



3. quarter 2011

Quarterly Report

Third quarter 2011

Norwegian and international economy

Debt problems in several southern European countries have affected the international financial markets in the last quarter as well. Certain countries have been dependent on financial support from the European Central Bank, and The International Monetary Fund (IMF), and several countries have been downgraded by the rating agencies. As a result of significant credit exposure to some of the most vulnerable countries, confidence in several European banks has been undermined in recent months. The support measures that the EU has implemented, or announced that they will implement, have not been adequate so far to reassure the securities markets.

The European market for long-term funding for banks has been closed throughout much of the quarter. To the extent

that issues have taken place, it has been to banks with low exposure to southern Europe and loans with shorter maturities. The Norwegian bond market has primarily been affected by the unrest abroad through a substantial increase in the credit mark-up on new funding to banks.

The Norwegian economy is still solid, with a high level of activity and low unemployment. There has been a further rise in housing prices throughout the third quarter at the same time. The international situation contributes, however, considerable uncertainty about the future development of the Norwegian economy. The short-term money market rate, the 3-month NIBOR, has been at 3.0 per cent on average during the last quarter, compared with 2.8 per cent on average to date.

Sparebanken Hedmark – Group

The Group prepares its financial statements in accordance with the IAS 34 accounting standard, Interim Financial Reporting.

The Group consists of Sparebanken Hedmark and the consolidated subsidiaries Hedmark Eiendom AS, SpareBank 1 Finans Østlandet AS, Vato AS and Meglereiendom AS. In the second quarter the Bank acquired 100 per cent of the shares in the finance and accounting chain Consis AS.

The Bank owns 12 per cent of SpareBank 1 Gruppen AS and Bank 1 Oslo Akershus AS, as well as 8.7 per cent of SpareBank 1 Boligkreditt AS. The profit/loss of these companies is recognised in the Bank's consolidated financial statements proportionate to the Bank's ownership interest.

The Group's profit before tax totalled NOK 457 million for the first nine months of the year. The profit for the corresponding period last year was NOK 642 million.

The decline in profit is attributed primarily to the fact that the results for the three quarters in 2010 included income from financial investments totalling NOK 224 million of this, NOK 186 million was extraordinary income related to the card and payment transfer company Nordito AS and changes in the value of the Bank's interest-bearing debt and securities. Income from financial investments totalled NOK 74 million for the three first quarters of the year.

Profit after tax of NOK 343 million corresponds to a return on equity of 8.4 per cent. The corresponding figures for the same period in 2010 were NOK 524 million and 14.1 per cent.

Specification of the consolidated profit in NOK million:

| | |
|---|------------|
| Parent Bank's profit before tax | 468 |
| Dividends and group contributions received from subsidiaries/associates | -95 |
| Profit/loss attributable to: | |
| SpareBank 1 Gruppen AS | 31 |
| Bank 1 Oslo Akershus AS | 9 |
| SpareBank 1 Boligkreditt AS | 6 |
| Hedmark Eiendom AS | 6 |
| SpareBank 1 Finans Østlandet AS | 31 |
| Other companies | 0 |
| Consolidated profit before tax | 457 |

Gross lending to customers, including loans transferred to SpareBank 1 Boligkreditt AS totalled NOK 44.0 billion as at 30 September 2011. At the end of the third quarter loans totalling NOK 8.5 billion had been transferred to SpareBank 1 Boligkreditt AS, compared with NOK 7.1 billion one year ago. Including the transferred loans, the twelve-month lending growth was 5.8 per cent.

Customer deposits totalled NOK 25.3 billion. Growth in deposits over the past twelve months was 5.9 per cent. Deposits finance 71.1 per cent of the Group's gross lending, compared with 69.1 per cent one year ago.

Debt to credit institutions and securities debt was NOK 10.5 billion at the end of the third quarter. One year ago this debt was NOK 12.6 billion. A higher loan volume transferred to SpareBank 1 Boligkreditt AS and the reduced liquidity balance with Norges Bank has contributed to reducing the external funding requirement. Average maturity of the Bank's market funding is 3.4 years at the end of the third quarter.

Liquidity has been good throughout the quarter. At the end of the third quarter the Bank is not dependent on external funding for more than 18 months of normal operations. In the opinion of the Board of Directors, the Bank's liquidity risk is moderate to low.

The Group's equity was NOK 5.6 billion as at 30 September 2011. The capital adequacy ratio was 14.2 per cent, compared with 13.2 per cent as at 30 September 2010. The Group's equity as at 30 September 2011 accounts for 13.2 per cent of the balance sheet, compared with 12.1 per cent one year ago.

Sparebanken Hedmark – Parent Bank

Profit before tax

The profit before tax totalled NOK 468 million for the first three quarters of the year. The profit for the same period in 2010 was NOK 580 million. The profit corresponded to 1.50 per cent of the average total assets, compared with 1.86 per cent for the same period last year. Net interest income was NOK 41 million higher than the corresponding period last year. The difference is attributed primarily to higher income from financial investments in the first half of last year.

Profit after tax

Profit after tax totalled NOK 365 million. The profit for the corresponding period last year was NOK 471 million. This corresponds to a return on equity of 9.4 per cent. The corresponding figure for the same period last year was 13.3 per cent.

Net interest income

Net interest income after three quarters amounted to NOK 647 million, compared with NOK 606 million for the same period last year. Net interest income as a percentage of the average total assets was 2.07 per cent. The corresponding figure for the same period in 2010 was 1.95 per cent. Net interest income year to date was higher than the same period last year as a result, for example, of a reduced need for market funding, a lower liquidity balance with Norges Bank, and elimination of the guarantee fund charge.

Net commission income

Net commission income amounted to NOK 146 million, compared with NOK 154 million for the corresponding period last year. Commission income from loans transferred to SpareBank 1 Boligkreditt AS was NOK 31 million year to date. This is NOK 2 million less than the corresponding period last year.

Income from investments in associates, joint ventures and group companies

Income from this area totalled NOK 95 million, compared with NOK 58 million in the first three quarters of 2010. All the income represents dividends received. Dividends received from SpareBank 1 Gruppen AS totalled NOK 53 million.

Income from other financial investments

Income from financial investments totalled NOK 74 million after the three first quarters. This breaks down into NOK 22 million in dividends, NOK 12 million in foreign currency income and NOK 40 million in a positive, primarily unrealised, effect on earnings related to the valuation of the Bank's interest-bearing securities and debt. After three quarters last year the income from other financial investments totalled NOK 224 million, which was attributed primarily to the realisation of the Nordito shares and the effect on earnings related to the valuation of the Bank's interest-bearing securities and debt.

Operating expenses

Total operating expenses after three quarters were NOK 471 million. The operating expenses for the same period last year were NOK 447 million. Higher operating expenses in 2011

compared with 2010 is attributed primarily to the recognition of revenue of NOK 24 million in 2010 as a result of the new contractual early retirement scheme. Adjusted for this non-recurring effect, the expenses after three quarters last year totalled NOK 471 million, which is identical to the expenses after three quarters this year.

The operating expenses represent 49.0 per cent of the total income, compared with 42.9 per cent for the first three quarters of 2010.

