

171st. year

# INTERIM REPORT 2013

Quarterly report 4. quarter 2013

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## Financial highlights - Group

	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Average equity, excl. dividends (NOK mill.)	2.268,1	1.960,6	1.814,5	1.632,2
Average total assets (NOK mill.)	30.178,7	28.698,8	26.502,2	23.515,3
Post-tax profit as %-age of average total assets	0,94	0,91	0,59	1,30
Result before losses as a ratio of average total assets	1,34	1,34	0,86	1,66
Net interest as %-age	1,87	1,78	1,66	1,78
Costs as a % of average assets under management	0,97	1,02	1,09	1,19
Costs as a ratio of income excluding returns on financial investments	44,55	48,48	55,77	56,77
Return on capital (%)	12,46	13,38	8,58	18,70
Net loans to customers (NOK mill.)	25.707,9	22.560,2	22.183,5	19.475,3
Deposits from customers (NOK mill)	12.539,2	11.687,9	8.932,7	7.630,2
Deposit-to-loan ratio	48,78	51,81	40,27	39,18
Deposit-to-loan ratio (parent bank)	74,04	89,42	61,88	48,20
Capital adequacy as %-age	18,41	15,68	15,77	17,16
Tier 1 capital adequacy as %-age	15,75	14,85	14,23	15,39
Actual Tier 1 capital adequacy ratio as %-age	13,23	12,76	12,07	12,93
Full time equivalent positions	233	224	252	261

The key figures for 2012 have been adjusted as a consequence of the implementation of revised IAS 19. The capital adequacy figure

## Comments on the interim accounts 2013/interim report - Sparebanken Øst

- **Sound equity position**
- **Good return on equity**
- **Strong growth rate in PM lending**
- **Proposed dividend in line with dividend policy**

### ACCOUNTING POLICIES

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, overall result, Balance Sheet, changes in equity, Cash Flow Statement, Notes and key ratios. In the Directors report the comparative figures for 2012 have been adjusted. Reference is made to the notes concerning the accounting policies for the implementation consequences of the introduction of revised IAS 19.

### PROFIT

The Group reported a profit before tax of NOK 388.9 million for 2013, compared with NOK 359.6 million for 2012. The improvement is primarily due to increased interest and credit commission income, growth in other operating income and reduced loan losses. At the same time, income recognition from net value changes and gains/losses on financial investments was substantially reduced as the income recognition for Eksportfinans ASA decreased by NOK 46.2 million compared with 2012.

In percentage of average total assets, profit before tax amounts to 1.29 percent as compared to 1.25 percent in 2012.

Profit after tax shows a surplus of NOK 282.7 million compared with NOK 262.3 million in 2012. Return on equity for 2013 was 12.46 percent compared with 13.38 percent in 2012.

Value adjustments on shares classified as available for sale applied to the overall result reduced return on equity. Return on equity without value adjustments on shares classified as available for sale applied to the overall result is estimated at 12,98 percent.

Profit after tax for the parent bank shows a surplus of NOK 223.5 million in 2013, compared to NOK 231.3 million for 2012. Group contributions from subsidiaries of NOK 71 million after tax were recognized in Q1 2013. The parent bank has granted an equivalent amount as Group contributions to subsidiaries.

### Net interest income

Net interest income and credit commission amounted to NOK 564.5 million, showing a reduction of NOK 55.0 million compared with 2012. For the fourth quarter in isolation, net interest income and credit commission showed a marginal decline compared with the third quarter but an increase of NOK 17.1 million compared with Q4 2012.

Growth in net interest income and credit commission in 2013 primarily came from an increase in lending, lower funding costs and a reduction in holdings of interest-bearing securities in the liquidity portfolio.

Net interest income and credit commission corresponds to 1.87 percent of the average total assets for 2013. By way of comparison, net interest income and credit commission amounted to 1.85 percent at the end of Q3 2013 and 1.78 percent for 2012.

A total of NOK 9.9 million in hedge fund fees were charged in 2013. No hedge fund fees were charged in 2012.

## Operating income

Dividends received from equity instruments amounted to NOK 13.0 million for 2013 compared with NOK 11.4 million in 2012. In the parent bank, NOK 98.7 million before tax has been recognized as Group contributions received from subsidiaries in Q1 2013. Eliminations have been made for this amount at Group level.

Commission income and income from banking services amounted to NOK 80.4 million, which is a decline of NOK 5.7 million compared with last year. The reduction is related to individual commercial customers. Commission income is derived from traditional banking services.

Commission costs and costs of banking services amounted to NOK 40.6 million, which shows an increase NOK 2.3 million compared with 2012. This increase is due to agency fees.

Net value changes and gains/losses on financial assets provided an income of NOK 26.4 million in 2013. Of this, NOK 6.3 million is attributable to the Eksportfinans ASA guarantee. By way of comparison, net value changes and gains/losses on financial assets provided an income of NOK 62.3 million in 2012. Of this, NOK 52.5 million is attributable to the Eksportfinans ASA guarantee.

Other operating income makes up NOK 55.2 million and shows an increase of NOK 8.5 million compared with 2012. This increase relates to leasing income and capital gains on the sale of real estate in Sparebanken Øst Eiendom AS.

## Operating costs

Total operating expenses amounted to NOK 293.8 million which corresponds to 0.97 percent of average total assets. In comparison total operating costs for the group amounted to NOK 292.8 million in 2012, equivalent to 1.02 percent of average total assets.

Payroll and general administrative costs amounted to NOK 220.9 million in 2013 compared with NOK 225.2 million in 2012. The number of FTEs in the Group at the end of Q4 2013 was 233 as compared with 224 at the end of 2012. The number of FTEs in the parent bank at the end of Q4 2013 was 202 as compared with 195 at the end of 2012.

Depreciation and amortization amount to NOK 17.9 million in 2013, which was an increase of NOK 1.2 million compared with 2012.

Other operating costs amounted to NOK 55.0 million in 2013 compared with NOK 50.9 million in 2012. Investments were made in own buildings in 2013 which will result in reduced leasing expenses in the future.

## Losses on loans and guarantees

The Group's recorded losses on loans and guarantees amounted to NOK 16.2 million in 2013, compared with NOK 25.3 million in 2012. The loss for the parent bank is extremely limited and amounted to NOK 1.8 million in 2013 compared with NOK 7.3 million in 2012.

Individual impairments on loans and guarantees to customers amounted to NOK 98.0 million at the end of 2013, compared to NOK 105.4 million at the end of 2012.

Write-downs on groups of loans to customers amounted to NOK 43.4 million at the end of 2013, and was unchanged from the beginning of the year

Gross defaults and non-performing loans amounted to NOK 487.3 million at the end of Q4 2013 compared with NOK 581.9 million at the end of the previous quarter and NOK 426.7 million at the end of Q4 2012. Gross defaults and non-performing loans represented 1.89 percent of gross loans compared with 2.31 percent at the end of Q3 2013 and 1.88 percent as at 31.12.12. Net defaults and non-performing loans amount to NOK 389.3 million, which shows a decrease of NOK 100.0 million compared with 30.09.13 and an increase of NOK 68.0 million compared with the end of Q4 2012.

## Allocation of the annual profit

The Board proposes that the annual profit of the parent bank is allocated as shown below: Dividend proposed is NOK 3.00 per equity certificate

<b>(Figures in NOK mill.)</b>	<b>2013</b>
Equity certificate dividend	62.2
Transferred to equalization fund	34.5
Transferred to primary capital	121.7
Endowments	5.0
<b>Profit for the year</b>	<b>223.5</b>

The Equalization Fund (excluding dividends) presently amounts to NOK 229.5 million which is equivalent to 11.07 per equity certificate.

## BALANCE SHEET

Total assets increased by NOK 1,439.4 million since the beginning of the year, and amounted to NOK 31,077.3 million at the end of 2013.

Cash and receivables at central banks declined by NOK 345.8 million since the beginning of the year and amount to NOK 357.5 million as at 31.12.13. During the same period Treasury bills declined by NOK 496.4 million.

Net loans to credit institutions have increased by 4.5 million since 31.12.12 and amounted to NOK 8.6 million as at 31.12.13.

Net loans to customers amounted to NOK 25,707.9 million, which represents an increase of NOK 3,147.7 million during the last 12 months, equivalent to 14.0 percent. Net lending to private customers increased by 21.2 percent, while net lending to business customers declined by 12.3 percent.

Gross loans to private customers made up 83.1 percent of total loans to customers.

Holdings of certificates and bonds (including Treasury bills) have declined by NOK 940.0 million since the end of 2012 and amount to NOK 3,502.6 million at the end of 2013. These holdings consist exclusively of the liquidity portfolio and amount to a nominal NOK 3,474.9 million.

