

# FIRST QUARTERLY REPORT AS AT 31.03.2010

## KEY FIGURES\*

As at.	31.03.10	31.12.09	30.09.09	30.06.09	31.03.09
Total income (NOK mill.)	145	596	447	280	130
Total operating cost (NOK mill.)	35	201	150	102	51
Result before losses (NOK mill.)	110	394	297	178	79
Losses etc. (NOK mill.)	6	25	11	8	4
Result before taxes (NOK mill.)	104	369	287	170	75
Total assets (NOK mill)	35.640	35.189	34.152	31.005	30.956
Average total assets (NOK mill.)	35.541	32.851	32.369	31.112	30.600
Growth in total assets (% p.a.)	15,1	15,4	21,0	12,6	19,5
Growth in gross loans (% p.a.)	8,8	7,4	10,1	13,1	14,3
- Retail banking	7,3	6,6	6,2	8,5	10,5
- Corporate banking	10,9	9,1	15,7	20,4	20,2
Growth in deposits (% p.a.)	10,5	9,5	0,6	0,2	0,5
Overall deposits coverage (Parent bank) (%)	63,0	63,4	59,4	62,2	53,9
Total operating costs in relation to net income (%)	24,1	34,0	33,6	36,5	39,1
After-tax return on equity capital (%)	14,3	12,8	13,5	12,2	11,3
Earnings per EC (NOK)	7,1	17,3	13,7	8,3	3,9
Earnings per EC (NOK) per quarter	7,1	3,6	5,4	4,4	3,9
Equity Certificates (ECs) price (NOK)	170	172	168	160	134
Capital adequacy ratio (%)**	14,12	14,18	13,18	13,26	13,41
Core capital ratio (%)**	12,17	12,18	11,25	11,31	11,37
Core capital ratio (Parent bank) (%)**	13,40	13,42	12,19	12,04	11,37
Number of branches	14	14	14	14	14
Number of man years	176	172	170	167	170

\*Group figures, unless otherwise stated

\*\* Incl. 50 % of the operating result (before taxes)

# THE BOARD OF DIRECTORS' REPORT

## Main features

The main features of the Bank's operations for 1 quarter are as follows:

- High income
- Low cost ratio
- Modest credit losses
- A good result
- Low level of commitments in default
- Solid balance

## Framework conditions

Norges Bank has kept its key interest rate unchanged at 1.75 per cent during the first quarter. However, Norges Bank raised the key interest rate by 0.25 percentage points to 2.00 per cent on 05.05.2010.

Annual growth in gross domestic debt to the public, C2, was 4.2 per cent at the end of February – unchanged from the previous month. Meanwhile, growth in credit to households was 6.7 per cent, down from the month before. Twelve-month growth of the business continues to be negative, but showed an increase in February compared to the previous month.

So far this year, there has been a price increase on the Oslo Stock Exchange of 1.4 per cent. For the whole of 2009 there was a price increase of 65 per cent.

The figures from NAV show that unemployment at the end of March was 3.1 per cent. Seasonally adjusted, 93,000 people are currently jobless or attending job-boosting schemes arranged by the authorities.

## Operating result

After the first quarter, the Bank (Group) has an operating result, after losses, of NOK 104 million, - against NOK 75 million reported for the same period last year. The result is equivalent to 1.18 percent of average total assets, against 1.00 at the same last year.

The Group's net interest income totalled NOK 114 million. As a percentage of average total assets, the net interest amounts to 1.30 per cent.

Other (non-interest) operating income totalled NOK 31 million, up by NOK 4 million on the same time last year. The merger between PBS Holding and Nordito AS has meant that shares in Nordito have been revalued by NOK 12.7 million in the first quarter. Gains on bonds and currency are reduced in comparison to the same period the year before.

Total operating costs amounted to NOK 35 million, a reduction of NOK 16 million in relation to the same period last year. This is due to the fact that during the first quarter, income of NOK 20 million is as a result of changed rules for AFP. Therefore, costs as a percentage of average total assets are reduced from 0.67 per cent at the end of the first quarter of 2009, to 0.40 per cent this year.

Costs as a percentage of income at the end of the first quarter of 2010 was 24.1 per cent.