Losses on loans and guarantees

Net losses on loans and guarantees for the first nine months of the year totalled NOK 23 million. Net losses include income from the sale of loans previously written down totalling NOK 20 million. Net losses consist of NOK 29 million in losses in the corporate market and the recognition of income of NOK 6 million in the retail market. The losses after three quarters in 2010 totalled NOK 15 million. Annualised, the losses amounted to 0.1 per cent of gross lending.

Lending

Gross lending to customers, including loans transferred to SpareBank 1 Boligkreditt AS, totalled NOK 41.1 billion as at 30 September 2011. Lending growth over the past 12 months, including loans transferred to SpareBank 1 Boligkreditt, has been 4.7 per cent. Growth in deposits over the past 12 months one year ago was 6.5 per cent. In the past 12 month period, growth has been 5.2 per cent in the retail market, including loans transferred to SpareBank 1 Boligkreditt, and 3.6 per cent in the corporate market. The risk profile for the Bank's granting of credit has not changed during the year.

Deposits

Deposits from and liabilities to customers totalled NOK 25.4 billion as at 30 September 2011. Growth in deposits over the past twelve months has been 6.2 per cent. Growth in deposits over the past 12 months one year ago was 4.3 per cent. The growth in deposits over the last 12 month period has been 6.4 per cent in the retail market and 5.6 per cent in the corporate market.

Capital adequacy

The capital adequacy ratio was 15.5 per cent as at 30 September 2011, compared with 14.1 per cent as at 30 September 2010. The Parent Bank's equity of at least NOK 5.3 billion consists entirely of retained earnings and represents 12.7 per cent of the balance sheet.

Outlook for the rest of the year

The financial situation is still uncertain for several European countries and many European banks. It is anticipated that unemployment in Norway will remain at a low level. However, international developments will be of importance to the development in Norway. In addition to the real economic consequences, the development will also have a direct effect on the banks' balance sheet performance, funding costs and securities portfolio.

Hamar, 27 October 2011

Styret i Sparebanken Hedmark

Income statement (Not Audited)

| Parent Bank | | | | Group | | | |
|--------------|--------------|------------|---|-------|--------------|--------------|--------------|
| 31.12.10 | 30.09.10 | 30.09.11 | (NOK million) | Notes | 30.09.11 | 30.09.10 | 31.12.10 |
| 1 779 | 1 312 | 1 417 | Interest income | | 1 495 | 1 382 | 1 875 |
| 958 | 706 | 770 | Interest expenses | | 770 | 706 | 957 |
| 821 | 606 | 647 | Net interest income | | 725 | 676 | 918 |
| 220 | 163 | 163 | Commission income | | 162 | 162 | 220 |
| 35 | 27 | 23 | Commission expenses | | 34 | 36 | 48 |
| 22 | 18 | 6 | Other operating income | | 47 | 58 | 79 |
| 207 | 154 | 146 | Net commission and other income | | 175 | 184 | 251 |
| 38 | 38 | 22 | Dividends | | 22 | 38 | 38 |
| 58 | 58 | 95 | Net profit from ownership interests | | 46 | 86 | 124 |
| 191 | 186 | 52 | Net profit from other financial assets and liabilities | | 52 | 186 | 197 |
| 287 | 282 | 169 | Net income from financial assets and liabilities | | 120 | 310 | 359 |
| 1 315 | 1 042 | 962 | Total net income | | 1 020 | 1 170 | 1 528 |
| 323 | 239 | 254 | Personnel expenses | | 294 | 273 | 369 |
| 290 | 208 | 217 | Other operating expenses | | 245 | 237 | 330 |
| 613 | 447 | 471 | Total operating expenses | 4 | 539 | 510 | 699 |
| 702 | 595 | 491 | Profit before losses | | 481 | 660 | 829 |
| 48 | 15 | 23 | Losses on loans and guarantees | 6 | 24 | 18 | 50 |
| 654 | 580 | 468 | Profit/loss before tax | | 457 | 642 | 779 |
| 129 | 109 | 103 | Tax charge | | 114 | 118 | 144 |
| 525 | 471 | 365 | Results for the accounting period | | 343 | 524 | 635 |

Statement of comprehensive income according to IAS 1

| | | | | | | | |
|------------|------------|------------|---|--|------------|------------|------------|
| 525 | 471 | 365 | Results for the accounting period | | 343 | 524 | 635 |
| 12 | | | Actuarial gains / losses on pensions | | | | 11 |
| -3 | | | Tax effect of actuarial gains / losses on pensions | | | | -3 |
| 67 | 27 | -28 | Change in value of financial assets available for sale | | -28 | 27 | 67 |
| 5 | 2 | -7 | Financial assets available for sale transferred to profit and loss on write-down due to permanent impairment of value | | -7 | 2 | 5 |
| -111 | -111 | 7 | Financial assets available for sale transferred to profit and loss on realisation | | 7 | -111 | -111 |
| | | | Change in accounting principles in associated companies and joint ventures recognised directly in equity | | | | |
| | | | Share of gains and losses in associated companies and joint ventures recognised directly in equity | | | | -7 |
| -30 | -82 | -28 | Total profit and loss items recognised in equity | | -28 | -82 | -38 |
| 495 | 389 | 337 | Total profit / loss for the accounting year | | 315 | 442 | 597 |

Balance sheet (Not Audited)

| Parent Bank | | | Group | | | | |
|-----------------------|---------------|---------------|--|-------|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | (NOK million) | Notes | 30.09.11 | 30.09.10 | 31.12.10 |
| ASSETS | | | | | | | |
| 995 | 1 296 | 493 | Cash and deposits with central banks | | 493 | 1 296 | 995 |
| 2 054 | 1 965 | 2 573 | Loans to and receivables from credit institutions | | 86 | 63 | 57 |
| 31 567 | 32 214 | 32 672 | Gross loans to and receivables from customers | 5 | 35 495 | 34 504 | 33 942 |
| -216 | -163 | -216 | - Individual write-downs | | -228 | -183 | -231 |
| -95 | -133 | -93 | - Write-downs of groups of loans | | -101 | -140 | -102 |
| 31 256 | 31 918 | 32 363 | Net loans to and receivables from customers | | 35 166 | 34 180 | 33 609 |
| 4 531 | 4 702 | 3 889 | Certificates, bonds and fixed-income funds | | 3 889 | 4 702 | 4 531 |
| 270 | 343 | 394 | Financial derivatives | 7 | 394 | 343 | 270 |
| 359 | 392 | 336 | Shares, units and other equity interests | | 336 | 392 | 359 |
| 1 009 | 876 | 1 099 | Investments in associates and joint ventures | | 1 341 | 1 101 | 1 272 |
| 305 | 305 | 305 | Investments in subsidiaries | | | | |
| | 2 | | Assets held for sale | | 1 | 3 | 2 |
| 257 | 257 | 250 | Property, plant and equipment | | 272 | 278 | 279 |
| 86 | 87 | 84 | Goodwill and other intangible assets | | 87 | 91 | 90 |
| 85 | 83 | 65 | Deferred tax asset | | 68 | 88 | 87 |
| 125 | 133 | 288 | Other assets | 8 | 392 | 196 | 201 |
| 41 332 | 42 359 | 42 139 | Total assets | | 42 525 | 42 734 | 41 752 |
| LIABILITIES | | | | | | | |
| 3 837 | 5 045 | 3 581 | Deposits from and liabilities to credit institutions | | 3 576 | 5 044 | 3 836 |
| 24 208 | 23 941 | 25 417 | Deposits from and liabilities to customers | 9 | 25 251 | 23 851 | 24 083 |
| 7 430 | 7 581 | 6 903 | Liabilities arising from issuance of securities | 10 | 6 903 | 7 581 | 7 430 |
| 215 | 257 | 239 | Financial derivatives | 7 | 239 | 257 | 215 |
| 129 | 109 | 104 | Current tax liabilities | | 114 | 118 | 142 |
| 495 | 511 | 553 | Other debt and liabilities recognised in the balance sheet | 11 | 820 | 711 | 721 |
| 36 314 | 37 444 | 36 797 | Total liabilities | | 36 903 | 37 562 | 36 427 |
| EQUITY CAPITAL | | | | | | | |
| 4 840 | 4 331 | 4 836 | Primary capital | | 4 836 | 4 331 | 4 840 |
| 78 | 56 | 69 | Endowment fund | | 69 | 56 | 78 |
| 100 | 57 | 72 | Fund for unrealised gains | | 72 | 57 | 100 |
| | | | Other equity | | 302 | 204 | 307 |
| | 471 | 365 | Result for the period | | 343 | 524 | |
| 5 018 | 4 915 | 5 342 | Total equity capital | | 5 622 | 5 172 | 5 325 |
| 41 332 | 42 359 | 42 139 | Total liabilities and equity capital | | 42 525 | 42 734 | 41 752 |