The weighted average maturity until the agreed due date is estimated at 2.55 years

As at 31.12.13 the bank's shares in Frende Holding AS were valued at NOK 226.0 million which resulted in a positive value adjustment of NOK 105.2 million in Q4 2013. This value adjustment has been applied to the overall result. As at 31.12.13 an agreement had been entered into for the sale of 11.1 percent of the shares with settlement to follow approval by the Financial Supervisory Authority of Norway. Settlement was made on 23 January 2014. The realized gains from the sale was recognized in Q1 2014 in the ordinary profit and amounted to NOK 11.7 million.

As at 31.12.13 the bank's shares in Nets Holding AS were valued at NOK 174.9 million which resulted in a positive value adjustment of NOK 78.5 million in Q4 2013. This value adjustment has been applied to the overall result.

Deposits from customers amounted to NOK 12,539.2 as at 31.12.13 and over the last 12 months increased by NOK 851.3 million, equivalent to 7.3 percent. Deposit cover at the end of 2013 amounted to 48.8 percent, compared with 51.8 percent as at 31.12.12.

Liabilities arising from issuance of securities amounted to NOK 14,037.0 million, an increase of NOK 425.0 million since the end of the previous year.

Other long-term loan agreements amounted to NOK 773.5 million at the end of 2013, thus showing a reduction of NOK 71.0 million since the beginning of the year.

Short-term funding (defined as funding with a remaining maturity of less than 1 year) amounted to NOK 1,695.1 million as at 31.12.13.

## FINANCIAL RISKS

Credit risk related to loans to customers remained almost unchanged in Q4 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 2,851.6 million at the end of Q4 2013, of which the Group's tier 1 capital amounted to NOK 2,440.0 million. With a calculation basis of NOK 15,488.8 million, this represents a capital adequacy of 18.41 percent, of which 15.75 percent is tier 1 capital adequacy.

Pure core capital cover amounts to 13.23 percent. 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. This contributed to the optimization of the bank's capital structure.

## 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 2 September 2013.

## 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 loan-to-value ratio (LTV) at the end of 2013 was 47.0 percent compared with 45.3 percent at the end of 2012.

At the end of 2013 the company's total assets amounted to NOK 7,715.3 million 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-up equity 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 for the parent bank amounted to a surplus of NOK 81.7 million in 2013, compared with NOK 46.4 million for 2012. 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 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 32.7 million compared with NOK 26.6 million in 2012. Total assets amounted to NOK 1,659.1 million. Growth in net loans to customers amounted to 6.2 percent in 2013 compared with 10.6 percent in 2012. At the end of 2013 the company had 25 employees, corresponding to 24 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 58.1 million in 2013 compared with NOK 49.9 million in 2012. This increase was primarily due to the sale of real estate. Profit after tax amounted to a surplus of NOK 15.5 million in 2013, compared with NOK 9.2 million in 2012. The company has 7 employees. Share capital is NOK 35.1 million

**Øst Prosjekt AS'** main object is taking over projects and undertaking industrial and commercial activities to hedge and realize exposed positions in the parent bank. The company has no employees and the share capital amounts to NOK 12.0 million this year. The result after tax was a loss of NOK 0.1 million in 2013, compared with no profits in 2012.

## FUTURE PROSPECTS

Several market players have signaled an increased willingness to grow with regard to loans for housing purposes in 2014. Net interest income and credit commission are influenced by competition in the banking market. Increased competition will reduce margins on the bank's loan products and earnings will be weaker in comparison with 2013 levels. Developments in future house prices are now more uncertain than for some time. A fall in prices cannot be ruled out in 2014. A fall in house prices may affect banks' willingness to grow and thus the competitive situation in the market for home loans.

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

Fluctuations in market value on the guarantee to Eksportfinans ASA and securities in general may occur. Eksportfinans ASA is being sued by investors in Japanese Samurai bonds. As of today, it is not possible to predict the outcome of this action. The market value of interest-bearing securities is affected in general by the development in margins for individual securities as well as the general liquidity situation in the market.

The bank assumes unchanged cost consumption in 2014 compared with 2013. Losses on loans to customers cannot be ruled out. A fall in house prices and weaker growth in the Norwegian economy can result in increased losses in the banking sector in the future.

The bank closely follows developments in capital adequacy rules and calculations show that the bank will meet expected capital requirements until the end of 2016. There are uncertainties regarding the total level of capital banks will be required to hold until 2016 and beyond. This applies in particular to the market's expectations for capital levels in addition to regulatory requirements.

The Board sees a long-term and robust liquidity situation that provides security for operations in the long term as extremely important. The bank's aim regarding liquidity is for non-liquid assets to be financed by long term debt of between 103 percent and 107 percent with the goal of having 105 percent long-term financing over time. The bank

assumes that access to liquidity will be satisfactory in 2014.

Reduced risk and an increased proportion of equity will affect the rate of return over time. The bank's goal for return on equity has been set at 10 percent over time. In recent years earnings in the banking sector have been affected by the need to build up equity once more. Clarification of the banks' capital situations may result in an increased willingness to grow with pressure on margins and lower rates of return in the future.

## **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 endeavor to pay 50-75 percent of profits allocated to the equity certificate holders as a dividend. In a normal year around 10 percent 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, 31 December 2013  
Drammen, 11 February 2014

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

## Income Statement

Group 2013	Group 2012	(Figures in NOK mill.)	Parent bank 2013	Parent bank 2012
1.273,4	1.254,6	Interest income and similar income	899,8	919,6
708,9	745,1	Interest expenses and similar expenses	570,2	584,3
re not audited.	509,5	<b>Net interest and credit commission income</b>	<b>329,6</b>	<b>335,3</b>
13,0	11,4	Dividends and other income from securities with variable yields	111,6	59,4
80,4	86,1	Commission income and income from banking services	90,3	95,4
40,6	38,3	Commission costs and costs of banking services	14,6	13,6
26,4	62,3	Net value changes and gains/losses on financial investments	26,7	66,3
55,2	46,7	Other operating income	6,4	7,4
164,2	163,6	Payroll, etc.	137,4	138,9
56,7	61,6	Administration costs	49,7	53,0
17,9	16,7	Depreciation/write-downs and value changes to non-financial asset	6,7	5,4
55,0	50,9	Other operating costs	46,5	42,9
#VERDI!	384,9	<b>PROFIT BEFORE LOSSES</b>	<b>309,7</b>	<b>310,0</b>
16,2	25,3	Losses on loans and guarantees	1,8	7,3
#VERDI!	359,6	<b>PRE-TAX PROFIT</b>	<b>307,9</b>	<b>302,7</b>
106,2	97,3	Tax costs	84,4	71,4
#VERDI!	262,3	<b>PROFIT FOR THE YEAR</b>	<b>223,5</b>	<b>231,3</b>
5,90	5,69	Profit per equity certificate	4,67	5,02
5,90	5,69	Diluted profit per equity certificate	4,67	5,02

## Total profit/loss

Group 2013	Group 2012	(Figures in NOK mill.)	Parent bank 2013	Parent bank 2012
#VERDI!	262,3	<b>PROFIT FOR THE YEAR</b>	<b>223,5</b>	<b>231,3</b>
		<b>Items that will not be reclassified to the Statement of Income</b>		
-9,8	29,9	Actuarial gains and losses on performance plans	-11,1	26,7
2,7	-8,4	Tax effect of actuarial gains and losses on performance plans	3,1	-7,5
		<b>Items that may later be reclassified to the Statement of Income</b>		
178,8	5,3	Changes in fair value of investments held for sale	178,8	5,3
#VERDI!	289,1	<b>TOTAL PROFIT/LOSS</b>	<b>394,3</b>	<b>255,8</b>

## Balance Sheet

Konsern 2013	Group 2012	(Figures in NOK mill.)	Morbank 2013	Parent bank 2012
357,5	703,3	Cash and receivables at central banks	357,5	703,3
8,6	4,1	Loans and receivables from credit institutions	2.101,7	2.915,2
25.848,3	22.708,0	Loans and receivables with customers	17.031,0	13.142,6
97,0	104,4	- Individual write-downs	38,3	50,3
43,4	43,4	- Write-downs on groups of loans	40,1	40,1
3.301,9	4.191,3	Certificates and bonds at fair value	3.543,6	5.172,5
650,9	981,9	Shares and units	650,9	981,9
192,8	235,9	Financial derivatives	132,6	184,8
200,7	251,3	Certificates and bonds, held to maturity	200,7	251,3
0,0	0,0	Ownership interests in group companies	687,2	616,2
0,0	0,0	Deferred tax assets	4,0	10,6
403,5	457,1	Investment properties	0,0	0,0
126,4	122,4	Fixed Assets	72,8	67,6
40,0	41,7	Other assets	13,4	25,2
87,1	88,7	Prepayments non-accrued expenses and earned income not receiv	67,9	74,6
31.077,3	29.637,9	<b>TOTAL ASSETS</b>	<b>24.784,9</b>	<b>24.055,4</b>
773,5	844,5	Liabilities to credit institutions	989,0	940,8
12.539,2	11.687,9	Deposits from and liabilities to customers	12.552,1	11.670,7
0,0	493,5	Liabilities to the state, exchange of OMF preferential bonds	0,0	493,5
24,0	51,7	Financial derivatives	24,0	51,7
14.037,0	13.612,0	Liabilities incurred when issuing securities	7.861,6	8.204,6
159,2	152,0	Other liabilities	91,3	112,0
97,1	107,8	Accruals and deferred income	73,9	81,3
38,6	26,0	Provisions for accrued costs and liabilities	36,9	22,6
29,5	21,4	Deferred tax obligation	0,0	0,0
851,3	508,4	Subordinate loan capital	851,3	508,4
28.549,4	27.505,2	<b>Total liabilities</b>	<b>22.480,1</b>	<b>22.085,6</b>
595,1	595,1	Paid-up equity	595,1	595,1
1.932,8	1.537,6	Accrued equity	1.709,7	1.374,7
2.527,9	2.132,7	<b>Total equity</b>	<b>2.304,8</b>	<b>1.969,8</b>
31.077,3	29.637,9	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>24.784,9</b>	<b>24.055,4</b>



## Changes in equity - Group

(Figures in NOK mill.)

