

173rd year

QUARTERLY REPORT 2015

Quarterly report 2nd quarter

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Key figures - Group

	30.06.2015	30.06.2014	31.12.2014	31.12.2013
Average equity excl. dividends (NOK millions)	2.736,8	2.564,5	2.563,9	2.268,1
Average total assets (NOK millions)	34.138,0	32.668,5	33.618,8	30.263,2
Profit after tax as % of average total assets	0,92	1,00	1,28	0,93
Profit before losses as % of average total assets	1,27	1,42	1,66	1,34
Net interest income as % of average total assets	1,72	1,87	1,81	1,87
Expenses as % of average total assets	0,82	0,88	0,88	0,97
Expenses as % of revenue (before loan/guarantee losses)	39,34	38,36	34,72	42,04
Expenses as % of revenue excl. return on financial investments	38,97	41,98	43,21	44,55
Return on equity (%)	11,48	12,73	16,72	12,46
Net lending to customers (NOK millions)	27.582,0	27.979,5	28.697,8	25.771,6
Deposits from customers (NOK millions)	13.682,0	12.856,6	13.397,0	12.546,8
Deposit-to-loan ratio	49,60	45,95	46,68	48,68
Deposit-to-loan ratio (parent bank)	75,80	73,55	70,68	73,90
Capital adequacy ratio in %	19,71	15,27	18,17	18,41
Tier 1 capital ratio in %	17,67	13,31	15,89	16,47
Core tier 1 capital in %	15,62	12,14	13,94	13,23
Core tier 1 capital incl. 50% of retained profit in %	16,08	12,62	-	-
Number of FTEs	224	223	225	233

Interest-bearing balance sheet items are reported incl. accrued interest from and including 31/12/2014. Comparison figures for previous periods have been revised.

Interim report Q2 2015 - Sparebanken Øst

- **Very solid equity situation**
- **Intense pressure on interest margins**
- **Good cost control**
- **Reduced non-performance**

PERFORMANCE

In the first six months of 2015, the Group achieved a profit before tax of NOK 202.2 million compared with NOK 216.6 million for the same period last year. Changes are attributable to reduced net interest and negative development for securities. Profits from property sales have contributed very positively to performance for the first six months of 2015. In the first six months of 2014, performance was affected by profits from the sale of Frende Holding AS and dividends from Nets Holding AS.

In percentage of average total assets, profit before tax amounts to 1.19 per cent compared with 1.34 per cent for the same period last year.

Profit after tax shows a profit of NOK 155.8 million compared with NOK 161.9 million for the same period last year, giving a return on equity of 11.48 per cent.

For the parent bank, profit after tax amounts to NOK 79.4 million for the first six months of 2015, compared with NOK 160.4 million in the first six months of 2014. In the first quarter of 2015, the parent bank received dividends of NOK 20.0 million from subsidiaries. At Group level, these dividends are eliminated. In the first quarter of 2014, the parent bank received dividends of NOK 60.0 million from subsidiaries.

Net interest income

Net interest and credit commission income amounted to NOK 291.9 million and shows a decline of NOK 10.5 million compared with the same period last year. Compared with the previous quarter, net interest and credit commission income shows a decline of NOK

6.3 million. Continued fierce competition for business and retail customers characterises the lending market with a significant pressure on interest margins. A decline in money market rates leads to lower financing costs.

The guarantee fund levy is charged at NOK 5.6 million in the first six months of 2015 compared with NOK 5.3 million in the first six months of 2014. The guarantee fund levy is periodised throughout the year.

Net interest and credit commission income in the first six months of 2015 represents 1.72 per cent of the average total assets. For comparison purposes, net interest and credit commission income amounted to 1.75 per cent in the fourth quarter of 2015, 1.81 per cent for 2014 and 1.87 per cent for the first six months of 2014.

Operating revenue

Dividends received from equity instruments amounts to NOK 1.3 million compared with NOK 7.3 million for the same period last year. This decline has to do with the loss of dividends from Nets Holding AS. NOK 20.0 million in dividends received from subsidiaries have also been recognised for the parent bank. The amount is eliminated at Group level. In 2014, NOK 60.0 million in dividends received from subsidiaries were recognised for the parent bank.

Commission income and income from banking services amounts to NOK 38.3 million and shows a decline of NOK 1.8 million compared with the same period last year, but an increase of NOK 1.1 million compared with the first quarter of 2015. The commission income comes from traditional banking services.

Commission expenses and expenses for banking services amount to NOK 19.6 million and show an increase of NOK 2.2 million compared with the same period last year, and an increase of NOK 0.2 million compared with the first quarter of 2015.

Net changes in value and profit/loss from financial assets give a negative change in value of NOK 4.7 million for the first six months of 2015. For comparison purposes, net changes in value and profit/loss from financial assets amounted to a revenue recognition of NOK 24.8 million in the first six months last year. The change in value concerning the guarantee to Eksportfinans ASA has so far this year been charged as an expense of NOK 0.5 million compared with a revenue recognition of NOK 10.0 million in the same period last year.

The realised profit related to the sale of Frende Holding AS was recognised as NOK 11.7 million in the first six months of 2014. In addition to this, the liquidity portfolio contains the reason for the decline in the general margin output for bonds.

Other operating income amounts to NOK 47.4 million and shows an increase of NOK 27.2 million compared with the same period last year. This increase has primarily to do with profits from the sale of the property "EngeneKvartalet", which were recognised in the first quarter of 2015. Profit amounts to NOK 31.4 million at Group level, but also gives lower rental income for the quarter and in the future. In the second quarter of 2015, a property was sold at a profit of NOK 3.1 million at Group level.

Operating expenses

Total operating expenses amount to NOK 139.5 million and represent 0.82 per cent of the average total assets. In comparison, total operating expenses amounted to NOK 143.1 million in the same period last year, representing 0.88 per cent of the average total assets. The bank has very good cost control.

Payroll and general administration expenses amount to NOK 103.4 million in the first six months of 2015, compared with NOK 104.9 million in the same period last year. The number of active FTEs in the Group at the end of the second quarter of 2015 was 224 compared with 223 at the end of the same period last year and 225 at the end of 2014. There were 194 active FTEs in the parent bank at the end of the second quarter of 2015. This is the same number of active FTEs that there were at the end of the first six months last year. At the end of 2014, the parent bank had 195 active FTEs.

Depreciation amounts to NOK 9.1 million in the first six months of 2015 compared with NOK 9.7 million in the first six months of 2014.

Total operating expenses amount to NOK 27.0 million compared with NOK 28.5 million in the same period last year.

Lending and guarantee losses

The Group's recognised lending and guarantee losses amount to NOK 12.9 million in the first six months of 2015 compared with NOK 13.3 million for the same period last year.

Individual impairment of customer loans and guarantees has increased by NOK 0.1 million since the start of the year and amounts to NOK 94.4 million at the end of the second quarter of 2015.

Impairment of groups of customer loans amounts to NOK 43.4 million at the end of the second quarter of 2015, and has remained unchanged since the start of the year. Gross non-performing and doubtful commitments amount to NOK 330.6 million compared with NOK 423.8 million at the start of the year and NOK 512.0 at the end of the second quarter of 2014. Net non-performing and doubtful commitments amount to NOK 236.2 million and show a decline of NOK 93.3 million compared with at 31/12/2014, and a decline of NOK 174.9 million compared with the end of the second quarter of 2014. The decline in non-performing and doubtful loans is a result of implemented measures for risk reduction in the loan portfolio.

BALANCE SHEET

Total assets have been reduced by NOK 1,634.1 million since the start of the year and amount to NOK 33,372.0 million at the end of the second quarter of 2015.

Cash and receivables at central banks have increased by NOK 113.8 million since the start of the year and amount to NOK 595.3 million as at 30/06/2015.

Net lending to credit institutions has declined by NOK 3.4 million since 31 December 2014 and amounts to NOK 4.1 million at the end of the second quarter of 2015. Lending to credit institutions in Norway only constitutes interbank loans.

Net lending to customers amounts to NOK 27,582.0 million. The last 12 months show a negative lending growth of 1.4 per cent. Net lending to retail customers has increased by 1.6 per cent, while net lending to business customers has been reduced by 18.0 per cent. Net lending to customers has been reduced by NOK 1,115.8 million since the start of the year.

Gross lending to retail customers amounts to 87.0 per cent of total lending to customers.

Holdings of certificates and bonds show a decline of NOK 243.4 million since the start of the year and amount to NOK 3,866.4 million. The liquidity portfolio consists of all holdings and amounts to a nominal value of NOK 3,812.1 million.

For the liquidity portfolio, the weighted average maturity until the agreed maturity has been calculated as 2.74 years.

The bank's shares in Frende Holding AS and Eksportfinans ASA have been classified as "available for sale".

Valuation of the shares in Frende Holding AS is based on the trading price at the time of the last transaction and amounts to NOK 200.8 million at the end of the second quarter of 2015. Corresponding valuation per share was added as a basis as at 31/12/2014.

Holdings of shares in Eksportfinans ASA are recognised at NOK 208.3 million. There are no conditions at the end of the second quarter of 2015 that require changes to the valuations of these shares.

Deposits from customers amount to NOK 13,682.0 million as at 30/06/2015 and show an increase in the last 12 months of NOK 825.4 million, corresponding to 6.4 per cent. Since the start of the year, deposits from customers have increased by NOK 285.0 million. The deposit-to-loan ratio at the end of the second quarter of 2015 was 49.6 per cent compared with 46.7 per cent at the end of 2014 and 46.0 per cent at the end of the second quarter of 2014.

Liabilities established on the issue of securities amount to NOK 15,678.6 million and show a decline of NOK 1,871.3 million since the start of the year.

Other long-term borrowing amounts to NOK 181.9 million at the end of the second quarter of 2015 and shows a decline of NOK 28.6 million since the start of the year.

Short-term borrowing (defined as borrowing with remaining maturity of less than one year) amounts to NOK 1,847.7 million.

RISK CONDITIONS

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 should help to 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 justifiable 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, debt servicing capacity and willingness are crucial to credit ratings. 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 gives both the retail and business departments access to a large market area with flexibility with regard to customers and segments.

The bank's loan portfolio to retail customers and businesses is primarily spread across the central Eastern Norway area.

A small proportion of lending to businesses generally contributes to 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 has a low exposure to loans/credit without associated security.

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 continuously monitored, and there are updated overviews of the bank's total counterparty risk.

Market risk

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

The finance strategy will also help to ensure that the bank's management of financial risk is in accordance 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. The bank assumes the credit spread risk through this.

The interest rate risk is kept within fixed limits and limited in that assets and liabilities mainly have floating interest rates or are swapped to floating interest 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 should have a conservative approach to liquidity risk and manage it according to fixed limits. At any given time, the bank must have enough liquidity for 12 months of normal

operation without the need for new financing, and illiquid

assets must have long-term financing.

