



Press release

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Date : 25.04.2007

FIRST QUARTER REPORT AND ACCOUNTS 2007

The Sparebanken Sør Group earned NOK 78 million in the first quarter of 2007. This was somewhat better than the budgeted figure, but NOK 11 million lower than the corresponding interim period last year. The reduction is primarily ascribable to a lower investment return on the Bank's share portfolio, coupled with higher overall costs. The regional economy is doing well and there is continued, large demand for loans both from retail banking customers and businesses. The opening of new branches at Bø in Telemark and in the Grenland area will establish the Bank in new markets.

The pre-tax result for the Group as a whole totalled NOK 78 million, equivalent to 1.18 per cent of average assets. The corresponding figures 12 months ago were NOK 89 million and 1.61 per cent respectively. The result produced an 11.3 per cent after-tax return on equity capital.

Net interest income amounted to NOK 127 million, up by NOK 7 million on the first quarter last year. As a percentage of average assets, however, the ratio shrank from 2.17 to 1.92 per cent. The loss of income brought about by a lower overall interest margin was more than compensated for through good lending growth.

Other (non-interest) operating income totalled NOK 58 million, as against NOK 67 million 12 months ago. The reduction is principally attributable to weaker prices at the Oslo Stock Exchange, resulting in lower investment earnings from the Bank's portfolio of shares. In addition, the Bank's real estate brokerage company, ABCenter, posted a lower result than last year. Operating costs have risen from NOK 96 million to NOK 111 million, partly due to higher IT-related costs and higher personnel costs. The Bank will focus sharply on overall cost developments in the future.

NOK 1 million was charged to the profit and loss account in respect of net losses on loans, down from NOK 2 million a year ago. Net commitments in default and bad and doubtful commitments fell by NOK 11 million, totalling NOK 171 million at the end of the quarter currently under review, equivalent to 0.74 per cent of gross lending. The Board of Directors is very comfortable with the level of credit risk in the Bank's loan portfolio and regards the overall credit loss risk as modest.

During the last 12 months, assets expanded by 15.6 per cent to NOK 26.8 billion. During the period, loans grew by 16.6 per cent, the retail banking- and corporate banking sectors increasing by 11.8 and 24.6 per cent respectively. Deposits from customers were up by 8.5 per cent during the last 12 months.

At the end of the first quarter, equity and related capital totalled NOK 2.4 billion. During the last 12 months, Sparebanken Sør's capital adequacy ratio improved from 11.8 to 12.3 per cent, of which core capital accounted for 10.7 percentage points.

Sparebanken Sør has a strong position within its geographical area and the Board of Directors expects stable revenue generation for the remainder of 2007. The level of unemployment is still falling and there is currently good growth in revenue production and income for businesses and private households; against this background, the Bank's credit losses should continue to be low.

Arendal, 25 April 2007
Sparebanken Sør

This press release and the Bank's quarterly report and accounts will also be available through Oslo Stock Exchange, www.newsweb.no.

REPORT AND ACCOUNTS FOR THE FIRST QUARTER OF 2007 SPAREBANKEN SØR

ACCOUNTING PRINCIPLES ETC.

Permission has now been granted for the use of IFRS in the accounts of both the Parent Bank and Group. The quarterly accounts have therefore in their entirety been prepared in compliance with IFRS. The transitional effects of the implementation of IFRS in the Parent Bank's accounts, and the accounting principles, have been explained in the notes forming part of the quarterly accounts. The transitional effects of the implementation of IFRS in the Group accounts have been explained previously. Accounting figures from previous periods have been restated on the basis of today's accounting principles. The Notes to the Accounts relate to the Group accounts unless it is stated that the notes apply to the Parent Bank.

RESULT

The Group's pre-tax result at the end of the first quarter of 2007 totalled NOK 78 million, down by NOK11 million on the corresponding interim period last year. In relation to average assets, this amounted to 1.18 per cent, as against 1.61 per cent the year before. At the end of the quarter, the after-tax return on equity capital was 11.3 per cent, as against 14.8 per cent 12 months earlier.

Higher net interest income had a positive impact on the result, whereas lower other (non-interest) income and higher costs had a negative effect on the result compared with last year.

NET INTEREST INCOME AND AVERAGE INTEREST MARGIN

Net interest income totalled NOK 127 million at the end of the first quarter, up by NOK 7 million on last year. In relation to average assets, however, there has been a shrinkage from 2.17 to 1.92 per cent during the last 12 months. The Bank has adjusted its interest rates for deposits and loans in line with the changes in Norges Bank's signal rate. In spite of this, however, the Bank's overall margins have still narrowed as a result of the competitive situation. In view of the Bank's strong market position, the loss of revenue caused by the lower average interest margin has been compensated for by the growth in lending. In addition, the higher level of domestic interest rates has been having a positive impact on the rate of return achieved on the Bank's equity capital.

