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DNB BOLIGKREDITT AS  
- a company in the DNB Group

Third quarter report 2012  
(UNAUDITED)

# Key figures

DNB Boligkreditt AS

<b>Statement of comprehensive income</b>	3rd quarter	3rd quarter	January - September		Full year
<i>Amounts in NOK million</i>	2012	2011	2012	2011	2011
Net interest income	1 031	340	2 656	1 342	1 667
Net other operating income	(746)	843	(3 376)	411	2 099
- net gains (losses) on financial instruments at fair value	(765)	825	(3 430)	363	2 031
Operating expenses	702	60	1 589	541	568
Impairments on loans and commitments	(8)	26	(2)	65	75
Operating profit before tax	(409)	1 096	(2 307)	1 147	3 123
Taxes	(115)	307	(646)	321	874
<b>Profit for the period</b>	<b>(295)</b>	<b>789</b>	<b>(1 661)</b>	<b>826</b>	<b>2 248</b>

<b>Balance sheet</b>	30 Sept.	31 Dec.	30 Sept.
<i>Amounts in NOK million</i>	2012	2011	2011
Total assets	541 807	490 303	465 407
Loans to customers	512 112	463 615	446 361
Debt securities issued	370 254	363 273	341 937
Total equity	22 115	17 496	13 574

<b>Key figures</b>	3rd quarter	3rd quarter	January - September		Full year
<i>Per cent</i>	2012	2011	2012	2011	2011
Combined weighted total average spread for loans	0.59	0.15	0.52	0.27	0.23
Return on equity, annualised <sup>1)</sup>	(6.2)	24.4	(12.3)	8.4	16.3
Tier 1 capital ratio at end of period	10.3	6.5	10.3	6.5	7.8
Capital ratio at end of period	11.4	8.0	11.4	8.0	8.9
Impairments relative to net loans to customers, annualised	0.00	0.02	0.00	0.03	0.02
Net non-performing and impaired loans, per cent of net loans	0.14	0.15	0.14	0.15	0.14

<sup>1)</sup> Average equity is calculated on the basis of book value of equity.

# Third quarter report 2012

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# Directors' report

## Operations in the first three quarters of 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. 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.

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 reported a pre-tax operating loss of NOK 2 307 million for the first three quarters of 2012, compared with a pre-tax operating profit of NOK 1 147 million for the same period in 2011. There was a loss of NOK 1 661 million for the period, compared with a profit of NOK 826 million in the first three quarters of 2011. The loss in 2012 is mainly due to negative changes in the value of financial instruments used for hedging purposes. The value changes are due to credit spread effects on the company's covered bonds and spread effects of the swaps used for hedging purposes. There was a significant gain from mark-to-market adjustments of financial instruments prior to 2012, followed by a decline in the value of such instruments in the first three quarters of 2012. DNB Boligkreditt will typically record a high level of unrealised gains when financial markets are volatile, and vice versa when markets stabilise. Gains and losses from such instruments tend to vary considerably from quarter to quarter and will typically be reversed in subsequent periods due to stabilising markets or because the maturity dates of the instruments are approaching.

The company's residential mortgage portfolio totalled NOK 512.1 billion at end-September, rising by NOK 65.7 billion or 14.7 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 370.3 billion at end-September 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. The bonds issued have an AAA rating from all three agencies.

The market remained attractive for covered bonds issuers with strong credit ratings during the first half of 2012, but the third quarter was characterized by low activity. The company issued covered bonds of NOK 2.8 billion in the third quarter of 2012.

## Review of the third quarter 2012 accounts

### Statement of comprehensive income

DNB Boligkreditt recorded a pre-tax operating loss of NOK 409 million in the third quarter of 2012, compared with a profit of NOK 1 096 million in the third quarter of 2011. There was a loss of NOK 295 million for the quarter, compared with a profit of NOK 789 million in the third quarter of the previous year.

The company's operating income was NOK 285 million in the third quarter of 2012, while operating income totalled NOK 1 183 million in the third quarter of 2011.

Net interest income totalled NOK 1 031 million, up from NOK 340 million in the third quarter of 2011. The improvement was due to wider interest rate spreads.

Net other operating income was negative at NOK 746 million,

while operating income totalled NOK 843 million in the third quarter of 2011. The result in the third quarter reflects the negative effects of unrealised changes in the market value of covered bonds and financial instruments.

