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DNB BOLIGKREDITT AS  
- a company in the DNB Group

First quarter report 2012  
(UNAUDITED)

# Key figures

## DNB Boligkreditt AS

<b>Statement of comprehensive income</b>	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	2012	2011	2011	2010
Net interest income	627	589	1 667	2 320
Net other operating income	(3 141)	162	2 099	1 739
- net gains (losses) on financial instruments at fair value	(3 157)	150	2 031	1 688
Total operating expenses	285	329	568	1 301
Impairments on loans and commitments	(2)	23	75	33
Operating profit before tax	(2 798)	399	3 123	2 724
Taxes	(783)	112	874	763
<b>Profit for the period</b>	<b>(2 014)</b>	<b>287</b>	<b>2 248</b>	<b>1 961</b>

<b>Balance sheet</b>	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	2012	2011	2011	2010
Total assets	505 035	422 629	490 303	410 528
Loans to customers	480 113	412 580	463 615	397 640
Debt securities issued	366 029	310 491	363 273	289 406
Total equity	18 482	13 899	17 496	13 611

<b>Key figures</b>	1st quarter	1st quarter	Full year	Full year
<i>Per cent</i>	2012	2011	2011	2010
Combined weighted total average spread for loans	0.33	0.45	0.23	0.51
Return on equity, annualised <sup>1)</sup>	(48.3)	8.7	16.3	16.0
Core (Tier 1) capital ratio at end of period	8.4	7.0	7.8	7.4
Capital adequacy ratio at end of period	9.4	8.8	8.9	9.3
Impairments relative to net loans to customers, annualised	0.00	0.02	0.02	0.01
Net non-performing and impaired loans, per cent of net loans	0.14	0.15	0.14	0.14

1) Average equity is calculated on the basis of book value of equity.

# First quarter report 2012

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# First quarter report 2012

## Operations in first quarter 2012

DNB Boligkreditt AS is the DNB Group's vehicle for the issue of covered bonds based on residential mortgages. The company's offices are located in Oslo.

Based on developments in international capital markets, DNB Boligkreditt has come to play a key role in ensuring long-term favourable funding for the Group.

The company recorded pre-tax operating profits of minus NOK 2 798 million in the first quarter of 2012, compared with NOK 399 million in the first quarter of 2011. Profits for the period was minus NOK 2 014 million, compared with NOK 287 million in the first quarter previous year. The decrease in profits was partly due to an increase in the market value of the company's covered bonds debt because of tighter credit spreads, and partly due to a decrease in the value of financial instruments used for hedging purposes.

The company's residential mortgage portfolio totalled NOK 480.1 billion at end of first quarter, rising by NOK 67.5 billion or 16.4 per cent over the preceding 12 months. Securities issued in the form of covered bonds increased from NOK 363.3 billion at year-end 2011 to NOK 366.0 billion by end of first quarter 2012.

The rating agencies' assessments are of significance to the company's funding terms, and the company has engaged Standard & Poor's, Fitch Ratings and Moody's. All of the company's bond issues have been given an AAA credit rating.

There was a positive trend in depth and liquidity in both the Norwegian and European bond market. During first quarter, the company issued covered bonds totalling NOK 31.7 billion in the European market and NOK 2.0 billion in the Norwegian market.

DNB Boligkreditt is a wholly-owned subsidiary of DNB Bank ASA and is reported as part of the Retail Banking business area in DNB's consolidated accounts.

## Review of the quarterly accounts

### Statement of comprehensive income

DNB Boligkreditt recorded pre-tax operating profits of minus NOK 2 798 million in the first quarter of 2012, compared with NOK 399 million in the first quarter of 2011. Profit for the period came to minus NOK 2 014 million, compared with NOK 287 million in the first quarter previous year.

The company's income totalled minus NOK 2 515 million in the first quarter of 2012, down from NOK 751 million in the first quarter of 2011.

Net interest income totalled NOK 627 million, up from NOK 589 million in the first quarter of 2011. The improvement was due to a widening of interest rate margins.

Net other operating income came to minus NOK 3 141 million, compared with NOK 162 million in first quarter 2011. The result reflected the negative effect of unrealised changes in the market value of covered bonds and financial instruments.

This is two separate events, due to credit spread effects on the covered bonds and spread effects from swaps used for hedging purposes. There was a high level of income from mark-to-market adjustments on financial instruments in both 2011 and 2010. This situation was partly reversed through the first quarter of 2012. DNB Boligkreditt will typically record a high level of unrealised gains when financial markets are volatile, and oppositely when markets stabilise.

In stabilised markets, as recognised in first quarter 2012, market values has been reduced.

The company's operating expenses totalled NOK 285 million in first quarter 2012, a decrease from NOK 329 million a year before.

The cooperation with DNB Bank is formalised through an extensive servicing agreement. This agreement ensures DNB Boligkreditt sound competence in key areas and cost-effective operations. The service management fee to the bank was NOK 269 million in first quarter 2012, down from NOK 317 in the first quarter of 2011. The management fee is based on lending volume and margin achieved. The reduction was due to a reduction in the interest rate margin.

The company recorded impairments on loans of NOK -1.7 million (net recoveries) in the first quarter, down from NOK 23.5 million for the same period in 2011. The Board of Directors considers the level of impairments to be satisfactory relative to the quality of the loan portfolio.

### Balance sheet and assets under management

At the end of first quarter 2012, DNB Boligkreditt had a total of NOK 505 billion under management, an increase of NOK 14.7 billion or 3.0 per cent from a year-end 2011.

Net lending to customers rose by NOK 16.5 billion or 3.6 per cent during first quarter 2012, standing at NOK 480.1 billion by the end of the quarter. The increase originates from the acquisition of residential mortgage portfolios from DNB Bank and the sale of new loans through the bank's distribution network.

In the first quarter of 2012 securities issued by the company increased by NOK 2.7 billion, to NOK 366.0 billion.

The company's loans from credit institutions were NOK 99.1 billion by the end of first quarter 2012, up from NOK 94.7 billion by year-end 2011. This account reflects the drawn balance on the overdraft facility with DNB Bank.

### Risk

The company has established guidelines and limits for management and control of the different types of risk. Currency risk is eliminated through the use of financial derivatives. Interest rate and liquidity risk is managed in accordance with stipulations concerning covered bonds in the Financial Institutions Act and guidelines and limits approved by the Board of Directors. The company's overall financial risk is considered to be low.

