



3. quarter 2012

Contest Q3 - 2012

3-4	Interim report
5	Main – Figures Group
6	Income statement
7	Balance sheet
8	Change in equity capital
9	Results from the Quarterly accounts and cashflow statement
10-18	Notes to the accounts

Editorial staff: Trine Lise Østberg

Design & production: Ferskvann reklamebyrå

Interim report

Q3 2012

Summary

The Sparebanken Hedmark Group's profit after tax was NOK 344 (343) million after three quarters (last year's figure in brackets). The return on equity was 8.1 (8.4) per cent. The Group achieved net interest income of 2.21 (2.29) per cent of average total assets after three quarters, while costs as a percentage of income were 58.3 (52.8) per cent. The 12-month growth figures for lending and deposits, including loans transferred to SpareBank 1 Boligkreditt AS, were 6.3 (5.8) per cent and 9.3 (5.9) per cent, respectively. At the end of the third quarter, the deposit-to-loan ratio was 79.3 (71.1)

per cent. The Group's equity amounted to 13.5 (13.3) per cent of the Group's unweighted balance sheet. The core capital adequacy ratio was 13.8 (14.3) per cent.

The Group's profit for Q3 2012 was NOK 122 (121) million after tax.

The Parent Bank's profit after three quarters was NOK 311 (365) million after tax.

Sparebanken Hedmark – Group

The Group prepares its financial statements in accordance with the IAS 34 accounting standard.

The Group consists of Sparebanken Hedmark and the consolidated, wholly owned subsidiaries EiendomsMegler 1 Hedmark Eiendom AS, SpareBank 1 Finans Østlandet AS and Vato AS, as well as the accounting chain Consis AS, in which it has an ownership interest of 60 per cent, and Consis Credit AS, in which it has an ownership interest of 74.5 per cent.

The Bank owns 12 per cent of SpareBank 1 Gruppen AS and Bank 1 Oslo Akershus AS, as well as 8 per cent of SpareBank 1 Boligkreditt AS. The profit/loss attributable to these companies is recognised in the Bank's consolidated financial statements proportionate to the Bank's ownership interest.

The Group's NOK 344 (343) million profit after three quarters provided a return on equity of 8.1 (8.4) per cent after tax. Net interest income after three quarters was NOK 713 (725) million. Interest income from mortgages transferred to SpareBank 1 Boligkreditt AS is recognised as commission income in the Bank's accounts. Total net interest income, including commission income from mortgages transferred to the mortgage company, amounted to NOK 784 (756) million. Net income from financing activities increased by 3.7 per cent from Q3 2011 to Q3 2012. The Group's lending margin after three quarters, including loans transferred to SpareBank 1 Boligkreditt AS, was 2.56 per cent. The deposit margin after three quarters was minus 0.25 per cent. The Group's net interest margin after three quarters was 2.31 per cent.

Net commission and other income increased from NOK 175 million after three quarters last year to NOK 317 million after three quarters this year. The sales of the accounting chain Consis AS, which Sparebanken Hedmark acquired in Q2 2011, are incorporated in the consolidated accounts for 2012. Consis AS had sales of NOK 77 million in the first three quarters of the year.

The Group's total operating costs amounted to NOK 641 (539) million after three quarters. The increase was mainly due to Consis AS now being consolidated in the Group. Operating costs as a percentage of total income amounted to 58.3 (52.8) per cent after three quarters. Excluding Consis AS, the Group's cost ratio was 55.1 per cent.

Losses remain low and after three quarters amounted to NOK 19 (24) million. This is equivalent to 0.1 (0.1) per cent of gross lending. Problem loans (non-performing and other impaired commitments) as a percentage of gross commitments, including loans transferred to SpareBank 1 Boligkreditt AS, amounted to 1.3 (1.8) per cent at the end of the third quarter.

Specification of the consolidated profit before tax in NOK million:

Parent Bank's profit before tax	397
Dividends received from subsidiaries/associates	- 101

Profit/loss attributable to:

SpareBank 1 Gruppen AS	65
Bank 1 Oslo Akershus AS	19
SpareBank 1 Boligkreditt AS	16
Hedmark Eiendom AS	4
SpareBank 1 Finans Østlandet AS	31
Other companies	8
Consolidated profit before tax	439

Gross lending to customers, including loans transferred to SpareBank 1 Boligkreditt AS, totalled NOK 46.7 billion as at 30 September. At the end of the third quarter, loans totalling NOK 11.9 billion had been transferred to SpareBank 1 Boligkreditt AS, compared to NOK 8.5 billion one year ago. Including the transferred loans, the 12-month lending growth was 6.3 (5.8) per cent.

Customer deposits totalled NOK 27.6 (25.3) billion. Growth in deposits over the past 12 months was 9.3 (5.9) per cent. Deposits as a percentage of gross lending were 79.3 (71.1) per cent.

Debt to financial institutions and securities issued amounted to NOK 8.7 (10.5) billion at the end of the third quarter. The average term to maturity of the Bank's long-term funding is 4.5 years. The average term to maturity of all borrowing was 3.8 years.

