

Interim Report 3rd quarter 2012

Nordea Bank Norge Group

Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 11 million customers, more than 1,000 branch office locations and is among the ten largest universal banks in Europe in terms of total market capitalisation. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

Key financial figures¹

Income statements

	Q3	Q2	Change	Q3	Change	Jan-Sep	Jan-Sep	Change
NOKm	2012	2012	%	2011	%	2012	2011	%
Net interest income	2,141	2,266	-6	2,074	3	6,712	6,142	9
Net fee and commission income	596	596	0	531	12	1,766	1,725	2
Net result from items at fair value	121	74	64	155	-22	282	305	-8
Equity method	-9	97		64		106	92	
Other operating income	42	54		66		153	137	
Total operating income	2,891	3,087	-6	2,890	0	9,019	8,401	7
Staff costs	-683	-752	-9	-1,059	-36	-2,234	-2,563	-13
Other expenses	-446	-450	-1	-466	-4	-1,350	-1,458	-7
Depreciation of tangible and intangible assets	-41	-47	-13	-46	-11	-130	-119	9
Total operating expenses	-1,170	-1,249	-6	-1,571	-26	-3,714	-4,140	-10
Profit before loan losses	1,721	1,838	-6	1,319	30	5,305	4,261	25
Net loan losses	-106	-273	-61	-221	-52	-555	-998	-44
Operating profit	1,615	1,565	3	1,098	47	4,750	3,263	46
Income tax expense	-467	-410	14	-302	55	-1,328	-900	48
Net profit for the period	1,148	1,155	-1	796	44	3,422	2,363	45

Business volumes, key items

	30 Sep	30 Jun	Change	30 Sep	Change
NOKbn	2012	2012	%	2011	%
Loans to the public	468.2	474.9	-1	455.7	3
Deposits and borrowings from the public	213.2	216.6	-2	224.6	-5
of which savings deposits	84.1	85.4	-2	79.8	5
Equity	32.3	31.1	4	29.4	10
Total assets	597.9	611.7	-2	552.0	8

Ratios and key figures

	Q3	Q2	Q3	Jan-Sep	Jan-Sep
	2012	2012	2011	2012	2011
Earnings per share (EPS), NOK	2.08	2.09	1.44	6.21	4.29
EPS, rolling 12 months up to period end, NOK	7.99	7.35	6.33	7.99	6.33
Equity per share ² , NOK	58.50	56.34	53.37	58.50	53.37
Shares outstanding ² , million	551	551	551	551	551
Return on equity, %	14.5	15.1	11.0	14.8	11.0
Cost/income ratio, %	40	40	54	41	49
Loan loss ratio, basis points	9	22	19	15	30
Core Tier 1 capital ratio, excl transition rules ^{2,3} %	10.8	10.2	9.3	10.8	9.3
Tier 1 capital ratio, excl transition rules ^{2,3} %	12.8	12.1	9.9	12.8	9.9
Total capital ratio, excl transition rules ^{2,3} %	14.2	13.5	12.6	14.2	12.6
Core Tier 1 capital ratio, incl transition rules ^{2,3} %	8.1	7.8	7.6	8.1	7.6
Tier 1 capital ratio, incl transition rules ^{2,3} %	9.6	9.3	8.1	9.6	8.1
Total capital ratio, incl transition rules ^{2,3} %	10.7	10.4	10.2	10.7	10.2
Tier 1 capital ^{2,3} , NOKm	31,202	31,169	26,088	31,202	26,088
Risk-weighted assets excl transition rules ² , NOKbn	244	257	263	244	263
Number of employees (full-time equivalents) ²	2,891	2,872	3,259	2,891	3,259

¹For exchange rates used in the consolidation of NBN see Note 1, Accounting policies.

²End of period.

³Excluding profit for the nine first months

Throughout this report, "Nordea Bank Norge" and "NBN" refer to the parent company Nordea Bank Norge ASA, business identity code 911 044 110, with its subsidiaries. The registered office of the company is in Oslo. Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ), the listed parent company of the whole Nordea Group. The business operations of the Nordea Group have been organised in the following business areas, all of which operate across national boundaries: Retail Banking, Wholesale Banking and Wealth Management. In addition the Nordea Group has the following group functions: Group Human Resources, Group Identity & Communications, Group Operations & Other Lines of Business, Group Corporate Centre and Group Risk Management.

The consolidated interim report of Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view. This statutory interim report covers the operations of the legal entity Nordea Bank Norge ASA with its subsidiaries.

Nordea Bank Norge Group

Group result and development

Macroeconomic, financial market and business development

The third quarter has generally been characterised by an improving sentiment as concerns over the European sovereign debt crisis eased somewhat after a volatile summer period. The driving factor has been additional measures taken by central banks – especially the ECB but also the Federal Reserve.

Macroeconomic development

Global economic growth outlook has remained weak in the third quarter. Purchasing manager indices have showed weakness in global manufacturing. The Eurozone economy contracted somewhat in the second quarter in line with expectations. Furthermore, data indicates that the recession continued in the third quarter. A positive sign during the third quarter has been the slight improvement in US employment and housing data.

The Nordic economies have continued to outperform Europe, but with differences within the region. Denmark, still the most affected country, followed the Eurozone into recession. Finland experienced marginally negative growth, while Norway has maintained stronger growth. Although Swedish growth has decreased, it remained positive, but manufacturing data indicates a risk of slowdown.

Financial market development

Development in financial markets has primarily been driven by additional central bank initiatives – especially the ECB announcement of the ‘Outright Monetary Transactions’ (OMT) framework that allows for unlimited purchases of sovereign debt as well as the pledge to back-stop the sovereign debt crisis and the announcement of Quantitative Easing (QE3) in the US.

Peripheral interest rates fell from crisis levels and stabilised towards the end of the quarter, while core interest rates have remained low. Equity markets rose substantially both in Europe and in the US, where stocks rose to the highest level since the beginning of the crisis.

However, concerns over the actual implementation of the proposed solution for Europe persist, which together with continued uncertainty on global financial regulation is seen as the main risk factors to sustained positive development.

The strong investor demand for Nordic sovereign debt has persisted throughout the quarter.

