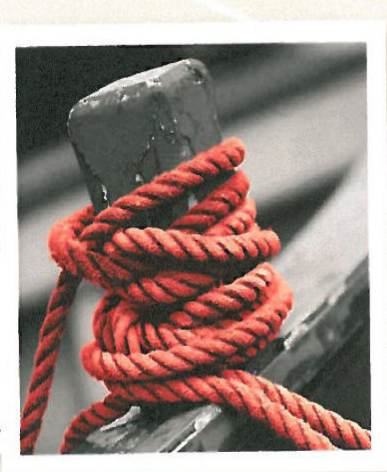


Pluss Boligkreditt AS



Interim Report Q3 2012
(not audited)

QUATERLY REPORT 30.09.2012

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. 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 which fulfil the requirements for being included in the cover pool. One 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 September 2012, a home loan portfolio amounting to MNOK 10,242 has 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 9,150.

Profit and balance sheet performance

The financial statements for Pluss Boligkreditt AS show a profit after tax of MNOK 57 as of 30 September 2012, compared to MNOK 27 for the corresponding period last year. The company has interest income amounting to MNOK 311 (MNOK 270), and interest expenses amounting to MNOK 222 (MNOK 223). Operating expenses amount to MNOK 7 (MNOK 8) and taxes amount to MNOK 22 (MNOK 10). The reason for the significant improvement in results is mainly due to changes in funding costs as NIBOR has fallen significantly.

Total assets as of 30 September 2012 amount to MNOK 10,251 (MNOK 9,358) of which net lending to customers amount to MNOK 10,242 (MNOK 9,348). The loan portfolio is financed through issuance of bonds with a face value of MNOK 9,150 and an Overdraft Facility with Sparebanken Pluss. As of 30 September 2012 the company has a share capital of MNOK 450 which was fully paid.

Pluss Boligkreditt AS has an Overdraft Facility amounting to MNOK 3,000 with Sparebanken Pluss of which MNOK 500 has been drawn as of 30 September 2012.

Solvency

Total equity in the Company amounted to MNOK 514 at the end of Q3 2012. This corresponds to a capital adequacy/core (tier 1) capital ratio of 12.76 %. The capital adequacy ratio has been calculated using the Standard Approach of the Basel II rules and regulations.

After recommendation from the Board, the General Assembly has approved a payment of extraordinary dividend of MNOK 36.3. No objections have been presented after the creditor notification deadline, and the dividend will be paid in Q4 2012. The Company will still have a solid capital adequacy, and the Board considers that the financial strength is very good.

Risk

As a licenced mortgage company, 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 with high rating. 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 assets and liabilities are in Norwegian Kroner at floating interest rates. By the end of Q3, 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 Q3 2012. 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

The Board expects that the Company's operating result will develop in a satisfactory way for the rest of the year.

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 September 2012

Kristiansand 24 October 2012

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

NOK 1 000		30.09.12	30.09.11	31.12.11
Total interest income	2, 10	311.170	269.618	368.115
Total interest expenses	3, 10	221.663	223.016	305.401
NET INTEREST INCOME		89.507	46.603	62.714
Commissions receivable		63	62	79
Commissions payable		3.750	3.750	5.000
Net change in value of debt securities and related derivatives		250	2.297	2.550
NET OTHER OPERATING INCOME		-3.438	-1.391	-2.370
General administration expenses		1.842	1.910	2.497
Depreciation		283	283	377
Other operating expenses	10	4.397	5.795	7.022
TOTAL OPERATING EXPENSES		6.522	7.988	9.896
PROFIT BEFORE LOSSES		79.548	37.224	50.447
Write-downs on loans		0	0	0
OPERATING PROFIT		79.548	37.224	50.447
Taxes	4	22.273	10.423	14.125
PROFIT FOR THE PERIOD AFTER TAX		57.274	26.801	36.322

Other comprehensive income

PROFIT FOR THE PERIOD AFTER TAX		57.274	26.801	36.322
Other comprehensive income		0	0	0
TOTAL PROFIT		57.274	26.801	36.322

Quarterly result

NOK 1 000	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Total interest income	104.535	105.850	100.785	98.496	96.187
Total interest expenses	70.588	72.580	78.494	82.385	78.417
NET INTEREST INCOME	33.947	33.270	22.291	16.111	17.769
Commissions receivable	18	26	19	17	20
Commissions payable	1.250	1.250	1.250	1.250	1.250
Net change in value of debt securities and related derivatives	0	735	-485	253	-310
NET OPERATING INCOME	-1.232	-489	-1.716	-980	-1.540
General administration expenses	608	605	629	587	564
Depreciation	94	95	94	94	94
Other operating expenses	1.010	1.376	2.011	1.227	1.092
TOTAL OPERATING EXPENSES	1.712	2.075	2.735	1.908	1.750
PROFIT BEFORE LOSSES	31.002	30.706	17.839	13.223	14.479
Write-downs on loans	0	0	0	0	0
OPERATING PROFIT	31.002	30.706	17.839	13.223	14.479
Taxes	8.680	8.598	4.995	3.703	4.054
PROFIT FOR THE PERIOD AFTER TAX	22.322	22.108	12.844	9.521	10.425

