



Interim Report

# Interim Report

Q4 2015



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# Main figures

Result summary (NOK mill and % of average assets.)	31.12.15		31.12.14	
	Amount	%	Amount	%
Net interest income	1 105	2,08 %	1 043	2,14 %
Net commissions and other (non-interest) income	651	1,23 %	663	1,36 %
Net income from financial investments	514	0,97 %	573	1,17 %
<b>Total income</b>	<b>2 270</b>	<b>4,28 %</b>	<b>2 279</b>	<b>4,67 %</b>
<b>Total operating expenses before losses on loans and guarantees</b>	<b>1 051</b>	<b>1,98 %</b>	<b>981</b>	<b>2,01 %</b>
<b>Profit before losses on loans and guarantees</b>	<b>1 220</b>	<b>2,30 %</b>	<b>1 298</b>	<b>2,66 %</b>
Losses on loans and guarantees	56	0,11 %	66	0,14 %
<b>Profit/loss before tax</b>	<b>1 164</b>	<b>2,20 %</b>	<b>1 232</b>	<b>2,52 %</b>
Tax charge	234	0,44 %	192	0,39 %
<b>Results for the accounting period</b>	<b>930</b>	<b>1,75 %</b>	<b>1 040</b>	<b>2,13 %</b>
<b>Minority interests</b>			<b>2</b>	<b>0,01 %</b>
<b>Profitability</b>				
Return on equity capital <sup>1)</sup>		11,4 %		14,4 %
Cost-income ratio <sup>2)</sup>		46,3 %		43,0 %
<b>From the Balance Sheet</b>				
From the Balance Sheet	43 779		39 936	
Gross loans to customers including loans transferred to covered bond companies <sup>3)</sup>	61 140		55 930	
Utlånsvekst siste 12 mnd		9,6 %		7,4 %
Lending growth in last 12 months including loans transferred to covered bond companies		9,3 %		6,8 %
Deposits from customers	33 458		31 070	
Deposit-to-loan ratio <sup>4)</sup>		76,4 %		77,8 %
Deposit growth during the last 12 months		7,7 %		3,2 %
Total assets	55 966		49 934	
<b>Losses and commitments in default</b>				
Losses on loans as a percentage of gross loans		0,1 %		0,2 %
Commitments in default as a percentage of total commitments		0,6 %		0,8 %
Other bad and doubtful commitments as a percentage of total commitments		0,5 %		0,5 %
Net commitment in default and commitments with loss provisions as a percentage of total commitments <sup>5)</sup>		0,8 %		0,9 %
<b>Financial strength</b>				
Common equity Tier 1 capital ratio		17,2 %		14,8 %
Tier 1 Capital ratio		17,5 %		15,2 %
Capital adequacy ratio		19,1 %		17,1 %
Net subordinated capital	7 178		6 273	
Equity ratio		15,6 %		15,3 %
Leverage Ratio		9,2 %		8,2 %
LCR <sup>6)</sup>		108 %		88,0 %

1) Net profit as a percentage of average equity

2) Total operating expenses as a percentage of total operating income

3) Covered bond companies used are SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

4) Deposit from customers as a percentage of gross loans to customers (excl. Loans transferred to covered bond companies)

5) Net defaulted and doubtful commitments equals the sum of commitments in default and doubtful commitments minus individual write-downs

6) Liquidity Coverage Ratio; measure the size of banks' liquid assets in relation to net liquidity output 30 days ahead given a stress

# Interim report Q4 2015

## Summary

The Sparebanken Hedmark Group posted a profit after tax for the fourth quarter of NOK 194 (214) million (last year's figure in brackets). The return on equity was 8.9 (11.3) per cent. The core equity tier 1 ratio was 17.2 (14.8) per cent

The Parent Bank's profit after tax for the fourth quarter was NOK 113 (93) million.

The Sparebanken Hedmark Group's profit after tax for 2015 was NOK 930 (1,040) million. The return on equity was 11.4 (14.4) per cent. Exclusive of the return on securities and derivatives, the return on equity was 9.7 per cent.

The Group's unweighted equity ratio was 15.6 (15.3) per cent at year-end.

The Group achieved a net interest margin of 2.46 (2.44) per cent in 2015, inclusive of home mortgages in the covered bond company. The twelve-month growth in lending and deposits was 9.3 (6.8) per cent and 7.7 (3.2) per cent, respectively. At year-end, the deposit coverage ratio was 76.4 (77.8) per cent.

The Parent Bank's profit after tax for 2015 was NOK 796 (676) million. The core equity tier 1 ratio was 24.1 (21.7) per cent.

Sparebanken Hedmark's conversion of 60 per cent of its primary capital to equity share capital and the establishment of Sparebanken Hedmark Sparebankstiftelse was completed on 26 November. The equity share capital consists of 79,740,000 equity certificates, all of which are owned by the foundation.

On 12 December, Sparebanken Hedmark signed an agreement for the purchase of the remaining shares in Bank 1 Oslo Akershus AS. Following the acquisition, the Sparebanken Hedmark Group will be Norway's fourth largest savings bank with total business capital of around NOK 125 billion and operations in the counties of Hedmark, Oppland, and Akershus og Oslo. Implementation is contingent on the approval of the authorities.

Sparebanken Hedmark is planning to list on the stock exchange in the second half of 2016. Upon its listing, the foundation will sell part of its holding of equity certificates, although the foundation may not own less than 50 per cent of the Bank's equity certificates.

## Sparebanken Hedmark – consolidated profit in the fourth quarter

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, Vato AS and SpareBank 1 Regnskapshuset Østlandet AS.

The Bank owns 40.5 per cent of Bank 1 Oslo Akershus AS, 11 per cent of SpareBank 1 Gruppen AS and 8.7 per cent of SpareBank 1 Kredittkort AS. The Bank also owns 10 per cent of SpareBank 1 Boligkreditt AS and 3.8 per cent of SpareBank 1 Næringskreditt AS (the covered bond companies). The results from the above companies are recognised in the Bank's consolidated financial statements proportionate to the Bank's stake.

The Group's profit after tax for the fourth quarter was NOK 194 (214) million. The return on equity in the quarter was 8.9 (11.3) per cent. Exclusive of the return on securities and derivatives, the return on equity was 7.9 per cent.

Net interest income in the quarter amounted to 2.08 (2.17) per cent of average total assets, while the net interest margin was 2.53 (2.45) per cent. Net interest income increased by NOK 17 million to NOK 289 (272) million, while net commissions and other operating income increased by NOK 1 million to NOK 159 (158) million.

The total net result from financial assets and liabilities was NOK 103 (126) million for the fourth quarter. The net result from ownership interests fell by NOK 27 million compared with the year before. Bank 1 Oslo Akershus AS contributed NOK 19 (34) million, while SpareBank 1 Gruppen AS contributed NOK 39 (56) million.

The net result from other financial assets and liabilities amounted to NOK 33 (29) million. The improvement was primarily attributable to changes in value due to the spread widening for bonds and lower interest rates on fixed-rate loans for customers.

The operating costs of NOK 292 million were NOK 29 million higher than in the fourth quarter of last year. NOK 9 million of this increase was due to increased personnel

costs and NOK 20 million was due to higher other operating costs. The cost/income ratio, measured as costs in relation to total income, was 52.9 (47.3) per cent in the fourth quarter.

At the end of the quarter, there were 727 (673) full time equivalents in the Group. The Group's losses in the quarter amounted to NOK 18 (24) million.

The proportion of problem loans, defined as the total non-performing commitments and other impaired commitments, as a percentage of total commitments (exclusive of the covered bond companies) amounted to 1.1 (1.2) per cent.

For further details about the fourth quarter in isolation, please see page 13 of the report, "Results from the interim financial statements".

#### **Sparebanken Hedmark – consolidated profit for the year**

The Group's profit after tax for 2015 totalled NOK 930 (1,040) million. The return on equity was 11.4 (14.4) per cent.

#### **Specification of the consolidated profit after tax in NOK millions:**

Parent Bank's profit after tax	796
Dividends received from subsidiaries /associated companies	-259

#### **Share of the result from:**

SpareBank 1 Gruppen AS	142
Bank 1 Oslo Akershus AS	103
SpareBank 1 Boligkreditt AS	46
EiendomsMegler 1 Hedmark Eiendom AS	5
SpareBank 1 Finans Østlandet AS	74
SpareBank 1 Regnskapshuset Østlandet AS	11
Other associated companies/joint ventures	12
<b>Consolidated profit after tax</b>	<b>930</b>

#### **Interest income and other operating income**

Total net interest income, inclusive of commissions from loans and credit transferred to partly-owned companies (recognised as commissions), amounted to NOK 1,293 (1,271) million. This represents an increase of 1.7 per cent compared with 2014.

The Group's net interest income as a percentage of the average total assets was 2.08 per cent in 2015, compared with 2.14 per cent in 2014.

The Group's lending margin, inclusive of home mortgages in the covered bond company, amounted to 2.68 (2.96) per cent. The deposit margin was -0.22 (-0.52) per cent. The Group's net interest margin was 2.46 (2.44) per cent.

Net commissions decreased from NOK 525 million last year to NOK 461 million this year. This was primarily attributable to a NOK 40 million drop in commissions from loans transferred to the covered bond companies due to reduced margins. 2014 also saw the recognition

of NOK 41 million in extraordinary income from SpareBank 1 Kredittkort AS.

