



BOLIGKREDITT

2nd Quarterly Report 2014

Feeling Norway

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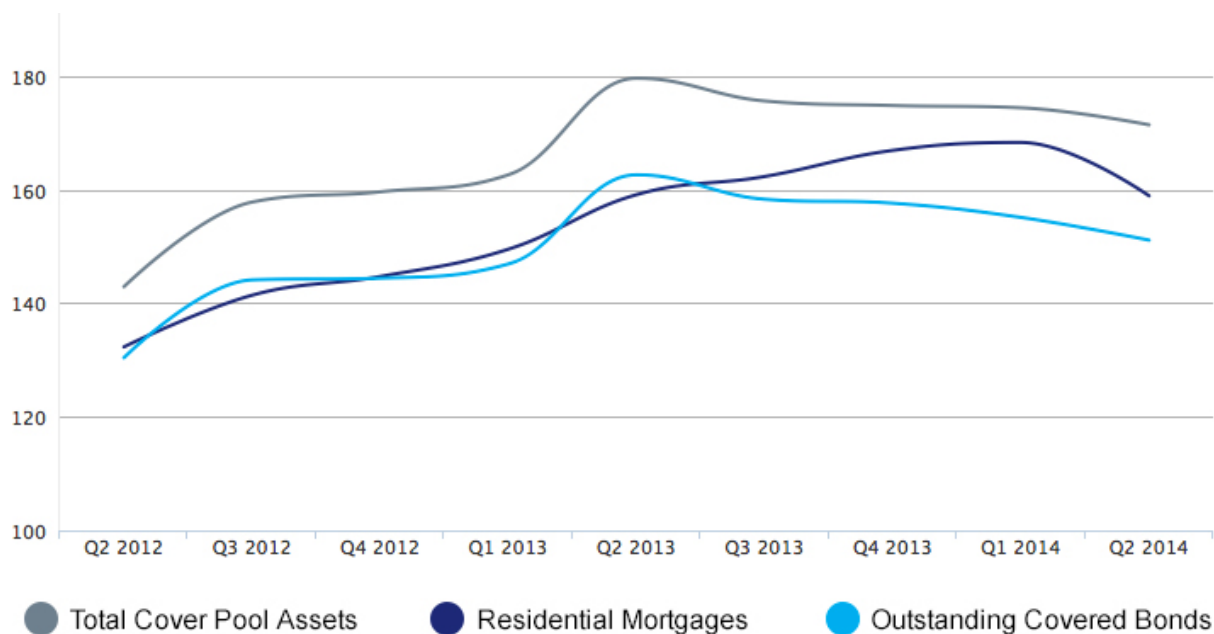
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Statement of the Board of Directors

Cover Pool and Outstanding Covered Bonds¹



Key Figures Overview

	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Weighted Average Current LTV (%)	51.6%	52.2%	51.7%	50.0%
Weighted Average Original LTV (%)	57.2%	57.3%	57.0%	57.9%
Average Loan Balance (NOK)	1 200 321	1 213 532	1 206 278	1 187 811
Number of Mortgages in Pool	132 344	138 664	138 359	136 613
Percentage of non first-lien mortgages in the pool	0.0 %	0.0 %	0.0 %	0.0 %
Overcollateralization	113.4 %	112.5 %	110.9 %	111.0 %

Key Events During the Second Quarter

For the first six months of 2014 lending to customers (mortgage loans) has been reduced by just over NOK 15 bn to NOK 159 bn gross from NOK 175 bn at the beginning of the current year. The primary reason for this is the expiration of the Norwegian Government Swap Facility in June 2014 which was called into life in late 2008 in order to provide funding for banks against deposits of covered bonds with the Norwegian Central Bank amidst challenging international funding conditions at the time. With the termination of the Swap Facility, Boligkredit's parent banks have taken advantage of existing market conditions and are financing a slightly larger share of residential mortgages on their own balance sheet rather than through Boligkredit. Additionally,

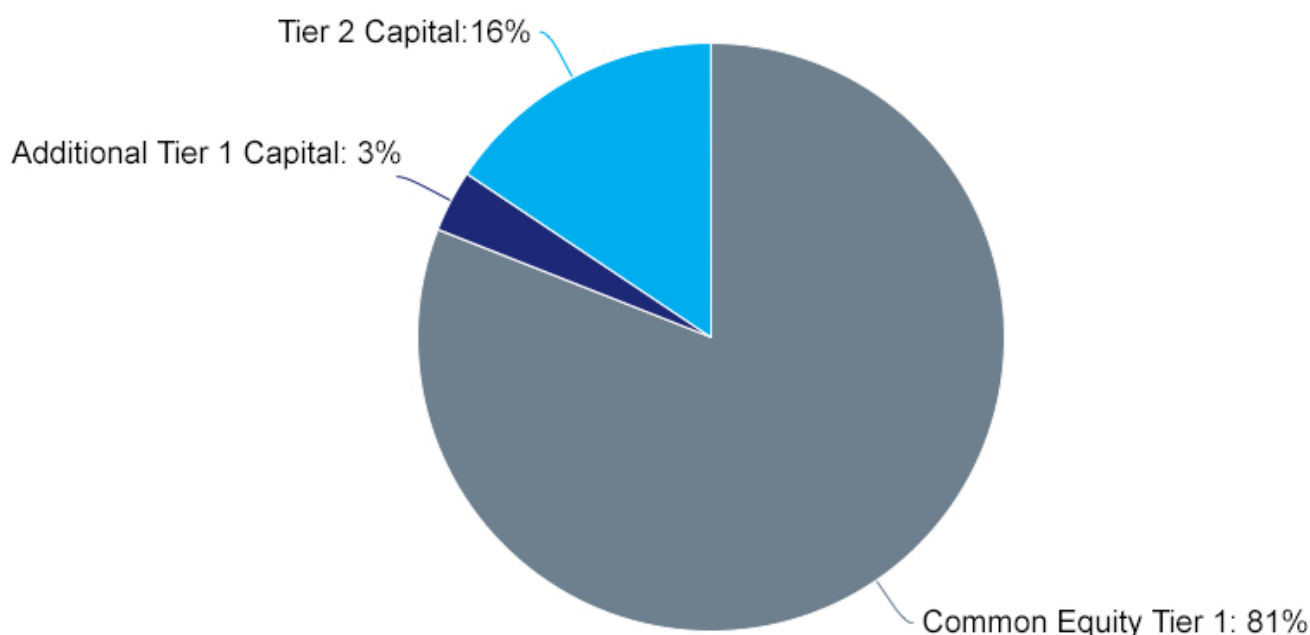
¹ Cover pool includes residential mortgages and liquid highly rated assets (substitute assets). Cover bonds are shown inclusive of the value of derivatives used to hedge currency and interest rate risk.

