

SpareBank 1 Boligkreditt AS



1st half 2008

Stavanger 4 August 2008

SPAREBANK 1 BOLIGKREDITT AS

As of 30 June 2008

Income statement	1st half	1st half	Full year
NOK 1 000	2008	2007	2007
Interest income	768 893	81 858	440 296
Interest expenses	-686 282	-66 404	388 579
Net interest income	82 612	15 454	51 717
Commission fees payable	-39 040	-5 301	-19 148
Net profit/loss on securities	-70	N/A	0
IFRS conversion effect	-11 743	N/A	0
Total income	31 758	10 153	32 569
Salaries and other personnel expenses	-3 235	-2 561	-5 199
Administrative expenses	-4 203	-1 210	-4 136
Other operating expenses	-2 202	-2 588	-4 932
Depreciation of fixed and other intangible assets	-2 886	-2 396	-5 073
Total operating expense	-12 525	-8 755	-19 339
Operational result	19 233	1 397	13 229
Taxes	-5 385	-391	-3 719
Profit/loss for the year	13 848	1 006	9 510

Balance Sheet	1st half	1st half	Full year
NOK 1 000	2008	2007	2007
Assets			
Deferred tax assets	0	665	0
Other intangible assets	6 810	9 730	9 388
Other assets	119 481	26 273	28 335
Lending to and deposits with credit institutions	1 849 207	1 022 022	1 482 508
Lending to costumers	29 428 906	8 378 494	14 165 488
Financial derivatives	0	0	291 727
Total assets	31 404 405	9 437 184	15 977 446
Liabilities and equity			
Contributed equity	1 338 470	403 950	1 028 321
Accrued equity	7 786	-1 724	7 786
Profit/loss	13 848	1 006	
Total equity	1 360 104	403 233	1 036 107
Deferred taxes	12		12
Covered Bonds	23 032 420	0	13 940 790
Securities issued	500 000	1 000 000	750 000
Debt to credit institutions	6 208 188	7 997 500	0
Financial derivatives	65 822	N/A	38 341
Payable taxes	0	0	3 043
Other liabilities	237 859	36 451	209 154
Total liabilities	30 044 301	9 033 951	14 941 339
Total liabilities and equity	31 404 405	9 437 184	15 977 446

SpareBank 1 Boligkreditt AS

Notes to the accounts for 1st half of 2008

Note 1 General information

SpareBank 1 Boligkreditt AS implemented the IFRS as of 1 January 2007. The date of the opening balance in accordance with IFRS was 1 January 2006, and as such comparable figures in accordance with the new accounting standards have been prepared for the accounts. Changes in IAS 23-Loan expenses were published by IASB in Q1 2007. These will come into force starting 1 January 2009.

Note 2 Accounting standards

General

The accounts are presented in accordance with the International Financial Reporting Standards (IFRS) including IAS 34 with regards to interim accounts. This also includes interpretations from International Financial Reporting Interpretations Committee (IFRIC) and its predecessor, Standing Interpretations Committee (SIC).

Descriptions of the accounting standards applied in the presentation of this interim report can be found in the annual accounts of 2007.

Note 3 Risk classification

The risk classification of the company's liabilities is completed upon the background of a complete assessment of the liabilities. This assessment is based on the following main criteria:

- The client's ability to pay (income and debt)
- The client's willingness to pay (poor payments records and reminders)
- The size of the loan
- Debt to asset ratio (only within 75% of the estimated value)
- Location

Any differentiation in prices is governed by SpareBank 1 Boligkreditt, based on the recommendation given by the individual savings bank. Such differentiation is mainly carried out on the basis of collateral, the financial situation of the client and market circumstances.

Note 4 Net interest income

	1st half 2008	1st half 2007	Full year 2007
NOK 1 000			
Interest income			
Interest income and similar income on loans to and deposits with credit institutions	52 277	12 661	51 858
Interest income and similar income from loans to and balances with customers	716 617	69 197	388 438
Total interest income	768 893	81 858	440 296
Interest expenses			
Interest expense and similar expenses to credit institutions	674 968	60 406	357 729
Interest expense and similar expenses on deposits from and liabilities to customers	1	1	2
Interest expense and similar expenses on securities issued	11 314	5 998	30 848
Total interest expenses	686 282	66 404	388 579
Net interest income	82 612	15 454	51 717

