

Interim Report 2nd quarter 2015

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. Nordea is making it possible for the 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 figures

Summary of income statement

| NOKm | Jan-Jun 2015 | Jan-Jun 2014 | Year 2014 |
|--|--------------|--------------|--------------|
| Net interest income | 883 | 1,090 | 2,059 |
| Net fee and commission income | 23 | -9 | 47 |
| Net result from items at fair value | -16 | 24 | -23 |
| Total operating income | 889 | 1,104 | 2,083 |
| Staff costs | -1 | 1 | -3 |
| Other expenses | -80 | 77 | -155 |
| Total operating expenses | -81 | 78 | -158 |
| Loan losses (negative figures are reversals) | 11 | 13 | 14 |
| Operating profit | 796 | 1,013 | 1,911 |
| Income tax expense | 179 | 273 | 553 |
| Net profit for the period | 617 | 739 | 1,358 |

Summary of balance sheet

| NOKm | 30 Jun 2015 | 30 Jun 2014 | 31 Dec 2014 |
|---------------------------|----------------|----------------|----------------|
| Loans to the public | 105,388 | 110,298 | 114,930 |
| Allowance for loan losses | -56 | -48 | -46 |
| Other assets | 6,976 | 2,753 | 5,181 |
| Debt securities in issue | 78,777 | 85,002 | 89,982 |
| Other liabilities | 23,463 | 19,235 | 20,569 |
| Equity | 10,068 | 8,765 | 9,514 |
| Total assets | 112,308 | 113,002 | 120,065 |
| Average total assets | 115,364 | 118,425 | 117,087 |

Ratios and key figures

| | 30 Jun 2015 | 30 Jun 2014 | 31 Dec 2014 |
|--|-------------|-------------|-------------|
| Earnings per share (NOK), annualised basis | 81.1 | 97.2 | 88.6 |
| Equity per share ¹ (NOK) | 656.5 | 571.5 | 620.4 |
| Shares outstanding ¹ , million | 15.3 | 15.3 | 15.3 |
| Post-tax return on average equity | 12.7 % | 17.7 % | 15.4 % |
| Cost/income ratio | 9.1 % | 7.1 % | 7.6 % |
| Loan loss ratio, annualised, basis points | 2.1 | 2.3 | 1.2 |
| Common Equity Tier 1 capital ratio, excl. Basel I floor ^{1,2} | 57.1 % | 58.3 % | 60.5 % |
| Tier 1 capital ratio, excl. Basel I floor ^{1,2} | 57.1 % | 58.3 % | 60.5 % |
| Total capital ratio, excl. Basel I floor ^{1,2} | 61.9 % | 63.2 % | 65.5 % |
| Common Equity Tier 1 capital ratio, incl. Basel I floor ^{1,2} | 19.4 % | 17.3 % | 17.9 % |
| Tier 1 capital ratio incl. Basel I floor ^{1,2} | 19.4 % | 17.3 % | 17.9 % |
| Total capital ratio incl. Basel I floor ^{1,2} | 21.1 % | 18.8 % | 19.4 % |
| Own funds (NOK mill.) ^{1,3} | 10,920 | 9,505 | 10,126 |
| Risk Exposure Amount incl. Basel I floor (NOKm) ¹ | 48,043 | 50,548 | 52,281 |
| Number of employees (full-time equivalents) ¹ | 1.7 | 1.7 | 1.7 |

¹ At the end of the period.

² Excluding the year to date result for interim figures.

³ Including the year to date result before tax for 30 June 2015 figure.

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 and loans to holiday houses 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 six months of 2015 was NOK 796 million (NOK 1 013 million). The profit reported is equivalent to a post-tax return on average equity of 12.7% (17.7%) on an annualised basis.

Net interest income for the six months ending 30 June 2015 showed a decrease of 19% compared to the same period last year, and amounted to NOK 883 million (NOK 1 090 million). The decrease is partly due to a lower lending portfolio and partly due to lower interest rate margin compared to the first two quarters of 2014.

Total operating expenses for the first six months amounted to NOK 81 million (NOK 78 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 six months amounted to NOK 11 million (NOK 13 million). Allocations for collectively assessed loans have been increased by NOK 10 million, whereas allowances for individually assessed loans only show small changes during the period. Realised loan losses in the period were NOK 2 million.

Total assets amounted to NOK 112,308 million as of 30 June 2015 (NOK 113,002 million).

Capital position and risk-weighted assets

Nordea Eiendomskreditt's Common Equity Tier 1 capital ratio excluding Basel I transitional floor was 57.1% excluding profit at the end of the second quarter, a strengthening of 1.2%-points from the end of the previous quarter. Also the tier 1 capital ratio excluding Basel I transitional floor increased 1.2%-points to 57.1% excluding profit. The total capital ratio excluding Basel I transitional floor increased 1.3%-points to 61.9% excluding profit.

REA (Risk Exposure Amount) was NOK 16,366 million excluding Basel I transitional rules, a decrease of NOK 325

million, or 2.0%, compared to the previous quarter. The main driver behind the REA decrease was negative growth in institutions standardised portfolio.

The Common Equity Tier 1 ratio including Basel I transitional rules was 19.4% excluding profit at the end of the second quarter. The own funds were NOK 10,123 million, the Tier 1 capital was NOK 9,343 million and the Common Equity Tier 1 capital was also NOK 9,343 million.

