



Interim report 3rd quarter 2017

Storebrand Bank ASA

(unaudited)

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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.

Storebrand Bank Group

- Interim report for the third 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 strong growth in the retail market portfolio.
- Low volume of non-performing loans
- Good cost control

Loans outstanding in the retail market portfolio increased by NOK 1.5 billion during the quarter and has increased by NOK 5.6 billion year to date. The bank has also sold NOK 0.6 billion in mortgages to Storebrand Livsforsikring AS during the quarter and NOK 5.8 billion for the year to date.

FINANCIAL PERFORMANCE

The bank group achieved a pre-tax profit of NOK 67 million (NOK 63 million) in the third quarter and a pre-tax profit of NOK 155 million (NOK 173 million) year to date.

Net interest income was NOK 98 million (NOK 96 million) for the third quarter and NOK 276 million (NOK 279 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 third quarter and NOK 10 million for the year to date. 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 negatively 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 1.17 per cent (1.17 per cent) for the third quarter and 1.13 per cent (1.11 per cent) year to date. In the retail market, net interest income as a percentage of average total assets was 1.23 per cent (1.15 per cent) for the third quarter and 1.19 per cent (1.17 per cent) year to date.

Net commission revenues represented NOK 21 million (NOK 16 million) in the third quarter, and NOK 58 million (NOK 36 million) for the year to date. 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 24 million (NOK 32 million) for the third quarter, and NOK 45 million (NOK 82 million) for the year to date. This development is primarily due to changes in value of fixed-rate loans at fair value, derivatives and other financial instruments.

Operating costs were stable and totalled NOK 71 million (NOK 78 million) in the third quarter and NOK 215 million (NOK 216 million) year to date.

NOK 5 million was recognised as expenses (NOK 3 million) for write-downs on lending in the third quarter, and NOK 8 million has been recognised as expenses (NOK 8 million) for the year to date. The write-downs were primarily associated with the bank's retail market portfolio. Group write-downs increased by NOK 4 million during the quarter and increased by NOK 1 million for the year to date.

BALANCE SHEET PERFORMANCE

The loan portfolio in the retail market, including loans managed on behalf of Storebrand Livsforsikring AS, amounted to NOK 41.0 billion (NOK 32.5 billion) at the end of the third quarter, of which the share to Storebrand Livsforsikring AS was NOK 12.6 billion (NOK 5.9 billion). Retail market loans in the bank group amounted to NOK 28.4 billion. (NOK 26.6 billion) at the end of the third quarter. The corporate portfolio amounted to NOK 0.9 billion (NOK 1.9 billion) at the end of the third quarter and is reduced according to plan. The volume of corporate loans syndicated to Storebrand Livsforsikring AS amounted to NOK 0.7 billion (NOK 1.6 billion) at the end of the third quarter. Gross lending in the bank group totalled NOK 29.3 billion at the end of the third quarter (NOK 27.3 billion).

The bank group's retail market portfolio represents 97 per cent (93 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 56 per cent for home mortgage loans, and largely unchanged from the end of 2016. Corporate lending accounts for 3 per cent (7 per cent) of the portfolio.

The total volume of non-performing loans increased by NOK 13 million in the third quarter and accounts for 0.8 per cent (0.7 per cent) of gross lending at the end of the third quarter. The bank considers the portfolio quality to be good. Non-performing loans without impairment amounted to NOK 159 million (NOK 107 million) at the end of the third quarter. Non-performing impaired loans amounted to NOK 85 million (NOK 88 million) at the end of the third quarter, where impairment gives individual write-downs of NOK 30 million (NOK 28 million).

LIQUIDITY RISK AND FUNDING

The bank has established good 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 15.1 billion (NOK 15.2 billion) at the end of the third quarter, which represents a deposit-to-loan ratio of 52 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. A minimum LCR with escalation has been introduced. As of 31 December 2016, the bank group must comply with an LCR of 80 per cent. The requirement will be increased to 100 per cent at 31 December 2017. The bank group's LCR was 157 per cent at the end of the third quarter.

CAPITAL ADEQUACY

The bank has had a decrease in the risk-weighted balance sheet of NOK 0.3 billion in the year to date. The Storebrand Bank Group had capital (Tier 1 capital + Tier 2 capital) of NOK 2.4 billion at the end of the third quarter. The capital adequacy ratio was 18.1 per cent and the Core Equity Tier 1 (CET1) ratio was 14.3 per cent at the end of the third quarter, compared with 17.7 per cent and 14.0 per cent, respectively, at the end of 2016. The combined requirements for CET1 and capital were 13.3 per cent and 16.8 per cent respectively at the end of the third 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 30 September 2017.

PERFORMANCE OF STOREBRAND BANK ASA

Storebrand Bank ASA achieved a pre-tax profit of NOK 44 million (NOK 50 million) for the third quarter, and NOK 98 million (NOK 140 million) for the year to date.

Net interest revenues for Storebrand Bank ASA totalled NOK 56 million (NOK 67 million) for the third quarter and NOK 166 million (NOK 186 million) for the year to date.

NOK 3 million was recognised as expenses (NOK 4 million recognised as expenses) from loan write-downs in the third quarter and NOK 6 million has been recognised as expenses (NOK 8 million recognised as expenses) for the year to date.

STRATEGY AND FUTURE PROSPECTS

In the fourth quarter of 2017, 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. The partnership agreement that was entered into with Cognizant in 2015 will also be of key importance to the improvement efforts in the fourth quarter of 2017.

