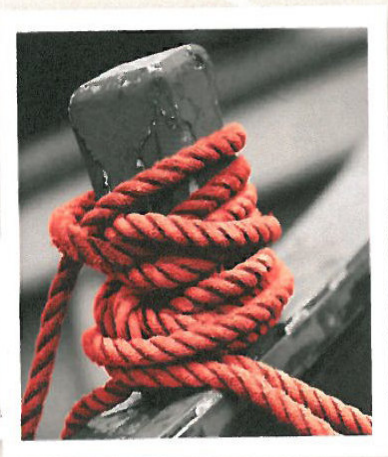
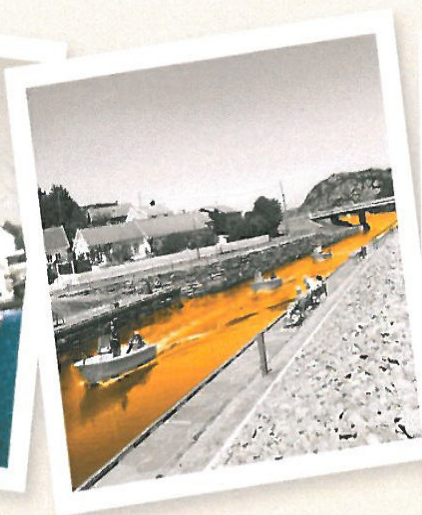


Pluss Boligkreditt AS



Interim Report Q4 2011

QUARTERLY REPORT 31.12.2011

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 31 December 2011, a home loan portfolio amounting to MNOK 9,568 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 36,3 as of 31 December 2011, compared to MNOK 25,5 for the corresponding period last year. The company had interest income amounting to MNOK 368,1 (MNOK 238,9 mill.), and interest expenses amounted to MNOK 305,4 (MNOK 188,3). Operating expenses amounted to MNOK 9,9 (MNOK 10,5) and taxes amounted to MNOK 14,1 (MNOK 10,0).

Total assets as of 31 December 2011 amounted to MNOK 9.579 (MNOK 9.357) of which net lending to customers amounted to MNOK 9.568 (MNOK 9.349). 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 31 December 2011 the company had 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 636,8 had been drawn as of 31 December 2011.

Solvency

Total equity in the company amounted to MNOK 513,7 at the end of Q4. This corresponds to a capital adequacy / core (tier 1) capital ratio of 13,30 %. 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 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 bank loans and deposits were in Norwegian Kroner at floating interest rates. By the end of Q4, 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 Q4. 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.

31 December 2011

Kristiansand, 9 February 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

		not audited	
NOK 1 000		31.12.11	31.12.10
Total interest income	2 , 10	368.115	238.895
Total interest expenses	3 , 10	305.401	188.275
NET INTEREST INCOME		62.714	50.619
Commissions receivable		79	73
Commissions payable		5.000	4.623
Net change in value of debt securities and related derivatives		2.550	0
NET OTHER OPERATING INCOME		-2.370	-4.551
General administration expenses		2.497	8.417
Depreciation		377	377
Other operating expenses	10	7.022	1.724
TOTAL OPERATING EXPENSES		9.896	10.518
PROFIT BEFORE LOSSES		50.447	35.551
Write-downs on loans		0	0
OPERATING PROFIT		50.447	35.551
Taxes	4	14.125	10.015
PROFIT FOR THE PERIOD AFTER TAX		36.322	25.535

Other comprehensive income

PROFIT FOR THE PERIOD AFTER TAX	36.322	25.535
Other comprehensive income	0	0
TOTAL PROFIT	36.322	25.535

Quarterly result

NOK 1 000	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Total interest income	98.496	96.187	86.669	86.763	71.707
Total interest expenses	82.385	78.417	72.887	71.711	58.233
NET INTEREST INCOME	16.111	17.769	13.782	15.051	13.475
Commissions receivable	17	20	21	20	15
Commissions payable	1.250	1.250	1.250	1.250	4.623
Net change in value of debt securities and related derivatives	253	-310	-193	2.800	0
NET OPERATING INCOME	-980	-1.540	-1.421	1.570	-4.608
General administration expenses	587	564	624	722	796
Depreciation	94	94	94	94	94
Other operating expenses	1.227	1.092	1.394	3.309	2.381
TOTAL OPERATING EXPENSES	1.908	1.750	2.112	4.125	3.272
PROFIT BEFORE LOSSES	13.223	14.479	10.248	12.497	5.594
Write-downs on loans	0	0	0	0	0
OPERATING PROFIT	13.223	14.479	10.248	12.497	5.594
Taxes	3.703	4.054	2.870	3.499	1.628
PROFIT FOR THE PERIOD AFTER TAX	9.521	10.425	7.379	8.997	3.967