Change in equity capital

Parent Bank

| (NOK million) | Earned equity | | | Total equity capital |
|--|-------------------------|---------------|---------------------------|----------------------|
| | Balance primary capital | Donation Fund | Fund for value adjustment | |
| Equity at 1 January 2010 | 4 337 | 73 | 139 | 4 549 |
| Total comprehensive income | 471 | | -82 | 389 |
| Donations distributed from profit 2009 | -6 | | | -6 |
| Grants from endowment fund in 2010 | | -17 | | -17 |
| Equity at 30 June 2010 | 4 802 | 56 | 57 | 4 915 |
| Equity at 1 January 2010 | 4 337 | 73 | 139 | 4 549 |
| Total comprehensive income | 534 | | -39 | 495 |
| Donations distributed from profit 2009 | -6 | | | -6 |
| Grants from endowment fund in 2010 | | -20 | | -20 |
| Transfer to endowment fund in 2010 | -25 | 25 | | 0 |
| Equity at 31 December 2010 | 4 840 | 78 | 100 | 5 018 |
| Equity at 1 January 2011 | 4 840 | 78 | 100 | 5 018 |
| Total comprehensive income | 365 | | -28 | 337 |
| Donations distributed from profit 2010 | -4 | | | -4 |
| Grants from endowment fund in 2011 | | -9 | | -9 |
| Transfer to endowment fund in 2011 | | | | 0 |
| Equity at 30 June 2011 | 5 201 | 69 | 72 | 5 342 |

Group

| (NOK million) | Earned equity | | | | Total equity capital |
|---|-------------------------|---------------|---------------------------|----------------------|----------------------|
| | Balance primary capital | Donation Fund | Fund for value adjustment | Other equity capital | |
| Equity at 1 January 2010 | 4 337 | 73 | 139 | 210 | 4 759 |
| IB correction: Reclassification joint ventures | | | | 200 | 200 |
| IB correction: Correction of previous years' errors in joint ventures | | | | -11 | -11 |
| Adjusted equity at 1 January 2010 | 4 337 | 73 | 139 | 399 | 4 948 |
| Total comprehensive income | 524 | | -82 | | 442 |
| Change in Eq cap from companies in the Group | | | | -195 | -195 |
| Donations distributed from profit 2009 | -6 | | | | -6 |
| Grants from endowment fund in 2010 | | -17 | | | -17 |
| Equity at 30 June 2010 | 4 855 | 56 | 57 | 204 | 5 172 |
| Equity at 1 January 2010 | 4 337 | 73 | 139 | 210 | 4 759 |
| IB correction: Reclassification of associated companies | | | | 200 | 200 |
| IB correction: Correction of previous years' errors in joint ventures | | | | -11 | -11 |
| Adjusted equity at 1 January 2010 | 4 337 | 73 | 139 | 399 | 4 948 |
| Total comprehensive income | 534 | | -39 | 102 | 597 |
| Direct recognition in equity in associated companies and joint ventures | | | | -194 | -194 |
| Donations distributed from profit 2009 | -6 | | | | -6 |
| Grants from endowment fund in 2010 | | -20 | | | -20 |
| Transfers to endowment fund in 2010 | -25 | 25 | | | 0 |
| Equity at 31 December 2010 | 4 840 | 78 | 100 | 307 | 5 325 |
| Equity at 1 January 2011 | 4 840 | 78 | 100 | 307 | 5 325 |
| IB correction: Correction of previous years' errors in joint ventures | | | | 3 | 3 |
| Adjusted equity at 1 January 2011 | 4 840 | 78 | 100 | 310 | 5 328 |
| Total comprehensive income | 343 | | -28 | | 315 |
| Direct recognition in equity in associated companies and joint ventures | | | | -8 | -8 |
| Donations distributed from profit 2010 | -4 | | | | -4 |
| Grants from endowment fund in 2011 | | -9 | | | -9 |
| Transfer to endowment fund in 2011 | | | | | 0 |
| Equity at 30 June 2011 | 5 179 | 69 | 72 | 302 | 5 622 |

Results from the quarterly accounts

Group

| (Isolated figures in NOK million) | 3.q. 2011 | 2.q. 2011 | 1.q. 2011 | 4.q. 2010 | 3.q. 2010 | 2.q. 2010 | 1.q. 2010 | 4.q. 2009 | 3.q. 2009 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Interest income | 518 | 497 | 480 | 493 | 488 | 457 | 437 | 433 | 455 |
| Interest expenses | 274 | 253 | 243 | 251 | 256 | 235 | 215 | 206 | 230 |
| Net interest income | 244 | 244 | 237 | 242 | 232 | 222 | 222 | 227 | 225 |
| Commission income | 55 | 53 | 54 | 58 | 57 | 59 | 46 | 57 | 48 |
| Commission expenses | 12 | 10 | 12 | 12 | 12 | 12 | 12 | 11 | 12 |
| Other operating income | 18 | 16 | 13 | 20 | 19 | 17 | 23 | 31 | 34 |
| Net commission and other income | 61 | 59 | 55 | 66 | 64 | 64 | 57 | 77 | 70 |
| Dividends | 2 | 20 | 0 | 1 | 1 | 36 | | 1 | 2 |
| Net profit from ownership interests | 5 | 17 | 24 | 38 | 37 | 29 | 20 | 12 | -125 |
| Net profit from other financial assets and liabilities | 66 | 4 | -18 | 11 | -5 | 119 | 72 | 75 | 38 |
| Net income from financial assets and liabilities | 73 | 41 | 6 | 50 | 33 | 184 | 92 | 88 | -85 |
| Total net income | 378 | 344 | 298 | 358 | 329 | 470 | 371 | 392 | 210 |
| Personnel expenses | 106 | 93 | 95 | 96 | 103 | 96 | 74 | 88 | 101 |
| Other operating expenses | 80 | 91 | 74 | 95 | 73 | 80 | 82 | 101 | 72 |
| Total operating expenses | 186 | 184 | 169 | 191 | 176 | 176 | 156 | 189 | 173 |
| Profit before losses | 192 | 160 | 129 | 167 | 153 | 294 | 215 | 203 | 37 |
| Losses on loans and guarantees | 12 | 22 | -10 | 32 | 3 | -8 | 23 | 27 | 58 |
| Profit/loss before tax | 180 | 138 | 139 | 135 | 150 | 302 | 192 | 176 | -21 |
| Tax charge | 59 | 22 | 33 | 26 | 12 | 58 | 48 | 30 | 36 |
| Results for the accounting period | 121 | 116 | 106 | 109 | 138 | 244 | 144 | 146 | -57 |