Liquidity was good throughout the third quarter. There is good interest in the Bank's bonds. As per 30 September, the Bank will not be dependent on new sources of external funding for 18 months of normal operations. In the opinion of the Board, the Bank's funding risk is moderate to low.

The Group's equity was NOK 5.9 (5.6) billion as per 30 September, which is equivalent to 13.5 (13.3) per cent of the balance sheet. The core capital adequacy ratio was 13.8 (14.3) per cent. Including the year-to-date profit the core capital adequacy ratio was 15.2 per cent.

For a specification of the Group's profits for Q3 only, see page 9 of the interim report. Sparebanken Hedmark took over Bank 1 Oslo Akershus AS's office in Årnes in the municipality of Nes in the county of Akershus with effect from 1 October.

Profit

Profit after tax totalled NOK 311 (365) million. Net interest income including commissions from SpareBank 1 Boligkreditt AS was 4.3 per cent higher than in the corresponding period last year. The Parent Bank's operating costs represent 53.8 (49.0) per cent of total income. The profit from banking operations, adjusted for non-recurring items, was NOK 27 million (9 per cent) better than in the same period last year. Further comments on the individual items are provided below.

Net interest income

Net interest income after three quarters was NOK 630 (647) million. Net income from lending and deposit activities, which include loans transferred to SpareBank 1 Boligkreditt AS, amounted to NOK 701 (678) million. The net interest margin on the balance sheet (excluding currency loans) after three quarters was 2.43 (2.52) per cent. The interest margin for the retail market was 2.41 (2.42) per cent, while in the corporate market it was 2.53 (2.75) per cent. The Parent Bank's lending margin after three quarters was 2.68 (2.15). The deposit margin was minus 0.25 (0.37) per cent.

Net commission and other income

Net commission and other income amounted to NOK 205 (146) million. Of this, commission income on loans transferred to SpareBank 1 Boligkreditt AS constituted NOK 71 (31) million.

Net income from financial assets and liabilities

Income from this area was NOK 64 (169) million. The reduction was mainly due to changed market values in the Bank's liquidity and bond issue portfolio. The change in the market value of investments and funding after three quarters was negative in the amount of NOK 48 million, while it was positive in the amount of NOK 40 million after three quarters last year.

Operating costs

Total operating costs were NOK 484 (471) million. Costs increased 2.8 per cent on the previous year. Total payroll expenses were NOK 6 million (2 per cent) lower than in the corresponding period last year. SpareBank 1 Alliansen's costs were NOK 8 million higher and marketing costs were NOK 6 million higher than last year. The Bank's profit improvement programme, which was adopted by the Board in June 2011, is proceeding as expected. At the end of the third quarter, the Parent Bank had 462 full time equivalents compared to 479 a year ago. This corresponds to a reduction in full time equivalents of 3.6 per cent. The operating costs represent 53.8 (49.0) per cent of total income.

Losses on loans and guarantees

The net loss on lending and guarantees was NOK 18 (23) million after three quarters. NOK 4 million of the losses came within the retail market division and NOK 14 million within the corporate market division.

Profit from banking operations

The profit from banking operations, defined as the result after losses less the result from ownership interests and dividends, as well as financial assets and liabilities, was NOK 333 (299) million after three quarters. Adjusted for non-recurring items, the profit was NOK 27 million (9 per cent) better than in the same period last year.

Lending

Gross lending to customers, including loans transferred to SpareBank 1 Boligkreditt AS, totalled NOK 43.3 (41.1) billion as per 30 September 2012. Lending growth over the past 12 months, including loans transferred to SpareBank 1 Boligkreditt, was 5.2 (4.7) per cent.

In the past 12-month period, growth has been 8.1 (5.2) per cent in the retail market, including loans transferred to SpareBank 1 Boligkreditt AS, and 1.4 (3.6) per cent in the corporate market. The risk profile for the Bank's granting of credit did not change in the third quarter.

Deposits

Deposits from and liabilities to customers totalled NOK 27.6 (25.4) billion as per 30 September 2012. In the last 12-month period, deposits increased by 8.8 (6.2) per cent, divided between 7.8 (6.4) per cent in the retail market and 10.6 (5.6) per cent in the corporate market.

Capital adequacy

The capital adequacy ratio was 15.5 (15.6) per cent as per 30 September 2012. The year-to-date profit is not included in the calculation of core capital.

The Bank's equity of NOK 5.6 (5.3) billion consists entirely of retained earnings and represents 13.0 (12.7) per cent of the balance sheet.

Outlook for the rest of the year

The financial situation remains uncertain in many European countries. Economic activity in Norway is expected to remain at its current level. However, international developments and especially the uncertainty in Europe may affect the situation in Norway and abroad. The Bank is well prepared, and has good funding, a satisfactory deposit-to-loan ratio, and high equity.