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, 24 October 2017
The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

Income statement

(NOK million)	Note	Q3			Full Year	
		2017	2016	30.09.2017	30.09.2016	2016
Interest income		184.9	189.5	546.7	579.1	765.9
Interest expense		-87.0	-93.6	-270.8	-300.3	-393.3
Net interest income	11	97.8	96.0	275.9	278.8	372.7
Fee and commission income from banking services		24.2	19.3	66.7	45.2	63.6
Fee and commission expenses for banking services		-3.2	-2.9	-9.2	-9.1	-15.2
Net fee and commission income		21.0	16.4	57.5	36.1	48.5
Net gains on financial instruments		23.6	31.8	44.5	82.2	86.9
Other income						-3.5
Total other operating income		23.6	31.8	44.5	82.2	83.4
Staff expenses		-24.4	-31.0	-74.8	-76.0	-95.7
General administration expenses		-13.8	-10.6	-41.6	-32.7	-46.2
Other operating costs		-32.7	-36.5	-98.7	-107.3	-142.8
Total operating costs		-70.9	-78.1	-215.1	-216.0	-284.7
Operating profit before loan losses		71.5	66.1	162.8	181.1	219.8
Loan losses for the period	13	-4.7	-3.2	-7.9	-8.4	-17.2
Profit before tax		66.8	62.9	154.9	172.6	202.7
Tax	3	-17.4	-16.4	-40.7	-39.8	-45.0
Result after tax sold/discontinued operations		-0.1		-0.2		0.5
Profit for the period		49.3	46.5	114.0	132.8	158.1
Profit for the period is attributable to:						
Portion attributable to shareholders		46.7	43.8	105.9	124.6	147.2
Portion attributable to additional Tier 1 capital holders		2.6	2.7	8.0	8.2	11.0
Profit for the period		49.3	46.5	114.0	132.8	158.1

Statement of comprehensive income

(NOK million)	Q3			Full Year	
	2017	2016	30.09.2017	30.09.2016	2016
Profit for the period	49.3	46.5	114.0	132.8	158.1
Pension experience adjustments					-6.6
Tax on pension experience adjustments					1.7
Total other result elements not to be classified to profit/loss	0.0	0.0	0.0	0.0	-5.0
Unrealised gain/loss financial instruments available for sale			6.0	-2.8	-2.8
Total other result elements that may be classified to profit/loss	0.0	0.0	6.0	-2.8	-2.8
Total comprehensive income for the period	49.3	46.5	120.0	130.0	150.4
Total comprehensive income for the period is attributable to:					
Portion attributable to shareholders	46.7	43.8	111.9	121.8	139.4
Portion attributable to additional Tier 1 capital holders	2.6	2.7	8.0	8.2	11.0
Total comprehensive income for the period	49.3	46.5	120.0	130.0	150.4

Storebrand Bank Group

Statement of financial position

NOK mill.	Note	30.09.2017	30.09.2016	31.12.2016
Cash and deposits with central banks		12.9	188.7	464.5
Loans to and deposits with credit institutions	6	44.0	230.5	272.0
Financial assets designated at fair value through profit and loss:				
Equity instruments	6	38.1	15.4	15.5
Bonds and other fixed-income securities	6, 12	3,551.7	3,069.2	3,431.9
Derivatives	6	251.8	376.4	254.1
Bonds at amortised cost	6, 12	200.2	630.7	530.6
Other current assets	6	29.4	16.3	30.5
Gross lending, amortised cost	6	27,234.3	27,043.0	25,375.0
Gross lending, fair value through profit and loss	6	2,029.7	1,498.6	1,958.5
Gross lending		29,264.0	28,541.6	27,333.5
- Loan loss provisions on individual loans	13	-29.7	-27.8	-27.5
- Loan loss provisions on groups of loans	13	-38.8	-27.9	-38.2
Net lending to customers		29,195.4	28,485.9	27,267.8
Tangible assets		0.3	1.3	1.0
Intangible assets and goodwill		73.6	85.4	80.1
Deferred tax assets	3		5.6	24.0
Assets sold/discontinued operations		0.2		0.8
Total assets		33,397.5	33,105.3	32,373.0
Liabilities to credit institutions	6	405.3	413.7	407.2
Deposits from and due to customers	6	15,149.4	15,607.8	15,238.4
Other financial liabilities:				
Derivatives	6	164.8	268.4	208.3
Commercial papers and bonds issued	6, 8	14,958.3	13,848.5	13,521.0
Other liabilities	6	102.6	136.3	153.7
Liabilities sold/discontinued operations				
Provision for accrued expenses and liabilities		4.4	9.2	7.3
Deferred tax		2.0		
Pension liabilities		13.6	16.3	13.6
Subordinated loan capital	6, 8	276.0	277.1	277.2
Total liabilities		31,076.4	30,577.3	29,826.6
Paid in capital		1,590.9	1,590.9	1,590.9
Retained earnings		504.3	711.1	729.4
Additional Tier 1 capital		225.9	226.0	226.0
Total equity		2,321.1	2,528.0	2,546.3
Total equity and liabilities		33,397.5	33,105.3	32,373.0

Lysaker, 24 October 2017
The Board of Directors of Storebrand Bank ASA

Storebrand Bank ASA

Income statement

NOK mill.	Note	Q3			Full Year	
		2017	2016	30.09.2017	30.09.2016	2016
Interest income		102.9	119.1	307.4	364.0	481.4
Interest expense		-47.3	-52.4	-141.9	-178.4	-226.6
Net interest income	11	55.5	66.7	165.5	185.6	254.8
Fee and commission income from banking services		40.0	34.5	111.3	89.5	122.0
Fee and commission expenses for banking services		-3.1	-2.8	-9.0	-9.1	-15.1
Net fee and commission income		36.9	31.6	102.3	80.4	106.8
Net gains on financial instruments		24.5	32.4	53.3	93.6	95.4
Other income		0.0	0.0	-6.3	0.0	58.6
Total other operating income		24.5	32.4	47.0	93.6	154.0
Staff expenses		-24.4	-31.0	-74.7	-75.8	-95.5
General administration expenses		-13.8	-10.6	-41.5	-32.5	-46.0
Other operating costs		-31.4	-34.6	-95.1	-103.1	-135.7
Total operating costs		-69.6	-76.2	-211.2	-211.5	-277.2
Operating profit before loan losses		47.4	54.6	103.6	148.2	238.4
Loan losses for the period	13	-3.0	-4.2	-6.1	-8.3	-17.1
Profit before tax		44.4	50.4	97.5	139.9	221.4
Tax	3	-11.8	-13.3	-27.9	-31.6	-47.5
Profit for the period		32.7	37.1	69.6	108.3	173.8
Profit for the period is attributable to:						
Portion attributable to shareholders		30.0	34.4	61.5	100.1	162.9
Portion attributable to additional Tier 1 capital holders		2.6	2.7	8.0	8.2	11.0
Profit for the period		32.7	37.1	69.6	108.3	173.8

