

171st. year

# QUARTERLY REPORT 2013

Quarterly report 3. quarter 2013

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## Financial highlights - Group

	30.09.2013	30.09.2012	31.12.2012	31.12.2011
Average equity, excl. dividends (NOK mill.)	2.176,4	1.947,0	1.960,6	1.814,5
Average total assets (NOK mill.)	29.954,1	28.464,1	28.698,8	26.502,2
Post-tax profit as %-age of average total assets	0,95	0,94	0,91	0,59
Result before losses as a ratio of average total assets	1,33	1,35	1,34	0,86
Net interest as %-age	1,85	1,77	1,78	1,66
Costs as a % of average assets under management	0,96	1,03	1,02	1,09
Costs as a ratio of income excluding returns on financial investments	45,08	49,13	48,48	55,77
Return on capital (%)	13,13	13,71	13,38	8,58
Net loans to customers (NOK million)	25.005,6	22.461,6	22.560,2	22.183,5
Deposits from customers (NOK million)	12.135,8	10.364,3	11.687,9	8.932,7
Deposit-to-loan ratio	48,53	46,14	51,81	40,27
Deposit-to-loan ratio (parent bank)	76,04	74,06	89,42	61,88
Capital adequacy as %-age	14,97	15,05	15,68	15,77
Tier 1 capital adequacy as %-age	14,20	13,54	14,85	14,23
Actual Tier 1 capital adequacy ratio as %-age	12,23	11,49	12,76	12,07
Full-time equivalent positions	228	225	224	252

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

## Interim Report 3rd Quarter 2013 - Sparebanken Øst

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

### ACCOUNTING POLICES

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

### PROFIT

The Group achieved NOK 293.0 million in profit before tax after Q3 2013 compared with NOK 275.5 million for the same period last year. The change is due to the increase in net interest and dividend income, as well as reduced expenses. At the same time, income recognition from net value changes and gains/losses on financial investments was reduced.

In percentage of average total assets, profit before tax amounts to 1.31 per cent as compared to 1.29 per cent for the same period last year.

Profit after tax shows a surplus of NOK 213.7 million compared to NOK 199.8 million for the same period last year, and gives a 13.13 per cent return on net capital.

The result after tax is a profit of NOK 191.6 million at the end of Q3 2013, compared with NOK 149.5 million for the same period in 2012. Group contributions from subsidiaries of NOK 71 million after tax were recognised in Q1

2013. The parent bank has granted an equivalent amount as Group contributions to subsidiaries.

### Net interest income

Net interest income and credit commissions amounted to NOK 414.3 million, showing an increase of NOK 37.9 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 19.9 million compared with Q3 2012 and an increase of NOK 11.6 million compared with Q2 2013. Growth came from an increase in lending, lower funding costs and a reduction in holdings of interest-bearing securities in the liquidity portfolio. Holdings of money market funds were also sold. Income from money market funds is recognised as a net value adjustment and gains/losses on financial investments, and is not included in net interest income.

Net interest income and credit commission is equivalent to 1.85 per cent of the average total assets at the end of Q3 2013. By way of comparison, net income from interest and credit commission amounted to 1.78 per cent at the end of the first half of 2013, 1.78 per cent for 2012, and 1.77 per cent at the end of Q3 2012.

The guarantee scheme tax has been charged at NOK 6.8 million so far this year. There was no guarantee scheme tax in 2012.

### Operating income

In the parent bank, NOK 98.7 million before tax has been recognised as Group contributions received from subsidiaries in Q1 2013. Eliminations have been made for the amount at Group level. Dividends received from other

companies amounted to NOK 13.0 million so far this year.

Commission income and income from banking services amounted to NOK 58.4 million, which is an increase of NOK 6.7 million compared with the same period last year. The reduction is related to individual commercial customers. Commission income arises through traditional banking services and insurance.

Commission income and expenses associated with banking services amounted to NOK 29.8 million, which is an increase of NOK 1.4 million compared with the same period last year. The difference between the Parent bank and the Group is entirely due to agency fees in AS Financiering.

Net value changes and gains/losses on financial assets provide an income of NOK 22.3 million at the end of Q3 2013. Of this, NOK 4 million is attributable to the Eksportfinans ASA guarantee, while recognised income otherwise consists of net value changes and realised gains/losses from bonds, shares, money market funds, currency and derivative. For the same period last year net value changes and gains/losses on financial investments amounting to NOK 55.2 were entered to income. Of this, income concerning the guarantee for Eksportfinans ASA amounted to NOK 47.0 million.

Other operating income amounts to NOK 34.3 million at the end of Q3 2013 and shows an increase of NOK 2.5 million compared to the same period last year.

### Operating costs

Total operating costs amounted to NOK 215.1 million, which corresponds to 0.96 per cent of average total assets. By comparison total operating costs for the same period last year amounted to NOK 218.6 million, representing 1.03 per cent of average total assets.

Payroll and general administrative costs amounted to NOK 162.5 million at the end of Q3 2013 compared to NOK 169.0 million for the same period last year. The number of FTEs at the end of Q3 2013 was 228, compared to 225 at the end of the same period last year.

Depreciation and amortisation amount to NOK 13.3 million at the end of Q3 2013, compared to NOK 12.3 million for the same period last year.

Other operating costs amounted to NOK 39.3 million, compared to NOK 37.3 million for the same period last year.

### Losses on loans and guarantees

The Group's recorded losses on loans and guarantees amounted to NOK 4.4 million at the end of Q3 2013, compared with NOK 13.0 million for the same period last year.

Individual impairment on losses on loans and guarantees to customers increased by NOK 12.9 million from the end of the year, and amounted to NOK 91.5 million at the end of Q3 2013.

Impairment write-down on groups of loans to customers amounted to NOK 43.4 million at the end of Q3 2013, and was unchanged from the beginning of the year.

Gross defaults and non-performing loans amount to NOK 581.9 million compared with NOK 426.7 million at the end of the year and NOK 409.4 million at the end of Q3 2012. Gross defaults and non-performing loans represent 2.31 per cent of gross loans compared with 1.81 per cent for the same period last year. The proportion was 1.99 per cent in Q2 2013.

Net defaults and non-performing loans amount to NOK 490.4 million, which is an increase of NOK 168.0 million compared with 31.12.12, and an increase of NOK 182.5 million compared to Q3 2012.

### BALANCE SHEET

Total assets increased by NOK 676.3 million since the beginning of the year and amount to NOK 30,314.1 million at the end of Q3 2013.

Cash and receivables at central banks declined by NOK 105.8 million since the end of last year and amount to NOK 597.5 million as at 30.09.13. During the same period Treasury bills declines by NOK 496.4 million.

Net loans to credit institutions have increased by 9.3 million since 31.12.12 and amounted to NOK 13.4 million as at 30.09.13. All new loans to credit institutions are inter-bank loans in Norway.

Net loans to customers amounted to NOK 25,005.6 million. Net lending grew by 11.3 per cent in the last 12 months. Net loans to

customers have increased by NOK 2,445.4 million since the end of last year. Net lending to private customers increased by 17.0 per cent in the last 12 month, while net lending to business customers declined by 8.8 per cent.

Gross loans to private customers made up 81.7 per cent of total loans to customers.

Holdings of certificates and bonds (including Treasury bills) have declined by NOK 1,079.8 million since the end of 2012 and amount to NOK 3,362.8 million at the end of Q3 2013. These holdings consist exclusively of the liquidity portfolio and amount to a nominal NOK 3,337.1 million. The weighted average maturity of the liquidity portfolio until the agreed due date is estimated at 2.84 years

Deposits from customers amounted to NOK 12,135.8 as at 30.09.13 and increased by NOK 1,771.5 million over the last 12 months, equivalent to 17.1 per cent. Since the beginning of the year, customer deposits increased by NOK 447.9 million.

Liabilities arising from issuance of securities amounted to NOK 14,089.3 million, an increase of NOK 477.3 million since the beginning of the year.

So far this year funding has consisted of senior bonds and covered bonds. The bank is enjoying good access to the Norwegian bond market at prices in line with comparable banks.

Other long-term loan agreements amounted to NOK 847.1 million at the end of Q3 2013, showing an increase of NOK 2.6 million since the beginning of the year.

In 2009, the bank participated in the government exchange scheme to an amount of NOK 915.4 million. NOK 421.9 million of this was redeemed in Q4 2012 and the remaining NOK 493.5 million was redeemed in Q3 2013.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounted to NOK 1,971.5 million.

## FINANCIAL RISKS

Credit risk related to loans to customers remained unchanged throughout 2013. Credit risk is measured by classifying customers according to their debt servicing capacity, solidity and security.

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

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

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

Liquidity risk is managed within established limits. At all times the bank shall have sufficient liquidity to manage normal operations for 12 months without the injection of new liquidity. The liquidity prognosis for the bank shows adequate liquidity for a minimum 12-month period of operations.

## CAPITAL ADEQUACY

Net subordinated capital amounted to NOK 2,312.7 million at the end of Q3 2013, of which the Group's tier 3 capital amounted to NOK 2,193.1 million. With a calculation basis of NOK 15,447.9 million, this represents a capital adequacy of 14.97 per cent, of which 14.20 per cent is tier 1 capital adequacy.

Pure core capital cover amounts to 12.23 per cent. 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 has good access to financing, including the use of subordinate loans and fund notes. In October 2013 a subordinate loan with a nominal value of NOK 150 million and fund notes with a nominal value of NOK 200 million were issued.

## 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 covered bonds. At the end of Q3 2013 the loan to value ratio of the security portfolio was 46.7 per cent. By way of comparison, the equivalent amounts were 47.0 per cent at the end of Q3 2012 and 45.3 per cent at the end of 2012.

The company's total assets were NOK 8,008.3 million as at 30.09.2013, and mainly consisted of first priority mortgages in homes, which are financed through covered bonds and drawing rights on 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. Profit after tax shows a surplus of NOK 59.9 million at the end of Q3 2013, compared to NOK 29.1 million for the same period last year. The company has no employees, but procures services from Sparebanken Øst. Sparebanken Øst Boligkreditt AS was rated AAA by Moody's in Q1 2011.

**AS Finansiering** is a wholly owned financing subsidiary of Sparebanken Øst. Its main product is car financing, with the main emphasis on used cars. The company achieved profit after tax of NOK 26.9 million at the end of Q3 2013, compared to NOK 20.3 million for the same period last year. Total assets amounted to NOK 1,679.4 million. At the end of Q3 the company had 26 employees, corresponding to 24 full-time equivalents.

**Sparebanken Øst Eiendom AS'** primary objective is standard property operations, including purchase, sale, rental and development of real estate, as well as the purchase and sale of fixtures and fittings within various business areas. Operating income amounted to NOK 36.5 million at the end of Q3 2013 compared with NOK 34.3 million for the same period last year. Profit after tax amounted to NOK 4.8 million at the end of Q3 2013, compared with NOK 3.0 million for the same period last year. The company has 7 employees and the share capital amounts to NOK 35.1 million.

