

## KEY FIGURES AS AT

	IFRS	IFRS	IFRS	IFRS	NGAAP	IFRS
	30.09.09	30.06.09	31.03.09	31.12.08	30.09.08	30.09.08
Total income (NOK mill.)	447,4	280,2	129,5	467,4	359,4	373,6
Total operating cost (NOK mill.)	150,2	102,2	50,6	199,0	148,8	145,7
Result before losses (NOK mill.)	297,2	178,0	78,9	268,4	210,6	227,8
Losses etc. (NOK mill.)	10,6	7,9	4,4	54,4	-3,3	-3,3
Result before taxes (NOK mill.)	286,6	170,1	74,5	214,0	213,9	231,1
Total assets (NOK mill.)	34.152	31.005	30.956	30.494	28.246	28.222
Average total assets (NOK mill.)	32.369	31.112	30.600	27.280	26.780	26.770
Growth in total assets (% p.a.)	21,0	12,6	19,5	17,5	16,6	16,5
Growth in gross loans (% p.a.)	10,1	13,1	14,3	16,0	15,6	15,5
-Retail banking	6,2	8,5	10,5	12,1	12,6	12,6
-Corporate banking	15,7	20,4	20,2	21,2	20,8	20,8
Growth in deposits (% p.a.)	0,6	0,2	0,5	-3,6	1,4	1,4
Overall deposit coverage (parentbank) (%)	59,4	62,2	53,9	51,1	52,9	53,0
Total operating costs in relation to net income (%)	33,6	36,5	39,1	42,6	41,4	39,0
After-tax return on equity capital (%)	13,5	12,2	11,3	7,9	11,0	11,8
Earnings per EC (NOK)	13,7	8,3	3,9	12,0	11,7	12,7
Earnings per EC (NOK) per quarter	5,4	4,4	3,9	0,3	3,3	4,3
Equity Certificates (ECs) price (NOK)	168	160	134	134	160	160
Capital adequacy ratio*	13,18	13,26	13,41	13,52	13,92	13,92
Core capitl ratio*	11,25	11,31	11,37	11,44	11,76	11,76
Number of branches	14	14	14	15	15	15
Number of man years	170	167	170	170	170	170

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

# Third quarter report 2009

## As at 30.09.09

### Main features

The main features of the Bank's operations for 3 quarter, and so far this year, are as follows:

- High income
- Low cost ratio
- Modest credit losses
- A good result
- Low level of commitments in default, despite the financial crisis

### Change in accounting principles

In the first quarter of 2009, the bank went from Norwegian accounting rules and regulations (NGAAP) to IFRS. The accounting figures for the previous periods are, in comparison, revised after IFRS.

### Framework conditions

Norges Bank has changed its key policy rate four times so far this year. For the first three times the interest rate was reduced 0.5 percentage points, while it was reduced by 0.25 percentage points on the fourth occasion. At the end of the third quarter, the key policy rate was 1.25 percent.

Annual growth in gross domestic debt to the public, C2, was 5.9 percent at the end of August, down from 6.5 percent the previous month. For the last few months, the growth in household debt has been around 6.5 percent, and the growth has not been lower since 1999. Also, the growth in the corporate market showed a clear decline.

So far this year, there has been a price increase on the Oslo Stock Exchange of over 37 percent. For the whole of 2008 there was a decline in share prices of 54.1 percent.

The figures from NAV show that unemployment at the end of September was 2.7 percent compared with 1.7 percent a year earlier. Seasonally adjusted, 92,000 people are currently jobless or attending job-boosting schemes arranged by the authorities. The growth in the number of unemployed people levelled out somewhat in the third quarter.

### Operating result

After the third quarter, the Bank (Group) has an operating result, before losses, of NOK 297.1 million, - against NOK 210.6 million reported for the same period last year. Adjusted to IFRS, last year's result at the same time totalled NOK 227.8 million. The result is equivalent to 1.22 percent of average total assets.

The Bank's net interest income totalled NOK 305.8 million. As a percentage of average total assets, the net interest amounts to 1.26 percent.

Other (non-interest) operating income totalled NOK 141.6 million, up by NOK 102 million on the same time last year. This is principally due to the reversal of previous write-down on bonds.

Costs amounted to NOK 150.2 million, and have increased by NOK 4.5 million in relation to the same period last year. As a percentage of average total assets, the costs have at the same time been reduced from a low level of 0.73 percent at the end of the third quarter of 2008, to 0.62 percent this year (IFRS). Costs as a percentage of income also remain at a very low level. The figure at the end of the third quarter of 2009 was 33.6 percent, as opposed to 39.0 percent a year earlier.

### Total assets

At the end of the third quarter of 2009, total assets were NOK 34,153 million, up by NOK 5,931 million or 21.0 percent on the same time last year. Of the increase, NOK 4.231 million is due to the transition from net to gross accounting by OMFs (covered bonds), from the second to the third quarter.

### Deposits

At the end of the third quarter of 2009, deposits from customers were NOK 13,018 million. The growth for the same time last year was NOK 76 million, or 0.6 percent. At the end of the third quarter, 59.4 percent of the Parent Bank's loans were financed by customer deposits. On a Group basis, this amounted to 48.5 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. The global financial crisis has brought about some challenges in this work.

