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DNB BOLIGKREDITT AS

– a company in the DNB Group

Fourth quarter report 2015
(Preliminary and unaudited)

Financial highlights

Comprehensive income statement

DNB Boligkreditt AS

Amounts in NOK million	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Net interest income	1 488	1 926	6 608	7 650
Net other operating income	455	(634)	4 054	(1 120)
Of which net gains on financial instruments at fair value	*466*	*(631)*	*4 081*	*(1 144)*
Operating expenses	(665)	(1 340)	(3 349)	(5 504)
Impairments on loans and commitments	(5)	6	2	(1)
Pre-tax operating profit	1 273	(42)	7 315	1 024
Tax expense	657	11	(975)	(277)
Profit for the period	**1 929**	**(30)**	**6 340**	**748**

Balance sheet

Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Total assets	649 797	644 733
Loans to customers	564 746	555 625
Debt securities issued	473 745	472 368
Total equity	39 198	29 407

Key figures

Per cent	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Return on equity, annualised	20.0	(0.4)	18.4	2.7
Combined weighted total average spread for lending [1)]	0.95	1.31	1.11	1.30
Impairment relative to average net loans to customers, annualised	0.00	0.00	0.00	0.00
Net non-performing and impaired loans, per cent of net loans	0.11	0.14	0.11	0.14
Common equity Tier 1 capital ratio, transitional rules, at end of period	15.2	12.7	15.2	12.7
Capital ratio, transitional rules, at end of period	17.3	14.9	17.3	14.9

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

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Directors' report

DNB Boligkreditt AS is the DNB Group's vehicle for the issue of covered bonds based on residential mortgages. The company's offices are located in Oslo. DNB Boligkreditt is a wholly-owned subsidiary of DNB Bank ASA and is reported as part of the Personal Banking Norway business area in DNB's consolidated accounts. Based on developments in international capital markets, DNB Boligkreditt has come to play a key role in ensuring long-term favourable funding for the Group. The rating agencies' assessments are of significance to the company's funding terms. DNB Boligkreditt's covered bond programmes are rated AAA by Moody's and Standard & Poor's.

Financial accounts

DNB Boligkreditt recorded a profit of NOK 1 929 million in the fourth quarter of 2015, compared with a loss of NOK 30 million in the fourth quarter of 2014.

Total income

Income totaled NOK 1 943 million in the fourth quarter of 2015, up from NOK 1 292 million in the year-earlier period.

Amounts in NOK million	4th quarter 2015	Change	4th quarter 2014
Total income	1 943	651	1 292
Net interest income		(438)	
Net commission and fee income		(8)	
Net gains/(losses) on financial instruments at fair value		1 097	

The increase in net interest income was mainly due to higher gains on financial instruments at fair value.

The recorded gains on financial instruments reflect the effects of unrealised changes in the market value of covered bonds, derivatives and loans recorded at fair value. Gains and losses from such instruments tend to vary considerably from quarter to quarter and will typically be reversed in subsequent periods due to stabilising markets or because the maturity dates of the instruments are approaching. The positive effects of financial instruments were mainly due to an increase in the market value of basis swaps.

Operating expenses and impairment of loans

Operating expenses are volatile due to the management fee paid to DNB Bank. The cooperation with DNB Bank is formalised through an extensive servicing agreement that ensures DNB Boligkreditt sound competence in key areas and cost-effective operations. The management fee calculation is based primarily on lending volume and the spreads achieved. The size of the management fee to the bank is related to net interest income. The fee amounted to NOK 630 million in the fourth quarter of 2015, down from NOK 1 356 million in the fourth quarter of 2014.

The company has generally recorded low impairment losses on loans. In the fourth quarter of 2015, the company reported impairment losses of NOK 5 million. The Board of Directors considers the level of impairment to be satisfactory relative to the high quality of the loan portfolio.

Funding, liquidity and balance sheet

Balance sheet

At year-end 2015, DNB Boligkreditt had total assets of NOK 649.8 billion, an increase of NOK 5.1 billion or 0.8 per cent from year-end 2014.

Amounts in NOK million	31 Dec. 2015	Change	31 Dec. 2014
Total assets	649 797	5 064	644 733
Loans to customers		9 121	
Financial derivatives		(4 157)	
Other assets		100	
Total liabilities	610 599	(4 727)	615 326
Due to credit institutions		(5 771)	
Financial derivatives		(2 651)	
Debt securities issued		1 377	
Deferred taxes		2 459	
Other liabilities		(141)	

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

Debt securities issued increased by a net NOK 1.4 billion from end-December 2014. The company issued covered bonds under existing programmes for a total of NOK 75.2 billion in 2015. Total debt securities issued amounted to NOK 473.7 billion at end-December 2015.

Risk and capital adequacy

The company has established guidelines and limits for management and control of the different types of risk.

Currency risk is eliminated through the use of financial derivatives. Interest rate and liquidity risk is managed in accordance with stipulations concerning covered bonds in the Financial Institutions Act and guidelines and limits approved by the Board of Directors. The company's overall financial risk is considered to be low.

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

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

Negative developments in the housing market affect the company. A decline in housing prices will reduce the value of the company's cover pool relative to the statutory asset coverage requirement. Quarterly stress tests are carried out to estimate the effects of a negative development in housing prices. A short-term measure to meet a significant fall in housing prices will be to supply DNB Boligkreditt with more substitute collateral. The Board of Directors considers the company's total risk exposure to be low.

At year-end 2015, the company's equity totalled NOK 39.2 billion, of which NOK 33.6 billion represented Tier 1 capital. Total primary capital in the company was NOK 38.4 billion. The Tier 1 capital ratio was 15.2 per cent, while the capital adequacy ratio was 17.3 per cent.

New regulatory framework

Agreement on European supervisory authorities

Due to a stipulation in the Norwegian Constitution on limited access to transfer powers to international organisations, it has not been possible to incorporate the EU regulations establishing the European supervisory authorities, CRR/CRD IV, and a number of other legislative acts into the EEA agreement and Norwegian legislation. In the autumn of 2014, Norway and the EU agreed on a solution, but it has proved time-consuming to implement the specific technical adaptations to the EU legislation. The government aims to submit a proposition to Stortinget, the Norwegian parliament, on the European supervisory authorities and some important related legislative acts for consideration in the spring of 2016. The required legislative amendments will probably enter into force on 1 July 2016. Parallel to this, the government is working to incorporate the remaining legislation on financial services in the course of 2016.

