



# Interim report 2015

Storebrand Bank ASA

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# Storebrand Bank Group

## Interim report for the 1<sup>st</sup> quarter of 2015

(Profit figures for the corresponding period in 2014 are shown in parentheses. Balance sheet figures in parentheses are for the end of 2014.)

- Refocus on retail market continues
- Good cost control and lower costs
- Low volume of non-performing loans

The retail market area also delivered a good result for the first quarter. The lending balance is stable, with deposits slightly reduced in the quarter. Lending margins are under pressure due to greater competition.

The bank's corporate market is being wound up. Its operations are winding up in a gradual and controlled manner. Existing customers will be well looked after.

The bank has good control over its costs.

### FINANCIAL PERFORMANCE

The bank group achieved pre-tax profits of NOK 40 million (20 million) in the first quarter. Lower volume due to the planned winding up of the corporate market portfolio is reducing net interest income. Significantly smaller losses in the first quarter of 2015 are improving pre-tax profits compared to the same period last year.

Net interest income was NOK 94 million (127 million) in the first quarter. The interest margin contracted due to the reduced proportion of commercial loans and increased competition in the retail market. Net interest income as a percentage of average total assets was 1.12 per cent (1.33 per cent) in the first quarter. Net interest income as a percentage of average total assets related to the retail market of the bank group was 1.19 per cent (1.22 per cent) for the quarter.

As a result of winding up the corporate market portfolio, net commission income fell and amounted to NOK 14 million (16million) for the 1st quarter. Other income was NOK 9 million (2 million) in the first quarter. The increase is mainly due to positive one-time effects in the first quarter of 2015 associated with earlier loss-making commitments.

Operating costs totalled NOK 70 million (80 million) in the first quarter. Costs are reduced due to lower IT costs and the sale of the subsidiary Hadrian Eiendom AS.

NOK 7 million (45 million) was expensed for write-downs on loans for the 1st quarter. The write-downs in 2014 were primarily due to one commitment in the corporate market. Group write-downs decreased by NOK 1 million in the quarter.

### BALANCE SHEET PERFORMANCE

The loan portfolio in the retail market fell slightly in the first quarter and the corporate market portfolio is continuing to shrink as planned. Gross lending to customers totalled NOK 27.7 billion (28.5 billion) at the end of the first quarter. The volume syndicated to Storebrand Life Insurance amounted to NOK 3.4 billion (4.6 billion) at the end of the first quarter.

The bank group's retail market portfolio totals NOK 23.8 billion, equivalent to 90 per cent of the bank's total lending, and chiefly comprises low risk home mortgages. The weighted average loan-to-value ratio in the bank group for the retail market portfolio is about 54 per cent for home commitments, compared with 55 per cent at the end of the quarter. Corporate market lending accounts for 10 per cent of the portfolio.

The volume of non-performing loans increased by NOK 41 million in 2015 and makes up 0.7 per cent (0.5 per cent) of gross lending as of 31 March 2015. The bank considers the portfolio quality to be good. Non-performing loans without impairment amounted to NOK 94 million (76 million) at the end of the quarter.

## LIQUIDITY RISK AND FUNDING

The bank has established good liquidity buffers and attaches great importance to having a balanced funding structure with varying terms to maturity and issuances in various markets. The volume of deposits from customers was NOK 18.6 billion (19.4 billion) at the end of the quarter, which represents a deposit-to-loan ratio of 67.4 per cent (67.9 per cent).

## CAPITAL ADEQUACY

The bank's risk-weighted balance sheet decreased throughout the year due to the planned winding up of the corporate market portfolio. The Storebrand Bank Group had a net capital base of NOK 2.5 billion at the end of the quarter. The capital adequacy ratio was 15.8 per cent and the core capital ratio was 14.0 per cent at the end of the first quarter, compared to 15.0 per cent and 13.3 per cent respectively at the end of 2014. The bank group, the parent bank, and the home mortgage company all satisfy current statutory requirements.

## PERFORMANCE OF STOREBRAND BANK ASA

In the first quarter, Storebrand Bank ASA achieved pre-tax profits of minus NOK 19 million minus 40 million).

Net interest income for Storebrand Bank ASA totalled NOK 40 million (62 million) in the first quarter.

NOK 7 million (45 million) was expensed for write-downs on loans for the first quarter.

## OTHER

In 2015, Storebrand Bank will continue to work on improving the business' profitability in the retail market area combined with growth. The bank will also maintain a moderate to low risk profile with a good balance sheet and good funding composition.

Work is ongoing to enhance the bank's self-service solutions for both online and mobile users. Increased digitisation and automation should improve the customer processes. In the first quarter, the bank was the first in the Norwegian market to launch the BLU 40 concept, where the age limit for mortgages for young people was changed from 34 to 40. This produced significant growth in the number of loan applications.

As the corporate market is being wound up, the bank does not wish to become involved in new projects, provide new loans or otherwise bring in new customers within the corporate market.

Sound management of the bank's credit and liquidity risk, and control of the operational risk in key work processes are also crucial in 2015, and the bank is continuing 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 are regarded as the key risk factors that can affect the results of Storebrand Bank Group in 2015.

In the first quarter of 2015, the bank received no claims or notice of claims.

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

Lysaker, 28 April 2015  
The Board of Directors of Storebrand Bank ASA

# Storebrand Bank Group

## Income statement

(NOK million)	NOTE	Q1		FULL YEAR
		2015	2014	2014
Interest income		267.0	361.5	1 328.3
Interest expense		-173.4	-234.4	-866.5
<b>Net interest income</b>	11	<b>93.6</b>	<b>127.1</b>	<b>461.8</b>
Fee and commission income from banking services		16.3	18.6	71.6
Fee and commission expenses for banking services		-2.4	-2.8	-14.9
<b>Net fee and commission income</b>		<b>13.9</b>	<b>15.8</b>	<b>56.7</b>
Net gains on financial instruments		2.3	0.6	7.3
Other income		6.3	1.0	0.2
<b>Total other operating income</b>		<b>8.7</b>	<b>1.5</b>	<b>7.5</b>
Staff expenses		-30.2	-29.2	-73.1
General administration expenses		-12.3	-15.3	-54.2
Other operating costs		-26.7	-35.5	-132.7
<b>Total operating costs</b>		<b>-69.2</b>	<b>-80.0</b>	<b>-260.0</b>
<b>Operating profit before loan losses</b>		<b>46.9</b>	<b>64.4</b>	<b>266.0</b>
Loan losses for the period	13	-7.2	-44.7	-74.2
<b>Profit before tax</b>		<b>39.7</b>	<b>19.6</b>	<b>191.8</b>
Tax	3	-10.7	-5.3	-53.5
Result after tax sold/discontinued operations		-0.3	-0.3	-1.0
<b>Profit for the period</b>		<b>28.7</b>	<b>14.1</b>	<b>137.3</b>