The markets stabilised in the third quarter of 2012, thus increasing the market value of the company's debt.

The company's operating expenses totalled NOK 702 million in the third quarter of 2012, up from NOK 60 million a year before. Operating expenses are volatile due to the management fee paid to DNB Bank. The cooperation with DNB Bank is formalised through an extensive servicing agreement that ensures DNB Boligkreditt sound competence in key areas and cost-effective operations. The management fee calculation is based primarily on lending volume and the spreads achieved. For the current quarter, the management fee to the bank was NOK 674 million, up from NOK 52 million in the third quarter of 2011. The increase was due to improved interest rate spreads.

The company recorded net recoveries on loans of NOK 7.8 million in the third quarter, compared with net impairments of NOK 26.1 million in the same period in 2011. The Board of Directors considers the level of impairments to be satisfactory relative to the high quality of the loan portfolio.

### Balance sheet and assets under management

At the end of September 2012, DNB Boligkreditt had total assets of NOK 541.8 billion under management, an increase of NOK 51.5 billion or 10.5 per cent from year-end 2011.

Net lending to customers rose by NOK 48.5 billion or 10.5 per cent during the first three quarters of 2012, standing at NOK 512.1 billion at end-September. During the third quarter, net lending to customers increased by NOK 15.5 billion. 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 three quarters of 2012, debt securities issued by the company increased by a net NOK 7.0 billion, to NOK 370.3 billion. In the third quarter, there was a net decrease of NOK 9.9 billion. DNB Boligkreditt issued covered bonds under existing programmes totalling NOK 47.8 billion during the first half of 2012 and NOK 2.8 billion in the third quarter of 2012.

The company's loans from credit institutions were NOK 122.7 billion at end-September 2012, up from NOK 94.7 billion at year-end 2011. This reflects the amount drawn 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 are 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 stable return on equity, but does not take the effects of unrealised changes in the value of financial instruments into consideration.

Net non-performing loans represented 0.14 per cent of total loans at end-September 2012, down from 0.15 per cent a year earlier. 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 third quarter of 2012, the company issued new shares through a private placement with DNB Bank, increasing the company's equity by NOK 4.0 billion. As at 30 September 2012, the company's equity totalled NOK 22.1 billion, of which NOK 21.6 billion represented Tier 1 capital.

Total primary capital in the company was NOK 23.8 billion. The Tier 1 capital ratio was 10.3 per cent, while the capital adequacy ratio was 11.4 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.

### **New regulatory framework**

The Basel III regulatory framework, which introduces stricter capital adequacy and liquidity requirements, is scheduled to be implemented in the EU/EEA in the form of a new capital requirements directive, CRD IV, during the spring of 2013. The Norwegian Ministry of Finance has prepared draft legislation and a consultation paper for implementing CRD IV in Norway and aims to approve changes in regulations in 2013.

Meanwhile, Norwegian supervisory authorities require that risk-weighted volume must represent minimum 80 per cent of risk-weighted volume measured according to standard risk weights under the Basel I rules.

### **Macroeconomic development**

Norway's major trading partners have experienced sluggish economic growth thus far in 2012. There are high and rising

unemployment levels in most European countries. A number of countries are struggling with high sovereign debt levels and budget deficits. Parallel to this, the required fiscal policy tightening will contribute to lower future growth, which will make it more difficult to find a way out of the sovereign debt crisis. Thus, the weak growth in Europe could prevail for several years ahead. Economic growth has slowed in China, India and other emerging economies, which puts a further damper on growth.

Housing prices have continued to show a clear upward trend. High population growth, a moderate number of new residential properties, higher employment levels, a stable and low unemployment rate, strong wage growth and prospects of continuing low interest rate levels point towards a further increase in housing prices and reduce the risk of a short-term fall in prices. Relatively high housing prices and stricter equity requirements introduced by Finanstilsynet could put a damper on price growth.

At end-September 2012, housing prices were approximately 3.8 per cent higher than at year-end 2011, and 7.3 per cent higher than a year earlier. Apartments once again showed the most favourable price development.

Towards the end of 2011, Finanstilsynet (the Financial Supervisory Authority of Norway) announced revised 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, this seems to have had a minor impact on housing prices and market growth for residential mortgages.