Statement of comprehensive income

NOK mill.	Q3			Full Year	
	2017	2016	30.09.2017	30.09.2016	2016
Profit for the period	32.7	37.1	69.6	108.3	173.8
Pension experience adjustments					-6.6
Tax on pension experience adjustments					1.7
Total other result elements not to be classified to profit/loss	0.0	0.0	0.0	0.0	-5.0
Unrealised gain/loss financial instruments available for sale			6.0	-2.8	-2.8
Total other result elements that may be classified to profit/loss	0.0	0.0	6.0	-2.8	-2.8
Total comprehensive income for the period	32.7	37.1	75.6	105.5	166.1
Total comprehensive income for the period is attributable to:					
Portion attributable to shareholders	30.0	34.4	67.5	97.3	155.1
Portion attributable to additional Tier 1 capital holders	2.6	2.7	8.0	8.2	11.0
Total comprehensive income for the period	32.7	37.1	75.6	105.5	166.1

Storebrand Bank ASA

Statement of financial position

NOK mill.	Note	30.09.2017	30.09.2016	31.12.2016
Cash and deposits with central banks		12.9	188.7	464.5
Loans to and deposits with credit institutions	6	2,891.1	1,786.5	1,221.8
Financial assets designated at fair value through profit and loss:				
Equity instruments	6	38.1	15.4	15.5
Bonds and other fixed-income securities	6, 12	3,510.7	3,981.2	4,070.1
Derivatives	6	106.6	189.7	131.1
Bonds at amortised cost	6, 12	200.2	630.7	530.6
Other current assets		1,058.0	920.5	1,127.2
Gross lending, amortised cost	6	11,912.4	13,359.1	11,999.5
Gross lending, fair value through profit and loss	6	2,029.7	1,498.6	1,958.5
Gross lending		13,942.1	14,857.7	13,958.0
- Loan loss provisions on individual loans	13	-28.7	-24.9	-24.6
- Loan loss provisions on groups of loans	13	-36.0	-26.7	-37.0
Net lending to customers		13,877.4	14,806.1	13,896.4
Tangible assets		0.3	1.3	1.0
Intangible assets		73.6	85.4	80.1
Deferred tax assets	3		4.7	22.4
Total assets		21,768.9	22,610.1	21,560.8
Liabilities to credit institutions	6	405.3	726.5	407.2
Deposits from and due to customers	6	15,153.9	15,617.6	15,248.0
Other financial liabilities:				
Derivatives	6	164.8	268.4	208.3
Commercial papers and bonds issued	6, 8	3,425.1	3,158.0	2,625.2
Other liabilities	6	111.4	115.2	632.7
Provision for accrued expenses and liabilities		4.4	9.2	7.3
Deferred tax		3.5		
Pension liabilities		13.6	16.3	13.6
Subordinated loan capital	6, 8	276.0	277.1	277.2
Total liabilities		19,558.0	20,188.3	19,419.4
Paid in capital		1,762.4	1,762.4	1,762.4
Retained earnings		222.5	433.4	152.9
Additional Tier 1 capital		225.9	226.0	226.0
Total equity		2,210.9	2,421.8	2,141.4
Total equity and liabilities		21,768.9	22,610.1	21,560.8

Lysaker, 24 October 2017
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
Equity at 31.12.2015	960,6	156,0	400,2	1,516,8	661,4	661,4	226,0	2,404,2
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
Total comprehensive income for the period	0.0	0.0	0.0	0.0	139.4	139.4	11.0	150.4
Equity transactions with owners:								
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
Equity at 31.12.2016	960,6	156,0	474,3	1,590,9	729,4	729,4	226,0	2,546,3
Profit for the period					105.9	105.9	8.0	114.0
Total other result elements not to be classified to profit/loss						0.0		0.0
Total other result elements that may be classified to profit/loss					6.0	6.0		6.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	111.9	111.9	8.0	120.0
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.0	2.0		2.0
Payment to additional Tier 1 holders							-8.1	-8.1
Group contribution paid					-339.0	-339.0		-339.0
Other changes					-0.1	-0.1		-0.1
Equity at 30.09.2017	960,6	156,0	474,3	1,590,9	504,3	504,3	225,9	2,321,1
Equity at 31.12.2015	960,6	156,0	400,2	1,516,8	661,4	661,4	226,0	2,404,2
Profit for the period					124.6	124.6	8.2	132.8
Total other result elements not to be classified to profit/loss						0.0		0.0
Total other result elements that may be classified to profit/loss					-2.8	-2.8		-2.8
Total comprehensive income for the period	0.0	0.0	0.0	0.0	121.8	121.8	8.2	130.0
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.0	2.0		2.0
Payment to additional Tier 1 holders							-8.2	-8.2
Group contribution received			74.1	74.1				74.1
Provision for group contribution					-74.1	-74.1		-74.1
Equity at 30.09.2016	960,6	156,0	474,3	1,590,9	711,1	711,1	226,0	2,528,0