Business development

NBN delivered a strong result this quarter with an annualised Return on Equity (RoE) of 14.5%. A continued

strong income momentum due to further improved risk pricing has led to the highest income and operating profit ever in the first nine months of a year.

The corporate customer demand for refinancing declined from the high level earlier in the year. The event-driven corporate business was solid, mainly driven by strong demand for bond issuance due to favourable market conditions. Nordea Markets is the largest facilitator for corporate bond offerings in NOK in the first nine months. Business activity in the household segment was influenced by summer vacation but picked up well during August. The number of new externally acquired Gold and Premium customers was approximately 2,400 during the quarter.

Several initiatives related to capital efficiency have been introduced during the last quarters and positive results from these initiatives were visible in the risk-weighted assets level for the third quarter. The reduction in operating expenses and in the number of employees (FTEs) is ahead of New Normal plans and closure of some of the small branches continued during the quarter.

Third quarter 2012

Income

Total income decreased 6% from the previous quarter to NOK 2,891m, and is stable compared to third quarter last year.

Net interest income

Net interest income decreased 6% compared to the previous quarter to NOK 2,141m mainly due to reduced result from Treasury. Contribution from lending and deposits is up this quarter, with wider corporate lending and deposit spreads offsetting household spread reductions and decreased volumes in all areas other than household lending and CIB deposits.

Corporate lending

Corporate lending volumes were down almost 3% the last three months, of which nearly 1% relates to the weaker USD versus NOK. The majority of exchange rate effects relates to Shipping where a high degree of lending is in USD. Lower lending volumes in Shipping, Retail and CIB were offset by increased lending spreads compared to the previous quarter.

Household lending

Increased net interest income due to increased average mortgage volumes during third quarter, while period end volumes were relatively stable compared to the second quarter, and up 5% compared to the same quarter one year ago. Total household mortgage lending spreads dropped due to a temporary positive lag effect in the prior quarter.

Corporate and household deposits

Fierce competition and a positive seasonal effect on

household deposits last quarter have contributed to reduced deposit volumes this quarter. Total deposits from the public fell 2% to NOK 213bn against the previous quarter, and 5% compared to one year ago. Volume reduction is offset by rising deposit spreads driven by development in customer and product mix in all areas except household, which has declined slightly. Overall contribution from deposits increased during the quarter compared to prior quarter.

Net fee and commission income

Net fee and commission income is stable at NOK 596m compared to the second quarter. Reductions in Brokerage services were offset by larger volumes from Cards.

Net result from items at fair value

Net result from items at fair value increased across equity, interest related, and foreign exchange instruments to NOK 121m. The main drivers are interest related derivatives results in Treasury and customer driven foreign exchange activity in Markets.

Equity method

The result from companies accounted for under the equity method was NOK -9m compared to NOK 97m in the previous quarter, mainly driven by the 23.21% holding in Eksportfinans ASA.

Other operating income

Other income was NOK 42m compared to NOK 54m in the previous quarter.

Expenses

Total expenses amounted to NOK 1,170m, down 6% compared to the previous quarter. Staff costs decreased 9% to NOK 683m, driven by a net positive adjustment related to restructuring costs and reduced profit related salaries compared to prior quarter. Other expenses were slightly reduced by 1% compared to the prior quarter mainly related to decreased marketing costs. Compared to third quarter last year, excluding restructuring costs, total costs have decreased by 6%, mainly explained by reduced staff costs in line with the New Normal strategy.

The cost/income ratio was 40%, stable from previous quarter and improved from 44% compared to one year ago, excluding restructuring costs.

The number of full time employees at the end of the third quarter is fairly stable compared to last quarter and decreased 11% compared to one year ago. The reduction relates to a combination of the transfer of IT staff to the Norwegian NBAB branch (ITSE) in the second quarter 2012 and the New Normal plan.

Net loan losses

Net loan losses in the third quarter amounted to

NOK 106m, a reduction of NOK 167m from the previous quarter. Individual loan losses ended at NOK 137m, while reversal of group wise provisions totalled NOK 31m due to a positive shift in rating migrations from the previous quarter.

The loan loss ratio was 9 basis points annualised in the third quarter, compared to 22 basis points annualised in the previous quarter and 19 basis points annualised in the third quarter last year. Individual net loan losses amounted to 11 basis points, and collective provisions net amounted to minus 2 basis points this quarter.

Operating profit

Operating profit was up 3% from the previous quarter due to reduced expenses and loan losses.

Taxes

The effective tax rate for the third quarter was 28.9% compared to 26.2% in the previous quarter and 27.5% in the third quarter last year. The higher percentage compared to the general tax rate stems mainly from unrealised losses of equity related instruments outside of EU.

Net profit

Net profit fell 1% compared to the previous quarter to 1,148m, corresponding to an annualised return on equity of 14.5%.

January - September 2012

Income

The first nine months of 2012 showed continued high total income, up 7% compared to the first nine months last year. Operating profit increased 46% due to higher total income, reduced costs and lower loan losses.

Net interest income went up 9% to NOK 6,712m compared to the same period last year. Contribution from lending increased with lending volume growth of 3% accompanied by a positive development in lending spreads. Deposit volumes decreased 5% from last year, while spreads fell in all areas except for in CIB and Shipping.

Net fee and commission income showed continued strong growth with an increase of 2%, and adjusted for a one-time positive effect last year, an increase of 6%, compared to the first nine months in 2011.

Net result from items at fair value decreased by NOK 23m compared to the same period last year. Income from companies accounted for under the equity method was NOK 106m and other income was NOK 153m.

Expenses

Total expenses excluding restructuring costs were down 3% compared to the same period last year while staff costs fell

1% explained by movement of staff to ITSE in the second quarter 2012.

Net loan losses

Net loan losses fell 44% to NOK 555m with Shipping as the main contributor to loan losses this period. This corresponds to an annualised loan loss ratio of 15 basis points against 30 basis points for the same period last year. Individual net loan losses amounted to 13 basis points annualised, and net collective provisions amounted to 2 basis points annualised.

Taxes

The effective tax rate in the first nine months was 28.0% compared to 27.6% for the same period last year.

Net profit

Net profit increased 45% compared to the same period last year to 3,422m, corresponding to an annualised return on equity of 14.8%.