Profit fluctuations resulting from changes in market values associated with the credit risk on the company's bond issues are neutralised in Tier 1 capital calculations for the company and thus do not affect the capital base.

The servicing agreement with DNB Bank comprises administration, bank production, IT operations and financial and liquidity management. Operational risk is assessed to be low. The fee structure in the servicing agreement shall ensure a more stable return on equity, not including the effect on profits of unrealised changes in the value of financial instruments.

Assets are residential mortgages within 75 per cent of appraised value. Net non-performing loans represented 0.14 per cent of total loans at year-end, down from 0.15 per cent by the end of first quarter 2011. In the opinion of the Board of Directors, the loan portfolio is of high quality. A decline in housing prices will reduce the value of the company's cover pool relative to the statutory asset coverage requirement. Quarterly stress tests are carried out to estimate the effects of a negative development in housing prices. A short-term measure to meet a significant fall in housing prices will be to supply DNB Boligkreditt with more substitute collateral. The Board of Directors considers the company's total risk exposure to be low.

In the first quarter of 2012 the company issued new shares through a private placement with DNB Bank, increasing the company's equity by NOK 3.0 billion. By the end of first quarter 2012, the company's equity then totalled NOK 18 482 million, of which NOK 16 397 million represented Tier 1 capital.

Total primary capital in the company was NOK 18 349 million. The Tier 1 capital ratio was 8.4 per cent, while the capital adequacy ratio was 9.4 per cent. The Board of Directors considers the company to be adequately capitalised relative to the risk level in the loan portfolios and other operations.

## Market situation

Capital markets stabilised throughout first quarter of 2012, following a volatile second half of 2011. A positive development in the debt situation of several countries, combined with ECB's programme to supply European banks with liquidity, has given more favourable market conditions.

By the end of first quarter 2012, housing prices were approximately 3 per cent higher than year-end 2011, and 7 per cent higher than a year earlier. Apartments showed the most favourable price development. There was a rise in housing sales compared to previous quarter, however unchanged from the similar period of 2011.

Towards the end of 2011, Finanstilsynet (the Financial Supervisory Authority of Norway) announced new guidelines for prudent residential mortgage lending practices. The guidelines entail stricter rules for loan-to-value ratios, liquidity calculations and the basis for approving home equity credit lines and interest-only periods. Up till now, the impact on housing prices and market growth for residential mortgages seems to have been minor.

The covered bonds market has infected the sovereign debt situation in a number of European countries during 2011. The first quarter of 2012 showed a more positive atmosphere for covered bonds. Several new issues were launched and credit spreads narrowed significantly. DNB Boligkreditt issued covered bonds under existing programmes totalling NOK 33.7 billion in the first quarter of 2012.

## Future prospects

Capital markets seem to undertake a certain recovery after a negative development in 2011. World economies are stabilising, though there is still uncertainty regarding the debt situation of European countries.

Housing prices show a positive trend and various factors influencing housing prices still seem favourable. Low interest rates and reduced belief in an interest rate increase, low new-building activity, strong population growth and high employment levels reduce the risk of a major decrease in housing prices.

Demand for Norwegian covered bonds is supported by the sound Norwegian economy. The uncertainty concerning the debt situation in a number of European countries is not likely to have significant impact on DNB Boligkreditt's ability to raise new funds in a short or medium term perspective. Thus, Norwegian bonds seem to be regarded as attractive investments, with relatively low credit and market risk.

This provides a good basis for DNB Boligkreditt's further funding activities in the capital markets in 2012.

Oslo, 2 May 2012

The Board of Directors of DNB Boligkreditt AS

Bjørn Erik Næss  
(chairman)

Katrine Trovik

Stein Ove Steffensen

Rein Øsebak

Elisabeth Ege

Øyvind Birkeland  
(chief executive officer)

# Statement of comprehensive income

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Note	1st quarter 2012	1st quarter 2011	Full year 2011	Full year 2010
Total interest income	7	4 636 661	3 570 804	15 855 558	12 815 101
Total interest expenses	7	4 009 859	2 981 521	14 188 105	10 495 338
<b>Net interest income</b>	7	<b>626 802</b>	<b>589 283</b>	<b>1 667 453</b>	<b>2 319 763</b>
Commissions and fees income		14 722	10 957	63 873	45 785
Commissions and fees expenses		459	474	1 952	1 821
Net gains/(losses) on financial instruments	8	(3 157 199)	149 660	2 031 192	1 688 008
Other income		1 616	1 515	5 525	6 538
<b>Net other operating income</b>		<b>(3 141 319)</b>	<b>161 659</b>	<b>2 098 639</b>	<b>1 738 511</b>
<b>Total income</b>		<b>(2 514 517)</b>	<b>750 941</b>	<b>3 766 091</b>	<b>4 058 273</b>
Salaries and other personnel expenses	9	5 459	6 636	18 819	19 294
Other expenses	9,13	279 425	322 087	549 239	1 282 156
<b>Total operating expenses</b>	9	<b>284 884</b>	<b>328 723</b>	<b>568 058</b>	<b>1 301 451</b>
Impairments on loans and commitments	10	(1 697)	23 493	75 174	32 781
<b>Operating profit before tax</b>		<b>(2 797 705)</b>	<b>398 725</b>	<b>3 122 859</b>	<b>2 724 042</b>
Tax expense		(783 357)	111 643	874 403	762 734
<b>Profit for the period</b>		<b>(2 014 347)</b>	<b>287 082</b>	<b>2 248 456</b>	<b>1 961 308</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>(2 014 347)</b>	<b>287 082</b>	<b>2 248 456</b>	<b>1 961 308</b>

