

QUARTERLY REPORT Q2 2016

(unaudited)



Interim Report Q2 2016

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Key figures - group

Income Statement (Amounts in NOK millions)	2. kvartal 2016	2. kvartal 2015	1.1.-30.06.2016	1.1.-30.06.2015	Full year 2015
Net interest income	147,4	142,8	284,3	291,9	586,7
Net commissions and other operating income:	10,3	9,8	20,4	18,7	40,6
Net result from financial assets	51,8	0,5	59,5	-3,4	-41,4
Other operating income	6,1	9,6	12,8	47,4	61,0
Total net income	215,6	162,7	377,0	354,6	646,9
Total operating costs	77,6	63,8	151,4	139,5	289,1
Profit/loss before losses	138,0	98,9	225,6	215,1	357,8
Losses on loans and guarantees	4,4	5,1	2,0	12,9	18,1
Profit/loss before tax costs	133,6	93,8	223,6	202,2	339,7
Tax costs	27,3	25,7	50,1	46,4	83,7
Profit/loss after tax	106,3	68,1	173,5	155,8	256,0

Key figures	Q2 2016	Q2 2015	1.1.-30.6.2016	1.1.-30.6.2015	Året 2015
Profitability					
Return on equity	14,42	9,83	11,91	11,48	9,29
Net interest income as a % of average total assets	1,67	1,70	1,63	1,72	1,72
Costs as a % of average total assets	0,88	0,76	0,87	0,82	0,85
Costs as a % of income (before losses on loans/guarantees)	35,99	39,21	40,16	39,34	44,69
Costs as a % of income (excl. return on financial investments)	47,37	39,33	47,69	38,97	42,00
Balance sheet figures					
Net lending to customers	29.095,5	27.582,0	29.095,5	27.582,0	27.975,8
Lending growth (quarter/12 months)	3,16	0,52	5,49	-1,42	-2,52
Deposits	14.213,7	13.682,0	14.213,7	13.682,0	13.159,3
Deposit growth (quarter/12 months)	6,45	5,85	3,89	6,42	-1,77
Average equity	2.964,2	2.777,6	2.930,6	2.736,7	2.755,3
Average total assets	35.452,4	33.703,9	35.138,0	34.138,0	34.067,2
Write-downs of impaired and non-performing loans					
Losses as a % of net loans to customers (OB)	0,06	0,07	0,01	0,09	0,06
Write-downs as a % of gross lending to customers	0,38	0,50	0,38	0,50	0,44
Net impaired and non-performing commitments as a % of net loans	0,45	0,86	0,45	0,86	0,58
Financial strength					
CET1 capital ratio incl. 50% of retained profit (%)	16,19	16,08	16,19	16,08	16,29
CET1 capital ratio (%)	15,71	15,62	15,71	15,62	16,29
Tier 1 capital ratio (%)	17,65	17,67	17,65	17,67	18,29
Capital adequacy ratio (%)	19,58	19,71	19,58	19,71	20,29
Risk-weighted volume (calculation basis)	18.036,5	16.948,8	18.036,5	16.948,8	17.452,6
Tier 1 leverage ratio incl. 50% of retained profit (%)	8,88	8,90	8,88	8,90	8,97
Tier 1 leverage ratio (%)	8,65	8,67	8,65	8,67	8,97
Liquidity					
Deposit coverage ratio	48,85	49,60	48,85	49,60	47,04
LCR (%)	263,83	214,11	263,83	214,11	215,80
Branches and full-time equivalents					
No. of branches	23	22	23	22	21
Full-time equivalents	219	224	219	224	226
Equity certificates					
Ownership fraction (parent bank) (%)	37,67	38,79	37,67	38,79	38,79
No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
Book equity per equity certificate	54,74	52,72	54,74	52,72	55,06
Earnings per equity certificate	1,93	1,28	3,15	2,92	4,79
Dividend per equity certificate	0,00	0,00	0,00	0,00	3,30
Turnover rate	9,02	21,68	9,02	21,68	16,02
Price	44,00	54,50	44,00	54,50	47,60

For definition of key figures, see page 43

Board of Directors' Report

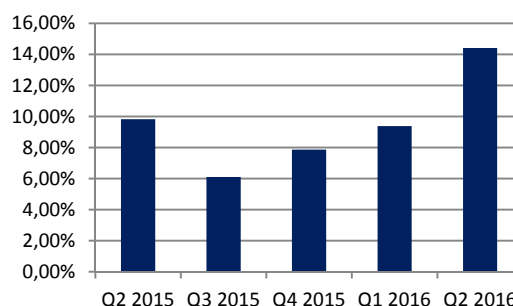
Sparebanken Øst achieved profit after tax of NOK 106.3 million for the second quarter of 2016. The result for the quarter was very good and was affected by dividends from Frende Holding AS and one-off effects. The return on equity in the quarter was 14.42 per cent. Earnings per equity certificate in the quarter were NOK 1.93. The bank is experiencing a very good influx of customers and net lending to customers grew by 3.16 per cent in the quarter seen in isolation. Customer deposits grew by 6.45 per cent in the same period. The portfolio of net impaired and non-performing commitments decreased further in the quarter and now amounts to 0.45 per cent of net lending to customers. Losses remain very modest and amounted to NOK 4.4 million for the quarter. At the same time as Sparebanken Øst strengthened its network of branches by opening branches in Sætre and Røyken in the second quarter of 2016, the bank commenced work on projects aimed at increasing the use of technology to improve efficiency and customer experience.

The profit after tax for the first half of the year amounted to NOK 173.5 million, which corresponds to a return on equity of 11.91 per cent. Earnings per equity certificate were NOK 3.15. The result for the first half of the year was affected by the recognition of interest on terminated non-performing commitments as income, dividends from Frende Holding AS, payments from Visa Norge FLI, income recognition associated with the changed guarantee liability with respect to Eksportfinans ASA, as well as a property write-down in one of the bank's subsidiaries. The Norwegian Banks Guarantee Fund levy was recognised in its entirety in the first quarter of 2016. The bank's CET1 capital ratio is very solid (incl. 50 per cent of the retained profit) at 16.19 per cent. Net lending to customers has grown by 5.49 per cent in the last 12 months, while deposits have grown by 3.89 per cent in the same period. Losses on lending to customers in the first half of the year were very low and amounted to only NOK 2.0 million.

Profit for the quarter

Sparebanken Øst achieved a profit after tax of NOK 106.3 million for the second quarter of 2016. The corresponding profit after tax for the second quarter of 2015 was NOK 68.1 million.

Return on equity in the second quarter was 14.42 per cent, compared with 9.83 per cent for the same quarter in 2015. The table below shows the return on equity in the last five quarters.



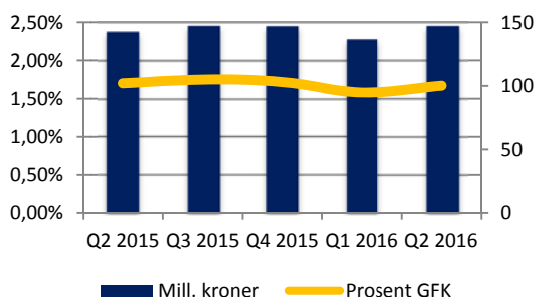
Net interest income

Net interest income amounted to NOK 147.4 million for the second quarter of 2016, compared with NOK 142.8 million for the same quarter in 2015, an increase of NOK 4.6 million. Net interest income amounted to 1.67 per cent of average total assets in the second

quarter of 2016. The corresponding figure for the same quarter in 2015 was 1.70 per cent. No amount was charged for the Norwegian Banks Guarantee Fund levy in the second quarter of 2016. The Norwegian Banks Guarantee Fund levy was charged in full in the first quarter of 2016 and amounted to NOK 11.7 million. In 2015, the Norwegian Banks Guarantee Fund levy was subject to accrual accounting throughout the year and NOK 2.8 million was recognised as a cost in the second quarter of 2015. Last year's figures have not been restated.

Strong competition and low interest rates are resulting in greater pressure on loan and deposit rates and reduced income from customers. The group has terminated a number of previously impaired and non-performing commitments. This has resulted in a reduction in impaired and non-performing commitments and the recognition of previously unrecognised interest as income.

The figure below shows net interest income in per cent and NOK in the last five quarters.



Net other operating income

Net other operating income encompasses commission income and costs, dividends, net value changes and gains/losses from financial instruments and other income. Net other operating income amounted to NOK 68.2 million in the second quarter of 2016, compared with NOK 19.9 million in the same quarter in 2015.

- Net commission income amounted to NOK 10.3 million, an increase of NOK 0.5 million compared with the same quarter last year.

- The dividends recognised as income in the second quarter of 2016 amounted to NOK 26.6 million and were mainly dividends received from Frende Holding AS amounting to NOK 10.6 million and payments in the form of cash remuneration from Visa Norge FLI amounting to NOK 15.6 million.
- Net value changes and gains/losses from financial instruments amounted to NOK 25.2 million, an increase of NOK 25.6 million compared with the same period last year. NOK 17.1 million was recognised as income in the quarter from changes to the bank's guarantee liability with respect to Eksportfinans ASA. NOK 15.7 million of this was a one-off effect. The contraction of the margin in the liquidity portfolio in 2016 resulted in positive value changes in the second quarter as well.
- Other operating income amounted to NOK 6.1 million in the second quarter of 2016, compared with NOK 9.6 million in the same quarter in 2015. One property was sold in the second quarter of 2015 at a profit of NOK 3.1 million.

Operating costs

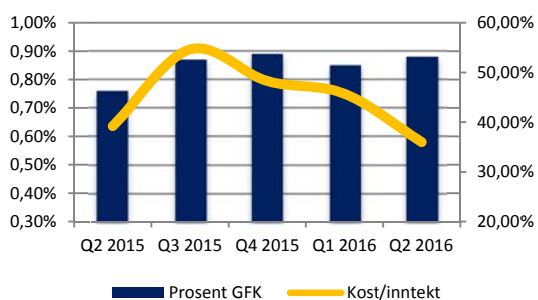
Total operating costs amounted to NOK 77.6 million in the second quarter of 2016, compared with NOK 63.8 million in the same quarter in 2015. The changes consist of the following elements:

- Payroll costs amounted to NOK 36.6 million in the second quarter of 2016, compared with NOK 33.7 million in the same quarter last year. The increase is linked to provisions for employee profit sharing, which amounted to NOK 1.4 million, and accrual effects. No provisions were made for employee profit sharing in the second quarter of 2015. The number of full-time equivalents has been relatively stable quarter on quarter and equalled 219 full-time equivalents at the end of the second quarter. The number of full-time

equivalents has fallen by one since the previous quarter and five full-time equivalent positions compared with the second quarter of 2015.

- Administrative costs were reduced to NOK 11.4 million in the second quarter of 2016, compared with NOK 12.0 million in the same quarter of 2015.
- Depreciation and write-downs amounted to NOK 14.4 million, compared with NOK 4.6 million for the same period last year. The increase was wholly attributable to the writing down of one property in one of the bank's subsidiaries.
- Other operating costs amounted to NOK 15.2 million in the second quarter of 2016, compared with NOK 13.5 million in the same quarter in 2015. The change in operating costs was due to increased assistance costs in connection with impaired and non-performing commitments and the accrual of the Financial Supervisory Authority of Norway's levy.

The figure below shows total operating costs as a percentage of average total assets and costs as a percentage of income before losses on loans and guarantees in the last five quarters.



Non-performance and losses

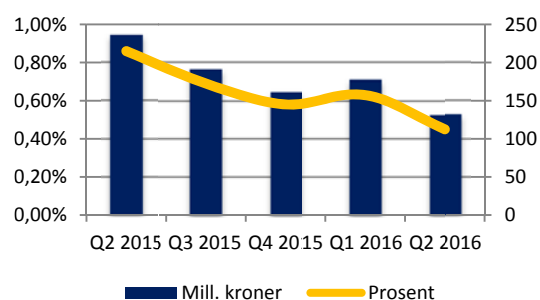
Net impaired and non-performing commitments have been significantly reduced compared with the second quarter of 2015 and amounted to 0.45 per cent of net lending at the end of the second quarter of 2016. This

is down from 0.86 per cent at the end of the same period last year.

Losses on loans to customers amounted to NOK 4.4 million in the second quarter of 2016. By comparison, losses on loans amounted to NOK 5.1 million in the second quarter of 2015.

Individual write-downs on loans and guarantees amounted to NOK 66.2 million at the end of the second quarter of 2016, compared with NOK 94.4 million at the end of the second quarter of 2015. The decrease was linked to the identification and recognition of previous individual write-downs. Individual write-downs deriving from reviews of individual commitments are based on objective evidence of a loss having been incurred. Collective write-downs of loans to customers amounted to NOK 43.4 million at the end of the second quarter of 2016 and were unchanged since the second quarter last year. Collective write-downs are based on the existence of objective evidence of a loss in groups of loans, calculated by using classification models and statistics.

The figure below shows net impaired and non-performing commitments in NOK and as a percentage of net lending in the last five quarters.



Tax

Tax costs in the second quarter of 2016 amounted to NOK 27.3 million, compared with NOK 25.7 million for the same quarter last year. Dividends from Frende Holding AS are covered by the exemption method. The payments from Visa Norge FLI are also deemed to be covered by the exemption method. The effective tax rate was therefore

lower than 25 per cent in the second quarter of 2016.

Profit for the first half year

The profit after tax for the first half of 2016 was NOK 173.5 million, which represents an increase of NOK 17.7 million compared with the first half of 2015. Return on equity in the first half of 2016 was 11.91 per cent, compared with 11.48 per cent for the same period last year.