Note 5 Asset coverage test

NOK 1 000	1st half 2008	1st half 2007	Full year 2007
Covered Bonds	23 032 420		13 940 790
Financial derivatives (Cross currency swaps)	-410 252		-291 727
Financial derivatives (Interest rate swaps)	476 074		38 341
Total covered bonds	23 098 243	N/A*	13 687 404
Lending to customers	29 428 906		14 165 488
Accrued interest receivable	54 161		28 335
Lending to and deposits with credit institutions	1 849 207		1 482 508
Accrued interest payable	-225 629		-185 832
Total cover pool	31 106 646	N/A*	15 490 500
Asset to debt ratio on collateral	134,7 %	N/A*	113,2 %

* Covered bond was issued during the course of 2007

Note 6 Salaries and remuneration

NOK 1 000	1st half 2008	1st half 2007	Full year 2007
Salary expenses			
Ordinary salaries	2 664	2 077	4 243
Pension expenses	150	150	300
Social insurance fees	396	310	631
Other personnel expenses	25	24	25
Total salary expenses	3 235	2 561	5 199
Average number of man-years	4,75	4	4,33

Note 7 Administrative expenses

NOK 1 000	1st half 2008	1st half 2007	Full year 2007
Operations and maintenance IT	1 429	971	2 334
Management fee on loans	2 387	0	1 114
Travel	356	181	501
Telephone and postage	23	20	92
Training	4	32	33
Other administrative expenses	3	5	62
Total administrative expenses	4 203	1 210	4 136

Note 8 Other operating expenses

NOK 1 000	1. Halvår 2008	1. Halvår 2007	Året 2007
Internal audit, hired employee from SpareBank 1 Gruppen, acquired adm. services and more	1 816	2 318	4 490
Operating expenses rented offices	78	62	141
Other operating expenses	308	209	301
Total other operating expenses	2 202	2 588	4 932

Note 9 Lending to customers

NOK 1 000	1st half 2008	1st half 2007	Full year 2007
Flexible loans -retail division	13 118 255	3 349 774	5 317 108
Amortising loans -retail division	16 310 651	5 028 719	8 848 381
Total lending prior to loss provisions	29 428 906	8 378 494	14 165 488
Specified loss provisions	0	0	0
Group loss provisions	0	0	0
Total net lending to and receivables with customers	29 428 906	8 378 494	14 165 488
Loans in default			
Defaults	2 156	0	0
Specified loss provisions	0	0	0
Net loans in default	2 156	0	0
Other doubtful loans			
Doubtful loans, not yet defaulted	0	0	0
- Individual write-downs on doubtful loans	0	0	0
Net other doubtful loans	0	0	0

Total liabilities for a client is assumed to be in default and is included in reports on defaults when any payments that are due have not been paid within 90 days after the due date, or an overdraft has exceeded 90 days. Loss assessments are carried out on liabilities that have been in default for more than 60 days.

Note 10 Financial Derivatives

NOK 1 000	Contractual amount	Real value		Distributed on	
		Assets	Liabilities	Cash flow hedge	Real value of hedge
<i>Hedging Q2 2008</i>					
Interest rate derivatives					
Interest rate swaps	21 600 000		476 074		21 600 000
Cross currency swaps	19 586 500	410 252	0		19 586 500
Total financial derivatives	41 186 500	410 252	476 074	0	41 186 500
<i>Hedging Q2 2007</i>					
No financial derivatives in Q2 2007					
<i>Hedging according to annual accounts 2007</i>					
Interest rate derivatives					
Interest rate swaps	12 211 450		38 341		12 211 450
Cross currency swaps	11 698 500	291 726			11 698 500
Total financial derivatives	23 909 950	291 726	38 341	0	23 909 950

Note 11 Capital Adequacy

	1 half 2008	1 half 2007	Full year 2007
Subordinated capital in 1000 NOK			
Share capital	940 548	323 140	783 140
Premium fund	397 922	80 810	245 181
Other equity	7 786	-1 724	7 786
Total equity on balance sheet	1 346 256	402 226	1 036 107
Intangible assets	6 810	9 730	9 388
Core capital	1 339 446	392 496	1 026 719
Supplementary capital	0	0	0
Total subordinated capital	1 339 446	392 496	1 026 719

	Basel II 1st half 2008	Basel II 1st half 2007	Basel II Full year 2007
Capital adequacy			
<i>Amounts in 1000 NOK</i>			
Core capital (%)	11,41 %	11,74 %	17,79 %
Capital adequacy (%)	11,41 %	11,74 %	17,79 %

The statements presents the capital adequacy ratio of SpareBank 1 Boligkreditt. The capital adequacy ratio shall be at least 8 per cent. Intangible assets shall not be included. The asset base for calculation is weighted according to risk. According to Basel II the risk categories are: 0, 10, 20, 35, 75 and 100 per cent.

