

Interim Report 1st quarter 2013

Nordea Eiendoms kreditt AS

Nordea Eiendoms kreditt AS is part of the Nordea 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 figures

Summary of income statement (NOK mill.)

	Jan-Mar 2013	Jan-Mar 2012	Year 2012
Net interest income	435	230	1,241
Net result from items at fair value	1	-4	-14
Other income	13	12	51
Total operating income	449	238	1,277
Total operating expenses	-35	-37	-148
Loan losses (negative figures are reversals)	-2	3	-8
Operating profit	416	198	1,137
Income tax expense	117	56	321
Net profit for the period	299	143	816

Summary of balance sheet (NOK mill.)

	31 Mar 2013	31 Mar 2012	31 Dec 2012
Net loans to the public	116,690	100,538	113,773
Other assets	3,176	1,836	1,859
Debt securities in issue	86,652	77,001	83,793
Other liabilities	26,279	21,009	25,202
Equity	6,935	4,364	6,637
Total assets	119,866	102,374	115,632
Average total assets	120,683	97,069	108,879

Ratios and key figures

	31 Mar 2013	31 Mar 2012	31 Dec 2012
Earnings per share (NOK), annualised basis	79.2	37.3	53.2
Equity per share ¹ (NOK)	452.2	284.5	432.7
Shares outstanding ¹ , million	15.3	15.3	15.3
Post-tax return on average equity	18.0 %	13.6 %	17.0 %
Cost/income ratio	7.8 %	15.5 %	11.6 %
Loan loss ratio, basis points, annualised basis	-0.7	1.1	-0.7
Core tier 1 capital ratio, excl. transition rules ^{1,2}	57.6 %	24.6 %	53.0 %
Tier 1 capital ratio, excl. transition rules ^{1,2}	57.6 %	24.6 %	53.0 %
Total capital ratio, excl. transition rules ^{1,2}	64.1 %	28.8 %	58.9 %
Core tier 1 capital ratio incl. transition rules ^{1,2}	12.7 %	9.4 %	13.1 %
Tier 1 capital ratio incl. transition rules ^{1,2}	12.7 %	9.4 %	13.1 %
Total capital ratio incl. transition rules ^{1,2}	14.1 %	11.0 %	14.6 %
Capital base (NOK mill.) ¹	7,355	4,866	7,333
Risk-weighted assets incl. transition rules (NOK mill.) ¹	51,976	44,382	50,187
Number of employees (full-time equivalents) ¹	1.6	1.6	1.6

¹ At the end of the period.

² Excluding the year to date result for interim figures.

Nordea Eiendomskreditt AS

(Previous year comparable figures for the company are shown in brackets)

Nordea Eiendomskreditt's business objective is to acquire long term Norwegian residential mortgage loans from the parent bank, and to fund its lending activities primarily via issuance of covered bonds (bonds with a priority right of recourse to the company's collateral for its lending). Nordea Eiendomskreditt AS is a wholly owned subsidiary of Nordea Bank Norge ASA.

Income statement

Profit from ordinary activities after loan losses but before tax for the first three months of 2013 was NOK 416.0 million (NOK 198.3 million). The profit reported is equivalent to a post-tax return on average equity of 18.0% (13.6%) on an annualised basis.

Net interest income for the three months ending 31 March 2013 increased by 89% compared to the same period last year, and amounted to NOK 435.0 million (NOK 230.4 million).

Total operating expenses for the first three months amounted to NOK 35.2 million (NOK 37.0 million), of which cost related to management of the lending portfolio and customer contact stands for slightly above 90%.

Loan losses and provisions recognised in the accounts for the first three months totalled NOK -2.1 million (NOK 2.7 million), of which NOK 2.4 million relates to net reversal of allocations for individually assessed loans.

Total assets amounted to NOK 119,866 million as at 31 March 2013 (NOK 102,374 million).

Equity and capital adequacy

The company's share capital was NOK 1,687 million at the end of the first quarter. Total equity as at 31 March 2013, including undistributed post-tax profit for the year to date, amounted to NOK 6,935 million.

The company's net capital base, calculated in accordance with the Basel II regulations, amounted to NOK 7,355 million (NOK 4,866 million) at the end of the first three months. NOK 780 million hereof is subordinated loan capital.

Risk weighted assets excluding the transition rules totalled NOK 11,467 million at the close of the first quarter as compared to NOK 51,976 million including the transition rules.

