



Interim report 3rd quarter 2018

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 2018

(Profit figures for the corresponding period in 2017 are shown in parentheses. Balance sheet figures in parentheses are for the end of 2017.)

- Continued strong growth in the retail market portfolio
- Low volume of non-performing loans
- Good cost control

Loans in the retail market portfolio managed by Storebrand Bank ASA increased by NOK 1.3 billion during the quarter and has increased by NOK 3.5 billion in year to date. The home mortgage portfolio managed on behalf of Storebrand Livsforsikring AS increased by NOK 0.7 billion during the quarter and NOK 2.9 billion in the year to date.

FINANCIAL PERFORMANCE

The bank group achieved a pre-tax profit of NOK 60 million (NOK 67 million) in the third quarter and a pre-tax profit of NOK 149 million (NOK 155 million) year to date.

Net interest income was NOK 95 million (NOK 98 million) for the third quarter and NOK 276 million (NOK 276 million) year to date. The interest margin was negatively influenced by increased interbank rates. Net interest income as a percentage of average total assets was 1.19 per cent (1.17 per cent) for the third quarter and 1.15 per cent (1.13 per cent) year to date. In the retail market net interest income as a percentage of average total assets was 1.21 per cent (1.23 per cent) for the third quarter and 1.23 per cent (1.19 per cent) year to date.

Net commission revenues represented NOK 30 million (NOK 21 million) in the third quarter, and NOK 79 million (NOK 58 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 4 million (NOK 24 million) for the third quarter, and NOK 8 million (NOK 45 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 decreased in the quarter and totalled NOK 70 million (NOK 71 million) in the third quarter and NOK 202 million (NOK 215 million) year to date.

NOK 1 million was recognised as income (NOK 5 million recognised as expenses) for write-downs on lending in the third quarter, and NOK 13 million recognised as expenses (NOK 8 million recognised as expenses) 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 45.7 billion (NOK 42.1 billion) at the end of the third quarter, of which the share to Storebrand Livsforsikring AS was NOK 18.1 billion (NOK 15.2 billion). Retail market loans in the bank group amounted to NOK 27.6 billion (NOK 26.9 billion) at the end of the third quarter. The corporate portfolio amounted to NOK 34 million (NOK 360 million) at the end of the third quarter and is reduced according to plan. The volume of corporate loans syndicated to Store-

brand Livsforsikring AS amounted to NOK 0.1 billion (NOK 0.2 billion) at the end of the third quarter. Gross lending in the bank group totalled NOK 27.6 billion at the end of the third quarter (NOK 27.3 billion).

The bank group's retail market portfolio represents 99.8 per cent (98.6 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, compared with 57 per cent at the end of 2017. Corporate market lending accounts for 0.1 per cent (1 per cent) of the portfolio.

The total volume of non-performing loans decreased by NOK 22 million in the third quarter and accounts for 0.5 per cent (1.0 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 78 million (NOK 58 million) at the end of the third quarter. Non-performing impaired loans amounted to NOK 62 million (NOK 114 million) at the end of the third quarter, where impairment gives loan loss provisions of NOK 29 million (NOK 43 million).

LIQUIDITY RISK AND FUNDING

The bank has established solid liquidity buffers and puts great importance on a balanced funding structure with varying time to maturity and issuances in various markets. The volume of deposits from customers was NOK 15.0 billion (NOK 14.6 billion) at the end of the third quarter, which represents a deposit-to-loan ratio of 54 per cent (54 per cent).

Storebrand Bank ASA issued a senior bond of NOK 200 million (maturity 2021) in the third quarter. In the first quarter of 2018 Storebrand Boligkreditt AS issued a covered bond of NOK 2.5 billion (maturity 2023), of which NOK 1.0 billion is being held by the parent bank at the end of the third quarter.

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. The bank group must comply with an LCR of 100 per cent. The bank group's LCR was 137 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 0.1 billion in the year to date. The Storebrand Bank Group had capital (Tier 1 capital + Tier 2 capital) of NOK 2.2 billion at the end of the third quarter. The capital adequacy ratio was 18.4 per cent and the Core Equity Tier 1 (CET1) ratio was 14.6 per cent at the end of the third quarter, compared with 18.9 per cent and 14.8 per cent, respectively, at the end of 2017. The combined requirements (including Pillar 2) for capital and CET1 were 17.3 per cent and 13.8 per cent respectively at the end of the third quarter. The bank group, parent bank and Storebrand Boligkreditt AS satisfied the combined capital and capital buffer requirements by a good margin at the end of the third quarter.

PERFORMANCE OF STOREBRAND BANK ASA

Storebrand Bank ASA achieved a pre-tax profit of NOK 43 million (NOK 44 million) for the third quarter, and NOK 99 million (NOK 98 million) for the year to date.

Net interest revenues for Storebrand Bank ASA totalled NOK 59 million (NOK 56 million) for the third quarter and NOK 164 million (NOK 166 million) year to date.

NOK 1 million was recognised as income (NOK 3 million recognised as expenses) for write-downs on loans in the third quarter and NOK 13 million recognised as expenses (NOK 6 million recognised as expenses) year to date.

STRATEGY AND FUTURE PROSPECTS

Going forward, 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 is closely monitored. The bank will also prioritise maintaining a moderate to low risk profile with a strong balance sheet and funding composition.

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.

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 is 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, 23 October 2018

The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

Income statement

(NOK million)	Note	Q3		01.01. - 30.09.		Full Year
		2018	2017	2018	2017	2017
Interest income		176.9	184.9	524.6	546.7	729.3
Interest expense		-82.4	-87.0	-248.6	-270.8	-355.3
Net interest income	11	94.5	97.8	275.9	275.9	374.0
Fee and commission income from banking services		32.1	24.2	87.9	66.7	91.0
Fee and commission expenses for banking services		-2.6	-3.2	-8.7	-9.2	-15.0
Net fee and commission income		29.5	21.0	79.2	57.5	76.0
Net gains on financial instruments		4.4	23.6	7.9	44.5	53.7
Other income						
Total other operating income		4.4	23.6	7.9	44.5	53.7
Staff expenses		-25.1	-24.4	-68.0	-74.8	-105.8
General administration expenses		-14.3	-13.8	-42.5	-41.6	-59.8
Other operating costs		-30.4	-32.7	-91.2	-98.7	-134.6
Total operating costs		-69.8	-70.9	-201.7	-215.1	-300.2
Operating profit before loan losses		58.5	71.5	161.3	162.8	203.5
Loan losses for the period	13	1.0	-4.7	-12.7	-7.9	-9.4
Profit before tax		59.6	66.8	148.6	154.9	194.1
Tax	3	-17.7	-17.4	-38.5	-40.7	-48.1
Result after tax sold/discontinued operations			-0.1	-0.1	-0.2	-0.3
Profit for the period		41.8	49.3	110.0	114.0	145.8
Profit for the period is attributable to:						
Portion attributable to shareholders		39.9	46.7	102.6	105.9	135.1
Portion attributable to additional Tier 1 capital holders		1.9	2.6	7.4	8.0	10.6
Profit for the period		41.8	49.3	110.0	114.0	145.8