Other operating income increased by NOK 52 million to NOK 190 million. This was largely due to SpareBank 1 Regnskapshuset AS's increased turnover.

The total income from the Group's accounting and estate agency business was NOK 253 million in 2015. This represents an increase of NOK 48 million or 23 per cent.

#### **Net result from financial assets and liabilities**

The net result from financial assets and liabilities fell by NOK 58 million to NOK 515 (573) million. Dividends were NOK 5 million lower and the net result from ownership interests fell by 92 million. The profit from the sale of the shares in the payment systems company Nets Holding ASA contributed NOK 158 million in 2014. Changes in the market value of securities saw an improvement in the result of NOK 39 million in 2015.

The share of the profit from Bank 1 Oslo Akershus AS accounted for NOK 103 (183) million of the result from ownership interests and the share of the profit from SpareBank 1 Gruppen AS accounted for 142 (202) million.

The net result from other financial assets and liabilities amounted to NOK 205 (166) million.

The Bank's securities issued, fixed-income investments, derivatives and fixed-rate products for customers are assessed at fair value through profit and loss pursuant to IAS 39, and changes in market value are recognised in profit and loss. The total net change in market value for fixed-income securities amounted to NOK 184 (-36) million, while the change in value for fixed-rate products for customers was NOK 15 (28) million. Other items amounted to NOK 6 (174) million. Nets accounted for NOK 158 million in 2014.

The so-called trading spread for Norwegian financial securities was heavily affected in 2015. For a five-year, senior issue in a Norwegian regional savings bank, the market's premium above NIBOR rose from around 60 basis points at the start of the year to around 134 basis points at year-end. All other things being equal, this results in the relevant discount rate on previously issued fixed income securities with fixed coupons increasing and thus their present value (price) sinking. The drop in prices for own debt results in an unrealised gain, but the drop in prices for purchased fixed income securities results in an unrealised loss. The net effect for Sparebanken Hedmark was a drop in prices for all fixed income securities, inclusive of hedging transactions, positive in the amount of NOK 184 million in 2015, of which NOK 190 million is unrealised. The positive effect of NOK 184 million comes from income on securities issued, NOK 252 million, and a loss from securities investments, NOK 68 million. Cumulatively, an unrealised

loss NOK 140 million as of year-end 2014 has turned into an unrealised gain of NOK 50 million as of year-end 2015. Assuming that all of the securities issued and all of the purchased fixed income securities are not realised until they mature, the Bank will, over the duration of the securities, redeem this unrealised gain of NOK 50 million at a rate of around NOK 17 million per year.

### Costs, losses and problem loans

The Group's operating costs were NOK 1,051 (981) million. This represents an increase of 7.1 (7.1) per cent compared with the year before. NOK 55 million of the NOK 70 million increase was due to increased costs in subsidiaries, primarily due to greater activity.

Personnel costs amounted to NOK 590 (543) million. This represents an increase of NOK 47 million, or 9 per cent, which is primarily attributable to increased staffing levels in subsidiaries and ordinary wages growth. The number of full time equivalents in the Group increased by 54 from 673 in 2014 to 727 in 2015.

Other operating costs increased by 5.2 per cent and amounted to NOK 461 (438) million.

Operating costs as a percentage of total income were 46.3 (43.0) per cent.

Total loan losses amounted to NOK 56 (66) million. NOK 6 million of the losses were in the retail market division and NOK 29 million in the corporate market division. The losses in SpareBank 1 Finans Østlandet AS amounted to NOK 21 million. At year-end, the Bank's credit exposure to oil-related industries was less than 0.1 per cent.

Group write-downs to cover net loan loss provisions amounted to NOK 120 (116) million and amounted to 0.27 per cent of total lending.

The loan loss provision ratio, measured as total individual write-downs of NOK 147 million in relation to total non-performing and other impaired loans of NOK 544 million, was 27 (26) per cent at year-end.

Credit quality, measured as total problem commitments in relation to total lending, improved in 2015. In total, the Group's problem commitments amounted to 1.1 (1.2) per cent of gross commitments on its balance sheet and 0.8 (0.9) per cent if one includes loans transferred to the covered bond companies.

### Assets and funding

Gross lending to customers, inclusive of loans transferred to the covered bond companies, totalled NOK 61.1 (55.9) billion. At year-end, loans totalling NOK 16.8 (15.4) billion had been transferred to SpareBank 1 Boligkreditt AS and loans totalling NOK 0.6 (0.6) billion had been transferred to SpareBank 1 Næringskreditt AS. The Group's twelve-

month lending growth, inclusive of transferred loans, was 9.3 (6.8) per cent.

Retail customer loans transferred to the covered bond companies as a percentage of the overall retail customer loans (loans on its balance sheet and transferred loans) was 42.7 (42.1) per cent.

Customer deposits totalled NOK 33.5 (31.1) billion. The growth over the past twelve-month period was 7.7 (3.2) per cent.

Deposits represented 76.4 (77.8) per cent of gross lending.

Senior debt to financial institutions and senior securities issued totalled NOK 12.2 (9.6) billion. The average term to maturity of the Bank's long-term funding was 3.8 (4.0) years. The average term to maturity for all borrowing was 3.3 (3.6) years. The average risk premium on the Bank's borrowing portfolio at the end of the fourth quarter was 81 (82) basis points. In addition to senior debt, the Bank had NOK 0.5 billion outstanding in subordinated loans.

Liquidity was very good and there has been good level of interest in the Bank's bonds. At year-end, the Bank had enough reserves to maintain normal operations for fifteen (eighteen) months. The LCR (Liquidity Coverage Ratio) was 121 per cent.

In the opinion of the Board, the Bank's liquidity risk is low.

The Group's equity amounted to NOK 8.7 (7.6) billion, which is equivalent to 15.6 (15.3) per cent of the balance sheet. The Leverage Ratio was 9.2 (9.8) per cent.

The Group's core equity tier 1 ratio was 17.2 (14.8) per cent. The total capital adequacy ratio was 19.1 (17.1) per cent.

### Rating

Sparebanken Hedmark is rated A2 by Moody's Investor Service. The rating has a "stable outlook". Moody's has changed the criteria it applies in its new rating methodology in order to assign banks a rating that is one or more grades higher due to the likelihood of government support. Applying the new method, Moody's has moved Sparebanken Hedmark down by one grade because in its opinion the likelihood of government support is low. According to Moody's method, the county of Hedmark is too small a county. In order to mark it up a grade, total lending in the county must amount to more than 5 per cent of the total lending in Norway.

In connection with the announcement of Sparebanken Hedmark's acquisition of Bank 1 Oslo Akershus AS, Moody's published an assessment of the acquisition that concluded that the acquisition was credit positive for Sparebanken Hedmark.

# Sparebanken Hedmark – Parent bank

## Results

The profit after tax in 2015 totalled NOK 796 (676) million. Banking operations, defined as net interest income plus commissions and other operating income less operating costs and losses, achieved a profit before tax of NOK 539 (521) million.

## Margins and net interest income

Net interest income, inclusive of loans transferred to the covered bond companies, amounted to NOK 1,068 (1,063) million. The NOK 5 million improvement is attributable to the NOK 45 million increase in net interest income due to growth and the NOK 40 million reduction in commissions from loans transferred to the covered bond companies due to reduced lending margins.

The net interest margin for loans on the balance sheet (exclusive of currency loans) was 2.42 (2.49) per cent. The lending margin was 2.64 (3.01) per cent and the deposit margin was -0.22 (-0.52) per cent. The net interest margin improved towards the end of the year.

The interest margin for the retail market was 2.29 (2.38) per cent, and for the corporate market it was 2.69 (2.49) per cent.

## Net commissions

NOK 188 (228) million of the NOK 429 (482) million in net commissions and other operating income came from commissions on loans transferred to the covered bond companies. The net margin for the portfolio transferred to SpareBank 1 Boligkreditt AS was 1.17 (1.47) per cent. The lending margin experienced a downward trend in 2015.

## Net result from financial assets and liabilities

Income from this area amounted to NOK 473 (296) million. Income from dividends amounted to NOK 8 (13) million. The net result from ownership interests, primarily dividends, amounted to NOK 260 (117) million. Dividend receipts amounted to NOK 107 million from SpareBank 1 Gruppen AS, NOK 51 million from Bank 1 Oslo Akershus AS, and NOK 73 million from SpareBank 1 Finans Østlandet AS. The net result from other financial assets and liabilities amounted to NOK 205 (166) million. The profit from the sale of the shares in Nets Holding ASA was included in the result for 2014. The result for 2015 is explained in the corresponding section for the Group.

## Operating costs

Total operating costs amounted to NOK 743 (726) million. Costs increased by 2.3 (6.6) per cent, or NOK 17 million, compared with the year before. Personnel costs increased by NOK 7 million. NOK 5 million of this increase was linked to services performed for the Alliance and which provide corresponding income. Other operating costs increased by NOK 9 million. At year-end, the Parent Bank had 470 (459)

full time equivalents. Operating costs represented 41.7 (45.0) per cent of total income.

## Losses on loans and guarantees

The net loan loss provisions were NOK 35 (52) million. NOK 6 (15) million of this was in the retail market, while NOK 29 (36) million was in the corporate market. Group write-downs accounted for NOK 2 (8) million of total losses.

