



Boligkreditt

2nd Quarterly Report 2016

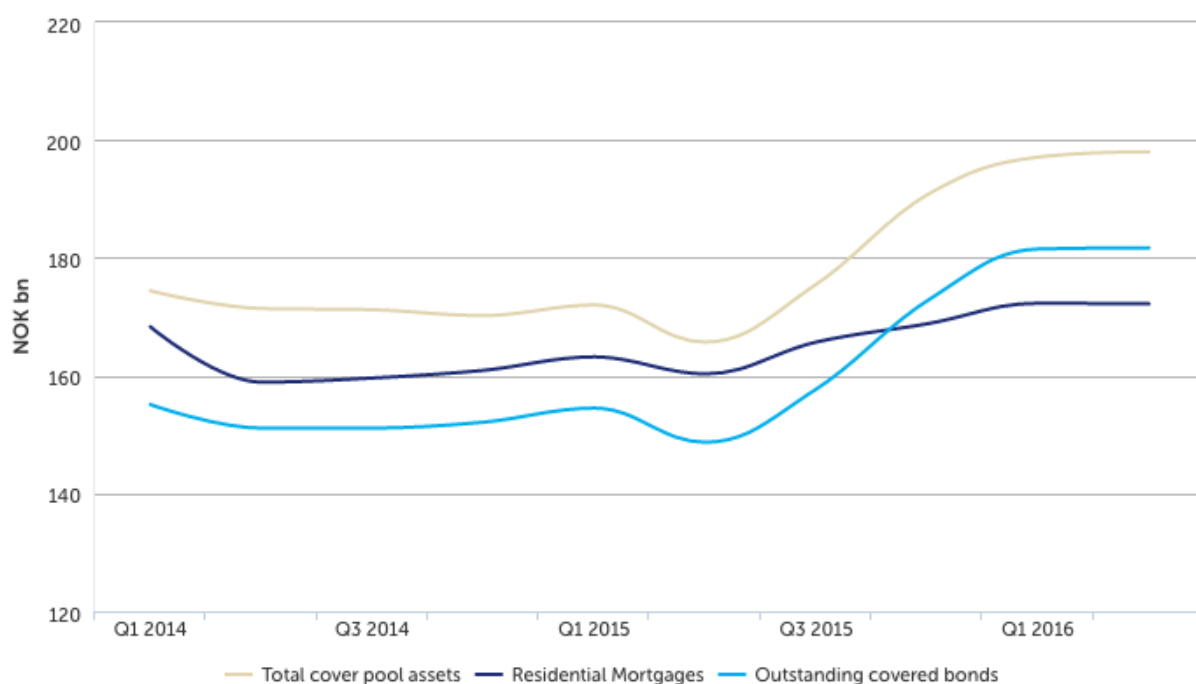
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Report of the Board of Directors

Cover pool and outstanding covered bonds¹



Key figures

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Weighted Average Current LTV (%)	49.9 %	51.4 %	52.1 %	50.3 %	49,2 %
Weighted Average Original LTV (%)	58.7 %	58.7 %	58.7 %	58.3 %	58,2 %
Average Loan Balance (NOK)	1,286,759	1,272,036	1,251,680	1,221,414	1 201 505
Number of Mortgages in Pool	133,840	135,432	134,895	135,688	133 422
Percentage of non first-lien mortgages	0.0 %	0.0 %	0.0 %	0.0 %	0,0 %
Overcollateralization	109.0 %	108.6 %	110.4 %	111.2 %	111,5 %

Key developments in the period

Boligkreditt issued no additional debt internationally during the 2nd quarter of 2016, with the exception of a smaller volume of privately placed EUR denominated covered bonds. In the Norwegian market however, issuance activity was relatively strong with NOK 8.2 billion issued mostly in 5 and 6 years, but also up to 12 years maturity. Norwegian 2nd quarter market activity also included the issuance of NOK 250 million of additional Tier 1 capital. In addition the Company increased its equity by NOK 240 million in June.

¹ The cover pool consists of residential mortgages and liquid, highly rated assets (substitute assets). Covered bonds are shown inclusive of the market value of the derivatives deployed to hedge currencies and interest rates. The cover pool data detail for the first quarter 2016 was not yet available at the time of this report.

Total capital coverage is 16.5 per cent as of June 30, 2016, Tier 1 capital coverage is 14.3 per cent and core capital coverage 12.9 per cent. The Company's capital coverage target is to be above the minimum legal requirement. Legal requirement for total capital coverage is 15 per cent from July 1, 2016. The capitalization ratios are currently positively impacted by the accounting for basis swaps which will reverse over time.

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 undertakings ("Finansforetaksloven") chapter 11, section II and the detailed regulations thereof. We expect that the Norwegian Treasury Department will set a minimum overcollateralization level of 2 per cent for covered bond pools in the law's associated regulations.

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 per cent and financing these primarily through the issuance of covered bonds². The Company, which is based in Stavanger, is owned by banks which are members of the SpareBank 1 Alliance. An agreement is signed with each owner bank regarding the purchase and transfer of residential mortgages and the services which the owner 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). The Programme was last updated on June 10, 2016 and is available on the homepage: <https://spabol.sparebank1.no>.

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 second quarter 2016 (corresponding previous year in brackets).

The total balance sheet amounts to NOK 263 (218) billion. Lending to customers amounted to NOK 173 (161) billion as of 30.06.2016. Loan growth is in accordance with expectations. The Company's liquid assets as of June 30, 2016 amounted to NOK 58 (29) billion, whereof approximately NOK 32 billion are funds received as collateral under ISDA agreements and the remainder is available to the Company as liquid assets.