Consolidated statement of comprehensive income

(NOK million)	Q3		01.01. - 30.09.		Full Year
	2018	2017	2018	2017	2017
Profit for the period	41.8	49.3	110.0	114.0	145.8
Pension experience adjustments					0.4
Tax on pension experience adjustments					-0.1
Total other result elements not to be classified to profit/loss	0.0	0.0	0.0	0.0	0.3
Unrealised gain/loss financial instruments available for sale			19.6	6.0	7.6
Total other result elements that may be classified to profit/loss	0.0	0.0	19.6	6.0	7.6
Total comprehensive income for the period	41.8	49.3	129.5	120.0	153.7
Total comprehensive income for the period is attributable to:					
Portion attributable to shareholders	39.9	46.7	122.1	111.9	143.0
Portion attributable to additional Tier 1 capital holders	1.9	2.6	7.4	8.0	10.6
Total comprehensive income for the period	41.8	49.3	129.5	120.0	153.7

Storebrand Bank Group

Statement of financial position

NOK mill.	Note	30.09.2018	30.09.2017	31.12.2017
Cash and deposits with central banks		298.3	12.9	472.2
Loans to and deposits with credit institutions	6	253.1	44.0	313.5
Financial assets designated at fair value through profit and loss:				
Equity instruments	6	41.4	38.1	40.8
Bonds and other fixed-income securities	6, 12	2,848.6	3,551.7	3,213.5
Derivatives	6	160.3	251.8	179.8
Bonds at amortised cost	6, 12	494.6	200.2	380.4
Other current assets	6	89.9	29.4	37.3
Gross loans at amortised cost	6	424.1	27,234.3	26,746.3
Gross loans at fair value through profit and loss (FVTPL)	6	317.9	2,029.7	580.0
Gross loans at fair value through other comprehensive income (FVOCI)	6	26,901.7		
Gross loans	6, 13	27,643.6	29,264.0	27,326.4
- Loan loss provisions on individual loans	13	-36.3	-29.7	-42.8
- Loan loss provisions on groups of loans	13		-38.8	-26.5
Net loans to customers		27,607.4	29,195.4	27,257.0
Tangible assets			0.3	0.1
Intangible assets and goodwill		78.3	73.6	71.4
Deferred tax assets	3			16.1
Assets sold/discontinued operations		0.1	0.2	
Total assets		31,871.9	33,397.5	31,982.2
Liabilities to credit institutions	6	35.3	405.3	155.0
Deposits from and due to customers	6	14,952.6	15,149.4	14,628.0
Other financial liabilities:				
Derivatives	6	76.8	164.8	138.6
Commercial papers and bonds issued	6, 8	14,176.7	14,958.3	14,304.2
Other liabilities	6	163.1	102.6	109.9
Liabilities sold/discontinued operations				
Provision for accrued expenses and liabilities	13	11.8	4.4	6.0
Deferred tax		7.6	2.0	
Pension liabilities		11.6	13.6	11.6
Subordinated loan capital	6, 8	276.2	276.0	276.1
Total liabilities		29,711.8	31,076.4	29,629.3
Paid in capital		1,590.9	1,590.9	1,590.9
Retained earnings		393.3	504.3	536.0
Additional Tier 1 capital		176.0	225.9	226.0
Total equity	9	2,160.1	2,321.1	2,352.9
Total equity and liabilities		31,871.9	33,397.5	31,982.2

Lysaker, 23 October 2018
The Board of Directors of Storebrand Bank ASA

Storebrand Bank ASA

Income statement

NOK mill.	Note	Q3		01.01. - 30.09.		Full Year
		2018	2017	2018	2017	2017
Interest income		99.8	102.9	285.9	307.4	409.0
Interest expense		-40.6	-47.3	-122.1	-141.9	-188.4
Net interest income	11	59.1	55.5	163.7	165.5	220.6
Fee and commission income from banking services		49.3	40.0	138.3	111.3	150.8
Fee and commission expenses for banking services		-2.6	-3.1	-8.7	-9.0	-14.7
Net fee and commission income		46.7	36.9	129.7	102.3	136.1
Net gains on financial instruments		5.2	24.5	17.4	53.3	63.3
Other income					-6.3	75.4
Total other operating income		5.2	24.5	17.4	47.0	138.7
Staff expenses		-24.9	-24.4	-67.7	-74.7	-105.6
General administration expenses		-14.3	-13.8	-42.4	-41.5	-59.6
Other operating costs		-29.4	-31.4	-89.1	-95.1	-129.6
Total operating costs		-68.5	-69.6	-199.2	-211.2	-294.9
Operating profit before loan losses		42.5	47.4	111.6	103.6	200.5
Loan losses for the period	13	0.7	-3.0	-12.6	-6.1	-6.9
Profit before tax		43.2	44.4	99.0	97.5	193.6
Tax	3	-13.3	-11.8	-26.6	-27.9	-49.3
Profit for the period		29.9	32.7	72.4	69.6	144.3
Profit for the period is attributable to:						
Portion attributable to shareholders		28.0	30.0	65.0	61.5	133.7
Portion attributable to additional Tier 1 capital holders		1.9	2.6	7.4	8.0	10.6
Profit for the period		29.9	32.7	72.4	69.6	144.3

Statement of comprehensive income

NOK mill.	Q3		01.01. - 30.09.		Full Year
	2018	2017	2018	2017	2017
Profit for the period	29.9	32.7	72.4	69.6	144.3
Pension experience adjustments					0.4
Tax on pension experience adjustments					-0.1
Total other result elements not to be classified to profit/loss	0.0	0.0	0.0	0.0	0.3
Unrealised gain/loss financial instruments available for sale			19.6	6.0	7.6
Total other result elements that may be classified to profit/loss	0.0	0.0	19.6	6.0	7.6
Total comprehensive income for the period	29.9	32.7	91.9	75.6	152.2
Total comprehensive income for the period is attributable to:					
Portion attributable to shareholders	28.0	30.0	84.6	67.5	141.6
Portion attributable to additional Tier 1 capital holders	1.9	2.6	7.4	8.0	10.6
Total comprehensive income for the period	29.9	32.7	91.9	75.6	152.2