## Total assets

At the end of the first quarter of 2010, total assets were NOK 35,640 million, up by NOK 4,684 million or 15.1 per cent on the same time last year.

## Deposits

At the end of the first quarter of 2010, deposits from customers were NOK 14,444 million. The growth for the same time last

year was NOK 1,372 million, or 10.5 per cent. At the end of the first quarter, 63.0 per cent of the Parent Bank's loans were financed by customer deposits. On a Group basis, this amounted to 51.7 per cent. The growth in total assets is funded mainly through deposits and long-term borrowing in the Norwegian and international money- and capital markets.

## Loans

Gross loans to customers for the Group as a whole have increased by NOK 2,265 million or 8.8 per cent, totalling NOK 28,076 million at the end of the first quarter. Of the total lending portfolio 59.6 per cent are to retail market sector, and 31.5 per cent are to corporate sector and 8.9 per cent are for the organisational market. Commitments in default (over 30 days) on loans amounted to 0.71 per cent for the Group as a whole. The credit risk for the lending portfolio is still regarded as low.

## Losses on loans and guarantees

Assessment of loans, losses and loss write-downs is handled in accordance with the rules and regulations for the accounting-related handling of loans and guarantees (the lending rules and regulations).

Collective write-downs on loans amount to NOK 91.9 million, and no changes were made in the first quarter.

Individual write-downs on loans have increased by NOK 5.7 million in relation to the beginning of the year, amounting to NOK 41.4 million, including amortised amounts on loans. At the end of the first quarter there was a net recovery of incorporated losses of NOK 0.6 million, so that the net loss cost amounted to NOK 6.5 million.

In the Board of Directors' opinion, the write-downs are sufficient in order to cover the credit risk at the end of the first quarter.

## Equity capital and capital adequacy

The Bank made use of the standard method for credit risk and the basis method for operational risk to calculate capital adequacy in accordance with valid capital adequacy rules and regulations – Basel II.

At the end of the first quarter of 2010, the Group had responsible capital of NOK 2,875 million. The capital adequacy ratio was 14.1 per cent. The core capital coverage totalled 12.2 per cent. The return on equity capital at the end of the first quarter of 2010 was 14.3 per cent, against 11.3 per cent at the end of the first of 2009.

## Pluss Boligkreditt AS

In 2009, Sparebanken Pluss established the wholly-owned subsidiary, Pluss Boligkreditt AS. The company has the required licence to conduct business as a mortgage company, with the right to issue covered bonds (OMF). At the end of the first quarter of 2010, a house mortgage loan portfolio of NOK 5,031 million had been transferred from the Bank to Pluss Boligkreditt AS. The mortgage company has issued preference bonds amounting to NOK 4,900 million. Large parts of this portfolio have been swapped into treasury bills, and the Bank has a portfolio of NOK 4,231 million of these.

## Equity Certificates

A summary of the 20 largest equity owners as of 31.03.10 is included in Notes to the Accounts. So far this year, the result per equity certificate amounts to NOK 7.06.

### **Future prospects**

The Board of Directors expects that the Bank's operating result for the rest of the year will be satisfactory, but the unrest in

several countries' economies and financial markets may still have a negative impact on the Norwegian financial industry. The development of the Bank's commitments in default and credit losses may also be affected by further economic development, but it is assumed that losses still will be modest.

