

Interim Report 1st quarter 2015

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, approximately 700 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

	Q1	Q4	Change	Q1	Change
NOKm	2015	2014	%	2014	%
Net interest income	2,385	2,471	-3	2,443	-2
Net fee and commission income	687	770	-11	613	12
Net result from items at fair value	306	200	53	129	137
Equity method	35	-19		-18	
Other operating income	42	29		33	
Total operating income	3,455	3,451	0	3,200	8
Staff costs	-775	-735	5	-766	1
Other expenses	-452	-566	-20	-458	-1
Depreciation of tangible and intangible assets	-32	-30	7	-37	-14
Total operating expenses	-1,259	-1,331	-5	-1,261	-0
Profit before loan losses	2,196	2,120	4	1,939	13
Net loan losses	-262	-54	385	-378	-31
Operating profit	1,934	2,066	-6	1,561	24
Income tax expense	-457	-604	-24	-439	4
Net profit for the period	1,477	1,462	1	1,122	32

Business volumes, key items

	31 Mar	31 Dec	Change	31 Mar	Change
NOKbn	2015	2014	%	2014	%
Loans to the public	495.2	499.9	-1	465.3	6
Deposits and borrowings from the public	233.2	236.8	-2	218.4	7
of which savings deposits	89.4	93.6	-4	89.8	-0
Equity	46.5	45.1	3	41.9	11
Total assets	656.5	649.7	1	588.9	12

Ratios and key figures

	Q1	Q4	Q1
	2015	2014	2014
EPS, rolling 12 months up to period end, NOK	9.7	9.0	8.7
Equity per share ² NOK	84.4	81.8	76.0
Shares outstanding ² , million	551	551	551
Return on equity, %	12.9	13.2	10.9
Return on assets, %	0.2	0.2	0.2
Cost/income ratio, %	36	39	39
Loan loss ratio, basis points ⁶	21	16	32
Common Equity Tier 1 capital ratio, excl. Basel I floor ^{2,3,4}	21.3	21.7	19.3
Tier 1 capital ratio, excl. Basel I floor ^{2,3,4}	23.4	24.2	21.7
Total capital ratio, excl. Basel I floor ^{2,3,4}	25.5	26.3	23.3
Common Equity Tier 1 capital ratio, incl. Basel I floor ^{2,3,5}	12.8	12.7	12.6
Tier 1 capital ratio, incl. Basel I floor ^{2,3,5}	14.0	14.2	14.1
Total capital ratio, incl. Basel I floor ^{2,3,5}	15.3	15.4	15.1
Tier 1 capital ^{2,3} , NOKm	49,132	49,739	45,176
Risk exposure amount incl Basel I floor ² , NOKbn	350	351	320
Number of employees (full-time equivalents) ²	2,696	2,703	2,867

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

² End of period.

³ Excluding profit for the first three months except for year-end which is including profit.

⁴ Capital ratios as reported using the Basel III framework.

⁵ Capital ratios as reported using the Basel II regulation framework.

⁶ Comparative figures have been restated to align with Nordea Group policy.

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, Other Group functions, 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

Throughout this report the terms “Nordea Bank Norge” and “NBN” refer to Nordea Bank Norge ASA and its subsidiaries, while “NBN ASA” refers to Nordea Bank Norge ASA. Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ.), the parent company in the Nordea Group. The terms “Nordea” and “Nordea Group” refer to Nordea Bank AB (publ.) and its subsidiaries. All figures are in NOK.

Macroeconomy and financial markets

The global economy grew at a moderate pace during the first quarter. The US economy continued to recover. The euro area economy continued to grow slowly, although economic indicators suggested improving growth prospects. These prospects were supported by the weakening Euro, all-time low interest rates, low energy prices, and a gradually recovering banking sector. In Norway, the dramatic fall in oil prices in the end of last year appeared to affect economic data with higher unemployment and somewhat lower levels of manufacturing production. Norges Bank’s regional network survey also signalled weakening output growth for oil related industries. Underlying inflation was stable at 2.4% year-on-year during the quarter, remaining well above levels in the euro area. House prices and housing market turnover continued to rise, which was a key factor to Norges Bank’s decision in March to leave policy rates unchanged at 1.25%. However, the forward looking rate suggested that the Norwegian central bank stands ready to ease monetary policy in the coming quarters. Norwegian equities rose 7% during the quarter while 10-year yields dropped 6bps. The Norwegian Krone has been stable in trade-weighted terms.

Business development

Net profit in the first quarter amounted to 1,477m, up from 1,122m in the same period last year, and slightly up from 1,462m last quarter.

Retail banking continues to develop and support multi-channel offering of advisory services with over 4.200 new gold and premium customers during the quarter. The number of online meetings has increased significantly – one out of ten advisory meetings is now conducted online. Household lending volumes are still increasing, and contribution from savings-related commissions maintained its strong momentum.

In Wholesale, activity remained high, driven by lending in Debt Capital Markets and syndicated loans.

Net loan losses ended at 262m, corresponding to a loan loss ratio of 21 basis points.

First quarter 2015 compared to the first quarter last year

Income

Total income is up 8% to 3,455m.

Net interest income

Net interest income decreased 2% to 2,385m, negatively affected by the interest rate reduction on household mortgage loans announced at the beginning of the year, as well as by fierce competition for Retail Banking corporate loans. Corporate spreads were up in CIB and fairly stable in Shipping.

Lending to the public increased by 6% to 495bn. Household lending grew 7% driven by mortgage lending. Corporate lending went up 6%, with a rise in Retail Banking and Shipping.

Total deposits from the public increased 7% to 233bn at the end of the period. Deposit volumes climbed with growth in Retail Household and CIB, and deposit spreads rose in all major business areas.

Net fee and commission income

Net fee and commission income increased 12%, ending at 687m. Growth was driven by high levels of savings and lending related services.

Net result from items at fair value

Net result from items at fair value ended at 306m, up from 129m last year. The increase is mainly explained by the sale of a debt portfolio this quarter.

