



## Press release

**From** : Sparebanken Sør  
**Contact person:** Morten Kraft, Chief Executive Officer  
**Phone number** : +47 37 05 70 93  
**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](http://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
<b>127</b>	<b>120</b>	<b>495</b>	<b>Net interest- and credit commission income</b>		<b>127</b>	<b>120</b>	<b>497</b>
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
<b>20</b>	<b>19</b>	<b>87</b>	<b>Net commission income</b>		<b>43</b>	<b>40</b>	<b>185</b>
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
<b>15</b>	<b>26</b>	<b>53</b>	<b>Total other operating income</b>		<b>15</b>	<b>27</b>	<b>56</b>
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
<b>87</b>	<b>76</b>	<b>343</b>	<b>Total operating costs</b>		<b>111</b>	<b>96</b>	<b>433</b>
<b>75</b>	<b>89</b>	<b>292</b>	<b>Operating result before credit losses</b>		<b>74</b>	<b>91</b>	<b>305</b>
1	2	-1	Losses on loans, guarantees etc.	2	1	2	-1
5			Losses/gains on securities held on a long-term basis		5		
<b>79</b>	<b>87</b>	<b>293</b>	<b>Result before taxation cost</b>		<b>78</b>	<b>89</b>	<b>306</b>
20	21	84	Tax payable on ordinary result		20	21	88
<b>59</b>	<b>66</b>	<b>209</b>	<b>Result from ordinary operations after tax</b>		<b>58</b>	<b>68</b>	<b>218</b>
			Minority interests			1	4
<b>59</b>	<b>66</b>	<b>209</b>	<b>Majority interests</b>		<b>58</b>	<b>67</b>	<b>214</b>

## 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
<b>ASSETS</b>							
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
<b>26,804</b>	<b>23,188</b>	<b>26,204</b>	<b>TOTAL ASSETS</b>		<b>26,831</b>	<b>23,210</b>	<b>26,227</b>
<b>LIABILITIES AND EQUITY CAPITAL</b>							
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
<b>24,699</b>	<b>21,284</b>	<b>24,154</b>	<b>Total liabilities</b>		<b>24,716</b>	<b>21,299</b>	<b>24,166</b>
			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	
<b>2,105</b>	<b>1,904</b>	<b>2,050</b>	<b>Total equity capital</b>		<b>2,115</b>	<b>1,911</b>	<b>2,061</b>
<b>26,804</b>	<b>23,188</b>	<b>26,204</b>	<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>		<b>26,831</b>	<b>23,210</b>	<b>26,227</b>

### 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
			<b>Net cash flow from operations</b>			
-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	
<b>-1,100</b>	<b>-912</b>	<b>-1,600</b>	<b>Net cash flow from current financial operations</b>	<b>-1,099</b>	<b>-913</b>	<b>-1,569</b>
-1	-10	-33	Investment in fixed assets	-1	-10	-63
		3	Sale of fixed assets			7
<b>-1</b>	<b>-10</b>	<b>-30</b>	<b>Net cash flow from investments</b>	<b>-1</b>	<b>-10</b>	<b>-56</b>
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
<b>1,228</b>	<b>968</b>	<b>1,366</b>	<b>Net cash flow from long-term funding operations</b>	<b>1,228</b>	<b>968</b>	<b>1,366</b>
<b>184</b>	<b>107</b>	<b>-77</b>	<b>Net change in liquid funds</b>	<b>184</b>	<b>107</b>	<b>-77</b>
70	147	147	Liquid funds as at 01.01	70	147	147
<b>254</b>	<b>254</b>	<b>70</b>	<b>Liquid funds as at 31.12</b>	<b>254</b>	<b>254</b>	<b>70</b>

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
<b>Net loans</b>	<b>19,056</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>19,071</b>
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
<b>Total assets</b>	<b>21,526</b>	<b>115</b>	<b>-3</b>	<b>7</b>	<b>21,645</b>
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
<b>Total liabilities</b>	<b>19,685</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>19,807</b>
Other equity capital				7	7
Savings Bank's Fund	1,841	-7	-3		1,831
Retained earnings					0
<b>Total equity capital</b>	<b>1,841</b>	<b>-7</b>	<b>-3</b>	<b>7</b>	<b>1,838</b>
<b>Total liabilities and equity capital</b>	<b>21,526</b>	<b>115</b>	<b>-3</b>	<b>7</b>	<b>21,645</b>