The capital ratio was 64.1% excluding the transition rules and 14.1% including the transition rules. Profit for the year to date is not included in the calculation of the capital ratio since these earnings are not yet audited.

The capital base was NOK 6,438 million higher than the minimum Pillar 1 capital requirement of NOK 917 million excluding the transition rules. The transition rules states that the capital requirements should be calculated as 80% of the Basel I capital requirements.

Funding

Nordea Eiendomskreditt's main funding source is issuance of covered bonds. Covered bonds are debt instruments, regulated by the Norwegian Act on Financing Activity and Financial Institutions (Financial Institutions Act), that give investors a preferential claim into a pool of high quality assets in case of the issuer's insolvency. Norwegian covered bonds can only be issued by mortgage credit institutions that holds a licence from the Norwegian FSA and whose articles of association comply with certain mandatory requirements. The cover pool in Nordea Eiendomskreditt consists entirely of Norwegian residential mortgage loans.

During the first three months of 2013 Nordea Eiendomskreditt has issued covered bonds amounting to NOK 2.8 billion in the Norwegian domestic market under its NOK 75 billion domestic covered bond program. As of 31 March 2013, Nordea Eiendomskreditt had outstanding covered bonds totalling NOK 49.3 billion in the Norwegian market and USD 3.0 billion in the US market. In addition, Nordea Eiendomskreditt had outstanding NOK 20.0 billion of covered bonds issued in connection with swap arrangements provided by the Norwegian government. For further information on the swap arrangement, see note 12. Nordea Eiendomskreditt also had subordinated debt outstanding to the amount of NOK 0.78 billion.

In addition to the long term funding, Nordea Eiendomskreditt also raised short term unsecured funding from the parent bank. At the end of the first quarter of 2013 such borrowings amounted to NOK 22.8 billion.

Rating

The company has since April 2010 had the rating Aaa from Moody's Investor Service for the covered bonds issued by the company.

Lending

The gross book value of loans outstanding amounted to NOK 116.7 billion as at 31 March 2013 (NOK 100.6 billion), which consists entirely of residential mortgage loans that are managed by Nordea Bank Norge ASA. NOK 109.5 billion of the loan portfolio is included in the collateral pool for the purposes of the calculation of the asset coverage requirement under the covered bond legislation. This represents surplus collateral of 26.6% in relation to covered bonds issued.

Interest rate and currency hedging

The company uses interest rate and currency swaps to hedge interest rate and currency risk. At the close of the first quarter of 2013, the company was party to interest rate swaps with nominal value of NOK 63.6 billion. In accordance with IFRS, fair value changes of interest rate swaps and the corresponding hedged items (fixed-rate lending and fixed-rate issued bonds) due to changes in market rates, are recognised in the profit and loss accounts.

Nordea Eiendoms kreditt issued bonds totalling USD 3 billion in the US market last year. In order to eliminate the foreign exchange risk, the company has entered into currency swaps of the same amount. Nordea Bank Norge ASA is counterparty to all derivative contracts.

Impaired loans

As at 31 March 2013 impaired loans amounted to NOK 42.2 million which corresponds to 0.04% of the total lending portfolio. Individual allowances of NOK 19.2 million have been made, and net impaired loans were NOK 23.0 million at 31 March 2013, compared to NOK 32.8 million at 31 March 2012.

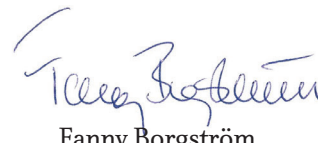
Nordea Eiendoms kreditt AS Oslo, 15 May 2013



