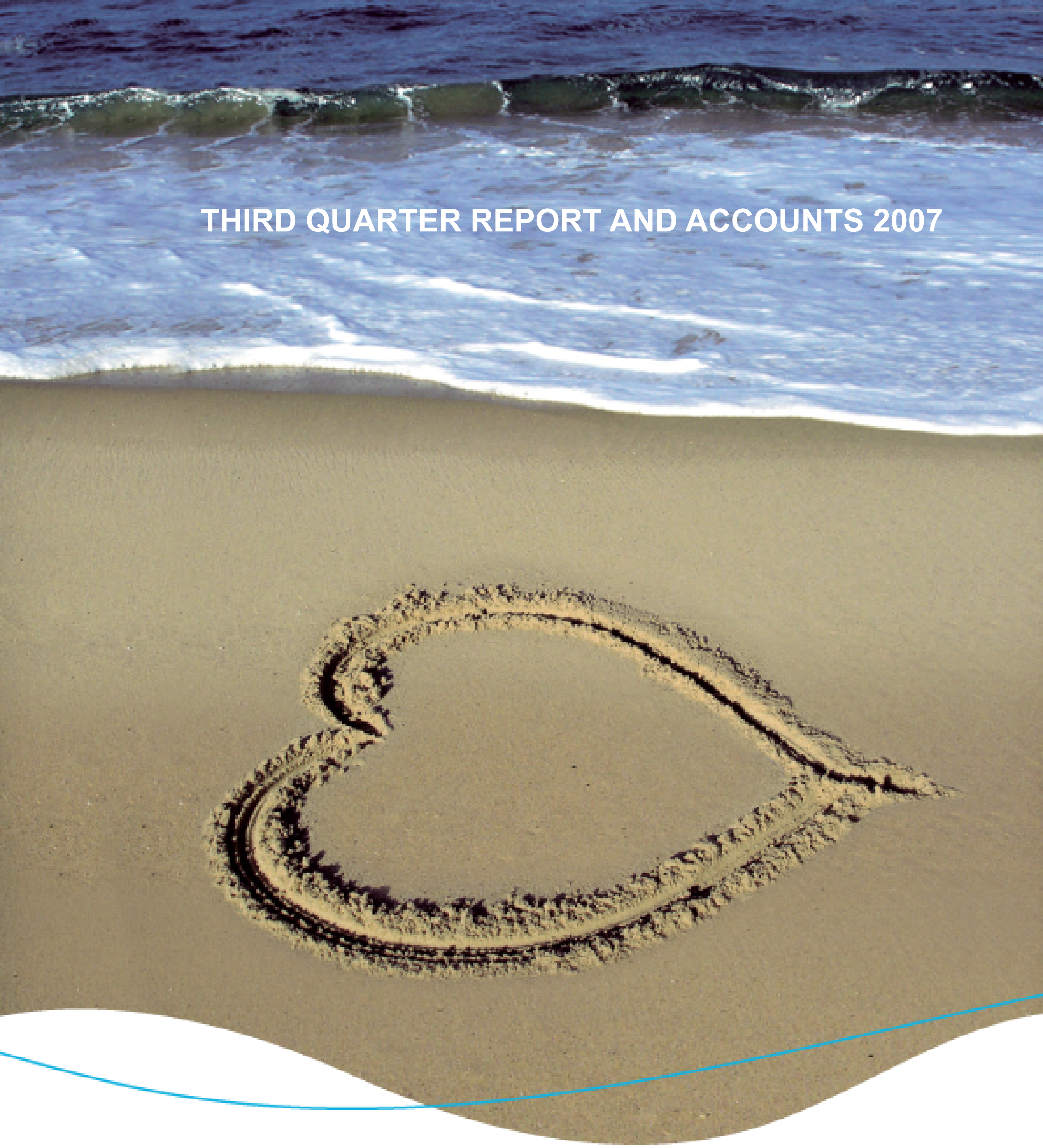
THIRD QUARTER REPORT AND ACCOUNTS 2007



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Main figures for the Group

From Profit and Loss Account

	30/09/2007		30/09/2006		2006	
	NOK mill.	% of average assets	NOK mill.	% of average assets	NOK mill.	% of average assets
Interest income	1,108	5.39%	718	4.19%	1,001	4.27%
Interest costs	700	3.41%	348	2.03%	504	2.15%
Net interest- and cr. comm. income	**408**	**1.98%**	**370**	**2.16%**	**497**	**2.12%**
Other (non-interest) income	199	0.97%	167	0.97%	241	1.02%
Operating costs	341	1.66%	297	1.73%	433	1.84%
Result before credit losses	**266**	**1.29%**	**240**	**1.40%**	**305**	**1.30%**
Credit losses	3	0.01%	3	0.02%	(1)	
Result after credit losses	**263**	**1.28%**	**237**	**1.38%**	**306**	**1.30%**
Tax	72	0.35%	68	0.40%	88	0.37%
Result after tax	**191**	**0.93%**	**169**	**0.98%**	**218**	**0.93%**

From the Balance Sheet

	30/09/2007	30/09/2006	2006
Assets	29,353	24,409	26,227
Net lending	24,818	21,053	22,102
Deposits	14,748	12,640	14,591
Equity and related capital	2,540	2,306	2,361
Capital adequacy ratio	10.8 %	12.3 %	13.0 %
Number of man-years worked at Group	409	397	402

REPORT AND ACCOUNTS
FOR THE FIRST 9 MONTHS OF 2007
SPAREBANKEN SØR

ACCOUNTING PRINCIPLES ETC.