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
Equity at 31.12.2015	960.6	156.0	645.9	1,762.4	334.1	334.1	226.0	2,322.5
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
Total comprehensive income for the period	0.0	0.0	0.0	0.0	155.1	155.1	11.0	166.1
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.7	2.7	0.0	2.7
Payment to additional Tier 1 holders							-11.0	-11.0
Provision for group contribution					-339.0	-339.0		-339.0
Equity at 31.12.2016	960.6	156.0	645.9	1,762.4	152.9	152.9	226.0	2,141.4
Profit for the period					61.5	61.5	8.0	69.6
Total other result elements not to be classified to profit/loss						0.0		0.0
Total other result elements that may be classified to profit/loss					6.0	6.0		6.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	67.5	67.5	8.0	75.6
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.0	2.0		2.0
Payment to additional Tier 1 holders							-8.1	-8.1
Equity at 30.09.2017	960.6	156.0	645.9	1,762.4	222.5	222.5	225.9	2,210.9
The share capital is made up of 64 037 183 shares of nominal value NOK 15.								
Equity at 31.12.2015	960.6	156.0	645.9	1,762.4	334.1	334.1	226.0	2,322.5
Profit for the period					100.1	100.1	8.2	108.3
Total other result elements not to be classified to profit/loss						0.0		0.0
Total other result elements that may be classified to profit/loss					-2.8	-2.8		-2.8
Total comprehensive income for the period	0.0	0.0	0.0	0.0	97.3	97.3	8.2	105.5
Equity transactions with owners:								
Equity transactions with owners:					2.0	2.0		2.0
Additional Tier 1 capital classified as equity							-8.2	-8.2
Equity at 30.09.2016	960.6	156.0	645.9	1,762.4	433.4	433.4	226.0	2,421.8

Statement of cash flow

Storebrand Bank ASA			Storebrand Bank Group	
30.09.2016	30.09.2017	NOK million	30.09.2017	30.09.2016
		Cash flow from operations		
394.8	384.0	Receipts of interest, commissions and fees from customers	623.7	632.4
-79.3	-25.1	Payments of interest, commissions and fees to customers	-25.1	-79.3
236.7	29.4	Net disbursements/payments on customer loans	-1,924.7	799.9
-2,287.6	-154.8	Net receipts/payments of deposits from banking customers	-149.5	-2,287.2
1,236.4	952.5	Net receipts/payments - securities	942.7	1,211.9
		Net receipts/payments - real estate at fair value		-0.3
-180.1	-242.2	Payments of operating costs	-293.0	-219.7
		Net receipts/payments on other operating activities	-0.2	
-679.2	943.9	Net cash flow from operating activities	-826.1	57.7
		Cash flow from investment activities		
	-0.2	Net payments on purchase/capitalisation of subsidiaries		
-12.0	-3.0	Net payments on purchase/sale of fixed assets etc.	-3.0	-12.0
-12.0	-3.2	Net cash flow from investment activities	-3.0	-12.0
		Cash flow from financing activities		
-738.0	-109.0	Payments - repayments of loans and issuing of bond debt	-3,174.0	-3,386.1
1,198.6	900.0	Receipts - new loans and issuing of bond debt	3,895.0	3,697.4
-73.4	-59.5	Payments - interest on loans	-184.5	-203.9
	150.0	Receipts - subordinated loan capital	150.0	
	-150.0	Payments - repayments of subordinated loan capital	-150.0	
-8.1	-8.3	Payments - interest on subordinated loan capital	-8.3	-8.1
-8.2	-8.1	Payments - interest on additional Tier 1 capital	-8.1	-8.2
-0.6	-1.4	Net receipts/payments of liabilities to credit institutions	-1.4	-1.6
218.5	62.0	Receipts - group contribution		74.1
206.9	-498.6	Payments - group contribution / dividends	-369.2	-101.5
383.0	277.0	Net cash flow from financing activities	149.5	62.0
308.1	1,217.7	Net cash flow in the period	-679.7	107.8
2,283.4	1,686.3	Cash and bank deposits at the start of the period	736.6	311.5
1,975.3	2,904.0	Cash and bank deposits at the end of the period	56.8	419.3
		Cash and bank deposits consist of:		
188.7	12.9	Cash and deposits with central banks	12.9	188.7
1,786.5	2,891.1	Loans to and deposits with credit institutions	44.0	230.5
1,975.3	2,904.0	Total cash and bank deposits in the balance sheet	56.8	419.3

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.

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 judgment at the time the financial statements were prepared.

Actual results may differ from these estimates.

Note 03 | Tax

The Storebrand Bank Group includes companies that are both subject to and not subject to the financial tax. The tax cost is estimated based on expected effective tax rate per individual company for the year of 2017. Actual financial tax may differ from estimates.

Note 04 | Related Parties

COVERED BONDS ISSUED BY STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA has not any investments in covered bonds issued by Storebrand Boligkredit AS as of 30 September 2017.

LOANS SOLD TO STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkredit AS. The mortgages are transferred on commercial terms. Once the loans are sold, Storebrand Boligkredit AS assumes all the risks and benefits of owning the loan portfolio. It is Storebrand Boligkredit 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 Boligkredit 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 Boligkredit 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. The mortgages were sold on commercial terms. Year-to-date there has been sold loans of total NOK 5.8 billion. The total portfolio of loans sold as of 30 September 2017 is NOK 17.1 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 36.7 million as revenue in the accounts for 3rd quarter of 2017. The fees paid to the bank are based on the arm's length principle.

CREDIT FACILITIES WITH STOREBRAND BOLIGKREDITT AS

The bank 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. These transactions take place on commercial terms. 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 30 September 2017. The bank's corporate market portfolio has declined since the end of 2016, but this has not 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

VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST
STOREBRAND BANK GROUP

(NOK million)	Fair value 30.09.2017	Fair value 31.12.2016	Book value 30.09.2017	Book value 31.12.2016
Financial assets				
Loans to and deposits with credit institutions	44.0	272.0	44.0	272.0
Net lending to customers - Corporate market	745.1	1,477.3	774.9	1,513.6
Net lending to customers - Retail market	26,390.8	23,795.8	26,390.8	23,795.7
Bonds classified as loans and receivables	200.6	532.7	200.2	530.6
Total financial assets 30.09.2017	27,380.4		27,409.9	
Total financial assets 31.12.2016		26,077.8		26,111.9
Financial liabilities				
Liabilities to credit institutions	55.0	5.0	55.0	5.0
Deposits from and due to customers	15,149.4	15,238.4	15,149.4	15,238.4
Commercial papers and bonds issued	15,082.1	13,584.5	14,958.3	13,521.0
Subordinated loan capital	279.4	277.6	276.0	277.2
Total financial liabilities 30.09.2017	30,565.9		30,438.7	
Total financial liabilities 31.12.2016		29,105.4		29,041.6

