



Interim report 2015

Storebrand Boligkreditt AS

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Storebrand Boligkreditt AS

– Interim report for 3rd quarter of 2015

(Profit figures for the corresponding period in 2014 are shown in parentheses. Balance sheet figures in parentheses are for the end of 2014.)

- Pre-tax profit of NOK 33 million for the 3rd quarter and NOK 120 million year to date
- Good portfolio quality
- Stable lending volume for the quarter

FINANCIAL PERFORMANCE

Pre-tax profit was NOK 33 million (51 million) for the 3rd quarter and NOK 120 million (161 million) year to date. This performance is in line with general market trends.

Net interest income was NOK 37 million (57 million) for the 3rd quarter and NOK 134 million (184 million) year to date. Lending margins are under pressure as a result of increased competition. As a percentage of average total assets, net interest income was 1.03 per cent (1.46 per cent) for the 3rd quarter and 1.23 per cent (1.58 per cent) for the year.

Other operating income in the 3rd quarter amounted to NOK 0 million (minus 1 million) and minus NOK 1 million (minus 10 million) for the year, resulting primarily from commission income on loans and realised losses on financial instruments.

Operating costs are stable.

Losses in the portfolio are low, and in the 3rd quarter the company had NOK 0.1 million (minus 0.6 million) in loan losses and minus NOK 1 million (minus 0.4 million) year to date.

BALANCE SHEET PERFORMANCE

Total lending was marginally down in 2015, but stable in the 3rd quarter, and amounted to NOK 13.7 billion (14.3 billion). Storebrand Bank and Storebrand Boligkreditt operate with conservative lending practices. The average debt-to-asset ratio in the portfolio is 48 per cent as at 30 September 2015, compared with 49 per cent at the end of 2014. On the date of transfer, the loan-to-value ratio never exceeds 75 per cent. The risk in the loan portfolio is considered to be very low. The company has over-collateralisation of 126 per cent (135 per cent).

Defaulted loans at the end of the 3rd quarter amounted to NOK 27 million (23 million), equivalent to 0.20 per cent of gross loans in the company (0.16 per cent). All the loans have a loan-to-value ratio within 75 per cent of market value or are generally written down. Individual loan write-downs amount to NOK 2 million (1 million) at the end of the quarter. At the end of the 3rd quarter, group write-downs amounted to NOK 2 million (2 million).

The company's total assets under management as at 30 September 2015 were NOK 14.4 billion compared with NOK 15.0 billion at the end of 2014.

At the end of the year, the company had issued covered bonds totalling NOK 11.1 billion, with remaining terms of approximately 9 months to 5 years. NOK 8.4 billion of these bonds has been placed in the market, while the remaining NOK 2.7 billion is being held in the parent bank.

Storebrand Boligkreditt has two credit facilities with Storebrand Bank ASA. 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 must have a sufficient ceiling at all times to be able to cover interest and repayment on covered bonds and the associated derivatives for the next 12 months. This drawing right may not be terminated by Storebrand Bank until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity. Standard covenant requirements are linked to the loan agreements entered into. All the terms and conditions have been satisfied for all signed loan agreements in 2015. In accordance with the loan programme, the company's over-collateralisation requirement is satisfied at 109.5 per cent.

Equity in the company at the end of the quarter amounted to NOK 961 million (1,037 million). The net primary capital at the end of the quarter amounted to NOK 873 million (873 million). The company's capital adequacy and core (tier 1) capital adequacy were 14.8 per cent (14.4 per cent). The company has adjusted to the new capital requirements and aims to comply with the applicable buffer capital requirements at all times. The company has satisfactory solvency and liquidity based on the company's business activities.

Storebrand Boligkreditt will continue its core activity, which is the acquisition and management of home mortgages from Storebrand Bank.

The housing market and developments in total non-performing loans will be closely monitored. Efforts to ensure good working procedures and high data quality will continue and thereby ensure that government and rating requirements continue to be fulfilled. Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market are regarded as the key risk factors that can affect the results of Storebrand Boligkreditt in 2015.