### Loans

Gross loans to customers for the Group as a whole have increased by NOK 2,467 million or 10.1 per cent, totalling NOK 26,957 million at the end of the third quarter. Lending growth within the retail- and corporate banking sectors was 6.2 and 15.7 percent respectively. Of the total lending portfolio 59.3 percent are to retail market sector, and 31.8 percent are to corporate sector and 8.9 percent are for the organisational market. Commitments in default (gross) on loans are largely unchanged in the third quarter, amounting to 0.28 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 third quarter.

Individual write-downs on loans were reduced by NOK 10.1 million in relation to the beginning of the year, amounting to NOK 30.1 million, including amortised amounts on loans. At the end of the third quarter there was a net recovery of incorporated losses of NOK 0.9 million, so that the net loss cost amounted to NOK 13.5 million. In the Board of Directors' opinion, the write-downs are sufficient in order to cover the credit risk at the end of the third 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 third quarter of 2009, the Group had responsible capital of NOK 2,579 million. The capital adequacy ratio was 13.2 percent. The core capital coverage totalled 11.3 percent. Despite of high equity capital, the Bank has managed to maintain a relatively high return on equity capital. At the end of the third quarter of 2009 it was 13.5 percent, compared to 11.7 percent at the end of the third quarter of 2008.

### Pluss Boligkreditt AS

During the first quarter of 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). The Bank is therefore in a position to participate in the authorities' swap scheme according to which covered bonds can be swapped into government securities. At the end of the third quarter of 2009, a house mortgage loan portfolio of NOK 4,911 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 securities.

### Equity Certificates

New laws relating to the capital and organizational structures of savings banks came into force as of 01.07.09. The designation in this new set of rules for primary capital certificates is equity certificates, and the PCC-capital has

been given the term equity certificate capital. A summary of the 20 largest equity owners as of 30.09.09 is included in Notes to the Accounts. So far this year, the result per equity certificate amounts to NOK 13.70.

The new rules will have implications for the dividend shares on equity certificates, which will apply particularly to banks with low amounts of equity certificate capital such as Sparebanken Pluss. It is also reasonable to assume that new capital adequacy requirements could have a negative effect on the dividend shares for a period. Although the bank has high core capital and equity coverage, there will be an aim to strengthen this further forward.

### Future prospects

The Board of Directors expects that the Bank's operating result for the rest of the year will be satisfactory, but the strong turbulence in the financial markets may still have a negative impact on the financial industry.

The development of the Bank's commitments in default and credit losses may also be affected by the further development in the general economic situation.

Kristiansand, 29. October 2009

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				Group					
IFRS	IFRS	NGAAP	IFRS	NOK million					
31.12.08	30.09.08	30.09.08	30.09.09	30.09.09	30.09.08	30.09.08	30.09.08	31.12.08	
1.883,0	1.350,8	1.350,2	1.025,3	1.102,7	1.350,2	1.350,8	1.883,0		
1.443,3	1.030,0	1.030,0	741,2	796,9	1.030,0	1.030,0	1.443,3		
<b>439,7</b>	<b>320,8</b>	<b>320,2</b>	<b>284,1</b>	<b>305,8</b>	<b>320,2</b>	<b>320,8</b>	<b>439,7</b>		
5,6	5,5	5,5	5,8	5,8	5,5	5,5	5,6		
95,9	72,3	69,5	64,8	64,8	69,5	72,3	95,9		
13,5	10,1	10,1	9,9	9,9	10,1	10,1	13,5		
-68,5	-20,8	-32,3	74,6	74,6	-32,3	-20,8	-68,5		
8,2	5,9	6,7	8,4	6,3	6,7	5,9	8,2		
<b>27,7</b>	<b>52,8</b>	<b>39,2</b>	<b>143,7</b>	<b>141,6</b>	<b>39,2</b>	<b>52,8</b>	<b>27,7</b>		
169,2	123,4	125,9	122,4	123,5	125,9	123,4	169,2		
10,5	7,9	8,4	8,5	8,7	8,4	7,9	10,5		
19,3	14,5	14,5	16,8	18,0	14,5	14,5	19,3		
<b>199,0</b>	<b>145,7</b>	<b>148,8</b>	<b>147,7</b>	<b>150,2</b>	<b>148,8</b>	<b>145,7</b>	<b>199,0</b>		
<b>268,4</b>	<b>227,8</b>	<b>210,6</b>	<b>280,1</b>	<b>297,1</b>	<b>210,6</b>	<b>227,8</b>	<b>268,4</b>		
45,6	-3,3	-3,3	13,5	13,5	-3,3	-3,3	45,6		
8,8	0,0	0,0	-2,9	-2,9	0,0	0,0	8,8		
<b>214,0</b>	<b>231,1</b>	<b>213,9</b>	<b>269,5</b>	<b>286,6</b>	<b>213,9</b>	<b>231,1</b>	<b>214,0</b>		
66,8	67,9	63,1	78,5	83,3	63,1	67,9	66,8		
<b>147,3</b>	<b>163,2</b>	<b>150,8</b>	<b>191,0</b>	<b>203,3</b>	<b>150,8</b>	<b>163,2</b>	<b>147,3</b>		

