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DNB
BOLIGKREDITT AS

– a company in the DNB Group

First quarter report 2014
(Unaudited)

Key figures

DNB Boligkreditt AS

Statement of comprehensive income	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	2014	2013	2013	2012 ²⁾
Net interest income	2 010	1 456	7 169	4 031
Net other operating income	(553)	(52)	(631)	(3 469)
- net gains (losses) on financial instruments at fair value	(564)	(70)	(697)	(3 543)
Operating expenses	1 518	1 071	5 620	2 592
Impairments on loans and commitments	6	(7)	16	8
Pre tax operating profit	(66)	341	901	(2 038)
Taxes	(18)	96	51	(571)
Profit for the period	(49)	245	850	(1 467)

Balance sheet	31 March	31 March	31 Dec.	31 Dec.
<i>Amounts in NOK million</i>	2014	2013	2013	2012 ²⁾
Total assets	581 767	556 274	578 420	562 118
Loans to customers	536 325	525 702	532 284	519 362
Debt securities issued	410 855	404 385	420 451	382 531
Total equity	25 117	22 557	25 166	22 312

Key figures	1st quarter	1st quarter	Full year	Full year
<i>Per cent</i>	2014	2013	2013	2012 ²⁾
Combined weighted total average spread for loans ¹⁾	1.44	0.92	1.21	0.60
Return on equity, annualised ³⁾	(0.2)	4.5	3.6	(7.4)
Tier 1 capital ratio at end of period ⁴⁾	11.2	10.3	11.2	10.3
Capital ratio at end of period ⁴⁾	13.2	11.2	13.3	11.2
Impairments relative to net loans to customers, annualised	0.00	0.00	0.00	0.00
Net non-performing and impaired loans, per cent of net loans	0.15	0.13	0.14	0.13

1) Based on nominal values excluding impaired loans, measured against actual funding cost.

2) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles in the Annual Report 2013.

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

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

First quarter report 2014

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Directors' report

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 Personal Banking Norway 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 rating agencies' assessments are of significance to the company's funding terms. On 17 January 2014, Fitch Ratings affirmed and withdrew the A+ rating of both DNB Bank and its special purpose entity DNB Boligkreditt at the issuer's request. In addition, the rating on DNB Boligkreditt's covered bond programmes was affirmed at AAA and subsequently withdrawn. DNB Boligkreditt's covered bond programmes continue to be rated AAA by Moody's and Standard & Poor's.

Financial accounts

DNB Boligkreditt recorded a loss of NOK 49 million in the first quarter of 2014, compared with a profit of NOK 245 million in the first quarter of 2013.

Total income

Income totalled NOK 1 458 million in the first quarter of 2014, up from NOK 1 405 million in the year-earlier period.

<i>Amounts in NOK million</i>	1st quarter 2014	Change	1st quarter 2013
Total income	1 458	53	1 405
Net interest income		554	
Net commission and fee income		(6)	
Net gains (losses) on financial instruments at fair value		(494)	
Net other income		(1)	

The improvement in net interest income was mainly due to wider interest rate spreads.

The recorded losses on financial instruments reflect the effects of unrealised changes in the market value of covered bonds, derivatives and loans recorded at fair value. 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 negative effects of financial instruments in the first quarter of 2014 were mainly due to a reduction in the market value of basis swaps.

Operating expenses and impairment of loans

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. The size of the management fee to the bank is related to net interest income. The fee amounted to NOK 1 488 million in the first quarter of 2014, up from NOK 1 057 million in the first quarter the year before.

The company has generally recorded low impairment losses on loans. In the first quarter of 2014, impairment losses amounted to NOK 5.9 million. The Board of Directors considers the level of impairment to be satisfactory relative to the high quality of the loan portfolio.

Funding, liquidity and balance sheet

Balance sheet

At end-March 2014, DNB Boligkreditt had total assets of NOK 581.8 billion under management, an increase of NOK 25.5 billion or 4.6 per cent from end-March 2013.

<i>Amounts in NOK million</i>	31 March 2014	Change	31 March 2013
Total assets	581 767	25 493	556 267
Loans to customers		10 623	
Financial derivatives		15 510	
Other assets		(633)	
Total liabilities	556 650	22 933	533 717
Due to credit institutions		22 300	
Financial derivatives		(8 535)	
Debt securities issued		6 470	
Subordinated loan capital		2 802	
Other liabilities		(104)	

The increase in loans to customers originates from the acquisition of residential mortgage portfolios from DNB Bank and the sale of new loans through the bank's distribution network.

Debt securities issued increased by a net NOK 6.5 billion from end-March 2013. The company issued covered bonds under existing programmes totalling NOK 10.5 billion during the first quarter of 2014. Total debt securities issued amounted to NOK 410.9 billion as at 31 March 2014.

Risk and capital adequacy

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.

Changes in the market value of the company's bonds due to credit risk are monitored on a daily basis.

The servicing agreement with DNB Bank comprises administration, bank production, IT operations and financial and liquidity management. The fee structure in the servicing agreement shall ensure a stable return on equity, but does not take the effects of unrealised gains or losses on financial instruments into consideration. Operational risk is assessed to be low.

Negative developments in the housing market affect the company. 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.