Capital regulation

Amendments to several regulations concerning capital adequacy have been made the past two years, in order to implement technical provisions from EUs capital adequacy framework in addition to national adaption of the CRR and the CRD IV. In April, the new Act on finance institutions and financial conglomerates (Finansforetaksloven) was sanctioned and enters into force 1 January 2016. From 30 June 2015, 1% countercyclical capital buffer applies to all banks. In June, the Ministry of Finance decided that the countercyclical capital buffer increases to 1.5% from 30 June 2016 as well as deciding that last year's identification of other systemically important institutions (O-SII), including Nordea, remain as an O-SII. This requirement entails an O-SII capital buffer of 1% from 1 July 2015, which will further increase to 2% from 1 July 2016.

In addition to the above mentioned capital buffers, the capital conservation buffer of 2,5% and the systemic risk buffer of 3% applies to all banks, which were fully introduced 1 July 2013 and 1 July 2014, respectively.

In June, Finanstilsynet (Norwegian FSA) recommended in a letter to the Ministry of Finance, that a national level of the leverage ratio should not be imposed to Norwegian banks until the regulation is known in the EU. Furthermore, Finanstilsynet has recommended that there should currently be no disclosure requirements for Pillar 2 until a harmonized requirement is developed in EU during 2016/2017, and recommends that the institutions themselves assess what should be published according to current legislation.

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 and loans to holiday houses.

During the first half year of 2015 Nordea Eiendomskreditt issued covered bonds amounting to NOK 6.6 billion in the Norwegian domestic market under its NOK 100 bn domestic covered bond programme and GBP 75 million under its EUR 10bn EMTN covered bond programme. As of 30 June 2015, Nordea Eiendomskreditt had outstanding covered bonds totalling NOK 63.6 billion in the Norwegian market, USD 1.0 billion in the US market, issued under its USD 10 bn 144a covered bond programme and GBP 0.6 billion in the European market. Nordea Eiendomskreditt also had subordinated debt outstanding to the amount of NOK 0.78 billion.

The EUR 10bn EMTN covered bond programme established in June 2013 will primarily target covered bond issuance in USD RegS, CHF and GBP, complementing issuance under the domestic programme.

In addition to the long term funding, Nordea Eiendomskreditt also raised short term unsecured funding from the parent bank. At the end of the second quarter of 2015 such borrowings amounted to NOK 19.8 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 105.4 billion as of 30 June 2015 (NOK 110.3

billion), and consists entirely of residential mortgage loans and loans to holiday houses, that are bought from and managed by Nordea Bank Norge ASA. NOK 95.6 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 28.0% 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 second quarter of 2015, the company was party to interest rate swaps with nominal value of NOK 69.3 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 Eiendomskreditt issued in 2011 bonds totalling USD 3 billion in the US market, whereof USD 1.0 billion is still outstanding. In 2014 and first quarter 2015 the company issued bonds totalling GBP 0.6 billion in the European market. In order to eliminate the foreign exchange risk, the company has entered into currency swaps of the same amounts. Nordea Bank Norge ASA is counterparty to all derivative contracts.

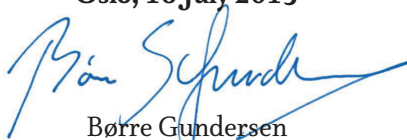
Impaired loans

As of 30 June 2015 impaired loans amounted to NOK 42.5 million which corresponds to 0.05% of the total lending portfolio. Individual allowances of NOK 27.6 million have been made, and net impaired loans were NOK 14.9 million at 30 June 2015 compared to NOK 24.5 million at 30 June 2014.

Nordea Eiendomskreditt AS

Oslo, 16 July 2015


Jon Brenden
Chairman of the Board


Børre Gundersen
Board member


Ola Littorin
Board member


Eva I. E. Jarbakk
Board member


Alex Madsen
Board member


Marianne Glatved
Managing director

Income statement

| NOKt | Note | Jan–Jun 2015 | Jan–Jun 2014 | Q2 2015 | Q2 2014 | Year 2014 |
|---|------|------------------|------------------|----------------|------------------|------------------|
| Interest income on loans and deposits with financial institutions | | 1,734 | 2,367 | 858 | 1,154 | 4,452 |
| Interest income on loans to customers | | 1,819,271 | 2,246,615 | 866,629 | 1,103,137 | 4,344,016 |
| Other interest income | | 110 | 195 | 71 | 195 | 78 |
| Total interest income | | 1,821,115 | 2,249,177 | 867,558 | 1,104,486 | 4,348,546 |
| Interest expense on liabilities to financial institutions | | 122,498 | 164,409 | 61,891 | 91,657 | 269,157 |
| Interest expense on securities issued | | 921,989 | 1,056,078 | 449,010 | 529,649 | 2,164,479 |
| Interest expense on subordinated loan capital | | 19,883 | 20,837 | 9,860 | 10,534 | 42,207 |
| Other interest expense | | -125,766 | -81,853 | -56,171 | -48,956 | -186,173 |
| Total interest expense | | 938,605 | 1,159,471 | 464,590 | 582,884 | 2,289,670 |
| Net interest income | | 882,510 | 1,089,705 | 402,968 | 521,602 | 2,058,876 |
| Fee and commission income | | 25,611 | 25,922 | 12,674 | 12,764 | 51,583 |
| Fee and commission expense | | 2,930 | 2,047 | 524 | 1,047 | 4,383 |
| Net fee and commission income | | 22,681 | 23,876 | 12,150 | 11,718 | 47,201 |
| Net result from items at fair value | 3 | -16,187 | -9,229 | 12,405 | -5,298 | -23,246 |
| Total operating income | | 889,004 | 1,104,352 | 427,523 | 528,022 | 2,082,830 |
| Staff costs | | 1,321 | 1,151 | 607 | 535 | 2,463 |
| Other expenses | | 80,023 | 77,196 | 40,145 | 38,861 | 155,245 |
| Total operating expenses | | 81,343 | 78,347 | 40,752 | 39,396 | 157,709 |
| Profit before loan losses | | 807,661 | 1,026,006 | 386,772 | 488,626 | 1,925,122 |
| Loan losses (negative figures are reversals) | 4 | 11,252 | 13,055 | 11,341 | 5,379 | 14,135 |
| Operating profit | | 796,409 | 1,012,951 | 375,431 | 483,247 | 1,910,987 |
| Income tax expense | | 179,253 | 273,498 | 101,366 | 130,477 | 552,627 |
| Net profit for the period | | 617,156 | 739,454 | 274,065 | 352,771 | 1,358,360 |
| Attributable to: | | | | | | |
| Shareholder of Nordea Eiendomskreditt AS | | 617,156 | 739,454 | 274,065 | 352,771 | 1,358,360 |
| Total | | 617,156 | 739,454 | 274,065 | 352,771 | 1,358,360 |
| Earnings per share | | 40.24 | 48.22 | 17.87 | 23.00 | 88.57 |