	Total equity	Equity certificate	Share ization	Equal imary capital fund	Endowment capital	Endowment fund	Available for sale reserve	Other equity
<b>2013</b>								
The financial statements are presented in Norwegian kroner, which is also the Group's functional currency. Interim financial statements are not audited.								
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
Result	282,7	0,0	0,0	96,7	121,7	5,0	0,0	59,3
Changes in fair value for investments TFS	178,8	0,0	0,0	0,0	0,0	0,0	178,8	0,0
Actuarial gains and losses on performance plans	-7,1	0,0	0,0	-3,5	-4,5	0,0	0,0	0,9
Total profit/loss	454,4	0,0	0,0	93,2	117,2	5,0	178,8	60,2
2012 dividend finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes in the endowment fund	3,0	0,0	0,0	0,0	0,0	3,0	0,0	0,0
<b>Equity as at 31.12.2013</b>	<b>2.527,9</b>	<b>207,3</b>	<b>387,8</b>	<b>291,7</b>	<b>1.129,9</b>	<b>35,4</b>	<b>252,7</b>	<b>223,1</b>

This year's proposed dividend of NOK 62.2 million is part of the Equalization Fund until it is finally adopted by the Board of Trustees.

	Total equity	Equity certificate	Share ization	Equal imary capital fund	Endowment capital	Endowment fund	Available for sale reserve	Other equity
<b>2012</b>								
Reported equity as at 31.12.2011	1.907,9	207,3	387,8	195,8	887,4	29,4	68,6	131,6
Adjustment as at 31.12.2011 on the introduction of IAS 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
Overall 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>

This year's proposed dividend of NOK 62.2 million is part of the Equalization Fund until it is finally adopted by the Board of Trustees.

## Changes in equity parent bank

(Figures in NOK mill.)

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

This year's proposed dividend of NOK 62.2 million is part of the Equalization Fund until it is finally adopted by the Board of Trustees.

	Total equity	Equity certificate	Share ization	Equal imary capital fund	Endowment capital	Endowment fund	Available for sale reserve
<b>2012</b>							
Reported equity as at 31.12.2011	1.776,3	207,3	387,8	195,8	887,4	29,4	68,6
Adjustment as at 31.12.2011 on the introduction of IAS 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
Overall 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>

This year's proposed dividend of NOK 62.2 million is part of the Equalization Fund until it is finally adopted by the Board of Trustees.

# Cash Flow Statement

Group 31.12.2013	Group 31.12.2012	(Figures in NOK mill.)	Parent bank 31.12.2013	Parent bank 31.12.2012
The financial statements are pre:				
<b>Operating activities</b>				
388,9	359,6	Profit before tax	307,9	302,7
Adjusted for:				
0,0	54,3	Changes in gross loans to credit institutions	818,2	-773,7
-3.140,3	-380,9	Changes in gross loans to customers	-3.888,4	1.378,3
393,0	-676,4	Changes in certificates and bonds at fair value	1.132,5	-620,7
538,5	-544,9	Changes in other assets in connection with operations	553,7	-549,1
-21,9	-9,5	Changes in deposits from credit institutions	71,8	59,7
851,3	2.755,2	Changes in customer deposits	881,4	2.744,3
-12,2	-37,7	Changes in other liabilities in connection with operations	-45,0	-18,1
23,6	27,8	Non-cash items included in profit before tax	4,1	6,5
-13,0	-7,8	Net gains from investment activities	-0,1	-0,2
-80,9	-56,7	Taxes paid for the period	-51,7	-48,6
-1.073,0	1.483,0	<b>Net cash flow from operating activities</b>	<b>A</b>	<b>-215,6</b>
<b>Investment activities</b>				
-17,2	-70,4	Purchase of fixed assets	-12,3	-10,4
61,9	72,6	Proceeds from sale of fixed assets	0,5	0,2
54,0	-7,7	Net proceeds/expenses from sale/purchase of financial investments.	-17,0	-247,7
98,7	-5,5	<b>Net cash flow from investment activities</b>	<b>B</b>	<b>-28,8</b>
<b>Financing activities</b>				
-579,1	-1.471,9	Net incoming/outgoing for loans to/from credit institutions and debt to the	-553,5	-1.471,9
-3.125,1	-2.532,7	Payments for repayment on securities	-2.881,8	-2.431,8
3.903,0	2.083,7	Proceeds from securities issued	2.904,4	1.238,7
0,0	0,0	Proceeds from issuance of equity certificates	0,0	0,0
-62,2	-41,5	Payment of dividends	-62,2	-41,5
136,6	-1.962,4	<b>Net cash flow from financing activities</b>	<b>C</b>	<b>-593,1</b>
-837,7	-484,9	Net change in cash and cash equivalents	<b>A+B+C</b>	<b>-837,5</b>
1.203,8	1.688,7	Cash and cash equivalents as at 01.01.	1.203,6	1.686,9
<b>366,1</b>	<b>1.203,8</b>	<b>Cash and cash equivalent reserves at end of period</b>	<b>366,1</b>	<b>1.203,6</b>

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

## Profit per quarter - parent bank

(Figures in NOK mill.)

	Q4	Q3	Q2	Q1	Q4
	2013	2013	2013	2013	2012
Interest income and similar income	233,6	229,1	223,1	214,0	218,3
The financial statements are presented in Norwegian kroner, which is also the (	143,2	140,9	141,7	144,4	139,1
<b>Net interest and credit commission income</b>	<b>90,4</b>	<b>88,2</b>	<b>81,4</b>	<b>69,6</b>	<b>79,2</b>
Dividends and other income from securities with variable yields	0,0	0,4	12,5	98,7	52,4
Commission income and income from banking services	24,4	23,3	22,4	20,2	23,5
Commission costs and costs of banking services	4,1	4,0	3,3	3,2	3,4
Net value changes and gains/losses on financial investments	3,9	3,1	7,2	12,5	9,3
Other operating income	1,6	1,4	1,8	1,6	1,7
Payroll, etc.	37,2	35,6	29,0	35,6	34,2
Administration costs	12,8	12,3	12,4	12,2	13,8
Depreciation/impairment/write-downs and value changes to non-financial asset:	1,8	1,8	1,6	1,5	1,4
Other operating costs	13,8	9,9	10,4	12,4	10,6
<b>PROFIT BEFORE LOSSES</b>	<b>50,6</b>	<b>52,8</b>	<b>68,6</b>	<b>137,7</b>	<b>102,7</b>
Losses on loans and guarantees	4,9	-4,6	3,5	-2,0	5,9
<b>PRE-TAX PROFIT</b>	<b>45,7</b>	<b>57,4</b>	<b>65,1</b>	<b>139,7</b>	<b>96,8</b>
Tax cost (calculated at interim accounts)	13,8	16,1	15,9	38,6	15,0
<b>PROFIT FOR THE PERIOD</b>	<b>31,9</b>	<b>41,3</b>	<b>49,2</b>	<b>101,1</b>	<b>81,8</b>
Profit per equity certificate (per quarter)	0,67	0,86	1,03	2,11	1,78
Diluted profit per equity certificate (per quarter)	0,67	0,86	1,03	2,11	1,78

## Total profit/loss

<b>PROFIT FOR THE PERIOD</b>	<b>31,9</b>	<b>41,3</b>	<b>49,2</b>	<b>101,1</b>	<b>81,8</b>
<b>Items that will not be reclassified to the Statement of Income</b>					
Actuarial gains and losses on performance plans	-11,1	0,0	0,0	0,0	26,7
Tax effect of actuarial gains and losses on performance plans	3,1	0,0	0,0	0,0	-7,5
<b>Items that may later be reclassified to the Statement of Income</b>					
Changes in fair value of investments held for sale	183,8	0,1	-5,1	0,0	5,3
<b>TOTAL PROFIT/LOSS</b>	<b>207,7</b>	<b>41,4</b>	<b>44,1</b>	<b>101,1</b>	<b>106,3</b>

## Profit per quarter - Group

(Figures in NOK mill.)

