

Income statement

Amounts in SEK M	Note	The Group		The Bank	
		1992	1991	1992	1991
OPERATING INCOME					
Interest income	1	36,869	44,634	26,949	25,862
Interest costs	1	-29,805	-36,134	-21,671	-20,145
Net interest income	1	7,064	8,500	5,278	5,717
Commissions, fees and foreign exchange income	2	2,303	2,254	1,777	1,551
Property income	3	385	357	1	-
Realized gains/losses charged to earnings, equity-related instruments	4	-18	-15	0	-12
Dividends on shares	5	49	28	46	22
Realized capital gains/losses, bonds etc., investment portfolio		97	215	97	130
Other operating income	6	253	220	39	58
Total operating income		10,133	11,559	7,238	7,466
OPERATING COSTS					
Personnel costs	7	2,390	2,432	1,897	1,965
Property costs		133	125	1	-
Rents and other costs of premises	3	691	627	605	470
Compensation to Sweden Post		1,292	1,335	1,292	1,335
Other running costs	8	2,091	2,080	1,745	1,565
Depreciation	9	354	297	218	153
Total running costs		6,951	6,896	5,758	5,488
Loan losses	10	19,231	10,491	17,146	7,677
Total operating costs		26,182	17,387	22,904	13,165
Operating profit/loss		-16,049	-5,828	-15,666	-5,699
Extraordinary income	11	11,799	150	10,104	10
Extraordinary costs	12	-687	-2,810	-2,531	-1,172
Profit before appropriations and taxes		-4,937	-8,488	-8,093	-6,861
Minority share of profit		6	-3	-	-
Profit before appropriations and taxes excluding minority share		-4,931	-8,491	-8,093	-6,861
Appropriations	13	-229	1,797	9,896	6,055
Profit before taxes		-5,160	-6,694	1,803	-806
Taxes	14	3,268	1,149	208	-14
Net profit/loss		-1,892	-5,545	2,011	-820

Balance sheet

Amounts in SEK M	Note	The Group		The Bank	
		Dec. 31, 1992	Dec. 31, 1991	Dec. 31, 1992	Dec. 31, 1991
ASSETS					
Cash balance		1,998	2,033	1,997	1,653
Clearing receivables		606	986	606	397
Deposited in Swedish financial institutions	15	25,096	12,877	36,554	36,797
Deposited in foreign banks	16	12,244	10,962	18,514	15,030
Interest-bearing securities					
Trading portfolio	17	12,194	14,845	4,798	9,216
Investment portfolio	18	29,038	23,459	29,038	20,346
Loans outstanding	19	227,215	246,029	152,104	150,534
Real estate taken over for protection of claims	21	1,332	—	1	—
Other assets	22	13,964	13,596	14,011	8,356
Shares, current assets	23	7,633	6,815	278	6,521
Shares, participations and subordinated debentures, fixed assets	24	251	138	8,595	10,051
Goodwill		93	207	—	—
Equipment leased to clients	25	5,415	4,820	—	—
Furniture, fixtures and equipment	26	508	502	415	355
Real estate for own premises	27	1,713	1,874	12	13
Total assets		339,300	339,143	266,923	259,269
Receivables from Group companies				57,074	38,471
Assets pledged	28	2,378	2,082	—	3
Total lending commitments		267,418	281,432	178,409	177,310
LIABILITIES AND SHAREHOLDERS' EQUITY					
Clearing liabilities and bank drafts		757	336	757	311
Deposits	29	156,979	147,571	154,184	130,659
Due to Swedish financial institutions	30	35,628	24,184	35,190	27,249
Due to foreign banks	31	36,203	62,700	38,388	59,225
Other debt instruments issued abroad		960	1,432	960	1,432
Borrowing from the public		1,281	9,963	—	—
Commercial paper and other money market instruments issued in Sweden		19,892	15,309	0	6
Bonds	32	48,868	36,300	4,924	6,292
Subordinated debenture loans	33	10,218	10,004	9,343	9,032
Refinancing loans		176	516	176	516
Other liabilities	34	16,707	17,528	11,116	9,305
General reserve for LDC risks		423	346	423	316
Pension liabilities	35	5	5	—	—
Minority interests		84	57	—	—
Total liabilities		328,181	326,251	255,461	244,343
Untaxed reserves	36			—	5,475
Shareholders' equity	37	11,119	12,892	11,462	9,451
Total liabilities and shareholders' equity		339,300	339,143	266,923	259,269
Liabilities to Group companies				25,682	27,813
Guarantees	38	11,059	17,419	14,720	17,616
Unutilized documentary credit facilities		2,540	2,438	2,140	1,884

Notes to the financial statements

Note 1. Net interest income (SEK M)						
The Group	1992			1991		
	Interest			Interest		
INTEREST INCOME						
Loans outstanding		26,776			32,032	
Lending to Swedish financial institutions		2,342			5,121	
Lending to foreign banks		1,678			2,387	
Interest-bearing securities						
Trading portfolio		1,887			2,203	
Investment portfolio		3,432			2,175	
Net leasing income ¹⁾		516			460	
Other interest income		238			256	
Total interest income		36,869			44,634	
INTEREST COSTS						
Deposits		11,423			13,937	
Borrowing from Swedish financial institutions		1,976			5,043	
Borrowing from foreign banks		6,603			8,378	
Other short-term borrowing		2,303			1,838	
Long-term borrowing		6,097			5,811	
Other interest costs		1,403			1,127	
Total interest costs		29,805			36,134	
Net interest income		7,064			8,500	
¹⁾ Leasing income		1,190			970	
Depreciation		-674			-510	
Net leasing income		516			460	
The Bank	1992			1991		
	Average balance SEK M	Interest SEK M	Interest %	Average balance SEK M	Interest SEK M	Interest %
ASSETS						
Cash balances, compulsory cash reserves	2,108	—	—	2,243	—	—
Deposited in Swedish banks	23,668	2,961	12.51	18,245	2,147	11.77
Deposited in foreign banks	12,561	1,580	12.58	19,890	2,123	10.67
Interest-bearing securities	34,992	4,419	12.63	25,949	2,785	10.73
Loans outstanding ¹⁾						
in Swedish kronor	91,715	11,830	12.90	69,126	9,199	13.31
in foreign currencies	75,808	6,138	8.10	109,730	9,623	8.77
Other assets	15,908	21	—	12,330	— 15	—
A. Total investments	256,760	26,949	10.50	257,513	25,862	10.04
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits ²⁾						
in Swedish kronor	104,904	8,537	8.14	82,636	6,381	7.72
in foreign currencies	41,009	2,750	6.71	40,413	3,084	7.63
Due to Swedish banks ³⁾	14,774	2,175	14.72	11,759	1,384	11.77
Due to foreign banks	53,504	6,138	11.47	82,233	7,667	9.32
Long-term borrowing	14,174	1,260	8.89	17,280	1,516	8.77
Other liabilities	16,885	811	4.80	6,224	113	1.82
Total borrowed funds	245,250	21,671	8.84	240,545	20,145	8.37
Shareholders' equity and untaxed reserves for lending, foreign currencies and bonds	11,510	—	—	16,968	—	—
B. Total liabilities and shareholders' equity	256,760	21,671	8.44	257,513	20,145	7.82
Net interest income		5,278			5,717	
Overall interest margin (A minus B), %			2.06			2.22