## Statement of comprehensive income

(NOK million)	Q1		FULL YEAR
	2015	2014	2014
Profit for the period	28.7	14.1	137.3
Pension experience adjustments	0.0	0.0	-35.1
Tax on pension experience adjustments	0.0	0.0	9.5
<b>Total other result elements not to be classified to profit/loss</b>	<b>0.0</b>	<b>0.0</b>	<b>-25.6</b>
<b>Total comprehensive income for the period</b>	<b>28.7</b>	<b>14.1</b>	<b>111.7</b>

# Storebrand Bank Group

## Statement of financial position

(NOK million)	NOTE	31.03.2015	31.03.2014	31.12.2014
Cash and deposits with central banks		135.9	688.8	181.0
Loans to and deposits with credit institutions	6	265.2	622.6	207.1
Financial assets designated at fair value through profit and loss:				
Equity instruments	6	2.0	1.7	2.0
Bonds and other fixed-income securities	6, 12	3 174.9	2 834.8	3 247.8
Derivatives	6	607.3	747.5	742.1
Bonds at amortised cost	6, 12	1 006.4	1 544.0	1 006.7
Other current assets	6	8.7	13.6	9.7
Gross lending, amortised cost	6	26 677.2	30 016.7	27 529.8
Gross lending, FVO	6	989.5	1 217.0	988.8
Gross lending		27 666.7	31 233.7	28 518.6
- Loan loss provisions on individual loans	13	-41.6	-134.1	-32.9
- Loan loss provisions on groups of loans	13	-19.3	-26.3	-20.7
Net lending to customers		27 605.8	31 073.3	28 465.0
Tangible assets		5.7	9.0	6.6
Intangible assets and goodwill		106.5	103.7	108.7
Deferred tax assets	3	29.8	23.2	25.8
Assets sold/discontinued operations		0.1	0.2	0.0
<b>Total assets</b>		<b>32 948.4</b>	<b>37 662.3</b>	<b>34 002.4</b>
Liabilities to credit institutions	6	378.0	38.6	19.2
Deposits from and due to customers	6	18 645.0	20 672.7	19 358.1
Other financial liabilities:				
Derivatives	6	406.6	432.0	545.1
Commercial papers and bonds issued	6, 8	10 702.4	13 212.8	10 858.6
Other liabilities		108.8	245.1	140.0
Liabilities sold/discontinued operations		0.1	0.2	0.1
Provision for accrued expenses and liabilities		9.5	14.6	12.2
Pension liabilities		30.8	57.8	30.8
Subordinated loan capital	6, 8	511.7	590.9	511.6
<b>Total liabilities</b>		<b>30 793.0</b>	<b>35 264.6</b>	<b>31 475.7</b>
Paid in capital		1 516.8	1 516.8	1 516.8
Retained earnings		638.6	880.9	1 009.9
<b>Total equity</b>		<b>2 155.4</b>	<b>2 397.7</b>	<b>2 526.7</b>
<b>Total equity and liabilities</b>		<b>32 948.4</b>	<b>37 662.3</b>	<b>34 002.4</b>

Lysaker, 28 April 2015  
The Board of Directors of Storebrand Bank ASA

# Storebrand Bank ASA

## Income statement

(NOK million)	NOTE	Q1		FULL YEAR
		2015	2014	2014
Interest income		172.4	244.5	899.2
Interest expense		-132.6	-182.7	-671.8
<b>Net interest income</b>	11	<b>39.8</b>	<b>61.9</b>	<b>227.4</b>
Fee and commission income from banking services		19.1	21.7	83.8
Fee and commission expenses for banking services		-2.4	-2.8	-14.9
<b>Net fee and commission income</b>		<b>16.7</b>	<b>18.9</b>	<b>68.9</b>
Net gains on financial instruments		-1.4	0.0	12.7
Other income		1.4	-1.0	214.1
<b>Total other operating income</b>		<b>0.0</b>	<b>-0.9</b>	<b>226.7</b>
Staff expenses		-30.2	-27.0	-73.0
General administration expenses		-12.2	-15.1	-53.7
Other operating costs		-25.9	-32.8	-113.7
<b>Total operating costs</b>		<b>-68.3</b>	<b>-74.9</b>	<b>-240.3</b>
<b>Operating profit before loan losses</b>		<b>-11.8</b>	<b>4.9</b>	<b>282.6</b>
Loan losses for the period	13	-7.2	-44.9	-74.6
<b>Profit before tax</b>		<b>-19.0</b>	<b>-40.1</b>	<b>208.0</b>
Tax	3	5.1	10.6	-59.3
<b>Profit for the period</b>		<b>-13.9</b>	<b>-29.5</b>	<b>148.8</b>

## Statement of comprehensive income

(NOK million)	Q1		FULL YEAR
	2015	2014	2014
Profit for the period	-13.9	-29.5	148.8
Pension experience adjustments	0.0	0.0	-35.1
Tax on pension experience adjustments	0.0	0.0	9.5
<b>Total other result elements not to be classified to profit/loss</b>	<b>0.0</b>	<b>0.0</b>	<b>-25.6</b>
<b>Total comprehensive income for the period</b>	<b>-13.9</b>	<b>-29.5</b>	<b>123.2</b>

# Storebrand Bank ASA

## Statement of financial position

(NOK million)	NOTE	31.03.2015	31.03.2014	31.12.2014
Cash and deposits with central banks		135.9	688.8	181.0
Loans to and deposits with credit institutions	6	2 433.6	2 848.5	2 848.2
Financial assets designated at fair value through profit and loss:				
Equity instruments	6	2.0	1.7	2.0
Bonds and other fixed-income securities	6, 12	6 203.0	5 594.3	6 181.7
Derivatives	6	369.4	462.5	511.7
Bonds at amortised cost	6, 12	1 006.4	1 544.0	1 006.7
Other current assets		1 076.9	926.3	1 120.2
Gross lending, amortised cost	6	12 861.8	15 204.2	13 204.4
Gross lending, FVO	6	989.5	1 217.0	988.8
Gross lending		13 851.3	16 421.3	14 193.2
- Loan loss provisions on individual loans	13	-40.6	-132.2	-31.9
- Loan loss provisions on groups of loans	13	-17.7	-25.4	-19.1
Net lending to customers		13 793.1	16 263.6	14 142.2
Tangible assets		2.7	5.7	3.6
Intangible assets		106.5	81.5	108.7
Deferred tax assets	3	30.3	28.5	25.2
<b>Total assets</b>		<b>25 159.7</b>	<b>28 445.3</b>	<b>26 131.3</b>
Liabilities to credit institutions	6	685.8	341.5	325.9
Deposits from and due to customers	6	18 656.3	20 693.9	19 366.1
Other financial liabilities:				
Derivatives	6	406.6	432.0	545.1
Commercial papers and bonds issued	6, 8	2 661.7	3 704.8	2 677.2
Other liabilities		117.1	268.4	568.2
Provision for accrued expenses and liabilities		9.5	14.6	12.2
Pension liabilities		30.8	57.8	30.8
Subordinated loan capital	6, 8	511.7	590.9	511.6
<b>Total liabilities</b>		<b>23 079.5</b>	<b>26 103.9</b>	<b>24 037.1</b>
Paid in capital		1 688.3	1 687.4	1 688.3
Retained earnings		391.9	654.0	405.8
<b>Total equity</b>		<b>2 080.2</b>	<b>2 341.5</b>	<b>2 094.1</b>
<b>Total equity and liabilities</b>		<b>25 159.7</b>	<b>28 445.3</b>	<b>26 131.3</b>