Equity method

Net result for companies accounted for using the equity method amounted to 35m, which mainly relates to the 23.21% holding in Eksportfinans ASA. Nordea continues to apply its own valuation model to the valuation of Eksportfinans’s own debt. The increased result compared to last year relates to improved credit spread effects.

Other operating income

Other income amounted to 42m, compared to 33m in the same period last year.

Expenses

Total operating expenses were fairly stable at 1,259m, with slight increases in variable salaries and pension costs offset by reductions in other expenses. The cost/income ratio decreased from 39% to 36%, and the number of employees (FTEs) fell by 6%.

Net loan losses

Net loan losses declined 31% with reductions in both individual and collective losses. Individual losses (20 basis points annualised) were driven by customers in Retail

Banking and CIB. Collective provisions (1 basis point annualised) were also mainly within these business areas.

Taxes

The effective tax rate was 23.6%, down from 28.1%.

Net profit

Net profit increased 32% corresponding to a return on equity (annualised) of 12.9%.

First quarter 2015 compared to the fourth quarter last year

Income

Total income was stable at 3,455m. Net interest income fell 3%, negatively affected by reduced lending spreads in Retail Banking from both household and corporate customers. Total lending to public and deposits volume fell slightly, while deposit spreads improved.

Net fee and commission income was down from last quarter, mostly in respect to lending services. Net result from items at fair value rose 53%, mainly explained by the sale of a debt portfolio this quarter.

Expenses

Total expenses were down 5%, mainly due to lower IT activity and seasonal reductions in marketing costs.

Net loan losses

Net loan losses increased from 54m to 262m, mainly individual losses.

Net profit

Net profit was stable at 1,477m.

Other information

Credit portfolio

Total lending to the public went up 6% to 495bn compared to end of period last year and fell 1% compared to the previous quarter.

Impaired loans gross have increased 33% compared to one year ago and 4% from three months ago ending at 4,531m, corresponding to 85 basis points of total loans to the public. 42% of impaired loans gross are performing loans and 58% are non-performing loans.

The total allowance rate is 59 basis points, compared to 58 basis points one year ago and 58 basis points at the end of last quarter. The industries with the largest allowances were Construction and engineering, Shipping and offshore, and Industrial commercial services.

Balance Sheet

Total assets in the balance sheet grew 12% compared to one

year ago and was stable compared to previous quarter. The main drivers of change in the last twelve months have been increased lending to the public, interest bearing securities, and loans to central banks and credit institutions. The main increases on the liabilities side are related to deposits from central banks and credit institutions, deposits from the public, and debt securities in issue.

Capital position and risk-weighted exposure

NBN's Common Equity Tier 1 capital ratio excluding Basel I rules and including profit was 22.0% at the end of the first quarter, compared to 21.7% at the end of last quarter. Tier 1 capital ratio excluding Basel I rules and including profit was fairly stable at 24.1%. The total capital ratio excluding Basel I rules and including profit ended at 26.2%. Risk Exposure Amount, REA (previously referred to as risk-weighted assets), was 209.8bn excluding Basel I rules, an increase of 4.4bn, or 2.2%, compared to the previous quarter.

The Common Equity Tier 1 ratio including Basel I rules (national Basel I rules as reported under the Basel II framework) and profit was 13.2% at the end of the first quarter (12.8% excluding profit). The own funds including profit were 55.1bn (53.6bn excluding profit), the Tier 1 capital was 50.6bn (49.1bn excluding profit) and the Common Equity Tier 1 capital was 46.1bn (44.6bn excluding profit).

Regulation

The Norwegian CRD IV Regulations resemble the CRR/CRDIV regulations which are applicable in EU-countries, also known as Basel III. However, additional national adjustments to the Basel III rules are introduced. As opposed to CRR, these include regulatory requirements to the risk exposure amounts related to the Basel I floor as reported under the Basel II regulation framework when calculating the capital ratios.

The Norwegian rules also deviate from CRR/CRDIV as it states among others that the risk exposure amount does not adapt geographical location in the capital buffer calculations and it does not allow reduced risk weight to the SME segment. It still remains to implement a number of detailed provisions compared to the EU legislation, as well as the new regulatory standards issued by the European Banking Authority (EBA). New supervisory practices related to household mortgage loans will be implemented according to supervisory practices, through Pillar II, as applicable for Nordea as from first quarter 2015.

Nordea's funding and liquidity operations

The NBN group, through its subsidiary Nordea Eiendoms kreditt AS, issued 6.1bn in covered bonds during the first quarter 2015, whereof 0.9bn in GBP. The amount matured or purchased back totalled 1.9bn during the first three months of 2015. A total of 84.4bn has been rated and sold in the open market of NEK bonds (8bn issued in

USD and 7bn in GBP). For further information on liquidity management see the Annual Report 2014.

2015 plan

For 2015 we are prepared for another year with low growth and low interest rates, as well as continued changes in customer behaviour. We will deliver on our cost and capital efficiency plans to secure our strong financial foundation.

We will continue to develop our services to meet the changing needs of our customers, and invest in our IT platform to secure our long-term ability to provide even more personalised and convenient solutions for our customers.