Jon Brenden
Chairman of the Board



Børre Gundersen
Member of the Board



Fanny Borgström
Member of the Board



Eva I. E. Jarbekk
Member of the Board



Monica Blix
Member of the Board



Marianne Glatved
Managing director

Income statements

NOK 1000	Note	Jan-Mar 2013	Jan-Mar 2012	Year 2012
Interest and related income on loans and deposits with financial institutions		1,207	1,147	7,524
Interest and related income on loans to customers		1,086,150	931,572	3,989,908
Other interest and related income		82	0	191
Total interest and related income		1,087,439	932,720	3,997,624
Interest and related expense on liabilities to financial institutions		123,301	103,177	475,708
Interest and related expense on securities issued		525,026	524,934	2,092,810
Interest and related expense on subordinated loan capital		10,349	13,084	48,031
Other interest and related expense		-6,246	61,100	140,568
Total interest and related expense		652,430	702,295	2,757,117
Net interest income		435,009	230,425	1,240,507
Fee and commission income		13,080	12,279	53,787
Fee and commission expense		453	563	3,263
Net fee and commission income		12,627	11,715	50,524
Net result from items at fair value	3	1,490	-4,103	-13,998
Total operating income		449,126	238,037	1,277,034
Staff costs		607	632	2,285
Other expenses		34,611	36,347	145,799
Total operating expenses		35,218	36,979	148,084
Profit before loan losses		413,908	201,058	1,128,949
Loan losses (negative figures are reversals)	4	-2,074	2,695	-8,021
Operating profit		415,981	198,362	1,136,970
Income tax expense		116,486	55,542	321,284
Net profit for the period		299,495	142,820	815,686
Attributable to:				
Shareholder of Nordea Eiendoms kreditt AS		299,495	142,820	815,686
Total		299,495	142,820	815,686

Statements of comprehensive income

NOK 1000	Jan-Mar 2013	Jan-Mar 2012	Year 2012
Net profit for the period	299,495	142,820	815,686
Defined benefit plans:			
Remeasurement of defined benefit plans ¹	0	0	579
Tax on remeasurement of defined benefit plans ¹	0	0	-162
Other comprehensive income, net of tax	0	0	416
Total comprehensive income	299,495	142,820	816,102
Attributable to:			
Shareholder of Nordea Eiendoms kreditt AS	299,495	142,820	816,102
Total	299,495	142,820	816,102

¹ Figures for 2012 are restated, see note 1 Accounting policies for further details.

Balance sheets

NOK 1000	Note	31 Mar 2013	31 Mar 2012	31 Dec 2012
Assets	5			
Loans to credit institutions, payable on demand		390,332	247,246	83,468
Total loans to credit institutions		390,332	247,246	83,468
Loans and receivables to the public	4	116,689,824	100,538,357	113,772,332
Deferred tax assets		0	0	0
Total intangible assets		0	0	0
Derivatives	6	2,186,012	947,520	1,232,911
Fair value changes of the hedged items in portfolio hedge of interest rate risk		322,099	389,218	353,186
Other assets		0	69,862	659
Total other assets		2,508,110	1,406,599	1,586,756
Accrued income and prepaid expenses		277,849	182,076	189,151
Total assets		119,866,116	102,374,278	115,631,707
Liabilities and equity	5			
Deposits by credit institutions, payable on demand		581	0	670
Deposits by credit institutions, fixed term		22,800,000	18,550,000	21,900,000
Total deposits by credit institutions		22,800,581	18,550,000	21,900,670
Debt securities in issue		86,652,047	77,001,420	83,792,777
Derivatives	6	476,392	508,976	604,898
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,092,110	551,055	1,121,077
Current tax liabilities		344,358	5,321	290,104
Other liabilities		100,835	464	1,860
Total other liabilities		2,013,696	1,065,816	2,017,939
Accrued expenses and prepaid income		620,015	501,924	439,777
Provisions		280	374	280
Retirement benefit obligations		2,377	3,829	2,639
Deferred tax		61,750	108,322	61,750
Total provisions for other liabilities and expenses		64,407	112,525	64,669
Subordinated loan capital		780,000	780,000	780,000
Total subordinated liabilities		780,000	780,000	780,000
Share capital		1,686,990	1,533,627	1,686,990
Share premium reserve		1,446,637	0	1,446,637
Other reserves		416	0	416
Retained earnings		3,501,832	2,686,147	3,501,832
Total equity		6,635,875	4,219,774	6,635,875
Net profit for the period		299,495	142,820	0
Total equity		6,935,370	4,362,594	6,635,875
Total liabilities and equity		119,866,116	102,374,278	115,631,707
Assets pledged as security for own liabilities		109,520,904	93,558,217	106,657,701
Contingent liabilities		3,098	3,921	3,098
Commitments		10,796,469	8,137,642	10,175,614

Statements of changes in equity

NOK 1000	Share capital ¹⁾	Share premium reserve	Other reserves / Defined benefit plans	Retained earnings	Total equity
Opening balance at 1 Jan 2013	1,686,990	1,446,637	416	3,501,832	6,635,875
Total comprehensive income				299,495	299,495
Group contribution				0	0
Closing balance at 31 Mar 2013	1,686,990	1,446,637	416	3,801,327	6,935,370