**Øst Prosjekt AS'** primary objective 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. The result after tax was a loss of NOK 0.1 million at the end of Q3 2013 compared with a break-even result for the same period last year.

## FUTURE PROSPECTS

Net interest and credit commission income is influenced by competition in the banking market. Increased competition will put

pressure on margins on the bank's loan products.

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

In Q1 2013 Sparebanken Øst adopted and performed repricing of loans in both the private and business markets. The company is being sued by investors in Japanese Samurai bonds. As of today, it is not possible to predict the outcome of this action.

The Board of Sparebanken Øst closely follows developments in capital adequacy rules. Assessments have been carried out which show that the bank will meet expected capital requirements until the end of 2016. This assumes stable growth total assets and that the bank's dividend and donation policies remain unchanged. It is assumed that the capital requirements can be met without an equity issue. There are uncertainties regarding the total level of capital banks will be required to hold until 2016 and beyond. These are factors controlled by regulatory and market conditions. The bank's aim regarding capital adequacy is to maintain a level of capital equal to the higher of the government's requirement and the bank's own capital adequacy assessment (ICAAP).

The Board sees a long-term and robust liquidity situation that provides security for operations in the long term as extremely important. The financing perspective and liquidity reserves are central in this regard. The long-term approach and robustness must continually be balanced against the costs these incur. 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 having 105 per cent long-term financing over time.

In recent years the bank has implemented significant risk reduction measures in its balance sheet items and is now an ordinary savings bank with more than 80 per cent of home loans within adequate loan to value ratios. As a result of new capital adequacy requirements for banks the level of capital in the bank has increased and will probably have to increase further before 2016. Reduced risk and an increased proportion of equity will affect the rate of return over time. There are no current plans to increase the bank's risk level.

The bank's goal for return on equity has changed in line with these assumptions and in the future will be 10 per cent over time.

### **DIVIDEND POLICY**

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

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

When determining the dividend and donations, allowance will be made for the bank's profit evolution, market situation, dividend stability and tier 1 capital requirements.

Hokksund, 30 September 2013

Drammen, 29 October 2013

Jorund Rønning Indrelid  
Chairman

Knut Smedsrud  
Deputy Chairman

Morten André Yttreide

Roar Norheim Larsen

Sverre Nedberg

Elly Therese Thoresen

Hanne Solem

Inger Helen Pettersen  
Employee representative

Strand  
CEO

## Statement of Income

Group 30.09.2013	Group 30.09.2012	Group 2012	(Figures in NOK mill.)	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 2012
943,6	946,7	1.254,6	Interest income and similar income	666,2	701,3	919,6
529,3	570,3	745,1	Interest expenses and similar expenses	427,0	445,2	584,3
414,3	376,4	509,5	<b>Net interest and credit commission income</b>	<b>239,2</b>	<b>256,1</b>	<b>335,3</b>
13,0	7,0	11,4	Dividends and other income from securities with variable yields	111,6	7,0	59,4
58,4	65,1	86,1	Commission income and income from banking services	65,9	71,9	95,4
29,8	28,4	38,3	Commission costs and costs of banking services	10,5	10,2	13,6
22,3	55,2	62,3	Net value changes and gains/losses on financial investments	22,8	57,0	66,3
34,3	31,8	46,7	Other operating income	4,8	5,7	7,4
120,0	123,4	163,6	Payroll, etc.	100,2	104,7	138,9
42,5	45,6	61,6	Administration costs	36,9	39,2	53,0
13,3	12,3	16,7	Depreciation/write-downs and value changes to non-financial assets	4,9	4,0	5,4
39,3	37,3	50,9	Other operating costs	32,7	32,3	42,9
297,4	288,5	384,9	<b>PROFIT BEFORE LOSSES</b>	<b>259,1</b>	<b>207,3</b>	<b>310,0</b>
4,4	13,0	25,3	Losses on loans and guarantees	-3,1	1,4	7,3
293,0	275,5	359,6	<b>PRE-TAX PROFIT</b>	<b>262,2</b>	<b>205,9</b>	<b>302,7</b>
79,3	75,7	97,3	Tax costs	70,6	56,4	71,4
213,7	199,8	262,3	<b>PROFIT FOR THE YEAR</b>	<b>191,6</b>	<b>149,5</b>	<b>231,3</b>
4,46	4,33	5,69	Profit per equity certificate	4,00	3,24	5,02
4,46	4,33	5,69	Diluted profit per equity certificate	4,00	3,24	5,02

## Total profit/loss

Group 30.09.2013	Group 30.09.2012	Group 2012	(Figures in NOK mill.)	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 2012
213,7	199,8	262,3	<b>PROFIT FOR THE YEAR</b>	<b>191,6</b>	<b>149,5</b>	<b>231,3</b>
			<b>Items that will not be reclassified to the Statement of Income</b>			
0,0	0,0	29,9	Actuarial gains and losses on performance plans	0,0	0,0	26,7
0,0	0,0	-8,4	Tax effect of actuarial gains and losses on performance plans	0,0	0,0	-7,5
			<b>Items that may later be reclassified to the Statement of Income</b>			
-5,0	0,0	5,3	Changes in fair value of investments held for sale	-5,0	0,0	5,3
208,7	199,8	289,1	<b>TOTAL PROFIT/LOSS</b>	<b>186,6</b>	<b>149,5</b>	<b>255,8</b>

## Balance Sheet

Group 30.09.2013	Group 30.09.2012	Group 2012	(Figures in NOK mill.)	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 2012
597,5	632,6	703,3	Cash and receivables at central banks	597,5	632,6	703,3
13,4	98,2	4,1	Loans and receivables from credit institutions	2.942,8	2.191,6	2.915,2
25.140,5	22.606,5	22.708,0	Loans and receivables with customers	16.042,9	14.081,9	13.142,6
91,5	101,5	104,4	- Individual write-downs	37,3	50,7	50,3
43,4	43,4	43,4	- Write-downs on groups of loans	40,1	40,1	40,1
3.362,8	4.108,9	4.442,6	Certificates, bonds and other interest-bearing securities with fixed return	3.362,8	5.123,3	5.423,8
468,7	567,5	981,9	Shares, units and other variable-yield securities	468,7	567,5	981,9
181,8	224,9	235,9	Financial derivatives	119,8	170,5	184,8
0,0	0,0	0,0	Ownership interests in group companies	687,2	376,3	616,2
0,0	7,6	0,0	Deferred tax assets	10,6	41,1	10,6
444,5	457,2	457,1	Investment properties	0,0	0,0	0,0
123,6	119,4	122,4	Fixed Assets	72,2	62,4	67,6
34,9	38,1	41,7	Other assets	9,2	11,4	25,2
81,4	92,9	88,7	Prepayments non-accrued expenses and earned income not received	65,4	76,4	74,6
30.314,2	28.808,9	29.637,9	<b>TOTAL ASSETS</b>	<b>24.301,7</b>	<b>23.244,2</b>	<b>24.055,4</b>
847,1	854,4	844,5	Liabilities to credit institutions	1.030,1	912,7	940,8
12.135,8	10.364,3	11.687,9	Deposits from and liabilities to customers	12.139,5	10.362,1	11.670,7
0,0	915,4	493,5	Liabilities to the state, exchange of covered bonds	0,0	915,4	493,5
31,7	49,1	51,7	Financial derivatives	31,7	49,1	51,7
14.089,3	13.576,8	13.612,0	Liabilities incurred when issuing securities	8.171,6	8.201,8	8.204,6
190,3	156,6	152,0	Other liabilities	140,4	128,4	112,0
186,6	194,4	107,8	Accruals and deferred income	164,4	167,6	81,3
26,0	54,4	26,0	Provisions for accrued costs and liabilities	22,7	43,5	22,6
21,0	0,0	21,4	Deferred tax obligation	0,0	0,0	0,0
504,1	600,0	508,4	Subordinate loan capital	504,1	600,0	508,4
28.031,9	26.765,4	27.505,2	<b>Total liabilities</b>	<b>22.204,5</b>	<b>21.380,6</b>	<b>22.085,6</b>
595,1	595,1	595,1	Owners' equity	595,1	595,1	595,1
1.473,5	1.248,6	1.537,6	Accrued equity	1.310,5	1.119,0	1.374,7
213,7	199,8	0,0	Non-appropriated profit	191,6	149,5	0,0
2.282,3	2.043,5	2.132,7	<b>Total equity</b>	<b>2.097,2</b>	<b>1.863,6</b>	<b>1.969,8</b>
30.314,2	28.808,9	29.637,9	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>24.301,7</b>	<b>23.244,2</b>	<b>24.055,4</b>



## Changes in equity - Group

(Figures in NOK mill.)

Q3 2013	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Imaginary capital	Endowment fund	Available for sale reserve	Other equity	Reappropriated 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	213,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	213,7
Changes in fair value for investments TFS	-5,0	0,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0
Total profit/loss	208,7	0,0	0,0	0,0	0,0	0,0	-5,0	0,0	213,7
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0	0,0
Changes in the endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0	0,0
<b>Equity as at 30.09.2013</b>	<b>2.282,3</b>	<b>207,3</b>	<b>387,8</b>	<b>198,5</b>	<b>1.012,7</b>	<b>30,4</b>	<b>68,9</b>	<b>162,9</b>	<b>213,7</b>

Q3 2012	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Imaginary capital	Endowment fund	Available for sale reserve	Other equity	Reappropriated profit/loss
Reported equity as at 31.12.2011	1.907,9	207,3	387,8	195,8	887,4	29,4	68,6	131,6	0,0
Adjustment as at 31.12.2011 on the introduction of IAS 19	-15,8	0,0	0,0	-6,0	-7,8	0,0	0,0	-2,0	0,0
Adjusted equity 01.01.2012 in accordance with IAS 19	1.892,1	207,3	387,8	189,8	879,6	29,4	68,6	129,6	0,0
Profit as at 30.09.2012 adjusted in accordance with IAS 19	199,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	199,8
Total profit/loss items	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total profit/loss	199,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	199,8
2011 dividend finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	0,0	0,0
Dividend from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	0,0	0,0
<b>Equity as at 30.09.2012, adjusted</b>	<b>2.043,5</b>	<b>207,3</b>	<b>387,8</b>	<b>148,3</b>	<b>879,6</b>	<b>22,4</b>	<b>68,6</b>	<b>129,6</b>	<b>199,8</b>

2012	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Imaginary capital	Endowment fund	Available for sale reserve	Other equity
Reported equity as at 31.12.2011	1.907,9	207,3	387,8	195,8	887,4	29,4	68,6	131,6
Adjustment as at 31.12.2011 on the introduction of IAS 19	-15,8	0,0	0,0	-6,0	-7,8	0,0	0,0	-2,0
Adjusted equity 01.01.2012 in accordance with IAS 19	1.892,1	207,3	387,8	189,8	879,6	29,4	68,6	129,6
Profit for 2012 adjusted in accordance with IAS 19	262,3	0,0	0,0	104,1	122,2	5,0	0,0	31,0
Changes in fair value for investments TFS	5,3	0,0	0,0	0,0	0,0	0,0	5,3	0,0
Actuarial gains and losses on performance plans	21,5	0,0	0,0	8,3	10,9	0,0	0,0	2,3
Profit for 2012 adjusted in accordance with IAS 19	289,1	0,0	0,0	112,4	133,1	5,0	5,3	33,3
2011 dividend finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	0,0
Dividend from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	0,0
<b>Equity as at 31.12.2012, adjusted</b>	<b>2.132,7</b>	<b>207,3</b>	<b>387,8</b>	<b>260,7</b>	<b>1.012,7</b>	<b>27,4</b>	<b>73,9</b>	<b>162,9</b>

## Changes in equity parent bank

(Figures in NOK mill.)