The Company had during the first six months net interest income of NOK 220 (199) million, 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 15.6 (15.3) million including amortisation and depreciation. No additional amounts have been charged as loan provisions (write offs) during the first half of 2016, in addition to the NOK 8 million in cumulative group loan loss provisions as of 31.12.15. No actual loan losses have occurred. The pre-tax result was NOK 126 (391) million. The difference in pre-tax result compared to the same period last year is mostly due to valuation

² New self-selected criteria for which loans qualify for the cover pool from the first quarter 2014 sets the limit at 70% LTV.

changes of basis swaps, which increased by NOK 53 million during the first six months of 2016 (please see note 3 and the annual report for 2015 for further details).

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 per cent LTV, is the reason for why the Board of Directors assess the credit risk to be lower compared to other, universal and deposit taking banks³.

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 covered bonds outstanding of NOK 185 billion at original (hedged) exchange rates, of which NOK bonds were approximately 55 billion and the remainder mainly in EUR and USD. 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 records cash, bonds and treasury bills at the end of the period for a total of NOK 57 billion, whereby NOK 32 billion thereof is collateral received from counterparties in swap transactions and is not available as general liquidity. The bonds are Nordic covered bonds, Norwegian government debt and German SSA paper 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.

The Company had as of 30.06.2016 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 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 maintain a material liquidity reserve with a minimum size of covering all maturities within 6 months, and 50 per cent of all maturities between 6 and 12 months. Additionally 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 under a scenario where no interest payments are received from the loan portfolio. SpareBank 1 Boligkreditt AS's liquidity situation is considered to be 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, measuring and managing central areas of risk which contributes to that Boligkreditt achieves its strategic goals. Reference is made to the annual report 2015 for more information on this.

³ Eligibility criteria for the sale of mortgage loans to Boligkreditt include a maximum 70% LTV from the end of the first quarter 2014.

Future prospects of the Company

The Company has a portfolio of residential mortgage lending with an average loan to value of approximately 50 per cent and no loans are in default. Residential real estate prices have increased overall in Norway during 2016 by 8.3 per cent as of June, and stand at a high level. However, the house price development in the region dominated by the oil industry is weaker than the national average. That house prices nationally increase should be seen in the context of declining interest rates in Norway, also for residential mortgages, together with high demand for property, especially in central areas. Even if the unemployment rate is at a low level in Norway (4.6 per cent as of April 2016, a reduction of 0.2 per cent since the January reading) it has generally been on an upward trajectory since late 2014. Despite the current higher uncertainty in the Norwegian economy, the prospects for the Company are considered to be good and stable. The Board base this conclusion on a geographically well diversified loan portfolio without arrears, low LTVs, a strong history and institutional framework in Norway for loan performance, as well as the low unemployment environment.

Macroeconomic development⁴: Since the summer of 2014, the Norwegian economy has been experiencing a clear downturn. Oil prices have plummeted and oil investments have fallen markedly. Mainland Norway's GDP increased in 2015 by just 1.0 per cent; the weakest growth since the financial crisis in 2009. Despite a recovery in oil to around 50 dollars, the Norwegian GDP estimate for 2016 was reduced to 0.9 per cent in early June by Statistics Norway (from 1.6 per cent previously). Unemployment has on the other hand slightly improved to a seasonally adjusted 4.6 per cent as of April 2016 (from 4.8 per cent prior). There is an expectation amongst analysts that unemployment has peaked for the cycle, although uncertainty remains.

Economic outlook: The reduced expected growth rate for 2016 (0.9 per cent) and even a negative (-0.4 per cent) seasonally adjusted year-over-year GDP growth in the first quarter of 2016 is due to petroleum related investment reductions and a cost reduction programme in that important economic sector in response to lower oil prices. The bright spots in the Norwegian economy on the other hand may be summarized in industry regaining lost competitiveness due to the krone depreciation; public demand is expected to remain strong with the Norwegian government's financial capacity very robust. Tax decreases, especially businesses tax reductions, are part of an expansive fiscal policy mix. Low interest rates are stimulating investments, both business and housing. Petroleum investments may have dropped to a stable level by the end of 2016 and therefore these ongoing decreases may perhaps cease to be a drag on economic growth from 2017 onwards. The forecast numbers below include a return to 60 dollar per barrel oil by 2019.

Projections (%)	2016	2017	2018	2019
GDP growth, mainland	0.9	2.1	2.4	2.3
Unemployment rate	4.7	4.5	4.4	4.3
CPI growth	2.9	2.2	2.1	2.1
Annual wage increase	2.6	2.7	3	3.4

⁴ Macroeconomic prospects and projections have been sourced from Statistics Norway as of June 2, 2016.

The Board of Directors affirms that they consider the financial accounts to present a correct and complete picture of the Company's operations and financial position as of June 30, 2016.

No events have occurred after June 30, 2016 which are expected to have a material impact on the accounts for the period ending June 30, 2016.

Stavanger, June 30, 2016 / August 5, 2016
Board of Directors of SpareBank 1 Boligkreditt AS



Kjell Fordal
Chairman of the Board



Inge Reinertsen



Merete N. Kristiansen



Tore Anstein Dobloug



Inger M.S. Eriksen



Arve Austestad
Chief Executive Officer

SpareBank 1 Boligkreditt AS

- 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 2016 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 June 30, 2016.