OTHER (NON-INTEREST) INCOME

Net other operating income totalled NOK 58 million at the end of the first quarter, down by NOK 9 million on the same time last year. In relation to average assets, this amounted to a reduction from 1.21 to 0.88 per cent this year. Lower revenue generation from securities was the most important reason for this shrinkage.

Net fee- and commission income was a little up on the comparable interim period last year.

OPERATING COSTS

Costs totalled NOK 111 million, up from NOK 96 million at the end of the first quarter last year. Measured against average assets, the overall cost ratio was nevertheless trimmed from 1.74 to 1.68 per cent during the last 12 months. At the Parent Bank, the corresponding cost ratio amounted to 1.32 per cent, down from 1.37 per cent at the same time last year. At the end of the quarter, Group manning levels were equivalent to 402 man-years, 90 of which were accounted for by the Bank's real estate brokerage company, ABCenter.

CREDIT LOSSES AND COMMITMENTS IN DEFAULT

At the end of the first quarter of 2007, NOK 1 million was charged to the profit and loss account in respect of net losses. Of this, increased group-related write-downs of loans accounted for NOK 3 million. There were accordingly net recoveries relating to individual losses. At the end of the first quarter, total group-related write-downs amounted to NOK 56 million.

The quality of the Bank's lending portfolio is good, both as far as the retail banking- and corporate banking sectors are concerned. This has meant that credit losses and commitments in default have been maintained at a very modest level. At the end of the first quarter, net commitments in default and bad and doubtful commitments totalled NOK 171 million, equivalent to 0.7 per cent of total lending. At the same time last year, the corresponding figures were NOK 182 million and 0.9 per cent respectively.

BALANCE SHEET

At the end of the first quarter, aggregate assets stood at NOK 26.8 billion, up from NOK 23.2 billion at the same time last year, after a 15.6 per cent growth. During the last 12-month period, loans increased by 16.6 per cent, retail banking and corporate banking expanding by 11.8 and 24.6 per cent respectively. Deposits were up by 8.5 per cent overall. The retail banking sector increased by 13.8 per cent, whereas the corporate banking sector decreased by 2.3 per cent. At the end of the first quarter, the Bank's overall deposit coverage ratio amounted to 61.3 per cent, compared with 65.7 per cent at the beginning of the year.

The Bank's funding loans raised in the certificate- and bond markets totalled NOK 8.8 billion at the end of the quarter currently under review, up from NOK 7.6 billion 12 months ago.

RISK MANAGEMENT

There are four different risk areas involved: credit risk, market risk, operational risk and funding risk. Risk is managed through powers of attorney, targets and limits introduced by the Board of Directors. The Bank has a moderate risk profile, within the limits and targets agreed.

CAPITAL ADEQUACY RATIO - EQUITY AND RELATED CAPITAL

At the end of the first quarter of 2007, the Bank's capital adequacy ratio amounted to 12.3 per cent. The Bank's equity and related capital totalled NOK 2.3 billion. Subordinated loan capital accounted for NOK 0.3 billion, the remainder consisting of accrued earnings which have been added to the Savings Bank's Fund.

FUTURE PROSPECTS

Conditions are currently good both for private households and businesses within the Bank's market area. In view of the Sparebanken Sør Group's strong position, the Board of Directors accordingly expects stable results for the remainder of the year. In particular, every effort will be made to boost the level of other income.

The Bank is in the process of opening a new branch at Bø in Telemark. There are also plans to establish a branch in the Grenland area during the course of the year.

Arendal, 24 April 2007

The Board of Directors of Sparebanken Sør

Profit and Loss Account

| PARENT BANK IFRS | | | | GROUP IFRS | | | |
|------------------|------------|------------|--|------------|------------|------------|------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | Notes | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| 323 | 221 | 1,005 | Interest receivable and similar income | | 323 | 221 | 1,001 |
| 196 | 101 | 510 | Interest payable and similar costs | | 196 | 101 | 504 |
| 127 | 120 | 495 | Net interest- and credit commission income | | 127 | 120 | 497 |
| 26 | 24 | 110 | Commissions receivable and income from banking services | | 49 | 45 | 208 |
| 6 | 5 | 23 | Commissions payable and costs relating to banking services | | 6 | 5 | 23 |
| 20 | 19 | 87 | Net commission income | | 43 | 40 | 185 |
| 12 | 23 | 37 | Income from financial instruments | | 12 | 24 | 37 |
| | | | Income from investment in associated companies | | | | |
| 3 | 3 | 16 | Other operating income | | 3 | 3 | 19 |
| 15 | 26 | 53 | Total other operating income | | 15 | 27 | 56 |
| 40 | 38 | 174 | Personnel costs | | 56 | 49 | 222 |
| 5 | 4 | 17 | Depreciation of fixed- and intangible assets | | 5 | 5 | 19 |
| 42 | 34 | 152 | Other operating costs | | 50 | 42 | 192 |
| 87 | 76 | 343 | Total operating costs | | 111 | 96 | 433 |
| 75 | 89 | 292 | Operating result before credit losses | | 74 | 91 | 305 |
| 1 | 2 | -1 | Losses on loans, guarantees etc. | 2 | 1 | 2 | -1 |
| 5 | | | Losses/gains on securities held on a long-term basis | | 5 | | |
| 79 | 87 | 293 | Result before taxation cost | | 78 | 89 | 306 |
| 20 | 21 | 84 | Tax payable on ordinary result | | 20 | 21 | 88 |
| 59 | 66 | 209 | Result from ordinary operations after tax | | 58 | 68 | 218 |
| | | | Minority interests | | | 1 | 4 |
| 59 | 66 | 209 | Majority interests | | 58 | 67 | 214 |

