



# Interim report 4th quarter 2017

Storebrand Bank ASA

(unaudited)

# Contents

Interim report Storebrand Bank Group . . . . .	3
Income statement Storebrand Bank Group . . . . .	5
Statement of comprehensive income Storebrand Bank Group. . . . .	5
Statement of financial position Storebrand Bank Group . . . . .	6
Income statement Storebrand Bank ASA . . . . .	7
Statement of comprehensive income Storebrand Bank ASA . . . . .	7
Statement of financial position Storebrand Bank ASA . . . . .	8
Statement of changes in equity. . . . .	9
Statement of cash flow . . . . .	11

## NOTES

Note 1 Accounting principles . . . . .	12
Note 2 Estimates . . . . .	14
Note 3 Tax . . . . .	15
Note 4 Related parties . . . . .	15
Note 5 Financial risk . . . . .	16
Note 6 Valuation of financial instruments . . . . .	16
Note 7 Segment information . . . . .	18
Note 8 Securities issued and subordinated loan capital . . . . .	20
Note 9 Capital adequacy. . . . .	21
Note 10 Key figures. . . . .	24
Note 11 Net interest income . . . . .	25
Note 12 Off balance sheet liabilities and contingent liabilities . . . . .	26
Note 13 Non-performing loans and loan losses.. . . . .	26
Note 14 Quarterly income statement . . . . .	27

This document contains Alternative Performance Measures as defined by the European Securities and Market Authority (ESMA).  
An overview of APMs used in financial reporting is available on [storebrand.com/ir](http://storebrand.com/ir).

# Storebrand Bank Group

## - Interim report for the fourth quarter of 2017

(Profit figures for the corresponding period in 2016 are shown in parentheses. Balance sheet figures in parentheses are for the end of 2016.)

- Continued growth in the retail market portfolio
- Low volume of non-performing loans
- Strong capital position

Loans outstanding in the retail market portfolio increased by NOK 1.1 billion during the quarter and has increased by NOK 6.7 billion year to date. The mortgage portfolio managed on behalf of Storebrand Livsforsikring AS increased by NOK 2.6 million during the quarter and NOK 5.5 billion for the year.

### FINANCIAL PERFORMANCE

The bank group achieved a pre-tax profit of NOK 39 million (NOK 30 million) in the fourth quarter and a pre-tax profit of NOK 194 million (NOK 203 million) year to date.

Net interest income was NOK 98 million (NOK 94 million) for the fourth quarter and NOK 374 million (NOK 373 million) year to date. The fee to the Norwegian Banks' Guarantee Fund of NOK 13 million for 2017 is expensed over 12 months, with NOK 3 million in the fourth quarter. In 2016, the fee of NOK 14 million was expensed in its entirety in the first quarter. The interest margin improved in the quarter, but is still influenced by competitive pricing in the retail market and a reduced proportion of loans in the corporate market. Net interest income as a percentage of average total assets was 1.19 per cent (1.13 per cent) for the fourth quarter and 1.14 per cent (1.11 per cent) year to date. In the retail market net interest income as a percentage of average total assets was 1.22 per cent (1.03 per cent) for the fourth quarter and 1.20 per cent (1.12 per cent) year to date.

Net commission revenues represented NOK 19 million (NOK 12 million) in the fourth quarter, and NOK 76 million (NOK 48 million) for the year. There was a positive effect on the bank's commission income due to the increase in loans managed on behalf of Storebrand Livsforsikring AS.

Other revenues amounted to NOK 9 million (NOK 1 million) for the fourth quarter, and NOK 54 million (NOK 83 million) for the year. This development is primarily due to changes in value of fixed-rate loans at fair value, derivatives and other financial instruments.

Operating costs increased in the quarter and totalled NOK 85 million (NOK 69 million) in the fourth quarter and NOK 300 million (NOK 285 million) year to date, mainly due to increased pension and IT cost.

NOK 1 million was recognised as expenses (NOK 9 million) for write-downs on lending in the fourth quarter, and NOK 9 million has been recognised as expenses (NOK 17 million) for the year.

### BALANCE SHEET PERFORMANCE

The loan portfolio in the retail market, including loans managed on behalf of Storebrand Livsforsikring AS, amounted to NOK 42.1 billion (NOK 35.4 billion) at the end of the fourth quarter, of which the share to Storebrand Livsforsikring AS was net NOK 15.2 billion (NOK 9.7 billion). Retail market loans in the bank group amounted to NOK 26.9 billion (NOK 25.7 billion) at the end of the fourth quarter. The corporate portfolio amounted to NOK 0.4 billion at the end of the fourth quarter and is reduced according to plan. The volume of corporate loans syndicated to Storebrand Livsforsikring AS amounted to NOK 0.2 billion (NOK 1.3 billion) at the end of the fourth quarter. Gross lending in the bank group totalled NOK 27.3 billion at the end of the fourth quarter (NOK 27.3 billion).

The bank group's retail market portfolio represents 99 per cent (95 per cent) of the bank's total loans, and mainly consists of low risk home mortgages. The weighted average loan-to-value ratio in the bank group for the retail market portfolio is approximately 57 per cent for home mortgage loans, and largely unchanged from the end of 2016. Corporate lending accounts for 1 per cent (5 per cent) of the portfolio.

The total volume of non-performing loans increased by NOK 22 million in the fourth quarter and accounts for 1.0 per cent (0.7 per cent) of gross lending at the end of the fourth quarter. The bank considers the portfolio quality to be good. Non-performing loans without impairment amounted to NOK 150 million (NOK 107 million) at the end of the fourth quarter. Non-performing impaired loans amounted to NOK 114 million (NOK 88 million) at the end of the fourth quarter, where impairment gives individual write-downs of NOK 43 million (NOK 28 million).

### LIQUIDITY RISK AND FUNDING

The bank has established solid liquidity buffers and puts great importance on a balanced funding structure with varying time to maturity and issuances in various markets. The volume of deposits from customers was NOK 14.6 billion (NOK 15.2 billion) at the end of the fourth quarter, which represents a deposit-to-loan ratio of 54 per cent (56 per cent).

Storebrand Bank ASA and Storebrand Boligkreditt AS have not issued any new debt in the quarter. Standard & Poor's revised the outlook of the credit rating of Storebrand Bank ASA from stable to positive and affirmed the rating of BBB+ in the quarter. The credit rating of Storebrand Boligkreditt AS is AAA.

The liquidity coverage requirement (LCR) measures the size of the company's liquid assets, in relation to the net liquidity outflow 30 days in the future, given a stress situation in the money and capital markets. As of 31 December 2017, the bank group must comply with an LCR of 100 per cent. The bank group's LCR was 154 per cent at the end of the fourth quarter.

## CAPITAL ADEQUACY

The bank has had a decrease in the risk-weighted balance sheet of NOK 1.4 billion in the year. The Storebrand Bank Group had capital (Tier 1 capital + Tier 2 capital) of NOK 2.3 billion at the end of the fourth quarter. The capital adequacy ratio was 18.9 per cent and the Core Equity Tier 1 (CET1) ratio was 14.8 per cent at the end of the fourth quarter, compared with 17.7 per cent and 14.0 per cent, respectively, at the end of 2016. The combined requirements for capital and CET1 were 17.3 per cent and 13.8 per cent respectively at the end of the fourth quarter.

The bank group has adapted to the new capital requirements and aims to comply with the applicable buffer capital requirements at any given time. The bank group has satisfactory financial strength and liquidity based on its operations. The bank group, parent bank and Storebrand Boligkreditt AS satisfied the combined capital and capital buffer requirements by a good margin as of 31 December 2017.

## PERFORMANCE OF STOREBRAND BANK ASA

Storebrand Bank ASA achieved a pre-tax profit of NOK 96 million (NOK 82 million) for the fourth quarter, and NOK 194 million (NOK 221 million) for the year.

Net interest revenues for Storebrand Bank ASA totalled NOK 55 million (NOK 69 million) for the fourth quarter and NOK 221 million (NOK 255 million) for the year.

NOK 1 million was recognised as expenses (NOK 9 million recognised as expenses) from loan write-downs in the fourth quarter and NOK 7 million has been recognised as expenses (NOK 17 million recognised as expenses) for the year.

## STRATEGY AND FUTURE PROSPECTS

In 2018, the Storebrand Bank group will continue to work on improving the business' profitability, combined with growth within strategic segments in the retail market. The development in the housing market in different parts of the country is closely monitored. The bank will also prioritise maintaining a moderate to low risk profile with a strong balance sheet and funding composition.

In the retail market, the bank will continue to work on developing attractive products and digital services that support Storebrand's focus on sustainability. Improving competitiveness through better efficiency is a priority and the bank will continue to reduce costs and increase the degree of automation in customer and work processes.

Due to the decision to exit the corporate market, the bank will not enter into new projects, grant new loans or otherwise acquire new corporate customers.

Sound management of the bank's credit and liquidity risk, and control of the operational risk in key work processes will also be a vital focus in the future. The bank will continue to closely monitor developments in non-performing loans and loan losses. Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market, particularly in Oslo, are regarded as the key risk factors that can affect the results of the Storebrand Bank group in the going forward.

The Board of Directors are not aware of any events of material importance to the preparation of the interim financial statements that have occurred since the balance sheet date.

