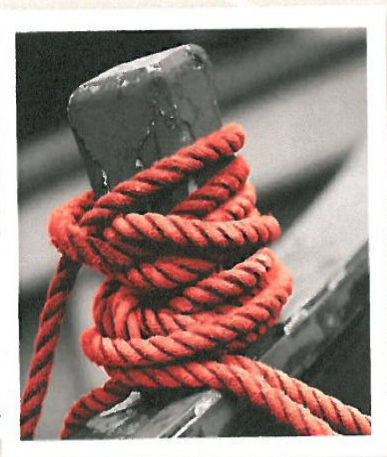
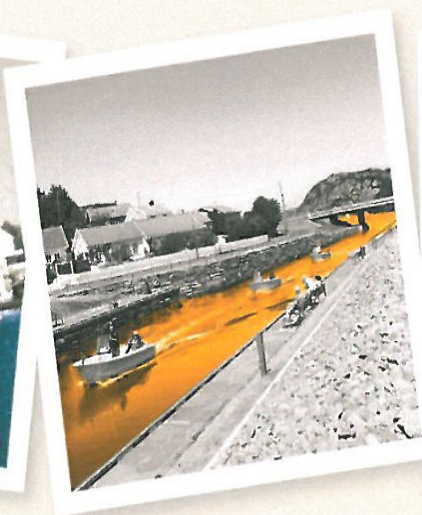


Pluss Boligkreditt AS



Interim Report Q2 2011

QUARTERLY REPORT 30.06.2011

The organisation

Pluss Boligkreditt AS is a wholly owned subsidiary of Sparebanken Pluss, and the company's business is managed from Kristiansand. The company is licensed by the Financial Supervisory Authority of Norway to operate as a mortgage company and is allowed to issue covered bonds. Pluss Boligkreditt AS is a part of Sparebanken Pluss' long-term financial strategy, according to which the company's main objective is the issuance of covered bonds to both national and international investors. The share capital is owned by Sparebanken Pluss, and the company is accordingly included in the Sparebanken Pluss Group.

The cover pool primarily comprises mortgage home loans which have been granted by Sparebanken Pluss and fulfil the requirements for being included in the cover pool. An important requirement is that any loan balance taken over by the company may not exceed 75% of the mortgaged property's market value at the time of acquisition.

As of 30 June 2011, a home loan portfolio amounting to MNOK 9,334 had been transferred from Sparebanken Pluss to Pluss Boligkreditt AS. The loan portfolio was included in the company's cover pool, and Pluss Boligkreditt AS had issued covered bonds of MNOK 8,400.

Profit and balance sheet performance

The financial statements for Pluss Boligkreditt AS show a profit after tax of MNOK 16,4 as of 30 June 2011, compared to MNOK 14,4 mill. for the corresponding period last year. The company had interest income amounting to MNOK 173,4 mill. (MNOK 101,3 mill.), and interest expenses amounted to MNOK 144,6 mill. (MNOK 76,7 mill.). Operating expenses amounted to MNOK 6,2 mill (MNOK 4,7 mill.) and taxes amounted to MNOK 6,4 mill. (MNOK 5,6 mill.).

Total assets as of 30 June 2011 amounted to MNOK 9.343 (MNOK 6.757) of which net lending to customers amounted to MNOK 9.334. (MNOK 6.700). The loan portfolio was financed through issuance of bonds with a face value of MNOK 8.400 and an Overdraft Facility with Sparebanken Pluss. As of 30 June 2011 the company had a share capital of MNOK 450 which was fully paid. The share capital was increased from MNOK 300 to MNOK 450 mill. in Q2 2011, but the change was not registered in the Brønnøysund Register Centre (Foretaksregisteret) by the end of Q2.

Pluss Boligkreditt AS has an Overdraft Facility amounting to MNOK 3.000 with Sparebanken Pluss of which MNOK 409 had been drawn as of 30 June 2011.

Solvency

Total equity in the company amounted to MNOK 495,8 at the end of Q2. This corresponds to a capital adequacy / core (tier 1) capital ratio of 13,72 %. The capital adequacy ratio has been calculated using the Standard Approach in the Basel II rules and regulations. The Board considers that the financial strength is very good.