Net interest income decreased by NOK 7.6 million compared with the first half of 2015 and amounted to NOK 284.3 million for the first half of 2016. Falling lending rates are partly being compensated for by lower deposit rates, but not completely. Prolonged stable and low interest rates are resulting in lower returns on the loans portfolio. Sparebanken Øst recognised the entire levy for the Norwegian Banks Guarantee Fund in the first quarter of 2016, which amounted to NOK 11.7 million. In 2015, the levy for the Norwegian Banks Guarantee Fund was subject to accrual accounting throughout the year and NOK 5.6 million was recognised as a cost in the first half of 2015. Last year's figures have not been restated.

The recognition of interest not previously recognised as income contributed to higher net interest income in the first half of 2016.

Net commission income amounted to NOK 20.4 million in the first half of 2016, which represents an increase of NOK 1.7 million compared with the first half of 2015. The increase was primarily attributable to increased ordinary income from customer fees.

Dividends received in the first half of 2016 amounted to NOK 26.6 million, compared with NOK 1.3 million for the same period last year. The amount this year primarily consists of NOK 10.6 million in dividends received from Frende Holding AS and payments of cash remuneration from Visa Norge FLI totalling NOK 15.6 million. The payments are linked to

the sale of Visa Europe to Visa Inc. The transaction has previously been described in the bank's annual report for 2015 and the interim report for the first quarter of 2016.

Net value changes and gains/losses from financial instruments amounted to NOK 32.9 million, an increase of NOK 37.6 million compared with the same period last year. The increase is linked to changes in value based due to the contraction in margins in the bank's liquidity portfolio and income linked to changes in the bank's guarantee liability with respect to Eksportfinans ASA, NOK 15.7 million of which is a one-off effect.

Other operating income amounted to NOK 12.8 million in the first half of 2016, compared with NOK 47.4 million in the same period in 2015. Profit from the sale of properties in 2015 amounted to NOK 34.5 million.

Operating costs increased by NOK 11.9 million in the first half of 2016 compared with the same period in 2015 and amounted to NOK 151.4 million for the first half of 2016. The increase was largely attributable to a property write-down in one of the bank's subsidiaries, provisions for employee profit sharing, and assistance in connection with impaired and non-performing engagements that have now been significantly reduced.

Losses on loans to customers amounted to NOK 2.0 million in the first half of 2016, compared with NOK 12.9 million in the first half of 2015.

Individual write-downs on loans and guarantees amounted to NOK 66.2 million at the end of the first half of 2016, compared with NOK 94.4 million at the end of the first half of 2015. The decrease was linked to the identification and recognition of previous individual write-downs. Write-downs on groups of loans were unchanged in the period and amount to NOK 43.4 million.

Balance sheet as at 30.06.2016

Total assets amounted to NOK 35,802.6 million at the end of the second quarter of 2016, compared with NOK 33,372.0 million at the end of the second quarter of 2015.

Assets

- Cash and receivables at central banks amounted to NOK 276.4 million as at 30.06.2016, compared with NOK 595.3 million as at 30.06.2015.
- Net loans to financial institutions amounted to NOK 10.9 million as at 30.06.2016, compared with NOK 4.1 million as at 30.06.2015. Lending to financial institutions in Norway involves interbank loans only.
- Net lending to customers amounted to NOK 29,095.5 million as at 30.06.2016, compared with NOK 27,582.0 million as at 30.06.2015. This represents an increase of NOK 1,513.5 million in the last 12 months, or 5.49 per cent. Net lending to retail customers increased by 3.77 per cent, while net lending to business customers increased by 17.28 per cent. Gross lending to retail customers accounted for 85.63 per cent of total lending to customers. The risk in the business loans portfolio has been reduced over the last 4 years. Together with a significant reduction in impaired and non-performing loans, this provides a good basis for growth in business loans in 2016 and subsequent years. New loans to companies in the last 12 months have largely been made to existing customers.
- The holding of certificates and bonds amounted to NOK 4,932.1 million as at 30.06.2016, compared with NOK 3,866.4 million as at 30.06.2015. The holding consists in its entirety of the liquidity portfolio. For the liquidity portfolio, the weighted average maturity until the agreed maturity has been calculated as 2.39 years.

- The bank's shares in Frende Holding AS are classified as 'available for sale' and were valued at NOK 210.0 million at the end of the second quarter of 2016.
- The bank's shares in Eksportfinans ASA are also classified as 'available for sale' and were valued at NOK 200.0 million at the end of the second quarter of 2016. The bank has, since 2008, together with the other shareholders in the company, pledged guarantees for changes in the value of Eksportfinans ASA's liquidity portfolio. The limit for this guarantee was reduced with effect from 01.03.2016. The total guarantee limit was reduced from NOK 5 billion to NOK 1.5 billion. Sparebanken Øst's share of the guarantee was correspondingly reduced from NOK 242.0 million to NOK 72.6 million. Sparebanken Øst's relief vis-à-vis the guarantee liability from another financial institution ended with effect from 30.04.2016. Sparebanken Øst now guarantees NOK 72.6 million of the total guarantee limit for Eksportfinans ASA.
- The sale of Visa Europe Ltd to Visa Inc. (USA) was completed with effect from 21.06.2016. Norwegian banks' stakes in Visa Europe Ltd were indirectly owned via their membership of Visa Norge and Nets/Teller. On 29.06.2016, Sparebanken Øst received cash remuneration amounting to NOK 15.6 million from Visa Norge FLI and the amount was recognised as dividends in the ordinary result. The remaining cash remuneration and preferred shares as at 30.06.2016 were valued at NOK 7.9 million, based on the information available as at 30.06.2016. The stake is classified as 'available for sale' and the change in value was recognised in other comprehensive income.

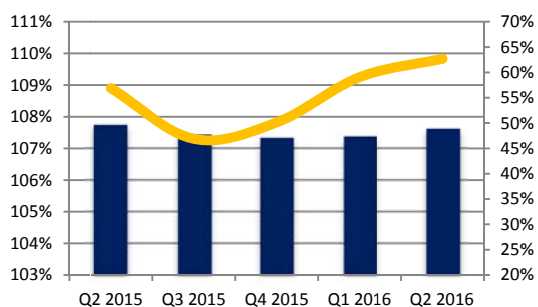
Liabilities

- Deposits from customers amounted to NOK 14,213.7 million as at 30.06.2016,

compared with NOK 13,682.0 million as at 30.06.2015. This is an increase in the last 12 months of NOK 531.7 million or 3.89 per cent. The deposit coverage ratio in the group at the end of the second quarter of 2016 was 48.85 per cent, compared with 49.60 per cent at the end of the second quarter of 2015.

- Securities issued amounted to NOK 17,451.8 million as at 30.06.2016, compared with NOK 15,678.6 million as at 30.06.2015. The liquidity situation measured as long-term funding as a percentage of liquid assets (Liquidity Indicator 1) amounted to 109.8 per cent at the end of the quarter, compared with 108.9 per cent in the same point in 2015. LCR amounted to 263.83 per cent at the end of the second quarter of 2016. A conservative investment policy means that a high proportion of securities count in the LCR calculation. The maturity structure also significantly affects LCR.
- Other long-term borrowing amounted to NOK 121.6 million at the end of the second quarter of 2016, compared with NOK 181.9 million as at 30.06.2015.
- Short-term borrowing (defined as borrowing with a remaining term to maturity of less than 1 year) amounted to NOK 2,158.0 million.

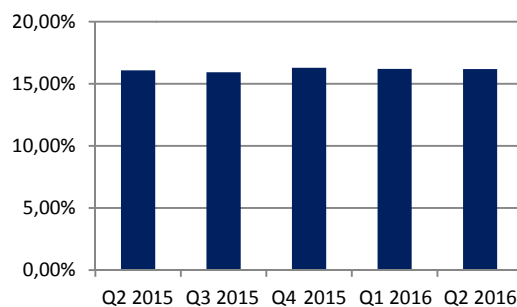
The figure below shows long-term liquidity as a percentage of illiquid assets (yellow/left) and the deposit coverage ratio (blue/right) in the last five quarters.



Capital adequacy

- The capital adequacy ratio measured as CET1 capital inclusive of 50 per cent of profit in the year-to-date amounted to 16.19 per cent at the end of the second quarter of 2016, which represents an increase from 16.08 per cent at the end of the second quarter of 2015. At the end of the year the CET1 ratio was 16.29 per cent. The reduction of 0.10 percentage points was due to the growth in loans to customers.
- The tier 1 leverage ratio (incl. 50 per cent of retained earnings) was 8.88 per cent at the end of the second quarter of 2016 compared with 8.90 per cent for the same period last year. In a letter dated 31.03.2016 to the Ministry of Finance, the Financial Supervisory Authority of Norway proposed that a statutory minimum requirement of 6.00 per cent be set for Norwegian banks.
- Net primary capital at the end of the second quarter of 2016 amounted to NOK 3,532.3, of which NOK 3,182.7 million constituted the group's tier 2 capital. With a calculation basis of NOK 18,036.5 million, this corresponds to a capital adequacy ratio of 19.58 per cent, of which 17.65 per cent constitutes the tier 1 capital ratio. The bank uses the standardised approach when calculating minimum requirements for subordinated capital for credit risk.

The figure below shows the development of CET1 capital (incl. 50 per cent of retained profit) in the last five quarters.



Macroeconomic developments

The significant fall in oil prices that started in autumn 2014 produced weaker growth in the Norwegian economy last year and in the year-to-date than was previously the case.

Unemployment has risen significantly in oil-related activities and regions, while rates have been stable in our main market in Eastern Norway. Norges Bank has reduced the base rate to a historic low of 0.5 per cent and further cuts are expected. House prices in Eastern Norway continue to rise strongly.

Wages growth is at its lowest in several decades, which could affect the growth in house prices in the long term. A weaker Norwegian kroner is helping to strengthen competitiveness in the export market and will, together with a more expansive state budget for 2016, help to dampen the effects of the fall in oil prices. There is uncertainty about the potential ripple effects from the cooling of the Norwegian economy and the development of consumer spending will be important going forward.

Risk

Credit risk

Sparebanken Øst has prepared a credit strategy that deals with various types of credit risk related to loans, credits and guarantees granted to customers in the retail and business markets, as well as counterparty risk for securities.

The credit strategy is intended to help ensure that the bank's activities in the credit area are in line with the framework conditions and guidelines in the bank's overall business concept and strategic plans, including ensuring that the activities are prudent in relation to the bank's capacity and willingness to bear risk.

The strategy should also help the bank to establish a credit portfolio of a quality and composition that ensures the bank's profitability in the short and long term, and ensures that the bank's management of credit risk is in accordance with the requirements

stipulated by laws, regulations, directives from the authorities and other regulatory conditions.

The principles in the strategy document are detailed in the bank's credit manuals and established instructions.

Within the retail and business markets, the capacity and willingness to pay are key aspects of credit assessment. Measurement of risk when lending to customers is done by classifying customers according to risk. Risk classification has been established as an integral element of the credit process. Credit risk trends are continuously monitored through quarterly reports to the management and the bank's board.

The bank's geographic coverage provides access to a large market area with flexibility with regard to customers and segments. The bank's loan portfolio is primarily spread across the central Eastern Norway area.

The low proportion of lending to the business market contributes to a low concentration risk for the bank. Exposure to commercial property represents a relatively large proportion of the business portfolio but a limited proportion of the bank's total loan portfolio.

Loans and credits to the retail market are generally only granted against adequate collateral. The bank's exposure to loans and credit without associated security is low. The risk classification of the entire retail portfolio was updated in the first quarter in line with the requirements for the annual reclassification of loan portfolios. At the same time, changes were made to the risk classification model for retail customers in order to better differentiate the credit risk in the retail portfolio. Total lending to low or moderate risk customers is stable. Lending to high risk customers has been reduced.

The bank also takes credit risks in managing liquidity reserves and excess liquidity. The bank intends to retain interest-bearing securities with low credit risk for liquidity

purposes (reserve for disposal when needed), as a deposit basis for borrowing facilities at the central bank, or both.

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

Market risk

Sparebanken Øst has a financial strategy that is intended to help to ensure that the bank's activities in the area of finance are in line with the framework conditions and guidelines in the bank's overall business concept, strategic plans and budgets, as well as ensure that the activities are prudent in relation to the bank's capacity and willingness to bear risk.

The financial strategy is intended to ensure that the bank's management of credit risk complies with the requirements stipulated by laws, regulations, directives from the authorities, and other regulatory conditions.

Sparebanken Øst has a liquidity portfolio comprising interest-bearing securities that are primarily issued by Nordic credit institutions, Norwegian banks, municipalities, the government and government-guaranteed companies. Through this, the bank takes credit spread risk.

The interest rate risk is kept within fixed limits and limited in that assets and liabilities mainly have variable rates or are swapped to variable rates. Currency risk is reduced by entering into futures or basis swaps. The bank has very little interest and currency risk on its balance sheet. Exposure to equity instruments beyond the bank's subsidiaries and strategic investments is limited.

Liquidity risk

Sparebanken Øst aims to practise a conservative approach to liquidity risk and manage it according to fixed limits. The Group shall ensure proper liquidity management so that the company has sufficient liquid assets to meet its obligations at maturity at all times,

and illiquid assets are financed long term. Sparebanken Øst issues covered bonds through the bank's wholly owned mortgage credit company. Covered bonds with long maturities are generally issued, whereas senior hybrid tier 1 loans are issued with maturities that fit into the existing maturity profile at any given time.