New capital and liquidity requirements

Norway introduced new capital requirements as of 1 July 2013 as the first step in the adaptation to the EU capital requirements regulations, CRR/CRD IV. The capital requirements in Norway imply a gradual increase in the formal capital requirements up till 1 July 2016. As of 1 July 2015, the minimum Tier 1 capital requirement, including the buffer requirements, is 13.5 per cent for the three banks which the Norwegian authorities have defined as systemically important (SIBs). The requirement also applies to DNB Boligkreditt. As of 1 July 2016, this minimum requirement will increase to 15.0 per cent for the SIBs and to 13.0 per cent for the other banks.

The capital adequacy requirements for banks consist of two pillars. Pillar 1 encompasses minimum requirements and buffer requirements determined by the political authorities. Finanstilsynet's expectations in the form of Pillar 2 requirements come in addition to this and will reflect institution-specific capital requirements relating to risks which are not covered or only partly covered by Pillar 1. The Pillar 2 requirement for DNB Boligkreditt has been set at 0.5 per cent. The total Tier 1 capital requirement for DNB Boligkreditt will thus be 15.5 per cent at year-end 2016. DNB Boligkreditt will fulfil this requirement through an equity injection in the second quarter of 2016.

In order to be prepared for a possible implementation of future new EU regulations, the Ministry of Finance has asked Finanstilsynet to prepare prospective rules on a non-risk based capital requirement in Norway, including definitions of the numerator and the denominator in the capital equation. Finanstilsynet has also been asked to consider the most appropriate capital level for Norwegian banks, mortgage institutions and parent companies in financial undertakings, including whether such levels should be differentiated, given that a non-risk based capital requirement will be introduced without replacing other capital requirements. Finanstilsynet's deadline is 31 March 2016.

The EU capital requirements regulations include stipulations on the LCR. In Norway, the Ministry of Finance has decided to introduce the Liquidity Coverage Ratio ahead of the EU schedule. DNB Boligkreditt is required to meet the 100 per cent LCR requirement as from 30 June 2016.

New crisis management regulations

On 1 January 2015, the EU introduced regulations for the winding-up and restructuring of banks, the Bank Recovery and Resolution Directive, BRRD. The directive will also apply to Norway through the EEA agreement. The purpose of the BRRD is to facilitate the winding-up of even the largest banks without an injection of government funds. The continuity of systemically important functions will be ensured through the recapitalisation of the entire or parts of a bank by writing down or converting into share capital the bank's subordinated loans and unsecured senior debt (bail-in).

Under the BRRD, each country will establish a national resolution fund. In accordance with the revised Deposit Guarantee Directive, each country must also have a deposit guarantee fund. Norway already has one of the best capitalised deposit guarantee funds in Europe, with funds that are well above the combined EU requirements for the deposit guarantee fund and the resolution fund of 1.8 per cent of guaranteed deposits.

The implementation of the BRRD and the revised deposit guarantee directive will require extensive changes in the Norwegian crisis solution system, including the rules on public administration and the role of the Norwegian Banks' Guarantee Fund. The Banking Law Commission is considering how the directives can be implemented in Norwegian law. This process and the work on draft legislation will probably be finalised in the course of the first half of 2016.

Macroeconomic developments

Economic growth in the industrialised countries was 1.8 per cent in 2015, which was approximately on a level with 2014. While GDP rose by 2.5 per cent in the United States and the United Kingdom, it increased by only 0.75 and 1.5 per cent in Japan and the eurozone, respectively. Growth rates in smaller countries ranged from zero in Finland to well over 3 per cent in Sweden and 6 per cent in Ireland.

Unemployment in the United States and the United Kingdom is close to record low levels, while many countries in the eurozone still have high unemployment rates. The Federal Reserve has started its planned interest rate hike cycle, and the Bank of England is expected to follow suit later this year. It will probably be several years before the European Central Bank (ECB) raises interest rates.

2015 was an eventful year for China. Growth dropped to just below 7 per cent, the stock market bubble burst, capital flowed out of the country, and the exchange rate depreciated. However, the feared economic hard landing did not materialise. The service industry remained stable and household consumption expenditure was not significantly affected by the financial turmoil. Even though the situation is expected to remain relatively unchanged in 2016, there will still be considerable uncertainty surrounding developments in China, and this has influenced the financial markets since the start of 2016.

During the second half of 2015, the situation in Brazil worsened. On an annual basis, GDP is expected to decline by almost 4 per cent. Unemployment levels are rising rapidly, inflation is escalating, and real wages are falling. Government finances have deteriorated considerably, and the political situation is very challenging. GDP may fall as much in 2016 as in 2015.

The drop in oil prices and the sanctions resulting from the Ukraine crisis have had a serious negative impact on Russia. Export and government revenues have fallen, the rouble has plunged and inflation has spiralled. Rising interest rates, reduced purchasing power and a negative economic outlook have reduced domestic demand, particularly investment. GDP has dropped for five consecutive quarters. The recession in Russia has also had a negative impact on the Baltic States, where GDP growth decreased sharply in 2015. The effects are probably temporary. Exporters are already looking towards new markets, while sound fundamental conditions are bolstering domestic demand. In addition, government finances are solid.

Growth in the Norwegian economy was almost halved in 2015, primarily due to lower demand from the petroleum sector. The fall in the price of oil has exacerbated the decline in petroleum investments, dampened the rise in costs in the supplier industry, curbed optimism among companies and households, and reduced government and private revenues. Unemployment rose to 4.6 per cent in 2015, but with large regional and occupational variations. Even if oil prices recover in 2016, further reductions in oil investments are expected. Moreover, lower activity in countries such as Brazil is affecting suppliers. However, the Norwegian economy has buffers that limit the negative economic impact. Budget policy has become more expansionary, and there is still ample manoeuvrability. With respect to monetary policy, interest rates have been lowered and the Norwegian krone has depreciated. Further interest rate cuts are expected. The employers' and employees' organisations cooperate well and have succeeded in taking many different considerations into account. Mainland growth in 2016 is forecast at 1.2 per cent, roughly on a level with 2015.

