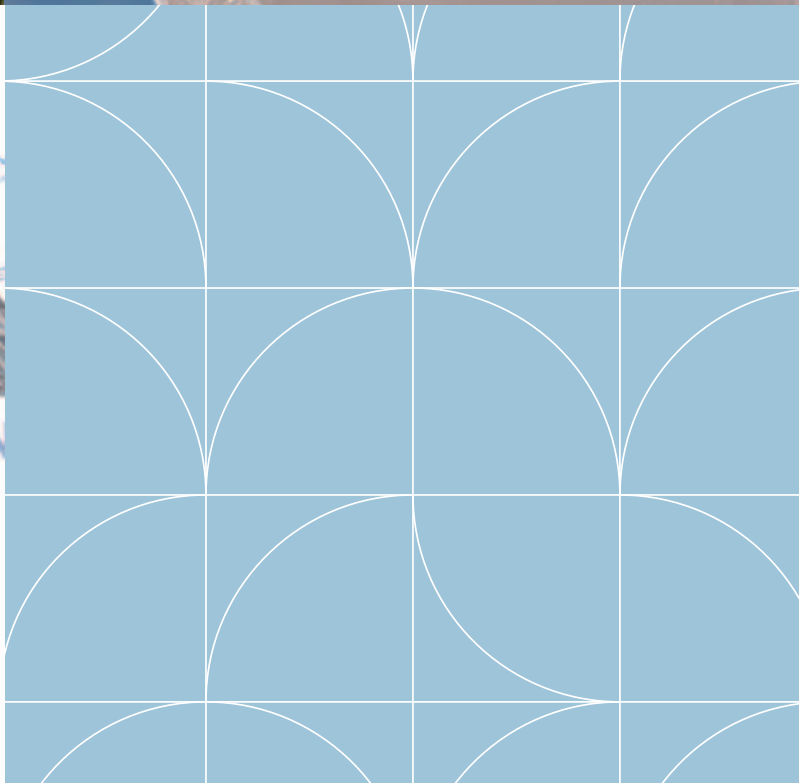


Storebrand Boligkreditt AS

1st Half 2011

 storebrand



Storebrand Boligkreditt AS

- interim report for the first half of 2011

(Figures for the corresponding period in 2010 shown in brackets)

- Pre-tax profit of NOK 33 million in 1H
- Lending volume growth
- Issued NOK 1.5 billion in covered bonds in 2Q
- Annual update of lending programme completed in June 2011

Financial performance

Pre-tax profit amounted to NOK 13 million (NOK 26 million) for 2Q and NOK 33 million (NOK 53 million) for 1H.

Net interest income decreased compared with the corresponding period last year, in line with general market trends, and amounted to NOK 17 million (NOK 41 million) for 2Q and NOK 41 million (NOK 71 million) for 1H. The company's financial derivatives are for accounting purposes earmarked for hedge accounting and value changes are thus included in net interest income. Net interest income as a percentage of average total assets was 0.39 percent (0.99 percent) for 2Q and 0.51 percent (0.92 percent) for 1H.

Other operating income amounted to NOK 0 in 2Q and 1H. Other income amounted to minus NOK 9 million in 1H due to the redemption of an issued bond in EUR and the company having had a liquidity portfolio in 1Q 2010.

Operating costs totalled NOK 4 million (NOK 4 million) in 2Q and NOK 8 million (NOK 7 million) in 1H, on a par with previous periods. Costs as a percentage of income increased in 2Q and in 1H, and amounted to 23 percent (12 percent) and 19 percent (12 percent), respectively, due to a reduction in income compared with the same period last year. The company primarily purchases services from Storebrand Bank ASA and Storebrand Livsforsikring AS.

The company carried out an individual write-down of just under NOK 0.2 million on one lending commitment in 2Q. Group provisions remained almost unchanged in the quarter, meaning total write-downs on lending amounted to NOK 0.2 million (net income recognition of NOK 0.2 million) in 2Q and net write-downs on lending amounted to NOK 0.1 million in 1H, compared to NOK 1.2 million for the corresponding period in 2010.

Balance sheet performance

Gross lending to customers increased in 1H from NOK 13.8 billion at year-end 2010 to NOK 15.9 billion at the close of 1H. The company's collateral and lending portfolio were regarded as good at the close of 1H. The average loan-to-collateral value ratio was 47 percent, on a par with year-end 2010. The company has significant

surplus collateral relative to the covered bonds it has issued; it has therefore not invested in additional collateral.