The quarterly accounts have in their entirety been prepared in compliance with IFRS. The accounting principles and transitional effects of the implementation of IFRS in the Parent Bank's accounts have been explained in the notes forming part of these 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 third quarter of 2007 totalled NOK 263 million, up by NOK 26 million on the corresponding interim period last year. Increased net interest income and higher revenue generation from financial instruments are the most important reasons for the improvement in the overall result.

In relation to average assets, this amounted to 1.28 per cent, as against 1.38 per cent the year before. Overall, the development in the result has been somewhat better than expected.

At the end of the quarter, the after-tax return on equity capital was 12.4 per cent, as opposed to 12.3 per cent 12 months earlier.

NET INTEREST INCOME AND AVERAGE INTEREST MARGIN

Net interest income totalled NOK 408 million at the end of the third quarter, up by NOK 38 million on last year at the same time. In relation to average assets, however, there has been a shrinkage from 2.16 to 1.98 per cent during the last 12 months. The growth in lending- and deposit volumes and a higher investment return on the equity capital as a result of an increasing interest rate level have had a favourable impact on net interest income.
The competitive situation and the higher interest rates applicable to the Bank's funding loans, however, have meant that the average interest margin has shrunk somewhat.

OTHER (NON-INTEREST) INCOME

Net other operating income totalled NOK 199 million at the end of the third quarter, up by NOK 32 million on the same time last year. In relation to average assets, this amounted to 0.97 per cent, which is at the same level as last year at the same time.

The improvement in earnings is primarily ascribable to income from financial instruments. The most important factor is the impact on the overall result of the market value assessment of the certificate-related and bond debt. Net fee- and commission income was up by NOK 13 million, mainly due to increased commission income from the Group's real estate brokerage operations. Fee- and commission income from banking operations posted a modest increase.

OPERATING COSTS

Costs totalled NOK 341 million, up from NOK 297 million at the end of the third quarter of 2006. Measured against average assets, the overall cost ratio nevertheless
improved, ending up at 1.66 per cent, as against 1.73 per cent 12 months ago. At the end of the third quarter, the Parent Bank's cost ratio was 1.30 per cent. At the end of the quarter, Group

manning levels were equivalent to 409 man-years, 90 of which were accounted for by the Bank's real estate brokerage company, ABCenter. So far this year, there has been an overall increase of 7 man-years, partly as a result of the opening of the Bank's new branch at Bø in Telemark and the imminent establishment of a branch in the Grenland area. NOK 10 million, including employer's social security contribution, has been set aside for accrued bonus for staff. Apart from that, the overall increase in costs is attributable to higher personnel-, IT- and marketing costs.

CREDIT LOSSES AND COMMITMENTS IN DEFAULT

At the end of the third quarter, net credit losses amounted to NOK 3 million. So far this year, increased group-related write-downs have amounted to NOK 7 million. In the case of individual write-downs, however, there are net recoveries so far this year.
At the end of the third quarter, total group-related write-downs amounted to NOK 60 million.

At the end of the quarter, net commitments in default and bad and doubtful commitments totalled NOK 191 million, down from NOK 193 million at the same time last year. In relation to lending this amounted to 0.77 per cent, down from 0.92 per cent a year earlier.

BALANCE SHEET

At the end of the third quarter, aggregate assets stood at NOK 29.4 billion, up from NOK 24.4 billion at the same time last year, after a 20.5 per cent growth. During the last 12-month period, loans increased by 17.8 per cent, retail banking and corporate banking expanding by 12.6 and 26.0 per cent respectively. Deposits were up by 16.7 per cent overall. The retail banking sector increased by 10.3 per cent and the corporate banking sector by 25.5 per cent. The rate of lending growth has been relatively stable, both within the retail banking- and corporate sectors. The development within the corporate market reflects high activity levels within the region's industry and commerce. At the end of the third quarter, the Bank's overall deposit coverage ratio amounted to 59.4 per cent, compared with 66.0 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 8.0 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.

EQUITY AND RELATED CAPITAL - CAPITAL ADEQUACY RATIO

At the end of the third quarter of 2007, the Bank's equity and related capital totalled NOK 2.5 billion, of which subordinated loan capital accounted for NOK 0.3 billion. The remainder consists of accrued earnings which have been added to the Savings Bank's Fund. The Bank's capital adequacy ratio amounted to 10.8 per cent at the end of the quarter.