	4. kv.	3. kv.	2. kv.	1. kv.	4. kv.
	2013	2013	2013	2013	2012
Interest income and similar income	329,8	326,6	314,6	302,4	307,9
Interest expenses and similar expenses	179,6	175,8	175,4	178,1	174,8
<b>Net interest and credit commission income</b>	<b>150,2</b>	<b>150,8</b>	<b>139,2</b>	<b>124,3</b>	<b>133,1</b>
Dividends and other income from securities with variable yields	0,0	0,4	12,6	0,0	4,4
Commission income and income from banking services	22,0	20,8	19,9	17,7	21,0
Commission costs and costs of banking services	10,8	10,7	9,7	9,4	9,9
Net value changes and gains/losses on financial investments	4,1	2,3	7,5	12,5	7,1
Other operating income	20,9	10,9	13,0	10,4	14,9
Payroll, etc.	44,2	43,2	33,6	43,2	40,2
Administration costs	14,2	13,9	14,2	14,4	16,0
Depreciation/impairment/write-downs and value changes to non-financial asset:	4,6	4,6	4,4	4,3	4,4
Other operating costs	15,7	11,4	13,2	14,7	13,6
<b>PROFIT BEFORE LOSSES</b>	<b>107,7</b>	<b>101,4</b>	<b>117,1</b>	<b>78,9</b>	<b>96,4</b>
Losses on loans and guarantees	11,8	-2,3	6,9	-0,2	12,3
<b>PRE-TAX PROFIT</b>	<b>95,9</b>	<b>103,7</b>	<b>110,2</b>	<b>79,1</b>	<b>84,1</b>
Tax cost (calculated at interim accounts)	26,9	29,1	28,6	21,6	21,6
<b>PROFIT FOR THE PERIOD</b>	<b>69,0</b>	<b>74,6</b>	<b>81,6</b>	<b>57,5</b>	<b>62,5</b>
Profit per equity certificate (per quarter)	1,44	1,56	1,70	1,20	1,36
Diluted profit per equity certificate (per quarter)	1,44	1,56	1,70	1,20	1,36

## Total profit/loss

<b>PROFIT FOR THE PERIOD</b>	<b>69,0</b>	<b>74,6</b>	<b>81,6</b>	<b>57,5</b>	<b>62,5</b>
<b>Items that will not be reclassified to the Statement of Income</b>					
Actuarial gains and losses on performance plans	-9,8	0,0	0,0	0,0	29,9
Tax effect of actuarial gains and losses on performance plans	2,7	0,0	0,0	0,0	-8,4
<b>Items that may later be reclassified to the Statement of Income</b>					
Changes in fair value of investments held for sale	183,8	0,1	-5,1	0,0	5,3
<b>TOTAL PROFIT/LOSS</b>	<b>245,7</b>	<b>74,7</b>	<b>76,5</b>	<b>57,5</b>	<b>89,3</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 date 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 recognized 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 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, 30.06.12 and 30.09.12 reference is made to the interim report for Q1 2013, Q2 2013 and Q3 2013 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-mortised estimated deviations amounted to NOK 22.0 million, and the pension obligation as of 01.01.12 increases by this amount in the adjusted figures. Equity is reduced equivalently by NOK 15.8 million and the deferred tax asset is increased by NOK 6.2 million.

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

### Result for the Group

(Figures in NOK mill.)

	Reported 2012	Change	Adjusted 2012
<b>Net interest and credit commission income</b>	<b>509,5</b>		<b>509,5</b>
Payroll, etc.	161,1	2,5	163,6
<b>PROFIT BEFORE LOSSES</b>	<b>387,4</b>	<b>-2,5</b>	<b>384,9</b>
Losses on loans and guarantees	25,3		25,3
<b>PRE-TAX PROFIT</b>	<b>362,1</b>	<b>-2,5</b>	<b>359,6</b>
Tax cost (calculated at interim accounts)	98,0	-0,7	97,3
<b>PROFIT FOR THE YEAR</b>	<b>264,1</b>	<b>-1,8</b>	<b>262,3</b>

### Total profit/loss

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

### Balance Sheet - Group

(Figures in NOK mill.)

	Reported 31.12.2012	Change	Adjusted 31.12.2012
Deferred tax assets	0,0		0,0
<b>TOTAL ASSETS</b>	<b>29.637,9</b>	<b>0,0</b>	<b>29.637,9</b>
Provisions for accrued costs and liabilities	31,4	-5,4	26,0
Deferred tax obligation	19,9	1,5	21,4
<b>Total liabilities</b>	<b>27.509,1</b>	<b>-3,9</b>	<b>27.505,2</b>
Accrued equity	1.533,7	3,9	1.537,6
<b>Total equity</b>	<b>2.128,8</b>	<b>3,9</b>	<b>2.132,7</b>
<b>TOTAL LIABILITIES AND EQUITY</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 recognized financial instruments that are presented on a net basis in accordance with IAS 32 and recognized 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 31.12.2013	Parent bank 31.12.2012	Group 31.12.2013	Group 31.12.2012
<b>Individual write-downs</b>				
Individual write-downs as at 01.01.	51.334	55.078	105.383	100.672
- Actual losses for the period, where there have previously been Individual write-downs	3.640	4.816	7.733	8.035
+ Increases in individual write-downs for the period	407	7.290	4.846	11.164
+ New individual write-downs for the period	5.540	5.031	22.116	21.555
- Reversed individual write-downs for the period	14.336	11.249	26.596	19.973
<b>= Individual write-downs at the end of the period*)</b>	<b>39.305</b>	<b>51.334</b>	<b>98.016</b>	<b>105.383</b>
<b>Write-downs on groups of loans</b>				
Group write-downs as at 01.01.	40.055	40.055	43.424	43.424
+/- Changes in write-downs on groups of loans for the period	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>43.424</b>	<b>43.424</b>
<b>Cost of losses for the period</b>				
Changes to individual write-downs for the period	-12.029	-3.744	-7.367	4.711
+/- Changes in write-downs on groups of loans for the period	0	0	0	0
+ Actual losses for the period, where there have previously been Individual write-downs	5.740	9.608	9.834	12.827
+ Actual losses for the period where no individual write-downs were made in previous years.	774	4.277	11.591	13.489
- Addition of previously identified losses for the period	1.826	10.264	7.004	13.136
+/- Amortization costs for the period impairment	9.155	6.030	9.155	6.030
<b>= Losses on loans and guarantees - customers</b>	<b>1.814</b>	<b>5.907</b>	<b>16.209</b>	<b>23.921</b>
+ Actual losses for the period where no individual write-downs made - credit institutions	0	1.399	0	1.399
<b>= Losses on loans and guarantees - credit institutions</b>	<b>0</b>	<b>1.399</b>	<b>0</b>	<b>1.399</b>
<b>= Losses on loans and guarantees</b>	<b>1.814</b>	<b>7.306</b>	<b>16.209</b>	<b>25.320</b>

\*) Individual write-downs on guarantee commitments amounted to TNOK 1.031 as at 31.12.13 and as at 31.12.12 and 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 31.12.2013	Parent bank 31.12.2012	Group 31.12.2013	Group 31.12.2012
<b>Gross participations in breach (over 90 days)</b>				
Industry	279.654	160.184	285.761	166.016
+ Personal	76.411	105.648	160.585	183.813
<b>= Gross defaults</b>	<b>356.065</b>	<b>265.832</b>	<b>446.346</b>	<b>349.829</b>
- Individual write-downs	24.357	30.195	82.893	83.754
<b>= Net defaults</b>	<b>331.708</b>	<b>235.637</b>	<b>363.453</b>	<b>266.075</b>
<b>Non-performing (not defaults on) loans</b>				
Industry	34.632	70.136	35.845	71.080
+ Personal	5.157	5.225	5.157	5.825
<b>= Gross non-performing loans</b>	<b>39.789</b>	<b>75.361</b>	<b>41.002</b>	<b>76.905</b>
- Individual write-downs	14.948	21.139	15.123	21.629
<b>= Net non-performing loans</b>	<b>24.841</b>	<b>54.222</b>	<b>25.879</b>	<b>55.276</b>
<b>Gross defaults and non-performing loans</b>				
Industry	314.286	230.320	321.606	237.096
+ Personal	81.568	110.873	165.742	189.638
<b>= Gross defaults and non-performing loans</b>	<b>395.854</b>	<b>341.193</b>	<b>487.348</b>	<b>426.734</b>
- Individual write-downs	39.305	51.334	98.016	105.383
<b>= Net defaults and non-performing loans</b>	<b>356.549</b>	<b>289.859</b>	<b>389.332</b>	<b>321.351</b>

## Operational segments

(Figures in NOK mill.)