Statement of comprehensive income

| NOKt | Jan–Jun 2015 | Jan–Jun 2014 | Q2 2015 | Q2 2014 | Year 2014 |
|--|----------------|----------------|----------------|----------------|------------------|
| Net profit for the period | 617,156 | 739,454 | 274,065 | 352,771 | 1,358,360 |
| Items that may be reclassified subsequently to the income statement | | | | | |
| Cash Flow hedges: | | | | | |
| Valuation gains/losses taken to equity | -87,808 | -1,117 | -58,952 | -9,139 | 181,440 |
| Tax on valuation gains/losses during the period | 23,708 | 302 | 15,917 | 2,468 | -48,989 |
| Items that may not be reclassified subsequently to the income statement | | | | | |
| Defined benefit plans: | | | | | |
| Remeasurement of defined benefit plans | 678 | | 779 | | -4,006 |
| Tax on remeasurement of defined benefit plans | -183 | | -210 | | 1,082 |
| Other comprehensive income, net of tax | -63,605 | -815 | -42,467 | -6,671 | 129,526 |
| Total comprehensive income | 553,551 | 738,639 | 231,598 | 346,100 | 1,487,886 |
| Attributable to: | | | | | |
| Shareholders of Nordea Eiendomskreditt AS | 553,551 | 738,639 | 231,598 | 346,100 | 1,487,886 |
| Total | 553,551 | 738,639 | 231,598 | 346,100 | 1,487,886 |

Balance sheet

| NOKt | Note | 30 Jun 2015 | 30 Jun 2014 | 31 Dec 2014 |
|---|----------|--------------------|--------------------|--------------------|
| Assets | | | | |
| Loans to credit institutions | | 263,607 | 288,563 | 144,486 |
| Loans to the public | 4 | 105,332,351 | 110,249,418 | 114,884,186 |
| Derivatives | 6 | 4,759,091 | 1,783,934 | 4,733,675 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | 80,127 | 94,392 | 117,269 |
| Other assets | | 1,728,042 | 402,544 | 282 |
| Accrued income and prepaid expenses | | 144,592 | 183,377 | 184,858 |
| Total assets | 5 | 112,307,810 | 113,002,228 | 120,064,755 |
| Liabilities | | | | |
| Deposits by credit institutions ¹ | | 19,753,342 | 16,151,226 | 17,053,883 |
| Debt securities in issue ¹ | | 78,777,004 | 85,001,547 | 89,981,881 |
| Derivatives | 6 | 279,183 | 328,753 | 363,824 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | 1,337,365 | 1,256,578 | 1,710,363 |
| Deferred tax liabilities | | 80,279 | 69,611 | 138,047 |
| Current tax liabilities | | 215,030 | 236,860 | 508,350 |
| Other liabilities | | 1,003,702 | 301,034 | 1,911 |
| Accrued expenses and prepaid income | | 5,026 | 109,737 | 2,374 |
| Retirement benefit obligations | | 5,320 | 1,763 | 5,886 |
| Subordinated loan capital ¹ | | 783,639 | 780,000 | 783,868 |
| Total liabilities | | 102,239,890 | 104,237,107 | 110,550,387 |
| Equity | | | | |
| Share capital | | 1,686,990 | 1,686,990 | 1,686,990 |
| Share premium reserve | | 1,446,637 | 1,446,637 | 1,446,637 |
| Other reserves | | 33,522 | -33,215 | 97,127 |
| Retained earnings | | 6,900,771 | 5,664,709 | 6,283,615 |
| Total equity | | 10,067,919 | 8,765,121 | 9,514,368 |
| Total liabilities and equity | | 112,307,810 | 113,002,228 | 120,064,755 |
| Assets pledged as security for own liabilities | | 95,556,695 | 101,975,296 | 103,284,334 |
| Contingent liabilities | | 1,390 | 2,255 | 1,390 |
| Commitments | | 14,247,888 | 12,680,234 | 14,737,493 |

¹ Accrued interests are from year-end 2014 classified together with underlying balance sheet item. Figures for 30 June 2014 have not been restated, due to immateriality.