Lysaker, 28 April 2015  
The Board of Directors of Storebrand Bank ASA



# Storebrand Bank Group

## Reconciliation of equity

(NOK million)	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN EQUITY	TOTAL PAID-IN EQUITY	OTHER EQUITY	TOTAL RETAINED EARNINGS	TOTAL EQUITY
<b>Equity at 31.12.2013</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>1 048.6</b>	<b>1 048.6</b>	<b>2 565.5</b>
Profit for the period					137.3	137.3	137.3
Total other result elements not to be classified to profit/loss					-25.6	-25.6	-25.6
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>111.7</b>	<b>111.7</b>	<b>111.7</b>
<b>Equity transactions with owners:</b>							
Group contribution received					31.4	31.4	31.4
Provision for group contribution					-181.4	-181.4	-181.4
Other changes					-0.5	-0.5	-0.5
<b>Equity at 31.12.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>1 009.9</b>	<b>1 009.9</b>	<b>2 526.7</b>
Profit for the period					28.7	28.7	28.7
Total other result elements not to be classified to profit/loss					0.0	0.0	0.0
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>28.7</b>	<b>28.7</b>	<b>28.7</b>
<b>Equity transactions with owners:</b>							
Group contribution paid					-400.0	-400.0	-400.0
<b>Equity at 31.03.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>638.6</b>	<b>638.6</b>	<b>2 155.4</b>
<b>Equity at 31.12.2013</b>							
<b>Equity at 31.12.2013</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>1 048.6</b>	<b>1 048.6</b>	<b>2 565.5</b>
Profit for the period					14.1	14.1	14.1
Total other result elements not to be classified to profit/loss						0.0	0.0
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>
<b>Equity transactions with owners:</b>							
Provision for group contribution					-181.4	-181.4	-181.4
Other changes					-0.5	-0.5	-0.5
<b>Equity at 31.03.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>880.9</b>	<b>880.9</b>	<b>2 397.7</b>

# Storebrand Bank ASA

## Reconciliation of equity

(NOK million)	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN EQUITY	TOTAL PAID-IN EQUITY	OTHER EQUITY	TOTAL RETAINED EARNINGS	TOTAL EQUITY
<b>Equity at 31.12.2013</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.4</b>	<b>682.9</b>	<b>682.9</b>	<b>2 371.2</b>
Profit for the period					148.8	148.8	148.8
Total other result elements, not to be classified to profit/loss					-25.6	-25.6	-25.6
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>123.2</b>	<b>123.2</b>	<b>123.2</b>
<b>Equity transactions with owners:</b>							
Change in provision for group contribution 2013					0.7	0.7	0.7
Change in group contribution received for 2013					-0.9	-0.9	-0.9
Provision for group contribution					-400.0	-400.0	-400.0
<b>Equity at 31.12.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.3</b>	<b>405.8</b>	<b>405.8</b>	<b>2 094.1</b>
Profit for the period					-13.9	-13.9	-13.9
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.9</b>	<b>-13.9</b>	<b>-13.9</b>
<b>Equity at 31.03.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.4</b>	<b>391.9</b>	<b>391.9</b>	<b>2 080.2</b>
<b>Equity at 31.12.2013</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.3</b>	<b>682.9</b>	<b>682.9</b>	<b>2 371.2</b>
Profit for the period					-29.5	-29.5	-29.5
Total other result elements, not to be classified to profit/loss						0.0	0.0
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-29.5</b>	<b>-29.5</b>	<b>-29.5</b>
<b>Equity transactions with owners:</b>							
Change in provision for group contribution 2013					0.7	0.7	0.7
Change in group contribution received for 2013			-0.9	-0.9			-0.9
<b>Equity at 31.03.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>570.9</b>	<b>1 687.4</b>	<b>654.0</b>	<b>654.0</b>	<b>2 341.5</b>

The share capital is made up of 64.037.183 shares of nominal value NOK 15.

# Cash flow statement

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.03.2014	31.03.2015	(NOK million)	31.03.2015	31.03.2014
		<b>Cash flow from operations</b>		
236.0	165.3	Receipts of interest, commissions and fees from customers	274.7	368.5
-63.9	-27.7	Payments of interest, commissions and fees to customers	-27.7	-63.9
2 569.7	373.3	Net disbursements/payments on customer loans	845.3	2 566.2
-171.2	-785.3	Net receipts/payments of deposits from banking customers	-788.5	-171.4
232.1	18.6	Net receipts/payments - securities at fair value	6.0	217.7
-77.4	-54.3	Payments of operating costs	-58.4	-84.4
		Net receipts/payments on other operating activities	3.4	3.4
<b>2 725.4</b>	<b>-310.2</b>	<b>Net cash flow from operating activities</b>	<b>254.7</b>	<b>2 836.0</b>
		<b>Cash flow from investment activities</b>		
		Net receipts from sale of subsidiaries and associated companies		
		Net payments on purchase/capitalisation of subsidiaries		
-14.4	-2.5	Net payments on purchase/sale of fixed assets etc.	-2.5	-14.4
<b>-14.4</b>	<b>-2.5</b>	<b>Net cash flow from investment activities</b>	<b>-2.5</b>	<b>-14.4</b>
		<b>Cash flow from financing activities</b>		
-358.3	-221.0	Payments - repayments of loans and issuing of bond debt	-258.3	-359.0
0.0	200.0	Receipts - new loans and issuing of bond debt	200.0	0.0
-24.1	-22.8	Payments - interest on loans	-76.6	-76.8
-5.8	-6.0	Payments - interest on subordinated loan capital	-6.0	-5.8
-987.7	359.9	Net receipts/payments of liabilities to credit institutions	358.8	-988.9
235.4		Receipts - group contribution		
-251.9	-457.1	Payments - group contribution / dividends	-457.1	-251.9
<b>-1 392.4</b>	<b>-147.0</b>	<b>Net cash flow from financing activities</b>	<b>-239.2</b>	<b>-1 682.5</b>
<b>1 318.6</b>	<b>-459.8</b>	<b>Net cash flow in the period</b>	<b>13.0</b>	<b>1 139.2</b>
2 218.7	3 029.2	Cash and bank deposits at the start of the period	388.1	172.3
<b>3 537.3</b>	<b>2 569.4</b>	<b>Cash and bank deposits at the end of the period</b>	<b>401.1</b>	<b>1 311.4</b>
		Cash and bank deposits consist of:		
688.8	135.9	Cash and deposits with central banks	135.9	688.8
2 848.5	2 433.6	Loans to and deposits with credit institutions	265.2	622.6
<b>3 537.3</b>	<b>2 569.4</b>	<b>Total cash and bank deposits in the balance sheet</b>	<b>401.1</b>	<b>1 311.4</b>

# Notes

## Storebrand Bank Group

### Note 01 | Accounting principles

The Group's financial statements include Storebrand Bank ASA together with subsidiaries and associated companies. 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 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 2014 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 2015 that have caused significant effects on Storebrand Bank ASA and Storebrand Group's interim financial statements.