Operational risk

Operational risk is monitored through annual reviews of the bank's key processes, established internal controls with semi-annual managerial confirmation of implemented internal controls, and quarterly reporting of events recorded and risk assessments to the board. The Group has not recorded significant losses as a result of failures in internal processes, systems, human error, or unforeseen events so far this year.

Rating

In April 2016, Sparebanken Øst was awarded an issuer rating of A3 with a stable outlook by Moody's Investor Service. This rating is additional to the existing bank deposit rating of A3 (stable) from Moody's.

Subsidiaries

Sparebanken Øst Boligkreditt AS is a wholly owned subsidiary of Sparebanken Øst. The company was established on 14.04.2009 with the object of granting or acquiring home mortgage loans, property mortgage loans, loans secured by liens on other registered assets or public loans, and of financing lending activities, mainly by issuing covered bonds. At the end of the second quarter of 2016, the loan-to-value ratio (LTV) of the security portfolio was 47.5 per cent. In comparison, the equivalent figure was 46.5 per cent at the end of the second quarter of 2015.

The company's total assets as at 30.06.2016 amounted to NOK 10,761.0 million and mainly consist of first priority home mortgages, which

are funded through covered bonds and drawing rights from the parent company. The company's paid-up equity is NOK 650.0 million, of which NOK 319.8 million is share capital and NOK 330.2 million makes up the share premium account. The result after tax was a profit of NOK 36.6 million for the first half of 2016, compared with NOK 41.0 million for the same period last year. The company has no employees, but procures services from Sparebanken Øst. In the first quarter of 2011, Sparebanken Øst Boligkreditt AS was rated AAA by Moody's.

AS Financiering is a wholly owned financing subsidiary of Sparebanken Øst. Its main product is debenture financing for used cars. The company posted a profit after tax of NOK 21.6 million in the first half of 2016, compared with NOK 19.7 million for the same period last year. Total assets amounted to NOK 1,728.4 million. At the end of second quarter, the company had 24 employees, corresponding to 24 full-time equivalents.

Sparebanken Øst Eiendom AS's main purpose is standard property management for the purchase, sale, rental, and development of real estate and the purchase and sale of movable property in various business areas. Operating costs amounted to NOK 14.3 million in the first half of 2016, compared with NOK 49.7 million in the same period in 2015. NOK 34.5 million in profit from the sale of property was recognised as income in the first half of 2015. The result after tax was a profit of NOK 1.4 million at the end of the second quarter of 2016 compared with NOK 35.4 million for the same period last year. The company has six employees. Its share capital amounts to NOK 35.1 million.

Øst Prosjekt AS's main object is to take over projects and to undertake industrial and commercial activities to hedge and realise exposed positions in the parent bank. The company has no employees and the share capital amounts to NOK 12.0 million. The result after tax was a loss of NOK 8.0 million at the end of the second quarter of 2016. The deficit was linked to the writing down of property. The company

posted a deficit of NOK 0.1 million for the same period in 2015.

Øst Inkasso AS is in the process of being established. The Financial Supervisory Authority of Norway is considering its application for a licence.

Frende Forsikring

Frende Holding AS owns Frende Skade AS and Frende Liv AS (Frende Forsikring). The bank owns a 13.19 per cent stake in the holding company. Frende Forsikring is owned by 15 savings banks and Sparebanken Vest is the largest shareholder. The company offers P&C and life insurance products to business and retail customers and has around 175,000 customers. Frende Forsikring's head office is in Bergen. Sparebanken Øst received dividends totalling NOK 10.6 million in the second quarter of 2016.

Accounting policies

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

Dividend policy

The board of Sparebanken Øst approved a minor adjustment to the bank's dividend policy from and including 2016. The change involves the target for, and level of, dividends on social capital. No changes have been made to the bank's dividend policy for equity certificate holders.

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

between equity certificate holders and social capital in accordance with their respective proportion of the bank's equity.

Sparebanken Øst will endeavour to pay 50 to 75 per cent of the profit allocated to equity certificate holders as dividends. Sparebanken Øst also aims to distribute an amount equivalent to 50 to 75 per cent of the dividend paid to equity certificate holders as dividends on social capital in the form of gifts to charitable causes. When determining the dividend and donations, account will be taken of the bank's financial performance, market situation, dividend stability and core capital requirements.

Outlook

The level of uncertainty regarding the Norwegian economy is expected to be high in 2016. This will affect the bank's general growth and earnings opportunities. Low oil prices are affecting the business sector in some regions of Norway and thus employment rates. Sparebanken Øst's customer portfolio is generally not directly affected by lower activity in the oil sector. Low interest rates are strengthening the debt serving capacity of households and companies, including those with lower incomes. A weak Norwegian kroner exchange rate is providing Norwegian export companies with competitive advantages abroad and thus increased income. Rising unemployment could lessen the payment capacity of affected households. Sparebanken Øst is not expecting any major changes in the macroeconomic situation in Eastern Norway where it primarily operates. House prices are expected to rise throughout 2016 and increase households' debt burden. Some companies could be affected by the generally lower level of demand and by the situation in the oil sector in particular.

The bank has a very sound capital situation that satisfies the authorities' requirements. This provides the bank with room for manoeuvre and not least security in a year of greater uncertainty. The bank has opened

branches in Røyken and Sætre, and is planning to open branches in Sande and Holmestrand. No significant rise in costs is expected due to the establishment of these new branches. The bank's target for CET1 capital is 14.5 per cent. The bank also has a solid liquidity buffer that provides security should the bank experience problems accessing funding during the year. The bank's target for long-term funding is 105 per cent of non-liquid assets. The bank expects to be able to obtain new funding with margins on a par with those of the major regional banks. The bank believes it is in a good position in the capital markets and aims to ensure simple, open communication with its various investors. The bank's target for its return on equity has been set at 10 per cent over time. The bank expects the regulatory uncertainty to be reduced through the authorities' overall risk assessments of the banks (SVR) in 2016 with final clarification of the basis for calculating pillar 2.

Growth in lending to and deposits from customers in 2016 will depend on the general competition in the banking market and access to long-term funding. The bank expects growth in lending to both retail and business customers. The growth is expected to be distributed evenly across different distribution channels. Growth in lending to retail customers will primarily come from home mortgages. Growth is expected in loans for financing used cars with sales liens (AS Financiering). The growth in lending to business customers will primarily occur in the bank's defined market area and the bank's ambition is for most of this to occur in Drammen and the Eiker districts. Repayment loans with security in real estate will again be the bank's main product in the business market in 2016.

Banking involves risk and non-performance and losses on loans and guarantees to customers cannot be excluded. Impaired and non-performing commitments have been significantly reduced in recent quarters. The group has substantial in-house expertise that will work to resolve any problem commitments that might arise in 2016. This

includes expertise within recovery as well as property development and operation.

Fluctuations in the value of securities in the form of equities and bonds cannot be excluded. The holding of bonds is exclusively held for liquidity purposes. No significant changes in the bank's ownership interests in Frende Holding AS and Eksportfinans ASA are expected in 2016.

The bank expects continued pressure on margins on loans to retail customers in 2016. Prolonged stable and low interest rates are increasing pressure on lending rates, both in existing portfolios and in the competition for new customers. The supply side in the bank market is expected to decrease somewhat, although the level of competition is expected to persist in high quality customer segments. Margins for lending to business are generally

expected to increase to compensate for the higher risk and funding costs. A base rate close to zero is challenging for the bank's interest margin between loans and deposits. Non-performing loans were significantly reduced in 2016 and the recognition of interest not previously recognised as income made a positive contribution to net interest income in the first half of 2016. Such income cannot be expected going forward. The level of uncertainty regarding macroeconomic developments, the bank's competitiveness, and the development of margins for the bank's borrowing in 2016 are similarly sources of uncertainty with respect to the bank's earnings and return on equity.

Hokksund, 30 June 2016

Drammen, 14 July 2016

Jorund Rønning Indrelid
Chair

Knut Smedsrud
Deputy Chair

Morten André Yttreide
Board member

Øivind Andersson
Board member

Hanne Margrete Lenes Solem
Board member

Elly Therese Thoresen
Board member

Ole-Martin Solberg
Employee representative

Inger Helen Pettersen
Employee representative

Pål Strand
CEO

Income Statement - Group

(Amounts in NOK millions)	Q2 2016	Q2 2015	01.01.-30.06.2016	01.01.-30.06.2015	Full year 2015
Interest income	267,3	293,5	537,7	607,7	1.167,0
Interest costs	119,9	150,7	253,4	315,8	580,3
Net interest income	147,4	142,8	284,3	291,9	586,7
Commission income from banking services	20,2	19,7	39,7	38,3	79,8
Commission costs from banking services	9,9	9,9	19,3	19,6	39,2
Dividends	26,6	0,9	26,6	1,3	1,3
Net value change and gains/losses on financial instruments	25,2	-0,4	32,9	-4,7	-42,7
Other operating income	6,1	9,6	12,8	47,4	61,0
Net other operating income	68,2	19,9	92,7	62,7	60,2
Payroll, etc.	36,6	33,7	79,9	78,2	166,8
Administration costs	11,4	12,0	23,4	25,2	51,7
Depreciation/write-downs/value change for non-financial assets	14,4	4,6	18,8	9,1	17,9
Other operating costs	15,2	13,5	29,3	27,0	52,7
Total operating costs	77,6	63,8	151,4	139,5	289,1
Profit/loss before losses	138,0	98,9	225,6	215,1	357,8
Losses on loans and guarantees	4,4	5,1	2,0	12,9	18,1
Profit/loss before tax costs	133,6	93,8	223,6	202,2	339,7
Tax costs	27,3	25,7	50,1	46,4	83,7
Profit/loss after tax	106,3	68,1	173,5	155,8	256,0
Earnings per equity certificate	1,93	1,28	3,15	2,92	4,79
Diluted earnings per equity certificate	1,93	1,28	3,15	2,92	4,79

Total income - Group

(Amounts in NOK millions)	2. kvartal 2016	2. kvartal 2015	1.1.-30.6.2016	1.1.-30.6.2015	Året 2015
Profit/loss after tax	106,3	68,1	173,5	155,8	256,0
Items that will not be reclassified to the statement of income					
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	29,8
Tax related to items that cannot be reclassified	0,0	0,0	0,0	0,0	-7,4
Items that may later be reclassified to the statement of income					
Changes in fair value of investments available for sale	-9,5	0,0	-9,5	0,0	18,2
Tax related to items that may be reclassified	0,1	0,0	0,1	0,0	-0,1
Other comprehensive income	96,9	68,1	164,1	155,8	296,5

Balance Sheet - Group

(Amounts in NOK millions)	30.06.2016	30.06.2015	31.12.2015
Assets			
Cash and receivables from central banks	276,4	595,3	378,0
Loans to and receivables from financial institutions	10,9	4,1	8,1
Loans to and receivables from customers	29.095,5	27.582,0	27.975,8
Certificates, bonds, etc. at fair value	4.730,9	3.665,0	4.554,6
Shares and units	460,2	457,5	478,1
Financial derivatives	565,8	427,9	494,7
Certificates and bonds, held to maturity	201,2	201,4	205,6
Investment properties	284,7	266,8	249,8
Tangible fixed assets	127,5	132,5	131,6
Other assets	25,6	23,8	25,3
Prepaid non-accrued costs and earned but not received income	23,9	15,7	7,5
Total assets	35.802,6	33.372,0	34.509,1
Liabilities and equity			
Liabilities to financial institutions	121,6	181,9	150,3
Deposits from and liabilities to customers	14.213,7	13.682,0	13.159,3
Financial derivatives	32,8	40,9	68,4
Securities issued	17.451,8	15.678,6	17.205,3
Tax payable	48,2	46,2	98,4
Other liabilities	118,7	87,8	68,6
Accruals and deferred income	31,9	39,2	34,9
Provisions for accrued costs and liabilities	59,7	87,1	59,7
Deferred tax liability	8,7	13,8	10,2
Subordinated loan capital	702,9	703,1	702,9
Total liabilities	32.790,0	30.560,6	31.558,0
Paid-up equity	595,1	595,1	595,1
Retained earnings	2.244,0	2.060,5	2.356,0
Retained ordinary profit	173,5	155,8	0,0
Total equity	3.012,6	2.811,4	2.951,1
Total liabilities and equity	35.802,6	33.372,0	34.509,1

Changes in Equity - Group

(Amounts in NOK millions) Q2 2016	Paid-up equity				Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available		
							for sale reserve	Other equity	Retained profit
Equity as at 31.12.2015	2.951,1	207,3	387,8	341,2	1.432,1	38,1	180,5	364,1	0,0
Profit/loss	173,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	173,5
Changes in fair value of investments in JV/AC	-9,4	0,0	0,0	0,0	0,0	0,0	-9,4	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	164,1	0,0	0,0	0,0	0,0	0,0	-9,4	0,0	173,5
Dividend to equity certificates holders 2015 - approved	-68,4	0,0	0,0	-68,4	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2015 - approved	-34,2	0,0	0,0	0,0	-34,2	0,0	0,0	0,0	0,0
Changes in endowment fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.06.2016	3.012,6	207,3	387,8	272,8	1.397,9	38,1	171,1	364,1	173,5

Q2 2015	Paid-up equity				Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available		
							for sale reserve	Other equity	Retained profit
Equity as at 31.12.2014	2.765,7	207,3	387,8	366,3	1.308,0	45,5	162,4	288,4	0,0
Profit/loss	155,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	155,8
Changes in fair value of investments in JV/AC	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	155,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	155,8
Dividend 2014 adopted	-103,7	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	-6,4	0,0	0,0	0,0	0,0	-6,4	0,0	0,0	0,0
Equity as at 30.06.2015	2.811,4	207,3	387,8	262,6	1.308,0	39,1	162,4	288,4	155,8