² With the termination of the Norwegian Government Swap Facility, cover pool 2 is also terminated.

the parent banks' overall lending growth has slowed somewhat to 4 to 5% on average.

Covered bonds outstanding has consequently been reduced to NOK 151 bn (including the value of hedging instruments) as of June 30, 2014 from NOK 165 bn at the end of 2013 (combined for cover pool 1 and 2²).

SpareBank 1 Boligkreditt AS (the "Company") continued to increase its capital base in the second quarter of 2014 by issuing a NOK 350 mill perpetual subordinated bond which is classified as additional Tier 1 capital. The issuance comes as a step in the process of increasing capital in accordance with new capital requirements including additional buffer capital. The capital base as of June 30, 2014 in Boligkreditt is now just above NOK 10 bn, and consist of the following relative components³:



The total capital coverage is now 14.28% against a current requirement of 13.5% (including buffer requirements), with the Tier 1 and core Tier 1 capital coverage 12.17% and 11.67%, respectively.

Nature and Development of the Company's Business

SpareBank 1 Boligkreditt AS is a credit institution licensed by the Norwegian Financial Services Authority (Finanstilsynet) and is operated according to the legislation for covered bond issuers in Norway which is enshrined in the law regarding financial enterprises ("Finansieringsvirksomhetsloven") chapter 2, section IV and the detailed regulations thereof.

The purpose of the Company is to provide funding for the owners by buying residential mortgage loans with a loan-to-value ("LTV") of up to 75% and financing these primarily through the issuance of covered bonds. The Company which is based in Stavanger, is owned by banks which are members of the SpareBank 1 Alliance. A comprehensive agreement is signed with each parent bank regarding the purchase and transfer of commercial mortgages and the services which the parent banks owe to the Company and the Company's customers in this regard ("Transfer and Servicing Agreement").

The Company's issuances of covered bonds take place under the EUR 25,000,000,000 Global Medium Term Covered Note Programme (GMTCN Programme). This Programme was updated on April 15, 2014 and is available on the homepage: <https://spabol.sparebank1.no>.

³ NOK 10 bn is prior to deductions for modelled expected losses and immaterial assets (see note 18 in the accounts).

One or more credit ratings from international rating agencies are important in order to be able to issue covered bonds. The Company have procured the services of Moody's Ratings Service and Fitch Ratings to evaluate the credit quality of the issuances under the GMTCN Programme. The bond ratings are Aaa from Moody's and AAA from Fitch.

Accounts for the Period

The quarterly accounts have been prepared in accordance with the International Reporting Standards (IFRS) as adopted by the EU and published by the International Reporting Standards Board (IASB).

The Board views the accounts as presented to be a true representation of SpareBank 1 Boligkreditt's operations and financial position at the end of the first quarter 2014.

The total balance sheet amounts to NOK 200 billion vs. NOK 206 billion at the end of 2013. The Company had during the first six months net interest income of NOK 162 million compared to 121 million for the first six months 2013, including commissions earned by the ownership banks and accrued as an expense to SpareBank 1 Boligkreditt. The cost of operations for the first six months was NOK 15 million including amortisation and depreciation compared to 15 million for the same period last year. No additional amounts have been charged as loan provisions (write offs) during the first half of 2014, in addition to the NOK 8 million in cumulative group loan loss provisions as of 31.12.13. No actual loan losses have occurred. In total the half year's pre-tax result was NOK 89 million compared to 96 million for the same period in 2013 (the change is mostly attributable to the value of hedging derivatives).

Lending to customers amounted to NOK 159 billion as of 30.06.2014, which is NOK 7.5 bn below the level one year ago. This development is in accordance with expectations. The cash and cash equivalents at 30.06.2014 amounted to NOK 13 billion.

During the 2nd quarter SpareBank 1 Boligkreditt issued a NOK 350 million additional Tier 1 capital instrument, bringing the core capital ratio at the end of the second quarter to 12.17% (14.28% total capital coverage).

Risk Aspects

SpareBank 1 Boligkreditt as an issuer of covered bonds is subject to strict rules regarding its exposure to credit, market, and liquidity risks. This fact and the aim of the maintenance of the AAA/Aaa rating means that the Company is subject to low levels of risk and places strong emphasis on risk control.

Credit risk is defined as the risk that losses can occur as a consequence of that customers and others do not have the ability or willingness to meet their obligations to SpareBank 1 Boligkreditt. The portfolio which consists of mortgages up to 75% LTV is the reason for why the Board of Directors assess the credit risk to be lower compared to other banks in general ⁴

Market risk is defined as the risk of losses due to changes in market rates, i.e. interest rates, exchange rates and the prices of financial instruments. At the end of the quarter SpareBank 1 Boligkreditt AS had bonds outstanding (excluding private placements) of EUR 9.85 bn, USD 4.75 bn, NOK 42.9 bn and SEK 0.2 billion. All borrowing and investments with a fixed coupon and all borrowing and investments denominated in foreign currency are hedged by financial currency/and or interest rate swaps or through natural hedges, in order to convert the effective cash flow on this debt to a NOK floating rate (3 months NIBOR). The Company receives collateral under the derivatives contracts from its counterparties subject to certain thresholds.

SpareBank 1 Boligkreditt AS owns bonds and treasury bills at June 30, 2014 for a total of NOK 2 billion and deposits in banks totalling NOK 11 billion. The bonds are mainly Nordic covered bonds with a triple-A rating from Fitch, Moody's or S&P. Deposits are placed in banks with a minimum rating of at least A/A2. Consequently, the Company had as of 30.06.2014 only moderate interest rate risk and immaterial amounts of currency risk.

Liquidity risk is defined as the risk that the Company is not able to meet its obligations at maturity or to be able to finance the

⁴ Eligibility criteria for the sale of mortgage loans to Boligkreditt include a maximum 70% LTV from the end of the first quarter 2014.

purchase of loans at normal terms and conditions.

Liquidity risk is managed based upon a liquidity strategy approved by the Board. According to the strategy, SpareBank 1 Boligkreditt AS shall survive for a minimum of twelve months, also under stressed market conditions, without accessing external financing. In addition the Company shall at any point in time be able to meet its interest payments, including derivatives, which come due in the next three months in a scenario where no interest payments would be received from the loan portfolio. The Company's liquidity situation is good.

Operational risk is defined as risk of loss due to error or neglect in transaction execution, weakness in the internal control or information technology systems operational breakdowns. Reputational, legal, ethical and competency risks are also elements of operational risk. This risk is considered to be moderate.

The Company is focused on identifying, measure and manage and follow up on central areas of risk which contributes to that Boligkreditt achieves its strategic goals. Please reference the annual report 2013 for more information on this.