Kristiansand, 6. May 2010

Arvid Grundekjøn  
Chairman

Norunn Tveiten Benestad  
Deputy Chairman

Kristin Wallevik

Peder Syrdalen

Magne Haug

Bente Pedersen

Stein A Hannevik  
Chief Executive Officer

## Profit and loss account

Parent bank			NOK MILLION		Group		
31.12.09	31.03.09	31.03.10		Note:	31.03.10	31.03.09	31.12.09
1.308	411	297	Interest receivable		309	412	1.338
921	309	196	Interest payable		196	309	916
<b>387</b>	<b>103</b>	<b>101</b>	<b>NET INTEREST - AND CREDIT COMMISSION INCOME</b>		<b>114</b>	<b>103</b>	<b>422</b>
7	0	1	Dividends		1	0	7
87	21	21	Commissions and income from banking services		21	21	87
13	3	3	Commissions payable and cost from banking services		3	3	13
85	7	10	Net gains/losses from securities and foreign exchange		10	7	85
12	2	3	Other operating income		2	2	9
<b>177</b>	<b>27</b>	<b>33</b>	<b>TOTAL OTHER OPERATING INCOME</b>		<b>31</b>	<b>27</b>	<b>174</b>
165	42	24	Wages,salaries and general administration cost		25	42	166
11	3	3	Depreciation etc. of fixed - and intangible assets		3	3	12
22	6	7	Other operating costs		7	6	24
<b>198</b>	<b>50</b>	<b>34</b>	<b>TOTAL OPERATING COSTS</b>		<b>35</b>	<b>51</b>	<b>201</b>
<b>366</b>	<b>80</b>	<b>99</b>	<b>RESULT BEFORE LOSSES ON LOANS</b>		<b>110</b>	<b>80</b>	<b>394</b>
25	5	6	Losses on loans, guarantees etc.	4	6	5	25
<b>341</b>	<b>75</b>	<b>93</b>	<b>OPERATING RESULT</b>		<b>104</b>	<b>75</b>	<b>369</b>
101	21	23	Taxes		26	21	109
<b>240</b>	<b>54</b>	<b>70</b>	<b>RESULT AFTER TAXES</b>		<b>77</b>	<b>54</b>	<b>260</b>
<b>Additional result according to IAS 1</b>							
<b>240</b>	<b>54</b>	<b>70</b>	<b>RESULT AFTER TAXES</b>		<b>77</b>	<b>54</b>	<b>260</b>
3	0	0	Estimate discrepancy for pensions		0	0	3
<b>237</b>	<b>54</b>	<b>70</b>	<b>Total result</b>		<b>77</b>	<b>54</b>	<b>257</b>

## Profit and loss account in % of average assets

Parent bank					Group		
31.12.09	31.03.09	31.03.10			31.03.10	31.03.09	31.12.09
3,98	5,48	3,38	Interest receivable		3,53	5,48	4,35
2,80	4,11	2,23	Interest payable		2,23	4,11	3,06
<b>1,18</b>	<b>1,37</b>	<b>1,15</b>	<b>NET INTEREST - AND CREDIT COMMISSION INCOME</b>		<b>1,30</b>	<b>1,37</b>	<b>1,28</b>
0,02	0,00	0,01	Dividends		0,01	0,00	0,02
0,26	0,29	0,24	Commissions and income from banking services		0,24	0,29	0,26
0,04	0,04	0,04	Commissions payable and cost from banking services		0,04	0,04	0,04
0,24	0,09	0,11	Net gains/losses from securities and foreign exchange		0,11	0,09	0,24
0,04	0,03	0,04	Other operating income		0,03	0,03	0,03
<b>0,53</b>	<b>0,37</b>	<b>0,37</b>	<b>TOTAL OTHER OPERATING INCOME</b>		<b>0,36</b>	<b>0,37</b>	<b>0,52</b>
0,50	0,56	0,28	Wages,salaries and general administration cost		0,28	0,56	0,51
0,03	0,04	0,04	Depreciation etc. of fixed - and intangible assets		0,04	0,04	0,04
0,07	0,08	0,08	Other operating costs		0,08	0,08	0,07
<b>0,60</b>	<b>0,67</b>	<b>0,39</b>	<b>TOTAL OPERATING COSTS</b>		<b>0,40</b>	<b>0,67</b>	<b>0,61</b>
<b>1,11</b>	<b>1,06</b>	<b>1,13</b>	<b>RESULT BEFORE LOSSES ON LOANS</b>		<b>1,26</b>	<b>1,06</b>	<b>1,19</b>
0,07	0,07	0,07	Losses on loans, guarantees etc.		0,07	0,07	0,07
<b>1,05</b>	<b>1,00</b>	<b>1,05</b>	<b>OPERATING RESULT</b>		<b>1,18</b>	<b>1,00</b>	<b>1,12</b>
0,31	0,28	0,26	Taxes		0,30	0,28	0,33
<b>0,74</b>	<b>0,72</b>	<b>0,79</b>	<b>RESULT AFTER TAXES</b>		<b>0,88</b>	<b>0,72</b>	<b>0,79</b>
<b>Additional result according to IAS 1</b>							
<b>0,74</b>	<b>0,72</b>	<b>0,79</b>	<b>RESULT AFTER TAXES</b>		<b>0,88</b>	<b>0,72</b>	<b>0,79</b>
0,01	0,00	0,00	Estimate discrepancy for pensions		0,00	0,00	0,01
<b>0,73</b>	<b>0,72</b>	<b>0,79</b>	<b>Total result</b>		<b>0,88</b>	<b>0,72</b>	<b>0,78</b>