Cash flow statement

| Parent Bank | | | | Group | | |
|---|--------------|-------------|---|-------------|--------------|--------------|
| 31.12.10 | 30.09.10 | 30.09.11 | (NOK million) | 30.09.11 | 30.09.10 | 31.12.10 |
| 1 987 | 1 012 | 15 | Cash flow from lending operations (A) | -301 | 872 | 1 809 |
| 500 | 372 | 759 | Cash flow from deposit operations (B) | 721 | 392 | 481 |
| -72 | -390 | 691 | Cash flow from investments in securities (C) | 691 | -390 | -72 |
| -208 | -149 | -424 | Cash flow from deposits in credit institutions (D) | 68 | 107 | 145 |
| -505 | -440 | -482 | Remaining cash flow from current operations (E) | -658 | -506 | -616 |
| 1 702 | 405 | 559 | Cash flow from operations (A+B+C+D+E=F) | 521 | 475 | 1 747 |
| -1 665 | -218 | -1 072 | Cash flow from financing activities (G) | -999 | -245 | -1 665 |
| -161 | -17 | 33 | Cash flow from investments in fixed assets (H) | -2 | -60 | -206 |
| | 0 | | Liquidity effect of acquisition and sale of subsidiaries(I) | | 0 | |
| -124 | 171 | -480 | Change in cash and cash equivalents (F+G+H+I) | -480 | 170 | -124 |
| 1 145 | 1 145 | 1 021 | Cash and cash equivalents at 1 January | 1 021 | 1 145 | 1 145 |
| 1 021 | 1 315 | 541 | Cash and cash equivalents at the end of the period | 541 | 1 315 | 1 021 |
| Cash and cash equivalents at the end of the period comprise: | | | | | | |
| 995 | 1 296 | 493 | Cash and deposits with central banks | 493 | 1 296 | 995 |
| 26 | 19 | 48 | Deposits etc. at call with banks | 48 | 19 | 26 |
| 1 021 | 1 315 | 541 | Cash and cash equivalents at the end of the period | 541 | 1 315 | 1 021 |

Key figures for the Group

| Profit and Loss Account summary (NOK million and as % of average assets) | Q3-2011 | | Q3-2010 | | Year 2010 | |
|---|--------------|---------------|--------------|---------------|--------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| Net interest income | 725 | 2,29 % | 676 | 2,15 % | 918 | 2,18 % |
| Net commissions and other (non-interest) income | 175 | 0,55 % | 184 | 0,59 % | 251 | 0,60 % |
| Net income from financial investments | 120 | 0,38 % | 310 | 0,99 % | 359 | 0,85 % |
| Total income | 1 020 | 3,23 % | 1 170 | 3,74 % | 1 528 | 3,63 % |
| Total operating expenses | 539 | 1,70 % | 510 | 1,63 % | 699 | 1,66 % |
| Result before losses | 481 | 1,52 % | 660 | 2,11 % | 829 | 1,97 % |
| Losses on loans and guarantees | 24 | 0,08 % | 18 | 0,06 % | 50 | 0,12 % |
| Result before tax | 457 | 1,45 % | 642 | 2,05 % | 779 | 1,85 % |
| Tax charge | 114 | 0,36 % | 118 | 0,38 % | 144 | 0,34 % |
| Result after tax | 343 | 1,08 % | 524 | 1,67 % | 635 | 1,51 % |
| Profitability | | | | | | |
| Return on equity capital before tax | | 11,2 % | | 17,2 % | | 15,5 % |
| Return on equity capital after tax | | 8,4 % | | 14,1 % | | 12,6 % |
| Return on equity capital of total result after tax | | 7,7 % | | 11,9 % | | 11,8 % |
| Total operating costs in relation to total income | | 52,8 % | | 43,6 % | | 45,7 % |
| Total operating costs in rel. to total income excl. income from financial investments | | 59,9 % | | 59,2 % | | 59,8 % |
| From the Balance Sheet | | | | | | |
| Gross loans to customers | 35 495 | | 34 504 | | 33 942 | |
| Gross loans to customers including SpareBank 1 Boligkreditt | 43 962 | | 41 559 | | 41 793 | |
| Deposits from customers | 25 251 | | 23 851 | | 24 083 | |
| Deposits from customers in relation to gross loans to customers | | 71,1 % | | 69,1 % | | 71,0 % |
| Lending growth during the last 12 months | | 2,9 % | | 0,4 % | | -0,8 % |
| Lending growth in last 12 months including SpareBank 1 Boligkreditt | | 5,8 % | | 6,9 % | | 7,7 % |
| Deposit growth during the last 12 months | | 5,9 % | | 5,9 % | | 4,3 % |
| Average assets | 42 156 | | 41 880 | | 42 053 | |
| Assets | 42 525 | | 42 734 | | 41 752 | |
| Losses and commitments in default | | | | | | |
| Losses on loans as a percentage of gross loans | | 0,1 % | | 0,1 % | | 0,1 % |
| Commitments in default as a percentage of total commitments | | 1,0 % | | 1,0 % | | 1,0 % |
| Other bad and doubtful commitments as a percentage of total commitments | | 1,0 % | | 0,7 % | | 1,2 % |
| Net commitment in default and commitments with loss provisions as a percentage of total commitments | | 1,4 % | | 1,2 % | | 1,6 % |
| Financial strength | | | | | | |
| Capital adequacy ratio | | 14,2 % | | 13,2 % | | 15,1 % |
| Core capital ratio | | 14,2 % | | 13,2 % | | 15,1 % |
| Net core capital | 3 712 | | 3 344 | | 3 785 | |
| Net equity and related capital | 5 622 | | 5 172 | | 5 325 | |

Notes to the accounts

Note 1: Accounting principles

The financial statements for Sparebanken Hedmark comprise the period 01.01-30.09.2011. The financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, currently valid IFRS standards and IFRIC interpretations. The consolidated financial statements have been prepared according to IFRS rules and regulations since 1 January 2007.

The financial statements in this interim report have been prepared using the same principles and calculation methods as used in the most recent annual financial statements. The interim financial statements do not contain all of the information required for complete annual financial statements, and should be read in conjunction with the annual financial statements for 2010.

The reporting currency is Norwegian kroner (NOK), which is also the functional currency of all of the Group's units. All figures are stated in millions of NOK unless otherwise stated.