Future Prospects of the Company

SpareBank 1 Boligkreditt's future prospects are good. Residential real estate prices, which were slightly down for 2013, increased by 5.9% in the first six months of 2014 and are thus 1.1% above the level from one year ago. Unemployment remains low at a stable level. Lending growth for residential purposes in the SpareBank 1 banks is positive, but has reduced from previous years. We have experienced in the second quarter a decrease in the volume of mortgage loans as described above, as some parent banks have used their good liquidity position to repatriate residential mortgages. For the remainder of 2014 we expect a relative flat growth rate for our mortgage volume. The parent banks and Boligkreditt have reduced customer interest rates slightly with effect in the 2nd quarter 2014 and in Boligkreditt's portfolio the margin has consequently decreased, but remains at a high level.

Macroeconomic Development⁵:

According to preliminary seasonally-adjusted volume figures, Mainland Norway's gross domestic product (GDP) was up 0.5 per cent from the 4th quarter last year to the 1st quarter this year. This is still below trend growth. Household final consumption expenditures rose 0.8 per cent in the 1st quarter this year, up from 0.4 per cent growth in the 4th quarter last year. The gross fixed capital formation (GFCF) in mainland Norway was down 1.9 per cent in the 1st quarter. Investments in both manufacturing and services decreased, while an increase was seen in electricity supply. Investments in residential dwellings continued to fall, and dropped 3.6 per cent in the 1st quarter. GFCF in petroleum-related activities increased 2.4 per cent from the 4th to the 1st quarter, after a record high growth of 17.1% in the year 2013.

Economic Outlook:

Over the last 18 months, the Norwegian economy has experienced a moderate economic downturn, and the relatively modest GDP growth is expected to continue well into 2015. Unemployment has been fairly stable so far this year, but is expected to increase somewhat going forward.

The petroleum sector is not expected to continue to give strong growth impulses to the Norwegian economy, instead it is envisaged that demand will level out and fall slightly. Slightly higher growth in demand from the mainland and a gradual increase in global growth will, however, contribute more to the activity level.

Forecast (%)	2014	2015	2016	2017
GDP growth mainland	2.0	2.2	3.1	3.1
Unemployment rate	3.6	3.8	3.8	3.6
CPI growth	2.0	1.7	1.7	2.2
Annual wages	3.6	3.5	3.7	3.8

⁵ Macroeconomic prospects and forecasts have been sourced from Statistics Norway.

The Board of Directors affirms that the financial accounts present a correct and complete picture of the Company's operations and financial position as of June 30, 2014. No events have occurred after June 30, 2014 which are expected to have a material impact on the accounts for the first six months of 2014.

Stavanger June 30, 2014 / August 07, 2014
The Board of Directors of Sparebank 1 Boligkreditt AS



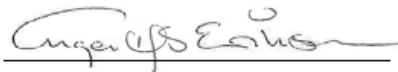
Kjell Fordal
Chairman of the Board



Inge Reinertsen



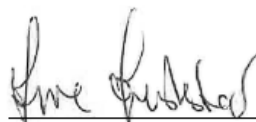
Tore Anstein Dobloug



Inger Eriksen



Merete Kristiansen



Arve Austestad
Chief Executive Officer

Statement of the members of the board and the chief executive officer

The Board and the chief executive officer have today reviewed and approved the financial accounts for the first six months of 2014 for SpareBank 1 Boligkreditt AS. The accounts have been prepared in accordance with the International Reporting Standards (IFRS), as adopted by the EU.

To the best knowledge of the board and the chief executive officer the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole as of 30.06.14.

The board of directors and the chief executive officer declare to the best of their knowledge that the annual report gives a true and fair view of the development and performance of the business of the Company, as well as a description of the principal risks and uncertainties facing the Company.

Stavanger June 30, 2014 / August 07, 2014

The Board of Directors of Sparebank 1 Boligkreditt AS



Kjell Fordal
Chairman of the Board



Inge Reinertsen



Tore Anstein Dobloug



Inger Eriksen



Merete Kristiansen



Arve Austestad
Chief Executive Officer

Income Statement 1st Half 2014

NOK 1 000	Note	6/30/2014	6/30/2013	2013
Total interest income	2	2 259 972	2 348 243	4 682 822
Total interest expenses	2	-2 097 698	-2 227 741	-4 387 634
Net interest income		162 275	120 503	295 188
Net gains/losses from financial instruments	3	-58 330	-9 756	36 906
Net other operating income		-58 330	-9 756	36 906
Total operating income		103 945	110 747	332 094
Salaries and other ordinary personnel expenses	4	-4 879	-4 684	-10 033
Administration expenses	5	-4 397	-4 252	-10 318
Other operating expenses	6	-5 191	-5 038	-9 374
Depreciation/Amortization		-789	-925	-1 706
Total operating expenses		-15 256	-14 899	-31 430
Net profit before impairment losses		88 689	95 848	300 664
Write-downs on loans and guarantees	8	0	0	0
Pre-tax operating result		88 689	95 848	300 664
Tax expense		-23 946	-26 837	-77 753
Net profit for the period		64 743	69 010	222 911

Statement of Comprehensive Income 1st Half 2014

NOK 1 000	6/30/2014	6/30/2013	2013
Profit/loss for the year	64 743	69 010	222 911
Items which will not impact the income statement in future periods:			
Estimate change for pension expense	4 700	-	-563
Tax effect of the estimate change	-	-	158
Total profit/loss accounted for in equity	4 700	-	-405
Total profit/loss	69 443	69 010	222 506
Allocation of the profit/loss:			
Declared dividend	-	-	319 630
Other Equity	69 443	69 010	-97 124
Total allocation	69 443	69 010	222 506

Balance Sheet 1st Half 2014

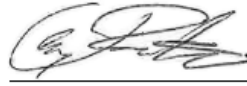
NOK 1 000	Note	6/30/2014	6/30/2013	2013
Assets				
Lending to and deposits with credit institutions	13, 14	12 569 541	4 677 406	11 882 469
Norwegian Government Treasury Bills	13, 14	1 189 286	1 612 305	1 261 795
Bonds	13, 14	10 895 277	12 612 044	5 476 099
Lending to customers	8	159 444 399	164 866 968	174 781 222
Financial derivatives	12, 13, 14	15 736 719	6 651 730	12 760 351
Other assets	7	2 536	3 515	4 164
Total assets		199 837 758	190 423 968	206 166 101
Liabilities and equity				
Liabilities				
Debt incurred by issuing securities	10, 13, 14	174 164 672	174 827 620	183 146 411
Collateral received under derivatives contracts	21	12 337 063	3 361 575	10 611 584
Financial derivatives	11, 12, 13	718 770	2 514 262	797 417
Deferred tax	22	157 770	100 712	178 307
Tax payable		-	-	-
Subordinated debt	11	1 954 120	-	-
Other Liabilities	16	2 166 524	1 761 209	3 143 356
Total liabilities		191 498 919	182 565 378	197 877 075
Equity				
Paid in equity capital	9	8 268 470	7 548 470	7 968 470
Other paid in equity (not yet registered)		0	0	
Accrued equity		5 626	98 050	18 450
Net profit		64 743	69 010	
Declared dividend		0	145 886	302 105
Total equity		8 338 839	7 861 417	8 289 025
Total liabilities and equity		199 837 758	190 426 796	206 166 101