Balance Sheet

| PARENT BANK IFRS | | | | GROUP IFRS | | | |
|---------------------------------------|---------------|---------------|---|------------|---------------|---------------|---------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | Notes | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| ASSETS | | | | | | | |
| 254 | 254 | 70 | Cash-in-hand and claims on central banks | | 254 | 254 | 70 |
| 559 | 887 | 645 | Loans to and claims on financial institutions | | 559 | 887 | 645 |
| 22,874 | 19,597 | 22,123 | Net loans to customers | 1 3 5 | 22,853 | 19,578 | 22,102 |
| 1 | 2 | 1 | Repossessed assets | 1 | 1 | 2 | 1 |
| 2,624 | 2,013 | 2,967 | Securities | 1 | 2,624 | 2,013 | 2,967 |
| 42 | 67 | 68 | Financial derivatives | | 42 | 67 | 68 |
| 55 | 30 | 51 | Equity stakes in Group companies | | | | |
| 11 | 10 | 11 | Equity stakes in associated companies | | 11 | 10 | 11 |
| 10 | 6 | 10 | Intangible assets | | 39 | 6 | 31 |
| 122 | 126 | 121 | Fixed assets | | 151 | 151 | 150 |
| 28 | 34 | 28 | Assets relating to tax | | 28 | 34 | 28 |
| 224 | 162 | 109 | Other assets | | 269 | 208 | 154 |
| 26,804 | 23,188 | 26,204 | TOTAL ASSETS | | 26,831 | 23,210 | 26,227 |
| LIABILITIES AND EQUITY CAPITAL | | | | | | | |
| 918 | 257 | 1,131 | Liabilities to financial institutions | | 918 | 257 | 1,131 |
| 14,097 | 12,997 | 14,601 | Deposits from and liabilities to customers | 1 4 | 14,087 | 12,986 | 14,591 |
| 8,817 | 7,644 | 7,617 | Borrowings through the issuance of securities | 1 | 8,817 | 7,644 | 7,617 |
| 114 | 2 | 111 | Financial derivatives | 1 | 114 | 2 | 111 |
| 89 | 100 | 79 | Liabilities relating to interim/period tax | 1 | 93 | 100 | 83 |
| 364 | 284 | 316 | Other liabilities | 1 | 387 | 310 | 334 |
| 300 | | 299 | Subordinated loan capital | | 300 | | 299 |
| 24,699 | 21,284 | 24,154 | Total liabilities | | 24,716 | 21,299 | 24,166 |
| | | | Minority interests | | 6 | 6 | 6 |
| 15 | 7 | 19 | Other equity capital | 1 6 | 15 | 8 | 19 |
| 2,031 | 1,831 | 2,031 | Savings Bank's Fund | | 2,036 | 1,830 | 2,036 |
| 59 | 66 | | Retained earnings | | 58 | 67 | |
| 2,105 | 1,904 | 2,050 | Total equity capital | | 2,115 | 1,911 | 2,061 |
| 26,804 | 23,188 | 26,204 | TOTAL LIABILITIES AND EQUITY CAPITAL | | 26,831 | 23,210 | 26,227 |

OFF BALANCE SHEET ITEMS

Contingent liabilities

| | | | | | | |
|-------|-------|-------|--|-------|-------|-------|
| 680 | 523 | 656 | Guarantees | 680 | 523 | 656 |
| 1,705 | 1,539 | 1,748 | Book value of assets pledged as collateral security for debt | 1,705 | 1,539 | 1,748 |
| 2 | 3 | 2 | Other contingent liabilities | 2 | 3 | 2 |