Note 2: Changes in the Group composition

2011

There have been some minor changes in the Group's composition during the period from 1 January 2011 to 30 September 2011. Subsidiary Meglereiendom AS is under liquidation. It is anticipated that the liquidation will take place in the fourth quarter of 2011. Sørums & Sørberg AS, which was a wholly-owned subsidiary of the Bank's subsidiary Hedmark Eiendom, was liquidated in the third quarter of 2011. On 18 April 2011 Sparebanken Hedmark acquired all the shares in the finance and accounting chain Consis AS. Consis AS consists of 47 financial offices and 115 employees, and it is one of Norway's leading providers and developers of finance and accounting services. The Group's head office is in Tynset, and the chain operates throughout most of Norway.

2010

Bank 1 Oslo Akershus AS de-merged from the Group SpareBank 1 Gruppen AS from 01.01.2010 and as of then will be an independent commercial bank.

Bank 1 Oslo Akershus AS has up until now been a wholly owned subsidiary of SpareBanken 1 Gruppen AS and has thereby been indirectly owned by Sparebanken Hedmark with per cent. Sparebanken Hedmark will own 12 per cent of the bank and 12 per cent in SpareBank 1 Group AS as before. The de-merge of Bank 1 Oslo AS will not lead to accounting consequences of significance.

From 1 January 2010 SpareBank 1 Boligkreditt AS is defined as an associated company in the Sparebanken Hedmark Group. The Bank owns an 8.72 per cent stake.

2009

On 28.09.2009, Sparebanken Hedmark sold its shareholding of 15 percent in BN Bank ASA to Sparebank 1 SMN, and from this point on the company is removed as FKV in the consolidated account.

Note 3: Segment information

This segment information is linked to the way the Group is run and followed up internally in the entity through reporting on performance and capital, authorisations and routines. Reporting on segments is divided into following areas: retail banking, corporate banking, property, leasing and other activities. Property brokerage and leasing are organised as independent companies. The result of the elimination of companies appears with other activities in a separate column.

Group

| Income statement | Q3 2011 | | | | | Total |
|---|----------------|-------------------|------------------------------------|--------------------|------------|------------|
| | Retail banking | Corporate banking | SpareBank 1 Finans Østlandet | Hedmark Eiendom | Other | |
| Net interest income | 318 | 234 | 78 | | 95 | 725 |
| -of which internal items | | 54 | -57 | 3 | | 0 |
| Net commission and other income | 106 | 35 | -11 | 42 | 3 | 175 |
| -of which internal items | | 2 | -1 | -1 | | 0 |
| Net return on financial investments | | | | | 120 | 120 |
| Operating expenses* | 336 | 125 | 34 | 35 | 9 | 539 |
| Profit before losses by segment: | 88 | 144 | 33 | 7 | 209 | 481 |
| Losses on loans and guarantees | -6 | 28 | 2 | | | 24 |
| Profit / loss per segment | 94 | 116 | 31 | 7 | 209 | 457 |

Q3 2010

| Balance sheet | Retail banking | Corporate banking | SpareBank 1 Finans Østlandet | Hedmark Eiendom | Other | Total |
|---|---------------------------|------------------------------|---|----------------------------|--------------|---------------|
| Gross lending to customers | 19 693 | 12 510 | 2 821 | | 471 | 35 495 |
| -of which internal items | | 2 493 | -2 493 | | | 0 |
| Individual loan write-downs | -46 | -170 | -12 | | | -228 |
| Collective loan write-downs | -30 | -63 | -8 | | | -101 |
| Other assets | 111 | | 121 | 162 | 6 965 | 7 359 |
| Total assets per segment | 19 728 | 12 277 | 2 922 | 162 | 7 436 | 42 525 |
| Deposits from and liabilities to customers | 16 538 | 8 567 | | | 146 | 25 251 |
| -of which internal items | | 161 | | -161 | | 0 |
| Other liabilities and equity | 3 190 | 3 710 | 2 922 | 162 | 7 290 | 17 274 |
| Total equity and liabilities per segment | 19 728 | 12 277 | 2 922 | 162 | 7 436 | 42 525 |

Q3 2010

| Income statement | Retail banking | Corporate banking | SpareBank 1 Finans Østlandet | Hedmark Eiendom | Other | Total |
|---|---------------------------|------------------------------|---|----------------------------|--------------|--------------|
| Net interest income | 325 | 234 | 70 | | 47 | 676 |
| -of which internal items | | 39 | -41 | 2 | | 0 |
| Net commission and other income | 109 | 40 | -9 | 40 | 5 | 185 |
| -of which internal items | | | | | | 0 |
| Net return on financial investments | | | | | 309 | 309 |
| Operating expenses* | 328 | 122 | 28 | 36 | -4 | 510 |
| Profit before losses by segment: | 106 | 152 | 33 | 4 | 365 | 660 |
| Losses on loans and guarantees | 14 | 1 | 3 | | | 18 |
| Profit / loss per segment | 92 | 151 | 30 | 4 | 365 | 642 |

Balance sheet

| | | | | | | |
|---|---------------|---------------|--------------|-----------|--------------|---------------|
| Gross lending to customers | 19 670 | 12 071 | 2 289 | | 474 | 34 504 |
| -of which internal items | | 1 902 | -1 902 | | | 0 |
| Individual loan write-downs | -37 | -126 | -20 | | | -183 |
| Collective loan write-downs | -36 | -97 | -7 | | | -140 |
| Other assets | 131 | 2 | 73 | 93 | 8 254 | 8 553 |
| Total assets per segment | 19 728 | 11 850 | 2 335 | 93 | 8 728 | 42 734 |
| Deposits from and liabilities to customers | 15 533 | 8 112 | | | 206 | 23 851 |
| -of which internal items | | 85 | | -85 | | 0 |
| Other liabilities and equity | 4 195 | 3 738 | 2 335 | 93 | 8 522 | 18 883 |
| Total equity and liabilities per segment | 19 728 | 11 850 | 2 335 | 93 | 8 728 | 42 734 |

| | 2010 | | | | | |
|---|-------------------|----------------------|---------------------------------|--------------------|--------------|---------------|
| | Retail banking | Corporate banking | SpareBank 1 Finans Østlandet | Hedmark Eiendom | Other | Total |
| Income statement | | | | | | |
| Net interest income | 440 | 317 | 96 | 1 | 64 | 918 |
| -of which internal items | | | -57 | 3 | 54 | 0 |
| Net commission and other income | 146 | 53 | -13 | 54 | 10 | 251 |
| -of which internal items | | | -1 | | 1 | 0 |
| Net return on financial investments | | | | | 359 | 359 |
| Operating expenses* | 231 | 80 | 38 | 48 | 301 | 699 |
| Profit before losses by segment: | 355 | 290 | 45 | 7 | 132 | 829 |
| Losses on loans and guarantees | 22 | 26 | 2 | | | 50 |
| Profit / loss per segment | 333 | 264 | 43 | 7 | 132 | 779 |
| Balance sheet | | | | | | |
| Gross lending to customers | 18 893 | 12 239 | 2 371 | | 439 | 33 942 |
| -of which internal items | | | | | | 0 |
| Individual loan write-downs | -42 | -174 | -15 | | | -231 |
| Collective loan write-downs | -35 | -60 | -7 | | | -102 |
| Other assets | 131 | | 89 | 124 | 7 799 | 8 143 |
| Total assets per segment | 18 947 | 12 005 | 2 438 | 124 | 8 238 | 41 752 |
| Deposits from and liabilities to customers | 15 674 | 8 288 | | | 121 | 24 083 |
| -of which internal items | | 124 | | -120 | -4 | 0 |
| Other liabilities and equity | 3 273 | 3 717 | 2 438 | 124 | 8 117 | 17 669 |
| Total equity and liabilities per segment | 18 947 | 12 005 | 2 438 | 124 | 8 238 | 41 752 |

*) Operating expenses in Retail and Corporate consist of directly attributable payroll and administration costs.

