

Interim report

Storebrand Boligkreditt AS



4th quarter
2012 (unaudited)

Storebrand Boligkreditt AS

- quarterly report for the 4th quarter of 2012

(Profit figures for the corresponding period in 2011 are shown in brackets. Balance sheet figures in brackets are for the end of 2011.)

- Profit before tax of NOK 128 million
- Total lending amounted to NOK 17 billion
- Good portfolio quality

Earnings performance

The profit before tax for the fourth quarter was NOK 47 million (NOK 3 million) and NOK 128 million (NOK 46 million) for the year.

Net interest income for the fourth quarter amounted to NOK 51 million (NOK 7 million) and NOK 150 million (NOK 61 million) for the year. Lending margins have increased in the fourth quarter in line with market developments. Net interest income as a percentage of average total assets was 1.13 per cent (0.18 per cent) in the fourth quarter, and 0.84 per cent (0.37 per cent) for the year.

Other operating income totalled NOK 0.1 million (NOK 0.2 million) in the fourth quarter and minus NOK 4.3 million (NOK 0.2 million) for the year, and originate entirely from bond buy-backs prior to maturity.

Operating costs were NOK 4 million in the fourth quarter (NOK 4 million) and NOK 17 million (NOK 16 million) for 2011. Costs as a percentage of income have fallen, totalling 8 per cent (53 per cent) and 12 per cent (26 per cent) due to higher income compared with the same periods last year. The company primarily purchases services from Storebrand Bank and Storebrand Livsforsikring.

There was a low level of losses in the portfolio, and in the fourth quarter of 2012 the company recognised net costs of NOK 0.01 million on loan write-downs (NOK 0.2 million), and NOK 1 million (NOK 0.4 million recognised as income) for the year.

Balance sheet performance

For the year-to-date total lending has grown moderately, and amounted to NOK 17.3 billion (NOK 16.6 billion). Storebrand Bank and Storebrand Boligkreditt operate with conservative lending practices. Average loan to value ratio in the portfolio is 49 per cent, the same level as at the end of 2011. On the date of transfer, the loan to value ratio never exceeds 75 per cent, and with higher housing prices the average loan to value ratio remains stable. The risk in the loan portfolio is therefore considered to be very low. The company has significant over-collateralisation in relation to the value of issued covered bonds.

The volume of non-performing loans at the end of the year was NOK 36 million (NOK 29 million), equivalent to 0.21 per cent of gross lending in the company (0.17 per cent). Individual write-downs on loans were NOK 2 million at the end of the year (NOK 0 million). The management does not consider it necessary to establish further individual impairment losses relating to non-performing commitments as the credit risk is deemed to be low. At the end of 2012 group write-downs were NOK 1 million (NOK 1 million).

The company had total assets of NOK 18.1 billion at the end of 2012, compared with NOK 17.3 billion at the end of 2011.

At the end of the year, the company had issued covered bonds valued at NOK 12.2 billion, with maturities from about 1.5 to 7 years. NOK 9.5 billion of these bonds have been placed in the market, while the remaining NOK 2.7 billion are being held in the parent bank. The bank has used NOK 2.0 billion of a swap facility for covered bonds, administered by Norges Bank. Storebrand Boligkreditt has issued NOK 4.4 billion of covered bonds in 2012.

Storebrand Boligkreditt has a credit facility from Storebrand Bank ASA. The size of this credit facility shall cover the interest and instalments on covered bonds for the coming 12-month period at any given time.

Capital adequacy at the end of the quarter was 10.4 per cent, and the core capital adequacy was the same. Equity in the company at the end of the year amounted to NOK 706 million.

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.

International financial instability continues to cause significant macroeconomic uncertainty, even though Norway is affected only to a small degree. Developments in the capital markets, interest rates, unemployment and the property market together with changes in the regulatory framework are considered to be the salient risk factors that may affect the financial statements for the company in 2012.