NOK 1000	Share capital ¹⁾	Share premium reserve	Other reserves / Defined benefit plans	Retained earnings	Total equity
Reported opening balance at 1 Jan 2012	1,533,627	0	0	2,687,307	4,220,934
Restatement due to changed accounting policy ²				-1,161	-1,161
Restated opening balance at 1 Jan 2012	1,533,627	0	0	2,686,146	4,219,773
Total comprehensive income ²			416	815,686	816,102
Increase of share capital	153,363	1,446,637			1,600,000
Group contribution				0	0
Closing balance at 31 Dec 2012	1,686,990	1,446,637	416	3,501,832	6,635,875

NOK 1000	Share capital ¹⁾	Share premium reserve	Other reserves / Defined benefit plans	Retained earnings	Total equity
Reported opening balance at 1 Jan 2012	1,533,627	0	0	2,687,307	4,220,934
Restatement due to changed accounting policy ²				-1,161	-1,161
Restated opening balance at 1 Jan 2012	1,533,627	0	0	2,686,146	4,219,773
Total comprehensive income ²				142,820	142,820
Group contribution				0	0
Closing balance at 31 Mar 2012	1,533,627	0	0	2,828,966	4,362,594

¹ The company's share capital at 31 March 2013 was NOK 1.686.989.590,-. The number of shares was 15.336.269, each with a quota value of NOK 110,-.

All shares are owned by Nordea Bank Norge ASA.

² Related to amended IAS 19, see note 1 Accounting policies for more information

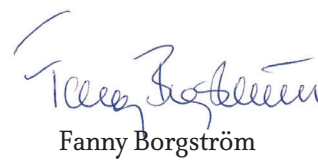
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Cash flow statements

NOK 1000	Jan-Mar 2013	Jan-Mar 2012	Year 2012
Operating activities			
Operating profit before tax	415,981	198,347	1,136,909
Income taxes paid	-62,231	-94,405	-122,100
Adjustments for items not included in cash flow	-973		
Change in write-downs to provide for loan losses	-2,256	2,775	-10,831
Cash flow from operating activities before changes in op. assets and liab.	350,520	106,717	1,003,978
Changes in operating assets and liabilities			
Change in loans to the public	-2,915,235	-12,003,676	-25,224,046
Change in debt securities in issue	2,859,270	8,034,844	14,826,201
Change in deposits by credit institutions	899,911	3,300,000	6,650,670
Change in other receivables	-1,010,052	703,131	515,900
Change in other liabilities	122,450	-47,363	557,172
Cash flow from operating activities	306,864	93,653	-1,670,125
Investing activities			
Change in loans and receivables to credit institutions, fixed terms	0	0	0
Change in holdings of bearer bonds issued by others	0	0	0
Cash flow from investing activities	0	0	0
Financing activities			
Group contribution/dividend paid	0	0	0
Change in subordinated loan capital	0	0	0
Recognised directly in equity	0	0	1,600,000
Cash flow from financing activities	0	0	1,600,000
Cash flow for the period	306,864	93,653	-70,125
Cash and cash equivalents at beginning of period	83,468	153,593	153,593
Cash and cash equivalents at end of period	390,332	247,246	83,468
Change	306,864	93,653	-70,125

Cash and cash equivalents comprise loans to finance institutions with no fixed maturity (bank deposits).

Notes to the financial statement

Note 1 Accounting policies

The accounts of Nordea Eiendomskreditt AS have been prepared in accordance with the Norwegian Accounting Act and the International Financial Reporting Standards (IFRS) and interpretation of such standards by the International Financial Reporting Standards Interpretation Committee (IFRS IC), as endorsed by the EU Commission.

The interim accounts for the period 1 January to 31 March 2013 are presented in accordance with *IAS 34 Interim Financial Reporting*.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2012 Annual Report, except for the presentation of defined benefit plans as described below.

The new standard IFRS 13 Fair Value Measurement was implemented in the first quarter 2013 but has not had any impact on the measurement of assets or liabilities. The additional disclosures required by IFRS 13 on a quarterly basis are presented in Note 7 Fair value of financial assets and liabilities and Note 8 Financial assets and liabilities measured at fair value on the balance sheet.

IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures have been amended as regards offsetting of financial assets and financial liabilities. Nordea has implemented these changes in the first quarter 2013. There was no impact from the amendment to IAS 32, while the additional disclosures required by IFRS 7 are presented in Note 9 Financial instruments set off on balance or subject to master netting agreements.