Statement of changes in equity

| NOKt | Share capital ¹⁾ | Share premium | Other reserves | | Retained earnings | Total equity |
|---------------------------------------|-----------------------------|------------------|------------------|-----------------------|-------------------|-------------------|
| | | | Cash flow hedges | Defined benefit plans | | |
| Opening balance at 1 Jan 2015 | 1,686,990 | 1,446,637 | 98,963 | -1,836 | 6,283,615 | 9,514,368 |
| Total comprehensive income | | | -64,100 | 495 | 617,156 | 553,551 |
| Group contribution paid | | | | | -1,314,000 | -1,314,000 |
| Group contribution received | | | | | 1,314,000 | 1,314,000 |
| Closing balance at 30 Jun 2015 | 1,686,990 | 1,446,637 | 34,863 | -1,342 | 6,900,771 | 10,067,919 |

| NOKt | Share capital ¹⁾ | Share premium | Other reserves | | Retained earnings | Total equity |
|---------------------------------------|-----------------------------|------------------|------------------|-----------------------|-------------------|------------------|
| | | | Cash flow hedges | Defined benefit plans | | |
| Opening balance at 1 Jan 2014 | 1,686,990 | 1,446,637 | -33,488 | 1,088 | 4,925,255 | 8,026,482 |
| Total comprehensive income | | | 132,451 | -2,925 | 1,358,360 | 1,487,886 |
| Group contribution paid | | | | | -486,000 | -486,000 |
| Group contribution received | | | | | 486,000 | 486,000 |
| Closing balance at 31 Dec 2014 | 1,686,990 | 1,446,637 | 98,963 | -1,837 | 6,283,615 | 9,514,368 |

| NOKt | Share capital ¹⁾ | Share premium | Other reserves | | Retained earnings | Total equity |
|---------------------------------------|-----------------------------|------------------|------------------|-----------------------|-------------------|------------------|
| | | | Cash flow hedges | Defined benefit plans | | |
| Opening balance at 1 Jan 2014 | 1,686,990 | 1,446,637 | -33,488 | 1,088 | 4,925,255 | 8,026,482 |
| Total comprehensive income | | | -815 | | 739,454 | 738,639 |
| Group contribution paid | | | | | | |
| Group contribution received | | | | | | |
| Closing balance at 30 Jun 2014 | 1,686,990 | 1,446,637 | -34,303 | 1,088 | 5,664,709 | 8,765,121 |

¹ The company's share capital at 30 June 2015 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.

Nordea Eiendomskreditt AS Oslo, 16 July 2015


Jon Brenden
Chairman of the Board


Børre Gundersen
Board member


Ola Littorin
Board member


Eva I. E. Jarbekk
Board member


Alex Madsen
Board member


Marianne Glatved
Managing director

Cash flow statement

| NOKt | Jan–Jun 2015 | Jan–Jun 2014 | Year 2014 |
|---|-----------------|-----------------|------------------|
| Operating activities | | | |
| Operating profit before tax | 796,409 | 1,012,951 | 1,910,987 |
| Adjustments for items not included in cash flow | 9,355 | 7,827 | 2,538 |
| Income taxes paid | -349,004 | -374,520 | -362,868 |
| Cash flow from operating activities before changes in operating assets and liabilities | 456,760 | 646,258 | 1,550,657 |
| Changes in operating assets | | | |
| Change in loans to the public | 9,542,479 | 6,243,977 | 1,611,430 |
| Change in derivatives, net | -110,057 | 662,316 | -2,252,355 |
| Change in other assets | -1,322,163 | -384,096 | -6,192 |
| Changes in operating liabilities | | | |
| Change in deposits by credit institutions | 2,699,430 | -4,350,224 | -3,448,268 |
| Change in debt securities in issue | -10,856,667 | -2,828,327 | 1,695,146 |
| Change in other liabilities | 195,339 | 413,741 | 1,109,149 |
| Cash flow from operating activities | 605,121 | 403,644 | 259,567 |
| Investing activities | | | |
| Change in loans and receivables to credit institutions, fixed terms | | | |
| Change in holdings of bearer bonds issued by others | | | |
| Cash flow from investing activities | 0 | 0 | 0 |
| Financing activities | | | |
| Group contribution paid | -1,800,000 | -675,000 | -675,000 |
| Group contribution received | 1,314,000 | 486,000 | 486,000 |
| Change in subordinated loan capital | | | |
| Increase in share capital and share premium | | | |
| Cash flow from financing activities | -486,000 | -189,000 | -189,000 |
| Cash flow for the period | 119,121 | 214,644 | 70,567 |
| Cash and cash equivalents at beginning of period | 144,486 | 73,918 | 73,918 |
| Cash and cash equivalents at end of period | 263,607 | 288,563 | 144,486 |
| Change | 119,121 | 214,644 | 70,567 |

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 financial statements of Nordea Eiendoms kreditt AS have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission. In addition, certain complementary rules in the Norwegian Accounting Act with supported regulation have also been applied.

The interim accounts for the period 1 January to 30 June 2015 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 2014 Annual Report.

Exchange rates

| | Jan-Jun 2015 | Jan-Jun 2014 | Full year 2014 |
|----------------------------------|-----------------|-----------------|-------------------|
| USD 1 = NOK | | | |
| Income statement (average) | 7.7489 | 6.0404 | 6.3069 |
| Balance sheet (at end of period) | 7.8568 | 6.1528 | 7.4475 |
| GBP 1 = NOK | | | |
| Income statement (average) | 11.8050 | - | 10.3748 |
| Balance sheet (at end of period) | 12.3573 | - | 11.6087 |

Note 2 Segment information

The activities of Nordea Eiendoms kreditt 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 Eiendoms kreditt AS are judged to be subject to the same risks and yield requirements. Nordea Eiendoms kreditt AS is part of the Retail Banking segment of the Nordea Bank Norge group.

Note 3 Net result from items at fair value

Net gains/losses for categories of financial instruments

| NOKt | Jan-Jun 2015 | Jan-Jun 2014 | Year 2014 |
|---|----------------|---------------|----------------|
| Financial instruments held for trading ¹ | -1,501 | | -35,225 |
| Financial instruments under hedge accounting | -14,686 | -2,481 | 23,896 |
| - of which net gains/losses on hedged items | -430,822 | -442,922 | -1,072,169 |
| - of which net gains/losses on hedging instruments | 416,136 | 440,440 | 1,096,065 |
| Other financial liabilities | | -6,747 | -11,917 |
| Total | -16,187 | -9,229 | -23,246 |

¹ No assets or liabilities were classified as held for trading other than derivatives held for economic hedging in accordance with IAS 39.