31.12.2013	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Net interest and commission income external	587,1	280,7	86,0	155,4	0,0	-544,7	0,0	564,5
Net interest and commission income internal	-307,3	-67,1	-131,9	-35,5	-14,5	555,5	0,8	0,0
<b>Net interest and commission income</b>	<b>279,8</b>	<b>213,6</b>	<b>-45,9</b>	<b>119,9</b>	<b>-14,5</b>	<b>10,8</b>	<b>0,8</b>	<b>564,5</b>
Total net other income external	54,1	16,9	0,1	-24,5	50,4	37,4	0,0	134,4
Total net other income internal	0,0	0,0	0,0	0,0	7,7	0,3	-8,0	0,0
<b>Total income</b>	<b>333,9</b>	<b>230,5</b>	<b>-45,8</b>	<b>95,4</b>	<b>43,6</b>	<b>48,5</b>	<b>-7,2</b>	<b>698,9</b>
Payroll and general administration costs	66,4	24,2	0,0	26,7	6,8	96,8	0,0	220,9
Depreciation	0,0	0,0	0,0	2,2	9,0	6,7	0,0	17,9
Other operating costs external	1,1	0,7	0,0	5,5	7,9	39,8	0,0	55,0
Other operating costs internal	0,0	0,0	0,0	0,6	0,3	7,0	-7,9	0,0
<b>Total operating costs</b>	<b>67,5</b>	<b>24,9</b>	<b>0,0</b>	<b>35,0</b>	<b>24,0</b>	<b>150,3</b>	<b>-7,9</b>	<b>293,8</b>
<b>Profit before losses</b>	<b>266,4</b>	<b>205,6</b>	<b>-45,8</b>	<b>60,4</b>	<b>19,6</b>	<b>-101,8</b>	<b>0,7</b>	<b>405,1</b>
Losses on loans, guarantees, etc.	1,0	0,8	0,0	14,4	0,0	0,0	0,0	16,2
<b>Profit before tax</b>	<b>265,4</b>	<b>204,8</b>	<b>-45,8</b>	<b>46,0</b>	<b>19,6</b>	<b>-101,8</b>	<b>0,7</b>	<b>388,9</b>
Tax costs	0,0	0,0	0,0	13,3	4,1	88,6	0,2	106,2
<b>After-tax profit</b>	<b>265,4</b>	<b>204,8</b>	<b>-45,8</b>	<b>32,7</b>	<b>15,5</b>	<b>-190,4</b>	<b>0,5</b>	<b>282,7</b>

31.12.2012	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Net interest and commission income external	480,4	304,0	119,3	152,5	-1,2	-545,5	0,0	509,5
Net interest and commission income internal	-258,8	-86,8	-166,6	-39,2	-16,7	568,1	0,0	0,0
<b>Net interest and commission income</b>	<b>221,6</b>	<b>217,2</b>	<b>-47,3</b>	<b>113,3</b>	<b>-17,9</b>	<b>22,6</b>	<b>0,0</b>	<b>509,5</b>
Total net other income external	55,5	23,2	19,5	-22,8	41,7	51,1	0,0	168,2
Total net other income internal	0,0	0,0	0,0	0,0	8,2	5,0	-13,2	0,0
<b>Total income</b>	<b>277,1</b>	<b>240,4</b>	<b>-27,8</b>	<b>90,5</b>	<b>32,0</b>	<b>78,7</b>	<b>-13,2</b>	<b>677,7</b>
Payroll and general administration costs	65,3	22,9	0,0	27,5	5,5	104,0	0,0	225,2
Depreciation	0,0	0,0	0,0	1,8	9,5	5,4	0,0	16,7
Other operating costs external	1,0	0,1	-0,2	6,3	8,1	35,6	0,0	50,9
Other operating costs internal	0,0	0,0	0,0	0,1	1,2	8,0	-9,3	0,0
<b>Total operating costs</b>	<b>66,3</b>	<b>23,0</b>	<b>-0,2</b>	<b>35,7</b>	<b>24,3</b>	<b>153,0</b>	<b>-9,3</b>	<b>292,8</b>
<b>Profit before losses</b>	<b>210,8</b>	<b>217,4</b>	<b>-27,6</b>	<b>54,8</b>	<b>7,7</b>	<b>-74,3</b>	<b>-3,9</b>	<b>384,9</b>
recognized financial instruments that are presented on	1,0	4,9	1,4	18,0	0,0	0,0	0,0	25,3
<b>Profit before tax</b>	<b>209,8</b>	<b>212,5</b>	<b>-29,0</b>	<b>36,8</b>	<b>7,7</b>	<b>-74,3</b>	<b>-3,9</b>	<b>359,6</b>
Tax costs	0,0	0,0	0,0	10,6	-1,5	89,4	-1,2	97,3
<b>After-tax profit</b>	<b>209,8</b>	<b>212,5</b>	<b>-29,0</b>	<b>26,2</b>	<b>9,2</b>	<b>-163,7</b>	<b>-2,7</b>	<b>262,3</b>

31.12.2013	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Loans and receivables with customers	18.399,9	5.229,9	0,0	1.631,5	0,0	754,7	-308,1	25.707,9
Other assets	41,5	27,9	4.125,5	27,6	491,5	2.586,0	-1.930,6	5.369,4
<b>Total assets</b>	<b>18.441,4</b>	<b>5.257,8</b>	<b>4.125,5</b>	<b>1.659,1</b>	<b>491,5</b>	<b>3.340,7</b>	<b>-2.238,7</b>	<b>31.077,3</b>
Deposits from and liabilities to customers	7.744,8	3.472,0	1.221,1	17,0	0,0	111,5	-27,2	12.539,2
Other liabilities	276,3	207,4	-16,5	1.456,3	363,0	15.708,9	-1.985,2	16.010,2
Inter-company accounts	10.420,3	1.578,4	2.920,9	0,0	0,0	-14.919,6	0,0	0,0
Total liabilities per segment	18.441,4	5.257,8	4.125,5	1.473,3	363,0	900,8	-2.012,4	28.549,4
Total equity	0,0	0,0	0,0	185,8	128,5	2.439,9	-226,3	2.527,9
<b>Total liabilities and equity</b>	<b>18.441,4</b>	<b>5.257,8</b>	<b>4.125,5</b>	<b>1.659,1</b>	<b>491,5</b>	<b>3.340,7</b>	<b>-2.238,7</b>	<b>31.077,3</b>

31.12.2012	PM	BM	Finance	AS Financiering	Spb Øst Eiendom	Undistributed	Elimination	Group
Loans and receivables with customers	14.779,9	5.826,8	0,0	1.536,0	0,0	744,5	-327,0	22.560,2
Other assets	31,1	41,4	6.660,8	34,6	477,8	2.349,5	-2.517,5	7.077,7
<b>Total assets</b>	<b>14.811,0</b>	<b>5.868,2</b>	<b>6.660,8</b>	<b>1.570,6</b>	<b>477,8</b>	<b>3.094,0</b>	<b>-2.844,5</b>	<b>29.637,9</b>
Deposits from and liabilities to customers	6.909,3	3.479,2	1.179,3	24,6	0,0	99,2	-3,7	11.687,9
Other liabilities	719,0	243,6	15,6	1.392,7	366,0	15.765,4	-2.685,0	15.817,3
Inter-company accounts	7.182,7	2.145,4	5.465,9	0,0	0,0	-14.794,0	0,0	0,0
Total liabilities per segment	14.811,0	5.868,2	6.660,8	1.417,3	366,0	1.070,6	-2.688,7	27.505,2
Total equity	0,0	0,0	0,0	153,3	111,8	2.023,4	-155,8	2.132,7
<b>Total liabilities and equity</b>	<b>14.811,0</b>	<b>5.868,2</b>	<b>6.660,8</b>	<b>1.570,6</b>	<b>477,8</b>	<b>3.094,0</b>	<b>-2.844,5</b>	<b>29.637,9</b>

## Customer deposits divided by sector and industry

(Figures in NOK 1,000)

	Parent bank 31.12.2013	Parent bank 31.12.2012	Group 31.12.2013	Konsern 31.12.2012
The financial statements are presented in	7.828.332	7.050.133	7.837.603	7.059.537
Public administration	228.503	137.097	228.503	137.097
Agriculture, forestry, fishing etc	130.242	124.826	130.242	124.826
Industry and mining, power and water sup	478.344	370.780	478.344	370.780
Construction and civil engineering	401.880	432.469	402.944	433.363
Retail, hotel and catering	412.496	461.645	412.729	463.928
Transport/communication	154.349	143.237	154.631	143.511
Financial service business	1.393.082	1.429.786	1.396.753	1.438.942
Other service industries	573.171	601.785	574.586	603.167
Real estate turnover and operations	841.715	848.437	812.832	842.169
Foreign	109.983	70.537	109.983	70.537
<b>Total</b>	<b>12.552.097</b>	<b>11.670.732</b>	<b>12.539.150</b>	<b>11.687.857</b>