Quarterly development

NOKm	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Net interest income	2,385	2,471	2,468	2,426	2,443
Net fee and commission income	687	770	683	602	613
Net result from items at fair value	306	200	135	156	129
Profit/-loss from the companies accounted for under the equity method	35	-19	9	-30	-18
Other operating income	42	29	31	42	33
Total operating income	3,455	3,451	3,326	3,196	3,200
General administrative expenses:					
Staff costs	-775	-735	-716	-971	-766
Other expenses	-452	-566	-420	-504	-458
Depreciation of tangible and intangible assets	-32	-30	-243	-52	-37
Total operating expenses	-1,259	-1,331	-1,379	-1,527	-1,261
Profit before loan losses	2,196	2,120	1,947	1,669	1,939
Net loan losses	-262	-54	-124	-265	-378
Operating profit	1,934	2,066	1,823	1,404	1,561
Income tax expense	-457	-604	-471	-377	-439
Net profit for the period	1,477	1,462	1,352	1,027	1,122
Basic/diluted Earnings per share (EPS), NOK	2.7	2.7	2.5	1.9	2.0
EPS, rolling 12 months up to period end, NOK	9.7	9.0	8.8	8.3	8.7

Income statements

NOKm	Note	Q1 2015	Q1 2014	Full year 2014
Operating income				
Interest income		4,584	4,908	19,743
Interest expense		-2,199	-2,465	-9,935
Net interest income		2,385	2,443	9,808
Fee and commission income		887	804	3,501
Fee and commission expense		-200	-191	-833
Net fee and commission income	3	687	613	2,668
Net result from items at fair value	4	306	129	620
Profit from companies accounted for under the equity method		35	-18	-58
Other operating income		42	33	135
Total operating income		3,455	3,200	13,173
Operating expenses				
General administrative expenses:				
Staff costs		-775	-766	-3,188
Other expenses	5	-452	-458	-1,948
Depreciation, amortisation and impairment charges of tangible and intangible assets		-32	-37	-362
Total operating expenses		-1,259	-1,261	-5,498
Profit before loan losses		2,196	1,939	7,675
Net loan losses	6	-262	-378	-821
Operating profit		1,934	1,561	6,854
Income tax expense		-457	-439	-1,891
Net profit for the period		1,477	1,122	4,963
Attributable to:				
Shareholder of Nordea Bank Norge ASA		1,477	1,122	4,963
Total		1,477	1,122	4,963
Basic/diluted earnings per share, NOK		2.7	2.0	9.0

Statements of comprehensive income

NOKm	Q1 2015	Q1 2014	Full year 2014
Net profit for the period	1,477	1,122	4,963
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	0	-1	0
Available-for-sale investments:			
Valuation gains/losses taken to equity	-34	44	134
Tax on valuation gains/losses during the period	9	-12	-36
Transferred to profit or loss on sale for the period	-8	0	-17
Tax on transfers to profit or loss on sale for the period	2	0	5
Cash flow hedges:			
Valuation gains/losses during the period	318	-41	121
Tax on valuation gains/losses during the period	-86	11	-33
Transferred to the income statement	-260	0	-4
Tax on transfers to the income statement	70	0	1
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	-109	0	-1,094
Tax on remeasurement of defined benefit plans	30	0	295
Other comprehensive income, net of tax	-68	1	-628
Total comprehensive income¹	1,409	1,123	4,335

¹ Attributable to shareholders of Nordea Bank Norge ASA

Balance sheets

NOKm	Note	31 Mar 2015	31 Dec 2014	31 Mar 2014
Assets				
Cash and balances with central banks		13,220	2,499	6,714
Loans to central banks and credit institutions	7	35,444	17,863	21,355
Loans to the public	7	495,197	499,922	465,315
Interest-bearing securities		94,923	91,574	77,674
Financial instruments pledged as collateral		215	1,392	512
Shares		345	443	527
Derivatives	12	7,941	11,951	2,933
Fair value changes of the hedged items in portfolio hedge of interest rate risk		549	626	453
Investments in associated undertakings		1,530	1,495	1,534
Intangible assets		151	149	363
Property and equipment		1,008	922	508
Investment property		65	65	206
Other assets		4,043	18,790	8,291
Prepaid expenses and accrued income		1,889	2,049	2,465
Total assets		656,520	649,740	588,850
Liabilities				
Deposits by central banks and credit institutions		256,430	239,053	215,378
Deposits and borrowings from the public		233,176	236,754	218,335
Debt securities in issue		90,223	84,664	82,216
Derivatives	12	2,495	1,732	2,442
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,696	1,816	890
Current tax liabilities		1,553	1,214	871
Other liabilities		8,410	23,884	13,003
Accrued expenses and prepaid income		1,885	1,900	3,374
Deferred tax liabilities		1,538	1,576	958
Provisions		268	196	115
Retirement benefit obligations		2,304	2,360	1,138
Subordinated liabilities		10,011	9,471	8,229
Total liabilities		609,989	604,620	546,949
Equity				
Share capital		4,411	4,411	4,411
Share premium reserve		3,402	3,402	3,402
Other reserves		303	371	1,001
Retained earnings		38,415	36,936	33,087
Total equity		46,531	45,120	41,901
Total liabilities and equity		656,520	649,740	588,850
Assets pledged as security for own liabilities		166,019	171,007	154,219
Contingent liabilities		1,748	1,774	1,762
Commitments		115,577	120,159	112,770

Statements of changes in equity

NOKm	Share capital ¹	Share premium	Other reserves			Retained earnings	Total equity
			Cash Flow hedges	Available-for-sale	Defined benefit plans		
Opening balance at 1 Jan 2015	4,411	3,402	88	178	105	36,936	45,120
Total comprehensive income			42	-31	-79	1,477	1,409
Share-based payments ²						1	1
Other changes						1	1
Closing balance at 31 Mar 2015	4,411	3,402	130	147	26	38,415	46,531

NOKm	Share capital ¹	Share premium	Other reserves			Retained earnings	Total equity
			Cash Flow hedges	Available-for-sale	Defined benefit plans		
Opening balance at 1 Jan 2014	4,411	3,402	3	92	904	31,963	40,775
Total comprehensive income			85	86	-799	4,963	4,335
Share-based payments ²						18	18
Other changes						-8	-8
Closing balance at 31 Dec 2014	4,411	3,402	88	178	105	36,936	45,120

NOKm	Share capital ¹	Share premium	Other reserves			Retained earnings	Total equity
			Cash Flow hedges	Available-for-sale	Defined benefit plans		
Opening balance at 1 Jan 2014	4,411	3,402	3	92	904	31,963	40,775
Total comprehensive income			-30	32	0	1,121	1,123
Share-based payments ²						10	10
Other changes						-7	-7
Closing balance at 31 Mar 2014	4,411	3,402	-27	124	904	33,087	41,901

¹ Total shares registered were 551m (31 Dec 2014: 551m, 31 Mar 2014: 551m).