Sparebanken

Øst issues covered bonds through the bank's wholly-owned credit institutions. Covered bonds with long maturities are generally issued, whereas senior debentures 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 semiannual 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 in the first six months of 2015.

CAPITAL ADEQUACY RATIO

Regulations concerning the calculation of subordinated capital and capital adequacy ratio regulations have been amended in connection with the introduction of CRD-IV with effect from and including 30/09/2014. Figures as at 31/12/2014 are calculated in accordance with transition rules in which funds for unrealised profits from items classified as available for sale still cannot be included in pure tier 1 capital. From and including the first quarter of 2015, these limitations relating to funds for unrealised profits no longer apply when calculating the capital adequacy ratio. Net subordinated capital at the end of the second quarter of 2015 amounted to NOK 3,340.5, of which NOK 2,994.5 million constituted the Group's tier 2 capital. With a basis of calculation of NOK 16,948.8 million, this corresponds to a capital adequacy ratio of 19.71 per cent, of which 17.67 per cent constitutes the tier 1 capital ratio. Pure tier 1 capital ratio amounts to 15.62 per cent. Pure tier 1 capital ratio including 50 per cent of retained profit amounts to 16.08 per cent. The bank uses the standardised approach when calculating minimum requirements for subordinated capital for credit risk.

RATING

On 11 May 2015, Sparebanken Øst's rating was upgraded from Baa1 to A3 (stable). This was a result of Moody's Investor Service announcing rating changes as a result of new rating methods for banks.

SUBSIDIARIES

Sparebanken Øst Boligkreditt AS is a wholly owned subsidiary of Sparebanken Øst. The company was founded on 14/04/2009 and aims to grant or acquire residential mortgages, commercial mortgages and loans secured by mortgages on other real property or public loans, and to finance its lending activities primarily by issuing covered bonds. The loan-to-asset value ratio for the cover (LTV) at the end of the second quarter of 2015 was 46.5 percent. This compares with 47.6 per cent at

the end of the second quarter of 2014 and 46.3 per cent at the end of 2014.

The company's total assets at as 30/06/2015 amount to NOK 8,428.0 million, mainly consist of first priority residential mortgages and are funded through covered bonds and the drawing rights of the parent company. The company's deposited equity amounts to NOK 650.0 million, of which NOK 319.8 million constitutes share capital and NOK 330.2 million constitutes a share premium reserve. Profit after tax shows a profit of NOK 41.0 million at the end of the second quarter of 2015 compared with NOK 45.0 million for the same period last year. The company has no employees, but hires the services of 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 company of Sparebanken Øst. Its main product is the debenture financing of used cars. The company achieved a profit after tax of NOK 19.7 million at the end of the second quarter of 2015 compared with NOK 14.1 million in the same period last year. Total assets amount to NOK 1,662.9 million. At the end of the second quarter, the company has 25 employees, corresponding to 24 FTES.

Sparebanken Øst Eiendom AS' 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 revenue amounted to NOK 49.7 million at the end of the second quarter of 2015 compared with NOK 21.8 million in the same period last year. This increase is due to profits from the sale of "EngeneKvartalet", which were recognised in the first quarter of 2015. A profit of NOK 3.1 million has also been recognised for the sale of property in the second quarter of 2015. Profit after tax shows a profit of NOK 35.4 million in the first six months of 2015 compared with NOK 3.4 million for the same period last year. The company has six employees. The share capital is NOK 35.1 million.

Øst Prosjekt AS' main purpose is to take on projects and undertake industrial and trade activities for the hedging and realisation of deferred commitments in the parent bank. The company has no employees and the share capital amounts to NOK 12.0 million. Profit after tax shows a loss of NOK 0.1 million in the first six months of 2015. The company had a corresponding performance in the first six months of 2014.

ACCOUNTING PRINCIPLES

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

DIVIDEND POLICY

Sparebanken Øst's financial aims for its operations are to achieve results that provide a good and stable return on bank equity, and create value for equity certificate holders in the form of dividends and equity certificate appreciation for which there is a competitive return.

Profit for the year will be divided between equity certificate holders and primary capital in accordance with their proportion of the bank's equity. Sparebanken Øst will aim to pay 50–75 per cent of the profit attributable to equity certificate holders as dividends. In a normal year, approx. 10 per cent will be set aside for donation purposes.

When determining dividends and donations, due consideration will be given to the bank's financial performance, market situation, dividend stability and need for tier 1 capital.

FUTURE OUTLOOKS

Fierce competition for commercial and private customers characterises the lending market. This situation is expected to persist throughout 2015. Net interest and credit commission income will be affected by this market situation where lending margins will be under a lot of pressure in the future. Fierce competition and low interest levels will gradually lead to reduced lending margins not being affected by a corresponding increase in deposit margins.

Less residential loan growth is expected in 2015. In recent years, the bank has also elected to be reticent towards the business market. The bank is expected to stabilise its lending volume to businesses in the future. Reduced lending to the business market and a significantly reduced volume of doubtful and non-performing loans will lead to reduced overall risk for the bank compared with before. The authorities have adopted new regulations for residential lending that will involve a tightening of the residential lending guidelines as well as the introduction of a number of measures intended to increase the availability of housing.

Fluctuations in the market values of the guarantee to Eksportfinans ASA and securities may arise. The market value of interest-bearing securities is generally affected by the margin development of individual securities, and liquidity in the market may also fluctuate over time.

A fall in house prices and weaker growth in the Norwegian economy may lead to increased losses in the banking sector in the future. The bank is not directly exposed to the oil and gas sector.

The bank has adapted to new capital adequacy ratio rules and is monitoring market expectation trends for capital in excess of regulatory requirements carefully. Calculations show that the bank will satisfy expected capital requirements up to and including 2016. The bank's adopted target for pure tier 1 capital is set at 14.0 per cent from and including 1 July 2016. This capital level gives potential for growth, room for manoeuvre as regards regulatory requirements, competitiveness in the bond markets and the possibility of a return on equity in line with the adopted target.

The bank deems it very important to have a long-term and robust liquidity situation that secures operations in the long term. The bank's target for liquidity is for illiquid assets to have 105 per cent long-term financing over time. The bank assumes that access to liquidity in the near future will be satisfactory.

Reduced risk, increased margin pressure and increased proportion of equity will affect the return level over time. The bank's target for return on equity is 10 per cent over time.

Hokksund, 30 June 2015
Drammen, 14 July 2015

Jorund Rønning Indrelid
chairman

Knut Smedsrud
deputy chairman

Morten André Yttreide

Øivind Andersson

Sverre Nedberg

Elly Therese Thoresen

Hanne Margrete Lenes Solem

Inger Helen Pettersen
employee representatives

Pål Strand
CEO

Income statement

Group 30.06.2015	Group 30.06.2014	Group 2014	(Figures in NOK millions)	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 2014
607,7	662,0	1.350,4	Interest income and similar income	417,1	464,3	951,5
315,8	359,6	743,5	Interest expenses and similar expenses	247,1	284,2	588,2
291,9	302,4	606,9	Net interest and credit commission income	170,0	180,1	363,3
1,3	7,3	7,3	Dividends and other income from securities with variable return	21,3	67,3	67,3
38,3	40,1	81,6	Commission income and income from banking services	43,0	45,3	92,1
19,6	21,8	43,7	Commission expenses and expenses for banking services	9,0	8,8	18,3
-4,7	24,8	160,2	Net value change and profit/loss from financial investments	-4,6	26,2	160,2
47,4	20,2	40,5	Other operating income	2,6	3,0	5,8
78,2	77,2	161,9	Payroll etc.	65,6	65,1	136,1
25,2	27,7	55,6	Administration expenses	21,2	23,0	47,2
9,1	9,7	19,8	Depreciation/write-down and value change, non-financial assets	5,3	4,1	8,8
27,0	28,5	58,8	Other operating expenses	22,5	23,9	50,2
215,1	229,9	556,7	PROFIT BEFORE LOSS	108,7	197,0	428,1
12,9	13,3	23,6	Lending and guarantee losses	7,1	4,7	10,6
202,2	216,6	533,1	PROFIT BEFORE TAX EXPENSES	101,6	192,3	417,5
46,4	54,7	104,4	Tax expenses	22,2	31,9	56,9
155,8	161,9	428,7	PROFIT AFTER TAX	79,4	160,4	360,6
2,92	3,24	8,57	Earnings per equity certificate	1,49	3,21	7,21
2,92	3,24	8,57	Diluted earnings per equity certificate	1,49	3,21	7,21

Total comprehensive income

Group 30.06.2015	Group 30.06.2014	Group 2014	(Figures in NOK millions)	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 2014
155,8	161,9	428,7	PROFIT AFTER TAX	79,4	160,4	360,6
			Items that will not be reclassified for the income statement			
0,0	0,0	-45,9	Actuarial profit/loss for defined-benefit plans	0,0	0,0	-42,0
0,0	0,0	12,3	Tax effect of actuarial profit/loss for defined-benefit plans	0,0	0,0	11,3
			Items that may be reclassified for the income statement later			
0,0	40,5	-90,2	Changes in fair value of investments available for sale	0,0	40,5	-90,2
155,8	202,4	304,9	TOTAL COMPREHENSIVE INCOME	79,4	200,9	239,7

Balance sheet

Konsern 30.06.2015	Konsern 30.06.2014	Group 2014	(Figures in NOK millions)	Morbank 30.06.2015	Morbank 30.06.2014	Parent bank 2014
595,3	615,0	481,5	Cash and receivables at central banks	595,3	615,0	481,5
4,1	483,8	7,5	Lending to and receivables from credit institutions	1.798,5	2.981,7	2.337,2
27.719,8	28.123,3	28.835,0	Lending to and receivables from customers	18.142,2	17.584,9	19.057,6
94,4	100,4	93,8	– Individual impairment	30,9	37,5	31,2
43,4	43,4	43,4	– Impairment for groups of loans	40,1	40,1	40,1
3.665,0	3.811,5	3.904,0	Certificates, bonds, etc. at fair value	3.765,6	4.341,0	3.904,0
457,5	681,5	457,5	Shares and other securities with variable return	457,5	681,5	457,5
427,9	375,4	604,1	Financial derivatives	235,2	235,9	352,7
201,4	201,6	205,8	Certificates, bonds, held to maturity	201,4	201,6	205,8
0,0	0,0	0,0	Ownership interests in Group companies	887,5	687,3	887,3
0,0	0,0	0,0	Deferred tax, assets	11,1	4,0	11,1
266,8	400,3	395,8	Investment assets	0,0	0,0	0,0
132,5	131,5	134,5	Property, plant and equipment	78,6	77,3	80,5
23,8	40,0	108,9	Other assets	2,9	12,5	10,0
15,7	12,7	8,7	Expenses prepaid but not accrued, and income accrued but not rec	14,7	11,9	9,1
33.372,0	34.732,8	35.006,1	TOTAL ASSETS	26.119,5	27.357,0	27.723,0
181,9	342,4	210,5	Liabilities to credit institutions	400,1	527,2	469,6
13.682,0	12.856,6	13.397,0	Deposits from and liabilities to customers	13.698,5	12.877,4	13.420,0
40,9	36,1	56,8	Financial derivatives	40,9	36,1	56,8
15.678,6	18.016,0	17.549,9	Liabilities established on the issue of securities	8.615,7	10.735,2	10.375,7
134,0	162,1	180,3	Other liabilities	97,7	121,8	108,5
39,2	36,1	34,7	Accrued expenses and income accrued but not received	34,9	31,3	29,5
87,1	38,1	87,6	Provisions for accrued expenses and liabilities	82,0	36,4	82,5
13,8	29,1	20,5	Deferred tax, liability	0,0	0,0	0,0
703,1	553,1	703,1	Subordinated loan capital	703,1	553,1	703,1
30.560,6	32.069,6	32.240,4	Total liabilities	23.672,9	24.918,5	25.245,7
595,1	595,1	595,1	Deposited equity	595,1	595,1	595,1
2.060,5	1.906,2	2.170,6	Retained earnings	1.772,1	1.683,0	1.882,2
155,8	161,9	0,0	Retained ordinary profit	79,4	160,4	0,0
2.811,4	2.663,2	2.765,7	Total equity	2.446,6	2.438,5	2.477,3
33.372,0	34.732,8	35.006,1	TOTAL LIABILITIES AND EQUITY	26.119,5	27.357,0	27.723,0