## Lending

Gross lending to customers, inclusive of loans worth NOK 17.4 billion transferred to the covered bond companies, totalled NOK 55.5 (51.1) billion as of 31 December 2015. The Parent Bank's lending growth for the last twelve months, inclusive of loans transferred to the covered bond companies, was 8.6 (6.5) per cent.

Growth, inclusive of transferred loans, was 7.6 (6.3) per cent in the retail market and 10.9 (7.0) per cent in the corporate market. The risk profile for the Bank's granting of credit has not changed in 2015.

## Deposits

Deposits from and liabilities to customers as of 31 December 2015 totalled NOK 33.5 (31.1) billion. The growth in deposits over the past twelve months was 7.8 (3.2) per cent. NOK 21.6 (20.2) billion of deposits came from the retail market, while NOK 11.9 (10.9) billion came from the corporate market.

## Subsidiaries

The financing company SpareBank 1 Finans Østlandet AS posted a profit after tax of NOK 74 (73) million. At the end of the year, the finance company's gross lending totalled NOK 5.7 (4.8) billion. Gross lending growth over the past twelve months was 17.0 (16.1) per cent.

SpareBank 1 Regnskapshuset Østlandet AS posted earnings of NOK 172 (126) million and achieved a profit after tax of NOK 11 (4) million.

The estate agency EiendomsMegler 1 Hedmark Eiendom AS posted earnings of NOK 81 (79) million and achieved a profit after tax of NOK 5 (8) million.

## Partly-owned companies

SpareBank 1 Gruppen AS (11 per cent stake) achieved a consolidated profit after tax of NOK 1,287 (1,850) million. The return on equity was 16.9 (28.0) per cent.

Bank 1 Oslo Akershus AS (40.5 per cent stake) achieved a profit after tax of NOK 254 (452) million. This profit corresponds to a return on equity of 8.4 (15.4) per cent. The core equity tier 1 ratio was 15.3 (14.5) per cent.

## Financial strength

The core equity tier 1 ratio was 24.1 (21.7) per cent at year-end.

The Parent Bank's equity was NOK 7.7 (6.8) billion. Following the conversion, the equity consists of NOK 2.9 billion in primary capital, NOK 4 billion in equity share capital, and undistributed profit for the year of NOK 0.8 billion. The equity share capital consists of 79,740,000 equity certificates, each with a face value of NOK 50. The total equity in the Parent Bank amounted to 14.0 (13.9) per cent of the balance sheet as of 31 December 2015.

## Outlook for 2016

Lower economic growth is expected in Norway in 2016. Sparebanken Hedmark's primary market is the Interior Region, which encompasses the counties of Hedmark and Oppland. This region has traditionally been less exposed to cyclical fluctuations than other regions. Its business sector has very little exposure to the oil and gas industry. However, international developments and developments in the rest of the country could affect the Interior Region over time. The Bank is well prepared for any setback with good funding, a

high deposit coverage ratio, stable earnings and a high level of equity.

Sparebanken Hedmark expects the authorities to grant final approval for the acquisition of the remaining shares in Bank 1 Oslo Akershus AS in the second quarter of 2016. The new Group will be Norway's fourth largest regional savings bank with around 1,180 employees and 44 bank branches in the Interior Region, Akershus and Oslo. The aim is for our customers to view us as even more competent with greater breadth and greater competitiveness. The overall risk for the Bank's deposit customers and lenders will decrease. Moody's says this is due to the greater geographical diversification, high proportion of retail customers, low credit risk and continued high financial strength.

The Bank is planning to list on the stock exchange in the second half of 2016. This will enable the Bank to play an active role in the future structural development of the industry. At the same time, it will give the Bank an opportunity to raise new equity and offer ownership to customers, staff and investors.

## The Board of Directors of Sparebanken Hedmark

Hamar, 4. February 2015

Siri J. Strømmevold  
Leder

Bjørnar Håkensmoen

Erik Garaas

Espen Bjørklund Larsen

Nina C. Lier

Aud Christensen

Morten Herud

Richard Heiberg  
adm direktør



# Income statement

Parent Bank				Group					
Q4 2014	Q4 2015	31.12.14	31.12.15	(NOK million)	Noter	31.12.15	31.12.14	Q4 2015	Q4 2014
471	429	1 894	1 748	Interest income		1 972	2 101	481	527
256	192	1 059	868	Interest expenses		867	1 058	192	255
<b>215</b>	<b>237</b>	<b>835</b>	<b>880</b>	<b>Net interest income</b>		<b>1 105</b>	<b>1 043</b>	<b>289</b>	<b>272</b>
116	110	497	435	Commission income		514	575	129	116
7	7	31	27	Commission expenses		53	50	14	12
6	6	16	21	Other operating income		190	138	44	54
<b>115</b>	<b>109</b>	<b>482</b>	<b>429</b>	<b>Net commission and other income</b>		<b>651</b>	<b>663</b>	<b>159</b>	<b>158</b>
1		13	8	Dividends		8	13		1
-18	1	117	260	Net profit from ownership interests		301	394	70	97
44	33	166	205	Net profit from other financial assets and liabilities		205	166	33	29
<b>27</b>	<b>34</b>	<b>296</b>	<b>473</b>	<b>Net income from financial assets and liabilities</b>	<b>7</b>	<b>514</b>	<b>573</b>	<b>103</b>	<b>127</b>
<b>357</b>	<b>380</b>	<b>1 613</b>	<b>1 782</b>	<b>Total net income</b>		<b>2 270</b>	<b>2 279</b>	<b>551</b>	<b>557</b>
97	97	374	381	Personnel expenses		590	543	155	146
95	109	353	362	Other operating expenses		461	438	137	118
<b>193</b>	<b>206</b>	<b>726</b>	<b>743</b>	<b>Total operating expenses before losses on loans and guarantees</b>		<b>1 051</b>	<b>981</b>	<b>292</b>	<b>264</b>
<b>164</b>	<b>174</b>	<b>886</b>	<b>1 038</b>	<b>Profit before losses on loans and guarantees</b>		<b>1 220</b>	<b>1 298</b>	<b>260</b>	<b>293</b>
23	10	52	35	Losses on loans and guarantees	6	56	66	18	24
<b>141</b>	<b>164</b>	<b>835</b>	<b>1 003</b>	<b>Profit/loss before tax</b>		<b>1 164</b>	<b>1 232</b>	<b>242</b>	<b>269</b>
48	51	159	207	Tax charge		234	192	48	56
<b>94</b>	<b>113</b>	<b>676</b>	<b>796</b>	<b>Results for the accounting period</b>		<b>930</b>	<b>1 040</b>	<b>194</b>	<b>214</b>
				<b>Majority interests</b>		<b>930</b>	<b>1 038</b>	<b>194</b>	<b>214</b>
				<b>Minority interests</b>			<b>2</b>		<b>0</b>
<b>94</b>	<b>113</b>	<b>676</b>	<b>796</b>	<b>Statement of comprehensive income according to IAS 1</b>		<b>930</b>	<b>1 040</b>	<b>194</b>	<b>214</b>
-7	28	-51	79	Actuarial gains / losses on pensions		85	-51	34	-11
2	-6	14	-20	Tax effect of actuarial gains / losses on pensions		-21	14	-7	3
				Share of other comprehensive income from associates and joint ventures		34	-14	-2	-13
<b>-5</b>	<b>22</b>	<b>-37</b>	<b>59</b>	<b>Total items not reclassified through profit or loss</b>		<b>98</b>	<b>-51</b>	<b>25</b>	<b>-21</b>
2	37	142	67	Change in value of financial assets available for sale		67	142	37	2
1	-10	0	-10	Financial assets available for sale transferred to profit and loss on write-down due to permanent impairment of value		-10		-10	1
	10	-158	10	Financial assets available for sale transferred to profit and loss on realisation		10	-158	10	
				Share of other comprehensive income from associates and joint ventures		15	2	14	-2
<b>3</b>	<b>37</b>	<b>-16</b>	<b>67</b>	<b>Total items reclassified through profit or loss</b>		<b>82</b>	<b>-14</b>	<b>51</b>	<b>1</b>
<b>-2</b>	<b>59</b>	<b>-53</b>	<b>127</b>	<b>Total profit and loss items recognised in equity</b>		<b>180</b>	<b>-65</b>	<b>76</b>	<b>-20</b>
<b>92</b>	<b>172</b>	<b>623</b>	<b>923</b>	<b>Total profit / loss for the accounting year</b>		<b>1 109</b>	<b>975</b>	<b>270</b>	<b>194</b>
				<b>Majority share of comprehensive income</b>		<b>1 109</b>	<b>973</b>	<b>270</b>	<b>194</b>
				<b>Minority interest of comprehensive income</b>			<b>2</b>		