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

Cash flow statements

NOKm	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Operating activities			
Operating profit	1,934	1,561	6,854
Adjustments for items not included in cash flow	957	1,424	3,371
Income taxes paid	-154	-169	-431
Cash flow from operating activities before changes in operating assets and liabilities	2,737	2,816	9,794
Changes in operating assets and liabilities	15,701	6,688	-4,360
Cash flow from operating activities	18,438	9,504	5,434
Investing activities			
Property and equipment	-103	-121	-623
Intangible assets	-6	-5	-23
Net investments in debt securities, held to maturity	6	20	431
Cash flow from investing activities	-103	-106	-215
Financing activities			
Other changes in equity	0	4	0
Issued/amortised Subordinate debt	0	0	0
Cash flow from financing activities	0	4	0
Cash flow for the period	18,335	9,402	5,219
Cash and cash equivalents at beginning of period	15,425	10,207	10,207
Translation differences	0	0	-1
Cash and cash equivalents at end of period	33,760	19,609	15,425
Change	18,335	9,402	5,219
Cash and cash equivalents	31 Mar	31 Mar	31 Dec
The following items are included in cash and cash equivalents (NOKm):	2015	2014	2014
Cash and balances with central banks	13,220	6,714	2,499
Loans to credit institutions, payable on demand	20,540	12,895	12,926

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) 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 2014 Annual Report, except for the presentation of covered bonds as described below.

Commitments in NBN ASA towards outstanding covered bonds in Nordea Eiendomskreditt AS

To better reflect NBN ASA's commitment in relation to the outstanding amounts of issued covered bonds in Nordea Eiendomskreditt ASA, the amounts outstanding to third parties are included in the commitments in NBN ASA. NBN ASA has also committed to the future payment of interest, however this is not included. The comparative figures have been restated accordingly and are disclosed in the table below. No restatement has been made for NBN Group as this is an internal guarantee within NBN Group.

NBN ASA	Q4 2014		Q1 2014	
	New Policy	Old Policy	New Policy	Old Policy
NOKm				
Commitments	201 610	112 241	213 535	120 927

IFRIC 21 Levies

IFRIC 21 Levies published by IASB was implemented 1 January 2015. IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. IFRIC 21 has not had any significant impact on Nordea's financial statements.

Other changes in IFRS

The following amendments published by IASB were implemented on 1 January 2015 but have not had any significant impact on Nordea's financial statements:

- Amendments to IAS 19 "Defined benefit plans: Employee Contributions"
- Annual Improvements to IFRSs, 2010-2012 Cycle
- Annual Improvements to IFRSs, 2011-2013 Cycle

Exchange rates

	Jan-Mar 2015	Full year 2014	Jan-Mar 2014
EUR 1 = NOK			
Income statement (average)	8.7313	8.3597	8.3495
Balance sheet (at end of period)	8.7035	9.0420	8.2550
USD 1 = NOK			
Income statement (average)	7.7500	6.3069	6.0956
Balance sheet (at end of period)	8.0895	7.4475	5.9871
SEK 1 = NOK			
Income statement (average)	0.9309	0.9186	0.9424
Balance sheet (at end of period)	0.9369	0.9626	0.9225
DKK 1 = NOK			
Income statement (average)	1.1720	1.1214	1.1189
Balance sheet (at end of period)	1.1652	1.2145	1.1057

Note 2 - Segment reporting¹

	Wholesale Banking								Group				Total		Recon-		Total Group	
	Retail Banking NO		CIB Total		Shipping, Offshore & Oil Services		Other Wholesale ^{3,4}		Corporate Centre		Wealth Management ⁴		Operating segments		ciliation ^{2,3}			
	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014
Total operating income, NOKm	2,538	2,305	486	443	404	417	235	177	867	992	-143	-143	4,387	4,191	-932	-991	3,455	3,200
Operating profit, NOKm	1,346	1,141	278	129	345	285	45	17	798	904	-93	-94	2,719	2,382	-785	-821	1,934	1,561
Loans to the public, NOKbn	414	392	29	31	52	42	0	0	0	0	0	0	495	465	0	0	495	465
Deposits and borrowings from the public, NOKbn	172	163	49	40	12	15	0	0	0	0	0	0	233	218	0	0	233	218

Reconciliation between total operating segments and financial statements

	Total operating income, NOKm ^{3,4}		Operating profit, NOKm ^{3,4}		Loans to the public, NOKbn		Deposits and borrowings from the public, NOKbn	
	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2014
Total Operating segments	4,387	4,191	2,719	2,382	495	465	233	218
Reconciliation ²	-499	-573	-507	-596	0	0	0	0
Eliminations	0	-34	0	0	0	0	0	0
Differences in accounting policies between the segments and the group regarding Markets ³	-433	-384	-278	-225	0	0	0	0
Total	3,455	3,200	1,934	1,561	495	465	233	218

¹ Segment reporting has been changed as a consequence of organisational changes throughout 2015. Comparative information has been restated accordingly.

² Consists of Group Risk Management, Sundry and Other Group Functions, made up of Group Internal Audit, Group Human Resources, Group Identity and Communications, Sundry units incl Eksportfinans, eliminations and allocations related to Markets as per footnote 3 below.

³ 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.

⁴ In the reporting results, net interest income, net commission income and other income/expenses are presented after allocations from other operating segments for services received or rendered from Wealth 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.

Note 2 - Segment reporting¹ cont.

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 (GEM).

Compared with the 2014 Annual Report there have been no changes in the measurement of segment profit or loss.

Changes in basis of segmentation

Nordea's organisation is developed around the three main business areas Retail Banking, Wholesale Banking and Wealth Management. The separate divisions within these main business areas have been identified as operating segments. Also Group Corporate Centre has been identified as an operating segment.