Note 4 Loans and impairment

Loan losses

| NOKt | Jan-Jun 2015 | Jan-Dec 2014 | Jan-Jun 2014 |
|--|---------------|---------------|---------------|
| Change in allowances for individually assessed loans | -380 | 5,992 | 6,005 |
| Change in allowances for collectively assessed loans | 9,735 | 551 | 2,759 |
| Realised loan losses in the period | 1,899 | 7,592 | 4,291 |
| Recoveries of loan losses realised previous years | -2 | | |
| Total loan losses for the period | 11,252 | 14,135 | 13,055 |

Reconciliation of allowance accounts for impaired loans

| NOKt | Jan-Jun 2015 | | | Jan-Dec 2014 | | | Jan-Jun 2014 | | |
|---|-----------------------|-----------------------|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|---------------|
| | Individually assessed | Collectively assessed | Total | Individually assessed | Collectively assessed | Total | Individually assessed | Collectively assessed | Total |
| Opening balance at beginning of period | 28,016 | 18,095 | 46,111 | 22,023 | 17,544 | 39,567 | 22,023 | 17,544 | 39,567 |
| Provisions | 3,031 | 9,735 | 12,766 | 14,144 | 3,275 | 17,419 | 10,295 | 2,759 | 13,054 |
| Reversals | -1,944 | | -1,944 | -1,980 | -2,724 | -4,704 | -813 | | -813 |
| Changes through the income statement | 1,087 | 9,735 | 10,822 | 12,164 | 551 | 12,715 | 9,482 | 2,759 | 12,241 |
| Allowances used to cover write-offs | -1,467 | | -1,467 | -6,171 | | -6,171 | -3,477 | | -3,477 |
| Closing balance at end of period | 27,636 | 27,830 | 55,466 | 28,016 | 18,095 | 46,111 | 28,029 | 20,303 | 48,332 |

Loans and their impairment

| NOKt | 30 Jun 2015 | 31 Dec 2014 | 30 Jun 2014 |
|--|--------------------|--------------------|--------------------|
| Loans, not impaired | 105,345,296 | 114,875,825 | 110,239,558 |
| Impaired loans; | 42,521 | 54,471 | 58,191 |
| - Performing | 4,000 | 611 | 4,721 |
| - Non-performing | 38,521 | 53,860 | 53,470 |
| Loans before allowances | 105,387,817 | 114,930,296 | 110,297,749 |
| Allowances for individually assessed impaired loans; | -27,636 | -28,016 | -28,029 |
| - Performing | -3,287 | -3,067 | -2,877 |
| - Non-performing | -24,348 | -24,949 | -25,152 |
| Allowances for collectively assessed impaired loans | -27,830 | -18,095 | -20,303 |
| Allowances | -55,466 | -46,111 | -48,332 |
| Loans, carrying amount | 105,332,351 | 114,884,186 | 110,249,418 |

Key ratios

| | 30 Jun 2015 | 31 Dec 2014 | 30 Jun 2014 |
|---|-------------|-------------|-------------|
| Impairment rate, gross ¹ , in % | 0.04 | 0.05 | 0.05 |
| Impairment rate, net ² , in % | 0.01 | 0.02 | 0.03 |
| Total allowance rate ³ , in % | 0.05 | 0.04 | 0.04 |
| Allowance rate, impaired loans ⁴ , in % | 65.0 | 51.4 | 48.2 |
| Total allowances in relation to impaired loans, in % | 130.4 | 84.7 | 83.1 |
| Non-performing loans, not impaired ⁵ , in NOKt | 281,502 | 254,981 | 271,775 |

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.

| NOKt | Loans and receivables | Assets at fair value through profit and loss – Held for trading ¹ | Derivatives used for hedging | Available for sale | Non-financial assets | Total |
|--|--------------------------|---|---------------------------------|-----------------------|-------------------------|--------------------|
| Assets | | | | | | |
| Loans to credit institutions | 263,607 | | | | | 263,607 |
| Loans to the public | 105,332,351 | | | | | 105,332,351 |
| Derivatives | | 3,464 | 4,755,627 | | | 4,759,091 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 80,127 | | | | | 80,127 |
| Other assets | 1,399,853 | | | | 328,189 | 1,728,042 |
| Prepaid expenses and accrued income | 144,592 | | | | | 144,592 |
| Total 30 June 2015 | 107,220,530 | 3,464 | 4,755,627 | 0 | 328,189 | 112,307,810 |
| Total 31 December 2014 | 115,330,799 | 0 | 4,733,675 | 0 | 282 | 120,064,755 |
| Total 30 June 2014 | 111,218,286 | 0 | 1,783,934 | 0 | 8 | 113,002,228 |

| NOKt | Liabilities at fair value through profit and loss – Held for trading ¹ | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total |
|--|--|---------------------------------|--------------------------------|------------------------------|--------------------|
| Liabilities | | | | | |
| Deposits by credit institutions | | | 19,753,342 | | 19,753,342 |
| Debt securities in issue | | | 78,777,004 | | 78,777,004 |
| Derivatives | 77,082 | 202,101 | | | 279,183 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | | 1,337,365 | | 1,337,365 |
| Deferred tax liabilities | | | | 80,279 | 80,279 |
| Current tax liabilities | | | | 215,030 | 215,030 |
| Other liabilities | | | 1,001,003 | 2,699 | 1,003,702 |
| Accrued expenses and prepaid income | | | | 5,026 | 5,026 |
| Retirement benefit obligations | | | | 5,320 | 5,320 |
| Subordinated loan capital | | | 783,639 | | 783,639 |
| Total 30 June 2015 | 77,082 | 202,101 | 101,652,353 | 308,354 | 102,239,890 |
| Total 31 December 2014 | 85,590 | 278,234 | 109,531,288 | 655,275 | 110,550,387 |
| Total 30 June 2014 | 0 | 328,753 | 103,599,359 | 308,996 | 104,237,107 |

¹ No assets or liabilities were classified as held for trading other than derivatives held for economic hedging in accordance with IAS 39.