¹⁾ Loans outstanding and lending to financial institutions other than banks.

²⁾ Deposits and due to financial institutions other than banks, plus the Bank's own certificates of deposit.

³⁾ Borrowing in the call money market.

Note 2. Commissions, fees and foreign exchange income (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Domestic loans	325	389	241	247
Securities business	305	583	136	182
Trust and legal business	74	39	71	32
Other domestic business	647	613	547	539
International business	952	630	782	551
	2,303	2,254	1,777	1,551

Note 3. Property income

Of the Group's property income and costs of premises, respectively, SEK 272 M (245) is for market-based rents for premises in Group-owned buildings.

Note 4. Realized capital gains/losses charged to earnings, equity-related instruments

The reported figures are for inventory in brokerage business.

Note 5. Dividends on shares (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Share inventory in brokerage business	0	4	0	0
Other shares, current assets	2	—	—	—
Shares acquired to protect claims	21	—	21	—
Shares in subsidiaries	—	—	—	—
Other shares, fixed assets	26	24	25	22
	49	28	46	22

Note 6. Other operating income (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Net operating income, real estate taken over to protect claims	12	—	—	—
Withdrawal of negative goodwill	106	85	—	—
Miscellaneous	135	135	39	58
	253	220	39	58

Note 7. Personnel costs (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Salaries and fees	1,568	1,566	1,220	1,245
Pension costs (specification below)	139	124	119	103
Social welfare contributions	550	582	460	503
Other personnel costs	133	160	98	114
	2,390	2,432	1,897	1,965
Salaries and fees:				
To Boards of Directors and senior executives	62	89	19	41
To other employees in Sweden	1,397	1,336	1,173	1,186
To other employees outside Sweden	109	141	28	18
	1,568	1,566	1,220	1,245

Cash salaries totaling SEK 14.7 M were paid to the President and the Executive Vice Presidents who belonged to the Group Management during all or part of 1992 for the period they were members of the Group Management - an average of twelve persons.

These persons do not enjoy job security under the Security of Employment Act. This has instead been provided in separate agreements between the individual and the Bank, in conformity with customary market practices. These agreements have now been renegotiated in accordance with the "guidelines on conditions of employment for management of government-owned credit institutions etc." established by the Cabinet in February 1993. This means, among other things, that the period of notice of termination and the period of severance pay must not together exceed 24 months. Severance pay is disbursed on a monthly basis and must be subtracted from the salary that the employee receives as a result of any other employment during the severance pay period.

Pension costs:

Imputed premiums	97	80	89	74
Premiums paid	42	44	30	29
	139	124	119	103

Imputed premiums for 1992 but not for 1991 include an increment for temporary wage tax; the amount was SEK 18 M for the Group (SEK 16 M for the Bank). Actual tax paid is reported for both years among appropriations, under the item "Pension adjustment".

Average number of employees in the Group	1992	1991
Nordbanken, incl. Norra Nordbanken	5,612	5,760
Nordbanken Finans	221	220
Carnegie Group	333	311
Nordbanken Luxembourg	36	61
Nordbanken UK Holdings Plc	5	40
Nordbanken Hypotek	86	91
Nordbanken Kapitalförvaltning	61	63
Nordbanken Kredit	17	21
Nordbanken Företagskredit	6	6
Other companies	171	283
	6,548	6,856
Of which, women	3,498	3,683
men	3,050	3,173
Of which, outside Sweden	435	508

The information on distribution of personnel and salaries by country and workplace stipulated in the Swedish Banking Business Act is not included in this printed Annual Report. It can be obtained upon request from the Bank's Personnel Department.

Note 8. Other running costs (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Postage and telephone	367	393	340	331
Computer costs	523	584	454	491
Stationery and office supplies	61	83	50	59
Transaction fees (Bank Giro services etc.)	239	202	239	202
Marketing costs	89	124	79	97
Miscellaneous	812	694	583	385
	2,091	2,080	1,745	1,565

Computer costs refer to computer operations, servicing and maintenance. Costs of consultants are included but not costs of Group employees.