Financial results are presented for the two main business areas Retail Banking and Wholesale Banking, with further breakdown on operating segments, and for the operating segment Group Corporate Centre. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Other group functions and eliminations as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

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. Wholesale Banking provides banking and other financial solutions to large Nordic and international corporate, institutional and public companies. Corporate & Institutional Banking is a customer oriented division serving the largest globally operating corporates. The division 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 Group Corporate Center is responsible for strategy, the finance function and obtaining funding for the Group.

Note 3 - Net fee and commission income

NOKm	Q1 2015	Q1 2014	Full year 2014
Asset management commissions	42	19	104
Life insurance	25	21	87
Brokerage, securities issues and corporate finance	139	112	409
Custody and issuer services	45	46	222
Deposits	8	9	61
Total savings and investments	259	207	883
Payments	95	92	372
Cards	198	190	852
Total payment and cards	293	282	1,224
Lending	272	249	1,198
Guarantees and documentary payments	10	6	17
Total lending related commissions	282	255	1,215
Other commission income	53	60	179
Fee and commission income	887	804	3,501
Savings and investments	-33	-33	-134
Payments	-72	-66	-283
Cards	-87	-83	-373
State guarantee fees	0	-1	-6
Other commission expenses	-8	-8	-37
Fee and commission expenses	-200	-191	-833
Net fee and commission income	687	613	2,668

Note 4 - Net result from items at fair value

NOKm	Q1 2015	Q1 2014	Full year 2014
Shares/participations and other share-related instruments	17	4	100
Interest related instruments and foreign exchange gain/losses ¹	289	122	514
Investment properties	0	3	6
Total	306	129	620

¹ Foreign exchange gain/loss and Interest related instruments have been combined to better reflect underlying business

Note 5 - Other expenses

NOKm	Q1 2015	Q1 2014	Full year 2014
Information technology	147	139	695
Marketing and representation	24	30	135
Postage, transportation, telephone and office expenses	43	55	177
Rents, premises and real estate expenses	111	95	384
Other	127	139	557
Total	452	458	1,948

Note 6 - Net loan losses

NOKm	Q1 2015	Q1 2014	Full year 2014
Divided by class			
Realised loan losses	0	-1	0
Loans to credit institutions¹	0	-1	0
Realised loan losses	-91	-32	-1,083
Allowances to cover realised loan losses	72	23	-347
Recoveries on previous realised loan losses	15	10	249
Provisions	-334	-422	318
Reversals of previous provisions	165	44	40
Loans to the public¹	-173	-377	-823
Realised loan losses	0	0	-19
Provisions	-89	0	21
Off-balance sheet items	-89	0	2
Net loan losses	-262	-378	-821

¹ See Note 7 Loans and impairment

Note 7 - Loans and impairment

NOKm	Total		
	31 Mar 2015	31 Dec 2014	31 Mar 2014
Loans, not impaired	529,270	516,455	486,077
Impaired loans	4,531	4,374	3,410
– Performing	1,923	2,330	1,456
– Non-performing	2,608	2,044	1,954
Loans before allowances	533,801	520,829	489,487
Allowances for individually assessed impaired loans	-2,531	-2,428	-2,097
– Performing	-840	-1,070	-698
– Non-performing	-1,691	-1,358	-1,399
Allowances for collectively assessed impaired loans	-629	-616	-720
Allowances	-3,160	-3,044	-2,817
Loans, carrying amount	530,641	517,785	486,670

NOKm	Central banks and credit institutions			The public		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Loans, not impaired	35,444	17,863	21,355	493,826	498,592	464,722
Impaired loans	0	0	0	4,531	4,374	3,410
– Performing	0	0	0	1,923	2,330	1,456
– Non-performing	0	0	0	2,608	2,044	1,954
Loans before allowances	35,444	17,863	21,355	498,357	502,966	468,132
Allowances for individually assessed impaired loans	0	0	0	-2,531	-2,428	-2,097
– Performing	0	0	0	-840	-1,070	-698
– Non-performing	0	0	0	-1,691	-1,358	-1,399
Allowances for collectively assessed impaired loans	0	0	0	-629	-616	-720
Allowances	0	0	0	-3,160	-3,044	-2,817
Loans, carrying amount	35,444	17,863	21,355	495,197	499,922	465,315

Allowances and provisions

NOKm	31 Mar 2015	31 Dec 2014	31 Mar 2014
Allowances for items in the balance sheet	-3,160	-3,044	-2,817
Provisions for off balance sheet items	-135	-48	0
Total allowances and provisions	-3,295	-3,092	-2,817

Key ratios

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Impairment rate, gross ¹ , basis points	85	84	70
Impairment rate, net ² , basis points	37	37	27
Total allowance rate ³ , basis points	59	58	58
Allowances in relation to impaired loans ⁴ , %	56	56	61
Total allowances in relation to impaired loans ⁵ , %	70	70	83
Non-performing, not impaired, NOKm	447	840	605

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.

Note 8 - Classification of financial instruments

	Financial assets at fair value through profit or loss							
	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total	
NOKm								
Assets								
Cash and balances with central banks	13,220						13,220	
Loans to central banks and credit institutions	35,144		300				35,444	
Loans to the public	495,095		102				495,197	
Interest-bearing securities		5,881	41,869			47,173	94,923	
Financial instruments pledged as collateral			215				215	
Shares			306	3		36	345	
Derivatives			1,598		6,343		7,941	
Fair value changes of the hedged items in portfolio								
hedge of interest rate risk	549						549	
Other assets	2,724			558			3,282	
Prepaid expenses and accrued income	1,930						1,930	
Total 31 Mar 2015	548,662	5,881	44,390	561	6,343	47,209	653,046	
Total 31 Dec 2014	532,461	5,887	64,375	2	5,867	37,727	646,319	
Total 31 Mar 2014	500,661	6,300	47,234	118	2,657	28,570	585,540	