Risk

Its licence as a mortgage company means Pluss Boligkreditt AS is subject to a number of acts, regulations, recommendations and regulatory provisions.

The objective of the company is to finance lending activities through the issuance of covered bonds. This means that Pluss Boligkreditt AS strives to ensure that risk is kept at a low level. The company emphasises to identify measure and control risk elements in such a way that the market has confidence in the company, and that the company can achieve high rating on the covered bonds that are issued.

In the company's credit strategy and credit policy, a framework has been established regulating loans that may be granted by the company. The credit policy gives in addition guidelines regarding

requirements imposed on borrowers, as well as collateral requirements for loans that are transferred to Pluss Boligkreditt AS.

The Board considers the overall quality of the lending portfolio to be very good and the credit risk to be low.

The company's bank loans and deposits were in Norwegian Kroner at floating interest rates. By the end of Q2, the company had issued floating rate notes (FRN) in Norwegian Kroner only. Pluss Boligkreditt AS has no positions in foreign currency by the end of Q2. The Board considers the overall market risk to be low.

Pluss Boligkreditt AS issues bonds with a soft call, which gives the company an option to extend the loan by 12 months beyond the maturity date. Further financial needs are covered by equity and a Revolving Multicurrency Loan Facility with Sparebanken Pluss.

The Board considers the company's liquidity risk to be low.

The operations in the company are handled by employees in Sparebanken Pluss according to a Management Service Agreement between the company and the bank covering administration and production, including EDP operation and finance and risk management.

The Board considers the operational risk to be low.

Rating

Covered bonds issued by Pluss Boligkreditt AS are rated Aaa by Moody's.

Future prospects

Pluss Boligkreditt AS intends to acquire further loans from Sparebanken Pluss, and it is the company's intention to issue covered bonds in both the national and the international bond market.

30 June 2011

Kristiansand, 16 August 2011

The Board of Directors of Pluss Boligkreditt AS

Stein A. Hannevik
Chairman of the Board

Lasse Kvinlaug
Board member

Marianne Lofthus
Board member

Tone Solheim Grøsle
Board member

Bjørn A. Friestad
CEO

INCOME STATEMENT

NOT AUDITED

Amounts in NOK 1000	30.06.11	30.06.10	31.12.10
Total interest income 2, 10	173.432	101.288	238.895
Total interest expenses 3, 10	144.598	76.674	188.275
NET INTEREST INCOME	28.833	24.614	50.619
Commissions and fees receivable etc	42	47	73
Commissions and fees payable etc	2.500	0	4.623
Net change in value of debt securities and related derivatives	2.607	0	0
NET OTHER OPERATING INCOME	149	47	-4.551
General administration expenses	1.346	965	8.417
Depreciation	189	189	377
Other operating expenses 10	4.703	3.519	1.724
TOTAL OPERATING EXPENSES	6.238	4.673	10.518
PROFIT BEFORE WRITE-DOWNS AND TAX	22.745	19.988	35.551
Write-downs on loans and guarantees	0	0	0
PRE-TAX OPERATING PROFIT	22.745	19.988	35.551
Taxes 4	6.369	5.597	10.015
PROFIT FOR THE PERIOD AFTER TAX	16.376	14.391	25.535

Extended income statement according to IAS 1

	16.376	14.391	25.535
PROFIT FOR THE PERIOD AFTER TAX	16.376	14.391	25.535
Corrections in equity	0	0	0
TOTAL RESULT FROM ORDINARY OPERATIONS AFTER TAX	16.376	14.391	25.535

Quarterly result

Amounts in NOK 1000	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Total interest income	86.669	86.763	71.707	65.900	55.705
Total interest expenses	72.887	71.711	58.233	53.369	43.845
NET INTEREST INCOME	13.782	15.051	13.475	12.531	11.860
Commissions and fees receivables etc	21	20	15	11	29
Commissions and fees payable etc	1.250	1.250	4.623	0	0
Net change in value of debt securities and related derivatives	-193	2.800	0	0	0
NET OPERATING INCOME	-1.421	1.570	-4.608	11	29
General administration expenses	624	722	796	551	559
Depreciation	94	94	94	94	94
Other operating expenses	1.394	3.309	2.381	1.927	2.152
TOTAL OPERATING EXPENSES	2.112	4.125	3.272	2.573	2.805
PROFIT BEFORE WRITE-DOWNS AND TAX	10.248	12.497	5.594	9.969	9.085
Write-downs on loans	0	0	0	0	0
PRE-TAX OPERATING PROFIT	10.248	12.497	5.594	9.969	9.085
Taxes	2.870	3.499	1.628	2.791	2.544
PROFIT FOR THE PERIOD AFTER TAX	7.379	8.997	3.967	7.178	6.541