The volume of non-performing and loss-exposed loans amounted to NOK 35 million as per 30 June 2011. This is equivalent to 0.22 percent of gross lending in the company, which is an increase compared with year-end 2010 when it was 0.13 percent. The management does not believe there is a need for further individual write-downs in connection with these non-performing and loss-exposed loans commitments since the credit risk is regarded as low. Group write-downs amounted to NOK 1.8 million at the end of 1H. This represents a marginal reduction compared with year-end 2010, when group write-downs amounted to NOK 1.9 million. The development in group write-downs was due to the development of the volume of non-performing and loss-exposed loans and macro conditions.

At the close of 1H, the company's total assets amounted to NOK 16.5 billion compared to NOK 14.7 billion at year-end 2010.

Covered bonds worth NOK 1.5 billion were issued in 2Q; NOK 1 billion of these were placed in the market.

At the close of the quarter, the company had drawn NOK 4.1 billion from the company's NOK 6.5 billion drawing facility with its parent company. The company's liquidity is deemed satisfactory and the liquidity risk is regarded as low.

The capital ratio at the close of the quarter was 11.3 percent, as was the core (tier 1) capital ratio. Net primary capital at the close of the quarter amounted to NOK 701 million. Primary capital excludes the company's interim result.

No events of material importance to the interim financial statements have occurred since the balance sheet date.

Developments in the capital market, interest rate levels, unemployment and the property market, together with changes to the regulatory conditions, are considered the most significant risk factors that could affect the company's accounting figures over the next six months.

Lysaker, 13 July 2011

The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q2		01.01. - 30.06.		FULL YEAR
		2011	2010	2011	2010	2010
Interest income	6	165.7	121.4	296.6	239.7	495.2
Interest expense	6	-148.5	-80.2	-255.9	-168.7	-378.2
Net interest income	3	17.2	41.2	40.7	71.0	117.0
Commission income						0.1
Commission expense						
Net commission income		0.0	0.0	0.0	0.0	0.1
Net gains on financial instruments at fair value	4		-12.0		-8.9	-8.9
Other income						0.0
Total other operating income		0.0	-12.0	0.0	-8.9	-8.9
Staff expenses		-0.1	0.0	-0.1	-0.1	-0.2
General administration expenses			-0.1	-0.1	-0.2	-0.5
Other operating costs	6	-3.9	-3.4	-7.5	-7.1	-13.1
Total operating costs		-4.0	-3.6	-7.7	-7.4	-13.8
Operating profit before loan losses		13.2	25.7	33.1	54.7	94.4
Loan losses for the period	9	-0.2	0.2	-0.1	-1.2	-0.8
Profit before tax		13.0	25.9	32.9	53.5	93.6
Tax	5	-3.6	-7.2	-9.2	-15.0	-26.2
Profit for the year		9.3	18.6	23.7	38.5	67.4

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	Q2		01.01. - 30.06.		FULL YEAR
		2011	2010	2011	2010	2010
Other comprehensive income						
Profit for the period		9.3	18.6	23.7	38.5	67.4
Total comprehensive income for the period		9.3	18.6	23.7	38.5	67.4

Storebrand Boligkreditt AS

STATEMENT OF FINANCIAL POSITION

NOK MILLION	NOTE	30.06.2011	31.12.2010
Loans to and deposits with credit institutions		411.5	513.4
Financial assets designated at fair value through profit and loss:			
Bonds and other fixed-income securities	10, 17		
Derivatives	17	170.3	240.2
Other current assets	6	34.4	111.8
Gross lending	8	15 883.0	13 805.7
- Write-downs on individual loans	9	-0.2	
- Write-downs on groups of loans	9	-1.8	-1.9
Net lending to customers		15 881.0	13 803.8
Deferred tax assets		0.0	0.0
Total assets		16 497.3	14 669.2
Liabilities to credit institutions	6, 11	4 057.8	1 946.1
Other financial liabilities:			
Derivatives	17		
Commercial paper and bonds issued	12	11 702.5	11 927.1
Other liabilities	6	0.3	92.2
Deferred tax		12.1	2.9
Total liabilities		15 772.7	13 968.3
Paid in equity		669.0	669.0
Other equity		55.6	31.8
Total equity		724.6	700.9
Total liabilities and equity		16 497.3	14 669.2