Note 12 Liabilities incurred by issuing securities

Covered Bonds

NOK 1 000, unless stated otherwise					1st half 2008	1st half 2007	Full year 2007
ISIN	Nominal	Currency	Interest rate	Maturity Date			
XS0323446665	1 500 000	EUR		01.10.10	11 698 500	N/A	11 698 500
XS0350301668	1 000 000	EUR		15.06.11	7 888 000	N/A	
NO0010389109	2 000 000	NOK		25.11.09	2 000 000	N/A	2 000 000
NO0010441652	800 000	NOK		25.06.12	800 000	N/A	
NO0010441454	500 000	NOK		18.06.18	500 000	N/A	
NO0010441678	200 000	NOK		25.06.18	200 000	N/A	
Total Covered Bonds					23 086 500	N/A	13 698 500

Bonds, certificates and other uncovered short term loans

NOK 1 000	1st half 2008	1st half 2007	Full year 2007
Bonds, certificates and other uncovered short term loans	500 000	1 000 000	750 000
Deposits - short term loans from credit institutions	6 150 000	7 997 500	0
Total bonds, certificates and other uncovered short term loans	6 650 000	8 997 500	750 000

* The amounts refer to nominal value and thus differ from those in the accounts that show amortised cost.

Note 13 Conditional Consequences

SpareBank 1 Boligkreditt AS is not party in any ongoing legal proceedings

Note 14 Income and balance sheet development

Income Statement

	Q2	Q1	Q4	Q3	Q2	Q1
NOK 1 000	2008	2008	2007	2007	2007	2007
Interest income	768 893	341 302	440 296	225 477	81 858	11 370
Interest expenses	686 282	301 250	388 579	194 279	66 404	6 051
Net interest income	82 612	40 053	51 717	31 198	15 454	5 319
Commission fees payable	-39 040	-18 913	-19 148	-13 502	-5 301	-778
Net profit/loss on securities	-70	0	0	N/A	N/A	N/A
IFRS conversion effect	-11 743	-12 334	0	N/A	N/A	N/A
Total income	31 759	8 806	32 569	17 696	10 153	4 541
Salaries and other personnel expenses	-3 235	-2 402	-5 199	-3 736	-2 561	-1 171
Administrative expenses	-4 203	-2 097	-4 136	-1 716	-1 227	-584
Other operating expenses	-2 202	-975	-4 932	-3 412	-2 571	-927
Depreciation of fixed and other intangible assets	-2 886	-1 439	-5 073	-3 677	-2 396	-1 155
Total operating expenses	-12 526	-6 913	-19 339	-12 540	-8 755	-3 837
Operational result	19 233	1 893	13 229	5 157	1 398	704
Taxes	-5 385	-530	-3 719	-1 444	-391	-197
Profit/loss for period	13 848	1 363	9 510	3 713	1 006	507

Balance sheet

	Q2	Q1	Q4	Q3	Q2	Q1
NOK 1 000	2008	2008	2007	2007	2007	2007
Assets						
Deferred tax assets	0	0	0	665	665	665
Other intangible assets	6 810	8 082	9 388	9 922	9 730	10 970
Other assets	119 481	79 257	28 335	44 864	26 273	4 919
Lending to and deposits with credit institutions	1 849 207	1 613 545	1 482 508	950 702	1 022 022	409 186
Lending to costumers	29 428 906	21 940 584	14 165 488	11 143 693	8 378 494	705 760
Financial derivatives	0	410 252	291 727			
Total assets	31 404 405	24 051 720	15 977 446	12 149 845	9 437 184	1 131 501
Equity and liabilities						
Contributed equity	1 338 470	1 028 321	1 028 321	653 950	403 950	399 994
Accrued equity	7 786	7 786	7 786	-1 724	-1 724	-1 724
Profit/loss	13 848	1 363		3 713	1 006	507
Total equity	1 360 104	1 037 470	1 036 107	655 939	403 233	398 777
Deferred taxes	12	12	12	0	0	0
Covered Bonds	23 032 420	22 156 580	13 940 790	0	0	0
Securities issued	500 000	749 795	750 000	748 827	999 598	0
Debt to credit institutions	6 208 188	0	0	10 702 500	7 997 500	730 000
Financial derivatives	65 822	0	38 341	1 173	402	0
Payable taxes	0	3 043	3 043	0	0	0
Other liabilities	237 858	252 110	209 154	41 406	36 451	2 724
Total liabilities	30 044 301	23 161 539	14 941 339	11 493 906	9 033 951	732 724
Total equity and liabilities	31 404 405	24 199 009	15 977 446	12 149 845	9 437 184	1 131 501