## Quarterly profit and loss figures

	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
NOK MILLION	2010	2009	2009	2009	2009
Interest receivable	309	326	331	360	412
Interest payable	196	211	227	261	309
<b>NET INTEREST - AND CREDIT COMMISSION INCOME</b>	<b>114</b>	<b>116</b>	<b>104</b>	<b>99</b>	<b>103</b>
Dividends	1	1	2	3	0
Commissions and income from banking services	21	22	22	22	21
Commissions payable and cost from banking services	3	3	3	3	3
Net gains/losses from securities and foreign exchange	10	7	41	29	7
Other operating income	2	2	2	2	2
<b>TOTAL OTHER OPERATING INCOME</b>	<b>31</b>	<b>29</b>	<b>64</b>	<b>53</b>	<b>27</b>
Wages, salaries and general administration cost	25	43	39	43	42
Depreciation etc. of fixed - and intangible assets	3	3	3	3	3
Other operating costs	7	6	6	6	6
<b>TOTAL OPERATING COSTS</b>	<b>35</b>	<b>51</b>	<b>48</b>	<b>52</b>	<b>51</b>
<b>RESULT BEFORE LOSSES ON LOANS</b>	<b>110</b>	<b>94</b>	<b>120</b>	<b>101</b>	<b>80</b>
Losses on loans, guarantees etc.	6	11	3	5	5
<b>OPERATING RESULT</b>	<b>104</b>	<b>83</b>	<b>117</b>	<b>96</b>	<b>75</b>
Taxes	26	26	34	29	21
<b>RESULT AFTER TAXES</b>	<b>77</b>	<b>57</b>	<b>83</b>	<b>67</b>	<b>54</b>

### Additional result according to IAS 1

<b>RESULT AFTER TAXES</b>	<b>77</b>	<b>57</b>	<b>83</b>	<b>67</b>	<b>54</b>
Estimate discrepancy for pensions	0	3	0	0	0
<b>Total result</b>	<b>77</b>	<b>54</b>	<b>83</b>	<b>67</b>	<b>54</b>

## QUARTERLY PROFIT AND LOSS FIGURES IN % OF AVERAGE ASSETS

	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
	2010	2009	2009	2009	2009
<b>Net interest- and credit commission income</b>	<b>1,30</b>	<b>1,29</b>	<b>1,19</b>	<b>1,26</b>	<b>1,36</b>
Total other operating income	0,36	0,36	0,73	0,65	0,36
Total operating costs	0,40	0,59	0,55	0,65	0,67
<b>Result from operations before losses on loans</b>	<b>1,26</b>	<b>1,06</b>	<b>1,37</b>	<b>1,26</b>	<b>1,05</b>
Losses on loans, guarantees etc.	0,07	0,05	0,01	0,07	0,07
<b>Operating result</b>	<b>1,18</b>	<b>1,03</b>	<b>1,34</b>	<b>1,21</b>	<b>1,00</b>