Board of Directors of Sparebanken Hedmark

Hamar, 25 October 2012

Siri J. Strømmevold
Board Chair

Bjørnar Håkensmoen

Grethe G. Fossum

Espen Bjørklund Larsen

Nina C. Lier

Aud Christensen

Jan Wibe

Richard Heiberg
CEO

Main figures

	Q3 2012		Q3 2011		Year 2011	
	Amount	%	Amount	%	Amount	%
Result summary (NOK mill and % of average assets)						
Net interest income	713	2,21 %	725	2,29 %	971	2,29 %
Net commissions and other (non-interest) income	317	0,98 %	175	0,55 %	285	0,67 %
Net income from financial investments	69	0,22 %	120	0,38 %	148	0,35 %
Total income	1 099	3,41 %	1 020	3,23 %	1 404	3,30 %
Total operating expenses before losses on loans and guarantees	641	1,99 %	539	1,70 %	815	1,92 %
Profit before losses on loans and guarantees	458	1,42 %	481	1,52 %	589	1,39 %
Losses on loans and guarantees	19	0,06 %	24	0,08 %	50	0,12 %
Profit/loss before tax	439	1,36 %	457	1,45 %	539	1,27 %
Tax charge	95	0,29 %	114	0,36 %	130	0,31 %
Results for the accounting period	344	1,07 %	343	1,08 %	409	0,96 %
Minority interests	0	0,0 %				
Profitability						
Return on equity capital before tax		10,3 %		11,2 %		9,8 %
Return on equity capital after tax		8,1 %		8,4 %		7,5 %
Return on equity capital of total result after tax		8,0 %		7,7 %		4,7 %
Total operating costs in relation to total income		58,3 %		52,8 %		58,0 %
Total operating costs in rel. to total income excl. income from financial investments		62,2 %		59,9 %		64,9 %
From the Balance Sheet						
Gross loans to customers	34 801		35 495		34 786	
Gross loans to customers including SpareBank 1 Boligkreditt	46 746		43 962		44 646	
Deposits from customers	27 610		25 251		25 907	
Deposits from customers in relation to gross loans to customers		79,3 %		71,1 %		74,5 %
Lending growth during the last 12 months		-2,0 %		2,9 %		2,5 %
Lending growth in last 12 months including SpareBank 1 Boligkreditt		6,3 %		5,8 %		6,8 %
Deposit growth during the last 12 months		9,3 %		5,9 %		7,6 %
Average assets	43 019		42 156		42 483	
Assets	43 286		42 391		43 143	
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		1,3 %		1,2 %		1,0 %
Commitments in default as a percentage of total commitments incl. SpareBank 1 Boligkreditt		1,0 %		1,0 %		0,9 %
Other bad and doubtful commitments as a percentage of total commitments		0,4 %		1,0 %		1,1 %
Other bad and doubtful commitments as a percentage of total commitments incl. SpareBank 1 Boligkreditt		0,3 %		0,8 %		0,9 %
Net commitment in default and commitments with loss provisions as a percentage of total commitments		1,3 %		1,6 %		1,6 %
Financial strength						
Capital adequacy ratio		13,8 %		14,3 %		15,2 %
Core capital ratio		13,8 %		14,3 %		15,2 %
Net core capital	3 485		3 534		3 732	
Net equity and related capital	5 862		5 622		5 534	

Income statement (not audited)

Parent Bank			Group			
31.12.11	30.09.11	30.09.12 (NOK million)	Notes	30.09.12	30.09.11	31.12.11
1 937	1 417	1 465		1 549	1 495	2 037
1 066	770	835		836	770	1 066
871	647	630		713	725	971
218	163	210		209	162	217
31	23	22		33	34	45
9	6	17		141	47	113
196	146	205		317	175	285
22	22	7		7	22	22
108	95	95		100	46	76
50	52	-38		-38	52	50
180	169	64		69	120	148
1 247	962	899		1 099	1 020	1 404
357	254	249		347	294	446
308	217	235		294	245	369
665	471	484	4	641	539	815
582	491	415		458	481	589
45	23	18	6	19	24	50
537	468	397		439	457	539
133	103	86		95	114	130
404	365	311		344	343	409
		Majority interests		344		
		Minority interests		0		

Utvidet resultat etter IAS 1

404	365	311	Statement of comprehensive income according to IAS 1	344	343	409
-113			Actuarial gains / losses on pensions			-133
32			Tax effect of actuarial gains / losses on pensions			38
-54	-28	-4	Change in value of financial assets available for sale	-4	-28	-54
-7	-7	-3	Financial assets available for sale transferred to profit and loss on write-down due to permanent impairment of value	-3	-7	7
7	7	5	Financial assets available for sale transferred to profit and loss on realisation	5	7	-7
-135	-28	-3	Total profit and loss items recognised in equity	-3	-28	-149
269	337	308	Total profit / loss for the accounting year	342	315	260
		Majority share of comprehensive income		342		
		Minority interest of comprehensive income		0		

Balance sheet (not audited)