The covered bonds market was affected by the sovereign debt situation in a number of European countries during 2011. In the first three quarters of 2012, there was a more positive situation for covered bonds.

### **Future prospects**

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 any 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.

Oslo, 24 October 2012

The Board of Directors of DNB Boligkreditt AS

Bjørn Erik Næss  
(chairman)

Ingrid Tjønneland

Stein Ove Steffensen

Elisabeth Ege

Rein Øsebak

Øyvind Birkeland  
(chief executive officer)

# Statement of comprehensive income

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Note	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
Interest income	7	4 751 542	4 138 482	14 083 751	11 411 445	15 855 558
Interest expenses	7	3 720 711	3 798 532	11 428 103	10 069 026	14 188 105
<b>Net interest income</b>	<b>7</b>	<b>1 030 831</b>	<b>339 950</b>	<b>2 655 648</b>	<b>1 342 420</b>	<b>1 667 453</b>
Commissions and fees income		18 571	17 606	51 438	45 516	63 873
Commissions and fees expenses		447	505	1 359	1 451	1 952
Net gains/(losses) on financial instruments	8	(765 249)	824 536	(3 430 293)	362 652	2 031 192
Other income		1 268	1 153	4 194	4 084	5 525
<b>Net other operating income</b>		<b>(745 857)</b>	<b>842 790</b>	<b>(3 376 019)</b>	<b>410 801</b>	<b>2 098 639</b>
<b>Operating income</b>		<b>284 974</b>	<b>1 182 740</b>	<b>(720 371)</b>	<b>1 753 220</b>	<b>3 766 091</b>
Salaries and other personnel expenses	9	3 578	3 104	14 039	13 878	18 819
Other expenses	9, 13	698 414	57 273	1 574 722	527 400	549 239
<b>Operating expenses</b>	<b>9</b>	<b>701 992</b>	<b>60 376</b>	<b>1 588 761</b>	<b>541 279</b>	<b>568 058</b>
Impairments on loans and commitments	10	(7 810)	26 126	(1 749)	64 736	75 174
<b>Operating profit before tax</b>		<b>(409 208)</b>	<b>1 096 238</b>	<b>(2 307 384)</b>	<b>1 147 206</b>	<b>3 122 859</b>
Tax expense		(114 578)	306 947	(646 067)	321 218	874 403
<b>Profit for the period</b>		<b>(294 630)</b>	<b>789 292</b>	<b>(1 661 316)</b>	<b>825 988</b>	<b>2 248 456</b>
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>(294 630)</b>	<b>789 292</b>	<b>(1 661 316)</b>	<b>825 988</b>	<b>2 248 456</b>

# Balance sheet

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Note	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
<b>Assets</b>				
Loans to and deposits with credit institutions	13	216 754	2 698 489	195 169
Loans to customers	10	512 111 624	463 614 859	446 361 117
Financial derivatives	13	29 469 666	23 980 579	18 807 923
Other assets		8 745	8 623	42 751
<b>Total assets</b>		<b>541 806 789</b>	<b>490 302 551</b>	<b>465 406 959</b>
<b>Liabilities and equity</b>				
Due to credit institutions	13	122 663 187	94 735 465	98 863 944
Financial derivatives	13	23 454 955	11 060 854	7 173 872
Debt securities issued	11	370 254 176	363 273 330	341 936 593
Payable taxes		(0)	292 746	321 218
Deferred taxes		437 594	989 287	407 630
Other liabilities		493 958	64 227	9 392
Provisions		29 696	29 696	29 980
Subordinated loan capital	12	2 358 431	2 360 836	3 090 588
<b>Total liabilities</b>		<b>519 691 997</b>	<b>472 806 440</b>	<b>451 833 216</b>
Share capital		2 527 000	1 827 000	1 577 000
Share premium reserve		16 893 000	10 593 000	8 343 000
Retained earnings		2 694 793	5 076 110	3 653 743
<b>Total equity</b>		<b>22 114 793</b>	<b>17 496 110</b>	<b>13 573 743</b>
<b>Total liabilities and equity</b>		<b>541 806 789</b>	<b>490 302 551</b>	<b>465 406 959</b>