FUTURE PROSPECTS

Results so far this year have been somewhat better than expected. The Board of Directors expects about the same positive trend for the rest of the year. Activity levels within the region remain high and this is a good basis for the Bank's positive development. The Board of Directors have great expectations for the Bank's active marketing efforts in Telemark.

Arendal, 23 October 2007
The Board of Directors of Sparebanken Sør

Profit and Loss Account

PARENT BANK - IFRS					GROUP - IFRS		
31.12.2006	**30.09.2006**	**30.09.2007**		**Notes**	**30.09.2007**	**30.09.2006**	**31.12.2006**
1,005	719	1,108	Interest receivable and similar income		1,108	718	1,001
510	349	702	Interest payable and similarcosts		700	348	504
495	**370**	**406**	**Net interest- and credit commission income**		**408**	**370**	**497**
110	80	83	Commissions receivable and income from banking services		165	150	208
23	17	19	Commissions payable and costs relating to banking services		19	17	23
87	**63**	**64**	**Net commission income**		**146**	**133**	**185**
37	25	40	Income from financial instruments		42	25	37
			Income from investment in associated companies				
16	9	11	Other operating income		11	9	19
53	**34**	**51**	**Total other operating income**		**53**	**34**	**56**
174	120	135	Personnel costs		177	153	222
17	13	14	Depreciation of fixed- and intangible assets		17	14	19
152	105	119	Other operating costs		147	130	192
343	**238**	**268**	**Total operating costs**		**341**	**297**	**433**
292	**229**	**253**	**Operating result before credit losses**		**266**	**240**	**305**
-1	3	3	Losses on loans, guarantees etc.	2	3	3	-1
293	**226**	**250**	**Result before taxation cost**		**263**	**237**	**306**
84	66	70	Tax payable on ordinary result		72	68	88
209	**160**	**180**	**Result from ordinary operations after tax**		**191**	**169**	**218**
			Minority interests		6	4	4
209	**160**	**180**	**Majority interests**		**185**	**165**	**214**

Balance Sheet

PARENT BANK - IFRS					GROUP - IFRS		
31.12.2006	**30.09.2006**	**30.09.2007**	**ASSETS**	**Notes**	**30.09.2007**	**30.09.2006**	**31.12.2006**
70	105	90	Cash-in-hand and claims on central banks		90	105	70
645	158	258	Loans to and claims on financial institutions		258	158	645
22,123	21,072	24,839	Net loans to customers	1 3 5	24,818	21,053	22,102
1	2	1	Repossessed assets	1	1	2	1
2,750	2,195	2,731	Bonds and certificates	1	2,731	2,195	2,750
217	195	209	Shares		209	195	217
68	57	51	Financial derivatives		51	57	68
51	30	129	Equity stakes in Group companies	9			
11	11	1	Equity stakes in associated companies		11	11	11
10	10	12	Intangible assets		36	10	31
121	133	127	Fixed assets		156	158	150
27	34	29	Assets relating to tax		29	34	28
109	396	848	Other assets		963	431	154
26,203	**24,398**	**29,325**	**TOTAL ASSETS**		**29,353**	**24,409**	**26,227**
			LIABILITIES AND EQUITY CAPITAL				
1,131	664	1,964	Liabilities to financial institutions		1,964	664	1,131
14,601	12,651	14,758	Deposits from and liabilities to customers	1 4	14,748	12,640	14,591
7,617	7,974	8,843	Borrowings through the issuance of securities	1	8,843	7,974	7,617
111	36	185	Financial derivatives	1	185	36	111
79	100	70	Liabilities relating to period tax	1	74	100	83
314	674	983	Other liabilities	1	999	689	333
299	300	297	Subordinated loan capital		297	300	299
24,152	**22,399**	**27,100**	**Total liabilities**		**27,110**	**22,403**	**24,165**
			Minority interests		8	2	6
19	7	13	Other equity capital	1 6	18	7	24
2,032	1,832	2,032	Savings Bank's Fund		2,032	1,832	2,032
	160	180	Retained earnings		185	165	
2,051	**1,999**	**2,225**	**Total equity capital**		**2,243**	**2,006**	**2,062**
26,203	**24,398**	**29,325**	**TOTAL LIABILITIES AND EQUITY CAPITAL**		**29,353**	**24,409**	**26,227**
			ITEMS OFF THE BALANCE SHEET				
			Contingent liabilities				
656	522	691	Guarantees		691	522	656
1,748	1,643	1,532	Book value of assets pledged as security for debt		1,532	1,643	1,748
2	2	2	Other contingent liabilities		2	2	2