Cash Flow Statement

| PARENT BANK IFRS | | | | GROUP IFRS | | |
|------------------|-------------|---------------|---|---------------|-------------|---------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| 57 | 61 | 187 | | 56 | 62 | 182 |
| | | | Net cash flow from operations | | | |
| -751 | -517 | -3,074 | Increase in loans | -751 | -517 | -3,076 |
| -115 | -103 | -8 | Change in other assets | -115 | -104 | -8 |
| 343 | -120 | -1,088 | Change in securities | 343 | -119 | -1,066 |
| 86 | -699 | 2,352 | Change in loans - other financial institutions | 86 | -699 | -457 |
| -504 | 750 | -457 | Change in deposits from customers | -504 | 750 | 2,353 |
| -213 | -186 | 685 | Change in funding loans from financial institutions | -213 | -186 | 685 |
| 54 | -37 | -10 | Change in other liabilities | 55 | -38 | |
| -1,100 | -912 | -1,600 | Net cash flow from current financial operations | -1,099 | -913 | -1,569 |
| -1 | -10 | -33 | Investment in fixed assets | -1 | -10 | -63 |
| | | 3 | Sale of fixed assets | | | 7 |
| -1 | -10 | -30 | Net cash flow from investments | -1 | -10 | -56 |
| 1,228 | 968 | 1,066 | Change in liabilities incurred through the issuance of securities | 1,228 | 968 | 1,066 |
| | | 300 | Change in subordinated loan capital | | | 300 |
| 1,228 | 968 | 1,366 | Net cash flow from long-term funding operations | 1,228 | 968 | 1,366 |
| 184 | 107 | -77 | Net change in liquid funds | 184 | 107 | -77 |
| 70 | 147 | 147 | Liquid funds as at 01.01 | 70 | 147 | 147 |
| 254 | 254 | 70 | Liquid funds as at 31.12 | 254 | 254 | 70 |

Note 1

IFRS opening balance sheet as at 01.01.2006 - Parent Bank

| | Balance at 31.12.05 - NGAAP | Change in financial instrs. | Reversal of write-up of buildings | Available for sale | Balance at 01.01.06 - IFRS |
|---|-----------------------------------|-----------------------------------|---|-----------------------|----------------------------------|
| Cash-in-hand and claims on central banks | 147 | | | | 147 |
| Loans to financial institutions | 188 | | | | 188 |
| Gross loans | 19,171 | 15 | | | 19,186 |
| Individual write-downs | -69 | | | | -69 |
| Collective write-downs | -46 | | | | -46 |
| Net loans | 19,056 | 15 | 0 | 0 | 19,071 |
| Repossessed assets | 2 | | | | 2 |
| Securities | 1,879 | 3 | | 7 | 1,889 |
| Financial derivatives | | 95 | | | 95 |
| Equity stakes in Group companies | 29 | | | | 29 |
| Equity stakes in associated companies | 11 | | | | 11 |
| Intangible assets | | | | | 0 |
| Fixed assets | 120 | | | | 120 |
| Assets relating to tax | 31 | 2 | -4 | | 29 |
| Other assets | 63 | | 1 | | 64 |
| Total assets | 21,526 | 115 | -3 | 7 | 21,645 |
| Liabilities to financial institutions | 446 | | | | 446 |
| Deposits from customers | 12,243 | 3 | | | 12,246 |
| Borrowings through issuance of securities | 6,608 | 103 | | | 6,711 |
| Financial derivatives | | 16 | | | 16 |
| Liabilities relating to interim/period tax | 80 | | | | 80 |
| Other liabilities | 308 | | | | 308 |
| Subordinated loan capital | | | | | 0 |
| Total liabilities | 19,685 | 122 | 0 | 0 | 19,807 |
| Other equity capital | | | | 7 | 7 |
| Savings Bank's Fund | 1,841 | -7 | -3 | | 1,831 |
| Retained earnings | | | | | 0 |
| Total equity capital | 1,841 | -7 | -3 | 7 | 1,838 |
| Total liabilities and equity capital | 21,526 | 115 | -3 | 7 | 21,645 |