# Statements of changes in equity

## DNB Boligkreditt AS

<i>Amounts in NOK 1000</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	-	-	825 988	825 988
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>825 988</b>	<b>825 988</b>
Group contribution paid			(864 000)	(864 000)
<b>Balance sheet as at 30 September 2011</b>	<b>1 577 000</b>	<b>8 343 000</b>	<b>3 653 643</b>	<b>13 573 643</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			(1 661 316)	(1 661 316)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1 661 316)</b>	<b>(1 661 316)</b>
Group contribution paid			(720 000)	(720 000)
Share issue 21 March 2012	300 000	2 700 000	-	3 000 000
Share issue 25 September 2012	400 000	3 600 000	-	4 000 000
<b>Balance sheet as at 30 September 2012</b>	<b>2 527 000</b>	<b>16 893 000</b>	<b>2 694 793</b>	<b>22 114 793</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. Issue 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.

In September 4 000 000 shares were issued to DNB Bank ASA. Issue price per share was NOK 1 000. After the issuance share capital was increased by NOK 400 million to NOK 2 527 million (25 270 000 shares) and share premium reserve was increased by NOK 3 600 million to NOK 16 893 million.



# Statements of cash flows

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	January - September 2012	2011	Full year 2011
<b>Operating activities</b>			
Net receipts/payments on loans to customers	(17 343 577)	(20 576 107)	(28 730 139)
Interest received from customers	14 051 288	11 360 702	15 766 239
Net receipts on commissions and fees	50 079	44 065	61 921
Payments for operating expenses	(1 156 311)	(804 621)	(749 972)
Taxes paid	(6 373)	(776 499)	(776 499)
Other receipts	4 194	4 084	5 525
<b>Net cash flow relating to operating activities</b>	<b>(4 400 699)</b>	<b>(10 748 376)</b>	<b>(14 422 925)</b>
<b>Investing activities</b>			
Net purchase of loan portfolio	(30 356 320)	(27 836 819)	(36 859 177)
<b>Net cash flow relating to investment activities</b>	<b>(30 356 320)</b>	<b>(27 836 819)</b>	<b>(36 859 177)</b>
<b>Financing activities</b>			
Net receipts/payments on loans from credit institutions	27 876 138	4 557 306	428 827
Net receipts/payments on other short-term liabilities	-	(7 340)	-
Net issue of bonds	10 530 730	43 822 079	65 430 487
Redemptions of subordinated loan capital	-	-	(730 000)
Share issue	7 000 000	-	2 500 000
Group contribution paid	(1 000 000)	(1 200 000)	(1 200 000)
Interest payments on financing activities	(12 131 583)	(9 012 488)	(13 069 530)
<b>Net cash flow from financing activities</b>	<b>32 275 285</b>	<b>38 159 557</b>	<b>53 359 784</b>
<b>Net cash flow</b>	<b>(2 481 735)</b>	<b>(425 638)</b>	<b>2 077 682</b>
Cash at beginning of period	2 698 489	620 807	620 807
Net receipts/payments on cash	(2 481 735)	(425 638)	2 077 682
Cash at end of period	216 754	195 169	2 698 489

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 479.000 (NOK 693.040 for 2011) related to withholding employee taxes.

## Note 1 Accounting principles

The financial statements for the third 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 third quarter were approved by the Board of Directors on the 24<sup>th</sup> of October 2012.

### Operating segments

The company has operations within one operating segment only according to IFRS 8 *Operating segments*. The segment gave a negative return of NOK 1.7 billion for the first three quarters 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

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	DNB Boligkreditt AS	
	30 Sept. 2012	31 Dec. 2011
<i>Amounts in NOK 1 000</i>		
Share capital	2 527 000	1 827 000
Other equity	19 587 793	15 669 110
Total equity	22 114 793	17 496 110
Deductions		
50 percent expected losses, IRB-portfolios	(207 504)	(197 524)
Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	(282 996)	(1 742 619)
Allocated group contributions for payment	-	(720 000)
Tier 1 capital <sup>1)</sup>	21 624 293	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	(207 504)	(197 524)
Tier 2 capital	2 142 496	2 152 476
Total eligible primary capital	23 766 789	16 988 443
Risk-weighted volume	208 995 813	190 438 189
Minimum capital requirement	16 719 665	15 235 055
Tier 1 capital ratio (%)	10.3	7.8
Capital ratio (%)	11.4	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 second 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.

