

170. year

# Quarterly Report 2012

Quarterly Report 3rd quarter 2012



Sparebanken  
Øst

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## Financial highlights - Group

	30.09.2012	30.09.2011	31.12.2011	31.12.2010
Average equity, excl. dividends (NOK mill.)	1.963,5	1.828,2	1.814,5	1.632,2
Average total assets (NOK mill.)	28.457,6	26.003,5	26.502,2	23.515,3
Post-tax profit as %-age of average total assets	0,94	0,73	0,59	1,30
Profit before losses as % of average bank total assets	1,36	0,99	0,86	1,66
Net interest as %-age	1,77	1,72	1,66	1,78
Return on capital (%)	13,68	10,34	8,58	18,70
Net loans (NOK mill.)	22.461,6	21.455,1	22.183,5	19.475,3
Deposits (NOK mill.)	10.364,3	8.573,1	8.932,7	7.630,2
Capital adequacy as %-age	15,05	15,48	15,77	17,16
Tier 1 capital adequacy as %-age	13,54	13,83	14,23	15,39
Fulltime equivalent positions	225	252	252	261

## Interim Report Q3 2012 - Sparebanken Øst

- **Strong ordinary banking operations**
- **Reduced costs**
- **Lower lending growth**
- **Return on equity 13.68 percent**

### PROFIT

The Group achieved NOK 277.3 million in profit before tax after Q3 2012 compared with NOK 186.1 million for the same period last year. The increase is primarily due to increased net interest income, net value adjustment and gains/losses on financial investments and an increase in other income in subsidiary, Sparebanken Øst Eiendom AS. In percentage of average total assets, profit before tax amounts to 1.30 percent as compared to 0.96 percent for the same period last year.

Profit after tax shows a surplus of NOK 201.1 million, against NOK 141.3 million for the same period last year. Return on equity as at 30.09.12 is 13.68 percent.

### Net interest income

Net interest income and credit commissions amounted to NOK 376.4 million, showing an increase of NOK 42.4 million compared with the same period last year. For the third quarter in isolation, net interest and credit commission income showed an increase of NOK 2.5 million compared with Q2 and an increase of NOK 23.9 million compared with Q4 2011.

Net interest and credit commission income equals 1.77 percent of average bank assets at the end of Q3 2012. In comparison net interest and credit commission income amounted to 1.74 percent at the end of Q2 2012, 1.66 percent for 2011 and 1.72 percent at the end of Q3 2011.

### Operating income

Commission income and income from banking services amounted to NOK 65.1 million, which is a decline of NOK 4.9 million compared with the same period last year. Commission income was higher as at 30.09.11 as a result of major income posted from one business customer. Commission income is derived from traditional

banking services. Commission costs and expenses associated with banking services amount to NOK 28.4 million, which is an increase of NOK 5.3 million compared with the same period last year. The increase in its entirety is attributed to agency commissions in AS Financiering as a result of increased lending.

Net value adjustments and gains/losses on financial assets of NOK 55.2 million were entered to income at the close of Q3 2012. Of this NOK 47.0 million was attributable to the Eksportfinans ASA guarantee. For the same period last year net value changes and gains/losses on financial assets amounted to a loss of NOK 13.2, of which NOK 9.3 million was attributable the Eksportfinans ASA guarantee.

Other operating income amounts to NOK 31.8 million and shows an increase of NOK 18.4 million compared to the same period last year and stems from increased lease income in Sparebanken Øst Eiendom AS.

### Operating costs

Total operating costs amounted to NOK 216.8 million, which corresponds to 1.02 percent of average total assets. By comparison total operating costs for the same period last year amounted to NOK 219.7 million, representing 1.13 percent of average total assets. Payroll and general administrative costs amounted to NOK 167.2 million at the end of Q3 2012 compared to NOK 171.3 million for the same period last year. The number of FTEs at the end of Q3 2012 was 225, compared to 252 at the end of the same period last year. The number of FTEs at the end of Q3 2012 was 197, compared to 223 at the end of the same period last year.

Write-offs amounted to NOK 12.3 million in Q3 2012, which is an increase of NOK 3.5 million

compared with the same period last year. The increase was attributable to the completion of a business construction project in the Sparebanken Øst Eiendom AS subsidiary.

Other operating costs amounted to NOK 37.3 million, a reduction of NOK 2.3 million compared with the same period last year.

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

The Group's recorded losses on loans and guarantees amounted to NOK 13.0 million at the end of Q3 2012, compared with NOK 6.4 million for the same period last year. The increase is primarily due to an increase in losses recorded for subsidiary AS Financiering.

Individual impairments on loans and guarantees to customers amount to NOK 102.0 million at the end of Q3 2012 compared to NOK 100.7 million at the end of the year.

Impairments write-down on groups of loans to customers amounted to NOK 43.4 million at the end of 3. Q2 2012, and was unchanged from the beginning of the year

Gross defaults and non-performing loans amounted to NOK 409.4 million compared with NOK 396.1 million at the end of the year and NOK 327.0 million at the end of Q3 2011. Gross defaults and non-performing loans amounted to NOK 307.9 million and showed an increase of NOK 12.0 million compared with 31 December 2011 and an increase of NOK 97.1 million compared with Q3 2011.

### **BALANCE SHEET**

Total assets increased by NOK 305.3 million since the beginning of the year, and amount to NOK 28,802.2 million at the end of Q3 2012.

Cash and receivables at central banks, as well as treasury bills taken together declined by NOK 199.6 million since the end of the year and amount to NOK 1,302.2 million as at 30.09.12.

Net loans to credit institutions have declined by NOK 143.0 million since 31.12.11, and amounted to NOK 98.2 million as at 30.09.12.

Net loans to customers amounted to NOK 22,461.6 million. Net lending grew by 4.69 percent over the last 12 months. Net loans to customers have increased by NOK 278.1 million since the end of last year. Net lending to private customers increased by 8.0 percent, while net lending to business customers declined by 5.6 percent.

Gross loans to private customers made up 77.76 percent of total loans to customers. Holdings of certificates and bonds increased by NOK 168.2 million since the beginning of the year and amounted to NOK 3,439.3 million. In addition, treasury bills have declined by NOK 251.3 million since the beginning of the year and at the end of Q3 2012 amounted to NOK 669.6 million.

The liquidity portfolio, including treasury bills and money market funds, amount to a nominal value of NOK 4.087,8 million and a market value of NOK 4.109,0.

For the liquidity portfolio the weighted average maturity until the agreed due date is estimated at 2.19 years.

Deposits from customers amounted to NOK 10,364.3 as at 30/09/2012 and over the last 12 months increased by NOK 1,791.2 million, equivalent to 20.89 percent. Since the beginning of the year customer deposits have increased by NOK 1.413.6 million. The deposit-to-loan ratio at the end of Q3 was 46.16 percent compared to 40.27 percent as at 31.12.11.

Liabilities arising from issuance of securities amounted to NOK 13,576.8 million, a decline of NOK 293.5 million since the beginning of the year. Issues so far this year have consisted both of senior bonds and bonds with preferential rights. The bank is enjoying good access to the Norwegian bond market at prices in line with comparable banks. In Q1 2012, the group issued bonds with preferential rights in the Swedish capital market.

Other long-term loan agreements amounted to NOK 854.4 million at the end of Q3 2012, thus showing a reduction of NOK 1,063.7 million since the beginning of the year. The reduction may mainly be ascribed to the redemption of F loans with Norges Bank to the value of NOK 1.000 million. At the end of Q3, the group had no F loans with Norges Bank. In 2009, the bank participated in the government exchange scheme to an amount of NOK 915.4 million.

Short-term deposits (defined as deposits with a remaining maturity of less than 1 year) amounted to NOK 1,224.0 million.

### **LIQUIDITY**

The bank has separate frameworks for liquidity buffers which make for a robust liquidity strategy. This means that the bank must have sufficient liquidity to manage 12 month's normal operations without the injection of new

liquidity. The liquidity prognosis for the bank shows adequate liquidity, which is in line with the goal for 12 months' operations.

The establishment of its own housing credit company has altered the group's funding structure, with the option to issue preferential bonds (OMF). This strengthens the bank's funding situation.

## FINANCIAL RISKS

Credit risk is measured by classifying the customer's solidity, security and ability to service its debt.

The interest rate risk is kept within defined limits and is limited by assets and liabilities having variable interest or being swapped to variable interest.

Currency risk is hedged by entering into futures or basic swaps.

Exposure to equity instruments apart from the bank's subsidiaries and strategic investments is limited. The framework for investments for trading is limited to up to NOK 60 million.