Lysaker, 6 February 2018

The Board of Directors of Storebrand Bank ASA

Heidi Skaaret  
- Chairman of the Board -

Jostein Dalland  
- Deputy chairman of the board -

Inger Roll-Matthiesen  
- Member of the board -

Bernt Uppstad  
- CEO -

Leif Helmich Pedersen  
- Member of the board -

Vivi Gevelt  
- Member of the board -

Maria Skotnes  
- Member of the board -

# Storebrand Bank Group

## Income statement

NOK million	note	Q4		Full Year	
		2017	2016	2017	2016
Interest income		182.6	186.9	729.3	765.9
Interest expense		-84.5	-93.0	-355.3	-393.3
<b>Net interest income</b>	<b>11</b>	<b>98.1</b>	<b>93.9</b>	<b>374.0</b>	<b>372.7</b>
Fee and commission income from banking services		24.3	18.5	91.0	63.6
Fee and commission expenses for banking services		-5.7	-6.1	-15.0	-15.2
<b>Net fee and commission income</b>		<b>18.5</b>	<b>12.4</b>	<b>76.0</b>	<b>48.5</b>
Net gains on financial instruments		9.2	4.7	53.7	86.9
Other income		0.0	-3.5	0.0	-3.5
<b>Total other operating income</b>		<b>9.2</b>	<b>1.2</b>	<b>53.7</b>	<b>83.4</b>
Staff expenses		-31.0	-20.8	-105.8	-95.7
General administration expenses		-18.2	-15.8	-59.8	-46.2
Other operating costs		-35.8	-32.1	-134.6	-142.8
<b>Total operating costs</b>		<b>-85.1</b>	<b>-68.7</b>	<b>-300.2</b>	<b>-284.7</b>
<b>Operating profit before loan losses</b>		<b>40.7</b>	<b>38.8</b>	<b>203.5</b>	<b>219.8</b>
Loan losses for the period	13	-1.4	-8.7	-9.4	-17.2
<b>Profit before tax</b>		<b>39.2</b>	<b>30.0</b>	<b>194.1</b>	<b>202.7</b>
Tax	3	-7.3	-5.2	-48.1	-45.0
Result after tax sold/discontinued operations		-0.1	0.5	-0.3	0.5
<b>Profit for the period</b>		<b>31.8</b>	<b>25.3</b>	<b>145.8</b>	<b>158.1</b>
<b>Profit for the period is attributable to:</b>					
Portion attributable to shareholders		29.2	22.5	135.1	147.2
Portion attributable to additional Tier 1 capital holders		2.6	2.8	10.6	11.0
<b>Profit for the period</b>		<b>31.8</b>	<b>25.3</b>	<b>145.8</b>	<b>158.1</b>

## Statement of comprehensive income

(NOK million)	Q4		Full Year	
	2017	2016	2017	2016
Profit for the period	31.8	25.3	145.8	158.1
Pension experience adjustments	0.4	-6.6	0.4	-6.6
Tax on pension experience adjustments	-0.1	1.7	-0.1	1.7
<b>Total other result elements not to be classified to profit/loss</b>	<b>0.3</b>	<b>-5.0</b>	<b>0.3</b>	<b>-5.0</b>
Unrealised gain/loss financial instruments available for sale	1.6	0.0	7.6	-2.8
<b>Total other result elements that may be classified to profit/loss</b>	<b>1.6</b>	<b>0.0</b>	<b>7.6</b>	<b>-2.8</b>
<b>Total comprehensive income for the period</b>	<b>33.7</b>	<b>20.4</b>	<b>153.7</b>	<b>150.4</b>
<b>Total comprehensive income for the period is attributable to:</b>				
Portion attributable to shareholders	31.1	17.6	143.0	139.4
Portion attributable to additional Tier 1 capital holders	2.6	2.8	10.6	11.0
<b>Total comprehensive income for the period</b>	<b>33.7</b>	<b>20.4</b>	<b>153.7</b>	<b>150.4</b>

# Storebrand Bank Group

## Statement of financial position

NOK million		31.12.2017	31.12.2016
Cash and deposits with central banks		472.2	464.5
Loans to and deposits with credit institutions	6	313.5	272.0
Financial assets designated at fair value through profit and loss:			
Equity instruments	6	40.8	15.5
Bonds and other fixed-income securities	6, 12	3,213.5	3,431.9
Derivatives	6	179.8	254.1
Bonds at amortised cost	6, 12	380.4	530.6
Other current assets	6	37.3	30.5
Gross lending, amortised cost	6	26,746.3	25,375.0
Gross lending, fair value through profit and loss	6	580.0	1,958.5
Gross lending		27,326.4	27,333.5
- Loan loss provisions on individual loans	13	-42.8	-27.5
- Loan loss provisions on groups of loans	13	-26.5	-38.2
Net lending to customers		27,257.0	27,267.8
Tangible assets		0.1	1.0
Intangible assets and goodwill		71.4	80.1
Deferred tax assets	3	16.1	24.0
Assets sold/discontinued operations		0.0	0.8
<b>Total assets</b>		<b>31,982.2</b>	<b>32,373.0</b>
Liabilities to credit institutions	6	155.0	407.2
Deposits from and due to customers	6	14,628.0	15,238.4
Other financial liabilities:			
Derivatives	6	138.6	208.3
Commercial papers and bonds issued	6, 8	14,304.2	13,521.0
Other liabilities	6	109.9	153.7
Liabilities sold/discontinued operations		0.0	0.0
Provision for accrued expenses and liabilities		6.0	7.3
Pension liabilities		11.6	13.6
Subordinated loan capital	6, 8	276.1	277.2
<b>Total liabilities</b>		<b>29,629.3</b>	<b>29,826.6</b>
Paid in capital		1,590.9	1,590.9
Retained earnings		536.0	729.4
Additional Tier 1 capital		226.0	226.0
<b>Total equity</b>	<b>9</b>	<b>2,352.9</b>	<b>2,546.3</b>
<b>Total equity and liabilities</b>		<b>31,982.2</b>	<b>32,373.0</b>

Lysaker, 6 February 2018  
The Board of Directors of Storebrand Bank ASA

# Storebrand Bank ASA

## Income statement

NOK million	note	Q4		Full Year	
		2017	2016	2017	2016
Interest income		101.5	117.4	409.0	481.4
Interest expense		-46.5	-48.2	-188.4	-226.6
<b>Net interest income</b>	11	<b>55.1</b>	<b>69.2</b>	<b>220.6</b>	<b>254.8</b>
Fee and commission income from banking services		39.5	32.5	150.8	122.0
Fee and commission expenses for banking services		-5.7	-6.1	-14.7	-15.1
<b>Net fee and commission income</b>		<b>33.8</b>	<b>26.4</b>	<b>136.1</b>	<b>106.8</b>
Net gains on financial instruments		10.0	1.8	63.3	95.4
Other income		81.7	58.6	75.4	58.6
<b>Total other operating income</b>		<b>91.7</b>	<b>60.4</b>	<b>138.7</b>	<b>154.0</b>
Staff expenses		-31.0	-20.8	-105.6	-95.5
General administration expenses		-18.2	-15.8	-59.6	-46.0
Other operating costs		-34.5	-29.2	-129.6	-135.7
<b>Total operating costs</b>		<b>-83.6</b>	<b>-65.7</b>	<b>-294.9</b>	<b>-277.2</b>
<b>Operating profit before loan losses</b>		<b>96.9</b>	<b>90.3</b>	<b>200.5</b>	<b>238.4</b>
Loan losses for the period	13	-0.8	-8.8	-6.9	-17.1
<b>Profit before tax</b>		<b>96.1</b>	<b>81.5</b>	<b>193.6</b>	<b>221.4</b>
Tax	3	-21.3	-15.9	-49.3	-47.5
<b>Profit for the period</b>		<b>74.7</b>	<b>65.5</b>	<b>144.3</b>	<b>173.8</b>
<b>Profit for the period is attributable to:</b>					
Portion attributable to shareholders		72.1	62.8	133.7	162.9
Portion attributable to additional Tier 1 capital holders		2.6	2.8	10.6	11.0
<b>Profit for the period</b>		<b>74.7</b>	<b>65.5</b>	<b>144.3</b>	<b>173.8</b>

## Statement of comprehensive income

NOK mill.	Q4		Full Year	
	2017	2016	2017	2016
Profit for the period	74.7	65.5	144.3	173.8
Pension experience adjustments	0.4	-6.6	0.4	-6.6
Tax on pension experience adjustments	-0.1	1.7	-0.1	1.7
<b>Total other result elements not to be classified to profit/loss</b>	<b>0.3</b>	<b>-5.0</b>	<b>0.3</b>	<b>-5.0</b>
Unrealised gain/loss financial instruments available for sale	1.6	0.0	7.6	-2.8
<b>Total other result elements that may be classified to profit/loss</b>	<b>1.6</b>	<b>0.0</b>	<b>7.6</b>	<b>-2.8</b>
<b>Total comprehensive income for the period</b>	<b>76.7</b>	<b>60.6</b>	<b>152.2</b>	<b>166.1</b>
<b>Total comprehensive income for the period is attributable to:</b>				
Portion attributable to shareholders	74.1	57.8	141.6	155.1
Portion attributable to additional Tier 1 capital holders	2.6	2.8	10.6	11.0
<b>Total comprehensive income for the period</b>	<b>76.7</b>	<b>60.6</b>	<b>152.2</b>	<b>166.1</b>