New issues of covered bonds will be made available when the company decides it is prudent to do so and there is sufficient collateral. Storebrand Boligkreditt will continue to contribute to Storebrand Bank having diversified financing.

Since the balance sheet date there have not been any events, changes, occurrences or state of facts that, individually or in the aggregate, have had or could reasonably be expected to have a material effect on the interim financial statements.

Lysaker, 27 October 2015

The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

Income statement

(NOK million)	Note	Q3		01.01. - 30.09		Full Year
		2015	2014	2015	2014	2014
Interest income	4, 13	99.1	142.3	324.1	430.6	567.7
Interest expense	4, 13	-62.0	-85.0	-190.5	-246.6	-325.9
Net interest income	13	37.1	57.3	133.6	184.1	241.8
Net gains on financial instruments		-0.3	-0.7	-2.0	-10.2	-10.3
Other income		0.3		0.8	0.1	0.6
Total other operating income		0.0	-0.7	-1.2	-10.2	-9.7
Staff expenses				-0.1	-0.1	-0.2
General administration expenses				-0.2	-0.5	-0.5
Other operating costs	4	-3.8	-4.4	-11.0	-11.8	-15.4
Total operating costs		-3.9	-4.5	-11.3	-12.4	-16.1
Operating profit before loan losses		33.3	52.1	121.1	161.5	216.0
Loan losses for the period	15	0.1	-0.6	-1.0	-0.4	0.3
Profit before tax		33.3	51.5	120.1	161.1	216.3
Tax	3	-9.0	-13.9	-32.4	-43.5	-58.4
Profit for the year		24.3	37.6	87.7	117.6	157.9

Statement of comprehensive income

(NOK million)	Q3		01.01. - 30.09		Full Year
	2015	2014	2015	2014	2014
Profit for the period	24.3	37.6	87.7	117.6	157.9
Other comprehensive income					
Total comprehensive income for the period	24.3	37.6	87.7	117.6	157.9

Storebrand Boligkreditt AS

Statement of financial position

(NOK million)	Note	30.09.2015	30.09.2014	31.12.2014
Loans to and deposits with credit institutions	6	413.5	426.5	412.3
Financial assets designated at fair value through profit and loss:				
Derivatives	6	226.6	238.5	230.4
Other current assets	4, 6	21.9	16.3	28.4
Gross lending	11	13 692.3	14 939.8	14 325.4
- Loan loss provisions on individual loans	15	-1.7	-1.7	-1.0
- Loan loss provisions on groups of loans	15	-1.9	-1.6	-1.6
Net lending to customers	6	13 688.7	14 936.5	14 322.8
Total assets		14 350.7	15 617.8	14 993.8
Liabilities to credit institutions				
	4, 6, 8	1 952.4	3 400.7	2 746.9
Other financial liabilities:				
Commercial papers and bonds issued	6, 9	11 344.6	11 173.0	11 106.7
Other liabilities	4, 6	91.4	43.7	101.7
Deferred tax		1.7	3.9	1.7
Total liabilities		13 390.0	14 621.4	13 957.0
Paid in equity				
		844.0	844.0	844.0
Retained earnings				
		116.6	152.4	192.7
Total equity	10	960.7	996.4	1 036.8
Total liabilities and equity		14 350.7	15 617.8	14 993.8

Lysaker, 27 October 2015
The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