## Balance

Parent bank			NOK MILLION		Group		
31.12.09	31.03.09	31.03.10	ASSETS	Note:	31.03.10	31.03.09	31.12.09
1.762	1.694	1.647	Cash and claims on central banks		1.647	1.694	1.762
81	53	87	Net loans to and claims on credit institutions		87	59	81
22.463	24.370	23.045	Gross loans to customers		28.076	25.810	27.394
37	36	41	- Individual write-downs on loans		41	36	37
92	92	92	- Write-downs of groups of loans		92	92	92
22.334	24.242	22.912	Net loans to and claims on customers	4	27.943	25.683	27.266
10	5	10	Repossessed assets		10	5	10
10.211	4.041	10.038	Certificates, bonds and other interest-bearing securities		5.138	2.641	5.311
172	155	187	Shares and other securities with variable yield		186	154	171
200	50	200	Equities stakes in group companies		0	0	0
0	16	0	Deferred tax benefit		0	16	0
266	267	266	Fixed assets		267	269	268
123	208	149	Other assets		149	208	123
193	226	210	Prepaid costs and accrued income, not yet received		213	228	196
<b>35.354</b>	<b>30.956</b>	<b>35.705</b>	<b>TOTAL ASSETS</b>		<b>35.640</b>	<b>56.894</b>	<b>35.189</b>
<b>LIABILITIES AND EQUITY CAPITAL</b>							
6.813	2.641	6.706	Liabilities to credit institutions		6.597	2.641	6.617
14.164	13.072	14.444	Deposits from and liabilities to customers		14.444	13.072	14.164
10.969	11.942	11.042	Liabilities incurred through issuance of securities		11.042	11.942	10.969
128	145	176	Other liabilities		176	145	128
73	43	44	Payable Tax		55	43	81
268	370	314	Incurred costs and prepaid income		319	371	272
93	92	76	Provisions against liabilities and costs		76	92	93
12	0	12	Deferred Tax		12	0	12
698	698	698	Subordinated loans		698	698	698
<b>33.218</b>	<b>29.002</b>	<b>33.511</b>	<b>TOTAL LIABILITIES</b>		<b>33.418</b>	<b>29.003</b>	<b>33.034</b>
<b>EQUITY CAPITAL</b>							
159	159	159	Paid-in equity capital		159	159	159
1.977	1.795	2.035	Accrued equity capital		2.063	1.794	1.996
<b>2.136</b>	<b>1.954</b>	<b>2.195</b>	<b>TOTAL EQUITY CAPITAL</b>		<b>2.222</b>	<b>1.953</b>	<b>2.155</b>
<b>35.354</b>	<b>30.956</b>	<b>35.705</b>	<b>TOTAL LIABILITY AND EQUITY CAPITAL</b>		<b>35.640</b>	<b>30.956</b>	<b>35.189</b>

## CHANGES IN EQUITY CAPITAL

							Group
NOK MILLION	EC - capital	Premium	Savings	Donnations	Dividend	Total	
		Fund	Bank's Fund	Fund	Equalisation Fund		
<b>Balance 31.12.2008</b>	<b>125</b>	<b>34</b>	<b>1.712</b>	<b>30</b>	<b>11</b>	<b>1.912</b>	
Paid dividends for 2008	0	0	-15	0	0	-15	
Tot result	0	0	54	0	0	54	
<b>Balance 31.03.2009</b>	<b>125</b>	<b>34</b>	<b>1.751</b>	<b>30</b>	<b>11</b>	<b>1.951</b>	
Tot result	0	0	192	0	11	204	
<b>Balance 31.12.2009</b>	<b>125</b>	<b>34</b>	<b>1.943</b>	<b>30</b>	<b>22</b>	<b>2.155</b>	
Paid dividends for 2009	0	0	-11	0	0	-11	
Tot result	0	0	77	0	0	77	
<b>Balance 31.03.2010</b>	<b>125</b>	<b>34</b>	<b>2.010</b>	<b>30</b>	<b>22</b>	<b>2.222</b>	

							Parent bank
NOK MILLION	EC - capital	Premium	Savings	Donnations	Equalisation	Total	
		Fund	Bank's Fund	Fund	Fund		
<b>Balance 31.12.2008</b>	<b>125</b>	<b>34</b>	<b>1.712</b>	<b>30</b>	<b>11</b>	<b>1.913</b>	
Paid dividends for 2008	0	0	-15	0	0	-15	
Tot result	0	0	54	0	0	54	
<b>Balance 31.03.2009</b>	<b>125</b>	<b>34</b>	<b>1.751</b>	<b>30</b>	<b>11</b>	<b>1.952</b>	
Tot result	0	0	172	0	11	0	
<b>Balance 31.12.2009</b>	<b>125</b>	<b>34</b>	<b>1.924</b>	<b>30</b>	<b>23</b>	<b>2.136</b>	
Paid dividends for 2009	0	0	-11	0	0	-11	
Tot result	0	0	70	0	0	70	
<b>Balance 31.03.2010</b>	<b>125</b>	<b>34</b>	<b>1.983</b>	<b>30</b>	<b>23</b>	<b>2.195</b>	