Storebrand Bank ASA

Statement of financial position

NOK mill.	Note	30.09.2018	30.09.2017	31.12.2017
Cash and deposits with central banks		298.3	12.9	472.2
Loans to and deposits with credit institutions	6	3,913.8	2,891.1	2,358.1
Financial assets designated at fair value through profit and loss:				
Equity instruments	6	41.4	38.1	40.8
Bonds and other fixed-income securities	6, 12	3,812.0	3,510.7	3,458.6
Derivatives	6	62.5	106.6	92.6
Bonds at amortised cost	6, 12	494.6	200.2	380.4
Other current assets		1,119.6	1,058.0	1,143.1
Gross loans at amortised cost	6	424.1	11,912.4	12,204.1
Gross loans at fair value through profit and loss (FVTPL)	6	317.9	2,029.7	580.0
Gross loans at fair value through other comprehensive income (FVOCI)	6	10,379.3		
Gross loans	6, 13	11,121.2	13,942.1	12,784.1
- Loan loss provisions on individual loans	13	-34.7	-28.7	-41.4
- Loan loss provisions on groups of loans	13		-36.0	-23.2
Net loans to customers		11,086.6	13,877.4	12,719.5
Tangible assets			0.3	0.1
Intangible assets		78.3	73.6	71.4
Deferred tax assets	3			13.7
Total assets		20,907.0	21,768.9	20,750.4
Liabilities to credit institutions	6	35.3	405.3	155.0
Deposits from and due to customers	6	14,954.4	15,153.9	14,629.9
Other financial liabilities:				
Derivatives	6	76.8	164.8	138.6
Commercial papers and bonds issued	6, 8	3,316.4	3,425.1	3,115.6
Other liabilities	6	161.0	111.4	386.1
Provision for accrued expenses and liabilities	13	11.8	4.4	6.0
Deferred tax		11.1	3.5	
Pension liabilities		11.6	13.6	11.6
Subordinated loan capital	6, 8	276.2	276.0	276.1
Total liabilities		18,854.5	19,558.0	18,718.8
Paid in capital		1,762.4	1,762.4	1,762.4
Retained earnings		114.1	222.5	43.2
Additional Tier 1 capital		176.0	225.9	226.0
Total equity	9	2,052.5	2,210.9	2,031.6
Total equity and liabilities		20,907.0	21,768.9	20,750.4

Lysaker, 23 October 2018
The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

Statement of changes in equity

(NOK million)	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
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					135.1	135.1	10.6	145.8
Total other result elements not to be classified to profit/loss					0.3	0.3		0.3
Total other result elements that may be classified to profit/loss					7.6	7.6		7.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	143.0	143.0	10.6	153.7
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.7	2.7		2.7
Payment to additional Tier 1 holders						0.0	-10.7	-10.7
Provision for group contribution					-339.0	-339.0		-339.0
Other changes					-0.1	-0.1		-0.1
Equity at 31.12.2017	960.6	156.0	474.3	1,590.9	536.0	536.0	226.0	2,352.9
Effect of implementing IFRS 9 in equity 01.01.2018					-12.7	-12.7		-12.7
Profit for the period					102.6	102.6	7.4	110.0
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					19.6	19.6		19.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	122.1	122.1	7.4	129.5
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					1.8	1.8	-50.0	-48.2
Payment to additional Tier 1 holders						0.0	-7.4	-7.4
Provision for group contribution					-254.0	-254.0		-254.0
Equity at 30.09.2018	960.6	156.0	474.3	1,590.9	393.3	393.3	176.0	2,160.1
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
Provision for group contribution					-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

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 31.12.2016	960.6	156.0	645.9	1,762.4	152.9	152.9	226.0	2,141.4
Profit for the period					133.7	133.7	10.6	144.3
Total other result elements not to be classified to profit/loss					0.3	0.3		0.3
Total other result elements that may be classified to profit/loss					7.6	7.6		7.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	141.6	141.6	10.6	152.2
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					2.7	2.7		2.7
Payment to additional Tier 1 holders						0.0	-10.7	-10.7
Provision for group contribution					-254.0	-254.0		-254.0
Equity at 31.12.2017	960.6	156.0	645.9	1,762.4	43.2	43.2	226.0	2,031.6
Effect of implementing IFRS 9 in equity 01.01.2018					-15.5	-15.5		-15.5
Profit for the period					65.0	65.0	7.4	72.4
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					19.6	19.6		19.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	84.6	84.6	7.4	91.9
Equity transactions with owners:								
Additional Tier 1 capital classified as equity					1.8	1.8	-50.0	-48.2
Payment to additional Tier 1 holders						0.0	-7.4	-7.4
Equity at 30.09.2018	960.6	156.0	645.9	1,762.4	114.1	114.1	176.0	2,052.5
The share capital is made up of 64 037 183 shares of nominal value NOK 15.								
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						0.0	-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

Statement of cash flow

Storebrand Bank ASA			Storebrand Bank Group	
30.09.2017	30.09.2018	NOK million	30.09.2018	30.09.2017
		Cash flow from operations		
384.0	372.2	Receipts of interest, commissions and fees from customers	626.4	623.7
-25.1	-28.7	Payments of interest, commissions and fees to customers	-28.7	-25.1
29.4	1,652.7	Net disbursements/payments on customer loans	-321.0	-1,924.7
-154.8	281.9	Net receipts/payments of deposits from banking customers	282.1	-149.5
952.5	-433.6	Net receipts/payments - securities	-448.1	942.7
-242.2	-194.6	Payments of operating costs	-251.4	-293.0
		Net receipts/payments on other operating activities		-0.2
943.9	1,650.0	Net cash flow from operating activities	-140.8	-826.1
		Cash flow from investment activities		
-0.2		Net payments on purchase/capitalisation of subsidiaries		
-3.0	-16.7	Net payments on purchase/sale of fixed assets etc.	-16.7	-3.0
-3.2	-16.7	Net cash flow from investment activities	-16.7	-3.0
		Cash flow from financing activities		
-109.0		Payments - repayments of loans and issuing of bond debt	-2,125.0	-3,174.0
900.0	200.0	Receipts - new loans and issuing of bond debt	2,700.0	3,895.0
-59.5	-53.0	Payments - interest on loans	-177.3	-184.5
150.0		Receipts - subordinated loan capital		150.0
-150.0		Payments - repayments of subordinated loan capital		-150.0
-8.3	-5.4	Payments - interest on subordinated loan capital	-5.4	-8.3
	100.0	Receipts - new additional Tier 1 capital	100.0	
	-150.0	Payments of additional Tier 1 capital	-150.0	
-8.1	-7.4	Payments - interest on additional Tier 1 capital	-7.4	-8.1
-1.4	-119.7	Net receipts/payments of liabilities to credit institutions	-119.7	-1.4
62.0	81.9	Receipts - group contribution		
-498.6	-297.8	Payments - group contribution / dividends	-292.0	-369.2
277.0	-251.5	Net cash flow from financing activities	-76.8	149.5
1,217.7	1,381.8	Net cash flow in the period	-234.3	-679.7
1,686.3	2,830.2	Cash and bank deposits at the start of the period	785.6	736.6
2,904.0	4,212.1	Cash and bank deposits at the end of the period	551.4	56.8
		Cash and bank deposits consist of:		
12.9	298.3	Cash and deposits with central banks	298.3	12.9
2,891.1	3,913.8	Loans to and deposits with credit institutions	253.1	44.0
2,904.0	4,212.1	Total cash and bank deposits in the balance sheet	551.4	56.8

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 2017 annual report, and the interim financial statements are prepared with respect to these accounting policies.