Other information

Credit portfolio

Total lending to the public was NOK 468bn, a decrease of 1% compared to the previous quarter and an increase of 3% from one year ago.

Impaired loans gross have decreased 1% in the third quarter compared to the second quarter 2012 and ended at NOK 3,740m including off balance sheet impaired items of NOK 36m. Impaired loans gross on balance corresponds to 75 basis points of total loans. 33% of impaired loans gross are performing loans and 67% are non-performing loans. Impaired loans net, after allowances, amounted to NOK 1,983m. This corresponds to 40 basis points of total loans.

The industries with the largest provisions were Shipping and Offshore, Metals and mining materials and Real Estate.

Balance Sheet

Total assets ended at NOK 598bn, down 2% compared to the previous quarter and up 8% compared to one year ago. The decrease from prior quarter is driven by lending to credit institutions with the main counterparty being within the Nordea group. Further decline was experienced in lending to the public due to a strengthened NOK towards USD along with increased focus on credit quality in the customer mix. The increase compared to one year ago was driven mainly by increases in interest bearing securities as part of the liquidity buffer strategy along with increased lending to the public from Retail and CIB and increased lending to credit institutions.

Deposits from credit institutions is mainly funding from other banks within the Nordea group and fell 7% compared to prior period and grew 12% compared to one year ago. Debt securities grew 6% compared to the prior quarter

and 44% compared to one year ago in line with Nordea's strategy to secure funding from sources other than deposits. Deposits from the public fell 2% compared to previous quarter and 5% from one year ago, mainly driven by the extreme competition for corporate deposits in Retail Banking and CIB.

Equity remains at healthy levels and has increased 4% compared to prior quarter and 10% compared to one year ago.

Capital position and risk-weighted assets

At the end of the third quarter, NBN's risk-weighted assets (RWA) were NOK 244bn excluding transition rules, down 5.1% compared to the previous quarter and down 7.2% compared to one year ago, when RWA were NOK 263bn. Compared to previous quarter, the change was mainly related to a decrease in the corporate segment in the internal rating based approach and a decrease in the institution segment in the standardised approach. RWA including transition rules amounted to NOK 323bn at the end of the third quarter.

The core tier 1 capital ratio excluding transition rules was 10.8%. The tier 1 capital ratio and the total capital ratio excluding transition rules were 12.8% and 14.2% respectively. The capital base of NOK 35bn exceeds the capital requirements excluding transition rules by NOK 15bn. The tier 1 capital of NOK 31bn exceeds the capital requirements excluding transitions rules by NOK 12bn. Core tier 1 capital amounts to NOK 26bn. The hybrid capital constitutes 15.6% of tier 1 capital.

Nordea's funding and liquidity operations

Norwegian covered bond issuance represented approximately NOK 4.8bn in the third quarter. For the first 9 months of 2012, Norwegian covered bond issuance amounted to approximately NOK 15.6bn.

For long-term funding risk, Nordea applies management of funding gap measures and matching between behavioural duration of assets and liabilities.

The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III/CRD IV-liquid assets.

Quarterly development

NOKm	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Jan-Sep 2012	Jan-Sep 2011
Net interest income	2,141	2,266	2,305	2,207	2,074	6,712	6,142
Net fee and commission income	596	596	574	540	531	1,766	1,725
Net result from items at fair value	121	74	87	38	155	282	305
Profit from companies accounted for under the equity method	-9	97	18	102	64	106	92
Other operating income	42	54	57	48	66	153	137
Total operating income	2,891	3,087	3,041	2,935	2,890	9,019	8,401
General administrative expenses:							
Staff costs	-683	-752	-799	-646	-1059	-2,234	-2,563
Other expenses	-446	-450	-454	-496	-466	-1,350	-1,458
Depreciation of tangible and intangible assets	-41	-47	-42	-41	-46	-130	-119
Total operating expenses	-1,170	-1,249	-1,295	-1,183	-1,571	-3,714	-4,140
Profit before loan losses	1,721	1,838	1,746	1,752	1,319	5,305	4,261
Net loan losses	-106	-273	-176	-434	-221	-555	-998
Operating profit	1,615	1,565	1,570	1,318	1,098	4,750	3,263
Income tax expense	-467	-410	-451	-334	-302	-1,328	-900
Net profit for the period	1,148	1,155	1,119	984	796	3,422	2,363
Basic/diluted Earnings per share (EPS), NOK	2.08	2.09	2.03	1.78	1.44	6.21	4.29
EPS, rolling 12 months up to period end, NOK	7.99	7.35	6.94	6.07	6.33	7.99	6.33

Income statements

NOKm	Note	Q3 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Operating income						
Interest income		5,027	4,721	15,101	13,212	18,164
Interest expense		-2,886	-2,647	-8,389	-7,070	-9,815
Net interest income		2,141	2,074	6,712	6,142	8,349
Fee and commission income		788	758	2,334	2,347	3,124
Fee and commission expense		-192	-227	-568	-622	-859
Net fee and commission income	3	596	531	1,766	1,725	2,265
Net result from items at fair value	4	121	155	282	305	343
Profit from companies accounted for under the equity method		-9	64	106	92	194
Other operating income		42	66	153	137	185
Total operating income		2,891	2,890	9,019	8,401	11,336
Operating expenses						
General administrative expenses:						
Staff costs		-683	-1,059	-2,234	-2,563	-3,209
Other expenses	5	-446	-466	-1,350	-1,458	-1,954
Depreciation, amortisation and impairment charges of tangible and intangible assets		-41	-46	-130	-119	-160
Total operating expenses		-1,170	-1,571	-3,714	-4,140	-5,323
Profit before loan losses		1,721	1,319	5,305	4,261	6,013
Net loan losses	6	-106	-221	-555	-998	-1,432
Operating profit		1,615	1,098	4,750	3,263	4,581
Income tax expense		-467	-302	-1,328	-900	-1,234
Net profit for the period		1,148	796	3,422	2,363	3,347
Attributable to:						
Shareholder of Nordea Bank Norge ASA		1,148	795	3,422	2,359	3,341
Non-controlling interests		0	1	0	4	6
Total		1,148	796	3,422	2,363	3,347
Basic/diluted earnings per share, NOK		2.08	1.44	6.21	4.29	6.07