## Gross loans to customers divided by sector and indust

(Tall i 1.000 kroner)

	Morbank 31.12.2013	Morbank 31.12.2012	Konsern 31.12.2013	Konsern 31.12.2012
The financial statements are presented in	12.459.490	7.969.542	21.471.099	17.712.199
Jordbruk, skogbruk, fiske etc.	164.796	189.780	166.887	192.639
Industri og bergverk, kraft og vannfors.	97.169	107.365	100.962	111.966
Bygg og anlegg	493.201	611.006	509.200	629.246
Varehandel/hotell og restaurant	344.868	368.685	375.156	409.338
Transport/kommunikasjon	64.839	83.815	81.650	105.998
Forr.m. finans tjenesteyting	131.970	229.544	141.320	238.880
Tjenesteytende næringer ellers	450.827	436.915	468.679	466.259
Omsetning og drift av fast eiendom	2.810.820	3.129.163	2.515.523	2.818.669
Utlandet	12.992	16.803	17.825	22.849
<b>Total</b>	<b>17.030.972</b>	<b>13.142.618</b>	<b>25.848.303</b>	<b>22.708.043</b>

## Geographic distribution of gross lending

(Tall i 1.000 kroner)

	Morbank 31.12.2013	Morbank 31.12.2012	Konsern 31.12.2013	Konsern 31.12.2012
Drammen	3.642.733	3.241.321	4.478.594	4.458.403
Nedre Eiker	1.692.835	1.366.366	2.381.196	2.327.195
Øvre Eiker	1.418.406	1.226.094	1.890.184	1.838.429
Other parts of Bunkered	1.566.168	1.246.876	2.088.968	1.807.578
Oslo	2.839.046	2.221.152	4.526.369	3.819.454
Akershus	2.746.112	1.789.839	4.549.972	3.704.085
Vestfold	1.456.001	1.195.035	2.149.800	1.986.774
Østfold	510.261	268.867	1.066.009	822.627
Rest of country	1.146.418	570.265	2.699.386	1.920.649
Foreign	12.992	16.803	17.825	22.849
<b>Total</b>	<b>17.030.972</b>	<b>13.142.618</b>	<b>25.848.303</b>	<b>22.708.043</b>



## Debt securities and subordinated debt

(Figures in NOK mill.)	Parent bank	Parent bank	Group	Group
Debt securities	31.12.2013	31.12.2012	31.12.2013	31.12.2012
The financial statements are presented in I	0,0	0,0	0,0	0,0
Bonds, nominal value	7.748,0	8.074,0	13.902,2	13.442,0
Value adjustments (including o/u rate)	113,6	130,6	134,8	170,0
<b>Total debt securities</b>	<b>7.861,6</b>	<b>8.204,6</b>	<b>14.037,0</b>	<b>13.612,0</b>

Changes to debt securities Group	31.12.2013	Issued	Matured/redeemed	Change in own holdings	Other changes including currency	31.12.2012
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	7.748,0	2.200,0	2.676,0	-150,0	0,0	8.074,0
Covered bonds (OMF), nominal value NOK	5.870,0	1.000,0	1,5	240,0	0,0	5.111,5
OMF, nominal value SEK (converted to NOK)	284,2	0,0	0,0	0,0	27,7	256,5
Value adjustments (including o/u rate)	134,8	0,0	0,0	0,0	-35,2	170,0
<b>Total debt securities</b>	<b>14.037,0</b>	<b>3.200,0</b>	<b>2.677,5</b>	<b>90,0</b>	<b>-7,5</b>	<b>13.612,0</b>

The difference between the parent bank and the Group is covered bonds, nominal value NOK 6.394,2 million.

Changes to subordinated debt and fund bonds	31.12.2013	Issued	Matured/redeemed	Changes to exchange rates	31.12.2012
Ordinary subordinated debt, nominal value	350,0	350,0	200,0	0,0	200,0
Fund bonds, nominal value	500,0	200,0	0,0	0,0	300,0
Value adjustments (including o/u rate)	1,3	0,0	0,0	0,0	8,4
<b>Total subordinated debt and fund bonds</b>	<b>851,3</b>	<b>550,0</b>	<b>200,0</b>	<b>0,0</b>	<b>508,4</b>

## Financial derivatives

### 31.12.2013

(Figures in NOK mill.)	Parent bank	Parent bank	Parent bank	Group	Group	Group
Fair value through profit and loss	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)	38,5	0,0	6,6	38,5	0,0	6,6
<b>Total currency instruments</b>	<b>38,5</b>	<b>0,0</b>	<b>6,6</b>	<b>38,5</b>	<b>0,0</b>	<b>6,6</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate swaps)	527,4	1,1	11,4	527,4	1,1	11,4
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (future)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>527,4</b>	<b>1,1</b>	<b>11,4</b>	<b>527,4</b>	<b>1,1</b>	<b>11,4</b>
Guarantee to Eksportfinans ASA*)	242,0	10,3	0,0	242,0	10,3	0,0
<b>Total other derivatives</b>	<b>242,0</b>	<b>10,3</b>	<b>0,0</b>	<b>242,0</b>	<b>10,3</b>	<b>0,0</b>
<b>Used for hedge accounting</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)	292,1	4,3	3,0	544,2	36,4	3,0
<b>Total currency instruments</b>	<b>292,1</b>	<b>4,3</b>	<b>3,0</b>	<b>544,2</b>	<b>36,4</b>	<b>3,0</b>
<i>Interest rate instruments</i>						
Interest rate swap contracts (interest rate swaps)	4.295,5	116,9	3,0	5.195,5	145,0	3,0
Interest rate swap contracts (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standard interest rate swap contracts (future)	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total interest rate instruments</b>	<b>4.295,5</b>	<b>116,9</b>	<b>3,0</b>	<b>5.195,5</b>	<b>145,0</b>	<b>3,0</b>
<b>Total derivatives</b>		<b>132,6</b>	<b>24,0</b>		<b>192,8</b>	<b>24,0</b>

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



## 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 the use of directly or indirectly observable input.

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

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 in the interim report.

(Figures in NOK mill.)

Fair value as at 31.12.13 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives	0,0	192,8	0,0	192,8
<i>Financial instruments at fair value</i>				
Certificates and bonds at fair value	0,0	3.301,9	0,0	3.301,9
Shares and units	6,8	16,7	627,4	650,9
<b>Total financial assets</b>	<b>6,8</b>	<b>3.511,4</b>	<b>627,4</b>	<b>4.145,6</b>
<b>Financial liabilities</b>				
Derivatives	0,0	24,0	0,0	24,0
<b>Total financial liabilities</b>	<b>0,0</b>	<b>24,0</b>	<b>0,0</b>	<b>24,0</b>

For the parent bank there are also covered bonds of NOK 241.7 million in level 2

Fair value as at 31.12.13 - Group	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives	0,0	235,9	0,0	235,9
<i>Financial instruments at fair value</i>				
Certificates and bonds at fair value	496,4	3.694,9	0,0	4.191,3
Shares and units	5,1	522,2	454,6	981,9
<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>				
Derivatives	0,0	51,7	0,0	51,7
<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 NOK 981.2 million in level 2

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

(Figures in NOK mill.)

Movement in level 3, 31.12.2013	Group
The financial statements are presented in Norwe	454,6
Net gains	0,0
Additions/purchases	0,0
Disposal	4,0
Value change	176,8
Transferred from level 1 and 2	0,0
Transferred to level 1 and 2	0,0
<b>Balance sheet as at 31.12.2013</b>	<b>627,4</b>

### Shares and equity certificates

Disposals in level 3 in 2013 of NOK 4 million are related to the repayment of paid-up capital related to the liquidation of a company. The positive value change of NOK 176.3 million 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 NOK 178.8 million is a net positive value adjustment and is included in "Changes in fair value for investments available for sale" in the overall result. The two largest individual items are related to value adjustments for Frende Holding AS of NOK 105,2 million and Nets Holding AS of NOK 78,5 million.

Movement in level 3, 31.12.2012	Group
<b>Balance sheet as at 01.01.2012</b>	<b>441,6</b>
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 31.12.2012</b>	<b>454,6</b>

### Shares and equity certificates

Additions/purchases in level 3 of NOK 7.7 million are related to the capital increase in Frende Holding AS, which is in the available for sale category. The value adjustment of NOK 5.3 million 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. Standardized and mainly bilateral

ISDA agreements have been entered into with financial institutions 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 agreements for the provision of collateral (CSA) with the same counter parties.