	Financial liabilities at fair value through profit or loss				
	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
NOKm					
Liabilities					
Deposits by credit institutions	314			256,116	256,430
Deposits and borrowings from the public	220			232,956	233,176
Debt securities in issue				90,223	90,223
Derivatives	1,359		1,136		2,495
Fair value changes of the hedged items in portfolio hedge of interest rate risk				1,696	1,696
Other liabilities		1,650		3,453	5,103
Accrued expenses and prepaid income	66			739	805
Subordinated liabilities				10,011	10,011
Total 31 Mar 2015	1,959	1,650	1,136	595,194	599,939
Total 31 Dec 2014	10,965	0	1,241	582,084	594,290
Total 31 Mar 2014	4,972	612	1,071	533,313	539,968

Note 9 - Fair value of financial assets and liabilities

NOKm	31 Mar 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	13,220	13,220	2,499	2,499
Loans	531,190	537,986	518,411	523,345
Interest-bearing securities	94,923	94,969	91,574	91,626
Financial instruments pledged as collateral	215	215	1,392	1,392
Shares	345	345	443	443
Derivatives	7,941	7,941	11,951	11,951
Other assets	3,282	3,282	18,034	18,034
Prepaid expenses and accrued income	1,930	1,930	2,015	2,015
Total	653,046	659,888	646,319	651,305
	31 Mar 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities				
Deposits and debt instruments	591,536	592,937	571,758	573,146
Derivatives	2,495	2,495	1,732	1,732
Other liabilities	5,103	5,103	19,952	19,952
Accrued expenses and prepaid income	805	805	848	848
Total	599,939	601,340	594,290	595,678

The determination of fair value is described in the 2014 Annual Report, Note 40 Assets and liabilities at fair value.

Note 10 - Financial assets and liabilities measured at fair value on the balance sheet

Categorisation into the fair value hierarchy

31 Mar 2015				
	Quoted prices in active markets for same instrument	Valuation technique using observable data	Valuation technique using non-observable data	
NOKm	(Level 1)	(Level 2)	(Level 3)	Total
Financial Assets¹				
Loans to central banks and credit institutions		300		300
Loans to the public		102		102
Interest bearing securities	34,063	54,979		89,042
Shares ²	384		176	560
Derivatives	5	7,936		7,941
Other assets		558		558
Investment properties			65	65
Total	34,452	63,875	241	98,568
Financial Liabilities¹				
Deposits by credit institutions		313		313
Deposits and borrowings from the public		220		220
Derivatives		2,495		2,495
Other liabilities		1,650		1,650
Accrued expenses and prepaid income		66		66
Total	0	4,744	0	4,744

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

² Of which NOK 215m relates to the balance sheet item Financial instruments pledged as collateral

Financial assets and liabilities with offsetting positions in markets 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 2014 Annual Report, Note 40 Asset and liabilities at fair value.

Transfers between level 1 and 2

During the period, Nordea transferred interest-bearing securities of NOK 1 496m from Level 1 to Level 2 of the fair value hierarchy. The reason for the transfer from Level 1 to Level 2 is that there are only a few price setters of these securities.

Movements in level 3

The following table shows a reconciliation of the opening and closing carrying amount of level 3 financial assets and liabilities recognised at fair value.

31 Mar 2015, NOKm	1 jan 2015	Unrealised fair value gains/losses recorded in the income statement	Purchases	Sales	Translation differences	31 Mar 2015
Assets						
Shares	179	0	0	0	-3	176

Unrealised gains/losses related to those assets and liabilities held at the end of the reporting period. Transfers between categories are measured at the end of the reporting period. Fair value gains/losses in the income statement during the year are included in "Net results from items at fair value".

During the period NBN Group had no transfers from level 1 and level 2 to level 3 of the fair value hierarchy.

Valuation techniques and inputs used in the fair value measurements in Level 3

31 Mar 2015, NOKm	Fair value	Valuation techniques
Unlisted Shares	176	Discounted cash flow/net asset value
Total	176	

Note 11 - Capital adequacy

These figures are according to part 8 of CRR

Summary of items included in own funds

NOKm	31 Mar 2015	31 Dec ² 2014	31 Mar 2014
Calculation of own funds			
Equity in the consolidated situation	45,054	45,120	40,779
Proposed/actual dividend		0	
Common Equity Tier 1 capital before regulatory adjustments	45,054	45,120	40,779
Deferred tax assets			
Intangible assets	-151	-149	-364
IRB provisions shortfall (-) ¹	-141	-63	-78
Deduction for investments in credit institutions (50%)			
Pension assets in excess of related liabilities	-1	-0	
Other items, net	-168	-356	-97
Total regulatory adjustments to Common Equity Tier 1 capital	-461	-568	-540
Common Equity Tier 1 capital (net after deduction)	44,593	44,552	40,239
Additional Tier 1 capital before regulatory adjustments	4,539	5,187	4,936
Total regulatory adjustments to Additional Tier 1 capital			
Additional Tier 1 capital	4,539	5,187	4,936
Tier 1 capital (net after deduction)	49,132	49,739	45,176
Tier 2 capital before regulatory adjustments	4,449	4,096	3,333
IRB provisions excess (+)/shortfall (-) ¹			-78
Deduction for investments in credit institutions (50%)			
Deductions for investments in insurance companies			
Pension assets in excess of related liabilities			
Other items, net		77	
Total regulatory adjustments to Tier 2 capital		77	-78
Tier 2 capital	4,449	4,173	3,255
Own funds (net after deduction)	53,581	53,912	48,431

¹ Shortfall is now deducted 100% CET1, previously 50% T1, 50% T2

² Including profit

Own Funds including profit

NOKm	31 Mar 2015	31 Dec 2014	31 Mar 2014
Common Equity Tier 1 capital, including profit	46,069	44,552	41,361
Total Own Funds, including profit	55,058	53,912	49,553

Note 11 - Capital adequacy cont.

