



Interim report 2016

Storebrand Boligkreditt AS

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Storebrand Boligkreditt AS

– Quarterly report for the first quarter of 2016

(Profit figures for the corresponding period in 2015 are shown in parentheses. Balance sheet figures in parentheses are for the end of 2015.)

- Profit before taxes of NOK 14 million in the first quarter
- Good portfolio quality
- Stable lending volume for the quarter

FINANCIAL PERFORMANCE

Profit before taxes was NOK 14 million (NOK 50 million) for the first quarter. This performance is in line with general market trends.

Net interest income totalled NOK 32 million (NOK 54 million) in the first quarter. As a percentage of average total assets, interest income was 0.85 per cent (1.47 per cent) for the first quarter.

Other operating income in the first quarter amounted to minus NOK 2 million (NOK 0.1 million) and related to commission income on loans and gains/losses on financial instruments.

Operating costs increased in the first quarter as a result of higher fees paid to Storebrand Bank ASA for management of the company's loan portfolio and total NOK 16 million (NOK 4 million).

Losses in the portfolio are low, and in the first quarter the company recognised an expense of NOK 0.2 million (NOK 0.0 million) in loan write-downs.

BALANCE SHEET PERFORMANCE

The lending volume was on par with the end of 2015 and amounted to NOK 14.3 billion (NOK 14.3 billion). Storebrand Bank ASA and Storebrand Boligkreditt AS operate with conservative lending practices. The average loan-to-value ratio in the portfolio was 48 per cent at the end of the quarter, compared with 50 per cent at the end of 2015. On the date of transfer, the loan-to-value ratio never exceeds 75 per cent. The risk in the loan portfolio is considered to be very low. The company has over-collateralisation of 117 per cent (126 per cent).

Defaulted loans at the end of the first quarter amounted to NOK 26 million (NOK 27 million), equivalent to 0.18 per cent of gross loans in the company (0.19 per cent). All the loans have a loan-to-value ratio within 75 per cent of market value or are generally written down. Individual loan write-downs amounted to just over NOK 2 million (NOK 2 million) and group loan write-downs amounted to NOK 2 million (NOK 2 million) at the end of quarter.

The company's total assets under management as at 31 March 2016 were NOK 14.9 billion, which was on par with the end of 2015.

A bond of NOK 2.5 billion (maturity 2021) was issued in the first quarter of 2016, and an application to list this on the Oslo Stock Exchange was made at the end of the quarter. At the end of the quarter, the company had is-

sued covered bonds with a total carrying amount of NOK 12.6 billion, with remaining terms of approximately 3 months to 5 years. NOK 10.4 billion of these bonds has been placed in the market, while the remaining NOK 2.2 billion is being held in the parent bank.

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. One of these is a normal overdraft facility, with a ceiling of NOK 6 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The other facility must have a sufficient ceiling at all times to be able to cover interest and repayment on covered bonds and the associated derivatives for the next 12 months. This drawing right may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity. Standard covenant requirements are linked to the loan agreements entered into. All the terms and conditions have been satisfied for all signed loan agreements in the quarter. In accordance with the loan programme, the company's over-collateralisation requirement is satisfied at 109.5 per cent.

Equity in the company at the end of the quarter amounted to NOK 985 million (NOK 975 million). The net primary capital at the end of the quarter amounted to NOK 975 million (NOK 975 million). The core capital ratio excl. Hybrid Tier 1 capital in the company was 16.1 per cent (16.2 per cent). The company has adjusted to the new capital requirements and aims to comply with the applicable buffer capital requirements at all times. The company has satisfactory solvency and liquidity based on the company's business activities.

STRATEGY AND FUTURE PROSPECTS

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

The housing market and developments in total non-performing loans will be closely monitored. Efforts to ensure good working procedures and high data quality will continue and thereby ensure that government and rating requirements continue to be fulfilled. Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market are regarded as the key risk factors that can affect the results of Storebrand Boligkreditt AS in 2016.