CASH FLOW STATEMENT

PARENT BANK - IFRS				GROUP - IFRS		
31.12.2006	**30.09.2006**	**30.09.2007**		**30.09.2007**	**30.09.2006**	**31.12.2006**
187	**164**	**190**	**Net cash flow from operations**	**198**	**166**	**182**
-3,074	-2,008	-2,737	Increase in loans	-2,737	-2,008	-3,076
-8	-222	-741	Change in other assets	-793	-212	-8
-1,066	-513	-19	Change in securities	-19	-508	-1,066
2,352	30	387	Change in loans to financial institutions	387	30	-457
-457	404	160	Change in deposits from customers	160	405	2,353
685	218	833	Change in loans from financial institutions	833	218	685
-10	267	708	Change in other liabilities	687	253	
-1,578	**-1,824**	**-1,409**	**Net cash flow from current financial operations**	**-1,482**	**-1,822**	**-1,569**
-33	-26	-8	Investment in fixed assets	-11	-30	-63
-22		-68	Net investment in Group- and associated companies			
3			Sale of fixed assets			7
-52	**-26**	**-76**	**Net cash flow from investments**	**-11**	**-30**	**-56**
1,066	1,344	1,315	Change in debt incurred through issuance of securities	1,315	1,344	1,066
300	300		Change in subordinated loan capital		300	300
1,366	**1,644**	**1,315**	**Net cash flow from long-term funding activities**	**1,315**	**1,644**	**1,366**
-77	**-42**	**20**	**Net change in liquid funds**	**20**	**-42**	**-77**
147	147	70	Liquid funds as at 01.01	70	147	147
70	**105**	**90**	**Liquid funds as at 30.09/31.12**	**90**	**105**	**70**

Accounting principles
The Sparebanken Sør Group presents its Group accounts according to International Financial Reporting Standards, IFRS, and currently valid interpretations.
The Parent Bank accounts have also been prepared in accordance with IFRS.

All figures are stated in NOK million.

Consolidation/subsidiaries
The Group accounts comprise the Parent Bank and its subsidiaries of which the Bank on its own or together with subsidiaries owns more than 50 per cent and/or has a deciding influence, and the equity stake is deemed to be permanent. Internal transactions and intra-Group balances are netted out.

Foreign exchange
The accounts are presented in Norwegian kroner which are also the Group's functional currency.

Transactions in foreign currencies are converted into NOK at the exchange rates ruling at the time of the transaction involved. Any foreign exchange losses and gains arising from such transactions and from conversion of money items in foreign currencies on the balance sheet day in question are incorporated in the profit and loss account.

Interest income and interest costs
Interest income and interest costs relating to assets and liabilities assessed at amortised cost are incorporated on an ongoing basis in the profit and loss account according to the effective interest rate method. The effective interest rate is defined as the rate of interest which, when applied, means that the present value of the expected cash flow over the expected life of a financial asset or financial liability ends up equal to the book value of the financial asset or liability.

Commission income and commission costs
In general, commission income and commission costs are subject to accrual accounting in relation to when the services involved are rendered or received. Fees relating to loans are not shown in the accounts as commissions, but are factored into the calculation of effective interest and included accordingly in the profit and loss account. Fees received from the Group's real estate brokerage operations are booked through the profit and loss account when the transaction in question is completed.

Loans to customers
Initially, loans are assessed at market value. During subsequent periods, loans at floating rates of interest are assessed at amortised cost by using the effective interest rate method.

Fixed interest rate loans to customers are incorporated at market value, any gains or losses due to a change in market value being included in the profit and loss account as a change in value.

Impairment in value relating to loans
At regular intervals, an assessment is made to ascertain whether there is objective proof of impairment in value of loans or groups of loans. Impairment of value exists if there is objective proof of events which may bring about a reduced cash flow. Impairment in value must refer to events occurring after the first time a loan is assessed, and it must be possible to calculate such impairment in value in a reliable manner. Events which indicate that impairment in value has taken place are as follows:
-significant financial difficulties being experienced by the borrower
-default
-special terms and conditions having been agreed due to the borrower's financial situation
-the borrower is likely to enter into debt negotiations or other financial restructurings
-data which can be observed indicating a measurable reduction in future cash flows from a group of loans

If there is objective proof of impairment in value having occurred, the amount of loss is calculated as the difference between the loan's book value and the present value of future, estimated cash flows discounted at the loan's original effective rate of interest.

Loans in default and bad and doubtful loans
A customer's aggregate commitments are deemed to be in default if repayments due or interest due have not been paid 90 days after the due date in question or if credit facilities have been overdrawn for more than 90 days. Loans which are not in default, but where the customer's financial situation would suggest that the commitment is bad or doubtful, are classified as bad and doubtful.

Confirmed losses
When it is highly probable that credit losses are final and definite, the losses are classified as confirmed. Losses are regarded as confirmed in the case of an officially confirmed composition with creditors, when a distraint order has not produced satisfactory results, in the case of a legally valid judgment, or when the Bank has waived its rights relating to the whole or part of the commitment in question.

Securities
Securities consist of shares and unit trust certificates, bonds and certificates. Shares, unit trust certificates and Primary Capital Certificates (PCCs) are classified in the Group accounts either as 'market value through the profit and loss account' or as 'available for sale', any value change being shown directly in relation to equity capital.