Parent bank			Group			
31.12.11	30.09.11	30.09.12 (NOK million)	Notes	30.09.12	30.09.11	31.12.11
ASSETS						
372	493	210		210	493	372
3 010	2 573	3 412		357	86	364
31 503	32 363	31 127	5, 6	34 527	35 166	34 451
5 235	3 889	4 948		4 948	3 889	5 235
376	394	465	7	465	394	376
312	336	319		319	336	312
1 100	1 099	1 294		1 558	1 341	1 329
342	305	340				
					1	
249	250	265		286	272	272
110	84	105		177	87	170
69	65	89		93	68	82
164	187	248	8	346	258	180
42 842	42 039	42 822		43 286	42 391	43 143
LIABILITIES						
3 010	3 581	741		740	3 576	3 008
26 042	25 417	27 644	9	27 610	25 251	25 907
7 598	6 903	8 005	10	8 005	6 903	7 598
225	239	173	7	173	239	225
83	107	50		71	122	88
612	450	642	11	825	677	783
37 570	36 697	37 255		37 424	36 769	37 609
EQUITY CAPITAL						
5 133	4 836	5 127		5 127	4 836	5 133
93	69	85		85	69	93
46	72	44		44	72	46
				237	302	262
	365	311		344	343	
				25		
5 272	5 342	5 567		5 862	5 622	5 534
42 842	42 039	42 822		43 286	42 391	43 143

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 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
Equity at 30 September 2011	5 201	69	72	5 342
Equity at 1 January 2011	4 840	78	100	5 018
Total comprehensive income	323		-54	269
Donations distributed from profit 2010	-5			-5
Grants from endowment fund in 2011		-10		-10
Transfer to endowment fund in 2011	-25	25		0
Equity at 31 December 2011	5 133	93	46	5 272
Equity at 1 January 2012	5 133	93	46	5 272
Total comprehensive income	311		-2	309
Donations distributed from profit 2011	-6			-6
Grants from endowment fund in 2012		-8		-8
Equity at 30 September 2012	5 438	85	44	5 567

Group

(NOK million)	Earned equity					Total equity capital
	Balance primary capital	Donation Fund	Fund for value adjustment	Other equity capital	Minority interests	
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	0	5 328
Total comprehensive income	343		-28			315
Change in Eq cap from companies in the Group				-8		-8
Donations distributed from profit 2010	-4					-4
Grants from endowment fund in 2011		-9				-9
Equity at 30 September 2011	5 179	69	72	302		5 622
Equity at 1 January 2011	4 840	78	100	307		5 325
IB correction: Correction of previous years' errors in joint ventures				4		4
Adjusted equity at 1 January 2011	4 840	78	100	311		5 329
Total comprehensive income	323		-54	-9		260
Direct recognition in equity in associated companies and joint ventures				-40		-40
Donations distributed from profit 2010	-5					-5
Grants from endowment fund in 2011		-10				-10
Transfers to endowment fund in 2011	-25	25				0
Equity at 31 December 2011	5 133	93	46	262		5 534
Equity at 1 January 2012	5 133	93	46	262	0	5 534
Correction of previous years' errors				-2		-2
Adjusted equity at 1 January 2012	5 133	93	46	260	0	5 532
Total comprehensive income	311		-3	34		342
Change in the group composition					25	25
Direct recognition in equity in associated companies and joint ventures				-23		-23
Donations distributed from profit 2011	-6					-6
Grants from endowment fund in 2012		-8				-8
Equity at 30 September 2012	5 438	85	43	271	25	5 862

Results from the quarterly accounts

(Isolated figures in NOK million)

Group

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Interest income	515	510	524	542	518	497	480	493	488
Interest expenses	273	280	283	296	274	253	243	251	256
Net interest income	242	230	241	246	244	244	237	242	232
Commission income	75	73	61	55	55	53	54	58	57
Commission expenses	12	10	11	11	12	10	12	12	12
Other operating income	51	45	45	66	18	16	13	20	19
Net commission and other income	114	108	95	110	61	59	55	66	64
Dividends	0	7			2	20		1	1
Net profit from ownership interests	46	10	44	30	5	17	24	38	37
Net profit from other financial assets and liabilities	-47	38	-29	-2	66	4	-18	11	-5
Net income from financial assets and liabilities	-1	55	15	28	73	41	6	50	33
Total net income	355	393	351	384	378	344	298	358	329
Personnel expenses	114	112	121	152	106	93	95	96	103
Other operating expenses	91	101	102	124	80	91	74	95	73
Total operating expenses before losses on loans and guarantees	205	213	223	276	186	184	169	191	176
Profit before losses on loans and guarantees	150	180	128	108	192	160	129	167	153
Losses on loans and guarantees	-2	23	-2	26	12	22	-10	32	3
Profit/loss before tax	152	157	130	82	180	138	139	135	150
Tax charge	30	40	25	16	59	22	33	26	12
Results for the accounting period	122	117	105	66	121	116	106	109	138