As at 31 March 2014, the company's equity totalled NOK 25.1 billion, of which NOK 25.0 billion represented Tier 1 capital. Total primary capital in the company was NOK 29.4 billion. The Tier 1 capital ratio was 11.2 per cent, while the capital adequacy ratio was 13.2 per cent.

New regulatory framework

The EU's new capital adequacy regulations, CRR and CRD IV, entered into force on 1 January 2014. The regulations are based on the Basel Committee's recommendations on new and stricter capital and liquidity standards, Basel III. Norway has chosen to introduce the capital requirements earlier than on the implementation date specified in the international regulations. The new legislation became effective as of 1 July 2013 and requires a common equity Tier 1 capital ratio of minimum 9 per cent and a capital adequacy ratio of 12.5 per cent. The requirement will be increased to 10.0 per cent by 1 July 2014, while the capital adequacy requirement will be increased to 13.5 per cent.

Requirements have also been introduced for a special buffer for systemically important institutions of 2.0 per cent common equity Tier 1 capital, as well as a counter-cyclical capital buffer of maximum 2.5 per cent. These buffers will apply to banks, but are not relevant for DNB Boligkreditt.

In October 2013, the Ministry of Finance also determined rules for the weighting of bank's residential mortgages in capital adequacy calculations. For systemic reasons, the Norwegian authorities have increased capital calculated according to internal models. The minimum requirement for the model parameter "loss given default", LGD, has thus been increased from 10 to 20 per cent in the capital adequacy regulations. The requirements entered into force on 1 January 2014, and the Norwegian authorities have announced that it might be relevant to further increase residential mortgage risk weights by adjusting the bank's "probability of default", PD, estimate.

However, prevailing rules relating to the so-called Basel I floor will be retained until 2017. For DNB Boligkreditt, the Basel I floor will still represent the actual limit for risk-weighted assets, resulting in an actual risk weight of as much as 40 per cent on home mortgages. DNB Boligkreditt's average risk weight on residential mortgages is approximately 12 per cent according to Basel II. In order to meet the new requirements by 1 July 2014, DNB Boligkreditt will be further capitalised during the second quarter of 2014.

Macroeconomic developments

International economic growth increased somewhat through 2013. However, there were large differences between individual countries and regions. Among Norway's major trading partners, economic growth increased markedly in the US and Great Britain. The Swedish economy experienced an upswing towards the end of 2013, while the Danish economy has shown hardly any growth after the financial crisis. In the eurozone, there was a rise in GDP during the last three quarters of 2013, and unemployment stabilised at approximately 12 per cent. The picture is mixed among emerging economies. In Brazil and Russia, growth has slowed significantly, while growth has rebounded in India and remained stable in China.

In February, companies in Norges Bank's regional network reported moderate growth. Within petroleum-related manufacturing and the building and construction industry, production growth slowed down. However, the depreciation of the Norwegian krone and increased public investment contributed to higher production volumes for other manufacturing and commercial services. Private consumption increased moderately in 2013 parallel to a further rise in the savings rate.

After showing a downward trend in the autumn of 2013, housing prices are once again on the increase. Continued relatively high population growth, stable unemployment levels, moderate housebuilding activity and prospects of continued low interest rate levels point to a further rise in housing prices. Relatively high housing prices and moderate wage growth point to the contrary.

The market remained attractive for covered bond issuers with strong credit ratings in the first quarter of 2014. Lower returns in other asset classes seemed to have a positive impact on the demand for covered bonds from highly rated issuers. The volume of covered bonds issued in the euro market increased significantly in the first quarter of 2014 compared to the first quarter of 2013.

Future prospects

According to current economic forecasts, a cautious recovery is expected in both the Norwegian and the international economy during the remainder of 2014. Various business sentiment indicators show continued economic growth in both the EU and the US. Consumer confidence has picked up in Europe, and the increase in manufacturing output indicates sustained growth in both Europe and the US. This trend is positive for the Norwegian export industry, as these regions represent its key markets. In Norway, wage growth, including local pay increases, is estimated to be 3.3 per cent in 2014. This is below the level for the past few years, but still higher than in most peer countries.

In consequence of the interest rate increases implemented for personal and corporate customers in 2013, the level of interest income has risen. This was a step to meet the new capital requirements that will be gradually introduced. Despite the interest rate reductions that were announced in April 2014, stable weighted spreads are anticipated in the markets for personal customers. Lending volumes are expected to increase at an annual rate of 3 to 4 per cent in 2014. The company will build additional capital in accordance with the authorities' requirements.

Covered bonds have gained a leading position as a funding vehicle for Norwegian banks. Norwegian covered bonds still seem to be regarded as attractive investments with relatively low credit and market risk. The volume of covered bond issues in 2014 are expected to be on a level with 2013. This provides a further sound basis for DNB Boligkreditt's funding activities.