Q3 2013	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Imaginary capital	Endowment fund	Available for sale reserve	Reappropriated 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
Result	191,6	0,0	0,0	0,0	0,0	0,0	0,0	191,6
Changes in fair value for investments TFS	-5,0	0,0	0,0	0,0	0,0	0,0	-5,0	0,0
Total profit/loss	186,6	0,0	0,0	0,0	0,0	0,0	-5,0	191,6
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes in the endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0
<b>Equity as at 30.09.2013</b>	<b>2.097,2</b>	<b>207,3</b>	<b>387,8</b>	<b>198,5</b>	<b>1.012,7</b>	<b>30,4</b>	<b>68,9</b>	<b>191,6</b>

Q3 2012	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Imaginary capital	Endowment fund	Available for sale reserve	Reappropriated profit/loss
Reported equity as at 31.12.2011	1.776,3	207,3	387,8	195,8	887,4	29,4	68,6	0,0
Adjustment as at 31.12.2011 on the introduction of IAS 19	-13,8	0,0	0,0	-6,0	-7,8	0,0	0,0	0,0
Adjusted equity 01.01.2012 in accordance with IAS 19	1.762,5	207,3	387,8	189,8	879,6	29,4	68,6	0,0
Profit as at 30.09.2012 adjusted in accordance with IAS 19	149,5	0,0	0,0	0,0	0,0	0,0	0,0	149,5
Total profit/loss items	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total profit/loss	149,5	0,0	0,0	0,0	0,0	0,0	0,0	149,5
2011 dividend finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0	0,0
Dividend from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0	0,0
<b>Equity as at 30.09.2012, adjusted</b>	<b>1.863,6</b>	<b>207,3</b>	<b>387,8</b>	<b>148,3</b>	<b>879,6</b>	<b>22,4</b>	<b>68,6</b>	<b>149,5</b>

2012	Total equity	Equity certificate	Share premium reserve	Equalisation fund	Imaginary capital	Endowment fund	Available for sale reserve
Reported equity as at 31.12.2011	1.776,3	207,3	387,8	195,8	887,4	29,4	68,6
Adjustment as at 31.12.2011 on the introduction of IAS 19	-13,8	0,0	0,0	-6,0	-7,8	0,0	0,0
Adjusted equity 01.01.2012 in accordance with IAS 19	1.762,5	207,3	387,8	189,8	879,6	29,4	68,6
Profit for 2012 adjusted in accordance with IAS 19	231,3	0,0	0,0	104,1	122,2	5,0	0,0
Changes in fair value for investments TFS	5,3	0,0	0,0	0,0	0,0	0,0	5,3
Actuarial gains and losses on performance plans	19,2	0,0	0,0	8,3	10,9	0,0	0,0
Profit for 2012 adjusted in accordance with IAS 19	255,8	0,0	0,0	112,4	133,1	5,0	5,3
2011 dividend finally adopted	-41,5	0,0	0,0	-41,5	0,0	0,0	0,0
Dividend from the endowment fund	-7,0	0,0	0,0	0,0	0,0	-7,0	0,0
<b>Equity as at 31.12.2012, adjusted</b>	<b>1.969,8</b>	<b>207,3</b>	<b>387,8</b>	<b>260,7</b>	<b>1.012,7</b>	<b>27,4</b>	<b>73,9</b>

## Cash Flow Statement

Group 30.09.2013	Group 30.09.2012	Group 31.12.2012	(Figures in NOK mill.)	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012
<b>Operating activities</b>						
293,0	275,5	359,6	Profit before tax	262,2	205,9	302,7
Adjusted for:						
-1.349,3	-528,2	-1.547,9	Changes in assets in connection with operations	-842,9	210,8	-565,2
544,0	1.484,0	2.708,0	Changes in assets in connection with operations	626,7	1.537,3	2.785,9
7,8	20,0	27,8	Non-cash items included in profit before tax	-1,5	5,4	6,5
-2,6	-2,4	-7,8	Net gains from investment activities	-0,1	0,0	-0,2
-80,1	-56,6	-56,7	Taxes paid for the period	-51,7	-48,6	-48,6
<b>-587,2</b>	<b>1.192,3</b>	<b>1.483,0</b>	<b>Net cash flow from operating activities</b>	<b>A</b>	<b>-7,3</b>	<b>1.910,8</b>
<b>Investment activities</b>						
-12,0	-52,1	-70,4	Purchase of fixed assets	-9,5	-3,8	-10,4
12,7	56,2	72,6	Proceeds from sale of fixed assets	0,1	0,0	0,2
54,0	0,0	-7,7	Net proceeds/expenses from sale/purchase of financial investments.	-17,1	-0,1	-247,7
<b>54,7</b>	<b>4,1</b>	<b>-5,5</b>	<b>Net cash flow from investment activities</b>	<b>B</b>	<b>-26,5</b>	<b>-257,9</b>
<b>Financing activities</b>						
-493,5	-1.050,0	-1.471,9	Net incoming/outgoing for loans to/from credit institutions and debt to the	-493,5	-1.050,0	-1.471,9
-1.960,1	-2.172,5	-2.532,7	Payments for repayment on securities	-1.959,1	-2.037,5	-2.431,8
2.455,4	1.779,2	2.083,7	Proceeds from securities issued	1.955,9	935,4	1.238,7
0,0	0,0	0,0	Proceeds from equity certificates issued	0,0	0,0	0,0
-62,2	-41,5	-41,5	Payment of dividends	-62,2	-41,5	-41,5
<b>-60,4</b>	<b>-1.484,8</b>	<b>-1.962,4</b>	<b>Net cash flow from financing activities</b>	<b>C</b>	<b>-558,9</b>	<b>-2.706,5</b>
-592,9	-288,4	-484,9	Net change in cash and cash equivalents	<b>A+B+C</b>	-286,7	-483,3
1.203,8	1.688,7	1.688,7	Cash and cash equivalents as at 01.01.	1.203,6	1.686,9	1.686,9
<b>610,9</b>	<b>1.400,3</b>	<b>1.203,8</b>	<b>Cash and cash equivalent reserves at end of period</b>	<b>610,9</b>	<b>1.400,2</b>	<b>1.203,6</b>

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

## Result per quarter - parent bank

(Figures in NOK mill.)

	Q3	Q2	Q1	Q4	Q3
	2013	2013	2013	2012	2012
Interest income and similar income	229,1	223,1	214,0	218,3	229,2
Interest expenses and similar expenses	140,9	141,7	144,4	139,1	144,2
<b>Net interest and credit commission income</b>	<b>88,2</b>	<b>81,4</b>	<b>69,6</b>	<b>79,2</b>	<b>85,0</b>
Dividends and other income from securities with variable yields	0,4	12,5	98,7	52,4	0,2
Commission income and income from banking services	23,3	22,4	20,2	23,5	26,5
Commission costs and costs of banking services	4,0	3,3	3,2	3,4	3,6
Net value changes and gains/losses on financial investments	3,1	7,2	12,5	9,3	30,1
Other operating income	1,4	1,8	1,6	1,7	2,4
Payroll, etc.	35,6	29,0	35,6	34,2	35,8
Administration costs	12,3	12,4	12,2	13,8	13,1
Depreciation/impairment/write-downs and value changes to non-financ	1,8	1,6	1,5	1,4	1,3
Other operating costs	9,9	10,4	12,4	10,6	9,9
<b>PROFIT BEFORE LOSSES</b>	<b>52,8</b>	<b>68,6</b>	<b>137,7</b>	<b>102,7</b>	<b>80,5</b>
Losses on loans and guarantees	-4,6	3,5	-2,0	5,9	4,2
<b>PRE-TAX PROFIT</b>	<b>57,4</b>	<b>65,1</b>	<b>139,7</b>	<b>96,8</b>	<b>76,3</b>
Tax cost (calculated at interim accounts)	16,1	15,9	38,6	15,0	22,0
<b>PROFIT FOR THE PERIOD</b>	<b>41,3</b>	<b>49,2</b>	<b>101,1</b>	<b>81,8</b>	<b>54,3</b>
Profit per equity certificate (per quarter)	0,86	1,03	2,11	1,78	1,18
Diluted profit per equity certificate (per quarter)	0,86	1,03	2,11	1,78	1,18

## Total profit/loss

<b>PROFIT FOR THE PERIOD</b>	<b>41,3</b>	<b>49,2</b>	<b>101,1</b>	<b>81,8</b>	<b>54,3</b>
<b>Items that will not be reclassified to the Statement of Income</b>					
Actuarial gains and losses on performance plans	0,0	0,0	0,0	26,7	0,0
Tax effect of actuarial gains and losses on performance plans	0,0	0,0	0,0	-7,5	0,0
<b>Items that may later be reclassified to the Statement of Income</b>					
Changes in fair value of investments held for sale	0,1	-5,1	0,0	5,3	0,0
<b>TOTAL PROFIT/LOSS</b>	<b>41,4</b>	<b>44,1</b>	<b>101,1</b>	<b>106,3</b>	<b>54,3</b>

## Profit per quarter - Group

(Figures in NOK mill.)