2015	Paid-up equity				Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available		
							for sale reserve	Other equity	Retained profit
Equity as at 31.12.2014	2.765,7	207,3	387,8	366,3	1.308,0	45,5	162,4	288,4	0,0
Profit/loss	256,0	0,0	0,0	70,6	111,5	0,0	0,0	73,9	0,0
Changes in fair value of investments in JV/AC	18,1	0,0	0,0	0,0	0,0	0,0	18,1	0,0	0,0
Actuarial gains and losses on defined-benefit plans	22,4	0,0	0,0	8,0	12,6	0,0	0,0	1,8	0,0
Other comprehensive income	296,5	0,0	0,0	78,6	124,1	0,0	18,1	75,7	0,0
Dividend 2014 adopted	-103,7	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	-7,4	0,0	0,0	0,0	0,0	-7,4	0,0	0,0	0,0
Equity as at 31.12.2015	2.951,1	207,3	387,8	341,2	1.432,1	38,1	180,5	364,1	0,0

Cash Flow Statement

(Amounts in NOK millions)		30.06.2016	30.06.2015	31.12.2015
Operating activities				
Profit/loss before tax costs		223,6	202,2	339,7
Adjusted for:				
Change in net interest income earned and accrued interest costs		31,2	54,3	3,3
Net receipts/payments of loans to customers		-1.103,5	1.099,8	713,3
Change in certificates and bonds at fair value		-176,8	235,4	-650,3
Change in other assets in connection with operations		-49,7	73,3	98,4
Net receipts/disbursement of deposits from financial institutions		1,3	1,5	0,0
Net receipts/disbursement of deposits from customers		1.023,0	239,3	-236,1
Change in other operating liabilities		12,9	6,8	-11,5
Non-cash items included in profit before tax costs		5,9	9,3	4,5
Net gain/loss from investing activities		-0,3	-35,1	-35,2
Net gain/loss from financing activities		-1,6	2,8	4,0
Taxes paid for the period		-101,7	-105,1	-105,1
Net cash flow from operating activities	A	-135,7	1.784,5	125,0
Investing activities				
Payments on purchases of fixed assets		-50,2	-79,4	-87,8
Proceeds from sale of fixed assets		1,1	232,9	250,4
Net proceeds/costs on the sale/purchase of financial investments		0,0	0,0	1,1
Net cash flow from investing activities	B	-49,1	153,5	163,7
Financing activities				
Net incoming/outgoing payments for loans to/from financial institutions		-30,0	-30,0	-60,0
Payments on repayment of securities		-3.013,4	-2.396,6	-3.036,6
Proceeds on issuance of securities		3.197,8	702,7	2.808,7
Payment of dividend		-68,4	-103,7	-103,7
Net cash flow from financing activities	C	86,0	-1.827,6	-391,6
Net change in cash and cash equivalents	A+B+C	-98,8	110,4	-102,9
Cash and cash equivalents as at 01.01.		386,1	489,0	489,0
Holding of cash and cash equivalents at the end of the period		287,3	599,4	386,1

Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are investment placements:

Note 1 - Accounting policies

The interim financial statements for the group and parent bank were prepared in accordance with IFRS (including IAS 34 Interim Financial Reporting).

A description of the accounting policies applied when preparing the financial statements appears in the annual report for 2015.

The accounting policies and calculation methods remain largely unchanged from the annual financial statements for 2015.

All amounts are stated in NOK millions and relate to the group unless otherwise specified.

The interim financial statements have not been audited.

Assessments and use of estimates

Preparation of the consolidated financial statements involves the executive management team making estimates and discretionary valuations, and make affect the application of accounting policies and thus recognised amounts for assets, liabilities, income and costs.

For further details, see the annual report for 2015, Note 3 - Assessments and use of estimates.

Note 2 - Operating 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 retail market, the business market and the other subsidiaries, as well as a non-reportable segment with items that are not allocated to other segments.

Profit/loss

30.06.2016	RM	BM	Finance	AS Finansiering	Sparebanken Øst			Eliminations	Group
					Eiendom	Unallocated			
Net interest and commission income	152,9	83,1	-14,5	59,2	-3,1	7,3	-0,6	284,3	
Other operating income	27,9	5,5	16,3	-10,2	14,3	48,0	-9,1	92,7	
Operating costs	27,3	9,3	0,0	16,0	9,4	93,7	-4,3	151,4	
Profit/loss before losses	153,5	79,3	1,8	33,0	1,8	-38,4	-5,4	225,6	
Losses on loans and guarantees	0,0	-2,2	0,0	4,2	0,0	0,0	0,0	2,0	
Profit/loss before tax costs	153,5	81,5	1,8	28,8	1,8	-38,4	-5,4	223,6	
Tax costs	0,0	0,0	0,0	7,2	0,4	43,8	-1,3	50,1	
Profit/loss after tax	153,5	81,5	1,8	21,6	1,4	-82,2	-4,1	173,5	

30.06.2015	RM	BM	Finance	AS Finansiering	Sparebanken Øst			Eliminations	Group
					Eiendom	Unallocated			
Net interest and commission income	167,0	65,0	-13,9	59,4	-2,8	17,2	0,0	291,9	
Other operating income	25,5	5,5	-4,5	-9,2	49,7	-0,7	-3,6	62,7	
Operating costs	27,2	9,7	0,0	17,4	10,0	79,4	-4,2	139,5	
Profit/loss before losses	165,3	60,8	-18,4	32,8	36,9	-62,9	0,6	215,1	
Losses on loans and guarantees	-0,3	7,4	0,0	5,8	0,0	0,0	0,0	12,9	
Profit/loss before tax costs	165,6	53,4	-18,4	27,0	36,9	-62,9	0,6	202,2	
Tax costs	0,0	0,0	0,0	7,3	1,5	37,4	0,2	46,4	
Profit/loss after tax	165,6	53,4	-18,4	19,7	35,4	-100,3	0,4	155,8	

31.12.2015	RM	BM	Finance	AS Finansiering	Sparebanken Øst			Eliminations	Group
					Eiendom	Unallocated			
Net interest and commission income	339,6	129,8	-26,8	120,0	-5,2	29,6	-0,3	586,7	
Other operating income	53,1	12,4	-47,6	-18,8	63,4	0,8	-3,1	60,2	
Operating costs	64,1	22,7	0,0	35,6	18,9	156,3	-8,5	289,1	
Profit/loss before losses	328,6	119,5	-74,4	65,6	39,3	-125,9	5,1	357,8	
Losses on loans and guarantees	-0,2	7,5	0,0	10,8	0,0	0,0	0,0	18,1	
Profit/loss before tax costs	328,8	112,0	-74,4	54,8	39,3	-125,9	5,1	339,7	
Tax costs	0,0	0,0	0,0	15,1	0,1	67,2	1,3	83,7	
Profit/loss after tax	328,8	112,0	-74,4	39,7	39,2	-193,1	3,8	256,0	

Balance sheet

30.06.2016	RM	BM	Finance	AS Finansiering	Sparebanken Øst			Eliminations	Group
					Eiendom	Unallocated			
Loans to and receivables from customers	22.877,1	4.045,5	0,0	1.705,1	0,0	654,3	-186,5	29.095,5	
Other assets	7,9	0,0	5.662,0	23,3	343,3	2.859,9	-2.189,3	6.707,1	
Total assets	22.885,0	4.045,5	5.662,0	1.728,4	343,3	3.514,2	-2.375,8	35.802,6	
Deposits from and liabilities to customers	10.292,6	2.310,6	1.509,0	17,9	0,0	118,0	-34,4	14.213,7	
Other liabilities/offsetting	12.592,4	1.734,9	4.153,0	1.471,2	228,0	557,8	-2.161,0	18.576,3	
Equity	0,0	0,0	0,0	239,3	115,3	2.838,4	-180,4	3.012,6	
Total liabilities and equity	22.885,0	4.045,5	5.662,0	1.728,4	343,3	3.514,2	-2.375,8	35.802,6	

30.06.2015	RM	BM	Finance	AS Finansiering	Sparebanken Øst			Eliminations	Group
					Eiendom	Unallocated			
Loans to and receivables from customers	21.909,4	3.551,1	0,0	1.645,0	0,0	622,9	-146,4	27.582,0	
Other assets	10,5	0,0	4.570,8	17,9	357,5	2.575,9	-1.742,6	5.790,0	
Total assets	21.919,9	3.551,1	4.570,8	1.662,9	357,5	3.198,8	-1.889,0	33.372,0	
Deposits from and liabilities to customers	9.672,1	2.688,4	1.203,3	19,3	0,0	131,0	-32,1	13.682,0	
Other liabilities/offsetting	12.247,8	862,7	3.367,5	1.437,4	187,7	452,7	-1.677,2	16.878,6	
Equity	0,0	0,0	0,0	206,2	169,8	2.615,1	-179,7	2.811,4	
Total liabilities and equity	21.919,9	3.551,1	4.570,8	1.662,9	357,5	3.198,8	-1.889,0	33.372,0	

31.12.2015	RM	BM	Finance	AS Finansiering	Sparebanken Øst			Eliminations	Group
					Eiendom	Unallocated			
Loans to and receivables from customers	21.914,9	3.906,6	0,0	1.674,3	0,0	666,2	-186,2	27.975,8	
Other assets	14,7	0,0	5.145,7	18,3	342,0	2.677,8	-1.665,2	6.533,3	
Total assets	21.929,6	3.906,6	5.145,7	1.692,6	342,0	3.344,0	-1.851,4	34.509,1	
Deposits from and liabilities to customers	9.354,1	2.445,2	1.258,7	18,2	0,0	118,2	-35,1	13.159,3	
Other liabilities/offsetting	12.575,5	1.461,4	3.887,0	1.456,7	228,1	429,9	-1.639,9	18.398,7	
Equity	0,0	0,0	0,0	217,7	113,9	2.795,9	-176,4	2.951,1	
Total liabilities and equity	21.929,6	3.906,6	5.145,7	1.692,6	342,0	3.344,0	-1.851,4	34.509,1	

Note 3 - Capital adequacy

The group uses the standardised approach when calculating minimum requirements for subordinated capital for credit risk. The calculation related to operational risk is performed according to the basis method. The capital charge for credit value adjustment (CVA) is calculated using the standardised approach. Exposure is calculated using the market value method.

The group's primary capital must satisfy the minimum capital adequacy ratio requirements at all times, with the addition of a buffer equivalent to the company's accepted risk tolerance. See also the group's pillar III document, which is available from Sparebanken Øst's website.

	30.06.2016	30.06.2015	31.12.2015
CET1 capital			
Book equity	2.839,1	2.655,7	2.951,1
Deductions from CET1 capital			
Additional value adjustments (prudent valuation requirement) (AVA)	-5,8	-4,6	-5,6
Dividends	0,0	0,0	-102,6
Intangible assets	0,0	-0,2	-0,1
CET1 capital instruments in other fin. inst. (not significant)	0,0	-3,2	0,0
CET1 capital instruments in other fin. inst. (significant)	0,0	0,0	0,0
Total CET1 capital	2.833,3	2.647,7	2.842,9
Other tier 1 capital			
Hybrid tier 1 capital	349,4	349,2	349,3
Deductions from other tier 1 capital			
Other tier 1 capital instruments other fin. inst. (not significant)	0,0	-2,4	0,0
Other tier 1 capital instruments other fin. inst. (significant)	0,0	0,0	0,0
Total other tier 1 capital	349,4	346,8	349,3
Total tier 1 capital	3.182,7	2.994,5	3.192,2
Tier 2 capital			
Subordinated loans	349,6	349,4	349,5
Deductions from tier 2 capital			
Tier 2 capital instruments in other fin. inst. (not significant)	0,0	-3,4	0,0
Tier 2 capital instruments in other fin. inst. (significant)	0,0	0,0	0,0
Total tier 2 capital	349,6	346,0	349,5
Net primary capital	3.532,3	3.340,5	3.541,7

Note 3 - Capital adequacy (cont.)

	30.06.2016	30.06.2015	31.12.2015
Governments and central banks	0,0	0,0	0,0
Local and regional authorities	160,5	91,0	162,1
Publicly owned companies	0,0	0,0	0,0
Multilateral development banks	0,0	0,0	0,0
Institutions	291,4	245,1	272,0
Companies	392,9	2.613,6	433,1
Mass market accounts	1.537,1	1.580,0	1.553,7
Accounts secured against property	12.146,4	8.956,5	11.541,0
Accounts due	163,5	252,1	178,0
Covered bonds	251,8	206,2	239,6
Shares in securities fund	0,0	0,0	0,0
Equity positions	797,1	780,4	827,7
Other exposures	476,8	448,7	427,0
Securitisation	98,0	66,4	65,4
Calculation basis, credit and counterparty risk	16.315,5	15.240,0	15.699,5
Calculation basis, currency risk	0,0	0,0	0,0
Calculation basis, operational risk	1.283,5	1.393,5	1.393,5
Calculation basis, impaired counterparty credit rating (CVA)	437,5	315,2	359,5
Total calculation basis	18.036,5	16.948,8	17.452,6
CET1 capital ratio	15,71 %	15,62 %	16,29 %
Tier 1 capital ratio	17,65 %	17,67 %	18,29 %
Capital adequacy ratio	19,58 %	19,71 %	20,29 %
Buffers			
Capital conservation buffer	450,9	423,7	436,3
Countercyclical buffer	180,4	0,0	174,5
Systemic risk buffer	541,1	508,5	523,6
Buffer for systemically important banks	0,0	0,0	0,0
Total buffer requirements	1.172,4	932,2	1.134,4
Available buffer capital	2.021,6	1.885,0	2.057,5
Tier 1 leverage ratio*)	8,65 %	8,67 %	8,97 %

*) The tier 1 leverage ratio is calculated at the end of the quarter.

