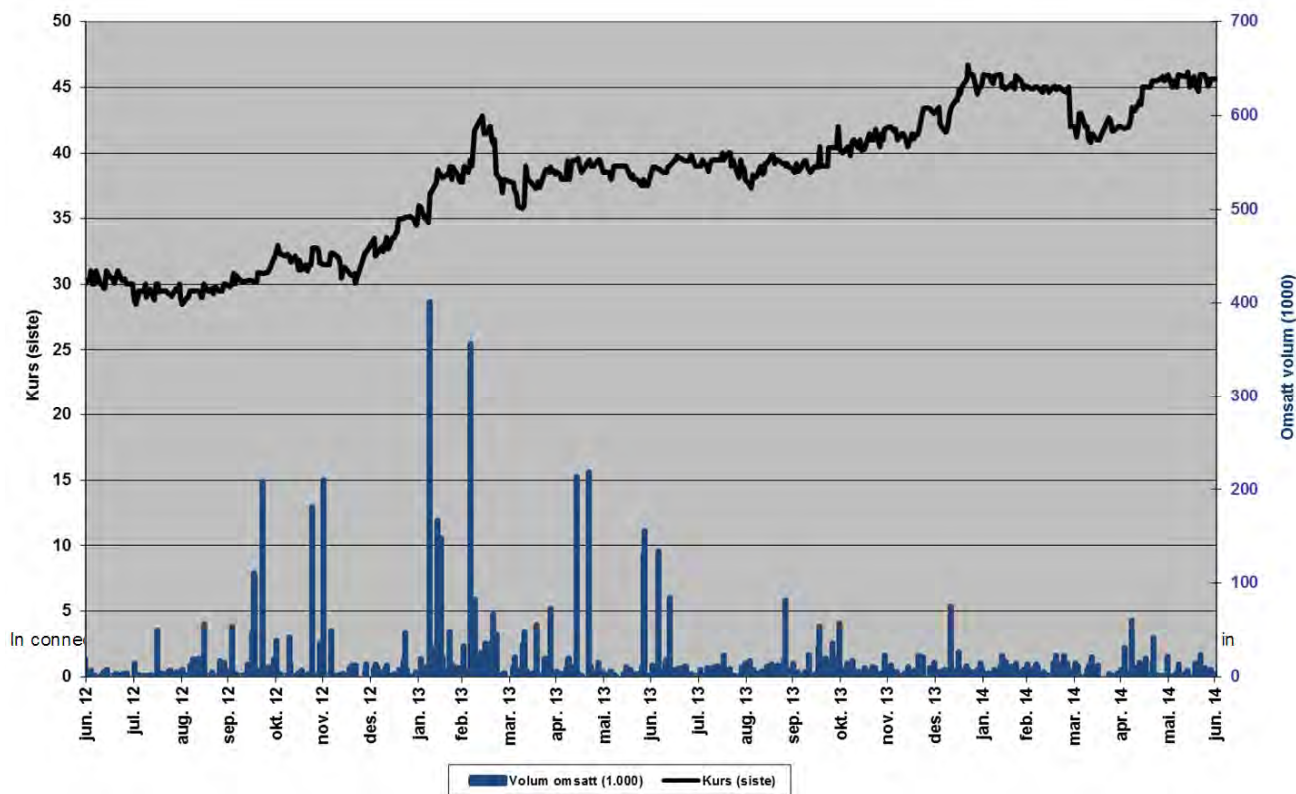
Miscellaneous key figures, equity certificates:

	30.06.2014	2013	2012	2011	2010
Ownership ratio 1)	41,44 %	43,28 %	44,98 %	46,04 %	49,05 %
No. of equity certificates (millions)	20,73	20,73	20,73	20,73	20,73
Book equity per certificate NOK 2)	53,34	49,29	43,22	40,49	39,14
Dividend, NOK	-	3,00	3,00	2,00	5,00
Circulation velocity (sold/issued)	9,91 %	21,81 %	11,69 %	21,61 %	45,09 %

1) Equity share capital+equalisation fund+share premium account as a percentage of the parent bank's total equity excluding the year's allocation for dividend.

2) Equity share capital (Group) divided by the number of equity certificates. Profit to date this year is included.

Sparebanken Øst (SPOG)



The 20 largest equity certificate holders as at 30.06.2014

Name	Number	%	Name	Number	%
1 MP Pensjon	2.049.218	9,88 %	11 Profond AS	269.741	1,30 %
2 Skagen Vekst VPF	1.413.500	6,82 %	12 Hustadlitt AS	264.040	1,27 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Foretakskonsulenter AS	243.600	1,18 %
4 Pareto AS	677.070	3,27 %	14 Teleplan Holding AS	239.665	1,16 %
5 Storeind AS	587.000	2,83 %	15 Citybank NA New York	218.468	1,05 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Wenaasgruppen AS	200.000	0,96 %
7 Verdipapirfondet Eika Utbytte	376.382	1,82 %	17 Citybank NA New York	193.666	0,93 %
8 AS Andersen Eiendomsselskap	354.500	1,71 %	18 Danske Bank AS	161.488	0,78 %
9 Sparebankstiftelsen DNB	308.320	1,49 %	19 RWA Invest AS	150.875	0,73 %
10 Jag Holding AS	272.000	1,31 %	20 Rondane Holding AS	150.000	0,72 %