	Q3	Q2	Q1	Q4	Q3
	2013	2013	2013	2012	2012
Interest income and similar income	326,6	314,6	302,4	307,9	315,0
Interest expenses and similar expenses	175,8	175,4	178,1	174,8	184,1
<b>Net interest and credit commission income</b>	<b>150,8</b>	<b>139,2</b>	<b>124,3</b>	<b>133,1</b>	<b>130,9</b>
Dividends and other income from securities with variable yields	0,4	12,6	0,0	4,4	0,2
Commission income and income from banking services	20,8	19,9	17,7	21,0	24,2
Commission costs and costs of banking services	10,7	9,7	9,4	9,9	10,0
Net value changes and gains/losses on financial investments	2,3	7,5	12,5	7,1	29,9
Other operating income	10,9	13,0	10,4	14,9	9,7
Payroll, etc.	43,2	33,6	43,2	40,2	43,0
Administration costs	13,9	14,2	14,4	16,0	15,2
Depreciation/impairment/write-downs and value changes to non-financ	4,6	4,4	4,3	4,4	4,1
Other operating costs	11,4	13,2	14,7	13,6	10,8
<b>PROFIT BEFORE LOSSES</b>	<b>101,4</b>	<b>117,1</b>	<b>78,9</b>	<b>96,4</b>	<b>111,8</b>
Losses on loans and guarantees	-2,3	6,9	-0,2	12,3	7,7
<b>PRE-TAX PROFIT</b>	<b>103,7</b>	<b>110,2</b>	<b>79,1</b>	<b>84,1</b>	<b>104,1</b>
Tax cost (calculated at interim accounts)	29,1	28,6	21,6	21,6	29,8
<b>PROFIT FOR THE PERIOD</b>	<b>74,6</b>	<b>81,6</b>	<b>57,5</b>	<b>62,5</b>	<b>74,3</b>
Profit per equity certificate (per quarter)	1,56	1,70	1,20	1,36	1,61
Diluted profit per equity certificate (per quarter)	1,56	1,70	1,20	1,36	1,61

## Total profit/loss

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

## Accounting policies

The quarterly accounts for the Group and the parent company have been prepared in accordance with IFRS (including IAS 34 Interim Financial Reporting). A description of the accounting policies applied to the presentation of the financial statements is presented in the Annual Report for 2012. The accounting policies and calculation methods are generally unchanged from the 2012 financial statements, but refer to the specific items below. The financial statements are presented in Norwegian kroner, which is also the Group's functional currency. Interim financial statements are not audited.

### IAS 1 Presentation of financial statements

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

### Revised IAS 19 Payments to employees

As from 1 January 2013, the Group has applied the revised IAS 19. According to the revised IAS 19, the corridor method is no longer permitted. The lapse of the corridor method entails that actuarial gains and losses must be recognised in other income and expenses in the Statement of Income for the period in which they arise. The changes in IAS 19 also affect net pension costs in the result from ordinary operations since the expected yield on pension funds must be calculated at the same interest rate as used to discount the pension obligation. The changes entail that the opening balance sheet and comparative figures for 2012 have been adjusted (retrospective use). The effects of the implementation and conversion of comparative figures for 2012 and as at 30.09.12 are presented in the table below for the Group. For 2013 the effects of the implementation and conversion of comparative figures as at 31.03.12 and 30.06.12 reference is made to the interim report for Q1 2013 and Q2 respectively. The effects of the conversion of the parent bank do not deviate substantially from the Group, and are not presented.

As at 01.01.12, non-amortised estimated deviations amounted to MNOK 22.0, and the pension obligation as at 01.01.12 increases by this amount in the adjusted figures. Equity is reduced equivalently by NOK 15.8 million, and the deferred tax assets are increased by NOK 6.2 million.

As at 31.12.12 non-amortised estimated deviations amounted to MNOK -5.4, and the pension obligation as at 31.12.12 is reduced by this amount in the adjusted figures. Equity is increased equivalently by MNOK 3.9, and the deferred tax obligation is increased by MNOK 1.5

### Result for the Group

(Figures in NOK mill.)	Reported	Change	Adjusted	Reported	Change	Adjusted
	30.09.2012		30.09.2012	2012		2012
<b>Net interest and credit commission income</b>	<b>376,4</b>		<b>376,4</b>	<b>509,5</b>		<b>509,5</b>
Payroll, etc.	121,6	1,8	123,4	161,1	2,5	163,6
<b>PROFIT BEFORE LOSSES</b>	<b>290,3</b>	<b>-1,8</b>	<b>288,5</b>	<b>387,4</b>	<b>-2,5</b>	<b>384,9</b>
Losses on loans and guarantees	13,0		13,0	25,3		25,3
<b>PRE-TAX PROFIT</b>	<b>277,3</b>	<b>-1,8</b>	<b>275,5</b>	<b>362,1</b>	<b>-2,5</b>	<b>359,6</b>
Tax cost (calculated at interim accounts)	76,2	-0,5	75,7	98,0	-0,7	97,3
<b>PROFIT FOR THE PERIOD</b>	<b>201,1</b>	<b>-1,3</b>	<b>199,8</b>	<b>264,1</b>	<b>-1,8</b>	<b>262,3</b>

### Total profit/loss

<b>PROFIT FOR THE PERIOD</b>	<b>201,1</b>		<b>199,8</b>	<b>264,1</b>		<b>262,3</b>
Actuarial gains and losses on performance plans	0,0		0,0	0,0	29,9	29,9
Tax effect of actuarial gains and losses on performance plans	0,0		0,0	0,0	-8,4	-8,4
Changes in fair value of investments held for sale	0,0		0,0	5,3		5,3
<b>TOTAL PROFIT/LOSS</b>	<b>201,1</b>		<b>199,8</b>	<b>269,4</b>	<b>21,5</b>	<b>289,1</b>

### Balance Sheet - Group

(Figures in NOK mill.)	Reported	Change	Adjusted	Reported	Change	Adjusted
	30.09.2012		30.09.2012	31.12.2012		31.12.2012
Deferred tax assets	0,9	6,7	7,6	0,0		0,0
<b>TOTAL ASSETS</b>	<b>28.802,2</b>	<b>6,7</b>	<b>28.808,9</b>	<b>29.637,9</b>	<b>0,0</b>	<b>29.637,9</b>
Provisions for accrued costs and liabilities	30,6	23,8	54,4	31,4	-5,4	26,0
Deferred tax obligation	0,0		0,0	19,9	1,5	21,4
<b>Total liabilities</b>	<b>26.741,6</b>	<b>23,8</b>	<b>26.765,4</b>	<b>27.509,1</b>	<b>-3,9</b>	<b>27.505,2</b>
Accrued equity	1.264,4	-15,8	1.248,6	1.533,7	3,9	1.537,6
Non-appropriated profit	201,1	-1,3	199,8	0,0		0,0
<b>Total equity</b>	<b>2.060,6</b>	<b>-17,1</b>	<b>2.043,5</b>	<b>2.128,8</b>	<b>3,9</b>	<b>2.132,7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28.802,2</b>	<b>6,7</b>	<b>28.808,9</b>	<b>29.637,9</b>	<b>0,0</b>	<b>29.637,9</b>

### Changes to IFRS 7 Financial instruments - information

The changes entail that the company is obliged to provide information on set-off rights and related agreements. The information must give the users of the financial statements useful information in order to evaluate the effect of set-off agreements on the Group's financial position. Notes are required for recognised financial instruments that are presented on a net basis in accordance with IAS 32 and recognised financial instruments that are subject to an "enforceable master netting arrangement". Refer to the note on "set-off rights for financial derivatives" in the interim report.

### IFRS 13 Fair value measurement

The Group has implemented IFRS 13 concerning fair value measurement for assets and liabilities for which other standards require or permit fair value measurement. IFRS 13 also requires more detailed note information in the interim report. This note information is predominantly based on the equivalent notes in the last annual financial statements. Refer to the note regarding the valuation of financial assets and liabilities at fair value in the interim report.

### Classification of Treasury bills

As from Q2 2013, Treasury bills are classified in the item "Certificates, bonds and other fixed-income securities with fixed yields" in the Balance Sheet. Historical figures are adjusted equivalently. As before, returns on Treasury bills are included in interest income in the Statement of Income.

## Losses on loans and guarantees

(Figures in NOK 1,000)

	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012	Group 30.09.2013	Group 30.09.2012	Group 31.12.2012
<b>Individual write-downs</b>						
Individual write-downs as at 01.01.	51.334	55.078	55.078	105.383	100.672	100.672
- Actual losses for the period, where there have previously been Individual write-downs	1.956	1.215	4.816	4.446	3.123	8.035
+ Increases in individual write-downs for the period	0	1.406	7.290	3.555	4.767	11.164
+ New individual write-downs for the period	1.373	2.769	5.031	11.434	14.868	21.555
- Reversed individual write-downs for the period	12.442	6.822	11.249	23.363	15.184	19.973
= <b>Individual write-downs at the end of the period*)</b>	<b>38.309</b>	<b>51.216</b>	<b>51.334</b>	<b>92.563</b>	<b>102.000</b>	<b>105.383</b>
<b>Write-downs on groups of loans</b>						
Group write-downs as at 01.01.	40.055	40.055	40.055	43.424	43.424	43.424
+/- Changes in write-downs on groups of loans for the period	0	0	0	0	0	0
= <b>Write-downs on groups of loans at the end of the period</b>	<b>40.055</b>	<b>40.055</b>	<b>40.055</b>	<b>43.424</b>	<b>43.424</b>	<b>43.424</b>
<b>Cost of losses for the period</b>						
Changes to individual write-downs for the period	-13.025	-3.862	-3.744	-12.820	1.328	4.711
+/- Changes in write-downs on groups of loans for the period	0	0	0	0	0	0
+ Actual losses for the period, where there have previously been Individual write-downs	3.017	3.785	9.608	5.507	5.692	12.827
+ Actual losses for the period where no individual write-downs were made in previous years.	623	4.177	4.277	9.480	10.664	13.489
- Addition of previously identified losses for the period	1.141	8.477	10.264	5.214	10.435	13.136
+/- Amortisation costs for the period impairment	7.402	4.326	6.030	7.402	4.326	6.030
= <b>Losses on loans and guarantees - customers</b>	<b>-3.124</b>	<b>-51</b>	<b>5.907</b>	<b>4.355</b>	<b>11.575</b>	<b>23.921</b>
+ Actual losses for the period where no individual write-downs made - credit institutions	0	1.399	1.399	0	1.399	1.399
= <b>Losses on loans and guarantees - credit institutions</b>	<b>0</b>	<b>1.399</b>	<b>1.399</b>	<b>0</b>	<b>1.399</b>	<b>1.399</b>
= <b>Losses on loans and guarantees</b>	<b>-3.124</b>	<b>1.348</b>	<b>7.306</b>	<b>4.355</b>	<b>12.974</b>	<b>25.320</b>

\*) Individual write-downs on guarantee commitments of TNOK 1.031 as at 30.09.13 and 31.12.12 and TNOK 500 as at 30.09.12 are stated in the Balance Sheet as liabilities under "Provisions for accrued costs and liabilities".