Cash flow statement

Parent bank				Group		
31.12.11	30.09.11	30.09.12	(NOK million)	30.09.12	30.09.11	31.12.11
1 270	15	1 511	Cash flow from lending operations (A)	1 240	-301	824
1 212	759	1 016	Cash flow from deposit operations (B)	1 022	721	1 208
-568	691	367	Cash flow from investments in securities (C)	367	691	-568
-844	-424	-332	Cash flow from deposits in credit institutions (D)	74	68	-190
-567	-482	-430	Remaining cash flow from current operations (E)	-522	-658	-842
503	559	2 132	Cash flow from operations (A+B+C+D+E=F)	2 181	521	432
-415	-1 072	-2 215	Cash flow from financing activities (G)	-2 216	-999	-1 039
33	33	-116	Cash flow from investments in fixed assets (H)	-153	-2	-7
-40		18	Liquidity effect of acquisition and sale of subsidiaries(I)	8		
81	-480	-181	Change in cash and cash equivalents (F+G+H+I)	-181	-480	-614
1 021	1 021	407	Cash and cash equivalents at 1 January	407	1 021	1 021
407	541	226	Cash and cash equivalents at the end of the period	226	541	407
Cash and cash equivalents at the end of the period comprise:						
372	493	210	Cash and deposits with central banks	210	493	372
35	48	16	Deposits etc. at call with banks	16	48	35
407	541	226	Cash and cash equivalents at the end of the period	226	541	407

Notes to the accounts

Note 1: Accounting principles

The financial statements for Sparebanken Hedmark comprise the period 01.01-30.09.2012. 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 2011.

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

2012

Sparebanken Hedmark sold 40 per cent of the shares in the accounting chain Consis AS to SpareBank 1 SMN Regnskap AS on 2 January 2012. In March 2012 Sparebanken Hedmark sold all the shares in Engerdal Høvleribbygg AS and the company is not incorporated in the consolidated accounts for 2012.

SpareBank 1 Kundesenter AS was created in June 2012. Sparebanken Hedmark owns 10 percent of the company along with the other banks in the SpareBank 1 Alliance. The company is defined as a joint venture.

Consis AS spun off its ownership interest of 74.5 per cent in Consis Credit AS with effect from 2 January 2012. The ownership interest was taken over by Sparebanken Hedmark from the same date.

Sparebanken Hedmarks shareholding in Fageråsen Invest AS of 36 percent was sold in September.

2011

The subsidiary Meglereiendom AS and the wholly-owned subsidiary of the Bank's subsidiary Hedmark Eiendom, Sørumsøberg AS, was liquidated in 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 Hamar, 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 is from then an independent commercial bank. Bank 1 Oslo Akershus AS was until 01.01.2010 a wholly owned subsidiary of SpareBank 1 Gruppen AS and has thereby been indirectly owned by Sparebanken Hedmark with 12 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.

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, financing, accounting and other activities
- property brokerage, leasing, financing and accounting are organised as independent companies
- the result of the elimination of companies appears with other activities in a separate column.

Group

Income statement	Q3 2012						Total
	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Hedmark Eiendom	Consis	Other	
Net interest income	301	198	85		-1	130	713
-of which internal items		4	-81	-4	-2	83	
Net commission and other income	152	39	-12	42	78	126	425
-of which internal items			-1			-1	
Net return on financial investments						-38	-38
Operating expenses*	184	65	41	38	78	235	641
Profit before losses by segment:	269	172	32	4	-1	-18	458
Losses on loans and guarantees	3	15	1				19
Profit / loss per segment	266	157	31	4	-1	-18	439

Q3 2012

Balance sheet	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Hedmark Eiendom	Consis	Other	Total
Lending to customers	18 192	12 156	3 420			759	34 527
-of which internal items							0
Other assets	113	1	69	32	93	8 451	8 759
Total assets per segment	18 305	12 157	3 489	32	93	9 210	43 286
Deposits from and liabilities to customers	17 816	9 471				323	27 610
-of which internal items							0
Other liabilities and equity	489	2 686	3 489	32	93	8 887	15 676
Total equity and liabilities per segment	18 305	12 157	3 489	32	93	9 210	43 286

Q3 2011

Income statement	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Hedmark Eiendom	Consis**	Other	Total
Net interest income	318	234	78			95	725
-of which internal items		-3	-57	3		57	
Net commission and other income	106	35	-11	42		3	175
-of which internal items		1	-1	-1		1	
Net return on financial investments						120	120
Operating expenses*	170	62	34	35		238	539
Profit before losses by segment:	254	207	33	7	0	-20	481
Losses on loans and guarantees	-6	28	2				24
Profit / loss per segment	260	179	31	7	0	-20	457

Balance sheet

Lending to customers	19 617	12 277	2 801			471	35 166
-of which internal items							
Other assets	111		121	28		6 965	7 225
Total assets per segment	19 728	12 277	2 922	28	0	7 436	42 391
Deposits from and liabilities to customers	16 538	8 567				146	25 251
-of which internal items		-24		24			
Other liabilities and equity	3 190	3 710	2 922	28		7 290	17 140
Total equity and liabilities per segment	19 728	12 277	2 922	28	0	7 436	42 391