Certificates and bonds are classified in the Group accounts at market value with any value change included in the profit and loss account. All financial instruments which are classified at market value through the profit and loss account are assessed at market value, any change in market value from the opening balance sheet date being included in the profit and loss account as net gains/losses on financial instruments.

Market value of securities such as equities, unit trust certificates and PCCs quoted in a regular market is defined as the last quoted buying price.

Market value of securities such as equities, unit trust certificates and PCCs not quoted in a regular market is based on the level of revenue generation and/or balance sheet value of the company in question.

Market value of securities such as bonds and certificates is calculated as the present value based on the swap curve for the remaining life, with an addition or a deduction made for the group of issuers in question.

Financial assets are removed from the balance sheet when the right to receive the cash flows from the investment stops or has stopped in the case of realisation.

Bond- and certificate debt
When an issue is raised, the bond- and certificate debt is shown in the accounts at the market value of the net proceeds. During subsequent periods, the debt is shown at market value with value change recorded through the profit and loss account.

The market value of the bond- and certificate debt is calculated as the present value initially based on the swap curve for the remaining life, with an addition or a deduction made for the group of issuers in question.

Subordinated loans
Subordinated loans rank behind all other liabilities in priority. Subordinated loans are classified as a liability in the balance sheet and, when raised, are shown in the accounts at the cost price. During subsequent periods, such loans are shown at market value with value change recorded through the profit and loss account.

Deposits/financial liabilities
Most deposits are shown in the accounts at amortised cost. The exception to this rule are deposits linked to a share yield, such deposits being shown in the accounts at market value, with value change recorded in the profit and loss account.

Financial derivatives and hedging
Financial derivatives consist of foreign currency- and interest rate instruments. Financial derivatives are shown in the Group accounts at market value at the time when the derivatives contract is entered into and thereafter at market value at all times, with value change included in the profit and loss account under the accounting item 'Income from financial instruments'.

In practice, the Bank uses financial derivatives mainly for hedging purposes, but hedging accounting is not applied.

Intangible assets
Intangible assets consist of goodwill, rights and electronic data programmes.

Fixed assets
Fixed assets comprise buildings, sites and operations-related chattels. Buildings and operations-related chattels are shown in the accounts at cost price, deductions having been made for depreciation and write-downs. The Bank applies straight-line depreciation reflecting the asset's economic life.

Pensions
The Bank has different pension schemes, which are all benefit schemes. A benefit-related scheme is a pension scheme which provides the right to receive a defined, future benefit once retirement age has been reached. The level of pension is decided by factors such as age, the number of years in employment and the amount of salary. The most comprehensive pension schemes are guaranteed through payment to an insurance company.

The liabilities included in the balance sheet relating to a defined benefit scheme amount to the present value of the defined liability reduced by the market value of the pension resources. The liability is assessed every year by an independent actuary. The present value of future defined benefits is computed by discounting future estimated payments, using interest rates recommended by Norsk Regnskapsstiftelse.

Non-guaranteed liabilities
The Bank issues financial guarantees as part of its ordinary operations. Loss assessment is made as part of the assessment of losses on loans and is reported together with these.

Provisions are made for other non-guaranteed liabilities if it is more likely than not that the liability would materialise, and if the financial consequences can be assessed in a reliable manner. Provisions for restructuring costs are made when the Group has an agreement-related or legal liability.

Tax
Tax included in the profit and loss account consists of tax payable and deferred tax.

Liabilities or assets are calculated in the case of deferred tax on temporary differences, which involve the difference between book value and tax-related value of assets and liabilities.

Segmentation reporting

A segment is a customer category of similar products, services, return and risk. A segment can also be customer groups within a geographical area.

Events occurring after the balance sheet date in question

Events occurring up to the time the accounts are published and which were known on the balance sheet date in question have been taken into consideration in the accounts. Events relating to circumstances which were not known on the balance sheet day will be made known if they are of significant importance.

Use of estimates and assessments relating to accounting principles

Critical estimates and assessments are primarily related to the write-down of individual loans or groups of loans, pension liabilities, depreciation and amortisation, as well as confirmation of market value. Accounting estimates may deviate from the results achieved, but are based on the best estimate available at the time of presenting the accounts.

Note 1

IFRS opening balance sheet as at 01.01.2006 - Parent Bank

	Balance at 31.12.2005 NGAAP	Change in financial instrs.	Reversal of write-up of buildings	Available for sale	Balance at 01.01.2006 - 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
Group-related write-downs	-46				-46
Net loans	**19,056**	**15**	**0**	**0**	**19,071**
Repossessed assets	2				2
Securities	1,879	7		7	1,893
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	1	-4		28
Other assets	63		1		64
Total assets	**21,526**	**118**	**-3**	**7**	**21,648**
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 period tax	80				80
Other liabilities	310				310
Subordinated loan capital					0
Total liabilities	**19,687**	**122**	**0**	**0**	**19,809**
					0
Other equity capital				7	7
Savings Bank's Fund	1,839	-4	-3		1,832
Retained earnings					0
Total equity capital	**1,839**	**-4**	**-3**	**7**	**1,839**
Total liabilities and equity capital	**21,526**	**118**	**-3**	**7**	**21,648**