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS
STOREBRAND BANK GROUP

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 30.09.2017	Book value 31.12.2016
Assets:					
Equities		25.9	12.2	38.1	15.5
Total equities 30.09.2017		25.9	12.2	38.1	
Total equities 31.12.2016		9.3	6.2		
Lending to customers - Corporate Market				0.0	
Lending to customers - Retail Market			2,029.7	2,029.7	1,958.5
Total ending to customers 30.09.2017			2,029.7	2,029.7	0.0
Total ending to customers 31.12.2016			1,958.5		
Government and government guaranteed bonds		734.2		734.2	524.2
Mortgage and asset backed bonds		2,817.6		2,817.6	2,907.7
Total bonds 30.09.2017	0.0	3,551.7	0.0	3,551.7	
Total bonds 31.12.2016		3,431.9			
Interest derivatives		86.8		86.8	45.8
Currency derivatives		0.1		0.1	
Total derivatives 30.09.2017	0.0	86.9	0.0	86.9	
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			
Liabilities:					
Liabilities to credit institutions		350.3		350.3	402.2
Liabilities to credit institutions 30.09.2017		350.3		350.3	
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	6,0	6,4
Supply / disposal		302,2
Sales / due settlements		-237,5
Transferred from observable assumptions to non-observable assumptions		
Translation differences		
Other		
Book value 30.09.2017	12,2	2,029,7

SENSITIVITY ANALYSIS

LENDING 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
Increase/reduction in fair value at 30.09.2017	-8.3	8.4	0.4	-0.3
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)	Corporate					Retail				
	Q3 2017	2016	30.09.2017	30.09.2016	Full Year 2016	Q3 2017	2016	30.09.2017	30.09.2016	Full Year 2016
Profit and loss items:										
Net interest income	5.3	9.5	18.9	31.7	42.2	96.3	90.5	269.1	276.3	353.8
Net fee and commission income	0.4	1.4	1.8	5.3	5.8	20.5	15.2	55.7	30.8	41.7
Other income										
Total operating costs	-4.0	-4.9	-12.9	-16.2	-20.5	-66.9	-73.4	-202.0	-199.8	-264.2
Operating profit before loan losses	1.8	6.1	7.8	20.8	27.4	49.9	32.3	122.7	107.3	131.3
Loan losses	0.5	1.1	-1.0	-4.1	-12.7	-4.0	-3.8	-5.8	-4.1	-4.4
Ordinary profit from continuing operations	2.2	7.2	6.9	16.7	14.7	46.0	28.5	116.9	103.2	126.9
Ordinary profit from discontinued businesses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance sheet items:										
Gross lending to customers			812.5	1,888.9	1,549.8			28,355.3	26,564.9	25,685.9
Deposits from and due to customers			301.0	371.3	227.7			14,437.7	15,104.4	14,872.2
Key figures:										
Net interest income as % of total assets	1.94 %	1.72 %	1.79 %	1.69 %	1.69 %	1.23 %	1.15 %	1.19 %	1.17 %	1.12 %
Cost/income ratio	69 %	44 %	62 %	44 %	43 %	57 %	69 %	62 %	65 %	67 %
Deposits from customers as % of gross lending			37 %	20 %	15 %			51 %	57 %	58 %
Total level of provisioning			85 %	53 %	71 %			15 %	21 %	21 %

(NOK million)	Treasury/ Other					Total				
	Q3		Full Year		Q3		Full Year			
	2017	2016	30.09.2017	30.09.2016	2016	2017	2016	30.09.2017	30.09.2016	2016
Profit and loss items:										
Net interest income	-3.8	-4.1	-12.1	-29.2	-23.3	97.8	96.0	275.9	278.8	372.7
Net fee and commission income		-0.2			1.0	21.0	16.4	57.5	36.1	48.5
Other income	23.6	31.8	44.5	82.2	83.4	23.6	31.8	44.5	82.2	83.4
Total operating costs			-0.2			-70.9	-78.1	-215.1	-216.0	-284.7
Operating profit before loan losses	19.8	27.6	32.3	53.0	61.0	71.5	66.1	162.8	181.1	219.8
Loan losses	-1.2	-0.5	-1.2	-0.2		-4.7	-3.2	-7.9	-8.4	-17.2
Ordinary profit from continuing operations	18.7	27.0	31.2	52.8	61.0	66.8	62.9	154.9	172.6	202.7
Ordinary profit from sold/discontinued businesses	-0.1	0.0	-0.2	0.0	0.5	-0.1	0.0	-0.2	0.0	0.5
Balance sheet items:										
Gross lending to customers			96.2	87.8	97.8			29,264.0	28,541.6	27,333.5
Deposits from and due to customers			410.7	132.1	138.4			15,149.4	15,607.8	15,238.4
Key figures:										
Net interest income as % of total assets						1.17 %	1.13 %	1.13 %	1.10 %	1.10 %
Cost/income ratio						50 %	54 %	57 %	54 %	54 %
Deposits from customers as % of gross lending								52 %	55 %	55 %
Total level of provisioning								28 %	29 %	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:

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 3rd 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.

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.