## Defaults and non-performing loans customers

(Figures in NOK 1,000)

	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012	Group 30.09.2013	Group 30.09.2012	Group 31.12.2012
<b>Gross participations in breach (over 90 days)</b>						
Industry	320.121	152.754	160.184	327.463	160.679	166.016
+ Personal	97.810	99.685	105.648	173.842	171.527	183.813
= <b>Gross defaults</b>	<b>417.931</b>	<b>252.439</b>	<b>265.832</b>	<b>501.305</b>	<b>332.206</b>	<b>349.829</b>
- Individual write-downs	18.132	26.917	29.163	71.845	77.011	82.722
= <b>Net defaults</b>	<b>399.799</b>	<b>225.522</b>	<b>236.669</b>	<b>429.460</b>	<b>255.195</b>	<b>267.107</b>
<b>Non-performing (not defaults on) loans</b>						
Industry	73.479	70.558	70.136	74.846	71.655	71.080
+ Personal	5.173	5.226	5.225	5.742	5.532	5.825
= <b>Gross non-performing loans</b>	<b>78.652</b>	<b>75.784</b>	<b>75.361</b>	<b>80.588</b>	<b>77.187</b>	<b>76.905</b>
- Individual write-downs	19.146	23.799	21.139	19.686	24.489	21.629
= <b>Net non-performing loans</b>	<b>59.506</b>	<b>51.985</b>	<b>54.222</b>	<b>60.902</b>	<b>52.698</b>	<b>55.276</b>
<b>Gross defaults and non-performing loans</b>						
Industry	393.600	223.312	230.320	402.309	232.334	237.096
+ Personal	102.983	104.911	110.873	179.584	177.059	189.638
= <b>Gross defaults and non-performing loans</b>	<b>496.583</b>	<b>328.223</b>	<b>341.193</b>	<b>581.893</b>	<b>409.393</b>	<b>426.734</b>
- Individual write-downs	37.278	50.716	50.302	91.531	101.500	104.351
= <b>Net defaults and non-performing loans</b>	<b>459.305</b>	<b>277.507</b>	<b>290.891</b>	<b>490.362</b>	<b>307.893</b>	<b>322.383</b>

## Operational segments

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

(Figures in NOK mill.)

30.09.2013	PM	BM	Finanse	Financierin g	Spb Øst Eiendom	Undistribut ed	Elimination	Group
Net interest and commission income external	347,4	214,5	71,4	116,2	-0,4	-334,8	0,0	414,3
Net interest and commission income internal	-144,4	-53,8	-110,6	-26,6	-11,5	344,3	2,6	0,0
<b>Net interest and commission income</b>	<b>203,0</b>	<b>160,7</b>	<b>-39,2</b>	<b>89,6</b>	<b>-11,9</b>	<b>9,5</b>	<b>2,6</b>	<b>414,3</b>
Total net other income external	40,6	11,3	14,5	-18,1	30,7	19,2	0,0	98,2
Total net other income internal	0,0	0,0	0,0	-0,2	5,8	100,4	-106,0	0,0
<b>Total income</b>	<b>243,6</b>	<b>172,0</b>	<b>-24,7</b>	<b>71,3</b>	<b>24,6</b>	<b>129,1</b>	<b>-103,4</b>	<b>512,5</b>
Payroll and general administration costs	45,0	16,5	0,0	20,2	5,0	75,8	0,0	162,5
Depreciation	0,0	0,0	0,0	1,6	6,8	4,9	0,0	13,3
Other operating costs external	0,7	0,1	0,0	4,1	5,9	28,5	0,0	39,3
Other operating costs internal	0,0	0,0	0,0	0,5	0,3	6,3	-7,1	0,0
<b>Total operating costs</b>	<b>45,7</b>	<b>16,6</b>	<b>0,0</b>	<b>26,4</b>	<b>18,0</b>	<b>115,5</b>	<b>-7,1</b>	<b>215,1</b>
<b>Profit before losses</b>	<b>197,9</b>	<b>155,4</b>	<b>-24,7</b>	<b>44,9</b>	<b>6,6</b>	<b>13,6</b>	<b>-96,3</b>	<b>297,4</b>
Losses on loans, guarantees, etc.	0,1	-3,2	0,0	7,5	0,0	0,0	0,0	4,4
<b>Profit before tax</b>	<b>197,8</b>	<b>158,6</b>	<b>-24,7</b>	<b>37,4</b>	<b>6,6</b>	<b>13,6</b>	<b>-96,3</b>	<b>293,0</b>
Tax costs	0,0	0,0	0,0	10,5	1,8	93,9	-26,9	79,3
<b>After-tax profit</b>	<b>197,8</b>	<b>158,6</b>	<b>-24,7</b>	<b>26,9</b>	<b>4,8</b>	<b>-80,3</b>	<b>-69,4</b>	<b>213,7</b>
<b>30.09.2012</b>	<b>PM</b>	<b>BM</b>	<b>Finanse</b>	<b>Financierin g</b>	<b>Spb Øst Eiendom</b>	<b>Undistribut ed</b>	<b>Elimination</b>	<b>Group</b>
Net interest and commission income external	371,1	232,1	95,4	112,9	-0,9	-434,2	0,0	376,4
Net interest and commission income internal	-211,0	-69,0	-128,8	-30,2	-12,7	451,7	0,0	0,0
<b>Net interest and commission income</b>	<b>160,1</b>	<b>163,1</b>	<b>-33,4</b>	<b>82,7</b>	<b>-13,6</b>	<b>17,5</b>	<b>0,0</b>	<b>376,4</b>
Total net other income external	41,3	17,6	13,3	-16,9	28,0	47,7	-0,3	130,7
Total net other income internal	0,0	0,0	0,0	0,0	6,2	3,5	-9,7	0,0
<b>Total income</b>	<b>201,4</b>	<b>180,7</b>	<b>-20,1</b>	<b>65,8</b>	<b>20,6</b>	<b>68,7</b>	<b>-10,0</b>	<b>507,1</b>
Payroll and general administration costs	46,2	15,8	0,0	20,7	4,1	82,2	0,0	169,0
Depreciation	0,0	0,0	0,0	1,3	7,1	3,9	0,0	12,3
Other operating costs external	0,8	0,0	-0,2	4,0	5,5	27,1	0,1	37,3
Other operating costs internal	0,0	0,0	0,0	0,0	1,1	7,2	-8,3	0,0
<b>Total operating costs</b>	<b>47,0</b>	<b>15,8</b>	<b>-0,2</b>	<b>26,0</b>	<b>17,8</b>	<b>120,4</b>	<b>-8,2</b>	<b>218,6</b>
<b>Profit before losses</b>	<b>154,4</b>	<b>164,9</b>	<b>-19,9</b>	<b>39,8</b>	<b>2,8</b>	<b>-51,7</b>	<b>-1,8</b>	<b>288,5</b>
Losses on loans, guarantees, etc.	0,6	-0,6	1,4	11,6	0,0	0,0	0,0	13,0
<b>Profit before tax</b>	<b>153,8</b>	<b>165,5</b>	<b>-21,3</b>	<b>28,2</b>	<b>2,8</b>	<b>-51,7</b>	<b>-1,8</b>	<b>275,5</b>
Tax costs	0,0	0,0	0,0	7,9	0,6	67,7	-0,5	75,7
<b>After-tax profit</b>	<b>153,8</b>	<b>165,5</b>	<b>-21,3</b>	<b>20,3</b>	<b>2,2</b>	<b>-119,4</b>	<b>-1,3</b>	<b>199,8</b>
<b>30.09.2013</b>	<b>PM</b>	<b>BM</b>	<b>Finanse</b>	<b>Financierin g</b>	<b>Spb Øst Eiendom</b>	<b>Undistribut ed</b>	<b>Elimination</b>	<b>Group</b>
Loans and receivables with customers	17.440,7	5.487,4	0,0	1.649,3	0,0	781,5	-353,3	25.005,6
Other assets	38,8	27,9	3.991,4	30,1	526,4	4.554,3	-3.860,3	5.308,6
<b>Total assets</b>	<b>17.479,5</b>	<b>5.515,3</b>	<b>3.991,4</b>	<b>1.679,4</b>	<b>526,4</b>	<b>5.335,8</b>	<b>-4.213,6</b>	<b>30.314,2</b>
Deposits from and liabilities to customers	7.662,2	3.219,6	1.149,1	22,6	0,0	108,9	-26,6	12.135,8
Other liabilities	248,9	222,0	-7,3	1.477,2	409,2	17.045,9	-3.499,8	15.896,1
Inter-company accounts	9.568,4	2.073,7	2.849,6	0,0	0,0	-14.491,7	0,0	0,0
Total liabilities per segment	17.479,5	5.515,3	3.991,4	1.499,8	409,2	2.663,1	-3.526,4	28.031,9
Total equity	0,0	0,0	0,0	179,6	117,2	2.672,7	-687,2	2.282,3
<b>Total liabilities and equity</b>	<b>17.479,5</b>	<b>5.515,3</b>	<b>3.991,4</b>	<b>1.679,4</b>	<b>526,4</b>	<b>5.335,8</b>	<b>-4.213,6</b>	<b>30.314,2</b>
<b>30.09.2012</b>	<b>PM</b>	<b>BM</b>	<b>Finanse</b>	<b>AS Financierin g</b>	<b>Spb Øst Eiendom</b>	<b>Undistribut ed</b>	<b>Elimination</b>	<b>Group</b>
Loans and receivables with customers	14.680,9	6.174,6	0,0	1.532,2	0,0	409,4	-335,5	22.461,6
Other assets	33,0	32,5	5.983,9	28,7	494,4	3.395,8	-3.621,0	6.347,3
<b>Total assets</b>	<b>14.713,9</b>	<b>6.207,1</b>	<b>5.983,9</b>	<b>1.560,9</b>	<b>494,4</b>	<b>3.805,2</b>	<b>-3.956,5</b>	<b>28.808,9</b>
Deposits from and liabilities to customers	5.954,9	3.116,5	1.194,6	24,6	0,0	96,4	-22,7	10.364,3
Other liabilities	1.118,3	222,1	19,5	1.391,2	389,6	16.817,9	-3.557,5	16.401,1
Inter-company accounts	7.640,7	2.868,5	4.769,8	0,0	0,0	-15.279,0	0,0	0,0
Total liabilities per segment	14.713,9	6.207,1	5.983,9	1.415,8	389,6	1.635,3	-3.580,2	26.765,4
Total equity	0,0	0,0	0,0	145,1	104,8	2.169,9	-376,3	2.043,5
<b>Total liabilities and equity</b>	<b>14.713,9</b>	<b>6.207,1</b>	<b>5.983,9</b>	<b>1.560,9</b>	<b>494,4</b>	<b>3.805,2</b>	<b>-3.956,5</b>	<b>28.808,9</b>

## Customer deposits divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012	Group 30.09.2013	Group 30.09.2012	Group 31.12.2012
Salaried employees	7.798.353	6.031.285	7.050.133	7.807.781	6.041.279	7.059.537
Public administration	194.270	130.882	137.097	194.270	130.882	137.097
Agriculture, forestry, fishing etc.	121.249	119.227	124.826	121.249	119.227	124.826
Industry and mining, power and water sup	460.048	431.310	370.780	460.048	431.310	370.780
Construction and civil engineering	371.888	371.328	432.469	373.164	372.207	433.363
Retail, hotel and catering	395.192	423.160	461.645	395.418	425.386	463.928
Transport/communication	143.636	140.822	143.237	143.910	141.089	143.511
Financial service business	1.289.108	1.448.242	1.429.786	1.298.264	1.457.233	1.438.942
Other service industries	550.871	560.703	601.785	552.243	562.057	603.167
Real estate turnover and operations	710.982	634.123	848.437	685.576	612.606	842.169
Foreign	103.870	70.994	70.537	103.870	70.994	70.537
<b>Total</b>	<b>12.139.467</b>	<b>10.362.076</b>	<b>11.670.732</b>	<b>12.135.793</b>	<b>10.364.270</b>	<b>11.687.857</b>