IFRS opening balance sheet as at 01.01.2007 - Parent Bank

| | Balance at 31.12.06 - NGAAP | Change in financial instrs. | Change re equity method | Reversal of write-up of buildings | Available for sale | Balance at 01.01.07 - IFRS |
|---|-----------------------------------|-----------------------------------|-------------------------------|---|-----------------------|----------------------------------|
| Cash-in-hand and claims on central banks | 70 | | | | | 70 |
| Loans to financial institutions | 645 | | | | | 645 |
| Gross loans | 22,241 | -5 | | | | 22,236 |
| Individual write-downs | -60 | | | | | -60 |
| Collective write-downs | -53 | | | | | -53 |
| Net loans | 22,128 | -5 | | | | 22,123 |
| Repossessed assets | 1 | | | | | 1 |
| Securities | 2,949 | -1 | | | 19 | 2,967 |
| Financial derivatives | | 68 | | | | 68 |
| Equity stakes in Group companies | 56 | | -5 | | | 51 |
| Equity stakes in associated companies | 11 | | | | | 11 |
| Intangible assets | 10 | | | | | 10 |
| Fixed assets | 125 | | | -4 | | 121 |
| Assets relating to tax | 29 | -1 | | | | 28 |
| Other assets | 109 | | | | | 109 |
| Total assets | 26,133 | 61 | -5 | -4 | 19 | 26,204 |
| Liabilities to financial institutions | 1,131 | | | | | 1,131 |
| Deposits from customers | 14,595 | 6 | | | | 14,601 |
| Borrowings through issuance of securities | 7,674 | -57 | | | | 7,617 |
| Financial derivatives | | 111 | | | | 111 |
| Liabilities relating to interim/period tax | 79 | | | | | 79 |
| Other liabilities | 315 | 1 | | | | 316 |
| Subordinated loan capital | 300 | -1 | | | | 299 |
| Total liabilities | 24,094 | 60 | | | | 24,154 |
| Other equity capital | | | | | 19 | 19 |
| Savings Bank's Fund | 2,039 | 1 | -5 | -4 | | 2,031 |
| Retained earnings | | | | | | 0 |
| Total equity capital | 2,039 | 1 | -5 | -4 | 19 | 2,050 |
| Total liabilities and equity capital | 26,133 | 61 | -5 | -4 | 19 | 26,204 |

Note 2 - Losses on loans and guarantees

| PARENT BANK | | | | GROUP | | |
|-------------|------------|------------|---|------------|------------|------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| -4 | -2 | -9 | Period's change in individual write-downs | -4 | -2 | -9 |
| 3 | 4 | 7 | Period's change in collective write-downs | 3 | 4 | 7 |
| 2 | 1 | 2 | Per.'s conf. losses against which ind. write-d. previously made | 2 | 1 | 2 |
| 0 | 0 | 2 | Per.'s conf. losses against which no write-d. previously made | 0 | 0 | 2 |
| 0 | 1 | 3 | Period's recoveries from previous confirmed losses | 0 | 1 | 3 |
| 1 | 2 | -1 | Period's credit loss cost | 1 | 2 | -1 |

Note 3 - Commitments in default - bad and doubtful commitments

| PARENT BANK | | | | GROUP | | |
|-------------|------------|------------|---|------------|------------|------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| 89 | 80 | 141 | Commitments in default | 89 | 80 | 141 |
| -22 | -27 | -25 | Individual write-downs | -22 | -27 | -25 |
| 67 | 53 | 116 | Net commitments in default | 67 | 53 | 116 |
| 139 | 170 | 111 | Other bad and doubtful commitments | 139 | 170 | 111 |
| -35 | -41 | -35 | Individual write-downs | -35 | -41 | -35 |
| 104 | 129 | 76 | Net bad and doubtful commitments | 104 | 129 | 76 |

Commitments in default are defined as the total amount of all a customer's commitments to the Bank if just one of his/her/its loans has been in default for 90 days or more.

Note 4 - Deposits from customers broken down by different sectors

| PARENT BANK | | | | GROUP | | |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| 1,193 | 1,080 | 1,386 | Public sector | 1,193 | 1,080 | 1,386 |
| 237 | 228 | 219 | Primary industries | 237 | 228 | 219 |
| 1,630 | 2,099 | 2,307 | Industry / building / transport | 1,630 | 2,099 | 2,307 |
| 408 | 348 | 538 | Wholesale- and retail trade; hotels / restaurants | 408 | 348 | 538 |
| 1,672 | 1,274 | 1,763 | Financing / real estate management | 1,662 | 1,263 | 1,753 |
| 7,840 | 7,041 | 7,462 | Retail banking customers | 7,840 | 7,041 | 7,462 |
| 1,117 | 927 | 926 | Sundry | 1,117 | 927 | 926 |
| 14,097 | 12,997 | 14,601 | TOTAL | 14,087 | 12,986 | 14,591 |

Note 5 - Gross loans broken down by different sectors

| PARENT BANK | | | | GROUP | | |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| 31.03.2007 | 31.03.2006 | 31.12.2006 | | 31.03.2007 | 31.03.2006 | 31.12.2006 |
| 67 | 68 | 58 | Public sector | 67 | 68 | 58 |
| 359 | 340 | 368 | Primary industries | 359 | 340 | 368 |
| 1,587 | 1,190 | 1,497 | Industry / building / transport | 1,587 | 1,190 | 1,497 |
| 1,586 | 1,516 | 1,435 | Wholesale- and retail trade; hotels and restaurants | 1,586 | 1,516 | 1,435 |
| 5,339 | 4,047 | 5,111 | Financing / real estate management | 5,318 | 4,028 | 5,090 |
| 13,633 | 12,167 | 13,363 | Retail banking customers | 13,633 | 12,167 | 13,363 |
| 415 | 382 | 404 | Sundry | 415 | 382 | 404 |
| 22,986 | 19,710 | 22,236 | TOTAL GROSS LOANS | 22,965 | 19,691 | 22,215 |
| 112 | 113 | 113 | Write-downs of loans | 112 | 113 | 113 |
| 22,874 | 19,597 | 22,123 | TOTAL NET LOANS | 22,853 | 19,578 | 22,102 |