Statement of changes in equity

(NOK million)	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Total equity
Equity at 31.12.2013	455.0	270.1	118.9	844.0	204.3	204.3	1 048.3
Profit for the period					157.9	157.9	157.9
Other comprehensive income							
Total comprehensive income for the period	0.0	0.0	0.0	0.0	157.9	157.9	157.9
Equity transactions with the owner:							
Provision for group contribution					-169.5	-169.5	-169.5
Equity at 31.12.2014	455.0	270.1	118.9	844.0	192.7	192.7	1 036.8
Profit for the period					87.7	87.7	87.7
Other comprehensive income							
Total comprehensive income for the period	0.0	0.0	0.0	0.0	87.7	87.7	87.7
Equity transactions with the owner:							
Provision for group contribution					-163.8	-163.8	-163.8
Equity at 30.09.2015	455.0	270.1	118.9	844.0	116.6	116.6	960.7
Storebrand Boligkreditt AS is 100 per cent owned by Storebrand Bank ASA. Number of shares are 35 000 000 of nominal value NOK 13 per share.							
Equity at 31.12.2013	455.0	270.1	118.9	844.0	204.3	204.3	1 048.3
Profit for the period					117.6	117.6	117.6
Other comprehensive income							
Total comprehensive income for the period	0.0	0.0	0.0	0.0	117.6	117.6	117.6
Equity transactions with the owner:							
Provision for group contribution					-169.5	-169.5	-169.5
Equity at 30.09.2014	455.0	270.1	118.9	844.0	152.4	152.4	996.4

Storebrand Boligkreditt AS

Statement of cash flow

(NOK million)	30.09.2015	30.09.2014
Cash flow from operations		
Net receipts/payments of interest, commissions and fees from customers	329.4	433.1
Net disbursements/payments on customer loans	653.0	-121.4
Net receipts/payments on securities	-0.3	-10.2
Payments of operating costs	-11.3	-12.2
Net cash flow from operating activities	970.7	289.3
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-2 531.3	-1 026.3
Receipts - new loans and issuing of bond debt	2 000.0	1 252.3
Payments - interest on loans	-213.9	-257.2
Payments - group contribution	-224.4	-235.4
Net cash flow from financing activities	-969.5	-266.6
Net cash flow in the period	1.2	22.7
Net cash flow in the period	412.3	403.7
Cash and bank deposits at the end of the period	413.5	426.5

Storebrand Boligkreditt has credit facility agreements with Storebrand Bank ASA.

The amount drawn on the credit facilities is recognized in the line item "Liabilities to credit institutions" as at 30.09.2015. See also Note 8.

Storebrand Boligkreditt AS

Notes

Note 01 | Accounting principles

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required in the annual report. The financial statements of Storebrand Boligkreditt AS have been prepared in accordance with International Financial Reporting Standards (IFRS) approved by the EU and appurtenant interpretations.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2014 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 2015 that have caused significant effects on Storebrand Bank's interim financial statements.

In Q1, a reclassification in the Statement of Financial Position has been carried out relating to interest accrued on loans to customers from Other current assets to Gross lending. Corresponding figures have also been changed.

Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2014 annual financial statements' note 2 and valuation of financial instruments at fair value are described in note 8.

In preparing financial statements the management are required to make judgement, 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 judgment at the time the financial statements were prepared.

Actual results may differ from these estimates.

Note 03 | Tax

Tax cost is based on an expected average tax rate of 27% of company's profit before tax adjusted for permanent difference if there are any differences.

Note 04 | Related Parties

ISSUED COVERED BONDS

Storebrand Bank ASA has invested a total of NOK 2.7 billion in covered bonds issued by Storebrand Boligkreditt AS as of 30 September 2015.

LOANS TRANSFERRED FROM STOREBRAND BANK ASA

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. The mortgages are transferred on commercial terms. Once the loans are transferred, 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.

CREDIT FACILITIES WITH STOREBRAND BANK ASA

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. See note 8 for more information.

OTHER

Storebrand Boligkreditt AS has no employees, and purchases personnel resources from Storebrand Bank ASA and services including accounting functions from Storebrand Livsforsikring AS.

Storebrand Boligkreditt AS conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with senior employees and related parties are stipulated in note 28 in the 2014 annual report for Storebrand Boligkreditt AS.

Note 05 | Financial risk

The market value of Storebrand Boligkreditt's financial assets and liabilities varies due to financial market risks. Note 3 to note 7 of the 2014 Annual report explains the company's financial risks which also is representative of the financial risks as per 30 September 2015.

Note 06 | Valuation of financial instruments

Storebrand Boligkreditt AS conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value.