Oslo, 8 May 2014

The Board of Directors of DNB Boligkreditt AS

Bjørn Erik Næss
(chairman)

Eva-Lill Strandskogen

Reidar Bolme

Elisabeth Ege

Jørn Pedersen

Øyvind Birkeland
(chief executive officer)

Statement of comprehensive income

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Note	1st quarter 2014	1st quarter 2013	Full year 2013
Total interest income	7	5 143 823	4 820 150	20 475 799
Total interest expenses	7	3 133 518	3 363 762	13 307 101
Net interest income	7	2 010 305	1 456 387	7 168 699
Commission and fee income		10 297	15 880	61 843
Commission and fee expenses		482	479	2 014
Net gains (losses) on financial instruments at fair value	8	(563 919)	(70 003)	(697 112)
Other income		1 409	2 776	6 735
Net other operating income		(552 695)	(51 827)	(630 548)
Total income		1 457 610	1 404 561	6 538 150
Salaries and other personnel expenses	9	5 930	10 154	24 124
Other expenses	9, 15	1 512 270	1 060 696	5 596 364
Total operating expenses	9	1 518 200	1 070 849	5 620 488
Impairments on loans and commitments	10	5 897	(7 126)	16 260
Pre-tax operating profit		(66 488)	340 837	901 402
Taxes		(17 952)	95 626	51 068
Profit for the period		(48 536)	245 211	850 334
Other comprehensive income		-	-	3 509
Total comprehensive income for the period		(48 536)	245 211	853 843

Balance sheet

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	Note	31 March 2014	31 Dec. 2013	31 March 2013
Assets				
Due from credit institutions	14,15	742 392	347 081	1 379 957
Loans to customers	10,13,14	536 324 695	532 284 013	525 701 626
Financial derivatives	13,15	44 695 557	45 786 413	29 185 706
Other assets		4 821	2 199	(378)
Deferred tax assets				7 494
Total assets		581 767 465	578 419 706	556 274 405
Liabilities and equity				
Due to credit institutions	14,15	129 332 329	115 105 033	107 031 618
Financial derivatives	13,15	10 832 740	11 987 418	19 368 487
Debt securities issued	11,13,14	410 855 422	420 451 451	404 384 681
Payable taxes		108	108	507 187
Deferred taxes		193 940	211 892	-
Other liabilities		556 036	612 370	333 126
Provisions		19 876	25 500	34 283
Subordinated loan capital	12,14	4 859 999	4 860 381	2 058 106
Total liabilities		556 650 449	553 254 154	533 717 488
Share capital		2 727 000	2 727 000	2 527 000
Share premium		18 693 000	18 693 000	16 893 000
Other equity		3 697 016	3 745 552	3 136 918
Total equity		25 117 016	25 165 552	22 556 918
Total liabilities and equity		581 767 465	578 419 706	556 274 405

Statement of changes in equity

DNB Boligkreditt AS

<i>Amounts in NOK 1000</i>	Share capital	Share premium	Actuarial profit and loss	Other equity	Total equity
Balance sheet as at 31 December 2012	2 527 000	16 893 000	0	2 888 559	22 308 560
Implementation of the amended IAS 19 - Employee Benefits ¹⁾	-	-	3 147	-	3 147
Balance sheet as at 1 January 2013, restated	2 527 000	16 893 000	3 147	2 888 559	22 311 707
Profit for the period	-	-	-	245 211	245 211
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	0	245 211	245 211
Balance sheet as at 31 March 2013	2 527 000	16 893 000	3 147	3 133 770	22 556 918
Balance sheet as at 31 December 2013	2 727 000	18 693 000	6 656	3 738 894	25 165 552
Profit for the period	-	-	-	(48 536)	(48 536)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	0	(48 536)	(48 536)
Balance sheet as at 31 March 2014	2 727 000	18 693 000	6 656	3 690 358	25 117 016

1) Changes in accounting principles due to changes in IAS 19, ref. note 1 Accounting principles in the Annual Report 2013.

Share capital

All shares and voting rights of the company are held by DNB Bank ASA. Share capital at the beginning of 2014 was NOK 2 727 million (27 270 000 shares at NOK 100).

Statement of cash flows

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2014	Full year 2013	1st quarter 2013
Operating activities			
Net receipts/payments on loans to customers	177 929	5 355 932	(1 971 754)
Interest received from customers	5 111 721	20 396 081	4 668 802
Net receipts/payments on loans to/from credit institutions	13 831 568	(4 049 426)	(12 333 200)
Interest received from credit institutions	1 067	37 732	15 921
Interest paid to credit institutions	(695 787)	(2 931 117)	(836 239)
Net receipts/payments on the sale of financial assets for investment or trading	(40 993)	(19 265)	18 576
Net receipts on commissions and fees	9 815	59 828	15 401
Payments for operating expenses	(1 581 372)	(5 370 883)	(1 096 598)
Taxes received/paid	0	(282 830)	(39 696)
Net cash flow relating to operating activities	16 813 947	13 196 051	(11 558 788)
Investing activities			
Net purchase of loan portfolio	(3 751 361)	(18 104 918)	(4 121 598)
Net cash flow relating to investing activities	(3 751 361)	(18 104 918)	(4 121 598)
Financing activities			
Receipts on issued bonds and commercial paper	10 497 900	57 201 508	34 471 183
Payments on redeemed bonds and commercial paper	(21 129 500)	(46 842 563)	(16 400 000)
Interest payments on issued bonds and commercial paper	(2 385 328)	(11 935 490)	(3 322 313)
Receipts on the raising of subordinated loan capital	0	2 800 000	0
Interest payments on subordinated loan capital	(46 076)	(92 468)	(23 173)
Share issue	0	2 000 000	0
Net cash flow from financing activities	(13 063 004)	3 130 987	14 725 698
Net cash flow	(418)	(1 777 880)	(954 688)
Cash at beginning of period	59 689	1 837 569	1 837 569
Net receipts/payments of cash	(418)	(1 777 880)	(954 688)
Cash at end of period	59 272	59 689	882 882

As of 1 January 2013 due from credit institutions, previously presented as cash, is presented as part of net receipts/payments on loans from credit institutions in the net cash flow from financing activities.