Other comprehensive income

PROFIT FOR THE PERIOD AFTER TAX	9.521	10.425	7.379	8.997	3.967
Other comprehensive income	0	0	0	0	0
TOTAL PROFIT	9.521	10.425	7.379	8.997	3.967

BALANCE SHEET

NOK 1 000		not audited	
ASSETS		31.12.11	31.12.10
Lending to and deposits with credit institutions	10	0	0
Lending to customers	5	9.568.339	9.348.834
- Individual write-downs		0	0
- Collective write-downs		0	0
Net lending to customers	5	9.568.339	9.348.834
Deferred tax assets		93	0
Fixed assets		762	1.139
Pre-paid costs, not incurred -accrued income, not yet received		10.534	6.896
TOTAL ASSETS		9.579.728	9.356.869
LIABILITIES AND EQUITY			
Debt to credit institutions	10	636.809	588.835
Debt securities issued	7	8.396.431	8.396.709
Other liabilities		250	0
Payable taxes	4	7.102	10.047
Incurring costs and income received, not yet accrued		25.374	15.455
Deferred taxes		0	23
TOTAL LIABILITIES		9.065.966	9.011.069
EQUITY			
Share capital		450.000	300.000
Equity capital accumulated through retained earnings		63.762	45.800
TOTAL EQUITY		513.762	345.800
TOTAL LIABILITIES AND EQUITY		9.579.728	9.356.869

31 December 2011
Kristiansand, 9 February 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	Share capital	Other equity	Total equity
Balance sheet as of 1 January 2010	200.000	20.264	220.264
Profit for the period	0	21.568	21.568
Share issue 31 July 2010	100.000	0	100.000
Balance sheet as of 30 September 2010	200.000	41.833	241.833
Profit for the period	0	3.967	3.967
Balance sheet as of 31 December 2010 / 1 January 2011	300.000	45.800	345.800
Share issue 4 August 2011	150.000	0	150.000
Group contributions 15 September 2011	0	-18.360	-18.360
Profit for the period	0	36.322	36.322
Balance sheet as of 31 December 2011	450.000	63.762	513.762

Cash flow statement

NOK 1 000	Not audited	
	31.12.2011	31.12.2010
Operations		
Interest, commissions and fees received from customer	364.477	235.241
Interest, commissions and fees paid	-295.481	-177.073
Other income	79	73
Other payments	-14.653	-14.711
Net changes in lending to customers	-219.647	-4.417.142
Taxes paid	-10.047	-7.878
Net cash flows from operations	-175.273	-4.381.491
Cash flows from investment activities		
Changes in lending to and deposits with credit institution	0	0
Net changes in securities	0	0
Net receipts from sales of fixed assets	0	0
Payments related to purchase of fixed assets	0	0
Changes in other claims	0	0
Net cash flows from investment activities	0	0
Cash flows from funding activities		
Net changes in deposits from customers	0	0
Net changes in deposits from Norges Bank and other financial institutions	0	0
Net issue of bonds	2.800	3.496.709
Changes in short-term liabilities	0	0
Issue of subordinated loan capital	0	0
Dividend payments	0	0
Payment of group contributions	-25.500	
Issue of share capital	150.000	100.000
Net cash flows from funding activities	127.300	3.596.709
Net change in cash and cash equivalents + / -	-47.973	-784.782
Liquid assets as of 1 January	-588.836	195.946
Liquid assets as of 31 December	-636.809	-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

NOK 1 000	31.12.2011	31.12.2010
<i>Interest income from financial instruments assessed at amortised cost:</i>		
Interest on loans to and deposits with credit institutions	0	1.643
Interest on loans to customers	368.115	237.251
Total interest income	368.115	238.895

Note 3 – Interest expenses

NOK 1 000	31.12.2011	31.12.2010
<i>Interest expenses from financial instruments assessed at amortised cost:</i>		
Interest on loans and deposits from credit institutions	17.132	4.213
Interest on debt securities issued	288.269	183.822
Other interest expenses	0	241
Total interest expenses	305.401	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

NOK 1 000	31.12.2011	31.12.2010
<i>Loans assessed at amortised cost</i>		
Overdraft Facilities (Fleksilån)	5.027.254	4.466.031
Repayment loans	4.541.085	4.882.803
Total loans to customers valued at amortised cost	9.568.339	9.348.834

Unused credit facilities on approved credits (Fleksilån) are MNOK 1 406 as of 31 December 2011 and MNOK 1 249 as of 31 December 2010.