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, 2016 / August 5, 2016
The Board of Directors of Sparebank 1 Boligkreditt AS



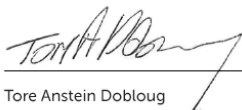
Kjell Fordal
Chairman of the Board



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Tore Anstein Dobloug



Inger M.S. Eriksen



Arve Austestad
Chief Executive Officer

Financial statements

Income statement

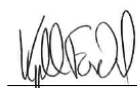
NOK 1 000	Note	2. quarter 2016	2. quarter 2015	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	2015
Total interest income	2	924 572	985 788	1 883 373	1 992 704	3 879 909
Total interest expenses	2	-817 253	-889 343	-1 663 595	-1 793 717	-3 473 052
Net interest income		107 319	96 446	219 778	198 987	406 857
Net gains/losses from financial instruments	3	-112 625	-18 586	-77 698	207 339	233 848
Net other operating income		-112 625	-18 586	-77 698	207 339	233 848
Total operating income		-5 306	77 860	142 080	406 326	640 704
Salaries and other ordinary personnel expenses	4	-2 043	-2 075	-5 143	-4 669	-10 700
Administration expenses	5	-2 299	-2 578	-5 021	-5 245	-10 625
Other operating expenses	6	-3 076	-1 904	-4 711	-4 327	-9 760
Depreciation/Amortization		-320	-547	-720	-1 059	-1 985
Total operating expenses		-7 738	-7 104	-15 595	-15 300	-33 070
Net profit before impairment losses		-13 044	70 756	126 485	391 026	607 635
Write-downs on loans and guarantees	8		0	0	0	0
Pre-tax operating result		-13 044	70 756	126 485	391 026	607 635
Tax expense		3 261	-19 104	-31 621	-105 577	-134 535
Net profit for the period		-9 783	51 652	94 864	285 449	473 100

Statement of comprehensive income

NOK 1 000	2. quarter 2016	2. quarter 2015	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	2015
Profit/loss for the year	-9 783	51 652	94 864	285 449	473 100
Items which will not impact the income statement in future periods:		-			
Change in pension expense for an earlier period		-	-	-	
Estimate change for pension expense		-	-	-	5 685
Tax effect of the estimate change		-	-	-	-1 421
Total profit/loss accounted for in equity		-	-	-	4 264
Total profit/loss	-9 783	51 652	94 864	285 449	477 363

Balance sheet

NOK 1 000	Note	30.06.2016	30.06.2015	2015
Assets				
Lending to and deposits with credit institutions	13	11 257 916	13 049 194	8 083 543
Norwegian Government Treasury Bills	13,14	1 656 360	19 926	8 705 692
Bonds	13,14	44 733 335	16 361 109	42 113 662
Lending to customers	8	172 616 073	161 072 171	169 338 988
Financial derivatives	12,13,14	32 728 300	27 178 048	40 947 743
Other assets	7	1 833	3 696	3 671
Total assets		262 993 816	217 684 144	269 193 299
Liabilities and equity				
Liabilities				
Debt incurred by issuing securities	10,13,14	217 597 620	181 577 042	218 853 602
Collateral received under derivatives contracts	21	31 632 419	24 404 974	36 950 453
Financial derivatives	12,13,14	575 679	682 483	690 315
Deferred tax		370 561	234 604	370 561
Tax payable		31 621	105 577	-
Subordinated debt	11	2 684 337	1 953 999	2 434 380
Other Liabilities	16	133 917	169 507	156 116
Total liabilities		253 026 155	209 128 186	259 455 427
Equity				
Paid in equity capital		9 258 470	8 268 470	8 568 470
Other paid in equity (not yet registered)		240 000	-	690 000
Accrued equity		374 328	2 039	374 328
Net profit		94 864	285 449	
Declared dividend		-	-	105 074
Total equity		9 967 662	8 555 958	9 737 872
Total liabilities and equity		262 993 816	217 684 144	269 193 299



Kjell Fordal
Chairman of the Board



Inge Reinertsen



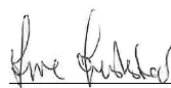
Merete N. Kristiansen



Tore Anstein Dobloug



Inger M.S. Eriksen



Arve Austestad
Chief Executive Officer

Statement of changes in equity

NOK 1 000	Share capital	Premium	Dividend	Fund for unrealized profits	Other equity	Total equity
Balance as of December 31, 2013	5 310 548	2 657 922	319 630	-	925	8 289 025
Share increase February 26	200 000	100 000	-	-	-	300 000
Dividend 2013	-	-	-319 630	-	-	-319 630
Result for the period	-	-	203 890	-	1 149	205 039
Change in pension expense for an earlier period	-	-	-	-	4 700	4 700
OCI - pension - estimate change	-	-	-	-	-4 736	-4 736
Balance as of December 31, 2014	5 510 548	2 757 922	203 890	-	2 038	8 474 399
Dividend 2014	-	-	-203 890	-	-	-203 890
Share increase September 29	200 000	100 000	-	-	-	300 000
Share increase December 22 (not yet registered)	-	-	-	-	690 000	690 000
Result for the period	-	-	105 074	368 026	-	473 100
OCI - pension - estimate change	-	-	-	-	4 263	4 263
Balance as of December 31, 2015	5 710 548	2 857 922	105 074	368 026	696 302	9 737 872
Registration of share increase (from Dec. 22, 2015)	460 000	230 000	-	-	-690 000	-
Dividend 2015	-	-	-105 074	-	-	-105 074
Share increase June 29 (not yet registered)	-	-	-	-	240 000	240 000
Result for the period	-	-	-	-	94 864	94 864
Balance as of June 30, 2016	6 170 548	3 087 922	0	368 026	341 166	9 967 662