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

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

Lysaker, 26 April 2016

The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

Income statement

(NOK million)	Note	Q1		Full Year
		2016	2015	2015
Interest income	4, 13	87.9	120.2	416.9
Interest expense	4, 13	-56.1	-66.4	-248.3
Net interest income	13	31.8	53.8	168.6
Net gains on financial instruments		-2.5	-0.2	-2.5
Other income		0.5	0.3	2.3
Total other operating income		-2.0	0.1	-0.2
Staff expenses				-0.2
General administration expenses		-0.1	-0.1	-0.3
Other operating costs	4	-15.8	-3.7	-26.9
Total operating costs		-15.9	-3.8	-27.4
Operating profit before loan losses		13.9	50.2	141.0
Loan losses for the period	15	-0.2		-1.9
Profit before tax		13.7	50.2	139.2
Tax	3	-3.4	-13.6	-37.6
Profit for the year		10.2	36.6	101.6

Statement of comprehensive income

(NOK million)	Q1		Full Year
	2016	2015	2015
Profit for the period	10.2	36.6	101.6
Other comprehensive income			
Total comprehensive income for the period	10.2	36.6	101.6

Storebrand Boligkreditt AS

Statement of financial position

(NOK million)	Note	31.03.2016	31.03.2015	31.12.2015
Loans to and deposits with credit institutions	6	422.0	410.7	382.0
Financial assets designated at fair value through profit and loss:				
Derivatives	6	191.1	237.9	173.2
Other current assets	4, 6	26.8	23.3	12.2
Gross lending	11	14 271.3	13 815.4	14 291.6
- Loan loss provisions on individual loans	15	-2.2	-1.0	-2.2
- Loan loss provisions on groups of loans	15	-2.0	-1.6	-1.8
Net lending to customers	6	14 267.1	13 812.7	14 287.6
Total assets		14 906.9	14 484.7	14 855.0
Liabilities to credit institutions	4, 6, 8	1 258.5	2 271.2	2 043.6
Other financial liabilities:				
Commercial papers and bonds issued	6, 9	12 637.9	11 064.1	11 782.6
Other liabilities	4, 6	25.3	238.1	54.0
Deferred tax		0.3	1.7	0.3
Total liabilities		13 922.0	13 575.1	13 880.4
Paid in equity		949.4	844.0	844.0
Retained earnings		35.4	65.6	130.6
Total equity	10	984.8	909.6	974.6
Total liabilities and equity		14 906.9	14 484.7	14 855.0

Lysaker, 26 April 2016
The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

Statement of changes in equity

(NOK million)	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Total equity
Equity at 31.12.2014	455.0	270.1	118.9	844.0	192.7	192.7	1 036.8
Profit for the period					101.6	101.6	101.6
Other comprehensive income						0.0	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	101.6	101.6	101.6
Equity transactions with the owner:							
Provision for group contribution					-163.8	-163.8	-163.8
Equity at 31.12.2015	455.0	270.1	118.9	844.0	130.6	130.6	974.6
Profit for the period					10.2	10.2	10.2
Other comprehensive income						0.0	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	10.2	10.2	10.2
Equity transactions with the owner:							
Group contribution received			105.4	105.4			105.4
Provision for group contribution					-105.4	-105.4	-105.4
Equity at 31.03.2016	455.0	270.1	224.3	949.4	35.4	35.4	984.8

Storebrand Boligkreditt AS is 100 per cent owned by Storebrand Bank ASA. Number of shares are 35 000 000 of nominal value NOK 13 per share.

Equity at 31.12.2014	455.0	270.1	118.9	844.0	192.7	192.7	1 036.8
Profit for the period					36.6	36.6	36.6
Other comprehensive income						0.0	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	36.6	36.6	36.6
Equity transactions with the owner:							
Provision for group contribution				0.0	-163.8	-163.8	-163.8
Equity at 31.03.2015	455.0	270.1	118.9	844.0	65.6	65.6	909.6

Storebrand Boligkreditt AS

Statement of cash flow

(NOK million)	31.03.2016	31.03.2015
Cash flow from operations		
Net receipts/payments of interest, commissions and fees from customers	88.7	122.7
Net disbursements/payments on customer loans	-1.0	472.0
Net receipts/payments on securities	-1.7	-0.3
Payments of operating costs	-2.5	-3.8
Net cash flow from operating activities	83.5	590.7
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-2 444.7	-513.0
Receipts - new loans and issuing of bond debt	2 500.0	
Payments - interest on loans	-59.8	-79.3
Receipts - group contribution	105.4	
Payments - group contribution	-144.4	
Net cash flow from financing activities	-43.5	-592.3
Net cash flow in the period	40.0	-1.6
Cash and bank deposits at the start of the period	382.0	412.3
Cash and bank deposits at the end of the period	422.0	410.7

Storebrand Boligkreditt AS has credit facility agreements with Storebrand Bank ASA.

The amount drawn on the credit facilities is recognized in the line item "Liabilities to credit institutions" as at 31.03.2016. See also Note 8.