Note 4 - Losses on loans and guarantees, customers

	Q2 2016	Q2 2015	30.06.2016	30.06.2015	31.12.2015
Individual write-downs					
Individual write-downs at the start of the period	64,3	95,7	81,0	94,3	94,3
- Actual losses for the period, where there have previously been individual write-downs	1,5	2,6	11,7	3,7	12,5
+ Increased individual write-downs for the period	4,4	1,7	7,8	7,1	9,7
+ New individual write-downs for the period	2,3	4,0	4,6	8,6	9,7
- Reversed individual write-downs for the period	3,3	4,4	15,5	11,9	20,2
= Individual write-downs at the end of the period	66,2	94,4	66,2	94,4	81,0
Collective write-downs of loans					
Collective write-downs of loans at the start of the period	43,4	43,4	43,4	43,4	43,4
+/- Change in collective write-downs of loans for the period	0,0	0,0	0,0	0,0	0,0
= Collective write-downs of loans at the end of the period	43,4	43,4	43,4	43,4	43,4
Loss costs for the period					
Change in individual write-downs for the period	1,9	-1,3	-14,8	0,1	-13,3
+/- Change in collective write-downs of loans for the period	0,0	0,0	0,0	0,0	0,0
+ Actual losses for the period, where there have previously been individual write-downs	1,8	4,2	16,3	6,7	19,9
+ Actual losses for the period, where there have previously not been individual write-downs	1,7	1,7	4,0	5,1	13,5
- Recovery of previously identified losses during the period	1,4	1,3	5,4	2,6	9,5
+/- Amortisation cost of write-downs during the period	0,4	1,8	1,9	3,6	7,5
= Losses on loans and guarantees	4,4	5,1	2,0	12,9	18,1

Note 5 - Non-performing and doubtful commitments, customers

	30.06.2016	30.06.2015	31.12.2015
Gross non-performing commitments (over 90 days)			
Business	70,1	154,4	104,7
+ Retail	126,6	155,0	128,7
= Gross non-performing commitments	196,7	309,4	233,4
- Individual write-downs	66,0	85,9	80,0
= Net non-performing commitments	130,7	223,5	153,4
Impaired (not non-performing) commitments			
Business	0,0	20,0	7,7
+ Retail	1,3	1,2	1,8
= Gross impaired commitments	1,3	21,2	9,5
- Individual write-downs	0,2	8,5	1,0
= Net impaired commitments	1,1	12,7	8,5
Gross non-performing and impaired commitments			
Business	70,1	174,4	112,4
+ Retail	127,9	156,2	130,5
= Gross non-performing and impaired commitments	198,0	330,6	242,9
- Individual write-downs	66,2	94,4	81,0
= Net non-performing and impaired commitments	131,8	236,2	161,9

Note 6 - Deposits from customers by sector and industry

	30.06.2016	30.06.2015	31.12.2015
Salaried employees	9.398,2	8.923,5	8.517,5
Public administration	351,5	291,8	339,4
Agriculture, forestry and fishing	123,1	127,1	136,9
Industry and mining, power and water supply	584,3	476,2	446,9
Building and construction	322,3	300,8	361,6
Wholesale and retail trade, hotels and restaurants	433,3	382,6	455,1
Transport and communications	175,3	151,4	167,0
Business financial services	1.149,4	1.277,4	1.175,5
Other service industries	703,3	736,7	693,5
Real estate sales and operation	855,9	909,2	761,2
Abroad	117,1	105,3	104,7
Total	14.213,7	13.682,0	13.159,3

Note 7 - Gross lending to customers by sector and industry

	30.06.2016	30.06.2015	31.12.2015
Lønnstagere	25.007,9	24.113,1	24.049,8
Jordbruk, skogbruk, fiske etc.	96,6	134,8	130,2
Industri og bergverk, kraft og vannfors.	93,1	97,2	93,1
Bygg og anlegg	616,2	454,9	587,9
Varehandel/hotell og restaurant	262,8	301,9	284,4
Transport/kommunikasjon	55,3	51,8	56,5
Førr.m. finans tjenesteyting	98,4	85,3	87,3
Tjenesteytende næringer ellers	575,1	464,1	532,7
Omsetning og drift av fast eiendom	2.365,5	1.989,7	2.248,7
Utlandet	34,2	27,0	29,6
Total	29.205,1	27.719,8	28.100,2

Note 8 - Geographical distribution of gross lending, customers

	30.06.2016	30.06.2015	31.12.2015
Drammen	4.379,9	4.257,0	4.168,1
Nedre Eiker	2.349,9	2.348,2	2.335,7
Øvre Eiker	1.880,1	1.886,1	1.894,4
Rest of Buskerud	2.277,3	2.191,0	2.211,6
Oslo	5.909,6	5.208,4	5.543,4
Akershus	5.727,7	5.255,9	5.384,9
Vestfold	2.447,6	2.310,2	2.358,8
Østfold	1.420,5	1.244,0	1.317,9
Rest of Norway	2.778,3	2.992,0	2.855,8
Abroad	34,2	27,0	29,6
Total	29.205,1	27.719,8	28.100,2

Note 9 - Credit risk

The risk classification system is used for decision-making support, monitoring and reporting. The classification systems' risk parameters form an integral part of the credit process and follow-up of the retail customer portfolio. The risk classification is based on a weighted calculation of various parameters linked to capacity to service debt, payment history and information from an external credit information provider.

In the first quarter the bank made changes to the risk classification model for the retail market in order to differentiate between the risk in the portfolio more. 2016, the bank reviewed the classification of all retail customers and smaller customer commitments in the category of self-employed based on the changes made to the model. The total lending to low or moderate risk customers is stable. Lending to high risk customers has been reduced.

30.06.2016	Gross lending	liability	facilities	write-downs	Commitments	%
Low risk	15.808,1	19,7	1.124,1	2,2	16.951,9	55,0
Moderate risk	8.347,0	68,0	191,5	2,6	8.606,5	27,9
Normal risk	3.809,9	57,9	102,4	22,6	3.970,2	12,9
Reasonably high risk	900,0	1,2	13,0	24,7	914,2	3,0
High risk	194,3	0,3	0,4	13,1	195,0	0,6
Unallocated	145,8	12,8	35,4	1,0	194,0	0,6
Total	29.205,1	159,9	1.466,8	66,2	30.831,8	100,0

30.06.2015	Gross lending	liability	facilities	write-downs	Commitments	%
Low risk	18.782,9	41,5	1.127,1	1,6	19.951,5	67,6
Moderate risk	4.739,1	41,2	232,2	2,6	5.012,5	17,0
Normal risk	2.930,4	37,7	252,6	23,0	3.220,7	10,9
Reasonably high risk	624,8	2,4	12,3	28,7	639,5	2,2
High risk	421,6	2,2	2,3	38,1	426,1	1,4
Unallocated	221,0	2,3	26,5	0,4	249,8	0,8
Total	27.719,8	127,3	1.653,0	94,4	29.500,1	100,0

31.12.2015	Gross lending	liability	facilities	write-downs	Commitments	%
Low risk	18.932,1	24,3	1.166,7	1,3	20.123,1	67,5
Moderate risk	5.178,8	59,0	229,0	2,1	5.466,8	18,3
Normal risk	2.875,7	54,7	153,9	23,8	3.084,3	10,3
Reasonably high risk	570,2	2,4	11,8	21,7	584,4	2,0
High risk	337,8	2,1	0,8	31,7	340,7	1,1
Unallocated	205,6	1,2	24,6	0,4	231,4	0,8
Total	28.100,2	143,7	1.586,8	81,0	29.830,7	100,0

Note 10 - Classification of financial assets and liabilities

30.06.2016	Fair value through profit or loss		Available for sale	Held to maturity	Amortised cost*	Total
	Held for trading	Designated at fair value				
Cash and receivables from central banks	0,0	0,0	0,0	0,0	276,4	276,4
Net loans to and receivables from financial institutions	0,0	0,0	0,0	0,0	10,9	10,9
Net loans to and receivables from customers	0,0	0,0	0,0	0,0	29.095,5	29.095,5
Certificates and bonds at fair value	4.649,6	81,3	0,0	0,0	0,0	4.730,9
Shares and units	24,4	0,0	435,8	0,0	0,0	460,2
Financial derivatives**	565,8	0,0	0,0	0,0	0,0	565,8
Certificates and bonds, held to maturity	0,0	0,0	0,0	201,2	0,0	201,2
Total financial assets	5.239,8	81,3	435,8	201,2	29.382,8	35.340,9
Liabilities to financial institutions	0,0	0,0	0,0	0,0	121,6	121,6
Deposits from and liabilities to customers	0,0	0,0	0,0	0,0	14.213,7	14.213,7
Financial derivatives**	32,8	0,0	0,0	0,0	0,0	32,8
Securities issued	0,0	0,0	0,0	0,0	17.451,8	17.451,8
Subordinated loan capital	0,0	0,0	0,0	0,0	702,9	702,9
Total financial liabilities	32,8	0,0	0,0	0,0	32.490,0	32.522,8

* Includes secured debt.

** Includes derivatives for which hedge accounting is used.

30.06.2015	Fair value through profit or loss		Available for sale	Held to maturity	Amortised cost*	Total
	Held for trading	Designated at fair value				
Cash and receivables from central banks	0,0	0,0	0,0	0,0	595,3	595,3
Net loans to and receivables from financial institutions	0,0	0,0	0,0	0,0	4,1	4,1
Net loans to and receivables from customers	0,0	0,0	0,0	0,0	27.582,0	27.582,0
Certificates and bonds at fair value	3.582,0	83,0	0,0	0,0	0,0	3.665,0
Shares and units	29,5	0,0	428,0	0,0	0,0	457,5
Financial derivatives**	427,9	0,0	0,0	0,0	0,0	427,9
Certificates and bonds, held to maturity	0,0	0,0	0,0	201,4	0,0	201,4
Total financial assets	4.039,4	83,0	428,0	201,4	28.181,4	32.933,2
Liabilities to financial institutions	0,0	0,0	0,0	0,0	181,9	181,9
Deposits from and liabilities to customers	0,0	0,0	0,0	0,0	13.682,0	13.682,0
Financial derivatives**	40,9	0,0	0,0	0,0	0,0	40,9
Securities issued	0,0	0,0	0,0	0,0	15.678,6	15.678,6
Subordinated loan capital	0,0	0,0	0,0	0,0	703,1	703,1
Total financial liabilities	40,9	0,0	0,0	0,0	30.245,6	30.286,5

* Includes secured debt.

** Includes derivatives for which hedge accounting is used.

Note 10 - Classification of financial assets and liabilities (cont.)

31.12.2015	Fair value through profit or loss		Available for sale	Held to maturity	Amortised cost*	Total
	Held for trading	Designated at fair value				
Cash and receivables from central banks	0,0	0,0	0,0	0,0	378,0	378,0
Net loans to and receivables from financial institutions	0,0	0,0	0,0	0,0	8,1	8,1
Net loans to and receivables from customers	0,0	0,0	0,0	0,0	27.975,8	27.975,8
Certificates and bonds at fair value	4.471,8	82,8	0,0	0,0	0,0	4.554,6
Shares and units	32,9	0,0	445,2	0,0	0,0	478,1
Financial derivatives**	494,7	0,0	0,0	0,0	0,0	494,7
Certificates and bonds, held to maturity	0,0	0,0	0,0	205,6	0,0	205,6
Total financial assets	4.999,4	82,8	445,2	205,6	28.361,9	34.094,9
Liabilities to financial institutions	0,0	0,0	0,0	0,0	150,3	150,3
Deposits from and liabilities to customers	0,0	0,0	0,0	0,0	13.159,3	13.159,3
Financial derivatives**	68,4	0,0	0,0	0,0	0,0	68,4
Securities issued	0,0	0,0	0,0	0,0	17.205,3	17.205,3
Subordinated loan capital	0,0	0,0	0,0	0,0	702,9	702,9
Total financial liabilities	68,4	0,0	0,0	0,0	31.217,8	31.286,2

* Includes secured debt.

** Includes derivatives for which hedge accounting is used.

Note 11 - Financial assets and liabilities

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 inputs that are either directly or indirectly observable.

Level 3: Valuation techniques not based on observable market data.

See Note 23 in the annual report for 2015 for further details on individual accounting items.