**) Accounts for Consis AS was first included in the consolidated financial statements in Q4 2011.

Income statement	Year 2011							Total
	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Hedmark Eiendom	Consis	Other		
Net interest income	429	312	104	1	-4	129	971	
-of which internal items			-82	4	-4	82		
Net commission and other income	141	48	-15	57	48	6	285	
-of which internal items		2	-1	-1				
Net return on financial investments						148	148	
Operating expenses*	236	85	47	50	56	341	815	
Profit before losses by segment:	334	275	42	8	-12	-70	589	
Losses on loans and guarantees	5	40	5				50	
Profit / loss per segment	329	235	37	8	-12	-70	539	
Balance sheet								
Lending to customers	18 455	12 175	2 979			842	34 451	
-of which internal items		-34			34			
Other assets	126		111	32	79	8 344	8 692	
Total assets per segment	18 581	12 175	3 090	32	79	9 186	43 143	
Deposits from and liabilities to customers	16 659	9 007				241	25 907	
-of which internal items		-28		28	4	-4		
Other liabilities and equity	1 922	3 168	3 090	32	79	8 945	17 236	
Total equity and liabilities per segment	18 581	12 175	3 090	32	79	9 186	43 143	

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

Note 4: Operating expenses

Parent Bank			Group		
31.12.11	30.09.11	30.09.12	30.09.12	30.09.11	31.12.11
357	254	249	347	294	446
218	151	167	193	168	246
26	19	21	27	21	32
9	7	7	18	7	18
16	11	13	13	11	16
39	29	27	43	38	57
665	471	484	641	539	815

Note 5: Loans to and receivables from customers

Parent Bank				Group		
31.12.11	30.09.11	30.09.12		30.09.12	30.09.11	31.12.11
			Loans by type of receivable			
			Financial leasing	1 489	1 214	1 283
3 813	3 878	4 713	Overdraft facilities and operating credits	4 713	3 878	3 813
724	726	722	Building loans	722	726	724
27 181	27 970	25 845	Repayment loans	27 755	29 563	28 847
99	98	100	Accrued interest	122	114	119
31 816	32 672	31 380	Gross loans to and receivables from customers	34 801	35 495	34 786
313	309	253	Write-downs	274	329	335
31 503	32 363	31 127	Loans to and receivables from customers	34 527	35 166	34 451
			Loans by type of market			
19 490	20 243	18 781	Private customers	20 434	21 622	20 932
12 324	12 427	12 598	Corporate	14 255	13 798	13 762
1	2	1	Public sector	112	75	91
31 816	32 672	31 380	Gross loans to and receivables from customers	34 801	35 495	34 786
313	309	253	Write-downs	274	329	335
31 503	32 363	31 127	Loans to and receivables from customers	34 527	35 166	34 451
			Of which subordinated loan capital			
			Subordinated capital in credit institutions			
			Other subordinated capital			
0	0	0	Subordinated loan capital recorded as lending	0	0	0

Parent Bank				Group		
31.12.11	30.09.11	30.09.12		30.09.12	30.09.11	31.12.11
			Total commitments by sector and industry			
20 989	21 810	20 524	Private customers	22 185	23 189	22 431
1	2	1	Public sector	113	75	93
3 328	3 277	3 494	Primary industries	3 669	3 425	3 495
440	449	329	Paper and pulp industries	346	467	459
528	546	704	Other industry	830	645	638
1 110	1 115	1 194	Building and construction	1 545	1 420	1 421
111	118	130	Power and water supply	202	188	181
1 129	1 169	1 060	Wholesale and retail trade	1 328	1 408	1 384
215	220	193	Hotel and restaurants	198	226	220
5 197	5 020	5 542	Real estate	5 577	5 051	5 228
1 932	2 017	2 020	Commercial services	2 262	2 258	2 157
255	261	260	Transport and communications	630	504	530
86	98	164	Other	164	98	86
35 322	36 102	35 615	Total commitments by sector and industry	39 049	38 954	38 324

Parent Bank				Group		
31.12.11	30.09.11	30.09.12	Gross loans by sector and industry	30.09.12	30.09.11	31.12.11
19 490	20 243	18 781	Private customers	20 434	21 622	20 932
1	2	1	Public sector	112	75	91
2 960	2 879	3 095	Primary industries	3 270	3 027	3 123
386	395	269	Paper and pulp industries	286	413	404
371	394	473	Other industry	599	493	479
756	815	780	Building and construction	1 130	1 120	1 060
89	94	88	Power and water supply	160	164	157
799	817	709	Wholesale and retail trade	976	1 056	1 050
198	202	178	Hotel and restaurants	183	208	203
4 846	4 776	4 995	Real estate	5 030	4 807	4 877
1 729	1 823	1 770	Commercial services	2 011	2 035	1 950
189	198	198	Transport and communications	567	441	458
3	34	43	Other	43	34	3
31 816	32 672	31 380	Total gross loans by sector and industry	34 801	35 495	34 786

Parent Bank				Group		
31.12.11	30.09.11	30.09.12	Individual write-downs by sector and industry	30.09.12	30.09.11	31.12.11
52	48	45	Private customers	51	54	57
5	2	4	Primary industries	7	6	8
11	9	1	Paper and pulp industries	1	9	11
5	8	5	Other industry	5	8	5
27	27	10	Building and construction	10	28	28
1	1		Power and water supply	0	1	1
14	17	19	Wholesale and retail trade	20	17	14
12	16	10	Hotel and restaurants	10	16	12
54	54	36	Real estate	36	54	54
28	32	18	Commercial services	18	32	28
2	2	2	Transport and communications	3	3	5
211	216	150	Total individual write-downs by sector and industry	162	228	223