# Cash flow statement

Parent bank			NOK MILLION	Group		
31.12.09	31.03.09	31.03.10		31.03.10	31.03.09	31.12.09
<b>Cash flows from operating activities</b>						
1.324	405	276	Interest receivable	321	405	1.445
-958	-252	-152	Interest payable	-184	-251	-1.043
7	0	1	Dividends received	1	0	7
83	27	18	Other payments received	20	27	83
-188	-57	-49	Other payments made	-49	-57	-194
2	0	1	Recoveries relating to confirmed losses	1	0	2
-88	-44	-44	Payment of tax	-44	-44	-88
-6	-2	-5	Payment - donations	-5	-2	-6
1.228	136	280	Net change in deposits from customers	280	136	1.228
3.001	1.063	-571	Changes in net loans to and claims on customers	-671	-377	-1.931
<b>4.405</b>	<b>1.275</b>	<b>-245</b>	<b>Net cash flow from operating activities</b>	<b>-330</b>	<b>-164</b>	<b>-497</b>
<b>Cash flow from investment activities</b>						
5.949	0	182	Payment received relating to securities	182	0	5.949
-13.847	-1.651	0	Payment relating to securities	0	-211	-8.747
1	0	0	Payment received in fixed assets	0	0	1
-30	-16	-2	Payment in fixed assets	-2	-16	-33
82	-158	-25	Change in other claims	-25	-158	82
<b>-7.845</b>	<b>-1.825</b>	<b>154</b>	<b>Net cash flow from investment activities</b>	<b>154</b>	<b>-385</b>	<b>-2.748</b>
<b>Cash flows from financing activities</b>						
7	35	6	Net change in deposits from customers	6	35	7
5.153	981	-107	Net change in deposits from Norges Bank and other finan	-19	981	4.957
2.011	0	73	Payment received of bond debt	73	0	2.011
-3.450	-509	0	Payment of bond debt	0	-509	-3.450
-258	-18	5	Change in short-term liabilities	2	-19	-258
0	0	0	Subordinated loan capital	0	0	0
-15	0	0	Payment of dividend	0	0	-15
<b>3.448</b>	<b>489</b>	<b>-24</b>	<b>Net cash flow from financing activities</b>	<b>61</b>	<b>488</b>	<b>3.252</b>
<b>7</b>	<b>-61</b>	<b>-115</b>	<b>Net change in liquid assets during the year</b>	<b>-115</b>	<b>-61</b>	<b>7</b>
<b>1.755</b>	<b>1.755</b>	<b>1.762</b>	<b>Liquid assets as at 01.01.</b>	<b>1.762</b>	<b>1.755</b>	<b>1.755</b>
<b>1.762</b>	<b>1.694</b>	<b>1.647</b>	<b>Liquid assets as at end of period</b>	<b>1.647</b>	<b>1.694</b>	<b>1.762</b>

## Segment reporting as at

### Segmentsrapportering

#### Result

NOK MILLION	31.03.2010					31.03.2009				
	Retail Sector	Corporate Sector	Bolig-kreditt	Undistri-buted	Total	Retail Sector	Corporate Sector	Bolig-kreditt	Undistri-buted	Total
<b>NET INTEREST INCOME</b>	<b>60</b>	<b>37</b>	<b>13</b>	<b>4</b>	<b>114</b>	<b>57</b>	<b>29</b>	<b>0</b>	<b>16</b>	<b>103</b>
Other operating income	28	4	0	0	31	15	3	0	9	27
Total operating cost	23	5	2	5	35	23	5	0	22	50
<b>RESULT BEFORE LOSSES</b>	<b>65</b>	<b>35</b>	<b>11</b>	<b>-1</b>	<b>110</b>	<b>49</b>	<b>28</b>	<b>0</b>	<b>2</b>	<b>79</b>
Losses on loans	0	6	0	0	6	-3	7	0	0	4
<b>OPERATING RESULT</b>	<b>65</b>	<b>29</b>	<b>11</b>	<b>-1</b>	<b>104</b>	<b>52</b>	<b>21</b>	<b>0</b>	<b>2</b>	<b>75</b>