During the fourth quarter of 2013, certain items in the cash flow statement were reclassified. Among other things, net receipts/ payments on loans to credit institutions and appurtenant interest were included in operating activities with effect from the fourth quarter of 2013. Prior to this, these items were included under financing activities. Comparable figures for previous periods have been restated.

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 709 808 (NOK 540 190 for 2013) related to withholding employee taxes.

Note 1 Accounting principles

The financial statements for the first quarter of 2014 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 2013.

The company's accounting principles and methods of estimates are consistent with those applied in the preparation of the annual financial statements for 2013. As from 1 January 2014, hedge accounting for long-term borrowings in foreign currency only takes into account interest rate risk.

The accounts for the first quarter were approved by the Board of Directors on 8th May 2014.

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 0.05 billion for the first quarter of 2014. 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 2013 in note 1 *Significant accounting judgements, estimates and assumptions*.

Note 3 Capital adequacy

Primary capital	DNB Boligkreditt AS	
	31 March 2014	31 Dec. 2013
<i>Amounts in NOK 1 000</i>		
Share capital	2 727 000	2 727 000
Other equity	22 390 016	22 438 552
Total equity	25 117 016	25 165 552
Deductions		
50 per cent expected losses, IRB-portfolios	(371 283)	(159 350)
Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	205 512	(73 565)
Allocated group contributions for payment	-	-
Tier 1 capital	24 951 245	24 932 637
Term subordinated loan capital	4 850 000	4 850 000
Deductions		
Remaining maturity of less than 5 years	-	-
50 per cent expected losses, IRB-portfolios	(371 283)	(159 350)
Tier 2 capital	4 478 717	4 690 650
Total eligible primary capital	29 429 962	29 623 287
Risk-weighted volume, transitional rules	223 565 728	222 032 203
Minimum capital requirement	17 885 258	17 762 576
Tier 1 capital ratio, transitional rules (%)	11.2	11.2
Capital ratio, transitional rules (%)	13.2	13.3

DNB Boligkreditt AS complies to the Basel II regulations.

Due to transitional rules, the minimum capital requirement for the first quarter of 2014 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	
	31 March 2014	31 Dec. 2013
<i>Amounts in NOK 1 000</i>		
Risk-weighted volume, Basel II	118 273 677	76 248 020
Minimum capital requirement, Basel II	9 461 894	6 099 842
Tier 1 capital ratio (%)	21.1	32.7
Capital ratio (%)	24.9	38.9

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

Specification of risk-weighted volume and capital requirements

	DNB Boligkreditt AS			
	Exposure 31 March 2014	EAD 31 March 2014	Risk-weighted volume 31 March 2014	Capital requirements 31 March 2014
<i>Amounts in NOK 1 000</i>				
IRB approach				
Corporate	6 317 664	6 317 664	3 621 850	289 748
Retail - residential property	543 585 467	543 585 467	88 837 790	7 107 023
Total credit-risk, IRB approach	549 903 132	549 903 132	92 459 640	7 396 771
Standardised approach				
Institutions	45 437 949	45 437 949	9 087 590	727 007
Corporate	16 316 938	16 316 938	5 722 737	457 819
Retail - residential property	12 631 712	12 631 712	4 470 358	357 629
Total credit-risk, standardised approach	74 386 599	74 386 599	19 280 685	1 542 455
Total credit-risk	624 289 731	624 289 731	111 740 325	8 939 226
Other assets			4 725	378
Market-risk, standardised approach			-	-
Operational risk			6 528 628	522 290
Deductions			-	-
Total risk-weighted volume and capital requirements before transitional rule			118 273 677	9 461 894
Additional capital requirements according to transitional rules				8 423 364
Capital requirements				17 885 258

Note 4 Credit risk

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 as counterparty.

Note 5 Market risk

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 minimized 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 and basis swap spreads

The company enters into basis swaps to manage foreign currency risk due to long-term borrowings in foreign currency.

The basis swaps are recorded at fair value. There may be significant variations in the value of the basis swaps from day-to-day due to increases or reductions in the spreads, which causes unrealized gains and losses in the income statement. Gains and losses from such instruments tend to vary considerably from quarter to quarter and will typically be reversed in subsequent periods due to stabilizing markets or because the maturity dates of the instruments are approaching.

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 company's Board of Directors has decided that the company shall, at all times, have positive cash flows within the next 12 months. In a 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 160 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 liquidity situation at the end of first quarter 2014 can be characterised as sound.