Note 9. Depreciation (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Furniture, fixtures and equipment	257	213	218	153
Real estate	43	33	0	0
Goodwill	54	51	—	—
	354	297	218	153

Note 10. Loan losses (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
<i>A. Individually appraised receivables</i>				
Incurred losses for the year, gross	6,672		20,142 ¹⁾	
Amount of previous provisions used during the year	-4,122	3,678	-6,649 ¹⁾	729
Recovery on previous incurred losses	-139	-160	-125	-117
The year's write-down for possible loan losses	16,565	7,276	3,518	7,295
Reversal of previous provisions to reserves	-333	-627	-254	-508
	18,643	10,167	16,632	7,399
<i>B. Receivables appraised by category</i>				
Incurred losses for the year	350	228	318	216
Recovery on previous incurred losses	-31	-29	-27	-28
Provision/withdrawal from reserves for possible loan losses	249	167	201	154
	568	366	492	342
<i>C. Less-developed country loan risks</i>				
Net cost/income	20	-42	22	-64
Total loan losses	19,231	10,491	17,146	7,677

¹⁾ Upon sale of the underlying assets to Securum, for accounting purposes there was a net incurred loss of SEK 12,060 M in the parent Bank. In the consolidated accounts, the amount was restored and reported instead as a write-down for possible losses. During the year the parent Bank has been allocated provisions of SEK 2,005 M in connection with merger.

Note 11. Extraordinary income (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Capital gains on sale of shares	-	74	-	10
Capital gains on sale of property	3	-	0	-
Distribution of shares in risk capital and portfolio companies	117	-	104	-
Shareholder contribution from the government	11,664	-	10,000	-
Other extraordinary income	15	76	-	-
	11,799	150	10,104	10

In the accounts of Securum AB as of December 31, 1992, the shareholder contribution of SEK 23 Bn from the government which Securum AB received on January 4, 1993 was included as shareholder equity and as a receivable from the government. An adjustment of SEK 21,336 M was later made in the consolidated accounts. This adjustment corresponds to the amount of equity leaving the Group as of January 4, 1993, when Securum AB was acquired by the government via the National Judicial Board for Public Lands and Funds.

Note 12. Extraordinary costs (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Cost of new share issue	-	114	-	103
Costs of restructuring	189	-	164	-
Write-off of goodwill	67	2,231	-	-
Group coordination costs	-	83	-	83
Write-down of shares in subsidiaries	-	-	1,592	745
Write-down of investment shares	162	-	162	6
Write-down of property	128	-	-	-
Merger deficit	-	-	584	-
Other extraordinary costs	141	382	29	235
	687	2,810	2,531	1,172

Note 13. Appropriations (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Appropriations to and from reserves etc.				
Group contributions received	-	-	5,456	1,183
Group contributions provided	-	-	-54	-1,249
Shareholder contribution to subsidiaries	-	-	-1,492	-
Allocation to deferment reserve	-	-	-903	-4,188
Withdrawal from deferment reserve	-	-	5,091	-
Change in tax equalization reserve	-	-	2,030	-1,284
Extra depreciation	-	-	0	10
Withdrawn from development reserve	-	-	4	0
Change in untaxed reserve	-	-	-	-
for loans and foreign currencies	-	-	-	9,558
for bonds	-	-	-	1,029
Other allocations				
Pension adjustment (specified below)	-556	-112	-563	-20
Change in untaxed reserve for investment portfolio	327	1,909	327	1,016
	-229	1,797	9,896	6,055

Pension adjustment	The Group		The Bank	
	1992	1991	1992	1991
Imputed pension premiums (income)	97	80	89	74
Pensions disbursed	-87	-66	-87	-66
Allocation to pension fund	-437	-11 ¹⁾	-437	-11 ¹⁾
Temporary wage tax	-120	-15	-120	-13
Miscellaneous	-9	-100	-8	-4
	-556	-112	-563	-20

¹⁾ An additional allocation of SEK 90 M was reported as an extraordinary cost.

Note 14. Taxes (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Tax cost	-83	-7	-62	-14
Tax income	3,351	1,156	270	-
	3,268	1,149	208	-14

The year's tax figure is attributable to a tax audit conducted during the year and covering 1988 - 1991. The reported income item under "Taxes" is due to withdrawal of untaxed reserves which were used to cover losses.

Note 15. Deposited in Swedish financial institutions (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
The Riksbank	1,570	376	1,570	364
The National Debt Office	4,104	946	4,104	946
Commercial banks	3,314	3,455	2,923	7,580
Others	16,367	9,186	28,211	28,855
Less reserve for possible loan losses	-259	-1,086	-254	-948
	25,096	12,877	36,554	36,797

Nonperforming loans are reported in Note 20.

Of the sum deposited in the Riksbank by the parent Bank, SEK 199 (364) consisted of compulsory cash reserves. The Group accounts included SEK 199 M (376) in compulsory cash reserves.

Note 16. Deposited in foreign banks (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
In foreign currencies	11,897	7,984	18,171	12,561
In Swedish kronor	354	3,012	343	2,469
Less reserve for possible loan losses	-7	-34	-	-
	12,244	10,962	18,514	15,030

Nonperforming loans are reported in Note 20.

Note 17. Interest-bearing securities: Trading portfolio (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
ACQUISITION VALUE				
Swedish government securities	3,982	8,253	621	4,597
Mortgage bonds	4,906	1,722	1,721	1,119
Municipal bonds	277	116	277	298
Other Swedish bonds	335	561	153	177
Swedish money market instruments	1,181	638	1,020	2,039
Swedish subordinated debentures	1	511	1	511
Foreign bonds	1,067	1,914	643	509
Foreign money market instruments	589	1,186	505	-
Foreign subordinated debentures	-	-	-	-
Total	12,338	14,901	4,941	9,250
Less adjustment to market value	-144	-56	-143	-34
Net book value	12,194	14,845	4,798	9,216
MARKET VALUE				
Swedish government securities	3,993	8,268	621	4,608
Mortgage bonds	4,977	1,728	1,722	1,115
Municipal bonds	277	112	277	294
Other Swedish bonds	335	559	153	173
Swedish money market instruments	1,176	631	1,013	2,032
Swedish subordinated debentures	1	490	1	490
Foreign bonds	1,078	1,891	643	504
Foreign money market instruments	591	1,184	509	-
Foreign subordinated debentures	-	-	-	-
Total	12,428	14,863	4,939	9,216

Net book value equals market value after taking into account contracted forward transactions etc.