## CAPITAL ADEQUACY

Net subordinated capital amounted to NOK 2,200.1 million at the end of Q3 2012, of which the Group's tier 1 capital amounted to NOK 1,979.7 million. With a calculation basis of NOK 14,616.7 million, this represents a capital adequacy of 15.05 percent, of which 13.54 percentage points is tier 1 capital adequacy. The bank applies the standard method in the Basel II rules when calculating the minimum requirement for subordinate capital for credit risk. The calculation related to operational risk is calculated using the basis method.

The bank's Board continuously assesses equity needs using ICAAP (total capital assessment). The assessments are based on the total level of risk at Group level and the development thereof over a 12 month period (capital plan). Based on planned growth of the bank's total capital and budgeted results, the Board found the bank's equity level to be satisfactory at the end of Q3 2012. The bank has no plans at present to enter into other subordinated debt.

## RATING

The bank has an A3/P-2 rating from Moody's Investors Service. The rating outlook is stable. Moody's last confirmed the bank's rating in its Credit Opinion dated 5 July 2012.

## SUBSIDIARIES

**Sparebanken Øst Boligkreditt AS** is a wholly owned subsidiary of Sparebanken Øst. The company was established on 14 April 2009 with the object of granting or acquiring home mortgage loans, property mortgage loans, loans secured by liens on other registered assets or public loans, and to finance lending business mainly through the issuing of preferential bonds. The company's total assets amounted to NOK 7,445.7 million per 30.09.2012 and mainly consisted of first priority mortgages in homes, which are financed through preferential bonds and drawing rights on the parent company. The company's paid-in capital is NOK 250.0 million, of which NOK 159.9 million is share capital and NOK 90.1 million makes up the share premium account. Profit after tax shows a surplus of NOK 29.1 million at the end of Q3 2012, compared to NOK 1.9 million for the same period last year. The company has no employees, but procures services from Sparebanken Øst. Preferential bonds issued by Sparebanken Øst Boligkreditt AS has been rated AAA by Moody's Investors Services since Q1 2011.

**AS Financiering** is a wholly owned funding company of Sparebanken Øst. Its main product is car financing, with the main emphasis on used cars. The company achieved profit after tax of NOK 20.5 million at the end of Q3 2012, compared to NOK 14.9 million for the same period last year. The company's total assets were NOK 1,560.1 million. At the end of Q3 2010, the company had 27 employees, corresponding to 23 FTEs.

**Sparebanken Øst Eiendom AS**' main object is standard property operations, including purchases, sales, rental and development of real estate, as well of purchases and sales of fixtures and fittings within various business areas. Operating income amounted to NOK 34.3 million at the end of Q3 2012 compared with NOK 15.2 million for the same period last year. The increase may be attributed to increased rental income and management income as a result of the completion of a business building project in Drammen and income from the Hawø Eiendom AS subsidiary. Profit after tax shows amounted to NOK 2.2 million at the end of Q3 2012, compared with NOK 0.4 million for the

same period last year. The company has 5 employees and share capital amounts to NOK 35.1 million.

**Øst Prosjekt AS'** main object is taking over projects and undertaking industrial and commercial activities to hedge and realise exposed positions in the Parent bank. The company has no employees and the share capital amounts to NOK 12.0 million. Profit after tax shows amounted to NOK 0 million at the end of Q3 2012, compared with NOK 5.7 million for the same period last year. The surplus in 2011 stemmed mainly from gains from the sale of shares.

## FUTURE PROSPECTS

Net interest and credit commission income is influenced by competition in the banking market. Increased competition moving forward will put margins under pressure for the bank's lending products. The bank's funding costs are affected by low market interest.

Implemented cost-cutting programmes in the Parent bank will continue as planned. The bank assumes a nominal decrease in costs compared with 2011. Losses on loans to customers cannot be excluded, but these are expected to lie within the long-term target.

The bank is focussing strongly on the sale of insurance products. The focus is long-term in nature and the scope of earnings will increase even more in the years ahead.

Fluctuations on the market value for the guarantee for Eksportfinans ASA and securities in general cannot be excluded.

From 1 January 2013 changes will be introduced to accounting practice for pensions (IAS 19). The corridor method will be removed and estimated deviances at the time of implementation will be posted against equity via the total result. It is expected that this change will not affect the bank's equity to any significant level based on current assumptions.

## DIVIDEND POLICY

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

Annual profits will be distributed in respective proportions to equity certificate owners and the statutory fund in accordance with their share of the equity. Sparebanken Øst will endeavour to pay 50-75 per cent of profits allocated to the equity certificate holders as a dividend. In a normal year around 10 per cent will be allocated for donation purposes.

When determining the dividend and endowments, allowance will be made for the bank's profit evolution, market situation, dividend stability and tier 1 capital requirements. If there are insufficient funds for the payment of a competitive dividend from profits in a particular year efforts will nevertheless be made to pay a competitive dividend by the transfer of the necessary funds from the equalisation reserve.

Hokksund, 30 September 2012

Drammen, 30 October 2012

Jorund Rønning Indrelied  
Chairman

Knut Smedsrud  
Vice Chairman

Morten André Yttreide

Roar Norheim Larsen

Sverre Nedberg

Elly Therese Thoresen

Hanne Solem

Ann Kristin Plomås  
Employee representative

Pål Strand  
CEO

## Profit and Loss Account

Group 30.09.2012	Group 30.09.2011	Group 2011	(Figures in NOK mill.)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 2011
946,7	854,8	1.175,0	Interest income and similar income	701,3	719,3	972,2
570,3	520,8	734,0	Interest expenses and similar expenses	445,2	455,3	625,9
376,4	334,0	441,0	<b>Net interest and credit commission income</b>	<b>256,1</b>	<b>264,0</b>	<b>346,3</b>
7,0	31,1	31,1	Dividends and other income from securities with variable yields	7,0	31,1	31,1
65,1	70,0	91,0	Commission income and income from banking services	71,9	73,3	96,4
28,4	23,1	32,6	Commission costs and costs of banking services	10,2	11,3	15,2
55,2	-13,2	-32,8	Net value changes and gains/losses on financial investments	57,0	-20,0	-39,8
31,8	13,4	20,8	Other operating income	5,7	4,2	5,5
121,6	123,8	167,7	Payroll, etc.	103,2	106,2	140,8
45,6	47,5	62,8	Administration costs	39,2	40,7	54,4
12,3	8,8	12,0	Depreciation/write-downs and value changes to non-financial assets	4,0	4,7	6,2
37,3	39,6	47,6	Other operating costs	32,3	34,8	44,0
290,3	192,5	228,4	<b>PROFIT BEFORE LOSSES</b>	<b>208,8</b>	<b>154,9</b>	<b>178,9</b>
13,0	6,4	17,9	Losses on loans and guarantees	1,4	-0,1	7,9
277,3	186,1	210,5	<b>PRE-TAX PROFIT</b>	<b>207,4</b>	<b>155,0</b>	<b>171,0</b>
76,2	44,8	54,8	Tax costs	56,8	37,7	45,0
201,1	141,3	155,7	<b>PROFIT FOR THE YEAR</b>	<b>150,6</b>	<b>117,3</b>	<b>126,0</b>
4,36	3,14	3,46	Profit per equity certificate	3,27	2,61	2,80
4,36	3,14	3,46	Diluted profit per equity certificate	3,27	2,61	2,80

## Total profit/loss

Group 30.09.2012	Group 30.09.2011	Group 2011	(Figures in NOK mill.)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 2011
201,1	141,3	155,7	<b>PROFIT FOR THE YEAR</b>	<b>150,6</b>	<b>117,3</b>	<b>126,0</b>
0,0	0,0	-0,3	Changes in fair value of investments held for sale	0,0	0,0	-0,3
201,1	141,3	155,4	<b>TOTAL PROFIT/LOSS</b>	<b>150,6</b>	<b>117,3</b>	<b>125,7</b>