Storebrand Boligkreditt AS

Notes

Note 01 | Accounting principles

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

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2015 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 2016 that have caused significant effects on Storebrand Bank's interim financial statements.

Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2015 annual financial statements' note 2 and valuation of financial instruments at fair value are described in note 8.

In preparing financial statements the management are required to make 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.

The company's critical estimates and judgements that could result in material adjustment of recognised amounts are discussed below:

Financial instruments at amortised cost

Financial instruments valued at amortised cost are assessed on the reporting date to see whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A certain degree of judgement must be used in assessing whether impairment has occurred and the amount of the impairment loss. Uncertainty grows when there is turmoil in financial markets. The assessments include credit, market and liquidity risk. Changes in assumptions for these factors will affect an assessment of whether impairment is indicated. There will thus be uncertainty concerning the recognised amounts of individual and group write-downs. This will apply to provisions relating to loans in the private market.

Note 03 | Tax

Tax cost is based on an expected average tax rate of 25% of company's profit before tax adjusted for permanent difference if there are any differences.

Note 04 | Related Parties

ISSUED COVERED BONDS

Storebrand Bank ASA has invested a total of NOK 2.2 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 March 2016.

LOANS TRANSFERRED FROM STOREBRAND BANK ASA

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

Loans to employees can be transferred to Storebrand Boligkreditt AS. The difference between the market interest rate and the subsidised interest rate is covered monthly by the company in which the debtor is employed.

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

CREDIT FACILITIES WITH STOREBRAND BANK ASA

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

OTHER

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

Storebrand Boligkreditt AS conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with senior employees and related parties are stipulated in note 27 in the 2015 annual report for Storebrand Boligkreditt AS.

Note 05 | Financial risk

The market value of Storebrand Boligkreditt AS's financial assets and liabilities varies due to financial market risks. Note 3 to note 7 of the 2015 Annual report explains the company's financial risks which also is representative of the financial risks as per 31 March 2016.

Note 06 | Valuation of financial instruments

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

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

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

The company categorises financial instruments on three different levels, for further information see note 8 in the 2015 annual report. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with reference to minimising the uncertainty of valuations.

VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST

(NOK million)	Fair value 31.03.2016	Fair value 31.12.2015	Book value 31.03.2016	Book value 31.12.2015
Financial assets				
Loans to and deposits with credit institutions	422.0	382.0	422.0	382.0
Net lending to customers	14 267.1	14 287.6	14 267.1	14 287.6
Other current assets	26.8	12.2	26.8	12.2
Financial liabilities				
Liabilities to credit institutions	1 258.5	2 043.6	1 258.5	2 043.6
Commercial papers and bonds issued	12 614.2	11 740.8	12 637.9	11 782.6
Other liabilities	25.3	54.0	25.3	54.0

VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

(NOK million)	Level 1	Level 2	Level 3	Book value	Book value
	Quoted prices	Observable assumptions	Non-observable assumptions	31.03.2016	31.12.2015
Interest rate derivatives		191.1		191.1	173.2
Total derivatives	0.0	191.1	0.0	191.1	173.2
Derivatives with a positive fair value		191.1		191.1	173.2
Derivatives with a negative fair value					
Total derivatives 31.12.2015		173.2			

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

Note 07 | Segment information

Business segments are the company's primary reporting segments. The company has only one segment, Retail Lending. This segment comprises lending to private individuals, and all loans are purchased from Storebrand Bank ASA. The company's accounts for Q1 2016 therefore relate entirely to the Retail Lending segment.

Note 08 | Liabilities to credit institutions

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. One of these is a normal overdraft facility, with a ceiling of NOK 6 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The other facility must have a sufficient ceiling at all times to be able to cover interest and repayment on covered bonds and related derivatives for the next 12 months. This drawing right may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and related derivatives with the longest period to maturity.

Note 09 | Commercial papers and bonds issued

COVERED BONDS:

(NOK million)	Nominal value	Currency	Interest	Maturity ¹⁾	Book value
ISIN nummer					31.03.2016
NO0010548373	1 250.0	NOK	Fixed	28.10.2019	1 443.6
NO0010575913	45.0	NOK	Floating	03.06.2016	45.1
NO0010612294	943.0	NOK	Floating	15.06.2016	943.5
NO0010635071	2 650.0	NOK	Floating	21.06.2017	2 657.4
NO0010660822	2 540.0	NOK	Floating	20.06.2018	2 555.9
NO0010736903	2 500.0	NOK	Floating	17.06.2020	2 493.4
NO0010760192	2 500.0	NOK	Floating	16.06.2021	2 499.0
Total commercial papers and bonds issued					12 637.9
Total commercial papers and bonds issued as at 31.12.2015					11 782.6

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

The loan agreements contain standard covenants. In 2016, Storebrand Boligkreditt AS met all terms and conditions with respect to the loan agreements. The company's overcollateralisation requirement of 109.5 per cent is fulfilled and in accordance with the loan programme. See note 11.