### As at 31.12.2013 exposure was as follows:

	Gross amount	Counter-claim	Balance sheet value	Amount subject to net settlement	Value after possible net settlement
<b>Parent bank</b>					
Financial derivatives assets	22,4	12,1	10,3	0,0	10,3
Financial derivatives liabilities	0,0	0,0	0,0	0,0	0,0

	Gross amount	Counter-claim	Balance sheet value	Amount subject to net settlement	Value after possible net settlement
<b>Group</b>					
Financial derivatives assets	82,7	12,1	70,6	0,0	70,6
Financial derivatives liabilities	0,0	0,0	0,0	0,0	0,0

### As at 31.12.2012 exposure was as follows:

	Gross amount	Counter-claim	Balance sheet value	Amount subject to net settlement	Value after possible net settlement
<b>Parent bank</b>					
Financial derivatives assets	10,8	-29,1	39,9	0,0	39,9
Financial derivatives liabilities	0,0	0,0	0,0	0,0	0,0

	Gross amount	Counter-claim	Balance sheet value	Amount subject to net settlement	Value after possible net settlement
<b>Group</b>					
Financial derivatives assets	62,0	-29,1	91,1	0,0	91,1
Financial derivatives liabilities	0,0	0,0	0,0	0,0	0,0

## 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.

The financial statements are presented in Norwegian kroner, which is also the Group's functional currency. Interim financial statements are not audited. 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 amortized 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 amortized cost approximates well to fair value.

Group 31.12.2013			(Figures in NOK mill.)	Parent bank 31.12.2013		
Book value	Fair value	Unrealized loss/gain		Book value	Fair value	Unrealized loss/gain
357,5	357,5	0,0	Cash and receivables at central banks	357,5	357,5	0,0
8,6	8,6	0,0	Loans and receivables from credit institutions	2.101,7	2.101,7	0,0
25.707,9	25.717,3	9,4	Loans and receivables with customers	16.952,6	16.962,0	9,4
3.301,9	3.301,9	0,0	Certificates and bonds at fair value	3.543,6	3.543,6	0,0
23,5	23,5	0,0	Shares and units at fair value via profit and loss	23,5	23,5	0,0
627,4	627,4	0,0	Shares available for sale	627,4	627,4	0,0
192,8	192,8	0,0	Financial derivatives	132,6	132,6	0,0
200,7	215,6	14,9	Certificates and bonds, held to maturity	200,7	215,6	14,9
<b>30.420,3</b>	<b>30.444,6</b>	<b>24,3</b>	<b>Total assets</b>	<b>23.939,6</b>	<b>23.963,9</b>	<b>24,3</b>
773,5	773,5	0,0	Liabilities to credit institutions	989,0	989,0	0,0
12.539,2	12.539,2	0,0	Deposits from and liabilities to customers	12.552,1	12.552,1	0,0
14.037,0	14.196,8	-159,8	Liabilities incurred when issuing securities	7.861,6	7.969,6	-108,0
24,0	24,0	0,0	Financial derivatives	24,0	24,0	0,0
851,3	851,9	-0,6	Subordinate loan capital	851,3	851,9	-0,6
<b>28.225,0</b>	<b>28.385,4</b>	<b>-160,4</b>	<b>Total liabilities</b>	<b>22.278,0</b>	<b>22.386,6</b>	<b>-108,6</b>

Group 31.12.2012				Parent bank 31.12.2012		
Book value	Fair value	Unrealized loss/gain		Book value	Fair value	Unrealized 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 and receivables from credit institutions	2.915,2	2.915,2	0,0
22.560,2	22.569,4	9,2	Loans and receivables with customers	13.052,2	13.061,5	9,3
4.191,3	4.191,3	0,0	Certificates and bonds at fair value	5.172,5	5.172,5	0,0
527,3	527,3	0,0	Shares and units at fair value via profit and loss	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
251,3	273,8	22,5	Certificates and bonds, held to maturity	251,3	273,8	22,5
<b>28.928,0</b>	<b>28.959,7</b>	<b>31,7</b>	<b>Total assets</b>	<b>23.261,2</b>	<b>23.293,0</b>	<b>31,8</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 OMF preferential bonds	493,5	493,5	0,0
13.612,0	13.719,3	-107,3	Liabilities incurred when issuing securities	8.204,6	8.264,2	-59,6
51,7	51,7	0,0	Financial derivatives	51,7	51,7	0,0
508,4	505,6	2,8	Subordinate loan capital	508,4	505,6	2,8
<b>27.198,0</b>	<b>27.302,5</b>	<b>-104,5</b>	<b>Total liabilities</b>	<b>21.869,7</b>	<b>21.926,5</b>	<b>-56,8</b>

## Capital adequacy

(Figures in NOK 1,000)

	Parent bank		Group	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Equity capital certificate	207.312	207.312	207.312	207.312
The financial statements are presented in Norwegian kroner, which	387.778	387.778	387.778	387.778
Primary certificate capital	1.129.865	1.010.476	1.129.865	1.010.476
Other reserves included in tier 1 capital	327.188	286.468	550.323	449.361
Fund notes up to 15%	350.342	308.433	390.430	308.433
Other tier 1 capital	0	0	0	0
Deductions in tier 1 capital	-66.872	-74.287	-62.844	-62.194
50/50-deduction in tier 1 capital	-154.768	-102.750	-162.884	-110.870
<b>Net tier 1 capital</b>	<b>2.180.845</b>	<b>2.023.430</b>	<b>2.439.980</b>	<b>2.190.296</b>
Fund notes exceeding 15%	151.798	0	111.710	0
Subordinate loan capital	349.114	199.919	349.114	199.919
Unrealized gains IFRS	113.690	33.245	113.690	33.245
50/50-deduction in additional capital	-154.768	-102.750	-162.884	-110.870
<b>Net additional capital</b>	<b>459.834</b>	<b>130.414</b>	<b>411.630</b>	<b>122.294</b>
<b>Net subordinated capital</b>	<b>2.640.679</b>	<b>2.153.844</b>	<b>2.851.610</b>	<b>2.312.590</b>
<b>Calculation base</b>				
Calculation base balance sheet items	11.421.703	10.422.294	14.297.674	13.402.163
Calculation base off-balance sheet items	1.934.657	1.731.455	532.233	449.081
Calculation base exchange risk	0	0	0	0
Calculation base operational risk	982.373	1.043.708	1.167.078	1.203.324
Deductions from the calculation base	-488.545	-286.187	-508.147	-305.797
<b>Total calculation base (risk-weighted balance)</b>	<b>13.850.188</b>	<b>12.911.270</b>	<b>15.488.838</b>	<b>14.748.771</b>
<b>Capital adequacy</b>	<b>19,07%</b>	<b>16,68%</b>	<b>18,41%</b>	<b>15,68%</b>
<b>Tier 1 capital adequacy</b>	<b>15,75%</b>	<b>15,67%</b>	<b>15,75%</b>	<b>14,85%</b>
<b>Pure core capital adequacy</b>	<b>13,22%</b>	<b>13,28%</b>	<b>13,23%</b>	<b>12,76%</b>

The comparative figures for 2012 for capital adequacy are not converted on the implementation of the revised IAS 19. Adjusted figures would have given capital adequacy for the Group of 15.71% and for the parent bank of 16,72% as at 31.12.12.

## Guarantee liabilities and other off Balance Sheet items

(Figures in NOK 1,000)

	Parent bank		Group	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Guarantee liabilities</b>				
Payment guarantees	67.837	70.738	68.597	71.498
Contract guarantees	92.599	69.641	92.599	69.641
Loan guarantees	2.208	46.457	2.208	46.532
Other guarantee liabilities	19.037	26.473	19.037	26.473
<b>Total customer guarantees</b>	<b>181.681</b>	<b>213.309</b>	<b>182.441</b>	<b>214.144</b>
Guarantee to Eksportfinans ASA*	100.000	100.000	100.000	100.000
<b>Total guarantee liabilities</b>	<b>281.681</b>	<b>313.309</b>	<b>282.441</b>	<b>314.144</b>

\* The bank has provided a guarantee for Eksportfinans ASA. The net guarantee liability is NOK 100 million. The value of the derivative excluding the was positive at NOK 22.4 million as at 31.12.13 compared with NOK 10.7 million as at 31.12.12.

For the rating process in Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee for all covered bond (OMF) commitments in the mortgage credit company. Covered bond (OMF) commitments amounted to nominal NOK 6,154.2 million as at 31.12.13 and NOK 5,368.0 million as at 31.12.12. The parent bank's holdings of covered bonds of nominal NOK 240.0 million as at 31.12.13 and NOK 978.5 million as at 31.12.12 have been deducted from these t

### Pledges and preferential bonds

Bonds, nominal value, put up as collateral for access to loans in Norges Bank	1.620.000	2.020.000	1.620.000	2.020.000
<b>Pledges</b>	<b>1.620.000</b>	<b>2.020.000</b>	<b>1.620.000</b>	<b>2.020.000</b>

<b>Pledges in swap scheme</b>	<b>0</b>	<b>539.500</b>	<b>0</b>	<b>539.500</b>
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<b>Preference pursuant to sections 2-35 of the Norwegian Financi</b>	<b>0</b>	<b>0</b>	<b>6.394.160</b>	<b>5.802.600</b>
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\* Including holdings owned by the parent bank at a nominal value of NOK 240 million as at 31.12.13 and NOK 439 million as at 31.12.12.