## Balance Sheet

Group 30.09.2012	Group 30.09.2011	Group 2011	(Figures in NOK mill.)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 2011
632,6	842,7	580,9	Cash and receivables at central banks	632,6	842,7	580,9
669,6	921,1	920,9	Treasury bills	669,6	921,1	920,9
98,2	66,6	241,2	Loans and receivables from credit institutions	2.191,6	2.337,7	2.322,7
22.606,5	21.609,2	22.327,1	Loans and receivables with customers	14.081,9	14.495,3	14.520,9
101,5	116,2	100,2	- Individual write-downs	50,7	70,9	54,6
43,4	37,9	43,4	- Writedowns on groups of loans	40,1	35,0	40,1
3.439,3	2.864,0	3.271,1	Certificates, bonds and other interest-bearing securities with regular	4.453,7	4.001,0	4.308,0
567,5	484,7	476,9	Shares and other securities with variable return	567,5	484,7	476,9
0,0	0,0	0,0	Ownership interests in group companies	376,3	376,2	376,2
576,6	535,8	590,6	Fixed capital assets	62,4	63,5	62,6
0,9	1,6	0,4	Deferred tax assets	35,3	34,9	35,3
224,9	85,2	108,3	Financial derivatives	170,5	85,2	90,5
38,1	32,3	33,9	Other assets	11,4	12,7	13,4
92,9	86,9	89,2	Prepayments non-accrued expenses and earned income not received	76,4	73,8	75,0
28.802,2	27.376,0	28.496,9	<b>TOTAL ASSETS</b>	<b>23.238,4</b>	<b>23.622,9</b>	<b>23.688,6</b>
854,4	1.923,9	1.918,1	Liabilities to credit institutions	912,7	1.946,0	1.945,2
10.364,3	8.573,1	8.932,7	Deposits from and liabilities to customers	10.362,1	8.574,5	8.926,4
915,4	915,4	915,4	Liabilities to the state, exchange of OMF preferential bonds	915,4	915,4	915,4
13.576,8	13.032,7	13.870,3	Liabilities incurred when issuing securities	8.201,8	9.422,1	9.242,3
49,1	48,0	49,0	Financial derivatives	49,1	48,0	48,6
156,6	147,8	133,5	Other liabilities	128,4	136,0	104,9
194,4	205,5	139,3	Accruals and deferred income	167,6	182,0	106,6
30,6	35,8	30,6	Provisions for accrued costs and liabilities	22,8	30,9	22,8
600,0	600,0	600,1	Subordinate loan capital	600,0	600,0	600,1
26.741,6	25.482,2	26.589,0	<b>Total liabilities</b>	<b>21.359,9</b>	<b>21.854,9</b>	<b>21.912,3</b>
595,1	595,1	595,1	Invested equity	595,1	595,1	595,1
1.264,4	1.157,4	1.312,8	Accrued equity	1.132,8	1.055,6	1.181,2
201,1	141,3	0,0	Unappropriated profit	150,6	117,3	0,0
2.060,6	1.893,8	1.907,9	<b>Total equity</b>	<b>1.878,5</b>	<b>1.768,0</b>	<b>1.776,3</b>
28.802,2	27.376,0	28.496,9	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>23.238,4</b>	<b>23.622,9</b>	<b>23.688,6</b>

## Changes in equity group

(Figures in NOK 1,000)

Q3 2012	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available for sale reserve	Other equity	Inappropriated profit/loss
Equity as at 31.12.2011	1.907.914	207.312	387.778	195.782	887.406	29.447	68.590	131.599	0
Result	201.079	0	0	0	0	0	0	0	201.079
Changes in fair value for investments TFS	0	0	0	0	0	0	0	0	0
Total profit/loss	201.079	0	0	0	0	0	0	0	201.079
2011 dividend finally adopted	-41.462	0	0	-41.462	0	0	0	0	0
Dividend from the endowment fund	-7.000	0	0	0	0	-7.000	0	0	0
<b>Equity as at 30.09.2012</b>	<b>2.060.531</b>	<b>207.312</b>	<b>387.778</b>	<b>154.320</b>	<b>887.406</b>	<b>22.447</b>	<b>68.590</b>	<b>131.599</b>	<b>201.079</b>

Q3 2011	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available for sale reserve	Other equity	Inappropriated profit/loss
Equity as at 31.12.2010	1.866.192	207.312	387.778	241.438	826.429	32.447	68.922	101.866	0
Total profit/loss	141.325	0	0	0	0	0	0	0	141.325
Changes in fair value for investments TFS	0	0	0	0	0	0	0	0	0
Total profit/loss	141.325	0	0	0	0	0	0	0	141.325
2010 dividend finally adopted	-103.656	0	0	-103.656	0	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0	0
<b>Equity as at 30.09.2011</b>	<b>1.893.861</b>	<b>207.312</b>	<b>387.778</b>	<b>137.782</b>	<b>826.429</b>	<b>22.447</b>	<b>68.922</b>	<b>101.866</b>	<b>141.325</b>

2011	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available for sale reserve	Other equity
Equity as at 31.12.2010	1.866.192	207.312	387.778	241.438	826.429	32.447	68.922	101.866
Profit for the period	155.710	0	0	58.000	60.977	7.000	0	29.733
Changes in fair value for investments TFS	-332	0	0	0	0	0	-332	0
Total profit/loss	155.378	0	0	58.000	60.977	7.000	-332	29.733
2010 dividend finally adopted	-103.656	0	0	-103.656	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0
<b>Equity as at 31.12.2011</b>	<b>1.907.914</b>	<b>207.312</b>	<b>387.778</b>	<b>195.782</b>	<b>887.406</b>	<b>29.447</b>	<b>68.590</b>	<b>131.599</b>

## Changes in equity parent bank

(Figures in NOK 1,000)

Q3 2012	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available for sale reserve	Inappropriated profit/loss
Equity as at 31.12.2011	1.776.315	207.312	387.778	195.782	887.406	29.447	68.590	0
Result	150.612	0	0	0	0	0	0	150.612
Changes in fair value for investments TFS	0	0	0	0	0	0	0	0
Total profit/loss	150.612	0	0	0	0	0	0	150.612
2011 dividend finally adopted	-41.462	0	0	-41.462	0	0	0	0
Dividend from the endowment fund	-7.000	0	0	0	0	-7.000	0	0
<b>Equity as at 30.09.2012</b>	<b>1.878.465</b>	<b>207.312</b>	<b>387.778</b>	<b>154.320</b>	<b>887.406</b>	<b>22.447</b>	<b>68.590</b>	<b>150.612</b>

Q3 2011	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available for sale reserve	Inappropriated profit/loss
Equity as at 31.12.2010	1.764.326	207.312	387.778	241.438	826.429	32.447	68.922	0
Total profit/loss	117.279	0	0	0	0	0	0	117.279
Changes in fair value for investments TFS	0	0	0	0	0	0	0	0
Total profit/loss	117.279	0	0	0	0	0	0	117.279
2010 dividend finally adopted	-103.656	0	0	-103.656	0	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0	0
<b>Equity as at 30.09.2011</b>	<b>1.767.949</b>	<b>207.312</b>	<b>387.778</b>	<b>137.782</b>	<b>826.429</b>	<b>22.447</b>	<b>68.922</b>	<b>117.279</b>

2011	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available for sale reserve
Equity as at 31.12.2010	1.764.326	207.312	387.778	241.438	826.429	32.447	68.922
Profit for the period	125.977	0	0	58.000	60.977	7.000	0
Changes in fair value for investments TFS	-332	0	0	0	0	0	-332
Total profit/loss	125.645	0	0	58.000	60.977	7.000	-332
2010 dividend finally adopted	-103.656	0	0	-103.656	0	0	0
Dividend from the endowment fund	-10.000	0	0	0	0	-10.000	0
<b>Equity as at 31.12.2011</b>	<b>1.776.315</b>	<b>207.312</b>	<b>387.778</b>	<b>195.782</b>	<b>887.406</b>	<b>29.447</b>	<b>68.590</b>



