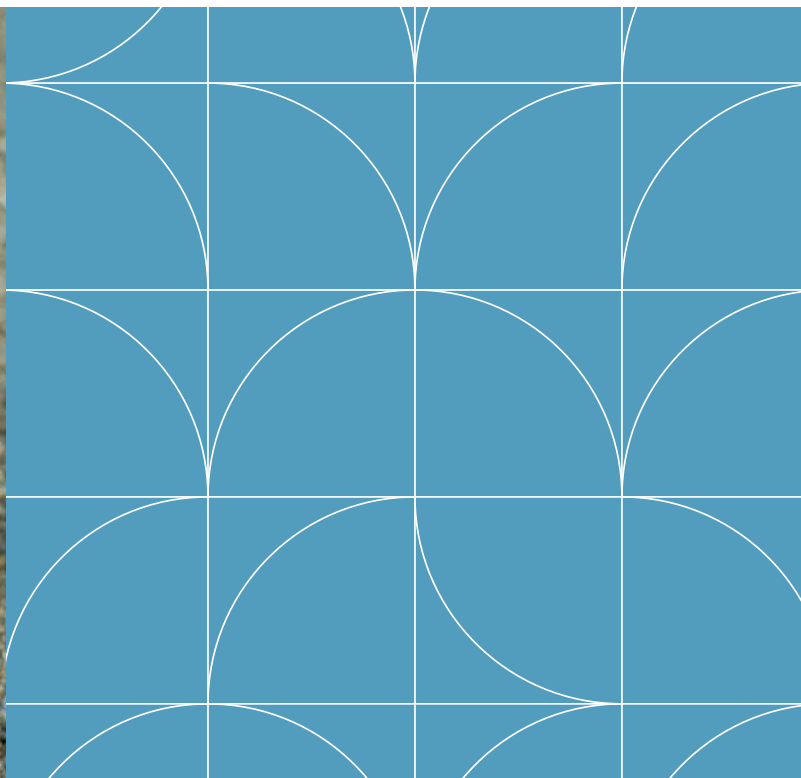


# Storebrand Boligkreditt AS

3<sup>rd</sup> Quarter 2009

 storebrand



# Storebrand Boligkreditt AS (Formerly Storebrand Kredittforetak AS)

## - interim report for and as of Q3 2009

(Figures for the corresponding period in 2008 shown in brackets)

- Pre-tax profit of NOK 29 million for Q3 and NOK 78 million for the year-to-date
- Lending volume NOK 13.2 billion, an increase of 12.4% since Q2
- Average loan-to-collateral value ratio stable
- Core (tier 1) capital ratio of 10.8%
- Satisfactory liquidity

### Financial performance

The pre-tax profit was NOK 29 million for Q3 and NOK 78 million for the year-to-date. This is an increase compared to earlier periods and is due to the company now being fully operational and having a stable lending volume.

Net interest income was NOK 28 million for Q3, compared to NOK 36.5 million for Q2, and NOK 88 million for the year-to-date. Net interest income as a percentage of average total assets was 0.91% for Q3 and 0.89% for the year-to-date, compared to 0.36% for the full year 2008. The decrease in Q3 was primarily due to reduced hedging efficiency and the changed balance sheet structure compared to the previous quarter.

Other income is affected by developments in the financial market and showed positive development in Q3. Net income and gains from financial instruments at fair value have a positive effect on the result of NOK 4.7 million (minus NOK 0.2 million) for Q3 and NOK 1.5 million (minus NOK 1.4 million) for the year-to-date. The liquidity portfolio was stable in Q3. The reduction since the close of 2008 of almost NOK 50 million was due to the maturing of fixed income securities in June 2009.

Operating costs totalled NOK 3.9 million in Q3 and were NOK 11.2 million for the year-to-date. Costs as a percentage of income amount to 12% for Q3 and slightly less than 13% for the year-to-date, compared to 45% for the full year 2008. The company primarily purchases services from Storebrand Bank ASA and Storebrand Livsforsikring AS.