There is a new accounting standards that entered into effect in 2018. IFRS 9 Financial Instruments replaced the current IAS39. IFRS 9 is applicable from 1 January 2018. The effects of the new principles on the opening balance for 2018 are recognised in equity. For more information, see note 1 and 2 in the 2017 annual report for Storebrand Bank ASA. Note 2 in the 2017 annual report also consist of a more detailed description of the new impairment model due to implementaion IFRS 9.

The new standard IFRS 15 for recognising revenue from contracts with customers entered into force from 1 January 2018, and replaced the current IAS 18. Revenue recognition in the Storebrand Bank Group are primarily regulated by IFRS 9. Revenue that will be recognised under Other Income is assessed in relation to IFRS 15. The implementation of IFRS 15 have no significant impact on the Group result in Storebrand Bank's consolidated financial statements.

Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2017 annual financial statements in note 3 and valuation of financial instruments at fair value are described in note 9.

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

Actual results may differ from these estimates.

Note 03 | Tax

In December 2017, the Norwegian Parliament (Stortinget) agreed to reduce the company tax rate from 24 to 23 per cent with effect from 1 January 2018. It was also agreed to maintain the tax rate at 25 per cent for companies subject to the financial tax. The Storebrand Bank Group includes companies that are both subject to and not subject to the financial tax. Therefore, when capitalising deferred tax/deferred tax assets in the consolidated financial statements, the company tax rate that applies for the individual Group companies is used.

Note 04 | Related Parties

COVERED BONDS ISSUED BY STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA has invested a total of NOK 1.0 billion in covered bonds issued by Storebrand Boligkreditt AS as of 30 September 2018. The investments are included in the liquidity portfolio in the parent company and are classified at fair value through profit or loss. The investment has been eliminated in the consolidated accounts against bonds issued by Storebrand Boligkreditt AS.

LOANS SOLD TO STOREBRAND BOLIGKREDITT AS

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

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

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

LOANS SOLD TO STOREBRAND LIVSFORSIKRING AS

Storebrand Bank ASA has sold mortgages to sister company Storebrand Livsforsikring AS. In 2018, there has been sold loans of total NOK 6.6 billion. The total portfolio of loans sold as of 30 September 2018 is NOK 27.3 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 IFRS 9. Storebrand Bank ASA receives management fees for the work being done with the sold portfolio. The bank has recognised NOK 48.1 million as revenue in the accounts for third quarter 2018.

CREDIT FACILITIES WITH STOREBRAND BOLIGKREDITT AS

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

OTHER RELATED PARTIES

Storebrand Bank ASA conducts transactions with related parties as part of its normal business activities. The terms for transactions with senior employees and related parties are stipulated in notes 38 and 39 in the 2017 annual report for Storebrand Bank ASA.

Note 05 | Financial risk

Storebrand Bank ASA's financial assets and liabilities fluctuate in value due to the risk in the financial markets. Notes 4 to 8 in the 2017 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 2018. The bank's corporate market portfolio has declined since the end of 2017, and this has significantly changed the risk in the remaining portfolio.

Note 06 | Valuation of financial instruments

The Storebrand Group categorises financial instruments on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 9 in the 2017 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 30.09.2018	Fair value 31.12.2017	Book value 30.09.2018	Book value 31.12.2017
Financial assets				
Loans to and deposits with credit institutions	253.1	313.5	253.1	313.5
Loans to customers - corporate market		293.1		322.9
Loans to customers - retail market	424.1	26,354.2	424.1	26,354.2
Bonds classified as loans and receivables	495.5	380.9	494.6	380.4
Total financial assets 30.09.2018	1,172.6		1,171.7	
Total financial assets 31.12.2017		27,341.6		27,370.9
Financial liabilities				
Liabilities to credit institutions	35.3	155.0	35.3	155.0
Deposits from and due to customers	14,952.6	14,628.0	14,952.6	14,628.0
Commercial papers and bonds issued	14,299.8	14,341.1	14,176.7	14,304.2
Subordinated loan capital	278.5	279.0	276.2	276.1
Total financial liabilities 30.09.2018	29,566.2		29,440.9	
Total financial liabilities 31.12.2017		29,403.1		29,363.3

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

STOREBRAND BANK GROUP

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 30.09.2018	Book value 31.12.2017
Assets:					
Equities		25.2	16.2	41.4	40.8
Total equities 30.09.2018	0.0	25.2	16.2	41.4	
Total equities 31.12.2017		27.0	13.8		
Loans to customers - Corporate Market				0.0	0.0
Loans to customers - Retail Market			317.9	317.9	580.0
Total loans to customers 30.09.2018	0.0	0.0	317.9	317.9	
Total loans to customers 31.12.2017			580.0		
Government and government guaranteed bonds		761.2		761.2	764.2
Credit bonds					50.5
Mortgage and asset backed bonds		2,087.4		2,087.4	2,398.9
Total bonds 30.09.2018	0.0	2,848.6	0.0	2,848.6	
Total bonds 31.12.2017		3,213.5			3,213.5
Interest derivatives		83.6		83.6	41.2
Currency derivatives					
Total derivatives 30.09.2018	0.0	83.5	0.0	83.5	41.2
Derivatives with a positive fair value		160.3		160.3	179.8
Derivatives with a negative fair value		-76.8		-76.8	-138.6
Total derivatives 31.12.2017		41.2			

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

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

(NOK million)	Stage 1	Stage 2	Stage 3	Book value 30.09.2018
Loans to customers - corporate market			16.1	16.1
Loans to customers - retail market			26,849.3	26,849.3
Total loans to customers 30.09.2018			26,865.4	26,865.4

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

(NOK million)	Equities	Loans to customers
Book value 01.01.2018	13.8	580.0
Net gains/losses on financial instruments	2.4	-5.0
Supply / disposal		184.6
Sales / due settlements		-441.7
Transferred from observable assumptions to non-observable assumptions		
Translation differences		
Other		
Book value 30.09.2018	16.2	317.9

SENSITIVITY ANALYSIS

LOANS TO CUSTOMERS

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

EQUITIES

This item consist of shares in VN Norge AS which the bank have received in connection with a taxfree conversion of VISA Norge FLI. At the end of the quarter, the value of the shares were changed according to changes in share price of C-shares in VISA Inc. The change in value is included through profit or loss.