IFRS opening balance sheet as at 01.01.2006 - Parent Bank

	Balance at 31.12.2006 NGAAP	Change in financial instrs.	Change re equity method	Reversal of write-ups - buildings	Available for sale	Balance at 01.01.2007 - 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
Group-related 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 interests in Group companies	56		-5			51
Equity interests in associated companies	11					11
Intangible assets	10					10
Fixed assets	125			-4		121
Assets relating to tax	29	-2				27
Other assets	109					109
Total assets	**26,133**	**60**	**-5**	**-4**	**19**	**26,203**
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
Ffinancial derivatives		111				111
Liabilities relating to period tax	79					79
Other liabilities	315	-1				314
Subordinated loan capital	300	-1				299
Total liabilities	**24,094**	**58**				**24,152**
						0
Other equity capital					19	19
Savings Bank's Fund	2,039	2	-5	-4		2,032
Retained earnings						0
Total equity capital	**2,039**	**2**	**-5**	**-4**	**19**	2,051
Total liabilities and equity capital	**26,133**	**60**	**-5**	**-4**	**19**	**26,203**

Note 2 - Losses on loans and guarantees

PARENT BANK 31.12.2006	30.09.2006	30.09.2007		GROUP 30.09.2007	30.09.2006	31.12.2006
-9	-3	-11	Change in individual write-downs during the period	-11	-3	-9
7	4	7	Change in group-related write-downs during the period	7	4	7
2	2	8	Period's conf. losses ag. which ind. wr.d. made in prev. years	8	2	2
2	1	1	Period's conf. losses ag. which no ind. wr. d. made in pr. years	1	1	2
3	1	2	Period's recoveries relating to previous confirmed losses	2	1	3
-1	**3**	**3**	**Credit loss cost for the period**	**3**	**3**	**-1**

Note 3 - Commitments in default - bad and doubtful commitments

PARENT BANK 31.12.2006	30.09.2006	30.09.2007		GROUP 30.09.2007	30.09.2006	31.12.2006
141	111	131	Commitments in default	131	111	141
-25	-27	-18	Individual write-downs	-18	-27	-25
116	**84**	**113**	**Net commitments in default**	**113**	**84**	**116**
111	148	110	Other bad and doubtful commitments	110	148	111
-35	-39	-32	Individual write-downs	-32	-39	-35
76	**109**	**78**	**Net bad and doubtful commitments**	**78**	**109**	**76**

Commitments in default are defined as the sum of all a customer's commitments
even if only one loan has been in default for 90 days or more.

Note 4 - Deposits from customers broken down by different industrial, commercial and other sectors

PARENT BANK 31.12.2006	30.09.2006	30.09.2007		GROUP 30.09.2007	30.09.2006	31.12.2006
7,462	7,377	8,138	Retail banking customers	8,138	7,377	7,462
1,386	1,151	1,230	Public sector	1,230	1,151	1,386
219	232	248	Primary industries	248	232	219
2,307	1,005	973	Industry/building/transport	973	1,005	2,307
538	561	660	Retail- and wholesale trade/hotels/restaurants	660	561	538
1,763	1,477	2,549	Real estate	2,539	1,466	1,753
926	848	960	Sundry	960	848	926
14,601	**12,651**	**14,758**	**TOTAL**	**14,748**	**12,640**	**14,591**

Note 5 - Gross loans broken down by different industrial, commercial and other sectors

PARENT BANK 31.12.2006	30.09.2006	30.09.2007		GROUP 30.09.2007	30.09.2006	31.12.2006
13,363	13,000	14,637	Retail banking customers	14,637	13,000	13,363
58	60	50	Public sector	50	60	58
368	374	362	Primary industries	362	374	368
1,497	1,326	1,685	Industry / building / transport	1,685	1,326	1,497
1,435	1,469	1,687	Retail- and wholesale trade / hotels / restaurants	1,687	1,469	1,435
5,111	4,549	6,012	Real estate	5,991	4,530	5,090
404	406	516	Sundry	516	406	404
22,236	**21,184**	**24,949**	**TOTAL GROSS LOANS**	**24,928**	**21,165**	**22,215**
113	112	110	Write-downs on loans	110	112	113
22,123	**21,072**	**24,839**	**TOTAL NET LOANS**	**24,818**	**21,053**	**22,102**

Note 6 - Equity capital movements

PARENT BANK 2006	3. kv. 2006	3. kv. 2007		GROUP 3. kv. 2007	3. kv. 2006	2006
1,839	1,839	2,051	Equity capital as at 01.01	2,062	1,845	1,845
209	160	180	Result	191	165	218
-10			Donations			-10
13		-6	Change in market value of eq. cap. instrs. available for sale	-6		13
			Dividends paid out	-4	-4	-4
2,051	**1,999**	**2,225**	**Equity capital at the end of the period**	**2,243**	**2,006**	**2,062**