Statements of comprehensive income

NOKm	Q3 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Net profit for the period	1,148	796	3,422	2,363	3,347
Currency translation differences during the period	-1	2	-3	0	1
Available-for-sale investments:					
Valuation gains/losses during the period	55	4	94	4	0
Tax on valuation gains/losses during the period	-15	-1	-26	-1	0
Transferred to profit or loss on sale for the period	0	0	6	0	0
Tax on transfers to profit or loss on sale for the period	0	0	-2	0	0
Other comprehensive income, net of tax	39	5	69	3	1
Total comprehensive income	1,187	801	3,491	2,366	3,348
Attributable to:					
Shareholder of Nordea Bank Norge ASA	1,187	800	3,491	2,362	3,342
Non-controlling interests	0	1	0	4	6
Total	1,187	801	3,491	2,366	3,348

Balance sheets

NOKm	Note	30 Sep 2012	31 Dec 2011	30 Sep 2011
Assets				
Cash and balances with central banks		5,565	5,299	7,725
Loans to central banks and credit institutions	7	22,332	26,943	11,628
Loans to the public	7	468,181	464,403	455,726
Interest-bearing securities		86,925	75,591	56,877
Shares		507	1,645	1,186
Derivatives	10	1,810	5,803	8,091
Fair value changes of the hedged items in portfolio hedge of interest rate risk		787	658	672
Investments in associated undertakings		1,383	1,277	1,175
Intangible assets		456	461	458
Property and equipment		297	303	295
Investment property		105	0	0
Deferred tax assets		203	269	519
Other assets		6,262	3,888	4,874
Prepaid expenses and accrued income		3,098	2,773	2,756
Total assets		597,911	589,313	551,982
Liabilities				
Deposits by credit institutions		255,914	239,470	228,099
Deposits and borrowings from the public		213,213	223,195	224,616
Debt securities in issue		65,593	51,471	45,425
Derivatives	10	2,373	2,005	1,903
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,113	618	608
Current tax liabilities		1,357	198	269
Other liabilities		11,081	28,583	6,253
Accrued expenses and prepaid income		4,396	2,368	4,151
Provisions		364	512	609
Retirement benefit obligations		1,161	1,087	1,060
Subordinated liabilities		9,094	9,394	9,561
Total liabilities		565,659	558,901	522,554
Equity				
Non-controlling interests		0	9	8
Share capital		3,860	3,860	3,860
Share premium reserve		953	953	953
Other reserves		72	0	0
Retained earnings		27,367	25,590	24,607
Total equity		32,252	30,412	29,428
Total liabilities and equity		597,911	589,313	551,982
Assets pledged as security for own liabilities		170,586	132,931	130,120
Contingent liabilities		1,811	1,703	1,702
Commitments		92,791	130,906	116,440

Statements of changes in equity

NOKm	Share capital ¹	Share premium reserve	Other reserves	Retained earnings	Non-controlling interests	Total equity
Opening balance at 1 Jan 2012	3,860	953	0	25,590	9	30,412
Total comprehensive income			72	3,419		3,491
Share-based payments ²				7		7
Dividend for 2011				-1,600	-6	-1,606
Other changes				-49	-3	-52
Closing balance at 30 Sep 2012	3,860	953	72	27,367	0	32,252

NOKm	Share capital ¹	Share premium reserve	Other reserves	Retained earnings	Non-controlling interests	Total equity
Opening balance at 1 Jan 2011	3,860	953	0	24,742	8	29,563
Total comprehensive income				3,342	6	3,348
Share-based payments ²				11		11
Dividend for 2010				-2,500	-5	-2,505
Other changes				-5		-5
Closing balance at 31 Dec 2011	3,860	953	0	25,590	9	30,412

NOKm	Share capital ¹	Share premium reserve	Other reserves	Retained earnings	Non-controlling interests	Total equity
Opening balance at 1 Jan 2011	3,860	953	0	24,742	8	29,563
Total comprehensive income				2,362	4	2,366
Share-based payments ²				8		8
Dividend for 2010				-2,500	-4	-2,504
Other changes				-5		-5
Closing balance at 30 Sep 2011	3,860	953	0	24,607	8	29,428

¹ Total shares registered were 551m (31 Dec 2011: 551m, 30 Sep 2011: 551m).

² Refers to the Long Term Incentive Programme (LTIP).

Cash flow statements

NOKm	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Operating activities			
Operating profit	4,750	3,263	4,581
Adjustments for items not included in cash flow	2,387	3,077	1,730
Income taxes paid	-187	-2,374	-2,528
Cash flow from operating activities before changes in operating assets and liabilities	6,950	3,966	3,783
Changes in operating assets and liabilities	-3,744	-4,101	-4,167
Cash flow from operating activities	3,206	-135	-384
Investing activities			
Acquisitions of business operations	51	0	0
Acquisition of property and equipment	-57	-67	-98
Dividend from associated undertakings	0	116	116
Sale of property and equipment	57	38	63
Acquisition of intangible assets	-63	-90	-113
Sale of intangible assets	-3	0	-1
Cash flow from investing activities	-15	-3	-33
Financing activities			
Other changes in equity	32	2	6
Issued Subordinate debt	-301	0	-148
Dividend paid	-1,600	-2,500	-2,500
Cash flow from financing activities	-1,869	-2,498	-2,642
Cash flow for the period	1,322	-2,636	-3,059
Cash and cash equivalents at beginning of period	16,940	20,011	20,011
Translation differences	-40	-2	-12
Cash and cash equivalents at end of period	18,222	17,373	16,940
Change	1,322	-2,636	-3,059
Cash and cash equivalents	30 Sep	30 Sep	31 Dec
The following items are included in cash and cash equivalents (NOKm):	<u>2012</u>	<u>2011</u>	<u>2011</u>
Cash and balances with central banks	5,565	7,725	5,299
Loans to credit institutions, payable on demand	12,656	9,648	11,641

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled:

- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available at any time.

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

Notes to the financial statements

Note 1 - Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Standards Interpretations Committee (IFRS IC), as endorsed by the EU Commission.