IAS 19 Employee Benefits

The amended IAS 19 Employee Benefits was implemented 1 January 2013. A detailed description of these changes is included in the Annual Report 2012, Note 1 Accounting policies section 3 Changes in IFRSs not yet applied by Nordea. The comparative figures have been restated accordingly and are disclosed in the below tables. The impact on the first quarter 2013 is not significant.

	Q1 2012		Full year 2012	
	New policy	Old policy	New policy	Old policy
NOKt				
Staff costs	632	647	2,285	2,346
Income tax expense	55,542	55,538	321,284	321,267
Other comprehensive income, net of tax	-	-	416	-

	31 Dec 2012		31 Mar 2012		1 Jan 2012	
	New policy	Old policy	New policy	Old policy	New policy	Old policy
NOKt						
Net retirement benefit obligations	2,639	1,667	3,829	2,232	3,747	2,135
Net deferred tax	61,750	62,022	108,322	108,769	34,243	33,792
Other comprehensive income, net of tax	416	-	-	-	-	-
Retained earnings	3,501,832	3,502,949	2,828,967	2,830,117	2,686,146	2,687,307

At transition 1 January 2013 the negative impact on equity was NOK 700t after deduction of income tax and the core tier 1 capital was reduced by NOK 972t, including the impact from changes in deferred tax assets.

Exchange rates

	Jan-Mar 2013	Full year 2012	Jan-Mar 2012
USD 1 = NOK	5.6331	5.8186	5.7899
Income statement (average)	5.6331	5.8186	5.7899
Balance sheet (at end of period)	5.8665	5.5694	5.6933

Note 2 Segment information

The activities of Nordea Eiendomskreditt AS represent a single segment. This is a result of the manner in which the company is organised and managed, including the system for internal reporting whereby the business is to all practical purposes managed as a single segment.

The services provided by Nordea Eiendomskreditt AS are judged to be subject to the same risks and yield requirements. Nordea Eiendomskreditt AS is part of the Retail Banking segment of the Nordea Bank Norge group.

Note 3 Net result from items at fair value

NOK 1000	Jan-Mar 2013	Jan-Mar 2012	Year 2012
Interest-bearing securities	-922		-1,585
Other financial instruments	2,412	-4,103	-12,413
Foreign exchange gains/losses			
Total	1,490	-4,103	-13,998

Net gains/losses for categories of financial instruments

NOK 1000	Jan-Mar 2013	Jan-Mar 2012	Year 2012
Foreign currency derivatives			
Financial instruments under hedge accounting	2,412	-4,103	-12,413
– of which net losses on hedged items	-373	4,339	-571,016
– of which net gains on hedging instruments	2,785	-8,442	558,603
Other financial liabilities	-922		-1,585
Total	1,490	-4,103	-13,998

Note 4 Loans and impairment

Loan losses

NOK 1000	Jan-Mar 2013	Jan-Dec 2012	Jan-Mar 2012
Change in allowances for individually assessed loans	-2,400	10,370	2,697
Change in allowances for collectively assessed loans	144	-21,200	0
Realised loan losses in the period	182	2,815	0
Recoveries of loan losses realised previous years	0	-5	-2
Total loan losses for the period	-2,074	-8,021	2,695

Reconciliation of allowance accounts for impaired loans

NOK 1000	Jan-Mar 2013			Jan-Dec 2012			Jan-Mar 2012		
	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at beginning of period	21,634	11,800	33,434	11,264	33,000	44,264	11,264	33,000	44,264
Provisions	1,637	144	1,781	14,026	0	14,026	2,846	0	2,846
Reversals	-3,146	0	-3,146	-3,429	-21,200	-24,629	-149	0	-149
Changes through the income statement	-1,509	144	-1,365	10,597	-21,200	-10,603	2,697	0	2,697
Allowances used to cover write-offs	-891	0	-891	-227	0	-227	78	0	78
Closing balance at end of period	19,234	11,944	31,178	21,634	11,800	33,434	14,039	33,000	47,039