Stavanger, 07.08.2014

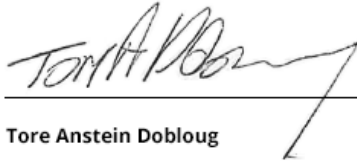


Kjell Fordal

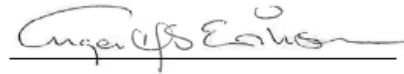
Chairman of the Board



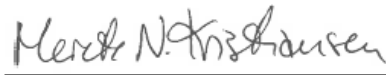
Inge Reinertsen



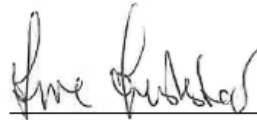
Tore Anstein Dobloug



Inger Eriksen



Merete Kristiansen



Arve Austestad

Chief Executive Officer

Statement of Changes in Equity

NOK 1 000	Share capital	Premium	Dividend	Fund for unrealised profits	Other equity	Total equity
Balance as of 31/12/2012	5 030 548	2 517 922	145 886	97 072	978	7 792 406
Share increase 8/4/2013	280 000	140 000	-	-	-	420 000
Dividend 2012	-	-	-145 886	-	-	-145 886
Result for the period	-	-	319 630	-97 072	353	222 911
OCI - pension - deviation from estimate	-	-	-	-	-405	-405
Balance as of 31/12/2012	5 310 548	2 657 922	319 630	-	925	8 289 025
Share increase 26/2 2014					300 000	300 000
Dividend 2013			-319 630			
Result for the period					39 237	39 237
OCI - pension - estimate change					4 700	4 700
Balance as of 30/6/2014	5 310 548	2 657 922	-	-	344 863	8 632 964

Cash Flow Statement

NOK 1 000	6/30/2014	6/30/2013	2013
Cash flows from operations			
Interest received	2 479 657	2 192 208	4 626 878
Payments for operations	-15 704	-12 626	-37 484
Paid tax	-20 537	0	0
Net cash flow relating to operations	2 443 416	2 179 581	4 589 394
Cash flows from investments			
Net purchase of loan portfolio	15 309 042	-6 652 727	-14 522 291
Net payments on the acquisition of government bills	71 356	-3 266 753	542 536
Net payments on the acquisition of bonds	-5 331 311	-705 756	7 292 705
Net investments in intangible assets	-322	-2 536	-2 672
Net cash flows relating to investments	10 048 765	-10 627 773	-6 689 721
Cash flows from funding activities			
Net receipt/payment from the issuance of certificates	-1 274 839	760 095	-619 108
Net receipt/payment from the issuance of bonds	-10 847 305	8 174 068	3 386 095
Net receipt/payment from the issuance additional Tier 1 capital	1 950 000	0	0
Net receipt/payment from the issuance of loans to credit institutions	725 992	2 362 782	9 178 564
Equity capital subscription	300 000	420 000	420 000
Paid dividend	-319 630	-145 886	-145 886
Net interest payments on funding activity	-2 339 495	-2 033 940	-4 283 351
Net cash flow relating to funding activities	-11 805 276	9 537 119	7 936 313
Net cash flow in the period	686 905	1 088 927	5 835 986
Balance of cash and cash equivalents beginning of period	11 882 469	6 036 499	6 036 499
Net receipt/payments on cash	686 905	1 088 927	5 835 987
Exchange rate difference	167	-239	9 983
Balance of cash and cash equivalents end of period	12 569 541	7 125 187	11 882 469

Quarterly Development 2nd Quarter 2014

INCOME STATEMENT QUARTERLY

NOK 1 000	2. quarter 2014	1. quarter 2014	4. quarter 2013	3. quarter 2013
Total interest income	1 136 519	1 123 453	1 158 905	1 175 674
Total interest expenses	-1 064 944	-1 032 754	-1 055 943	-1 103 951
Net interest income	71 575	90 699	102 963	71 723
Net gains/losses from financial instruments	-30 043	-28 287	18 378	28 284
Net other operating income	-30 043	-28 287	18 378	28 284
Total operating income	41 532	62 412	121 341	100 007
Salaries and other ordinary personnel expenses	-2 416	-2 463	-2 437	-2 230
Administration expenses	-2 038	-2 359	-4 047	-2 701
Other operating expenses	-1 741	-3 450	-2 249	-2 087
Depreciation/Amortization	-399	-390	-391	-390
Total operating expenses	-6 593	-8 663	-9 123	-7 408
Net profit before impairment losses	34 939	53 750	112 218	92 599
Write-downs on loans and guarantees	-	-	-	-
Pre-tax operating result	34 939	53 750	112 218	92 599
Tax expense	-9 434	-14 512	-24 988	-25 927
Net profit for the period	25 505	39 238	87 230	66 672
Other income and expense in comprehensive income	-	4 700	-405	-
Total net profit for the period	25 506	43 937	86 825	66 672

BALANCE SHEET

NOK 1 000	2. quarter 2014	1. quarter 2014	4. quarter 2013	3. quarter 2013
Assets				
Deposits and balances due from credit institutions	12 569 541	10 545 177	11 882 469	8 141 726
Certificates issued by the Norwegian government	1 189 286	967 828	1 261 795	5 289 918
Bonds	10 895 277	4 891 483	5 476 099	6 768 991
Loans to customers	159 444 399	175 315 196	174 781 222	169 577 344
Financial derivatives	15 736 719	11 986 042	12 760 351	10 181 153
Other assets	2 536	8 845	4 164	4 839
Total assets	199 837 758	203 714 573	206 166 101	199 963 972

Liabilities and equity

Liabilities

Debt incurred by issuing securities	174 164 672	181 362 838	183 146 411	182 065 316
Collateral received under derivatives contracts	12 337 063	8 977 523	10 611 584	5 970 786
Financial derivatives	718 770	761 473	797 417	826 967
Deferred tax	157 770	157 770	178 307	100 712
Tax payable	-	20 537	-	-
Subordinated debt	1 954 120	1 604 400	-	-
Other Liabilities	2 166 524	2 197 068	3 143 356	2 797 990
Total liabilities	191 498 919	195 081 609	197 877 075	191 761 771

Equity

Paid in equity capital	8 268 470	7 968 470	7 968 470	7 968 470
Other paid in equity (not yet registered)	-	300 000		-
Accrued equity	5 626	5 626	925	98 050
Net profit	64 743	39 237		135 681
Declared dividend	-	319 630	319 630	-
Total equity	8 338 839	8 632 964	8 289 025	8 202 201
Total liabilities and equity	199 837 758	203 714 573	206 166 101	199 963 972

Key figures

Number of shares	55 105 482	53 105 480	53 105 480	53 105 480
Net profit per share	0.46	0.82	1.64	1.26

Notes to the Financial Statements June 30th, 2014

Note 1 Accounting Principles

1.1 Basis of preparation

SpareBank 1 Boligkreditt AS is the SpareBank 1 Alliance's separate legal vehicle established according to the specialist banking principle within the Norwegian legislation for covered bonds. The Company's purpose is to acquire residential mortgages from its ownership banks organised in the SpareBank 1 Alliance and finance these by issuing covered bonds.