Other comprehensive income

PROFIT FOR THE PERIOD AFTER TAX	22.322	22.108	12.844	9.521	10.425
Other comprehensive income	0	0	0	0	0
TOTAL PROFIT	22.322	22.108	12.844	9.521	10.425

BALANCE SHEET

NOK 1 000				
ASSETS		30.09.12	30.09.11	31.12.11
Lending to and deposits with credit institutions	10	0	0	0
Lending to customers	5	10.242.106	9.348.040	9.568.339
- Individual write-downs		0	0	0
- Collective write-downs		0	0	0
Net lending to customers	5	10.242.106	9.348.040	9.568.339
Deferred tax assets		93	0	93
Fixed assets		479	856	762
Pre-paid costs, not incurred -accrued income, not yet received		8.741	8.997	10.534
TOTAL ASSETS		10.251.419	9.357.893	9.579.728
LIABILITIES AND EQUITY				
Debt to credit institutions	10	499.655	403.771	636.809
Debt securities issued	7	9.146.250	8.396.239	8.396.431
Other liabilities		0	503	250
Payable taxes	4	22.273	10.423	7.120
Incurrred costs and income received, not yet accrued		12.205	24.333	25.374
Deferred taxes		0	23	0
TOTAL LIABILITIES		9.680.383	8.835.292	9.065.966
EQUITY				
Share capital		450.000	450.000	450.000
Equity capital accumulated through retained earnings		121.036	72.601	63.762
TOTAL EQUITY		571.036	522.601	513.762
TOTAL LIABILITIES AND EQUITY		10.251.419	9.357.893	9.579.728

30 September 2012
Kristiansand 24 October 2012

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

NOK 1 000	Aksjekapital	Annen EK	Sum
Balance sheet as of 1 January 2011	300.000	45.800	345.800
Profit for the period	0	26.801	26.801
2011	150.000	0	150.000
Balance sheet as of 30 September 2011	450.000	72.601	522.601
Group contributions 2011	0	-18.360	-18.360
Profit for the period	0	9.521	9.521
Balance sheet as of 31 December 2011 / 1 January 2012	450.000	63.762	513.762
Profit for the period	0	57.274	57.274
Balance sheet as of 30 September 2012	450.000	121.036	571.036

Cash flow statement

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
Operations			
Interest, commissions and fees received from customers	312.963	267.518	364.477
Interest, commissions and fees paid	-234.833	-214.137	-295.481
Other income	63	62	79
Other payments	-10.272	-11.495	-14.653
Net changes in lending to customers	-673.485	795	-219.647
Taxes paid	-7.101	-10.047	-10.047
Net cash flows from operations	-612.665	32.695	-175.273
Cash flows from investment activities			
Net cash flows from investment activities	0	0	0
Cash flows from funding activities			
Net issue of bonds	749.818	2.370	2.800
Payment of group contributions	0	0	-25.500
Issue of share capital	0	150.000	150.000
Net cash flows from funding activities	749.818	152.370	127.300
Net change in cash and cash equivalents + / -	137.154	185.065	-47.973
Liquid assets as of 1 January	-636.809	-588.836	-588.836
Liquid assets as of 31 December	-499.655	-403.771	-636.809

NOTES

Note 1 – Accounting principles

The Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) which is adopted by EU. 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 – Net interest income

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
<i>Interest income from financial instruments assessed at amortised cost:</i>			
Interest on loans to and deposits with credit institutions	0	0	0
Interest on loans to customers	311.170	269.618	368.115
Total interest income	311.170	269.618	368.115

Note 3 – Interest expenses

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
<i>Interest expenses from financial instruments assessed at amortised cost:</i>			
Interest on loans and deposits from credit institutions	11.334	12.992	17.132
Interest on debt securities issued	210.328	210.024	288.269
Other interest expenses	0	0	0
Total interest expenses	221.663	223.016	305.401

Note 4 - Taxes

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

Note 5 – Loans

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
<i>Loans assessed at amortised cost</i>			
Overdraft Facilities (Fleksilån)	5.228.134	5.065.621	5.027.254
Repayment loans	5.013.972	4.282.419	4.541.085
Total loans to customers valued at amortised cost	10.242.106	9.348.040	9.568.339
<i>Unused credit facilities on approved credits (Fleksilån)</i>	<i>1.499.893</i>	<i>1.410.203</i>	<i>1.406.000</i>

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
<i>Loans according to sectors</i>			
Retail customers	10.146.055	9.270.857	9.490.789
Various industries lending *)	96.051	77.183	77.550
Total loans	10.242.106	9.348.040	9.568.339

*) Various industries lending are home loans to customers in sector 8200, "self-employees".