30.06.2016	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and receivables from central banks	276,4	0,0	0,0	276,4	276,4
Net loans to and receivables from financial institutions	0,0	0,0	10,9	10,9	10,9
Net loans to and receivables from customers	0,0	0,0	29.097,8	29.097,8	29.095,5
Certificates and bonds	0,0	207,5	0,0	207,5	201,2
Total assets at amortised cost	276,4	207,5	29.108,7	29.592,6	29.584,0
Liabilities to financial institutions	0,0	121,6	0,0	121,6	121,6
Deposits from and liabilities to customers	0,0	14.213,7	0,0	14.213,7	14.213,7
Securities issued	0,0	17.431,4	0,0	17.431,4	17.451,8
Subordinated loan capital	0,0	682,9	0,0	682,9	702,9
Total liabilities at amortised cost	0,0	32.449,6	0,0	32.449,6	32.490,0
Fair value					
Certificates and bonds	0,0	4.730,9	0,0	4.730,9	4.730,9
Shares and units					
- at fair value through profit or loss	12,2	12,2	0,0	24,4	24,4
- available for sale	0,0	0,0	435,8	435,8	435,8
Financial derivatives	0,0	565,8	0,0	565,8	565,8
Total assets at fair value	12,2	5.308,9	435,8	5.756,9	5.756,9
Financial derivatives	0,0	32,8	0,0	32,8	32,8
Total liabilities at fair value	0,0	32,8	0,0	32,8	32,8

30.06.2015	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and receivables from central banks	595,3	0,0	0,0	595,3	595,3
Net loans to and receivables from financial institutions	0,0	0,0	4,1	4,1	4,1
Net loans to and receivables from customers	0,0	0,0	27.584,4	27.584,4	27.582,0
Certificates and bonds	0,0	218,4	0,0	218,4	201,4
Total assets at amortised cost	595,3	218,4	27.588,5	28.402,2	28.382,8
Liabilities to financial institutions	0,0	181,9	0,0	181,9	181,9
Deposits from and liabilities to customers	0,0	13.682,0	0,0	13.682,0	13.682,0
Securities issued	0,0	15.832,3	0,0	15.832,3	15.678,6
Subordinated loan capital	0,0	710,2	0,0	710,2	703,1
Total liabilities at amortised cost	0,0	30.406,4	0,0	30.406,4	30.245,6

Note 11 - Financial assets and liabilities (cont.)

(cont.)	Level 1	Level 2	Level 3	Fair value	Book value
Fair value					
Certificates and bonds	0,0	3.665,0	0,0	3.665,0	3.665,0
Shares and units					
- at fair value through profit or loss	9,9	19,6	0,0	29,5	29,5
- available for sale	0,0	0,0	428,0	428,0	428,0
Financial derivatives	0,0	427,9	0,0	427,9	427,9
Total assets at fair value	9,9	4.112,5	428,0	4.550,4	4.550,4
Financial derivatives	0,0	40,9	0,0	40,9	40,9
Total liabilities at fair value	0,0	40,9	0,0	40,9	40,9

31.12.2015	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and receivables from central banks	378,0	0,0	0,0	378,0	378,0
Net loans to and receivables from financial institutions	0,0	0,0	8,1	8,1	8,1
Net loans to and receivables from customers	0,0	0,0	27.978,2	27.978,2	27.975,8
Certificates and bonds	0,0	216,0	0,0	216,0	205,6
Total assets at amortised cost	378,0	216,0	27.986,3	28.580,3	28.567,5
Liabilities to financial institutions	0,0	150,3	0,0	150,3	150,3
Deposits from and liabilities to customers	0,0	13.159,3	0,0	13.159,3	13.159,3
Securities issued	0,0	17.092,2	0,0	17.092,2	17.205,3
Subordinated loan capital	0,0	691,9	0,0	691,9	702,9
Total liabilities at amortised cost	0,0	31.093,7	0,0	31.093,7	31.217,8
Fair value					
Certificates and bonds	0,0	4.554,6	0,0	4.554,6	4.554,6
Shares and units					
- at fair value through profit or loss	13,1	19,8	0,0	32,9	32,9
- available for sale	0,0	0,0	445,2	445,2	445,2
Financial derivatives	0,0	494,7	0,0	494,7	494,7
Total assets at fair value	13,1	5.069,1	445,2	5.527,4	5.527,4
Financial derivatives	0,0	68,4	0,0	68,4	68,4
Total liabilities at fair value	0,0	68,4	0,0	68,4	68,4

Movements in level 3 for items valued at fair value	30.06.2016	30.06.2015	31.12.2015
Balance sheet as at 01.01.	445,2	428,0	428,0
Net gains	0,0	0,0	0,1
Purchase of shares	0,0	0,0	0,0
Disposals	0,0	0,0	1,1
Changes in value	-9,5	0,0	18,2
Transferred from levels 1 and 2	0,0	0,0	0,0
Balance sheet at end of period	435,8	428,0	445,2

H1 2016

The movement in level 3 in the first half of 2016 was due to changes in the assessment of the value associated with the bank's membership of Visa Norge FLI asset in the category 'available for sale'. The bank received payment in the form of cash remuneration on 29.06.2016, which was recognised in the ordinary re amounts to NOK 7.9 million. At the end of the second quarter of 2016, the stake in Frende Holding AS was valued at NOK 210.0 million and the stake in Ekspe

Note 12 - Securities issued subordinated loan capital

Securities issued	30.06.2016	30.06.2015	31.12.2015
Bonds, nominal value	16.861,1	15.237,7	16.680,0
Value adjustments (incl. conversion/exchange rate)	451,1	309,7	388,6
Accrued interest	139,6	131,2	136,7
Total securities issued	17.451,8	15.678,6	17.205,3

Change in securities issued	30.06.2016	Issued	Due/redeemed	Change holdings	Other changes incl. currency	31.12.2015
Bonds, nominal value	8.757,0	900,0	1.400,0	0,0	0,0	9.257,0
Covered bonds, nominal value in NOK	7.808,0	2.500,0	1.615,0	500,0	0,0	7.423,0
Covered bonds, nominal value in SEK (converted to NOK)	296,1	304,8	0,0	0,0	-8,7	0,0
Value adjustments (incl. excess/deficit value)	451,1	0,0	0,0	0,0	62,5	388,6
Accrued interest	139,6	0,0	0,0	0,0	2,9	136,7
Total securities issued	17.451,8	3.704,8	3.015,0	500,0	56,7	17.205,3

Change in subordinated loan capital and hybrid tier 1 capital	30.06.2016	Issued	Due/redeemed	Change own holding	Other changes incl. currency	31.12.2015
Ordinary subordinated loan capital, nominal value	350,0	0,0	0,0	0,0	0,0	350,0
Hybrid tier 1 capital loans, nominal value	350,0	0,0	0,0	0,0	0,0	350,0
Value adjustments (incl. excess/deficit value)	-1,0	0,0	0,0	0,0	0,2	-1,2
Accrued interest	3,9	0,0	0,0	0,0	-0,2	4,1
Total subordinated loan capital and hybrid tier 1 capital	702,9	0,0	0,0	0,0	0,0	702,9

Note 13 - Financial derivatives

30.06.2016

Fair value through profit or loss	Contract sum	Assets	Liabilities
Currency instruments			
Forward exchange contracts	7,0	0,2	0,0
Currency swap agreements	0,0	0,0	0,0
Total currency instruments	7,0	0,2	0,0
Interest rate instruments			
Interest rate swaps	792,6	0,0	23,5
Interest rate swaps (FRA)	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0
Total interest instruments	792,6	0,0	23,5
Guarantee to Eksportfinans ASA *)	72,7	2,6	0,0
Total other derivatives	72,7	2,6	0,0

Used for hedge accounting	Contract sum	Assets	Liabilities
Currency instruments			
Forward exchange contracts	0,0	0,0	0,0
Currency swap agreements	304,9	0,0	9,3
Total currency instruments	304,9	0,0	9,3
Interest rate instruments			
Interest rate swaps	5.715,0	563,0	0,0
Interest rate swaps (FRA)	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0
Total interest instruments	5.715,0	563,0	0,0
Total derivatives		565,8	32,8

*) The amount NOK 2.6 million is the net positive development in guaranteed portfolio as at 30.06.2016 after deduction of an annual swap amount. The underlying value exclusive of the swap settlement, was positive at NOK 35.7 million as at 30.06.2016.

30.06.2015

Fair value through profit or loss	Contract sum	Assets	Liabilities
Currency instruments			
Forward exchange contracts	3,1	0,0	0,0
Currency swap agreements	136,4	0,0	14,3
Total currency instruments	139,5	0,0	14,3
Interest rate instruments			
Interest rate swaps	792,6	1,3	24,3
Interest rate swaps (FRA)	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0
Total interest instruments	792,6	1,3	24,3
Guarantee to Eksportfinans ASA *)	242,0	0,0	2,3
Total other derivatives	242,0	0,0	2,3

Note 13 - Financial derivatives (cont.)

Used for hedge accounting	Contract sum	Assets	Liabilities
Currency instruments			
Forward exchange contracts	0,0	0,0	0,0
Currency swap agreements	252,1	34,1	0,0
Total currency instruments	252,1	34,1	0,0
Interest rate instruments			
Interest rate swaps	5.400,0	392,5	0,0
Interest rate swaps (FRA)	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0
Total interest instruments	5.400,0	392,5	0,0
Total derivatives		427,9	40,9

*) The amount of NOK 2.3 million is the net negative value adjustment in the guaranteed portfolio as at 30.06.2015 after deduction of an annual swap amount. The unde exclusive of the swap settlement, was positive at NOK 40.2 million as at 30.06.2015.

31.12.2015

Fair value through profit or loss	Contract sum	Assets	Liabilities
Currency instruments			
Forward exchange contracts	7,0	0,0	0,1
Currency swap agreements	136,4	0,0	28,0
Total currency instruments	143,4	0,0	28,1
Interest rate instruments			
Interest rate swaps	767,6	0,0	24,0
Interest rate swaps (FRA)	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0
Total interest instruments	767,6	0,0	24,0
Guarantee to Eksportfinans ASA *)	242,0	0,0	10,7
Total other derivatives	242,0	0,0	10,7

Used for hedge accounting	Contract sum	Assets	Liabilities
Currency instruments			
Forward exchange contracts	0,0	0,0	0,0
Currency swap agreements	0,0	0,0	0,0
Total currency instruments	0,0	0,0	0,0
Interest rate instruments			
Interest rate swaps	6.215,0	494,7	5,6
Interest rate swaps (FRA)	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0
Total interest instruments	6.215,0	494,7	5,6
Total derivatives		494,7	68,4

*) The amount of NOK 10.7 million is the net negative value adjustment in the guaranteed portfolio as at 31.12.2015 after the annual exchange amount has been deduct exclusive of the swap settlement, was positive at NOK 31.7 million as at 31.12.2015.

Note 14 - Netting rights of financial instruments

The group's netting rights comply with the general rules in Norwegian legislation. Standardised and primarily bilateral ISDA agreements have been entered into with financial institutions that give the parties the right to offset in the event of any non-performance. Provision of collateral (CSA) have also been entered into.

In accordance with the offsetting disclosure requirements, there has been no offsetting of amounts recognised on the balance sheet.

There are no agreements in the parent bank regarding offsetting rights in the event of defaults, nor have any CSA agreements been entered into.

	Gross amount	Offset	Book value amount	Amount subject to net settlement	Amount following any net settlement
Exposure as at 30.06.2016					
Financial derivatives, assets	264,2	0,0	264,2	0,0	264,2
Financial derivatives, liabilities	9,3	0,0	9,3	0,0	9,3
Exposure as at 30.06.2015					
Financial derivatives, assets	192,7	0,0	192,7	0,0	192,7
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0
Exposure as at 31.12.2015					
Financial derivatives, assets	212,2	0,0	212,2	0,0	212,2
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0

Note 15 - Net interest income

	Q2 2016	Q2 2015	1.01.-30.06.2016	1.01.-30.06.2015	Full year 2015
Interest income from loans to and receivables from financial institutions	0,4	0,8	1,2	2,0	3,9
Interest income from loans to customers	246,3	271,9	494,7	561,6	1.079,0
Interest income from certificates and bonds	20,6	20,6	41,8	43,6	83,5
Other interest income	0,0	0,2	0,0	0,5	0,6
Total interest income	267,3	293,5	537,7	607,7	1.167,0
Interest costs on liabilities to financial institutions	1,9	1,9	3,8	4,0	8,0
Interest on deposits from customers	34,9	53,0	68,7	112,6	194,9
Interest on securities issued	76,5	85,7	155,8	179,0	337,5
Interest on subordinated loan capital	6,6	7,3	13,4	14,6	28,5
Norwegian Banks Guarantee Fund levy*	0,0	2,8	11,7	5,6	11,4
Total interest costs	119,9	150,7	253,4	315,8	580,3
Net interest income	147,4	142,8	284,3	291,9	586,7

* The Norwegian Banks Guarantee Fund levy for 2016 was recognised in full in the financial statements in the first quarter of 2016. In 2015, the levy was subject to monthl

Note 16 - Net value change and gains/losses on financial instruments

	2. kvartal 2016	2. kvartal 2015	1.1.-30.6.2016	1.1.-30.6.2015	Året 2015
Net value change and gains/losses on certificates and bonds	7,0	-4,7	13,0	-15,2	-36,2
Net value change and gains/losses on shares and equity derivatives	-0,4	-0,8	-1,5	0,7	4,1
Net value change and gains/losses on basis swaps	-1,4	-0,1	-1,0	1,0	-12,7
Net value change and gains/losses on other financial instruments	20,0	5,2	22,4	8,8	2,1
Net value change and gains/losses on financial instruments	25,2	-0,4	32,9	-4,7	-42,7

Note 17 - Operating costs

	2. kvartal 2016	2. kvartal 2015	1.1.-30.6.2016	1.1.-30.6.2015	Året 2015
Payroll, incl. AGA	31,1	28,2	68,7	66,1	143,0
Pension costs	3,5	3,7	7,3	8,1	15,6
Other personnel-related costs	2,0	1,8	3,9	4,0	8,2
IT costs	7,4	7,3	15,2	15,5	31,8
Other administrative costs	4,0	4,7	8,2	9,7	19,9
Depreciation/write-downs/value change for non-financial assets	14,4	4,6	18,8	9,1	17,9
Operating costs properties and premises	5,7	5,3	11,2	11,6	22,2
Fees	4,6	3,1	8,1	6,2	11,5
Other operating costs	4,9	5,1	10,0	9,2	19,0
Total operating costs	77,6	63,8	151,4	139,5	289,1

Note 18 - Guarantee liability and other items not on the balance sheet

Guarantee liability	30.06.2016	30.06.2015	31.12.2015
Payment guarantees	73,7	59,2	60,5
Contract guarantees	55,7	49,6	53,0
Loan guarantees	14,0	0,6	4,5
Other guarantee liabilities	16,5	17,9	25,7
Total guarantees to customers	159,9	127,3	143,7
Guarantee to Eksportfinans ASA *	72,6	100,0	100,0
Total guarantee liabilities	232,5	227,3	243,7

* The bank has issued a guarantee to Eksportfinans ASA. The guarantee is a derivative. The value of the derivative exclusive of the swap settlement was positive at NOK NOK 31.7 million at 31.12.2015. As at 30.06.2015, it was positive, amounting to NOK 40.2 million. Up to 25.04.2016, the bank had an agreement concerning partial risk- financial institution that reduced the bank's guarantee liability. As at 31.03.2016, the bank's net guarantee liability with respect to Eksportfinans ASA was NOK 30.0 million. In relief from another financial institution, the bank's total guarantee liability is NOK 72.6 million.