Note 7 - Equity and related capital - capital adequacy ratio

	30/09/2007	30/09/2006	31/12/2006
Savings Bank's Fund	2,032	1,832	2,032
Subordinated loan capital	297	300	300
Share of unrealised gains on equity capital instruments available for sale	6	3	9
Intangible assets and overfunded pension liabilities etc.	-43	-44	-43
Share of zero-rated, unamortised estimate discrepancies	26	39	39
Equity and related capital participations in other financial institutions	-11	-2	-5
Net equity and related capital	**2,307**	**2,128**	**2,332**
Weighted asset calculation basis	21,384	17,310	17,993
Capital adequacy ratio	**10.8 %**	**12.3 %**	**13.0 %**

Note 8 - Segmentation reporting

Reporting per segment	**Group as at 30.09.2007**					**Group as at 30.09.2006**				
Profit & Loss Acct. (NOK million)	**Ret. Bkg.**	**Corp. bkg**	**ABCenter**	**Unalloc.**	**Total**	**Ret. Bkg.**	**Corp. bkg.**	**ABCenter**	**Unalloc.**	**Total**
Net interest and cr. comm. income	153	127	2	126	408	176	116	1	77	370
Net other operating income	37	13	82	67	199	36	12	70	49	167
Operating costs	102	83	71	85	341	97	74	58	68	297
Op. result before losses per seg.	**88**	**57**	**13**	**108**	**266**	**115**	**54**	**13**	**58**	**240**
Losses on loans and guarantees	-3	-1		7	3	-1			4	3
Pre-tax result per segment	**91**	**58**	**13**	**101**	**263**	**116**	**54**	**13**	**54**	**237**
Net loans to customers	14,733	10,138		-53	24,818	13,108	8,015		-70	21,053
Other assets			75	4,460	4,535			70	3,286	3,356
Total assets per segment	**14,733**	**10,138**	**75**	**4,407**	**29,353**	**13,108**	**8,015**	**70**	**3,216**	**24,409**
Deposits from and liabs. to customers	8,714	5,981		53	14,748	7,961	4,634		45	12,640
Open account/other liabilities	6,019	4,157	75	2,111	12,362	5,147	3,381	70	1,165	9,763
Total liabilities per segment	**14,733**	**10,138**	**75**	**2,164**	**27,110**	**13,108**	**8,015**	**70**	**1,210**	**22,403**
Equity capital				2,243	2,243				2,006	2,006
Total liabs. and eq. cap. per seg.	**14,733**	**10,138**	**75**	**4,407**	**29,353**	**13,108**	**8,015**	**70**	**3,216**	**24,409**

Reporting per region	**Group as at 30.09.2007**					**Group as at 30.09.2006**				
Profit&Loss Acct. (NOK million)	**Øst**	**Vest**	**ABCenter**	**Unalloc.**	**Total**	**Øst**	**Vest**	**ABCenter**	**Unalloc.**	**Total**
Net interest and cr. comm. income	155	154	2	97	408	154	155	1	60	370
Net other operating income	38	39	82	40	199	36	38	70	23	167
Operating costs	89	96	71	85	341	82	89	58	68	297
Op. result bef. losses per segm.	**104**	**97**	**13**	**52**	**266**	**108**	**104**	**13**	**15**	**240**
Losses on loans and guarantees	-2	-1		6	3	5	-6		4	3
Pre-tax result per segment	**106**	**98**	**13**	**46**	**263**	**103**	**110**	**13**	**11**	**237**
Net loans to customers	11,130	13,516		172	24,818	9,593	11,128		332	21,053
Other assets	84	76	75	4,300	4,535	111	96	70	3,079	3,356
Total assets per segment	**11,214**	**13,592**	**75**	**4,472**	**29,353**	**9,704**	**11,224**	**70**	**3,411**	**24,409**
Deposits from and liabs. to customers	6,657	7,935		156	14,748	5,913	6,547		180	12,640
Open account/other liabilities	4,557	5,657	75	2,075	12,364	3,791	4,677	70	1,225	9,763
Total liabilities per segment	**11,214**	**13,592**	**75**	**2,231**	**27,112**	**9,704**	**11,224**	**70**	**1,405**	**22,403**
Equity capital				2,243	2,243				2,006	2,006
Total liabs. and eq. cap. per seg.	**11,214**	**13,592**	**75**	**4,474**	**29,355**	**9,704**	**11,224**	**70**	**3,411**	**24,409**

Note 9 - Equity stakes in Group companies

At the end of September, the Bank acquired all the shares in Markensgate 9 AS. The company will be consolidated into the Group accounts during the 4th quarter.