# Balance sheet

Parent Bank			Group		
31.12.14	31.12.15	(mill. kroner)	Noter	31.12.15	31.12.14
<b>ASSETS</b>					
748	264	Cash and deposits with central banks		264	748
4 856	5 701	Loans to and receivables from credit institutions		864	675
34 923	37 952	Loans to and receivables from customers	5,6	43 526	39 691
4 017	6 133	Certificates, bonds and fixed-income funds	9	6 133	4 017
531	455	Financial derivatives	8,1	455	531
239	294	Shares, units and other equity interests	9	294	239
2 323	2 457	Investments in associates and joint ventures		3 386	3 073
668	859	Investments in subsidiaries			
		Assets held for sale			
315	314	Property, plant and equipment		341	336
110	104	Goodwill and other intangible assets		211	185
72	13	Deferred tax asset			33
260	314	Other assets	11	497	406
<b>49 061</b>	<b>54 860</b>	<b>Total assets</b>		<b>55 970</b>	<b>49 934</b>
<b>LIABILITIES</b>					
667	661	Deposits from and liabilities to credit institutions		660	665
31 085	33 508	Deposits from and liabilities to customers	12	33 458	31 070
8 951	11 576	Liabilities arising from issuance of securities	9,13	11 576	8 951
330	320	Financial derivatives	8,10	320	330
146	163	Current tax liabilities		161	150
		Deferred tax liabilities		64	
581	439	Other debt and liabilities recognised in the balance sheet	14	516	639
505	496	Subordinated loan capital	9,13	496	505
<b>42 265</b>	<b>47 165</b>	<b>Total liabilities</b>		<b>47 252</b>	<b>42 310</b>
<b>EQUITY CAPITAL</b>					
	3 987	ECs		3 987	
		Equalization fund			
6 645	3 481	Primary capital		3 488	6 646
42	50	Endowment fund		50	42
109	176	Fund for unrealised gains		177	110
		Other equity		1 015	826
		Results for the accounting year			
		Minority interests			
<b>6 796</b>	<b>7 695</b>	<b>Total equity capital</b>		<b>8 718</b>	<b>7 624</b>
<b>49 061</b>	<b>54 860</b>	<b>Total liabilities and equity capital</b>		<b>55 970</b>	<b>49 934</b>

## Styret i Sparebanken Hedmark

Hamar, 4 February 2015

Siri J. Strømmevold  
Leder

Bjørnar Håkensmoen

Erik Garaas

Espen Bjørklund Larsen

Nina C. Lier

Aud Christensen

Morten Herud

Richard Heiberg  
adm direktør

# Changes in equity capital

## Parent Bank

(NOK million)	Earned equity capital					Total equity capital
	Ecs	Equalization fund	Primary capital	Endowment fund	Fund for unrealised gains	
<b>Equity capital at 1 January 2014</b>			<b>6 012</b>	<b>71</b>	<b>125</b>	<b>6 208</b>
Results for the accounting year			676			676
Actuarial gains / losses on pensions			-38			-38
Change in value of financial assets available for sale					-16	-16
Donations distributed from profit 2013			-6			-6
Grants from endowment fund in 2014				-29		-29
<b>Equity capital at 31 December 2014</b>			<b>6 644</b>	<b>42</b>	<b>109</b>	<b>6 796</b>
<b>Equity capital at 1 January 2015</b>	<b>0</b>		<b>6 644</b>	<b>42</b>	<b>109</b>	<b>6 796</b>
ECs transferred Foundation	3 987		-3 987			
Results for the accounting year			796			796
Actuarial gains / losses on pensions			59			59
Change in value of financial assets available for sale					67	67
Donations distributed from profit 2014			-6			-6
Transferred to endowment fund in 2015			-25	25		
Grants from endowment fund in 2015				-17		-17
<b>Equity capital at 31 December 2015</b>	<b>3 987</b>	<b>0</b>	<b>3 481</b>	<b>50</b>	<b>176</b>	<b>7 695</b>

## Group

(NOK million)	Earned equity capital							Sum egen-kapital
	Ecs	Equalization fund	Primary capital	Endowment fund	Fund for unrealised gains	Other equity	Minority interests	
<b>Equity capital at 1 January 2014</b>			<b>6 013</b>	<b>71</b>	<b>126</b>	<b>494</b>	<b>14</b>	<b>6 718</b>
Results for the accounting year			676			364		1 040
Actuarial gains / losses on pensions			-37					-37
Share of other comprehensive income from associated companies and joint ventures not reclassified through profit or loss						-14		-14
Change in value of financial assets available for sale					-16	1		-14
Adjustment to equity from associated companies and joint ventures						-4		-4
Change in the group composition						-15	-14	-29
Donations distributed from profit 2013			-6					-6
Grants from endowment fund in 2014				-29				-29
<b>Equity capital at 31 December 2014</b>			<b>6 646</b>	<b>42</b>	<b>110</b>	<b>826</b>	<b>0</b>	<b>7 624</b>
<b>Equity capital at 1 January 2015</b>			<b>6 646</b>	<b>42</b>	<b>110</b>	<b>826</b>	<b>0</b>	<b>7 624</b>
OB correction: Correction of previous years' errors						5		5
<b>Adjusted equity capital at 1 January 2015</b>	<b>0</b>	<b>0</b>	<b>6 646</b>	<b>42</b>	<b>110</b>	<b>831</b>	<b>0</b>	<b>7 630</b>
ECs transferred Foundation	3 987		-3 987					0
Results for the accounting year			796			134		930
Actuarial gains / losses on pensions			64					64
Share of other comprehensive income from associated companies and joint ventures not reclassified through profit or loss						34		34
Change in value of financial assets available for sale					67			67
Share of other comprehensive income from associated companies and joint ventures reclassified through profit or loss						14		14
Adjusted equity in associated companies and joint ventures						2		2
Change in the group composition								0
Donations distributed from profit 2014			-6					-6
Transferred to endowment fund in 2015			-25	25				
Grants from endowment fund in 2015				-17				-17
<b>Equity capital at 31 December 2015</b>	<b>3 987</b>	<b>0</b>	<b>3 488</b>	<b>50</b>	<b>177</b>	<b>1 015</b>	<b>0</b>	<b>8 718</b>

\* It will be presented to the Supervisory Board that 60 per cent of profits will be transferred to the equalization fund

# Cash flow statement

Parent Bank		(NOK million)	Group	
31.12.14	31.12.15		31.12.15	31.12.14
11 012	10 912	This year's down payment on repayment loans etc. to customers	13 378	12 905
		Change in advance rent leasing	9	19
-10 394	-14 568	Newly discounted repayment loans etc. to customers for the year	-17 868	-12 979
-118	74	Change in balances of foreign currency lending	74	-118
-2 883	513	Change in balances of credits	511	-2 883
1 541	1 403	Interest and commission income on lending	1 726	1 848
5	4	Included in previous years' realised losses on lending	9	9
		Net cash flow from assets held for sale		1
<b>-837</b>	<b>-1 663</b>	<b>Cash flow from lending operations (A)</b>	<b>-2 161</b>	<b>-1 198</b>
715	2 146	Change in balances of deposits from customers at call	2 118	714
279	277	Change in balances of deposits from customers with agreed maturity dates	277	279
-766	-566	Interest payments to customers	-564	-763
<b>228</b>	<b>1 857</b>	<b>Cash flow from deposit operations (B)</b>	<b>1 831</b>	<b>231</b>
914	-2 184	Net cash flow from securities held short term	-2 184	914
122	39	Cash flow linked to exchange rate gains / losses on securities held short term	39	122
97	92	Interest received on bonds and certificates	92	97
<b>1 134</b>	<b>-2 053</b>	<b>Cash flow from investments in securities (C)</b>	<b>-2 053</b>	<b>1 134</b>
-592	-835	Change in receivables from credit institutions with agreed maturity dates	-170	33
116	126	Interest received on deposits in credit institutions	126	116
<b>-476</b>	<b>-709</b>	<b>Cash flow from deposits in credit institutions (D)</b>	<b>-44</b>	<b>149</b>
619	563	Other income	814	821
-696	-860	Operating expenses payable	-1 186	-979
-146	-128	Tax payments	-130	-159
-35	-24	Donations	-24	-35
	-40	Contributions from the Group	-6	
68	-10	Net cash flow from change in other assets	-43	-37
248	57	Net cash flow from change in accruals	-45	147
14	-33	Net cash flow from change in other liabilities	-16	-121
<b>72</b>	<b>-475</b>	<b>Remaining cash flow from current operations (E)</b>	<b>-635</b>	<b>-361</b>
<b>121</b>	<b>-3 043</b>	<b>CASH FLOW FROM OPERATIONS (A+B+C+D+E=F)</b>	<b>-3 062</b>	<b>-46</b>
17	-6	Change in deposits from credit institutions	-10	33
2 053	4 000	Receipts arising from issuance of securities	4 000	2 053
-1 388	-658	Payments arising from redemption of securities issued	-658	-1 388
-262	-440	Buy-back of own securities	-440	-262
-225	-241	Interest payments on financing	-241	-225
<b>195</b>	<b>2 656</b>	<b>Cash flow from financing activities (G)</b>	<b>2 651</b>	<b>211</b>
-77	-31	Investments in fixed assets and intangible assets	-50	-83
1	2	Sales of fixed assets and intangible assets at sales price	2	1
-222	-178	Purchase of long-term securities	-178	-222
280	4	Sale of long-term securities	4	280
147	268	Share dividends from securities held long term	187	85
<b>130</b>	<b>64</b>	<b>Cash flow from investments (H)</b>	<b>-35</b>	<b>61</b>
-27		Liquidity effect of acquisition and sale of ownership interests (I)	-28	-43
-235	-150	Liquidity effect from placements in subsidiaries (L)		
<b>184</b>	<b>-474</b>	<b>CHANGE IN CASH AND CASH EQUIVALENTS (F+G+H+I+L)</b>	<b>-474</b>	<b>184</b>
599	783	Cash and cash equivalents at 1 January	783	599
<b>783</b>	<b>309</b>	<b>Cash and cash equivalents at the end of period</b>	<b>309</b>	<b>783</b>
		Cash and cash equivalents comprise:		
748	264	Cash and deposits with central banks	264	748
35	46	Deposits etc. at call with banks	46	35
<b>783</b>	<b>309</b>	<b>Cash and cash equivalents at the end of period</b>	<b>309</b>	<b>783</b>