(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 30.09.2018	-1.7	1.7	0.3	-0.3
Increase/reduction in fair value at 31.12.2017	-2.2	2.2	0.3	-0.3

Note 07 | Segment information

PROFIT AND LOSS BY SEGMENT:

(NOK million)	Corporate					Retail				
	Q3		Full Year			Q3		Full Year		
	2018	2017	30.9.2018	30.9.2017	2017	2018	2017	30.9.2018	30.9.2017	2017
Profit and loss items:										
Net interest income	1.6	5.3	3.8	18.9	21.3	94.1	96.7	284.8	269.4	366.0
Net fee and commission income	0.1	0.4	0.2	1.8	-0.3	29.4	20.5	79.0	55.7	76.3
Other income			-13.5							
Total operating costs	-1.6	-4.0	-5.7	-12.9	-19.4	-68.2	-66.9	-196.0	-202.0	-280.9
Operating profit before loan losses	0.0	1.8	-15.2	7.8	1.7	55.4	50.3	167.8	123.1	161.5
Loan losses	1.3	0.5	-5.4	-1.0	0.1	0.9	-4.0	-5.1	-5.8	-9.5
Ordinary profit from continuing operations	1.3	2.2	-20.6	6.9	1.8	56.3	46.4	162.7	117.3	152.0
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 loans to customers			34.3	812.5	359.8			27,585.4	28,355.3	26,941.0
Deposits from and due to customers			7.5	301.0	234.8			14,572.4	14,437.7	14,361.4
Key figures:										
Net interest income as % of total assets	11.06 %	1.94 %	3.09 %	1.80 %	1.69 %	1.21 %	1.23 %	1.23 %	1.19 %	1.20 %
Cost/income ratio	99 %	69 %	-60 %	62 %	92 %	55 %	57 %	54 %	62 %	63 %
Deposits from customers as % of gross loans			19 %	37 %	65 %			53 %	51 %	53 %
Total level of provisioning			83 %	85 %	49 %			22 %	15 %	17 %

(NOK million)	Treasury/ Other					Total				
	Q3		Full Year			Q3		Full Year		
	2018	2017	30.9.2018	30.9.2017	2017	2018	2017	30.9.2018	30.9.2017	2017
Profit and loss items:										
Net interest income	-1.2	-4.2	-12.7	-12.5	-13.4	94.5	97.8	275.9	275.9	374.0
Net fee and commission income						29.5	21.0	79.2	57.5	76.0
Other income	4.4	23.6	21.4	44.5	53.7	4.4	23.6	7.9	44.5	53.7
Total operating costs				-0.2		-69.8	-70.9	-201.7	-215.1	-300.2
Operating profit before loan losses	3.1	19.4	8.8	31.9	40.4	58.5	71.5	161.3	162.8	203.5
Loan losses	-1.1	-1.2	-2.2	-1.2	0.0	1.0	-4.7	-12.7	-7.9	-9.4
Ordinary profit from continuing operations	2.0	18.2	6.5	30.7	40.4	59.6	66.8	148.6	154.9	194.1
Ordinary profit from discontinued businesses	0.0	-0.1	-0.1	-0.2	-0.3	0.0	-0.1	-0.1	-0.2	-0.3
Balance sheet items:										
Gross loans to customers			23.9	96.1	25.6			27,643.6	29,264.0	27,326.4
Deposits from and due to customers			372.7	410.7	31.8			14,952.6	15,149.4	14,628.0
Key figures:										
Net interest income as % of total assets						1.19 %	1.17 %	1.15 %	1.13 %	1.14 %
Cost/income ratio						54 %	50 %	56 %	57 %	60 %
Deposits from customers as % of gross loans								54 %	52 %	54 %
Total level of provisioning								34 %	28 %	26 %

Business segments are the Group' primary reporting segments.

DESCRIPTION OF THE SEGMENTS:

CORPORATE MARKET:

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

RETAIL MARKET:

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

TREASURY / OTHER:

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

Securities issued and subordinated loan capital

(NOK million)	Storebrand Bank Group	
	30.09.2018	31.12.2017
Bond loans	14,176.7	14,304.2
Subordinated loan capital	276.2	276.1
Total securities issued and subordinated loan capital	14,452.9	14,580.3

SPECIFICATION OF COMMERCIAL PAPERS, BONDS ISSUED AND SUBORDINATED LOAN CAPITAL AS OF 30 SEPTEMBER 2018 - STOREBRAND BANK GROUP

(NOK million)	ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity ¹⁾	Book value
							30.09.2018
Bond loans							
	NO0010660806	Storebrand Bank ASA	300.0	NOK	Fixed	08.10.2019	317.4
	NO0010762891	Storebrand Bank ASA	500.0	NOK	Fixed	19.04.2021	494.8
	NO0010751316	Storebrand Bank ASA	300.0	NOK	Floating	09.11.2018	300.9
	NO0010758980	Storebrand Bank ASA	500.0	NOK	Floating	04.03.2019	500.7
	NO0010787963	Storebrand Bank ASA	500.0	NOK	Floating	26.09.2019	500.1
	NO0010729387	Storebrand Bank ASA	600.0	NOK	Floating	14.01.2020	601.9
	NO0010794217	Storebrand Bank ASA	400.0	NOK	Floating	29.05.2020	400.5
	NO0010831571	Storebrand Bank ASA	200.0	NOK	Floating	06.09.2021	200.1
	Total bond loans		3,300.0				3,316.4

(NOK million)	ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity ¹⁾	Book value
							30.09.2018
Covered bonds							
	NO0010548373	Storebrand Boligkreditt AS	1,250.0	NOK	Fixed	28.10.2019	1,351.2
	NO0010736903	Storebrand Boligkreditt AS	2,500.0	NOK	Floating	17.06.2020	2,498.0
	NO0010760192	Storebrand Boligkreditt AS	3,000.0	NOK	Floating	16.06.2021	3,007.1
	NO0010786726	Storebrand Boligkreditt AS	2,500.0	NOK	Floating	15.06.2022	2,501.4
	NO0010813959	Storebrand Boligkreditt AS	2,500.0	NOK	Floating	20.06.2023	1,502.6
	Total covered bonds ²⁾		11,750.0				10,860.3
	Total commercial papers and bonds issued		15,050.0				14,176.7

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)	ISIN code	Issuer	Net nominal value	Currency	Interest	Maturity ¹⁾	Book value
							30.09.2018
Dated subordinated loan capital							
	NO0010714314	Storebrand Bank ASA	125.0	NOK	Floating	09.07.2019	125.8
	NO0010786510	Storebrand Bank ASA	150.0	NOK	Floating	22.02.2022	150.5
	Total subordinated loan capital		275.0				276.2
	Total securities issued and subordinated loan capital						14,452.9

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. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (CET 1 + CET 2) are 12 per cent and 15.5 per cent respectively from 31 December 2017.