#### Balance

NOK MILLION	31.03.2010					31.03.2009				
	Retail Sector	Corporate Sector	Bolig-kreditt	Undistri-buted	Total	Retail Sector	Corporate Sector	Bolig-kreditt	Undistri-buted	Total
Net loans to customers	12.783	8.987	5.031	1.142	27.943	15.058	8.012	1.172	0	24.242
Other assets	628	526	113	6.430	7.697	663	548	5.504	0	6.715
<b>Total assets</b>	<b>13.411</b>	<b>9.514</b>	<b>5.144</b>	<b>7.572</b>	<b>35.640</b>	<b>15.721</b>	<b>8.560</b>	<b>6.676</b>	<b>0</b>	<b>30.956</b>
Deposits from customers	7.105	4.611	0	-674	11.042	7.264	4.655	1.153	0	13.072
Other liabilities and equity capital	6.306	4.903	5.144	8.246	24.598	8.457	3.905	5.523	0	17.884
<b>Total liabilities and equity capital</b>	<b>13.411</b>	<b>9.514</b>	<b>5.144</b>	<b>7.572</b>	<b>35.640</b>	<b>15.721</b>	<b>8.560</b>	<b>6.676</b>	<b>0</b>	<b>30.956</b>

## NOTES TO THE ACCOUNTS

The consolidated financial statement for the first quarter of 2010 is prepared in accordance with IFRS (including IAS 34). The interim financial statements are prepared using the same accounting principles used in the annual financial statements. Please refer to the 2009 Annual Report for more information on the accounting principles.

The interim report is not audited. Notes are entered in NOK million.

The accounts are presented in Norwegian Kroner, which is the Group's functional currency.

### 1. Pension:

There have been new actuarial calculations as of 31.03.2010, as a result of the changing rules for AFP. The effect of these changing AFP rules is estimated to have constituted a one-off reduction in pension liabilities of NOK 19, 7 million. This is recognised in the income statement as a reduction of pension costs. The accounting recognition of the new AFP scheme has not yet been clarified, but this will happen during the course of 2010.

### 2. Shares:

The merger of PBS Holding and Nordito AS occurred on 14. April 2010 and as a result, the shares in Nordito AS were revalued by NOK 12, 7 million during the first quarter of 2010. The valuation of the shares in Nordito AS is based on the exchange ratio in the merger, and own assessments.

### 3. Tax:

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

## 4. LOSSES ON LOANS

### Write-downs on loans and losses on guarantees

Parent bank				Group		
31.12.09	31.03.09	31.03.10	Losses on loans in the period	31.03.10	31.03.09	31.12.09
25	5	6	Write-downs of loans	6	5	25
-	-	-	Losses on guarantees	-	-	-
25	5	6	= Write-downs on loans and losses on guarantees	6	5	25
<b>Write-downs on loans:</b>						
-5	-6	5	Changes in specific write-downs of loans in the period	5	-6	-5
-	-	-	+ Changes in write-down on groups of loans in the period	-	-	-
3	-	1	+ Amortised loans	1	-	3
25	10	0	+ Confirmed losses in the period for which specific write-downs have previously been made	0	10	25
4	1	1	+ Confirmed losses in the period for which no specific write-downs have previously been made	1	1	4
2	0	1	- Recoveries from previous confirmed losses	1	0	2
25	5	6	= Write-down on loans in the period	6	5	25
<b>Changes in specific write-downs:</b>						
41	41	36	Specific write-downs of loans as at 01.01. excl. amort. loans	36	41	41
25	10	0	- Confirmed losses on loans in the period for which write-downs have previously been made	0	10	25
11	3	6	+ Increased specific write-downs in the period	6	3	11
21	6	1	+ New specific write-downs in the period	1	6	21
13	6	1	- Recoveries from write-downs in the period	1	6	13
1	1	1	+ Amortised loans	1	1	1
37	36	41	= Specific write-downs and amortised loan	41	36	37
<b>Changes in write-downs on groups of loans:</b>						
92	92	92	Write-downs of groups of loans as at 01.01.	92	92	92
-	-	-	+ Changes in write-downs of groups of loans in the period	-	-	-
92	92	92	Write-downs of groups of loans	92	92	92