Extended income statement according to IAS 1

	7.379	8.997	3.967	7.178	6.541
PROFIT FOR THE PERIOD AFTER TAX	7.379	8.997	3.967	7.178	6.541
Corrections in equity	0	0	0	0	0
TOTAL RESULT FROM ORDINARY OPERATIONS AFTER TAX	7.379	8.997	3.967	7.178	6.541

BALANCE SHEET

Amounts in NOK 1000		NOT AUDITED		
ASSETS		30.06.11	30.06.10	31.12.10
Lending to and deposits with credit institutions	10	0	52.095	0
Lending to customers	5	9.334.126	6.699.676	9.348.834
- Individual write-downs		0	0	0
- Collective write-downs		0	0	0
Net lending to customers	5	9.334.126	6.699.676	9.348.834
Deferred tax assets		0	0	0
Fixed assets		950	1.328	1.139
Pre-payment and accrued income		8.142	4.003	6.896
TOTAL ASSETS		9.343.218	6.757.101	9.356.869
LIABILITIES AND EQUITY				
Loans and deposits from credit institutions	10	408.989	0	588.835
Debt securities issued	7	8.396.047	6.396.949	8.396.709
Payable taxes	4	6.561	13.475	10.047
Accrued expenses and pre-paid income		19.422	12.020	15.455
Deferred taxes		23	2	23
TOTAL LIABILITIES		8.831.042	6.422.446	9.011.069
EQUITY				
Share capital		450.000	300.000	300.000
Equity capital accumulated through retained earnings		62.176	34.655	45.800
TOTAL EQUITY		512.176	334.655	345.800
TOTAL LIABILITIES AND EQUITY		9.343.218	6.757.101	9.356.869

30 June 2011
Kristiansand, 16 August 2011

The Board of Directors of Pluss Boligkreditt AS

Stein A. Hannevik
Chairman of the Board

Lasse Kvinlaug
Board member

Marianne Lofthus
Board member

Tone S. Grøsle
Board member

Bjørn A. Friestad
CEO

Statement of changes in equity

Amounts in NOK 1000	Share capital	Other equity	Total equity
Balance sheet as of 01 January 2010	200.000	20.264	220.264
Profit for the period	0	7.850	7.850
Balance sheet as of 30 June 2010	200.000	28.114	228.114
Share issue 31 July 2010	100.000	0	100.000
Profit for the period	0	17.686	17.686
Balance as of 31 December 2010 / 01 January 2011	300.000	45.800	345.800
Change in share capital adopted 24 May 2011 not registered	150.000	0	150.000
Profit for the period	0	16.376	16.376
Balance as of 30 June 2011	450.000	62.176	512.176

The change in share capital adopted by the general assembly, is fully paid, but not registered in the Brønnøysund Register Centre by the end of Q2.

Cash flow statement

NOT AUDITED			
Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
Operations			
Interest, commissions and fees received from customers	172.186	100.528	235.241
Interest, commissions and fees paid	-140.631	-68.812	-177.073
Other income	42	48	73
Other payments	-8.495	-4.485	-14.711
Net changes in lending to customers	14.708	-1.767.985	-4.417.142
Taxes paid	-10.047	0	-7.878
Net cash flows from operations	27.763	-1.740.706	-4.381.491
Cash flows from investment activities			
Changes in lending to and deposits with credit institutions	0	0	0
Net changes in securities	0	0	0
Net receipts from sales of fixed assets	0	0	0
Payments related to purchase of fixed assets	0	0	0
Changes in other claims	0	0	0
Net cash flows from investment activities	0	0	0
Cash flows from funding activities			
Net changes in deposits from customers	0	0	0
Net changes in deposits from Norges Bank and other financial institutions	0	0	0
Net issue of bonds	2.084	1.496.855	3.496.709
Changes in short-term liabilities	0	0	0
Issue of subordinated loan capital	0	0	0
Dividend payments	0	0	0
Issue of share capital	150.000	100.000	100.000
Net cash flows from funding activities	152.084	1.596.855	3.596.709
Net change in cash and cash equivalents + / -	179.847	-143.851	-784.782
Liquid assets as of 1 January	-588.836	195.946	195.946
Liquid assets as of 30 June	-408.989	52.095	-588.836