Breakdown of parent Bank's trading portfolio in 1992 by remaining maturity, par value in SEK M (including repurchase agreements):

< 1 year	83	..
1 - 5 years	2,018	..
6 - 10 years	42	..
> 10 years	423	..
Total par value	2,566	..
Average remaining maturity:	4.1 years	
Average coupon rate as a percentage of acquisition value:	11.19 %	

Note 18. Interest-bearing securities: Investment portfolio (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
ACQUISITION VALUE				
Swedish government securities	5,542	4,728	5,542	2,486
Mortgage bonds	13,412	11,605	13,412	9,904
Municipal bonds	234	177	234	118
Other Swedish bonds	875	673	875	492
Swedish money market instruments	4,671	2,003	4,671	3,000
Swedish subordinated debentures	1	330	1	330
Foreign bonds	1,354	4,183	1,354	4,167
Foreign money market instruments	2,852	–	2,852	–
Foreign subordinated debentures	97	87	97	87
Total	29,038	23,786	29,038	20,584
Less adjustment to market value	–	–327	–	–238
Net book value	29,038	23,459	29,038	20,346
MARKET VALUE				
Swedish government securities	5,721	4,692	5,721	2,479
Mortgage bonds	13,563	11,347	13,563	9,674
Municipal bonds	233	167	233	117
Other Swedish bonds	875	643	875	479
Swedish money market instruments	4,676	2,003	4,676	3,000
Swedish subordinated debentures	1	337	1	337
Foreign bonds	1,409	4,265	1,409	4,255
Foreign money market instruments	2,836	–	2,836	–
Foreign subordinated debentures	97	87	97	87
Total	29,411	23,541	29,411	20,428

Net book value equals market value after taking into account contracted forward transactions etc.

Breakdown of parent Bank's investment portfolio by remaining maturity, par value in SEK M (including repurchase agreements):

< 1 year	2,073	1,238
1 - 5 years	17,590	13,536
6 - 10 years	2,896	1,127
> 10 years	2,877	162
Total par value	25,436	16,063

Average remaining maturity:	4.3 years	(5.2)
Average remaining period until interest-rate adjustment/redemption	2.6 years	(3.0)
Average coupon rate as a percentage of acquisition value:	11.18 %	(11.12)

Note 19. Loans outstanding (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
In Swedish kronor	167,645	162,804	96,443	74,560
In foreign currencies	81,630	91,986	61,213	81,956
Less provisions	–22,060	–8,761	–5,552	–5,982
	227,215	246,029	152,104	150,534
Number of loan accounts (thousands)	..	..	762	825

Nonperforming loans are reported in Note 20.

Note 20. Problem commitments (SEK M)	The Group		The Bank	
	1992		1992	
1. Nonperforming loans with interest reported on accrual basis ¹⁾	673		-	
2. Problem loans				
Nonperforming loans with interest reported on cash basis ²⁾	39,386		11,867	
Loans with interest deferments	9,095		445	
Less reserve for possible loan losses	-22,354		-5,806	
Net problem loans	26,127		6,506	
3. Property taken over for protection of claims				
Shares	6,835		-	
Real estate	1,332		1	
Other property	138		-	
Total pledges acquired	8,305		1	
4. Total problem commitments (2 + 3)	34,432		6,507	
5. Current return on 1992 problem commitments, SEK M	581		569	
Annual return, percent	2.0		2.2	
6. Annual return on normal loans outstanding in SEK, percent	14.3		15.8	

¹⁾ Refers to nonperforming loans on which the value of collateral covers the receivable principal and the accrued interest by a comfortable margin.

²⁾ Nearly 80 percent consist of receivables for which property mortgages or shares and participations in property companies comprise the main collateral.

During most of 1992, problem commitments were mainly found in the Bank. Toward the end of the year, however, the bulk of these commitments were transferred to Securum. The figures in points 5 and 6 are partly based on standard calculations. The percentage of return has been calculated as an annual average.

Note 21. Real estate taken over for protection of claims	The Group	
	1992	
	Book value, SEK M	Price per m ² , SEK
Real estate in Sweden		
Office properties		
Stockholm, Göteborg and Malmö regions	420	6,436
Rest of Sweden	83	3,744
Apartment buildings		
Stockholm, Göteborg and Malmö regions	43	4,982
Rest of Sweden	88	3,488
Industrial properties	146	3,100
Hotels	46	4,215
Other properties	225	3,931
Properties valued at less than SEK 10 M	281	3,152
Book value	1,332 ¹⁾	
Tax assessment value	608	

¹⁾ Independent appraisers provided valuations of 70 percent of these property holdings, and the Group's specialized property appraisal organization provided valuations of 30 percent.

Note 22. Other assets (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Accrued interest income	6,029	7,159	5,535	5,423
Other accrued income and prepaid costs	273	564	207	232
Claim on security settlement proceeds	1,483	3,591	65	635
Claim on securities loaned to others	16	-	-	102
Tax claim	72	655	-	503
Accrued foreign exchange difference on own bond issues	798	661	-	-
Property taken over for protection of claims	138	-	1	-
Miscellaneous	5,155	966	8,203	1,461
	13,964	13,596	14,011	8,356

Note 23. Shares, current assets (SEK M)	The Group			The Bank		
	1992	1991		1992	1991	
	Market value	Book value	Book-value	Market value	Book value	Book value
Share inventory in brokerage business	663	508	238	1	1	3
Shares in process of being issued	0	0	1	..	-	1
Shares held for protection of claims ¹⁾	..	6,835	6,394	..	-	6,394
Other shares ¹⁾	..	290	182	..	277	123
¹⁾ For specification, see page 44.		7,633	6,815		278	6,521

Note 24. Shares, participations and subordinated debentures, fixed assets (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
A. Subsidiaries				
In Sweden	-	-	7,511	9,218
Abroad	-	-	868	741
	-	-	8,379	9,959
B. Swedish financial institutions	186	89	186	86
C. Foreign financial institutions	3	4	1	1
D. Other shares, participations and subordinated debentures	62	45	29	5
	251	138	8,595	10,051

For specification, see page 45.