Note 6 - Equity capital movements

| PARENT BANK | | | | GROUP | | |
|--------------|--------------|--------------|---|--------------|--------------|--------------|
| 1 q. 07 | 1 q. 06 | 2006 | | 1 q. 07 | 1 q. 06 | 2006 |
| 2,050 | 1,838 | 1,838 | Equity capital as at 01.01 | 2,061 | 1,844 | 1,844 |
| 59 | 66 | 209 | Result | 58 | 67 | 218 |
| | | -10 | Donations | | | -10 |
| -4 | | 13 | Change in market value of equity capital instrs. available for sale | -4 | | 13 |
| | | | Dividend paid | | | -4 |
| 2,105 | 1,904 | 2,050 | Equity as at 31.12 | 2,115 | 1,911 | 2,061 |

Note 7 - Equity and related capital - capital adequacy ratio

| | 31/03/2007 | 31/03/2006 | 31/12/2006 |
|--|---------------|---------------|---------------|
| Savings Bank's Fund | 2,031 | 1,830 | 2,039 |
| Subordinated loan capital | 300 | | 300 |
| Intangible assets and over-funded pension liabilities etc. | -40 | -6 | -39 |
| Share of zero-rated unamortised estimate discrepancies | 26 | | 39 |
| Equity and related capital in other financial institutions | -6 | -3 | -6 |
| Net equity and related capital | 2,311 | 1,821 | 2,333 |
| Weighted asset calculation basis | 18,803 | 15,407 | 17,993 |
| Capital adequacy ratio | 12.3 % | 11.8 % | 13.0 % |

Note 8 - Segmentation reporting

| Reporting by segment | Group as at 31.03.2007 | | | | | Group as at 31.03. 2006 | | | | |
|---|------------------------|--------------|-----------|--------------|---------------|-------------------------|--------------|-----------|--------------|---------------|
| | Ret. Bkg. | Corp. b. | ABCcenter | Unallotted | Total | Retail b. | Corp b. | ABCcenter | Unall. | Total |
| Profit and Loss Acct. (NOK mill.) | | | | | | | | | | |
| Net interest and cr. comm. income | 61 | 37 | | 29 | 127 | 58 | 44 | | 18 | 120 |
| Net other operating income | 19 | 4 | 23 | 12 | 58 | 19 | 4 | 21 | 23 | 67 |
| Operating costs | 31 | 29 | 24 | 27 | 111 | 32 | 23 | 20 | 21 | 96 |
| Op. result before losses pr. sgt. | 49 | 12 | -1 | 14 | 74 | 45 | 25 | 1 | 20 | 91 |
| Losses on loans and guarantees | | | | 1 | 1 | | | | | 2 |
| Losses/gains on secs. held long-term | | | | 5 | 5 | | | | 0 | |
| Pre-tax result per segment | 49 | 12 | -1 | 18 | 78 | 45 | 25 | 1 | 20 | 89 |
| Net loans to customers | 13,733 | 8,849 | | 271 | 22,853 | 12,278 | 7,060 | | 240 | 19,578 |
| Other assets | | | 75 | 3,903 | 3,978 | | | 68 | 3,564 | 3,632 |
| Total assets per segment | 13,733 | 8,849 | 75 | 4,174 | 26,831 | 12,278 | 7,060 | 68 | 3,804 | 23,210 |
| Deposits from and liabs. to customers | 8,656 | 5,038 | | 393 | 14,087 | 7,606 | 5,156 | | 224 | 12,986 |
| Open accounts/other liabilities | 5,077 | 3,811 | 75 | 1,666 | 10,629 | 4,672 | 1,904 | 68 | 1,669 | 8,313 |
| Total liabilities per segment | 13,733 | 8,849 | 75 | 2,059 | 24,716 | 12,278 | 7,060 | 68 | 1,893 | 21,299 |
| Equity capital | | | | 2,115 | 2,115 | | | | 1,911 | 1,911 |
| Total liabs. and eq. cap. per sgt. | 13,733 | 8,849 | 75 | 4,174 | 26,831 | 12,278 | 7,060 | 68 | 3,804 | 23,210 |