Housing prices rose by 7.2 per cent in 2015, with slightly slower growth throughout the year. Oil-intensive areas, such as Stavanger, experienced a fall in housing prices, whereas housing prices in Oslo rose by 11 per cent. Increasing unemployment and lower income growth will put pressure on housing prices in several regions in Norway. Lower interest rates, reduced housebuilding activity and rising population growth will contribute to sustaining housing prices.

Future prospects

Economic forecasts for 2016 indicate moderate global economic growth. In particular, it looks as though the United States will experience renewed growth, followed by the United Kingdom. In Norway, reduced petroleum activity in consequence of the falling oil prices will dampen investment activity in a number of mainland companies, make households more cautious and contribute to moderate wage settlements. Nevertheless, slight economic growth is expected in Norway. A weaker Norwegian krone will be positive for Norwegian export sectors, while budget policy has become more expansionary.

Stable volume-weighted spreads are anticipated in 2016, while lending volumes are expected to increase at an annual rate of 2 to 3 per cent. Average impairment losses are expected to be roughly at normalised levels during the 2016-2019 period. However, impairment losses will vary from year to year and from quarter to quarter may be somewhat above the normalised level at the start of the period. The tax rate is expected to be 24 per cent in 2016 and 2017 and 21 per cent in 2018. DNB Boligkreditt is well capitalised, but will build additional capital in accordance with the authorities' requirement of 15.5 per cent by year-end 2016.

Covered bonds have gained a leading position as a funding vehicle for Norwegian banks. Norwegian covered bonds still seem to be regarded as attractive investments with relatively low credit and market risk. The volume of covered bond issues in 2016 is expected to be somewhat lower than in 2015. This provides a further solid basis for DNB Boligkreditt's funding activities.

Oslo, 3 February 2016
The Board of Directors of DNB Boligkreditt AS

Bjørn Erik Næss
(chairman)

Jørn E. Pedersen

Eva-Lill Strandskogen

Per Sagbakken
(chief executive officer)

Comprehensive income statement

		DNB Boligkreditt AS			
Amounts in NOK million	Note	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Total interest income	6	4 003	5 098	17 598	20 565
Total interest expenses	6	(2 515)	(3 171)	(10 990)	(12 916)
Net interest income	6	**1 488**	**1 926**	**6 608**	**7 650**
Commission and fee income		(11)	(4)	(28)	22
Commission and fee expenses		(0)	(0)	(2)	(2)
Net gains on financial instruments at fair value	7	466	(631)	4 081	(1 144)
Other income		1	1	3	5
Net other operating income		**455**	**(634)**	**4 054**	**(1 120)**
Total income		**1 943**	**1 292**	**10 662**	**6 530**
Salaries and other personnel expenses	8	(5)	(1)	(17)	(15)
Other expenses	8, 14	(661)	(1 339)	(3 332)	(5 490)
Total operating expenses	8	**(665)**	**(1 340)**	**(3 349)**	**(5 504)**
Impairment of loans and commitments	9	(5)	6	2	(1)
Pre-tax operating profit		**1 273**	**(42)**	**7 315**	**1 024**
Tax expense		657	11	(975)	(277)
Profit for the period		**1 929**	**(30)**	**6 340**	**748**
Other comprehensive income		(2)	(6)	(2)	(6)
Total comprehensive income for the period		**1 927**	**(37)**	**6 338**	**741**

Balance sheet

		DNB Boligkreditt AS	
Amounts in NOK million	Note	31 Dec. 2015	31 Dec. 2014
Assets			
Due from credit institutions	13,14	468	360
Loans to customers	9,12,13	564 746	555 625
Financial derivatives	12,14	84 583	88 740
Other assets		1	8
Total assets		**649 797**	**644 733**
Liabilities and equity			
Due to credit institutions	13,14	113 813	119 584
Financial derivatives	12,14	9 651	12 302
Debt securities issued	10,12,13	473 745	472 368
Deferred taxes		8 181	5 722
Other liabilities		322	463
Provisions		30	28
Subordinated loan capital	11,13	4 857	4 858
Total liabilities		**610 599**	**615 326**
Share capital		3 497	3 077
Share premium		25 623	21 843
Other equity		10 078	4 487
Total equity		**39 198**	**29 407**
Total liabilities and equity		**649 797**	**644 733**

Statement of changes in equity

DNB Boligkreditt AS					
Amounts in NOK million	Share capital	Share premium	Actuarial gains and losses	Other equity	Total equity
Balance sheet as at 31 December 2013	**2 727**	**18 693**	**7**	**3 739**	**25 166**
Profit for the period				748	748
Other comprehensive income			(6)		(6)
Total comprehensive income for the period			**(6)**	**748**	**741**
Share issue 30 May 2014	350	3 150			3 500
Balance sheet as at 31 December 2014	**3 077**	**21 843**	**0**	**4 487**	**29 407**
Balance sheet as at 1 January 2015	**3 077**	**21 843**	**0**	**4 487**	**29 407**
Profit for the period				6 340	6 340
Other comprehensive income			(2)		(2)
Total comprehensive income for the period			**(2)**	**6 340**	**6 338**
Defined - benefit pension			3	(3)	(0)
Group contribution paid				(747)	(747)
Share issue 30 June 2015	420	3 780			4 200
Balance sheet as at 31 December 2015	**3 497**	**25 623**	**2**	**10 076**	**39 198**

Share capital

All shares and voting rights of the company are held by DNB Bank ASA. Share capital at the beginning of 2015 was NOK 3 077 million (30 770 000 shares at NOK 100).

In June 2015 4 200 000 shares were issued to DNB Bank ASA. Issue price per share was NOK 100. After the issuance, share capital was increased by NOK 420 million to NOK 3 497 million (34 970 000 shares) and share premium was increased by NOK 3 780 million to NOK 25 623 million.