## PROFIT AND LOSS ACCOUNT IN % OF AVERAGE ASSETS

Parent Bank				Group					
IFRS	IFRS	NGAAP	IFRS			IFRS	N GAAP	IFRS	IFRS
31.12.08	30.09.08	30.09.08	30.09.09	NOK million		30.09.09	30.09.08	30.09.08	31.12.08
6,90	6,73	6,74	4,22	Interest receivable		4,54	6,74	6,73	6,90
5,29	5,13	5,14	3,05	Interest payable		3,28	5,14	5,13	5,29
<b>1,61</b>	<b>1,60</b>	<b>1,60</b>	<b>1,17</b>	<b>Net interest- and credit commission income</b>		<b>1,26</b>	<b>1,60</b>	<b>1,60</b>	<b>1,62</b>
0,02	0,03	0,03	0,02	Dividends		0,02	0,03	0,03	0,02
0,35	0,36	0,35	0,27	Commissions and income from banking services		0,27	0,35	0,36	0,35
0,05	0,05	0,05	0,04	Commissions payable and cost from banking services		0,04	0,05	0,05	0,05
-0,25	-0,10	-0,16	0,31	Net gains/losses from securities and foreign exchange		0,31	-0,16	-0,10	-0,25
0,03	0,03	0,03	0,03	Other operating income		0,03	0,03	0,03	0,03
<b>0,10</b>	<b>0,26</b>	<b>0,20</b>	<b>0,59</b>	<b>Total other operating income</b>		<b>0,59</b>	<b>0,20</b>	<b>0,26</b>	<b>0,10</b>
0,62	0,61	0,63	0,50	Wages, salaries and general administration cost		0,51	0,63	0,61	0,62
0,04	0,04	0,04	0,03	Depreciation etc. of fixed- and intangible assets		0,04	0,04	0,04	0,04
0,07	0,07	0,07	0,07	Other operating costs		0,07	0,07	0,07	0,07
<b>0,73</b>	<b>0,73</b>	<b>0,74</b>	<b>0,61</b>	<b>Total operating costs</b>		<b>0,62</b>	<b>0,74</b>	<b>0,73</b>	<b>0,73</b>
<b>0,98</b>	<b>1,13</b>	<b>1,05</b>	<b>1,15</b>	<b>Result before losses on loans</b>		<b>1,22</b>	<b>1,05</b>	<b>1,13</b>	<b>0,98</b>
0,17	-0,02	-0,02	0,06	Losses on loans, guarantees etc.		0,06	-0,02	-0,02	0,17
0,03	0,00	0,00	-0,01	Write-downs on securities (fixed assets)		-0,01	0,00	0,00	0,03
<b>0,78</b>	<b>1,15</b>	<b>1,07</b>	<b>1,11</b>	<b>Operating result</b>		<b>1,18</b>	<b>1,07</b>	<b>1,15</b>	<b>0,78</b>
0,24	0,34	0,32	0,32	Taxes		0,34	0,32	0,34	0,24
<b>0,54</b>	<b>0,81</b>	<b>0,75</b>	<b>0,79</b>	<b>Result after taxes</b>		<b>0,84</b>	<b>0,75</b>	<b>0,81</b>	<b>0,54</b>

## QUARTERLY PROFIT AND LOSS FIGURES

	IFRS	IFRS	IFRS	IFRS	IFRS	NGAAP
	3. quarter	2. quarter	1. quarter	4. quarter	3. quarter	3. quarter
	2009	2009	2009	2008	2008	2008
Interest receivable	330,6	359,9	412,2	532,2	496,4	496,2
Interest payable	226,8	260,7	309,4	413,3	381,6	381,6
<b>Net interest- and credit commission income</b>	<b>103,8</b>	<b>99,2</b>	<b>102,8</b>	<b>118,9</b>	<b>114,8</b>	<b>114,7</b>
Dividends	2,2	3,3	0,3	0,0	2,0	2,0
Commissions and income from banking services	21,8	21,6	21,4	23,7	23,0	22,2
Commissions payable and cost of banking services	3,3	3,4	3,2	3,4	3,4	3,4
Net gains from foreign exchange and securities	40,7	27,7	6,2	-47,7	-32,0	-24,5
Other operating income	2,0	2,4	1,9	2,3	2,0	2,0
<b>Total other operating income</b>	<b>63,3</b>	<b>51,5</b>	<b>26,7</b>	<b>-25,1</b>	<b>-8,4</b>	<b>-1,7</b>
Wages, salaries and general administration cost	38,7	43,0	41,8	45,8	40,8	41,6
Depreciation etc. of fixed - and intangible assets	3,0	2,9	2,8	2,6	2,7	2,9
Other operating costs	6,3	5,8	5,9	4,9	4,7	4,7
<b>Total operating costs</b>	<b>47,9</b>	<b>51,6</b>	<b>50,6</b>	<b>53,3</b>	<b>48,2</b>	<b>49,2</b>
<b>Result from ordinary operations before losses on</b>	<b>119,2</b>	<b>99,1</b>	<b>78,9</b>	<b>40,6</b>	<b>58,2</b>	<b>63,8</b>
Losses on loans. Guarantees etc.	3,4	5,1	5,0	48,9	4,3	4,3
Write-downs on securities (fixed assets)	-0,7	-1,6	-0,6	8,8	0,0	0,0
<b>Operating result</b>	<b>116,5</b>	<b>95,6</b>	<b>74,5</b>	<b>-17,1</b>	<b>54,0</b>	<b>59,4</b>