Storebrand Boligkreditt AS

PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q4		FULL YEAR	
		2012	2011	2012	2011
Interest income	6	161.1	157.3	645.7	577.8
Interest expense	6	-110.1	-150.0	-496.2	-516.8
Net interest income	3	51.0	7.3	149.5	61.0
Commission income		0.0	0.0	0.1	0.1
Commission expense					
Net commission income		0.0	0.0	0.1	0.1
Net gains on financial instruments	4	0.1	0.2	-4.3	0.2
Other income					
Total other operating income		0.1	0.2	-4.3	0.2
Staff expenses		-0.1	-0.1	-0.2	-0.2
General administration expenses		0.0	0.0	-0.2	-0.1
Other operating costs	6	-4.0	-3.9	-16.4	-15.8
Total operating costs		-4.1	-4.0	-16.7	-16.2
Operating profit before loan losses		47.1	3.6	128.6	45.1
Loan losses for the period	9	0.0	-0.2	-1.1	0.4
Profit before tax		47.1	3.4	127.5	45.5
Tax	5	-13.2	-0.9	-35.7	-12.7
Profit for the year		33.9	2.4	91.8	32.8

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q4		FULL YEAR	
	2012	2011	2012	2011
Other comprehensive income				
Profit for the period	33.9	2.4	91.8	32.8
Total comprehensive income for the period	33.9	2.4	91.8	32.8

Storebrand Boligkreditt AS

STATEMENT OF FINANCIAL POSITION

NOK MILLION	NOTE	31.12.2012	31.12.2011
Loans to and deposits with credit institutions		408.3	422.8
Financial assets designated at fair value through profit and loss:			
Derivatives	16	345.0	314.5
Other current assets	6	24.2	46.6
Gross lending	8	17 302.3	16 550.4
- Loan loss provisions on individual loans	9	-2.1	-0.2
- Loan loss provisions on groups of loans	9	-0.5	-1.3
Net lending to customers		17 299.7	16 548.9
Total assets		18 077.3	17 332.8
Liabilities to credit institutions	6, 10	4 618.1	4 267.2
Other financial liabilities:			
Commercial papers and bonds issued	11	12 620.1	12 311.9
Other liabilities	6	42.7	17.6
Deferred tax		5.0	2.5
Total liabilities		17 285.8	16 599.2
Paid in equity		669.0	669.0
Other equity		122.4	64.6
Total equity		791.5	733.6
Total liabilities and equity		18 077.3	17 332.8

Lysaker, 12 February 2013
The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

KEY FIGURES

NOK MILLION	Q4		FULL YEAR	
	2012	2011	2012	2011
Profit and Loss account: (as % of avg. total assets) ¹⁾				
Net interest income	1.13%	0.18%	0.84%	0.37%
Main balance sheet figures:				
Total assets			18 077.3	17 332.8
Average total assets	17 930.4	17 155.1	17 705.8	16 397.5
Gross lending to customers			17 302.3	16 550.4
Equity			791.5	699.7
Other key figures:				
Loan losses and provisions as % of average total lending	0.00%	0.01%	0.01%	0.00%
Individual loan loss provisions as % of gross loss-exposed loans ³⁾			7.0 %	4.5 %
Cost/income ratio	7.9 %	52.9 %	11.5 %	26.4 %
Return on equity before tax ²⁾			17.3 %	6.3 %
Core (tier 1) capital ratio			10.4 %	10.8 %

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.

Storebrand Boligkreditt AS

CHANGES IN EQUITY

NOK MILL.	PAID IN CAPITAL				OTHER EQUITY			TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID IN EQUITY	TOTAL PAID IN EQUITY	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	
Equity at 31.12.2010	350.0	200.1	54.4	604.5		96.3	96.3	700.8
Profit for the period						32.8	32.8	32.8
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	32.8	32.8	32.8
Equity transactions with the owner:								
Group contribution paid						-64.5	-64.5	-64.5
Group contribution received			64.5	64.5				64.5
Equity at 31.12.2011	350.0	200.1	118.9	669.0	0.0	64.6	64.6	733.6
Profit for the period						91.8	91.8	91.8
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	91.8	91.8	91.8
Equity transactions with the owner:								
Group contribution paid						-33.9	-33.9	-33.9
Equity at 31.12.2012	350.0	200.1	118.9	669.0	0.0	122.5	122.5	791.4