QUARTERLY RESULTS

Parent Bank

	3rd q. 2007	2nd q. 2007	1st q. 2007	4th q. 2006	3rd q. 2006	2nd q. 2006
Net interest- and credit commission income	145	134	127	125	128	122
Net other operating income	47	28	40	40	27	28
Operating costs	94	87	87	105	80	82
Operating result before credit losses	**98**	**75**	**80**	**60**	**75**	**68**
Losses on loans, guarantees etc.	3	-1	1	-4	-6	7
Result before taxation cost	**95**	**76**	**79**	**64**	**81**	**61**
Tax payable on ordinary result	29	21	20	18	25	20
Result from ordinary operations after tax	**66**	**55**	**59**	**46**	**56**	**41**

Group

	3rd q. 2007	2nd q. 2007	1st q. 2007	4th q. 2006	3rd q. 2006	2nd q. 2006
Net interest- and credit commission income	146	135	127	127	128	122
Net other operating income	79	57	63	74	53	47
Operating costs	121	109	111	136	101	100
Operating result before credit losses	**104**	**83**	**79**	**65**	**80**	**69**
Losses on loans, guarantees etc.	3	-1	1	-4	-6	7
Result before taxation cost	**101**	**84**	**78**	**69**	**86**	**62**
Tax payable on ordinary result	30	22	20	20	27	20
Result from ordinary operations after tax	**71**	**62**	**58**	**49**	**59**	**42**

Group

As a percentage of average assets	3rd q. 2007	2nd q. 2007	1st q. 2007	4th q. 2006	3rd q. 2006	2nd q. 2006
Net interest- and credit commission income	2.04	1.98	1.92	2.03	2.17	2.13
Net other operating income	1.10	0.83	0.96	1.18	0.90	0.82
Operating costs	1.69	1.6	1.68	2.17	1.71	1.75
Operating result before credit losses	**1.45**	**1.21**	**1.20**	**1.04**	**1.36**	**1.20**
Losses on loans, guarantees etc.	0.04	-0.02	0.02	-0.06	-0.10	0.12
Result before taxation cost	**1.41**	**1.23**	**1.18**	**1.10**	**1.46**	**1.08**
Tax payable on ordinary result	0.42	0.32	0.3	0.32	0.46	0.35
Result from ordinary operations after tax	**0.99**	**0.91**	**0.88**	**0.78**	**1.00**	**0.73**

FINANCIAL HIGHLIGHTS 2003-2007 (GROUP)

From the Profit and Loss Account	30.09.07	30.09.06	2006	2005	2004	2003
Interest- and credit commission income	1,108	718	1,001	772	723	1,034
Interest costs	700	348	504	303	264	601
Net interest- and credit commission income	**408**	**370**	**497**	**469**	**459**	**433**
Net other operating income	199	167	241	234	212	203
Operating costs	341	297	433	397	390	392
Operating result before credit losses	**266**	**240**	**305**	**306**	**281**	**244**
Losses on loans, guarantees etc.	3	3	-1		22	75
Result before taxation cost	**263**	**237**	**306**	**306**	**259**	**169**
Tax payable on ordinary result	72	68	88	85	67	52
Result from ordinary operations after tax	**191**	**169**	**218**	**221**	**192**	**117**

Profit and Loss Account items as a percentage of average assets	30.09.07	30.09.06	2006	2005	2004	2003
Interest- and credit commission income	5.39%	4.19%	4.27%	3.75%	3.88%	6.02%
Interest costs	3.41%	2.03%	2.15%	1.47%	1.42%	3.50%
Net interest- and credit commission income	**1.98%**	**2.16%**	**2.12%**	**2.28%**	**2.46%**	**2.52%**
Net other operating income	0.97%	0.97%	1.02%	1.14%	1.14%	1.18%
Operating costs	1.66%	1.73%	1.84%	1.93%	2.09%	2.28%
Operating result before credit losses	**1.29%**	**1.40%**	**1.30%**	**1.49%**	**1.51%**	**1.42%**
Losses on loans, guarantees etc.	0.01%	0.02%			0.12%	0.44%
Result before taxation cost	**1.28%**	**1.38%**	**1.30%**	**1.49%**	**1.39%**	**0.98%**
Tax payable on ordinary result	0.35%	0.40%	0.37%	0.41%	0.36%	0.30%
Result from ordinary operations after tax	**0.93%**	**0.98%**	**0.93%**	**1.08%**	**1.03%**	**0.68%**
Average assets	27,400	22,872	23,453	20,550	18,623	17,180
From the Balance Sheet						
Assets	29,353	24,409	26,227	21,665	19,358	17,570
Net loans	24,818	21,053	22,102	19,050	17,093	15,539
Deposits from customers	14,748	12,640	14,591	12,235	10,828	10,260
Equity and related capital	2,540	2,306	2,361	1,844	1,629	1,446
Capital adequacy ratio	10.8 %	12.3 %	13.0 %	12.8 %	12.2 %	11.8 %
Other key figures						
Costs as a percentage of income	56.18%	55.31%	58.67%	56.47%	58.12%	61.64%
Deposits as a percentage of loans	59.42%	60.04%	66.02%	64.22%	63.35%	66.03%
Return on equity capital	12.35%	12.33%	11.60%	13.20%	13.30%	8.77%
Number of man-years worked at the Group	409	397	402	389	385	404