## QUARTERLY PROFIT AND LOSS FIGURES IN PER CENT OF AVERAGE ASSETS

	IFRS	IFRS	IFRS	IFRS	IFRS	NGAAP
	3. quarter	2. quarter	1. quarter	4. quarter	3. quarter	3. quarter
	2009	2009	2009	2008	2008	2008
<b>Net interest- and credit commission income</b>	<b>1,19</b>	<b>1,26</b>	<b>1,36</b>	<b>1,61</b>	<b>1,62</b>	<b>1,67</b>
Total other operating income	0,73	0,65	0,36	-0,34	-0,12	-0,02
Total operating costs	0,55	0,65	0,67	0,72	0,68	0,70
<b>Result from operations before losses on loans</b>	<b>1,37</b>	<b>1,26</b>	<b>1,05</b>	<b>0,55</b>	<b>0,82</b>	<b>0,95</b>
Losses on loans, guarantees etc.	0,05	0,07	0,07	0,66	0,05	0,05
Write-downs on securities(fixed assets)	-0,01	-0,01	-0,01	0,12	0,00	0,00
<b>Oprating result</b>	<b>1,34</b>	<b>1,21</b>	<b>1,00</b>	<b>-0,23</b>	<b>0,77</b>	<b>0,90</b>

## BALANCE SHEET

Parent Bank		NOK million		Group		
31.12.08	30.09.08	30.09.09		30.09.09	30.09.08	31.12.08
		<b>30.09.09</b>	<b>ASSETS</b>			
1.754,6	1.074,2	1.790,2	Cash and claims on central banks	1.790,2	1.074,2	1.754,6
88,1	121,2	12,8	Net loans to and claims on credit institutions	12,8	121,2	88,1
25.496,4	24.489,6	22.046,4	Gross loans to customers	26.957,0	24.489,6	25.496,4
43,3	15,2	30,1	- Individual write-downs on loans	30,1	15,2	43,3
91,9	71,9	91,9	- Write-downs of groups of loans	91,9	71,9	91,9
25.361,2	24.402,4	21.924,3	Net loans to and claims on customers	26.835,0	24.402,4	25.361,2
0,3	0,3	9,8	Repossessed assets	9,8	0,3	0,3
2.440,5	2.145,1	9.623,6	Certificates, bonds and other interest-bearing securities	4.723,6	2.145,1	2.440,5
168,0	-100,4	104,0	Financial derivatives	104,0	-100,4	168,0
151,9	154,0	164,1	Shares and other securities with variable yield	164,1	154,0	151,9
0,0	0,0	150,0	Equities stakes in group companies	0,0	0,0	0,0
2,0	1,0	2,0	Equities stakes in associated company	1,1	1,0	1,1
15,6	0,0	15,6	Deferred tax benefit	15,6	0,0	15,6
257,7	255,7	268,0	Fixed assets	269,6	255,7	257,7
12,8	11,3	25,8	Other assets	25,8	11,3	12,8
242,7	157,5	197,9	Prepaid costs and accrued income, not yet received	201,3	157,5	242,7
<b>30.495,2</b>	<b>28.222,3</b>	<b>34.288,1</b>	<b>TOTAL ASSETS</b>	<b>34.152,9</b>	<b>28.222,3</b>	<b>30.494,3</b>
		<b>30.09.09</b>	<b>LIABILITIES AND EQUITY CAPITAL</b>			
1.659,4	1.183,9	6.867,9	Liabilities to credit institutions	6.712,8	1.183,9	1.659,4
12.936,4	12.942,7	13.018,8	Deposits from and liabilities to customers	13.018,8	12.942,7	12.936,4
12.407,4	10.694,7	10.786,3	Liabilities incurred through issuance of securities	10.786,3	10.694,7	12.407,4
118,4	9,2	77,6	Finansielle derivter	77,6	9,2	118,4
173,7	175,7	181,5	Other liabilities	181,5	175,7	173,7
495,4	499,8	477,5	Incurred costs and prepaid income	481,2	499,8	495,4
91,6	75,2	89,2	Provisions against liabilities and costs	89,2	75,2	91,6
697,6	697,5	697,9	Subordinated loans	697,9	697,5	697,6
<b>28.579,8</b>	<b>26.278,8</b>	<b>32.196,7</b>	<b>TOTAL LIABILITIES</b>	<b>32.045,3</b>	<b>26.278,8</b>	<b>28.579,8</b>
			<b>Paid-in equity capital</b>			
125,0	125,0	125,0	EC capital	125,0	125,0	125,0
34,3	34,3	34,3	Premium Fund	34,3	34,3	34,3
			<b>Accrued equity capital</b>			
1.698,3	1.588,3	1.698,3	The Savings Bank's Fund	1.697,4	1.588,3	1.697,4
15,0	0,0	0,0	Dividend payable on EC's	0,0	0,0	15,0
30,0	0,0	30,0	Donations Fund	30,0	0,0	30,0
11,3	11,3	11,3	Dividend Equalisation Fund	11,3	11,3	11,3
1,5	21,3	1,5	Fund for value adjustment and estimate discrepancies	1,5	21,3	1,5
0,0	163,2	191,0	Retained earnings	208,1	163,2	0,0
<b>1.915,4</b>	<b>1.943,4</b>	<b>2.091,5</b>	<b>TOTAL EQUITY CAPITAL</b>	<b>2.107,7</b>	<b>1.943,4</b>	<b>1.914,5</b>
<b>30.495,2</b>	<b>28.222,3</b>	<b>34.288,1</b>	<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>34.152,9</b>	<b>28.222,3</b>	<b>30.494,3</b>
			<b>Accounting items off the balance sheet:</b>			
			Contingent liabilities			
424,9	393,4	494,9	Guarantees	494,9	393,4	424,9
2.264,7	1.402,5	3.257,5	Assets pledged as collateral security	3.257,5	1.402,5	2.264,7