Note 7 Net interest income

	DNB Boligkreditt AS		
	1st quarter 2014	1st quarter 2013	Full year 2013
<i>Amounts in NOK 1 000</i>			
Interest on amounts due from credit institutions	1 067	15 921	37 732
Interest on loans to customers	5 089 266	4 753 068	20 230 435
Front-end fees etc.	271	2 244	3 641
Other interest income	53 219	48 918	203 991
Total interest income	5 143 823	4 820 150	20 475 799
Interest on amounts due to credit institutions	467 119	554 922	1 893 187
Interest on debt securities issued	2 587 782	2 467 269	10 404 585
Interest on subordinated loan capital	45 694	22 965	94 536
Net interest income/expenses, derivatives	32 923	318 605	914 793
Total interest expenses	3 133 518	3 363 762	13 307 101
Net interest income	2 010 305	1 456 387	7 168 699

Note 8 Net gains on financial instruments

DNB Boligkreditt AS

Amounts in NOK 1 000	1st quarter 2014	1st quarter 2013	Full year 2013
Net gains on loans at fair value (fixed-rate loans) ¹⁾	442 111	103 315	146 895
Net gains on financial liabilities (long-term borrowing in NOK) ²⁾	(345 488)	(9 488)	190 299
Total gains on financial instruments, designated as at fair value	96 623	93 827	337 194
Net gains on foreign exchange and financial derivatives, trading ³⁾	(796 463)	(163 831)	(1 034 306)
Net gains on financial derivatives, hedging ⁴⁾	4 599 977	1 207 216	27 611 659
Net gains on financial liabilities, hedged items ⁴⁾	(4 464 055)	(1 207 216)	(27 611 659)
Net gains (losses) on financial instruments at fair value	(563 919)	(70 003)	(697 112)

- 1) DNB Boligkreditt's fixed-rate loans are measured at fair value. Increased interest rates, including credit margins, will reduce the fair value of already originated loans. However, new loans granted with a higher interest rate, including credit margin, will over time lead to increased interest income. The fair value adjustments of the company's fixed-rate loans are reversed over the loans' remaining term to maturity.
- 2) DNB Boligkreditt's long-term borrowing in Norwegian kroner is carried at fair value. The market value of such funding is impacted by the interest rate, including own credit risk premium. Reduced interest rates, including own credit risk premium, will increase the fair value of already issued Norwegian kroner liabilities. However, new funding issued at lower credit risk premiums will over time lead to decreased interest expenses. The fair value adjustments of the company's Norwegian kroner debt are reversed over the loans' remaining term to maturity. There was a NOK 284.3 million increase in market values in the first quarter of 2014 (negative effect on profits) due to such credit risk premium effects, compared with a NOK 90.4 million increase in market values in the first quarter of 2012 (negative effect on profits). Accumulated negative mark-to-market effects by the end of the first quarter of 2014 were NOK 499.3 million, compared with a positive NOK 11.8 million by the end of the first quarter of 2012.
- 3) 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 foreign currency risk from DNB Boligkreditt's long-term borrowing in foreign currencies. The swaps are entered into at the time of issuing the bonds and are continuously monitored until maturity. Hedge accounting is not used for these economic hedges. These derivatives are carried at fair value. There may be significant variations in the value of the basis swaps from day to day, due to changes in basis swap spreads which is recorded as unrealised gains and losses in the total comprehensive income for the period. There was a NOK 582.7 million decrease in market values in the first quarter of 2014 (negative effect on profits) due to such basis swap spread effects, compared with a NOK 257.5 million decrease in the first quarter of 2013 (negative effect on profits). Accumulated negative mark-to-market effects by the end of the first quarter of 2014 were NOK 470.2 million, compared with accumulated positive effects of NOK 977.4 million by the end of the first quarter of 2013.
- 4) As from 1 January 2014, DNB Boligkreditt uses hedge accounting only for the interest rate component inherent in the long-term borrowings in foreign currency. With respect to hedged liabilities, the change in fair value of the hedged item is charged to the income statement. 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. Foreign currency borrowing is hedged with swaps ensuring a high correlation between interest rates on the hedged items and the hedging instruments. In the table, the interest rate exposure of the short leg of the swap, representing a three-month unhedged interest rate exposure, is included in changes in value of the hedging instrument.

Note 9 Operating expenses

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2014	1st quarter 2013	Full year 2013
Ordinary salaries	3 087	2 927	10 730
Employer's national insurance contributions	776	488	2 091
Severance package	0	4 780	7 731
Pension expenses	1 772	1 508	2 056
Social expenses	296	450	1 515
Salaries and other personnel expenses	5 930	10 154	24 124
Fees ¹⁾	1 511 978	1 060 354	5 593 195
Other operating expenses	291	342	3 169
Other expenses	1 512 270	1 060 696	5 596 364
Operating expenses	1 518 200	1 070 849	5 620 488

1) Fees are mainly management fees paid to DNB Bank ASA for services rendered according to the management agreement. See also note 15.