These statements are presented in accordance with IAS 34 Interim Financial Reporting.

As a result of rounding adjustments, the figures in one or more columns or rows included in the financial statements may not add up to the total of that column or row.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2011 Annual Report, except for the categorisation of commissions within Note 3 Net fee and commission income. This change is further described below.

Categorisation of commissions

The categorisation of commission income and expense within "Net fee and commission income" has been changed. Similar classes of commissions have been consolidated through that commissions received for securities issues, corporate finance activities and issuer services have been reclassified from "Payments" and "Other commission income" to the renamed lines "Brokerage, securities issues and corporate finance" and "Custody and issuer services". The comparable figures have been restated accordingly and are disclosed in the table below.

NOKm	Q3 2011		Jan-Dec 2011		Jan-Sep 2011	
	New Policy	Old policy	New Policy	Old policy	New Policy	Old policy
Fee and commission income						
Brokerage securities issues and corporate finance	87	74	493	471	367	347
Custody and issuer services	63	37	223	144	171	109
Deposits	14	16	45	52	27	33
Payments	87	84	364	342	266	253
Other commission income	-2	38	137	253	117	206
Fee and commission expense						
Savings and investments	-27	0	-121	0	-90	0
Payments	-69	-170	-252	-626	-182	-452
Cards	-101	0	-374	0	-271	0
Lending	-14	0	-51	0	-39	0
Other commission expense	-16	-57	-61	-233	-40	-170

Exchange rates

	Jan-Sep 2012	Full year 2011	Jan-Sep 2011
EUR 1 = NOK			
Income statement (average)	7.5126	7.7946	7.8052
Balance sheet (at end of period)	7.3695	7.7540	7.8880
USD 1 = NOK			
Income statement (average)	5.8657	5.6049	5.5524
Balance sheet (at end of period)	5.6995	5.9927	5.8417
SEK 1 = NOK			
Income statement (average)	0.8607	0.8635	0.8667
Balance sheet (at end of period)	0.8722	0.8701	0.8520
DKK 1 = NOK			
Income statement (average)	1.0100	1.0462	1.0471
Balance sheet (at end of period)	0.9885	1.0430	1.0500

Note 2 - Segment reporting¹

	Wholesale Banking																Total Group			
	Retail Banking NO		CIB Norway		Shipping, Offshore & Oil Services		Other Wholesale ⁵		Group Corporate Centre		Other segments ⁵		Total Operating segments		Reconcilia- tion ²					
					Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Total operat- ing income, NOKm	6,899	5,609	1,403	1,318	1,302	1,315	783	660	1,569	1,009	-360	-263	11,596	9,648	-2,577	-1,247	9,019	8,401		
Operating profit, NOKm	3,621	2,320	968	557	858	735	250	136	1,412	841	-399	-246	6,710	4,343	-1,960	-1,080	4,750	3,263		
Loans to the public, NOKbn	385	365	30	29	48	56	5	6	0	0	0	0	468	456	0	0	468	456		
Deposits and borrowings from the pub- lic, NOKbn	160	161	34	41	15	16	4	7	0	0	0	0	213	225	0	0	213	225		

Reconciliation between total operating segments and financial statements

	Total operating income, NOKm ^{1,4}		Operating profit, NOKm ^{1,4}		Loans to the public, NOKbn		Deposits and borrowings from the public, NOKbn	
	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Total Operating segments	11,596	9,648	6,710	4,343	468	456	213	225
Reconciliation ²	-1,177	-62	-1,096	-398	-0	-0	-0	-0
Eliminations	-115	-78	0	0	0	0	0	0
Differences in accounting policies	0	0	0	-0	0	0	0	0
Differences in accounting policies between the segments and the group regarding Markets	-1,285	-1,107	-864	-682	0	0	0	0
Total	9,019	8,401	4,750	3,263	468	456	213	225

¹ As from the third quarter 2011 the segment reporting has been changed as a consequence of organisational changes. Comparative information has been restated accordingly.

² Consists of Group Executive Management, Group Internal Audit, Group Risk Management, Group Human Resources, Group Identity and Communications, Sundry units incl Nordea Eiendomskreditt, eliminations and allocations related to Markets as per footnote 4 below.

³ Internally developed and bought software have previously been expensed as incurred in the operating segments but capitalised, as required by IAS 38, in the group's balance sheet. As from the first quarter 2012 internally developed and bought software are capitalised directly in the operating segments. Comparative information has been restated accordingly.

⁴ In the segment reporting the results from Markets' and Savings and Assets Management operations are allocated to the operating segments as if they were the counterparts in the customer transactions. In the financial statements the results are recognised where the legal agreements with the customers have been established.

⁵ Other segments consists of Wealth Management and Group Operations & Other Lines of Business (GOOLB). In the reporting results, net interest income, net commission income and other income/ex-penses are presented after allocations from other operating segments for services received or rendered from Wealth and GOOLB as if they were the counterparts in the transactions. In the financial statements the results are recognised where the legal agreements with the customer are established. This practice is also used within Transaction Products which is reported within Other Wholesale.

Measurement of operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision Maker (CODM), as required by IFRS 8. In Nordea the CODM has been defined as Group Executive Management. The main differences compared to the business area reporting are that the information to CODM is prepared using plan rates and to that different allocations principles between operating segments have been applied.

Compared with the 2011 Annual Report there have been no changes in the measurement of segment profit or loss.

Reportable Operating segments

Retail Banking conducts a full service banking operation. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic market. Customers within Retail Banking are offered a complete range of banking products and services including account products, transaction products, market products and insurance products. Corporate & Institutional Banking is a customer oriented organisation serving the largest globally operating corporates. The segment Shipping Offshore & Oil Services is responsible for Nordea's customers within the shipping, offshore and oil services industries. Nordea provides tailor-made solutions and syndicated loan transactions within this area. The segment Wealth Management is responsible for delivering savings, products and services in private banking, institutional asset management and large corporate pension customers. The segment GOOLB supports the Group in realizing greater efficiencies and governs Nordea Finance. The segment Group Corporate Center is responsible for strategy, the finance function and obtaining funding for the Group.