## Gross loans to customers divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012	Group 30.09.2013	Group 30.09.2012	Group 31.12.2012
Salaried employees	11.211.573	8.876.908	7.969.542	20.544.235	17.574.753	17.712.199
Agriculture, forestry, fishing etc.	169.790	183.215	189.780	172.366	186.205	192.639
Industry and mining, power and water sup	109.815	108.030	107.365	113.527	114.157	111.966
Construction and civil engineering	547.680	566.911	611.006	565.139	586.949	629.246
Retail, hotel and catering	377.373	369.078	368.685	411.032	410.813	409.338
Transport/communication	81.853	75.813	83.815	98.288	96.984	105.998
Financial service business	163.055	245.377	229.544	172.384	254.449	238.880
Other service industries	452.143	432.113	436.915	471.006	461.486	466.259
Real estate turnover and operations	2.917.102	3.205.937	3.129.163	2.576.294	2.895.212	2.818.669
Foreign	12.558	18.544	16.803	16.234	25.534	22.849
<b>Total</b>	<b>16.042.942</b>	<b>14.081.926</b>	<b>13.142.618</b>	<b>25.140.505</b>	<b>22.606.542</b>	<b>22.708.043</b>

## Geographic distribution of gross lending

(Figures in NOK 1,000)

	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012	Group 30.09.2013	Group 30.09.2012	Group 31.12.2012
Drammen	3.562.702	3.538.511	3.241.321	4.466.039	4.571.946	4.458.403
Nedre Eiker	1.633.597	1.452.802	1.366.366	2.405.702	2.304.980	2.327.195
Øvre Eiker	1.327.880	1.207.415	1.226.094	1.821.913	1.752.788	1.838.429
Other parts of Bunkered	1.461.491	1.255.176	1.246.876	2.043.902	1.767.147	1.807.578
Oslo	2.689.645	2.366.136	2.221.152	4.345.668	3.759.043	3.819.454
Akershus	2.507.218	1.971.644	1.789.839	4.350.008	3.698.880	3.704.085
Vestfold	1.414.610	1.306.853	1.195.035	2.146.180	1.986.308	1.986.774
Østfold	449.959	296.061	268.867	1.035.504	801.458	822.627
Rest of country	983.282	668.784	570.265	2.509.354	1.938.258	1.920.649
Foreign	12.558	18.544	16.803	16.234	25.734	22.849
<b>Total</b>	<b>16.042.942</b>	<b>14.081.926</b>	<b>13.142.618</b>	<b>25.140.505</b>	<b>22.606.542</b>	<b>22.708.043</b>



## Securities debt and subordinated debt

(Figures in NOK mill.)	Parent bank	Parent bank	Parent bank	Group	Group	Group
Securities debt	30.09.2013	30.09.2012	31.12.2012	30.09.2013	30.09.2012	31.12.2012
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	8.069,5	8.064,0	8.074,0	13.960,7	13.402,2	13.442,0
Value adjustments (including o/u par)	102,1	137,8	130,6	128,6	174,6	170,0
<b>Total securities debt</b>	<b>8.171,6</b>	<b>8.201,8</b>	<b>8.204,6</b>	<b>14.089,3</b>	<b>13.576,8</b>	<b>13.612,0</b>

Changes to securities debt - Group	30.09.2013	Issued	Matured/redeemed	Change in own holdings	Other changes, including currency	31.12.2012
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	8.069,5	1.600,0	1.754,5	150,0	0,0	8.074,0
Covered bonds, nominal value NOK	5.610,0	500,0	1,5	0,0	0,0	5.111,5
Covered bonds, nominal SEK (converted to NOK)	281,2	0,0	0,0	0,0	24,7	256,5
Value adjustments (including o/u par)	128,6	0,0	0,0	0,0	-41,4	170,0
<b>Total debt securities</b>	<b>14.089,3</b>	<b>2.100,0</b>	<b>1.756,0</b>	<b>150,0</b>	<b>-16,7</b>	<b>13.612,0</b>

The difference between the parent bank and the Group is covered bonds, nominal value MNOK 5.891,2.

Changes to subordinated debt and fund note loans	30.09.2013	Issued	Matured/redeemed	Changes to exchange rates	31.12.2012
Ordinary subordinated debt, nominal value	200,0	200,0	200,0	0,0	200,0
Fund note loans, nominal value	300,0	0,0	0,0	0,0	300,0
Value adjustments (including o/u par)	4,1	0,0	0,0	0,0	8,4
<b>Total subordinated debt and fund note loans</b>	<b>504,1</b>	<b>200,0</b>	<b>200,0</b>	<b>0,0</b>	<b>508,4</b>

## Financial derivatives

30.09.2013	Parent bank	Parent bank	Parent bank	Group	Group	Group
(Figures in NOK mill.)	Contract amounts	Assets	Liabilities	Contract amounts	Assets	Liabilities
Fair value through profit and loss						
<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	5,5	38,5	0,0	5,5
<b>Total currency instruments</b>	<b>38,5</b>	<b>0,0</b>	<b>5,5</b>	<b>38,5</b>	<b>0,0</b>	<b>5,5</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate swaps)	527,4	1,6	10,7	527,4	1,6	10,7
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (future)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>527,4</b>	<b>1,6</b>	<b>10,7</b>	<b>527,4</b>	<b>1,6</b>	<b>10,7</b>
Guarantee to Eksportfinans ASA *)	242,0	6,1	0,0	242,0	6,1	0,0
<b>Total other derivatives</b>	<b>242,0</b>	<b>6,1</b>	<b>0,0</b>	<b>242,0</b>	<b>6,1</b>	<b>0,0</b>

Used for hedge accounting	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	8,1	544,2	29,1	8,1
<b>Total currency instruments</b>	<b>292,1</b>	<b>0,0</b>	<b>8,1</b>	<b>544,2</b>	<b>29,1</b>	<b>8,1</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate swaps)	4.095,5	112,1	7,4	4.995,5	145,0	7,4
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (future)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>4.095,5</b>	<b>112,1</b>	<b>7,4</b>	<b>4.995,5</b>	<b>145,0</b>	<b>7,4</b>
<b>Total derivatives</b>		<b>119,8</b>	<b>31,7</b>		<b>181,8</b>	<b>31,7</b>

\*) The amount of MNOK 6.2 is the net positive value adjustment of the guaranteed portfolio as at 30.09.13 after deduction of an annual swap amount. The value of the derivative without taking the swap amount into account was positive at MNOK 18.2 as at 30.09.13.



## Valuation of financial assets and liabilities at fair value

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

Level 1: Observable trading prices in active markets

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

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

For further information refer to Note 22 Valuation of financial assets and liabilities at fair value in the annual financial statements, and the note Balance Sheet items at fair value.

(Figures in NOK mill.)

Fair value as at 30.09.2013 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Derivatives</i>				
Interest rate swap	0,0	146,6	0,0	146,6
Currency futures	0,0	0,0	0,0	0,0
Currency swap	0,0	29,1	0,0	29,1
Other derivatives	0,0	6,1	0,0	6,1
<i>Financial instruments at fair value</i>				
Treasury bills	0,0	0,0	0,0	0,0
Certificates and bonds	0,0	3.162,1	0,0	3.162,1
Shares and equity certificates	6,3	18,1	444,3	468,7
Money-market funds	0,0	0,0	0,0	0,0
<b>Total financial assets</b>	<b>6,3</b>	<b>3.362,0</b>	<b>444,3</b>	<b>3.812,6</b>
<b>Financial liabilities</b>				
<i>Derivatives</i>				
Interest rate swap	0,0	18,2	0,0	18,2
Currency futures	0,0	0,0	0,0	0,0
Currency swap	0,0	13,5	0,0	13,5
Other derivatives	0,0	0,0	0,0	0,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>31,7</b>	<b>0,0</b>	<b>31,7</b>

Fair value as at 30.09.2012 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Derivatives</i>				
Interest rate swap	0,0	185,8	0,0	185,8
Currency futures	0,0	0,0	0,0	0,0
Currency swap	0,0	9,6	0,0	9,6
Other derivatives	0,0	29,5	0,0	29,5
<i>Financial instruments at fair value</i>				
Treasury bills	669,6	0,0	0,0	669,6
Certificates and bonds	0,0	3.187,7	0,0	3.187,7
Shares and equity certificates	5,4	18,3	441,6	465,3
Money-market funds	0,0	102,2	0,0	102,2
<b>Total financial assets</b>	<b>675,0</b>	<b>3.533,1</b>	<b>441,6</b>	<b>4.649,7</b>
<b>Financial liabilities</b>				
<i>Derivatives</i>				
Interest rate swap	0,0	12,6	0,0	12,6
Currency futures	0,0	0,0	0,0	0,0
Currency swap	0,0	36,5	0,0	36,5
Other derivatives	0,0	0,0	0,0	0,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>49,1</b>	<b>0,0</b>	<b>49,1</b>

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

Fair value as at 31.12.2012 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<i>Derivatives</i>				
Interest rate swap	0,0	191,6	0,0	191,6
Currency futures	0,0	0,0	0,0	0,0
Currency swap	0,0	4,4	0,0	4,4
Other derivatives	0,0	39,9	0,0	39,9
<i>Financial instruments at fair value</i>				
Treasury bills	496,4	0,0	0,0	496,4
Certificates and bonds	0,0	3.694,9	0,0	3.694,9
Shares and equity certificates	5,1	17,4	454,6	477,1
Money-market funds	0,0	504,8	0,0	504,8
<b>Total financial assets</b>	<b>501,5</b>	<b>4.453,0</b>	<b>454,6</b>	<b>5.409,1</b>
<b>Financial liabilities</b>				
<i>Derivatives</i>				
Interest rate swap	0,0	13,6	0,0	13,6
Currency futures	0,0	0,0	0,0	0,0
Currency swap	0,0	38,1	0,0	38,1
Other derivatives	0,0	0,0	0,0	0,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>51,7</b>	<b>0,0</b>	<b>51,7</b>

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

## Valuation of financial assets and liabilities at fair value, contd.

(Figures in NOK mill.)

<b>Movement in level 3, 30.09.2013</b>	<b>Group</b>
<b>Balance sheet as at 01.01.2013</b>	454,6
Net gains	0,0
Additions/purchases	0,0
Disposals	4,0
Value change	-6,3
Transferred from level 1 and 2	0,0
Transferred to level 1 and 2	0,0
<b>Balance sheet as at 30.09.2013</b>	<b>444,3</b>

### Shares and equity certificates

Additions/disposals in level 3 in 2013 of MNOK 4 are related to the repayment of paid-up capital related to the liquidation of a company.

The negative value change of MNOK 6.3 belongs to the available for sale category. Of this, MNOK 1.4 concerns write-downs

and is included in "Net value change and gain/loss on financial investments" in the result, while MNOK 5.0

is negative value adjustment and is included in "Changes in fair value for investments available for sale" in the total result.