# Balance sheet

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Note	31 March 2012	31 Dec. 2011	31 March 2011	31 Dec. 2010
<b>Assets</b>					
Loans to and deposits with credit institutions	13	398 140	2 698 489	232 923	620 807
Loans to customers	10	480 113 433	463 614 859	412 579 655	397 640 408
Financial derivatives	13	24 511 598	23 980 579	9 816 553	12 079 717
Other assets		11 687	8 623	-	186 801
<b>Total assets</b>		<b>505 034 858</b>	<b>490 302 551</b>	<b>422 629 131</b>	<b>410 527 733</b>
<b>Liabilities and equity</b>					
Due to credit institutions	13	99 097 087	94 735 465	82 948 006	94 306 638
Financial derivatives	13	18 314 798	11 060 854	10 276 835	8 315 131
Debt securities issued	11	366 029 045	363 273 330	310 491 063	289 405 545
Taxes payable		286 373	292 746	1 238 413	1 126 770
Deferred taxes		205 930	989 287	407 630	407 630
Other liabilities		230 577	64 227	248 613	234 680
Provisions		29 696	29 696	29 980	29 980
Subordinated loan capital	12	2 359 591	2 360 836	3 089 856	3 089 705
<b>Total liabilities</b>		<b>486 553 097</b>	<b>472 806 440</b>	<b>408 730 396</b>	<b>396 916 080</b>
Share capital		2 127 000	1 827 000	1 577 000	1 577 000
Share premium reserve		13 293 000	10 593 000	8 343 000	8 343 000
Retained earnings		3 061 763	5 076 110	3 978 736	3 691 654
<b>Total equity</b>		<b>18 481 763</b>	<b>17 496 110</b>	<b>13 898 736</b>	<b>13 611 654</b>
<b>Total liabilities and equity</b>		<b>505 034 858</b>	<b>490 302 551</b>	<b>422 629 131</b>	<b>410 527 733</b>

# Statements of changes in equity

## DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Share capital	Share premium reserve	Retained earnings	Total equity
<b>Balance sheet as at 1 January 2011</b>	<b>1 577 000</b>	<b>8 343 000</b>	<b>3 691 654</b>	<b>13 611 654</b>
Profit for the period	-	-	287 082	287 082
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>287 082</b>	<b>287 082</b>
<b>Balance sheet as at 31 March 2011</b>	<b>1 577 000</b>	<b>8 343 000</b>	<b>3 978 736</b>	<b>13 898 736</b>
<b>Balance sheet as at 1 January 2012</b>	<b>1 827 000</b>	<b>10 593 000</b>	<b>5 076 110</b>	<b>17 496 110</b>
Profit for the period	-	-	(2 014 347)	(2 014 347)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(2 014 347)</b>	<b>(2 014 347)</b>
Share issue 21 March 2012	300 000	2 700 000	-	3 000 000
<b>Balance sheet as at 31 March 2012</b>	<b>2 127 000</b>	<b>13 293 000</b>	<b>3 061 763</b>	<b>18 481 763</b>

### Share capital

All shares and voting rights of the company are held by DNB Bank ASA. Share capital at beginning of 2012 was NOK 1 827 million (18 270 000 shares at NOK 100).

In March 3 000 000 shares were issued to DNB Bank ASA. Emission price per share was NOK 1 000. After the issuance share capital was increased by NOK 300 million to NOK 2 127 million (21 270 000 shares) and Share premium reserve was increased by NOK 2 700 million to NOK 13 293 million.



# Statement of cash flows

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2012	1 st quarter 2011	Full year 2011	Full year 2010
<b>OPERATING ACTIVITIES</b>				
Net receipts/payments on loans to customers	(5 273 490)	(5 549 287)	(28 730 139)	(24 275 588)
Interest received from customers	4 604 630	3 519 749	15 766 239	12 687 292
Net receipts on commissions and fees	14 263	10 483	61 921	43 964
Payments for operating expenses	(114 701)	(440 782)	(749 972)	(1 143 483)
Taxes paid	(6 373)	-	(776 499)	-
Other receipts	1 616	1 515	5 525	6 538
<b>Net cash flow relating to operating activities</b>	<b>(774 054)</b>	<b>(2 458 322)</b>	<b>(14 422 925)</b>	<b>(12 681 277)</b>
<b>INVESTING ACTIVITIES</b>				
Net purchase of loan portfolio	(11 487 649)	(9 632 327)	(36 859 177)	(36 187 985)
<b>Net cash flow relating to investment activities</b>	<b>(11 487 649)</b>	<b>(9 632 327)</b>	<b>(36 859 177)</b>	<b>(36 187 985)</b>
<b>FINANCING ACTIVITIES</b>				
Net receipts/payments on loans from credit institutions	4 280 193	(11 358 632)	428 827	(8 454 473)
Net receipts/payments on other short-term liabilities	-	86 109	-	-
Net issue of bonds	6 797 755	25 962 752	65 430 487	66 380 203
Issue of subordinated loan capital	-	-	-	-
Redemptions of subordinated loan capital	-	-	(730 000)	-
Repurchase of own shares/share issue	3 000 000	-	2 500 000	-
Group contribution paid	-	-	(1 200 000)	-
Interest payments on financing activities	(4 116 594)	(2 987 463)	(13 069 530)	(10 249 407)
<b>Net cash flow from financing activities</b>	<b>9 961 354</b>	<b>11 702 765</b>	<b>53 359 784</b>	<b>47 676 324</b>
<b>Net cash flow</b>	<b>(2 300 349)</b>	<b>(387 883)</b>	<b>2 077 682</b>	<b>(1 192 938)</b>
Cash at beginning of period	2 698 489	620 807	620 807	1 813 745
Net receipts/payments on cash	(2 300 349)	(387 884)	2 077 682	(1 192 938)
Cash at end of period	398 140	232 923	2 698 489	620 807

The statement of cash flows has been prepared in accordance with the direct method and shows receipts and payments of cash and cash equivalents during the year. Cash and cash equivalents is defined as cash and deposits with central banks and deposits with credit institutions with no agreed period of notice. Included in the cash balances at end of period, is restricted amounts of NOK 1 327.940 (NOK 693.040 for 2011) related to withholding employee taxes.

## **Note 1      Accounting principles**

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The financial statements for the first quarter of 2012 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at 31 December 2011.

The company's accounting principles and methods of estimates are consistent with those applied in the preparation of the annual financial statements for 2011. There are no new or amended accounting standards or interpretations entered into force in 2012 that have affect for the interim report.

The accounts for the first quarter were approved by the Board of Directors on the 2<sup>nd</sup> of May 2012.

### **Operating segments**

The company has operations within one operating segment only according to IFRS 8 *Operating segments*. Profits for the segment totalled to NOK - 2 billion for the first quarter of 2012. The company uses the information in the statement of comprehensive income and balance sheet also in its internal reporting.

## **Note 2      Significant accounting judgements, estimates and assumptions**

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The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions about future conditions that affect reported income, expenses, assets and liabilities. Use of available information and applications of judgement are inherent in the information estimates. Actual results in the future may differ from such estimates, and the differences may be material to the financial statements. A more detailed description of important estimates and assumptions is presented in the annual report for 2011 in note 1 *Significant accounting judgements, estimates and assumptions*.