Note 4: Operating expenses

| Parent Bank | | | Group | | | |
|-------------|------------|------------|---------------------------------|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 323 | 238 | 254 | Total personnel expenses | 294 | 273 | 369 |
| 201 | 143 | 151 | Administration expenses | 168 | 160 | 225 |
| 28 | 22 | 19 | Depreciation | 21 | 23 | 31 |
| 9 | 6 | 7 | Rent | 7 | 8 | 10 |
| 16 | 9 | 11 | Wealth tax | 11 | 9 | 16 |
| 36 | 29 | 29 | Other operating expenses | 38 | 37 | 48 |
| 613 | 447 | 471 | Total operating expenses | 539 | 510 | 699 |

Note 5: Loans to and receivables from customers

| Parent Bank | | | | Group | | |
|---------------|---------------|---------------|--|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| | | | Loans by type of receivable | | | |
| | | | Financial leasing | 1 214 | 1 012 | 1 053 |
| 3 336 | 3 392 | 3 878 | Overdraft facilities and operating credits | 3 878 | 3 392 | 3 336 |
| 785 | 757 | 726 | Building loans | 726 | 757 | 785 |
| 27 353 | 27 968 | 27 970 | Repayment loans | 29 563 | 29 231 | 28 660 |
| 93 | 97 | 98 | Accrued interest | 114 | 111 | 108 |
| 31 567 | 32 214 | 32 672 | Gross loans to and receivables from customers | 35 495 | 34 503 | 33 942 |
| | | | | | | |
| 311 | 296 | 309 | Write-downs | 329 | 323 | 333 |
| 31 256 | 31 918 | 32 363 | Loans to and receivables from customers | 35 166 | 34 180 | 33 609 |
| | | | Loans by type of market | | | |
| 19 472 | 20 257 | 20 243 | Private customers | 21 606 | 21 262 | 20 512 |
| 12 092 | 11 955 | 12 427 | Corporate | 13 814 | 13 072 | 13 259 |
| 3 | 2 | 2 | Public sector | 75 | 58 | 63 |
| | | | Accrued interest | | 111 | 15 |
| 31 567 | 32 214 | 32 672 | Gross loans to and receivables from customers | 35 495 | 34 503 | 33 942 |
| | | | | | | |
| 311 | 296 | 309 | Write-downs | 329 | 323 | 333 |
| 31 256 | 31 918 | 32 363 | Loans to and receivables from customers | 35 166 | 34 180 | 33 609 |
| | | | Of which subordinated loan capital | | | |
| 0 | 0 | 0 | Subordinated capital in credit institutions | 0 | 0 | 0 |
| 0 | 1 | 0 | Other subordinated capital | 0 | 1 | 0 |
| 0 | 1 | 0 | Subordinated loan capital recorded as lending | 0 | 1 | 0 |

| Parent Bank | | | | Group | | |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| | | | Total commitments by sector and industry | | | |
| 20 786 | 21 672 | 21 810 | Private customers | 23 173 | 22 725 | 21 875 |
| 3 | 2 | 2 | Public sector | 75 | 58 | 63 |
| 3 110 | 3 018 | 3 277 | Primary industries | 3 425 | 3 170 | 3 267 |
| 462 | 463 | 449 | Paper and pulp industries | 467 | 476 | 462 |
| 499 | 477 | 546 | Other industry | 645 | 551 | 648 |
| 1 023 | 1 102 | 1 115 | Building and construction | 1 420 | 1 371 | 1 304 |
| 110 | 113 | 118 | Power and water supply | 188 | 164 | 110 |
| 1 123 | 1 153 | 1 169 | Wholesale and retail trade | 1 408 | 1 333 | 1 307 |
| 221 | 222 | 220 | Hotel and restaurants | 226 | 229 | 221 |
| 5 098 | 5 062 | 5 020 | Real estate | 5 051 | 5 089 | 5 125 |
| 1 994 | 1 847 | 2 017 | Commercial services | 2 258 | 2 041 | 2 205 |
| 313 | 313 | 261 | Transport and communications | 504 | 525 | 525 |
| 30 | 130 | 98 | Other | 98 | 130 | 30 |
| | | | Accrued interest, undistributed | 16 | 14 | 15 |
| 34 772 | 35 574 | 36 102 | Total commitments by sector and industry | 38 954 | 37 876 | 37 157 |

| Parent Bank | | | Gross loans by sector and industry | Group | | |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 19 472 | 20 257 | 20 243 | Private customers | 21 606 | 21 303 | 20 512 |
| 3 | 2 | 2 | Public sector | 75 | 58 | 63 |
| 2 779 | 2 643 | 2 879 | Primary industries | 3 027 | 2 794 | 2 924 |
| 404 | 400 | 395 | Paper and pulp industries | 413 | 413 | 402 |
| 366 | 364 | 394 | Other industry | 493 | 438 | 513 |
| 757 | 780 | 815 | Building and construction | 1 120 | 1 048 | 1 036 |
| 86 | 88 | 94 | Power and water supply | 164 | 139 | 85 |
| 799 | 808 | 817 | Wholesale and retail trade | 1 056 | 988 | 980 |
| 203 | 202 | 202 | Hotel and restaurants | 208 | 209 | 202 |
| 4 748 | 4 736 | 4 776 | Real estate | 4 807 | 4 762 | 4 752 |
| 1 685 | 1 671 | 1 823 | Commercial services | 2 035 | 1 864 | 1 888 |
| 236 | 232 | 198 | Transport and communications | 441 | 443 | 448 |
| 29 | 31 | 34 | Other | 34 | 30 | 29 |
| | | | Accrued interest, undistributed | 16 | 15 | 108 |
| 31 567 | 32 214 | 32 672 | Total gross loans by sector and industry | 35 495 | 34 504 | 33 942 |

| Parent Bank | | | Individual write-downs by sector and industry | Group | | |
|-------------|------------|------------|--|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 46 | 41 | 48 | Private customers | 54 | 43 | 48 |
| 1 | 1 | 2 | Primary industries | 6 | 8 | 5 |
| 12 | 6 | 9 | Paper and pulp industries | 9 | 6 | 12 |
| 10 | 8 | 8 | Other industry | 8 | 13 | 15 |
| 28 | 2 | 27 | Building and construction | 28 | 4 | 29 |
| 2 | 2 | 1 | Power and water supply | 1 | 2 | 2 |
| 12 | 11 | 17 | Wholesale and retail trade | 17 | 11 | 13 |
| 16 | 16 | 20 | Hotel and restaurants | 20 | 16 | 16 |
| 50 | 51 | 50 | Real estate | 50 | 51 | 2 |
| 37 | 23 | 32 | Commercial services | 32 | 24 | 51 |
| 2 | 2 | 2 | Transport and communications | 3 | 5 | 38 |
| 216 | 163 | 216 | Total individual write-downs by sector and industry | 228 | 183 | 231 |