# Results from the quarterly accounts

(Isolated figures in NOK million)

Group	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Interest income	481	497	492	501	527	536	526	512	531
Interest expenses	192	218	221	236	255	264	267	272	269
<b>Net interest income</b>	<b>289</b>	<b>280</b>	<b>271</b>	<b>265</b>	<b>272</b>	<b>272</b>	<b>259</b>	<b>240</b>	<b>262</b>
Commission income	129	132	130	123	116	117	121	142	112
Commission expenses	14	14	12	13	12	13	12	12	12
Other operating income	44	37	48	61	54	51	57	56	46
<b>Net commission and other income</b>	<b>159</b>	<b>155</b>	<b>166</b>	<b>171</b>	<b>158</b>	<b>155</b>	<b>165</b>	<b>186</b>	<b>146</b>
Dividends			1	7	1	1		12	3
Net profit from ownership interests	70	66	76	88	97	103	80	114	120
Net profit from other financial assets and liabilities	33	142	5	26	29	173	-3	-33	-3
<b>Net income from financial assets and liabilities</b>	<b>103</b>	<b>208</b>	<b>82</b>	<b>121</b>	<b>126</b>	<b>276</b>	<b>77</b>	<b>93</b>	<b>120</b>
<b>Total net income</b>	<b>551</b>	<b>643</b>	<b>519</b>	<b>557</b>	<b>556</b>	<b>702</b>	<b>501</b>	<b>519</b>	<b>528</b>
Personnel expenses	155	145	143	147	146	132	129	136	124
Other operating expenses	137	104	108	111	118	104	110	106	111
<b>Total operating expenses before losses on loans and guarantees</b>	<b>292</b>	<b>248</b>	<b>251</b>	<b>258</b>	<b>263</b>	<b>237</b>	<b>239</b>	<b>242</b>	<b>235</b>
<b>Profit before losses on loans and guarantees</b>	<b>263</b>	<b>395</b>	<b>268</b>	<b>299</b>	<b>293</b>	<b>466</b>	<b>262</b>	<b>277</b>	<b>293</b>
Losses on loans and guarantees	18	-2	35	5	24	9	21	12	43
<b>Profit/loss before tax</b>	<b>242</b>	<b>397</b>	<b>233</b>	<b>294</b>	<b>269</b>	<b>456</b>	<b>241</b>	<b>265</b>	<b>250</b>
Tax charge	48	89	43	54	56	54	45	38	38
<b>Results for the accounting period</b>	<b>194</b>	<b>307</b>	<b>190</b>	<b>240</b>	<b>214</b>	<b>403</b>	<b>197</b>	<b>227</b>	<b>212</b>
<b>Profitability</b>									
Return on equity capital <sup>1)</sup>	8,9 %	14,7 %	9,5 %	12,5 %	11,3 %	21,8 %	11,1 %	13,4 %	13,2 %
Net interest income <sup>2)</sup>	2,08 %	2,05 %	2,08 %	2,13 %	2,17 %	2,16 %	2,14 %	2,07 %	2,23 %
Cost-income ratio <sup>3)</sup>	52,9 %	38,6 %	48,4 %	46,3 %	47,3 %	33,6 %	47,7 %	46,6 %	44,5 %
<b>From the balance sheet</b>									
Gross loans to customers	43 779	42 793	42 091	40 484	39 936	39 233	38 256	36 885	37 180
Gross loans to customers including loans transferred to covered bond companies <sup>4)</sup>	61 140	59 437	57 995	56 619	55 930	54 806	53 916	52 579	52 361
Lending growth during the last 12 months	9,6 %	9,1 %	10,0 %	9,8 %	7,4 %	5,3 %	4,0 %	3,7 %	4,9 %
Lending growth in last 12 months including loans transferred to covered bond companies	9,3 %	8,4 %	7,6 %	7,7 %	6,8 %	6,2 %	6,2 %	7,3 %	8,9 %
Deposits from customers	33 458	33 052	33 205	31 054	31 070	31 575	32 043	29 948	30 097
Deposit-to-loan ratio <sup>5)</sup>	76,4 %	77,2 %	78,9 %	76,7 %	77,8 %	80,5 %	83,8 %	81,2 %	80,9 %
Deposit growth during the last 12 months	7,7 %	4,7 %	3,6 %	3,7 %	3,2 %	6,3 %	4,4 %	2,7 %	7,0 %
Total assets	55 970	54 501	53 558	51 101	49 934	49 751	50 195	46 869	47 397
<b>Losses and commitments in default</b>									
Losses on loans as a percentage of gross loans	0,2 %	0,0 %	0,3 %	0,1 %	0,2 %	0,1 %	0,2 %	0,1 %	0,5 %
Commitments in default as a percentage of total commitments	0,6 %	0,7 %	0,8 %	0,7 %	0,8 %	0,8 %	0,8 %	0,7 %	0,8 %
Other bad and doubtful commitments as a percentage of total commitments	0,5 %	0,4 %	0,5 %	0,5 %	0,5 %	0,5 %	0,6 %	0,7 %	0,6 %
Net defaulted and doubtful commitments as a percentage of total commitments	0,8 %	0,8 %	0,9 %	0,8 %	0,9 %	0,9 %	1,1 %	1,1 %	1,1 %
<b>Financial strength</b>									
Common equity Tier 1 capital ratio	17,2 %	17,1 %	17,0 %	15,3 %	14,8 %	14,5 %	14,0 %	15,1 %	16,2 %
Tier 1 Capital ratio	17,5 %	17,5 %	17,4 %	15,8 %	15,2 %	16,3 %	14,4 %	15,5 %	16,4 %
Capital adequacy ratio	19,1 %	18,8 %	19,0 %	17,6 %	17,1 %	16,3 %	14,4 %	15,5 %	16,4 %
Net subordinated capital	7 178	7 030	6 924	6 318	6 273	5 992	5 123	5 076	5 083

1) Net profit for the period as a percentage of average equity

2) Net interest income for the period as a percentage of average total assets

3) Total operating expenses for the period as a percentage of total operating income

4) Covered bond companies used are SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS

5) Deposit from customers as a percentage of gross loans to customers (excl. Loans transferred to covered bond companies)

# Notes to the accounts

## Note 1 Accounting principles

### 1.1 Basis of preparation

The financial statements for Sparebanken Hedmark comprise the period 01.01-31.12.2015. 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 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.

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 2014. Further, the Group has in this quarterly report used the same accounting principles and calculation methods as in the latest annual report and accounts, except:

#### IAS 37, interpretation: IFRIC 21

Taxes and levies that are not based on the tax-related result are recognised according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21, which is an interpretation of IAS 37, clarifies how a levy imposed by public authorities, which is not a tax pursuant to IAS 12 Income Taxes, should be recognised. IFRIC can, in some circumstances, change the timing of when a liability is recognised, especially when such taxes are imposed due to a given condition on a specific date. For example, in the Bank's financial statements, this means that wealth tax should first be recognised in its entirety in annual financial statements and not in interim financial statements. For the accounting year 2015 the wealth tax was recognized in its entirety as at 31.12.15. The wealth tax for 2015 is estimated to 6 million.

After the introduction of the standards, there has been a discussion as to whether the fee for the year to Norwegian Banks Guarantee Fund shall be recognised in its entirety for the first quarter of 2015. The fee to the Norwegian Banks Guarantee Fund is normally charged on the basis of the average guaranteed deposits and the average calculation base for previous quarters. It has not been regulated whether a withdrawal from the scheme will entail repayment of excess taxes paid. The general practice has been a pro rata charge at the time of registration. This practice and the consideration given to repayment suggest a pro rata charge at the time of withdrawal as well. The Ministry of Finance will make an individual decision about this. This has an important effect on when the fee shall be recognised in the financial statements. Sparebanken Hedmark has chosen to continue the former practice of accruing the fee monthly. The cost for 2015 amounted to NOK 22 million.

### 1.2 Critical accounting estimates and judgements

The preparation of the consolidated accounts requires management estimates, judgements and assumptions that affect the application of accounting principles. This will affect the reported amounts of assets, liabilities, income and costs. The annual financial statements for 2014 provide a detailed account of critical estimates and judgements in relation to the application of accounting policies in note 3.

On 2 November 2015, it was announced an agreement between Visa Europe Ltd. and Visa Inc. Visa Inc. which acquires all shares in Visa Europe. The agreement values Visa Europe to a maximum of EUR 21.2 billion. Sparebanken Hedmark is a member of the association Visa Norway, which is group member and shareholder of Visa Europe. The transaction, provided that it is carried out, increasing equity of Visa Norway significantly. On the basis of information received from Visa Norway and thorough assessments, Sparebanken Hedmark decided to classify ownership interest in Visa Norway as a financial asset available for sale and recognize an unrealized change in value of NOK 40 million in other comprehensive income (OCI). Expected distribution of Visa Norway, with power over ordinary profit is expected no earlier than the second quarter of 2016. The estimate of the consideration is inherently uncertain and may change until the distribution date.