Loans and their impairment

NOK 1000	31 Mar 2013	31 Dec 2012	31 Mar 2012
Loans, not impaired	116,678,817	113,762,631	100,538,510
Impaired loans;	42,184	43,135	46,886
- Performing	3,632	3,630	8,296
- Non-performing	38,552	39,505	38,590
Loans before allowances	116,721,001	113,805,766	100,585,396
Allowances for individually assessed impaired loans;	-19,234	-21,634	-14,039
- Performing	-1,142	-1,151	-2,062
- Non-performing	-18,091	-20,482	-11,977
Allowances for collectively assessed impaired loans	-11,944	-11,800	-33,000
Allowances	-31,178	-33,434	-47,039
Loans, carrying amount	116,689,824	113,772,332	100,538,357

Key ratios

	31 Mar 2013	31 Dec 2012	31 Mar 2012
Impairment rate, gross ¹ , in %	0.04	0.04	0.05
Impairment rate, net ² , in %	0.02	0.02	0.03
Total allowance rate ³ , in %	0.03	0.03	0.05
Allowance rate, impaired loans ⁴ , in %	45.6	50.2	29.9
Total allowances in relation to impaired loans, in %	73.9	77.5	100.3
Non-performing loans, not impaired ⁵ , in NOK 1000	252,581	237,293	228,061

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 Past due loans, not impaired due to future cash flows (included in Loans, not impaired).

Note 5 Classification of financial instruments

Of the assets listed below, Loans to credit institutions, Loans to the public, Derivatives, as well as accrued interest on these items, are exposed to credit risk. The exposure equals the book value presented in the tables below.

Assets	Assets at fair value					Non-financial assets	Total
	Loans and receivables	through profit and loss	Derivatives used for hedging	Available	for sale		
Loans to credit institutions	390,332						390,332
Loans to the public	116,689,824						116,689,824
Derivatives			2,186,012				2,186,012
Fair value changes of the hedged items in portfolio hedge of interest rate risk	322,099						322,099
Deferred tax assets							0
Other assets						0	-2,093
Prepaid expenses and accrued income	277,849						279,942
Total 31 Mar 2013	117,682,197	0	2,186,012	0	0	0	119,866,116
Total 31 Dec 2012	114,045,611	0	1,586,097	0	0	0	115,631,708
Total 31 Mar 2012	101,426,758	0	947,520	0	0	0	102,374,278

Liabilities	Liabilities at fair value through profit and loss		Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Deposits by credit institutions				22,800,581		22,800,581
Debt securities in issue				86,652,047		86,652,047
Derivatives			476,392			476,392
Fair value changes of the hedged items in portfolio hedge of interest rate risk				1,092,110		1,092,110
Current tax liabilities					344,358	344,358
Other liabilities					101,115	101,115
Accrued expenses and prepaid income					620,015	620,015
Retirement benefit obligations					2,377	2,377
Deferred tax liabilities					61,750	61,750
				780,000		780,000
Total 31 Mar 2013	0	476,392	111,324,737	1,129,615	112,930,745	112,930,745
Total 31 Dec 2012	0	1,725,975	106,473,447	795,709	108,995,131	108,995,131
Total 31 Mar 2012	0	508,976	96,882,475	619,083	98,010,534	98,010,534

Note 6 Derivatives and hedge accounting

31 Mar 2013

NOK 1000	Fair value		Total nominal amount
	Positive	Negative	
Derivatives used for hedge accounting:			
Interest rate swaps	1,330,229	476,392	63,597,917
Currency interest rate swaps	855,783		17,599,375
Total	2,186,012	476,392	81,197,292
Total derivatives	2,186,012	476,392	81,197,292

31 Dec 2012

	Fair value		Total nominal
NOK 1000	Positive	Negative	amount
Derivatives used for hedge accounting:			
Interest rate swaps	1,220,609	542,293	75,963,851
Currency interest rate swaps	12,301	62,605	16,708,276
Total	1,232,911	604,898	92,672,127
Total derivatives			
	1,232,911	604,898	92,672,127

31 Mar 2012

NOK 1000	Fair value		Total nominal amount
	Positive	Negative	
Derivatives used for hedge accounting:			
Interest rate swaps	622,846	508,976	43,862,643
Currency interest rate swaps	324,673		17,079,964
Total	947,519	508,976	60,942,607
Total derivatives	947,519	508,976	60,942,607

Note 7 Fair value of financial assets and liabilities

31 Mar 2013

NOK 1000	Carrying amount	Fair value
Assets		
Loans and receivables to credit institutions	390,332	390,332
Loans and receivables to the public	116,689,824	116,689,824
Derivatives	2,186,012	2,186,012
Fair value changes of the hedged items in portfolio hedge of interest rate risk	322,099	322,099
Other assets	0	0
Prepaid expenses and accrued income	277,849	277,849
Total assets	119,866,116	119,866,116