Lysaker, 13 July 2011

The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

KEY FIGURES

NOK MILLION	2011	Q2 2010	30.06.2011	FULL YEAR 2010
Profit and Loss account: (as % of avg. total assets) ¹⁾				
Net interest income ²⁾ ³⁾	0.39 %	0.99 %	0.51 %	0.80 %
Main balance sheet figures:				
Total assets			16 497.3	14 669.2
Average total assets	16 184.2	15 054.5	15 849.4	14 638.3
Total lending to customers			15 883.0	13 805.7
Equity			724.6	700.9
Other key figures:				
Loan losses and provisions as % of average total lending	0.01 %	0.01 %	0.00 %	0.01 %
Individual impairment loss as % of gross defaulted loans ^r ⁵⁾			5.16 %	10.17 %
Costs as % of operating income	23.33 %	12.23 %	18.86 %	12.76 %
Return on equity before tax ^r ⁴⁾			9.12 %	13.96 %
Core (tier 1) capital ratio			11.3 %	12.7 %

Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the year.
- 2) Annualised net interest income adjusted for hedging ineffectiveness.
- 3) The method for calculating the "net interest income as a percentage of average assets under management" key figure has been changed from and including Q1 2010 and is now calculated on the basis of actual/365. The change has no consequences for net interest income as a percentage of average assets on an annual basis and provides a more correct picture of the development over the year.
- 4) Annualised profit before tax adjusted for hedging ineffectiveness as % of average equity.
- 5) Gross defaulted loans with identified loss of value.

Storebrand Boligkreditt AS

CHANGES IN EQUITY

NOK MILLION	PAID IN CAPITAL				OTHER EQUITY			TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID IN CAPITAL	TOTAL PAID IN CAPITAL	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER CAPITAL	
Equity at 31.12.2009	350.0	200.1	54.4	604.5		28.9	28.9	633.5
Profit for the period						67.4	67.4	67.4
Pension experience adjustments								
Total other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	67.4	67.4	67.4
Equity transactions with the owner:								
Change in group contribution received 2009			39.7	39.7				39.7
Group contribution received			24.9	24.9				24.9
Change in provision for group contribution 2009						-39.7	-39.7	-39.7
Provision for group contribution						-24.9	-24.9	-24.9
Equity at 31.12.2010	350.0	200.1	118.9	669.0	0.0	31.8	31.8	700.9
Profit for the period						23.7	23.7	23.7
Pension experience adjustments								
Total other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	23.7	23.7	23.7
Equity at 30.06.2011	350.0	200.1	118.9	669.0	0.0	55.5	55.5	724.6

Storebrand Boligkreditt AS is 100 percent owned by Storebrand Bank ASA. Number of shares are 35.000.000 of nominal value NOK 10 per share.

The equity changes with the result for the individual period, equity transactions with the owners and items that are entered directly on the balance sheet. Share capital, the share premium fund and other equity is evaluated and managed together. The share premium fund may be used to cover a loss, and other equity may be used in accordance with the provisions of the Company Act.

Storebrand Boligkreditt pays particular attention to the active management of equity in the company. This management is tailored to the business-related financial risk and capital requirements in which the composition of its business areas and their growth will be an important driver for the company's capital requirements. The goal of the capital management is to ensure an effective capital structure and reserve an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new equity, this must be procured by the parent bank Storebrand Bank ASA.

Storebrand Boligkreditt is a credit institution subject to statutory requirements regarding primary capital under the capital adequacy regulations. Primary capital encompasses both equity and subordinated loan capital. For Storebrand Boligkreditt, these legal requirements carry the greatest significance in its capital management.

The company's goal is to achieve a core (tier 1) capital ratio of 10% over time. In general, the equity of the company can be managed without material restrictions if the capital requirements are met and the respective legal entities have adequate solidity.

For further information on the company's fulfilment of the capital requirements, see note 14.