Cash flow statement

Amounts in NOK million	DNB Boligkreditt AS Full year 2015	Full year 2014
Operating activities		
Net receipts/payments on loans to customers	12 362	(5 620)
Interest received from customers	17 832	20 627
Net receipts/payments on loans to/from credit institutions	(5 803)	4 410
Interest received from credit institutions	12	19
Interest paid to credit institutions	(2 280)	(3 113)
Net payments on the sale of financial assets for investment or trading	(32)	(135)
Net receipts/payments on commissions and fees	(11)	20
Payments for operating expenses	(3 500)	(5 660)
Net cash flow relating to operating activities	**18 580**	**10 548**
Investing activities		
Net purchase of loan portfolio	(23 203)	(16 379)
Net cash flow relating to investing activities	**(23 203)**	**(16 379)**
Financing activities		
Receipts on issued bonds and commercial paper	75 226	51 107
Payments on redeemed bonds and commercial paper	(66 533)	(44 617)
Interest payments on issued bonds and commercial paper	(8 784)	(9 269)
Interest payments on subordinated loan capital	(147)	(183)
Share issue	4 200	3 500
Group contribution receipts	738	5 236
Net cash flow from financing activities	**4 699**	**5 774**
Net cash flow	**76**	**(57)**
Cash as at 1 January	3	60
Net receipts/payments of cash	76	(57)
Cash at end of period	79	3

The cash flow statement has been prepared in accordance with the direct method and shows receipts and payments of cash and cash equivalents during the year. Cash is defined as cash and deposits with credit institutions with no agreed period of notice.

Note 1 Basis for preparation

The quarterly financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the European Union. A description of the accounting principles applied when preparing the financial statements appears in the annual report for 2014.

When preparing the financial statements, management makes estimates, judgment and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the significant estimates and areas where judgment is applied appear in note 1 Important accounting estimates, judgments and assumptions in the annual report for 2014.

Note 2 Capital adequacy

Primary capital — **DNB Boligkreditt AS**

Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Share capital	3 497	3 077
Other equity	35 701	26 330
Total equity	39 198	29 407
Deductions		
Expected losses exceeding actual losses, IRB-portfolios	(967)	(766)
Value adjustments due to the requirements for prudent valuation (AVA)	(385)	(398)
Adjustments for unrealised losses/(gains) on liabilites recorded at fair value	(232)	157
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	(2)	(13)
Allocated group contributions for payment	(4 020)	(748)
Common equity Tier 1 capital	33 592	27 640
Term subordinated loan capital	4 850	4 850
Tier 2 capital	4 850	4 850
Total eligible primary capital	38 442	32 490
Risk-weighted volume, transitional rules	221 648	217 886
Minimum capital requirement, transitional rules	17 732	17 431
Common equity Tier 1 capital ratio, transitional rules (%)	15.2	12.7
Capital ratio, transitional rules (%)	17.3	14.9

Due to transitional rules, the minimum capital adequacy requirement cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.

Specification of risk-weighted volume and capital requirements — **DNB Boligkreditt AS**

Amounts in NOK million	Nominal exposure 31 Dec. 2015	EAD [1] 31 Dec. 2015	Risk-weighted volume 31 Dec. 2015	Capital require-ments 31 Dec. 2015	Capital require-ments 31 Dec. 2014
IRB approach					
Corporate	6 074	6 074	3 276	262	289
Retail - residential property	580 843	580 843	127 443	10 195	7 303
Total credit risk, IRB approach	586 917	586 917	130 718	10 457	7 592
Standardised approach					
Institutions	31 324	31 324	6 265	501	835
Corporate	16 988	16 956	5 966	477	478
Retail - residential property	12 678	11 722	4 134	331	345
Retail - other exposures	405	264	225	18	
Other assets	1	1	1	0	1
Total credit risk, standardised approach	61 396	60 268	16 591	1 327	1 658
Total credit risk	648 313	647 184	147 309	11 785	9 250
Credit value adjustment (CVA)			36 418	2 913	113
Operational risk			12 740	1 019	760
Total risk-weighted volume and capital requirements before transitional rules			196 468	15 717	10 123
Additional capital requirements according to transitional rules			25 181	2 014	7 308
Total risk-weighted volume and capital requirements			221 648	17 732	17 431

1) EAD, exposure at default.

Note 3 Credit risk

Credit risk is the risk that the company will incur a loss because its customers or counterparties fail to meet their contractual obligations. Credit risk arises from loans and loan commitments as well as from derivatives. The maximum exposure to credit risk, according to IFRS, is the gross carrying amount of the assets, net of any amounts offset in accordance with the standards and net of any recognised impairment losses. In addition, certain off-balance sheet items such as loan commitments represent credit risk. The maximum exposure of loan commitments is the irrevocable amount that may be drawn upon in the future.

DNB Boligkreditt has adopted the credit risk policies as set by the DNB Group. The group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relation to such limits. Collateral are taken to manage credit risk in the loan portfolios. According to the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS", the day to day monitoring of the loans are managed by DNB Bank on behalf of DNB Boligkreditt.

DNB's risk classification system is divided into ten risk classes where 1 represents the lowest and 10 the highest risk. The classification system is based on the probability of default (PD) which is an estimate of the likelihood of a counterparty defaulting on its contractual obligations.

DNB Boligkreditt's majority of credit risk is related to loans to customers with collateral security in residential property, holiday homes and housing associations. DNB Boligkreditt acquires the loans from DNB Bank. The loans are originally granted to customers by DNB Bank, based on the group's policies and limits. At the time of transfer of loan portfolios from DNB Bank to DNB Boligkreditt, only loans that qualify as collateral for the issue of covered bonds according to the Financial Institutions Act, are accepted by the company. For all these loans, a mortgage over the property is taken and the value of the total loan balance per property should not exceed 75 per cent of the total value of the property. The collateral value is monitored on an ongoing basis.

Credit risk also arises from derivative financial instruments. The maximum credit risk related to derivatives is limited to those with a positive fair value in the balance sheet. All derivative contracts, both those with a current positive value and current negative value, are entered into with DNB Bank as counterparty.

Note 4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

Market risk arises as a consequence of open positions in interest rates and foreign exchange rates. Changes in these rates may affect both the company's total comprehensive income for the period as well as values in the balance sheet.