# Storebrand Bank ASA

## Statement of financial position

NOK million		31.12.2017	31.12.2016
Cash and deposits with central banks		472.2	464.5
Loans to and deposits with credit institutions	6	2,358.1	1,221.8
Financial assets designated at fair value through profit and loss:			
Equity instruments	6	40.8	15.5
Bonds and other fixed-income securities	6, 12	3,458.6	4,070.1
Derivatives	6	92.6	131.1
Bonds at amortised cost	6, 12	380.4	530.6
Other current assets		1,143.1	1,127.2
Gross lending, amortised cost	6	12,204.1	11,999.5
Gross lending, fair value through profit and loss	6	580.0	1,958.5
Gross lending		12,784.1	13,958.0
- Loan loss provisions on individual loans	13	-41.4	-24.6
- Loan loss provisions on groups of loans	13	-23.2	-37.0
Net lending to customers		12,719.5	13,896.4
Tangible assets		0.1	1.0
Intangible assets		71.4	80.1
Deferred tax assets	3	13.7	22.4
<b>Total assets</b>		<b>20,750.4</b>	<b>21,560.8</b>
Liabilities to credit institutions	6	155.0	407.2
Deposits from and due to customers	6	14,629.9	15,248.0
Other financial liabilities:			
Derivatives	6	138.6	208.3
Commercial papers and bonds issued	6, 8	3,115.6	2,625.2
Other liabilities	6	386.1	632.7
Provision for accrued expenses and liabilities		6.0	7.3
Pension liabilities		11.6	13.6
Subordinated loan capital	6, 8	276.1	277.2
<b>Total liabilities</b>		<b>18,718.8</b>	<b>19,419.4</b>
Paid in capital		1,762.4	1,762.4
Retained earnings		43.2	152.9
Additional Tier 1 capital		226.0	226.0
<b>Total equity</b>	<b>9</b>	<b>2,031.6</b>	<b>2,141.4</b>
<b>Total equity and liabilities</b>		<b>20,750.4</b>	<b>21,560.8</b>

Lysaker, 6 February 2018  
The Board of Directors of Storebrand Bank ASA



# Storebrand Bank Group

## Statement of changes in equity

NOK million	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
<b>Equity at 31.12.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>400.2</b>	<b>1,516.8</b>	<b>661.4</b>	<b>661.4</b>	<b>226.0</b>	<b>2,404.2</b>
Profit for the period					147.2	147.2	11.0	158.1
Total other result elements not to be classified to profit/loss					-5.0	-5.0		-5.0
Total other result elements that may be classified to profit/loss					-2.8	-2.8		-2.8
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>139.4</b>	<b>139.4</b>	<b>11.0</b>	<b>150.4</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					2.7	2.7		2.7
Payment to additional Tier 1 holders							-11.0	-11.0
Group contribution received			74.1	74.1				74.1
Provision for group contribution					-74.1	-74.1		-74.1
<b>Equity at 31.12.2016</b>	<b>960.6</b>	<b>156.0</b>	<b>474.3</b>	<b>1,590.9</b>	<b>729.4</b>	<b>729.4</b>	<b>226.0</b>	<b>2,546.3</b>
Profit for the period					135.1	135.1	10.6	145.8
Total other result elements not to be classified to profit/loss					0.3	0.3		0.3
Total other result elements that may be classified to profit/loss					7.6	7.6		7.6
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>143.0</b>	<b>143.0</b>	<b>10.6</b>	<b>153.7</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					2.7	2.7		2.7
Payment to additional Tier 1 holders							-10.7	-10.7
Group contribution paid					-339.0	-339.0		-339.0
Other changes					-0.1	-0.1		-0.1
<b>Equity at 31.12.2017</b>	<b>960.6</b>	<b>156.0</b>	<b>474.3</b>	<b>1,590.9</b>	<b>536.1</b>	<b>536.1</b>	<b>226.0</b>	<b>2,352.9</b>

# Storebrand Bank ASA

## Statement of changes in equity

NOK million	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
<b>Equity at 31.12.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>645.9</b>	<b>1,762.4</b>	<b>334.1</b>	<b>334.1</b>	<b>226.0</b>	<b>2,322.5</b>
Profit for the period					162.9	162.9	11.0	173.8
Total other result elements not to be classified to profit/loss					-5.0	-5.0		-5.0
Total other result elements that may be classified to profit/loss					-2.8	-2.8		-2.8
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>155.1</b>	<b>155.1</b>	<b>11.0</b>	<b>166.1</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					2.7	2.7		2.7
Payment to additional Tier 1 holders							-11.0	-11.0
Provision for group contribution					-339.0	-339.0		-339.0
<b>Equity at 31.12.2016</b>	<b>960.6</b>	<b>156.0</b>	<b>645.9</b>	<b>1,762.4</b>	<b>152.9</b>	<b>152.9</b>	<b>226.0</b>	<b>2,141.4</b>
Profit for the period					133.7	133.7	10.6	144.3
Total other result elements not to be classified to profit/loss					0.3	0.3		0.3
Total other result elements that may be classified to profit/loss					7.6	7.6		7.6
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>141.6</b>	<b>141.6</b>	<b>10.6</b>	<b>152.2</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					2.7	2.7		2.7
Payment to additional Tier 1 holders							-10.7	-10.7
Provision for group contribution					-254.0	-254.0		-254.0
<b>Equity at 31.12.2017</b>	<b>960.6</b>	<b>156.0</b>	<b>645.9</b>	<b>1,762.4</b>	<b>43.2</b>	<b>43.2</b>	<b>226.0</b>	<b>2,031.6</b>
The share capital is made up of 64 037 183 shares of nominal value NOK 15.								

# Statement of cash flow

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
		<b>Cash flow from operations</b>		
525.6	518.9	Receipts of interest, commissions and fees from customers	839.8	835.5
-135.5	-117.7	Payments of interest, commissions and fees to customers	-117.7	-135.5
1,100.3	1,163.3	Net disbursements/payments on customer loans	-6.7	1,986.8
-2,586.9	-618.1	Net receipts/payments of deposits from banking customers	-610.4	-2,586.3
1,270.7	843.0	Net receipts/payments - securities	833.5	1,205.9
0.0		Net receipts/payments - real estate at fair value		0.0
-276.3	-340.2	Payments of operating costs	-414.6	-331.6
0.0		Net receipts/payments on other operating activities		-0.2
<b>-102.3</b>	<b>1,449.2</b>	<b>Net cash flow from operating activities</b>	<b>523.8</b>	<b>974.5</b>
		<b>Cash flow from investment activities</b>		
0.0	2.6	Net receipts from sale of subsidiaries and associated companies		0.0
-0.1	-0.2	Net payments on purchase/capitalisation of subsidiaries		0.0
-15.7	-3.9	Net payments on purchase/sale of fixed assets etc.	-3.9	-15.7
<b>-15.8</b>	<b>-1.5</b>	<b>Net cash flow from investment activities</b>	<b>-3.9</b>	<b>-15.7</b>
		<b>Cash flow from financing activities</b>		
-1,255.9	-409.0	Payments - repayments of loans and issuing of bond debt	-3,474.0	-3,902.5
1,198.6	900.0	Receipts - new loans and issuing of bond debt	3,897.9	3,698.6
-92.3	-85.4	Payments - interest on loans	-252.7	-272.1
0.0	150.0	Receipts - subordinated loan capital	150.0	0.0
0.0	-150.0	Payments - repayments of subordinated loan capital	-150.0	0.0
-10.8	-10.1	Payments - interest on subordinated loan capital	-10.1	-10.8
-11.0	-11.0	Payments - interest on additional Tier 1 capital	-11.0	-11.0
-319.2	-251.7	Net receipts/payments of liabilities to credit institutions	-251.7	-8.6
218.5	62.0	Receipts - group contribution		74.1
-206.9	-498.6	Payments - group contribution / dividends	-369.2	-101.5
<b>-479.0</b>	<b>-303.8</b>	<b>Net cash flow from financing activities</b>	<b>-470.8</b>	<b>-533.8</b>
<b>-597.1</b>	<b>1,143.9</b>	<b>Net cash flow in the period</b>	<b>49.1</b>	<b>425.1</b>
2,283.4	1,686.3	Cash and bank deposits at the start of the period	736.6	311.5
<b>1,686.3</b>	<b>2,830.2</b>	<b>Cash and bank deposits at the end of the period</b>	<b>785.6</b>	<b>736.6</b>
		Cash and bank deposits consist of:		
464.5	472.2	Cash and deposits with central banks	472.2	464.5
1,221.8	2,358.1	Loans to and deposits with credit institutions	313.5	272.0
<b>1,686.3</b>	<b>2,830.2</b>	<b>Total cash and bank deposits in the balance sheet</b>	<b>785.6</b>	<b>736.6</b>

# Notes

## Storebrand Bank Group

### Note 01 | Accounting principles

The Group's financial statements include Storebrand Bank ASA together with subsidiaries. The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

The interim accounts of Storebrand Bank ASA are prepared in accordance with Section 1-5 of the Norwegian regulations for the annual accounts of banks and finance companies etc. that provides for simplified application of international accounting standards, (hereinafter termed simplified IFRS), and with IAS 34 Interim Financial Reporting. Simplified IFRS permits recognition to profit and loss of provisions for dividend and group contribution, and allows the Board of Director's proposal for dividend and group contribution to be recognized as a liability on the balance sheet date. The full application of IFRS stipulates that dividend and group contribution must remain part of equity until approved by the company's general meeting. Other than this, simplified IFRS requires the use of the same accounting principles as the full application of IFRS.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2016 annual report, and the interim financial statements are prepared with respect to these accounting policies.