### Defaulted loans/credits

31.12.09	31.03.09	31.03.10	Defaulted loans/credits	31.03.10	31.03.09	31.12.09
103	74	40	Gross defaulted loans 30 - 60 days	40	74	103
4	10	7	Gross defaulted loans 60 - 90 days	7	10	4
68	60	152	Gross defaulted loans > 90 days	152	60	68
176	145	199	Gross defaulted loans/credits	199	145	176
25	24	30	- Specific write-downs	30	24	25
150	121	169	Net defaulted loans/credits	169	121	150
0,78 %	0,59 %	0,86 %	Gross defaulted loans as a % of gross loans	0,71 %	0,56 %	0,64 %
<b>Other bad and doubtful loans/credits</b>						
60	73	68	Other bad and doubtful loans/credits with write-downs	68	73	60
11	12	11	- Specific write-downs	11	12	11
49	61	58	Net other bad and doubtful loans/credits	58	61	49
<b>Gross defaulted loans and bad and doubtful commitments</b>						
236	217	267	Gross defaulted loans and bad/doubtful commitments	267	217	236
37	36	41	- Specific write-downs	41	36	37
200	182	227	Net defaulted loans and bad/doubtful commitments	227	182	200

## 5. CAPITAL ADEQUACY

Parent bank				Group		
31.12.09	31.03.09	31.03.10		31.03.10	31.03.09	31.12.09
15,62 %	13,42 %	15,56 %	Capital adequacy ratio*	14,14 %	13,14 %	14,18 %
13,42 %	11,39 %	13,40 %	Core capital adequacy ratio*	12,18 %	11,15 %	12,18 %
1.450	1.566	1.476	Minimum requirements for equity and related capital	1.629	1.599	1.597
18.124	19.570	18.448	Total calculation basis	20.330	19.990	19.965
2.831	2.626	2.870	Net equity and related capital*	2.875	2.626	2.831
2.432	2.228	2.471	Core capital*	2.477	2.228	2.432
398	398	398	Supplementary capital	398	398	398
1.450	1.566	1.476	Minimum requirements for equity capital	1.627	1.599	1.597
1.382	1.504	1.408	Capital requirements for credit risk according to the standard method	1.557	1.537	1.527
76	69	76	Capital requirements for operational risk	77	70	77
-8	-8	-8	Deduction in the capital requirements	-8	-8	-8

\* Incl. 50 % of the operating result (before taxes), however the interim report is not audited.

## 6. EQUITY CERTIFICATES (EC)

### The 20 largest EC holders as at 31.03.2010

NAME	Number of ECs held	% part of total EC capital	NAME	Number of ECs held	% part of total EC capital
1. Glastad Farsund AS	91.250	7,30	11. Flekkefjord Sparebank	15.800	1,26
2. Sparebankstiftelsen DnB NOR	62.300	4,98	12. Hol Sparebank	15.000	1,20
3. Terra Utbytte VPF	34.400	2,75	13. Strømme Leif	13.400	1,07
4. Varodd AS	32.800	2,62	14. Bratland Bjørn	12.800	1,02
5. Sparebanken Sør	31.600	2,53	15. Allumgården	12.350	0,99
6. Brøvig Holding AS	27.000	2,16	16. Apriori Holding AS	10.700	0,86
7. Spareskillingsbanken	26.600	2,13	17. Engelschiøn Marwell Hauge pens	10.500	0,84
8. Gumpens Auto AS	26.350	2,11	18. Rynning Jens Emil	10.250	0,82
9. MP Pensjon	26.000	2,08	19. Mørch Gerd Turid	10.200	0,82
10. Birkenes Sparebank	20.000	1,60	20. Pareto AS	10.150	0,81
<b>Total- 10 largest owners</b>	<b>378.300</b>	<b>30,26</b>	<b>Total- 20 largest owners</b>	<b>499.450</b>	<b>39,96</b>

As at 31.03.10, Sparebanken Pluss owned none of the Bank's Equity Certificates. The Bank's EC capital totalled NOK 125 million, made up 1.250.000 EC, each of a nominal value of NOK 100.