Unlisted derivatives, including primarily interest rate and foreign exchange instruments, are also valued theoretically. Money market rates, swap rates, exchange rates and volatilities that form the basis for valuations are supplied by Reuters, Bloomberg and Norges Bank.

Storebrand Boligkreditt AS carries out continual checks to safeguard the quality of market data that has been collected from external sources. These types of checks will generally involve comparing multiple sources as well as controlling and assessing the likelihood of unusual changes.

The company categorises financial instruments on three different levels, for further information see note 8 in the 2014 annual report. 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 reference to minimising the uncertainty of valuations.

VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST

(NOK million)	Fair value 30.09.2015	Fair value 31.12.2014	Book value 30.09.2015	Book value 31.12.2014
Financial assets				
Loans to and deposits with credit institutions	413.5	412.3	413.5	412.3
Net lending to customers	13 688.7	14 304.9	13 688.7	14 322.8
Other current assets	21.9	28.4	21.9	28.4
Financial liabilities				
Liabilities to credit institutions	1 952.4	2 746.9	1 952.4	2 746.9
Commercial papers and bonds issued	11 343.2	11 211.2	11 344.6	11 106.7
Other liabilities	91.4	101.7	91.4	101.7

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

(NOK million)	Level 1	Level 2	Level 3	Book value	Book value
	Quoted prices	Observable assumptions	Non-observable assumptions	30.09.2015	31.12.2014
Interest rate derivatives		226.6		226.6	230.4
Total derivatives	0.0	226.6	0.0	226.6	230.4
Derivatives with a positive fair value		226.6		226.6	230.4
Derivatives with a negative fair value					
Total derivatives 31.12.2014		230.4			

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

Note 07 | 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 Q3 2015 therefore relate entirely to the Retail Lending segment.

Note 08 | Liabilities to credit institutions

Storebrand Boligkreditt has two credit facilities with Storebrand Bank ASA. 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 must have a sufficient ceiling at all times to be able to cover interest and repayment on covered bonds and related derivatives for the next 12 months. This drawing right may not be terminated by Storebrand Bank until at least 3 months after the maturity date of the covered bond and related derivatives with the longest period to maturity.

Note 09 | Commercial papers and bonds issued

COVERED BONDS:

(NOK million)						Book value
ISIN Code	Nominal value	Currency	Interest	Maturity ¹⁾		30.09.2015
NO0010548373	1 250.0	NOK	Fixed	28.10.2019		1 479.2
NO0010575913	646.5	NOK	Floating	03.06.2016		647.3
NO0010612294	2 000.0	NOK	Floating	15.06.2016		2 000.2
NO0010635071	2 650.0	NOK	Floating	21.06.2017		2 659.4
NO0010660822	2 540.0	NOK	Floating	20.06.2018		2 559.1
NO0010736903	2 000.0	NOK	Floating	17.06.2020		1 999.3
Total commercial papers and bonds issued						11 344.6
Total commercial papers and bonds issued as at 31.12.2014						11 106.7

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

The loan agreements contain standard covenants. In 2015, Storebrand Boligkreditt AS met all terms and conditions with respect to the loan agreements. The company's overcollateralisation requirement of 109.5 per cent is fulfilled and in accordance with the loan programme.

Capital Adequacy

NET PRIMARY CAPITAL

(NOK million)	30.09.2015	31.12.2014
Share capital	455.0	455.0
Other equity	505.7	581.8
Total equity	960.7	1 036.8
Deductions		
Provision for group contribution		-163.8
Profit not included in the calculation of net primary capital	-87.7	
Core capital exc. Hybrid Tier 1 capital	873.0	873.0
Additional Tier 1 capital		
Capital instruments eligible as Additional Tier 1 capital		
Additions		
Core capital	873.0	873.0
Subordinated loan capital less own holdings		
Tier 2 capital		
Tier 2 capital deductions		
Net primary capital	873.0	873.0