There are none new nor amended accounting standards that entered into effect as at 1 January 2017 that have caused significant effects on Storebrand Bank ASA's and Storebrand Bank Group's interim financial statements.

*New standards and changes in standards that have not come into effect*

#### **IFRS 9**

IFRS 9 Financial Instruments will replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 covers recognition, classification and measurement, impairment, derecognition and general hedge accounting. IFRS 9 is effective from 1 January 2018 and the standard is endorsed by the EU-commission. Early application is permitted, but Storebrand Bank ASA and Storebrand Bank Group has not early adopted the standard.

#### **Transitional rules**

IFRS 9 shall be applied retrospectively, with the exception of hedge accounting. Retrospective application means that Storebrand Bank ASA shall calculate the opening balance for 1 January 2018 as if it has always applied the new principles. Storebrand Bank ASA does not intend to restate the comparative figures for 2017 in the annual report 2018 due to IFRS 9.

Storebrand Bank ASA and Storebrand Bank Group has chosen to introduce hedge accounting pursuant to IFRS 9. This means that hedge accounting shall be done pursuant to the IFRS 9 principles prospectively from the date of transition to IFRS 9.

The effects of the new principles on the opening balance for 2018 are recognised in equity.

#### **Classification and measurement**

##### *Financial assets*

Under IFRS 9, financial assets shall be classified into three measurement categories: fair value through profit and loss, fair value through other comprehensive income (OCI) and at amortised cost. For financial assets, a distinction is made between debt instruments, derivatives, and equity instruments, where debt instruments are all financial assets that are not derivatives or equity instruments.

##### *Financial assets that are debt instruments*

Debt instruments with contractual cash flows that consist solely of payment of principal and interest on specified dates and which are held in a business model for the purpose of receiving contractual cash flows shall be measured at amortised cost. Instruments with contractual cash flows that are solely payments of principal and interest (SPPI) on specified dates and which are held in a business model for the purpose of receiving contractual cash flows and for sale shall be measured at fair value through other comprehensive income, with interest income, foreign currency effects and impairments through profit and loss. Any value adjustments through other comprehensive income are recycled through to profit and loss on sale or other disposal of the assets. Other debt instruments are measured at fair value through profit and loss. This applies to instruments with cash flows that are not only payment of principal and normal interest, and instruments held in a business model where the main objective is not receipt of contracted cash flows.

Instruments that are to be measured at amortised cost or fair value through other comprehensive income may be designated for measurement at fair value through profit and loss if this eliminates or significantly reduces an accounting mismatch.

#### *Derivatives and investments in equity instruments*

In principle, all derivatives shall be measured at fair value with all fair value adjustments recognised in profit and loss; but derivatives designated as hedging instruments shall be recognised in accordance with the principles governing hedge accounting. Investments in equity instruments shall be measured at fair value in the balance sheet. Value adjustments must as a general rule be reported in profit and loss, but an equity instrument not held for trading purposes and which is not a conditional consideration after a transfer of business may be designated as measured at fair value with value adjustments presented in other comprehensive income.

#### *Financial liabilities*

The rules governing financial liabilities are essentially the same as in IAS 39. A change from IAS 39 is that for financial liabilities decided recognised at fair value through profit and loss, value adjustments attributable to the company's own credit risk must be presented in comprehensive income rather than in profit and loss, as is the case at present, unless this creates or enlarges an accounting mismatch.

#### *Hedge accounting*

IFRS 9 simplifies the requirements pertaining to hedge accounting in that hedge effectiveness is linked more closely to the management's risk management. The 80–125 per cent hedge effectiveness requirement has been removed and replaced by more qualitative requirements, including that there must be an economic relationship between the hedging instrument and the hedged item, and that credit risk must not dominate the value adjustments in the hedging instrument. Hedging documentation is still required.

### **Impairment losses on loans**

In IAS 39, losses shall only be impaired if there is objective evidence of the occurrence of a loss event after initial recognition of the asset. Under IFRS 9, loss allowances are recognised on the basis of expected credit loss (ECL). The general model for impairment of financial assets in IFRS 9 will apply to financial assets that are measured at amortised cost or at fair value through other comprehensive income and for which no losses were determined at initial recognition. Loan commitments, financial guarantee contracts not measured at fair value through profit and loss, and lease receivables are also encompassed by the model.

Measurement of the allowance for expected loss in the general model depends on whether the credit risk has increased significantly since initial recognition. On initial recognition and when the credit risk has not increased significantly since initial recognition, provisions should be equal to 12-month expected loss. The 12-month expected loss is the loss that is expected to occur over the lifetime of the instrument, but that can be linked to events occurring during the initial 12 months. If the credit risk has increased significantly since initial recognition, a loss allowance must be made for expected loss during the lifetime of the instrument. Expected credit loss are calculated on basis of the present value of all cash flows over the remaining life expectancy, i.e. the difference between the contractual cash flows according to the contract and the cash flows expected to be received, minus the effective interest on the instrument.

In addition to the general model, there are separate principles for issued, including renegotiated, loans that are treated as new, and bought loans where there is accrued credit loss on initial recognition in the balance sheet. For these, an effective interest rate will be calculated that takes into account expected credit loss, and in the event of any changes in expected cash flows, the change will be discounted with the originally set effective interest rate and recognised in the income statement. For these assets, there is thus no need to monitor whether there has been a substantial increase in credit risk after initial recognition, as the expected losses over the whole lifetime are taken into account. For accounts receivable without a significant financing component, a simplified model will be used, where provisions will be made for expected loss over the entire lifetime from initial recognition. The bank has chosen to use the simplified model as the accounting policy also for accounts receivable with a significant financing component and lease receivables.

### **Recognition and derecognition of financial assets and liabilities**

Financial assets and liabilities are recognised on the trading day, i.e. the date on which the bank becomes party to the instruments' contractual terms.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the rights to the cash flows from the asset are transferred such that substantially all the risks and returns relating to ownership of the asset are transferred. Financial liabilities are derecognised when the contractual terms have been fulfilled, cancelled or expired.

### **Modified assets and liabilities**

If terms of an existing financial asset or obligation are modified or changed, the instrument is treated as a new financial asset if the renegotiated terms are substantially different from the old terms. If the terms are substantially different, the old financial asset or liability is derecognised and a new financial asset or liability is recognised. In general, a loan is considered to be a new financial asset if new loan documentation is issued and a new credit granting process is undertaken, resulting in new loan terms and conditions.

If the modified instrument is not considered to be substantially different from the existing instrument, the instrument is treated as a continuation of the existing instrument in terms of accounting. In the event of modification that is treated as a continuation of the existing instrument in the accounts, the new cash flows are discounted with the instrument's original effective interest rate, and any difference compared with the existing book value is recognised.

### **Effects of implementing IFRS 9**

New requirements under IFRS 9 gives a negative accounting effect of NOK 24 million in Storebrand Bank Group's consolidated financial statements due to reclassification of financial instruments at the date for transition. The impairment requirements in IFRS 9 provide a positive accounting effect of NOK 15 million due to reduced impairment loss. The implementation effects are recognised in equity at the transition date 1 January 2018. Corresponding transition effects for Storebrand Bank ASA is a negative accounting effect of NOK 24 million due to reclassification of financial instruments and a positive effect of NOK 13 million due to reduced impairment loss. For Storebrand Bank ASA implementation of IFRS 9 gives a net accounting effect of 11 million in reduced equity at the date of transition.

### **IFRS 15**

New standard for accounting of operating revenues from contracts with customers comes into effect from 1 January 2018. IFRS 15 introduces a five-step model for recognition of income from contracts with customers. Under IFRS 15, revenue is recognised equivalent to an amount that reflects the consideration an undertaking expects to be entitled to receive in exchange for goods or services supplied to a customer. The standard applies to all contracts that are entered into starting from 1 January 2018, and to existing contracts that have not yet been fulfilled. The purpose of this standard is to remove inconsistencies and weaknesses in the current revenue recognition standards and to improve the comparability of revenue recognition between businesses, industries and geographical regions.

The new revenue standard will replace all the current revenue recognition requirements according to IFRS.

Revenue recognition in Storebrand Bank ASA and Storebrand Bank Group is primarily governed by IAS 39 / IFRS 9. Revenue that is recorded under "Other income" is assessed against IFRS 15. Implementation of IFRS 15 will not have a significant effect on Storebrand Bank ASA's and Storebrand Bank Group's financial statements.

### **IFRS 16**

IFRS 16 Leases replaces the current IAS 17 and comes into force from 1 January 2019. IFRS 16 sets out principles for recognition, measurement, presentation and publication of leases. The new leasing standard will not entail any major changes for lessors, but will entail substantial changes for lessees' accounting. IFRS 16 requires that lessees shall in principle recognise all lease contracts in the balance sheet in accordance with a simplified model similar to the accounting of financial leases under IAS 17. The present value of the total lease payments shall be recognised as a liability and an asset that reflect the right of use of the asset in the lease period. The recognised asset is amortised over the lease period, and the depreciation cost is recognised in the income statement on an ongoing basis as an operating cost. Interest charges on the lease commitment are recognised as a financial cost.

Storebrand is working to prepare for implementation of IFRS 16, including mapping the effects of implementation of IFRS 16 for Storebrand Bank ASA's and Storebrand Bank Group's financial statements.