Capital Adequacy

NET PRIMARY CAPITAL

(NOK million)	31.03.2016	31.12.2015
Share capital	455.0	455.0
Other equity	529.8	519.6
Total equity	984.8	974.6
Deductions		
Provision for group contribution		-105.4
Profit not included in the calculation of net primary capital	-10.2	
Additions		
Group contribution received		105.4
Core capital exc. Hybrid Tier 1 capital	974.6	974.6
Additional Tier 1 capital		
Capital instruments eligible as Additional Tier 1 capital		
Additions		
Core capital	974.6	974.6
Subordinated loan capital less own holdings		
Tier 2 capital		
Tier 2 capital deductions		
Net primary capital	974.6	974.6

MINIMUM CAPITAL REQUIREMENT

(NOK million)	31.03.2016	31.12.2015
Credit risk	439.5	438.1
Of which:		
Institutions	15.1	13.5
Loans secured against real estate	409.7	411.0
Loans past-due	2.1	2.2
Other	12.7	11.5
Total minimum requirement for credit risk	439.5	438.1
Total minimum requirement for market risk	0.0	0.0
Operational risk	32.5	31.4
CVA risk ¹⁾	12.2	11.8
Deductions		
Loan loss provisions on groups of loans	-0.2	-0.1
Minimum requirement for net primary capital	484.1	481.2

CAPITAL ADEQUACY

	31.03.2016	31.12.2015
Capital ratio	16.1 %	16.2 %
Core (tier 1) capital ratio	16.1 %	16.2 %
Core capital ratio excl. Hybrid Tier 1 capital	16.1 %	16.2 %

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

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

BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

(NOK million)	31.03.2016	31.12.2015
Credit risk	5 493.6	5 476.6
Of which:		
Institutions	188.4	168.5
Loans secured against real estate	5 120.7	5 137.7
Loans past-due	25.6	26.9
Other	158.9	143.5
Total basis of calculation credit risk	5 493.6	5 476.5
Total basis of calculation market risk	0.0	0.0
Operational risk	406.6	392.2
CVA risk *)	152.5	147.5
Deductions		
Loan loss provisions on groups of loans	-2.0	-1.8
Total basis of calculation of minimum requirements for capital base	6 050.8	6 014.5

Note
11

Loan to value ratios and collateral

(NOK million)	31.03.2016	31.12.2015
Gross lending ¹⁾	14 271.3	14 291.6
Average loan balance	1.7	1.6
No. of loans	8 616	8 705
Weighted average seasoning (months)	40	39
Weighted average remaining term (months)	220	219
Average loan to value ratio	48 %	50 %
Over-collateralisation ²⁾	117.3 %	126.2 %
Cover pool:		
Residential mortgages ¹⁾	14 188.5	14 188.9
Supplementary security	410.9	380.3
Total	14 599.4	14 569.2

1) In accordance with the Regulation for credit institutions that issue covered bonds, lending cannot exceed 75% of the value of collateral (i.e. value of properties pledged as collateral). As per 31 March 2016 the company had NOK 44.2 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 31 March 2015, the company has 10 non-performing loans without evidence of impairment, equivalent to NOK 12.1 million. There are 10 non-performing loans with evidence of impairment of NOK 13.5 million where the impairment is assessed to be NOK 2.2 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool.

2) Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 12.4 billion (nominal value).

Note
12

Key figures

(NOK million)	Q1		Full Year
	2016	2015	2015
Profit and loss account:			
(as % of avg. total assets) ¹⁾			
Netto renteinntekter	0.85 %	1.47 %	1.16 %
Main balance sheet figures:			
Total assets	14 906.9	14 484.7	14 855.0
Average total assets	14 946.4	14 798.8	14 573.2
Gross lending to customers	14 271.3	13 815.4	14 291.6
Equity	984.8	909.6	974.6
Other key figures:			
Loan losses and provisions as % of average total lending	0.01 %	0.00 %	0.01 %
Individual loan loss provisions as % of gross loss-exposed loans ³⁾	18.4 %	6.9 %	22.7 %
Cost/income ratio	53.3 %	7.0 %	16.3 %
Return on equity before tax ²⁾	5.6 %	20.1 %	14.3 %
Core (tier 1) capital ratio	16.1 %	14.9 %	16.2 %

Definitions:

1) Average total assets is calculated on the basis of monthly total assets for the year.