A reclassification in the Statement of Financial Position has been carried out relating to interest accrued on loans to customers from Other current assets to Gross lending and also a reclassification relating to interest accrued on deposits from customers from Other liabilities to Deposits from and due to customers. Corresponding figures have also been changed.

### Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2014 annual financial statements in note 2 and valuation of financial instruments at fair value are described in note 6.

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

Actual results may differ from these estimates.

### Note 03 | Tax

Tax cost is based on an expected average tax rate of 27% of company's profit and group profit before tax adjusted for permanent difference if there are any differences.

### Note 04 | Related Parties

#### **COVERED BONDS ISSUED BY STOREBRAND BOLIGKREDITT AS**

Storebrand Bank ASA has invested a total of NOK 3.0 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 March 2015. The investments are included in the liquidity portfolio in the parent company and are classified at fair value option. The investment has been eliminated in the consolidated accounts against bonds issued by Storebrand Boligkreditt AS.

#### **LOANS TRANSFERRED TO STOREBRAND BOLIGKREDITT AS**

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 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.

### **CREDIT FACILITIES WITH STOREBRAND BOLIGKREDITT AS**

The bank has two credit facilities with 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 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 the bank until at least 3 months after the maturity date of the covered bond and related derivatives with the longest period to maturity.

### **OTHER RELATED PARTIES**

Storebrand Bank ASA conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with senior employees and related parties are stipulated in notes 44 and 45 in the 2014 annual report for Storebrand Bank ASA.

## **Note 05 | Financial risk**

The market value of Storebrand Bank's financial assets and liabilities varies due to financial market risks. Note 3 to note 7 of the 2014 annual report explains the banking group's financial risks which also is representative of the financial risks as per 31 March 2015.

## **Note 06 | Valuation of financial instruments**

Storebrand Bank Group conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Bonds are generally valued based on prices obtained from Reuters and Bloomberg. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. The latter is particularly applicable to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will often be specific to the issuer, and will normally be based on a consensus of credit spreads quoted by a selected brokerage firm.

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 Bank Group 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 Storebrand Group categorises financial instruments on three different levels, for further information see note 8 in the 2014 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	FAIR VALUE	BOOK VALUE	BOOK VALUE
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
<b>Financial assets</b>				
Bonds classified as loans and receivables	1 012.2	1 013.5	1 006.4	1 006.7
Loans to and deposits with credit institutions	265.2	207.1	265.2	207.1
Lending to customers	26 581.1	27 383.6	26 616.3	27 423.6
Other current assets	8.7	62.3	8.7	62.3
<b>Financial liabilities</b>				
Deposits from and due to credit institutions	378.0	19.2	378.0	19.2
Deposits from and due to customers	18 645.0	19 358.1	18 645.0	19 358.1
Commercial papers and bonds issued	10 838.0	11 024.7	10 702.4	10 858.6
Other liabilities	108.8	140.0	108.8	140.0
Subordinated loan capital	523.3	523.0	511.7	511.6

## 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	31.03.2015	31.12.2014
<b>Assets:</b>					
<b>Equities</b>		<b>2.0</b>		<b>2.0</b>	<b>2.0</b>
Total equities 31.12.2014		2.0			
<b>Lending to customers</b>			<b>989.5</b>	<b>989.5</b>	
Total lending to customers 31.12.2014			988.8		
Government and government guaranteed bonds		429.2		429.2	1 000.7
Credit bonds		354.2		354.2	
Mortgage and asset backed bonds		2 391.5		2 391.5	2 247.1
<b>Total bonds</b>	<b>0.0</b>	<b>3 174.9</b>	<b>0.0</b>	<b>3 174.9</b>	
Total bonds 31.12.2014		3 247.8			
Interest derivatives		200.8		200.8	197.0
<b>Total derivatives</b>	<b>0.0</b>	<b>200.8</b>	<b>0.0</b>	<b>200.8</b>	
Derivatives with a positive fair value		607.3		607.3	742.1
Derivatives with a negative fair value		-406.6		-406.6	-545.1
Total derivatives 31.12.2014		197.0			
<b>Liabilities:</b>					
<b>Liabilities to credit institutions</b>		<b>0.0</b>		<b>0.0</b>	
Total liabilities to credit institutions 31.12.2014		0.0			0.0

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

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

(NOK million)	LENDING TO CUSTOMERS
Book value 01.01.2015	988.8
Net gains/losses on financial instruments	-4.8
Supply / disposal	147.4
Sales / due settlements	-141.9
Transferred from observable assumptions to non-observable assumptions	
Translation differences	
Other	
<b>Book value 31.03.2015</b>	<b>989.5</b>

## SENSITIVITY ANALYSIS

### LENDING TO CUSTOMERS (FIXED-RATE LOANS)

Fixed-rate lending is valued at fair value. The value of these is determined by discounting future contractual cash flows using a discount rate that takes into account margin requirements (market spread). The assumption for calculating the margin requirement is based on an assessment of market conditions at the end of the accounting period, and an assessment that would form the basis for an external investor's investment in a corresponding portfolio.