DNB Boligkreditt AS	30 Sept.	31 Dec.
	2012	2011
<i>Amounts in NOK 1 000</i>		
Risk-weighted volume, Basel II	82 458 163	76 741 392
Minimum capital requirement, Basel II	6 596 653	6 139 311
Tier 1 capital ratio (%)	26.2	19.3
Capital ratio (%)	28.8	22.1

1) The loss for the period is included in Tier 1 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 with cross currency swaps (basis swaps) and interest rate 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 140 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 third quarter 2012 can be characterised as sound.

## Note 7 Net interest income

	DNB Boligkreditt AS				
	3rd quarter	3rd quarter	January - September		Full year
<i>Amounts in NOK 1 000</i>	2012	2011	2012	2011	2011
Interest on loans and deposits with credit institutions	1 387	1 547	23 432	16 352	33 488
Interest on loans to customers	4 700 263	4 095 776	13 917 343	11 268 953	15 650 369
Front-end fees	3 990	800	10 965	834	4 273
Other interest income	45 901	40 358	132 012	125 306	167 428
<b>Interest income</b>	<b>4 751 542</b>	<b>4 138 482</b>	<b>14 083 751</b>	<b>11 411 445</b>	<b>15 855 558</b>
Interest on due to credit institutions	633 570	907 113	1 871 858	2 351 203	3 226 883
Interest on debt securities issued	2 548 508	2 705 844	8 051 896	7 452 748	10 383 508
Interest on subordinated loan capital	27 397	37 386	87 922	106 662	145 340
Net interest income/expenses, derivatives	511 235	148 189	1 416 428	158 412	432 375
<b>Interest expenses</b>	<b>3 720 711</b>	<b>3 798 532</b>	<b>11 428 103</b>	<b>10 069 026</b>	<b>14 188 105</b>
<b>Net interest income</b>	<b>1 030 831</b>	<b>339 950</b>	<b>2 655 648</b>	<b>1 342 420</b>	<b>1 667 453</b>

## Note 8 Net gains on financial instruments

DNB Boligkreditt AS

Amounts in NOK 1 000	3rd quarter	3rd quarter	January - September		Full year
	2012	2011	2012	2011	2011
Net gains on loans at fair value (fixed-rate loans)	713 030	452 442	748 335	320 898	293 214
Net gains on financial liabilities (long-term borrowing in NOK) <sup>1)</sup>	(1 245 663)	(331 352)	(2 301 847)	(568 451)	263 607
Total gains on financial instruments, designated as at fair value	(532 633)	121 090	(1 553 512)	(247 553)	556 821
Net gains on foreign exchange and financial derivatives, trading <sup>2)</sup>	(232 615)	703 446	(1 876 781)	610 205	1 474 371
Net gains on financial derivatives, hedging <sup>3) 4)</sup>	2 658 007	(4 830 341)	5 150 131	(6 272 633)	7 537 191
Net gains on financial liabilities, hedged items <sup>3) 4)</sup>	(2 658 007)	4 830 341	(5 150 131)	6 272 633	(7 537 191)
<b>Net gains on financial instruments at fair value</b>	<b>(765 249)</b>	<b>824 536</b>	<b>(3 430 293)</b>	<b>362 652</b>	<b>2 031 192</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 1 021.5 million increase in market values in the third quarter of 2012 (negative effect on profits) due to credit risk premium effects, compared with a NOK 567.6 million decrease in value in the third quarter of 2011 (positive effect on profits). For the first three quarters of 2012, there was a NOK 2 027.3 million increase in market values (negative effect on profits). For the year 2011, there was a decline in value of NOK 1 374.8 million (positive effect on profits). Accumulated positive Mark-to-market effects at the end of third quarter of 2012 were NOK 393.0 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.

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 value 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 43.5 million increase in market values in the third quarter of 2012 (positive effect on profits) due to margin and maturity effects related to basis swaps, compared with a NOK 361.4 million increase in the third quarter of 2011. For the year 2011, there was a NOK 1 366.7 million increase in value (positive effect on profits). Accumulated positive Mark-to-market effects by the end of the third quarter 2012 were NOK 794.1 million, compared with NOK 2 001.5 million by year-end 2011.

3) Derivatives that are designated as hedging instruments in hedging relationships are recorded at fair value. Changes in fair value arising from hedged risk are presented under Net gains on financial derivatives, hedging.