NOK 1 000	31.12.2011	31.12.2010
<i>Loans according to sectors</i>		
Retail customers	9.490.789	9.270.286
Various industries lending *)	77.550	78.548
Total loans	9.568.339	9.348.834

*) Various industries lending are home loans to customers in sector 790, "self-employees".

NOK 1 000	31.12.2011		31.12.2010	
<i>Loans according to geographical distribution</i>				
Vest-Agder	6.442.461	67,3 %	6.524.765	69,8 %
Aust-Agder	1.597.180	16,7 %	1.530.162	16,4 %
Oslo	589.253	6,2 %	535.466	5,7 %
Akershus	262.781	2,7 %	235.840	2,5 %
Rogaland	186.945	2,0 %	182.064	1,9 %
Øvrige fylker	489.719	5,1 %	340.537	3,6 %
Total loans geographical distribution	9.568.339	100 %	9.348.834	100 %

Note 6 – Non-performing commitments

NOK 1 000	31.12.2011	31.12.2010
Gross non-performing commitments		
31 - 60 days	971	3.144
61 - 90 days	0	0
Over 90 days	0	0
Total non-performing commitments	971	3.144

Note 7 – Debt securities issued

MATURITY STRUCTURE OF ISSUED BONDS

NOK 1 000		Amortised cost	Nominal value	Market reference	Payment profile	Maturity
<i>Funding</i>	<i>Ticker</i>					
NO0010572118	PLBK01	998.341	1.000.000	NIBOR 3 mths + 0,55	No installments	25.04.15
NO0010503428	PLBK06	1.000.000	1.000.000	NIBOR 3 mths + 0,45	No installments	28.09.15
NO0010575210	PLBK02	499.382	500.000	NIBOR 3 mths + 0,62	No installments	26.11.15
NO0010593437	PLBK03	999.583	1.000.000	NIBOR 3 mths + 0,63	No installments	14.12.15
NO0010520406	PLBK05	1.000.000	1.000.000	NIBOR 3 mths + 0,60	No installments	16.03.16
NO0010605801	PLBK10	999.126	1.000.000	NIBOR 3 mths + 0,55	No installments	30.03.16
NO0010503410	PLBK09	900.000	900.000	NIBOR 3 mths + 0,50	No installments	26.09.16
NO0010512502	PLBK08	1.000.000	1.000.000	NIBOR 3 mths + 0,60	No installments	12.12.16
NO0010515406	PLBK07	1.000.000	1.000.000	NIBOR 3 mths + 0,65	No installments	16.03.17
Total covered bonds		8.396.431	8.400.000			

Of total debt securities issued, MNOK 4 535 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

NOK 1 000	31.12.2011	31.12.2010
Cover pool		
Pool of eligible loans	9.500.305	9.302.834
Supplementary assets	0	0
Total collateralised assets	9.500.305	9.302.834
Over-collateralisation	113,1 %	110,7 %
Average (weighted) Loan to Value (%)	51,6 %	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.

	31.12.11	31.12.10
Core capital ratio	13,30 %	9,64 %
Capital ratio	13,30 %	9,64 %
Minimum capital requirement	310.624	287.069
Risk-weighted assets	3.882.800	3.588.363
Total equity	513.761	338.017
Core capital	513.761	345.777
- Share capital	450.000	300.000
- Equity accumulated through retained earnings	63.761	45.800
-Deferred taxes		-23
Minimum capital requirements	309.096	287.069
-Commitments involving mortgage in residential property	303.031	279.476
-Capital requirement according to operational risk (basic)	6.065	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.

NOK 1 000	31.12.11	31.12.10
Interest income		
Sparebanken Pluss - Parent company	0	1.643
Net change in value of debt securities and related derivatives		
Sparebanken Pluss - Parent company (2)	2.800	0
Interest expenses		
Sparebanken Pluss - Parent company (1)	197.033	155.187
Commissions and fees		
Sparebanken Pluss - Parent company	5.000	4.623
Other operating expenses		
Sparebanken Pluss - Parent company	3.426	8.127
Outstanding claims		
Sparebanken Pluss - Parent company	0	0
Liabilities		
Sparebanken Pluss - Parent company	636.809	588.835

(1) Of total interest expenses of MNOK 197,0 is MNOK 179,9 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 2,8.

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