(NOK million)	CHANGE IN MARKET SPREAD	
	+ 10 BP	- 10 BP
Increase/reduction in fair value at 31.03.2015	-2.9	2.9

Note 07 | Segment information

**PROFIT AND LOSS BY SEGMENT:**

(NOK million)	CORPORATE			RETAIL		
	Q1	FULL YEAR		Q1	FULL YEAR	
	2015	2014	2014	2015	2014	2014
<b>Profit and loss items:</b>						
Net interest income	20.0	40.0	131.6	86.6	86.2	343.2
Net fee and commission income	3.9	2.5	9.1	10.0	13.4	54.6
Other income	0.5	1.8	2.9	0.6	0.6	2.4
Total operating costs	-17.7	-24.2	-62.9	-51.5	-52.4	-173.7
<b>Operating profit before loan losses</b>	<b>6.7</b>	<b>20.1</b>	<b>80.6</b>	<b>45.7</b>	<b>47.6</b>	<b>226.5</b>
Loan losses	-6.3	-45.5	-75.5	-0.9	0.8	1.3
<b>Ordinary profit from continuing operations</b>	<b>0.4</b>	<b>-25.4</b>	<b>5.0</b>	<b>44.8</b>	<b>48.4</b>	<b>227.8</b>
<b>Ordinary profit from discontinued businesses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance sheet items:</b>						
Gross lending to customers	3 714.7	7 585.0	4 515.4	23 843.5	23 536.9	23 893.9
Deposits from and due to customers	5 199.8	7 886.8	5 709.3	13 381.0	12 710.7	13 656.8
<b>Key figures:</b>						
Net interest income as % of total assets	1.72 %	1.50 %	1.57 %	1.25 %	1.25 %	1.22 %
Cost/income ratio	73 %	55 %	44 %	53 %	52 %	43 %
Deposits from customers as % of gross lending	140 %	104 %	126 %	56 %	54 %	57 %
Total level of provisioning	75 %	58 %	104 %	18 %	15 %	21 %

(NOK million)	TREASURY/OTHER			TOTAL		
	Q1	FULL YEAR		Q1	FULL YEAR	
	2015	2014	2014	2015	2014	2014
<b>Profit and loss items:</b>						
Net interest income	-13.0	0.9	-12.9	93.6	127.1	461.8
Net fee and commission income	0.0	-0.1	-6.9	13.9	15.8	56.7
Other income	7.6	-0.8	2.3	8.7	1.5	7.5
Total operating costs	0.0	-3.4	-23.4	-69.2	-80.0	-260.0
<b>Operating profit before loan losses</b>	<b>-5.4</b>	<b>-3.3</b>	<b>-41.0</b>	<b>46.9</b>	<b>64.4</b>	<b>266.0</b>
Loan losses	0.0	0.0	0.0	-7.2	-44.7	-74.2
<b>Ordinary profit from continuing operations</b>	<b>-5.4</b>	<b>-3.3</b>	<b>-41.0</b>	<b>39.7</b>	<b>19.6</b>	<b>191.8</b>
<b>Ordinary profit from sold/discontinued businesses</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-1.0</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-1.0</b>
<b>Balance sheet items:</b>						
Gross lending to customers	108.5	111.8	109.3	27 666.7	31 233.7	28 518.6
Deposits from and due to customers	64.2	75.2	-8.0	18 645.0	20 672.7	19 358.1
<b>Key figures:</b>						
Net interest income as % of total assets				1.12 %	1.33 %	1.26 %
Cost/income ratio				60 %	55 %	49 %
Deposits from customers as % of gross lending				67 %	66 %	68 %
Total level of provisioning				31 %	41 %	35 %

Business segments are the Group's primary reporting segments. Storebrand Bank is a commercial bank with the head office at Lysaker in the council of Bærum. The Group's activities mainly take place in Norway.



## DESCRIPTION OF THE SEGMENTS:

### CORPORATE MARKET:

The segment includes corporate customers' deposits and loans, mainly property owners and developers, as well as commercial real estate agency for corporate customers (Hadrian Eiendom AS). In April 2013, Storebrand decided to wind up the corporate market at the bank. This market is no longer a prioritised part of Storebrand's core activities. The winding up of the operation will be gradual and controlled, with existing customers being well looked after. Changes in the value of acquired assets, that are presented in the income statement as a separate line item, are shown in the segment note on the loan losses line, reflecting the accounting treatment internally. The reclassification is presented under the "Treasury/other" segment. All capital market business for customers within the bank's corporate market segment are presented under the "Corporate market" segment.

### RETAIL MARKET:

Deposits from and loans to retail market customers, including credit cards. Loans comprise primarily home mortgages. The segment includes loans in Storebrand Boligkreditt AS. All capital market business for customers within the bank's retail market segment are presented under the "Retail market" segment. The bank's entire residential real estate agency business is being wound up, and the results are presented on the line for discontinued operations.

The allocation of income and expenses that are not directly attributable has been made on the basis of assumed resource use. The effects of financial risk management and the liquidity portfolio have not been allocated to the business areas and are reported under "Treasury/other".

Note  
08

## Securities issued and subordinated loan capital

(NOK million)	STOREBRAND BANK GROUP	
	31.03.2015	31.12.2014
Bond loans	10 702.4	10 858.6
Subordinated loan capital	511.7	511.6
<b>Total securities issued and subordinated loan capital</b>	<b>11 214.1</b>	<b>11 370.2</b>

## SPECIFICATION OF BONDS ISSUED AND SUBORDINATED LOAN CAPITAL AS OF 31 MARCH 2015 - STOREBRAND BANK GROUP

(NOK million)	ISSUER	NET				Maturity <sup>1)</sup>	BOOK VALUE 31.03.2015
		NOMINAL VALUE	CURRENCY	INTEREST			
<b>Bond loans</b>							
NO0010439821	Storebrand Bank ASA	310.0	NOK	Fixed	04.06.2015	328.4	
NO0010513237	Storebrand Bank ASA	300.0	NOK	Fixed	25.05.2016	325.4	
NO0010660806	Storebrand Bank ASA	300.0	NOK	Fixed	08.10.2019	324.0	
NO0010654510	Storebrand Bank ASA	73.5	NOK	Floating	06.07.2015	74.0	
NO0010670979	Storebrand Bank ASA	306.0	NOK	Floating	29.01.2016	307.1	
NO0010641079	Storebrand Bank ASA	800.0	NOK	Floating	27.03.2017	801.2	
NO0010662752	Storebrand Bank ASA	300.0	NOK	Floating	13.11.2017	300.9	
NO0010729387	Storebrand Bank ASA	200.0	NOK	Floating	14.01.2020	200.7	
<b>Total bond loans</b>							<b>2 661.7</b>

(NOK million)		NET NOMINAL					BOOK VALUE
ISIN CODE	ISSUER	VALUE	CURRENCY	INTEREST	MATURITY <sup>1)</sup>		31.03.2015
<b>Covered bonds</b>							
NO0010428584	Storebrand Boligkreditt	703.5	NOK	Fast	06.05.2015		742.5
NO0010548373	Storebrand Boligkreditt	1 250.0	NOK	Fast	28.10.2019		1 450.5
NO0010638307	Storebrand Boligkreditt	1 000.0	NOK	Flytende	17.06.2015		299.6
NO0010575913	Storebrand Boligkreditt	646.5	NOK	Flytende	03.06.2016		252.7
NO0010612294	Storebrand Boligkreditt	2 000.0	NOK	Flytende	15.06.2016		1 624.0
NO0010635071	Storebrand Boligkreditt	2 650.0	NOK	Flytende	21.06.2017		2 585.0
NO0010660822	Storebrand Boligkreditt	2 540.0	NOK	Flytende	20.06.2018		1 086.3
<b>Total covered bonds</b>							<b>8 040.7</b>
<b>Total commercial papers and bonds issued</b>							<b>10 702.4</b>