## Note 3 Capital adequacy

### Primary capital

<i>Amounts in NOK 1 000</i>	<b>DNB Boligkreditt AS</b>	
	31 March 2012	31 Dec. 2011
Share capital	2 127 000	1 827 000
Other equity	18 369 110	15 669 110
Total equity	20 496 110	17 496 110
Deductions		-
50 percent expected losses, IRB-portfolios	(398 842)	(197 524)
Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	(965 437)	(1 742 619)
Allocated group contributions for payment	(720 000)	(720 000)
Loss for the period	(2 014 347)	-
Tier 1 capital <sup>1)</sup>	16 397 484	14 835 967
Term subordinated loan capital	2 350 000	2 350 000
Deductions		
Remaining maturity of less than 5 years	-	-
50 percent expected losses, IRB-portfolios	398 842	197 524
Tier 2 capital	1 951 158	2 152 476
Total eligible primary capital	18 348 642	16 988 443
Risk-weighted volume	195 889 321	190 438 189
Minimum capital requirement	15 671 146	15 235 055
Core capital ratio (%)	8.4	7.8
Capital ratio (%)	9.4	8.9

DNB Boligkreditt AS complies to the Basel II regulations.

Due to transitional rules, the minimum capital requirement for 2012 cannot be reduced below 80 per cent in relation to the requirements according to Basel I rules.

Capital adequacy for the first quarter is reported according to the transitional rules.

The schedule below shows capital adequacy according to Basel II without regard to the rules of transition.

<i>Amounts in NOK 1 000</i>	<b>DNB Boligkreditt AS</b>	
	31 March 2012	31 Dec. 2011
Risk-weighted volume, Basel II	76 959 741	76 741 392
Minimum capital requirement, Basel II	6 156 779	6 139 311
Core capital ratio (%)	21.3	22.1
Capital ratio (%)	23.8	19.3

1) The loss for the period is included in core capital.

## **Note 4      Credit risk**

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Credit risk is the risk that the company will incur a loss because its customers or counterparties fail to meet their contractual obligations. Credit risk arises from loans and loan commitments as well as from derivatives. The maximum exposure to credit risk, according to IFRS, is the gross carrying amount of the assets, net of any amounts offset in accordance with the standards and net of any recognised impairment losses. In addition, certain off-balance sheet items such as loan commitments represent credit risk. The maximum exposure of loan commitments is the irrevocable amount that may be drawn upon in the future.

DNB Boligkreditt has adopted the credit risk policies as set by the DNB Group. The group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relation to such limits. Collateral are taken to manage credit risk in the loan portfolios. According to the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS", the day to day monitoring of the loans are managed by DNB Bank on behalf of DNB Boligkreditt.

DNB's risk classification system is divided into ten risk classes where 1 represents the lowest and 10 the highest risk. The classification system is based on the probability of default (PD) which is an estimate of the likelihood of a counterparty defaulting on its contractual obligations.

DNB Boligkreditt's majority of credit risk is related to loans to customers with collateral security in residential property, holiday homes and housing associations. DNB Boligkreditt acquires the loans from DNB Bank. The loans are originally granted to customers by DNB Bank, based on the group's policies and limits. At the time of transfer of loan portfolios from DNB Bank to DNB Boligkreditt, only loans that qualify as collateral for the issue of covered bonds according to the Financial Institutions Act, are accepted by the company. For all these loans, a mortgage over the property is taken and the value of the total loan balance per property should not exceed 75 per cent of the total value of the property. The collateral value is monitored on an ongoing basis.

Credit risk also arises from derivative financial instruments. The maximum credit risk related to derivatives is limited to those with a positive fair value in the balance sheet. All derivative contracts, both those with a current positive value and current negative value, are entered into with DNB Bank ASA as counterparty

## **Note 5      Market risk**

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Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

Market risk arises as a consequence of open positions in interest rates and foreign exchange rates. Changes in these rates may affect both the company's total comprehensive income for the period as well as values in the balance sheet.

### **Currency risk**

Currency risk may arise from DNB Boligkreditt's debt securities that are denominated in foreign currencies. DNB Boligkreditt has eliminated this currency risk through currency swap agreements with DNB Bank. All issued debt is swapped to NOK.

In accordance with the bank's policy, positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

### **Interest rate risk**

The company is exposed to interest rate risk through its ordinary operations. The company's strategy is to swap all interest risk exposure to short-term interest. The Board of Directors sets interest risk limits for various fixed-rate periods. The positions are monitored on a daily basis, and monthly exposure reports are prepared for the management and for The Board of Directors.

### **Basis risk**

Basis risk arises from hedging relationships and is the risk that the change in price/value of the hedging instrument may not entirely match the change in price/value of the item being hedged. The changes in price/value of the instruments in the hedging relationship don't match as the instruments may have different duration, liquidity risk, yield curves etc. This imperfect correlation between hedging instrument and hedging object creates fluctuations in the company's comprehensive income.

For DNB Boligkreditt, basis risk arises from the hedging relationships related to swapping issued bond securities nominated in foreign currencies to Norwegian kroner and to short-term interest. The hedging strategy combines bonds denominated in foreign currencies, cross currency interest rate swaps and basis swaps. This combination of bonds and derivatives meets the requirements and limits set out in DNB Boligkreditt's hedging strategy and any remaining basis risk is accepted as part of this strategy. The hedge relationships are set up at the time of issuing the bonds and are continuously monitored until maturity. Over this period, from day to day, there may be significant variations in the valuation changes of the basis swaps which causes unrealized gains and losses in the total comprehensive income for the period.

## Note 6 Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due.

The Board of Directors sets annual limits for the company's liquidity risk, which means preparing liquidity risk limits, contingency plans, organisational aspects and responsibilities, forecasts, stress tests, routines for monitoring limit utilisation and compliance with guidelines, management reporting and independent monitoring of management and control systems.

Covered bonds are the company's primary source of funding. According to Section 2-32 of the Financial Institutions Act: "*the mortgage institution shall ensure that payment flows from the cover assets at all times enable the mortgage institution to meet its payment obligations to the owners of bonds with preferential rights and counterparties in derivative agreements*". The aim is that liquidity flows from the lending activity and the funding activity should be as similar as possible. The company's Board of Directors has decided that the company shall, at all times, have positive cash flows within the next 12 months. In the situation where the net cash flow from the lending and funding activities is negative, the company has a long-term overdraft facility in DNB ASA with a total limit of NOK 130 billion.