Storebrand Boligkreditt AS

CASH FLOW STATEMENT

NOK MILLION	30.06.2011	30.06.2010
Cash flow from operations		
Net receipts/payments of interest, commissions and fees from customers	254.0	246.3
Net disbursement/payments on customer loans	-2 055.4	-899.3
Net receipts/payments - securities at fair value		260.5
Payments of operating costs	7.8	-11.2
Net cash flow from operating activities	-1 793.6	-403.8
Cash flow from investment activities		
Net payments on purchase/sale of fixed assets etc.		
Net cash flow from investment activities	0.0	0.0
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-1 659.1	-1 123.0
Receipts - new loans and issuing of bond debt	3 608.9	2 035.0
Payments - interest on loans	-232.9	-304.3
Receipts - group contribution	64.5	64.8
Payments - group contribution	-89.6	-46.6
Net cash flow from financing activities	1 691.8	625.8
Net cash flow in period	-101.9	222.1
Cash and bank deposits at the start of the period	513.4	58.4
Cash and bank deposits at the end of the period	411.5	280.4

The company has a credit arrangement (drawing facility) with Storebrand Bank ASA that is included in the item "Liabilities to credit institutions" as at 30.06.2011. See also Note 11.

The cash flow analysis shows the company's cash flows for operational, investment and financial activities pursuant to the direct method. The cash flows show the overall change in means of payment over the year.

Operational activities

A substantial part of the activities in a credit institution will be classified as operational.

Investment activities

Includes cash flows from tangible fixed assets.

Financing activities

Financing activities include cash flows for equity, subordinated loans and other borrowing that helps fund the company's activities. Payments of interest on borrowing and payments of group contribution are financial activities.

Cash/cash equivalents

Cash/cash equivalents are defined as lending to and claims on financial institutions.

Notes to the accounts

NOTE 1 ACCOUNTING PRINCIPLES

The interim accounts for first half of 2011 are prepared in accordance with the Norwegian regulations for the annual accounts of banks and finance companies etc., and with IAS 34 Interim Financial Reporting. The interim accounts do not include all the information required for full annual accounts prepared in accordance with all the current IFRS standards. The company has elected to apply Section 1-5 of the regulations for the annual accounts of banks and finance companies etc. that provides for "Simplified application of international accounting standards", (hereinafter termed simplified IFRS). A description of the accounting principles applied by the company in preparing the accounts is found in the Annual report for 2010. See www.storebrand.no. There have not been any changes of accounting principles in 2011.

NOTE 2 ESTIMATES

The preparation of the interim accounts involves the use of estimates and assumptions that have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. In the future, actual experience may deviate from the estimates used. Please refer to note 1 and 2 in the annual report and accounts for 2010.

NOTE 3 NET INTEREST INCOME

NOK MILLION	Q2		01.01. - 30.06.		FULL YEAR
	2011	2010	2011	2010	2010
Interest and other income on loans to and deposits with credit institutions	2.7	0.1	5.1	0.4	1.6
Interest and other income on loans to and due from customers	135.9	121.3	264.4	236.4	490.7
Interest on short-term debt instruments, bonds and other interest-bearing securities	27.1		27.1	2.9	2.9
Other interest income					
Total interest income	165.7	121.4	296.6	239.7	495.2
Interest and other expenses on debt to credit institutions	-34.8	-20.5	-53.9	-35.8	-60.4
Interest and other expenses on deposits from and due to customers					
Interest and other expenses on securities issued	-113.8	-59.6	-202.0	-133.0	-317.8
Interest and other expenses on subordinated loan capital					
Other interest expenses					
Total interest expenses	-148.5	-80.2	-255.9	-168.7	-378.2
Net interest income	17.2	41.2	40.7	71.0	117.0

Notes to the accounts

NOTE 4 NET INCOME AND GAINS FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

NOK MILLION	Q2		01.01. - 30.06.		FULL YEAR
	2011	2010	2011	2010	2010
<i>Commercial paper and bonds:</i>					
Realised gain/loss on commercial paper and bonds				-0.1	-0.1
Unrealised gain/loss on commercial paper and bonds				0.2	0.2
Total gain/loss on commercial paper and bonds	0.0	0.0	0.0	0.1	0.1
<i>Financial derivatives and foreign exchange:</i>					
Gain/loss on foreign exchange related to bonds issued		28.9		32.5	32.5
Realised gain/loss on financial derivatives, held for trading		-44.4		-41.4	-41.4
Unrealised gain/loss on financial derivatives, held for trading		3.6		0.0	0.0
Total financial derivatives and foreign exchange	0.0	-12.0	0.0	-9.0	-9.0
Net income and gains from financial assets and liabilities at fair value	0.0	-12.0	0.0	-8.9	-8.9

NOTE 5 TAX

Tax cost is based on an expected average tax rate of 28% of profit before tax adjusted for permanent differences.