Pledges	30.06.2016	30.06.2015	31.12.2015
Bonds, nominal value, pledged as security for borrowing facilities at Norges Bank	590,0	755,0	645,0
Total pledges	590,0	755,0	645,0

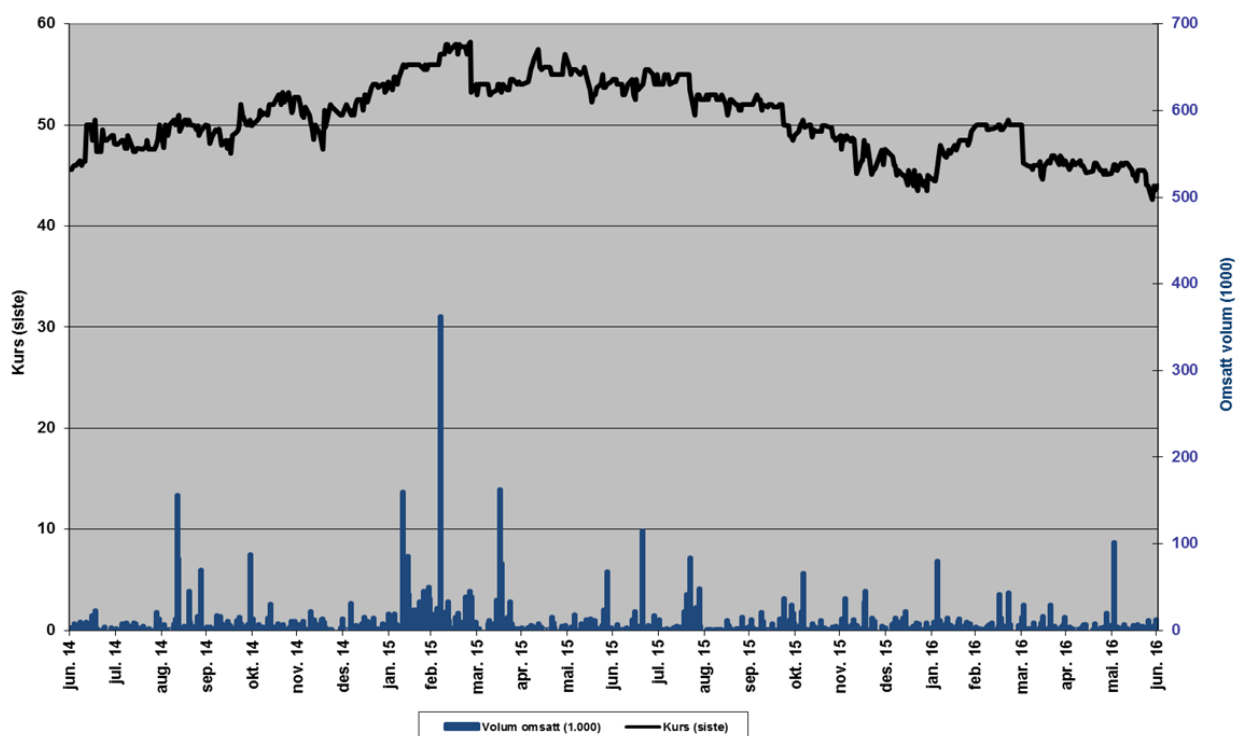
The bank has issued a guarantee for all covered bond commitments in the mortgage credit company in connection the rating process for Sparebanken Øst Boligkreditt / amount to a nominal value of NOK 8,104.1 million as at 30.06.2016, NOK 7,423.0 million as at 31.12.2015 and NOK 6,886.2 million as at 30.06.2015. The parent bank's h NOK 500.0 million, (NOK 0.0 million as at 31.12.2015 and NOK 100.0 million as at 30.06.2015) have been withdrawn.

Preferential rights	30.06.2016	30.06.2015	31.12.2015
Preferential rights in accordance with section 11-15 of the Financial Institutions Act (nominal value)*	8.604,1	6.986,2	7.423,0
Total preferential rights	8.604,1	6.986,2	7.423,0

* This includes holdings owned by the parent bank with a nominal value of NOK 500.0 million as at 30.06.2016, NOK 0.0 million as at 31.12.2015 and NOK 100.0 million :

Note 19 - Equity certificates

Sparebanken Øst (SPOG)



The twenty largest equity certificate holders as at 30.06.2016

Name	Number	%	Name	Number	%
1 MP Pensjon	2.012.218	9,71 %	11 Profond AS	317.723	1,53 %
2 Directmarketing Invest AS	999.500	4,82 %	12 City of Bergen Norwegian Public	300.000	1,45 %
3 Storetind AS	636.000	3,07 %	13 Wenaasgruppen AS	273.000	1,32 %
4 Pareto AS	592.070	2,86 %	14 Hustadliitt AS	229.531	1,11 %
5 Citibank NA New York (NOM)	553.822	2,67 %	15 Sparebankstiftelsen DNB	212.517	1,03 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Jal Holding AS	198.104	0,96 %
7 Securities fund Eika Utbytte	450.860	2,17 %	17 Danske Bank (NOM)	162.571	0,78 %
8 Jag Holding AS	400.000	1,93 %	18 Pope Asset Management	160.160	0,77 %
9 Foretakskonsulenter AS	385.100	1,86 %	19 Nørdenfjelske Bykredits Stiftelse	156.318	0,75 %
10 AS Andersen Eiendomsselskap	354.500	1,71 %	20 Løkke, Helge Arnfinn	148.433	0,72 %

Ownership fraction, parent bank

	01.01.2016	01.01.2015
Equity certificate capital	207,3	207,3
Share premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	272,8	262,6
Proportion available for sale reserve	68,0	63,0
Total numerator (A)	935,9	920,7
Total equity (dividend provisions for the year excluded)	2.484,4	2.373,6
Total denominator (B)	2.484,4	2.373,6
Ownership fraction (A/B) in %	37,67	38,79

Income Statement - Parent Bank

(Amounts in NOK millions)	Q2 2016	Q2 2015	01.01.-30.06.2016	01.01.-30.06.2015	Full year 2015
Interest income	179,8	200,7	361,5	417,1	790,9
Interest costs	88,1	117,0	189,3	247,1	447,3
Net interest income	91,7	83,7	172,2	170,0	343,6
Commission income from banking services	23,3	22,0	45,7	43,0	89,7
Commission costs from banking services	3,8	4,4	7,7	9,0	17,6
Dividends	26,6	0,9	26,6	21,3	91,3
Net value change and gains/losses on financial instruments	28,6	-0,5	35,3	-4,6	-46,3
Other operating income	1,3	1,1	3,1	2,6	4,7
Net other operating income	76,0	19,1	103,0	53,3	121,8
Payroll, etc.	32,2	28,8	68,0	65,6	139,8
Administration costs	9,7	10,2	19,6	21,2	44,6
Depreciation/write-downs/value change for non-financial assets	2,8	2,7	5,7	5,3	10,9
Other operating costs	12,5	10,8	23,9	22,5	43,4
Total operating costs	57,2	52,5	117,2	114,6	238,7
Profit/loss before losses	110,5	50,3	158,0	108,7	226,7
Losses on loans and guarantees	2,3	3,4	-2,2	7,1	7,3
Profit/loss before tax costs	108,2	46,9	160,2	101,6	219,4
Tax costs	20,9	12,9	34,2	22,2	37,3
Profit/loss after tax	87,3	34,0	126,0	79,4	182,1
Earnings per equity certificate	1,59	0,64	2,29	1,49	3,41
Diluted earnings per equity certificate	1,59	0,64	2,29	1,49	3,41

Other Comprehensive Income - Parent Bank

(Amounts in NOK millions)	2. kvartal 2016	2. kvartal 2015	1.1.-30.6.2016	1.1.-30.6.2015	Året 2015
Profit/loss after tax	87,3	34,0	126,0	79,4	182,1
Items that will not be reclassified to the statement of income					
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	27,4
Tax related to items that cannot be reclassified	0,0	0,0	0,0	0,0	-6,8
Items that may later be reclassified to the statement of income					
Changes in fair value of investments available for sale	-9,5	0,0	-9,5	0,0	18,2
Tax related to items that can be reclassified	0,1	0,0	0,1	0,0	-0,1
Other comprehensive income	77,9	34,0	116,6	79,4	220,8

Balance Sheet - Parent Bank

(Amounts in NOK millions)	30.06.2016	30.06.2015	31.12.2015
Assets			
Cash and receivables from central banks	276,4	595,3	378,0
Loans to and receivables from financial institutions	2.383,2	1.798,5	2.101,3
Loans to and receivables from customers	17.469,4	18.071,2	17.717,9
Certificates and bonds at fair value	5.178,5	3.765,6	4.554,6
Shares and units	460,2	457,5	478,1
Financial derivatives	301,6	235,2	282,5
Certificates and bonds, held to maturity	201,2	201,4	205,6
Ownership interests in group companies	888,5	887,5	887,5
Deferred tax asset	15,0	11,1	15,0
Tangible fixed assets	73,1	78,6	77,8
Other assets	4,1	2,9	4,0
Prepaid non-accrued costs and earned but not received income	23,2	14,7	8,0
Total assets	27.274,4	26.119,5	26.710,3
Liabilities and equity			
Liabilities to financial institutions	410,1	400,1	424,8
Deposits from and liabilities to customers	14.233,9	13.698,5	13.179,5
Financial derivatives	23,4	40,9	68,4
Securities issued	9.076,3	8.615,7	9.557,4
Tax payable	31,4	22,2	51,4
Other liabilities	110,2	75,5	52,4
Accruals and deferred income	27,6	34,9	28,9
Provisions for accrued costs and liabilities	57,6	82,0	57,6
Subordinated loan capital	702,9	703,1	702,9
Total liabilities	24.673,4	23.672,9	24.123,3
Paid-up equity	595,1	595,1	595,1
Retained earnings	1.879,9	1.772,1	1.991,9
Retained ordinary profit	126,0	79,4	0,0
Total equity	2.601,0	2.446,6	2.587,0
Total liabilities and equity	27.274,4	26.119,5	26.710,3

Changes in Equity - Parent Bank

(Amounts in NOK millions) Q2 2016	Paid-up equity				Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available		Retained profit
							for sale reserve	Other equity	
Equity as at 31.12.2015	2.587,0	207,3	387,8	341,2	1.432,1	38,1	180,5	0,0	0,0
Profit/loss	126,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	126,0
Changes in fair value of investments in JV/AC	-9,4	0,0	0,0	0,0	0,0	0,0	-9,4	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	116,6	0,0	0,0	0,0	0,0	0,0	-9,4	0,0	126,0
Dividend to equity certificates holders 2015 - approved	-68,4	0,0	0,0	-68,4	0,0	0,0	0,0	0,0	0,0
Dividend to social capital 2015 - approved	-34,2	0,0	0,0	0,0	-34,2	0,0	0,0	0,0	0,0
Changes in endowment fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Equity as at 30.06.2016	2.601,0	207,3	387,8	272,8	1.397,9	38,1	171,1	0,0	126,0

Q2 2015	Paid-up equity				Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available		Retained profit
							for sale reserve	Other equity	
Equity as at 31.12.2014	2.477,3	207,3	387,8	366,3	1.308,0	45,5	162,4	0,0	0,0
Profit/loss	79,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	79,4
Changes in fair value of investments in JV/AC	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains and losses on defined-benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	79,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	79,4
Dividend 2014 adopted	-103,7	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	-6,4	0,0	0,0	0,0	0,0	-6,4	0,0	0,0	0,0
Equity as at 30.06.2015	2.446,6	207,3	387,8	262,6	1.308,0	39,1	162,4	0,0	79,4

2015	Paid-up equity				Retained earnings				
	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Endowment fund	Available		Retained profit
							for sale reserve	Other equity	
Equity as at 31.12.2014	2.477,3	207,3	387,8	366,3	1.308,0	45,5	162,4	0,0	0,0
Profit/loss	182,1	0,0	0,0	70,6	111,5	0,0	0,0	0,0	0,0
Changes in fair value of investments in JV/AC	18,1	0,0	0,0	0,0	0,0	0,0	18,1	0,0	0,0
Actuarial gains and losses on defined-benefit plans	20,6	0,0	0,0	8,0	12,6	0,0	0,0	0,0	0,0
Other comprehensive income	220,8	0,0	0,0	78,6	124,1	0,0	18,1	0,0	0,0
Dividend 2014 adopted	-103,7	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Changes in endowment fund	-7,4	0,0	0,0	0,0	0,0	-7,4	0,0	0,0	0,0
Equity as at 31.12.2015	2.587,0	207,3	387,8	341,2	1.432,1	38,1	180,5	0,0	0,0