Note 6: Losses on loans and guarantees

| Parent Bank | | | | Group | | |
|-------------|-----------|-----------|--|-----------|-----------|-----------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 40 | -23 | 2 | Change in individual write-downs in the period | 0 | -35 | 23 |
| -42 | -4 | -2 | + Change in collective write-downs in the period | -1 | -4 | -42 |
| 43 | 38 | 35 | + Realised losses on commitments previously written down | 42 | 54 | 65 |
| 14 | 9 | -11 | + Realised losses on commitments not previously written down | -12 | 9 | 13 |
| 7 | 5 | 1 | - Recoveries on loans and guarantees previously written down | 5 | 6 | 9 |
| 48 | 15 | 23 | Total losses on loans and guarantees | 24 | 18 | 50 |

Sparebanken Hedmark sold a loan portfolio that had been written off earlier in the Bank's accounts in the first quarter of 2011. The net gain from this transaction was around NOK 20 million and appears under receipts on earlier write-offs.

| Parent Bank | | | | Group | | |
|-------------|------------|------------|---|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 194 | 194 | 221 | Individual write-downs to cover losses on loans and guarantees at 1 January | 236 | 226 | 226 |
| 44 | 38 | 35 | Realised losses in the period on loans and guarantees previously written down individually | 45 | 55 | 66 |
| 20 | 16 | 9 | Reversal of write-downs in previous years | 12 | 20 | 26 |
| 12 | 10 | 16 | Increase in write-downs on commitments previously written down individually | 16 | 12 | 14 |
| 79 | 19 | 26 | Write-downs on commitments not previously written down individually | 35 | 26 | 88 |
| 221 | 168 | 219 | Individual write-downs to cover losses on loans and guarantees at the end of period *) | 231 | 188 | 236 |

*) Guarantee provisions are included under Other liabilities in the balance sheet, see Note 11.

| Parent Bank | | | | Group | | |
|-------------|------------|-----------|--|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | Collective write-downs | 30.09.11 | 30.09.10 | 31.12.10 |
| 137 | 137 | 95 | Collective write-downs to cover losses on loans and guarantees at 1 January | 102 | 144 | 144 |
| -42 | -4 | -2 | Collective write-downs to cover losses on loans and guarantees in the period | -1 | -4 | -42 |
| 95 | 133 | 93 | Collective write-downs to cover losses on loans and guarantees | 101 | 140 | 102 |

| Parent Bank | | | | Group | | |
|-------------|------------|------------|--|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | Defaulted (more than 90 days) and doubtful commitments | 30.09.11 | 30.09.10 | 31.12.10 |
| 344 | 318 | 404 | Defaulted commitments | 480 | 377 | 390 |
| 434 | 236 | 378 | Other doubtful commitments | 382 | 248 | 441 |
| 778 | 554 | 782 | Total defaulted and doubtful commitments | 862 | 625 | 831 |
| 221 | 168 | 219 | Individual write-downs | 231 | 188 | 236 |
| 557 | 386 | 563 | Net defaulted and doubtful commitments | 631 | 437 | 595 |

Commitment means the customer's total commitment including guarantee ceilings and unused credit facilities.

Note 7: Financial derivatives

Parent Bank and Group

At fair market value through p & l account

| | 30.09.11 | | |
|---|---------------|-------------------|-------------|
| | Contract sum | Fair market value | |
| | | Assets | Liabilities |
| Foreign exchange instruments | | | |
| Forward exchange contracts | 2 507 | 71 | 52 |
| Currency swap contracts | 1 992 | 18 | 28 |
| Total foreign exchange instruments | 4 499 | 90 | 80 |
| Interest rate instruments | | | |
| Interest rate swaps (inc. int. rate & currency) | 9 365 | 284 | 159 |
| Other interest rate contracts | 430 | 20 | |
| Total interest rate instruments | 9 795 | 304 | 159 |
| Other financial derivatives | | | |
| Guarantee liability - Eksportfinans ASA | 57 | | 0 |
| Total curr.- and int. rate instruments | | | |
| Total currency instruments | 4 499 | 90 | 80 |
| Total interest rate instruments | 9 795 | 304 | 159 |
| Total other financial derivatives | 57 | 0 | 0 |
| Total | 14 351 | 394 | 239 |

At fair market value through p & l account

30.09.10

| | Contract sum | Fair market value | |
|---|---------------|-------------------|-------------|
| | | Assets | Liabilities |
| Foreign exchange instruments | | | |
| Forward exchange contracts | 2 328 | 56 | 46 |
| Currency swap contracts | 2 086 | 13 | 18 |
| Total foreign exchange instruments | 4 414 | 70 | 64 |
| Interest rate instruments | | | |
| Interest rate swaps (inc. int. rate & currency) | 8 525 | 120 | 123 |
| Other interest rate contracts | 1 132 | 16 | 0 |
| Total interest rate instruments | 9 657 | 136 | 123 |
| Other financial derivatives | | | |
| Guarantee liability - Eksportfinans ASA | 67 | 0 | 13 |
| Total curr. and int. rate instruments | | | |
| Total currency instruments | 4 414 | 70 | 64 |
| Total interest rate instruments | 9 657 | 136 | 123 |
| Total other financial instruments | | 138 | 56 |
| Accrued interest | 67 | 0 | 13 |
| Total | 14 138 | 343 | 257 |

At fair market value through p & l account

Year 2010

| | Contract sum | Fair market value | |
|---|---------------|-------------------|-------------|
| | | Assets | Liabilities |
| Foreign exchange instruments | | | |
| Forward exchange contracts | 1 773 | 58 | 44 |
| Currency swap contracts | 1 738 | 4 | 37 |
| Total foreign exchange instruments | 3 511 | 62 | 81 |
| Interest rate instruments | | | |
| Interest rate swaps (inc. int. rate & currency) | 8 486 | 198 | 122 |
| Other interest rate contracts | 1 130 | 10 | 0 |
| Total interest rate instruments | 9 616 | 208 | 122 |
| Other financial derivatives | | | |
| Guarantee liability - Eksportfinans ASA | 67 | 0 | 12 |
| Total curr. and int. rate instruments | | | |
| Total currency instruments | 3 511 | 62 | 81 |
| Total interest rate instruments | 9 616 | 208 | 122 |
| Total other financial instruments | 67 | 0 | 12 |
| Total | 13 194 | 270 | 215 |

Note 8: Other assets

| Parent Bank | | | | Group | | |
|-------------|------------|------------|------------------------------------|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 13 | 13 | 13 | Capital payments into pension fund | 13 | 13 | 13 |
| 75 | 74 | 76 | Accrued income, not yet received | 76 | 73 | 75 |
| 22 | 20 | 21 | Prepaid costs, not yet incurred | 21 | 20 | 22 |
| 15 | 26 | 178 | Other assets | 282 | 90 | 91 |
| 125 | 133 | 288 | Other assets | 392 | 196 | 201 |