## Cash Flow Statement

Group 30.09.2012	Group 30.09.2011	Group 31.12.2011	(Figures in NOK mill.)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011
			<b>Operating activities</b>			
277,3	186,1	210,5	Profit before tax	207,4	155,0	171,0
			Adjusted for:			
-528,2	-2.378,0	-3.507,9	Changes in assets in connection with operations	210,8	-282,5	-429,3
1.482,3	1.069,6	1.329,2	Changes in assets in connection with operations	1.535,8	1.074,0	1.307,0
20,0	-1,6	-6,2	Non-cash items included in profit before tax	5,4	-6,1	-13,1
-2,4	-5,8	0,9	Net gains from investment activities	0,0	-0,2	6,4
-56,6	-54,5	-50,4	Taxes paid for the period	-48,6	-42,7	-42,6
1.192,4	-1.184,2	-2.023,9	<b>Net cash flow from operating activities</b>	<b>A</b> 1.910,8	897,5	999,4
			<b>Investment activities</b>			
-52,1	-185,2	-243,4	Purchase of fixed assets	-3,8	-8,4	-9,1
56,2	0,8	0,9	Proceeds from sale of fixed assets	0,0	0,3	0,4
0,0	102,2	99,7	Net proceeds/expenses from sale/purchase of financial investments.	-0,1	6,9	4,4
4,1	-82,2	-142,8	<b>Net cash flow from investment activities</b>	<b>B</b> -3,9	-1,2	-4,3
			<b>Financing activities</b>			
-1.050,0	0,0	0,0	Net incoming/outgoing payments for loans to/from credit institutions	-1.050,0	0,0	0,0
-2.172,5	-2.278,0	-2.840,0	Payments for repayment on securities	-2.037,5	-2.278,0	-2.840,0
1.779,2	3.793,4	5.169,3	Proceeds from securities issued	935,4	1.629,8	2.005,7
0,0	0,0	0,0	Proceeds from issuance of equity certificates	0,0	0,0	0,0
-41,5	-103,6	-103,6	Payment of dividends	-41,5	-103,6	-103,6
-1.484,8	1.411,8	2.225,7	<b>Net cash flow from financing activities</b>	<b>C</b> -2.193,6	-751,8	-937,9
-288,3	145,4	59,0	Net change in cash and cash equivalents	<b>A+B+C</b> -286,7	144,5	57,2
1.688,7	1.629,7	1.629,7	Cash and cash equivalents as at 01.01.	1.686,9	1.629,7	1.629,7
<b>1.400,4</b>	<b>1.775,1</b>	<b>1.688,7</b>	<b>Cash and cash equivalent reserves at end of period</b>	<b>1.400,2</b>	<b>1.774,2</b>	<b>1.686,9</b>

Liquidity reserves include cash and deposits with central banks, treasury bills and loans to and deposits with financial institutions relating to clean locations.

## Profit per quarter - parent bank

(Figures in NOK mill.)

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Interest income and similar income	229,2	228,0	244,1	252,9	253,5
Interest expenses and similar expenses	144,2	142,1	158,9	170,6	158,9
<b>Net interest and credit commission income</b>	<b>85,0</b>	<b>85,9</b>	<b>85,2</b>	<b>82,3</b>	<b>94,6</b>
Dividends and other income from securities with variable yields	0,2	6,7	0,1	0,0	0,2
Commission income and income from banking services	26,5	23,3	22,1	23,1	23,3
Commission costs and costs of banking services	3,6	3,3	3,3	3,9	4,0
Net value changes and gains/losses on financial investments	30,1	0,2	26,7	-19,8	-41,2
Other operating income	2,4	1,6	1,7	1,3	1,3
Payroll, etc.	35,3	31,5	36,4	34,6	37,5
Administration costs	13,1	13,0	13,1	13,7	13,5
Depreciation/impairment/writedowns and value changes to non-finan	1,3	1,3	1,4	1,5	1,5
Other operating costs	9,9	10,9	11,5	9,2	10,0
<b>PROFIT BEFORE LOSSES</b>	<b>81,0</b>	<b>57,7</b>	<b>70,1</b>	<b>24,0</b>	<b>11,7</b>
Losses on loans and guarantees	4,2	3,7	-6,5	8,0	0,2
<b>PRE-TAX PROFIT</b>	<b>76,8</b>	<b>54,0</b>	<b>76,6</b>	<b>16,0</b>	<b>11,5</b>
Tax cost (calculated at interim accounts)	22,2	13,9	20,7	7,3	4,6
<b>PROFIT FOR THE PERIOD</b>	<b>54,6</b>	<b>40,1</b>	<b>55,9</b>	<b>8,7</b>	<b>6,9</b>
Profit per equity certificate (per quarter)	1,19	0,87	1,21	0,19	0,16
Diluted profit per equity certificate (per quarter)	1,19	0,87	1,21	0,19	0,16

## Profit per quarter - Group

(Figures in NOK mill.)

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Interest income and similar income	315,0	312,0	319,7	320,2	309,0
Interest expenses and similar expenses	184,1	183,6	202,6	213,2	189,2
<b>Net interest and credit commission income</b>	<b>130,9</b>	<b>128,4</b>	<b>117,1</b>	<b>107,0</b>	<b>119,8</b>
Dividends and other income from securities with variable yields	0,2	6,7	0,1	0,0	0,2
Commission income and income from banking services	24,2	21,0	19,9	21,0	21,9
Commission costs and costs of banking services	10,0	9,4	9,0	9,5	7,8
Net value changes and gains/losses on financial investments	29,9	0,4	24,9	-19,6	-39,7
Other operating income	9,7	11,8	10,3	7,4	3,9
Payroll, etc.	42,4	35,9	43,3	43,9	44,1
Administration costs	15,2	15,1	15,3	15,3	15,4
Depreciation/impairment/writedowns and value changes to non-finan	4,1	4,1	4,1	3,2	3,0
Other operating costs	10,8	12,5	14,0	8,0	11,2
<b>PROFIT BEFORE LOSSES</b>	<b>112,4</b>	<b>91,3</b>	<b>86,6</b>	<b>35,9</b>	<b>24,6</b>
Losses on loans and guarantees	7,7	8,1	-2,8	11,5	2,1
<b>PRE-TAX PROFIT</b>	<b>104,7</b>	<b>83,2</b>	<b>89,4</b>	<b>24,4</b>	<b>22,5</b>
Tax cost (calculated at interim accounts)	29,9	22,1	24,2	10,0	7,5
<b>PROFIT FOR THE PERIOD</b>	<b>74,8</b>	<b>61,1</b>	<b>65,2</b>	<b>14,4</b>	<b>15,0</b>
Profit per equity certificate (per quarter)	1,62	1,33	1,41	0,32	0,34
Diluted profit per equity certificate (per quarter)	1,62	1,33	1,41	0,32	0,34

## Accounting policies

The consolidated quarterly accounts for the Parent bank and group have been prepared in accordance with the IFRS (including IAS 34 Interim Financial Reporting). Interim accounts are prepared according to the same accounting principles as those used in the annual accounts. Refer to the 2011 annual report for a more detailed description of the accounting policies. The accounts are presented in Norwegian kroner, which is also the Group's functional currency. The interim accounts are not revised.

## Losses on loans and guarantees

(Figures in NOK 1,000)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
<b>Individual writedowns</b>						
Individual writedowns as at 01.01.	55.078	83.594	83.594	100.672	128.907	128.907
- Actual losses for the period, where there have previously been Individual writedowns	1.215	8.503	25.595	3.123	10.153	27.644
+ Increases in individual writedowns for the period	1.406	2.153	559	4.767	5.462	4.418
+ New individual writedowns for the period	2.769	5.684	10.326	14.868	11.526	17.554
- Reversed individual writedowns for the period	6.822	12.063	13.806	15.184	19.555	22.563
<b>= Individual writedowns at the end of the period</b>	<b>51.216</b>	<b>70.865</b>	<b>55.078</b>	<b>102.000</b>	<b>116.187</b>	<b>100.672</b>
<b>Writedowns on groups of loans</b>						
Write-downs on groups of loans as at. 01.01.	40.055	37.897	37.897	43.424	40.766	40.766
+/- Changes in write-downs on groups of loans for the period	0	-2.875	2.158	0	-2.875	2.658
<b>= Writedowns on groups of loans at the end of the period</b>	<b>40.055</b>	<b>35.022</b>	<b>40.055</b>	<b>43.424</b>	<b>37.891</b>	<b>43.424</b>
<b>Loss costs for the period</b>						
Changes to individual writedowns for the period	-3.862	-12.729	-28.516	1.328	-12.720	-28.235
+/- Changes in write-downs on groups of loans for the period	0	-2.875	2.158	0	-2.875	2.658
+ Actual losses for the period, where there have previously been Individual writedowns	3.785	9.778	30.387	5.692	11.428	32.436
+ Actual losses for the period where no individual writedowns were made in previous years.	4.177	681	772	10.664	7.890	10.976
- Addition of previously identified losses for the period	8.477	2.982	4.721	10.435	5.404	7.835
+/- Amortisation costs for the period impairment	4.326	8.046	7.863	4.326	8.046	7.863
<b>= Losses on loans and guarantees - customers</b>	<b>-51</b>	<b>-81</b>	<b>7.943</b>	<b>11.575</b>	<b>6.365</b>	<b>17.863</b>
+ Actual losses for the period where no individual writedowns made - credit institutions	1.399	0	0	1.399	0	0
<b>= Losses on loans and guarantees - credit institutions</b>	<b>1.399</b>	<b>0</b>	<b>0</b>	<b>1.399</b>	<b>0</b>	<b>0</b>
<b>= Losses on loans and guarantees</b>	<b>1.348</b>	<b>-81</b>	<b>7.943</b>	<b>12.974</b>	<b>6.365</b>	<b>17.863</b>

\*) Individual writedowns on guarantee commitments amount to TNOK 500 as at 30.09.12 and 31.12.11 and have been entered in the Balance Sheet un "Provisions for accrued costs and liabilities".