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

(NOK million)		NET NOMINAL					BOOK VALUE
ISIN CODE	ISSUER	VALUE	CURRENCY	INTEREST	CALL DATE		31.03.2015
<b>Dated subordinated loan capital</b>							
NO0010641657	Storebrand Bank ASA	150.0	NOK	Floating	12.04.2017		151.4
NO0010714314	Storebrand Bank ASA	125.0	NOK	Floating	09.07.2019		125.6
<b>Dated subordinated loan capital</b>							
NO00177116	Storebrand Bank ASA	9.3	NOK	Fixed	Perpetual		9.5
<b>Hybrid tier 1 capital</b>							
NO0010683550	Storebrand Bank ASA	150.0	NOK	Floating	20.06.2018		149.7
NO0010714322	Storebrand Bank ASA	75.0	NOK	Floating	09.07.2019		75.6
<b>Total subordinated loan capital</b>							<b>511.7</b>
<b>Total securities issued and subordinated loan capital</b>							<b>11 214.1</b>

The loan agreements contain standard covenants. Storebrand Bank ASA and Storebrand Boligkreditt AS were in compliance with all relevant covenants in 2015. Under the loan programme in Storebrand Boligkreditt AS the company's overcollateralisation requirement was 109.5 per cent fulfilled.

## 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. 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.

### NET PRIMARY CAPITAL

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.03.2015	(NOK million)	31.03.2015	31.12.2014
960.6	960.6	Share capital	960.6	960.6
1 133.6	1 119.7	Other equity	1 194.9	1 566.2
<b>2 094.1</b>	<b>2 080.2</b>	<b>Total equity</b>	<b>2 155.4</b>	<b>2 526.7</b>
		Deductions:		
		Profit not included in the calculation of net primary capital	-28.7	
-108.7	-106.5	Intangible assets	-106.5	-108.7
-25.2	-30.3	Deferred tax asset	-29.8	-25.8
		Provision for group contribution		-400.0
<b>1 960.3</b>	<b>1 943.4</b>	<b>Core capital exc. Hybrid Tier 1 capital</b>	<b>1 990.4</b>	<b>1 992.3</b>
		Additional Tier 1 capital:		
225.0	225.0	Capital instruments eligible as AT1 capital	225.0	225.0
		Addition		
<b>2 185.3</b>	<b>2 168.4</b>	<b>Core capital</b>	<b>2 215.4</b>	<b>2 217.3</b>
283.9	284.0	Supplementary capital	284.0	283.9
		Tier 2 capital		
		Tier 2 capital deductions		
<b>2 469.2</b>	<b>2 452.4</b>	<b>Net primary capital</b>	<b>2 499.3</b>	<b>2 501.3</b>

## MINIMUM CAPITAL REQUIREMENT

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.30.2015	(NOK million)	31.03.2015	31.12.2014
1 018.6	977.7	Credit risk	1 160.0	1 209.5
		Of which:		
14.4	10.9	Local and regional authorities	10.9	14.4
164.9	166.2	Institutions	13.8	12.7
2.7	2.2	Corporates	2.2	2.7
636.5	602.2	Loans secured in residential real estate	1 000.6	1 050.9
83.9	82.9	Retail market	89.2	88.6
7.2	12.6	Loans past-due	17.0	10.7
81.9	78.9	Covered bonds	22.2	21.0
27.1	21.8	Other	4.1	8.6
<b>1 018.6</b>	<b>977.7</b>	<b>Total minimum requirement for credit risk</b>	<b>1 160.0</b>	<b>1 209.5</b>
		Settlement risk		
<b>0.0</b>	<b>0.0</b>	<b>Total minimum requirement for market risk</b>	<b>0.0</b>	<b>0.0</b>
79.7	87.1	Operational risk	88.4	89.5
26.4	13.2	CVA risk	22.5	38.6
		Deductions		
-1.5	-1.4	Loan loss provisions on groups of loans	-1.5	-1.7
<b>1 123.1</b>	<b>1 076.6</b>	<b>Minimum requirement for net primary capital</b>	<b>1 269.3</b>	<b>1 336.0</b>

## CAPITAL ADEQUACY

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.03.2015	(NOK million)	31.03.2015	31.12.2014
17.6 %	18.2 %	Capital ratio	15.8 %	15.0 %
15.6 %	16.1 %	Core (tier 1) capital ratio	14.0 %	13.3 %
14.0 %	14.4 %	Core capital ratio excl. Hybrid Tier 1 capital	12.5 %	11.9 %

The standard method is used for credit risk and market risk, and the basic method for operational risk. New capital requirements came into force from 1 July 2013. The overall requirements for core tier 1 capital and the capital base are 10 and 13.5 per cent as of 1 July 2014. The requirement for core capital and net primary capital are further increased by 1 per cent from 30 June 2015 through the introduction of counter-cyclical capital buffer.

## BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.03.2015	(NOK million)	31.03.2015	31.12.2014
12 732.3	12 221.3	Credit risk	14 499.6	15 119.2
		Of which:		
180.1	136.6	Local and regional authorities	136.6	180.1
2 061.5	2 077.2	Institutions	172.8	158.7
33.5	27.6	Corporates	27.6	33.5
7 956.8	7 527.2	Loans secured on residential real estate	12 507.7	13 136.4
1 048.2	1 036.3	Retail market	1 114.4	1 107.1
90.3	157.2	Loans past-due	212.4	133.2
1 023.8	986.2	Covered bonds	277.1	262.7
338.2	272.9	Other	50.8	107.5
<b>12 732.3</b>	<b>12 221.3</b>	<b>Total basis of calculation credit risk</b>	<b>14 499.6</b>	<b>15 119.2</b>
		Settlement risk		
<b>0.0</b>	<b>0.0</b>	<b>Total basis of calculation market risk</b>	<b>0.0</b>	<b>0.0</b>
995.7	1 088.3	Operational risk	1 105.1	1 118.8
330.2	164.9	CVA risk	280.9	482.2
		Deductions		
-19.1	-17.7	Loan loss provisions on groups of loans	-19.3	-20.7
<b>14 039.0</b>	<b>13 456.9</b>	<b>Total basis of calculation of minimum requirements for capital base</b>	<b>15 866.4</b>	<b>16 699.4</b>