NOTES

Note 1 – Accounting principles

The Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) which is adopted by EU. The financial statements for 2010 have been prepared in accordance with the Regulations on Simplified Application of International Accounting Standards.

Due to changes in the Norwegian act of Accounting, Pluss Boligkreditt AS can not use the Ministry of Finance's Regulations on Annual Accounts concerning the simplified application of international accounting standards from 1 January 2011 (called simplified IFRS in the Annual Report 2010). Hence Pluss Boligkreditt AS must prepare the financial statements in accordance with full IFRS. Pluss Boligkreditt AS is part of the Sparebanken Pluss Group, which is using the same accounting principles.

The Interim Report is not audited.

All the amounts stated in the accounts are stated in NOK thousands, unless specifically stated otherwise. The company prepares its accounts in Norwegian kroner.

Note 2 – Interest income

Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
<i>Interest income from financial instruments:</i>			
Interest on loans to and deposits with credit institutions	0	1.293	1.643
Interest on loans to customers	173.432	99.995	237.251
Total interest income	173.432	101.288	238.895

Note 3 – Interest expenses

Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
<i>Interest expenses from financial instruments:</i>			
Interest on loans and deposits from credit institutions	9.222	327	4.213
Interest on debt securities issued	135.377	76.347	183.822
Other interest expenses	0	0	241
Total interest expenses	144.598	76.674	188.275

Note 4 - Taxes

Tax expenses during the year are accrued based on an estimate of tax expenses on an annual basis.

Note 5 – Loans

Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
<i>Loans assessed at amortised cost</i>			
Overdraft Facilities (Fleksilån)	5.027.869	3.459.478	4.466.031
Repayment loans	4.306.257	3.240.199	4.882.803
Total loans to customers valued at amortised cost	9.334.126	6.699.676	9.348.834

Undrawn limits (committed) on Overdraft Facilities (Fleksilån) are NOK 1 391 338 as of 30 June 2011, NOK 1 037 001 as of 30 June 2010 and NOK 1 249 063 as of 31 December 2010.

Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
<i>Loans according to sectors</i>			
Retail customers	9.253.343	6.654.763	9.270.286
Various industries lending *)	80.783	44.913	78.548
Total loans	9.334.126	6.699.676	9.348.834

**) Various industries lending is home loans to customers in sector 790, "self-employed"*

Amounts in NOK 1000	30.06.2011		30.06.2010		31.12.2010	
<i>Loans according to geographical location</i>						
Vest-Agder	6.245.347	66,9 %	4.685.451	69,9 %	6.524.765	69,8 %
Aust-Agder	1.543.473	16,5 %	1.049.262	15,7 %	1.530.162	16,4 %
Oslo	618.920	6,6 %	317.559	4,7 %	535.466	5,7 %
Akershus	278.127	3,0 %	207.899	3,1 %	235.840	2,5 %
Rogaland	198.933	2,1 %	151.253	2,3 %	182.064	1,9 %
Øvrige fylker	449.326	4,8 %	288.252	4,3 %	340.537	3,6 %
Total loans geographical location	9.334.126	100 %	6.699.676	100 %	9.348.834	100 %

Note 6 – Non-performing commitments

Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
Gross non-performing commitments			
31 - 60 days	0	0	3.144
61 - 90 days	0	0	0
Over 90 days	0	0	0
Total non-performing commitments	0	0	3.144