NOTE 6 CLOSE ASSOCIATES

Transactions with group companies as at 30 June 2011:

NOK MILLION	STOREBRAND BANK ASA	OTHER GROUP COMPANIES
Interest income	3.1	
Interest expense	160.7	
Services sold		
Services purchased	6.1	0.9
Due from	283.0	
Liabilities to	4 057.8	

Covered bonds are not included in the overview. Storebrand Bank ASA has invested a total of NOK 6.7 billion in covered bonds issued by Storebrand Boligkreditt AS as of 30 June 2011.

Storebrand Boligkreditt AS sold its entire liquidity portfolio to Storebrand Bank ASA in Q1 2010 and has instead invested the surplus liquidity as bank deposits in Storebrand Bank ASA

Storebrand Boligkreditt AS has no employees, and purchases personnel resources from Storebrand Bank ASA and services including accounting functions from Storebrand Livsforsikring AS. All loans made by the company are purchased from Storebrand Bank ASA pursuant to an agreement entered into with Storebrand Bank ASA to purchase loans, as well as a management agreement with Storebrand Bank ASA for management of the loan portfolio. In outline terms, the management agreement involves the company paying fees to Storebrand Bank ASA for management of the company's loan portfolio. In addition, the company has entered into an agreement with Storebrand Bank ASA for a credit facility to finance loans purchased (see Note 11). Agreements entered into with other companies in the group are based on the principle of business at arm's length.

Notes to the accounts

NOTE 7 SEGMENT INFORMATION

Business segments are the company's primary reporting segments. The company has only one segment, Retail Lending. This segment comprises lending to private individuals, and all loans are purchased from Storebrand Bank ASA. The company's accounts for Q2 2011 therefore relate entirely to the Retail Lending segment.

NOTE 8 LOAN TO VALUE RATIOS AND COLLATERAL

NOK MILLION	30.06.2011	31.12.2010
Gross lending ¹⁾	15 883.0	13 805.7
Average loan balance	1.3	1.2
No. of loans	12 347	11 433
Weighted average seasoning (months)	25	35
Weighted average remaining term (months)	208	195
Average loan to value ratio ¹⁾	47 %	46 %
Over-collateralisation ³⁾	137 %	117 %
Composition of collateral:		
Residential mortgages	15 785.9	13 729.1
Supplementary security ²⁾		
Total	15 785.9	13 729.1

¹⁾ In accordance with the Regulation for credit institutions that issue covered bonds, lending cannot exceed 75% of the value of collateral (i.e. value of properties pledged as collateral). As per 30 June the company had NOK 47.2 million that exceeds the base value limit and has therefore not been included in the calculation of the collateralisation. As per 30 June 2011, the company has 20 non-performing loans, equivalent to NOK 35,1 million. There is one non-performing loan with impairment assessed to be NOK 0,2 million. Non-performing loans are not included in the collateralisation.

²⁾ The company has no supplementary security.

³⁾ Surplus collateral amounting to NOK 11.5 billion has been calculated based on the total net issued bonds.

Notes to the accounts

NOTE 9 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

NOK MILLION	30.06.2011	31.12.2010
Non-performing and loss-exposed loans		
Non-performing loans without evidence of impairment	35.1	18.2
Non-performing and loss-exposed loans with evidence of impairment	0.0	0.0
Gross defaulted and loss-exposed loans	35.1	18.2
Provisions for individual loan losses		
Net defaulted and loss-exposed loans	35.1	18.2
Key figures		
Defaulted and loss-exposed loans as % of gross total lending	0.22 %	0.13 %

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

- when a credit facility has been overdrawn for more than 90 days
- when an ordinary mortgage has arrears older than 90 days
- when a credit card has arrears older than 90 days and the credit limit has been overdrawn. If a repayment plan has been agreed with the customer and is being adhered to, the overdraft is not regarded a non-performance.

When one of the three situations described above occurs, the commitment and the rest of the customer's commitments are regarded as non-performing and loss-exposed. The number of days is counted from when the arrears exceed NOK 2,000.

The account is given a clean bill of health when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000.