Minimum capital requirement and REA

	31 Mar 2015	31 Mar 2015	31 Dec 2014	31 Dec 2014	31 Mar 2014	31 Mar 2014
	Minimum Capital requirement	REA	Minimum Capital requirement	REA	Minimum Capital requirement	REA
NOKm						
Credit risk	14,735	184,194	14,373	179,658	14,726	184,073
- of which counterparty credit risk	186	2,324	251	3,141	58	727
IRB	13,064	163,301	12,884	161,051	13,476	168,452
- of which corporate	9,631	120,384	9,849	123,108	10,358	129,479
- of which advanced	9,081	113,504	9,309	116,355	9,847	123,088
- of which foundation	550	6,880	540	6,753	511	6,390
- of which institutions	364	4,552	333	4,168	500	6,245
- of which retail	2,846	35,574	2,498	31,227	2,434	30,420
- of which secured by immovable property collateral	2,145	26,816	1,816	22,699	1,852	23,151
- of which other retail	701	8,758	682	8,528	582	7,269
- of which other	223	2,791	204	2,548	185	2,309
Standardised	1,671	20,893	1,489	18,607	1,250	15,621
- of which central governments or central banks	0	1	0	0	0	1
- of which regional governments or local authorities	13	163	15	190	11	136
- of which public sector entities	1	13				
- of which multilateral development banks						
- of which international organisations						
- of which institutions	922	11,522	755	9,441	480	6,004
- of which corporate	5	62	4	54	71	883
- of which retail	480	6,005	484	6,048	597	7,458
- of which secured by mortgages on immovable property						
- of which in default	6	74	5	63	19	242
- of which associated with particularly high risk						
- of which covered bonds						
- of which institutions and corporates with a short-term credit assessment						
- of which collective investments undertakings (CIU)						
- of which equity	10	130	9	106	0	0
- of which other items	234	2,923	217	2,705	72	896
Credit Value Adjustment Risk	57	710	35	436	0	0
Market risk	164	2,049	276	3,447	192	2,398
- of which trading book, Internal Approach	115	1,436	218	2,719	161	2,007
- of which trading book, Standardised Approach	49	613	58	728	31	391
- of which banking book, Standardised Approach						
Operational risk	1,826	22,822	1,744	21,806	1,738	21,720
Standardised	1,826	22,822	1,744	21,806	1,738	21,720
Sub total	16,782	209,775	16,428	205,347	16,655	208,192
Adjustment for Basel I floor						
Additional capital requirement according to Basel I floor ¹	11,194	139,928	11,658	145,728	8,936	111,703
Total	27,976	349,703	28,086	351,075	25,591	319,895

¹ Norwegian regulatory requirement as reported under the Basel II regulation framework

Note 11 - Capital adequacy cont.

Minimum Capital Requirement & Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers				Capital Buffers total	Total
		CCoB	CCyB	SII	SRB		
Common Equity Tier 1 capital	4.5	2.5			3	5.5	10
Tier 1 capital	6	2.5			3	5.5	11.5
Own funds	8	2.5			3	5.5	13.5
CCyB will increase to 1 % of CET1 in Q2 2015, and Sii will increase to 1 % of CET1 in Q3 2015							

NOKm

Common Equity Tier 1 capital	15,737	8,743		10,491	19,234	34,970
Tier 1 capital	20,982	8,743		10,491	19,234	40,216
Own funds	27,976	8,743		10,491	19,234	47,210

Common Equity Tier 1 available to meet Capital Buffers

	31 Mar 2015	31 Dec ¹ 2014	31 Mar 2014
Percentage points of REA			
Common Equity Tier 1 capital ¹	12.2	12.6	N/A

¹ Including profit of the period

Capital ratios

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Percentage			
Common Equity Tier 1 capital ratio, including profit	22.0	21.7	19.9
Tier 1 capital ratio, including profit	24.1	24.2	22.2
Total Capital ratio, including profit	26.2	26.3	23.8
Common Equity Tier 1 capital ratio, excluding profit	21.3	19.3	19.3
Tier 1 capital ratio, excluding profit	23.4	21.8	21.7
Total Capital ratio, excluding profit	25.5	23.8	23.3

Capital ratios including Basel I floor

	31 Mar 2015	31 Dec 2014	31 Mar 2014
Percentage			
Common Equity Tier 1 capital ratio, including profit	13.2	12.7	12.9
Tier 1 capital ratio, including profit	14.5	14.2	14.5
Total Capital ratio, including profit	15.7	15.4	15.5
Common Equity Tier 1 capital ratio, excluding profit	12.8	11.3	12.6
Tier 1 capital ratio, excluding profit	14.0	12.8	14.1
Total Capital ratio, excluding profit	15.3	13.9	15.1

Leverage ratio

	31 Mar 2015	31 Dec ¹ 2014	31 Mar ² 2014
Tier 1 capital, transitional definition, NOKm ¹	49,132	49,739	N/A
Leverage ratio exposure, NOKm	787,571	781,048	N/A
Leverage ratio, percentage	6.2	6.4	N/A

¹ Including profit of the period

² No reference in Q1.2014 due to Norway not being in CRD IV/CRR

Note 11 - Capital adequacy cont.