Reporting per region

| Reporting per region | Group as at 31.03.2007 | | | | | Group as at 31.03. 2006 | | | | |
|---|------------------------|---------------|-----------|--------------|---------------|-------------------------|---------------|-----------|--------------|---------------|
| | Øst | Vest | ABCcenter | Unallotted | Total | Øst | Vest | ABCcenter | Unallotted | Total |
| Profit and Loss Acct. (NOK mill.) | | | | | | | | | | |
| Net int. and cr. comm. income | 49 | 49 | | 29 | 127 | 51 | 51 | | 18 | 120 |
| Net other operating income | 11 | 12 | 23 | 12 | 58 | 11 | 12 | 21 | 23 | 67 |
| Operating costs | 28 | 32 | 24 | 27 | 111 | 26 | 29 | 20 | 21 | 96 |
| Op. result bef. losses by sgt. | 32 | 29 | -1 | 14 | 74 | 36 | 34 | 1 | 20 | 91 |
| Losses on loans and guarantees | -1 | -1 | | 3 | 1 | -1 | | | 3 | 2 |
| Losses/gains on secs. held long-term | | | | 5 | 5 | | | | 0 | |
| Pre-tax result per segment | 33 | 30 | -1 | 16 | 78 | 37 | 34 | 1 | 17 | 89 |
| Net loans to customers | 10,328 | 12,254 | | 271 | 22,853 | 9,030 | 10,308 | | 240 | 19,578 |
| Other assets | | | 75 | 3,903 | 3,978 | | | 68 | 3,564 | 3,632 |
| Total assets per segment | 10,328 | 12,254 | 75 | 4,174 | 26,831 | 9,030 | 10,308 | 68 | 3,804 | 23,210 |
| Deposits from and liabs. to custs. | 6,881 | 6,813 | | 393 | 14,087 | 6,632 | 6,130 | | 224 | 12,986 |
| Open accounts/other liabilities | 3,447 | 5,441 | 75 | 1,666 | 10,629 | 2,398 | 4,178 | 68 | 1,669 | 8,313 |
| Total liabilities per segment | 10,328 | 12,254 | 75 | 2,059 | 24,716 | 9,030 | 10,308 | 68 | 1,893 | 21,299 |
| Equity capital | | | | 2,115 | 2,115 | | | | 1,911 | 1,911 |
| Total liabs. and eq. cap. per sgt. | 10,328 | 12,254 | 75 | 4,174 | 26,831 | 9,030 | 10,308 | 68 | 3,804 | 23,210 |

QUARTERLY RESULTS (Parent Bank)

| | 1 q. 2007 | 4 q. 2006 | 3 q. 2006 | 2 q. 2006 | 1 q. 2006 | 4 q. 2005 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest- and credit commission income | 127 | 125 | 128 | 122 | 120 | 120 |
| Net other operating income | 35 | 40 | 27 | 28 | 45 | 27 |
| Operating costs | 87 | 105 | 80 | 82 | 76 | 101 |
| Operating result before credit losses | 75 | 60 | 75 | 68 | 89 | 46 |
| Losses on loans, guarantees etc. | 1 | -4 | -6 | 7 | 2 | 3 |
| Losses/loans on securities held on a long-term basis | 5 | | | | | 1 |
| Result before taxation cost | 79 | 64 | 81 | 61 | 87 | 44 |
| Tax payable on ordinary result | 20 | 18 | 25 | 20 | 21 | 13 |
| Result from ordinary operations after tax | 59 | 46 | 56 | 41 | 66 | 31 |

QUARTERLY RESULTS (Group)

| | 1 q. 2007 | 4 q. 2006 | 3 q. 2006 | 2 q. 2006 | 1 q. 2006 | 4 q. 2005 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest- and credit commission income | 127 | 127 | 128 | 122 | 120 | 121 |
| Net other operating income | 58 | 74 | 53 | 47 | 67 | 58 |
| Operating costs | 111 | 136 | 101 | 100 | 96 | 133 |
| Operating result before credit losses | 74 | 65 | 80 | 69 | 91 | 46 |
| Losses on loans, guarantees etc. | 1 | -4 | -6 | 7 | 2 | 3 |
| Losses/gains on securities held on a long-term basis | 5 | | | | | 1 |
| Result before taxation cost | 78 | 69 | 86 | 62 | 89 | 44 |
| Tax payable on ordinary result | 20 | 20 | 27 | 20 | 21 | 16 |
| Result from ordinary operations after tax | 58 | 49 | 59 | 42 | 68 | 28 |