According to Section 6 in the regulations on sound liquidity management, "the institution shall analyze the liquidity situation by means of stress tests, which must be adapted to the scope, complexity and risk of operations. Experience from the stress tests shall be used when the Board of Directors considers the liquidity strategy and approves liquidity risk limits". As part of its liquidity risk management, the company prepares liquidity stress tests with quarterly reporting to the Board of Directors. Important parameters in the stress tests are developments in non-performing volume and reductions in housing prices.

DNB Boligkreditt AS's liquidity situation at end of first quarter 2012 can be characterised as sound.

## Note 7 Net interest income

	DNB Boligkreditt AS			
	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK 1 000</i>	2012	2011	2011	2010
Interest on loans and deposits with credit institutions	17 808	14 863	33 488	51 140
Interest on loans to customers	4 571 037	3 513 797	15 650 369	12 602 510
Front-end fees	4 817	81	4 273	2 983
Other interest income	42 999	42 063	167 428	158 468
<b>Total interest income</b>	<b>4 636 661</b>	<b>3 570 804</b>	<b>15 855 558</b>	<b>12 815 101</b>
Interest on due to credit institutions	633 998	670 562	3 226 883	2 971 639
Interest on debt securities issued	2 828 123	2 306 662	10 383 508	7 709 541
Interest on subordinated loan capital	31 610	33 905	145 340	134 341
Net interest income/expenses, derivatives	516 128	(29 608)	432 375	(320 182)
<b>Total interest expenses</b>	<b>4 009 859</b>	<b>2 981 521</b>	<b>14 188 105</b>	<b>10 495 338</b>
<b>Net interest income</b>	<b>626 802</b>	<b>589 283</b>	<b>1 667 453</b>	<b>2 319 763</b>

## Note 8 Net gains on financial instruments

DNB Boligkreditt AS

Amounts in NOK 1 000	1st quarter	1st quarter	Full year	Full year
	2012	2011	2011	2010
Net gains on loans at fair value (fixed-rate loans)	(298 116)	(240 234)	293 214	6 513
Net gains on financial liabilities (long-term borrowing in NOK) <sup>1)</sup>	(915 290)	795 825	263 607	1 239 743
Total gains on financial instruments, designated as at fair value	(1 213 405)	555 592	556 821	1 246 256
Net gains on foreign exchange and financial derivatives, trading <sup>2)</sup>	(1 943 794)	(405 931)	1 474 371	441 752
Net gains on financial derivatives, hedged risk <sup>3) 4)</sup>	78 878	(3 339 157)	7 537 191	(2 985 209)
Net gains on financial liabilities, hedged risk <sup>3) 4)</sup>	(78 878)	3 339 157	(7 537 191)	2 985 209
<b>Net gains on financial instruments at fair value</b>	<b>(3 157 199)</b>	<b>149 660</b>	<b>2 031 192</b>	<b>1 688 008</b>

- 1) DNB Boligkreditt's long-term borrowing in Norwegian kroner is carried at fair value. Changes in the credit risk premium affect the value of such funding. Reduced risk premiums imply an increase in the market value of existing funding and have a negative impact on the company's profits, even though reduced risk premiums are positive and give the company access to cheaper funding. Mark-to-market adjustments of the company's Norwegian kroner debt are reversed over the loans' remaining term to maturity. There was a NOK 1 079.4 million increase in market values in first quarter 2012 (negative effect on profits) due to such risk premium effects, compared with a NOK 1 374.8 million decline in value in 2011 (positive effect on profits). Accumulated positive Mark-to-market effects at end of first quarter 2012 were NOK 1 340.9 million. Other effects mainly relate to changes in underlying money market rates.
- 2) DNB Boligkreditt enters into swaps to manage interest-rate risk for the fixed-rate loans and bonds issued in Norwegian kroner. Such derivatives are recorded at fair value and designated as trading instruments. Additionally the company enters into basis swaps to manage basis risk. DNB Boligkreditt's long-term borrowing in foreign currencies is converted to Norwegian kroner by means of cross-currency basis swaps with the same maturities. For funding in Euro, basis swaps from Euro to Norwegian kroner are entered into. These derivatives are carried at fair value. There may be significant variations in the valuation of the basis swaps from day to day, which causes unrealised gains and losses in the total comprehensive income for the period. The hedge relationships are set up at the time of issuing the bonds and are continuously monitored until maturity. There was a NOK 1 731.2 million decrease in market values in first quarter 2012 (negative effect on profits) due to such margin and maturity effects related to basis swaps, compared with a NOK 1 366.7 million increase in value in 2011 (positive effect on profits). Accumulated positive Mark-to-market effects by end of first quarter 2012 were NOK 270.3 million, compared with NOK 2 001.5 million by year-end 2011.
- 3) With respect to hedged liabilities, the hedged risk is recorded at fair value, while the rest of the instrument is recorded at amortised cost. Derivatives used for hedging are recorded at fair value. Changes in fair value arising from hedged risk are presented under Net gains on financial derivatives, hedging.
- 4) DNB Boligkreditt uses hedge accounting for long-term borrowing in foreign currency. Loans are hedged 1:1 through contracts where there is high correlation between currencies, interest rate flows and the hedging instrument. The hedging relationships are accounted for as fair value hedges. In the table, the interest rate exposure of the NOK leg of the interest rate swaps is included in changes in value of the hedging instrument. However, the NOK leg of the hedging transaction will be exposed to 3- month interest rates. This effect is included as part of "net gains on foreign exchange and financial derivatives, trading"

## Note 9 Operating expenses

DNB Boligkreditt AS

Amounts in NOK 1 000	1st quarter	1st quarter	Full year	Full year
	2012	2011	2011	2010
Ordinary salaries	3 122	3 856	12 927	13 393
Employer's national insurance contributions	457	582	1 886	2 127
Pension expenses	1 387	1 681	2 795	2 251
Social expenses	493	517	1 210	1 524
<b>Total salaries and other personnel expenses</b>	<b>5 459</b>	<b>6 636</b>	<b>18 819</b>	<b>19 294</b>
Fees <sup>1)</sup>	279 121	321 575	545 963	1 279 234
Other operating expenses	304	512	3 276	2 923
<b>Other expenses</b>	<b>279 425</b>	<b>322 087</b>	<b>549 239</b>	<b>1 282 156</b>
<b>Total operating expenses</b>	<b>284 884</b>	<b>328 723</b>	<b>568 058</b>	<b>1 301 451</b>

- 1) Fees are mainly management fees paid to DNB Bank ASA for services rendered according to the management agreement. See also note 13.