Note 9: Deposits from and liabilities to customers

| Parent Bank | | | Deposits by sector and industry | Group | | |
|---------------|---------------|---------------|--|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 15 871 | 15 714 | 16 740 | Private customers | 16 740 | 15 714 | 15 871 |
| 2 122 | 2 292 | 2 268 | Public sector | 2 268 | 2 292 | 2 122 |
| 682 | 694 | 759 | Primary industries | 759 | 694 | 682 |
| 114 | 86 | 118 | Paper and pulp industries | 118 | 86 | 114 |
| 327 | 282 | 262 | Other industry | 262 | 282 | 327 |
| 409 | 356 | 382 | Building and construction | 382 | 356 | 409 |
| 215 | 204 | 212 | Power and water supply | 212 | 204 | 215 |
| 665 | 560 | 632 | Wholesale and retail trade | 632 | 560 | 665 |
| 81 | 76 | 91 | Hotel and restaurants | 91 | 76 | 81 |
| 1 333 | 1 346 | 1 405 | Real estate | 1 405 | 1 346 | 1 333 |
| 2 203 | 2 164 | 2 292 | Commercial services | 2 126 | 2 074 | 2 078 |
| 175 | 159 | 230 | Transport and communications | 230 | 159 | 175 |
| 11 | 8 | 26 | Other operations | 26 | 8 | 11 |
| 24 208 | 23 941 | 25 417 | Total deposits by sector and industry | 25 251 | 23 851 | 24 083 |

Note 10: Securities-related debt

Parent Bank and Group

| Changes in liabilities from issuance of securities | 30.09.11 | Issued | Due / redeemed | Other changes | 31.12.10 |
|---|--------------|--------------|----------------|---------------|--------------|
| Certificate-based debt, nominal value | 300 | 300 | -900 | | 900 |
| Bond debt, nominal value | 6 483 | 1 200 | -821 | -300 | 6 404 |
| Accrued interest | 137 | | | -40 | 177 |
| Adjustments | -17 | | | 34 | -51 |
| Total debt raised through issuance of securities, fair value | 6 903 | 1 500 | -1 721 | -306 | 7 430 |

| Changes in liabilities from issuance of securities | 30.09.10 | Issued | Due / redeemed | Other changes | 31.12.09 |
|---|--------------|--------------|----------------|---------------|--------------|
| Certificate-based debt, nominal value | 600 | 600 | -200 | | 200 |
| Bond debt, nominal value | 6 845 | 995 | -1 300 | | 7 150 |
| Accrued interest | 140 | | | | |
| Adjustments | -4 | | | | -30 |
| Total debt raised through issuance of securities, fair value | 7 581 | 1 595 | -1 500 | 0 | 7 320 |

| Changes in liabilities from issuance of securities | 31.12.10 | Issued | Due / redeemed | Other changes | 31.12.09 |
|---|--------------|--------------|----------------|---------------|--------------|
| Certificate-based debt, nominal value | 900 | 900 | -200 | | 200 |
| Bond debt, nominal value | 6 404 | 760 | -1 746 | 240 | 7 150 |
| Accrued interest | 177 | | | 10 | 167 |
| Adjustments | -51 | | | -21 | -30 |
| Total debt raised through issuance of securities, fair value | 7 430 | 1 660 | -1 946 | 229 | 7 487 |

Note 11: Other debt and liabilities

| Parent Bank | | | Other debt and liabilities recognised in the balance sheet | Group | | |
|-------------|------------|------------|---|------------|------------|------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 296 | 315 | 295 | Pension liabilities | 306 | 326 | 309 |
| 5 | 5 | 4 | Guarantee provisions | 4 | 5 | 5 |
| 16 | 7 | 7 | Banker's drafts | 7 | 7 | 16 |
| 29 | 18 | 19 | Accounts payable | 22 | 23 | 33 |
| 149 | 166 | 228 | Other | 481 | 350 | 358 |
| 495 | 511 | 553 | Total other debt and liabilities recognised in the balance sheet | 820 | 711 | 721 |

Note 12: Capital adequacy

| Parent Bank | | | | Group | | |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 4 840 | 4 331 | 4 836 | Primary capital | 4 836 | 4 331 | 4 840 |
| 78 | 56 | 69 | Endowment fund | 69 | 56 | 78 |
| 100 | 57 | 72 | Fund for unrealised gains | 72 | 57 | 100 |
| | 471 | 365 | Results for the accounting period | 343 | 524 | |
| | | | Other equity | 302 | 204 | 307 |
| 5 018 | 4 915 | 5 342 | Total equity carried | 5 622 | 5 172 | 5 325 |
| | | | Group companies not consolidated for capital adequacy purposes | -285 | -192 | -283 |
| | | | Deductions: | | | |
| | | | Over-funding pension liability | | | |
| | -471 | -365 | Result so far not included | -343 | -524 | |
| -58 | -69 | -58 | Unrealised value change due to reduced / increased value of liabilities | -58 | -69 | -58 |
| -171 | -171 | -149 | Deferred tax, goodwill and other intangible assets | -152 | -175 | -173 |
| -100 | -57 | -72 | Net unrealised gains on shares available for sale | -72 | -57 | -100 |
| | | | Capital adequacy reserve | -629 | -576 | -576 |
| -867 | -767 | -944 | Deduction for subordinated capital in other financial institutions | -371 | -235 | -350 |
| -1 196 | -1 535 | -1 588 | Total deductions | -1 625 | -1 636 | -1 257 |
| | | | Additions: | | | |
| 45 | 26 | 32 | 45 per cent of unrealised gain on shares classified as available for sale | 32 | 26 | 45 |
| -45 | -26 | -32 | Deduction for subordinated capital in other financial institutions | -32 | -26 | -45 |
| 0 | 0 | 0 | Total additions | 0 | 0 | 0 |
| 3 822 | 3 380 | 3 754 | Net subordinated capital | 3 712 | 3 344 | 3 785 |
| | | | Risk-weighted asset calculation basis: | | | |
| 30 | 11 | 66 | Local and regional authorities | 66 | 11 | 30 |
| | | | Publicly owned enterprises | 11 | 8 | 8 |
| 2 293 | 2 137 | 2 131 | Institutions | 1 624 | 1 750 | 1 887 |
| 5 594 | 5 785 | 5 562 | Companies | 5 730 | 5 920 | 5 739 |
| 6 199 | 6 315 | 6 550 | Mass market | 8 233 | 7 648 | 7 602 |
| 7 522 | 7 729 | 7 741 | Security in mortgaged property | 7 741 | 7 729 | 7 522 |
| 549 | 442 | 603 | Commitments due for repayment | 654 | 516 | 591 |
| 115 | 108 | 124 | Preference bonds | 124 | 108 | 115 |
| 52 | 82 | 45 | Shares in securities funds | 45 | 82 | 52 |
| 390 | 379 | 581 | Other commitments. | 624 | 500 | 528 |
| 22 744 | 22 988 | 23 402 | Total credit risk | 24 900 | 24 272 | 24 073 |
| 1 930 | 1 932 | 2 063 | Operational risk | 2 410 | 2 151 | 2 151 |
| | | | Market risk | | | |
| -1 124 | -1 031 | -1 171 | Deductions from the calculation basis | -1 233 | -1 082 | -1 190 |
| 23 549 | 23 889 | 24 294 | Total calculation basis | 26 077 | 25 341 | 25 034 |
| | | | Capital adequacy ratio | | | |
| 16,2 % | 14,1 % | 15,5 % | Core capital adequacy | 14,2 % | 13,2 % | 15,1 % |
| 16,2 % | 14,1 % | 15,5 % | Capital adequacy ratio | 14,2 % | 13,2 % | 15,1 % |

*The Bank has deducted the entire reset non-amortised estimate deviation related to the pension liability and we have not used the transitional rules here.



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