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

Securities issued and subordinated loan capital

(NOK million)	Storebrand Bank Group	
	30.09.2017	31.12.2016
Bond loans	14,958.3	13,521.0
Subordinated loan capital	276.0	277.2
Total securities issued and subordinated loan capital	15,234.4	13,798.2

SPECIFICATION OF COMMERCIAL PAPERS, BONDS ISSUED AND SUBORDINATED LOAN CAPITAL AS OF 30 SEPTEMBER 2017 - STOREBRAND BANK GROUP

(NOK million)	ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity ¹⁾	Book value
							30.09.2017
Bond loans							
	NO0010660806	Storebrand Bank ASA	300.0	NOK	Fixed	08.10.2019	323.2
	NO0010762891	Storebrand Bank ASA	500.0	NOK	Fixed	19.04.2021	497.6
	NO0010662752	Storebrand Bank ASA	300.0	NOK	Floating	13.11.2017	300.9
	NO0010751316	Storebrand Bank ASA	300.0	NOK	Floating	09.11.2018	300.6
	NO0010758980	Storebrand Bank ASA	500.0	NOK	Floating	04.03.2019	500.8
	NO0010787963	Storebrand Bank ASA	500.0	NOK	Floating	26.09.2019	500.0
	NO0010729387	Storebrand Bank ASA	600.0	NOK	Floating	14.01.2020	601.6
	NO0010794217	Storebrand Bank ASA	400.0	NOK	Floating	29.05.2020	400.3
	Total bond loans		3,400.0				3,425.1

(NOK million)	ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity ¹⁾	Book value
							30.09.2017
Covered bonds							
	NO0010548373	Storebrand Boligkreditt	1,250.0	NOK	Fixed	28.10.2019	1,397.8
	NO0010660822	Storebrand Boligkreditt	2,125.0	NOK	Floating	20.06.2018	2,129.8
	NO0010736903	Storebrand Boligkreditt	2,500.0	NOK	Floating	17.06.2020	2,495.8
	NO0010760192	Storebrand Boligkreditt	3,000.0	NOK	Floating	16.06.2021	3,008.5
	NO0010786726	Storebrand Boligkreditt	2,500.0	NOK	Floating	15.06.2022	2,501.3
	Total covered bonds ²⁾		11,375.0				11,533.3
	Total commercial papers and bonds issued		14,775.0				14,958.3

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)		Net					Book value
ISIN code	Issuer	nominal value	Currency	Interest	Maturity ¹⁾		30.09.2017
Dated subordinated loan capital							
NO0010714314	Storebrand Bank ASA	125.0	NOK	Floating	09.07.2019		125.7
NO0010786510	Storebrand Bank ASA	150.0	NOK	Floating	22.02.2022		150.3
Total subordinated loan capital							276.0
Total securities issued and subordinated loan capital							15,234.4

The loan agreements contain standard covenants. Storebrand Bank ASA and Storebrand Boligkreditt AS were in compliance with all relevant covenants in 2017.

Note 09 | 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. In 2016, the Financial Supervisory Authority of Norway set a second pillar supplement of 1.8 percentage points of the calculation basis for Storebrand Bank ASA and the Storebrand Bank Group. The requirement must be covered by Core Equity Tier 1 (CET1). The requirement for a countercyclical capital buffer is 1.5 per cent at 30 September 2017, and at the same time the combined requirements for Core Equity Tier 1 (CET1) and capital (Tier 1 capital + Tier 2 capital) were 13.3 per cent and 16.8 per cent. The level of the countercyclical capital buffer requirement will be increased by a further 0.5 percentage points from 31 December 2017, with a corresponding increase in the requirement Core Equity Tier 1 (CET1) and eligible capital from this date.

ELIGIBLE CAPITAL

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	30.09.2017	NOK million	30.09.2017	31.12.2016
960.6	960.6	Share capital	960.6	960.6
1,180.8	1,250.3	Other equity	1,360.5	1,585.8
2,141.4	2,210.9	Total equity	2,321.1	2,546.3
-225.0	-225.0	Additional Tier 1 capital included in total equity	-225.0	-225.0
-1.0	-0.9	Accrued interest on capital instruments included in total equity	-0.9	-1.0
1,915.4	1,984.9	Total equity included in Core Equity Tier 1 (CET1)	2,095.2	2,320.3
		Deductions		
	-69.6	Profit not included in the calculation of net primary capital	-114.0	
-80.1	-73.6	Intangible assets	-73.6	-80.1
		Provision for group contribution		-339.0
		Addition		
		Group contribution received		0.0
1,835.3	1,841.7	Core Equity Tier 1 (CET1)	1,907.6	1,901.2
		Additional Tier 1 capital		
225.0	225.0	Capital instruments eligible as Tier 1 capital	225.0	225.0
2,060.3	2,066.7	Tier 1 capital	2,132.6	2,126.2
		Tier 2 capital		
275.0	275.0	Subordinated loans	275.0	275.0
		Tier 2 capital deductions		
2,335.2	2,341.7	Eligible capital (Tier 1 capital + Tier 2 capital)	2,407.6	2,401.2

MINIMUM CAPITAL REQUIREMENT

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	30.09.2017	NOK million	30.09.2017	31.12.2016
825.4	775.4	Credit risk	989.1	1,002.2
		Of which:		
5.3	0.8	Local and regional authorities	0.8	5.6
		Public sector owned corporates		
		International organisations		
171.4	178.9	Institutions	7.2	9.9
		Corporates		
478.5	445.7	Loans secured in residential real estate	872.5	861.7
59.7	42.4	Retail market	44.6	62.3
10.7	11.2	Loans past-due	19.6	15.2
77.8	88.0	Covered bonds	22.1	25.5
22.1	8.4	Other	22.2	22.1
825.4	775.4	Total minimum requirement for credit risk	989.1	1 002.2
		Settlement risk		
0.0	0.0	Total minimum requirement for market risk	0.0	0.0
45.4	50.0	Operational risk	71.4	77.2
5.2	3.7	CVA risk ¹⁾	7.7	9.6
		Deductions		
-3.0	-2.9	Loan loss provisions on groups of loans	-3.1	-3.1
873.0	826.2	Minimum requirement for net primary capital	1,065.1	1,086.0