Note 6 Derivatives and hedge accounting

| 30 June 2015, NOKt | Fair value | | Total nominal amount |
|--|------------|----------|----------------------|
| | Positive | Negative | |
| Derivatives held for trading: | | | |
| Interest rate swaps | 3,464 | 77,082 | 41,500,000 |
| Total | 3,464 | 77,082 | 41,500,000 |
| Derivatives used for hedge accounting: | | | |
| Interest rate swaps | 1,393,362 | 202,101 | 27,840,824 |
| Currency interest rate swaps | 3,362,265 | | 14,962,285 |
| Total | 4,755,626 | 202,101 | 42,803,108 |
| | | | |
| Total derivatives | 4,759,091 | 279,183 | 84,303,108 |

| 31 December 2014, NOKt | Fair value | | Total nominal amount |
|--|------------|----------|----------------------|
| | Positive | Negative | |
| Derivatives held for trading: | | | |
| Interest rate swaps | | 85,590 | 35,000,000 |
| Total | 0 | 85,590 | 35,000,000 |
| Derivatives used for hedge accounting: | | | |
| Interest rate swaps | 2,190,476 | 278,234 | 30,356,492 |
| Currency interest rate swaps | 2,543,198 | | 10,737,420 |
| Total | 4,733,675 | 278,234 | 41,093,912 |
| | | | |
| Total derivatives | 4,733,675 | 363,824 | 76,093,912 |

| 30 June 2014, NOKt | Fair value | | Total nominal amount |
|--|------------|----------|----------------------|
| | Positive | Negative | |
| Derivatives held for trading: | | | |
| Interest rate swaps | | | |
| Total | 0 | 0 | 0 |
| Derivatives used for hedge accounting: | | | |
| Interest rate swaps | 1,213,370 | 328,753 | 46,111,804 |
| Currency interest rate swaps | 570,564 | | 6,152,804 |
| Total | 1,783,934 | 328,753 | 52,264,608 |
| | | | |
| Total derivatives | 1,783,934 | 328,753 | 52,264,608 |

Note 7 Fair value of financial assets and liabilities

| NOKt | 30 June 2015 | | 31 December 2014 | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Loans | 105,676,085 | 108,341,450 | 115,145,945 | 115,145,945 |
| Derivatives | 4,759,091 | 4,759,091 | 4,733,675 | 4,733,675 |
| Other financial assets | 1,399,853 | 1,399,853 | 0 | 0 |
| Prepaid expenses and accrued income | 144,592 | 144,592 | 184,858 | 184,858 |
| Total financial assets | 111,979,622 | 114,644,987 | 120,064,479 | 120,064,479 |
| | | | | |
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | |
| Deposits and debt instruments | 100,651,350 | 101,345,651 | 109,529,995 | 110,828,840 |
| Derivatives | 279,183 | 279,183 | 363,824 | 363,824 |
| Other financial liabilities | 1,001,003 | 1,001,003 | 0 | 0 |
| Accrued expenses and prepaid income | 2,398 | 2,398 | 1,293 | 1,293 |
| Total financial liabilities | 101,933,935 | 102,628,235 | 109,895,112 | 111,193,957 |

The determination of fair value is described in the Annual Report 2014 note 17 Assets and liabilities at fair value.

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

Categorisation into fair value hierarchy

| | Quoted prices in active markets for same instrument (Level 1) | Valuation technique using ob- servable data (Level 2) | Valuation technique using non- observable data (Level 3) | Total |
|--|---|---|--|------------------|
| 30 June 2015, NOKt | | | | |
| Financial assets¹ | | | | |
| Derivatives | | 4,759,091 | | 4,759,091 |
| Total assets | 0 | 4,759,091 | 0 | 4,759,091 |
| Financial liabilities¹ | | | | |
| Derivatives | | 279,183 | | 279,183 |
| Total liabilities | 0 | 279,183 | 0 | 279,183 |
| | | | | |
| | Quoted prices in active markets for same instrument (Level 1) | Valuation technique using ob- servable data (Level 2) | Valuation technique using non- observable data (Level 3) | Total |
| 31 December 2014, NOKt | | | | |
| Financial assets¹ | | | | |
| Derivatives | | 4,733,675 | | 4,733,675 |
| Total assets | 0 | 4,733,675 | 0 | 4,733,675 |
| Financial liabilities¹ | | | | |
| Derivatives | | 363,824 | | 363,824 |
| Total liabilities | 0 | 363,824 | 0 | 363,824 |

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

Determination of fair values for items measured at fair value on the balance sheet

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 2014, note 17 Assets and liabilities at fair value.

Transfers between Level 1 and Level 2

There has not been any transfers between Level 1 and Level 2 in the first two quarters of 2015. When transfers between levels occur, these are considered to have occurred at the end of the reporting period.