### Balance sheet performance

The lending volume increased in Q3 from NOK 11.7 billion at the end of Q2 to NOK 13.2 billion as per 30 September. The company's collateral and lending portfolio was regarded as good at the close of the quarter and its average loan-to-collateral value ratio was 48% as per 30 September, only a marginal increase since 2008. A fall in the volume of non-perfor-

ming and loss-exposed loans since Q2 was registered at the close of Q3. The volume of non-performing and loss-exposed loans as per 30 September amounted to NOK 7.3 million, equivalent to 0.06% of the company's gross lending. The management does not believe there is a need for individual write-downs in connection with these commitments. Due to the development of the volume of non-performing and loss-exposed loans and macro factors, the group write-downs were almost unchanged in Q3 compared to H1 and amounted to NOK 1.5 million (NOK 0.6 million) at the close of Q3. The company has significant surplus collateral relative to the covered bonds it has issued. It has therefore not invested in any additional collateral.

The company's assets under management at the close of Q3 totalled NOK 13.8 billion. The lending portfolio amounted to NOK 13.2 billion and relates entirely to lending in the retail customer segment. The company's liquidity portfolio amounted to NOK 260 million at the close of the quarter.

At the close of the quarter the company had drawn NOK 2.6 billion from the company's drawing facility of NOK 10 billion with its the parent company, Storebrand Bank ASA. The company's liquidity is deemed satisfactory and the liquidity risk is regarded as having changed little since the last report.

The capital ratio at the close of the quarter was 10.8% and its core (tier 1) capital ratio was 10.8%. Net primary capital at the end of the quarter amounted to NOK 548 million, unchanged from 30 June. The profit for the year is first added to primary capital at the end of the financial year.

No events have occurred since the balance sheet date that would be material to the interim accounts.

Developments in the capital market, interest rate levels, unemployment and the housing market are considered the most significant risk factors that could affect the company's accounting figures over the next six months.

Oslo, 27 October 2009

The Board of Directors of Storebrand Boligkreditt AS

# Storebrand Boligkreditt AS

## PROFIT AND LOSS ACCOUNT

NOK 10000	NOTE	Q3		01.01. - 30.09.		FULL YEAR
		2009	2008	2009	2008	2008
Interest income	6	100 148	130 005	390 056	272 190	473 055
Interest expense	6	-72 382	-116 084	-301 718	-254 248	-448 392
<b>Net interest income</b>	<b>3</b>	<b>27 766</b>	<b>13 921</b>	<b>88 338</b>	<b>17 942</b>	<b>24 662</b>
Commission income		15	16	51	31	49
Commission expense						
<b>Net commission income</b>		<b>15</b>	<b>16</b>	<b>51</b>	<b>31</b>	<b>49</b>
Net gains on financial instruments at fair value	4	4 714	-190	1 542	-1 395	-3 723
Other income						
<b>Total other operating income</b>		<b>4 714</b>	<b>-190</b>	<b>1 542</b>	<b>-1 395</b>	<b>-3 723</b>
Staff expenses		-38	-38	-113	-112	-100
General administration expenses		-107	-22	-236	-345	-353
Other operating costs	6	-3 787	-2 657	-10 844	-6 908	-9 048
<b>Total operating costs</b>		<b>-3 932</b>	<b>-2 717</b>	<b>-11 192</b>	<b>-7 365</b>	<b>-9 501</b>
<b>Operating profit before losses and other items</b>		<b>28 563</b>	<b>11 030</b>	<b>78 739</b>	<b>9 213</b>	<b>11 487</b>
Loss provisions on loans and guarantees	9	-25	-332	-865	-566	-666
<b>Profit before tax</b>		<b>28 538</b>	<b>10 698</b>	<b>77 874</b>	<b>8 647</b>	<b>10 821</b>
Tax	5	-7 991	-2 421	-21 805	-2 421	-3 030
<b>Profit for the year</b>		<b>20 547</b>	<b>8 277</b>	<b>56 069</b>	<b>6 226</b>	<b>7 791</b>

## STATEMENT OF COMPREHENSIVE INCOME

NOK 10000	NOTE	Q3		01.01. - 30.09.		FULL YEAR
		2009	2008	2009	2008	2008
Other comprehensive income						
Profit for the period		20 547	8 277	56 069	6 226	7 791
<b>Total comprehensive income for the period</b>		<b>20 547</b>	<b>8 277</b>	<b>56 069</b>	<b>6 226</b>	<b>7 791</b>