**STOREBRAND BANK GROUP**

(NOK million and percentage)	Q1		FULL YEAR
	2015	2014	2014
<b>Profit and Loss account: (as % of avg. total assets)</b>			
Net interest income	1.12 %	1.33 %	1.26 %
Other operating income <sup>3)</sup>	0.27 %	0.18 %	0.18 %
<b>Main balance sheet figures:</b>			
Total assets	32 948.4	37 662.3	34 002.4
Average total assets <sup>1)</sup>	33 853.6	38 797.5	36 545.3
Gross lending to customers	27 666.7	31 233.7	28 518.6
Deposits from customers	18 645.0	20 672.7	19 358.1
Deposits from customers as % of gross lending	67.4 %	66.2 %	67.9 %
Equity	2 155.4	2 397.7	2 526.7
<b>Other key figures:</b>			
Total non-interest income as % of total income	19.4 %	12.0 %	12.2 %
Loan losses and provisions as % of average total lending <sup>5)</sup>	0.10 %	0.54 %	0.24 %
Gross non-performing and loss-exposed loans as % of total average lending	0.7 %	1.2 %	0.5 %
Cost/income ratio banking activities <sup>4)</sup>	62.0 %	53.1 %	46.3 %
Return on equity before tax <sup>2)</sup>	6.6 %	3.1 %	7.7 %
Core capital ratio	14.0 %	14.1 %	13.3 %

**STOREBRAND BANK ASA**

(NOK million and percentage)	Q1		FULL YEAR
	2015	2014	2014
<b>Profit and Loss account: (as % of avg. total assets)</b>			
Net interest income	0.62 %	0.85 %	0.81 %
Other operating income <sup>3)</sup>	0.26 %	0.25 %	1.05 %
<b>Main balance sheet figures:</b>			
Total assets	25 159.7	28 445.3	26 131.3
Average total assets <sup>1)</sup>	25 972.9	29 596.2	28 125.4
Gross lending to customers	13 844.8	16 421.3	14 193.2
Deposits from customers	18 656.3	20 693.9	19 366.1
Deposits from customers as % of gross lending	134.8 %	126.0 %	136.4 %
Equity	2 080.2	2 341.5	2 094.1
<b>Other key figures:</b>			
Total non-interest income as % of total income	29.5 %	22.5 %	56.5 %
Loan losses and provisions as % of average total lending <sup>5)</sup>	0.21 %	1.00 %	0.46 %
Gross non-performing and loss-exposed loans as % of total average lending	0.9 %	2.0 %	0.7 %
Cost/income ratio	121.0 %	93.9 %	46.0 %
Return on equity before tax <sup>2)</sup>	-0.9 %	-6.9 %	8.9 %
Core (tier 1) capital ratio	16.1 %	17.1 %	15.6 %

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) Annualised profit before tax for continued operations as % of average equity.
- 3) Other operating income includes net fee and commission income.
- 4) Banking activities consists of Storebrand Bank ASA and Storebrand Boligkreditt AS.
- 5) 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.

## Net interest income

### STOREBRAND BANK GROUP

(NOK million)	Q1		FULL YEAR
	2015	2014	2014
Interest and other income on loans to and deposits with credit institutions	2.8	3.1	5.8
Interest and other income on loans to and due from customers	244.6	335.8	1 232.7
Interest on commercial paper, bonds and other interest-bearing securities	18.3	21.4	82.4
Other interest income and related income	1.4	1.3	7.3
<b>Total interest income</b>	<b>267.0</b>	<b>361.5</b>	<b>1 328.3</b>
Interest and other expenses on debt to credit institutions	-0.6	-4.7	-7.8
Interest and other expenses on deposits from and due to customers	-100.7	-136.3	-508.1
Interest and other expenses on securities issued	-61.9	-81.7	-301.8
Interest and expenses on subordinated loan capital	-6.1	-7.4	-31.2
Other interest expenses and related expenses	-4.0	-4.4	-17.6
<b>Total interest expenses</b>	<b>-173.4</b>	<b>-234.4</b>	<b>-866.5</b>
<b>Net interest income</b>	<b>93.6</b>	<b>127.1</b>	<b>461.8</b>

### STOREBRAND BANK ASA

(NOK million)	Q1		FULL YEAR
	2015	2014	2014
Interest and other income on loans to and deposits with credit institutions	14.5	13.9	68.2
Interest and other income on loans to and due from customers	125.9	193.6	681.2
Interest on commercial paper, bonds and other interest-bearing securities	30.5	35.7	142.4
Other interest income and related income	1.4	1.3	7.3
<b>Total interest income</b>	<b>172.4</b>	<b>244.5</b>	<b>899.2</b>
Interest and other expenses on debt to credit institutions	-1.7	-5.9	-12.8
Interest and other expenses on deposits from and due to customers	-100.8	-136.4	-508.4
Interest and other expenses on securities issued	-19.9	-28.6	-101.9
Interest and expenses on subordinated loan capital	-6.1	-7.4	-31.2
Other interest expenses and related expenses	-4.0	-4.4	-17.6
<b>Total interest expenses</b>	<b>-132.6</b>	<b>-182.7</b>	<b>-671.8</b>
<b>Net interest income</b>	<b>39.8</b>	<b>61.9</b>	<b>227.4</b>

Storebrand Bank ASA has accrued the levy to The Norwegian Banks' Guarantee Fund over the fiscal year and recognized for three months pr 31 March 2015.

## Note 12 | Off balance sheet liabilities and contingent liabilities

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.03.2015	(NOK million)	31.03.2015	31.12.2014
89.6	479.3	Guarantees	479.3	89.6
5 302.8	5 759.7	Undrawn credit limits	3 739.0	3 783.7
30.5	21.0	Lending commitments	21.0	30.5
<b>5 422.9</b>	<b>6 260.0</b>	<b>Total contingent liabilities</b>	<b>4 239.3</b>	<b>3 903.8</b>
650.6	650.4	Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	650.4	650.6
811.7	809.7	Booked value of securities pledged as collateral for the government securities for covered bonds swap scheme		
384.5	383.7	Booked value of bonds pledged as security with other credit institutions		
<b>1 846.7</b>	<b>1 843.8</b>	<b>Total book value of off balance sheet liabilities</b>	<b>650.4</b>	<b>650.6</b>

Undrawn credit limits reported in Storebrand Bank ASA as of 31 March 2015 includes NOK 3,7 billion to the subsidiary Storebrand Boligkreditt AS (see note 4).

## Note 13 | Non-performing loans and loan losses

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.03.2015	(NOK million)	31.03.2015	31.12.2014
		Non-performing loans		
40.8	41.9	Non-performing loans without evidence of impairment	93.7	76.4
64.0	89.0	Loss-exposed loans with evidence of impairment	99.8	76.5
<b>104.8</b>	<b>124.4</b>	<b>Gross non-performing and loss-exposed loans</b>	<b>187.0</b>	<b>152.9</b>
-31.9	-40.6	Loan loss provisions on individual loans	-41.6	-32.9
<b>73.0</b>	<b>90.3</b>	<b>Net non-performing and loss-exposed loans</b>	<b>151.9</b>	<b>120.1</b>
		<b>Key figures</b>		
-19.1	-17.7	Loan loss provisions on groups of loans (NOK million)	-19.3	-20.7
-51.0	-58.2	Total loan loss provisions (NOK million)	-60.9	-53.6
50 %	46 %	Level of provisioning for individual loss-exposed loans <sup>1)</sup>	42 %	43 %
49 %	45 %	Total level of provisioning <sup>2)</sup>	31 %	35 %

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

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

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

- when a credit facility has been overdrawn for more than 90 days
- when an ordinary mortgage has arrears older than 90 days
- when a credit card has arrears older than 90 days and the credit limit has been overdrawn. If a repayment plan has been agreed with the customer and is being adhered to, the overdraft is not regarded as a non-performing loan.