## Equity movements

Parent bank			NOK million		Group	
31.12.08	30.09.08	30.09.09		30.09.09	30.09.08	31.12.08
<b>1.801,5</b>	<b>1.801,5</b>	<b>1.915,4</b>	<b>Total equity capital 01.01.</b>	<b>1.914,5</b>	<b>1.801,5</b>	<b>1.801,5</b>
110,0	163,2	191,0	Result	208,1	163,2	109,1
-6,3	-21,3	-15,0	Dividend	-15,0	-21,3	-6,3
30,0	0,0	0,0	Donations	0,0	0,0	30,0
-19,9	0,0	0,0	Fund for value adjustment and estimate discrepancies	0,0	0,0	-19,9
<b>1.915,4</b>	<b>1.943,5</b>	<b>2.091,4</b>	<b>Equity at the end of the period</b>	<b>2.107,6</b>	<b>1.943,5</b>	<b>1.914,5</b>

## CASH FLOW STATEMENT

Morbank			Konsern			
31.12.08	30.09.08	30.09.09	NOK million	30.09.09	30.09.08	31.12.08
			<b>Cash flows from operations</b>			
1.823,6	1.199,6	837,6	Interest receivable	915,0	1.199,6	1.823,6
-1.354,1	-793,2	-586,7	Interest payable	-642,4	-793,2	-1.354,1
4,1	5,5	5,8	Dividends received	5,8	5,5	4,1
99,4	69,7	65,6	Other payments received	63,5	69,7	99,4
-201,1	-156,5	-146,8	Other payments made	-149,3	-156,5	-201,1
2,6	2,4	0,9	Recoveries relating to confirmed losses	0,9	2,4	2,6
-89,1	-89,1	-87,6	Payment of tax	-87,6	-89,1	-89,1
-9,9	-6,8	-5,6	Payments - donations	-5,6	-6,8	-9,9
<b>275,5</b>	<b>231,6</b>	<b>83,2</b>	<b>Net cash flow from operations</b>	<b>100,3</b>	<b>231,6</b>	<b>275,5</b>
			<b>Cash flows from investment activities</b>			
11,6	21,5	75,2	Change in loans to and claims on other financial inst.	75,2	21,5	11,6
-3.405,8	-2.500,0	3.422,4	Change in net loans to and claims on customers.	-1.488,3	-2.500,0	-3.405,8
-766,0	-408,4	-7.261,8	Net change in securities	-2.210,9	-408,4	-766,0
-12,6	-8,8	-28,3	Net change in fixed assets etc.	-29,9	-8,8	-12,6
-14,9	178,8	283,0	Change in other claims	279,6	178,8	-14,9
<b>-4.187,6</b>	<b>-2.716,9</b>	<b>-3.509,5</b>	<b>Net cash flow from investment activities</b>	<b>-3.374,3</b>	<b>-2.716,9</b>	<b>-4.187,7</b>
			<b>Cash flows from financing activities</b>			
-488,8	-482,4	82,4	Net change in deposits from customers	82,4	-482,4	-488,8
475,5	0,1	5.208,5	Net change in deposits from Norges Bank/financial instituti	5.053,4	0,1	475,5
4.133,3	2.654,0	-1.621,1	Net change in bond debt	-1.621,1	2.654,0	4.133,3
160,5	1,6	-192,9	Change in short-term liabilities	-190,1	1,6	160,5
-21,3	-21,3	-15,0	Payment of dividend	-15,0	-21,3	-21,3
<b>4.259,2</b>	<b>2.152,0</b>	<b>3.461,9</b>	<b>Net cash flows from financing activities</b>	<b>3.309,6</b>	<b>2.152,0</b>	<b>4.259,2</b>
<b>347,1</b>	<b>-333,3</b>	<b>35,6</b>	<b>Net change in liquid assets during the period</b>	<b>35,6</b>	<b>-333,3</b>	<b>347,0</b>
<b>1.407,5</b>	<b>1.407,5</b>	<b>1.754,6</b>	<b>Liquid assets as at 01.01</b>	<b>1.754,6</b>	<b>1.407,5</b>	<b>1.407,5</b>
<b>1.754,6</b>	<b>1.074,2</b>	<b>1.790,2</b>	<b>Liquid assets as at end of period</b>	<b>1.790,2</b>	<b>1.074,2</b>	<b>1.754,5</b>