## **Note** **02** | **Estimates**

Critical accounting estimates and judgements are described in the 2016 annual financial statements in note 2 and valuation of financial instruments at fair value are described in note 6.

In preparing the Group's financial statements the management are requiring to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgement at the time the financial statements were prepared.

Actual results may differ from these estimates.

The bank group's critical estimates and assessments that could result in material adjustment of recognised amounts apply for financial assets carried at amortised cost, whereby an assessment is made on each balance sheet date of whether there are any objective indications that a financial asset or group of financial assets is/are impaired.

## Note 03

### Tax

In December 2016, the Norwegian Parliament (Storting) agreed to reduce the company tax rate from 25 per cent to 24 per cent effective from 1 January 2017. In October 2017, the Storting agreed to reduce the company tax rate from 24 to 23 per cent effective from 1 January 2018. At the same time, the Norwegian Parliament agreed to continue financial tax on 25 per cent. Therefore, for companies subject to the financial tax, the company tax rate will be continued at the 2016 level (25 per cent).

The Storebrand Bank Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalizing deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate is used that is applicable for the individual companies (24 or 25 per cent).

## Note 04

### Related Parties

#### **Covered bonds issued by Storebrand Boligkreditt AS**

Storebrand Bank ASA has invested a total of NOK 0.3 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 December 2017. The investments are included in the liquidity portfolio in the parent company and are classified at fair value option. The investment has been eliminated in the consolidated accounts against bonds issued by Storebrand Boligkreditt AS.

#### **Loans sold to Storebrand Boligkreditt AS**

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. Once the loans are sold, Storebrand Boligkreditt AS assumes all the risks and benefits of owning the loan portfolio. It is Storebrand Boligkreditt AS that receives all the cash flows from the loan customer. Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made, i.e. if there is a request to increase the loan amount, change from variable to fixed interest, conversion to employee loan or conversion to a flexible mortgage. The costs are included in the contractual administration fee. Non-performing loans in Storebrand Boligkreditt AS remain in the company. These loans will, pursuant to the service agreement with Storebrand Bank ASA, be treated in the same way as non-performing loans in the bank. Specific reports are prepared for non-performing loans in Storebrand Boligkreditt AS. These loans are not included in the cover pool. Loans to employees can be transferred to Storebrand Boligkreditt AS. The difference between the market interest rate and the subsidised interest rate is covered monthly by the company in which the debtor is employed.

Storebrand Bank ASA has not pledged any guarantees in connection with loans to Storebrand Boligkreditt AS.

Storebrand Bank ASA and Storebrand Boligkreditt AS have signed a management agreement pursuant to which Storebrand Boligkreditt AS will purchase administrative services from the bank. Storebrand Boligkreditt AS also purchases administrative services from Storebrand Livsforsikring AS.

#### **Loans sold to Storebrand Livsforsikring AS**

Storebrand Bank ASA has sold mortgages to sister company Storebrand Livsforsikring AS. In 2017, there has been sold loans of total NOK 9,4 billion. The total portfolio of loans sold as of 31 December 2017 is NOK 20.6 billion. As the buyer, Storebrand Livsforsikring AS has acquired both cash flows and most of the risk and control. The loans were therefore derecognised in the bank's balance sheet in accordance with IAS 39. Storebrand Bank ASA receives management fees for the work being done with the sold portfolio. The bank has recognised NOK 50.0 million as revenue in the accounts for 2017.

#### **Credit facilities with Storebrand Boligkreditt AS**

The bank has issued two credit facilities to Storebrand Boligkreditt AS. One of these is a normal overdraft facility, with a ceiling of NOK 6 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The other facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity. Both agreements provide a minimum capacity to cover at least interests and payments on covered bonds and derivatives the following 31 days.

#### **Other related parties**

Storebrand Bank ASA conducts transactions with related parties as part of its normal business activities. The terms for transactions with senior employees and related parties are stipulated in notes 37 and 38 in the 2016 annual report for Storebrand Bank ASA.

## Note 05 | Financial risk

Storebrand Bank's financial assets and liabilities fluctuate in value due to the risk in the financial markets. Notes 3 to 7 in the 2016 annual report provide a more detailed overview of the bank group's financial risk which is also applicable for the financial risk as at 31 December 2017. The bank's corporate market portfolio has declined since the end of 2016, and this has significantly changed the risk in the remaining portfolio.

## Note 06 | Valuation of financial instruments

The Storebrand Group categorises financial instruments on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 8 in the 2016 Annual report for Storebrand Bank ASA.

The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

### STOREBRAND BANK GROUP

#### VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST

NOK million	Fair value	Fair value	Book value	Book value
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Financial assets</b>				
Loans to and deposits with credit institutions	313.5	272.0	313.5	272.0
Net lending to customers - Corporate market	293.1	1,477.3	322.9	1,513.6
Net lending to customers - Retail market	26,354.2	23,795.8	26,354.2	23,795.7
Bonds classified as loans and receivables	200.6	532.7	380.4	530.6
<b>Total financial assets 31.12.2017</b>	<b>27,161.3</b>		<b>27,370.9</b>	
Total financial assets 31.12.2016		26,077.8		26,111.9
<b>Financial liabilities</b>				
Liabilities to credit institutions	155.0	5.0	155.0	5.0
Deposits from and due to customers	14,628.0	15,238.4	14,628.0	15,238.4
Commercial papers and bonds issued	14,341.1	13,584.5	14,304.2	13,521.0
Subordinated loan capital	279.0	277.6	276.1	277.2
<b>Total financial liabilities 31.12.2017</b>	<b>29,403.1</b>		<b>29,363.3</b>	
Total financial liabilities 31.12.2016		29,105.4		29,041.6



**STOREBRAND BANK GROUP**

**VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS**

NOK million	Level 1	Level 2	Level 3	Book value 31.12.2017	Book value 31.12.2016
	Quoted prices	Observable assumptions	Non-observable assumptions		
<b>Assets:</b>					
Equities		27.0	13.8	40.8	15.5
<b>Total equities 31.12.2017</b>		<b>27.0</b>	<b>13.8</b>	<b>40.8</b>	
Total equities 31.12.2016		9.3	6.2		
Lending to customers - Corporate Market				0.0	0.0
Lending to customers - Retail Market			580.0	580.0	1,958.5
<b>Total ending to customers 31.12.2017</b>			<b>580.0</b>	<b>580.0</b>	
Total ending to customers 31.12.2016			1,958.5		
Government and government guaranteed bonds		764.2		764.2	524.2
Credit bonds		50.5		50.5	0.0
Mortgage and asset backed bonds		2,398.9		2,398.9	2,907.7
<b>Total bonds 31.12.2017</b>	<b>0.0</b>	<b>3,213.5</b>	<b>0.0</b>	<b>3,213.5</b>	
Total bonds 31.12.2016		3,431.9			
Interest derivatives		41.2		41.2	45.8
<b>Total derivatives 31.12.2017</b>	<b>0.0</b>	<b>41.2</b>	<b>0.0</b>	<b>41.2</b>	
Derivatives with a positive fair value		251.8		251.8	254.1
Derivatives with a negative fair value		-164.8		-164.8	-208.3
Total derivatives 31.12.2016		45.8			
<b>Liabilities:</b>					
Liabilities to credit institutions				0.0	402.2
<b>Liabilities to credit institutions 31.12.2017</b>		<b>0.0</b>		<b>0.0</b>	
Liabilities to credit institutions 31.12.2016		402.2			

There have not been any changes between quoted prices and observable assumptions on the various financial instruments in the quarter.

**SPECIFICATION OF SECURITIES PURSUANT TO VALUATION TECHNIQUES (NON-OBSERVABLE ASSUMPTIONS)**

NOK million	Equities	Lending
		to customers
Book value 01.01.2017	6.2	1,958.5
Net gains/losses on financial instruments	7.6	-7.6
Supply / disposal		103.5
Sales / due settlements		-1,474.4
Transferred from observable assumptions to non-observable assumptions		
Translation differences		
Other		
<b>Book value 31.12.2017</b>	<b>13.8</b>	<b>580.0</b>

## SENSITIVITY ANALYSIS

### LOANS TO CUSTOMERS

The value of fixed-rate loans is determined by discounting the agreed cash flows over the remaining maturity by the current discount rate adjusted for market spread. The discount rate that is used is based on a swap interest rate (mid swap) with a maturity that corresponds to the remaining lock-in period for the underlying loans. The market spread that is used on the date of the balance sheet is determined by assessing the market conditions, market price and the associated swap interest rate.

### EQUITIES

This item is included the membership in VISA Norge FLI. At the end of the quarter, the membership was valued at what the bank expects to receive in deferred settlement, adjusted for uncertainty. The change in value is included through Total comprehensive income.