2) Annualised profit before tax adjusted for hedging ineffectiveness as % of average equity.

3) Gross loss-exposed loans with evidence of impairment.

Note 13 | Net interest income

(NOK million)	Q1		Full Year
	2016	2015	2015
Interest and other income on loans to and deposits with credit institutions	1.2	1.6	6.8
Interest and other income on loans to and due from customers	86.8	118.6	410.1
Interest on short-term debt instruments, bonds and other interest-bearing securities			
Other interest income			
Total interest income	87.9	120.2	416.9
Interest and other expenses on debt to credit institutions	-8.8	-12.2	-39.5
Interest and other expenses on deposits from and due to customers			
Interest and other expenses on securities issued	-47.4	-54.2	-208.8
Interest and other expenses on subordinated loan capital			
Other interest expenses			
Total interest expenses	-56.1	-66.4	-248.3
Net interest income	31.8	53.8	168.6

Note 14 | Off balance sheet liabilities and contingent liabilities

(NOK million)	31.03.2016	31.12.2015
Undrawn credit limits	1 671.8	1 684.6
Total contingent liabilities	1 671.8	1 684.6

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

The company has not pledged nor received any collateral.

Non-performing loans and loan losses

(NOK million)	31.03.2016	31.12.2015
Non-performing loans		
Non-performing loans without evidence of impairment	12.1	9.8
Loss-exposed loans with evidence of impairment	13.6	16.7
Gross non-performing and loss-exposed loans	25.7	26.5
Loan loss provisions on individual loans	-2.2	-2.2
Net non-performing and loss-exposed loans	23.4	24.3
Key figures		
Net non-performing and loss-exposed loans as % of gross lending	0.18 %	0.19 %

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

- when a credit facility has been overdrawn for more than 90 days
- when an ordinary mortgage has arrears older than 90 days
- when a credit card has arrears older than 90 days and the credit limit has been overdrawn. If a repayment plan has been agreed with the customer and is being adhered to, the overdraft is not regarded as a non-performing loan. When one of the three situations described above occurs, the loans and the rest of the customer's commitments are regarded as non-performing. The number of days is counted from when the arrears exceed NOK 2,000.

The account is regarded as active when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000.

(NOK million)	Q1 2016	2015	Full Year 2015
Change in individual loan loss provisions			-1.7
Change in grouped loan loss provisions	-0.2		-0.2
Other effects on loan loss provisions			
Realised losses specifically provided for previously			
Realised losses not specifically provided for previously			
Recoveries on previous realised losses			
Loan losses for the period	-0.2	0.0	-1.9

Quarterly income statement

	Q1	Q4	Q3	Q2	Q1
(NOK million)	2016	2015	2015	2015	2015
Interest income	87.9	92.8	99.1	104.7	120.2
Interest expense	-56.1	-57.8	-62.0	-62.1	-66.4
Net interest income	31.8	35.1	37.1	42.7	53.8
Net gains on financial instruments	-2.5	-0.4	-0.3	-1.6	-0.2
Other income	0.5	1.4	0.3	0.3	0.3
Total other operating income	-2.0	1.0	0.0	-1.3	0.1
Staff expenses		-0.1		-0.1	
General administration expenses	-0.1	-0.1		-0.1	-0.1
Other operating cost	-15.8	-16.0	-3.8	-3.5	-3.7
Total operating costs	-15.9	-16.1	-3.9	-3.7	-3.8
Operating profit before loan losses	13.9	19.9	33.3	37.7	50.2
Loan losses for the period	-0.2	-0.9	0.1	-1.0	
Profit before tax	13.7	19.0	33.3	36.6	50.2
Tax	-3.4	-5.1	-9.0	-9.9	-13.5
Profit for the year	10.2	13.9	24.3	26.7	36.6

Storebrand Boligkreditt AS

Report on review of interim financial information



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Translation from the original Norwegian version

To the Board of Directors of Storebrand Boligkreditt AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the statement of financial position of Storebrand Boligkreditt AS as of 31 March 2016, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU.

Oslo, 26 April 2016
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

Financial Calendar 2016



14 July Result Q2 2016
26 October Result Q3 2016
February 2017 Result Q4 2016

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