## Segment reporting as at 30.09.09

### PROFIT AND LOSS ACCOUNT

	30.09.09					30.09.08			
	Retail Sector	Corporate Sector	Undistributed	Pluss Boligkr.	Total	Retail Sector	Corporate Sector	Undistributed	Total
Net interest- and commission income	177,4	97,6	9,2	21,7	305,8	197,5	76,6	46,7	320,8
Other operating income	63,6	10,1	67,9	0,0	141,6	52,5	10,4	-10,0	52,8
Operating cost	67,3	15,4	62,8	4,7	150,2	64,2	15,7	65,8	145,7
<b>Result before losses on loans</b>	<b>173,7</b>	<b>92,3</b>	<b>14,2</b>	<b>17,0</b>	<b>297,2</b>	<b>185,8</b>	<b>71,4</b>	<b>-29,1</b>	<b>227,9</b>
Losses on loans, guarantees etc.	-1,0	13,5	-2,0	0,0	10,5	4,7	0,5	-8,5	-3,3
<b>Operating result before taxes</b>	<b>174,7</b>	<b>78,7</b>	<b>16,2</b>	<b>17,0</b>	<b>286,7</b>	<b>181,1</b>	<b>70,9</b>	<b>-20,5</b>	<b>231,1</b>

### BALANCE SHEET

Net loans to customer	12.278,0	8.453,9	1.192,5	4.910,6	26.835,0	16.006,5	7.591,2	804,7	24.402,4
Other assets	605,8	515,5	6.141,4	55,2	7.317,9	394,4	407,9	3.017,7	3.819,9
<b>Total assets</b>	<b>12.883,8</b>	<b>8.969,3</b>	<b>7.333,9</b>	<b>4.965,8</b>	<b>34.152,9</b>	<b>16.400,9</b>	<b>7.999,0</b>	<b>3.822,4</b>	<b>28.222,3</b>
Deposits from and liabilities to customer	7.050,7	4.317,3	1.650,8	0,0	13.018,8	6.555,8	4.160,9	2.226,0	12.942,7
Other liabilities and equity	5.833,1	4.652,1	5.683,1	4.965,8	21.134,0	9.845,1	3.838,1	1.596,4	15.279,6
<b>Total liabilities and equity capital</b>	<b>12.883,8</b>	<b>8.969,3</b>	<b>7.333,9</b>	<b>4.965,8</b>	<b>34.152,9</b>	<b>16.400,9</b>	<b>7.999,0</b>	<b>3.822,4</b>	<b>28.222,3</b>

## NOTES TO THE ACCOUNTS

The accounts are prepared in accordance with IFRS, including IAS 34 relating to interim reporting. The notes are given in NOK million.

### 1-SUMMARY OF THE MOST IMPORTANT CHANGES IN THE ACCOUNTING PRINCIPLES

Accounting principles according to NGAAP are described in detail in the 2008 annual accounts. The most important changes in the accounting principles at the transition to IFRS are summarised below. See separate description for complete accounting principles according to IFRS.

#### 1.1. FINANCIAL INSTRUMENTS – FINANCIAL DERIVATIVES

According to NGAAP, interest rate swaps were included in the Profit and Loss Account at their realisation. According to IAS 39, financial derivatives shall be included in the Balance Sheet at fair market value with value changes through the Profit and Loss Account. For Sparebanken Pluss, the conversion of the accounts means that interest rate swaps will be included in the Balance Sheet at fair market value with value changes through the Profit and Loss Account.

#### 1.2. FINANCIAL INSTRUMENTS – HEDGING-RELATED ACCOUNTING

The documentation requirements in connection with hedging-related accounting are stricter according to IFRS than according to NGAAP. In accordance with NGAAP, Sparebanken Pluss has practiced hedging-related accounting relating to foreign exchange- and interest rate risk for loans and deposits. In accordance with IFRS, hedging-related accounting in connection with the Bank's funding at fixed interest rates is being continued.

#### 1.3. FINANCIAL INSTRUMENTS – FIXED INTEREST RATE LOANS

According to NGAAP, fixed rate loans have been assessed at amortised cost, after deduction for loss provisions. Loans (claims) can be assessed at amortised cost also under IFRS, but Sparebanken Pluss has chosen to assess fixed interest rate loans with original interest rate fixing in excess of 12 months at fair market value with value changes through the Profit and Loss Account.

#### 1.4. FINANCIAL INSTRUMENTS – PREMIUM/DISCOUNT IN CONNECTION WITH EARLY REDEMPTION OF LOANS

According to NGAAP, the settled premium/discount in connection with early redemption of fixed interest rate loans has been subject to accrual accounting over the repaid loan's remaining life. Under IFRS, premium or discount will be put through the Profit and Loss Account as it materialises.

#### 1.5. FINANCIAL INSTRUMENTS - PREMIUM/DISCOUNT IN CONNECTION WITH REPURCHASE OF BOND LOANS



According to NGAAP, any premium or discount in the case of repurchase of fixed interest rate loans is subject to accrual accounting over the remaining life of the redeemed loan. Under IFRS, such premium or discount is included in the Profit and Loss Account as it materialises.