<b>Movement in level 3, 30.09.2012</b>	<b>Group</b>
<b>Balance sheet as at 01.01.2012</b>	441,6
Net gains	0,0
Additions/purchases	0,0
Disposal	0,0
Value change	0,0
Transferred from level 1 and 2	0,0
Transferred to level 1 and 2	0,0
<b>Balance sheet as at 30.09.2012</b>	<b>441,6</b>

<b>Movement in level 3, 31.12.2012</b>	<b>Group</b>
<b>Balance sheet as at 01.01.2012</b>	441,6
Net gains	0,0
Additions/purchases	7,7
Disposal	0,0
Value change	5,3
Transferred from level 1 and 2	0,0
Transferred to level 1 and 2	0,0
<b>Balance sheet as at 30.09.2013</b>	<b>454,6</b>

### Shares and equity certificates

Additions/purchases in level 3 of MNOK 7.7 are related to the capital increase in Frende Holding AS, which is in the

available for sale category. The value adjustment of MNOK 5.3 is in the available for sale category

and is included in the overall result.

## Netting rights for financial derivatives

The Group's netting rights are in compliance with general rules in Norwegian legislation. Standardised and mainly bilateral ISDA agreements have been entered into with financial ir that grant the parties netting rights in the event of default for Sparebanken Øst Boligkreditt AS. In addition Sparebanken Øst Boligkreditt AS has entered into supplementary agreem the provision of collateral (CSA) with the same counter parties.

<b>As at 30.09.2013 exposure was as follows:</b>	<b>Parent bank</b>	<b>Parent bank</b>	<b>Parent bank</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
	Balance sheet value	Amount subject to net settlement	Value after possible net settlement	Balance sheet value	Amount subject to net settlement	Value after possible net settlement
Financial derivatives assets	119,8	0,0	119,8	181,8	0,0	181,8
Financial derivatives liabilities	31,7	0,0	31,7	31,7	0,0	31,7

## Balance Sheet items at fair value

### Calculating the fair value of financial instruments

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

In the table below, bonds fall into the hold to maturity category and issued securities are valued at observed market prices.

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

Group 30.09.2013			(Figures in NOK mill.)	Parent bank 30.09.2013		
Book value	Fair value	Unrealised loss/gain		Book value	Fair value	Unrealised loss/gain
597,5	597,5	0,0	Cash and receivables at central banks	597,5	597,5	0,0
13,4	13,4	0,0	Loans to and receivables from credit institutions	2.929,4	2.929,4	0,0
25.005,6	25.012,1	6,5	Loans to and receivables with customers	15.965,6	15.972,1	6,5
3.162,1	3.162,1	0,0	Fixed-income securities at fair value via the Statement of Incc	3.162,1	3.162,1	0,0
200,7	216,2	15,5	Fixed-income held-to-maturity investments	200,7	216,2	15,5
24,4	24,4	0,0	Shares and units at fair value via the Statement of Income	24,4	24,4	0,0
444,3	444,3	0,0	Shares available for sale	444,3	444,3	0,0
181,8	181,8	0,0	Financial derivatives	119,8	119,8	0,0
<b>29.629,8</b>	<b>29.651,8</b>	<b>22,0</b>	<b>Total assets</b>	<b>23.443,8</b>	<b>23.465,8</b>	<b>22,0</b>
847,1	847,1	0,0	Liabilities to credit institutions	1.030,1	1.030,1	0,0
12.135,5	12.135,5	0,0	Deposits from and liabilities to customers	12.139,5	12.139,5	0,0
14.089,3	14.252,8	-163,5	Liabilities incurred on the issue of securities	8.171,6	8.278,9	-107,3
31,7	31,7	0,0	Financial derivatives	31,7	31,7	0,0
504,1	508,9	-4,8	Subordinate loan capital	504,1	508,9	-4,8
<b>27.607,7</b>	<b>27.776,0</b>	<b>-168,3</b>	<b>Total liabilities</b>	<b>21.877,0</b>	<b>21.989,1</b>	<b>-112,1</b>

Group 30.09.2012				Parent bank 30.09.2012		
Book value	Fair value	Unrealised loss/gain		Book value	Fair value	Unrealised loss/gain
632,6	632,6	0,0	Cash and receivables at central banks	632,6	632,6	0,0
98,2	98,2	0,0	Loans to and receivables from credit institutions	2.191,6	2.191,6	0,0
22.461,6	22.471,0	9,4	Loans to and receivables with customers	13.991,1	14.000,5	9,4
3.857,3	3.857,3	0,0	Fixed-income securities at fair value via the Statement of Incc	4.871,7	4.871,7	0,0
251,6	277,0	25,4	Fixed-income held-to-maturity investments	251,6	277,0	25,4
125,9	125,9	0,0	Shares and units at fair value via the Statement of Income	125,9	125,9	0,0
441,6	441,6	0,0	Shares available for sale	441,6	441,6	0,0
224,9	224,9	0,0	Financial derivatives	170,5	170,5	0,0
<b>28.093,7</b>	<b>28.128,5</b>	<b>34,8</b>	<b>Total assets</b>	<b>22.676,6</b>	<b>22.711,4</b>	<b>34,8</b>
854,4	854,4	0,0	Liabilities to credit institutions	912,7	912,7	0,0
10.364,3	10.364,3	0,0	Deposits from and liabilities to customers	10.362,1	10.362,1	0,0
915,4	915,4	0,0	Liabilities to the state, exchange of covered bonds	915,4	915,4	0,0
13.576,8	13.663,7	-86,9	Liabilities incurred on the issue of securities	8.201,8	8.245,4	-43,6
49,1	49,1	0,0	Financial derivatives	49,1	49,1	0,0
600,0	605,1	-5,1	Subordinate loan capital	600,0	605,1	-5,1
<b>26.360,0</b>	<b>26.452,0</b>	<b>-92,0</b>	<b>Total liabilities</b>	<b>21.041,1</b>	<b>21.089,8</b>	<b>-48,7</b>

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

## Capital adequacy

(Figures in NOK 1,000)	Parent bank			Group		
	30.09.2013	30.09.2012	31.12.2012	30.09.2013	30.09.2012	31.12.2012
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	1.012.660	887.406	1.010.476	1.012.660	887.406	1.010.476
Other reserves not included in tier 1 capital	228.940	176.766	286.468	391.873	308.365	449.361
Fund notes up to 15%	304.471	286.580	308.433	304.471	300.166	308.433
Other tier 1 capital	0	0	0	0	0	0
Deductions in tier 1 capital	-10.595	-35.312	-74.287	0	-955	-62.194
50/50-deduction in tier 1 capital	-102.911	-102.742	-102.750	-111.031	-110.345	-110.870
<b>Net tier 1 capital</b>	<b>2.027.655</b>	<b>1.807.788</b>	<b>2.023.430</b>	<b>2.193.063</b>	<b>1.979.727</b>	<b>2.190.296</b>
Fund notes exceeding 15%	0	13.586	0	0	0	0
Subordinate loan capital	199.619	299.861	199.919	199.619	299.861	199.919
Unrealised gains IFRS	31.015	30.866	33.245	31.015	30.866	33.245
50/50-deduction in additional capital	-102.911	-102.742	-102.750	-111.031	-110.345	-110.870
<b>Net additional capital</b>	<b>127.723</b>	<b>241.571</b>	<b>130.414</b>	<b>119.603</b>	<b>220.382</b>	<b>122.294</b>
<b>Net subordinated capital</b>	<b>2.155.378</b>	<b>2.049.359</b>	<b>2.153.844</b>	<b>2.312.666</b>	<b>2.200.109</b>	<b>2.312.590</b>
<b>Calculation base</b>						
Calculation base balance sheet items	11.187.093	10.185.044	10.422.294	14.024.687	13.178.471	13.402.163
Calculation base off-balance sheet items	1.757.502	1.596.499	1.731.455	559.507	536.774	449.081
Calculation base exchange risk	0	0	0	0	0	0
Calculation base operational risk	982.373	1.043.708	1.043.708	1.167.078	1.203.324	1.203.324
Deductions from the calculation base	-283.783	-283.263	-286.187	-303.393	-301.838	-305.797
<b>Total calculation base (risk-weighted balance)</b>	<b>13.643.185</b>	<b>12.541.988</b>	<b>12.911.270</b>	<b>15.447.879</b>	<b>14.616.731</b>	<b>14.748.771</b>
<b>Capital adequacy</b>	<b>15,80 %</b>	<b>16,34 %</b>	<b>16,68 %</b>	<b>14,97 %</b>	<b>15,05 %</b>	<b>15,68 %</b>
<b>Tier 1 capital adequacy</b>	<b>14,86 %</b>	<b>14,41 %</b>	<b>15,67 %</b>	<b>14,20 %</b>	<b>13,54 %</b>	<b>14,85 %</b>
<b>Pure core capital adequacy</b>	<b>12,63 %</b>	<b>12,13 %</b>	<b>13,28 %</b>	<b>12,23 %</b>	<b>11,49 %</b>	<b>12,76 %</b>

The comparative figures for 2012 for capital adequacy are not converted on the implementation of the revised IAS 19. Adjusted figures would capital adequacy for the Group of 15,71% as at 31.12.12 and 14,90% as at 30.09.12 and for the parent bank of 16,72% as at 31.12.12 and 1

## Guarantee liabilities and other off Balance Sheet it

(Figures in NOK 1,000)	Parent bank			Group		
	30.09.2013	30.09.2012	31.12.2012	30.09.2013	30.09.2012	31.12.2012
<b>Guarantee liabilities</b>						
Payment guarantees	59.000	64.614	70.738	59.760	65.374	71.498
Contract guarantees	93.989	98.120	69.641	93.989	98.120	69.641
Loan guarantees	8.787	53.933	46.457	8.787	54.008	46.532
Other guarantee liabilities	19.122	28.864	26.473	19.122	28.864	26.473
<b>Total customer guarantees</b>	<b>180.898</b>	<b>245.531</b>	<b>213.309</b>	<b>181.658</b>	<b>246.366</b>	<b>214.144</b>
Guarantee to Eksportfinans ASA*	100.000	100.000	100.000	100.000	100.000	100.000
Guarantees to the Norwegian Banks' Guarantee Func	8.962	0	0	8.962	0	0
<b>Total guarantee liabilities</b>	<b>289.860</b>	<b>345.531</b>	<b>313.309</b>	<b>290.620</b>	<b>346.366</b>	<b>314.144</b>

\* The bank has provided a guarantee for Eksportfinans ASA. The net guarantee liability is MNOK 100. The value of the derivative excluding the swap settlement was p at MNOK 18,2 as at 30.09.13 compared with MNOK 10,7 as at 31.12.2012. As at 30.09.12 it was positive at MNOK 0,3.