NOK 1 000	30.09.2012		30.09.2011		31.12.2011	
<i>Loans according to geographical distribution</i>						
Vest-Agder	6.790.894	66,3 %	6.305.755	67,5 %	6.442.461	67,3 %
Aust-Agder	1.789.485	17,5 %	1.492.937	16,0 %	1.597.180	16,7 %
Oslo	622.625	6,1 %	623.863	6,7 %	589.253	6,2 %
Akershus	325.736	3,2 %	261.286	2,8 %	262.781	2,7 %
Rogaland	196.837	1,9 %	201.323	2,2 %	186.945	2,0 %
Other counties	516.529	5,0 %	462.876	5,0 %	489.719	5,1 %
Total loans geographical distribution	10.242.106	100 %	9.348.040	100 %	9.568.339	100 %

Note 6 – Non-performing commitments

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
Gross non-performing commitments			
31 - 60 days	0	0	971
61 - 90 days	0	0	0
Over 90 days	0	0	0
Total non-performing commitments	0	0	971

Note 7 - Debt securities issued

MATURITY STRUCTURE OF ISSUED BONDS

NOK 1 000		Amortised cost	Nominal value	Interest rate type	Payment profile	Maturity
<i>Funding</i>	<i>Ticker</i>					
NO0010503428	PLBK06	1.000.000	1.000.000	Flytende	Avdragsfritt	26.09.14
NO0010520406	PLBK05	1.000.000	1.000.000	Flytende	Avdragsfritt	16.03.15
NO0010572118	PLBK01	998.650	1.000.000	Flytende	Avdragsfritt	23.04.15
NO0010503410	PLBK09	900.000	900.000	Flytende	Avdragsfritt	28.09.15
NO0010575210	PLBK02	499.483	500.000	Flytende	Avdragsfritt	26.11.15
NO0010593437	PLBK03	999.650	1.000.000	Flytende	Avdragsfritt	14.12.15
NO0010512502	PLBK08	1.000.000	1.000.000	Flytende	Avdragsfritt	12.12.15
NO0010515406	PLBK07	1.000.000	1.000.000	Flytende	Avdragsfritt	16.03.16
NO0010605801	PLBK10	999.259	1.000.000	Flytende	Avdragsfritt	30.03.16
NO0010641624	PLBK11	749.208	750.000	Flytende	Avdragsfritt	28.03.17
Total covered bonds		9.146.250	9.150.000			

According to the specified maturity dates, the covered bond agreements contain a clause with a soft call, which gives the company an option to extend the loan by 12 months beyond the maturity date.

Of total debt securities issued, MNOK 4 326 is issued to Sparebanken Pluss, of which MNOK 4 152 is used in the swap arrangement with Norwegian authorities.

Note 8 – Cover pool and loan to value

NOK 1 000	30.09.2012	30.09.2011	31.12.2011
Cover pool			
Pool of eligible loans	10.233.246	9.335.823	9.500.305
Supplementary assets	0	0	0
Total collateralised assets	10.233.246	9.335.823	9.500.305
Over-collateralisation	111,8 %	111,1 %	113,1 %
Average (weighted) Loan to Value (%)	48,8 %	50,6 %	51,6 %

Note 9 – Capital adequacy

The capital ratio should minimum be 8 %, and from 1 July 2012 it is assumed that the Company at least shall have a core capital ratio of 9 %. The Company has a goal to have a capital adequacy ratio beyond the minimum requirement, and this shall ensure that the Company has the necessary buffer capital for events that are in addition to any ordinary loss write-downs.

Pluss Boligkreditt AS uses the Standard Approach for credit- and market risk and the Basic Approach for operational risk for calculating capital adequacy under the current capital adequacy rules – Basel II.

NOK 1 000	30.09.12	30.09.11	31.12.11
Core capital ratio	12,76 %	13,69 %	13,30 %
Capital ratio	12,76 %	13,69 %	13,30 %
Minimum capital requirement	322.083	289.754	310.624
Risk-weighted assets	4.026.038	3.621.925	3.882.800
Total equity	513.762	495.799	513.761
Core capital	513.762	495.799	513.761
- Share capital	450.000	450.000	450.000
- Equity accumulated through retained earnings	63.762	45.799	63.761
Minimum capital requirements	322.083	289.754	309.096
-Commitments involving mortgage in residential property	315.023	282.161	303.031
-Capital requirement according to operational risk (basic)	7.060	7.593	6.065

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.

NOK 1 000	30.09.12	30.09.11	31.12.11
Interest income			
Sparebanken Pluss - Parent company	0	0	0
Net change in value of debt securities and related derivatives			
Sparebanken Pluss - Parent company (2)	0	2.800	2.800
Interest expenses			
Sparebanken Pluss - Parent company (1)	115.174	150.815	197.033
Commissions and fees			
Sparebanken Pluss - Parent company	3.750	3.750	5.000
Other operating expenses			
Sparebanken Pluss - Parent company	2.535	2.581	3.426
Outstanding claim			
Sparebanken Pluss - Parent company	0	0	0
Liabilities			
Sparebanken Pluss - Parent bank	499.655	403.771	636.809

(1) Of total interest expenses of MNOK 115.2, MNOK 103.8 is interest expenses on Covered Bonds. All mortgage loans in Pluss Boligkreditt AS is transferred with derecognition in Sparebanken Pluss.