## Defaults and non-performing loans customers

(Figures in NOK 1,000)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
<b>Gross participations in breach (over 90 days)</b>						
Industry	152.754	110.417	136.635	160.679	117.559	143.935
+ Personal	99.685	72.313	92.821	171.527	135.421	157.927
<b>= Gross defaults</b>	<b>252.439</b>	<b>182.730</b>	<b>229.456</b>	<b>332.206</b>	<b>252.980</b>	<b>301.862</b>
- Individual writedowns	26.917	50.134	32.903	77.011	94.416	78.092
<b>= Net defaults</b>	<b>225.522</b>	<b>132.596</b>	<b>196.553</b>	<b>255.195</b>	<b>158.564</b>	<b>223.770</b>
<b>Non-performing (not defaults on) loans</b>						
Industry	70.558	64.130	76.874	71.655	65.645	78.306
+ Personal	5.226	7.846	15.901	5.532	8.330	15.901
<b>= Gross non-performing loans</b>	<b>75.784</b>	<b>71.976</b>	<b>92.775</b>	<b>77.187</b>	<b>73.975</b>	<b>94.207</b>
- Individual writedowns	23.799	20.731	21.675	24.489	21.771	22.080
<b>= Net non-performing loans</b>	<b>51.985</b>	<b>51.245</b>	<b>71.100</b>	<b>52.698</b>	<b>52.204</b>	<b>72.127</b>
<b>Gross defaults and non-performing loans</b>						
Industry	223.312	174.547	213.509	232.334	183.204	222.241
+ Personal	104.911	80.159	108.722	177.059	143.751	173.828
<b>= Gross defaults and non-performing loans</b>	<b>328.223</b>	<b>254.706</b>	<b>322.231</b>	<b>409.393</b>	<b>326.955</b>	<b>396.069</b>
- Individual writedowns	50.716	70.865	54.578	101.500	116.187	100.172
<b>= Net defaults and non-performing loans</b>	<b>277.507</b>	<b>183.841</b>	<b>267.653</b>	<b>307.893</b>	<b>210.768</b>	<b>295.897</b>

## Operational segments

Segment reporting is based on the bank's internal reporting format, in which the Parent bank and the housing credit company are split into the private and business markets.

In addition there are other subsidiaries and the non-reportable segment with entries not distributed to other segments.

(Figures in NOK mill.)

<b>30.09.2012</b>	<b>PM</b>	<b>BM</b>	<b>AS Financiering</b>	<b>Spb Øst Eiendom</b>	<b>Undistributed</b>	<b>Elimination</b>	<b>Group</b>
Net interest and commission income external	371,1	232,1	112,9	-0,9	-338,8	0,0	376,4
Net interest and commission income internal	-211,0	-69,0	-30,2	-12,7	322,9	0,0	0,0
<b>Net interest and commission income</b>	<b>160,1</b>	<b>163,1</b>	<b>82,7</b>	<b>-13,6</b>	<b>-15,9</b>	<b>0,0</b>	<b>376,4</b>
Total net other income external	41,3	17,6	-16,9	28,0	60,7	0,0	130,7
Total net other income internal	0,0	0,0	0,0	6,2	3,8	-10,0	0,0
<b>Total income</b>	<b>201,4</b>	<b>180,7</b>	<b>65,8</b>	<b>20,6</b>	<b>48,6</b>	<b>-10,0</b>	<b>507,1</b>
Payroll and general administration costs	46,2	15,8	20,4	4,1	80,7	0,0	167,2
Depreciation	0,0	0,0	1,3	7,1	3,9	0,0	12,3
Other operating costs external	0,8	0,0	4,0	5,5	27,0	0,0	37,3
Other operating costs internal	0,0	0,0	0,0	1,1	7,1	-8,2	0,0
<b>Total operating costs</b>	<b>47,0</b>	<b>15,8</b>	<b>25,7</b>	<b>17,8</b>	<b>118,7</b>	<b>-8,2</b>	<b>216,8</b>
<b>Profit before losses</b>	<b>154,4</b>	<b>164,9</b>	<b>40,1</b>	<b>2,8</b>	<b>-70,1</b>	<b>-1,8</b>	<b>290,3</b>
Losses on loans, guarantees, etc.	0,6	-0,7	11,6	0,0	1,5	0,0	13,0
<b>Profit before tax</b>	<b>153,8</b>	<b>165,6</b>	<b>28,5</b>	<b>2,8</b>	<b>-71,6</b>	<b>-1,8</b>	<b>277,3</b>
Tax costs	0,0	0,0	8,0	0,6	68,1	-0,5	76,2
<b>After-tax profit</b>	<b>153,8</b>	<b>165,6</b>	<b>20,5</b>	<b>2,2</b>	<b>-139,7</b>	<b>-1,3</b>	<b>201,1</b>
<b>30.09.2011</b>	<b>PM</b>	<b>BM</b>	<b>AS Financiering</b>	<b>Spb Øst Eiendom</b>	<b>Undistributed</b>	<b>Elimination</b>	<b>Group</b>
Net interest and commission income external	311,8	224,3	89,2	0,0	-291,3	0,0	334,0
Net interest and commission income internal	-199,2	-69,3	-26,2	-3,7	298,4	0,0	0,0
<b>Net interest and commission income</b>	<b>112,6</b>	<b>155,0</b>	<b>63,0</b>	<b>-3,7</b>	<b>7,1</b>	<b>0,0</b>	<b>334,0</b>
Total net other income external	46,8	22,0	-10,5	8,9	8,1	2,9	78,2
Total net other income internal	0,0	0,0	0,0	6,3	1,7	-8,0	0,0
<b>Total income</b>	<b>159,4</b>	<b>177,0</b>	<b>52,5</b>	<b>11,5</b>	<b>16,9</b>	<b>-5,1</b>	<b>412,2</b>
Payroll and general administration costs	49,9	15,1	20,1	4,1	82,1	0,0	171,3
Depreciation	0,0	0,0	1,1	3,0	4,7	0,0	8,8
Other operating costs external	0,5	0,1	4,2	4,1	30,3	0,4	39,6
Other operating costs internal	0,0	0,0	0,0	0,0	7,1	-7,1	0,0
<b>Total operating costs</b>	<b>50,4</b>	<b>15,2</b>	<b>25,4</b>	<b>11,2</b>	<b>124,2</b>	<b>-6,7</b>	<b>219,7</b>
<b>Profit before losses</b>	<b>109,0</b>	<b>161,8</b>	<b>27,1</b>	<b>0,3</b>	<b>-107,3</b>	<b>1,6</b>	<b>192,5</b>
Losses on loans, guarantees, etc.	0,2	-0,2	6,4	0,0	0,0	0,0	6,4
<b>Profit before tax</b>	<b>108,8</b>	<b>162,0</b>	<b>20,7</b>	<b>0,3</b>	<b>-107,3</b>	<b>1,6</b>	<b>186,1</b>
Tax costs	0,0	0,0	5,8	-0,1	38,7	0,4	44,8
<b>After-tax profit</b>	<b>108,8</b>	<b>162,0</b>	<b>14,9</b>	<b>0,4</b>	<b>-146,0</b>	<b>1,2</b>	<b>141,3</b>
<b>30.09.2012</b>	<b>PM</b>	<b>BM</b>	<b>AS Financiering</b>	<b>Spb Øst Eiendom</b>	<b>Undistributed</b>	<b>Elimination</b>	<b>Group</b>
Loans and receivables with customers	14.680,9	6.174,6	1.532,2	0,0	409,4	-335,5	22.461,6
Other assets	33,0	32,5	27,9	494,2	9.374,0	-3.621,0	6.340,6
<b>Total assets</b>	<b>14.713,9</b>	<b>6.207,1</b>	<b>1.560,1</b>	<b>494,2</b>	<b>9.783,4</b>	<b>-3.956,5</b>	<b>28.802,2</b>
Deposits from and liabilities to customers	5.954,9	3.116,5	24,6	0,0	1.291,0	-22,7	10.364,3
Other liabilities	1.118,3	222,1	1.388,9	388,8	16.816,7	-3.557,5	16.377,3
Inter-company accounts	7.640,7	2.868,5	0,0	0,0	-10.509,2	0,0	0,0
Total liabilities per segment	14.713,9	6.207,1	1.413,5	388,8	7.598,5	-3.580,2	26.741,6
Total equity	0,0	0,0	146,6	105,4	2.184,9	-376,3	2.060,6
<b>Total liabilities and equity</b>	<b>14.713,9</b>	<b>6.207,1</b>	<b>1.560,1</b>	<b>494,2</b>	<b>9.783,4</b>	<b>-3.956,5</b>	<b>28.802,2</b>
<b>30.09.2011</b>	<b>PM</b>	<b>BM</b>	<b>AS Financiering</b>	<b>Spb Øst Eiendom</b>	<b>Undistributed</b>	<b>Elimination</b>	<b>Group</b>
Loans and receivables with customers	13.732,3	6.294,9	1.324,3	0,0	402,8	-299,2	21.455,1
Other assets	29,0	21,4	33,8	460,3	9.287,2	-3.910,8	5.920,9
<b>Total assets</b>	<b>13.761,3</b>	<b>6.316,3</b>	<b>1.358,1</b>	<b>460,3</b>	<b>9.690,0</b>	<b>-4.210,0</b>	<b>27.376,0</b>
Deposits from and liabilities to customers	4.628,0	3.202,7	36,4	0,0	743,9	-37,9	8.573,1
Other liabilities	1.113,7	219,5	1.198,3	359,1	17.815,6	-3.797,1	16.909,1
Inter-company accounts	8.019,6	2.894,1	0,0	0,0	-10.913,7	0,0	0,0
Total liabilities per segment	13.761,3	6.316,3	1.234,7	359,1	7.645,8	-3.835,0	25.482,2
Total equity	0,0	0,0	123,4	101,2	2.044,2	-375,0	1.893,8
<b>Total liabilities and equity</b>	<b>13.761,3</b>	<b>6.316,3</b>	<b>1.358,1</b>	<b>460,3</b>	<b>9.690,0</b>	<b>-4.210,0</b>	<b>27.376,0</b>