Change in equity, Group

(Figures in NOK millions)

	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Donations fund	Available for sale reserve	Other equity	Retained profit
Q2 2015									
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	155,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	155,8
Changes in fair value of investments TFS	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income	155,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	155,8
Dividend 2014 finally adopted	-103,7	0,0	0,0	-103,7	0,0	0,0	0,0	0,0	0,0
Changes, donations 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

	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Donations fund	Available for sale reserve	Other equity	Retained profit
Q2 2014									
Equity as at 31/12/2013	2.527,9	207,3	387,8	291,7	1.129,9	35,5	252,6	223,1	0,0
Profit	161,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	161,9
Changes in fair value of investments TFS	40,5	0,0	0,0	0,0	0,0	0,0	40,5	0,0	0,0
Total comprehensive income	202,4	0,0	0,0	0,0	0,0	0,0	40,5	0,0	161,9
Dividend 2013 finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0	0,0
Changes, donations fund	-5,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0	0,0
Equity as at 30/06/2014	2.663,2	207,3	387,8	229,5	1.129,9	30,5	293,1	223,1	161,9

	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Donations fund	Available for sale reserve	Other equity	Retained profit
2014									
Equity as at 31/12/2013	2.527,9	207,3	387,8	291,7	1.129,9	35,5	252,6	223,1	0,0
Profit for the year	428,7	0,0	0,0	149,5	196,1	15,0	0,0	68,1	68,1
Changes in fair value of investments TFS	-90,2	0,0	0,0	0,0	0,0	0,0	-90,2	0,0	0,0
Actuarial profit/loss for defined-benefit plans	-33,6	0,0	0,0	-12,7	-18,0	0,0	0,0	-2,9	-2,9
Total comprehensive income	304,9	0,0	0,0	136,8	178,1	15,0	-90,2	65,2	65,2
Dividend 2013 finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0	0,0
Changes, donations fund	-5,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0	0,0
Equity as at 31/12/2014	2.765,7	207,3	387,8	366,3	1.308,0	45,5	162,4	288,4	

Change in equity, parent bank

(Figures in NOK millions)

	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Donations fund	Available for sale reserve	Retained profit
2. kvartal 2015								
Equity as at 31/12/2014	2.477,3	207,3	387,8	366,3	1.308,0	45,5	162,4	0,0
Profit	79,4	0,0	0,0	0,0	0,0	0,0	0,0	79,4
Changes in fair value of investments TFS	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income	79,4	0,0	0,0	0,0	0,0	0,0	0,0	79,4
Dividend 2014 finally adopted	-103,7	0,0	0,0	-103,7	0,0	0,0	0,0	0,0
Changes, donations fund	-6,4	0,0	0,0	0,0	0,0	-6,4	0,0	0,0
Egenkapital pr. 30.06.2015	2.446,6	207,3	387,8	262,6	1.308,0	39,1	162,4	79,4

	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Donations fund	Available for sale reserve	Retained profit
2. kvartal 2014								
Equity as at 31/12/2013	2.304,8	207,3	387,8	291,7	1.129,9	35,5	252,6	0,0
Profit	160,4	0,0	0,0	0,0	0,0	0,0	0,0	160,4
Changes in fair value of investments TFS	40,5	0,0	0,0	0,0	0,0	0,0	40,5	0,0
Total comprehensive income	200,9	0,0	0,0	0,0	0,0	0,0	40,5	160,4
Dividend 2013 finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes, donations fund	-5,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0
Egenkapital pr. 30.06.2014	2.438,5	207,3	387,8	229,5	1.129,9	30,5	293,2	160,4

	Total equity	Equity certificates	Share premium reserve	Equalisation fund	Primary capital	Donations fund	Available for sale reserve	Retained profit
2014								
Equity as at 31/12/2013	2.304,8	207,3	387,8	291,7	1.129,9	35,5	252,6	0,0
Profit for the year	360,6	0,0	0,0	149,5	196,1	15,0	0,0	0,0
Changes in fair value of investments TFS	-90,2	0,0	0,0	0,0	0,0	0,0	-90,2	0,0
Actuarial profit/loss for defined-benefit plans	-30,7	0,0	0,0	-12,7	-18,0	0,0	0,0	0,0
Total comprehensive income	239,7	0,0	0,0	136,8	178,1	15,0	-90,2	0,0
Dividend 2013 finally adopted	-62,2	0,0	0,0	-62,2	0,0	0,0	0,0	0,0
Changes, donations fund	-5,0	0,0	0,0	0,0	0,0	-5,0	0,0	0,0
Equity as at 31/12/2014	2.477,3	207,3	387,8	366,3	1.308,0	45,5	162,4	

Cash flow statement

Group 30.06.2015	Group 30.06.2014	Group 31.12.2014	(Figures in NOK millions)	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 31.12.2014
			Operating activities			
202,2	216,6	533,1	Profit before tax expenses	101,6	192,3	417,5
			Adjusted for:			
54,3	68,4	9,2	Change in net accrued interest income and interest expenses	53,7	65,3	6,2
0,0	-475,0	0,0	Net payment/disbursement of loans to credit institutions	535,3	-879,2	-236,3
1.099,8	-2.212,5	-2.924,4	Net payment/disbursement of loans to customers	903,0	-512,8	-1.985,0
235,4	-496,9	-587,3	Change in certificates and bonds at fair value	135,2	-783,2	-345,6
73,3	9,9	-41,2	Change in other assets in connection with operations	-3,4	11,7	31,2
1,5	1,3	0,0	Net payment/disbursement of deposits from credit institutions	-41,0	-31,2	43,5
239,3	256,2	851,3	Net payment/disbursement of deposits from customers	232,9	263,9	861,4
6,8	43,5	20,7	Change in other liabilities in connection with operations	22,6	50,0	18,5
9,3	14,1	18,4	Non-cash items included in profit before tax expenses	4,0	3,5	1,8
-35,1	-11,7	-147,0	Net profit from investment activities	-0,1	-11,7	-147,0
2,8	7,1	8,1	Net loss from financing activities	2,1	7,1	8,1
-105,1	-98,4	-101,1	Tax paid for the period	-57,0	-53,2	-53,3
1.784,5	-2.677,4	-2.360,2	Net cash flow from operating activities	A	1.888,9	-1.677,5
			Investment activities			
-79,4	-11,6	-20,6	Disbursement on purchase of property, plant and equipment	-3,7	-8,6	-16,5
232,9	0,0	0,3	Payment for sale of property, plant and equipment	0,4	0,0	0,0
0,0	25,1	256,6	Net payment/disbursement for sale/purchase of financial investments	0,0	25,1	256,6
0,0	0,0	0,0	Net payment/disbursement concerning investments in subsidiaries	-0,2	0,0	-200,1
153,5	13,5	236,3	Net cash flow from investment activities	B	-3,5	16,5
			Financing activities			
-30,0	-432,1	-562,1	Net payments/disbursements on lending/borrowing to/from credit institution:	-30,0	-432,1	-562,1
-2.396,6	-1.570,8	-2.265,5	Disbursement for repayment of securities	-1.940,9	-1.273,8	-1.750,3
702,7	4.986,6	5.136,6	Payment on issue of securities	299,6	3.686,7	3.836,5
0,0	0,0	0,0	Payment on issue of equity certificates	0,0	0,0	0,0
-103,7	-62,2	-62,2	Payment of dividends	-103,7	-62,2	-62,2
-1.827,6	2.921,5	2.246,8	Net cash flow from financing activities	C	-1.775,0	1.918,6
110,4	257,6	122,9	Net change in cash and cash equivalents	A+B+C	110,4	257,6
489,0	366,1	366,1	Cash and cash equivalents as at 01/01.	489,0	366,1	366,1
599,4	623,7	489,0	Holding of cash and cash equivalents at the end of the period	599,4	623,7	489,0

Cash and cash equivalents include cash, receivables from central banks, treasury bills and lending to and receivables from credit institutions relating to direct investments.