# Storebrand Boligkreditt AS

## BALANCE SHEET

NOK 1000	NOTE	30.09.2009	31.12.2008
Loans to and deposits with credit institutions		84 528	49
Financial assets designated at fair value through profit and loss:			
Bonds and other fixed-income securities	10	260 273	310 819
Derivatives		137 002	914 779
Other current assets	6	78 647	72 743
Gross lending	8	13 211 605	11 617 812
- Write-downs of individual loans	9		
- Write-downs of groups of loans	9	-1 532	-666
Net lending to customers		13 210 074	11 617 146
Deferred tax assets		9 462	1 770
<b>Total assets</b>		<b>13 779 986</b>	<b>12 917 306</b>
Liabilities to credit institutions	6, 11	2 568 462	1 005 346
Other financial liabilities:			
Derivatives			
Commercial paper and bonds issued	12	10 526 069	11 313 547
Other liabilities	6	71 513	40 538
Provision for accrued expenses and liabilities			
<b>Total liabilities</b>		<b>13 166 043</b>	<b>12 359 431</b>
Paid-in equity		557 874	557 875
Other equity		56 069	
<b>Total equity</b>		<b>613 944</b>	<b>557 875</b>
<b>Total liabilities and equity</b>		<b>13 779 986</b>	<b>12 917 306</b>

Oslo, 27 October 2009

The Board of Directors of Storebrand Boligkreditt AS

# Storebrand Boligkreditt AS

## KEY FIGURES

NOK 10000	2009	Q3 2008	01.01. -30.09. 2009	FULL YEAR 2008
<b>Profit and Loss account: (as % of avg. total assets) <sup>1)</sup></b>				
Net interest income <sup>2)</sup>	0.91 %	0.50 %	0.89 %	0.36 %
<b>Main balance sheet figures:</b>				
Total assets			13 779 986	12 917 306
Average total assets	12 750 655	7 741 137	12 858 305	6 813 043
Total lending to customers			13 211 605	11 617 812
Equity			613 944	557 875
<b>Other key figures:</b>				
Total non-interest income as % of total income	14.55 %	-1.27 %	1.77 %	-17.50 %
Loan losses and provisions as % of average total lending	0.00 %	0.03 %	0.01 %	0.01 %
Individual impairment loss as % of gross defaulted loans <sup>4)</sup>	0.00 %	0.00 %	0.00 %	0.00 %
Costs as % of operating income	12.10 %	19.76 %	12.45 %	45.27 %
Return on equity after tax <sup>3)</sup>			12.28 %	2.25 %
Capital ratio			10.8 %	11.0 %

### Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the year.
- 2) Annualised net interest income adjusted for hedging ineffectiveness.
- 3) Annualised profit after tax adjusted for hedging ineffectiveness as % of average equity.
- 4) Gross defaulted loans with identified loss of value.



# Storebrand Boligkreditt AS

## CHANGES IN EQUITY

NOK 1000	30.09.2009							TOTAL EQUITY
	PAID-IN CAPITAL				OTHER EQUITY			
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER CAPITAL	
Equity at the beginning of the period	350 000	200 084	7 791	557 875			0	557 875
Total comprehensive income for the period				0		56 069	56 069	56 069
Equity transactions with the owner:								
Group contribution received, this year's change for 2008			19 778	19 778			0	19 778
Provision for group contribution, this year's change for 2008			-19 778	-19 778			0	-19 778
<b>Equity at the end of the period</b>	<b>350 000</b>	<b>200 084</b>	<b>7 791</b>	<b>557 875</b>	<b>0</b>	<b>56 069</b>	<b>56 069</b>	<b>613 944</b>

NOK 1000	31.12.2008							TOTAL EQUITY
	PAID-IN CAPITAL				OTHER EQUITY			
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER CAPITAL	
Equity at the beginning of the period	50 000	30 084	0	80 084	0	0	0	80 084
Total comprehensive income for the period				0		7 791	7 791	7 791
Equity transactions with the owner:								
Capital increase paid in but	300 000	170 000		470 000			0	470 000
Group contribution received			12 341	12 341			0	12 341
Provision for group contribution			-4 550	-4 550		-7 791	-7 791	-12 341
<b>Equity at the end of the period</b>	<b>350 000</b>	<b>200 084</b>	<b>7 791</b>	<b>557 875</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>557 875</b>

Number of shares are 35.000.000 of nominal value NOK 10 per share.