Note 10 Loans to customers

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March 2014	31 Dec. 2013	31 March 2013
Loans to customers at amortised cost, nominal amount	464 109 147	458 345 160	447 708 943
– Individual impairments	53 236	54 887	40 981
Loans to customers, net of impairment allowances	464 055 911	458 290 273	447 667 962
+ Accrued interest	889 473	859 045	927 032
– Individual impairments on accrued interest	45 570	43 323	37 985
Loans to customers, at amortised cost	464 899 814	459 105 995	448 557 009
Loans to customers at fair value, nominal amount	69 718 979	71 906 903	75 897 676
– Individual impairments	2 915	3 450	3 811
Loans to customers, net of impairment allowances	69 716 063	71 903 453	75 893 865
+ Accrued interest	145 942	145 334	170 787
+ Adjustment to fair value	1 677 913	1 235 801	1 192 222
Loans to customers, at fair value	71 539 918	73 284 589	77 256 874
– Collective impairments	115 037	106 571	112 257
Total loans to customers	536 324 695	532 284 013	525 701 626

Impairment allowances

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March 2014	31 Dec. 2013	31 March 2013
Individual impairments	56 151	58 337	44 792
Individual impairments on accrued interest	45 570	43 323	37 985
Collective impairments	115 037	106 571	112 257
Impairment allowances as at end of period	216 757	208 230	195 034

Note 10 Loans to customers (continued)

Impairment expenses for the period

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2014	1st quarter 2013	Full year 2013
Individual impairments	(2 032)	3 287	35 473
Collective impairments ¹⁾	8 466	(9 889)	(15 575)
Recoveries of previous write-offs	(537)	(524)	(3 637)
Impairment expenses for the period	5 897	(7 126)	16 260

1) Based on the DNB Group's calculation model and statistics. Further information about collective impairments can be found in note 1 Accounting principles.

Note 11 Debt securities issued

Debt securities issued

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March 2014	31 Dec. 2013	31 March 2013
Listed covered bonds, nominal amount	340 071 381	355 746 021	345 569 271
Private placements under the bond programme, nominal amount	49 877 782	48 460 758	39 547 440
Total bonds, nominal amount	389 949 161	404 206 779	385 116 712
Accrued interest	4 115 077	4 222 277	3 791 893
Unrealised gains/losses	16 791 183	12 022 396	15 476 077
Total adjustments	20 906 260	16 244 672	19 267 970
Total debt securities issued	410 855 422	420 451 451	404 384 681

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 31 March 2014	Issued 2014	Matured/ redeemed 2014	Exchange rate movements 2014	Changes in adjustments 2014	Balance sheet 31 Dec. 2013
Bond debt, nominal amount	389 949 161	10 497 900	(21 129 500)	(3 626 018)	-	404 206 779
Total adjustments	20 906 260	-	-	-	4 661 588	16 244 672
Total debt securities issued	410 855 422	10 497 900	(21 129 500)	(3 626 018)	4 661 588	420 451 451

Maturity of debt securities issued

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	NOK	Foreign currency	Total
2014	5 428 000	-	5 428 000
2015	5 890 000	40 187 022	46 077 022
2016	18 898 000	57 320 293	76 218 293
2017	17 105 000	44 696 039	61 801 039
2018	21 000 000	45 698 412	66 698 412
2019	18 622 000	18 730 222	37 352 222
2020 and later	9 500 000	86 874 173	96 374 172
Total bond debt	96 443 000	293 506 162	389 949 161

Note 11 Debt securities issued (continued)

Debt securities issued - matured/redeemed during the period

DNB Boligkreditt AS

Amounts in NOK 1 000

ISIN Code	Matured/ redeemed amount	Currency	Interest	Issued	Matured		31 March	31 Dec.
							2014	2013
NO0010477706	157 000	NOK	Floating	2008	2015	Called	390 000	547 000
NO0010485337	4 688 500	NOK	Floating	2009	2014	Called	-	4 688 500
NO0010495575	26 000	NOK	Floating	2010	2016	Called	9 698 000	9 724 000
NO0010503923	7 226 000	NOK	Floating	2009	2017	Called	-	7 226 000
NO0010503931	9 032 000	NOK	Floating	2010	2017	Called	7 800 000	16 832 000
Total debt securities issued, nominal value							17 888 000	39 017 500

Cover pool

DNB Boligkreditt AS

Amounts in NOK 1 000

	31 March 2014	31 Dec. 2013	31 March 2013
Pool of eligible loans	531 670 191	527 558 128	521 837 810
Market value of eligible derivatives	33 862 817	33 798 995	9 817 832
Supplementary assets	-	-	-
Total collateralised assets	565 533 009	561 357 123	531 655 642
Debt securities issued, carrying value	410 855 422	420 451 451	404 384 681
Less valuation changes attributable to changes in credit risk on debt carried at fair value	(640 993)	(413 808)	(239 161)
Debt securities issued, valued according to regulation ¹⁾	410 214 429	420 037 643	404 145 520
Collateralisation (per cent)	137.9	133.6	131.6

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

Amounts in NOK 1 000	Nominal	Currency	Interest rate	Issue date	Maturity date	31 March 2014	31 Dec. 2013	31 March 2013
Term subordinated loan capital	850 000	NOK	3 month Nibor + 400 bp	2009	2019	850 000	850 000	850 000
Term subordinated loan capital	4 000 000	NOK	3 month Nibor + 170 bp	2013	2023	4 000 000	4 000 000	-
Accrued interest						9 999	10 381	8 106
Total						4 859 999	4 860 381	2 058 106

Note 13 Financial instruments at fair value

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1

Valuation based on quoted, unadjusted prices in active markets for identical assets and liabilities. DNB Boligkreditt has no financial instruments in this category.