(NOK million)	Fixed-rate loans to customers		Equities	
	Change in market spread		Change in value	
	+ 10 BP	- 10 BP	+ 25 bp	- 25 bp
<b>Increase/reduction in fair value at 31.12.2017</b>	<b>-2.2</b>	<b>2.2</b>	<b>0.3</b>	<b>-0.3</b>
Increase/reduction in fair value at 31.12.2016	-8.4	7.8	0.4	-0.4

Note  
07

## Segment information

### PROFIT AND LOSS BY SEGMENT:

NOK million	Q4		Corporate		Q4		Retail	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Profit and loss items:</b>								
Net interest income	2.4	10.5	21.3	42.2	96.6	77.5	366.0	353.8
Net fee and commission income	-2.1	0.5	-0.3	5.8	20.6	10.9	76.3	41.7
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating costs	-6.5	-4.3	-19.4	-20.5	-78.8	-64.4	-280.9	-264.2
<b>Operating profit before loan losses</b>	<b>-6.2</b>	<b>6.7</b>	<b>1.7</b>	<b>27.4</b>	<b>38.3</b>	<b>24.1</b>	<b>161.5</b>	<b>131.3</b>
Loan losses	1.1	-8.6	0.1	-12.7	-3.7	-0.3	-9.5	-4.4
<b>Ordinary profit from continuing operations</b>	<b>-5.1</b>	<b>-1.9</b>	<b>1.8</b>	<b>14.7</b>	<b>34.7</b>	<b>23.7</b>	<b>152.0</b>	<b>126.9</b>
<b>Ordinary profit from discontinued businesses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance sheet items:</b>								
Gross lending to customers			359.8	1,549.8			26,941.0	25,685.9
Deposits from and due to customers			234.8	227.7			14,361.4	14,872.2
<b>Key figures:</b>								
Net interest income as % of total assets	1.47%	2.01%	1.69%	1.69%	1.22%	1.03%	1.20%	1.12%
Cost/income ratio	2071%	39%	92%	43%	67%	73%	63%	67%
Deposits from customers as % of gross lending			65%	15%			53%	58%
Total level of provisioning			49%	71%			17%	21%

(NOK million)	Treasury / Other				Total			
	Q4		Full Year		Q4		Full Year	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Profit and loss items:</b>								
Net interest income	-0.9	5.9	-13.4	-23.3	98.1	93.9	374.0	372.7
Net fee and commission income	0.0	1.0	0.0	1.0	18.5	12.4	76.0	48.5
Other income	9.2	1.2	53.7	83.4	9.2	1.2	53.7	83.4
Total operating costs	0.2	0.0	0.0	0.0	-85.1	-68.7	-300.2	-284.7
<b>Operating profit before loan losses</b>	<b>8.5</b>	<b>8.0</b>	<b>40.4</b>	<b>61.0</b>	<b>40.7</b>	<b>38.8</b>	<b>203.5</b>	<b>219.8</b>
Loan losses	1.2	0.2	0.0	0.0	-1.4	-8.7	-9.4	-17.2
<b>Ordinary profit from continuing operations</b>	<b>9.6</b>	<b>8.2</b>	<b>40.4</b>	<b>61.0</b>	<b>39.2</b>	<b>30.0</b>	<b>194.1</b>	<b>202.7</b>
<b>Ordinary profit from sold/discontinued businesses</b>	<b>-0.1</b>	<b>0.5</b>	<b>-0.3</b>	<b>0.5</b>	<b>-0.1</b>	<b>0.5</b>	<b>-0.3</b>	<b>0.5</b>
<b>Balance sheet items:</b>								
Gross lending to customers			25.6	97.8			27,326.4	27,333.5
Deposits from and due to customers			31.8	138.4			14,628.0	15,238.4
<b>Key figures:</b>								
Net interest income as % of total assets					1.19%	1.13%	1.14%	1.10%
Cost/income ratio					68%	64%	60%	54%
Deposits from customers as % of gross lending							54%	55%
Total level of provisioning							26%	29%

Business segments are the Group' primary reporting segments.

#### DESCRIPTION OF THE SEGMENTS:

##### CORPORATE MARKET:

The segment includes corporate customers' deposits and loans, mainly property owners and developers. All capital market business for customers within the bank's corporate market segment is presented under the corporate market segment. Storebrand Bank ASA has decided to wind up the corporate market at the bank. The winding up of operations will be gradual and controlled.

##### RETAIL MARKET:

Deposits from and loans to retail market customers, including credit cards, and deposits from corporate customers without property interests. Loans primarily comprise home mortgages. The segment includes loans in Storebrand Boligkreditt AS. All capital market business for customers within the bank's retail market segment is presented under the retail market segment.

##### TREASURY / OTHER:

Income and expenses that are not directly attributable are allocated to the segments on the basis of the assumed resource use. The elimination of double entries refers primarily to customer transactions that are carried out across the segments. The effects of financial risk management and the liquidity portfolio have not been allocated to the business areas and are reported under Treasury / Other.

The fee to the Norwegian Banks' Guarantee Fund is accrued over 12 months in the segment accounts. The residual for actual recognised expense in the 1st quarter of 2016 is entered in the Other/Treasury segment. In 2017 the fee to the Norwegian Banks' Guarantee Fund is again accrued over 12 months in the accounts. There is therefore no residual for Treasury / Other.

Distributions from VISA Norge FLI in 2016 are reported under Treasury / Other.

## Securities issued and subordinated loan capital

(NOK million)	Storebrand Bank Group	
	31.12.2017	31.12.2016
Bond loans	14,304.2	13,521.0
Subordinated loan capital	276.1	277.2
<b>Total securities issued and subordinated loan capital</b>	<b>14,580.3</b>	<b>13,798.2</b>

### SPECIFICATION OF COMMERCIAL PAPERS, BONDS ISSUED AND SUBORDINATED LOAN CAPITAL AS OF 31 DECEMBER 2017 - STOREBRAND BANK GROUP

NOK million						Book value
ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity 1)	31.12.2017
<b>Bond loans</b>						
NO0010660806	Storebrand Bank ASA	300.0	NOK	Fixed	08.10.2019	312.0
NO0010762891	Storebrand Bank ASA	500.0	NOK	Fixed	19.04.2021	500.3
NO0010751316	Storebrand Bank ASA	300.0	NOK	Floating	09.11.2018	300.6
NO0010729387	Storebrand Bank ASA	600.0	NOK	Floating	14.01.2020	601.6
NO0010758980	Storebrand Bank ASA	500.0	NOK	Floating	04.03.2019	500.7
NO0010787963	Storebrand Bank ASA	500.0	NOK	Floating	26.09.2019	500.0
NO0010794217	Storebrand Bank ASA	400.0	NOK	Floating	29.05.2020	400.3
<b>Total bond loans</b>		<b>3,100.0</b>				<b>3,115.6</b>

(NOK million)						Book value
ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity 1)	31.12.2017
<b>Covered bonds</b>						
NO0010548373	Storebrand Boligkreditt AS	1,250.0	NOK	Fixed	28.10.2019	1,339.9
NO0010660822	Storebrand Boligkreditt AS	2,125.0	NOK	Floating	20.06.2018	2,128.6
NO0010736903	Storebrand Boligkreditt AS	2,500.0	NOK	Floating	17.06.2020	2,210.4
NO0010760192	Storebrand Boligkreditt AS	3,000.0	NOK	Floating	16.06.2021	3,008.2
NO0010786726	Storebrand Boligkreditt AS	2,500.0	NOK	Floating	15.06.2022	2,501.5
<b>Total covered bonds 2)</b>		<b>11,375.0</b>				<b>11,188.6</b>
<b>Total commercial papers and bonds issued</b>		<b>14,475.0</b>				<b>14,304.2</b>

1) Maturity date in this summary is the first possible maturity date (Call date).

2) For issued covered bonds, a regulatory requirement for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent for bonds issued before 21 June 2017 apply.

(NOK million)						Book value
ISIN code	Issuer	Net nominal value	Currency	Interest	Call date	31.12.2017
<b>Dated subordinated loan capital</b>						
NO0010714314	Storebrand Bank ASA	125.0	NOK	Floating	09.07.2019	125.7
NO0010786510	Storebrand Bank ASA	150.0	NOK	Floating	22.02.2022	150.4
<b>Total securities issued and subordinated loan capital</b>						<b>14,580.3</b>

## Capital adequacy

Capital adequacy calculations are subject to special consolidation rules in accordance with the regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. According to the capital requirement regulations, the valuation rules used in the company's accounts form the basis for consolidation. Consolidation is mainly carried out in accordance with the same principles as those used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities.

The standard method is used for credit risk and market risk and the basis method is used for operational risk. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (CET 1 + CET 2) are 12 per cent and 15.5 per cent respectively from 31 december 2017 due to increase in requirement to countercyclical capital buffer with 0.5 percent from 31 December 2017

### ELIGIBLE CAPITAL

STOREBRAND BANK ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
960.6	960.6	Share capital	960.6	960.6
1,180.8	1,071.0	Other equity	1,392.3	1,585.8
<b>2,141.4</b>	<b>2,031.6</b>	<b>Total equity</b>	<b>2,352.9</b>	<b>2,546.3</b>
-225.0	-225.0	Additional Tier 1 capital included in total equity	-225.0	-225.0
-1.0	-1.0	Accrued interest on capital instruments included in total equity	-1.0	-1.0
<b>1,915.4</b>	<b>1,805.6</b>	<b>Total equity included in Core Equity Tier 1 (CET1)</b>	<b>2,126.9</b>	<b>2,320.3</b>
		Deductions		
	-4.3	AVA justments	-4.1	
-80.1	-71.4	Intangible assets	-71.4	-80.1
		Provision for group contribution	-254.0	-339.0
		Addition		
<b>1,835.3</b>	<b>1,730.0</b>	<b>Core Equity Tier 1 (CET1)</b>	<b>1,797.4</b>	<b>1,901.2</b>
		Additional Tier 1 capital		
225.0	225.0	Capital instruments eligible as Tier 1 capital	225.0	225.0
		Addition		
<b>2,060.3</b>	<b>1,955.0</b>	<b>Tier 1 capital</b>	<b>2,022.4</b>	<b>2,126.2</b>
		Tier 2 capital		
275.0	275.0	Subordinated loans	275.0	275.0
		Tier 2 capital decuctions		
<b>2,335.2</b>	<b>2,230.0</b>	<b>Eligible capital (Tier 1 capital + Tier 2 capital)</b>	<b>2,297.4</b>	<b>2,401.2</b>