Profit per quarter - Group

(Figures in NOK millions)

	Q2	Q1	Q4	Q3	Q2
	2015	2015	2014	2014	2014
Interest income and similar income	293,5	314,2	341,9	346,5	335,8
Interest expenses and similar expenses	150,7	165,1	189,2	194,7	185,1
Net interest and credit commission income	142,8	149,1	152,7	151,8	150,7
Dividends and other income from securities with variable return	0,9	0,4	0,0	0,0	0,6
Commission income and income from banking services	19,7	18,6	20,7	20,8	22,1
Commission expenses and expenses for banking services	9,9	9,7	11,0	10,9	10,9
Net value change and profit/loss from financial investments	-0,4	-4,3	-8,0	143,4	0,8
Other operating income	9,6	37,8	11,0	9,3	9,8
Payroll etc.	33,7	44,5	41,6	43,1	35,1
Administration expenses	12,0	13,2	14,4	13,5	13,2
Depreciation/impairment/value change of non-financial assets	4,6	4,5	5,2	4,9	5,0
Other operating expenses	13,5	13,5	17,9	12,4	14,7
PROFIT BEFORE LOSS	98,9	116,2	86,3	240,5	105,1
Lending and guarantee losses	5,1	7,8	2,2	8,1	5,3
PROFIT BEFORE TAX EXPENSES	93,8	108,4	84,1	232,4	99,8
Tax expenses (calculated in the interim financial statements)	25,7	20,7	23,3	26,4	26,1
PROFIT FOR THE PERIOD	68,1	87,7	60,8	206,0	73,7
Earnings per equity certificate (per quarter)	1,28	1,64	1,22	4,11	1,48
Diluted earnings per equity certificate (per quarter)	1,28	1,64	1,22	4,11	1,48

Total comprehensive income

PROFIT FOR THE PERIOD	68,1	87,7	60,8	206,0	73,7
Items that will not be reclassified for the income statement					
Actuarial profit/loss for defined-benefit plans	0,0	0,0	-45,9	0,0	0,0
Tax effect of actuarial profit/loss for defined-benefit plans	0,0	0,0	12,3	0,0	0,0
Items that may be reclassified for the income statement later					
Changes in fair value of investments available for sale	0,0	0,0	0,0	-130,7	0,0
TOTAL COMPREHENSIVE INCOME	68,1	87,7	27,2	75,3	73,7

Profit per quarter - parent bank

(Figures in NOK millions)

	Q2	Q1	Q4	Q3	Q2
	2015	2015	2014	2014	2014
Interest income and similar income	200,7	216,4	243,0	244,2	233,9
Interest expenses and similar expenses	117,0	130,1	150,9	153,1	144,9
Net interest and credit commission income	83,7	86,3	92,1	91,1	89,0
Dividends and other income from securities with variable return	0,9	20,4	0,0	0,0	0,6
Commission income and income from banking services	22,0	21,0	23,3	23,5	24,9
Commission expenses and expenses for banking services	4,4	4,6	4,9	4,6	4,5
Net value change and profit/loss from financial investments	-0,5	-4,1	-8,8	142,8	2,3
Other operating income	1,1	1,5	1,7	1,1	1,1
Payroll etc.	28,8	36,8	35,5	35,5	30,3
Administration expenses	10,2	11,0	12,6	11,6	11,1
Depreciation/impairment/value change of non-financial assets	2,7	2,6	2,4	2,3	2,1
Other operating expenses	10,8	11,7	16,3	10,0	12,8
PROFIT BEFORE LOSS	50,3	58,4	36,6	194,5	57,1
Lending and guarantee losses	3,4	3,7	-1,0	6,9	0,8
PROFIT BEFORE TAX EXPENSES	46,9	54,7	37,6	187,6	56,3
Tax expenses (calculated in the interim financial statements)	12,9	9,3	10,7	14,3	14,3
PROFIT FOR THE PERIOD	34,0	45,4	26,9	173,3	42,0
Earnings per equity certificate (per quarter)	0,64	0,85	0,54	3,46	0,84
Diluted earnings per equity certificate (per quarter)	0,64	0,85	0,54	3,46	0,84

Total comprehensive income

PROFIT FOR THE PERIOD	34,0	45,4	26,9	173,3	42,0
Items that will not be reclassified for the income statement					
Actuarial profit/loss for defined-benefit plans	0,0	0,0	-42,0	0,0	0,0
Tax effect of actuarial profit/loss for defined-benefit plans	0,0	0,0	11,3	0,0	0,0
Items that may be reclassified for the income statement later					
Changes in fair value of investments available for sale	0,0	0,0	0,0	-130,7	0,0
TOTAL COMPREHENSIVE INCOME	34,0	45,4	-3,8	42,6	42,0

Accounting principles

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

Description of the accounting principles used when preparing the financial statements appears in the annual report for 2014.

Accounting principles and calculation methods remain largely unchanged from the annual financial statements for 2014.

Interest-bearing balance sheet items are included in accrued interest from and including 31/12/2014. Comparison figures for previous periods have been revised

Valuations and use of estimates

Preparation of the consolidated financial statements involves the management making estimates and discretionary valuations, and making assumptions that affect use of accounting principles and thus recognised amounts for assets, liabilities, income and expenses. For further details, see the annual report for 2014, note 3 valuations and use of estimates.

Lending and guarantee losses

(Figures in NOK millions)

	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 31.12.2014	Group 30.06.2015	Group 30.06.2014	Group 31.12.2014
Individual impairment						
Individual impairment as at 01/01.	31,7	39,3	39,3	94,3	98,0	98,0
- Realised losses for the period for which individual impairment has previously been made	1,5	2,0	6,8	3,7	4,0	10,3
+ Increased individual impairment for the period	1,9	0,4	4,4	7,1	4,6	9,6
+ New individual impairment for the period	3,2	9,5	9,4	8,6	18,6	22,0
- Reversed individual impairment for the period	4,4	9,2	14,6	11,9	16,3	25,0
= Individual impairment at the end of the period *)	30,9	38,0	31,7	94,4	100,9	94,3
Impairment for groups of loans						
Impairment for groups of loans as at 01/01.	40,1	40,1	40,1	43,4	43,4	43,4
+/- Change in impairment for groups of loans for the period	0,0	0,0	0,0	0,0	0,0	0,0
= Impairment for groups of loans at the end of the period	40,1	40,1	40,1	43,4	43,4	43,4
Loss expenses for the period						
Change in individual impairment for the period	-0,8	-1,3	-7,6	0,1	2,9	-3,7
+/- Change in impairment for groups of loans for the period	0,0	0,0	0,0	0,0	0,0	0,0
+ Realised losses for the period for which individual impairment has previously been made	4,5	4,8	14,2	6,7	6,8	17,7
+ Realised losses for the period where individual impairment was not made in previous years	0,3	0,6	0,9	5,1	5,2	11,0
- Recovery of previously realised losses for the period	0,5	5,2	7,3	2,6	7,4	11,9
+/- Amortisation expense impairment for the period	3,6	5,8	10,4	3,6	5,8	10,5
= Lending and guarantee losses – customers	7,1	4,7	10,6	12,9	13,3	23,6

*) Individual impairment of guarantee liabilities amount to NOK 0.0 million as at 30/06/2015, NOK 0.5 million as at 31/12/2014 and NOK 0.5 million as at 30/06/2014. The balance sheet as liabilities under "provisions for accrued expenses and liabilities".

Non-performing and doubtful commitments, customers

(Figures in NOK millions)

	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 31.12.2014	Group 30.06.2015	Group 30.06.2014	Group 31.12.2014
Gross non-performing commitments (more than 90 days)						
Business	149,5	292,2	221,7	154,4	297,6	226,3
+ Retail	58,7	96,6	74,1	155,0	192,8	173,8
= Gross non-performing commitments	208,2	388,8	295,8	309,4	490,4	400,1
- Individual impairment	22,4	27,6	22,7	85,9	90,5	85,3
= Net non-performing commitments	185,8	361,2	273,1	223,5	399,9	314,8
Doubtful (not non-performing) commitments						
Business	20,0	15,3	21,5	20,0	15,3	21,5
+ Retail	1,2	6,3	2,2	1,2	6,3	2,2
= Gross doubtful commitments	21,2	21,6	23,7	21,2	21,6	23,7
- Individual impairment	8,5	10,4	9,0	8,5	10,4	9,0
= Net doubtful commitments	12,7	11,2	14,7	12,7	11,2	14,7
Gross non-performing and doubtful commitments						
Business	169,5	307,5	243,2	174,4	312,9	247,8
+ Retail	59,9	102,9	76,3	156,2	199,1	176,0
= Gross non-performing and doubtful commitments	229,4	410,4	319,5	330,6	512,0	423,8
- Individual impairment	30,9	38,0	31,7	94,4	100,9	94,3
= Net non-performing and doubtful commitments	198,5	372,4	287,8	236,2	411,1	329,5

Operating segments

Segment reporting is based on the bank's internal reporting format, where the parent bank and mortgage company are divided into retail market, business other subsidiaries and a non-reportable segment with items that are not distributed to other segments.

(Figures in NOK millions)

	RM	BM	Finance	Financierin g	Spb Øst Eiendom	Undistribut ed	Elimination	Group
30.06.2015								
Net interest and commission income, external	304,5	77,3	32,3	74,9	0,5	-197,6	0,0	291,9
Net interest and commission income, internal	-137,5	-12,3	-46,2	-15,5	-3,3	214,8	0,0	0,0
Net interest and commission income	167,0	65,0	-13,9	59,4	-2,8	17,2	0,0	291,9
Total net other income, external	25,5	5,5	-4,5	-9,2	45,5	-0,1	0,0	62,7
Total net other income, internal	0,0	0,0	0,0	0,0	4,2	-0,6	-3,6	0,0
Total income	192,5	70,5	-18,4	50,2	46,9	16,5	-3,6	354,6
Payroll and general admin. expenses	26,8	9,6	0,0	13,1	3,3	50,6	0,0	103,4
Depreciation	0,0	0,0	0,0	1,2	2,6	5,3	0,0	9,1
Other operating expenses, external	0,4	0,1	0,0	2,8	4,1	19,6	0,0	27,0
Other operating expenses, internal	0,0	0,0	0,0	0,3	0,0	3,9	-4,2	0,0
Total operating expenses	27,2	9,7	0,0	17,4	10,0	79,4	-4,2	139,5
Profit before loss	165,3	60,8	-18,4	32,8	36,9	-62,9	0,6	215,1
Lending and guarantee losses etc.	-0,3	7,4	0,0	5,8	0,0	0,0	0,0	12,9
Profit before tax expenses	165,6	53,4	-18,4	27,0	36,9	-62,9	0,6	202,2
Tax expenses	0,0	0,0	0,0	7,3	1,5	37,4	0,2	46,4
Profit after tax	165,6	53,4	-18,4	19,7	35,4	-100,3	0,4	155,8
30.06.2014								
Net interest and commission income, external	296,1	120,4	34,5	76,3	0,0	-224,9	0,0	302,4
Net interest and commission income, internal	-140,8	-25,6	-48,2	-18,0	-6,1	238,7	0,0	0,0
Net interest and commission income	155,3	94,8	-13,7	58,3	-6,1	13,8	0,0	302,4
Total net other income, external	24,8	8,6	11,7	-12,1	17,9	19,7	0,0	70,6
Total net other income, internal	0,0	0,0	0,0	0,0	3,9	1,3	-5,2	0,0
Total income	180,1	103,4	-2,0	46,2	15,7	34,8	-5,2	373,0
Payroll and general admin. expenses	29,5	10,6	0,0	13,6	3,0	48,2	0,0	104,9
Depreciation	0,0	0,0	0,0	1,2	4,4	4,1	0,0	9,7
Other operating expenses, external	0,5	0,0	0,0	3,4	3,6	21,0	0,0	28,5
Other operating expenses, internal	0,0	0,0	0,0	0,1	0,0	3,8	-3,9	0,0
Total operating expenses	30,0	10,6	0,0	18,3	11,0	77,1	-3,9	143,1
Profit before loss	150,1	92,8	-2,0	27,9	4,7	-42,3	-1,3	229,9
Lending and guarantee losses etc.	-0,1	4,7	0,0	8,6	0,0	0,1	0,0	13,3
Profit before tax expenses	150,2	88,1	-2,0	19,3	4,7	-42,4	-1,3	216,6
Tax expenses	0,0	0,0	0,0	5,2	1,3	48,6	-0,4	54,7
Profit after tax	150,2	88,1	-2,0	14,1	3,4	-91,0	-0,9	161,9
30.06.2015								
Lending 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	172,5	52,2	25,2	1.437,4	187,7	16.680,8	-1.677,2	16.878,6
Offsetting	12.075,3	810,5	3.342,3	0,0	0,0	-16.228,1	0,0	0,0
Total liabilities per segment	21.919,9	3.551,1	4.570,8	1.456,7	187,7	583,7	-1.709,3	30.560,6
Total 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
30.06.2014								
Lending to and receivables from customers	20.722,8	5.131,8	0,0	1.665,7	0,0	767,3	-308,1	27.979,5
Other assets	14,7	0,3	5.642,5	18,6	497,8	2.781,8	-2.202,4	6.753,3
Total assets	20.737,5	5.132,1	5.642,5	1.684,3	497,8	3.549,1	-2.510,5	34.732,8
Deposits from and liabilities to customers	8.353,5	3.327,5	1.084,4	17,3	0,0	109,3	-35,4	12.856,6
Other liabilities	155,0	88,4	30,6	1.477,1	365,9	19.388,9	-2.292,9	19.213,0
Offsetting	12.229,0	1.716,2	4.527,5	0,0	0,0	-18.472,7	0,0	0,0
Total liabilities per segment	20.737,5	5.132,1	5.642,5	1.494,4	365,9	1.025,5	-2.328,3	32.069,6
Total equity	0,0	0,0	0,0	189,9	131,9	2.523,6	-182,2	2.663,2
Total liabilities and equity	20.737,5	5.132,1	5.642,5	1.684,3	497,8	3.549,1	-2.510,5	34.732,8