# Storebrand Boligkreditt AS

## CASH FLOW STATEMENT

NOK 1000	30.09.2009	31.12.2008
<b>Cash flow from operations</b>		
Net receipts/payments of interest, commissions and fees from customers	368 456	430 889
Net disbursement/payments on customer loans	-245 131	-11 583 063
Net receipts/payments -securities in the investment portfolio	17 261	-303 254
Net receipts/payments on other operating activities	-10 559	-9 425
<b>Net cash flow from operating activities</b>	<b>130 027</b>	<b>-11 464 853</b>
<b>Cash flow from investment activities</b>		
Net payments on purchase/sale of fixed assets etc.		
<b>Net cash flow from investment activities</b>	<b>0</b>	<b>0</b>
<b>Cash flow from financing activities</b>		
Net receipts/payment from borrowing	-45 548	10 914 817
Group contribution payments		-487
Equity paid-in		470 000
<b>Net cash flow from financing activities</b>	<b>-45 548</b>	<b>11 384 331</b>
<b>Net cash flow in period</b>	<b>84 479</b>	<b>-80 522</b>
Cash and bank deposits at the start of the period	49	80 571
<b>Cash and bank deposits at the end of the period</b>	<b>84 528</b>	<b>49</b>

The company has a credit arrangement (drawing facility) with Storebrand Bank ASA that is included in the item "Liabilities to credit institutions" as at 30.09.09. See also Note 11.

# Notes to the accounts

## NOTE 1 ACCOUNTING PRINCIPLES

The interim accounts for the third quarter of 2009 are prepared in accordance with the Norwegian regulations for the annual accounts of banks and finance companies etc., and with IAS 34 Interim Financial Reporting. The interim accounts do not include all the information required for full annual accounts prepared in accordance with all the current IFRS standards. The company has elected to apply Section 1-5 of the regulations for the annual accounts of banks and finance companies etc. that provides for "Simplified application of international accounting standards", (hereinafter termed simplified IFRS). A description of the accounting principles applied by the company in preparing the accounts is found in the Annual report for 2008 with exception of the changes described below. See [www.storebrand.no](http://www.storebrand.no).

### NEW AND AMENDED STANDARDS

#### IAS 1 Presentation of Financial Statements

The revised standard entails some changes to the layout of the equity statement and the statement of non-owner transactions. Storebrand has amended the statements with respect to these changes in accordance with IAS 34, which has been changed in lines with the revised IAS 1 Presentation of Financial Statements. The changes to IAS 1 have no effect on the reporting of the company's financial position.

#### IFRS 8 Operating Segments

IFRS 8 Operating Segments, which replaces IAS 14 Segment Reporting, is based to a greater degree on the management's internal monitoring. Storebrand Kredittforetak's segment reporting was previously also based on the management's internal monitoring and the transition to IFRS 8 therefore entails no changes in segment reporting. Nor have any changes been made to the measurement of the segment results, which is based on principles used in IFRS in the financial statements.

The changes to IAS 1 and IFRS 8 came into force on 1 January 2009. Both standards relate to notes to the accounts and their implementation therefore has no effect on the measurement or periodising of the items in the financial statements for the accounting period.

## NOTE 2 ESTIMATES

The preparation of the interim accounts involves the use of estimates and assumptions that have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. In the future, actual experience may deviate from the estimates used. In the opinion of the Board of Directors, the interim accounts are based on best estimates at the time the accounts were prepared.

The situation in the financial markets as per Q3 means that the scope to which financial instruments can be measured on the basis of observable transactions has declined and that the uncertainty in the base information used in the valuation techniques has increased. Storebrand has assessed the suitability of previously used price sources and valuation techniques and concluded that it will continue to use the same price sources and valuation techniques as before.

The risk of experiencing a loss in the portfolio has increased somewhat due to the recent financial instability and the uncertainty in the real estate and housing markets, which means increased uncertainty in the assessment of the size of individual and group write-downs. No changes have been made to routines and assumptions associated with the assessment of non-performance and the need for write-downs compared with earlier periods.