NOK MILLION	Q2		01.01. - 30.06.		FULL YEAR
	2011	2010	2011	2010	2010
Losses on loans and guarantees etc. during period					
Change in individual loan loss provisions	-0.2		-0.2		
Change in grouped loan loss provisions	0.0	0.2	0.0	-1.2	-0.8
Other write-down effects					
Realised losses specifically provided for previously					
Realised losses not specifically provided for previously					
Recoveries on previous realised losses					
Loss provisions on loans and guarantees	-0.2	0.2	-0.1	-1.2	-0.8

The loan portfolio is purchased from Storebrand Bank ASA. In the opinion of the Board of Directors, the quality of the loan portfolio is such that there is no need for individual write-downs or write-downs for groups of loans in addition to the write-downs recorded as at 30 June 2011.

NOTE 10 LIQUIDITY PORTFOLIO

The company sold all the paper in the liquidity portfolio in Q1 2010 and has no liquidity portfolio as per 30.06.2011.

NOTE 11 LOANS TO AND DEPOSITS WITH CREDIT INSTITUTIONS

The company has entered into an agreement with Storebrand Bank ASA for a drawing facility of NOK 6.5 billion, which will be principally used to make payment for loans purchased and for payments in respect of covered bonds issued. The agreement was entered into on the principle of business at arm's length.

Notes to the accounts

NOTE 12 COMMERCIAL PAPER AND BONDS ISSUED

Covered bonds:

NOK MILLION						BOOK VALUE
<i>ISIN Code:</i>	NOMINAL VALUE	CURRENCY	INTEREST	ISSUED	MATURITY 1)	30.06.2011
NO0010428584	1 000.0	NOK	Fixed	06.05.2008	06.05.2015	1 064.4
NO0010466071	1 250.0	NOK	Fixed	24.10.2008	24.04.2014	1 311.7
NO0010479967	2 500.0	NOK	Floating	12.12.2008	12.06.2012	2 506.7
NO0010507809	2 040.0	NOK	Floating	27.04.2009	27.04.2015	2 050.0
NO0010548373	1 000.0	NOK	Fixed	28.10.2009	28.10.2019	1 063.8
NO0010575913	2 200.0	NOK	Floating	03.06.2010	03.06.2016	2 205.9
NO0010612294	1 500.0	NOK	Floating	12.06.2011	15.06.2016	1 500.1
Total commercial paper and bonds issued						11 702.5

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

NOTE 13 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

NOK MILLION	30.06.2011	31.12.2010
Undrawn credit limits	1 590.0	1 400.4
Total contingent liabilities	1 590.0	1 400.4

Undrawn credit limits relate to the unused portion of credit limits on residential mortgage loans.

The company has not any collateral pledged or received.

Notes to the accounts

NOTE 14 CAPITAL ADEQUACY

Capital base

NOK MILLION	30.06.2011	31.12.2010
Share capital	350.0	350.0
Other equity	374.6	350.9
Equity	724.6	700.9
Deductions		
Profit not included in the calculation of net primary capital	-23.7	
Core capital	700.9	700.9
Deductions		
Net supplementary capital	0.0	0.0
Net capital base	700.9	700.9

Minimum requirement for capital base

NOK MILLION	30.06.2011	31.12.2010
Credit risk	484.7	427.5
Of which:		
Institutions	10.0	14.0
Loans secured against real estate	463.4	405.6
Loans past-due	2.6	1.5
Other	8.8	6.5
Total minimum requirement for credit risk	484.7	427.5
Total minimum requirement for market risk	0.0	0.0
Operational risk ¹⁾	12.6	12.6
Deductions	-0.1	-0.1
Minimum requirement for capital base	497.2	440.0

Capital adequacy

	30.06.2011	31.12.2010
Capital ratio	11.3 %	12.7 %
Core (tier 1) capital ratio	11.3 %	12.7 %

¹⁾ The figures for 2010 and 1H 2011 are calculated as an average of total income for 2008, 2009 and 2010.

Capital adequacy is calculated in accordance with the Basel II regulations. The company uses the standard method for credit risk and market risk, and the basic method for operational risk. The minimum requirement for the capital ratio is 8%.

Basel II is divided into three pillars (areas). Pillar 1 deals with the minimum requirement for capital adequacy and represents a continuation of the former regulations pursuant to Basel I. Pillar 2 deals with supervisory evaluation of capital requirement and supervisory monitoring, while Pillar 3 deals with the requirements for publication of financial information.