## Note 2 Change in the Group composition

### 2015

In the fourth quarter the Group acquired 12.6 per cent of SpareBank 1 Mobile Payment AS. The company is jointly owned with the other banks in the SpareBank 1 alliance. In the second quarter, SpareBank 1

Markets AS has been reclassified for the purposes of accounting from an associated company to shares available for sale. The stake in the company is now 6.1 per cent.

### 2014

In the first quarter, Sparebanken Hedmark sold its shares in SpareBank 1 Verdpapirservice AS (8.90 per cent) and SpareBank 1 Kundesenter AS (9.70 per cent) to Alliansesamarbeidet SpareBank 1 DA. The companies are still owned indirectly by Sparebanken Hedmark through the Alliance (11.30 per cent).

Sparebanken Hedmark increased its stake in SpareBank 1 Markets AS from 14.70 to 16.64 per cent in the second quarter. In the third quarter, its stake in SpareBank 1 Markets AS was increased to 16.80 per cent. There has been an ongoing restructuring process in the company in the last year.

In the fourth quarter, Sparebanken Hedmark acquired SpareBank 1 SMN's 40 per cent stake in SpareBank 1 Regnskapshuset Østlandet AS. Sparebanken Hedmark now owns 100 per cent of the shares in the company. The Bank previously owned a majority share in the accounting chain with a 60 per cent stake. The changed ownership interest entailed no changes in the treatment of the company in the financial statements and it is incorporated into the consolidated financial statements as before.

## 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.

31.12.15	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Eiendoms Megler 1 Hedmark Eiendom	SpareBank 1 Regnskapshuset Østlandet	Other	Total
<b>Income statement</b>							
Net interest income	482	390	227	1	-2	7	1 105
-of which internal items			-98		-2	100	
Net commission and other income	350	78	-26	81	172	-3	651
-of which internal items			-1			1	
Net return on financial investments						514	514
Operating expenses*	534	210	86	74	155	-8	1 051
<b>Profit before losses by segment:</b>	<b>298</b>	<b>258</b>	<b>115</b>	<b>7</b>	<b>15</b>	<b>527</b>	<b>1 220</b>
Losses on loans and guarantees	6	29	21				56
<b>Profit / loss per segment</b>	<b>292</b>	<b>229</b>	<b>94</b>	<b>7</b>	<b>15</b>	<b>527</b>	<b>1 164</b>
Tax charge			20	2	4	208	234
<b>Profit / loss after tax charge per segment</b>	<b>292</b>	<b>229</b>	<b>74</b>	<b>5</b>	<b>11</b>	<b>319</b>	<b>930</b>

	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Eiendoms Megler 1 Hedmark Eiendom	SpareBank 1 Regnskapshuset Østlandet	Other	Total
<b>Balance sheet</b>							
Lending to customers	21 270	16 174	5 643			693	43 779
-of which internal items					53	-53	
Individual loan write-downs	-32	-87	-13				-132
Collective loan write-downs	-27	-76	-17				-120
Other assets	128	1	67	43	131	12 074	12 443
<b>Total assets per segment</b>	<b>21 338</b>	<b>16 012</b>	<b>5 680</b>	<b>43</b>	<b>131</b>	<b>12 766</b>	<b>55 970</b>
Deposits from and liabilities to customers	21 068	11 915				475	33 458
-of which internal items							
Other liabilities and equity	271	4 097	5 680	46	118	12 301	22 512
<b>Total equity and liabilities per segment</b>	<b>21 339</b>	<b>16 011</b>	<b>5 680</b>	<b>46</b>	<b>118</b>	<b>12 776</b>	<b>55 970</b>

31.12.14	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Eiendoms Megler 1 Hedmark Eiendom	SpareBank 1 Regnskapshuset Østlandet	Other	Total
<b>Income statement</b>							
Net interest income	420	368	210		-3	48	1 043
-of which internal items			-84		-3	87	
Net commission and other income	422	82	-20	79	126	-26	663
-of which internal items			-1			1	
Net return on financial investments						573	573
Operating expenses*	511	205	75	67	118	5	981
<b>Profit before losses by segment:</b>	<b>331</b>	<b>245</b>	<b>115</b>	<b>12</b>	<b>5</b>	<b>590</b>	<b>1 298</b>
Losses on loans and guarantees	15	37	14				66
<b>Profit / loss per segment</b>	<b>316</b>	<b>208</b>	<b>101</b>	<b>12</b>	<b>5</b>	<b>590</b>	<b>1 232</b>
Tax charge			28	4	1	159	192
<b>Profit / loss after tax charge per segment</b>	<b>316</b>	<b>208</b>	<b>73</b>	<b>8</b>	<b>4</b>	<b>431</b>	<b>1 040</b>

	Retail banking	Corporate banking	SpareBank 1 Finans Østlandet	Eiendoms Megler 1 Hedmark Eiendom	SpareBank 1 Regnskapshuset Østlandet	Other	Total
<b>Balance sheet</b>							
Gross lending to customers	20 037	14 474	4 827			598	39 936
-of which internal items					39	-39	
Individual loan write-downs	-35	-85	-9				-129
Collective loan write-downs	-33	-68	-15				-116
Other assets	118	1	60	26	108	9 931	10 243
<b>Total assets per segment</b>	<b>20 087</b>	<b>14 321</b>	<b>4 863</b>	<b>26</b>	<b>108</b>	<b>10 529</b>	<b>49 934</b>
Deposits from and liabilities to customers	19 727	10 897				446	31 070
-of which internal items			-2	-4	-9	15	
Other liabilities and equity	360	3 424	4 863	26	108	10 083	18 864
<b>Total equity and liabilities per segment</b>	<b>20 087</b>	<b>14 321</b>	<b>4 863</b>	<b>26</b>	<b>108</b>	<b>10 529</b>	<b>49 934</b>

\*) Operating expenses in Retail and Corporate contains directly attributable payroll and administration cost and its share of indirect costs

## Note 4 Capital adequacy

Parent Bank			Group	
Basel II	Basel III		Basel III	Basel II
31.12.14	31.12.15		31.12.15	31.12.14
	3 987	ECs	3 987	
6 645	3 483	Primary capital	3 488	6 645
42	50	Endowment fund	50	42
109	176	Fund for unrealised gains	177	110
		Results for the accounting year		
		Other equity	1 015	827
		Minority interests		
<b>6 796</b>	<b>7 695</b>	<b>Total equity carried</b>	<b>8 718</b>	<b>7 624</b>
		<b>Tier 1 capital</b>		
		Minority interests that can not be included in core capital		
	-119	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-119	
-110	-104	Goodwill and other intangible assets	-217	-197
-109		Revaluation reserve available for sale (Basel II / transitional rule)		-110
-230	-155	Positive value of expected losses under the IRB approach	-182	-271
-109	-264	CET1 instruments of financial sector entities where the institution does not have a significant investment		
		CET1 instruments of financial sector entities where the institution does have a significant investment		
		Unrealised value change due to reduced / increased value of liabilities (Basel II/transitional adj.)	-1 720	-1 602
-7	-10	Value adjustments due to the requirements for prudent valuation	-13	-10
-229	-220	Excess of deduction from AT1 items over AT1 Capital		
<b>6 003</b>	<b>6 823</b>	<b>Total common equity Tier 1 capital</b>	<b>6 467</b>	<b>5 434</b>
		<b>Additional Tier 1 capital</b>		
		Hybrid capital	162	162
-229	-220	AT1 instruments of financial sector entities where the institution does not have a significant investment		
		AT1 instruments of financial sector entities where the institution does have a significant investment	-32	-2
		Excess of deduction from T2 items over AT1 Capital		
229	220	Excess of deduction from AT1 items over AT1 Capital		
<b>0</b>	<b>0</b>	<b>Total additional Tier 1 capital</b>	<b>130</b>	<b>160</b>
		<b>Supplementary capital in excess of core capital</b>		
39		36 per cent (45 per cent under Basel II) of unrealised gain on shares classified as available for sale		40
500	500	Subordinated loan capital	783	783
-297	-277	T2 instruments of financial sector entities where the institution does not have a significant investment		
		T2 instruments of financial sector entities where the institution does have a significant investment	-202	-144
		Excess of deduction from T2 items over AT1 Capital		
<b>242</b>	<b>223</b>	<b>Total supplementary capital</b>	<b>581</b>	<b>679</b>
<b>6 245</b>	<b>7 047</b>	<b>Net subordinated capital</b>	<b>7 178</b>	<b>6 273</b>
4 323	4 257	Corporates - SME*)	4 639	4 791
6 953	6 253	Corporates - Specialised Lending*)	8 270	9 019
675	763	Corporates - Other*)	847	855
682	905	SME exposure	939	723
5 683	6 301	Retail mortgage exposure	8 538	7 738
591	624	Other retail exposure	704	669
<b>18 907</b>	<b>19 103</b>	<b>Risk-weighted assets credit risk IRB</b>	<b>23 937</b>	<b>23 795</b>
6 513	7 068	Exposures calculated using the standardised approach	10 237	9 534
		Market risk		
292	199	CVA	234	338
1 923	1 989	Operational risk	3 269	3 038
		Deductions		
<b>27 635</b>	<b>28 359</b>	<b>Risk-weighted assets</b>	<b>37 677</b>	<b>36 705</b>
<b>2 211</b>	<b>2 269</b>	<b>Capital requirements (8%)</b>	<b>3 014</b>	<b>2 936</b>
		<b>Buffer requirements</b>		
691	709	Conservation buffer (2.5%)	942	918
276	284	Countercyclical capital buffer (1%)	377	367
829	851	Systemic risk buffer (3%)	1 130	1 101
<b>1 520</b>	<b>1 843</b>	<b>Total buffer requirements for common equity (6.5%)</b>	<b>2 449</b>	<b>2 019</b>
<b>3 239</b>	<b>3 704</b>	<b>Available common equity (net minimum requirement of 11%)</b>	<b>2 323</b>	<b>1 764</b>
		<b>Capital adequacy ratio</b>		
<b>21,7 %</b>	<b>24,1 %</b>	Common equity Tier 1 capital ratio	<b>17,2 %</b>	<b>14,8 %</b>
<b>21,7 %</b>	<b>24,1 %</b>	Tier 1 Capital ratio	<b>17,5 %</b>	<b>15,2 %</b>
<b>22,6 %</b>	<b>24,8 %</b>	Capital adequacy ratio	<b>19,1 %</b>	<b>17,1 %</b>