Cash flow statement

NOK 1 000	30.06.2016	30.06.2015	2015
Cash flows from operations			
Interest received	2 127 599	2 377 951	3 784 335
Paid expenses, operations	-16 764	-14 137	-27 767
Paid tax	-	-	-
Net cash flow relating to operations	2 110 835	2 363 814	3 756 568
Cash flows from investments			
Net purchase of loan portfolio	-3 292 443	105 223	-8 168 134
Net payments on the acquisition of government bills	7 023 992	466 678	-8 214 730
Net payments on the acquisition of bonds	-4 110 811	3 190 289	-21 073 393
Net investments in intangible assets	-563	-1 029	-1 054
Net cash flows relating to investments	-379 825	3 761 161	-37 457 311
Cash flows from funding activities			
Net receipt/payment from the issuance of certificates	949 966	-749 970	-749 970
Net receipt/payment from the issuance of bonds	5 987 836	-3 614 914	19 811 929
Net receipt/payment from the issuance subordinated debt	250 000	-	480 000
Net receipt/payment from the issuance of loans to credit institutions	-3 840 767	-2 833 128	8 412 189
Equity capital subscription	240 000	-	990 000
Paid dividend	-105 074	-203 890	-203 890
Net interest payments on funding activity	-1 915 219	-2 168 336	-3 433 837
Net cash flow relating to funding activities	1 566 743	-9 570 238	25 306 422
Net cash flow in the period	3 297 753	-3 445 263	-8 394 321
Balance of cash and cash equivalents beginning of period	8 083 543	16 268 940	16 268 940
Net receipt/payments on cash	3 297 753	-3 445 263	-8 394 321
Exchange rate difference	-123 380	225 516	208 925
Balance of cash and cash equivalents end of period	11 257 916	13 049 194	8 083 543

Quarterly development 2nd quarter 2016

Income statement

	2. quarter	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
NOK 1 000	2016	2016	2015	2015	2015	2015
Total interest income	924 572	958 801	933 888	953 317	985 788	1 006 916
Total interest expenses	-817 253	-846 342	-838 460	-840 875	-889 343	-904 375
Net interest income	107 319	112 459	95 428	112 442	96 446	102 541
Net gains/losses from financial instruments	-112 625	34 927	18 482	8 027	-18 586	225 925
Net other operating income	-112 625	34 927	18 482	8 027	-18 586	225 925
Total operating income	-5 306	147 386	113 910	120 469	77 860	328 467
Salaries and other ordinary personnel expenses	-2 043	-3 100	-3 622	-2 409	-2 075	-2 594
Administration expenses	-2 299	-2 722	-2 961	-2 419	-2 578	-2 667
Other operating expenses	-3 076	-1 635	-3 003	-2 429	-1 904	-2 423
Depreciation/Amortization	-320	-400	-438	-488	-547	-512
Total operating expenses	-7 738	-7 857	-10 025	-7 745	-7 104	-8 196
Net profit before impairment losses	-13 044	139 529	103 885	112 724	70 756	320 271
Write-downs on loans and guarantees	-	-	-	-	-	-
Pre-tax operating result	-13 044	139 529	103 885	112 724	70 756	320 271
Tax expense	3 261	-34 882	1 477	-30 435	-19 104	-86 473
Net profit for the period	-9 783	104 647	105 362	82 288	51 652	233 798
Other income and expense in comprehensive income	-	-	4 264	-	-	-
Total net profit for the period	-9 783	104 647	109 626	82 288	51 652	233 798

Balance sheet

	2. quarter	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
NOK 1 000	2016	2016	2015	2015	2015	2015
Assets						
Lending to and deposits with credit institutions	11 257 916	11 442 842	8 083 543	16 896 170	13 049 194	14 824 479
Norwegian Government Treasury Bills	1 656 360	2 833 598	8 705 692	-	19 926	248 200
Bonds	44 733 335	45 244 165	42 113 662	28 522 929	16 361 109	19 680 901
Lending to customers	172 616 073	172 626 526	169 338 988	166 201 206	161 072 171	163 915 020
Financial derivatives	32 728 300	36 047 126	40 947 743	37 885 017	27 178 048	29 953 871
Other assets	1 833	2 571	3 671	4 692	3 696	2 631
Total assets	262 993 816	268 196 829	269 193 299	249 510 013	217 684 144	228 625 101
Liabilities and equity						
Liabilities						
Debt incurred by issuing securities	217 597 620	220 439 708	218 853 602	201 403 517	181 577 042	191 054 848
Collateral received under derivatives contracts	31 632 419	34 494 554	36 950 453	35 800 968	24 404 974	25 767 483
Financial derivatives	575 679	428 169	690 315	392 999	682 483	622 647
Deferred tax	370 561	370 561	370 561	234 604	234 604	234 604
Tax payable	31 621	34 882	-	-	-	-
Subordinated debt	2 684 337	2 434 192	2 434 380	2 434 246	1 953 999	1 954 021
Other Liabilities	133 917	152 245	156 116	305 434	275 084	283 302
Total liabilities	253 026 155	258 354 310	259 455 427	240 571 767	209 128 186	219 916 905

Equity						
Paid in equity capital	9 258 470	9 258 470	8 568 470	8 268 470	8 268 470	8 268 470
Other paid in equity (not yet registered)	240 000	-	690 000	300 000	2 039	-
Accrued equity	374 328	374 328	374 328	2 039	285 449	2 039
Net profit	94 864	104 647	-	367 738	-	233 798
Declared dividend	-	105 074	105 074	-	8 503 595	203 890
Total equity	9 967 662	9 842 519	9 737 872	8 938 246		8 708 196
Total liabilities and equity	262 993 816	268 196 829	269 193 299	249 510 013	217 612 414	228 625 101

Notes to the financial statements March 31, 2016

Note 1 Accounting principles

1.1 Basis for 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 01.01.2016 - 30.06.2016. 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 2015. The principles addressed below should be seen in connection with the accounting principles as they were presented in the annual accounts for 2015.

These financial accounts have been approved by the Board of Directors of SpareBank 1 Boligkreditt on 05.08.2016

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 as of the second quarter 2016 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 2015 Note 3 this risk and management thereof is more closely discussed.

1.5 Estimates and assessments regarding the use of accounting principles

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 2015.