Note 3 - Net fee and commission income

NOKm	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Asset Management commissions	16	16	16	48	51	65
Life insurance	16	17	15	50	44	60
Brokerage, securities issues and corporate finance ¹	97	118	87	329	367	493
Custody and issuer services ¹	54	54	63	156	171	223
Deposits ¹	22	16	14	52	27	45
Total savings and investments	205	221	195	635	660	886
Payments ¹	87	93	87	273	266	364
Cards	218	202	223	611	598	801
Total payment and cards	305	295	310	884	864	1,165
Lending ¹	236	230	232	690	640	849
Guarantees and documentary payments	13	19	23	51	66	87
Total lending related commissions	249	249	255	741	706	936
Other commission income ¹	29	24	-2	74	117	137
Fee and commission income	788	789	758	2,334	2,347	3,124
Savings and investments ¹	-30	-33	-27	-95	-90	-121
Payments ¹	-68	-63	-69	-184	-182	-252
Cards ¹	-83	-83	-101	-248	-271	-374
Lending ¹	0	-1	-14	-2	-39	-51
Other commission expenses ¹	-11	-13	-16	-39	-40	-61
Fee and commission expenses	-192	-193	-227	-568	-622	-859
Net fee and commission income	596	596	531	1,766	1,725	2,265

¹Restated. The categorisation of commission income and expense within "Net fee and commission income" has been changed. See Note 1 Accounting policies for further details.

Note 4 - Net result from items at fair value

NOKm	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Shares/participations and other share-related instruments	4	-2	24	9	142	148
Interest-bearing securities and other interest-related instruments	92	62	15	172	-66	13
Foreign exchange gains/losses	25	14	116	101	229	182
Total	121	74	155	282	305	343

Note 5 - Other expenses

NOKm	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Information technology	143	141	138	422	459	614
Marketing and entertainment	26	40	31	95	101	152
Postage, transportation, telephone and office expenses	47	55	45	158	157	208
Rents, premises and real estate expenses	109	107	125	321	343	457
Other	121	107	127	354	398	523
Total	446	450	466	1,350	1,458	1,954

Note 6 - Net loan losses

NOKm	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Loan losses divided by class						
Loans to credit institutions	0	0	0	0	0	11
- of which write-offs	0	0	0	0	-22	-24
- of which allowances used for covering write-offs	0	0	0	0	22	22
- of which recoveries	0	0	0	0	0	13
Loans to the public	-107	-259	-220	-540	-998	-1,443
- of which provisions	-160	-259	-927	-675	-1,275	-1,752
- of which write-offs	-126	-222	285	-479	-1,557	-2,345
- of which allowances used for covering write-offs	105	137	122	353	1,350	2,101
- of which reversals	66	79	269	236	472	543
- of which recoveries	8	6	31	25	12	10
Off-balance sheet items	1	-14	-1	-15	0	0
- of which provisions	-4	-16	-1	-25	-2	-3
- of which reversals	5	2	0	10	2	3
Total	-106	-273	-221	-555	-998	-1,432

Key ratios

	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Loan loss ratio, basis points ¹	9	22	19	15	30	32
- of which individual	11	21	34	13	36	38
- of which group wise	-2	1	-15	2	-6	-6

¹ Net loan losses (annualised) divided by opening balance of loans to the public (lending).

Note 7 - Loans and their impairment

NOKm	Total			
	30 Sep 2012	30 Jun 2012	31 Dec 2011	30 Sep 2011
Loans, not impaired	488,905	510,900	489,331	465,387
Impaired loans	3,704	3,733	4,014	4,288
- Performing	1,204	1,161	1,469	1,200
- Non-performing	2,500	2,572	2,545	3,088
Loans before allowances	492,609	514,633	493,345	469,675
Allowances for individually assessed impaired loans	-1,721	-1,721	-1,709	-1,993
- Performing	-480	-509	-420	-504
- Non-performing	-1,241	-1,212	-1,289	-1,489
Allowances for collectively assessed impaired loans	-375	-401	-290	-328
Allowances	-2,096	-2,122	-1,999	-2,321
Loans, carrying amount	490,513	512,511	491,346	467,354

NOKm	Central banks and credit institutions				The public			
	30 Sep 2012	30 Jun 2012	31 Dec 2011	30 Sep 2011	30 Sep 2012	30 Jun 2012	31 Dec 2011	30 Sep 2011
Loans, not impaired	22,332	37,602	26,943	11,628	466,573	473,298	462,388	453,759
Impaired loans	0	0	0	0	3,704	3,733	4,014	4,288
- Performing	0	0	0	0	1,204	1,161	1,469	1,200
- Non-performing	0	0	0	0	2,500	2,572	2,545	3,088
Loans before allowances	22,332	37,602	26,943	11,628	470,277	477,031	466,402	458,047
Allowances for individually assessed impaired loans	0	0	0	0	-1,721	-1,721	-1,709	-1,993
- Performing	0	0	0	0	-480	-509	-420	-504
- Non-performing	0	0	0	0	-1,241	-1,212	-1,289	-1,489
Allowances for collectively assessed impaired loans	0	0	0	0	-375	-401	-290	-328
Allowances	0	0	0	0	-2,096	-2,122	-1,999	-2,321
Loans, carrying amount	22,332	37,602	26,943	11,628	468,181	474,909	464,403	455,726

Allowances and provisions

NOKm	30 Sep 2012	30 Jun 2012	31 Dec 2011	30 Sep 2011
Allowances for items in the balance sheet	-2,096	-2,122	-1,999	-2,321
Provisions for off balance sheet items	-24	-26	-13	-13
Total allowances and provisions	-2,120	-2,148	-2,012	-2,334

Key ratios

	30 Sep 2012	30 Jun 2012	31 Dec 2011	30 Sep 2011
Impairment rate, gross ¹ , basis points	75	73	81	91
Impairment rate, net ² , basis points	40	39	47	49
Total allowance rate ³ , basis points	43	41	41	49
Allowances in relation to impaired loans ⁴ , %	46	46	43	47
Total allowances in relation to impaired loans ⁵ , %	57	57	50	54
Non-performing, not impaired ⁶ , NOKm	2,291	1,763	1,360	1,312

¹ Individually assessed impaired loans before allowances divided by total loans before allowances.