Level 2

Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Valuation of interest rate swaps and currency swaps is based on level 2 techniques. The valuation is based on swap curves that are based on observable market prices. Credit risk is considered to have an insignificant effect on the fair value.

Debt securities issued in Norwegian kroner are also measured at fair value based on level 2 techniques. The valuation of the bonds is primarily based on observable market data in the form of interest rate curves and credit margins.

Level 3

Techniques for which inputs that have a significant effect on the recorded fair value are not based on observable market data.

Loans to customers at fixed interest rates are measured at fair value based on level 3 techniques. The fair value of the loans are determined by discounting expected future cash flows over the term of the loans. The credit margin constitutes a major part of adjustments to fair value. However, the competition and transparency in the market in the form of interest rate barometers within this market segment implies that there is relatively little uncertainty to the margins applied in the valuation of these loans.

As at 31 March 2014	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	DNB Boligkreditt AS	Total
<i>Amounts in NOK 1 000</i>				Accrued interest ¹⁾	
Assets					
Loans to customers	-	-	71 396 891	145 942	71 542 833
Financial derivatives	-	44 695 557	-	-	44 695 557
Liabilities					
Debt securities issued	-	98 335 316	-	826 697	99 162 014
Financial derivatives	-	10 832 740	-	-	10 832 740

1) For financial derivatives, accrued interest on financial derivatives is included in the level 2- and level 3 amounts.

Note 14 Fair value of financial instruments at amortised cost

Most assets and liabilities in the DNB Boligkredit's balance sheet are carried at amortised cost.

Amortised cost is the historical cost of the asset or liability at initial recognition, adjusted for repayments of principal, amortisations based on the effective interest rate method and impairments. The value is not based on current market conditions, but rather accounted for based on the originally agreed terms, so in general there will be a difference between the amortised cost value and market value.

The difference is mainly related to changes in credit risk. Fair value includes both positive and negative value changes in credit risk while amortised cost is not adjusted for positive value changes and only to some extent adjusted for negative value changes through impairment.

The table shows estimated fair values of items carried at amortised cost. Values are measured based on the valuation methods described in note 13.

Fair value of financial instruments at amortised cost

<i>Amounts in NOK 1 000</i>	DNB Boligkredit AS	
	Carrying value 31 March 2014	Fair value 31 March 2014
Due from credit institutions	742 392	742 392
Loans to customers	464 998 619	464 998 619
Total financial assets	465 741 011	465 741 011
Due to credit institutions	129 332 329	129 332 329
Debt securities issued	311 693 408	315 261 803
Subordinated loan capital	4 859 999	4 941 969
Total financial liabilities	445 885 736	449 536 101

As at 31 March 2014

<i>Amounts in NOK 1 000</i>	DNB Boligkredit AS				
	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Accrued interest	Total
Assets					
Lending to and deposits with credit institutions	-	742 392	-	-	742 392
Loans to customers	-	-	464 109 147	889 473	464 998 619
Liabilities					
Loans due to credit institutions	-	129 332 329	-	-	129 332 329
Debt securities issued	-	311 973 424	-	3 288 380	315 261 803
Subordinated loan capital	-	-	4 931 970	9 999	4 941 969

For floating rate loans to customers, the interest rates and margins are changed when the market rates change. The customers have to be notified of all changes in advance of the changes being put into effect, so there is a short period of time where the terms of the loans diverge from market rates. However this delay in timing is considered to have an immaterial effect to the total value of the loans hence the carrying value of these loans are considered to be a relevant measure for fair value.

Debt securities issued that are carried at amortised cost are subject to hedge accounting. As from 1 January 2014, hedge accounting for long-term borrowings in foreign currency is limited to interest rate risk. The hedging relationship between the bonds and their designated interest rate swaps are considered to be effective and accounted for as fair value hedges. The amortised cost value is adjusted by the fair value change of the hedged risk. Changes in credit risk are not subject to hedge accounting.

Subordinated loan capital is at floating interest rates and carried at amortised cost. Loans due to credit institutions are mainly at floating interest rates and carried at amortised cost, which is considered not to diverge significantly from fair value.

Note 15 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. All transactions are carried out at market terms, and 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 2014, portfolios of NOK 3.6 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 1 510 million for the first quarter of 2014 (NOK 1 057 million for the first quarter of 2013).

In the balance sheet "Due from 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 38.8 billion in covered bonds issued by DNB Boligkreditt.

In the fourth quarter of 2013, DNB Boligkreditt entered into a "Revolving Credit Facility Agreement (RCF)" with DNB Bank ASA. Subject to the terms of this RCF, DNB Bank makes available to DNB Boligkreditt a revolving credit facility at all times equal to DNB Boligkreditt's payment obligations in NOK for the next 12 months in respect of issued Covered Bonds and related derivative hedge agreements. DNB Boligkreditt shall apply all amounts borrowed by it under the RCF towards payments under Covered Bonds and related derivative contracts entered into for hedging purposes for those Covered Bonds. DNB Boligkreditt may not make use of the RCF for the fulfillment of payment obligations related to the ordinary (re-) purchase of Covered Bonds (if any), or to derivative agreements related to such Covered Bonds. The obligations of DNB Bank towards DNB Boligkreditt under the RCF does not constitute a guarantee in respect of amounts due and payable under the Covered Bonds.