CAPITAL ADEQUACY

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	30.09.2017		30.09.2017	31.12.2016
21.4 %	22.7 %	Capital ratio	18.1 %	17.7 %
18.9 %	20.0 %	Tier 1 capital ratio	16.0 %	15.7 %
16.8 %	17.8 %	Core equity Tier 1 (CET1) capital ratio	14.3 %	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	30.09.2017	NOK million	30.09.2017	31.12.2016
10,317.3	9,692.6	Credit risk	12,364.1	12,528.0
		Of which:		
66.1	10.1	Local and regional authorities	10.1	70.2
		Public sector owned corporates		
		International organisations		
2,142.2	2,236.0	Institutions	90.5	123.7
0.1	0.1	Corporates	0.1	0.1
5,980.7	5,571.6	Loans secured on residential real estate	10,905.7	10,770.7
746.6	529.6	Retail market	557.8	778.6
133.2	140.0	Loans past-due	245.4	189.7
972.2	1,100.3	Covered bonds	276.7	318.8
276.2	104.9	Other	277.8	276.3
10,317.3	9,692.6	Total basis of calculation credit risk	12,364.1	12,528.0
0.0	0.0	Settlement risk	0.0	0.0
0.0	0.0	Total basis of calculation market risk	0.0	0.0
567.0	625.2	Operational risk	892.5	965.5
65.5	45.9	CVA risk	95.7	119.6
		Deductions		
-37.0	-36.0	Loan loss provisions on groups of loans	-38.8	-38.2
10,912.9	10,327.6	Total basis of calculation of minimum requirements for capital base	13,313.5	13,574.9

Key figures

(NOK million)	Storebrand Bank Group				Full Year 2016
	Q3		30.09.2017	30.09.2016	
	2017	2016			
Profit and Loss account: (as % of avg. total assets)					
Net interest income	1.17 %	1.17 %	1.13 %	1.11 %	1.11 %
Other operating income ²⁾	0.54 %	0.57 %	0.42 %	0.47 %	0.39 %
Main balance sheet figures:					
Total assets			33,397.5	33,105.3	32,373.0
Average total assets ¹⁾	33,070.6	33,874.3	32,748.2	33,871.4	33,720.3
Gross lending to customers			29,264.0	28,541.6	27,333.5
Deposits from customers			15,149.4	15,607.8	15,238.4
Deposits from customers as % of gross lending			51.8 %	54.7 %	55.7 %
Equity			2,321.1	2,528.0	2,546.3
Other key figures:					
Loan losses and provisions as % of average total lending ⁴⁾	0.07 %	0.04 %	0.04 %	0.04 %	0.06 %
Gross non-performing and loss-exposed loans as % of total average lending			0.8 %	0.7 %	0.7 %
Cost/income ratio ³⁾	49.8 %	0.0 %	56.9 %	54.3 %	55.3 %
Return on equity after tax ⁶⁾			6.5 %	7.3 %	6.4 %
Core equity Tier 1 (CET1) capital ratio			14.3 %	14.6 %	14.0 %
LCR ⁵⁾			157.0 %	97.0 %	183.0 %

(NOK million)	Storebrand Bank ASA				Full Year 2016
	Q3		30.09.2017	30.09.2016	
	2017	2016			
Profit and Loss account: (as % of avg. total assets)					
Net interest income	1.03 %	1.19 %	1.07 %	1.06 %	1.10 %
Other operating income ²⁾	1.14 %	1.09 %	0.94 %	0.98 %	1.11 %
Main balance sheet figures:					
Total assets			21,768.9	22,610.1	21,560.8
Average total assets ¹⁾	21,438.9	23,445.5	21,201.2	23,794.3	23,515.8
Gross lending to customers			13,942.1	14,857.7	13,958.0
Deposits from customers			15,153.9	15,617.6	15,248.0
Deposits from customers as % of gross lending			108.7 %	105.1 %	109.2 %
Equity			2,210.9	2,421.8	2,141.4
Other key figures:					
Loan losses and provisions as % of average total lending ⁴⁾	0.09 %	0.12 %	0.06 %	0.08 %	0.12 %
Gross non-performing and loss-exposed loans as % of total average lending			1.0 %	0.9 %	1.0 %
Cost/income ratio ³⁾	59.5 %	58.3 %	67.1 %	58.8 %	53.8 %
Return on equity after tax ⁶⁾			4.3 %	6.1 %	7.4 %
Core equity Tier 1 (CET1) capital ratio			17.8 %	17.7 %	16.8 %
LCR ⁵⁾			125.0 %	72.0 %	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)	Q3			Full Year	
	2017	2016	30.09.2017	30.09.2016	2016
Interest and other income on loans to and deposits with credit institutions	1.2	1.4	5.0	4.3	5.9
Interest and other income on loans to and due from customers	171.1	173.4	504.5	533.3	701.5
Interest on commercial paper, bonds and other interest-bearing securities	11.7	14.2	35.9	39.4	55.9
Other interest income and related income	0.8	0.5	1.3	2.1	2.6
Total interest income	184.9	189.5	546.7	579.1	765.9
Interest and other expenses on debt to credit institutions	-0.3	-1.4	-2.2	-4.6	-5.7
Interest and other expenses on deposits from and due to customers	-26.1	-28.4	-76.7	-94.0	-120.4
Interest and other expenses on securities issued	-55.6	-61.0	-175.2	-179.0	-241.8
Interest and expenses on subordinated loan capital	-1.8	-2.7	-7.1	-8.2	-11.0
Other interest expenses and related expenses	-3.2	0.0	-9.6	-14.5	-14.5
Total interest expenses	-87.0	-93.6	-270.8	-300.3	-393.3
Net interest income	97.8	96.0	275.9	278.8	372.7

STOREBRAND BANK ASA

(NOK million)	Q3			Full Year	
	2017	2016	30.09.2017	30.09.2016	2016
Interest and other income on loans to and deposits with credit institutions	12.1	10.3	30.3	28.5	35.5
Interest and other income on loans to and due from customers	78.8	90.2	238.9	275.7	366.2
Interest on commercial paper, bonds and other interest-bearing securities	11.1	18.1	36.9	57.7	77.1
Other interest income and related income	0.8	0.5	1.3	2.1	2.6
Total interest income	102.9	119.1	307.4	364.0	481.4
Interest and other expenses on debt to credit institutions	-0.3	-2.1	-2.3	-6.8	-8.4
Interest and other expenses on deposits from and due to customers	-26.1	-28.4	-76.7	-94.0	-120.4
Interest and other expenses on securities issued	-15.9	-19.2	-46.4	-55.0	-72.3
Interest and expenses on subordinated loan capital	-1.8	-2.7	-7.1	-8.2	-11.0
Other interest expenses and related expenses	-3.2	0.0	-9.6	-14.5	-14.5
Total interest expenses	-47.3	-52.4	-141.9	-178.4	-226.6
Net interest income	55.5	66.7	165.5	185.6	254.8