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

Equity changes

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 actively manages the level of equity in the company. The capital level is tailored to the economic risk and capital requirements in which the composition of its business areas and their growth will be an important driver. The goal of the capital management is to ensure an effective capital structure and secure an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new capital, this must be issued 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 are most important in its capital management.

The core capital adequacy have to be at least 9 per cent at all times. The core (tier 1) capital adequacy target with the current balance sheet structure has been set at 11 per cent from 2015.

For further information on the company's fulfilment of the capital requirements, see note 13.

Storebrand Boligkreditt AS

CASH FLOW STATEMENT

NOK MILLION	31.12.2012	31.12.2011
Cash flow from operations		
Net receipts/payments of interest, commissions and fees from customers	645.3	571.7
Net disbursements/payments on customer loans	-719.8	-2 737.8
Net receipts/payments - securities at fair value	-4.3	0.2
Payments of operating costs	-20.9	-14.4
Net cash flow from operations	-99.6	-2 180.2
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-3 798.9	-1 694.1
Receipts - new loans and issuing of bond debt	4 446.1	4 321.8
Payments - interest on loans	-514.9	-513.0
Receipts - group contribution		64.5
Payments - group contribution	-47.1	-89.6
Net cash flow from financing activities	85.2	2 089.6
Net cash flow in the period	-14.5	-90.6
Cash and bank deposits at the start of the period	422.8	513.4
Cash and bank deposits at the end of the period	408.3	422.8

The company has a credit arrangement (drawing facility) with Storebrand Bank ASA that is included in the item "Liabilities to credit institutions" as at 31.12.2012. See also Note 10.

The cash flow analysis shows the company's cash flows for operations, investment and financing activities pursuant to the direct method. The cash flows show the overall change in cash and bank deposits over the year.

Operatios

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 financing activities.

Cash and bank deposits

Cash and bank deposits are defined as lending to and claims on financial institutions.

Notes Storebrand Boligkreditt AS

NOTE 1 ACCOUNTING PRINCIPLES

The interim accounts for Q4 2012 are prepared in accordance 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 financial statements of Storebrand Boligkreditt AS have been prepared in accordance with International Financial Reporting Standards (IFRS) approved by the EU and appurtenant interpretations, as well as other Norwegian disclosure obligations pursuant to the law and regulations.

A description of rest of the accounting principles applied by the company in preparing the accounts is found in the Annual report for 2011. See www.storebrand.no. There have not been changes of accounting principles in 2012.

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 2011.

NOTE 3 NET INTEREST INCOME

NOK MILLION	Q4		FULL YEAR	
	2012	2011	2012	2011
Interest and other income on loans to and deposits with credit institutions	3.1	3.3	10.1	11.4
Interest and other income on loans to and due from customers	158.0	153.9	635.6	566.4
Interest on short-term debt instruments, bonds and other interest-bearing securities				
Other interest income				
Total interest income	161.1	157.3	645.7	577.8
Interest and other expenses on debt to credit institutions	-30.1	-39.8	-132.0	-132.6
Interest and other expenses on deposits from and due to customers				
Interest and other expenses on securities issued	-79.9	-110.2	-364.2	-384.2
Interest and other expenses on subordinated loan capital				
Other interest expenses				
Total interest expenses	-110.1	-150.0	-496.2	-516.8
Net interest income	51.0	7.3	149.5	61.0