Note 2 Net interest income

NOK 1 000	30.06.2016	30.06.2015	2015
Interest income			
Interest income and similar income from loans to and balances with credit institutions	251 353	144 456	300 398
Interest income and similar income from loans to and balances with customers	2 298 496	2 749 183	5 258 746
Interest income treasury bills	10 206	1 917	7 849
Commission expense (payable to shareholder banks) *	-676 681	-902 852	-1 687 085
Total interest income	1 883 373	1 992 704	3 879 909
Interest expense			
Interest expense and similar expenses to credit institutions	8 851	19 619	31 291
Interest expense and similar expenses on issued bonds	1 606 410	1 734 358	3 359 422
Interest expense and similar expenses on issued certificates	2 097	1 735	1 735
Interest expense and similar expenses on Tier 2 capital	46 163	37 995	80 584
Other interest expenses	73	11	19
Total interest expense	1 663 595	1 793 717	3 473 052
Net interest income	219 778	198 987	406 857

* 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	30.06.2016	30.06.2015	2015
Net gains (losses) from financial liabilities, hedged instruments (1)	-4 673 830	371 804	-408 266
Net gains (losses) from financial assets, hedged instruments (2)	-287 883	-171 068	-34 613
Net gains (losses) from financial derivatives, hedging, at fair value, hedging instrument (1,3)	4 830 716	-279 843	209 580
Net gains (losses) due to changes in basis swap spreads (4)	53 299	286 446	467 146
Netto gains (losses)	-77 698	207 339	233 848

(1) The Company utilizes hedge accounting as defined in IFRS for issued fixed rate bonds (covered bonds) with derivatives (swaps) which hedges fixed rates to floating and foreign currencies to Norwegian kroner. The hedges are individually tailored to each issued bond and exactly matches the cash flows and duration of the issued bonds.

(2) SpareBank 1 Boligkreditt AS manages its liquidity risk by refinancing its outstanding bonds ahead of expected maturities and keeping proceeds as a liquidity portfolio. The majority of this portfolio is valued according to observed market values (fair value). Fixed rate bonds and bonds in other currencies than Norwegian kroner are hedged using swaps. The latter are valued according to interest rate and foreign exchange rates and are also valued at fair value (though differences may occur because the valuation of the bonds include a credit risk/spread element which the swaps do not contain). A smaller part of the portfolio is classified as hold-to-maturity and consist of bonds in Norwegian kroner at floating rates.

(3) All derivatives are valued at fair value according to changes in market interest rates and foreign exchange rates. Changes in valuations from the previous period is accounted for in profit and loss.

(4) The Company utilizes basis swaps, which is the foreign exchange swap that changes foreign currency exposure into Norwegian kroner exposure, and this is entered into at a certain cost (spread over 3 months NIBOR). The change in the spread is used to adjust the valuation of all of the outstanding basis swaps each quarter, along with the change in other transaction charges to enter into the swaps. An increase in the costs for basis swaps results in a positive adjustment (gain), while a reduction in basis swap costs lead to a negative adjustment (loss). The effect of the basis swap valuation adjustments can be material from quarter to quarter because the Company's portfolio of swaps is extensive. All basis swap valuation adjustments will reverse in line with the passage of time and will become zero at the latest at the point of the scheduled swap termination date.

Note 4 Salaries and remuneration

NOK 1 000	30.06.2016	30.06.2015	2015
Salary	4 787	5 104	10 726
Salaries reinvoyced to SpareBank1 Næringskreditt*	-1 674	-2 624	-3 108
Pension expenses	1 077	916	706
Social insurance fees	797	872	1 736
Other personnel expenses	156	400	640
Total salary expenses	5 143	4 669	10 700
Average number of full time equivalents (FTEs)	8	7	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 reinvoyced to SpareBank 1 Næringskreditt. The company also buys administrative services from SpareBank 1 SR-Bank ASA and SpareBank 1 Gruppen. Pension benefit obligations are covered 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	30.06.2016	30.06.2015	2015
IT operation and maintenance	4 735	5 065	9 705
Travel	411	479	1 087
Telephone and postage	29	72	163
Misc other adm expenses	8	1	10
Cost share with SpareBank 1 Næringskreditt AS	-163	-372	-340
Total	5 021	5 245	10 625

Note 6 Other operating expenses

NOK 1 000	30.06.2016	30.06.2015	2015
Auditing, hired personnel from SpareBank 1 Group, other services	4 370	4 294	9 062
Operating expenses rented offices	294	285	675
Operating expenses reinvoiced to SpareBank 1 Næringskreditt	-254	-295	-462
Misc other operating expenses	300	43	486
Total	4 711	4 327	9 760

Note 7 Other assets

NOK 1 000	30.06.2016	30.06.2015	2015
Intangible Assets	1 722	2 728	1 880
Account Receivables from SpareBank 1 Næringskreditt AS	111	968	1 791
Total	1 833	3 696	3 671

Note 8 Lending to customers

Lending to customers are residential mortgages only. The mortgages generally have a loan loan-to-value and losses have been very low. The total amount of lending to customers at the end of the period were NOK 172.6 billion. All mortgages carry a variable interest rate.