## MINIMUM CAPITAL REQUIREMENT

STOREBRAND BANK ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
825.4	706.2	Credit risk	899.3	1,002.2
		Of which:		
0.0	0.0	States and centralbanks	0.0	0.0
5.3	3.5	Local and regional authorities	4.0	5.6
0.0	0.0	Public sector owned corporates	0.0	0.0
0.0	0.0	International organisations	0.0	0.0
171.4	180.6	Institutions	9.3	9.9
0.0	0.0	Corporates	0.0	0.0
478.5	374.2	Loans secured in residential real estate	780.1	861.7
59.7	45.1	Retail market	48.2	62.3
10.7	14.2	Loans past-due	20.7	15.2
77.8	81.3	Covered bonds	20.0	25.5
22.1	7.2	Other	17.0	22.1
<b>825.4</b>	<b>706.2</b>	<b>Total minimum requirement for credit risk</b>	<b>899.3</b>	<b>1,002.2</b>
<b>0.0</b>	<b>0.0</b>	<b>Total minimum requirement for market risk</b>	<b>0.0</b>	<b>0.0</b>
45.4	50.0	Operational risk	71.4	77.2
5.2	2.9	CVA risk 1)	4.7	9.6
		Deductions		
-3.0	-1.9	Loan loss provisions on groups of loans	-2.1	-3.1
<b>873.0</b>	<b>757.2</b>	<b>Minimum requirement for net primary capital</b>	<b>973.3</b>	<b>1,086.0</b>

## CAPITAL ADEQUACY

Storebrand Bank ASA		Storebrand Bank Group	
31.12.2016	31.12.2017	31.12.2017	31.12.2016
21.4 %	23.6 %	18.9 %	17.7 %
18.9 %	20.7 %	16.6 %	15.7 %
16.8 %	18.3 %	14.8 %	14.0 %

1) Regulation on own funds requirements for credit valuation adjustment risk.

## BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
10,317.3	8,827.3	Credit risk	11,240.9	12,528.0
		Of which:		
0.0	0.0	States and centralbanks	0.0	0.0
66.1	44.2	Local and regional authorities	50.4	70.2
0.0	0.0	Public sector owned corporates	0.0	0.0
0.0	0.0	International organisations	0.0	0.0
2,142.2	2,257.8	Institutions	116.0	123.7
0.1	0.1	Corporates	0.1	0.1
5,980.7	4,678.1	Loans secured on residential real estate	9,751.0	10,770.7
746.6	563.3	Retail market	602.9	778.6
133.2	176.9	Loans past-due	258.8	189.7
972.2	1,016.8	Covered bonds	249.7	318.8
276.2	90.0	Other	212.0	276.3
<b>10,317.3</b>	<b>8,827.3</b>	<b>Total basis of calculation credit risk</b>	<b>11,240.9</b>	<b>12,528.0</b>
<b>0.0</b>	<b>0.0</b>	<b>Total basis of calculation market risk</b>	<b>0.0</b>	<b>0.0</b>
567.0	625.2	Operational risk	892.5	965.5
65.5	35.7	CVA risk	59.3	119.6
		Deductions		
-37.0	-23.2	Loan loss provisions on groups of loans	-26.5	-38.2
<b>10,912.9</b>	<b>9,465.0</b>	<b>Total basis of calculation of minimum requirements for capital base</b>	<b>12,166.2</b>	<b>13,574.9</b>

## Key figures

NOK million and percentage	Storebrand Bank Group			
	Q4		Full Year	
	2017	2016	2017	2016
<b>Profit and Loss account: (as % of avg. total assets)</b>				
Net interest income	1.19%	1.13%	1.14%	1.11%
Other operating income <sup>2)</sup>	0.33%	0.16%	0.40%	0.39%
<b>Main balance sheet figures:</b>				
Total assets			31,982.2	32,373.0
Average total assets <sup>1)</sup>	32,783.8	33,188.6	32,709.2	33,720.3
Gross lending to customers			27,326.4	27,333.5
Deposits from customers			14,628.0	15,238.4
Deposits from customers as % of gross lending			53.5 %	55.7 %
Equity			2,352.9	2,546.3
<b>Other key figures:</b>				
Loan losses and provisions as % of average total lending <sup>4)</sup>	0.02%	0.12%	0.03%	0.06%
Gross non-performing and loss-exposed loans as % of total average lending			1.0 %	0.7 %
Cost/income ratio <sup>3)</sup>	67.7 %	58.8 %	59.6 %	55.3 %
Return on equity after tax <sup>6)</sup>			6.2 %	6.4 %
Core equity Tier 1 (CET1) capital ratio			14.8 %	14.0 %
LCR <sup>5)</sup>			154.0 %	183.0 %

(NOK million)	Storebrand Bank ASA			
	Q4		Full Year	
	2017	2016	2017	2016
<b>Profit and Loss account: (as % of avg. total assets)</b>				
Net interest income	1.03%	1.28%	1.06%	1.10%
Other operating income <sup>2)</sup>	2.34%	1.53%	1.30%	1.11%
<b>Main balance sheet figures:</b>				
Total assets			20,750.4	21,560.8
Average total assets <sup>1)</sup>	21,272.4	22,593.0	21,179.4	23,515.8
Gross lending to customers			12,784.1	13,958.0
Deposits from customers			14,629.9	15,248.0
Deposits from customers as % of gross lending			114.4 %	109.2 %
Equity			2,031.6	2,141.4
<b>Other key figures:</b>				
Loan losses and provisions as % of average total lending <sup>4)</sup>	0.03%	0.24%	0.05%	0.12%
Gross non-performing and loss-exposed loans as % of total average lending			1.5 %	1.0 %
Cost/income ratio <sup>3)</sup>	46.3 %	42.1 %	59.5 %	53.8 %
Return on equity after tax <sup>6)</sup>			6.7 %	7.4 %
Core equity Tier 1 (CET1) capital ratio			18.3 %	16.8 %
LCR <sup>5)</sup>			139.0 %	161.0 %

### Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the quarter and for the year to date respectively.
- 2) Other operating income includes net fee and commission income.
- 3) Total operating expenses as % of total income.
- 4) Loan losses and provisions for Storebrand Bank Group includes the items loan losses for the period and losses real estate at fair value, assets repossessed, in the profit & loss account.
- 5) Liquidity coverage requirement.
- 6) Annualised profit after tax for continued operations as % of average equity.



## Net interest income

### STOREBRAND BANK GROUP

(NOK million)	Q4		Full Year	
	2017	2016	2017	2016
Interest and other income on loans to and deposits with credit institutions	0.9	1.6	6.0	5.9
Interest and other income on loans to and due from customers	170.9	168.2	675.4	701.5
Interest on commercial paper, bonds and other interest-bearing securities	10.6	16.4	46.4	55.9
Other interest income and related income	0.2	0.6	1.5	2.6
<b>Total interest income</b>	<b>182.6</b>	<b>186.9</b>	<b>729.3</b>	<b>765.9</b>
Interest and other expenses on debt to credit institutions	-0.6	-1.0	-2.9	-5.7
Interest and other expenses on deposits from and due to customers	-26.3	-26.4	-103.0	-120.4
Interest and other expenses on securities issued	-52.5	-62.8	-227.8	-241.8
Interest and expenses on subordinated loan capital	-1.8	-2.8	-8.9	-11.0
Other interest expenses and related expenses	-3.2	0.0	-12.7	-14.5
<b>Total interest expenses</b>	<b>-84.5</b>	<b>-93.0</b>	<b>-355.3</b>	<b>-393.3</b>
<b>Net interest income</b>	<b>98.1</b>	<b>93.9</b>	<b>374.0</b>	<b>372.7</b>

### STOREBRAND BANK ASA

(NOK million)	Q4		Full Year	
	2017	2016	2017	2016
Interest and other income on loans to and deposits with credit institutions	8.9	7.0	39.1	35.5
Interest and other income on loans to and due from customers	82.0	90.5	321.0	366.2
Interest on commercial paper, bonds and other interest-bearing securities	10.4	19.4	47.3	77.1
Other interest income and related income	0.2	0.6	1.5	2.6
<b>Total interest income</b>	<b>101.5</b>	<b>117.4</b>	<b>409.0</b>	<b>481.4</b>
Interest and other expenses on debt to credit institutions	-0.6	-1.7	-2.9	-8.4
Interest and other expenses on deposits from and due to customers	-26.3	-26.4	-103.0	-120.4
Interest and other expenses on securities issued	-14.5	-17.4	-60.9	-72.3
Interest and expenses on subordinated loan capital	-1.8	-2.8	-8.9	-11.0
Other interest expenses and related expenses	-3.2	0.0	-12.7	-14.5
<b>Total interest expenses</b>	<b>-46.5</b>	<b>-48.2</b>	<b>-188.4</b>	<b>-226.6</b>
<b>Net interest income</b>	<b>55.1</b>	<b>69.2</b>	<b>220.6</b>	<b>254.8</b>

Note  
12

## Off balance sheet liabilities and contingent liabilities

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
23.6	19.7	Guarantees	19.7	23.6
6,721.0	5,663.8	Unused credit limits	3,474.0	3,548.5
3,524.2	2,007.2	Lending commitments retail market	2,007.2	3,524.2
<b>10,268.8</b>	<b>7,690.8</b>	<b>Total contingent liabilities</b>	<b>5,501.0</b>	<b>7,096.2</b>
		Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	887.8	879.8
1,085.9	887.8			
352.0	302.1	Booked value of bonds pledged as security with other credit institutions	302.1	150.9
<b>1,437.9</b>	<b>1,189.9</b>	<b>Total book value of off balance sheet liabilities</b>	<b>1,189.9</b>	<b>1,030.7</b>

Guarantees essentially encompass payment guarantees and contract guarantees. Unused credit facilities encompass granted and any unused credit accounts and credit cards, as well as, any unused flexible mortgage facilities. Unused credit facilities reported in Storebrand Bank ASA as of 31 December 2017 includes NOK 3.7 billion to the subsidiary Storebrand Boligkreditt AS (see note 4).