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
<b>Net loans</b>	<b>22,128</b>	<b>-5</b>				<b>22,123</b>
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
<b>Total assets</b>	<b>26,133</b>	<b>61</b>	<b>-5</b>	<b>-4</b>	<b>19</b>	<b>26,204</b>
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
<b>Total liabilities</b>	<b>24,094</b>	<b>60</b>				<b>24,154</b>
Other equity capital					19	19
Savings Bank's Fund	2,039	1	-5	-4		2,031
Retained earnings						0
<b>Total equity capital</b>	<b>2,039</b>	<b>1</b>	<b>-5</b>	<b>-4</b>	<b>19</b>	<b>2,050</b>
<b>Total liabilities and equity capital</b>	<b>26,133</b>	<b>61</b>	<b>-5</b>	<b>-4</b>	<b>19</b>	<b>26,204</b>

**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
<b>1</b>	<b>2</b>	<b>-1</b>	<b>Period's credit loss cost</b>	<b>1</b>	<b>2</b>	<b>-1</b>

**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
<b>67</b>	<b>53</b>	<b>116</b>	<b>Net commitments in default</b>	<b>67</b>	<b>53</b>	<b>116</b>
139	170	111	Other bad and doubtful commitments	139	170	111
-35	-41	-35	Individual write-downs	-35	-41	-35
<b>104</b>	<b>129</b>	<b>76</b>	<b>Net bad and doubtful commitments</b>	<b>104</b>	<b>129</b>	<b>76</b>

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
<b>14,097</b>	<b>12,997</b>	<b>14,601</b>	<b>TOTAL</b>	<b>14,087</b>	<b>12,986</b>	<b>14,591</b>

**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
<b>22,986</b>	<b>19,710</b>	<b>22,236</b>	<b>TOTAL GROSS LOANS</b>	<b>22,965</b>	<b>19,691</b>	<b>22,215</b>
112	113	113	Write-downs of loans	112	113	113
<b>22,874</b>	<b>19,597</b>	<b>22,123</b>	<b>TOTAL NET LOANS</b>	<b>22,853</b>	<b>19,578</b>	<b>22,102</b>

**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
<b>2,105</b>	<b>1,904</b>	<b>2,050</b>	<b>Equity as at 31.12</b>	<b>2,115</b>	<b>1,911</b>	<b>2,061</b>



**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
<b>Net equity and related capital</b>	<b>2,311</b>	<b>1,821</b>	<b>2,333</b>
Weighted asset calculation basis	18,803	15,407	17,993
<b>Capital adequacy ratio</b>	<b>12.3 %</b>	<b>11.8 %</b>	<b>13.0 %</b>

**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
<b>Profit and Loss Acct. (NOK mill.)</b>										
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
<b>Op. result before losses pr. sgt.</b>	<b>49</b>	<b>12</b>	<b>-1</b>	<b>14</b>	<b>74</b>	<b>45</b>	<b>25</b>	<b>1</b>	<b>20</b>	<b>91</b>
Losses on loans and guarantees				1	1					2
Losses/gains on secs. held long-term				5	5				0	
<b>Pre-tax result per segment</b>	<b>49</b>	<b>12</b>	<b>-1</b>	<b>18</b>	<b>78</b>	<b>45</b>	<b>25</b>	<b>1</b>	<b>20</b>	<b>89</b>
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
<b>Total assets per segment</b>	<b>13,733</b>	<b>8,849</b>	<b>75</b>	<b>4,174</b>	<b>26,831</b>	<b>12,278</b>	<b>7,060</b>	<b>68</b>	<b>3,804</b>	<b>23,210</b>
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
<b>Total liabilities per segment</b>	<b>13,733</b>	<b>8,849</b>	<b>75</b>	<b>2,059</b>	<b>24,716</b>	<b>12,278</b>	<b>7,060</b>	<b>68</b>	<b>1,893</b>	<b>21,299</b>
Equity capital				2,115	2,115				1,911	1,911
<b>Total liabs. and eq. cap. per sgt.</b>	<b>13,733</b>	<b>8,849</b>	<b>75</b>	<b>4,174</b>	<b>26,831</b>	<b>12,278</b>	<b>7,060</b>	<b>68</b>	<b>3,804</b>	<b>23,210</b>