MINIMUM CAPITAL REQUIREMENT

(NOK million)	30.09.2015	31.12.2014
Credit risk	423.6	445.5
Of which:		
Institutions	16.3	16.7
Retail market		4.7
Loans secured against real estate	395.0	414.4
Loans past-due	2.5	3.4
Other	9.8	6.3
Total minimum requirement for credit risk	423.6	445.5
Total minimum requirement for market risk	0.0	0.0
Operational risk	31.4	22.8
CVA risk *)	16.2	17.2
Deductions		
Loan loss provisions on groups of loans	-0.2	-0.1
Minimum requirement for net primary capital	471.1	485.5

CAPITAL ADEQUACY

	30.09.2015	31.12.2014
Capital ratio	14.8 %	14.4 %
Core (tier 1) capital ratio	14.8 %	14.4 %
Core capital ratio excl. Hybrid Tier 1 capital	14.8 %	14.4 %

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

The standard method is used for credit risk and market risk, and the basic method for operational risk. New capital requirements came into force from 1 July 2013. The overall requirements for core tier 1 capital and the capital base are 11 and 14.5 per cent respectively as of 30 July 2015 through the introduction of counter-cyclical capital buffer. The level of the countercyclical capital buffer requirement is further increased by 0.5 percent from 30 June 2016 with a corresponding increase in the requirement for Core (tier 1) capital ratio and net primary capital from this date.

BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

(NOK million)	30.09.2015	31.12.2014
Credit risk	5 295.4	5 569.0
Of which:		
Institutions	203.6	208.5
Retail market		58.9
Loans secured against real estate	4 937.7	5 179.6
Loans past-due	31.3	42.9
Other	122.8	79.2
Total basis of calculation credit risk	5 295.4	5 569.0
Total basis of calculation market risk	0.0	0.0
Operational risk	392.2	285.5
CVA risk *)	202.7	215.3
Deductions		
Loan loss provisions on groups of loans	-1.9	-1.6
Total basis of calculation of minimum requirements for capital base	5 888.4	6 068.2

Note 11

Loan to value ratios and collateral

(NOK million)	30.09.2015	31.12.2014
Gross lending ¹⁾	13 692.3	14 325.4
Average loan balance	1.6	1.6
No. of loans	8 584	9 184
Weighted average seasoning (months)	41	40
Weighted average remaining term (months)	214	191
Average loan to value ratio	48 %	49 %
Over-collateralisation ²⁾	126 %	135 %
Cover pool:		
Residential mortgages ¹⁾	13 621.2	14 260.4
Supplementary security	411.6	410.0
Total	14 032.8	14 670.4

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 September 2015 the company had NOK 31.1 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 30 September 2015, the company has 8 non-performing loans without evidence of impairment, equivalent to NOK 10.4 million. There are 9 non-performing loans with evidence of impairment of NOK 16.3 million where the impairment is assessed to be NOK 1.7 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool.

2) Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 11.1 billion (nominal value).

Note
12

Key figures

(NOK million)	Q3		01.01. - 30.09		Full Year
	2015	2014	2015	2014	2014
Profit and loss account: (as % of avg. total assets) ¹⁾					
Net interest income	1.03 %	1.46 %	1.23 %	1.58 %	1.56 %
Main balance sheet figures:					
Total assets			14 350.7	15 617.8	14 993.8
Average total assets	14 330.7	15 612.0	14 523.6	15 551.1	15 488.8
Gross lending to customers			13 692.3	14 939.8	14 325.4
Equity			960.7	996.4	1 036.8
Other key figures:					
Loan losses and provisions as % of average total lending	0.00 %	0.02 %	0.01 %	0.00 %	0.00 %
Individual loan loss provisions as % of gross loss-exposed loans ³⁾			9.6 %	15.4 %	9.3 %
Cost/income ratio	10.4 %	7.9 %	8.5 %	7.1 %	6.9 %
Return on equity before tax ²⁾			16.7 %	21.7 %	21.7 %
Core (tier 1) capital ratio			14.8 %	13.7 %	14.4 %

Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the year.
- 2) Annualised profit before tax adjusted for hedging ineffectiveness as % of average equity.
- 3) Gross loss-exposed loans with evidence of impairment.