Currency risk
Currency risk may arise from DNB Boligkreditt's debt securities that are denominated in foreign currencies. DNB Boligkreditt has minimized this currency risk through currency swap agreements with DNB Bank. All issued debt is swapped to NOK.

In accordance with the bank's policy, positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

Interest rate risk
The company is exposed to interest rate risk through its ordinary operations. The company's strategy is to swap all interest risk exposure to short-term interest. The Board of Directors sets interest risk limits for various fixed-rate periods. The positions are monitored on a daily basis, and monthly exposure reports are prepared for the management and for The Board of Directors.

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

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

Note 5 Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due.

The Board of Directors sets annual limits for the company's liquidity risk, which means preparing liquidity risk limits, contingency plans, organisational aspects and responsibilities, forecasts, stress tests, routines for monitoring limit utilisation and compliance with guidelines, management reporting and independent monitoring of management and control systems.

Covered bonds are the company's primary source of funding. According to Section 2-32 of the Financial Institutions Act: "the mortgage institution shall ensure that payment flows from the cover assets at all times enable the mortgage institution to meet its payment obligations to the owners of bonds with preferential rights and counterparties in derivative agreements". The company's Board of Directors has decided that the company shall, at all times, have positive cash flows within the next 12 months. In a situation where the net cash flow from the lending and funding activities is negative, the company has a long-term overdraft facility in DNB ASA with a total limit of NOK 160 billion.

According to Section 6 in the regulations on sound liquidity management, "the institution shall analyze the liquidity situation by means of stress tests, which must be adapted to the scope, complexity and risk of operations. Experience from the stress tests shall be used when the Board of Directors considers the liquidity strategy and approves liquidity risk limits". As part of its liquidity risk management, the company prepares liquidity stress tests with quarterly reporting to the Board of Directors. Important parameters in the stress tests are developments in non-performing volume and reductions in housing prices.

DNB Boligkreditt liquidity situation at the end of fourth quarter 2015 can be characterised as sound.

Note 6 Net interest income

			DNB Boligkreditt AS	
Amounts in NOK million	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Interest on amounts due from credit institutions	1	3	12	19
Interest on loans to customers	3 945	5 039	17 352	20 328
Front-end fees etc.	1	1	11	4
Other interest income	55	54	223	214
Total interest income	**4 003**	**5 098**	**17 598**	**20 565**
Interest on amounts due to credit institutions	(329)	(512)	(1 531)	(2 141)
Interest on debt securities issued	(2 517)	(2 579)	(10 223)	(10 173)
Interest on subordinated loan capital	(35)	(41)	(146)	(180)
Net interest income/expenses, derivatives	366	(39)	910	(421)
Total interest expenses	**(2 515)**	**(3 171)**	**(10 990)**	**(12 916)**
Net interest income	**1 488**	**1 926**	**6 608**	**7 650**

Note 7 Net gains on financial instruments at fair value

	DNB Boligkreditt AS			
Amounts in NOK million	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Net gains on loans at fair value (fixed-rate loans) 1)	(477)	472	(672)	1 425
Net gains on financial liabilities (long-term borrowing in NOK) 2)	454	(506)	1 605	(1 586)
Total gains on financial instruments, designated as at fair value	(23)	(34)	933	(161)
Net gains on foreign exchange and financial derivatives, trading 3) 4)	358	(943)	3 290	(1 498)
Net gains on financial derivatives, hedging 4) 5)	(1 325)	1 743	(4 802)	12 181
Net gains on financial liabilities, hedged items 5)	1 456	(1 397)	4 659	(11 665)
Net gains on financial instruments at fair value	**466**	**(631)**	**4 081**	**(1 144)**

1) *DNB Boligkreditt's fixed-rate loans are measured at fair value. Reduced interest rates, including credit margins, will increase the fair value of already originated loans. The fair value adjustments of the company's fixed-rate loans are reversed over the loans' remaining term to maturity.*

2) *DNB Boligkreditt's long-term borrowing in Norwegian kroner is carried at fair value. The market value of such funding is impacted by the interest rate, including own credit risk premium. Reduced interest rates, including own credit risk premium, will increase the fair value of already issued Norwegian kroner liabilities. However, new funding issued at lower credit risk premiums will over time lead to decreased interest expenses. The fair value adjustments of the company's Norwegian kroner debt are reversed over the loans' remaining term to maturity. There was a NOK 324.3 million decrease in market values in the fourth quarter of 2015 (positive effect on profits) due to such credit risk premium effects, compared with a NOK 8.1 million decrease in market values in the fourth quarter of 2014 (positive effect on profits). For the year 2015 the effect was NOK 1 281.2 million decrease in market values (positive effect on profits), compared with a NOK 748.0 million increase in market values in 2014 (negative effect on profits). Accumulated positive mark-to-market effects by the end of 2015 were NOK 318.2 million, compared with a negative NOK 963.1 million by the end of 2014.*

3) *DNB Boligkreditt enters into swaps to manage interest-rate risk for the fixed-rate loans and bonds issued in Norwegian kroner. Such derivatives are recorded at fair value. Additionally, the company enters into basis swaps to manage foreign currency risk from DNB Boligkreditt's long-term borrowing in foreign currencies. The swaps are entered into at the time of issuing the bonds and are continuously monitored until maturity. Hedge accounting is not used for these economic hedges. These derivatives are carried at fair value (see footnote 4). There may be significant variations in the value of the basis swaps from day to day, due to changes in basis swap spreads which are recorded as unrealised gains and losses in the total comprehensive income for the period. There was a NOK 209.0 million increase in market values in the fourth quarter of 2015 (positive effect on profits) due to such basis swap spread effects, compared with a NOK 361.6 million increase in the fourth quarter of 2014 (positive effect on profits). For the year 2015 the effect was a NOK 3 000.1 million increase in market values (positive effect on profits), compared with a NOK 71.6 million decrease in market values in 2014 (negative effect on profits). Accumulated positive mark-to-market effects by the end of 2015 were NOK 3 041.0 million, compared with accumulated positive effects of NOK 40.9 million by the end of 2014.*