Note 25. Equipment leased to clients (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Acquisition value (incl. leasing deposit)	6,761	5,836	-	-
Accumulated depreciation	-1,319	-980	-	-
Accumulated extra depreciation (loan loss provisions)	-27	-36	-	-
Net book value	5,415	4,820	-	-

Note 26. Furniture, fixtures and equipment (SEK M)

The reported amounts refer to residual value.

Note 27. Real estate for own premises (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Acquisition value	1,974	1,984	12	13
Less accumulated depreciation	-261	-110	-	-
Net book value	1,713	1,874	12	13
Tax assessment value	1,140	1,148	7	6

Note 28. Assets pledged (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Property mortgages	242	105	-	-
Leasing contracts	178	189	-	-
Securities etc.	1,958	1,788	-	3
	2,378	2,082	-	3

Note 29. Deposits (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Deposits in Swedish kronor	117,917	108,156	116,427	93,009
Deposits in foreign currencies	39,062	39,415	37,757	37,650
	156,979	147,571	154,184	130,659

Number of deposit accounts (thousands) 7,258 7,129

Deposits in foreign currencies included SEK 12,688 M (18,312) in commercial paper from a securities issuing company abroad that is wholly owned by the Bank.

Note 30. Due to Swedish financial institutions (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Commercial banks	19,878	13,828	17,828	13,727
National Debt Office, net liability, national public savings*	868	755	868	755
Others	14,882	9,601	16,494	12,767
	35,628	24,184	35,190	27,249
* National public savings deposits, gross	11,780	10,452	11,780	10,452
Less: Funds delivered to National Debt Office	-10,912	-9,697	-10,912	-9,697
Net liability	868	755	868	755

Note 31. Due to foreign banks (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
In foreign currencies	33,983	61,469	36,181	58,353
In Swedish kronor	2,220	1,231	2,207	872
	36,203	62,700	38,388	59,225

Note 32. Bonds

For a specification, see page 46.

Note 33. Subordinated debenture loans (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Term subordinated debenture loans	8,122	8,074	7,747	7,602
Perpetual subordinated debenture loans	2,096	1,930	1,596	1,430
	10,218	10,004	9,343	9,032

For a specification, see page 47.

These debenture loans are subordinated to the Bank's other liabilities. Term debenture loans entitle the lender to payment before perpetual loans. Within each respective category, the loans entitle lenders to equal payment rights.

During 1992 the interest cost for subordinated debenture loans totaled SEK 969 M in the Group and SEK 863 M in the Bank.

Note 34. Other liabilities (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Accrued interest costs	5,474	5,743	3,554	3,355
Other accrued costs and prepaid income	1,042	1,022	577	525
Liabilities on securities settlement proceeds	1,367	2,299	326	504
Liability on securities borrowed from others	873	-	-	-
Deferred tax liabilities	377	3,828	-	-
Other tax liabilities	223	-	146	-
Accrued foreign exchange difference on own bond issues	207	99	-	-
Negative Group goodwill	93	178	-	-
Miscellaneous	7,051	4,359	6,513	4,921
	16,707	17,528	11,116	9,305

Note 35. Pension reserves (SEK M)

The pension liabilities of the Bank and the Group are mainly covered by the Nordbanken Pension Fund (see below). A small percentage is covered by insurance policies. A small number of older liabilities in subsidiaries are reported directly in the balance sheet.

	Current value of assets		Pension liabilities	
	1992	1991	1992	1991
Nordbanken Pension Fund	1,776	1,778	1,651	1,473

Calculated according to valuation principles specified in labor law, the assets of the pension fund totaled SEK 1,651 M (1,473).

Note 36. Untaxed reserves (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Tax equalization reserve			–	1,284
Deferment reserve			–	4,188
Development reserve			–	3
			–	5,475

Pro forma calculation, 1991 untaxed reserves

Due to retroactive allocation to deferment reserve and changes in consolidated accounting practices.

	Reported, 1991	The Group Change in deferred amount	New consoli- dated account- ing principles	Pro forma 1991	Reported, 1991	The Bank Change in deferred amount	Pro forma 1991
Profit/loss before appropriations	-8,491	–	–	-8,491	-6,861	–	-6,861
Appropriations							
Allocation to deferment reserve	–	-5,644	–	-5,644	–	-4,188	-4,188
Other appropriations	11,284	–	-3,843	7,441	10,243		10,243
Profit/loss before taxes	2,793	-5,644	-3,843	-6,694	3,382	-4,188	-806
Taxes	-1,665	1,661	1,153	1,149	-1,270	1,256	-14
Net profit/loss	1,128	-3,983	-2,690	-5,545	2,112	-2,932	-820

	Reported, 1991	The Group Change in deferred amount	New consoli- dated account- ing principles	Pro forma 1991	Reported, 1991	The Bank Change in deferred amount	Pro forma 1991
Tax claim	22	633	–	655	–	503	503
Assets	338,510	633	–	339,143	258,766	503	259,269
Liabilities							
Tax liabilities	1,912	-1,028	2,944	3,828	753	-753	–
Other liabilities	322,423	–	–	322,423	244,343	–	244,343
Untaxed reserves							
Deferment reserve	–	5,644	-5,644	–	–	4,188	4,188
Other untaxed reserves	4,169	–	-4,169	–	1,287	–	1,287
Shareholder equity	10,006	-3,983	6,869	12,892	12,383	-2,932	9,451
Total liabilities and shareholder equity	338,510	633	–	339,143	258,766	503	259,269

Due to a change in the law on restoration of untaxed reserves to taxable status, the company has taken advantage of the opportunity to defer taxation of restored untaxed reserves for loans, foreign currencies and bonds. In the 1992 financial statements, an adjustment has thus been made in the opening balance by withdrawing a tax liability and restoring a portion of shareholder equity to untaxed reserves. The comparative figures in the 1991 financial statements have been recalculated as if the allocation to the deferment reserve had been made in 1991.