Cash Flow Statement - Parent Bank

		30.06.2016	30.06.2015	31.12.2015
Operating activities				
Profit/loss before tax costs		160,2	101,6	219,4
Adjusted for:				
Change in net interest income earned and accrued interest costs		31,6	53,7	2,8
Net payment/disbursement of loans to financial institutions		-279,1	535,3	236,5
Net receipts/payments of loans to customers		264,7	903,0	1.261,3
Change in certificates and bonds at fair value		-624,1	135,2	-650,3
Change in other assets in connection with operations		-48,3	-3,4	20,7
Net receipts/disbursement of deposits from financial institutions		14,1	-41,0	15,4
Net receipts/disbursement of deposits from customers		1.023,2	232,9	-238,9
Change in other operating liabilities		22,3	22,6	-1,4
Non-cash items included in profit before tax costs		-8,3	4,0	-2,3
Net gain/loss from investing activities		-0,3	-0,1	-0,2
Net gain/loss from financing activities		0,6	2,1	2,2
Taxes paid for the period		-54,2	-57,0	-57,0
Net cash flow from operating activities	A	502,4	1.888,9	808,2
Investing activities				
Payments on purchases of fixed assets		-1,4	-3,7	-8,5
Proceeds from sale of fixed assets		0,8	0,4	0,4
Net proceeds/costs on the sale/purchase of financial investments		0,0	0,0	1,1
Net payment/disbursement concerning investments in subsidiaries		-1,0	-0,2	-0,2
Net cash flow from investing activities	B	-1,6	-3,5	-7,2
Financing activities				
Net incoming/outgoing payments for loans to/from financial institutions		-30,0	-30,0	-60,0
Payments on repayment of securities		-1.400,7	-1.940,9	-2.250,7
Proceeds on issuance of securities		899,5	299,6	1.510,5
Payment of dividend		-68,4	-103,7	-103,7
Net cash flow from financing activities	C	-599,6	-1.775,0	-903,9
Net change in cash and cash equivalents	A+B+C	-98,8	110,4	-102,9
Cash and cash equivalents as at 01.01.		386,1	489,0	489,0
Holding of cash and cash equivalents at the end of the period		287,3	599,4	386,1

Liquidity reserves include cash and deposits with central banks and loans to and deposits with financial institutions which are investment placements.

Key figures

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Profitability					
1. Return on equity	14,42	9,38	7,87	6,11	9,83
2. Net interest income as a % of average total assets	1,67	1,58	1,72	1,75	1,70
3. Costs as a % of average total assets	0,88	0,85	0,89	0,87	0,76
4. Costs as a % of income (before losses on loans/guarantees)	35,99	45,72	48,27	54,64	39,21
5. Costs as a % of income, excl. return on financial investments	47,37	48,02	45,98	44,59	39,33
Balance sheet figures					
6. Net lending to customers	29.095,5	28.203,1	27.975,8	27.709,5	27.582,0
7. Lending growth (quarter/12 months)	3,16	0,81	0,96	0,46	0,52
8. Deposits	14.213,7	13.352,5	13.159,3	13.209,5	13.682,0
9. Deposit growth (quarter/12 months)	6,45	1,47	-0,38	-3,45	5,85
10. Average equity	2.964,2	2.882,1	2.851,8	2.833,2	2.777,6
11. Average total assets	35.452,4	34.805,7	33.961,1	33.392,6	33.703,9
Write-downs of impaired and non-performing loans					
12. Losses as a % of net loans to customers (OB)	0,06	-0,03	0,07	0,00	0,07
13. Write-downs as a % of gross lending to customers	0,38	0,38	0,44	0,48	0,50
14. Net impaired and non-performing commitments as a % of net loans	0,45	0,63	0,58	0,69	0,86
Financial strength					
15. CET1 capital ratio incl. 50% of retained profit (%)	16,19	16,20	16,29	15,93	16,08
16. CET1 capital ratio (%)	15,71	16,01	16,29	15,36	15,62
17. Tier 1 capital ratio (%)	17,65	17,98	18,29	17,37	17,67
18. Capital adequacy ratio (%)	19,58	19,95	20,29	19,38	19,71
19. Risk-weighted volume (calculation basis)	18.036,5	17.743,9	17.452,6	17.243,8	16.948,8
20. Tier 1 leverage ratio incl. 50% of retained profit (%)	8,88	8,95	8,97	8,95	8,90
21. Tier 1 leverage ratio (%)	8,65	8,86	8,97	8,66	8,67
Liquidity					
22. Deposit coverage ratio	48,85	47,34	47,04	47,67	49,60
23. LCR (%)	263,83	295,37	215,80	216,27	214,11
Branches and full-time equivalents					
24. No. of branches	23	21	21	21	22
25. Full-time equivalents	219	220	226	226	224
Equity certificates					
26. Ownership fraction (parent bank) (%)	37,67	37,67	38,79	38,79	38,79
27. No. of equity certificates	20.731.183	20.731.183	20.731.183	20.731.183	20.731.183
28. Book equity per equity certificate	54,74	52,98	55,06	53,54	52,72
29. Earnings per equity certificate	1,93	1,22	1,06	0,81	1,28
30. Dividend per equity certificate	0,00	0,00	3,30	0,00	0,00
31. Turnover rate	9,02	10,19	16,02	17,66	21,68
32. Price	44,00	50,00	47,60	52,00	54,50

Key figures description

Profitability

1. Return on equity	Profit/loss after tax as a % of average equity
2. Net interest income as a % of average total assets	Net interest income as % of average total assets
3. Costs as a % of average total assets	Payroll, etc., administrative costs, amortisation and other operating costs as a % of total assets
4. Costs as a % of income (before losses on loans/guarantees)	Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income, net value changes and gains/losses on financial instruments and other operating income
5. Costs as a % of income, excl. return on financial investments	Payroll, etc., administrative costs, amortisation and other operating costs as a % of net interest income and other operating income

Balance sheet figures

6. Net lending to customers	Gross lending less write-downs
7. Lending growth (quarter/12 months)	Change in net lending as a % of OB net lending. Quarter's figures shows growth in the quarter while the other figure shows the 12-month growth.
8. Deposits	Customer deposits
9. Deposit growth (quarter/12 months)	Change in deposits as a % of OB deposits. Quarter's figures shows growth in the quarter, while the other figure shows the 12-month growth.
10. Average equity	$(OB \text{ equity less proposed dividends} + CB \text{ equity less proposed dividends}) / 2$
11. Average total assets	Average total assets based on quarterly balance sheet figures

Write-downs of impaired and non-performing loans

12. Losses as a % of net loans to customers (OB)	Losses as a % of OB net loans to customers for the period
13. Write-downs as a % of gross lending to customers	Total specified and unspecified write-downs as a % of gross lending to customers
14. Net impaired and non-performing commitments as a % of net loans	Net impaired and non-performing commitments as a % of net loans to customers

Financial strength

15. CET1 capital ratio incl. 50% of retained profit (%)	CET1 capital incl. 50% of retained profit as a % of the risk-weighted volume (calculation basis)
16. CET1 capital ratio (%)	CET1 capital as a % of the risk-weighted volume (calculation basis)
17. Tier 1 capital ratio (%)	Tier 1 capital as a % of the risk-weighted volume (calculation basis)
18. Capital adequacy ratio (%)	Total primary capital as a % of the risk-weighted volume (calculation basis)
19. Risk-weighted volume (calculation basis)	Total credit and counterparty risk, currency risk, operational risk and calculation basis for impaired counterparty credit rating (CVA)
20. Tier 1 leverage ratio incl. 50% of retained profit (%)	Tier 1 capital incl. 50% of retained profit as a % of unweighted calculation basis
21. Tier 1 leverage ratio (%)	Tier 1 capital as a % of unweighted calculation basis.

Liquidity

22. Deposit coverage ratio	Deposits as a % of net loans to customers
23. LCR (%)	Liquid assets as a % of net payments in a stress scenario lasting 30 days

Branches and full-time equivalents

24. No. of branches	
25. Full-time equivalents	

Equity certificates

26. Ownership fraction (parent bank) (%)	Equity certificate holders' proportional of total equity (less proposed dividends) as a % (Basis as at 01.01, time-weighted by issue).
27. No. of equity certificates	Total no. of outstanding equity certificates
28. Book equity per equity certificate	Equity share capital divided by no. of equity certificates. Year's allocation for dividends is included in the calculation.
29. Earnings per equity certificate	Equity share capital's proportion of the group's profit/loss after tax per outstanding equity certificate as at 31.12
30. Dividend per equity certificate	Dividend in NOK per equity certificate
31. Turnover rate	Annual turnover rate (traded as a % of issued)
32. Price	Last traded

Financial Performance - Group

(Amounts in NOK millions)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Interest income	267,3	270,4	275,6	283,7	293,5
Interest costs	119,9	133,5	128,3	136,2	150,7
Net interest income	147,4	136,9	147,3	147,5	142,8
Commission income from banking services	20,2	19,5	21,2	20,3	19,7
Commission costs from banking services	9,9	9,4	9,9	9,7	9,9
Dividends	26,6	0,0	0,0	0,0	0,9
Net value change and gains/losses on financial instruments	25,2	7,7	-7,9	-30,1	-0,4
Other operating income	6,1	6,7	8,0	5,6	9,6
Net operating income	68,2	24,5	11,4	-13,9	19,9
Payroll, etc.	36,6	43,3	43,9	44,7	33,7
Administration costs	11,4	12,0	13,5	13,0	12,0
Depreciation/write-downs/value change for non-financial assets	14,4	4,4	4,5	4,3	4,6
Other operating costs	15,2	14,1	14,7	11,0	13,5
Total operating costs	77,6	73,8	76,6	73,0	63,8
Profit/loss before losses	138,0	87,6	82,1	60,6	98,9
Losses on loans and guarantees	4,4	-2,4	4,9	0,3	5,1
Profit/loss before tax costs	133,6	90,0	77,2	60,3	93,8
Tax costs	27,3	22,8	20,6	16,7	25,7
Profit/loss after tax	106,3	67,2	56,6	43,6	68,1
Earnings per equity certificate	1,93	1,22	1,06	0,81	1,28
Diluted earnings per equity certificate	1,93	1,22	1,06	0,81	1,28

Other comprehensive income performance - Group

(Amounts in NOK millions)	2. kvartal 2016	1. kvartal 2016	4. kvartal 2015	3. kvartal 2015	2. kvartal 2015
Profit/loss after tax	106,3	67,2	56,6	43,6	68,1
Items that will not be reclassified to the statement of income					
Actuarial gains and losses on defined-benefit plans	0,0	0,0	29,8	0,0	0,0
Tax related to items that cannot be reclassified	0,0	0,0	-7,4	0,0	0,0
Items that may later be reclassified to the statement of income					
Changes in fair value of investments available for sale	-9,5	0,0	18,2	0,0	0,0
Tax related to items that may be reclassified	0,1	0,0	-0,1	0,0	0,0
Other comprehensive income	96,9	67,2	97,1	43,6	68,1

Balance sheet performance - Group

(Amounts in NOK millions)	30.06.2016	31.03.2016	31.12.2015	30.09.2015	30.06.2015
Assets					
Cash and receivables from central banks	276,4	259,2	378,0	240,2	595,3
Loans to and receivables from financial institutions	10,9	4,2	8,1	8,1	4,1
Loans to and receivables from customers	29.095,5	28.203,1	27.975,8	27.709,5	27.582,0
Certificates and bonds	4.730,9	4.893,9	4.554,6	3.847,8	3.665,0
Shares and units	460,2	470,3	478,1	457,9	457,5
Financial derivatives	565,8	590,5	494,7	509,6	427,9
Certificates and bonds, held to maturity	201,2	207,6	205,6	203,4	201,4
Investment properties	284,7	294,3	249,8	265,9	266,8
Tangible fixed assets	127,5	129,2	131,6	131,2	132,5
Other assets	25,6	26,0	25,3	25,6	23,8
Prepaid non-accrued costs and earned but not received income	23,9	23,9	7,5	13,9	15,7
Total assets	35.802,6	35.102,2	34.509,1	33.413,1	33.372,0
Liabilities and equity					
Liabilities to financial institutions	121,6	152,3	150,3	182,2	181,9
Deposits from and liabilities to customers	14.213,7	13.352,5	13.159,3	13.209,5	13.682,0
Financial derivatives	32,8	42,3	68,4	63,2	40,9
Securities issued	17.451,8	17.528,1	17.205,3	16.107,8	15.678,6
Tax payable	48,2	72,1	98,4	59,0	43,5
Other liabilities	118,7	231,5	68,6	96,1	90,5
Accruals and deferred income	31,9	35,2	34,9	36,4	39,2
Provisions for accrued costs and liabilities	59,7	59,7	59,7	87,0	87,1
Deferred tax liability	8,7	9,6	10,2	13,8	13,8
Subordinated loan capital	702,9	703,2	702,9	703,1	703,1
Total liabilities	32.790,0	32.186,5	31.558,0	30.558,1	30.560,6
Paid-up equity	595,1	595,1	595,1	595,1	595,1
Retained earnings	2.244,0	2.253,4	2.356,0	2.060,5	2.060,5
Retained ordinary profit	173,5	67,2	0,0	199,4	155,8
Total equity	3.012,6	2.915,7	2.951,1	2.855,0	2.811,4
Total liabilities and equity	35.802,6	35.102,2	34.509,1	33.413,1	33.372,0