4) *All derivatives are measured at fair value. As part of this valuation a credit value adjustment (CVA) and debit value adjustment (DVA) is estimated to incorporate the counterparty credit risk as well as its own credit risk. During the fourth quarter of 2015 positive effects of NOK 89.3 million have been recognized in the income statement due to CVA and DVA effects. For the year 2015 the effect was a NOK 82.6 million in negative value adjustment, compared with NOK 537.2 million in negative value adjustment in 2014. Accumulated negative value adjustment by the end of 2015 was NOK 619.7 million, compared with accumulated negative value adjustment of NOK 537.2 by the end of 2014.*

5) *As from 1 January 2014, DNB Boligkreditt uses hedge accounting only for the interest rate component inherent in the long-term borrowings in foreign currency. With respect to hedged liabilities, the change in fair value of the hedged item is charged to the income statement. Derivatives that are designated as hedging instruments in hedging relationships are recorded at fair value (see footnote 4). Changes in fair value arising from hedged risk are presented under Net gains on financial derivatives, hedging. Foreign currency borrowing is hedged with swaps ensuring a high correlation between interest rates on the hedged items and the hedging instruments. In the table, the interest rate exposure of the short leg of the swap, representing a three-month unhedged interest rate exposure, is included in changes in value of the hedging instrument.*

Note 8 Operating expenses

	DNB Boligkreditt AS			
Amounts in NOK million	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Salaries	(2)	(2)	(8)	(8)
Other personnel expenses	(3)	1	(9)	(7)
Fees 1)	(660)	(1 339)	(3 329)	(5 486)
Other operating expenses	(1)	(1)	(3)	(3)
Total operating expenses	**(665)**	**(1 340)**	**(3 349)**	**(5 504)**

1) *Fees are mainly management fees paid to DNB Bank ASA for services rendered according to the management agreement. See also note 14 Information on related parties.*

Note 9 Loans to customers

Amounts in NOK million	DNB Boligkreditt AS 31 Dec. 2015	31 Dec. 2014
Loans at amortised cost:		
Loans to customers at amortised cost, nominal amount	506 576	491 092
– Individual impairment	(46)	(48)
Loans to customers, after individual impairment	506 531	491 045
+ Accrued interest	583	804
– Individual impairments on accrued interest	(42)	(46)
Loans to customers, at amortised cost	507 072	491 803
Loans at fair value:		
Loans to customers at fair value, nominal amount	56 492	61 147
– Individual impairments	(1)	(2)
Loans to customers, after individual impairment	56 492	61 145
+ Accrued interest	95	120
+ Adjustment to fair value	1 184	2 661
Loans to customers, at fair value	57 770	63 925
– Collective impairment	(96)	(103)
Loans to customers	**564 746**	**555 625**

Impairment allowances

Amounts in NOK million	DNB Boligkreditt AS 31 Dec. 2015	31 Dec. 2014
Individual impairment	(47)	(50)
Individual impairment of accrued interest	(42)	(46)
Collective impairment	(96)	(103)
Impairment allowances as at end of period	**(185)**	**(198)**

Impairment expenses

Amounts in NOK million	4th quarter 2015	4th quarter 2014	DNB Boligkreditt AS Full year 2015	Full year 2014
Individual impairment	(7)	(2)	(8)	(9)
Collective impairment 1)	(0)	7	6	4
Recoveries of previous write-offs	2	1	4	3
Impairment expenses	**(5)**	**6**	**2**	**(1)**

1) *Based on the DNB Group's calculation model and statistics. Further information about collective impairments can be found in Accounting principles in the annual report for 2014.*

Note 10 Debt securities issued

Debt securities issued	DNB Boligkreditt AS	
Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Listed covered bonds, nominal amount	386 944	382 788
Private placements under the bond programme, nominal amount	59 419	57 238
Total bonds, nominal amount	446 362	440 026
Accrued interest	4 602	4 768
Unrealised losses [1]	22 780	27 574
Adjustments	27 383	32 342
Total debt securities issued	**473 745**	**472 368**

1) Unrealised losses comprise of adjustments for net gain attributable to hedged risk on debt securities that are accounted for as hedged items and mark-to-market adjustments on debt securities that are designated as at fair value through profit or loss (fair value option).

Changes in debt securities issued						DNB Boligkreditt AS
Amounts in NOK million	Balance sheet 31 Dec. 2015	Issued 2015	Matured/ redeemed 2015	Exchange rate movements 2015	Changes in adjustments 2015	Balance sheet 31 Dec. 2014
Bond debt, nominal amount	446 362	45 468	66 533	27 401		440 026
Adjustments	27 383				(4 959)	32 342
Total debt securities issued	**473 745**	**45 468**	**66 533**	**27 401**	**(4 959)**	**472 368**

Maturity of debt securities issued			DNB Boligkreditt AS
Amounts in NOK million	NOK	Foreign currency	Total
2016	5 740	70 724	76 464
2017	10 690	52 126	62 816
2018	13 450	59 237	72 687
2019	16 600	41 791	58 391
2020	10 000	36 665	46 665
2021 and later	15 500	113 839	129 339
Total bond debt	**71 980**	**374 382**	**446 362**

Debt securities issued - matured/redeemed during the period							DNB Boligkreditt AS	
							Remaining nominal amount	
Amounts in NOK million ISIN Code	Currency	Matured redeemed amount	Interest	Issued	Matured		31 Dec. 2015	31 Dec. 2014
XS0493748015	EUR	80	Fixed	2010	2015	Called		80
XS0502969388	EUR	16 010	Fixed	2010	2015	Matured		16 010
NO0010571946	NOK	3 249	Floating	2010	2015	Matured		3 249
CH0110819403	CHF	3 653	Fixed	2010	2015	Matured		3 653
NO0010477706	EUR	390	Floating	2008	2015	Matured		390
XS0527362692	EUR	3 187	Fixed	2010	2015	Matured		3 187
XS0383827135	EUR	398	Fixed	2008	2015	Matured		398
XS0532508826	EUR	79	Fixed	2010	2015	Matured		79
XS0559323109	EUR	788	Floating	2010	2015	Matured		788
XS0541698683	EUR	405	Floating	2010	2015	Matured		405
Private Placement	NOK	250	Fixed	2008	2015	Matured		250
XS0550064314	USD	16 080	Fixed	2010	2015	Matured		16 080
NO0010430143	NOK	100	Fixed	2009	2015	Called	1 750	1 850
NO0010495575	NOK	3 958	Floating	2010	2015	Called	5 740	9 698
NO0010503931	NOK	150	Floating	2011	2015	Called	18 650	18 800
NO0010526817	NOK	10 000	Floating	2009	2015	Called		10 000
NO0010534100	NOK	6 272	Floating	2009	2015	Called		6 272
NO0010598857	NOK	785	Fixed	2011	2015	Called	2 040	2 825
NO0010622087	NOK	50	Floating	2011	2015	Called	6 950	7 000
NO0010664394	NOK	300	Floating	2012	2015	Called	12 700	13 000
NO0010664402	NOK	350	Fixed	2012	2015	Called	2 150	2 500
Total debt securities issued, nominal value		**66 534**					**49 980**	**116 514**