Note 37. Shareholders' equity (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Restricted				
Capital stock (429,760,655 shares with par value of SEK 12.50 each)	5,372	5,372	5,372	5,372
Restricted reserves (Group), legal reserve (Bank)	4,331	8,240	4,296	4,296
Unrestricted				
Unrestricted reserves (Group), retained earnings (Bank)	3,308	4,825	-217	603
Net profit/loss for the year	-1,892	-5,545	2,011	-820
	11,119	12,892	11,462	9,451
Restricted reserves include a currency translation difference of	114	-5		
Proposed transfer from unrestricted to restricted equity	-		-	

Change in shareholders' equity:

The Group	Capital stock	Restricted reserves	Unrestricted reserves	Net profit/loss for the year	Total
On January 1	5,372	8,240	-720		12,892
Transfers between restricted and unrestricted reserves		-4,028	4,028		-
Change in currency translation difference		119			119
Net profit/loss for the year				-1,892	-1,892
At yearend	5,372	4,331	3,308	-1,892	11,119

The Bank	Capital stock	Legal reserve	Retained earnings	Net profit/loss for the year	Total
On January 1	5,372	4,296	-217	-	9,451
Net profit/loss for the year	-	-	-	2,011	2,011
At yearend	5,372	4,296	-217	2,011	11,462

CAPITAL ADEQUACY, SEK M

Risk-weighted total assets

The Group Risk-weighting, by category	Assets		Off-balance-sheet obligations		Total risk-weighted amount	
	1992	1991	1992	1991	1992	1991
A 0 %	81,758	57,834	12,670	15,508	-	-
B 20 %	37,636	50,516	34,864	21,160	14,500	14,335
C 50 %	59,804	59,313	9,569	7,131	34,686	33,222
D 100 %	164,191	170,516	16,283	9,880	180,474	180,396
Total	343,389	338,179	73,386	53,679	229,660	227,953

The Bank Risk-weighting, by category	Assets		Off-balance-sheet obligations		Total risk-weighted amount	
	1992	1991	1992	1991	1992	1991
A 0 %	108,316	74,439	24,459	14,978	-	-
B 20 %	32,115	35,467	31,565	19,271	12,736	10,947
C 50 %	18,189	19,426	6,534	6,889	12,361	13,158
D 100 %	107,879	129,918	7,391	7,945	115,270	137,863
Total	266,499	259,250	69,949	49,083	140,367	161,968

The risk categories include:

- A. A claim on, or guarantee by, a government/central bank within the OECD or a Swedish local government.
- B. A claim on, or guarantee by, local governments or banks/financial institutions within the OECD, as well as current receivables from other banks/financial institutions.
- C. A claim backed by mortgages on residential property.
- D. Other assets.

Capital base	The Group		The Bank	
	1992	1991	1992	1991
Core capital				
Taxed shareholder equity	10,241	10,007	11,462	12,384
Minority interests	84	57	—	—
Untaxed reserves minus deferred taxes	855	2,875	—	899
	<u>11,180</u>	<u>12,939</u>	<u>11,462</u>	<u>13,283</u>
Less reported goodwill	93	207	—	—
Total net core capital	<u>11,087</u>	<u>12,732</u>	<u>11,462</u>	<u>13,283</u>
Supplementary capital				
Term subordinated debentures	5,544	6,213	5,731	6,072
Perpetual subordinated debentures	2,096	1,930	1,595	1,430
Total supplementary capital	<u>7,640</u>	<u>8,143</u>	<u>7,326</u>	<u>7,502</u>
Less shareholdings and subordinated debenture holdings in other financial institutions	—6	—4	—3	—1
Net capital base	<u>18,721</u>	<u>20,871</u>	<u>18,785</u>	<u>20,784</u>
Total risk-based capital ratio, %	8.2	9.2	13.4	12.8

Specification of the Group's off-balance-sheet obligations

SEK M	Nominal amount		Risk-weighted amount	
	1992	1991	1992	1991
<i>Guarantees</i>				
Loan guarantees	15,143	6,963	12,773	4,923
Other guarantees	9,502	9,640	3,924	3,956
<i>Documentary credit facilities</i>				
Unutilized irrevocable import letters of credit and confirmed export letters of credit	896	1,392	157	261
<i>Obligations for future payments</i>				
Repurchase agreements (repos)	6,591	10,561	170	30
Forward contracts to purchase securities	—	1,840	—	40
Programs to issue securities	5,138	2,602	848	1,133
<i>Exchange rate- and interest rate-related contracts</i> (Stated in recalculated amount representing counterparty risk)				
Exchange rate-related contracts ¹⁾	38,140	23,751	8,701	6,432
Interest rate-related contracts ²⁾	5,327	3,840	857	757
<i>Other obligations</i>				
Delivery pledges accepted in connection with securities transfer	103	136	9	—
Issuer risk in securities-related loans	16	—	16	—
Legally binding loan commitments of more than 1 year	1,130	376	585	146
			<u>28,040</u>	<u>17,678</u>

¹⁾ *Types of exchange rate-related contracts*

Used in order to alter exchange rate risks.

Forward exchange rate contracts: Purchases and sales of foreign exchange for future delivery.

Currency swaps: Switching of exchange rate risks between different currencies.

Exchange rate options: Standardized conditional purchase and sale agreements related to currencies.

²⁾ *Types of interest rate-related contracts*

Used in order to alter interest rate risks.

Interest rate swaps: Exchange of adjusted interest rate to fixed rate and vice versa.

Forward interest rate contracts: Standardized agreements on future securities transactions.

Forward Rate Agreements (FRA): Agreements on future interest rate payments.

Financial futures: Agreements on future interest rates.

Interest rate options: Standardized conditional purchase and sale agreements related to interest-bearing securities.