## Customer deposits divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
Salaried employees	6.031.285	4.664.677	4.689.034	6.041.279	4.640.814	4.700.573
Public administration	130.882	105.118	132.753	130.882	105.118	132.753
Agriculture, forestry, fishing etc	119.227	116.922	118.458	119.227	116.922	118.458
Industry and mining, power and water sup	431.310	212.904	249.290	431.310	212.904	249.290
Construction and civil engineering	371.328	343.477	427.416	372.207	345.599	428.304
Retail, hotel and catering	423.160	381.560	450.948	425.386	384.407	453.593
Transport/communication	140.822	117.119	131.214	141.089	117.581	131.599
Financial service business	1.448.242	1.408.273	1.373.757	1.457.233	1.419.615	1.384.717
Other service industries	560.703	568.098	537.638	562.057	569.435	538.982
Real estate turnover and operations	634.123	606.941	764.865	612.606	611.312	743.412
Foreign	70.994	49.361	51.046	70.994	49.361	51.046
<b>Total</b>	<b>10.362.076</b>	<b>8.574.450</b>	<b>8.926.419</b>	<b>10.364.270</b>	<b>8.573.068</b>	<b>8.932.727</b>

## Gross loans to customers divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
Salaried employees	8.876.908	9.063.520	9.040.520	17.578.068	16.330.300	17.038.154
Agriculture, forestry, fishing etc	183.215	194.456	188.297	186.205	198.352	192.074
Industry and mining, power and water sup	108.030	140.998	134.307	114.157	146.772	140.276
Construction and civil engineering	566.911	648.077	602.545	586.949	664.024	618.349
Retail, hotel and catering	369.078	469.856	453.258	410.813	514.236	499.675
Transport/communication	75.813	82.618	72.299	96.984	97.013	89.736
Financial service business	245.377	240.049	264.673	254.449	250.673	276.963
Other service industries	432.113	375.545	387.264	461.486	406.798	417.809
Real estate turnover and operations	3.205.937	3.263.805	3.360.231	2.895.212	2.981.862	3.032.363
Foreign	18.544	16.401	17.480	22.219	19.214	21.715
<b>Total</b>	<b>14.081.926</b>	<b>14.495.325</b>	<b>14.520.874</b>	<b>22.606.542</b>	<b>21.609.244</b>	<b>22.327.114</b>

## Geographic distribution of gross lending

(Figures in NOK mill.)

	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
Drammen	3.538.511	3.853.770	3.850.502	4.571.946	4.547.113	4.625.486
Nedre Eiker	1.452.802	1.470.376	1.459.836	2.304.980	2.132.497	2.153.436
Øvre Eiker	1.207.415	1.270.536	1.281.646	1.752.788	1.675.590	1.714.451
Other parts of Buskerud	1.255.176	1.186.061	1.198.450	1.767.147	1.574.998	1.640.559
Oslo	2.366.136	2.504.180	2.546.347	3.759.043	3.759.074	3.943.942
Akershus	1.971.644	1.952.782	1.955.648	3.698.880	3.599.449	3.725.881
Vestfold	1.306.853	1.308.535	1.285.630	1.986.308	1.854.568	1.878.453
Østfold	296.061	263.627	245.653	801.458	651.219	693.878
Rest of country	668.784	670.505	680.485	1.938.258	1.795.461	1.929.314
Foreign	18.544	14.953	16.677	25.734	19.275	21.714
<b>Total</b>	<b>14.081.926</b>	<b>14.495.325</b>	<b>14.520.874</b>	<b>22.606.542</b>	<b>21.609.244</b>	<b>22.327.114</b>

## Debt securities and subordinated debt

(Figures in NOK mill.)	Parent bank	Parent bank	Parent bank	Group	Group	Group
<b>Debt securities</b>	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>31.12.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>31.12.2011</b>
Certificates, nominal value	0	0	0	0	0	0
Bonds, nominal value	8.064,0	9.343,5	9.158,5	13.402,2	12.955,0	13.770,0
Value adjustments (including o/u rate)	137,8	78,6	83,8	174,6	77,7	100,3
<b>Total debt securities</b>	<b>8.201,8</b>	<b>9.422,1</b>	<b>9.242,3</b>	<b>13.576,8</b>	<b>13.032,7</b>	<b>13.870,3</b>

<b>Changes to debt securities Group</b>	<b>30.09.2012</b>	<b>Issued</b>	<b>Matured/redeemed</b>	<b>Changes to exchange rates</b>	<b>31.12.2011</b>
Certificates, nominal value	0	0	0	0	0
Bonds, nominal value	8.064,0	943,0	2.037,5	0	9.158,5
Preferential bonds (OMF), nominal value	5.076,5	600,0	135,0	0	4.611,5
Preferential bonds (OMF), nominal value	261,7	252,1	0	9,6	0
Value adjustments (including o/u rate)	174,6	0	0	0	100,3
<b>Total debt securities</b>	<b>13.576,8</b>	<b>1.795,1</b>	<b>2.172,5</b>	<b>9,6</b>	<b>13.870,3</b>

The difference between the Parent bank and the Group is preferential bonds (OMF), nominal value NOK 5,269.4 million.

<b>Changes to subordinated debt and fund bonds</b>	<b>30.09.2012</b>	<b>Issued</b>	<b>Matured/redeemed</b>	<b>exchange rates</b>	<b>31.12.2011</b>
Ordinary subordinated debt, nominal value	300,0	0	0	0	300,0
Fund bonds, nominal value	300,0	0	0	0	300,0
Value adjustments (including o/u rate)	0,0	0	0	0	0,1
<b>Total subordinated debt and fund bond</b>	<b>600,0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600,1</b>

## Financial derivatives

30.09.2012	Parent bank	Parent bank	Parent bank	Group	Group	Group
(Figures in NOK mill.)	Contract amounts	Assets	Liabilities	Contract amounts	Assets	Liabilities
<b>Fair value through profit and loss</b>						
<i>Currency instruments</i>						
Currency periods (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	38,5	0,0	2,4	38,5	0,0	2,4
<b>Total currency instruments</b>	<b>38,5</b>	<b>0,0</b>	<b>2,4</b>	<b>38,5</b>	<b>0,0</b>	<b>2,4</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate :)	464,9	0,0	12,4	464,9	0,0	12,4
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (futt)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>464,9</b>	<b>0,0</b>	<b>12,4</b>	<b>464,9</b>	<b>0,0</b>	<b>12,4</b>
Guarantee - Eksportfinans ASA	242,0	29,5	0,0	242,0	29,5	0,0
<b>Total other derivatives</b>	<b>242,0</b>	<b>29,5</b>	<b>0,0</b>	<b>242,0</b>	<b>29,5</b>	<b>0,0</b>
<b>Used for hedge accounting</b>	Parent bank	Parent bank	Parent bank	Group	Group	Group
	Contract amounts	Assets	Liabilities	Contract amounts	Assets	Liabilities
<i>Currency instruments</i>						
Currency periods (forwards)	0,0	0,0	0,0	0,0	0,0	0,0
Currency swap contracts (currency swaps)	292,1	0,0	34,1	544,2	9,5	34,1
<b>Total currency instruments</b>	<b>292,1</b>	<b>0,0</b>	<b>34,1</b>	<b>544,2</b>	<b>9,5</b>	<b>34,1</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate :)	3.365,5	141,0	0,2	4.265,5	185,9	0,2
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (futt)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>3.365,5</b>	<b>141,0</b>	<b>0,2</b>	<b>4.265,5</b>	<b>185,9</b>	<b>0,2</b>
<b>Total derivatives</b>		<b>170,5</b>	<b>49,1</b>		<b>224,9</b>	<b>49,1</b>