	Carrying amount	Fair value
Liabilities		
Deposits by credit institutions	22,800,581	22,799,019
Debt securities in issue	86,652,047	86,757,107
Derivatives	476,392	476,392
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,092,110	1,092,110
Current tax liabilities	344,358	344,358
Other liabilities	101,115	101,115
Accrued expenses and prepaid income	620,015	620,015
Retirement benefit obligations	2,377	2,377
Deferred tax liabilities	61,750	61,750
Subordinated liabilities	780,000	779,985
Total liabilities	112,930,745	113,034,228

The determination of fair value is described in the Annual Report 2012 note 17 Assets and liabilities at fair value.

Note 8 Financial assets and liabilities measured at fair value in the balance sheet

Categorisation into fair value hierarchy

31 Mar 2013			
	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)
NOK 1000			
Financial assets ¹			
Loans and receivables to the public			
Interest-bearing securities			
Derivatives		2 186 012	
Total assets	0	2 186 012	0
Financial liabilities ¹			
Debt securities in issue			
Derivatives		476 392	
Total liabilities	0	476 392	0

¹ Are measured at fair value on a recurring basis at the end of each reporting period.

Financial assets and liabilities with offsetting positions in market risk and counterparty risk are measured on the basis of the price that would be received to sell the net asset position or paid to transfer the net liability position for that risk exposure. For more information about valuation techniques and inputs used in the fair value measurement, see the Annual Report 2012, note 17 Assets and liabilities at fair value.

Note 9 Financial instruments set off on balance or subject to netting agreements

	Gross recognised financial assets ¹⁾	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
31 March 2013, NOKt							
Assets							
Derivatives	2 136 636		2 136 636	-214 478			1 922 158
Reverse repurchase agreements			0				0
Securities borrowing agreements			0				0
Loans			0				0
Variation margin			0				0
Other			0				0
Total	2 136 636	0	2 136 636	-214 478	0	0	1 922 158

	Gross recognised financial liabilities ¹⁾	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
31 March 2013, NOKt							
Liabilities							
Derivatives	214 478		214 478	-214 478			0
Repurchase agreements			0				0
Securities lending agreements			0				0
Deposits			0				0
Variation margin			0				0
Other			0				0
Total	214 478	0	214 478	-214 478	0	0	0

¹⁾ All amounts are measured at fair value.

	Gross recognised financial assets ¹⁾	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
31 March 2012, NOKt							
Assets							
Derivatives	937 253		937 253	-149 069			788 184
Reverse repurchase agreements			0				0
Securities borrowing agreements			0				0
Loans			0				0
Variation margin			0				0
Other			0				0
Total	937 253	0	937 253	-149 069	0	0	788 184

Note 9 Financial instruments set off on balance or subject to netting agreements cont.

	Gross recognised financial liabilities ¹⁾	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
31 March 2012, NOKt							
Liabilities							
Derivatives	149 069		149 069	-149 069			0
Repurchase agreements			0				0
Securities lending agreements			0				0
Deposits			0				0
Variation margin			0				0
Other			0				0
Total	149 069	0	149 069	-149 069	0	0	0

¹⁾ All amounts are measured at fair value.

Enforceable master netting arrangements and similar agreements

The fact that financial instruments are being accounted for on a gross basis on the balance sheet, would not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally financial instruments (derivatives, repos and securities lending transactions), would be subject to master netting agreements, and as a consequence Nordea would be allowed to benefit from netting both in the ordinary course of business and in the case of default towards its counter parties, in any calculations involving counterparty credit risk. The reason why the netted exposures are not reflected under assets and liabilities on the balance sheet, would in most instances depend on the limited application of net settlement of financial transactions.