Deposits from customers divided by sector and industry

(Figures in NOK millions)

	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 31.12.2014	Group 30.06.2015	Group 30.06.2014	Konsern 31.12.2014
Employees	8.912,6	8.430,5	8.558,5	8.923,5	8.440,4	8.570,3
Public administration	291,8	135,0	270,9	291,8	135,0	270,9
Agriculture, forestry, fisheries, etc.	127,1	120,0	128,7	127,1	120,0	128,7
Industry and mining, power and water supply	476,2	464,5	493,0	476,2	464,5	493,0
Construction and plant	298,5	336,0	359,7	300,8	336,9	361,7
Distributive trade/hotels and restaurants	382,5	352,7	400,6	382,6	352,9	400,7
Transport/communication	151,3	136,5	143,2	151,4	136,7	143,3
Business-related finance services	1.273,9	1.371,4	1.352,1	1.277,4	1.375,1	1.355,7
Other service industries	735,2	601,0	686,6	736,7	602,4	688,0
Revenue and operations of real estate	944,1	826,2	920,4	909,2	789,1	878,4
Overseas	105,3	103,6	106,3	105,3	103,6	106,3
Total	13.698,5	12.877,4	13.420,0	13.682,0	12.856,6	13.397,0

Gross lending to customers divided by sector and industry

(Tall i mill. kroner)

	Morbank 30.06.2015	Morbank 30.06.2014	Morbank 31.12.2014	Konsern 30.06.2015	Konsern 30.06.2014	Konsern 31.12.2014
Lønnstgere	14.462,9	13.029,1	14.631,7	24.113,1	23.757,4	24.693,4
Jordbruk, skogbruk, fiske etc.	134,4	148,4	135,7	134,8	149,7	136,3
Industri og bergverk, kraft og vannfors.	95,9	107,0	102,8	97,2	111,6	105,9
Bygg og anlegg	444,4	513,7	575,3	454,9	528,7	587,4
Varehandel/hotell og restaurant	281,6	345,1	312,0	301,9	375,3	335,4
Transport/kommunikasjon	45,5	62,0	48,6	51,8	75,7	60,3
Forr.m. finans tjenesteyting	76,4	112,7	79,2	85,3	124,0	90,3
Tjenesteytende næringer ellers	452,7	462,4	436,4	464,1	480,2	450,3
Omsetning og drift av fast eiendom	2.130,6	2.783,6	2.718,1	1.989,7	2.483,9	2.347,7
Utlandet	17,8	20,9	17,8	27,0	36,8	28,0
Total	18.142,2	17.584,9	19.057,6	27.719,8	28.123,3	28.835,0

Geographic distribution of gross lending

(Tall i mill. kroner)

	Morbank 30.06.2015	Morbank 30.06.2014	Morbank 31.12.2014	Konsern 30.06.2015	Konsern 30.06.2014	Konsern 31.12.2014
Drammen	3.402,7	3.434,2	3.638,2	4.257,0	4.364,7	4.398,4
Nedre Eiker	1.747,0	1.732,3	1.744,7	2.348,2	2.416,5	2.420,7
Øvre Eiker	1.487,2	1.504,0	1.423,6	1.886,1	1.979,4	1.878,2
Rest of Buskerud	1.675,0	1.678,4	1.767,9	2.191,0	2.252,9	2.287,4
Oslo	3.239,6	2.908,8	3.470,1	5.208,4	5.169,1	5.528,1
Akershus	3.303,1	2.968,0	3.300,2	5.255,9	5.191,7	5.336,7
Vestfold	1.639,2	1.564,3	1.638,2	2.310,2	2.305,8	2.324,6
Østfold	708,8	561,3	688,3	1.244,0	1.173,0	1.228,2
Rest of country	921,8	1.212,7	1.368,6	2.992,0	3.233,4	3.404,7
Overseas	17,8	20,9	17,8	27,0	36,8	28,0
Total	18.142,2	17.584,9	19.057,6	27.719,8	28.123,3	28.835,0

Classification of financial assets and liabilities

(Figures in NOK millions)

30/06/2015 – Group	Fair value through profit		Available for sale	Held to maturity	Amortised cost*	Total
	Held for trading	Designated at fair value				
Cash and receivables at central banks	0,0	0,0	0,0	0,0	595,3	595,3
Net lending to and receivables from credit institutions	0,0	0,0	0,0	0,0	4,1	4,1
Net lending to and receivables from customers	0,0	0,0	0,0	0,0	27.582,0	27.582,0
Certificates, bonds, etc. at fair value	3.582,0	83,0	0,0	0,0	0,0	3.665,0
Stocks, shares and other securities with variable return	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 credit 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
Liabilities established on the issue of securities	0,0	0,0	0,0	0,0	15.678,6	15.678,6
Financial derivatives**	40,9	0,0	0,0	0,0	0,0	40,9
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 liabilities

** Includes derivatives where hedge accounting is used

30/06/2014 – Group	Fair value through profit		Available for sale	Held to maturity	Amortised cost*	Total
	Held for trading	Designated at fair value				
Cash and receivables at central banks	0,0	0,0	0,0	0,0	615,0	615,0
Net lending to and receivables from credit institutions	0,0	0,0	0,0	0,0	483,8	483,8
Net lending to and receivables from customers	0,0	0,0	0,0	0,0	27.979,5	27.979,5
Certificates, bonds, etc. at fair value	3.703,7	107,8	0,0	0,0	0,0	3.811,5
Stocks, shares and other securities with variable return	27,0	0,0	654,5	0,0	0,0	681,5
Financial derivatives**	375,4	0,0	0,0	0,0	0,0	375,4
Certificates and bonds, held to maturity	0,0	0,0	0,0	201,6	0,0	201,6
Total financial assets	4.106,1	107,8	654,5	201,6	29.078,3	34.148,3
Liabilities to credit institutions	0,0	0,0	0,0	0,0	342,4	342,4
Deposits from and liabilities to customers	0,0	0,0	0,0	0,0	12.856,6	12.856,6
Liabilities established on the issue of securities	0,0	0,0	0,0	0,0	18.016,0	18.016,0
Financial derivatives**	36,1	0,0	0,0	0,0	0,0	36,1
Subordinated loan capital	0,0	0,0	0,0	0,0	553,1	553,1
Total financial liabilities	36,1	0,0	0,0	0,0	31.768,1	31.804,2

* Includes secured liabilities

** Includes derivatives where hedge accounting is used

31/12/2014 – Group	Fair value through profit		Available for sale	Held to maturity	Amortised cost*	Total
	Held for trading	Designated at fair value				
Cash and receivables at central banks	0,0	0,0	0,0	0,0	481,5	481,5
Net lending to and receivables from credit institutions	0,0	0,0	0,0	0,0	7,5	7,5
Net lending to and receivables from customers	0,0	0,0	0,0	0,0	28.697,8	28.697,8
Certificates, bonds, etc. at fair value	3.470,0	434,0	0,0	0,0	0,0	3.904,0
Stocks, shares and other securities with variable return	29,5	0,0	428,0	0,0	0,0	457,5
Financial derivatives**	604,1	0,0	0,0	0,0	0,0	604,1
Certificates and bonds, held to maturity	0,0	0,0	0,0	205,8	0,0	205,8
Total financial assets	4.103,6	434,0	428,0	205,8	29.186,8	34.358,2
Liabilities to credit institutions	0,0	0,0	0,0	0,0	210,5	210,5
Deposits from and liabilities to customers	0,0	0,0	0,0	0,0	13.397,0	13.397,0
Liabilities established on the issue of securities	0,0	0,0	0,0	0,0	17.549,9	17.549,9
Financial derivatives**	56,8	0,0	0,0	0,0	0,0	56,8
Subordinated loan capital	0,0	0,0	0,0	0,0	703,1	703,1
Total financial liabilities	56,8	0,0	0,0	0,0	31.860,5	31.917,3

* Includes secured liabilities

** Includes derivatives where hedge accounting is used

Securitised liabilities and subordinated loan capital

(Figures in NOK millions)	Parent bank	Parent bank	Parent bank	Group	Group	Group
Securitised liabilities	30.06.2015	30.06.2014	31.12.2014	30.06.2015	30.06.2014	31.12.2014
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	8.351,5	10.466,0	9.990,5	15.237,7	17.613,7	16.933,4
Value adjustments (incl. conversion/exchan	181,3	177,4	261,4	309,7	260,5	448,7
Accrued interest	82,9	91,8	123,8	131,2	141,8	167,8
Total securitised liabilities	8.615,7	10.735,2	10.375,7	15.678,6	18.016,0	17.549,9

Change in securitised liabilities, Group	30.06.2015	Issued	Due/redeemed	Change in own holdings	Other changes incl. currency	31.12.2014
Certificates, nominal value	0,0	0,0	0,0	0,0	0,0	0,0
Bonds, nominal value	8.351,5	300,0	1.939,0	0,0	0,0	9.990,5
Covered bonds, nominal value in NOK	6.600,0	500,0	455,0	100,0	0,0	6.655,0
Covered bonds, nominal value in SEK (com	286,2	0,0	0,0	0,0	-1,7	287,9
Value adjustments (incl. conversion/exchan	309,7	0,0	0,0	0,0	-139,0	448,7
Accrued interest	131,2	0,0	0,0	0,0	-36,6	167,8
Total securitised liabilities	15.678,6	800,0	2.394,0	100,0	-177,3	17.549,9

Difference between parent bank and Group is covered bonds amounting to NOK 6,886.2 million.