Note 12 | Off balance sheet liabilities and contingent liabilities

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	30.09.2017	NOK million	30.09.2017	31.12.2016
23.6	22.1	Guarantees	22.1	23.6
6,721.0	5,043.3	Unused credit facilities	3,502.9	3,548.5
3,524.2	3,174.4	Lending commitments retail market	3,174.4	3,524.2
10,268.8	8,239.8	Total contingent liabilities	6,699.4	7,096.2
		Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	855.4	879.8
1,085.9	855.4			
352.0	302.0	Booked value of bonds pledged as security with other credit institutions	302.0	150.9
1,437.9	1,157.4	Total book value of off balance sheet liabilities	1,157.4	1,030.7

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 30 September 2017 includes NOK 1.6 billion to the subsidiary Storebrand Boligkreditt AS (see note 4).

Note 13 | Non-performing loans and loan losses

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2016	30.09.2017	NOK million	30.09.2017	31.12.2016
		Non-performing loans		
71.5	72.8	Non-performing loans without evidence of impairment	158.6	107.3
72.7	70.7	Loss-exposed loans with evidence of impairment	84.5	87.6
144.2	143.4	Gross non-performing and loss-exposed loans	243.1	194.9
-24.6	-28.7	Loan loss provisions on individual loans	-29.7	-27.5
119.6	114.8	Net non-performing and loss-exposed loans	213.4	167.4
		Key figures		
-26.7	-26.7	Loan loss provisions on groups of loans (NOK million)	-38.8	-27.9
-51.3	-55.3	Total loan loss provisions (NOK million)	-68.6	-55.4
34 %	41 %	Level of provisioning for individual loss-exposed loans ¹⁾	35 %	31 %
36 %	39 %	Total level of provisioning ²⁾	28 %	28 %

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
- 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.

Storebrand Bank ASA			Storebrand Bank Group	
30.09.2016	30.09.2017	NOK million	30.09.2017	30.09.2016
Losses on loans and guarantees etc. during period				
30.9	-3.9	Change in individual loan loss provisions	-2.1	30.3
1.2	1.0	Change in grouped loan loss provisions	-0.6	1.7
-35.5	-0.4	Realised losses specifically provided for previously	-2.5	-35.5
-5.7	-3.6	Realised losses not specifically provided for previously	-3.6	-5.7
0.7	0.9	Recoveries on previous realised losses	0.9	0.7
-8.3	-6.1	Loan losses for the period	-7.9	-8.4

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)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Interest income	184.9	180.4	181.4	186.9	189.5
Interest expense	-87.0	-89.4	-94.4	-93.0	-93.6
Net interest income	97.8	91.0	87.1	93.9	96.0
Fee and commission income from banking services	24.2	22.0	20.5	18.5	19.3
Fee and commission expenses for banking services	-3.2	-2.8	-3.2	-6.1	-2.9
Net fee and commission income	21.0	19.2	17.4	12.4	16.4
Net gains on financial instruments	23.6	5.1	15.8	4.7	31.8
Other income				-3.5	
Total other operating income	23.6	5.1	15.8	1.2	31.8
Staff expenses	-24.4	-25.3	-25.1	-20.8	-31.0
General administration expenses	-13.8	-10.3	-18.0	-15.8	-10.6
Other operating cost	-32.7	-32.4	-33.2	-32.1	-36.5
Total operating costs	-70.9	-68.0	-76.3	-68.7	-78.1
Operating profit before loan losses	71.5	47.4	44.0	38.8	66.1
Loan losses for the period	-4.7	1.0	-4.2	-8.7	-3.2
Profit before tax	66.8	48.3	39.8	30.0	62.9
Tax	-17.4	-12.8	-10.6	-5.2	-16.4
Result after tax sold/discontinued operations	-0.1	-0.1	0.0	0.5	0.0
Profit for the year	49.3	35.5	29.1	25.3	46.5

STOREBRAND BANK ASA

	Q3	Q2	Q1	Q4	Q3
(NOK million)	2017	2017	2017	2016	2016
Interest income	102.9	98.4	106.2	117.4	119.1
Interest expense	-47.3	-46.7	-47.9	-48.2	-52.4
Net interest income	55.5	51.7	58.2	69.2	66.7
Fee and commission income from banking services	40.0	37.4	33.9	32.5	34.5
Fee and commission expenses for banking services	-3.1	-2.8	-3.1	-6.1	-2.8
Net fee and commission income	36.9	34.6	30.8	26.4	31.6
Net gains on financial instruments	24.5	6.1	22.7	1.8	32.4
Other income		-6.3		58.6	0.0
Total other operating income	24.5	-0.1	22.7	60.4	32.4
Staff expenses	-24.4	-25.2	-25.0	-20.8	-31.0
General administration expenses	-13.8	-10.2	-17.9	-15.8	-10.6
Other operating cost	-31.4	-30.8	-32.5	-29.2	-34.6
Total operating costs	-69.6	-66.3	-75.4	-65.7	-76.2
Operating profit before loan losses	47.4	19.8	36.3	90.3	54.6
Loan losses for the period	-3.0	1.3	-4.4	-8.8	-4.2
Profit before tax	44.4	21.1	31.9	81.5	50.4
Tax	-11.8	-7.5	-8.7	-15.9	-13.3
Profit for the year	32.7	13.6	23.3	65.5	37.1

Financial Calendar 2017



February 2018 Result Q4 2017

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