Note 38. Guarantees (SEK M)	The Group		The Bank	
	1992	1991	1992	1991
Guarantees on behalf of Group companies			4,284	3,315
Loan guarantees	3,756	5,759	3,285	4,868
Other guarantees	7,129	11,011	6,977	8,827
Bills payable	125	579	125	579
Subscription guarantees	49	70	49	27
	<u>11,059</u>	<u>17,419</u>	<u>14,720</u>	<u>17,616</u>

Specification to Note 23. Shares, current assets (SEK M)

December 31, 1992

	Number of shares	Par value	Book value	Market value	Voting power of holding*, %
Shares held for protection of claims					
Holdings of subsidiaries					
Nobel Industrier AB, common	345,438,801	1,727.2	4,745.7	..	(61.4) 65.0
Nobel Industrier AB, preference	276,999,999	1,385.0	1,385.0	..	6.0
Esselte AB, Series A	3,329,521	46.1	296.3	..	15.0
Esselte AB, Series B	717,922	9.0	63.9	..	0.6
Kramo AB	1,570,928	31.4	55.5	..	(86.7) 93.3
Harry Sjögren AB	10,000	1.0	100.0	..	100
Other companies			188.2	..	.
Group total			6,834.6		
Other shares					
Holdings of the Bank					
Pleiad Real Estate AB	750,000	75.0	172.7	..	(4.7) 1.2
Atle Förvaltnings AB	4,941,984	49.4	98.8	98.8	9.1
HIDEF Kapital AB	92,277	0.9	1.9	1.9	0.9
KapN AB	293	0.0	0.0	0.0	0.0
Malmöhus-Invest AB	136,283	1.4	2.7	2.7	1.4
Partnerinvesteringar i Göteborg AB	595	0.0	0.0	0.0	0.0
AB Produra Venture Capital	5,454	0.1	0.1	0.1	0.0
Ven Cap AB	16,419	0.2	0.3	0.3	0.2
			276.5		
Holdings of subsidiaries					
Atle Förvaltnings AB	659,564	6.6	13.2	..	.
AB Produra Venture Capital	12,048	0.1	0.2	..	
			13.4		
Group total			289.9		

* Share of capital stock in parentheses if different.

Specification to Note 24. Shares, participations and subordinated debentures, fixed assets (SEK M)

December 31, 1992

	Number of shares	Par value in millions of respective currency	Book value	Market value	Voting power of holding, %
A. SUBSIDIARIES					
Subsidiaries in Sweden					
Securum AB	1,000,000	SEK 100.0	1,000.0	..	100
Nordbanken Företagskredit AB	1,300,000	SEK 1,170.0	1,571.8	..	100
Nordbanken Finans AB	1,000,000	SEK 100.0	978.0	..	100
Ditto, debt certificates	—	SEK 85.0	85.0	..	..
Carnegie Holding AB	100,000	SEK 10.0	976.0	..	100
Nordbanken Fastigheter AB	3,380,000	SEK 338.0	784.8	..	100
Nordbankens Fastighetsbyrå AB	1,000	SEK 0.1	0.1	..	100
Nordbanken Hypotek AB	70,000	SEK 70.0	1,229.0	..	100
Ditto, subordinated debentures		SEK 400.0	400.0	..	..
Nordbanken Kredit AB	25,000	SEK 25.0	280.6	..	100
Nordbanken Partner AB	1,000,000	SEK 100.0	100.1	..	100
Nordbanken Mäklarservice	100,000	SEK 10.0	24.0	..	100
Securum Fastigheter AB	50,000	SEK 5.0	5.0	..	100
Nordbanken Inkasso AB	5,000	SEK 0.5	2.2	..	100
Nordbanken Kapitalförvaltning AB	10,000	SEK 1.0	53.6	..	100
Nordbanken Reklam AB	5,000	SEK 0.5	0.6	..	100
Norra Nordbanken VBO	20,000	SEK 20.0	19.7	..	100
AB Höfding	500	SEK 0.1	0.1	..	100
Total subsidiaries in Sweden		SEK	7,510.6		
Subsidiaries abroad					
Carnegie International Ltd., Subordinated debentures		GBP 10.0	106.9	..	..
Nordbanken UK Holdings Plc	20,909,974	GBP 5.2	80.2	..	100
Ditto, subordinated debentures		GBP 5.0	53.4	..	..
Nordbanken Luxembourg S.A.	1,515,000	LUF 1,515.0	310.0	..	100
PK Finans OY		FIM 1.5	2.0	..	100
Nordbanken US Corporation	7,500	USD 22.5	90.7	..	100
Svenska Nordbanken A.S., Oslo	1,000,000	NOK 100.0	65.8	..	100
Ditto, subordinated debentures		NOK 50.0	51.4	..	..
Nordbanken South East Asia Ltd	25,000,000	SGD 30.0	83.6	..	100
Nord Securities Ltd, Hong Kong	30,000	HKD 30.0	14.9	..	100
NB Reinsurance S.A., Luxembourg	50,000	LUF 50.0	9.0	..	100
Nordbanken North America Inc	20	USD 0.0	0.0	..	100
Norra Nordbanken North America Inc	500	USD 0.0	0.0	..	100
Nordbanken Servicas S/C Ltd, Sao Paulo	290	CRU 0.0	0.0	..	100
Total subsidiaries abroad			867.9		
Total subsidiaries			8,378.5		
During 1992 the value of shares in the following companies were written down: Nordbanken Finans, by SEK 412 M; Nordbanken Företagskredit, by SEK 1,033 M; Nordbanken Kredit, by SEK 119 M; and Svenska Nordbanken A.S., by SEK 28 M. The book values of the following companies were increased by means of shareholder contributions: Nordbanken Hypotek, by SEK 424 M; Carnegie Holding, by SEK 313 M; Nordbanken Fastigheter, by SEK 87 M; and Nordbanken Kapitalförvaltning, by SEK 52.5 M.					
B. SWEDISH FINANCIAL INSTITUTIONS					
AB Svensk Exportkredit	74,620	SEK 74.6	75.5	..	10.0
AB Industri kredit	9,760	SEK 9.8	108.5	..	12.8
Företagskapital AB	19,140	SEK 1.9	2.0	..	9.5
			186.0		
C. FOREIGN FINANCIAL INSTITUTIONS					
CL/PKLeasing GmbH, Frankfurt		DEM 0.3	1.3	..	15.0