NOK 1 000	30.06.2016	30.06.2015	2015
Revolving loans - retail market	54 697 466	54 002 808	54 205 342
Amortising loans - retail market	117 789 470	106 918 328	114 989 151
Accrued interest	136 844	158 743	152 202
Total loans before specified and unspecified loss provisions	172 623 781	161 079 879	169 346 696
Specified loan loss provisions	-	-	-
Unspecified loan loss provisions	7 708	7 708	7 708
Total net loans and claims with customers	172 616 073	161 072 171	169 338 988

Liability

Unused balances under customer revolving credit lines (flexible loans)	14 887 140	19 550 411	18 636 235
Total	14 887 140	19 550 411	18 636 235

Defaulted loans

Defaults*	0,0 %	0,0 %	0,0 %
Specified loan loss provisions	0,0 %	0,0 %	0,0 %
Net defaulted loans	0,0 %	0,0 %	0,0 %

Loans at risk of loss

Loans not defaulted but at risk of loss	0,0 %	0,0 %	0,0 %
- Write downs on loans at risk of loss	0,0 %	0,0 %	0,0 %
Net other loans at risk of loss	0,0 %	0,0 %	0,0 %

*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	30.06.2016	30.06.2015	2015
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

Shareholders registry as of 30.06.2016

	No of Shares	in per cent	Share of votes
SpareBank 1 SR-Bank ASA	11 703 383	18.97 %	18.97 %
SpareBank 1 SMN	10 300 113	16.69 %	16.69 %
SpareBank 1 Nord-Norge	8 918 628	14.45 %	14.45 %
Bank 1 Oslo Akershus AS	6 143 099	9.96 %	9.96 %
Sparebanken Hedmark	5 971 066	9.68 %	9.68 %
BN Bank ASA	3 669 869	5.95 %	5.95 %
SpareBank 1 BV	2 763 870	4.48 %	4.48 %
SpareBank 1 Østfold Akershus	2 638 883	4.28 %	4.28 %
Sparebanken Telemark	2 448 910	3.97 %	3.97 %
SpareBank 1 Ringerike Hadeland	2 014 421	3.26 %	3.26 %
SpareBank 1 Nordvest	1 288 058	2.09 %	2.09 %
Modum Sparebank	788 447	1.28 %	1.28 %
SpareBank 1 Søre Sunnmøre	749 882	1.22 %	1.22 %
SpareBank 1 Nøtterøy Tønsberg	742 104	1.20 %	1.20 %
SpareBank 1 Hallingdal	694 306	1.13 %	1.13 %
SpareBank 1 Gudbrandsdal	501 360	0.81 %	0.81 %
Lom og Skjåk Sparebank	369 083	0.60 %	0.60 %
Total	61 705 482	100 %	100 %

The equity capital consists of 61 705 482 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	30.06.2016	30.06.2015	2015
Short term notes, unsecured	950 000	-	-
Repurchased short term notes, unsecured	-	-	-
Senior unsecured bonds	3 631 000	6 741 000	6 476 000
Repurchased senior unsecured bonds	-282 000	-	-74 000
Covered bonds	184 961 507	152 574 717	177 244 869
Repurchased Covered bonds	-3 635 195	-4 333 800	-4 917 100
Total debt incurred by issuing securities	185 625 312	154 981 917	178 729 769

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

	Book value 30.06.2016	Book value 30.06.2015	Book value 2015
NOK 1 000			
Short term notes, unsecured	949 966	-	-
Repurchased short term notes, unsecured	-	-	-
Senior unsecured bonds	3 630 435	6 740 452	6 475 779
Repurchased senior unsecured bonds	-280 870	-	-73 998
Covered bonds	215 798 777	178 011 164	215 868 978
Repurchased covered bonds	-3 870 060	-4 509 042	-5 125 020
Activated costs incurred by issuing debt	-159 745	-129 424	-158 707
Accrued interest	1 529 119	1 463 891	1 866 571
Total debt incurred by issuing securities	217 597 620	181 577 042	218 853 602

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

Senior unsecured bonds

Due in	30.06.2016	30.06.2015	2015
2015	-	265 000	-
2016	500 000	3 826 000	3 752 000
2017	2 618 000	2 650 000	2 650 000
2018	300 000		
2019	881 000		
Total	4 299 000	6 741 000	6 402 000

Covered bonds

Due in	30.06.2016	30.06.2015	2015
2015	-	445 000	-
2016	10 345 000	23 599 625	20 621 625
2017	19 877 500	21 013 000	21 013 000
2018	35 754 250	21 785 000	35 754 250
2019	27 550 128	25 367 170	27 167 690
2020	24 958 500	24 458 500	24 958 500
2021	28 505 307	24 181 208	25 402 456
2022	18 698 750	3 233 750	12 648 750
2023	9 374 900	-	-
2024	1 558 327	1 334 864	1 462 848
2025	1 010 000	1 010 000	1 010 000
2026	1 935 000	1 650 000	1 650 000
2027	475 850	-	475 850
2028	1 282 800	162 800	162 800
Total	181 326 312	148 240 917	172 327 769

Total	185 625 312	154 981 917	178 729 769
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* Nominal value is incurred debt at exchange rates (EUR/NOK and USD/NOK) at the time of issuance

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

NOK 1 000	30.06.2016	30.06.2015	2015
NOK	60 717 004	56 839 280	56 218 289
EUR	127 194 134	87 283 760	120 721 290
USD	29 407 367	37 196 579	41 625 965
SEK	279 115	257 423	288 058
Total	217 597 620	181 577 042	218 853 602

Note 11 Subordinated debt

NOK 1000	ISIN	Interest rate	Issued year	Call option	Nominal amount	30.06.2016	30.06.2015	2015
With maturity								
Subordinated debt (Tier 2 capital instrument)	NO0010704109	3M Nibor + 225 bp	2014	07.05.2019	1 600 000	1 600 000	1 600 000	1 600 000
Perpetual								
Hybrid (Tier 1 capital instrument)	NO0010713746	3M Nibor + 310 bp	2014	09.05.2019	350 000	350 000	350 000	350 000
Hybrid (Tier 1 capital instrument)	NO0010745920	3M Nibor + 360 bp	2015	23.09.2020	300 000	300 000	-	300 000
Hybrid (Tier 1 capital instrument)	NO0010746191	3M Nibor + 360 bp	2015	29.09.2020	180 000	180 000	-	180 000
Hybrid (Tier 1 capital instrument)	NO0010767643	3M Nibor + 450 bp	2016	22.06.2021	250 000	250 000	-	-
Accured interest						-	3 999	4 380
Book value					2 680 000	2 680 000	1 953 999	2 434 380