Notes to the accounts

NOTE 15 QUARTERLY PROFIT AND LOSS

NOK MILL.	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Interest income	165.7	130.9	129.0	126.5	121.4	118.3	107.2	102.6
Interest expense	-148.5	-107.4	-105.0	-104.5	-80.2	-88.5	-78.3	-74.8
Net interest income	17.2	23.5	24.0	22.1	41.2	29.8	29.0	27.8
Fee and commission income from banking services								
Fee and commission expenses for banking services								
Net fee and commission income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net gains on financial instruments at fair value					-12.0	3.1	1.6	4.7
Other income								
Total other operating income	0.0	0.0	0.0	0.0	-12.0	3.1	1.6	4.7
Staff expenses	-0.1						-0.1	
General administration expenses		-0.1	-0.2		-0.1	-0.1	-0.1	-0.1
Other operating cost	-3.9	-3.6	-2.8	-3.2	-3.4	-3.7	-3.7	-3.8
Total operating costs	-4.0	-3.7	-3.1	-3.3	-3.6	-3.8	-3.9	-3.9
Operating profit before loan losses	13.2	19.9	20.9	18.8	25.7	29.1	26.6	28.6
Loan losses for the period	-0.2	0.1	0.3	0.2	0.2	-1.5	0.5	0.0
Profit before tax	13.0	20.0	21.2	19.0	25.9	27.6	27.1	28.5
Tax	-3.6	-5.6	-5.9	-5.3	-7.2	-7.7	-7.6	-8.0
Profit for the year	9.3	14.4	15.3	13.7	18.6	19.9	19.5	20.5

NOTE 16 RISK MANAGEMENT

The market value of Storebrand Boligkredit's financial assets and liabilities varies due to financial market risks.

Note 3 to note 7 of the 2010 annual report explains the company's financial risks which also describes the financial risks as per 30 June 2011.

NOTE 17 VALUATION

The company categorizes financial instruments valued at fair value on three levels, which are described in more detail in note 2 and note 8 of the 2010 annual report. There have not been any substantial changes in the categorization in 2011.

Translation from the original Norwegian version

To the board of Storebrand Boligkreditt AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the statement of financial position of Storebrand Boligkreditt AS as of June 30, 2011, and the related statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard No 34 "Interim Financial Reporting" adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information is not prepared, in all material aspects, in accordance with International Accounting Standard No 34 "Interim Financial Reporting".

Oslo, July 13, 2011

Deloitte AS

Ingebret G. Hisdal (signed)
State Authorized Public Accountant (Norway)

Storebrand Boligkreditt AS

- Declaration by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer have today considered and approved the half-yearly report and half-yearly accounts of Storebrand Boligkreditt AS for the first six months as at 30 June 2011 (the 2011 half-yearly report).

The half-yearly report has been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting as approved by the EU, as well as the additional Norwegian requirements set out in the Securities Trading Act.

The Board of Directors and the Chief Executive Officer hereby confirm that, to the best of their knowledge, the half-yearly accounts for 2011 have been prepared in accordance with the current accounting standards, and the information contained

in the accounts gives a true and fair view of the company's assets, liabilities, and financial position taken as a whole as at 30 June 2011.

The Board of Directors and the Chief Executive Officer confirm that, to the best of their knowledge, the half-yearly report gives a true and fair summary of important events during the accounting period and their effect on the half-yearly accounts. The Board of Directors and the Chief Executive Officer also confirm that, to the best of their knowledge, the description of the most important risk and uncertainty factors that the business faces in the next accounting period, together with the description of material transactions with close associates, provide a true and fair summary.

Lysaker, 13 July 2011

The Board of Directors of Storebrand Boligkreditt AS

Truls Nergaard
Chairman of the Board

Thor Bendik Weider
Member of the Board

Trond Fladvad
Member of the Board

Inger Roll-Matthiesen
Member of the Board

Åse Jonassen
Chief Executive Officer

Company information

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Website: www.storebrand.no
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Company registration number: 990 645 515

Senior Management:

Åse Jonassen Managing Director

Board of Directors:

Truls Nergaard	Chairman
Trond Fladvad	Board Member
Thor Bendik Weider	Board Member
Inger Roll-Matthiesen	Board Member

Contact persons:

Åse Jonassen. Managing Director. Tel. + 47- 415 77 397.

Other sources of information:

The Annual Report and interim reports of Storebrand Boligkreditt AS are published on www.storebrand.no.