#### **1.6. FINANCIAL INSTRUMENTS – LOSS ON LOANS**

Under NGAAP, losses on loans have been calculated in accordance with the loan rules and regulations, according to which losses are assessed on loans through individual calculations and collective assessments. Methodology for loss assessment in the loan rules and regulations is based on loans being assessed at amortised cost.

That part of Sparebanken Pluss's lending portfolio which has fixed interest rate terms and conditions will, according to IFRS, be assessed at fair market value, and will accordingly be subject to a different methodology as far as loss assessment is concerned. In the case of assessment at fair market value, losses are expressed through changes in credit risk additions to the discounting rate of interest, coupled with adjustments of the expected cash flows on which the discounting is based. Changed methodology for the assessment of losses on fixed interest rate loans has not in itself brought about any significant changes in the amounts of such loans included in the Balance Sheet.

#### **1.7. FINANCIAL INSTRUMENTS – INTEREST-BEARING SECURITIES PORTFOLIO**

According to NGAAP, the Bank's interest-bearing securities portfolio has mainly been subject to value assessment according to the lower of cost or market valuation rule, on a portfolio basis. Under IFRS, this portfolio is assessed at fair market value with value changes through the Profit and Loss Account. The portfolio consists of bonds and certificates issued by other borrowers.

In addition to the abovementioned securities portfolio, the Bank has a limited trading portfolio of interest-bearing securities, which according to NGAAP was assessed on an ongoing basis at fair market value. In accordance with EU's exemption arrangement included in Directive dated 3 November 2008; however, these bonds were reclassified in the category 'to be held to maturity' and reassessed at amortised cost (effective interest rate method). The opportunity of classification as 'to be held to maturity' may also be applied under IFRS and this accounting principle has been chosen.

#### **1.8. FINANCIAL INSTRUMENTS - FINANCIAL GUARANTEES**

In accordance with NGAAP, financial guarantees have been kept off the Balance Sheet. Under IFRS, financial guarantees are shown in the Balance Sheet at fair market value and will appear on both sides of the Balance Sheet.

#### **1.9. FIXED ASSETS**

As far as real estate is concerned, the depreciation basis has been adjusted upwards as real estate was value assessed in 2008 with a view to establishing fair market value as at 01.01.2008. The upwards adjusted value becomes the basis for ordinary depreciation. The buildings involved have been split from an assessment point of view, as value has been calculated for sites, technical installations and buildings with different depreciation periods.

#### **1.10. EQUITY STAKES IN GROUP COMPANIES AND ASSOCIATED COMPANY**

Investment in associated companies is incorporated in the company accounts according to the cost method and in accordance with the equity method of accounting in the Group accounts. Subsidiaries are consolidated in the Group accounts.

#### **1.11. PRESENTATION – CLASSIFICATION OF DIVIDENDS**

According to NGAAP, proposed dividend, not yet agreed, was shown under liabilities. Under IFRS, proposed dividend is shown as equity capital until a resolution about payment of dividend has been made.

#### **1.12. PRESENTATION – THE PREPARATION OF THE PROFIT AND LOSS ACCOUNT**

According to IFRS, one is able to choose to present the Profit and Loss Account either according to type or function. Sparebanken Pluss has chosen to further development a plan which is divided according to type.

#### **1.13. PRESENTATION – SEGMENT REPORTING**

Segment reporting to the Board of Directors and management follows the reporting basis of Retail Banking and the Corporate Banking Centre in Kristiansand. Retail banking includes all local banks and branches. The corporate market in Kristiansand comprises the Bank's big corporate commitments in and outside the Agder counties.

In addition, there are unallotted joint costs, and costs relating to staff units at the head office, as a separate segment. With effect from the second quarter of 2009, Pluss Boligkreditt AS is reported as a separate segment.

#### **1.14. PENSION LIABILITIES**

Previously, estimate discrepancies were amortised over the remaining accrual period. Changes in estimate discrepancies are included in the accounts against equity capital on an ongoing basis.