For the rating process in Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee for all covered bond (OMF) commitments in mortgage credit companies. covered bond commitments amount to nominal MNOK 5.891,2 as at 30.09.13, MNOK 5.368,0 as at 31.12.12 as at 30.09.2012. The parent bank's holdings of covered bonds of nominal MNOK 978.5 as at 31.12.12 and MNOK 1.013,5 as at 30.09.2012 have been deducted from these totals. As at 30.09.13 the parent bank has no covered bonds holdings in Sparebanken Øst

### Pledges and covered bonds

Bonds, nominal value, put up as collateral for access to loans in Norges Bank	1.890.000	1.938.000	2.020.000	1.890.000	1.938.000	2.020.000
<b>Pledges</b>	<b>1.890.000</b>	<b>1.938.000</b>	<b>2.020.000</b>	<b>1.890.000</b>	<b>1.938.000</b>	<b>2.020.000</b>
<b>Pledges in swap scheme</b>	<b>0</b>	<b>938.500</b>	<b>539.500</b>	<b>0</b>	<b>938.500</b>	<b>539.500</b>
<b>Preference in terms of sections 2-35* of the Norwe</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.891.160</b>	<b>5.403.600</b>	<b>5.802.600</b>

\* \* Including holding owned by the parent bank at a nominal value of MNOK 0 as at 30.09.2013 and MNOK 439 as at 31.12.2012.

### Security in real estate

Liabilities with security in property	0	0	0	0	34.775	26.456
Book value of pledged properties	0	0	0	0	75.561	61.612

## Additional information for Cash Flow Statement

Group 30.09.2013	Group 30.09.2012	Group 31.12.2012	(Figures in NOK mill.)	Parent bank 30.09.2013	Parent bank 30.09.2012	Parent bank 31.12.2012
<b>Cash and cash equivalents</b>						
597,5	632,6	703,3	Cash and receivables at central banks	597,5	632,6	703,3
0,0	669,6	496,4	Treasury bills	0,0	669,6	496,4
13,4	98,2	4,1	Loans to and receivables on credit institutions that are pure investments	13,4	98,0	3,9
<b>610,9</b>	<b>1.400,4</b>	<b>1.203,8</b>	<b>Total</b>	<b>610,9</b>	<b>1.400,2</b>	<b>1.203,6</b>
<b>Changes in assets in connection with operations</b>						
502,9	-90,6	-492,0	Net changes in financial assets held for the purposes of trade	502,9	-90,6	-492,0
33,3	-35,5	-45,7	Net changes in financial derivatives (net assets and liabilities)	33,4	-35,5	-45,7
532,8	-169,2	-676,4	Net changes in financial assets at fair value recognised in the Statement of	1.514,0	-146,7	-620,7
0,0	54,3	54,3	Changes in gross loans to credit institutions	-18,1	44,0	-773,7
-2.432,5	-279,4	-380,9	Changes in gross loans to credit institutions	-2.900,3	439,0	1.378,3
14,1	-7,8	-7,2	Net changes to other assets	25,2	0,6	-11,4
<b>-1.349,4</b>	<b>-528,2</b>	<b>-1.547,9</b>	<b>Total</b>	<b>-842,9</b>	<b>210,8</b>	<b>-565,2</b>
<b>Changes in assets in connection with operations</b>						
447,9	1.431,6	2.755,2	Changes in customer deposits	468,8	1.435,7	2.744,3
-24,5	-0,5	-9,5	Changes in debt to credit institutions	62,2	30,7	59,7
120,6	52,9	-37,7	Changes in other liabilities	95,7	70,9	-18,1
<b>544,0</b>	<b>1.484,0</b>	<b>2.708,0</b>	<b>Total</b>	<b>626,7</b>	<b>1.537,3</b>	<b>2.785,9</b>
<b>Non-cash items included in profit before tax</b>						
13,3	12,3	16,7	Write-downs on fixed assets	4,9	4,0	5,4
0,5	1,0	1,3	Amortisation of financial investments held to maturity	0,6	1,0	1,3
-11,5	1,3	4,2	Write-down of financial assets	-11,6	-3,9	-4,3
5,5	5,4	5,6	Amortisation financing activities measured at amortised cost	4,6	4,3	4,1
<b>7,8</b>	<b>20,0</b>	<b>27,8</b>	<b>Total</b>	<b>-1,5</b>	<b>5,4</b>	<b>6,5</b>

## Transactions with related parties

### Parent bank

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

(Figures in NOK mill.)

	30.09.2013	30.09.2012	31.12.2012
<b>Result</b>			
Interest income from subsidiaries	53,8	63,4	83,3
Interest certificates and covered bonds (OMF) from subsidiaries	16,9	23,3	29,4
Interest costs of subsidiaries	2,0	1,6	2,2
Received dividend /group contribution from subsidiary.	71,0	0,0	48,0
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	10,6	10,4	13,8
Rent to subsidiaries	5,5	5,9	7,9
Other costs to subsidiaries	0,1	0,1	0,2
<b>Balance Sheet</b>			
Loans to subsidiaries	3.282,7	2.429,1	3.238,3
Investments covered bonds in subsidiaries	0,0	1.014,3	978,9
Accrued interest income (covered bonds) from subsidiaries	0,0	1,2	0,9
Accrued interest income from subsidiaries	1,7	3,7	2,8
Other receivables from subsidiaries	3,7	0,0	3,9
Deposits from subsidiaries	209,6	115,9	130,4
Accrued interest costs of subsidiaries	2,0	1,6	0,0
Other commitments of subsidiaries	12,4	14,4	5,4

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

### Group

Apart from loans and deposits and related interest income and interest costs concerning corporate management, the Board of Directors and the 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 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 this case the profit per equity certificate is calculated on the basis of the proportion of the loss that is charged to the equalisation fund.

Sparebanken Øst has not issued options or other instruments that can lead to a dilution of 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>30.09.2013</b>	<b>30.09.2013</b>
After-tax profit	191,6	213,7
Fractional ownership	43,28 %	43,28 %
Profit after tax allocated to equity certificate owners	82,9	92,5
Weighted average of number of outstanding equity certificates	20,7	20,7
Profit per equity certificate	4,00	4,46

## Ownership ratio, parent bank

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

## Equity instruments

### Various key figures equity certificates:

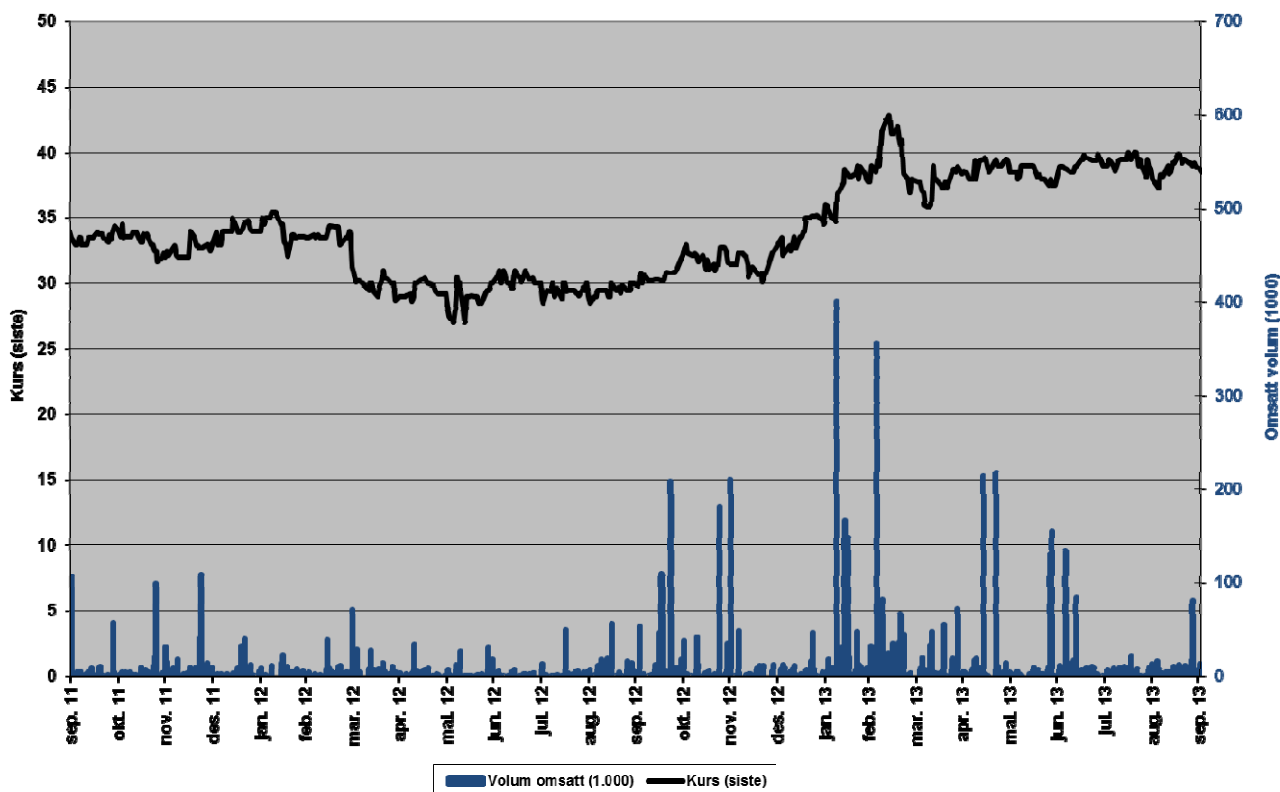
	30.09.2013	2012	2011	2010	2009
Profit per certificate after tax (Group) NOK 1)	5,96	5,69	3,46	7,22	7,05
Profit per certificate after tax (parent bank) NOK 1)	4,85	5,02	2,80	6,78	6,42
Ownership ratio 2)	43,28 %	44,98 %	46,04 %	49,05 %	49,63 %
No. of equity certificates (millions)	20,73	20,73	20,73	20,73	20,73
Book equity per certificate NOK 3)	47,58	43,22	40,49	39,14	35,56
Dividend NOK	-	3,00	2,00	5,00	4,00
Turnover rate (realised/issued)	25,15 %	11,69 %	21,61 %	45,09 %	103,10 %

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.

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

## Sparebanken Øst (SPOG)



## The 20 largest equity certificate holders as at 30.09.2013

Name	Quantity	%	Name	Quantity	%
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 Jag Holding AS	264.000	1,27 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Foretakskonsulenter AS	243.600	1,18 %
4 Pareto AS	650.754	3,14 %	14 Teleplan Holding AS	239.665	1,16 %
5 Storetind AS	565.000	2,73 %	15 Citybank NA New York	216.968	1,05 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Grete Evensen Øvrum AS	203.000	0,98 %
7 AS Andersen Eiendomsselskap	354.500	1,71 %	17 Wenaasgruppen AS	200.000	0,96 %
8 Sparebankstiftelsen DNB	308.320	1,49 %	18 Danske Bank AS	153.288	0,74 %
9 Verdipapirfondet Eika Utbytte	308.205	1,49 %	19 Rondane Holding AS	150.000	0,72 %
10 Hustadlitt AS	277.475	1,34 %	20 Løkke, Helge Arnfinn	148.433	0,72 %