# Notes to the accounts

## NOTE 3 NET INTEREST INCOME

NOK 1000	Q3		01.01. - 30.09.		FULL YEAR
	2009	2008	2009	2008	2008
Interest and other income on loans to and deposits with credit institutions	367		639		
Interest and other income on loans to and due from customers	98 579	128 461	382 882	268 667	464 563
Interest on short-term debt instruments, bonds and other interest-bearing securities	1 202	1 543	6 535	3 523	8 492
Other interest income					
<b>Total interest income</b>	<b>100 148</b>	<b>130 004</b>	<b>390 056</b>	<b>272 190</b>	<b>473 055</b>
Interest and other expenses on debt to credit institutions	-7 899	-19 167	-36 180	-104 670	-137 478
Interest and other expenses on deposits from and due to customers					
Interest and other expenses on securities issued	-64 483	-96 916	-265 538	-149 577	-310 915
Interest and other expenses on subordinated loan capital					
Other interest expenses					
<b>Total interest expenses</b>	<b>-72 382</b>	<b>-116 083</b>	<b>-301 718</b>	<b>-254 248</b>	<b>-448 392</b>
<b>Net interest income</b>	<b>27 766</b>	<b>13 921</b>	<b>88 338</b>	<b>17 942</b>	<b>24 662</b>

## NOTE 4 NET INCOME AND GAINS FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

NOK 1000	Q3		01.01. - 30.09.		FULL YEAR
	2009	2008	2009	2008	2008
<i>Commercial paper and bonds:</i>					
Realised gain/loss on commercial paper and bonds				-500	-1 172
Unrealised gain/loss on commercial paper and bonds	475	-284	461	-999	-731
<b>Total gain/loss on commercial paper and bonds</b>	<b>475</b>	<b>-284</b>	<b>461</b>	<b>-1 498</b>	<b>-1 903</b>
<i>Financial derivatives and foreign exchange:</i>					
Gain/loss on foreign exchange related to bonds issued	8 777		13 443		
Financial derivatives, held for trading	-4 538	94	-12 362	104	-1 820
<b>Total financial derivatives and foreign exchange</b>	<b>4 239</b>	<b>94</b>	<b>1 081</b>	<b>104</b>	<b>-1 820</b>
<b>Net income and gains from financial assets and liabilities at fair value</b>	<b>4 714</b>	<b>-190</b>	<b>1 542</b>	<b>-1 395</b>	<b>-3 723</b>

## NOTE 5 TAX

Tax cost is based on an expected average tax rate of 28% of profit before tax adjusted for permanent differences.

# Notes to the accounts

## NOTE 6 CLOSE ASSOCIATES

### Transactions with group companies as at 30 September 2009:

NOK 1000	STOREBRAND BANK ASA	OTHER GROUP COMPANIES
Interest income	6 623	
Interest expense	168 044	
Services sold		
Services purchased	7 003	1 508
Due from	63 496	
Liabilities to	2 568 462	

Storebrand Boligkreditt AS has no employees, and purchases personnel resources from Storebrand Bank ASA and services including treasury and accounting functions from Storebrand Livsforsikring AS. All loans made by the company are purchased from Storebrand Bank ASA pursuant to an agreement entered into with Storebrand Bank ASA to purchase loans, as well as a management agreement with Storebrand Bank ASA for management of the loan portfolio. In outline terms, the management agreement involves the company paying fees to Storebrand Bank ASA for management of the company's loan portfolio. In addition, the company has entered into an agreement with Storebrand Bank ASA for a credit facility to finance loans purchased (see Note 11). Agreements entered into with other companies in the group are based on the principle of business at arm's length.

## NOTE 7 SEGMENT INFORMATION

Business segments are the company's primary reporting segments. The company has only one segment, Retail Lending. This segment comprises lending to private individuals, and all loans are purchased from Storebrand Bank ASA. The company's accounts for Q3 therefore relate entirely to the Retail Lending segment.