² Individually assessed impaired loans after allowances divided by total loans before allowances.

³ Total allowances divided by total loans before allowances.

⁴ Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

⁵ Total allowances divided by total impaired loans before allowances.

⁶ The comparative figures regarding non-performing, not impaired loans have been restated to ensure consistency between the periods.

Note 8 - Classification of financial instruments

	Financial assets at fair value through profit or loss				Derivatives used for hedging	Available for sale	Total
	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss			
NOKm							
Financial assets							
Cash and balances with central banks	5,565	0	0	0	0	0	5,565
Loans to central banks and credit institutions	21,160	0	0	1,172	0	0	22,332
Loans to the public	466,833	0	0	1,348	0	0	468,181
Interest-bearing securities	0	6,917	51,446	0	0	28,562	86,925
Shares	0	0	438	0	0	69	507
Derivatives	0	0	458	0	1,352	0	1,810
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk	787	0	0	0	0	0	787
Other assets	559	0	0	5,697	0	0	6,256
Prepaid expenses and accrued income	2,830	0	0	233	0	0	3,063
Total 30 Sep 2012	497,734	6,917	52,342	8,450	1,352	28,631	595,426
Total 31 Dec 2011	494,811	11,827	49,803	6,822	1,689	21,940	586,892
Total 30 Sep 2011	476,000	12,568	51,286	5,722	1,111	2,752	549,439

	Financial liabilities at fair value through profit or loss				
NOKm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	0	819	0	255,095	255,914
Deposits and borrowings from the public	0	242	0	212,971	213,213
Debt securities in issue	0	0	0	65,593	65,593
Derivatives	1,073	0	1,300	0	2,373
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	1,113	1,113
Other liabilities	978	4,694	0	5,347	11,019
Accrued expenses and prepaid income	0	245	0	3,329	3,574
Subordinated liabilities	0	0	0	9,094	9,094
Total 30 Sep 2012	2,051	6,000	1,300	552,542	561,893
Total 31 Dec 2011	3,088	12,094	1,057	540,004	556,243
Total 30 Sep 2011	2,407	10,712	1,019	505,639	519,777

Note 9 - Financial instruments

Determination of fair value from quoted market prices or valuation techniques

30 Sep 2012, NOKm	Quoted prices in active markets for same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets				
Loans to credit institutions	0	1,172	0	1,172
Loans to the public	0	1,348	0	1,348
Interest-bearing securities	35,270	44,738	0	80,008
Shares	384	0	123	507
Derivatives	5	1,805	0	1,810
Other assets	0	5,697	0	5,697
Prepaid expenses and accrued income	0	233	0	233
Liabilities				
Deposits by credit institutions	0	819	0	819
Deposits and borrowings from the public	0	242	0	242
Derivatives	4	2,369	0	2,373
Other liabilities	0	5,672	0	5,672
Accrued expenses and prepaid income	0	245	0	245

Note 10 - Derivatives

Fair value	30 Sep 2012		31 Dec 2011		30 Sep 2011	
NOKm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	206	489	284	664	244	718
Equity derivatives	29	9	74	13	292	26
Foreign exchange derivatives	223	575	3,741	256	6,428	124
Other derivatives	0	0	15	15	16	16
Total	458	1,073	4,114	948	6,980	884
Derivatives used for hedging						
Interest rate derivatives	1,005	1,300	462	1,057	339	1,019
Foreign exchange derivatives	347	0	1,227	0	772	0
Total	1,352	1,300	1,689	1,057	1,111	1,019
Total fair value						
Interest rate derivatives	1,211	1,789	746	1,721	583	1,737
Equity derivatives	29	9	74	13	292	26
Foreign exchange derivatives	570	575	4,968	256	7,200	124
Other derivatives	0	0	15	15	16	16
Total	1,810	2,373	5,803	2,005	8,091	1,903
Nominal amount				30 Sep	31 Dec	30 Sep
NOKm				2012	2011	2011
Derivatives held for trading						
Interest rate derivatives				234,016	201,868	165,010
Equity derivatives				629	1,779	2,087
Foreign exchange derivatives				120,883	143,294	118,727
Other derivatives				0	200	200
Total				355,528	347,141	286,024
Derivatives used for hedging						
Interest rate derivatives				87,344	42,929	37,954
Foreign exchange derivatives				17,100	16,759	0
Total				104,444	59,688	37,954
Total nominal amount						
Interest rate derivatives				321,360	244,797	202,964
Equity derivatives				629	1,779	2,087
Foreign exchange derivatives				137,983	160,053	118,727
Other derivatives				0	200	200
Total				459,972	406,829	323,978

Note 11 - Capital adequacy

Capital base

	30 Sep 2012	31 Dec 2011	30 Sep 2011
NOKm			
Core tier 1 capital ¹	26,349	26,302	24,394
Tier 1 capital ¹	31,202	31,239	26,088
Capital base¹	34,541	35,016	33,076

¹Excluding profit for the period, except for year-end which is including profit.

	30 Sep 2012	30 Sep 2012	31 Dec 2011	31 Dec 2011	30 Sep 2011	30 Sep 2011
Capital requirement						
NOKm	Capital requirement	RWA	Capital requirement	RWA	Capital requirement	RWA
Credit risk	17,677	220,961	18,815	235,180	19,107	238,832
IRB	16,135	201,692	16,932	211,636	17,340	216,745
– of which corporate	12,658	158,224	12,886	161,077	13,202	165,022
– of which institutions	471	5,893	512	6,394	505	6,314
– of which retail	2,912	36,404	3,435	42,934	3,509	43,858
of which retail SME	103	1,293	122	1,521	131	1,636
of which retail real estate	2,172	27,145	2,481	31,015	2,498	31,222
of which retail other	637	7,966	832	10,398	880	11,000
– of which other	94	1,171	99	1,231	124	1,551
Standardised	1,542	19,269	1,883	23,544	1,767	22,087
– of which sovereign	21	258	31	382	446	5,573
– of which retail	484	6,045	446	5,579	18	226
– of which other	1,037	12,966	1,406	17,583	1,303	16,288
Market risk*	147	1,839	418	5,227	306	3,822
– of which trading book, Internal Approach	36	455	155	1,934	54	669
– of which trading book, Standardised Approach	111	1,384	263	3,293	252	3,153
Operational risk	1,690	21,125	1,615	20,193	1,615	20,193
Standardised	1,690	21,125	1,615	20,193	1,615	20,193
Sub total	19,514	243,925	20,848	260,600	21,028	262,847