Note 9 Capital adequacy

These figures are according to part 8 of CRR

Summary of items included in own funds

| NOKm | 30 Jun 2015 | 31 Dec ² 2014 | 30 Jun 2014 |
|--|----------------|-----------------------------|----------------|
| Calculation of own funds | | | |
| Equity in the consolidated situation | 9,451 | 9,514 | 8,026 |
| Proposed/actual dividend | | 0 | |
| Common Equity Tier 1 capital before regulatory adjustments | 9,451 | 9,514 | 8,026 |
| Deferred tax assets | | | |
| Intangible assets | | | |
| IRB provisions shortfall (-) ¹ | -73 | -69 | -37 |
| Deduction for investments in credit institutions (50%) | | | |
| Pension assets in excess of related liabilities | | | |
| Other items, net | -35 | -99 | 34 |
| Total regulatory adjustments to Common Equity Tier 1 capital | -108 | -168 | -3 |
| Common Equity Tier 1 capital (net after deduction) | 9,343 | 9,346 | 8,023 |
| Additional Tier 1 capital before regulatory adjustments | | | |
| Total regulatory adjustments to Additional Tier 1 capital | | | |
| Additional Tier 1 capital | | | |
| Tier 1 capital (net after deduction) | 9,343 | 9,346 | 8,023 |
| Tier 2 capital before regulatory adjustments | 780 | 780 | 780 |
| IRB provisions excess (+)/shortfall (-) ¹ | | | -37 |
| Deduction for investments in credit institutions (50%) | | | |
| Deductions for investments in insurance companies | | | |
| Pension assets in excess of related liabilities | | | |
| Other items, net | | | |
| Total regulatory adjustments to Tier 2 capital | | | -37 |
| Tier 2 capital | 780 | 780 | 743 |
| Own funds (net after deduction) | 10,123 | 10,126 | 8,765 |

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

² Including profit for the period

Own Funds including profit

| NOKm | 30 Jun ¹ 2015 | 31 Dec 2014 | 30 Jun 2014 |
|--|-----------------------------|----------------|----------------|
| Common Equity Tier 1 capital, including profit | 10,140 | 9,346 | 8,762 |
| Total Own Funds, including profit | 10,920 | 10,126 | 9,505 |

¹ Profit before tax

Note 9 Capital adequacy cont.

Minimum capital requirement and REA, Risk Exposure Amount

| | 30 Jun 2015 | 30 Jun 2015 | 31 Dec 2014 | 31 Dec 2014 | 30 Jun 2014 | 30 Jun 2014 |
|--|-----------------------------------|----------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | Minimum Capital requirement | REA | Minimum Capital requirement | REA | Minimum Capital requirement | REA |
| NOKm | | | | | | |
| Credit risk | 1,090 | 13,619 | 1,069 | 13,355 | 1,034 | 12,928 |
| – of which counterparty credit risk | 88 | 1,104 | 86 | 1,070 | 34 | 421 |
| IRB | 997 | 12,463 | 981 | 12,256 | 996 | 12,449 |
| – of which corporate | | | | | | |
| – of which advanced | | | | | | |
| – of which foundation | | | | | | |
| – of which institutions | | | | | | |
| – of which retail | 997 | 12,463 | 981 | 12,256 | 996 | 12,449 |
| – of which secured by immovable property collateral | 936 | 11,697 | 902 | 11,266 | 904 | 11,297 |
| – of which other retail | 61 | 766 | 79 | 990 | 92 | 1,152 |
| – of which other | 0 | 0 | 0 | 0 | 0 | 0 |
| Standardised | 93 | 1,156 | 88 | 1,099 | 38 | 479 |
| – of which central governments or central banks | | | | | | |
| – of which regional governments or local authorities | | | | | | |
| – of which public sector entities | | | | | | |
| – of which multilateral development banks | | | | | | |
| – of which international organisations | | | | | | |
| – of which institutions | 93 | 1,156 | 88 | 1,099 | 38 | 479 |
| – of which corporate | | | | | | |
| – of which retail | | | | | | |
| – of which secured by mortgages on immovable property | | | | | | |
| – of which in default | | | | | | |
| – 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 | | | | | | |
| – of which other items | | | | | | |
| Credit Value Adjustment Risk | | | | | | |
| Market risk | | | | | | |
| – of which trading book, Internal Approach | | | | | | |
| – of which trading book, Standardised Approach | | | | | | |
| – of which banking book, Standardised Approach | | | | | | |
| Operational risk | 220 | 2,747 | 168 | 2,101 | 168 | 2,101 |
| Standardised | 220 | 2,747 | 168 | 2,101 | 168 | 2,101 |
| Sub total | 1,310 | 16,366 | 1,237 | 15,456 | 1,202 | 15,029 |
| Adjustment for Basel I floor | | | | | | |
| Additional capital requirement according to Basel I floor ¹ | 2,534 | 31,677 | 2,946 | 36,825 | 2,842 | 35,519 |
| Total | 3,844 | 48,043 | 4,183 | 52,281 | 4,044 | 50,548 |

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

Note 9 Capital adequacy cont.

Minimum Capital Requirement & Capital Buffers

| Percentage | Minimum Capital requirement | Capital Buffers | | | | Total |
|------------------------------|-----------------------------------|-----------------|------|-----|------------------------------|-------|
| | | CCoB | CCyB | SII | Capital SRB Buffers total | |
| Common Equity Tier 1 capital | 4.5 | 2.5 | 1.0 | | 3.0 | 11.0 |
| Tier 1 capital | 6.0 | 2.5 | 1.0 | | 3.0 | 12.5 |
| Own funds | 8.0 | 2.5 | 1.0 | | 3.0 | 14.5 |

CCCyB 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 | 2,162 | 1,201 | 480 | | 1,441 | 5,285 |
| Tier 1 capital | 2,883 | 1,201 | 480 | | 1,441 | 6,005 |
| Own funds | 3,843 | 1,201 | 480 | | 1,441 | 6,966 |