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 2014, DNB Livsforsikring's holding of listed DNB Boligkreditt bonds was valued at NOK 3.2 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 1.4 million for the first quarter of 2014.

Note 16 Contingencies and post balance sheet events

DNB Boligkreditt is not involved in any legal actions

Key figures

DNB Boligkreditt AS

	1st quarter 2014	1st quarter 2013	Full year 2013 ²⁾
1. Return on equity, annualised (%) ¹⁾	(0.2)	4.5	3.6
2. Core (Tier 1) capital ratio at end of period (%) ²⁾	11.2	10.3	11.2
3. Capital adequacy ratio at end of period (%) ²⁾	13.2	11.2	13.3
4. Core capital at end of period (NOK 1000)	24 951 245	22 113 635	24 932 637
5. Risk-weighted volume at end of period (NOK 1000)	223 565 728	214 968 090	222 032 203
6. Impairment relative to net loans to customers, annualised	0.00	0.00	0.00
7. Non-performing and impaired loans, per cent of gross loans	0.23	0.21	0.24
8. Non-performing and impaired loans gross (NOK 1 000)	1 237 910	1 100 470	1 258 443
9. Net non-performing and impaired loans, per cent of net loans	0.15	0.13	0.14
10. Net non-performing and impaired loans at end of period (NOK 1 000)	776 680	664 257	729 033
11. Number of full-time positions at end of period	9	11	9

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

2) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles in the Annual Report 2013.

Profit and balance sheet trends

Statement of comprehensive income

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	1st quarter 2014	4th quarter 2013	3rd quarter 2013	2nd quarter 2013	1st quarter 2013
Total interest income	5 143 823	5 284 862	5 252 837	5 117 951	4 820 150
Total interest expenses	3 133 518	3 244 207	3 295 404	3 403 727	3 363 762
Net interest income	2 010 305	2 040 655	1 957 432	1 714 224	1 456 387
Commission and fee income	10 297	9 998	17 152	18 813	15 880
Commission and fee expenses	482	501	510	525	479
Net gains (losses) on financial instruments at fair value	(563 919)	(286 390)	(16 841)	(323 877)	(70 003)
Other income	1 409	1 002	444	2 514	2 776
Net other operating income	(552 695)	(275 891)	244	(303 075)	(51 827)
Total income	1 457 610	1 764 764	1 957 676	1 411 150	1 404 561
Salaries and other personnel expenses	5 930	1 899	4 634	7 437	10 154
Other expenses	1 512 270	1 642 036	1 572 824	1 320 809	1 060 696
Total operating expenses	1 518 200	1 643 935	1 577 458	1 328 246	1 070 849
Impairments on loans and commitments	5 897	8 287	11 830	3 269	(7 126)
Pre-tax operating profit	(66 488)	112 542	368 388	79 634	340 837
Taxes	(17 952)	(170 600)	103 879	22 163	95 626
Profit for the period	(48 536)	283 143	264 509	57 471	245 211
Other comprehensive income	-	3 509	-	-	-
Total comprehensive income for the period	(48 536)	286 652	264 509	57 471	245 211

Balance sheet

DNB Boligkreditt AS

<i>Amounts in NOK 1 000</i>	31 March 2014	31 Dec. 2013	30 Sept. 2013	30 June 2013	31 March 2013
Assets					
Due from credit institutions	742 392	347 081	1 697 703	1 079 534	1 379 957
Loans to customers	536 324 695	532 284 013	529 690 392	528 296 500	525 701 626
Financial derivatives	44 695 557	45 786 413	38 830 597	25 822 278	29 185 706
Other assets	4 821	2 199	13 843	12 907	(378)
Deferred tax assets	-	-	-	-	7 494
Total assets	581 767 465	578 419 706	570 232 535	555 211 219	556 274 405
Liabilities and equity					
Due to credit institutions	129 332 329	115 105 033	104 542 294	104 476 837	107 031 618
Financial derivatives	10 832 740	11 987 418	12 319 938	6 816 367	19 368 487
Debt securities issued	410 855 422	420 451 451	427 275 903	417 835 927	404 384 681
Payable taxes	108	108	425 357	321 478	507 187
Deferred taxes	193 940	211 892	159 460	159 460	-
Other liabilities	556 036	612 370	536 242	890 490	333 126
Provisions	19 876	25 500	36 545	38 428	34 283
Subordinated loan capital	4 859 999	4 860 381	2 057 897	2 057 842	2 058 106
Total liabilities	556 650 449	553 254 154	547 353 637	532 596 830	533 717 488
Share capital	2 727 000	2 727 000	2 527 000	2 527 000	2 527 000
Share premium	18 693 000	18 693 000	16 893 000	16 893 000	16 893 000
Other equity	3 697 016	3 745 552	3 458 898	3 194 389	3 136 918
Total equity	25 117 016	25 165 552	22 878 898	22 614 389	22 556 918
Total liabilities and equity	581 767 465	578 419 706	570 232 535	555 211 219	556 274 405

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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.

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