4) With respect to hedged liabilities, the hedged risk is also recorded at fair value, while the rest of the instruments is recorded at amortised cost. 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. 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 three-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	3rd quarter	3rd quarter	January - September		Full year
	2012	2011	2012	2011	2011
Ordinary salaries	2 609	2 247	9 258	9 530	12 927
Employer's national insurance contributions	433	328	1 430	1 424	1 886
Pension expenses	247	219	1 951	1 928	2 795
Social expenses	288	310	1 401	996	1 210
<b>Total salaries and other personnel expenses</b>	<b>3 578</b>	<b>3 104</b>	<b>14 039</b>	<b>13 878</b>	<b>18 819</b>
Fees <sup>1)</sup>	696 515	56 188	1 571 961	524 642	545 963
Other operating expenses	1 898	1 084	2 761	2 758	3 276
<b>Other expenses</b>	<b>698 414</b>	<b>57 273</b>	<b>1 574 722</b>	<b>527 400</b>	<b>549 239</b>
<b>Total operating expenses</b>	<b>701 992</b>	<b>60 376</b>	<b>1 588 761</b>	<b>541 279</b>	<b>568 058</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

	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
<i>Amounts in NOK 1 000</i>			
Loans to customers at amortised cost, nominal amount	445 076 140	422 698 297	419 570 570
– Individual impairments	31 406	31 710	37 623
Loans to customers, net of impairment allowances	445 044 734	422 666 587	419 532 947
+ Accrued interest	883 922	890 933	819 027
– Individual impairments on accrued interest	40 272	38 262	34 960
<b>Loans to customers, at amortised cost</b>	<b>445 888 385</b>	<b>423 519 259</b>	<b>420 317 014</b>
Loans to customers at fair value, nominal amount	64 932 635	39 610 581	25 561 918
– Individual impairments	12 929	4 158	2 449
Loans to customers, net of impairment allowances	64 919 706	39 606 423	25 559 469
+ Accrued interest	139 854	88 510	57 741
+ Adjustment to fair value	1 285 588	537 253	564 937
<b>Loans to customers, at fair value</b>	<b>66 345 148</b>	<b>40 232 185</b>	<b>26 182 147</b>
– Collective impairments	121 908	136 585	138 044
<b>Total loans to customers</b>	<b>512 111 624</b>	<b>463 614 859</b>	<b>446 361 117</b>

### Impairment allowances

### DNB Boligkreditt AS

	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
<i>Amounts in NOK 1 000</i>			
Individual impairments	44 335	35 868	40 072
Individual impairments on accrued interest	40 272	38 262	34 960
Collective impairments	121 908	136 585	138 044
<b>Impairment allowances as at end of period</b>	<b>206 514</b>	<b>210 715</b>	<b>213 077</b>

### Impairment expenses for the period

### DNB Boligkreditt AS

	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
<i>Amounts in NOK 1 000</i>			
Individual impairments	17 299	44 712	32 729
Collective impairments	(14 677)	31 085	32 544
Recoveries of previous write-offs	(4 370)	(623)	(537)
<b>Impairment expenses for the period</b>	<b>(1 749)</b>	<b>75 174</b>	<b>64 736</b>

## Note 11 Debt securities issued

Debt securities issued	DNB Boligkreditt AS		
<i>Amounts in NOK 1 000</i>	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
Listed covered bonds, nominal amount	314 491 758	315 343 426	295 280 832
Private placements under the bond programme, nominal amount	37 026 638	35 910 509	36 060 047
Total bonds, nominal amount	351 518 396	351 253 935	331 340 879
Accrued interest	3 252 917	4 517 478	3 420 711
Unrealised gains/losses	15 482 862	7 501 917	7 175 003
Total adjustments	18 735 780	12 019 395	10 595 714
<b>Total debt securities issued</b>	<b>370 254 176</b>	<b>363 273 330</b>	<b>341 936 593</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).