## Note 10 Loans to customers

### DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March	31 Dec.	31 March	31 Dec.
	2012	2011	2011	2010
Loans to customers at amortised cost, nominal amount	424 562 926	422 698 297	388 072 969	372 959 074
Individual impairments	40 896	31 710	33 635	33 888
Loans to customers, net of impairment allowances	424 522 030	422 666 587	388 039 334	372 925 186
+ Accrued interest	900 058	890 933	803 190	786 348
– Individual impairments on accrued interest	37 589	38 262	28 474	26 391
<b>Loans to customers, at amortised cost</b>	<b>425 384 498</b>	<b>423 519 259</b>	<b>388 814 050</b>	<b>373 685 144</b>
Loans to customers at fair value, nominal amount	54 507 090	39 610 581	23 828 206	23 760 488
Individual impairments	105	4 158	1 275	-
Loans to customers, net of impairment allowances	54 506 985	39 606 423	23 826 931	23 760 488
+ Accrued interest	117 806	88 510	58 612	56 238
+ Adjustment to fair value	239 137	537 253	3 805	244 039
<b>Loans to customers, at fair value</b>	<b>54 863 928</b>	<b>40 232 185</b>	<b>23 889 348</b>	<b>24 060 765</b>
– Collective impairments	134 994	136 585	123 743	105 500
<b>Total loans to customers</b>	<b>480 113 433</b>	<b>463 614 859</b>	<b>412 579 655</b>	<b>397 640 408</b>

### Impairment allowances

### DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March	31 Dec.	31 March	31 Dec.
	2012	2011	2011	2010
Individual impairments	41 001	35 868	34 910	33 888
Individual impairments on accrued interest	37 589	38 262	28 474	26 391
Collective impairments	134 994	136 585	123 743	105 500
<b>Impairment allowances as at end of period</b>	<b>213 584</b>	<b>210 715</b>	<b>187 127</b>	<b>165 779</b>

### Specifications of changes in impairment allowances

### DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March	31 Dec.	31 March	31 Dec.
	2012	2011	2011	2010
New individual impairments	14 435	24 305	9 644	11 592
Increased individual impairments	6 138	-	1 693	19 572
Reduced individual impairments	(15 433)	(23 451)	(10 125)	(41 014)
Changes in individual impairments on accrued interest	(673)	11 871	2 083	9 204
Changes in individual impairments, expensed during the period	4 467	12 725	3 295	(646)
Write offs	-	-	(390)	-
Changes due to acquisitions or disposal of loans	(7)	1 162	200	4 331
<b>Total changes in individual impairment allowances for the period</b>	<b>4 460</b>	<b>13 887</b>	<b>3 105</b>	<b>3 686</b>
Changes in collective impairment allowances	(1 591)	31 085	18 243	15 500
<b>Total changes in impairment allowances for the period</b>	<b>2 869</b>	<b>44 972</b>	<b>21 348</b>	<b>19 185</b>

## Note 10 Loans to customers (continued)

### Impairment charges on loans and commitments for the period

### DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2012	1st quarter 2011	Full year 2011	Full year 2010
Changes in individual impairments	4 467	3 295	12 725	(646)
Changes in collective impairments	(1 591)	18 243	31 085	15 500
Write-offs of loan balances not previously impaired	610	1 924	31 988	18 195
Recoveries of previous write-offs	(5 183)	31	(623)	(269)
<b>Total impairment on loans and commitments</b>	<b>(1 697)</b>	<b>23 493</b>	<b>75 175</b>	<b>32 780</b>



## Note 11 Debt securities issued

### Debt securities issued

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March	31 Dec.	31 March	31 Dec.
	2012	2011	2011	2010
Listed covered bonds, nominal amount	317 604 891	315 343 426	278 101 494	256 306 184
Private placements under the bond programme, nominal amount	35 795 615	35 910 509	31 990 181	28 704 488
<b>Total bonds, nominal amount</b>	<b>353 400 506</b>	<b>351 253 935</b>	<b>310 091 675</b>	<b>285 010 672</b>
Accrued interest	3 603 482	4 517 478	3 813 986	3 695 850
Unrealised gains/losses	9 025 058	7 501 917	(3 414 599)	699 023
<b>Total adjustments</b>	<b>12 628 539</b>	<b>12 019 395</b>	<b>399 387</b>	<b>4 394 873</b>
<b>Total debt securities issued</b>	<b>366 029 045</b>	<b>363 273 330</b>	<b>310 491 063</b>	<b>289 405 545</b>

Unrealised gains/losses comprise of adjustments for net gain/loss attributable to hedged risk on debt securities that are accounted for as hedged items and mark-to-market adjustments on debt securities that are designated as at fair value through profit or loss (fair value option).

DNB Boligkreditt AS

### Changes in debt securities issued

<i>Amounts in NOK 1 000</i>	Balance sheet	Issued	Matured/ redeemed	Exchange rate movements	Changes in	Balance sheet
	31 March				valuation	31 Dec.
	2012	2012	2012	2012	adjustments	2011
					2012	2011
Bond debt, nominal amount	353 400 506	33 712 755	(26 915 500)	(4 650 683)	-	351 253 934
Valuation adjustments	12 628 539	-	-	-	609 144	12 019 395
<b>Total debt securities issued</b>	<b>366 029 045</b>	<b>33 712 755</b>	<b>(26 915 500)</b>	<b>(4 650 683)</b>	<b>609 144</b>	<b>363 273 329</b>

DNB Boligkreditt AS

### Maturity of debt securities issued

<i>Amounts in NOK 1 000</i>	NOK	Foreign	Total
		currency	
2012	-	12 982 861	12 982 861
2013	-	16 080 085	16 080 085
2014	22 500 000	-	22 500 000
2015	6 782 500	37 395 703	44 178 203
2016	27 100 000	53 627 654	80 727 654
2017	41 500 000	41 135 997	82 635 997
2018 and later	28 872 000	65 423 707	94 295 707
<b>Total bond debt</b>	<b>126 754 500</b>	<b>226 646 006</b>	<b>353 400 506</b>

### Debt securities issued - matured/redeemed during the quarter

DNB Boligkreditt AS

*Amounts in NOK 1 000*

ISIN Code	Matured/ redeemed amount	Currency	Interest	Issued	Matured			
						31 March	31 Dec.	
						2012	2011	
NO 0010477706	13 181 500	NOK	Floating	2008	2015	Redeemed	1 032 500	14 214 000
NO 0010485329	13 734 000	NOK	Floating	2009	2013	Redeemed	-	13 734 000
<b>Total debt securities issued, nominal value</b>							<b>1 032 500</b>	<b>27 948 000</b>

The table shows matured and redeemed bonds during the period. The value per 31 December 2011 is the nominal value translated at the foreign currency rate at 31 December 2011. The remaining amounts in the 31 March 2012 shows remaining nominal amount at foreign exchange rate at end quarter, for bonds that are partly redeemed during the period.