SpareBank1 Boligkreditt main office is located in Stavanger, visiting address Bjergsted Terrasse 1.

These quarterly accounts for SpareBank 1 Boligkreditt refers to the period 31.03.2014 - 30.06.2014. The accounts have been produced in accordance with IAS 34 reporting for a partial year. The accounts are prepared in accordance with IFRS and IFRIC interpretations thereof. The Company's accounting principles and calculation methods have not materially changed since the annual accounts for 2013. The principles addressed below should be seen in connection with the accounting principles as they were presented in the annual accounts for 2013.

These financial accounts for the third quarter of 2013 have been approved by the Board of Directors of SpareBank 1 Boligkreditt on 07.08.2014

1.2 Segment

Business segments are the Company's primary reporting segment. The Company has only one segment, which is the retail customer segment. The segment consists of lending to private individuals and all loans have been acquired from the member banks of the SpareBank 1 alliance. The Company's total results for the third quarter of 2013 is therefore equal to the retail segment total results.

1.3 Presentational Currency

The presentation currency is Norwegian Kroner (NOK), which is also the Company's functional currency. All amounts are given in NOK thousand unless otherwise stated.

1.4 Risk Management

SpareBank 1 Boligkreditt AS' financial assets and liabilities fluctuates in value as a result of the variability of prices of such assets and liabilities in the financial markets. In the annual accounts for 2013 Note 3 this risk and management thereof is more closely discussed.

1.5 Estimates

The preparation of the financial information is in accordance with IFRS and involves management's estimates which affect the implementation of accounting principles and thereby accounting values for assets, liabilities, revenue and costs. These estimates have been described in the notes to the annual accounts for 2013.

Note 2 Net Interest Income

NOK 1 000	30.06.2014	30.06.2013	2013
Interest income			
Interest income and similar income from loans to and balances with credit institutions	88 764	153 254	264 755
Interest income and similar income from loans to and balances with customers	3 410 688	3 188 478	6 661 490
Interest income treasury bills	10 112	24 252	55 606
Commission expense (payable to shareholder banks) *	-1 249 590	-1 017 740	-2 299 029
Total interest income	2 259 973	2 348 243	4 682 822
Interest expense			
Interest expense and similar expenses to credit institutions	21 526	8 850	22 910
Interest expense and similar expenses on issued bonds	2 025 492	2 162 836	4 259 716
Interest expense and similar expenses on issued certificates	29 768	56 049	104 327
Interest expense and similar expenses on Tier 2 capital	20 840	-	-
Other interest expenses	72	5	682
Total interest expense	2 097 698	2 227 740	4 387 634
Net interest income	162 275	120 503	295 188

* Commissions to our parent banks are calculated daily for each mortgage loan transferred, whereby the commission equals the customer loan rate less a rate which incorporates the Company's average cost of funding and operational costs. The operational add-on element is expressed through an average rate which is from time to time decided by the Company's Board of Directors.

Note 3 Net Gains on Financial Instruments

NOK 1 000	30.06.2014	30.06.2013	2013
Net gains (losses) from financial liabilities	-2 744 442	1 828 372	1 770 926
Net gains (losses) from financial assets	37 547	447 292	-176 973
Net gains (losses) from financial derivatives, hedging, at fair value	2 648 565	-2 285 420	-1 557 047
Netto gains (losses)	-58 330	-9 756	36 906

Note 4 Salaries and Remuneration

NOK 1 000	30.06.2014	30.06.2013	2013
Salary	4 230	4 355	11 112
Salaries reinvoyced to SpareBank1 Næringskreditt*	-2 712	-2 217	-4 187
Pension expenses	1 217	1 141	1 330
Social insurance fees	1 265	1 171	1 445
Other personnel expenses	879	234	334
Total salary expenses	4 879	4 684	10 033
Average number of full time equivalents (FTEs)	8	8	8

* The company's employees have shared employment between SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt. All remuneration is effectuated through SpareBank 1 Boligkreditt and a portion is reinvoiced to SpareBank 1 Næringskreditt. The company also buys administrative services from SpareBank 1 SR-Bank ASA and SpareBank 1 Gruppen. Pension benefit obligations are safeguarded in SpareBank 1 Boligkreditt through participation in the pension fund of SpareBank 1 SR-Bank ASA. This pension scheme meets the legal demands on mandatory occupational pension.

Note 5 Administration Expenses

NOK 1 000	30.06.2014	30.06.2013	2013
IT operation and maintenance	3 974	3 505	8 588
Travel	367	682	1 562
Telephone and postage	44	45	125
Misc other adm expenses	12	20	43
Total	4 397	4 252	10 318

Note 6 Other Operating Expenses

NOK 1 000	30.06.2014	30.06.2013	2013
Auditing, hired personnel from SpareBank 1 Group, other services	5 223	5 057	9 369
Operating expenses rented offices	285	285	570
Operating expenses reinvoiced to SpareBank 1 Næringskreditt	-427	-503	-885
Misc other operating expenses	110	200	320
Total	5 191	5 038	9 374

Note 7 Other Assets

NOK 1 000	30.06.2014	30.06.2013	2013
Intangible Assets	2 535	3 646	3 002
Account Receivables from SpareBank 1 Næringskreditt AS	1	1 454	1 162
Sum	2 536	5 100	4 164

Note 8 Lending to Customers

Lending to customers are residential mortgages only. The mortgages generally have a loan ion-to-value and losses have been very low. The total amount of lending to customers at the end of the period were NOK 159.3 billion. All mortgages carry a variable interest rate.

NOK 1 000	30.06.2014	30.06.2013	2013
Revolving loans - retail market	57 696 289	65 169 568	66 797 306
Amortising loans - retail market	101 568 319	101 534 519	107 776 344
Accrued interest	187 498	218 292	215 280
Total loans before specified and unspecified loss provisions	159 452 107	166 922 379	174 788 930
Specified loan loss provisions	-	-	-
Unspecified loan loss provisions	7 708	7 708	7 708
Total net loans and claims with customers	159 444 399	166 914 671	174 781 222

Liability

Unused balances under customer revolving credit lines (flexible loans)	18 860 022	20 750 450	21 528 276
Total	18 860 022	20 750 450	21 528 276

Defaulted loans

Defaults*	0.00%	0.00%	0.00%
Specified loan loss provisions	0.00%	0.00%	0.00%
Net defaulted loans	0.00%	0.00%	0.00%

Loans at risk of loss

Loans not defaulted but at risk of loss	0.00%	0.00%	0.00%
- Write downs on loans at risk of loss	0.00%	0.00%	0.00%
Net other loans at risk of loss	0.00%	0.00%	0.00%

*The entire customer loan balance is considered to be in default and will be included in overviews of defaulted loans when overdue instalments and interest payments are not received within 90 days or if credit limits on revolving loans are exceeded for 90 days or more.