Common Equity Tier 1 available to meet Capital Buffers

| | 30 Jun 2015 | 31 Dec ¹ 2014 | 30 Jun 2014 |
|---|----------------|-----------------------------|----------------|
| Percentage points of REA | | | |
| Common Equity Tier 1 capital ¹ | 38.4 | 38.5 | N/A |

¹ Including profit of the period

Capital ratios

| Percentage | 30 Jun 2015 | 31 Dec 2014 | 30 Jun 2014 |
|--|----------------|----------------|----------------|
| Common Equity Tier 1 capital ratio, including profit | 62.0 | 60.5 | 58.3 |
| Tier 1 capital ratio, including profit | 62.0 | 60.5 | 58.3 |
| Total Capital ratio, including profit | 66.7 | 65.5 | 63.2 |
| Common Equity Tier 1 capital ratio, excluding profit | 57.1 | 51.7 | 53.4 |
| Tier 1 capital ratio, excluding profit | 57.1 | 51.7 | 53.4 |
| Total Capital ratio, excluding profit | 61.9 | 56.7 | 58.3 |

Capital ratios including Basel I floor

| Percentage | 30 Jun 2015 | 31 Dec 2014 | 30 Jun 2014 |
|--|----------------|----------------|----------------|
| Common Equity Tier 1 capital ratio, including profit | 21.1 | 17.9 | 17.3 |
| Tier 1 capital ratio, including profit | 21.1 | 17.9 | 17.3 |
| Total Capital ratio, including profit | 22.7 | 19.4 | 18.8 |
| Common Equity Tier 1 capital ratio, excluding profit | 19.4 | 15.3 | 15.9 |
| Tier 1 capital ratio, excluding profit | 19.4 | 15.3 | 15.9 |
| Total Capital ratio, excluding profit | 21.1 | 16.8 | 17.3 |

Leverage ratio

| | 30 Jun 2015 | 31 Dec ¹ 2014 | 30 Jun 2014 |
|--|----------------|-----------------------------|----------------|
| Tier 1 capital, transitional definition, NOKm ¹ | 9,343 | 9,346 | N/A |
| Leverage ratio exposure, NOKm | 126,495 | 132,111 | N/A |
| Leverage ratio, percentage | 7.4 | 7.1 | N/A |

¹ Including profit for the period

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

Note 9 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 | | | | | |
| Retail, of which secured by real estate: | 101,734 | 12,753 | 105,853 | 4,119 | 11 |
| – of which scoring grades A | 74,227 | 11,028 | 77,789 | 3,562 | 5 |
| – of which scoring grades B | 15,513 | 1,162 | 15,889 | 375 | 11 |
| – of which scoring grades C | 5,586 | 304 | 5,684 | 98 | 23 |
| – of which scoring grades D | 3,513 | 159 | 3,564 | 52 | 43 |
| – of which scoring grades E | 1,649 | 82 | 1,675 | 26 | 72 |
| – of which scoring grades F | 706 | 16 | 711 | 5 | 114 |
| – of which not scored | | | | | |
| – of which defaulted | 540 | 2 | 541 | 1 | 238 |
| Retail, of which other retail: | 3,798 | 1,496 | 4,282 | 483 | 18 |
| – of which scoring grades A | 2,533 | 1,253 | 2,938 | 405 | 8 |
| – of which scoring grades B | 620 | 149 | 668 | 48 | 18 |
| – of which scoring grades C | 284 | 54 | 302 | 17 | 31 |
| – of which scoring grades D | 167 | 24 | 174 | 8 | 45 |
| – of which scoring grades E | 83 | 14 | 88 | 5 | 51 |
| – of which scoring grades F | 54 | 1 | 54 | 0 | 77 |
| – of which not scored | | | | | |
| – of which defaulted | 57 | 1 | 58 | 0 | 246 |
| Other non credit-obligation assets: | 0 | | 0 | | 100 |

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 10 Risks and uncertainties

Nordea Eiendomskreditt's sole business activity is lending secured by residential properties and holiday houses, 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 and the market for holiday houses.

Nordea Eiendomskreditt 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 2014.

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 11 Transactions with related parties

Nordea Eiendomskreditt 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 Eiendomskreditt'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 unsecured funding to Nordea Eiendomskreditt, and at the end of second quarter 2015 such borrowings amounted to NOK 19.8 billion.

Loans to the public, which constitute Nordea Eiendomskreditt's cover pool, are purchased from Nordea Bank Norway. Instalments, early redemptions and refinancings will over time 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, if deemed necessary to maintain the level of overcollateralization. This year to date, loans amounting to NOK 10.1 billion have been transferred from Nordea Bank Norge ASA to Nordea Eiendomskreditt AS.

Transferred loans are continued to be managed by Nordea Bank Norge. For this service Nordea Eiendomskreditt has paid Nordea Bank Norge an amount of NOK 73.4 million in the first six months of 2015.

Nordea Eiendomskreditt also buys services related to funding and risk control, accounting and reporting, and IT services from other Nordea companies according to agreements entered into. All group internal transactions are settled according to the arm's length principle.

Statement by the members of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director consider that to the best of their knowledge the interim report for the six months to 30 June 2015 gives a true and fair view of the company's activities, its commercial position and results. The

Board of Directors and the Managing Director also consider that to the best of their knowledge the description of the most relevant risk factors the company faces gives a true and fair view.

Nordea Eiendomskreditt AS
Oslo, 16 July 2015



Jon Brenden
Chairman of the Board



Børre Gundersen
Board member



Ola Littorin
Board member



Eva I. E. Jarbekk
Board member



Alex Madsen
Board member



Marianne Glatved
Managing director

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