## Note 11 Debt securities issued (continued)

### Cover pool

#### DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March 2012	31 Dec. 2011	31 March 2011	31 Dec. 2010
Pool of eligible loans	472 851 702	456 967 256	403 744 732	388 579 135
Market value of eligible derivatives	6 199 293	12 923 443	(460 282)	6 869 437
Supplementary assets	-	-	-	-
<b>Total collateralised assets</b>	<b>479 050 996</b>	<b>469 890 700</b>	<b>403 284 450</b>	<b>395 448 572</b>
Debt securities issued, carrying value	366 029 045	363 273 330	310 491 063	289 405 545
Valuation changes attributable to changes in credit risk on debt carried at fair value	1 050 896	2 143 299	1 334 852	1 045 558
<b>Debt securities issued, valued according to regulation <sup>1)</sup></b>	<b>367 079 941</b>	<b>365 416 629</b>	<b>311 825 915</b>	<b>290 451 103</b>
Collateralisation	131 %	129 %	129 %	136 %

1) *The debt securities issued are bonds with preferred rights in the appurtenant cover pool. The composition and calculation of values in the cover pool are defined in Sections 2-28 and 2-31 of the Financial Institutions Act with appurtenant regulations.*

## Note 12 Subordinated capital

### DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Nominal	currency	Interest rate	Issue date	Maturity date	31 March 2012	31 Dec. 2011	31 March 2011	31 Dec. 2010
Term subordinated loan capital	350 000	NOK	3 month Nibor + 35 bp	2006	2016	0	0	350 000	350 000
Term subordinated loan capital	150 000	NOK	3 month Nibor + 20 bp	2007	2017	0	0	150 000	150 000
Term subordinated loan capital	230 000	NOK	3 month Nibor + 20 bp	2007	2017	0	0	230 000	230 000
Term subordinated loan capital	300 000	NOK	3 month Nibor + 75 bp	2007	2017	300 000	300 000	300 000	300 000
Term subordinated loan capital	1 200 000	NOK	3 month Nibor + 152 bp	2008	2018	1 200 000	1 200 000	1 200 000	1 200 000
Term subordinated loan capital	850 000	NOK	3 month Nibor + 400 bp	2009	2019	850 000	850 000	850 000	850 000
Adjustments						9 591	10 836	9 856	9 705
<b>Total</b>						<b>2 359 591</b>	<b>2 360 836</b>	<b>3 089 856</b>	<b>3 089 705</b>

## Note 13 Related parties

DNB Boligkreditt AS is a subsidiary within the DNB Group. During the quarter many transactions, mostly related to the ordinary course of business, take place between DNB Boligkreditt and other group entities. All transactions are at markets terms. Major transactions with related parties:

### DNB Bank ASA

DNB Bank ASA (the bank) is the parent of DNB Boligkreditt. As part of ordinary business transactions, a large number of banking transactions are entered into between DNB Boligkreditt and the bank, including loans, deposits and financial derivatives used in currency and interest rate risk management. The transactions are regulated in the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS" (the transfer agreement) and the "Contract concerning purchase of management services" (the management agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. During the first quarter of 2012, portfolios of NOK 10.9 billion were transferred from the bank to DNB Boligkreditt.

Pursuant to the management agreement, DNB Boligkreditt purchases services from the bank, including administration, bank production, distribution, customer contact, IT operations, financial and liquidity management. DNB Boligkreditt pays a monthly management fee for these services based on the lending volume under management and the achieved lending spreads. The management fee paid is recognised as "Other expenses" in the statement of comprehensive income and amounted to NOK 269.1 million for the first quarter of 2012.

In the balance sheet "Loans to and deposits with credit institutions" and "Due to credit institutions" are solely outstandings with DNB Bank. All derivative contracts are with DNB Bank as counterparty. At end-March, the bank had invested NOK 82.1 billion in covered bonds issued by DNB Boligkreditt.

### DNB Livsforsikring ASA

As part of the company's ordinary investment activity, DNB Livsforsikring has subscribed for covered bonds issued by DNB Boligkreditt. At end-March 2012, DNB Livsforsikring's holding of listed DNB Boligkreditt bonds was valued at NOK 5.2 billion.

### DNB Næringskreditt AS

DNB Næringskreditt has no employees and purchases administrative services from DNB Boligkreditt. The fee received for such services is recognised as "Other income" in the income statement and amounted to NOK 1.7 million for the first quarter of 2012.

### Nordlandsbanken ASA

Nordlandsbanken is also a subsidiary of DNB Bank ASA. DNB Boligkreditt has acquired residential mortgages from Nordlandsbanken. The transfer and management of mortgages are regulated in the "Agreement relating to transfer of loan portfolio between Nordlandsbanken ASA and DNB Boligkreditt AS" (the transfer agreement) and the "Contract concerning purchase of management services" (the servicing agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. During the first quarter of 2012, portfolios of NOK 0.6 billion were transferred from Nordlandsbanken to DNB Boligkreditt. Pursuant to the servicing agreement, DNB Boligkreditt purchases services from the bank, including administration, bank production, distribution, customer contact and IT operations. DNB Boligkreditt pays a monthly management fee for these services based on the lending volume under management and the achieved lending spread. The management fee is recognised as "Other expenses" in the income statement and amounted to NOK 5.8 million for the first quarter of 2012.