QUARTERLY RESULTS (Group)

| As a percentage of average assets | 1 q. 2007 | 4 q. 2006 | 3 q. 2006 | 2 q. 2006 | 1 q. 2006 | 4 q. 2005 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest- and credit commission income | 1.92 | 2.03 | 2.17 | 2.13 | 2.17 | 2.27 |
| Net other operating income | 0.88 | 1.18 | 0.90 | 0.82 | 1.21 | 1.09 |
| Operating costs | 1.68 | 2.17 | 1.71 | 1.75 | 1.74 | 2.50 |
| Operating result before credit losses | 1.12 | 1.04 | 1.36 | 1.20 | 1.64 | 0.86 |
| Losses on loans, guarantees etc. | 0.02 | -0.06 | -0.10 | 0.12 | 0.03 | 0.05 |
| Losses/gains on securities held on a long-term basis | 0.08 | | | | | 0.02 |
| Result before taxation cost | 1.18 | 1.10 | 1.46 | 1.08 | 1.61 | 0.83 |
| Tax payable on ordinary result | 0.30 | 0.32 | 0.46 | 0.35 | 0.38 | 0.30 |
| Result from ordinary operations after tax | 0.88 | 0.78 | 1.00 | 0.73 | 1.23 | 0.53 |

FINANCIAL HIGHLIGHTS 2003-2007 (GROUP)

| Profit and Loss Account | 31.03.07 | 31.03.06 | 2006 | 2005 | 2004 | 2003 |
|--|-----------------|-----------------|-------------|-------------|-------------|-------------|
| Interest- and credit commission income | 323 | 221 | 1,001 | 772 | 723 | 1,034 |
| Interest costs | 196 | 101 | 504 | 303 | 264 | 601 |
| Net interest- and credit commission income | 127 | 120 | 497 | 469 | 459 | 433 |
| Net other operating income | 58 | 67 | 241 | 234 | 214 | 204 |
| Operating costs | 111 | 96 | 433 | 397 | 390 | 392 |
| Operating result before credit losses | 74 | 91 | 305 | 306 | 283 | 245 |
| Losses on loans, guarantees etc. | 1 | 2 | -1 | | 22 | 75 |
| Losses/gains on securities held on a long-term basis | 5 | | | | -2 | -1 |
| Result before taxation cost | 78 | 89 | 306 | 306 | 259 | 169 |
| Tax payable on ordinary result | 20 | 21 | 88 | 85 | 67 | 52 |
| Result from ordinary operations after tax | 58 | 68 | 218 | 221 | 192 | 117 |

| Profit and Loss Account items as a percentage of average assets | 31.03.07 | 31.03.06 | 2006 | 2005 | 2004 | 2003 |
|--|-----------------|-----------------|--------------|--------------|--------------|--------------|
| Interest- and credit commission income | 4.89% | 3.99% | 4.27% | 3.75% | 3.88% | 6.02% |
| Interest costs | 2.97% | 1.82% | 2.15% | 1.47% | 1.42% | 3.50% |
| Net interest- and credit commission income | 1.92% | 2.17% | 2.12% | 2.28% | 2.46% | 2.52% |
| Net other operating income | 0.88% | 1.21% | 1.02% | 1.14% | 1.15% | 1.19% |
| Operating income | 1.68% | 1.74% | 1.84% | 1.93% | 2.09% | 2.28% |
| Operating result before credit losses | 1.12% | 1.64% | 1.30% | 1.49% | 1.52% | 1.43% |
| Losses on loans, guarantees etc. | 0.02% | 0.03% | 0.00% | 0.00% | 0.12% | 0.44% |
| Losses/gains on securities held on a long-term basis | 0.08% | 0.00% | 0.00% | 0.00% | -0.01% | -0.01% |
| Result before taxation cost | 1.18% | 1.61% | 1.30% | 1.49% | 1.39% | 0.98% |
| Tax payable on ordinary result | 0.30% | 0.38% | 0.37% | 0.41% | 0.36% | 0.30% |
| Result from ordinary operations after tax | 0.88% | 1.23% | 0.93% | 1.08% | 1.03% | 0.68% |
| Average assets | 26,396 | 22,147 | 23,453 | 20,550 | 18,623 | 17,180 |
| From the Balance Sheet | | | | | | |
| Assets | 26,831 | 23,210 | 26,227 | 21,665 | 19,358 | 17,570 |
| Gross loans | 22,965 | 19,691 | 22,215 | 19,165 | 17,093 | 15,539 |
| Deposits from customers | 14,087 | 12,986 | 14,591 | 12,235 | 10,828 | 10,260 |
| Equity and related capital | 2,311 | 1,821 | 2,333 | 1,884 | 1,579 | 1,406 |
| Capital adequacy ratio | 12.3 % | 11.8 % | 13.0 % | 12.8 % | 12.2 % | 11.8 % |
| Other key ratios | | | | | | |
| Costs as a percentage of income, excl. securities and foreign exchange | 62.01% | 57.14% | 61.00% | 60.30% | 60.80% | 66.22% |
| Deposits as a percentage of gross loans | 61.30% | 65.90% | 65.70% | 63.80% | 63.30% | 66.03% |
| Return on equity capital | 11.26% | 14.75% | 11.60% | 13.20% | 13.30% | 8.77% |