Notes Storebrand Boligkreditt AS

NOTE 4 NET INCOME AND GAINS FROM FINANCIAL ASSETS AND LIABILITIES

NOK MILLION	Q4		FULL YEAR	
	2012	2011	2012	2011
<i>Financial derivatives</i>				
Realised gain/loss on financial derivatives, held for trading				
Unrealised gain/loss on financial derivatives, held for trading				
Total gain/loss on financial derivatives, held for trading	0.0	0.0	0.0	0.0
Net income and gains from financial assets and liabilities at fair value	0.0	0.0	0.0	0.0
<i>Fair value hedging</i>				
Realised gain/loss on derivatives and bonds issued, fair value hedging			-1.0	
Unrealised gain/loss on derivatives and bonds issued, fair value hedging	0.1		1.4	
Net gain/loss on fair value hedging	0.1	0.0	0.4	0.0
<i>Bonds issued</i>				
Realised gain/loss on bonds issued at amortised cost			-4.7	0.2
Total gain/loss on bonds issued at amortised cost	0.0	0.0	-4.7	0.2
Net income and gains from financial assets and liabilities	0.1	0.0	-4.3	0.2

The note includes gain and loss on financial derivatives, net gain and loss on fair value hedging and bonds issued. Other financial assets and liabilities are not included in the note.

Notes Storebrand Boligkreditt AS

NOTE 5 TAX

Tax charge for the year

NOK MILLION	2012	2011
Tax payable for the period	-33.2	-13.2
Changes in deferred tax/deferred tax asset	-2.5	0.5
Total tax charge	-35.7	-12.7

Reconciliation of expected and actual tax charge

NOK MILLION	2012	2011
Ordinary pre-tax profit	127.5	45.5
Expected tax on income at nominal rate	-35.7	-12.7
Tax charge	-35.7	-12.7
Tax payable	33.2	13.2
- tax effect of group contribution paid		
Tax payable in the balance sheet	33.2	13.2

Analysis of the tax effect of temporary differences and tax losses carried forward

NOK MILLION	2012	2011
Total tax increasing timing differences	264.9	248.3
Total tax reducing timing differences	-247.2	-239.5
Net timing differences	17.7	8.8
Losses/allowances carried forward		
Net base for deferred tax/tax assets	17.7	8.8
Net deferred tax/defferd tax asset in the balance sheet	-5.0	-2.5

Notes Storebrand Boligkreditt AS

NOTE 6 CLOSE ASSOCIATES

Transactions with group companies as at 31 December 2012:

NOK MILLION	STOREBRAND BANK ASA	OTHER GROUP COMPANIES
Interest income	5.4	
Interest expense	244.7	
Services sold		
Services purchased	13.5	1.2
Due from	298.3	
Liabilities to	4 627.3	

Covered bonds are not included in the overview. Storebrand Bank ASA has invested a total of NOK 2.7 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 December 2012.

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 10).

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 Q4 2012 therefore relate entirely to the Retail Lending segment.

Notes Storebrand Boligkreditt AS

NOTE 8 LOAN TO VALUE RATIOS AND COLLATERAL

NOK MILLION	31.12.2012	31.12.2011
Gross lending ¹⁾	17 302.3	16 550.4
Average loan balance	1.5	1.4
No. of loans	11 704	12 287
Weighted average seasoning (months)	33	35
Weighted average remaining term (months)	209	205
Average loan to value ratio	49%	48%
Over-collateralisation ²⁾	143%	137%
Composition of collateral:		
Residential mortgages ¹⁾	17 217.3	16 479.9
Supplementary security	406.5	
Total	17 623.7	16 479.9

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 31 December the company had NOK 48.5 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 31 December 2012, the company has 17 non-performing loans, equivalent to NOK 30.2 million. There are five non-performing loans with impairment of NOK 5.6 million where the impairment is assessed to be NOK 2.1 million. Non-performing loans are not included in the cover pool.

²⁾ Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 12.2 billion (nominal value).