Changes to loan loss provisions

NOK 1 000	30.06.2014	30.06.2013	2013
Loan loss provisions starting balance	7 708	7 708	7 708
Change in group loan loss provisions	0	0	0
Loan loss provisions ending balance	7 708	7 708	7 708

Note 9 Equity Capital and Shareholders

Overview of shareholders as of 30.06.14

	Number of shares	Ownership stake	Share of voting
SpareBank 1 SR-Bank ASA	11 238 899	20.40%	20.40%
SpareBank 1 SMN	9 697 325	17.60%	17.60%
SpareBank 1 Nord-Norge	8 156 308	14.80%	14.80%
Bank 1 Oslo Akershus AS	5 243 710	9.52%	9.52%
Sparebanken Hedmark	5 182 841	9.41%	9.41%
BN Bank ASA	3 055 807	5.55%	5.55%
SpareBank 1 BV	2 498 584	4.53%	4.53%
SpareBank 1 Østfold Akershus	2 257 632	4.10%	4.10%
Sparebanken Telemark	1 800 383	3.27%	3.27%
SpareBank 1 Ringerike Hadeland	1 717 980	3.12%	3.12%
SpareBank 1 Nordvest	1 161 085	2.11%	2.11%
Modum Sparebank	627 803	1.14%	1.14%
SpareBank 1 Søre Sunnmøre	637 625	1.16%	1.16%
SpareBank 1 Nøtterøy Tønsberg	582 901	1.06%	1.06%
SpareBank 1 Hallingdal	571 346	1.04%	1.04%
SpareBank 1 Gudbrandsdal	391 295	0.71%	0.71%
Lom og Skjåk Sparebank	283 958	0.52%	0.52%
Total	55 105 482	100%	100%

The equity capital consists of 55 105 482 shares with a face value of NOK 100 each

Note 10 Liabilities Incurred by Issuing Securities

	Nominal value*	Nominal value*	Nominal value*
NOK 1 000	30.06.2014	30.06.2013	2013
Short term notes, unsecured	2 325 000	5 050 000	3 400 000
Repurchased short term notes, unsecured	-200 000	-270 000	-
Senior unsecured bonds	6 866 000	3 839 000	3 676 000
Repurchased senior unsecured bonds	-933 000	-527 000	-
Covered bonds	152 408 465	176 222 750	166 495 725
Withdrawn from the Norwegian Central Bank Swap Facility	-	6 569 843	6 569 843
Bonds deposited in the Norwegian Central Bank Swap Facility	-	-7 552 000	-7 552 000
Repurchased Covered bonds	-1 795 608	-6 499 512	-1 764 681
Total debt securities in issue	158 670 857	176 833 081	170 824 887

* Nominal value is incurred debt at exchange rates (EUR/NOK and USD/NOK) at the time of issuance

	Book value	Book value	Book value
NOK 1 000	30.06.2014	30.06.2013	2 013
Short term notes, unsecured	2 324 780	5 048 792	3 399 501
Repurchased short term notes, unsecured	-200 119	-270 089	-
Senior unsecured bonds	6 864 264	3 838 663	3 675 628
Repurchased senior unsecured bonds	-933 000	-527 143	-
Covered bonds	166 776 957	183 075 361	177 379 674
Withdrawn from the Norwegian Central Bank Swap Facility	-	6 579 046	6 572 905
Bonds deposited in the Norwegian Central Bank Swap Facility	-	-7 552 000	-7 552 000
Repurchased covered bonds	-1 954 051	-6 672 260	-1 856 072
Activated costs incurred by issuing debt	-169 833	-189 763	-188 315
Accrued interest	1 455 673	1 698 088	1 715 090
Total debt incurred by issuing securities	174 164 672	185 028 695	183 146 411

Liabilities categorized by debt instrument and year of maturity (nominal value*, net of repurchased bonds) NOK 1,000:

Senior Unsecured

Maturity	30.06.2014	30.06.2013	2013
2013	-	1 713 000	-
2014	1 233 000	3 975 000	4 651 000
2015	2 525 000	2 404 000	2 425 000
2016	4 300 000	-	-
Sum	8 058 000	8 092 000	7 076 000

Covered Bonds in Central Bank Swap Facility

Maturity	30.06.2014	30.06.2013	2013
2013	-	-	-
2014	-	6 569 843	6 569 843
Sum	-	6 569 843	6 569 843

Covered bonds

Maturity	30.06.2014	30.06.2014	30.06.2014
2013	-	12 945 622	-
2014	1 617 000	7 461 000	6 309 000
2015	9 026 000	18 376 000	17 127 000
2016	28 549 625	25 906 915	25 756 158
2017	21 013 000	21 013 000	21 013 000
2018	21 785 000	20 734 200	21 485 000
2019	25 369 410	25 093 369	25 194 564
2020	15 748 862	9 015 000	17 293 500
2021	20 168 346	15 540 928	15 670 710
2022	3 233 750	3 233 750	3 233 750
2023	-	-	-
2024	1 279 065	1 201 454	1 273 562
2025	1 010 000	-	1 010 000
2026	1 650 000	1 650 000	1 650 000
2027	-	-	-
2028	162 800	-	162 800
Sum	150 612 857	162 171 238	157 179 044
Total	158 670 857	176 833 081	170 824 887

* Nominal value is incurred debt at exchange rates (EUR/NOK and USD/NOK) at the time of issuance

Liabilities incurred by currency (book values at the end of the period)

NOK 1 000	30.06.2014	30.06.2013	2013
NOK	52 729 659	68 896 826	64 499 347
EUR	92 085 716	80 235 944	89 786 425
USD	29 111 605	35 675 874	28 624 959
SEK	237 691	220 050	235 680
Sum	174 164 672	185 028 695	183 146 411

Note 11 Subordinated Debt

NOK 1000	Issued year	Call op- tion	Nominal amount	Accrued interest	30.06.2014	30.06.2013	2013
Tier 2 subordinated notes	2014	2019	1 600 000	3 836	1 603 836	-	-
Additional Tier 1 capital notes	2014	2019	350 000	284	350 284	-	-
Book value			1 950 000	4 120	1 954 120	-	-

Note 12 Financial Derivatives

NOK 1 000	30.06.2014	30.06.2013	2013
Interest rate derivative contracts			
Interest rate swaps			
Nominal amount	71 919 440	93 622 788	77 804 369
Asset	4 373 650	3 565 033	4 111 612
Liability	-637 654	-896 890	-745 077
Currency derivative contracts			
Currency swaps			
Nominal amount	113 369 344	108 806 998	112 350 126
Asset	10 328 289	3 922 519	8 648 739
Liability	-28 717	-266 281	-52 340
Total financial derivative contracts			
Nominal amount	185 288 784	202 429 786	190 154 495
Asset	14 701 939	7 487 552	12 760 351
Liability	-666 371	-1 163 171	-797 417

All derivative contracts exist for the purpose of hedging changes in interest rates and currency exchange rates.