Note 12 Financial derivatives

NOK 1 000	30.06.2016	30.06.2015	2015
Interest rate derivative contracts			
Interest rate swaps			
Nominal amount	79 229 257	72 500 831	80 539 030
Asset	5 701 627	5 261 916	5 345 413
Liability	-525 072	-674 746	-638 503
Currency derivative contracts			
Currency swaps			
Nominal amount	142 587 689	116 148 245	153 531 262
Asset	26 474 623	21 598 082	35 103 579
Liability	-50 607	-7 738	-51 812
Total financial derivative contracts			
Nominal amount	221 816 945	188 649 076	234 070 292
Asset	32 176 250	26 859 998	40 448 992
Liability *	-575 679	-682 483	-690 315
All derivative contracts exist for the purpose of hedging changes in interest rates and currency exchange rates.			
Asset	32 176 250	26 859 998	40 448 992
Net gain (loss) on valuation adjustment of basis swap spreads	552 050	318 050	498 751
Net asset derivatives	32 728 300	27 178 048	40 947 743

Basis swaps are currency swaps and are entered into at a certain cost (spread) between SpareBank 1 Boligkredit and banks which offer such swaps and which have signed an ISDA agreement with the Company. Changes in the cost are valued each quarter across all of the Company's swaps in accordance with the IFRS rules. An increase in the cost would result in an increase in the value of the basis swaps while a cost decrease would reduce the value of the basis swaps. The effect may be material from quarter to quarter because the Company's portfolio of swaps is extensive. All basis swap value changes will reverse over time towards the point of termination of the swaps.

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	31.03.16
Assets					
Deposits at and receivables from financial institutions	-	11 257 916	-	-	11 257 916
Norwegian government short term debt certificates	1 656 360	-	-	-	1 656 360
Bonds	44 658 605	-	74 730	-	44 733 335
Lending to customers	-	172 616 073	-	-	172 616 073
Financial derivatives	32 728 300	-	-	-	32 728 300
Other assets	-	-	-	1 833	1 833
Total Assets	79 043 265	183 873 989	74 730	1 833	262 993 816
Liabilities					
Debt incurred by issuing securities	175 957 449	41 640 171	-	-	217 597 620
Collateral received in relation to financial derivatives	-	31 632 419	-	-	31 632 419
Financial derivatives	575 679	-	-	-	575 679
Deferred taxes	-	-	-	370 561	370 561
Taxes payable	-	-	-	31 621	31 621
Subordinated dept	-	2 684 337	-	-	2 684 337
Other liabilities	-	-	-	133 917	133 917
Total Liabilities	176 533 128	75 956 927	-	536 099	253 026 155
Total Equity	-	-	-	9 967 662	9 967 662
Total Liabilities and Equity	176 533 128	75 956 927	-	10 503 760	262 993 816

*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	31.03.2015
Assets					
Deposits at and receivables from financial institutions	-	13 049 194	-	-	13 049 194
Norwegian government short term debt certificates	19 926	-	-	-	19 926
Bonds	16 136 038	-	225 070	-	16 361 109
Lending to customers	-	161 072 171	-	-	161 072 171
Financial derivatives	27 178 048	-	-	-	27 178 048
Other assets	-	-	-	3 696	3 696
Total Assets	43 334 012	174 121 365	225 070	3 696	217 684 144

Liabilities					
Debt incurred by issuing securities	140 659 914	40 917 128	-	-	181 577 042
Collateral received in relation to financial derivatives	-	24 404 974	-	-	24 404 974
Financial derivatives	682 483	-	-	-	682 483
Deferred taxes	-	-	-	234 604	234 604
Taxes payable	-	-	-	-	-
Subordinated debt	-	1 953 999	-	-	1 953 999
Other liabilities	-	-	-	275 084	275 084
Total Liabilities	141 342 397	67 276 101	-	509 688	209 128 186
Total Equity	-	-	-	8 555 958	8 555 958
Total Liabilities and Equity	141 342 397	67 276 101	-	9 065 646	217 684 144

*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:

Level 1: Quoted price in an active market.

Fair value of financial instruments which are traded in active markets are based on the market price at the balance sheet date. A market is considered to be active if the market prices are easily and readily available from an exchange, dealer, broker, industry group, pricing service or regulating authority and that these prices represent actual and regular market transactions on an arm's length basis.

Level 2: Valuation based on observable factors.

Level 2 consist of instruments which are not valued based on listed prices, but where prices are indirectly observable for assets or liabilities, but also includes listed prices in not active markets.

Level 3: The valuation is based on factors that are not found in observable markets (non-observable assumptions). If valuations according to Level 1 or Level 2 are not available, valuations are based on not-observable information. The Company has a matter of principle neither assets nor liabilities which are valued at this level.