Change in subordinated loan capital and fund debenture	30.06.2015	Issued	Due/redeemed	Change in exchange rate	31.12.2014
Ordinary subordinated loan capital, nominal	350,0	0,0	0,0	0,0	350,0
Fund debenture, nominal value	350,0	0,0	0,0	0,0	350,0
Value adjustments (incl. conversion/exchan	-1,4	0,0	0,0	0,2	-1,6
Accrued interest	4,5	0,0	0,0	-0,2	4,7
Total subordinated loan capital and fund	703,1	0,0	0,0	0,0	703,1

Financial derivatives

30.06.2015 (Figures in NOK millions)	Parent bank	Parent bank	Parent bank	Group	Group	Group
Fair value through profit	Contract total	Assets	Liabilities	Contract total	Assets	Liabilities
<i>Currency instruments</i>						
Currency forwards	3,1	0,0	0,0	3,1	0,0	0,0
Currency swaps	136,4	0,0	14,3	136,4	0,0	14,3
Total currency instruments	139,5	0,0	14,3	139,5	0,0	14,3
<i>Interest instruments</i>						
Interest rate swaps	792,6	1,3	24,3	792,6	1,3	24,3
Interest rate swaps (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0	0,0	0,0	0,0
Total interest instruments	792,6	1,3	24,3	792,6	1,3	24,3
Guarantee to Eksportfinans ASA *)	242,0	0,0	2,3	242,0	0,0	2,3
Total other derivatives	242,0	0,0	2,3	242,0	0,0	2,3
Used for hedge accounting						
<i>Currency instruments</i>						
Currency forwards	0,0	0,0	0,0	0,0	0,0	0,0
Currency swaps	0,0	0,0	0,0	252,1	34,1	0,0
Total currency instruments	0,0	0,0	0,0	252,1	34,1	0,0
<i>Interest instruments</i>						
Interest rate swaps	3.900,0	233,9	0,0	5.400,0	392,5	0,0
Interest rate swaps (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0	0,0	0,0	0,0
Total interest instruments	3.900,0	233,9	0,0	5.400,0	392,5	0,0
Total derivatives		235,2	40,9		427,9	40,9

*) The amount NOK 2.3 million is the net negative development in guaranteed portfolio as at 30/06/2015 after the annual exchange amount is deducted. The derivative's value for the exchange amount being positive at NOK 40.2 million as at 30/06/2015.

30.06.2014

(Figures in NOK millions)

Fair value through profit	Parent bank Contract total	Parent bank Assets	Parent bank Liabilities	Group Contract total	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency forwards	230,4	0,0	0,6	230,4	0,0	0,6
Currency swaps	100,2	0,0	11,8	100,2	0,0	11,8
Total currency instruments	330,6	0,0	12,4	330,6	0,0	12,4
<i>Interest instruments</i>						
Interest rate swaps	695,4	0,0	23,7	695,4	0,0	23,7
Interest rate swaps (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0	0,0	0,0	0,0
Total interest instruments	695,4	0,0	23,7	695,4	0,0	23,7
Guarantee to Eksportfinans ASA *)	242,0	9,7	0,0	242,0	9,7	0,0
Total other derivatives	242,0	9,7	0,0	242,0	9,7	0,0

Used for hedge accounting	Parent bank Contract total	Parent bank Assets	Parent bank Liabilities	Group Contract total	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency forwards	0,0	0,0	0,0	0,0	0,0	0,0
Currency swaps	0,0	0,0	0,0	252,1	22,6	0,0
Total currency instruments	0,0	0,0	0,0	252,1	22,6	0,0
<i>Interest instruments</i>						
Interest rate swaps	5.045,0	226,2	0,0	6.545,0	343,1	0,0
Interest rate swaps (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0	0,0	0,0	0,0
Total interest instruments	5.045,0	226,2	0,0	6.545,0	343,1	0,0
Total derivatives		235,9	36,1		375,4	36,1

*) The amount NOK 9.7 million is the net positive development in guaranteed portfolio as at 30/06/2014 after the annual exchange amount is deducted. The derivative's value without regard for the exchange amount being positive at NOK 40.8 million as at 30/06/2014.

31.12.2014 Fair value through profit	Parent bank Contract total	Parent bank Assets	Parent bank Liabilities	Group Contract total	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency forwards	3,1	0,1	0,0	3,1	0,1	0,0
Currency swaps	100,2	0,0	23,5	100,2	0,0	23,5
Total currency instruments	103,3	0,1	23,5	103,3	0,1	23,5
<i>Interest instruments</i>						
Interest rate swaps	727,9	0,0	33,3	727,9	0,0	33,3
Interest rate swaps (FRA)	500,0	0,1	0,0	500,0	0,1	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0	0,0	0,0	0,0
Total interest instruments	1.227,9	0,1	33,3	1.227,9	0,1	33,3
Guarantee to Eksportfinans ASA *)	242,0	10,0	0,0	242,0	10,0	0,0
Total other derivatives	242,0	10,0	0,0	242,0	10,0	0,0

Used for hedge accounting	Parent bank Contract total	Parent bank Assets	Parent bank Liabilities	Group Contract total	Group Assets	Group Liabilities
<i>Currency instruments</i>						
Currency forwards	0,0	0,0	0,0	0,0	0,0	0,0
Currency swaps	0,0	0,0	0,0	252,1	35,8	0,0
Total currency instruments	0,0	0,0	0,0	252,1	35,8	0,0
<i>Interest instruments</i>						
Interest rate swaps	4.745,0	342,5	0,0	6.245,0	558,1	0,0
Interest rate swaps (FRA)	0,0	0,0	0,0	0,0	0,0	0,0
Standardised interest rate swaps (futures)	0,0	0,0	0,0	0,0	0,0	0,0
Total interest instruments	4.745,0	342,5	0,0	6.245,0	558,1	0,0
Total derivatives		352,7	56,8		604,1	56,8

*) The amount NOK 10.0 million is the net positive development in guaranteed portfolio as at 31/12/2014 after the annual exchange amount is deducted. The derivative's value without regard for the exchange amount being positive at NOK 41.1 million as at 31/12/2014.

Financial assets and liabilities

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

Level 1: Observable trading prices in active markets

Level 2: Observable trading prices in less active markets or the use of inputs that are either directly or indirectly observable

Level 3: Valuation techniques not based on observable market data

See note 23 Financial assets and liabilities in the annual report for 2014 for further details on individual accounting items.

30/06/2015 – Group

(Figures in NOK millions)

	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and receivables at central banks	595,3	0,0	0,0	595,3	595,3
Net lending to and receivables from credit institutions	0,0	0,0	4,1	4,1	4,1
Net lending to and receivables from customers	0,0	0,0	27.584,4	27.584,4	27.582,0
Certificates, bonds and other interest-bearing securities	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 credit 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
Liabilities established on the issue of securities	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
Fair value					
Certificates, bonds and other interest-bearing securities	0,0	3.665,0	0,0	3.665,0	3.665,0
Stocks, shares and other securities					
– at fair value through profit	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

Movements at level 3 for items valued at fair value

	Fair value
Balance sheet as at 01/01/2015	428,0
Net profit	0,0
Purchase of shares	0,0
Disposal/realisation	0,0
Change in value	0,0
Transferred from level 1 and 2	0,0
Balance sheet as at 30/06/2015	428,0

Stocks and shares at level 3

There were no changes to stocks and shares at level 3 in the first six months of 2015.

At the end of the second quarter of 2015, Frende Holding AS was valued at NOK 200.8 million and Eksportfinans ASA at NOK 208.3 mil

30/06/2014 – Group

	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and receivables at central banks	615,0	0,0	0,0	615,0	615,0
Net lending to and receivables from credit institutions	475,1	0,0	8,7	483,8	483,8
Net lending to and receivables from customers	0,0	0,0	27.987,2	27.987,2	27.979,5
Certificates, bonds and other interest-bearing securities	0,0	216,8	0,0	216,8	201,6
Total assets at amortised cost	1.090,1	216,8	27.995,9	29.302,8	29.279,9
Liabilities to credit institutions	0,0	342,4	0,0	342,4	342,4
Deposits from and liabilities to customers	0,0	12.856,6	0,0	12.856,6	12.856,6
Liabilities established on the issue of securities	0,0	18.230,9	0,0	18.230,9	18.016,0
Subordinated loan capital	0,0	563,1	0,0	563,1	553,1
Total liabilities at amortised cost	0,0	31.993,0	0,0	31.993,0	31.768,1
Fair value					
Certificates, bonds and other interest-bearing securities	0,0	3.811,5	0,0	3.811,5	3.811,5
Stocks, shares and other securities					
– at fair value through profit	6,7	20,3	0,0	27,0	27,0
– available for sale	0,0	0,0	654,5	654,5	654,5
Financial derivatives	0,0	375,4	0,0	375,4	375,4
Total assets at fair value	6,7	4.207,2	654,5	4.868,4	4.868,4
Financial derivatives	0,0	36,1	0,0	36,1	36,1
Total liabilities at fair value	0,0	36,1	0,0	36,1	36,1

Movements at level 3 for items valued at fair value	Fair value
Balance sheet as at 01/01/2014	627,4
Net profit	11,7
Purchase of shares	0,0
Disposal	25,1
Change in value	40,5
Transferred from level 1 and 2	0,0
Balance sheet as at 30/06/2014	654,5

Stocks and shares

Disposals at level 3 in the first six months of 2014 of NOK 25.1 million have to do with the sale of Frende Holding AS, which has been classified as available for sale.

The realised profit amounts to NOK 11.7 million and is included in "Net value change and profit/loss from financial investments" in ordinary profit, while corresponding amounts are reversed in the total comprehensive income. The positive value change of NOK 52.2 million has to do with Nets Holding AS, which has also been classified in the category "available for sale". The positive value change is included in "Changes in fair value of investments available for sale" in the total comprehensive income.

At the end of the second quarter of 2014, Frende Holding AS was valued at NOK 200.8 million, Nets Holding AS at NOK 227.1 million and Eksportfinans ASA at NOK 208.3 million.