## NOTE 8 LOAN TO VALUE RATIOS AND COLLATERAL

NOK 1000	30.09.2009	31.12.2008
Gross lending <sup>1)</sup>	13 211 605	11 617 812
Average loan balance	1 262	1 337
No. of loans	10 471	9 509
Weighted average seasoning (months)	32	31
Weighted average remaining term (months)	192	211
Average loan to value ratio <sup>1)</sup>	47.9 %	47.1 %
Overcollateralisation <sup>3)</sup>	127.0 %	110.0 %
Composition of collateral:		
Residential mortgages	13 041 805	11 429 490
Supplementary security <sup>2)</sup>	0	0
<b>Total</b>	<b>13 041 805</b>	<b>11 429 490</b>

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 and 60% for holiday properties. Furthermore, non-performing and loss-exposed loans are not included in the collateral.

2) The company has no supplementary security.

3) Surplus collateral amounting to NOK 10.3 billion has been calculated based on the total net issued bonds.

# Notes to the accounts

## NOTE 9 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

NOK 1000	30.09.2009	31.12.2008
<b>Non-performing and loss-exposed loans</b>		
Non-performing loans without evidence of impairment	7 303	2 600
Non-performing and loss-exposed loans with evidence of impairment		
<b>Gross defaulted and loss-exposed loans</b>	<b>7 303</b>	<b>2 600</b>
Provisions for individual impairment losses		
<b>Net defaulted and loss-exposed loans</b>	<b>7 303</b>	<b>2 600</b>

NOK 1000	Q3 2009	Q3 2008	01.01. 2009	-30.09. 2008	FULL YEAR 2008
<b>Losses on loans and guarantees etc. during period</b>					
Change in individual impairment loss provisions					
Change in grouped impairment loss provisions	-25	-332	-865	-566	-666
Other write-down effects					
Realised losses specifically provided for previously					
Realised losses not specifically provided for previously					
Recoveries on previous realised losses					
<b>Loss provisions on loans and guarantees</b>	<b>-25</b>	<b>-332</b>	<b>-865</b>	<b>-566</b>	<b>-666</b>

The loan portfolio is purchased from Storebrand Bank ASA. In the opinion of the Board of Directors, the quality of the loan portfolio is such that there is no need for individual write-downs or write-downs for groups of loans in addition to the write-downs recorded as at 30 September 2009.

## NOTE 10 INVESTMENT PORTFOLIO

### Rating per issuer category

NOK 1000	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NON- INVESTMENT GRADE FAIR VALUE	TOTAL FAIR VALUE
Finance, Banking and Insurance						0
Sovereign and Government Guaranteed	230 192	30 081				260 273
<b>Total</b>	<b>230 192</b>	<b>30 081</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>260 273</b>

Rating categories are based on Standard & Poor's.

## NOTE 11 LOANS TO AND DEPOSITS WITH CREDIT INSTITUTIONS

The company has entered into an agreement with Storebrand Bank ASA for a drawing facility of NOK 10 billion, which will be principally used to make payment for loans purchased and for payments in respect of covered bonds issued. The agreement was entered into on the principle of business at arm's length.

# Notes to the accounts

## NOTE 12 COMMERCIAL PAPER AND BONDS ISSUED

### Covered bonds:

NOK 1000						BOOK VALUE
ISIN Code	NOMINAL VALUE	CURRENCY	INTEREST	ISSUED	MATURITY	30.09.2009
XS0366475662	236 150	EUR	Fast	28.05.08	28.05.10	2 003 429
NO0010428584	1 000 000	NOK	Fast	06.05.08	06.05.15	998 917
NO0010466071	1 250 000	NOK	Fast	24.10.08	24.04.14	1 249 214
NO0010428592	1 700 000	NOK	Flytende	02.05.08	02.05.11	1 699 590
NO0010507809	2 040 000	NOK	Flytende	27.04.09	27.04.15	2 037 589
NO0010479967	2 500 000	NOK	Flytende	12.12.08	12.06.12	2 507 317
Amortised interest						30 013
<b>Total commercial paper and bonds issued</b>						<b>10 526 069</b>

Standard covenant requirements are attached to concluded loan agreements.

In 2009, Storebrand Boligkreditt AS has met all conditions with respect to conclude loan agreements.

## NOTE 13 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

NOK MILLION	30.09.2009	31.12.2008
Undrawn credit limits	1 248 531	745 930
<b>Total contingent liabilities</b>	<b>1 248 531</b>	<b>745 930</b>

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

The company has not any collateral pledged or received.