	On-balance exposure, NOKm	Off-balance exposure, NOKm	Exposure value (EAD), NOKm ¹	of which EAD for off-balance, NOKm	Exposure- weighted average risk weight:
Credit risk exposures for which internal models are used, split by rating grade					
Corporate, foundation IRB:	9,924	874	10,733	655	64.1
- of which rating grades 6	107	11	118	9	16.9
- of which rating grades 5	1,624	230	1,936	172	31.5
- of which rating grades 4	4,928	418	5,380	313	63.3
- of which rating grades 3	2,551	138	2,561	103	92.4
- of which rating grades 2	94	2	96	2	149.0
- of which rating grades 1	30		30		209.8
- of which unrated	224	75	247	56	109.1
- of which defaulted	366	0	366	0	0.0
Corporate, advanced IRB:	230,027	81,419	268,782	40,453	42.2
- of which rating grades 6	7,624	7,750	11,502	3,852	12.8
- of which rating grades 5	42,955	33,446	60,779	16,919	27.8
- of which rating grades 4	136,047	33,593	150,918	16,482	43.0
- of which rating grades 3	31,278	5,421	33,507	2,902	60.2
- of which rating grades 2	4,259	113	4,097	40	112.5
- of which rating grades 1	166	6	157	4	132.9
- of which unrated	3,894	394	4,074	253	50.0
- of which defaulted	3,805	697	3,748		86.7
Institutions, foundation IRB:	44,058	3,826	50,986	1,430	8.9
- of which rating grades 6	37,563	5	40,235	539	5.9
- of which rating grades 5	6,275	1,021	10,059	766	18.4
- of which rating grades 4	82	2,799	552	124	42.7
- of which rating grades 3	54		55		112.0
- of which rating grades 2	1		1		227.5
- of which rating grades 1	0		0		233.9
- of which unrated	83	1	83	0	42.7
- of which defaulted					
Retail, of which secured by real estate:	204,550	18,167	210,526	5,975	12.7
- of which scoring grades A	137,212	15,107	142,143	4,931	4.8
- of which scoring grades B	34,837	1,901	35,471	633	10.8
- of which scoring grades C	13,542	544	13,733	191	22.5
- of which scoring grades D	8,837	280	8,940	103	42.8
- of which scoring grades E	7,465	311	7,573	107	67.1
- of which scoring grades F	1,646	20	1,654	8	111.7
- of which not scored	11	0	11	0	44.7
- of which defaulted	1,000	3	1,001	1	223.4
Retail, of which other retail:	33,157	12,077	38,565	5,409	22.7
- of which scoring grades A	16,111	7,269	19,241	3,129	8.3
- of which scoring grades B	6,925	2,227	7,953	1,027	16.8
- of which scoring grades C	3,262	1,141	3,808	548	32.2
- of which scoring grades D	2,530	714	2,885	357	45.9
- of which scoring grades E	3,349	556	3,613	263	49.6
- of which scoring grades F	561	67	593	32	72.4
- of which not scored	9	61	43	34	66.9
- of which defaulted	410	42	430	20	240.4
Other non credit-obligation assets:	3,819	0	3,278	0	85.1

Nordea does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail

¹Includes EAD for on-balance, off-balance, derivatives and securities financing

Note 11 - Capital adequacy cont.

Capital requirements for market risk	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
NOKm								
Interest rate risk & other ¹	115	9	521	42			636	51
Equity risk	318	26	92	7			410	33
Foreign exchange risk	1	0					1	0
Commodity risk							0	0
Settlement risk							0	0
Diversification effect	-99	-8					-99	-8
Stressed Value-at-Risk	1,101	88					1,101	88
Incremental Risk Measure	0	0					0	0
Comprehensive Risk Measure	0	0					0	0
Total	1,436	115	613	49	0	0	2,049	164

¹Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.

Note 12 - Risks and uncertainties

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

NBN's main risk exposure is credit risk. NBN also assumes risks such as market risk, liquidity risk and operational risk. For further information on risk composition, see the 2014 Annual Report.

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

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

Within the framework of the normal business operations, NBN 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 NBN or our financial position in the next six months.

Nordea Bank Norge ASA

Income statements

NOKm	Q1 2015	Q1 2014	Full year 2014
Operating income			
Interest income	3,539	3,780	15,346
Interest expense	-1,810	-2,061	-8,257
Net interest income	1,729	1,719	7,089
Fee and commission income	842	759	3,330
Fee and commission expense	-198	-188	-823
Net fee and commission income	644	571	2,507
Net result from items at fair value	333	127	635
Dividends and group contribution	0	0	675
Other operating income	64	56	213
Total operating income	2,770	2,473	11,119
Operating expenses			
General administrative expenses:			
Staff costs	-734	-726	-3,027
Other expenses	-418	-428	-1,855
Depreciation of tangible and intangible assets	-20	-36	-329
Total operating expenses	-1,172	-1,190	-5,211
Profit before loan losses	1,598	1,283	5,908
Net loan losses	-247	-354	-760
Operating profit	1,351	929	5,148
Income tax expense	-342	-261	-1,386
Net profit for the period	1,009	668	3,762

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Balance sheet

NOKm	31 Mar 2015	31 Dec 2014	31 Mar 2014
Assets			
Cash and balances with central banks	13,220	2,499	6,714
Loans to central banks and credit institutions	69,108	54,138	52,435
Loans to the public	366,808	362,445	330,086
Interest-bearing securities	96,068	102,734	94,124
Financial instruments pledged as collateral	215	1,392	512
Shares	342	440	527
Derivatives	8,258	12,314	3,267
Fair value changes of the hedged items in portfolio hedge of interest rate risk	445	509	372
Investments in group undertakings	5,814	5,814	5,042
Investments in associated undertakings	417	417	417
Intangible assets	83	85	303
Property and equipment	531	543	474
Investment property	1	1	9
Other assets	3,969	18,674	8,215
Prepaid expenses and accrued income	1,038	1,128	1,568
Total assets	566,317	563,133	504,065
Liabilities			
Deposits by credit institutions	257,400	239,137	215,460
Deposits and borrowings from the public	233,232	236,909	218,353
Debt securities in issue	5,199	4,682	4,931
Derivatives	8,087	6,465	4,999
Fair value changes of the hedged items in portfolio hedge of interest rate risk	65	105	-14
Current tax liabilities	1,056	694	261
Other liabilities	8,429	23,864	13,145
Accrued expenses and prepaid income	1,112	1,072	2,033
Deferred tax liabilities	985	979	554
Provisions	267	195	114
Retirement benefit obligations	2,234	2,286	1,104
Subordinated liabilities	10,012	9,471	8,229
Total liabilities	528,078	525,859	469,169
Equity			
Share capital	4,411	4,411	4,411
Share premium reserve	3,402	3,402	3,402
Other reserves	244	290	1,013
Retained earnings	30,182	29,171	26,070
Total equity	38,239	37,274	34,896
Total liabilities and equity	566,317	563,133	504,065
Assets pledged as security for own liabilities	71,394	67,679	73,184
Contingent liabilities	6,583	6,587	1,789
Commitments ¹	192,591	201,610	213,535

¹Restated, see Note 1 Accounting Principles for further detail

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