Note
13

Net interest income

(NOK million)	Q3		01.01. - 30.09		Full Year
	2015	2014	2015	2014	2014
Interest and other income on loans to and deposits with credit institutions	1.6	2.2	5.3	6.5	8.7
Interest and other income on loans to and due from customers	97.5	140.1	318.7	424.1	559.0
Interest on short-term debt instruments, bonds and other interest-bearing securities					
Other interest income					
Total interest income	99.1	142.3	324.1	430.6	567.7
Interest and other expenses on debt to credit institutions	-9.0	-19.8	-31.3	-48.3	-66.2
Interest and other expenses on deposits from and due to customers					
Interest and other expenses on securities issued	-53.0	-65.2	-159.2	-198.2	-259.7
Interest and other expenses on subordinated loan capital					
Other interest expenses					
Total interest expenses	-62.0	-85.0	-190.5	-246.6	-325.9
Net interest income	37.1	57.3	133.6	184.1	241.8

Note 14 | Off balance sheet liabilities and contingent liabilities

(NOK million)	30.09.2015	31.12.2014
Undrawn credit limits	1 694.9	1 733.9
Total contingent liabilities	1 694.9	1 733.9

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

The company has not pledged nor received any collateral.

Note 15 | Non-performing loans and loan losses

(NOK million)	30.09.2015	31.12.2014
Non-performing loans		
Non-performing loans without evidence of impairment	10.4	10.8
Loss-exposed loans with evidence of impairment	16.3	12.5
Gross non-performing and loss-exposed loans	26.7	23.3
Loan loss provisions on individual loans	-1.7	-1.0
Net non-performing and loss-exposed loans	25.0	22.3
Key figures		
Net non-performing and loss-exposed loans as % of gross lending	0.20 %	0.16 %

Loans 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 as a non-performing loan.

When one of the three situations described above occurs, the loans and the rest of the customer's commitments are regarded as non-performing. The number of days is counted from when the arrears exceed NOK 2.000. The account is regarded as active 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)	Q3		01.01. - 30.09		Full Year
	2015	2014	2015	2014	2014
Change in individual loan loss provisions		0.5	-0.6	0.7	1.4
Change in grouped loan loss provisions	0.1	-0.6	-0.3	-0.9	-0.9
Other effects on loan loss provisions		-0.5		-0.2	
Realised losses specifically provided for previously					-0.1
Realised losses not specifically provided for previously					
Recoveries on previous realised losses					
Loan losses for the period	0.1	-0.6	-1.0	-0.4	0.3

Quarterly income statement

	Q3	Q2	Q1	Q4	Q3
(NOK million)	2015	2015	2015	2014	2014
Interest income	99.1	104.7	120.2	137.1	142.3
Interest expense	-62.0	-62.1	-66.4	-79.3	-85.0
Net interest income	37.1	42.7	53.8	57.7	57.3
Net gains on financial instruments	-0.3	-1.6	-0.2	-0.1	-0.7
Other income	0.3	0.3	0.3	0.5	
Total other operating income	0.0	-1.3	0.1	0.4	-0.7
Staff expenses		-0.1		-0.1	
General administration expenses		-0.1	-0.1		
Other operating cost	-3.8	-3.5	-3.7	-3.6	-4.4
Total operating costs	-3.9	-3.7	-3.8	-3.7	-4.5
Operating profit before loan losses	33.3	37.7	50.2	54.5	52.1
Loan losses for the period	0.1	-1.0		0.8	-0.6
Profit before tax	33.3	36.6	50.2	55.3	51.5
Tax	-9.0	-9.9	-13.5	-14.9	-13.9
Profit for the year	24.3	26.7	36.6	40.4	37.6

Storebrand Boligkreditt AS

Report on review of interim financial information



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Translation from the original Norwegian version

To the Board of Directors 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 30 September 2015, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU.

Oslo, 27 October 2015
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

Financial Calendar 2016



17 February	Result Q4 2015
27 April	Result Q1 2016
14 July	Result Q2 2016
26 Oktober	Result Q3 2016
February 2017	Result Q4 2016

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