## NOTE 14 CAPITAL ADEQUACY

### Capital base

NOK 1000	30.09.2009	31.12.2008
Share capital	350 000	350 000
Other equity	263 944	207 875
<b>Equity</b>	<b>613 944</b>	<b>557 875</b>
Deductions		
Profit not included in the calculation of net primary capital	-56 069	
Deferred tax assets	-9 462	-1 770
<b>Core capital</b>	<b>548 413</b>	<b>556 104</b>
Subordinated loan capital less own holdings		
Deductions		
<b>Net supplementary capital</b>	<b>0</b>	<b>0</b>
<b>Net capital base</b>	<b>548 413</b>	<b>556 104</b>

Continues next page

# Notes to the accounts

## NOTE 14 CAPITAL ADEQUACY (continued)

### Minimum requirement for capital base

NOK 1000	30.09.2009	31.12.2008
Credit risk	402 188	401 194
Of which:		
Institutions	8 104	20 040
Loans secured against real estate	387 712	323 256
Loans past-due	1 945	628
Other	4 428	57 271
<b>Total minimum requirement for credit risk</b>	<b>402 188</b>	<b>401 194</b>
<b>Total minimum requirement for market risk</b>	<b>0</b>	<b>0</b>
Operational risk	3 501	3 501
Deductions	-123	-53
<b>Minimum requirement for capital base</b>	<b>405 566</b>	<b>404 642</b>

### Capital adequacy

NOK 1000	30.09.2009	31.12.2008
Capital ratio <sup>1)</sup>	10.8 %	11.0 %
Core capital ratio	10.8 %	11.0 %

<sup>1)</sup> The minimum requirement for capital adequacy is 8.00%.

The company was granted its licence in January 2008, and has not calculated capital adequacy prior to this date. Capital adequacy is calculated in accordance with the new capital adequacy regulation (Basel II). The company uses the standard method for credit risk and market risk, and the basic method for operational risk.

Basel II is divided into three pillars (areas). Pillar 1 deals with the minimum requirement for capital adequacy and represents a continuation of the former regulations pursuant to Basel I. Pillar 2 deals with supervisory evaluation of capital requirement and supervisory monitoring, while Pillar 3 deals with the requirements for publication of financial information. The introduction of the new regulatory framework has caused changes to the calculation base for capital adequacy. Calculation of operational risk is a new element of the Basel II regulations. Management of market risk is affected by the transition to the Basel II regulations to a minor extent.

## NOTE 15 RISK MANAGEMENT

Storebrand Boligkreditt AS's objective and principles for the management of financial risk are as described in the 2008 annual report.

Translation from the original Norwegian version

To the board of Storebrand Boligkreditt AS

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the condensed financial statement of Storebrand Boligkreditt AS as of September 30, 2009, showing a profit for the period of TNOK 56,069. The condensed financial Statement comprises the balance sheet, the statements of income, cash flow, the statement of changes in equity and selected explanatory notes by September 30, 2009. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Section 1-5 of the regulations for the annual accounts for banks and finance companies etc. that provides for simplified application of International Accounting Standard, including No 34 adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our 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.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information does not give a true and fair view of the financial position of the entity as at September 30, 2009, and of its financial performance and its cash flows for the nine-month period then ended in accordance with Section 1-5 of the regulations for the annual accounts for banks and finance companies etc. that provides for simplified application of International Accounting Standard, including No 34 adopted by EU.

Oslo, October 27, 2009  
Deloitte AS

Ingebret G. Hisdal (signed)  
State Authorized Public Accountant ( Norway)



# Company information

**Address:**

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N-0120 Oslo  
Norway

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Website: [www.storebrand.no](http://www.storebrand.no)  
E-mail address: [bank@storebrand.no](mailto:bank@storebrand.no)

Company registration number: 990 645 515

**Senior Management:**

Åse Jonassen Managing Director

**Board of Directors:**

Klaus-Anders Nysteen	Chairman
Truls Nergaard	Board Member
Thor Bendik Weider	Board Member
Inger Roll-Matthiesen	Board Member

**Contact persons:**

Åse Jonassen. Managing Director. Tel. + 47- 415 77 397.

**Other sources of information:**

The Annual Report and interim reports of Storebrand Boligkreditt AS are published on [www.storebrand.no](http://www.storebrand.no).