ELIGIBLE CAPITAL

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2017	30.09.2018	NOK million	30.09.2018	31.12.2017
960.6	960.6	Share capital	960.6	960.6
1,071.0	1,092.0	Other equity	1,199.6	1,392.3
2,031.6	2,052.5	Total equity	2,160.1	2,352.9
-225.0	-175.0	Additional Tier 1 capital included in total equity	-175.0	-225.0
-1.0	-1.0	Accrued interest on capital instruments included in total equity	-1.0	-1.0
1,805.6	1,876.6	Total equity included in Core Equity Tier 1 (CET1)	1,984.2	2,126.9
		Deductions		
	-72.4	Profit not included in the calculation of eligible capital	-110.0	
-4.3	-14.8	AVA justments	-30.5	-4.1
-71.4	-78.3	Intangible assets	-78.3	-71.4
		Provision for group contribution		-254.0
		Addition		
1,730.0	1,711.1	Core Equity Tier 1 (CET1)	1,765.5	1,797.4
		Other Tier 1 capital		
225.0	175.0	Capital instruments eligible as Additional Tier 1 capital	175.0	225.0
		Addition		
1,955.0	1,886.1	Tier 1 capital	1,940.5	2,022.4
		Tier 2 capital		
275.0	275.0	Subordinated loans	275.0	275.0
		Tier 2 capital deductions		
2,230.0	2,161.1	Eligible capital (Tier 1 capital + Tier 2 capital)	2,215.5	2,297.4

MINIMUM CAPITAL REQUIREMENT

Storebrand Bank ASA			Storebrand Bank Group		
31.12.2017	30.09.2018	NOK million	30.09.2018	31.12.2017	
706.2	657.8	Credit risk	893.1	899.3	
		Of which:			
		States and centralbanks			
3.5		Local and regional authorities		4.0	
		Public sector owned corporates			
		International organisations			
180.6	180.5	Institutions	8.3	9.3	
		Corporates			
374.2	311.8	Loans secured in residential real estate	770.4	780.1	
45.1	45.0	Retail market	49.0	48.2	
14.2	12.4	Loans past-due	18.9	20.7	
81.3	93.8	Covered bonds	17.5	20.0	
7.2	14.3	Other	29.0	17.0	
706.2	657.8	Total minimum requirement for credit risk	893.1	899.3	
		Settlement risk			
0.0	0.0	Total minimum requirement for market risk	0.0	0.0	
50.0	55.5	Operational risk	70.3	71.4	
2.9	0.2	CVA risk ¹⁾	2.1	4.7	
		Deductions			
-1.9		Loan loss provisions on groups of loans		-2.1	
757.2	713.5	Minimum requirement for net primary capital	944.0	973.3	

CAPITAL ADEQUACY

Storebrand Bank ASA			Storebrand Bank Group		
31.12.2017	30.09.2018		30.09.2018	31.12.2017	
23.6 %	24.2 %	Capital ratio	18.4 %	18.9 %	
20.7 %	21.1 %	Tier 1 capital ratio	16.1 %	16.6 %	
18.3 %	19.2 %	Core equity Tier 1 (CET1) capital ratio	14.6 %	14.8 %	

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

BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2017	30.09.2018	NOK million	30.09.2018	31.12.2017
8,827.3	8,222.7	Credit risk	11,163.8	11,240.9
		Of which:		
		States and centralbanks		
44.2		Local and regional authorities		50.4
		Public sector owned corporates		
		International organisations		
2,257.8	2,255.8	Institutions	104.1	116.0
0.1		Corporates		0.1
4,678.1	3,896.9	Loans secured in residential real estate	9,629.5	9,751.0
563.3	562.3	Retail market	612.1	602.9
176.9	155.4	Loans past-due	236.5	258.8
1,016.8	1,172.9	Covered bonds	218.5	249.7
90.0	179.2	Other	363.1	212.0
8,827.3	8,222.7	Total basis of calculation credit risk	11,163.8	11,240.9
		Settlement risk		
0.0	0.0	Total basis of calculation market risk	0.0	0.0
625.2	693.9	Operational risk	878.6	892.5
35.7	2.2	CVA risk	26.5	59.3
		Deductions		
-23.2		Loan loss provisions on groups of loans		-26.5
9,465.0	8,918.8	Total basis of calculation of minimum requirements for capital base	12,068.8	12,166.2

Key figures

(NOK million)	Storebrand Bank Group				Full Year 2017
	Q3		30.09.2018	30.09.2017	
	2018	2017			
Profit and Loss account: (as % of avg. total assets)					
Net interest income	1.19 %	1.17 %	1.15 %	1.13 %	1.14 %
Other operating income ²⁾	0.37 %	0.54 %	0.36 %	0.42 %	0.40 %
Main balance sheet figures:					
Total assets			31,871.9	33,397.5	31,982.2
Average total assets ¹⁾	31,516.5	33,070.6	32,042.0	32,748.2	32,709.2
Gross loans to customers			27,643.6	29,264.0	27,326.4
Deposits from customers			14,952.6	15,149.4	14,628.0
Deposits from customers as % of gross loans			54.1 %	51.8 %	53.5 %
Equity			2,160.1	2,321.1	2,352.9
Other key figures:					
Loan losses and provisions as % of average total loans ⁴⁾	-0.01 %	0.07 %	0.06 %	0.04 %	0.03 %
Gross non-performing and loss-exposed loans as % of total loans			0.5 %	0.8 %	1.0 %
Cost/income ratio ³⁾	54.4 %	49.8 %	55.6 %	56.9 %	59.6 %
Return on equity after tax ⁶⁾			6.6 %	6.5 %	6.2 %
Core equity Tier 1 (CET1) capital ratio			14.6 %	14.3 %	14.8 %
LCR ⁵⁾			137.0 %	157.0 %	154.0 %

(NOK million)	Storebrand Bank ASA				Full Year 2017
	Q3		30.09.2018	30.09.2017	
	2018	2017			
Profit and Loss account: (as % of avg. total assets)					
Net interest income	1.13 %	1.03 %	1.08 %	1.07 %	1.06 %
Other operating income ²⁾	0.99 %	1.14 %	0.95 %	0.94 %	1.30 %
Main balance sheet figures:					
Total assets			20,907.0	21,768.9	20,750.4
Average total assets ¹⁾	20,816.1	21,438.9	20,762.6	21,201.2	21,179.4
Gross lending to customers			11,121.2	13,942.1	12,784.1
Deposits from customers			14,954.4	15,153.9	14,629.9
Deposits from customers as % of gross loans			134.5 %	108.7 %	114.4 %
Equity			2,052.5	2,210.9	2,031.6
Other key figures:					
Loan losses and provisions as % of average total loans ⁴⁾	-0.03 %	0.09 %	0.15 %	0.06 %	0.05 %
Gross non-performing and loss-exposed loans as % of total loans			1.0 %	1.0 %	1.5 %
Cost/income ratio ³⁾	61.7 %	59.5 %	64.1 %	67.1 %	59.5 %
Return on equity after tax ⁶⁾			4.7 %	4.3 %	6.7 %
Core equity Tier 1 (CET1) capital ratio			19.2 %	17.8 %	18.3 %
LCR ⁵⁾			114.0 %	125.0 %	139.0 %