Changes in debt securities issued	DNB Boligkreditt AS					
<i>Amounts in NOK 1 000</i>	Balance sheet 30 Sept 2012	Issued 2012	Matured/ redeemed 2012	Exchange rate movements 2012	Changes in adjustments 2012	Balance sheet 31 Dec. 2011
Bond debt, nominal amount	351 518 396	50 627 538	(40 104 220)	(10 258 856)	-	351 253 934
Adjustments	18 735 780	-	-	-	6 716 385	12 019 395
<b>Total debt securities issued</b>	<b>370 254 176</b>	<b>50 627 538</b>	<b>(40 104 220)</b>	<b>(10 258 856)</b>	<b>6 716 385</b>	<b>363 273 330</b>

Maturity of debt securities issued	DNB Boligkreditt AS		
<i>Amounts in NOK 1 000</i>	NOK	Foreign currency	Total
2012	-	-	-
2013	-	15 596 900	15 596 900
2014	22 500 000	-	22 500 000
2015	6 782 500	36 638 104	43 420 604
2016	27 100 000	52 514 688	79 614 688
2017	41 500 000	39 896 331	81 396 331
2018 and later	31 622 000	77 367 872	108 989 872
<b>Total bond debt</b>	<b>129 504 500</b>	<b>222 013 896</b>	<b>351 518 396</b>

Debt securities issued - matured/redeemed during the period	DNB Boligkreditt AS							
<i>Amounts in NOK 1 000</i>							30 Sept 2012	31 Dec. 2011
ISIN Code	Matured/ redeemed amount	Currency	Interest	Issued	Matured	Matured		
XSO308736023	12 045 000	EUR	Fixed	2007	2012	Matured	-	12 045 000
<b>Total debt securities issued, nominal value</b>							<b>-</b>	<b>12 045 000</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 30 September 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>	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
Pool of eligible loans	506 140 008	456 967 256	438 357 307
Market value of eligible derivatives	6 018 009	12 923 443	11 639 315
Supplementary assets	-	-	-
<b>Total collateralised assets</b>	<b>512 158 017</b>	<b>469 890 700</b>	<b>449 996 622</b>
Debt securities issued, carrying value	370 254 176	363 273 330	341 936 593
Less valuation changes attributable to changes in credit risk on debt carried at fair value	118 779	2 143 299	1 305 988
<b>Debt securities issued, valued according to regulation <sup>1)</sup></b>	<b>370 372 955</b>	<b>365 416 629</b>	<b>343 242 581</b>
Collateralisation (per cent)	138.2	128.6	131.1

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	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
Term subordinated loan capital	350 000 NOK	3 month Nibor + 35 bp	2006	2016	0	0	350 000
Term subordinated loan capital	150 000 NOK	3 month Nibor + 20 bp	2007	2017	0	0	150 000
Term subordinated loan capital	230 000 NOK	3 month Nibor + 20 bp	2007	2017	0	0	230 000
Term subordinated loan capital	300 000 NOK	3 month Nibor + 75 bp	2007	2017	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
Term subordinated loan capital	850 000 NOK	3 month Nibor + 400 bp	2009	2019	850 000	850 000	850 000
Accrued interest					8 431	10 836	10 588
<b>Total</b>					<b>2 358 431</b>	<b>2 360 836</b>	<b>3 090 588</b>



## **Note 13      Related parties**

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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 third quarter of 2012, portfolios of NOK 9.4 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 674.2 million for the third 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-September, the bank had invested NOK 82.7 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-September 2012, DNB Livsforsikring's holding of listed DNB Boligkreditt bonds was valued at NOK 5.3 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 0.9 million for the third 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 third quarter of 2012, no portfolios 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 8.9 million for the third 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

	3rd quarter 2012	3rd quarter 2011	January - September		Full year
			2012	2011	2011
1. Return on equity, annualised (%) <sup>1)</sup>	(6.2)	24.4	(12.3)	8.4	16.3
2. Core (Tier 1) capital ratio at end of period (%)	10.3	6.5	10.3	6.5	7.8
3. Capital adequacy ratio at end of period (%)	11.4	8.0	11.4	8.0	8.9
4. Core capital at end of period (NOK 1000)	21 624 293	11 808 144	21 624 293	11 808 144	14 835 967
5. Risk-weighted volume at end of period (NOK 1000)	208 995 813	182 332 968	208 995 813	182 332 968	190 438 189
6. Write-downs relative to net lending to customers, annualised	0.00	0.02	0.00	0.03	0.02
7. Net non-performing and impaired commitments, per cent of net lending	0.14	0.15	0.14	0.15	0.14
8. Net non-performing and impaired commitments at end of period (NOK 1 000)	738 930	654 095	738 930	654 095	661 694
9. Number of full-time positions at end of period	12	12	12	12	11