## **Note 14    Contingencies and post balance sheet events**

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DNB Boligkreditt is not involved in any legal actions

# Key figures

## DNB Boligkreditt AS

	1st quarter 2012	1st quarter 2011	Full year 2011	Full year 2010
1. Return on equity, annualised (%) <sup>1)</sup>	(48.3)	8.7	16.3	16.0
2. Core (Tier 1) capital ratio at end of period (%)	8.4	7.0	7.8	7.4
3. Capital adequacy ratio at end of period (%)	9.4	8.8	8.9	9.3
4. Core capital at end of period (NOK 1000)	16 397 484	11 837 080	14 835 967	11 843 335
5. Risk-weighted volume at end of period (NOK 1000)	195 889 321	168 035 074	190 438 189	159 126 275
6. Write-downs relative to net lending to customers, annualised	(0.00)	0.02	0.02	0.01
7. Net non-performing and impaired commitments, per cent of net lending	0.14	0.15	0.14	0.14
8. Net non-performing and impaired commitments at end of period (NOK 1 000)	657 461	629 242	661 694	569 802
9. Number of full-time positions at end of period	12	14	11	15

1) Average equity is calculated on the basis of book value of equity.

# Profit and balance sheet trends

## Statement of comprehensive income

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2012	4th quarter 2011	3rd quarter 2011	2nd quarter 2011	1st quarter 2011
Total interest income	4 636 661	4 444 113	4 138 482	3 702 160	3 570 804
Total interest expenses	4 009 859	4 119 080	3 798 532	3 288 973	2 981 521
<b>Net interest income</b>	<b>626 802</b>	<b>325 034</b>	<b>339 950</b>	<b>413 187</b>	<b>589 283</b>
Commissions and fees income	14 722	18 357	17 606	16 954	10 957
Commissions and fees expenses	459	500	505	473	474
Net gains/(losses) on financial instruments	(3 157 199)	1 668 540	824 536	(611 544)	149 660
Other income	1 616	1 441	1 153	1 415	1 515
<b>Net other operating income</b>	<b>(3 141 319)</b>	<b>1 687 838</b>	<b>842 790</b>	<b>(593 648)</b>	<b>161 659</b>
<b>Total income</b>	<b>(2 514 517)</b>	<b>2 012 871</b>	<b>1 182 740</b>	<b>(180 461)</b>	<b>750 941</b>
Salaries and other personnel expenses	5 459	4 940	3 104	4 139	6 636
Other expenses	279 425	21 839	57 273	148 040	322 087
<b>Total operating expenses</b>	<b>284 884</b>	<b>26 779</b>	<b>60 376</b>	<b>152 179</b>	<b>328 723</b>
Impairments on loans and commitments	(1 697)	10 438	26 126	15 118	23 493
<b>Operating profit before tax</b>	<b>(2 797 705)</b>	<b>1 975 654</b>	<b>1 096 238</b>	<b>(347 758)</b>	<b>398 725</b>
Tax expense	(783 357)	553 185	306 947	(97 372)	111 643
<b>Profit for the period</b>	<b>(2 014 347)</b>	<b>1 422 468</b>	<b>789 292</b>	<b>(250 386)</b>	<b>287 082</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(2 014 347)</b>	<b>1 422 468</b>	<b>789 292</b>	<b>(250 386)</b>	<b>287 082</b>

## Balance sheets

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March 2012	31 Dec. 2011	30 Sep. 2011	30 June 2011	31 March 2011
<b>Assets</b>					
Loans to and deposits with credit institutions	398 140	2 698 489	195 169	202 232	232 923
Loans to customers	480 113 433	463 614 859	446 361 117	433 883 311	412 579 655
Financial derivatives	24 511 598	23 980 579	18 807 923	9 742 171	9 816 553
Other assets	11 687	8 623	42 751	5 654	-
<b>Total assets</b>	<b>505 034 858</b>	<b>490 302 551</b>	<b>465 406 959</b>	<b>443 833 368</b>	<b>422 629 131</b>
<b>Liabilities and equity</b>					
Due to credit institutions	99 097 087	94 735 465	98 863 944	92 478 079	82 948 006
Financial derivatives	18 314 798	11 060 854	7 173 872	10 560 949	10 276 835
Debt securities issued	366 029 045	363 273 330	341 936 593	324 443 991	310 491 063
Taxes payable	286 373	292 746	321 218	14 271	1 238 413
Deferred taxes	205 930	989 287	407 630	407 630	407 630
Other liabilities	230 577	64 227	9 494	24 108	248 613
Provisions	29 696	29 696	29 980	29 980	29 980
Subordinated loan capital	2 359 591	2 360 836	3 090 588	3 089 909	3 089 856
<b>Total liabilities</b>	<b>486 553 097</b>	<b>472 806 440</b>	<b>451 833 318</b>	<b>431 048 917</b>	<b>408 730 396</b>
Share capital	2 127 000	1 827 000	1 577 000	1 577 000	1 577 000
Share premium reserve	13 293 000	10 593 000	8 343 000	8 343 000	8 343 000
Retained earnings	3 061 763	5 076 110	3 653 641	2 864 451	3 978 736
<b>Total equity</b>	<b>18 481 763</b>	<b>17 496 110</b>	<b>13 573 641</b>	<b>12 784 451</b>	<b>13 898 736</b>
<b>Total liabilities and equity</b>	<b>505 034 858</b>	<b>490 302 551</b>	<b>465 406 959</b>	<b>443 833 368</b>	<b>422 629 131</b>

# Contact information

## **DNB ASA**

Mailing address NO-0021 Oslo  
Visiting address Stranden 21, Oslo  
Telephone +47 915 03000  
Internet dnb.no  
Organisation number NO 981 276 957

## **DNB Bank ASA**

Mailing address NO-0021 Oslo  
Visiting address Stranden 21, Oslo  
Telephone +47 915 03000  
Internet dnb.no  
Organisation number NO 984 851 006

## **DNB Boligkreditt AS**

Organisation number: 985 621 551  
Mailing address: NO-0021 Oslo  
Visiting address: Kongens gate 20, Oslo

## **Chief executive officer**

Øyvind Birkeland  
Tel: +47 950 59 700  
oyvind.birkeland@dnb.no

## **Financial reporting**

Roar Sørensen  
Tel: +47 934 79 616  
roar.sorensen@dnb.no

## **Rating and investor information**

Håkon Røsand  
Tel: +47 906 16 892  
hakon.rosand@dnb.no

## **Other sources of information**

### **Annual reports**

DNB Boligkreditt AS is part of the DNB Bank Group and the DNB Group. Annual reports for DNB Boligkreditt AS, the DNB Bank Group and the DNB Group are available on [www.dnb.no](http://www.dnb.no).

### **Quarterly publications**

Quarterly reports are available on [www.dnb.no](http://www.dnb.no)

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