Note 10 Debt securities issued (continued)

Cover pool

Amounts in NOK million	DNB Boligkreditt AS 31 Dec. 2015	DNB Boligkreditt AS 31 Dec. 2014
Pool of eligible loans	561 517	551 598
Market value of eligible derivatives	74 932	76 438
Total collateralised assets	**636 449**	**628 035**
Debt securities issued, carrying value	473 745	472 368
Less valuation changes attributable to changes in credit risk on debt carried at fair value	361	(938)
Debt securities issued, valued according to regulation [1]	**474 106**	**471 430**
Collateralisation (per cent)	134.2	133.2

1) The debt securities issued are bonds with preferred rights in the appurtenant cover pool. The composition and calculation of values in the cover pool are defined in Sections 2-28 and 2-31 of the Financial Institutions Act with appurtenant regulations.

Note 11 Subordinated loan capital

Amounts in NOK million	Currency	Nominal amount	Interest rate	Issue date	Maturity date	DNB Boligkreditt AS 31 Dec. 2015	DNB Boligkreditt AS 31 Dec. 2014
Term subordinated loan capital	NOK	850	3 month Nibor + 400 bp	2009	2019	850	850
Term subordinated loan capital	NOK	4 000	3 month Nibor + 170 bp	2013	2023	4 000	4 000
Accrued interest						7	8
Total subordinated loan capital						**4 857**	**4 858**

Note 12 Financial instruments at fair value

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

Level 1
Valuation based on quoted, unadjusted prices in active markets for identical assets and liabilities. DNB Boligkreditt has no financial instruments in this category.

Level 2
Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

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

Level 3
Techniques for which inputs that have a significant effect on the recorded fair value are not based on observable market data. Gains or losses, that occur when the estimated fair value is different from the transaction price (day-one gain/loss) has not had significant impact to the financial statement for the fourth quarter of 2015.

Loans consist primarily of fixed-rate loans in Norwegian kroner. The value of fixed-rate loans is determined by discounting agreed interest flows over the term of the loan, using a discount factor adjusted for margin requirements. The discount factor used has as a starting point a swap rate based on a duration equal to the average remaining lock-in period for the relevant fixed-rate loans. The assumptions underlying the calculation of the margin requirement are based on a review of the market conditions on the balance sheet date and on an assessment of the deliberations made by external investors when investing in a corresponding portfolio. A margin requirement is calculated for margin loans, and the difference between the margin requirement and the agreed margin is discounted over the average expected time to the repricing of the loan.

DNB Boligkreditt AS

Amounts in NOK million	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Accrued interest [1]	Total
Assets as at 31 December 2015					
Loans to customers			57 676	95	57 771
Financial derivatives		84 583			84 583
Liabilities as at 31 December 2015					
Debt securities issued		73 410		545	73 955
Financial derivatives		9 651			9 651

1) Accrued interest on financial derivatives is included in the amounts in level 2.

Financial instruments at fair value, level 3

Amounts in NOK million	**DNB Boligkreditt AS** Loans to customers
Carrying amount as at 31 December 2014	**63 807**
Net gains on financial instruments	(672)
Additions/purchases	30 290
Sales [1]	(20 278)
Settled	(15 471)
Carrying amount as at 31 December 2015	**57 676**

1) In November 2015, a portfolio of home mortgages amounting to approximately NOK 20 billion was transferred from DNB Boligkreditt to DNB Livsforsikring.

Note 13 Fair value of financial instruments at amortised cost

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

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

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

The table shows estimated fair values of items carried at amortised cost. Values are measured based on the valuation methods described in note 12.

Fair value of financial instruments at amortised cost

DNB Boligkreditt AS

	31 December 2015		31 December 2014	
Amounts in NOK million	Carrying amount	Fair value	Carrying amount	Fair value
Due from credit institutions	468	468	360	360
Loans to customers	506 975	506 975	491 896	491 896
Total financial assets	507 442	507 442	492 255	492 255
Due to credit institutions	113 813	113 813	119 584	119 584
Debt securities issued	399 790	401 328	379 379	383 821
Subordinated loan capital	4 857	4 868	4 858	4 908
Total financial liabilities	518 460	520 010	503 821	508 312

DNB Boligkreditt AS

Amounts in NOK million	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Accrued interest	Total
Assets as at 31 December 2015					
Due from credit institutions		468			468
Loans to customers			506 305	670	506 975
Liabilities as at 31 December 2015					
Due to credit institutions		113 813			113 813
Debt securities issued		397 271		4 057	401 328
Subordinated loan capital			4 862	7	4 868

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

Debt securities issued that are carried at amortised cost are subject to hedge accounting of its interest rate risk. The hedging relationship between the bonds and their designated interest rate swaps are considered to be effective and accounted for as fair value hedges. The amortised cost value is adjusted by the fair value change of the hedged risk. Changes in credit risk are not subject to hedge accounting.

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

Note 14 Information on related parties

DNB Bank ASA

During the fourth quarter of 2015, loan portfolios of NOK 4.3 billion were transferred from the bank to DNB Boligkreditt in accordance with the ”Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS”.

The management fee paid to the bank for purchased services is recognised as “Other expences” in the statement of comprehensive income and amounted to NOK 630 million for the fourth quarter of 2015 (NOK 1 356 million for the fourth quarter of 2014).