The following table presents the company's assets and liabilities at fair value as of 30.06.2016

NOK 1 000

	Level 1	Level 2	Level 3	Total
Bonds and bills	30 722 252	15 592 712	-	46 314 964
Financial Derivatives	-	32 728 300	-	32 728 300
Total Assets	30 722 252	48 321 012	-	79 043 264
Bonds	-	175 957 449	-	175 957 449
Financial Derivatives	-	575 679	-	575 679
Total Liabilities	-	176 533 128	-	176 533 128

The following table presents the company's assets and liabilities at fair value as of 30.06.2015

NOK 1 000

	Level 1	Level 2	Level 3	Total
Bonds and bills	12 950 483	3 205 482	-	16 155 964
Financial Derivatives	-	27 178 048	-	27 178 048
Total Assets	12 950 483	30 383 530	-	43 334 012
Bonds	-	140 659 914	-	140 659 914
Financial Derivatives	-	682 483	-	682 483
Total Liabilities	-	141 342 397	-	141 342 397

Note 15 Bonds classified as hold to maturity

As of 30.06.2016

Bonds classified as	Book value			Exchange rate		Amortized cost
	01.01.2016	Investments	Matured	Amortizing	effects	30.06.2016
Hold to maturity	224 605	-	-150 000	125	-	74 731
Total certificates and bonds	224 605	-	-150 000	125	-	74 731

Market value of bonds in hold to maturity portfolio

Bonds classified as	Book value	Market value incl currency effects	Effect on net inc if at fair value
Hold to maturity	74 731	75 089	-358
Total certificates and bonds	74 731	75 089	-358

Note 16 Other liabilities

NOK 1 000	30.06.2016	30.06.2015	2015
Employees tax deductions and other deductions	387	375	1 478
Employers national insurance contribution	306	316	462
Accrued holiday allowance	428	439	1 015
Commission payable to shareholder banks	105 225	132 389	117 921
Deposits*	6 753	11 250	12 977
Pension liabilities	12 823	18 860	12 360
Other accrued costs	7 995	5 878	9 902
Total	133 917	169 507	156 116

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 test

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. Market values are used for all substitute collateral in the test. 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 starting with the commencement of operations through 30.06.2016).

NOK 1 000	30.06.2016	30.06.2015	2015
Covered Bonds	217 376 383	179 507 163	217 752 078
Repurchased Bonds	-3 927 714	-4 558 781	-5 155 728
Derivatives	-31 798 450	-26 263 573	-39 848 930
Total Covered Bonds	181 650 218	148 684 810	172 747 420
Lending to customers	172 207 775	160 790 206	168 792 683
Treasury Bills	24 943	19 926	7 210 022
Substitute collateral	25 790 424	4 910 351	14 664 356
Total Cover Pool	198 023 141	165 720 483	190 667 061
Asset-coverage	109,0 %	111,5 %	110,4 %

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.

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 Bolkreditt 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. 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. The transitional rules 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 15.0% total capital from July 1, 2016 includes a 11.5% Core Tier 1 capital and 3.5% other capital.

The Company's parent banks have committed themselves to keep the Equity Core Tier 1 capital at a minimum 9% (is currently being reviewed with a target to increase to 11%). Primarily this commitment is pro rata according to the ownership stakes in the Company, but it is a joint and several undertaking if one or more ownership banks are unable to comply, up to the maximum of twice the initial pro rata amount.

Capital in NOK 1 000	30.06.2016	30.06.2015	2015
Share capital	6 170 548	5 510 548	5 710 548
Premium share fund	3 087 922	2 757 922	2 857 922
Other equity capital	614 328	2 039	1 169 402
Common equity	9 872 798	8 270 509	9 737 872
Intangible assets	-1 722	-2 728	-1 880
Declared share dividend	-	-	-105 074
100% deduction of expected losses exceeding loss provisions IRB (CRD IV)	-315 593	-307 473	-326 724
Prudent valuation adjustment (AVA)	-79 694	-44 242	-83 752
Core equity capital	9 475 789	7 916 066	9 220 442
Hybrid bond	1 080 000	350 000	830 000
Tier 1 equity capital	10 555 789	8 266 066	10 050 442
Supplementary capital (Tier 2)	1 600 000	1 600 000	1 600 000
Total capital	12 155 789	9 866 066	11 650 442

Minimum requirements for capital. NOK 1 000	30.06.2016	30.06.2015	2015
Credit risk	3 169 337	2 929 842	3 122 194
Market risk	-	-	-
Operational risk	52 871	41 779	41 779
Depreciation on groups of loans	-	-	-
CVA Risk	127 595	118 611	165 228
Difference in capital requirement resulting from transitional floor	2 550 684	2 419 474	2 463 358
Minimum requirement for capital	5 900 487	5 509 706	5 792 559

Capital coverage

	30.06.2016	30.06.2015	2015
Risk-weighted assets incl. transitional floor	73 756 084	68 871 326	72 406 991
Capital coverage (%)	16,48 %	14,33 %	16,09 %
Tier 1 capital coverage (%)	14,31 %	12,00 %	13,88 %
Core Tier 1 capital coverage (%)	12,85 %	11,49 %	12,73 %

Note 19 Related parties

The Company has 172 616 MNOK loans to customers. These are loans acquired from shareholder banks at market values (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 is 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. Twenty percent of the administrative expenses in SpareBank 1 Boligkreditt AS are charged to SpareBank 1 Næringskreditt AS. This division of administrative expenses between the two companies reflect the actual resources utilisation in SpareBank 1 Boligkreditt AS.

Note 20 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 30.06.2016 this collateral amounted to NOK 31 632 million. This amount is included in the balance sheet, but represents restricted cash. According to signed ISDA and CSA agreement, it is not permitted for the parties in derivatives transactions to net amounts amongst various transactions.

Note 21 Contingencies and Events after Balance Sheet Date

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

No events have taken place after the balance sheet date which are expected to have any material impact on the financial statements as of the end of the period 30.06.2016

Contact information

SpareBank 1 Boligkreditt AS

Mailing address:

SpareBank 1 Boligkreditt
P.O.Box 250
N-4066 Stavanger
Norway

Visiting address:

Bjergsted Terrasse 1
4007 Stavanger
Norway



Chief Executive Officer

Arve Austestad
Phone: +47 5150 9411



Investor Relations

Eivind Hegelstad
Phone: +47 5150 9367



Head of Finance and Risk

Henning Nilsen
Phone: +47 5150 9412