Note 13 Classification of Financial Instruments

NOK 1 000	Financial instruments accounted for at fair value*	Financial assets and debt accounted for at amortised cost	Financial assets held to maturity	Non-financial assets and liabilities	6/30/2014
Assets					
Deposits at and receivables from financial institutions	-	12 569 541	-	-	12 569 541
Norwegian government short term debt certificates	1 189 286	-	-	-	1 189 286
Bonds	9 754 511	-	1 140 767	-	10 895 277
Lending to customers	-	159 444 399	-	-	159 444 399
Financial derivatives	15 736 719	-	-	-	15 736 719
Other assets	-	-	-	2 536	2 536
Total Assets	26 680 516	172 013 940	1 140 767	2 536	199 837 758
Liabilities					
Debt incurred by issuing securities	135 464 862	38 699 810	-	-	174 164 672
Collateral received in relation to financial derivatives	-	12 337 063	-	-	12 337 063
Financial derivatives	718 770	-	-	-	718 770
Deferred taxes	-	-	-	157 770	157 770
Taxes payable	-	-	-	-	-
Tier 2 capital	-	1 954 120	-	-	1 954 120
Other liabilities	-	-	-	2 166 524	2 166 524
Total Liabilities	136 183 632	52 990 993	-	2 324 294	191 498 919
Total Equity	-	-	-	8 338 839	8 338 839

Total Liabilities and Equity	136 183 632	52 990 993	-	10 663 133	199 837 758
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*Fair value calculation according to changes in market interest rates and currencies exchange rates

NOK 1 000	Financial instruments accounted for at fair value*	Financial assets and debt accounted for at amortised cost	Financial assets held to maturity	Non-financial assets and liabilities	6/30/2013
Assets					
Deposits at and receivables from financial institutions	-	7 125 187	-	-	7 125 187
Norwegian government short term debt certificates	5 071 915	-	-	-	5 071 915
Bonds	12 099 621	-	1 556 695	-	13 656 316
Lending to customers	-	166 914 671	-	-	166 914 671
Financial derivatives	-	-	-	-	-
Other assets	8 778 292	-	-	5 100	8 783 392
Total Assets	25 949 828	174 039 858	1 556 695	5 100	201 551 481
Liabilities					
Debt incurred by issuing securities	136 378 051	48 650 644	-	-	185 028 695
Collateral received in relation to financial derivatives	-	4 706 383	-	-	4 706 383
Financial derivatives	1 312 415	-	-	-	1 312 415
Deferred taxes	-	-	-	100 712	100 712
Taxes payable	-	-	-	-	-
Tier 2 capital	-	-	-	-	-
Other liabilities	-	-	-	2 267 746	2 267 746
Total Liabilities	137 690 466	53 357 027	-	2 368 458	193 415 951
Total Equity	-	-	-	8 135 531	8 135 531
Total Liabilities and Equity	137 690 466	53 357 027	-	10 503 989	201 551 481

*Fair value calculation according to changes in market interest rates and currencies exchange rates

Note 14 Financial Instruments at Fair Value

Methods in order to determine fair value

General

The interest rate curve that is used as input for fair value valuations of hedging instruments and hedging objects consists of the NIBOR-curve for maturities less than one year. The swap-curve is used for maturities exceeding one year.

Interest rate and currency swaps

Valuation of interest rate swaps at fair value is done through discounting future cash flows to their present values. Valuation of currency swaps will also include the element of foreign exchange rates.

Bonds

Valuation of bonds at fair value is done through discounting future cash flows to present value.

With effect from 2009 SpareBank 1 Boligkreditt AS has implemented the changes in IFRS 7 in relation to the valuation of financial instruments as of the date of the financial accounts. The changes require a presentation of the fair value measurement for each Level. We have the following three Levels for the fair value measurement:

- Quoted price in an active market for an identical asset or liability (level 1)
- Valuation based on observable factors either direct (prices) or indirect (deduced from prices used in level 1) other than quoted price for the asset or liability (Level 2)
- The valuation is based on factors that are not found in observable markets (non-observable assumptions) (level 3)

The following numbers present the company's assets and liabilities at fair value as of 30.06.2014

NOK 1 000

	Level 1	Level 2	Level 3	Total
Bonds and bills	5 283 623	5 660 174	-	10 943 797
Financial Derivatives	-	15 736 719	-	15 736 719
Total Assets	5 283 623	21 396 893	-	26 680 516
Bonds	-	135 464 862	-	137 922 259
Financial Derivatives	-	718 770	-	718 770
Total Liabilities	-	136 183 632	-	138 641 029

The following numbers present the company's assets and liabilities at fair value as of 30.06.2013

NOK 1 000

	Level 1	Level 2	Level 3	Total
Bonds and bills	13 265 706	3 905 830	-	17 171 536
Financial Derivatives	-	8 778 292	-	8 778 292
Total Assets	-	12 684 122	-	25 949 828
Bonds	-	136 378 051	-	136 378 051
Financial Derivatives	-	1 312 415	-	1 312 415
Total Liabilities	-	137 690 466	-	137 690 466

Note 15 Bonds Classified as Hold to Maturity

As of 31.03.14

Bonds classified as	Book value 1/1/2014	Investments	Matured	Amortising	Exchange rate effects	Amortised cost 3/31/2014
Hold to maturity	1 213 050	-	-	-72 284	-	1 140 767
Total certificates and bonds	1 213 050	-	-	-72 284	-	1 140 767

Market value of bonds in hold to maturity portfolio

Bonds classified as	Book value	Market value incl. currency effect	Effect on net inc if at fair value
Hold to maturity	1 140 767	1 146 763	5 997
Total certificates and bonds	1 140 767	1 146 763	5 997

Note 16 Other Liabilities

NOK 1 000	30.06.2014	30.06.2013	2013
Employees tax deductions and other deductions	324	788	600
Employers national insurance contribution	289	54	369
Accrued holiday allowance	474	383	901
Commission payable to shareholder banks	2 115 357	2 201 455	3 115 000
Deposits*	8 698	11 506	8 541
Pension liabilities	13 131	11 046	12 111
Other accrued costs	28 251	42 513	5 834
Total	2 166 524	2 267 746	3 143 356

The Company does not have an overdraft facility or a revolving credit facility

* Deposits represents temporary balances paid in by customers in excess of the original loan amount

Note 17 Asset Coverage Requirement

The asset coverage is calculated according to the Financial Services Act § 2-31 (Covered Bond Legislation). There is a discrepancy between the asset coverage test and the amounts in the balance sheet because for the purposes of the test mortgage loans which may have migrated above the 75% loan to value level are reduced to reflect the decrease in the value of the underlying collateral so that only a maximum loan corresponding to a value of 75% of the collateral is considered. Furthermore, the fact that market values are recorded for all bonds and certificates in the cover pool could have an impact. In addition any defaulted loans, i.e. loans in arrears at or beyond 90 days, are excluded from the test (there have been no occurrences of any defaults since commencement of operations). The company separates Cover Pool 1 and Cover Pool 2. Cover Pool 1 is utilised for market issuances of covered bonds whilst Cover Pool 2 is a separate mortgage portfolio established solely for use in the swap facility with Norway's Central Bank in 2009.