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

	3rd quarter 2012	2nd quarter 2012	1st quarter 2012	4th quarter 2011	3rd quarter 2011
<i>Amounts in NOK 1 000</i>					
Interest income	4 751 542	4 695 548	4 636 661	4 444 113	4 138 482
Interest expenses	3 720 711	3 697 533	4 009 859	4 119 080	3 798 532
<b>Net interest income</b>	<b>1 030 831</b>	<b>998 015</b>	<b>626 802</b>	<b>325 034</b>	<b>339 950</b>
Commissions and fees income	18 571	18 145	14 722	18 357	17 606
Commissions and fees expenses	447	453	459	500	505
Net gains/(losses) on financial instruments	(765 249)	492 155	(3 157 199)	1 668 540	824 536
Other income	1 268	1 310	1 616	1 441	1 153
<b>Net other operating income</b>	<b>(745 857)</b>	<b>511 157</b>	<b>(3 141 319)</b>	<b>1 687 838</b>	<b>842 790</b>
<b>Operating income</b>	<b>284 974</b>	<b>1 509 172</b>	<b>(2 514 517)</b>	<b>2 012 871</b>	<b>1 182 740</b>
Salaries and other personnel expenses	3 578	5 002	5 459	4 940	3 104
Other expenses	698 414	596 883	279 425	21 839	57 273
<b>Operating expenses</b>	<b>701 992</b>	<b>601 885</b>	<b>284 884</b>	<b>26 779</b>	<b>60 376</b>
Impairments on loans and commitments	(7 810)	7 758	(1 697)	10 438	26 126
<b>Operating profit before tax</b>	<b>(409 208)</b>	<b>899 529</b>	<b>(2 797 705)</b>	<b>1 975 654</b>	<b>1 096 238</b>
Tax expense	(114 578)	251 868	(783 357)	553 185	306 947
<b>Profit for the period</b>	<b>(294 630)</b>	<b>647 661</b>	<b>(2 014 347)</b>	<b>1 422 468</b>	<b>789 292</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(294 630)</b>	<b>647 661</b>	<b>(2 014 347)</b>	<b>1 422 468</b>	<b>789 292</b>

## Balance sheet

DNB Boligkreditt AS

	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
<i>Amounts in NOK 1 000</i>					
<b>Assets</b>					
Lending to and deposits with credit institutions	216 754	1 775 132	398 140	2 698 489	195 169
Lending to customers	512 111 624	496 659 687	480 113 433	463 614 859	446 361 117
Financial derivatives	29 469 666	28 471 729	24 511 598	23 980 579	18 807 923
Other assets	8 745	9 225	11 687	8 623	42 751
<b>Total assets</b>	<b>541 806 789</b>	<b>526 915 773</b>	<b>505 034 858</b>	<b>490 302 551</b>	<b>465 406 959</b>
<b>Liabilities and equity</b>					
Loans and deposits from credit institutions	122 663 187	104 432 485	99 097 087	94 735 465	98 863 944
Financial derivatives	23 454 955	20 791 713	18 314 798	11 060 854	7 173 872
Debt securities issued	370 254 176	380 152 780	366 029 045	363 273 330	341 936 593
Payable taxes	(0)	-	286 373	292 746	321 218
Deferred taxes	437 594	552 172	205 930	989 287	407 630
Other liabilities	493 958	188 565	230 577	64 227	9 494
Provisions	29 696	29 696	29 696	29 696	29 980
Subordinated loan capital	2 358 431	2 358 938	2 359 591	2 360 836	3 090 588
<b>Total liabilities</b>	<b>519 691 997</b>	<b>508 506 350</b>	<b>486 553 097</b>	<b>472 806 440</b>	<b>451 833 318</b>
Share capital	2 527 000	2 127 000	2 127 000	1 827 000	1 577 000
Share premium reserve	16 893 000	13 293 000	13 293 000	10 593 000	8 343 000
Retained earnings	2 694 793	2 989 423	3 061 763	5 076 110	3 653 641
<b>Total equity</b>	<b>22 114 793</b>	<b>18 409 423</b>	<b>18 481 763</b>	<b>17 496 110</b>	<b>13 573 641</b>
<b>Total liabilities and equity</b>	<b>541 806 789</b>	<b>526 915 773</b>	<b>505 034 858</b>	<b>490 302 551</b>	<b>465 406 959</b>

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## **Other sources of information**

### **Annual and quarterly reports**

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



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