### Security in real estate

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

## Additional information for Cash Flow Statement

Group 31.12.2013	Group 31.12.2012	(Figures in NOK mill.)	Parent bank 31.12.2013	Parent bank 31.12.2012
<b>Cash and cash equivalents</b>				
357,5	703,3	Cash and receivables at central banks	357,5	703,3
0,0	496,4	Treasury bills	0,0	496,4
8,6	4,1	Loans to and receivables on credit institutions that are pure investm	8,6	3,9
<b>366,1</b>	<b>1.203,8</b>	<b>Total</b>	<b>366,1</b>	<b>1.203,6</b>
<b>Changes in other assets in connection with operations</b>				
503,8	-492,0	Net changes in financial assets held for the purposes of trade	503,8	-492,0
31,4	-45,7	Net changes in financial derivatives (net assets and liabilities)	31,4	-45,7
3,3	-7,2	Net changes to other assets	18,5	-11,4
<b>538,5</b>	<b>-544,9</b>	<b>Total</b>	<b>553,7</b>	<b>-549,1</b>
<b>Non-cash items included in profit before tax</b>				
17,9	16,7	Depreciations on fixed assets	6,7	5,4
0,6	1,3	Amortization of financial investments held to maturity	0,6	1,3
-5,4	4,2	Write-downs of financial assets	-10,1	-4,3
10,5	5,6	Amortization financing activities measured at mortised cost	6,9	4,1
<b>23,6</b>	<b>27,8</b>	<b>Total</b>	<b>4,1</b>	<b>6,5</b>

## Transactions with related parties

### Parent bank

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

(Figures in NOK mill.)

	31.12.2013	31.12.2012
<b>Result</b>		
Interest income from subsidiaries	72,2	83,3
Interest certificates and preferential bonds (OMF) from subsidiaries	17,3	29,4
Interest costs of subsidiaries	2,9	2,2
Received dividend /group contribution from subsidiary.	71,0	48,0
Management remuneration, etc. from Sparebanken Øst Boligkreditt AS	13,9	13,8
Rent to subsidiaries	7,3	7,9
Other costs to subsidiaries	0,2	0,2
<b>recognized financial instruments that are presented on a net basis in accordance with IAS 32 and recognized financial instrume</b>		
Loans to subsidiaries	2.401,2	3.238,3
Investments OMF in subsidiaries	241,8	978,9
Accrued interest income (OMF) from subsidiaries	0,6	0,9
Accrued interest income from subsidiaries	1,2	2,8
Other receivables from subsidiaries	0,0	3,9
Deposits from subsidiaries	245,7	130,4
Accrued interest costs of subsidiaries	0,0	0,0
Other commitments of subsidiaries	1,1	5,4

As at Q1 2013 the parent bank has received Group contributions from subsidiaries of NOK 71 million 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 profit shows a loss this is covered by a pro rata transfer from the primary capital fund, the endowment fund and the equalization fund respectively. In this The financial statements are presented in Norwegian kroner, which is also the Group's functional currency. Interir

Sparebanken Øst has not issued options or other instruments that can lead to a dilution of profit per equity certificate.

Diluted profits per equity certificated is therefore not the same as profit per equity certificate.

(Figures in NOK mill.)	Parent bank 31.12.2013	Group 31.12.2013
After-tax profit	223,5	282,7
Ownership ratio	43,28 %	43,28 %
Profit after tax allocated to equity certificate owners	96,7	122,4
Weighted average of number of outstanding equity certificates	20,7	20,7
Profit per equity certificate	4,67	5,90

## Ownership ratio, parent bank

(Figures in NOK mill.)	01.01.2014	01.01.2013
Equity certificate capital	207,3	207,3
Premium reserve	387,8	387,8
Equalization fund (excl. dividend)	229,5	198,5
Amount available for sale reserve	104,7	32,0
Total numerator (A)	929,3	825,6
Total equity (year's allocation for dividends excluded)	2.242,6	1.907,6
Sum denominator (B)	2.242,6	1.907,6
<b>Ownership ratio (A/B) in %</b>	<b>41,44</b>	<b>43,28</b>

## Equity instruments

### Various key figures equity certificates:

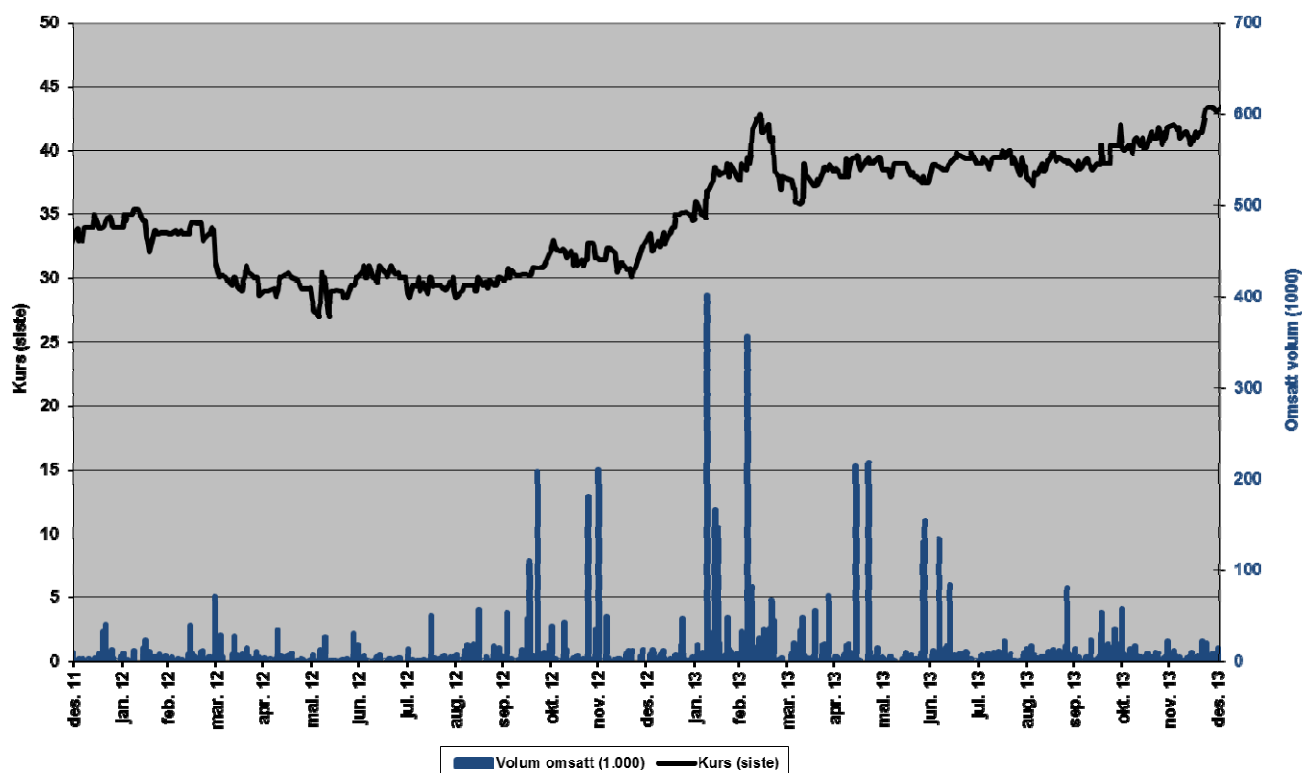
	2013	2012	2011	2010	2009
Profit per certificate after tax (Group) NOK 1)	5,90	5,69	3,46	7,22	7,05
The financial statements are presented in Norwegian kroner, which is also	4,67	5,02	2,80	6,78	6,42
Ownership ratio 2)	43,28 %	44,98 %	46,04 %	49,05 %	49,63 %
No. of equity certificates (millions)	20,73	20,73	20,73	20,73	20,73
Book equity per certificate NOK 3)	49,29	43,22	40,49	39,14	35,56
Dividend NOK	3,00	3,00	2,00	5,00	4,00
Circulation velocity (sold/issued)	21,81 %	11,69 %	21,61 %	45,09 %	103,10 %

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

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

3) Equity share capital (Group) divided by number of equity certificates.

## Sparebanken Øst (SPOG)



## The 20 largest equity certificate holders as at 31.12.2013

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	250.000	1,21 %
3 Directmarketing Invest AS	999.500	4,82 %	13 Foretakskonsulenter AS	243.600	1,18 %
4 Pareto AS	677.070	3,27 %	14 Teleplan Holding AS	239.665	1,16 %
5 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 Danske Bank AS	161.488	0,78 %
8 Sparebankstiftelsen DNB	308.320	1,49 %	18 Wenaasgruppen AS	160.000	0,77 %
9 Verdipapirfondet Eike utbytte	308.205	1,49 %	19 Øvrum Invest AS	153.440	0,74 %
10 Hustadlitt AS	289.040	1,39 %	20 RWA Invest AS	150.875	0,73 %