Note 6: Losses on loans and guarantees

Parent Bank				Group		
31.12.11	30.09.11	30.09.12		30.09.12	30.09.11	31.12.11
-4	2	-57	Change in individual write-downs in the period	-57		-7
7	-2	1	+ Change in collective write-downs in the period	1	-1	9
48	35	65	+ Realised losses on commitments previously written down	68	42	58
32	-11	11	+ Realised losses on commitments not previously written down *)	11	-12	32
38	1	2	- Recoveries on loans and guarantees previously written down	4	5	42
45	23	18	Total losses on loans and guarantees	19	24	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		
31.12.11	30.09.11	30.09.12	Individual write-downs	30.09.12	30.09.11	31.12.11
221	221	216	Individual write-downs to cover losses on loans and guarantees at 1 January	228	236	236
			Realised losses in the period on loans and guarantees previously written down individually	68	45	58
48	35	65	Reversal of write-downs in previous years	47	12	27
22	9	41	Increase in write-downs on commitments previously written down individually	32	16	26
25	16	31	Write-downs on commitments not previously written down individually	22	35	51
40	26	14				
216	219	155	Individual write-downs to cover losses on loans and guarantees at the end of period *)	167	231	228

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

Parent Bank				Group		
31.12.11	30.09.11	30.09.12	Collective write-downs	30.09.12	30.09.11	31.12.11
95	95	102	Collective write-downs to cover losses on loans and guarantees at 1 January	112	102	102
7	-2	1	Collective write-downs to cover losses on loans and guarantees in the period	1	-1	10
102	93	103	Collective write-downs to cover losses on loans and guarantees	113	101	112

Parent Bank				Group		
31.12.11	30.09.11	30.09.12	Defaulted (more than 90 days) and doubtful commitments	30.09.12	30.09.11	31.12.11
368	404	401	Defaulted commitments	489	480	424
418	378	172	Other doubtful commitments	174	382	420
786	782	573	Total defaulted and doubtful commitments	663	862	844
216	219	155	Individual write-downs on loans and guarantees	167	231	228
570	563	418	Net defaulted and doubtful commitments	496	631	616

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

Q3 2012

	Contract sum	Fair market value	
		Assets	Liabilities
Foreign exchange instruments			
Forward exchange contracts	826	8	8
Currency swap contracts	1 942	19	3
Total foreign exchange instruments	2 768	27	11
Interest rate instruments			
Interest rate swaps (inc. int. rate & currency)	9 799	407	162
Other interest rate contracts	430	25	
Total interest rate instruments	10 229	432	162
Other financial derivatives			
Guarantee liability - Eksportfinans ASA	57	6	
Total curr.- and int. rate instruments			
Total currency instruments	2 768	27	11
Total interest rate instruments	10 229	432	162
Total other financial derivatives	57	6	0
Total	13 055	465	173

At fair market value through p & l account

Q3 2011

	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 instruments	57	0	0
Total	14 351	394	239

At fair market value through p & l account

Year 2011

	Contract sum	Fair market value	
		Assets	Liabilities
Foreign exchange instruments			
Forward exchange contracts	1 839	41	26
Currency swap contracts	1 985	4	19
Total foreign exchange instruments	3 824	46	45
Interest rate instruments			
Interest rate swaps (inc. int. rate & currency)	10 606	317	177
Other interest rate contracts	430	12	
Total interest rate instruments	11 036	330	177
Other financial derivatives			
Guarantee liability - Eksportfinans ASA	57		4
Total curr. and int. rate instruments			
Total currency instruments	3 824	46	45
Total interest rate instruments	11 036	330	177
Total other financial instruments	57	0	4
Total	14 917	376	225

Note 8: Other assets

Parent Bank				Group		
31.12.11	30.09.11	30.09.12		30.09.12	30.09.11	31.12.11
13	13	28	Capital payments into pension fund	28	13	13
82	76	133	Accrued income, not yet received	134	76	84
22	21	5	Prepaid costs, not yet incurred	5	21	22
47	77	82	Other assets	179	148	61
164	187	248	Other assets	346	258	180

Note 9: Deposits from and liabilities to customers

Parent Bank			Deposits by sector and industry	Group		
31.12.11	30.09.11	30.09.12		30.09.12	30.09.11	31.12.11
16 969	16 740	18 026	Private customers	18 026	16 740	16 969
2 514	2 268	2 871	Public sector	2 871	2 268	2 514
748	759	817	Primary industries	817	759	748
131	118	124	Paper and pulp industries	124	118	131
362	262	374	Other industry	374	262	362
454	382	457	Building and construction	457	382	454
252	212	156	Power and water supply	156	212	252
700	632	691	Wholesale and retail trade	691	632	700
97	91	88	Hotel and restaurants	88	91	97
1 324	1 405	1 484	Real estate	1 484	1 405	1 324
2 273	2 292	2 318	Commercial services	2 284	2 126	2 138
211	230	207	Transport and communications	207	230	211
5	26	31	Other operations	31	26	5
26 042	25 417	27 644	Total deposits by sector and industry	27 610	25 251	25 907

Note 10: Securities-Related debt

Parent Bank and Group

Alle beløb er like for morbank og konsern.