## Note 5 Loans to ad receivables from customers

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
		<b>Loans by type of receivable</b>		
		Financial leasing	2 490	2 114
10 868	10 940	Overdraft facilities and operating credits	10 940	10 868
1 450	860	Building loans	847	1 450
22 738	26 295	Repayment loans	29 412	25 406
88	80	Accrued interest	90	98
<b>35 144</b>	<b>38 175</b>	<b>Gross loans to and receivables from customers</b>	<b>43 779</b>	<b>39 936</b>
221	222	Write-downs	253	245
<b>34 923</b>	<b>37 952</b>	<b>Loans to and receivables from customers</b>	<b>43 526</b>	<b>39 691</b>
		<b>Loans by type of market</b>		
20 496	21 814	Private customers	24 289	22 797
14 642	16 354	Corporate	19 287	16 958
6	6	Public sector	203	181
<b>35 144</b>	<b>38 174</b>	<b>Gross loans to and receivables from customers</b>	<b>43 779</b>	<b>39 936</b>
221	222	Write-downs	253	245
<b>34 923</b>	<b>37 952</b>	<b>Loans to and receivables from customers</b>	<b>43 526</b>	<b>39 691</b>

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
22 088	23 870	Private customers	26 345	24 389
156	177	Public sector	374	331
3 835	4 304	Primary industries	4 543	4 072
291	336	Paper and pulp industries	357	307
769	858	Other industry	1 136	1 035
1 369	1 491	Building and construction	2 140	1 876
220	258	Power and water supply	404	361
1 115	1 214	Wholesale and retail trade	1 589	1 404
180	185	Hotel and restaurants	197	211
7 405	8 286	Real estate	8 345	7 505
2 064	2 386	Commercial services	2 937	2 466
284	334	Transport and communications	1 138	953
21	20	Other	20	29
<b>39 796</b>	<b>43 719</b>	<b>Total commitments by sector and industry</b>	<b>49 525</b>	<b>44 939</b>

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
20 496	21 814	Private customers	24 289	22 797
6	6	Public sector	203	181
3 357	3 731	Primary industries	3 970	3 557
246	275	Paper and pulp industries	292	262
509	534	Other industry	777	739
874	836	Building and construction	1 417	1 317
190	228	Power and water supply	374	299
743	804	Wholesale and retail trade	1 128	1 010
161	169	Hotel and restaurants	181	172
6 988	7 667	Real estate	7 722	7 033
1 342	1 836	Commercial services	2 365	1 659
211	254	Transport and communications	1 041	880
21	20	Other	20	30
<b>35 144</b>	<b>38 174</b>	<b>Total gross loans by sector and industry</b>	<b>43 779</b>	<b>39 936</b>

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
39	32	Private customers	38	44
2	5	Primary industries	5	2
1	1	Paper and pulp industries	1	1
6	5	Other industry	9	7
9	9	Building and construction	9	9
1	1	Power and water supply	1	1
21	20	Wholesale and retail trade	20	21
1		Hotel and restaurants		1
16	20	Real estate	21	16
24	25	Commercial services	25	25
		Transport and communications	2	1
<b>120</b>	<b>119</b>	<b>Total individual write-downs by sector and industry</b>	<b>132</b>	<b>129</b>

## Note 6 Losses on loans and guarantees

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
-7	1	Change in individual write-downs in the period	5	-5
8	2	Change in collective write-downs in the period	4	10
35	21	Realised losses on commitments previously written down	36	46
21	15	Realised losses on commitments not previously written down	21	25
5	4	Recoveries on loans and guarantees previously written down	9	9
<b>52</b>	<b>35</b>	<b>Total losses on loans and guarantees</b>		<b>66</b>

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
143	134	Individual write-downs to cover losses on loans and guarantees at 1 January	143	149
35	21	Realised losses in the period on loans and guarantees previously written down individually	36	45
23	14	Reversal of write-downs in previous years	24	41
17	3	Increase in write-downs on commitments previously written down individually	8	19
32	32	Write-downs on commitments not previously written down individually		61
<b>134</b>	<b>134</b>	<b>Individual write-downs to cover losses on loans and guarantees at the end of period *)</b>	<b>147</b>	<b>143</b>

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
93	101	Collective write-downs to cover losses on loans and guarantees at 1 January	116	106
8	2	Collective write-downs to cover losses on loans and guarantees in the period	4	10
<b>101</b>	<b>103</b>	<b>Collective write-downs to cover losses on loans and guarantees</b>	<b>120</b>	<b>116</b>

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
263	233	Gros defaulted commitments for more than 90 days	287	339
44	32	Individual write-downs on defaulted commitments	41	52
<b>219</b>	<b>201</b>	<b>Net defaulted commitments</b>	<b>246</b>	<b>287</b>
<b>17 %</b>	<b>14 %</b>	<b>Provision rate</b>	<b>14 %</b>	<b>15 %</b>
205	234	Gros problem commitments (not in default)	257	209
90	102	Individual write-downs on problem commitments	107	91
<b>115</b>	<b>132</b>	<b>Net problem commitments</b>	<b>150</b>	<b>117</b>
<b>44 %</b>	<b>44 %</b>	<b>Provision rate</b>	<b>42 %</b>	<b>44 %</b>
<b>29 %</b>	<b>29 %</b>	<b>Total provision rate</b>	<b>27 %</b>	<b>26 %</b>

## Note 7 Net income from financial assets and liabilities

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
<b>Change in value of interest rate instruments</b>				
21	-75	Bonds and certificates at fair value through profit and loss	-75	21
-181	294	Securities at fair value through profit and loss	294	-181
28	15	Fixed-rate loans to customers at fair value through profit and loss	15	28
<b>Change in value of derivatives</b>				
-5	7	Net change in value of derivatives related to bonds (assets)	7	-5
129	-42	Net change in value of derivatives related to funding loans	-42	129
5	-3	Guarantee liability – Eksportfinans ASA	-3	5
1	-3	Net change in value of other derivatives	-3	1
-2	193	<b>Total net income from financial assets and liabilities at fair value</b>	193	-2
13	9	Net income from equity instruments available for sale	9	13
158	-10	Gains / losses on realisation of equity instruments available for sale	-10	158
	10	Write-down of and reversal of previous write-down of equity instruments available for sale	10	
171	8	<b>Total net income from equity instruments available for sale</b>	8	171
117	260	<b>Income from ownership interests</b>	301	394
10	12	<b>Net income from currency trading</b>	12	10
<b>296</b>	<b>473</b>	<b>Total net income from financial assets and liabilities</b>	<b>514</b>	<b>573</b>

## Note 8 Financial derivatives

### Parent Bank and Group

At fair market value through p & l account	31.12.15		
	Contract sum	Fair market value	
		Assets	Liabilities
<b>Foreign exchange instruments</b>			
Forward exchange contracts	626	12	10
Currency swap contracts	1 988	3	27
Total foreign exchange instruments	2 614	15	37
<b>Interest rate instruments</b>			
Interest rate swaps (incl. int. rate & currency)	10 465	435	281
Other interest rate contracts	150	6	
Total interest rate instruments	10 615	441	281
<b>Other financial derivatives</b>			
Guarantee liability - Eksportfinans ASA	66	0	3
<b>Total curr.- and int. rate instruments</b>			
<b>Total currency instruments</b>	<b>2 614</b>	<b>15</b>	<b>37</b>
<b>Total interest rate instruments</b>	<b>10 615</b>	<b>441</b>	<b>281</b>
<b>Other financial derivatives</b>	<b>66</b>	<b>0</b>	<b>3</b>
<b>Total</b>	<b>13 295</b>	<b>455</b>	<b>320</b>

At fair market value through p & l account	31.12.14		
	Contract sum	Fair market value	
		Assets	Liabilities
<b>Foreign exchange instruments</b>			
Forward exchange contracts	881	18	11
Currency swap contracts	1 386	14	57
Total foreign exchange instruments	2 267	32	67
<b>Interest rate instruments</b>			
Interest rate swaps (incl. int. rate & currency)	8 763	486	263
Other interest rate contracts	150	10	
Total interest rate instruments	8 913	497	263
<b>Other financial derivatives</b>			
Guarantee liability - Eksportfinans ASA	66	3	0
<b>Total curr. and int. rate instruments</b>			
<b>Total currency instruments</b>	<b>2 267</b>	<b>32</b>	<b>67</b>
<b>Total interest rate instruments</b>	<b>8 913</b>	<b>497</b>	<b>263</b>
<b>Total other financial instruments</b>	<b>66</b>	<b>3</b>	<b>0</b>
<b>Total</b>	<b>11 247</b>	<b>531</b>	<b>330</b>

## Note 9 Determination of fair value of financial instruments

The table below shows financial instruments at fair value by valuation method. The different levels are defined as follows:

- Level 1: Quoted prices for similar asset or liability on an active market
- Level 2: Valuation based on other observable factors either direct (price) or indirect (deduced from prices) than the quoted price (used on level 1) for the asset or liability
- Level 3: Valuation based on factors not based on observable market data (non-observable inputs)

All figures are identical for the parent bank and the Group.