When one of the three situations described above occurs, the loans and the rest of the customer's commitments are regarded as non-performing. The number of days is counted from when the arrears exceed NOK 2,000. The account is regarded as active when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000.



STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2014	31.03.2015	(NOK million)	31.03.2015	31.12.2014
		Losses on loans and guarantees etc. during period		
-51.9	-8.7	Change in individual loan loss provisions	-8.8	-51.4
4.1	1.5	Change in grouped loan loss provisions	1.5	4.0
5.2	0.1	Other effects on loan loss provisions	0.1	5.3
-2.2		Realised losses specifically provided for previously		-2.3
-0.6	-0.5	Realised losses not specifically provided for previously	-0.5	-0.6
0.5	0.5	Recoveries on previous realised losses	0.5	0.5
<b>-44.9</b>	<b>-7.2</b>	<b>Loan losses for the period</b>	<b>-7.2</b>	<b>-44.7</b>

Loans that are continued after collateral is taken over are classified in the financial statements according to their type. Loans, including individual loan loss provisions against debt in taken over company are eliminated in the consolidated financial statements. The volume of non-performing and loss-exposed loans is similarly eliminated. A separate assessment is made in the consolidated financial statements in relation to any loan loss provision/value adjustment of the assets that have been taken over.

## Note 14 | Quarterly profit and loss

### STOREBRAND BANK GROUP

(NOK million)	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Interest income	267.0	307.0	324.7	335.0	361.5
Interest expense	-173.4	-197.4	-215.1	-219.5	-234.4
<b>Net interest income</b>	<b>93.6</b>	<b>109.6</b>	<b>109.6</b>	<b>115.5</b>	<b>127.1</b>
Fee and commission income from banking services	16.3	14.9	19.4	18.8	18.6
Fee and commission expenses for banking services	-2.4	-3.7	-5.1	-3.4	-2.8
<b>Net fee and commission income</b>	<b>13.9</b>	<b>11.2</b>	<b>14.3</b>	<b>15.4</b>	<b>15.8</b>
Net gains on financial instruments	2.3	1.6	3.1	2.0	0.6
Other income	6.3	-8.9	4.2	3.9	1.0
<b>Total other operating income</b>	<b>8.7</b>	<b>-7.4</b>	<b>7.4</b>	<b>5.9</b>	<b>1.5</b>
Staff expenses	-30.2	17.3	-30.1	-31.1	-29.2
General administration expenses	-12.3	-11.4	-13.9	-13.6	-15.3
Other operating cost	-26.7	-23.9	-37.1	-36.3	-35.5
<b>Total operating costs</b>	<b>-69.2</b>	<b>-18.0</b>	<b>-81.1</b>	<b>-81.0</b>	<b>-80.0</b>
<b>Operating profit before loan losses</b>	<b>46.9</b>	<b>95.5</b>	<b>50.3</b>	<b>55.9</b>	<b>64.4</b>
Loan losses for the period	-7.2	-3.1	-33.7	7.4	-44.7
<b>Profit before tax</b>	<b>39.7</b>	<b>92.4</b>	<b>16.5</b>	<b>63.2</b>	<b>19.6</b>
Tax	-10.7	-26.7	-4.5	-17.1	-5.3
Result after tax sold/discontinued operations	-0.3	-0.4	-0.1	-0.2	-0.3
<b>Profit for the year</b>	<b>28.7</b>	<b>65.3</b>	<b>11.9</b>	<b>46.0</b>	<b>14.1</b>

## STOREBRAND BANK ASA

	Q1	Q4	Q3	Q2	Q1
(NOK million)	2015	2014	2014	2014	2014
Interest income	172.4	211.0	218.6	225.0	244.5
Interest expense	-132.6	-151.7	-166.3	-171.2	-182.7
<b>Net interest income</b>	<b>39.8</b>	<b>59.4</b>	<b>52.3</b>	<b>53.8</b>	<b>61.9</b>
Fee and commission income from banking services	19.1	17.6	22.6	22.0	21.7
Fee and commission expenses for banking services	-2.4	-3.7	-5.1	-3.4	-2.8
<b>Net fee and commission income</b>	<b>16.7</b>	<b>13.9</b>	<b>17.5</b>	<b>18.6</b>	<b>18.9</b>
Net gains on financial instruments	-1.4	-1.2	6.0	7.9	0.0
Other income	1.4	224.9	-6.0	-3.8	-1.0
<b>Total other operating income</b>	<b>0.0</b>	<b>223.6</b>	<b>0.0</b>	<b>4.0</b>	<b>-0.9</b>
Staff expenses	-30.2	11.0	-28.7	-28.2	-27.0
General administration expenses	-12.2	-11.8	-13.7	-13.0	-15.1
Other operating cost	-25.9	-25.9	-26.6	-28.3	-32.8
<b>Total operating costs</b>	<b>-68.3</b>	<b>-26.8</b>	<b>-69.1</b>	<b>-69.6</b>	<b>-74.9</b>
<b>Operating profit before loan losses</b>	<b>-11.8</b>	<b>270.1</b>	<b>0.7</b>	<b>6.9</b>	<b>4.9</b>
Loan losses for the period	-7.2	-3.9	-33.1	7.4	-44.9
<b>Profit before tax</b>	<b>-19.0</b>	<b>266.2</b>	<b>-32.4</b>	<b>14.2</b>	<b>-40.1</b>
Tax	5.1	-71.8	7.1	-5.2	10.6
<b>Profit for the year</b>	<b>-13.9</b>	<b>194.4</b>	<b>-25.2</b>	<b>9.1</b>	<b>-29.5</b>

Translation from the original Norwegian version

To the Board of Directors of Storebrand Bank ASA

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand Bank ASA (the Group) as of 31 March 2015, 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 for the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU.

Oslo, 28 April 2015  
Deloitte AS

Henrik Woxholt  
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

## Financial calendar 2015



<b>11 February</b>	Results 4Q 2014
<b>29 April</b>	Results 1Q 2015
<b>15 July</b>	Results 2Q 2015
<b>28 October</b>	Results 3Q 2015
<b>February 2016</b>	Results 4Q 2015

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