Changes in liabilities from issuance of securities	30.09.12	Issued	Due / redeemed	Other changes	31.12.11
Certificate-based debt, nominal value	300	300	-300		300
Bond debt, nominal value	7 377	1 075	-1 000	154	7 148
Accrued interest	145			-35	180
Adjustments	183			213	-30
Total debt raised through issuance of securities, fair value	8 005	1 375	-1 300	332	7 598

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	31.12.11	Issued	Due / redeemed	Other changes	31.12.10
Certificate-based debt, nominal value	300	300	-900		900
Bond debt, nominal value	7 148	1 850	-1 136	30	6 404
Accrued interest	180			3	177
Adjustments	-30			21	-51
Total debt raised through issuance of securities, fair value	7 598	2 150	-2 036	54	7 430

Note 11: Other debt and liabilities

Parent Bank				Group		
31.12.11	30.09.11	30.06.12		30.06.12	30.09.11	31.12.11
395	295	402	Pension liabilities	423	306	418
5	4	5	Guarantee provisions	6	4	5
12	7	7	Banker's drafts	7	7	12
34	19	12	Accounts payable	19	22	43
166	125	216	Other	370	338	305
612	450	642	Total other debt and liabilities recognised in the balance sheet	825	677	783

Note 12: Capital adequacy

Parent Bank				Group		
31.12.11	30.09.11	30.09.12		30.09.12	30.09.11	31.12.11
5 133	4 836	5 127	Primary capital	5 127	4 836	5 133
93	69	85	Endowment fund	85	69	93
46	72	44	Revaluation fund / equalisation reserve	44	72	46
	365	311	Results for the accounting period	344	343	
			Other equity	237	302	262
			Minority interests	25		
5 272	5 342	5 567	Total equity carried	5 862	5 622	5 534
			Group companies not consolidated for capital adequacy purposes	-262	-253	-225
			Tier 1 capital			
	-365	-311	Result so far not included	-344	-343	
-106	-58	-106	Unrealised value change due to reduced / increased value of liabilities	-106	-58	-106
-179	-149	-194	Deferred tax, goodwill and other intangible assets	-270	-152	-253
-46	-72	-44	Net unrealised gains on shares available for sale	-44	-72	-46
-173	-178	-137	50 % deduction for expected losses on IRB, net of write-downs	-137	-178	-173
-913	-944	-1 173	Deduction for subordinated capital in other financial institutions	-525	-403	-370
			Capital adequacy reserve	-689	-629	-629
3 855	3 576	3 602	Total tier 1 capital	3 485	3 534	3 732
			Supplementary capital			
21	32	20	45 per cent of unrealised gain on shares classified as available for sale	20	32	21
-21	-32	-20	Deduction for subordinated capital in other financial institutions	-20	-32	-21
0	0	0	Total supplementary capital	0	0	0
3 855	3 576	3 602	Net subordinated capital	3 485	3 534	3 732
			Minimum requirements subordinated debt, Basel II			
4 701	4 600	4 950	Involvement with specialised enterprises	4 950	4 600	4 701
5 235	5 303	5 599	Other corporate exposures	5 599	5 303	5 235
318	439	373	SME exposure	373	439	318
2 370	2 446	2 341	Retail mortgage exposure	2 341	2 446	2 370
452	493	483	Other retail exposure	483	493	452
		1 555	Equity investments	1 354		
13 076	13 281	15 301	Total credit risk IRB	15 100	13 281	13 076
5 297	4 620	5 101	Exposures calculated using the standardised approach	7 228	5 426	6 895
3 290	3 997	1 755	Transitional arrangements	1 618	5 403	3 140
2 063	2 063	2 286	Operational risk	2 491	2 410	2 410
-934	-976	-1 193	Deductions	-1 245	-1 185	-1 029
22 793	22 985	23 251	Minimum subordinated capital requirement	25 192	23 841	24 492
			Capital adequacy ratio			
16,9 %	15,6 %	15,5 %	Capital adequacy ratio	13,8 %	14,3 %	15,2 %
16,9 %	15,6 %	15,5 %	Tier 1 ratio	13,8 %	14,3 %	15,2 %
		16,8 %	Capital adequacy ratio before transitional arrangements	14,8 %		
			Capital adequacy ratio including profit before tax at 30.09.12			
		16,8 %	Tier 1 ratio	15,2 %		
		18,2 %	Capital adequacy ratio before transitional arrangements	16,2 %		



Phone
02999

E-mail

Private customer centre: kundesenter@sparebanken-hedmark.no
Corporate customer centre: bedrift@sparebanken-hedmark.no

Internet banking

sparebanken-hedmark.no

Corporate Management

Strandgata 15, Box 203, N-2302 Hamar
Organisation: NO 920 426 530