**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
<b>Profit and Loss Acct. (NOK mill.)</b>										
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
<b>Op. result bef. losses by sgt.</b>	<b>32</b>	<b>29</b>	<b>-1</b>	<b>14</b>	<b>74</b>	<b>36</b>	<b>34</b>	<b>1</b>	<b>20</b>	<b>91</b>
Losses on loans and guarantees	-1	-1		3	1	-1			3	2
Losses/gains on secs. held long-term				5	5				0	
<b>Pre-tax result per segment</b>	<b>33</b>	<b>30</b>	<b>-1</b>	<b>16</b>	<b>78</b>	<b>37</b>	<b>34</b>	<b>1</b>	<b>17</b>	<b>89</b>
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
<b>Total assets per segment</b>	<b>10,328</b>	<b>12,254</b>	<b>75</b>	<b>4,174</b>	<b>26,831</b>	<b>9,030</b>	<b>10,308</b>	<b>68</b>	<b>3,804</b>	<b>23,210</b>
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
<b>Total liabilities per segment</b>	<b>10,328</b>	<b>12,254</b>	<b>75</b>	<b>2,059</b>	<b>24,716</b>	<b>9,030</b>	<b>10,308</b>	<b>68</b>	<b>1,893</b>	<b>21,299</b>
Equity capital				2,115	2,115				1,911	1,911
<b>Total liabs. and eq. cap. per sgt.</b>	<b>10,328</b>	<b>12,254</b>	<b>75</b>	<b>4,174</b>	<b>26,831</b>	<b>9,030</b>	<b>10,308</b>	<b>68</b>	<b>3,804</b>	<b>23,210</b>

**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
<b>Operating result before credit losses</b>	<b>75</b>	<b>60</b>	<b>75</b>	<b>68</b>	<b>89</b>	<b>46</b>
Losses on loans, guarantees etc.	1	-4	-6	7	2	3
Losses/loans on securities held on a long-term basis	5					1
<b>Result before taxation cost</b>	<b>79</b>	<b>64</b>	<b>81</b>	<b>61</b>	<b>87</b>	<b>44</b>
Tax payable on ordinary result	20	18	25	20	21	13
<b>Result from ordinary operations after tax</b>	<b>59</b>	<b>46</b>	<b>56</b>	<b>41</b>	<b>66</b>	<b>31</b>

**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
<b>Operating result before credit losses</b>	<b>74</b>	<b>65</b>	<b>80</b>	<b>69</b>	<b>91</b>	<b>46</b>
Losses on loans, guarantees etc.	1	-4	-6	7	2	3
Losses/gains on securities held on a long-term basis	5					1
<b>Result before taxation cost</b>	<b>78</b>	<b>69</b>	<b>86</b>	<b>62</b>	<b>89</b>	<b>44</b>
Tax payable on ordinary result	20	20	27	20	21	16
<b>Result from ordinary operations after tax</b>	<b>58</b>	<b>49</b>	<b>59</b>	<b>42</b>	<b>68</b>	<b>28</b>

**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
<b>Operating result before credit losses</b>	<b>1.12</b>	<b>1.04</b>	<b>1.36</b>	<b>1.20</b>	<b>1.64</b>	<b>0.86</b>
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
<b>Result before taxation cost</b>	<b>1.18</b>	<b>1.10</b>	<b>1.46</b>	<b>1.08</b>	<b>1.61</b>	<b>0.83</b>
Tax payable on ordinary result	0.30	0.32	0.46	0.35	0.38	0.30
<b>Result from ordinary operations after tax</b>	<b>0.88</b>	<b>0.78</b>	<b>1.00</b>	<b>0.73</b>	<b>1.23</b>	<b>0.53</b>

**FINANCIAL HIGHLIGHTS 2003-2007 (GROUP)**

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

<b>Profit and Loss Account items as a percentage of average assets</b>	<b>31.03.07</b>	<b>31.03.06</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
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%
<b>Net interest- and credit commission income</b>	<b>1.92%</b>	<b>2.17%</b>	<b>2.12%</b>	<b>2.28%</b>	<b>2.46%</b>	<b>2.52%</b>
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%
<b>Operating result before credit losses</b>	<b>1.12%</b>	<b>1.64%</b>	<b>1.30%</b>	<b>1.49%</b>	<b>1.52%</b>	<b>1.43%</b>
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%
<b>Result before taxation cost</b>	<b>1.18%</b>	<b>1.61%</b>	<b>1.30%</b>	<b>1.49%</b>	<b>1.39%</b>	<b>0.98%</b>
Tax payable on ordinary result	0.30%	0.38%	0.37%	0.41%	0.36%	0.30%
<b>Result from ordinary operations after tax</b>	<b>0.88%</b>	<b>1.23%</b>	<b>0.93%</b>	<b>1.08%</b>	<b>1.03%</b>	<b>0.68%</b>
Average assets	26,396	22,147	23,453	20,550	18,623	17,180
<b>From the Balance Sheet</b>						
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 %
<b>Other key ratios</b>						
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%