Pool 1

NOK 1 000	30.06.2014	30.06.2013	2013
Covered Bonds	168 236 937	177 299 176	171 499 524
Repurchased Bonds	-1 983 555	-6 812 370	-1 859 098
Derivatives	-15 151 051	-7 848 060	-12 005 425
Total Covered Bonds	151 102 332	162 638 746	157 635 002
Lending to customers	159 192 168	159 515 216	167 354 070
Treasury Bills	1 189 286	5 071 915	498 480
Substitute collateral	10 973 206	14 983 875	6 901 444
Total Cover Pool	171 354 661	179 571 005	174 753 993
Asset-coverage	113.4%	110.4%	110.9%

Pool 2

NOK 1 000	30.06.2014	30.06.2013	2013
Covered Bonds	0	8 556 093	8 556 515
Repurchased Bonds	0	-998 881	-998 894
Derivatives	0	-6 724	-3 043
Total Covered Bonds	0	7 550 488	7 554 578
Lending to customers	0	7 322 561	7 273 742
Treasury Bills	0	0	246 487
Substitute collateral	0	697 759	320 762
Total Cover Pool	0	8 020 321	7 840 991
Asset-coverage	0.0%	106.2%	103.8%

Note 18 Capital Adequacy

The primary goal for the Company's management of capital reserves is to ensure compliance with laws and regulatory requirements and maintain solid financial ratios and a high quality credit assessment in order to best support its business.

A new capital requirements directive was introduced in Norway as of January 1, 2007 (Basel II). SpareBank1 Boligkreditt AS obtained permission from the Financial Services Authority in Norway (Finanstilsynet) for the implementation of its own Internal Ratings Based (IRB) model for credit risks from the second quarter of 2009.

Transitional rules have been implemented by the FSA whereby regulated financial institutions with approved IRB models will not be able to fully benefit from the results of such models until the year 2018. Regulated entities are allowed to reduce by 20% the total sum of risk weighted assets which would otherwise have been in place under the previous Basel I framework. In the following years until the end of 2017, the transitional rules will lead to significantly higher capital requirements than what would otherwise have been applicable under Basel II.

The European Union has approved new regulatory requirements, CRD IV. The new regulations places more robust requirements on capital adequacy, capital structure, liquidity buffers and funding. CRD IV is gradually introduced in Norway up until the end of 2016. The requirement of 13.5% total capital from July 1, 2014 includes a 10% Core Tier 1 capital and 3.5% other capital. The SpareBank 1 Boligkreditt AS Board of Directors is evaluating the capitalisation of the Company on a continuous basis in accordance with the international development.

Capital, NOK 1 000	30.06.2014	30.06.2013	2013
Share capital	5 510 548	5 310 548	5 310 548
Premium share fund	2 757 922	2 657 922	2 657 922
Other equity capital	5 626	98 050	320 555
Total equity capital entered into the balance sheet			8 274 096
Intangible assets	-2 535	-3 646	-3 002
Additional Tier 1 capital	350 000		
Declared share dividend	-	-	-302 105
50% deduction of expected losses exceeding loss provisions IRB	-134 508	-87 475	-182 832
Core capital (Tier 1)	8 487 053	7 975 399	7 801 086
Tier 2 capital	1 600 000	-	-
50% deduction of expected losses exceeding loss provisions IRB	-134 508	-87 475	-
Total capital	9 952 545	7 887 923	7 801 086

Minimum requirements for capital according to Basel II i NOK 1 000	30.06.2014	30.06.2013	2 013
Credit risk	2 569 847	1 921 547	1 846 418
Market risk	-	-	-
Operational risk	35 713	27 797	27 797
Depreciation on groups of loans	-	-	-
Difference in capital requirement due to the Basel I transitional floor	2 971 747	3 961 474	4 299 650
Minimum requirement for capital	5 577 307	5 910 818	6 173 865

Capital adequacy	30.06.2014	30.06.2013	2013
Capital adequacy (%)	14.28%	10.68%	10.11%
Tier 1 Capital Adequacy (%)	12.17%	10.79%	10.11%
Core Tier 1 Capital Adequacy (%)	11.67%	10.79%	10.11%

Note 19 Related Parties

Transactions with related parties

The Company has 159 444 MNOK loans to customers. These are acquired from shareholder banks at market value (i.e. nominal value).

SpareBank 1 SR-Bank ASA

The Company purchases a substantial amount of their support functions from SpareBank 1 SR-Bank ASA.

A complete SLA are established between the Company and SpareBank 1 SR-Bank ASA.

SpareBank 1 Alliance

In addition the Company has a Transfer and Servicing agreement in place with each individual shareholder bank regulating amongst other things the servicing of mortgage loans.

SpareBank 1 Næringskreditt AS

All employees within SpareBank 1 Boligkreditt AS are also to various degrees working for SpareBank 1 Næringskreditt AS. In accordance with a Board decision in SpareBank 1 Næringskreditt dated 17.09.09 one third of the administrative expenses in SpareBank 1 Boligkreditt AS are to be charged to SpareBank 1 Næringskreditt AS. This division of administrative expenses between the two companies reflect the actual resources utilisation in SpareBank 1 Boligkredit AS.

Note 20 Contingencies

SpareBank 1 Boligkreditt AS is not a party to any ongoing legal proceedings.

Note 21 Collateral Received

SpareBank 1 Boligkreditt has signed ISDA-agreements including CSAs (Credit Support Annexes) with a number of financial institutions that are counterparties in interest rate and currency swaps. These institutions post collateral in the form of cash deposits to SpareBank 1 Boligkreditt. At the end of the period 30.06.2014 this collateral amounted to NOK 12 337 million. This amount is included in the balance sheet as a deposit, but represents restricted cash.

Note 22 Tax

NOK 20 536 860 has been reclassified as a tax payable from deferred tax during the first quarter of 2014.

Note 23 Events after Balance Sheet Date

None