Notes Storebrand Boligkreditt AS

NOTE 9 NON-PERFORMING LOANS AND LOAN LOSSES

NOK MILLION	31.12.2012	31.12.2011
Non-performing loans		
Non-performing loans without evidence of impairment	30.2	27.3
Loss-exposed loans with evidence of impairment	5.6	1.5
Gross non-performing and loss-exposed loans	35.8	28.8
Loan loss provisions on individual loans	-2.1	-0.2
Net non-performing and loss-exposed loans	33.7	28.7
Key figures		
Net non-performing and loss-exposed loans as % of gross lending	0.21%	0.17%

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 as a non-performing loan. When one of the three situations described above occurs, the commitment 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 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	Q4		FULL YEAR	
	2012	2011	2012	2011
Change in individual loan loss provisions	-0.8	0.0	-1.9	-0.1
Change in grouped loan loss provisions	0.7	-0.1	0.8	0.6
Other effects on loan loss provisions	0.1	-0.1	0.0	-0.1
Realised losses specifically provided for previously				
Realised losses not specifically provided for previously				
Recoveries on previous realised losses				
Loan losses for the period	0.0	-0.2	-1.1	0.4

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 additional loan loss provisions on individual or for groups of loans as at 31 December 2012.

NOTE 10 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 primarily is used to make payment for loans purchased and for repayments of issued covered bonds. There shall at all times be available size on the facility to cover interests and installments on covered bonds the next twelve months.

Notes Storebrand Boligkreditt AS

NOTE 11 COMMERCIAL PAPERS AND BONDS ISSUED

Covered bonds:

NOK MILLION					BOOK VALUE
<i>ISIN Code</i>	NOMINAL VALUE	CURRENCY	INTEREST	MATURITY ¹⁾	31.12.2012
NO0010466071	1 150.0	NOK	Fixed	24.04.2014	1 239.6
NO0010507809	2 040.0	NOK	Floating	27.04.2015	2 047.4
NO0010428584	1 000.0	NOK	Fixed	06.05.2015	1 113.3
NO0010638307	1 000.0	NOK	Floating	17.06.2015	1 000.5
NO0010575913	646.5	NOK	Floating	03.06.2016	647.8
NO0010612294	2 000.0	NOK	Floating	15.06.2016	1 996.0
NO0010635071	2 650.0	NOK	Floating	21.06.2017	2 670.2
NO0010660822	500.0	NOK	Floating	20.06.2018	499.9
NO0010548373	1 250.0	NOK	Fixed	28.10.2019	1 405.3
Total commercial papers and bonds issued					12 620.1

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

The loan agreements contain standard covenants. Under the loan programme the company's overcollateralisation requirement was 109.5 per cent fulfilled. In 2012, Storebrand Boligkreditt AS met all terms and conditions with respect to the loan agreements.

NOTE 12 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

NOK MILLION	31.12.2012	31.12.2011
Undrawn credit limits	1 794.7	1 676.6
Total contingent liabilities	1 794.7	1 676.6

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

The company has not pledged nor received any collateral.

Notes Storebrand Boligkreditt AS

NOTE 13 CAPITAL ADEQUACY

Net primary capital

NOK MILLION	31.12.2012	31.12.2011
Share capital	350.0	350.0
Other equity	441.4	383.6
Total equity	791.4	733.6
Deductions		
Provision for group contribution	-85.3	-33.9
Core capital	706.1	699.7
Deductions		
Net primary capital	706.1	699.7

Minimum capital requirement

NOK MILLION	31.12.2012	31.12.2011
Credit risk	526.1	502.4
Of which:		
Institutions	11.9	12.6
Loans secured against real estate	503.7	484.1
Loans past-due	2.3	2.4
Other	8.2	3.4
Total minimum requirement for credit risk	526.1	502.4
Total minimum requirement for market risk	0.0	0.0
Operational risk ¹⁾	15.7	14.5
Deductions	0.0	-0.1
Minimum requirement for net primary capital	541.8	516.8

Notes Storebrand Boligkreditt AS

Capital adequacy

	31.12.2012	31.12.2011
Capital ratio	10.4 %	10.8 %
Core (tier 1) capital ratio	10.4 %	10.8 %

¹⁾ The figures for 2012 are calculated as an average of total income for 2010, 2011 and 2012.