## Capital adequacy

(Figures in NOK 1,000)

	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
Equity capital certificate	207.312	207.312	207.312	207.312	207.312	207.312
Premium reserve	387.778	387.778	387.778	387.778	387.778	387.778
Primary certificate capital	887.406	826.429	887.406	887.406	826.429	887.406
Other reserves not included in tier 1 capital	176.766	160.229	225.229	308.365	262.094	356.828
Fund notes up to 15%	286.580	272.975	287.815	300.166	296.836	300.434
Other tier 1 capital	0	0	0	0	0	0
Deductions in tier 1 capital	-35.312	-34.888	-76.774	-955	-1.545	-41.809
50/50-deduction in tier 1 capital	-102.742	-111.894	-108.521	-110.345	-111.029	-116.124
<b>Net tier 1 capital</b>	<b>1.807.788</b>	<b>1.707.941</b>	<b>1.810.245</b>	<b>1.979.727</b>	<b>1.867.875</b>	<b>1.981.825</b>
Fund notes exceeding 15%	13.586	27.442	12.619	0	3.581	0
Subordinate loan capital	299.861	299.623	299.683	299.861	299.623	299.683
Unrealised gains IFRS	30.866	31.015	30.866	30.866	31.015	30.866
50/50-deduction in additional capital	-102.742	-111.894	-108.521	-110.345	-111.029	-116.124
<b>Net additional capital</b>	<b>241.571</b>	<b>246.186</b>	<b>234.647</b>	<b>220.382</b>	<b>223.190</b>	<b>214.425</b>
<b>Net subordinated capital</b>	<b>2.049.359</b>	<b>1.954.127</b>	<b>2.044.892</b>	<b>2.200.109</b>	<b>2.091.065</b>	<b>2.196.250</b>
<b>Calculation base</b>						
Calculation base balance sheet items	10.185.044	10.052.594	10.153.428	13.178.471	12.383.463	12.830.763
Calculation base off-balance sheet items	1.596.499	1.139.713	1.316.581	536.774	524.822	516.814
Calculation base exchange risk	0	0	0	0	0	0
Calculation base operational risk	1.043.708	796.891	796.891	1.203.324	896.942	896.942
Deductions from the calculation base	-283.263	-296.716	-294.822	-301.838	-297.856	-313.397
<b>Total calculation base (risk-weighted balance)</b>	<b>12.541.988</b>	<b>11.692.482</b>	<b>11.972.078</b>	<b>14.616.731</b>	<b>13.507.371</b>	<b>13.931.122</b>
<b>Capital adequacy</b>	<b>16,34%</b>	<b>16,71%</b>	<b>17,08%</b>	<b>15,05%</b>	<b>15,48%</b>	<b>15,77%</b>
<b>Tier 1 capital adequacy</b>	<b>14,41%</b>	<b>14,61%</b>	<b>15,12%</b>	<b>13,54%</b>	<b>13,83%</b>	<b>14,23%</b>

## Guarantee liabilities and other off Balance Sheet it

(Figures in NOK 1,000)

Guarantee liabilities	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011	Group 30.09.2012	Group 30.09.2011	Group 31.12.2011
Payment guarantees	64.614	187.746	120.319	65.374	188.575	121.031
Contract guarantees	98.120	147.967	150.436	98.120	147.967	149.717
Loan guarantees	53.933	33.052	85.036	54.008	33.127	85.111
Other guarantee liabilities	28.864	31.759	29.638	28.864	31.759	29.638
<b>Total customer guarantees</b>	<b>245.531</b>	<b>400.524</b>	<b>385.429</b>	<b>246.366</b>	<b>401.428</b>	<b>385.497</b>
Guarantee to Eksportfinans ASA*	100.000	50.163	53.336	100.000	50.163	53.336
Guarantees to the Norwegian Banks' Guarantee Func	0	0	0	0	0	0
<b>Total guarantee liabilities</b>	<b>345.531</b>	<b>450.687</b>	<b>438.765</b>	<b>346.366</b>	<b>451.591</b>	<b>438.833</b>

\* The bank has put up a guarantee for Eksportfinans ASA. The net guarantee liability is NOK 100 million. The guarantee liability is defined as a derivative, and the net b a receivable of NOK 29,5 million as at 30.09.12 against a net liability of NOK 12.3 million as at 31.12.11.

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

### Pledges and preferential bonds

Bonds, nominal value, put up as collateral

for access to loans in Norges Bank	1.938.000	3.106.500	3.066.908	1.938.000	3.106.500	3.066.908
<b>Pledges *)</b>	<b>1.938.000</b>	<b>3.106.500</b>	<b>3.066.908</b>	<b>1.938.000</b>	<b>3.106.500</b>	<b>3.066.908</b>
<b>Pledges in swap scheme</b>	<b>938.500</b>	<b>938.500</b>	<b>938.500</b>	<b>938.500</b>	<b>938.500</b>	<b>938.500</b>
<b>Preference in terms of sections 2-35 of the Financ</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.403.600</b>	<b>3.311.500</b>	<b>4.711.500</b>

\*) Debt secured by pledges 31.12.11 and 30.09.11 are F loans with a nominal value of NOK 1.000 million issued by Norges Bank. The F loan

### Security in real estate

Liabilities with security in property	0	0	0	34.775	37.039	36.654
Book value of pledged properties	0	0	0	75.561	76.472	76.192

## Additional information for Cash Flow Statement

Group 30.09.2012	Group 30.09.2011	Group 31.12.2011	(Figures in NOK mill.)	Parent bank 30.09.2012	Parent bank 30.09.2011	Parent bank 31.12.2011
<b>Cash and cash equivalents</b>						
632,6	842,7	580,9	Cash and receivables at central banks	632,6	842,7	580,9
669,6	921,1	920,9	Treasury bills	669,6	921,1	920,9
98,2	11,3	186,9	Loans to and receivables on credit institutions that are pure investments	98,0	10,4	185,1
<b>1.400,4</b>	<b>1.775,1</b>	<b>1.688,7</b>	<b>Total</b>	<b>1.400,2</b>	<b>1.774,2</b>	<b>1.686,9</b>
<b>Changes in assets in connection with operations</b>						
-90,6	22,9	26,3	Net changes in financial assets held for the purposes of trade	-90,6	22,9	26,3
-35,5	-18,3	-22,4	Net changes in financial derivatives (net assets and liabilities)	-35,5	-18,3	-22,4
-169,2	-439,1	-846,5	Net change in financial assets at fair value as determined by the result.	-146,7	-576,6	-883,9
54,3	23,6	23,6	Changes in gross loans to credit institutions	44,0	-1.148,8	-960,1
-279,4	-1.964,2	-2.682,1	Changes in gross loans to credit institutions	439,0	1.439,0	1.413,4
-7,8	-2,9	-6,8	Net changes to other assets	0,6	-0,7	-2,6
<b>-528,2</b>	<b>-2.378,0</b>	<b>-3.507,9</b>	<b>Total</b>	<b>210,8</b>	<b>-282,5</b>	<b>-429,3</b>
<b>Changes in assets in connection with operations</b>						
1.431,6	942,9	1.302,5	Changes in customer deposits	1.435,7	952,6	1.304,5
0,0	0,0	0,0	Change in liabilities to the state, swap of OMF preferential bonds	0,0	0,0	0,0
-0,5	28,5	27,1	Changes in debt to credit institutions	30,7	8,8	12,4
51,2	98,2	-0,4	Changes in other liabilities	69,4	112,6	-9,9
<b>1.482,3</b>	<b>1.069,6</b>	<b>1.329,2</b>	<b>Total</b>	<b>1.535,8</b>	<b>1.074,0</b>	<b>1.307,0</b>
<b>Non-cash items included in profit before tax</b>						
12,3	8,8	12,0	Writedowns on fixed assets	4,0	4,7	6,2
1,0	1,6	1,9	Amortisation of financial investments held to maturity	1,0	1,6	1,9
1,3	-15,6	-26,1	Writedown of financial assets	-3,9	-15,6	-26,8
5,4	3,6	6,0	Amortisation financing activities measured at amortised cost	4,3	3,2	5,6
<b>20,0</b>	<b>-1,6</b>	<b>-6,2</b>	<b>Total</b>	<b>5,4</b>	<b>-6,1</b>	<b>-13,1</b>

## Transactions with related parties

### Parent bank

This is a transaction between the Parent bank and the 100 % owned subsidiary. The transactions are eliminated in the consolidated accounts.