At end-December, the bank had invested NOK 8.0 billion in covered bonds issued by DNB Boligkreditt.

DNB Livsforsikring AS

In November 2015, loan portfolios of NOK 19.4 billion were transferred from DNB Boligkreditt AS to DNB Liv AS in accordance with an agreement between the companies. The transaction was settled at market terms.

At end-December 2015, DNB Livsforsikring's holding of listed DNB Boligkreditt bonds was valued at NOK 1.8 billion.

DNB Næringskreditt AS

The fee received for services rendered to DNB Næringskreditt is recognised as “Other income” in the income statement and amounted to NOK 0.8 million for the fourth quarter of 2015.

Key figures

	DNB Boligkreditt AS			
	4th quarter 2015	4th quarter 2014	Full year 2015	Full year 2014
Rate of return/profitability				
Return on equity, annualised (%) [1)]	20.0	(0.4)	18.4	2.7
Financial strength at end of period				
Common equity Tier 1 capital ratio, transitional rules (%)	15.2	12.7	15.2	12.7
Capital ratio, transitional rules (%)	17.3	14.9	17.3	14.9
Common equity Tier 1 capital (NOK million)	33 592	27 640	33 592	27 640
Risk-weighted volume, transitional rules (NOK million)	221 648	217 886	221 648	217 886
Loan portfolio and impairment				
Impairment relative to average net loans to customers, annualised	0.00	0.00	0.00	0.00
Non-performing and doubtful loans, per cent of gross loans	0.19	0.23	0.19	0.23
Non-performing and doubtful gross loans, end of period (NOK million)	1 058	1 295	1 058	1 295
Net non-performing and net doubtful loans, per cent of net loans	0.11	0.14	0.11	0.14
Net non-performing and net doubtful loans, end of period (NOK million)	634	765	634	765
Staff				
Number of full-time positions at end of period	8	8	8	8

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

Profit and balance sheet trends

Comprehensive income statement — **DNB Boligkreditt AS**

Amounts in NOK million	4th quarter 2015	3rd quarter 2015	2nd quarter 2015	1st quarter 2015	4th quarter 2014
Total interest income	4 003	4 391	4 503	4 701	5 098
Total interest expenses	(2 515)	(2 744)	(2 858)	(2 873)	(3 171)
Net interest income	**1 488**	**1 647**	**1 645**	**1 828**	**1 926**
Commission and fee income	(11)	(7)	(3)	(8)	(4)
Commission and fee expenses	(0)	(0)	(0)	(0)	(0)
Net gains on financial instruments at fair value	466	1 507	329	1 779	(631)
Other income	1	1	1	1	1
Net other operating income	**455**	**1 500**	**327**	**1 772**	**(634)**
Total income	**1 943**	**3 147**	**1 972**	**3 600**	**1 292**
Salaries and other personnel expenses	(5)	(3)	(3)	(6)	(1)
Other expenses	(661)	(754)	(885)	(1 033)	(1 339)
Total operating expenses	**(665)**	**(757)**	**(888)**	**(1 039)**	**(1 340)**
Impairment of loans and commitments	(5)	6	0	2	6
Pre-tax operating profit	**1 273**	**2 396**	**1 084**	**2 562**	**(42)**
Tax expense	657	(647)	(293)	(692)	11
Profit for the period	**1 929**	**1 749**	**791**	**1 870**	**(30)**
Other comprehensive income	(2)				(6)
Total comprehensive income for the period	**1 927**	**1 749**	**791**	**1 870**	**(37)**

Balance sheet — **DNB Boligkreditt AS**

Amounts in NOK million	31 Dec. 2015	30 Sept. 2015	30 June 2015	31 March 2015	31 Dec. 2014
Assets					
Due from credit institutions	468	947	1 075	801	360
Loans to customers	564 746	580 294	572 939	561 501	555 625
Financial derivatives	84 583	82 425	78 752	87 561	88 740
Other assets	1	14	1	1	8
Total assets	**649 797**	**663 680**	**652 766**	**649 865**	**644 733**
Liabilities and equity					
Due to credit institutions	113 813	105 382	123 563	109 715	119 584
Financial derivatives	9 651	11 148	10 818	12 376	12 302
Debt securities issued	473 745	495 895	469 443	484 829	472 368
Payable taxes	0	1 632	1 000	710	0
Deferred taxes	8 181	7 207	7 192	5 704	5 722
Other liabilities	322	261	344	368	463
Provisions	30	27	27	27	28
Subordinated loan capital	4 857	4 857	4 857	4 857	4 858
Total liabilities	**610 599**	**626 409**	**617 244**	**618 587**	**615 326**
Share capital	3 497	3 497	3 497	3 077	3 077
Share premium	25 623	25 623	25 623	21 843	21 843
Other equity	10 078	8 151	6 402	6 357	4 487
Total equity	**39 198**	**37 271**	**35 522**	**31 277**	**29 407**
Total liabilities and equity	**649 797**	**663 680**	**652 766**	**649 865**	**644 733**

Contact information

DNB Boligkreditt AS

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	NO 985 621 551 MVA

Chief executive officer

Per Sagbakken
Tel: +47 906 61 159
per.sagbakken@dnb.no

Financial reporting

Roar Sørensen
Tel: +47 934 79 616
roar.sorensen@dnb.no

Rating and investor information

Håkon Røsand
Tel: +47 906 16 892
hakon.rosand@dnb.no

DNB ASA

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	NO 981 276 957 MVA

DNB Bank ASA

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	NO 984 851 006 MVA

Other sources of information

Annual and quarterly reports

DNB Boligkreditt AS is part of the DNB Bank Group and the DNB Group. Annual and quarterly reports for DNB Boligkreditt AS, the DNB Bank Group and the DNB Group are available on dnb.no.

HERE FOR YOU.
EVERY DAY.
WHEN IT MATTERS THE MOST.

DNB Boligkreditt AS

Mailing address:
P.O.Box 1600 Sentrum
N-0021 Oslo

Visiting address:
Dronning Eufemias gate 30
Bjørvika, Oslo

dnb.no