Note 7 – Debt securities issued

THE MATURITY STRUCTURE OF LIABILITIES

Amounts in NOK 1000		Amortised cost	Nominal value	Market reference	Repayment profile	Maturity
<i>Funding</i>	<i>Ticker</i>					
NO0010572118	PLBK01	998.146	1.000.000	NIBOR 3 mnd + 0,55	Avdragsfritt	25.04.15
NO0010503428	PLBK06	1.000.000	1.000.000	NIBOR 3 mnd + 0,45	Avdragsfritt	28.09.15
NO0010575210	PLBK02	499.318	500.000	NIBOR 3 mnd + 0,62	Avdragsfritt	26.11.15
NO0010593437	PLBK03	999.541	1.000.000	NIBOR 3 mnd + 0,63	Avdragsfritt	14.12.15
NO0010520406	PLBK05	1.000.000	1.000.000	NIBOR 3 mnd + 0,60	Avdragsfritt	16.03.16
NO0010605801	PLBK10	999.042	1.000.000	NIBOR 3 mnd + 0,55	Avdragsfritt	30.03.16
NO0010503410	PLBK09	900.000	900.000	NIBOR 3 mnd + 0,50	Avdragsfritt	26.09.16
NO0010512502	PLBK08	1.000.000	1.000.000	NIBOR 3 mnd + 0,60	Avdragsfritt	12.12.16
NO0010515406	PLBK07	1.000.000	1.000.000	NIBOR 3 mnd + 0,65	Avdragsfritt	16.03.17
Total debt securities issued		8.396.047	8.400.000			

Of total debt securities issued, MNOK 5 400 is issued to Sparebanken Pluss, of which MNOK 4 326 is used in the swap arrangement with Norwegian authorities.

Note 8 – Cover pool and loan to value

Amounts in NOK 1000	30.06.2011	30.06.2010	31.12.2010
Cover pool			
Pool of eligible loans	9.322.138	6.699.676	9.348.834
Supplementary assets	0	52.098	0
Total collateralised assets	9.322.138	6.751.774	9.348.834
Over-collateralisation	111,0 %	105,5 %	111,3 %
Average (weighted) Loan to Value (%)	50,3 %	53,0 %	49,9 %

Note 9 – Capital adequacy

The capital ratio should minimum be 8 %. Intangible assets should not be included in core capital, and the calculation basis for the capital ratio is risk-weighted.

	30.06.11	30.06.10	31.12.10
Core capital ratio	13,72 %	12,35 %	9,64 %
Capital ratio	13,72 %	12,35 %	9,64 %
Minimum capital requirement	289.111	207.479	287.069
Risk-weighted assets	3.613.888	2.593.488	3.588.363
Total equity	495.799	320.262	345.799
Core capital	495.799	320.262	345.799
-Share capital	450.000	300.000	300.000
-Equity accumulated through retained earnings	45.799	20.264	45.799
-Deferred taxes	0	-2	0
Minimum capital requirements	289.111	207.479	287.069
-Commitments involving mortgage in residential property	281.518	202.260	279.476
-Capital requirement according to operational risk (basic)	7.593	5.219	7.593

Note 10 – Information on related parties

Pluss Boligkreditt AS is a wholly owned subsidiary of Sparebanken Pluss. All transactions with related parties are entered into on market terms.

Amounts in NOK 1000	30.06.11	30.06.10	31.12.10
Interest income			
Sparebanken Pluss - Parent company	0	1.293	1.643
Net change in value of debt securities and related derivatives			
Sparebanken Pluss - Parent company (2)	2.800	0	0
Interest expenses			
Sparebanken Pluss - Parent company (1)	104.084	69.324	155.187
Commissions and fees			
Sparebanken Pluss - Parent company	2.500	0	4.623
Other operating expenses			
Sparebanken Pluss - Parent company	1.690	2.834	8.127
Outstanding claims			
Sparebanken Pluss - Parent company	0	52.095	0
Liabilities			
Sparebanken Pluss - Parent company	408.989	0	588.835

(1) Of total interest expenses of NOK 104,084 mill. is NOK 94, 862 mill. interest expenses on Covered Bonds.

(2) In March 2011 Pluss Boligkreditt AS redeemed a covered bond which was owned by Sparebanken Pluss. The redemption took place on market terms, and triggered a gain for Pluss Boligkreditt AS of MNOK 2,800.

All mortgage loans in Pluss Boligkreditt AS are transferred with derecognition in Sparebanken Pluss.