## 2-LOSSES ON LOANS

Parent bank			Group			
31.12.08	30.09.08	30.09.09	Losses on loans in the periode	30.09.09	30.09.08	31.12.08
45,5	-3,4	13,5	Write-downs of loans	13,5	-3,4	45,5
0,1	0,1	0,0	Losses on guarantees	0,0	0,1	0,1
<b>45,6</b>	<b>-3,3</b>	<b>13,5</b>	<b>Write-down on loans and losses on guarantees</b>	<b>13,5</b>	<b>-3,3</b>	<b>45,6</b>
<b>Losses on loans:</b>						
32,1	5,4	-12,0	Changes in specific write-downs of loans in the period	-12,0	5,4	32,1
11,5	-8,5	0,0	+ Changes in write-down on groups of loans in the period	0,0	-8,5	11,5
3,6	1,5	2,4	+ Amortised loans	2,4	1,5	3,6
0,3	0,3	21,1	+ Confirmed losses in the period for which specific write-downs have previously been made	21,1	0,3	0,3
0,7	0,5	2,9	+ Confirmed losses in the period for which no specific write-downs have previously been made	2,9	0,5	0,7
2,7	2,4	0,9	- Recoveries from previous confirmed losses	0,9	2,4	2,7
<b>45,5</b>	<b>-3,3</b>	<b>13,5</b>	<b>= Write-down on loans in the period</b>	<b>13,5</b>	<b>-3,3</b>	<b>45,5</b>
<b>Changes in specific write-downs:</b>						
9,0	9,0	41,0	Specific write-downs of loans as at 01.01.	41,0	9,0	9,0
0,3	0,3	21,1	- Confirmed losses on loans in the period for which write-downs have previously been made	21,1	0,3	0,3
2,4	0,2	9,6	+ Increased specific write-downs in the periode	9,6	0,2	2,4
33,2	7,5	9,7	+ New specific write-downs in the period	9,7	7,5	33,2
3,3	2,1	10,2	- Recoveries from write-downs in the period	10,2	2,1	3,3
2,2	0,9	1,1	+ Amortised loans	1,1	0,9	2,2
<b>43,3</b>	<b>15,2</b>	<b>30,1</b>	<b>= Specific write-downs and amortised loan</b>	<b>30,1</b>	<b>15,2</b>	<b>43,3</b>
<b>Changes in write-downs on groups of loans:</b>						
80,4	80,4	91,9	Write-downs of groups of loans as at 01.01.	91,9	80,4	80,4
11,5	-8,5	0,0	+ Changes in write-downs of groups of loans in the period	0,0	-8,5	11,5
<b>91,9</b>	<b>71,9</b>	<b>91,9</b>	<b>Write-downs of groups of loans</b>	<b>91,9</b>	<b>71,9</b>	<b>91,9</b>
<b>Defaulted loans/credits</b>						
133,7	35,8	75,3	Gross defaulted loans/credits >90 days	75,3	35,8	133,7
11,0	0,5	16,0	- Specific write-downs	16,0	0,5	11,0
<b>122,6</b>	<b>35,3</b>	<b>59,3</b>	<b>Net defaulted loans/credits</b>	<b>59,3</b>	<b>35,3</b>	<b>122,6</b>
0,53 %	0,15 %	0,34 %	Gross defaulted loans as a % of gross loans	0,28 %	0,15 %	0,53 %
<b>Other bad and doubtful loans/credits</b>						
114,5	79,9	85,4	Other bad and doubtful loans/credits, against which write-downs have been made	85,4	79,9	114,5
32,2	14,7	14,1	- Specific write-downs	14,1	14,7	32,2
<b>82,2</b>	<b>65,2</b>	<b>71,3</b>	<b>Net other bad and doubtful loans/credits</b>	<b>71,3</b>	<b>65,2</b>	<b>82,2</b>
<b>Gross defaulted loans and bad and doubtful commit</b>						
248,1	115,7	160,7	Gross defaulted loans and bad/doubtful commitments	160,7	115,7	248,1
43,3	15,2	30,1	- Specific writedowns	30,1	15,2	43,3
<b>204,9</b>	<b>100,5</b>	<b>130,5</b>	<b>Net defaulted loans and bad/doubtful commitment</b>	<b>130,5</b>	<b>100,5</b>	<b>204,9</b>

### 3-CAPITAL ADEQUACY

Parent bank			Group		
31.12.08	30.09.08	30.09.09	30.09.09	30.09.08	31.12.08
13,52 %	13,92 %	14,29 %	<b>Capital adequacy ratio*</b>	13,18 %	13,52 %
1.534,7	1.471,5	1.519,4	<b>Minimum requirements for equity capital</b>	1.653,2	1.534,7
19.183,5	18.394,0	18.992,9	<b>Calculation basis</b>	20.664,5	19.183,5
2.593,3	2.560,1	2.714,1	<b>Net equity and related capital*</b>	2.722,6	2.593,3
2.195,2	2.162,1	2.316,0	Core capital*	2.324,6	2.195,2
398,0	398,0	398,1	Supplementary capital	398,1	398,0
1.534,7	1.471,5	1.519,4	<b>Minimum requirements for equity capital</b>	1.634,8	1.534,7
Capital requirements for credit risk according to					
1.477,7	1.413,0	1.457,8	the standard method	1.590,6	1.477,7
64,6	64,6	69,3	Capital requirements for operational risk	70,2	64,6
-7,6	-6,0	-7,6	Deduction in the capital requirements	-7,6	-7,6

\*Incl. 50% of the half year result (before taxes), however the accounts is not audited.

### 4-EQUITY CERTIFICATES (EC)

#### The 20 largest EC holders as at 30.09.2009

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	33.400	2,67	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. Engelschiøn Marwell Hauge pens	10.500	0,84
7. Spareskillingsbanken	26.600	2,13	17. Rynning Jens Emil	10.250	0,82
8. Gumpens Auto AS	26.350	2,11	18. Mørch Gerd Turid	10.200	0,82
9. MP Pensjon	26.000	2,08	19. Pareto AS	10.150	0,81
10. Birkenes Sparebank	20.000	1,60	20. Akselsen Carsten	10.050	0,80
<b>Total- 10 largest owners</b>	<b>377.300</b>	<b>30,18</b>	<b>Total- 20 largest owners</b>	<b>497.800</b>	<b>39,82</b>

As at 30.09.09, 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.