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 per cent.

Basis of calculation (risk-weighted volume)

NOK MILLION	31.12.2012	31.12.2011
Credit risk	6 576.2	6 279.7
Of which:		
Institutions	148.9	157.6
Loans secured against real estate	6 296.7	6 050.7
Loans past-due	28.4	29.5
Other	102.2	41.9
Total basis of calculation credit risk	6 576.2	6 279.7
Total basis of calculation market risk	0.0	0.0
Operational risk	196.8	181.3
Deductions:		
Loan loss provisions on groups of loans	-0.5	-1.3
Total basis of calculation of minimum requirements for capital base	6 772.5	6 459.6

Notes Storebrand Boligkreditt AS

NOTE 14 QUARTERLY PROFIT AND LOSS

NOK MILLION	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Interest income	161.1	159.5	161.8	163.3	157.3	123.9	138.6	130.9
Interest expense	-110.1	-119.2	-122.2	-144.7	-150.0	-110.9	-121.4	-107.4
Net interest income	51.0	40.3	39.6	18.6	7.3	13.0	17.2	23.5
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	0.1	-0.5	1.2	-5.2	0.2	0.0	0.0	0.0
Other income								
Total other operating income	0.1	-0.5	1.2	-5.2	0.2	0.0	0.0	0.0
Staff expenses	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0
General administration expenses	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1
Other operating cost	-4.0	-4.1	-4.2	-4.1	-3.9	-4.4	-3.9	-3.6
Total operating costs	-4.1	-4.1	-4.4	-4.1	-4.0	-4.5	-4.0	-3.7
Operating profit before loan losses	47.1	35.7	36.4	9.4	3.6	8.5	13.2	19.9
Loan losses for the period	0.0	-0.8	-0.5	0.3	-0.2	0.7	-0.2	0.1
Profit before tax	47.1	34.9	35.9	9.6	3.4	9.2	13.0	20.0
Tax	-13.2	-9.8	-10.1	-2.7	-0.9	-2.6	-3.6	-5.6
Profit for the year	33.9	25.1	25.8	6.9	2.4	6.6	9.3	14.4

Notes Storebrand Boligkreditt AS

NOTE 15 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 2011 annual report explains the company's financial risks which also is representative of the financial risks as per 31 December 2012.

Storebrand Boligkreditt AS is exposed to credit risk, liquidity risk, market risk, operational risk and compliance risk.

Credit risk

The risk of losses resulting from a customer's inability or unwillingness to fulfill its obligations. Covers the risk of the collateral being less effective than expected (residual risk) and concentration risk. Credit risk includes counterparty risk.

Liquidity risk

The risk of the company being unable to meet its obligations without incurring significant extra costs in the form of low prices of assets which have to be sold, or in the form of particularly expensive funding. See also note 10 and 11.

Market risk

The risk of incurring losses on open positions in financial instruments due to changes in market variables and/or market conditions within a specified time horizon. Covers counterparty risk in financial instruments trading, as well as stock market risk, interest rate risk and exchange rate risk.

Operational risk

The risk of financial losses resulting from ineffectiv, inadequate or failing internal processes or systems, human error, external events or non-compliance with internal guidelines. Violations of the law and regulations could prevent the company achieving its goals and this part of the compliance risk is covered by operational risk.

Compliance risk

The risk that the company incurs public sanctions or financial losses due to failure to comply with external and internal regulations.

NOTE 16 VALUATION

The company categorises financial instruments valued at fair value on three levels, which are described in more detail in note 2 and note 8 of the 2011 annual report. There have not been any substantial changes in the categorisation in 2012.

Company information

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Company registration number: 990 645 515

Senior Management:

Bjørnar Hungnes Acting CEO

Board of Directors:

Stein Wessel-Aaas	Chairman
Heidi Skaaret	Deputy chairman
Thor Bendik Weider	Board Member
Geir Holmgren	Board Member

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Other sources of information:

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