<b>31.12.15</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Financial assets at fair value through profit and loss				
- Derivatives		455		455
- Bonds and certificates		6 133		6 133
- Fixed-rate loans		2 771		2 771
- Loans with interest-rate guarantees				
Financial assets available for sale				
- Equity instruments	146		139	285
- Other financial assets (Visa Norge)			40	40
<b>Total assets</b>	<b>146</b>	<b>9 359</b>	<b>180</b>	<b>9 684</b>
<b>Liabilities</b>				
Financial assets at fair value through profit and loss				
- Derivatives		317	3	320
- Securities issued		11 576		11 576
- Subordinated loan capital		496		496
- Fixed-rate deposits		89		89
- Term deposit			61	61
<b>Total liabilities</b>	<b>0</b>	<b>12 479</b>	<b>64</b>	<b>12 543</b>

<b>31.12.14</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Financial assets at fair value through profit and loss				
- Derivatives		529	3	531
- Bonds and certificates		4 017		4 017
- Fixed-rate loans		1 793		1 793
- Loans with interest-rate guarantees			1	1
Financial assets available for sale				
- Equity instruments	131		108	239
<b>Total assets</b>	<b>131</b>	<b>6 339</b>	<b>112</b>	<b>6 581</b>
<b>Liabilities</b>				
Financial assets at fair value through profit and loss				
- Derivatives		330		330
- Securities issued		8 951		8 951
- Subordinated loan capital		505		505
- Fixed-rate deposits		50		50
<b>Total liabilities</b>	<b>0</b>	<b>9 835</b>	<b>0</b>	<b>9 835</b>

Fair value of financial instruments traded on active markets is based on the market value on the balance sheet day. Considered active if the market prices are easily and regularly available from a stock exchange, dealer, broker, industrial group, A market is pricing service or regulatory authority and these prices represent actual and regularly occurring arm's-length market transactions. The market price used for financial assets is the current purchase price; for financial liabilities the current selling price is used. Instruments included in level 1 include only equity instruments listed on Oslo Børs or the New York Stock Exchange, classified as held for trading or available for sale.

Fair value value of financial instruments that are not traded in an active market (such as individual OTC derivatives) is determined using valuation methods. These valuation methods make maximum use of observable data where available and try to avoid using the Group's own estimates. If all the significant data required to determine the fair value of an instrument is observable data, the instrument is included in level 2. If one or more important inputs required to determine the fair value of an instrument are is observable market data, the instrument is included in level 3.

Valuation methods used to determine the value of financial instruments include:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flow based on observable yield curves.
- Fair value forward contracts in a foreign currency is determined by looking at the present value of the difference between the agreed forward exchange rate and the foreign exchange rate on balance sheet day.
- Fair value of bonds and certificates (assets and liabilities) is calculated as the present value of the estimated future cash flow based on observable yield curves, including an indicated credit spread on issuers from a recognised broker a reputable brokerage firms or Reuters pricing service.
- Fair value of fixed-rate deposits and loans is calculated as the present value of the estimated future cash flow based on an observable swap yield curve, plus an implicit mark-up calculated as the difference between the reference rate and the interest rate indicated by the Bank's price list on balance sheet day.
- Other methods, such as multiplier models, have been used to determine the fair value of the remaining financial instruments.

The table below presents the changes in value of the instruments classified in level 3:

	Loans with interest-rate guarantees	Equity instruments	Derivatives	Market-linked certificates of deposit (BMA)	Other financial assets	Total
<b>31.12.14-31.12.15</b>						
Opening balance	1	108	3			112
Investments in the period		30		-61		-30
Sales / redemption in the period	-1	-2	-3			-6
Gains / losses recognised through profit and loss			-3			-3
Gains / losses recognised directly against comprehensive income		3			40	43
Closing balance	0	139	-3	-61	40	116
Gains / losses for the period included in the profit for assets owned on the balance sheet day			-3			-3
<b>31.12.13-31.12.14</b>						
Opening balance	3	256	3	-51		210
Investments in the period		16				16
Sales / redemption in the period	-2	-271	-5	51		-226
Gains / losses recognised through profit and loss		157	5			163
Gains / losses recognised directly against comprehensive income		-51				-51
Closing balance	1	108	3	0		112
Gains / losses for the period included in the profit for assets owned on the balance sheet day		-1	5			4

Gains and losses on instruments classified in level 3 recognised in profit and loss are included in their entirety under net profit from other financial assets and liabilities in the income statement.

## Note 10 Financial instruments and offsetting

As from 2013 the Bank is required to disclose financial instruments which the Bank considers to fulfil the requirements for netting under IAS 32.42, and financial instruments in respect of which offsetting agreements have been entered into. Both in accordance with IFRS 7.13 A-F.

The Bank has no financial instruments booked on a net basis in the financial statements.

Sparebanken Hedmark has two sets of agreements which regulate counterparty risk and netting of derivatives. For retail and corporate customers, use is made of framework agreements requiring provision of collateral. For customers engaged in trading activity, only cash deposits are accepted as collateral. The agreements are unilateral, i.e. it is only the customers that provide collateral. As regards financial institutions, the Bank enters into standardised and mainly bilateral ISDA agreements. Additionally, the Bank has entered into supplementary agreements on provision of collateral (CSA) with the most central counterparties. The Bank only enters into agreements with cash as collateral.

The assets and liabilities below may be offset.

	Gross financial assets/(liabilities)	Recognised on a net basis	Net financial assets/ (liabilities) on the balance sheet	Amounts not presented on the balance sheet on a net basis		Net amount
				Financial instruments	Cash collateral given/(received)	
<b>31.12.15</b>						
Derivatives as assets	455	0	455	-48	0	407
Derivatives as liabilities	-320	0	-320	48	116	-157
<b>31.12.14</b>						
Derivatives as assets	531	0	531	-67	0	465
Derivatives as liabilities	-330	0	-330	67	112	-151

## Note 11 Other assets

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
73	73	Capital payments into pension fund	73	73
19	17	Accrued income, not yet received	21	19
23	27	Prepaid costs, not yet incurred	27	15
145	197	Other assets	375	299
<b>260</b>	<b>314</b>	<b>Other assets</b>	<b>497</b>	<b>406</b>

## Note 12 Deposits from and liabilities to costumers

Parent Bank			Group	
31.12.14	31.12.15		31.12.15	31.12.14
19 047	20 396	Private customers	20 396	19 047
3 666	4 126	Public sector	4 126	3 666
927	921	Primary industries	921	927
101	104	Paper and pulp industries	104	101
514	503	Other industry	503	514
671	806	Building and construction	806	671
118	124	Power and water supply	124	118
665	882	Wholesale and retail trade	882	665
95	131	Hotel and restaurants	131	95
1 565	1 487	Real estate	1 487	1 565
3 452	3 756	Commercial services	3 706	3 437
258	268	Transport and communications	268	258
6	4	Other operations	4	6
<b>31 085</b>	<b>33 508</b>	<b>Total deposits by sector and industry</b>	<b>33 458</b>	<b>31 070</b>

## Note 13 Securities-related debt

Parent Bank and Group

Changes in liabilities from issuance of securities	31.12.15	Issued	Due/redeemed	Other changes	31.12.14
Certificate-based debt, nominal value	500	500			0
Bond debt, nominal value	10 814	3 500	-1 205	110	8 410
Non- Perpetual additional Tier 2 capital, nominal value	500				500
Accrued interest	136			4	131
Adjustments	123			-291	415
<b>Total debt raised through issuance of securities, fair value</b>	<b>12 073</b>	<b>4 000</b>	<b>-1 205</b>	<b>-178</b>	<b>9 455</b>

Changes in liabilities from issuance of securities	31.12.14	Issued	Due/redeemed	Other changes	31.12.13
Certificate-based debt, nominal value	0		-300		300
Bond debt, nominal value	8 410	2 050	-1 250	-108	7 718
Non-perpetual additional Tier 2 capital, nominal value	500				500
Accrued interest	131			-33	164
Adjustments	415			196	219
<b>Total debt raised through issuance of securities, fair value</b>	<b>9 455</b>	<b>2 050</b>	<b>-1 550</b>	<b>54</b>	<b>8 901</b>

## Note 14 Other debt and liabilities

Parent Bank		Group	
31.12.14	31.12.15	31.12.15	31.12.14
362	263	280	384
14	14	14	14
9	7	7	9
37	34	41	42
159	121	174	190
<b>581</b>	<b>439</b>	<b>516</b>	<b>639</b>
<b>Total other debt and liabilities recognised in the balance sheet</b>			



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