31/12/2014 – Group	Level 1	Level 2	Level 3	Fair value	Book value
Amortised cost					
Cash and receivables at central banks	481,5	0,0	0,0	481,5	481,5
Net lending to and receivables from credit institutions	0,0	0,0	7,5	7,5	7,5
Net lending to and receivables from customers	0,0	0,0	28.703,4	28.703,4	28.697,8
Certificates, bonds and other interest-bearing securities	0,0	221,4	0,0	221,4	205,8
Total assets at amortised cost	481,5	221,4	28.710,9	29.413,8	29.392,6
Liabilities to credit institutions	0,0	210,5	0,0	210,5	210,5
Deposits from and liabilities to customers	0,0	13.397,0	0,0	13.397,0	13.397,0
Liabilities established on the issue of securities	0,0	17.746,2	0,0	17.746,2	17.549,9
Subordinated loan capital	0,0	709,2	0,0	709,2	703,1
Total liabilities at amortised cost	0,0	32.062,9	0,0	32.062,9	31.860,5

Fair value

Certificates, bonds and other interest-bearing securities	0,0	3.904,0	0,0	3.904,0	3.904,0
Stocks, shares and other securities					
– at fair value through profit	10,0	19,5	0,0	29,5	29,5
– available for sale	0,0	0,0	428,0	428,0	428,0
Financial derivatives	0,0	604,1	0,0	604,1	604,1
Total assets at fair value	10,0	4.527,6	428,0	4.965,6	4.965,6
Financial derivatives	0,0	56,8	0,0	56,8	56,8
Total liabilities at fair value	0,0	56,8	0,0	56,8	56,8

Movements at level 3 for items valued at fair value	Fair value
Balance sheet as at 01/01/2014	627,4
Net profit	147,0
Purchase of shares	0,7
Disposal	256,8
Change in value	-90,2
Transferred from level 1 and 2	0,0
Balance sheet as at 31/12/2014	428,0

Stocks and shares at level 3

Disposals at level 3 in 2014 include the sale of the bank's part-ownership of Nets Holding AS and the sale of Frende Holding AS, both classified as available for sale. Total payment for the bank's part-ownership of Nets Holding AS is NOK 231.1 million. The realised profit amounts to NOK 134.7 million and is included in "Net value change and profit/loss from financial investments" in ordinary profit, while the value change previously recognised in the total comprehensive income is reversed. Total payment from the sale of Frende Holding AS amounts to NOK 25.1 million. The realised profit amounts to NOK 11.7 million and is included in "Net value change and profit/loss from financial investments" in ordinary profit, while corresponding amounts are reversed in the total comprehensive income. At the end of the fourth quarter of 2014, Frende Holding AS was valued at NOK 200.8 million and Eksportfinans ASA at NOK 208.3 million.

Offsetting, financial instruments

The Group's offsetting is in accordance with general rules set out 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. Additional agreements have also been entered into concerning provision of security (CSA).

Offsetting has not been performed for the recognised amounts in accordance with the duty of disclosure for offsetting.

There are no offsetting agreements in place with the parent bank for any non-performance or concluded CSA agreements.

Group (Figures in NOK millions)

	Gross amount	Offset	Recognised amount	Amount subject to net settlement	Amount following any net settlement
As at 30/06/2015, the exposure was as follows:					
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
As at 30/06/2014, the exposure was as follows:					
Financial derivatives, assets	139,5	0,0	139,5	0,0	139,5
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0
As at 31/12/2014, the exposure was as follows:					
Financial derivatives, assets	251,4	0,0	251,4	0,0	251,4
Financial derivatives, liabilities	0,0	0,0	0,0	0,0	0,0

Capital adequacy ratio

Regulations concerning the calculation of subordinated capital and capital adequacy ratio regulations have been amended in connection with the introduction of CRD-IV with periods before 30/09/2014 have not been revised and are not therefore directly comparable.

Transition rules where funds for unrealised profits from items are classified as available for sale cannot be included in pure tier 1 capital as of 31/12/2014.

The bank uses the standardised approach when calculating minimum requirements for subordinated capital for credit risk. The calculation related to operational risk is carried using the basic method. The CVA supplement is calculated using the standardised approach. Commitment amounts for derivatives are calculated using the market value method.

The bank's subordinated 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 on Sparebanken Øst's website.

	Parent bank	Parent bank	Parent bank	Group	Group	Group
	30.06.2015	30.06.2014	31.12.2014	30.06.2015	30.06.2014	31.12.2014
Pure tier 1 capital						
Book equity	2.367,2	2.278,1	2.477,3	2.655,7	2.501,3	2.765,7
Deduction items in pure tier 1 capital						
Value adjustments resulting from prudent valuation requirements (AVA)	-4,5	0,0	-4,8	-4,6	0,0	-5,0
Dividends	0,0	0,0	-103,7	0,0	0,0	-103,7
Intangible assets	-0,2	-0,5	-0,4	-0,2	-0,5	-0,4
Deferred tax	0,0	-4,0	0,0	0,0	0,0	0,0
Pure tier 1 capital instruments in other financial instruments (not significant)	-13,8	0,0	0,0	-3,2	0,0	0,0
Pure tier 1 capital instruments in other financial instruments (significant)	0,0	0,0	0,0	0,0	0,0	0,0
50/50 deductions from tier 1 capital	0,0	-140,9	0,0	0,0	-149,0	0,0
Fund for unrealised profits (transitional arrangement up to and including 31/1)	0,0	-293,2	-162,4	0,0	-293,2	-162,4
Other deductions from pure tier 1 capital	0,0	0,0	0,0	0,0	0,0	0,0
Total pure tier 1 capital	2.348,7	1.839,5	2.206,1	2.647,7	2.058,6	2.494,2
Other tier 1 capital						
Fund bonds	349,2	199,1	349,1	349,2	199,1	349,1
Deduction items in other tier 1 capital						
Other tier 1 capital instruments in other financial instruments (not significant)	-10,4	0,0	0,0	-2,4	0,0	0,0
Other tier 1 capital instruments in other financial instruments (significant)	0,0	0,0	0,0	0,0	0,0	0,0
Other deductions from other tier 1 capital	0,0	0,0	0,0	0,0	0,0	0,0
Total other tier 1 capital	338,9	199,1	349,1	346,8	199,1	349,1
Total tier 1 capital	2.687,5	2.038,6	2.555,2	2.994,5	2.257,7	2.843,3
Supplementary capital						
Subordinated loans	349,4	349,2	349,3	349,4	349,2	349,3
Proportion of fund for unrealised profits (transitional arrangement up to and including 31/1)	0,0	131,9	58,5	0,0	131,9	58,5
Deduction items in supplementary capital						
Supplementary capital instruments in other financial instruments (not significant)	-14,7	0,0	0,0	-3,4	0,0	0,0
Supplementary capital instruments in other financial instruments (significant)	0,0	0,0	0,0	0,0	0,0	0,0
50/50 deductions from supplementary capital	0,0	-140,9	0,0	0,0	-149,0	0,0
Other deductions from supplementary capital	0,0	0,0	0,0	0,0	0,0	0,0
Total supplementary capital	334,7	340,2	407,8	346,0	332,1	407,8
Net subordinated capital	3.022,3	2.378,8	2.963,0	3.340,5	2.589,7	3.251,1
Basis of calculation						
Governments and central banks	0,0	0,0	0,0	0,0	0,0	0,0
Local and regional authorities	91,0	88,6	109,6	91,0	88,6	109,6
Publicly-owned companies	0,0	25,1	0,0	0,0	25,1	0,0
Multilateral development banks	0,0	0,0	0,0	0,0	0,0	0,0
Institutions	2.267,6	3.228,8	2.293,2	245,1	472,1	310,1
Companies	2.768,7	3.494,8	3.421,5	2.613,6	3.184,6	3.040,4
Mass market commitments	365,7	754,5	658,0	1.580,0	1.989,0	1.866,4
Commitments secured against property	5.972,1	5.445,1	5.793,3	8.956,5	8.730,0	8.954,9
Commitments due	219,4	447,4	344,7	252,1	482,5	381,7
Covered bonds	216,3	270,3	241,2	206,2	217,5	241,2
Shares in securities fund	0,0	0,0	0,0	0,0	0,0	0,0
Equity positions	1.683,1	0,0	1.527,5	780,4	0,0	595,0
Other commitments	133,6	613,1	124,5	448,7	1.034,4	645,2
Securitisation	66,4	53,4	112,0	66,4	53,4	112,0
Basis of calculation for credit and counterparty risk	13.783,8	14.421,1	14.625,4	15.240,0	16.277,3	16.256,4
Basis of calculation for currency risk	0,0	0,0	0,0	0,0	0,0	0,0
Basis of calculation for operational risk	1.106,6	952,9	952,9	1.393,5	1.184,5	1.184,5
Basis of calculation for weakened counterparty credit value (CVA)	120,5	0,0	178,2	315,2	0,0	450,8
Deductions from basis for calculation	0,0	-483,1	0,0	0,0	-502,7	0,0
Total basis for calculation	15.010,9	14.890,9	15.756,5	16.948,8	16.959,1	17.891,6
Pure tier 1 capital	15,65 %	12,35 %	14,00 %	15,62 %	12,14 %	13,94 %
Tier 1 capital ratio	17,90 %	13,69 %	16,22 %	17,67 %	13,31 %	15,89 %
Capital adequacy ratio	20,13 %	15,97 %	18,80 %	19,71 %	15,27 %	18,17 %
Buffers						
Capital conservation buffer	375,3	372,3	393,9	423,7	424,0	447,3
Countercyclical buffer	0,0	0,0	0,0	0,0	0,0	0,0
Systemic risk buffer	450,3	297,8	472,7	508,5	339,2	536,7
Buffer for systemically important banks	0,0	0,0	0,0	0,0	0,0	0,0
Total buffer requirements	825,6	670,1	866,6	932,2	763,2	984,0
Available buffer capital	1.673,2	1.145,2	1.497,0	1.885,0	1.233,0	1.689,1
Unweighted tier 1 capital ratio *)	7,58 %	5,52 %	7,02 %	8,67 %	6,20 %	7,93 %

*) Unweighted tier 1 capital ratio is calculated at the end of the quarter.

Guarantee liability and other items not on the balance sheet

(Figures in NOK millions)	Parent bank	Parent bank	Parent bank	Group	Group	Konsern
Guarantee liability	30.06.2015	30.06.2014	31.12.2014	30.06.2015	30.06.2014	31.12.2014
Payment guarantees	58,5	96,0	77,9	59,2	96,7	78,7
Contract guarantees	49,6	96,9	64,8	49,6	96,9	64,8
Loan guarantees	0,6	7,2	5,8	0,6	7,2	5,8
Other guarantee liability	17,9	18,2	17,2	17,9	18,2	17,2
Total guarantees to customers	126,5	218,3	165,7	127,3	219,0	166,5
Guarantee to Eksportfinans ASA *	100,0	100,0	100,0	100,0	100,0	100,0
Total guarantee liability	226,5	318,3	265,7	227,3	319,0	266,5

* The bank has issued a guarantee to Eksportfinans ASA. Net guarantee liability is NOK 100 million. The guarantee is a derivative. The derivative's value excluding exchange settlement was positive, amounting to NOK 40.2 million as at 30/06/2015 compared with NOK 41.4 million as at 31/12/2014. As at 30/06/2014, it was positive, amounting to NOK 41.4 million.