Storebrand Bank Group are engaged in extensive activities and may become a party in legal disputes.

In December 2017, Storebrand Bank ASA received a notice of a possible legal actions from Klagehjelp AS on behalf of former investors which invested in Storebrand Private Investor ASA in the period 2005-2007. Storebrand Bank ASA rejects the allegations and disputes that there are no basis for claiming any flaws or deficiencies in the sale of the product, or in the product itself, which create a basis for compensation from Storebrand. No provisions have been made in the accounts due to the complaints.

Note  
13

## Non-performing loans and loan losses

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
		<b>Non-performing loans</b>		
71.5	90.0	Non-performing loans without evidence of impairment	150.4	107.3
72.7	97.5	Loss-exposed loans with evidence of impairment	114.4	87.6
<b>144.2</b>	<b>187.5</b>	<b>Gross non-performing and loss-exposed loans</b>	<b>264.8</b>	<b>194.9</b>
-24.6	-41.4	Loan loss provisions on individual loans	-42.8	-27.5
<b>119.6</b>	<b>146.1</b>	<b>Net non-performing and loss-exposed loans</b>	<b>222.0</b>	<b>167.4</b>
		<b>Key figures</b>		
-37.0	-37.0	Loan loss provisions on groups of loans (NOK million)	-26.5	-38.2
-61.6	-78.4	Total loan loss provisions (NOK million)	-69.3	-65.7
34%	42%	Level of provisioning for individual loss-exposed loans <sup>1)</sup>	37%	31%
43%	42%	Total level of provisioning <sup>2)</sup>	26%	34%

1) Provisions for individual loan losses in percent of loss-exposed loans with evidence of impairment.

2) Total loan loss provisions in per cent of gross non-performing and loss-exposed loans.

Loans are regarded as non-performing and loss-exposed:

- when a credit facility has been overdrawn for more than 90 days and the overdrawn amount minimum is NOK 2,000
- when an ordinary mortgage has arrears older than 90 days and three arrears minimum is NOK 2,000
- when a credit card has arrears older than 90 days

When one of the three situations described above occurs, the loans and the rest of the customer's commitments are considered as non-performing.

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	31.12.2017	NOK million	31.12.2017	31.12.2016
		<b>Losses on loans and guarantees etc. during period</b>		
31.4	-16.7	Change in individual loan loss provisions	-15.2	30.7
-7.5	13.8	Change in grouped loan loss provisions	11.7	-6.9
		Other effects on loan loss provisions		
-35.5	-0.4	Realised losses specifically provided for previously	-2.5	-35.5
-6.5	-4.9	Realised losses not specifically provided for previously	-4.9	-6.6
1.1	1.3	Recoveries on previous realised losses	1.5	1.1
<b>-17.1</b>	<b>-6.9</b>	<b>Loan losses for the period</b>	<b>-9.4</b>	<b>-17.2</b>

Loans that are continued after collateral is taken over are classified in the financial statements according to their type. Loans, including individual loan loss provisions against debt in taken over company are eliminated in the consolidated financial statements. The volume of non-performing and loss-exposed loans is similarly eliminated. A separate assessment is made in the consolidated financial statements in relation to any loan loss provision/value adjustment of the assets that have been taken over.

## Note 14 | Quarterly income statement

### STOREBRAND BANK GROUP

NOK million	Q4	Q3	Q2	Q1	Q4
	2017	2017	2017	2017	2016
Interest income	182.6	184.9	180.4	181.4	186.9
Interest expense	-84.5	-87.0	-89.4	-94.4	-93.0
<b>Net interest income</b>	<b>98.1</b>	<b>97.8</b>	<b>91.0</b>	<b>87.1</b>	<b>93.9</b>
Fee and commission income from banking services	24.3	24.2	22.0	20.5	18.5
Fee and commission expenses for banking services	-5.7	-3.2	-2.8	-3.2	-6.1
<b>Net fee and commission income</b>	<b>18.5</b>	<b>21.0</b>	<b>19.2</b>	<b>17.4</b>	<b>12.4</b>
Net gains on financial instruments	9.2	23.6	5.1	15.8	4.7
Other income	0.0	0.0	0.0	0.0	-3.5
<b>Total other operating income</b>	<b>9.2</b>	<b>23.6</b>	<b>5.1</b>	<b>15.8</b>	<b>1.2</b>
Staff expenses	-31.0	-24.4	-25.3	-25.1	-20.8
General administration expenses	-18.2	-13.8	-10.3	-18.0	-15.8
Other operating cost	-35.8	-32.7	-32.4	-33.2	-32.1
<b>Total operating costs</b>	<b>-85.1</b>	<b>-70.9</b>	<b>-68.0</b>	<b>-76.3</b>	<b>-68.7</b>
<b>Operating profit before loan losses</b>	<b>40.7</b>	<b>71.5</b>	<b>47.4</b>	<b>44.0</b>	<b>38.8</b>
Loan losses for the period	-1.4	-4.7	1.0	-4.2	-8.7
<b>Profit before tax</b>	<b>39.2</b>	<b>66.8</b>	<b>48.3</b>	<b>39.8</b>	<b>30.0</b>
Tax	-7.3	-17.4	-12.8	-10.6	-5.2
Result after tax sold/discontinued operations	-0.1	-0.1	-0.1	0.0	0.5
<b>Profit for the year</b>	<b>31.8</b>	<b>49.3</b>	<b>35.5</b>	<b>29.1</b>	<b>25.3</b>

## STOREBRAND BANK ASA

	Q4	Q3	Q2	Q1	Q4
NOK million	2017	2017	2017	2017	2016
Interest income	101.5	102.9	98.4	106.2	117.4
Interest expense	-46.5	-47.3	-46.7	-47.9	-48.2
<b>Net interest income</b>	<b>55.1</b>	<b>55.5</b>	<b>51.7</b>	<b>58.2</b>	<b>69.2</b>
Fee and commission income from banking services	39.5	40.0	37.4	33.9	32.5
Fee and commission expenses for banking services	-5.7	-3.1	-2.8	-3.1	-6.1
<b>Net fee and commission income</b>	<b>33.8</b>	<b>36.9</b>	<b>34.6</b>	<b>30.8</b>	<b>26.4</b>
Net gains on financial instruments	10.0	24.5	6.1	22.7	1.8
Other income	81.7	0.0	-6.3	0.0	58.6
<b>Total other operating income</b>	<b>91.7</b>	<b>24.5</b>	<b>-0.1</b>	<b>22.7</b>	<b>60.4</b>
Staff expenses	-31.0	-24.4	-25.2	-25.0	-20.8
General administration expenses	-18.2	-13.8	-10.2	-17.9	-15.8
Other operating cost	-34.5	-31.4	-30.8	-32.5	-29.2
<b>Total operating costs</b>	<b>-83.6</b>	<b>-69.6</b>	<b>-66.3</b>	<b>-75.4</b>	<b>-65.7</b>
<b>Operating profit before loan losses</b>	<b>96.9</b>	<b>47.4</b>	<b>19.8</b>	<b>36.3</b>	<b>90.3</b>
Loan losses for the period	-0.8	-3.0	1.3	-4.4	-8.8
<b>Profit before tax</b>	<b>96.1</b>	<b>44.4</b>	<b>21.1</b>	<b>31.9</b>	<b>81.5</b>
Tax	-21.3	-11.8	-7.5	-8.7	-15.9
<b>Profit for the year</b>	<b>74.7</b>	<b>32.7</b>	<b>13.6</b>	<b>23.3</b>	<b>65.5</b>

# Financial Calendar 2018



<b>25 April</b>	Results 1Q 2018
<b>13 July</b>	Results 2Q 2018
<b>24 October</b>	Results 3Q 2018
<b>February 2019</b>	Results 4Q 2018

## Investor Relations Contacts



**Kjetil Ramberg Krøkje**  
**Bernt Upstad**

Head of IR  
CEO

[kjetil.r.krokje@storebrand.no](mailto:kjetil.r.krokje@storebrand.no)  
[bernt.upstad@storebrand.no](mailto:bernt.upstad@storebrand.no)

+47 9341 2155  
+47 9016 8821

Storebrand Bank ASA  
Professor Kohts vei 9  
P.O Box 474, N-1327 Lysaker, Norway  
Telephone 915 08 880

[storebrand.no](http://storebrand.no)