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	
	2018	2017	30.09.2018	30.09.2017	2017
Interest and other income on loans to and deposits with credit institutions	1.1	1.2	4.8	5.0	6.0
Interest and other income on loans to and due from customers	164.8	171.1	485.0	504.5	675.4
Interest on commercial paper, bonds and other interest-bearing securities	11.0	11.7	33.1	35.9	46.4
Other interest income and related income	0.1	0.8	1.6	1.3	1.5
Total interest income	176.9	184.9	524.6	546.7	729.3
Interest and other expenses on debt to credit institutions	-0.2	-0.3	-0.5	-2.2	-2.9
Interest and other expenses on deposits from and due to customers	-20.0	-26.1	-62.6	-76.7	-103.0
Interest and other expenses on securities issued	-57.4	-55.6	-171.2	-175.2	-227.8
Interest and expenses on subordinated loan capital	-1.9	-1.8	-5.5	-7.1	-8.9
Other interest expenses and related expenses	-2.9	-3.2	-8.7	-9.6	-12.7
Total interest expenses	-82.4	-87.0	-248.6	-270.8	-355.3
Net interest income	94.5	97.8	275.9	275.9	374.0

STOREBRAND BANK ASA

(NOK million)	Q3			Full Year	
	2018	2017	30.09.2018	30.09.2017	2017
Interest and other income on loans to and deposits with credit institutions	15.7	12.1	40.3	30.3	39.1
Interest and other income on loans to and due from customers	68.5	78.8	196.7	238.9	321.0
Interest on commercial paper, bonds and other interest-bearing securities	15.5	11.1	47.3	36.9	47.3
Other interest income and related income	0.1	0.8	1.6	1.3	1.5
Total interest income	99.8	102.9	285.9	307.4	409.0
Interest and other expenses on debt to credit institutions	-0.2	-0.3	-0.5	-2.3	-2.9
Interest and other expenses on deposits from and due to customers	-20.0	-26.1	-62.6	-76.7	-103.0
Interest and other expenses on securities issued	-15.6	-15.9	-44.7	-46.4	-60.9
Interest and expenses on subordinated loan capital	-1.9	-1.8	-5.5	-7.1	-8.9
Other interest expenses and related expenses	-2.9	-3.2	-8.7	-9.6	-12.7
Total interest expenses	-40.6	-47.3	-122.1	-141.9	-188.4
Net interest income	59.1	55.5	163.7	165.5	220.6

Note 12 | Off balance sheet liabilities and contingent liabilities

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2017	30.09.2018	NOK million	30.09.2018	31.12.2017
19.7	12.3	Guarantees	12.3	19.7
5,663.8	4,189.2	Unused credit limits	3,448.7	3,474.0
2,007.2	2,516.8	Loan commitments retail market	2,516.8	2,007.2
7,690.8	6,718.3	Total contingent liabilities	5,977.8	5,501.0
887.8	964.8	Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	964.8	887.8
302.1	201.7	Booked value of bonds pledged as security with other credit institutions	201.7	302.1
1,189.9	1,166.5	Total book value of off balance sheet liabilities	1,166.5	1,189.9

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 2018 includes NOK 2.2 billion to the subsidiary Storebrand Boligkreditt AS (see note 4).

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

In December 2017, Storebrand Bank ASA received a notice of a possible legal actions from Klagehjelp AS on behalf of former investors which invested in Storebrand Private Investor ASA in the period 2005-2007. Storebrand Bank ASA has not received any notice of legal actions from Klagehjelp AS at the date of the financial statements and it is not sure whether there will come a lawsuit or not. Storebrand Bank ASA rejects the allegations and disputes that there are no basis for claiming any flaws or deficiencies in the sale of the product, or in the product itself, which create a basis for compensation from Storebrand. No provisions have been made in the accounts due to the complaints.

Note 13 | Non-performing loans and loan losses

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2017	30.09.2018	NOK million	30.09.2018	31.12.2017
		Non-performing loans		
53.0	58.1	Non-performing loans without evidence of impairment	78.2	58.4
78.9	56.0	Loss-exposed loans with evidence of impairment	62.4	114.4
131.9	114.1	Gross non-performing and loss-exposed loans	140.5	172.8
-41.4	-27.6	Loan loss provisions on individual loans excl. statistical provisions (IFRS9)	-28.6	-42.8
90.5	86.5	Net non-performing and loss-exposed loans	111.9	130.0
		Key figures		
-61.6	-34.7	Total loan loss provisions (NOK million)	-36.3	-69.3
34,%	49,%	Level of provisioning for individual loss-exposed loans ¹⁾	46,%	37,%
43,%	30,%	Total level of provisioning ²⁾	26,%	26,%

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

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

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

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

When one of the three situations described above occurs, the specific loan is considered as non-performing, without taking into account the customers other engagements. This is a change in the definition of non-performing loans compared to earlier periods and therefore the comparable figures are restated in the note.

CHANGES IN GROSS VALUES OF LOANS TO CUSTOMERS

STOREBRAND BANK GROUP

(NOK million)	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	Total
Balance at 1 January 2018	25,845.5	1,300.9	156.2	27,302.5
Transfer to 12-month ECL	346.6	-346.5	-0.1	0.0
Transfer to lifetime ECL - no objective evidence of impairment	-741.1	747.5	-6.4	0.0
Transfer to lifetime ECL - objective evidence of impairment	-28.3	-45.9	74.2	0.0
Net remeasurement of loan losses	-5.7	-13.4	0.3	-18.7
New financial assets originated or purchased	7,649.6	123.0	2.6	7,775.2
Financial assets that have been derecognised	-6,607.6	-262.6	-28.7	-6,899.0
Changes of balances on financial assets without changes in stage in the period	-451.4	-14.2	-1.1	-466.7
Changes due to modification without any effect in derecognition				0.0
Realised losses	-2.0	-1.6	-45.9	-49.6
Changes in models/risk parameters				0.0
Foreign exchange and other changes				0.0
Balance at 30 September 2018	26,005.6	1,487.0	151.1	27,643.6

TOTAL LOAN LOSS PROVISIONS IN THE BALANCE SHEET

STOREBRAND BANK GROUP

(NOK million)	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	Total
Balance at 1 January 2018	7.6	2.5	48.2	58.3
Transfer to 12-month ECL	0.4	-0.4		0.0
Transfer to lifetime ECL - no objective evidence of impairment	-0.8	0.8		0.0
Transfer to lifetime ECL - objective evidence of impairment	-0.1	-0.2	0.3	0.0
Net remeasurement of loan losses	-0.3	1.4	0.7	1.8
New financial assets originated or purchased	2.0	0.4	0.1	2.4
Financial assets that have been derecognised	-0.6	-0.4	-10.2	-11.3
ECL changes of balances on financial assets without changes in stage in the period	0.1	1.0	0.9	2.0
Changes due to modification without any effect in derecognition				0.0
Realised losses		-0.1	-5.3	-5.4
Changes in models/risk parameters				0.0
Foreign exchange and other changes				0.0
Balance at 30 September 2018	8.2	5.0	34.6	47.9
Loan loss provisions on loans to customers				36.3
Loan loss provisions on guarantees and unused credit limits				11.6
Total loans loss provisions				47.9

Periodical changes in individual impairments and expected credit loss on loans, loan commitments and guarantees are shown above. The periods realised losses are not included in the overview above.