In connection with the rating process of Sparebanken Øst Boligkreditt AS, the bank has issued a guarantee relating to all liabilities with regard to covered bonds in the mortgage company. Covered bonds amount to a nominal value of NOK 6,886.2 as at 30/06/2015, NOK 6,942.9 million as at 31/12/2014 and NOK 7,147.7 million as at 30/06/2014. The parent bank's holdings of covered bonds with a nominal value of NOK 100.0 million, (NOK 0.0 million as at 31/12/2014 and NOK 525.0 million as at 30/06/2014).

Pledged assets and preferential rights

Bonds, nominal value, issued as collateral for borrowing facilities with Norges Bank	755,0	1.425,0	1.195,0	755,0	1.425,0	1.195,0
Pledged assets	755,0	1.425,0	1.195,0	755,0	1.425,0	1.195,0

Pledged in the swap arrangement	0,0	0,0	0,0	0,0	0,0	0,0
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Preferential rights in accordance with section 2–35* of the	0,0	0,0	0,0	6.986,2	7.672,7	6.942,9
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* This includes holdings owned by the parent bank with a nominal value of NOK 100.0 million as at 30/06/2015, NOK 0.0 million as at 31/12/2014 and NOK 525.0 million as at 30/06/2014.

Transactions with related parties

Parent bank

This is transactions between the parent bank and wholly owned subsidiaries. The transactions have been eliminated in the consolidated financial statements.

(Figures in NOK millions)

	30.06.2015	30.06.2014	31.12.2014
Profit			
Interest income from subsidiaries	24,8	34,3	68,4
Interest income, certificates and bonds (covered bonds) from subsidiaries	0,8	4,1	10,2
Interest expenses to subsidiaries	1,7	1,9	4,1
Dividends received from subsidiaries	20,0	60,0	60,0
Administrative fees etc. from Sparebanken Øst Boligkreditt AS	7,2	7,2	14,8
Rent to subsidiaries	4,1	3,8	7,8
Other expenses to subsidiaries	0,1	0,1	0,2
Balance sheet			
Lending to subsidiaries	1.940,8	2.806,0	2.708,5
Investment in covered bonds in subsidiaries	101,2	529,5	0,0
Other receivables from subsidiaries	1,0	1,1	1,1
Deposits from subsidiaries	254,9	223,2	302,7
Other liabilities to subsidiaries	9,5	15,7	4,0

In the first quarter of 2015, the parent bank received dividends of NOK 20.0 million from subsidiaries. In the first quarter of 2014, the parent bank received dividends of NOK 60.0 million from subsidiaries.

Group

Besides loans, deposits and associated interest income and interest expenses concerning the senior management, the Board and the audit committee, the Group does not have any related parties. See note 32 in the financial statements.

Additional information for cash flow statement

Group 30.06.2015	Group 30.06.2014	Group 31.12.2014	(Figures in NOK millions)	Parent bank 30.06.2015	Parent bank 30.06.2014	Parent bank 31.12.2014
Cash and cash equivalents						
595,3	615,0	481,5	Cash and receivables at central banks	595,3	615,0	481,5
4,1	8,7	7,5	Lending to and receivables from credit institutions relating to direc	4,1	8,7	7,5
599,4	623,7	489,0	Total	599,4	623,7	489,0
Change in other assets in connection with operations						
0,0	-3,5	-6,0	Net change in financial assets held for trading	0,0	-3,5	-6,0
-4,8	16,4	33,4	Net change in financial derivatives (net assets and liabilities)	-4,8	16,4	33,5
78,1	-3,0	-68,6	Net change in other assets	1,4	-1,2	3,7
73,3	9,9	-41,2	Total	-3,4	11,7	31,2
Non-cash items included in profit before tax						
9,1	9,7	19,8	Depreciation of property, plant and equipment	5,3	4,1	8,8
0,1	0,1	0,2	Amortisation of financial investments held to maturity	0,1	0,1	0,2
0,6	3,4	-3,2	Impairment of financial assets	-0,3	-0,8	-7,1
-0,5	0,9	1,6	Amortisation of financing activities measured at amortised cost	-1,1	0,1	-0,1
9,3	14,1	18,4	Total	4,0	3,5	1,8

Earnings per equity certificate

Earnings per equity certificate are calculated by dividing the part of the earnings after tax that accrues to equity certificate holders with a weighted average number of outstanding equity certificates during the year. If the profit for the year shows a loss, this will be covered by a proportional transfer from primary capital, the donations fund and the equalisation fund, respectively. In such a situation, earnings per equity certificate are calculated from the proportion of the loss charge

Sparebanken Øst has not issued options or other instruments that may lead to dilution of earnings per equity certificate. Diluted earnings per equity certificate will therefore be the same as earnings per equity certificate.

(Figures in NOK millions)	Parent bank 30.06.2015	Group 30.06.2015
Profit after tax	79,4	155,8
Ownership fraction	38,79 %	38,79 %
Profit after tax attributable to equity certificate holders	30,8	60,4
Weighted average number of outstanding equity certificates	20,7	20,7
Earnings per equity certificate	1,49	2,92

Ownership fraction, parent bank

(Figures in NOK millions)	01.01.2015	01.01.2014
Equity certificate capital	207,3	207,3
Share premium reserve	387,8	387,8
Equalisation fund (excl. dividend)	262,6	229,5
Proportion of available for sale reserve	63,0	104,7
Total figures (A)	920,7	929,3
Total equity (dividend provisions for the year held aside)	2.373,6	2.242,6
Total names (B)	2.373,6	2.242,6
Ownership fraction (A/B) in %	38,79	41,44

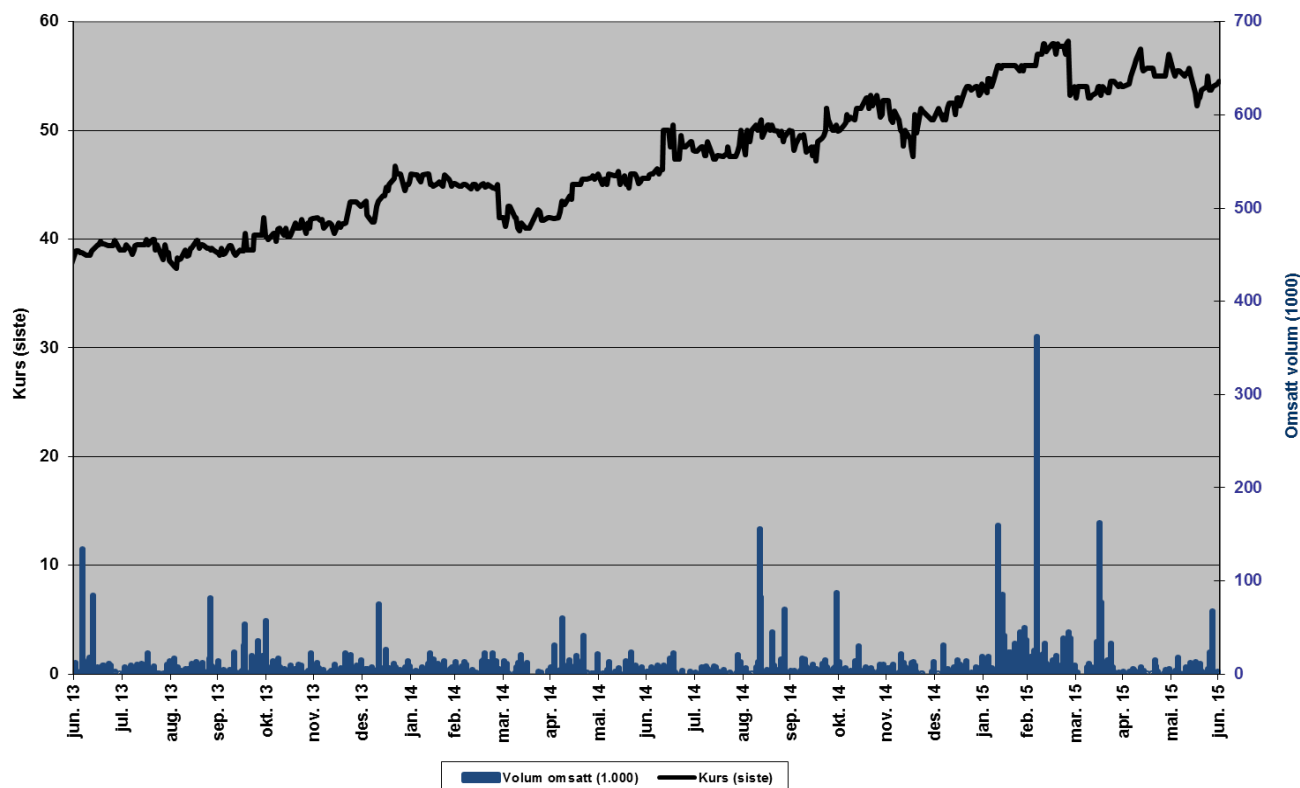
Equity certificates

Miscellaneous key figures, equity certificates:

	30.06.2015	2014	2013	2012	2011
Ownership fraction	38,79 %	41,44 %	43,28 %	44,98 %	46,04 %
Number of equity certificates (mill.)	20,73	20,73	20,73	20,73	20,73
Book equity per certificate – NOK 1)	52,72	54,81	52,29	46,22	42,49
Dividend – NOK	-	5,00	3,00	3,00	2,00
Turnover rate (sold/issued)	21,68 %	10,46 %	21,81 %	11,69 %	21,61 %

1) Equity share capital (incl. dividends) (Group) divided by the number of equity certificates. Profit to date for the year has been included.

Sparebanken Øst (SPOG)



The twenty biggest equity certificate holders as at 30/06/2015

Name	Number	%	Name	Number	%
1 MP Pensjon PK	2.037.218	9,83 %	11 Sparebankstiftelsen DNB	308.320	1,49 %
2 Directmarketing Invest AS	999.500	4,82 %	12 Hustadliitt AS	270.666	1,31 %
3 Pareto AS	677.070	3,27 %	13 Profond AS	269.741	1,30 %
4 Storetind AS	600.000	2,89 %	14 JAL Holding AS	239.665	1,16 %
5 Citibank NA New York (NOM)	500.705	2,42 %	15 Danske Bank (NOM)	208.683	1,01 %
6 Hansen, Asbjørn Rudolf	466.443	2,25 %	16 Wenaasgruppen AS	200.000	0,96 %
7 Securities fund Eika Utbytte	417.066	2,01 %	17 Bergen Municipality Norwegian Put	200.000	0,96 %
8 Jag Holding AS	400.000	1,93 %	18 Atlas Absolutt	175.000	0,84 %
9 Foretakskonsulenter AS	385.100	1,86 %	19 Citibank NA New York (NOM)	173.779	0,84 %
10 AS Andersen Eiendomsselskap	354.500	1,71 %	20 Nordenfjelske Bykreditts Stiftelse	156.318	0,75 %