Adjustment for transition rules

Additional capital requirement according to transition rules	6,359	79,481	5,485	68,563	4,808	60,097
Total	25,873	323,406	26,333	329,163	25,836	322,944

* Note that the comparison figures as of 30-Sep 2011 are not restated with respect to CRD III

Capital ratio excl. transition rules

	30 Sep 2012	31 Dec 2011	30 Sep 2011
Core tier 1 capital ratio ¹ , %	10.8	10.1	9.3
Tier 1 capital ratio ¹ , %	12.8	12.0	9.9
Capital base ratio¹, %	14.2	13.4	12.6

¹Excluding profit for the period, except for year-end which is including profit.

Capital ratio incl. transition rules

	30 Sep 2012	31 Dec 2011	30 Sep 2011
Core tier 1 capital ratio ¹ , %	8.1	8.0	7.6
Tier 1 capital ratio ¹ , %	9.6	9.5	8.1
Capital base ratio¹, %	10.7	10.6	10.2

¹Excluding profit for the period, except for year-end which is including profit.

Analysis of capital requirements

Exposure class, 30-Sep 2012	Average risk weight (%)	Capital requirement (NOKm)
Corporate IRB	57	12,658
Institutions IRB	11	471
Retail IRB	15	2,912
Sovereign	1	21
Other	30	1,615
Total credit risk	33	17,677

Note 12 - Risks and uncertainties

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprised of both household and corporate customers and represents different geographic areas and industries.

Nordea's main risk exposure is credit risk. The Group also assumes risks such as market risk, liquidity risk and operational risk. For further information on risk composition, see the Annual Report 2011.

The financial crisis and the deteriorating macroeconomic situation have not had a material impact on Nordea's financial position. However, the macroeconomic development remains uncertain, as communicated on page 3.

None of the above exposures and risks is expected to have any significant adverse effect on the Group or its financial position in the medium term.

Within the framework of the normal business operations, the Group faces claims in civil lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes are considered likely to have any significant adverse effect on the Group or its financial position in the next six months.

Note 13 - Related-party transactions

During March 2012 Nordea reduced its ownership in the teleinstallation company Relacom (Relacom Management AB) from 47.91% to 42.88% through sale of shares. The company is an associated company accounted for under the equity method, and a related party to Nordea.

During April 2012 Nordea further increased its ownership in the real estate company Privatmegleren from 67% to 100% through purchase of shares from minority shareholders. The company is a consolidated subsidiary, and a related party to Nordea.

Nordea Bank Norge ASA

Income statements

NOKm	Q3 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Operating income					
Interest income	4,112	4,139	12,503	11,690	15,941
Interest expense	-2,432	-2,314	-7,062	-6,365	-8,686
Net interest income	1,680	1,825	5,441	5,325	7,255
Fee and commission income	746	754	2,209	2,266	3,012
Fee and commission expense	-190	-212	-563	-580	-805
Net fee and commission income	556	542	1,646	1,686	2,207
Net result from items at fair value	126	112	294	129	140
Dividends and group contribution	0	0	312	116	124
Other operating income	55	51	186	154	228
Total operating income	2,417	2,530	7,879	7,410	9,954
Operating expenses					
General administrative expenses:					
Staff costs	-648	-1023	-2,125	-2,458	-3,068
Other expenses	-424	-448	-1,284	-1,395	-1,883
Depreciation of tangible and intangible assets	-39	-43	-125	-115	-155
Total operating expenses	-1,111	-1,514	-3,534	-3,968	-5,106
Profit before loan losses	1,306	1,016	4,345	3,442	4,848
Net loan losses	-106	-193	-440	-912	-1,356
Operating profit	1,200	823	3,905	2,530	3,492
Income tax expense	-352	-242	-1,122	-681	-940
Net profit for the period	848	581	2,783	1,849	2,552

Nordea Bank Norge ASA

Balance sheets

NOKm	30 Sep 2012	31 Dec 2011	30 Sep 2011
Assets			
Cash and balances with central banks	5,565	5,289	7,725
Loans to central banks	1,320	0	0
Loans to credit institutions	58,465	56,552	36,110
Loans to the public	339,509	359,710	357,179
Interest-bearing securities	108,135	96,370	80,512
Shares	507	1,645	365
Derivatives	2,075	6,044	1,186
Fair value changes of the hedged items in portfolio hedge of interest rate risk	404	232	8,338
Investments in group undertakings	2,896	2,845	223
Investments in associated undertakings	417	417	2,834
Intangible assets	403	408	417
Property and equipment	295	301	406
Investment property	1	0	0
Deferred tax assets	445	528	292
Current tax assets	0	23	745
Other assets	6,244	3,754	4,839
Prepaid expenses and accrued income	2,200	1,915	1,900
Total assets	528,881	536,033	503,071
Liabilities			
Deposits by credit institutions	255,917	239,494	228,160
Deposits and borrowings from the public	213,233	223,178	224,612
Debt securities in issue	2,001	2,505	1,006
Derivatives	3,425	3,310	2,652
Fair value changes of the hedged items in portfolio hedge of interest rate risk	4	0	2
Current tax liabilities	1,039	0	0
Other liabilities	11,378	28,653	6,302
Accrued expenses and prepaid income	3,362	1,259	3,170
Provisions	352	499	594
Retirement benefit obligations	1,124	1,048	1,023
Subordinated liabilities	9,094	9,394	9,561
Total liabilities	500,929	509,340	477,082
Equity			
Share capital	3,860	3,860	3,860
Share premium reserve	953	953	953
Other reserves	72	0	0
Retained earnings	23,067	21,880	21,176
Total equity	27,952	26,693	25,989
Total liabilities and equity	528,881	536,033	503,071
Assets pledged as security for own liabilities	84,912	68,709	57,464
Contingent liabilities	5,634	5,410	5,407
Commitments	101,107	187,597	155,591

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