(Figures in NOK mill.)

	30.09.2012	30.09.2011	31.12.2011
<b>Result</b>			
Interest income from subsidiaries	63,4	52,5	76,7
Interest certificates and preferential bonds (OMF) from subsidiaries	23,3	24,3	34,4
Interest costs of subsidiaries	1,6	1,3	2,0
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	10,4	5,5	8,1
Rent to subsidiaries	5,9	6,0	8,0
Other costs to subsidiaries	0,1	0,2	0,4
<b>Balance Sheet</b>			
Loans to subsidiaries	2.429,1	2.571,1	2.430,1
Investments OMF in subsidiaries	1.014,3	1.138,5	1.038,6
Accrued interest income (OMF) from subsidiaries	1,2	2,3	2,0
Accrued interest income from subsidiaries	3,7	1,4	2,3
Deposits from subsidiaries	115,9	97,0	89,6
Accrued interest costs of subsidiaries	1,6	1,3	0,0
Other commitments of subsidiaries	14,4	23,7	3,9

### Group

Apart from loans and deposits and related interest income and interest costs concerning corporate management, the Board and control committee, the Group has no other related parties. Refer to note 33 in the annual financial statements.



## Profit per equity certificate

Profit per equity certificate is calculated by dividing that part of the profit after tax which falls to the equity capital certificate owners by weighted average of number outstanding equity certificates during the year. If the annual profit shows a deficit this is covered by a proportionate transfer from respectively primary capital fund, endowment fund and equalisation fund. Profit per equity certificate in such instances is based on the amount of deficit that is debited to the equalisation fund.

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

(Figures in NOK mill.)	<b>Parent bank</b>	<b>Group</b>
	<b>30.09.2012</b>	<b>30.09.2012</b>
After-tax profit	150,6	201,1
Profit after tax allocated to equity certificate owners	67,7	90,5
Weighted average of number of outstanding equity certificates	20,7	20,7
<b>Profit per equity certificate</b>	<b>3,27</b>	<b>4,36</b>

## Fractional ownership parent bank.....

(Figures in NOK mill.)	<b>01.01.2012</b>	<b>01.01.2011</b>
Equity capital certificate	207,3	207,3
Premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	154,3	137,8
Amount available for sale reserve	30,9	31,7
<b>Total numerator (A)</b>	<b>780,3</b>	<b>764,6</b>
Total equity (year's allocation for dividends excluded)	1.734,8	1.660,7
<b>Sum denominator(B)</b>	<b>1.734,8</b>	<b>1.660,7</b>
<b>Fractional ownership(A/B) in %</b>	<b>44,98</b>	<b>46,04</b>

## Equity instruments

### Various key figures equity certificates:

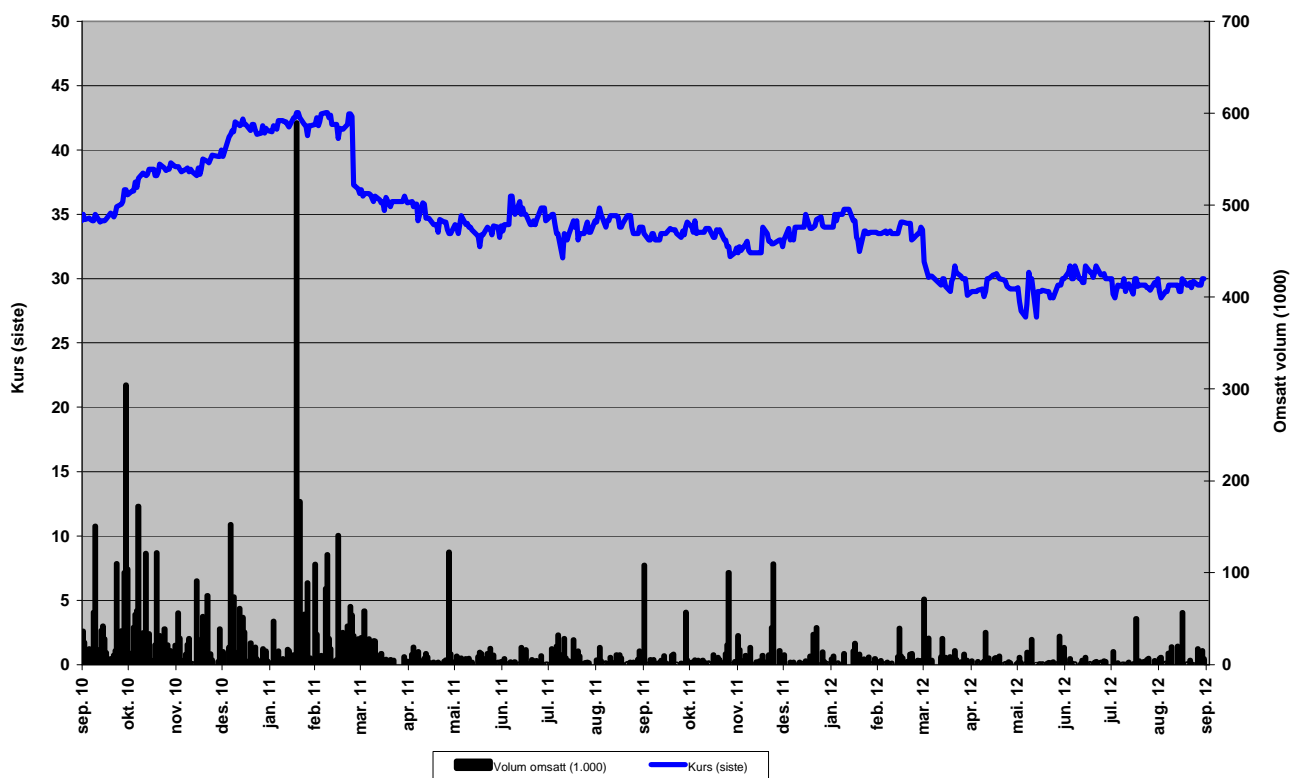
	30.09.2012	2011	2010	2009	2008
Profit per certificate after tax (Group) NOK 1)	5,83	3,46	7,22	7,05	-8,05
Profit per certificate after tax (parent bank) NOK 1)	4,36	2,80	6,78	6,42	-8,15
Fractional ownership 2)	44,98 %	46,04 %	49,05 %	49,63 %	33,39 %
No. of equity certificates (millions)	20,73	20,73	20,73	20,73	3,88
Book equity per certificate NOK 3)	44,86	40,49	39,14	35,56	124,47
Dividend NOK	-	2,00	5,00	4,00	-
Turnover rate (realised/issued)	7,43 %	21,61 %	45,09 %	103,10 %	8,21 %

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

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

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

## Sparebanken Øst (SPOG)



## The 20 largest equity certificate holders as at 30.09.2012

Name	Quantity	%	Name	Quantity	%
1 MP Pensjon	2.049.218	9,88 %	11 Høibraaten, Claus Jørgen	200.000	0,96 %
2 Skagen Vekst VPF.	1.413.500	6,82 %	12 Hustadliitt AS	200.000	0,96 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Terra utbytte VPF	193.001	0,93 %
4 Storetind AS	515.000	2,48 %	14 Julius Johannessen & Sønner AS	175.200	0,85 %
5 Nordea Bank Norge ASA	472.329	2,28 %	15 Citybank NA New York	174.155	0,84 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Anna AS	162.280	0,78 %
7 AS Andersen Eiendom	354.500	1,71 %	17 Gunnar Andersen's Estate	152.262	0,73 %
8 Sparebankstiftelsen DnB NOR	308.320	1,49 %	18 Løkke, Helge Arnfinn	148.433	0,72 %
9 Foretakskonsulenter AS	243.600	1,18 %	19 Øvrum Invest AS	121.440	0,59 %
10 Teleplan Holding AS	239.665	1,16 %	20 Teigen, Hellig	120.400	0,58 %