Note 10 Capital adequacy

Capital base

	31 Mar 2013	31 Dec 2012	31 Mar 2012
NOKm			
Core tier 1 capital ¹	6 605	6 595	4 153
Tier 1 capital ¹	6 605	6 595	4 153
Capital base ¹	7 355	7 333	4 866

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

	31 Mar 2013	31 Mar 2013	31 Dec 2012	31 Dec 2012	31 Mar 2012	31 Mar 2012
Capital requirement	Capital requirement	RWA	Capital requirement	RWA	Capital requirement	RWA
NOKm						
Credit risk	808	10,102	923	11,536	1,279	15,990
IRB	760	9,496	885	11,069	1,247	15,582
- of which corporate	-	-	-	-	-	-
- of which institutions	-	-	-	-	-	-
- of which retail	760	9,496	885	11,069	1,247	15,582
of which retail SME	-	-	-	-	-	-
of which retail real estate	686	8,572	807	10,084	1,172	14,648
of which retail other	74	924	79	985	75	933
- of which other	-	-	-	-	-	-
Standardised	49	607	37	467	33	409
- of which sovereign	-	-	-	-	-	-
- of which retail	-	-	-	-	-	-
- of which other	49	607	37	467	33	409
Market risk	-	-	-	-	-	-
- of which trading book, Internal Approach	-	-	-	-	-	-
- of which trading book, Standardised Approach	-	-	-	-	-	-
- of which banking book, Standardised Approach	-	-	-	-	-	-
Operational risk	109	1,364	72	906	72	906
Standardised	109	1,364	72	906	72	906
Sub total	917	11,467	995	12,442	1,352	16,896
Adjustment for transition rules						
Additional capital requirement according to transition rules	3,241	40,510	3,020	37,745	2,199	27,486
Total	4,158	51,976	4,015	50,187	3,551	44,382

Capital ratio excl. transition rules

	31-Mar 2013	31-Dec 2012	31-Mar 2012
Core tier 1 capital ratio ¹ , %	57,6	53,0	24,6
Tier 1 capital ratio ¹ , %	57,6	53,0	24,6
Capital base ratio ¹ , %	64,1	58,9	28,8

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

Note 10 Capital adequacy cont.

Capital ratio incl. transition rules

	31-Mar 2013	31-Dec 2012	31-Mar 2012
Core tier 1 capital ratio ¹ , %	12,7	13,1	9,4
Tier 1 capital ratio ¹ , %	12,7	13,1	9,4
Capital base ratio ¹ , %	14,1	14,6	11,0

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

Analysis of capital requirements

Exposure class, 31-Mar 2013	Average risk weight (%)	Capital requirement (NOKm)
Corporate IRB	-	-
Institutions IRB	-	-
Retail IRB	8	760
Sovereign	-	-
Other	20	49
Total credit risk	8	808

Note 11 Risks and uncertainties

Nordea Eiendoms kreditt's sole business activity is secured residential lending, and the company's main risk exposure is the ability of its borrowers to service their loans. Secondly, the company is exposed to changes in the residential property market.

Nordea Eiendoms kreditt is also exposed to risks such as market risk, liquidity risk and operational risk. Further

information on the composition of the company's risk exposure and risk management can be found in the Annual Report for 2012.

The company does not anticipate that the exposures and risks mentioned above will have any material adverse effect on the company over the next three months.

Note 12 Transactions with related parties

Nordea Eiendoms kreditt considers that its related parties include its parent company, other companies in the Nordea group, and key persons in senior positions.

Interest rate risk and currency risk that arise as part of Nordea Eiendoms kreditt's normal business activities, are hedged using interest rate and currency swaps. The parent bank, Nordea Bank Norge ASA is counterparty to all derivative contracts. The volume and fair value of the derivative contracts are shown in note 6.

Nordea Bank Norge also provides short term funding to Nordea Eiendoms kreditt, and the bank has bought bonds issued by Nordea Eiendoms kreditt worth of NOK 20 billion as at 31 march 2013. NOK 17.8 billion hereof are exchanged with government securities in the swap arrangements provided by Norges Bank. Only Nordea Bank Norge can be counterpart to Norges Bank for bonds issued by Nordea Eiendoms kreditt.

Loans to the public, that make up Nordea Eiendoms kreditt's cover pool, are purchased from Nordea Bank Norway. Instalments, early redemptions and refinancings will reduce the company's loan portfolio. Loans that cease to be a part of the portfolio, are replaced by new purchases of loans from the parent bank. This year to date, loans amounting to NOK 11.5 billion have been transferred from Nordea Bank Norway to Nordea Eiendoms kreditt.

The loans transferred are continued to be managed by Nordea Bank Norway. For this service Nordea Eiendoms kreditt has paid Nordea Bank Norway an amount of NOK 32.1 million in the first three months of 2013.

Nordea Eiendoms kreditt also buys services related to funding and risk control, accounting and reporting from other Nordea companies according to agreements entered into. All group internal transactions are settled according to the arms length principle.

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