	Number of shares		Par value in millions of respective currency	Book value	Market value	Voting power of holding,%
D. OTHER SHARES AND PARTICIPATIONS						
Bancofond, participations	–	SEK		15.2	..	
Kortbetalning Servo AB	120	SEK	0.1	4.1	..	20.0
Bankgirocentralen BGC AB	673	SEK	0.7	0.7	..	13.4
Penningmarknadsinformation PMI AB	110	SEK	0.6	0.7	..	13.8
Bankomatcentralen AB	2,175	SEK	0.2	0.3	..	43.5
Upplysningscentralen UC AB	1,691	SEK	0.1	0.2	..	17.1
Värdepapperscentralen (Swedish Securities Register Center, VPC)	1,420	SEK	0.1	0.2	..	4.7
Stockholms Fondbörs (Stockholm Stock Exchange)	6,687	SEK	0.7	0.8	..	2.7
Other companies				1.6	..	
Shares in cooperative housing associations				5.7	..	
				<u>29.5</u>		
Total A - D, parent Bank				8,595.3		
E. HOLDINGS OF SUBSIDIARIES						
Helsinki Stock Exchange	4	FIM	0.6	0.8	..	
Helsinki Securities Register Center	192	FIM	0.2	0.3	..	
Penningmarknadsinformation PMI AB	20	SEK	0.1	0.1	..	
Stockholms Fondbörs	12,341	SEK	1.2	1.5	..	
Wimbledon debentures	..	..	..	0.8	..	
AB Borlänge Centrum	1,100	SEK	1.1	1.1	..	33
Fastighets AB Prästgården	4,500	SEK	0.5	0.5	..	50
Svenska Delgivnings Service AB	500	SEK	0.1	0.1	..	25
Fastighets AB Celtica	300,172	SEK	30.0	22.9	..	11
Westminster Scaffolding	4,521,383	GBP	0.0	0.5	..	<10
Wills Group	345,000	GBP	0.0	0.6	..	<10
Norsk Opsjonsentral	15,475	NOK	1.5	2.4	..	5
Other companies				2.8	..	
				<u>34.4</u>	..	
Total shares, fixed assets, the Group				251.2		

Specification to Note 32. Bonds (SEK M)

December 31, 1992, The Bank

Maturity	Issued amount, millions of re- spective currency ¹	Interest rate, % ¹	Amount outstanding, SEK M
1986/93	USD 100	10.00	705
1986/96	CHF 150	5.25	725
1988/93	JPY 5,000	7.12	283
1988/93	JPY 4,535	7.72	255
1988/93	USD 25	9.12	176
1988/95	JPY 10,000	6.0	566
1989/93	JPY 5,000	7.0	283
1989/94	DKK 300	9.05	340
1989/96	DEM 100	6.26	438
1990/96	USD 40	6.85	282
1991/93	ITL 119,105	12.77	572
1991/95	USD 18	9.25	131
1992/93	ITL 1,992	11.74	10
1992/93	USD 10	3.63	73
1992/94	ECU 10	9.00	85
Total			4,924

¹⁾ Refers to original issue. The currency exposure and interest rate on certain loans have been changed by employing currency and interest rate swaps.

Specification to Note 33. Subordinated debenture loans (SEK M)

Maturity		Issued amount in millions of respective currency ¹⁾	Interest rate, % ¹⁾	Amount out- standing, SEK M
Issued by the Bank				
<i>Term subordinated debenture loans</i>				
1973/93	SEK	15	7.50	1
1978/93	SEK	50	12.25	4
1978/93	SEK	6	12.25	1
1982/97	SEK	150	13.35	51
1988/93	SEK	934	11.75	1
1988/94	SEK	300	STIBOR	200
1988/98	SEK	670	Floating	200
1988/98	SEK	1,000	STIBOR	350
1989/99	SEK	200	11.60	200
1989/96	SEK	580	11.20	460
1989/96	SEK	412	11.75	392
1989/99	SEK	1,371	Floating	912
1990/95	SEK	8	12.00	9
1991/01	SEK	2	Floating	2
1992/07	SEK	150	11.68	150
				<u>2,933</u>
1986/96	DEM	100	5.75	438
1988/93	LUF	300	7.25	64
1988/03	JPY	5,000	Floating	284
1988/03	JPY	5,000	Floating	284
1988/03	JPY	10,000	Floating	567
1990/05	CHF	100	7.125	483
1990/05	AUD	150	6.00	729
1990/05	CAD	200	6.00	1,112
1992/00	LUF	1,000	9.25	213
1992/99	ECU	50	Floating	427
1992/99	ECU	10	Floating	85
1992/00	LUF	600	9.00	128
				<u>4,814</u>
Total term subordinated debenture loans				<u>7,747</u>
<i>Perpetual subordinated debenture loans</i>				
1990	SEK	100	Floating	100
1990	SEK	50	Floating	50
1990	SEK	120	Floating	120
1990	SEK	100	Floating	100
1990	SEK	100	Floating	100
1990	SEK	200	Floating	200
1990	SEK	100	Floating	100
1990	SEK	50	Floating	50
				<u>820</u>
1990	USD	85	Floating	599
1990	USD	5	Floating	36
1990	USD	20	Floating	141
				<u>776</u>
Total perpetual subordinated debenture loans				<u>1,596</u>
Total, parent Bank				<u>9,343</u>
Issued by subsidiaries				
<i>Term subordinated debenture loans</i>				
1988/93 NB Lux	LUF	300	7.50	64
1988/93 NB Lux	LUF	300	7.50	64
1989/93 NB Hypotek	SEK	50	11.40	50
1989/93 NB Hypotek	SEK	50	11.20	50
1989/00 NB Kredit	SEK	40	12.99	40
1990/95 NB Lux	LUF	500	10.25	107
Total term subordinated debenture loans				<u>375</u>
<i>Perpetual subordinated debenture loans</i>				
NB Hypotek	SEK	250	Floating	250
NB Kredit	SEK	250	Floating	250
Total perpetual subordinated debenture loans				<u>500</u>
Total, Group				<u>10,218</u>

¹⁾ Refers to original issue. The currency exposure and interest rate on certain loans have been changed by employing currency and interest rate swaps.