CHANGES IN GROSS VALUES OF LOANS TO CUSTOMERS

STOREBRAND BANK ASA

(NOK million)	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	Total
Balance at 1 January 2018	11,996.3	633.0	131.0	12,760.3
Transfer to 12-month ECL	104.6	-104.5	-0.1	0.0
Transfer to lifetime ECL - no objective evidence of impairment	-280.3	284.4	-4.2	0.0
Transfer to lifetime ECL - objective evidence of impairment	-22.9	-33.6	56.5	0.0
Net remeasurement of loan losses	-2.6	-10.7	0.4	-12.8
New financial assets originated or purchased	5,324.5	111.4	2.6	5,438.5
Financial assets that have been derecognised	-6,569.4	-251.0	-18.2	-6,838.6
Changes of balances on financial assets without changes in stage in the period	-168.3	-11.7	0.1	-179.8
Changes due to modification without any effect in derecognition				0.0
Realised losses	-2.0	-1.6	-42.5	-46.2
Changes in models/risk parameters				0.0
Foreign exchange and other changes				0.0
Balance at 30 September 2018	10,379.8	615.8	125.7	11,121.2

TOTAL LOAN LOSS PROVISIONS IN THE BALANCE SHEET

STOREBRAND BANK ASA

(NOK million)	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	Total
Balance at 1 January 2018	7.4	2.3	46.7	56.4
Transfer to 12-month ECL	0.3	-0.2		0.0
Transfer to lifetime ECL - no objective evidence of impairment	-0.8	0.8		0.0
Transfer to lifetime ECL - objective evidence of impairment	-0.1	-0.2	0.3	0.0
Net remeasurement of loan losses	-0.1	1.3	0.6	1.8
New financial assets originated or purchased	1.9	0.3	0.1	2.3
Financial assets that have been derecognised	-0.6	-0.4	-9.8	-10.8
ECL changes of balances on financial assets without changes in stage in the period	0.2	0.8	0.3	1.3
Changes due to modification without any effect in derecognition				0.0
ECL allowance on written-off (financial) assets		-0.1	-4.7	-4.7
Changes in models/risk parameters				0.0
Foreign exchange and other changes				0.0
Balance at 30 September 2018	8.1	4.6	33.6	46.3
Loan loss provisions on loans to customers				34.7
Loan loss provisions on guarantees and unused credit limits				11.6
Total loans loss provisions				46.3

Periodical changes in individual impairments and expected credit loss on loans, loan commitments and guarantees are shown above. The periods realised losses are not included in the overview above.

Quarterly income statement

STOREBRAND BANK GROUP

	Q3	Q2	Q1	Q4	Q3
(NOK million)	2018	2018	2018	2017	2017
Interest income	176.9	160.5	187.1	182.6	184.9
Interest expense	-82.4	-72.1	-94.1	-84.5	-87.0
Net interest income	94.5	88.4	93.0	98.1	97.8
Fee and commission income from banking services	32.1	31.2	24.7	24.3	24.2
Fee and commission expenses for banking services	-2.6	-3.4	-2.7	-5.7	-3.2
Net fee and commission income	29.5	27.8	22.0	18.5	21.0
Net gains on financial instruments	4.4	10.5	-6.9	9.2	23.6
Other income					
Total other operating income	4.4	10.5	-6.9	9.2	23.6
Staff expenses	-25.1	-24.1	-18.8	-31.0	-24.4
General administration expenses	-14.3	-12.6	-15.6	-18.2	-13.8
Other operating cost	-30.4	-29.2	-31.6	-35.8	-32.7
Total operating costs	-69.8	-65.9	-66.0	-85.1	-70.9
Operating profit before loan losses	58.5	60.7	42.1	40.7	71.5
Loan losses for the period	1.0	-1.6	-12.2	-1.4	-4.7
Profit before tax	59.6	59.1	29.9	39.2	66.8
Tax	-17.7	-13.1	-7.7	-7.3	-17.4
Result after tax sold/discontinued operations				-0.1	-0.1
Profit for the year	41.8	46.0	22.2	31.8	49.3

STOREBRAND BANK ASA

	Q3	Q2	Q1	Q4	Q3
(NOK million)	2018	2018	2018	2017	2017
Interest income	99.8	81.5	104.6	101.5	102.9
Interest expense	-40.6	-27.7	-53.8	-46.5	-47.3
Net interest income	59.1	53.8	50.8	55.1	55.5
Fee and commission income from banking services	49.3	48.6	40.4	39.5	40.0
Fee and commission expenses for banking services	-2.6	-3.4	-2.7	-5.7	-3.1
Net fee and commission income	46.7	45.3	37.7	33.8	36.9
Net gains on financial instruments	5.2	11.5	0.7	10.0	24.5
Other income				81.7	
Total other operating income	5.2	11.5	0.7	91.7	24.5
Staff expenses	-24.9	-24.1	-18.7	-31.0	-24.4
General administration expenses	-14.3	-12.6	-15.5	-18.2	-13.8
Other operating cost	-29.4	-28.7	-31.0	-34.5	-31.4
Total operating costs	-68.5	-65.4	-65.2	-83.6	-69.6
Operating profit before loan losses	42.5	45.1	23.9	96.9	47.4
Loan losses for the period	0.7	-2.4	-10.9	-0.8	-3.0
Profit before tax	43.2	42.8	13.0	96.1	44.4
Tax	-13.3	-9.3	-3.9	-21.3	-11.8
Profit for the year	29.9	33.4	9.1	74.7	32.7

Financial Calendar 2018



February 2019 Result Q4 2018

Investor Relations Contacts



Kjetil Ramberg Krøkje
Bernt Upstad

Head of IR
CEO

kjetil.r.krokje@storebrand.no
bernt.upstad@storebrand.no

+47 9341 2155
+47 9016 8821

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

storebrand.no